The Ultimate Digital Growth Guide for Fashion Marketers

Insider

Table of Contents

Dream

What people think fashion marketers do all day... 🤔 🤔

😎 Hang out with supermodels

📷 Send samples to celebrities

💅 Get styled by your coworkers

🎁 Bring home all the best freebies from the fashion closet
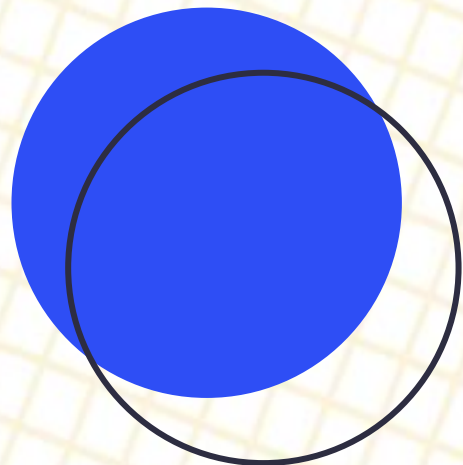
Reality

What fashion marketers
actually **do..** 🤷‍♀️ 🤷‍♂️

😩 Pull all-nighters to get your website optimized for mobile (finally)
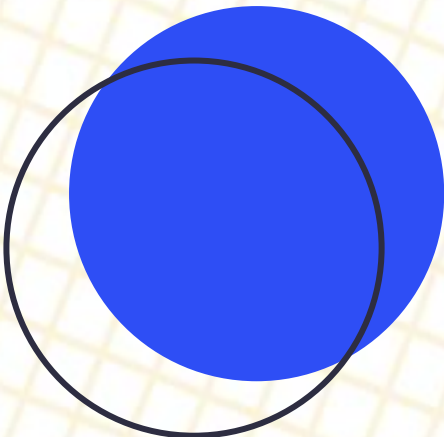
📱 Obsess over which is better: your brand's app or your rival's

🧐 Keep CAC in check

🚀 Work tirelessly so your multichannel marketing efforts can deliver best-in-class personalization

Anyone who works in the biz knows how fierce the competition is.

How much looks matter—and individual preferences, too.

And in the digital age, that means how your website (both mobile and desktop) and app look and how well your company can execute on 1:1 personalization
that's truly tailored to each and every shopper.

When 97 percent of the global industry's profits are claimed by just 20 companies—12 of which have been members of this elite group [for the last 10 years][1]—for the rest of the players in the game,
the winning strategy is all about disruption.

Changing the norms. Meeting evolving consumer preferences faster. Better.
Not just thinking digital first.
Being digital. First.

Getting it all right and keeping one step ahead? That's what makes all the difference and matters more than ever now with the McKinsey Global Fashion Index forecasting growth of 3.5 to 4.5 percent for 2019, slightly below 2018 figures, and all regions, with the exception of North America, and all segments, with the exception of luxury brands, feeling pessimistic about growth, according to McKinsey's "The State of Fashion 2019: A Year of Awakening."

While the top 20 fashion enterprises may be able to afford having ecommerce websites that disappoint and customer experiences that lack personalization—they can't for long, and neither can you.

We know you're working to turn things around for your brand—and we also know that it won't be easy.

---

[1]https://www.mckinsey.com/industries/retail/our-insights/the-state-of-fashion-2019-a-year-of-awakening

Which is why we've put this eBook together, with an in-depth overview of the top five challenges marketers are facing:

Making sure advertising dollars don't go to waste

increasing the return on ad spend (ROAS) on your customer acquisition costs (CAC)

Compensating for the tactile experience of in-store shopping

eliminating the need for customers to touch, feel, or try out products before buying

Improving product discovery by getting personalization right

understanding how differences across age, gender, and lifestyle impact customer behavior, and helping customers overwhelmed by so many products to choose from find exactly what they're looking for

Winning the price (and promotions) wars

without letting the competition lock you out of the game

Driving loyalty

earning trust from customers who will keep coming back, driving repeat purchases and increasing lifetime value

...and 7 creative strategies for improving the fashion industry's essential KPIs—

profit margins

conversions

repeat purchases

time spent on site

click-through rates

cart-to-detail rates

...and more

Meet the fashion shoppers... by personality type

When it comes to fashion, everyone has their own unique tastes and interests. That's what makes each person unique. But when it comes to shopping patterns, there are a few key consistent trends you're likely to find—even among the most diverse group of customers. In fact, based on our own data analysis of consumer behavior, our team has identified six common buying personas. So, let's meet your fashion shoppers:
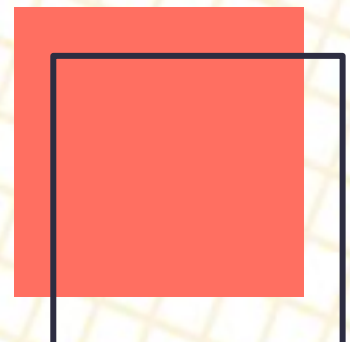
Dong-Sun,
"The Discount Chaser"

"I always search for the biggest sales and then try to find the best-valued products at a steep discount."

Horacio,
"The High-Value Customer"

"I may shop less often, but when I do, I treat myself to the very best products out there. No splurge is too extravagant when I feel like treating myself."

Bella,
"A Brand's #1 Fan"

"Once I trust a brand, I'll always keep coming back for more. I'm a brand loyalist through and through."

Saachi,
"The Size-Sensitive Shopper"

"No matter where I look, it's hard to find items that fit. And to me, fit is the most important factor I consider when deciding to buy or not to buy."

Paola,
"The Procrastinator"

"I add items to my cart, but don't check out. I never seem to finish what I start, not only when I shop, but also in general."

Eichi,
"The Early Adopter"

"I'm always on the lookout for new trends and arrivals. Whatever's hot, that's what I want to buy."

Keeping these buying personas in mind will be helpful for marketers as understanding these types can help you develop your own audience segments and conceptualize segment-specific marketing campaigns and promotions.
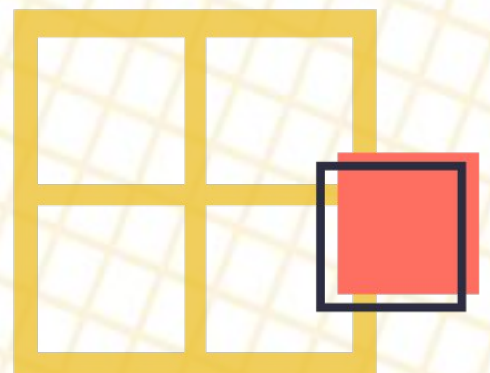
TODAY'S FASHION MARKETER'S
5 main challenges and KPIs

Plus: 7 creative strategies

for addressing these challenges and
increasing KPIs, including boosting profit margins,
conversions, repeat purchases, and more

Chapter 1

THE CHALLENGE:

Making sure advertising dollars don't go to waste

KPI:

Reducing CAC and optimizing ROAS

If it feels like you're spending more to reach fewer people, that's because it's true. Over the last 20 years, CAC have increased nine-fold, according to one [Harvard Business School](#)[2] research paper. With spending that high, most brands can't afford to let a single dollar go to waste.

Engaging customers over the long term is one way to ensure customers maintain their interest in and enthusiasm for your brand for the long haul—helping you keep your acquisition costs in check. And one segment in particular to keep an eye on? Once active customers who now have a high likelihood to uninstall (LTU) your brand's app.

[2]https://hbswk.hbs.edu/item/the-rising-cost-of-consumer-attention-why-you-should-care-and-what-you-can-do-about-it

STRATEGY #1

Dedicate remarketing advertising spend toward reaching the right customers: those with a high LTU—before they churn

If you knew that a customer was about to churn and that you could do something about it before it was too late, wouldn't you take action? If you answered yes, that's the smart choice because it's easier—about 50%, in fact, according to Forbes—to sell to existing customers than new ones. It hasn't always been possible to pinpoint the precise signals that someone might be considering uninstalling an app, but with Insider's AI-backed **Predictive Segments** technology you can now identify those with a high LTU. Paired with Insider's **App Tracker**, which enables brands to track which users have the competition's app installed, you have the makings of a truly powerful remarketing campaign.

