

VIRTUAL RETAIL



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Exclusively for Focus On Fashion Retail.

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Andrey Golub, PhD, has co-founded ELSE CORP., the originator and developer of a revolutionary 3-D Virtual Retailing technology. In his career, he has been a Professor, a Consultant and a Mentor, with over 15 years experience in Research & Development. His vision is now setting up the base for the future of the fashion industry. E-mail with questions andrey@else-corp.it.

Over the past years we have been reading titles such as “The iconic brand is expected to close 200 stores worldwide...” or “The luxury store tries to keep its charm for new customers...”. This is how an entire industry reacts when traditional retail becomes crowded, and brands have the fear of losing their name. In other words, technology driven innovation, overarching socio-economic trends and the shifts in customer behavior are pushing brands to confront a difficult scenario.

With fast and big changes of the market and the boost of technology, the expectations continue to grow. In fact, today’s customers do not want “just to buy products”. Shoppers are changing and there is a desire for relevant aspects surrounding a product. Customers expect their favorite brand to offer, not only quality, but also an exceptional experience. For this reason an increasing number of companies are trying new ways of selling and approaching their customers in a more individualized and appealing way.

Imagine walking into your favorite store and they know exactly what size you are without having to try on dozens of different pieces. Fast, accurate and easy. Seems like a dream, but the future is making this happen. And no, this is not another “see-now-buy-now” strategy some labels use. That is a logistical nightmare according to Tom Ford



and other luxury brands. And be honest, see-now-buy-now goes against the ideal of luxury. Welcome to the era of Virtual Retail, where customers can find an outfit that fits without complications and adapts to their style in an engaging way, while the retailer maintains a “0” level of stock. The Virtual Retail Model is an innovative concept that enables businesses to deliver exceptional shopping experiences, while empowering talent and creativity.

In order to understand the VRM, it is important saying that it focuses on the main difficulties of two main players: Customers and Businesses. In the first case, customers do not buy because the product did not fit them, it was out of stock or they wanted it just a bit different, without mentioning feeling unmotivated by a boring shopping experience. In the second case, predicting customer behavior can be difficult from season to season, especially when designing and selling for new segments. This last point lead us to other complications such as overstock, an elevated number of returns, low rotation of inventory or small sales per square meter.

Now that the context of today’s shopping has been defined, it is time to know how the VRM can cover the needs of shoppers and business. First of all, the issues related to size, product availability and style should be solved. To deal with it the measurements of customers have to be taken, the products should be customized and the data of each order should be sent to the brand for production. Following this scheme the product will fit the customer, it will adapt to his/her style and it will be manufactured only when it is needed. In other words, the Virtual Retail Model is composed by 3 elements:

1. Industrial Made to Measure
2. Mass Customization
3. Made to Order