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The Omnichannel strategy:
a new way to compete in digital market.

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Introduction

In the contest of the digital transformation, the way to do shopping is changing deeply. Shoppers are now omnichannel both for attitude and behaviors. They want to get information and buy anything anytime and anywhere. Consequently, for the companies became “mandatory” a reorganization of their business strategy to deliver a seamless online and offline experience, both consistent and uninterrupted to meet the customers’ expectations and to be competitive¹.

The Omnichannel strategy refers to “the synergetic management of the numerous available channel and customer touchpoint, in such a way that the customer experience across channel and the performance over channels is optimized” (Verhoef, Kannan, and Inman 2015)².

But how and why the companies are changing the way to do business adopting the Omnichannel strategy?

This study analyzes the implications of this strategic choice within clothing and fashion industry, with the main purpose to demonstrate how much the Omnichannel is becoming crucial to engage with the digital customers.

The analysis starts with the description of how the habits and needs of people and companies have changed in the actual environment driven by the digital transformation. Then the focus moves to the features and the supporting tools of the Omnichannel approach.

In the third chapter the work analyses the penetration of the Omnichannel strategy in the clothing and fashion industries. It takes into consideration the level of digital maturity

¹ Savastano M., Barnabei R., Ricotta F., “Going Online While Purchasing Offline: an Explorative Analysis of Omnichannel Shopping Behaviour in Retail Settings”, International marketing trends conference, 2016.

² Verhoef P., Kannan P.K., Inman J., “From Multi-channel retailing to Omni-channel retailing: introduction to the special issue on Multi-channel retailing”, New York University, Published by Elsevier Inc. (2015).

and the diffusion of the new strategy processes in fashion luxury and sportswear sectors and in Italian clothing market, highlighting the related weaknesses and strengths.

Finally the study examines two relevant cases histories of brand that were pioneers in adopting the Omnichannel strategy, such as Burberry and Timberland.

The paper work was developed using data from the study about customer purchase behaviours and digital maturity of markets conducting by Altagamma-Mcensey, Bain & Company, Deloitte, Politecnico di Milano.

The research around Omnichannel processes and tools and the analysis of the Italian fashion brands was supported by interviews conducted with the sales manager and the marketing manager of Venistar Fashionable Solution³.

The Timberland case was analysed based on a direct interview to the e-commerce EMEA director of Timberland, although the company could not share the quantitative data due to the privacy policies. While to build the Burberry's case data were taken from the annual reports of five years of the brand (from 2012 to 2016) and CEO statement from interviews.

The implementation of Omnichannel strategy is still in preliminary phase because it involves all department of company so it is a long-lasting process. Also, the investment is huge however the initial results showed by the case taken into consideration are promising.

³ Venistar is a company for the innovative solution and tools for fashion and luxury brands.

1. The omnichannel environment

1.1 - Digital transformation

Shop anywhere, buy anytime and get everything you want is the actual expectation of any consumers and this becomes the main challenge of any firms.

The availability and diffusion of smartphones, tablets and other devices is the major cause of the increase of this expectation. The shopping now does not know any boundaries. Information come from everywhere, in any way and by different channels. The digital transformation is changing radically the way to do thing in different environments.

Nowadays the customer journey is not linear: consumers can interact with the company in different way and time. People can get information about the products they want on internet, journals and media; then they assess the best, convenience and simpler channels to buy. The technology is a fundamental aspect of daily life and the industries are becoming dependent on it.

The improvement of technology gives the access to information to everyone easier and faster.

At the point of view of firms, this is an opportunity, but also a challenge in order to create the best engagement with their consumers⁴. People need to be connected to the others every moment as they want to have the possibility to purchase whatever they want in any place and at any time.

Both for the retailers and for the consumer the possibilities and the way to do shop are multiplied. Anyway, with these large quantities of available technology tools, the companies must choose rationally: just because there is the possibility to do something, it does not mean it should be done⁵.

⁴ Hansen R., Sia S.K., “*Hummel’s digital transformation toward Omnichannel retailing: key lessons learned*”, University of Minnesota, 2015.

⁵ Bajorek J., *The omnichannel dilemma focus or fail*, in “Chain Store Age”, n.91, Aug/Sept 2015.

Consumers rely on technology tools to have a purchase experience simpler, faster and more convenience as possible. Thus, retailers should not push too much the usage of newest sophisticated technology which could not be understood.

They also should take in consideration how long it might take to turn a new digital execution from a cost center to a profit center. This can be mapped tracking the usage, awareness and appeal of various digital devices among consumers. This mapping is not simple as seem because the high use of certain tech tool, does not always equal to have high appeal (that reflects a need is being met) with it.

In this context, the traditional customer buying cycle (awareness, consideration, purchase, retention and advocacy) is completely changed, becoming more complex and dynamic. The relationship between the producer and the consumers is changing as the relationship between the firms and the markets.

The companies should be ready to embrace the digitalization in every side of their business: from the production activity, to the way to distribute and the organization of work. The digital transformation is changing the way to make business, but also the attitude of customers: two aspects that feed each other.

This transformation involves also the cultural and social aspects of life⁶. An example is the diffusion of sharing economy; this phenomenon has become by now the normality. People are more open to share for the facility to do it and for the attitude in savings; this for the high degree of connection between people thanks to the digitalization.

Nowadays firms are embracing the digital to be competitive in the market.

⁶ Libert B., Beck M., Wind Y., “*Hot to navigate digital transformation*”, Harvard business review, 22 June 2016.

1.1.1 - The effects on the people's needs

At the present time, people show dependency on technology; however it is difficult to assess how and if it affects their life and daily habits and behaviours. The debate is still open, there is not clear understanding if the technology helps to meet needs or it creates new ones.

In 1954, Abraham Maslow proposed the “hierarchy of needs”, a sort of standardization of human needs. This is a pyramid composed of five stages: from the most basic needs for our physical survival to the complete self-realization.

The physiological needs are the first to be satisfy for the instinct of self-preservation (hunger, thirst...); in the second stadium there is the safety need that refers to sense of protection and tranquility (sense of safety in the place a person lives, elimination of worries and troubles).

The third level is about the need of love and belonging; it corresponds to the need of to be loved and be part of a community. Then the esteem need refers to the wanted of person to be respected and approved.

The last level is the self-actualization need; it is the self-realization according to own identity, potentiality and expectations and have a defined place in the society.

Once one level is fulfilled, the next one is what motivates us and so on⁷.

⁷ Urwiler R., Frolick M., “*The IT Value Hierarchy: Using Maslow’s Hierarchy of Needs as a Metaphor for Gauging the Maturity Level of Information Technology Use within Competitive Organizations.*”, Information Systems Management. Winter2008, Vol. 25 Issue 1, p83-88.

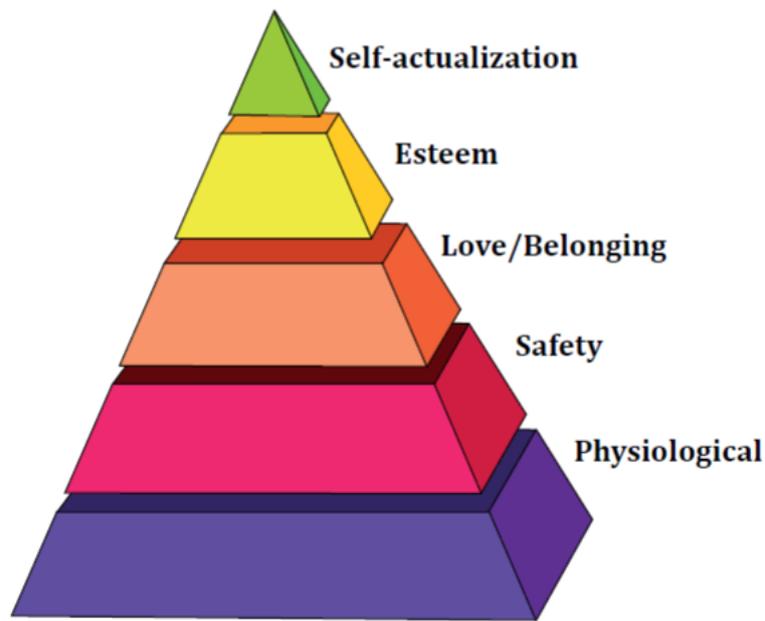


Figure 1: Maslow's hierarchy of needs.

The new digital contest influences the way people communicate and approach with the others and the way in which they are exposed to the information; consequently, the needs are changing.

In the 2007, the engineer Luca De Felice, senior manager of “Discovery Reply” (Reply group) hypothesizes a new hierarchy of needs.

The new pyramid, called “COSMA” has five level too and it takes into consideration the technology factors⁸.

The innovation let us to reach the following level and it could also create others needs.

⁸ Luca de Felice, “*Marketing conversazionale*”, Gruppo 24 ore, 2011.

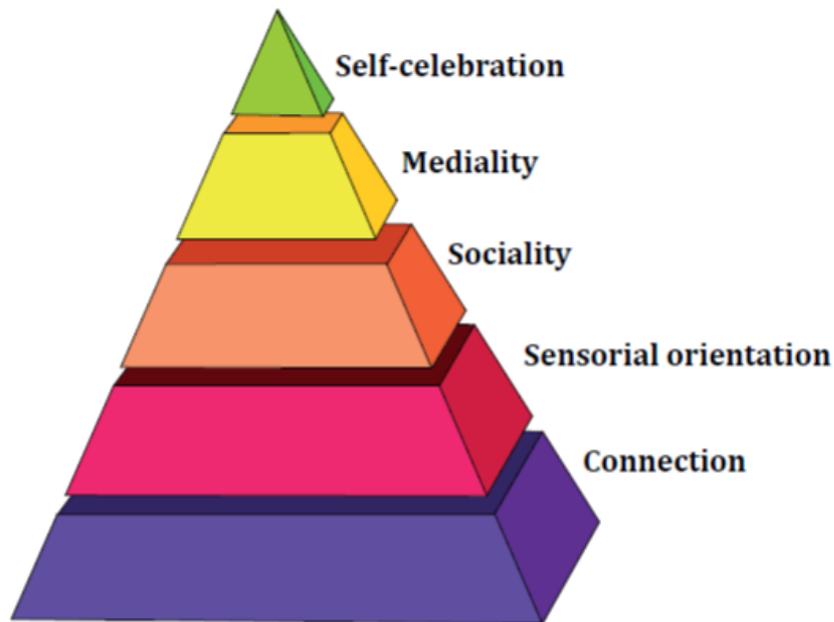


Figure 2: COSMA pyramid.

- The **connection**. The first stage is the connection. It becomes a need comparable to physiological one. The mobile and pc are indispensable tools both in the job and in personal daily life. One person owns on average 2,6 devices with which are connected every day.

Research conducted by “We Are Social”, “Digital in 2016” reports the usage of internet among the world population in January 2016⁹.

⁹ We are social, “Digital in 2016”, January 2016. Available at: <http://wearesocial.com/special-reports/digital-in-2016>



Figure 3: “Global digital snapshot”¹⁰

Nearly the half of world population is connected¹¹. The last year, this number increased of 14 %: from 3 billion in January 2015 to 3.4 billion in January 2016.

The amount of people that use internet is increasing very fast year by year. The following table shows the penetration growth rate of the usage of internet in the world from 2012 to 2016.

	P	ΔP	I	R	ΔI
2012	6.809		2.076	30%	
2013	7.018	3%	2.330	33%	12%
2014	7.095	1%	2.484	35%	7%
2015	7.210	2%	3.010	42%	21%
2016	7.395	3%	3.419	46%	14%

Legend:
P=population
ΔP=population growth respect the previous year;
I=Internet user
r= internet penetration rate
ΔI=increase of internet use

Table 1¹²: “Internet usage”

¹⁰ “Global digital snapshot”. We are social, “Digital in 2016”, January 2016

¹¹ Data updated on January 2016

¹² Data elaboration of “We are social” researches in Digital from 2012 to 2016.

In the latest years the use of mobile to the access on internet is improved: from 0,7% in 2009 to 38,6% in 2016. This trend will continue to grow, also thanks to the improvement of diffusion and velocity of line and less cost of devices.

This data highlights the need to have a connection by the hand every moment.

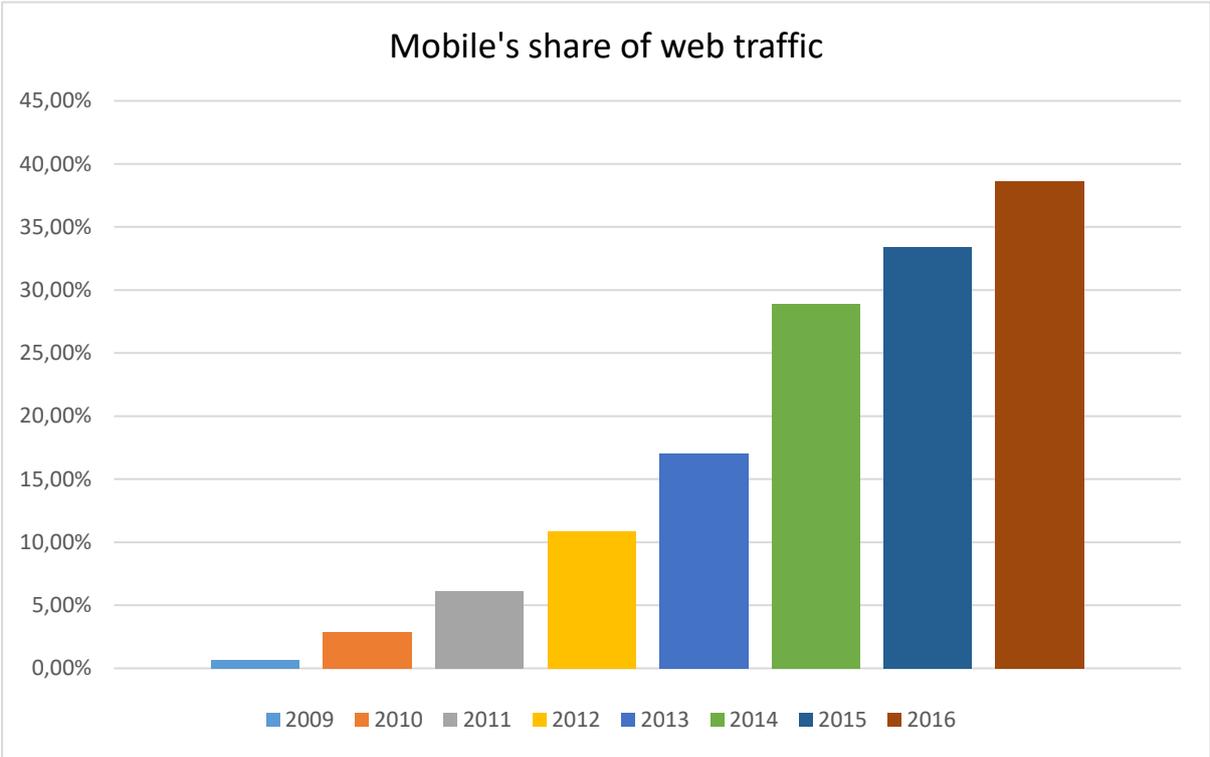


Table 2: "Mobile's share of web traffic"¹³

The time spent on internet per day is on average 4 hours. The following graph shows the average of navigation time by region, including the breakdown by mobile phone and pc¹⁴.

¹³ Data elaboration of "We are social" researches. Mobile's share of web traffic: percentage of all global web pages served to mobile phones in January of each year.

¹⁴ Data updated in January 2016

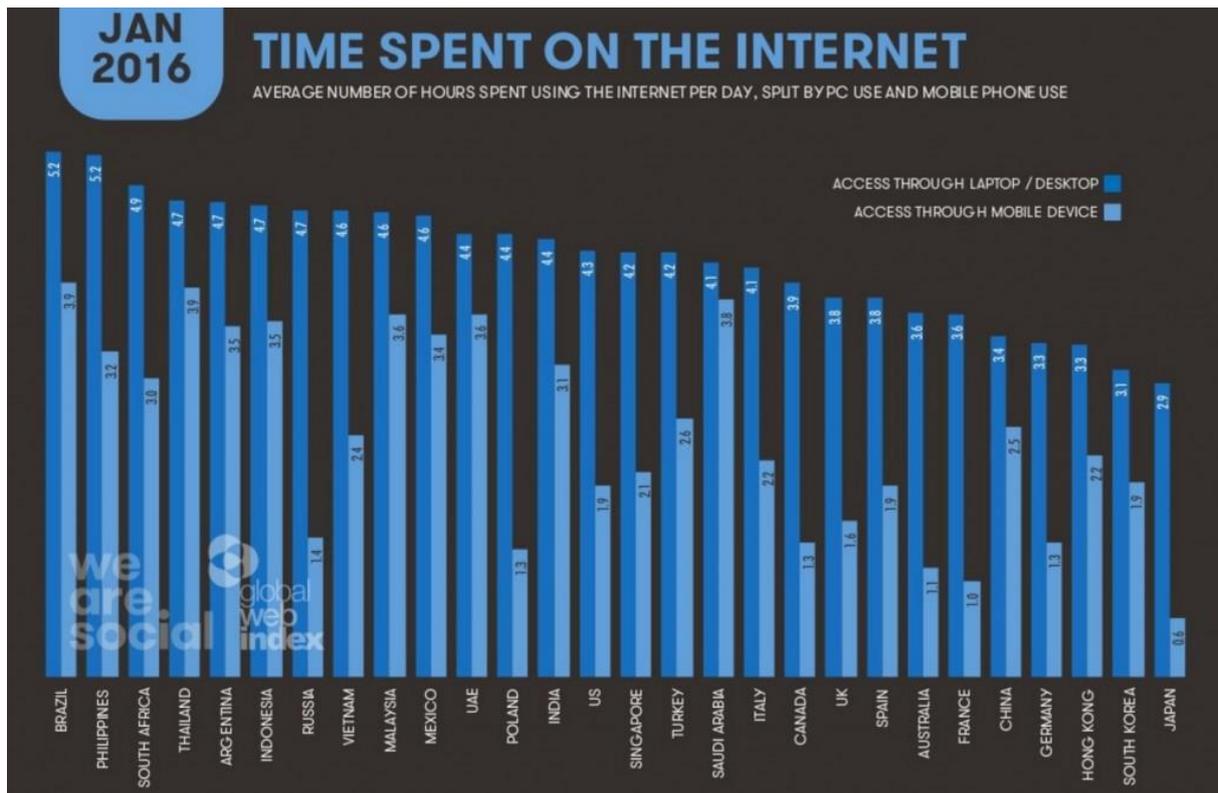


Figure 4: “Time spent on the internet”¹⁵

- **Sensorial orientation.** In the past year, the sense of security come from private or public institution, nowadays it is found in the technologies. For example the GPS, WIFI, USB memory and others tech tools help us in orientation and organization; without that instrument people feel lost.
- **Sociality.** The technology let people to stay connected to the rest of the world every time and everywhere. Nowadays the community are not only local but global and it is possible to find the sense of belonging of Maslow in numerous perspectives.
- **Mediality.** The need of visibility, sharing owns idea and thoughts on social network, blog and others platforms. This is the new way of research of acceptances and consensus. Especially, the Generation Z, grown in the year of settlement of social network, have more than one social account and they share own life with the world, true or invented. To share and show to others “the own perfect life” became a real need and with the technology was emphasized.

