

COMMERCE MEETS FASHION

SHOPPING THE FUTURE

How augmented
and virtual reality
have changed
shopping behavior

SLOW FASHION IS GOOD FASHION

The new trend
is sustainability

SHOWTIME FOR DIGITAL SOLUTIONS IN THE FASHION INDUSTRY

BRANDS AND MAKERS

Digital success stories
from fashion and
lifestyle leaders

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INTRODUCTION LETTER

Welcome to the commercetools fashion magazine! In this issue, join us as we deep dive into the impact technology has on retail, specifically within the fashion industry.

There have been many, many changes in our world since the early days of eCommerce. Technology advances, cultural shifts, the coming of age of a new generation of customers and, of course, a pandemic. Online shopping has solidified its importance in today's digital environment. There's no longer a question as to whether or not consumers will embrace online shopping for any category of goods anymore. They've made it clear, as long as their digital experiences are satisfying and seamless, they're willing to spend their dollars online and have just about anything delivered to their doorstep. For any type of business to continually deliver to meet these expectations, they have to keep up with market changes that are much faster today than before the age of digital networking. Ultimately, this is the basis for the success of the commercetools platform. Its unique headless design gives our customers and partners the opportunity to adapt business models quickly and flexibly. For the fast-paced international fashion market, this agility is particularly critical – which is why we've dedicated this magazine to our fashion industry customers. Inside, you'll find articles, statistics and case studies to help you better understand how technology is currently driving online fashion sales, as well as how it will support growth in the future. We seek to answer a multitude of questions: What are the future developments in the fashion industry? What strategies make some brands more successful than others? At which point can the communication between label and customer be controlled and how does an authentic brand image succeed?

Last year, our colleagues in the UK, together with Wunderman Thompson and Attraqt, commissioned

a study at Censuswide to examine consumer behavior in the fashion industry under the impact of the pandemic. The results provide fashion brands with a solid reinforcement that, if they're not already looking at strategies to support online sales growth, they need to start now. According to the study, 38 percent of fashion consumers look for inspiration online, 49 percent browse the websites of individual brands for trends and 63 percent say they are more likely than ever before to shop for fashion online due to COVID-19.

What we hope you'll take away from reading is a better understanding of how modern technology is playing a critical role in ensuring brands can compete in a continually changing world. It not only facilitates online shopping, but it also gives brands the power to deliver digital experiences, fast fashion and sustainability to consumers. Today, it's not enough to have a platform that shows your product and enables transactions, you need one that can support all the activities that encompass your brand. And you can't risk disrupting the frontend every time you want to make a small update or change on the backend. That's why fashion brands need to run their eCommerce on a headless platform and why so many of them have turned to commercetools. I hope you enjoy the read. As always, contact us at any time – we love hearing your feedback.



Andreas Rudl
VP Global Marketing commercetools

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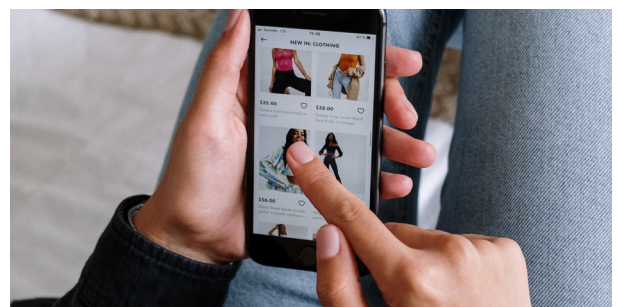
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THE NEW KEY TO SELLING FASHION

Social media has been wildly successful in providing consumers with a platform to share fashion finds and get style direction from influencers, while at the same time giving brands another marketing channel to support customer acquisition and retention. Social commerce is the only logical next step.





HOW THE FASHION INDUSTRY LEARNED TO EMBRACE TECHNOLOGY

There was a time when practically every industry was scrambling to explore the potential of eCommerce. Fashion was not one of them. The industry had a host of reasons they didn't believe eCommerce would work for apparel. At the time, many of their concerns were valid – especially the fear of not being able to deliver an online shopping experience on par with the in-store experience. Today, advanced technology has redefined, and is continuing to redefine the eCommerce experience. Not only are modern eCommerce sites capable of providing comparable experiences, but they're also able to offer enhanced services that brick-and-mortar stores simply don't have the resources to deliver.



Virtual sales associates that are always available. Inventory checks that take seconds. Virtual fitting rooms so consumers can try before they buy. AI-driven recommendations that drive add-on sales.

While the idea of eCommerce was to give consumers the ability to shop wherever they were 24 hours a day as long as they had a computer and an internet connection, it is now common knowledge that eCommerce has evolved to be much more than that. Consumers can access eCommerce sites and purchase products through mobile phones, watches, cars and virtual assistants. They can buy anything, from anywhere, at any time. It's instant gratification at its finest. That's why smart fashion retailers are integrating devices linked to

their eCommerce sites into their brick-and-mortar stores. Now, if an item a customer wants isn't in-stock in-store, they can quickly hop online and find the specific sizes, colors and styles they want while they're still in the store with a strong desire to buy.

Surprisingly, some retailers are still lagging in adopting technology that enables them to deliver the kind of eCommerce experiences consumers expect today. While Brad Soo, Product Manager at commercetools understands why fashion retailers were reluctant to sell online in the past, at this point, brands without a robust eCommerce business are finding it difficult, if not impossible to compete. With technology today, there's no excuse for not offering consumers a premium eCommerce experience. "The commercetools

headless approach allows fashion brands to craft a digital identity aligned with their physical brand identity, as well as use digital experiences to supplement their in-store physical experience. Our headless solution ensures customers a smooth transition from in-store, to online, to mobile and back. The customer journey moves with them in the cloud and allows them to switch, circle back and make purchases at any time. Regardless of channel, the experience is consistent."

Over 300 brands now run on commercetools, including major fashion brands Express, Burberry and Boohoo. Below, we explore three brands, each with their own unique business model and vision, that are all utilizing the capabilities of commercetools to drive their success in the eCommerce market.



CASE STUDY

HIGHSNObIETY

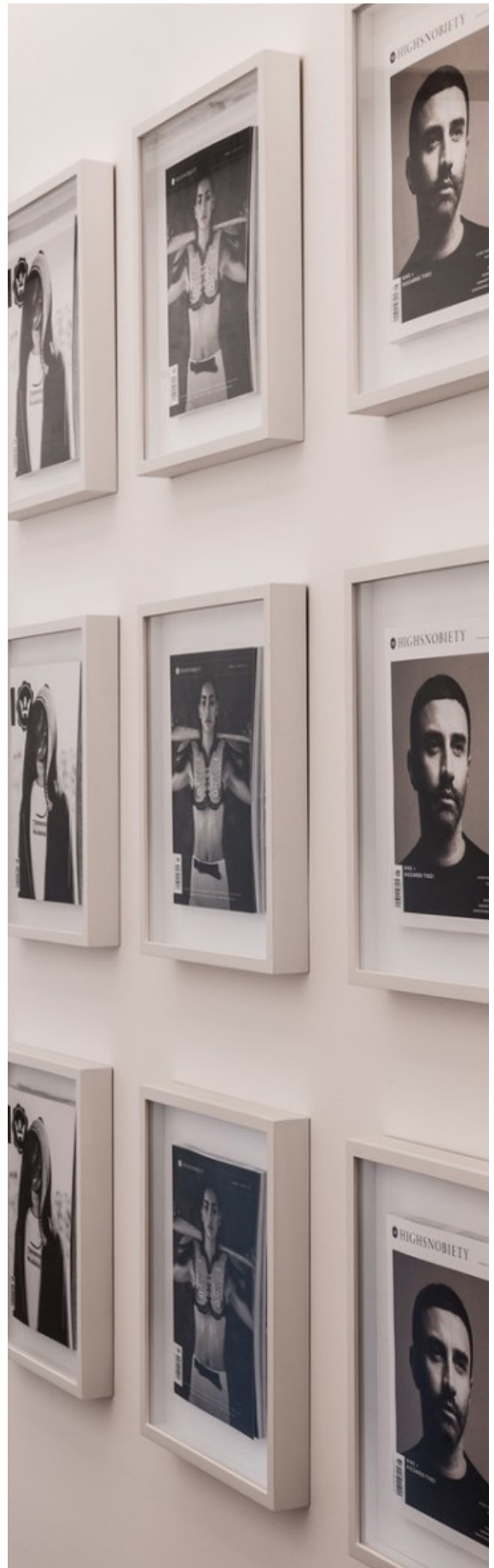
A STREETWEAR BLOG EVOLVES INTO A FASHION EMPIRE

The story of the streetwear fashion blog Highsnobiety turned luxury magazine reads like a “how-to” on creating a successful brand. Initially launched in 2005 by David Fischer during his time as a business administration student in his native Geneva, Switzerland, the company opened its first office in Berlin in 2009. Today, Highsnobiety also has offices in London, Los Angeles, Milan, New York and Sydney. Fischer’s portfolio includes his namesake online magazine, a print magazine “HIGHStyle” and a creative production agency, Highsnobiety Plus, all which run under the Titel Media corporate umbrella. The brand is possibly best known for their curated shopping tool, “What Drops Now,” which is used to collaborate with footwear and streetwear brands like Adidas, Carhartt and Puma, to deliver exclusive product drops to Highsnobiety’s loyal followers.

When you click on www.highsnobiety.com, you find yourself in a thoroughly stylish online fashion magazine. It is all about the people, ideas, places and, of course, products that shape the young scene – far removed from trends and hype, but always two steps ahead when it comes to recognizing what's coming next. Five-hundred million social media impressions and 9 million website visitors per month show how relevant the platform has become.

The site became the place for trendy luxury brands like Prada to announce exclusive product drops and sales, knowing the Highsnobiety audience was always waiting online, hungry to grab a piece from the new collection. In May 2019, Highsnobiety made their first foray into eCommerce, partnering with Prada for the online launch of their "Linea Rossa" collection. It was a complete success. "Our users have been asking for the option of a web shop for some time," explains Max Berger, Chief Commercial Officer at Highsnobiety. "They wanted to directly buy the products that they hear about in our magazines, social media, videos and podcasts."

Stepping into eCommerce, however, required redesigning their entire previous business model, which brought operational challenges. In addition to high-quality editorial content, their technology platform had to guarantee optimal purchase processing and product delivery. The decision to focus on product drops meant the platform needed a reliable foundation that could handle enormous traffic spikes. Laura Mehler, VP Strategy and Operations Commerce says the company could not risk site disruptions in the middle of an exclusive campaign. "We [had to] pay attention to a strong backend in order to be able to scale our business at any time," Mehler explains. The agile and stable platform commercetools provides ensures the site runs smoothly and every customer experience is seamless.





HIGHSNOBIETY

B2C | Fashion | Europa | USA | Asia

THE BRAND:

A fashion-focused media company which produces Highsnobiety, a digital fashion magazine. With over 9 million website visitors per month, it is the first stop for fashionistas and trend hunters worldwide.

THE CHALLENGE

- The company's existing infrastructure wasn't suitable for the commerce strategy they introduced in 2019.
- Their eCommerce platform, Shopify, did not offer the flexibility they needed to successfully support flash sales and traffic peaks, causing lost sales.

THE SOLUTION

- A headless architecture in which the frontend and backend (i.e., IT and business functions) work independently of one another.
- A scalable cloud-native technology able to handle huge traffic peaks resulting from new product drops and flash sales.
- A solution based on microservices in which further best-of-breed technologies can be integrated at any time, as needed.

