The Fashion Whitepaper

The state of traffic, content, and social influencers in fashion online

DemandJump

Many fashion brands believe that only a few hundred referral sites impact their traffic. Proprietary research conducted using DemandJump's Artificial Intelligence Marketing (AIM) platform indicates that number is not merely in the hundreds, but in the tens of thousands.

The challenge that marketers face is that they cannot analyze every website, so they need artificial intelligence to see where to focus their resources. By only being able to monitor a few hundred referral websites, rather than the tens of thousands that really impact traffic, marketers are leaving (literally) millions of dollars in revenue on the table.

DemandJump's Artificial Intelligence Marketing (AIM) platform analyzed Brand X that receives about 1M visitors from referral sources every year. The DemandJump platform forecast that this brand is missing out on another 1M visits (which would effectively double their annual referral traffic), which, based on industry average conversion rates and order sizes, equates to just over $8M in revenue.

Keep in mind, the above metrics were forecast using only the top 10 affiliates, blogs, and news DemandJump identified. Acting on these 40 opportunities alone would more than double their referral traffic, and have a positive impact on their bottom line.

The global apparel industry accounts for more than $1T in annual revenue. Narrowing the scope a bit e-commerce will account for approximately $40B this year in the United States alone. Analysts expect this number to reach $60B by 2020, equating to an annual growth rate of 7.7%.[1]

Around 40% of U.S. consumers currently purchase apparel online with projections estimated to increase to 52% by 2020. Average annual revenue per consumer for apparel is also expected to increase from $381 to $406 by 2020.[1]

Another study analyzed the impact of e-commerce on the entire U.S. retail industry. While e-commerce only accounts for around 8% ($93B) of all retail revenue, it is growing at an annual rate of more than 15%.[2] This is why savvy retail CMOs are racing to adapt their strategies to align with the growth of e-commerce.

INSIGHT: There is massive opportunity in e-commerce for fashion brands. As market share increasingly depends on a brand's ability to leverage multi-channel advertising spend, we will see some heroic winners, and some equally epic losers.

As the online and offline worlds become more intertwined, there is increasing pressure for brands to pay close attention to budget allocation, and the effectiveness of each marketing channel.

The DemandJump platform analyzed 11 of Brand X's competitors and determined that organic Google search and direct traffic account on average for nearly 75% of traffic (ranging from 62%-83%). This was further supported by 3rd party research, including a Text Master study that found fashion brands receive around 70% of their traffic from direct and search.[3]

With thousands of opportunities and millions of dollars in revenue being left on the table, we wanted to dig deeper. Utilizing artificial intelligence to know precisely when, where, and how to capitalize on digital channels to drive revenue is critical in such a competitive landscape.

INSIGHT: With so many other referral sources out there, fashion brands should be driving traffic from more than just search and direct sources. There is huge opportunity in referral sources and social networks, which will prove to be a major differentiating factor in the coming years. The ultimate goal is understanding the impact of your referral sources on direct and search traffic.

TRAFFIC

Marketers believe that a few hundred sites drive traffic to their website, but our research has shown that in reality tens of thousands drive traffic to your website. The DemandJump Platform provides clear visibility for marketers and allows them to identify the most powerful opportunities ranked in order that can have a major impact on traffic.

For Brand X we found the main sources of qualified traffic to fashion brands are: news sites, affiliate sites, and blogs. Many brands grossly underestimate how many websites impact referral traffic. In the case of many fashion retailers, these sources have the ability to substantially increase annual traffic and ultimately revenue.

Some of the best sources we identified for fashion brands are Dealmoon, ShopStyle, Brad's Deals, and Deal News which combined would drive over 350K in additional annual traffic and increase revenue by nearly $1.8M. Just imagine if you acted on the next 100 sources.

CONTENT

When it comes to content most current tools merely look at words or groups of words. However, words alone do not provide strategic insights for creating content that truly reaches a qualified buyer. DemandJump approaches content differently by using proprietary natural language processing (NLP). This allows DemandJump to identify contextually trending topics, thereby enabling brands to hone in precisely on their target consumers, at the moment they are engaged.

The DemandJump Platform creates a content ecosystem that aggregates your and all of your competitors' content. From there DemandJump is able to identify topics and groups of topics to inform you what content is trending to help write the best content.