¹⁵ “Time spent on the internet”, We are social, “Digital in 2016”, January 2016.

The realization now than ever is found in a large part in the approval of the community.

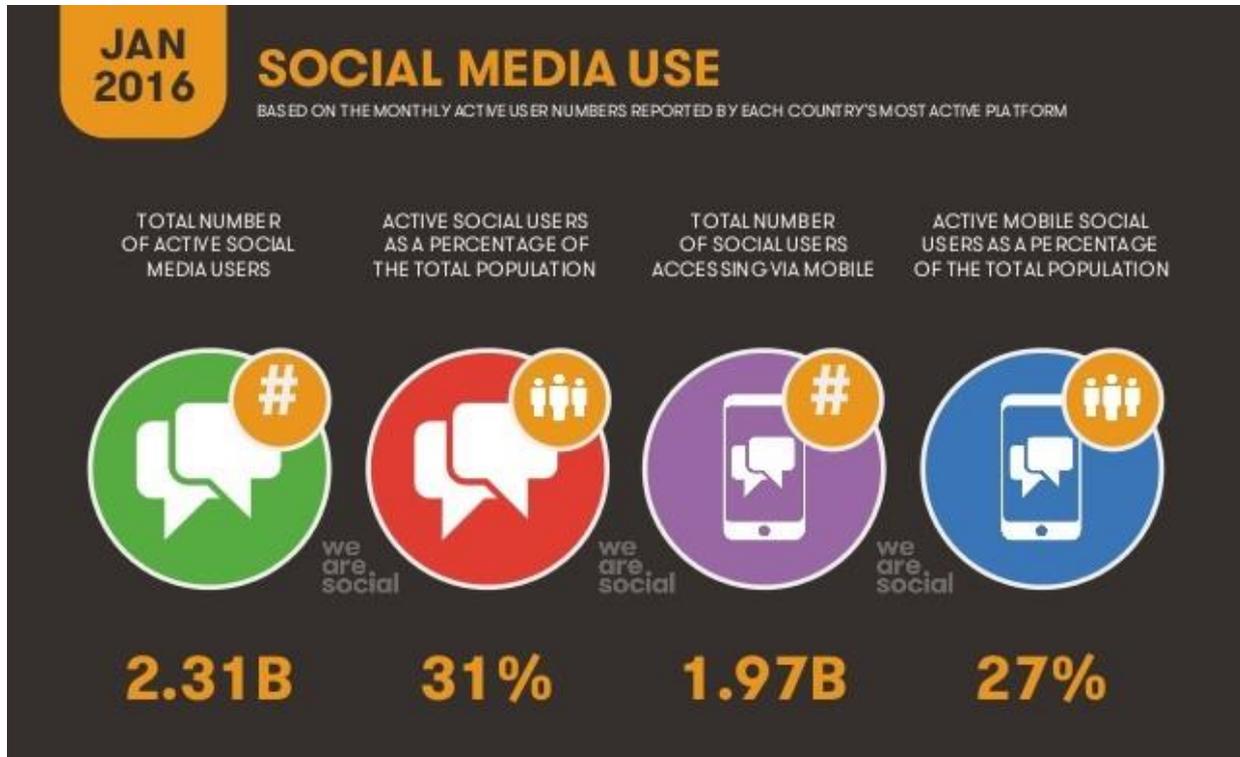


Figure 5: “Social media use”¹⁶

The 31% of the worldwide population is active on social media and use more than one platform. The 27% is connected everywhere, via mobile. This percentage will increase in the next years as the need to be accepted to the virtual community.

- **Self-celebration.** The maximum stage is reached with the possession of high tech tools that give a sense of satisfaction and realization.¹⁷

The last phase of Maslow’s pyramid is the self-actualization, when people have defined thoughts and personality and have a specific role in the society.

¹⁶ “Social media use”. We are social, “Digital in 2016”, January 2016.

¹⁷ Toffolo, C., “Bisogni: mi appartengono o me li creano?”, in Marketingtechnology.it. 25/07/2016. Available at: <http://marketingtechnology.it/piramide-di-maslow-bisogni>

In the “COSMA”, the self-celebration is reached with tech tools. For example, today the Apple objects as the “I-phone”, “mac” or “I-watch” often are not buy for their usefulness, but they are become things of cult. The possession of these kind of stuff satisfies people and make them part of a certain level of society.

1.1.2 - Internet of Things (IoT)

The development of the “internet of Things” reflects the last stadium of “COSMA” pyramid. It refers to all the objects that can network and communicate with each other via internet. The physical objects are seamlessly integrated into the information network through the exploitation of data capture and communication capabilities¹⁸.

The objects often are not new but the Internet changes the way to use them on daily basis and the functions that they can perform. Consequently, people perceive the need to buy these “new” things.

These “things” are expected to become active participants in all aspects of life and in business process, help us in problem solving issues and in improvement of comfort.

IoT (Internet of Things) allows for virtually endless opportunities and connections to take place.

The “Smart Home” is an example of the comfort of this thing. Actually it is likely the most popular IoT application because it is affordable and easily available to consumers.

These tools consist in the voices control to make the lives in home connected. Users speaking can tell to play music, get sports scores or the latest news, and regulate the home temperature¹⁹.

Numerous sophisticated IoT are a whim for users rather than useful tools. Moreover, their introduction in daily life lead people to rely on technology and to have a perception of the reality through them.

¹⁸ Haller S., “Internet of things: an integral part of the future internet”, SAP research, 2014.

¹⁹ Meola A., “Internet of things devices, application & examples”, Business insider UK, 16/12/2016.

As the world becomes increasingly connected to the “Internet of Things”, the amount of generated data will increase. This gives brand insights into their customers’ behaviors. Marketers will be able to use these data and target their campaign towards them.

Also the integration of devices with services facilitate brand loyalty and lock users into a convenience ecosystem.

1.2 - The Millennials

The major target of marketers are the Millennials. They are known also as “the generation Y” and it refers of people born between 1980 and 2000. The Millennials is the first generation that in adult age is familiar with the technology: their approach with the continuous innovation is intuitive and natural.

They grew up in years of huge changing: technology transformation, globalization and economic disruption. This caused different behaviors, expectations and priorities compared to the previous generation. Consequently, the marketers must overturn their way to do business to meet the new demands and needs of the customers and the markets.

Actually, Millennials are the most influenced Generation, more than the Generation X (born between 1979 and 1965) too tied off with the tradition and less open to innovation and more than the latest Generation (born from 2005) too young to be relevant in the markets.²⁰

The impact of this generation and innovation technology are leading to a radical change in the ways we buy and sell and a reshape of economy, never seen before.

They are the generation “always on” and contribute of a huge amount of annual spending.

²⁰ Sharon A. DeVaney, PhD, Journal of financial service professionals, Purdue University, November 2015.

According to Elite Daily research on Millennials, almost 90% of them are actively using two to three devices a day and at least the half using social media or specific blog crucial in buying decisions.²¹

Millennials are around 2 billion in the world; in the USA are over 80 million and in Italy are 11,2 million and they represent over the half of online user. Internet is the most usage tools to search information about interests' items and products.

They are also very careful of completeness of information, the professionalism of authors of content and the reliability of sources. They make comparison acted to discover the most convenient and quality product. They compare products not only in the phase of browsing, but continue inside the store and after the purchase.

According to a survey on Millennials the 57% of them search information about product and substitute stuff on internet in the retail store.²² For this reason, the brand must be able to spread consistent and speedy information and try to understand the needs of consumer in integrated way both offline and online channels. The velocity and smartness of company touchpoints is very important requirement for the costumers' loyalty.

This is also the generation of the sharing economy and the social connectivity. They are very influenced by the others' behaviors shown on social network. Also they rely on the recensions and feedbacks of others before the purchase or experience a product.

The traditional publicity leads to have a marginal role on the choice of product.

Only 1% of them is influenced by advertisement because it is considered few authentic; this factor is considered more relevant than the content when consuming information and news.

The Millennials search dialogue and engagement with the brand and they choose that is give the best experience.

²¹ Elite Daily consumer study 2015: survey on 1300 Millennials from Elite Daily's database of reader and contributors related to their behaviour on purchase, social media consumption and media expectations, October 2015.

²² Goldman Sachs Global Investment research. Available at <http://www.goldmansachs.com/our-thinking/pages/millennials/>

Paradoxically it is also the most loyal Generation. If the brand creates a good experience more than one time that satisfy the consumer in all phases of purchase journey, the 50,5% (Elite Daily consumer study 2015) declare to remain loyal or quite loyal to this brand.

This is a very curious data that in a world with numerous alternatives and the possibility to make comparisons anywhere and anytime, the brand loyalty increase rather than disappear.

One possible explanation can be that as the consumers can access of numerous information, also brands can study and understand the behavior, needs and main trends through, for example, social networks and meet better the demand.²³

Moreover, the social pages of brand have a pivotal role in engagement of consumers, because the contact is more direct, continuum and speedy. For the brands, it is not enough to be only active on social but they must discover the right way to communicate and keep-up in real time their customers.

²³ Coni, R. “Le caratteristiche del target dei Millennials”, in TSW. 23/10/2015. Available at: <http://www.tsw.it/digital-marketing/le-caratteristiche-del-target-dei-millennials/>

1.3 - The importance of data

The massive data volume is generating a strong impact and trends throughout our society.

The diffusion of mobile phone, that is fostering the interconnection among people, multiplied the amount of diffused data. The advantage of smartphone is the opportunity to access data in different forms. Especially, the availability of social network and app on mobile phone change the way to interact and communicate. People directly or indirectly spread a lot of personal information. Consequently, through social and app, companies can collect several data about their customers. For example, Facebook is become the biggest database of personal preferences, habits and opinions.

The Big Data is the application of the statistical and scientific principles for the interpretation of that amount of information. The analysis' work is made by statisticians, psychologists and marketers because the data involve a lot of aspect of people life.

They can know and track not only what every consumer has bought, but also their attitudes, feelings and expectations; hence they can personalize better the offer. It is not a news for the companies to study consumers' preferences to meet their needs, but the traditional data analysis almost focus on only structured data. ²⁴

This kind of data refers to, for example, the types and quantity of product sold to a certain costumer. To have a more complete vision it needs to consider also the unstructured data, more difficult to discern. An example are the emails exchanged with a defined costumer: the email can be organized by date or time but not by contents or subject.

The peculiarity of Big Data analytics is the mix of structured and unstructured data because it is important to have a whole vision of every contact with customer. Moreover this analysis take in consideration also internal and external data sources.

²⁴ Williams D., *Connected CRM: Implementing a Data-Driven, Customer-centric business strategy*, 2014.

Big Data business model will assume a central role in the value chain, but it is not so simple to apply.

Big Data is not representative: massive amount of data does not necessarily result in good data and more data does not mean better; it is imperfect: there can be error from the technology and doesn't take in consideration all the variable²⁵.

In the latest years, the possible level of customization and engagement is completely changed. The companies can respond to customers' needs more deeply and faster. Businesses should respond to continue change of customer needs on a second by second basis to remain competitive. This become a challenge for companies because customers know that they own a lot of their private information, at the consequence increase their expectations. The ability to collect and manage the large volume of data is a big determinant in driving efficiency and innovation for the business.

This very large quantities of information must be analyzed to find new insights into customers' behavior. There are numerous tools and trends, for example the localization service or the presence and communication on social network, that company can embrace to exploit data at the best and meet the expectations of customers.

1.3.1 - The localization service

The localization service on mobile phone facilitates the identification and definition of the people's needs. This function permits to know when and where is a person; at the base of the hour of the day and the location, people have different needs. The context is the main determinant of what are the immediate needs of a person and the "contextification" ("the trend by which people will be addressed by others based upon their place in the world") becomes one of the primary driving force behind how an organization engage with their customer.²⁶

²⁵ Bosch, Volker, *Big Data in Market research: why more data does not automatically better information*, GfK-marketing intelligence review, November 2016.

²⁶ Surdak C., *Data crush: how the information Tidal wave is driving new business opportunities*,

The geo-localization is the geographic individuation of the place where an object is. This object, as mobile phone, works broadcasting radio signal to a satellite. This function gives the opportunity to the companies to create several personalized offers and to increase also the ability to make a prevision of users' future context and wants. Companies can obtain several advantages when adopting geo-localization as tool such as targeting customers when they are near a business or promotion, search results based on location, analyze costumers' habits and preference from past locations visited and search history, define the best radius by distance or time around the store.

For example a coffee bar set a 2-mile perimeter around the shop in which ads can be delivered. The choice of the cover area is made to reach office complex in which work potential consumers for the bar. They may be looking for somewhere to make breakfast before going to work.

Another example of service that exploit the GPS (Global Positioning System) is the advice through app (of specific brand). When a people walk around a certain radius from the store, receive a message with the invite to go in to discover the latest news and promotion.

The privacy is sacrificed because the movement and actions of people are in strictly control. Anyway the benefits are higher, both at the point of view of the company and at the point of view of the consumer. Firms have deep understanding of their consumers, hence they can target better the communication avoiding unwanted messages; with this function is possible to attract potential customers and to improve the loyalty and engagement with the old ones.

The major personalization of offers is an advantage at the point of view of consumers. The publicity advice that they receive are of interest. Consequently, they save time and memory and the communication with the company is more direct.

1.4 - Think in digital: not an overcome of brick-and-mortar retailer

The internet boom and the digital boost the online commerce. The advantage of the e-commerce is above of all the ease access everywhere and every time. The 60 % of consumer in Italy and the UK find ecommerce more convenient that brick and mortar.²⁷

Anyway, according with the Omnichannel Shopping Preferences Study²⁸, the physical store remain the preferred shopping channel. Moreover, it is observed that the online retailers with a brick-and-mortar presence sell more on their websites than pure online ones. In fact, the store plays a fundamental role also in web purchase: almost two third of consumers visit the physical shop before or after the transaction.

The store is the place where the most significant value for consumers and retailers continues to be created. The source of creation of value can be considered the most important part of all the shopping journey, more than the sales transaction itself. Inside the store is possible to touch and feel products and experience the brand.

The choose of the different shopping channel depend of several factors: age, channel convenience, phase of shopping journey, object of purchase and moreover. The typical shopping journey can be divided in five stages: the discovery, test of the product, purchase, delivery or pick-up and the eventual return. Analyzing the shopping journey of different group of people emerges that in every step the role of physical store is the most favored. The only phase that the online channel is preferred is the first, when people categorize and discern among the products. For the potential returns of the products, the physical store is very important both for the consumers and for the retailers; at the point of view of the customers for the comfort and at the point of retailers

²⁷ Survey by iVend about shopper perceptions of the omnichannel experience on 1000 consumers in five Key European Markets: the UK, Germany, France, Italy and Spain.

²⁸ Omnichannel Customer Preference Study (2014): Survey by A.T.Kearney about shopping preferences and behaviours on more than 2500 US; the study used the following birth year segmentation: teens 1995-2001, millennials 1980-1994, generation X 1965-1979, baby boomers 1950-1964, seniors born before 1950.

for the rearrange the return in a new sale without loss the value of the previous purchase.²⁹

Another example of the importance of brick-and-mortar store is the fact that some colossus of the online retailers, such as eBay or Amazon have taken in consideration the advantage to invest in physical shop point. Amazon invest in 100 “pop-up” store around the USA. These are place where it’s possible to experience the devices, asks expert about products and make purchases.

The brick-and-mortar store is the foundation of retailing but nowadays to create a best customer experience the integration with the online channel and digital device is necessary. The people know how brick-and-mortar shopping works and the store during this time has benefitted of this fact. Consumers now are ready for a new “offline experience”, driven by online expectations.

The physical store needs to be reorganize, introducing innovative device and new platforms to create a seamless shopping experience that meet the customers’ need and desires.

²⁹ Brown M., Moriarty M, Mendoza-Pena A., “*on Solid Ground: Brick-and-Mortar is the Foundation of Omnichannel retailing*”, in “MMR”, vol 31, 20/10/2014.

