

APPAREL AND ACCESSORIES

## Why fashion brands need engineers

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*Theodora Koullias*

By **Theodora Koullias**

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To whom does luxury belong? An article I recently read posed this question. Is it for the older, more prestigious generations, it asked, or for the generation coined "new money" that clings to logos as the status quo?

Looking at the products being sold in stores and on the Internet today, it is clear that there is an abundance of overused logos and millennial-leaning emoticons on everything from handbags to apparel. Without any knowledge of the luxury fashion market you would be inclined to side with the latter.

In the bag?

It is an idea we do not think to question, especially when what we consider luxury today has historically always belonged to the people well made, long-lasting products that served a unique purpose.

Whether it was a made-to-order suit or a saddlebag for your horse, luxury items of the past blended craftsmanship and technology to create beautiful, necessary products.

Now that truth is blurred in brands' needs to elevate heritage stories of where they hailed and who they were above what they create today. There is a shift in priority toward continuously deifying a past as opposed to innovating and sustaining products that serve a purpose for the ever-changing customer base.

Despite **Bain's report of moderate growth in early 2017**, the sluggishness of the luxury market today is due to one thing: lack of vision.

When you think about the fashion industry from an evolutionary perspective, we are still at the point where we are being sold the equivalent of a horse and buggy.

Take the handbag industry, for instance.

Initially, handbags evolved to accommodate the ephemera of changing contents becoming smaller as women dressed more liberally, or larger, more secure and organized as women started to enter the workforce and travel unaccompanied.

However, the handbag has ceased to continue to transform according to women's needs. With this stalemate,

consumers are given less reason to purchase handbags in styles they already have.

Will the industry ever make the leap from selling the same old horse and buggies to selling even so much as new, innovative cars, let alone electric or autonomous vehicles? I am not convinced they will.

But even if the desire did exist, are the fashion houses in their current states internally equipped with the skills to do so? And, even if they successfully contracted a team of engineers to create a more innovative fashion product by digitizing their companies at scale as McKinsey & Co. senior partners Anand Swaminathan and Dr. Juergen Mueffert **urge companies to do in their new book** would they have the internal expertise to effectively manage that project? I am not convinced they do.

Nuts and bolts

The point is the future of all luxury brands needs to be full-stack. Especially in fashion, where a complete lack of innovation for so long is causing the industry to stall even as the world is becoming wealthier and women the primary spenders are earning more.

Engineers are an absolute must. Without them, fashion will fail to grow outside of what it can sustain on population and wealth increases alone.

But engineers are needed in-house not as contractors. They need to be woven into the fabric of brands' cultures where they can contribute at the product level and not merely exist to provide robotic, slap-on solutions to products already being sold on the market.

Ralph Lauren taught us that lesson well with the Ricky Bag with Light.

With mediocre specs and an obviously clunky user experience, I wonder how the Ricky Bag even made it to market. This result is typical of what happens when a fashion house tries to create a new product (1) without really spending the time to understand its users' needs, and (2) by treating the contracted engineering house like a line in the balance sheet.

After working and living in Silicon Valley and dealing with engineers on an almost daily basis, I can tell you that engineers are not drones. They are brilliant people with inspiring ideas and an insatiable need to make the world a better place through innovation.

Together with engineers, the fashion industry could not only create better, more relevant and useful products, but it could also overcome this standstill.

The new normal for fashion will be when innovation occurs at the product level and not just everywhere around the product. There are an endless number of omnichannel retail solutions that help brands drive more sales of the same horse and buggies they were already selling last year. These are Band-Aid solutions: "vitamins, not aspirins" as we say in Silicon Valley.

Feeling the pain

You would be surprised at how many pain points customers have at the product level of what they already consistently buy. But they continue to buy because it is the best that they can get for now that is.

At Jon Lou, when we conducted research for a better travel bag, we spoke with more than fifty Fortune 1000 power-traveler executives and across the board. No matter which luxury brands they bought, these women all had the same needs.

Even without implementing the technology we intended to embed, we could build a handbag that would solve a number of the problems that our customers told us they have when traveling for business. Simply by digging deeper into these customers' needs, we uncovered a pain for which we developed our very own aspirin.

Our story should not be unique. There are so many other pain points within the fashion industry alone that if solved can help brands bolster sales without the need for annoying ads or for all of these peripheral retail technologies.

So, instead of focusing on how to drive sales by stooping to fast fashion's see-now, buy-now techniques or by blindly entering every new emerging market only to face slowing growth as the delta inevitably decreases, luxury brands should invest in creating new products that solve real problems for their already loyal customer bases.

Sizing it up

This is a call for innovation on the product level for every fashion brand out there.

If you are a company that is selling sexy shoes, challenge yourselves to mold heels that have the classy look of Jimmy's but the feel of Nike Airs. I do not know any woman who would not get behind that or a millennial who would not save up just to acquire a pair.

If you are a company selling apparel, toss out the traditional sizing models and build your own.

Women are not liquids we do not just take the shape of our containers. Try something different with jackets.

Give women the option of inside pockets because, surprise-surprise, we do not always carry handbags.

Whatever you choose to do, break the status quo.

Reformulate your teams, tweak your prototyping methods and invest in research and development.

Create defensible solutions that cannot be copied, no matter how early a collection is shown.

In the short term, this will be an expensive investment, but an investment well worth making.

IN LESS THAN 10 years when millennials surpass Gen-Xers' in spending power and will create the biggest boom in the demand for luxury, this type of innovation will then be the new norm.

*Theodora Koullias is founder/CEO of [Jon Lou](#), San Francisco. Reach her at [tkoullias@gmail.com](mailto:tkoullias@gmail.com).*

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