The Impact of digital technology on changing consumer behaviors and how to build a top-notch e-commerce business (for the apparel industry) in Pakistan

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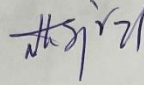
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Islamabad, Pakistan

(2024)

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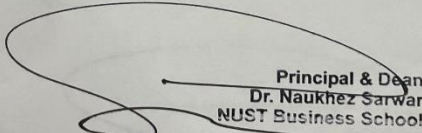
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I Muhammad Bilal Chaudhry hereby state that my MS thesis titled "The Impact of digital technology on changing consumer behaviors and how to build a top-notch e-commerce business (for the apparel industry) in Pakistan" is my own work and has not been submitted previously by me for taking any degree from National University of Sciences and Technology, Islamabad or anywhere else in the country/ world.

At any time if my statement is found to be incorrect even after I graduate, the university has the right to withdraw my MS degree.

Name of Student: Muhammad Bilal Chaudhry

Date: 15 August 2024

DEDICATION

I dedicate this thesis to my beloved family. I love you deeply with all my heart. To

my Father & Mother, you have been a listener and a supporter of all my endeavors,

standing by me through every challenge and triumph. Words cannot fully express

the depth of my gratitude for everything you have done for me. I carry your love

with me in all that I achieve, and it is to you that I owe this accomplishment.

Thank you, from the bottom of my heart.

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ABSTRACT

Digital technology has significantly enhanced the consumer shopping experience, making shopping easy, convenient, and flexible. The use of the Internet and technology has been seen as a noticeable trend, as many people around the globe have taken to shopping for apparel online. According to eMarketer, worldwide e-commerce sales were estimated at $4.9 trillion in 2023, which is about 20 percent more than the previous year.

Customers today can search for products, select the best, and purchase them, all from the convenience of their homes and even through their mobile devices. This has shifted the way consumers carry out their shopping expeditions and made it easier for them to do so. It cannot be denied that due to e-commerce, businesses have also been able to expand their market globally. With the help of the Internet, companies have been able to tailor what they have to offer to specific consumers based on their activity patterns. Digital technology has also impacted relations between consumers and the brands being marketed, and marketers are using social media platforms and other related digital tools to influence customer relations for brand loyalty.

It is, therefore, important for any business to think big and have a well-planned strategic direction for the digitalization process. In the context of fashion, a human approach integrated with the overall view is the way to go digital. The recommendations for the effective functioning of the e-commerce business are presented in the report. In conclusion, the apparel industry holds significant growth prospects in the context of Pakistan, especially in terms of the utilization of digital media. Companies should, therefore, capitalize on this growth while at the same time meeting the ever-evolving demands of the consumer through embracing technology.

1.Digital Marketing:

Digital marketing is a form of marketing that involves the establishment of products or services through technology-based mediums encompassing Web pages, search engines, social sites, email, and mobile applications, among others. It is an advanced form of advertising that uses technology and cyberspace to create consumer awareness and make targeted sales promotions. Digital marketing is about reaching the target consumers where they are more engaged, which is now more apparent on digital platforms, and giving them what they want and need. Examples of Digital Marketing are Search Engine Optimization (SEO), Pay-per-click (PPC), content marketing, social media marketing, email marketing, affiliate marketing, and influencer marketing.
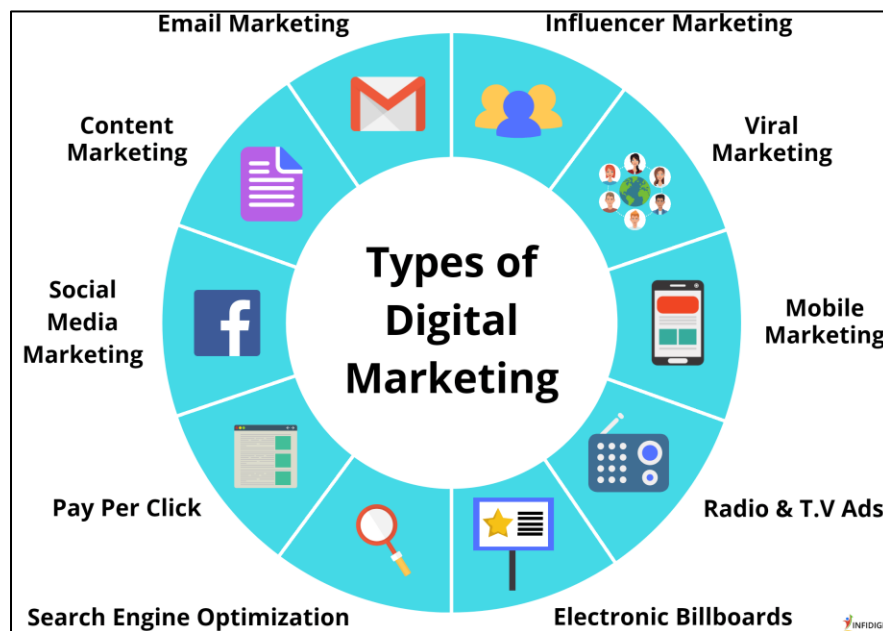
Figure 1 Different types of Digital Marketing

