



RETAILING MANAGEMENT

Levy|Weitz|Grewal

Newsletter for Instructors

This newsletter provides teaching tips and summarizes article abstracts for case discussions for the following topics:

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- [Walgreens, Kroger Form Group Purchasing Organization](#) (Chapters 6 & 12)
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The New Canada Goose Toronto Store Doesn't Have Inventory, But It Does Have a Daily Snowstorm

Courtney Reagan, CNBC, December 4, 2019. See also Tom Ryan, "Canada Goose Brings Snow but No Inventory to New Concept Store," *Retail Dive*, December August 9, 2019

Use with Chapter 6, "Financial Strategy," Chapter 11, "Managing the Merchandise Management Process," and Chapter 16, "Store Layout, Design, and Visual Merchandising"



For cold-weather adventure enthusiasts, the latest Canada Goose retail locations, such as the one in Toronto, are like a slice of heaven. They can put aside all their worries and insufficient gear, slip on some high-end Canada Goose down jackets, and venture into a totally unique experience. They enter through The Crevasse that looks and sounds like they are treading on crackling ice, between two sheer cliff faces. At the end of this hallway, they can proceed on to the Gear Room, to slip into new boots, gloves, and hats; the Cold Room (kept at -4° Fahrenheit), which tests the gear to its utmost degree and dumps snow from the ceiling; or the Elements Room, where they can watch interactive videos of remote, forbidden, and glamorous locations.

Coming back to reality, they might find that the jacket was so comfortable, they need it for their daily lives too. But to get it, they

must place an order, rather than leaving with the garment in hand; Canada Goose only maintains enough inventory on hand to enable shoppers to try it while on premises. The delivery option is rapid though, reaching customers the same or next day, depending on the timing of their order.

Although only a few of these conceptual stores currently exist, Canada Goose appears confident that such options will grow in popularity and demand. Although in Canada, the expensive gear is widely popular and often necessary to combat deeply cold conditions—as an executive notes, "cold weather is part of our national identity"—the company also wants to expand its international operations, including to regions of the globe where people would rarely need goose down slippers or wolf fur-lined mittens. In those places, the key is to establish the brand as an experiential, evocative, exciting option, whose recognizable logo people will be proud to sport.

Such branding elements also might underlie Nordstrom's efforts at stores without inventory for people to take home, and they constitute the founding principle of Bonobos. But for Canada Goose, the focus is particularly on establishing an adventure-oriented image to compete with international brands like Patagonia or North Face, where customers already can go to grab a jacket on their way to out of town to go camping.

Unlike those competitors though, Canada Goose's reputation rarely evokes environmental sustainability. Instead, critics complain that the use of resources such as goose down and animal fur are problematic and irresponsible. Thus alongside lines of fans waiting to experience the new concept stores, PETA protesters often can be found, recommending that people avoid the brand and its stores, whether with inventory or not, altogether.

Instead, consumers appear to be embracing it. The company's growth and revenues have increased notably in recent years, and as its offerings become more integral to consumers' experiences, in stores and on mountainsides, it appears poised to expand even further.

Discussion Questions:

1. How are some of the new Canada Goose stores different from a traditional bricks-and-mortar store?
2. How would the financial ratios discussed in Chapter 6 be different for such a new Canada Goose store compared with a traditional bricks-and-mortar store like Patagonia or North Face?
3. What other retailers are experimenting with similar store and merchandising design strategies?

Walgreens, Kroger Form Group Purchasing Organization

Emma Cosgrove, Retail Dive, December 16, 2019

Use with Chapter 6, “Financial Strategy,” and Chapter 12, “Buying Merchandise”

In an expansion of their ongoing collaboration, Walgreens and Kroger have established a Retail Procurement Alliance—their name for a common retail tactic called a group purchasing organization (GPO), which seeks to increase retailers’ leverage in the supply chain. Specifically, when they join a GPO, smaller retailers combine their buying power to make beneficial, strongly negotiated bulk purchases from the manufacturer.

Such arrangements are especially common for retailers that sell specific product categories, in relatively small volumes. For example, several independent office supply stores might go in together to order pallets of paper, then split the delivery across their stores. They enjoy the lower pricing of the bulk option. They even might be able to negotiate further discounts, assuming their purchase is substantial enough that a threat to take their combined business elsewhere would be a true concern for the supplier. Boutique hotels also often use such GPOs to purchase things like soaps and toiletries that their guests expect but that could be very expensive to procure in the relatively small amounts needed at any one time.



But in this case, neither Kroger nor Walgreens is especially small, nor are they highly specialized. In this sense, the Retail Procurement Alliance appears to represent a first-of-its-kind GPO that involves the retail healthcare industry. So what led to this novel option in this particular retail channel?

First, Kroger wants better leverage in its health and beauty offerings, and Walgreens wants to stock more fresh foods. Thus, by linking their purchasing through the Retail Procurement Alliance, each partner is sure to gain expertise in an area in which it strategically and actively wants to expand.

Second, though they are large corporations, neither Walgreens nor Kroger leads its market, such that their buying power still is relatively lower than that of their competitors. For example, their revenues combined reached about \$253 billion in 2018, which is no small amount. But in the same period, CVS alone earned \$195 billion, and Walmart took in \$500 billion in revenue. For suppliers then, these competitors represent much more pressing targets, whereas they might sense greater leverage over either Walgreens or Kroger on its own.

Third, the Retail Procurement Alliance signals their continued commitment. Both sides appear dedicated to making their collaboration work well, across various operational and supply chain features. This GPO offers another area for them to solidify and affirm their mutual commitment and dedication to serving customers with the best offerings.

Discussion Questions:

1. How does a group purchasing organization (GPO) affect the participating retailers, customers, and suppliers?
2. How do you expect this GPO to influence the financial ratios discussed in Chapter 6 for Kroger and for Walgreens?

How to Make Friends Online the Old-Fashioned Way (Buying Clothes Together)

Breena Kerr, *The New York Times*, January 2, 2020

Use with Chapter 2, “Types of Retailers,” Chapter 4, “Customer Buying Behavior,” Chapter 14, “Retail Communication Mix,” and Chapter 17, “Customer Service”



Imagine you’re a fashionable, environmentally conscious young professional, hired into your first job. Your company sends you to, say, Dubuque, Iowa—a great town, but not known for its fashionable offerings. You can visit your favorite brands online of course, but you’re also facing new budget constraints: rent to pay, student loans to start paying back, and someday maybe you’d like to buy a house or have some children. Does it mean that you can no longer claim “fashionable” as an adjective to describe yourself?

Of course not, because in today’s economy, savvy consumers, highly similar to yourself, have found ways to leverage social media to create novel retail channels, dedicated to giving you exactly the products you want, at a price you can afford, in a convenient place, and in a way that enables you to feel good about how you’re contributing, or not, to

global supply issues. In various buy–sell–trade communities, other socially conscious fashion fans on a budget post their lightly used items and ship them around the world. Some of the groups are dedicated to a particular brand, whereas others host a range of appealing options with various labels, but in many cases, they avoid mass market or fast fashion items. Rather, they purposefully embrace and offer independent, slow fashion brands, shared with like-minded consumers and virtual friends.

On Noishaf Bazaar (read the name backwards), the approximately 30,000 members submit items they no longer want, and the founder (along with three employees) reviews them for appeal and appropriateness. The site hosts around 1,500 products at a time, with several hundred new submissions arriving each day. To handle this substantial volume, Noishaf charges about \$4 per transaction, but it also facilitates interactions in which people clear their closets, and others obtain items at about half of what they would have cost originally.

Other communities are smaller or more specific, such as those dedicated to the Elizabeth Suzann fashion label. The members tag one another on posts that they think others might like, such as suggesting a pair of shoes, being sold by another participant, in the online friend’s size. When the Elizabeth Suzann hosted a sample sale in Nashville, many group members used the event as an excuse to make a road trip and meet the people with whom they had been shopping, trading, and exchanging clothing for months.

