10

MANAGING ROUTES TO FASHION MARKETS

Bethan Alexander and Rosemary Varley

INTRODUCTION

As we have seen in previous chapters, the increasing ubiquity and sophistication of digital technology applications has caused all areas of strategic fashion management to evolve; however, no activity is more profoundly affected than the way consumers and brands connect. In years gone by, communications to create interest and demand from fashion consumers revolved around advertisements, principally in fashion magazines, and purchasing occurred in physical retail outlets. While these are still important ways for fashion brands and consumers to find each other, digital media and online outlet proliferation has meant that the way we engage with fashion companies has expanded to include a vast array of digital mechanisms. The term touchpoint has become mainstream in marketing lexicon, and these can be manifest in both digital and physical forms as ways in which consumers engage with brands, or as incidents that occur along a customer journey towards a purchase.

This chapter begins by identifying the different routes that fashion brands use to reach customers and distribute their goods. It is written from a retail perspective, whilst acknowledging that modern customer journeys are not restricted to retail environments, but include engagement with other forms and processes that are considered to be brand marketing communications. An overview of different retail formats that may be used by brands to create a route to reach customers is the starting point of our discussion, then the chapter moves on to place significant emphasis on online outlets, e-commerce and the concept of omni-channel retail. For decades, the aspiration to provide a 'seamless customer experience' across touchpoints and distribution channels has remained elusive to brands. The proliferation of retail and media touchpoints makes it difficult to maintain control of that experience, however omni-channel is a strategic imperative for fashion retail brands to maintain relevance to the digital native consumer. While the role of the physical store is acknowledged as being an optional part of omni-channel in this chapter, the next chapter (11 Managing Fashion Retail Space and Place) considers in more detail the evolution of the physical fashion store alongside digital space within a fashion retail strategy.

LEARNING OBJECTIVES

After studying this chapter, you should be able to understand:

- The principles of retailing and the evolution of physical and digital routes to fashion consumer markets.
- The opportunities omni-channel retail brings in the pursuit of enhanced customer experiences.
- The concepts of customer purchasing journeys and brand–customer touchpoints along them.
- Digital retail forms and processes including m-commerce, s-commerce and livestreaming.
- The potential for omni-channel retail to underpin future retail developments.

ROUTES TO CONSUMER MARKETS – DIGITAL AND PHYSICAL RETAIL CHANNELS

Throughout the history of retailing, consumers have used **formats** such as market stalls, speciality clothing stores, department stores and home shopping catalogues to find fashion goods. These businesses were based on the principle of buying products in large quantities and selling singly to consumers for their own use. Most producers of branded fashion, therefore, relied on retail networks of one form or another to find distribution channels to consumers for their goods. Luxury fashion producers took an additional route, opening their own outlets to ensure that their specialist offerings were supported by a selling environment that reflected their brand values. The use of fashion branded retail space diffused down from luxury to specialist brands, for example in sports fashion, and is now ubiquitous.

The ability of fashion brands to have a direct relationship with their customers was enhanced by **online retailing**, whereby a brands' own digital selling environment links directly to a customer via their internet connected device(s). This has led to the growth of **direct to consumer (DTC)** business models who take a 'digital first' approach to their operations, building on a global, digitally connected customer base. Some DTC businesses remain online only, while others incorporate physical retail (either temporary pop-ups or permanent spaces). The erosion of **intermediaries** such as wholesalers and retail partners from distribution channels continues to impact the structure and evolution of the retail industry.

Figure 10.1 gives a simplified overview of the various routes to market (distribution channels) that fashion producers might use to reach consumers. The more routes a brand uses, the wider the market reach, but control of the brand touchpoints becomes a more complex challenge (Larke et al., 2018). Although retail stores and the internet are globally relevant infrastructure for retailing, regional markets can display nuanced differences, based on cultural, economic and geographic factors; for example, the availability of modern retail outlet developments, internet connectivity, mobile phone usage and so on can influence retail market characteristics. For example, in China, the use of the mobile phone for shopping is generally more prevalent than in India.

Retailing Defined

Retailing is defined (Baker, 1998) as a business selling merchandise to a consumer (B2C), for their own or their household's consumption, as opposed to an organization in a business to business (B2B) context selling merchandise to another company for resale. Baker's definition of retailing additionally refers to the rendering of services incidental to sales, and this is why, even as technology allows producing

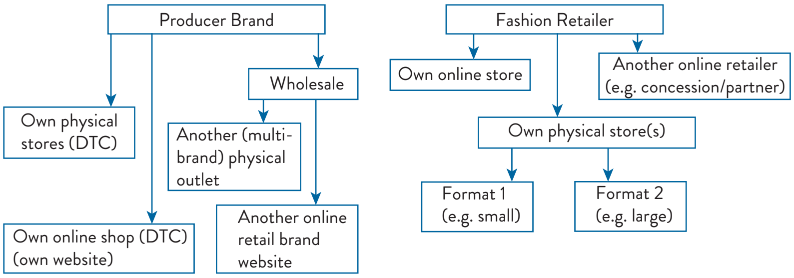

Figure 10.1 *Alternative routes to consumer markets*

companies easy virtual access to the final consumer, retailing is still a marketing activity and an industry in its own right.

