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Xcel Brands: A Media Company Doing Fashion

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Earlier this month, I got the chance to sit down with Robert D'Loren, Chairman & CEO of Xcel Brands. I'm so glad I took it because Bob isn't just another garment district leader and Xcel is anything but another apparel manufacturer. Below is what I learned and why I think Xcel and its brands are ones to watch -- if you can keep track of them as well as they keep track of global trends.

What Xcel Brands is: "A media company doing fashion, not the other way around." This mission is defined by an approach that reimagines shopping, entertainment, and social as one. To bolster it, Xcel just hired Ariel Foxman (former editorial director of InStyle and People StyleWatch) to help develop its digital and media strategy.

On the retail industry power dynamic: It shifted from manufacturers to retailers and now consumers have it. Manufacturers can regain some strength by reducing lead times in order to give consumers more of what they want, when they want it.

On social media: Inherently, social is real-time, which is at odds with long lead time manufacturing. Social is a brand-builder and sales-driver of dynamic brands. It's also a breeding ground for data analytics on which fashion is trending. Each brand has its own social media team and Xcel uses data scientists to cull trend information web-wide.

On department stores: To survive and thrive, they need speed and exclusive product. (Xcel is delivering Dillard's and Hudson's Bay Company exclusive product, quickly.)


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On what makes this type of fast fashion work: The art of merchandising is far from dead, but it's the science of decision-making and inventory planning that's critical. Xcel's assortments are made up of roughly equal amounts of fashion, fashion core, and core styles. Core can't be marked down - which requires discipline - in order to support the need to turn fashion items faster. Fashion styles can go from "sketch to store" in as little as four weeks, which means they're shipped via air. Some freight expense is saved on core styles that can be put on a boat with longer travel times. For this and other reasons, it's important to look at the blended margin of a brand.

On distribution: The brands come to life on QVC, which is an important part of Xcel's media strategy and helps drive sales, particularly at specialty stores. A need to protect the full-price QVC business also means department stores are reassured these brands won't wind up in off-price channels. This is true even though the items sold to QVC are different than the department store exclusives. Because exclusivity is key, the brands won't be over-distributed -- even though more distribution would yield greater sales in the short term.

On collaborations: Sometimes it's about the engagement, not the sales. An Isaac Mizrahi spot on QVC drove traffic to a craft end cap in Michael's, where shoppers bought yarn and then shared their creations on social. Likewise, an Isaac Mizrahi Band-Aid collection drew different eyeballs and, years later, even enjoys an afterlife on eBay.

In interviews Tags manufacturing, fast fashion, department stores, brand, social media, QVC

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