The DemandJump platform identified important trends by analyzing over 5,000 pieces of content from the last 30 days. Some of the most popular topics included "designers", "brands and collections", "summer trends", and "street style" just to name a few. Since men's fashion week recently ended and women's fashion week is set to begin shortly, these trending topics are ultra-relevant.

Writing content and following the fashion industry can be difficult because of the rate it is constantly changing. Using the DemandJump Platform allows marketers to stay on top of relevant trends and create content that truly adds value for their audience.

INFLUENCERS

The rise of micro-influencers is upon us, and a study has shown that these influencers convert recommendations 22.2x more often than normal recommendations.[4 & 5] Our platform identifies influencers based on relevancy and recency, because we have found that an influencer's follower count is not that important. Celebrities still have their place in some influencer strategies, but micro-influencers have been shown to have a higher rate of engagement among their followers. Thus they can be more effective than influencers with huge followings for less money.

The DemandJump Platform identified critical social influencers in fashion including WhoWhatWear, The Zoe Report, The Fashion Guitar, Racked, WWD, Arabelle Sicardi, Vogue Runway, and W Magazine to name a few. DemandJump was able to discover the best influencers specific to keywords, topics or sets of topics—the data show that targeted influencers change depending on the specific piece of content a marketer creates. The platform identifies both traditional influencers and micro-influencers to give marketers the best chance to promote their content.

Content has become a major pillar in most brands marketing strategies. However, creating relevant content is only half of the battle. Getting your content in front of the right audience is equally as important and poses additional challenges.

INSIGHT: If these forecast traffic numbers were realized, Brand X would more than double their current referral traffic and increase annual revenue by about $8M.

Every online retailer is aiming to increase qualified traffic, conversion rates, and revenue realization. Upon analyzing referral traffic to Brand X, DemandJump uncovered new traffic sources amounting to an eye opening 1M visits—an increase in referral traffic more than 100%.

The main sources of referral traffic we looked at are categorized as:

» News Sites
» Affiliates
» Blogs

Affiliates drive the most traffic for fashion brand websites with blogs and news sites also driving substantial traffic.

Different referral source categories may serve different purposes, so it is critical to understand each category individually.

INSIGHT: The industry average shows that most referral sources have a conversion rate of 1.75%, but traffic from affiliates converts at 2x that number, or 3.50%. Conversion rate is just as important as overall traffic metrics.

News sites provide an alternative medium for fashion brands to reach a wide audience. Fashion brands can utilize news sites to raise awareness and build hype for a new designer, collection or product offering prior to the official launch.

Promoting new products and collections in a news medium will drive interested shoppers to a fashion brand's website. It is especially effective if the news source focuses on fashion, design, or a related topic. DemandJump confirmed that referral sites like GQ, Hypebeast, Highsnobiety, and Daily Mail drove the most traffic from news sites to fashion brands.

Our findings suggest that fashion lifestyle news sources, like ones that write about culture, design, music, travel, fashion, etc., drive more traffic than news sites that just cater to clothing and fashion.

The DemandJump Platform identified that Brand X has not received any referral traffic from the New York Times over the past year, while competitors had. The New York Times has an enormous following, so it has the power to drastically raise awareness and promote a new product.