THE RESULT

- commercetools provided a flexible, reliable and scalable solution able to support the delivery of both high-quality content and a robust commerce platform.
- The platform enables customers in over 40 countries to make purchases, providing price conversions and a choice of payment in four currencies.
- Highsnobiety can offer carefully selected fashion pieces presented through a seamless user journey.



CASE STUDY

CHRONEXT TURNING SECOND-HAND WATCHES INTO LUXURY GOODS

In the age of the smartphone, somehow the wristwatch remains a statement accessory, especially for men. Ludwig Wurlitzer and Philipp Man were entrepreneurial students in London who shared both an apartment and a love of watches. In 2013, sitting at their kitchen table, they came up with the idea to launch an eCommerce site dedicated to reselling high-end wristwatches. “We wanted to revolutionize the way luxury watches are bought,” says CEO Philipp Man. They envisioned CHRONEXT as an online platform where private customers could buy and sell second-hand luxury watches easily and securely. The first step was to redefine the idea of second-hand to appeal to the luxury customer. To do that, they knew maximum product quality had to be the number one priority – which meant having every watch authenticated in-house before offering it for sale. One year after

founding the company, they sold a Patek Philippe for \$640,000. “That showed we were absolutely on the right track and that every watch can be sold via an online platform.”

Today, CHRONEXT now employs 130 people and trades in luxury watches from the world’s most renowned brands – names like Breitling, Hublot, Patek Philippe, Rolex, Tag Heuer and Zenith. Products are offered for sale both through their site, www.chronext.com, as well as in beautifully designed CHRONEXT lounges in London, Cologne, Düsseldorf, Munich, Stuttgart, Frankfurt, Hamburg,



*Think secondhand new,
think pure luxury. Then get
on the track of CHRONEXT.*

Berlin, Zug, Hong Kong and Paris. Man explains, “Our aim is to combine the best of the digital and stationary shopping experience – this is the future of the luxury watch market. We will continue to expand our presence in both areas.”

At any given time, customers have access to an inventory of over 7,000 certified second-hand watches priced from \$1,000 to \$500,000 — all of which come with a certificate of authenticity and a 24-month warranty.



From the beginning, the partners believed they not only needed great products and extensive offerings to sell high-ticket second-hand watches online, but also a premium shopping experience that continually meets evolving expectations. They knew technology was the key to that equation. After years of continual growth, in early 2020 the pair realized their technology was no longer working for them. They turned to commercetools to guide them through a complete technical update. Within months they developed a completely new marketplace with new functionalities, including CMS, payment and product search. Today, CHRONEXT’s commerce platform is responsive, technically stable and ready for the future, offering limitless possibilities. According to Man, their digital transformation has enabled them to strengthen their board of directors with former top managers from eBay and LVMH, who will be critical to their continued growth. “Our digital infrastructure is an important element in the offer of our marketplace. We have found a great partner with commercetools.”



CHRONEXT

B2C | Fashion | Europa

THE BRAND:

A retailer with an online marketplace and brick-and-mortar stores that exclusively focus on selling second-hand luxury watches.

THE CHALLENGE

- Appeal to the luxury customer by offering a premium eCommerce experience. Slow response times and a lack of scalability disappointed visitors and led to lost sales.
- The complex architecture of the Magento commerce backend resulted in unnecessarily high maintenance costs.

THE SOLUTION

- A completely new online shop based on cloud-native technology.
- First-class CMS, as well as an interchangeable payment and product search.
- A responsive web shop that can be easily updated

THE RESULT

- The complete digital commerce architecture went live after just three months of development time.
- The marketing team can manage the content and products of the website themselves without IT support.
- Implementation and testing of new business opportunities such as marketplaces can be quickly explored without major effort or risk.
- KPIs
 - Update of the user interface (UI): <50 m/s
 - Bounce rate: reduced by 28%
 - Significantly higher page views per visitor



CASE STUDY

66°NORTH

SMALL COMPANY REACHES THE WORLD

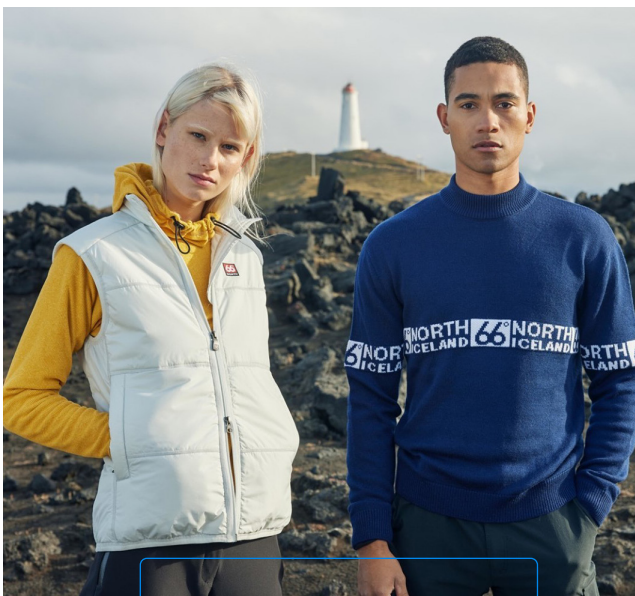
Lashing rain, icy storms – those who own a Snæfell jacket from 66°North, an apparel company based in Garðabær, Iceland, can count themselves lucky in inclement weather. The Snæfell isn't part of some fickle fashion craze. It's received multiple awards for its performance as all-weather clothing. What sets it apart is its strictly functional design and quality manufacturing that ensure it delivers reliability and durability. Basically, the jacket is a tangible representation of the values of the company that created it.

It's inconceivable to separate the 66°North brand from the country from which it comes. When the label was founded in 1926, it had a single purpose: to create functional clothing to warm and protect Icelandic fishermen during their grueling work in the merciless storms



You have to think country and label together: An estimated 96 percent of all Icelandic households have products from 66°North.

of the North Atlantic. Eventually, the brand became part of the standard uniform for the Icelandic fire brigade and police. And, almost 100 years later, the brand still churns out apparel that will stand up to any weather test.



"Our products always have a practical purpose. It's their performance that convinces." Matthew Woosley, Global President 66°North

Today however, 66°North has become somewhat of a fashion statement worn by outdoor enthusiasts worldwide. They choose the brand as much for the values it stands for – respect for nature and sustainability – as for the extremely adaptable, functional clothing it produces. According to Matthew Woosley, President, "Many of our customers have been to Iceland and love the extremes of the 'Fire and Ice Island.' Our products become a visual identification for people who love a free, nature-loving lifestyle." He points out that at this point, most 66°North apparel is probably not worn in extreme nature, but in everyday life.

As demand for the brand's products grew, it became evident that the company had to address the need for eCommerce. They launched a site using the Umbraco eCommerce platform which enabled them to reach customers worldwide. When Woosley arrived at the company in mid-2019, the limitations of the platform were hindering growth. In January 2020, he enlisted the support of commercetools. Together, they drilled out and significantly accelerated 66°North's communication and sales



channels. Woolsey says microservices, a critical element of the commercetools headless platform, were key to giving the brand the ability to limitlessly expand and change their online shop at any time. "I want customers to be able to spontaneously buy, even in the middle of a ski slope, any item from our range that they are missing," says Woosley. The commercetools platform made that happen. Plus, it enables 66°North shoppers to make purchases all over the world, without language barriers, in the appropriate currency, and in-line with local shopping habits. Woolsey explains that the flexibility offered by separating the frontend and backend working independently, plus running the entire commerce system is in the cloud, enables his team to fully concentrate on what is at the heart of the brand: their customers. "We are now saving time and money in eCommerce," he says. "We have a lot more design options. Now, the focus is entirely on the shopping experience of our customers."





66° NORTH

B2C | Fashion | Europa | USA | ASIA

THE BRAND:

An outdoor apparel company turned fashion brand.

THE CHALLENGE

- The value of the brand was an essential strategic element but couldn't be reflected digitally.
- The brand needed flexibility to add new features and integrate new technology.
- They wanted to expand the business internationally, especially in the direct-to-consumer (D2C) area.

THE SOLUTION

- A flexible, scalable digital commerce architecture.
- Implementing powerful components that prioritize digital sales strategy by enabling the brand to conduct eCommerce globally and via various touchpoints.
- A headless architecture in which the frontend and backend are independent, and data is held in the cloud.

THE RESULT

- A modern, stylish online store that highlights the unique selling points of the brand and can be updated on-the-fly.
- Live web shops in more than 47 countries with currency and language localization.
- An online presence that can be expanded almost limitlessly and as required.
- **KPIs**
 - Average order value (AOV): + 35%
 - Transactions per minute: + 20-50%
 - Repeat Purchase Rate (RPR): + 50-75%



Prepare for the future of

commerce everywhere.

Consumers today shop when and where they want, and you need to be able to meet them there. Partner with Myplanet to define and build the future of your commerce experiences with best-in-class headless solutions your customers will love.





A RETAILER'S GUIDE TO GIFTERS

THE RIGHT TECHNOLOGY & TOOLS TO MAKE SEARCHING FOR THE PERFECT PRESENT EASY

CONTRIBUTED ARTICLE BY MYPLANET.

Myplanet is a software studio and certified BCorp. Based in Toronto with global studio presence, commercetools premier partner Myplanet works with the world's most influential organizations to catalyze change across business silos. The team brings together data, systems thinking, and curiosity to build next generation experiences. Their capabilities span data-driven design, AI implementation, and personalization, while forming strong partnerships with leaders in machine learning, hardware development, and IoT platforms.



After weathering the off-and-on restrictions of the pandemic, retailers are looking forward to a return to more regular shopping routines. Consumers are no less eager to see one another and to make up for missed birthdays, anniversaries, weddings and more. Pent-up energy for buying and, especially, for gifting is set to explode this holiday season. But brands that fail to understand how their customers purchase could miss out on some (or all) of this long-awaited buying boom.

Knowing how different shoppers behave is critical because it provides the information brands need to make buying easy for each customer. And, with many people still wary of public spaces and the continuing rise of digital retail, the ideas of easy and convenient are more important than ever. If you're building a fashion brand, there are four types of holiday gifters to keep in mind:

1. The Last Minute Gifter
2. The Group Gifter
3. The Experience Gifter
4. The Statement Gifter

Each one has a different goal, purpose and need, so you need to approach each buying style a little differently. According to the National Retail Federation (NRF), 97%³ of customers will ditch an inconvenient buying experience, which is why you will need to prioritize a great experience centered around what convenience means for each type of gifter. If you don't, you run the risk of delivering a great product with a sub-par buying experience.

THE LAST MINUTE GIFTER

Every retailer needs to prepare for the Last Minute Gifter (LMG). We all know (and have been) the LMG. They will always be an essential profile for retailers to consider. The LMG is the person who meant to buy a gift weeks ago, but now it's two hours until the holiday party, and they need something ASAP.

Fortunately, identifying the LMG is relatively easy. If it's a day or two before a major holiday or they explicitly say they need something "quickly" for a birthday or event, you've found a last-minute gifter. Once you've identified the LMG, your job as a brand is simple: make purchasing as easy as possible.

The key to serving this customer is communication, communication and more communication. The LMG is already feeling guilty and anxious; they know they should have purchased a gift a long time ago. And they still have the exact needs as any other shopper. They have to go through discovery, purchase decision, check out and fulfillment, and they need to do it in record time.