You can re-engage those users who have both a high LTU *and* your competitor's app installed with Insider's **Remarketing** via Facebook and Adwords—and when your campaign comes together, you'll have the chance to reduce uninstalls. Here this example could work for **Horacio, the "High-Value Customer" buyer persona,** appealing to his desire for only the best products, as well as **Dong-Sun, the "Discount Chaser"** due the 20% off offer, and **Paola, "The Procrastinator" buyer persona** as a reminder to not put off buying gear before the big race. Leveraging this technology and type of strategy, one Insider client, a leading fashion retailer, was able to see a 5% drop in app installs.
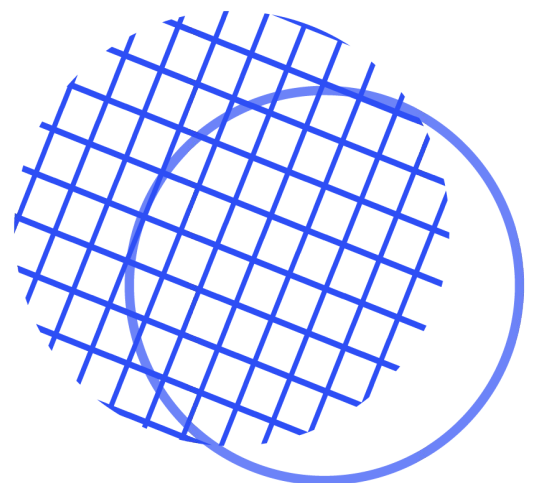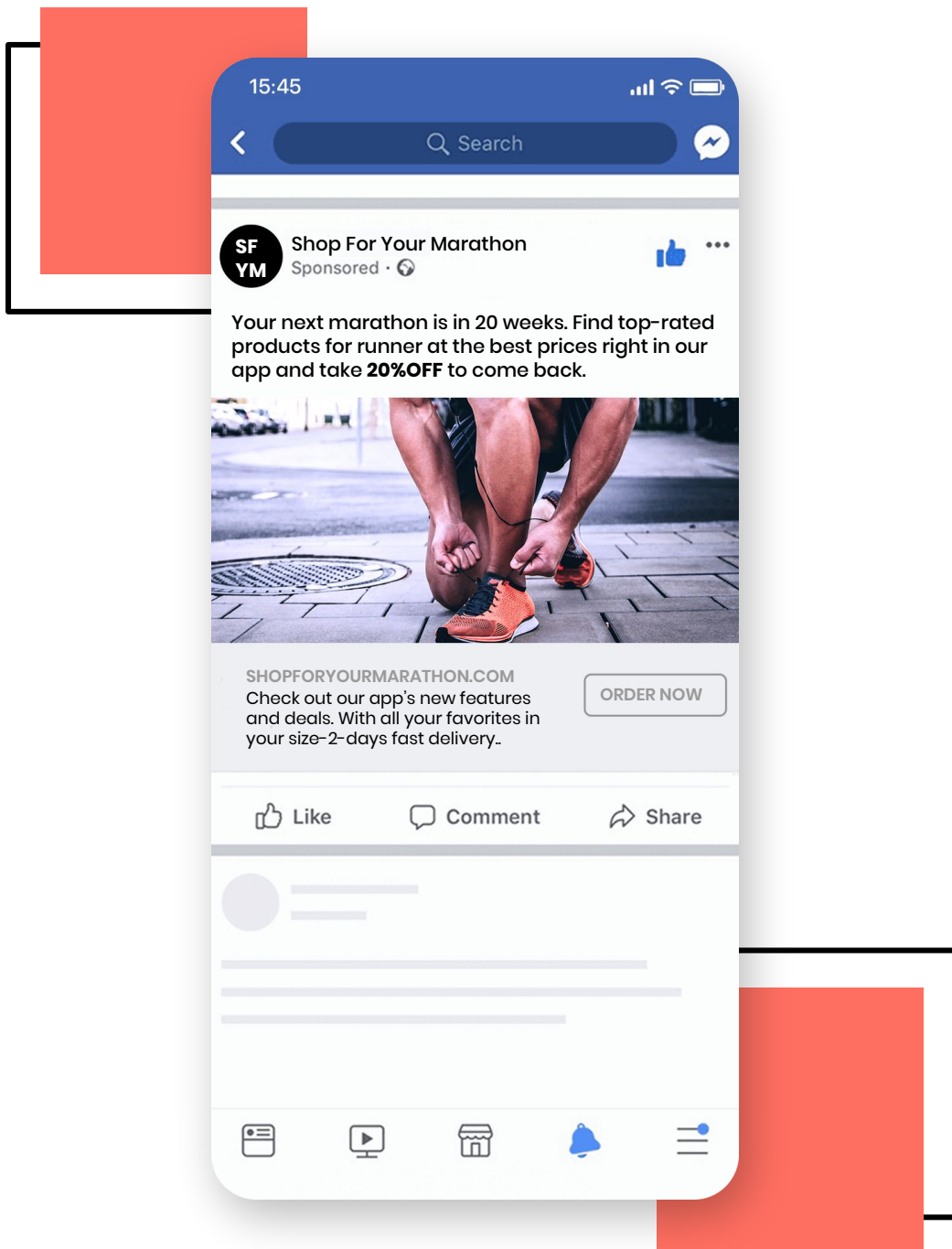
More Insider fashion client case studies: Two brands that have tapped into Insider's **Predictive Segments** and **Remarketing** capabilities have seen big payoffs:

Pierre Cardin increased conversion rates by 445% and boosted return on ad spend (ROAS) by nearly 165%, while decreasing CAC by almost 68%

U.S. Polo Association increased conversion rates by over 311% and boosted ROAS by more than 135%, while decreasing CAC by almost 59%

Chapter 2

THE CHALLENGE:

Creating a sense of urgency to compensate for the tactile experience of in-store shopping

KPI:

Increasing cart-to-detail rate and conversions

Traditionally the offline experience of shopping for clothing, accessories, and bags has been high-touch, with customers having the opportunity to try on and feel products in real life. In the digital space, marketers need to find new alternatives to build customer confidence and engagement—such as increasing social proof through customer reviews—which are so effective, they impact virtually every single consumer. According to [one survey about consumer trends](https://www.searchenginejournal.com/social-proof-types/318667/#close)[3], nearly all survey fashion shoppers said customer reviews are the number one factor that helps them decide whether to buy something or not. Some other ways to demonstrate urgency and mass appeal include indicating how many people are viewing and buying given items and how many items are left in stock.


[3]https://www.searchenginejournal.com/social-proof-types/318667/#close
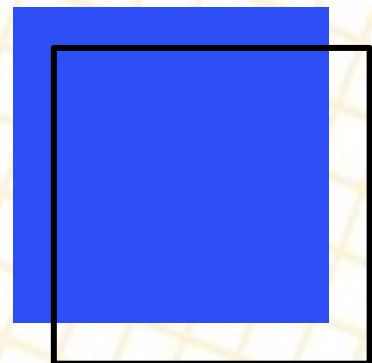
STRATEGY # 2

Harness the power of social proof to bolster confidence and drive sales

Given the power of word of mouth, it's crucial for companies to have a strategy for harnessing the wisdom of the crowds to help build trust online. Brands can demonstrate social proof, create urgency, and build confidence in their selections by showcasing a given item's popularity—such as the item's ratings and number of reviews, and availability—i.e. how many are still in stock and how many have recently been purchased, as shown here.

