

“WE HAVE TO BECOME FASTER, BETTER IN OUR PRODUCT RANGES AND ADOPT A MORE STRATEGIC APPROACH.”

INTERVIEW WITH STEFFEN JOST, PRESIDENT OF BTE E.V. AND GENERAL MANAGER, JAKOB JOST GMBH

On July 31 2020, the German Retail Association - HDE e.V. reported in addition to the current sales figures published by the Federal Statistical Office: “Many clothing retailers are still in danger of existence.” An HDE survey of 500 retailers showed that around two thirds of the non-grocers achieved at least 75 percent of sales in comparison to the same week last year. The main reason for this is the slowly increasing number of customers.

For 27 percent of retailers, however, the situation is still very serious: They realize their entrepreneurial existence threatened due to the corona crisis. Most retail companies will not be able to make up for lost sales that have occurred in recent months. Accordingly, two-thirds of non-grocery retailers calculated that sales would also decline in the second half of the year. Many clothing retailers continue to face difficult times.



Textination spoke about the situation with Steffen Jost, long-time president of the BTE Federal Association of German Textile Retailers, owner and managing director of Jakob Jost GmbH.

The family company, founded in 1892, operates five clothing stores in Rhineland-Palatinate and Baden-Württemberg in the medium to upper price segment with more than 300 employees and a sales area of around 20,900 square meters.

How have you felt about the corona era to date - as a company and personally? What would you on no account want to go through again and what might you even consider maintaining on a daily basis?

The corona era was a challenging time for the company and its employees. You realize very clearly which employees are loyal and committed to the challenges and which are not. It is frightening to experience the appearance of mask refusers among the customers, who claim to go shopping without a mask and demand freedom for themselves and at the same time presuppose the employees' willingness to make sacrifices. The tone, the impertinences as well as the aggressiveness are alarming, it is often pure egoism. And in this context the meaning of freedom is limited to their own freedom.



Fotograf: Juan Müller

Steffen Jost
CEO Jakob Jost GmbH
President of the Federal Association of
German Textile Retailers BTE e.V.

What does the pandemic mean economically for your own company so far, how do you estimate the consequences for the entire sector?

The economic impact, especially in terms of profitability, is immense. Since it affects the entire sector and thus also many companies that entered the crisis without a solid equity base, a major shakeout is to be feared. Especially because it is also not yet possible to predict how long the crisis will last.



What adjustments or innovations have you considered necessary for your product range?

As a result of the crisis, occasion related and elegant clothing is tending to decline, while sporty clothing is on average a bit more successful, so that more we emphasis on these aspects. The stationary trade as well as the industry have big problems, nevertheless there are acceptable solutions with many suppliers after intensive exchanges. A few suppliers try to enforce their own interests exclusively. Of course, this will result in corresponding consequences for the cooperation.

How do you consider suppliers in the future, what experiences have you made and will you draw consequences for your procurement policy?

A good cooperation between retail and industry is essential for economic success. If this basis does not exist (it has suffered considerably as a result of corona), it is also assumed that future economic success will be worse. A profit-oriented corporate management must take this into account in its procurement policy.



Which initiatives or instruments at politico-economic level did you welcome for the sector, of which have you been critical?

For many companies, including ours, both - the short-time working allowance and the KfW loans are essential components to secure the company's long-term future. For the first time the retail sector is applying for short-time work. We are critical of the lack of willingness on the political level to enforce the mask obligation and to punish violations of it accordingly. This has been passed on to the retailers and other sectors of the economy with corresponding problems in customer relations.



The interim aid was a great help for many small companies, but unfortunately medium-sized companies were not able to benefit from that. Corona has certainly massively accelerated the structural processes and developments in the retail sector, whereby the one-sided consideration of online sales, as currently can be seen, certainly falls short. It is also a question of the ability to generate profitable sales in normal times in order to build up business substance and also to finance necessary investments.

Did the corona era also have a positive effect, while the sector has brought forward innovations that would have been necessary anyway?

This might have happened in some cases. Especially companies that were not yet sufficiently digitally positioned may have taken action here very fast. In width, however, times of crisis seldom mean large investment periods.

What needs the stationary retail trade has to meet in future, what services must be offered in order to get a stable future?

The retail trade must be more than a place where goods are stocked in large quantities. The internet can do this on a much larger scale. Real customer service will play an increasingly important role, as will the length of stay and the design quality of the retail space. At the same time, it is important to make an optimum use of the digital possibilities. In addition, it is important to curate the product ranges in such a way, that the customers' respective requirements are matched by an assortment that meets their expectations. Basically, this has been the original task of purchasing for decades.

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Which initiatives or approaches by or for your sector would you appreciate as support for such a future?



The cooperation between industry and multi-label retailers must definitely become more intensively and, above all, faster. Up to now, the possibilities of electronic data processing in a mutual flow of information, have been used by far too little and the corresponding consequences have not been drawn. In addition, the procurement times need to be reduced significantly. The order and delivery dates must be set much later, and the possibility of using the digital

world for ordering must also be implemented, in order to compensate at least the great systemic advantages of the vertical trade and thus also to reduce significantly the rates of write-offs and returns.

Until now the big issues have been globalisation, sustainability / climate change / environmental protection, digitisation, the labour market situation and so on. How must we rate them against the backdrop of the Covid-19 pandemic?

Covid 19 will not change the big issues seriously, they will remain with us. Possibly the negative labor market situation, which is to be feared, can push them into the background, because if existential needs have to be solved, experience shows, that there is much less attention for the other problems.



What are the lessons for the textile retail trade with regard to these goals for the post-corona era?

The long lead times between ordering and delivery must finally be shortened. We have to become faster, better in our product ranges and adopt a more strategic approach. We may not lose sight of our own interests and the overall strategy of a company through the specifications of individual suppliers.

The strategic goal can only be to strive for permanently profitable sales and to implement all necessary measures consistently.

*The interview was conducted by Ines Chucholowius,
CEO Textination GmbH*