INSIGHT: Acting on these four news sources above would drive around 50K visitors, which is equivalent to an estimated $100K in additional revenue for Brand X.
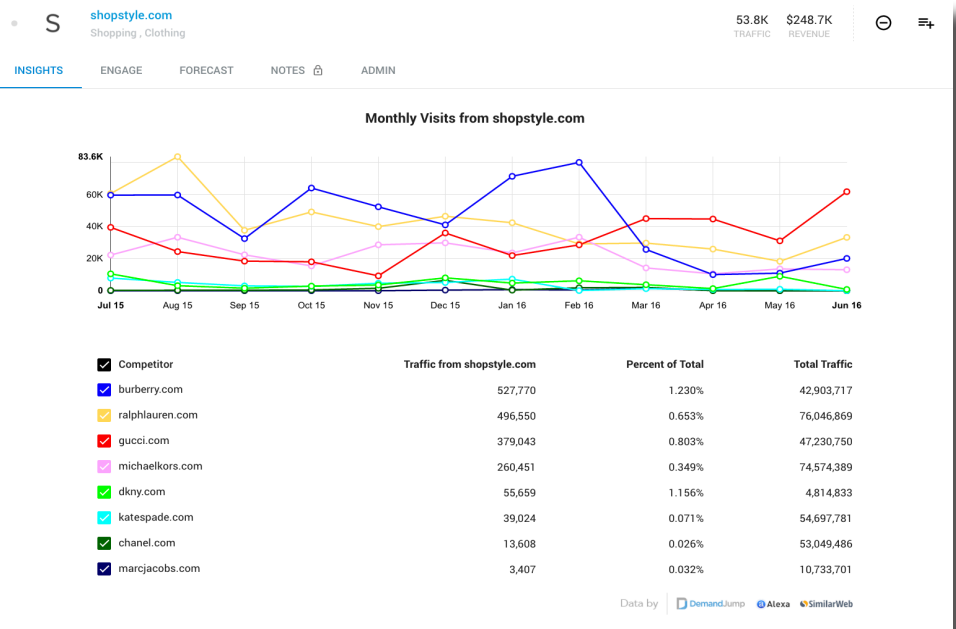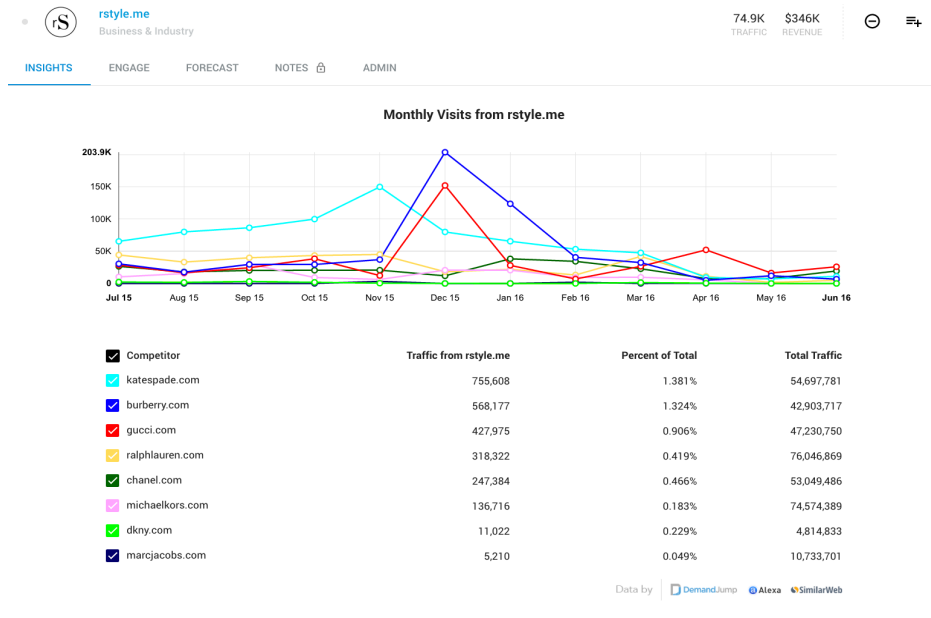
Affiliates

convert at a rate almost 2x the average of all other referral sources according to our study. According to a Smart Insights study, retail ecommerce conversion rate is around 3%.[6] This is nearly twice the average conversion rate of Brand X's competitors (1.75%) taken from the Top 1,000 ecommerce sites' data.

DemandJump confirms that affiliates are being leveraged very effectively by many fashion brands. The most popular sites include Dealmoon, rewardStyle, ShopStyle, Dealnews, Brad's Deals, and Dealsea. These sites drive just under half a million visits annually which equates to approximately $4.6M in revenue.

In our example, Brand X was neglecting or seriously under utilizing both Brad's Deals and Dealsea. Based on average industry conversion rates and order sizes these missed traffic sources cost Brand X over 150K annual visitors and an increased annual revenue of more than $1.5M.

These are just two affiliates that Brand X should be leveraging. DemandJump also identified competitors are outperforming Brand X on sites like ShopStyle and rewardStyle. Increasing performance on ShopStyle and rewardStyle would yield an increase in traffic of more than 125K visitors, and increase annually revenue more than $1.1M for Brand X.

rstyle.me
Business & Industry

74.9K TRAFFIC $346K REVENUE

INSIGHTS   ENGAGE   FORECAST   NOTES   ADMIN

Monthly Visits from rstyle.me

Competitor	Traffic from rstyle.me	Percent of Total	Total Traffic
katespade.com	755,608	1.381%	54,697,781
burberry.com	568,177	1.324%	42,903,717
gucci.com	427,975	0.906%	47,230,750
ralphlauren.com	318,322	0.419%	76,046,869
chanel.com	247,384	0.466%	53,049,486
michaelkors.com	136,716	0.183%	74,574,389
dkny.com	11,022	0.229%	4,814,833
marcjacobs.com	5,210	0.049%	10,733,701

