

Social Media & E-Commerce Internship for Capitol Clothing

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Industry Overview:

Luxury womenswear means expensive price-points and exclusivity. These nonessential products are made to be desirable and higher quality, indicating status and affluence (Boesel). In an attempt to understand where I fit into the luxury retail industry as a future fashion marketing professional, I need to understand the present business of fashion and the direction of the industry's future. Luxury fashion is shaped by the fast pace of change, technological advancement, high competition, and consumer preferences.

Fashion executives describe 2018 with the words “changing,” “digital,” and “fast” (Balchandani et al.). Fashion products are a reflection of our values and our times. Art imitates reality; the world is always changing and so is the fashion industry. Successful firms actively identify and react to changes in customer preferences and mobilize internal resources to adapt to the changing market. Having the capacity to think on your toes, operate on a quick learning curve, and take in new situations is necessary in a job where every day is different. To stay flexible and grow in this unpredictable climate, firms need employees that are motivated, professional, self-assured, and detail oriented. Multitasking and working with teams are two ways to maintain current business operations while looking ahead. In an industry that doesn't take it slow, it is important to be able to effectively operate at a fast pace.

Moreover, “executives generally viewed consumer shifts enabled by technology as the most important trends in 2018.” Technology has only expedited the speed of change in this industry with new trends entering and exiting the market in one Instagram post. The platform has replaced newspapers and magazines as the primary source of advertising for most businesses, by providing a new way to connect with consumers. This represents an opportunity for brands to partner with influencers, as younger consumers are receptive to social media advertising and

sponsored posts (Boesel). The consumer journey has been expedited; desire for immediate gratification has closed the gap between discovery and purchase. Marketers are developing more and more means of distribution to reach the customer; firms that develop an omnichannel vision with comprehensive presence both on and offline will generate higher revenue. This means quickly accessible product information, expedited shipping options, and immediate customer support across all platforms. Online luxury shopping accounts for 10% of all luxury spending and is expected to rise to 25% by 2025 (D'Arpizio et al.). Fashion buying used to be based around emotion, but technology is enabling big data to inform operations from buying to visual merchandising and the development of visual search. Consumers expect personalized purchasing suggestions and improved availability of advertised products alongside shorter lead times. Unquestionably, tech savviness is important as digital technology, social media, and fashion continue to intersect and evolve.

Increased competition from online and disruptive models such as rental and resale have resulted in mall and department store closures and the supposed “death of brick-and-mortar.” Nowadays, customers can order anything from around the world with the touch of a button, so stores have to give consumers a reason to take the time to go shop in person. The in-store shopping experience is a critical factor in maintaining exclusive and luxurious brand imagery. Store spaces and customer service provide creative opportunities beyond what is expressed in a given fashion collection, as the physical and personal elements permit further storytelling and rewarding customer connections. According to Bain & Company, “The role of the store will evolve from a simple point of sale to a true touchpoint for consumer engagement” (D'Arpizio et al.). Today’s consumers consider interactive experiences, time, convenience, and comfort to be luxuries. In fact, 40% of affluent customers would pay more to save time (Boesel). Given this

holistic mindset, it is imperative that firms evolve beyond transactions to build brand affinity and loyalty. 79% of industry executives consider self-disruption to be the top trend of 2019 (Balchandani et al.). From pop-up shops, personalization, customization, exclusives, and white glove delivery and laundry services to artificial intelligence, retailers need to take greater risks to become destinations and brand platforms of their own to appeal to consumer desire for novelty.

Success in any fashion market originates from understanding target customers and tailoring the experience around them, as revenue comes from producing and buying merchandise that will sell. Younger consumers cannot be ignored in the luxury market; in 2018, Generations Y and Z were responsible for 47% of luxury consumers and for 33% of luxury purchases (D'Arpizio et al.). In fact, older, more affluent customers are the least interested in these products. While younger consumers may typically have lower incomes, purchases of luxury accessories and beauty products at a variety of price-points remain luxury consumption. Moreover, this permits early brand relationships and building with customers that are “willing to pay for brands that set them apart even if such purchases are not particularly fiscally responsible” (Boesel). This blossoming age group contributed to 85% of market growth in 2017 and essentially all growth in 2018 (D'Arpizio et al.). The exemplary consumer profile for these customers features a median age of 35 and greater racial diversity than the general population, as one in three customers are not Caucasian. The top brands for the shopper segment aged 18 to 34 are Gucci, Chanel, and Louis Vuitton. Younger consumers discriminately favor global luxury brands over domestic and value the capability of a logo to indicate heritage, craftsmanship, and reputation. In 2018 alone, consumers under the age of 25 accounted for 62% of Gucci's sales (Boesel). Compared to older shoppers, Gen Z adults and younger millennials are far more likely to seek the prestige of luxury goods, wanting others to know their purchases were expensive.

