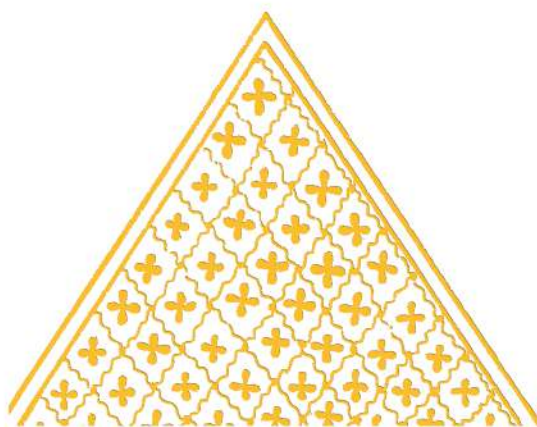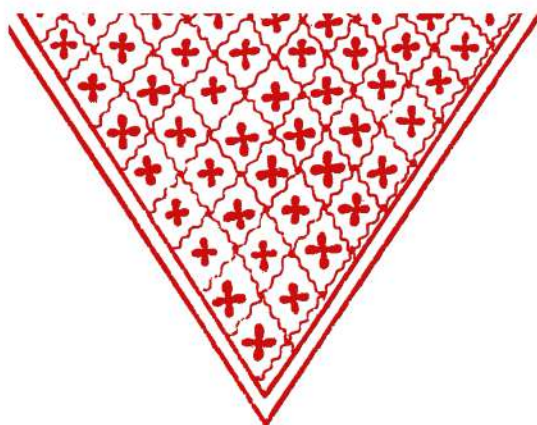# Global Fashion Benchmark Study

2017/2018

About The Global Fashion Benchmark Study

The Global Fashion Benchmark Study was conducted between December 1st, 2017 and June 30th, 2018. 1485 fashion stores were surveyed across 25 countries throughout the Asia-Pacific, Europe, Latin America, the Middle East, and North America regions.

Amsterdam	Kuala Lumpur	Osaka
Antwerp	London	Paris
Bangkok	Los Angeles	San Francisco
Barcelona	Macau	Sao Paulo
Beijing	Madrid	Seoul
Berlin	Manila	Shanghai
Chicago	Melbourne	Singapore
Dubai	Milan	Sydney
Ho Chi Minh City	Mumbai	Taipei
Hong Kong	New Delhi	Tokyo
Jakarta	New York	Toronto

Introduction

The concept of 'fashion' comes from the early 1900s, but fashion has been around much longer than that. The actual idea of fashion as a statement, an expressive form, and an industry, can be traced back to the start of the 20th Century. Since then, we've seen a lot of brands appear and disappear, with some rising to the top of luxury fashion and staying there, while others happily servicing a mainstream demographic.

<div align="center">As we say, dress to impress.</div>

When we talk about the Fashion Industry we have to ask questions about the companies that rule it. How have they managed to stay in business for so long? How did they become fashion industry leaders? New collections can be created and produced by everyone, so that is not the answer, the same as lowering your prices. But how do they differentiate themselves from the rest and why do customers like them so much?

Getting to know the market is the easiest way for a business to adapt. Changes in different market segments, buying/social behaviours, competitors, politics and economics make it harder to meet consumer needs. Staying ahead these changes is a hard task in itself. The Fashion Industry emphasizes customer needs, desires and expectations changes throughout the year. Making matters even trickier, is that all those changes and adaptations vary from city to city and also from country to country. Understanding those changes helps businesses in the Fashion Industry understand their customers, and therein lies the key to becoming a market leader in the industry.

The Global Fashion Benchmark, which AQ Services conducts every year across two years, studies fashion customer service in 33 cities worldwide, exploring data from cities like Amsterdam to Toronto, across the entire globe.

To get the best insight into customer experiences, AQ Services uses two tools from our arsenal to gather the data required. The Mystery Shopping Program (MSP) for the Global Fashion Benchmark provides empirical data with objective insights. During the program, our mystery shoppers, posing as real customers, are sent to various locations to ask customer service related questions and observe staff performance. It's worth noting that we used mystery shoppers native to the country they performed visits in.

To augment the MSP, AQ uses Opinion Polls, designed to provide a more detailed, subjective comments about the shoppers' expectations and needs based on their general experiences and opinions. When compared to the MSP data, the Opinion Polls help form a complete understanding of the industry.

To provide a clear analysis, the industry is segmented:
- Mainstream brands
- Mid-Luxury brands
- Luxury brands

All the data presented in this report comes forth from the period 2017-2018 and is just a small insight into the data we retrieve from these visits. AQ Services has more information to provide to help your fashion company improve its customer service experience, whether it's through mystery shopping solutions or a more in-depth report.

Responsiveness

First impressions are everything, we all know that. Experiments conducted by Princeton Psychologists Janine Willis and Alexander Todorov resulted in uncovering that it takes a tenth of a second to form an impression from a person's face. Longer exposures do not particularly change the impressions that were first imprinted.

People have always been quick to judge and, because we are all different, judgements are generally based on experience. Different people judge differently depending on different factors.

In a retail setting, most shoppers are concious of the first impression. A warm welcome, friendly smile or nod in acknowledgement or even a general welcome - have a higher chance of giving customers a positive impression.

As a result, measuring responsiveness is important; it's the start of the interaction between a customer and store or even the brand itself. Good salespeople already know the power of a prompt response - which includes acknowledging customers as soon as they enter, a friendly greeting, and, of course, smiling.

It All Starts with a Greeting

How important is it to greet customers? Extremely! It's the first point of contact. Imagine browsing a store for about 10 minutes without a single person greeting or even acknowledging you. It's not a great feeling, especially if you are looking to make a purchase or need assistance.

Greeting customers promptly allows them to:
1. Know that you are there should they need assistance
2. Know you are aware of their presence.

Even if a staff member is busy, letting a customer know you've noticed them is a necessary service step. For example, informing the customer that you would be with them shortly allows them to know they are not being overlooked.

On average, customers in San Francisco were greeted within 5 seconds. This places San Francisco in the lead in terms of responsiveness. This is followed closely by Ho Chi Minh and Bangkok. The cities that had the slowest averages in regards to responsiveness were Madrid, Sao Paolo and Barcelona.

FUN FACT
San Francisco had the best responsiveness in our previous Fashion Benchmark Study (2015/2016) too!

Greeting Times: Fastest & Slowest

	Mainstream	Mid-Luxury	Luxury
Fastest	Berlin & Singapore	Ho Chi Minh City & Shanghai	San Francisco & Shanghai
Slowest	Amsterdam & Barcelona	Sao Paolo & London	Tokyo & Barcelona

Breaking down the fastest to slowest greeting times by segments - we see the leaders of each segment in the table above. In the 2015/2016 Study, San Francisco was the fastest city for the Luxury Segment, it remains as the fastest city for the segment for 2017/2018 as well.

