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*A. Ché*

# Julie France Officially Launches its **Retailer Protection Program**



We met with Rodrigo Cano, President of Julie France and of the new Retailers Protected Council, which seeks to protect retailers against direct sales. In our interview, Cano did not hold back. BY FANÇOIS POMÈS

**D**uring the most recent Curve expo, Rodrigo Cano, President of Julie France, decided to launch a retailer protection program. Its purpose: to fight brands selling directly to the consumer and bypassing established sales networks. The direct sales are marginal but are growing steadily and could, with time, endanger the existing retailer network. After a few months, Rodrigo Cano developed a concept, a logo, and a Retailers Protected Council open to all. He explained to us how it works.

### **Why did you decide to launch a protection program for the retailers?**

I decided to launch Retailers Protected Council to bring light and awareness to shifting market trends that result in the destruction of the retail supply chain. The market is currently undergoing a metamorphosis from the traditional retail model to the new online direct sales model; this shift is generating severe impacts for retailers. The traditional retail model follows a linear progression of manufacturer to retailer to consumer; manufacturers sell to retailers at a wholesale cost, and then retailers sell the goods to end consumers at a mark-up price. This behavior creates a mutually beneficial market environment for manufacturers, retailers, consumers, and everyone in between.

The new online direct sales model alienates retailers from the supply

chain as a result of manufacturers selling directly to consumers. In this model, merchants simply cannot compete; brands sell products at steep discounts that retailers cannot match, not to mention the free shipping and free return incentives from the brand's website. This strategy on the brand's behalf forces consumers to purchase from the manufacturer because it offers short-term benefits to the consumers (low price point, post-sale incentives, etc.). From a long-term perspective, the more consumers purchase from the brand, the less profitable retailers become, which leads to more store closings. The Retailers Protected Council was launched to be the advocate for retailers affected by the new online direct sales model and to operate as a platform where relevant information, articles, resources, discussions, solutions, networking, and education is shared.

### **Did you talk to retailers and how do they feel?**

Yes, I have been talking to retailers about this issue for years, decades even. I have been in the retail/manufacturing industry for over 32 years, and I have seen first hand the results of brands selling directly to consumers. I discuss this with retailers frequently at trade shows and other events, and have conducted two nationwide surveys targeted to retailers on this subject. The results are consistent: retailers do not want to compete with their manufacturers. In a survey I previously conducted, 93% of retailers responded that it was very important that the brands they sell in store do not sell di-

rectly to consumers. Another 95% of retailers responded that their business was negatively affected by brands that sell direct.

***Why do you believe in the relationship between consumers and hard sellers?***

I believe in the relationship between consumers and retailers because consumers gain from the individual, local, and national benefits retailers provide. On an individual level, consumers need to feel, touch, smell, taste, hear, and try the product. My favorite example of this is perfume: would you want to buy a perfume online that you cannot smell?

On a local level, each consumer dollar spent at a local retail store becomes re-circulated within the community, thus creating the multiplier affect. With more money being "recycled" within the community, city governments have the funding to add and improve upon the communities' health and safety, recreation, housing, etc. Nationally, retail allows for product innovation and diversity among the markets.

Retailers are so important in selling our products because we want the consumer to be able to feel the smoothness of our fabric and the comfort of the fit. We want the consumers to see the streamlined silhouette and the slimming effects of our garments. In addition to that, we want our retailers to profit from that sale and contribute to their local economies.

***Is this your own project or do you share it with other brands, including direct competitors?***

I organized, created, and executed the launch of the Retailers Protected Council, but I openly encourage any and all like-minded individuals, companies, retailers, and manufacturers to become involved. RetailersProtected.com is a public website, with an option to become a member at no cost. By taking advantage of our free membership, the individual, company, or organization is agreeing to principles behind brands not selling directly to consumers, and agrees in the importance of supporting local communities. Additional benefits and tools are available to members through the website such as solutions, data, directories, etc.

***How do you plan to communicate and to teach about this program?***

My plan to communicate and educate includes ini-

atives of the Retailers Protected Council, the official website ([www.retailersprotected.com](http://www.retailersprotected.com)), social media, and coverage through industry publications, tradeshow, and conferences. I encourage anyone who has an interest in the council and our mission to contact me directly.

***Is this project against e-shops?***

Retailers Protected Council is not against online retailers; the council is against manufacturers bypassing retailers and selling to consumers online at steeply discounted prices. The big point is that regardless of whether the retail shop is brick and mortar, online, or a combination of both, they still have to maintain a higher price point than what a manufacturer can potentially offer. Technology and the Internet are here to stay; I am in full support of embracing the efficiency and convenience that comes with technology. One facet of Retailers Protected Council is to educate retailers on the importance of integrating technology with the in-store experience that includes retailer websites, e-commerce, mobile applications, etc.

***Is there any explicit logo to be part of this?***

The logo (Retailers Protected Official Seal) is available for complimentary download to all members of the Retailers Protected Council. The seal is a symbolic representation of the brands commitment to the social responsibility, economic, and ethical principles behind the Retailers Protected Council. By showcasing the seal openly on advertisements, media, and trade show materials, the seal allows retailers to quickly and easily recognize the brands that will not compete with them.

***What are the coming steps?***

The coming steps are to provide and encourage education in areas of manufacturing/retailing, citizenship, character, responsibility, and market awareness to consumers, retailers, and manufacturers. The Retailers Protected Council asks that any and all like-minded individuals, organizations, brands, retailers, and consumers go online and join us. Furthermore, we encourage and support local chambers of commerce, governments, and communities to implement "Buy Local" campaigns. We ask consumers to think about the long-term effects of purchasing from the brand and bypassing retailers. The goal is for market-wide adoption of the concepts and principles behind the Retailers Protected Council. With the support of fellow manufacturers, retailers, consumers, trade organizations, industry publications, and media, we will have positive and profound local, national, and global impacts on the economy. ■

