



# 7 BIG INSIGHTS FOR SCALING YOUR APPAREL BRAND

Key insights we've gathered from helping hundreds of apparel brands drive more sales and discover new audiences this year.



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## PART I

# Paid Advertising

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**In the past year, Shoelace ran 8,066 Facebook and Instagram advertising campaigns for apparel brands. Here's what we learned.**

Shoelace has always been crazy lucky to work with so many apparel merchants. I think my personal affinity to the category comes from the similar nature of our work. As they say, "Fashion is Fickle". So are Facebook ads. The result of this fickleness is a labour of love, a process of constant iteration as we seek to better identify with the end consumer.

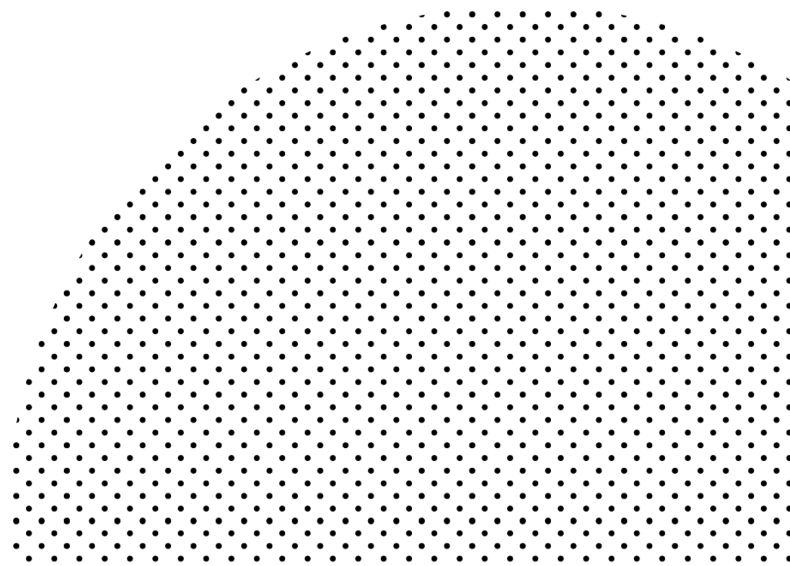
We've learned a lot from working with our apparel merchants these past few years, so we wrote this piece to share some of our most recent insights. As these things come, there was not nearly enough room to fit in all the knowledge we've collected. So if you have any questions, reach out. I'm all yours.

Sincerely,

**Elliott from Shoelace**

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*shoelace*  
BY SHOE LACE



APPAREL LEARNING 1

# User Generated Content (UGC) Outperforms Traditional Creatives

With the plethora of apparel brands advertising online, audiences are increasingly relying on authentic ad experiences to identify with a brand and gage its trustworthiness.

While there is an inclination for brands leverage professionally edited content, we have increasingly found that User Generated Content (UGC) and content resembling UGC show stronger results when used appropriately by the brand. Shoelace conducted the following experiment to test this theory:

Ad Tested	Target	ROAS
Ad 1 (UGC Ad)	Social Media Engagers	6.02
Ad 2 (Traditional Ad)	Social Media Engagers	5.63
Ad 1 (UGC Ad)	Viewed Product	6.30
Ad 2 (Traditional Ad)	Viewed Product	3.14

The results of the experiment indicate that aspirational content created by individuals resembling the target market can perform more effectively than traditional ad creatives that use studio-quality footage.



This is consistent with our assumptions on the apparel industry, where image and identity guides the creation of relationships with a brand and social proof is an important buyer motivator.

**A general rule of thumb for brands seeking to use UGC is to consider the format of content that their audience typically consumes.** Casual apparel brands geared towards younger audiences should look towards using content that resembles TikTok and Story-based formats. For luxury apparel, harnessing influencers and more staged backdrops would better reflect the ideal of the target market.

