

RETAIL

Fashion brands moving toward direct-to-consumer marketing and commerce: Fashionbi

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Brands are rejecting traditional notions of when and how to market their products in favor of a more direct approach. Image credit: Fashionbi

By DANNY PARISI

As digital culture and rising costs of production have disrupted the ways fashion houses sell products, more brands have begun to consolidate by marketing directly to consumers, rather than relying on traditional advertising and commerce.

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See-now, buy-now and other strategies that move brands away from the traditional structure of fashion commerce are growing in popularity, according to a new report from Fashionbi titled "[Direct to Consumer \(D2C\) Business Model](#)." Brands are adopting advertising and commercial models that rely on a direct relationship between the consumer and the brand.

"The direct-to-consumer business model is not only about ecommerce, but about the new way of selling the products," said Yana Bushmeleva, chief operating officer at [Fashionbi](#), Milan. "Online business still represents 5 to 6 percent of the overall fashion purchases, but ecommerce plays an important role in the shopping experience, we choose brands or concrete items online and buy offline and vice versa, plus the online channels can help the customers even to create their own product.

"Online you can shop the ready product, as in the case of the see-now, buy-now concept, and it doesn't matter if you are H&M or Max Mara, both companies successfully adopted this model, and the new social media features such as chatbots, shopping buttons and so on serve to simplify and shorten the shopping process," she said.

"At the same time online, it is possible to customize the existing product by adding initials or by changing some elements in the product design and purchase the newly created item online or at the bricks-and-mortar store."

Direct-to-consumer

The rise of direct-to-consumer marketing can be attributed to five main causes, according to Fashionbi.

The first is rising production costs, which have forced many brands to consolidate various sub-brands and

offshoots. Secondly, overstocking has saturated the market with fashion goods, leading to constant sales and the increasing rejection of traditional seasons.

Competition has also heated up in the fashion world, with new brands taking up market share with Internet-savvy tactics that legacy brands are still adjusting to. Ecommerce has developed so quickly that brands are restructuring their entire strategies to accommodate it.



The path to direct-to-consumer business. Image credit: Fashionbi

Finally, new technology is one of the primary drivers of change in how fashion brands market and sell their goods. With new technology cropping up constantly, there is a feeling that any problem can be addressed with the right technology.

Fashionbi notes the amount of brands adopting more immediate and direct models. More than 15 big name fashion brands have announced see-now, buy-now for 2017 and others are using direct lines of communication with customers through social media or other channels to sell their products.

"Customers are demanding a more personalized service and expecting to be given the opportunity to shape the products and services they consume," Fashionbi's Ms. Bushmeleva said. "The online environment just brings this personalization service on a global level. You do not need to attend the brand's flagship store, just open a Web site."

Social media

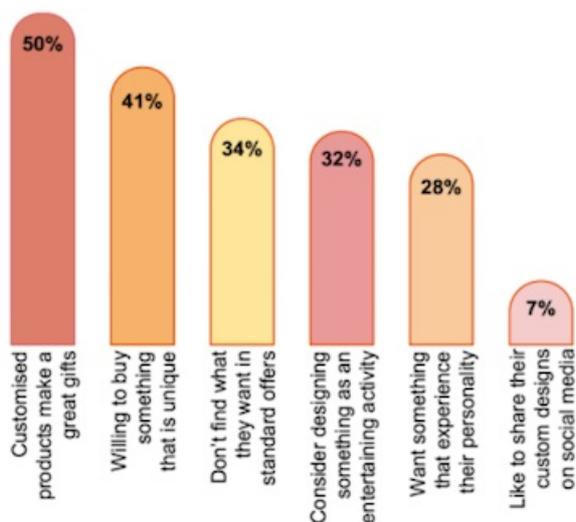
See-now, buy-now has been exceptionally popular as it removes the downtime between the announcement of a new item of clothing and the consumer's ability to make a purchase.

This extends outside of apparel to jewelry and accessories as well, such as the way Tag Heuer sold its Connected Modular 45 watch as soon as it was announced.

Tag Heuer distributed the Connected Modular 45 using a see-now, buy-now strategy, the first watchmaker to use the fashion concept. As of March 14, the Connected Modular 45 smartwatch could be purchased online, at Tag Heuer boutiques and through a selection of retailers ([see story](#)).

Burberry, Max Mara and Ermenegildo Zegna are just a few of the brands that announced see-now, buy-now collections for this year.

Reasons Why Consumer Want Personalisation



Source: Deloitte research

Personalization is growing. Image credit: Fashionbi

Social media has also been a democratizing factor and has led to the convergence in tactics between luxury and non-luxury fashion brands.

"The most important key takeaway is that mass market and the premium fashion started to use the same marketing approaches," Ms. Bushmeleva said. "Made-to-measure and the customization services supposed to be the prerogative of the top 'maisons,' now the bridge and the mass market brands also provide such service.

"You can shop the 'pin set' at Forever 21 or at Dior to decorate the iconic Lady Dior bag, you can buy patches at Stradivarius or at Gucci for the pair of sneakers," she said.

"What is next? The 3D modeling of the product according to the individual measurements of the customer for the further mass production, and there are companies which already provide such technology."

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