The first fashion digital showroom

Tommy Hilfiger x Stitch Case Study

stitch
# Table of Content

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>The move that sparked a fashion wholesale revolution</td>
<td>p. 2</td>
</tr>
<tr>
<td>Sell-in: from high-reward to high-risk</td>
<td>p. 4</td>
</tr>
<tr>
<td>Turn physical showrooms into digital experiences</td>
<td>p. 6</td>
</tr>
<tr>
<td>Six elements to build a digital showroom</td>
<td>p. 8</td>
</tr>
<tr>
<td>How we used design to enable change</td>
<td>p. 13</td>
</tr>
<tr>
<td>From sample-led to brand-led sales</td>
<td>p. 16</td>
</tr>
<tr>
<td>About Stitch</td>
<td>p. 19</td>
</tr>
<tr>
<td>About Tommy Hilfiger</td>
<td>p. 20</td>
</tr>
</tbody>
</table>
The move that sparked a fashion wholesale revolution

By Álvaro Pin Hurtado.
This is the story of how Tommy Hilfiger built a global network of digital showrooms

It all started with the weather. Watching someone present a 3-day weather forecast digitally, using multiple screens, sparked a thought that changed it all: if something as complex as the weather can be presented digitally with ease, why can’t we present fashion digitally?

Eight years ago, Tommy Hilfiger embarked on a journey to improve the sell-in experience. Back then, nobody else in the industry saw the need for this change. Why fix something that doesn’t need to be fixed?

However, the premium American lifestyle brand had started noticing signs of exhaustion within this process and realised 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 Stitch 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 came with high-risk

Back in 2014, wholesale was 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 finalise assortment selections. Showroom also allows 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

- 47 sample sets
- 40 showrooms
- 600 sales reps
- 12 weeks to sell
- 25 sales regions
- 10 weeks to prep
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’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

- Implement digital hardware
- Platform for digital content
- Improved collection storytelling
- Scalable growth
- Customers buy more brand assortments
- Faster time to market
- Shorter lead times
- Sample cost reduction
- Lower sample dependency
Bonus

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.

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.
When possible, design your space with natural light in mind.

Use unconventional fixtures to add an element of fun to discovering the collection.
Best hardware integrates with the furniture and can be used for more than just selling.

Hear it? Don’t forget about sound!

Furniture should be comfortable if you want your buyers to feel relaxed during the appointment.

See what a difference natural light makes?
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:

1. 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 doubt about digital.

2. 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.

3. 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.
How did you experience your first digital appointment?

“I was nervous! Not having experienced it evoked feelings of unclarity and insecurity about if and how the digital showroom would perform and if we were actually able to see the collections come through digitally. At the same time I also felt proud and had that feeling of ‘Yes, we did it!’”.

Sven Kuchta, Sales Director
Tommy Hilfiger
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. Steps that defined how it is done and continue to be performed in many companies until 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.
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!

---

Sales appointment time breakdown comparison before and after the Stitch Showroom

<table>
<thead>
<tr>
<th></th>
<th>Preparation</th>
<th>Appointment</th>
<th>Processing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before Stitch Showroom</td>
<td>1,5</td>
<td>2,9</td>
<td>1</td>
<td>5,4</td>
</tr>
<tr>
<td>After Stitch Showroom</td>
<td>1,4</td>
<td>2,3</td>
<td>0,6</td>
<td>4,3</td>
</tr>
</tbody>
</table>

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

Before Stitch Showroom

After Stitch Showroom
The Results

From sample-led to brand-led sales

-85%
Fewer samples produced

-50%
Shorter sell-in season

-50%
Shorter sales preparation time

+60%
Increase in brand assortments ordered
“The digital showroom was the ignition for our digital journey. It has changed the way we think about the fashion value chain and the need for digital transformation. This transformation is now accelerating even more through remote wholesale selling and digital product creation.”

Martijn Hagman, CEO Tommy Hilfiger
About Stitch

Stitch is a fashion-tech startup that is transforming the fashion value chain from product creation to wholesale sell-in. Stitch uses a mix of digital solutions and people-led services to scale new digital workflows at fashion brands.

Stitch activates change in three dimensions of the fashion value chain: learn, create and sell. The Stitch Academy teaches fashion professionals new digital skills, so they can scale new 3D design and digital sales workflows. The Stitch Hub automates the non-creative steps of the designers’ workflow, freeing up more time to create better collections and wasting less resources. Finally, the Stitch Showroom eliminates tasks from the wholesale sell-in workflow so salespeople can provide buyers with an optimal experience from anywhere in the world whilst reducing the dependency on physical samples.

Big-name brands like Tommy Hilfiger, Calvin Klein, Havaianas, The North Face and Scotch & Soda are already future-proofing their value chain with Stitch.
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.
This is your cue to sell smarter

Learn more at stitch.fashion