What is surprising are the results for Barcelona, Tokyo and London. These cities are known as Fashion capitals of the world and pride themselves on the industry, yet in our study we found the responsiveness of the sales people to be the slowest in these cities.

Global Average

0:00:19 — Luxury

0:00:25 — Mid-Luxury

0:00:35 — Mainstream

First Impressions

We are all familiar with how important it is to acknowledge customers within an appropriate timeframe. The emphasis shouldn't only be on the number of seconds/minutes that a customer is greeted by. Care and thought needs to be placed on how to greet the customer.

96% of customers received a verbal greeting when they entered a store. This is a 16% more compared to our previous study where only 70% of customers worldwide received a verbal greeting.

For several cities such as Bangkok, Manila, Jakarta, Milan, and Tokyo, all customers were greeted with a form of verbal greeting. However, just as in our previous study a verbal greeting is not always accompanied by a smile. Only 70% of global customers were greeted with a smile, while 96% of customers received a verbal greeting. That's a difference of 26% less in the number of smiles!

It should also be noted that 8% of customers regarded the approach as a negative experience. 46-48% of customers reported that the staff member was cold or not interested. 24% noted that the staff member acted 'mechanically', while 2% reported experiencing outright rudeness (thankfully a 2% decrease from the last study).

The Smile

Another component that is often stressed, however, difficult to follow is the "smile". We have heard how important it is to smile, even for customer service staff on the phone. It reflects one's state of mind. A smile has also been proven to help you feel better.

In the case of retail stores, a smile affects a number of factors - such as how welcomed the customer feels, and whether the customer feels that the staff is approachable and friendly. This amazing tool/skill can help a connection between two people. As mentioned previously, on a global scale, although 96% of customers received a type of verbal greeting, only 70% received a smile.

On a worldwide level, 70% of staff would greet customers with a smile. A customer was more likely to receive a smile from a salesperson in Bangkok - where 94% of customers were greeted with a smile. In contrast only 33% of staff in Sao Paulo smiled when greeting customers. Although, 91% of Customers in Los Angeles had received smiles from the staff followed by 80% for Manila and Milan.

Just as our previous study unsurprisingly showed, the majority of smiles were offered in Luxury fashion store as much as 76%, followed by Mid-luxury at 68% and Mainstream at 64%.

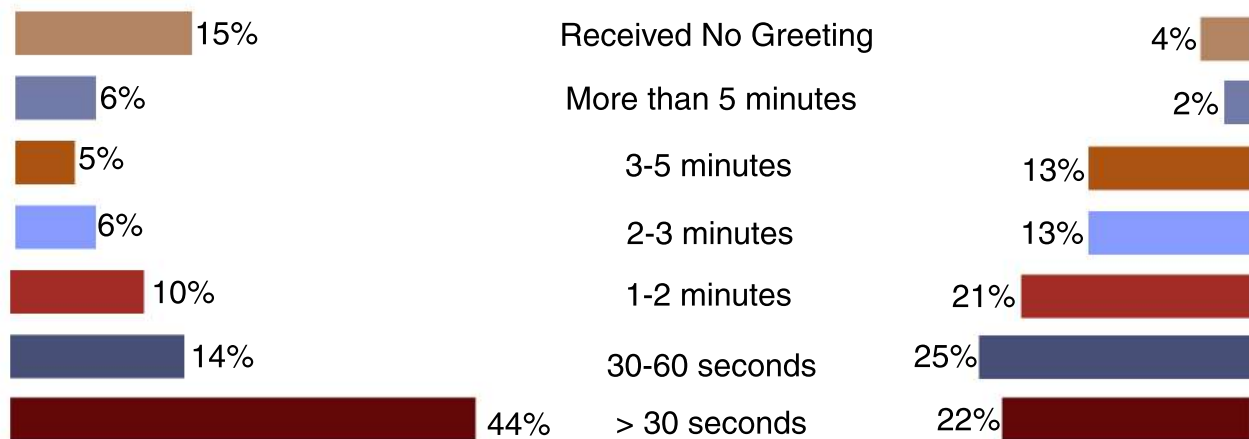|	Mainstream	Mid-Luxury	Luxury
Most Smiles	Bangkok & Manila	Bangkok & Los Angeles	Ho Chi Minh City, Los Angeles, San Francisco, Sao Paolo & Seoul
Least Smiles	London & Shanghai	Sao Paolo & Hong Kong	Shanghai & Berlin

The Wait

Some people are more patient than others. This should also be taken into account when it comes to customers. Customers are people who expect a certain level of service from salespeople when they visit a store.

How long does it take a salesperson to offer assistance? How does the salesperson offer that assistance?

> The global average waiting time before any service is offered is around 1 minute and 8 seconds. Which is faster as compared to the previous study that showed the global average was 2 minutes.

How long before Customers were Greeted

	Left		Right	
Received No Greeting	15%		4%	
More than 5 minutes	6%		2%	
3-5 minutes	5%		13%	
2-3 minutes	6%		13%	
1-2 minutes	10%		21%	
30-60 seconds	14%		25%	
> 30 seconds	44%		22%	

On a global scale, shoppers in Berlin and Bangkok waited the least amount of time before being attended to. For the Luxury segment, Berlin had the fastest response time below 20 seconds. Bangkok, Mumbai and San Francisco are the fastest cities for the Mid-Luxury segment with a 30 second response time, while Macau and Mumbai are the fastest for Mainstream brands at 26 seconds.

Surprisingly, the slowest cities on a global scale were New York City, Paris and Barcelona (3 of the biggest fashion capitals - all had an average time of more than 2 minutes). It's also interesting to note that New York had a good time for its Luxury segment at an average of 31 seconds, but exhibited slower times for both Mid-Luxury and Mainstream segments.

What happens if a customer is left to fend for themselves?

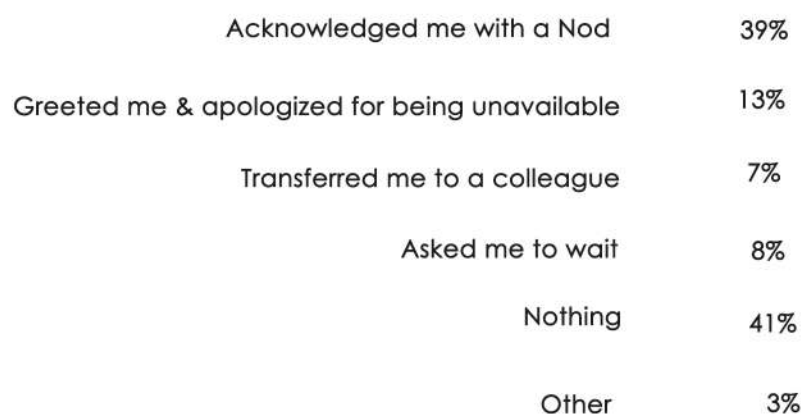|		
53%	Look around	Leave the Store 22%
7%	Avoid the store	Become frustrated 10%
4%	Tell their friends	Complain to Staff 3%

1%
Play with their phones, mind their own business, or ask for assistance

It was surprising to find that 47% of Singaporean shoppers were not offered assistance at all, making it the highest percentage in this section. Berlin follows closely at 43%. Though this is much lower as compared to the highest two cities in our previous study. Which were Melbourne at 93% and Manila at 80%.
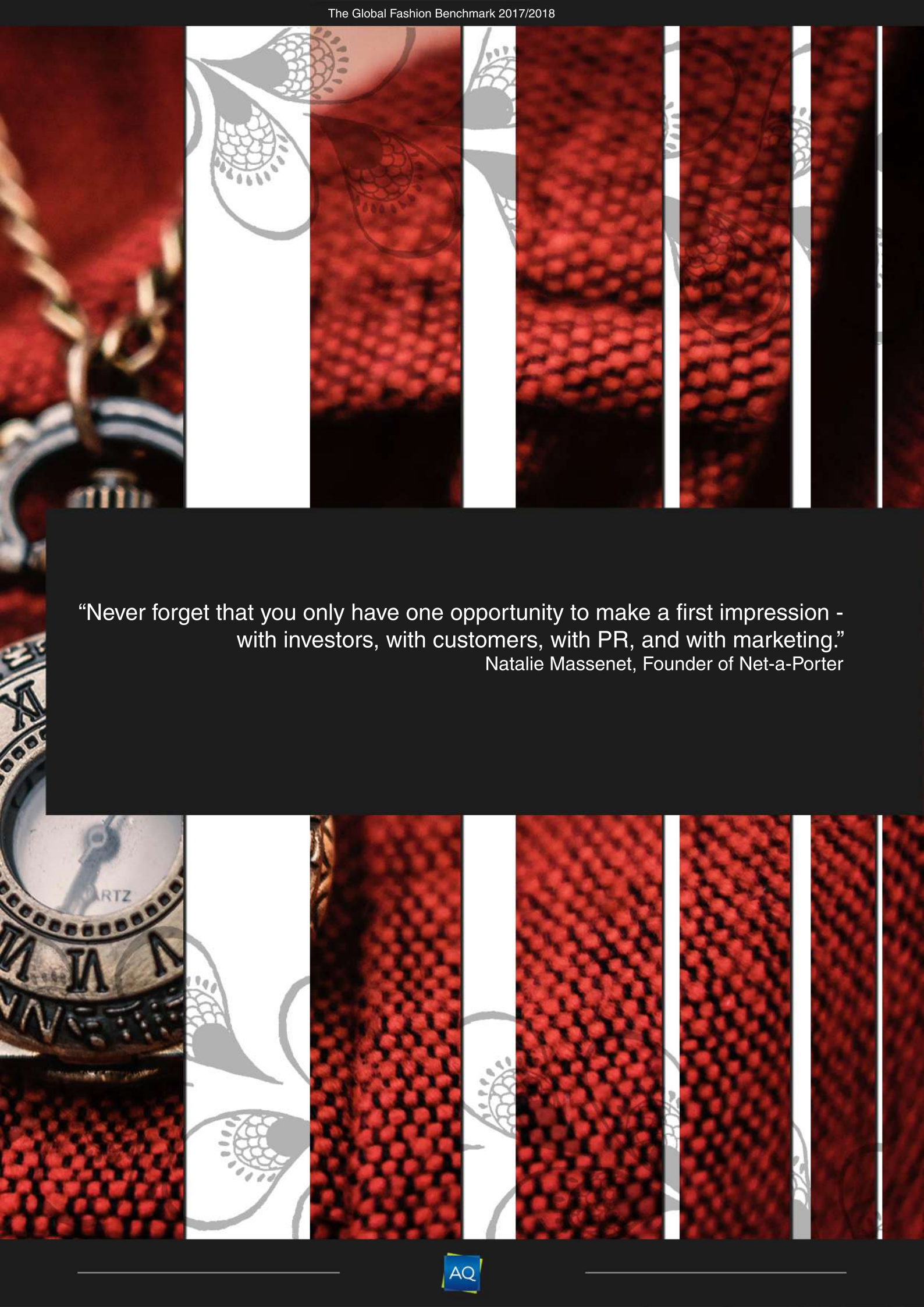
More often than not, there are reasons why the salespeople are not able to offer assistance. Being busy with other customers, for example, accounted for 38% of the time, which was the second largest reason. The most common reason reported by shoppers was that "All the staff members were refilling stock/ engaged with paperwork" (43%).

What did staff do when not able to offer immediate service?

Acknowledged me with a Nod	39%
Greeted me & apologized for being unavailable	13%
Transferred me to a colleague	7%
Asked me to wait	8%
Nothing	41%
Other	3%

Here we see that 41% of the salespeople did not do anything when being unable to offer assistance. 39% at least acknowledged the shoppers with a nod; 13% greeted the shoppers and apologized for not being available.

It is disappointing to know that it is so common for staff to do nothing in these situations. Based on all this information, salespeople appear to be more comfortable doing their own tasks than to offer assistance to a customer.

"Never forget that you only have one opportunity to make a first impression -
with investors, with customers, with PR, and with marketing."

Natalie Massenet, Founder of Net-a-Porter

The Service Attitude

Customer service is all about the little things. The approach to customer service is everything; how much a staff member puts into developing a relationship with a customer directly impacts the level of customer satisfaction. Staff members need to be responsive, adapting to the situation; they need to be able to identify opportunities and deliver on brand promises.

Many companies make promises about their products or service, and customers always know about them. They also have their own expectations and opinions on what it takes to deliver good customer service. Which begs the question, what does 'good customer service' truly entail?

Throughout the course of the study, it's become clear that what customers want is very straightforward. Customers want:
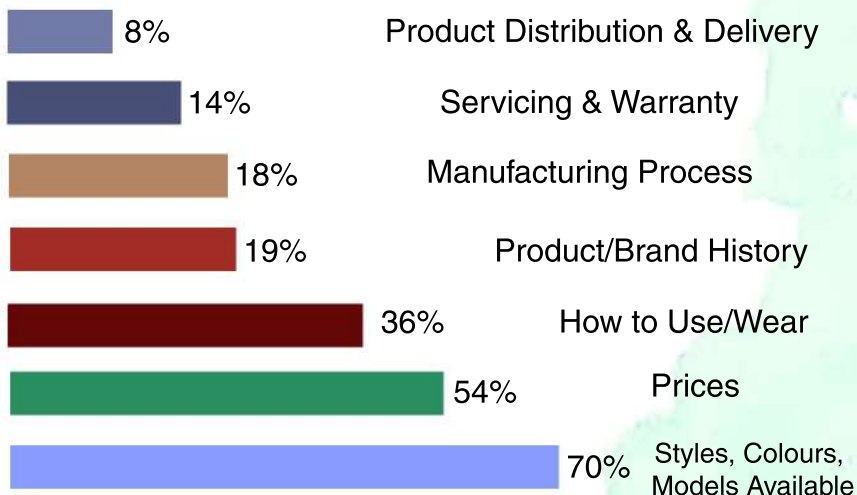- Questions answered clearly and quickly
- To have their needs met.
- An enthusiastic but not overly attentive salesperson (a just-right-attentive salesperson).

Whether a customer makes a purchase or not, those that feel well-treated are most likely to return. As a result, analyzing the 'Service Attitude' is important, allowing for a better understanding on how effectively staff members are delivering promised customer service experiences.
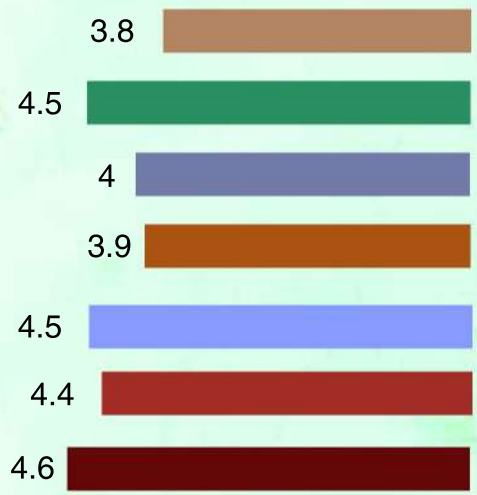
Knowing the Product

One of the key aspects of customer service is being able to talk about products and services available. When a customer comes in to look at a certain product, it's important to be able to answer any questions they have, and tell them as much - or as little - as they are after, depending on the customer. If a staff member is unable to provide answers and enough information, it tarnishes the customer's experience. Product knowledge is one of the many tools in a customer service arsenal and plays an important role as the founding block for many customer service skills in general. Further insight reveals that, overall, the fashion industry tends to focus its Product knowledge on materials and fabric and the quality of the product. However, these aren't always what the customer is after - it's important to remember that customers are human, and want a human touch.
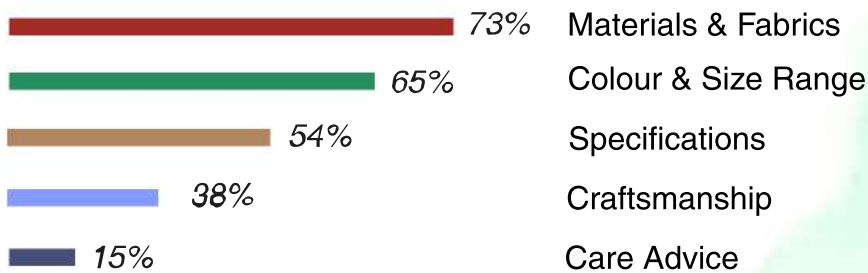
What Staff appeared to Know

What Customers believe contribute to Good Product Knowledge

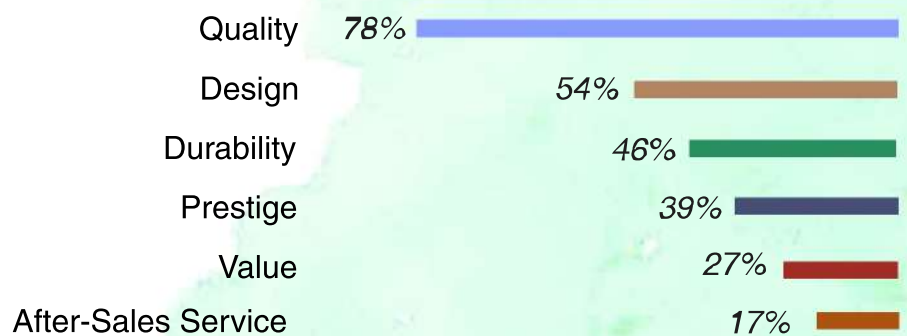| What Staff appeared to Know		What Customers believe contribute to Good Product Knowledge
8%	Product Distribution & Delivery	3.8
14%	Servicing & Warranty	4.5
18%	Manufacturing Process	4
19%	Product/Brand History	3.9
36%	How to Use/Wear	4.5
54%	Prices	4.4
70%	Styles, Colours, Models Available	4.6

Based on the Opinion Polls taken in tandem with the Mystery Shopping visit, it becomes clear that most staff members have a good handle on the products they sell. From the breakdown above, we can see that most of the time staff are able to answer questions and meet customer requirements when it comes to product knowledge. This is no small thing; being able to supply the correct and relevant information when asked is a good way to assure customer confidence. The only area that could use some improvement is an increase in staff knowledge of Product Distribution and Delivery.

Finding the balance between what staff should know and what customers want to know can be a challenge. From this chart, it's clear that customers consider it important to know about servicing, warranty and repair, how to use/wear products, and what styles, colours, or models are available. Largely, it seems that the industry has that information covered, with the exception of the servicing, warranty, and repair information aspect - clearly this is something where, generally, staff should provide more information. Similarly, more attention should be spent on product distribution and delivery information.

Features Staff Mentioned

- 73% Materials & Fabrics
- 65% Colour & Size Range
- 54% Specifications
- 38% Craftsmanship
- 15% Care Advice

Benefits Staff Highlighted

- Quality 78%
- Design 54%
- Durability 46%
- Prestige 39%
- Value 27%
- After-Sales Service 17%

Getting to the Bottom of It

Identifying customer needs is the best way to know what they're after, why they're after it, and how staff can best accommodate them. If a customer is looking for shoes and the staff member starts talking dinner jackets, chances are the customer's patience is going to wear thin. Deeper than that, however, is the need or desire driving the purchase - what are the shoes for? Is there a special reason for them or are they just in the market for a new pair? How much are they looking to spend? The more a staff member can discern about a customer's drive, the better the customer service experience.