APPAREL LEARNING 2

# Deeper Thinking About Lookalikes (LLAs) is Necessary for Outstanding Results

More apparel brands than ever are competing for the same audiences. To perform, brands must leverage the best LLAs for Facebook to sample.

The traditional approach to leveraging LLAs would be to take audiences from a recent time period and create a lookalike audience based upon them. However, in our experience we found that refining audiences by factors such as seasonality helped boost Facebook’s algorithm - in spite of the fact that these refined LLAs resulted in smaller audience samples for Facebook to use.

**Variables to consider for LLAs**

- 1) Seasonality
- 2) Customers who bought from a specific sale
- 3) Customers who purchased complementary products

There are a few instances where leveraging this tactic helped Shoelace boost ad set performance:

Ad Event	Initial LLA	Improved LLA
Summer Sale	Past purchasers (90 days)	Purchasers last summer
Sleeveless Rompers	Past purchasers (180 days)	Purchasers of Sleeveless Rompers
Bracelet Set	Past purchasers (180 days)	Purchasers of Earrings

Within each of these narrowed-down lookalikes, further success can be found by testing out different % LLAs based on audience size. In general, we’ve found that when audience sizes on lookalikes get too small, leveraging higher % LLAs increased performance.

APPAREL LEARNING 3

# Instant Experience Ads are an Ideal Ad Type for Apparel Brands

The tried-and-true apparel shopping experience occurs in store, providing a distraction-free environment for consumers to bond with a brand. Instant Experience mirror this level of immersion digitally - and the results show.

With the distractions of digital media, online merchants should strive to mirror the immersion of in-store shopping so audiences can bond with the brand. Overwhelmingly, Shoelace experiments have revealed that Instant Experience and video ads perform extremely well as a result of this.

Ad Tested	Target	ROAS
Ad 1 (Instant Experience Ad)	Abandoned Cart	13.08x
Ad 2 (Carousel Ad)	Abandoned Cart	8.65x
Ad 1 (Instant Experience Ad)	Viewed Product	6.53x
Ad 2 (Carousel Ad)	Viewed Product	5.93x

The results of our tests overwhelmingly favour the Instant Experience ads, suggesting that audiences prefer the more immersive experience, provided the messaging and creatives are of high quality.



In fact, we often see performance on mobile-first Instant Experience ads outperform the classic Dynamic Product Ad carousel with higher ROAS and lower CPAs - exceeding expectations on DPA being the best performing ad type for apparel audiences when retargeting an audience.

When setting up Instant Experience ads, we suggest you use the Catalog Sales objective as it has consistently shown the strongest results for both prospecting and retargeting campaigns.

## APPAREL LEARNING 4

# AOV is a Critical Metric to Consider for Apparel Brand Ad Strategy

We've found that the best performing ad experiences in the apparel space consider the role of AOV and acquisition costs among different products and collections.

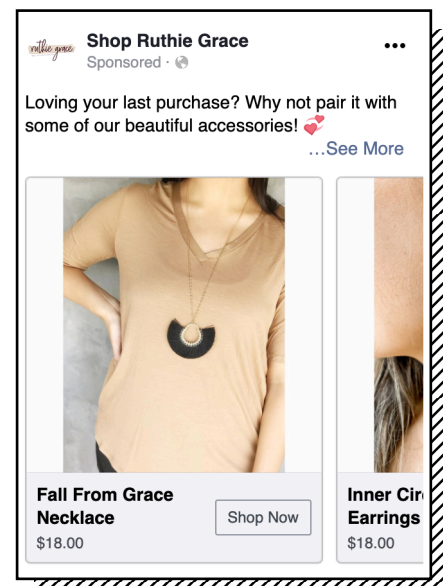
Since apparel brands typically have a large catalog with a broad range of pricing, we've learned that it is critical for merchants to plan their ad strategy by factoring in AOV and acquisition costs.

### 1) Prospecting and AOV

For brands with high repeat customer rates, merchants should consider getting customers through the door with top entry products regardless of cost - knowing they will make it up in the long run. However, if repeat customer rates are low, efforts should be made to discourage low-budget purchases by excluding low-priced items and promoting higher value collections.

