Transforming Fashion Wholesale with the Digital Showroom

A Tommy Hilfiger x Fashion Cloud Case Study

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This is the story of how Tommy Hilfiger built a global network of digital showrooms

It all started with the weather. Watching the weatherwoman give the 3-day forecast. Surrounded by many digital screens.

The weather sparked a thought that would change it all: if something as complex as the weather can be presented digitally with ease, why can't we present fashion digitally?

Tommy Hilfiger embarked on a journey to improve its sell-in experience. In the last decade, nobody in the industry saw the need for it. Why fix what didn't need fixing? However, the premium American lifestyle brand had started noticing signs of exhaustion within this process and realized that digital solutions could be an opportunity worth exploring.

Today, digital showrooms are one of fashion's cool kids on the block. Due to an endless list of challenges in supply chain, fashion brands have acknowledged the need for change in order to become more efficient, sustainable, and continue to grow.

In this case study, we look back at how Tommy Hilfiger and Fashion Cloud built the first digital showroom in fashion, from initial challenges and the pains that come with scaling, to how we tackled them. You're in for a treat!

The Challenge

Sell-in: High reward comes with high risk

Wholesale has always been Tommy Hilfiger's biggest revenue stream. Their strategy with a mix of new markets, as well as partnerships, helped them grow their wholesale channel. Despite this growth, the team at Tommy had noticed the process was breaking at its seams:

1. **New markets** generated new revenue, but also needed to be serviced. This meant that more showrooms and physical samples had to be set up and produced each season.

2. **New key accounts** brought new consumers, but also came with new requests. As a result, collections were increasing in volume at the expense of SKU productivity.

3. **Bigger collections** give buyers more choice when selecting assortments, setting off a chain reaction that can weaken the brand's positioning. The brand message is at risk to become diluted, which can result in inconsistencies across consumer touch points.

If Tommy wanted to keep growing, they had to do something. Sell-in as it was would sooner or later impact the long-term health of the business.

Whatever the solution, showrooms had to be a part of it. It's where buyers are introduced to new collections and finalize assortment selections. Showrooms also allow sales reps to meet their clients, critical to building long relationships with them. The sell-in equation had to be more flexible, efficient and balanced, but how?

Tommy's sell-in, in numbers

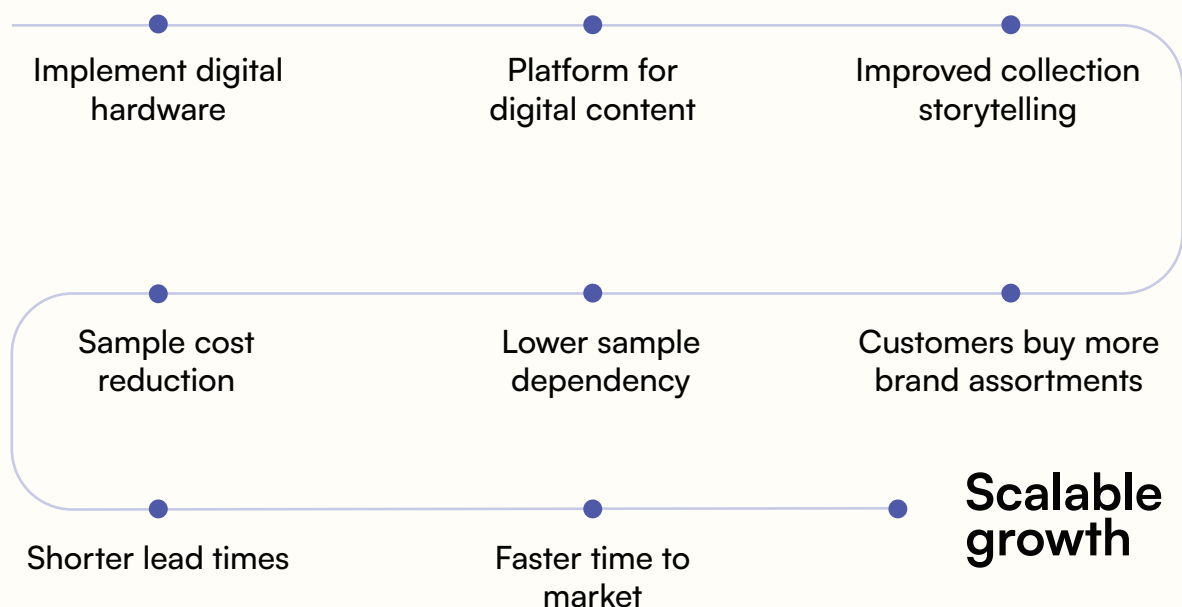| 600	25	12	40	10
sales rep	sales regions	weeks to sell	showrooms	weeks to prep