Retailing Selling merchandise to a consumer (B2C), for their own or their household's consumption, through one or more type(s) of retail outlet.

Retailing activity is often carried out by fashion brands that are not classified by governments as retailers; for example, the UK Office of National Statistics classifies a business as a retailer if it gains over half of its income from selling to consumers. It follows therefore that many producing and trading companies that also have significant retailing activities are not classified as retail businesses; Levi's, for example, engages in production, wholesaling and retailing of jeans and casual clothing. It is not of any real concern to consumers whether a fashion brand is classified as a retailer or not; what is important to consumers is what is sometimes referred to as the '**servicescape**' (Bitner, 1992) that surrounds the product they are buying. This term broadly refers to the selling environment and processes that the consumer experiences in connection with the purchasing process, so it is more useful to view retail strategy through the lens of retail*ing* activity, rather than retail*er* activity, given that so many non-retailers are heavily involved in the activity of retailing and that the variations of retail format continue to evolve, as shown in Figure 10.1.

Retailers create value for consumers in a variety of ways, including the curation of a range of desirable products, the display of merchandise and the provision of advice to customers. In particular the notion of convenience has driven change in the retail industry, for example it fuelled the growth of out-of-town retailing and more recently the ongoing trend for online purchasing. Making the shopping process easier with alternative ways to shop and take delivery of merchandise, has been at the heart of successful contemporary retail strategies.

Servicescape The selling environment and processes that the consumer experiences in connection with the purchasing process.

Wholesaling

No discussion about retailing can be complete without acknowledging the part that wholesaling has played and, in some instances, continues to play in the distribution of goods from producer to consumer. Wholesalers purchase in larger quantities from producers and then sell on to retailers in smaller quantities as a business-to-business (B2B) exchange. Wholesaling has a strong connection to certain types of retailers for whom it is an integral part of fashion retail distribution. In particular it plays an important role in **multi-brand retailing**. In marketing lexicon 'intermediaries', in the form of wholesalers, agents and distributors, help to provide an efficient channel through which producers distribute to retailers and hence on to fashion consumers. Wholesaling enables retailers and producers, particularly those of small scale, to trade by collating orders to make up feasible order sizes for manufacturing in bulk. Orders from retailers can either be placed directly with producers (to be collated), or they can be placed through a separate wholesale intermediary, such as a showroom representative or an agent. Fashion trade fairs provide an opportunity for specialist retailers and fashion producing brands to get together to generate orders for the next selling season (see Box 9.1). These often take place at the same time as the Fashion Weeks across the globe, which traditionally had a similar function.

For many fashion brands that are more involved in designing and producing and/or not as experienced in retailing activities, the first steps to reaching consumer markets may be through undertaking wholesaling activities. For international retail development, selling through intermediaries is a simple and low-risk market entry option, although wholesaling offers benefits and drawbacks that make the use of this route to market quite complex (Morris, 2022). For example, there is risk to a brand of their products not being presented in a way that the brand owner would like, but the control to influence this is lost with transfer of ownership. On the other hand, there are many fashion brands that are highly successful in their use of extensive networks of (wholesale) retail customers to reach consumers across the globe (Ganni, for example). Fashion producers carefully manage their relationships with what are often referred to as **retail partners** to mutual gain, even though formal, legal or financial partnering may be absent.

Evolving retail business models

Retailing activity is traditionally understood to be that of organizations selling to consumers, for their own or their dependents' end use, focusing on it as a B2C – business to consumer activity; however, the ability of the internet to connect people individually for commercial as well as social activity, has meant that consumer-to-consumer (C2C) exchange has given rise to a new way of accessing fashion products. This development has been significant in the pre-used (or second-hand) fashion sector, with the rise of platforms such as Ebay or Depop. **C2C digital platforms** have also provided the opportunity for speculative (and lucrative) reselling opportunities by consumers to consumers, for example in the sneaker market.

BFBC CASE ABSTRACT – Depop the social shopping platform: Developing the business model for international and physical expansion

This case explores Depop, a social shopping platform founded in 2012 that operates in the UK, Italy and the USA. The business developed as a digital vintage and streetwear fashion resale marketplace and has gained high awareness amongst individuals between 14 and 24 years of age in the UK. Designed for the Instagram generation, the platform allows users to buy, sell and amass followers, and develop retail personalities. In January 2018 Depop announced that it had secured US$20 million in series B funding. These funds were raised in order to support Depop's growth in the US market. Depop hoped to do this through both developing the functionality and user experience of the digital platform and establishing physical spaces that would facilitate creative conversations and retail experiences for users in key American cities. This case study can be used to explore business strategy, international expansion and experiential retail spaces. By considering the founder's vision and the business's current operating model, customer base and market contexts, this case provides students with a basis upon which to explore the potential value proposition for bricks-and-mortar expansion, and to evaluate the digital and physical business model and opportunities for growth in the United States and internationally.