For brands, that means making intelligent investments long before the LMG ever walks in the door to ensure product information and inventory levels are current and communicated to customers with real-time accuracy. A couple key statistics about the LMG:

- 1 in 3 say they choose where they buy the gifts based on how soon they can get them.¹
- 30% of shoppers say they wait until Christmas week to do their holiday shopping.²

HERE ARE SOME GUIDING QUESTIONS TO ASK:

- Can you accurately present inventory and availability for brick-and-mortar locations?
- Can you support Buy Online, Pickup In-Store (BOPIS) within a couple of hours?
- Are you able to offer next-day shipping?
- Are you able to align delivery promises to delivery times?



If you can't answer these questions with a firm and resounding yes, you can't support the LMG. However, with a technology platform in place that seamlessly handles the necessary processes, you're able to meet their needs, make the shopper look like a star and win their loyalty time and again. If you're not prepared for the LMG, you're losing out on your bottom line.

THE GROUP GIFTER

Next, we have a significant profile for life milestone retailers: the Group Gifter (GG). The GG is responsible for making the purchase decision when a group is purchasing something together, such as a group of employees buying a baby shower present for a colleague or a group of siblings contributing to a gift for their parent(s). To best serve the GG, you need to offer tools that facilitate group brainstorming and ease the decision-making process.



While a gift registry seems like the apparent technology solution here, assuming a registry is all that's required to meet the needs of this purchaser would be a mistake. Savvy friends and family groups are coming together for more significant, more creative and more thoughtful gifts than alone buying off a registry purchase list.

We all know the challenges of group buying: One person who refuses to respond to messages, another person who dominates the conversation and multiple people who can't commit to how much they can afford to spend. In most cases, the GG buyer is time-strapped, and has other things on their plate besides hounding the group to make a decision.

The key to helping the GG is to provide customer collaboration tools that make it easier for groups to clarify their decisions. Shared wish lists, virtual gift idea boards and AI-powered recommendation engines that suggest gifts based on the receiver's tastes, personality or other characteristics support the needs of your customers while at the same time driving sales for your business.

HERE ARE SOME GUIDING QUESTIONS TO ASK:

- Can multiple customers share ideas through your commerce platform?
- Can you support advanced product filtering based on multiple category parameters?
- Is there a way to split the payment among multiple purchasers in your online PoS?
- Do you have a data-driven recommendation engine to spark ideas?

Anything that makes the group gifting process run smoothly is going to be a hit with the GG. Offer multiple tools to aid in gift selection plus a split payment option and you'll win their hearts and their dollars.





THE EXPERIENCE GIFTER

The third profile to know is the Experience Gifter (EG). This type is especially important for mid-market retailers. EGs are values-driven shoppers of all ages. Their focus is on making memories because they believe experience has more value than tangible items, like perishable food or beauty products. With that in mind, the key to success with this gift-giver is to take individual products, pair them with other products and gift cards offering an experience and package everything as a “kit.”

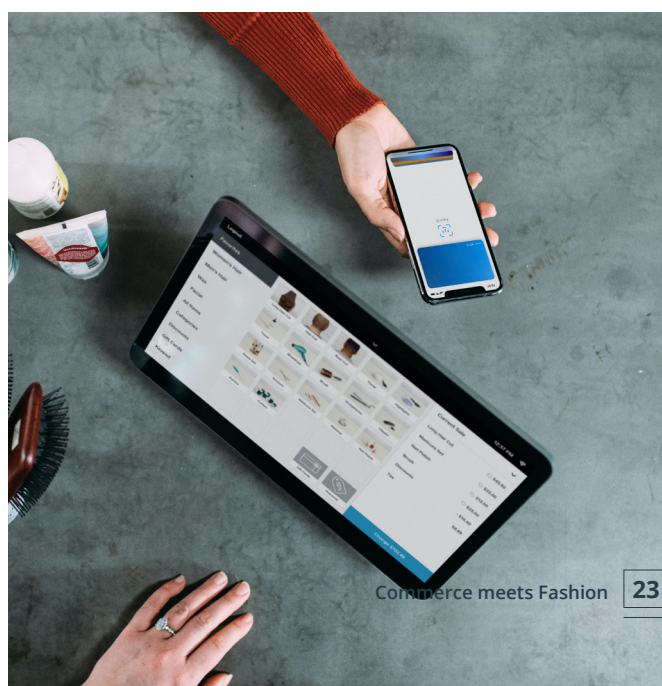
You’ve seen it done with food and beverages — a wine experience includes wine + glasses + virtual sommelier or a pizza night kit includes all the ingredients for a homemade pizza + a pan and cutter. Fashion and beauty brands can also adapt the model to support their own product sales. For example, lipstick + blush + makeup consultation, a gift card to a fashion boutique + a private session with a stylist, or a pair of handmade earrings from a local designer + a jewelry making class.

The key to serving EGs is engaging their imaginations. That means brands need to think outside the proverbial gift box and open themselves up to new SKUs, new partnerships and new potential revenue streams.

HERE ARE SOME GUIDING QUESTIONS TO ASK:

- Are there service brands that complement your product(s) that you could partner with? (e.g. spas that stock your skincare line)
- Are there aspects of your product mix that could create more engagement with your customers? (Think about what makes you unique as a brand to your audience. For example: if your handknit scarves are popular gifts, consider offering a knitting class and pairing a free class with each scarf purchase.)
- What can you do to make your customers feel special when purchasing our product(s)? (Can you invite guests like designers or stylists they would enjoy meeting?)
- What might help bring consumers to your store for reasons other than buying products?

Think about how someone might use your product in their everyday life and use that as the launchpad for developing a memorable experience, like in the examples below.





- **PARTNER-BASED EXPERIENCE**

BRAND ACTION

Turn a physical product into an experience through a partnership.

EXAMPLE EXPERIENCE

If you sell evening wear, partner with a local restaurant to offer a free round of cocktails with a purchase. This provides the gift receiver with an occasion to wear their new item.



- **ELITE-FEELING EXPERIENCE**

BRAND ACTION

Make the process of buying an experience unto itself.

EXAMPLE EXPERIENCE

Online, this could be done with a personality survey that drives a recommendation engine; in-store, this could be a private shopping experience that comes with a gift card.



- **CURATED EXPERIENCE**

BRAND ACTION

Think through the product use case and deliver that experience.

EXAMPLE EXPERIENCE

When buying makeup as a gift, include an exclusive link to a virtual presentation by the lead artist sharing her color inspiration for the season along with tips on how to create a stellar new look.



THE STATEMENT GIFTER

The final profile to consider is the Statement Gifter (SG). This individual is looking for the perfect gift – the one that hits the receiver with an instant sense that it was made for them. It usually correlates with higher-cost items, which is why it's crucial for upmarket and luxury retailers to plan for them.

The SG is looking for an item that will, as the name suggests, make a statement for the receiver: the designer blazer that goes with everything; the clutch purse that makes every little black dress look like a Chanel; or the skin cream that delivers on the promise of a flawless, movie-star complexion.

The important thing to know about the SG is they aren't just looking to spend money. They want to feel confident they've made the right decision and that

the receiver will love the gift. This isn't the same as conspicuous consumption, where people buy the most expensive item simply because they can. It's about intentionally selected indulgence, and the two aspects must come together for the SG to make a purchase.

SGs are interested in things like product origin stories and in-depth information about product materials, which is why setting up robust systems both online and in-store to support research is important.

The key to success with the SG is helping them make the perfect decision. The SG might know a lot about the person receiving the gift, but they will lean on your brand to give them the extra information they need to make a purchase.

HERE ARE SOME GUIDING QUESTIONS TO ASK:

- Do you have strong clienteling technologies in place?
- Are you enabling personalized client service?
- Do your associates have tools to support their knowledge of your products?
- Can customers access past purchase information to better inform current decisions?
- Is your online experience providing the same level of quality as in-store? (e.g. Is product information as robust as an associate could offer? Are the visuals clear and appealing?)

The SG wants to wow their gift recipient. To ensure you can do that, it's very important that your digital experiences emulate what customers already love about your brand. If you can support the SG's quest, you will have no problem winning loyalty from this customer who prizes perfection in gifting over other considerations.

Preparing for the different types of gift-givers doesn't need to be complex if you have the right technology in place. Brands should think about how digital investments can power the type of experience their customers already love, bridging the in-store and online experiences to create a seamless and cohesive whole.



For example, every brand should prepare for the Last Minute Gifter, but each needs to do so in ways that are authentic to them. A mass-market fashion retailer will do this differently than an haute couture brand. Think about what makes your brand unique in the market first, then build digital experiences that fit that market niche. From there, it's all about clear marketing that lets your customers know they'll get the same experience online as they would in-store, and that when it comes to gift-buying, you've got them covered.

1. www.thinkwithgoogle.com
2. www.prnewswire.com
3. [NRF's Winter 2020 Consumer View](#)



ACCESSORIES: A PERFECT FIT FOR ECOMMERCE SALES

Accessories have always been important to the fashion industry. Designers turn to them to complement and complete looks on the runway, lifestyle brands use them to help expand brand awareness, and retailers leverage their affordability to inspire impulse purchasing and generate add-on sales. Apparel has always been the star, but in the digital world we live in now, accessories hold a lot of power.

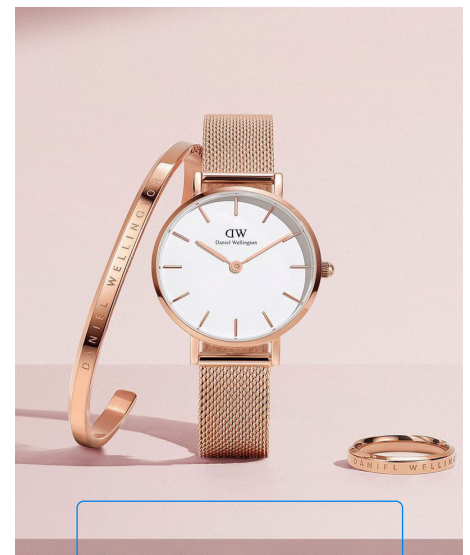
In the past, fashion designers designed apparel-first, then added accessories. It was rare to find an aspiring designer who wanted to focus on accessories. Instead, the traditional approach was to establish a name as an apparel brand, and then launch accessories to



increase brand awareness and grow revenue. The strategy was simple: a designer could appeal to the mass market by translating the style and quality of their brand to handbags, watches, sunglasses and jewelry, which can be produced at more accessible price points. Case in point: While owning a Burberry trench might be beyond the reach of most consumers, the brand can easily produce – and sell – millions of scarves featuring the signature plaid print that originally made the coat famous.

While that strategy still works, since the launch of the internet, more and more brands focused strictly on accessories have launched and have been able to establish a loyal customer base without the support of a fashion designer name behind them. And, by exploring this trend more closely, it becomes evident that eCommerce is a key factor driving this change.

As many people remember, the fashion industry did not immediately embrace the idea of selling apparel online. The argument was that to sell fashion, consumers needed to see, touch and try on items, which made the in-store experience a critical part of the customer journey. In the late 1990s and early 2000s, major brands that ventured into eCommerce quickly discovered consumers were more apt to buy accessories online than apparel. Getting the fashion consumer to forgo the thrill of “going shopping” and instead buy-in to the idea of logging into a computer to order clothes ultimately took many, many years, along with a lot of technological advances. According to Anita Finkelstein, former Editor at Women’s Wear Daily, “With accessories, there was no fit issue. It didn’t seem risky to buy a handbag or necklace online. It was different with fashion. Consumers



A watch wants to be combined appropriately: A store that offers the appropriate variety via click-and-buy is ahead.

