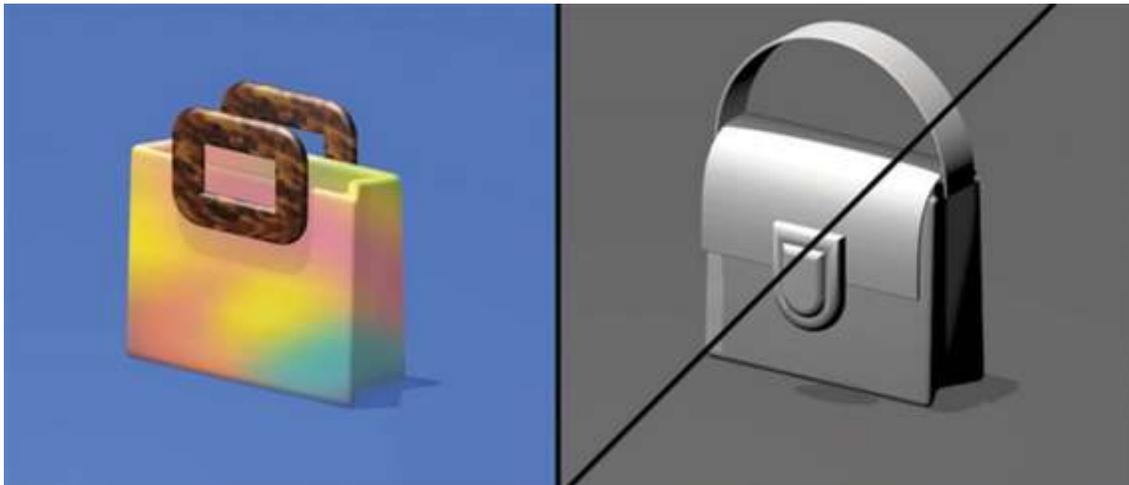


Retailers Cut Back on Choices; ‘We Don’t Need Three Types of Red’

Bed Bath & Beyond, Kohl’s and others cull styles to combat decision paralysis, unclog supply chains and reduce end-of-season markdowns



By Suzanne Kapner

Coach is cutting its handbag styles by half. [Bed Bath & Beyond BBBY -0.93%](#) is reducing its can opener selection by two-thirds. [Kohl’s KSS -2.61%](#) is culling its towel offerings by nearly a fifth.

Retailers ramped up choices in recent decades as the internet created a so-called endless aisle that freed them from the space constraints of physical stores, according to analysts and industry executives. They tried to capitalize on the shift toward personalization with a desire to please everyone and added variety to tempt people to buy items they didn’t need.

Now, with choices overwhelming shoppers and clogging supply chains, some brands are moving in the opposite direction. They are trimming styles and colors in the hope that by eliminating the decision paralysis that grips customers when they are faced with too many options, they can boost sales and reduce end-of-season markdowns.

“The wider the assortment, the more confused the customer is,” Bed Bath & Beyond Inc. Chief Executive Mark Tritton said in an interview. “Customers want something that is digestible. They want retailers to edit down the choices.”

That is true whether the company is selling clothing, financial products, food or just about anything else, according to Sheena Iyengar, a Columbia Business School professor who co-authored a 2000 study titled “When Choice is Demotivating: Can One Desire Too Much of a Good Thing?”

In one example, the study found that people bought more jam when they were shown fewer choices. Only 3% of consumers who were shown 24 types of jams made a purchase. The purchase rate increased to nearly 30% when consumers were shown just six varieties.

“We live in a world where we think more choice is better even though we recognize that it’s overwhelming,” Ms. Iyengar said.

“I like choices, but it’s gotten to the point where it’s too much,” said Michael Freeby, a 25-year-old model and photographer. The San Diego resident said it recently took him three days to buy

three pairs of shorts from Abercrombie & Fitch Co.'s website. He kept adding styles to his cart and then going back to delete a few. "There were all these options and most of them were similar to each other," he said.

An Abercrombie spokeswoman said executives were unable to comment ahead of the company's earnings release on Tuesday. Executives called out shorts as a best-selling item during an August conference call with analysts.

Consumer-product companies like [PepsiCo](#) Inc. and Procter & Gamble Co. lately have reduced the varieties of toilet paper, soda, packaged foods and other products they sell. Those moves largely stemmed from supply shortages during the pandemic, although some companies now plan to [make the reductions permanent](#).

