MAKER/SIGHTS

CONSUMER-OBSESSED IS THE NEW BLACK

The Modern Merchandising Maturity Model



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A Letter from MakerSights' CEO

REMEMBER GOING BACK-TO-SCHOOL SHOPPING AS A KID? Every August my siblings and I would pile into the car and head to the Maine Mall in South Portland. We'd go straight to the same sporting goods store to buy a pair of back-to-school shoes, and head directly from there to our go-to retailer for a few outfits.

As far as we were aware, the total world of available products existed within the shelves and displays of these two stores, and our purchase decisions were influenced primarily by what caught our eye on the mannequins. Now, contrast this with the back-to-school shopping experience most kids have today.

Local malls still exist, of course, but more than **80% of consumers** prefer to start their shopping experience online. Algorithms feed them hundreds of personalized product recommendations directly from dozens of brands each day. Social influencers live tweet runway looks from across the globe for real-time consumer reactions. Fast fashion brands adapt and mass produce the latest styles before you can even say "TV commercial."

Shoppers spend hours researching products and reading peer reviews prior to ever stepping foot inside a store — that is, if they visit the store at all. Digital commerce has made it possible for consumers to buy almost any product from nearly any brand in the world with a simple smartphone tap or two.

The shopping experience has changed drastically since I was a kid just a couple of decades ago. Back then, consumer options were limited to a few big retailers and brands with millions of advertising dollars and the scale to command nation-wide shelf space. Brands basically had the power to control consumer demand by being one of the only shows in town.

However, most brands today still approach merchandising the same way they did before consumers had real-time visibility into trends and reviews, easy access to near-unlimited options, and the ability to purchase products from around the world on demand — and it's leading to a staggering amount of waste and missed opportunities.





Not only are consumers satisfied with products for just half as long as they were 15 years ago, but retail overproduction has reached an astonishing 40 percent per season.

For example, **take a look** at the mountains of unsold jeans, jackets, purses, dresses, and more piling up in Chile's Atacama Desert at the jaw-dropping rate of 39,000 tons per year. Not only are consumers satisfied with products for just half as long as they were **15 years ago,** but retail overproduction has reached an astonishing **40% per season.** Markdowns now cost brands a whopping **$300 billion annually, or 12% of total retail sales.**

As supply chains, technology, and consumer purchase behaviors have evolved, the way brands determine the variety and volume of products to bring to market has remained stagnant. Brands still develop 3-5 large seasonal assortments each year, with each release taking 18-24 months to complete.

Despite these long planning cycles, teams operate in a pressure cooker-like environment where they fight to make their opinions heard, rather than collaborating or using data to objectively guide assortments. Such large, infrequent launches make it nearly impossible for brands to respond to or capitalize on emerging trends, current events, and unexpected disruptions.

Stakeholders attempt to minimize risk by focusing on making incremental improvements to tried-and-true best sellers instead of prioritizing the bold newness and creativity required to capture consumers' attention today and grow market share tomorrow. And while information from competitive shopping, past sales performance, and market trends is often used to help shape assortments, most brands still fail to collect data directly from the source best able to accurately predict demand and right-size investments: consumers.

This seasonal, supply-driven merchandising strategy worked when consumers waited with bated breath for brands to reveal the latest runway looks, and their entire world of options could be contained within the store shelves of the local mall. But now, it's time for retailers to seriously reexamine the traditional merchandising approach and move toward a more consumer- obsessed, demand-driven model that protects their brand integrity, their profit margins, and the environment.

Current Concept-to-Consumer Process

18-24 MONTHS

CONCEPT	SKETCH REVIEW	LINE ADOPTION	INVESTMENT REVIEW	GO-TO-MARKET
Conduct competitive analysis and travel to "fashion hot spots" for inspiration.	Create product briefs for newness, as well as core and new SKU plans.	Assess regional, channel, and marketing needs.	Showcase assortment to retail buyers and key accounts.	Create visual merchandising strategy by region and channel.
Analyze trends reports to inform global and regional strategies.	Create initial samples of newness.	Conduct competitive analysis and reconcile assortment voids and opportunities.	Confirm adoption levels with DTC/eCommerce and marketing.	Develop marketing campaigns for key looks and hero silhouettes.
Prepare assortment strategy, design direction, and delivery brief.	Refine design details and iterate on samples.	Further refine design details and create new samples.	Gather regional buy requests.	Determine go-to-market strategy by region and channel.
MILESTONE DECISION Review strategy and set seasonal direction.	MILESTONE DECISION Define candidates for newness to support financial plan.	MILESTONE DECISION Design SKU architecture.	MILESTONE DECISION Determine SKU buy depths by region and channel.	MILESTONE DECISION Finalize visual merchandising, marketing, and GTM plan.

We at MakerSights are seeing a growing number of cutting edge brands adopt this modern, consumer-obsessed approach to product development and merchandising, and have had the privilege to work with and support them through this transition. Along the way, we've identified many common challenges and stumbling blocks, top data sources and technologies, and key strategies and opportunities.

We've compiled our learnings into a five-stage model to help brands achieve modern merchandising maturity. And now, I'm thrilled to share MakerSights' Modern Merchandising Maturity Model with you!

Modern Merchandising Maturity Model



The following pages of this guide are chock-full of industry best practices, actionable insights, and proven tactics to help streamline and accelerate your journey to consumer-obsessed merchandising. We're so happy to have you join us on our mission to radically reduce economic and environmental waste by helping product managers, merchandisers, and brands create products their consumers love.

Cheers,



DAN LEAHY
Co-founder & CEO
MakerSights



02

What it Means to be Consumer-obsessed

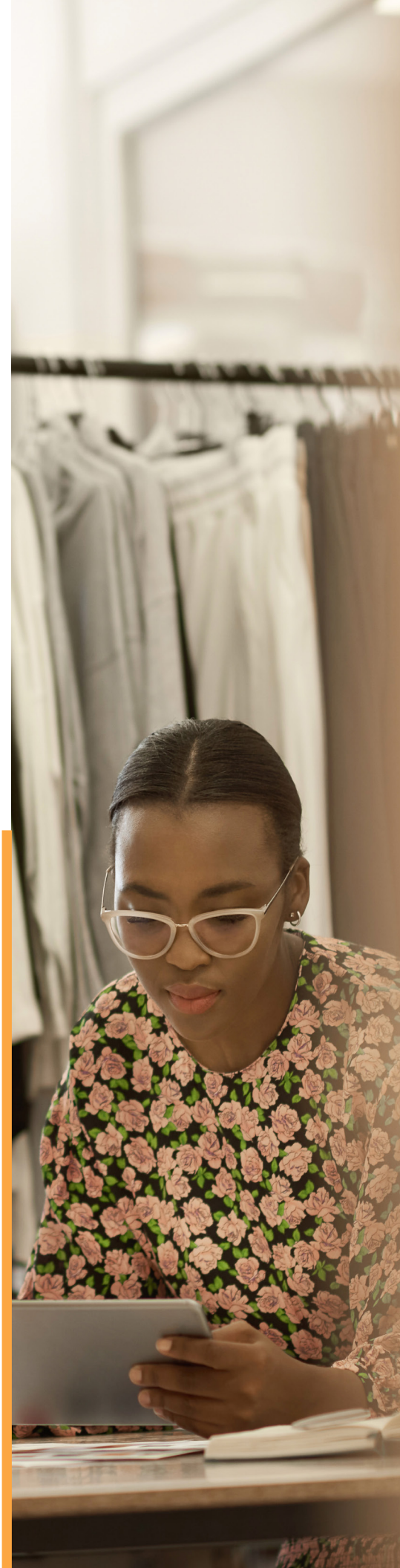
If you had reliable information about your consumers' future preferences but it conflicted with the assortment you were planning, would you revise your assortment to meet their desire rather than your own?

Consumer-obsessed brands (or those that genuinely want to be) will answer with a resounding yes. They understand that while it's their job to lead the product creation process and have a distinct point of view, success ultimately depends on their responsiveness to consumer preferences and demands. This makes them open to soliciting feedback directly from their current customers and the consumers they're seeking to serve tomorrow before products are developed and assortments are finalized.

They're hungry to put these insights into action and use them to inform decisions around new colorways, fabrics, and patterns. They value humility, efficiency, curiosity, and continuous learning. They realize that traditional merchandising processes, tools, and best practices simply don't meet the needs of today's digital, data-rich, and direct-to-consumer world.

That's why consumer-obsessed brands are separating decision making workflows for incremental updates to proven carryover styles from those involving riskier, more experimental newness. Rather than releasing a few big seasonal assortments each year, these brands are moving toward a more nimble, iterative, and consumer-informed merchandising approach that breaks fashion lines into smaller, more frequent releases of just a few SKUs each.

Instead of simultaneously reviewing hundreds or even thousands of styles in a single milestone meeting, decisions regarding core SKUs and small carryover updates can be treated as an efficient exercise in economics. This frees stakeholders to focus on testing and creatively honing innovative new styles that expand high-value audience segments and increase market share.



The Benefits of a Consumer-obsessed Merchandising Strategy

Replacing supply-led, two-year assortment development processes with more frequent consumer demand- and data-informed releases has many short- and long-term benefits. First, it allows brands to quickly cater to and capitalize on rapidly evolving fashion trends and current events. Releasing smaller volumes and varieties of experimental SKUs allows brands to be more creative, learn quickly, and adapt their assortments with far less risk.

Shortening the time between concept and release improves brand agility, effectively minimizing traditional challenges associated with changing consumer preferences, supply chain interruptions, and market downturns. It also makes it easier to accurately predict demand and right-size buy depths.

The ability to give consumers what they want when they want it increases awareness and revenue. Brands that do this in a measured, data-informed manner make small, sure bets that contribute to major advancements in economic and environmental sustainability. Fewer markdowns means higher brand integrity, better margins, and greater loyalty. Less overproduction and fewer unsold goods means healthier air, cleaner water, and a better future for everyone — which is the greatest benefit of all.

Finally, from an internal perspective, relying on consumer data to support decision making removes a lot of pressure from product review cycles. Iterative releases eliminate stressful "big reveals" and the need to work on multiple high stakes assortments at once, helping teams zero in on key discussion points, collaborate effectively, and reach consensus more quickly. Stakeholders have the time, space, and information necessary to confidently pitch ideas and drive the organization-wide conviction required to deliver truly amazing products.

MakerSights' Modern Merchandising Maturity Model

It's clear that a modern merchandising strategy provides many advantages for brands, consumers, and the environment. But the transition definitely doesn't happen overnight. Brands must make a conscious and collaborative effort to put the consumer first, embrace new data and technologies, and evolve gradually at their own pace.

We recognize that every brand's exact journey and challenges are unique, so we recommend cherry picking the tactics that work best for you and skipping over those that don't. But in general, following the steps outlined in the following stages is sure to help bring your brand that much closer to achieving modern merchandising maturity.

Look ahead to find your current stage, and let's get started!



STAGE 1
Inform Decisions with Consumer Data

Step outside your brand's echo chamber and learn the best data sources and methods for collecting direct consumer feedback to guide decisions around new categories, colors, fabrics, styles, and much more.



STAGE 2
Digitize Milestone Meetings

Explore the tools and tactics brands can use to digitally transform line reviews in a way that streamlines milestone meetings, accelerates decision making, and helps stakeholders break free from their calendars.



STAGE 3
Collaborate with Purpose and Confidence

Craft better assortments in less time when stakeholders collaborate with confidence by centralizing team feedback, focusing discussion on key points of contention, comparing qualitative and quantitative data to drive objective alignment, and more.



STAGE 4
Remove Silos Between Product and Go-to-Market

Improve regional performance and significantly reduce waste when you incorporate go-to-market data and teams earlier in the product creation process using a cohesive concept-to-consumer approach.



STAGE 5
De-risk Major Releases with Incremental Wins

With the right data, tools, and processes in place, it's time to learn how to take the final and most challenging step toward becoming a consumer-obsessed brand: trading seasonal assortments for smaller, faster, and responsive releases.

03

MODERN MERCHANDISING STAGE 1

Inform Decisions with Consumer Data

Start at Stage 1 if...

