



Fashion Brands: Reimagining the Digital Experience



Introduction

While the fashion industry knows digitalization must happen, not all fashion brands are ready for the next onslaught of change: the **age of consumers**. This era, according to Forrester, represents a transition in power - from companies toward customers. With technology at their fingertips, consumers have higher expectations, and they can make or break a brand. They can even dictate the rules of business.

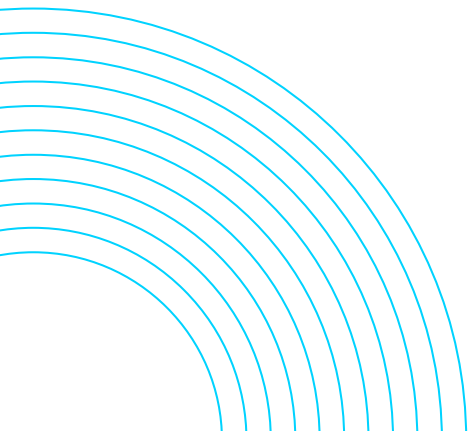
While other industries have made strides towards digitization, most of the fashion industry is still in the early stages of adoption. This, coupled with today's global economic and ethical challenges, continues to be a source of great anxiety for the industry. What used to be a product-centric industry is finally catching up and has started to develop customer-centric strategies.

Due to the birth of new consumers, fashion brands must be more radical with innovation in their business practices and digital transformation initiatives, while always keeping their fingers on the pulse of customer demand. Additionally, fashion brands must address sustainability concerns while being considerate of local requirements across multiple markets and cultures.

According to the Business of Fashion and McKinsey, 2018 was a year of **reckoning**, and 2019 was the year of **awakening** for the industry. Brands took notice, learned important lessons, and prepared to face the challenges brought on by digitalization. The industry is now trying to **adapt** while facing yet, another unforeseen crisis in the form of the global COVID-19 pandemic, leaving fashion brands potentially vulnerable as they must now navigate further uncertainties.

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Chapter 1: The Consumer Shift



Fashion brands that adopted digitalization early understand that consumers now play a pivotal role when they launch new products. Consumers dictate what they want and how they want it delivered as well as the urgency and frequency of when they get it.

But who are these new types of consumers exactly?

Millennials

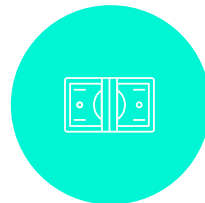
Millennials are believed to be the group born between 1980s and 2000s. They mark the 20th century's last generation and the first digital one. This group grew up in a time of rapid change. Their priorities and expectations are strikingly different from previous generations. As consumers, they:



Demand integrated, seamless experiences regardless of the channel **(68%)**



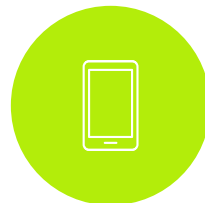
Refer to online reviews and blogs when making a purchasing decision **(40%)**



Hold a collective annual buying power of **\$24 trillion in 2020**



Pay attention to product content for **12 seconds**



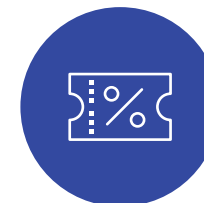
Shop mostly using a mobile device **(71%)**



Prefer to see people discussing products in ads or marketing content **(37%)**



Tend to buy from brands that support causes they care about **(55%)**



May switch brands based on discounts or coupons **(56%)**

Gen Zs

The fashion industry has struggled with Millennials, and now it needs to understand Gen Z shoppers. Gen Z is the most diverse generation and has proven to be a real challenge for the industry. These next-gen shoppers:



Impact **40%** of consumer sales



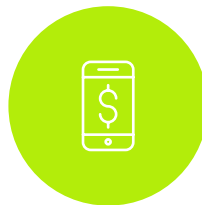
Prefer ads or marketing content that shows **actual people discussing products**



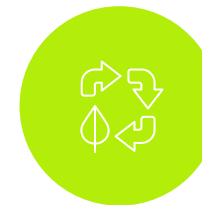
Have an estimated spending power of **\$143 billion in 2020**



Like to receive emails from brands **a couple of times a week**



Are 2X more likely to **shop on mobile devices** than Millennials



Drive social awareness that put a spotlight on **sustainability**



Pay attention to product content for **8 seconds**

Millennials and Gen Zs combined hold power over the future of brands. They require brands to be accessible, authentic and sustainable. They are no longer loyal to brands, but their experiences when interacting with one.

