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Fashion Flash Report

Wooing The New Generation Of
Fashion Shoppers

2016 EDITION
UK



2016 Fashion flash report key threads, UK

Trending – A new generation of mobile-first fashion shoppers

With smartphones accounting for 4 out of 10 fashion purchases in the UK, people buying from this device have become a force to reckon with. Our analysis of this new breed of fashion shopper provides tips to attract and retain them.

Out – The linear shopping funnel

Desktop is still alive and well, but it no longer runs the show – it now accounts for less than half of online fashion purchases. Retailers must adapt and embrace people-centric identification technologies.

In – Tips for fashion acquisition

Our examination of shoppers who increased the number of stores they purchased from in the past year reveals patterns that marketers can exploit for acquisition and retention.

2016 Fashion flash report methodology, UK



The dataset

A subset of the Criteo database covering close to **80** UK fashion retailers and **1.7M** transactions, enabling us to analyse transactions on all devices and provide granular detail into purchasing behaviour.



The survey

1,500+ US fashion shoppers representative of the US population, providing insight into the demographics and psychographics behind behaviours and trends.



1

Device-hopping Is The
New Way To Shop

UK mobile fashion sales cross the 50% threshold

In the UK, **55%** of online fashion purchases are now made through mobile (smartphones or tablets).

This puts fashion ahead of all other retail categories.



Source: Criteo Dataset

State of Mobile Commerce report, Q2 2016. Applications Excluded.

Mobile Share of Fashion Transactions in the UK



49%
Q2 2015



55%
Q2 2016

Top Sub-Verticals by mobile share, Q2 2016



#1
Fashion
55%



#2
Mass Merchants
50%



#3
Home
47%







Retail average
50%

Different devices suit different products

Fashion shoppers favour small screens for low-risk items (T-shirts etc.) and products they don't need to try on (e.g., accessories).

Retailer Response: Make product recommendations that reflect this correlation to drive quick conversions.

Top 5 Products Purchased On

 SMARTPHONE	 DESKTOP/ LAPTOPS	 TABLETS	 IN STORE
T-Shirts	Shoes	Shoes	Trousers
Shirts	T-Shirts	T-Shirts	T-Shirts
Shoes	Shirts	Shirts	Shirts
Trousers	Trousers	Trousers	Shoes
Accessories (Belts, Hats, etc.)	Underwear, Lingerie	Accessories (Belts, Hats, etc.)	Underwear, Lingerie

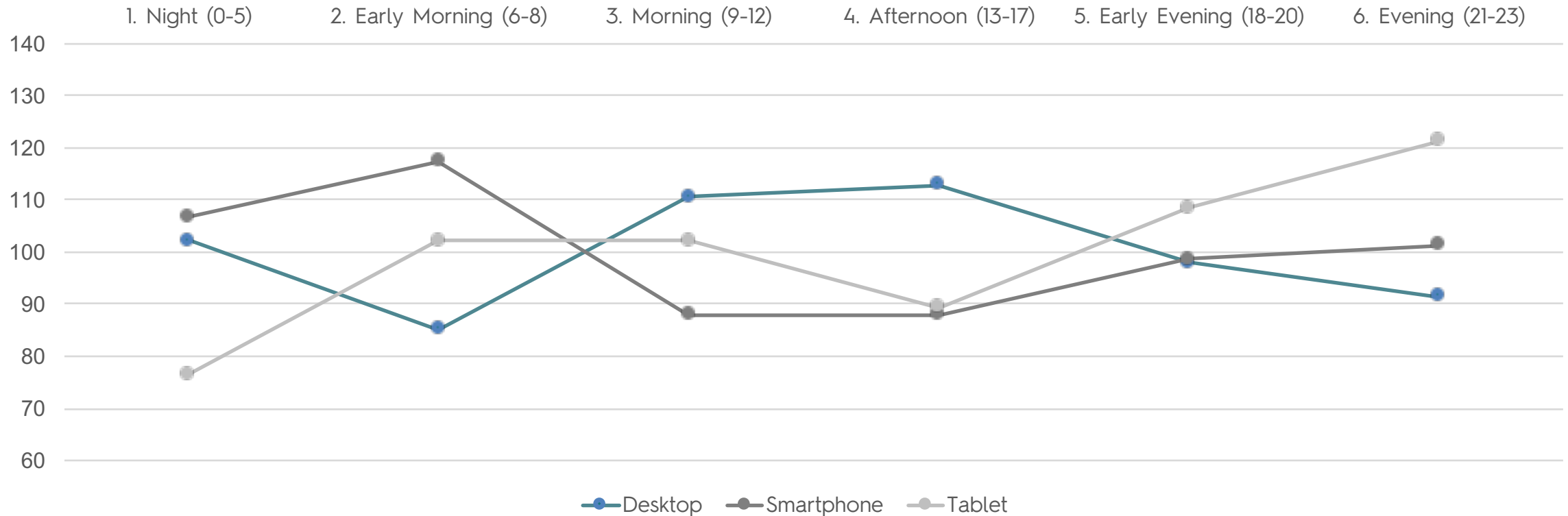


Source: Criteo survey, US

Base: people having purchased at least once on device. Items with sample size under 100 and "Others" were excluded.

