Soeur demonstrates how to switch to a digital-first business model

By Olivier Guyot - February 21, 2022

The French women’s ready-to-wear brand, Soeur, is now on full display in the Paris metro for the first time, symbolizing progress in the last few seasons. Its Spring/Summer 2022 campaign can be spotted in the Havre Caumartin, Opéra, and Sévres-Babylone Parisian metro stations until February 22. This initiative’s second phase will see a poster campaign at the exit of 140 metro stations from the end of February to the beginning of March.

Despite being a physical advertisement, the brand has given the campaign a digital angle. Female influencers lead the game of posing in the metro alongside the campaigns, where the pictures are then posted on the brand’s social media platforms.

This approach therefore combines the physical world with the digital realm and has helped garner success for the brand, which is financially backed by the Experienced Capital Partners investment fund since 2016. Founded in 2008 by sisters Domitille, a former stylist who worked for nearly 20 years at Bonpoint followed by Bonton, and Angélique Brion, they created the brand for the purpose of offering a fresh new wardrobe to their teenage daughters.

The label, which would design its prints in-house, initially appealed to girls and mothers with its casual-chic style that veered towards bohemian. The founders gradually started offering a more mature wardrobe instead in order to finally focus on a more developed womenswear offering. This pertinent option allowed them to create a strong Soeur identity: a mix of beautiful organic materials, made-in-India embroideries, elegant boxy cuts, comfortable silhouettes, and a feminine reinterpretation of menswear.

The arrival of ECP, which took over a 37% stake in the company's capital, has made it possible to realize the brand’s ambitions, with Domitille maintaining her position as both creative director and president of the company. With the development of its distribution network of mono-stores and multi-brand retailers, the brand is asserting itself in the French high-end ready-to-wear playing field and is beginning to increase its international visibility.
In 2019, Soeur started to evolve its strategy by focusing more on the digital sphere, appointing Freja Day as general manager of the company that same summer. Having had previous work experience in the luxury industry (notably in Cartier), the director had just come out of ten years spent at Inditex, where she developed Zara’s e-commerce business in France by implementing the operational and logistical structure for the French market. A few months before the Covid-19 pandemic first struck, Day led the brand’s digital shift.

"Soeur was very focused on retail and had a strong retail culture," explained the Swedish executive with American and Chinese origins, who grew up in China before moving to France. "This means that the product offering was designed to be presented in stores or in in-store corners. But it was not possible to display Domitille’s designs in all product categories within the 36 square meter space. We couldn't offer all the accessories. So instead, we focused on digital sales.”
The confinements due to the pandemic and their negative impact on retail validated this option and confirmed the brand’s potential. The company is seeing its sales soar, driven by the growth of online sales and its activity on social platforms and its newsletters. The digital share of sales will reach 30% in 2021 to €40 million in sales, whereas two years ago, the brand was making less than €20 million and its share of online sales was less than 10%.

"Actually, becoming a digital brand is not just talk. It means that all functions of the company have to be oriented towards this goal. All members of the management committee must believe in this project," explained the general manager. "What is clear is that the efforts are collective, and digital investments are being made ... but then the responsibilities do fall on everyone. There are about 40 of us currently in the team and our challenge is to avoid silo mentality. The retail and digital directors want to take on general management functions one day. They want to understand each other's challenges and coordinate their efforts.

In concrete terms, this means that the brand has recruited freelancers and staff to integrate the Shopify solution or a new CRM, but we have also recruited business and data analysts who will scrutinize our performance of products sold online and in stores, identify the best balance in the collections, and identify opportunities to provide quantified recommendations to the creative teams. This is an arsenal that should enable us to further increase the share of digital sales. We have already made good progress, but there is still a long way to go," explained Day. "We could eventually reach 50% of online sales," for a brand that aims to double its sales within a span of five years. Today, wholesale still represents about 20% of its total turnover.
Ratios are very important for a label that identifies as a designer brand. "I don't consider Soeur to be an accessible luxury brand. We don't have the same organizational structure or the same pace of developing collections. The weight of the creative trades in our structure is very important compared to other brands", explained the director who assumes that this weight has positively impacted the brand's profitability in the past.

"We believe that this is what differentiates our product offering," explained Day. The proof: "we recently recruited a new pattern maker to strengthen the team, allowing us to work with our own prints, to have an approach to new materials, and to develop a more sophisticated product portfolio. Our models are mounted on canvas and we add references at the top of the pyramid. The advantage is that the more we grow, the more we lighten the creative load".

With its strong growth, it is not a profitability issue that the brand is facing but rather a challenge in developing speed. The brand must recruit the right people to accompany its progress. The development of the distribution of its accessories offer, particularly with the introduction of new bags, should be a lever for growth and should attract visibility to Soeur. However, it is, above all, internationally that the brand will have to make a name for itself. While it has 37 points of sale and a presence in many department stores such as Galeries Lafayette, Le Bon Marché, Harvey Nichols and El Corte Inglés, where it even takes up more space, the brand should have 50 points of sale by the end of the year, entering multi-brand retail stores such as La Samaritaine and Galeries Lafayette Champs-Élysées in France. Other openings are in schedule such as a second store in Seoul, a third store in Madrid, and a location in Luxembourg. The establishment of a subsidiary in the UK furthermore marks this ambition of global expansion.

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