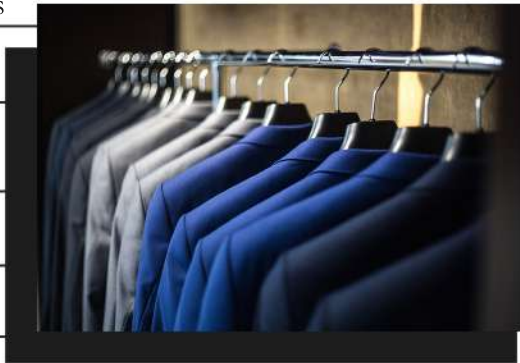### How do staff get to the bottom of all those questions?

70% — Asking open-ended questions

66% Listening Carefully

31% Proposing different products

29% Rephrasing requests
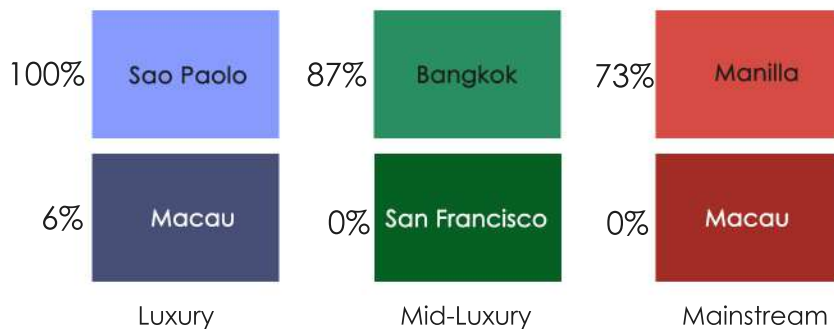
21% Asking clarification

The industry data shows that customers in Sao Paolo and Manila are luckiest, with staff readily able and willing to identify their needs. However, only half the staff in Sao Paolo - and half in Singapore - really understood the customer's needs and were able to make a suitable recommendation. For the best combination of both - needs identified and most suitable recommendations made - you have to shop in Bangkok or Los Angeles. In Shanghai and Osaka, customers are left on their own, with less than a third of staff seeking to identify needs or making suitable recommendations.

AQ

Making Additional Recommendations

Cross and upselling techniques are another set of tools that many salespeople rely on to increase their sales and connect customers with other products they might enjoy. Overall, 80% of shoppers would like a staff member to recommend additional products.

What percentage of staff make additional recommendations?

100% Sao Paolo	87% Bangkok	73% Manilla
6% Macau	0% San Francisco	0% Macau
Luxury	Mid-Luxury	Mainstream

As we can see from the data, staff in Sao Paolo are very good at making additional recommendations in the Luxury segment, while staff in Bangkok and Manila do a lot recommending in the Mid-Luxury and Mainstream segments respectively. Worryingly, the cities that scored lowest scored extremely low.

Letting Them Try It

Trying out a product, particularly in the Fashion Industry, is one of the great advantages of the sales game. Customers who are allowed to test out a product - in the Fashion Industry that would simply be done in the fitting room - can see how a product looks before purchase. This adds to their brand experience and helps them make a decision.

Globally, an average of 58% of the staff encourages customers to try on the product. According to the Opinion Polls, 78% of the customers would like the staff to encourage them to try on the product, making it one of the key sales tools in any fashion salesperson's sales kit! Customers prefer this to be done shortly after the staff describes the product features and benefits.