Mobile shopping owns the morning and evening, while desktop rules the day

Sales By Device And Time Of The Day, UK Indexed (100=Average Daily Share For Each Device)



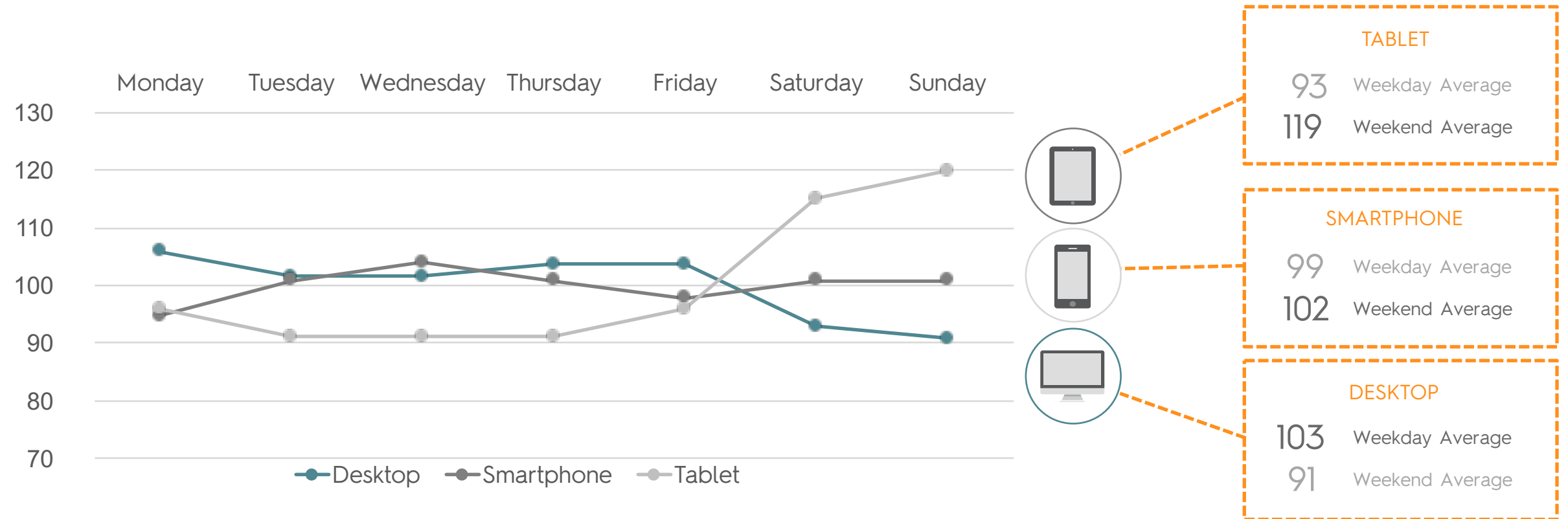
Source: Criteo dataset

N=79 UK fashion retailers, weekdays only. Applications excluded from smartphone and tablet data.

Mobile shopping spikes on the weekend

Sales By Device And Day Of The Week, UK

Indexed (100=Average Daily Share For Each Device)



Source: Criteo dataset

N=79 UK fashion retailers, weekdays only. Applications excluded from smartphone and tablet data.



2

Meet The Smartphonista

Get ready for the next generation of fashion shoppers: Smartphonistas

The rise of smartphones among UK fashion sales has been spectacular. They now account for **4 out of 10** fashion sales, a 74% increase over the same period last year.

This makes fashion shoppers that purchase on smartphones ("Smartphonistas") a particularly valuable audience for fashion retailers.



Source: Criteo Dataset

State of Mobile Commerce report, Q2 2016. Applications Excluded.

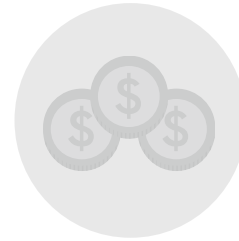
Share Of Smartphones and Tablets Among Fashion Purchases, UK



Smartphonistas aren't your average shopper



Smartphonistas don't just buy clothes; they truly are into fashion
59% say they love buying clothes (vs. **46%** of desktop buyers).



You might think Smartphonistas are value-seekers but they aren't
The share of smartphone fashion shoppers describing themselves as cost-conscious is **58%**, not significantly different from that of desktop shoppers (**58%**) and tablet shoppers (**57%**).



Smartphonistas want their fashion right here, right now
They are **30%** more likely than desktop buyers to consider swift delivery as very important.



Smartphones means smart buyers
Smartphonistas are **32%** more likely than desktop buyers to order several sizes for a single piece and return those that don't fit.



Source: Criteo survey, US
N=634 smartphone fashion buyers

Smartphonistas use phones throughout the journey



Research

Smartphone-first - **68%** research new clothes on a smartphone first.

Showrooming - **67%** frequently use phones in-store to check prices



Purchase

Pleasure Shopping - **51%** say they prefer purchasing on smartphones vs. other devices. And 80% agree that mobile retail websites have improved over the past two years.