1.5 - A new design of customer journey

The customer journey is the itinerary of users when establish a relation with a company, the cognitive process in which the users move through different channels till the purchase of a product or service. It is the process a customer goes through, across all stages and touch points, that makes up the customer experience.

The consumer buying cycle is almost structured by 5 steps:

- **Awareness:** the customer identifies a need and becomes aware of the products of the specific company that potentially fulfill it.
- **Consideration:** consumer starts to evaluate among the products: if a product really meet their expectations and needs, if the price is competitive. Also they make comparison with other products of others company.
- **Purchase:** consumer makes the choice and buys the product.
- **Retention:** the loyalty of consumer after the purchase. In this phase, it sum up also some activity and aspects that had lead the consumer to buy.
- **Advocacy:** it is the highest phase of customer's loyalty. The advocacy is the spontaneous act made by the consumer that suggests and recommends products of certain brand. The so called "word of mouth" is very powerful in the people's purchases choices.

The customer buying cycle can be linear, dynamic or complex and this depend on the marketing strategy and the technologies used by companies³⁰.

The simplest customer journey is single channel. There is only one place where customers and sellers are in contact: this is the physical store. The relationship is quite linear and static.

³⁰ Lemon K., Verhoef P., "Understanding the customer experience throughout the customer journey", Journal of Marketing: AMA/MSI Special Issue, Vol. 80, 69–96, November 2016.



Figure 3: Single channel.
A single type of touch-point
for customer experience

The new technologies, the diffusion of internet, mobile devices and social media have revolutionized the retail customer experience. Company started to use new channels, both for sale and post-sale phase, to interact with the costumers. The channels are not only for physical distribution but also a way through which consumers find products and brand information.

The company can control the development and management of channels, but the channel multiplicity is driven by factors outside of firm’s control. The first use of the term “channels multiplicity” with the meaning of “the proliferation of channels used to provide information, deliver and/or facilitate post-purchase satisfaction and retention with respect to the products and services offered”³¹ was in 2010 by Van Bruggen et Al. The channel multiplicity is larger driven to consumers’ increased use of technology and information researches.

In a multichannel approach, the companies use both on line, like e-commerce and off-line channels, like store. This strategy seeks to maximize the performance of each channel and engage costumers across multiple touchpoints. Every channel may have its own strategy and is managed and works without any integration with each other.

³¹ Van Bruggen, G. H., Antia, K. D., Jap, S. D., Reinartz, W. J., & Pallas, F. “*Managing marketing channel Multiplicity*”. *Journal of Service Research*, 13(3), 331–340, 2010.

Multichannel strategy is based on the assumption that each consumer has his own preferred way to interact with a company.

The lack of communication among the channel see the client differently according to the channel that approach and doesn't recognize him. Moreover, for him is difficult move from one channel to another because the information could be different.³²

The multiplicity of channels may push consumers to seek information through one channel (eg. mobile site) and purchase through another one (eg. Brick-and-mortar store) or vice versa. These consumers' behaviors are described with the terms of "webrooming" or "research shopping", when they use online channels before shopping on the physical one and "showrooming", when they use store to handle items and then purchasing online³³.

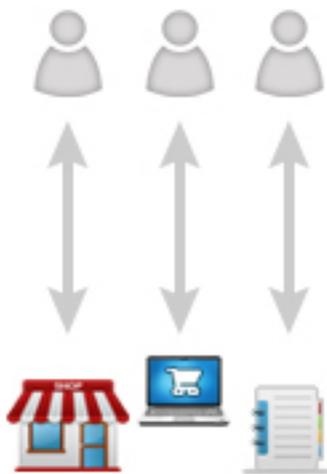


Figure 4: Multichannel. Customer experience multiple channel acting independently; every channel works as independent silos and doesn't communicate with each other.

The familiarity of the people with devices increase their expectations about shopping: most of people uses more than one channels during the buying cycle.

³² Lemon K, Verhoef P., "Understanding customer experience throughout the customer journey", Journal of Marketing: AMA/MSI Vol. 80, 69–96, November 2016.

³³ Savastano M., Barnabei R., Ricotta F., "Going Online While Purchasing Offline: an Explorative Analysis of Omnichannel Shopping Behaviour in Retail Settings", International marketing trends conference, 2016

A study by Deloitte³⁴ finds out that more than 20% of customers follow brands on social media, 75% browse and research online before go in the physical shop and 56% continue to do searches and comparison during they are in shop.

The care for these well-informed customers starts being importance and be at the center of the strategy³⁵. It's important, to be competitive, understand the customer and communicate with him in a more personalized way.

Cross channel approach aim to satisfy customers' need for a convenient and flexible buying process. It's possible to navigate through different channels to complete the same purchase.

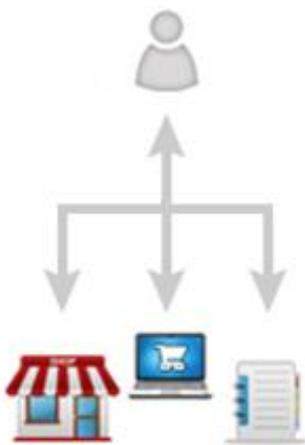


Figure 5 : Cross-channel. There is a single customer view but the channel does not deliver the same brand experience. Consumer experiences multiple channel as a part of the same brand.

In the latest years with the increase of online and offline channels and the amount of information come from everywhere there is the risk to lose the relation between the offer and people. The omnichannel approach give an integrated vision and experience across online and offline channels of a brand.

The idea is to provide customers to a consistent and seamless experience whether they are shopping in a physical store, on a computer, on a mobile device or via a catalog.

³⁴ Deloitte. "Omnichannel retail, a Deloitte point of view". 2015

³⁵ Lemon K., Verhoef P., "Understanding the customer experience throughout the customer journey", Journal of Marketing: AMA/MSI Special Issue, Vol. 80, 69–96, November 2016.

This approach permits to fill critical gap unifying all the touchpoints to give a clear interpretation of brand and the same information independently of the time and the device used. The experience that customers can do during the purchase journey become more important than the product itself.

The boundary among channels disappear and this lead to a flexible and ease for customer to purchase and the retailers raise brand awareness, drive loyalty and value.



Figure 6: Omnichannel. There is single view on the customers. Customer experiences a brand and has a unique vision.

2. Customer-centric Era

2.1 - From product centric to customer centric approach

Until recently most of the companies focused their marketing strategies on product.

The main objective is the fostering of brand. This approach remains at campaign-level mentality.³⁶ At this level are exploited the basic marketing capabilities.

The communication channels are conceived separately and the marketing strategies could be different according to the medium used. This can lead to confusion for customers about the offer.

Nowadays the competition among companies is high and the possibilities of choice for the customers are multiplied. The customers search the best mix of quality and convenience and the product-centric strategy is not efficiency enough.

The marketing of the product is not effectiveness as some years ago and often give a wrong message of lack of authenticity.

The brands to engage with costumers and be competitive may move the focus of marketing strategy on customers. The behaviors and preferences of every single customer obtains a central role: he is monitored in all the purchasing steps, in how he responds to the offers and incentives and in his loyalty to brand.

Specifics IT and marketing tools are chosen to serve this new context. The costumer experience with this new approach is totally recasting.

The experience across the brand are personalized, but the brand identity remains universal.

The omnichannel strategies redefine a customer experience creating a synergy between consumer and brand. The brand doesn't lose value but follow the needs of customer and communicate with him.

³⁶ Williams D., "*Connected CRM: Implementing a Data-Driven*", Customer-centric business strategy, 2014.

The advantage will be both for the customers and the firms.

The centrality of consumer requires the breaking down of silos of different communication channels. Consequently, the decision process may be revisited to begin building customer strategy as the main driver of business strategy.

But how much and what information does the company need to have about its costumers? How does it possible to identify relevant and consistent data related to consumers and crucial to implement customer-centric and omnichannel strategy?

The ability to collect and classify the preferences of consumers depend on the kind of company. Numerous firms that communicate directly with the consumers for the nature of purchase are in better position to define the profile of their customers.

The relation can be direct or indirect, identified or unidentified. For example, a bank has direct and identified relation with its customers because it has numerous personal information and data about transactions; consequently, it can create an integrated-focused customer relation offer.

Differently a brick and mortar retailer couldn't capture consumers' preferences easily. Costumers buy directly from retailer but they don't share personal information; for this reason, it is not simple to create a personalized offer based on the consumers' behaviors³⁷.

In the latest years, the retailers started to create loyalty program principally for the real aim to collect more costumers' personal information and create a more customized relation.

In the graph below we find different way of retailing that represent different experience for customers and marketing approach.

³⁷ Lemon K., Verhoef P., "Understanding the customer experience throughout the customer journey", Journal of Marketing: AMA/MSI Special Issue, Vol. 80, 69–96, November 2016.

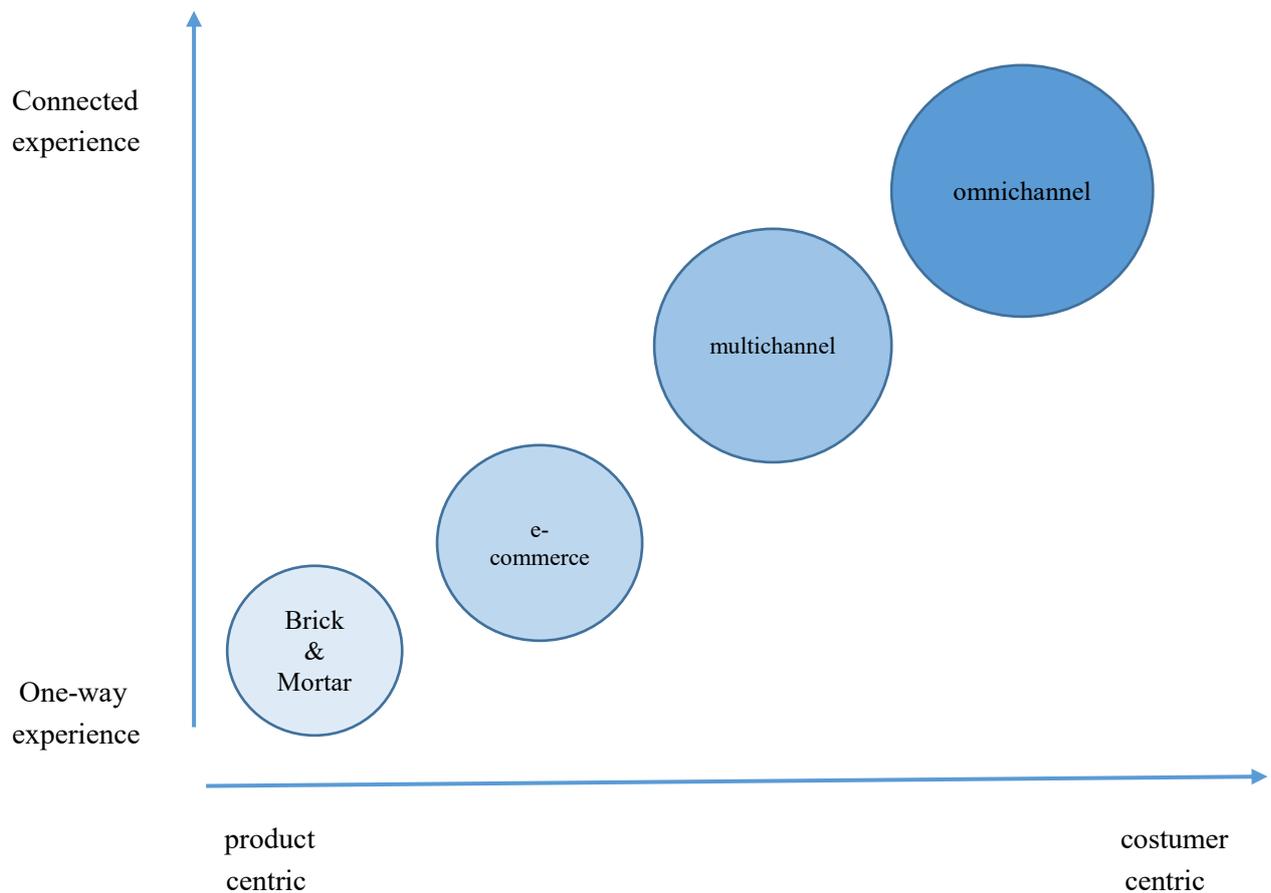


Figure 1: Evolution of strategy retail

If the unique touchpoint to communicate with the brand is the physical store, the information that consumers share, are very few. The simple brick-and-mortar retailer remains at product-centric level: there are several difficulties to outline a personalized offer.

In the e-commerce trade the degree of charged information are superior: the technology behind allows to track data and preferences of customers. Marketing message can be adjusted for a specific individual.

When a brand has more than one channel, the possibility to communicate with it for the users increase. The customers can reach the brand by the channels they prefer. The marketing strategies can be different for every channel because anyone is often entrusted

to a third part; for this reason, the information about the same individual can be dissipate. There is the possibility that a brand has more than one profile for the same person.³⁸

The omnichannel approach integrates all the channel: the company collects information about the costumer during its purchase journey, independently of the channels he uses. In this way, all the behaviors of consumer are tracked even if he uses more than one channel. The costumer-centric approach can be implemented in right way and the firm can create a personalized offer on the base of preferences and interests of every user. The consumer has a unique vision of brand across all channels and devices and this increases the engagement between the two parts.

³⁸ Lemon K., Verhoef P., “*Understanding customer experience throughout the customer journey*”, American Marketing Association, Journal of Marketing, Vol. 80, Nov.2016

2.2 - Omnichannel: a definition

Omnichannel refers to “the synergetic management of the numerous available channel and customer touchpoint, in such a way that the customer experience across channel and the performance over channels is optimized” (Verhoef, Kannan, and Inman 2015)³⁹.

The omnichannel describes the evolution of the retailing. It is the unified and integrated customer experience across physical and digital channels. It is the new way to do marketing that responds of the new dynamic way to do shop. Omnichannel strategy reflects the dynamism of customers in changing their attitude in purchasing and their way to be connected everywhere and any time.

The first step is the centralization of the information coming from all channels about a single user to the definition of specific profile for everyone; then it's the building of a personalized and consistent customer experience to enhance the brand awareness and loyalty and give a integrate vision of the brand.

A perfect omnichannel strategy let the customer have the best purchase experience: the customer is completely engaged with a specific brand.

Potentially, the customers own all the available information independently of the channel used. Consequently, the approach of the retailers must change to respond to the new dynamic world of shopping and the new expectation of customers.

The challenge is to give a unified view of the company across all available channels on the base of the consumers' preferences.

Every interaction, that firm creates, has to be seamless and the costumers have to perceive the image of one company, not separated company connected by channels. The vision is no longer multichannel. It implies the integration of all distribution channels and the availability of information across all level: from any company departments to any end-users. To reach a high level of integration needs to enhance back-end and front-end technologies.

³⁹ Verhoef P., Kannan P.K., Inman J., “*From Multi-channel retailing to Omni-channel retailing: introduction to the special issue on Multi-channel retailing*”, New York University, Published by Elsevier Inc. (2015)

The omnichannel experience starts from a different strategy approach of the companies: they had to think in a uniform and integrated way, involving all the departments.

This strategy improves and overcomes the multichannel one. From the independence of the management of every distribution channel to united vision: there is a straight communication and interdependence among all dedicated team of different channels. Every channel may not be considered separated and closed silos but it may communicate with each other. Moreover the information about products should be consistent, coherent and complete in every channel.

Customers must have integration in their shopping journey. They may start their journey anytime, anywhere and from any device and if they stop they may restart from where they left on any device or channel available.⁴⁰

The omni-channel approach follows 3 main drivers:

- provide a unified and fascinating customer experience (brand awareness, loyalty)
- customize offer on the base of personal preferences (monitoring and tracking not only the customer purchase process)
- optimize coherent experience and availability of information across every device and channel.

Integration, personalization, homogenization are the main words of the omnichannel strategy and experience.

The firms to approach this strategy and manage customer interaction seamless, consistently and profitability may fit and learn several factors that influence and explain customer channels choice.

The attributes and the level of integration of channels can explain a lot about the customer attitude to shop. Several researches demonstrate that marketing activities have

⁴⁰ Melero I., Sese F., Verhoef P., “*Recasting customer experience in today's Omnichannel environment*”, in “Universia Business review”, issue 50, 2016.

a strong impact on the customer channels choices and interaction (Dholakia et al. 2010)⁴¹.

The channel experience is one of the central driver of channel choice: past consumers' behavior influence and predict well future behaviors (Venkatesan and Kumar 2004)⁴². Others aspects to take into consideration are the age, cultural and traditional environment; moreover all the consumers are influenced among themselves (social effects).

The main critical challenges that companies have to face when decide to implement an Omnichannel strategy are⁴³:

- rearrange the role of physical store: the improvement of in store technology that enhance the “real experience” and allow to remain connected with the others channels.
- Transparency and clarity of Product mix and Pricing Policy. The costumers must have the same information in all channels.
- Single Customer View (SCV): the firms must have a unique vision of the consumer unifying all the data he exchanges with the brand in all available touchpoints.
- Capability of Data Analysis: technical aspect of the firm for the collection of useful information to create an integrated and consistence experience.
- The creation of Social Customer Engagement: refers to the customer loyalty management and techniques on the base of the integration of the touchpoints.
- Redefinition of KPI and Incentives in Omnichannel perspectives.

⁴¹ Dholakia, U., Kahn, B., Reeves, R., Rindfleisch, A., Stewart, D., Taylor, E. “*Consumer behavior in a multichannel, multimedia retailing environment*”. *Journal of Interactive Marketing*, 24 (2), 86-95, 2010.

⁴² Venkatesan, R., Kumar, V. “*A customer lifetime value framework for customer selection and resource allocation strategy*”. *Journal of Marketing*, 68 (4), 106-125, 2004.

