

Paul: Hi, I'm Paul, CEO of the Australian Retailers Association and welcome to Retail Therapy. A podcast proudly brought to you by American Express. The ARA is Australia's largest and oldest retail association representing around seven and a half thousand independent national and international members. Each episode, I'll be chatting with a leader in Australia's retail industry right here in the Amex lounge, including the CEOs of some of the biggest retailers in Australia and across the globe. We'll be finding out what makes them tick, what defines their leadership style and how they got to the top of their game. So join me for some retail therapy. As we ask these questions and more, and navigate our way through the retail industry, Australia's largest private sector employer. For more information about the work we do at the Australian Retailers Association, head to our website, [retail.org.au](http://retail.org.au). Joining me for some retail therapy today in the Amex lounge, as Erica Berchtold the CEO of THE ICONIC, the leading online fashion and sports retailer in Australia and New Zealand, the iconic is part of the global fashion group. One of the world's largest fashion retail businesses connecting over 10,000 global and local fashion brands to a market of more than 1 billion customers. I'm delighted to have Erica with me today to chat about life at the iconic and a career in retail. Erica. Welcome.

Erica Berchtold: Hi Paul. Thank you for having me

Paul: THE ICONIC is a well-established brand in the online shopping stakes, and most of us have had the app on our phones and spending hours on end scrolling through the clothes and accessories on offer. What do you think it is about THE ICONIC and Australians that has seen such a strong connection develop over the years?

Erica Berchtold: Yeah, look, I mean, there sure are a heck of a lot of people with the app. We've got 3 million, 3 million downloads of the app. So we're actually the most downloaded fashion app in Australia, which is pretty amazing and 17 million visits a month to our sites. I think the iconic, I mean, this is our 10th year now and we've really helped shape the online retail experience in Australia and New Zealand. It's been 10 years of continuous innovation. I like to say that we've had a 10 year headstart on everyone else. Just to really make our customer experience as seamless and inspiring as possible. So things like three hour deliveries or easy and free and fast returns and our assortment and in the AI that we use whether that be visualized for sneakers or snap to shop. And so it really is a combination of things. I wouldn't say it's one of those things in particular has been the real success point for us. But the thing I'm proudest about is that I feel that we're really part of the retail landscape now permanently when not this peripheral player or this disruptive sort of element of the retail landscape. We're actually here as a permanent part of that. And yes, COVID certainly helped us tell the story to people that they needed to shop online. But I think we were well on the way already.

Paul: So I was always sort of think, I know this is probably a tough question, but lockdowns have been good for business.

Erica Berchtold: Yeah. They, they have certainly allowed us to show customers everything that we're capable of doing. And they've certainly allowed us to really shine and, and demonstrate to people what online shopping can be about. You know, but there's, there's more to our business than just being that fast and efficient sort of online player. There's a lot of things that are part of our core DNA, but I'm really proud to have been able to demonstrate to people particularly through these times. So whether that be our sustainability and customer values. So, you know, we really, and I always said that when I joined the iconic as CEO, I knew that it was going to make me a better business person because I've learned a whole new skillset, but I didn't factor on it, making me a better person in that at the core of our business is just his dedication to our customer. And just this curiosity to keep looking at things in a different way

and how we can try and pivot different technologies to satisfy their needs. The sustainability message is really at the poor, our celebration of diversity and body positivity is something that really it's like I don't need to push that agenda on our people. Our people feel very passionately about that. And so do our customers and, and then the agility of our business, you know, we're, we're now an old startup, but a young retailer and we get to kind of blaze our own trail now and the energy and the usefulness that we've got as a startup is something that I think is lending itself really well to that retail landscape now. So yeah.

Paul: What is so phenomenal is that the iconic has only been around since 2011. So it's, it's so young and yet so advanced and so old in many ways he's just mentioned. And, you know, we're going to talk a little bit about your career because you and I actually did made it David Jones, which is almost the opposite of what you're doing right now, I guess. And I think when you think about your career too, Erica, you've been in various roles in many retailers, Harvey Norman, rebel sports, especially fashion group, super retail group. And I've just mentioned David Jones fair to say that retail is actually in your blood.