by Helen Beney

DTC (Direct to consumer) Distribution

DTC (direct to consumer) models are not only giving established fashion brands better control over their relationships with customers as mentioned above, but the DTC concept has led to many innovative fashion retail businesses (see Mini Case Study 10.1 – Paynter Jacket Company). The desire to control the customer experience is also encouraging many brands to reduce the business they conduct through wholesaling to retail customers (B2B) and to increase their business through their own physical and digital retail spaces. Nike, for example, is actively focusing on direct brand engagement with customers, whilst reducing its retail partner count in a long-term realignment of their retail distribution strategy. As younger consumers in particular extend the realm of themselves as consumers to their online identities in metaverse living, the concept of DTA (direct to avatar) is becoming a new market to understand.

MINI CASE STUDY 10.1 – Paynter Jacket Company

Huw Thomas and Becky Okell met in 2018 and having both worked in the fashion industry they found themselves talking about what they would each like if they had a fashion brand of their own. One thing they agreed on was that they 'definitely didn't want to create stuff people didn't want'. Not long afterwards, Paynter was born, an enigmatic brand producing trendy jackets in limited editions, made to order. Small batches of carefully created jackets are produced in a family owned and ethically run factory in Portugal. Paynter invite potential customers to become part of their online community who they inform via social media and email what and when they are planning to put into production, according to fabric availability and production capacity, and at a designated time and date, customers place orders. Once the available quantity has sold out, which normally takes a couple of minutes, the production process starts. Customers that were too slow to key in their orders are placed on a waiting list for the next batch.

Although the company is tiny and only sells a few times a year, the philosophy behind the business model is interesting. The immediacy and speed of the selling process means no garments are made that do not have a customer's name on them, and the company can concentrate their efforts on product development, production and keeping customers informed. The brand posts 'behind the scene' content to show all the stages of making, which provides transparency and encourages customer engagement. Fabric offcuts are recycled into new yarn and sub-standard garments are upcycled in a collaborative venture with an accessory designer. Paynter combines innovation, style and passion in its friendly, no-waste, direct-to-consumer business.

Source: Based on information on the Paynter website (paynterjacket.com, 2023)

The evolution of digital routes to markets

In fashion, like other retail sectors, the global growth of online retailing, supported by **e-commerce** order fulfilment, has been steadily rising for the last two decades so that by 2025 it is predicted to account for just less than a third of all fashion purchases (Euromonitor, 2023). This disruptive change within the industry has enabled new retail innovations to change the business landscape and forms of competition. During the time of COVID-19 lockdowns starting in 2020, online retailing became the only practical route to markets, and thus the comparative growth in relation to physical retail was temporarily accelerated. Although most fashion businesses suffered, it was those that were heavily reliant on physical stores that were hit hardest in lockdowns, as their main route to customers was unavailable. The need to 'pivot' businesses to online and strengthen online retailing became a strategic imperative, although most commentators concluded that the effect of lockdown simply accelerated what was already happening in terms of increased emphasis on digital retail strategies.

Touchpoint A verbal or nonverbal incident where an individual consciously relates to a given firm or brand.

In the early 2000s, when online retailing started to show its potential, fashion brands were notoriously slow to adopt the website as a retail outlet, and while there were some infamous pioneers (e.g. Boo.com) and some successful early adopters (e.g. ASOS), it has taken around two decades for the fashion industry, including luxury brands to fully embrace digital routes to consumers. The opinion that fashion cannot be appreciated without physical touch is irrelevant when there is a plethora of both brand and consumer generated digital content that portrays fashion items in the depth and detail that consumers find convenient and exciting. In addition, the understanding of fashion consumer behaviour that blends digital and physical options is a growing field of research, which constantly challenges previously held convictions. In Chapter 11 we will be considering the strategic role of physical retail space and expanding our discussion of the development of **'offline' retail formats** that are important in the fashion industry, including department stores, flagship stores and pop-up stores. In this chapter we trace the evolution of 'virtual' retail outlets for fashion and consider the implication of the digitalization of retail (see Figure 10.2).