- You have a strong desire to be consumer-obsessed, or to better understand your current and aspirational consumers' preferences and demands and use them to help guide assortment decisions.
- Outside of historical sales performance, little (if any) zero-, first-, second-, or third-party data is considered during the product creation and line review process.
- Stakeholders' gut feelings, experiences, and opinions ultimately dictate which products are brought to market.

Brands spend up to two years and thousands of dollars flying designers around the world for inspiration, reviewing countless samples, and hashing out subjective stakeholder arguments to develop a single assortment. Along the way, **60% of product and merchant professionals** consider past sales data, while 59% factor in market trend data.

However, **nearly 70% of merchant and product professionals** report that their brands' assortments are not consistently informed by consumer input. That's why stepping outside their echo chambers and tuning into the real-time voice of the consumer is the first step for brands to evolve their merchandising strategies to a more agile, iterative, and consumer-obsessed model.

CHALLENGES	OPPORTUNITIES
Modern consumer behaviors and preferences change rapidly, and successfully launching new products may require exploring new or refining existing target audiences.	**Segment new and existing target consumers** by demographic, psychographic, and behavioral data to gain a deeper, more accurate understanding of current preferences and purchase habits.
Few data sources are considered during the product creation process, leading to subjective, often emotional discussions that waste precious time and resources. Disagreements are typically solved by the loudest voice in the room.	Accelerate decision making and drive stakeholder consensus by **using data from product reviews, social listening, and other sources** to objectively guide colorways, fabrics, fit, and more.
Most data sources look backwards at past trends or sales data, making it difficult to capitalize on current events, trends, and opportunities.	**Solicit direct, specific, real-time consumer feedback** on new designs being considered to ensure assortments reflect the latest market trends and buyer demands.
Decision makers face pressure to get assortments "right," causing them to forgo potentially lucrative risks and new experimental styles in favor of incremental changes to proven past sellers.	Improve the success of each release by **using consumer data to inform decisions at every stage of the product creation process,** minimizing internal tensions and maximizing creativity.
People naturally tend to approach or interpret data in a way that confirms their own pre-existing thoughts or beliefs — a common issue known **as confirmation bias.**	**Approach data analysis with the scientific method in mind** and as an opportunity to learn how to better serve customers, grow your brand, and eliminate waste.

1 REFINE TARGET CONSUMER PROFILES

New brands usually invest a lot of time, money, and research into understanding and clearly defining their target consumers. However, it's inevitable that these consumers and their purchase habits and preferences will evolve over time — especially given today's rate of change and innovation. Brands may also want or need to expand this initial audience as they explore different styles or develop new product categories.

Knowing which products to create each season, how many of each SKU to order, and even how to market them requires brands to consistently update and refine their target consumer profiles. It's helpful to segment consumers by demographic, psychographic, and behavioral data to gain a deeper, actionable understanding of both existing and potential customers.

Demographic data refers to population-based and socioeconomic information like gender, zip code, education, age, income, race, and marital status.

Psychographic data includes information about a person's activities, interests, and preferences, such as their favorite brands, any sports they play, if they like to travel, whether they're a cat lover or a dog lover, etc.

Behavioral data is information that's associated with a consumer's purchase habits, like whether they tend to shop online, via a social app, or in store, or how much they spend on average.

It's often said that demographic data explains **who** is buying, psychographic data tells you **why** they buy, and behavioral data tells you **how** they buy. While every brand defines its target audience differently, here are a couple examples of what a robust consumer profile segment might look like:



CONSUMER 1
The Outdoorsman

GENDER
Male

AGE
25-34

TOP BRANDS
Patagonia, REI, The North Face

HOBBIES
Hiking, Camping, Skiing

BEHAVIORS
50%+ of purchases are made via mobile browser or application



CONSUMER 2
The Cosmopolitan

GENDER
Female

AGE
35-54

EDUCATION
College

INTERESTS
Politics, Traveling, Fashion

BEHAVIORS
Purchased a luxury-brand handbag in the last 12 months

2 EXPAND YOUR VOLUME AND VARIETY OF DATA SOURCES

No matter how many years of experience or creative ideas someone has, it's simply unreasonable to think they can predict what products other people want — particularly with the degree of specificity, accuracy, and consistency required to maximize margins and minimize waste.

Stakeholders must look outside the four walls of their milestone meetings to help objectively guide assortment decisions, whether they're launching a new category or testing a bold new colorway. Not only does this help decision makers reach consensus faster and with far less pressure and friction, but it also improves the performance of every assortment.

Nearly three-quarters of product and merchant professionals believe their brand must become more data-informed to stay competitive. That's why we recommend brands begin factoring in data from a number of different sources during the product creation process, including:

SALES AND PERFORMANCE DATA

Historical information like profit margin by product, revenue by region, and percentage of overall markdowns can help brands predict future performance, double down on successes, and avoid repeating failures.

INDUSTRY REPORTS

WGSN's annual trend forecasts, seasonal Pantone Color Reports, and other market research is helpful for staying on top of consumer trends and ensuring product assortments are current and competitive.

CUSTOMER REVIEWS

Paying close attention to how customers rate and review different products gives brands valuable insight into consumer preferences, and can even inform product updates or improvements that increase sales.

SOCIAL LISTENING

Did you know that **80% of customers** engage with brands on social media? Monitoring followers' likes, comments, and mentions not only helps brands better understand their audience, but also offers valuable insight into customer satisfaction and current preferences.

> "Looking to the future, retailers should....seek a more diverse set of data sources instead of an overreliance on historical data. Examples include web scraping for social mentions and hashtags to inform geographic-specific assortment, as well as third-party solutions such as MakerSights, which allows retailers to test products and concepts with consumers early in the development process.
>
> MCKINSEY & CO.

STORE ASSOCIATE FEEDBACK

For brands with brick and mortar locations, retail associates are a wealth of information since they see and hear first-hand exactly what shoppers hate, love, want, and need.

COMPETITIVE INTELLIGENCE

Digging into competitive brands' most popular and up-and-coming styles can help you replicate certain elements of their success while better differentiating the products you bring to market.

GLOBAL NEWS AND ECONOMIC TRENDS

The sooner a brand hears about an early spring or a supply chain disruption, the faster they can adjust their product assortment to circumvent potential issues and capitalize on unexpected opportunities.

WEBSITE AND ECOMMERCE DATA

From page views to product clicks to abandoned carts, a brand's website tells product and merchandising professionals a lot about shoppers' preferences and behaviors in near real-time.

POINT OF SALE (POS) DATA

Transaction information from a retailer's physical stores can help provide a better understanding of everything from customer demographics to consumer shopping habits to your brand's market share.

While each of these data sources can be helpful in the right context, it's important to note that the more recent the data, the better. For example, 2019 sales data was not particularly relevant or indicative of future performance during the COVID-19 pandemic in 2020, 2021, and beyond. In contrast, eCommerce data is highly reliable since it can be collected and analyzed in near real-time.

Similarly, information that's volunteered by your consumers (**zero-party**), captured directly by your brand (first-party data), or provided by a partner you know and trust (second-party data) is the most reliable kind of data. While information curated and published or sold by vendors (third-party data) can be insightful and useful for supporting or enriching existing data, it tends to be outdated and prone to inaccuracies.

3 FOCUS ON THE VOICE OF THE CONSUMER

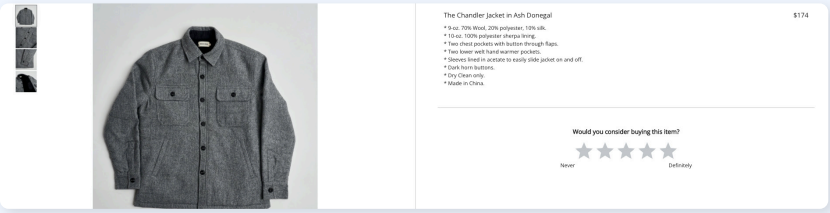
While first-party data like eCommerce performance offers highly dependable insight into recent consumer trends and demand, the most illuminating data a brand can have comes "straight from the horse's mouth," as the saying goes. In fact, nearly 95% of CEOs recognize data on customer preferences and needs as critical or important, ranking it the number-one most valuable data type, according to **a survey by PwC.**

Soliciting product feedback directly from current customers and aspirational consumers empowers brands to get clear and direct answers to specific, highly detailed questions that shape high-performing assortments. Product managers and merchandisers need to collect feedback from their target audiences and test new and experimental styles *before* they invest in samples or place orders with factories, conserving valuable time, money, and resources. This minimizes risks and stakeholder doubts that get in the way of delivering newness by objectively measuring demand and shoring up the success of each release.

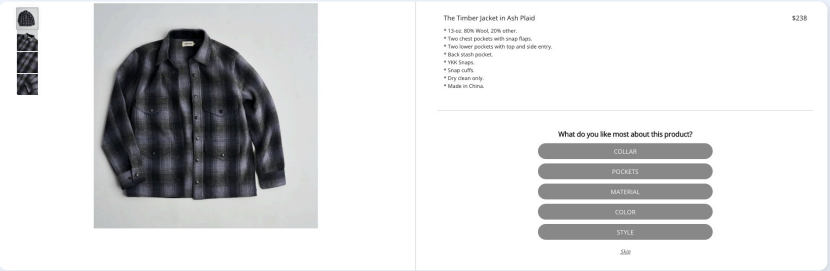
Traditionally, the most common way for brands to capture the voice of the consumer has been through focus groups. However, gathering multiple people in a room and passing around color swatches isn't exactly fast or easy to scale. As retail veteran, Rothy's SVP, and MakerSights advisor Chris Hull **explained in a recent interview:**

> "In my days at Nike you'd organize a focus group of maybe 10 to 12 people. It's time-consuming to do, expensive, and it's usually dominated by one or two voices, the most opinionated [people in the room]. You come back from those focus groups thinking that you can extrapolate those two voices to be 2,000 voices and that's going to help make your decision.
>
> **CHRIS HULL,** Rothy's SVP & MakerSights Advisor

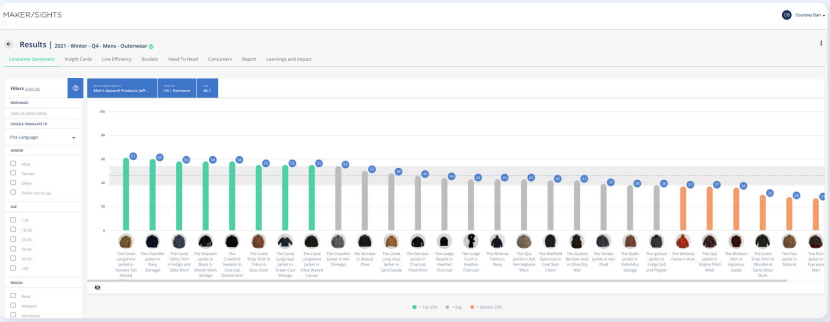
Fortunately, the latest technology allows brands to digitally gather detailed feedback from thousands of consumers across highly specific segments in just a few hours. **Assortment management solutions** make it possible to evaluate and compare consumer preferences and demand for various products and particular features, including fabrics, colors, patterns, silhouettes, prices, and much more.



For example, pretend your brand sells mens shirts and must decide between two new high-end SKUs. You could run a test for each shirt to your brand's segment of luxury buyers, asking them to rate their potential purchase intent for shirt A and shirt B on a scale of one to five.



Then, you could ask them to choose which specific attributes they like most about each shirt. From there, you would be able to see which shirt these target consumers prefer, as well as which features they like best.



Imagine you discover that while your audience prefers shirt B to shirt A overall, they rated the pockets as their *least* favorite feature of shirt B, and their *most* favorite feature of shirt A. Now your team can test a version of shirt B with pockets like those on shirt A to achieve even greater alignment with your target consumers' preferences.

4 SEEK CONSUMER FEEDBACK DURING THE FIVE PRODUCT CREATION PHASES

Yes, the voice of the consumer is invaluable. But it's not enough to seek shoppers' opinions right at the beginning or the end of the product creation and merchandising process. Trends and consumer preferences change rapidly in today's always-on economy. Sometimes products look different in the sketch or 3D CAD drawing phase than when they're actually made into samples. Different regions buy different quantities of different styles, colors, or materials.

That's why the brands that gain the most from consumer feedback are those that seek it at every stage of product development. While exact naming conventions vary by company, the typical product creation process includes five key phases. Each phase has its own decision milestones that benefit greatly from varying consumer inputs.