Erica Berchtold: Well, I think retail is one of the greatest loves of my life. When I look back when I'm an old lady, I'll say there was my husband and my kids, and then retail overall you know, my grandmother worked in retail. Like she worked for an old retailer called farmers and just the shopping experience that she would introduce me to like you know, we, we, weren't a hugely affluent family, but you'd go get your school shoes fitted every year, or she'd go to Fletcher Jones and get her new blazer to wear into town when she was shopping. My dad actually worked for Dickson's in the UK, in the sixties. He was a photographer. And so he worked on the camera kind of counter there. And you know, and I, then, yeah, I started in retail at 14, and that's the beautiful thing about retail. It's often the very first job that a lot of us have. And so I had that experience as well. My career has been more bricks and mortar, but then, you know, online was always seen as a disruptor. And I guess I disrupted my own career a few years ago, joining THE ICONIC and yeah, it's just it's wonderful to still be in this retail environment, but doing something so very different and so very new.

Paul: Fantastic. And I guess if you think about retail, was it always going back to when you were 14, you were in your retail, did you imagine yourself getting as far as you've done in your career? And did you always have like ambitions to become the CEO of a leading online retail business?

Erica Berchtold: No, I'm like, it's so hilarious. I look back, I was supposed to be talking tomorrow to the 12 students at Chelton Girls High, where I went to school and just getting ready to do that presentation. We've had to shift that a little bit, but getting ready to do that presentation reminded me of sitting in the library and there was this thing called a computer there and it had the internet and we, and they said, this is called the world wide web. And so, no, I never thought I would be in this job. I think at school, like when I did work experience in year 10 and 11, I actually did it at law firms. I thought I wanted to be a lawyer, but I'm actually not a very good student, or actually, it's not that I'm not a good student. I'm not a traditional sort of student that likes to sit and apply myself rigidly to things. And in a very dedicated way. And so I think you need that sort of ability to study like that to actually become a lawyer. So that was off the cards. And so then I studied journalism when I finished school and ended up in a retail career by accident. But journalism is such a fabulous course to study. I recommend to anybody, if you don't really know what you want to do, do that because you actually learn a whole heap of life skills, like how to speak to people, find out their life story, be curious, I learnt to type there how to present. And even if you don't end up being a journalist, I think you like learn some great life skills that you're going to find very handy in whatever career you pick.

Paul: It's sort of interesting that because it's, it's you'd be one of the very few, I would think that's actually studied journalism and ended up in the retail career. And I guess, you know, one of the other things you would learn is actually how to know to ask questions. So that having that curiosity and actually asking questions that are really specific to get the information you need, that's an amazing skill that most people don't have.

Erica Berchtold: Yeah, exactly. It's, you know, why do they want that? Like, I mean, you'd know from you know, back in retail land, like why does some customers respond to a sale that's 50% off and some respond to one that's half price? Like why, what is that like, it's, you know, I have a curiosity around that and I feel like there's a psychology element to it as well. Like why does some people take like that? And some people take like this, so yeah. And I think journalism did help me develop that curiosity, even more

Paul: Did leadership come naturally to you, or is it something you had to learn or did you always feel when you were a young person back then when you were 14, that you would, you would end up in a leadership type role?

Erica Berchtold: I have a very I don't know, I don't have a good perspective on myself, but other people, I was friends, but then say, oh, of course you will always going to end up in that job, but I don't know if it wasn't humility. Was it lack of confidence? Do I just not remember that time as clearly as what other people do? I don't know, but I am the oldest of four kids. And I think a natural leadership role kind of started for me when I was 16 months old. And when one of my sisters was actually born I also went to an all girls school. I mentioned Shelton girls before and without creating a whole debate on single-sex versus co-ed schools, I think going to a girl's school was excellent for me because it taught me that girls could be the leaders in everything they were going to come first in math science, the arts music, athletics, the school council roles. And you know, that, that was a really great thing for me to observe and be part of as a teenager when I was forming my sort of views. So I don't, I don't feel that I had to learn or apply myself to becoming a leader, but then maybe my personality and just the circumstances around me just gave me that natural learning without me having to seek it out.

Paul: Well, let's talk a little bit about your family now. You're also juggling work and you know, you've got a big job. Let's face it. What do you think the secrets are to maintaining a healthy balance between the two, when you think about most? It is a gender question because we wouldn't be asking that of men, which is terrible in itself and that, that has to change. But just explain to me what's yours, what's your sort of way of managing through all the requirements on you?