Data by DemandJump Alexa SimilarWeb

INSIGHT: Acting on just these four affiliate sources would drive more than a quarter million incremental visits and estimate a revenue increase of over $2.6M for Brand X.

shopstyle.com
Shopping , Clothing

53.8K TRAFFIC $248.7K REVENUE

INSIGHTS   ENGAGE   FORECAST   NOTES   ADMIN

Monthly Visits from shopstyle.com

Competitor	Traffic from shopstyle.com	Percent of Total	Total Traffic
burberry.com	527,770	1.230%	42,903,717
ralphlauren.com	496,550	0.653%	76,046,869
gucci.com	379,043	0.803%	47,230,750
michaelkors.com	260,451	0.349%	74,574,389
dkny.com	55,659	1.156%	4,814,833
katespade.com	39,024	0.071%	54,697,781
chanel.com	13,608	0.026%	53,049,486
marcjacobs.com	3,407	0.032%	10,733,701

Data by DemandJump Alexa SimilarWeb

Blogs

Blogs are another referral source similar to news sites in that they are great for promoting trends and new products. The best blogs are usually run by an expert (or influencer) and cover very targeted topics.

Blogs can be powerful tools because the majority of the content on the site is created by people who are passionate about what they are blogging about. Moreover, their audience is generally made up of very targeted, engaged readers/customers. This is even more true for blogs that have forums for members to discuss related topics.

Looking at Brand X, DemandJump found just under 600 blog sources that have the potential to drive traffic. Acting on the top ten sources alone would drive around 63K in additional traffic annually. This is equal to around $175K in additional revenue every year, and action on these sites does an excellent job at leveraging brand evangelists to raise awareness in targeted audiences. Moreover, brand evangelists also help convert other customers into evangelists.

Some of the blogs that the DemandJump platform identified with the most potential for Brand X include: PurseBlog & PurseForum, Styleforum, WhoWhatWear, and KanyeToThe. These are just some of the more powerful sources that DemandJump identified. This shows that even within the fashion industry a brand can tailor the blogs they want to utilize depending on the audience they want to reach.

> INSIGHT: Blogs allow brands to choose who they want to reach and can convert current customers into brand evangelists.

	TRAFFIC	REVENUE
forum.purseblog.com — Unknown	6.5K	$16.1K
New **galmeetsglam.com** — Shopping	2.1K	$5.3K
kanyetothe.com — Arts & Entertainment , Celebrities & Entertainment News	2.2K	$5.5K
New **purseblog.com** — Shopping , Clothing	8.4K	$20.7K
New **putthison.com** — Shopping , Clothing	3.5K	$8.7K
stealherstyle.net — Shopping , Clothing	1.6K	$3.9K
styleforum.net — Shopping , Clothing	3.4K	$8.3K
thezoereport.com — Shopping , Clothing	772	$1.9K
whowhatwear.com — Arts & Entertainment , Fashion & Modeling	1.7K	$4.1K

Blogs — 9 OPPORTUNITIES — 30.1K TRAFFIC — $74.5K REVENUE

Content is a powerful

way to grow your audience and nurture leads. The DemandJump platform uses proprietary NLP to analyzes your content, industry leading blogs, and your competitors' content to create a robust content network. This network is updated in real time, and changes whenever new content is published. This allows you to identify contextually relevant content trends (as opposed to just keywords) when they begin trending. Ultimately, the DemandJump helps brands find tailored content and create the best most relevant content which in turn will drive more qualified traffic to your site.

The fashion industry is vast and has countless subcategories. Moreover, fashion is always changing, so it is important that brands are able to stay on top of it to create relevant content. The DemandJump platform allows brands to quickly analyze content and see which topics are the most relevant at a certain time.

DemandJump aggregates content data to direct your strategy. The platform found over 5,000 articles in the past month from relevant blogs and industry sites for fashion brands. The DemandJump platform analyzes each piece of content in real time and organizes them by topic.

Today, anyone can start a blog and generate content, and this has made it difficult to standout. An industry leading blog needs to follow relevant trends while also posting content that is unique to that blog. The DemandJump platform makes this easier.

