

# Your Sort Order is Your Secret to Success



dressipi

What fashion  
retailers can learn  
from Netflix and  
Spotify to boost  
revenue and  
margins

# Demanding a more personalized experience

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Consumers now demand a more **relevant and personalized experience** in all aspects of their lives. Companies like Spotify and Netflix have redefined the discovery process for their industries, delivering truly relevant content to every single user.

Fashion retailers often lag behind other industries. Listing row after row of products on a page has been the norm since the 1990s and no longer reflects how the shopper wants to shop.

Right now, the only companies majorly innovating in discovery for fashion are Meta (Instagram) and Google (Google Shopping). Given their revenue models, the main winners in this equation are Meta and Google (sadly not the retailers!).

This guide will outline the options available and the initial steps you can take to get there.

A handwritten signature of the name "Sarah McVittie".

Sarah McVittie  
Co-Founder of Dressipi

# The future of product listing pages

On fashion ecommerce sites, every customer currently sees the same products in the same order. It is no wonder that conversion rates are as low as 1-3% for fashion (vs double that for electronics).

As a retailer, you can:

## Tweak what currently exists (moving from 3% to 3.15% conversion)

By personalizing the sort order or Product Listing Pages (PLPs), you can significantly increase the chances of customers finding products they want to buy and keep. You'll increase conversion the whole way through the funnel. In its most basic form, a personalized widget will deliver a minimum of 5% incremental revenue uplift.

## Build personalized interfaces that are likely to deliver real percentage point increases

Be brave! By understanding how customers shop for fashion and how it's different to other e-commerce categories, you can redefine the discovery process in a way that genuinely works for and delights your customers.

Shopping UIs of the future will be goal-based and controlled by the user.



I want to feel...

# Cool

# Trendy

# Glamourous

# Stylish

+ More

## The customer is demanding a better experience

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Customers expect so much more than a one size fits all solution. The current experience isn't just impacting conversion rates but it is also negatively impacting loyalty, LTV and ultimately margins. This is a key area that needs to be addressed by retailers.

Spotify and Netflix lead the way.

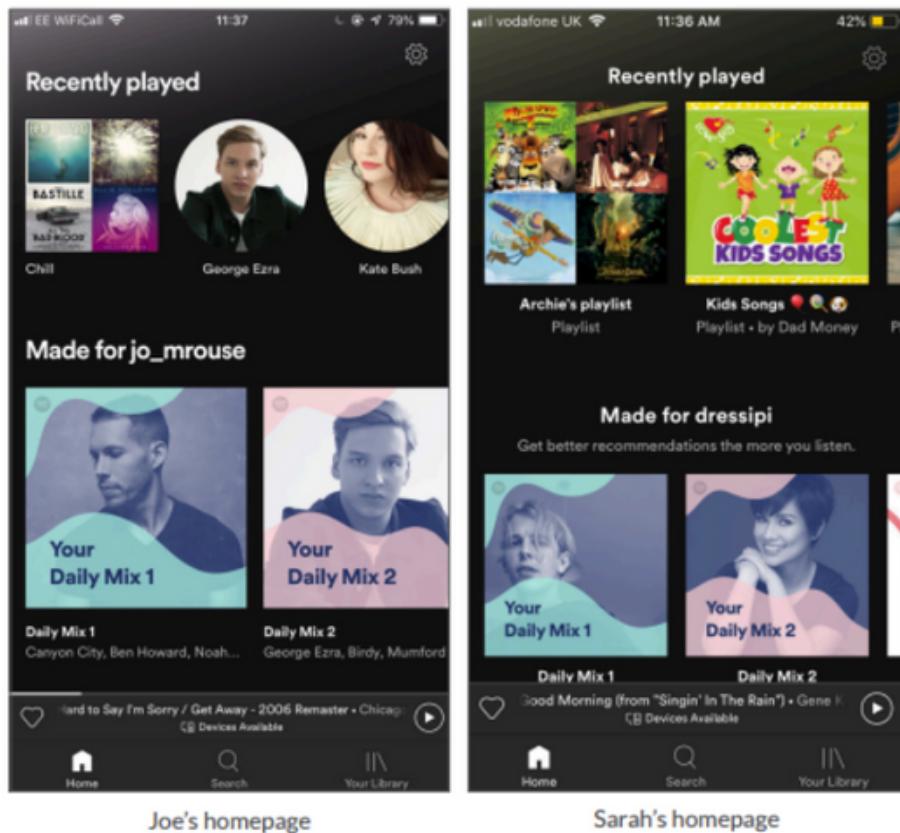
Luckily, there are some excellently executed examples of companies that have completely changed the discovery process; Spotify (for music) and Netflix (for movies). It is worth pointing out that although these categories are more emotional than electronics, they're more static than fashion which competes with seasons, trends, body changes etc.