⁴³ Omnichannel customer management-SDA Bocconi. October 2015.

- Reorganize all the department to improve the collaboration toward a unique common goal; in this context all the step become central to establish a long relationship with costumers and to be competitive in the market.

2.3 - Why choosing Omnichannel strategy?

Until few years ago, the main brands were almost wholesalers. Mainly, they were manufacturers of “something beautiful” and of value. The care of the customers was not contemplated so much.

The role of the store was essentially to give visibility to brand with the aim to create a brand awareness, without a well-structured strategy⁴⁴. The brands products were considered things of value without the need to add any others services. With the progressive of internet, the e-commerce channel started to development.

Initially, it was used almost with the scope to make publicity, considering the satisfaction of the customer a secondary issue. Marketing and communication were another aspect of brand view, detached both from the store and the e-commerce.

Nowadays the competition is improved and the brands products are become more substitutable. With the new technology and researches is simpler replace high quality products with others with similar quality, but less cost. The power of the brand itself is not so strong as before and consequently the brand marketing and business strategy need to be reorganized.

Also the companies face with customers that expect an omnichannel experience. They are connected every time and they want to have the possibility to expire needs whenever and wherever they are. The consistent and the integration of information about the same brand and product across the different channels became fundamental as people

⁴⁴ Interview to Antonio Canovese from Venistar SPA FashionAble solution, November 2016

continuously switch between devices (eg. the 98% of Americans switch between devices in the same day).

The vision that a brand give must be the same independently the channels used. The integration is also an advantage for the company that can caught and collect more information about users.

The customers use the channels more convenient in the specific context they are in a specific moment and they expect information in real-time. For this reason a strictly integration and coordination among channels is necessary to the retention of the client.

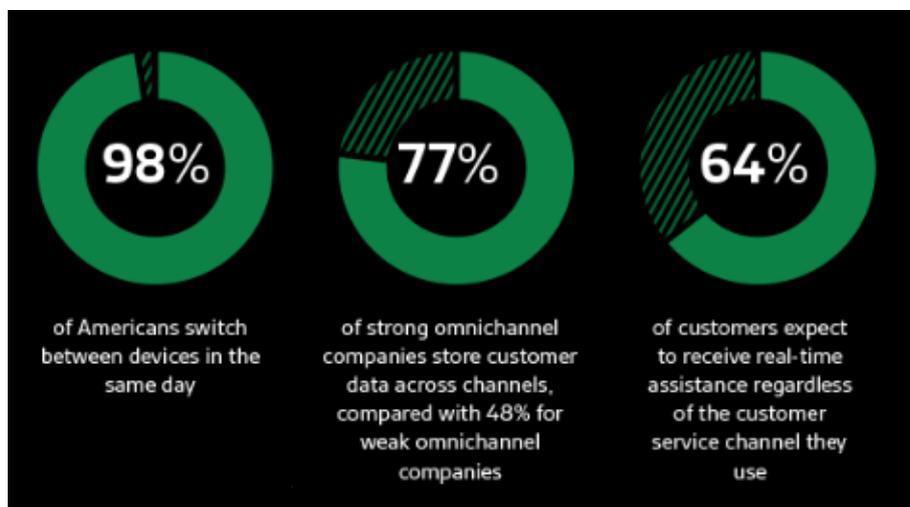


Figure 2: “Costumers expect an omnichannel experience”⁴⁵

The focus is moving on the customer rather than on the product. The customer’s care is becoming the most important thing to engage him with the brand. Only the brand is not even enough in a competitive and digital world. The competitive advantage is obtained when it is established a relationship of loyalty and continuity between the brand and the customer. This is possible above all thank to the added value that the brand can give during all the customer journey that it can involve several channels. To do this it needs that every available channel and company departments should have commons lines and goal and respond indifferently to customers’ needs.⁴⁶

⁴⁵ Centric digital LLC 2016. Source: Buisness2community

⁴⁶ Lemon K., Verhoef P., “*Understanding customer experience throughout the customer journey*”,

This integration of all channels is not a simple thing. The retailers, e-commerce and marketing channel were born separately for the reasons explained before and others historical, cultural and organizational issues.

The common and general guide from the brands remain at superficial level. The online channels are almost in outsourcing and the store are franchising; hence they often tend to follow their own interest that it can be different or in contrast with that of the brand and they can be in competition among themselves. The direct management of own e-commerce is a challenging thing, especially for the competition of the big dot.com that have advanced and innovative logistics tools.

Some brands manage quite directly their distribution and communication channel but in a multichannel perspective. This means that there isn't integration among channels, creating distortion and dissipation of information. The imagine of brand could be interpreted in different way according to the channels used from customers. Consequently, if one doesn't work can influence negatively the global imagine of brand and it's difficult to go back to the source of the problem.

The creation of a substratum of customers oriented services, making indifferent the choice of channels is the new goal of brand to be competitive.

The logistic, finance, marketing, ecommerce and retailing must be reorganized, starting from a common point in a digital and continuous innovation context.

All the selling points and distribution channels must have a global vision of the inventory and order management, product and customers' data. With a construction of system that give an integrated vision of corporate elements is possible to know the potentiality of the company. Furthermore, an integrated system can also identify unnecessary direct and indirect costs⁴⁷. For example, with a "omni-inventory" view it is possible optimize the stock, avoiding unsold costs or sell-off.

American Marketing Association, Journal of Marketing, Vol. 80, Nov.2016

⁴⁷ Interview to Antonio Canovese from Venistar SPA FashionAble solution, November 2016

2.4 - Single customer view

People are continuously exposed to the publicity and they are often annoyed by the amount of advertisement they receive (by e-mails, catalogs, messages and more others way). For the most of cases they are not interested in them. According to a research about the effectiveness of marketing campaign only the 3% of the receiving of a no-customized communication proceed with the purchase⁴⁸.

The customer aims to have a personalized relationship with the brand that know him and his interests. The personalization of the offer and the velocity in replying to customers' needs and requests are the main characteristics to engage with customers. The client has not even time to lose in this dynamic and multiplicity of choice contest. The information about a customer may come from a lot of touchpoints; one peculiarity of the modern consumer is that he can buy on line and off line how and when he wants. The key to design a seamless customer experience across on line and off line channels is in the data. The key to the data is the single customer view. To achieve a SCV (single customer view) all data and information about every consumer is to be integrated and stored on the dedicated database.

The amount of data of all single consumer is often fragmented across different channels. A single customer view is the base for the creation of a personalized customer journey. The customer profile, attitudes and needs change continuously. He is not a simple consumer that make a transaction but he is a person that has certain behaviors and relationship with the company.

Nowadays the customers have a lot of possibility of choice and numerous ways to conclude the deal that satisfy at the best a need or a desire⁴⁹. The behaviors of customers can change rapidly and every customer has very dynamic profile.

⁴⁸ Interview to Antonio Canovese from Venistar SPA FashionAble solution, November 2016

⁴⁹ Geraerdt R., "*Customer value creation: a journey in search of excellence*", short communication, Industrial Marketing Management, 2012.

Moreover, it's relevant not only what people do when approach a brand, but also what they don't do. The multiple action of consumer must be tracked and transformed in useful data for the firm.

Currently there are a lot of tools and system for the collection of data related to users coming from heterogeneous sources: shop in store and on line, mobile apps, tools of marketing campaign.

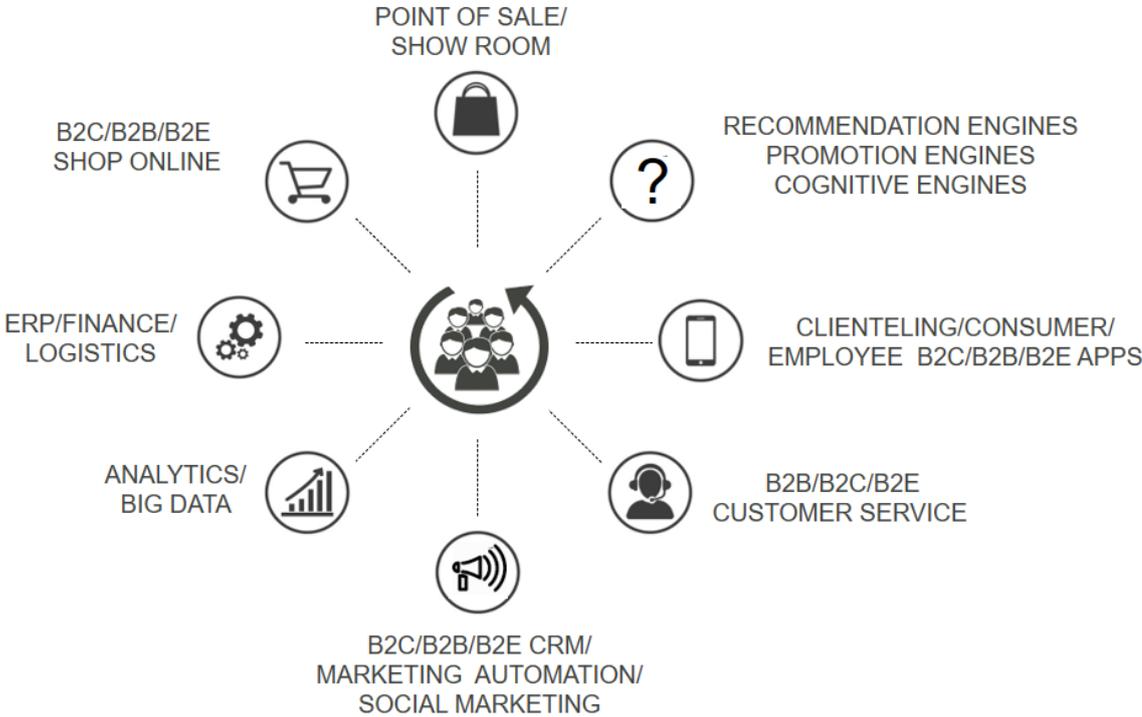


Figure 2: Single Customer View (CSV)⁵⁰.

The large activity on social network, blog and web is an important aspect to take in consideration: in that platform people express their behaviors and preferences and the brands have the possibility to interact more direct and to know them closer.

The relevant information will converge in the database to improve the definition of personal customer's profile.

⁵⁰ Source: Venistar – FashionAble Solution

There are numerous advantages in the building of a single vision of the customer. It is possible to take better marketing choices on the base of facts about customers: having an insight of the entire history of customer the offer can be targeting.

Moreover it can understand the real ROI of marketing campaign and to create even more efficient one. This is because segmenting the customers, it is possible, for example, to know more precisely the degree of the reply of a certain message and to understand if the strategy works.

2.5 - Marketing automation

The modern marketing is data driven⁵¹; the huge amount of data created by consumers is used by the company for their advantages. With the collected data, the brands can create a personalized experience to attract and to hold the consumers. This is also an advantage for the consumers that share personal information as the brand can meet their needs speedy. The modern consumers prefer to receive relevant information rather than generic communication and obtain products and services they desire without losing time and saving money⁵².

Companies to implement this process manually need a lot of time and human resources. Since 1999 technologies were introduced for the marketing automation issues.

Initially these have high cost and they are not convenient for the small or medium companies. Nowadays the platforms for the marketing automation is diffusing and they have more reasonable cost. The difficulty for the small company is in the collection of consumer data.

⁵¹ Data collected by Experian. Available at: <http://www.experian.co.uk/marketing-services/knowledge/white-papers/white-paper-single-customer-view.html>

⁵² Del Row S., “*New uses for marketing automation*”, in CRM Magazine, Vol.20, Issue 12, Dec.2016.

With the “marketing automation” refers to the use of software for the automatization of marketing processes such as clients’ segmentation, integration of customer’s data and campaign management. There are numerous advantages in the implementation of this marketing tools especially in term of increasing of sale, boosting the engagement and loyalty of customers and improving the lead generation. How this platform works and what is the real benefit for the brands?

The most common use of marketing automation is for the email personalization. At the base of information collected is possible to segment the customer and send message with different content. The modern technologies give the possibility to analyze the behaviors of customers when browse, for example, the web page of a brand: it tracks information about who is connected in a specific time, how much time a user stays on the page, which pages had visited and all relevant information to create a complete profile.

The collection of personal information of the customer is the starting point to build a marketing automation strategy. Then the consumer is monitored during all his cycle buying journey: the regularity in buying, the history of purchases, the desire purchase and more others relevant behaviours to communicate in pertinent way. The attitude of consumer in the phase of post-sale and loyalty are very important information. If a consumer stop to interact with the brand, it needs to understand the reasons and try to reattract him.

The last must of marketing automation is to analyse how the costumers react to the communication. After the sending of a communication, for example a personalised newsletter, is useful to know who has opened it and which content are been clicked. This step is meaningful to know if the marketing campaign works or not, if the collected information about customers are relevant and the suggested products or services meet their needs.

In the recent year others solution are becoming indispensable for business such as web personalization. It is the tailoring of the presentation of website content according with the users’ preferences, accomplished tracking the behaviours on the web pages. Bruce Culbert, chief service officer at the Pedowitz Group, affirms “The marketing automation solution really is becoming the customer engagement engine because it’s, not only,

managing the interaction with customers, but also, can serve up the next set of actions and talk to other systems.”⁵³

The marketing automation allows marketers to provide personal interactions at scale, automating timely and relevant communication with customers. In this way it is possible to keep one-to-one relation even if the business grows.

⁵³ Del Row S., “*New uses for marketing automation*”, in CRM Magazine, Vol.20, Issue 12, Dec.2016.

3. Omnichannel in clothing and fashion luxury markets: Implication of a strategic choice

3.1 - Early adopters experience

Until few years ago, clothing and fashion luxury brands are doubtful about the adoption of digitalization. In 2000, Andrew Gowen, luxury goods analyst with Lehman Brothers says: “I’m skeptical about luxury brands going on to the Internet. They don’t need to find a lower-cost distribution channel and they don’t need to establish an online presence in order to protect their brand, because the barriers of entry into the luxury goods sector are already secure. Moreover, luxury goods are all about exclusive distribution, while the Internet is a mass distribution medium” (Curtis)⁵⁴.

The use of e-commerce to sell was considered a way that might discredit the uniqueness of brand, specially in luxury sector. This is because the concept of brand and internet seem to born from two opposite principles. The characteristics of internet are high accessibility and diffusion, a tool for all. At the contrary the characteristics of fashion brand are high quality and high price, with a symbolic and exclusive value and for a limited target.

The main problem is the difference in experience a brand on internet and in store: through a screen the imagine of the peculiarities of product is not perceived. But at the others side the communication on internet is become too strong to be ignored.

Nowadays the velocity of circulation of information on web is in real time and the e-commerce has a strong weight on the overall transactions. Moreover the buyer of luxury products became more digital and less reluctant to buy them on-line; in fact the online luxury sales grew four times in just five years (2009-2014), from 3,5 Billion to 12 Billion⁵⁵.

⁵⁴ Curtis, James. “*Not taking luxury for granted*” Marketing (24 Aug. 2000): 2.pag. Online. ProQuest. 31 Oct. 2003.

⁵⁵ Value of the online personal luxury goods market worldwide from 2003 to 2016, www.statista.com

In 2013, according to McKinsey report⁵⁶, the online shopping generated more than 13% of offline luxury sales and influenced another 28% of sales then concludes in others channels.

Online experience drives real world decision making: almost 45% of luxury purchases are influenced by the information and researches come from the web. The pure online purchase represents only 4% of the total luxury goods market, number that expect to grow⁵⁷. This because in the latest years the digital generation of Millennials are becoming the major consumers in this sector.

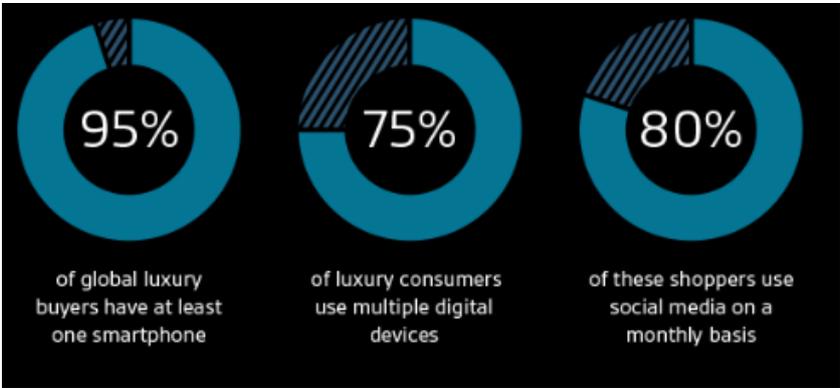


Figure : “Luxury shoppers are constantly connected”⁵⁸

In the choice of products, the customers are influenced by numerous information come from both on-line and off-line channels.

The social networks are becoming very influential in shopping behaviours and trends. According to the research “True-Luxury Global Consumer Insight”⁵⁹, especially for the fashion and luxury product the digital “word of mouth” (blog and social network) is becoming a most influential tool.

⁵⁶ Data up date to April 2014, source: Altgamma-McKensey online Observatory. This year’s research encompassed more than 300 luxury brands in 12 categories, 700 websites, 13 million online comments, 300 questionnaires and 3,000 interviews in six countries

⁵⁷ Data up date to April 2014, source: Altgamma-McKensey online Observatory

⁵⁸ Centric digital LLC 2016, “Omnichannel in Luxury retail”, Data Source: eMarketer 2016

⁵⁹ “True-Luxury Global Consumer Insight” research by The Boston Consulting Group (BCG) and Altgamma foundation, Milano, January 2015

The fashion bloggers are the new icon of this industry and they are very influencer in the choice of brands. At least the 52,1 % of the choice is to attribute to them.

