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MARKETING

Fashion cannot be downloaded: Farfetch CEO

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Image source Farfetch

By SARAH JONES

LISBON, Portugal Despite the increasingly digital focus of retail and media, bricks-and-mortar stores and print magazines are not going anywhere, but will instead be morphing to fit into today's luxury environment.

Industries such as music and film lost the tactile shopping experience as consumers bypassed the retail environment with streaming and downloads, but fashion is not at risk of the same fate due to its grounding in the physical. During a panel discussion at the FT Business of Luxury Summit on May 16, speakers shared their perspectives on "Leadership, Manufacture and Innovation," remarking on the various ways luxury is adapting to technology and other pressures.

"Fashion cannot be digitized and there is an element to the curation in the store, the visual merchandising, the interior decoration, the smell, the storytelling, which cannot be replicated online," said Jose Neves, founder/CEO of Farfetch. "So I don't think the shops will go away.

"What I think is that they cannot continue to function as they are right now...The [stores] we know today will probably be gone," he said. "And they may be the same leasesbut they will be experiential places, they will be showrooms, they will be places for storytelling, they will be housing service departments.

"To get there, I think technology is a major positive force. And no one has cracked the formula yet, and it's not an easy one to crack. But I think it's going to be powerful for the industry, so that the magic of physical retail stays alive."

Changing channels

Floriane de Saint Pierre, president and founder of human resources consultancy Floriane de Saint Pierre & Associates, pointed out that the traditional definition of luxury has gone out of style. Exclusivity and ownership has been replaced by the luxury of ease and comfort.

For instance, many consumers are foregoing buying a country estate because they have Airbnb rentals at their disposal, while wallets and ties are going out of style as mobile payments take off and wardrobes become more casual.

Robin Derrick, executive creative director of agency Spring Studios, argued that luxury does not understand its audience. Digital channels such as social media and futuristic tech-infused stores fail to capture the exclusivity of their analog predecessors.

Spring Studios' fragrance campaign for Michael Kors

Meanwhile, glossies no longer serve as a point of research for fashion seekers, having been replaced by ecommerce research.

Referencing a photo from the British Vogue archives of the 1920s depicting a member of the Rothschild family, Mr. Derrick noted that influencer marketing is far from a new concept.

Bridging exclusivity and access, Farfetch aims to connect the right buyer with limited distribution products.

Beyond its work with multi-brand boutiques, Farfetch is establishing partnerships with labels. Through the platform, shoe brand Nicholas Kirkwood is offering personalization for one of its signature styles.

Farfetch is also embracing fashion's faster nature today, as consumer expectations surrounding delivery increase. Leveraging Gucci stores in 10 cities, a new service developed with the brand will get shoppers their orders in 90 minutes (see story).

Image source Farfetch

Consumer impatience is also pushing luxury to speed up its production process. Alexander Illing, CEO of textile agency GES Export, has experience with fast timelines through his company's work with retailers such as Zara.

The executive pointed out that fast fashion retailers were the original see-now, buy-now adopters. However, he

advised brands to rethink their processes if they want to speed up, as trying to simply shorten the time spent will fail.

Speed is also manifesting on social media, where content is posted on a daily basis, far faster than the former monthly basis when brands solely relied on magazine coverage.

Sharing stats

Recently, the most disruptive trend luxury has faced is consumers' gravitation toward a sharing economy.

Robb Report's "New Luxury" survey found that 37 percent of affluents, and 60 percent of the wealthy, have shared their homes, vehicles, yachts, jets, apparel, jewelry and/or watches. Affluents are becoming more comfortable with the development of a sharing economy, but feel most at ease renting out their home or lending a piece of jewelry or watch, at a rate of 80 percent and 40 percent, respectively (see story).

From left: moderator and FT fashion editor Jo Ellison, Alexander Illing, Robin Derrick, Floriane de Saint Pierre and Jose Nieves

While consumers may be opting for borrowing instead of buying, their media diets still lean towards the traditional.

Media consumption habits may be shifting toward digital channels, but traditional media remains the way to reach the most consumers, according to research from Fluent.

Around 40 percent of consumers recall seeing television, print or online advertisements, outpacing digital-centric marketing placements such as mobile applications or social media, which only reach around three in 10 consumers. However, even though digital marketing may not have the same reach as traditional channels, these channels deserve attention (see story).

"No one's going to uninvent print," Spring Studio's Mr. Derrick said. "I've never seen more independent magazines on the shelf than ever before.

"What people usually mean when they ask [Is the magazine dead?] is Vogue and Conde Nast and Harper's Bazaar, "he said. "And that's a more difficult question because the truth is they've forgotten that one of the fundamental reasons for them to existsomewhere where you choose clothes to shop foris now not their role. That role is gone to the online retailer."