In addition to looking for upticks in down the funnel conversions like sales, brands can expect to see others take off higher up in the funnel as well, such as cart-to-detail. This type of messaging can be effective for reaching buyer personas like **Paola, "The Procrastinator"**—seeing an item is low in stock and has so many people considering buying it may help nudge this type of shopper to act.
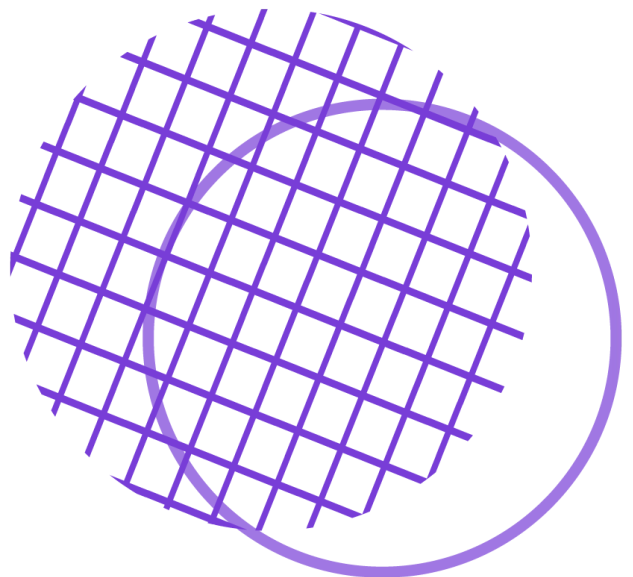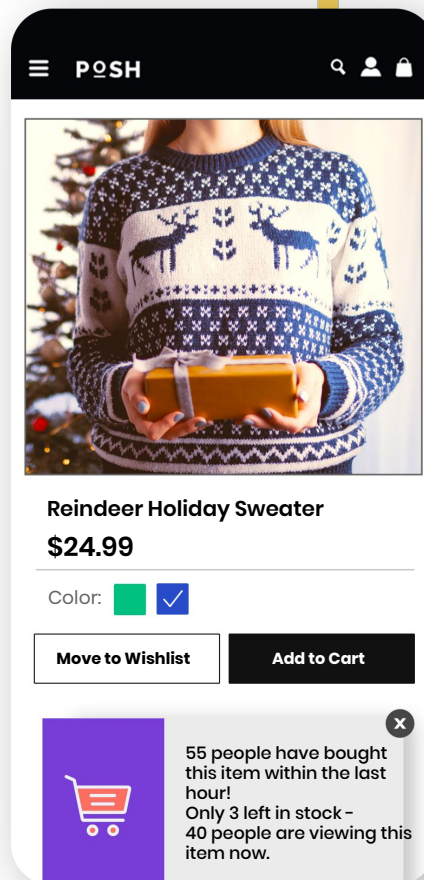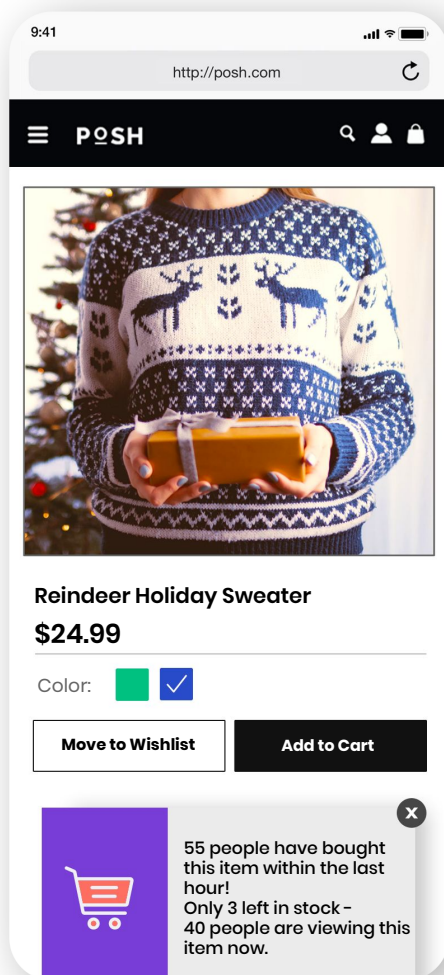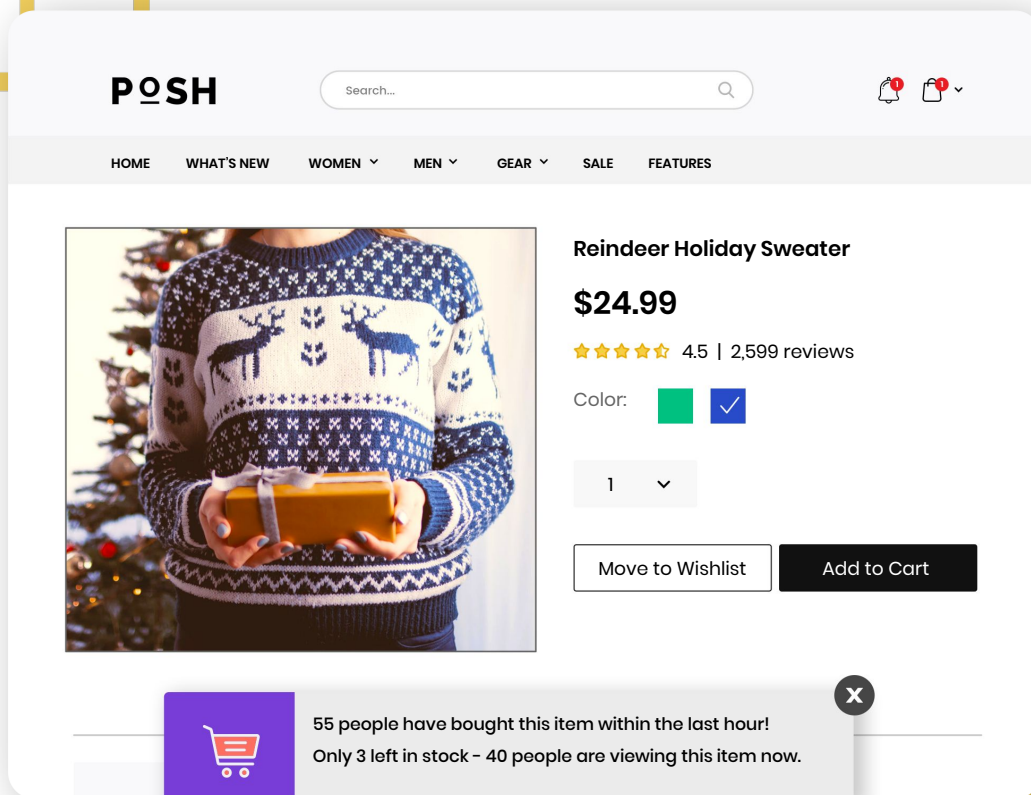
Chapter 3

THE CHALLENGE:

Improving product discovery (activation)
by getting personalization right

KPI:

Speeding up the path to purchase, increasing engagement
(time spent, click-through rates) and conversions to boost
overall revenue

The mobile shopping experience has been too complicated for too long. Did you know it takes the average mobile customer 5 clicks, 3 searches, and 5 filters to find what they're looking for? But who has the time or patience to go through that many steps? And even then, it usually takes multiple visits before potential customers become actual customers by successfully completing a purchase. That means it's the job of marketers to streamline the process and make it as fast and easy for shoppers to make discoveries and then activate on those discoveries by finishing a checkout.

