

After Putting Store Openings on Hold, Cuts Clothing Focuses on Delivering a Premier Online Experience

ARTICLE |

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Direct-to-consumer (D2C) brand Cuts Clothing has grown a lot since it first launched in 2016 on Kickstarter.

“Since day one, we have been focused on making premium minimalist shirts for the modern man,” said Steven Borrelli, CEO and co-founder of Cuts. “When I started doing my research, I realized that the average customer has around 14 shirts in their closet that they cycled through consistently. It became apparent to me that there needed to be a brand that just focused on the most important item in their wardrobe. From there, we developed our unique value proposition of being able to shop by cut, where every shirt had three different bottom hemlines: a split hem, a curve or elongated.”

The brand has since expanded its portfolio to include polos, which experienced a delayed launch because of the pandemic and strained supply chains. We recently spoke with Borrelli about how the company is continuing to grow despite COVID-19.

Are you primarily an ecommerce company, or do you have brick-and-mortar locations as well?

We had plans for store openings in New York in August, but those have been suspended for the time being.

Understandably, things have been put on hold because of the current environment, but is a physical location something you think you'll revisit in the future?

It's a difficult thing to predict at this point. Reports are saying that the vaccine could be ready by January or February. But by the time it gets distributed, it's likely that roadblocks will still exist through most of 2021. We've put wholesale retail on a back burner for now and are taking things day by day.

We always talk about wanting to build a billion-dollar brand. We're not there yet, but that's our goal. To do that, the physical world has to exist, and we have to be able to touch our consumers. We think brick-and-mortars will be a big part of our business, but we're just not there yet.

As for the next two years, we're focusing on having operational excellence, opening up additional distribution centers and developing a premier online experience. That's really what our focus has been since the coronavirus reshaped it for us.

How have you had to adjust your business in these past few months?

With the way the company was born, we were prepared for a situation like this. Before working with us full-time, a lot of our team members were working from home part-time, as they had other full-time jobs. So, we've adapted to working from home very well.

We definitely took advantage of the work-from-home messaging to convert customers in today's market. You have to speak to their current situations and needs. All of our messaging has changed from the quick, on-the-go lifestyle—in and out of subways, hotels and planes—to working from home.

We've also extended our return policy to 60 days so customers have a little more time. We know how hard it can be to get to the post office. That started from customers asking, "Hey, can you extend the return window?" We listened, and that's important. We've seen customer

service inquiries up 20% and actually had to hire two more customer service agents during this time.

Many brands are turning to social media now more than before. Are you also leaning more heavily on social?

Yes, Instagram in particular has been our most efficient channel, mainly because it's image-heavy. Facebook has been good, but our demo has been more on Instagram.

We are also shifting a lot of testing to TikTok and LinkedIn. LinkedIn especially has been big for us. We started a blog, and we're doing more long-form content now that people are home and interested in hearing from the brand founders.

Additionally, we recently did advertising with [in-game advertising platform] Bidstack on Barstool Sports, and it had 300,000 views for a horse racing toy that people gambled on. It was pretty wild because there are no live sports. We're just finding creative ways to advertise.

Are any other channels working well for you right now?

Our email open rates have gone up with more people at home. We've also been able to send SMS messages directly to a certain list of customers. For example, one will say, "Hey, we have an extra XL," and then we can offer certain discounts based on our inventory. Being able to speak directly to them has been more effective during these times. So, SMS has definitely been something that we've been really happy with.

Is SMS ideal because it helps create more of these personalized experiences?

Absolutely. We segment the list so we're able to look at the behavior of a certain type of customer, and then we target them directly based on what they liked. We could send specific messages regarding a size or color to people who are looking for henleys, for example.

What do you have in the works for 2020?

Our spring launch was supposed to be on May 1, and it was pushed to May 20 because the supply chain was delayed. Similarly, we planned on

launching polos and a t-shirt hoodie, both of which got delayed. We're really excited to be able to offer those new products. For the first three and a half years of our business, we've done one thing (t-shirts), and we've done it really well and scaled rapidly. But we're excited to give our customers something new that they can get excited about. It's just taking longer, which then complicates our decision-making. From a supply chain aspect, things have slowed down.

It sounds like you are adapting on a day-to-day basis.

From an internal perspective, you have to try a little bit harder with being collaborative, getting green space and understanding how ideas come to life. Before, in an office, you were able to quickly meet and talk with people. Now we're doing more brainstorming that focuses on the creative process, rather than just a deadline. And that's been really positive.

From an acquisition standpoint, it's never been easier to work with influencers, because everyone's on their phone bored at home. We're seeing huge spikes in conversion and response rates from celebrities via direct messages [DMs]. I would highly recommend brands reach out to their followers via DM to form connections. Because once you develop the relationship, who knows what marketing initiative you can continue to do just from a DM.

When we were watching "The Bachelor," we connected with Colton Underwood via DM, and he's become somewhat of a friend. He was actually going to come by our office right before the pandemic. That's the biggest thing with developing a brand: finding other people who resonate and believe in the same mission you do.