

# Welcome!





# Agenda for Today

- The impact of Covid-19 on the textiles and apparel sector
- The new way of doing business in the T&A sector
- How best to prepare businesses
  - Poll – To better understand and address your needs.
- Lessons learned and key recommendations
- Questions and Answers



# Textile and Apparel Team



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# Impact of Covid-19



# Covid-19 Retail Impact

Why did so many retailers close or announce difficulty so quickly?



## Real Estate

The price of commercial real estate was again at an all time high right before Covid-19

## Debt

From over expansion, systems, poor sales, and poor order inventory management

## Late Implementation of Omnichannel

Majority of retailers did not properly implement omnichannel strategies until Covid-19 hit

## Suppliers or Distribution Centers Located in One Region

Inability to secure inventory due to country closures and DC's being located in covid hotspots





Neiman's Top Creditors	
UMB BANK NA	\$80,680,000
UMB BANK NA	\$56,583,532
MONUMENT CONSULTING	\$10,441,602
RAKUTEN MARKETING LLC	\$7,839,874
CHANEL INC.	\$6,001,543
VERONICA BEARD	\$4,345,512
LA MER	\$3,529,350
GUCCI AMERICA	\$3,161,246
DOLCE & GABBANA USA INC.	\$2,710,677
STUART WEITZMAN INC.	\$2,576,154
THEORY LLC	\$2,542,790
CHRISTIAN LOUBOUTIN	\$2,268,912
SISLEY COSMETICS USA INC.	\$2,243,266
YVES SAINT LAURENT AMERICA	\$2,179,588
BURBERRY USA	\$1,969,505
LA PRAIRIE INC.	\$1,846,128
NORTHPARK PARTNERS LP	\$1,846,128
AKRIS PRET A PORTER AG	\$1,840,737
RAG & BONE INDUSTRIES LLC	\$1,755,347
TATA CONSULTANCY SERVICES LTD.	\$1,638,581
EILEEN FISHER	\$1,626,841
FRAME DENIM	\$1,625,367
VERSACE USA INC.	\$1,529,459
PRADA USA CORP. MIU MIU	\$1,434,537
GIORGIO ARMANI	\$1,430,377
TORY BURCH, TORY BY TRB	\$1,375,981
JOHNNY WAS	\$1,345,041
JIMMY CHOO	\$1,164,736
FERRAGAMO USA INC.	\$1,163,434
ALICE & OLIVIA LLC	\$1,151,249
CRITEO CORP.	\$1,109,420
ELICIT LLC	\$1,085,495
LAFAYETTE 148 INC.	\$1,058,515
MANOLO BLAHNIK AMERICAS LLC	\$1,041,836
GIVENCHY CORP.	\$999,270
FACEBOOK INC.	\$994,830
THE ROW	\$948,910
BRIONI ROMAN STYLE	\$932,649
ERMEGILDO ZEGNA TOM FORD	\$905,113
BOTTEGA VENETA	\$887,717
BALENCIAGA AMERICA INC.	\$860,627
VINCE	\$849,187
ALEXANDER MCQUEEN	\$835,074
TOM FORD BEAUTY	\$821,681
CHLOÉ INC.	\$792,473
RTB HOUSE INC.	\$789,180
BALMAIN USA LLC	\$787,270
RALPH LAUREN CORP.	\$733,273
CARVEN LUX PERFUMES	\$732,293
DAVID YURMAN ENTERPRISES LLC	\$732,155



# Impact of Covid-19 on Wholesale

The retail market crisis impacted wholesale immediately

## Wholesale Market Jan - Mar

- The outbreak began in the middle of the AW20 wholesale market. This meant by the end of March the majority of buyers did not place their orders, fully cancelled, or placed on hold.

## Cancelled or Non-Payment of Spring Summer Orders (even if on the water)

- Spring Summer Deliveries were fully cancelled or placed on hold. Many deposits were not paid and many brands were stuck with materials and needing to pay for employees.

## Pre-Spring and Other Key Wholesale Markets were cancelled

- The market moved digitally with the majority of the industry not being prepared and many brands were unable to properly compete.



# Impact on the Global Supply Chain and Retailer Inventory Levels

Supply Chain

Production Issues

High Inventory Levels Greatly Impacted the Open to Buy





# The consumer kept buying

but differently....







