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BUSINESS

Independents' Day: Boyds' Kent Gushner On Staying Relevant After 87 Years

Andrew, Kent and Alex Gushner.

- Philadelphia's leading multibrand luxury retailer has been run by the same family for four generations.

BY JEAN E. PALMIERI

It was 1938 when Alexander, Albert and Ben Gushner left Russia in search of a better life. They settled in Philadelphia and opened Boyds, a store in Center City, Philadelphia, selling cigars and sundries and eventually men's shirts.

Over the past eight decades Boyds has grown into one of the country's finest multibrand independent specialty retailers. Its 74,000-square-foot flagship on Chestnut Street underwent a $10 million renovation in 2018 that served to further elevate the shopping experience and shine a light on the company's burgeoning women's business.

Today, Boyds is operated by Kent Gushner, the third generation of the founding family, who serves as president. His sons Alex and Andrew are also in the business, providing stability to its team of longtime employees along with a fresh set of eyes to ensure the store stays relevant well into the future.

Here, Kent Gushner talks about ways to attract a younger customer, how he feels about luxury brands opening their own stores, the addition of jewelry, its successful branch store in nearby Wayne, Pa., and the launch of its opening price point men's brand, Gerald.

WWD: You spent some $10 million to renovate your Center City, Philadelphia, store in 2018. How has that worked out?
Kent Gushner: We did that right before COVID which changed the world, at least temporarily, if not permanently. But now we're back on track to where we were before COVID. And I'm really happy to say that the renovations that we did and the changes that we made have worked out very, very well for us. Had we not done those changes, I think our business today would not be nearly what it is. So I'm very pleased. I guess the best way of answering that is, if I had to do it all over again, would I do it? And the answer would most definitely be yes.

WWD: That's good, because it certainly wasn't cheap.
K.G.: It was definitely a long-term investment. There's no question about that.

WWD: You just added jewelry this fall, is that right?
K.G.: We're very excited about that as a new category of product. It's something that we have talked about for a long time, and we never did it because, quite frankly, I never had the right person in the company – or found the right person outside of the company – to spearhead the initiative. Ultimately, we did find that person – Jennifer Hoplamazian, who designed and sold her own jewelry collection and had worked for Jeffrey's – and with that, we were ready to make a commitment to it, and we're very excited about the potential that it has.

WWD: Is it just women's jewelry or do you have men's as well?
K.G.: There'll be some men's cufflinks and chains, but we certainly anticipate 95 percent of the business, at least initially, being women's.

WWD: Why did you want to go into jewelry?
K.G.: There's hardly a higher-end women's [retailer] that I know of anywhere that's not in jewelry. We know we were leaving business on the table with a lot of our clients who either asked for jewelry or would certainly be receptive to buying jewelry from us, since they were already in the store and buying clothes and outfits for whatever the occasions were. It was very obvious to us for a long time that we were missing the boat by not being in that market. And hopefully it will be something we can build over time to be a very meaningful business. We've seen some of the other better specialty stores around the country who are light years ahead of where we are in jewelry, such as Mitchells and several other people who have developed significant jewelry businesses.

WWD: The Mitchells have said publicly how successful their jewelry business is.
K.G.: It's remarkable what they've developed in that category. So I think we were very remiss in not having done this a while ago. But I feel that if we can't do something well, I'd rather not do it at all, and we didn't have the proper person to steer the initiative. We certainly didn't have the bandwidth from within to do it ourselves.

WWD: The business is now 87 years old and it started life as a men's store. You added women's around 15 years ago. What is the percentage breakdown between the two categories today?
K.G.: The main purpose of the renovation was really twofold in terms of changing and improving our business. One was to grow our women's business – and to that point, we relocated women's to our entire first floor. The second purpose was to grow our men's sportswear business. And we've seen tremendous growth in both of those categories. Women's today is up to about 35 percent of our total volume, and growing. Before COVID, it was 21 percent, and the gap between men's and women's continues to narrow as the seasons go by. I would anticipate within another three years, women's being equal to men's and then maybe surpassing it after that.

WWD: Do you run the businesses differently?
K.G.: The gender of the customer is different, obviously, but the fundamentals of the industry are different too. Women's is a faster business: the turnover is faster, the fashion is faster and the client is less loyal. Generally speaking, it's a little more-fickle client. But at the end of the day – and this is a generality – the interest that women have in clothes, accessories and jewelry usually surpasses the level of interest that men have.

WWD: Are there more markdowns in women's?
K.G.: Markdowns are a much bigger part of the women's business – the whole cadence is different.