Security matters - **49%** say they're wary of entering credit card details on a smartphone. But only 40% make secure solutions like Apple Pay and Google Wallet their first choice.



After Purchase

Social sharing - Smartphonistas are almost twice as likely to share images of purchases on social networks (**37% vs. 20%** for desktop buyers)



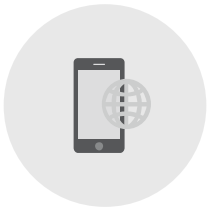
Source: Criteo survey, US
N=634 smartphone fashion buyers

The fashion app-scape



App Fans (prefer using apps)

- Aged **25 - 44** (ind 110)
- University graduates or above (ind 116)
- Want to spend as little time as possible shopping for clothes (ind 128)



App Avoiders (prefer not using apps)

- Aged **45** and above (ind 143)
- More likely to be female (ind 108)



App-Nostics



- Under **25** (ind 116)
- Relatively modest revenues (under \$35k ind 124)
- Describe themselves as cost conscious (ind 113)



Source: Criteo survey, US

N=523 smartphone fashion buyers

100=smartphone clothes purchasers average

Outfit your app

While most Smartphonistas purchase via mobile web, apps convert better and command higher average baskets*.

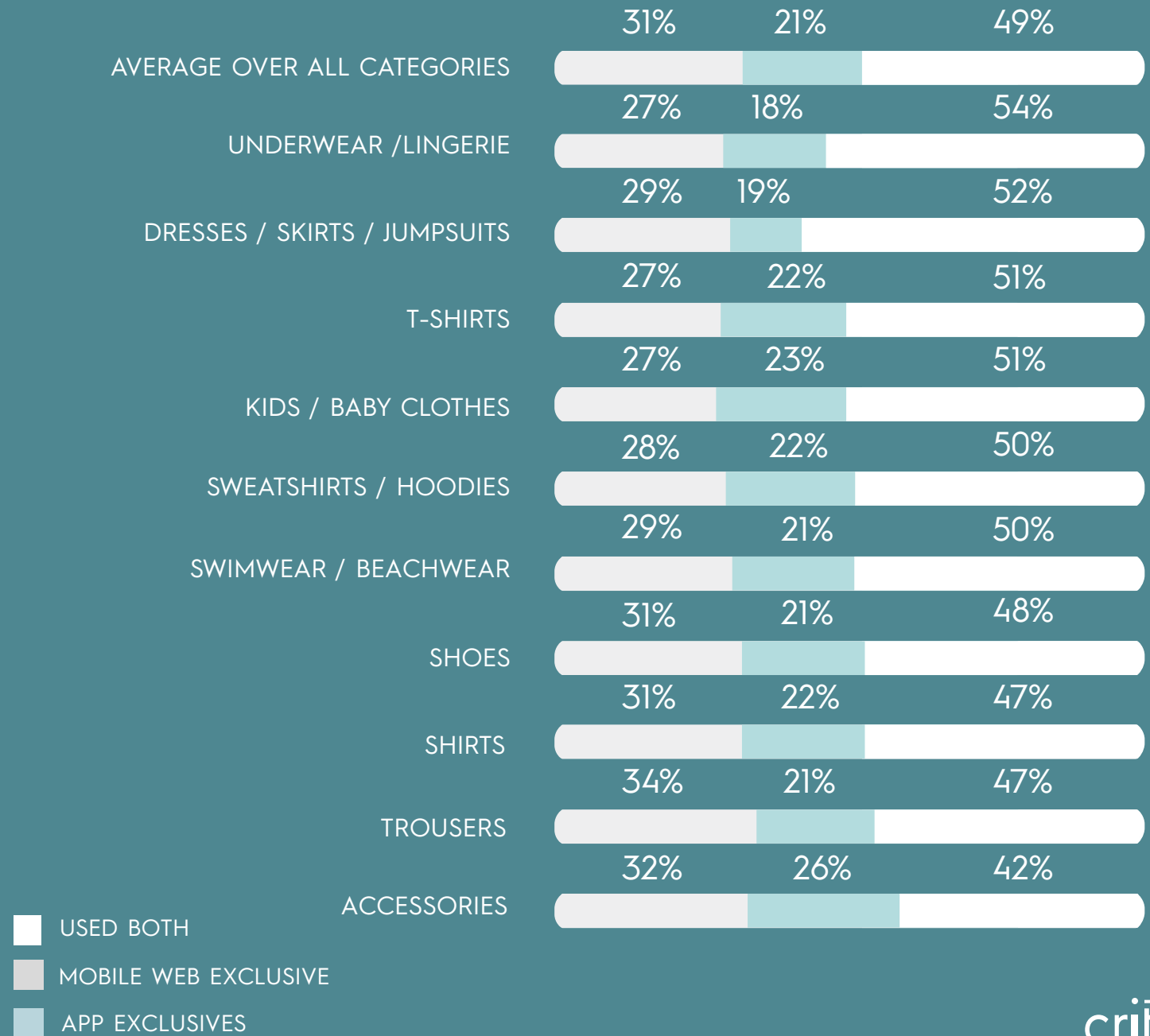
Retailer Response: retailers must optimise the shopping experience on both mobile web and apps or risk losing significant sales.

