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# How to build a rewards program in **apparel.**



# Did you know that apparel businesses are perfect for rewards programs?



## **PRODUCTS CHANGE EVERY SEASON**

Apparel changes every season, with new products every 3 months. A loyalty program ensures customers return to check out those products.



## **SUPER VISUAL INDUSTRY**

Apparel is a super visual industry, making social media extremely valuable. With a loyalty program you can reward points for sharing on Facebook or Instagram.



## **HIGH CUSTOMER LIFETIME VALUE**

Shoppers have the potential to be very high lifetime value customers if you can get them to shop with you every season instead of with competitors.

It is estimated that the average person spends 15% -23% of their discretionary income on apparel each year. That is a large chunk of money per customer if you can get them to shop exclusively with you.

A loyalty rewards program not only encourages shoppers to return to your store, but also to spend more per visit. In this guide you will learn how to capture more revenue and expand your reach through loyalty.



Customers spend  
**15-23%**  
of discretionary  
income on apparel.



**Low Competition**

**High Competition**

The apparel industry is one of the most competitive verticals in ecommerce. This is because the barriers to entry over time have become less and less, and shipping clothing is both easy and inexpensive. Low entry barriers and high repeat purchasability have driven acquisition costs through the roof. A rewards program bolsters your retention efforts and drives down your acquisition costs.



# Congratulations!

Your brand is perfectly suitable to capitalize on the benefits of a loyalty rewards program.

## Program Strategy



The apparel industry is well suited for ecommerce, as the combination of high potential customer lifetime values and high purchase frequency equate to profitable online business. Apparel is also easy to ship. Most items can be shipped in bubble mailers, which means shipping is not eating too heavily into your margins.

While the above combination makes apparel a very attractive industry online, that also comes with increased competition. Amidst all of the mid-sized and small retailers compelling with the world's largest brands online, the best way to survive all this competition is to invest in retention efforts like customer loyalty and rewards.

A rewards program creates a switching barrier that your customers will find hard to ignore. The strategy behind an effective apparel rewards program is to focus on expanding your reach through visual channels (Facebook/Instagram), encouraging existing customers to share their experiences, and establishing a sense of community.

A rewards program will help your apparel brand stand out amongst the competition, expand your marketing reach, and boost your profitability!

# Program Objectives



## ACQUIRE

You already have some profitable customers, but it's always great to have more! Providing potential customers with a loyalty program that offers clear value will separate your brand from your competitors. Getting more bang for your buck is always attractive, and demonstrates a commitment to excellent customer service.

## RETAIN

Once you've got your customers hooked, it's important to ensure they stay there. Developing a reward program that recognizes the longevity of your customer's spending habits is vital to keeping them engaged and satisfied with your products and services. Offering multiple ways to earn and redeem rewards will make your program more enticing, and keep more shoppers actively engaged.

## NURTURE

Brand advocates are an essential tool for promoting your business, but they're not always easy to come by. Rewarding your customers for both sharing about their experiences with your products and referring friends to your business is an excellent way to develop a relationship with your key customer base. By actively investing in this relationship, you'll be building trust with your customers that can't be outbid by competitors who offer nothing more than a low price.

**Outlining the purpose of your program will allow you to better track success and make valuable changes later on.**

# Let's talk apparel specifics & recommendations.



## REWARD CUSTOMERS FOR BEING VISUAL

The apparel industry is all about being visual. You want your shoppers to see all of your visual updates on Facebook and Instagram, and the best way to ensure they see these is to get them to follow or like you. Give your shoppers a few reward points for subscribing to your social channels to make sure they see all of your beautiful new products.



## BUILD A COMMUNITY

People like what other people like! We all want to be both an individual and part of the herd. Show your shoppers that your brand is part of a larger customer community. You can do this by rewarding shoppers for referring friends, sharing on social, and leaving reviews.



## KEEP YOUR PROGRAM ON BRAND

Looking good is at the core of every apparel business. Therefore, you want your loyalty program to fit into your current look and feel. Essentially, you want your program to be part of your brand - not an afterthought. Be sure to style up your program to look as good as the products you sell.