WWD: Are your female customers mainly the spouses and significant others of your male shoppers?
K.G.: When we started with women's 15 years ago, that's what we were banking on. But as time has gone by, and we've expanded the business and the image of Boyd's has changed from just being a colossal men's store, to being a store for men and women, it's a business that stands on its own. It's not dependent on spouses or girlfriends or mothers or sisters of our existing men's customers. It's a totally stand-alone business that has tremendous potential to keep growing for us.

WWD: What are the most popular categories in both women's and men's?
K.G.: The largest sector of our men's business is still our tailored clothing, which is what we were known for for many, many years. The difference today is it's not as dominant as it used to be, but it's still the biggest category. Right now, about 45 percent of our men's volume is done in tailored clothing. Ten years ago, that would have been 58 percent. But on the other hand, our sportswear business has grown a lot and now represents 32 percent of our men's volume. And dress furnishings, shoes and accessories make up the difference. On the women's side, without jewelry in the mix, around 70 percent is ready-to-wear and 30 percent is shoes, bags and accessories.

WWD: This fall you also introduced a new opening price point label called Gerald. Is it men's and women's or just men's? And why did you want to create your own label rather than buying it in the market?
K.G.: It's only men's and it's an opening price point: clothing is $795 to $895, knitwear is $250 to $295, pants are $175 to $245, shirts are $165 to $225, and outerwear is $695 to $895. We don't see anything in the market that crosses categories with product that is representative from a fashion and pricing standpoint, of what our vision for Gerald should be. This was an initiative that was primarily pushed by my sons Alex and Andrew, who are working in the business now. They were seeing a lot of their friends who are out in the world now, but are not capable of shopping in our ▸

The Gerald collection is targeted to a younger customer.

store with our current matrix because it's just too expensive. We feel that it's very important that we recast our brand to speak to a younger generation, and we felt this was the best way of doing that.

The other thing I would add is that with the constant increase in pricing – whether it be from the currency or additional tariffs or just a normal course of inflation – by most people's standards, we're a very, very expensive store and have a very expensive offering when it comes to tailored clothing. I think we let a brand like Suitsupply come into the market and take this business from us. We used to have a stronger foothold, and we feel this will give us a vehicle to basically recast ourselves in that market.

WWD: This isn't the first brand you've created. You also have Trussini. What is the price point of that line?
K.G.: Well, like everything else, that has crept up too. The average retail price right now is about $1,500 and the average jacket price is about $1,300. It's an incredible product and a wonderful value for what it is, but it's still $1,500 for a suit, which is certainly not everybody's price, and certainly not for some of the younger people who we need to target. There are a lot of young lawyers in this city. There are a lot of people graduating professionally who need to buy a couple of suits to go into the workplace. And we have lost that market. There's no question about it. As we've grown with our luxury client, we lost traction with this audience, and I think it's very critical to the future of the business that we re-engage with that audience.

WWD: And you believe you can do both?
K.G.: 100 percent. We're fortunate enough to have a store that's large enough to allow us to do both.

WWD: Do you have a café in the store?
K.G.: We had a café and then we stopped because when we relocated women's, we needed to use the space as a second level for women's.

WWD: How has your customer changed over the years?
K.G.: Women's being newer to us is a different story. But on the men's side, I don't think the client has changed as much as their lifestyle has changed, and that speaks to the shift away from tailored clothing to sportswear. I don't see that much of a shift in demographics. But the biggest difference today versus seven or eight years ago is that we're seeing fewer clients and fewer transactions, but much bigger ones. I think the well-to-do are more well-to-do than they've ever been. And they're responding very positively to higher-priced, better goods. We see dollar amounts on some sales today that make me scratch my head.

On the women's side, the customer that we're seeing has changed a lot because the image of the offering and the initiative has changed a lot. When we started, it was a department that was geared towards the so-called wife of the men's client. The offerings were much more conservative and traditional. I don't think we really understood the business as well as we do today. Not to say we're not still learning a lot, but the offering and the client base is younger and much more fashion-oriented than it was before. So we're continuing to go in that direction.

WWD: You have a branch store in Wayne, Pa. How does that differ from the flagship?
K.G.: The branch store is a much smaller version of the city store. But it's still a 10,000-square-foot store, so it's not small. Obviously, we don't have the same depth of inventory there and I would say the focus – both on the men's and the women's side – definitely leans more towards casual and sportswear, and not as much evening for women and dress-up for men. We have that, but not in the depth that we have in the city store. It's reflective of the environment: it's suburban. It's a completely different vibe than the city store, starting with the architecture: it's a stand-alone building that was actually the original Anthropologie store. It's got big industrial windows all around the perimeter of the building, and parking on the premises. It has a very cool vibe whereas the city store is very classic. And so far, now we're three years into it, it's been terrific. The only problem we have with that store – which is a good problem – is it's not big enough for the potential we have.

