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Clientela CEO Discusses 'Next Billion-Dollar Opportunity' in Retail

Lorenzo Benazzo discusses the "why" behind its newly upgraded platform.

By Tracey Greenstein on December 3, 2018



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📷 Lorenzo Benazzo, cofounder and ceo of Clientela.

Retail is at a tipping point. And companies such as Clientela, an omnichannel, customer relationship management solutions provider, is keen on equipping retailers with the tools they need to employ a “coherent system to digitize retail.” The firm works with fashion brands such as Benefit Cosmetics, Cartier, Topshop, Gucci, Bally, Max Mara, Liu Jo, Derek Lam, Marc Jacobs and Elie Saab.

Here, Lorenzo Benazzo, cofounder and chief executive officer of Clientela, talks to WWD about the current climate of the retail market, what brands need now to stay competitive and the firm's latest platform upgrade.

WWD: What are some of the challenges facing retailers and brands today?

Lorenzo Benazzo: It's a challenge to compete with Amazon and other digital marketplaces on their own turf. That is a race to the bottom. Brands should focus instead on how brick-and-mortar can not only differentiate them from pure players but also complement how they cater to clients online. Algorithms can't beat a network of stores where products can be touched and people can connect. It seems we have forgotten how powerful human interactions can be.

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I would also mention the self-service economy. We replaced true experts with automation and algorithms. Algorithms can work very well in some cases but are still often a mediocre experience in retail. As shoppers, we often spend hours looking for a product online, comparing attributes and prices across multiple sites. It is highly inefficient and certainly not a good thing for premium and luxury retail. Discerning clients often have to pick up the phone and call a store or go straight there to get the info they need. Digital client services must take center stage again and brick-and-mortar is a major part of the solution. In fact, to me, it is the next billion-dollar opportunity in retail.

And lastly, a major challenge is app fatigue. As brands continue to innovate, they can run into the risk of overwhelming their retail teams with too many solutions. More than ever, companies need to focus on how team members interact with these apps. For example, rather than working on a clienteling app this year and look at improving employee productivity the next year, they can leverage technology to solve multiple connected problems together. It can be a complex puzzle, but we are now confident we know how these pieces all fit together.

WWD: What's new with Clientela's platform and retail suite? And how does the upgraded platform address localization and relevancy?

L.B.: At the beginning of 2017 we decided to take a helicopter view of all the apps we built over the years to tackle separate problems: clienteling, omnichannel CRM, scheduling, multi-channel communications, and more. We then took a hard look at usage metrics. We were not really surprised to find that technology and how brands use it yielded amazing results in some areas, but could also be counter-productive in others. We decided to redefine how our platform could be used for innovation. That meant figuring out how our own solutions — but also other vendors used by our clients — could all fit together. Finally, we further expanded our integration capabilities to make it easier than ever to connect all these dots.

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Today, Clientela's platform is greater than the sum of its parts. It provides a coherent system to digitalize retail. This system combines technology with a long-term vision for retailers to innovate. This vision is focused on one core concept: service. Our digital services leverage digital, brick-and-mortar and all the actors involved in retail to tackle together key business opportunities, which we identified as three core areas: acquisition, with a comprehensive set of digital services designed to drive qualified prospects to stores; engagement, by combining personalized clienteling with sophisticated loyalty systems; and productivity, by offering a complete suite of time-management solutions designed specifically for retailers.

Finally, the platform is designed to cater to all actors involved in the retail journey. These include clients, prospects, store managers, sales associates, executives, the press, wholesale partners and many others. In other words, what brands need more than ever to succeed is a comprehensive system and the ability to customize experiences for each actor on their stage: That is what Clientela offers.



An Elie Saab boutique in New York City. Photo courtesy of Clientela.

WWD: How does the platform leverage social media and Google search? And why is this important?

L.B.: Social media and search are great if a client is looking for a particular item or just wants to “like” content. On the other hand, they are often poorly leveraged by all those clients who are interested in broad categories, but need more time or information to explore.

Let's take social media: Followers can like a product, share it, and in some cases buy it right then and there (e.g. Instagram shopping). This is great — we are not going to stop these people. The question is, what about undecided shoppers? Their best option is usually to go to a multitude of web sites and browse around, sometimes for hours. Or they can pick up the phone to call a store; either way, it's work.

Now, let's take Google: If I am looking for a particular product, search works pretty well these days, but it fares poorly if I only have a vague idea of what I want. Then, I end up browsing again through more pages and products, leading to more work. This problem is called “Shadow Work,” a term coined 40 years ago by Austrian philosopher Ivan Illich. Simply put, we built ourselves an economy of self-service. We are back to foraging products as if we were living in the woods again, all because at some point we decided to cut the middleman. To remedy this, Clientela now offers digital services that can be customized to each location and directly connected to retail employees' schedules. Through these services, brands can quickly understand enough about their clients (e.g. location, occasion, product category) to allow store teams and customer service to refocus their time on building relationships, educating customers and driving them to buy.

