BELIEVE THE HYPE: TRANSFORMING THE FASHION BUSINESS THROUGH CREATIVITY AND TECHNOLOGY

VIDEO TRANSCRIPT

Massiomo Piombini, CEO of Diesel and Frank Napoleone, ECD Accenture Interactive Italy discuss HypeRoom & the retail revolution

When the Covid-19 pandemic hit in 2020, Accenture Interactive was tasked by Diesel to find a solution to a huge business problem.

With the travel ban, fashion sales campaigns could not be carried out. Showrooms shut, planes grounded, logistics halted.

Accenture Interactive and Diesel created HypeRoom, a digital space and experience so groundbreaking that all of us, the press and the buyers, were hyped.

We soon realized that the project we were working on was much more than a temporary solution.

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Massiomo Piombino, CEO Diesel

I started the CEO end of January 2020. So perfect timing, right? Because after a few weeks, everything went down, went crazy. But I have to say, somehow we managed to turn a big problem into an opportunity for us because anyway, I was going to perform an organizational structure of the company. We wanted to reposition the brand. We wanted to work on the brand perception because this is what Diesel needed.

Speaker2 (Frank Napoleone): I came to Accenture Interactive ICEG in January, exactly the same time when you started at Diesel, we wanted to change a little bit of how the creative department works in such a different company or creative agency, and actually covid helped to accelerate it because, you know, we had to work from remotes. We had to find new ways of doing it, of interacting between one another. And Hype Room has also become a creative and experiential project for us that kind of we put in the heart and soul of this weird time into creating the space for this moment.

Speaker1: Yeah, fantastic. I mean, I have to say, in all honesty, I was not thinking to HypeRoom by myself, so only the sort of social interaction between us and some of your guys made us thinking about something like that. So everything started, if I can say it, randomly. But the end result was fantastic.

Speaker2: On the same hand our business as creatives has changed. We went from the business of awareness to the business of experience through engagement and entertainment.
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**Speaker1**: We started 2020 with something that nobody experienced before. The global economy was in shock and the fashion industry was unable to understand how to manage a situation. That store closed, was not possible to visit any showroom that was impossible to travel. We were forced to find a creative solution to manage the calendars of the fashion business.

**Speaker2**: So they say that it's not the strongest of the species who survives, but the one that is the most adaptable to change. And then we found a way to adapt and change. Do you think what we did could be a paradigm shift in the fashion business?

**Speaker1**: Well, I think so. I mean, obviously, everything started from a situation that was forced. So we, you know, put together our, you know, intelligence, creativity and experience to find the solution. But then we realized that what we found was probably something that could have been a solution that could continue going forward, maybe even evolving, that the solution. This actually is what happened.

**Speaker2**: So they say that it's not the strongest of the species who survives, but the one that is the most adaptable to change. And then we found a way to adapt and change. Do you think what we did could be a paradigm shift in the fashion business?

**Speaker1**: Massimo doesn't look like we might have killed the 40 years old habit. Tell how we came up with this.

**Speaker2**: So we were hyped. And so we're the client.

**Speaker1**: HypeRoom was, if you want, the tip of the iceberg of this amazing process that we have ongoing and HypeRoom was for sure the best tool that we built the last year.

**Speaker2**: Massimo doesn't look like we might have killed the 40 years old habit. Tell how we came up with this.

**Speaker1**: We started with a conversation with you guys in Accenture, trying to understand the best practice in the market, trying to understand if there was a tool available, then I think that the game changer of all this exercise was that we put our self in the customer mind. We found the best tools in every single step of the process. And we created HypeRoom that eventually was fully integrated shopping experience that goes from the showroom visit into the order, taking process and ending up with a sort of like finally experience where you see all your order recapped and with a sort of like a next step that the system offers to you. So I think this was a win and think made for the customers. And HypeRoom at a certain point, got completely integrated into the digital transformation of the company. So basically now what we can say that thanks to HypeRoom, we don't produce any more physical collections, but we only have a digital collection. The orders are digitally placed there. And so the whole system is completely inverted the way of doing business, becoming more efficient, less expensive, and if you want also sustainable. The power of this tool is much bigger. And so now what we are working is a sort of like HypeRoom 2.0 where are basically from a digital showroom experience it becomes a B2B platform that, to be honest, does not exist in the market.
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Speaker2: You were talking about the environment in terms of the production of the collections, but this HypeRoom being a very cool environmental impact because it cut down travel from all over the world.

Speaker1: The fashion business after the oil extraction, is the most polluting industry in the world. And so there is a big attention from all the most important companies to how to reduce this impact. And HypeRoom gives a contribution to that because, again, cuts down travel, cuts down to all the activities around the collection (the creation of the sample, organization of a sales campaign and all the deliveries and everything). So it's a very clean tool.

