Singapore Management University

Institutional Knowledge at Singapore Management University

Perspectives@SMU   Centre for Management Practice

1-2020

Love, Bonito: Brick-and-mortar lessons from an online fashion brand

Singapore Management University

Love, Bonito: Brick-and-mortar lessons from an online fashion brand

31 Jan 2020

Three things stand out: The omnichannel North Star metric; quantifying the customer experience; and dressing rooms

About six years after it began operations as an exclusively online business in 2010, Singapore-founded fashion label *Love, Bonito* decided to explore brick-and-mortar retail. Today it has 16 stores across the region with outlets in its home market as well as Malaysia, Indonesia, Cambodia and Hong Kong.

"We realised being in the business of womenswear, that no matter how great our sizing A.I. tools, customers still want to touch and feel and experience the product," says **Dione Song**, Chief Commercial Officer at *Love, Bonito*. As it expands its offline footprint, Song observes lessons the company has learnt in physical retail.

"A lot of women in Singapore shop with their girlfriends or mother or sisters; they shop in groups," Song shared in a Q&A session at the recent Asia Retail Leaders Conference (ARLC) 2019 held at Singapore Management University (SMU). "When we started going offline we introduced modular fitting rooms where groups of women can come in together. We realise that women want to give feedback to one another; shopping is not just transactional, but experiential.

"In traditional brick-and-mortar shops you usually get split into different dressing rooms and you have to go down the aisle to ask your girlfriend how your outfit looks. It's not very welcoming nor friendly. And in Asia we're sometimes a little shy to walk out and ask, 'How does this look on me?'"

APPLYING ONLINE LESSONS OFFLINE

Song elaborates that such findings were not results of applying e-commerce principles in the real world but were instead "customer observation" and a thoughtful anticipation of their needs. However, *Love, Bonito* did apply online business wisdom on another aspect of their dressing rooms.

"When we bring a customer from cart to checkout in an e-commerce environment, there is a huge opportunity," Song explains, referring to a customer's high intent to buy at checkout. "If we can optimise the conversion rate at that point there is a lot of value to be gained.

"So what we did with our stores was to dedicate a much higher percentage of the floor space to fitting rooms. Once there, women are a captive audience with super high intent of buying. They pretty much know what they want to get, and they are trying three to six pieces, so we just have to convert those to sales."

Other features of e-commerce are harder to replicate in the physical world, such as the ability to track all transactions to a single customer ID. Song highlights how Love, Bonito's management team, which mostly began their careers in the online sector, had to adapt to not knowing "how many people are touching a certain rack [and] how many pieces they're picking up" and not always fully capturing experience touchpoints.

One way to quantify the customer experience was the implementation of Net Promoter Score, or NPS.

"In all of our permanent stores we have terminals that capture NPS," Song says. "We ask questions such as, 'How was the store experience?' 'How's the service?' 'Were people polite with you?' 'How

was the overall design?' Those things give us a good pulse check of the overall customer sentiment on a daily basis that the store managers look at and address."

While NPS measures a customer's loyalty to a firm or brand, Song says *Love, Bonito* is currently working on what she describes as "the right omnichannel North Star metric".

"A North Star metric could be 'What is the ideal customer journey?' and 'What makes a customer most valuable?" she offers before adding:

> *"Is it a customer who walks through the doors of the store and has an awesome interactive and service experience with a retail ambassador on the floor? And she really understands what the brand has to offer and the assortment, and understands how she should be purchasing the item so that her return rate goes down over time because she knows what to purchase and what size fits her. And when she gets home and browses the online catalogue she can make much better decisions.*
>
> *"That's where we're trying to get to and I think that's where most retailers should be trying to get to where you can identify the North Star for customer journeys and that not all journeys are equal."*

Dione Song was a speaker at the Asia Retail Leaders Conference organised by SMU's Retail Centre of Excellence that was held on 14 November, 2019.

Follow us on Twitter (@sgsmuperspectiv) or like us on Facebook (https://www.facebook.com/PerspectivesAtSMU)