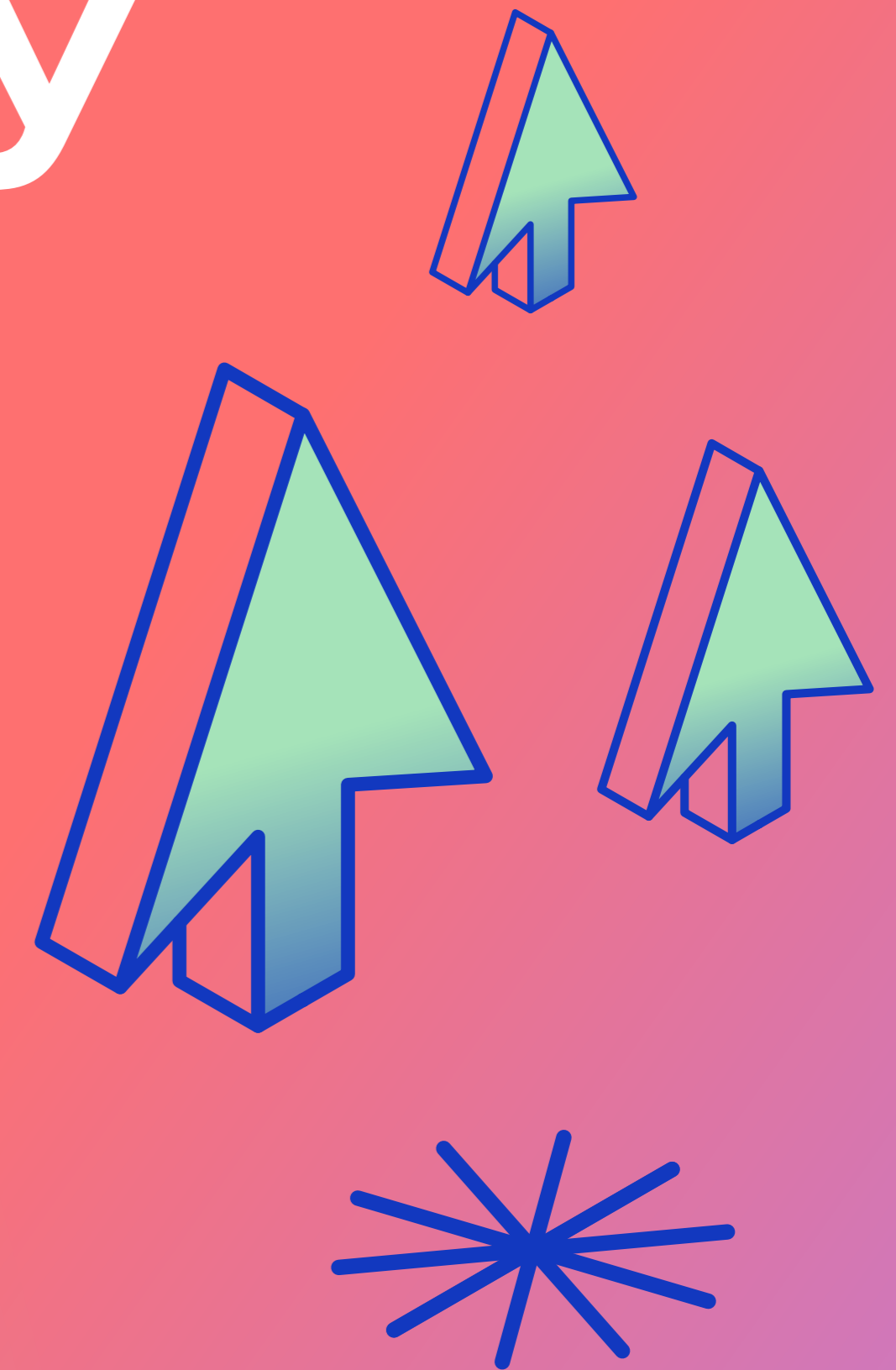


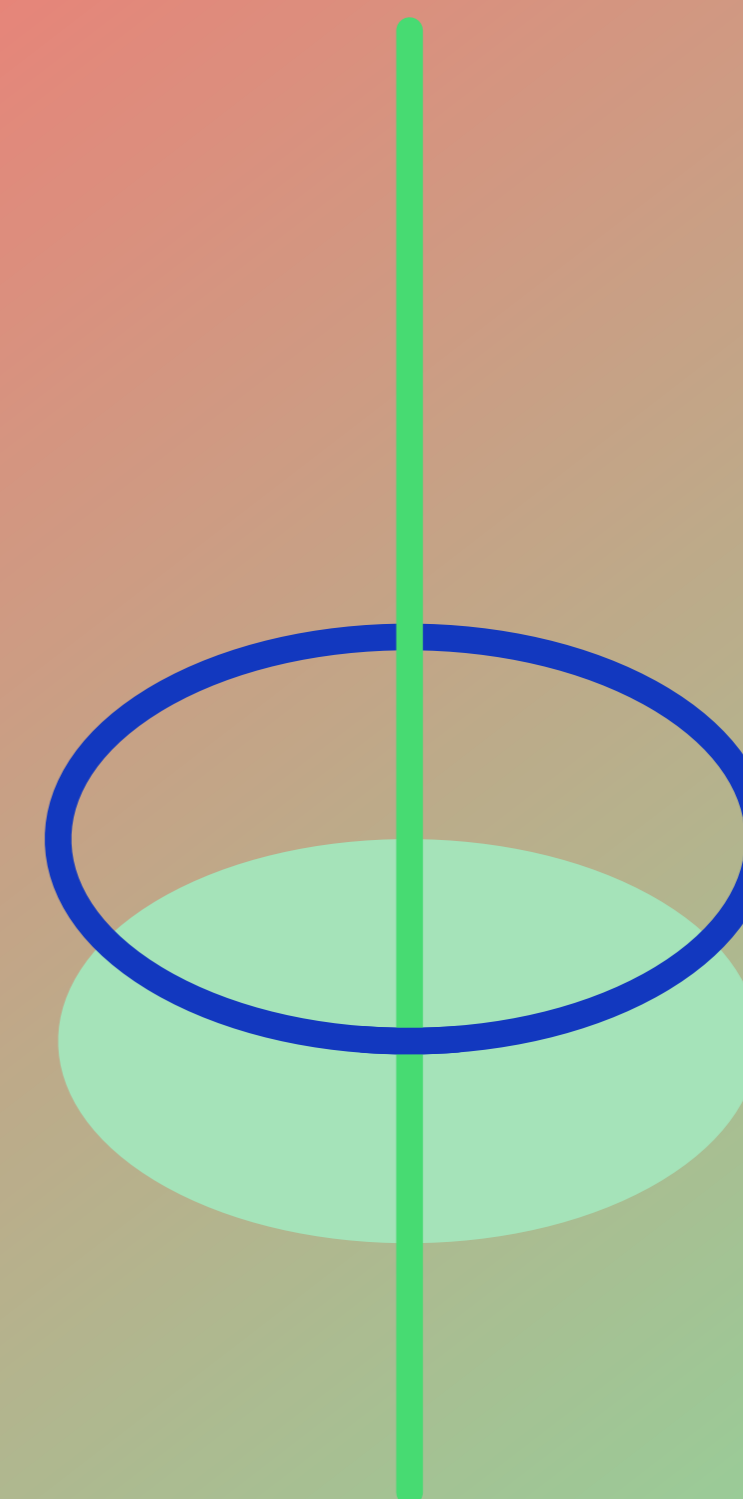
Ecommerce Fashion & Apparel Industry in Europe:

*Strategies to win in
2023 and beyond*



CONTENTS

CHAPTER 1:	Fashion ecommerce in Europe: A Snapshot	5
CHAPTER 2:	Immerse yourself! How augmented reality and video are transforming fashion ecommerce	12
CHAPTER 3:	Get social! The secrets of social commerce for fashion and apparel	22
CHAPTER 4:	Why power lies in personalising the customer experience	30
HOW SHOPIFY CAN HELP		39



5

CHAPTER 1:

**Fashion ecommerce in Europe:
A Snapshot**

6

**Overview:
Fashion ecommerce in Europe**

8

**From click to brick:
How digital brands are leading the
transition back to brick and mortar**

10

Lively case study

11

**The three must-follow trends for your
fashion ecommerce sales strategy**

12

CHAPTER 2:

**Immerse yourself! How augmented reality and
video are transforming fashion ecommerce**

**Overview:
Exciting times in ecommerce**

14

**The impact of AR and
3D in ecommerce**

17

**Meet the fantastic fashion brands
embracing AR and 3D commerce**

21

**How hard is it to get started
with AR?**

22

CHAPTER 3:

Get social! The secrets of social commerce for fashion and apparel

- 23** Overview:
Secret of social commerce in fashion
- 25** The different social commerce channels
- 27** Your social commerce checklist

30

CHAPTER 4:

Why power lies in personalising the customer experience

- 31** Overview:
The power of personalisation
- 34** Personalisation is a balancing act
- 36** Culture Kings

39

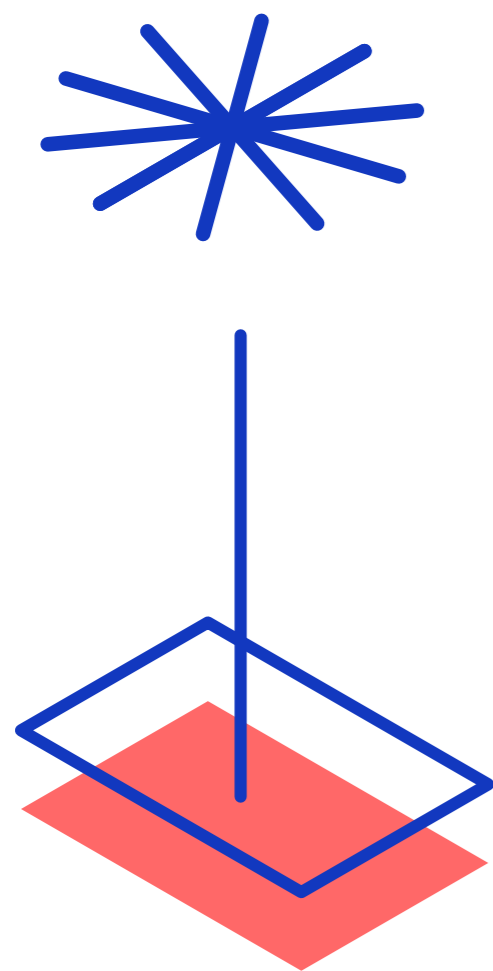
HOW SHOPIFY CAN HELP

CHAPTER 1

Fashion ecommerce in Europe: A Snapshot

Contextual insight

With a significant number of Shopify merchants operating within fashion ecommerce, Shopify continues to see significant gross merchandise value (GMV) growth from our apparel and accessories verticals in 2023. The following report explores ecommerce at an extraordinary time in global history.



Introduction

In recent years, new technologies, market fragmentation, and the rise of influencer culture have significantly altered customer behaviour. For the fashion industry, these changes resulted in a shift that left brands grappling with an ever-changing commerce landscape.

And then the pandemic hit.

Global lockdowns and social distancing rules impacted the traditional retail sector in myriad ways. Industry analysts pointed to the number of store closures as a sign that fashion was facing increasingly tough times. But while digital innovation, increasing globalisation, and changes in consumer spending habits caused seismic shifts in the fashion industry, rumours of its overall demise were greatly exaggerated.

While many brick-and-mortar stores closed, fashion ecommerce in Europe began to grow considerably.

Today, many of Europe's most popular fashion brands remain among the leading clothing companies worldwide. For example, Spanish fashion giant Inditex—the owner of Zara, Mango, Massimo Dutti, and Pull & Bear—had a turnover of €12.9 billion in 2020. By 2021, its brand value had increased to €27.7 billion.¹ It's followed by Sweden's H&M (€19 billion 2021 turnover)² and German online ecommerce brand Zalando, with revenues that surpassed the €10 billion mark in 2021.³



According to the Statista Digital Market Outlook, the apparel segment of the ecommerce fashion market in Europe in 2021 created revenue of almost \$130 billion, making it by far the biggest segment by revenue.⁴

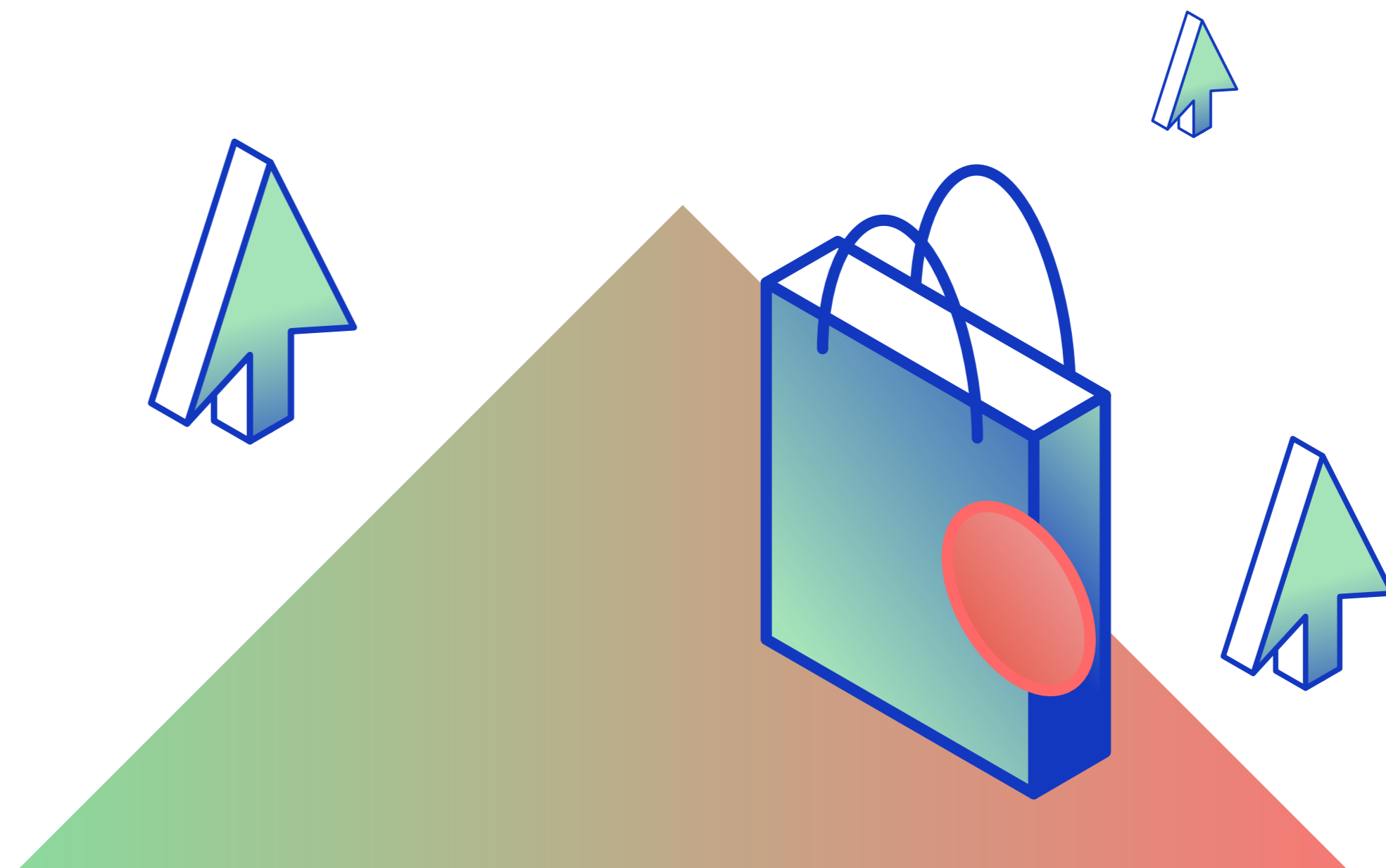
During the same period, the accessories segment saw revenue of around \$48.8 billion.⁵ The Digital Market Outlook estimates the revenue of all three segments will continue to increase. The apparel segment, for example, is estimated to surpass the \$200 billion revenue mark by 2024.⁶ To put this in perspective, the global ecommerce fashion industry is projected to hit \$713 billion this year.⁷

Shopify is playing an important role in this fashion ecommerce revolution. In 2021, its total revenue was \$4.6 billion (an increase of 57% year over year), with its merchants selling \$175.4 billion on the Shopify platform—up 47% from 2020.⁸

Those big numbers didn't just happen. They're the result of a global economic shift toward supporting small businesses, pandemic behavioural changes that led to far more online shopping, and Shopify's unwavering effort to pursue its mission: to make commerce better for everyone.⁹ Put simply, it's all about making it easier for merchants to own their brands, reach more of their buyers, and build stronger customer relationships. That's why we continue to build a sustainable internet infrastructure for commerce.

