DIGITAL
Divas

WHO ARE **DIGITAL DIVAS** AND WHY SHOULD RETAILERS CARE?

THE UNIVERSITY OF ARIZONA | COLLEGE OF AGRICULTURE AND LIFE SCIENCES | NORTON SCHOOL OF FAMILY & CONSUMER SCIENCES

TERRY J. LUNDGREN CENTER FOR RETAILING

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Retail is in the midst of unprecedented change, especially in the fashion segment. Vertical integration, global expansion, and emerging brands have created fierce competition. To effectively compete in this new reality, capturing market share from the connected and empowered consumer is an imperative.

To better understand fashion consumers in the changing face of retail, Demandware partnered with the University of Arizona to survey more than 7,000 consumers in the US, the UK, Germany, and France. The research, conducted online in the fall of 2012, revealed that there is an emerging and valuable consumer segment that retailers should be aware of and serve. They are both digitally engaged and fashionable consumers.
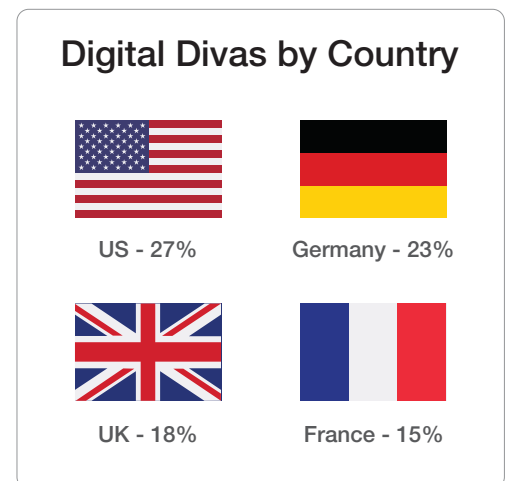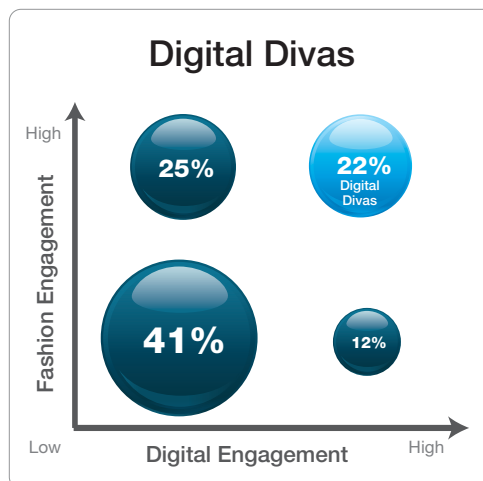
They are Digital Divas. They own more than two-thirds of fashion purchasing power.

Digital Divas are defined as consumers who are highly engaged with both fashion merchandise and digital technology:

- **Fashion Engagement:** Digital Divas are brand conscious consumers who value style over function. They enjoy shopping and are in tune with current fashion trends and products. Beyond shopping, they enjoy introducing and sharing experiences about merchandise and designers with their friends, family, and colleagues who seek and trust their advice.

- **Digital Engagement:** Digital Divas leverage an average of 3.7 technologies while shopping (versus an average of less than one technology by non-divas). Digital Divas in Germany and France have the lowest digital engagement, but still utilize an average of just over 3 technologies throughout their path to purchase. Regardless of the region, this digital engagement highlights the importance of seamless experiences across devices such as smart phones, tablets, laptops, in-store kiosks, and points-of-sale.
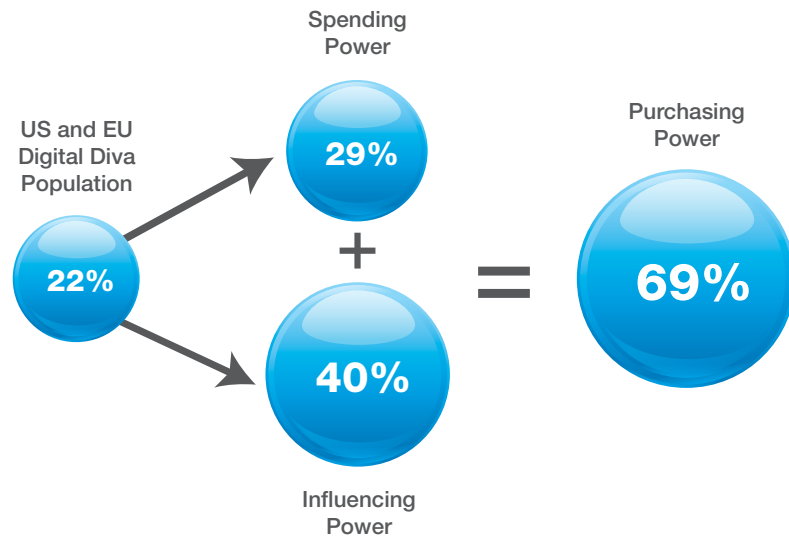
The research shows that Digital Divas represent 22% of fashion shoppers. The US has the highest percentage of this segment (27%) followed by Germany (23%), UK (18%), and France (15%). These highly engaged shoppers are comprised almost evenly between 53% women and 47% men. Yes, Digital Divas are men too! They have significantly higher household incomes than non-diva populations in the four countries surveyed. 64% of Digital Divas are 25-44 years old, 68% have children, and 71% are the primary wage earners within their households.