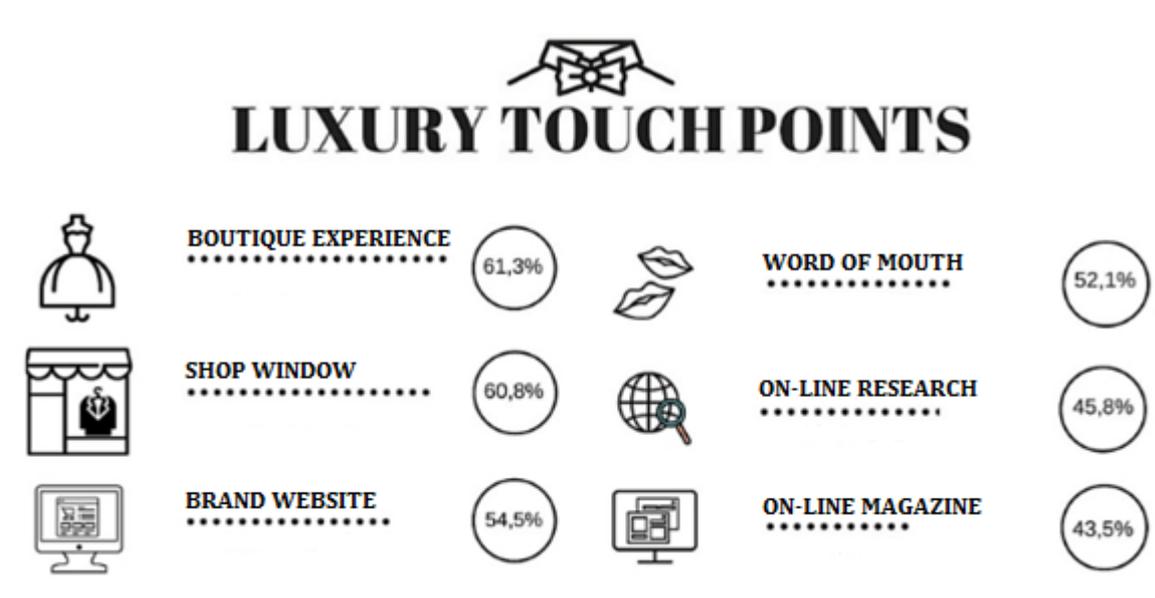


Figure 1: “Luxury touch points”⁶⁰

During the customer journey, the on-line and off-line channels has a similar weight, even if the experience in store remain the most influenced for the final choice. In this contest, to be competitive, the website must become more like a store and the store more like a website.

The segmentation of target at the base of customer income, demographic characteristics and others general factors is not so efficient as before. The retailer must exploit the best mix of the on-line power and off-line content. The communication with customers can happen in different touchpoints, for this reason the integration among that is crucial both to transmit the same information and to collect consumers’ behaviors to create a more personalized experience.

⁶⁰ Prisacaru C, “Luxury 2.0: consumatori, touch points e...”, in Marketingtechnology.it, 20/05/2016, Available at: <http://marketingtechnology.it/luxury-2-0-touch-points/>

Ad hoc strategies and new technologies push the brand awareness and reputation. The brand must put the customer at the center of strategy and adequate to a community that rely even more on the digital and social world for every choice⁶¹.

The fashion companies aim to create a unique experience and the total engagement between the brand and final users. The focus is shifting from which market drive growth to which channel drive growth.

In the recent years a lot of firms have started to adopt the Omnichannel strategy and measuring the first results.

The typical Omnichannel process that some companies are implementing are⁶²:

- Click & Collect: this service let the customers choose the product on the e-commerce and conclude the purchase. The item is delivered in store and the customer goes in and collect it.
- Click & Collect from store: the difference from “click & collect” is that the product is chosen among the store stock.
- Reserve in store: the customer check-out an item in website and ask to reserve it in store. Then he goes in store to try it and decides if buy or not.
- Seek & Send: it’s possible to browse the products among the availability of stock of all the store. Once the item is chosen, the customer concludes the purchase. Then it is delivered at home. This process permit the retailer to optimize the stock.
- Showrooming: refers to the research of products in store where it is possible wear and touch them and then purchase them on-line. Usually the showroom stores are small space with limited products selection.

⁶¹ Prisacaru C., “*Luxury 2.0: il lusso nell’era del digitale-una panoramica*”, in Marketingtechnology.it, 5/05/2016, Available at: <http://marketingtechnology.it/luxury-fashion-lusso-nellera-digitale-2/>

⁶² Interview to Antonio Canovese from Venistar SPA FashionAble solution, November 2016.

3.1.1 - Omnichannel in Fashion and Luxury industry

Most of luxury shoppers are digital; for this reason numerous retailers are introducing technology tools to create a deep innovative experience. They expect an emotionally engaged with the brand, because it is part of their lifestyles and identities.

The experience of exclusivity in the luxury brick-and-mortar must be replicated on-line to not lose its value and distinctiveness.

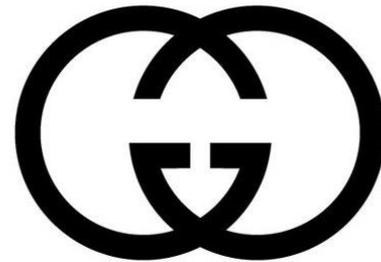


The British luxury fashion company *Burberry* was the first pioneer of omnichannel retailing and fully integrated digital marketing in the fashion world. This brand integrates the experience in store with the on-line shop: the customers can buy by a desktop or mobile device, by telephone or in brick and mortar store. The peculiarity of Burberry omnichannel approach is based on the creation of a customer experience that best meets its needs and motivations, not a simple matter of fixing broken links in the customer journey. This brand strategy focused on digitalization and the take care of customer. The after sales service becomes an important issue to maintain the consumer. This point, according with the marketing analyst, is one of the most key of success of

this brand strategy. In addition the interactive installation at its physical flagship shop become an icon of how the experience on-line and off-line live together.

Burberry transform the historic and traditional brand into a sharable, digital experience; it leverages its imagine and created an engaged on-line community.

Another fashion luxury brand that decide to change its root towards the mix of on-line and off-line channels is *Gucci*. It is an Italian fashion luxury brand that until 2013 was near the bankruptcy. Under the guide of the CEO Marco Bizzarri, the brand restarted to grow. A major component of its turnaround was for



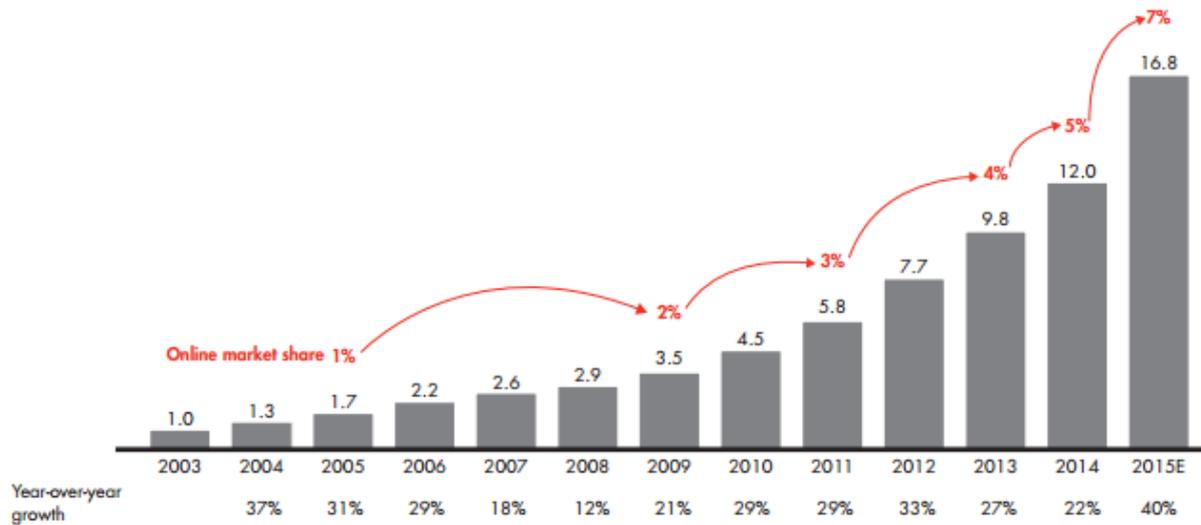
the adoption of digital strategy and efforts. Gucci was relaunched, introducing modern technology and innovative marketing tools but maintaining its heritage and brand identity. The adoption of the omnichannel strategy guarantees to customers an identic experience and products access independently of the channel chosen. The content of the on-line touchpoints (such as the e-commerce, social media, mobile app) is the same of the off-line ones (such as the magazines, store) and customized for these users' environments. Only the on-line sale, in 2015, increased of 22%.

The luxury brand that continue to see the introduction of digital transformation as something that reduce the value and the exclusiveness of brand will struggle in today's marketplace as well as the future⁶³.

Since 2012, the e-commerce sales were the fastest growing channels in fashion luxury industry. According to "Brain Capital" analysis the e-commerce sales for the luxury sector are expected to grow 24% annually through 2020⁶⁴.

⁶³ Centric Digital, "*Why Gucci's digital strategy is working*", 18/05/2016.

⁶⁴ Milnes H., "*The digital strategy driving Gucci's growth*", Digiday UK, 2/05/2016.



Source: Bain & Company

The online personal luxury goods market, 2003-2015 (€ Billions)⁶⁵

3.1.2 - Omnichannel in sporting industry

Adidas, the sportswear multinational corporation, launched the Global Sales strategy with the goal to create best brand shopping experience across all consumer touchpoints. In 2015, the company planned its strategy with the aim to become a leader



in the introduction of omnichannel innovation in the sporting industry. In India (New Delhi), in May 2015 it was established the first omnichannel store, up to reach 200 stores the March 2016. The brand expects a growth of 10-15 % annually with this approach⁶⁶.

⁶⁵ “Online personal luxury goods market, 2003–2015E (€ billions),”Luxury goods worldwide market study (fall-winter 2015), Bain & Company.

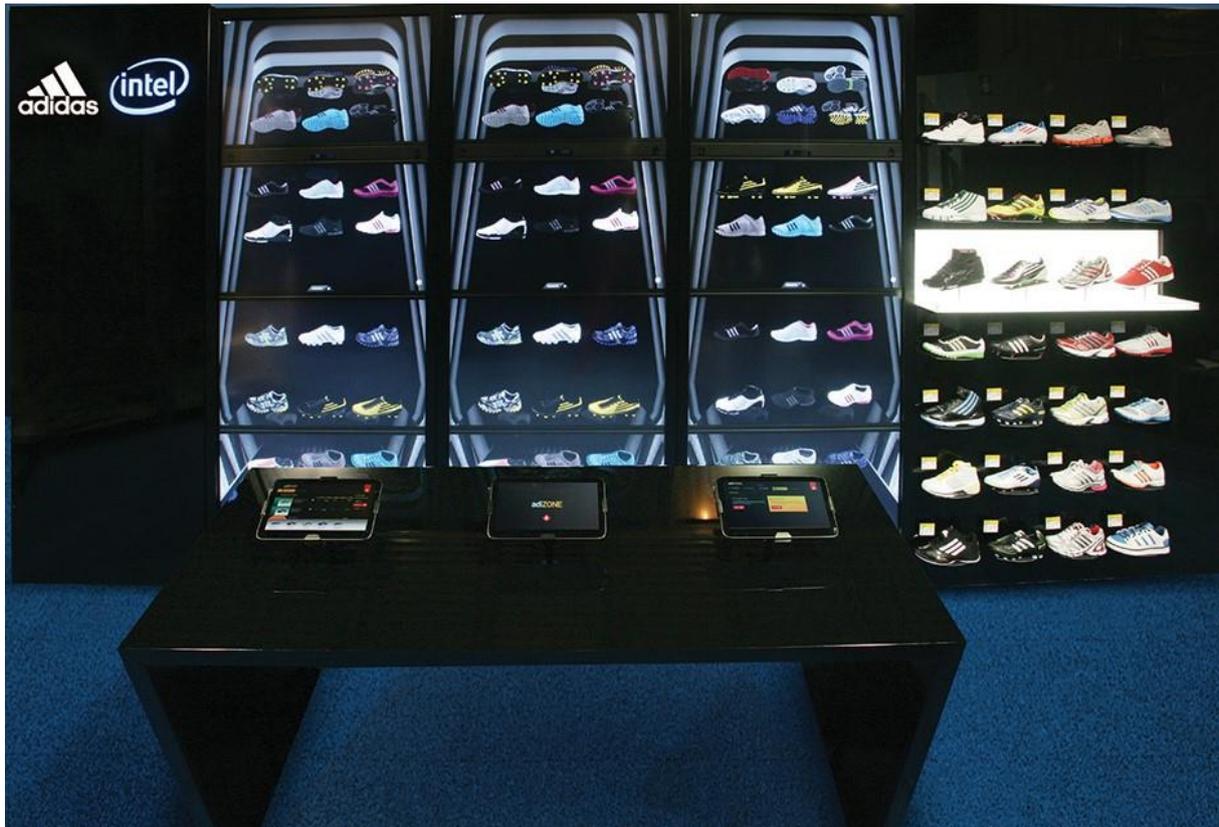
⁶⁶ Girish D, “Omnichannel retail in India: 5 Brands that are doing it right”, 22/03/2016. Available at: <https://blog.beaconstac.com/2016/03/omnichannel-retail-in-india-5-brands-that-are-doing-it-right/>

In particular Adidas implements four business model from omnichannel optical, to give a new integrated customer experience across channels⁶⁷:

- Inventory Check: the possibility to check on-line the in-store product availability;
- Click & Collect: customers can choose and reserve products on-line for pick-up in a local store;
- Ship from Store: the retailer can fulfil customers' orders using the stock from their store estate. The orders might have come from any channel and the store become a virtual distribution hub. This mechanism permits to use efficiently the stock, preventing stores from unprofitable stockholding and the situations of "out-of-stock" on-line or in store just because there isn't communication across channels. Moreover, it can avoid the loss of consumers if they don't meet the demand. Industry insiders highlight that with this circulating inventory within all channels increases overall sales of 10-40%⁶⁸.
- Endless Aisle: the possibility for the in-store visitors to browse and check-out the full range of products in the interactive touchpoints.

⁶⁷ Adidas Group, brand strategy. Available at: <http://www.adidas-group.com/en/investors/strategy/group-strategy/#/our-sales-and-distribution-strategy-focus-on-omni-channel/>

⁶⁸ BirdDog analysis, "Benefits of having a ship from store strategy", 2015



The omnichannel store consist in the installation of tablets and others device through which the customers can interact with the brand. Furthermore, with this approach it's possible to collect customer's data and behaviors both on-line and off-line (through the touchpoints in store) and create a unique personal identikit ⁶⁹. This would give a complete personalized experience to the customer and a unified vision of the brand; but it needs time to be implemented.

Nike, a brand leader in athletic shoes and apparel, is adopting an omnichannel retailing strategy that integrate online inventory with its supply chain system. First of all, it will introduce mobile app based shopping facilities with the aim to widen its market penetration in European



⁶⁹ Adidas Group, brand strategy. Available at: <http://www.adidas-group.com/en/investors/strategy/group-strategy/#/our-sales-and-distribution-strategy-focus-on-omni-channel/>

country; then the integration of the omnichannel features with mobile apps and web that give the possibility to customers to browse and purchase all Nike product without any distinction of on-line and in store experience.

The integration among channels let customers buy on-line, pick-up in store or buy in store and receive the product at home.

Nike introduced also the digital into the store: iPad and tv screen through which is possible to browse products in web site and an RFID sensor that reacts when a product is placed on it displaying relevant content and deep information.

3.1.3 - Omnichannel in Italian market

The Italian retailers still have some difficulties to introduce an omnichannel approach. The investment in digital transformation are less than 1% of the turnover. The major problems concern in the identification of a strategy enables to exploit the potentiality of synergies between the offline and online channel and to meet the expectation of digital costumers.

Moreover the most of the Italian firms are small respect to the multinational corporation and the cost of digital investment are high.

A survey among 300 Italian retailers with the best turnover highlights the level of adoption of innovation into their business. The 93% introduce at least one innovation in back-end process (CRM solutions, business intelligence analytics system, tools to improve inventory performance) and the 40% increase the interest in investment in monitoring system in store and products tracking during the supply chain. The 80% of top retailers introduce digital solution in front-end matter to support the customer experience, above of all the innovative payment system to speedy the purchases. As concern the omnichannel initiatives almost all retailers use digital channel to support

and enhance the customer purchase journey: the 88% are both online and on mobile, 10% only online and 1% only on mobile (App or mobile site)⁷⁰.

In the e-commerce, the growth of the traditional Italian firms is weak against the dot.com (10% vs 18%). Numerous of retailers for the eCommerce rely on Marketplace or dot.com for the organization and logistic problem to revisit the strategy. Moreover the Italian target is smaller than the others European country. The B2c e-commerce Italian shoppers are only 60% of the internet users. The e-commerce in the major European markets has a larger target: the web shoppers are in UK the 85% of internet users, in German 81% and in France 76%. For the high request and reputation of Italian brand abroad, numerous retailers have development digital competence to improve the website. The online export of fashion industry values €1,224 billion, 42% of the amount of online sell in this sector⁷¹.

Pinko is the Italian fashion brand and it is a relevant case in the Omnichannel matter. It introduced the Hybrid Shop, an

PINKO

innovative boutique that match the digital with design and retail. The aim is to provoke a need with sensorial stimulation. In this new concept of boutique, the experience in store enriches with the technology entertainment⁷².

