FASHION INDUSTRY:
The future of the physical store

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#HELLO

#HEJ!

EDUCATION
Post Doctoral Research Fellowship in Enterprise and Innovation, LCF, UK
PG Cert Academic Practice, LCF, UK
Business and Management Case Studies, IESE Business School, Barcelona, Spain
PhD Design and Marketing Management for Fashion, Uni. Minho, Portugal
Dipl Communication for Fashion, Politecnico Milan, Italy
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ACADEMIA
London College of Fashion, UK
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RESEARCH AREAS
Brand Management, Luxury and Sustainability,
Innovation and Disruptive Business Models

INDUSTRY
TODAY’S CONSUMERS

#INDIVIDUAL
#INVOLVED
#INDEPENDENT
#INFORMED

THE NEW SCARCITY

#TIME
#ATTENTION
#TRUST
CONTEXT LEADING TO CHANGE:
CONSUMER BEHAVIOUR
EXPERIENCE SEEKER

Retail store closings versus pure players going offline

“When the rate of change outside your company exceeds the rate of change inside your company, disaster is imminent”.
Lou Pritchett, Procter and Gamble (2017)
LIFE ON DEMAND

The “UBER” effect
Geolocation delivery - “Uber-style” delivery system in a personalised, customer-centric system. Items can be tracked in great detail, with accuracy, efficiency and convenience that are beneficial for consumer and retailers alike.
CUSTOMIZATION

The need for a personalized product
Understanding global vs local needs
Having an exclusive product/tailored offer
STORYTELLING
USER GENERATED CONTENT

Brands do more than treat stories as add-on content, they embody them - creating *story-driven experiences* with the customer at the center. *Narratives* that speak to actual individuals’ needs, interests, and desires, rather than simply telling people what they want to hear.

“If you make customers unhappy in the physical world, they might each tell six friends. If you make customers unhappy on the internet, they can each tell 6,000 friends.”
Jeff Bezos CEO, Amazon.com
Unlock the power of transformative business models in physical and digital spaces.

Over the next decade, the line between online and offline will continue to blur.

Despite growth in e-commerce, the physical store will continue to be the channel that contributes the most revenue for the majority of large multichannel retailers until at least 2026.

World Economic Forum + Accenture (2017) Shaping the Future of Retail for Consumer Industries
#ENGAGEMENT

“70% of consumers are now leading their own shopping journey (becoming aware of products through means outside of retailer or brand communications), while only 30% get their initial inspiration from a retailer or brand’s advertisement.” (Deloitte Digital)

- Shoppers around the world that shop on at least 2 channels
- Smartphone users that research in store purchases on their phones
- Online shoppers that want free delivery. Delivery innovation is key.
Omnichannel journey should be smooth and should provide a unified customer experience, regardless of the channels used.

Because the channels are managed together, the perceived interaction is not with the channel, but with the brand.

Omni-channel should be about telling a story, rather than being present across all platforms at all times.

“The bottom line is, we’re indifferent to whether she converts in the store or online. We just want her to shop with Macy’s.”
Jennifer Kasper, Group Vice President, Digital Media & Multicultural Marketing

“The smartphone is the 21st century shop window, with physical stores often seen as collection points, showrooms and sources of inspiration”.
Drapers Multichannel Report, 2016
Stop viewing the world through the lens of technology, and start viewing technology through the lens of basic human needs and wants.

Use increasingly powerful and accessible artificial intelligence technologies to put truly smart products and services into the consumer’s pockets, homes, inboxes, and more.

“You’ve got to start with the customer experience and work backwards to the technology.” Steve Jobs

Mintel (2017) Fashion technology and innovation UK
#BENEFICIAL INTELLIGENCE

The most successful fashion retailers will be those that use the latest technology cleverly to enhance the shopping experience and to tap into changing shopping behaviour.

**Automation of retail:**
- Self-service tills
- Digital screens in-store
- Chatbots for customer service online

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How Artificial Intelligence Will Create the Story of One

**Empowering store associates**
- Autonomous robots have the ability to greet customers and guide them around the store.

**Improving recommendations**
- Brands will be able to more intelligently and efficiently combine petabytes of data to offer personalised recommendations.

**Providing personal touch**
- Advances in natural language will drive the chatbot and personal assistant revolution.
Leveraging collaborative innovation and partnerships as a preferential way of taking advantage of complementary capabilities.

**Shared space stores** – when two separate, but complementary businesses come together to open a collaborative retail space. Widens the audience for both sides by exposing brands to a new customer base.

First Etsy at Macy’s NY (2016)  
Tom Dixon x The Curve, LA
New collaborations to repurpose **physical stores as hubs for social interaction.**
Physical retail spaces as centres for **community building** and **communal experiences.**

Sweaty Betty - free gym classes, VIP discounts, and yoga and running clubs.

“Here, we have the **opportunity to make an immediate, meaningful impact and amplify the values of the Nike brand through sport and community activity.**” Blanca Gonzalez, Nike LA-based representative
#SHAREABLE

From connected to shareable store

“The key is aligning interior design, store windows and overall merchandising strategies with Instagram...In this social media age, hashtag trends matter as well as square-ready formats and store window displays that change constantly to keep up with consumer demands.” Claire Dickinson, Visual Merchandising Editor WGSN

Normann Copenhagen’s reborn flagship store

Au Pont Rouge (Russian Department store) - selfie room
Shareable experiences = opportunity for content

“I don’t think retail is dead. Mediocre retail experiences are dead.” Neil Blumenthal, Co-CEO @ Warby Parker, 2017
#CENTRICITY

The integration of the advantages of the physical experience with the digital convenience = way to better meet the expectations of consumers as well as create higher margins.

Aim is to provide the consumer with a seamless experience regardless of the channel they chose to interact with.

Increasingly empowered consumers will have ready access to information, which means they will make decisions differently.

Innovative channels + nuanced contexts = **right place + right time**

The retail industry is shifting toward a **concierge model** geared toward helping consumers, rather than focusing only on transactions and deliveries.
#VALUE

Consumer value: The **sum of tangible and intangible** benefits the consumer receives from making a purchase.

Consumer **value differs among consumers**.

**Historical equation:**

Consumer Value = Cost + Choice + Convenience

**Future equation:**

Consumer Value = Evolved Cost + Evolved Choice + Evolved Convenience + **Control + Experience**

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“The true scarce commodity (of the near future) will be human attention.”

Satya Nadella, Chief Executive Officer, Microsoft
THANK YOU!

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