



# TURKEY'S APPAREL INDUSTRY E-COMMERCE SURVEY

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March 2021

# THE RISE OF DIGITAL

The pandemic shifted customer preferences towards e-commerce channels drastically and apparel brands with established e-commerce operations took advantage of this momentum. Knowing that customer satisfaction is the basis of its sustainability, the apparel industry has placed customer experience at the center of its digital activities.

In our survey, we interviewed 30 executives from apparel companies with e-commerce channels. We evaluated their awareness about customer service, digitalization, and artificial intelligence-based solutions.

Some of the highlights are;

1

Customer experience improvement efforts, which are generally considered as priority but not urgent, are being implemented without delay, especially for digital channels, after the tsunami effect of COVID.

Aware of the fact that technology investments are mandatory for improving customer experience, the industry lacks vital knowledge on which technologies to focus on and the roadmap to follow.

2

3

The perception for AI-based technologies are that "they provide benefit in the long-term". The industry should be made aware that they provide significant cost savings in the short term with the automation they offer.

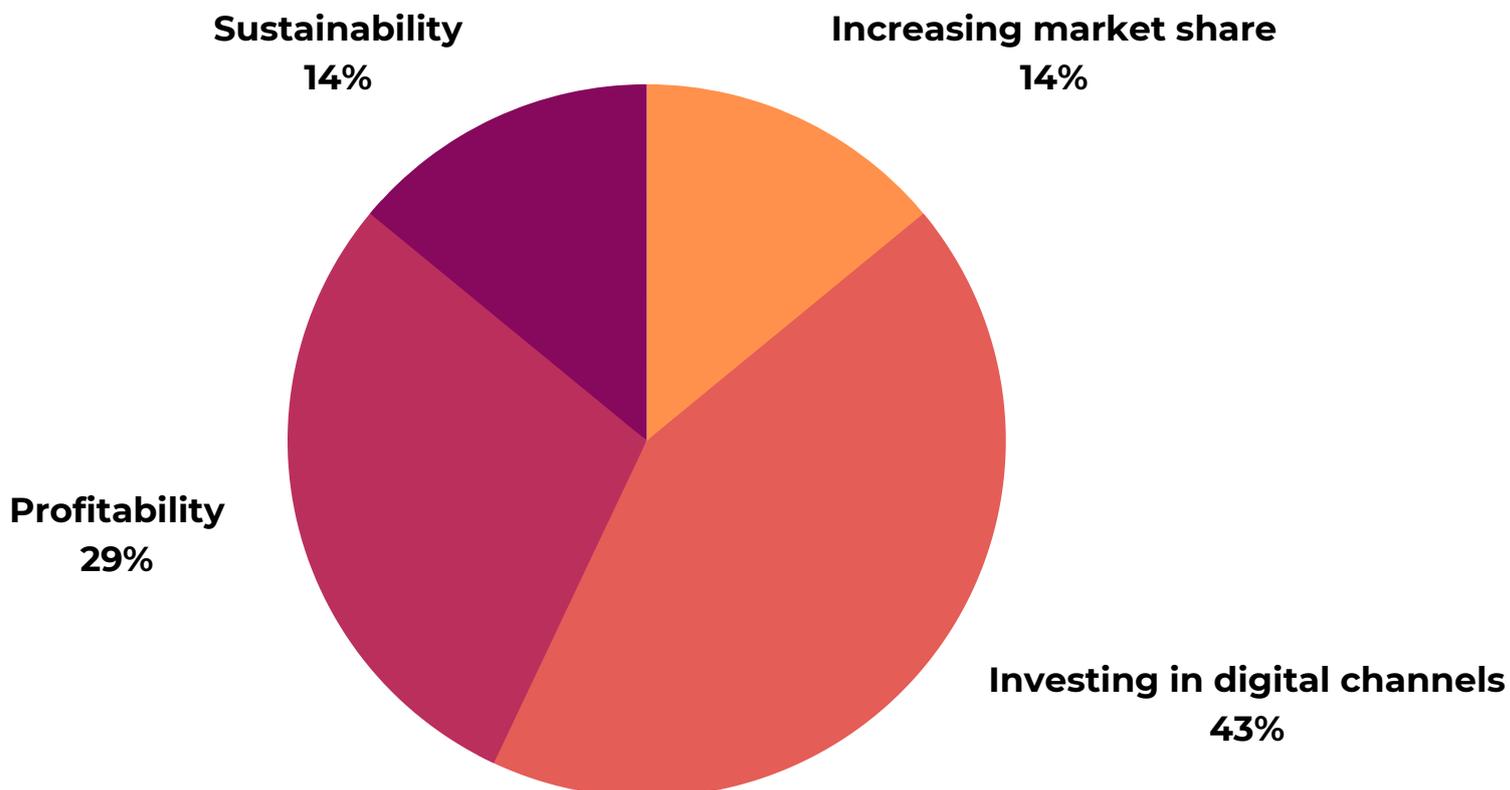
# PROFITABILITY IS ALARMING BUT DIGITAL CHANNELS COME FIRST

Economic recession, rising costs, and decrease in consumer appetite are among the main concerns. In particular, increasing (or sometimes maintaining) profitability rates stands out as a serious hurdle.

Considering remedies, investing in digital channels ranks first on the agenda. This may also be associated to the operational cost advantage of digital channels.



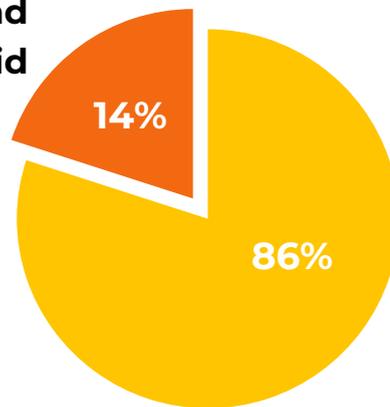
## What will be your most important priority in 2021?



# UNCHANGING FOCUS: CUSTOMER EXPERIENCE

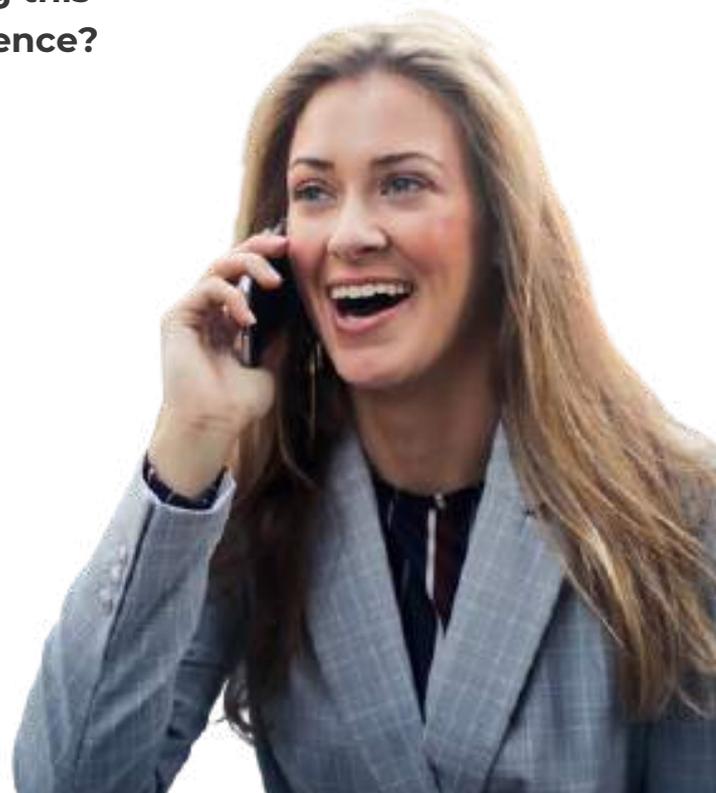
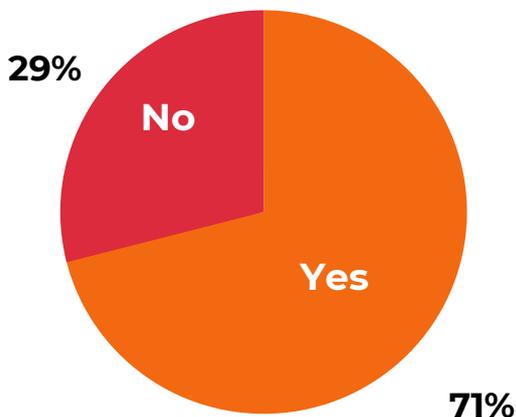
When asked about priorities, participants (as always) stated that they prioritize customer experience. And in order to effectively manage the significant traffic coming to the e-commerce channel, the majority stated they continuously invest in technology to help improve the experience.

