

# Fashion industry



**ASSIGN  
BUSTER**

## **INTRODUCTION**

The fashion industry today is a very complex network. We have the marketing research people, who research the needs of the consumers, then we have the designers who design the garments, we also have the manufacturers who produce the garments and we have the distributors and retailers who sell the products to the consumers. The end consumer behavior is always changing and it getting very hard to determine what the consumer wants. To be able to deliver the right product, at right place, right quantity, and right quality to the right customers is becoming more and more challenging. Eventually all the finished products have to reach the ultimate consumers and here the role and responsibility of the retailers has become more vital [1]. Retailing is the process of buying and selling goods to the ultimate consumers. Over the last couple of decades the retailing has undergone drastic changes. Especially in the 1980s the departmental stores faced difficulties with the merger mania. During this period we have seen the emergence of different kinds of retailers such as discounters, chain organizations and hypermarkets. With the changes of trends and the shopping experience of the consumers, the trends in retailing have been changes after all the retail business is itself built on change [2].

Today the retailing process has moved from the traditional ways to more and more modern ways. The present retailers can be classified into the following ways:

- Retail branch companies
- Voluntary multiple chains
- Integrated wholesalers

- Franchise
- Department stores
- Mail orders/Internet
- Outlets
- Independent shops
- Boutiques / Concept stores.

Each of the above listed retailers has their own uniqueness. In particular the boutique concept has got a very long history. Boutique is a term originated from French which means *little shop* [1]. It all started with the Paris couture houses which allowed the customers to buy perfumes and accessories. The Boutique has emerged on the United States, United Kingdom, Italy, Germany etc. with different themes. Over the time the boutique concept has moved to a highly individualized and specialized merchandise intended to a well defined and a narrow range of customers.

In the late 1990s some of the European retailers expanded the boutique concept to a life style theme. These boutiques were termed as ‘concept stores’ and were specialized in cross-selling of different products under one roof without the use of separate departments [3]. These concept stores featured products ranging from very high prices to moderate prices dealing in only designer clothes and/or hand crafted fashions and/or trendy accessories and/or antique clothing [1]. The concept stores mostly carry products of different mix of brands and products [4]. These stores are facilitating partnerships to enable the concept, thereby securing in terms of total buying. Intention is to approach edges with the aim of creating “concept stores”. Concept store’s idea would rather be the operation related

to elite and highly specialized class. Below is the image of the Kisan concept store in the New York City [5].

But now a day this concept has been applied to the normally mass market highly expensive items which are intentionally made at small number to keep the uniqueness of the product. Today the concept stores run with a specific consumer in mind and having the different brand's product in it which could be apparel ranges, books collections, jewelry, fragrances, & furniture etc. The concept is exclusively (but not primarily) while it urges to the relationship between the customers and products quality. One of the first concept stores to open was ' 10 Corso Como' in Milan, Italy. This was followed by ' Colette' in Paris, ' Quartier 206' in Berlin. The concept of ' concept store' has not only confined to the fashion industry but has also moved to electronics with brands such as Apple, Dell, Microsoft etc. opening their concept store to showcase their latest innovative products.

The concept of a concept store is very complicated and as mentioned above has been changing over time. The concept of these stores is also quite different in different locations. Hence there is always a discussion about the future trends of the concept stores. This paper is an attempt to discuss the solutions to such questions which are listed below:

- What is the concept of a concept store?
- What are the products and services offered in a concept store?
- How will be the customer experience in such concept stores?

## **1. METHODOLOGY**

The purpose of this report is to study the concept of a concept store. This can be possible only when a practical case has been studied. The aim here is present a practical case which can be well supported with theoretical studies from various literatures and sources. Hence Storm Fashion, a concept store in Copenhagen, Denmark was selected and a thorough study was carried out. The information about Storm Fashion was collected from various electronic sources. In addition to this the Storm store was visited and the owner Mr. Rasmus Storm was interviewed. Further, the customers of Storm Fashion were asked for their opinion and share their experiences.