MULTICHANNEL TO OMNI-CHANNEL

The adoption of online retailing and e-commerce operations, by organizations that hitherto traded through a variety of store-based formats, became known as **multichannel retailing**; the notion that more than one type of distribution channel is available for customers to use. Lack of consistency both internally, in terms of how these operations were managed and externally, and in terms of how brands were perceived by consumers in the different channels, meant that a more customer-

- **1995–2005** - Pioneers and early adopters, both as online only (pureplay) and a separate online arm to an otherwise offline retail business (Retail 1.0).
- **2005–2010** - Many fashion retailers developed transactional websites to support store activity. Online only (pureplay) fashion retailers began to grow successfully. Most high fashion brands restricted online presence to information only websites, or restricted product category offers, due to the complexity of selling fashion online (Retail 2.0).
- **2010–2015** - Many fashion brands, including luxury brands, began to move to transactional websites (Retail 3.0). The multi-brand online platforms grew and online marketplaces (such as Amazon and Alibaba) began to add fashion-orientated categories. Retailers began to understand the significance of 'cross channel' shopping, and the interdependence between online and physical stores becomes apparent.
- **2015–2020** - Acceptance of the need for extensive or complete online offer for most fashion brands, including premium and luxury. Distinctions between retail channels fade, the customer-centric concept of omni-channel retail evolves from multichannel retail. Innovative digital platforms open up new fashion markets such as resale. Mobile commerce and social commerce in ascendance. Growth of digital DTC (direct to consumer) retailing, for new to market brands and existing multichannel brands.
- **2020** - Digital first strategies embrace online retailing. Growth of online concessions within multi-brand platforms. Omni-channel retail becomes a strategic imperative and the consumer expectation is of anytime/anywhere seamless shopping. 3D-virtual fashion becomes mainstream via gaming initially, with metaverse retailing innovations evolving (Retail 4.0).

Figure 10.2 *Evolution of online retailing in the fashion industry*

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focused perspective was needed to manage multiple customer touchpoints effectively, and to fully optimize the integration of online and offline retail. Ieva and Ziliani (2018) refer to touchpoints as 'the verbal or nonverbal incidents an individual perceives and consciously relates to a given firm or brand'. Thus, omni-channel became a new way of thinking about brand retail strategy and usually requires a considerable reconfiguration of resources to achieve.

The pursuit of omni-channel can be viewed as the pursuit of ultimate retail value creation. In the early stages of multichannel retail development, there was a tendency for retailers to consider their online operations and their physical stores as separate parts of the same business; a case of so called 'silo-thinking'. A customer is not concerned about a company's capability infrastructure and so from a consumer perspective a brand should present itself cohesively across all touchpoints to provide a consistent understanding of its value proposition and positive co-created consumer–brand engagement. The global adoption of mobile internet devices, and the growing purchasing power of digital natives (those born and raised in an internet connected world) emphasized the importance of consistency in brand information no matter how and where a consumer chose to interact with that brand. In particular the vast and growing consumer fashion markets in Asia were, in the recent past, proving to be smart phone led in terms of shopping behaviour with organizations such as Alibaba, JD.com and WeChat, who provide increasingly sophisticated retail platforms, appealing to both fashion brands and consumers.

Although we have used the term omni-channel in previous chapters in this book, an agreed definition of omni-channel retail is somewhat elusive, with the term omni meaning everywhere, and channel referring to all online and physical routes to a consumer market; however, Larke et al. usefully summarize it as 'a form of retailing that achieves customer value through frictionless integration of multiple touchpoints' (Larke et al., 2018). Channels are interchangeably and seamlessly used during the process of searching for and buying products (Verhoef et al., 2015).

Omni-channel retail
A form of retailing that achieves customer value through frictionless integration of multiple touchpoints where channels are interchangeably and seamlessly used during the process of searching for and buying products.

As a concept omni-channel is therefore straightforward to grasp, however the implementation of it in business practice becomes very challenging, particularly in the case of large and complex fashion organizations that have a legacy of store-based operations and external partners. Part of the problem is that for many fashion brands, their own retail spaces (own website, own stores) which are relatively straightforward to control, are not the only routes to consumer markets or touchpoints in the consumer journey. Many brands sell through a global network of distributors and multi-brand retailers, namely third-party retail partner stores or online platforms, each with their own logistics, technology, marketing and organizational behaviours (Berman and Thelen, 2018). Achieving consistency in a dispersed network of organizations, each with its own operational systems and strategic goals, becomes a highly complex task. Thus, retail commentators have noted that very few brands have achieved a truly omni-channel retail strategy (Strang, 2013; McKinsey/Business of Fashion, 2022).

THE CUSTOMER JOURNEY

The omni-channel concept is based on the idea of consumer behaviour associated with using more than one retail format/channel/platform during the customer journey. For instance, the sequence of browsing on a mobile app, trying on in a store, then ordering on a personal computer or tablet for home delivery, is an example of omni-channel behaviour, whereas finding an outlet in a shopping centre, going in and buying there and then, is single channel shopping behaviour. The idea that consumers are far more varied in their engagement with a diverse range of brand touchpoints is at the heart of the omni-channel concept. It is not a question of choosing one channel or another but the blending of activities that result in **customer engagement** with a fashion brand through their journey to product attainment

MINI CASE STUDY 10.2 – Zara: Digital innovations to support omni-channel strategy

Once criticized for being unfashionably late to the online retail party, leading global fashion retailer Zara is now leveraging digital technology to build omni-channel competitive advantages. The key objectives for digital transformation have been to provide speed and convenience for their 'hybrid and mission-based' shopper.