WWD: Was this your first branch store?
K.G.: During COVID we opened a pop-up store about 10 miles from where the store is now. And based on how well that pop-up store did, we were motivated to open the permanent store in Wayne. What was very surprising to us is that 71 percent of the people who shopped in the pop-up had never once shopped in our city store. If you would have asked me before, I would have said the number would be more like 25 percent, so it was very obvious that we were leaving a lot of business on the table by not having an outpost in the western suburbs of Philadelphia. Hence, we went forward with the store we have in Wayne.

WWD: Considering the success of the branch store, would you consider opening others?
K.G.: We believe there is definitely room for expansion to other locations, but it took us 83 years to open a second store. I don't think it's going to take another 83 years to open a third location, but we are still somewhat conservative by nature. We like to walk before we run. And we also like to feel that we have people we could promote to run these locations – people who have already been in the company, understand our culture, our strategy, our philosophy and our products. I would never feel comfortable just opening another store somewhere and hiring somebody who doesn't know me or Boyds.

WWD: Who do you view as competition? Is it the high-end stores in the King of Prussia mall or even New York City?
K.G.: Particularly on the women's side, I think the main competition is King of Prussia – whether that's Nordstrom or Neiman's, or some of the company-owned stores that are there. But what we're feeling and hearing in the market is that there's a profound change in perception and shopping habits among higher-end, more sophisticated, more educated clients who are definitely pushing back from shopping in a mall environment. They don't feel safe in the mall, because there have been a lot of incidences there. They don't feel the people working in these stores are very qualified, which they're not. They feel it's very impersonal and cold and it's just become more of a transactional type of situation. And I think they feel it's just about a transaction, so they'd rather just click and send rather than go fight the traffic and all the hullabaloo that goes on in the mall. ▸

The women's department at the Center City flagship.

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WWD: Are you also finding these high-end customers would rather shop in a specialty store environment?
K.G.: I think there's a thirst for better specialty stores like ours or the Mitchells' which are big enough to offer a nice assortment of merchandise, but small enough to make the experience personal and special – a level of service and expertise that the mall and the big stores can't deliver. We hear that loud and clear from new clients that are coming into both the city store and the suburban store all the time.

WWD: How do you stay connected to your customer?
K.G.: It's about being local. I think we have to play the cards that we're dealt and win by being smaller and more connected to the community and our clients. That includes hosting several different charity events throughout the year in both stores. We still do some traditional marketing and advertising, but less and less these days. Social media as well as our website and e-mails to our clients is a big part of it, but I think more than anything, is the success our individual salespeople have in carving out relationships. They are the first line of communication with the clients, and I think we rise and fall based on how well they do, or do not do, creating, forging and maintaining personal relationships.

WWD: How important are exclusives to you, and are they hard to negotiate?
K.G.: I find in the women's specialty store world, the concept of exclusives is important to a lot of retailers. Maybe I'm old school, I don't know. Do I like exclusives? Yes, I guess. But do I live and die with exclusives? No, because I think at the end of the day, there are very few "exclusives" with the internet being what it is. So do we have some things that are exclusive? Yes. Are we better off with things that are exclusively available at Boyds? Yes. But if the product's right, and all the other things that go into this concept of relationship-building with clients are aligned properly, I don't think exclusivity is that important. If we service our clients well, make their shopping experience special and convenient, I think that's where we can win or lose the client.

I don't think we win or lose on exclusives, especially on the men's side, where it seems to be less of an issue. First, there are not that many people in our trading area that are in the better men's business. Zegna has a store in King of Prussia, but it's not a very successful store. We do more Zegna business than that freestanding store. So it's almost a non-issue to me.

WWD: You just mentioned Zegna. What are some of your top brands in both men's and women's?
K.G.: In men's, Cucinelli, Zegna and Canali tailored clothing are the mainstays, and for many years, our own brand, Trussini, is probably what we sell the most quantity of – not the most dollars, but the most quantity in tailored clothing. In sportswear, Baldassari has done really well for us. In women's, I would say Moncler, Louboutin, Cucinelli and Pucci. TWP, which is more contemporary, is hot – we put a soft shop right at the front of the store for fall. That's doing terrific. We carry a lot of European designers. We carry a lot of contemporary designers. It's a very diverse offering.

WWD: Has your relationship with your vendors changed in recent years?
K.G.: One of the things that's interesting is that some of the big-name luxury brands have pulled away from selling to independents. They've embarked on a strategy, where they want to be wholesaling to either Neiman's or Saks


A look from the Gerald collection.

