



RetailWeek
CONNECT

REPORTS

In association with

salesforce

Seasonless fashion

Preparing for a new era of retail

WEEK
RETAIL FOREWORD



LAURA HEYWOOD
HEAD OF COMMERCIAL CONTENT OPERATIONS

For years, Retail Week has included the weather in its annual Power List of the 100 most influential names in British retail. By no means tongue in cheek, this is a serious comment on just how much bearing the elements can have on the UK high street.

Frequently cited in trading updates, the weather can have a devastating impact on sales and profits – which makes this report all the more vital for retailers who are struggling to cope with a new era of seasonless fashion.

This trend is having an immense impact on operating costs and strategies. Consider two stark facts: 26% of fashion retailers estimate it adds as much as £1m to £5m to their operating models, while 46% say ecommerce and data analytics are the two areas feeling the pressure most acutely.

However, where there are challenges there are always opportunities, with the majority of British retailers (86%) claiming revenue has risen due to emerging demand for 'see now, buy now' fashion.

The effect of fluctuating weather patterns and climate change on British retail has been spoken about anecdotally among fashion leaders for years, but we believe this is the first time the trade has been able to see its impact in hard stats.

The overriding message for fashion operators is clear: the move into trans-seasonal buying is here to stay. By reducing reliance on season-based products and marketing, and investing in areas such as customer experience and mobile tech, retailers will become far more responsive to shopper demand. There are financial benefits to be had by those who do just that.



The message to fashion operators is clear: trans-seasonal buying is here to stay



RETAIL WEEK CONNECT: SEASONLESS FASHION

**Head of Commercial
Content Operations**

Laura Heywood 020 3033 4289
laura.heywood@retail-week.com

rebecca.dyer@retail-week.com
Emily Kearns 020 3033 2901
emily.kearns@retail-week.com

Production Manager

Jo Lambert 020 3033 2677
jo.lambert@emap.com

Commercial Production Editors

Rebecca Dyer 020 3033 2806

Contributors

Willemijn Barker-Benfield,
Andy Richards, Rebecca Thomson

Account Director

Imogen Jones 020 3033 2969
imogen.jones@retail-week.com

PARTNER VIEWPOINT



GAVIN MEE

SENIOR VICE-PRESIDENT AND HEAD OF UK, SALESFORCE

As fashion retailers are now preparing to move into the next era of trans-seasonal collections, the traditional notion of 'one season, one collection' has been washed away by changing customer expectations today.

Retailers must now identify trends as they surface, and implement them into their offerings. With the growth of mobile, online and social, shoppers now view retail in a completely new way – on a continuum, rather than planned seasonal wardrobes.

Both online and bricks-and-mortar stores have to shift their approach and mindset in line with this new set of consumer expectations, while keeping production speed, quality and brand ethos as top priorities.

Boohoo, Jigsaw and Karen Millen are using personalised shopper journeys to help create a better customer experience, and using the data received from these experiences to drive their focus, better anticipate expectations and boost brand loyalty.

Artificial intelligence (AI) and data analytics have been identified as the key areas of success for seven out of 10 retailers, and that figure is growing. Technology is able to support and enhance brand interaction with customers, but retailers must prioritise technology in order to benefit from these advances.

Our Salesforce report – in partnership with Retail Week – inspires and uncovers new opportunities for retailers to better connect with customers in the changing world of fashion.



Artificial intelligence and data analytics have been identified as the key areas of success



INTRODUCTION WEATHERING THE STORM

Last year was undoubtedly a difficult year for fashion retailers and, as usual, the weather was partly to blame. A mild winter and a cold spring gave way to a wet and windy start to summer, followed by one of the warmest autumns on record. All of this impacted sales and led to markdowns across the high street.

This is not the first time – and it will not be the last – that weather has caused problems, but retailers are starting to respond to the challenges. There are definite signs that fashion retailers are moving away from the traditional seasonal planning cycle. Marks & Spencer highlighted the ‘seasonless’ qualities of its AW16 collection, while Next has moved to a shorter season model, introducing smaller ranges closer to launches.

The move away from traditional fashion seasons has also been seen on the catwalk. Brands including Burberry, Tommy Hilfiger, Topshop Unique and Ralph Lauren have embraced ‘see now, buy now’ collections, allowing shoppers to purchase styles they see on the runway immediately, rather than waiting six months.

For years, fast-fashion players such as Zara and H&M have taken runway trends to create designs before the originals arrive in shops. Now it looks like luxury brands might play them at their own game.

At the same time, consumers are changing how they buy fashion. They are always online and have immediate access to everything – from catwalk shows to the latest marketing campaigns. As a result, they want immediate access to products as well, and cannot understand why this is not possible. They do not want

“Consumers are changing how they buy fashion. They are always online and have immediate access to everything – from catwalk shows to the latest marketing campaigns. As a result, they want immediate access to the products as well, and cannot understand why this is not possible”

to wait weeks or months – they want to buy what they see now or they will forget about it.

Another added factor is the global nature of many brands. Relatively few trade only in Europe, where traditional seasonal patterns are most relevant. Retailers are expanding their core ranges and reducing their reliance on season-based products and marketing. There are many practical hurdles to jump before the consequences of these trends fully play out, but it is clear that fashion retailing is changing in a fundamental way.

With seasonless fashion tipped by retailers as one of the trends to look out for in 2017, this Retail Week report, in association with Salesforce, features bespoke research into the ways it is impacting the industry – from buying and merchandising, to technology and marketing investment opportunities – and reveals how retailers should prepare for changes ahead.

Featuring the results of an exclusive survey of 50 leading fashion retailers, plus in-depth commentary from the fashion bosses of some of the UK’s most well-known brands, it reveals what the fashion sector thinks about the move into trans-seasonal buying, how it impacts their business strategies and the likely effect it will have on the longer-term future of the sector.

Who did we interview?

What is your position in your current organisation?

30%
CIOs

26%
Marketing directors/managers

18%
CX directors

10%
Digital content/social managers

8%
Buying and merchandising directors

6%
Heads of ecommerce

2%
Supply chain directors

What type of store does your business operate?

82%
Ecommerce and bricks and mortar

12%
Ecommerce

6%
Bricks and mortar

SEASONLESS FASHION: AT A GLANCE

86%

of fashion retailers report changing weather patterns have **impacted on their business**

The majority (80%) of retailers claim that revenue has gone up due to this new trend for seasonless fashion

68%

of retailers are incurring extra cost on their operating models – for 26% this is as much as £1m to £5m

56%

are looking to **source goods closer to home** than before

34%

Cost pressures are generally on **ecommerce and data analytics** say revenue is up 10%-20%

Looking ahead, **investment in omni and multichannel operations** ranks top of retailers' to-do lists, followed by investment in mobile as a direct result of the **'see now, buy now'** trend

They predict the biggest tech investments will be in **data analytics (71%)** and **warehousing and logistics (59%)**

94% claim it started to affect them in 2016

68% of retailers are planning to **invest in technology** to help them deal with less traditional buying cycles

98% of retailers say **customers are embracing seasonless fashion** ranges to some extent or greater

Customer experience and buying are the two parts of the business most impacted

CHAPTER ONE
SEASONLESS
FASHION ORIGINS

- Weather is becoming more erratic and retailers are expanding their core, seasonless ranges in response
- At the same time, customers are moving away from season-led shopping to a 'see now, buy now' approach
- The global nature of many businesses means European-led seasons are no longer practical

Former Marks & Spencer boss Sir Stuart Rose once said, back in 2006, that “blaming the weather is for wimps”. He was forced to modify his comments less than a year later, when he blamed the weather for M&S’s lackluster second-quarter trading in July 2007.

The tendency for retailers to cite a mild autumn or a wet spring as a reason for poor trading has grown exponentially in the intervening 10 years.

