

ALI ASARIA, TULIP RETAIL AND ETHAN SONG, FRANK & OAK

Retail is about the experience.

That was the message from a presentation by Ethan Song, cofounder, chief executive officer and creative director of Frank & Oak, and Ali Asaria, founder and ceo of Tulip Retail, on "From Virtual to Physical: How Frank & Oak Became a Model for Omnichannel Retailers."

According to Song, the apparel brand was started three years ago in Montreal. "We wanted to create cool clothes for regular guys like us," Song said. And while the company is a fashion brand, it wasn't other

not to mention the style advice features, all help to improve the life of a Frank & Oak guy. Even mobile, whether its the payment services or ease in accessing the site's on-line content on a smartphone, helps to up the experience quotient.

Song advocated that people stop thinking of each option — physical, mobile or desktop — as separate channels or screens. Digital content is available at the Frank & Oak stores, even at the Toronto location where half the store is a bar. The company also eschews beacon technology to help with self-service checkout.

"We did the opposite. We empowered our stylists at the stores to know all about the customers wherever they buy. All the channels link to the core base," Song said.

Asaria, whose firm provides retailers with in-hand technology to provide store associates with product, customer and store information to improve the customer experience, said, "We keep hearing of how shoppers have changed...Ninety percent of what's happening is inside the store."

What Asaria means by that, he explains, is "Stores are the strongest line of defense against e-commerce pressure and new entrants."

While retailers use beacon technology to personalize or make recommendations through apps, the key for retailers is still in the stores, he said. Using Frank & Oak as an example, the style advisers are not store associates. Their presence is not transactional, and that means a store's purpose is no longer about inventory. Rather, the "store is a way to share the brand, the products and the experience," Asaria explained.

He said for omnichannel, consistency and continuity at every touchpoint is key. According to Asaria, it's the simplest things that drive the return on investment, such as sales associates having mobile capability to answer questions from customers. "The future of retail is the store and the future of the store is the associate," Asaria concluded.

— VICKI M. YOUNG



design houses that the company looked to emulate. "We looked at media companies as our reference," Song said. That focus gave Frank & Oak the vision of how to make the lives of its customers better, the ceo said.

Song described his firm as an "experience company." By that he means Frank & Oak creates an experience that guys want to repeat. That experience — content on the site, the ability to buy products online and personal service, whether texting customer service or working with a personal stylist — are all powered by technology. Yet it's the culture and content that changes monthly that pushes Frank & Oak more into the media realm, or at least that's how the company views itself.

The monthly collections are available for a 60-day period, allowing for small production runs that tend to sell out in 45 days, Song said. And the monthly digital content,

GIOVANNI MANNUCCI, BOGLIOLI

How do you build a powerful brand?

It's a complex question, but Giovanni Mannucci, president and chief executive officer of Italian men's wear brand Boglioli, attempted to answer it in the most spirited way possible.

Mannucci, who previously served as ceo of high-end men's wear firm Isaia, is overseeing Boglioli's expansion. The tailored clothing brand opened a Milan flagship last year after Wise SGR, the private equity fund that owns all shares of the brand, completed the acquisition of about half of its current debt at merchant bank GE Capital Interbanca.

The executive, who joined Boglioli in 2013, used business philosophies and personal anecdotes to detail how he's attempting to grow the brand, which was founded in early 1900 and is best known for its K. Jacket.

According to Mannucci, brands should attempt to follow in the footsteps of the Apple iPhone and dominate a space instead of competing with other players. "They told us competition was a very good thing. It was a healthy thing. The more competition you have, the better for the consumer. But if you are the entrepreneur and you are the guy that's playing the game, you don't like competition do you? You want to dominate the game," he said.

In order to dominate, he offered a success sequence for brands — attention, criticism, haters, admiration — and likened it to the Kardashian brand trajectory.

"The first one is attention. Say, 'Hey, I'm here.' You are going to get the attention. Once you get the attention you are going to get criticism. Now criticism is good and



bad. You should listen to things. But if you have a plan, stick to it," he said. "They are going to hate you at one point, but eventually they are going to marry you. It's the sequence of the Kardashians."

As companies embark on this sequence, Mannucci said uncertainty and lack of persistence will get in the way of creating a powerful brand.

"You need to know what you are doing," he said. "If you are not sure of your values, your goals and what you want, the world will never reward you."

His last piece of advice: stay in the game. "Spectators pay and players get paid."

— ARIA HUGHES

GREG PETRO, FIRST INSIGHT INC.

According to the data guy, men's wear is a robust, growing business where retailers, vendors and brands could all be enjoying higher margins.

That was the key takeaway from Greg Petro, president and chief executive officer of First Insight Inc. Petro said the men's market presents a "complicated environment" where trends change fast, but where growth is vigorous.