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The Idea

Turn physical showrooms into digital experiences

Drawing inspiration from other industries and B2C practices, the team had a wild thought: what if they could present new collections in a similar way? What if they could use digital content to sell?
What if they could use fewer samples while improving the experience for B2B customers? Enter the Digital Showroom.

The logic was sound, but the change was sizeable. In order for showrooms to become digital, Tommy Hilfiger's go-to-market had to be digital too. From a sample-led process to content-led process. However big the needed change was, the benefits were compelling. They got to work on it right away.

The Digital Showroom master plan at Tommy Hilfiger

Implement digital hardware

Platform for digital content

Improved collection storytelling

Sample cost reduction

Lower sample dependency

Customers buy more brand assortments

Shorter lead times

Faster time to market

Scalable growth

"

The Digital Showroom revolutionized the way we at PVH connect with our partners, blending creativity and technology to elevate Calvin Klein and Tommy Hilfiger as the world's most iconic, desirable lifestyle brands.

This innovation reinforced our strength as brand builders and continues to drive us forward in an increasingly digital-driven world.

"

Christiaan Takkenberg
VP Digital, CRM & Membership
at Tommy Hilfiger

The Idea

Six elements to build a digital showroom

1 Software

Involve sales early on to understand how they feel about any new tools. High user adoption should be your top priority, not the number of features.

2 Hardware

Choose your balance between quality, compatibility, usage, installation and support when it comes to hardware. Video wall and touch screens should certainly be on your list, and if you want to up your game a notch, add an audio system too.[1]

3 Furniture

The best furniture for digital sell-in has two main characteristics: it integrates hardware (e.g. built-in cabling system, embedded touch screen, etc.) and it is ergonomic (e.g. it is adjustable in height).

4 Light

Master light and you'll master an element in storytelling very few brands use to their advantage! Use curtains to block harsh sun light and to make the space feel more intimate. Avoid placing spotlights above digital touch screens to make sure you don't have any glare.

5 Samples

Sample only newness, innovation or fabrication, and be sure to reflect these elements in your marketing stories. The physical samples available in your showroom should add to the story buyers see and hear digitally.

6 Fixtures

Involve the visual merchandising team to explore new ways to tell product stories beyond rails and mannequins. Playful discovery can make it a memorable experience for buyers and it's a great opportunity to test new concepts.

[1] The installation of the hardware is designed to optimize the full Digital Showroom experience and enhance performance, but it is not strictly necessary to run the software.

London

Amsterdam

Milano

New York

Dusseldorf
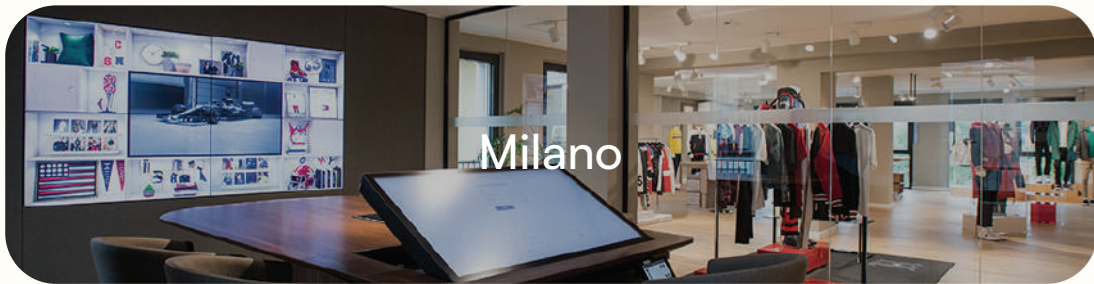
How we used design to enable change

Tommy's challenge to implement digital showrooms across the globe wasn't just a technology challenge. It was a challenge of change. People needed to transition from physical to digital and we realized, early in the process, that how they'd experience the digital showroom space would make or break this transition.