**Couldn't prioritize due to increasing workload related to Covid**



**Customer experience is always our priority**

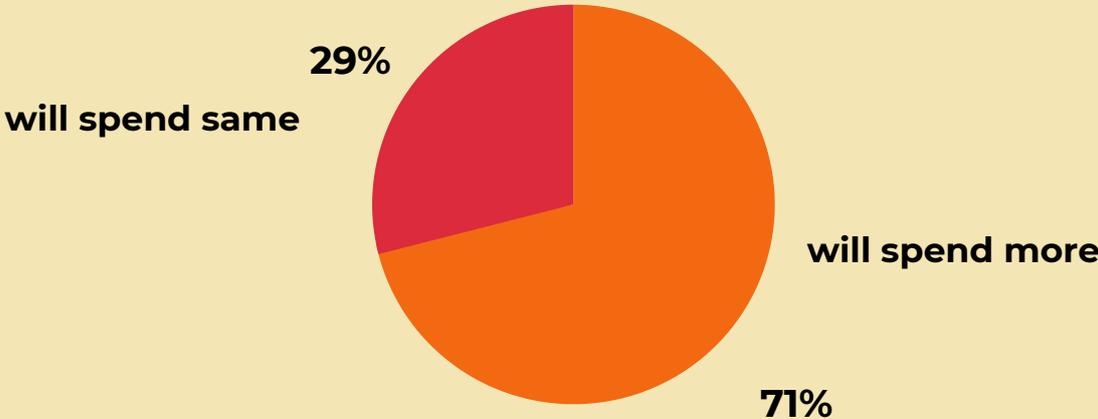
**Have you invested in technology during this period to improve the customer experience?**



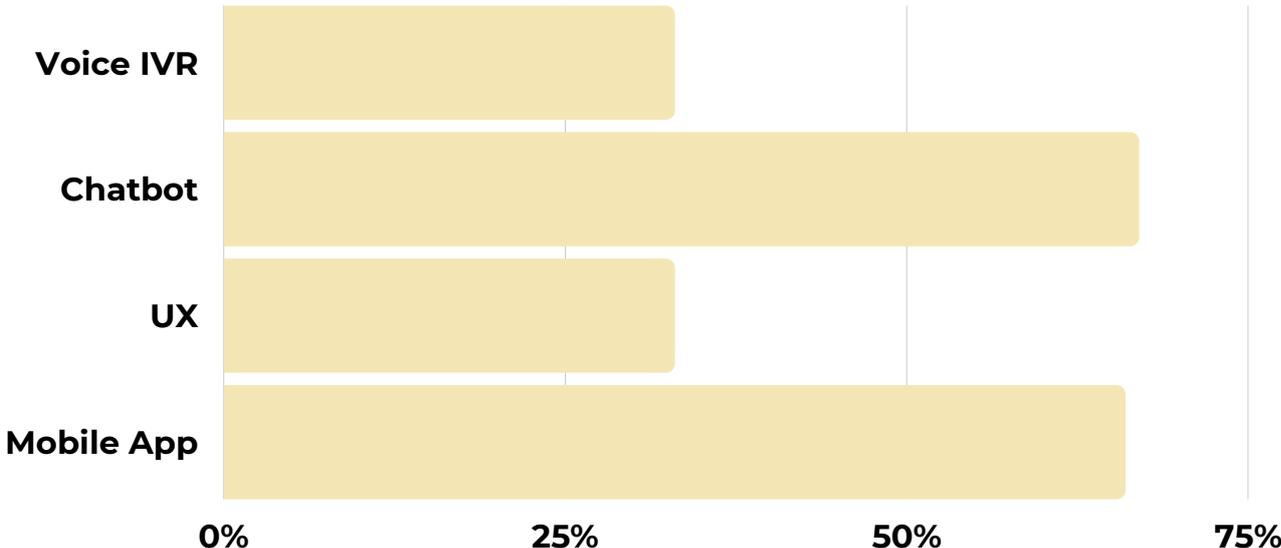
# DIGITAL INVESTMENTS DON'T TAKE BREAK

The participants stated that their technology spending in customer services would increase in 2021, proving that customer experience keeps its top priority.

