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REPORTS

In association with

salesforce

Connecting with today's fashion consumers

Digital marketing innovations in the retail sector

RETAIL WEEK FOREWORD



ALEX HAMILTON
HEAD OF RESEARCH, RETAIL WEEK CONNECT

From increasing adoption of digital to the critical need for omnichannel strategies, the fashion retail industry has never been more connected with consumers. Today, that's becoming all the more personalised, data-led and informed.

In this report, *Retail Week* and Salesforce pair research from a detailed online survey of 1,750 UK consumers – based on a representative sample of the wider population – on brand engagement preferences with insight on how the landscape is shifting, to provide a comprehensive overview of how marketing is redefining every level of the industry, from luxury through to high street retail.

What forms of customer acquisition tactics

are succeeding, from tailored shopper loyalty schemes through to clienteling? How are retail employees utilising digital communications and technology to more effectively communicate with shoppers? And what innovations within the fashion space are driving new connections, communities and conversions?

It is our opinion that a better understanding of these considerations, covered in this report, is crucial for retail brands, both in and outside the fashion space, if they are to better engage with today's digitally savvy shopper, particularly those in younger social cohorts.

Retailers are sure to prosper if they can provide shoppers with an offering that encapsulates all these factors effectively.



The fashion retail industry has never been more connected with consumers



RETAIL WEEK CONNECT: CONNECTING RETAIL WITH CREATIVE INTELLIGENCE

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ANDREW LAWSON
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The pressure is on for retailers: today's UK shoppers, led by the hugely savvy influx of millennials, are ultra-connected, mega-mobile and extraordinarily well-informed.

Every shopper today, in every demographic, is effectively 'armed' with the power to alter brands' reputations with the swipe of a finger – and their expectations around service has skyrocketed. Each wants a fully-connected, personalised, seamless and enjoyable brand experience across every touchpoint.

But in an industry where social group and demographic trends play so strongly and individual preferences and personal styles drive buying decisions, retailers need to make sure they're using every opportunity to get inside their customers' heads.

To deliver that personal and contextual shopping experience, retailers need to focus not only on stock and merchandise, but instead on listening and learning from every customer interaction – regardless of the time and connection point the customer uses.

Customer relationship management technology has created a natural first step towards creating that understanding, but today the area of customer insight is still largely untapped.

However, there's hope. Retailers are sitting on what can only be described as a goldmine

of customer data. What they need to do now is to work out how to access and manage this data properly to connect mobile and ecommerce strategies across organisations to create an unparalleled shopping experience.

Success in the future will depend not just on tracking customer information, but on constantly absorbing customer insight into behaviours, preferences, personalities and patterns. This doesn't just support sales conversion – it drives loyalty, enhances the brand, and creates a real feeling of bespoke service even in mass-market enterprises and brands.

With new technologies such as the internet of things and mobile payments hitting the scene and driving constant change, we can pretty much guarantee retailers will be kept on their toes. It's an exciting time to be a retailer – and an era of opportunity.



UK shoppers are ultra-connected, mega-mobile and extraordinarily well-informed



Live Twitter debate

To discuss the report findings, join us for a live Twitter debate at 12.30pm (BST) on October 15, 2015. Get involved by posing questions to both Salesforce and a host of industry experts using the hashtag #marketingfashion

All data sourced from Retail Week research, base size = 1,750

EXECUTIVE SUMMARY

THE EVOLUTION OF DIGITAL MARKETING



Marketing as a role within retail organisations is increasingly blurring into other job types, as the need for better, more tailored brand communication grows in importance. Head of digital, ecommerce director and customer experience manager are all job functions that require more time dedicated to the marketing of brand, services and product.

Put simply, retailers are in the business of selling product. And therefore the marketing of said product to consumers, in today's digital age, is vitally important. As such, it is crucial that more senior decision makers within retail businesses have a grasp of marketing and understand what consumers expect from their relationships with brands.

This is even more important given the pace

of change around customer-brand interactions. No one could have predicted the rise of social sharing platforms such as Snapchat and Periscope as a way in which to communicate brand messages, for instance, but the arrival of these tools is leading the way in terms of how consumers digest branded content.

An important statistic from the research conducted by *Retail Week* and Salesforce shows that 72% of 18 to 24 year olds, plus 49% of 25 to 34 year olds want to be able to shop straight from social media.

This suggests that the work currently being done by the likes of Instagram, Facebook and Twitter to facilitate social shopping has legs and will bolster the social channel in terms of spend going forward.

If social starts to deliver strong commercial results for brands, marketing – vital for any channel – will be key in determining success, as rather than multiple websites for consumers to shop via, they will instead be shopping with multiple brands across one platform. Standing out in new and innovative ways within this new ecosystem will therefore become critical.

A focus on fashion is given within this report owing to the sector's prominence in building the best customer-brand relationships across the whole retail industry.

Just as fashion has learnt from other industries outside of retail, so can other retail categories – grocery, home and leisure, electronics – learn from fashion. As a sector, it is a trailblazer for digital engagement.

EXECUTIVE SUMMARY

CONCISE

CONCLUSIONS

CHAPTER ONE

STATE OF PLAY

- Nearly 75% of shoppers prefer using online media to discover new fashion trends
- 61% of 18 to 24 year olds and 41% of 25 to 34 year olds follow fashion brands on social media sites
- 73% say they actively engage with brands by commenting on posts, liking links and posting questions

CHAPTER TWO

PERSONALISATION EVERYWHERE

- Bespoke services and tailored digital content are important for consumers today
- 58% of 18 to 24 year olds and 52% of 25 to 34 year olds sign up to receive email newsletters from fashion brands
- 58% of 18 to 24 year olds have purchased clothing based on seeing peers wearing an item on social media

CHAPTER THREE

SUPERCHARGED EMPLOYEES

- 78% of consumers say they will seek out a sales adviser in store if they require more information about a product
- 70% of those aged 18 to 24 years old cite that they want a greater level of creative service – product reviews, advice on items and trends – than currently is on offer
- Human interaction remains paramount and retailers should focus investment in arming staff with digital tools to increase engagement and expertise

CHAPTER FOUR

LIGHTNING-FAST INNOVATION

- Analysts predict referrals from social will represent 5% of online retail revenue in 2015, equating to \$15bn (£9.8bn)
- 72% of 18 to 24 year olds, and 49% of 25 to 34 year olds want to be able to shop straight from social media
- Half of 18 to 24 year olds say they share images of themselves with friends before deciding to buy, as well as 33% of 25 to 34 year olds



CHAPTER ONE STATE OF PLAY



- **Nearly 75% of shoppers prefer using online media to discover new fashion trends**
- **61% of 18 to 24 year olds and 40% of 25 to 34 year olds also say they follow fashion brands on social media sites**
- **73% say they actively engage with brands by commenting on posts, liking links and posting questions**

It's an interesting time for the fashion marketing landscape. On one hand, it's filled with progressive and experimental brands when it comes to new forms of digital communications and all things to do with social media, and on the other there are those still heavily reliant on tried-and-tested formulas, continuing to invest in old formats – namely print.