These three examples show how powerful design is in driving change:

☼ Light

Natural light can make the space feel warm and inviting. In addition, playing with transparency using elements like glass walls can connect digital spaces with the rest of the showroom, making it more inviting for sales reps and buyers that have doubts about digital.

☝ Touch

Fewer samples and more digital screens can make the showroom feel too clinical. To compensate this, make use of touch-enabled screens to make digital garments feel closer to their physical twins.

🔊 Sound

Music is a powerful tool to engage your audience. This is especially important when you want buyers to build an emotional connection with certain items from your collection and when you're dealing with buyers that are reluctant to buy digitally. Music is universal!
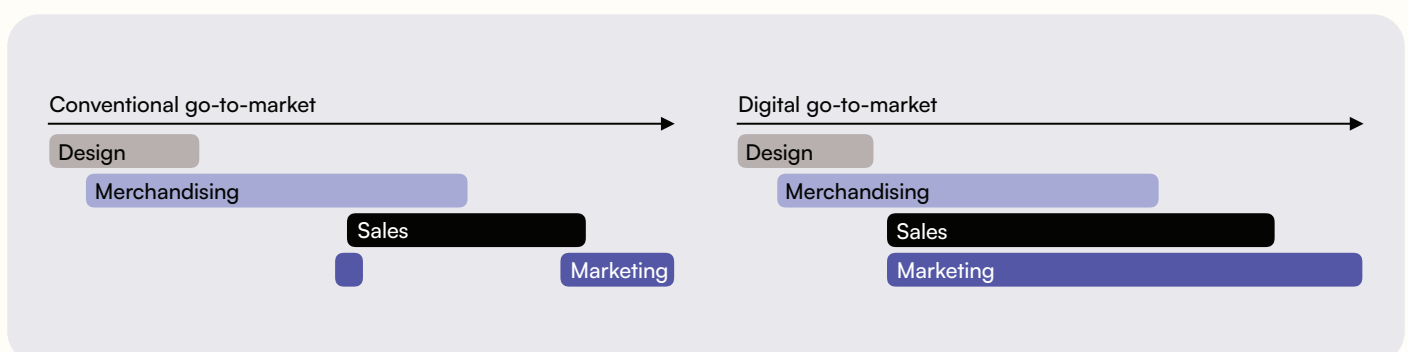
From test to scale with change management

After promising tests, the next phase was scaling the digital showroom to multiple locations. Scaling is where most digital efforts fail. Thus, it is when real change is needed to continue. Sell-in is usually at the end of a long series of steps within the value chain. This traditional go-to-market process is universal across many fashion companies today. Just changing sell-in would not bring the value and efficiency Tommy desired.

At the same time, if Tommy wanted to see value in the digital showroom, it had to be implemented across all showrooms. What could they do? These are three changes in Tommy's go-to-market sequence that helped make scaling possible:

1. Marketing got involved in the collection creation phase. This allowed Tommy marketing to create content to run a digital sell-in season without extending lead times.

2. Define key stories during the design phase. This allowed designers and merchandisers to create collections around key stories which marketing would use to create content.