## **2. STORM FASHION:**

Copenhagen city has lot to offer for fashion industry, though it is not considered to be among biggies such as Paris, Milan, London or New York. Copenhagen has got a lot of potential and this has been proved by the fact that several Danish designers have been employed permanently by international fashion houses [6]. Seeing the potential for the luxurious market several brands such as Prada, Max Mara, Chanel, Hermés and Louis Vuitton, Gucci etc have opened their stores in the posh localities of Copenhagen. Today Copenhagen has established itself as a fashion metropolis of the northern Europe with several internal brands and concept store.

This potential for luxurious and unique products was discovered by Mr. Rasmus Storm and with this boost he opened the Storm concept store in the year 1994 at Elmegade, the North Bridge, Copenhagen. In the year 2001 the store was shifted to St. Regnegade in the central of the Copenhagen city.

The aim of Mr. Rasmus Storm was to provide world class unique products to his customers. Soon the Storm store was one of the most recognized and trend setting concept stores. It was one of the first stores to accommodate world class brands such as Thom Browne, Dries van Noten, Ralph Lauren, Comme des Garcons, Raf Simons, Chloé, Ann Demeulemeester og Haider Ackermann. He not only confined his store for only fashion products but also extended it wide selection of products such as beauty products, photography, DVD movies, music and books on art and fashion [7].

The storm store hold the products ranging from leading Danish and international designer brands, like several of them on often found in Copenhagen. Due to its uniqueness and its popularity Storm store has received the Danish Fashion Award for best retail space was given to Storm in spring 2008. Most of the products displayed in the Storm store are handpicked by Mr. Rasmus Storm who travels all over the world for the best and unique products [8]. The most important thing for the selection of products is networking where different designers and artists are met for inspiration. Below the products offered in the Storm store have be briefly described.

### **3. 1 Men's clothes**

The clothing line has the designer touch of a classic, archetypal school quality in a simple and marked by seriousness, gravity, solemnity. The Store has leading brands such as Dior Homme, Burberry Prorsum, Dries van Noten, Gitman vintage, Junya Watanabes, Visvim etc. The collection is seasonal and also contains selected shoes and boots of brands such as Ring Wing, The original boat boots etc. Some of the products are show below

### **3. 2 Women's clothes**

We can see the delicious classic touch like French Chloé in the Women's clothing. The collection includes the delicate and special things belong to the exciting Belgian designer Haider Ackermann Colombian, Ann Demeulemeester Parisian misc/fashion duo Kitsuné, Swedish Burglar etc. Some of the products are shown below [7]:

### **3. 4 Skincare and Magazines:**

Storm has and is always in touch with the latest updates from fashion and design world. Storm has books and magazines of Fantastic Man, Knick Knight, Nils Stærk, Stephen Sprouse, Albert Watson, Camouflage etc. Storm also offers pure skincare, hair care products from Bumble & Bumble, Dover Street market, Mayday Mayday etc [7].

### **3. 5 Accessories:**

Storm also offers wide range of product for both men and women in the form of fragrances, eye wear, bags, lighters, sneakers, candles, watches etc. Storm offers very unique products such as Zippo X Ambush lighter (available in only 2 retailers in Europe), Mismo X Storm, Fat Cat Stuff X Storm etc [7].

### **3. 6 Store Appearance:**

The Storm store was designed by Leif Jørgensen from LLLP and he tried to combine the feminine and the masculine themes combined with the use of materials like glass and wood prominence. The central focus was to keep the store very clean with simple colors such as white, wood and black so the focus is on the clothing, other products and not the store itself. The interiors of the storm store can be seen below

### **3. ANALYSIS**

A SWOT analysis was done to analyze different factors that influence the performance of the Storm concept store.

#### **4. 1 Strengths**

One of the main strengths of Storm stores is its ability to showcase products which are unique and very diverse. With this uniqueness and diversity, the Storm store has earned an image which has earned its own individuality.

Storm store does not seem to be like any other store but has its own unique identity and reputation. Another important strength of the Storm store is its leadership in the form of Mr. Rasmus Storm who has a great passion and vision. Mr. Storm is always travelling all over the world in search of new designers, artists and products [8]. The best example is the Zippo X Ambush lighter which Mr. Storm brought from Japan. Another strength of Storm store is products that are amalgam of soft and elegance touch. The store presence is also one of the driving forces for the customers to come in. Especially the interiors which are very clean and do not steal the focus from the products displayed. Another strength of the Storm store is the customer experience with a good reception. The stores personal is very warm and are always helpful in finding the right products for the customers [10].

