



Digital Convergence Is One of Fashion and Function, Online and in Stores

Karen Harvey and Mike Dennison discuss the role of technology in today's fashion apparel market.

As the convergence of digital and physical continues to evolve, the business of fashion apparel retailing is being redefined.

On the product front, the convergence is one of function and fashion, and is influenced by the Internet of Things. On the shopping, buying and transaction side, the convergence involves reimagining physical stores as destinations where consumers explore and discover — and can buy online, in the store, or have it shipped to their home.

Regarding product development, the wearables segment is the clearest example of where technology meets fashion. One of the biggest players, Flex, makes about 75 percent of all of the wearables in the world — including products for the textiles, fitness and medical markets. The sector is poised to reach \$37 billion by 2020, according to Flex.

Flex offers a “Sketch-to-Scale” platform for manufacturers, which can help companies develop products that feature stretchable sensors and flexible circuits.

“The whole concept of a ‘wearable’ is expanding as new devices are available in different forms that provide a range of functions,” the company said. “While the idea started with clip-on pedometers, it's expanded to fashionable wristbands, rings or smartwatches, and can even be embedded into jackets, shoes or a motorcycle helmet that will give someone the equivalent of eyes in the back of their head.”

Mike Dennison, president of the Consumer Technologies Group at Flex, told WWD that the “convergence of fashion and technology is well under way.”

“But it is requiring a lot of collaboration,” he added.

Indeed. As retailers and brands jostle for market share amid an environment

undergoing rapid transformation that is driven by changing consumer preferences, Dennison said fashion and accessory brands “will need to engage in a cultural shift” within the organization. That means creative directors working side-by-side with tech-savvy product developers as well as vendors such as Flex.

The goal is creating solutions for consumers — who are living in and also demanding a more connected environment. “Fashion has a role in the connected world,” Dennison said. “It's how people are really living.”

The convergence is one of form and function, and fashion, Dennison said. The list of notable fashion brands that have launched wearables continues to grow, and now includes Tommy Hilfiger, Nike, Under Armour, Adidas, Casio, Timex and Montblanc. But the convergence of fashion apparel/accessories and technology is not just about smartwatches and wristbands. The convergence is also about forming collaborations on the manufacturing side of the business.

Nike, for example, turned to Flex to help reduce wait time for its customized footwear. Flex said that “manufacturing personalized shoes with traditional die-cutters and hydraulic presses created large amounts of material waste and long wait times [for Nike].” So Flex worked with them to increase production speed as well as develop “laser-cutting technology” aimed at streamlining the process and reducing waste.

Aside from manufacturing, the act of shopping itself is a key element of the technology convergence trend. Karen Harvey, founder of Fashion Tech Forum and principal of the firm that bears her name, said the fundamental shifts occurring in the retail market are centered on the growth of e-commerce as well as “mono-brands increasing efforts with direct-to-consumer — and that includes online and with physical stores.”

“I strongly believe that there's opportunity for physical stores to offer real consumer engagement — supported by technology,” she said. “Shopping online is still a convenience and will continue to grow.”

Harvey said these shifts are also redefining the roles of executive leaders at retailers and brands. She said the chief digital officer onboarding today “has to have a very deep understanding of all technology that's out there in the market. And that includes knowledge about the supply chain, logistics and e-commerce.”

Without that broad knowledge base, the “chief digital officer will not be able to be a producer of success.” Moreover, they have to also be “business-centric and



consumer-centric.” Harvey said the chief digital officer is charged with being the leading agent of change at retailers and brands and that “they should bring data to the forefront.”

But the transformation has been a painful process for many retailers and brands. Harvey noted a rash of store closings and bankruptcies as evidence of the challenges faced. For department stores in particular, this retail segment “needs to create a destination — a place where people want to go. They’ve lost that,” she said. “What’s needed from department stores is community building and engagement.”

Harvey acknowledged that repositioning in today’s environment does take time. And gleaning business insights from executives and market leaders of successful brands and retailers is critical. It’s one of the reasons why she created the Fashion Tech Forum, which is designed to foster a “high-level conversation between ceo’s and other leaders in the industry, she said.

This year, Harvey is debuting the Fashion Tech Forum in Los Angeles on October 6. Dennison is slated as a speaker and will be joined by musician and innovator will.i.am, Angela Ahrendts, senior vice president of retail at Apple Inc., and Stephanie Phair, chief strategy officer at Farfetch, among others.