The Beauty Buy-In: Delivering Consumer Confidence Through Modern Technology

While makeup and perfume are often considered accessories, the consumer buying experience is more akin to apparel. To secure a sale, brands have to help consumers believe the skincare, makeup or scent will perfectly fit them and their needs. Both the 10-year-old Germany-based flaconi beauty retailer and the four-year-old UK-based makeup line Trinny London discovered early on that to provide consumers with digital experiences that deliver that level of confidence requires modern technology.

Both beauty-focused companies launched their businesses online with web shops selling exclusive products. flaconi opened their eCommerce doors in 2011, offering consumers an exclusive selection of perfume brands. As their popularity grew, they added makeup and skincare products to their product mix. It wasn't long before they discovered the traditional eCommerce technology they chose couldn't support the strong growth of the company. They needed a commerce platform that could administer all transactions on flaconi.de, be unlimitedly scalable and offer a first-class mobile user experience. commercetools helped flaconi build a headless platform featuring ready-to-use microservices that can be individually combined and expanded. It allowed the brand to easily integrate their existing components via API interfaces while providing the flexibility to add new products and implement new features with just a few clicks. Seven years after transitioning to the new technology, the site seamlessly supports the sale of 45,000 products, which enabled the brand to increase sales twelvefold. In addition to offering excellent customer service, high-quality

design and intuitive shop operation, the site provides broad product information and enables short delivery times that make online shopping easy and convenient for flaconi customers. The brand no longer worries about their technology; instead they can focus on continually delivering a premium shopping experience.

Trinny London's story is similar. Launched in 2017, the brand gained popularity quickly by appealing to the modern woman who is always looking for solutions to simplify her life. The concept developed by Trinny, a makeup artist, was simple. Create small, convenient, stackable pots of makeup and skincare products and offer them online along with a premium digital experience. Her vision was to showcase color-coordinated and skin-type compatible stacks and allow a customer to "stack" as many, or as few, products as she wants. If a customer wanted guidance, a Match2Me feature quickly generated the perfect recommendations. Women instantly fell in love with the brand, so much so that, according to Jay Jetley, Chief Technical Architect, the Shopify platform they were running on couldn't support growth. He points out, "The business was starting to ask for features and functionally that was very difficult to build, if not impossible, in Shopify."

Taher Khaliq, Chief Technology Officer, turned to commercetools to provide the brand with a powerful, customizable, headless platform, explaining it was a perfect choice because it allowed them to continue using their existing platform while at the same time transitioning over to commercetools. "We didn't want to pause. We wanted to move from five people in engineering to 45 in the same year while still delivering 16 new product launches, entering new markets, and building new features."



did not understand why they would want to buy something online when they could go into a store, try it on multiple items and then leave with exactly what they wanted.”

Today, Daniel Wellington, Apollo-Optik and COEUR DE LION are just a few of the global accessory brands who are capitalizing on eCommerce to help build brand awareness and increase revenue. All three clearly saw that by utilizing the commercetools headless microservices-based, API-first platform they could deliver a modern web shop experience that gave them the flexibility to easily make changes on-the-fly, deliver on-trend products to customers, promote to their target audiences and adapt to changing market needs.

For Daniel Wellington, the Stockholm, Sweden-based watch brand, it was all about being able handle rapid sales growth. Owner and CEO John Filip Tysander launched the Daniel Wellington eCommerce site featuring minimalistic, refined watches that offered multiple interchangeable strap options. His strategy was to offer a young, digital-savvy audience a quality product at an affordable price point and promote through online marketing and social media. The brand took off quickly, selling over one million watches within three years. Eventually, the original eCommerce platform couldn't handle the extreme peaks of Black Friday sales. He found a more agile



solution by partnering with commercetools. Daniel Wellington's new platform now enables sales in 25 countries, and the platform seamlessly scales even during peak loads, allowing the beautiful timepieces the brand offers to reach customers without any technical handicaps.

Founded in 1972, Apollo-Optik, the largest eyewear and sunglasses retailer in Germany, operates over 900 brick-and-mortar shops and sells products in 40 countries. The company chose to expand into eCommerce to enable their customers to order glasses around-the-clock and enjoy the convenience of having them delivered to either a nearby branch or directly to their home. Their original platform was based on legacy software that ultimately began to hinder their ability to adapt to new sales channels and meet the changing needs of their customers. Keeping the site up and running consistently became time-consuming and expensive for the brand until commercetools proposed a solution based on headless architecture. Today, the brand can sell products through any commerce channel – online, mobile, social media and more – and allow customers to virtually try on every pair of glasses they sell, increasing their confidence in ordering glasses online, and thus generating higher revenue for the company.



*"The perfect accessory
can make the difference
between looking blah and
totally to die for."
-Michael Kors*

COEUR DE LION, one of the leading German manufacturers of fashionable designer jewelry, also felt eCommerce was key to building their brand. Launched in 1987, designer Carola Eckrodt presented her debut collection, made from industrial findings, at a trade show in Munich. Hanns Friedrichs, a Dusseldorf-based couture designer, bought every piece. Today, the brand is known for their signature colorful Geo Cube necklaces, earrings and bracelets, which are sold individually and as sets, and have developed a loyal customer following. Every piece is handmade in the Munich studio where Eckrodt still serves as head designer. A few years ago, the company realized their eCommerce platform could no longer handle their business growth. They enlisted commercetools to help them build the powerful online shop they have today. Now that they have migrated to the modern platform of commercetools, the brand has been able to expand distribution to over 25 countries, as well as allow customers to easily pull up every product combination intuitively and in seconds, even on mobile devices. Most importantly, the brand can make changes and updates to the online collection without disrupting the user experience or impacting transactions.

All three brands found success by providing quality accessories that deliver wide appeal to consumers. But today, a great product is not enough to keep customers coming back and ensure business growth. Daniel Wellington, Apollo-Optik, and COEUR DE LION all recognized that they also needed powerful, modern technology that consistently meets the demands of the digital customers. They found the best possible solution with the commercetools headless platform, which provides them with a foundation that ensures they will be able to deliver premium customer experiences today, tomorrow and in the future.

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FASHION IS FAST. TECHNOLOGY KEEPS UP THE PACE.

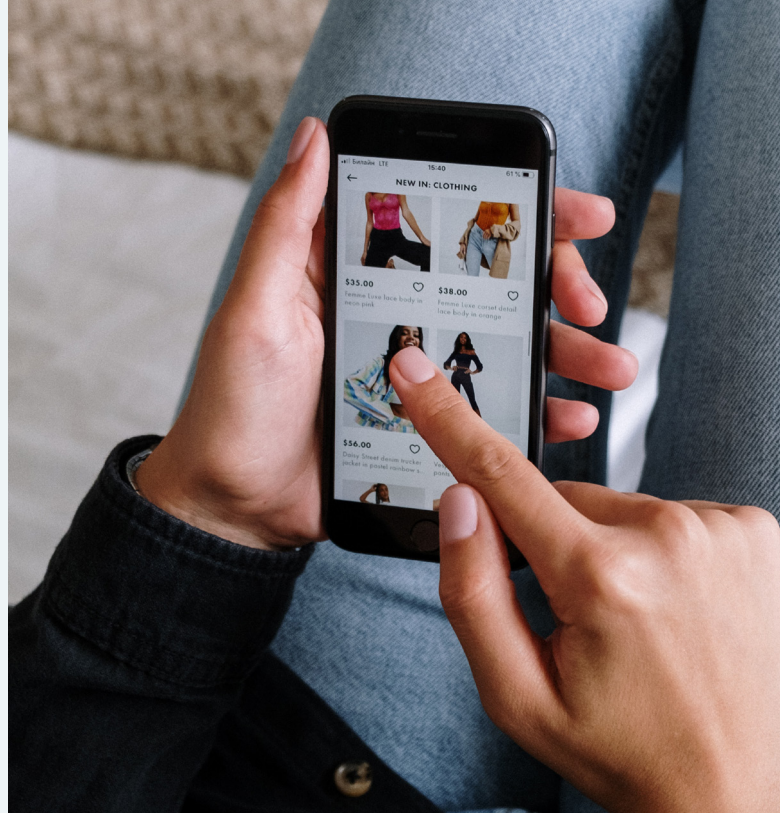
As a recognized market leader, EPAM Systems, Inc. leverages its software engineering expertise to help their clients thrive in a market challenged by the pressures of digitization – what's more the company is an essential partner of commercetools. We sat down with Neil Meyer, Head of Digital Delivery EU at EPAM, to get his inside perspective on what new technologies and strategies are driving the luxury fashion segment forward in the area of digital commerce.

Q: WHAT CHALLENGES DOES THE LUXURY FASHION ECOMMERCE INDUSTRY HAVE TO DEAL WITH WHEN TRYING TO MEET CUSTOMER EXPECTATIONS?

NEIL MEYER: There can be very real tension between making sure you are speaking to the broadest part of your audience, while still ensuring you offer each customer an authentic personalized approach. Within luxury fashion, though the audience is smaller than a mass retailer, they are far more demanding, and the need to present a personalized voice becomes increasingly more important. To address these dual needs, we help architect solutions that engage broadly via the landing page experience, but also quickly pull in custom content based on the user's profile, previous purchases and browsing history. Thus, while a visitor might arrive having followed a link to a new trench coat design, they may be presented with additional accessories based on items they've looked at previously, which complement the coat that brought them to that site.

Q: THERE'S A LOT OF COMPETITION IN THE ONLINE FASHION RETAIL SPACE. WHAT IS THE BEST WAY FOR BRANDS TO DIFFERENTIATE THEMSELVES FROM THEIR COMPETITORS WITH THEIR ECOMMERCE?

NEIL MEYER: In luxury fashion, being true to your brand and heritage is often the greatest draw for customers, both new and established. Visitors to your site are there because they want to engage with your brand in a meaningful way and are willing to pay a premium for your products. As long as your technology allows you to create online experiences aligned with the unique identity your customers expect from your brand, you'll differentiate yourself from your competitors and be able to establish and retain brand loyalty just as easily through your digital channels.



Q: HAVE YOU SEEN A DIFFERENCE DEMOGRAPHICALLY IN HOW CONSUMERS SHOP?

NEIL MEYER: Younger customers that fall into the "digital native" category have an expectation that they will be able to engage with the brand, browse and purchase products, track their order progress, and share their experience via social channels in a highly fluid way. However, luxury brands with a strong heritage position must also ensure that the shopping experience is accessible and engaging for their more mature customers, many of which have greater spending power.

However, for brands operating across a global stage, there are patterns that should be considered and factored into your engagement strategy. To deny or marginalize them puts you at risk of missing out on cultural and generational trends, and therefore sales.

The pandemic accelerated the development of digital solutions designed to replace in-store experiences while stores were closed. Creating virtual showrooms and offering personalized client engagement through one-on-one consultations enabled brands to keep customers engaged. In many cases, this created

a positive outcome in that demographic groups who may traditionally not have considered these channels have now adopted these new digital alternatives.

Q: WHAT MAKES AN ECOMMERCE PLATFORM, SPECIFICALLY FOR LUXURY FASHION RETAILERS, SUCCESSFUL?

NEIL MEYER: For luxury fashion, having a platform that is a natural extension of your own brand experience is a must. Even before the pandemic, there was a growing need to have a seamless connection between your brick-and-mortar stores and your digital channels. To capitalize, your digital channel needs to offer the "feel" of the brand, the „personalization“ of the client team and a "frictionless" experience of transacting in sales or after-care. The key to achieve this requires backend technology that operates effectively and in a highly performant way.

