

Le New Black Unveils its Study Results

The State of Wholesale in France: The New Buyers' 3D Vision

Disintermediation - Digitisation - Durability

At the beginning of this year, still shaken by the global health crisis, Le New Black unveils its **"State of Wholesale in France"** study*, highlighting the major changes in wholesale and the new buyers' 3D vision.

At the end of 2021, Le New Black conducted a **qualitative study*** to assess **the new expectations of French buyers and the evolution of international purchasing processes** after two years of upheaval in the fashion industry. It highlights the new mutations of the buyer job, a decryptor of trends and an essential link between international brands and end consumers.

This study, which focuses on French buyers, is the first part of a global research on "wholesale" conducted by Le New Black before offering its expertise on other European countries.

Pioneer of wholesale digitisation since 2009, Le New Black's mission is to enable fashion and luxury brands to create an online shopping experience for their B2B customers, by providing a powerful, intuitive and collaborative solution. The French B2B online platform, which in 12 years has become the expert in the commercial development of creative brands by enhancing their DNA while meeting the new requirements of international buyers, works with more than 400 brands and over 25,000 boutiques, department stores, e-commerce and concept stores in 95 countries. A true digital showcase, Le New Black is now a major player in the international fashion industry, and is the best commercial partner for creative brands such as AMI, Yves Delorme, IKKS, Kenzo, Bode New York, Casablanca, and organisations such as the Fédération de la Haute Couture et de la Mode and Seoul Fashion Week.

Following the unprecedented disruption in the fashion industry, Le New Black wanted to shed light on the French market by giving the floor to buyers from 3 distribution channels: department stores (Aubrun Homme in Bourges, Printemps Homme in Paris, Printemps.com Femme), independent stores (Elisa by Elisa Femme in Angoulême, Quai des Brunes Homme in Cernay, Max Luna Femme in Grenoble, L'Exception Homme) and multi-brand shop networks (Violette & Moi Femme in Vendée and Nantes, La Station Mixte in La Rochelle, United Legend Homme in Strasbourg) in order to understand tomorrow's challenges.

The result is a study* highlighting the 3 major changes in wholesale:

- Undeniable disintermediation
- Forced but creative digitisation
- Durability, but not without distrust

*10 interviews lasting 1 to 1.5 hours on 3 distribution channels in France: department stores, independents and multi-brand shop networks, conducted by Delphine Duran-Lesecq, a marketing research specialist. For complete neutrality, the selection of candidates in France was carried out by the Mars Branding agency.

"Since the beginning of the health crisis, we have been in constant contact with the actors of the fashion industry. Every day, we talk to worried clients and prospects who want to go digital (brands, trade shows, multi-brand showrooms, agencies). All these discussions are very insightful and allow us to identify a radical change taking place in the wholesale sector. To sum up, I would say that this mutation, which is taking place at full speed in just a few months, should normally have taken place over three or four years." **Romain Blanco, Managing Director of Le New Black**

Undeniable Disintermediation

With the health crisis, the habits of intermediaries involved in B2B sales processes have been shaken up (difficulty for sales representatives and agents to go and meet their customers physically, difficulty for trade fairs to operate normally in this unprecedented context, etc.), which has given way to direct online sales on B2B platforms.

"It is very difficult to buy alone on B2B sites! The role of the salesperson who explains the collection is essential. We at least need 30 minutes phone calls or video appointments. We appreciate that we can see the look-books and a model online" **Department store buyer**

"I prefer physical meetings and I keep a day to review and validate online orders" **Independent buyer**

Some brands have even switched to a 100% digital model by eliminating all interaction with their B2B partners and making way for "self-service buying".

"Relationships with suppliers were virtual during the lockdowns, orders were placed online with a file without people, it's not the same" **Independent buyer**

"It is rare for me to select and buy a brand 100% online without having seen it before..." **Department store buyer**

"Bellerose's strategy is not to be everywhere but to be in the right places. Wholesaling has allowed us to observe how a new market reacts: whether it is sustainable, whether it is interesting to have an agent or to choose our multi-brand resellers." **Servane Laurent, Information Systems Manager at Bellerose, Le New Black's client since 2018**

Today, there is a real need to reconnect brands with their buyers. The brands that will stand out from the crowd are those that know their customers best, and that capitalise on solid commercial partnerships and intuitive digital tools as a trusted intermediary.

Forced but Creative Digitisation

The fashion industry has been forced to reinvent itself in a hurry. With no fashion weeks and no physical meeting points, brands have digitised both their B2C and B2B businesses.

They have shown great creativity and resilience in order to facilitate the daily tasks of their partners and gain in efficiency and productivity. Some brands have even switched to a 100% digital model by eliminating all interaction with their B2B partners and making way for "self-service buying".

"I found the brands remarkable during this health crisis in 2020, because within 2 months they offered quality digital showrooms. We also had, very quickly, appointments on Zoom, online look-books ... a nice professional relationship at a distance" **Department store buyer**

"We have [...] given our professional buyers direct access to our offer 24 hours a day, 7 days a week, i.e. 4000 products on our personalised digital portal. Our buyers can browse each collection by look. As of our second season, we have strengthened our cross selling by adding suggested items to our product sheets. We have also relied on video content to tell our story, to provide a real experience" **Valérie Dassier, Deputy Managing Director at IKKS, Le New Black's client since 2020**

A trend confirmed by Le New Black in a seasonal study of online sales on the platform between 1 May and 31 October 2021: **1 in 2 orders on pre-order mode is placed autonomously by the buyer**, compared to 1 in 3 orders in 2019, and **100% of the reorders are carried out autonomously**.