Source: Criteo survey, US



N=523 smartphone clothes purchasers (categories w N<100 were included in the average but removed from the graph)

*For more details on apps vs. mobile web, cf. Criteo's State of Mobile Commerce report



- USED BOTH
- MOBILE WEB EXCLUSIVE
- APP EXCLUSIVES

Courting Smartphonistas: six tips for retailers

1

Impress on app AND mobile web

You must provide a great experience on both platforms.

2

Offer quick delivery

Deliver fast, and they'll return for more. Slick packaging doesn't hurt.

3

Help them find the right size

Make sizing straightforward, and offer free returns as a backup.

Courting Smartphonistas: six tips for retailers

4

Simplify social sharing

These shoppers love to show off their purchases. Use it to your advantage.

5

Provide payment choices

Half of Smartphonistas worry about credit card security, and a minority uses Google Wallet or Apple Pay. Provide options to please them all.

6

Tailor recommendations

They tend to purchase lower-risk items (T-shirts, accessories, etc.), so cater product recommendations accordingly.

A woman is shown from the waist up, wearing a teal sleeveless top and maroon pants. She is holding a smartphone in her hands and looking at the screen. To her right, she is holding a large pink shopping bag. The background is a blurred indoor setting with a white wall and a pink decorative element. A semi-transparent teal circle containing the number '3' is positioned to the left of the woman.

3

The Art Of Fashion Acquisition

Making it fit

Acquiring new fashion customers is notoriously hard. What's more, it can take several purchases before a customer earns you a profit, and turning new customers into loyal buyers takes finesse.

Here is our advice for convincing consumers to give you a try, and even more important, retaining them over time.



Who are the highest-potential prospects for your acquisition campaigns?

Acquiring new customers in fashion is costly, so focus on low-hanging fruit.

The ideal target audience for acquisition campaigns are “Shop Hoppers” who have purchased from at least one new retailer in the past year.

Retailer Response: acquisition campaigns must segment users and focus on the Shop Hopper profile.



Source: Criteo survey, US

N=1,489

Typical Shop Hoppers Are:



Under 45

- Shop Hoppers are **40%** more likely than non-Shop Hoppers to be under 45



Device-hopper

- Shop Hoppers are almost **2x** as likely to have purchased clothes on several devices during the past year
- They are also **50%** more likely to be smartphone purchasers



Fashionable

- **2.3x** more Shop Hoppers than non-Shop Hoppers say they like to keep abreast of fashion trends



Heavy buyer

- On average, Shop Hoppers purchased 4.3 product categories over the year, **44%** above non-Shop Hoppers

What motivates a Shop Hopper?

True, low prices and special offers are key to attracting new fashion shoppers. But they're not the only reasons fashionistas will try your brand.

Your product selection, your reputation and the way you present your products shouldn't be underestimated from an acquisition standpoint.



Source: Criteo survey, US
N=862

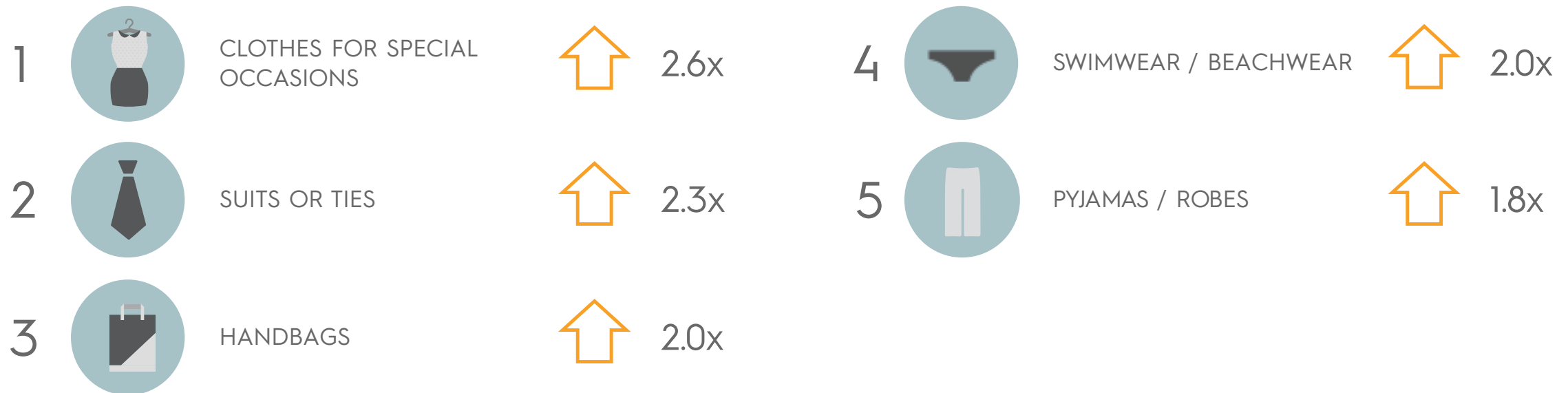
Top Reasons Shop Hoppers Purchase From A New Retailer:



Opportunities for acquisition

Infrequent purchases such as special-occasion clothing and swimwear are prime opportunities to attract new customers.

