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The Biggest Technology Innovations and Solutions in the Footwear and Fashion Industry in 2020

By Madeleine Streets



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The footwear industry has been embracing digitization for a few years now, but 2020 brought about heightened emphasis in doing business online. As brands and retailers explored e-commerce and remote work, a host of technology solutions emerged to help maximize performance.

From the supply chain to the point of purchase, digital innovation is changing the way the industry does business. The most useful solutions combined backend efficiency with improved user experience, whether for B2B or B2C purposes. These technologies, which may have seemed "nice to have" early in the year, will likely become table stakes in the years to come.

Buy Now, Pay Later

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The financial implications of the pandemic had many consumers looking for more affordable ways to purchase nonessentials. "Buy now, pay later" (BNPL) solutions let consumers receive their goods after only paying for a portion of their purchase upfront; the remaining payments are then billed on a recurring schedule. Crucially, the retailer also receives the full amount at the point of purchase, with the BNPL provider assuming the risk. The leading solutions on the market come from companies Klarna, Afterpay, Affirm, Quadpay and Sezzle.

Often described as the modern interpretation of layaway, BNPL had been growing in popularity among younger shoppers who wanted to avoid traditional credit. Yet this year has made the adoption of BNPL

more appealing to brands, retailers and consumers alike. For brands and retailers, participating in these solutions gives more visibility and consumer reach; most have a designated shopping app which promotes merchant partners. For consumers, the ability to budget future payments means they can often afford to buy more at once. As the retail landscape becomes more competitive and consumer expectations rise, providing more payment options may be what makes a shopper convert — or not.



Digital showroom platforms provides a virtual alternative to physical appointments and trade show browsing.

Virtual Showroom

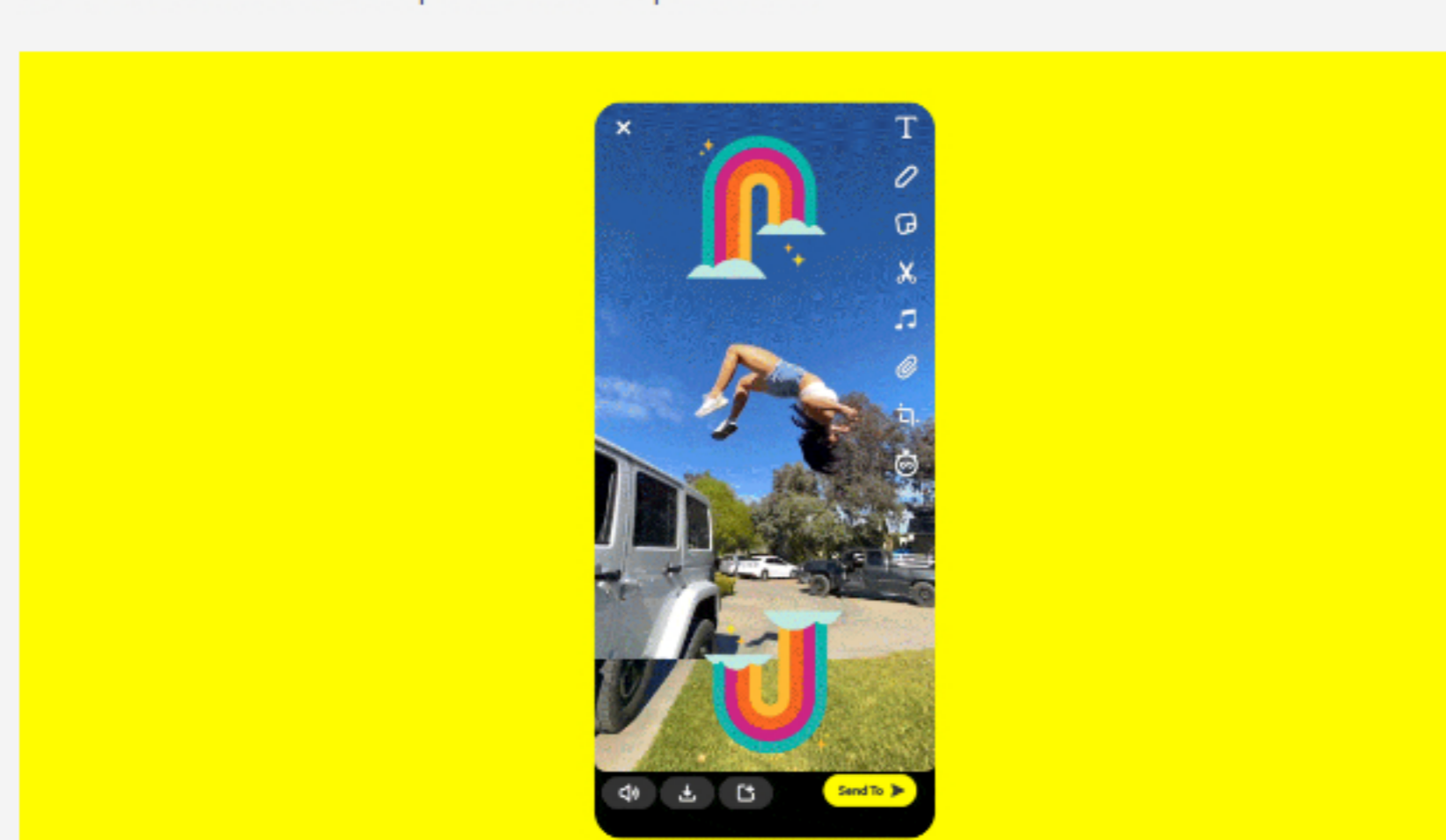
The shift to remote work and cancellation of major events was not just disruptive for consumers, but for B2B activity as well. Trade shows and buying appointments, staples of the footwear industry calendar, had to be suspended — until a virtual alternative arrived. These virtual showrooms were conceived as digital destinations which could fulfill all of the functions associated with in-person trade events, from product discovery to order management. In 2020, leading events like Informa and London Fashion Week took place virtually through these technologies.