This consumer evolution has not only created challenges, but it also presents new opportunities for fashion brands to reimagine the experiences they provide. Thus, they must establish a different narrative that conveys why shoppers should choose them over the competition.

So, if these consumers are after exceptional experiences, how can fashion brands design them to meet the expectations and demands of next-gen shoppers?



Chapter 2: Designing Brand Experiences in the Age of Consumers



Consumers place exceptional value on their experiences. Brands must use their products to deliver and design experiences that exceed consumer expectations.

Therefore, brands must be:

1. Accessible

57% of global internet users have purchased fashion-related products online, making apparel the most popular online shopping category, with footwear coming in second at 47%. While e-commerce has historically been very retail-focused, fashion manufacturers must take note that the e-commerce space is projected to top **\$3.9 trillion** this year. Therefore, fashion brands should take their share and implement a business model that will allow them to maximize digital sales in addition to improving customer loyalty and distributor relationships.

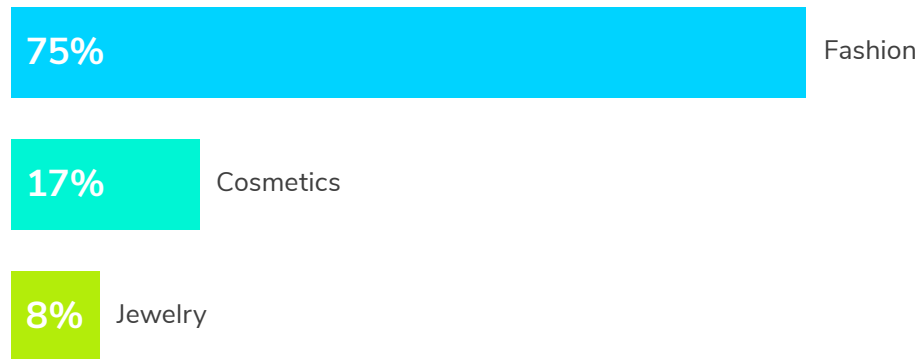
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“I’m positive that change can be created in terms of accessibility in the beauty and fashion industries but, in order for that change to happen, we need to start the conversation.”

Elin Williams, My Blurred World



One path towards improved accessibility is to join the increasing numbers of brands that have gone direct to consumers (D2C). It is estimated that there are more than 400 D2C brands today, and their online traffic has doubled in the past couple of years. Moreover, a study conducted by Pipecandy showed that fashion brands dominate the market share:



Startups in the D2C space have collectively raised **\$3 billion in funding**



Enterprise brands make anywhere between **\$10-\$100 million** in web sales alone



Fashion consumers are expected to grow to more than **one billion in 2020**



Fashion remains one of the largest e-commerce markets, and for fashion manufacturers, with their own unique e-commerce requirements, gaining a D2C strategy is a key path to consider.

Learn how fashion brands can benefit from going direct to consumers.

[Read now](#)

2. Authentic

Customer-centricity is a buzzword these days. Everyone wants to spoil their consumers with products that resonate just because they think customer-centricity is “an economic solution to declining sales, lack of traffic and decreasing share price.” Customer-centricity is more than that.

If being customer-centric means placing the consumer at the center of business design and delivery, that would mean brands must create unique experiences for all their customers. It’s a tall order, but when brands get it right, the rewards are high.

The following figures express the importance and impact of capitalizing on unique customer and product experiences.



Therefore, brands become authentic in the eyes of their consumers when they can produce the right products at the right time to fit their specific needs.

“Customer-centric marketing is a strategy that places the individual customer at the center of marketing design and delivery. It starts from the realization that there is no ‘average’ customer. Customers have different behaviors and preferences – and this presents rich opportunities to move past a ‘one-size-fits-all’ marketing approach.”



3. Sustainable

The theme of sustainability has long been one of the most relevant aspects assessed in the business strategy of companies and also in the competitive positioning of fashion brands. While for consumers, it is a question of if and how brands help the environment, for brand manufacturers, it is also about creating the right foundation to become a sustainable business.