1.1 Advent of digitization and the emergence of marketing through digital platforms:

The introduction of digitization has shifted the business world significantly, thus giving rise to the concept of marketing through digital means. By adopting information technology, organizations have been able to expand the ways in which they can deliver their messages to consumers, which has slowly altered the way businesses interact with customers.

According to the Oxford Dictionary, digital marketing is the process of using digital media platforms, including search engines, social media platforms, email, and websites, to advertise a product or service. Digital marketing presents several advantages, including low costs, better targeting and customization, and real-time response and evaluation.

So, one of the most significant trends in digital marketing today is SM marketing. Facebook, Twitter, and Instagram, among other networks, can be used to share business-related information with a large audience and thereby create awareness of the firm. Engaging content and the use of influencer marketing will also help businesses reach out to consumers and create demand.

Besides, one of the most popular forms of digital advertising, search engine optimization (SEO), is also gaining ground due to corporate interest in achieving higher positions in Google Rank and, therefore, reaching potential consumers. Email marketing, video marketing, and mobile marketing are also growing in popularity as firms want their messages to appear where clients frequent most.

In conclusion, the the digitalization of the world and marketing through electronic media have brought radical changes in the manner in which people are marketed. Appealing to digital platforms and appropriate technologies ensures the targeted customer base and helps to promote a company's products and services that were previously unavailable in the market.

Figure 2 Digital Marketing Pictorial overview of Important aspects

New technologies have impacted consumers in various ways, and organizations need to adapt to these changes in order to thrive. Many companies are now caught up in the world where everything is changing so quickly, and so they must change their business to adapt to the new technology. Laggards are especially at risk if they fail to change their behavior and strategy in this dynamic context and may suffer failure.

Currently, the expansion of E-commerce is on the rise globally, particularly in developed countries. Pakistan also requires the development of an E-commerce platform similar to that of IndiaMart of Alibaba through which exporters could find their customers.

1.2 Ingredients of a good eCommerce business:

There are a number of factors that need to be integrated in order to create a good eCommerce business. However, a good eCommerce business should contain the following ingredients, though not exhaustive, here are some of the essential ingredients that:

1. **Clear value proposition:** The strategic position that defines the primary reasons for the existence of the business and highlights its competitive advantage in fulfilling the needs of the target consumer.

2. **User-friendly website:** A good website that is easy to navigate and well designed for easy recognition by search engines and an easy buying process for the users.

3. **Effective marketing and advertising:** Measurable communication and promotion techniques aimed at the target market and consumers to foster brand recognition, awareness, and recall; search engine marketing, social media marketing, and e-marketing.

4. **Reliable payment and shipping options:** We offer sufficient means of payment and delivery to permit customers to make payments safely and to receive goods within a short period and at reasonable charges.

5. **High-quality products and services:** Speaking of quality, the firm should offer products and services that correspond to the needs and expectations of end-users and be protected by a robust warranty or return policy.

6. **Exceptional customer service:** Customer service that can be characterized by effectiveness, efficiency, and timeliness of their response, returns and exchange policies, and customer satisfaction.

