

BUSINESS

Catering to Pregnant Women Amid COVID-19

- Destination Maternity's two brands play in a niche that's less impacted by the health crisis.

BY DAVID MOIN

In a health crisis that's pummeled fashion retailers, Destination Maternity Corp. has a better path.

The corporation's two brands, Motherhood Maternity and A Pea in the Pod, sell maternity and nursing apparel and accessories – categories that could be considered “essential” in an otherwise “nonessential” fashion industry. They both no longer operate stores, just web sites. And the offerings and messaging have been adjusted to better align with what pregnant women want and need.

“We have been really focusing on our bestsellers. They're playing well in light of everything going on right now,” Marla Ryan, president of Destination Maternity, told WWD.

“Our assortment wasn't keeping up with how our customer was shopping so we have refocused on our top products – maternity and nursing bras, sleepwear, hooded sweatshirts, leggings, knit joggers, T-shirts and jeans. “We already had the assortment there. Now we are making sure that we're messaging to those things. We are really catering to at-home, comfort, soft-dressing needs, essentials and basics, items with less try-on challenges, and we make sure we are in stock, able to service our customers. We are really pleased with the conversion rate. She's putting more things in her basket.” Only dresses were cited as not selling as well, with women sheltering in. Motherhood Maternity offers private-label essentials, while A Pea in the Pod offers designer and brand labels such as Rachel Pally dresses, Beyond Yoga activewear, and AG and Seven For All Mankind jeans. Both brands are available online at motherhood.com or apeainthepod.com.

Four weeks ago, Motherhood Maternity launched “The Juggle Is Real,” a social-based campaign designed to help expectant women and new moms through pregnancy during the pandemic. The outbreak has created situations and challenges surrounding doctor check-ups, health concerns, Lamaze classes, giving birth, and missing out on social interactions that celebrate pregnancy milestones such as baby showers and gender-reveal parties.

“At Motherhood Maternity, our focus has always been on providing our expecting moms and new moms with apparel solutions and support from the first trimester through the fourth when she is seeking nursing and back-to-work post-pregnancy options,” said Ryan. “Today, we find ourselves in an unusual place in time, however, our customers are still having babies and continue to look to us as a trusted resource.”

She said the idea for the campaign came from expectant employees and the questions they had. “We also have many moms with young children trying to juggle it all as we have transitioned into sheltering at home, with homeschooling, working from home and overall, changing our normal routines,” said Ryan.

The company's Facebook and Instagram platforms have videos, stories, pictures and conversations ranging from virtual doctor's appointments to grocery shopping, altering birth plans, giving birth during COVID-19, postpartum isolation and working from home while have young children around. The company concluded a contest during April whereby moms-to-be submitted bump shots. The best photo of each day was chosen by the company and the winner received a Motherhood Maternity \$100 gift card and care package. “We know that women are missing special mom-to-be moments that are emotional milestones usually shared with close friends and family as their pregnancy progresses,” said Ryan.

With the campaign, “We've been getting 1,000 new followers a week on Instagram and almost as many on Facebook. Many women want to know what happens when their water breaks, is it safe at the hospital, will my boyfriend, husband or partner be with me. The thought of not having a partner in the delivery room has people just besides themselves.” The campaign has provided a forum for people to offer advice and for people to feel not alone. “It's been very helpful. It gives people a sense of calm,” Ryan said.

“It's also just a place to vent,” she added. “Women are trying to figure out how to juggle it all, providing three meals a day which everybody expects, getting the laundry done, the dishes. For a lot of women, it's been very sad staying at home, and not being able to show their bump,” in person.

Destination Maternity, based in Moorestown, N.J. was founded by Dan and Rebecca Matthias originally under the Mothers Works Inc. name. In October 2019, the company went bankrupt, and in December was purchased by Marquee Brands, which has a portfolio that includes Martha Stewart, Bruno Magli and BCBG Max Azria, among other labels. Marquee is owned by investor funds managed by Neuberger Berman. Last year, the company operated about 900 stores. During the bankruptcy, about 200 were closed and in March, the remaining stand-alone stores were liquidated. Efforts are under way to update the company's web sites to be more interactive with customer service features like live chat, virtually reality and updated sizing charts. The revised web site will roll out in a couple of months.

According to Jonathan Greller, head of strategy and corporate development at Marquee Brands, since the acquisition Destination Maternity has strived to create “engaging” experiences and strengthen bonds with customers as “a trusted resource and solutions expert....We believe



The Motherhood Maternity styles.

we are well positioned to continue to fuel future growth.” The Destination Maternity team reports to Greller.

