

## See Now, Buy Now's Double-Sided Effect on the Fashion Industry

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It's been about a year since see now, buy now surfaced on the fashion industry's radar. The new model of offering apparel to consumers directly from the runway may have a glamorous market appeal, but it could also complicate the apparel production process.



Collection pieces and lavish shows don't paint the whole picture though. The see now, buy now model can dramatically impact supply chains and the traditional fashion cycle. What was once a lengthy apparel production process is axed for a shorter lead time, with the added risk of getting stuck with overstock or, more detrimental, failing to capitalize on desire. On the other hand, if brands or designers work efficiently, they could experience a heightened market presence and boost their sales.

So, it's potentially a double-edge sword, not guaranteeing success or failure.

In the past few seasons, top designers, including Burberry, Ralph Lauren, Rebecca Minkoff and Tommy Hilfiger, have been pioneers with interactive runway shows, fashion week events and celebrity-infused capsule collections. But how they execute is as varied as the trends on the catwalk.

“Over 40 brands have since experimented with this idea in varying formats, from showing entire runway collections that are immediately for sale to a hybrid approach that incorporates a selection of instantly-available pieces,” Steven Kolb CEO and president of the Council of Fashion Designers of America (CFDA), said. “The fashion industry is in a time of experimentation.”

## **Building desire and a digital footprint**

Some in the industry view see now, buy now as a way to heighten consumer loyalty and their social media presence. Though this model could be challenging if consumers aren't immediately engaged with collections.

“The power of see now, buy now is really bridging the gap between consumer intent preference and actually getting it to their hands,” The Doneger Group SVP of global strategy and communications Roberto Ramos said. “The positive thing is that it forces the industry to be a bit more agile, more intent and in the moment.”

Compared to the traditional delivery schedules, see now, buy now has to spark consumer desire in a much shorter time frame.

Most consumers are already programmed to wait months for designer apparel, which allows them to build desire over time. With see now, buy now, the purchasing process is instant, so consumers have to adopt the new trends quickly.

While some fashionistas may be on the bandwagon, fashion laggards may not be as comfortable. The fashion cycle is led by influencers trying trends and then the general public following along at a later date. See now, buy now disrupts the desire process, which could be challenging. Should consumers not be emotionally engaged with their see now, buy now collections, the brand risks loyalty.

See now, buy now mavens, including Tommy Hilfiger, have turned this scenario on its head because it makes the consumer feel part of the excitement with Fashion Week events. During New York Fashion Week in September, Tommy Hilfiger debuted its see now, buy now collection with a runway show and carnival, which ignited positive consumer response.

“The feeling is that the designer or brand puts so much energy into that runway moment, which used to be for editors and buyers, [and] now reaches consumers so it is kind of a pop culture moment,” MintModa founder and creative director Sharon Graubard said. “They want to capitalize on that energy so the consumers can really participate and not just be a spectator.”

Kat Collings, Who What Wear editor-in-chief, spoke about her company's recent see now, buy now show.

At the brand's show, guests had access to a tablet that allowed them to purchase looks right off of the runway. Who What Wear incorporated this technology into the show so guests didn't have to wait to purchase their favorite pieces. With this option, guests weren't solely observing a show. See now, buy now enabled guests to digitally interact with the Fashion Week experience.

“It's a format that caters more towards the consumer, rather than the industry, which is compelling for many brands,” she said.

Social media also plays a significant part. Today, with the emergence of Instagram and Twitter, fashion trends rise and die quickly. With this pressure to stay in the game, many brands have turned to instantaneous deliveries to stay relevant in the consumer eye.

“Large audiences on social media destroyed the traditional Fashion Week model and brands adopted the see now, buy now model as an attempt to cope,” L2 research analyst Liz Elder said. “We saw bigger brands, including Burberry and Tommy Hilfiger, switch to the models first as a way to attract the millennial consumer and monetize their digital followers.”

As instant gratification changes the way consumers shop, the see now, buy now model fulfills this of-the-moment demand for the fashion sector. With the ability to drive consumer activity on digital platforms, it could boost immediate desire and in return, brands and designers boost their market presence. If see now, buy now experimenters don't have a strong campaign coupled with their collections, they risk not capitalizing on consumer desire.

## **Nearshoring the supply chain**

Sourcing and the apparel manufacturing process are also affected by this instantaneous strategy. It is interesting to see how several brands, including Burberry and Tommy Hilfiger, are making this model work for their supply chains. With shorter lead times and without feedback on inventory, it could be challenging and risky.

Big brands have a safety net if the collection doesn't sell well. With underperforming apparel, these brands can shuttle garments into their stores and outlets or off-price retailers. For smaller brands, this isn't exactly the same case, since they don't have the resources to take an inventory position on a product without assessing its selling potential.

“You have to inventory the product before you sell a single piece, so if it doesn't sell and if it happens to not catch on, you are stuck with the inventory unless you are a brand with a big vertical integration and you have retail outlets you can throw it right into,” Interluxe Holdings LLC co-founder and chairman Gary Wassner said. “That is one risk.”

The closer to need a company can produce, the more likely it is to deliver a collection that suits current consumer tastes, resulting in less overstock. That's one advantage to nearshoring, which involves taking a more local approach to sourcing, design and production. With the ability to source and produce products in nearby regions, including the Americas, some brands are able to seamlessly complete their collection in less time. Plus, it allows brands to place small initial orders and reorder the bestselling pieces quickly, further reducing risk. Bringing apparel manufacturing closer to home enables brands to have more control over every step of their supply chains.

“Now you have manufacturing facilities that have development centers, like ourselves, where designers can come and they will have pattern makers, sample cutters and sample sewers to create the collections quickly in a matter of weeks,” Grupo Merlet director of sales and operations Jose Ortiz said. “Now designers can collaborate with the manufacturing facilities and basically be able to do what we used to do in a month and do it in a week.”

Although nearshoring is a promising option for brands that would like to engage in see now, buy now, most companies are still pursuing Asia for apparel manufacturing. For those not working in the Americas, it could take time for them to onboard their see now, buy now collections.

And for some categories like activewear, brands are hesitant to shift production from Asia because that's where the supply chain innovation is happening.

“Some of the collections are being worked on here or looking for a new home here in the Americas, but still the overwhelming majority of the product is sourced in Asia,” TexOps president Juan Zighelboim said. “To build a meaningful and scaled up source base here in the Americas is going to take some time, but our advantage of proximity is going to heat up the discussion based on the pressure retailers are getting at the cash registers.”

As the see now, buy now model takes off, industry members will have to figure out a way to efficiently navigate their supply chains. Should brands capitalize on consumers' emotions, have a strong digital presence and pursue

alternative production strategies, including nearshoring, see now, buy now is less of a risk and more of a opportunity as the fashion industry continues to evolve in upcoming years.

“See now, buy now is not going away, but it is not taking over either,” Wassner said. “I think there is room in the market for all attempts and all experiments to address consumer behavior.”