

Talking Business: M&S and Asos lead fashion's fight for customer loyalty

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COMMENT



Loyalty is in vogue thanks to new loyalty programmes from Marks & Spencer and Asos. Nina Hampson of data consultancy Aimia explains

M&S introduced its **Sparks card** on October 22, while **Asos is introducing a loyalty scheme** in the UK during the next six months, following a trial with 100,000 shoppers.

Intriguingly, these programmes move away from just rewarding spend. They reward in new ways. Points can be earned for reviewing items and posting photos on social media using certain hashtags. Members can enjoy early access to sales and opportunities to attend exclusive events.

The initiatives are timely. The fashion industry has been beset by promiscuity. Recent spend data from Cardlytics, a card-linked marketing firm, shows that more than a third (34%) of fast-fashion shoppers are not loyal to a particular brand.

Fashion fightback

As the choices of where, when and how to shop continue to grow, some now see loyalty as an archaic concept. Brands are having to fight harder than ever before to keep customers coming back.



Therefore, in a world of unlimited choice, the new initiatives from M&S and Asos signal a step in the right direction. Strong products are important, but that's not always enough. Brands need to secure sustained engagement on a number of platforms. Asos CEO Nick Beighton's view that "engaging content and experiences generate sustainable organic growth", hits the nail on the head.

“ **A new generation of attitudes towards fast fashion requires brands to evolve their loyalty offering** ”

But at the moment, most brands aren't getting it right. At Aimia, we regularly carry out research on consumer attitudes through the Loyalty Lens. Our most recent report highlights this challenge.

Shoppers are demanding more than ever. One in five 18-to-24-year-olds believe all fashion retailers should offer virtual online changing rooms (24%), an online stylist (23%) and an online personal shopping service (23%).

Nearly half (49%) of online fashion shoppers have experienced difficulty in finding what they want because a retailer's website is difficult to use. And more than half of shoppers (52%) are being shown suggestions for items to buy online that are not relevant to them. Just 6% of online fashion shoppers say they often receive recommendations that are suited to their taste.

The industry is clearly failing to meet customer expectations.

Personal services

This is why Asos's move is a good one. Their new mobile personalisation feature uses shoppers' browsing and purchasing history, including preferred brands and price ranges, to recommend products appropriate to the individual.

The changing face of shopping presents brands with both challenges and opportunities. Years ago, it was easy to build relationships with customers based on in-store interaction. With people increasingly shopping around, and doing so online, this is becoming more difficult. However, customers still expect their favourite brands to "know" them.

Customer data can be extremely powerful if harnessed in the right way. It can revolutionise your ability to understand shoppers and satisfy their needs by creating offerings that feel genuinely personal and rewarding. It makes your shoppers feel like you "get" them.

Brands must use this data to inform a dynamic approach towards customer retention. A new generation of attitudes towards fast fashion requires brands to evolve their loyalty offering. Loyalty cannot be taken for granted. It is gradually built up within a reciprocal relationship.

Brands are often only as good as their last collection. That is why it is so important to understand what customers want. Retailers only become go-to brands when they show that they "get" their customers. Loyalty isn't dead, but customers need a reason to keep coming back.

Nina Hampson is head of operations of the fashion consultancy team at Aimia, a data-driven marketing and loyalty analytics company