Tools that are central to Zara's omni-channel strategy are the 'One Platform' proprietary digital operating system and a Store Mode initiative, which underpins an automated shopping experience for time stretched customers. Using QR codes on product items, and the Zara mobile app, Zara offer complete flexibility in locating products, method of purchase and delivery/pick up. In October 2021 Zara opened a One New Change store in London; a flagship to encapsulate the Store Mode's functionality. Customers who buy online can call into the store 30 minutes later to collect their purchase. Alternatively, customers can visit the store and use a 'Click and Find' feature to obtain a map to find a product to try on, removing the need to speak to an associate to help locate the item. Fitting room reservations can also be reserved via a Click and Try function, and pre-selected items brought to the customer for trying on once they arrive.

Zara's digital transformation has required a substantial resource investment, with a €1bn spend on boosting online capabilities and €1.7 bn on upgrading the integrated store platform (Inditex/Zara Horizon Report) and further investments made in aligned supply chain systems using AI (Artificial Intelligence) and RFID (Radio Frequency Identification) (see Chapter 9).

Source: Based on WGSN Zara: Digital Innovations, 2022

Customer (purchase) journey map A time-based visual representation of a customer's interaction with a retailer and the touchpoints where they may engage with them.

and satisfaction of need, however they prefer to shop (Lynch and Barnes, 2020).

Given that the customer journey is a key dimension of omni-channel retail (Aubrey and Judge, 2012) there has been growing acknowledgement of the importance of **consistency** from a customer perspective as the customer journey has grown more complex. At one time consumer behaviour theory was orientated towards linear purchasing processes (e.g. EKB – see Chapter 4 Fashion Marketing), however the expansion of available touchpoints for the early stages of this process (the recognition of a need, the researching of ways to satisfy that need, and the consideration of alternatives), has resulted in an emphasis in both retail research and practice on the non-linear nature of the customer journey and the **customer experience (CX)** along that journey. Lemon and Verhoef (2016) made a significant contribution to the understanding of touchpoints within the customer journey and their influence on customer experience by breaking down a customer experience into three stages – the prepurchase stage, the purchase stage and the post-purchase stage – whilst acknowledging the processing of feedback information on previous customer experiences and the effect of the previous and current experiences on future experiences (see Figure 10.3). For fashion the prepurchase customer experience may be extremely active, going to and forth between the different types of touchpoints many times, and in non-linear patterns.

The collection of big data, facilitated by digital technology, has resulted in the potential for retailers to obtain information about the customer journeys of individual customers, and therefore to trace their customer experience and engagement with touchpoints in a digital footprint. In theory a better knowledge of customer experience along their journey should result in satisfied customers who do not return their goods, become loyal and advocate the brand based on their interactions with the company. Unfortunately, this outcome is rare; customer experience can be a very broad concept,

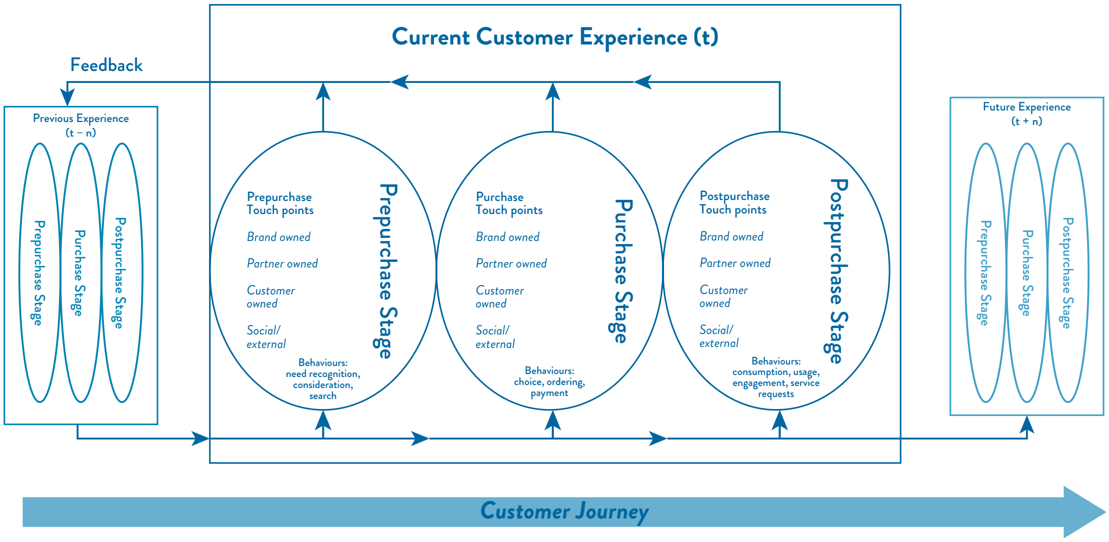

Figure 10.3 *Process model for customer journey and experience*

Source: Lemon and Verhoef (2016)

covering every aspect of a company's offering (Meyer and Schwager, 2007) and is therefore challenging to manage effectively. The use of artificial intelligence (AI) is nevertheless growing significantly in this area, as discussed in Chapter 7 Managing Fashion Customers.