With digital savvy retailers like Amazon priming customers to expect and look for product recommendations, it's now a demand that all fashion brands must meet. But generic, one-size-fits-all suggestions aren't going to move the needle. Personalized recommendations —ones that demonstrate an understanding of how differences across age, gender, and lifestyle impact customer behavior—are what will help drive engagement KPIs, such as time spent on site and click-through rates, as well as critical down-the-funnel conversions, like purchases.
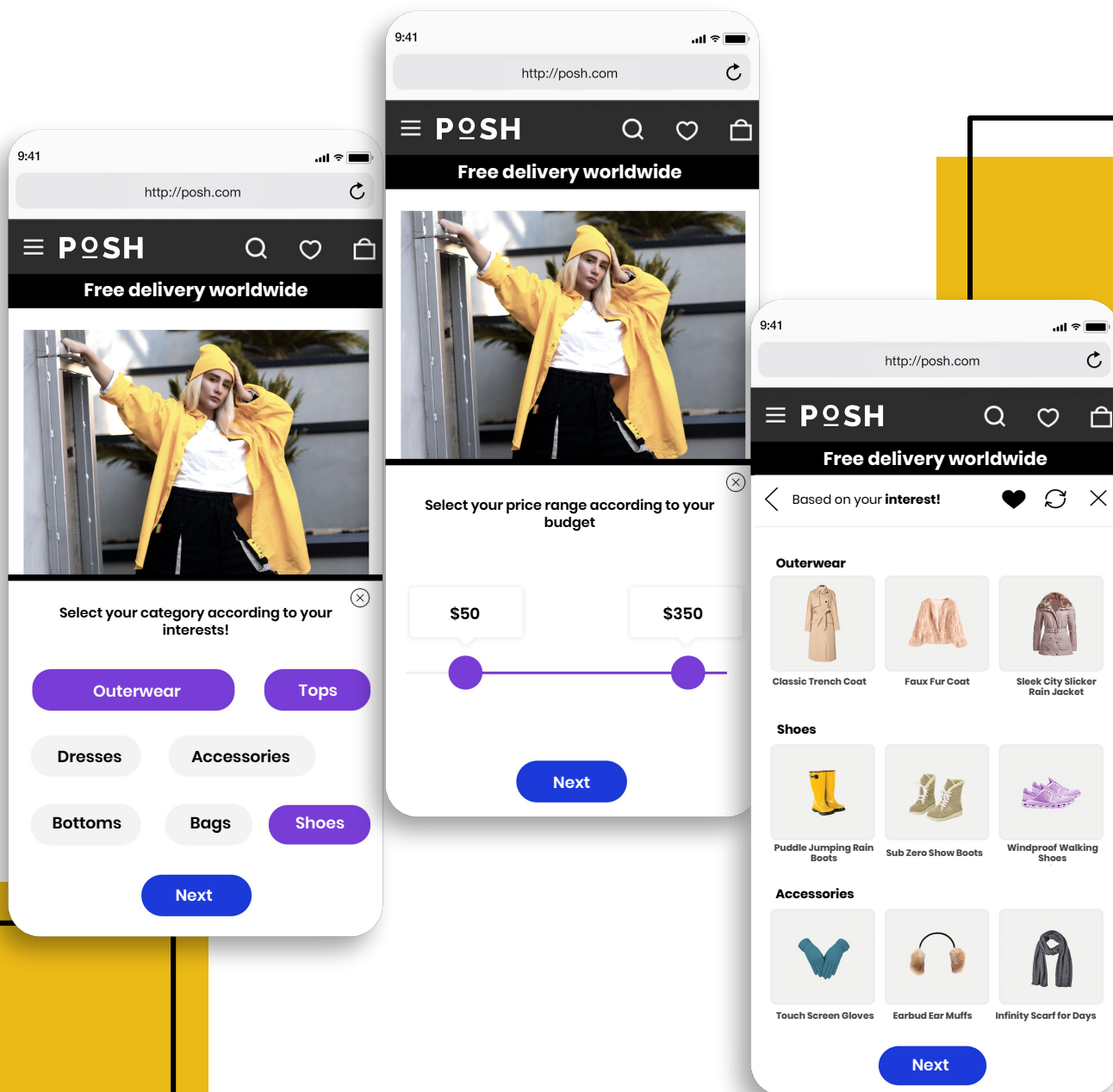
STRATEGY # 3

Offer smart recommendations—powered by both artificial intelligence (AI) and personalization

The onboarding process for many content companies like Netflix, Hulu, news apps, and social media apps like Twitter involves a few quick questions about interests. It's a smart strategy because asking the right questions at the start can help deliver better customer experiences throughout the customer journey. But the practice doesn't have to be limited to content companies. With Insider's **Maven, a product recommendation engine** powered by **AI** and **personalization**, brands of all kinds—including fashion companies—can easily do the same to help speed up the path to discovery and ultimately purchasing for customers. With this solution designed to improve mobile web experiences and conversions, you can understand visitor intent and act on it by delivering interest-based recommendations and personalized shopping experiences.

From the start, you'll simply ask every new customer quick and easy questions—such as to select their favorite product categories or preferred price range—to streamline their experience and guide them through product discovery. Utilizing this kind of technology, your customers will now be able to easily see the most viewed, most popular products (thanks to **machine learning**) through the lens of their own personal interests and demographics. This is a great way to engage your **Eichi, "The Early Adopter," persona**, who is motivated by knowing what's trending.

One personalized category to consider that's paramount to apparel? The impact of seasonality on the fashion industry can't be overstated. By gathering individuals' localized weather considerations as illustrated here, brands can offer more dynamic experiences and serve up even more relevant products.

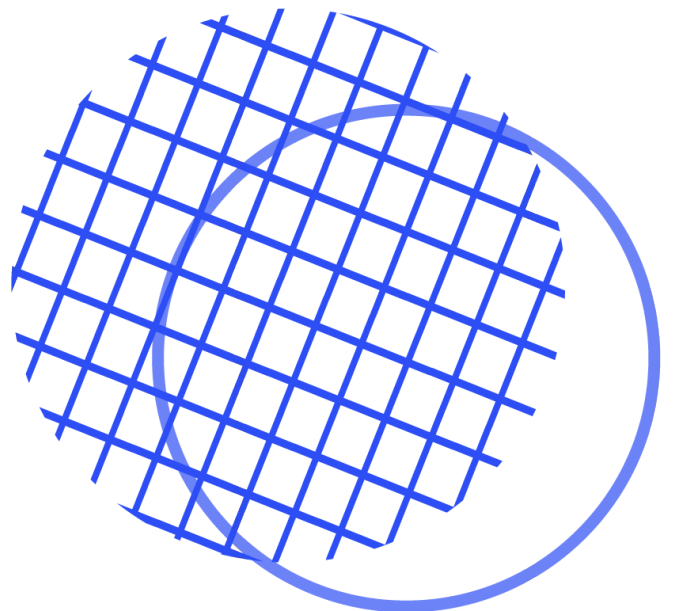**Looking for a new way to engage shoppers on the mobile web?**
Meet **InStory** a fresh way to deliver immersive mobile web experiences,
inspired by the visual storytelling popularized by social apps your customers love.
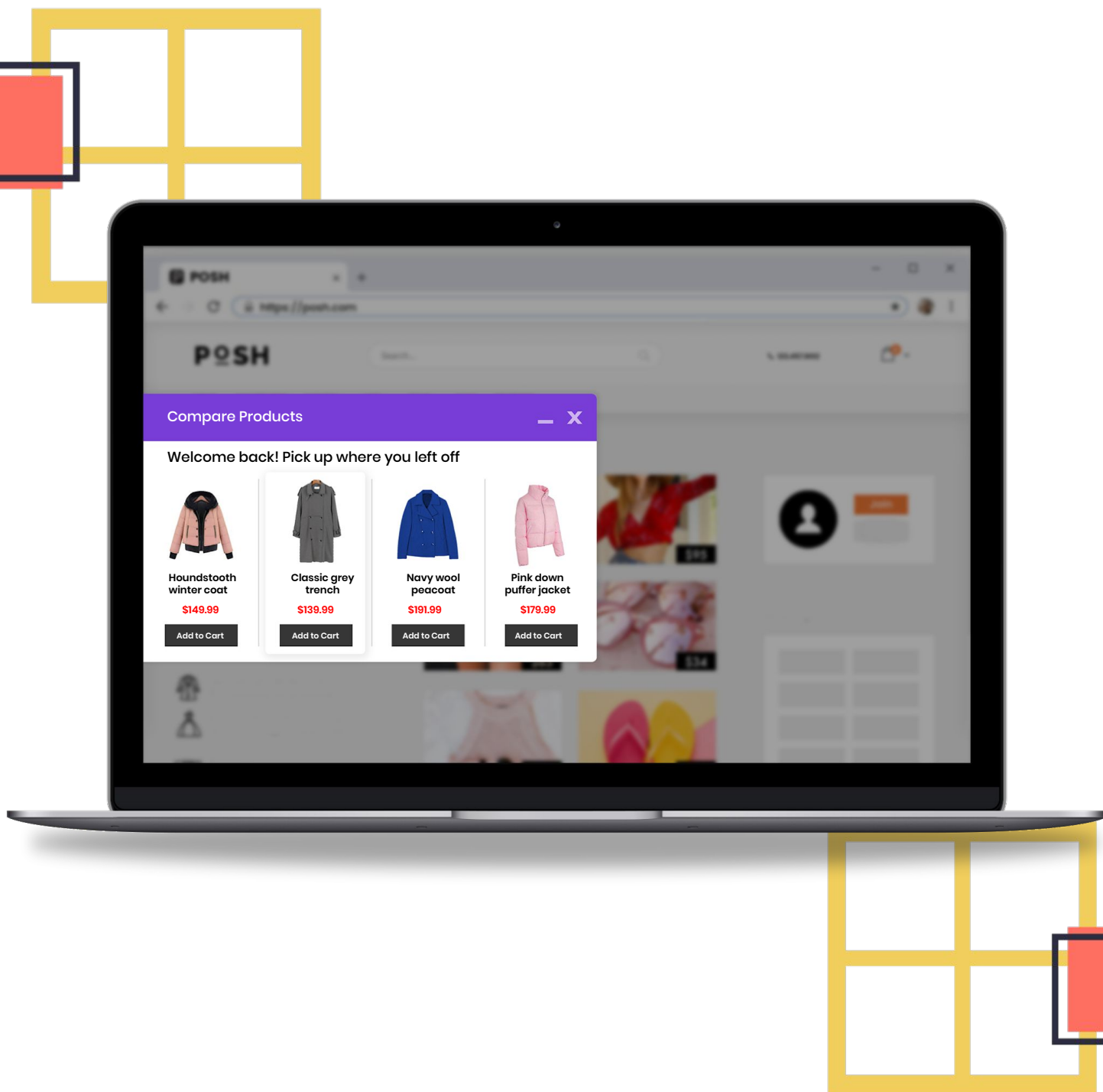Learn more at http://bit.ly/33dftBq.