### 2) Retargeting and AOV

With a prospecting structure in place that aligns with the brand's metrics, merchants should then leverage retargeting to increase the LTV of their existing audiences. This can be done by segmenting audiences by certain purchases and promoting collection ads that cross-sell complementary products, as follows:

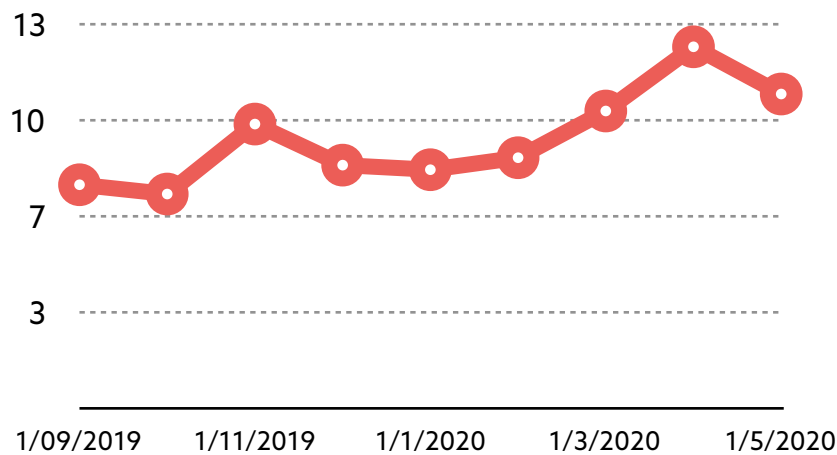


Cross-selling with ads similar to this have performed with average ROAS exceeding 6x.

# How Shoelace helps Apparel Merchants

Last year, Shoelace helped over one hundred apparel merchants deliver powerful advertising experiences to find new customers and warm website audiences. If you are interested in learning more about how we help, feel free to book a demo - or [reach out personally here](#).

## Shoelace ROAS Results, Apparel Industry



**9.88x**

Average blended  
ROAS, apparel

**8,066**

# of Shoelace  
apparel campaigns

\*1 day view, 28 day clickthrough attribution window



**"Shoelace is always finding new ways to grow my business and expand my audience. They have dramatically changed my store in terms of revenue."**

- Alexia Panza, CEO @ iloveplum

**Learn how iloveplum  
grew their revenue 271%**

**Book a Demo**

## PART II

# SMS & Messenger

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Running an ecommerce business is the definition of hard work. You put so much time and effort into your business, and, of course, you want to see it succeed. As an ecommerce brand, what's your main goal? If it's increasing revenue, you've come to the right place to learn. In fact, we've seen apparel brands using Octane AI have great success with Messenger and SMS marketing, such as:

- 7.5% average increase in overall online revenue
- 43% average click-through rate
- 2x higher ROAS
- 80-95% open rates

These results are directly related to simple-to-setup messaging automation and opt-in tools that engage with your store visitors at every stage of the buyer's journey. Whether a visitor is landing on your website for the first time, or you're re-engaging a previous customer to make a repeat purchase, we've watched some of our apparel businesses scale over time and become leading industry ecommerce brands. We can't wait to share these insights with you, so your brand can skyrocket too!

Sincerely,

**Tina from Octane AI**

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## APPAREL LEARNING 5

# Presenting more than One Way for Visitors to Opt-in Grows your Marketing List Extensively

Businesses that use the full suite of opt-ins, such as pop-ups, comment capture, and opt-in checkboxes on product pages, have seen higher conversion rates and major increases in revenue.

Growing an audience list is one of the most powerful ways a brand can sustainably grow their community. Octane AI research has found that diversifying opt-in options with pop-ups, comment capture, and opt-in checkboxes on every add-to-cart page significantly speeds the growth of new contacts into a brand's CRM.