Customer journey maps

Johnston and Kong (2011) referred to the customer purchase journey map as a time-based visual representation of a customer's interaction with a retailer and the touchpoints where they may engage with them.

Given that the customer journey is individual and complex, it is not within the scope of this text to attempt to visualize the range of possible customer journeys for fashion. Furthermore, within the realm of store layout design the term customer journey may refer to the movements of people around store space (Bailey and Baker, 2021). Lynch and Barnes (2020), however, visualize the customer decision-making journey within the context of omni-channel fashion retail, which provides a holistic framework in which to understand and explore the relationship between shopping journeys, purchase decision-making and the interaction with retail touchpoints (see Figure 10.4).

M-COMMERCE AND S-COMMERCE

As mentioned above, the fast adoption of the mobile device as an online shopping access point has been one of the key trends in retailing, and in particular for fashion retailing. The opportunity to browse and shop online anytime and anywhere has obvious attractions, and as mobile technology, including the design of apps, has improved, the customer experience of **mobile commerce (m-commerce)** has become smoother. At one time, the presence of a mobile phone in a fashion retailer would raise suspicions of design copying or competitive price tracking, but as the practice of '**showrooming**' has become more prevalent and understood, retailers now view the consumer practice of using mobile phones while shopping as an opportunity rather than a threat (Sit et al., 2018).

Showrooming refers to the activity of researching products in physical stores but making the actual purchase online (Kang, 2018), and is an integral part of the consumer journey, which gives customers control, and to view it as negative or value destroying (Daunt and Harris, 2017) goes against the concept of improving customer experience. Rather than viewing price comparisons, product interaction and interrogation of product features in physical stores as the negatively denoted

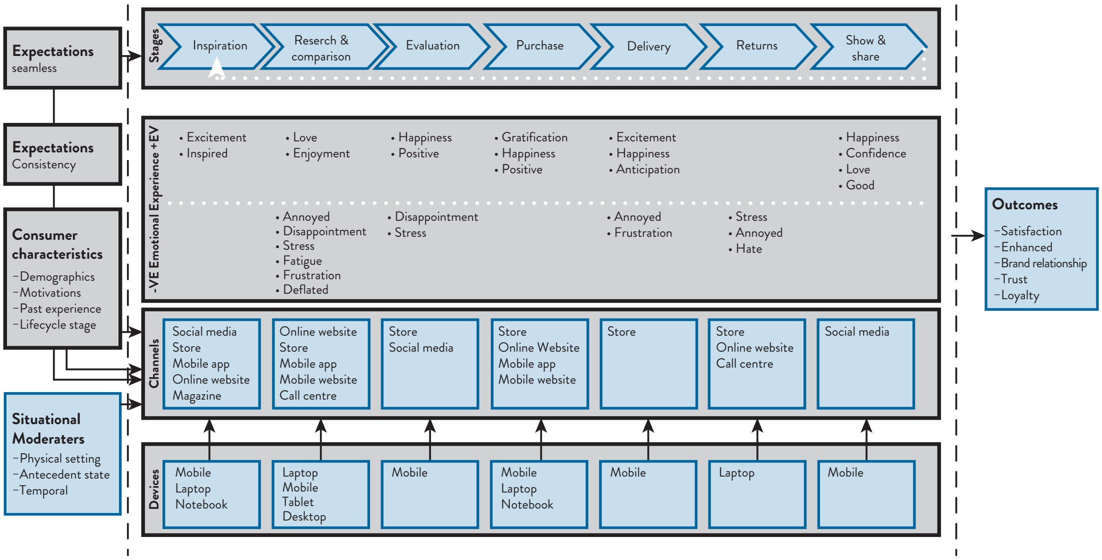

Figure 10.4 *The omni-channel customer decision-making journey framework for fashion*

Source: Lynch and Barnes (2020)