At its core, Shopify has the world's best-converting checkout. Its overall conversion rate outpaces the competition by up to 36% and by an average of 15%. Shopify believes this is due to four advantages that we'll break down below: Shopify's massive identity network, unmatched scale, consumer trust, and velocity of innovation.

The identity network lets Shopify recognise prospective customers with a Shop Pay account whenever they hit a storefront, providing them a more seamless checkout experience with pre-filled customer information. Scale is an asset, not a problem, as Shopify can handle it with ease and use it to improve checkout as a whole. When it comes to consumer trust, hundreds of millions of people use a Shopify Checkout every year—it's instantly recognisable and immediately trusted. And in terms of innovation, Shopify has more engineers working just on making checkout high-converting and performant, than some other companies have working on their entire ecommerce solution.



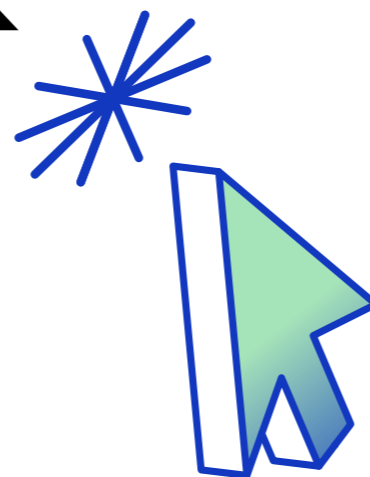


Shopify believes the difference of succeeding in this new landscape lies in which retailers are willing to adapt to technology and new consumer experiences, and which ones aren't. After all, the fashion industry has always been a byword for innovation. For instance, industry news and analysis site [2PM](#) reports that 13 of the top 20 direct-to-consumer (DTC) brands are in the fashion and apparel industry.¹⁰ Kim Kardashian's shapewear label, Skims, sustainable footwear brand Allbirds, and workout wear designer Gymshark—all of which are on Shopify—make the shortlist, proving the dominance of fashion brands in the ecommerce space.¹¹

Indeed, we're in a new moment in the fashion industry, where the old and new are coming together in novel ways. Fashion isn't divided into "online" versus "bricks and-mortar" any longer, where one style of shopping is pitted against another. As such, it's vital we level the playing field for entrepreneurs, reminding them that it's not about ecommerce or retail; it's about commerce everywhere, for anyone.¹²

Hemant Chavan, founder of Brik + Clik, which designs and builds inviting retail spaces, curates emerging brands, and operates a sustainable space, echoes this philosophy: "The future is neither ecommerce or retail. It's just commerce. So the question becomes, 'How do you symbiotically integrate both channels?'"¹³

FROM CLICK TO BRICK:



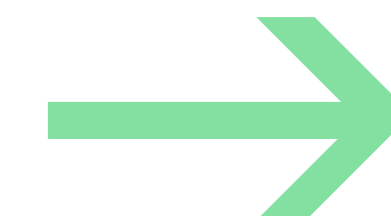
How digital brands are leading the transition back to brick and mortar

The shopping experience is now more complex than ever. Indeed, there's no doubt the retail industry has endured many challenges recently, with news of declining sales, closing stores, and redundancies. However, this doesn't mean that people have stopped shopping—far from it.

While department stores initially suffered following the onset of the pandemic, the same couldn't necessarily be said for small business and specialist merchants. These creative, quick-thinking brands are not only seizing opportunities online: they're also reimagining the real-life shopping experience—often seamlessly integrating both the URL and IRL aspects of their business.

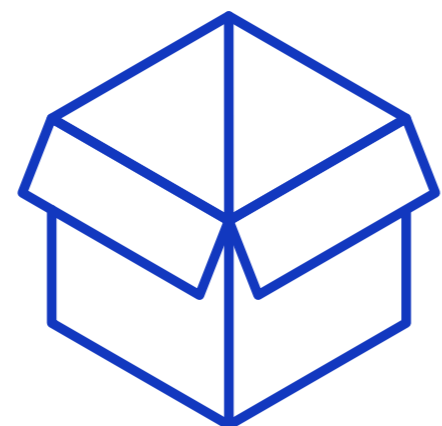
Brands that began life in the digital space are now investing in brick-and-mortar. Gymshark opened its first permanent flagship store in central London after years of experimenting with pop-up shops,¹⁴ while Canadian fashion brand SMYTHE is celebrating the opening of its first store in Toronto since its online launch in 2004.¹⁵

We know omnichannel commerce isn't going anywhere. Consumers want to shop from their favourite brand wherever they hang out—whether it's on the high street, on social media, or in the metaverse. They also want synergy between the offerings. According to Shopify's 2021 eCommerce Market Credibility study, 49% of customers in Europe, the Middle East, and Africa are significantly more likely to order a product if they can check out online and return in-store.¹⁶



54%

of consumers are likely to look at a product online and buy it in a physical store.

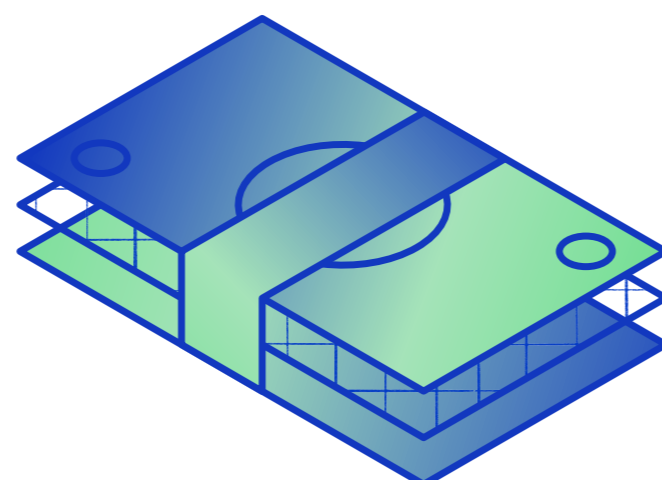


22%

of online purchases are returned because the item ordered looks different in reality.

50%

of adult shoppers use BOPIS (buy online, pickup in-store).



Meanwhile, 54% of consumers are likely to look at a product online and buy it in a physical store. Another 53% will do the opposite, viewing the products in-store and buying online. Equally, 55% of customers want to browse products online and check what's available in local stores. And more than 50% of adult shoppers use BOPIS (buy online, pickup in-store), with 67% adding extra items to their carts when they can pick them up immediately.¹⁷

This is almost a reversal of where the fashion industry was 10 years ago, when digital-first was the Holy Grail for direct-to-consumer brands.¹⁸ Today, a variety of factors are making the digital space more challenging. For instance, the influx of digitally native brands in every category, along with the proliferation of channels, means DTC brands can no longer rely solely on ecommerce to drive revenue.

Issues include increasing customer acquisition costs (CAC), the saturation of DTC brands, and the fact that 22% of online purchases are returned because the item ordered looks different in reality.¹⁹ The solution? We believe omnichannel will be a prerequisite for future growth for any DTC business.²⁰

The upshot is DTC brands are moving back into the physical world—but with a twist. They're bringing the same vision that reimagined online shopping to these new brick-and-mortar spaces, and setting new standards for the retail experience. As a result, when you enter a physical store from some of the top DTC brands like Warby Parker, Allbirds, Bonobos, and Glossier, you can instantly see that the focus is on customer engagement rather than sales.

Opening a physical store also gives DTC retailers a tangible element that helps strengthen brand image. Customers can see, touch and feel products in person, creating an emotional connection between the customers and the brand.

A Lively case study

One example is digitally native lingerie brand Lively. Frustrated by the growing expense of acquiring customers online, it opened a brick-and-mortar location where it offered customers more than just a showroom.

Customers were encouraged to make one of Lively's "fit sesh" appointments, which helped increase in-store conversions, pushing average order value around 60% to 80% higher for customers who made a booking. Overall, operating both online and offline helped the brand increase average order value by 80%.

Lively has touched on a key trend. Some 34% of shoppers want to engage in appointment shopping in 2022, which is reflected in the increase in Shopify merchants using booking apps. For the period of January 1, 2021, to September 30, 2021, the number of installs for appointment booking apps increased by 23% globally, compared to the same time period in 2020.

Store selling is now a more multilayered experience than in previous eras. As part of an omnichannel sales strategy, a brand will stock less inventory on the

sales floor, using the space instead to schedule one-on-one or group appointments with shoppers, thereby allowing more room for in-store experiences. Staff will be able to read customer profiles and make personalised recommendations based on past purchases, and employees can be equipped with a mobile POS (point of sale).

Ultimately, the physical retail space can be a community hub, hosting in-store events and gatherings, either in person or online.²¹



“A childrenswear retailer I spoke to pivoted from in-store events to virtual shopping events via Zoom during COVID. Suddenly, they were having one member of staff walking around the store selling products to two to 300 people per call every week, instead of just a few in person. Retailers who thought innovatively and pivoted thrived over the last period.”²²

**—Kyle Monk, Director of Insight,
British Retail Consortium**

The three must-follow trends for your fashion ecommerce sales strategy

As fashion retailers continue in the pursuit of their omnichannel vision, there are some key trends and actions that need to be considered as part of a successful strategy.

In the following pages, we explore three of the most relevant ecommerce trends that you can work into your long-term fashion sales strategy:

1. Immersive and appealing shopping experiences

How augmented reality and video are transforming fashion ecommerce and boosting community, customer numbers, and conversions.

2. The impact of social shopping on fashion and apparel

The huge growth of social commerce and how you can best take advantage of this shopping trend.

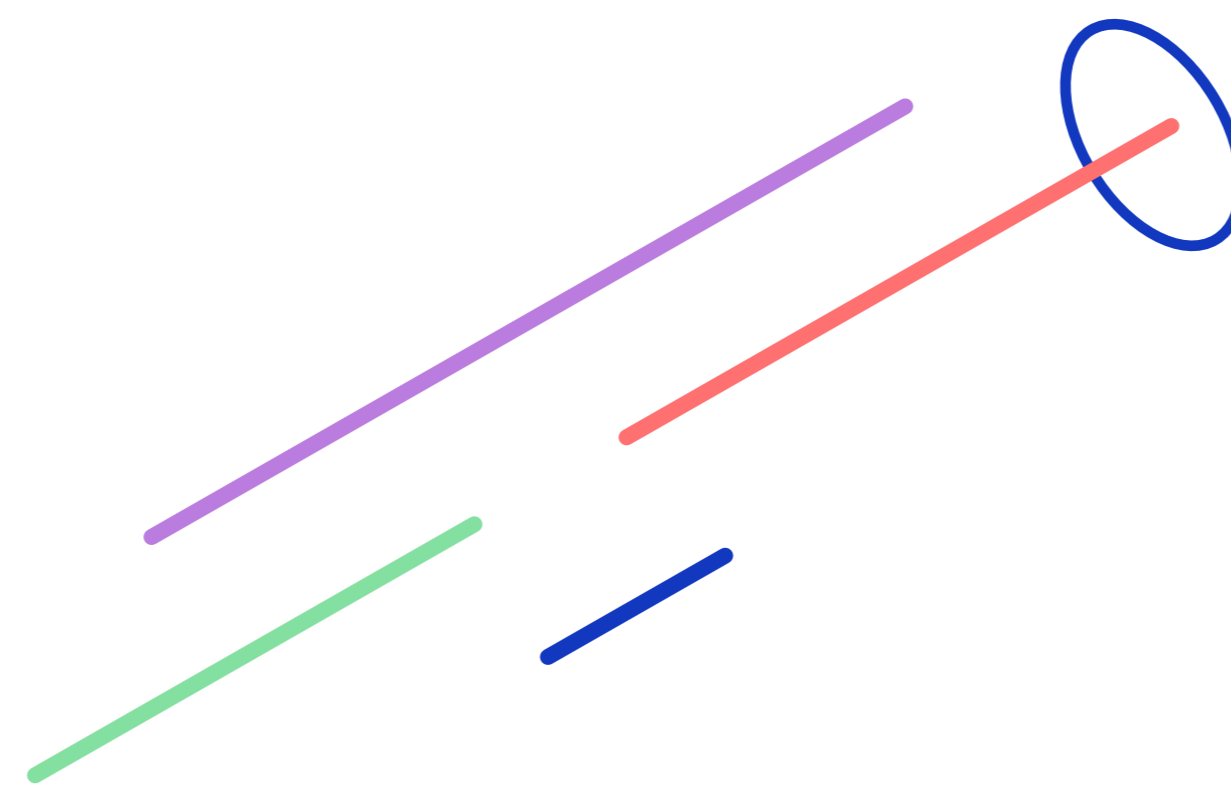
3. The power of personalisation on customers' experience

How to achieve the perfect balance of offering consumers tailored online shopping experiences and product recommendations.

CHAPTER 2

Immerse yourself! How augmented reality and video are transforming fashion ecommerce

Exciting times in ecommerce



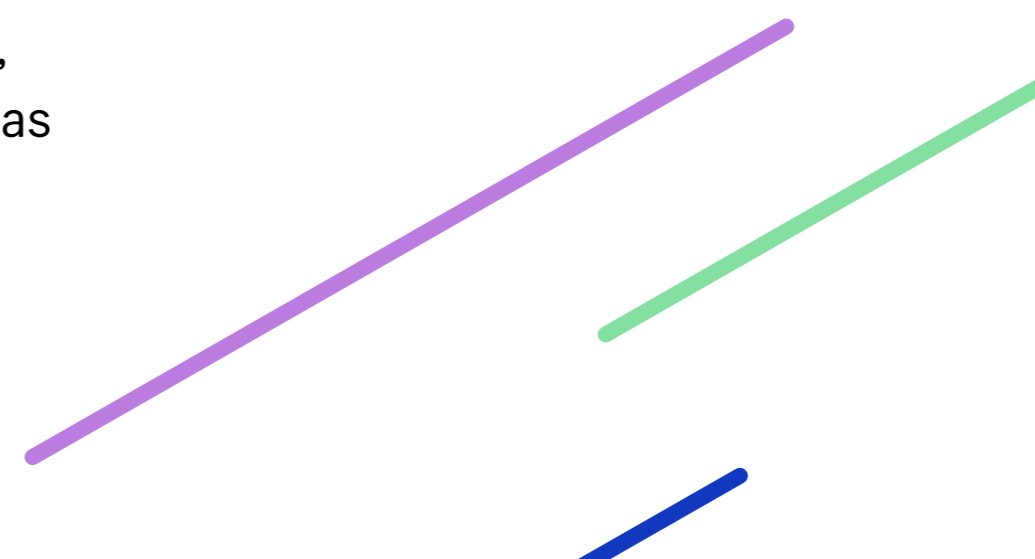
Ecommerce is in the middle of an exciting technological leap forward. There is now a range of interactive elements that help seamlessly translate in-store experiences into online ones.

This is the era of the digital showroom, where customers can look at garments up close, from different angles, and even “try them on”—all from their mobile devices. Tools like video, augmented reality (AR), and virtual reality (VR) are part of an ecommerce revolution that make shopping online easier, more satisfying, and enjoyable for the consumer.

