

# Performance IN

DEC // 2015

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## Performance Marketing in Fashion

Why Fashion and Mobile  
are a Match Made in Heaven

Q&A: Profile of the Fashion Consumer

Breaking News: Content is In!

Q&A: Publisher Recruitment

# BIG STATS

In 2015, three quarters of consumers globally had bought fashion items and apparel online

<http://bit.ly/1F2zC9M>



The online luxury fashion market will hit £7.6 billion pounds globally in 2018

<http://bit.ly/1Xi4ZMw>

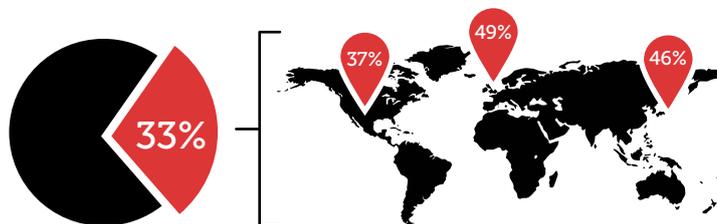


# £7.6 BILLION

# MOBILE

Fashion and luxury purchases take 33% of all mobile transactions. This is particularly high in the UK (49%), Japan (46%) and the US (37%)

<http://bit.ly/1LMMyPx>



80% of fashion brands have a dedicated mobile site

<http://bit.ly/1jIhvrT>



# PROFILE

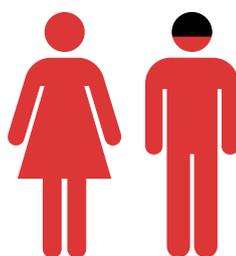
The average shopper visits 2.9 different websites before buying clothes, taking 27 days to make up their mind

<http://bit.ly/1mn2mHn>



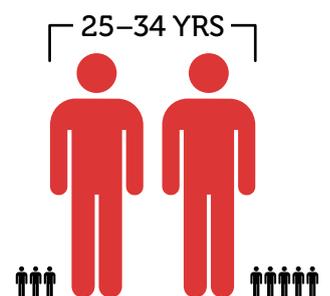
Men spend £99 less than women per year, spending £988 compared to £1,087

<http://dailym.ai/1Na00m0>



Purchasing peaks among 25-34 year olds (80%)

<http://bit.ly/1H3HHNU>



# Performance IN

A word from our sponsor



## FOREWORD

The affiliate industry generated £16 billion in retail sales last year according to the Internet Advertising Bureau UK (IAB UK), a growth that attests to the value in the performance marketing industry.

In the fashion sector, and particularly in the UK market, performance marketing has matured, with long-term involvement across all affiliate types.

From our analysis of affiliate programmes across various sectors we have seen some key trends over the last few years, which have created major shifts in the industry landscape:

- Google algorithm changes have had far-reaching effects on affiliate traffic, with 'thin' content sites and voucher code websites taking a major hit.
- Technical advances in Wordpress and other simple web tools, coupled with social media, has led blogging to mushroom.
- Retail merchants are shifting their focus from voucher and cashback sites towards engagement with more blog-based and content affiliates.

This triple effect has meant that a merchant's affiliate programme is less reliant and beholden on the top 20 affiliates for 90%+ of sales. Content sites have seen a steady increase in traffic levels, which means that a good affiliate manager needs to be able to discover who the influencers are in this new performance landscape and which websites to recruit to their programmes.

The development of effective publisher discovery tools has been a great help to many, allowing users to benchmark their own programme against their competitors' work.

It of course remains to be seen how the next developments in Google's search results will affect the sector, with the more pessimistic seeing the Shopping results as a progressive takeover of online advertising. However, the research and data shows that there is a growing place for good content affiliate websites – and, as ever, the fashion sector is likely to be an active place for performance marketers.

