



## FASHION FORWARD

Deliver Shopping Experiences Your Customers Expect

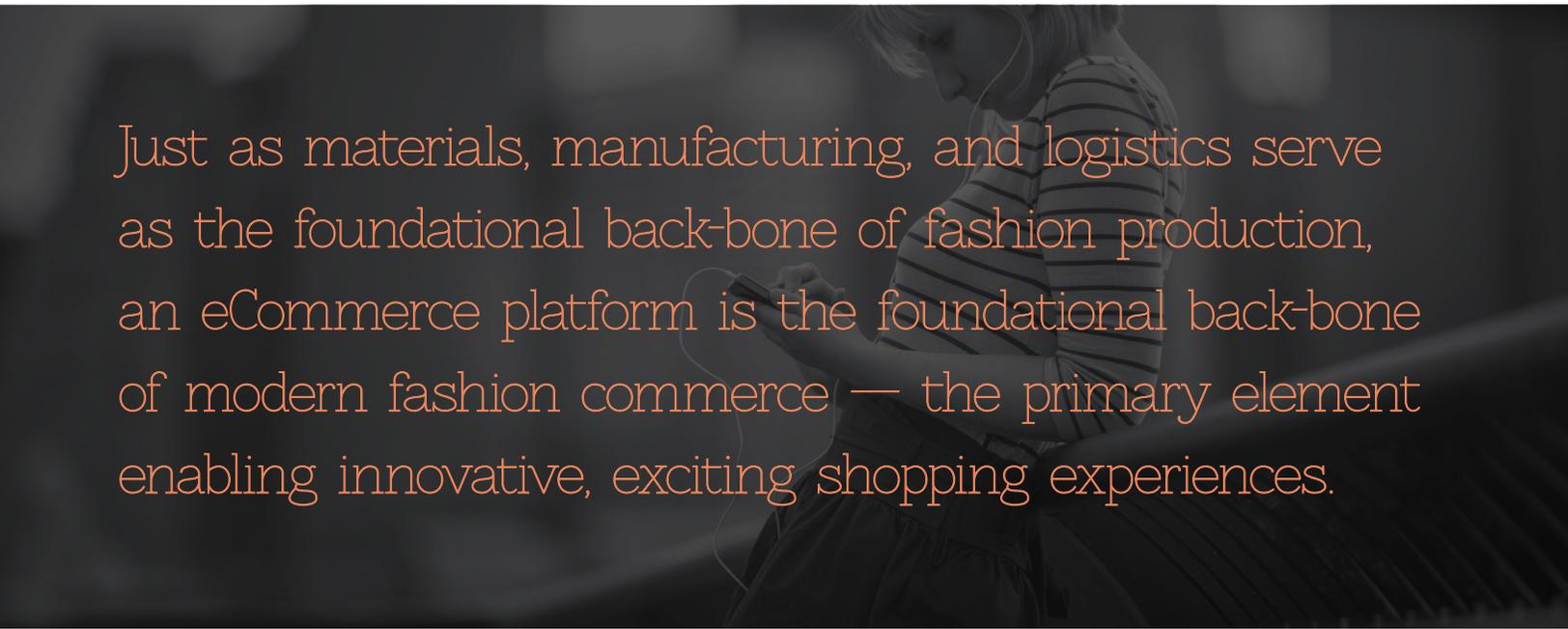


It's a few months before Fashion Week, and your designers are in the process of unveiling sketches for a new fashion line that they believe will help the company grab headlines and capture new customers. If key influencers embrace the new line at Fashion Week, the company can ride that momentum into a wave of new sales.

*If only the fashion business were that simple.*

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As most fashion manufacturers know, the process of converting designs into viable products that customers love is much more complex than fashion-forward ideation and trends. The most successful brands invest as much in behind-the-scenes infrastructure — material sourcing, quality control, in-store merchandizing, distribution networks, fulfillment logistics, etc. — as they do anything else. As such, the journey from recognizing a trend to successfully capitalizing on it requires several foundational elements to work in harmony. Fail to put those elements in place first, and even the best ideas won't materialize into the next fashion "must-have."



Just as materials, manufacturing, and logistics serve as the foundational back-bone of fashion production, an eCommerce platform is the foundational back-bone of modern fashion commerce — the primary element enabling innovative, exciting shopping experiences.