This stems from the industry's evolution to digital, something that was a slow and steady burn, especially in the luxury space. Why would brands built on exclusivity and scarcity want to turn towards such democratic processes? How could providing increased access ultimately benefit the bottom line? There remains today numerous examples of brands still not utilising tools such as social media and, indeed, also not selling their wares online, based on this very notion.

But others have used digital marketing to carve a new path for themselves, and in doing so transformed what it means to be a luxury brand in this day and age. Burberry is one such example, having turned its brand around to be seen as one of the foremost pioneers in the online space, consistently launching new campaigns based on innovative digital concepts.

Such strategy has filtered through to the retail space and to numerous high street and premium brands too. The likes of Topshop, Kate Spade, John Lewis, Michael Kors and Target are just a handful of those now all known for their efficient and successful work in digital.

For these brands, social media strategy will span Twitter, Facebook, Instagram, YouTube and Pinterest at the least, with others including Snapchat, Periscope and Tumblr, not to mention international platforms such as WeChat and Line. That's before considering other areas within the digital space, encompassing SEO, analytics, affiliate programs, digital advertising, attribution modelling, email management, and more.

Marketing is growing in remit and role within retail business today for the very fact consumer expectation is so high surrounding the ability to connect, yet the noise created

by so many attempting to do so makes it an increasingly complex task in terms of standing out.

As a digital strategist within a luxury agency says: "Fashion no longer takes place behind closed doors as it once did. With the internet, everything happens out in the open, with customers calling the shots, and marketing has become more important than ever in order to create buzz in a very crowded and saturated landscape. Brands that have never needed to do

much marketing before, especially in the luxury space, are having to as consumers take control."

Retailers are realising that marketing has become a leading form of differentiation today, meaning that, while established communication models still stand true, the need for experimentation in order to both acquire and retain customers is key.

Zu Rafalat, strategy partner at strategy and innovation consultant Seven Seconds, refers to marketing as the science of customer

How do you go about discovering new fashion trends and products?

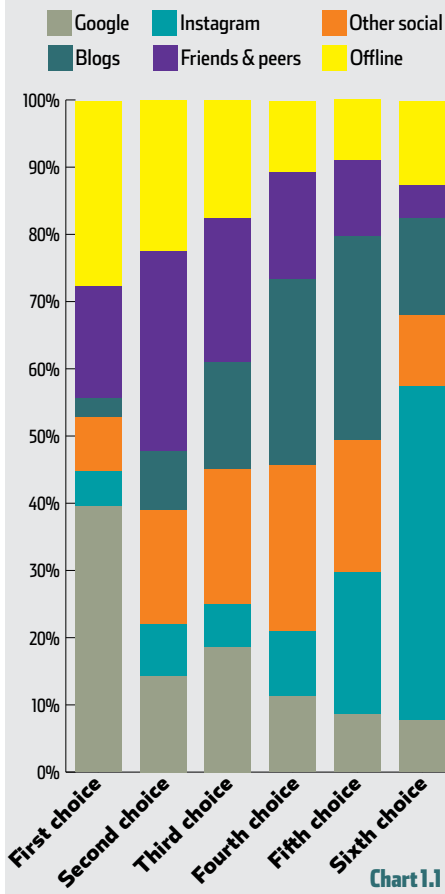


Chart 1.1

How do you most prefer discovering new fashion trends and products?

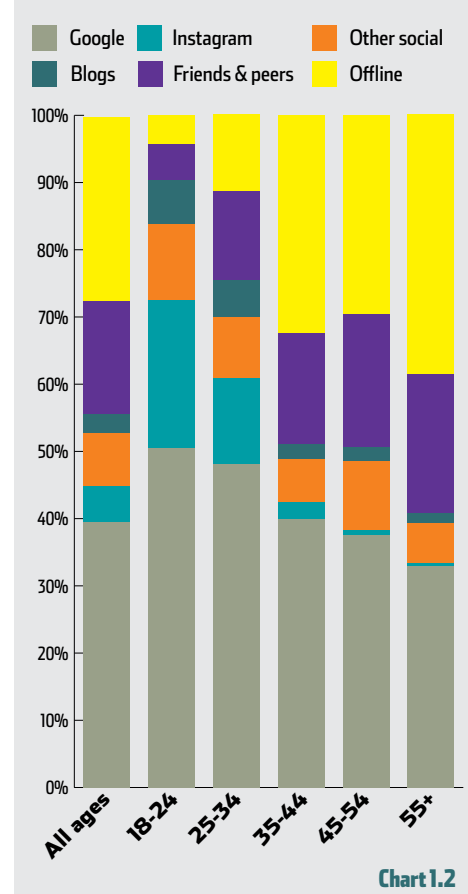


Chart 1.2

John Lewis is recognised for its efficient and successful work in digital marketing



acquisition. “The biggest change today is the shifting role of the marketing team. Arguably, the end is nearing for the traditional product manager/marketing director structure, [which consisted of] working internally to define the customer – for example ‘ABC1 professional woman who lives in the city’, which is default for just about every fashion and beauty brand – and externally with agencies to develop the campaigns that they hope will deliver their agreed brand message,” she says.

“Today’s customer is immune to this traditional structure. They see themselves as individuals and want to be spoken to in a more personal way, rather than through a mass campaign. Marketing teams should be structuring themselves slightly more like media companies and taking control of the daily conversations customers want to have with their brand.”

Data is a pivotal part of it all. As a senior

“Marketing teams should be structuring themselves slightly more like media companies and taking control of the daily conversations customers want to have with their brand”

ZuRafalat, SevenSeconds

marketer at a leading British brand explains: “What’s essential for us is gaining digital insights not only on how people are reacting to product but also our campaigns. That matched with competitor analytics and we’ve never been in a more informed landscape. It forces marketing to be bigger and bolder.”

INSPIRATION AND INNOVATION

The fashion industry may not have led in innovation, but it’s doing a bold job of playing catch up, says the same senior marketer. It takes its cue from those in the sports or packaged goods space in terms of marketing inspiration. “We benefit so much by looking outside our industry and to what other leaders in their categories are doing. There’s so much to learn from companies such as Nike, or Unilever, even automotive and electronics brands,” she adds.

This is often done with significantly lower budgets, however. Other than retailers such as John Lewis, Marks & Spencer and Next in the UK for instance, the fashion industry tends not to place big media spend in TV, unless for fragrance and beauty categories.

In spite of this, consumer research carried out by *Retail Week* shows traditional media remains important in terms of how shoppers go about discovering new fashion trends and products.

More than a quarter (28%) of consumers surveyed say TV and other non-internet based media, including magazines, is their primary discovery tool. Only Google beats this at 40%, reinforcing the role of SEO and content strategy for today’s brands (see chart 1.1).

That all sits before social media of any sort. Facebook, Twitter and Snapchat, which were grouped together, appeal to just 8% of participants, while Instagram Discover scored 5%, and blogs and Tumblr were even lower at 3%. Needless to say, friends and peers still play an important role however, influencing 17% of users.

When this same data is broken down by age, it’s a slightly different story. Google is still the primary resource for those aged 18 to 24 years old, and in fact even higher at 51%, but social media comes in above both friends and peers (5%), and other media (4%). This age group relies more on Instagram Discover to learn about fashion (22%), and Facebook, Twitter and Snapchat (11%). It’s a similar story for those aged 25 to 34 years old (see chart 1.2).

With that in mind, it comes as no surprise that 61% of 18 to 24 year olds and 41% of 25 to 34 year olds also say they follow fashion brands on social media sites, compared with an average of 27% across all categories (see chart 1.3).

31%
The amount social advertising will grow in the US this year

Source: Strategy Analytics

Of those who do follow via social, 73% say they actively engage with brands by commenting on posts, liking links

and posting questions. Interestingly, that fact is highest with those aged 45 to 54, with 82% of consumers saying they do, alongside 81% of 18 to 24 year olds and 80% of 25 to 34 year olds. In comparison, only 61% of 35 to 44 year olds, and 39% of those aged 55+ are likely to engage with brands on social media.

MEMORABLE MARKETING

The retail names that come up in the consumer survey aren't the ones necessarily leading with innovative marketing practices, but rather those tried-and-tested formats. Memorable TV commercials such as those of Marks & Spencer and John Lewis at Christmas were particularly referenced, for instance. Overall, 32% of those surveyed say Marks & Spencer is one of the best examples of marketing communications, and 19% note John Lewis (see chart 1.4). Other retailers mentioned include Next (25%), Primark (21%) and Debenhams (19%). With the younger age categories, Asos, Topshop, River Island and New Look are also cited.

In order to reach the digitally savvy consumer, marketing budgets are slowly being shifted increasingly online, whether through digital advertising or social media advertising on Facebook, Twitter and, more recently, Instagram.

Fashion brands were some of the first to advertise on Instagram, with the likes of Macy's, Levi's and Michael Kors taking advantage of the platform's desire for "high quality" partners, and reaping the benefits of extended reach as a

Do you follow any fashion brands on social media sites?

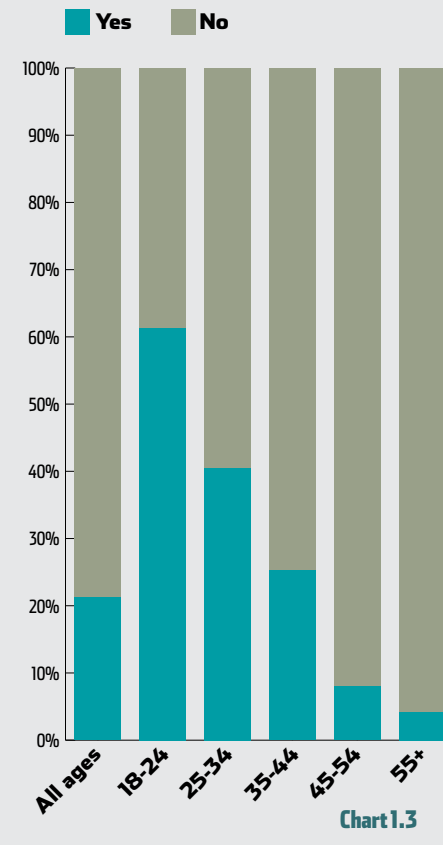


Chart 1.3

result. According to Strategy Analytics, social advertising will grow 31% in the US this year.

Outside of that, innovation in fashion marketing is occurring through technology partnerships and unique digital campaigns. Burberry remains the obvious example, with initiatives including launching the first ever

Which fashion retailers have the best overall marketing?

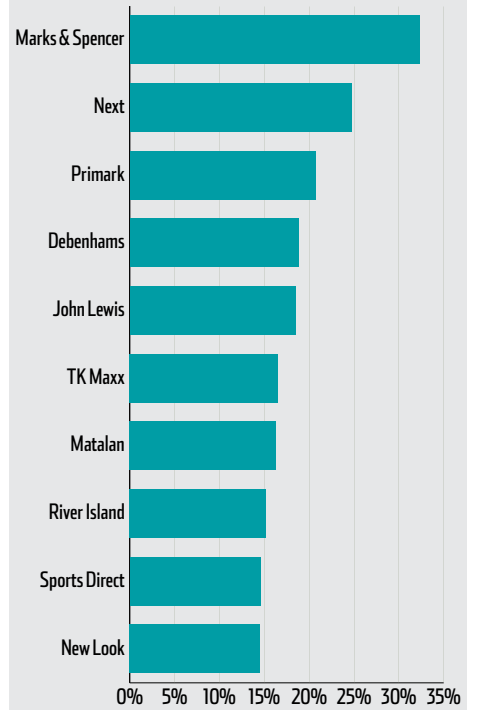


Chart 1.4

'Tweetwalk' during fashion week, which consisted of providing early social media access to its new collections, enabling shoppers to pre-purchase exclusive items, and opening highly digital flagship stores around the world.

Just days after revealing it would be the first brand to launch a channel on Apple Music, Burberry also announced it would premiere its spring/summer 2016 London Fashion Week collection via Snapchat last month.

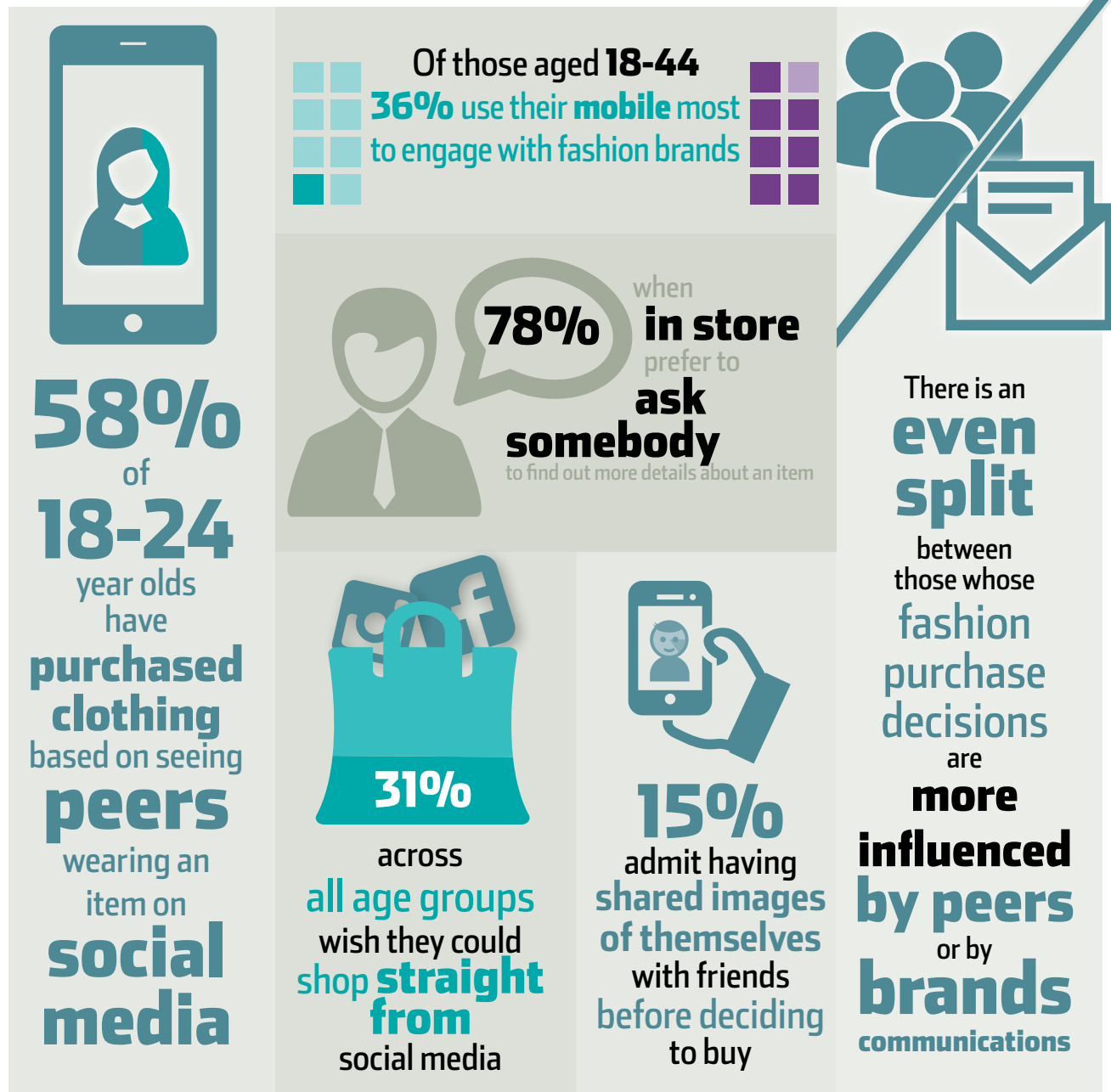
Others have done interesting work in the space too – Topshop partnered with platforms including Facebook and Google for elaborate fashion week campaigns, and Selfridges has had an ongoing focus on themed experiential retail. Harvey Nichols, a brand that frequently cuts it close with controversial print and TV campaigns, has recently launched an ad showcasing real-life shoplifters inside its store in order to celebrate the introduction of its reward app, with the tag line 'Love Freebies? Get them Legally'. And Harrods has taken to exploring gaming to celebrate its dedicated shoe floor. Gaming as a whole has also picked up steam in the US where department stores including Bloomingdale's and Target are among retailers experimenting with mobile challenges and augmented reality.



Burberry premiered its spring/summer 2016 London Fashion Week collection via Snapchat

CHAPTER TWO

PERSONALISATION EVERYWHERE



- **Bespoke services and tailored digital content are important for consumers today**
- **58% of 18 to 24 year olds and 52% of 25 to 34 year olds sign up to receive email newsletters from fashion brands**
- **58% of 18 to 24 year olds have purchased clothing based on seeing peers wearing an item on social media**

The next big focus in fashion marketing is on more tailored messaging, and the aim for one-to-one communications.

Data, as already mentioned, is central to ensuring campaigns are both in tune with what target consumers want and also more likely to reach them.

As luxury consultant Michaela Wolf says: “The focus has changed from integrated marketing campaigns to clearly focusing on CRM [customer relationship management]. Marketing today is about customer needs and engagement with clearly targeted acquisition and retention objectives across multiple touchpoints.”

CRM systems are being used to personalise communications such as emails. French luxury brand Chloé for instance, recently sent an email advertising its new monogrammed jewellery. The message had the initials of the receiver already featured on the imagery, as well as in the subject line and text. *Retail Week’s* consumer research shows 58% of 18 to 24 year olds and 52% of 25 to 34 year olds sign up to receive email newsletters from fashion brands, proving the relevance of this targeting (see chart 1.5).

Personalised marketing is also occurring at the high street end of the market. Topshop is once again a good example. For Christmas it created personalised videos from actress Kate Bosworth and sent them out to customers wishing them a happy holiday by name. What was interesting here was the logistics that made it possible. Justin Cooke, who was chief marketing officer at the time, based the idea on an article he’d read about the fact that any edition of the *New York Times* has roughly 500 different words in it, and you only need to know 250 of them to understand the paper.

From the retailer’s email distribution list of 7 million customers, his team was able to drill down to find only 650 first names on that same premise, from which they pulled the top 200 for Bosworth to record.

The point here is that with consumers expecting more and more these days, sometimes personalisation is simply about the ability to give them something very special. Burberry has done similar with personalised videos and images in collaboration with Twitter.



Caroline Homlish, a digital brand strategist who recently launched her own agency after holding senior digital positions at Chanel and Alexander McQueen, says: “I think the simplest examples are actually the best. This is basic, but my boyfriend and I both received a catalogue from Everlane. His version had a guy on the cover and men’s product first. Mine had a girl and women’s first. Simple but effective.”

Etailer Mr Porter does something similar by recognising and welcoming you by name when you click on its website – it’s a surprise that delights shoppers. The anonymous senior

marketing individual explains: “It’s basically going back to the old school corner shopkeeper, but in a digital format. The shopkeeper would greet you when you got to the door, he would ask how your family is and he’d have kept some things aside because you would probably like them. The beauty now is we can do that at scale with digital.”

Rafalat adds: “Once you start having significant data to work with, you can do some incredible things that are extremely useful to the customer.”

She believes retail is just at the beginning in

terms of personalisation within communications. Loyalty schemes such as Sephora's Beauty Insider programme are another example of successful personalisation, pushing product recommendations to shoppers based on their purchase history and incentivising them with additional treats.

LINKING ONLINE AND OFFLINE

Experts agree this sort of bespoke service and tailored digital content is important for consumers today, and far more so than personalised product would be. Monogramming goods might be possible, but from a scale perspective, customising messaging is much more efficient. That said, they insist if tools such as retargeting are used in order to encourage consumers back to websites to purchase, they have to be relevant and useful, but more importantly they need to link up offline as well.

As Homlish explains: "I've been trying to buy a dress for a wedding, for example, and researching online. The products I've visited are following me everywhere – on Facebook, when I check the weather, in my inbox. But then I visited the offline store and I couldn't even find the dress on the rack. No one knows who I am, no one knows I've been looking at all of the products ahead of time. There's a reason why brands are trying to make omnichannel work, but I haven't seen a good example of this."

That word, omnichannel, is one that comes up time and time again in terms of ensuring the personalisation attempts that are out there actually connect back when the shopper is in the offline space too.

Rafalat agrees: "For me, true personalisation is less about a personalised email, and more about using the information a brand has on me to my ultimate advantage. Curation of products and content based on my past activity could be very impactful. Brands benefit in two ways – they get to know their customers better and can therefore have more meaningful conversations with them, and conversions should increase as customers feel better informed and more confident in their purchases."

It should be noted that, while it's entirely possible today from a technical standpoint to walk into a store and via opt-in mobile notifications receive welcome messages and recommendations based on previous purchase history, retailers are still treading carefully so as not to alarm shoppers.

"There's a fine line between personalisation and being creepy," Homlish says.

For the time being, the majority of marketers say personalisation is really all about listening. Homlish explains: "With the advent of digital and social media, marketing has evolved from us speaking to customers, to us speaking with customers, to customers speaking to us. The first movers are listening and reacting quickly. The old guard is still speaking to customers with no real interaction. Everyone should at least be

THE CHAPAR TUNES INTO BRAND LISTENING

Menswear site The Chapar is a great example of a business focusing on brand listening and on customer service via personalised interactions.

The Chapar uses a customer relationship management solution as a centralised hub to manage clients and capture a range of information about its customers – from their favoured style of jeans to their occupation.

This insight enables The Chapar's stylists to develop a rapport with its shoppers and deliver a highly personalised styling service that, in turn, allows them to increase customer satisfaction and sales.



engaging in conversation." Social media is now focusing on becoming more 'personal' in its style of messaging too, with a shift in the aesthetic that makes it seem all the more in tune with Millennial consumer wants especially.

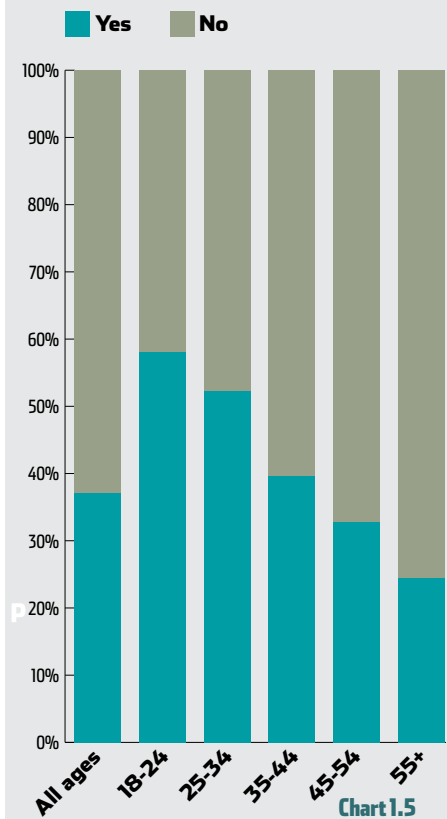
In a big departure from the filtered world of Instagram that encouraged major fashion houses such as Chanel to eventually accept social media, platforms including Snapchat and Periscope are introducing a move from everything highly polished to that which

is much more raw. Unedited, unscripted and of-the-moment is not only appealing from a digital consumption perspective, but understandably more authentic as a result.

Snapchat is the primary channel being explored by brands to keep up with changing habits. There are now more than 800 million 'snaps' viewed per day (12 times and two times the number of images uploaded and shared on Instagram and Facebook, respectively). Burberry, Valentino, Everlane and Asos are all examples of brands experimenting accordingly.

Our anonymous digital strategist says: "Fashion has been slow to innovate on social but brands are starting to use Snapchat and Periscope as they should be – in an uncontrolled way. I worked on a great campaign with Agent Provocateur where they let shop assistants in different cities take over both platforms for the day – it's fun content that's raw and real and makes you want to be part of the AP brand."

Do you sign up to receive email newsletters from fashion brands?



SALESFORCE ACTION POINTS

- Observe your customer: understand how each customer is interacting with your brand, whether it's online or in store. Then decide upon the most significant customer journey interaction points for your brand.
- Create an iterative communication plan that allows your marketers to optimise across the channels in which your customers engage.
- Decide on a central customer master and use the relevant data to affect the customer journey with your brand using online and real-time triggers.

CHAPTER THREE SUPERCHARGED EMPLOYEES



- **78% of consumers say they will seek out a sales adviser in store if they require more information about a product**
- **70% of those aged 18 to 24 years old cite that they want a greater level of creative service – product reviews, advice on items and trends – than currently is on offer**
- **Human interaction remains paramount and retailers should focus investment in arming staff with digital tools to increase engagement and expertise**

Replicating the engagement levels achieved online in the store space, as already mentioned, is increasingly difficult. Depending on the retailer, sales associates can be highly interactive and personable to shoppers, or more likely to let consumers go about their business. Either way, the experience is vastly different to what a shopper might feel through social media or tailored websites.

A number of brands are making efforts to change this, training employees to help and assist shoppers with everything from product information to payments. This fits with what consumers want too. According to *Retail Week*'s study, when shoppers are in store, the majority (78%) say they will seek out someone to speak to in order to find out more information about an item, for instance if they require another size or colour.

This is followed by 15% who will find an information counter, 6% who will look it up on their mobiles, and 2% who will approach a digital kiosk. That order of preference rings true across all age groups, with a slightly higher rating given to mobile by 18 to 24 year olds at 12% and 25 to 34 year olds at 14% (see chart 1.6).

This shows that human interaction remains paramount. There's greater benefit therefore in arming staff with necessary digital tools to increase engagement and expertise, than concentrating on investing in digital kiosks.

This kind of empowerment is being seen at brands varying from Anthropologie to Nordstrom Rack, both of which have sales associates on hand to 'queue-bust' – shortening the lines of people waiting to pay by enabling them to checkout on mobile-based systems.

The power of this sort of basic interaction leads to increased brand favour, loyalty and more, says our anonymous digital strategist.

Rafalat adds that empowered employees can

“There's enormous opportunity in clienteling – sending something beautiful and inspiring via either social or one-on-one to get the customer in”

CAROLINE HOMLISH, DIGITAL BRAND STRATEGIST

lead to more unique, personalised and well-served experiences for shoppers. She would also like to see associates in store doubling up as advisers through online appointments – via Skype, for example – when there are quieter periods. “It's about encouraging [employees] to

develop relationships with their customers so that they can make personalised recommendations in the future.”

Existing examples of employee-based personalisation efforts involve being able to showcase more information about products – demonstrating ideas and availability through access to the website, specific content, and in numerous instances, clienteling solutions.

Guess for instance, utilises a customer loyalty and engagement app that enables sales associates to serve up content to shoppers. They can also track personalised insights to upsell products based on previous purchases or promotion responses, as well as check other stores for specific items, and checkout on the tablet using Square or PayPal.

Carolina Herrera meanwhile has an invite-only app that is also used by employees for customer service. Herrera Style allows associates to communicate directly with clients, sending them images of specific looks, inviting them to trunk shows and providing them with the opportunity to be the first to shop newly released items.

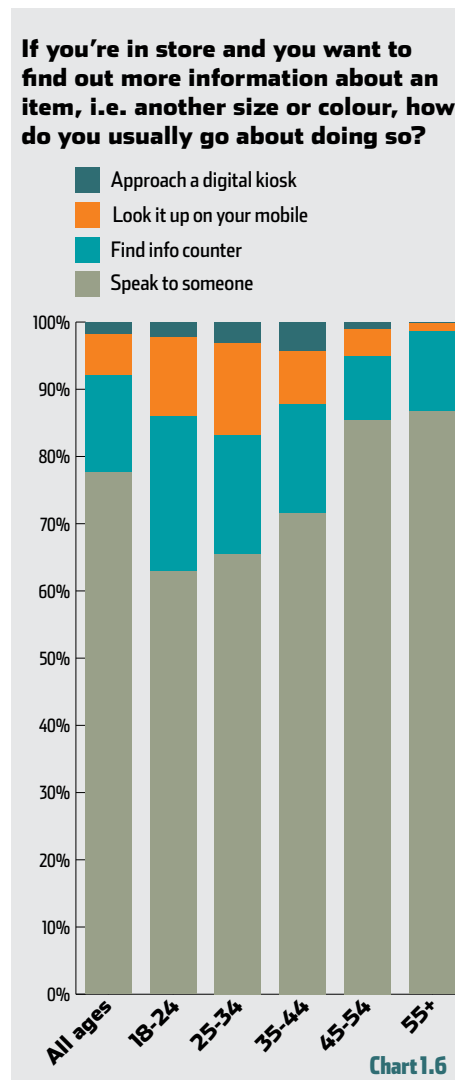
Others such as Neiman Marcus have taken this one step further and allowed customers to text, email, call or even FaceTime any of its associates through its NM app.

Homlish says: “There's enormous opportunity in clienteling – sending something beautiful and inspiring via either social or one-on-one to get the customer in. Brands should be arming associates with assets to share and/or training them about how to best leverage the brands' social to get people in the door.

“There's nothing worse for a marketer than spending huge amounts of time and money to market a new product and then the people on the ground don't leverage these assets.”

INTEGRATED EXPERIENCE

The priority is enabling a more seamless shopping experience. Even without the detailed loyalty app integration, consumers want staff to be able to answer simple questions such as what other colour options there are for a product, and where they can find the product in their size. Much like they can search online for exactly what they're after, they want quick and easy answers to their





Retailers in the fashion sector are attempting to replicate online engagement levels in store

queries when shopping in person too. This proves again that the future of fashion very heavily relies on omnichannel strategy, and the streamlining of stock visibility. Being able to show where an item is at any given time is retail's biggest challenge.

Retailers including Gap have replaced all legacy systems in stores with web services so that both in store and ecommerce operate on one platform. This has enabled the company to have global, virtual visibility on the availability of its inventory, and thus introduce such tools for its shoppers as

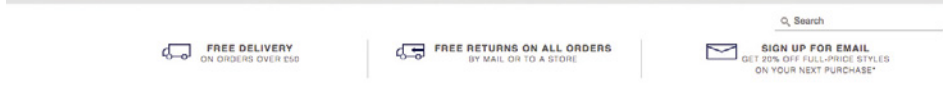
'reserve in store' (when online), or 'order online' (when in the shop).

As Art Peck, chief executive of Gap Inc, said in 2014: "Our commitment with assisted or unassisted 'order in store' is you'll never leave the store empty handed, whether that's a physical bag or a virtual bag that you're carrying with you... that's a huge economic opportunity for us. It's moving that conversion yield."

Zara, meanwhile, has committed to having a new inventory tracking system in place in all of its

stores by 2016. Based on the idea of RFID tags in all of its garments, items can be traced from factory to point of sale. "[The] implementation of this next-generation technology is one of the most significant changes in how the group's stores operate," said Inditex chairman and chief executive Pablo Isla.

These shifts are a large undertaking, but they're a long-term solution for more efficient, seamless shopping experiences that will encourage brand favour and, when tied up with the personalisation piece, increasingly brand loyalty too.



Gap has virtual visibility of its stock, enabling it to offer customers a 'reserve in store' option

SALESFORCE ACTION POINTS

- Measure the value of giving answers to the most common questions to employees on the shopfloor e.g. Do you have this in stock? Where's my order? Can I order online?
- Think about your employee journey. Which operational tasks, data or KPIs could be automated or mobilised to put them into the hands of the right employee in real time?
- Connect service to sales – how can a unified view of your customer turn a service interaction into a potential sale?
- Digitise your 'little black book' – what needs to be shared? What insight do employees need to maximise every customer interaction?

CHAPTER FOUR

LIGHTNING-FAST

INNOVATION



- **Analysts predict referrals from social will represent 5% of online retail revenue in 2015, equating to \$15bn (£9.8bn)**
- **72% of 18 to 24 year olds and 49% of 25 to 34 year olds want to be able to shop straight from social media**
- **Half of 18 to 24 year olds say they share images of themselves with friends before deciding to buy, as well as 33% of 25 to 34 year olds**

Innovation for retailers and marketers alike heavily sits in the omnichannel space today. Speeding up the operational side of the business in order to offer better shopping experiences, greater customer service and increased personalisation is the aim.

For Wolf, this is all about client relationship management systems that “help brands to manage a 360-degree view of a customer across online, offline and social touchpoints, seamlessly linked into EPoS systems to be easily accessible and usable”.

Homlish says new approaches to better market products should focus all around service. “There’s an Uber for everything these days – fashion needs to keep up with this kind of innovation and make things easy for customers.”

Technology has been integrated in numerous stores as a means of experimental innovation, in a bid to drive engagement and encourage conversions through interaction with consumers.

H&M launched a catwalk experience in store in New York that invited shoppers to model their new purchases for the chance to be screened on outdoor billboards, for instance.

Neiman Marcus has trialled a smart memory mirror in its stores that captures images for users as well as data for the retailer, and Rebecca Minkoff introduced a complete technology experience in one of its boutiques that centred around a smart fitting room experience.

The Rebecca Minkoff New York shop includes RFID-equipped fitting room mirrors that detect product tags and pull up information about the items being tried on and styling tips from the designer on screen.

Some 75% of women using the connected fitting rooms are looking at recommendations on the interactive screens, and 30% are requesting new items to try on in the store based on those recommendations, according to Minkoff. “We’re selling double the ready-to-wear we thought we would in the store,” she notes.

SOCIAL MEDIA INNOVATION

The next big objective with social media, meanwhile, is about enabling conversions. This is about brands being able to move beyond experimenting with content formats or growing their communities through data insights and

influencer outreach, and instead seeking real ROI. Analysts predict referrals from social will represent 5% of online retail revenue in 2015, equating to \$15bn (£9.8bn).

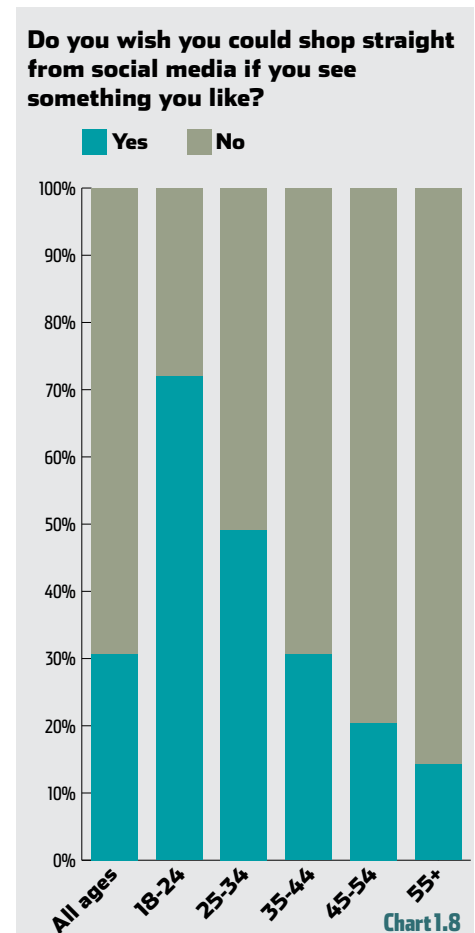
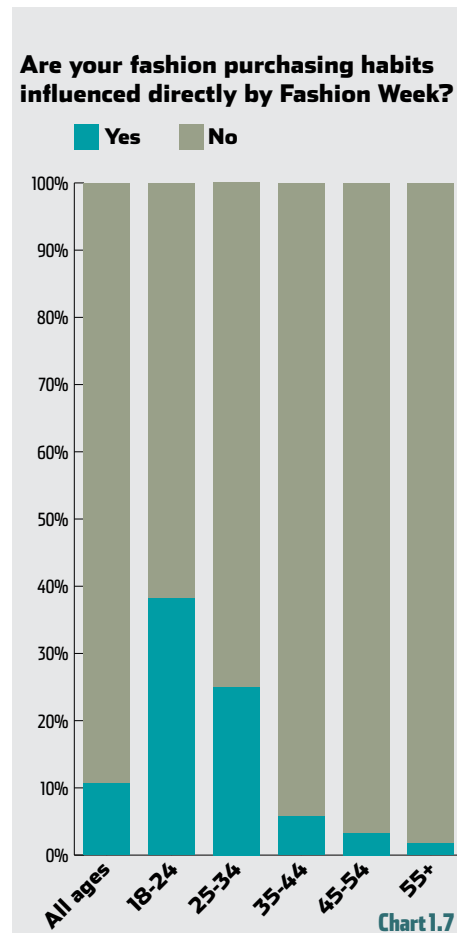
If the click to purchase was more easily facilitated, could it be higher though? The platforms are accordingly becoming shoppable – the likes of Twitter trialling its first ‘buy now’ button with Burberry in September 2014 for the nail polish used in its fashion week show, for instance.

Now other channels including Pinterest and Instagram are experimenting with offering advertisers integrated commerce on their pages. Third-party tools such as Liketoknow.it have

also launched for Instagram, aiming to facilitate transactions for users simply through “liking” relevant tagged items.

Young consumers are keen on social commerce. According to *Retail Week’s* study, 72% of 18 to 24 year olds, and 49% of 25 to 34 year olds want to be able to shop straight from social media if they see something they like.

It would be an important shift for marketers too. Homlish says: “I think fashion marketers and marketers in general would love to better understand attribution and how all of the never-ending list of marketing platforms work together. It takes a lot of effort to click out of Instagram and



buy, even through Instagram ads or LiketoBuy. The biggest challenge for marketers is constantly having to prove the viability of the different platforms and defend spend – media, resources and time – devoted to them.

“If someone could make measuring impact easy, that would be amazing and really help to inform what to do where.”

Where there’s been the most development in line with this, is via user generated content – any form of content such as blogs, posts, chats, tweets and other forms of media that were created by users of an online system or service.

Retailers have long invited influencers to capture images and more recently enabled fans to grab images in real-time and share them across platforms.

Today those assets are easily embedded in ecommerce sites thanks to the prevalence of hashtag campaigns and the power of the selfie.

Nasty Gal, Stella and Dot, New Balance, and Wool and the Gang are just some of the brands that have crowdsourced content and put it on both their homepages and specific product pages.

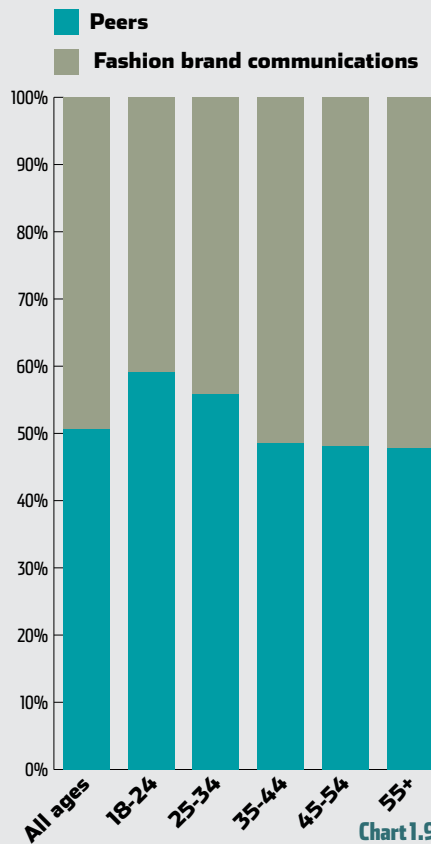
The authentic content they pull in from what are essentially brand ambassadors is up to three times more likely to influence a purchase than an image created by the brand itself.

Indeed, more than half (58%) of 18 to 24 year olds and 37% of 25 to 34 year olds say they have seen their friends wearing something on social media and thereafter decided to buy it.

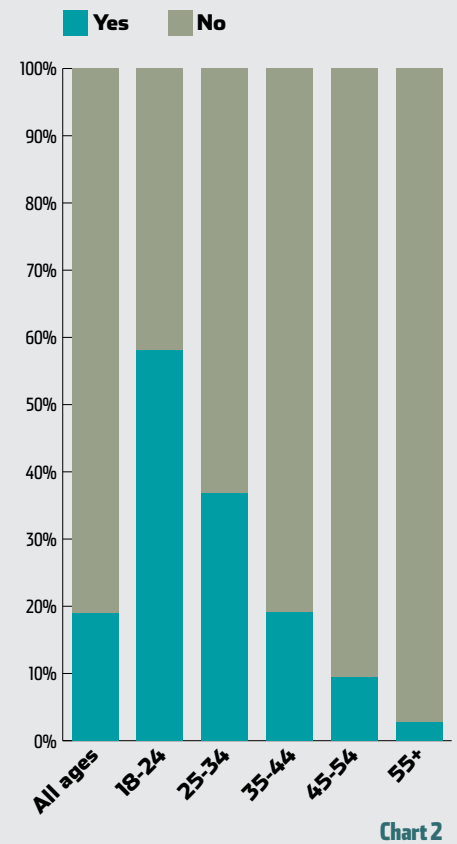
Similarly, half of 18 to 24 year olds say they share images of themselves with friends before deciding to buy, as well as 33% of 25 to 34 year olds.

Across age groups, consumers say they’re fairly split in what influences their fashion purchasing decisions too. 51% say their peers, while 50% say brands.

What factor influences your fashion purchasing decisions more – your peers or fashion brand communications/content?



Have you ever seen a picture of one of your peers wearing an item on social media and decided to purchase said item based on this?

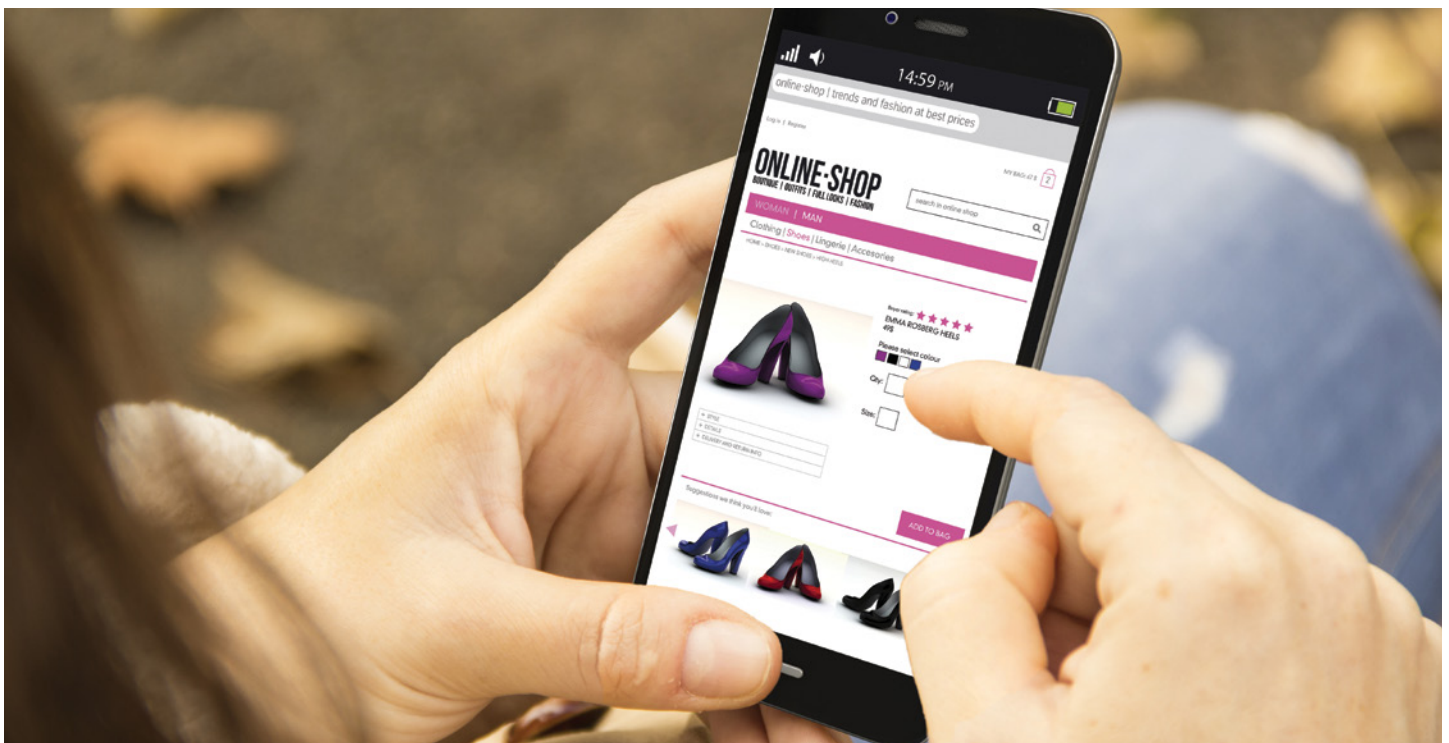


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SALESFORCE ACTION POINTS

- Step into your customer’s shoes – what technology would make their shopping experience better? How could you use real-time sensors in the store to make the environment dynamic and responsive to your customers?
- Capture the ideas and feedback from the shopfloor. What are customers suggesting they’d like to see? It’s often innovation from the shopfloor that resonates the most.
- ‘Uberise’ your brand experience: if you don’t disrupt your competitors will.

CHAPTER FIVE CONCLUSION



What is made clear from this report is that young millennial shoppers' expectations around communication with fashion brands are considerably high. They want quick, yet detailed, engagement with brands that keeps them informed and allows them to purchase items through a variety of means.

This report also highlights the three pillars of brand-consumer communication that retailers need to tailor their offer around for success; personalisation everywhere, super charged employees and lightning-fast innovation.

With personalisation everywhere, the current focus in fashion marketing is on more tailored messaging, for one-to-one communications. Data underpins this strategy consideration, and more specifically the accurate mining of data, to reveal true insights.

Super charging employees with this insight, usually in a physical store location, is growing in importance for retail bands as they look to

reshape the store employee role to one that is more brand advocate.

Indeed, as data commissioned for this report suggests, when shoppers are in store, the majority say they will seek out someone to speak to in order to find out more information about an item, for instance if they're after another size or colour.

And finally, innovation that speeds up the operational side of the business in order to offer better shopping experiences, greater customer service and increased personalisation is critical to keep a communication strategy relevant during a time when technology is evolving apace.

Correctly account for these points and loyalty and the associated benefits ensue, but get it wrong and today's shoppers, especially those in younger social cohorts, will quickly shift their attention and financial resources to rivals that they feel are better placed to meet their shopping needs.

SALESFORCE ACTION POINTS

- Think like a Millennial. How could social and mobile enhance your in-store experience?
- Agree on one central platform that can support each of your retail functions to prevent multiple integration points and the overhead of multiple point solutions.
- How could you put the customer at the heart of every shopfloor interaction?

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