Digital Divas

High

Fashion Engagement

25%

22%
Digital
Divas

41%

12%

Low

Digital Engagement

High

Digital Divas by Country

US - 27%

Germany - 23%

UK - 18%

France - 15%

DIGITAL DIVAS OWN MORE THAN TWO-THIRDS OF FASHION PURCHASING POWER

While Digital Divas comprise a relatively small percentage of fashion shoppers, their purchasing power represents 69% of all fashion spend in Europe and the US. Purchasing power is a combination of their direct spend (29%) and influenced spend (40%). Direct spend by Digital Divas differs across regions, accounting for 34% of fashion purchases in the US and 24% in Europe. Plus, these market mavens command significant influenced spend beyond their direct spend because they actively share information about their product purchases and retail experiences with non-divas. By our estimates, Digital Divas indirectly influence an additional 43% of spend in Europe and 37% in the US given their word-of-mouth impact on non-divas.

As opinion leaders, Digital Divas are five times more likely than non-divas to influence friends, family, and colleagues by sharing likes and dislikes, which makes them an exponentially valuable segment to attract and retain. Beyond their frequent shopping trips and purchases, Digital Divas are at the epicenter of a brand's success because the ripple effect of their point-of-view emanates throughout their social network.

Spending
Power

US and EU
Digital Diva
Population

Purchasing
Power

29%

22% +

= 69%

40%

Influencing
Power

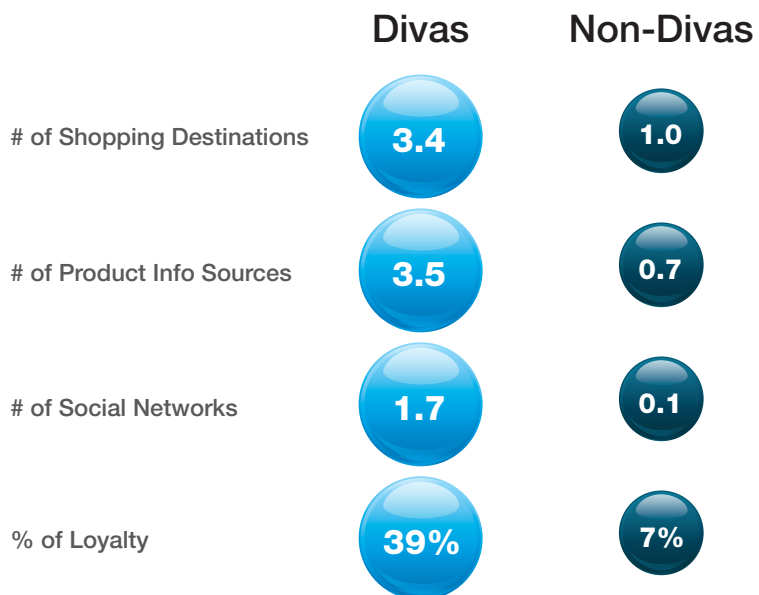## DIGITAL DIVAS CONTROL THEIR SHOPPING EXPERIENCE

Our research highlights that these connected consumers are both knowledgeable and empowered. Digital Divas direct every aspect of their shopping experience and are equipped to filter and prioritize where, how, and when they engage with retailers. Their shopping journey is characterized as…

Fragmented – Digital Divas visit an average of 3.4 destinations during their journey, primarily shopping at physical retail stores (70%) and retailer websites (51%). Bricks are not dead for Digital Divas as they value the tactile nature of the in-store experience. And because they shop across multiple channels – using multiple technologies and visiting multiple destinations – Digital Divas expect fluid and highly relevant interactions, where their context with the brand is never lost.

Informed – Digital Divas are information omnivores, seeking out and devouring a myriad of content to make smarter decisions. They are diligent, gathering product information from an average of 3.5 sources before purchase. 52% state that they always or almost always read online customer reviews and 50% read product ratings on retailer websites. Conversely, only 36% consult information provided by fashion designers.