Beyond looking at organic content topics, DemandJump allows brands to search topics they're interested in. For example, looking for summer jean trends the platform returned trends such as, "distressed", "white", "black", "skinny", "cropped", "straight", "comfort", and "frayed". These results were aggregated in about a minute, much quicker than it would take to do outside research.

Creating your own content that is relevant is important, but you also need to make sure it is reaching the right people. It is difficult to make sure you are effectively reaching your target audience. It is crucial to leverage social influencers to expand your reach and grow your audience.
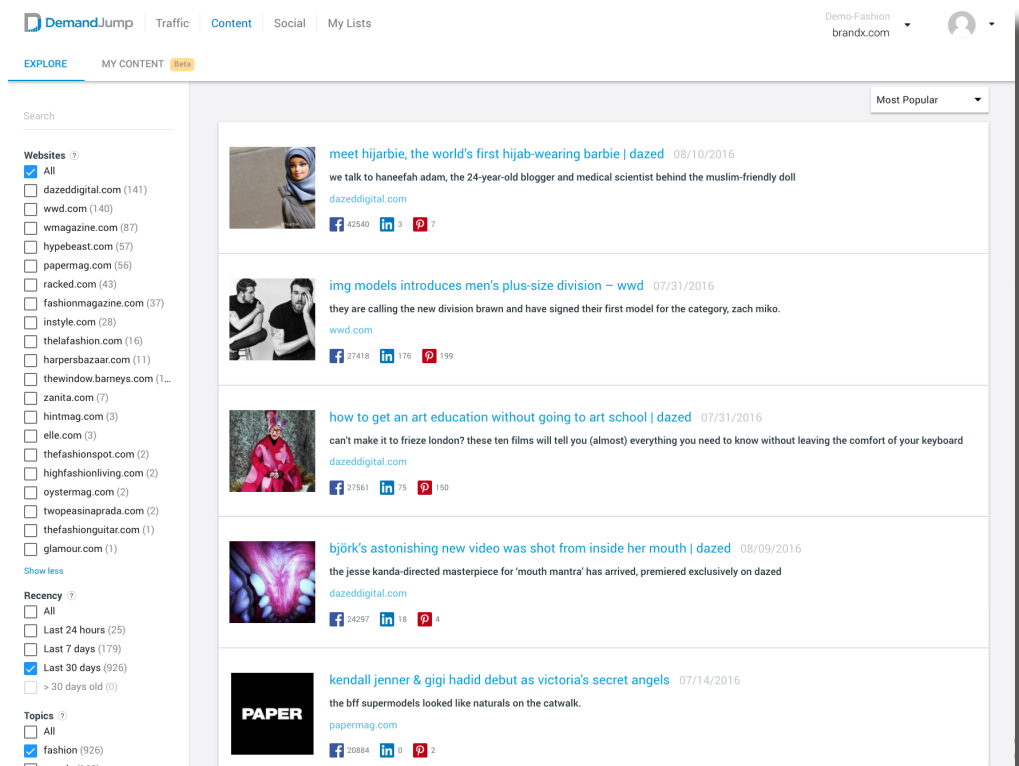
Knowing what

to write about is only half of the battle. The DemandJump platform analyzes engagement, relevancy, and recency through social signals to identify which influencers are best suited to get your content in front of the right audience.

Newer blogs and content sources need a way to make a name for themselves. And larger, more established blogs are looking for ways to stay relevant and out in front of smaller, more agile publishers. A great way to do this is by utilizing highly-targeted social influencers and micro-influencers.

The platform uses a brand's unique competitive set and content domains that are loaded up to monitor social signals for content and identifies which influencers are best suited to promote each piece of your content. This is all possible by using our proprietary algorithms.
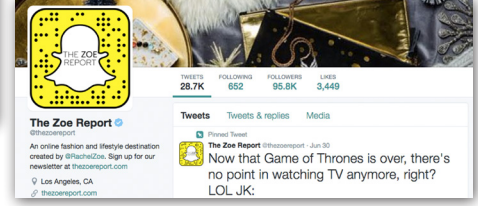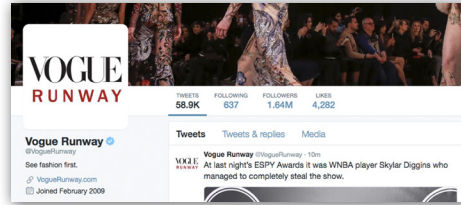
DemandJump is the only solution that maps a brand's entire ecosystem - and that of the brand's competitors - to return laser-focused insights on relevant content driving buyers to your website and your competitors.

Once the ecosystem has been created it is easy to find influencers by topic or by piece of content. The algorithms that power DemandJump are also sophisticated enough to rule out influencers who have inflated or superfluous statistics. The platform bases its results on content relevancy, recency, and engagement as it pertains to content that the influencer has posted.

These influencers range from thousands of followers to a couple million and consist of various demographics. However, influence within their ecosystem is huge and when relevant content is posted, it drives engagement, qualified traffic, and revenue.

Final Recommendations

Technology has drastically changed the marketing landscape for fashion retailers. The rise of social networks, mobile, and ecommerce has made the job of today's marketers much more difficult. Consumers consume everything differently and in real time. People are continuously connected to their mobile devices. Moreover, anyone with a computer and an internet connection can create content, and consumers are trusting micro-influencers more than big brands and celebrities. The game has changed, and savvy marketers know that to succeed they must adopt the technology that can connect them with customers when they are in the buying cycle.

In summation these are our best recommendations for fashion marketers that want to stay ahead of the competition:

1. **Artificial Intelligence (AI) provides valuable traffic insights to see where you are winning and losing against your competition. Fashion brands can leverage these insights to increase traffic and achieve a more efficient marketing spend.**
2. **Brands should expand their net to map the most impactful out of the tens of thousands of referral sources that are driving traffic within their ecosystem.**
3. **Graph Theory is essential for mapping influencer networks and it allows fashion brands to identify the right influencers to connect their brand with their message and target audience.**
4. **Celebrity influencers alone do not cut it anymore. Brands - big and small- should leverage micro-influencers to build trust and more effectively connect with their target audience.**
5. **Fashion brands should utilize natural language processing (NLP) to go beyond keywords, identify real-time trending topics, and inform content strategy.**

Our study is the result of an in-depth look at the competitive fashion industry, specifically within the eCommerce vertical. Insights included in this report were obtained using DemandJump's Artificial Intelligence Marketing (AIM) platform following initialization with a list consisting of 11 top fashion brands and hundreds of top ranked blogs within the fashion industry ecosystem.

Unlike other attribution and competitive intelligence solutions, the DemandJump platform collects inbound traffic data from commercially available sources, not only for a customer and its competitors, but also between their referral sources going out two degrees of separation. The result… a comprehensive map of a brand's entire market ecosystem consisting of tens of thousands of sites that impact a business, which, before now, could not be seen by a marketer.

The DemandJump platform is unique in its application of advanced mathematics, graph theory, and machine learning to identify patterns in these inter-domain traffic networks as they evolve over time, to show marketers where their biggest traffic sources are, and how to act on them immediately.

Traffic opportunities (part 1) are qualified and ranked based on their relevancy and propagation strength targeting a specific business. The value of each traffic source in the network is a sum of two algorithmically derived quantities:

The known direct traffic contribution of that source to our users and their competitors; and
The estimated indirect contribution of traffic to our market passing through second and third order connections.

To ensure users are aware of all relevant content within their ecosystem (part 2), the market graph of the health and beauty space developed in part 1 was mined using DemandJump's proprietary collection of algorithms which identify narrative content from raw data, filter results by quality, and extract knowledge (author metadata, keywords, topics) to inform analysis and recommendations by users.

Unlike commercially available natural language processing techniques, which require extensive human supervision and inputs, DemandJump's platform is powered by unsupervised graph-based machine learning techniques that are highly robust and computationally scalable.

#AIMeetsAI
Artificial Intelligence meets Actionable Insights

[1]http://wwd.com/retail-news/forecasts-analysis/ecommerce-sales-soar-10265879/

[2]https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf

[3]https://images.textmaster.com/whitepapers/Customer-Acquisition-Study.pdf

[4]http://www.adweek.com/socialtimes/can-influencer-marketing-really-drive-conversions-study/637060

[5]http://digiday.com/agencies/micro-influencers/

[6]http://www.smartinsights.com/ecommerce/ecommerce-analytics/ecommerce-conversion-rates/

About DemandJump

DemandJump's Artificial Intelligence Marketing (AIM) platform makes sense of digital data so marketers can align their investments with the best traffic-driving sources specific to their brand(s), outmaneuver competition, optimize budget allocation and drive revenue growth across all digital marketing channels (and soon, offline channels). Simply put, DemandJump empowers marketers to ensure their marketing spend truly optimizes revenue generation.

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