The digital touchscreen let the customers to explore the items doesn't available in store, the whole collections and create different outfit. At the base of the items chosen or seen the system create a customized profile and suggest others combinations.

The purchase can be made with a "click" and the items can be delivered directly at home.

⁷⁰ Osservatori Digital Innovation del Politecnico di Milano, "L'innovazione nel Retailer", Milano, 22/11/2016. Available at: www.osservatori.net

⁷¹ Osservatori Digital Innovation del Politecnico di Milano, "E-commerce in Italia", Milano, 18/10/2016. Available at: www.osservatori.net

⁷² Hybrid shop Pinko. Available at: <http://www.pinko.com/it-it/cms/index/about-us/hybrid-shop>



The hybrid shop ties the possibility to touch the products with the speed of e-commerce in browsing information and availability.

OVS is one of the pioneer among the Italian clothing retailers for the adoption of innovative omnichannel strategy. It started in 2013 with the aim not only to reach and enable the customers to shop whenever

OVS

and wherever, but also creating an interactive experience in store. “We want to make shopping easy, cutting edge and amazing and that means creating an experience without boundaries” assessed Monica Gagliardi, OVS e-commerce, CRM, web and digital marketing manager. The innovative website displays shoppable and personalized content, the “click&collect” option to buy on-line and pick-up in the selected store, virtual store tour and virtual fitting capabilities. This improvement of online experience recorded since May 2013 to May 2016 an 81% increase in site traffic⁷³.

The mobile app has been downloaded more than 125,000 times; it lets users scan barcodes to find items at other OVS store and send push notification signalling the

⁷³ Salesforce commerce cloud, “Italy’s OVS reinvents itself around Omnichannel customers”, 2016, [salesforce.com](https://www.salesforce.com)

presence of a store in proximity of shoppers. The most innovative technology introduced in store are the magical fitting room that give a global vision of the worn item, the possibility to obtain more information about it and ask to shop assistant through barcode a different size or model. The magical mirror let also customers to share own selfie directly on social networks.

In October 2015, OVS launched an interactive initiative to engage customer with an amazing experience of augmented reality: the Google glass treasure hunt. The challenge for the customers is to search in the minus time as possible selected items with the viewfinder of tech glass. Then the customer on the base of the number of discovered item and the time taken have a place in a rank against the others participants. The gift is a bonus on loyalty programme to obtain advantages.

Another innovative digital service is the contactless payment; the customers can pay move close to the POS their credit contactless card or their smartphone through the App id. The inventory is integrated and updated in real time that let the retailer to know the availability across channels.

The increase of 345% in two years of Facebook page like and of 70% of followers on twitter are indicators of part of results of omnichannel strategy implementation at engagement level.

The turnover at the end of 2015 recorded €1.320 Million, 7,5% more against the 2014.

Borbonese is a historic Italian brand with a strong heritage. The company manages a network of 18 brand boutique and 15 outlet stores (almost based on the Italian and Swiss territory) and distributes its products through 400 multi-brand authorized resellers. Moreover, it directly manages the online sales in Italy and abroad.



During 2015 Borbonese acquired the awareness of the importance of integration between stores and e-Commerce in order to use properly the information from the different touchpoints used by consumers. Hence the need to adopt solutions that could

support the company in a new way with the customer approach and relations. The goal is to involve the customer in a personalized and innovative experience.

The first step has been the centralization of the customers' information from heterogeneous sources, such as stores, online shop and marketing campaign tools in a single consumer database. This kind of platform let company to organize and consolidate data in order to obtain useful information about customers, potential customers and their behaviours. Once the integration between the e-commerce, retail and e-mail marketing used by Borbonese will be complete, the data from the various platforms will be available in real time, creating a Single Customer View of Customers. The next step will be to set-up a Marketing automation platform to manage the marketing process in automated way; in particular the creation of contacts and leads, with e-mail marketing continuous campaigns on the basis of operational flows conditioned by customer actions.

The implementation of these strategic solutions brings to the company agility, speed, innovation, scalability and security for data and users. Borbonese can meet the potential customers, optimize the engagement of consumers throughout the purchase path, making him feel special and unique, offer relevant contents to each customer and strengthen customer loyalty⁷⁴. The company approached the Omnichannel strategy in 2015 and it has to be validated in its all aspects, but it recorded the first positive results.

3.1.4 - Omnichannel in Italian SMEs

As concern the SMEs (small-medium enterprises) the introduction of technology innovation and off-line and on-line integration systems is still very slow. The factors that brake the innovation are the high cost of digital investment and the less competence in these matters.

⁷⁴ Source: Venistar Fashionable solutions

The Italian SMEs are very traditional in the asset and the organization and often are not open to radical change. But in the recent year the digitalization is become an essential requirement to compete also for the small and medium firms.

The introduction of digital innovation is most used to improve the customer experience⁷⁵:

- the 80% makes advertising through online channels (web, email, social networks)
- the 60% activated promotion messages through sms or coupon
- the 30% adopted innovative payment system (eg. Mobile POS) to accelerate and simplify the purchases
- the 20% use loyalty card for the retention of customers.

According with a research of Polytechnic University of Milan, more than 50% of Italian SMEs are approaching the omnichannel strategy.

The 45% are online with an informative website and the 15% has an own e-commerce. The e-commerce sale weighs on the online turnover between 1% and 5%⁷⁶. This percentage is increasing year by year (in 2016 the online sale increases of 10% against the 2015). Some retailers that have an e-commerce introduced also omnichannel service, such as the “click and collect”.

⁷⁵ Osservatori Digital Innovation of Polytechnic of Milan, “Omnicanalità e negozio del futuro”, Milan, 18/11/2015. Available at: www.osservatori.net

⁷⁶ Osservatori Digital Innovation of Polytechnic of Milan, “L’innovazione nel Retailer”, Milan, 22/11/2016. Available at: www.osservatori.net

3.2 - Burberry

In the first years of 2000, luxury and fashion industry was one of the fastest-growing sectors in the world. The success of this sector was driven by a combination of factors; one of the most important was the recovery of the Asian markets. This area is crucial for a lot of



brands and the strength of yen increased the spending power of Asian tourist. The luxury and fashion goods brand were and are wider dependent on Asian consumers. For example, in 2003, 40% of Gucci's sales revenue come from them. Moreover, there was a lot of new wealth, generated by the boom of e-economy and the strength of the stock market.⁷⁷

In that years, Burberry was growing at only 2% a year. The trench coat is the best product of the company. The success of this item and hence the brand reputation started with the intuition of the founder Thomas Burberry in 1879 of an innovative breathable and waterproof material. For this particularity was the official uniform of British soldiers in World War I. In the 50s and 60s numerous stars as Audrey Hepburn wore it and it becomes an icon of fashion and glamour⁷⁸.

In 2006 the trench coat represented less than 20% of the sale. Burberry was losing respect to others luxury brand as Louis Vuitton Moet Hennessy (LVMH) that had almost 12 times its revenues. The brand needed to reinforce its core products and to be reconfirmed as luxury icon inspiration.

In 2006 the new CEO Angela Ahrendts with the chief creative officer Christopher Bailey started to redefine new strategy: to reaffirm Burberry heritage; "We want to purify the

⁷⁷ Nguyen Vi, "Analysis of the Luxury good & Apparel and Footwear industries", University of Wisconsin, Faculty Sponsor: Dr. Stephen Brokaw, Department of Marketing, 2004.

⁷⁸ Burberry company history. Available at: http://www.burberryplc.com/about_burberry/company-history

brand message and how we were going to do that: by focusing on outer wear, by focusing on digital, by targeting a younger consumers”(Angela Ahrendts).⁷⁹

The two big news that introduces were: the target focus and the digitalization.

They analyse that the marketing efforts had to focus on the luxury customers of the future, the Millennials. Hence, the product and the costumer experience had to be reorganize to fit with the new target, without missing Burberry’s heritage⁸⁰.

The marketing approach was rethought in a digital way. They started a path that was made Burberry a brand leader in fashion luxury world for the digital innovation and Omnichannel-experience.

As Christopher Bailey assessed: “Technology is an intrinsic part of most people’s lives. All we’ve done is make sure to weave technology into the fabric of the company”; and Angela Ahrendts affirmed: “This is how customer’s live, they wake up with a device in their hand and life begins”.

They wanted to develop a modern brand identity and strong engagement with the consumers, designing a digital experience during all the cycle purchase journey to relaunch the British company.

The implantation of omnichannel strategy for Burberry means to broadcast the brand awareness through all the touchpoints and make the customer experience integrated and linear independently to the channels chosen.

3.2.1 - On-line innovations

Burberry increased its online presence, enhancing the website and opening the account in several social networks. The important point is to give the same sensations and feeling as in the store.

⁷⁹ Angela Ahrendts for Harvard Business review

⁸⁰ Angela Ahrendts interview, “Burberry’s CEO on turning an aging British icon into a global luxury brand”, Harvard business review, from the January-February 2013 issues.

- **Website:** From 2006 the web page was totally reorganized. Until that year the website was different region by region. It was redesigned in one platform and with the idea to speak to Millennials.

The on-line experience should communicate the value and emotive brand content through music, videos and storytelling.

The most successful initiatives were⁸¹:

The Art of the Trench: it was launched in November 2009, it was the digital campaign to create appeal and a social community around the brand. It is a website, with some attributes of real social network, in which users can share photos of themselves wearing their Burberry Trench Coat and there is the possibility to comment, demonstrate appreciation and share. For this campaign, it was chosen the Trench, the iconic soul of Burberry, to push the brand identity. This improved the interaction with customers and the traffic on the website grew. In the first year of the campaign, the site had 7,5 million views from 150 countries and the click from the “Art of Trench” to the Burberry’s website were higher than those from others sources.

The success of this campaign affirmed Burberry’s strategic focus on digital. By 2012 the 60 % of the marketing budget had moved to digital⁸².

Burberry introduced others digital experience aimed to engage with the new target, the Millennials. *Burberry Acoustic* was launched in June 2010 and it is a platform where young British musicians post their videos wearing Burberry outfit. This initiative created a discussion among consumers and promote both the talent and the brands items.

Burberry launched also the initiative, “Burberry Bespoke” to engage with customer and let them to create their personalized Trench Coat, choosing the

⁸¹ Davis S., “Burberry’s blurred lines: the integrated customer experience”, Forbes contributors, Forbes, 27/03/2014.

⁸² Tobias K., “Entrenched in the digital world”, case study from the Aditya Birla India Centre of London Business School, 3/02/2013.

colours, types of buttons and others detailed.

Burberry Kiss was an engaging campaign, launched in June 2013, in collaboration with Google for the promotion of Burberry's lipsticks. The website let the users send out virtual kisses in the colour of their favourite lipsticks using the webcam with the possibility to add a personal message. Then the users could follow the journey of their kiss to the receipt, through Google Street view. The campaign created a strong impact in the website traffic: more than 250'000 searches on Google⁸³.

Furthermore, during the on-line purchase there is a customer service direct (live chat and recall service) for any problems and assess the care and satisfaction of clients.

- **Social network:** The building of a social network presence for a Luxury brand was a critical challenge. The fear was to send a wrong message of the brand and to erode its exclusivity. In 2009 Burberry decided to allocate part of the marketing budget in pushing the brand through social.

It was the pioneer among the luxury brand to join on *Facebook*. After the launched of the "Art of the Trench" campaign, the Facebook followers grew to more than one million and the Burberry's page become the largest fan count in the luxury industry at that time. In the Facebook page is published around one post per day, sharing principally photos and videos of the collections and events. The engagement with followers is higher, a post receives in average between 2'000 and 50'000 likes. During the Fashion Week around the world, Burberry use its page to live stream its show to bring the performance directly and in real time to customers. In the Facebook page there is also a call-to-action "buy now" that give the direct connection with the on-line shop.

⁸³ Na A., "Case study on how Burberry become a digital Luxury brand", Digital Marketing Blog, 8/07/2016.

Burberry is the most active on *Twitter* of all platforms, posting five posts a day. In this social are shared professional shot to maintain the brand's sophisticated identity. As on Facebook it posts the stream of show during the Fashion Week (started with the Spring/Summer show at London Fashion Week in 2012) and introduced the bottom "buy now".

Burberry is also the first luxury brand to personalise on *Pinterest*, to promote its beauty products. In August 2016, it formed a partnership with that social network that allow it to create customised make-up Pinterest board on the base of three questions about the specific item⁸⁴.

Burberry has a significant presence on *Instagram* with a collection of professional shot, often with the British background.

It was also the first luxury brand to shot and publish its advertising campaign on Snapchat. The 4th April 2016, the sponsored Snapchat story appears in the Discovery tab for just 24 hours before disappearing. The content was a collection of videos, articles, interviews and style tips on the theme "how to be a modern man".

3.2.2 - Off-line innovations

The technology is also into the store; the characteristics of the website are off-line.

One of the first digital introduction in the mainline stores in September 2010 was the "Retail Theatre". This technology let to broadcast the Burberry show in real time in the store. Customers during the exclusive in-store digital events can experience the clothes, the music, the energy and the atmosphere in real time and have the unique opportunity to buy directly from the presentation of collection. These was a novelty both for the way

⁸⁴ Gee R., "Burberry become first luxury brand to personalise on Pinterest", in Marketingweek.com, 10/08/2016

to buy and the possibility to choose across a collection just launched without waiting one season.

In the 2012, the flagship in London was totally revisited and now it is the biggest and innovative store in the world. The digital world meet the physical in a store that reproduce the website, becoming its brick-and-mortar version in all aspects. As Christopher Bailey explained: “We designed it like that because when you are shopping at home on-line, you are on the sofa with your credit card. You don’t stand up and queue.”⁸⁵

In this store, there are 500 speakers, 100 screen and a digital gallery. These reproduce a different scenario as for example the “digital rain shower” when is replicated a rainy atmosphere to recall the Trench Coat, the iconic Burberry item. The screens broadcast the fashion show, also in real-time and exclusive videos about the collection⁸⁶.

Every item has the RFID tag with the possibility to have all the information: how it is realised, the history specially to celebrate the craftsmanship, material, availability and others related videos and explanations.



⁸⁵ Christopher Bailey, September 2012

⁸⁶ Prisacaru C., “Luxury 2.0: C’era una volta Thomas Burberry...”, in Marketingtechnology.it, 15/07/2016.

All the shop assistants have an I-pad through which is possible to check the website and to access to the available stock. Another digital innovation are the magical mirrors in the fitting room; this interact screen recognised the worn clothe and suggest the others colours, sized and related items⁸⁷.



A complete personalized omnichannel customer experience is possible thanks to the collection of data about consumer. For example, with the track of on-line behaviours and past purchase, the system creates a customer profile. Once this customer enters in the store, the shop assistant can recognize the client and through the i-pad can know his profile and suggest him items related to his preferences, guaranteeing a more unique experience. After the shop journey in the store, the customer's identikit will be more complete and the future communication, like a newsletter, will be more tailored.

Every mainline Burberry stores are digitally-integrated showrooms and the ex CEO Angela Ahrendts said about: "Walking through the doors is just like walking into our Web site"⁸⁸.

⁸⁷ Du Preez D., "Burberry puts digital at centre of plans to revive performance", in *Diginomica*, 14/11/2016.

⁸⁸ Angela Ahrendts for Vogue, September 2012

3.2.3 - Burberry by numbers

	Total Revenue	Revenue growth	Retail	% of total revenue	Retail growth
2012	1.857	23%	1.270	68%	31%
2013	1.999	8%	1.417	71%	12%
2014	2.330	17%	1.623	70%	15%
2015	2.523	11%	1.807	71%	14%
2016	2.515	-1%	1.838	73%	1%

Table: “Burberry Revenues from 2012 to 2016”⁸⁹

In 2012⁹⁰ the retail revenue (includes 192 mainline store, 208 concessions, 44 outlets revenue and digital commerce) increased of 31%. This improvement was due to the investment in 48 across mainline store and concessions. Above of all the acquired store in China contributed for the 6% of the retail revenue.

The integration between physical and digital was in progress to give a seamless and personalized brand experience and a major engagement with the customers. The website “Burberry world” supported retail sale as a global inventory pool. The investment in technology and digital tools increased due to the central role in the marketing activities for the latest success⁹¹.

Between April 2012 to 31 March 2013 the digital engagement was the highest among luxury brand. The campaign generated record awareness through social.

The Youtube video obtained 1,7 Million views; it was the most followed luxury brand on Facebook with 15 Million of fans.

⁸⁹ Elaboration of Burberry data from annual report 2011/2012, 2012/2013, 2013/2014, 2014/2015, 2015/2016

⁹⁰ Based on the annual report to 31 March

⁹¹ Burberry annual report 2011/2012. Available at http://www.burberryplc.com/documents/full_annual_report/burberry_ar_2012.pdf

The store traffic was soft, but the on-line were up significantly with the impact in improvement in retail revenue. This also thanks to the on-line purchase through the Ipad in store⁹².

In 2013 the global economy continued its recovery growing at 3% and the luxury sector closed the year with a growth of 6%. In this year the digital commerce had a strong weight in luxury industry: around 5% of the global luxury market. The increase of digital platform for browsing and shopping partially explains the decreasing store traffic observed across this sector.

The global brand engagement with customers happens largely through social network and interactive initiatives. At the end of 2013 followers on Facebook was 17 Million, Twitter 3 Million and Instagram 1.4 Million⁹³.

Some of the key drivers of Burberry online sale continuous growth are the introducing of the direct bottom shopping on social platform and the shop by mobile.

The continue initiatives of marketing through social networks and website is a fundamental part of the marketing of brand. At the end of 2015 reached over 40 Million of people across all the online platforms and this drove a strong traffic towards the e-commerce. Burberry.com was the fastest growing retail channel, servicing over 40 countries in 11 languages.