Brands adopt sustainability initiatives to:

- Reduce costs
- Gain consumer support/loyalty
- Comply to regulations

Brands, fashion designers and consumers have come together with the aim to create a sustainable industry. They may have different goals of why they are looking for sustainability, but the end result is a win for everyone.

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“Fashion players need to swap platitudes and promotional noise for action on sustainability measures such as consumption, pollution and waste.”

McKinsey (2019)



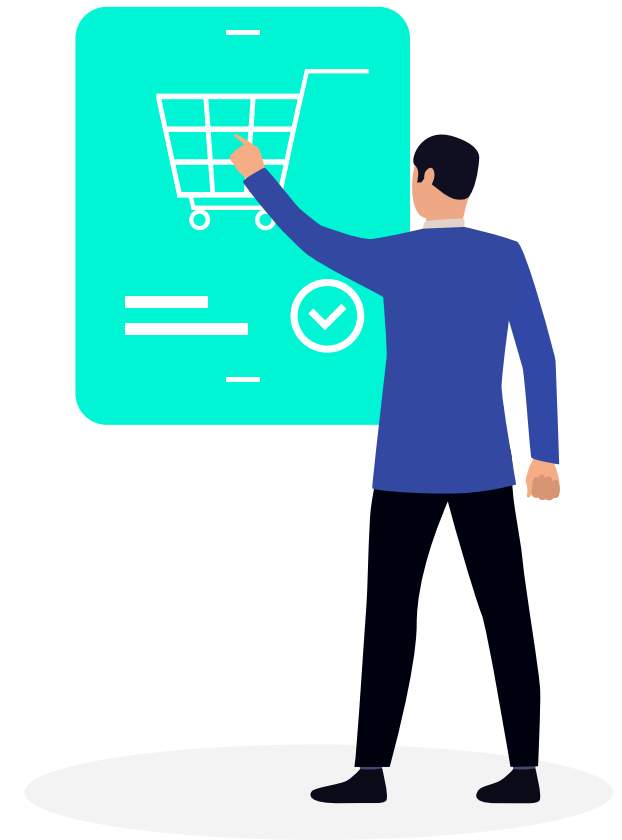
Chapter 3: Fashion During Uncertain Times



The COVID-19 pandemic forced fashion brands to pay attention to what is happening in the digital space more than ever before. Social distancing and stay at home mandates have greatly disrupted businesses for most industries. Consumers all over the world have turned to the easiest and safest method to purchase goods – online shopping.

With the sudden increase in ecommerce activity, fashion brands must think of ways to remain relevant, even if their products are not being prioritized during this crisis. For instance, LVMH shifted from manufacturing beauty products to create hand sanitizers. Inditex switched its textile factories to create hospital gowns and even offered its supplier and logistics network to the Spanish government to fulfill the delivery of hospital supplies.

This shows that LVMH and Inditex have an integrated supply chain, a well-coordinated geographic mix of stores and a diverse business model that allows them to quickly switch gears and adapt to change. These companies shifted slowly towards digitalization to boost their reach and increase the control of their brands.



In difficult times, even the strongest fashion players should quickly strengthen their digital capabilities to protect their business from further risks. In recent years, some brands emerged as “super winners” for being pioneers of innovation in the industry.

Fashion brands should take inspiration from these super winners if they want to survive and thrive during and after the pandemic. It is then important to know where everyone was at the beginning of the year in terms of global economy, emerging markets, best fashion categories and segments.

The State of Fashion

Fashion Industry Growth

3-4%

Global growth
(1pt lower than 2019)

Emerging Regions

6-7%

APAC

4.5-5.5%

Europe

Growth by Segment

4-5%

Luxury

3-4%

Affordable Luxury

2-3%

Premium/Bridge

Growth by Category

6-7%

Sportswear

4.5-5.5%

Handbags and luggage

3.5-4.5%

Clothing

2.5-3.5%

Footwear

Super Winners

These brands are the radical innovators of the pack. They have diversified so well that they can weather most channel, category and consumer change. In addition, their internal processes were developed with strategic clarity:

- **Data-backed decision making.**
Top players leverage data and analytics to develop business and product concepts along with adopting aggressive positioning to outpace the competition. Others make the mistake of using data after developing their products.
- **Prioritized time-to-market.**
Top players can deliver products to market in less than six to eight weeks, effectively managing product launches in time for every “micro season.”