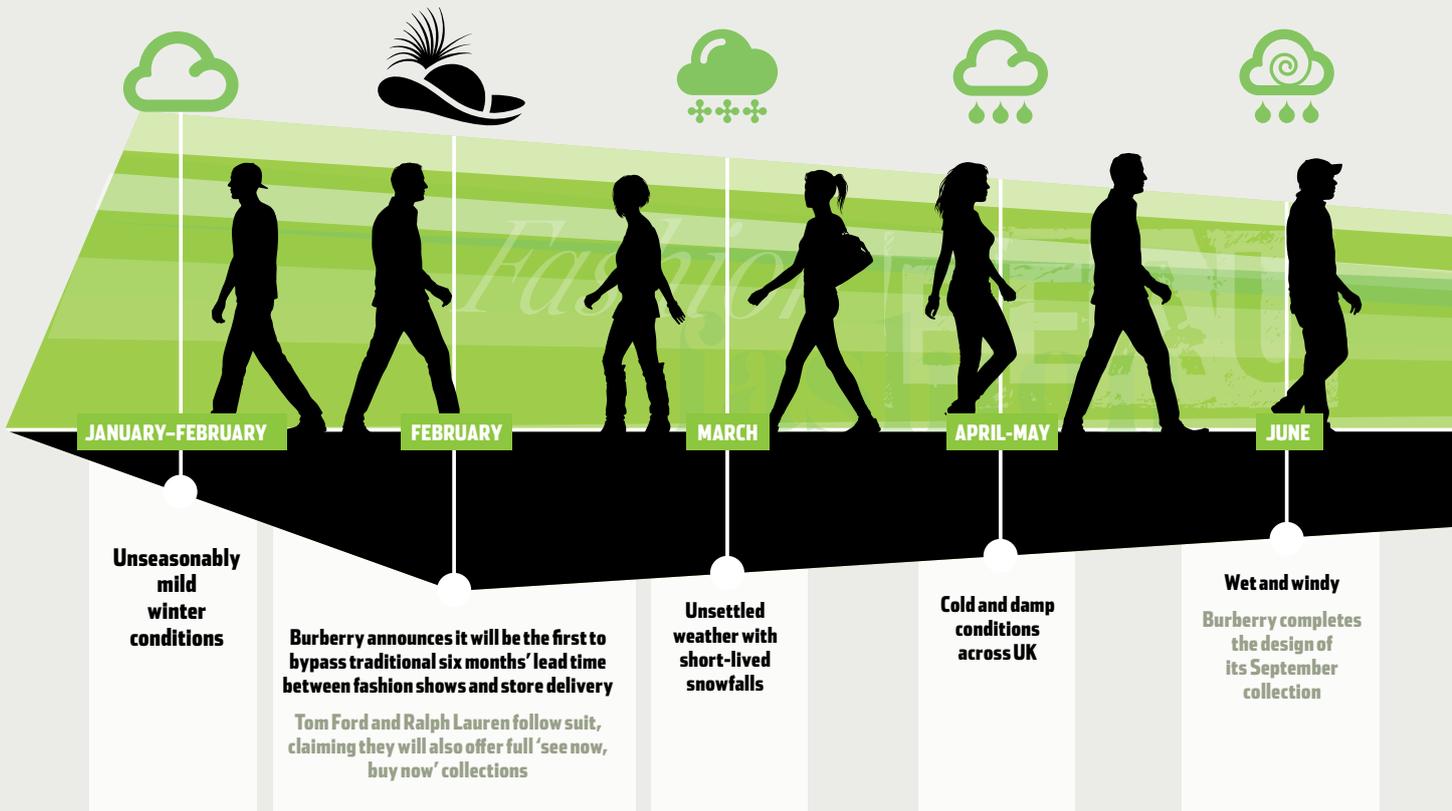
Today, even Next – which previously appeared immune to poor conditions – is blaming a warm December for an unexciting Christmas performance. And in the decade since Rose scolded the weather wimps, the UK’s climate has become less predictable

and more difficult to plan for. As a result, the concept of seasonless fashion has been lurking at the edges of the retail industry for several years. However, 2016 was the year it started to have a more profound impact on how fashion retailers operate.

“The seasonless trend really relates to gradual climate change,” says Charlotte Ellis, customer direction at Karen Millen. “We’re seeing typical seasonal behaviour changing and customers’ needs are different. The transitional seasonal wardrobe requirements have less of a part to play.”

She adds that the global nature of Karen Millen’s business also means its customers in different parts of the world need different products at different times

2016 timeline: The year when fashion changed for good



of the year. After all, it is always summer somewhere in the world, making a year-round collection increasingly necessary.

The fashion retailers we interviewed for this report agree that the trend for seasonless fashion really started in 2016.

Of the retailers surveyed, 94% agree that their experiences are similar to those who have spoken publicly about last year's mild winter, cold spring, wet summer and warm autumn irreversibly changing the fashion sector's traditional buying cycles.

BURBERRY LEADS THE WAY

Seasonless fashion has moved up the agenda over the past 12 months or so, following Burberry's announcement in February 2016 that in September it would stop producing clothes for specific seasons.

The company has been working towards a seasonless approach for a while, making some of its collections available immediately to the members of the audience during or after a catwalk show, instead of requiring them to wait six months for the right season for them to be in store.

It went one step further in September 2016, when it started running two catwalk shows a year showcasing seasonless collections available immediately and to anyone. Topshop has done the same thing with its Topshop Unique catwalk shows.

The announcement led to a flurry of interest, with other luxury designers agreeing with Burberry that the old system of showing two season-led shows a year, featuring clothes that were then not available

"In a world that has become increasingly immediate, the current way of showing a collection four months before it is available to consumers is an antiquated idea and one that no longer makes sense"

