

AS SEEN IN Apparel

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As we look to the year ahead, we do so from a perspective where the country has just emerged from a government shutdown, which will likely have repercussions relative to consumer confidence and the general outlook about the position of the U.S. going forward. From a "big picture" perspective, can you share the concerns that are top of mind for you (or your customers) heading into 2014, and how you intend to address them?

The "big picture" perspective is a fundamental part of our daily discussions with the people who hold the key to planning for the future: bankers, accountants, designers, buyers, etc. Let's put it this way — no one is barreling forward with a sense of optimism! That is not to say that some industry participants aren't doing well; but even they "knock on wood" as they describe their current successes. Secondly, there is really no single direction that one can point to; the concerns are different for each generation. Although retailers seem to think that the millennials hold the key to future spending, some of us are not so sure. There is a vast chasm between the consumers for branded luxury products, that latest aspirational brand dictated by social networking, and the I-gotta-have-it "fast fashion" consumer — male and female. Even the financial and cultural futurists cannot agree. Therefore, if we can't read the tea leaves, then we switch to a crystal ball — and that means we all will be just guessing for some time.

How do you expect 2014 to shape up vs. 2013 for the apparel/retail industry in general, and why? What key strengths do you think will be the common denominators for companies that take leading positions in the industry?

Unless there is another political meltdown (probably), or a major headline-grabbing world cataclysm, I expect 2014 to be a year of expanded online sales; however, with a concerted drive to get the shopper back to the bricks-and-mortar retailer. If we don't, we will forever lose that portion of retailing that was the "impulse" buy — the extra item that we picked up when we walked through a store. By some estimates from specialty store merchants with long memories (we don't want to say "old"), impulse purchasing made up almost 15 percent of a retailer's sales plan. Let's remember that it was a mere 10 years ago when candles, pillows and tchotchkes of all sorts crept onto an apparel floor. These were impulse items that are not purchased online when shopping for apparel. So, overall, this 15 percent may never come back again unless people are walking the retail floors.

The key strengths and common denominators for the "leaders" will, unfortunately, be the marketing strategy, including the now-boring term "omnichannel." This is a huge change for our industry where product, style and quality were always king. The most beautifully designed branded handbag in the finest leather with a famous pedigree will not have a chance against something "hot" determined by the latest Hollywood celebrity or the social media gurus. Fulfillment issues will also determine success. If we are to be a society of mobile shopping, then the consumers' demands for immediate gratification will force new inventory management decisions on the manufacturer.

What technologies do you think will play the largest role in transforming the apparel industry in the coming year, and what specific strategies will be built upon them?

I believe that the new mantra will be "analytics." Understanding who is really visiting your social media sites will be key; knowing your competition, and taking Sociology 101 again, will be needed to define the customer for one's product. The choice of a company's supply-side technologies and SKUs will depend on the product, the distribution mechanism and the defined customer. There is definitely NO one-size-fits-all anymore.