



Digital Revolution

Virtually taking over fashion

Thursday 3 May, Crowne Plaza Hotel, Leeds

Forget the lean supply chain model. To operate successfully in today's omni-channel, global marketplace, brands and retailers must put agility front and centre and focus on supply chain innovations and speed to market. That was the message at the ASBCI's Digital Revolution conference.

Two decades on from the emergence of 'fast fashion' and the need for speed has never been greater. The drawn-out lead times from low-cost, offshore manufacturing are too cumbersome to meet the demands of today's instant-gratification consumer. Instead, to reap the rewards of going global, retailers also need to go local – local manufacturing for local markets, and production and delivery cycles that are measured in days, not weeks.

To achieve this goal, brands and retailers must embrace the opportunities of the digital age and invest in the technologies that will support the supply chains of the future. From the re-emergence of robotic manufacturing systems to the use of artificial intelligence and augmented reality in a retail environment, the businesses that will succeed in Industry 4.0 will be those that can adapt the fastest, harness their data most effectively, and stay one step ahead of rapidly changing consumer expectations.

More than a quarter of all clothing and footwear purchases in the UK are made online, said **Sofie Willmott** from **Global Data**, who opened the conference with an overview of the digital fashion landscape. The evolved user experience is helping to transfer spend online and pure-play retailers are seeing the biggest gains from the growth in ecommerce, which is predicted to increase by 30% across all categories in the next five years. The rapid growth of mobile shopping, the rise of delivery saver schemes such as Amazon Prime, improved fulfilment options, and a 'see now, buy now' consumer culture are key trends. Retailers are also using third-party channels to raise brand profiles globally. Consumers have increasingly high expectations, said Sofie, and to compete with pure plays, multi-channel retailers need to highlight their strengths, increase their options, invest in technologies such as visual search and AI, and prioritise the mobile channel.

Technology might be constantly changing but human behaviour stays basically the same, said digital psychology expert **Andrew Nicholson** from **GUKU**. Most of our decisions are made on autopilot using cognitive short cuts, and retailers can take advantage of these unconscious thought processes to influence consumer behaviour. Andrew used live experiments to show how introducing 'anchor' products at different price points can change consumer's buying choices, and how the use of 'decoy' products – premium goods with high price points that are introduced to make other options seem more affordable – can drive up spend. Another tactic is the use of cognitive amplifiers such as social reviews. Simply writing a review, said Andrew, reinforces the writer's opinion. Sharing that review reinforces it even more. Social reviews can be both an acquisition tactic and a customer retention tool, but they need to be encouraged soon after purchase to capitalise on positive perceptions.

The industry has never had such an opportunity to tap into global marketplaces and it is all technology-based, said **Kevin Townend** from **Advanced Supply Chain**. Going omni-channel – engaging customers on all channels via a seamless, integrated experience – means ditching the carefully structured lean supply chain methodology in favour of a more flexible, fluid approach. To meet the consumer's need for instant gratification means being agile and focusing on speed to market. Global marketplaces, said Kevin, are set to grow by 40% by 2020, and there is huge potential in places like the Middle East, Africa, and China. To help UK retailers tap into this, Advanced is creating a decoupling point in the supply chain to enable retailers to ship their products direct from origin manufacturers to the end market and has partnered with local companies so UK brands can service local needs, such as cash on delivery in the Middle East for online orders.

The retail revolution is creating an omni-channel approach to meet the needs of the 'see now, buy now' consumer, said **Glenn Littlewood** from **Coats**. The seasonal approach is collapsing in favour of more agile methods of promotion and delivery. Lead times are reducing, styles are increasing, and orders are smaller and more frequent. To compete with pure plays, retailers and brands need visibility and collaboration up and down the supply chain, and that means investment in digital platforms like PLM and an end-to-end vision. PLM systems are now more affordable, user friendly and configurable, and as brands look to future sourcing models, consolidate supply bases, and increase cost transparency, they need a technology platform to store and manage that data. Data is the currency of the digital fashion business, and catering for the new worldwide market depends on a brand's ability to make use of it. Working smarter is a critical part of the end-to-end approach.