#### **4. 2 Weakness**

One of the main weaknesses of the Storm store is its webpage which is very limited with the information, products classification etc unlike the French concept store Colette which has got a very good webpage. A lot more can be done with the webpage as most of the customers today are tending towards the web experience of anything. The webpage also does not have the web



shopping which is very unusual for a store like Storm. The webpage does not even keep the database of the customers and the customer choices which need to be addressed. Another weakness which was inferred from the customers is that the products sold are way too expensive [10]. Although Storm was established in the year 1994, it still has only one store. Keeping in mind its popularity and uniqueness, the Store can be expanded to other locations. The Storm store does not carry products from leading brands like Chanel, Prada, Gucci etc which it used carry a few years ago.

#### **4. 3 Opportunities**

Storm fashion has got a very good reputation not only in Denmark but also in Sweden, Norway, Germany etc. Even though it was established 15 years ago it has its presence in Copenhagen city only and has got a great potential to expand into other cities. Hence the store may be expanded into other locations such as Stockholm, Paris, Berlin etc. The webpage can be modified to accommodate feature such a product classification, virtual wardrobe, web shopping etc. Although the products offered at the Storm store are much diversified but there is still room for more diversification. This can be further explored. Storm Fashion is very high-end targeteting people with quite a lot of money, it would be nice if they had some less expensive stuff but still kept their profile as being exclusive and nice [10]. The Storm store can also focus on a few customers catering their choices and tastes and offer some very exclusive products accordingly.

#### **4. 4 Threats**

One of the main threats for the Storm store is the emergence of new concept stores in the Copenhagen city which tend to maintain the same exclusivity. A

best example is Wood Wood store which is in the near proximity of the Storm store. Another common weakness is the counterfeit products. Although Storm offers very exclusive products, getting a counterfeit product is becoming very easy these days. The Economic crisis has also played its part in the Storm's growth rate. Especially the fluctuating currency exchange rate of the Danish-Swedish kronor has decrease the customer buying from Sweden. Due to this Storm has been lost almost 15% of its revenues for the past couple of years [8].

#### 4. 5 Key Success Factors

Some of the key success factors of Storm have been listed in the table below:

| Key        | LOW | HIGH |
|------------|-----|------|
| Success    |     | 234  |
| Factors    | 1   | 5    |
| Brand      |     |      |
| Value      |     |      |
| Product    |     |      |
| Range      |     |      |
| Advertisem |     |      |
| ent        |     |      |

Consumer

Experience

Web

experience

Leadership

Price

Range

Growth

rate

In most of the cases the well designed strategic plan has the potential to integrate the performance of company. But low thoughts are given to implementing, accountability and executing for the success of business, while there are many factors which can be present as the key success factors for any business or for products. Based on the above discussion we can simply sum up the idea that the Storm store has a very good brand identity as compare to the other concept stores in Denmark. This is due to the product range they offer to their valuable customers, they have very reliable products which are decorated according to the consumers' taste. Also Mr. Rasmus Storm kept this in such a great leadership that his store is now one of the famous concept store in Scandinavia and it has also won the best concept store's award in Denmark in the year 2008. The factor behind this victory is the uniqueness and product range but although they have unique stuff but with very high price that could be the one the point which

could go in the opposite way. Another portal where they are lacking is their web experience for their customer's and same shadow covers the advertisement media. They must go for the new web features and easy customer's interface portals to remain on the hype in this recession time.

#### **4. CONCLUSIONS & RECOMMENDATIONS:**

The Storm store has been very successful and there is still a lot more room for growth both in terms of sales and presence. To do so, there are some issues that have to be dealt with.

##### **5. 1 Web Experience:**

The webpage of Storm store is not very exciting when compared to its counterparts. Hence a lot more can be done to improve it. The first and the foremost things that should be done is the inclusion of the product catalogue which could classify the products into different categories. This will make the customer to search for the product he is looking directly without wasting lot of time. The other thing that can be done is the introduction of web shopping. Web Shopping is a process where the customer can log on to the web page and select his products and do the payment online, and then the products will be delivery to the location mentioned by the customer [11]. The web shopping business is growing very rapidly, a very good example for this the [www.youheshe.com](http://www.youheshe.com) which is doing very good business. The web shopping can not only make people buy the products from their homes but also will allow the sale of products to the customers who cannot access the Storm store (Demographic advantage). The web shopping will also allow the customers to buy the products at whatever time they like irrespective of the store opening or closing times.