See the chart below for a breakdown of these five phases, associated decision milestones, and voice of the consumer data brands should consider at each stage:

PRODUCT CREATION PHASE	KEY DECISION MILESTONES	RELEVANT CUSTOMER FEEDBACK
CONCEPT	What trends should we focus on this season? Where are the market white spaces and product gaps we can fill? How can we better differentiate ourselves from competitors?	What fashion trends are consumers most excited about? What do they like most/least about our competitors' in-market styles? What do they like most/least about our existing top/bottom performing products?
SKETCH	Are these the right product details and silhouettes? Are we on track when it comes to graphic prints, patterns, colorways, fabrics, etc.? Which styles should we turn into samples/3D CAD drawings?	Which product details and silhouettes do consumers respond the most positively to? Which graphic prints, patterns, colorways, etc. do they like and which do they dislike?
LINE REVIEW	Are there any product-level edits we should make (e.g. additional colorways)? Which styles should we adopt/drop? Does each new product add incremental value to the overall assortment?	What do consumers like most/least about each product? Do consumers show incremental preference for new styles against known favorites?
INVESTMENT DEPTH	How do we maximize SKU productivity? Which items are global vs regional must-haves? What is the correct buy depth for each SKU by channel and region?	Which products elicit the highest consumer sentiment and demand? Do consumers in certain regions prefer some SKUs over others?
PRICING	How much are consumers willing to pay for each product? Should pricing differ across regions? How does our pricing compare to our key competitors?	What is the consumer's perceived value of this product? What aspects or attributes do consumers like the most about each product (e.g. vegan leather vs. genuine leather)?

5 BEWARE OF CONFIRMATION BIAS

When you think about data, chances are you imagine numbers, neutrality, and cold hard facts. It's true that incorporating consumer data throughout the product creation process is intended to help merchants step outside their own opinions and preconceived notions to make smarter, more objective decisions. But even data can fall prey to partiality.

Confirmation bias occurs when people approach or interpret data in a way that affirms their existing beliefs, experiences, and desires, rather than seeking the impartial truth. For example, if someone hates the color pink, they might take the fact that pink doesn't rank number one among their customers' top ten favorite colors as confirmation that they don't need to create pink products — even if pink ranked number three. They may even choose to exclude pink from the color analysis to begin with!

Approaching analyses with confirmation bias defeats the purpose of seeking data in the first place, causing unwitting brands to generate massive waste or miss out on millions of dollars. It often occurs subconsciously, even to those with the best intentions, which means brands that genuinely want to be consumer-obsessed must be aware of and actively fight against confirmation bias.

Too many merchants think they should *know* what consumers want because they've been in the business for a long time. They're afraid to be wrong because they think others will judge them — or they judge themselves. To successfully overcome confirmation bias, brands must create a culture where learning is more highly esteemed than getting things "right" every time.

One effective tactic is to approach every decision using the **scientific method.** Refer to personal thoughts and opinions as "hypotheses," or educated guesses, and seek consumer feedback to "test them" as if you're conducting a science experiment. Scientists don't do experiments to be right — they do them because they're curious and want to get closer to discovering the truth. Product and merchandising professionals should embrace using data to build assortments as opportunities to continuously learn how to better serve their customers, grow their brand, and minimize waste.

Confirmation bias occurs when people approach or interpret data in a way that affirms their existing beliefs, experiences, and desires, rather than seeking the impartial truth.



Success Story



DEARFOAMS INTRODUCED THE WORLD'S FIRST FOAM-CUSHIONED, WASHABLE SLIPPER IN 1948 and since then has sold over a billion pairs of shoes and slippers worldwide. To maximize team efficiencies and deliver consistently on-trend assortments, Dearfoams wanted to incorporate more consumer feedback into its product creation process.

The team started with traditional focus groups, but quickly realized that the results were difficult to scale and not representative of the majority of Dearfoams' customers. It was then that the brand's Chief Merchandising Officer, Angela Kenney, decided to use MakerSights' *Voice of Consumer* testing to better understand Dearfoams' core customers and aspirational consumers.

The brand is now able to collect consumer sentiment data at scale pre-season and use it to narrow down silhouettes, prints, patterns, and more before investing resources in developing samples. Not only has this led to a 50% reduction in proto sampling after just a few months of testing with MakerSights, but it has also enabled Dearfoams to effectively appeal to younger consumers and make bold assortment decisions with confidence. For example, by using MakerSights, the team was able to confirm its hunch that consumers no longer want house-only slippers and shift its resources to creating indoor/outdoor slippers only.

50% reduction in proto samples

Dearfoams

"We want to take the consumer on the Dearfoams journey with us, and MakerSights allows us to do that in a scalable way. Harnessing consumer data and shifting to a consumer-obsessed strategy has resulted in tighter, more efficient assortments that our consumers love.

ANGELA KENNEY
Chief Merchandising Officer
Dearfoams

04

MODERN MERCHANDISING STAGE 2

Digitize Milestone Meetings

Start at Stage 2 if...

- You have a clear picture of your current target customers and aspirational consumers.
- Your team uses a variety of data sources to help guide assortment decisions, including historical sales performance, eCommerce activity, and direct consumer feedback.
- Global stakeholders are flown into a central location to meet in person for all milestone meetings, where they often review a large number of physical samples — many of which don't make the cut.
- Assortments are organized and shared via PowerPoint, Google Slides, or a similar tool.
- Key metrics (e.g. unduplicated reach, % investment depth, etc.) are manually calculated in a spreadsheet and recalibrated as assortments evolve.

From flying decision makers around the world to flipping through 300-slide decks of assorted items, the traditional product creation and line review process is extremely analog, subjective, and time-consuming. Teams must operate within tremendously tight deadlines and work on multiple seasons at once to deliver on schedule, creating a staggering amount of stress and environmental waste along the way.

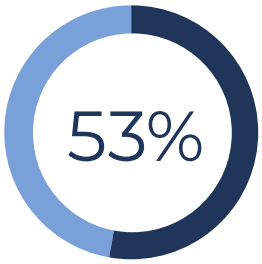
Modern brands must embrace technology to streamline milestone meetings and enable more agile decisions that meet the real-time demands of modern consumers. Stage 2 of our maturity model maps out the tools and tactics brands can use to digitally transform milestone meetings in a way that enhances productivity, strengthens decision making, and drives sustainability.

CHALLENGES	OPPORTUNITIES
Flying stakeholders around the world to gather in person for each milestone meeting is taxing on teams' time, company resources, and the environment.	Cloud technologies offer global teams the ability to **meet, discuss, and collaborate virtually,** eliminating travel time, costs, and fuel emissions.
Producing samples for new and experimental styles that may not make the cut creates unnecessary waste and decision-making delays.	**Leverage virtual imagery and highly-detailed 3D CAD drawings** during early concept and design phases to minimize physical sample creation.
Having to view products one at a time via massive slide decks makes it difficult to envision the end-to-end assortment and segment it by influential factors like region, color story, silhouette, etc.	**Digitally organize seasonal assortments** to easily sort and visualize them by collection, SKU lifecycle, retail price, and other key factors that help teams decide which styles to adopt or drop.
Assortment details, consumer feedback, and stakeholder comments are scattered across email, notepads, spreadsheets, and other static and disparate sources, causing confusion and misalignment.	Centralize regional forecasts, consumer feedback, internal commentary, and all other assortment data in a **single, dynamic workspace** for easy access and seamless collaboration.
Manually calculating metrics like unduplicated reach across evolving assortment scenarios is a tedious and error-prone exercise.	**Take advantage of the latest assortment management technology** with features like interactive scenario planning, automatic buy depth calculations, and more.

1 IDENTIFY OPPORTUNITIES TO MEET VIRTUALLY

Brands traditionally bring cross-functional teams from around the world physically together for milestone meetings. Stakeholders huddle around moodboards and swatches for hours at a time, their opinions growing louder and more forceful as their scheduled departures draw near.

Finding time for dozens of decision makers to come together is no easy feat, further delaying the already lengthy product creation and line review process. When teams do meet, the pressure to hit deadlines is on, trapping merchants in an inefficient cycle of "hurry up and wait" that typically ends in hasty decision making. In addition to the costs associated with plane tickets, rental cars, and hotel rooms — not to mention the loss of productivity due to travel — **transportation is one of the leading causes of global warming.**



of merchant and product professionals believe assortment meetings are too frequent or too long.

Meeting face-to-face certainly has its merits, but the COVID-19 pandemic proved that technology has advanced to a point where employees can come together virtually without missing a beat. In fact, **many teams find that they communicate better** and are more productive during virtual meetings.

Consumer-obsessed brands looking to accelerate the assortment development process and minimize their environmental footprint should consider adopting cloud-based collaboration tools like the following:

zoom

Zoom is an intuitive video conferencing tool used by small teams as well as those that host meetings of up to 1,000 participants. Attendees can share their screens to review documents as a group, and meetings can be recorded for easy reference.

slack

Slack allows people to quickly chat with one another and receive conversation alerts in real time. Users can message each other directly or as groups, as well as create dedicated channels for specific topics. Slack also offers basic video chat.

asana

Asana's project management solution helps teams plan, track, and accomplish tasks. Users can discuss work, share files, and view progress from anywhere in a centralized space that reduces the need for meetings and enhances productivity.

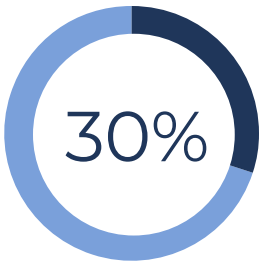
Your team may be hesitant to forego in-person milestone meetings for digital collaboration, and that's okay. We recommend starting by identifying a handful of early-stage gatherings that can easily be done online to help prove out the concept and get everyone feeling more comfortable.

2 MINIMIZE PHYSICAL SAMPLES

One of the top reasons for holding milestone meetings in person is to see and feel samples of new product colors, patterns, and fabrics. Teams often delay important assortment decisions as they wait for samples to be produced at various stages of the product creation process. Unfortunately, most of these never even become products, contributing to the **13 million tons** of textile waste generated by manufacturers and retailers each year — not to mention exacerbating the **post-pandemic supply chain crisis.**

While there's no substitute for feeling the difference between wool and cashmere, the quality of 3-dimensional computer-aided design, or 3D CAD, can help stakeholders accurately visualize product graphics, materials, textures, and more. This allows brands to quickly narrow down the number of samples they need to produce to only those that teams feel most confident about moving forward with.

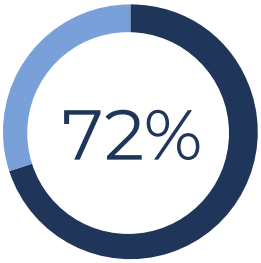
We recommend brands start utilizing CAD software to virtually test product concepts and design details in the early stages of the product creation process, with the goal of eliminating physical sampling altogether whenever possible. The result? Faster milestone decisions and a healthier planet!



By 2025, **30% of companies** plan to use virtual sampling for more than half of their products.



An example of a 3D CAD



of product and merchant professionals use Excel and Powerpoint to manage assortments, making them the most-used applications during the product creation and line review process by far.

3 DIGITALLY ORGANIZE PRODUCTS AND ASSORTMENTS

The most common way for brands to organize and view assortments is via slide decks. Each slide usually features a single product with information like its colorway names and suggested retail price. This means stakeholders must flip through hundreds of products one at a time to review the full assortment. It's also impossible to quickly segment and view products by particular materials or color codes, for example.

In contrast, **assortment management solutions** allow merchants to see and manage dozens of products in a single digital view. This helps stakeholders better evaluate individual items in the context of the broader assortment. Capturing product details like color story and forecast makes it possible to dynamically splice and group assortments by these dimensions, enabling teams to rapidly spot gaps, over-assortment, and untapped opportunities.

