

Headline Sponsors



# Fashion Connect 2021

Where does fashion retail go from here after such a challenging year?



0203 696 0980



[enquiries@imrg.org](mailto:enquiries@imrg.org)



IMRG, 16 Neal's Yard  
London, WC2H 9DP

# Introduction

The last 12 months have not been particularly good for those selling clothing and footwear, in particular those specialising in formalwear, occasionwear, smart shoes, and traditional office attire.

Although there are some exceptions to the trend towards sluggish fashion sales, notably from purveyors of slippers, casualwear, and sport and fitness clothing as the coronavirus pandemic influenced new social norms, online fashion retail experienced a total sales rise of just 1% year on year in 2020.

To put it into context, the home, garden, electricals, and gifting sectors reported high double digital online growth during that time, but the enforced lockdowns around the UK discouraged discretionary sartorial spend. With fashion deemed “non-essential” by the UK government, retailers in this space saw their year heavily disrupted by enforced shop closures – and while this scenario

drove people online in other categories, fashion’s digital fillip was subdued.

**IMRG** holds **Fashion Connect** annually, assessing the state of the industry and highlighting good practice within it. There’s an argument this year’s event – which took place virtually between 9-11 February and ran in association with headline sponsors, **Avalara** and **Remarkable Commerce** – was needed more than ever.

It gave retailers a chance to share best practice, benchmark their performance against their peers, and pool ideas to map out a road to recovery in the 12 months ahead.

This report picks out the highlights from the three-day conference, including key talking points from senior retail representatives from Ted Baker, The White Company, and White Stuff.

## How fashion retail flexed in 2020

In the long list of contenders for 2020's retail-related word of the year, "pivot" fairs quite high.

Fashion Connect 2021 highlighted some noteworthy pivots undertaken by those selling clothes, accessories, and footwear, including The White Company's launch of video-based customer engagement and virtual sales.



**Kate Parkinson, head of digital customer experience at The White Company**, explained how the company ran its first digital event in October, with two company directors hosting a session about new ranges, buying decisions and their top picks for the season.

**"We invited our most loyal customers and had a brilliant sign-up rate,"** noted Parkinson, who added: **"We got some great customer feedback and it has certainly encouraged us to develop a series of events for this year which is really exciting for us"**.

Traditional in-person White Company store-based events have a capacity of between 50-100 but running them online will open them up to a broader audience, she added.

A full digital event programme has been created for 2021, and Parkinson said the company is **"working on how to give that content a longer lasting presence in our digital channels so it can be of benefit to a broader range of customers, and also thinking about how to make sure those events are really shoppable for customers"**.

The White Company also allowed online consumers to connect with in-store staff via video to talk about the range and gain additional product information. More than 10,000 customers have used the technology since it was unveiled last year, and the retailer plans to add two-way video that will further "humanise" the eCommerce experience.

### Best-laid plans



White Stuff's head of eCommerce, **Seb Villien**, said: **"When the pandemic kicked in, we were at the beginning of a redesign of the site."**

**"I made a conscious decision of chopping it into [smaller projects], which delivered some great benefits – because that meant we had a continuous delivery of new functionality."**

He also acknowledged it meant the performance of

new navigation, landing pages, bigger images or filter amendments could be analysed in isolation.

**"It gave us assurance we were going in the right direction and the flexibility to insert things in the roadmap,"** explained Villien, who said the capacity to book virtual appointments with White Stuff was one of the unexpected additions during the year.

He added: **"The big focus is to get to a point of where we have one single view of customer and stock, and use all of that data to drive all our decisions."**

**Ted Baker**, meanwhile, put its licensed products – such as candles, home décor, bedding and phone accessories – on its website as the pandemic hit. It was already a growing area of the business, according to **chief**

**customer officer, Jennifer Stephens**, but it helped generate more sales as demand for its core occasionwear category dropped.

**"We have attracted a new customer because we invested in digital,"** she said of Ted Baker's work in the pandemic.

**"We shifted our investment strategy to scale digital as fast as we could – we had headroom in the market globally to do that and we are fortunate we had enough brand awareness that we could leverage that. And we captured a lot of new customers."**



## Ideas, inspiration, and inventiveness

*“We turned an  
online to offline  
journey into an  
entirely online one”*

The three days of Fashion Connect shone the spotlight on where the industry needs to focus its attention in 2021, as society reopens again following intermittent lockdowns.