7. **Robust technology infrastructure:** A reliable and well-protected web platform for developing and operating online business, efficient and safe payment solution, and convenient system for order tracking.
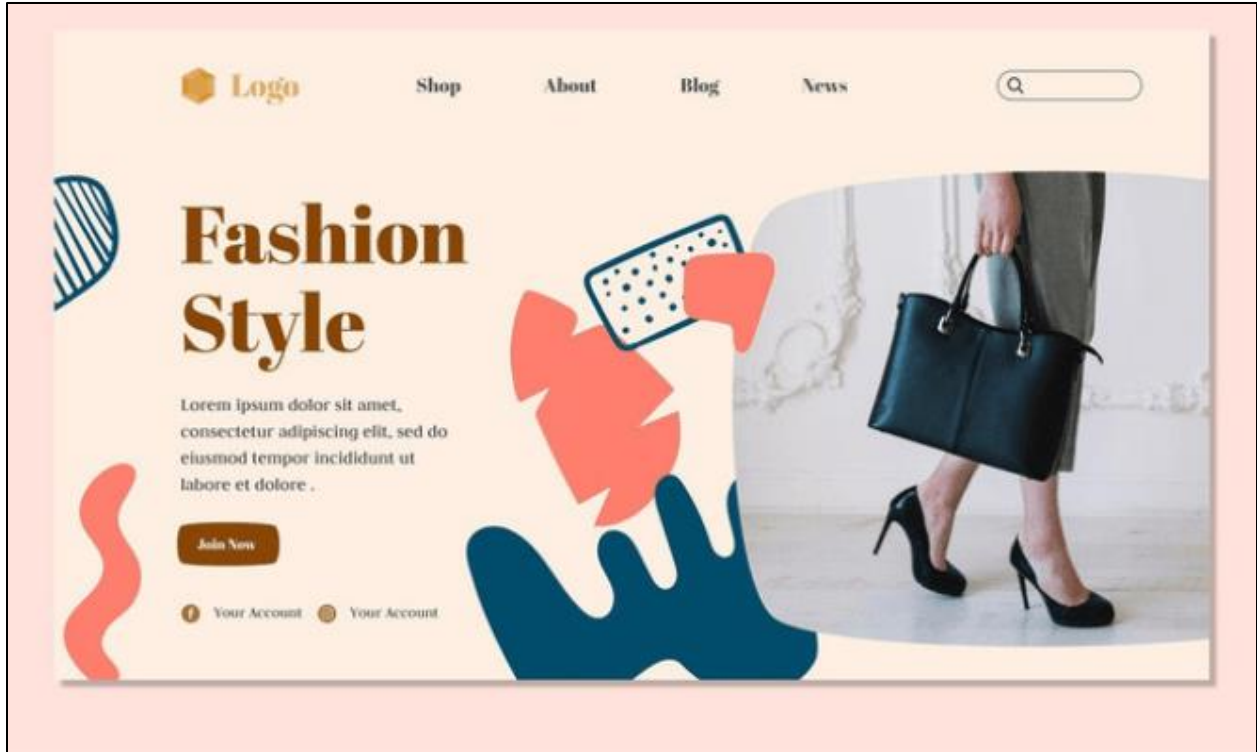
Figure 3 Overview of a Simple Website for Online business

Incorporating these ingredients, we can create a strong and prosperous e-commerce business suitable for customers and their shopping experience. However, the success of an e-commerce business depends on the demand for certain types of products, the level of competition, and the general economic climate.

1.3 Ecommerce business in Pakistan:

The e-commerce business in Pakistan is rapidly expanding, with an increasing number of customers preferring to shop online. However, it is challenging to estimate the exact size of the e-commerce market in operation in Pakistan as this market is not stagnant but growing and dynamic.

The State Bank of Pakistan, in its report, estimated that the Pakistani e-commerce market is at approximately $2 billion and is likely to expand in the future. A substantial proportion of the e-

commerce market share in Pakistan is comprised of online portals like Daraz and Shophive, where consumers can quickly obtain different products and services.

However, in the box of users, it is approximated that about 20 million internet users are shopping in Pakistan for their desired items, and it has been observed that the users of online shopping are mostly the youths, who are tech-savvy and more exposed to the smartphone usage and purchasing. The main factors defining the e-commerce growth in Pakistan are the continual augmentation of internet connection availability and smartphone use, as well as spreading awareness of the advantages of online shopping, including time and money-saving options.

E-commerce activity in Pakistan has gradually advanced in the past few years due to the rising Internet and mobile access, the middle class, and the youth with technological know-how. Since it is easy to access and convenient to make purchases over the Internet, this mode of shopping has received tremendous support from consumers, especially in urban areas.

Figure 4 Pictorial depiction of an E-commerce business

Due to its evolving nature, the e-commerce market in Pakistan requires specific strategies for businesses to be successful. This implies reasonable pricing, many products, and various means

of delivery. It is also essential for customer satisfaction to provide a user-friendly experience of the site, navigation, clear descriptions of products and services, and options for payments.