The company invested in customer insight to drive product and service initiatives to push the sale in store: the customer value management program that use loyalty and retention tool enabling more targeted, relevant and personalized interaction with costumers.

Burberry also increased the availability of stock in all online countries with an inventory model. This provided customers and store associates with full visibility of all stock within the country and increased products availability online and in store, improving the customer shopping experience.

⁹² Burberry annual report 2012/2013. Available at:

http://www.annualreports.com/HostedData/AnnualReportArchive/b/LSE_BRBY_2012.pdf

⁹³ Burberry annual report 2013/2014

Available at: <http://www.burberryplc.com/documents/ar-13-14/burberry-annual-report-2013-14.pdf>

For the result achieved right now, Burberry has identified growth opportunities in digital investment, focusing on offering a seamless and personalized experience wherever customer meet the brand. The company scheduled to invest about £10 Million in 2017 and then about £20-£25 Million per annum for the following years in retail and digital in Omnichannel optical⁹⁴.

3.2.4 - Digital performance

Burberry spend more than the 60% of marketing budget on digital; with this approach the ROI, especially if it is measured in term of brand awareness is in continuous increase. Among the various ways to analyze the digital impact there is the digital IQ index, adopted by numerous consulting firms. The digital IQ index is a tool for brand looking for benchmarking digital performance relatively to peers⁹⁵.

It uncovers brand specific strengths, weaknesses and opportunities to improve the impact of digital on the business. It measures 1250 data points considering 4 dimensions: sites and e-commerce (customer service, product pages, visibility, omnichannel, store locator), digital marketing (web traffic and advertisement, brand and category search), social media (Facebook, Instagram, Youtube) and mobile (mobile site, advertising and search).

The below graphs represent Burberry digital IQ performance across the period 2014 and 2016 comparing with the average of more than 80 fashion luxury US brands.

⁹⁴ Burberry annual report 2015/2016

Available at: http://www.burberryplc.com/documents/ar-15-16/burberry_annual_report_2015-16.pdf

⁹⁵ L2, Digital IQ index fashion 2016. Available at: <https://www.l2inc.com/research/fashion-2016>

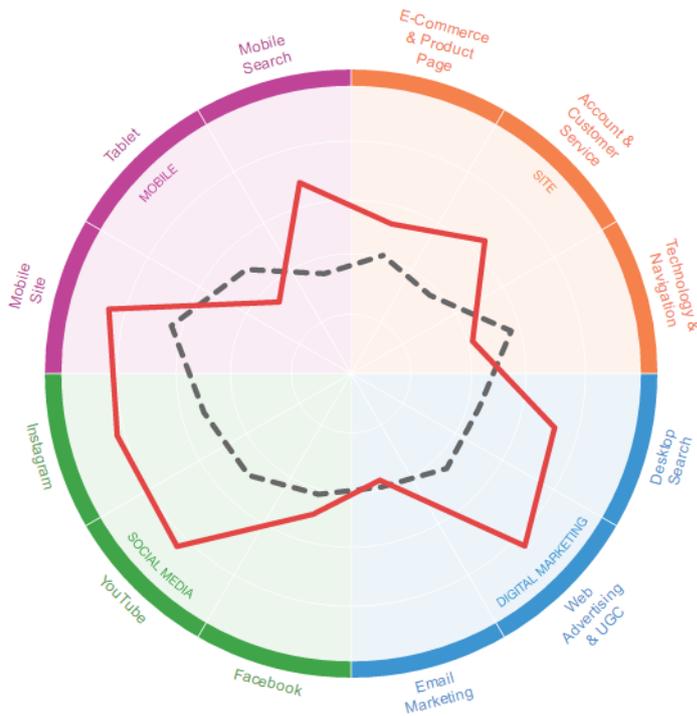


Figure 1: Digital IQ Score by Dimension (December 2014)⁹⁶

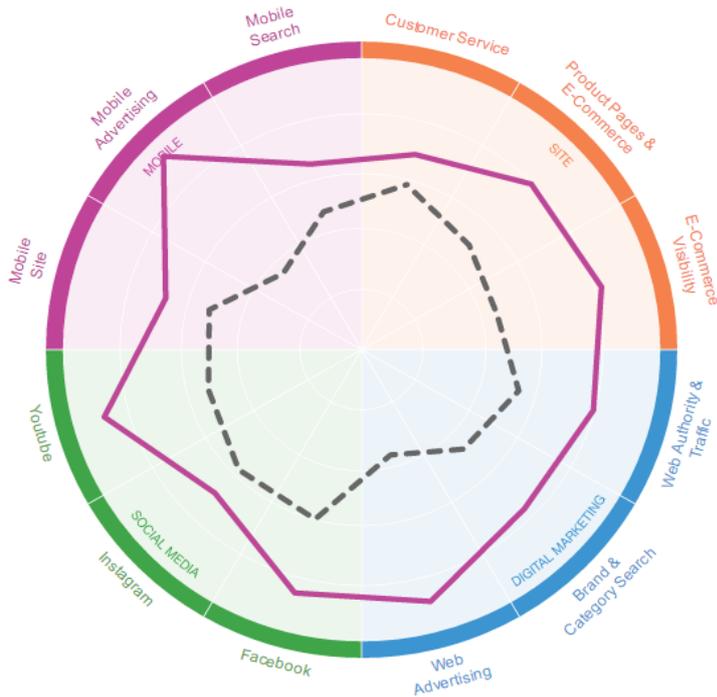


Figure 2: Digital IQ Score by Dimension (November 2016)⁹⁷

⁹⁶ Digital IQ Score by dimension from the 5th annual Digital IQ Index (2014). Fashion benchmarks the digital performance of 90 luxury brands in the US market, examining investments in e-commerce, search visibility, social media engagement, and mobile aptitude, expanding on how best to implement these practices.

⁹⁷ Digital IQ Score by dimension from the 7th annual Digital IQ Index (2016). Fashion benchmarks the digital performance of 85 luxury brands in the US market, examining investments in e-commerce, search visibility, social media engagement, and mobile aptitude, expanding on how best to implement these practices.

In 2014 Burberry overcame the IQ average in almost all sectors, standing apart in 2016 due to its overperformance. The most relevant KPIs that highlight this are the digital marketing and the social networks.

The digital marketing performance increases more than 50%, pointing out a strong improvement of traffic on web. Burberry has pushed its Facebook page a lot and nowadays it is the most following among the luxury brand: from 2014 to 2016 its impact increase of 88%.

The social media has a central role in promoting, selling products and engaging customers. The fashion luxury brands are adopting them more and more in their marketing strategies; the average of the most famous social media performance increase from 2014 to 2016; especially as concern Facebook improves more than the 50%.

Another relevant aspect for the overall luxury brands is the care of the customer; the shifting from a product-centric to a customer centric strategy has improved the digital and technology investment in tools to measure the consumers' insight and preference and create a personalize offer and buying journey. The average of the customer service and the level of personalization enhanced of 50%. Burberry was a pioneer of the care of customer already recorded this results.

3.4 - Timberland

Timberland, a brand of VF Corporation, is a global leader in the design and engineering of premium-quality footwear, apparel and accessories.

Since 2013 the company started a deep transformation involving all the department. First of all, Timberland expanded its e-commerce offer across the Europe; starting from the end of 2014 the focus shifted in building a strong brand experience for customers, creating a perfect mix between the brand, commerce and content.



In the last two years, the e-commerce was the fast-growing sales channel especially thanks to the penetration in EMEA market and the improvement of the mobile website experience; nowadays the e-commerce serves 40 different market.

All the applications and different content on website development during the years must be reorganized to give the same message and experience of the brand.

The challenge for Timberland was to deliver a unique customer experience online which will make users want to buy directly from its own website, rather than buying the same items elsewhere. To engage with customers, it needs to use data analytics to understand customers and create a unique own profile. Often people search to the own brand's website and then decide to shop in others marketplace the same items to save money or for convenience.

According to the EMEA e-commerce director is not total right to see the marketplace as competitors but rather as partners. The principal marketplaces are price-centric or promotional driven, instead the own brand website, as Timberland aims to do, must focus on to transmit a brand value, "to tell a story" of the brand⁹⁸. This add value would be an incentive to convert a visitor into a direct shopper.

⁹⁸ interview to Dan Mahnoey, senior manager of e-commerce of Timberland by Computer Weekly at [Demandware's](#) European user event in Barcelona, October 2014

Moreover, as concern Timberland, the range of products in the website catalogue is different against the general marketplace.

The e-commerce sales value the 20% of the total amount of Timberland’s revenue, closing the 2016 with an increase of 7% against the previous year.

The traditional channels for selling, b2b (around 60% of revenues in Europe) and retail stores, remain the more profitable. The franchising is very powerful, particularly in Italian market. Numerous flagship stores have been opened since 2014 to transmit the brand evolution more close to customers.

The e-commerce EMEA director assessed that “the crucial point is to create a seamless experience for the customers across all channels”⁹⁹; To compete in a digital world a consistent and integrated experience is the most important thing.

This table displays the alignment between the on-line and off-line channels in term of price, promotion, cross selling and payment service. The circle can have five levels of alignment: the full circle corresponds to the highest and the empty to the lowest degree. The arrows mean the degree of customers’ satisfaction in term of support and completeness of information during the customers’ journey.

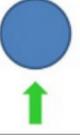
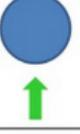
	Retail	Wholesale monobrand (Franchising)	Wholesale multibrand (department store, shop in shop, etc.)	Outlet
Online	 E-commerce Timberland EMEA	 E-commerce managed by single franchise	 E-commerce multibrand eg. Amazon	 Flash sales and private sale eg. Yoox
Offline	 Brick-and-mortar Timberland EMEA	 Franchise chain of Timberland EMEA	 Department store eg. Footlocker	 eg. stock retailers

Table 1: “Conflict between on-line and off-line channels”¹⁰⁰

⁹⁹ Direct interview to EMEA e-commerce director of Timberland, February, 2th 2017

¹⁰⁰ Elaboration of data about Timberland, www.gasparotto.biz, 2014

To create a seamless experience needs to improve not only the online channel, but also reorganize the concept of store.

The investment in technology is very important to build an integrated and consistent experience for customers.

In January 2016, Timberland created its first digitally connected store in New York. The idea was to connect the consumers' online purchase habits with the in-store experience. There are tablets through which is possible to browse online and save items and know more information about them without the help with shop assistants.

Furthermore, Timberland implement the possibility to create a personalize product to support the engagement and attractiveness of brand: the customer, through the I-pad in store or the online website, can choose the combination of colours and details that prefers. The iconic Timberland product, the boot, can now be unique or everyone. This customized items can be shipped to store or at home¹⁰¹.



¹⁰¹ Direct interview to EMEA e-commerce director of Timberland, February, 2th 2017

In the EMEA market the online platform communicate with the physical store and warehouse: the shop assistant keep up-to-date about the stock and work in line with the others retail points.

The implementation of a complete omnichannel strategy is still a long way to run but the Timberland staff is working on that. One weak point is the full integration of e-commerce inventory with the brick-and-mortar that has some problems. Another is the difficulty to collect data about customers when they buy on-line and off-line, outlining a unique prefoliation.

The strong reorganization of Timberland company driven to digital transformation is putting the basis to build a solid and deep relationship of loyalty and brand awareness. To revalue the brand heritage and reinforce the engagement with the customers Timberland launched the “Made for the modern Trial” campaign during the presentation of the Fall 2015 collection.

The marketing team assessed “we want to embrace our history and all those people who love our product...we are not exclusive, we are inclusive”¹⁰².

The target was “the outdoor lifestyle”, people that love the outdoors and adventures but also care about style. That means they appreciate the characteristics of the product that come from the Timberland heritage: the waterproofing, the comfort and the cool factor.



¹⁰² Macleod C., “Unlocking the everyday spirit of Adventure”, Timberland, 2015

Social networks and blog were the cornerstone of defining the campaign executions across all touchpoints.

Nowadays these are some of the best channels to reach the customers. "...Five or ten years ago you would first go to the commerce site to check on a brand, now you go to Instagram. As a brand, a consumer will come to your feed, they might like what you are publishing, and that's the beginning of someone getting engaged or re-engaged with the brand" explained Jim Davey, global marketing at Timberland¹⁰³.

With the #ModernTrail Timberland creates a community of outdoor lovers, sharing photos about traveling or daily adventures wearing the brand items.

It becomes a board to get inspired and share the own style. A possibility for the brand to understand better what its customers prefer and for costumers to be more engage with the Timberland's values (craftsmanship, sustainability, quality, authenticity and more).

This is a way to match digital customer community with the brand's heritage.

¹⁰³ Macleod C., "Unlocking the everyday spirit of Adventure", Timberland, 2015

4. The Omnichannel strategy: Main results

4.1 - The pyramid of customers' needs

Reclaiming the Maslow's and the COSMA's pyramids of needs¹⁰⁴ and after the analysis of the maturity of Omnichannel strategy in Clothing and Fashion Luxury industry, it's possible to create a new pyramid that match all these factors.

The traditional pyramid of needs is revisited in term of what customers search in a brand and in which directions a company should move to compete in the actual environment.

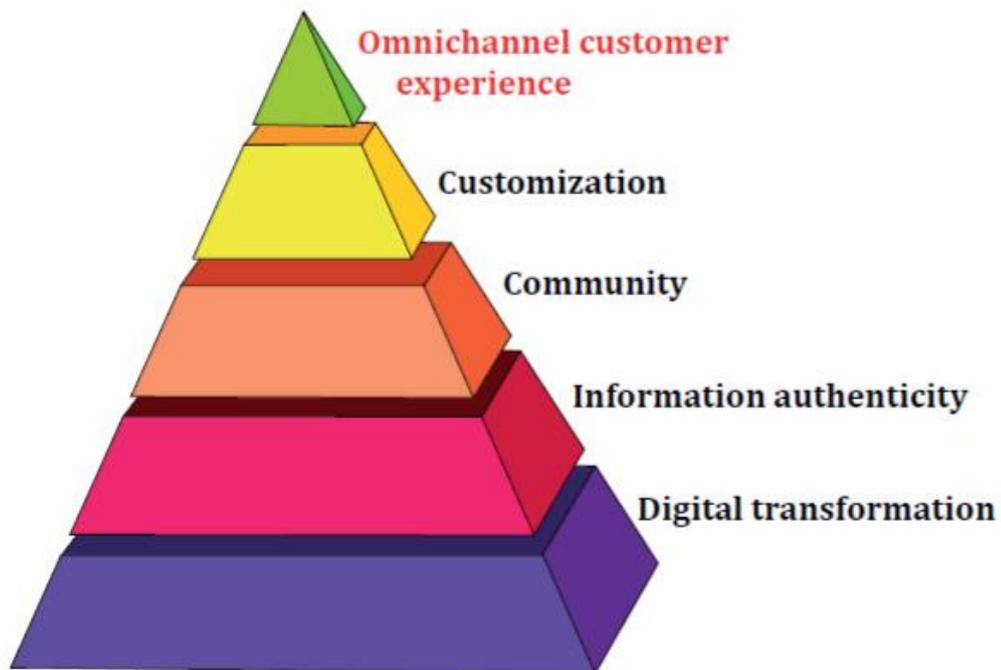


Figure 1: “The pyramid of customers' needs”

There are five levels that correspond to what customers expect and want from a brand and the degree of maturity of company in meeting these needs.

¹⁰⁴ Luca de Felice, “Marketing conversazionale”, Gruppo 24 ore, 2011

- **Digital transformation:** The first stadium refers to the multiplicity of touchpoints with which people interact every time and everywhere. People want to communicate with a brand through the channels they prefer and when they want. From the way to search information to the way to make the payments. This stadium refers to all the touchpoints that every brand should have according the expectation of customers (website, mobile site, POS, APP, social pages and more over).

The velocity and the ease in collect the brand information is one the first thing for the customers' retention and loyalty. For this reason, numerous company, also SMEs are adapting their channels, introducing digital tools let the customers having a connection easy and fast.

- **Information authenticity:** Customers want to be sure to obtain the same information independently the channels they use. This need is comparable to the safety need (Maslow) and sensorial orientation (COSMA); in the recent year, the customer is more careful about the authenticity of the advertisement content and he informs himself before and during a purchase to be sure about what they are buying. They make comparisons on-line and off-line in all phases of their buying cycle.

For company, the integration and consistency across channels is very important to be credible and attractive. The channels that a company use should transmit the same imagine of brand. Also, this characteristics increase the rate of loyalty.

- **Community:** Mostly in fashion luxury sector, every brand has a “story to tell”. Their products reflect passions and preferences of a specific target. People want to identify with a brand and feel part to a community of consumers with the same preferences. To have a product of a fashion luxury brand or a sporting one classify people in a modern social scale.

The preferences often do not drive the choice of a brand product; in numerous cases the choice is made only to be part of a certain group of people and to be

categorized in a defined way.

The presence on social networks for the brand is a big opportunity to unify customers with similar characteristics. This is also an opportunity for brand to launch the traditional story and values of brand in modern key.

Burberry with the campaign “The Art of Trench” created a community of the Trench lovers that is the iconic item of the brand. As the CEO of that time, Angela Ahrendts assessed about the goal of the campaign “a bridge to reach Millennials consumers, to keep the Trench an icon also for the new generation”¹⁰⁵.

As well as Timberland with the campaign “Made for the modern Trail” aim to create a community of outdoors lovers that reflect the value of Timberland products¹⁰⁶.

The synergy between the digital and brand heritage permit a higher engagement with customers.

Both in Burberry’s and Timberland’s case the starting point towards an omnichannel strategy were the investment in digital and the revalorization of brand heritage and image.

- **Customization:** Customers want to feel part of a group but at the same time exalt their identity and feel unique. They seek for exclusivity and distinction.