**Matt Henton, head of eCommerce at Moss Bros,** said the lockdown period allowed the business to learn more about its customers.

For example, he was surprised about the steady traffic for tailored suits online even though Moss Bros shops were forced to close.

It prompted the retailer to make its suit customisation TailorMe service into a digital service. *“We turned an online to offline journey into an entirely online one,”* Henton explained, adding that some store staff were effectively deployed as virtual tailors.

It proves with innovative thinking and agile technology, fashion retailers can still drive sales in seemingly unlikely

circumstances. Ted Baker’s Stephens said she expected the occasionwear category to rise again, but noted ***“we’ll offer a versatile collection” as part of the retailer’s aim for mass appeal.***

***“We’ll be changing some of the aesthetics in terms of who we appeal to, shifting towards the younger customers while still offering products our core customer loves,”*** she remarked, adding Ted Baker will continue to experiment having already added virtual appointments and technology that connects online shoppers to store staff.

***“Digital growth strategy is definitely at the core of how we operate – microservices, headless commerce, mobile,”*** she asserted.

For The White Company, video services are set to remain. ***“We expect many of the customers who have grown accustomed to shopping online with us this year will continue to do so, meaning these kind of experiences will remain an important way to delight our customers,”*** Parkinson said.

## Things to consider

Fashion Connect was full of top advice on multiple subjects, from the retailers on the speaker roster but also from the solution providers offering insights in their own specialist fields. We've picked out some standout comments.

**Sacha Wilson, director cross border solutions at Avalara, on the importance of post-Brexit tax compliance and preparation:** *"Customers don't like surprises. They don't want to receive goods and be expected to have to pay extra charges to receive those goods. It's one of the big causes of high returns rates, and Brexit is amplifying that at the moment."*

[Find out more about DDP, HS codes and more on Avalara's Brexit hub](#)

**Garrett Schwegler, program manager for global digital commerce at Lucidworks, on changing technology:** *"AI [artificial intelligence] is not just for the big players in commerce but we've assembled models in a way that can be leveraged by everyone. It's really a turning point that really everyone can take advantage of this and change the way that consumers interact with product discovery and commerce."*

[Lucidworks optimising search on retail sites provides more detail](#)

**Elliott Clayton, SVP, Media UK at Epsilon, on loyalty:** *"How can you build up data assets that allow you to own and maintain customer relationships? If you do collect data from somebody you need to be able to communicate back and need a strategy of how you're going to do that."*

[Epsilon-IMRG's three pillars of loyalty report provides more detail](#)

**Brad Houldsworth, head of product at Remarkable Commerce, on the need for tech prowess:** *"Retail is changing fast. Covid-19 is the ultimate disruptor - permanently changing shopper behaviour - which gives the brands able to innovate at pace a significant advantage. Consumers are expecting retailers to be back on their game - they've had 12 months to adapt and prepare for the new world."*

*"The fundamentals of your online business should be the underlying platform and the technology providers you use to enhance it. If you can't get those basics right, you're in a really dire position - if retailers haven't got that right that's where they need to focus."*

[Find out more about Remarkable Commerce](#)

**Vini Ratnamaheson, account manager at ChannelAdvisor, on new customers:** *"We need to consider the demographics are changing; there are people who haven't naturally shopped online that are now using online as their primary shopping channel. We're emerging into the Gen Z customer who doesn't have brand loyalty necessarily - they buy on things like sustainability and ethics, or they buy on the actual product itself not so much based on the name [of the brand]".*

**Darren Lacey, sales manager SAAS at Scurri, on the importance of delivery:** *"Customers want to know when their package is on the way, when it's going to arrive, what's the timeslot - having all that information presents huge opportunity to build loyalty, retain customers and reduce abandonment."*

## Benchmarking data

### Return Rates

Returns Sept 2019-August 2020

Some headline stats from IMRG's research into fashion retail returns:

Market average for clothing return rates  
17%

Men's clothing average return rate  
14%

Footwear average return rate  
20%

Women's clothing average return rate  
23%

### Multiple items in checkout area

Some headline stats from IMRG's research into the fashion checkout area:

One in every ten orders will include multiple sizing of the same product

52% of orders with multiple sizing of same product will be returned

22% of orders with multiple sizing of same product will result in all items returned

We heard at Fashion Connect that River Island is one of several retailers working with the University of Southampton on a research project, Forecasting & Influencing Product Returns and Fraud Rates.