"Customer intimacy remains important. Consumers want to communicate. And with technology, you can engage consumers on that level," Petro said, adding that with "predictive analytics," men's wear companies can also anticipate consumer behavior.

The Summit's theme of "The New Dimension" of men's wear was fitting to Petro's remarks, which included an overview of a market that is growing one-and-a-half times faster than women's wear and where online sales are growing at an impressive 17 percent.

More importantly, Petro said recent analytics suggest that men's wear companies can be pricing product at significantly higher premiums. The market test was done at the Milan fashion shows earlier this year where First Insight engaged consumers using online games to gauge trend preferences for brands, designs and price points.

First Insight crunched 500,000 data points in the testing, and the results revealed that the top three preferred brands were: John Varvatos, Prada and Salvatore Ferragamo. The analytics also showed that "by a margin of three to one, people prefer coats without a belt versus coats with a belt," Petro said, adding that the preferred colors were black, blue and brown — preferred by men and women alike.

And for men only, "oxblood/purple" and green/olive were tops. For women, gray and purple were winners. But it was the pricing front that was most intriguing, Petro said. On average, four of the five product categories tested could "bear a premium."

"We found that products could have carried a higher price point — much higher," Petro said, adding that with certain products, such as leather, the value proposition could have supported a 44 percent higher price. Long coats could have fetched an 11 percent premium while overcoats and casual jackets could have garnered premiums of 5 and 3 percent, respectively.

"Men are also more willing to pay more than women — up to 30 percent more compared to the price women will pay for the same item," Petro said.

— ARTHUR ZACZKIEWICZ

FELIX DEL TORO, LULULEMON

Yes, real men practice yoga, but they also have other athletic pursuits.

As Felix del Toro, senior vice president and head of men's design for Lululemon Athletica, describes the company's consumer, he works out five or six days a week and may do yoga once a week.

Del Toro recalled that when Lululemon Athletica was in the throes of developing its men's business two years ago, one question that kept coming up was whether to change the brand name and the logo. "How can this be relevant for men when it's such a woman's brand," del Toro remembered being asked again and again. "Can a women's yoga brand be meaningful for men? Obviously, we feel the answer is yes. Besides, we liked the challenge."

Lululemon describes its male consumers as being confident, competitive, well rounded and happy. "Self-assured and self-aware," del Toro added. "He's discerning, he recognizes quality and expects it. He's style conscious, works hard, has a sense of humor and is witty. He's a multidimensional man, someone you'd want to be friends with and someone you'd want your sister to marry — I know, he's quite a guy."

It stands to reason that the company's motto, "There's no reason why you shouldn't look as good as you feel when you're working out and pushing your boundaries," would appeal to such a male consumer, who may be a little vain, although del Toro didn't address the possibility.

"We're in this moment where sportswear and performance gear have come together," del Toro said. "For us, it's not a moment, it's who we really are. We create product by, with and for athletes, and our ultimate goal is to reach this intersection between technical performance and effortless style."

Del Toro said men's accounts for 14 percent of the total Lululemon Athletica business, which had sales of \$1.6 billion last year. In November, the company opened its first men's freestanding store in New York's SoHo. "We're looking at other stand-alone men's locations, we're looking at bigger stores and side-by-side stores," he said. "We have over 250 stores today. We're optimizing what's happening in those stores. We've expanded the collection by 70 percent and we see additional growth beyond that."

Del Toro derives a lot of insights from customer feedback. "We are consistently



in conversation around what is meaningful and what is relevant for our guest, who is an athlete," he said. "Within this very challenging world, how do we support him in living his daily life? By making products that allow for transformational experiences."

Lululemon apparel is created with the intent of multiple uses. The Pace Breaker short, for example, was made from swim fabric and can be worn as both a workout short and swim trunk. "He was happy because we made his suitcase lighter," del Toro said of the consumer's reaction to the two-in-one product. The ABC pant made from moisture-wicking four-way stretch fabric can be worn during a consumer's commute, while reflective details allow him to go bike riding. The pant can be worn to work and after work because it has "an elevated aesthetic," del Toro said.

Products under the headings of Sweat, Post-Sweat and No Sweat address functional strength training with a performance fabric so "the customer only has to focus on his performance. There are no distractions for him," del Toro said. After a workout, Post-Sweat garments allow his body to cool off, while No Sweat recognizes that he has a life outside of working out.

Offering some insight into the company and its culture, del Toro described going to work and "being surrounded by athletes every day. You see people coming in that have gone for a 20k run, somebody who's been cycling and someone who's been at the pool. It's really about being engaged in an active lifestyle. It's how we bring the brand to life and engage as a collective."

— SHARON EDELSON