Social media and related online influential pages are helpful and efficient for promotion and advertisement. Data analytics can also collect valuable information about consumers, which can be used to tweak and adapt offerings to meet market demands and ward off competitors.

1.4 Adapting to the digital transformation:

Digital transformation is a process of introducing digital technologies that result in profound changes to the processes at work as well as the value-delivering mechanisms of an organization. Below are some measures that an organization can take in order to address digital transformation:

1. **Develop a digital strategy:** First, establish a detailed and coherent digital vision and plan that includes the organization's milestones, objectives, and tasks.
2. **Embrace technology:** Embrace the newest approaches, including cloud technology, big data, and artificial intelligence, to enhance organizational activities and discover new sources of business development.
3. **Invest in talent:** Recruit and build a pool of human capital with a sound understanding and pertinent experience in innovation and digital.
4. **Foster a digital culture:** Develop an organizational culture that fosters new modes of operation through the use of technology by embracing collegiality, risk-taking, and knowledge-sharing.
5. **Enhance customer experience:** Enhance customer value through the effective use of information technology to enhance delivery mode and ease of access to services and goods.
6. **Optimize processes:** Automate various organizational functions, such as material sourcing, production planning, accounts, and many more, to make them more productive and efficient.

7. **Measure and evaluate progress:** Another recommendation is to specify constant monitoring and assessment of the outcomes of the digital transformation process to evaluate whether the processes meet the goals of the organization and are positively affecting it.

1.5 Use case of System analytics in ecommerce:

When adopting system analytics in a marketing effort, one can gain more knowledge on different aspects of customer behavior that may help in the attempt to reach a more relevant audience. Below are some ways through which analytics can be used in marketing:

1. **Define target audience:** The first step is to define the advertising audiences, or more concretely, the target groups that match specific demographics, interests, and behavioral characteristics.
2. **Collect data:** Recruit the target audience to get information regarding their activities, such as page views, click-through rate, conversion rate, etc., using web analytics, Google Analytics, Social media Analytics, or any other analytic tool.
3. **Analyze data:** Analyze the received data to observe the tendencies and patterns of the target audience's behavior. For example, you can determine which web pages are viewed more frequently or which social media posts attract more shares.
4. **Segment audience:** Based on various factors and behaviors identified during the analysis, subdivide the target group into even narrower categories.
5. **Personalize marketing:** Apply the segments created for specific market segments and modify the communication to suit the target market better.
6. **Test and optimize Integration:** Always assess and optimize the campaigns according to the analytics and see how they are relevant to each segment.

1.6 Why do e-commerce/online businesses fail?

This sector of revenue generation has its difficulties that will spell doom for the business, and in particular, the following are some of the leading causes why:

1. **Lack of market research:** One major mistake that any individual seeking to venture into business online should avoid is entering into the business without any market research since you may be directing your business to the wrong demographic.

2. **Poor customer service:** Lack of customer service and support leads to negative customer attitudes and may deter the customers from doing business with the company.

3. **Inadequate marketing strategy:** More marketing communications techniques are needed to identify and attract customers, keeping the organization noticed and its sales low.

4. **Poor website design and functionality:** If a website is very complex or the user interface could be better, there will be high bounce rates and low conversion rates.

5. **Competition:** New-generation businesses are undoubtedly operating online, and due to cutthroat competition, it is vital that customers receive some added value.

6. **Lack of financial planning:** Lack of financial planning and management leads to poor capital control, which in turn makes them unable to allocate this money to marketing and development.

7. **No brand identity:** A lack of brand identity confuses customers, making it hard to establish brand recognition and loyalty.

8. **Inadequate product differentiation:** Marketing and properly branding non-unique products or those that do not meet the customers' pain points leads to low sales and poor customer engagement.

9. **Ineffective supply chain management:** A lack of an efficient supply chain can lead to call-offs, lost business, and unhappy customers due to unavailable products or shipments that never arrived.

10. **Failure to adapt to change:** The online business environment is dynamic, and trends constantly shift, which, if not addressed, can lead to business waning.

2. Impact of digital technology on changing consumer behaviors on Pakistan:

Documented progress in utilizing digital technology to change consumer behaviors has been observed in Pakistan in recent years. Internet and mobile devices have made online shopping more common as consumers can find prices and products online and shop comfortably from home.