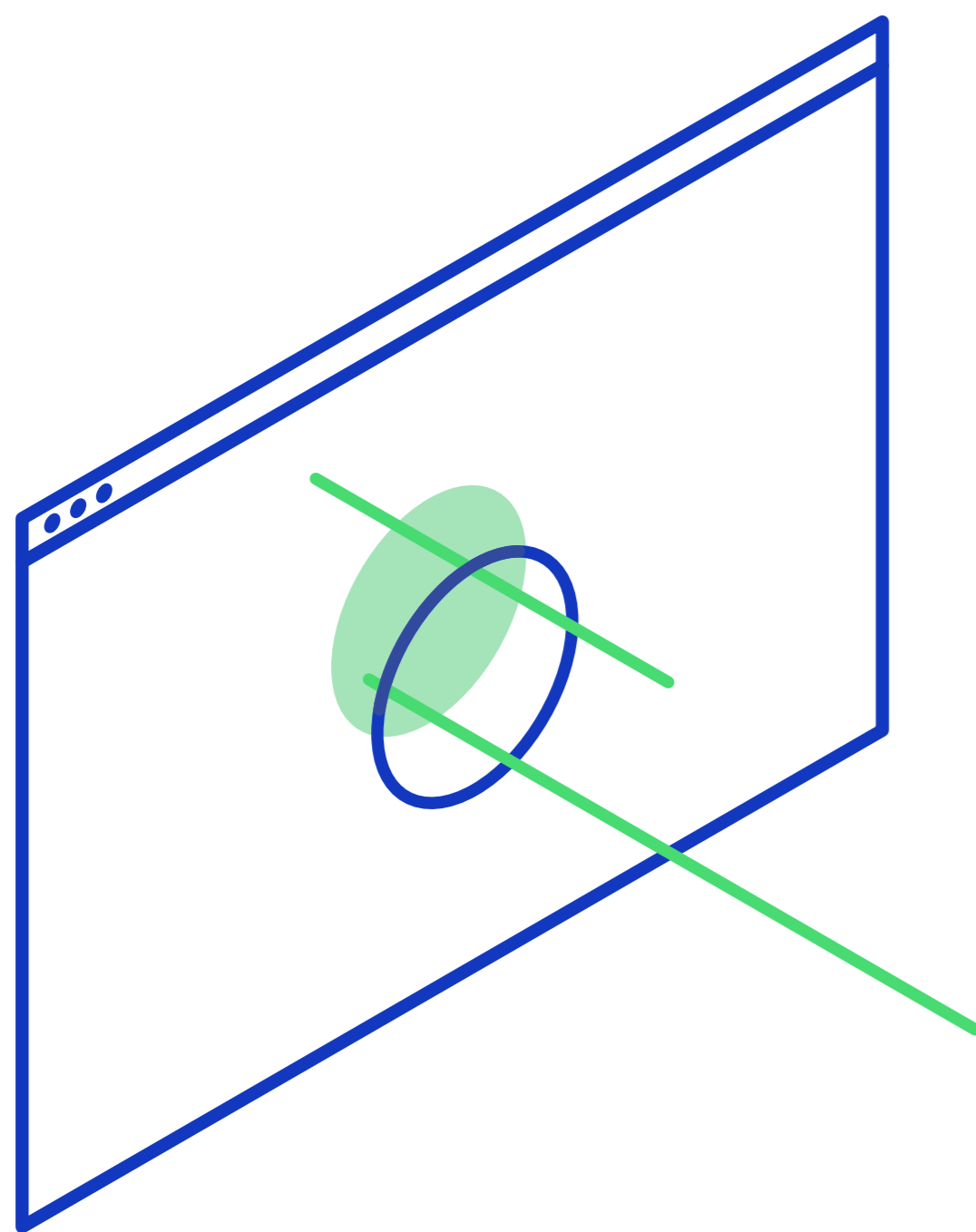
Brands with interactive tools embedded on their sites enjoy a greater number of conversions, a more loyal community and customer base, and reach more new customers thanks to shareable videos. Even better is that this capability can happen any time, anywhere, with brands creating mobile-first sites, allowing time-poor consumers to shop when and where it suits them, with the added confidence that the clothes they buy will look and feel as they expect.

“Instead of consumers having to use their imaginations to visualise how a garment looks—and even more importantly, how it would look on them—they can now virtually interact with any piece of clothing.”²³

—Brandon Ginsberg, CEO of ApparelMagic



The impact of AR and 3D in ecommerce



Many fashion ecommerce brands know video can set an online business apart. From entertaining content and instructional clips to footage of models showing how a garment hangs when it's worn, all of this helps customers to better understand the brand and its products. It also increases the time spent on a site, improving conversion rates.

Product videos have the power to increase conversions, better helping consumers by giving them as much information as possible about the products you offer. In fact, we've found that website visitors are 64% to 85% more likely to buy a product on an online retail site after watching a video.²⁴ Studies show video is more shareable and clickable than text—people are more likely to share videos than text pages. They're also more inclined to click on a video thumbnail than on something with no visual or multimedia element.

Watching a video takes little effort compared to reading long product descriptions and posts, and it also provides added value for your customers. In fact, video is becoming an established part of the ecommerce experience. The numbers back this up: the amount of time users spend watching video on the internet just keeps rising.

However, AR could be the real game-changer for the fashion industry. According to a survey of 15,000 consumers worldwide by Deloitte Digital and Snap, 74% of the global population, including almost all smartphone users, will be frequent AR users by 2025.²⁵ We've also found that it can be a critical component of your ecommerce storefront, capable of engaging new customers and boosting conversions.²⁶ Simply put, AR takes the guesswork out of online shopping, making it a more useful experience for the consumer, and increasing conversion rates.



“As brands and major fashion events went virtual in response to the pandemic, so did clothing,”²⁷ says Brandon Ginsberg, CEO of ApparelMagic. “[Consumers] can take a 360-degree look at a product. They can zoom in on even the smallest detail, rather than relying on a few photos the brand uploaded to the website. Consumers now have the ability to even virtually try on items by dragging one or more products onto photos of themselves.”

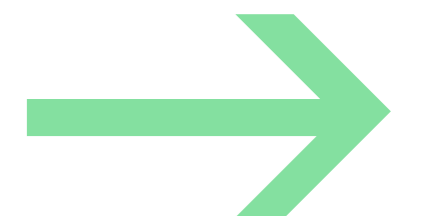
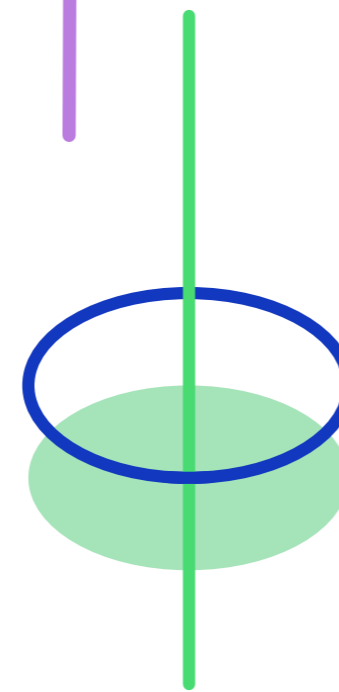
But there exists a generational divide. Deloitte and Snap’s Consumer Augmented Reality report highlights that Gen Z and millennials are both 71% more likely to use AR frequently than older generations, in part because adoption has been driven by social media use. For younger respondents, AR is recognised as a “toy,” as a result of playing with filters on social media, but they’re keen to use it in other arenas—76% want to use it as a “tool” in their everyday lives.²⁸

That most obvious tool is as a part of online shopping. According to Google’s 2019 AR Survey, 66% of people are interested in using AR for help when making purchasing decisions.²⁹ As brick-and-mortar stores reopen, some are doing so with new health and safety restrictions. For example, customers might not be able to try clothes on in-store. Instead, they can rely on AR solutions, such as virtual fitting rooms.



“The future of fashion isn’t driving to a store to make sure you’re buying clothing that fits. It’s not a limited shopping experience on an online store. It’s being able to virtually see, touch, and experience products as if you’re really there.”³⁰

—Brandon Ginsberg, CEO of ApparelMagic





“As the fashion industry becomes more rooted in the metaverse, and younger generations spend more time shopping, socializing and playing there, it’s critical that retail and fashion brands understand how to tap into the opportunities in front of them.”

—Brandon Ginsberg, CEO of ApparelMagic

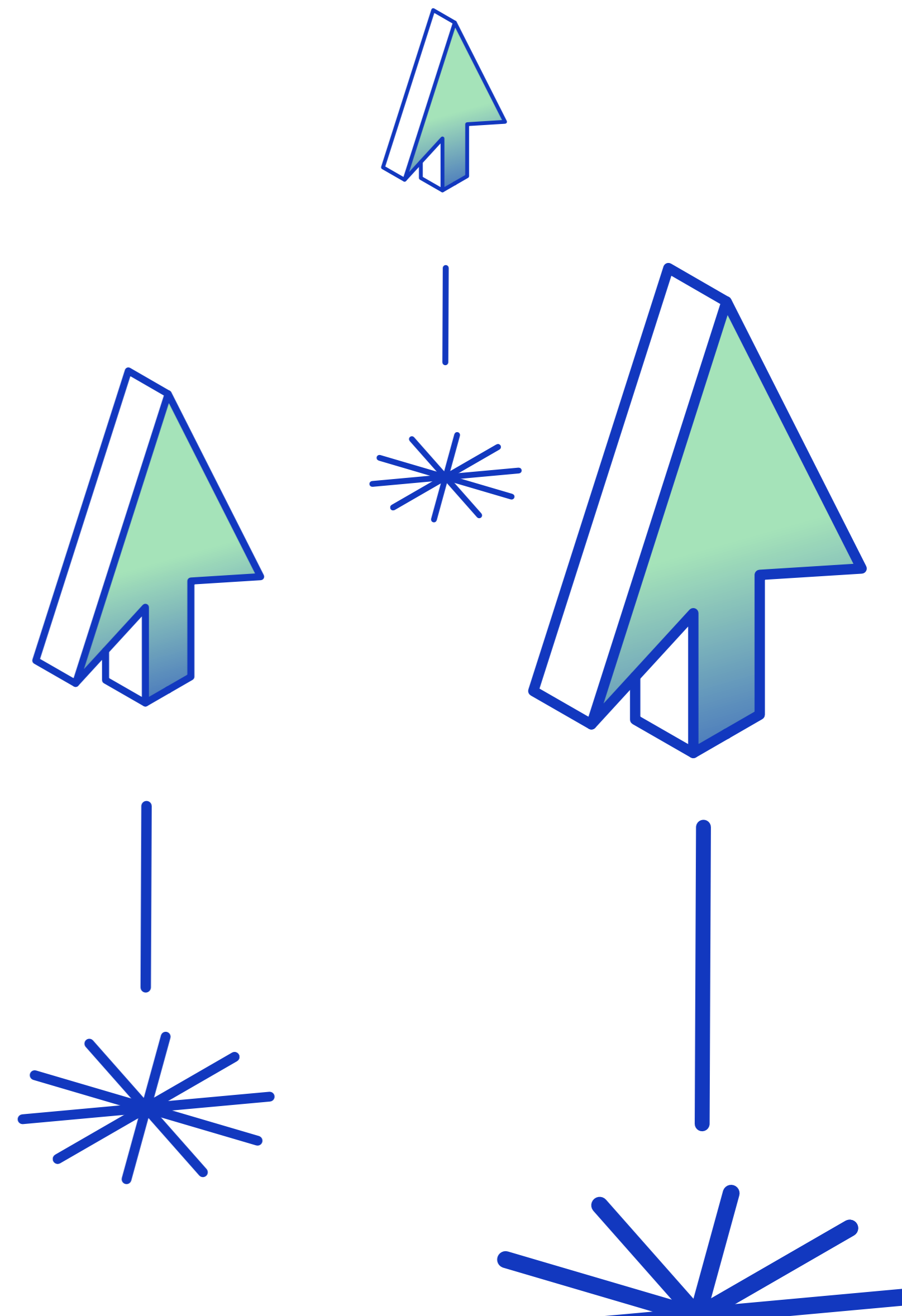
Brands that are not yet using AR or 3D commerce are missing out. In a survey by digital agency Eclipse Group, 71% of shoppers said they would visit an online store more often if it offered AR.³¹ Merchants that add 3D content to their stores see a 94% conversion lift on average.³² And according to 2020 research by Vertebrae, a leader in AR and 3D solutions for retail, conversion rates increase by 90% for customers engaging with AR versus those that don’t.³³

Shopify’s internal numbers indicate that AR has very strong potential to increase conversion rates. Adding video lifts conversion rates 60% over buyers interacting with images alone.³⁴ We’ve also seen how immersive AR and 3D commerce (for instance, including 3D models, or speeding up product development with 3D designs) works to convert shoppers to customers, and customers to brand advocates.

With 3D shopping, customers spend twice to five times as long on product pages, and there is a 40% reduction in returns. And on some Shopify product pages, 3D models in AR have increased conversion rates by up to 250%.³⁵

“That tells us a lot about buyer trust and behaviour,” says Ryan Smith, product lead at Shopify. “If I can interact with the product, see it from different angles, evaluate the texture, or place it in context in my room or on my face, it helps me make the buying decision better than images alone can deliver. It’s a merchant telling a story with a richer medium.”

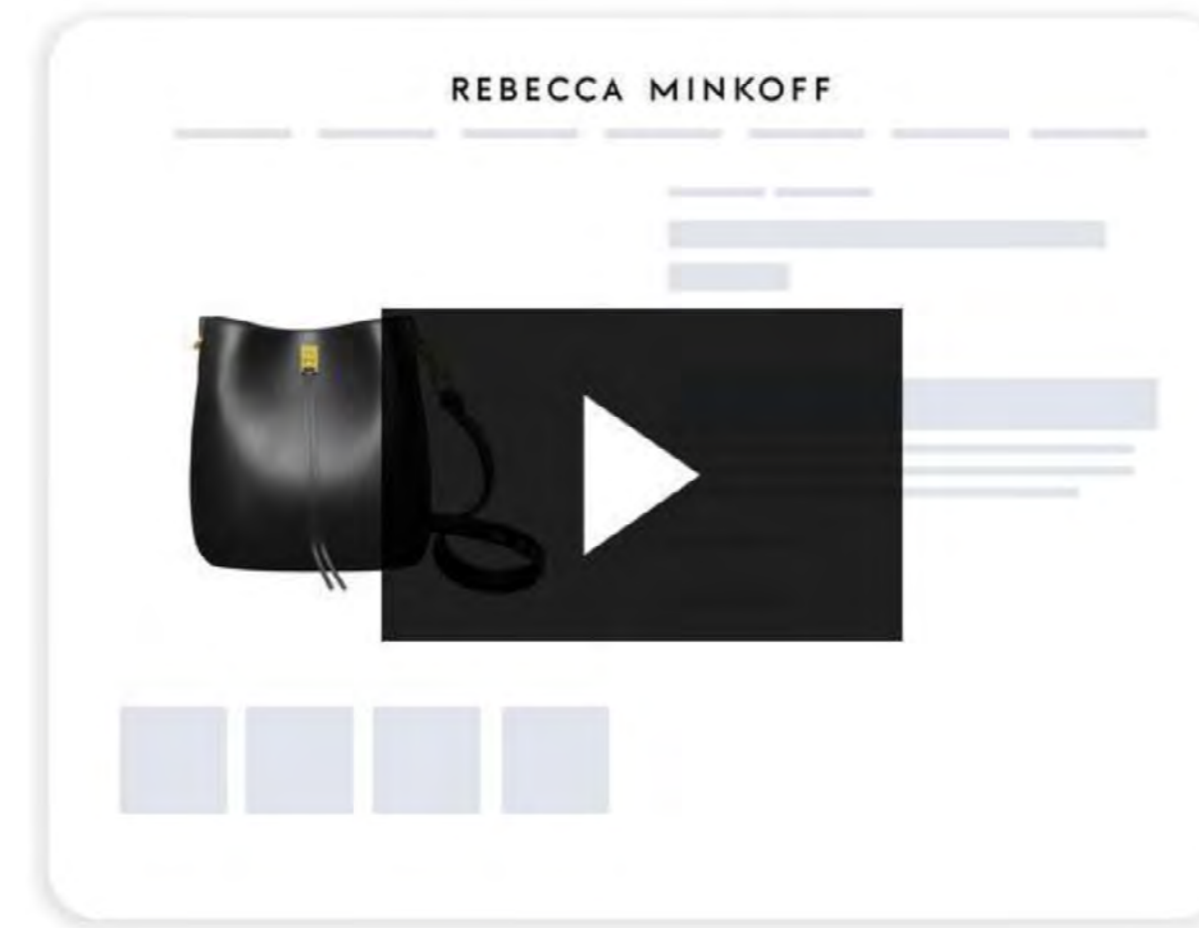
Meet the fantastic fashion brands embracing AR and 3D commerce



Rebecca Minkoff: Bringing products to life with 3D and AR

Rebecca Minkoff is a designer handbag brand focused on innovation. Founded in 2005, it pioneered in-store innovations such as self-checkout options and smart mirrors, and didn't hesitate to create the same experience online.