Can you compare your technology spending for customer services in 2021 with the previous year?



In which solutions do you plan to invest?\*



\*Multiple answers can be selected.

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In 2020, our e-commerce sales increased by 140%. To achieve this, our top priority has been customer satisfaction. In other words, to ensure that our customers can complete their entire digital journey smoothly.

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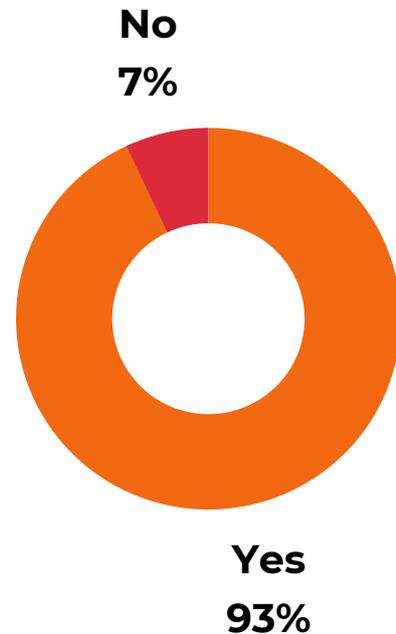
**Manager, LC Waikiki**



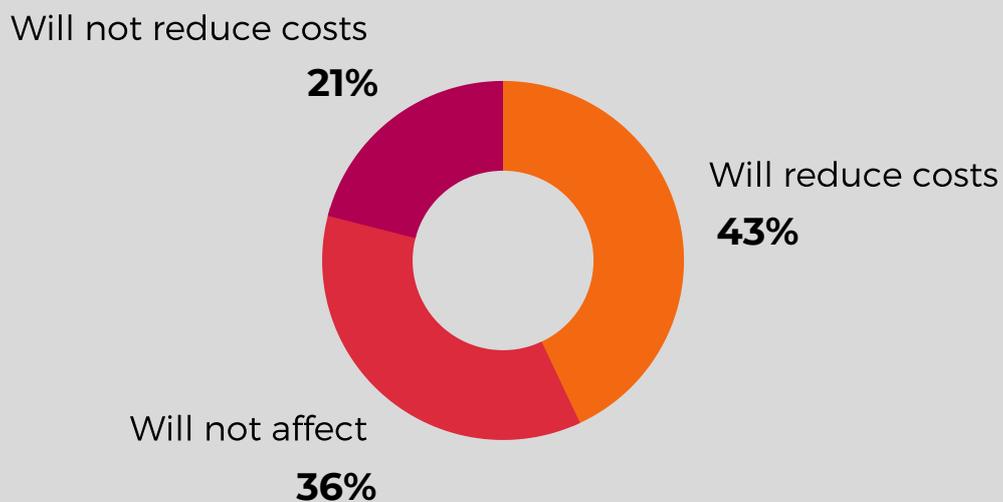
# CUSTOMER EXPERIENCE & AI

93% of respondents believe that AI-based solutions contribute to customer experience.

Do you think AI-based solutions such as voice IVR, virtual assistant, chatbot improve customer experience?



