

OUTLOOK 2023 REPORT



PIECING TOGETHER A WINNING STRATEGY

This past year was a rough one. From supply chain disruptions and geopolitical turmoil to the impact of inflation and workforce shortages, 2022 was a challenge. But in this special outlook report, editors from WWD and FN dive deep into what it takes to win in 2023 by analyzing key trends about the consumer, technology, ESG, and the state of retail (online and in-store).

Download this report to give your team a competitive edge in the year ahead.



SKY PAD

SELL-THROUGH REPORTING PLATFORM



www.skyitgroup.com

Automating the way retailers and brands share, report, and collaborate on sell-through performance data.

Leveraging Technology to Optimize Operations and Efforts on Sustainability

SKYPAD'S Gil Hakami discusses driving ESG change and shares insights into the technologies that will improve outcomes in 2023.

BETTER BUSINESS DECISIONS ARE MADE with better data.

Despite recent years of constant change, disruptive roadblocks and unsteady consumer behaviors, many brands and retailers have not only survived the pandemic but thrived. According to Gil Hakami, Vice President, Business Development at SKYPAD, those who were successful were the ones ready to act — those who had the “right data” to support confident, quick decision-making despite an uncertain retail landscape.

As simple as it sounds, the demand for data is always increasing and brands and retailers continue to face challenges to keep up with the fast-paced and ever-changing retail and digital environment. Retailers need more efficient ways to share and discuss data with supplier communities to drive more insights, collaboration and ultimately lead to the ideal customer shopping experience — and unfortunately many are using technology that is outdated, slow and bulky.

This is what SKYPAD serves to remedy. SKYPAD's mission has always been to be

the data solution to bridge the gap between retailers and brands, and now with an expanded global vision, is connecting retailers and suppliers to maximize business performance worldwide.

Moreover, the company is helping the retail space support ESG goals by using data to act responsibly. Consuming the right data for predictive analytics can help support working together for a better outcome.

Here, Hakami talks to Fairchild Studios about the challenges facing retail today, technologies shaping retail, e-commerce, and marketing in 2023 and, importantly, the lessons learned from leading brands who are meeting ESG goals and thinking about sustainability from the inside out.

FMG: What are some of the challenges retailers and their brand suppliers currently face?

Gil Hakami: Given the current retail climate and landscape, it's more critical now than ever to meet the “speed to insights” demand. Speed to insights refers to the speed at which a retailer or brand can

compile and align data sources to generate meaningful insights. From there, teams can drive precise decision-making to proactively maximize full-price sell-through.

There are two main challenges. On the retail side, it's the ability to automate the distribution of a consistent set of sales performance data, internally to buyers and planners, and externally to brands. On the brand side, it is the ability to consume retailer information in a consistent and standardized format to quickly identify trends and target in-season opportunities for success. The lack of automation and access to data causes a ripple effect of challenges across the industry.

Using a standardized set of sales and inventory performance data has become essential for retail teams. SKYPAD's automated and streamlined reporting process equips both sides to approach their businesses proactively, saving resources, while maximizing opportunity and mitigating risk, as well as promoting a healthy collaboration between the two. The common language is integral for productive, “apples to apples” conversations between buyers and brands.

Retailers are relieved of outdated data sharing processes, such as manually emailed reports from buyers, and EDI 852 transmissions. Brands no longer need to wait to receive selling reports, only to reformat them to make their sales performance digestible. Through SKYPAD, both sides have access to a self-serve reporting interface, so time can now be repurposed for strategizing key business initiatives.

FMG: Since fashion industry trends are always evolving — how does having access to the right data help brands and retailers maintain efficiency?

G.H.: ‘Time to insights’ is fundamental in keeping up with current and emerging trends. Data should be readily available to analyze in a user-friendly format that enables action.

But what is the right action? Without visibility into key metrics, driving a successful business is extremely challenging. SKYPAD goes beyond these



business pillars by taking a deeper dive into measurables, including but not limited to, sales activity, on hand inventory, plus comparative history, and on order, to help level-set performance, productivity, and opportunity.

The SKYPAD team has intelligibly identified industry standard best practice reports that are pre-populated and paired with layers of customization. Through the 'Trending' view, time-over-time insights allow users to hindsight and forecast using historical sales and inventory metrics. It helps to maintain and maximize stock levels by door, and by style, to quickly identify trends for potential receipt increases.