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## Contents

- 04 Why Fashion and Mobile are a Match Made in Heaven
- 06 Q&A: Profile of the Fashion Consumer
- 08 Breaking News: Content is In!
- 10 Q&A: Publisher Recruitment

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# Why Fashion and Mobile are a Match Made in Heaven

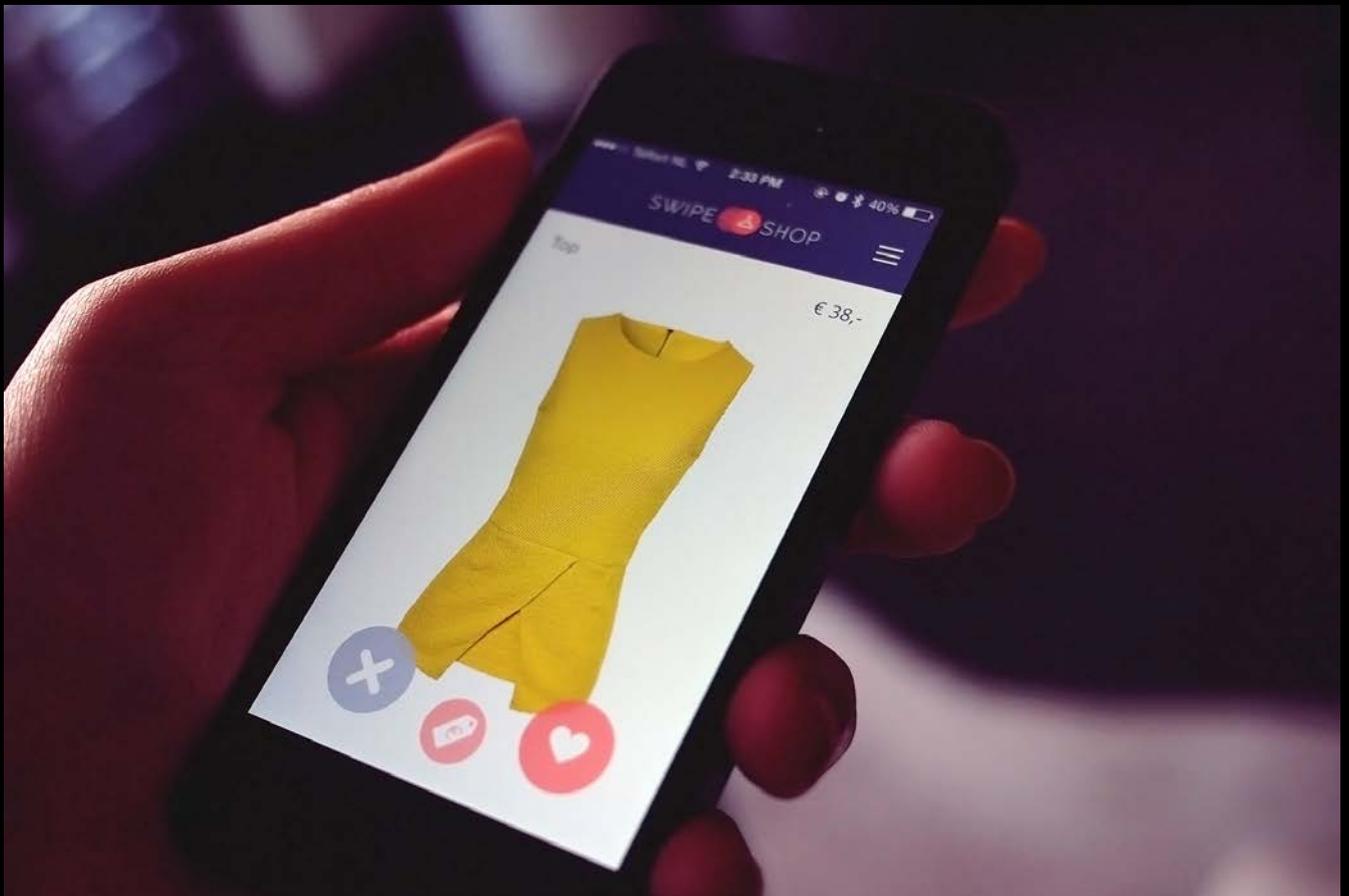
**I**t's no secret that mobile is making some serious moves into the world of online commerce. In fact, in certain parts of Asia, the humble mobile device has already seized the majority stake of sales driven.

According to Criteo's 'State of M-Commerce Q1 2015' report, Japan and South Korea now see over half of all their e-commerce transactions occur on mobile devices.

Globally, this figure still sits at a mind-boggling 33%... Let that sink in for a minute; an entire third of all the world's ecommerce sales is driven by handheld devices.