Speaker2: As creatives it was really challenging to step into uncharted territory. And the first time I logged in, I remember thinking about how exciting it was to fall into this vintage video games, modern look, digital space that could also foster human interaction.

Speaker1: Yeah, exactly. That was also one of our goals: to recreate inside the digital space, a sort of human experience. So we build a digital concierge that look like a woman, a digital salesperson waiting for you inside the digital showrooms. Technically for us was to reduce as much as possible the difference between a real physical experience and a digital one.

Speaker2: Then after the clients and the people that work in the business came the press and came when we communicated to outside and the press went wild, both the business press and the fashion dedicated press. One of the headlines that I that I liked most was from Fast Company. They said, "See the future of online shopping and it looks nothing like Amazon".

Speaker1: Yeah, yeah, yeah, that's true. I mean, create something that was not an e-commerce-like experience was also our main goal at the beginning. But then and I think that this says a lot vis a vis the success of this, is that the customer themselves at the beginning were very pleased in like entering in a digital showroom, walking around, having fun, listening to music. At the end that they were the first one to tell us, "OK, guys, we got it. It's love. It's fantastic. Now let's cut to the chase". And we know this is becoming normal for them. So they don't want any more to lose time in like going around. They want to go straight to the shopping part of the experience, browsing and ordering. This is the evidence, the tool is being successful because this is becoming the new normal for them.

Speaker2: HypeRoom where you can go back and in and order and maybe you want to do it faster because it's part of your time. But I'm interested to understand that there were more iconic moments in the fashion business, which is the Fashion Week. And it's the catwalk shows. How do you see the future of that after the pandemic?
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Speaker1: Every season has like two moments, ok. There is the more commercial one that we call the pre collections. And then there is the fashion show. In this specific moment, both the pre collection and the fashion show are produced digitally. We could continue selling pre collection with digital tools like HypeRoom. I believe that when we could go back to a normal way of presenting a show, the physical movement of a fashion show, I believe in our industry will stay.

Speaker2: It’s the human part.

Speaker1: It’s also the fun part, to be honest. Fashion is completely useless, but a lot of fun. Yeah, so let’s keep this fun part.

Speaker2: It was something really pioneering, Massimo. We were super excited and delighted to step into this uncharted territory with you guys. And I mean, if we had to choose the brand for something so disruptive, something so different, it had to be Diesel because of its heritage. I mean...

Speaker1: Yeah, yeah. I mean, Diesel has been like, this is forty, forty years of history. And this forty, yes, has always been innovative, unconventional, disruptive. HypeRoom was all business and natural evolution of this. I have to say that HypeRoom is embedded in a very important moment for the life of Diesel.

Speaker2: And the digital turnaround!

Speaker1: And the digital transformation that is a sort of like a transversal element that that connects all the dots among the different things. You know, HypeRoom was one element of this completely in line with our forward thinking process and we are very happy to have developed this, because this will offer us additional opportunities in the future.

Speaker2: In a time of major disruption, a global pandemic, economic crisis, the real need at the beginning was to solve a problem. Like we said we said a few minutes ago. How did it go? How did it go business wise?

Speaker1: If I can say, better than expected. Because at the beginning there was, even inside our company, a lot of scepticism because people were like doubting that with this tool we could like, you know, match the result of a physical campaign. Instead, we did better than expected. Absolutely lying, if not better, with our forecasts. And basically we transformed a forced situation into a virtual situation because now customers are asking us to use HypeRoom. I went to the showroom personally myself, because now we are having some physical experience in the showroom.
But 80 percent of the collection are sold with HypeRoom and that the few customers that are in the showroom are sitting at the table with the salesperson, but only using a digital screen. They don't even look at the collection anymore, even inside the showroom. So this is great. I mean, this is what nobody could expect before.

**Speaker2:** So is this the future of retail? Is this the future of business to business fashion retail? Or let me put it in a more fun way. Is the hype real?

**Speaker1:** I mean, everything is changing overnight. This year, if you look at the most important companies in the fashion industry, everybody grew triple digit in the online business, OK, B2C and B2B. So this could be the future. I think that this could be an important element of the future. I don't want to cancel the physical experience because especially the first time you get in touch with the brand for the first time, you want to see and touch it,

**Speaker2:** Feel it, smell it, yes.

**Speaker1:** So maybe the number of physical store or the number of physical showrooms will be much less than before. But still, we need that to offer to our customer, especially the new one, a physical experience. And if they want to take it, and for a brand that is going through a major transformation and the major repositioning like this and now this is important.