Spotify's first foray into personalization at the discovery phase was their 'Discover Weekly' which launched in 2016 and reached 40 million people in the first year. Spotify's AI is continuously improving this for each listener, positively impacting retention as well as exposing other tracks that would not ordinarily be found through normal customer search behavior.

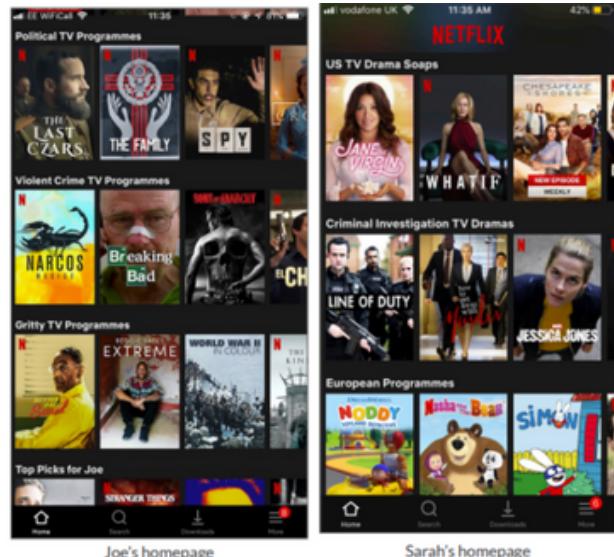
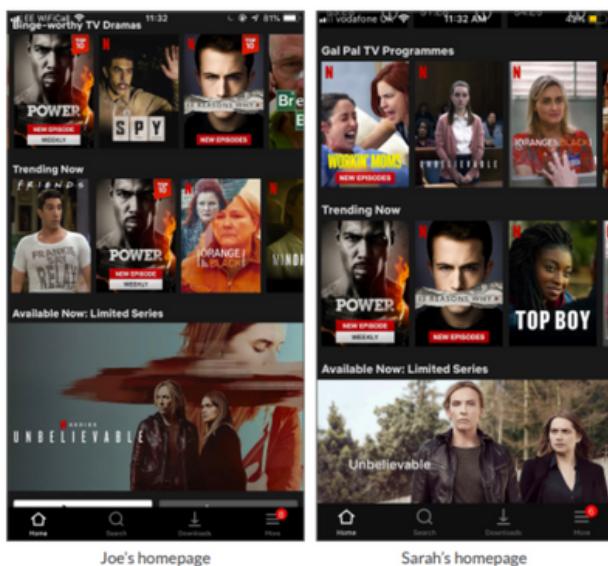
This and a number of other AI components culminate on the Spotify landing page. The content a listener sees is completely different based on their specific taste.

Take two people. One is reflective of the fact they have a 5-year old who is obsessed with creating playlists whilst the other is reflective of his chilled music taste.



# NETFLIX

Netflix goes a step further. They appreciate that families will often use the same account so allow us to create different users on the same account.



Additionally, even when they are pushing their own “Netflix original” film, they have figured out that I respond to different imagery than Joe, hence we see different covers for the same series ‘Unbelievable’.

Netflix and Spotify are good examples of companies that have understood that their customers consume their category differently. They have transformed the discovery process to reflect that. While fashion is different to these companies (physical rather than digital assets and an inventory that needs to be sold through), there are still lessons to be learnt.

You only need to look at Netflix and Spotify’s growth to understand the value that better relevancy can deliver to a business.



# Why fashion has to be treated differently

There are some key differences around how people buy fashion (as opposed to other categories) and as a result, the typical e-commerce set-up tends to have some limitations around delivering the optimal experience for the shopper.

1

## Site Layout

The layout of every e-commerce site is based on early successes of sites like Amazon that were originally selling books and electronics. Typically rows of single products are displayed which customers can then filter by certain key criteria. This works well for product categories where preferences are static, for example, customers will specifically be looking for a laptop with certain screen size, weight and battery life.

However, as every fashion retailer knows, people buy fashion very differently to the way they buy books or electronics. Fashion is a far more emotional purchase and many factors impact what we buy; the weather, trends, body shape, what is already in our wardrobe etc. The way we serve up products to each customer needs to reflect this difference.