Social – Digital Divas are extremely active with social media, enhancing their position as opinion leaders by utilizing an average of 1.7 different networks to inform, educate, advise, and influence others. Facebook is the most popular medium with 40% of Digital Divas using it to share positive and negative experiences, surpassing Twitter and Pinterest at 31% each.

Untethered – Although Digital Divas are one-third more loyal to retailers than non-divas – with 39% claiming to have a favorite fashion retailer – there is 61% of market share to be gained by those who focus and deliver on what is important to these influential spenders

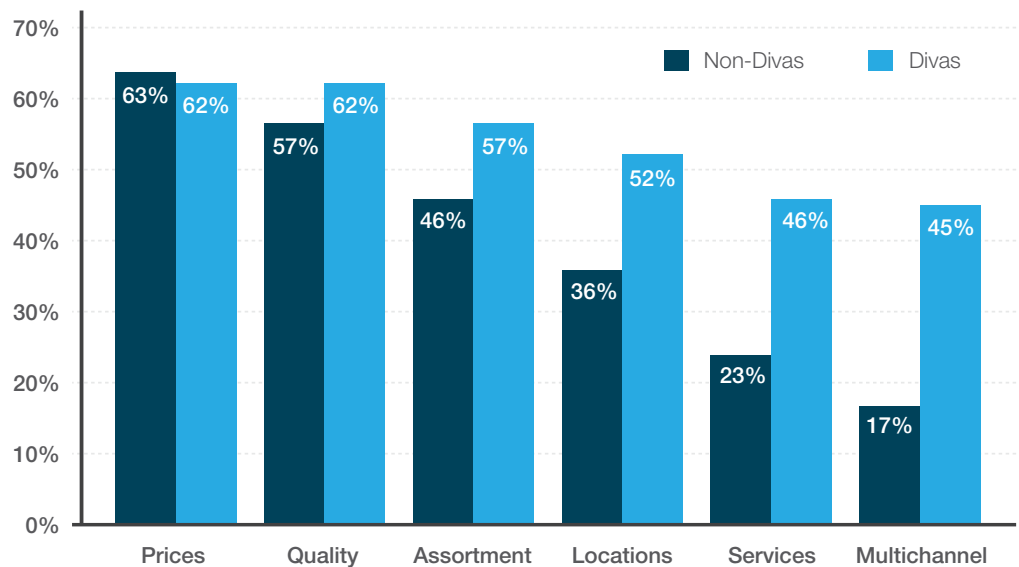|	Divas	Non-Divas
# of Shopping Destinations	3.4	1.0
# of Product Info Sources	3.5	0.7
# of Social Networks	1.7	0.1
% of Loyalty	39%	7%

DIGITAL DIVAS VALUE SERVICE AND MULTICHANNEL EXPERIENCES

Digital Divas are smart shoppers. They are much more likely to leverage discounts and promotions than non-divas – and do the legwork to uncover them – although both segments are price sensitive and demand quality. As compared to their counterparts, level of retailer service and quality of multichannel experiences has a significantly higher influence on where Digital Divas choose to shop.

Given the power that Divas hold, they have twice the expectations as non-divas for personalized and exceptional service. This underscores the importance for retailers to understand these consumers – effectively managing profile, preferences, and history insights – for timely and relevant offers and treatment.

The shopping experience across multiple channels is an important consideration for 45% of Digital Divas compared to only 17% of their non-diva counterparts. Digital Divas intuitively blend both the physical and virtual worlds and expect retailers to provide a digital backbone that supports individual, fragmented moments across multiple channels. They often conduct research before they enter brick and mortar locations, highlighting just how critical it is for retailers to digitize their stores and empower their associates with the same knowledge as these influential shoppers.

