



FSW Insights: Luxury E-Commerce's Big Opportunity

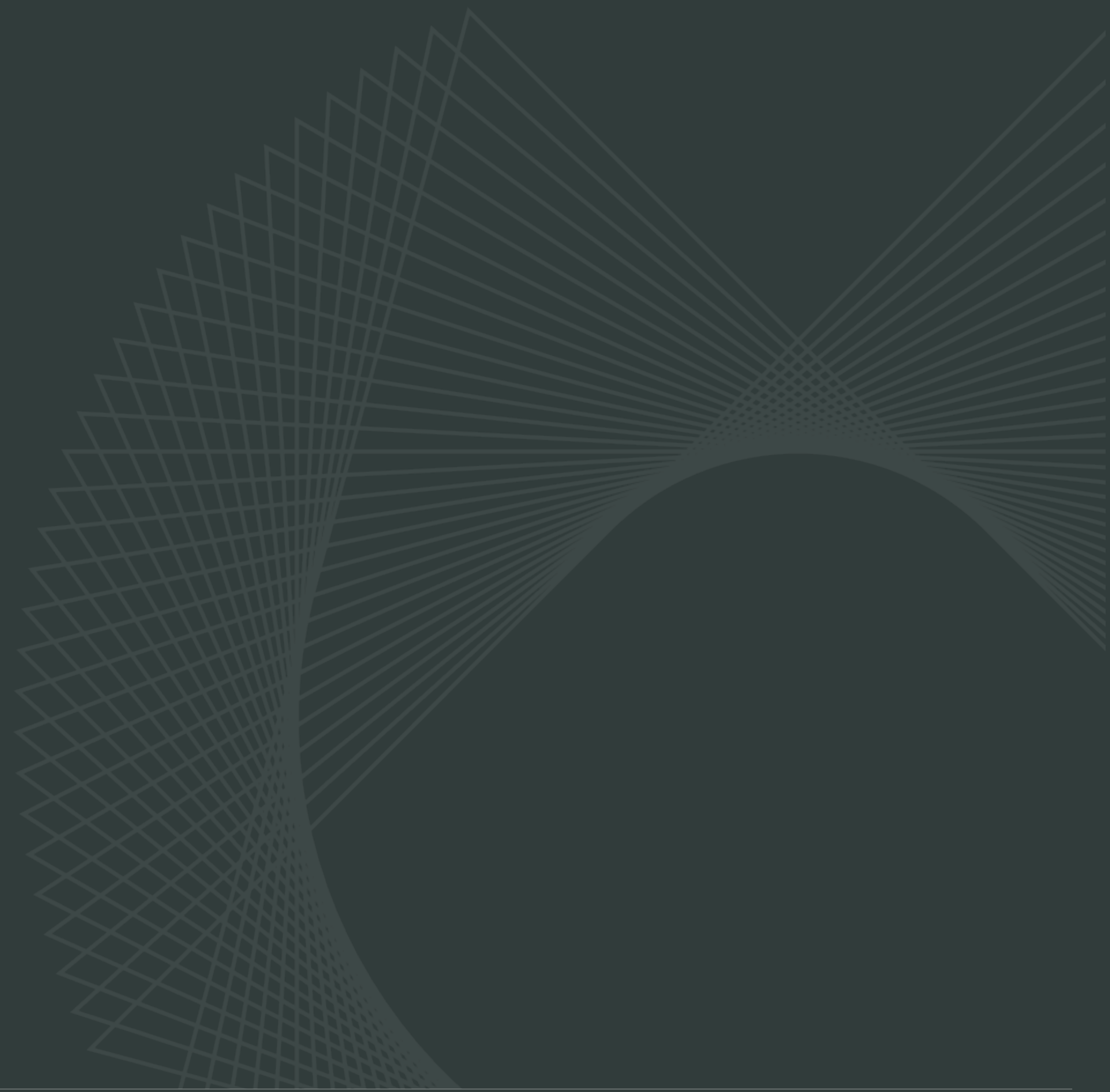
On consumer-focused digital strategy
and the future of luxury content

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Overview



Insights

- The case of Farfetch is a warning to luxury brands that an additive, reactive approach to digital adoption is not a recipe for success.
- Luxury needs to move away from a design-first approach to digital experience into a user-needs-focused approach built around a personalized, content-centric service model.
- Content strategy is critical to help luxury brands implement digital solutions that are appropriate, manageable, and scalable for their business goals, products, and audiences.
- Luxury brands should focus on creating an omnichannel digital e-commerce ecosystem focused on the model of content-as-a-service.

Introduction



Luxury e-commerce is full of holes. This is well known. The current unraveling of Farfetch, which announced the exit of over nine C-level executives, including CEO José Neves, is a symptom rather than a signal of what's to come for luxury online shopping.

As Bryce Quillin told Vogue Business, the axing of Neves is “no surprise,” but “[h]is departure will raise questions about the continuity of Farfetch’s work in luxury, especially given the departure of some major brands from the platform and the absence of luxury expertise at Coupang.” With Kering already in the process of moving its brands off the platform and Neiman Marcus Group close behind, the question remains as to whether luxury brands will adopt a wait-and-see approach or will decide to move off the Farfetch platform, which would begin a long—and expensive—path towards digital transformation.

The rapid acceleration of e-commerce adoption during the pandemic transformed luxury brands “from laggards to leaders” in the digital sphere. But this innovation came at the price of business-focused strategy



and sustainable, scalable operational processes and infrastructure to help brands manage all of this commerce and content for the long term.