Consumers can also get more information about the products they are going to buy and the services of the firm or company they are purchasing from, so the chances of informed decision-making are high. Social media and customers' online reviews contribute to consumers' opinions and decisions in their purchasing process.

Also, advances in digital technologies have allowed businesses to learn what their customers want by employing analytics, hence improving the shopping experience to suit their needs.

Figure 5 Consumer Behavior - Changing from conventional to Digital age

In sum, digital technology has completely changed the consumer conglomerate experience in Pakistan and their engagement with commercial entities, providing a window of possibility for

business organizations. However, the important thing here is that companies have to be proactive and constantly reinvent themselves to fit the latest trends in the digital environment and market needs.

3. Coronavirus pandemic (COVID-19) impact on consumer behaviors:

COVID-19 has drastically changed consumer behavior since people have had to conform to new ways of living, working, and shopping. Due to this, there has been an increased uptake of e-commerce, with more online purchasing activities and decisions being made. Here is how COVID-19 has affected current consumer behavior below is how COVID-19 has impacted current consumer behavior:

1. **Increased Online Shopping:** As physical stores either remained closed or opened minimally, digital shopping became an ideal way to meet consumers' needs. This has led to increased e-commerce revenues and the fast uptake of online shopping. It would be an understatement to say that they were observed globally. All markets and cultures, nationally and internationally, adopted these behaviors.

2. **Changes in Product Categories:** They have been able to switch their preferences from apparel and gadgets to staple foods and drugs.

3. **Focus on Health and Safety:** The COVID-19 crisis has made consumers more conscious of health and cleanliness, and there is a consequent demand for related products like sanitizers, masks, and cleaners.

4. **Embracement of Contactless Payments:** Another way that consumers are adapting to being within six feet of others is by practicing physical distancing, not handling cash, and thus using mobile wallets, digital payment apps, contactless cards, etc.

5. **Increased Reliance on Delivery Services:** Due to social distancing measures, consumers are more likely to order the products they need through delivery services, which has increased their demand.
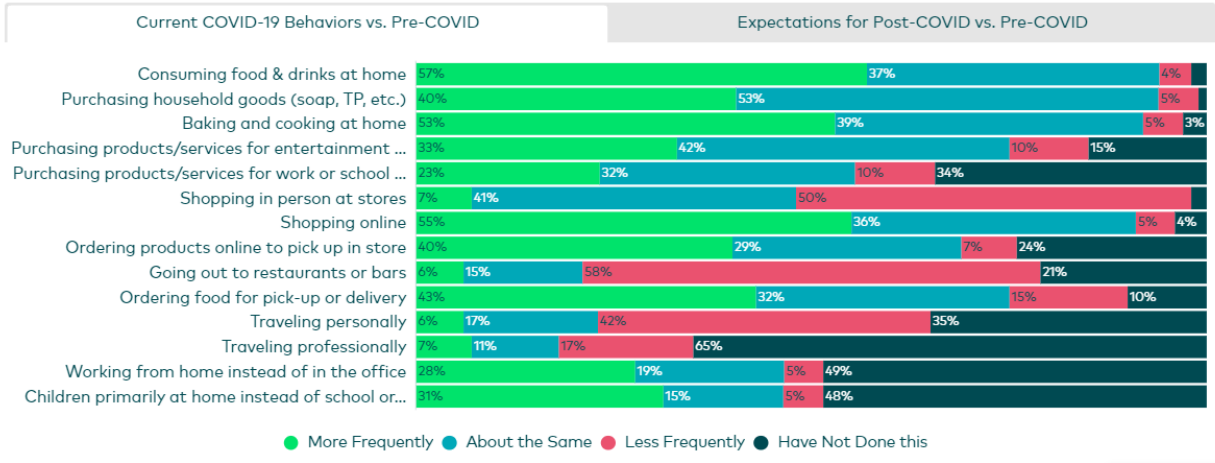
Figure 6 Behavioral Shift - During COVID vs. Pre COVID

