

'How Digital is Changing Consumer Expectations of the Fashion Industry'

Mark Batchelor interviewed by a member of Westminster Business School, University of Westminster as part of an industry research panel assessing the impact of digital on the fashion sector.

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From your experience, did you notice a change in fashion consumer's behaviour in the past 5 years? If yes, can you tell me the top 3 changes?

Yes! Firstly, consumers asking opinion of others in their network on social media – re: suitability of their choices, or availability of product, or advice on compatible garments, shoes, accessories. Secondly, not waiting for collections to appear in-store before thinking about potential purchases and styling. This is in line with the move from the immediacy of catwalk to consumer through social media and live streaming of runways and presentations of collections at the main fashion shows. Finally, consumers providing commentaries and narrative around wearing occasions – e.g. selfies on Instagram, and building boards on Pinterest.

A recent article states that 'at the moment, fashion consumers are more in power than ever'. Do you agree? What are your comments about?

Fashion has traditionally been product led. Consumer conversations in social media linked to online shops can impact on shaping demand. The opportunity for the designers and brands is to monitor and meet consumer requirements – so it requires moving from a product led/sales approach to putting the customer first. Interestingly, just this past week ASOS announced how it turned its international sales around by focussing on creating value propositions for those specific customer requirements.

Do you think marketing changed over the past 5 years? If yes, what is the major change you experienced and why do you think this happened?

Yes – marketing is always evolving. The major changes include the increase use of social media and the penetration of online connectivity is generating vast amounts of data, along with the tools and sophistication to interpret the insights in shorter timeframes. Noticeably, the traditional annual planning cycles have been disrupted by the ability to monitor and respond to a shifting market environment, which demand prompt responses and interaction. This requires greater fluidity that doesn't fit with traditional planned schedules formulated annually and tweaked every 13 weeks.

Do you agree with the statement 'Technology is changing the consumer experience hugely, heading marketing toward being 'on-demand' because always connected and able to respond - at any time and any place.'? What are your feelings about it?

Yes, the use of technology can significantly change the customer experience, however it is the understanding and capability within an organisation that determines the rate of acceptance and change. Before deciding upon the technologies you want, the challenge is to assess the value of an organisation being able to respond at any time, at any place. Then decide how do you deliver to meet expectations, and continue to do so? My concern is that technology can offer so much, yet experience, insight, and decision-making needs to take the lead, and not the other way around. "Just because you can, doesn't mean you should". I've seen too many examples of technology led enterprises that have become rapidly unsustainable because they have not been driven by a genuine customer need, and have focused on what it can do not what value it delivers all round. Therefore, by not being able to satisfy a valid customer requirement is unable to deliver a profitable, sustainable revenue stream. Furthermore, use of automated technologies especially for marketing need to be balanced to enhance, not detract from the experience.

So to what extent do you believe that new technologies are impacting on the relationship between fashion enterprises and their target consumers, and why?

Firstly, they have extended the relationship outside the buying occasion through social media engagement. Introducing a narrative and stories that spin from the designer's brand and the values they espouse proves to be an effective device to capture interest and prompt responses and conversations among consumers and followers. Enterprises are learning that the 'customer encounter' should be so much more than just trying to secure an immediate sale, and extends beyond the sales occasion. This forces the enterprise to rethink how they value customer relationships – Yes, sales and regularly purchasing is one metric, but the value of advocacy can deliver more profitable revenue streams over the longer-term. Visibly deploying technologies can demonstrate that the brand owner values the customer at a more personal and deeper level, by understanding their interest, aspirations and past purchasing activity. E.g. Burberry tagging their clothes in showpiece stores – en route to a changing room, a tagged garment can initiate a nearby screen to show video footage that garment being modelled. Also, complementary items can be flagged to accessorise or match a garment, referenced against previous purchases and wardrobe choices. All of this insight when presented in a personal manner by a sales person with this information immediately to hand enhances the quality of the interaction in-store.

At the moment there is a rising trend of inbound marketing in the UK fashion industry. What are your opinions about it? Why is it so effective?

I welcome the rise of inbound marketing because it has challenged enterprises to reconnect with their customers, and accept that brand owners should not hide behind walls and only engage with customers when it suits them, and when they want to make a sale. It's effective because it has rebalanced the dynamic between customers and enterprises.

From the customer's point of view, it offers a rich range of engagement opportunities allowing the customer to choose the type of engagement they want to experience at any one point in time, and there's no pressure to buy – it allows them to make up their own mind in their own time.

From the brand owner's point of view, it enables customer engagement and dialogue outside of the 'sales occasion', and generates insight that can help shape its future offerings, the timings, and how they can be presented to the market. This has immense business benefit impacting on the bottom line in terms of business efficiency, investment, manufacturing, and profitability.

What are the top 3 inbound strategies used by fashion enterprises, and what are their benefits?

- 1) Content Strategy – creating content that builds a narrative and stimulates conversation with customers and followers. This connects the consumer with a brand owners core values and aspirations, which stimulates and holds interest, offering the customer the choice to deepen the relationship beyond the product and compare their own thoughts and aspirations, assessing their compatibility.
- 2) Use of social media platforms – ensuring the right customers are reached, content delivered, and appropriate channels offered to escalate engagement and deliver value. E.g. Use of Twitter by SW Trains helps deliver live service updates, and offers a channel to respond to customer issues.
- 3) Search – to be found and accessible are key to inbound marketing effectiveness. Understanding the search terms, requirement, and context of a consumers search activity need to be managed and reviewed constantly if a brand owner is to remain current and relevant to a customer.

Do you believe that inbound marketing is adding value to the overall shopping experiences of fashion consumers, and why? Can you also please tell me an example?

Yes, because it's inviting the consumers to help shape the brand environment in which they want to inhabit, and empowers them to have their say in how they want a brand to be and reflect what they want. *Topshop* use of Instagram to shape store design - Five influential Instagram curated and share

their own view of the new collections across *Topshop*'s digital channels and in the retailer's flagship Oxford Circus store. Consumers were invited to showcase their own looks using the hashtag #TOPSHOPWINDOW. A triple screen installation in store captured the images from both consumers and the handpicked Instagram collaborators creating a fully interactive digital mosaic, a streaming *Topshop Unique* fashion show – ‘the 'world's first fashion created by Instagram imagery viewable instore and on the street.

Ted Baker invite consumers to embrace the technologies to make a contribution and immerse themselves in the *Ted Baker* experience to discover the *Ted Baker* values and collections. As a brand they choose not to use traditional advertising as they consider it too staid, and does not engage their audiences in the way they want to – they want audiences to spend time to discover what *Ted Baker* has to offer. In their current campaign, they're taking a clever stance – that ‘it's sexier to conceal than reveal’. They adopt an enigmatic approach, teasing the audience with quirky narrative and bold visuals to catch their attention. Following the launch of their video showcasing the Spring/Summer 2015 collection #Pinch_Me, each day from March 9th 2015 onwards a new image is released on Instagram, where followers are invited to use the Instagram filters and edit tools to reveal concealed content that can win prizes. <http://www.thedrum.com/news/2015/03/09/it-s-sexierconceal-reveal-ted-baker-founder-why-it-shuns-traditional-advertising>

Do you believe that all these new technologies (e.g. social media, websites, big data) are raising consumer's expectations (e.g. engagement, entertainment) and why? How are firms and marketers responding to this phenomenon?

The technologies enable brand owners to adopt a far more responsive approach to communications and engagement, and given the requirement for increasing accountability and transparency, consumers assess brands on their willingness to adopt these technologies. A lack of willingness to adopt the culture of openness, responsiveness, and engage with dialogue in a way that doesn't extend beyond a sales opportunity can compromise the consumer opinion of the brand and the people within the enterprise causing them to question the values and culture of the brand owner. This can result in the customer switching their allegiance and look for alternatives. Key responses to this phenomenon include;

- Monitoring and management tools to track consumer activity and brand mentions – Talkwalker, Brandwatch, Salesforce, Hootsuite, Tweetdeck.
- Introducing social media policies which guide how employees across the organisation need to accept and engage with social media activity
- Driving a joined up approach across business functions, silo's, and different disciplines – clarifying that a customer judges a brand in relation to any touch point or contact be it customer service helpline, online shop, delivery of their goods, process of their payments, the quality of the products and services received.
- Reviewing and updating security and responsiveness as channels evolve e.g. moving towards mobile, and adopting contactless payment.

Do you think it is important for fashion brands to anticipate customer expectations? Which marketing strategy you would use in order to do so?

Fashion brands should constantly ‘horizon scan’ to ensure they can meet the accepted standards and expectations of customers. From a strategic point of view benchmarking competitors and monitoring competitor activity in tandem with market shifts, and technology innovations are essential to fulfilling expectations and retaining a competitive edge. Comprehensive social media and content strategies ensure you are listening and engaging with customers, and delivering value that retains their interest and contribution.

At the moment, do you believe there is a gap between customer's expectations and actual experiences? Do you think that inbound strategies may help to prevent this gap?

It depends on the brand and customer. The challenge is always to be able to fulfil the promise and deliver to a level which continues to win customer approval, recommendation and advocacy. Inbound provides the opportunity to respond in real time to customer expectations, address issues, and rectify problems with solutions. The data available can provide the insight on a particular customer, type, or segment where a correlation of purchasing, site visits, contact, and social media posts can assess behaviour, and provide the stimuli for activity. Therefore, if there is a shortfall between brand experience delivery and customer expectation, inbound provides the tools and opportunities to resolve it.

What marketing strategies would you suggest to a fashion firm aiming to increase consumer engagement (e.g. by offering continuous and exciting shopping experiences)?

The main strategies to drive engagement would have to include:

- Driving customer advocacy through building content exchange and securing a clear market positioning and potential niche that reinforces the brand values.
- Leverage audiences to drive sales volumes online, and build channel distribution and retail sales. Consider the most appropriate media channels, and use them appropriately based upon what they can deliver and their effectiveness in reaching the intended target audiences. <http://www.conversationprism.com>
- Channel marketing – focus on compatible online/offline retail partners that match market positioning and location of customers. Create own online shop with links social platforms, joined with content strategy and social media leveraging and search to drive customer traffic. Pinterest is very effective as a shop window for an online store – pins and boards geared to driving designer and lifestyle traffic with high conversion levels.
- Influencer Engagement – Build awareness raising and advocacy through the influencers – namely bloggers, online and traditional media.

What about the omni-channel approach? Is it important?

It is really important. Omni-channel improves a brand's competitiveness by providing optimal access to the offering, and doing so in a thoughtful way that recognises the customer and builds upon previous contact in a seamless way. It ensures consistency in customer engagement and in doing so enables a brand owner to retain a knowledgeable, meaningful relationship with the customer. If the omni-channel structure and approach is built and managed smartly it drives fluidity in the business model and enhances the culture through transparency and adaptability.

Technology is continuously innovating the business and does not seem to stop. How do you see the business of fashion in the next 5 years?

- Less wastage in manufacturing – fashion brands will become adept at judging volumes and improving sales efficiencies.
- Pricing models increasingly moving away from start high then discount to shift stock through the sales season.
- Stronger seasonal focus – in spite of the disruption to the annual cycle of spring/summer, autumn/winter lead times from catwalk launch to instore, the shorter lead time and smarter manufacturing could lead to moving towards 4 collections per year, with diversification across different markets and climates for global brand owners – Spring in London is different to Spring in Dubai.
- People – more commercially qualified marketing professionals, used to delivering robust marketing approaches across all environments offering seamless customer experiences.