Search can then be used to increase the chances for these local services to be found online by offering the ability to localize content, services, events and even local guides at a store level. We already have enough data to show it works: We've witnessed up to a 32 percent increase in same-customer sales in-store, 10 times the amount of conversions in acquiring emails or phone numbers and three times the amount of store visits year-to-year.



“Benefit Cosmetics and Clientela continue to partner to keep the brand at the forefront of digital retail innovation,” says Laura Bondel, senior director CRM, Benefit Cosmetics. Photo courtesy of Clientela.

WWD: Amid the current digital convergence occurring in the market, why is it important for brands to look to their sales associates and the in-store experience?

L.B.: More than ever, people are craving offline relationships and experiences. Brands are multiplying their events and experiential initiatives, partnering with local influencers, retail partners, museums and more.

Stores are the ultimate “app” for brands to connect with their city. When used properly, they help build relationships with customers and educate them on products and the brand's culture. That is precisely why, while eCom will continue to grow, the large majority of a brand's revenue still remains in-store. Sales associates, store managers, seamstresses and other retail employees are the foundation on which these stores are built and run. When they are well trained and are provided easy-to-use tools designed to help them do their job, the store thrives and the brand's connection with its clients grows stronger. All these experiences can then be leveraged online and on social media to create a virtuous cycle where more followers can easily connect — and buy — locally.

WWD: How important is it to empower store managers and sales associates by helping them reach their career goals? How does Clientela execute this through its platform?

L.B.: It is fundamental. First, store employees are in many ways the brand's clients, too. Happy employees with clear career goals and the right tools to achieve them are a brand's best ambassadors.

Second, knowledge is power. Being able to define clear objectives for team members to reach and a path to get there is as important as educating them on the product. It opens up the opportunity to define a storyline for them to follow, and a sense of purpose from the moment they arrive in the store until the time they leave.

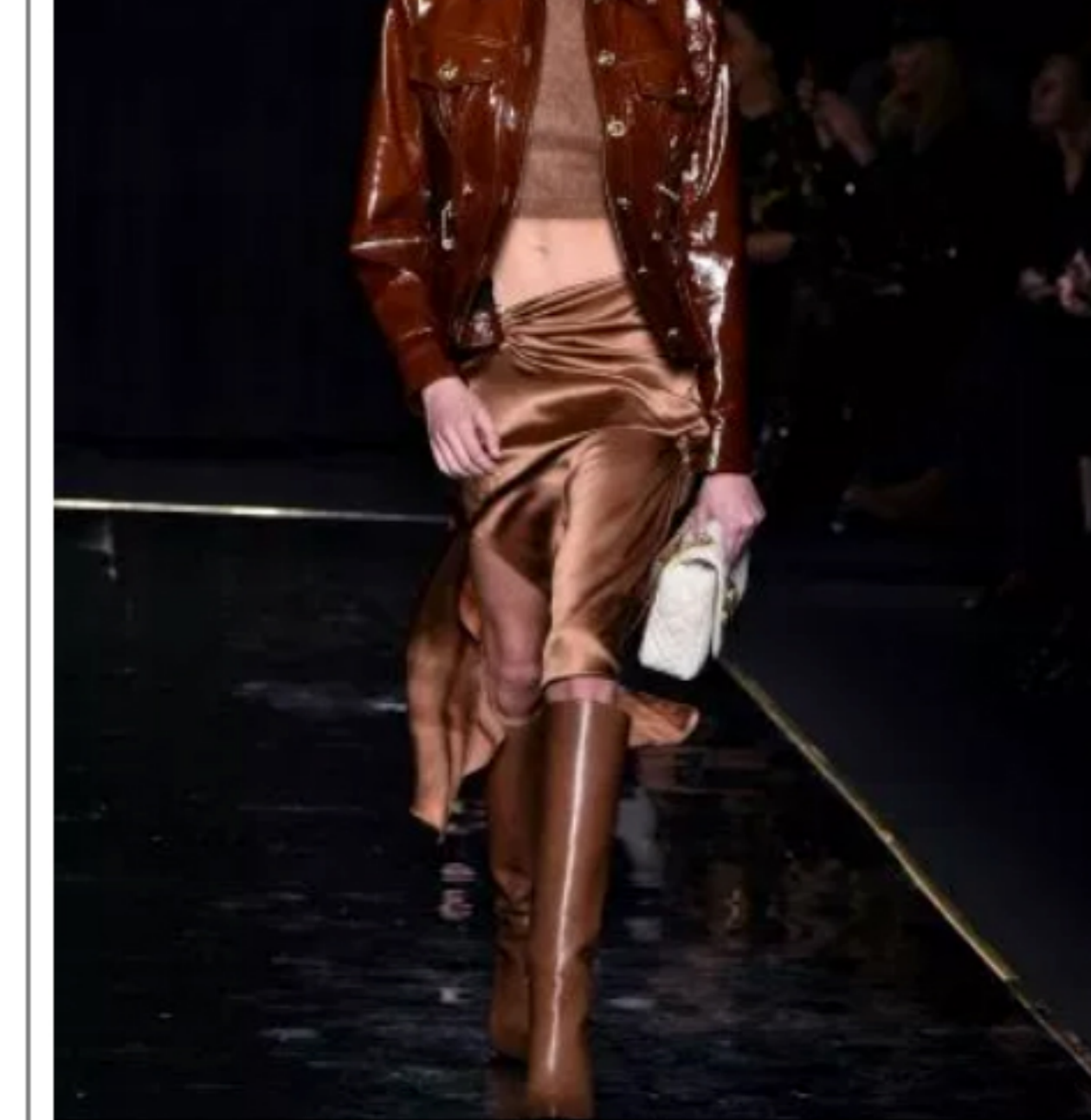
Finally, to do their job effectively, they need to believe in the story they are telling and be excited about it. To do so, they need to be clear and always remember why they are doing this. Sure, monetary incentives help, but beyond that, giving them a genuine sense of purpose can dramatically boost their trust in the company — that is infectious. It is also key to do it “right,” because customers have a sixth sense when it comes to knowing whether a sales associate is authentic, cares about their craft and really knows about their product. When you have several thousands of store employees, these things directly influence a company's bottom line.