The emergence of the COVID-19 pandemic has drastically altered customer behavior by making individuals adapt to new behaviors and change their buying patterns online. This has opened up new avenues for reaching consumers and satisfying new needs. However, at the same time, it has put new pressures on the business to satisfy the growing demands and changing customer expectations.
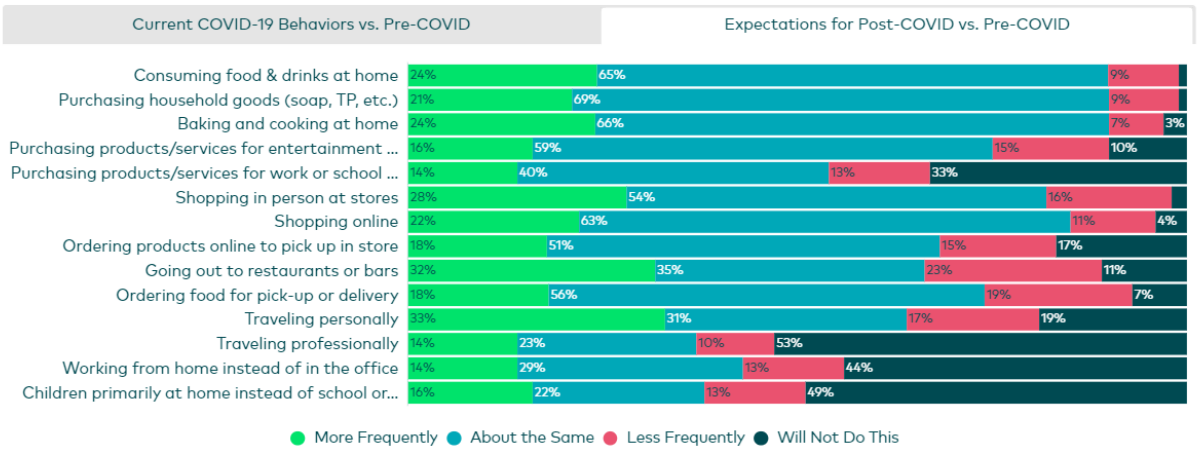
Figure 7 Behavioral Shift expectations post COVID

Email, social media, and other digital avenues have seen a sharp rise in usage throughout the crisis. Therefore, even if many customers still need to make purchases, businesses must stay in constant contact with them. Deliver sincere, goal-oriented communications regarding community support, business continuity, safety, and health via digital platforms. Make sure you deliver relevant material that is suitable and empathetic to customers (for instance, a worldwide sports clothing company now offers yoga classes on Instagram).

Even with shop closures, the top businesses are maintaining client ties via tailored offers or outreach from personal stylists. Maintaining communication with your most devoted clients helps increase sales by keeping your brand front of mind. During the height of China's epidemic in January and February 2020, the transaction volume for fashion-brand mini-programs (brand-specific apps embedded inside the platform) on a central Chinese e-commerce platform more than quadrupled.

Consumers are spending more time online during the crisis.

Change in time spent on select activities,[1] % of respondents

	Texting, chatting, messaging	Reading news online	Social media	Video content	Movies, shows	Video games	Reading print news	Working
Increase	46	47	43	40	45	30	15	10
Stay the same	46	44	47	49	42	48	52	53
Decrease	8	9	10	11	12	22	33	37

35% of consumers browse for fashion inspiration in online shops at least once per week

22% of consumers state they will browse for inspiration online more often in the next 4 weeks

10% of consumers think brands should not promote their own interests at this time of crisis

[1]Question: Over the next 2 weeks, how much time do you expect to spend on these activities compared to how much time you normally spend on them?
Source: McKinsey COVID-19 Consumer Pulse Survey, Apr 1–Apr 6, 2020, n = >5,000; McKinsey COVID-19 Apparel & Fashion Survey, Mar 27–Mar 29, 2020, n = >6,000

Figure 8 Consumers spending more time during crisis i.e.COVID

4. Apparel industry in Pakistan:

The apparel market is separated into three product lines: women's apparel, men's apparel, and children's apparel. It comprises clothes made for individual consumers. Items that do not qualify as actual pieces of clothing, such as work clothes and other personal accessories like jewelry and watches, purses, and the like, are not included.

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Pakistan's garment sector has been expanding recently due to rising consumer expenditure and a growing middle class. The nation has a long history of producing textiles and garments, which makes it a possible center for South Asia's apparel market. According to local press, he informed delegates that the textile and garment industry in Pakistan accounts for 8.5% of GDP and owns a 60% share of overall exports.

The market is divided into three main categories:

The Women's Apparel market encompasses clothes for women. It is further divided into the following categories: Coats and jackets, Blazers, