



USING IT TO BUILD AN EMOTIONAL BRAND CONNECTION

Apparel and fashion companies need an IT framework that is flexible and futureproof as they work to nurture an emotional brand connection with consumers around the world.

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The end goal for fashion brands is a timeless one: Connecting with consumers on an emotional level. But achieving it is full of modern-day challenges, from omnichannel commerce to global distribution to the mobile consumerization of IT.

When a shopper is emotionally attached to a brand, he or she often will go to great lengths to secure the desired style. Having it is connected to all sorts of feelings of fulfillment and satisfaction. Yet even the most devoted followers have their limits.

Consumers expect instant gratification more than ever. When apparel brands and retailers cannot fulfill a desired style immediately, shoppers are very quick to look elsewhere. "We as a society know what we want, and we want it now," says Jerry Sheldon, vice president of technology, IHL Consulting Group. "We're in an environment where there is a lot less brand loyalty and synergy. If you can't fulfill it, I'm going to choose another retailer to get it. That may be an online retailer or a brick-and-mortar retailer. If you aren't able to capture the sale right then and there, the chances are really high that you're going to lose that sale."

To create an emotional connection with today's apparel shoppers, fashion companies must excel at multiple core competencies, including not only on-trend design and stellar customer service but also extremely sophisticated fulfillment. Doing so is difficult, requiring skill and strategy. There is no getting around that fact. However, the work to get there does not have to be impossibly tedious, expensive, error-prone or labor-intensive.



Building Brand Appeal: IT Solutions' Supporting Role

Technology plays a vital role in building bonds between consumers and fashion labels — connections tied to compelling products as well as flexible fulfillment. “Apparel retailers are very interested in releasing new products to market on a far more frequent basis, continually moving that product and minimizing discounts,” says Thomas O’Connor, principal research analyst, global retail supply chain, Gartner Inc.

Brands who sell to multiple retailers increasingly view their fulfillment capabilities as a competitive differentiator, he says. Their capacity to get products to end consumers, regardless of the channel, usually correlates with fewer markdowns and optimized margins for them and their retail partners. “When you’re operating via multiple channels, you need to be thinking about how to provide optimal service to the consumer in a cost-effective manner,” he says. “That’s a core component, and it’s something technology can definitely support.”

The latest generation of end-to-end fashion IT solutions can help brands to build strong connections

with consumers, alleviating the need for a maze of bolt-on solutions. These solutions touch processes from concept to consumer. Their consumer-facing functionality enables retailers to create a multifaceted front-end marketing and shopping experience. This customer experience encompasses traditional touchpoints, such as stores, as well as e-commerce websites, apps and social media.

For example, the latest fashion ERP technology includes e-commerce and social features so that shoppers can easily add products to their wish lists on Facebook, Pinterest or other social networks. They also help retailers connect with their own social media followers, engaging with them based on their personal preferences and fashion flair.

“As consumers have evolved in how they want to shop, with myriad devices in their hands, it’s a necessity for retailers to support these multiple channels, whether it’s mobile, tablet, computer, catalog or social media,” Sheldon says. “Retailers realize they have to go where the opportunity is.”