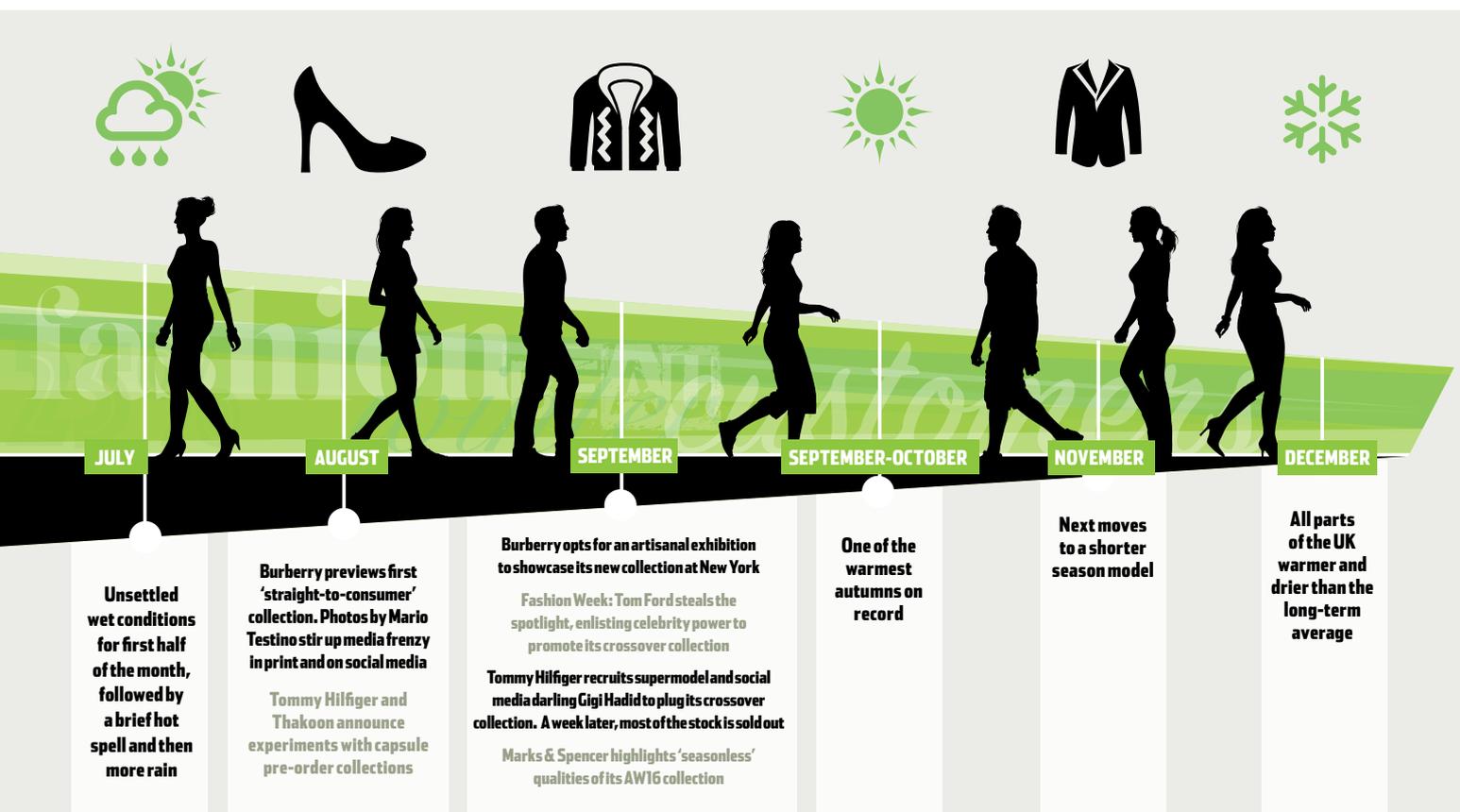
for six months, was starting to feel archaic. Designer Tom Ford said in February 2016: "We have been living with a fashion calendar and system that is from another era." And other labels, including Vetements and Rebecca Minkoff, have made similar decisions.

The fashion world is recognising that customers have changed their buying behaviour – they don't plan their winter and summer wardrobes ahead of time, and catwalk shows, magazines and stores are no longer their only source of inspiration.

People travel more at non-traditional times of the year and, most importantly of all, when they see something they like, they buy it.

As Ford said in 2016: "In a world that has become increasingly immediate, the current way of showing a collection four months before it is available to consumers is an antiquated idea and one that no longer makes sense."

"We spend an enormous amount of money and energy to stage an event that creates excitement too far in advance of when the collection is available to the consumer. Showing the collection as it arrives in stores will remedy this, and allow the excitement that is created by a show or event to drive sales and



satisfy our customers' increasing desire to have their clothes as they are ready to wear them."

The trend for 'see now, buy now' is one that the likes of Zara and H&M, with their vertical supply chains and six-week turnaround times, have been tapping into for years.

For younger consumers in particular, this drive to find something new has been fuelled by the growing use of social media such as Instagram.

Dan Murphy, managing director at Kurt Salmon, part of Accenture Strategy, says: "The age of prescriptive retail, where the retailer went out and developed a collection of seasonal products, is over. Over the last 10 years, the behaviour of younger customers in particular has changed. They want immediacy and freshness."

The challenge for premium and luxury brands is that better quality products will always take longer to make, meaning a question mark remains over how much they will be able to cut their production times. For many retailers, this new approach will require getting the right balance between customer insight, speed of production and quality.

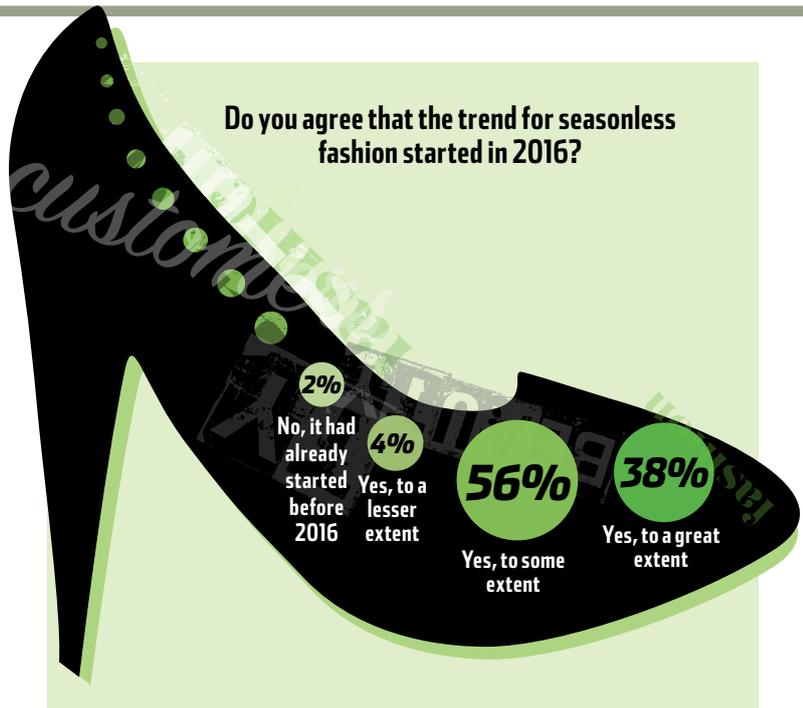
However, Murphy points out that it is not just about cutting lead times, but more about learning this new behaviour and adapting the model over time. "The challenge is bigger than operations or supply chain or technology – primarily, for me, it's a philosophical change."

MOVING AWAY FROM FAST FASHION

One part of the trend that does play into the strengths of premium brands is that seasonless fashion is developing hand in hand with a growing customer segment that is on the hunt for a quality capsule wardrobe that works all year round.

Karen Millen is tapping into this idea, using its marketing campaigns to highlight key items, such as the white shirt, and focusing on workwear basics.

In this sense, embracing seasonless fashion can actually mean moving away from the fast-fashion model. Businesses such as AYR (All Year Round) – a New York-based start-up – are starting to make this a key point of their model and branding. The company launched in 2014 with 10 pieces that are still in



its collection three years later, illustrating that the trend does not necessarily have to mean responding immediately to unpredictable weather.

Instead, some retailers will be able to remove themselves slightly from needing to worry about the weather, because their clothes – to some degree – transcend it.

Jigsaw chief executive Peter Ruis points out that many retailers have had core ranges for a long time and maintains the UK weather is not nearly as difficult to predict as some say it is. "It's very simplistic; it's six weeks later now than it used to be. It's about 'see now, buy now' rather than seasonless," he says.

Ellis at Karen Millen says that, for her customers, the seasonal consideration for clothes is further down the list of priorities than it used to be. "For us, it's very much around customers looking for inspiration in lots of different places," she says. "We don't tend to get people researching the seasons. They tend to be much more impulsive with their purchase."



SALESFORCE ACTION POINTS

- If you haven't already, investigate taking a seasonless approach to your fashion lines as consumers are beginning to move away from season-led shopping. Expanding your core, seasonless range can help to counteract any negative impact from erratic or unexpected weather.
- If nervous, then experiment first with capsule collections to see if these will work for your customers.
- Younger shoppers are craving immediacy and freshness. This demographic has a 'see it now, buy it now' approach, so make sure your newest products are visible to all by giving them prime positions on the shopfloor, as well as online.
- Conduct extensive research into what your shoppers want before committing to anything. Getting as much feedback about consumers' needs as possible will help to inform decisions about your products.