Los Angeles had the largest percentage of customers that were not encouraged to try the items for the Luxury segment at 60% followed by Ho Chi Minh City at 53%. Additionally, Ho Chi Minh City had the least amount of customers that were not encouraged for Mid-Luxury at 60%, while Sydney scored the least amount for Mainstream at 80%.
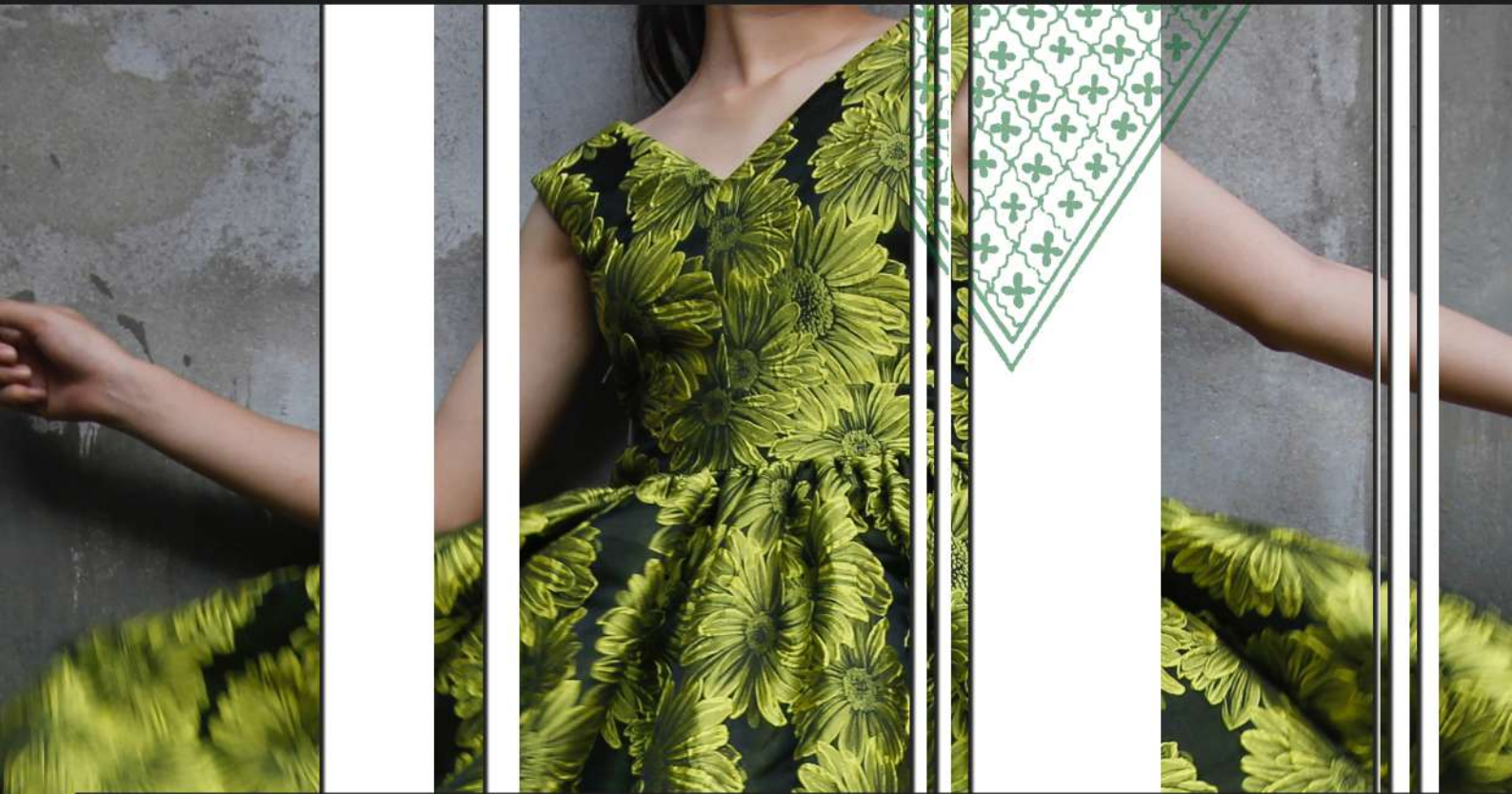
"We see our customers as invited guests to a party, and we are the hosts. It's our job every day to make every important aspect of the customer experience a little bit better."
Jeff Bezos, Founder & CEO of Amazon
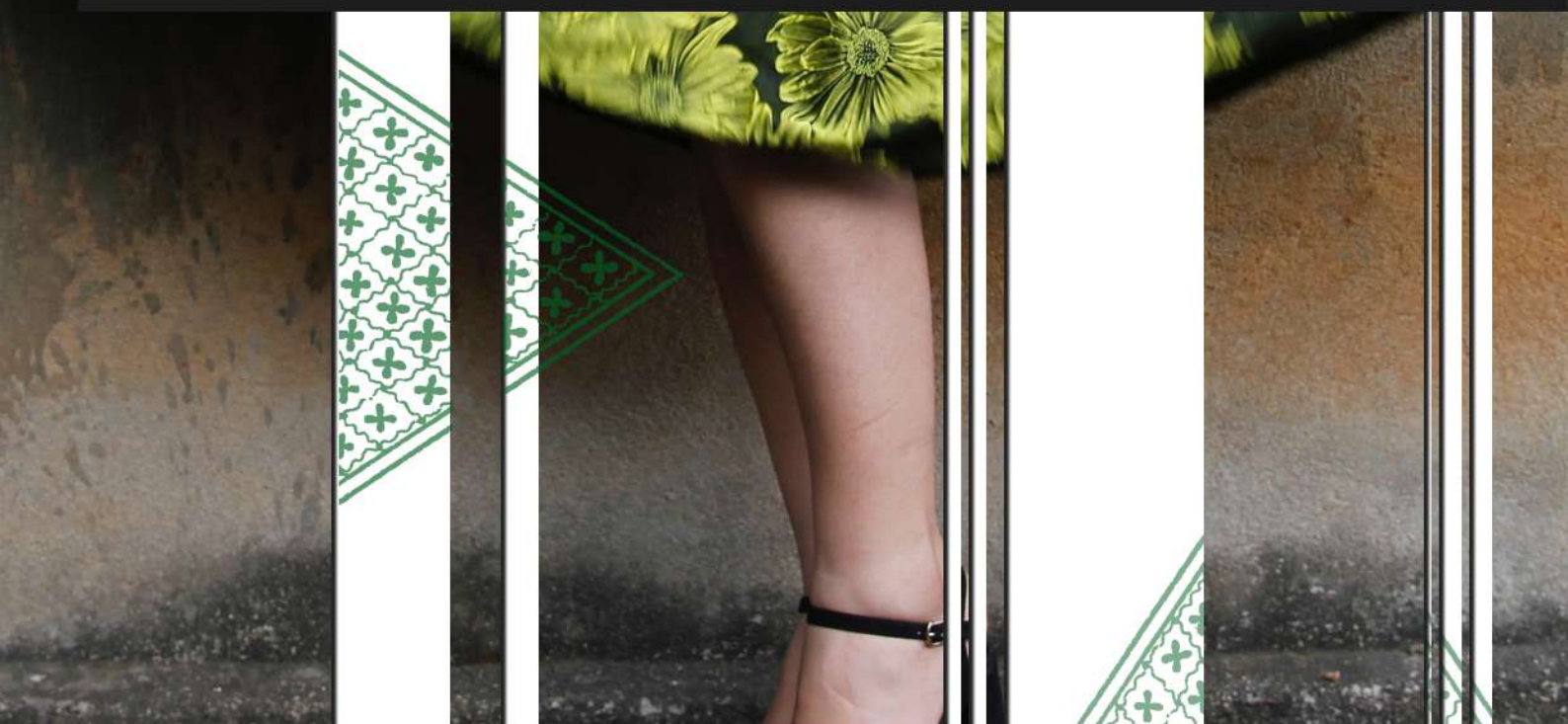
Building Loyalty

Loyalty is difficult to earn and easy to lose. It is, essentially, a bond of trust forged between two or more parties; in this case, between a brand and its customers. Customer loyalty is the currency for every business - it's what all companies strive to earn and retain. Without customer loyalty, companies are constantly on the hunt for new customers. This is an expensive and inefficient use of everyone's time and effort. Research has shown that 80% of company profit is generated by 20% of the current customer base.

Building customer loyalty comes by creating positive, memorable experiences. Most of the time, that can be achieved by consistently satisfying customer needs and expectations. The key word here is 'consistently'. Impressing a customer with perfect service the first time they visit the store and then not delivering an equal experience when they come back is not going to build loyalty.

To drive customers to return, to create brand advocates - die-hard loyal customers who would never dream of going elsewhere and are constantly telling everyone they know about the brand in question - it's vital that they have a consistently good experience. When this happens, customers begin to equate good experiences with the company and the brand and will come back for it.

Meeting Customer Expectations

Whenever a customer walks into a store, they will have certain expectations, even if they've never been there before. They may have heard stories from friends, or read up on the brand on the Internet, or maybe they've walked in for no particular reason. Their expectations can be related to a certain level of product quality, or value for money, but also at play is the level of frontline service they receive. Brands must live up to their promises after all.

As we've seen, customers expect staff to be able to answer certain questions about the products that they see, but that's not all there is to it. There's a term in sales that most of us will have heard: close the customer, not the sale. It's not enough for staff to know their products and services, they have to know when a customer is ready to buy, and, if the customer is ready, how to close that sale in such a way that will add to the experience rather than detract from it.

Closing a Customer

There are many ways to make a sale. Sales tactics can all be very useful when it comes to selling that one person that one item, but it's also crucial to forging a strong bond with the customer. When a sales-person closes a sale, they might sell one or two products or services; when they close a customer, they are creating ongoing opportunities wherein the customer will come back and buy more. One of the key things about closing the customer instead of the sale is that it might take longer to actually sell something, but it generates customer loyalty, and that's what we're all after in the end.

