



Bigger (and Better)

Destination XL promises to bring the superstore concept to big and tall men's wear

by JOHN MORELL

David Levin is overseeing the slow shuttering of his stores. Once a nationwide brand with more than 400 locations, Casual Male XL has been whittled down to about 250 during the past two years; by 2016 Levin will probably lock the door on the last one.

But the CEO of the Canton, Mass., firm is more frazzled than unhappy. “At the same time we’re closing these 400 stores, we’re in the middle of opening 250 Destination XL locations,” Levin says. “So it’s a process of closing one door and opening another simultaneously, which isn’t easy.”

Casual Male XL built its reputation as a leading retailer in big and tall private label men’s wear. Founded in 1976, the company established a winning formula with easy-to-navigate stores located close to shopping malls. The company also had a smaller chain of upscale big and tall clothiers called Rochester. Many of the stores were

well-established in their communities, having been in place for 25 years or more. But despite increasing consumer demand for big and tall clothing, sales leveled off, so the company looked closely at their customers and stores.

“What we found was that our customers wanted more brands and a bigger selection,” says Levin. “They wanted features like an onsite tailor” and bigger dressing rooms so they didn’t feel confined when trying on merchandise.

The more intimate space of average Casual Male XL stores wasn’t working — stores needed a bigger footprint that could easily handle large round fixtures and shelves with a greater selection. When it saw the need to make sweeping changes in store layouts and merchandise selection, management decided it wasn’t time for refurbishing, but reinvention.

“We weren’t going to get another 3,500 sq. ft. out of thin air, so we needed to look at moving to bigger

locations,” Levin says. “Then when you add in the need to bring in new merchandise and a bigger selection, you’re changing what the old store was about. So then the conversation became, ‘How do we re-brand our stores?’”

DIVERSE CUSTOMER BASE

It became quickly evident to the management team that they had to sweep out the old and bring in the new — in each zone where two Casual Male XL stores had been, they would close and a new 8,000- or 9,000-sq.-ft. Destination XL would take their place.

Customers didn’t want to shop for clothing in a mall or deal with problems parking, so the real estate team used the same formula that worked for Casual Male XL: Find locations near malls so that stores have the opportunity to feed off mall traffic without having to pay higher mall rents.

The name of the new store, Desti-

nation XL, spelled out the objective: They would be superstore destinations, since surveys showed customers were willing to drive a little farther to a bigger store with a greater selection of clothing. Good highway visibility was integral to a company that was trying to establish a national presence, and an abundance of parking spots would please their core customers.

The merchandising and marketing teams spoke with major men's clothing brands to let them know about the project. "We felt this was a key element to the success of Destination XL," says Levin. "The private brand model had done very well for Casual Male, but our consumers were interested in seeing the major labels like Polo, Calvin Klein and Brooks Brothers."

In order to attract these and other upscale labels, the company had to sell them on the concept. "We shared our data with them, showing the demand," Levin says. "Just because a guy's big doesn't mean he doesn't want the brands he wore when he was a different size. We've been able to engage them in partnerships by showing them that we're unique, we protect their value and [we're] growing."

Another key to the premium branding plan was showing partners just how diverse the specialty store's customer base was. Average customers could be a family of different generations and clothing tastes with just one thing in common: a need for large sizes. That helped draw traditional brands as well as younger labels like True Religion and Michael Kors.

'ON THE RIGHT TRACK'

When a prototype store opened in

2010 in Las Vegas, customers filled the aisles. "It really showed us how much of a demand there was for this type of store and it assured us that we were on the right track," Levin says.

The new store layouts also allowed adequate space for suits and sport



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— David Levin, Destination XL

coats — up to 1,000 sq. ft. in some cases — which brought in new customers.

There were more than 90 Destination XL stores at the end of last year, and Levin says it's interesting to compare the sales data between Destination XL and Casual Male XL.

"The average transaction at Casual Male is around \$100 while it's about \$160 at Destination XL," he says.

"We attribute this to having more of a selection and brands that sell for a higher ticket, as well as having sales people who are better at wardrobing."

One thing the company knew about its customer was that he generally did not like to shop for clothing: A customer was considered a regular if he shopped twice a year. But these customers tend to buy large amounts of merchandise when they do shop.

E-commerce has always been a major part of the company's revenue stream and that continues. "We've found that our customers shop for clothing online about 50 percent more than men who buy regular-size clothing," says Levin. "A good 20 percent of our sales are online, which is about double for most apparel companies."

The company also invested in media to promote Destination XL. Advertising firm Gotham developed a campaign tailored to fit the company's message. Called "No Man's Land," the TV spots show men hunting through a desolate, colorless wasteland of nearly empty clothing racks for something to wear before being cheered on to Destination XL, which is "Big on being better."

"The ideal customer we're appealing to is the guy who goes into a [typical] store, can't find any-

thing that fits him correctly and leaves frustrated," says Levin. "This campaign really hits home for them."

Levin feels like he's doing two jobs with the simultaneous liquidation and expansion, but "Keeping up with changes is part of retail ... It could be seen as a chaotic process now, but it will lead to a very profitable Destination XL in the future." **STORES**

John Morell is a Los Angeles-based writer who has covered retail and business topics for a number of publications around the world.