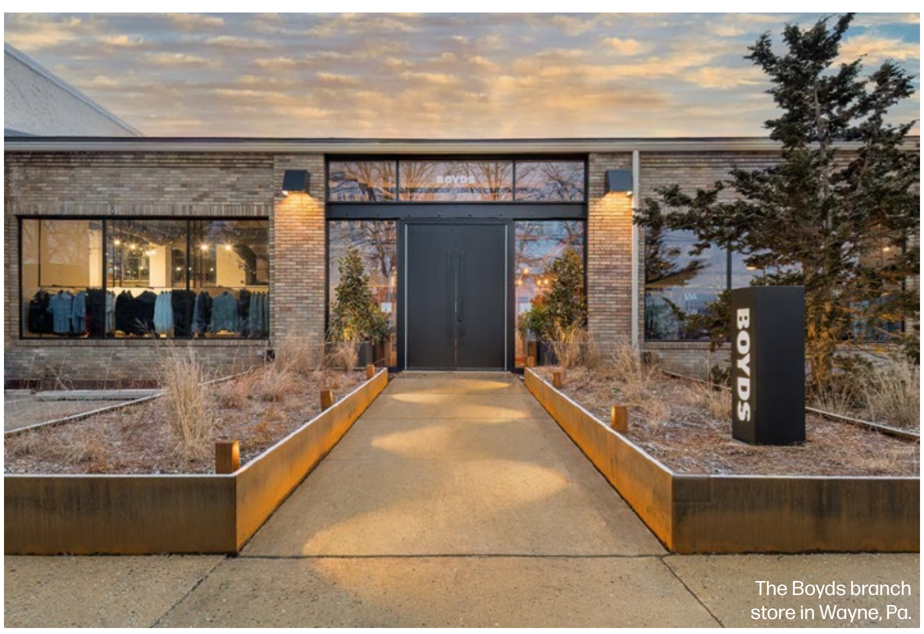
– and God, that's a precarious world – or have their own company-owned stores. Time will tell how well that works out for them, but what they're missing with the better specialty stores is the connection to the local community which likes shopping in a local, multibrand, family-owned store – and that in theory is their target customer.

Case in point: Bottega. We carried it for many years and did very well with it. Then one day they call and say they're changing distribution and pulling the collection from us. Meanwhile, they have no other distribution in the city and no presence in the suburbs. So clients who come into our store day in and day out, who would buy that product, just buy something else. I predict, particularly with luxury having slowed down, the day will come where they'll come back to the premier, marquee specialty stores in certain markets. It makes sense.


Boyds is located on Chestnut Street in Center City, Philadelphia.

WWD: You also mentioned the internet. How important is e-commerce to your business?
K.G.: Our e-commerce is growing – but slowly. We don't believe it could ever be a substantial part of our business because it conflicts with what we think are our points of differentiation from other retailers in our area. We do about 3 ½ percent now of our total volume online, so that's not a big percentage. It's more important on the women's side than on the men's side because it helps us in our mission of changing the perception of what the brand is. Again, even 15 years later, I think the biggest obstacle we have is the perception that Boyds is for men, even though that's no longer the case, and it's evident when people walk into the store. So I think our website gives people the idea to scroll and see what we offer and to at least get a feel for the brand, which hopefully will result in them either buying something online or, better than that, coming into the store to experience what we do.

WWD: Both your sons work at Boyds now: Alex is in merchandising and Andrew works on marketing and branding. What have they contributed to the business?
K.G.: They've brought passion, youth, and insight into the mentality of their generation. Hence, Gerald. They've forged relationships with a younger audience that we haven't had previously. I think they also represent to the people that are working here, stability for their future, which is very important in our store. We have a lot of long-tenured people here who like the security of knowing that there's a future for the company. I'm 65 now and I'm not contemplating retirement next year or the year after, but the end is in sight.



The Boyds branch store in Wayne, Pa.

WWD: So where do you see Boyds 86 years from now?
K.G.: If I could write the script, I would like to see the company grow to be much bigger than it is today. I would like to see it embody the values that have helped get us to where we are today and expand to be in touch with the world at that point in time. This is a family legacy that means the world to us to be able to continue.

WWD: Final question: who do you admire in the retail business?
K.G.: I admire a lot of people. If I focus on the independents, particularly in our sector, the people that come to mind are obviously the Mitchells. I think what they've built is just remarkable. I think they're a wonderful family. I can't say enough great things about them – I admire them tremendously. I also admire Hirshleifers [in Manhasset, N.Y.] They've built an incredible business as well. And also Harry Rosen. On a big level, Bergdorf's, even if it's not performing like it has in the past, it's still an incredible store. Quite frankly, I have admiration for any specialty store retailer that's still around today, because you have to be pretty committed and pretty good, otherwise you would have been long gone.■

Boyds' Philadelphia flagship photograph by Halkin Mason Photography