Erica Berchtold: Yeah, look I think the biggest thing is to not overthink it too much, because if I'd have actually stopped and thought about, say having kids whilst I was building a career, I actually probably wouldn't have done. It would have been too mad, even for me. I mean, I joined THE ICONIC when I was five months pregnant with my third child. And I don't have some sort of super power that others don't have. I just have an ability, I think, to just look at the long game and not sweat the day-to-day issues so much. So that is something that I would definitely encourage other women to do to create their own normal, like a lot of women I know, and I did this as well when I had my first child, he's six now. So when I had my first child I was beating myself up about how much time I was or wasn't spending with him. And one of my best friends said to me, Erica, you create your own normal. He's not going to know what your time sheet is versus somebody else's. You know, if you go to work every day and then come home and spend time with him at night, that's just his normal. So, and I guess the other thing is don't listen to the BS that seems to only be directed at women. Like, you know, that saying women can have it all, just

not at once. They never say men can have it all just not at once. Somehow that quote gets directed at women. And I mean, come on, who does have it all at once, men, woman, child, but life is just a constant recalibration for everybody. And sometimes you focus a bit more on career and sometimes a bit more on family. I just don't think we need to overthink it that much. It's just recalibrate, shuffle the deck chairs, get on with it.

Paul: And outsource as much as you can.

Erica Berchtold: Exactly, whatever you don't have to do, get someone else to do it.

Paul: a really, it's really good tips because I think often we just overthink things or we strive for perfection. And that means, you know, that's also a really bad trait, but they're really good. Good thinking, good tips for people to think about. We'll be right back after this short message.

Advertisement: Is it possible to use points to buy one soy decaf, flat white two vanilla lattes and a hot chocolate? it's possible with platinum use points and on business purchases to pay for other business purchases, the American express platinum business card with 400,000 bonus points when you apply by 6th of October, 2021 and spend \$12,000 in the first three months, American express. Don't do business without it, new card members only t's and c's apply.

Paul: I want to go back now to the beginning of the pandemic. People were confined to their homes. Lockdowns were across the country. In fact, as we're recording, we are in lockdown. And we're still feeling those impacts. We've seen a massive acceleration in online shopping, more and more people purchasing things with a few, few taps of their fingers. What have been some of the COVID trends you've seen over the past year or so, because this will be quite interesting and quite telling because you're quite close to all of this, but what are people buying?

Erica Berchtold: Yeah, I mean, look, firstly, we just feel so privileged to be continuing to represent our industry and the brands and partners through this time and to just keep giving customers a bit of joy through these current situations. And I'm sure other retailers are feeling that too, as I said, we get over 17 million visits a month and we're a very data focused business. So pulling that data, it's really interesting. You know, and we have expanded our ranges. If I look at shopping behavior, so with people spending more time at home and looking for ways to say entertain, we've seen pivots in the way they shop. So there's more spikes on weekend and during the day, like around lunchtime versus traditional early morning and evening rush hour sort of web and also app you know, viewing I think there's a lot more traffic versus conversion because people are using say the app just for a bit of entertainment and then they might come onto the site later on in the day to actually purchase from an assortment perspective. Like it's no surprise that stay at home categories like sports lounge wear ugg boots have continued to trend during these lockdown periods. I literally thought people would have just had enough of tracksuit pants and ugg boots. I just thought they are going to be just, you know, done with that. Apparently not. And the ugg boots and I tell you what else has been a category that has done well through these times we've seen spikes in our sexual wellness category, right. And in the beauty and wellness products. So particularly things like, like it's like the stay at home, salon experiences like face masks and hair masks and Dyson and GHD products and just people looking to look after themselves. And then we have seen a shift towards sustainability. So I think customers are becoming a bit more mindful or purposeful in their purchase behavior. And so, they are looking for a lot more Australian made and also shopping are considered edit, which allows you to shop via various sustainability credentials. So that's been an interesting trend to say as well.

Paul: So we can make this podcast X rated. I've got to say what is in the sexual wellness category?