Retailers of clothing, accessories, home goods and other nonessential items faced a different problem. Rather than experiencing shortages in supply, they raced to cancel factory orders as lockdowns in the spring forced them to temporarily close stores. The streamlining efforts, some of which predate the pandemic, are aimed at improving the shopping experience and simplifying their production cycles by only making items most in demand.

Renee Fellman recently searched online for a jacket, but wound up not buying one. "I didn't want to spend the time looking through all the choices," said the Portland, Ore., resident and business-turnaround specialist. Ms. Fellman said she feels overwhelmed by the number of options, whether looking for clothing or electronic gadgets. "I often decide not to decide," she said.

Coach used to produce 1,000 handbag models each season, but now is only making 500, according to Todd Kahn, the brand's president and CEO. Instead of making two of the same bag, one with a leather strap and the other with a chain, it might make only the leather version, Mr. Kahn said. Coach, which is owned by [Tapestry](#) Inc., is emphasizing the best-selling colors—black, brown and off-white—and weeding out other shades. "We don't need three types of red," Mr. Kahn said.



Offering 1,000 handbag models in a rainbow of colors used to lead to end-of-season discounting for Coach, which has halved the number of designs it offers, focused on three popular hues.

Photo: Jeenah Moon/Bloomberg News

By offering fewer styles and focusing on the most popular ones, Coach is hoping it can scale back promotions. “You won’t have these odds and ends at the end of the season that you are forced to discount,” Mr. Kahn said.

Mr. Tritton of Bed Bath & Beyond said can-opener sales increased by as much as 30% after it stopped selling some styles. The homegoods chain, known for stocking so many items that goods were piled to the ceiling, has reduced inventory across categories in a new prototype store and plans to [roll out the changes](#) widely, though the number of items will vary depending on the location. “You’ll see a more curated assortment,” Mr. Tritton said.

Lee Gimpel said he uses an online concierge service to help him decide which products to buy. “I turn to them when I’m about to fall down this rabbit hole of choice,” said the 44-year-old Washington, D.C., resident, who founded a conference and meeting company. The \$20-a-month service, which also makes restaurant, travel and other arrangements, recently helped him buy a pair of earbuds. “I don’t want to spend an hour or two searching,” he said. “I want someone else to do the research and give me three options.”

Kohl’s Corp. has reduced the number of different towels it sells to 265 from 320 to eliminate duplicative styles, according to CEO Michelle Gass. It is also slimming down women’s apparel styles by more than 40% by dropping eight brands, including Dana Buchman and Juicy Couture, she said.

At the same time, Kohl’s is stocking more of the items that sell best. “If a customer is making the decision to go to a store, you want to make sure she can find her size,” Ms. Gass said.

In industry parlance, that is known as buying narrow and deep. It is in keeping with the so-called 80-20 rule. Roughly 20% of a company’s products account for 80% of its sales, Columbia’s Ms. Iyengar said.

Some chains tried slimming down in the past with mixed results. In 2011, [Walmart](#) Inc. said it was adding back 8,500 items after an effort to remove clutter from its stores resulted in a drop in sales. The [chain streamlined again](#) in 2015, removing about 2,500 items from an average store in an attempt to keep them neat and better stocked.

A Walmart spokeswoman had no comment.

“Simply cutting choices is a bad approach,” said Joel Bines, a managing director with consulting firm AlixPartners LLP. Instead, retailers need to figure out what consumers want from them and then stand for that. “But it’s much easier to introduce the same item in 25 colors than to take a position on something,” he said.

[PVH](#) Corp., owner of Calvin Klein, Tommy Hilfiger and other clothing labels, plans to cut more than one-fifth of its brands’ offerings over the next three years, according to CEO Stefan Larsson. It wants to focus on what Mr. Larsson calls “hero” products—items that are a key part of someone’s wardrobe—and discard others that are less essential.

Calvin Klein plans to increase its offering of casual clothes, which now represent 85% of the brand’s North American sales, compared with 60% last year. On the cutting-room floor will be dressier clothes, such as business and formal attire, Mr. Larsson said.

“Consumers have never had more choices,” Mr. Larsson said. “To break through, you need products that are relevant.”