The online challenge was bringing products to life when customers can't touch them or see them up close. Sarah Sheldon, Senior Director of Global Ecommerce and Digital at Rebecca Minkoff, emphasises the importance of giving customers options online to recreate the real life shopping experience in the digital space.



3D media makes for a much more interactive shopping experience. Customers can examine our products from every angle, including the option to view products in augmented reality, which helps them get a better sense of quality, size, and other details that matter.”³⁶

**—Uri Minkoff
Co-founder and CEO, Rebecca Minkoff**

That's how the company landed on tools like 3D and augmented reality (AR). The 3D view gives customers the full picture of every part of a handbag, including texture, structure and shape.

Its Darren shoulder bag was one example that came to life with 3D modelling. A simple click-and-drag provides a full picture of every piece of the bag including texture, structure, and shape, in ways that website listings don't typically offer.

When engaged on mobile, the experience became even richer. An AR view of the bag allowed shoppers to virtually place it in front of them. This helps them see what the bag would look like in their home environment from every side and angle.

Suddenly, interacting with a product from afar was not simply an exercise in scrolling through website photos—Rebecca Minkoff created a much more intimate encounter.

Advanced online shopping features brought massive results

Shoppers who interacted with a 3D model were 44% more likely to add it to their cart and 27% more likely to place an order than those that hadn't. Viewing a product in AR increased the likelihood of a customer placing an order by 65%.³⁷



“At a time when the savvy fashion shopper wants to be able to connect with a brand’s persona, understand the texture and structure of every bag, and envision how they’d feel wearing each piece in a collection, we’re excited to host video and 3D within our Shopify ecommerce site to bring shoppers that much closer to Rebecca Minkoff designs.”³⁸

—Uri Minkoff
Co-founder and CEO, Rebecca Minkoff

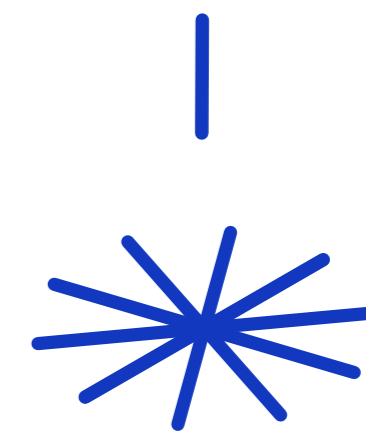
MOSCOT: Integrating virtual try-on capabilities on the eyewear world

When century-old NYC institution MOSCOT eyewear decided to relaunch its site some years ago, it chose to do so on the Shopify Plus platform. Its new site recreates the experience customers would receive in-store—including the ability to try on glasses.

MOSCOT worked with Vertebrae to integrate virtual try-on capabilities. Shoppers online can examine the designs from every angle, using the 3D model, then see the glasses mapped on their faces using AR technology that considers their unique facial features.

174%

Increase of overall
revenue amongst
shoppers who
engaged with the
3D and VR



MOSCOT reported that, since rolling out the technology, it's seen conversion rates more than double, with overall revenue amongst shoppers who engaged with the 3D and VR increasing by 174%.³⁹

How hard is it to get started with AR?

Brands shouldn't feel intimidated by the prospect of upgrading their online offering with AR and 3D solutions.

A first step can be investing in 3D models of products, as they can have huge payoffs. Unlike a photo, which only stores pixels, 3D models store information about the structure of products and the material they're made of. They also enable customers to ask questions that an image alone can't, such as what a product looks like from different angles, offering them more confidence that they're purchasing the right item. Technology is evolving fast, and you don't need to send a product to a 3D model developer to create a 3D model any longer. Instead, mobile scanning can convert multiple 2D images of a product into 3D.

Thousands of app developers integrate with Shopify, including those creating 3D assets. Shopify Plus merchants who want to add 3D models may need to make a small modification to their theme to enable it in their online storefront.



“The power AR has for merchants is that it allows customers to preview what something would look like in their space or on their body as though they were actually in front of that product in a store.”

**—Daniel Beauchamp,
Principal Engineer of VR/AR at Shopify**

You can follow our guide to learn how, or you can hire a Shopify Expert to help.⁴⁰ If you have a custom theme or you use a theme developed by a third party, you should contact your theme developer to find out if your theme supports 3D models or videos. Before customers can view your products in AR, you need 3D models of your products. The Shopify Expert Marketplace has a list of experts that can help with this.⁴¹

CHAPTER 3

Get social!

The secrets of social commerce for fashion and apparel

Get social! The secrets of social commerce for fashion and apparel

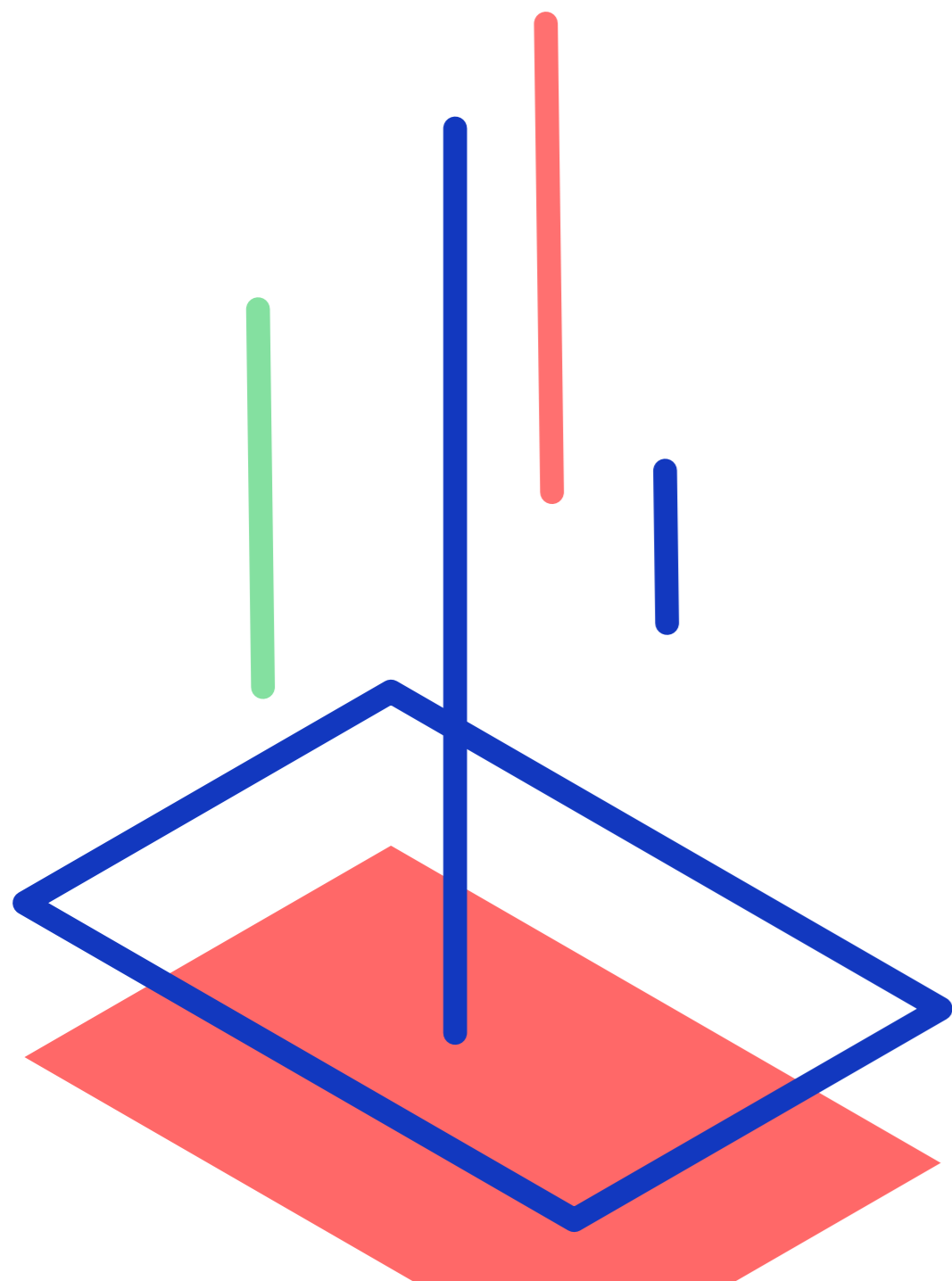
Social media has long been a place to chat to friends and showcase style, experiences, holidays and food. Now, it's the first place people go when they want to buy clothes or accessories.

Social commerce is the process of selling products through social media platforms. Apps like Facebook, Instagram, and TikTok all have ecommerce features for users to rely on when in shopping mode. It's different from a traditional social media marketing strategy, where users view a brand's content and visit their website to start shopping.

With social commerce, potential customers can research brands, discover items, and purchase products—all without exiting the app. The trend for using social media to discover and shop for fashion gained traction during the course of the pandemic, as customers who were stuck at home, unable to visit stores or socialise in person, spent more time scrolling through their feeds.⁴² Some 74% of consumers say that they're now more influenced to shop through social media than they were before the pandemic, and 70% say clothing is one of the categories that they shop for most on social media.⁴³

The fashion industry is taking notice. 37% of fashion executives cite social commerce as one of the top three themes that will impact their business in 2022.⁴⁴ Social commerce is booming because social media usage is. Research shows the typical social media user now spends about 15% of their waking life using social platforms,⁴⁵ with 10% of US adults having an addiction to at least one app.⁴⁶

So, why is social commerce so key? Social media users are already used to discovering, seeing, and engaging with brands on social media. They might follow their favourite labels or influencers who then promote those brands.

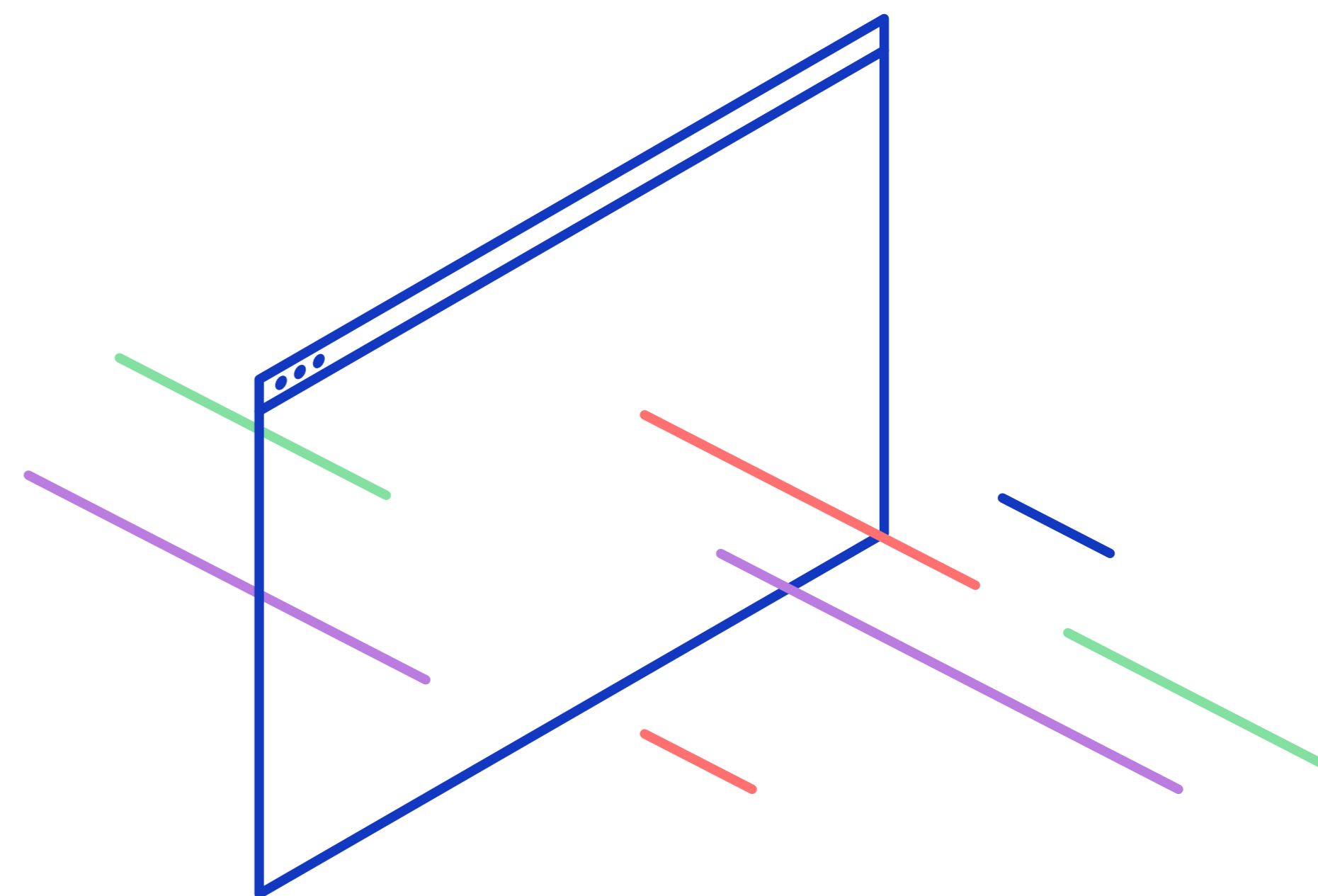


This brand activity and these references appear alongside social exchanges with one another and within entertainment platforms.⁴⁷