Thus, younger customers prefer conspicuously branded goods, with recognizable and iconic designer logos. These products are directly linked to social status, serving as a physical representation of knowledge of sourcing an exclusive, scarce product and familiarity with global trends, travel, and luxury. Evidently, brand image and optimal positioning of designer brands is paramount.

Company Overview:

Capitol is an internationally recognized specialty store based in Charlotte North Carolina with a mission to “inspire extraordinary women.” The retailer’s clout in the industry is demonstrated by that fact that it is one of ten U.S. specialty stores allowed to carry the Italian luxury brand Gucci. Capitol has a sister store, Poole Shop, located on the second floor of the brick-and-mortar location. Both stores have the same owner, Laura Vinroot Poole, buyers, and clients, but Poole Shop carries more contemporary, emerging, and youthful designers whereas Capitol hosts luxury and heritage brands. The retailer also has a brother store, Tabor, offering high-end menswear from a separate location in a 1920s bungalow.

Capitol and Poole Shop’s entire assortment is curated around the customer. The store has to carry the perfect balance of newness, color, and conservatism for their clientele of middle age to older southern women. Stylist’s need to be able to walk on the sales floor, read the room, and know which clients to approach. Laura and her buying team see at least three hundred collections a year and select garments suited towards events in the South from NASCAR to debutante balls and galas. In part because of the high price points, they write purchase orders with specific clients in mind. This consumer-oriented store is incredibly prosperous and recently opened a satellite location in Los Angeles. Their success shows that retailers need to provide more than just a greeting and really put the customer first. This capability stems from having diligent

employees operating the sales floor. In fact, garments are often pulled for the client and delivered to her home without touching the shop floor. The client gets exclusive first dibs on products that are selected specifically for her without any specific request or obligation to purchase. This personalization is the definition of luxury and impeccable customer service in retail.

When it comes to marketing strategies, Capitol has been at the forefront of the industry, hosting dinner parties and trunk shows before the term experiential retail was even coined. Clients stop by to show their friends the infamous courtyard and plant wall, for an alteration's appointment, or even a personalized embroidered or painted handbag. For the retailers 20th anniversary in 2018, Laura hosted an extravagant farm party where designers, trendsetters, editors, and loyal customers alike converged to celebrate the specialty store. Alongside the elaborate food, drinks and decor, the store released exclusive fragrances, accessories, and looks in partnership with designers who flew in to mingle with Capitol's clientele. This is one example of the numerous gatherings the store hosts. From pop-up shops in Roaring Gap and Lineville to book signings with editors and tarot readings with artists, Capitol always has customers eager to shop.

Capitol further facilitates connections with brands and designers beyond these meet and greets via the podcast "What We Wore." Each week, Laura sits down to interview fashion insiders to understand their lives and how clothing shapes who they are as a person. Every episode ends with the question –"What did you wear to prom?" an amusing reminiscence on every individual's style journey. Available on Apple Podcasts, the easy listen carries customers through a story that makes them even more invested in Laura and Capitol. The release of "What We Wore" directly coincides with in-store events related to the that week's subject. Most

recently, the charming milliner, Nick Fouquet, made a store appearance alongside an exclusive Capitol collection of hats for the debut of his podcast.

Capitol, Poole Shop, and Tabor each have their own website through the platform House Account. House Account has a community of stylists available to answer customer questions prior to placing an order. All three retailers send out bi-weekly direct marketing emails to subscribers that are linked to the websites and feature new inventory, trends, and outfit ideas shaped around upcoming events in Charlotte. Additionally, each shop has their respective Instagram page. Capitol hosts over 24.2 thousand followers and partners with designers to reach even larger audiences. This singular account is home for both the Brentwood and Charlotte locations. Top posts for the account, @ShopCapitol, receive an average of fifteen hundred likes. Similarly, the Poole Shop Instagram, @PooleShop is often reposted by brand accounts, has 15.2 thousand followers, and garners a range of one to eight hundred likes on a single post. Lastly, @TaborCLT has social media the smallest social media following, at four thousand followers, and usually receives less than one hundred likes per post.

Capitol is a FarFetch Partner, meaning that their inventory is seamlessly available internationally on farfetch.com. Farfetch is a third-party distributor that has been disruptive to the retail industry, offering access to over 900 carefully curated boutiques with exclusive products worldwide. Capitol is able to leverage FarFetch's online presence, logistics, and shipping to reach luxury clientele in China and the Middle East. When a customer places an order on FarFetch's server, the algorithm determines which stores have the product in stock. Next, it selects the retailer closest to the customer to reduce shipping fees. If the order was placed from Capitol, the comprehensive business-facing website, FarFetch Storm, notifies Capitol employees to check inventory, package, and process the purchase. FarFetch works with

DHL and FedEx to seamlessly ship across borders. Capitol handles fulfillment and receives the sale and FarFetch earns commission. Additionally, Capitol is integrating a “Shop on Farfetch” option on Capitol’s website. This cross-selling will further increase sales, offering the retailer the option to profit via referral and utilize inventory on the FarFetch marketplace when a given product is out of stock.