The **JD Williams/N Brown Group** embraced a digital future when the business realised that its customer behaviour was moving faster than its product development cycle, said **Laura Hampson**. A large size range and fit as a USP meant product development was laborious and costly, but with new digital tools the business has reduced its sampling and achieved speed to market. But change on this level needs commitment, investment, and buy-in from staff, and must identify and focus on the pinch points. It also requires an end-to-end vision within the supply chain, added **Angela Gaskell**. ‘You can’t just pick up technology and drop it in.’ It is essential to take suppliers with you on the journey and partnerships have to be strategic. Plan effectively, be agile, and ensure you have visibility of the whole supply chain. Be open and honest with partners, share your vision and your knowledge, and understand what they can bring to your business. Change is coming, so embrace it.

Mark Powell from **PTC** walked delegates through three modules of the company’s retail innovation platform to demonstrate how integrated technologies can aid collaboration within businesses and with suppliers. Canvas is a digital-storyboarding environment designed for creatives to collect and capture ideas and trends. It offers the ability to drag and drop images, videos, and documents, access trends streams, and share boards with colleagues and suppliers to speed up the design process. Materials Exchange functions as a digital marketplace for suppliers to enter their key information, capabilities and materials and enables brands to drill down into fabrics, trends, colours and seasons to create a library of materials that can be fed back into the PLM system. Finally, an augmented reality app for product development provides access to full collection and style information and generates a realistic 3D experience for line reviews and to aid style decisions without the need for samples.

Implementing 3D technology is not as simple as plug-and-play, said **Emily Robertson-Hood** from fit specialist **Alvanon**, which investigated how fashion businesses are using 3D. Based on feedback from major brands and retailers, Alvanon has found that many initial goals for 3D have not yet been met and others have been set aside in favour of more achievable targets. For example, lead times have not shortened but time has been reallocated to different processes, and samples have been reduced rather than eliminated. The brands using 3D most successfully have dedicated resources to it, and applications for which it is most effective include colourways and graphic placement, print placement on graded sizes, digital assets, and line planning. Ongoing issues include fabric testing and rendering, the need to upskill staff, and a lack of common protocols. 3D also needs solid groundwork and it is important to establish a good fit standard to feed into the technology.

Colour plays a pivotal role in the majority of all purchasing decisions so it's time to get more scientific about it, said **Thorsten Traugott** from **Coloro**. Coloro has developed a new colour system encompassing 3,500 core colours that enables colour choices to be made in a more objective and strategic manner. A seven-digit ID identifies each colour shade by hue, chroma and lightness, and colours are divided into nine segments to create a system to analyse colour decisions. Alongside physical colour libraries complete with swatches, Coloro's digital workspace enables brands to analyse trend forecasts, accurately identify colour harmonies and contrasts, and modify seasonal shades to ensure collections are both on-trend and appealing to their customer base. The inclusion of a colour code on every garment, Thorsten suggested, could also enable consumers to make more successful colour choices in online purchases and eliminate one of the most common reasons for returns.

Dr Mike Fralix from **TC²** described how robotic sewing has come full circle. Developed in the 1980s and shelved in favour of cheap overseas labour, these systems are now coming back into the market, albeit in more advanced and integrated forms. We're now in Industry 4.0, the age of the Internet of Things, smart factories, and machines talking to machines and people. This is also the Age of Disruption, and disruption causes us to react and do things differently. Offshoring stretched the supply chain to 12 weeks but rising costs and changing consumer expectations mean businesses are now looking at local options. The solution is a local, automated supply chain that shortens production and delivery to a few days, but that needs different technology, processes, and manufacturing systems. It means making product for the UK, in the UK. For China, in China. It means a new way of thinking and the more agile a business, the more able it will be to cope with these changes.