Monolith solutions can be excellent generalist systems, but often struggle when it comes to matching the specialist function and focus that a decoupled MACH solution can deliver. It is this focus on providing the very best underlying components, together with the flexibility to change to match future needs, that is giving some of the leading fashion brands an edge in the eCommerce space.

Q: WHAT IS YOUR KEY ADVICE TO FASHION RETAILERS WHEN THEY ARE CONSIDERING MIGRATING TO A NEW COMMERCE PLATFORM?

NEIL MEYER: Much of the consideration in selecting an appropriate commerce platform will come down to how the brand or retailer operates. Do they have a single unified system that caters to both in-store and online sales? Do they sell via a combination of channels, such as their own sites (physical and virtual), as well as via third-party sites? What are the complexities of multinational sales, taxation and fulfilment? What is the return rate and how is the after-care process integrated into the experience? These are just a few of the many questions that must

be considered when evaluating the options for a new commerce platform, as the answers will lead you to choosing the right solution for your brand.

For some clients, there is a very clear case to stay on a current platform, especially if they have already made significant investments in the technology and upgrading to a new version with useful features or extensions is relatively simple. Here, you don't need to retrain your own teams to operate the systems (e.g. content and customer services teams), and existing engineering teams can continue to offer the same service as before.

However, MACH architecture brings some very real benefits from companies looking to address their growth by operating with a "best of breed" mix of components. Instead of having a single vendor, who can cover all the bases "well enough," you get to select the best SaaS providers for handling search, managing content and dealing with the specifics of your transactional commerce. Each of these providers has a very specific focus and, therefore, can excel in that one area to deliver the best possible experience for your customers.

To get the best result out of either route, finding the right implementation partner is critical. While some of the more expensive consultancies can sell the story, they rarely handle execution of the project. You'll reap the most benefit by choosing a partner that not only has the expertise to find the right solution, but also has the capabilities to deliver the project and provide support to ensure you can continually evolve your solution as new technologies and channels emerge.



THE STARS OF SUSTAINABILITY

Sustainability. It just keeps growing and growing and growing in importance. As defined by the Oxford Dictionary, sustainability means “the avoidance of the depletion of natural resources in order to maintain an ecological balance” – and today, as companies in every industry across the globe are learning, it has to be an integral part of business strategy to remain competitive.

Fashion jumped on the bandwagon early on. It quickly became trendy to offer collections made with eco-friendly fabrics. Today, though, sustainable fashion is much more than just making clothes with organic cotton, vegetable dyes or hemp – it’s about integrating sustainable practices throughout every step of the design-to-delivery process. Thankfully, organizations like the United Nations and companies like NEONYT are providing support and guidance to the industry in its quest to maintain “ecological balance” while still producing products that appeal to their customers.

To better understand the state of sustainability in the fashion industry and where it’s headed, we interviewed Thimo Schwenzfeier, Show Director at NEONYT, who provided some compelling answers. We also profiled four companies that sell different products and operate different business models, but who all share a dedication to promoting sustainability in fashion.



NEONYT Q&A: TECHNOLOGY'S ROLE IN THE INTERSECTION OF FASHION AND SUSTAINABILITY

In just over 10 years, the NEONYT trade show has grown into the preeminent global platform for promoting sustainable fashion. Held in Frankfurt, Germany, the bi-annual event brings well-known brands, progressive designers and exciting newcomers together with retail buyers, textile manufacturers and technology innovators – their common vision is to transform the fashion industry into an industry driven by sustainable practices throughout the supply chain.

While COVID forced the organization to host both 2021 NEONYT shows virtually, Show Director Thimo Schwenzfeier says the pandemic did not hinder the progress of the sustainability movement. He increasingly sees palpable change in both consumer behavior and in the fashion industry's

views of sustainability. He sat down with us to offer his insight and expertise to explain how design and sustainability can work in tandem, why transparency is so important in the fashion industry and the opportunities digital commerce has created for brands trying to meet their sustainability goals.

Q: HOW DOES NEONYT WORK DIGITALLY? AND TO WHAT EXTENT DOES DIGITIZATION PLAY A ROLE WHEN IT COMES TO TRANSPARENCY?

THIMO SCHWENZFEIER: NEONYT on Air 2021 was our second digital edition of the show. It was a full replacement for the cancelled physical seasons, but we still believe it was a success: In just one week, our content was accessed more than 120,000 times via Instagram. We shape the future of fashion sustainably. NEONYT on Air was able to reach far beyond its actual community, which made it clear that together we can make sustainability a more general topic. People are increasingly concerned with the topic, but the willingness of consumers to buy sustainable products is almost directly linked to



*„Plan A no longer works.
We need to rethink - now,
not in 2030.“
Thimo Schwenzfeier*

how much transparency retailers provide. Retailers and brands can only act truly sustainable if they share enough information about their products and their processes. Consumers no longer blindly believe it when a product is labeled organic or made with recycled materials. Digitization plays a crucial role here: starting with presenting collections via livestream all the way through to operating digital production processes that prevent overproduction and tracking the production path. Digital solutions can help brands maintain an overview of their solutions in action while delivering on demand. This is especially important for global companies.

Q: YOU'VE SAID THAT COVID-19 HAS NOT ONLY BEEN WORKING AS A CATALYST FOR DIGITIZATION, BUT IS ALSO ACCELERATING THE PROCESS OF SUSTAINABLE FASHION. HOW DO YOU EXPLAIN THAT? CAN YOU TRACE THE DEVELOPMENT FOR US FROM THE PERSPECTIVE OF THE ECO-FASHION INDUSTRY?
THIMO SCHWENZFEIER:

The change came practically overnight. It was unexpected and encompassed society, culture and the economy. Social distancing, no public life, work from home, no business travel, disrupted supply chains, all converged at once. Plan A no longer works, so we have to rethink – not in 2030 or later, but right now. This huge shift made it clear how networked, and at the same time, fragile the entire system is, and that has strengthened the willingness to cooperate. Competition does stimulate business, however, in times of upheaval; investments in new technologies and business models are necessary. These are best created together. Brands within the ethical fashion community have long been setting a good example because real partnerships with suppliers at home and abroad pay off. After the initial COVID-19 shock wave and a phase of reorientation, the crisis turned into an opportunity for many brands. We experienced how volatile our time is – and how important it is to act in the here and now. Now, we can show how seriously we really are about sustainability.



*Thimo Schwenzfeier,
Show Director NEONYT*



Q: TOGETHER WITH THE “CONSCIOUS FASHION CAMPAIGN,” YOU HAVE MADE THE SUSTAINABILITY GOALS OF THE UNITED NATIONS A PRIORITY. CAN YOU BRIEFLY EXPLAIN TO ME WHETHER – AND IF SO, HOW – CONCRETE PROJECTS WILL DEVELOP FROM THIS?

THIMO SCHWENZFEIER: We’re putting our 17 sustainability goals in the spotlight at NEONYT – in panel discussions and podcasts, at press conferences, in lounges or on social media. Together with the Conscious Fashion Campaign, we’re creating an information base for the textile and fashion industry in order to enter into direct dialog with everyone who is interested in working toward more sustainability, transparency and authenticity. The aim is to anchor goals in global value chains and implement them. We pursue this approach across all industries – from manufacturers to suppliers and sellers – because the entire industry is responsible for finding solutions for social, economic and ecological change. Building on the collaboration between Messe Frankfurt, the Conscious Fashion Campaign and the United Nations Office for Partnerships, the Frankfurt Fashion Week, for example, will become a platform that defines the fulfilment of our goals by 2023 as a prerequisite for all exhibitors. This is an important step for the sustainable fashion scene, but above all, for the global textile and fashion industry.

Q: FROM AN ECOLOGICAL POINT OF VIEW, THE ACHILLES’ HEEL OF ONLINE SHOPPING IS SHIPPING AND HANDLING RETURNS. ARE THERE ANY NEW IDEAS ON THESE ISSUES?

THIMO SCHWENZFEIER: Online shopping is particularly unsustainable when the returns are destroyed, which is still the rule in many commercial shops. Apart from this waste phenomenon, the packaging waste created during shipping is a major negative factor. The solution that is available here is not that new: reusable deposit systems. Why shouldn’t something that works with bottles and beverage crates be possible with other packaging materials too? The company RePack, for example, has made this task their mission. As a result, they designed a reusable mailing bag made from recycled plastic that the end customer sends back to the shop via the post office after receiving goods.

Q: MANY NEONYT BRANDS, WHICH IN ADDITION TO STATIONARY RETAIL BUSINESSES AND ONLINE ECOLOGICAL SHOPS, TRY TO COMPENSATE FOR THEIR FOOTPRINT BY PACKING SUSTAINABLY AND SHIPPING IN A CLIMATE-NEUTRAL MANNER.

THIMO SCHWENZFEIER: Part of the responsibility here also lies with the consumer. Reduce and reuse, consume carefully, avoid single product orders and place return orders in a bundle whenever possible. Protecting the environment is something we can all contribute to.

NEONYT HOT LIST

SUSTAINABLE DEVELOPMENT GOALS (SDGS): NEONYT has embraced the 17 goals for sustainable development the United Nations has formulated as part of the 2030 Agenda. The global plan is a guideline for countries to fight poverty, protect the planet and translate social inequalities into national development plans.

THE CONSCIOUS FASHION CAMPAIGN (CFC): This NEONYT-led initiative creates high-profile partnerships for fashion events in cooperation with the United Nations Partnership Office (UNOP). The campaign mobilizes the fashion industry to find solutions for social, economic and ecological change.

THE UNITED NATIONS OFFICE FOR PARTNERSHIPS (UNOP): Acts as the global interface to build partnership initiatives between actors in the public and private sectors that aim to implement the SDGs.



WOLFORD

URNS WASTE INTO LUXURY

"I have a large glass vase with soil in my office," says Andreas Röhrich, Global Director R&D and Sustainability at Wolford. "If you look closely, you can see the remains of a T-shirt from our Aurora collection, which is gradually being broken down." The fact that Röhrich is so pleased with this fascinating process is partially due to what it took to produce a biodegradable fabric. He and his team researched for many years, in cooperation with manufacturers and universities, until the composition of the first biodegradable leggings met Wolford's high-quality standards, as well as the strict guidelines for Cradle to Cradle® certification. The secret: fibers and yarns whose chemical structure has been modified so that they no longer release harmful substances into the environment.

The biodegradable items are only one branch of the sustainable product line Wolford offers. "In addition to organic products, we also manufacture technical cradle-to-cradle products," explains Röhrich. "We use Econyl, a polyamide fiber that is obtained from fishing nets from the oceans and other nylon waste. It is made by depolymerization, a process in which the chains of the polymer are broken down into their individual parts – so-called monomers. Then they are put together into a new fiber. This process can be repeated indefinitely."



Anyone who has purchased a product from the Wolford Aurora collection can return it to the store or send it in at the end of its lifecycle to receive a discount on a new item. Depending on the cycle for which it was manufactured – organic or technical – it is either biodegraded or transformed into a new product. Of course, buyers who value sustainability want to know where the raw materials come from and how the items were produced. For this, Wolford relies on digital tech to provide transparency. Customers can scan 3D codes printed on product tags using a smartphone to access information about the provenance of the ingredients. "I am convinced that the origin and harmlessness of the raw materials in products are becoming increasingly important for consumers," says Röhrich. "Transparency in the supply chain is, therefore, also an important keyword for the company's success."



REPACK

MAKES A SUSTAINABLE IMPACT

Shipping, especially the packaging waste it causes, has become an ongoing problem in terms of sustainability. In 2012, Finnish designer Jonne Hellgren started investigating potential solutions. His logic was if you can fill bottles over and over again, why wasn't there a way to do the same with envelopes. He got to work quickly developing RePack, reusable packaging for shipping goods. Today, Hellgren, now the CEO of RePack, counts over 150 brands and retailers in Europe, including H&M and Weekday as customers.

The packing process for retailers using RePack to ship eCommerce orders is the same as any other packaging. The difference is after the customer receives their order in a RePack, they have the option to put the empty shipping bag into the nearest mailbox. The bag is returned to the company at no cost to the consumer. Once the used bag is returned, it is inspected, repaired if necessary, and returned to the retailer ready for the next shipment of goods. RePack not only eliminates the waste from packaging, it removes the need to continually manufacture new processing which reduces CO2 emissions.

Each RePack can be used up to 40 times before it is given a new life. Hellgren says he and his team are always exploring opportunities to upcycle and repurpose RePacks when they reach end-of-life stage. Hellgren has already processed them into shelves for the British department store chain Selfridges. Perhaps the next generation of RePacks will become laptop or tablet cases – who knows?



SILK SISTERS

SHAPING THE FUTURE OF FAIR TRADE

For years Dirk Nienaber produced fashion for large corporations. He says there was no getting around working with the Far East, because most established brands are price and collection driven. The problems with relying on Asia for production weighed heavily on him. "The CO2 footprint can no longer be displayed with this production method," he says, explaining his motivation for starting the Australia-based Silk Sisters brand with his wife Melanie. "Apart from the transport routes by ship, which are ecologically unsustainable, the working conditions in Asia are often inhumane."

The couple focuses on combining fashion with fairness, building partnerships with production facilities that guarantee good working conditions for employees, as well as transparency with regard to materials. Melanie, who designs the collection, explains, "We source our cotton fabric from the traditional fabric manufacturer Somelos in Portugal and have it cut to size and processed into blouse shirts, tops and dresses in our sewing facilities."



"For us, the trend is clearly towards the online shop. There we escape the discouragement of the retailers and sell pieces that have been created according to our own rules: local, fair and social."



As head of the financial side of the business, Dirk points out, "If you exclude customs duties and transports, the bottom line is that silk blouses and dresses can be produced more cheaply in Europe." And he says, because European companies are more flexible partners, they will produce small quantities, which avoids overproduction. "We're able to produce orders on demand instead."

Melanie happily reports the company is noticing a change in awareness among consumers – toward slow fashion that is fair and environmentally friendly. And while the typical shopper is still focused on price and leans toward established old brands, consumers who are more fashion and environmentally conscious seek out brands that deliver both.



AVOCADOSTORE

THE AMAZON OF ECO-FASHION

Avocadostore is the largest German online marketplace for EcoFashion. From bamboo straws to beeswax tea lights, from baby socks to organic cotton dresses: Avocadostore offers a sustainable alternative to almost every conventional consumer product. Since Managing Director Mimi Sewalski joined the eCommerce platform in its infancy in 2010, she has on-boarded more than 4,000 labels produced by innovative eco brands all over Europe. Today, the first and largest German online marketplace for a sustainable lifestyle is generating almost \$5 million in sales per year.

If you shop here, you can filter according to 10 sustainable criteria within the individual product categories (women, men, living, etc.): For example, you can choose to only display products that are CO2-saving and whose raw materials come from organic farming. "For every product you can read which of our 10 sustainability criteria are met," explains Sewalski. "As a customer, you can ask questions, analyze and enter into discussions with other customers, the retailer and us. Sewalski says the company has actually taken products off the site if the result of a discussion warranted its removal. "This is how sustainable online shopping works: open, transparent and flexible."



The Importance of Sustainability in Fashion

The 2021 Digital Commerce 360 Online Apparel Report¹ surveyed the websites of the top 1,000 eCommerce apparel merchants to produce statistics that prove sustainability has gone far beyond a fad.

- 44.3% mention sustainability in some way on their websites.
- 17.8% highlight sustainability in more than one place.
- 40.0% have a separate webpage dedicated to sustainability; often the page showcases extended details of sustainable practices.
- 12.5% of the top 1,000 apparel merchants highlight sustainability on their homepage, while 16.1% mention it on specific product pages.

2021 Edition Online Apparel Report. Digital Commerce 360 & Vertical Web Media LLC. April

2021 <https://www.digitalcommerce360.com/product/online-apparel-report/>



THE POWER OF DATA

Unless you've been living under a rock, you're aware that every time you enter a digital channel, your personal data is being collected. While there are concerns and many naysayers, the idea behind gathering every piece of information about who you are, what you like and how you shop, is intended to benefit you. Basically, web browsers and brand websites use data to screen content and tailor digital experiences to meet individual preferences. So, you get to see the things that interest you, and aren't as exposed to content that doesn't.

At this point in the digital evolution, eCommerce is being driven by artificial intelligence (AI)-based data programs that put the customer at the center of the shopping experience. In his role as Director of Engineering, Product and Category Experience, at Zalando, Jan Hegewald, focuses on developing agile software products that deliver the scalability required to support long-term company growth. The Berlin, Germany-based online fashion retailer currently operates web shops in 23 countries, including the US. Hegewald offered to share his eCommerce expertise and insight as a guest contributor. Below, he explains why he believes data is the key to taking digital shopping experiences to the next level.

THE CUSTOMER-CENTRIC SHOPPING EXPERIENCE

Shopping for apparel online is not without challenges. While customers choose consumer electronics products largely based on product specifications or reviews, fashion is a much more personal and subjective purchase. Customers want to know how an item fits their unique body and fit preferences, how a piece works with the rest of their wardrobe, or how a certain color tone matches their skin. This has solidified the belief that shopping for fashion online will never match the experience of shopping in brick-and-mortar stores. However, one important asset can change the whole picture: data. Data Is What You Need

There are two types of data used when improving the digital fashion shopping experience.

1. Data from customers, for example, their size and fit preferences.
2. Data from fashion brands that describe the unique characteristics of every item they produce.

Most major brands are already capitalizing on using customer data to enhance the eCommerce shopping experiences, encourage online purchasing and generate higher sales. At the same time, acquiring relevant data doesn't happen overnight and it requires a high degree of customer trust. In many online contexts, consumers share their data as a way of connecting with others. For instance, on a musical platform like Spotify, customers share their personal playlists publicly. However, in a fashion context, data like body measurements, size preferences or skin type is often viewed as very personal information, which many people prefer not to share publicly. To build the trust necessary, such that customers are willing to share personal data, brands need to explore ways to ensure customers that their data is safe, used in a way that they understand and not shared without their consent. Ultimately, customers need to feel they are in control over their own data.



The value of the second type of data, product data provided by brands as opposed to customers, has yet to be recognized. Examples that could be used to support digital fashion sales include:

- Precise 3D scans of garments and shoes. Programs that analyze scans to derive exact measurements can be used to develop features that allow customers to understand the fit of specific items and improve their ability to order the correct size.
- 3D CAD files generated through the fashion design process. These contain the data specifications used to manufacture individual garments and shoes and can be entered into programs to allow customers to understand the fit of products and make better purchasing decisions.
- Video data showing the materials used to manufacture the item. These can provide customers with a visual representation of the elasticity and flexibility to expect, again giving them information that can increase the probability of making a purchase.



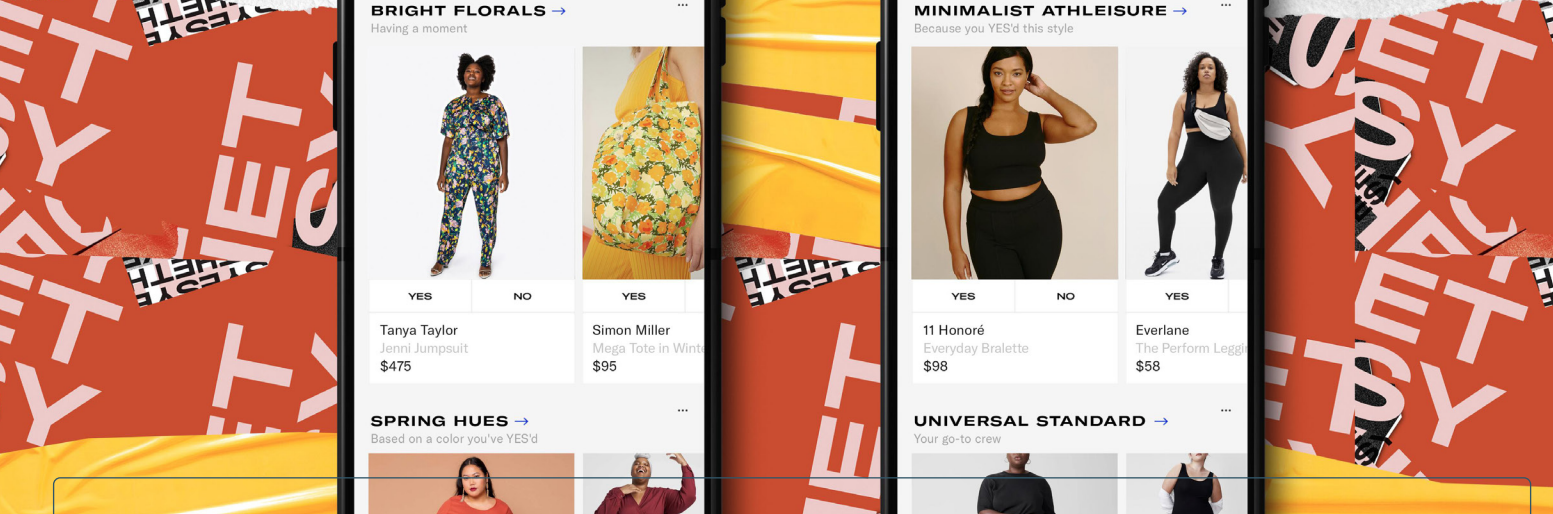
While most brands produce this data in-house or can obtain it from their manufacturing partners, it is not yet common practice to integrate it into the eCommerce environment. Although utilizing granular design and production details in this way could benefit customers immensely, and likely generate more sales for brands, it would be difficult to implement. Implementation is difficult as the design and manufacturing processes are inconsistent and there is no single set of adopted design standards that all brands follow. If 3D design workflow processes were adopted industry-wide, it would open the opportunity for brands to align on standards and support the exchange of data, which ultimately, would prove to be mutually beneficial to all brands and consumers.

THE FUTURE OF DATA-DRIVEN PRODUCT EXPERIENCES

It's clear bringing both types of data together could enable brands to provide digital experiences that customers would find superior to physical, tangible, brick-and-mortar shopping. In this possible reality, brands become the center of the digital environment, providing customers with more personalized attention than they could possibly offer in person.

- **YOU stores:** With robust data on customer preferences, as well as specific data on every product they sell, brands will be able to create virtual stores that provide each customer with an assortment of items tailored to fit their style and size, as well as their existing wardrobe.
- **Virtual dressing rooms:** Accurate data from both sources supports the digital environment where a customer can utilize an avatar, created with their exact measurements and body shape, and try items on, in various outfit combinations.
- **Wardrobe expansion made easy:** Data from previous purchases provides brands with an overview of a customer's existing wardrobe, opening the opportunity to offer wardrobe management guidance. Brands can suggest new pieces to complement existing pieces they own as well as make recommendations on how to edit their wardrobe based on what they no longer wear, to make room for new pieces. Brands can create a new stream of revenue and build customer loyalty by offering used fashion items for resale and providing a discount on new purchases to the original owners.