Meredith Carter, the Marketing Manager oversees the marketing department as a whole. Meredith reports directly to Laura Poole, the store owner and buyer. She coordinates with Laura to set up podcasts, and with the operations team to create in-store events. Julie Arinci, the FarFetch manager reports directly to Meredith and works with the girls on the salesfloor to find inventory. Kaiti St. George, the Social Media Manager, also reports to Meredith and runs the website, Instagram, and direct email marketing campaigns.

Internship Overview:

As the E-commerce and Social Media Intern, I reported directly to Julie and Kaiti. My day would start with checking FarFetch Storm for new orders. This was the first thing I would do to ensure that products sold online were removed from the sales floor. I would check inventory, await payment, find, receive, and package the item, and print the proper shipping information. For each purchase, I hand-wrote a thank you note directed to the individual shopper. This small effort makes a difference in building a long-term relationship with customers. Next, I would enter new merchandise into the FarFetch platform. First, I would find inventory on Retail Pro that was not yet synced to FarFetch. Then, I entered FarFetch Sales interface and looked to see if another retailer had uploaded the product. If it was the same garment, I created a FarFetch duplicate, linking each ALU to the code in Retail Pro’s inventory system. Up next, Kaiti and I would work with sales staff to pull new inventory and create a story to tell on social media

platforms and in direct marketing emails. Our inspiration varied from pushing hard to sell items off the floor to demonstrating how to style pieces, so they transition from day to night and across seasons. We took turns capturing images both in front of and behind the camera. This experience and understanding of art direction will carry over into my future in fashion marketing.

After editing photos, and before posting, I had to upload the inventory online. For Capitol, uploading inventory was done on the back end of the website through House Account. The process involved finding stock images from the designer or from FarFetch partners and writing product descriptions that detailed garment features, composition and care, and inventory codes. The last step was to incorporate the correct pricing and sizing. The inventory on House Account is not synced to Capitol's on-hand inventory, and every sale in store has to be checked to ensure the product is taken offline. Likewise, sales on the platform have to be separately processed in the store's inventory system, Retail Pro. The result was that at the end of each day, Kaiti and I checked every individual sale at Capitol to ensure the product was removed from online offerings. Additionally, we had to remove all product that was taken from the store "on approval" from online by looking through sales that were on hold or committed. For Poole Shop, I could generate a post through LightSpeed, so that the proper sizes and stock correlated to online. Next, I would upload images and descriptions through House Account.

My favorite part of the job was operating the store Instagram. During market week, this would include going through an iCloud photo stream of fashion week pictures and noting which ones the store intended to buy, stylists commented for their clients, or that would pop in the feed. I edited and storied these images and updated buyers with follower's opinions and orders. After photoshoots when the inventory was online, I would generate in-feed posts and stories with shoppable links. I gained valuable insight into how social media translates into sales. I

periodically checked back to respond to potential customers, place orders, and connect users with our team of stylists. Alongside Kaiti, I helped derive an online assortment and social media strategy to maximize demand and drive omnichannel revenue growth.

10 AM	11 AM	1 PM	3 PM	4 PM	5 PM
Fulfill FarFetch Orders	Upload inventory to FarFetch	Take photos of new inventory	Edit photos in InDesign, iPhoto, Photoshop, & VSCO	Upload inventory online. Post to Instagram and create email.	Check House Account Stock. Respond to Instagram direct messages or comments regarding sales.

Project/Task Description:

At the beginning of the summer, Poole Shop switched their inventory system from Retail Pro to Lightspeed. Lightspeed syncs with House Account and updates inventory accordingly. One of my primary projects was to re-create all the inventory online. Every product that had previously been uploaded online was no longer in the correct inventory system. Thus, I made new merchandise entries for every product in the store. In the short term, this saved Poole Shop from the unfortunate mistake of selling a product that was not in inventory. When that happens, not only does the store lose the sale, but they potentially lose the client as well. Given the investment nature of the retailer's assortment, purchases are usually high involvement and well thought-out, and customers are upset to discover they wasted their time and energy on items out of stock. In the long term, I worked alongside House Account and LightSpeed to resolve kinks in the system and get the website up and running. I helped create a seamless omnichannel shopping experience for Poole Shop's customers. My efforts will be in place indefinitely, as the retailer moves to integrate LightSpeed into Capitol's operations as well, which will enable more efficient sales and an elevated online presence.