But it's not an even distribution of sectors that are revelling in this renaissance of consumer culture. While travel and mass merchants – think Amazon – each take over 25% of sales, the fashion sector accounts for a third of all mobile sales.

So what is it about the nature of the 'mobile experience' that's making it such a fruitful proposition for fashion retailers?



## Instant gratification

Rosemary Halewood is acquisition manager at media agency Starcom MediaVest Group, and has some theories on why mobile caters so well for the behaviours of the average fashion consumer.

“Users browsing on their mobiles are able to find some pieces that catch their eye, and the improvements to mobile checkouts mean they can order them in just a few clicks.”

In Halewood’s experience, fashion consumers tend to be less considered and more impulsive than their counterparts in other sectors – a stance backed up by further research from Criteo, finding that six out of 10 sales within the sector are made within 24 hours of the start of the purchase journey.

This means that brands have to make sure their retail experience is ready to accommodate fast-paced purchase decisions, or risk losing out.

“There are still a surprising amount of fashion advertisers who still don’t have mobile-optimised sites,” says Halewood.

“While users are happy to check out via mobile if the process is quick, most will lose interest if the process is not straightforward. They will then lose the conversion, potentially to a competitor.”

## Fashion apps

Massaging the process of this instant ‘anywhere, anytime’ gratification, apps are playing a pivotal role in the increasing migration to mobile. But while applications are driving over half of mobile sales in the fashion industry, the top performers are taking as much as 78% of this remaining share, says Criteo.

However, there’s a reason why only a handful of high-performing apps are monopolising the market. Research by Silicon Valley-based entrepreneur Andrew Chen finds that the average app loses 77% of daily mobile users within the first three days of launch.

Those that do it right and tick every user’s box in the first seven days, however, could have a strong chance of success and retained user engagement.

Senior publisher development manager at affiliate network CJ Affiliate by Conversant, Rachelle Watson-Hill, cites ASOS as a case-in-point, whose in-app purchasing allows for a “trusted and seamless” customer journey.

“The ASOS App allows you to browse and save, whilst their payment process stores all your details, requiring you to only enter your CSV number to complete a purchase.”

Retail apps catering for the whole process of the user journey – searching, browsing, adding to basket, purchasing – add a fluidity to the consumer purchase process and are more likely to keep the user captive within their virtual store, safe from competing browser tabs and bookmarks.

“Because the app is downloaded to a user’s device, rather than viewed as part of a browser journey, the retailer is given valuable real estate on the user’s device, and has the opportunity to provide a richer, totally immersive experience,” explains Halewood.

Of course, apps also carry the the advantage of allowing retailers to alert customers with push notifications – whether this is to advertise a limited-time discount code, or to provide them a cue that the contents of their shopping cart are minutes from expiring.

## Instagram

In a discussion around mobile and fashion, it would be naive at best not to mention the photo-sharing app Instagram. With fashion relying heavily on visual imagery and lifestyle marketing, the m-commerce fashion industry has bloomed within this platform.

Retailers are able to use Instagram in a number of ways – telling stories through their products, engaging with their communities, offering behind-the-scenes glimpses into the fashion industry as well as straightforward monetisation.

As of March this year, people following their favourite brands on the app are now able to click through and order products, catching consumers in moments of deep engagement and inspiration, and offering them items in a quick and low-involvement purchase process – something relatively unseen in other verticals.

According to eMarketer, the platform’s carousel ads and ‘Learn More’ button will lead to an estimated \$595 million of mobile ad revenue in 2015.

While fashion and m-commerce continues on its lofty trajectory, it’s easy to apply statistics in efforts to provide technical justification as to why the fashion industry achieves such success on mobile. But, ultimately, fashion consumption tends to separate itself from this kind of rationality.