CHAPTER TWO INDUSTRY REVERBERATIONS

- Retailers say the key area of change in their business is the customer experience
- A move to seasonless fashion is also contributing to changes in sourcing
- Marketing and social media are a crucial part of the change



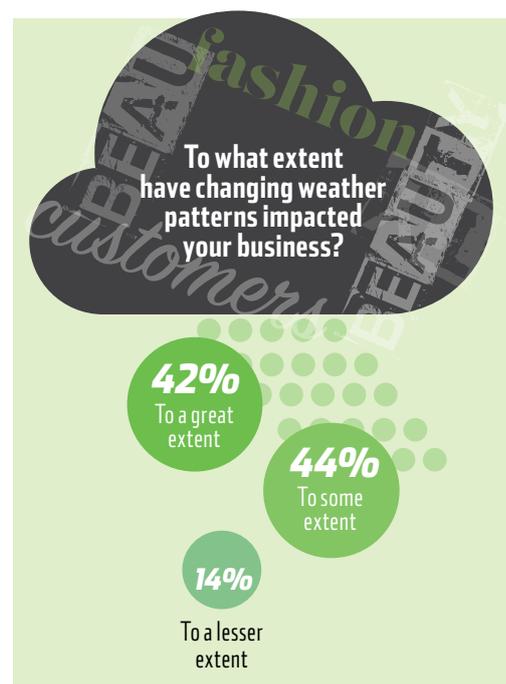
The seasonless fashion trend is affecting the inner workings of fashion businesses in a range of different ways. A shift towards more fluid clothing collections is not a straightforward thing to manage, especially when the seasonal model has been entrenched in fashion retailers' operating models for many years.

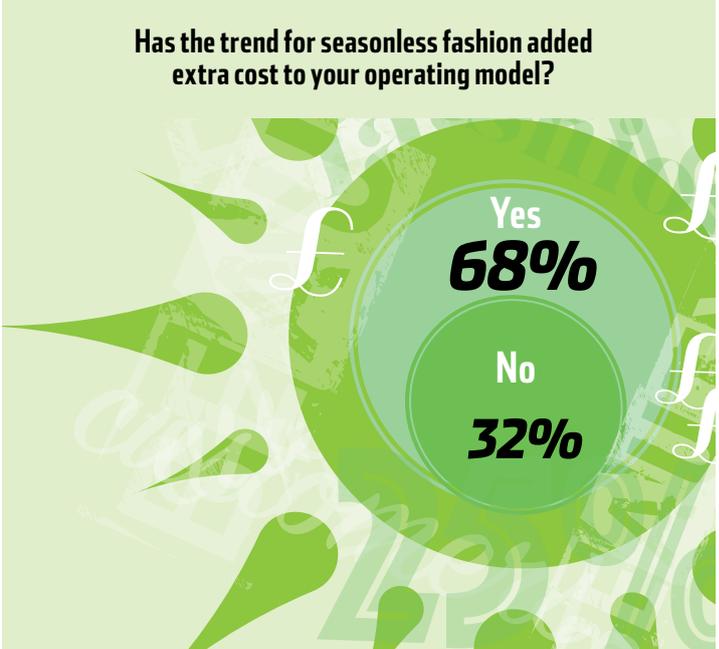
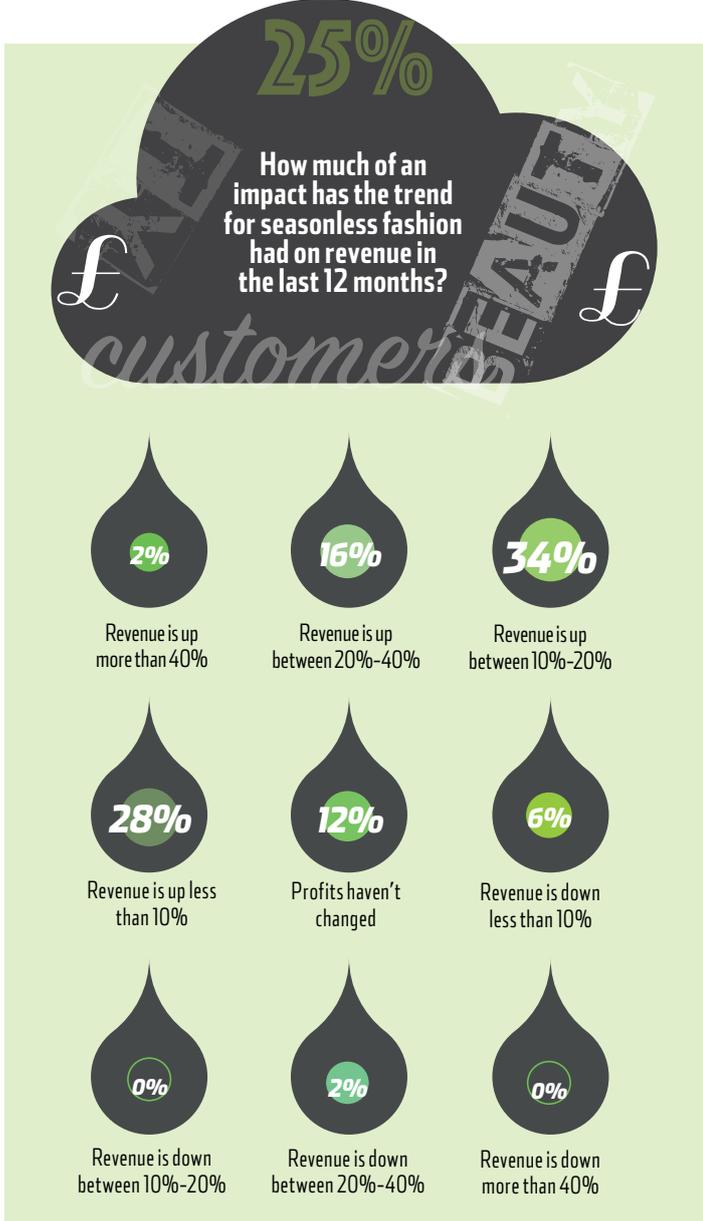
So how exactly is this affecting different parts of a fashion retailer's business, and how are retailers dealing with it?

It is certainly affecting a large proportion of the industry – this is not an issue that is limited to just a few brands. Of the 50 fashion retailers surveyed by Retail Week and Salesforce, 86% report that changing weather patterns and a subsequent move away from traditional buying patterns had affected their business to at least some extent. It is affecting some more than others, with 42% reporting that the impact was 'to a great extent'.

But while it is no doubt a challenge for retailers to ready their businesses for responding to the trend, it is heartening to those in our survey report that it has had a positive impact on sales so far.

Of the businesses questioned, a third (34%) say the trend for seasonless fashion has boosted revenue by between 10% and 20%. Over a quarter (28%)





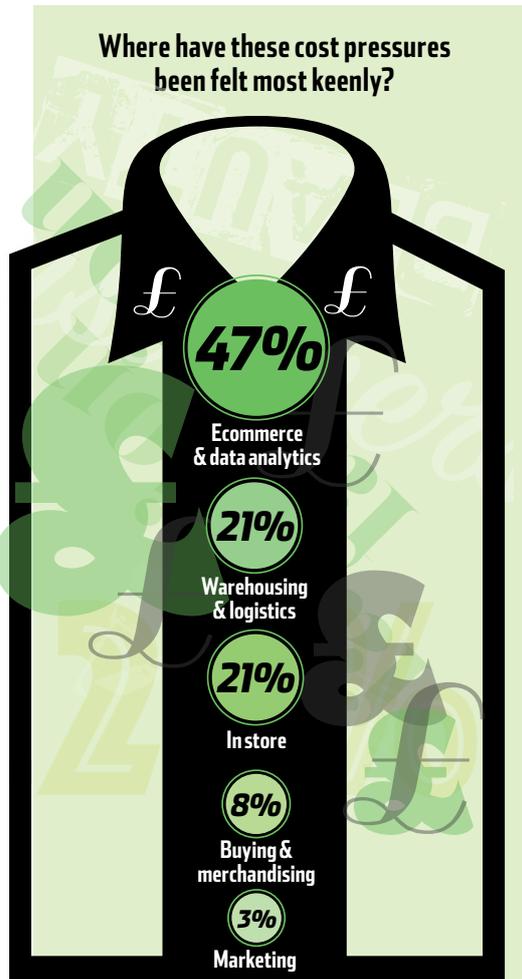
say revenue is up by less than 10%, while 16% of respondents say revenue has grown by an impressive 20% to 40%. Only 8% of those questioned say that revenue had fallen.

