



People trying out a virtual trial room

Technology in Fashion Trade

THE EVOLVED CONSUMERS OF TODAY DEMAND A GREATER CHOICE, GOOD EXPERIENCE AND A MORE EVOLVED INTERACTION FROM A BRAND. FASHION INDUSTRY IS THE MOST INFLUENCED BY THIS SPOILT-FOR-CHOICE CUSTOMER SET. TILL LATELY, IT HAS BEEN HIT HARD BY DECREASING SALES AND RISING INPUTS COSTS. THE ONLY WAY FASHION PLAYERS CAN GROW IN THIS CHALLENGING ENVIRONMENT IS BY BRINGING IN OPERATIONAL EFFICIENCIES AND IMPROVING SALES. TECHNOLOGY ADOPTION IS NO LONGER A LUXURY BUT A NECESSITY

By Rajiv Sodhi

→ Interactive dressing rooms! Yes, this is what leading fashion brand Prada offers customers visiting its store in the New York City. It is a simple 8 sq.ft. glass booth. The wall that forms the door turns opaque for privacy when the shopper needs to try on garments, and clears off when friends outside the booth are asked for opinion. One of the closet's walls offers a mirror that helps the customer have a 360-degree view of the garment. The other wall has interactive closets. Sensors read the electronic tags on items and activate a touch screen that throws up information on their color, fabric, and size. Such is the power of technology!

Today's retail consumer has evolved and asks for greater choice, experience, and interaction from a brand. Fashion industry is one such that is most influenced by this spoilt-for-choice customer set. In recent times, it has been hit hard by sagging

sales as customers seek more value for money and inputs costs rise. The only way the industry can grow in this challenging environment is by bringing in operational efficiencies and improving sales.

Technology adoption is no longer a luxury but a necessity to optimise costs. It is the answer for fashion brands that aim to convert demanding customers to brand loyalists and, as a result, augment sales. QR codes, augmented reality, social analytics, computer-assisted design software, and radio frequency are examples of technology transformation of the highly competitive fashion industry. Let me take you through some benefits that have accrued to fashion industry as a result of embracing technological innovations.

Concept-to-Store Efficiency: By the very nature of being in a business where trends change very frequently, the suppliers need to be careful about

designs that they launch in market. The industry introduces a new range/collection for each of the four seasons – summer, autumn/fall, winter and spring. The journey of a garment from an idea to ready-to-be-sold product is called “concept-to-store.” Earlier the concept-to-store time was almost a year and companies needed to start planning for next season a year in advance. This created many problems as the designs would get copied by unscrupulous competitors who would then launch them ahead of the original product launch. Further, conceptualising a design a year ahead meant a much higher risk for designers as they had to make big bets on the future. Trends as well as the tastes and the mood of the masses may not necessarily match with the future projections.

Technology has now facilitated the use of Computer Aided Design and Manufacturing (CAD-CAM) by the

fashion apparel industry for creating and productionising new designs. It allows designers to create concept sketches and also decide specifications of materials and related accessories. Other details such as accessories and costs can be fed into the log.

Using computer-aided design tools with cost estimations brings reduction in the lead time of concept-to-store from the earlier one year to now a few weeks. Many alternate design options can be generated from the same concept and once the design is completed, the size variations, fabric and color combinations can be easily created using the computer-aided design tools.

Cost Management: The computer-aided design and manufacturing tools are able to compute the production cost of each design, right from the fabric, buttons and frills to accessories such as belts. Even the process and labor-cost estimations can be done by these. Fashion apparel companies can benefit by knowing the cost of production right at the time of designing. They can upscale or downscale the design by using alternatives so that the production arrives at the best cost-to-revenue ratio. This can also be varied to suit the demographics of a region and help potential customers strike the best value-for-money deal.

Sales Maximisation: Many high-

end fashion retailers these days tag each piece with RFID (radio frequency identification). These tags on clothes can be tracked inside the store by sensors. Whenever a customer takes a set of clothes to the trial room, TV monitors placed inside can showcase the same products being modeled on super models and worn in fashion shows. This plays to the buyer's natural psychology to pick up the apparel that was a hit at the ramps. It thus helps maximise brand sales.

Customer Feedback: RFID tags also help fashion stores track which designs are tried the maximum by customers but get sold the least. Experts inside the store can then take feedback from potential customers on such designs and their reason for not purchasing them. They may also seek active comments on what modification to the design would have helped the sale. Such specific feedback can be used to modify the design and launch a slightly altered version in the same season to maximise sales.

Track Sales: Most designer apparels are made in multiple sizes, colors, and fabrics. The in-store and on-display collection contains all colors and sizes in ready-to-wear form, while the warehouse contains semi-finished products. Based on what is selling more, many retailers tailor the small changes in sizes on the fly as the

stock moves. Some even keep all stocks in whites and dye in colors of the fast-selling items to maximise their sales.

Assortment Planning: Many design houses rent space in department stores to display their collection. The stores order replenishment based on daily sales. The logistics of replenishment is managed in such a way that the route is optimised from the warehouse to the stores and also services multiple stores. This is done by using optimisation algorithms for route planning as well as space planning inside the transport containers. Cross-docking is used at vantage points where containers exchange goods-in-transit at intermediate locations. The goods reach the destination store through multiple optimised hops. Each store has access to inventory information of other sister stores, and out-of-stock goods can be ordered from the nearest store or shipped to the customer at home on receiving an order.

Technology is thus rewriting the rules of competition in the fashion industry by creating disruptive business models and bringing a paradigm change in the shopping experience. In a race to be the most chic and preferred brand, fashion retailers are now ready to leverage the advantages that information technology has to offer.

Customisation, personalisation, analytics, inventory management, and experiential marketing driven by in-store, online and mobile technologies are transforming the fashion industry. Technology is helping fashion retailers meet quick changes in demand in the luxury, high street, and custom-fit category. Concentrating on building distinctive capabilities will enable brands to continuously develop new ways to attract consumers, deliver on their promises, and achieve higher performance. ❏



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