Propensity to purchase product (Shop Hoppers vs. non-Shop Hoppers)



Source: Criteo survey, US
N=1,489

Getting shoppers hooked

Previous buyers are **5x** more likely to purchase from your website within 30 days of a visit vs. first-timers.

This propensity increases the more they purchase from you.

Retailer Response: Getting newly-acquired fashionistas to purchase quickly once they've visited your site should be a key part of your acquisition efforts.

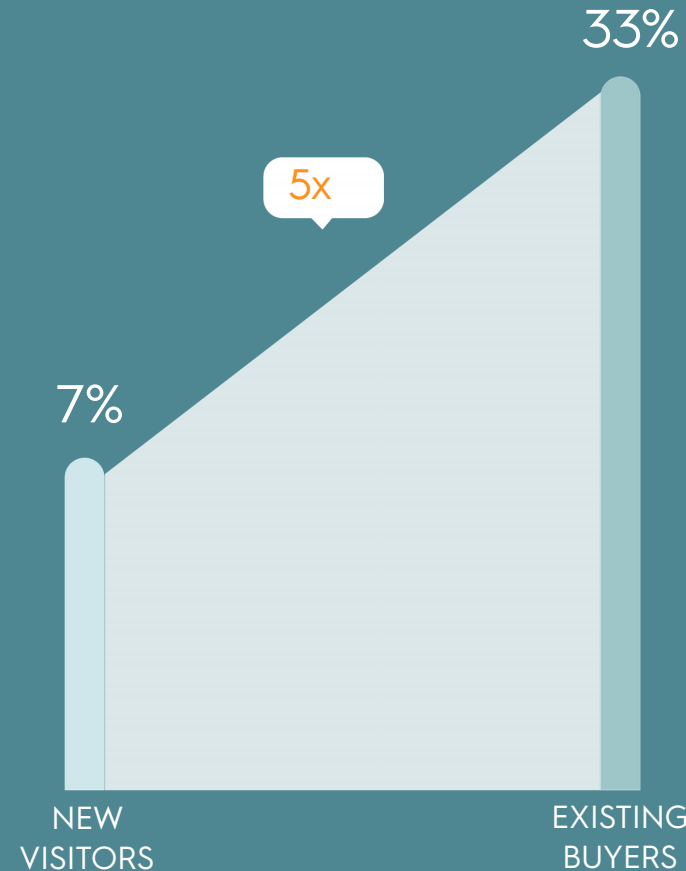


Source: Criteo dataset
N=56 UK fashion retailers

Propensity To Purchase, By Past User Activity, UK

% OF USERS HAVING MADE A PURCHASE WITHIN 30 DAYS OF VISITING WEBSITE

BREAKDOWN OF EXISTING BUYERS BY NO. OF PAST SALES



So, what makes people stay with a retailer?

The more they come back, the more profitable they become.
Price, delivery, customer service and a great experience are all key to retention.

Reasons Why Shop Hoppers Stay With A New Retailer

1	THEIR PRICES ARE CHEAPER	52%	7	THEIR PACKAGING WAS GOOD	14%
2	THE DELIVERY WAS FAST	41%	8	THEIR DELIVERY OPTIONS ARE PRACTICAL	14%
3	THE PRODUCT OFFERING MATCHED MY TASTES OR NEEDS	40%	9	THEIR MOBILE WEBSITE IS PRACTICAL	12%
4	THEIR PRODUCT IS WORLD WIDE	30%	10	THEY OFFER GOOD ADVANTAGES TO LOYAL CUSTOMERS	12%
5	THEIR CUSTOMER SERVICE IS GOOD	24%	11	THEIR MOBILE APP IS PRACTICAL	10%
6	THEIR WEBSITE IS WELL MADE	20%	12	THEY OFFER SOMETHING THAT I DIDN'T PREVIOUSLY NEED	5%



Source: Criteo survey, US

N=807

Base: Shop Hoppers stating they were very or moderately likely to purchase again from new retailer

Six tips for smart acquisition in fashion

1

Target the right users

Not everyone is made for Fashion. Your acquisition campaigns will be much more efficient if you're able to identify the shoppers most likely to purchase

2

Entice across devices

Shop Hoppers often use multiple devices. Track them across their devices to send the right message and customer experience at all times.

3

Tailor recommendations

Personalise recommendations to show products first-time buyers are most likely to purchase.

Six tips for smart acquisition in fashion

4

Dress up delivery

Fast delivery is second only to price when it comes to attracting new customers.

If you can deliver in less than three days, make it known to new users.

5

Bedazzle your service

Polish your customer service – especially for newly-acquired customers.

Friendly customer service that responds quickly and solves problems can help guarantee that first-time buyers will return.

6

Stay in style

Repeat customers are your most profitable – invest in keeping them active and happy.

Use all the help you can to quickly close the deal with first-time visitors.

Email or retarget prospects when you reduce the price of an item they like.

A man with short brown hair, wearing a tan button-down jacket over a grey t-shirt, is looking down at his smartphone. He is standing in a city street with several yellow taxis in the background. The scene is slightly blurred, suggesting a shallow depth of field. A teal circle with the number '4' is overlaid on the left side of the image.

4

International Trends

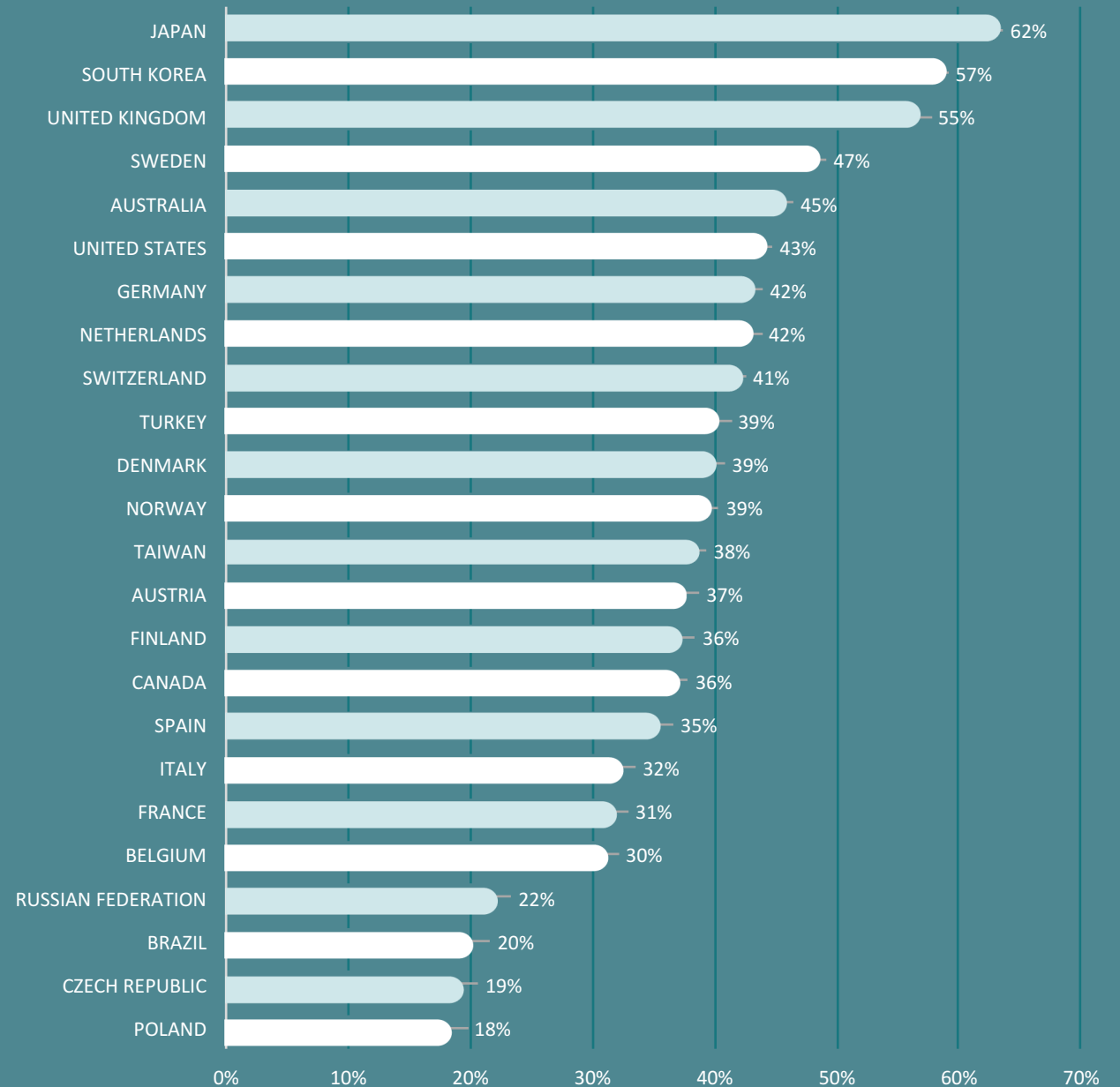
Share of mobile among fashion sales by country

Over half of UK fashion sales now happen on mobile, with Sweden, Australia and the US closing the gap.