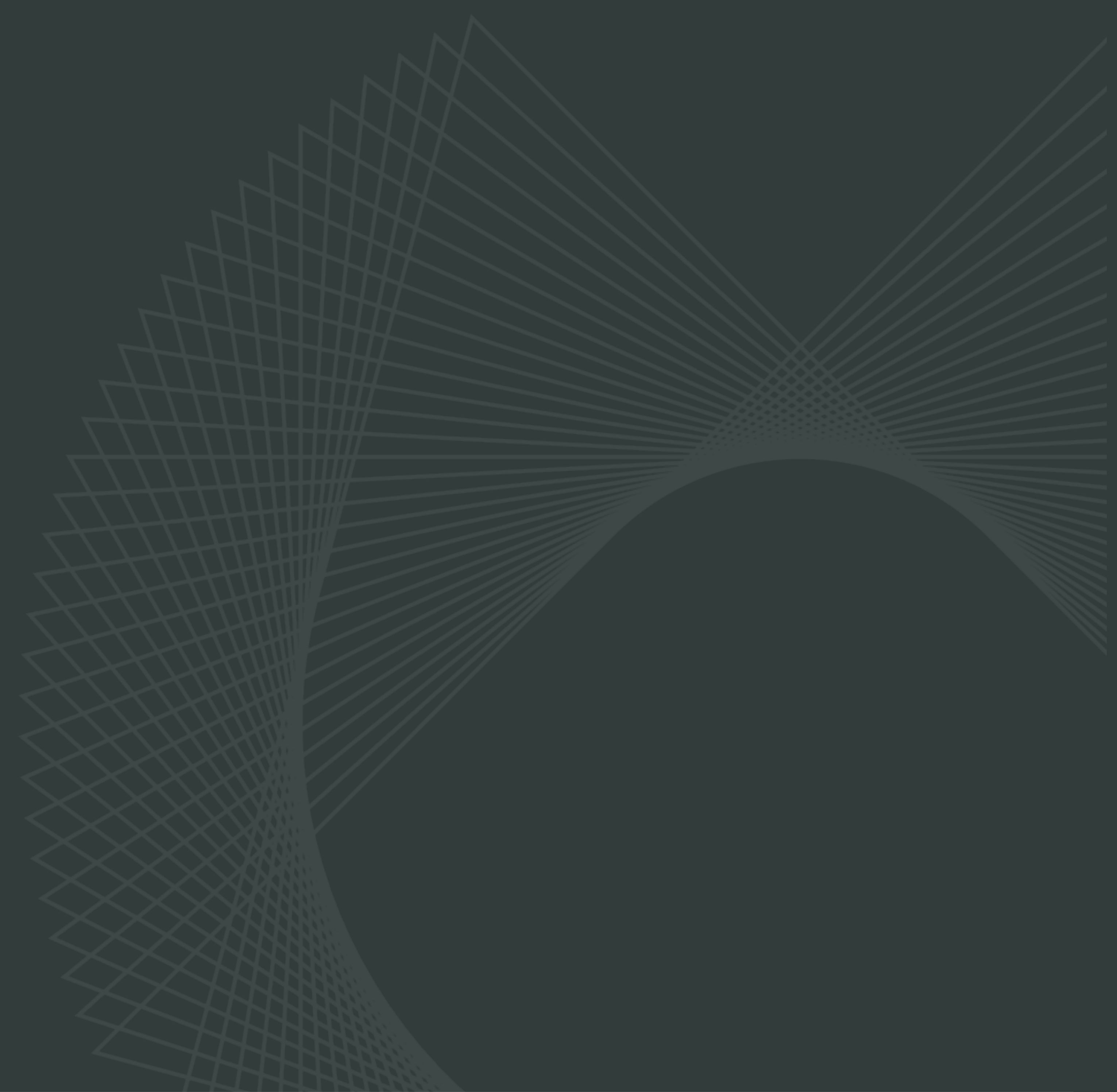
Farfetch is not the only luxury fashion e-commerce vendor suffering. As Imran Amed notes in an [open letter to the Coupang CEO](#), “From Net-a-Porter to Matches, once shining examples of fashion innovation are scrambling to contend with weaknesses in their business models, from the logistical friction and cost of managing shipping and returns to a lack of differentiation, which has led to an overreliance on discounting. Add to the mix the fact that big luxury brands are pulling back from third-party wholesale while customers are returning to physical stores after flocking to e-commerce during the pandemic because they are looking for better service and a more rewarding shopping experience.”

If luxury wants to create sustainable e-commerce that meets customer needs, sells products, and competes on the level of fast-fashion retailers from a technical perspective, it needs to focus on strategy and operational and digital infrastructure. One without the other is useless.



Now is the time for luxury content strategy. It is a critical tool to guide business decision-making when it comes to omnichannel content and the customer experience, which, in the world of luxury e-commerce, are everything. This is not to argue that content strategy will magically fix luxury's e-commerce problems. But, without spending time to create and implement a holistic strategy to guide content and content experiences across channels and a roadmap to get from their current state to a newly evolved state of digital maturity, luxury brands will end up exactly back where they are now if they proceed with their current additive, reactive approach to digital transformation.

Luxury E- Commerce Readiness and Content Maturity Models





From a technology perspective, one should not conflate Farfetch as a luxury marketplace with Farfetch Platform Solutions, its white-label enterprise e-commerce services. During the pandemic, Farfetch Platform Solutions was luxury's white knight and arose as if out of nowhere to fill a technology gap within the luxury industry. These e-commerce capabilities and the marketplace proved to be a boon for luxury brands and boutiques of all sizes that overnight gained access to the full sway of the digital market and a ready group of consumers stuck at home eager to shop.

The problem was that many of these luxury brands were in retrospect not digitally mature enough to handle the onslaught of e-commerce from either a business or content perspective. When a brand shifts to e-commerce, it makes an unspoken commitment to becoming an omnichannel brand with an evolved customer-focused service model and an integrated content ecosystem.

In e-commerce, consumers expect a basic level of features, functionality, and service. They want to discover and explore products, order the product they want (and know when it is in or out of stock), receive the



product they ordered in a timely fashion, complete returns and exchanges easily, and get the help they need when they get it.

E-commerce brings with it hordes of content to manage across and within channels, both externally and internally. This includes everything from front-end brand creative, product content, and back-end metadata to customer profiles, transactions, and purchase history. To manage and scale e-commerce successfully, brands need a fully evolved, holistic digital content strategy that balances the complexity of organizational needs with customer needs and that has a proper system and tools in place to drive and govern external and internal content across channels.

Digital maturity is not just about the technology any more than effective marketing is just about the story. It also is about the content and how that content is structured, planned, managed, updated, and archived. One way to think about digital readiness is through a content maturity model (Fig 1), which illustrates different stages of organizational approaches to content and content operations.