COUNTING THE BUSINESS COST

The seasonless trend is clearly not one that is automatically negative for retailers – it offers new ways to sell to customers and provides new opportunities for inspiring them. However, overhauling the business to be able to sell in this way requires a substantial amount of change, and this comes at a cost.

Of the retailers we spoke to, 68% say the trend for seasonless fashion had added extra cost to their operating model as they work to cope with the changes required.

The amount of cost added depends on the size of the retailer, but it is clearly substantial. More than a



quarter (26%) report having spent between £1m and £5m extra due to seasonless fashion. Meanwhile, just over a fifth have managed to respond to the trend in a less costly manner, with 21% spending between £100,000 and £250,000.

ECOMMERCE AND DATA HIT HARDEST

These costs might be expected to hit retailers hardest in the supply chain, which for many is likely to need attention in order to reduce manufacturing time. But retailers report that the biggest area of investment for the industry has been in ecommerce and data analytics: 47% of those questioned say that this is where cost pressures have been felt most keenly.

This is because the biggest area of change, according to fashion retailers, is in the customer experience. Of those surveyed, 28% name this as the part of the business that has been the most strongly affected by the departure from the traditional fashion cycle.

This is not the only area needing attention, however. Retailers identify buying (20%) and supply chain and fulfilment (16%) as other areas that need focus. Marketing (10%) is also deemed to be important.

One retailer said: "There has been a shift in marketing strategies; there's less of a focus on new lines, and more of a focus on a constant aspect."

Another agreed that the biggest change had involved a shift away from a season-by-season approach to one

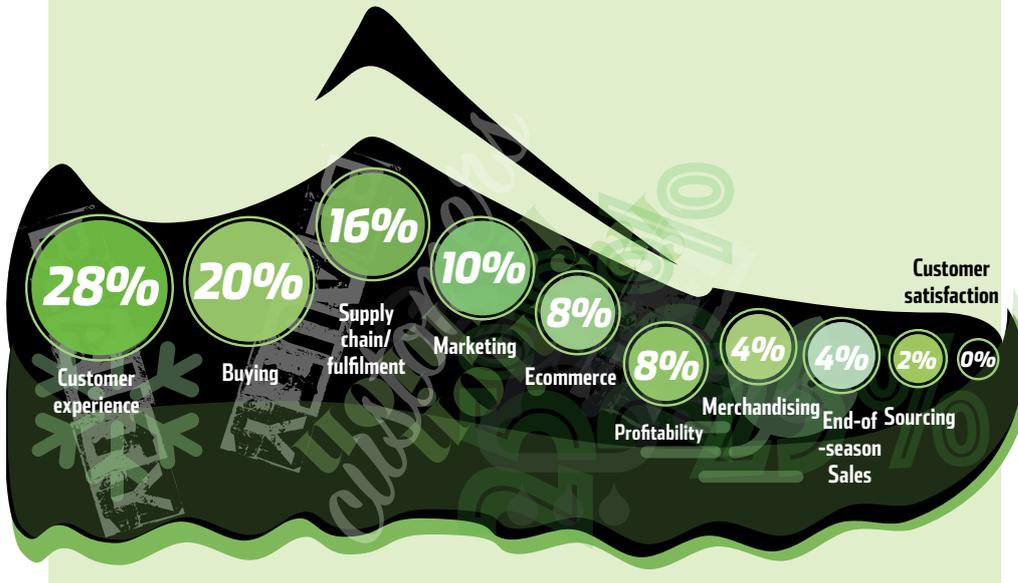


that is consistent throughout the year. This constancy of stock, and reduced volatility between quarters, is a similar experience for all of the retailers interviewed.

Consumers are no longer happy to order their winter or summer wardrobes in bulk when new products come out. If it is cold and raining, they expect to be able to buy warm clothes and umbrellas, whatever the time of year. If they see something on Instagram, they expect to find it online without any trouble.

The industry is ploughing resource into providing them with the type of experience they now expect. Seasonless fashion does not just require an overhaul of the type of clothing produced – it also requires an overhaul in the way it is sold.

What part of the business has been most strongly affected by the move away from the traditional seasonal fashion cycle?



How is the move into trans-seasonal buying affecting your sourcing strategies?



In their own words

What has been your biggest strategic change?

“Less volatility between quarters”

“More research is now required”

“We need a much wider range in stock”

“It means less of a shift in range every three months or so – stock is more constant”

“Changing the style of clothing ordered and looking for more basic and never-out-of-stock ranges”

Teams in charge of social media need to be aware of what is available and when – customers are unimpressed if they click on a link to find the product is sold out. This will require greater collaboration and communicating between the buying and marketing teams to ensure that products that are out of stock are not being promoted.

In addition, retailers need to use more sources of insight when researching their ranges. Ellis from Karen Millen says: “We need to anticipate clients’ needs. We do this by getting early feedback, which impacts the ranges.”

Where appropriate, retailers are moving their sourcing operations closer to home in order to be able to turn ranges around more quickly.

However, for most, there will be a balance between speeding up the process, incorporating consumer insight and making sure the quality remains high.

Ellis says: “A premium retailer can’t be completely immediate – range planning takes a long time. The challenge for a premium retailer is the quality of the product and the effort that goes into creating the pieces. It’s not mass creation and we still have long lead times.”

SALESFORCE ACTION POINTS

- Take a close look at how your supply chain could be impacted by this new approach. In order to cater to a seasonless model, logistics and warehousing is likely to feel the knock-on effect. Analyse exactly what will be needed in terms of manufacturing time and stock holding.
- Make sure your social media teams are aware of what is available and when. Your buying and marketing teams will also need to constantly collaborate and communicate with each other to make sure that the items being promoted are in stock.

CHAPTER THREE TECHNOLOGY PRIORITIES AND INVESTMENT

- More than two thirds of retailers say they are investing in some form of technology
- Technology can help with gathering insight and responding quickly to consumers
- It could also help with deciphering the most profitable way to meet customer expectations

Seasonless fashion, alongside the ‘see now, buy now’ trend, is forming part of a wider move that the retail industry needs to make as a new generation of consumers start to gain purchasing power.

This change involves, at its base, using the technology now available to listen more to customers, and to make an effort to understand what they are responding well to.

Some retailers are already using predictive analytics to determine unexpected peaks and troughs in demand, and as more of the industry adopts this practice, more retailers will have a better view of what is coming.

But it is not all about prediction – technology can also help with responding quicker as well. If retailers are not using the seasons to guide what they’re producing as much as they used to, they will need other sources of information.

Kurt Salmon managing director Dan Murphy, part of Accenture Strategy, says: “In the past, the way you changed your ranges in stores was guided by the weather because that was all you had. Those days are gone.

“Now, technology allows us to have the most amazing insights into what customers want and what they are responding well to. You shouldn’t be looking to the weather for a guide – you should be defining what customers want to see in your shops in real time.”

With this in mind, retailers should prioritise technologies that help them to listen to what people are saying online – focusing both on key influencers with thousands of followers, and on their customers who are simply discussing things with friends.