You rarely see rows of single products in a shop window. This is a very good example of how retailers have learnt to successfully merchandise over the years. So why is it that today, whether it is me, my mum, grandmother or daughter when we go to any fashion retailer's website, we still see the same products in the same order?

## 2

## Your customers all have different missions at different times

Every fashion retailer has plenty of data available about each of their customers. From what they were browsing last night, to the products and size they bought last month. While most retailers will look at this data aggregated in weekly reports and use it to improve their online shopping experience, there is untapped potential to use it to drive truly personalized shopping experiences.

Each of your customers will not only have different preferences but different mindsets depending on their mission at that moment in time. Someone searching for a new dress on a Monday morning for a wedding that weekend will have a specific idea of what they want. When the same customer is leisurely browsing on a Sunday afternoon however, they likely aren't as sure of what they are looking for and would rather see a wider variety of products that suit them.

Static PLPs will never please all of your customers, all of the time. By personalizing what they're shown, you can stop showing customers things they would never wear, and surface the products they're after at that moment in time that they currently have to search hard to find.

## 3

## The plethora of choice

The two issues stated above are made even worse by the plethora of products available on each retailer's website. It is overwhelming. If a customer wants to buy a dress from one of the top retailers in the UK, there is an average of 8,000 dresses available on each of those sites.

If a customer likes a certain brand and goes to their site to buy a dress, with 8,000 to choose from, there is a high probability that brand will have a dress to suit that customer's needs but unless that dress is presented within the first 30-40 product slots, the chance of them buying it is low.

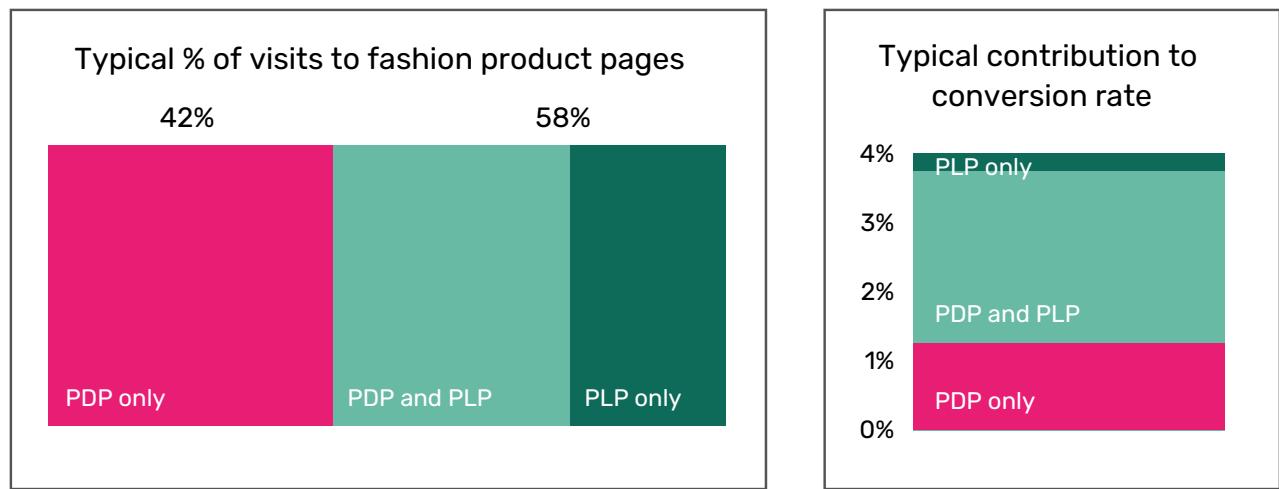
Retailer	Number of Dresses Available Online*
Next	11,335
Boohoo	8,491
M&S	1,547
ASOS	21,848
New Look	3,135
River Island	1,274
H&M	619
Amazon	19,200
<b>Average</b>	<b>8,431</b>

\*Numbers as of July 2022

# The PLP is an under-invested part of the customer journey

Most retailers focus their personalisation efforts on the PDP with basic “Similar Items” and “You May Also Like” carousels. But by the time a customer arrives on the PDP, they have already expressed an interest in that particular garment.

Retailers are missing a huge trick! For the 58% of people who start their discovery process on the retailers PLP, they see the same products as everyone else.