Whether small or large, the communities become, for many of their members, a regular, even daily form of interaction. Even if they are not buying specifically, they can visit the site to see what’s available, who is ready to give up an item she purchased last year, and who might be looking for something different. On a site dedicated to the Ace & Jig clothing brand, the entire community is tracking the journey of a single “traveling” shirt, which members agree keep for a day or two, post a picture of themselves wearing, and then send on to the next member.

They also offer support and encouragement, praising fellow members for how they have styled themselves in pictures that they post, modeling their latest purchase. Some platforms and brands are specifically dedicated to plus-size offerings, providing an alternative to the limited size ranges available in stores. And the participants reaffirm their own and the brands’ values, by reiterating their dedication to a sharing, rather than a pure consumption, economy.

Discussion Questions:

1. What are social media trading groups?
2. How are these groups changing the ways consumers interact with brands?
3. What are the advantages and disadvantages of these groups, from a retailer’s perspective?
4. What can retailers do to increase the benefits they might earn from these groups?

This Is Not Your Mother's Container Store

Daphne Howland, Retail Dive, August 16, 2019

Use with Chapter 5, "Retail Market Strategy," and Chapter 16, "Store Layout, Design, and Visual Merchandising"

Envisioning just the right combination of products to use to organize and design the perfect closet might be easy for people with innate design and spatial reasoning skills. But for most of us, figuring out how the display in the store might look in our homes can be a challenge, and the last thing anyone wants is to get home with boxes of shelving, only to find that nothing fits. This challenge is the impetus behind the latest location of The Container Store in Dallas, which exists mainly to feature a vast variety of closet types, layouts, and options to help consumers envision their future organizational potential.



The 50 different styles housed in the single location range from small pantries to massive walk-in closets, along with a two-car garage that offers suggestions for how to line the sides most efficiently. The focus is completely on design ideas. For example, the company purchased a dedicated inventory of custom-designed, color-coordinated clothing to display in the closets. Rather than being distracted by clothing of various colors or with ugly patterns, shoppers thus can focus on the storage options themselves.

Although nearly every outlet of The Container Store displays about 15 closet options, they also sell a range of associated products. The Dallas location (along with a version in Los Angeles that opened last year) is not there to push paperclips and binders though; it is dedicated to the closet design service provided by the company and displayed in its 50 example layouts. Some closet elements are available for sale, but really the purpose is to help shoppers get inspired and, in an ideal outcome, order both the design services and desired products from the store for later delivery.

The Container Store also is finding that its latest store is attracting a new segment of shoppers, namely, professional builders, architects, and designers who visit the massive location with their clients, asking them to use the available displays to help refine and communicate their preferences.

Discussion Question:

1. Which growth strategy is the Container Store using?

Why Is There a Coffee Shop in So Many Stores?

Caitlin Wolper, *The New York Times*, December 23, 2019

Use with Chapter 7, "Retail Locations"



Sometimes, the smell of coffee just changes the vibe. On a lazy Sunday, it encourages people to linger a little longer over breakfast; in an airport, it might hurry travelers along. Such effects, along with the other images and senses that coffee can convey, are part of why more and more retailers are including some sort of coffee bar in their stores, even if the products they sell have nothing to do with the caffeinated beverage.

For a furniture retailer called Lichen for example, adding a coffee bar transformed the feel in the shop, from a sort of gallery where people would observe the beautiful objects to a comfy lounge where customers feel like they have permission to sit on the couches and try out the lounge chairs. At another store, described as a sort of modern-day newsstand, the coffee offerings transform the space more evidently into a local meeting place, where people might linger

to discuss the news or share their latest movie recommendations.