Clientela helps brands achieve that with a combination of apps and a sophisticated knowledge-sharing and notifications system designed to fit in an employee's schedule and day-to-day rituals. Ultimately, many of the models and advanced technologies we built for consumers can also be applied to support store employees. Algorithms, communication apps and chatbots can and should be leveraged to push relevant information to them, at the right time. This approach allows them to live more fulfilling workdays, sell more products and keep clients happier.



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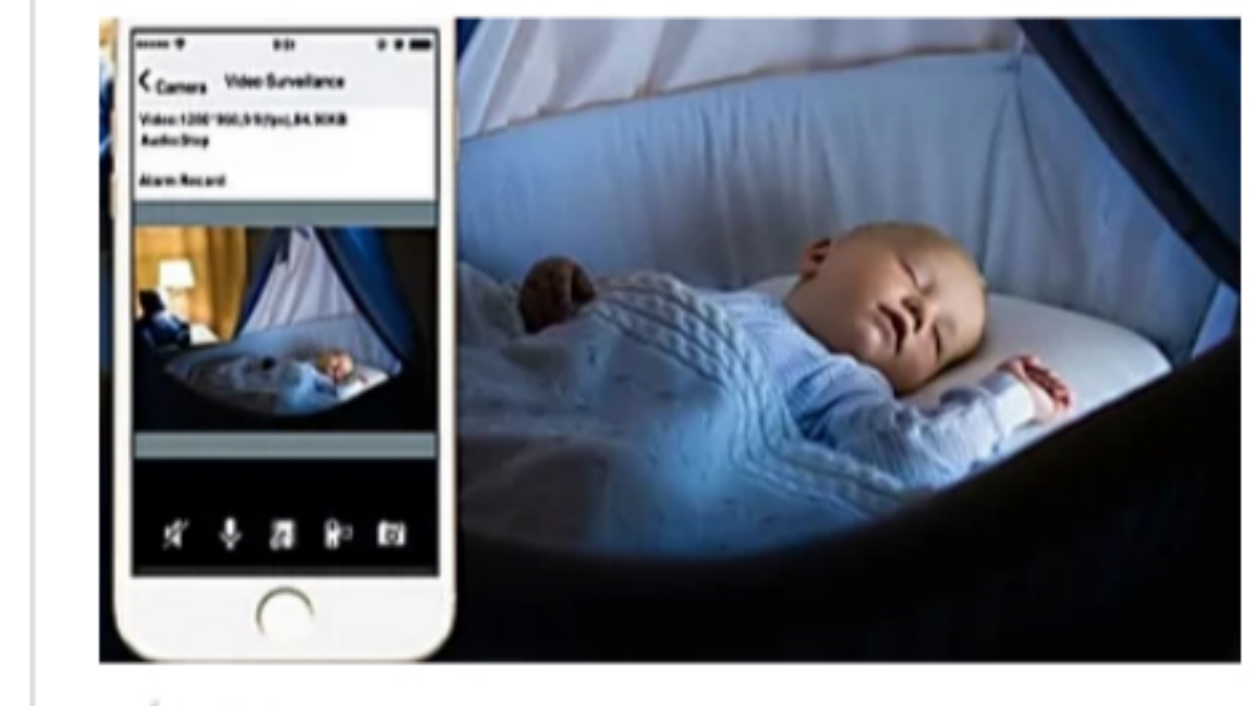