'free-riding' of stores, only for a purchase to be made in an online competitor, showrooming within the customer journey should be understood as a positive aspect of the earlier stages of a customer journey (searching and evaluation of alternatives). Likewise, the practice of '**webrooming**' (researching online and then buying in a physical store) is a good opportunity for fashion retailers to complete a sale to a well-informed, digitally experienced customer. The emphasis of price comparison within showrooming and webrooming practice demonstrates the importance for retailers of being competitive on price and value. By providing consistent and relevant content, authentic reviews and opportunities for online and instore consultation, as well as synchronized purchasing systems, fashion retailers are more likely to keep a customer on their shopping journey within their brand space, through to the purchasing stage. Furthermore, addressing any post purchase dissatisfaction promptly will have a positive effect on future customer experience (Sit et al., 2018). As a facilitator of omni-channel retail, the mobile device is now a portal to alternative payment systems, tracking applications and e-promotions, all adding to customer centric convenience. Alongside the rise of mobile connectivity has been the explosion of digital social media use. As soon as digital technology supported the transition between social media platforms and **shopping platforms** in a seamless way, the consumer naturally began moving between them to engage in **social commerce (s-commerce)**. Again, Chinese digital platforms such as WeChat led the way in augmenting the customer experience, linking social interaction with shopping and delivery tracking in one highly integrated and interactive consumer orientated platform. Social media platforms, once a way for family and friends to keep in touch and share images, have evolved to become powerful commercial entities, responsible for delivering endless personalized, brand generated, commercial content, advertisements and influencer endorsements. This text does not have the scope to discuss the benefits and drawbacks of the evolution of social media and its use, but its effect on fashion consumer behaviour has been undeniable. For the global fashion industry, the most important social media platform is considered to be Instagram (https://wearesocial.com/uk/) with the exception of China where WeChat is the most widely used. Platforms like Instagram have an emphasis on creative visual content, including video content. Shorter form video platforms such as TikTok/Douyin have more recently emerged as platforms favoured by the younger consumer and are therefore important for fashion brands targeting this market.

The social media market, while continuing to play a powerful role in fashion marketing communication strategy, is becoming a more fragmented space, which means that social media touchpoints are likely to become more diverse and therefore more complex to manage (Larke et al., 2018). This has an important implication for omni-channel retail. While brands can control content in their own social media postings, social media space is an ecosystem of commentators who post reviews, opinions and outrages about brands. Implementing omni-channel customer experience to meet high expectations may be seen as a worthwhile business goal, but managing brands within an omni-channel context includes the thorny issue of dealing with consumer discourse, where filtering genuine and useful feedback from unfair criticism requires skilful deployment of resources.

Live streaming

During the global pandemic lockdowns of 2020 and beyond, when store shopping was not possible and many people had an increased amount of time available for online connectivity, live streaming became a much talked about shopping method, and there is evidence of its growing popularity (Chandrruangphen et al., 2022; Wongkitrungruenga and Assarutb, 2020). Real-time videos of '**streamers**' (broadcasting salespeople) provide content about the products being sold, which may involve the streamers trying on garments, styling them and commenting on them. The online audience interacts with the streamers and other viewers by text via a social media platform, resulting in online orders being placed. Facebook (Meta) and Taobao Live (owned by Alibaba) are examples of players in this sector. Orders are placed via the social media app, thus providing fashion brands with a highly responsive method of social commerce. Given that this method of shopping relies on a direct approach from seller to buyer, it is not surprising that the personal attributes of the seller, such as their personality and appearance, as well as their ability to present a product convincingly, have a bearing on a shopper's intention to use livestreaming in their customer journey (Chandrruangphen et al., 2022; Hou et al., 2019; Sun et al., 2019). It is also logical that many social media influencers play the role of streamer. The social interactivity of this form of shopping builds trust, not only because of the credibility of the streamer, but because of the opportunity of other consumers to voice their opinions. However, the need to plan to watch the livestream live, and the tendency for livestreaming sessions to feel like an auction due to the speed and competitiveness of the purchasing opportunity, are drawbacks for some consumers (Chen, 2021). Live streaming provides another touchpoint for brands to engage digitally with consumers, but for some fashion organizations it might not suit their brand. For luxury brands in particular there is a tension between their exclusive image and the open interaction on a ubiquitous selling platform (Hall, 2020).

THE POTENTIAL OF OMNI-CHANNEL

As mentioned above, commentators have suggested that implementing a truly omni-channel retail strategy is a goal that few fashion organizations have achieved. Barriers to achieving omni-channel range from infrastructure complexity and the difficulties and costs associated with the integration of technology and systems, to a poor understanding of the concept by people within an organization (Picot-Coupey et al., 2016). However, it is suggested that the benefits of omni-channel retailing include not only increased sales, but augmented shopping frequency and brand loyalty. In addition, the trail left by digital customers can be used to optimize further 'omni-marketing' activity, including the use of artificial intelligence. Working to remove points of friction within customer journeys helps to increase convenience and prevents customers from abandoning purchases. It also helps brands to get a full (360-degree view) understanding of individual customer behaviour, which helps to optimize individualized marketing programmes. In addition, when developing international retail strategies, omni-channel analysis provides detailed insights into local shopping tendencies.

In their Omni-channel Retailing report (2021) McKinsey outlined three types of omni-channel strategy, which lie on a business model continuum: Commerce, Personalization and Ecosystem (see Figure 10.5). The first level focuses on the creation of integrated shopping experiences, including emphasis on product offers, convenience and reliability in purchasing and delivery, and loyalty incentives. The second level focuses on personalization and furthering engagement beyond a purchase, and the most advanced type of strategy is based on the business model of an ecosystem where cross-channel platforms are integrated with real time consumer lifestyle and anticipated needs, and allows access to communities that enrich through content and experiences. To achieve these different strategies McKinsey go on to outline the capabilities and enablers required to achieve them.

