4 ways to get closer to what your customers want

Each year shoppers purchase 80 billion pieces of clothing worldwide, up 400% from 20 years ago. To keep pace with this rising demand, many organizations rely on finding low-cost solutions to their problems. But this mindset can create a pattern where you're constantly looking for a cheaper way to source or manufacture your merchandise, instead of a smarter way.

Here are 4 ways to change this behavior:

1. **Take advantage of the omni-channel experience**

   Social media has changed the way your merchandise is marketed and sold. Designers are putting their collections on Instagram® before they hit the runway. Meanwhile, Millennials prefer to browse and shop online or on their mobile devices rather than at the shopping mall, as Forbes notes. At the same time, new business models are cropping up that blur the line between producer and consumer. To take advantage of what omni-channel offers, you should increase your channels to market and invest in business models, processes, technology, and product innovations to create new, differentiated experiences. As you explore the potential of these channels, maybe "crowd design, cloud source" could become the motto for the future.
Use the data that's in front of you to make better decisions

Sometimes all it takes is a change of color, fabric, or trim to catch a trend or extend the run of a flagging style. But how can you know and have you even noticed it's flagging? The data you need to improve your operations is likely already there, but perhaps you aren't using it as well as you could. To fix this, create a central data repository, so your entire organization works from the same information. Track, collect, and analyze the data generated between your design teams, among product developers and sourcing managers, and from your suppliers and merchandise buyers. Along with this data, you should also be creating a growing library of reusable designs, together with the specifications, BOMs, sourcing, costing, and construction details. This will minimize the lead time it takes to introduce variations on a style or to bring an extra contractor up to speed when you need added capacity. You'll also be able to aggregate the usage of materials and trims to leverage your buying power.
Listen to the consumer—not the competition

To create products that your customers love, arrange your business and manufacturing processes so you can take customer insights and turn them into fashion realities. One strategy is to start with common items for the line: fabrics and trim elements. Design a style around them and put it out there. Your customers can lead you to better designs. That way you can produce more of the winners and drop the losers. That’s Uniqlo’s method, observes New York Magazine, and it has put Uniqlo and its parent company Fast Retailing in a position to challenge fast fashion leader Zara on financial results. Your goal is to have a higher ratio of your designs make it through to retail and succeed. The customer will tell you what to focus on, so you can create more meaningful products than your competition. In the end, it’s the market that’s going to decide how well you’re doing—not your competitors.
Push collaboration instead of low-cost solutions

Collaboration in your value chain is the real key to success. You can always find a cheaper solution to meet your needs, but the lowest cost supplier is likely to be the slowest as well. Not only does geographic distance add lead-time, but manufacturing centers in low-cost countries often compensate for low margins with full capacity utilization. That’s risky behavior. You need to keep the total cost in mind. Just because you saved some money when you were sourcing, doesn't mean you should spend what you’ve saved on manufacturing. Source your components where they can be created best at the best total cost and with flexibility, quality, and reliability. Collaborate with all of the businesses in your value chain to bring these components together for assembly in a place close to your markets—at the best total price. Gaining 90 days advance knowledge of what the customer wants is worth the air freight if you’re selling out in minutes—especially if you’re actually getting your products into customers’ hands and not just to the distribution center or retailer.

The stakes in today’s fashion industry are high, while the margins are as tight as always. To create the products your customers want and keep your operations efficient and maintain your margins, you need full and flexible collaboration throughout your value chain. When you share the goals, risk and the rewards with your partners, you can improve customer satisfaction—as well as your margins.

Learn more about value chain collaboration at Infor Fashion ›

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INF-1478943-en-US-1215-1