## REWARD FOR REVIEWS

Apparel shoppers are generally concerned about things that are hard to portray on your site. Some of these include: how it fits, does it arrive as it appears, and the quality of the garment. It is much easier to let previous shoppers share their experience, so give your members extra points when they leave a review of a product.

**We've helped many apparel brands grow their business with rewards, including these amazing programs:**



[www.shirtpunch.com](http://www.shirtpunch.com)



[www.getinkbox.com](http://www.getinkbox.com)



[www.ivoryella.com](http://www.ivoryella.com)





# Here is what your rewards program should reward points for:

## Earning Rewards

### POINTS PER PURCHASE

#### How does it work?

Customers will earn a certain number of points (or rewards currency) for every dollar they spend or transaction they complete.

#### Why is this effective?

This type of reward is effective because it encourages members to perform the most valuable action on your site - making a purchase! The amount of points you offer will vary depending on your margins and what your direct competitors are doing.

## **SOCIAL SHARING**

### **How does it work?**

Customers are rewarded points for subscribing to your social channels such as Facebook and Instagram. They are also awarded points for sharing your brand to their social networks.

### **Why is this effective?**

The apparel industry is very visual. The best way to convince a shopper to buy is to show them as much visual content as possible. When they are subscribed to your social channels, it increases the amount of your visual content they will see.

## **REFERRALS**

### **How does it work?**

Current members are rewarded for sharing your store with friends and family. When they refer a friend, both your current customers and the person they are referring get a reward, and you are rewarded with more sales.

### **Why is this effective?**

Most shoppers who have had a positive experience are willing to refer their friends, however they seldom do. This is because they are not given a reason to. Reward points for a referral and you will turn your existing customer base into your most effective marketers!

## REVIEWS

### How does it work?

Loyalty program members are rewarded points when they leave a review of a product. You can limit how often they can be rewarded for doing this to prevent spam.

### Why is this effective?

People like to know that other people have been happy with a decision. Reviews create strong social proof that your shoppers will use to justify a purchase. In this way, customer reviews become your online sales team!

**Having multiple ways to earn rewards makes your program more engaging, which ultimately makes it more profitable.**

# Now for the fun part: redeeming rewards.



## Redeeming Rewards

### DISCOUNTS

#### How does it work?

The following discounts are great rewards to consider when designing your rewards program: fixed discount (dollars or percentage off), free shipping, and store credit.

#### Why is this effective?

Customers always appreciate being rewarded with dollars off or a promised discount in the future because it reinforces their decision to purchase your products instead of someone else's. This method of redemption is also very easy to explain and even easier to understand.

## PERKS

### How does it work?

These rewards offer customers access to exclusive products and services that would be otherwise unavailable to them. Some examples include early access to new products, access to special events (product launches, company functions, etc.) and products designed exclusively for program members.

### Why is this effective?

These rewards work best within a tiered or customer group based program. Offering these rewards only to those customers in higher tiers is an excellent way to increase the elitism of your program and inspire increased spending.

A great way to leverage this type of reward would be to host a sample party for your best customers. Inviting them to an event where they're given the opportunity to try a wide variety of your merchandise will make your loyal customers feel appreciated and give them the opportunity to discover their new favourite products.



# Building a rewards program for apparel brands isn't rocket science.



## DEVELOP A PROGRAM STRATEGY

which places excellent value and customer service at the core of your program.



## REWARD YOUR CUSTOMERS

for referring friends to your business to encourage community.



## PROVIDE MULTIPLE WAYS TO EARN REWARDS

focusing not only on dollars spent but on the complete experience.



## **OFFER REWARDS THAT INSPIRE A SENSE OF ELITISM**

and provide additional value in their day-to-day routines.



## **REWARD FOR VISUAL/SOCIAL SHARING**

and increase your marketing and outreach efforts.



## **BUILD COMMUNITY**

by rewarding customers for referring friends and writing product reviews.



## **BRAND YOUR PROGRAM**

so that it becomes an integral part of your outstanding customer experience.



## **REWARDS FOR REVIEWS**

to inspire trust and reinforce the quality of your brand and products.

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