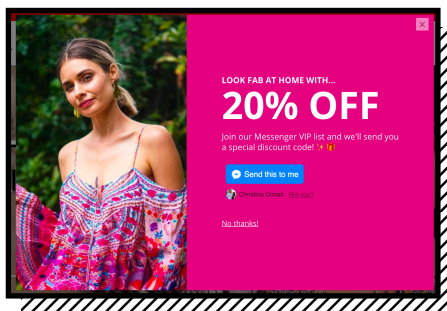
## Opt-In Tools to Consider Using

- 1) Website welcome pop-up
- 2) Exit-intent pop-up
- 3) Add-to-cart checkbox
- 4) Facebook comment capture

With a handful of clients, Octane AI ran an experiment to uncover the impacts of increasing opt-in options and discovered that diversifying opt-in tools resulted in:

- **Average messenger subscriber** increase of 700%
- Increased **overall revenue** between 7 - 20%

This data is consistent with our assumption that audiences shopping for apparel assess a brand's trustworthiness on their ability to communicate directly with them and look for more ways to directly connect with the brands they identify with.

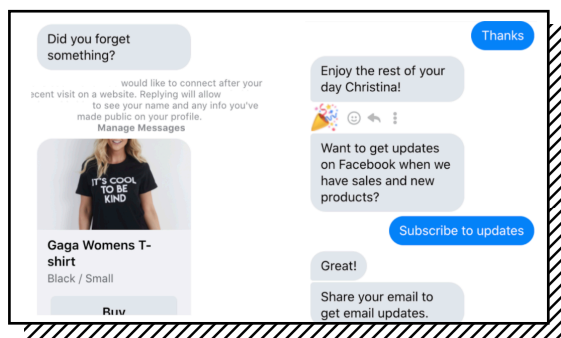


An example of an exit intent pop-up implemented through Octane AI, an extremely high converting tool that triggers when audiences move their cursor towards exiting the webpage

## APPAREL LEARNING 6

# Using Facebook Messenger for Abandoned Cart Followups Outperforms Email

Leveraging tools like Facebook Messenger on top of email can help ensure messages reach consumers and provide more natural channels to engage potential customers in conversation.



Conventionally, brands will leverage email to followup with audiences who have abandoned carts, reminding customers about products they care about and helping influence their decision to purchase. At Octane AI, we wanted to see how email performed compared to direct messaging tools such as Facebook Messenger.

We compared the performance of cart abandonment messages to emails with stunning results:

- **Cart abandonment message open rates of 80 to 95%** compared to 41% with email
- **1 out of 9 messages converting into a sale**

Even without offering any coupons, brands can drive significant return from engaging with audiences via Facebook Messenger on-site chat. One apparel brand recovered over **7% of their carts** without offering any discounts. Based on these results, we strongly recommend brands diversify their messaging strategies.

### We suggest the following to increase your conversion rates with Messenger automation:

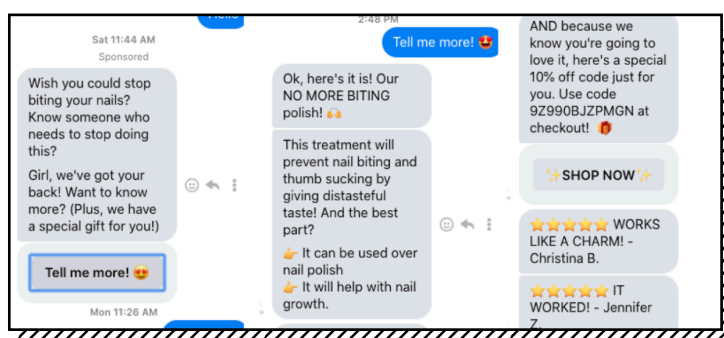
- 1) Add customized response buttons to build engaging back-and-forth conversations
- 2) Ask customers if they want to opt-in to other marketing channels
- 3) Tie in customer reviews for the specific product you're reminding a user about
- 4) Include a discount or coupon code

## APPAREL LEARNING 7

# Well-Executed Facebook Messages and Click-to-Messenger Ads Provide High ROAS

By taking a conversation-first approach to Facebook ads, apparel merchants can directly re-engage with their passionate audience and generate high interest in new promotions

Sponsored Messenger ads provide a unique opportunity for brands to directly re-engage with their audiences, unlike traditional campaigns that reach audiences through their feed.