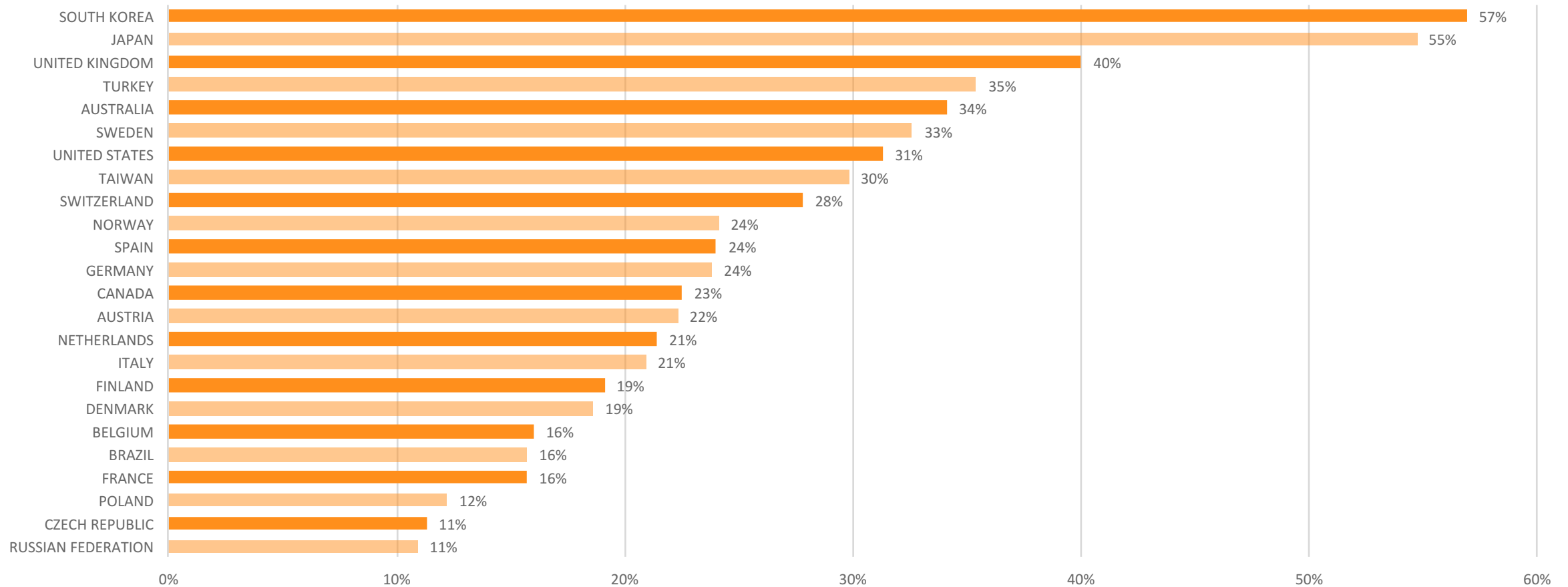
Source: Criteo Dataset

State of Mobile Commerce report, Q2 2015. Applications Excluded.



Share of smartphones among fashion sales, by country

Due to the high percentage of tablets among its mobile sales, the UK is still 15 percentage points behind Japan and South Korea in smartphone sales.



Source: Criteo Dataset

State of Mobile Commerce report, Q2 2015. Applications Excluded.

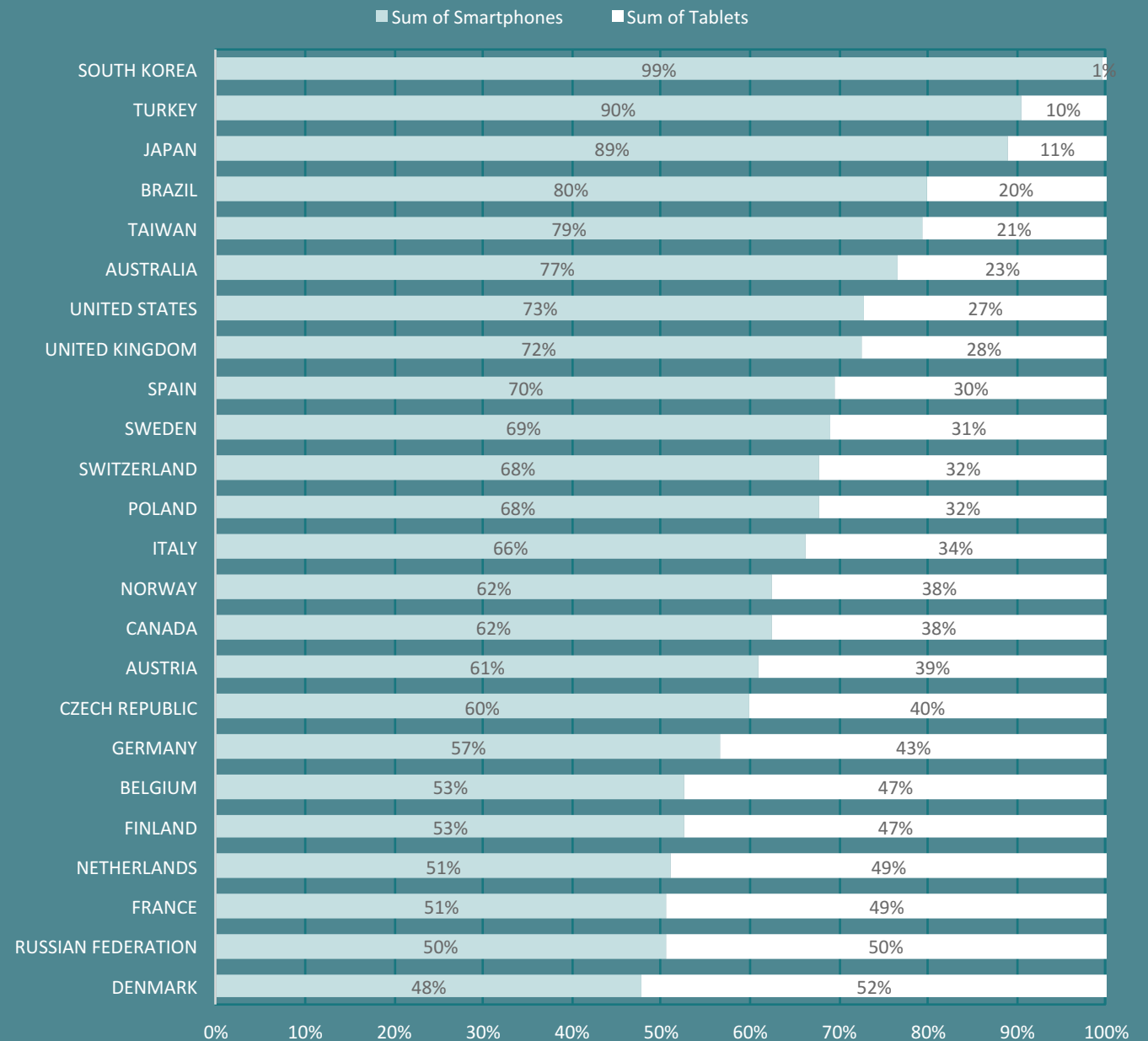
Share of smartphones vs. tablets among fashion sales by country