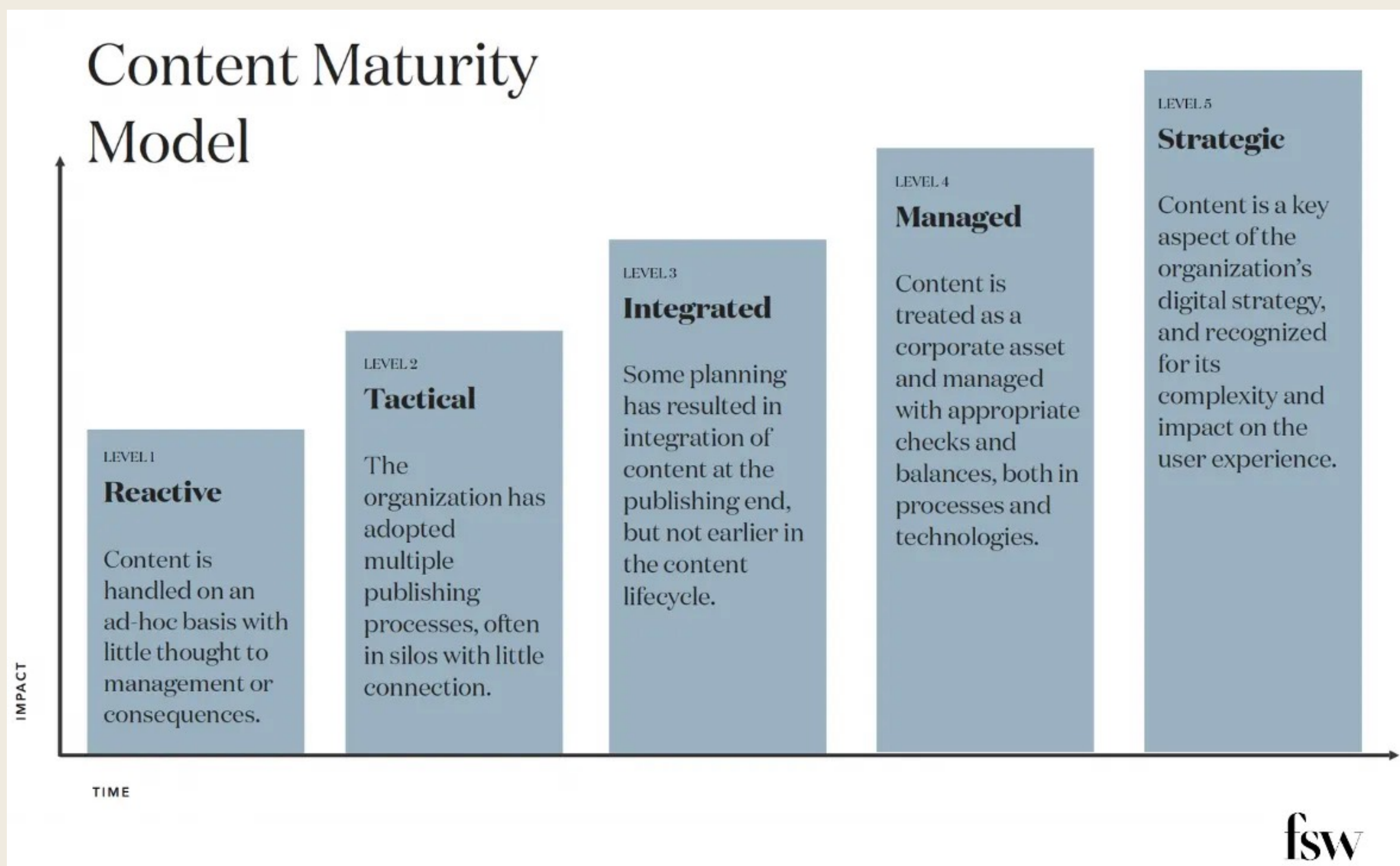


Exhibit 1. A content maturity model illustrates stages for digital readiness.

Source: Fashion Strategy Weekly

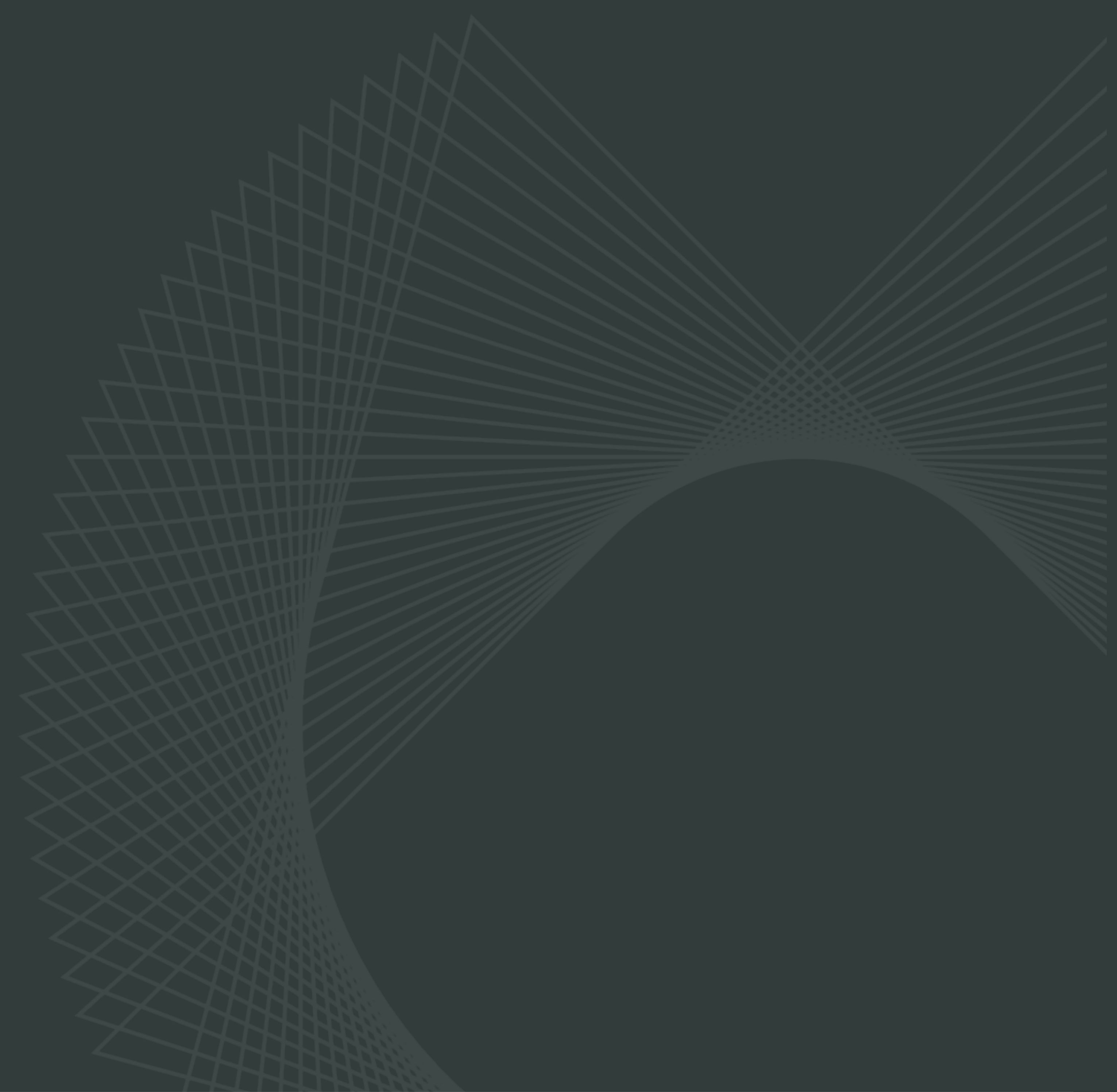
Most brands without a formal, documented content strategy fall at level 1 or 2 within the content maturity model diagram. In less mature content ecosystems, content is handled in either a fully ad-hoc or reactive manner or it is tactical with individual teams responsible for managing content within their specific channel or platform. More mature content ecosystems have in place a holistic strategy—or at least integrated cross-team approaches—to enable more centralized, consistent content operations, management, and planning within the organization and across channels.



The rubber meets the road with luxury digital content when it fails to meet consumer expectations and does not create the kind of highly personalized, elevated experience people expect. As we have argued, luxury content strategy requires a highly attenuated, brand-tailored approach because luxury is about experiences, not just products. In practice, this is not just a matter of effective content marketing to build social awareness and engagement within specific channels like e-mail, social media, or website product content.

For luxury, having in place a holistic, omnichannel content strategy as part of a mature digital strategy builds the short- and long-term plan and operational infrastructure to manage more cohesive yet customized content and, in turn, high-end experiences for discerning customers everywhere they encounter a brand's products and content.

Luxury Digital Needs to be Content-First, not Design-First

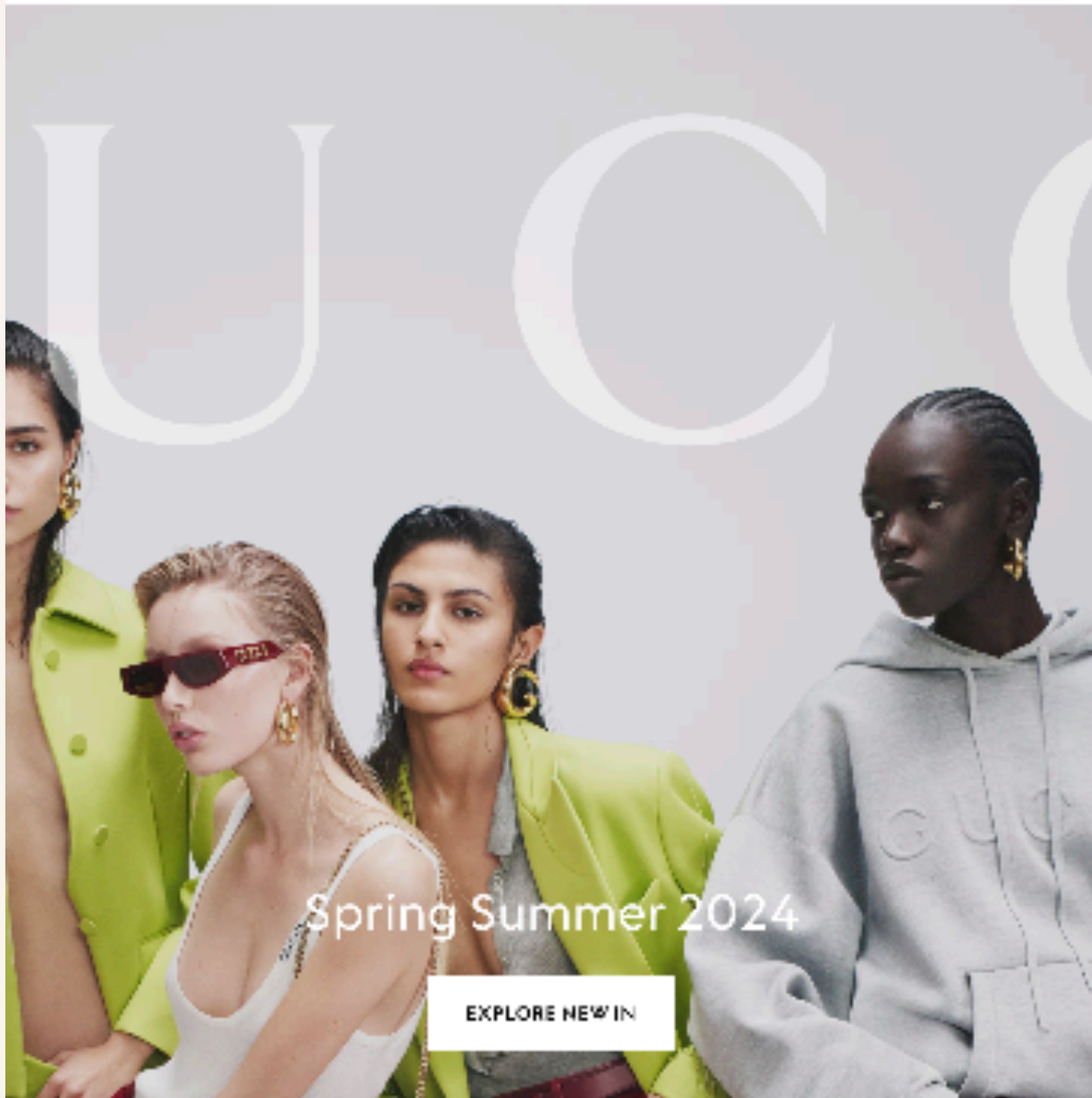




Building an omnichannel integrated content strategy is the sign of a mature digital organization but it only matters if the brand takes the right steps to implement it. This is the troubled realm of luxury digital transformation.

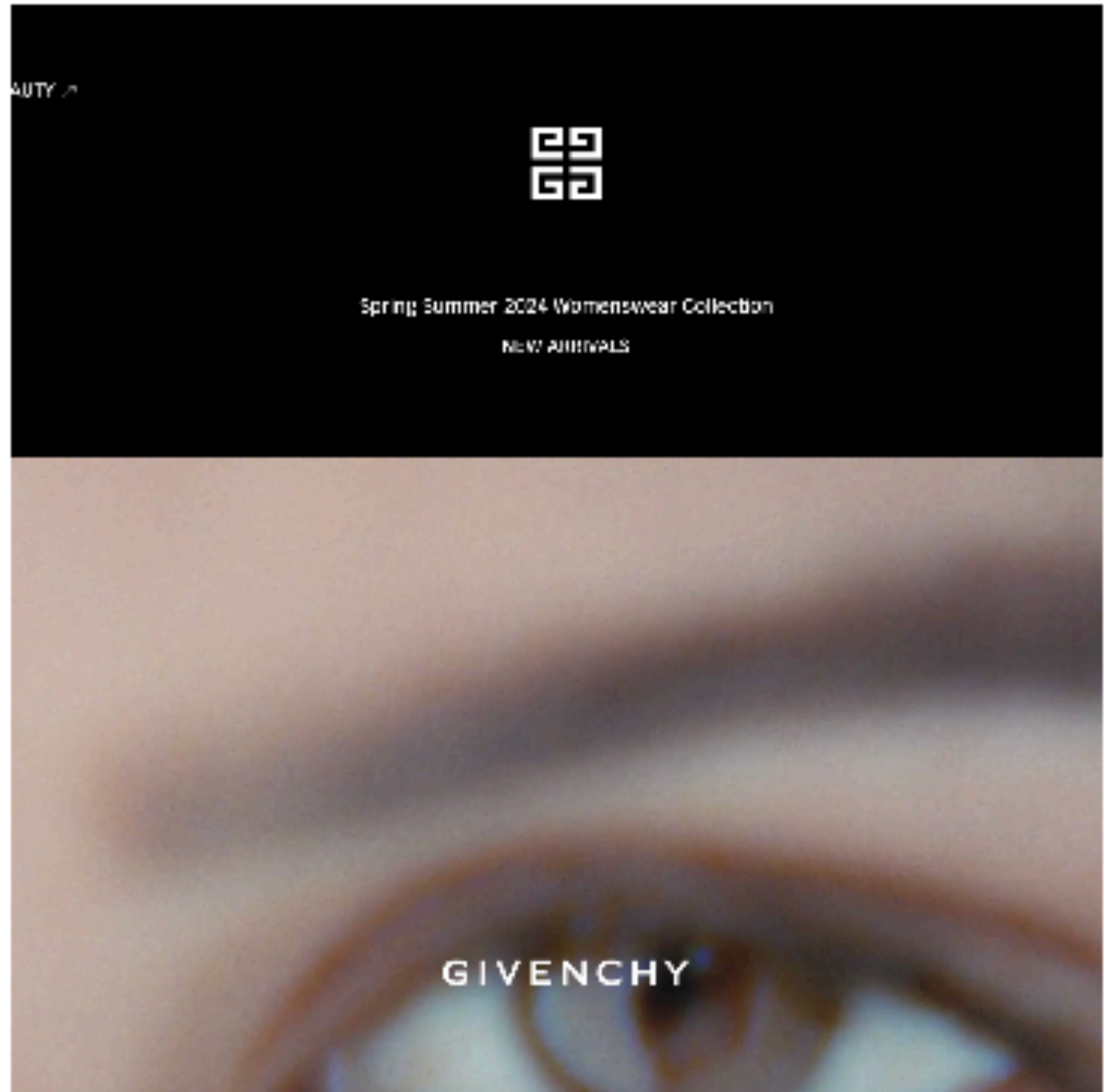
Luxury digital, like luxury itself, specializes in creating beautiful digital experiences. The problem is many of these digital experiences, while aesthetically appealing, favor visual design over content strategy and result in digital storefronts that may not meet user needs and fail to take into account the increasingly diverse ways through which people discover and find products and information.

A quick audit of a few luxury brand websites quickly illustrates that many of these sites look and feel similar, complete with a full-bleed hero image or video near the top, minimal navigation, a call-to-action buried at the bottom of the main image (or not there at all), and product components usually pushed below the fold, requiring users to scroll to find them.



Rewatch our 2024 Artisanal show and enjoy an exclusive behind-the-scenes preview of the key looks.

Maison Margiela
PARIS



DIOR



Exhibit 2. Luxury digital has a sameness problem.

Source: [Gucci](#), [Givenchy](#), [Maison Margiela](#), and [Dior](#) websites



Even the newly rebranded Burberry website, while it has clear navigation at the top of the page and functional search, reflects a design-centric approach to digital design and lacks clear, guided content pathways for users, never mind an almost insurmountably difficult mega-navigation menu.

Luxury brands need to stop taking a design-first approach to digital transformation. Good e-commerce user experiences—meaning digital experiences that delight, inspire, and guide consumers and that are easy to use, intuitive, and accessible—are neither design-first nor content-first. They are collaborative and holistic, originating in strategic thinking about how, why, and where consumers shop within and across channels, what they value and expect from a brand, and how their needs and habits shift from platform to platform. In the land of requirements gathering for a digital launch, thinking about minimal viable product (MVP) features and functionality always should prioritize what drives a better user experience over attractive design components and what is most convenient for development teams. This should not be controversial yet often with design-led projects it is.



All of that said, approaching digital transformation through a content-first lens is an important, highly neglected exercise. The reality is that brands do not think about content until they have to think of content (usually when facing unavoidable transformation) and even then it is an afterthought. This is why the user experience on so many fashion and luxury websites is pretty but not focused on user needs, never mind not built for personalization.

For instance, content architecture modeling is a pre-design step that often gets skipped. Yet it is critical to help a brand think about what consumers need from content, how they use a site, what features and functionality they might need, and how they travel across content touchpoints.

Content architecture refers to the structure of a brand's content within a site, not the actual information architecture or navigation of a website itself. The two may overlap in some ways but are distinct. Modeling content architecture at a system and a page level is critical to building digital experiences that meet and anticipate audience needs and that encourage discoverability and findability, particularly in the context of



approaches like structured content, which allow a brand to build a system of reusable content parts. A content architecture model maps out brand storytelling down the page and across pages, determining what the main content pieces are, how they are scaffolded and interrelate within a page, and how they flow from one page to the next. Understanding how a user travels through a site one piece of content at a time can help alleviate user pain points and guide them to what they want to find faster and more efficiently.

A user travels through a site one piece of content at a time.

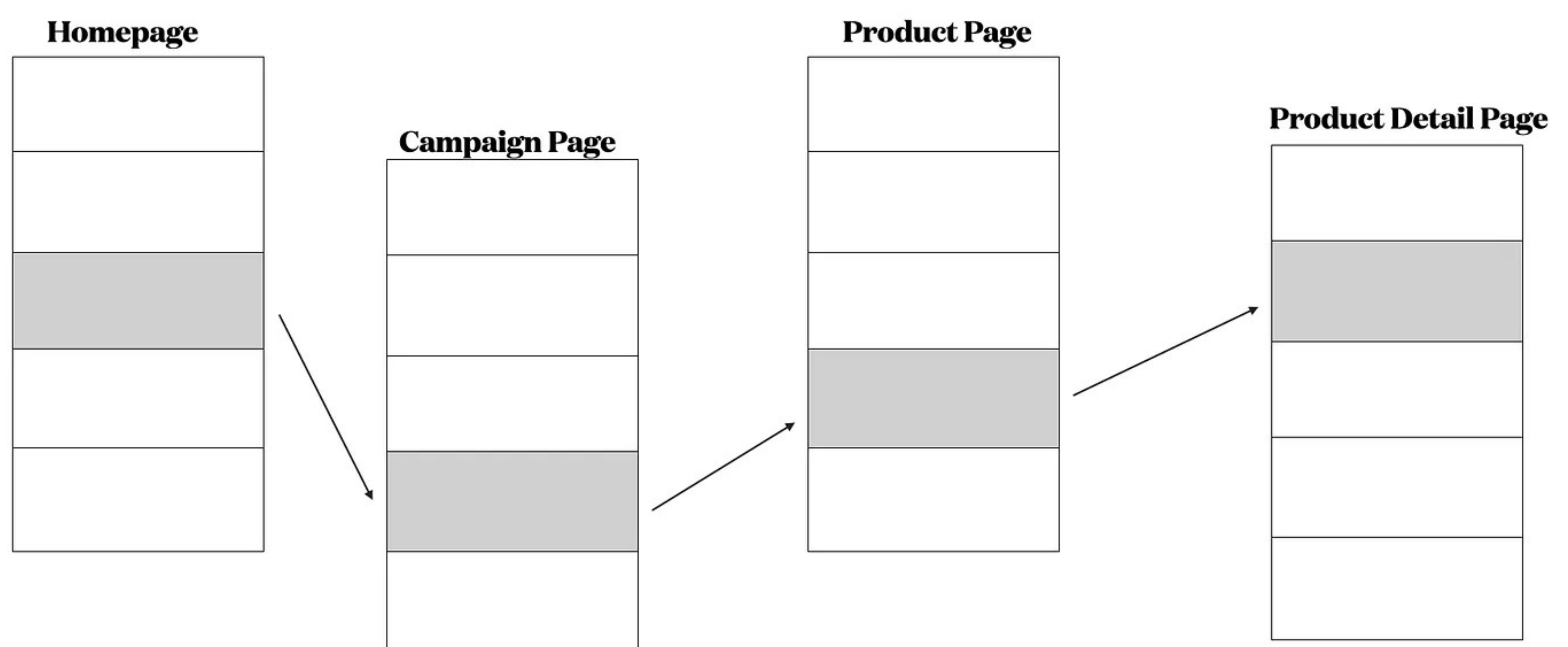


Exhibit 3. A guided content architecture model.

Source: Fashion Strategy Weekly



A sophisticated content model based on structured content for an enterprise content ecosystem treats content as data and is invariably complex. But this kind of model is also flexible with reusable content parts that can pave the way for a single source of truth for each piece of brand content. Content strategist Carrie Hane has written a useful [beginner's guide to structured content](#) that usefully explains the methodology.

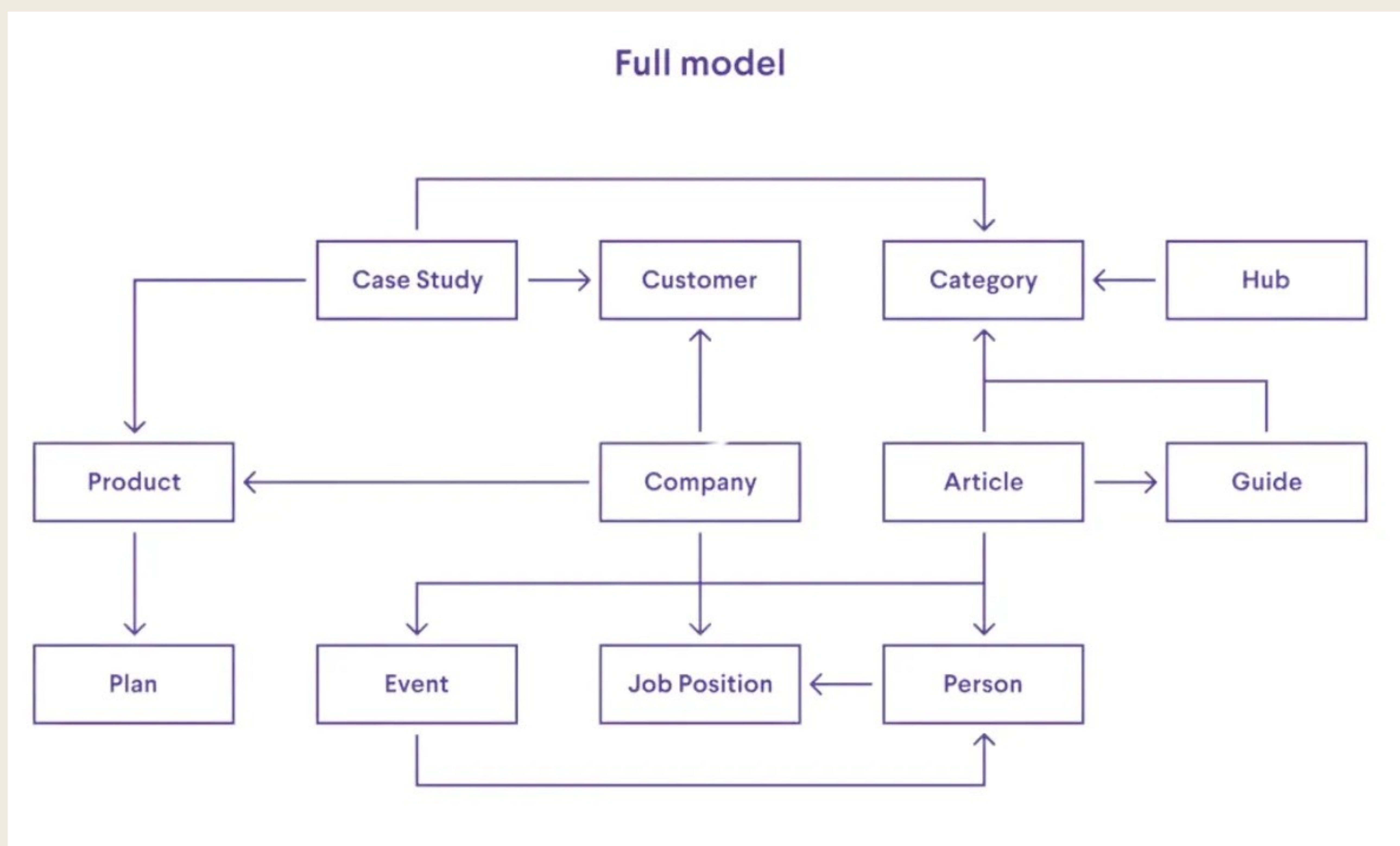


Exhibit 4. A sample of a structured content model.