Skills Learned:

One of the primary skills I honed during my internship was the proper way to conduct myself socially in a business environment. I reported and worked cross-functionally with every Capitol team member on a day-to-day basis. Fashion is an interdisciplinary field, and another key to be success is having the ability to work well with others. I developed social skills including customer service and the capability to work with people of all ages and backgrounds. These relationships will benefit me as I network later on. Knowing how to interact with my co-workers helped me become more self-assured, and thus, more productive. Fashion is not an insular environment; it is an industry built on relationships, so it was important that I learned to support everyone I meet.

The second skill I developed further over the course of this internship is content creation. I learned how to direct a photoshoot with models, to understand lighting, to present garments at their best, and to successfully generate traction and engagement online. This helped me to hone my photo editing skills and learn how to describe products across retailing and social platforms. This education in the digital consumer environment will help my career as the industry becomes more and more interconnected.

The third skill I gained is practical event experience. I helped execute numerous Capitol events, specifically the Fall / Winter Presentation. This involved coordinating with Giambattista Valli for the three finale Haute Couture looks. I was trusted to prepare, dress models, and photograph dresses retailing for \$197,000, \$91,000, and \$127,000 respectively. I gained understanding in successful event execution and planning. This is significant in the fashion industry where runway shows, and parties make or break marketing campaigns for each season.

Company Strengths and Weaknesses:

Capitol's marketing strengths lie in providing customer service and generating experiences. The entire store is curated to maximize client satisfaction from personalized buying and sales staff who seem like family. Moreover, the Capitol experience is exclusive and aspirational, aligned perfectly with the nature of luxury.

A weakness of Capitol is their ability to connect with new customers or spread attention beyond top clients. While these big spenders lend to the store's profitability, this focus alienates other consumers who feel the products in store are not for them. Additionally, Capitol needs to become more environmentally conscious as brands push for sustainability throughout their supply chains. The retailer does not have a recycling system in place. The large cardboard boxes garments arrive in are taken to a recycling center weekly, but the office paperwork, glass bottles, or any plastics are thrown in the trash. This is especially frustrating given the prevalence of single use plastics to stuff purses, use as garment bags, and generally package products.

Recommendations:

To connect with new customers, Capitol can offer a second tier of events beyond those for top clients. The majority of new shoppers enter the store during sales, as the markdown helps to capture an accessible price point to begin shopping both at Capitol and at the luxury level. Events should correlate to this time period to build relationships and make newcomers feel both special and important. Tickets can be offered for sale rather than invite only to permit a wider range of customers through word of mouth. The opportunity to shop with friends in a special environment makes luxury purchasing less intimidating to the consumer. The firm can continue to work on new customers by offering closet cleanouts and styling lessons. This will help sales associates to know what new clients are looking for and pull product accordingly in the future.

Lastly, expanding their service offering into dry cleaning and laundry services will encourage customers to come back, save time, and treat the store as a one stop shop.

Capitol needs to work with the City of Charlotte and neighborhood officials to incorporate recycling into their operations. This will help Capitol appeal to younger clientele, as 90% of Generation Z believe companies have a responsibility to address environmental and social issues (Balchandani et al.). It will also help to expand relationships with designers who routinely mix social issues and fashion on the runway. Additionally, Capitol can build on their repertoire of sustainable designer brands like Gabriela Hearst and Mara Hoffman, as offering more environmentally friendly brands will connect with shoppers moving towards conscious consumption. In fact, one fourth of consumers, and one third of women aged 18-34 usually pay more for products that do not have negative environmental impacts (Boesel). A strong stance on social and environmental issues beyond traditional corporate social responsibility will attract both consumers and talent.

Reflection Summary:

Luxury success is all about service. The sales floor is reliable, responsive, assured, and empathetic, providing excellent quality experiences to every customer. The staff and buying team have personal relationships with the clients, which builds greater understanding of their wants and needs, resulting in heightened customer loyalty and store revenue.

Personal Value:

The Digital Marketing Internship provided me with immense personal value. It successfully combined both of my majors: Terry Business School's Marketing program with an emphasis in Digital, and the College of Family and Consumer Science's Fashion Merchandising program with an emphasis in Fashion Brand Management. Moreover, no substitutes exist for

actually working on the job, as the classroom cannot teach professional conduct, from sending emails to interacting with coworkers and customers of all ages, ethnicities, and backgrounds.

In terms of brand reach and recognition, just having Capitol's name on my resume will carry clout. The Capitol team has offered to link me to the luxury brands they carry, some for over twenty years. I plan to maintain an ongoing relationship that could result in a full-time job after college with Capitol's suppliers or affiliates. Given that my future career path is very specific, I recommend this internship only to students that are interested in the Fashion Marketing sector.

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