This process of listening will partly be driven by technology, but will also require a change in attitude to how social media is used across the business. Murphy says: “Many CEOs don’t really look at their Facebook or Twitter accounts because



59%
of retailers say they
are investing in tech to
speed up or streamline
their warehousing

they don’t really get it.” Chief executives would not dream of failing to visit stores – keeping an eye on how people are shopping online and what they’re saying on social media should be just as important to retail leaders as shoppers aged under 25 start to form a larger part of their customer base.

It makes sense, when operating in a new way, with new processes, that businesses should put significant effort into carefully measuring the impact of what they’re doing, and understanding exactly what the effect on cost is (see box, overleaf).

But consumers and their use of technology have changed so quickly, and competitors have evolved in response so quickly, that it has been as much as most retailers can manage to keep up with the range of delivery options they are now expected to offer. However, it is crucial that retailers start to work out



Using tech more effectively

Another area where technology could help retailers to develop the digital side of their business is in the development and use of metrics to measure and track profitability. Seasonless fashion and immediate delivery are part of a business model that is still quite new, and the dust has not yet settled around it.

Few retailers with large store estates have truly cracked how to make the online channel profitable and, with younger shoppers increasingly expecting free next-day delivery for a £20 dress, retailers need to determine if this is even going to be possible in the longer term.

Kurt Salmon's Murphy says: "Many retailers are losing sight of costs – younger customers are insisting they want it now, but for £20. Retailers are losing sight of how much it is costing them because it is not something that has traditionally been measured in terms of profit and loss.

"They need to get better at measuring the cost to serve this demand, so they can see how to make a return on the investment. But, without metrics, they are never going to answer that question."

how to make this new state of affairs work for them. As is often the case with digital retailing, analytics, new KPIs and software to track and analyse unstructured data on social media will be the most crucial tools available to retailers hoping to make sense of their new business model.

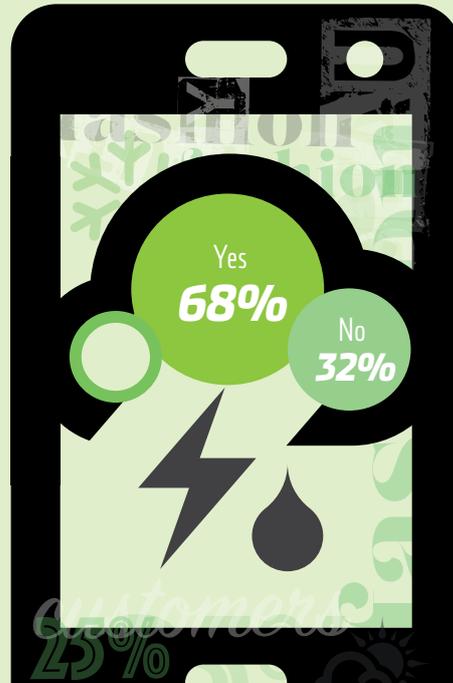
Anusha Couttigane, senior analyst at Kantar Retail, says: "If you're attempting to respond to the 'see now, buy now' trend, you have to invest in technology that can analyse what is being said.

"It can be quite difficult, but retailers can help themselves by creating their own buzz, and taking ownership of their own products and the buzz around them."

If brands are making sure they are part of the conversation, it will be easier to remain on top of what is being said and to decipher the key messages coming out of the social media din.

This advice chimes with what retailers say they are already doing. More than two thirds – 68% of

Have you invested in technology, or are you planning to, as unpredictable weather patterns continue to disrupt traditional buying cycles?



the retailers in our survey – say they are investing or planning to invest in technology to help them deal with less traditional buying cycles.

They are investing across the board. Nearly half (44%) say they are investing in software to help them track range changes, while 59% say they are investing in technology to speed up or streamline their warehousing and logistics.

However, data analytics is the area with most activity, with 71% of the retailers we spoke to investing in this.

Retailers have a lot on their to-do lists, but there are ways to prioritise what is key. This predictive, listening approach is the most important for retailers whose customers are under 25, whose behaviour is most ill-suited to the more traditional forms of retailing.

SALESFORCE ACTION POINTS

- There is a plethora of technology available to help you in all aspects of business. Use the innovations at hand to listen more to consumers, make an effort to understand them and know what they are looking for in real-time. Predictive analytics can also assist retailers in understanding unexpected peaks and troughs in demand. The more this type of data gets used, the better overall view retailers will have.
- As the way in which you stock your shops changes, use technology to speed up or streamline your warehousing.

CHAPTER FOUR RE-IMAGINING SHOPPER JOURNEYS

- Customers no longer use seasonality as their main guide in purchasing fashion
- They want products immediately and get inspiration from a wide range of sources – and retailers' marketing is changing as a result
- They can also use this purchasing behaviour to feed into personalised shopping experiences

Perhaps the clearest consequence of the shift away from season-led fashion is the changes it will involve in how retailers market themselves and their products.

This is a trend in part driven by organic changes in the way new channels are being used by consumers. Social media opened up catwalk shows to the masses, who have become increasingly insistent that they have immediate access to the clothes being promoted. These events are no longer only open to fashion editors and celebrities, and retailers such as Topshop have helped drive this trend by making its shows more accessible.

So not only do retailers need to make sure they are promoting what people can buy now, but they also need to communicate and operate in a way this sort of shopper appreciates.

Rick Kenney, head of consumer insights at Salesforce Commerce Cloud, says: "Fashion is dealing with a real big data challenge – at a time when the number of products available is up 13% since 2015,

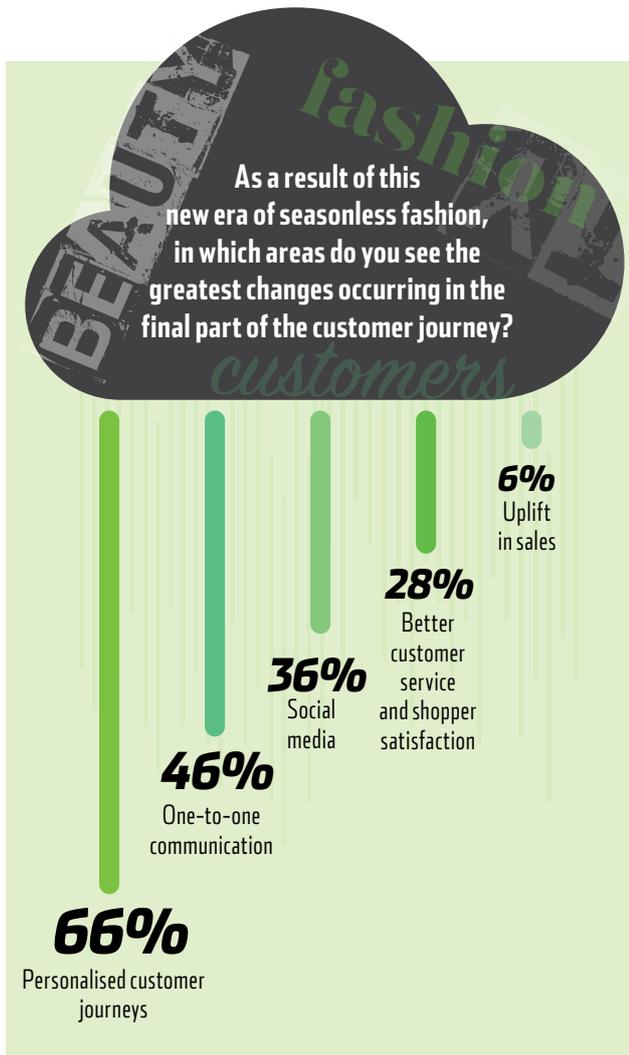
shoppers have migrated to mobile, where only a few products surface on the small screen. AI will save retailers by connecting the shopper to the right product at key stops in the shopper journey – we're way beyond 'you may also like'."