But the coffee being served is not just some instant mix or drip brew. Rather, the retailers work with specialty roasters to develop personalized blends, matched to their locations, brand image, or target consumers. The Maglia Rosa shop sells mainly Italian-designed bicycles, so of course its coffee is evocative of the strong brews available in Italian cafes. In turn, some of these retailers enjoy a nice sales bump from customers who visit mainly for the tasty drinks. The furniture store Lichen notes that it even earns up to 20 percent of its sales from coffee, pastries, and other beverages.

Many of these smaller stores maintain a corner bar to sell the beverages, but other, larger stores offer up full cafes, such as the ones shoppers can find in several Brooks Brothers and Ralph Lauren shops. Here again, some customers come just for the coffee, and even for these international brands, that's just fine. Even if they only buy a \$5 cup of coffee, these consumers still are being exposed to the brands' offerings. If a particularly good-looking shirt catches a shopper's eye one day, what is to stop them from buying it? But if they have never stopped by for a hot cup of joe, they never would have had the opportunity to see it in the first place.

Discussion Question:

1. Why are retailers putting coffee shops in their stores?

H&M's Different Kind of Clickbait

Elizabeth Paton and Sapna Maheshwari, The New York Times, December 18, 2019.

Use with Chapter 9, "Information Systems and Supply Chain Management," and Chapter 17, "Customer Service"

The drive to produce clothing more quickly but less expensively is widespread, but its most prominent source might be the fast fashion movement, as exemplified by the international retailer H&M, a leader in the industry. Although such production and pricing pressures offer benefits to firms, which can sell more, and their customers, who obtain products at lower prices, they have serious and detrimental effects farther up the supply chain. When it comes to addressing these effects, H&M wants to take a leadership role as well.

A recently announced transparency tool is the first of its kind. Shoppers on the H&M website now encounter "product sustainability" links. When they click, the page details where each product was made, in terms of both the country and the specific factory. It lists how many people are employed by the factory and even gives its address. Furthermore, the sustainability information specifies the product ingredients and whether any of its input was recycled. Shoppers in stores, as long as they have downloaded the H&M app, can scan clothing tags to receive the same information.

It is the first transparency initiative of its time, but it is sufficient? Critics note that even with that information, consumers cannot confirm if a factory meets minimum safety standards or relies on child labor. Nor are workers' wages listed, which remains a major concern in global clothing supply chains.

Still, H&M points to this transparency effort, together with its other commitments to responsible supply chains, as evidence of its good intentions. It signed on to the Accord on Fire and Building Safety, which demands a minimum level of safety standards in all suppliers' factories. In addition to supporting this third-party organization, it sends its own observers into factories, often in unannounced visits, to check the conditions. If its internal analyses indicate that suppliers are not living up to its ethical standards, H&M immediately excludes those suppliers; in 2018, it cut ties with six companies it deemed as not in compliance with its required sustainability practices.

Calls for such supervision and sustainability efforts have mostly come from consumers, who often express disgust and dismay when they learn of the terribly unsafe, unethical working conditions in which factory employees in many underdeveloped nations toil (especially after tragic events that spark worldwide media coverage of those conditions). Yet these same consumers demand low prices, which requires an efficient supply chain. In this sense, H&M—and other brands in similar markets—finds itself in a difficult position. It must meet demands for both transparency and low costs. In the fashion supply chain as it exists today though, that goal might simply be impossible.



Discussion Question:

1. What is H&M's sustainability program?
2. Why did it start this program?
3. Do you believe this program will have an impact on H&M, and if so, what will that impact be?

They See You When You're Shopping

Jonah Engel Bromwich, *The New York Times*, November 26, 2019

Use with Chapter 4, "Customer Buying Behavior," Chapter 10, "Customer Relationship Management," and Chapter 17, "Customer Service"



When visitors to luxury brand websites put a product in their shopping cart, the retailer wants to respond right away, with encouragement and support to help them make the purchase. These are not little household goods from Amazon or cleaning supplies from Walmart.com; these carts include a \$900 Gucci bomber jackets for a toddler or a \$3900 purse from Neiman Marcus. To move these high-end customers along their journey, retailers increasingly turn to the services offered by Powerfront and its data analytics tool, Inside.