## Ethical Standards and Social Impact

Consumers looked to emerging brands versus retailers during lockdowns and this trend turned into a key business driver going forward.

## Sustainability

Consumers became more aware and focused on sustainability and environmental impact of their buying decisions. They sought out brands with messaging that was transparent regarding their full value and supply chain.







## Social Media

The main space to discover a brand. Instagram was a huge sales driver and is not going away as a major sales platform.

## Community and Connection

Looked to smaller brands to provide them a community and to feel connected. Gravitated to brands that they felt was loyal to them.



## Transparency

Transparency with every level of the business. From the Brand Story, product, supply chain, and production processes.





# Key merchandise categories

- Home
- Handbags
- Jewelry
- Luxury Footwear
- Loungewear /Activewear



# The New Way of Conducting Business

This past wholesale market (Aug-Oct) was completely digital for all market categories.

Tradeshows and brands quickly pivoted to virtual shows, digital marketplaces, and zoom market appointments.

Pre-covid major retailers had three year plans to shift to these types of ordering systems. Majority fully shifted within 5 months of the first Covid-19 lockdown.



# Main BTB Platforms

Virtual and Digital Trade Shows

Zoom Market Appointments

Online Wholesale Purchasing Platforms

NuOrder, Joor, Brandboom



# How did the buying process work?

Key items needed for a successful market



Discovered brand on the platform



Viewed Lookbook and / or Linesheet



Viewed Brand's Instagram Page



Viewed Brand's Website



Requested zoom market appt



Buyer then watched the brand



# Types of buys

## Capsule Collection

Due to lack of open to buy, small buys to refresh their offering and / or to demonstrate they work with emerging brands.

## Test Buys

Due to buyers not being able to view the product in person and fully verify the brands, test buys have been conducted to ensure the images viewed and brand promises are correct.

## Immediate

Due to logistic issues and opening and closing of markets, buyers need immediate inventory to meet consumer demand

## Normal buying cycle and normal order quantities

Buying the normal buys and requiring the normal quantities i.e. TK Maxx ordering a year in advance and two containers



# Key Buyer Questions and Requests

- Detailed Sustainable and Environmental Verification
- Impact Statement and and Touch Points of Brand Support
- Even for small buys, buyers required images of brand's entire supply chain
- Buyers requested detailed product images that were hi-res and shot on a white background. This was due to shutdowns, lack of their organisations preparedness for e-com, and need to quickly sell the items.



## Consumer continue to prefer to go directly to the brand

Due retailers logistics, inventory surplus, and supply chain issues, as well as lack of impact statement, consumers continued to prefer to order directly from the brands.





# What does this mean for supporting brands in your network

Businesses will need support in both Business to Business and Direct to Consumer channels.

Buyers and Consumers require the same type of high level marketing. Businesses will need strong instagram and website with a strong omnichannel strategy.

The major issue is DTC is quite costly in the initial stages while building traction in the market.

# Survey

To better understand and address your needs.





# How to obtain industry related information

## WWD.COM

Women's Wear Daily is an industry focused daily publication which reports all items happening in the industry.

## VOGUEBUSINESS.COM

Vogue has launched a business focus of the industry. The daily publication provides an overview of what is happening in the industry and also provides insight into different regions.

## WGSN.COM

WGSN is a global forecasting company for not only colour trends, but consumer behaviours. The subscription is quite expensive, but they offer free white papers which are extremely useful.

## SOURCINGJOURNAL.COM

Sourcing Journal is a great industry resource which covers both sourcing and overall industry trends and information.



# Trade Show and Calendar Listing

modemonline.com

cfda.com





# Key Areas to focus on

Supply Chain

Logistics

Branding, what is your brand, customers

Photography and Videography

Tools to develop marketing

Instagram (and other relevant social media)





# How ITC SheTrades can help



# ITC SheTrades Resources

## SheTrades Commonwealth Learning Center

[shetradescanmonwealth.converve.io/TextilesApparel.html](https://shetradescanmonwealth.converve.io/TextilesApparel.html)

## ITC SheTrades

[Shetrades.com](https://Shetrades.com)

## ITC SME Trade Academy

[learning.intracen.org](https://learning.intracen.org)



# Lessons Learned and Key Recommendations

Preparation and More Time Than Originally Planned





# Q&A

Questions? Email us at  
[stcommonwealth@intracen.org](mailto:stcommonwealth@intracen.org)