Octane AI was curious to dive into the performance standard that merchants should expect from Sponsored Message ads. In our experiments, we discovered that by optimizing with a conversational flow approach established merchants can expect between 6 - 20x ROAS on a consistent basis.

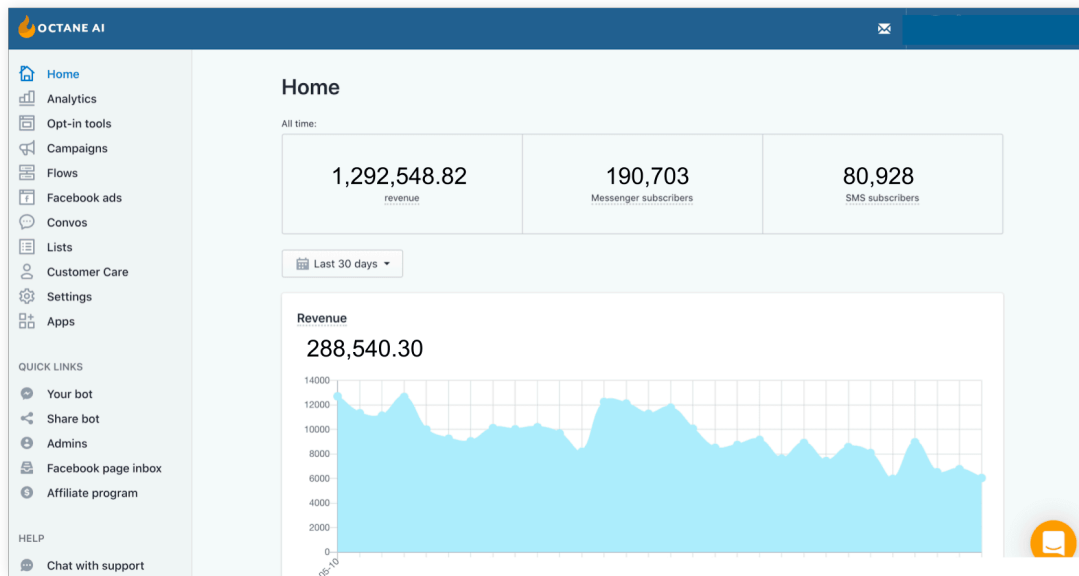
Unlike conventional ads, Sponsored Messages go directly into the audiences inbox. While this allows brands to better connect with audiences and generate higher ROAS, care should be taken to deliver a messaging experience that is personalized and brand-appropriate. Brands should examine how they speak to their audience in typical conversation and build chat conversation flows that reflect this tonality.

**Best practices for Sponsored Messages and Click-to-Messenger ads include:**

- 1) Build engagement through conversations that go beyond a single message with a CTA
- 2) Include lifestyle or product imagery to make the messages more impactful
- 3) Ensure the links you include go directly to products you're promoting
- 4) Share real reviews in the messages about the product you're promoting



## How Octane helps Apparel Merchants



Trusted by 1,000+ Shopify and Shopify Plus brands, Octane AI provides a suite of tools for increasing marketing opt-ins, engaging with customers through meaningful conversations, and driving revenue for Shopify businesses in all industries.

We've seen brands increase their [monthly revenue by 100,000 to 280,000](#) using a variety of our opt-ins tools and Messenger and SMS automation. This could be you!



COVER | FX

Polysleep

proactiv

Jordan's  
Skinny Myxes

[Link to Case Study](#)

[Book a Demo](#)