Legend: ■ Non-Divas ■ Divas

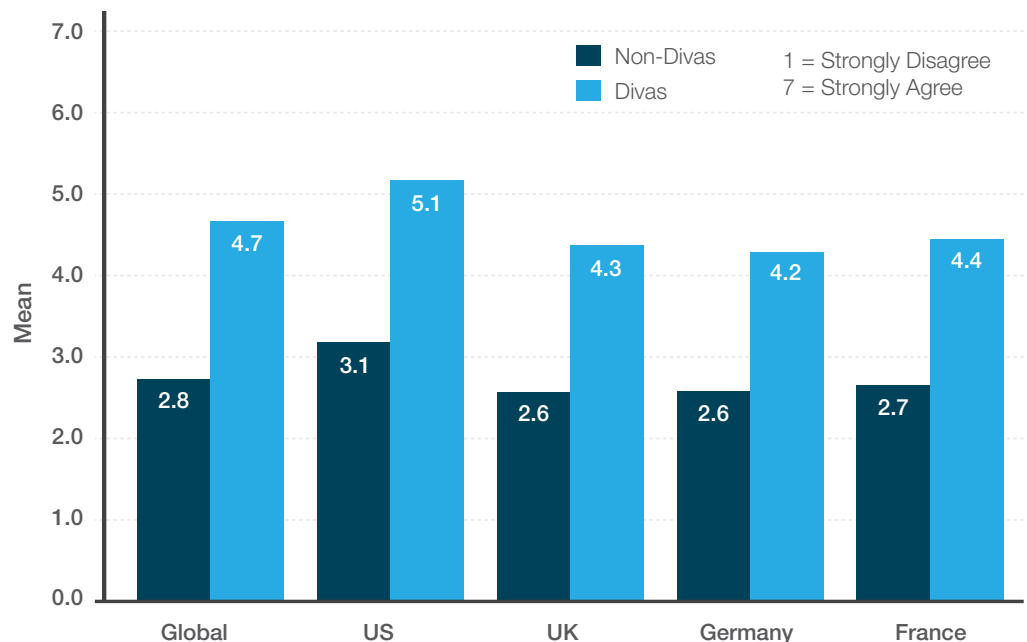| Category	Non-Divas	Divas
Prices	63%	62%
Quality	57%	62%
Assortment	46%	57%
Locations	36%	52%
Services	23%	46%
Multichannel	17%	45%

DIGITAL DIVAS EMBRACE MOBILE IN THE STORE

Digital Divas are two times more likely to use mobile devices while shopping in stores than non-divas. Their high adoption of mobile technology means that Digital Divas have both the access and inclination to not only communicate but also shop on the move. Mobile devices provide them with a powerful tool for instant connection and influence. They are most likely to use their mobile device to review special promotions and discounts (46%), or to order out-of-stock products if these are shipped to their homes for free (45%). In the UK, Divas are most likely to use their mobile device to identify themselves as loyal customers to receive personalized offers, which could be a reflection of the successful loyalty programs of Tesco and Sainsbury which reward members with unique discounts.

Retailers are being forced to transform their stores as Digital Divas continue to embrace mobile – and persuade non-divas to do so as well. Retailers that resist this market pressure will likely fall prey to practices like showrooming – where shoppers visit a store location to touch and feel a product and then use a digital channel to find and purchase the same product – which erodes market share and customer loyalty. Digitally savvy consumers and associates expect an engaging store experience that cannot be supported by traditional applications and architecture. Legacy software will give way to mobile devices and cloud technology, which provide ubiquitous and seamless access to both the online and offline experiences.

Intent to Use Mobile Technologies

Legend: Non-Divas, Divas. 1 = Strongly Disagree, 7 = Strongly Agree

	Global	US	UK	Germany	France
Non-Divas	2.8	3.1	2.6	2.6	2.7
Divas	4.7	5.1	4.3	4.2	4.4

FOCUS ON DIGITAL AND FASHION ENGAGEMENT

Retailers have an opportunity to invest in capabilities that enhance digital engagement and increase fashion engagement…

Digital engagement starts with knowing your customer by tracking their footprint across channels, devices, and applications. This insight will help you identify your Digital Divas so you can fulfill their shopping expectations. To do this effectively, retailers must establish a digital backbone that enables seamless and consistent experiences that are device agnostic but context aware.

To increase fashion engagement you must identify advocates and create a way for the Digital Divas to communicate their needs and wants, as well as a way to listen and respond. Their voices are loud and influential, so it's important to embrace them. Remember that they demand information – so treat all content as gold and empower store associates to be brand ambassadors.

METHODOLOGY

The University of Arizona and Demandware partnered to better understand fashion consumers in the changing face of retail. Survey data was collected from representative online panels in the US, UK, Germany and France during the fall of 2012. Qualified respondents were primary household shoppers of fashion products (apparel, footwear, and accessories) aged 18 years or older who had made a fashion purchase in the past three months. The survey sample included a total of 7413 respondents, 3506 in the US, 1433 in the UK, 1380 in Germany, and 1094 in France.

AUTHORS

Anita D. Bhappu, Ph.D.
PetSmart Professor, Retailing & Consumer Sciences, The University of Arizona

Charles A. Lawry
Doctoral Candidate, Retailing & Consumer Sciences, The University of Arizona

Rob Garf
Vice President of Product and Solutions Marketing Demandware

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