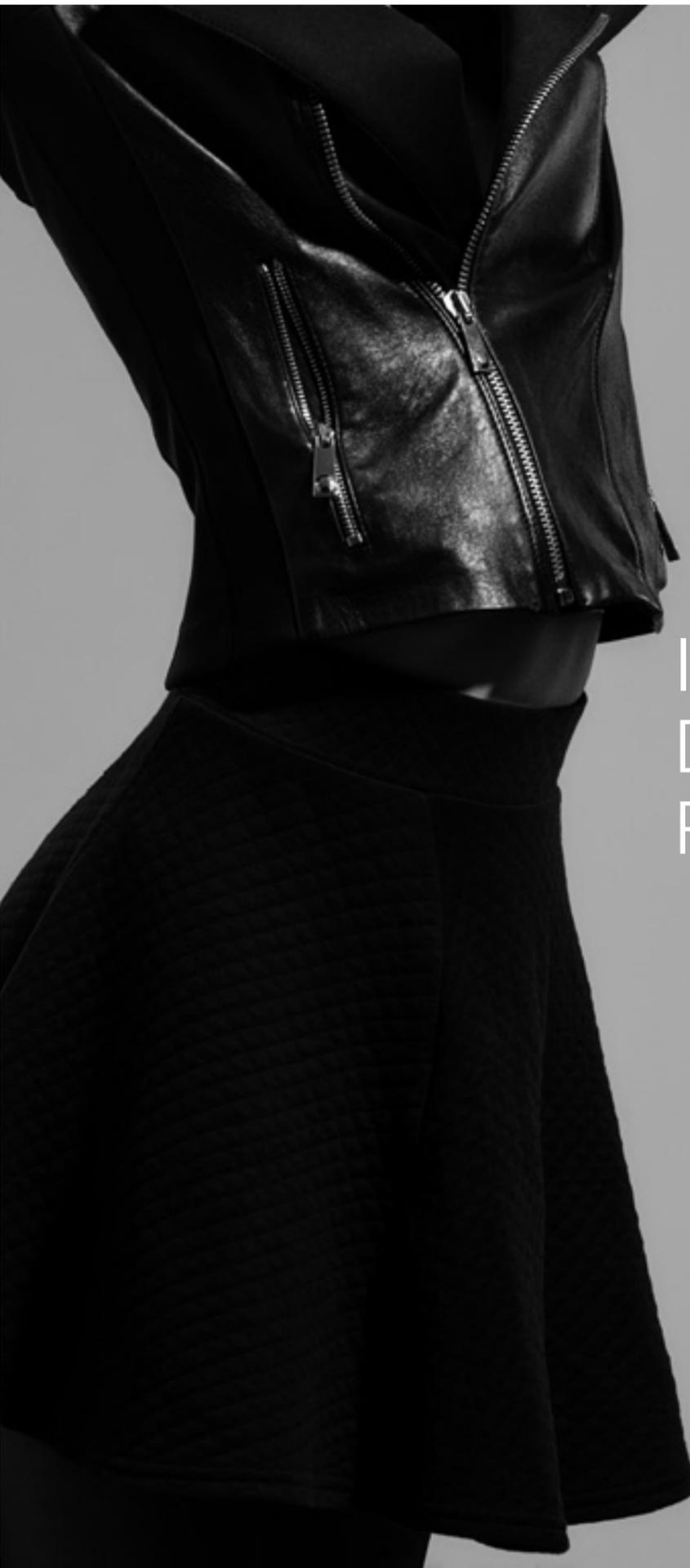
With the mobile consumerization of IT, that opportunity often lives on smart phones. Mobile consumerization of IT refers to consumers’ heightened comfort level in using mobile devices to manage many different facets of life, including shopping. In April 2016, The Wall Street Journal reported on surging use of shopping apps in an article entitled “Shoppers Flock to Apps, Shaking Up Retail.”

“The so-called appification of shopping promises to radically transform the

retail industry by creating new shopping habits, reshaping sales tactics and carving out winners and losers,” said the article. “Instead of placing one big order from a computer, people are increasingly making smaller purchases in short bursts throughout the day on their phones, a phenomenon retailers call ‘snacking,’ ” according to the article.

To make sure they can fulfill these snacking orders as well as in-store and other demand, retailers require their technology solutions to support a reliable back-end delivery experience. Coming through on delivery promises is enabled in large part by real-time inventory visibility and distributed order management. “With a distributed order management tool, they can take the different orders as they’re coming in and take their real-time inventory visibility and automatically decide where the item should be sourced from and determine the most time- and cost-efficient way to fulfill the order,” says O’Connor.