Through companies like Joor, NuOrder, Le New Black, Ordre and BrandLab, buyers and vendors alike can "attend" time-specific events, or shop year-round as needed. High resolution photography and video allow brands to clearly convey style, textile and color; comprehensive backend solutions let buyers submit orders within the platform. Some solutions also include a navigable 3D space where collections can be displayed, as they would be in a physical showroom. So successful has their introduction been, many organizers have announced that future live events will include a digital component.

AR for E-Commerce

Augmented reality (AR) has most commonly been used by brands and retailers as a marketing gimmick or temporary activation, with many skeptics unsure it would ever truly take off. This year, AR has transformed into a practical tool for e-commerce — just as shoppers began purchasing online at exponential rates. Noteworthy partnerships between luxury brands like Gucci and technology powerhouses like Snap Inc., Rest AR and Wannaby, have shown how AR can bridge the gap between product and consumer, without the consumer needing to leave their home. During shelter-in-place, this has been a game changer.

Buying online has always been plagued by the difficulty of truly understanding the look and feel of a product, which can lead to cart abandonment. AR technology allows the user to introduce a virtual product into their surroundings, through their smartphone camera. For e-commerce, these tools have practical applications: Shoppers can see more clearly how a style will look; some technologies can scan the user's foot or body in order to recommend the best size in a particular style. By improving consumer confidence, AR for e-commerce can increase conversions, while providing entertainment and a superior user experience.



The new Spotlight function for Snap lets users upload longer videos as part of a shared newsfeed.