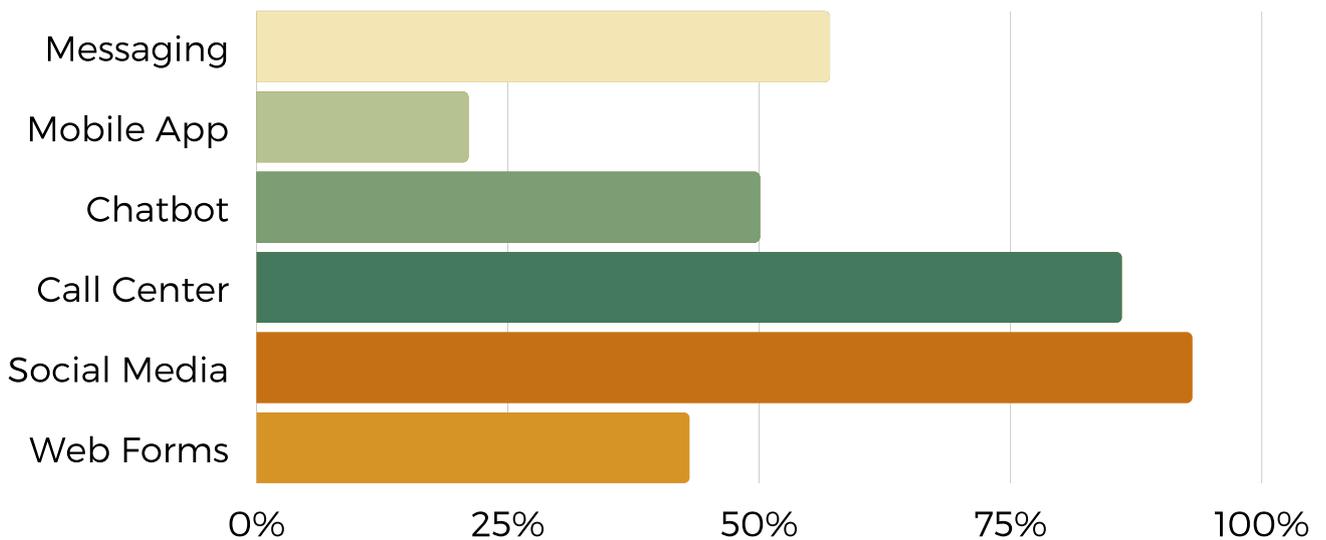
However, **57%** of the participants don't believe that AI-based solutions provide significant cost saving advantage.



Do you think AI-based solutions reduce your costs?

# HOW SUCCESSFUL ARE WE SERVING OMNICHANNEL?

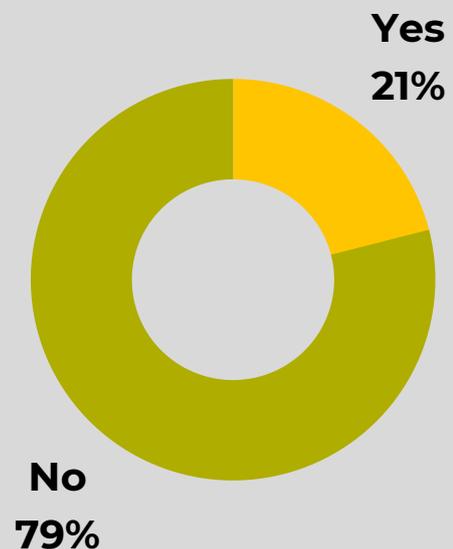
Through which channels do you provide customer service?



\*Multiple answers can be selected.

Despite the vast use of different channels, only 21% of the companies provide 24/7 service, which stands out as an area for improvement.

Do you offer 24/7 customer service?



# TOP 3 WORRIES

INCREASING COSTS AND PROFITABILITY ARE KEEPING THE APPAREL INDUSTRY AWAKE AT NIGHT.



INCREASE IN RAW MATERIAL AND OPERATIONAL COSTS

RECESSION IN REGIONAL AND GLOBAL SCALE



DECREASE IN CUSTOMER SPENDING

# CONCLUSION

Apparel brands that have invested in the e-commerce have managed to minimize the pandemic's destructive effects to some extent. Although more than a year has passed, economic recession, increasing costs, and sustainable profitability continue to be among the industry's top concerns.

The decision-makers are aware that customer satisfaction is the basis of sustainability and customer-focused approach is now mandatory to survive. However, some areas need improvement in terms of implementation. Providing flawless customer service with the same quality regardless of the channel is among them.

AI-based technologies offer effective solutions for customer service automation. While improving customer experience with ease of use, they also shorten process times, reduce workload and provide significant cost advantage in the short term through self service.



# **ABOUT THE SURVEY**

NICE Medya and Sestek conducted this online survey in March 2021 with 30 decision-makers from the apparel industry.

The survey aimed to evaluate the awareness of apparel brands about customer service approaches and the use of AI-based technologies in the e-commerce channel.



## **ABOUT SESTEK**

Sestek is a global R&D company helping brands with conversational AI and analytics solutions to be more data-driven, work more efficiently and focus on making their customers' lives better.



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