This "foundation" concept can be applied to how brands think about their customers' shopping experiences, too.

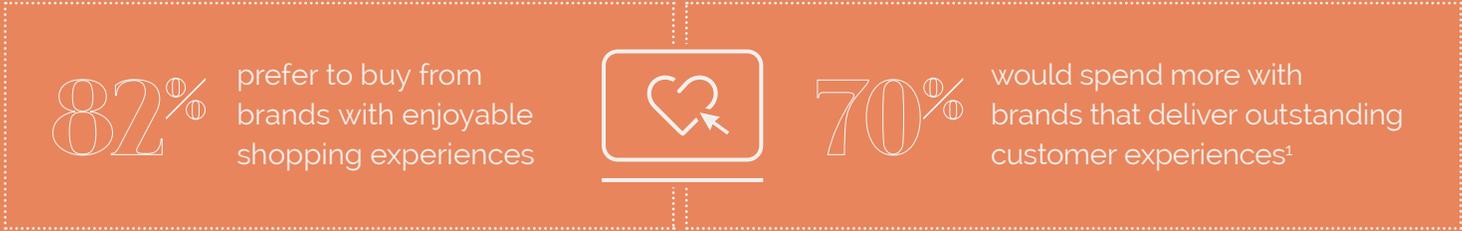
If you invest in the right infrastructure first, that "foundation" will allow your brand to flexibly and quickly implement new capabilities that tailor the shopping experience to your customers' expectations. If you miss that step, then your fashion business will struggle to implement the kinds of tools and customizations that are necessary to stay ahead of the competition.

# Constructing a Foundation for Long-Term Fashion Success

While most brands today recognize the importance of delivering a convenient, delightful experience across a maze of channels, platforms, and devices, it can be a challenge to deliver it. One big reason for this is the rapid pace at which buyer behavior and industry technology are evolving. With new commerce tools and functionality emerging constantly (and customer expectations adjusting alongside them), many fashion retailers tend to engage in trend-chasing and simply following the competition.

The problem with that approach is that customers want a unique experience that isn't like what they see on every other fashion site. In fact, one recent study found that 82% of consumers prefer to buy from brands with enjoyable shopping experiences. And 70% say they would spend more with brands that deliver outstanding customer experiences.<sup>1</sup>

## CUSTOMERS WANT A UNIQUE EXPERIENCE



It's all about making **intelligent investments** that allow you to quickly and flexibly deliver the exceptional shopping experiences customers expect.

<sup>1</sup>Echo, "2012 Global Customer Service Barometer Findings in the United States," 2012

# Two Questions to Guide Fashion Technology Investment

In this guide, we will help fashion eCommerce directors sift through the noise to focus on the core elements that give their brands the best opportunities to create engaging shopping experiences and grow their businesses. Technology plays an increasingly important role in this process, particularly as the lines separating offline and online shopping experiences blur.

Of course, navigating that landscape can feel overwhelming. To guide you, it is vital to start with a platform that is capable of adapting to new tools and technology. One that is not only flexible, but can also scale with your business as it grows.

After that platform has been established, there are several additional factors that brands must consider:

QUESTION

1

## WILL THE INVESTMENT IMPROVE MY CUSTOMERS' EXPERIENCE?

Just as you wouldn't start manufacturing \$500 pumps if your target customers were women looking for affordable flats, you shouldn't invest in technology that doesn't align with your target customers' shopping behavior and needs.

QUESTION

2

## WILL THE INVESTMENT CREATE POSITIVE ROI FOR THE COMPANY?

At the end of the day, you're running a fashion business. As such, you must also consider the ROI — whether via increased profitability or improved operational efficiency — of each technology investment. If a tool or technology doesn't add value to your bottom line — either through reduced operational costs or higher profits from happier customers — then why would you invest in it?

Going back to the metaphorical brand preparing for Fashion Week, creating the trendiest, most elaborate product designs is just one ingredient in the fashion equation. The savviest fashion retailers only put those designs into production when they've ensured suppliers can manufacture them, customers will buy them, and the business can make money off them. The process of building and delivering a memorable shopping experience is no different. If a tool or technology doesn't add value to customers and the company, then there's little reason to pursue it.