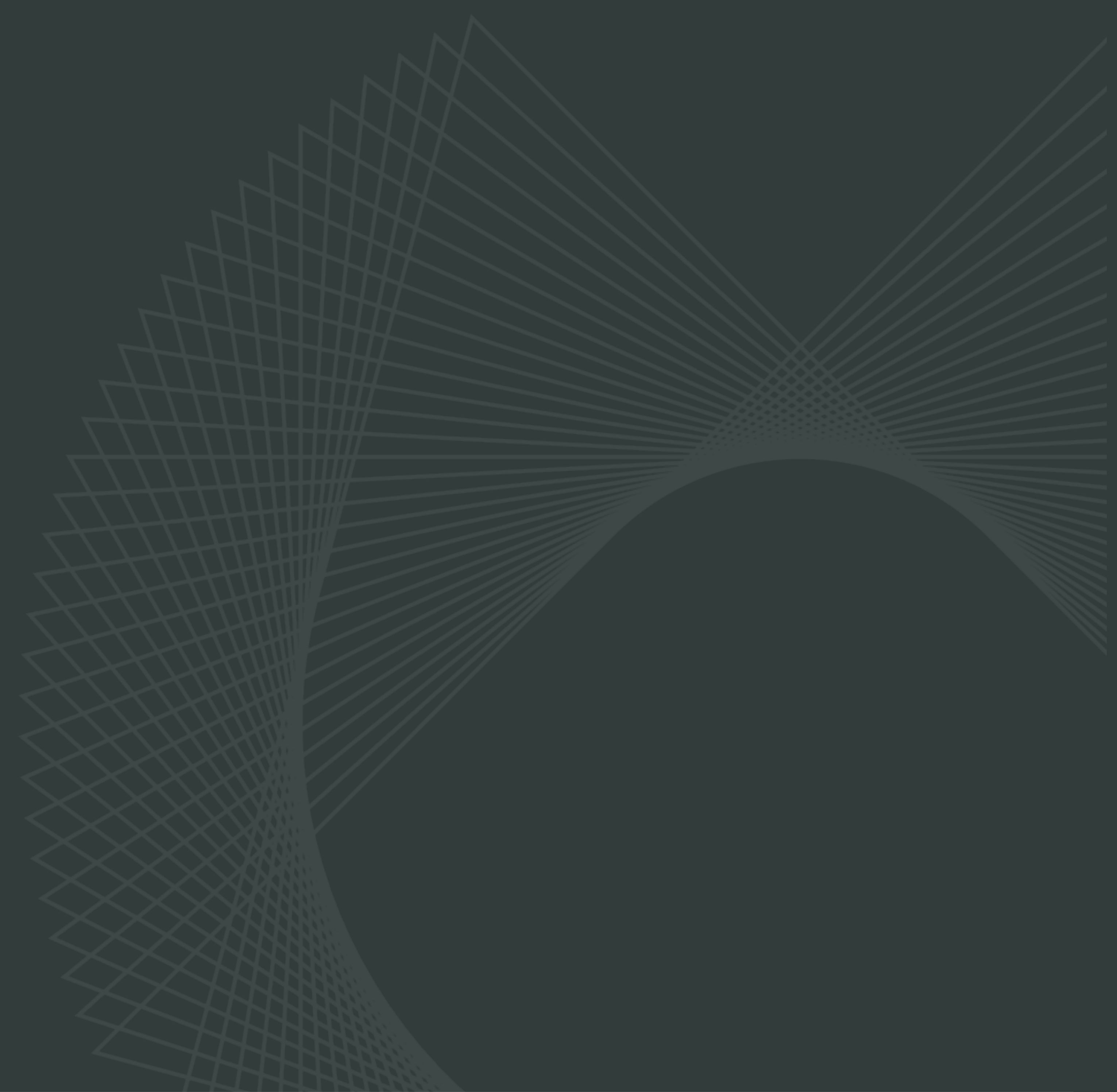
Source: [Sanity/Carrie Hane](#)



For luxury e-commerce, structured content offers many interesting advantages, both in terms of omnichannel content planning, development, and re-usability as well as overall organizational content operations efficiency and management.

Adopting a “content-first” mindset towards digital touchpoints allows luxury brands to build more personalized, guided experiences for consumers and to imagine and create deeper, more dynamic transmedia storytelling across channels.

Re-Platforming from Farfetch: Different Solutions for Different Brands





When considering “re-platforming” from a multi-layered tool like Farfetch, brands must keep in mind that digital transformation is not a straightforward process.

Any brand moving away from Farfetch should be aware that re-platforming is tricky from a front-end and back-end perspective, never mind legally and organizationally. There is no “lift-and-shift” when it comes to digital transformation, especially where e-commerce is involved.

Farfetch Platform Solutions has a big reach, with over 43 luxury partners, along with over 700 independent boutiques and almost 3,000 independent designers. Many of these smaller brands would not survive the collapse of Farfetch, which is worrying. As Bryce Quillin told Vogue Business, “The largest impact of a collapsed or impaired Farfetch will be felt by smaller and independent brands who do not have the resources to easily replace [them]. Farfetch not only provides a sales platform but, for an additional fee, will also manage other logistical functions like delivery and returns. There are other options in the marketplace, but none quite so comprehensive as Farfetch.”



If Farfetch goes under, luxury brands are less likely to feel the effects simply because they have resources. But, determining a new platform is not an easy decision as there is not a ready replacement.

One option is the Kering-owned YNAP, which has its own online flagship store platform. Other options for enterprise brands include platforms like Adobe Experience Manager (AEM), which has sophisticated e-commerce functionality along with robust hybrid cloud content management and even headless CMS capabilities. Smaller brands, on the other hand, are more natural candidates for Shopify, which is built for e-commerce at scale for small- to mid-sized brands.

But moving an entire brand product ecosystem from one platform to another is a matter of large-scale digital transformation, including a ton of content, metadata, and the like, never mind all the logistics of rebuilding a system architecture. Content strategy offers luxury brands some useful ways to start thinking about where to start and what to prioritize when it comes to e-commerce site re-platforming. Here are some approaches to consider when re-platforming away from a solution like Farfetch.