STRATEGY # 4

Make it easy for shoppers to find and compare products based on past browsing history

With Insider's **Web Versus** solution, a visual browsing history integration that allows customers to compare products side by side, you can help those shoppers who often take multiple visits to complete a purchase convert by showing them exactly what they're looking for in a format that helps them assess product features, prices, and more, all at a glance, so they can easily make their final decision.

One telling matric to watch: This kind of solution should help improve your **cart-to-detail rate**, that is, increase the number of products added per number of **product-detail views** (how often someone clicks to see a product detail page or box). For a buyer persona like **Dong-Sun, "The Discount Chaser,"** this type of solution can help these shoppers compare items and see which will deliver the greatest value.

Compare Products — _ X

Welcome back! Pick up where you left off

Houndstooth winter coat
$149.99
Add to Cart

Classic grey trench
$139.99
Add to Cart

Navy wool peacoat
$191.99
Add to Cart

Pink down puffer jacket
$179.99
Add to Cart

STRATEGY # 5

Achieve 1:1 personalized recommendations to boost engagement and conversions

With Insider's **Smart Recommender**, a **smart recommendation technology** powered by insights collected from users across platforms, brands can fuel discovery and activation by providing relevant product suggestions based on look-a-like shopper profile engagement data and patterns, as well as by taking into account returning visitors' past browsing history, purchases, and items-added-to-cart activity.

Based on these individual interests and behaviors, brands can showcase truly customized recommendations for the following types of categories:

trending products

highest discounted products

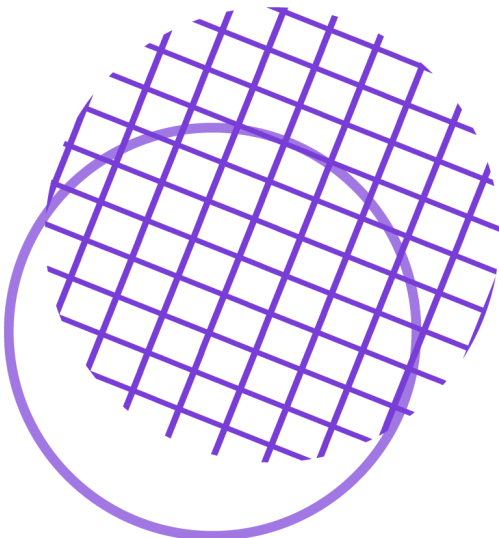location-based top sellers

user-based recommendations

usually purchased together
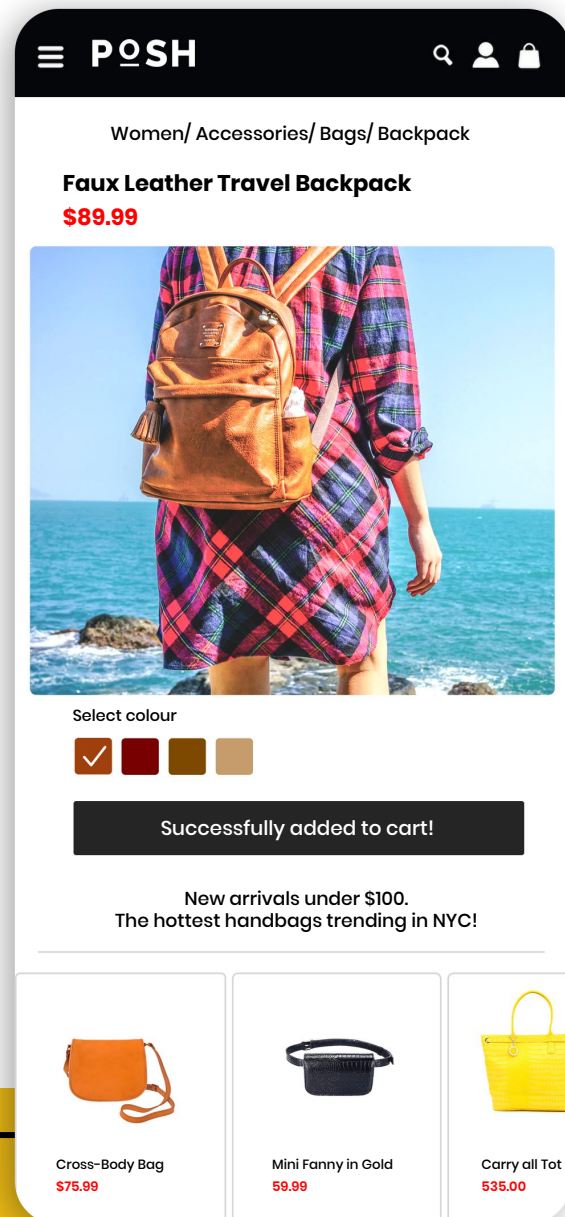
usually viewed together

new arrivals

most popular items

and much more

Understanding fashion shoppers' individual preferences and demographics is essential. Marketers can take things to the next level by creating **micro segments** based on key parameters like preferred product price range, categories of interest, and more. This example here, for instance, might be a fit for **Bella, "A Brand's #1 Fan,"** if the smart recommendation technology is leveraged to make suggestions based on customer brand preferences.

POSH

Women/ Accessories/ Bags/ Backpack

Faux Leather Travel Backpack
$89.99

Select colour

Successfully added to cart!

New arrivals under $100.
The hottest handbags trending in NYC!