# Laying the Groundwork for Great Shopping Experiences

Which areas of fashion commerce deserve the most focus for brands looking to optimize their customers' shopping experiences?



As you might expect, your answer will be influenced by the two factors on page 5 (customer experience and ROI). Beyond those considerations, however, the devil is almost always in the details. In a retail store, for example, even the most well-designed dresses and handbags can be doomed by thoughtless merchandizing, unknowledgeable store associates, or poor inventory management. The same applies to eCommerce shopping experiences, which can be ruined by poor website responsiveness, confusing product navigation, complicated checkout procedures, or painfully long shipping timeframes.

# 1. Mobile

In a recent study, Goldman Sachs revealed that retailers will see almost as much revenue come from mobile commerce by 2018 (\$626 billion)<sup>2</sup> as they saw from all of eCommerce in 2013 (\$638 billion). And by 2020, Forrester predicts that mobile will become the leading eCommerce channel.<sup>3</sup>

Yet, for all of the evidence that points toward mobile driving the future of fashion commerce, numerous studies show that retailers are underprepared for this revolution. In fact, one survey found that 44% of Fortune 500 websites aren't mobile friendly, and just 6% of small- and medium-sized businesses have mobile-optimized sites.<sup>4</sup> Fashion brands cannot find themselves in that category if they hope to deliver an engaging customer experience going forward.

To prepare your brand for the future, consider implementing these three critical mobile capabilities to optimize the customer experience:

## MOBILE RESPONSIVENESS

Does your eCommerce design adapt quickly and seamlessly to mobile browsers? Is it just as easy for customers to view images, product videos, and reviews on a tablet as it is on a browser? If the mobile version of your website makes finding, engaging with, and purchasing fashion difficult, it will hurt your bottom line.

## SHOPPING CART FUNCTIONALITY

Can customers add items to a shopping cart on their phone and find them again when they log-in through a desktop browser? According to Magento's research, more than 40% of consumers use online shopping carts as a way to store products for purchase on a different device.<sup>5</sup> Lacking simple mobile functionality like that will impact conversion.

## AUTOFILL AND EXPRESS CHECKOUT

Does your eCommerce design adapt quickly and seamlessly to mobile browsers? Is it just as easy for customers to view images, product videos, and reviews on a tablet as it is on a browser? If the mobile version of your website makes finding, engaging with, and purchasing fashion difficult, it will hurt your bottom line.

Customers want what they want, when they want it. In order to meet those expectations, merchants must invest in technology that empowers customers to shop wherever, whenever, and however they want.

<sup>2</sup> The Atlantic, "Goldman: There Will Be as Much Mobile Commerce in 2018 as E-Commerce in 2013," 2014

<sup>3</sup> Forrester/Magento, "Steps to Achieving Responsive Web Design Success," 2015

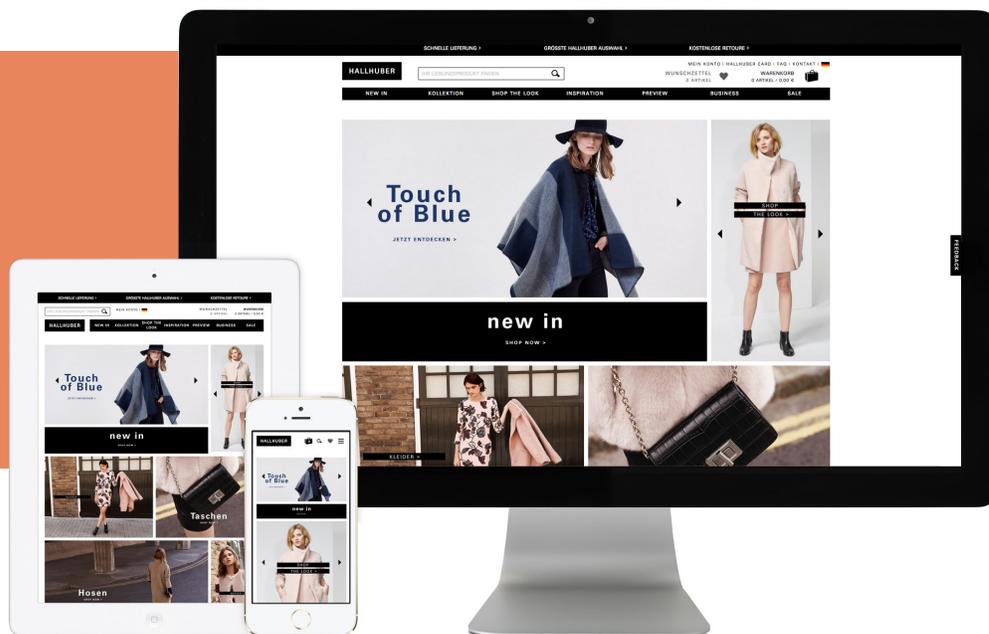
<sup>4</sup> Hibu, "Hibu Research Shows Missed Revenue for SMBs Without Mobile-Optimized Websites," 2014

