How Internet Technology Challenges Online Brand Experience

Challenges and Solutions for Digital Brand Experience in Fashion Retail

Abstract by Gesa Aschern

In 2012 the retail economy became a spot where consumers are in the driver's seat (Freedman, 2011). Internet and advanced tools such as mobile devices enabled the consumer to research, shop and evaluate products 24/7 a day. These options for brand and product comparison fundamentally changed customer's shopping behaviour, as well as service, price and experience expectations. Technology enabled a well-informed, demanding consumer. Thus customer empowerment not only turned fashion retail into an enormous competitive industry (Motorola Inc 2008), but also stressed the importance of brand differentiation by means brand experience. In order to support fashion companies, which struggle to create meaningful brand experience in the digital age, this study aims to understand the influence of new technology on brand experience in an online fashion retail environment. Understanding brand experience in a new context identifies challenges and opportunities within the digital fashion business. Consumer insight determined the important touchpoints of brand experience and detected the relevant technologies within e-tailing. Researching and translating technology from related industries into the fashion world enabled envisioning the future of fashion e-tailing.

Structure
The first chapter will deliver the fundamentals of ‘brand experience’. It will explain its derivation and link it to the historical formation of the “experience society”. A definition of the “brand experience” concept, its dimensions, effects and measurability will be implemented by means of a literature review. And thus will ask what is online brand experience? The second chapter is dedicated to the touchpoints, stimuli, which evoke experience. Three key areas, where online touchpoints derive from will be explained, thus website, social media and m-commerce. Two theoretical models will rationalize the relation between experience and touchpoint and will be enhanced by Brugnoli’s idea of customer journey. By incorporating the online retail environment in fashion this chapter will generate answers to the question: What are touchpoints? What is the influence of technology on them? And how can they describe the brand experience? Chapter three will clarify the requirements and conditions to succeed in creating valuable online brand experience. Thus it will not determine what kinds of stimuli are technically feasible, but which once are relevant. The results of an empirical study including a focus group, five interviews and a survey will determine the demands of today’s consumer on tomorrow’s fashion retail. Thus this chapter will answer: What is it that consumer want and need? What are the challenges brands have to face to generate online brands experience? The last chapter will close this study. It will introduce two technologies, which have the potential to shape a new age of brand experience in fashion. The technologies partly originate from related industries and will be translated into the fashion business. This chapter will suggest the means to create a meaningful online experience, summarize the insights of this report and answer the following question: What are new digital technologies to strengthen online brand experience?
in 2013 and ahead? How does technology challenges brand experience and what are matching solutions?

Methods
Chapter one and two are mainly based on secondary desk research. The third chapter, however, provides field research in form of an empiric study. It consists of one focus group and five interviews of qualitative nature. A quantitative survey was meant to confirm the finding of the interview and focus group. The study was used as primary data to draw further conclusions

Abstract
For decades brand experience has been in the interest of marketing academics and specialists (Schmitt, 2009). As an essential tool for brand differentiation and value creation, brand experience is incredible important to fast moving industries (Werle, 2012) such as the fashion industry. Thus experience becomes separate, independent economic good, which consumers are willing to pay for. Hence in order to succeed brand need to deliver memorable and holistic experience. Research has demonstrated that experience occur while consumers search for products, when they shop goods or when they consume. Moreover every experience requires stimulus to be evoked. Consequently every brand needs stimuli to create rich brand experiences. Therefore brand experience is the “subjective, internal consumer response as well as behavioural responses evoked by brand related stimuli that are part of the brand’s design and identity, packaging, communications and environments (Brakus et al, 2009, p 52).
To approaches classify brand experience. Schmitt’ 5 dimension model describes experience by means of five experiences, the sensory, affective, cogitative, behavioural and social experience. Marc’s Experience model describes the experience at a certain touchpoint (stimuli) and generates the following opposite pairs: Individual experience vs. experience in a group; active vs. passive experience; observation vs. component; private experience vs. experience in a market context and ordinary vs. exceptional experience.
With the aim to measure brand experience, two methods were introduced. Brakus et al developed a general, valid and reliable tool to measure the concrete intensity of sensory, behavioural, affective or intellectual experience (based on Schmitt). Marc, however, intends to identify relevant stimuli and to measure the dimension of an experience at a certain stimulus. Thus both concepts provide important insight. However, as this study aims to identify the necessary elements (touchpoints) for great online experiences, provides Marc’s model the most promising solution.

Touchpoints are all points of contact between consumer and brand. These create experiences, which leave an impression on the consumer and finally form a brand image. Progressive Internet related technologies formed new contact points, technology-evoked touchpoints such as social networks, blogs, communities, videos and location based services. Key areas for online fashion experience, where new touchpoints emerge, are a brands web presence, social media and mobile commerce. A brands controlled webspace is the brand presence online, which can be divided into website and webshop. Social media such as twitter, facebook, youtube, tublir or pintarest, but also brand-based communities are options for genuine interaction between brand and consumer. This equal communication can strengthen the consumer-brand relationship, but implies simultaneously an immense loss of brand control. M-commerce, however, describes the new industry derived from
internet-equipped smartphones. For fashion brands this implies other options to express brand identity stimulate brand experience but also bears the option to sell clothes. From these key areas emerge a variety of touchpoints, which can evoke online brand experience. The aim is a holistic brand experience, which eventually results in transaction.