The service not only gathers customer data, but it also presents them in a way that is easy for customer sales representatives to understand and act on. Through Inside, each customer on the focal

retail site is represented by a small cartoon avatar that looks a little like a bowling pin. As this online shopper provides more information—whether by clicking on different color variations for a particular shirt, moving the cursor at different speeds, putting products in the shopping basket and then taking them out, or using words that signal their moods—Inside gathers the insights to add detail to its depiction. It also integrates information gathered from the customer's previous visits to the site. Thus it might be able to identify one shopper as tempted and excited about buying a pair of shoes, but not quite ready to place the order, then recognize that another shopper seems to be having a rough day and is trying a little retail therapy to gain an improved mood.

Such information, presented using cartoon symbols and images (e.g., smiley face, emoji hearts, a shopping bag accessory if the cart has items in it, a ribbon if the customer has purchased a lot before), makes it easy for human service and sales employees to gauge the tone and tactics they should use, if the customer clicks on the "want help?" chat button.

Once the customer has initiated the chat, the representative seeks to provide the level of service that any luxury customer might expect, even in stores. Even if the interaction is not face-to-face, they can express empathy with the depressed shopper, tease the excited potential buyer about how great it would be to have the shoes, help an indecisive shopper decide among a few potential options, and inform a grandparent about precisely which pair of sneakers will be the coolest gift they can give their teenaged grandchild. All of these actions also aim to appear personalized to the person's past preferences. Even if the representative has not actually interacted with the shopper before, it is possible to simulate such familiarity, because the vast amount of data, presented in an intuitive form, makes the necessary information readily accessible.

Notably, though the data analytics are powered by advanced, cutting-edge technology, the chat agents are all human, not bots. Powerfront's clients include retailers such as Neiman Marcus, Gucci, and Sephora. Customers on these sites likely would reject a canned or automated response from a bot, as poorly aligned with the likelihood that they might spend thousands of dollars during the transaction. Thus far, bots still have not attained the level of development at which they can sense consumers' emotions and respond in kind.

Discussion Questions:

1. What does Powerfront do?
2. What types of retailers benefit most from Powerfront's services?
3. From a customer perspective, would buying from a retailer that uses Powerfront influence your purchasing behavior?
4. How do Powerfront's services influence the buying process, as described in Chapter 4?

Chanel Slides Down to Aspen with a Pop-Up Boutique

Barry Samaha, *Fortune*, December 30, 2019

Use with Chapter 7, "Retail Locations"

Wealthy people love Aspen, Colo. The ski and snowboarding resorts, picturesque views, and clean air make the city a favorite location for vacation mansions and chalets. But for the uber wealthy, having to pack up the haute couture to move from one house to another likely seems absurd. Rather, they want stores in Aspen too, and luxury brands like Chanel are responding to those demands.

In the Chanel example, the designer created a fabulous and fancy pop-up store for Aspen's winter ski season, offering pricey sweaters and gorgeous handbags, along signature perfumes. It plans to remain open for just about two months, but no corners were cut in building out the boutique, designed to mimic Coco Chanel's own Paris apartment.



Other brands have made similar inroads, whether by holding trunk shows in luxury hotel rooms or building their own temporary spaces. For local retailers, the intrusion is a serious threat. Wealthy buyers might be enticed by being able to purchase from their favorite, familiar brands, rather than trying something local. Even if the famous brands stay only for the season, they might steal virtually all the sales a local company would make for the year.

Discussion Questions:

1. Why do retailers/manufacturers like Chanel open pop-up stores in locations like Aspen, Colorado?

Retailers Revamp Staffing as Fewer Shoppers Visit Stores

Sarah Nassauer, *The Wall Street Journal*, December 1, 2019.

Use with Chapter 15, “Human Resources and Managing the Store”



To serve online or mobile shoppers, some retailers build bigger distribution centers or add more regional hubs. Others beef up their delivery fleets. In all these cases, the companies likely need to hire new workers to work the new jobs. At Target, the demand to facilitate online shopping is just as pressing, but it is taking a different approach, such that it is trying to retrain and reassign its existing in-store employees to perform more functions related to getting products into online shoppers' hands.