The expectations of consumers with regard to omni-channel will continue to rise. Those fashion brands that fail to embrace it are likely to encounter customer dissatisfaction, which could result in losing out to competitors. The fashion consumer nevertheless puts product first, and for the sake of a hot product at a good price, may suffer a below optimal customer experience. How long customers are prepared to forgive fashion brands' poor user experience depends on the strength and uniqueness of other brand values, but it is now a significant risk to ignore the customer experience perspective (Alexander, 2024).

Each omni-channel business model requires distinct foundational capabilities.

		Commerce →	Personalization →	Ecosystem
Capabilities and enablers	**Data and analytics**	**Data, decisioning, content management,** predominantly aligned by channel	**Integrated cross-channel** data, content management, measurement, and decisioning, with strong automation	**360° view of customer**, including third-party data and dynamic usage of predictive models/ machine learning
	Stores and supply chain	**Cross-channel visibility** of inventory, ability to offer buy online for in-store pickup	**Integrated inventory and delivery** (digital fulfillment through stores)	**Fully omni-channel inventory and delivery** with ability to optimize for cost, speed, and experience
	Site and mobile	**Strong e-commerce site** (desktop and mobile web) driving conversion effectively, robust (and growing) app user base	**Flexible site and app infrastructure** with versioning, A/B testing, and ability to readily deliver dynamic content and experiences	**Best-in-class ecosystem and UX/UI** across multiple apps, platforms, and content providers
	People and processes	**Significant coordination across teams** (e-commerce, stores, marketing) but discrete KPIs	**Cross-functional teams** with strong access to data and shared/ integrated KPIs (e.g. catchment area view)	**Customer-centric, channel-agnostic organizational structure** with omni-channel KPIs (e.g. loan-to-value) and strong op model across teams and partners

Figure 10.5 *Omni-channel business models and capability requirement*

Source: McKinsey (2021)

ONLINE RESOURCES

Additional resources can be found on the companion website: https://bloomsbury.pub/fashion-management-2e.

SUMMARY AND CONCLUDING THOUGHTS

Retailing, alongside marketing communication, is the visible and customer-connected manifestation of a fashion strategy. The digital evolution and transformation of retailing offers simultaneously strategic opportunities and threats for fashion brands. The opportunities to remain relevant to the digitally active consumer, to deepen the understanding of customer journeys and to meet expectations in their constantly connected purchasing experiences requires investment into digital technology-based resources and competency development. The significant possibilities of not keeping up with competitors, the mismanagement of new digital systems or misinterpreting consumer preferences are all real threats. The old adage 'retail is detail' remains as true as ever in the digitally transformed fashion retail context.

The impact of omni-channel retail and the digital transformation of retailing will continue to disrupt the fashion industry. Having robust digital infrastructure to support online retail activity, that was emphasized so vividly in the global pandemic lockdown periods, will continue to be a vital area for resource deployment. The use of technology, including AI to understand shopper behaviour, and personalize the customer experience will afford competitive advantage for fashion brands, even though the advantage may be transient. The role of the store in this digitized retail world is evolving and an objective and consumer-centric understanding of how physical retail space can work with digital touchpoints to provide brand synergy has to be the focus of contemporary retail strategy.

The emphasis of this chapter has been on the evolution of digital retailing and the influence this has had on the way fashion brands approach their retail strategies to reflect the profound changes in consumer expectations and purchasing behaviour in servicescapes. In the following chapter we build on this chapter and Chapter 5 (Fashion Brand Management) to consider how retail spaces, physical, digital and blended support the strategic management of branded space in retail environments, the brandscape.

CHALLENGES AND CONVERSATIONS

1. Outline the evolution of retailing routes to consumer markets since 2000. For a brand of your choice, analyse the routes to consumer markets used, both locally and internationally.
2. Thinking of a recent fashion purchase you made, use Lemon and Verhoef's (2016) Model (see Figure 10.3) to analyse the customer journey and experience that you encountered in the process of making that purchase. Did you engage in any experiences in the post-purchase stage? Could any experience within your journey be improved? Were any forms of engagement along your journey memorable and/or changed your perception of the brand (explain why)?
3. Describe what is meant by a customer purchasing journey. Choose two fashion brands and by using Lynch and Barnes' (2020) framework (see Figure 10.4) make a competitive comparison of the available touchpoints, including m-commerce and s-commerce, that customers might use in their decision-making process for buying a product from those brands.

4. Outline the principles of omni-channel retailing. For a fashion brand of your choice, evaluate the extent to which that brand achieves omni-channel, rather than multichannel retailing. You may need to conduct some mystery shopping type activity to be able to make that evaluation.

5. To what extent do you think omni-channel is a strategic imperative for fashion brands. Consider high fashion and luxury brands and mass market fashion retailers in your discussion.

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