

Executive Summary & Images Review 09/2018



INAUGURATION OF THE RFRF EXECUTIVE CONFERENCE SESSION ON SEPTEMBER 5TH, 2018 AT EXPOCENTRE

The 21st consecutive edition of the Russian Fashion Retail Forum took place on September 5th and 6th, 2018, It was held as part of the event program of CPM, COLLECTION PREMIERE MOSCOW under the title of **“FASHIONTECH: New environment, New Challenges for Design, Retail and Services!”**

The event was hosted by OOO Messe Düsseldorf Moscow in cooperation with IGEDO Company, Düsseldorf, under the auspices of OOO EXPOCENTRE MOSCOW. RFRF was again planned and coordinated by ITMM GmbH, the International Consultancy of Fashion and Textile Marketing, based in Stuttgart, Germany, in cooperation with its domestic organizing partners, **FASHION CONSULTING GROUP (FCG)**, Moscow, and **PROfashion MEDIA HOLDING**, Moscow.

Thomas Stenzel, CEO of OOO MESSE DÜSSELDORF MOSCOW, inaugurated the event. In his opening address, Mr. Stenzel remembered the audience on the history of RFRF, which was founded in February 2008 as an important add-on to the fashion trade fair CPM. At CPM, industry and retail congregate to assess and better understand the competitive environment of the Russian fashion market in terms of the current trends and themes which have an impact on the market conditions.

Moreover, as Mr. Stenzel added, RFRF has the objective to share expertise on operating offline and online fashion stores of both multi-brand and mono-brand formats. As he further remarked, the Russian fashion market is projected to grow at a rate of 3 to 5 percent this current year.



Thomas Stenzel, CEO of OOO Messe Düsseldorf Moscow, holding his welcome speech at the new “high-tech” conference location at pavilion 7/2, which was especially designed and constructed for the comfort of the audience.



Michael Mandel, Deputy Director General of Messe Düsseldorf Moscow and Technical Director of RFRF, expressed his thanks for the efforts of the domestic cooperation partners FCG and PROfashion for once again fulfilling their goals for the organization of the event.

About 300 people – an ever growing number – attended the RFRF EXECUTIVE CONFERENCE this year. The audience stems from the Russian Federation, Baltic republics and central Asian nations: all top people from the fashion industry and all categories of fashion retail

INAUGURATION OF THE RFRF EXECUTIVE CONFERENCE SESSION ON SEPTEMBER 5TH, 2018 AT EXPOCENTRE, CONTINUED

European Clothing Exports to Russia likely to increase by up to 5 percent until year-end 2018, year-on-year

As a tradition within the RFRF-EXECUTIVE CONFERENCE, **Reinhard E. Doepfer**, in his capacity as Chairman of the European Fashion and Textile Export Council (EFTEC) and as Managing Partner of the International Textile and Fashion Marketing Consulting Agency, ITMM GmbH, Stuttgart/Germany, presented, illustrated and explained the latest available official EUROSTAT data on the development of clothing exports from the 28 member states of the European Union to Russia over the period of the first six months of 2018, compared to the same period of 2017. According to his analysis, deliveries of pre-orders for the retail season of Autumn/Winter 2018 increased at 5 percent, representing a shipment value of €1.127 Million. "This trend is expected to continue until the end of 2018", the analyst claimed. As he further said, clothing exports from Germany to Russia have reached the best result at a growth of 20 percent, followed by France at 17 percent and Italy and Spain, who both registered a rise of their exports to Russia at about 2 percent. As the analysis included a survey on the development of European main product categories, Doepfer was in a position to comment on the export results of men's outerwear, showing a projected increase at 7,6 percent until year-end of 2018, while EU outerwear exports of women's wear were suggested to grow at 11,2 percent. The export of lingerie for male and female consumption should attain a growth of 5,8 percent in total. The presentation also included a comparison of the export development of main product groups between the years 2009 and 2018.



*Michael Mandel introducing **Reinhard E. Doepfer**, Managing Partner and Analyst at ITMM GmbH and Chairman of the European Fashion & Textile Export Council (EFTEC), who will speak about the export performance of clothing from the EU-28 to the Russian Federation.*



The presentation of Mr. Doepfer included a comparative study on the export development of key product categories of outerwear for men and boys, outerwear for women and girls as well as underwear for male and female consumption



The audience at the EXECUTIVE CONFERENCE of RFRF encompassed fashion retailers, distributors, agents and commercial directors from the Russian Federation and from CIS-countries



Continuation of the RFRF EXECUTIVE CONFERENCE on Tuesday, September 5, 2018

“Fashion and new Technologies: The present and the future of the industry, current trends and market performance in 2018”

This was the title of the presentation held by **Dr. Anoush Gasparian**, Commercial Director of Fashion Consulting Group (FCG). Her first statement: “The assessment of partially dramatic welfare changes in the Russian consumer community are showing a positive trend over the first semester of 2018, due to the effect of ‘getting used to’ a lower quality of life.” According to the speaker, Russians have abandoned their former common behavior of spontaneous purchases of fashion.