Funded by the Economic & Social Research Council, the study will assess contributing factors to returns and returns fraud. Variables to be analysed include time of day of an order, store closures, length of returns windows, and the impact of guest checkouts.

Dr Regina Frei, associate professor of operations & supply chain management at Southampton Business School, said: "We would like to find ways to predict and influence return rates and fraud rates, and help retailers develop strategies for how to deal with this. We need to gain a really deep understanding of consumer behaviours for that."

Retailers interested in participating can contact Dr Frei on [r.frei@soton.ac.uk](mailto:r.frei@soton.ac.uk).

Gavin Mills, River Island's profit erosion & data mining manager, said his company is focused on this area. He has identified opportunities for improving profitability and future product development if the retailer can gain more information about returns motivation.

## Smartphone statistics

*Some headline stats from IMRG's research into shopping on smartphones (all categories)*

## Mobile browser versus mobile app

Average website session length on smartphone is 229 seconds (on browser) compared to 369 seconds on a dedicated mobile app

Average number of page views is 4.9 (on browser) compared to 9.2 pages on a dedicated mobile app

Average basket value (ABV) on smartphone is £50 (on browser) compared to £60 ABV on a dedicated mobile app

Average conversion rate on smartphone is 2.6% (on browser) compared to 3.9% on a dedicated mobile app.

IMRG data shows that fashion is still a sector where discounting is par for the course, with discounts available at 90% of womenswear retailers for large periods of the last 12 months. Menswear and footwear are less likely to offer markdown prices.

**Darcey Jupp, student at the London College of Fashion**, which tracked discounting patterns on behalf of IMRG in 2020, said: *"We're taught that discounting is part of the basic fundamentals of fashion retail."*

*"A lot of consumers want a discount. We had close to a third of the working population on furlough; they had a big hit to their income, so a little discount is what they want."*

Jupp added: *"With Generation Z becoming such a huge part of the consumer population, they are the people with less disposable income, so with a little incentive they are more likely to continue to buy."*

## Discounting patterns

## Final thoughts

Amid the chaos of the last year and all the pivoting to new ways of selling, and the growth of eCommerce, it's important to take a step back and remember that fashion is an industry of creativity; of excitement and newness; of people and emotion.

We'll leave you with a comment from Ted Baker's Stephens, who used her presentation to illustrate this point. The roots of the industry she discussed are important for retailers to bear in mind as they reshape their propositions and invest in digital in the year ahead.

*"Fashion is a mixture of art and science – and the art piece is incredibly personal for businesses like Ted Baker who spend time creating," she explained.*

*"You don't have that in a pandemic – it's very hard. The business is about community, passion – some of that has been harder to claim and bring into the company culture."*

Reflecting on the time spent working remotely by many fashion companies in the last 12 months, she added: *"For some industries collaborating in person is incredibly valuable."*

*"As a fashion brand, you have to evolve continuously, so that focus on relevant product is everything. You have the nuts and bolts that help you sell the product and then you have relevance – everything else is operational."*



**Avalara** helps businesses of all sizes get tax compliance right. In partnership with leading ERP, accounting, ecommerce, and other financial management system providers, **Avalara** delivers cloud-based compliance solutions for various transaction taxes, including sales and use, VAT, GST, excise, communications, lodging, and other indirect tax types. Headquartered in Seattle, **Avalara** has offices across the U.S. and around the world in Canada, the U.K., Belgium, Brazil, and India. More information at [www.avalara.com](http://www.avalara.com).



Trusted by leading retailers and paired with an accelerated, low-risk re-platforming process, **Remarkable Commerce** is an endlessly customisable, high-performance digital commerce platform that makes it easy to put unique digital solutions and services at the heart of the retail customer experience. Begin accelerating your digital vision today.

[www.remarkable.net](http://www.remarkable.net)

## Headline sponsors

*IMRG thanks its partners for their support, and for their contribution to the success of the inaugural virtual Fashion Connect event.*



