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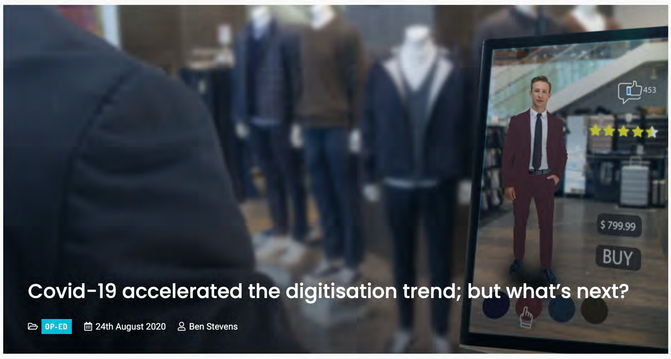

Covid-19 accelerated the digitisation trend; but what's next?

OP-ED | 24th August 2020 | Ben Stevens

The past five months have probably been amongst the most complex of our lives to date and the peak of this global change is still far from being reached. The pandemic has disrupted lifestyles and industries and prompted many businesses to re-evaluate how they operate. In the retail environment, many C-suites have learnt that digital transformation is critical to the future of retail.

The sudden closure of stores as part of lockdown measures resulted in many more consumers relying on online shopping. Retailers who already had a strong e-commerce offering – the likes of Amazon and ASOS for example – came out strongly, while others scrambled to adapt to the new trading environment. This period of disruption has highlighted that e-commerce is no longer a "nice-to-have" but key to a retailer's survival.

As consumers return to shops, savvy retailers know that now is not the time to take their foot off the pedal when it comes to investing in their ecommerce proposition, and more broadly digitising their ways of working. Digital transformation is not about creating quick fixes, but about investing in solutions to fundamentally transform a business to be more agile, future-proof and sustainable in the long-term.

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What will this newly digitised retail sector look like? Slick e-commerce sites, engaging Instagram posts, virtual mirrors and tablets in-store are visible manifestations of retailers' digital transformations, but the biggest transformations are systemic, taking place behind the scenes. A key lever of this new digital paradigm is the consolidation of a 'Product Digital Identity': a digital twin of each physical product, which includes all of the relevant product information and related marketing and sales assets, enabling a consistent and seamless retail operation and experience across all channels.

Hyphen witnessed first-hand how lockdown accelerated the digital transformation of many retail brands. We saw a ten-fold increase in new business requests through the main lockdown months. Notably though, it was brands like Bally, Diesel, Ferragamo, MaxMara and Versace, which have all been working on a long-term digital transformation for many years now, that were able to most seamlessly adapt to the challenges presented by Covid-19.

During lockdown, Salvatore Ferragamo was unable to showcase their collections to international buyers after this year's Milan fashion week, and so asked Hyphen to come up with a solution. We delivered a 'virtual showroom' environment, where Ferragamo Sales Managers were able to make live 1-to-1 presentations to hundreds of internal and external buyers. They could then browse and pre-order from interactive high definition and 360-degree images of Ferragamo's new collection – supplemented with all the necessary technical, sales and marketing information that buyers would expect to discuss during a physical showroom meeting.

Versace's last sales campaign was another example of a fashion house we've been partnering with for many years now and rose to the challenge to get a new collection to market with manufacturing sites and supply chains in lockdown. Versace developed and showcased in their virtual showroom life-like 3D-product versions of 25% of their new collection, securing firm orders from buyers before product samples had even been produced in real life. Working virtually, the brand has been able to reach this key sales stage while forgoing the fabric, working-hours, and air-miles that would typically be required in product design and sample run stages.

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So, digital solutions that were introduced out of necessity during lockdown have provided benefits that will prove important well beyond this immediate challenge. Notably all of the retailers that introduced Virtual Showrooms with us are retaining these for future seasons. Like many other businesses, retailers have been exploring ways to reduce their carbon footprint. Smart working and digital showrooming remove the need for international travel and the associated CO2 emissions, and 3D prototyping dramatically reduces the waste associated with producing samples.

In addition, the shift to digital ways of working has had many social benefits that could lead to a more inclusive industry. The ability to work remotely allows those who are not able to travel for work (due to caring responsibilities, for example) to maintain their jobs and progress in their careers regardless. Wider benefits like this will lead to digital solutions remaining part of the norm in retailing.

So, retail digitisation is not new and the brands that are performing best are those that have spent many years enhancing their virtual journey. However, the challenges of recent months have driven a step change far greater than we could have ever imagined. As we take stock of the pandemic, it is vital that retail brands ask themselves not only how to return to "business as normal", but how to use this as a moment to plan ahead, adjust historic ways of working, and innovate to excel – to ensure that "what's next" is a sector of sustainable, future-proofed retail businesses that continue to delight consumers worldwide.

Marco Milioli, CMO, Hyphen-Group

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