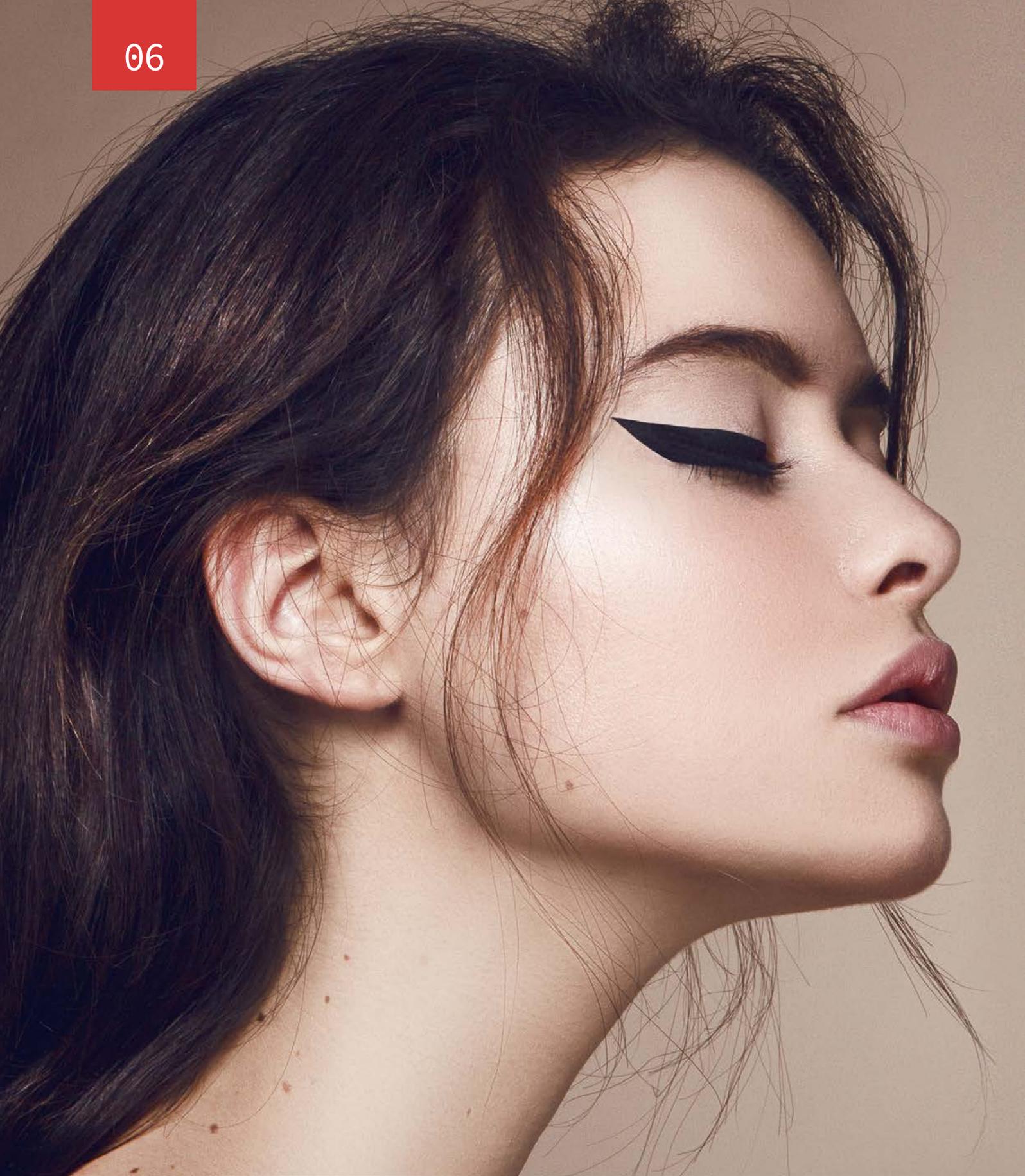
Instead, it’s impulsive, selfish, personal, and inspired in unexpected circumstances; and that’s why the ‘anywhere, anytime’ mobile device gives itself so readily to it. 

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## PANELISTS



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**John Sadeghipoor**  
*Head of new business & partnerships*  
Biglight



**Lucy Fernandez**  
*E-commerce executive*  
Closet London



**Katie Mulvaney**  
*Global affiliate and online  
partnerships specialist*  
Reiss

# Profile of the Fashion Consumer

**T**he image-inspired, mobile-orientated, discount-seeking fashion consumer is a creature distinct from its retail vertical counterparts. PerformanceIN asks its fashion experts what they've observed about them, what makes them tick and how this affects how they're sold to...

First of all, are there any recurring habits or behaviours that you have identified within the average online fashion consumer?