Integrated Design and PLM Matters

Omnichannel fulfillment is critical, but first a fashion retailer or brand must have a marketable product portfolio. A strong emotional bond between retailers and their target audience is nourished by a steady diet of fresh fashions. The most appealing brands know complexity is a reality. They need IT solutions that are specifically designed to support overlapping collections of multiple brands and product lines.

It's increasingly the norm for companies to release new collections every six weeks vs. three or four times annually. It's also more common for brands to offer a broad and deep product assortment. "With the advent of fast fashion, we've seen a lot of apparel retail moving from the traditional model of two or four launch seasons per year to the extreme where they are launching new seasons on almost a monthly basis," says O'Connor. "That is an interesting challenge for a lot of retailers."

Technology can help busy fashion professionals keep it all straight. For example, within some end-to-end ERP solutions, there are PLM capabilities that allow companies to tailor many different product matrices to suit different target markets. Within the same solution the firm uses for sales and distribution, product developers can manipulate style dimensions related to jeans. They can manage different sizes, lengths, washes and fits, such as skinny, boot cut or relaxed. With a click or two, they can easily shift their attention to intimate apparel collections, where the dimensions are entirely different, including bra cup size, etc.

The most flexible and robust ERP platforms include many automated functions for planning and producing multiple lines much faster than was possible with legacy solutions and spreadsheets. For instance, there are "wizards" and one-click steps for handling processes such as:

- viewing the status of overlapping collections and seasons;
- arranging product rollouts by channel;
- prioritizing sales orders for fulfillment by channel if there are product shortages or vendor shipment delays;
- creating new products quickly by choosing from hundreds of default values;
- automatically updating washing and care instructions when fabrications change;
- recalculating a style's grading across all sizes if a change is made to the pattern (through integration with Adobe Illustrator); and
- applying a ratio curve of sizes to an order, i.e., automatically calculating how many of each size should be included based on programmed parameters or actual sales history.

IT Enables Global and Omnichannel Expansion

Being an omnichannel, global brand is within reach for any innovative brand, thanks to technology advances. It's not a matter of if you can go multichannel and global but how you want to prioritize your expansion.

Cloud-based computing has been a huge factor in helping companies of all sizes to grow their businesses internationally and across channels. One reason is that with the cloud, powerful applications no longer have to be managed on site by the apparel business' IT department. Cloud hosting frees companies from a lot of maintenance time and expense. "It's democratizing technology for businesses," says O'Connor. "It's driving down a lot of the costs associated with technology. It puts technology within reach."

To help apparel companies compete globally, IT solutions must keep the business humming along in a multicurrency, multi-language, multichannel world. Global expansion can be simpler when associates work on a common IT solution with a familiar user interface. This was a big benefit London-based fashion retailer Charles Tyrwhitt saw in ERP technology from K3 Software Solutions. K3's ax|is fashion solution is completely embedded

within the Microsoft Dynamics AX ERP platform. "Our users really enjoy working with Dynamics. They find it very easy to get on with, using that traditional Microsoft look and feel," says Simon Kerry, CIO for the retailer, which has 16 stores in the United Kingdom, one in Paris and five in the United States.

Technologies have evolved to the point that they "support the ability to be international relatively easily," says Sheldon. And as for omnichannel, "software today allows for more of a single view of the customer across all channels," he says.



How to 'Futureproof' Your Business

As fashion companies consider their IT investment strategy, they want solutions that are able to support today's needs and provide a path to tackling tomorrow's brave new retail world. Some call this "futureproofing." Whether apparel brands are ready or not to dive into the Internet of Things (IoT), their IT solutions should be IoT-ready — able to process different types of heavy data streams.

For instance, leading ERP providers have laid the groundwork to support 3-D body scanning (from in-store scanners or at-home game consoles), wearables, hologram applications, virtual dressing rooms and other innovations. They understand that fashion businesses need helpful analysis of IoT data to get real returns.