While every brand's line architecture is unique, we suggest grouping and evaluating products by the following product details to further refine and accelerate assortment decisions:

PRODUCT DETAIL	DESCRIPTION
Buy tier	Expected volume and corresponding buy depth; e.g. "top"
Buy type	Whether a product is new, carryover, etc.
Category	A grouping of products; e.g. "women's boots"
Collection	Story or theme grouping of products
Colorway or color story	The name of a specific colorway or story
Division	A grouping of product categories; e.g. "women's footwear"
Forecast	Global or regional sales forecast
Intro date	When a product will be available in market.
Margin	% profit margin
Marketing tier	How prominently marketers should feature the product
Material	Leather, cotton, lace, etc.
Retail price	Initial planned sell price per unit
Subcategory	Subgrouping of categories; e.g. "leather boots"
SKU lifecycle	The intended shelf life of the SKU in market
Trend/Key attribute	Product theme or trend; e.g. "metallics" or "Y2K"

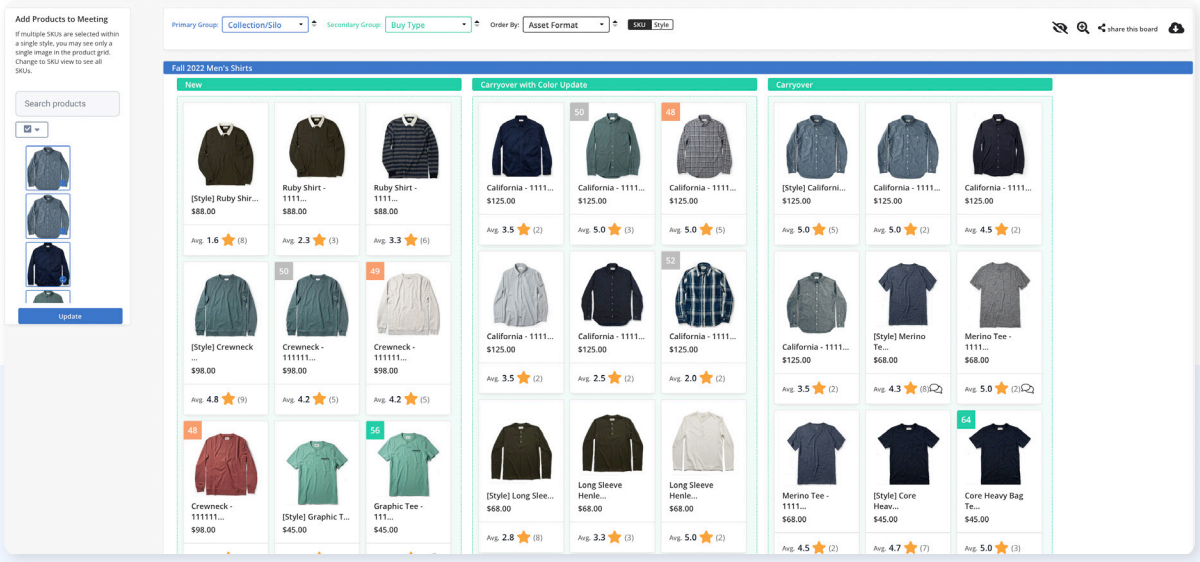
4 CENTRALIZE ALL ASSORTMENT DATA IN A SINGLE WORKSPACE

In addition to slide decks, valuable merchandising data also lives in emails, spreadsheets, notebooks, PLMs, and even people's heads. It's easy for important details to get siloed or slip through the cracks, causing confusion and misalignment that makes driving consensus during milestone meetings a major headache.

Teams must carefully cobble information together piece-by-piece to get a complete picture and have informed conversations. So much due diligence slows data-informed decision making and often leads stakeholders to simply follow their gut instincts.

Taking a demand-driven, consumer-obsessed approach to merchandising requires brands to establish a single source of truth where all assortment data is housed, fully-integrated, and easily accessible. Imagine a dynamic digital workspace where all stakeholders can go to view entire seasonal assortments, review direct consumer feedback on specific products, check the latest regional sales forecasts, provide commentary on next season's experimental styles, and so much more.

Milestone meetings become much shorter and less stressful when everyone is looking at the same set of complete, up-to-date information. Discussions are more objective, consensus is reached more quickly, and decisions can be made with confidence.



MakerSights' Assortment Management Workspace



5 MAKE AGILE DECISIONS WITH INTERACTIVE INSIGHTS

When all assortment data is digitized and in a centralized workspace, it's much easier to leverage the power of technology to do complex analysis, uncover meaningful insights, and **share information with other stakeholders**. Decisions become increasingly strategic and agile, empowering merchants to bring the right products to market much faster.

For instance, the latest assortment management solutions use data science to calculate highly accurate buy depth ranges based on sales goals and forward-looking consumer demand data. In the event that a supply chain issue should arise, these investment recommendations can be automatically recalculated by simply removing the SKU(s) in question.

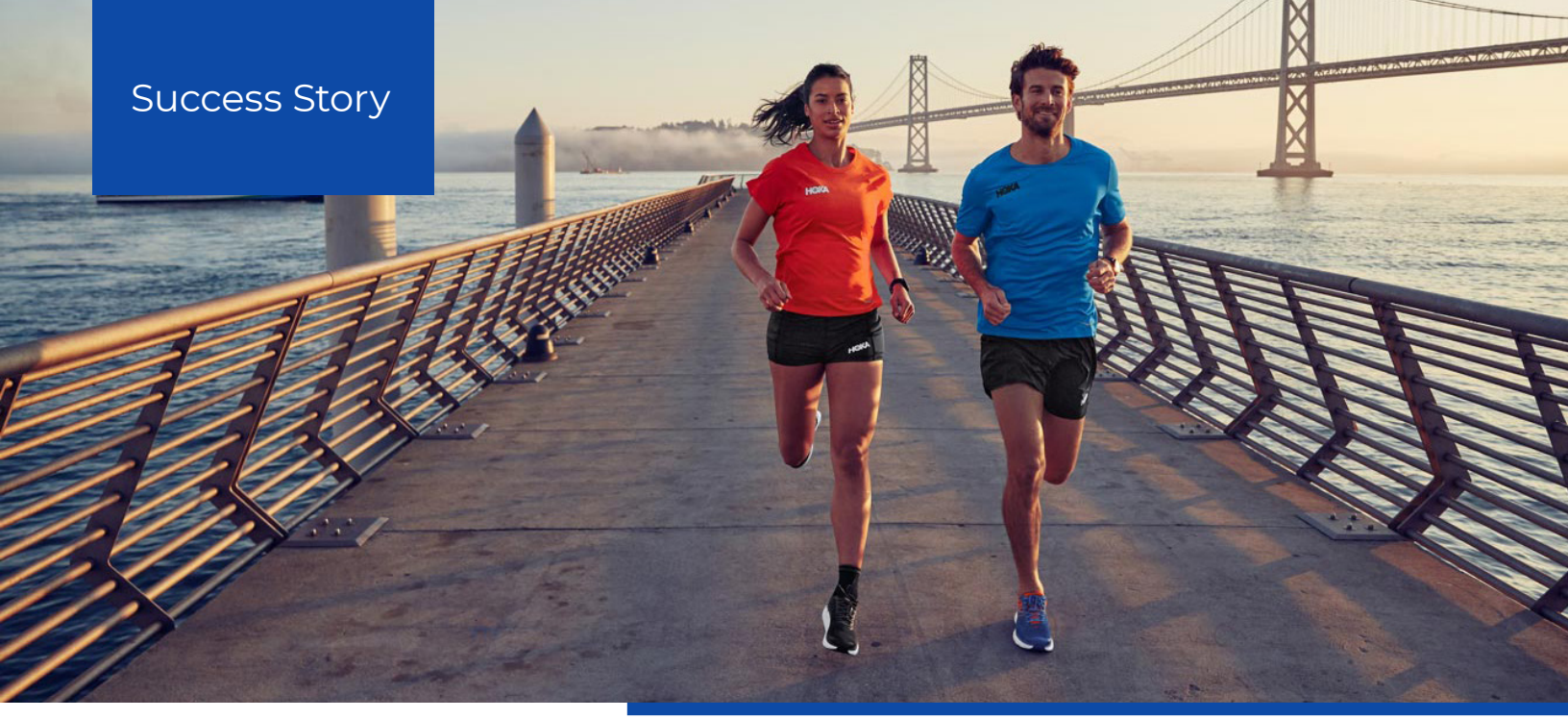
Optimizing assortments for different channels, regions, and audience segments also becomes a much faster, more objective, and data-informed exercise with interactive charts that measure and display product reach within the context of the assortment. Merchants can rapidly test, plan, and adjust various scenarios by visually adding and removing SKUs to and from the mix.

> Chief Purchasing Officers rank "Lack of digital tools supporting efficient product development and sourcing processes" as the number one hurdle in implementing speed and flexibility to manage demand volatility and supply risk.
>
> MCKINSEY & CO.



Interactive market reach measurement using MakerSights' *Line Efficiency* feature

Success Story



HOKA IS ONE OF THE FASTEST GROWING BRANDS IN FOOTWEAR, beloved for reinventing the running shoe with their signature large-soled sneakers. When the global pandemic halted global travel and in-person meetings, HOKA chose to leverage the disruption as an opportunity to evolve their team's traditional assortment development processes.

In the past, HOKA's milestone meetings served as forums for "big reveals" that were met with substantial, time-consuming pushback. Assortment details and dialogue were spread across email, slides, and other sources, making it difficult to have contextual and focused discussion. Hours were spent debating over differing perspectives, with final decisions often made by the loudest voice in the room.

HOKA was able to solve these issues by digitizing its milestone meetings with MakerSights. Product teams organize and add context to assortments using MakerSights' *Digital Line Review,* which also allows cross-functional stakeholders to provide specific product feedback in a centralized manner. This has eliminated "big reveals" and enabled the team to have more focused, productive, and data-informed conversations. HOKA is now able to streamline assortment decisions to build healthier margins while getting to market faster.

HOKA

"*Digital Line Review* has drastically improved the dialogue between regions and made it more dynamic and transparent. This type of collaboration is now central to our team and makes it easier than ever to deliver premier products that resonate with our consumers.

HY ROSARIO
Director of Outdoor, HOKA

05

MODERN MERCHANDISING STAGE 3

Collaborate with Purpose and Confidence

Start at Stage 3 if...

- Stakeholders often meet and communicate virtually using cloud-based collaboration tools like Zoom and Slack.
- You've replaced some, if not all, physical product samples with 3-dimensional computer-aided design (3D CAD) during the sketch review and newness evaluation stages of the product development process.
- Assortments are mostly organized and shared via a single digital workspace that makes it easy for users to segment and evaluate products in the context of the full line.
- Most stakeholder feedback is qualitative in nature and captured live during milestone meetings.
- A large chunk of milestone meetings is often spent setting the context for the assortment and talking through each product feature, rather than discussing predetermined points of contention and collaborating around solutions.

Too often, milestone meetings are dominated by the loudest voices in the room. Precious time is wasted getting everyone up to speed and on the same page, and critical decisions are rushed to meet aggressive timelines. Such chaotic product creation and line reviews simply aren't conducive to the level of collaboration and true consensus needed to craft the best assortments possible.

Case in point? **76% of merchandisers** want to increase moments of collaboration around assortments, while 82% believe there is opportunity to improve their teams' collaboration efforts. Stage 3 will provide processes and procedures teams can follow to begin collaborating around assortments with greater purpose and more confidence.