Pairing all these data-driven product experiences with the advantages of a virtually unlimited range of products not only sets a strong foundation for delivering a superior experience – this smarter way of shopping will empower customers to enjoy fashion more sustainably by reducing returns and driving circularity in fashion. A win-win-win situation across the board.



Say Yes! THE YES makes finding the perfect fashion piece online easier than ever

Everyone knows the process from Spotify: A song is playing, you like it, you mark it with a heart and your music improves significantly. With every new playlist Spotify puts together for a user, it gets better and better at matching their style. And, if you really like a list, you can share it with friends. The principle behind Spotify is as simple as it is successful – so, Julie Bornstein asked herself, why not use it to help consumers shop for clothes? Just over a year ago, that’s exactly what Bornstein did when she launched THE YES. A free fashion app that combines machine learning with fashion expertise and the support of over 150 international brands, THE YES delivers individually tailored recommendations during the shopping process to users.

THE YES greets every first-time user with a Q&A survey designed to help the app learn the basic specific style preferences of their new customer – what their favorite pieces are, which brands they love and which brands don’t appeal to them. With a baseline established, the user can begin shopping. The more often the app is used, the more precisely it can adapt to their personal style. Those who eagerly shop with the app, at some point, have access to their dream boutique – one in which only carries products they are sure to love.

Within the first year, THE YES integrated the commercetools platform, giving users the ability to make purchases directly on the app. The team also made sizing easier for their users. They collaborated with the labels available on the app and stylists to create a sizing map that allows customers to determine what size will fit their body, instead of guessing based on the size shown on labels. This improvement has helped THE YES make more personalized recommendations by size and reduces returns.

To provide customers with diverse offerings, the app features a mix of major designer names and small independent labels. By allowing smaller brands to sell directly to end customers via their virtual shop window, they give them the advantage of capturing higher sales margins than they could via traditional brick-and-mortar and online retailer.

Of course, Bornstein and her team didn’t forget the core principle behind the creation of THE YES: Ensuring their customers always see more and more fashion items they can’t resist and letting them share their finds with all their friends. So, even if you’re at home in your PJs popping in and out of multiple virtual shops, you’re not really alone. The entire THE YES community and all your best friends are right there with you experiencing the joy of shopping, discovering and buying something new.



VIRTUAL TECHNOLOGY

MAKING THE RETAIL EXPERIENCE, WELL... SMARTER

THE NEW RETAIL REALITY

Imagine you're at a brick-and-mortar store. You're standing in a dressing room, maybe you're dressed or maybe not, and you're talking to the mirror. Why are you talking to the mirror? Well, maybe because what you just tried on was too small, and you want to check if a larger size is available. Or perhaps it's because you've fallen madly in love with the plaid jacket you're wearing and decided you absolutely must have the matching pants. It could also be because you're looking in the mirror contemplating whether the dress you're wearing would look right at a fancy dinner in NYC, on a cruise ship to Mexico, a weekend visit to San Francisco, or anywhere in fact, other than in the dressing room where you're standing.



“The fashion industry was one of the first to discover that providing playful shopping experiences helps incent sales. Fashion brands are quick to implement any technology advancement into the customer journey that will increase engagement and generate revenue. Where others are still experimenting, the fashion industry is already using augmented reality (AR) and virtual reality (VR) solutions to learn what resonates with customers. The GAP’s VR app is a perfect example. It takes CGI-generated 3D images of GAP apparel and puts them on a model created using a shopper’s own body measurements. Accessories brand Yoox is using AR to promote their handbags, sunglasses and jewelry. Using their app, shoppers can superimpose holograms of Yoox accessories in their actual environment. Once they see themselves with the item, it spurs the desire to own the real thing. Other examples are the Converse Sample App, which allows shoppers to virtually try shoes on their own feet with a simple swipe. The industry has even started exploring the potential AR and VR can offer live fashion presentations. UK designer Martine Jarlgaard and the New York-based label Rag & Bone are just two brands that have injected the virtual experiences into their runway shows.”

*Dirk Hoerig,
CEO and Co-Founder, commercetools*

In the future, smart mirrors will not only answer these questions, they’ll also be able to ping a sales associate to bring you the larger size, order the matching pants via the retailer’s website and have them delivered to your door, and magically place you in the setting of your choice without you having to leave the dressing room.

Smart mirrors work in the same way Alexa, Siri and Hey, Google virtual assistants work. Tech companies, looking for ways to use technology to enhance the in-store customer experience and bring digital commerce into the brick-and-mortar environment, discovered that smart mirrors proved the perfect solution. It’s important to note though, the smart mirrors offer even more potential than just supporting customers in the dressing room and using their integrated eCommerce technology to allow purchasing right in the dressing room.

They can also give retailers the ability to allow shoppers in-store to immerse themselves in unique AR, VR and mixed reality (MR) brand experiences via the mirror and/or headsets. For example, shoppers can attend a live fashion show, try virtual looks on their personal avatar or meet the designer in person – all without ever leaving the store.

Get Smart: Mirrors in Action Swedish retail giant H&M started experimenting with smart mirrors in 2018, opting to put one front and center on the floor of their Times Square retail store. Created by Microsoft with support from Stockholm-based Ombori, a UX design, visual art and digital signage firm, the mirror is activated by both facial recognition and voice commands. The initial vision was to build a smart mirror that would offer to take a selfie when it saw a shopper in its reflection which would then be delivered as a shareable, personalized magazine cover. Of course, H&M’s smart mirror can also give shoppers style advice,



let them shop online and provide a discount via QR code just for engaging with it. According to Visual Art's website, the smart mirror is a success – 86% of all those who took selfies also scanned the QR discount code, and 10% of those also signed up for the H&M newsletter¹.

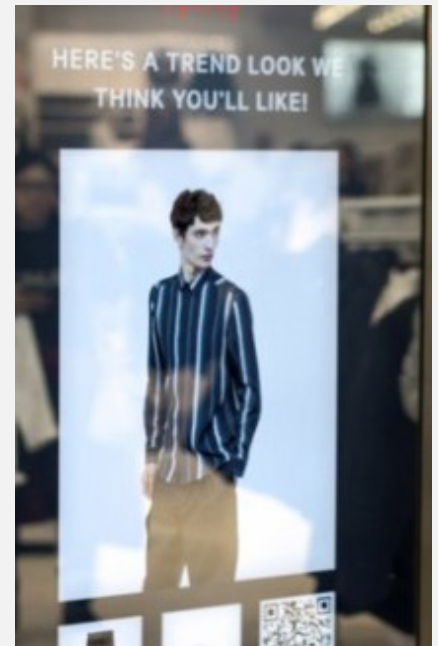
According to Andreas Hassellöf, founder and CEO of Ombori, the brand is fine-tuning the concept before expanding it to more stores. He said their mission was to “chase the promise of making a powerful first connection,” but that ultimately the goal is to deliver more personalized conversational dialogues².

AR: THE PRESENT REALITY

In 2020, at the start of the holiday season, Ralph Lauren merged his brick-and-mortar and online shopping experiences into the singularly unique RL Virtual

Store Experience. According to a November 2020 Forbes article, the brand debuted the concept first with the Beverly Hills store, and after immediately seeing a 10x increase in foot traffic via virtual visits and thousands of customers walking in the door every day, they expanded the concept to New York, Beverly Hills, Paris and Hong Kong³.

Visitors enter the experience through a dedicated URL. They can then check out the window displays before walking in the door, and once inside, wander freely or chose to go directly to a specific department. Shoppers can click on products to get more details, as well as on other visual cues to view videos. When they find an item they want to buy, they can check out immediately, put it in a shopping cart or add it to their favorites list. In a November 2020 interview with Forbes Magazine, David Lauren, Chief Innovation and Branding Officer and Vice



Chairman of the Board for the brand, explained, “The goal was to reimagine the experience of walking into a Ralph Lauren retail store through an augmented reality experience – bringing that magic of the holiday shopping season right into your home.” Lauren pointed out it was important to deliver the complete sensory experience, “even down to the holiday music playlist⁴.”

¹ www.visualart.com ² www.thisisretail.com ³ www.forbes.com ⁴ www.forbes.com



When Harry Met High Tech: How an old school retailer is capitalizing on digital technology to infuse energy and attract new customers

At the surface, it almost doesn't make sense that Harry Rosen, a Canadian luxury menswear retailer would ever consider disrupting the business formula which has proven successful for over 67 years. However, according to Ian Rosen, his grandson, and the Executive Vice President, Digital & Strategy for the company, Harry Rosen has always been somewhat of a disruptor in the fashion industry.

When Ian Rosen joined the business, his job and his vision was to "digitize the Harry Rosen legacy." The big question was how to do it in a sophisticated style that respected the brand and its loyal customers? In a presentation he gave at the commercetools Modern Commerce Day event in June 2021, he admitted the website they had in place in 2018 was not the vision the company romanced for the brand. It was not helping the brand do business. A year later, he put Harry Rosen on the path to digital transformation, enlisting the expertise of commercetools to build an eCommerce platform that could steer Harry Rosen in the right direction and serve as a foundation for the future.

When the pandemic started and their brick-and-mortar store were forced to shutter, the teams scrambled to launch the new site, which for a long time was the brand's the only source of revenue. Modernizing the brand's eCommerce shopping experience was only one piece of an overarching digital vision Ian Rosen had for the brand. He was determined to find ways digital technology could reinforce and expand on existing programs their loyal customers already embraced. He provided a perfect example of how he's accomplished this goal.

Number one: personal service. Like most luxury retailers, personal service is key to maintaining loyalty for Harry Rosen. Without the store environment in the picture, Ian had to find another way to allow their sales associates, known as clothing advisors, to connect with their clients. The platform commercetools provided made it easy for the brand to give their clothing advisors access to the site and the ability to create custom web pages for each client. The advisors reach out to clients via a phone call, email or text and offer to deliver a digital personal consultation. "They select the items, sizes, and colors on the website, basing their choices on a recent conversation, on the client's last in-store visit, or on recommendations of items that complement something the client recently bought," he explained.



According to Ian Rosen, “The advisors are making many, many pages each and every day.” With 500 active associates across 14 stores producing five to 10 custom web pages a day, the program now represents 10% to 15% of the company’s digital sales. “It’s turned into a huge success. It’s not putting products online and growing that business independently. It’s taking our core, loyal customers and giving them permission to shop online with their trusted clothing advisor.”

The brand’s digital capabilities have also enabled them to take “Harry Magazine,” a monthly print publication they’ve offered clients for over 30 years, and use it to drive eCommerce sales. “Clients tear out pages and bring them into the store,” he said, “We thought, ‘How do we take this one step further?’” He first added the magazine’s head-to-toe fashion photos to their website, creating a “Get the Look” section. Visitors to the site simply click the “Get the Look” button to view a pop-up featuring a product detail shot of each item. Once they click on their sizes right from the pop-up, the items automatically go into their shopping cart. From there, customers can check out quickly.

The “Get the Look” concept has also been translated to store windows, which are set up to enable eCommerce. Harry Rosen stores are in high-traffic locations and attract a lot of attention. They are, according to Ian Rosen, “pretty legendary.” So, with the brand now putting QR codes on all the windows, this allows people to “Get the Look” on the mannequins without having to walk in the store. “It’s become a huge way for us to start the digital interaction with the client.”