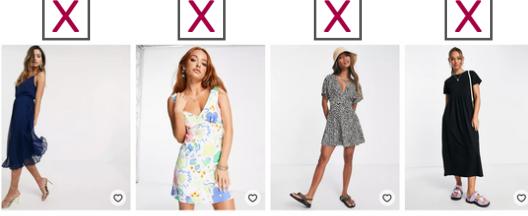
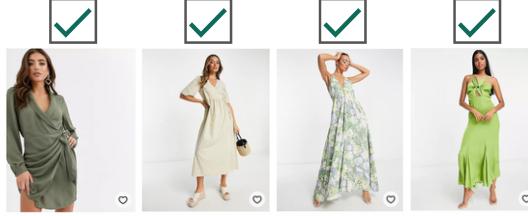
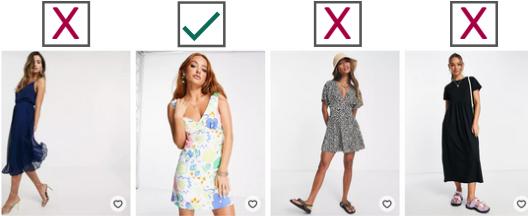
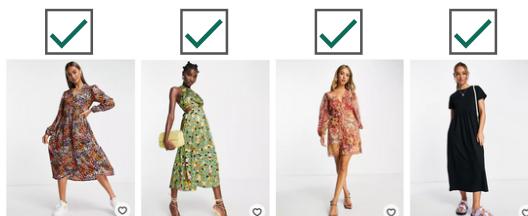
\*Dressipi Data

If you can show customers more products that they are likely to love and want to buy at that initial discovery phase then you have a higher chance of pushing more people through the funnel. Relevancy at the discovery phase is key.

The reason most fashion retailer's conversion rate is around 1-3% is because the probability of you finding your perfect items in a world where everyone is seeing the same thing is about 1-3%.

# A retailer's PLP represents low hanging fruit when it comes to conversion increases

Given the current limitations of existing e-commerce site layouts, one of the quickest ways to increase your conversion rates is to personalize your sort order. If you can double the chances of a customer seeing products they love within the first 30-40 products cells, then you will increase conversion throughout the funnel.

	Generic PLP The 3 customers currently see the same 4 dresses	Personalized PLP The customers all see different dresses
Customer 1		
Customer 2		
Customer 3		

# How merchandising can work alongside personalization

1

## Personalized Edits

The merchandising team can create edits and allow the algorithms to personalize the edit for each customer. This enables the algorithms to take on the details of the “last mile” to free up merchandisers for more strategic work.

It may be a more successful approach to curate and merchandise the New In pages and the Editorial pages but as soon as a customer goes a level down then supporting this with relevant and completely personalized PLPs can be an excellent combination.

2

## Visually Pleasing for Each Customer

Visual aesthetics are important, but again this can be addressed with smart use of AI. Whether it is the order in which items are presented to deliver the best aesthetic or the age-old debate of whether the model or the garment shot works better, it is probably best left to the algorithm to decide on a per-customer basis.

As above - You may find that merchandised pages allow the retailer to deliver on the brand DNA but as soon as the customer goes a level down then support this with personalized PLPs.



## 3

## Stock Availability / Fragmentation

Retailers often have stock availability/fragmentation issues, particularly for best sellers. Firstly, with a more relevant PLP, you can make sure that customers are only seeing products that are available in their size so there is no longer the disappointment of finding something you love only to find that you cannot buy it. You could even go a step further. To ensure a customer doesn't miss out on the sale, you can create a "best for you back in stock soon" category so they can wish list the product in the case where there are more stock levels to come back via returns or if it can be fulfilled from a store.

## 4

## Overstocked

One of the benefits of better relevancy is that you are more likely to put the right product in front of the right customer so you are less likely to need to push overbought stock. In fact, it should increase your sell-through rate throughout. There are also better ways of dealing with overstocks; personalized offers to customers with a higher propensity to buy that item or in the medium term, using richer data better to predict stock levels for each product at a size level.

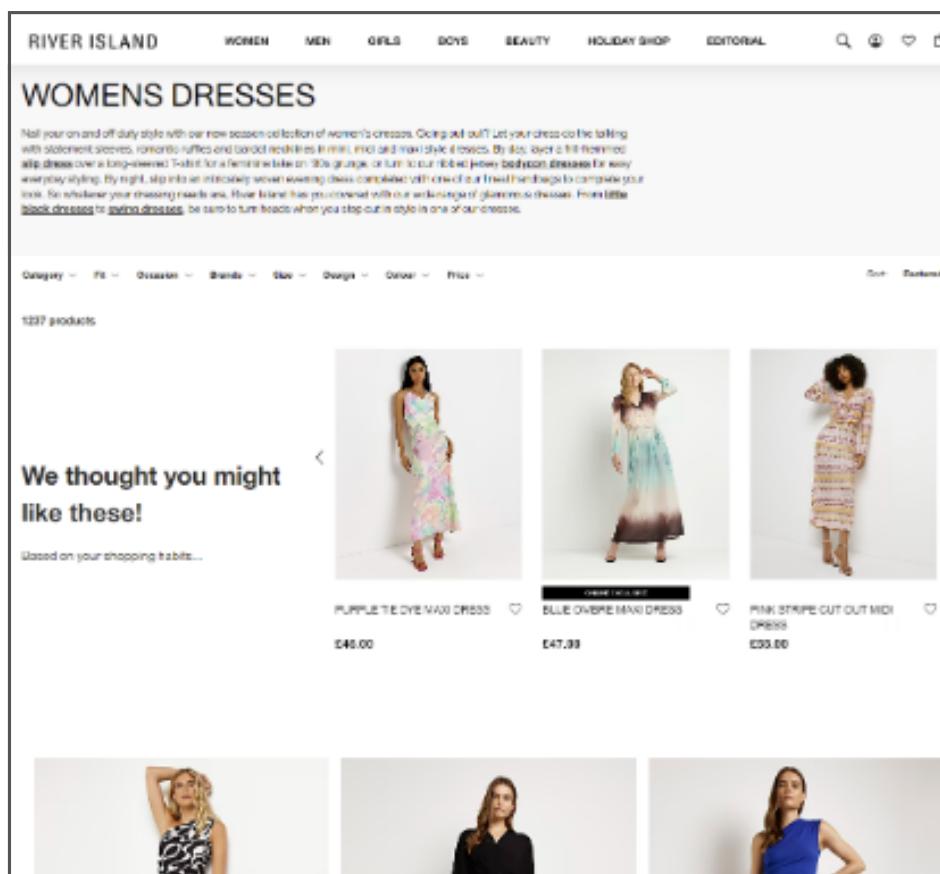
Fundamentally, all these problems are reduced if every customer is seeing more products that they would buy and keep.



# How to start personalizing your PLP

## Build an MVP:

- a) Test a widget/carousel at the top of the PLP for each category. This allows a retailer to measure the benefit of a personalized edit within each garment category



- b) Test on a per-page basis - it may be that for brand purposes, a retailer may choose to merchandise its "New in" page but personalize any page beyond that
- c) Rollout for the pages where it makes the most sense

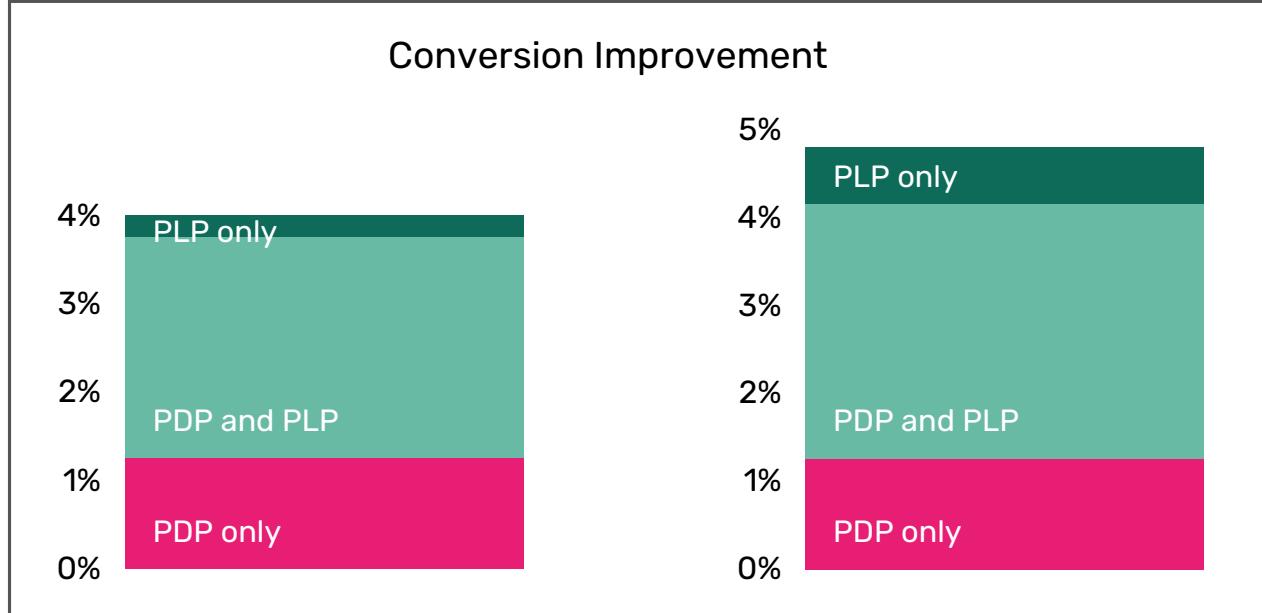
# Test. Test. Test.