**Rianna Atkins:** Between 25-30% of fashion consumers will research on their mobile while they're in-store; they know that instant information is at their fingertips, they know exactly what they need, so just a quick check online will tell them whether they can use a code, or whether they can get the item elsewhere and potentially cheaper. A similar online trend from our initial user journey analysis shows that consumers are bouncing from one voucher site to another, knowing that if one site doesn't have a code, another might - suggesting our fashion buyers are savvier than we first thought. Contrary to the myths of recent years, plenty of first clicks in this particular sector are actually coming from voucher and cashback sites, as opposed to pure content first clicks and an incentive at the last click.

**Lucy Fernandez:** Purchasing behaviours reflect that consumers will often place big orders with a view to trying multiple items at home and returning others that they do not want. There is a split between consumers who will only purchase items once they have been reduced and are in the sale, and consumers who are willing to spend and pay full price for that one item they really love.

**John Sadeghipoor:** They are more savvy, influenced more by deals but also trends, and are spoilt with options, especially resellers - if you are a promoting a certain brand.

How do browsing and purchasing behaviours differ from other sectors?

**LF:** Consumers expect to be able to purchase with free delivery and free returns so that they can have a no-expense shopping experience and feel free to try on items at home with no risk of wasting money.

They are driven by imagery and influenced by trends, bloggers and celebrities. As soon as a product is associated with a blogger or celebrity it will sell much faster - there is a sense consumers like to see products on a 'real-life' person and how it can be styled.

**JS:** Fashion is like the general retail rule of thumb: it's very creative, reactive and can be stimulated when needed. However, the more niche you go the more well-researched the consumer will be, and they will need more of an incentive to convert. Yes, bloggers are influential but only at the top stages of the customer journey, and ultimately the purchase will be made because of price or trust and service.

**RA:** Fashion browsing to me is less about the purpose of gleaning information and more about visuals. An appealing setting, the colour scheme and the accessories are all part of creating a virtual world in one image, which consumers can be completely captured by - to the extent that they want that exact celebrity outfit, in those exact colours. Comparing this to the consumer goods market, where a user's buying habits are largely motivated by price comparison, brand loyalty and user recommendations are worlds apart from creating the 'perfect winged eyeliner' - close to many a girl's heart.

Savvy fashion behaviour completely depends on how high-end the brand is (if we're talking Coach, nobody will be scouring HotUKDeals for a quick 10% off), and the type of demographic that comes with it.

Each brand requires a different approach with different goals to appeal to a specific consumer segment. Is this something you think all retailers are actively aware of?

**JS:** It's something most retailers are aware of, however I think there's a concern here as all publishers are thrown into one bucket. This is why we see additional costs and tenancies from content partners - and more so than ever from incentive sites, who command real estate space at relative CPMs that would have been unheard of at any other channel.

**LF:** Yes, I would hope so! It is important to know what incentivises your customer to press the 'add to bag' or 'buy' button - whether this is driven by seeing the product in a magazine, promoted from a blogger or that they can get 10% off.

**RA:** I do think that the majority of retailers are aware they need a different strategy per customer segment, however, I don't know that all retailers are 100% sure they have the right balance. They might be producing new season catwalk videos for content sites twice a year and not discounting on any new items, but still very much present across voucher and cashback sites. It is important to find the sweet spot between being a prestigious, non-discount-driven brand and continuously offering codes which potentially damage the brand's prestige in the eyes of the customer. At the moment, steering away from discounting is ripping off a plaster for some fashion retailers. Content drives the perfect consumer, but codes drive the perfect revenue.



**W**hen PerformanceIN hosted its fashion industry roundtable discussion – the basis of this very supplement – the conversation was bookended with points about content-focused publishers and their growing presence in the sector’s affiliate mix, touching on how in some cases this caused a move away from cashback and voucher sites.

Seemingly, there is no bigger point of discussion if you’re working on a fashion brand’s affiliate programme.

On one hand, there is a need to get closer to the next Zoella or the top product reviewer for visibility in a market where influence speaks volumes. On the other, we have a growing industry: one in which last-click, incentive-driven strategies still bear fruit; where the IAB states cashback websites are the most frequently used publisher, and a high ROI is still present.

Challenging this model brings repercussions to the networks that earn from incentive publishers, the agency account managers tasked with running campaigns under a required level of frugality, not to mention the advertisers and their balance sheets. Yet, in fashion especially, there is sign that change is inevitable.