<sup>5</sup> Magento, "Why We Don't Buy: Consumer Attitudes on Shopping Cart Abandonment," 2013

# HALLHUBER

After launching its first online shop in 2011, women's fashion brand HALLHUBER soon noticed a massive boost in mobile device traffic to its online shops. The good news was that mobile traffic was coming in. The bad news was that it wasn't converting at the rate the business needed.

To address that challenge, HALLHUBER implemented new eCommerce technology that allowed it to deliver fully-responsive experiences across a variety of devices and platforms.



The new responsive design streamlined the user experience and allowed customers to access high-quality product shots, "shop the look" functionality, and advanced wish lists across all devices. In the first 6 months post-launch, HALLHUBER saw an increase in mobile conversions and mobile revenue, a 10% jump in mobile sessions, and a 1% drop in bounce rate.

## 2. Merchandising

One of a retailer's most effective tools for driving in-store sales is merchandising. By rotating inventory to create a sense of freshness, organizing floor plans to improve customer flow, and constructing displays that make products look attractive, fashion retailers can dramatically improve their in-store experience and generate more revenue as a result.

In eCommerce, merchandising is an equally important part of the overall customer experience. Customers today expect their online shopping experiences to mimic — and, in some cases, exceed — their in-store ones. Thanks to technology, tools like virtual fitting rooms, 360-degree imagery, and “shop the look” are making it easier than ever for fashion brands to create those store-like experiences.

That said, online merchandising isn't necessarily about trying to replicate the in-store environment. Instead, it's about deciding which functionality aligns with your customers' online behavior and understanding how those tools fit into the broader shopping experience. With that in mind, there are a few key principles to consider as you begin exploring the array of virtual merchandising tools at your disposal:

### PAY ATTENTION TO DETAILS

Too often, fashion brands adopt merchandising functionality without first considering how it will impact the overall user experience. While product videos and virtual try-on might seem like a no-brainer, if they clutter a product page or dramatically slow page load time, then customers may get frustrated and leave the site before ever experiencing that technology.

### PRIORITIZE PERSONALIZATION

Fashion customers demand tailored shopping experiences. There are a number of ways brands can deliver those custom experiences — from targeted promotions based on browsing history to product recommendations based on demographics — but it's important to prioritize the ones that will have the biggest impact on your own customers' experiences.

### IDENTIFY OPPORTUNITIES TO CROSS-SELL

While this might not sound like a tip built around customer experience, features like product recommendations and “buy the look” functionality — two classic cross-sell opportunities — help customers by allowing them to visualize products and better understand how different pieces fit together.

One of the beautiful things about eCommerce is that it is so customizable. With the right platform and the right tools, every page, product, and promotion a consumer interacts with can be customized to create unique merchandising opportunities. Done right, this level of uniqueness can have a huge impact on sales. According to one survey, 48% of consumers buy more from retailers that personalize the shopping experience across channels.<sup>6</sup> By contrast, 74% of eCommerce buyers get frustrated when websites feature content, offers, and products that don't match their interests.<sup>7</sup>

<sup>6</sup> MyBuys, “7th Annual Consumer Personalization Survey Results,” 2015

<sup>7</sup> Janrain, “2013 Online Personal Experience,” 2013

# REBECCAMINKOFF



When fashion retailer Rebecca Minkoff opened its first flagship store in New York City in 2014, the company set an ambitious goal of re-imagining retail by pushing the boundaries of technology. To do that, the brand explored a number of innovative merchandising tools that helped consumers marry the benefits of an in-store experience with the convenience of eCommerce functionality.



In-store, this includes a touchscreen fitting room mirror that allows customers to change lighting to see how an outfit would look at different times of day. They can also interact with a feature called "Wear It With," which suggests similar items that pair well with the one the customer is trying on. This merchandising experience also carries over to the brand's website, where customers can register for digital notifications if a garment isn't available in the size or color they want, or they can buy every item a model is wearing in product photos.



Collectively, these features work in harmony to create a holistic shopping experience that feels like the brand's in-store and online merchandising are seamlessly aligned.

## 3. Inventory Management, Fulfillment, and Returns

One of the easiest ways to disrupt a fashion buyer's online shopping experience is to botch the order management process. In fact, one study of eCommerce customers by UPS and comScore found that the top four reasons buyers recommend a retailer are: free shipping, receiving the product when expected, free returns, and easy returns and exchanges.<sup>8</sup>

Simply put, the steps after the sale matter as much as the ones that lead up to it. When today's customers make a purchase online, they do so trusting that your company has the item in-stock and that you'll do everything in your power to get it to them quickly. If your brand fails to meet those expectations, then customer experience (and sales) will suffer.

The good news is that most fashion retailers have access to numerous back office systems — order management software, ERP, CRM, etc. — that are explicitly designed to optimize this aspect of the customer experience. The bad news is that those technologies and systems don't always speak the same language. In fact, in many circumstances, integrating their data requires fashion brands to manually sync information. This process takes time, which can rob you of the opportunity to delight customers with fast fulfillment and simple returns.

Thankfully, this challenge can be easily mitigated by ensuring your eCommerce platform is capable of seamlessly and easily integrating with other business systems. This will relieve numerous headaches for you and your customers by delivering access to real-time information on:

### PRODUCT INVENTORY

With the right tools, customers will be able to purchase only items that are in stock, and brands will be able to optimize the pick, pack, and ship process.

### PROCESSING AND FULFILLMENT

When back-office systems communicate with the eCommerce platform, brands and customers can easily track where their order is, where it's going, and when it's going to arrive.

### RETURNS AND EXCHANGES

Similar to processing and fulfillment, returns and exchanges can be dramatically simplified through tools that allow customers to complete a return, print a shipping label, and request an exchange directly through the eCommerce site.

### CUSTOMER SERVICE

If your back-office systems are integrated into your eCommerce platform, customer service reps will be able to more immediately access customer's order information and solve problems with greater accuracy and speed.

<sup>8</sup>UPS & comScore, "Online Shopping Customer Experience Study," 2012

Collectively, those benefits can deliver a dramatic improvement in operational efficiency for your business, which is valuable on its own — but the real impact is felt in customer experience. As the aforementioned study by UPS and comScore shows, the more enjoyable your checkout and shipping processes are, the more likely it is that customers will buy again (and possibly buy more).



# ARDENE

After noticing the growing influence of the digital world in the lives of its fashion-savvy customers, Canadian brand Ardene decided in 2012 to extend its in-store success online. However, for a company of its size (15,000 SKUs and 400+ stores), buying an off-the-shelf solution wasn't an option.

So, Ardene chose a platform with the flexibility and scalability to integrate with existing back-office systems. Going this route gave the brand several key capabilities, including:

- A promotion module that interacted with the company's existing ERP system to easily cascade daily and weekly promotions online and in-store.
- Shipping tools that enabled customers to have items delivered to their closest post office (and returned there, if necessary), which was an important feature for many of the brand's buyers who lived in remote areas.

The results of the updates surpassed Ardene's expectations and put them in a strong position to continue to grow their multichannel offerings.

# Tailoring Your Shopping Experience

Once you ensure that you have the commerce infrastructure in place to empower customers to shop when, how, and where they please, you can begin the process of layering in added functionality to create even more personalized shopping experiences. From a fashion perspective, this step is akin to the way many brands differentiate their products with subtle design flair (e.g., the iconic red soles of Christian Louboutin shoes). While those customizations aren't the foundation of the product, they certainly play an important role in shaping how customers experience the brand.

One particularly effective way for fashion brands to accomplish the same thing in eCommerce is third-party extensions and customizations. While these tools can vary in complexity and cost, they're generally less expensive than building from scratch and they can be used to extend the depth of your brand's online capabilities without requiring major technological surgery.

Some examples of using third-party functionality to tailor the shopping experience include:

**Product search and navigation functionality** to customize the look, feel, and complexity of an eCommerce website.

**Personalization widgets** that tailor product recommendations, reviews, and offers to customer demographics and behavior.

**Inventory extensions** to give customers and the business a real-time view of product availability around the world.

**Checkout tools** to dramatically reduce the steps required to complete an order and autofill information based on a customer's location.

The possibilities for customization through third-party solutions and extension marketplaces are endless, and they can be a great way for brands to stay on-trend with continual updates. That said, there's one big caveat: Not all third-party customizations are created equal.

Because these solutions are often created by companies outside of your eCommerce platform and offered through open marketplaces, it's important to vet tools before installing them. Most marketplaces have rating and review systems in place that make it easy to filter out lower quality options, but you might also want to seek recommendations from your platform provider or System Integrator.



**BRAUN**  
HAMBURG

When German fashion brand Braun Hamburg launched its original website in 2009, the goal was simple: Support and supplement the company's existing retail presence. By 2013, however, the business began to rethink its strategy. Specifically, it wanted to redesign its website to better support mobile devices, connect online and offline stock, and optimize the online shopping experience with customized features.

To do that, Braun Hamburg opted to re-platform its eCommerce infrastructure. This allowed the company to easily create new website features like shop-by-look and curated recommendations, and it also paved the way for the business to integrate with payment, logistics, and inventory modules. In all, the re-platforming took just four months and the new, customized functionality led to an appreciable increase in mobile conversion, a decrease in cart abandonment, and a more than 10% boost in conversion rate.

# Is Your Fashion Brand Positioned for Long-Term Success?

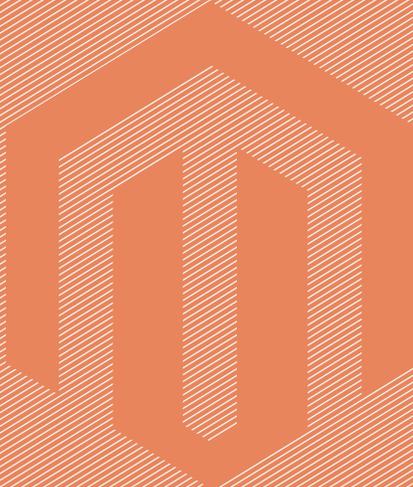
For a fashion brand, there's nothing worse than knowing that your designs are a year behind trend. You know that to be successful, you have to stay ahead of the pack. You need to be visionary with ideas and prepared to execute them. The same is true of fashion shopping experiences.

The fashion business is constantly evolving, and new technology will undoubtedly emerge that changes how, when, where, and why fashion customers make buying decisions. Wearables and 3D printing are already starting to influence those behavioral changes, and virtual reality will undoubtedly shape the customer experience of tomorrow.

As we look toward that future and imagine the opportunities those technologies present, it's critical that fashion eCommerce directors ask themselves this question: **Is my business prepared to lead the charge?**

It's important to re-iterate that leading doesn't mean jumping on every new trend as it emerges. Instead, the secret to navigating the fashion technology landscape is building a foundation (starting with your eCommerce platform) that empowers you to study your customers' behavior, identify technology that enhances it, and implement those tools before your competitors do. The more you use that framework to guide every technology investment you make, the better your chances will be of creating remarkable shopping experiences that stand the test of time.

# BUILD YOUR BUSINESS WITH THE ECOMMERCE PLATFORM THAT PUTS YOU IN CONTROL.



Magento offers flexible, scalable eCommerce solutions designed to help you grow and succeed online. Our cost-effective technology platform makes it possible for you to control the content, functionality, look and feel of your online store.

We also offer support, services and training to help ensure your success. Our network of partners and certified developers offer expertise and resources to help design, build and host your store. And partners also offer thousands of apps and extensions to help you add custom features and functionality.

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