**Test the widget at each sub-category level to understand where it adds the most value:**

- a. There will be a point when you only have 10 or fewer products presented so you no longer need to edit the results

**Build full implementation once it is all tested and understood**

Example of improvements expected from the PLP widget:



\*Dressipi Data

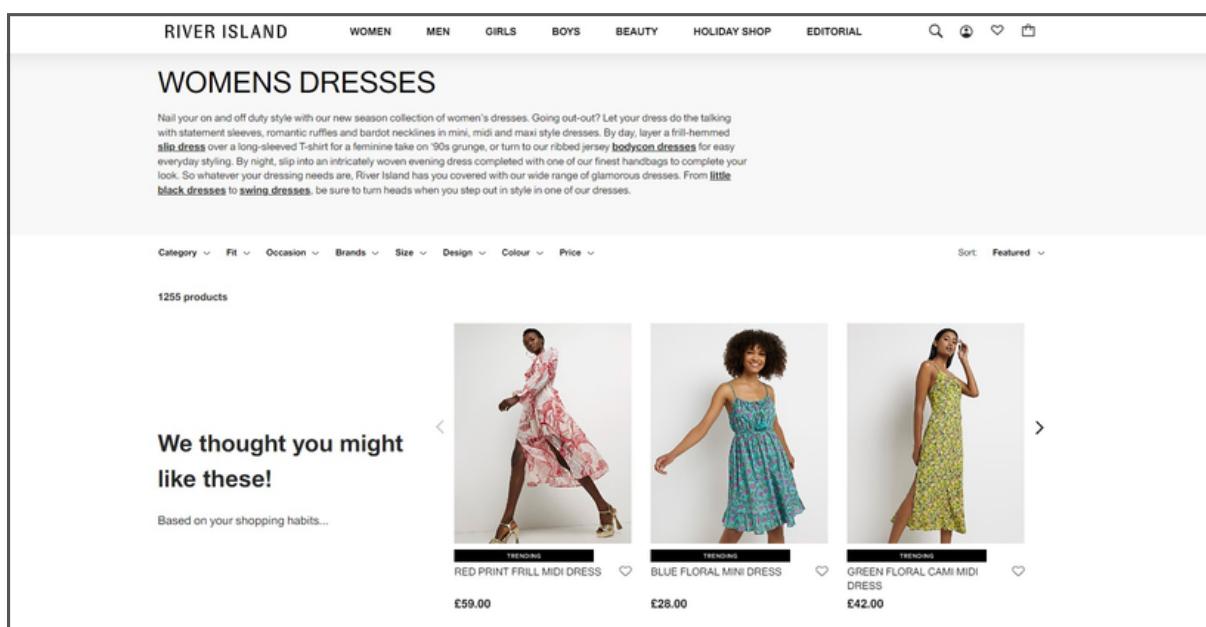
# Conclusion

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Whether you take the staged approach or whether you choose to try to redefine the process, the fact remains that this is a massive opportunity for every fashion retailer.

Not only will a personalized and more relevant discovery process **increase your conversion rates** but your customers will feel that you “know them” and come back more regularly as the experience is so much better than anywhere else. You will enable your customers to discover products they love thereby **increasing sell-through rates** and **reducing returns**.

Retailers working with Dressipi to personalize their PLPs have seen an additional **3-5% increase in revenue** and good return reductions too. Here is an example of the Dressipi PLP widget on River Island.



If you'd like to discover how personalization on the PLP can deliver value to your brand, get in touch today.





## The Experts in Fashion AI

Dressipi's AI is used in 2 ways; firstly to improve product discovery across the customer journey through recommendations and personalized outfit API's. Secondly, data collected through the fashion-specific algorithms allows Dressipi to optimize product assortments & size ratios on a garment specific level.

Today Dressipi outperforms all competitors and delivers incremental improvements to revenue (+12%), profit (+21%), returns (-15%) and sell-through rate (+10%).

To learn more about Dressipi's solutions and technology, visit:

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



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