Long story short, closing a deal is about more than just making a single sale, it's all about the customer: turning a single sale into a happy, loyal, lifelong customer. Many salespeople often let these opportunities slip through their fingers by:

1. Losing interest the moment a customer decides not to make a purchase.
2. Failing to hold a customer's attention when it falters
3. Not staying friendly when a customer changes their mind

Staff that Remained Friendly when a Customer chose not to Purchase:
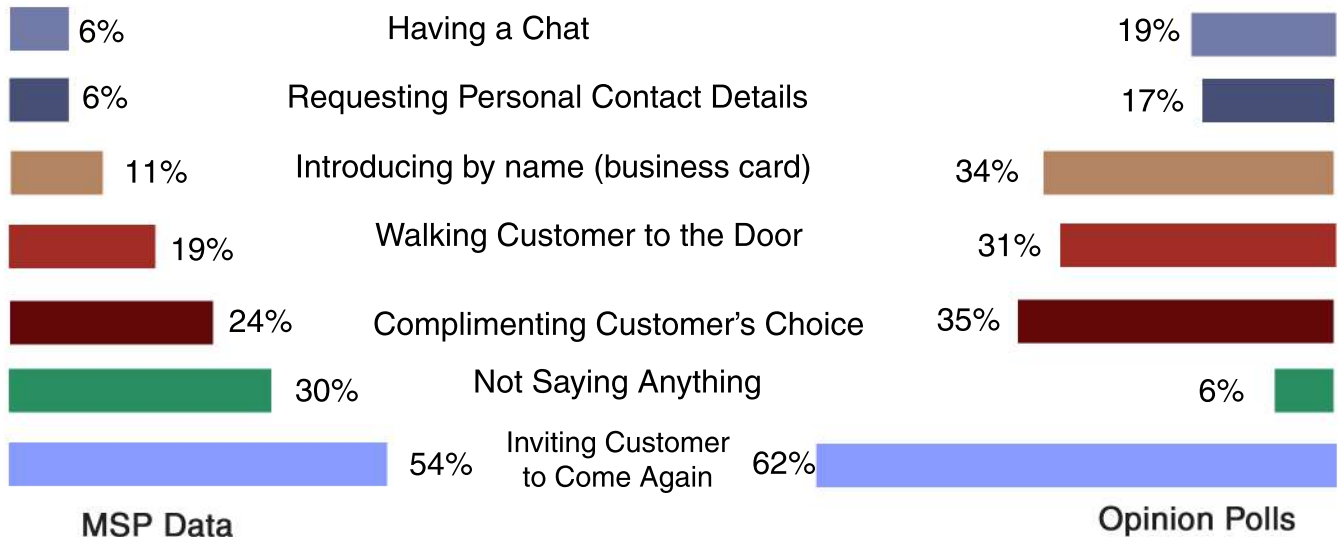
Global Average

Luxury	Mid-Luxury	Mainstream
92%	90%	80%

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Saying Farewell

Leaving a good last impression is as important as making a good first impression. To that end, it's important to make sure staff members end conversations the right way. A positive farewell is vital to cementing a positive customer relationship, and through that, a loyal customer.

MSP Data		Opinion Polls
6%	Having a Chat	19%
6%	Requesting Personal Contact Details	17%
11%	Introducing by name (business card)	34%
19%	Walking Customer to the Door	31%
24%	Complimenting Customer's Choice	35%
30%	Not Saying Anything	6%
54%	Inviting Customer to Come Again	62%

From this comparative data, we see that only 54% of the employees asked the customer to return, whereas 62% would like to be asked to come back. Given the scheme of things, the difference might not be considered particularly high. However, if we look at the fact that 30% of staff members across the board said nothing at all when only 6% of customers wanted nothing to be said, that's a problem. Closing the customer, and saying farewell, is the last chance for staff members to make that all-important connection with their customer and generate that sought-after customer loyalty, if no attempt is made, how can the customer feel like they've had a positive experience?

Globally, 21% of fashion industry customers do not experience a positive farewell. Some might think that's not a bad number, because it means that 79% of customers do walk away with the warm and fuzzy feeling of a good experience, but stop and think about it for a moment: 21% means that over a fifth of your total customer-base leaves with a negative experience. The irony is that all that's needed is a little bit of extra care, a little more smiling, and that number could become part of your customer loyalty percentage instead. A little goes a long way.

Customer who received a positive farewell:

88%	81%	66%
Luxury	Mid-Luxury	Mainstream

Global Average

Take the following, for example, plenty of staff members say goodbye in a memorable way. Even just saying 'Bye' in a cheerful, happy manner, has a chance at leaving a good impression.


"Thank you for coming!" 56%

"Bye." 40%

"Come again!"
"Looking forward to seeing you again." 35%

"Have a nice day/afternoon/evening." 31%

	Mainstream	Mid-Luxury	Luxury
Most Positive Farewells	Bangkok, Paris & Sydney	Bangkok, Milan, & Sao Paulo	Amsterdam, Chicago, Osaka, San Francisco, Seoul, & Toronto
Least Positive Farewells	London, Shanghai & Toronto	Taipei	Berlin

Many cities are doing it right, when it comes to delivering a positive farewell. However, when it comes to cities that provided the least amount of positive farewells. Half of their customers reported that they did not receive a good last impression.
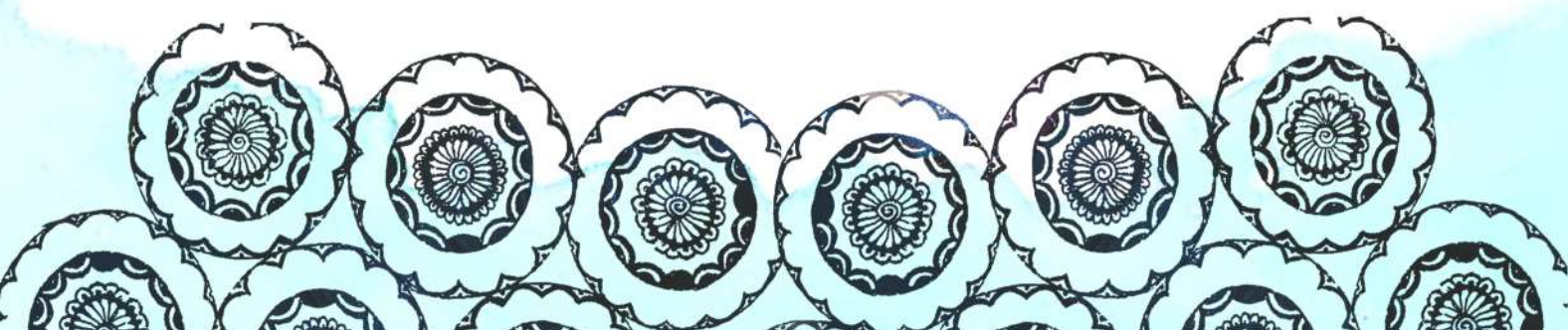
Getting Customer to Come Back

