

Fashion**The next Natalie Massenet?**

With their social media based communications, and millennial focus, the shopping service Threads Styling is selling luxury to a new generation



Sophie Hill and Rachel Reavley of Threads Styling © Greg Funnell

Jo Ellison DECEMBER 15, 2017

In today's world of luxury retail, he who makes the sale as quick and painless as possible is king. Or queen. In 2009, inspired by the way young people were using social media, Sophie Hill, a blonde 20-something fashion buyer, launched Threads Styling, a personal shopping service with a mission to "Inspire, Acquire, Deliver". All its business is done using social media: new clients usually arrive through Instagram before being picked up by the brand's WhatsApp host team, who connect them with a personal shopper (one of 27) who becomes their sole point of contact. All communications are done via messaging. They call it "conversational commerce" or "chat-based media", but the business model emulates normal peer-to-peer communication.

From the start, Hill was unapologetic in her ambition to serve a younger clientele. "I remember, early on, people saying to me, 'Why are you concentrating on millennials? They're not a big enough market,'" Hill recalls. "People didn't understand. They thought everything we were doing felt too youthful. And I was like, 'I really, really think that nobody is speaking to this generation.'"

She was right. According to a report in Forbes in June, millennial and Generation Z clients are predicted to make up 45 per cent of the luxury market by 2025. They already account for 70 per cent of Threads' client base. And their average spend is a whopping £3,000.

What started initially as a way of "looking after" the Asian luxury clients who passed through London each summer has grown in all directions. "We don't give out the client numbers but we have in the thousands now," says Hill, now 35, from the kitchen of her elegantly spare apartment in London's East End, just next door to the company's offices. "Our sales figures have doubled every year for the last three or four years, and we've sold £30m worth of goods with a 5 per cent returns rate. So, we've been extremely influential in the luxury space."

Key to cultivating these new clients has been the way Threads communicates: clients and shoppers ping-pong messages back and forth. Their products are showcased via Instagram Stories, for which the in-house team creates a minimum of six branded features a day. It's fast, it's efficient and it's highly personalised. "It's not about sitting in a carpeted room with a glass of champagne and someone coming and showing you things," Rachel Reavley, president of brand strategy, says of the changing retail experience. "A typical client is probably sitting in Santa Monica having lunch with their girlfriends, but spending 30 per cent of their day on their phone. Threads Styling puts your personal shopper in your pocket."

Everything is designed to feel instinctive and familiar. "It's an unparalleled convenience, but it's about being convenient for them in the way that they behave," says Reavley. "The same with the messaging: that's how millennials communicate with their friends, so it's a really natural flow of communication. It feels totally organic. We're not asking them to download an app or come to a website or check something."

Nevertheless Threads has to stay nimble. "You're constantly learning because the customer behaviour modifies all the time," says Hill. As well as using WhatsApp, Instagram, they also operate on WeChat and Snapchat, and are secretive about where they see the market moving next. "We get a real kick out of how fast we can do things, it's part of our culture. But it's also about people who've had amazing training from a human-to-human point of view and blending that with a great tech product team who are monitoring all that consumer behaviour."

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Rachel Reavley

As a company, it carries no stock, and Threads' revenues are based on the commission on each sale. It also takes responsibility for all postage, packaging and delivery, most of it via its London hub. It's a difficult business to scale. But in many ways, it is reshaping the narrative of what retail can be.

"We work with anything from wholesale to commission," Reavley adds. "Because although we're not a traditional buyer and we're not going to turn up in your office and put in a pre-order buy, we're probably as likely to shift as much product. We're

going to sell your stock for you. But in real time."

Luxury brands like working with Threads. There have been Instagram Stories with Céline and Cartier in recent weeks, brands that have typically been shy of embracing digital sales. "We see ourselves as a complement to other people's businesses," says Reavley. "Because what we're doing is the definition of see now, buy now. We're really shifting your inventory. Like it or not, the reality is not as many people go into bricks and mortar as they used to. So footfall is down organically. So when one of our personal shoppers comes into a store, that head of VIP customer experience recognises very quickly that here's someone who's representing thousands of people around the globe who aren't going to walk into that store but who are still getting visibility on what they have."

As yet, Threads doesn't do paid content with brands, but that will surely come. "We're definitely being asked," says Reavley. "And I don't see anything wrong with it; if somebody's got something great to talk about which we would naturally want to talk about anyway, then we can strategise about how we do that as a partnership. But right now we're only talking about it."

As for Threads' own future, Hill is pragmatic. It has taken investment from Horizon Labs, the Hong Kong-based seed fund operated by Horizons Ventures, but it is not looking for more at the

moment. “We’ve had moments of profitability,” says Hill. “But all the money we’ve made we’ve put back into growth and expanding the business. It’s really important to us to be a profitable business. That’s key.” The company is also looking at setting up a second office in California, which she sees as having the biggest potential in the new millennial economy, and “I can definitely see us having an office out in China, Hong Kong and Dubai”.

Brexit is less of a challenge, the group says, than the huge discrepancies in global pricing that still affect the industry. “There’s going to have to be a pricing equalisation,” says Hill. “There’s a 20 per cent to 30 per cent uplift on most luxury goods in the US. And the differences between the UK and other countries in Europe will have to change.”

“Millennials are too switched on to the differences,” adds Reavley. “They do the price comparisons. And I just don’t think from a brand perspective that’s a good way to treat the customer.”

For all its millennial ambition, Threads Styling is also having to adapt to meet the needs of a new consumer: the older woman. “The biggest thing about millennials is that they’re such an influential generation, they really influence everyone around them,” says Hill. “And while we’ve been working with millennials — we’ve now got their parents.” Whether or not they use Snapchat is moot.

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