Cross-Body Bag
$75.99

Mini Fanny in Gold
59.99

Carry all Tot
535.00

Chapter 4

THE CHALLENGE:

Winning the price (and promotions) wars

KPI:

Higher profit margins

Thanks to the information age the Internet has made possible—arming consumers with all the intel they need to price compare and hunt down the very best deal—we've gone from a seller's market to a buyer's market, and this new reality costs brands—it added [up to $300 billion in 2018 alone](#)[3]. Over the last two years, in fact, the number of discounts on products on the market for less than three months has grown significantly[4]. In one extreme example, unable to drum up enough customer interest, H&M accumulated up to $4 billion in unsold clothing in 2018[5].

As McKinsey explains, with customer traffic on the decline, those in the apparel sector are using promotions to inch forward, but offering deep discounts isn't sustainable and it doesn't have to be the only strategy. There's another way: To price smarter, using analytics to determine how to set costs by segment and by product type. According to McKinsey, taking this type of scientific approach to pricing has the [power to lift margin and sales by 3-6%](#)[6].

---

[3] https://qz.com/1559218/how-fashion-got-trapped-in-a-cycle-of-overstock-and-discounts/

[4] https://qz.com/1559218/how-fashion-got-trapped-in-a-cycle-of-overstock-and-discounts/

[5] https://qz.com/1559218/how-fashion-got-trapped-in-a-cycle-of-overstock-and-discounts/

[6] https://www.mckinsey.com/industries/retail/our-insights/powerful-pricing-the-next-frontier-in-apparel-and-fashion-advanced-analytics

STRATEGY # 6

Deliver gamified promotions—to the right segment, your Dong-Sun, "the Discount Chaser" buyer persona
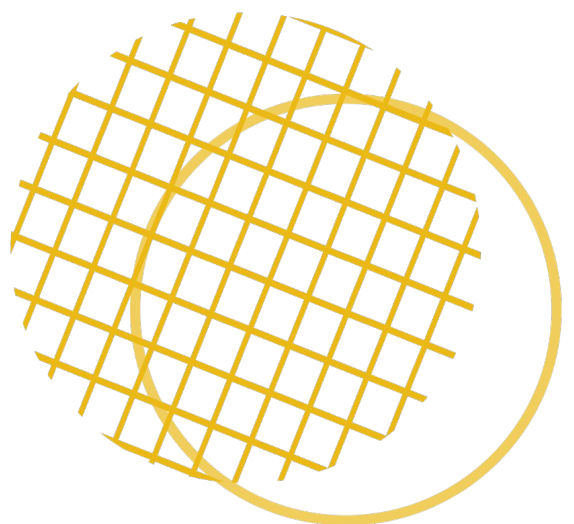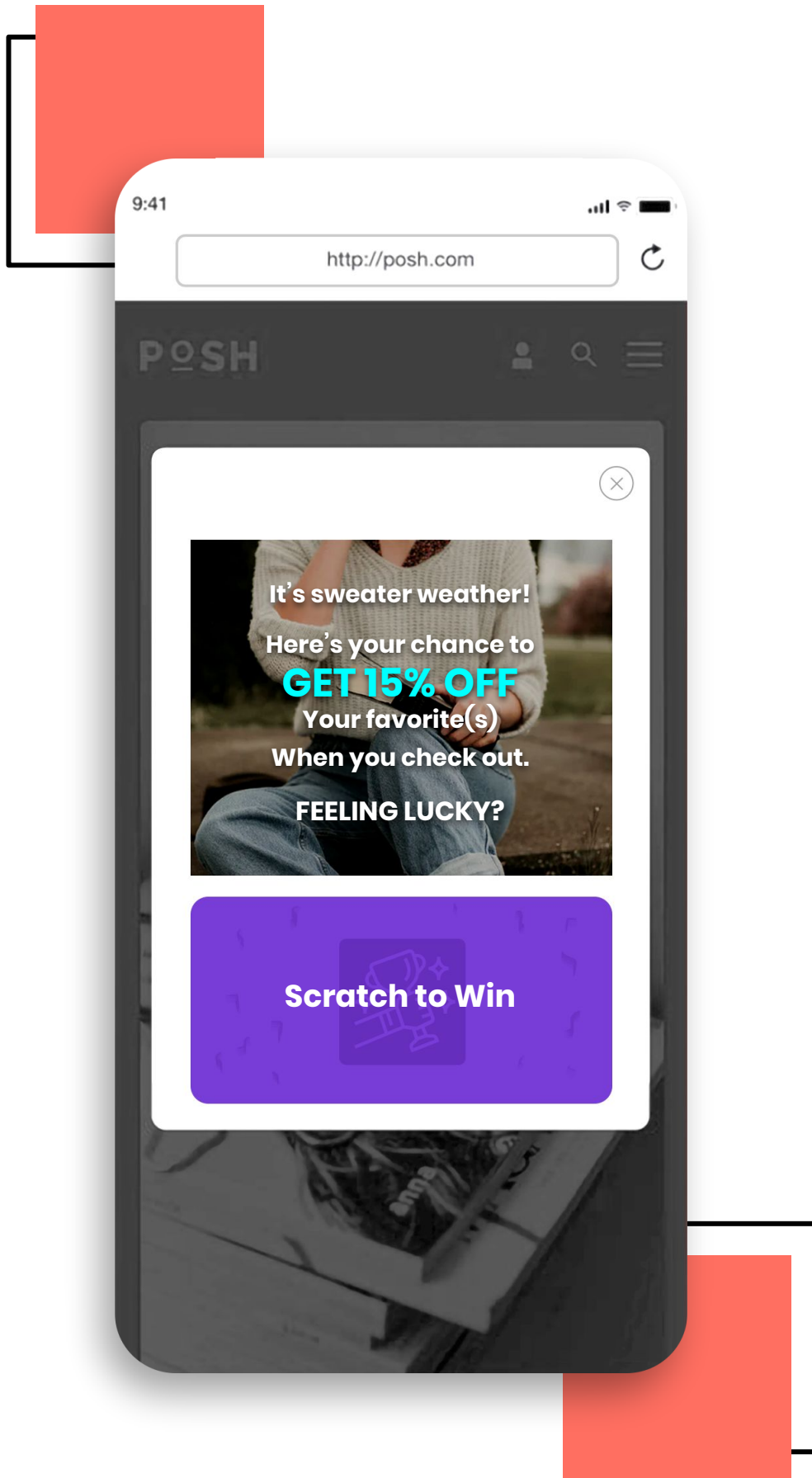**Marketing channel: Mobile web**

As illustrated by [McKinsey's research "Powerful pricing: The next frontier in apparel and fashion advanced analytics,"](#)[7], offering incentives to everyone is a losing strategy for brands trying to win the price wars. When brands evolve beyond this go-to and begin offering highly personalized and engaging experiences, companies can dial back from offering generic, one-size-fits-all incentives and instead focus on prioritizing offers for high discount affinity customers, such as the **Dong-Sun "The Discount Chaser" buyer persona** described in the introduction to this eBook.

In the long run, this tactic can help protect your margins and lead to greater profitability.

Based on Insider data, about 62% of traffic to digital channels comes from mobile web but these visits only result in about 20% of total conversions. One Insider client from the fashion industry, Puma, was able to drive an uplift in mobile web conversion rates by leveraging gamified incentives like Insider's **Scratch to Win Coupon** solution illustrated here:

---

[7]https://www.mckinsey.com/industries/retail/our-insights/powerful-pricing-the-next-frontier-in-apparel-and-fashion-advanced-analytics

It's sweater weather!

Here's your chance to
GET 15% OFF
Your favorite(s)
When you check out.