The conference also saw the announcement of a new report on babies and toddler sizing data collected by **Select Research**, following on from the previously released data on four to 17-year-olds. Select Research has previously conducted national sizing surveys for clothing retailers including the Children's Sizing Survey and the Bra Size survey, both for M&S, and Size UK, as well as conducting extensive research in healthcare. Select's **Richard Barnes** also informed delegates that the company will be using the pioneering Body Volume software, which creates a more accurate assessment of health and body weight than the Body Mass Index, in a forthcoming retail project to be announced in June.

Ultimately, the message of the day was about agility. Traditional business models have been disrupted and businesses need to adapt to survive. And that means being flexible, throwing

out rigid processes and policies that make change difficult, embracing technology, being open to new ideas and reacting quickly to customers' needs. In a world of constant and rapid change, you're either quick or you're dead.

Key quotes from speakers

Sofie Willmott, senior channels analyst, Global Data – How to survive a digital-first future

'Constant innovation is essential, and retailers need to trial innovative technologies and enhancements for customers, prioritise investment in technology such as AI and visual search, and harness the online channel to capitalise on the key area of retail growth over the next five years.'

'To combat the Amazon threat, retailers must highlight what they can do that Amazon can't. Highlight their strengths and harness their service and product expertise. Or consider using Amazon as a selling channel as some retailers are already doing.'

Andrew Nicholson, founder of GUKU – The psychology of human interaction and engagement with digital technologies

'We think less than we think we think – most decisions are made by the unconscious brain.'

'When you launch a product, the anchor is the price you first put on it and every price onwards is anchored by that initial price.'

Dr Mike Fralix, TC² – Robotics and automation in the Age of Disruption

'Imagine the day you can go into McDonalds or Burger King and your burger is 3D printed. There is already research underway on 3D printed steaks, although they cost \$20,000 each. That same kind of technology is already impacting our industry.'

'What is disruption? A lot of things can disrupt, but where it relates to technology I look on it as a positive.'

'What is industry 4.0? It's the Internet of Things, smart factories, machines talking to machines and to people.'

Thorsten Traugott, MD, Coloro – The colour revolution

'What are the colours of Generation Alpha? They are children and the human eye is not yet fully developed so they react to bright colours.'

'Imagine if you had a colour code on every product and consumers could search for items that will harmonise with the items they already have. Colour is the biggest reason for online returns because actual colours don't match what people see on screen.'

Glenn Littlewood, commercial director, Coats Global Services – How digital end-to-end solutions can help address today's industry challenges and opportunities

'Amazon is a pure play based on technology and it has 11 fashion brands of its own. However, a lot of brands and retailers are simply not prepared from a technology point of view to compete with the likes of Amazon.'

'Brands and manufacturers have to commit to doing things digitally, and that has to start with killing Excel.'

Mark Powell, PLM solutions expert, PTC – Digital storyboarding to enhance collaboration.

'Better collaboration with suppliers can speed up the design process.'

'Augmented reality can be used to inform the buyer about what they are buying, to aid design and visualisation, or to advertise and excite to purchase.'

Laura Hampson, head of QA, and Angela Gaskell, head of sourcing, JD Williams/ N Brown Group – Digital innovation: its impact on product development and the supply chain

Laura: *'The convergence of technology in the fashion industry gives us the ability to visualise the physical world in the virtual world at pace but it won't eliminate physical samples at this stage.'*

Angela: *'You need to identify your pinch points because they impact lead times. If you don't know what they are, you can't fix them, and technology can't either.'*

Emily Robertson-Hood, senior consultant, Alvanon – Future tech: are you fit for success?

'Work is 3D but collaboration remains 2D – people still need to see physical samples on the body, feel the fabric, and test performance.'

'3D is not magic. Good fit must be established to flow into 3D.'

Kevin Townend, non-executive director, Advanced Supply Chain

'The supply chain for bricks-and-mortar and multi-channel retailers is different to the supply chain for omni-channel. If you want to be omni-channel, you have to be agile. Agility is not built into the lean supply chain.'

'Even the biggest retailers are bringing products from origin manufacturers to Europe for processing and then sending them back out to various markets. Why not send them from origin manufacturers direct to the end market?'