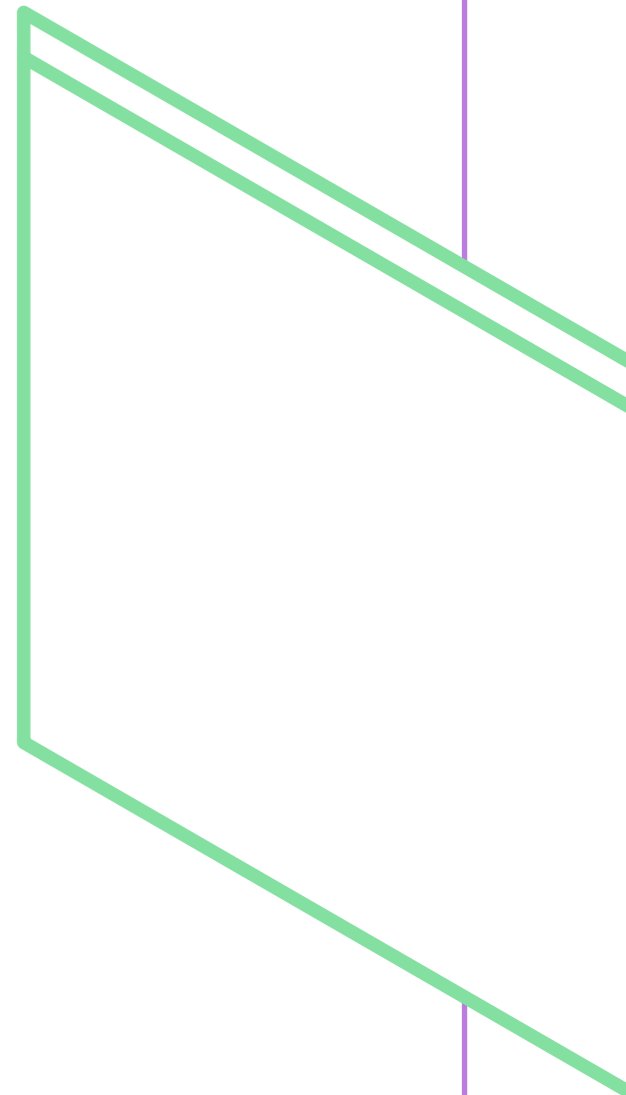
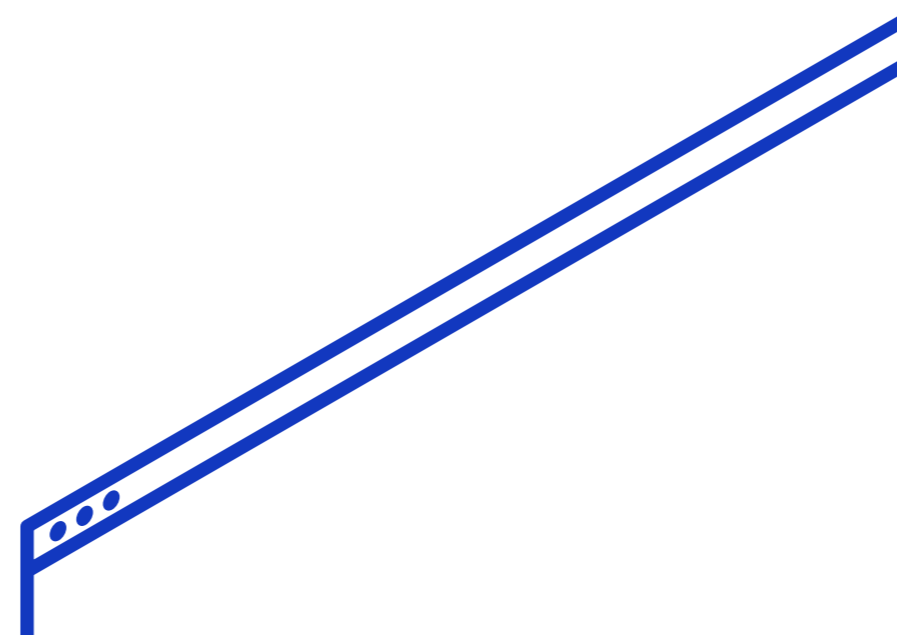
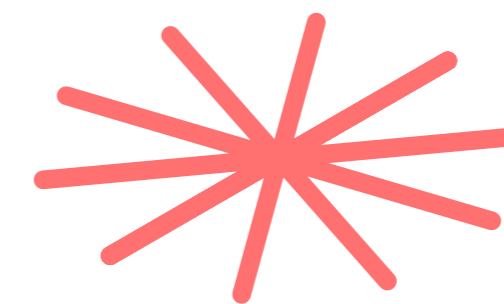
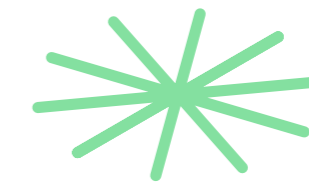
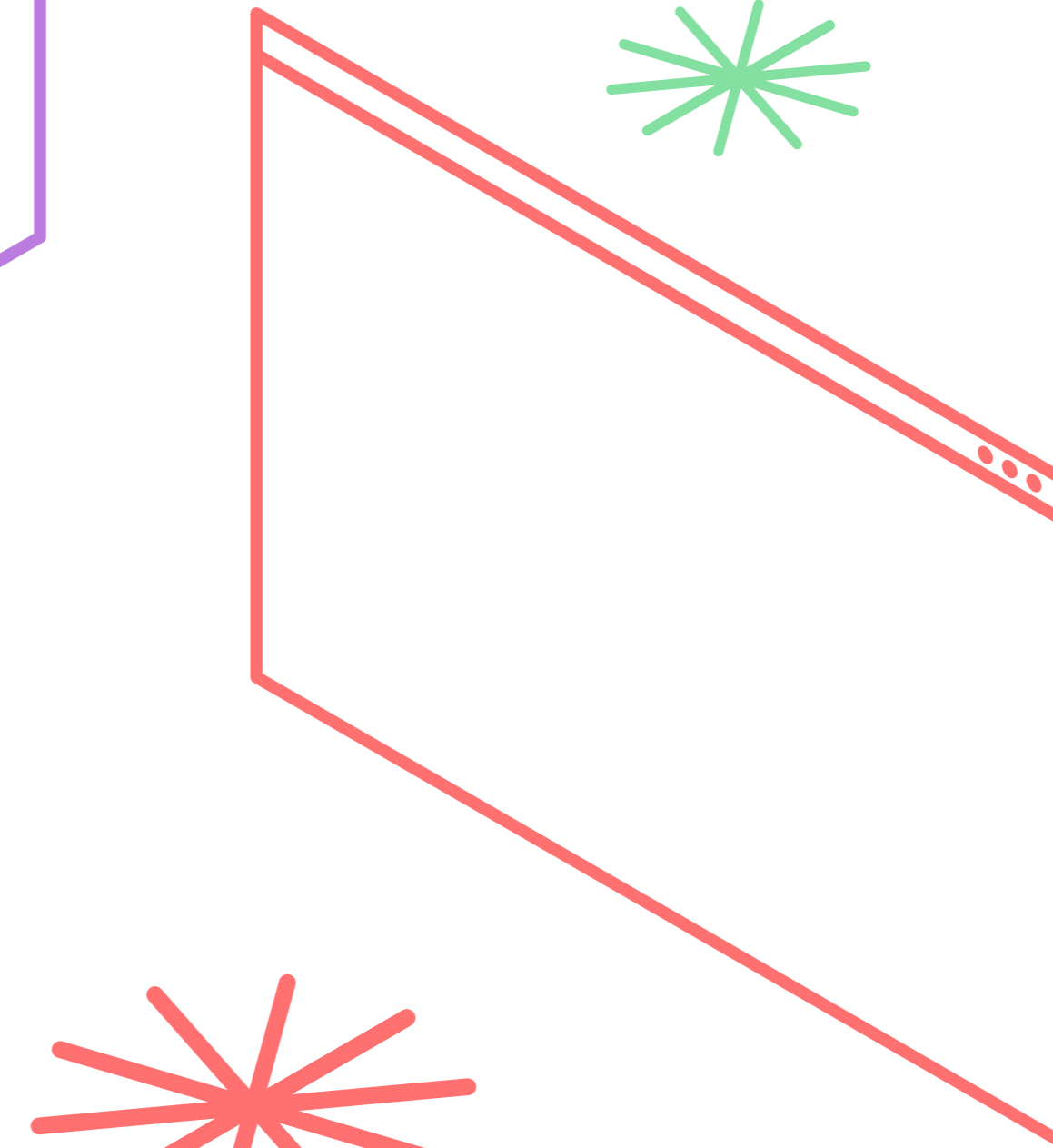
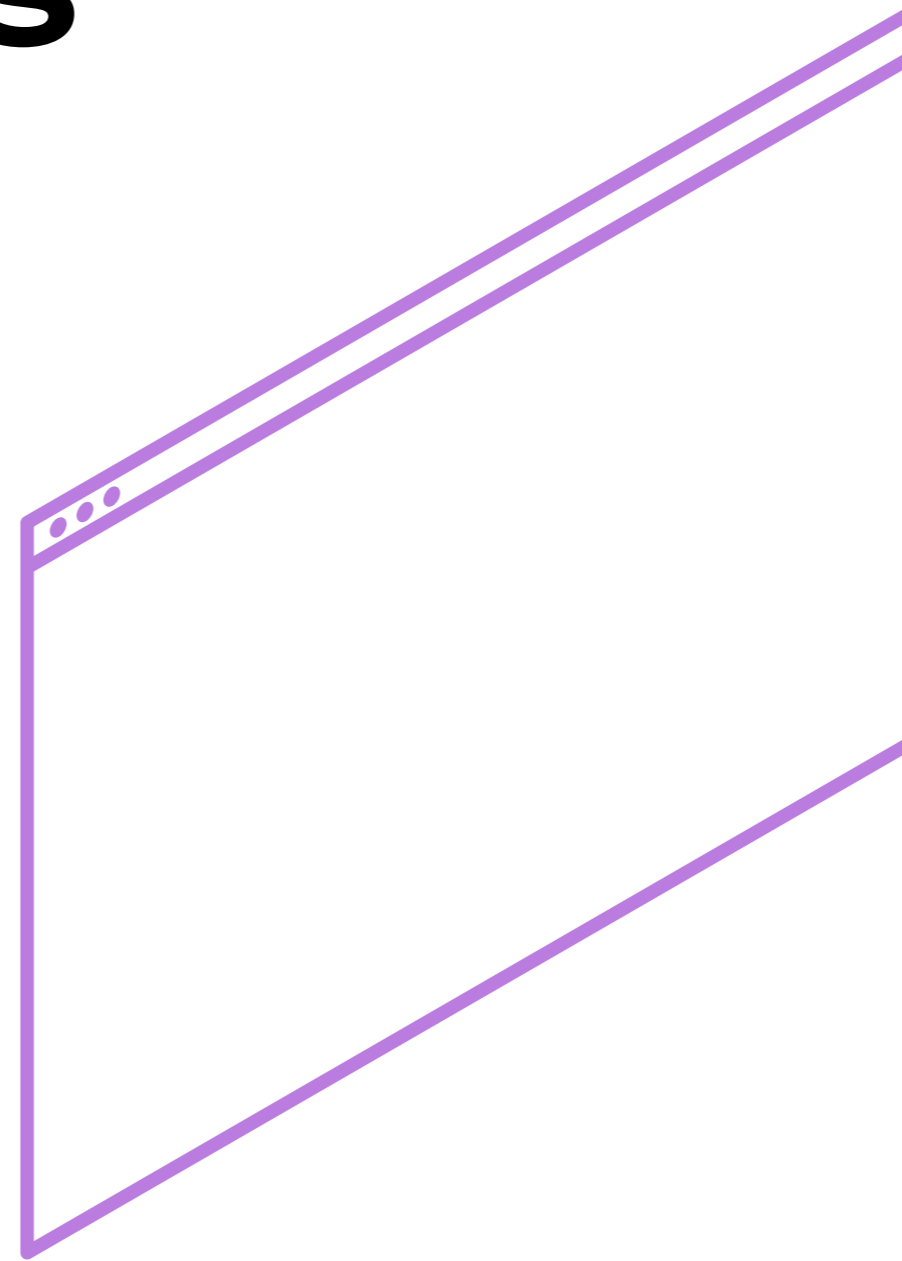
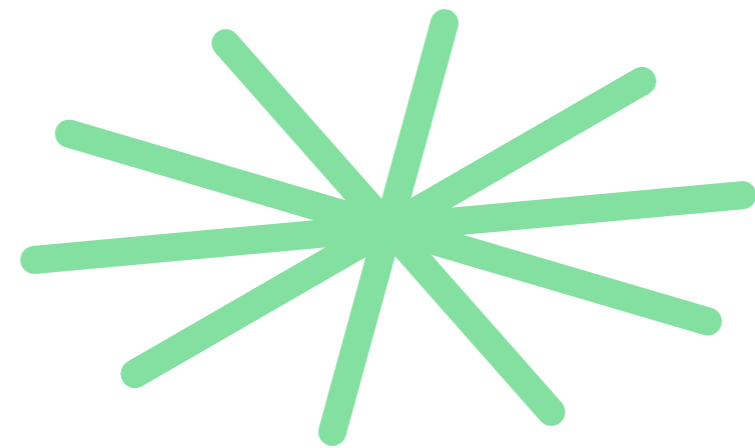
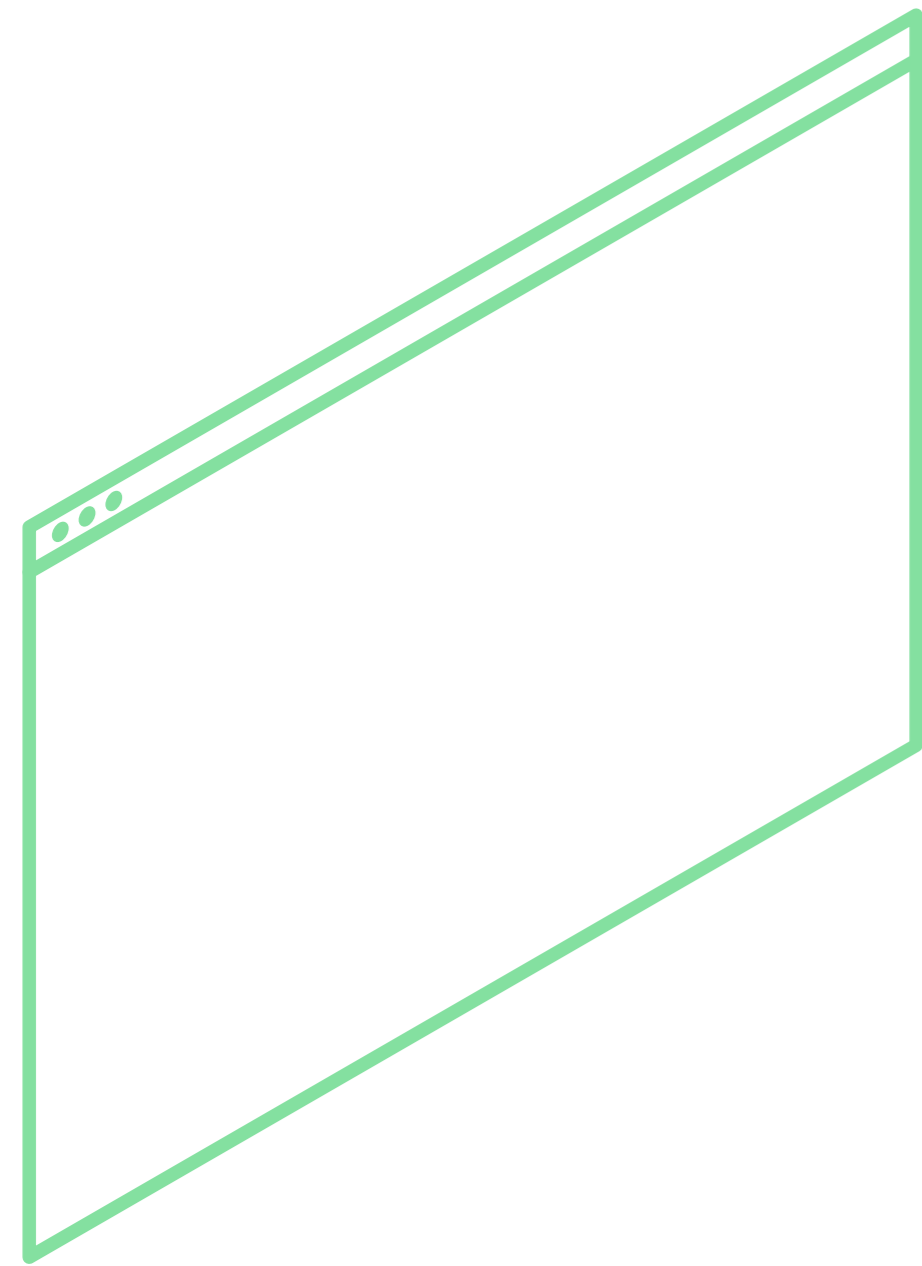
However, the next frontier for social commerce is converting that social activity into sales, with users checking out in-app and paying within the social media ecosystem. Social commerce consumers typically tend to be young, so the medium is a natural appeal for brands targeting Gen Z and millennials. It also means there is significant room to grow over time as users become more familiar with in-app payments and the functionality improves. It's a window of opportunity to tap into consumer needs early, building strategies that capture the market share.

In that spirit, social media giants are connecting brands with consumers via new in-app shopping experiences. Instagram launched its Shop feature in 2020 with partner brands such as Chloé, Michael Kors, Oscar de la Renta, and Marc Jacobs to make products shoppable either in-app or by steering customers back to their own websites.

Instagram is now ramping up shopping features such as Drops, which connects online shoppers to product drops through the app. A recent ecommerce trend, it helps sellers create buzz around forthcoming products ahead of their launch, with the products themselves only available in limited supply or for a short period of time—thereby increasing demand.



The different social commerce channels



Let's take a look at the most popular social commerce channels and how merchants can use them to drive revenue.

Facebook and Instagram Shops

Platform context and the European landscape:

Facebook and Instagram, both owned by Meta, and are the two biggest social networks. Combined, they have almost 300 million users.⁴⁸

Facebook is the leading social platform across Europe, and will dominate through 2025, followed closely by Instagram.⁴⁹

Merchants opportunities:

Each platform has a native Shops feature. Ecommerce brands upload their product catalogue to a virtual storefront connected with their account. Visitors to a brand's profile see available products—including sizes, colour variations, and specifications—without leaving the app.⁵⁰

TikTok

Platform context and the European landscape:

TikTok is the new kid on the block, but has experienced rapid growth and is predicted to hit 48.8 million US users by 2025, beating Instagram's 48.2 million, despite its six-year lead.⁵¹

In Europe, TikTok's turnover grew 545% to \$170.8 million last year, as advertisers upped their spending on the platform, according to a filing with the UK's company.⁵²

Merchants opportunities:

TikTok's official foray into social commerce happened when it partnered with Shopify to launch in-app shopping earlier this year. Merchants with a TikTok For Business account can add shopping tabs to their brand's profile, showcasing a virtual storefront for users to browse without the friction of exiting the app.⁵³

Pinterest

Platform context and the European landscape:

Pinterest is a search engine cross-social-media platform for images. Users create mood boards, pin places to travel, and, most importantly, discover new products.⁵⁴

The US is the country with the largest Pinterest audience, with over 86 million users. In Europe, Germany and France rank fourth and fifth place, followed by the UK, Italy, and Spain (over 50 million users between the five countries).⁵⁵

Merchants opportunities:

The vast majority (97%) of Pinterest searches are unbranded. When merchants upload product listings from their online store to Pinterest, they have the ability to reach potential customers who aren't aware of its products just yet.⁵⁶

Your social commerce checklist

Are you ready to take advantage of these shopping trends?

Here are five best practices to get your social commerce strategy off on the right foot

1. Choose the right platform

Don't try to be everywhere at once. Dive into the data you already have from existing customers—the types of people already proven to have an interest in your products. Which sales channel drives the most revenue for your business? Which has the higher conversion rate? Prioritise channels that come up top.

To expand your existing customer base, research your target audience using an audience intelligence tool such as SparkToro. Enter the main interest, such as “fashion,” and find the social media platforms that they're most active on, as well as the influencers that they follow. Prioritise any platforms that come out as most popular.

Finally, choose a platform that lets customers check out without leaving the channel they're on. Fewer clicks means less friction and a greater likelihood to convert.



2. Find the right format

Once you've chosen the social commerce channels your target customers use, identify which formats work best to reach and convert them. This can be done by surveying customers or by A/B testing different options.

Let's say your target customers are handbag shoppers. In that case, livestream your product launches—a masterclass on how to combine handbags with outfits for example—on Instagram Live. Invite fashion influencers to join—either as the model or the person conducting the masterclass. Tag products from your Instagram Shop in the livestream to actively encourage customers to purchase those being demonstrated.

Similarly, go behind the scenes with your consumers, giving them a peek at how you make your products, how they're sourced, or other aspects of your business. All three ideas could be modified to produce different video formats for each channel in your social commerce strategy, such as Instagram Reels, TikTok videos and Facebook video ads.

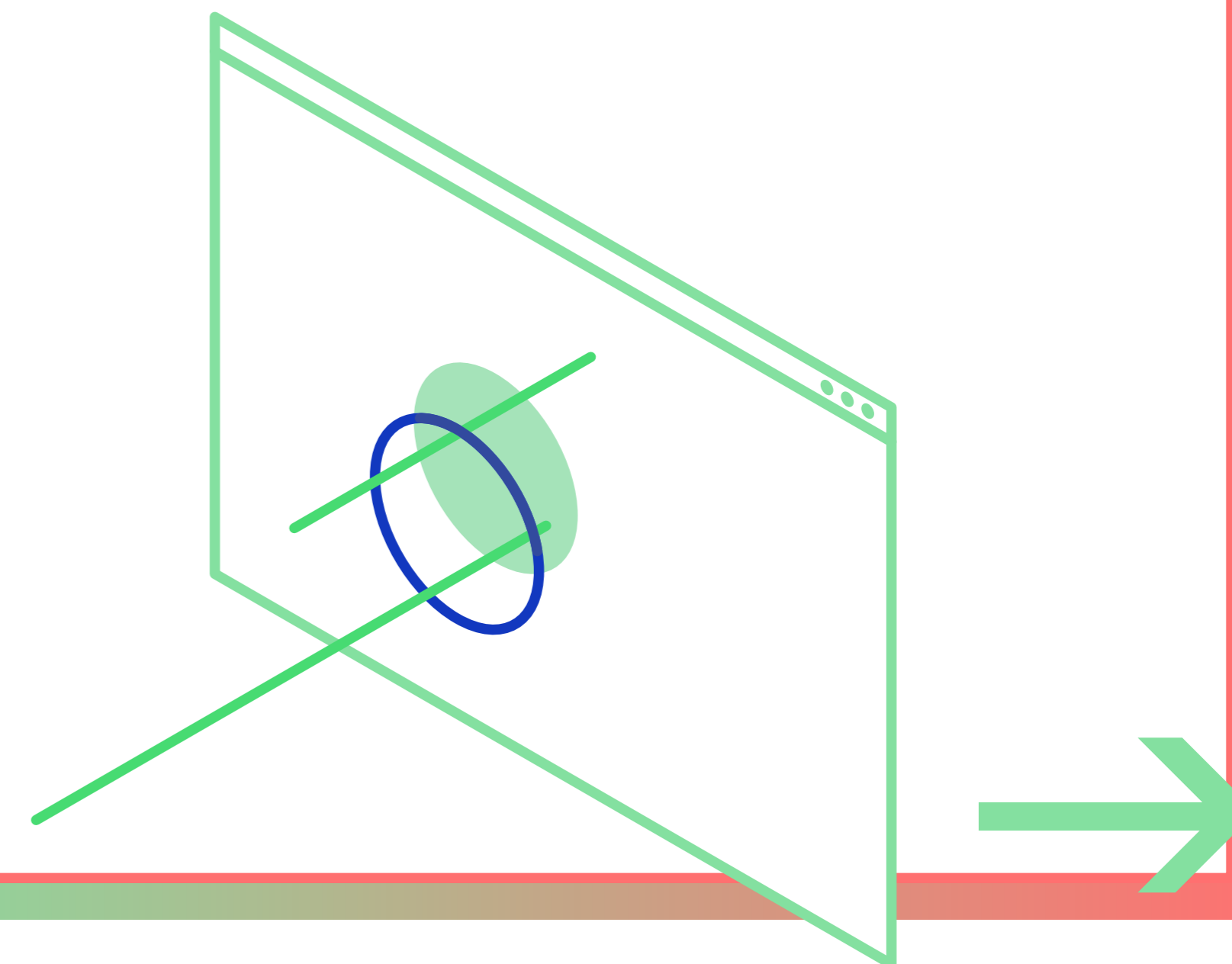
Whatever the format, consider the time of day, how long you'll be live for, and which channel will best reach your audience. You don't want to take up too much of your audience's time, nor go live when they're offline.

And remember: the back-and-forth conversation viewers have throughout live streaming is a huge contributor to the sales they drive. Ensure there are team members on hand to answer questions, moderate the discussion, and guide the conversation.

3. Prioritise visuals

More than two million Snapchat videos, 240,000 Facebook photos, and 575,000 tweets appear every minute.⁵⁷ Your branded content needs a reason to stand out. The visual appearance of your social media content plays a role in whether people will engage with it.

But it's not just pretty photos and videos that matter. If you're creating an online shopping experience, dress your social shop with as much care as you would your website storefront.

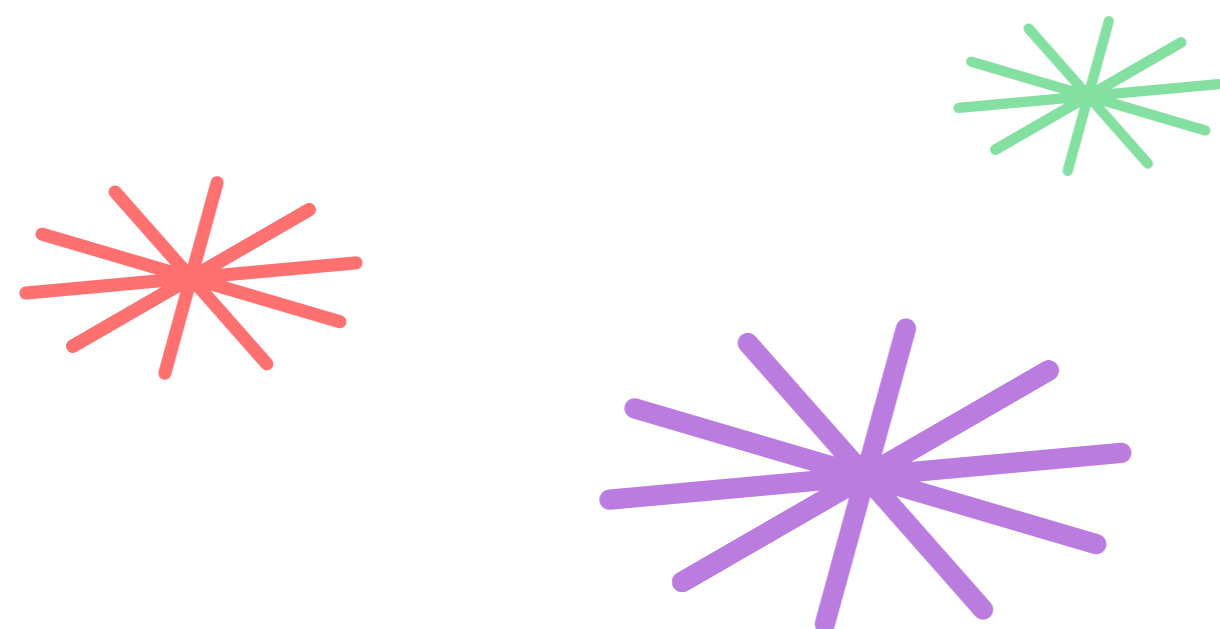


4. Match inventory with demand

Mastering social commerce, particularly livestreams, will lead to high short-term demand for your products. Out-of-stocks cost retailers \$1 trillion every year.⁵⁸ The last thing you want is for viewers to exit the livestream because they're frustrated that they can't buy the products on demonstration.

Prepare for demand surges in advance by coordinating livestreaming dates with your ecommerce teams. Be aware of supply chain delays; only commit to a time and date with your users once you're confident you have enough stock in your warehouses to serve everyone tuning in.

Finally, sync the product catalogue across your social media storefronts with your ecommerce website. That way, inventory levels are managed across various sales channels. Social media users can make purchases directly inside the app without the dreaded "Sorry, this product is out of stock" notification.



5. Develop a shoppable attribution model

Sales attribution is a struggle as old as time. Why? Because both first-, last-, and multi-touch attribution models are only an approximate picture of how each touchpoint affects a customer's path to conversion.

Assess whether your social shopping strategy is working using a combination of data sources that uncover your top performing channels and activities, such as:

Google Analytics. Study your users' behaviour flow by defining UTM parameters for the social commerce channels you use. These are short pieces of code you can add to links—such as the links you share in social media posts—which include information about the link's placement and purpose, making it easier to track clicks and traffic from a specific social media post or campaign.

Social analytics. Shoppable video ads on Instagram and Facebook give a clear view of conversion data, including click-to-view, click-to-buy, and click-to-share interactions. Combine this with any advertising data you have for the formats and channels involved in your strategy.

Customer surveys. Use apps like Enquire Post-Purchase Survey to pose one or two questions to a customer immediately after they've bought a product on the site: How did you find us? Tally up how many respondents replied with the social commerce channel you use.

Did you know Shopify merchants can create, run, and optimise social campaigns across TikTok, Instagram, and Facebook from the Shopify dashboard?⁵⁹ You'll get insight into which products, images, and messaging resonate most with your audience, using social data across channels and regions. You can then turn those insights into action items for targeted marketing and cross-selling across your customer segments.

CHAPTER 4

Why power lies in personalising the customer experience

Why power lies in personalising the customer experience

Regardless of the particular aesthetic, fashion has long been viewed as a unique form of personal expression. Therefore, it's perhaps no surprise to learn that 84% of consumers are not only interested in personalised products, but would pay more for them.⁶⁰

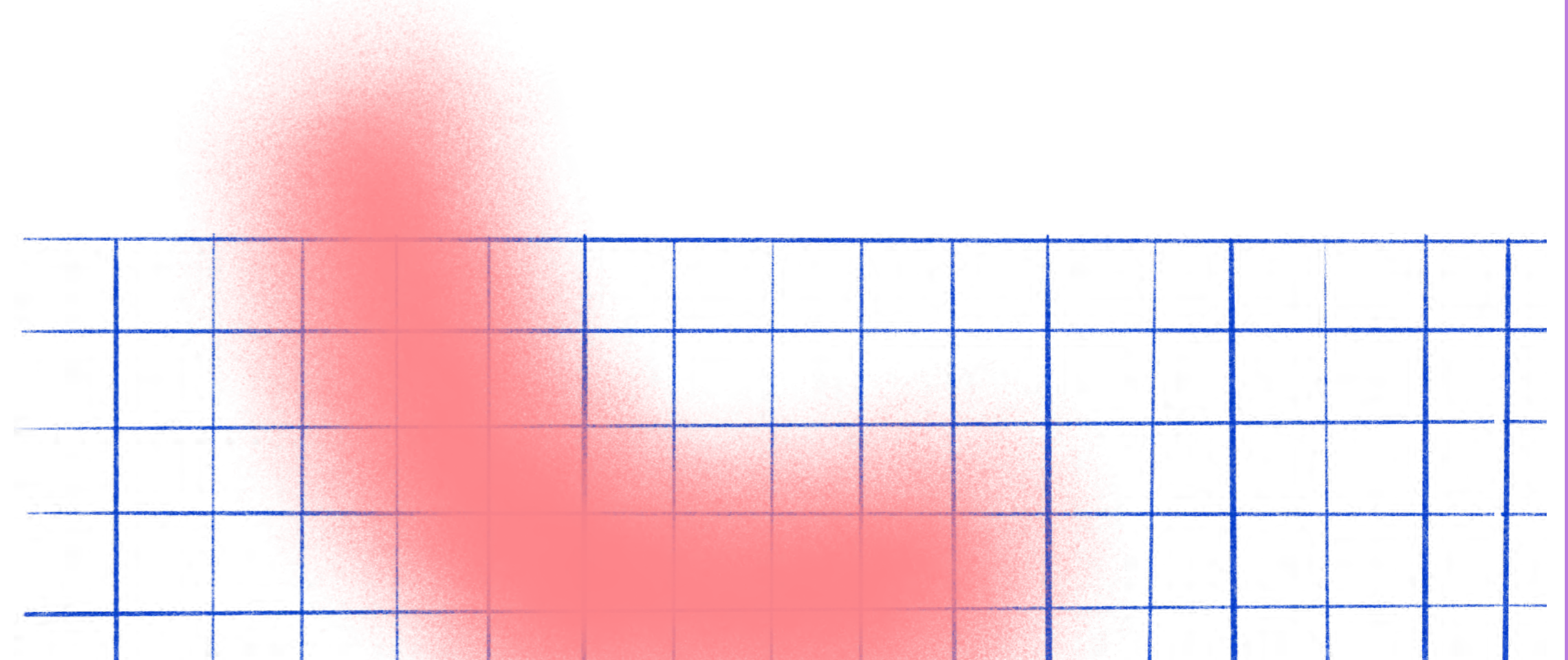
Among those interested in personalisation, the motivation behind the demand varies, which means that brands have multiple avenues to consider and capitalise on when attempting to meet their customers' needs.

For instance, 41% of consumers would like to personalise items of everyday usage like socks, t-shirts, or underwear; 31% wish to have the capability to personalise seasonal fashion items; and 26% ask for personalisation of something special, such as a product with an edgy silhouette or fancy pattern.⁶¹

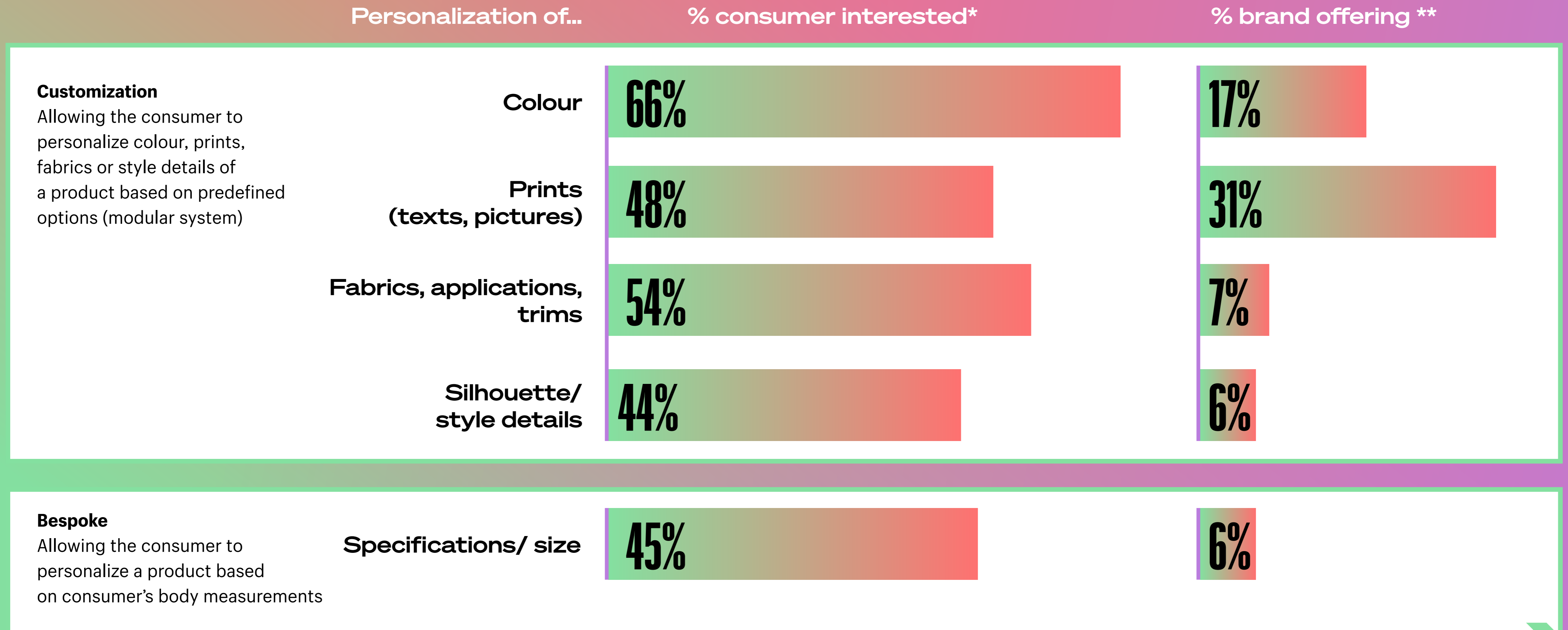
According to a report by Accenture, personalisation takes on two essential forms within the industry: style customisation and body shape tailoring.⁶² Customisation allows consumers to co-create a piece by choosing colours, prints, fabrics, and style details from a predefined set of options, which can then be brought to life in real-time with a digital 3D configurator tool that simulates the look and feel of the final product. Available both online and in-store, the use of these tools can be facilitated by real or virtual assistants who lead the consumer step-by-step through the process.

Interestingly, while colour is by far the most popular customisation option among consumers in Europe and North America, only 17% of 70 global fashion brands and retailers currently offer this as an option. And while 31% offer individualised prints, very few allow for the customisation of fabrics, applications and trims, or styles and silhouettes, despite its popularity among consumers.⁶³

When it comes to body tailoring, consumers are also onboard. Indeed, 45% of those interested in personalisation would like brands and retailers to offer products personally tailored to their measurements.⁶⁴

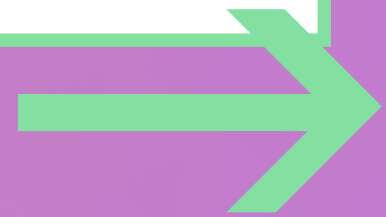


Consumers interested by type of personalization compared to brand offerings



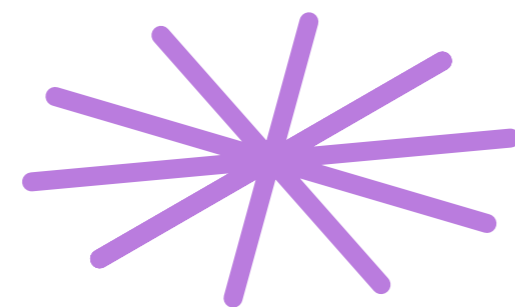
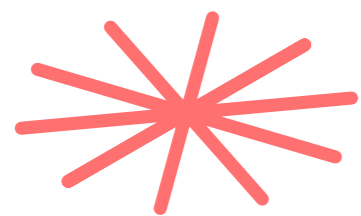
* in relation to total consumers interested in personalization
 ** in realtion to total of surveyed brands

Source: Accenture Fashion Consumer Survey 2021; Accenture Web Shop Screening 2021



Mainstream fashion has yet to catch up with its luxury counterpart due to the technological and operational complexities involved. And while practical issues, like at-home measuring, have proven a challenge, issues like privacy are commonplace: Only a third of surveyed consumers said they'd be willing to share full 3D scans of their bodies to allow fashion brands to tailor their product.⁶⁵

Given these challenges, the solution may lie in a cross-brand personal avatar. So, how would it work? Put simply, the platform could store consumer body measurement data securely in a single place, giving access to brands and retailers only when triggered by the individual concerned, such as via a QR code. This would allow for complete privacy during the discovery phase. Furthermore, it could improve customer experience, as the scan or manual body measurement would only need to be performed once for use across a range of brands.⁶⁶



“I believe we’ll see more local brands branching out and offering customised shopping experiences for international customers to remain competitive. This will include things like geo-targeted domain names, pricing in local currency, and local product shipping, with the help of third-party distribution or company owned warehouses.”

**—Leanne Lee,
Marketer at Blue Bungalow**

Personalisation is a balancing act

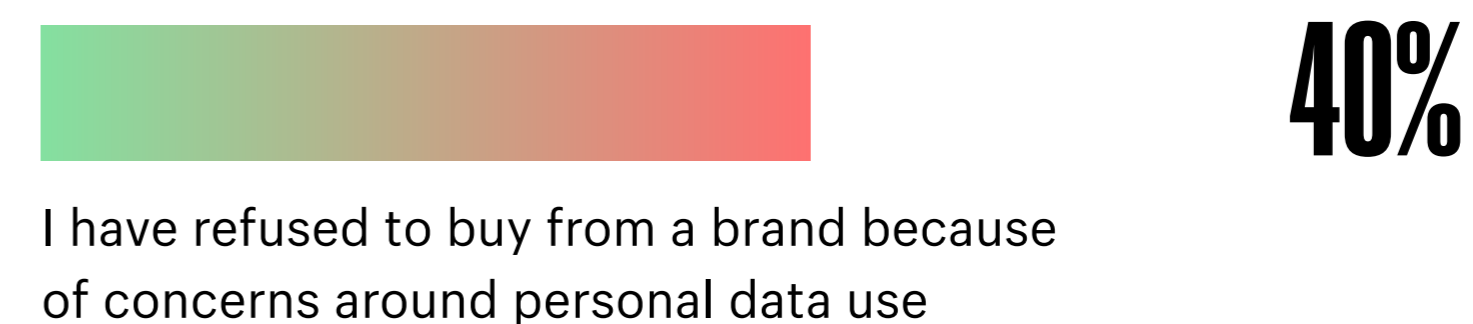
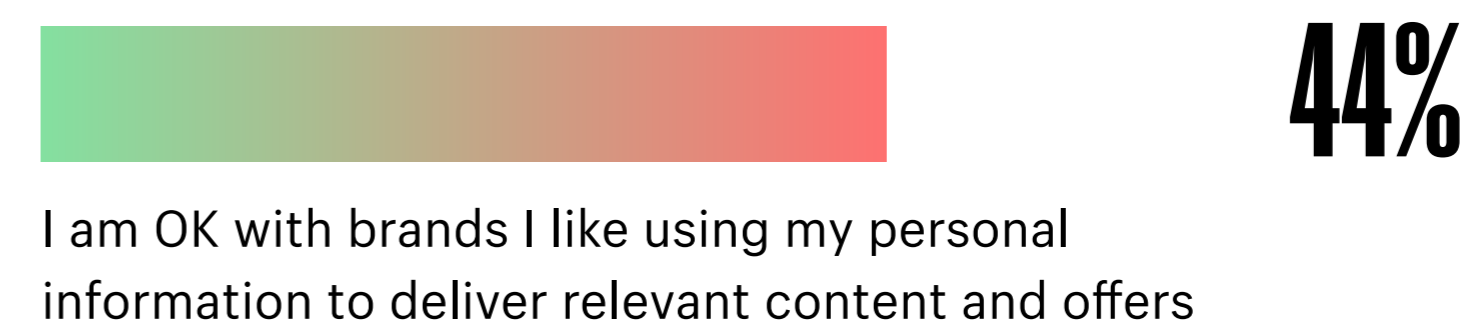
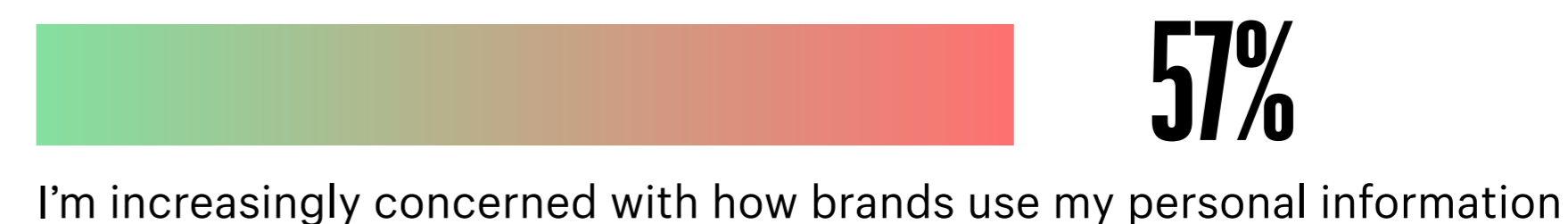
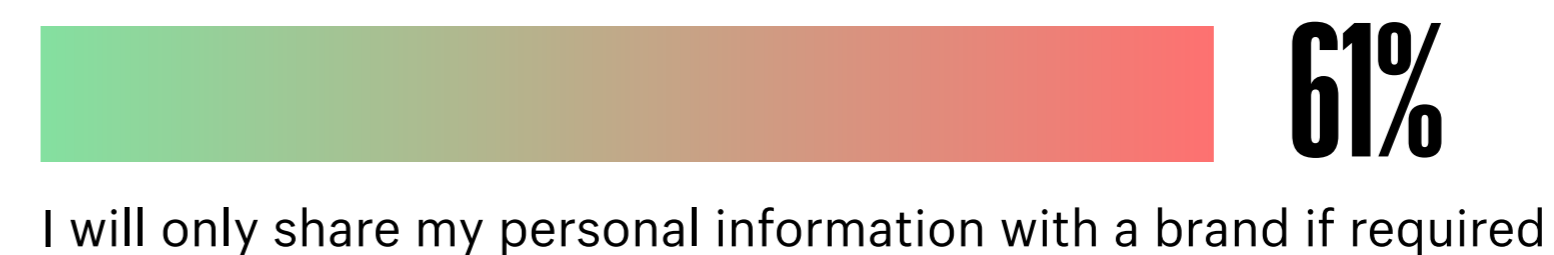
When it comes to personalisation, consumers and brands aren't exactly aligned: 85% of brands believe they're offering personalised experiences, while only 60% of consumers seem to agree.⁶⁷ This disparity should not be overlooked, as the power of personalisation cannot be over-estimated.

Personalisation has long been thought to be the secret of success for modern ecommerce. By showing items that a shopper was previously interested in, or retargeting them based on the activity they've had with the ecommerce website, you're providing a tailored online shopping experience—one that convinces them to buy.⁶⁸

Our research shows that 44% of customers are happy for brands to use their personal information in order to personalise messaging and improve their customer experience, but there's a fine line as privacy concerns mount among online shoppers. Too much personalisation can raise alarm, and brands that rely too heavily on it are three times more likely to be abandoned by their customers.⁶⁹



Consumers want to know how brands use their data



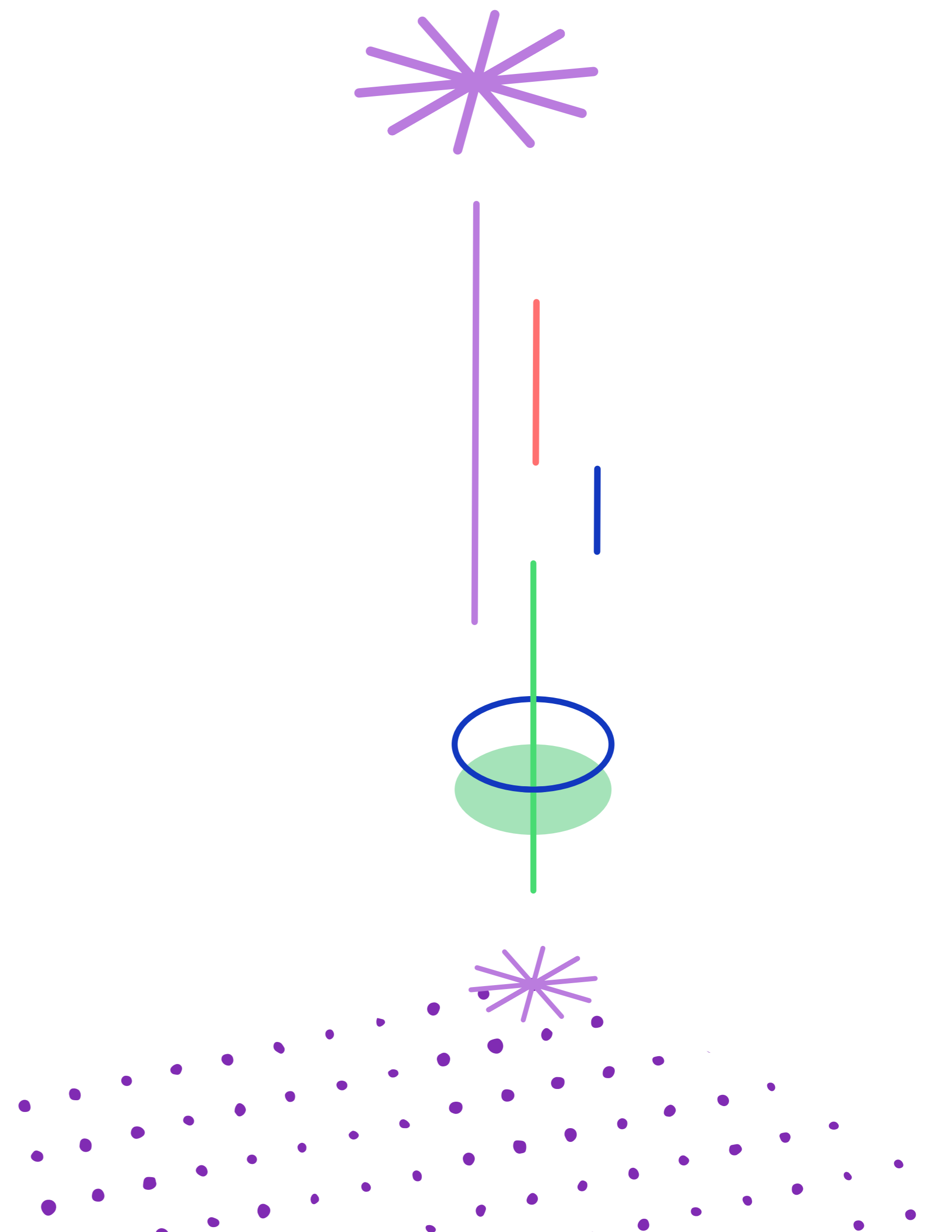
Sourced from Shopify eCommerce Market Credibility Study: Data Review, a commissioned Forrester Consulting study conducted on behalf of Shopify, September 27, 2021

These concerns are not unfounded. According to The State of Fashion 2022, retail, including fashion retail, was the fourth most-attacked industry, with companies across different categories and value segments suffering breaches in 2020.⁷⁰

As a consequence, brands are encouraged to prioritise digital security by investing in their defences against cyber attacks, which means reducing data risks throughout the data handling lifecycle through collection, use, and disposal, and in operations spanning the entire value chain.