In particular, a reorganization of responsibilities within stores means that staffers now are assigned to, and largely responsible for, specific departments, such as beauty, toys, or electronics. Whatever needs to be done in their department, the store employees are responsible for doing.

In the past, staffers instead were assigned according to their job function. An employee thus might have been assigned solely to ensuring sufficient stock on shelves, throughout the store. Today though, workers in the toy department all are responsible for keeping track of inventory levels and replenishing as needed, as well as helping customers, keeping aisles clean, and even picking products to fill an order that a customer placed online but wants to pick up in the store later in the day.

For Target, the revised staffing approach promises several benefits. It can avoid large layoffs of in-store staff, even if more customers continue to make the move to online shopping, as all trends suggest. At the same time, it can avoid the costs of hiring vast numbers of new employees (even if it may have had to devote of those savings to its retraining initiatives). Nor does it have the same needs for a separate night staff, which previously would have come in after stores closed to conduct cleaning and restocking jobs. Those tasks tend to be harder when stores are crowded, but as fewer customers visit stores—or only visit for a moment, to check in with the customer service counter to pick up their order—those limitations are less of a concern, so the work can get done even while the store is open for business.

Furthermore, by assigning tasks such as restocking and picking to employees who already are working in the store, it uses its available labor resources more efficiently. In the past, during slow periods, employees might have had little to do, whereas today, they can always be filling the next online order or checking inventory. Because the staffers are already on hand, they also can complete those orders more promptly, which makes busy customers happy.

Some staffers appear to love the change, noting that the increased responsibility makes them more invested in ensuring that their departments create and provide an enjoyable shopping experience for customers. But others have resisted, feeling overwhelmed by the increase in the number and variety of tasks expected of them. To address such concerns, Target has committed to raising all wages to at least the \$15 per hour threshold and, as noted, provided substantial retraining resources for all employees.

Discussion Questions:

1. How and why is Target changing the role of store employees?
2. What are the advantages and disadvantages of these changes?

Retail Tidbits

Nike Expands Swimwear to Include a Swim Hijab

Tatiana Walk-Morris, Retail Dive, December 12, 2019; see also Daphne Howland, "Nike Designs 'Pro Hijab' for Muslim Women Athletes," Retail Dive, March 8, 2017

Several years after the successful rollout of a hijab designed explicitly for athletes to wear while running, biking, or playing basketball, Nike has extended its offerings to include swimmers. New swimwear for women includes tunics and leggings, as well as a head covering that tucks away their hair and stays in place, even as they cut through waves or dive into pools. The innovative warp-knit fabric dries quickly and does not get soggy, and the clothing designs integrate other clever features, including built-in sun protection, sports bras, and mesh pockets to secure long hair. These moves reflect Nike's determination to meet the needs of diverse athletes, regardless of their body types, clothing preferences, background, or genders. In this case, female athletes who prefer to avoid gear that might reveal their arms, legs, or hair represent a notable and promising segment. The appeal of this market became abundantly clear when Nike first introduced a non-watersport hijab for runners and bicyclists, so this line extension constitutes a continuation of its efforts. Yet the goal is not solely altruistic; by meeting female athletes' demands better, Nike has enjoyed double-digit growth on its women's product line side.