In addition to selling online via motherhood.com and apeainthepod.com, the brands have leased shops inside Macy's, Boscov's, ByeBye Baby and also sell on Amazon. “We are looking at additional wholesale opportunities,” said Ryan. Asked if the company would ever consider a return to operating stores, Ryan replied, “I would never say never.”

There is a school of thought that the pregnancy rate could increase due to sheltering in, though it's also possible that with the economy tanking, people are worried about their jobs and financial security and may not be inclined to have children in the current climate and take on added expenses.

BUSINESS

MadaLuxe Group Taps Supplier Network for PPE

- The ceo talks off-price, excess inventory and making millions of masks to fight COVID-19.

BY DAVID MOIN

MadaLuxe Group, a family-run company that distributes luxury goods to off-pricers, luxury timepieces to regular-priced retailers and operates its own high-end off-price stores and web sites, has added PPE to its unorthodox business model.

The 10-year-old Los Angeles- and New York-based firm is tapping its network of factories to source and produce face masks, gowns and hand sanitizer for doctors, hospitals and health organizations around the U.S. “There are medical components, specifications and certifications required. A great amount of diligence and verification goes into this,” Adam Freede, cofounder, co-owner and chief executive officer of MadaLuxe Group, said in an interview.

He said MadaLuxe is sourcing from multiple factories in China for masks and gowns, and in the U.S. for the sanitizer, and working with a major manufacturing conglomerate in Hong Kong producing anything from food, to jeans to Black & Decker equipment to vet the product and insure proper specifications of

the PPE. The conglomerate provides “support on the ground,” said Freede, who cofounded MadaLuxe with his mother, Sandy Sholl, cofounder, co-owner and executive chairwoman.

For the project, MadaLuxe has created a new division called MLG Health, which Freede said he's overseeing. The division is composed of existing staff from buying, logistics, planning and operations.

MadaLuxe has delivered more than 2 million masks to health-care groups across the U.S., among them OSF HealthCare, which operates 145 locations including 14 hospitals; Franciscan Health, a health-care group with 12 hospitals and many practices in the midwest, and Northwestern Medicine, which has hundreds of locations in and around Chicago. The company said “millions more” will be delivered in the next 30 days. “We're not looking for small orders, but we are saying yes to everything,” Freede said. “We have a long list of those we are supplying and trying to help. We are not asking for deposits or payment for before delivery. We are taking care of that part of the process to de-risk it for health organizations.”

The company is supplying only FDA-approved respirator masks and surgical masks to several municipalities as well as the health-care organizations. Large

quantities of PPE are received weekly, and production time varies. Masks require three to seven days; gowns, 20 days; hand sanitizers take one to five days. Some of the production is based on orders; others are to build up a supply, much of which gets donated.

“This is not a profit center,” Freede said.

Hundreds of thousands of masks are being donated to UCLA, Mount Sinai, Cedars Sinai and OSF, and elsewhere.

With stores closed and people not shopping, “There will be more inventory than usual in the coming seasons, but there won't be panic in the luxury sector,” observed Freede. “You won't see any fire sales in the mono-brand boutiques. These brands are meticulous in their planning and their strategies, and will be really shrewd and intelligent with how they pivot their inventory. Many of these luxury brands are family controlled where cash is not an issue. They make decisions for the longer term. They don't make short-term decisions for cash or sales gains.”

He said there will be greater pressure on contemporary fashion firms to move inventory since they typically deliver 11 times a year. “The pressure for them to move inventory and get rid of it is significant. In the non-luxury sector, it will be nothing short of a bloodbath.”

“For the off-pricers that come out of the COVID-19 crisis strong enough, it will be a banner year. Bankruptcies, liquidations and store closings will pour a lot of merchandise into the off-price market.”

The three MadaLuxe Vault stores, located in Citadel in Commerce and San Clemente, Calif., and in Anthem, Ariz., are



The MadaLuxe Vault store in San Clemente, Calif.

temporarily closed, though some, not all, of the shortfall is being made up online.

“Our e-commerce has been stronger than ever since the last two and a half to three weeks, almost comparable during holiday time,” Freede said. “We are selling a lot of timepieces, sunglasses, expensive footwear and handbags. A lot of everything really, more than what I was expecting. A big part of consumers' wallet share has been going to experiences like travel and restaurants. But people can't do any of that now. So for many who still have jobs, still making money and stuck at home, there's a fervor to live their lives and buy fashion that makes you feel good. The online business is not enough to make up for our store closures, but there are some bright spots.”