## The power of wordsmithery

That fashion brands are actively sourcing a more diverse range of publishers for their affiliate programmes is certainly not breaking news.

PerformanceIN’s Advertiser Survey 2015 showed that over 83% of advertisers were using content publishers as part of their performance marketing activity. Earlier in the year, our own investigation into a steer away from incentivisation spawned comment from digital agency 7thingsmedia – manager of affiliate programmes from the likes of Ted Baker and French Connection – who claimed that “for some time” the majority of its retailer clients had been keen to up their focus on content publishers.

“The misconception around the affiliate channel is that it’s all about incentivisation, playing into the hands of voucher and cashback sites whose strategy relies on the last click,” comments Katie Mulvaney, global affiliate and online partnerships specialist at luxury fashion brand REISS.

“Content is on the up, and there is plenty of value in having skilled, on-brand writers powering an affiliate campaign with raw worthsmithery.”

Katie highlights that consumers have become a lot more savvy when it comes to their purchasing, but the concept of research remains the same. Thus, there is imperative value in a fashion brand forging ties with affiliates that can spark an introduction.

## Clear benefits

While voucher and cashback sites continue to drive custom through the door, it seems more and more fashion brands are seeing what publishers residing in the affiliate ‘long tail’ can do for them.

“Traditional affiliate types are still heavily relied upon for volume of sales, but the benefits of having a presence on influential blogs and content sites have become clear to fashion brands,” comments Rosemary Halewood, acquisition manager at global digital agency Starcom MediaVest Group.

“These sites are invaluable for brand awareness as well as creating positive brand reinforcements.”

Some affiliate networks have taken heed of the demand for bloggers, vloggers and ‘influencers’, launching tools to track ‘assists’ from publishers that reach



customers at the early stages of their purchase journey, giving advertisers the chance to pay out small amounts of commission to the groups that helped inspire and inform their decision to buy.

It may be that a voucher or cashback site gains the last click before a sale is made, but when content publishers are rewarded for assists, the final interaction loses its 'all-important' status.

There is a sticking point, though. PerformanceIN's work with Affiliate Window in 2015 on niche affiliate sectors found that, on average, discount and cashback publishers were driving 71.3% of sales obtained via the channel. While fashion was too broad a sector to survey, lingerie saw 65.4% of affiliate sales driven by incentive sites, with editorial content pitching in with 6.86%.

Still, if there's anything to be learnt from the case of Fab.com, the flash-sales retailer that plummeted from a value of \$1 billion to \$15 million, constant discounting is a risky business.

Customers become desensitised by the calls to action, and some are left wanting a more meaningful connection with their brands. After learning of content's value, fashion groups are now

utilising publishers of editorial as brand champions; facilitating their connections with new and engaged audiences.

"Fashion is outwardly noticeable, meaning that bloggers can become brand ambassadors and connect with potential customers on a more personal level than in other verticals – you don't see people wearing their allegiance to their electricity provider," Halewood comments.

In her role, Halewood has also witnessed advertisers becoming more open to adapting their payment models to cater for content, but admits the "main challenge" is some experiencing an initial dip in revenue after they start to re-allocate their attention.

Perhaps assists can solve at least some of the teething issues as fashion brands challenge their reliance on a very small section of the publisher landscape.

### A plan for action?

The movements from fashion brands suggest content may be due a bigger spot in their affiliate mix. Certain challenges, however, remain.

Fashion campaign managers will learn that building a network of content affiliates takes time and resource. It's an education piece for some publishers, who will be presented with a few ways of monetising their traffic aside from affiliate. Fashion is a breeding ground for bloggers, but there is a fair chance of some of the best being snared by freebie-wielding PRs before they know their CPAs from their CPCs.

Legacy issues enter the fray. Halewood states that buyers may come to expect discounts once they've received them, but there is limited suggestion of incentives being replaced by content.

As a plan for action goes, few could argue against fashion brands finding their feet with attribution in order to assess just how much value their content affiliates are driving. Beyond this, the power to reward is in their hands... 

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## Q&A: Publisher Recruitment

### PANELISTS



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## What are the most important qualities a fashion brand must look for in a publisher?