Another significant thing that can be done is maintain the customer database. The success of business can be measured by the relationship with the customers, therefore the information technology systems have designed the online platform through which customers' feedback and demands can be observed on a day-to-day basis on a growing popularity. (CRM) Customer relationship management is not just a web application developed, but it's an approach to know about the customer's behaviors and their needs in terms of creating stronger relationships with them [12]. In other means we can use this CRM to interact with customers in an effective and efficient manner. Nevertheless, successful CRM relies on the use of adequate technology. If this is considered for the Storm store, it can be implemented in the webpage which will allow tracking the customer's choices and feedback. We will get the details regarding the customer's choices, taste, mood and their buying capability so we can merge the collected data and get better results. Once the customer logs in to the website and searches for their products, it will enable the store to offer the customers with their preferred choices based upon their previous online behavior. This will obviously save the customer's precious time and they don't have to search through whole product ranges while on the other hand the customer will not get irritated by struggling for the products they need.

Using the internet and the CRM application we can also introduce a concept that has the potential of being the next big thing. It's called the 'virtual wardrobe' and if this works out it can very well be the competitive advantage over the internet for fashion brands seeking to increase their market base while at the same time keeping the exclusivity factor real [13]. This virtual

wardrobe perfectly fits into the concept of the Storm store. The virtual wardrobe shall include the concept of keeping an online wardrobe of all the items that a customer has bought over the internet so that when a customer goes to buy a new product he/she goes into their online wardrobe and sorts through the items there to see which ones they have already bought so that they can choose another product that is according to their choice after seeing their wardrobe [14]. This way a customer online profile is made based on the choices that they have made of their clothes which can then be interpreted by profilers of the brand to assess the characteristic of their client. This concept has a lot of potential in that it can seek to identify the personality of the customer based on their choices and from there the brands. This can also be used as a tool for gauging the loyalty of a customer according to the number of items that are present in the wardrobe. Customer satisfaction surveys can relate to the experience that the customer had when using this web application. The possibilities are endless. It's just a matter of using ones imagination.

## **5. 2 Expansion & Diversification:**

The Storm store has a great potential for expansion geographically. Given the required financial assistance, the Storm store can be expanded to other markets such as Stockholm, Paris, Berlin, and New York etc. The product line can also be diversified by collaborations with different artists and designers. It can collaborate with designers and artists from countries like India which is home for various culture, world class craftsmanship, music, literature etc.

### **5.3 Marketing:**

Marketing as a science requires a number of qualities that are an essential and integral to the success of the organization. Although marketing nowadays is a very broad term yet there are some aspects of marketing that are not taking a more interactive role with the consumer. Marketing does not mean spending a huge amount of money on advertising. There are many cost efficient ways of marketing. One of such way of marketing is the viral marketing. Viral marketing, as the name implies is word of mouth marketing where a group of people are told about a certain product, service, store etc and those people spread those words to different people there by creating a chain reaction. This will allow that product, services, store to become more popular. Viral marketing can be done in many ways and is influenced by many factors. The best way of spreading the good will is by sheer customer experience. Once the customers come to a store and finds what they is looking for, then obviously they would recommend the store to their friends. This would make others interested in the store there by increasing the customer flow and sales.

Other easy way of marketing the Storm store is with the help of Social Networking Sites such as Facebook, Twitter, MySpace, Orkut etc. A profile of the Storm store can be created in these sites and information regarding the new arrivals, discounts etc can be updated regularly. This will also allow the customers to write about their experiences, suggestions, feedbacks etc. This medium can also be used to meet the customers and know about their opinions. The Storm can even create a customer club where it can arrange

different activities such as exhibitions, parties etc. This will keep the customers more loyal builds up a good trust towards the store.

The Storm store which started off as a small store is now very popular among its customers because of its unique identity. This identity has helped it to become one of the well noted stores in the northern Europe. The leadership of Mr. Rasmus Storm has played a major role in the transformation of the store into a world class one. By implementing the above suggestion, the store and its identity can reach a larger customers and locations there by increasing the revenue and the brand identity.