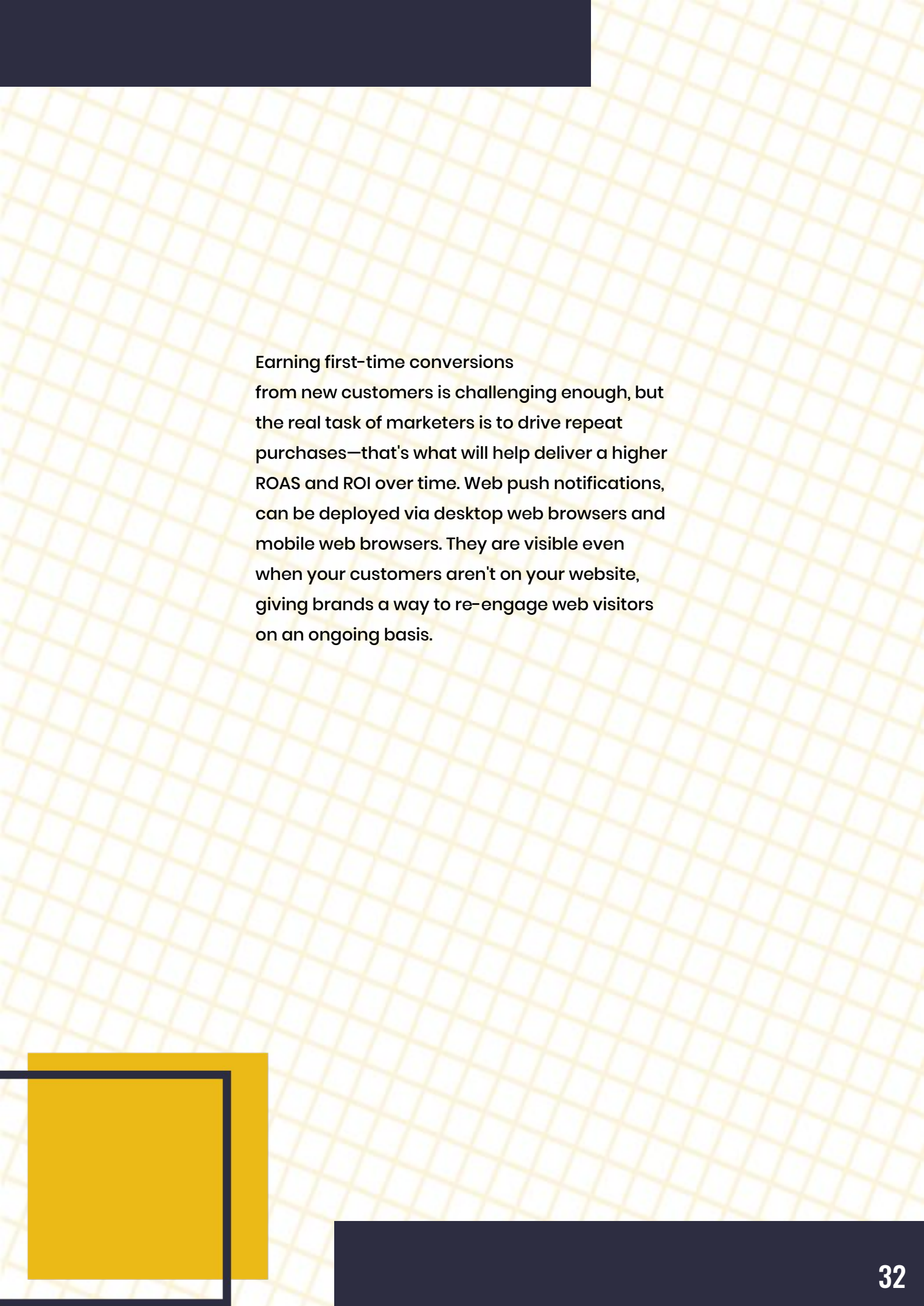**FEELING LUCKY?**

Scratch to Win

Chapter 5

THE CHALLENGE:

Driving loyalty

KPI:

Increasing conversions, repeat purchases, and revenue

Earning first-time conversions
from new customers is challenging enough, but
the real task of marketers is to drive repeat
purchases—that's what will help deliver a higher
ROAS and ROI over time. Web push notifications,
can be deployed via desktop web browsers and
mobile web browsers. They are visible even
when your customers aren't on your website,
giving brands a way to re-engage web visitors
on an ongoing basis.

STRATEGY #7

Re-engage customers based on their precise product interests when they're not on your website—via web push notifications

While the mobile web and mobile apps get a lot of attention from marketers these days, it's important not to forget web push notifications, which can be deployed via desktop web browsers and mobile web browsers, as part of your overall marketing mix. Given that almost half of total Internet time is spent browsing desktop websites[7], this can be a powerful channel to reach this segment of users.
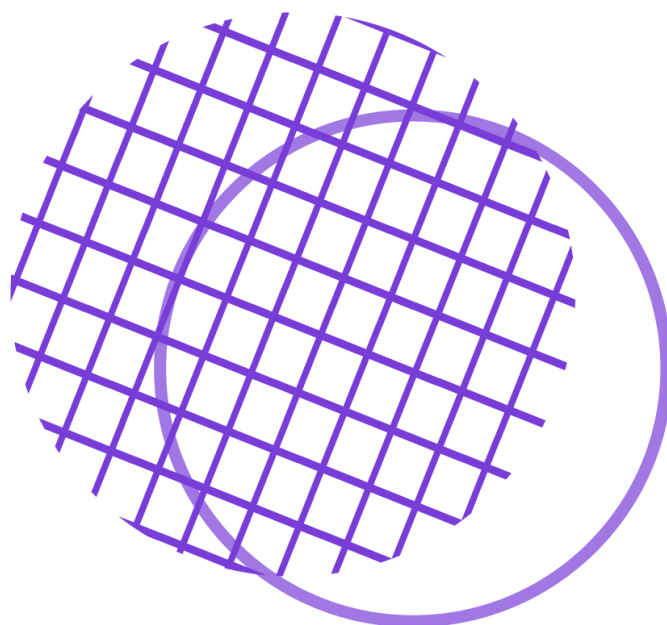
As long as customers opt into receiving web push notifications from your brand,, they can receive these messages wherever they're browsing online—they don't even have to be visiting your website to get the update. When you're thinking of campaigns to re-engage past customers, consider web push notifications tailored to their past shopping interests as a way to drive higher revenue.
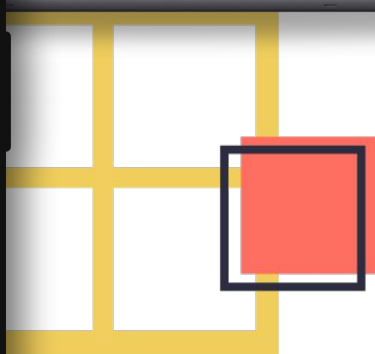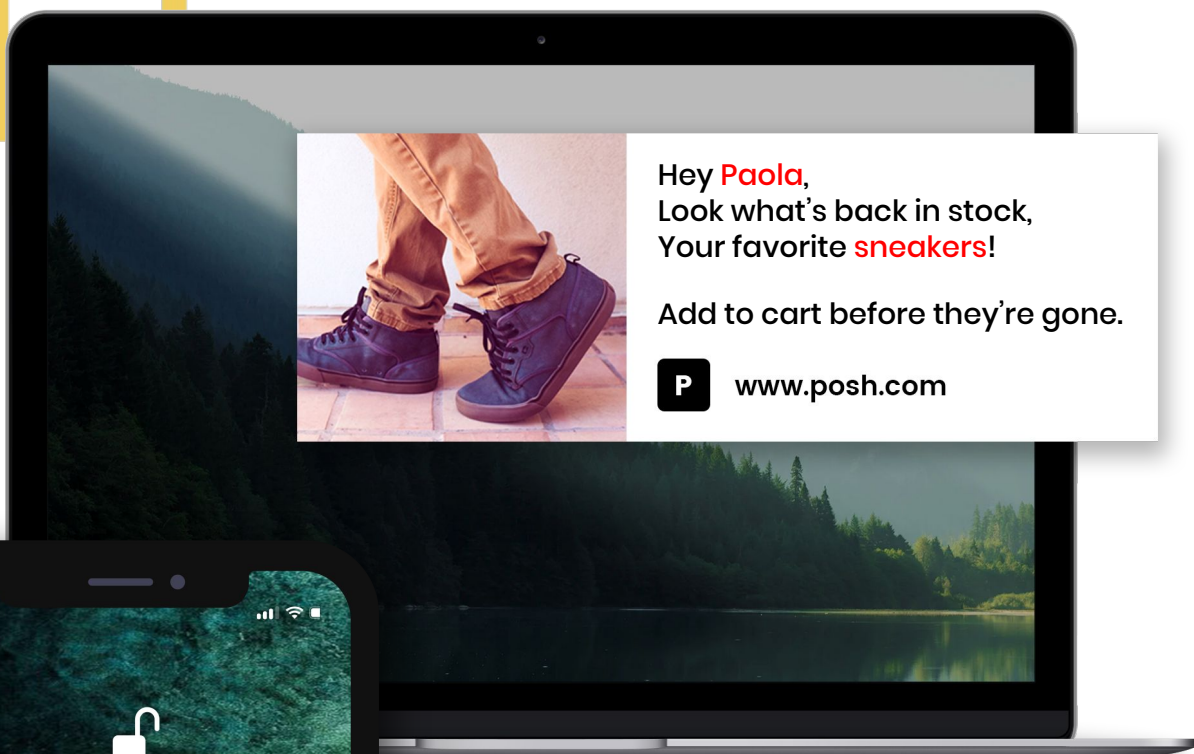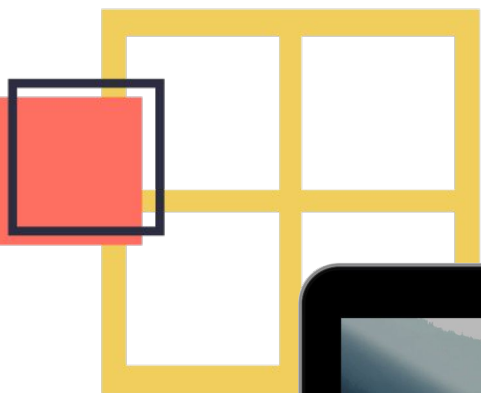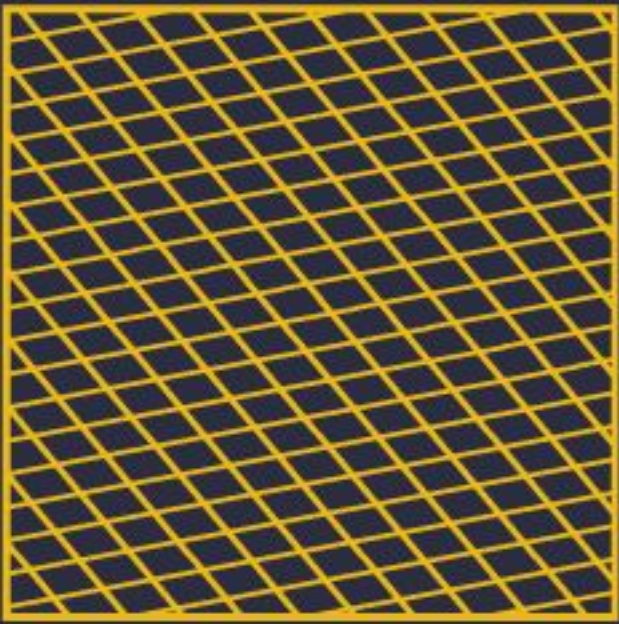
---