**Rianna Atkins:** When looking for publishers to work with, fashion brands should consider audience type, audience engagement, the look and feel of the publisher's website and ensure that it fits with their own image. From my point of view, these are the most important qualities when it comes to assessing a publisher. It's vital that the brand's message is well received by the user, sparking interest based on their demographic or interests, and fits with the voice of the publisher.

**John Sadeghipoor:** Followers, influence, existing brand relationships and ultimately a view on potential traffic and sales. It's often difficult to gauge but an agency or network with relevant experience and forecasting tools always helps.

**Lucy Fernandez:** The key point is whether their audience is suited to the consumer they are looking to attract to their website. You need to ask yourself if they are reputable and if you want your brand to be associated with them.

**Katie Mulvaney:** We are lucky that the affiliate channel covers such a wide variety of different publisher types. This selection means that publishers need to be accessed differently as they all play a different part in the customer journey. For instance, when looking at content publishers I look for things like the quality of editorial, brand fit, engagement, audience demographics and reach. Conversely, when reviewing a retargeting publisher I think it's important to understand their technical capabilities. However, brand fit is important across the board, as it's important to work with the publishers that are right for your brand and your customer.

## Generally, is publisher recruitment harder in fashion due to the need to match up so much?

**KM:** I wouldn't say publisher recruitment is harder in the fashion industry but I do think fashion brands need to be more selective with who they work with. It's important that

both the publisher and the brand are a good fit for one another so as to not to confuse the audience.

**LF:** Yes, I think so. It's particularly harder if your audience is slightly older as well, as those belonging to this demographic are perhaps less likely to be using the many fashion apps that are available at the moment. We have to think quite carefully about how to interact with this demographic and where and how they are discovering new brands.

**RA:** The style of a publisher, their voice and how they convey a fashion brand, are extremely important to ensure complete consistency with a brand message. It can definitely be a challenge compared to other sectors, because fashion is a consumer's identity and capturing that in a review or blog post is tough. The personality and writing style of a blogger is what consumers want to hear. Therefore, tracking down bloggers or content sites with a suitable voice for the brand, is definitely more time consuming and more considered than those in other sectors.

## On the flipside, is it better to be highly selective with the aim of gaining quality and relevance?

**JS:** As long as your targets reflect the restrictive nature of a selective strategy, then yes.

**RA:** I feel that being selective creates the character of a brand. Quality publishers will support a strong programme and can take brand engagement from strength to strength. It is therefore important to invest time and effort in establishing the right publisher base from the outset. Brands can then test different types of publisher and business models to take these learnings and build their programmes.

**KM:** The partnership needs to work for the publisher, the brand and the audience. Reviewing audience demographics, reach, engagement and website content helps when it comes to identifying these opportunities. However, I do think it's important for brands to be open-minded when it comes to new partnerships. There

are so many fantastic new publishers out there! I try to catch up with a lot of them in person so as to fully understand their business model and audience and to identify whether a partnership would be a good fit for them and Reiss.

## How should a brand go about incentivising the publishers on their affiliate programme?

**KM:** Publisher incentivisation is always a hot topic! I think brands must fully understand the user journey and the part that each individual publisher plays in that journey. Once brands have an understanding of this they can make informed decisions when it comes to incentivising publishers differently.

**LF:** As a smaller brand we would like to be able to incentivise publishers to feature our brand or promote the products for a higher CPA, as we don't have a big budget for tenancies or monthly contracts. It works well to support each other though, so if you do a placement perhaps they will be more likely to take notice of your brand and think of you for features.

**JS:** Especially in fashion, the trend has moved away from pure CPA models to CPC, CPM, and above all, tenancy. We try to negotiate annual or seasonal packages at a better rate and earlier than our competitors.

**RA:** I believe it's important to reward publishers for the engagement they're driving as well as conversions in fashion – keeping up with the socially evolving online world. Shares, likes and views are still as important as clicks and sales in terms of brand strength and awareness. I feel it's important not to disregard a 'share' as a consumer has actively spread the word about something related to a brand, and the publisher that drove that share should be rewarded in some way. 



**PI**

## CONTACT US

In 2015 PerformanceIN will play host to a series of exclusive roundtable events specifically designed to stimulate discussion on some of the industry's most pertinent topics. Each roundtable will be followed by an online digital supplement like this one.

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