They want to personal relationship with brand and they expect that it knows them and their preferences.

Having a single customer view of customers, the companies can send customized messages and promotion on the base of preferences. Also, they let the customers the possibility to personalized brand items. In this way, the product becomes a status symbol expressing hedonic values.

¹⁰⁵ Interview to Angela Ahrendts by the “*International Herald Tribune*”, December 2009

¹⁰⁶ Macleod C., “Unlocking the everyday spirit of Adventure”, Timberland, 2015

For example, Burberry gives the possibility to choose the mix of Trench details that clients prefer; as well as Timberland do with its iconic product, the boot.

Also in the sportswear industry, Adidas offers, in numerous store, the chance to customized shoes. This recorded an improvement in sales.

Moreover, the willingness to pay increases to obtain an exclusive product because it represents an added-value for customers.

- **Omnichannel customer experience:** Nowadays customers searching for an experience rather than products itself. Their loyalty and engagement born from the experience that the brand is able to give.

The consumer expectation is a seamless brand experience across all channels that stimulate their interest and satisfy their needs. They want to start their journey anytime, anywhere and from any device and if they stop they want to restart, from where they left, on any device or channel available.¹⁰⁷

The satisfaction in purchasing the desired object is not enough, consumers want to be delighted. The need of the modern shoppers is more “hedonic” rather than “utilitarian”; they are driven by the desire to experience new things that stimulate all senses; the desire for fun, entertainment and satisfaction.

Some hedonic shoppers do not need to complete the transaction, but only have a great experience.

The shopping experience itself represents the outcome they desired. They often do not need to buy to get satisfaction; they need only browse and experience something new that brand offer.

The brand enable to meet the ultimate expectation gain in loyal and retention.

¹⁰⁷ Melero I., Sese F., Verhoef P., *Recasting customer experience in today's Omnichannel environment*, in “Universia Business review”, issue 50, 2016.

A great experience that involve all senses increases the perception of the brand imagine. Shoppers avoid retailers ill equipped to deliver a seamless experience online, in store and across multichannel media¹⁰⁸.

The Pinko’s hybrid shops are an example of a new way to do shop integrating the real with the virtual. The hybrid shop enriches the shopping experience with original content. Design, lights, colours and interactive screen aim to stimulate all sense and involve consumers. The Google glass treasure hunt launched from OVS is another example of sensorial experience to engage with customers.

4.2.1 - Omnichannel approach: companies’ maturity level

FASHION INDUSTRY	Digital transformation	Information authenticity	Community	Customization	Omnichannel customer experience
Burberry	website, mobile website, social presence, ecommerce, POS	integration between online website and mobile, inventory single view, product single view	Trench (Burberry’s iconic item) lovers	Trench personalization	RFID technology, Click & Collect, magical mirror, virtual catalogue, Single customer view (strong)
Timberland	Website, mobile website, social presence, ecommerce, POS	integration between online website and mobile, inventory single view (EMEA market)	Outdoors and adventures lovers	Boot personalization	Click & Collect, order and deliver to home or in store, informative kiosk, virtual catalogue, Single customer view (weak)

Table 1: “Omnichannel in Fashion industry”

¹⁰⁸ Savastano M., Barnabei R., Ricotta F., “*Going Online While Purchasing Offline: an Explorative Analysis of Omnichannel Shopping Behaviour in Retail Settings*”, International marketing trends conference, 2016.

SPORTWEAR INDUSTRY	Digital transformation	Information authenticity	Community	Customization	Omnichannel customer experience
Adidas	website, mobile website, social presence, ecommerce, POS	Integration between online website and mobile	Sport lovers	Shoes customized In store	Click & Collect, Inventory Check, Ship from Store, Endless Aisle, single customer view, informative kiosk
Nike	Website, mobile website, social presence, ecommerce, POS, brand APP	Information not available	Sport lovers	Shoes customized	Click & Collect, buy in store and deliver at home, RFID technology, informative kiosk, Integration of supply chain system

Table 2: “Omnichannel in Sportwear industry”

ITALIAN CLOTHING SECTOR	Digital transformation	Information authenticity	Community	Customization	Omnichannel customer experience
Pinko	website, mobile website, social presence, ecommerce, POS	Information not available	Not present	Not available	Hybrid shop, buy in store and deliver at home, virtual catalogue, single customer view
OVS	Website, mobile website, social presence, ecommerce, POS, brand APP, contactless payment (through credit card and APP)	Information not available	Not present	Not available	Click & Collect, augmented reality experience (Google glass), magical mirror, push notification local-based, single customer view

Borbonese	Website, mobile website, social presence	Integration between online website and mobile (direct management of ecommerce)	Not present	Not available	Marketing automation, personalized offer, single customer view
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Table 3: “Omnichannel in Italian clothing sector”

According to the Strategy & Global Omnichannel Retail index, the apparel and footwear industry have 43 points on a scale of 100 (within the Omnichannel penetration).

The index considers four metrics: consumer behavior (the degree to which customers in specific country complete purchase through omnichannel approach); the degree of digitization (the level of sales channels digitization within a market); the Omnichannel potential (average compound annual growth rate of interest as well as mobile retailing); infrastructures (penetration of Omnichannel devices)¹⁰⁹.

Both Burberry and Timberland reached a high level of channels integration. Their success is most related to a reorganization that involved all business department. The strong heritage, the exaltation of craftsmanship and the building of a community of brand lovers improve the customers’ engagement and loyalty.

The e-commerce should be managed direct by the brand to a better integration with the others channels and to compete with the dot.com. To a higher degree of integration corresponds an improvement in revenues.

The marketing automation tools let brands to be speed and precise in responding to customers’ needs. Both Borbonese, Timberland and Burberry had the first positive results.

OVS that refers to a different target (low/medium market sector), focuses on the creation of innovative experience in store and the smartness of the cycle buying process.

¹⁰⁹ Pwc, “The 2015 Global Omnichannel Retail Index”, 2015. Available at: www.strategyand.pwc.com

As concerns the SMEs, the development of technological infrastructure is slow most because of the high cost. More they wait to introduce digital tools more becomes difficult as the technology continues its rapid advance. Moreover they don't have the necessary internal knowledge to development a suitable strategy.

4.2 - Omnichannel Trends for 2017

Companies will continue connecting the dots to create holistic omnichannel customer experience. The table below summarizes the main topic on which companies intent to focus on this year.

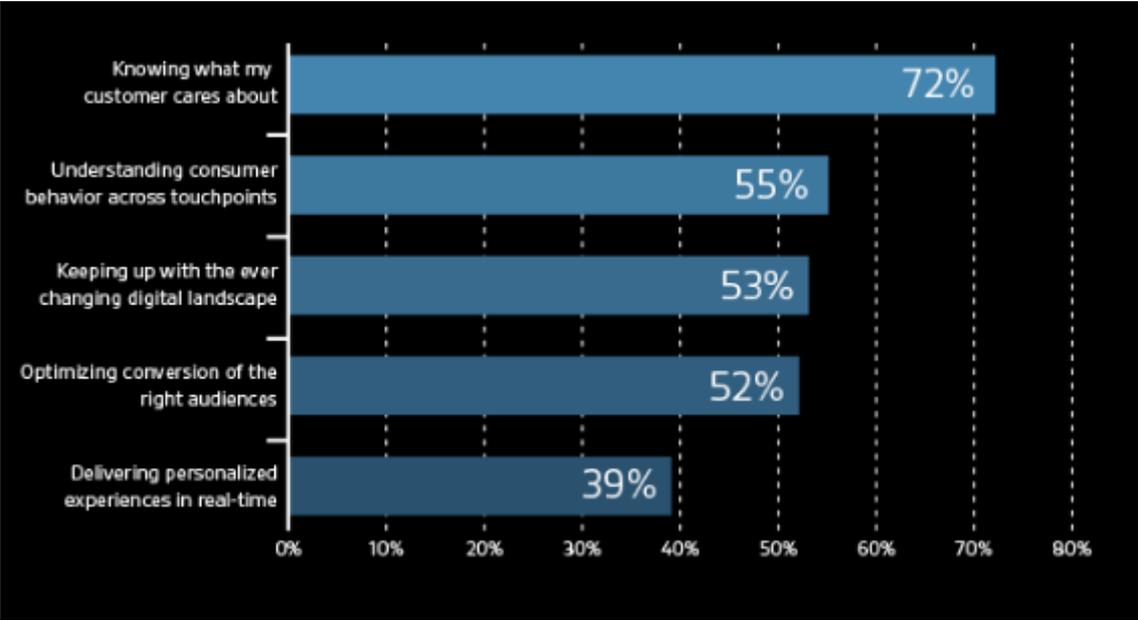


Figure 2: “Top customer experience for marketers”¹¹⁰

¹¹⁰ Lavigne M., “Omnichannel customer experience trends for 2017”, Centric Digital LLC 2016. Data Source: eMarketer2016

The data collection across channels in order to personalize experience and to know what customer cares about is a central thing. The challenge is how to leverage the collected data. The potential of the amount of information that is possible to have is very huge; these could help to create personalized offer, manage inventory and adjust sale prices. New software is available to make predictive analytics actionable and understandable.

As technological tools become more sophisticated, customers prefer the simplicity and ease. They prefer few steps to complete a transaction.

We are also moving into the “post-app” era. Customers don’t want have separate app for every brand and some of them are starting to use others type of direct interaction, such as an integration with Facebook Messenger chat.

According to the eMarketer data, in 2017 a true omnichannel customer experience will become mainstream. The brands are focus more on customer and on the integration of channels. In the e-commerce site the logistics, warehouses and supply chain need to be improved and digitized to compete with the big dot.com, like Amazon or E-bay.

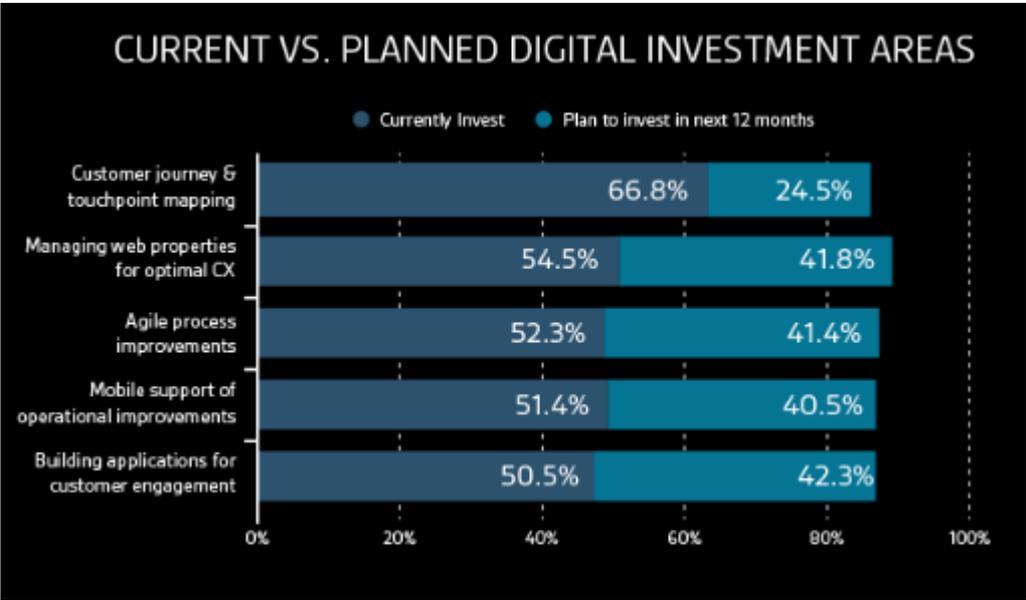


Figure 3: “Current vs. planned digital investment areas”¹¹¹

¹¹¹ Matteson S., “Why digital transformation should be a strategic priority in 2017”, Centric Digital LLC 2017. Data Source: eMarketer 2016

According to Forrester research the investment in digital to improve the customer experience will around the 24,5%.

A well supported and coherent digital strategy is an essential part of every business plan in 2017.

4.3 - Conclusions

The digital transformation changes deeply the way to make purchases. The customers demand a high level of experience within retailer's brand, channel and touchpoints. Consequently, for the retailers became "mandatory" a reorganization of their business strategy to deliver a seamless online and offline experience, both consistent and uninterrupted¹¹².

The improvement of customer experience has a central role to be competitive in the actual context. For this reason, the focus is shifting from the product to the customer (customer-centric approach).

The customer experience refers not only of the moment of purchase but it involves numerous aspects that involve all channels: from browsing the website, to visiting the social networks pages to touching products into the physical stores and more. The customer experience shapes the buyer's perception of the brand and influences purchasing decisions and loyalty. It is a multidimensional construct focusing on a customer's cognitive, emotional, behavioral, sensorial and social responses to a firm's offerings during the customer's entire purchase journey¹¹³.

¹¹² Savastano M., Barnabei R., Ricotta F., "Going Online While Purchasing Offline: an Explorative Analysis of Omnichannel Shopping Behaviour in Retail Settings", International marketing trends conference, 2016.

¹¹³ Lemon K, Verhoef P., "Understanding customer experience throughout the customer journey", Journal of Marketing: AMA/MSI Vol. 80, 69–96, November 2016.

The multiplication of the possible touchpoints and the decrease of real needs coincide with a continuous renewal of business strategy to engage with customers. Nowadays the customers should stimulate with new experience that involve all the senses.

Retailers started to introduce advanced technology systems to enhance shopping experience by providing them innovative tools able to engage them with the different channels simultaneously to obtain deeper insights.

These technology change both consumer' approaches and behaviors and the company management in retail process matter. The way how customers can access to products information of firms is completely changed, as well as the way company can reach their customers.

To summarize, the technology introduction helps the company in:

- maintaining and acquiring loyal consumers;
- gaining a positive reputation and image and increase the sales;
- reducing management cost (automation processes);
- reaching a unique and differentiated positioning;

The role of the physical store is completely changing both at the point of view of brand retailers and at the point of view of consumers. From the retailers' perspective, the store remains the primary contact point with the client. Meanwhile, from the consumers' viewpoint it is the first choice for products category which need to be touched, tried and seen to be evaluated and proceed to purchase. In the physical store is possible experience the gratification of purchasing instantly.

However, in this digital environment, the traditional brick-and-mortar has declined, as well as the time spent by consumers in store. The online world is often preferred especially for the velocity, convenience and wider of the offers.

As argued Erik Brynjolfsson, the Director of the MIT Initiative on the Digital Economy and Professor at MIT Sloan School "In the past, brick and mortar retail stores were unique in allowing consumers to touch and feel merchandise and provide instant gratification; Internet retailers, meanwhile, tried to woo shoppers with wide product

selection, low prices and content such as product reviews and ratings. As the retailing industry evolves toward a seamless “omni-channel retailing” experience, the distinctions between physical and online will vanish, turning the world into a showroom without walls”. (Brynjolfsson et al, 2013)¹¹⁴

Retailers introduce the technology in store to reproduce the online characteristics of speedy and interactivity, giving a new relevance of physical stores.

The clients have more active role and should compare prices and products directly in store through the touchscreens and mobile devices (totem, interactive wall, tablet, magical mirror). The customers are more evolved, informed and prepared before the purchase: a recent research has determined that the rate of ROPO (Research Online, Purchase Offline) is raised to 75%, confirming the change in consumer behaviour through Digital Transformation.

According to a survey on 15 retailers operating in Italian market on Fashion and Sportswear sector the level of attraction generated by the innovative tools is respectively of 29% and 57%¹¹⁵. Also, these technology tools impact on the brand image that improve of 41% in Fashion and 21% in Sportswear industry and increase the consumers’ satisfaction respectively of 6% in Fashion and 7% in Sportswear¹¹⁶.

Both in fashion luxury and in sportswear industry the retailers aim to create a unique customer experience to engage with them wherever, whenever and however.

For the success of Omnichannel strategy there are three main critical points:

1. Enhanced technological infrastructure: networking and communication (devices and digital tools penetration); functional devices payment; integration between online and in store inventory; location-based service that send information to

¹¹⁴ Brynjolfsson, E., Hu, Y. J., & Rahman, M. S., “Competing in the age of omnichannel retailing”. MIT Sloan Management Review, 54(4), 23–29, (2013).

¹¹⁵ Savastano M., Barnabei R., Ricotta F., “Going Online While Purchasing Offline: an Explorative Analysis of Omnichannel Shopping Behaviour in Retail Settings”, International marketing trends conference, 2016.

¹¹⁶ Savastano M., Barnabei R., Ricotta F., “Going Online While Purchasing Offline: an Explorative Analysis of Omnichannel Shopping Behaviour in Retail Settings”, International marketing trends conference, 2016.

customers according where they are; ERP and behavior monitoring to build a single customer view; apps or totem (in store) that provide in-depth product and pricing information, customer reviews, and comparison shopping; and “click and collect” or “buy in store and ship to home”.

2. Company attitude: corporate culture that manage online and offline business strategy as a single entity; dismantlement of silos; coordination and integration of all department; development of innovative tools and apps for seamless channel transition.
3. High customers' expectation: Costumers expect in store the same approach that have online such as instant product availability, transparency in terms of inventory and pricing, customer reviews, simple product comparison features, convenient and reliable shipping and payment programs.

As concerns the SMEs, they don't have the necessary knowledge to introduce an omnichannel culture. However more than 80% of the SMEs use online channels for the advertisement and the 30% introduces technology tools for payment in store (eg. POS)¹¹⁷.

To summarize, the main problem of the SMEs to integrate an Omnichannel strategy are:

1. High cost of technological infrastructure
2. Lack knowledge to implement an Omnichannel strategy

¹¹⁷ SMEs in Italian market

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