Contactless Returns

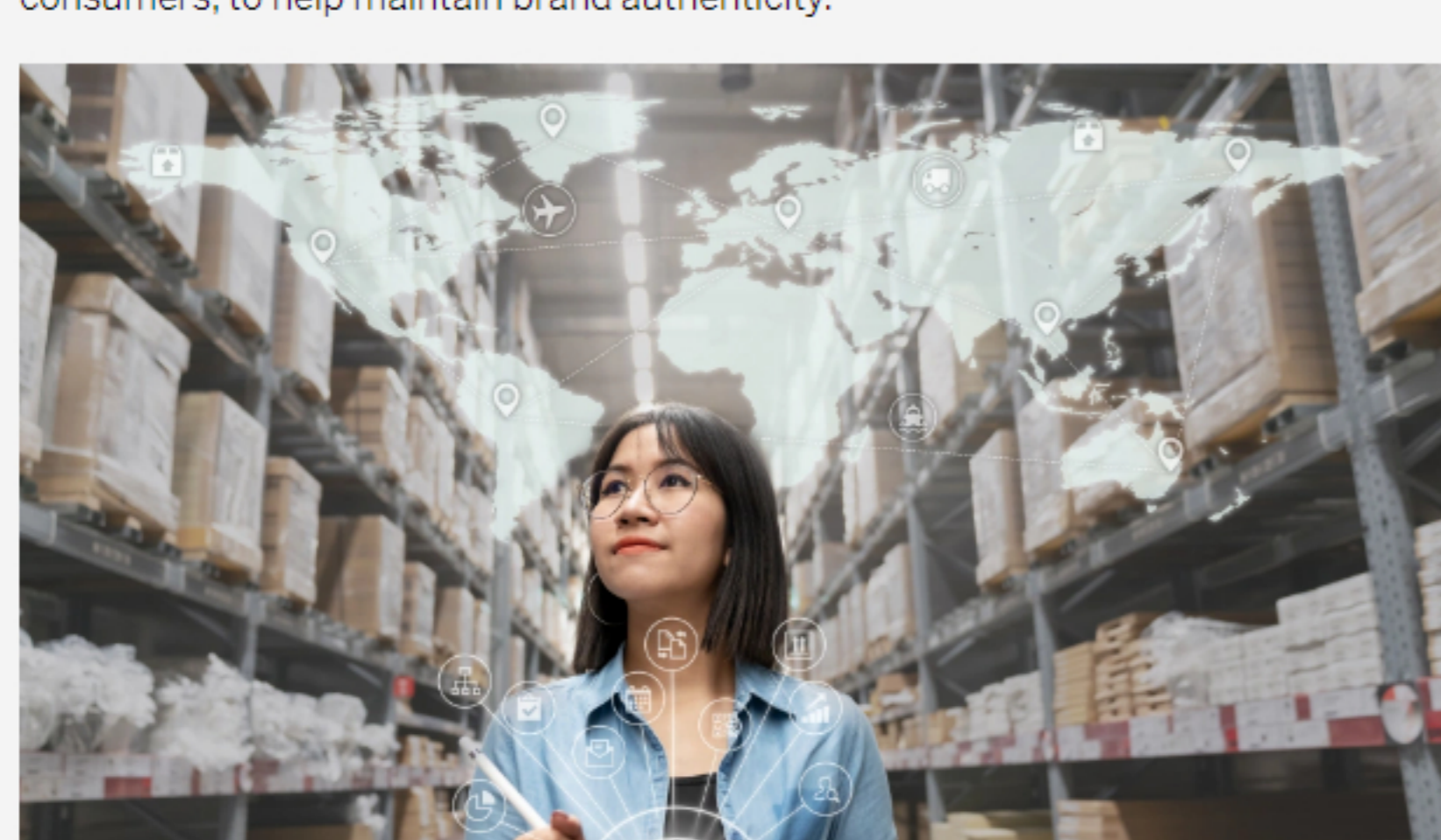
The returns process has long been one of the biggest friction points in e-commerce. For shoppers, the effort of repackaging an item and mailing it back to the retailer can cause frustration — especially if there are fees attached. For retailers, reverse logistics present complications as it is impossible to track what is coming in and from where; the merchant must be reactive, not proactive. In 2020, a number of companies have created contactless solutions which provide ease for consumers and greater visibility for the merchant.