Step back and conduct a content audit to capture the current state of luxury e-commerce content.

Evaluate the current state of brand content on existing platforms and channels and create a model for the brand's current content ecosystem, including mapping out systems, tools, teams, workflows, content types, channels, and more. This audit should also identify top-performing products, keywords, and qualitative and quantitative user engagement metrics to identify gaps and pain points, which will help prioritize content migration and optimization efforts.

Build content-focused user personas and journey maps to capture user needs and preferences concerning content.

Identifying and understanding a brand's unique audiences and their needs and habits is at the core of luxury e-commerce and marketing. But, few brands think about creating user personas and journey maps specific to content and how users experience it. The difference? Traditional UX persona definition groups people into categories based on generalizations of personalities or shopping behaviors.



Approaching user personas and journeymapping through the lens of content is no different, only it considers users' content needs and preferences, what they expect from brand storytelling and product content, what types of content they prefer as well as any perceived gaps and pain points, and when and where they interact with brand content. Content-focused journeymaps, in turn, capture how users move within and across content touchpoints. Examining the user content experience can help luxury brands tailor features and functionality to user needs and build a more targeted roadmap toward truly personalized digital experiences. In this way, thinking about what shoppers need from content within the luxury e-commerce experience can help brands design a more intuitive, guided experience for users when re-platforming, ensuring a seamless transition and enhanced user experience.

For luxury e-commerce, content-focused user personas should also involve diving into thinking about luxury products themselves as content and how customers experience them. How does brand clothing express and articulate a designer or brand's point of view? If the branding or logos are stripped away, are the garments still identifiably distinct?



Say, remove the signature plaid from a classic Burberry trench, the garment remains distinctly Burberry through the cut, construction, and silhouette. However, the same approach is questionable for many of the coats within Daniel Lee's Fall-Winter 2024 collection, which arguably are striking but not distinct.

Build AI-ready content operations and SEO practices to ensure an easier transition to new tech platforms and tools.

Artificial intelligence (AI) is an important part of the content future of luxury e-commerce brands. But, while piloting AI tools is critical for brands to determine what is useful and what is not, implementing AI content tools at scale is entirely another matter. If luxury brands think that AI is going to save time and money on expensive agency marketing and content creation, they should think again, at least for the short term.

Attempting to replace content writers, editors, visual creators, or even call center representatives with AI tools and chatbots without proper content operations and governance practices in place is a recipe for disaster. At our agency It's A Working Title, our line is: "AI won't solve your content problems; content strategy will."



For luxury e-commerce brands, AI tools work best for ideation or in controlled content interfaces with highly regimented processes and rules. Luxury consumers expect quality from luxury brands, which is something that AI simply cannot deliver at scale without human intervention. Building editorial workflows for AI-produced content to ensure that every piece of content is fact-checked and reviewed by a human editor or SME is critical, both as a quality assurance but also to avoid any legal or compliance issues.

However, when re-platforming, AI tools can assist internal teams in optimizing existing content and establishing AI-ready content operations and SEO practices. Teams can experiment with AI-powered tools for content creation, curation, and optimization to streamline workflows and enhance content quality. Or they can use AI for tasks like keyword research and predictive analytics to forge new understandings toward a future of content personalization.

Invest in a content migration strategy tailored to the brand's resources and teams.

Re-platforming is not simply a matter of migrating designs and content from an old platform to a new one. Despite what many IT teams insist,



content migration is never simply a matter of “lift and shift.”

Luxury brand content teams need to determine what content fits into any new designs, what needs to be optimized, and what should be archived. This decision-making then determines what content migration can be automated and what needs to be manually moved, along with what content maps to where from an old design into a new experience and platform.

Content teams also need to consider internal resources available to assist with any content re-writing or new content creation. Product content may need to be reorganized to fit within a new content architecture. Or an entirely new approach to UX and content design may be needed, depending on if a new site design is involved.

Create an omnichannel digital e-commerce ecosystem focused on content as a service.

Luxury e-commerce brands deciding to move away from Farfetch have a unique opportunity to upscale their approach to brand storytelling, product marketing, and customer experience through a new model of content-as-service.



The idea of content-as-a-service focuses on delivering elevated customer experiences through content that matches brand vision to customer needs. Content-as-a-service is all about personalization, improving internal content strategy, operations, marketing, and governance, and building more consistent, manageable avenues for powerful brand storytelling that sells products and maintains the sense of exclusivity and customization that luxury consumers expect from luxury brands. The idea of content-as-a-service is not new. But, it has more weight in light of the real need to cap all the waste happening within luxury brands when it comes to content and communications spending, never mind the need for more transparency and accountability with important issues like sustainability and corporate responsibility.

For luxury brands, delivering content-as-a-service is all about investing in holistic, omnichannel content strategy as a normal business function, just like brand strategy and marketing. Many people like to blame luxury e-commerce's struggles on poor brand strategy and the overall economic climate, particularly for multi-brand retailers. Yet, one of the great advantages of luxury—its focus on brand vision and storytelling—can also be its Achilles heel when it comes to building meaningful digital experiences because it causes brands to focus inwards on their own



goals and not outwards on consumer experience. Content strategy is the enabler that translates brand strategy into action and experience. It builds a framework or architecture for storytelling and discrete models, repeatable processes, rules, templates, and content types that companies can use to communicate their brand story and products in a consistent, vision-centric way.

How can luxury e-commerce be part of a new consumer-focused content future? As we have covered, the new brand-consumer paradigm is all about authenticity, customer-driven modes of engagement, and shared storytelling. Luxury brands that are uncertain about how to build digital readiness for new shopping platforms like TikTok shop and other future e-commerce disruptors simply need to take stock and ownership of their content and focus on building integrated approaches to brand content across platforms.

Like all strategy, implementing content strategy within a brand is difficult to impossible without organizational buy-in and a willingness to change. Understanding content in our widened definition of “any touchpoint where your audience encounters your brand messaging,” content strategy marries business needs with customer needs and provides an



integrated framework and roadmap to help brands plan, create, manage, and distribute content across channels. Establishing a holistic framework to guide content strategy and content operations across channels is critical for luxury brands. Not only does content strategy reduce internal siloing and reduce content spend overall; but also it enables better storytelling within and across channels, never mind expanding efforts towards a future of transmedia storytelling.

Regardless of what happens with Farfetch, investing in content strategy is beyond essential for luxury e-commerce brands. Building scalable, sustainable e-commerce



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