3. Shift budget from sample production to content creation. Marketing could create the needed content without additional investment, while sales and merchandising could select what to sample, prioritizing key styles that reinforced the seasonal narrative.
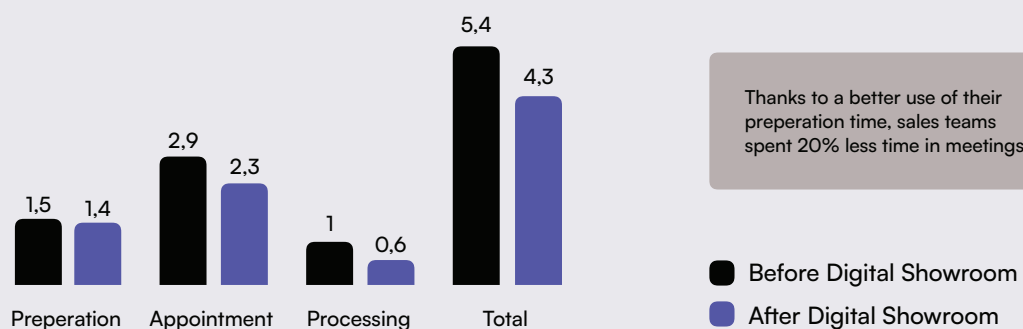
Conventional go-to-market

Design
Merchandising
Sales
Marketing

Digital go-to-market

Design
Merchandising
Sales
Marketing

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The Findings

From sample-led to brand-led sales

Thanks to the digital showroom, Tommy Hilfiger re-sequenced its go-to-market strategy. They were able to prioritize both the brand and its key stories, resulting in a more efficient and less wasteful process. Ultimately, this change was successful due to three main reasons:

1. **Improved Storytelling:** Digital opened the door for new types of content and stories to present and sell collections. Videos, photography, samples and other physical elements created a stronger, more cohesive story that elevated the brand and eliminated the single-point-of-failure risks by running sell-in appointments using physical samples only.

2. **Improved Synergies:** The need for content has brought marketing teams into seasonal preparation in closer collaboration with sales, merchandising and design. The result is more proactive work that better represents the collections.

3. **Improved Strategy:** The digital showroom removed many operational tasks from the sales teams day-to-day. The time gained could be focused on preparing their sales appointments, which in turn led to more strategic approaches. The proposals were not only more cohesive, but also balanced the needs of both the brand and the buyer. B2B customers left appointments happier with the selection made, which translated into fewer last-minute changes and shorter order intake windows. *That's a win-win!*

Preperation: 1,5 / 1,4
Appointment: 2,9 / 2,3
Processing: 1 / 0,6
Total: 5,4 / 4,3

Thanks to a better use of their preperation time, sales teams spent 20% less time in meetings

■ Before Digital Showroom
■ After Digital Showroom

From sample-led to brand-led sales

-50%

Shorter sell-in season

-50%

Shorter sales
preperation time

60%

Increase in brand
assortments ordered

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About Fashion Cloud

At Fashion Cloud, we believe in the power of data and smooth collaboration to reinvent wholesale. With over 700 brands and 30,000 retailers, we are building a vibrant community; online and offline. Our mission is simple: to create the leading B2B platform that connects brands and retailers to drive efficiency, create transparency, and promote new standards in collaboration and trade.

The Digital Showroom

The premium sell-in experience that elevates sales: The Digital Showroom combines stunning presentations, seamless order management, and an innovative digital setup in the showroom - enhancing order quality, order processes and sales.

About Tommy Hilfiger

Tommy Hilfiger is one of the world's leading designer lifestyle brands and is internationally recognized for celebrating the essence of classic American cool style. Founded in 1985, Tommy Hilfiger delivers premium styling, quality and value to consumers worldwide under the TOMMY HILFIGER and TOMMY JEANS brands, with a breadth of collections including HILFIGER COLLECTION, TOMMY HILFIGER TAILORED, men's, women's and kids' sportswear, denim, accessories, and footwear.

In addition, the brand is licensed for a range of products, including fragrances, eyewear, watches and home furnishings. Founder Tommy Hilfiger remains the company's Principal Designer and provides leadership and direction for the design process. Tommy Hilfiger, which was acquired by PVH Corp. in 2010, is a global apparel and retail company with more than 15,000 associates worldwide. With the support of strong global consumer recognition, Tommy Hilfiger has built an extensive distribution network in over 100 countries and more than 1,800 retail stores throughout North America, Europe, Latin America and the Asia Pacific region.

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This is your cue to sell smarter

Learn more on fashion.cloud