**Case: Fast Fashion and Fast Digital Updates by H&M**

Digital retailing has been gaining in popularity and profitability in recent years. With the global COVID-19 pandemic and widespread shutdowns of traditional retailers, its growth has expanded even more and faster. In 2020 alone, U.S. customers spent more than $800 billion shopping online—the greatest annual rate of e-commerce growth in nearly 20 years. In this growing, competitive, fast-moving sector, one of the world’s largest fast-fashion companies aims to leverage its digital commerce platforms flexibly, quickly, and responsively to maintain its lead.

It is not as if the idea is new to H&M. The retailer has long recognized the appeal of digital retailing; it was engaged in concerted efforts to help shoppers buy anywhere, anytime, and in any way they chose even before the pandemic. Thus, when COVID-19 shutdowns required H&M to close more than 80 percent of its physical stores, it still could turn a profit. Many of its competitors did not fare nearly as well, and some retailers even were forced into bankruptcy. But with its strong existing digital presence, H&M achieved stability and consistency, and those outcomes have reinforced its plans to continue this focus on its digital platforms instead of brick-and-mortar stores.

Already, H&M offers a top-of-the-line e-commerce experience. Customers can easily browse fashion trends, view close-up images of selected products to assess their quality, and pay using nearly any method (credit card, PayPal, H&M × Klarna installment program) they choose. A voice app available through the Google assistant supports orders for both clothing and home accessories. And the retailer’s Monki subbrand is developing its own reputation for cutting-edge, augmented reality and streaming efforts that include high-def, incredibly realistic holograms. But to maintain this leading edge, H&M also continues to experiment with ways to improve its customers’ digital experiences.

For example, an inherent limitation of e-commerce is the lack of the ability to try on clothing before buying it. Therefore, in a partnership with NeXR Technologies, H&M is developing a better digital fitting room. Shoppers can scan their bodies, which will produce a virtual avatar that represents their physical form precisely. The fitting room app then enables them to place various pieces of clothing on the avatar to see which neckline is likely to look best and which pair of pants might run a little small for them. In addition to aiding consumers and giving them a new way to interact with the product offerings, the digital fitting room holds promise for reducing the amount of returns that H&M receives from e-commerce shopping.

But if the digital avatar is not sufficient for some shoppers, H&M still wants to help them find what they want through digital channels. In the H&M app, shoppers will soon be able to turn on the “in-store mode” to determine which pieces are on the racks in their local stores. This option predicts a scenario that is easy to imagine: Say you’re browsing the app and find a shirt and matching scarf that you love. But you are not sure if the shirt will be long enough if you wear low-rise jeans, so you want to try it on with your favorite pair of jeans before buying it. You know you are going to want the scarf regardless, though, and you do not want it to sell out. So, to facilitate your shopping experience, the app allows you to confirm the shirt is available, in the sizes and colors you want to try, before you head to the store. During the same session, you can place the order for the scarf to ensure it will be waiting for you when you get there. Then, with H&M Click & Collect service, you can go grab the scarf as well as try on the shirt to decide whether to buy it as well.

*Source: Levy, Michael and Grewal, Dhruv 2023, Retailing Management, Eleventh Edition, McGraw-Hill.*