When a shopper wants to initiate a return, solutions like Happy Returns, Oporto or Narvar generate a QR code for the shipment. When the consumer is ready to return the item, they scan the QR code at any participating provider; partners include leading carriers like UPS and FedEx and many do not require the item to be packaged. QR codes, accessed through any smartphone, means that the experience is contact-free — a bonus during a pandemic. Refunds are processed immediately and the retailer is given the heads up that the return is incoming, long before it is received. This lets them prepare for the logistics of re-merchandising the product, minimizing delay and improving efficiency.

Supply Chain Traceability Software

Before consumers felt the impacts of reduced inventory, brands were seeing the damage in their supply chains. But many weren't seeing clearly, due to a lack of comprehensive oversight of each stage of manufacturing. For the companies that were making pledges to improve sustainability and ethical responsibility in their supply chains, this lack of visibility was even more damaging. Environmental awareness and consumer interest in transparency has pushed many brands to invest more seriously in their supply chain management. Increasingly, the investment has gone into traceability software.

Through RFID tagging and a centralized software system, brands can track their product from source material to sale. Offerings from providers like NGC, CGS and Inspectorio enable users to inspect each stage of their manufacturing process, to ensure they're compliant with any relevant regulations or commitments. By following their items through the production journey, brands can identify any potential risks before they become problems. This information can also then be passed onto consumers, to help maintain brand authenticity.



Managing operations across multiple manufacturing partners and countries requires real-time visibility.

Personalization

Long before stores had digital revenue channels, regular customers could expect a degree of personalized service from their favorite retailers. While e-commerce has won points for convenience and accessibility, some of the personal connection and customer service of traditional retail has been lost in the shift to online. Yet customers still crave personalized experiences and guidance, even when visiting a store website. Through the solutions of companies like SmarterHQ, Dynamic Yield, Listrak, Bluecore, and Emarsys, retailers are discovering how to bring that experience to the digital world.

When a customer visits an e-commerce site today, there is a growing expectation that they will be recommended specific items and offered tailored promotions, based on their taste. This is a result of the increased adoption of personalization solutions, which use customer data to generate suggestions and marketing materials. Past customer behavior, such as browsing history and purchase history, can be analyzed to determine which related products might of interest. Customer location can be used to recommend seasonally-appropriate attire; birth date can be used to generate individual promotions. As birth-and-mortar reopens at scale, this quality of service will only become more important in order to keep digital sales high.