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“Successful companies will be the ones that make moves early and focus on boosting earnings over revenue growth and work out how to improve productivity while ensuring operational and financial flexibility.”

The State of Fashion 2020,
BoF and McKinsey

Super Winners by Profit



INDITEX

KERING


TJX[®]

LVMH

The State of Fashion 2020: Navigating Uncertainty, McKinsey

Super winners take advantage of what they know of their consumers by harnessing the power of data to gather insights, and to make the best business decisions. This practice has allowed them to respond quickly to change and generate sales early.

To improve outcomes during uncertain times, emulating super winners is a viable path for fashion brands. This means recalibrating their approach, innovating, investing in existing digital capabilities and ensuring that data management sits in the middle of the strategy. Fashion brands must utilize solutions that allow them to confidently leverage their data alongside thinking of new ways of engaging consumers online. As they aim to enhance their omnichannel distribution and optimize their supply chain management, they also need to seek ways to improve overall product experience delivery amidst the global pandemic.

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“Successful companies will be the ones that make moves early and focus on boosting earnings over revenue growth and work out how to improve productivity while ensuring operational and financial flexibility.”

**The State of Fashion 2020:
Coronavirus Update, BoF and McKinsey**



Chapter 4: Delivering Exceptional Product Experiences



Top brands that have been able to get ahead of the competition are not afraid to disrupt their business models. Each disruption is confidently managed with data, executed with clever analytics and delivered seamlessly to customers.

Fueling such initiatives requires robust data management solutions as fashion manufacturers must provide high volumes of product data to numerous trading and retail partners. They must also create, maintain and publish consumer-facing product content on multiple channels.

Therefore, fashion brands face challenges with syndicating product information and digital assets to their distribution channels as well as publishing this information to each of their consumer-facing sites. They must also launch products faster to provide for the demands of the micro seasons while ensuring their experience delivery is flawless.

Data management solutions can help fashion brands:



Maintain an efficient supply chain



Improve operational processes



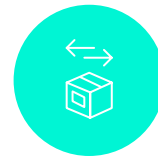
Meet regulatory requirements



Reduce procurement and overhead costs



Get to market faster and increase sales



Lessen product returns



Provide great product experiences



Localize product data

Rich Content for Contextualized Experiences

To cater to the next generation of consumers, product data that is complete, accurate, consistent and up-to-date is no longer enough; it needs to be rich, relevant and emotional.

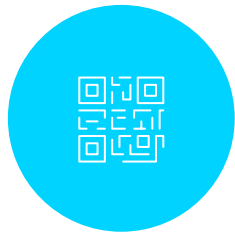
To differentiate from the competition, fashion brands must make an emotional connection with their consumers by identifying preferences and behavior changes to ultimately deliver contextualized product experiences.

This can be achieved by leveraging solutions that allow data to evolve from a mere record to useful and transparent product content.



Reimagine Product Experiences

Contentserv enables fashion manufacturers to deliver exceptional product experiences to consumers based on their channel, needs and preferences.



Streamline data consolidation

Fashion brands have huge volumes of product data, each with a unique set of attributes. Quickly import and consolidate product data in different formats from multiple systems and sources into one central location.



Accelerate time-to-market

Introduce new products with quick data onboarding and streamlined business processes using automated and collaborative workflows. Consolidate disparate and duplicate processes and eliminate data silos for agile product launches.