Cheap vs. Pricey Cashmere: Here's the Real Difference

Jennifer Smith, The Wall Street Journal, December 12, 2019

Due to global production and consumption trends, together with updated manufacturing technologies, the price of cashmere—once a totally luxury market, in which higher prices consistently signaled higher quality—now reflects a wider range of influences. Even with these shifting implications, when it comes to the high-quality wool fibers, consumers still mostly get what they pay for, but now they have more options in that choice context. In particular, modern-day fabrication technologies make it possible to stretch and soften the wool fibers. Previously, innate factors such as the softness and length of wool largely determined its quality and longevity. To get sufficiently soft, long fibers, cashmere producers had to undergo a labor-intensive, slow process. The ranchers would wait patiently for their goats to shed their coats, then comb out the fine undercoat, separating it from the rougher top layer. Although modern manufacturing processes can make wool feel as if it is the best quality, over time, the bleached, dyed, stretched wool will break down more quickly than a traditional cashmere garment. Furthermore, traditional luxury brands still import the wool from Mongolia and China, where the goats thrive naturally, and hire experienced artisans in Italy or Scotland (countries with long-standing reputations for their wool sweaters) to spin it into gorgeous, long-lasting clothing. But recent competitors, looking to produce sweaters that ultimately will retail for around \$100, instead rely on production facilities in other locations, including Vietnam and China, which are better known for their low price manufacturing than for taking an artisanal approach to clothing. Today's consumers thus can still buy a cashmere garment for thousands of dollars that will retain its shape, softness, and warmth for generations—or they could spend about one-tenth of that and enjoy a pretty good, if not quite as soft or warm, cashmere sweater for the next few years.

Lord & Taylor Returns to New York—Sort Of!

Jessica Testa, The New York Times, December 11, 2019

Flexibility and dynamism are not terms widely associated with Lord & Taylor, the department store mostly popular with traditionalists and older consumers, who knew the company in its heyday. Following a common retail pattern for department stores, Lord & Taylor has undergone substantial shrinking in recent years, including the closure of its New York flagship store, together with dozens of other locations. On its comeback mission though, Lord & Taylor is trying something totally different, and that's where the flexibility comes into play. Purchased by a tech company, the retail operations now revolve around finding ways to integrate the remaining retail stores with a fashion rental service, as well as pop-up options that can get urban trendsetters interested in the brand. The tech company, Le Tote, also runs the rental service, and recent experiments include installing rental counters within department stores, to introduce the option to traditional shoppers. Then over a recent holiday season, it hosted a short-term pop-up store in New York's hip Soho neighborhood, trying to remind young, working women that they could visit a storefront, as well as rent their professional clothing online. In an extension of this experiment, Le Tote plans to develop and open small-scale, segment-specific, and dedicated Lord & Taylor-branded stores (e.g., featuring only beauty brands) in various locations throughout the country in coming months. Because the negotiated purchase of Lord & Taylor included a concession that meant Le Tote does not have to pay rent for any Lord & Taylor properties for the first three years, the company sees substantial room and leeway for experimentation. And it is determined to be flexible enough to take advantage of these opportunities to keep Lord & Taylor around for many more generations.

What If a Toy Catalog Could Talk? Walmart's Videos Could Be Virtual Disrupters

Joan Verdon, Forbes, December 21, 2019

Toy unboxing videos serve a vast range of purposes for toy retailers. They engage consumers, enhance the brand's appeal, and provide data about which toys are the most popular. The latest iterations add even another benefit, in that they contain purchase links to make it easy for children or their parents to buy the product being featured in the video, with a simple click. Consider Walmart's videos for example. Each of them starts with the child doing the unboxing or playing with the toy announcing, "This is an advertisement." But after that caution, the videos are totally fun, interactive, entertaining, and engaging. Young viewers can watch other kids take products out of boxes, play with them, and goof around with their friends. On Santa's page on the Walmart site, they also can interact with Santa himself, who asks them about their preferences and the items on their holiday lists. Other pages similarly allow children to rate the products they have played with, virtually, and collect their most liked options on a list that gets sent automatically to their parents. That list, naturally enough, also features direct links to Walmart's purchase page for the desired toy. Such selections also can tell Walmart what kinds of sales trends it might expect. However, due to the careful privacy restrictions in place when it comes to young consumers, it cannot retain the list data and link them to purchases, which would enable it to determine specifically if a particular child's list prompted a particular parent's purchase. The trends reflected in the aggregated data are significant though, and they suggest the substantial effectiveness of these sorts of interactive, entertaining, and novel communications with consumers.

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