Some retailers are already experimenting with AI to improve customer experience. Shop Direct, for example, has teamed up with IBM Watson to create an AI-powered chatbot that will keep in touch with shoppers after purchase.

This technology has also proved to have much wider implications for the retailer's business as a whole, and machine learning is now assisting with email management, fraud prevention and customer communication.

47%
of retailers say they
are investing in tech to
improve marketing





The trend for seasonless fashion is also having an impact on the shopfloor. Jigsaw's Ruis says: "Because of digital and the fact you can get what you want within an hour, [our customer] doesn't buy ahead. She's completely affected by what she sees around her."

As little as 10 years ago, he adds, shoppers would come into stores in February to escape the gloom. Stores needed to provide escapism and inspiration. Now, shoppers head to Instagram instead. "The customer is time-poor," he says. "Five to 10 years ago, we worked on the idea that it's February, it's cold, it's miserable, but she'd leave all that to go into the shop and keep coming back. Now she'd only pop in once or twice, and when she's in, she needs to buy what she wants right now."

The way Jigsaw has adapted to this change, he says, is to increase the number of drops each year. The gap between fresh batches of product used to be around 10 to 12 weeks and is now closer to between four and five. Using subtle changes, such as the type of fabric used, can also introduce a feeling of newness.

Ruis continues: "We use heavy cottons in February – it's not knitwear but it's still appropriate for the weather. We're still giving her things that say 'new season!'"

UTILISING MARKETING TECHNIQUES

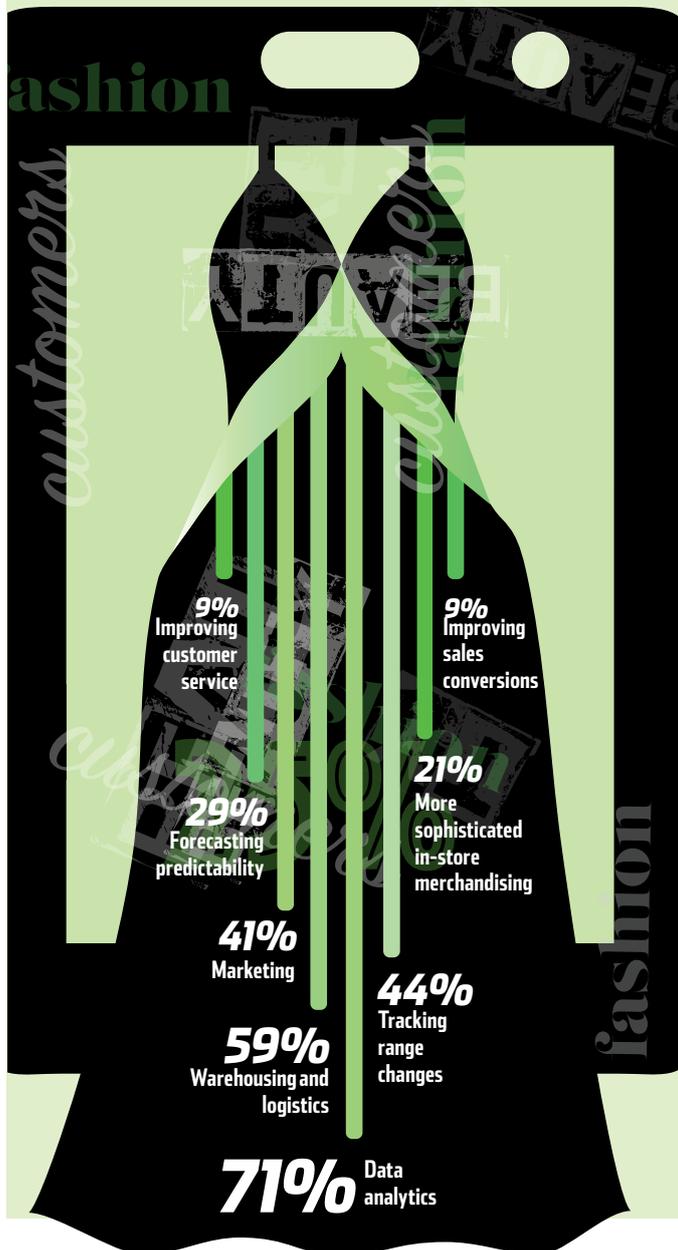
Marketing communication is also changing, with a third of interviewees expecting change in this area.

Karen Millen's Ellis says the marketing mix has changed for the retailer: "From a marketing perspective, it's no longer appropriate to have one campaign with six images for print. We're looking for episodal moments. We've changed the way we manage campaigns so we are consistently creating content."

However, she says the retailer still uses the seasons as part of the marketing message. "We will continue to use it to inspire her and provide freshness."

Shoppers will continue to invest in clothing for summer events, for instance, but this is no longer the only driver. There is also content focusing on wardrobe essentials, featuring key pieces such as the white shirt.

What is the principal purpose of the technology you are investing in?



Segmenting customers

For retailers, the first step is to start using technology to listen to what customers want. It is widely expected that AI will provide retailers with an efficient means of communicating with customers, with chatbots able to answer queries more efficiently. AI, used in combination with big data, will provide in-depth understanding of customer behaviour.

Dan Murphy, managing director at Kurt Salmon, says: "Not all fashion retailing will become 'see now, buy now'. If you break it down, there are still a lot of different segments, some of which you can still forecast pretty accurately."

Some customers will remain creatures of habit and will still want to buy the same sort of clothes at the same time of year; others will continue to buy low-cost items that wear out quickly, such as kidswear and T-shirts from supermarkets. There are several different purchasing journeys within the fashion retail business, and at least for now this is one new journey to add to the mix, rather than a trend that will override all others.

As Murphy says: "Younger fashion retailers will have a challenge where a subset of their customers some of the time are demanding a very fast response in brand-new lines. They will find they have a growing part of their business where they have got to change the way they think."

Any retailer that wants to cater to young shoppers – or wants to build brand awareness among this group to cater for them later in their lives – needs to start developing this side of its business. Retailers will be able to use this information to add to their personalisation efforts, which many have been developing for years.

Segmenting shoppers into groups according to their purchasing journeys is a powerful way to help personalise the consumer experience. It's a big focus for the retailers in our survey – two thirds (66%) said personalisation was the area where most change is expected to the customer journey, while 44% also think one-to-one communication will grow.

Two thirds of retailers (66%) say personalisation is the area where most change is expected to the customer journey, while 44% also think one-to-one communication will grow



SALESFORCE ACTION POINTS

- Experiment with AI as a way to improve customer experience. Chatbots are able to answer queries more efficiently, yet still provide a personal and reliable service.
- Look at upping the number of fresh drops you provide each year. Shorten the gap between the tranches of new product you inject into your business so you have short, sharp bursts in store throughout the year.
- Alter your approach to marketing with more content produced continuously throughout any campaign.
- In order to personalise the experience your consumers have, segmenting shoppers into groups according to their purchasing journeys will provide you with a bigger picture.

CHAPTER **FIVE**
LONG-TERM
IMPACT

- For younger shoppers, the fast-fashion model is critical and retailers will need to respond in real time to feedback
- Premium retailers will need to get the right balance between quality and immediacy
- The biggest investment priorities for retailers in an age of seasonless fashion are financing omnichannel and multichannel operations, as well as pending mobile development

As the 18- to 24-year-old cohort gets older and gains more purchasing power, retailers can expect the trends discussed to become more important as they graduate from fast fashion to premium or luxury brands.

The likes of Boohoo and Misguided are leading the way in catering to this part of the market, and their models are well suited to it. With no large store estates to pay for – or to stock with thousands of units of predetermined ranges – they can introduce small numbers of new lines to test the reaction to individual pieces. In a similar way to the high street fast-fashion players, they can also turn around new units of best sellers very quickly.