A returning customer is proof of a successful customer service experience. Covering some basics will help go a long way, and getting there means keeping a few key points in mind, such as what draws customers back and what drives them away:
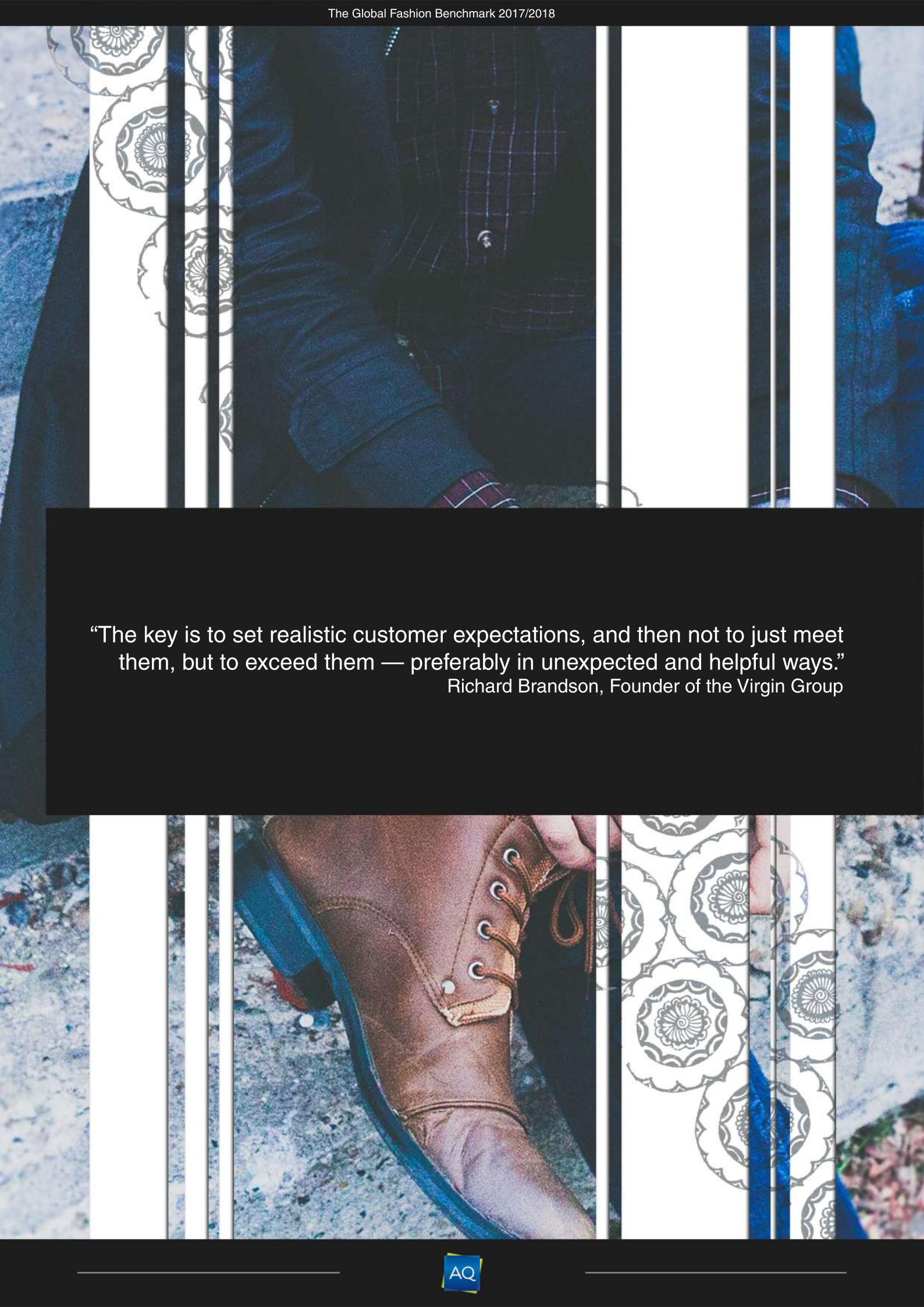
Top 3 Elements that Impact a Customer's Decision to Return

1. Friendly Service
2. Staff's Product Knowledge
3. Approachable Staff

Top 5 Biggest Customer Frustrations

1. Unfriendly/Inattentive Staff
2. Pushy Staff too focused on making sales
3. Unavailable Product
4. Long Waiting Times
5. Staff's Product Knowledge Insufficient

"The key is to set realistic customer expectations, and then not to just meet them, but to exceed them — preferably in unexpected and helpful ways."

Richard Brandson, Founder of the Virgin Group

Conclusion

We can see that there are improvements across the Fashion Industry's customer service levels. This is uplifting to see, as the industry - like so many others - is under the constant pressure of changing demographics and technologies. Between e-commerce and the new generation of consumers, there are a lot of things to consider. The fact that many brands and companies in the Fashion Industry are choosing to focus on customer service levels is making a difference.

For example, we can see that staff are quicker to greet customers when they enter the store. In the 2015/2016 study, the average greeting time for customers in the Luxury segment was 26 seconds, this has improved in the current study, which shows that staff averaged a greeting time of 19 seconds.

We see the trend continue in other areas as well, such as whether staff would smile at the customer. Where the previous study showed 66% of salespeople would smile, the latest numbers show an improvement to 70%.

The salesperson also improved in discovering customer needs as well. However, the global average for both cross-selling and encouraging customers to try on products dropped.

It's clear that customer preferences are changing as the younger generation gains more purchasing power. We see a distinct difference in customer patience, with shoppers preferring a shorter waiting time before assistance is offered. On the upside, fewer customers would leave the store if help is not offered. On the contrary, customers are more proactive in seeking assistance.

All of this brings us to a very important discovery: Even as the service level improves, many salespeople still appear to prefer to focus on at-hand-tasks rather than offering assistance to customers. Although customers are more forgiving, the industry needs to meet or match customers' expectations and, at the very least, meet them half-way.

In a world where the power lies increasingly with the consumer, and fashion trends merge and blend far more than they did in the past, customer service is the key differentiator that can make, or break, a brand.

About AQ Services International

A Global Mystery Shopping & Audit Specialist, we have more than 18 years of experience. We help companies like yours grow by improving their frontline customer service. Your employees should have the insights to improve, and to have someone by their side to help them on their way. We work together with your front line and create a desire to perform, grow, and be the best.

In us, you will find willing partners who are as passionate about your business – from frontline to bottom line, from your products and services to your customers – just as you are, because, looking back, for us it's always been personal. We've never lost sight of our vision: let people experience great service.

www.aq-services.com