Undeniably, the transformation of disintermediation is underway and is changing the way brands and buyers work together.

For buyers, digitalisation has been forced by the health context. For example, among the respondents, all have a website but **1/3** used it only as a **digital window** during the lockdowns, and **1/3** consider it as a **real online shop**.

"I created a Shopify website at the beginning of the health crisis but it did not work. During the confinements, I therefore decided to do standby in shops" **Multi-brand store buyer**

"It is very important to meet the teams, the brands and the designers in a place that represents the brand. This allows us to understand them better, to be won over by their project, and to project ourselves into their collection...to live the story that they tell us" **Multi-brand store buyer**

"We want to be able to communicate the emotion of the garment through our photos and videos, we want our buyers to feel like they are touching the designs, and that is a real challenge! Our strategy is to work hard on physical and digital, each supporting the other." **Louis-Gabriel Nouchi, founder of the eponym brand, and Le New Black's client since 2020**

The move to digital has often been imposed by the health crisis with little support from brands or platforms. Buyers are now waiting for a human presence that may be smaller but more qualitative to accompany them in their purchases. We are moving towards a hybrid model by injecting more emotion and life into the digital wholesale to offer an enriched shopping experience.

Durability, Not Without Defiance

Consumers want to buy better. All fashion players are unanimous on this fundamental trend, which becomes more crucial each season. But the CSR strategy of the textile industry covers many areas, from environmental, animal and human concerns to the concept of deconsumerism. It can be difficult to identify. Professional buyers, just like end consumers, want to be reassured by the commitments of brands well beyond their marketing campaigns.

There is a clear awareness among multi-brands stores of the urgent need for more sustainable fashion. Some groups such as Le Printemps of l'Exception have actively committed to a CSR approach by structuring a charter for responsible purchases and partners.

"The idea is to identify the brands that have really committed to a responsible approach. This is why we have created a reference framework in collaboration with the specialised agency Imagin/able, but also by setting up a committee of experts from the brands and from the different sectors of fashion, beauty, home and food. Brands are evaluated on 9 themes and 22 criteria. To obtain the label, they must obtain a minimum score of 30 out of 100 in this evaluation. **Stéphane Roth, general manager of Marketing and Communication for the Printemps group.**

"We are not just retailers, we are, above all, trend incubators and our role is to make our consumers aware of environmental and social issues" **Department store buyer**

"We have a green purchasing charter with several criteria: made in France, recycled materials, up-cycled, organic, e.g. Oekotex labelled, manufacturing (e.g. fairtrade)... " **Independent buyer**

However, even without a precise framework, many values emerge and the will to structure oneself is very present.

There is a real focus on sustainability and circularity. More sustainable fashion means making clothes that last over time: beautiful, timeless pieces, quality permanents. A desire to promote circularity while continuing to sell despite everything.

"In eco-responsible purchasing, the product must be timeless, so there is no need to sell out and destocking every six months." **Multi-brand store buyer**

"For me, a garment should be a beautiful piece that lasts and not a disposable product" **Independent buyer**

Without standardisation or a regulatory framework, B2B buyers base themselves on qualitative arguments such as the desirability of the brand, its commitment and its discourse. The criteria can be multiple: Made in France, Made in Europe, timelessness, solidity, commitment, traceability, value of the material, highlighting of know-how, etc. But some buyers are still wary of brand statements.

"Sometimes, we receive information on environmental impacts but there is no commitment or concrete actions... a certain consistency" **Independent buyer**

"I am wary. I wait for the brand to be consistent because it has become a box to tick, but I buy brands that are already very committed." **Department store buyer**

CSR is fashionable in the fashion industry, and above all translates into more durability and circularity for buyers. Despite a certain mistrust of their purchases and suppliers, buyers are looking for benchmarks, a framework or legislation. For brands, sharing information, communicating better on the actions taken and providing concrete proof are the challenges of tomorrow.

Conclusion

The acceleration of digitisation is underway for brands and, as a direct and necessary impact of the health crisis for buyers too. This digitisation is strongly linked to disintermediation, which can be felt as a threat to the buyer. However, it seems necessary to invent a new hybrid model for tomorrow's commercial relations. Organisations must be able to gain flexibility and reactivity while maintaining high-quality human relationships in order to meet the new challenges. Finally, CSR is a priority for everyone and remains a meaningful vector for brands, B2B buyers and end consumers. While waiting

for the regulatory framework to evolve, the players in the sector are waiting for concrete proof of the brands' commitment on this point.

"In such an unprecedented context, we wanted, through this first part of the qualitative study, to take a step back from the current events and successive crises, to discuss with B2B buyers and better understand their concerns. We are a digital company but we are convinced that the human element must remain at the heart of exchanges, and that platforms like Le New Black are a tool to help and facilitate trade. We are delighted to see that on one hand brands have shown creativity during the crisis to ensure the continuity of their business, and on the other hand, retailers have shown great resilience by continuing to reinvent themselves". **Romain Blanco, Managing Director Le New Black**

Le New Black wants to give brands the tools to be able to create immersive experiences: live B2B shopping, talking live with their buyers at any time, more agility, reactivity to the creation of 3D prototypes. This is why the French platform has collaborated with buyers and sales directors to launch its new interface, which will be released in Spring 2022. A new step in the optimisation of purchasing paths and brand-buyer collaborations!

See you in Spring 2022!