“For 74 percent of Russian consumers, the price tag of a garment has become the most decisive factor in choosing their clothes,” Gasparian said. “This price-consciousness is the main reason for the tremendous growth of the lower-medium store formats and for buying online” the analyst explained. According to her, online fashion sales in Russia reached a market share of 5 to 8 percent, which summed up to approximately 189 billion Rubles in 2017 and included clothing, footwear and accessories. “We expect a further increase of the fashion e-commerce segment because not only the Chinese retailer Alibaba intensifies online sales in Russia, but also individual foreign fashion brands are developing e-commerce platforms in Russia and supply from outside Russia.

Dr. Gasparian’s presentation also included a number of charts on sector-specific economics: “At the end of 2017, the Russian fashion market grew at 3 percent (figured in Rubles) and accounted for a total of RR 2,36 trillion.” Our forecast for 2018 is a continuation of this moderate growth, which reflects the shrinkage of consumer demand, the analyst explained.

As usual at RFRF events, the Fashion Consulting Group presentations draw several hundred professionals from industry, commerce, agencies and all categories of fashion retail



Dr. Anoush Gasparian, Managing Partner and Commercial Director of Fashion Consulting Group, is welcomed to her presentation on the economic climate of the Russian fashion market in 2018 and beyond by Reinhard E. Doepfer (left-hand side: Ekaterina Eliseeva, CEO of PROFashion Consulting)



Overview of the agenda for Dr. Anoush Gasparian's presentation, which illustrated the key themes of her speech



**RFRF SEMINAR SESSION PART I.
on Tuesday, September 5, 2018,
powered by Fashion Consulting Group**

**“New technology-based services for fashion retail:
How to keep up with the generation of new customers
and survive in the new reality”**

In a series of master classes, which were offered by Fashion Consulting Group (FCG), experts presented their views on sector-specific problems which regularly occur in retailing fashion and related products. The experts also offered advice and tips on how to solve such problems, in practice.

The first problem, which was addressed by **Natalya Chinyonova**, dealt with the day-to-day disruptions caused by new technologies such as electronic tools and other devices which are meant to ease the operational management process. Such tools create more transparency by scanning bar codes for the identification of internal and external data, which in turn is meant to help plan and steer sell-off results, minimize leftovers, check accounting or make changes to the collection portfolio.

**“Digital environment and communications: How to
build the right path to your client?”**

This was the title of the following master class presented by **Kseniya Khizova**, who is the responsible expert for digital marketing in fashion at Fashion Consulting Group (FCG).



Kseniya Khizova, Digital Marketing Specialist at FCG

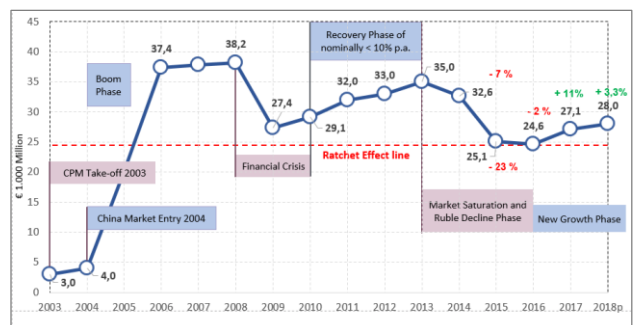
As a main issue, Khizova covered the present scenario of multi-media sales promotions, which influence consumer behavior on purchasing decisions in regard to which preferences exist what will be rejected. “Digital marketing in fashion is extremely tricky because the consumer usually reacts in an unpredictable manner, not only on the offered product, but also on the type of electronic tool which is used for attracting the customer. The most important questions consumers have are “is this really true?” or “are prices/quality competitive or not?”



Natalya Chinyonova, speaking about new technologies in Fashion retail, is Head of the Master Program “Management and Marketing in the Fashion Industry” at the Higher School of Economics (H.S.E.) in Moscow.



Ekaterina Adamiovich, expert on new technologies and e-commerce at FCG, spoke about the key moments and the main mistakes in the fusion of online and offline fashion retail sales. Her speech was titled **“Online and offline sales: Key issues and mistakes to avoid”**



Development of the Russian Clothing Market Retail Value from 2003 till 2018p: Excerpt from the speech of Mr. Döpfer held at the Executive Conference of RFRF on September 5, 2018

**Continuation of RFRF SEMINAR SESSION
PART I. on Tuesday, September 5, 2018,
powered by Fashion Consulting Group**

“Visual content in fashion: How to create a Corporate Identity in photo shootings, look-books, promotion campaigns, videos and in your social media strategy and exposure”

This was the title of a lively presentation which was set in scene by **Alessandro Maso**, Co-Founder and Business Development Executive of the Italian **COOL MIND STUDIO**, which is based in Padova.