At a very pragmatic level, futureproofing for the next 12 months or 12 decades is likely to involve attaining real-time inventory visibility and omnichannel fulfillment capabilities. That's one reason Gartner is devoting a lot of research to "algorithmic business," in which machine learning continually adapts to changing data inputs, automatically proposing optimal decision-making paths. IT solutions set up to support real-time inventory management and distributed order management rely on these algorithms. This type of technology will play a major role in futureproofing fashion businesses. "Businesses need to be able to make decisions in a more rapid manner," says O'Connor. "This is where technology can really help."

To futureproof their businesses, one of the most important things fashion executives can do is create a well-defined technology roadmap, says Sheldon, ensuring their solution partners' strategies and capabilities align with where they want to go. "You need to look at who the market leaders are in the space," he says. "They tend to have the broadest feature-function set. And typically a broader feature-function is one of the best ways to futureproof the technology decisions that you've made."

Executive Insight:

*An Interview with
Sander Schoneveld,
Managing Director,
K3 Software Solutions*

In what ways can fashion retailers leverage the latest industry-specific IT solutions to establish an emotional bond between their brands and their target consumers?

The way consumers buy fashion has been transformed: Shopping has lost the shackles of the traditional storefront and is now anytime and anyplace. Consumers are able to choose any number of ways to interact with the retailer, from brick-and-mortar stores to mobile phones to the Internet to social media. From initial concept to the product in store, ERP can help them face this time of intense change in the habits and expectations of the fashion and clothing consumer. Retailers first need to automate production processes and improve speed to market, allowing fast fashion to happen. As companies grow, it becomes increasingly important to engage with an effective ERP system, one that is tailored to the fashion and apparel industry and one that allows fast analysis of trends and developments. In this way, fashion retailers will be able to build a strong, loyal customer base. Customer retention is key. Putting the

customer at the heart of an organization will result in a more targeted offer that will keep consumers loyal.

How has technology made it more attainable for apparel brands and retailers to be both omnichannel and global?

One of the biggest challenges apparel brands face today is creating a true omnichannel environment, including a single look-and-feel experience for the consumer. ERP software can do much to ease the effects of this new challenge on fashion and clothing retailers in the online age. Technology can help fashion companies to focus on the actual product and production while making their business processes more efficient.

Particularly in relation to cost control and efficiency, ERP offers a real and tangible solution. Moreover, they will have access to a single and tailored environment in which to gain insight and control over all processes and channels to market. Having one version of the truth allows them to:

- better manage inventory and prices across all channels to optimize revenue;
 - increase visibility into sales budgets to plan for coming seasons;
 - balance inventory levels across warehouses to support all sales channels;
 - manage replenishment parameters across all variants (i.e., sizes, colors and styles); and channels.
- Once all these elements are in place, they will be ready to drive their future growth and expansion on a global scale.

What should fashion companies look for in their IT solutions if they want to try to “futureproof” their businesses?

Fashion companies need to look for a seamless software solution that provides them with real-time visibility into all processes, across all channels. The solution should host centralized and accurate data. It is important to have an IT system that integrates all aspects of the business process from concept to consumer, including all departments from design, manufacturing, finance, customer services, sales and distribution.

The right IT system also has to meet the unique and exacting needs of the fashion and apparel industry. Look for customized tools and out-of-the-box functionality pre-configured to align to specific fashion tasks and processes. These will quickly drive agility and productivity, resulting in a shorter implementation cycle and quicker ROI.

Lastly, to take full advantage of the power of an enhanced ERP solution, it's important to choose a partner who is able to be as flexible and dynamic as your organization. In embarking on implementation, you must believe in the growth that your company can achieve. Choosing a partner that has flexible and scalable solutions that are futureproof is essential.





Fueled by industry expertise and the desire for excellence in execution, K3 Software Solutions strives to provide its customers with repeatable industry solutions that can, where necessary, be further tailored to meet their individual needs and deliver measurable business benefits, all built using Microsoft technology.

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