[7]https://neilpatel.com/blog/website-push-notifications-for-ecommerce/
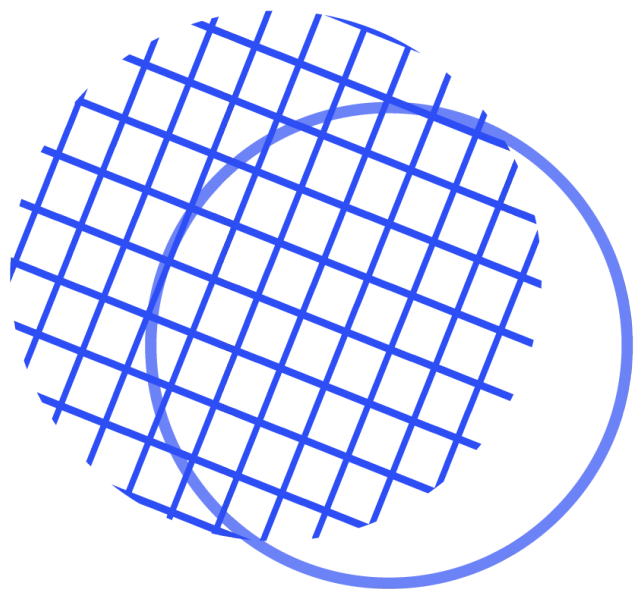
This type of update could be tailored to **Horacio, "The High-Value Customer,"** by emphasizing that it's one of this shopper's favorite high-value items. For **Bella, "A Brand's #1 Fan,"** the messaging could be tailored to emphasize the history of loyalty to this brand. For **Saachi, "The Size-Sensitive Shopper,"** the update could emphasize that this item is just the right size. And for **Paola, "The Procrastinator,"** the messaging could have more emphasis about how items like these sell fast—no time to waste!

Plus, leveraging Insider's dynamic content—powered by real-time customer intelligence including unique attributes, preferences, and behaviors as seen in the example here below—your web push notifications will always stay current and fresh.

Hey **Paola**,
Look what's back in stock,
Your favorite **sneakers**!

Add to cart before they're gone.

P www.posh.com

2:23
Tuesday, November 12

P **POSH**

Hey *{First Name}*,
Look what's back in stock,
Your favorite *{Last Visited Product}*!

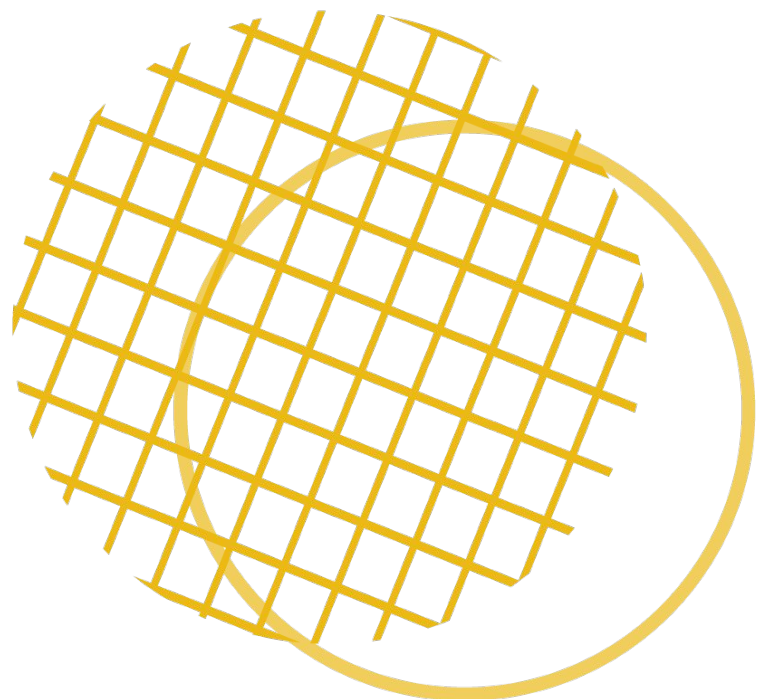Add to cart before they're gone.

Next Steps

With the top 20 brands in fashion claiming 97 percent of the profits, the outlook for the industry overall indicating slow growth, and most companies struggling to build engaging customer experiences, fashion marketers are facing many key challenges that won't go away overnight. Insider clients like fashion leaders Puma, Pierre Cardin, and U.S. Polo Association, however, have shown how simple solutions can have a huge impact on the KPIs that matter most.

For even more ideas and resources and ways to get started, visit:

www.useinsider.com