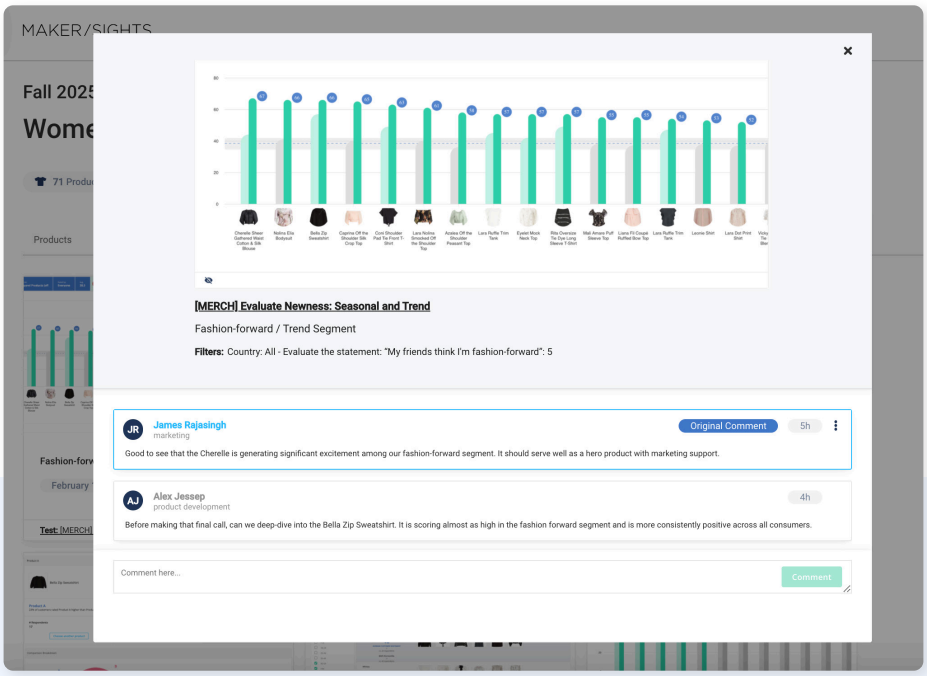
CHALLENGES	OPPORTUNITIES
Assortment details, feedback, and insights are scattered across static and disparate sources, causing confusion and misalignment among key stakeholders.	Centralize forecasts, consumer commentary, and all other assortment data in a **single, dynamic workspace** for easy access and seamless collaboration.
Stakeholder feedback is mostly qualitative and shared haphazardly during milestone meetings, with **the loudest voices typically dominating the conversation.**	**Solicit qualitative and quantitative product feedback** on specific assortment details from all stakeholders in advance of milestone meetings.
Precious meeting time is wasted explaining assortment context and goals, leaving little time for actual discussion and decision making.	**Provide teams with assortment details, context, and feedback prior to meetings,** and require them to come prepared to jump right into meaningful discussion.
Milestone meetings are used as forums to share subjective opinions on entire assortments, rather than having focused and objective discussions around key issues and major decisions.	Use consumer and stakeholder sentiment data to facilitate objective collaboration, **focus milestone meetings on key points of contention** and experimental newness, and reach consensus more quickly.
Waiting to share insights or make decisions until stakeholders are physically together during scheduled milestone meetings wastes time and causes brands to miss out on real-time opportunities.	Reduce and shorten milestone meetings in favor of **more virtual and asynchronous collaboration,** allowing teams to make faster, more agile milestone decisions that capitalize on current events and consumer demands.

1 CENTRALIZE ACCESS TO ASSORTMENT DATA AND INSIGHTS

While we highlighted the need to centralize all assortment data in a dynamic workspace in Stage 2 of our maturity model, it's necessary to reiterate the importance of this step. Effective collaboration is impossible if each stakeholder is coming to the table with disparate information and varying versions of the truth.

Nearly half (48%) of merchant and product professionals say that assortment data is spread across four or more applications, from spreadsheets to PowerPoint to PLM software. Brands must bring this information together and establish a single source of truth where all assortment data can be easily accessed, analyzed, and shared.

The latest assortment management technologies make it faster and easier than ever to ensure that everyone involved in assortment decisions has direct access to the same information and insights. In just a few clicks, stakeholders can **snapshot key findings,** add relevant context, and share them with teammates for real-time commenting and discussion.



Snap & Share functionality and collaboration in MakerSights

2 SEEK QUALITATIVE AND QUANTITATIVE STAKEHOLDER FEEDBACK

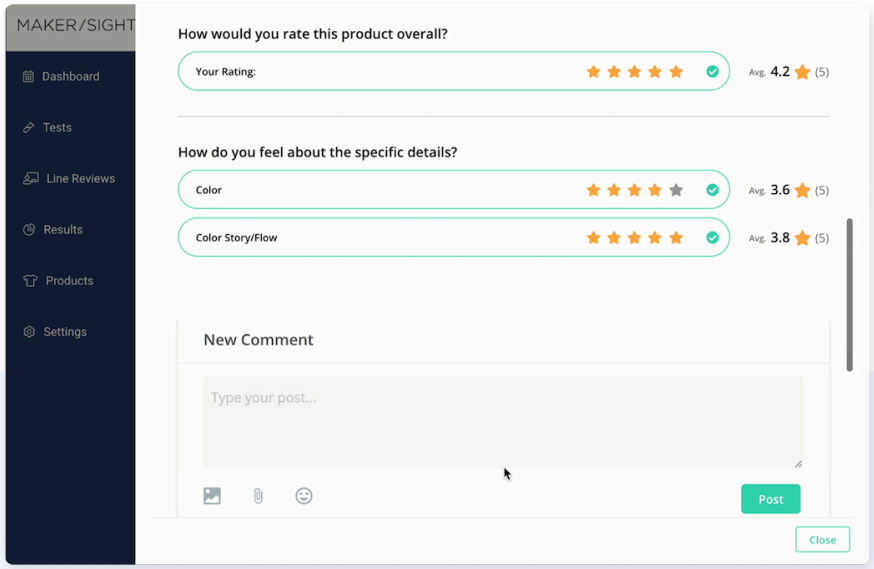
Qualitative data refers to information that is detailed, descriptive, and often emotionally-driven. It's also non-numerical, which makes it difficult to aggregate and analyze holistically in a consistent and objective manner. In contrast, quantitative data is broader, more analytical information. It's usually numeric and tied to a clearly defined, unified system or scale, so measurement is much easier and can even be automated.

To successfully conduct research and accurately interpret data, **both quantitative and qualitative information must be considered.** Yet most if not all of the data generated as stakeholders discuss seasonal themes and review product samples during milestone meetings is qualitative. Because attendees know they're up against the clock to make their opinions known, the majority of this feedback comes from the loudest voices in the room and reflects the details that only they are most passionate about.

Collecting stakeholder feedback on specific product features *before* milestone meetings is the best way to ensure that everyone gets a chance to weigh in on the details and decisions that matter most. It also gives stakeholders the opportunity to generate quantitative data to help create more objective benchmarks and dialogue, as well as capture qualitative information in an organized and purposeful way.

One of the most effective tactics for soliciting quantitative feedback is to ask stakeholders to rate certain product attributes like price, silhouette, and colorways on a scale of 1-5. From there, teams can write freeform comments to provide qualitative data that explains the "why" behind their ratings.

Pro Tip: For brands with a brick-and-mortar presence, it's important to include store associates in the feedback process. On top of hearing valuable shopper input each and every day, they are often some of your brand's best customers!



An example of capturing qualitative and quantitative internal stakeholder feedback in MakerSights

3 COME TO MILESTONE MEETINGS PREPARED

Milestone meetings stretch for hours, yet merchant and product professionals cite **lack of time as the #1 inhibitor of collaboration.** Adding additional minutes is hardly the answer when teams rate just **50% of meetings** as "engaging" and time "well-spent." Instead, brands should focus on making more time for meaningful collaboration by minimizing the need to review assortment information and get everyone up to speed during milestone meetings.

With a single source of truth for all assortment related data in place, it's easy for teams to access relevant consumer feedback, sales goals, videos on seasonal concepts, and much more prior to joining milestone meetings. Stakeholders should come to the table having done their homework and prepared to actively discuss this information — not review it.

While getting everyone to adopt this new meeting structure may take some time, here are three ways to help stakeholders put the remaining 50% of their meetings to use:

1. In milestone meeting invitation descriptions, **list out and link directly to the specific information** stakeholders should read beforehand at each given stage of the assortment development process.

2. **Add reminders to review this information** to all participants' calendars, ideally two weeks, one week, and two days prior to milestone meetings. Sending a friendly reminder email or group chat at each interval is also a good idea.

3. Use Google Sheets or a **project management tool like Asana** to **create a checklist of the materials stakeholders are responsible for reviewing**. Assign these items to everyone on the team so they can check them off as they're completed. This makes it easy to identify which stakeholders are prepared and which need an additional nudge.

Encouraging stakeholders to prepare for milestone meetings in advance not only carves out additional time for collaboration and strategic problem solving, but it also leads to more pointed and productive discussion (more on that in Step 4). Throughout their research, teams are sure to unearth small questions and issues that can be resolved virtually ahead of time, shortening milestone meetings altogether.

4 FOCUS MILESTONE MEETINGS ON KEY POINTS OF CONTENTION

Not every product feature needs or warrants a discussion — but with dozens of varying perspectives in a single room vying to be heard, minor details can turn into major wastes of time. Rather than opening the floor to discuss each and every SKU or design detail, leading brands have begun using data to identify key points of consumer and stakeholder misalignment and focusing milestone meetings on reaching consensus in these critical areas.

For example, if both consumers and stakeholders provide highly positive quantitative feedback on adding belt loops to men's pants this season, the decision to move forward can be made without further discussion. However, if there is a major discrepancy between stakeholder and consumer sentiment around a brand new neon printed shirt, this should be raised so that teams can collaborate on whether to drop, adopt, or update this style.

Some **54% of brands** fail to consistently use data to collaborate around assortments. But brands that do are able to focus milestone meetings on developing bold and experimental newness, collaborating more efficiently and objectively, and quickly gaining conviction and confidently driving consensus around key decisions. Take **Faherty**, for example, a success story that we will discuss in more detail at the end of Stage 3.

5 LOOK FOR OPPORTUNITIES TO MINIMIZE SCHEDULED MILESTONE MEETINGS

Be honest — how many times have you had to wait to share an idea, raise an issue, or make a decision because your next milestone meeting was weeks away? This was okay when consumers had to wait on brands to reveal the season's styles and actively create demand. But today, trends happen, opportunities arise, consumer demands shift, and challenges occur in real time. Waiting weeks or months to take action is no longer an option.

With centralized access to real-time assortment, consumer, and stakeholder data, plus technology developments like 3D CAD and cloud-based collaboration tools, modern brands have the power to keep pace. We encourage brands to look for opportunities to reduce the number and length of scheduled milestone meetings in favor of asynchronous collaboration that enables more agile decision making.

More than 70% of product and merchant professionals say that collaboration is more needed around earlier milestone stages, such as seasonal kickoff and concept review. This makes the second half of the product creation and line review process the most logical place to begin cutting back on time spent in milestone meetings. We suggest choosing a handful of meetings to proactively shorten or reduce the number of attendees to decision makers only, with the goal of ultimately eliminating these select meetings altogether.

With **53% of merchandisers agreeing** that assortment meetings are too frequent and/or too long, your team will be sure to thank you! Not only does virtual, asynchronous collaboration empower your brand to more effectively capitalize on trends and avoid imminent challenges, but minimizing company-wide travel also supports economic and environmental sustainability.

How often do product and merchandising professionals use data to collaborate around assortment?



- 10% Never
- 10% Rarely
- 34% Occasionally, not consistently
- 46% Usually



Success Story



FAHERTY

FAHERTY IS A FAMILY-RUN LIFESTYLE AND APPAREL BRAND dedicated to lessening environmental harm and helping consumers become better stewards of the planet. As a young brand, most of the company's merchandising decisions were based on founder intuition and factory minimums. The team was hungry for real-time consumer demand data to more effectively evaluate newness and craft high-performing assortments.

Today, rather than depending solely on gut instincts and opinions, Faherty relies on MakerSights *Voice of Consumer* testing when evaluating which styles and product details to introduce. Direct consumer feedback, interactive sentiment visualizations, and demand analytics enable the team to quickly and objectively identify hero styles and cut the long tail. This has streamlined the team's once emotionally-charged milestone meetings by allowing them to have more focused and objective discussions.

MakerSights helps the brand identify and drop between 50 and 100 cannibalizing or under-performing SKUs per season. "We are now able to create, tweak, adopt, and drop styles based on what we *know* consumers want, versus what we *think* they want," says Caitlin McGilvery, Faherty's Director of Merchandising. "I feel much more confident going into milestone meetings armed with MakerSights' *Voice of Consumer* data. The insights it provides enable me to objectively validate costly and impactful merchandising decisions."

- 30% decrease in over-assortment
- 50% reduction in overproduction
- 2x improvement in average weekly sell-through

Full Case Study

06

MODERN MERCHANDISING STAGE 4

Remove Silos Between Product Creation and Go-to-Market

Start at Stage 4 if...