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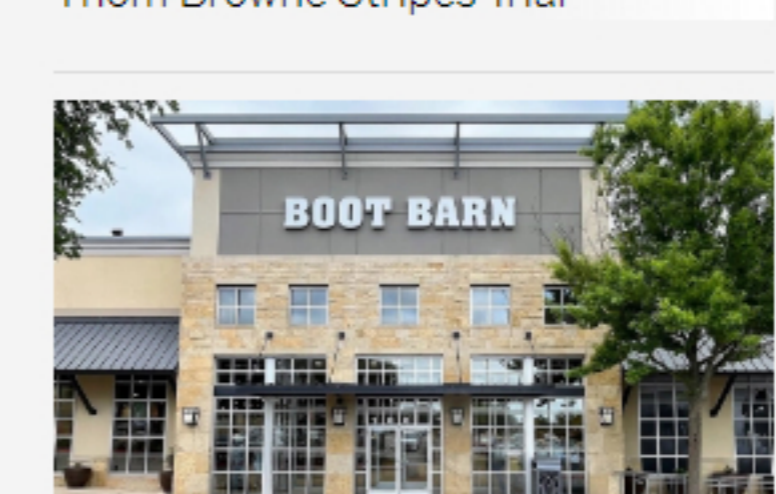
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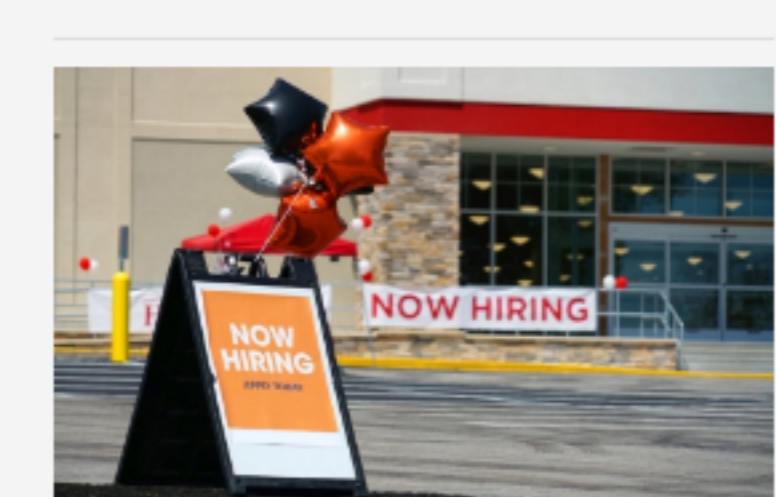
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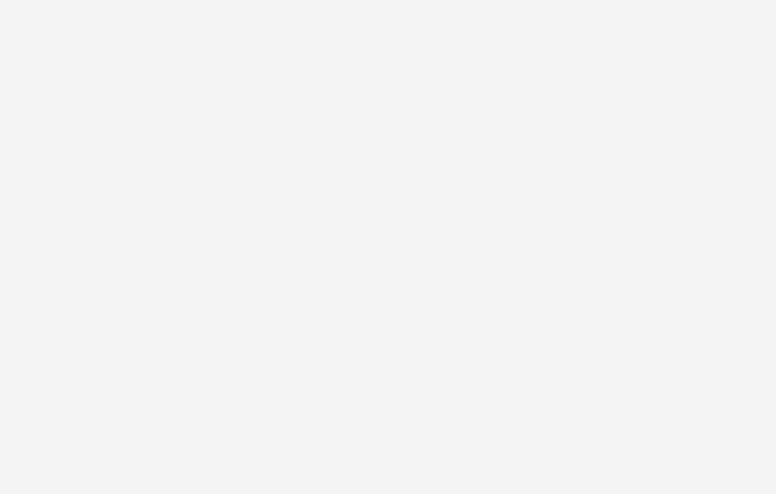
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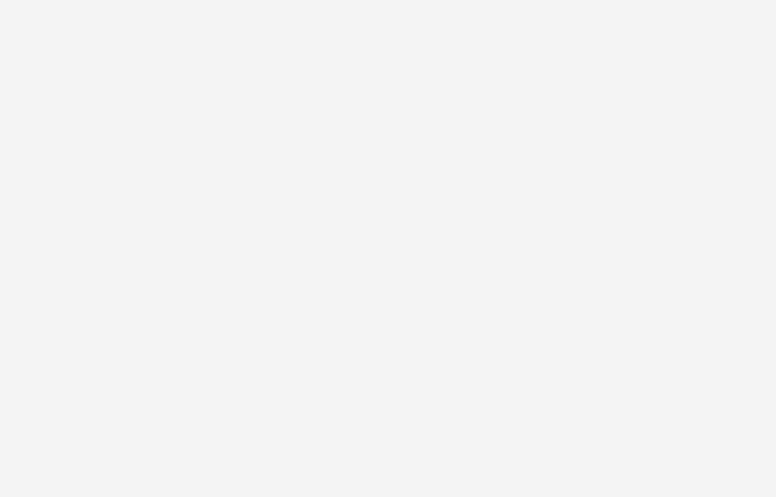
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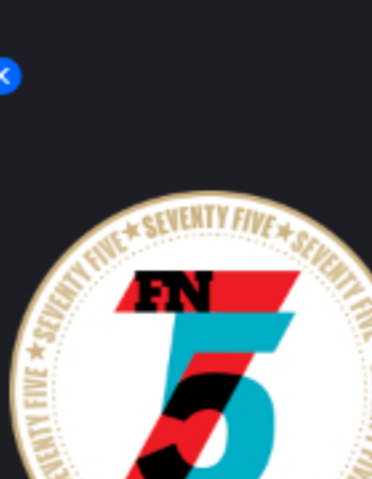
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