

# GI fashion flash

## FRONTLINERS Courting the Consumer

On December 8th, Fashion Group International partnered with WGSN and Parsons to present “Courting the Consumer,” a discussion exploring innovations in retailing, new media and consumer loyalty. Moderated by Claire Hamilton, WGSN’s retail and events editor, the panel included Raina Penchansky, VP of global communications at Coach; Deanne Schweitzer, head of global strategy at Lululemon Athletica; Alexandra Wilkis Wilson, founder and CMO of Gilt Groupe; and David Carroll, assistant professor of media design at Parsons. Hamilton began by introducing five important retail trends affecting consumers’ relationship with retailers at every level:

- **Community and Localization:** an increase in in-store and charity events and boutique concepts that encourage lingering and browsing, not just shopping.
- **Building Intimacy:** an emphasis on psychographics rather than demographics that tap into customer passions and develop personal conversations with customers.
- **Scent, Sound and Touch:** upping the ante in terms of creating a memorable shopping experience via all the senses.
- **Making Shopping Seamless:** melding the brick-and-mortar with the on-line experience to make shopping as easy as possible.
- **Empowering the Customer:** creating a less “stand-offish” stance when it comes to keeping the customer informed about brands, particularly among luxury lines.

To start the discussion, Hamilton asked the panelists to talk about their brands’ strategy in the face of the recent economic climate. Penchansky explained how Coach strives to be nimble and quick at adapting to market changes, citing its new Poppy label that targets a flirtier customer with more directional pieces. Since Lululemon is built on its community approach, Schweitzer said that rather than changing direction, the company’s core values have only become more important in the past year. Gilt Groupe’s Wilkis Wilson also credited the company’s

nimble and entrepreneurial roots, and said the company is “a big fan” of testing, as well as developing close partnerships with designers to provide value for their customers. Carroll is helping to launch the Center for Mobile Creativity at Parsons, where students are developing concepts such as an iPhone app called “Fashion Concierge” which inventories your wardrobe, and helps you put together outfits by tapping into information such as your mood, the weather, social events and even trend-spotting info from the Web and then sharing it with your friends on Facebook. He said the technology is still developing, and opportunities are only beginning to emerge for retailers. He described it as an era of “hyper-connectivity, hyper-fragmentation and hyper-contextuality.”

Asked about what changes they expected to emerge in retail over the next five to 10 years, all the panelists agreed that the Internet would continue to play a major role, from older, high-end brands finally taking the plunge into e-commerce to social networking becoming a part of the on-line shopping experience. Carroll saw a huge opportunity in social networking where elite trend-spotters would emerge and form partnerships with a retailer or brand to communicate with consumers. He also expects RFID (radio frequency identification) technology, in which micro-tags embedded in clothes or products can communicate wirelessly with mobile devices, to become very important in the next one or two years.

Hamilton next asked the panelists how the importance of logos has changed. While logos are less important in the US market for Coach, they are still a key driver especially in places like China. “Everything shifts,” explained Penchansky. “We were all about logos for a while, so it’s natural to move away from that.” She also pointed out that the younger customer is more into “personal style” and logos don’t mesh as much with that trend. Wilkis Wilson said many of Gilt Groupe’s brands are scaling back on logos, perhaps a reflection of customers trying to be more discrete in terms of spending. Likewise, Lululemon’s logo has been growing smaller. Pointing out that Gilt Groupe had recently launched a Japanese site, Hamilton asked how that market was different from the US. Wilkis Wilson said mobile was extremely important to the Japanese customer, who is used to doing virtually everything on a mobile device. She also found a different attitude

toward promotional marketing. She said rewarding customers with a credit for inviting friends was seen as aggressive and even tacky.

Carroll commented that the CEO of eBay has predicted that in two years, 40 percent of all US Web traffic will be on a mobile device; if that is the case, a mobile strategy will be crucial for any business.

Turning the conversation to localization, Hamilton asked the panelists how their brands used psychographics to target specific customers. “We love research at Coach,” said Penchansky, who explained how they used a combination of “magic and logic” to ensure each store fit the local market—offering more totes than clutches, for example. Schweitzer explained how, rather than target multiple personalities in any given market, Lululemon uses a single aspirational girl or guy “that everyone wants to be.” Similarly, Wilkis Wilson said Gilt Groupe makes an effort to get to know their many customers via focus groups, and also use algorithms, much like Netflix and Fresh Direct, to track purchasing habits and customize offerings.

To close out the discussion, Hamilton took questions from the audience. Asked what was the next big thing in retail, service or store experience, all the panelists agreed that every aspect was equally, and vitally, important. Wilkis Wilson emphasized that brick-and-mortar stores entering into ecommerce need to look at their Websites as “the mother ship of all flagships,” rather than just a regional store, because it will truly represent the brand globally going forward.

—Katie Kretschmer,  
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