The transaction process can be divided into three stages, the pre-purchase, the purchase and the post-purchase phase (Esch, 2005, p 34). Different touchpoints are assigned to the phases. Attention-grabbing and informative touchpoints belong into the pre-purchase phase, purchase phase refers to the point of sale and sales personal in the store and touchpoints like delivery rates, product usage or customer services classify the post-purchase phase. Simultaneously it is also possible to divide the buying cycle into different experience phases: The anticipated pre-purchase experience implies the planning and imagination concerning actual experience. The purchase experience consists of the actual purchase and related circumstances such as sales people and the store. The consume experience, refers to the usage and evaluation of a product, while memory-experience means the creation of a memory by means of images, discussions and other content relating to the brand (Arould, Price and Zinkham, 2004 p 348). Comparing both models visualizes a direct inevitable connection between touchpoint and experience. During the progressing buying-cycle the consumer passes different stages; from recognising needs and wants, to the execution of the purchase decision until the actual satisfaction and satiation procedure is passed (Marc, 2007, 45). The consumer can experience the brand at different contact points. Specific to the needs at a certain stage brands can deliver the right touchpoints. These models are a theoretical description brand experience. The customer journey however makes it possible to understand the complexity of brand experience 2.0 and can identify the crucial touchpoints. This model outlines the customers experience by means of a customer journey and captures it by using customer journey matrix. It visualizes the touchpoint and opposes it to experience phases. Connecting these intersections will visualize the customer journey. This tool allows examining customer segments, but also individual journeys, as well as targeted touchpoints or experiences.

Concluding, it became obvious that with the new digital market place there is no linear experience flow. Customers rather change between offline and online touchpoints depending on customers’ intentions. Thus in order to create a holistic online brand experience is the contact into the real and virtual world inevitable and demands an incorporating management of online and offline touchpoints. As a matching solution serves multi-channel management, where successful industries players are those that understand their consumer demand and can reproduce that consumer experience across all channels.

The empirical study consisted out of three parts and was conducted among German students between 20 and 35 years. An open focus group provided first information on relevant touchpoints and enabled rich insights on how consumer use these contact points. The followed five interviews were a more specific approach to identify necessary touchpoints of great experience, based (but modified) on Marc’s five-dimension model. Questions revealed the kind of experience around touchpoints and the “do’s end don’ts” of holistic brand experience and very used to design the final questionnaire. A quantitative study complemented the previous qualitative methods and was meant to confirm the established results. The evaluated results of the study will be introduced after a preceding explanation of the requirements and conditions, which arise when placing “brand experience” into a new context, namely into an online environment and into fashion retail.
As a result of the study I expected three things. That it would determine a certain kind of brand experience for a particular kind of brand. Secondly that the choice of young consumer would use a variety of digital and innovative touchpoints. And thirdly that consumer would describe a non-linear experience flow and thus indirectly express a need for multi-channel solutions. Thirdly, that consumer would describe a non-linear experience flow and thus indirectly express a need for multi-channel solutions.

Consumers of the study implemented online and offline channels in their perception of online brand experience. They do not distinguish between channels as marketers do but choose touchpoints due to situational needs. In general, however, they classify different purposes for offline and online events. While the online experience is considered as convenience provider, remains the offline world stimulator and channel to perceive, sense and feel a brand's identity. But of course consumers also use online touchpoints independently from a convenience factor. Therefore brands can classify online events into experience, which supports the purchase journey and experience, which translates and strengthens the brand image.

Furthermore the study revealed 12 important touchpoints and seven experience components. Namely Convenience, Usability, Inspiration, Authenticity, Prestige, Interactivity and Individuality. The individual composition of the experience components (component-mix) can determine the distinctive brand experience strategy of a brand. Fashion retailers, which used to create value by delivering stunning brand experience and brand landscapes, may chose to focus on online components such as inspiration, interactivity and individuality. A brand, which aims to be cost-efficient and price-driven, may rather concentrate on convenience and usability. Nevertheless, a brand’s aim remains to create seamless, holistic experiences. Holistic in this case refers to the customer point of view. Experience components need to be composed based on the unique formations of a brand’s identity, products and consumer.

Opposing touchpoints and experience components will deliver the TEC-matrix. A valuable tool to visualize, evaluate and plan a retailer’s online brand experience. In combination with the customer journey it can detect touchpoints, experience-components and make time-based assumptions concerning when and where touchpoints are required.

Turning towards the assumptions, made in the beginning of the study, the following can be summarized: Indeed customers use offline and online channels and aim for a seamless, smooth integration of all customer touchpoints. This naturally needs a coherent management approach called Multi-Channel. Contrary to the second assumption did consumer of the younger, technic-affine generation not use a wide variety of innovative or digital channels regarding the fashion experience. This issue could be ascribed to social-demographic or social-geographic reasons. It is likely that “German consumers” are late followers and will adapt delayed towards technical innovations. And lastly the study could not provide a valid relation between the level of experience and kind of brand personality. Aaker’s personality model was too general to apply it to the fashion industry and needs additional investigation. Secondly the composition of the research method may have been faulty in order to gain the desired results. A promising solution might be to determine relevant

In response to the won insight in the previous episode two pioneering technical tools are introduced, which bear the potential to set brands apart by delivering an unprecedented degree of usability and convenience experience. The first technology is 3D Printer for fashion. The technology was meant to enable consumers to buy and download designs, which they produced themselves via 3D printers. Thus delivery rates would become irrelevant, as the
product would be available on demand. Though it is already possible to manufacture garments via 3D printers is the procedure, as well as the machines, too expensive to make it a commercial success. Despite the fact that cost for printer progressively decreased, is it also difficult to produce organic material, as well as fabrics, which adapt to humans body contours. For a start the technology will remain a vision that is only fulfilled by haute couture designers and researchers. To the same conclusion came the think tank consisting of a consumer, fashion specialist and web developer. The second technology is Upcload, a program, which measures consumer’s body dimensions. Indeed exists this technology already and was just recently deployed by retailer such as Otto or the Northface. Upcload is a very promising tool as it could decrease online fashion major problem, high return rates. And thus decided also board of experts that Upcload will be a technology of the near future.