Erica Berchtold: That is all sorts of beauty style products. There's actually, butt masks and there's also masks for other parts of your body. There are other devices or, or sex toys that we sell now. There are a plethora of underwear options. It actually, we had a, oh, I'm going to get murdered for, to saying this. I'm going to tell you. Yeah. We, because we, most of the items that are on our site and also the descriptions are written by our own people and photographed by our own team, right. To go on site and all credit to our copywriting team. We had some crotchless underwear that we were selling on site and I did love the creativity that they had, that they said it was a vented gusset in those underwear. And I thought 10 points to them, creativity. And now I'm going to get shot for mentioning that story. Yeah.

Paul:

There you go. You've heard it first here, massive rush to THE ICONIC website now after this podcast, that's for sure. Now we, we talked a little bit about innovation investments in digital are becoming a core issue for a lot of retailers and new trends are always emerging in the innovation space. What I'm keen to find out is have you have your digital capabilities changed over the years and how are they continuing to evolve?

Erica Berchtold: Yeah. Look, as I also said earlier, I feel we have had a 10 year headstart in this space. And so there's been a lot of R and D and learnings in this area. You know, we like to say, we want to be seamless when customers know what they want and then inspiring when they don't. And really what that means is seamless. When they know it, they want, we have to have the best search function and the best ability for people to get in and find exactly what they want by brand or by style or item, and then inspiring when they don't mean what sort of inspiring content have we got to just help people imagine what they might want. So you know, I've got a wedding to go to imagine a world where you could actually go to a wedding again, Paul, and what am I going to wear? And here's some outfits and here's how you might accessorize it. And then you know, we really believe, I really believe that every experience in a bricks and mortar experience can be converted to online. We just need to translate it. So sizing fit outfitting. And I think we've made some really great headway, but the things like follow the brand, which is part of our app that allows you, it's almost like an Insta feed on just your favorite brands. So like manning cartel or minimum a sense, couple of our brands. Every time they've got, like, I follow those brands every time they've got new product, then that pops up onto my feed and I can have a bit of a look. We've got of course wishlisting is not particularly novel. Like a lot of people do that, but we also have the ability to create wishlist boards. So for example, my nieces they did this to me all the time. They're like, hint, hint, you know how you said, do you want to be our favourite auntie? Here's a wishlist of all of my favorite things. Imagine if they were to turn up at my house. And so, but that's a really great way for kids to tell their parents what they want, or I could tell my husband, here's the stuff that I like. Well, you can just create a wishlist board yourself of just things that you like. We have snapped to shop. So that's where I could take a photo of you right now and upload that onto the app. And it would pull up all sorts of similar items there. So, and you could do that from a magazine or just someone walking down the street. We've got some new, what's not actually so new now we've had it for a year or so. Some AI called visualize, which is a 360 degree AI sneaker experience. So you can actually see what the sneaker looks like on your foot. And we don't do this stuff just for giggles. You know, that visualize technology, for example, saw an increased conversion rate and a lower return rate? Because actually people do want to see what that shoot looks like on the food. So rolling out that sort of AI gave them the ability to see that without being in a store, trying that on. So, you know, really what's next for us is just that doubling down on the use of data. Like we have a lot of data and it's using that to power, the

brands that we bring to market and share those valuable insights with our partners and, you know, just keep delivering that excellent customer experience.

Paul: Amazing. Now you spoke a little bit about sustainability before. Fashion sustainably is a key issue for the industry business are looking at ways to reduce the impact of unused clothes and example on the planet there's initiatives around sustainable packaging as well. What measures are you taking at THE ICONIC and what role do you see the retail industry playing more broadly in this regard?

Erica Berchtold: Yeah, I mean, we poll our customer base ourselves as well, and we did another one recently and it demonstrated that 40% of them take ethical, sustainable qualities of clothes into account when they're making a purchase. That was a significant increase on the last time that we served them last year. And so we use data like that to rationalize what we're already doing. We have changed our satchels to be made of a hundred percent recycled product. And they are recyclable as well. We've been working closely with manufacturers of our own brands to understand and, and improve the working conditions to workers. We launched our considered edit, which I spoke about in, in 2019, where you can shop by the different sustainability attributes that are important to you. We do an annual progress report where we just have full transparency for our customers, partners, people on all of our aspirations in that space. We just released that modern slavery statement. And that looks at the whole supply chain and steps we're taking to mitigate risk. We actually are the first major ANZ multibrand fashion sports retailer to claim carbon neutrality in our own operations. And you know, so there's a lot that we're doing and, and more than anything, I just think we are a young business, a young retailer, but we shouldn't let that stop us taking a leadership role. And we want to set the benchmark on driving progress towards a more sustainable and ANZ retail future. And so we will, even though we're young take a leadership position and try and encourage everybody to, you know, just have progress over perfection. Like let's just keep moving forward.