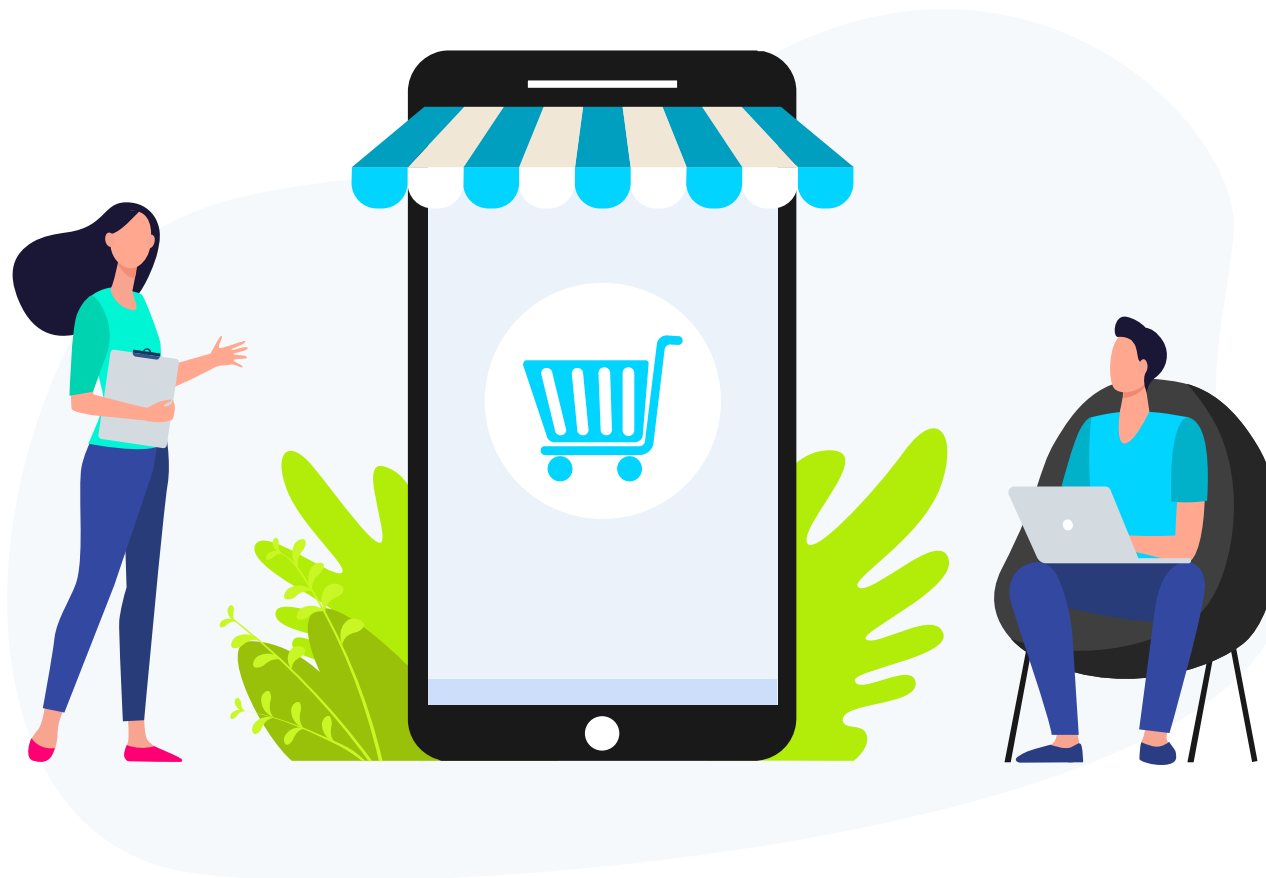
Localize your products in every market

Meet global business requirements for language and market with multilingual translation management. Localize product data for multiple languages, channels and brands to efficiently manage products for various markets while reducing unnecessary repeat translations and associated costs by focusing on relevant attributes only once.



Deliver groundbreaking product experiences

Personalized product experiences boost brand visibility and customer loyalty. Create impactful, channel-specific product messaging that elicits your customers' emotions and establish long-term relationships by addressing their personal needs and interests.



Implementation of a solution that enables fashion brands to deliver on the demands of both their consumers and internal stakeholders is critical to remain competitive. Moreover, efficient management of product content to provide contextualized product experiences is what will set them apart.

Learn how Contentserv empowers fashion brands to become digital-ready and thrive in the age of consumers.

[Contact us](#)

Resources:

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<https://www.bain.com/>

<https://www.fashionnetwork.com/news/Pablo-isa-explains-his-online-strategy-for-inditex,1084187.html>



About ContentServ

ContentServ helps brands and retailers offer customized and highly converting product experiences that delight customers, improve time to value and boost ROI.

Learn more at www.contentserv.com