THE SOCIAL FACTOR

THE NEW KEY TO SELLING FASHION

Social media has made an undeniable impact on our culture. For the fashion industry in particular, the focus social media puts on connecting like-minded individuals, sharing information and ideas, and of course, posting selfies, has completely changed the way retailers market to the style-obsessed customer. Today, social media has created a new sales channel, Social Commerce.

The definition of Social Commerce is still a little blurry, as it crosses multiple lines and platforms. Some people define Social Commerce as the act of making a purchase transaction directly on social media platforms, while others believe it encompasses any eCommerce purchase enabled through social media. Say for example, you click on a product image on Facebook or any other social media platform and are redirected to a retail site where you actually buy the product – then you've participated in Social Commerce.

Before exploring these channels and how brands are using them, here are a few statistics to provide a perspective on just how important Social Commerce has become to the fashion industry in just a few short years.

FROM THE BUSINESS PERSPECTIVE:

\$36.62 BILLION

Insider Intelligence forecasts that social commerce-driven sales will hit \$36.62 billion in 2021, which is a 35.8% increase over 2020 – and that apparel and accessories will contribute to the biggest piece of the pie¹.

11.4%

In 2019, a GlobalWebIndex survey found that the median percent of web traffic generated by social media to a Top 1000 apparel merchant was 4.1%. One year later, the median percent reported by that same group was 11.4%².

FROM THE CONSUMER PERSPECTIVE:

70%

According to a Digital Commerce 360/Bizrate Insights May 2021 consumer survey, almost three-quarters of internet users from the US who regularly watch influencer-led livestreams said they are likely to buy products recommended by those influencers³.

30%

According to the same Digital Commerce 360 survey, 30% of U.S. consumers said social media helps them find new brands, while 29% said they click on advertisements on social media and 10% said they make purchases directly on social media⁴.



HOW SHARING INSPIRES SHOPPING

In the early days, social media platforms gave users the opportunity to share whatever they were doing, where they were going and what they were buying. Their friends, family and even strangers got the scoop on just about everything – where they shopped, ate, got their haircut and more. Often, a user post would inspire their followers to head to the exact same places. Eventually, instead of passively absorbing whatever information was presented to them on a platform, users began to actively seek connections with people on social media who shared their tastes, opinions and online. In other words, users began connecting with those who presented an online persona that appealed to them. These individuals came to be known as social media influencers. The first social media influencers who emerged tended to be celebrities, but currently, most social media users lean more toward everyday people whom they feel they have more in common with, and therefore trust.

Brands today understand that influencers can communicate with their followers in ways that the brand simply can't. Connect the right influencer to your brand, and they become the emotional

connection to your brand that even your own sales associates can't replicate. So, it makes sense that social media would beget social commerce.

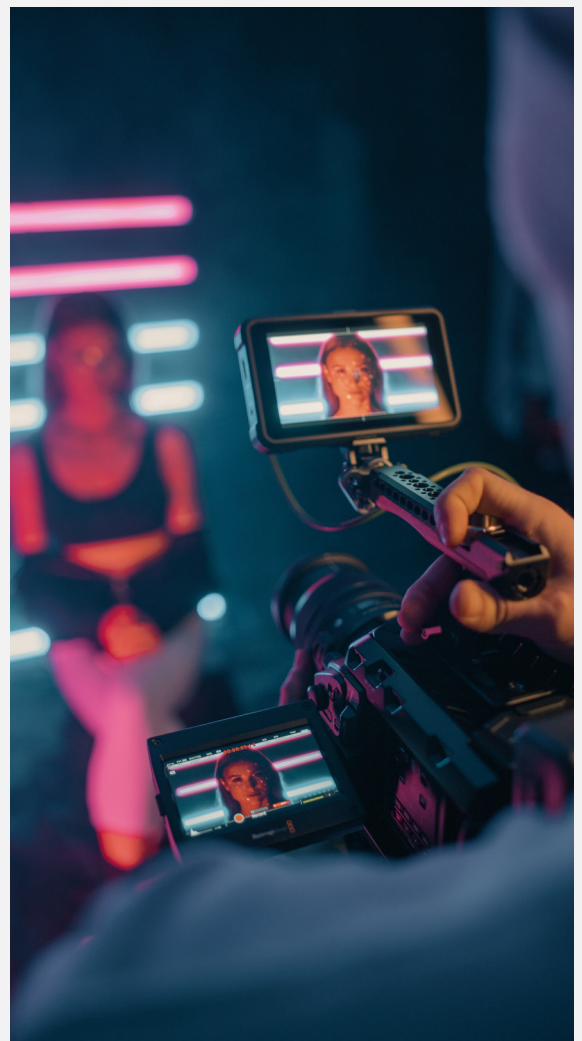
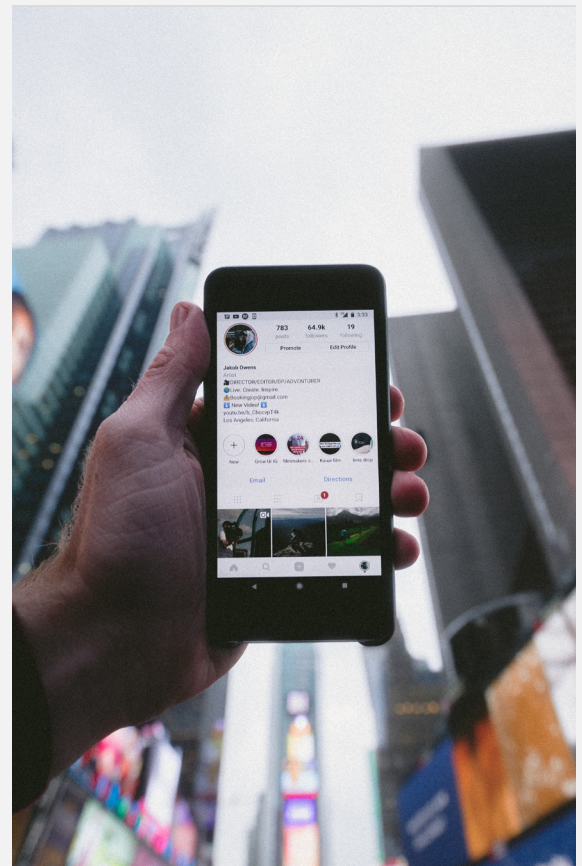
SOCIAL SALES = BUSINESS GROWTH

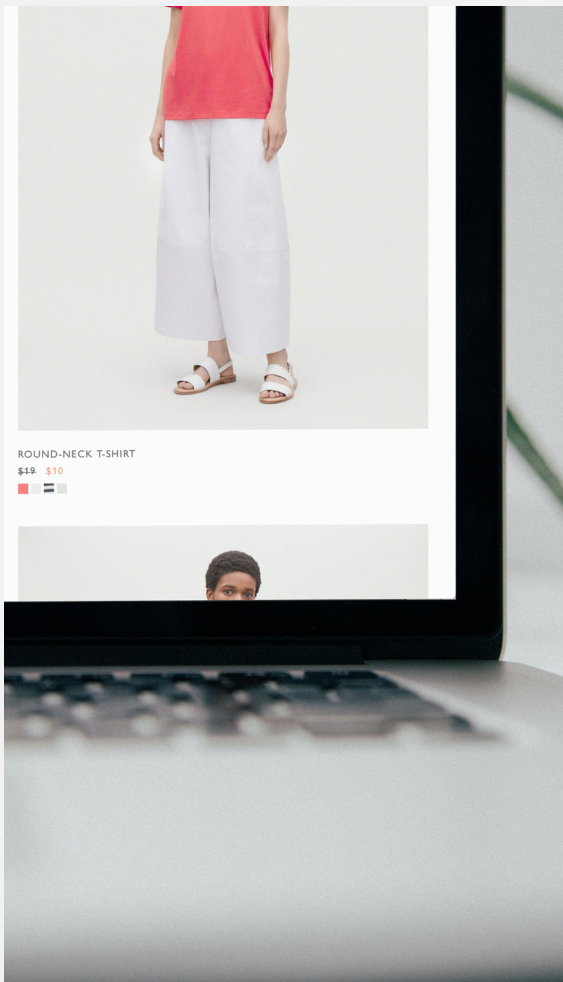
The reason fashion brands need strategies to enable social commerce is simple. To secure future success. The fact is, the next generation of customers, known as Gen Z, is online – nearly all the time – mainly on social channels. (Hang out with any 12- to 20-year-old for more than five minutes and you'll figure it out). According to “Why the Rise of Social Commerce is Inevitable,” a Forbes article published in June 2019, Gen Z is slated to become the largest consumer generation ever. So, as writer Jia Wertz, told Forbes readers, if a brand is hoping to grow in the future, they're going to have to capture the dollars of this audience. The best way to attract them is going to be through Social Commerce⁴.

To connect with Gen Z or their predecessor the Millennials and capitalize on Social Commerce, the focus needs to be on video-driven social media platforms, including YouTube, TikTok, Snapchat and Instagram.

To make better social commerce strategy decisions, brands should consider a few key truths:

1. Video is rapidly becoming the dominant form of content on the web. According to a DemandGen report, 91% of consumers say they prefer video content over static content⁵.
2. YouTube is the second largest search engine behind Google⁶.
3. Progressive web apps (PWAs), introduced in 2015, deploy video more quickly than websites or apps. According to a University of Massachusetts study, the average viewer only waits about two seconds for an online video to start. ... every second of delay increases the abandonment rate by 5.8%⁷.





SOCIAL COMMERCE: HERE TO STAY

With social media platforms offering brands three marketing touchpoints – enabling them to connect to their audiences through organic posts, advertising campaigns and through influencers – it was inevitable for it to ultimately morph into a commerce channel. In its 2021 Online Apparel Report, Digital Commerce 360 provides San Francisco-based Betabrand Inc. as an example of a retail fashion company who has figured out how to tap into the power of social media to drive Social Commerce.

The 12-year-old brand reported generating 28.4% of its traffic from social channels in 2020 compared with 17.0% in 2019. CEO Chris Lindland explained their 2020 strategy was ramping up livestream shopping videos on its website and on Facebook. The brand films 10 shopping videos, streaming them live to show off products and answer questions from a real audience. Lindland said the conversion rate is 10% for people who watch live. In addition, each video is viewed an average of 10,000 times on the Betabrand website. Viewership on Facebook increased 500%, with hundreds of thousands of viewers watching the Facebook Live video.

Lindland told Digital Commerce 360 that Social Commerce is critical to the brand's strategy. "We have a hyper-engaged fanbase on Facebook, particularly in Facebook groups—and they extend the reach of our broadcasts enormously⁸."

1. www.insiderintelligence.com
2. www.gwi.com
3. www.digitalcommerce360.com
4. www.digitalcommerce360.com
5. www.forbes.com
6. www.forbes.com
7. people.cs.umass.edu
8. www.digitalcommerce360.com

ABOUT US

commercetools is the world's leading platform for next-generation B2C and B2B commerce. To break the market out of being restrained by legacy suites, commercetools invented a headless, API-first, multi-tenant SaaS commerce platform that is cloud-native and uses flexible microservices. Using modern development building blocks in a true cloud platform provided by commercetools, customers can deliver the best commerce experiences across every touchpoint on a large scale.

commercetools has offices across the US, Europe, and Asia Pacific, with headquarters in Germany. Since 2010, commercetools software has been implemented by Fortune 500 companies across industries, from retail to manufacturing and from telecommunications to fashion.

More information at www.commercetools.com

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