

XPLN

The Importance
of Insight

WHITE PAPER

Data-driven winning strategies for fashion brands

Three strategies to tap into the e-commerce boom



Three strategies to tap into the e-commerce boom

The fashion industry is teetering on the brink of a second Roaring Twenties. The outlook is bright: sales are picking up after the declines during the pandemic and McKinsey predicts they should exceed pre-crisis levels by between 3 and 8 percent as early as 2022. But not every player will prosper, and fashion brands are increasingly feeling the pressure.

The pandemic has revolutionized consumer behavior for good and intensified the shift to the web. E-commerce is the new normal for retail, and the fashion industry is no exception. BEVH, the German association for e-commerce and mail order, found that online sales rose by around 20 percent to hit 99.1 billion euros from 2020 to 2021, with the trend still on the up.

Fashion marketplaces continue to dominate e-commerce. Here retailers offer branded products, sometimes at cut prices. In Germany alone, there are around 75 such platforms, which makes it nigh on impossible for manufacturers to keep track of who is selling their products where and at what prices. While the platforms are a surefire way to reel in customers, they make it difficult for manufacturers' online stores to sell jeans, tops and so on at regular prices while maintaining an image as a premium brand.

Boosting D2C business

To make up for the continued decline in sales from brick-and-mortar retailers, fashion brands must find new ways to boost their direct-to-consumer (D2C) business. But sale promotions from authorized and non-authorized retailers alike season after season make this anything but easy.

But it can be done with the right strategies. Over the following pages, allow us to introduce you to three of them.



1

Introduce real-time market monitoring



2

Recognize the advantages of marketplace trading



3

Strengthen your brand and online store with exclusive products

1

Introduce real-time market monitoring



Companies need valid market data to identify opportunities for sales and growth in e-commerce. Where are their products sold? Which retailers are particularly prone to (serious) discounts?

Whether you're a small startup or a well-established corporation, fashion manufacturers can no longer afford to rely on annual or even quarterly evaluations or outdated best practices. Today's market moves faster – period. If you want to take advantage of sales opportunities, you need an overview of what's happening on a daily basis, or even better, in real time. Manually, there's no way this is feasible, with too many platforms and retailers selling your products.

The solution is automated market monitoring. Leverage smart algorithms to reliably track your products online and create reports on the questions you need answering at the push of a button.

Monitoring your relevant markets in real time gives you clarity on retailers, competitors and price movements, empowering you to take targeted action to protect your price level and brand image.

1

- Analyze how product prices and sales develop with your retailers. Reach out to your distributors and offer support for product positioning and selection.
 - Use monitoring software to quickly identify unauthorized sellers, counterfeiters and other criminals.
 - Discover which retailers have been sourcing your products via third parties up to now. Analyses provide information and open the door to start a conversation.
 - Find which products have reached the end of their lifecycle. Monitor the behavior of your core distributors to uncover valuable insights for your product development and sales activities.
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2

Recognize the advantages of marketplace trading

Many manufacturers see online marketplaces as driving price erosion and are instead focusing on boosting their D2C sales.

But as sensible as it is to set up and expand your own channels, marketplaces can't be neglected. After all, they are currently the most important sales channels on the internet and as such should be a focus. Instead of exclusively trying to divert customers to your own platforms, keep an eye on what's happening and try to use marketplace fluctuations in demand to your advantage.

Monitoring your products in real time allows you to keep a close eye on how they're performing with retailers across the platforms. Plus, it provides an overview of competitor demand and activities. Use this data to position your own brand stores more successfully across the different marketplaces.

2



- _____ Which products and product categories are showing signs of price drops or increases? Real-time monitoring reveals trends long before they can be spotted by more conventional analyses, giving you a head start for marketing, sales and product development.
- _____ Which products do you sell via marketplaces quickly?
- _____ Which products are in particular demand among retailers?
- _____ Which vendors' product presentation leaves something to be desired?
- _____ How do competitor products perform? Which popular retailers don't stock your products yet? Why not get in touch and use their market dominance to your advantage?
- _____ What are the bestsellers on the major marketplaces? Analyze developments and draw your own conclusions to optimize your own product portfolio.

3

Strengthen your brand and online store with exclusive products

Valid monitoring is the ideal cornerstone for effectively managing public perception of your brand on the internet, and a strong, attractive brand is a must if you want to strengthen your own sales channels. After all, your brand needs to have high appeal if you want to tempt customers from tried-and-tested shopping trails.

Exclusive products are a proven way of attracting customers to D2C shopping. But it's not quite that easy: these need to be chosen with care and strategically advertised. The more detailed analyses your digital resources can provide, the more effectively you can shape your ad campaigns and omnichannel strategies – and the better your chances of success in D2C sales.

Examples like Lego or Adidas prove exclusivity can pay off, with special products only available on the companies' own online stores or from selected partners.

Success is possible in almost any industry, whether you're a start-up or long-established trader. What matters is less your previous market position than proximity to your customer base and a real understanding of what they're looking for. This way, you can address their wishes with a holistic strategy.

If you're aiming for exclusive partnerships, these need to be monitored properly, with misdirected merchandise removed quickly and consistently to build retailer trust and strengthen your relationships.

Smart data analytics: Recipe for success for the Roaring '20s in the digital era

Data lays the foundations for success. We have long since entered the era of data-driven companies, and yet only a small percentage of businesses are confident in their use of digital tools and data analytics. At the same time, plummeting customer brand loyalty, the confusion of online marketplaces and the shortage of skilled workers are all dialing up the pressure on fashion brands. Brands need to be more international and more cost-efficient if they want to weather the competition moving forward. This is where digital price and market monitoring comes in.

These tools allow companies to identify key accounts and streamline these partnerships. They create clarity around current brand image and online competitors and uncover vital information for strategy development.

In short, data is more and more a prerequisite for maximizing revenue and hitting growth targets in the face of intense competitive pressure and a volatile market.

Facts & functions that do the talking.

With XPLN, we have developed a modular suite for market and price monitoring to give fashion brands the necessary data and tools, like automated price adjustments, to make smart operational and strategic decisions – whether that's in marketing, sales or product development.

Working with over 40,000 sources, our application crawls data on your products and those of your competitors, including the major marketplaces like Zalando, Amazon, About You and co. Among other factors, it takes into account prices, delivery times, availability and shipping costs and gives you the information you need to act with foresight and protect your brand.

Why not arrange a no-obligation consultation to experience our market monitoring and pricing software in action. We will furnish you with use cases from industry competitors, answer your questions, clarify which if any steps you may need to take internally before launching, and present you with a range of action points to help you decide your next move.

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You've read enough. Let's talk!

In purchasing, classic tenders and long-term contracts are often no longer effective.

With automated price monitoring, you know current market prices precisely, save time and money, and build strategic supplier relationships through transparency.

REQUEST CONSULTATION NOW

ABOUT XPLN

XPLN unearths buried e-commerce data troves and reveals their riches, empowering our clients to make confident decisions and take decisive action. Our unique SaaS+ approach combines AI-based software with human expertise and data consulting to correctly interpret data and use them profitably. It informs crucial branding decisions by major brands and retailers and offers structure for maximized performance. This is the heart of XPLN – The Importance of Insight.

XPLN supports key players in diverse industries such as Calvin Klein, Tommy Hilfiger, Gardena, Euronics and Swarovski.

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