

Marketing

Fashion Antidotes for Frenzied Times

By Valerie Seckler

Creating an “aura of wonder” or a “transporting” experience will enable fashion brands to connect with 21st-century shoppers swimming in more information than they can negotiate — in many cases information they themselves are constantly scoping out on cell phones, personal digital assistants and other portable technologies, forecast brand image developer Cheryl Swanson.

“Daydreaming, fantasy and sleeping are things we need more of,” as we move from an information age into an age of imagination, advised Swanson, principal partner in Toniq. Fashions most likely to succeed in this environment, she projects, are those that “transcend function and looking cool, and take you to a new place, almost like costuming. Not a uniform. And not all black.”

Others, including futurist Faith Popcorn, think it's apparel and accoutrements that are absent logos and offer clean styling — “things you can wear year-round” — that are most likely to fly with consumers this year and she points to a renewed interest in classic brands,



Whisper brands, like Muji (center) and Uniqlo (right), which approach the consumer subtly, are expected to find favor this year, as are high-style, low-cost brands such as H&M (left).



from Cadillac to Lego, as evidence. “The plainer brands are going to have a chance,” said Popcorn, chief executive officer of marketing consultant Faith Popcorn's BrainReserve.

The interest in classics and the onset of a phenomenon Popcorn calls “life rage” — a sense things have fallen apart on us suddenly — are underpinning and foreshadowing what she sees taking shape as a “whisper” world view. Against the backdrop of a roller-coaster stock market, new job woes, a troubled housing market and the war in Iraq, she expects brands to fare well by “taking themselves out of the clutter and noise...and whispering in our ears to be heard above the roar of the mediascape.”

“Classics are a bridge to that,” Popcorn noted. “They have a lot of equity with the consumer and don't have to yell.”

Following are some of the things trend forecasters and marketing executives think are most likely to influence fashion consumers this year.

Irma Zandl, president of trend forecaster The Zandl Group: “I expect women to add a luxurious touch to their personal style, like a luxurious fabric; things that feel a little richer, nicer in an eclectic way. I expect guys to keep getting a little more dressed up — an Obama effect. With the economy not doing so well, they may feel they need to put on a little more professional look.

“People are trying to search out things that are authentic — things that reflect themselves. Mallification has hit the wall. The fact [so many] stores carry the same thing has started to become tiresome. Has the day of the 1,500-store chain run its course? Is it time for the 200-store chain? It always has to start with the consumer.”

Drew Neisser, chief executive officer, Renegade Marketing: “In a slowing economy, the haves will look for less ostentatious design in which the quality is on the inside, but not as visible on the outside. In other words, it's time to hide the fur. Turn the coat inside out so you know you've got fur, but the world doesn't. Burberry is among the high-end brands that might do well, since their signature plaid is often on the inside. Prada bags that don't say Prada is another example. High-style, lower-cost brands like H&M and Uniqlo will continue to do well.

“Green will move from being a fringe consideration to a priority for many fashion brands. Brands that are green and fashionable will have an advantage over brands that are simply fashionable or green. If two brands are seen as design and price equals, the tie will be broken by the brand perceived to be greener. Marks & Spencer is offering a 5-pound [\$10] coupon to customers who bring in used clothes, which is a great way to get shoppers back into their stores and to make a brand statement.”

Kiwa Iyobe, independent trend analyst: “Quality versus quantity. Built-to-last, collector editions versus disposable. One good pair of shoes that will last five years, versus 20 cheap pairs you wear a few times. More companies focusing on a single product or product category, like a high-quality cotton shirt or bespoke tuxedos. Pricey, specially packaged, collector editions, like Radiohead's “In Rainbows” CD, vinyl records, artwork, lyric booklets and hardback book, slipcased together for \$85.

“So many fashion brands do too much these days — clothing, fragrance, beauty, optical. So brands specializing in perfecting one product category are very appealing. High-quality brands like Patagonia, which makes fairly indestructible outdoors gear, have benefited from consumers willing to pay more for something long lasting (a \$175 fleece jacket) that doesn't necessarily scream luxury.”

Faith Popcorn, ceo, Faith Popcorn's BrainReserve: “I expect whisper brands, brands that become more subtle and intimate, to be a growing influence, such as Muji, a name that means unbranded [in Japanese], and Uniqlo.

“First, brands told us what to do. Second, we made certain brands our own. Now, I think we're going to get sick of being a brand person — thinking, ‘I'm a Nike person' — and respond to brands that whisper.”

Burberry



Going the Extra Mile to Get the Goods Delivered

The Federal Trade Commission is considering putting more teeth into the regulations that protect consumers who experience problems with late deliveries, deliveries of the wrong items, merchandise orders they have not received and refunds that have not been made.

