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Conference Highlights Retail Bright Spots

by *Lindsay E. Sammon*

NEW YORK — Retailers' prospects are beginning to brighten, according to participants at a recent retail conference.

The People StyleWatch summit, held at the Time Warner Center here earlier this month, drew top executives to discuss key issues affecting the changing retail environment.

“Everyone is better positioned this year to have a more profitable holiday,” said Dana Telsey, CEO of Telsey Advisory Group, who moderated the panel focused on retail strategy and reengaging the consumer. “Like-to-like sales could be down, but holiday in total will be up slightly.”

Telsey posed questions to a panel of industry experts that included Lord & Taylor President and CEO Brendan Hoffman, Gilt Groupe CEO Susan Lyne, HSN CEO Mindy Grossman and People StyleWatch editor Susan Kaufman.

Though the panel agreed that retailers need to work harder to capture consumer dollars, they said the overall sentiment toward the upcoming year was positive.

“I feel better than I did late last year,” said Hoffman, who is working to reposition the department store to attract a more contemporary customer.

“July was down, August was down, but for September, we’re going to comp up by a few points,” he said, adding that customers are after key items with perceived value, not basics.

Kaufman agreed, and praised designers for editing their assortments down for spring '10 and making pieces more special.

“There is a clear sweet-spot price point around \$100 to \$300,” added Gilt Groupe’s Lyne, whose invitation-only, short-term sale model has grown tremendously since its launch in 2007.

Other panelists agreed that price is a top issue. For instance, Hoffman said that coupons help engage Lord & Taylor’s shoppers, while Grossman argued that newness trumps discounts.

Executives also stressed the importance of customer service during tough economic times. “We’ve invested heavily in the past three years in customer service,” said Grossman. “And you’ve got to be transparent [with the customer]. We post reviews on every product we sell.”

Lyne agreed. She has personally blogged to consumers to reveal pricing mistakes and address consumer concerns.

Internet opportunities were another hot topic among the panelists. While Lyne continues to create brand extensions for her online business — including Gilt Fuse and Jetsetter.com — Grossman said she considers HSN.com the company’s storefront. “We create original content for the site. HSN.com has become 30 percent of our overall business,” she said, adding that the site’s best customers visit about 18 times per month.

Though Lord & Taylor’s main priorities are centered around brick-and-mortar, Hoffman said he was committed to getting Lord & Taylor’s site up to speed with its department store competitors when the time is right.

“It’s difficult to run e-commerce when you’re a [multistore] retail operation,” said the CEO. “But we think the Web can be our top branch store in five years.”