Murphy says: “The people who run retailers tend to be older, and they have a challenge in getting their heads around how young customers behave with technology. It’s nothing they’ve ever seen before.”

The fast-fashion form of seasonless fashion isn’t necessarily the future for every retailer, but there are elements of it that will need to be adopted by most.

“It has to be a balance,” says Karen Millen’s Ellis. “It’s a challenge.” But she says the trend has already

impacted how the retailer operates. “At the beginning of the process we are really utilising customer insight to drive range planning.”

While some parts of a retailer’s collection will need to respond quickly to customer feedback and whims, core lines will also increase in importance.

CONSISTENT CORE COLLECTIONS

Global head of retail at PwC Sue Rissbrook says: “Many retailers have actually had a core, consistent collection for a while – they’ve just not been very vocal about it. They’re starting to make more of it, and they’re starting to be smarter about it. For example, they’ll mark down other items during the Sales, but not their core items.”

So, as retailers look ahead to a new era, how are priorities shifting? Investment in omnichannel or multichannel operations is a clear leader, with 26% voting it their top priority, followed by investment in mobile (20% for the retailers interviewed).

Ranking behind them – and joint in their level of importance – is investment in store tech, marketing and customer experience.

Making sure your future strategy is catering for millennials

The ‘see now, buy now’ trend is strongest among younger shoppers, and a recent report from consulting firm Accenture highlights how their buying habits are changing:

- The research found that 18- to 24-year-olds buy an item at least once a fortnight or more, requiring retailers to adapt by quickly identifying trends and delivering fast fashion.
- Once these consumers have identified an item they want, more than half (51%) will buy it the same day and more than three quarters (84%) will buy it within a week.
- More than a third (34%) will buy a fashion item at least once a fortnight, with one in eight (13%) buying something every week.
- Nearly a fifth (18%) will browse once a fortnight, a third (31%) once a week and 10% every day. This means that nearly half (41%) browse once a week or more, and nearly two thirds of 18- to 24-year-olds surveyed said they shop at least once a fortnight.
- According to the research, younger customers tend to browse more frequently than older customers, with 31% of 18- to 24-year-olds and 23% of 25- to 34-year-olds browsing fashion clothing or footwear approximately once a week.
- Customers buy for the present: over half (53%) wear items within a week of purchase, while 15% wear items the same day they buy them.



Improving retailers' quick response

The increase in consistency of collections may actually help retailers to experiment around the edges more, using parts of their collection to respond to fast-paced trends.

Andrew Robb, chief operating officer at online luxury retailer Farfetch, says it is this balance retailers need to strive for. "From my perspective, there is already seasonless fashion, in the form of carry-over items that go from season to season, although it still gets treated as part of the current season from a practical and a customer perspective.

"I think the customer wants both: items that are timeless and work for a number of years, and items that are of the moment and represent the latest cutting edge of creativity. Ultimately, the customer needs to fall in love with the product and both are needed to meet this need."

Jigsaw's Peter Ruis believes it's harder than ever to get a clear message to the customer, but that the essential challenge remains the same: "She's not buying ahead; you have got to work really hard to get a strong message as to why she should buy now. Ultimately, it's about getting her to buy something when she doesn't need to."

The philosophy behind a seasonless offer is likely to lead to happier customers at the end of the purchasing process. At its core, seasonless fashion is about creating a journey based on what the customer says they want, as opposed to what the seasons dictate.

PUTTING THE CUSTOMER FIRST

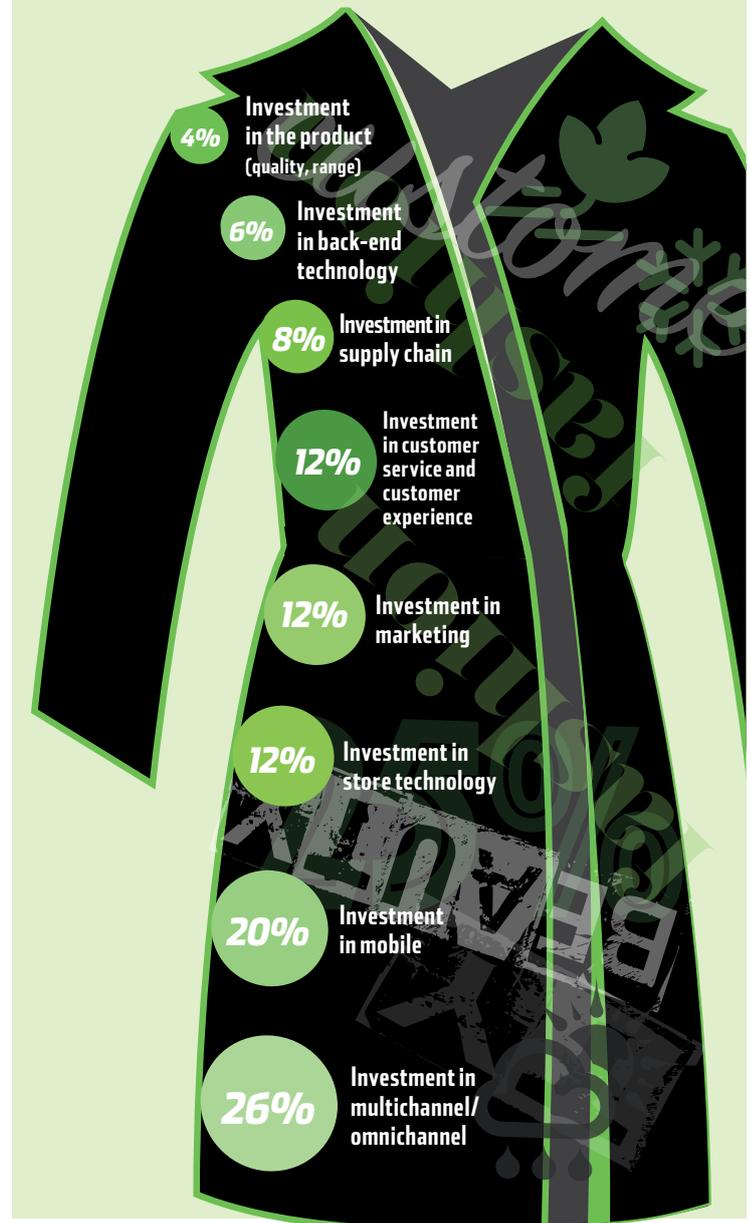
By incorporating more customer insight at the beginning of the design process, retailers are more likely to create something their customer wants to buy. And if brands can invest in a final-mile operation designed to fulfil orders immediately, there will be little for customers to complain about.

Customer insight collected throughout the design process could be used to personalise a retailer's offer and the customer experience, which will help retailers to create the personalised experience shoppers expect, leading to improved customer service and satisfaction.

The job of the fashion retailer remains to inspire and please its customers, and it is the trend for seasonless fashion that can help them to achieve this.

However, the right ways to inspire, and the processes and tools used to do it, are shifting. Every fashion retailer will need to choose the right elements for their customer, but, as this report shows, speed, customer insight and a new tone of communication will all be core to a successful – and profitable – future.

What is your top business priority for the year ahead?



SALESFORCE ACTION POINTS

- Younger consumers now expect things immediately, from the latest trends and delivery of their orders to responses to enquiries. When it comes to social media, make sure you respond in real-time to feedback.
- Premium retailers need to make sure they strike the right balance between quality and immediacy. If your customers are not interested in buying pieces hot off the catwalk, then don't try to force them to. Conduct extensive research, analyse the results and respond appropriately.



RetailWeek
CONNECT
REPORTS

In association with



Seasons

**BEA
BEA**