- Both qualitative and quantitative stakeholder feedback on specific product details is collected prior to milestone meetings.
- Milestone meetings are used to collaborate and drive consensus around key points of contention among stakeholders and consumers, rather than reviewing entire assortments end-to-end.
- You've begun minimizing scheduled, in-person milestone meetings in favor of virtual, asynchronous collaboration and decision making.
- Go-to-market and regional teams are typically not involved in product creation or line review processes until the majority of assortment decisions have already been made.
- Your brand struggles to satisfy consumers and hit sales targets across different channels and geographies without becoming over assorted, resulting in high percentages of dead stock and markdowns.

In Stage 4, we'll tackle one of the primary drivers of retail overproduction: varying consumer preferences and demands across regions and channels. For global, multi-channel brands, regional and go-to-market teams typically aren't involved in assortment discussions until much later in the line review process, turning subsequent milestone meetings into high-stress "big reveals" where these teams must fight to be heard.

Merchants find themselves scrambling to deliver newness that meets marketing and sales demands. Global hero styles and brand stories miss the mark with regional and direct channel teams, resulting in low forecasts and requests for additional commercial styles that hurt SKU productivity. Final products often end up discounted or disposed of due to poor performance within these segments.

CHALLENGES	OPPORTUNITIES
Failure to consider different consumer preferences across cultures and channels during early product creation phases leads to **disagreements and roadblocks later in the line review process.**	**Segment consumer sentiment by varying regions and channels early in the product creation process** to identify concepts and designs that maximize commercial appeal across target markets.
Regional and go-to-market stakeholders don't attend milestone meetings until most assortment decisions have already been made, creating **internal tension and last-minute pushback and delays.**	**Involve cross-functional stakeholders at each stage of the concept-to-consumer process,** including seasonal kickoffs, to eliminate "big reveals" and drive alignment as early and quickly as possible.
Brands that **focus on wholesale partners or brick-and-mortar locations** risk losing revenue and market share if they don't also prioritize rapidly growing eCommerce and social commerce channels.	Collect consumer and stakeholder feedback specifically as it relates to **eCommerce and social commerce channels** to better understand and serve these growing segments.
Determining the right mix of products to appeal to consumers across regions and channels is a challenge that often leads to **over assortment and diminishing returns.**	**Measure the incremental *Reach* of each product** in an assortment to achieve the widest market appeal across all target consumer segments with the fewest number of SKUs possible.
Teams typically **over- or under-estimate buy depths across channels and regions,** resulting in out-of-stocks, too many markdowns, and dead stock, all of which hurt a brand's integrity and bottom line.	**Accurately gauge forward-looking consumer demand across segments** to effectively right-size buy depths and avoid stockouts and overstocks that harm your brand and the environment.

Brands looking to take a more sustainable, proactive, and lucrative route must work to break down the silos that exist in the current product development and merchandising workflows. This means adopting a more cohesive and collaborative "concept-to-consumer" mindset that incorporates cross-functional and regional stakeholders, as well as regional and go-to-market data, much earlier in the assortment development and decision-making process.

What's "Concept-to-Consumer"?

Most brands approach product creation, crafting the line, and go-to-market as three discrete stages of assortment development, with regional and go-to-market teams and information largely excluded from the first two stages. "Concept-to-consumer" reimagines these siloed stages as a single, cohesive workflow that involves sales, marketing, and regional stakeholders from beginning to end.

How to Reach Stage 4 Maturity

1 DETERMINE COMMERCIALITY ACROSS REGIONS AND CHANNELS EARLY IN PRODUCT CREATION

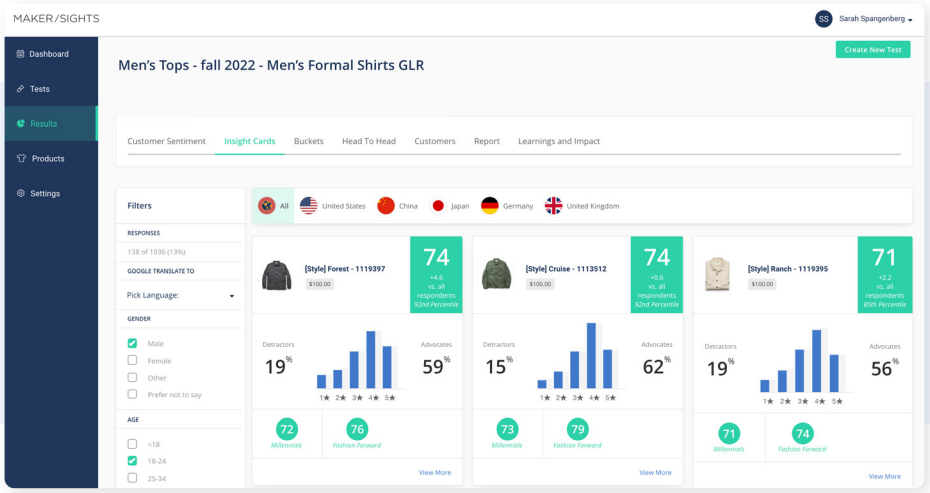
If you're in Stage 4 of our modern merchandising maturity model, you should already be tuning into the voice of your current and aspirational customers to help guide milestone decisions. Now it's time to further refine audience profile segments like "The Outdoorsman" or "The Cosmopolitan" by region and channel, and start collecting sentiment data from these specific groups earlier in the concept-to-consumer process.

While tradition still runs deep in many parts of the world, cultural trends move more quickly than ever before, and growing channels like social commerce are giving way to new purchase behaviors (more on that in a minute!). Factoring channel- and region-specific preferences into concept and sketch phases helps brands maximize product commerciality across target markets, as well as identify and plan for key differences up front, rather than scrambling in later go-to-market stages.

For example, if a global brand were to test a 3D CAD of a popular men's hat in a new green colorway, it would quickly become clear that, while this style may do well in the rest of the world, **it wouldn't sell in China.** This would allow the brand to allocate resources toward developing a different colorway that would perform well across all markets, or quickly eliminate this style from its China assortment and adjust forecasts accordingly.

Pro Tip: In addition to soliciting feedback on product details, expand consumer testing and zero-party data collection to include advertising themes, packaging, displays, and other key marketing elements for which preferences across channels and geographies may vary.

Imagine comparing sentiment for the same 3D CAD among US consumers who shop with different retail partners. A high sentiment score across the board could serve as an early indication that the green hat will be a volume-driving style in America, while high sentiment among customers of a single key account may indicate the opportunity for an exclusive. Not only does identifying these nuances early remove downstream roadblocks and accelerate milestone decisions, but it also leads to greater profits and loyalty across every segment.



2 INVOLVE REGIONAL AND GO-TO-MARKET TEAMS IN SEASONAL KICKOFFS AND SKETCH REVIEWS

Once sales, marketing, eCommerce, and regional managers are brought into the line review process, they're usually *told* what's going to happen, rather than *asked* for their perspectives and expertise. Not only do these "big reveals" create a lot of stakeholder tension, but they also cause delays and lost opportunities as brands struggle to incorporate the latest insights from eCommerce data, deliver on unforeseen cultural nuances, or meet a partner's needs in the eleventh hour — information that only these teams have had access to.

In addition to collecting consumer input by channel and region during concept and sketch reviews, brands must also capture cross-functional stakeholder feedback earlier in the concept-to-consumer process. Fortunately, this should be a fairly smooth transition for brands at this stage of merchandising maturity.

Rather than having to fly these stakeholders out to in-person milestone meetings and make time for them to comment on each item in the assortment, simply give them direct access to relevant assortment data and insights via your digital assortment management workspace. Solicit their qualitative and quantitative feedback on specific product details, and compare and contrast it with that of stakeholders across other channels and regions. Identify key points of interest and contention, and invite them to discuss these items virtually during your next digital concept or sketch review!

Pro Tip: Involving go-to-market teams earlier in the concept-to-consumer process helps merchants gain access to all of the consumer data housed in their brand's CRM. This allows them to solicit feedback directly from their top target segments, as well as work with **assortment management technology providers** to create and survey "look-alike" audiences.

3 MAKE ECOMMERCE AND SOCIAL COMMERCE TOP PRIORITIES

Although eCommerce sales were on the rise prior to 2020, the global COVID-19 pandemic turbo charged the growth of this direct distribution channel. In just eight months, eCommerce's share of global fashion sales **nearly doubled from 16% to 29%.** What's more, while brick-and-mortar retail sales are expected to remain essentially flat over the next year, **eCommerce is projected to grow more than 16% in 2022,** surpassing the $1 trillion mark for the first time.

Brands without a direct-to-consumer focus must begin prioritizing eCommerce as a key distribution channel and seek to better understand and serve this unique and rapidly growing consumer segment — or risk being left behind. Similarly, it's time for digitally-native brands to start looking beyond eCommerce to the next direct-to-consumer frontier: social commerce.

Nearly three quarters of consumers say that they are more likely to shop via social networks, like Facebook and Instagram, than they were prior to the pandemic. In the US alone, social commerce sales are expected to grow from $37 billion in 2021 to $56 billion in 2023, with global social commerce anticipated to grow **3x faster than eCommerce by 2025.**

While the rise of this trend is undoubtedly driven by Gen Zers coming of age and flexing their buying power, **Kate Spade CMO Jenny Campbell cautions,** "Whether or not Gen-Z is your primary customer, they definitely set the trends and drive brand heat. And when you look at where trends start and where things go viral, it is almost always with Gen-Z."



Social Commerce Across the Globe

Don't forget to further segment eCom and social commerce audiences by geography to get a deeper understanding of their shopping preferences and behaviors:

- In the *UK*, the compound annual growth rate (CAGR) for social commerce is expected to be just under 10% in 2023, with around 15 million people making a social commerce transaction that year.
- In the *US*, the number of people who make at least one purchase via social media per year will grow 50% from 2019-2022, reaching a total of 96 million consumers.
- In *China*, it's believed that social commerce sales grew 35.5% in the last year alone to over $360 billion — that's more than 10x higher than in the US.

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4 UNDERSTAND THE INCREMENTAL *REACH* OF EACH NEW PRODUCT

As the saying goes, you can't please everybody. While considering channel and region-specific sentiment earlier in the product creation process will help brands develop and adopt newness with greater mass appeal, adding unique SKUs for every consumer segment leads to over assortment and diminishing returns. At the same time, it's important not to water down the assortment and miss out on emerging trends or important niche but fashion-forward audience targets.

So, how can brands appeal to more customers and meet rising sales goals with the smallest number of SKUs possible? Leading brands are maximizing SKU productivity by **measuring the Reach of each product within an assortment,** or its potential to attract new customers and add value to the line. They're identifying and adopting bold styles that extend *Reach* to niche consumer segments while dropping low *Reach* products that cannibalize sales from existing styles.

For example, imagine your three top rated T-shirt colorways are all neutrals. By measuring the incremental *Reach* of each shirt in your assortment, you're able to see that two of the three neutral styles appeal to the same exact segment of in-store shoppers. You also discover that replacing one of these cannibalized styles with a new electric blue shirt would actually enable you to reach an entirely new segment of eCommerce shoppers that find this bold color highly appealing, thereby increasing revenue with the same number of SKUs.

This same exercise can be repeated across other region-, channel-, and wholesale-specific audience segments to identify an optimal mix of products that widens global appeal while including a narrow selection of differences that make the biggest impact. The ability to show the *Reach* of a particular selection of products is also helpful when making segmentation decisions and defending them to sales teams that often want to offer entire assortments to every retailer.

Leading assortment management technologies now offer the ability to assess *Reach* quickly and easily with scenario planning functionality. Whether a certain region prefers a different style or production issues prevent a particular SKU from being made, these tools enable brands to optimize the assortment and test various product mixes to plan for supply chain issues, wholesaler exclusives, regional nuances, and more. Visually add or drop specific products to and from the line, and the graph instantly adjusts to reflect the *Reach* of the updated assortment, allowing merchants to increase SKU productivity while meeting evolving market needs and without increasing costs.

The #1 strategy among fashion executives to avoid overstocks in the future is to reduce their number of SKUs.

MCKINSEY & CO.