Paul: Completely agree. Fantastic. One of the other challenges of course, is not just for retail, but for business more broadly as creating more diverse and inclusive workplaces. Now as a female CEO, do you think there are still barriers for women in the industry and if so, how do we overcome them?

Erica Berchtold: Well, I think gender equality needs to be something that the entire business and all team members believe in and make a commitment to and organizations we really need to walk the talk and barriers are dissolved over time. Like this is not going to be a really quick turnaround. Like we need to take personal responsibility from the top down. I think women do need to feel confident and supported in putting themselves forward for roles, particularly leadership positions. I do also want to call out that it's important to remember that not every woman wants to have a family or actually can have a family. So gender diversity needs to focus more on, you know, on, on more than just that work-life balance. Like it's got to look at the whole sort of person and what, what is important to them. And then supporting women in the workplace equally needs to extend to things like empowering men, step up across key roles in parenting. So normalizing it for men to take some leave, to pick up the kids or take paternity leave. That's something that, you know, is important to us and look at our business. I'm over 65%. I think we're at about 67% women. Five of the eight executives are women in the business. So you know, we're certainly leading by example, but you know, there's always going to be work to do. And it's really this understanding that diversity comes in all forms and, and richness of conversation. And I think diversity in every, every way, shape or form, not just gender is really important.

Paul: If you had any advice for younger people, particularly young women starting out in the industry? What would it be?

Erica Berchtold: Oh, look, I've said this a lot and I still believe it to be true. And it's, you know, women can really suffer from the I'm probably not ready syndrome and they avoid throwing their hat in the ring and throughout my career, I've always learned to just back myself, have a go. Even if you think you aren't ready or qualified, you know, just the experience of applying for that job or putting your hand up for the opportunity can be really useful for you, even if you don't get it and maybe you will get it. I think just that I dunno, well, Udacity and confidence to just throw your hat in the ring, like just don't be shy about it.

Paul: The retail industry can be a bit crazy at times. No two days are ever the same. Is there any issue that's keeping you up at night at the moment?

Erica Berchtold: Yeah, I stay awake at night, just dreaming of what's the next frontiers are going to be, and you know, what else can we offer to the brands and our customers in a way that no one else is in the online space. And, you know, I've seen a huge, huge change in the attitude from what I'd call traditional retail brands towards us. And I think there's a very real opportunity for us to partner with more people here in Australia as, as partners, rather than competitors. You know, some of the brands we've recently onboarded that have their own stores and have their own online presence. And they're telling me that 70% of the orders they're getting from us a totally new customers for them. Right. And so we're complimenting what they do. We're here to compliment and help amplify their brand, not to cannibalize it or take away. And I think that's quite a shift in attitude of, you know, those traditional retail players towards us. So that excites me. What, what could we be doing to partner with them? More and, you know, I think as an industry, we all just need to band together, hang in there, like, you know, let let's change and jump at all of these incredible opportunities and come out stronger. The other side of this whole this whole chapter.

Paul: And what a beautiful way or way to end our conversation today, Erica, it was just a joy chatting with you today. I could talk all all day. Thanks for joining us in the Amex lounge for some retail therapy, congratulations on all your success at THE ICONIC and all the very for the future.

Erica Berchtold: Thanks Paul.

Paul: Thanks for joining us on the Amex lounge some retail therapy. Make sure you subscribe to our show on apple podcasts or follow us on Spotify. We can be found wherever you listen to your favorite podcasts. For more information about the work we do at the Australian retailers association, head to our website, [retail.org.au](http://retail.org.au). Follow us on LinkedIn, Facebook, Twitter, or Instagram, wherever you love to connect. All the links can be found in the show notes. I can't wait to talk retail therapy with Australia's retail leaders and share these conversations with you. The future leaders, business owners, and innovators of the industry.