Turkey has leapfrogged the tablet phase and achieved high mobile penetration, with only one out of ten and one out of five mobile sales coming from tablets, respectively.



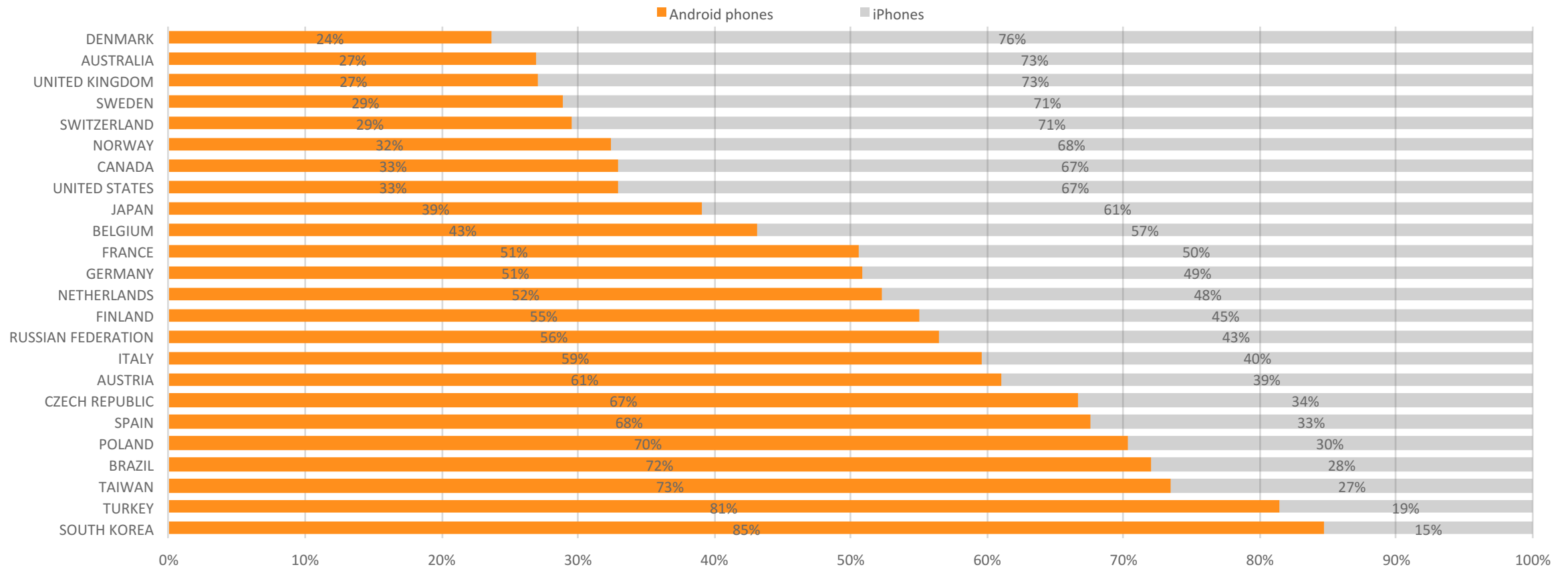
Source: Criteo Dataset

State of Mobile Commerce report, Q2 2015. Applications Excluded.



Share of smartphones among fashion sales, by country and operating system

The share of iPhones tends to be higher in countries with higher purchasing power, with the exception of South Korea (home of Samsung) and Finland (home of Nokia).



Source: Criteo Dataset

State of Mobile Commerce report, Q2 2015. Applications Excluded.

About Criteo

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