Mr. Maso was in the position to demonstrate a series of artwork which expressed the attempt to create a characteristic corporate identity by means of Visual Content in several different categories of sales promotion for a fictitious fashion brand. The presentation of **COOL MIND** was supported by **Olga Steinberg**, who is the Marketing Manager of Fashion Consulting Group.



Alessandro Maso, Business Development Executive of the Italian Studio **COOL MIND**, spoke about the importance of Visual Content in fashion promotion.

Cool Mind

**Italian
taste.
Bespoken
ads.**



for RFRF
September 2018

RFRF SEMINAR SESSION PART II. on Wednesday, September 6, 2018
Powered by Fashion Consulting Group and PROfashion Media Group

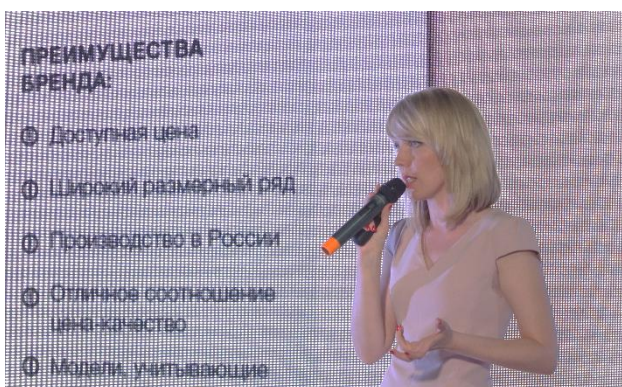
The second day of the 21st edition of RFRF kicked off at 10:30 a.m. and included a mix of seminars, master classes and panel discussions. The day was powered by Fashion Consulting Group (FCG) and PROfashion Media Group together with its consulting department, which is headed by Ekaterina Eliseeva.

Powered by FCG - "Wholesalers and Internet: How to create the right content to attract customers?"

This was the title of a seminar presented by **Denis Fomin**, Co-Founder of the multi-channel-internet platform of the publication MODNYI MAGAZINE. The speaker gave advice on the question of how a wholesaler should identify and select the appropriate clothing ranges for multi-brand retailers after having inspected the sample-collections for the season S/S 2019.

Powered by FCG - "Commercial Trends and Buying Recommendations for S/S 2019: How to develop the right assortment for Omni-Channel fashion sales?"

It is a remarkable fact that **Galina Kravchenko**, Head of the Assortment Planning Department of FCG, has participated as speaker and in her capacity as official representative of the trend forecasting agency, FASHION SNOOPS USA, New York City, at every edition of RFRF since its inception in February 2008. A reason for her popularity among RFRF visitors is her methodology of presenting seasonal international fashion trends and relating these trends to Russian taste and buying preferences. She also goes further and recommends or rejects trends if materials, styling or colors do not match dealer or consumer tastes or buying attitudes. Moreover, Ms. Kravchenko shares her special talent in explaining and illustrating options for merchandising the assortment and how to manage it correctly at all retail sales channels.



Powered by FCG – "Service in a Boutique – how to how to exceed your Clients' expectations and get them to come back again"

"Providing top service to the customer is a key Issue for Russian retail, in general, and for fashion retail, in particular. Where it works, it is an asset for the owner, but service does not come all by itself, no!" this was the opening statement by **Elena Stolarskaya**, Senior Service Consultant at FCG. "We are all aware of the main service deficits, which we discover every day while observing how the majority of our employees, sales attendants and cashiers keep working", the speaker said. Ms. Stolyarskaya mentioned a number of examples for "bad habits" and made recommendations on how to cure such problems.



Ekaterina Eliseeva (left) and **Marina Agafonova** (right) held master classes on special fashion retail-practice themes such as "Unique sales techniques", "Seven VM-instruments to increase sales", "Selling without discounts", "A day with a stylist in your store" and "Motivation of sales attendants". The master classes were supported by other PROfashion experts, for example Anna Balandina, VM-Specialist, and Astanda Chegia, Event Marketing Expert.

Announcement: the next edition of Russian Fashion Retail Forum (RFRF) is scheduled to be held on Tuesday, February 26 and Wednesday, February 27, 2019 in the framework of Collection Premiere Moscow (CPM), which will run from February 25-28, 2019.

Galina Kravchenko, Head of the Assortment Department of FCG, speaking about customization of fashion trends for the forward-order season S/S 2019