MakerSights' *Line Efficiency* feature, which measures the incremental *Reach* of each product across the entire assortment

5 USE FORWARD-LOOKING CONSUMER DEMAND DATA TO GUIDE INVESTMENT DEPTH DECISIONS

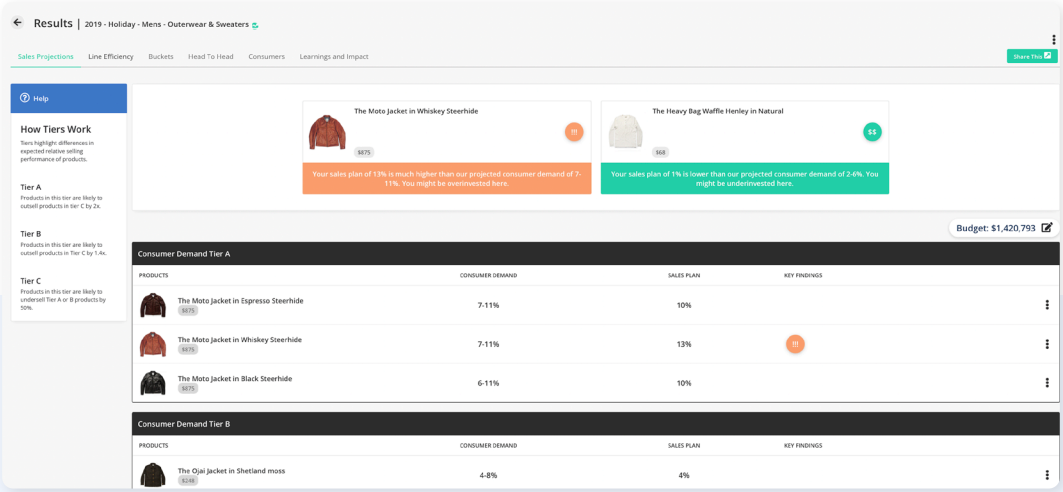
With a clear understanding of the *Reach* of your assortment and the right product mix for each channel and region, it's time to tackle investment depth. These decisions are usually made based on past sales performance data and team instincts, leading to frequent stockouts, markdowns, and dead stock. Not to mention, incongruous post-pandemic economic recovery rates have only made it harder for brands to accurately predict sales across markets.

According to McKinsey, the number one priority for modern brands looking to increase full-price sell through is to take a demand-driven approach to their assortment strategies. The most accurate and efficient way to do this is to harness direct consumer feedback alongside historical sales and trend information.

This involves measuring consumer purchase intent data for each product in the assortment and comparing these numbers against each item's sales plan percentage. If demand is higher than the plan, you're at risk of missing out on revenue. If the plan is higher than demand, there's an opportunity to reallocate budget to higher performing styles.

The latest assortment management solutions use data science to calculate forward-looking consumer demand, weigh it against sales projections, and automatically recommend highly accurate buy depths for each SKU. Investment is easy to recalculate across various regional and channel-specific assortments by simply dragging and dropping SKUs in and out of the lineup.

In addition to predicting investment depths, purchase intent data is also useful for guiding unbiased conversations about which products to drop or adopt from an assortment. For instance, if a regional manager provides a low forecast and requests an additional SKU based on an assumption that a particular style won't sell in her area, merchants can compare her plan with consumer demand to objectively determine the correct path and quickly drive consensus.



Calculating consumer demand and associated investment depths per SKU using MakerSights



Success Story



HERSCHEL SUPPLY CO. DESIGNS AND MANUFACTURES QUALITY TRAVEL GOODS, APPAREL, AND ACCESSORIES. As a direct-to-consumer, eCommerce-driven brand, Herschel's assortments must each meet the needs of the brand's diverse and constantly growing consumer segments. But with a goal to create timeless products with high regard for detail, nailing the right product mix without driving overproduction and subsequent markdowns is extremely critical.

To achieve this, Herschel uses MakerSights' *Line Efficiency* functionality to measure the incremental *Reach* of each new product in an assortment, or its potential to attract new customers and add value to the line. Understanding consumer sentiment and *Reach* for specific products across segments enables the team to quickly drop styles that cannibalize one another and adopt those that appeal to important niche but fashion-forward audiences.

Focusing on SKU productivity enables brands to appeal to more consumers with fewer products, effectively minimizing margin erosion and markdowns associated with over assortment. "*Line Efficiency* has transformed how we make critical decisions about assortments. Deciding what gets adopted or dropped has always been based on a blend of art and science between intuition and historical performance. Each product plays a specific role in an assortment, and with MakerSights' *Line Efficiency* we are now able to take a more nuanced and strategic approach to decisions than simply 'cutting the long tail,'" says Herschel's VP of Merchandising, Lisa Best.

THE Herschel SUPPLY CO. BRAND

"We can now quickly identify potential cannibalization between products, spot experimental colorways or styles or colorways that resonate with our target consumers, and deliver an assortment that aligns with what our customers have indicated they want to see and buy.

LISA BEST
VP of Merchandising,
Herschel Supply Co.

07

MODERN MERCHANDISING STAGE 5

De-risk Major Releases with Incremental Wins

Start at Stage 5 if...

- You've consolidated traditionally siloed assortment development stages into a single, cohesive, and cross-functional concept-to-consumer process that factors regional and go-to-market teams and data into early product creation discussions.
- Digital commerce channels are a top priority and your brand is actively working to better understand and serve these consumer segments.
- Supply chain disruptions, material shortages, and rising costs are viewed as growing threats and areas of concern for your brand.
- You're ready to develop bolder, more experimental newness and take calculated risks that prioritize learning and long-term growth over short-term gains.
- Stakeholders recognize that minimizing overproduction, markdowns, and dead stock is critical for improving profits and the planet, but are not held accountable for measuring or making progress in these areas.

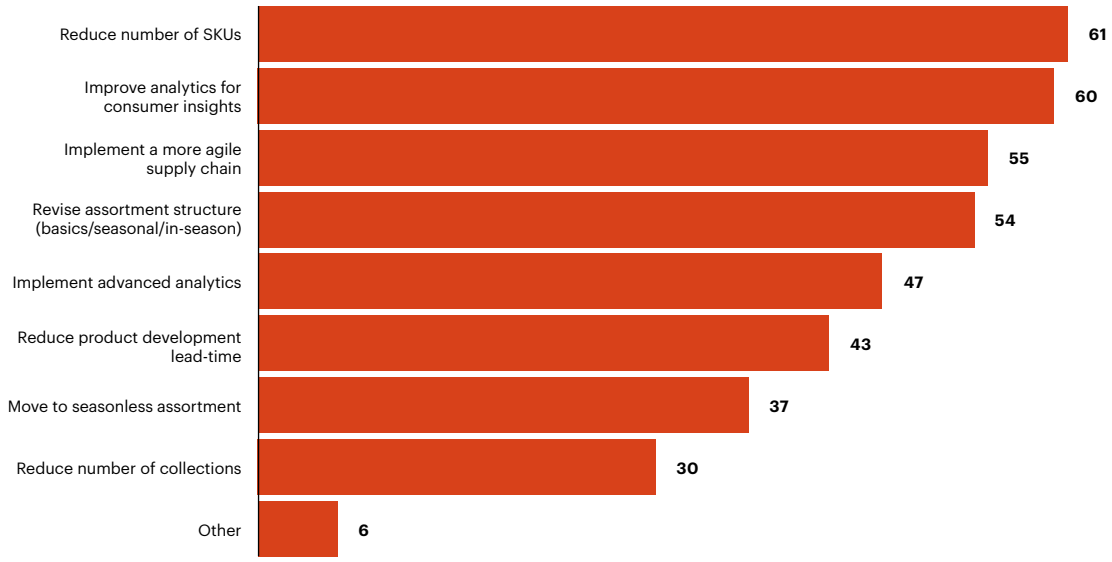
With the right data, tools, and processes in place, it's time to learn how to cover the last and most challenging mile toward becoming a consumer-obsessed brand — trading large seasonal assortments for smaller, faster, and more responsive releases.

According to McKinsey, nearly 40% of fashion executives plan to move to seasonless assortments to help minimize overstocks. From starting with a single category to reevaluating your sourcing-country mix, we're providing actionable strategies to capitalize on ever-evolving consumer trends, take more calculated risks, reduce overproduction, and more.

CHALLENGES	OPPORTUNITIES
The prospect of shifting your entire brand and all newness creation to an iterative, consumer-obsessed merchandising model at one time **feels daunting and discouraging.**	**Choose a single product category and dedicated team to pilot the transition** to a more modern merchandising approach to evaluating newness and driving SKU productivity, and then roll changes out across the brand over time.
Traditional merchandising practices follow a rigid, lengthy, and linear waterfall process that leaves **little room for risk-taking, rapid learning, or incremental progress.**	**Explore shorter, iterative Agile workflows** that allow teams to develop and release a smaller number of new styles at a time, minimizing risk and driving steady incremental improvement.
Recent market volatility and today's always-on economy have made it nearly **impossible to predict consumer demand more than a few months in advance,** driving overproduction and markdowns.	In addition to using consumer demand data to guide investment depths, **ordering smaller quantities of fewer SKUs closer to release dates** helps right-size production and eliminates waste.
Record-breaking shortages and delays are cutting into profit margins and preventing your brand from capitalizing on real-time challenges and opportunities.	Reevaluate your brand's sourcing-country mix and supplier relationships to enable **faster turnaround, smaller batch orders, and greater supply chain control.**
Your brand doesn't prioritize or hold teams accountable for minimizing overproduction and environmental waste, which have become top profitability detractors.	Setting goals for and consistently measuring markdowns by tier, SKU productivity, and other **sustainability-related metrics increases profitability by reducing overproduction.**

Fashion executives plan to employ several strategies to avoid overstock in the future

% OF RESPONDENTS



SOURCE: BOF-MCKINSEY STATE OF FASHION 2021 SURVEY

How to Reach Stage 5 Maturity

1 SEPARATE NEW AND CORE/CARRYOVER STYLES WITHIN A SINGLE PRODUCT CATEGORY

Adopting an iterative, demand-driven merchandising strategy takes significant effort, and attempting to make the shift in one fell swoop is unrealistic. In the spirit of driving incremental wins, we suggest starting with a single category. Not only does this make the process less stressful, but it also allows you to learn from your mistakes and improve change management and roll-out tactics as you go.

Whichever category you choose should be among your brand's top performers, feature a substantial breadth and depth of products, and have enough history to accurately benchmark outcomes against. Within this category, separate merchandising workflows for core SKUs and small carryover updates from those involving bold newness and experimental style creation.

Rather than reviewing each style every season, stakeholders can focus on rapidly testing and creatively honing new and experimental products (more on this in Step 2). Meanwhile, evaluating core and carryover products should become a faster, easier exercise in economics that can be done less frequently. In addition, we recommend assessing the line as a whole twice a year — newness and all — to ensure cohesion without redundancies.

According to McKinsey, 50% of retailers are in the process of major transformation to achieve greater assortment development speed and flexibility.

MCKINSEY & CO.

2 EMBRACE AGILE PROCESSES

Agile is a process framework that stems originally from software development. Rather than developing fully-baked products from top to bottom — an approach referred to as "waterfall" — software engineers needed a way to break larger projects down into smaller, more manageable chunks that could be refined and adapted over time.

Agile methodology has grown increasingly popular in today's on-demand world. It offers marketing, project management, and other teams the flexibility to iterate and improve solutions as they go, as well as respond and adjust to challenges and opportunities as they arise. While traditional merchandising practices abide by waterfall processes, the modern concept-to-consumer approach follows a more Agile workflow that breaks newness into more frequent and incremental releases.

The exact number of SKUs per release depends on the size of each brand and assortment, but it's important to focus on only a select percentage of total annual newness at a time. With a smaller number of new products, insight into direct consumer preferences, digital collaboration tools, and the ability to prioritize key points of contention, Stage 5 brands should be able to run through the full concept-to-consumer process in a fraction of the traditional 18-24 month timeframe.

According to **McKinsey,** brands are increasingly gravitating toward a "less is more" assortment strategy that prioritizes greater in-season reactivity and less complexity. In fact, **43% of fashion executives** plan to reduce product development lead times to help avoid overstock, while 61% will reduce the number of SKUs per assortment. Taking this Agile, consumer-obsessed approach to product creation offers several advantages, including the ability to:

- Quickly adapt to and capitalize on current events and consumer trends as they occur
- Identify and circumvent supply chain issues to avoid increased costs and delays
- Test innovative styles and take more calculated risks without long-term consequences
- Incrementally reach and grow niche target audience segments over time
- Continuously learn and improve assortments to achieve steady, long-term growth



Experiencing the full benefits of Agile requires brands to develop direct-to-consumer channels, like eCommerce and social commerce, since brands dependent upon wholesale must continue to abide by retailers' seasonal calendars, cater to their demands, and forfeit much of their margins.

3 LIMIT FORECAST TIMEFRAMES AND INVESTMENT DEPTHS

As we discussed in Stage 4 of our Modern Merchandising Maturity Model, using forward-looking consumer demand data to guide investment depth decisions is a critical step toward reducing overproduction. One in three companies aims to **improve demand planning by ten to 20 percentage points by 2025,** and a further 13% are targeting even higher.

But in an age where stock markets can crash and obscure trends go viral overnight, asking consumers to accurately predict *their own* demand 18-24 months in advance isn't even tenable. Right-sizing SKU depths and shrinking waste requires brands to update forecasts and investments for new styles at shorter, more regular intervals. As experimental products are incrementally released and improved, teams can then adjust order quantities based on up-to-the-minute sales performance and evolving consumer purchase intent.

In addition to minimizing risks associated with investing heavily in new and unproven styles, smaller and more frequent orders also help brands better navigate the supply chain. Creating exclusive, limited edition collections is another way for brands to successfully mitigate long-term forecast and production challenges, while also helping to fuel assortment differentiation. Smaller DTC-focused brands may even choose to explore pre-order, made-to-order, or demand-led models, similar to **Taylor Stitch.** We'll explore their approach in more detail at the end of Stage 5.

4 REEVALUATE SUPPLIER RELATIONSHIPS AND SOURCING-COUNTRY MIX

The supply chain has always been an area of vulnerability and frustration for retailers, with every unexpected delay or shortage cutting deeper into profit margins. Unfortunately, the global pandemic only exacerbated these issues. Case in point: **74% of senior merchant leaders** cite supply chain fragility as a top concern over the next 12-18 months — yet just 4% are prepared to address this issue.

To successfully transition to Agile, consumer-obsessed product creation, and more shallow investment depths, brands must reexamine where their products come from. Retailers should seek to develop strategic partnerships with suppliers that offer greater production flexibility, transparency, and diversity. **Almost 50% of brands** plan to consolidate their overall number of suppliers, while six out of 10 Chief Purchasing Officers (CPOs) want to increase their number of small-batch suppliers.

Similarly, **more than 70% of CPOs** intend to increase their nearshoring share, and 24% aim to expand reshoring. In an effort to further mitigate risk and improve in-season reactivity, approximately a quarter will apply dual-sourcing strategies for up to 50% of products. Using a domestic supplier or manufacturing goods closer to where they're sold accelerates speed to market, lowers customs and duty charges, helps fuel sustainability, and ultimately gives brands greater control over their supply chain.

> "There are still very, very few brands who know where their stuff comes from in the supply chain, and even fewer of them have entered into active relationships with those suppliers to reduce their carbon footprint.
>
> LINDA GREER
> Environmental Scientist

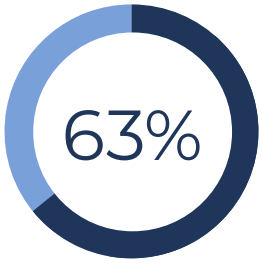
5 SET GOALS TO REDUCE OVERPRODUCTION AND IMPROVE PROFITABILITY

Despite the increasingly clear **connection between retail overproduction and diminishing profitability,** most brands still seek to improve performance by focusing on growth metrics like average transaction value and annual revenue. Unfortunately, this hasn't stopped markdowns from reaching **40% of total retail sales,** significantly damaging many brands' hard-earned value and priceless integrity. And let's not forget the opportunity cost of having the team focused on low-traction products.

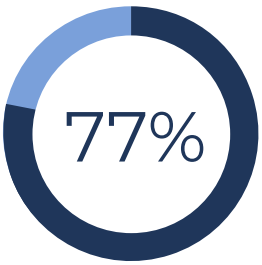
While many well-meaning retailers take pride in using sustainable materials, this doesn't help reduce the **92 million metric tonnes of textile waste** produced by the global fashion industry each year. Not to mention, more consumers are actively seeking to buy from brands that uphold their personal values. **Research shows** that 70% of global consumers are even willing to pay up to 35% more for eco-friendly brands.

The most surefire way for brands to ensure they're delivering products that consumers love and de-risking every release is to establish KPIs that measure overproduction. In addition to metrics surrounding sell-through and total markdowns, evaluating markdowns by tier (20%, 50%, 80%, etc.) is also important. **SKU productivity** is a less common but extremely insightful metric that helps brands reach as many target consumers and sell as much as possible with the most efficient number of SKUs.

However, simply measuring overproduction isn't enough — brands must proactively establish benchmarks, set goals for improvement, and hold stakeholders accountable for success. It won't be long before retailers must also answer to lawmakers with pending legislation like the **NYC Fashion Act,** which requires merchants to map their supply chains, disclose key areas of environmental impact, and provide plans to comply with state regulations.



It's good business to be good to the planet! **Nearly two-thirds (63%) of executives have found that sustainability helps boost revenue.**



77% say that sustainability leads to increased customer loyalty.



Success Story



TAYLOR STITCH

TAYLOR STITCH IS AN ONLINE MEN'S CLOTHING COMPANY focused on creating sustainable consumer-led products that stand the test of time. As a rapidly scaling brand, Taylor Stitch was struggling to meet growing consumer demands without overproducing. It was also critical to keep pace with evolving trends and minimize supply chain risks by incrementally releasing consumer-led styles, rather than betting on a few major seasonal drops.

This led Taylor Stitch to launch "The Workshop," a weekly kickstarter where consumers crowdfund potential new products by purchasing them in advance for a discount. Prior to creating samples to showcase in the Workshop and pre-ordering fabrics to meet production timelines, the brand uses MakerSights' *Voice of Consumer* testing to predict purchase intent for specific styles and materials. Taylor Stitch also uses this data to gauge consumer preferences and identify top performers for in-line products. This helps eliminate markdowns by allowing Taylor Stitch to quickly iterate on and finalize assortments for high frequency, low risk releases.

Using MakerSights to test products prior to crowdfunding and development has led to the success of the Workshop, which now accounts for 11% of annual revenue. Finalizing inventory additions and assortments based on real-time consumer feedback and purchase intent has enabled Taylor Stitch to take a "seasonless" approach to product creation. New SKUs are released every week, with far fewer items listed on the "Last Call" section of the brand's website.

Customers who engage with Taylor Stitch through MakerSights are 2x more likely to make a purchase and spend 1.3x more on average!

2% margin increase due to waste reduction

7.5% decrease in overproduction each season

10% reduction in markdowns each year

Full Case Study

08

Embracing a Modern Merchandising Strategy

Today's digital, data-rich, and on-demand world requires brands to seriously reexamine traditional merchandising processes and the impact they have on economic and environmental sustainability.

Progressing toward a data-informed, collaborative, agile, and consumer-obsessed model that protects brands' profitability and our planet is no longer an option.

The journey to modern merchandising maturity requires continuous effort and dedication. But as the success stories of leading brands like Dearfoams, Faherty and Taylor Stitch have shown, it's definitely worth it — and MakerSights and our Modern Merchandising Maturity Model on the following page are here to help.



The MakerSights Modern Merchandising Maturity Model

STAGE 1: INFORM DECISIONS WITH CONSUMER DATA				
Consistently refine your target consumer profiles using demographic, psychographic, and behavioral data to keep up with existing customers' and aspirational consumers' preferences.	Go beyond stakeholder instincts and expand the volume and variety of data sources your team considers when evaluating consumer demand to include website data, social listening, customer reviews, and more.	Replace traditional focus groups by soliciting digital, direct, real-time feedback from thousands of target consumers on specific silhouettes, storylines, colorways, fabrics, patterns, and more.	Seek detailed, direct consumer feedback at each stage of the product creation process, from concept to line review to pricing, to keep up with evolving consumer sentiment, fashion trends, and regional needs.	Combat confirmation bias and make truly objective, consumer-led decisions by utilizing the scientific method to test new and experimental styles.

STAGE 2: DIGITIZE MILESTONE MEETINGS				
Begin adopting cloud technologies that will enable your team to start meeting and making milestone decisions virtually, rather than in person.	Leverage 3D CAD drawings to minimize wasted time and physical sample materials in the early stages of the product creation process.	Ditch slide decks in favor of digitally organizing assortments and dynamically grouping products by details like material and retail price.	Break down data silos and accelerate stakeholder alignment by embracing a centralized digital workspace for all assortment-related data.	Improve business agility and strategic decision making using technologies that offer complex analytics and uncover meaningful insights.

STAGE 3: COLLABORATE WITH PURPOSE AND CONFIDENCE				
Bring disparate assortment data together in a single source of truth that all stakeholders can access and use to inform collaborative discussion.	Ensure everyone involved in making milestone decisions has a voice while fostering objective, organized conversations by capturing both qualitative and quantitative stakeholder feedback.	Make more time for meaningful discussion during milestone meetings when you require all stakeholders to review pertinent assortment information prior to joining.	Leverage consumer and stakeholder sentiment data to identify key points of consumer and stakeholder misalignment and focus milestone meetings on reaching consensus in these critical areas.	Start reducing scheduled, in-person milestone meetings in favor of virtual, asynchronous collaboration and decision making.

STAGE 4: REMOVE SILOS BETWEEN PRODUCT CREATION AND GO-TO-MARKET				
Maximize commercial appeal across target markets by evaluating consumer sentiment across regions and channels early in product creation.	Eliminate "big reveals" and involve cross-functional stakeholders at each stage of the concept-to-consumer process, including seasonal kickoffs and sketch reviews.	Prioritize understanding and better serving consumers across growing eCommerce and social commerce channels.	Measure the incremental *Reach* of each product in an assortment to attract more consumers across channels and regions with as few SKUs as possible.	Compare sales forecasts with consumer demand data to accurately and objectively right-size investment depths across assortments.

STAGE 5: DE-RISK MAJOR RELEASES WITH INCREMENTAL WINS				
Don't try to boil the ocean — separate experimental newness from core and carryover styles starting with a single product category.	Take an Agile, consumer-obsessed approach to product creation by incrementally refining and releasing smaller batches of new SKUs more frequently.	Right-size SKU depths and shrink waste when you limit forecast timeframes and investment depths.	Reevaluate supplier relationships and sourcing-country mixes to support smaller and more strategic drops that circumvent supply chain issues.	Implement new benchmarks and goals that focus on improving overproduction rates and increasing profitability.



MakerSights is the only assortment management workspace that empowers retail brands to take a **consumer-obsessed** approach to their product strategy and enables them to create more **products that people love**–and less of what they don't. The MakerSights Workspace brings cross-functional teams, from design and product to merchandising and consumer insights, together to test ideas and in-development products with target **consumers at scale.** Leveraging interactive dashboards and analytics that are **purpose-built** for retail brands, product creation and merchandising teams are able to analyze consumer demand data, instantly share insights with stakeholders, and make **data-informed decisions** that result in **efficient, high-performing assortments.**

If you'd like to learn more about modern merchandising strategy and how we can help your brand reach the next stage of maturity, **get in touch and schedule a free personalized demo!**

Our customers report increased SKU productivity, improved margins, and reduced overproduction.

MAKER/SIGHTS

The retail industry is one of the biggest polluters on the planet. At MakerSights, we know there is a better way. Consumer obsession powers growth and sustainability, so we've reimagined assortment management with the consumer at the heart of every decision.

MakerSights is the only assortment management workspace, empowering retail brands to take a consumer-obsessed approach to product strategy and enabling them to create more products that people love – and less of what they don't. The MakerSights Workspace unites cross-functional teams, from design and product to merchandising and consumer insights to test ideas and in-development products with target consumers at scale. Leveraging interactive, purpose-built retail analytics and dashboards, teams are able to quickly analyze consumer data, instantly share insights with stakeholders, and make data-informed decisions that result in efficient, high-performing assortments.

For more information visit **www.MakerSights.com.**