“Whatever cyber protection you had last year, last quarter, last month, yesterday, it’s not going to be enough for tomorrow,” says Stefan Larsson, chief executive of PVH Corporation, the parent company of Calvin Klein and Tommy Hilfiger. “To me, it starts with an awareness that the risk is ... increasing, and getting really close to it, [and then] getting humility across the organisation that this is a continuous ongoing work of improvement.”⁷¹

Striking a balance between providing optimum levels of personalisation while catering to consumers’ privacy concerns is key. Now we’ll take a look at a brand that is doing it perfectly.



Culture Kings

This Australian brand is an ideal example of how fashion ecommerce brands can balance under- and over-personalisation. Instead of customising the experience down to “first name” tags on the website, it built four global storefronts to sell in different currencies. The result? More than half of the fashion brand’s revenue now comes from its ecommerce business.

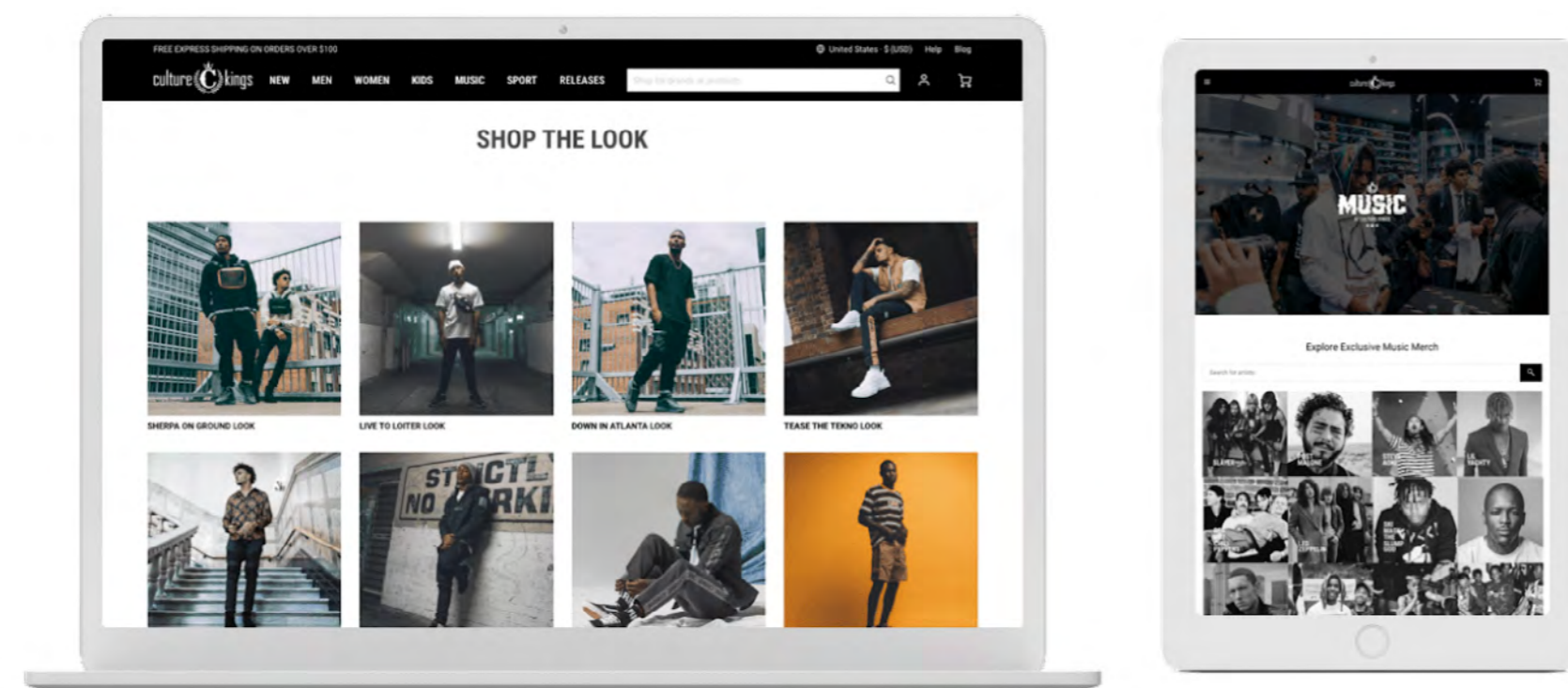
Culture Kings customisation magic a.k.a. a trusted commerce partner to focus on the art, not the technical side of business

Australian streetwear retailer Culture Kings has developed a shopping experience as cherished by its customers as any pair of Nikes or Adidas, with a reputation backed by a loyal fanbase and a growing list of celeb devotees, including Justin Bieber, Cristiano Ronaldo, Drake, and Wiz Khalifa, who each make a point to visit Culture Kings whenever they visited the country. Part of the company’s greatest magic has been customising the online experience.



Personalisation capabilities to focus on the art of their business, not the technical side

There were, according to Simon Beard, founder and CEO, 700 styles of footwear to consider, 1,000 hats, 8,000 styles of apparel, and 500 varieties of pants. And that was just the beginning. How would the brand get it all listed online in the right way?



But here again is where the artists in them thrived: With the ability to customise Shopify Plus to allow for tailored, dynamic product listings of any variation—without the threat of a crash—Culture Kings could make its website its own. The brand’s team posted weekly lifestyle photo and video shoots online, which led to an easy and innovative Shop The Look page, where there were curated outfits and personalized staff recommendations.

Localised customisation for global expansion

The final step was to amp up its global outreach. Culture Kings created, launched, and managed multiple global stores through Shopify Plus, all designed with a more localised shopping experience in mind. It was all there, all managed from one hub, where Culture Kings could power localised checkouts for each of their stores. That way, its growing global customer base could log orders in more familiar currencies to them based on their location in the world.



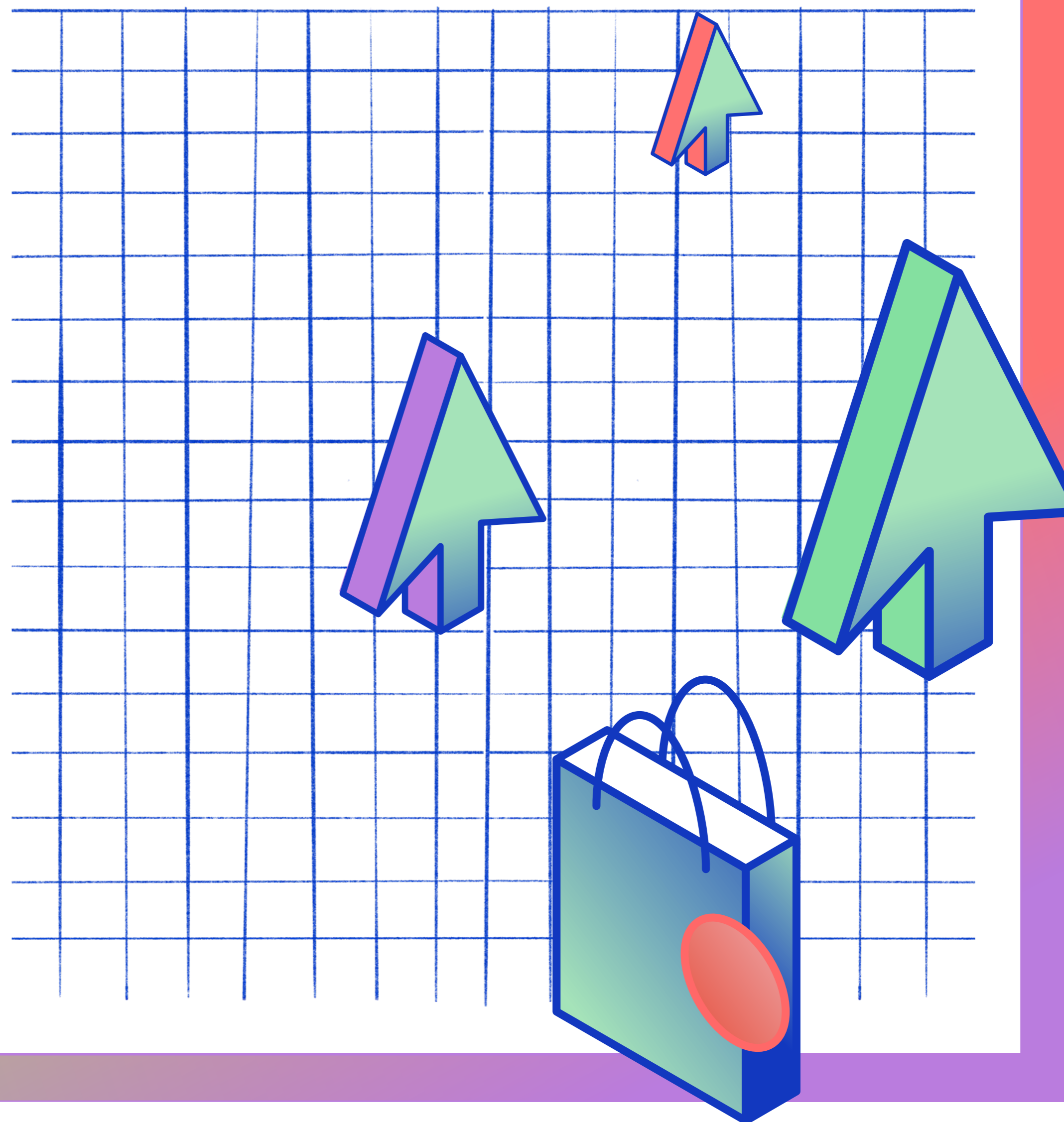
“Shopify Plus—what it really did is allow us to focus more on our art side rather than being so bogged down in the science side, which was not our forte. It really enabled us to scale, knowing that we had this platform that delivered, that can grow with us.”

**—Simon Beard
Co-Founder, Culture Kings**

The business impact

When its ecommerce performance finally reached Culture Kings' standards, Beard noticed a funny thing happened. "We could actually double-down on our strengths of our art and bring that in-store experience that I believe we've mastered and pioneered into the online world," he says.

Culture Kings' trust in Shopify Plus to be the platform it needs has empowered the brand to work toward doing what it does best for customers and facilitating artistic initiatives as it considers the global expansion of its retail artistry that makes the company so unique.



How Shopify can help

There's a lot to consider, and few can go it alone in an industry as fast-paced as fashion.

As a fashion industry leader, we understand that you need a true commerce partner, as opposed to just a vendor to help you grow, with a specific set of tools to execute successfully on these ecommerce trends and many others.

With a significant merchant base in Europe and a partnership with worldwide fashion and apparel brands like P&Co, Pineapple Dance Studios, Perry Ellis, and Steve Madden, among others, we've got you covered.

“

“The whole reason to go to Shopify Plus was to best serve our customers. It wasn't about reaching a certain turnover; it was about providing a seamless experience. We wanted custom checkout, we wanted automation tools, and with the Plus platform you have that out of the box.” ⁷²

—Adison Rudall, Co-Founder, P&Co



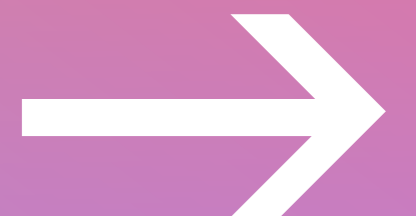
Explore some of the top resources you can leverage in Shopify Plus to reduce complexity, streamline multi-channel selling, and allow you to focus on running your business, not on technology:

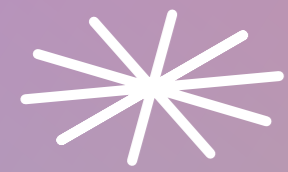


Immersive shopping

Do you want to dazzle the senses with a customizable front end that showcases your style? Replicate retail experiences online with augmented reality, video, and 3D on product pages, and customise your checkout, including personalised discounts and shipping rates.

[Learn more on our Fashion page](#)





Omni and social commerce

Do you want to stand out in the digital crowd with social shopping experiences that turn shares to sales? Enable instant purchases through Facebook and create a shoppable Instagram feed while running contests, leveraging influencers, curating user-generated content, and highlighting reviews with more than 6,600 apps.

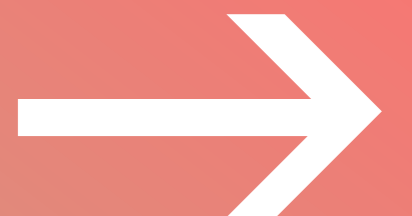
[Learn more on our Fashion page](#)



Mobile conversion

Do you want your customers to experience faster checkouts and smoother sales? Are you on board with responsive stores that optimise for mobile and conversion out of the box? Want to blend vibrant customer experiences with branded checkouts, one-click confirmation with Shop Pay and top preferred payment providers? What about connecting in-store retail with mobile browsing?

[Learn more on our Fashion page](#)





Speed and power

Did you know site speed has a price tag? Milliseconds could be costing you millions. The slower your site, the worse your conversion. We are the leading platform for high-traffic campaigns, processing thousands of transactions every minute without worrying about broken carts, crashed checkouts, or downtime. Check out our advanced guide, where we outline the performance killers—and their fixes—on your journey to scale.

[Read the Ultimate Guide to Site Speed](#)

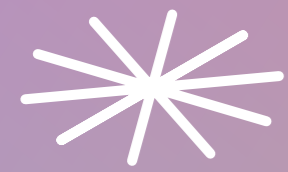


Automation

Do you know how to make your workflows work for you? Learn how to save your team time and money with this practical introduction to ecommerce automation. Shopify Plus gives you exclusive access to Launchpad, the first scheduling tool to automate demand-generating campaigns at scale. Explore on our guide how ecommerce automation can save you time and costs to focus on the work that counts.

[Read the Ecommerce Automation 101 Guide](#)





Global commerce

Do you know everything you need to know in order to sell worldwide? We do. As customers everywhere want local shopping experiences tailored just for them, we can guide you on how to sell in multiple currencies and languages with one login, as well as how to personalise your checkout.

[Explore our guide on building international expansion strategy from a single store](#)

Talk to one of our experts to find out more about how top fashion brands in Europe are breaking boundaries and sales records with Shopify Plus.

Let's talk

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Page 6

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Page 7

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Page 16

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Page 18

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Page 19

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Page 33

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Page 34

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Page 35

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Page 39

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