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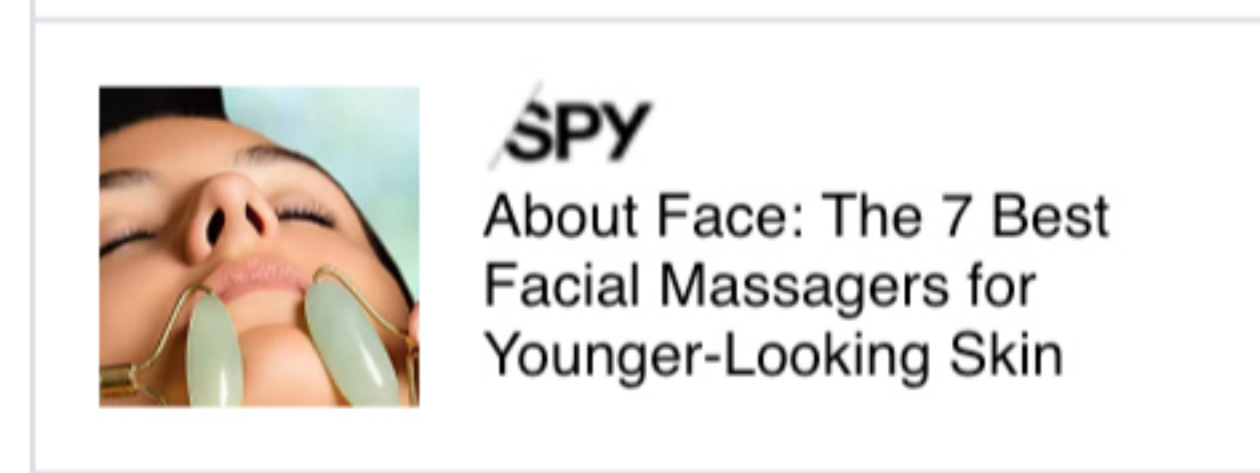
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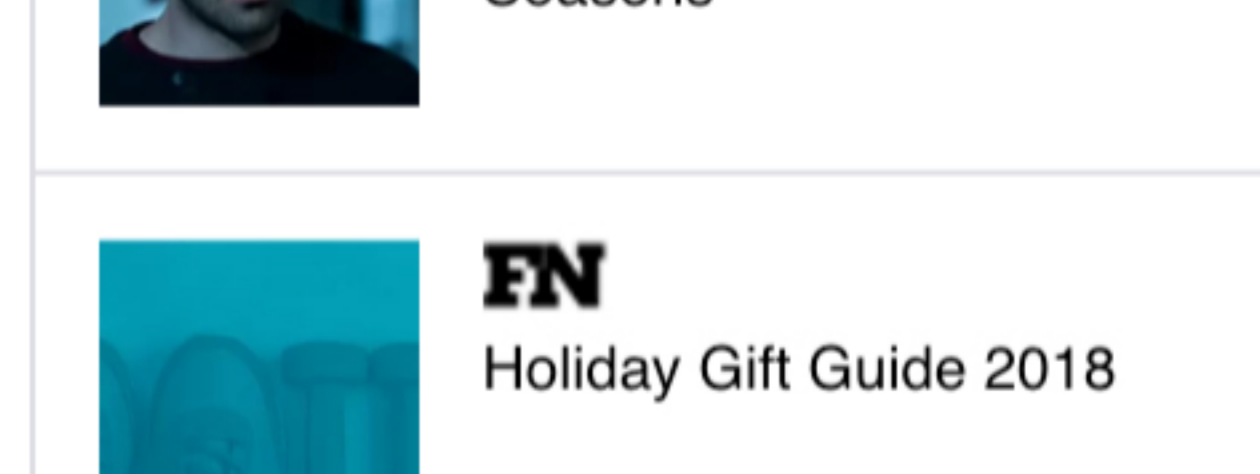
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From left: Amber Valletta in “that” iconic plunging green dress on the Versace runway in 1999 and at right, the model dons a strikingly similar silhouette on the runway tonight at the house's pre-fall 2019 show in New York.
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