As an added benefit, reports can also be customized, organized, and bookmarked in a format that best fits brand needs. Whether it is highlighting top door performance, classifying a reorder opportunity, or finding transfers/fill-ins, users will be empowered to lead more productive market appointments and sales strategy meetings.

FMG: Since the pandemic, online sales have dramatically increased and businesses that did not necessarily have a strong online sales presence pivoted to find ways to maximize this channel. How does SKYPAD assist brands and retailers with providing their customers with a best fit shopping experience?

G.H.: Since the pandemic began, the overall shopping experience monumentally shifted to meet customer needs. The sense of urgency rose to new levels as retailers and brands scrimmaged for more detailed data sets that could support more visibility into style and location-level performance, and more specialized online sales performance data. Both were and still are being challenged with the right distribution mix at the store level versus DTC (direct-to-consumer) and with the right assortments that drive performance per channel.

The demand for enriched data has never been higher. Even with stores reopening and mall performance stronger, online shopping prevails as the most convenient way to shop – becoming the new norm. To continue providing a more seamless shopping experience, data must be closely and frequently monitored, with accurate and standardized metrics, from a trusted retail tech solution provider.

FMG: Can you walk us through how SKYPAD's vision has expanded into connecting the global network of retailers and suppliers to maximize business performance worldwide?

G.H.: As a recognized global leader in product performance analytics for major



This cross-functional partnership can optimize the selling process so brands develop into key styles for retailers which help to minimize out-of-stock positions, inventory surplus, and ultimately inventory waste.

GIL HAKAMI, SKYPAD

global retailers and brands, our mission has always been to continuously improve business processes between the two with automated streamlined reporting technology to fulfill and exceed customer expectations. With the progressive success of our mission, our vision is to connect our growing global network on a single platform, where actionable insights and consumer trends directly support sustainability while maximizing business performance.

In Spring 2022, SKYPAD opened an additional office located in Paris' advanced center of information and communication technologies, Issy-les-Moulineaux. Given the positive reception in North America, the expansion to serve the European and international markets was inevitable. Europe has always been one of the priority markets for SKYPAD. In response to the growing demand for speedier insights, currency conversion support, and transparency of sell-through data between retailers and suppliers, this new office represents the strategic expansion for continued growth.

SKYPAD's portfolio of European and international partners includes brands such as Balmain, Marc Jacobs, Alexander McQueen, Bottega Veneta, The Row and Rag & Bone. The list is growing daily.

FMG: Given that sustainability and environmental responsibility is top of mind in the fashion industry, explain how consuming the right data for predictive analytics can help support retailers and brands in their pursuit to meet and exceed ESG goals.

G.H.: Sustainability awareness has become more concerning in recent years. Retailers and brands continue to become more cognitive of unnecessary inventory waste and are motivated to do better. A key component of reducing environmental impact is using advanced technology and data to improve brand assortment, retailer buying, and allocation.

Having visibility into KPIs across channel, door, style, color, weekly, supports collaborative planning and analysis that serves to evolve business based on history. This cross-functional partnership can optimize the selling process so brands develop into key styles for retailers which help to minimize out-of-stock positions, inventory surplus, and ultimately inventory waste.

Though it is unlikely that all styles developed with a business case in mind are strong sellers, real-time data and historical performance can quickly identify opportunities and shortcomings. From here, retailers and brands can partner to strategize on ways to sell thru unproductive styles, whether it's discounting or RTVs, and ultimately if the style is planned in the pipeline, brands can cease production immediately on future receipts. This kind of analysis immensely helps prevent go-forward inventory waste and replenishments, while protecting brand/retailer relationships.

FMG: Can you describe elements of sustainability at retail and how SKYPAD enables brand and retailer users with the tools to reduce overall impact?

G.H.: Three aspects come to mind: indirect emissions, carbon footprint, and supply chain.

SKYPAD has always encouraged increased collaboration between retailers and brands – more specifically, to be more transparent in data sharing, and to automate the process for streamlined data availability. When retailers and brands elect to use the same sell-through reporting platform, this cross-functional partnership improves communication between the two, allowing for conversation centered around what is working and what is not.

Using technology, like SKYPAD, for faster and more reliable accurate insights, retailers and brands can optimize their operations and alleviate unsustainable activities. Utilizing industry best practice reports, inventory can be better allocated to match its demand – this can be identified in terms of style/color/size, as well as location and/or sales channel. Having the ability to identify what the consumer is voting for in terms of body, color, and fit, more quickly and precisely, allows for better use of the supply chain.