The National Retail Federation and the Direct Marketing Association are advocating expansion of the Mail or Telephone Order Merchandise Rule to regulate all orders placed online by consumers, a change that would be chief among those the FTC could implement to the regulation. Any changes in the regulations are expected to come during the first half of 2008.

Most big merchants generally are complying with the direct order merchandise rule, government and trade association officials said. Nonetheless, consumer complaints about merchandise orders placed by phone, catalogue and online were the second most numerous ones made to the FTC in 2006, totaling 46,995. They ran a distant second to the most common complaint, identity theft, about which 246,035 were registered.

With the rule's last revision, in 1993, to include goods ordered on the phone, items bought via dial-up Internet links were also protected by virtue of their phone connections. In the 15 years since then, dial-up connections have shrunk to represent about 35 percent of the country's online population, while broadband connections account for about 65 percent of Internet users in the U.S., noted Ken Cassar, vice president of custom analytics at Nielsen/NetRatings. The number of broadband users surpassed those with narrow-band, phone-based access back in May 2004, Cassar said.

“If you want consumers to trust shopping online, you want them to have the same protections, regardless of the method [of Internet connection],” said Mallory Duncan, NRF's senior vice president and general counsel. “What you don't want is for online to become a haven for bad actors.”

Any changes made by the government would follow the FTC's current review of comments on the rule and the agency's renewal of the regulation, which was implemented in 1975 in response to people's complaints about mail-order merchandise deliveries and refunds. Also under consideration is whether purchases made with newer forms of payment such as debit cards and Internet payment services like PayPal should be covered, and whether refunds should be made to shoppers by any means other than first-class mail, such as UPS or Federal Express.

People shopping smaller catalogues, online stores and telemarketers as well as those purchasing artisanal and one-of-a-kind items are among those most likely to experience problems with deliveries and refunds, according to government and trade association officials.

“Delivery often becomes the most important part of the online shopping process, given how many people are getting their purchases immediately,” said Lauren Freedman, president of consultant The E-tailing Group. “We're living in a FedEx culture. It's like, ‘I'm waiting this long to get it?’” In the group's 10th annual customer service survey of 100 online stores during the fourth quarter, two delivery glitches popped up: packages dropped by third-party shippers at post offices, where they were delayed until more items destined for the same area arrived and could be delivered at the same time, and to a lesser extent, orders placed for goods that were not yet available, unbeknownst to the purchaser.

It took an average of “slightly over four days,” Freedman said, for the 100 sites surveyed to deliver the goods ordered.

Shoppers unable to resolve delivery and refund problems with merchandise ordered can file a complaint with the FTC or their state attorney general, seeking a consumer injury award or civil penalties. Pursuit of civil penalties is now the most common route taken, a combination of federal laws and regulations providing

Keeping the Customer Satisfied

77%: Share of people in 10 countries inclined to keep doing business with a company that gives them good service.

57%: Share of U.S. consumers for whom customer service is the top factor when seeking a new retailer to shop.

44%: Portion of people in the U.S. who expect more from stores, catalogues and online shops than they did five years ago.

23%: Portion of people in the U.S. who expect more from stores, catalogues and online shops than they did one year ago.

SOURCE: ACCENTURE 2007 GLOBAL CUSTOMER SERVICE SATISFACTION REPORT, POLLING 3,500 ADULTS IN 10 COUNTRIES, INCLUDING THE U.S., CANADA, BRAZIL, CHINA, AUSTRALIA AND THE U.K.

Shoppers' prospects of resolving delivery problems — a key aspect of customer service — could improve if the FTC expands its direct order merchandise rule.

for penalties that can range as high as \$11,000 per violation of the merchandise order rule, said Joel Brewer, an attorney at the FTC's Bureau of Consumer Protection. “Civil penalties have gone up year-by-year since the first year of the rule, 1975,” Brewer said. “Violations are not viewed as forgivingly anymore.”

Brewer said a direct order merchandise rule case is pending, but he declined to specify. The second-largest civil penalty ever assessed under the merchandise order regulation, \$850,000, was levied in May 2003 against Staples, when the FTC settled a complaint that the office supply chain misled customers on its Web site about the “real time” availability of its products and the site's ability to deliver them in the time promised.

In speaking of compliance with the merchandise order rule, Jerry Cerasale, senior vice president of government affairs at the Direct Marketing Association, observed, “The thing that's most at stake is the customer relationship. Good word of mouth is vital for direct marketers — people aren't holding the goods in their hands physically as they are in a store. It's part of the trust.”

— V.S.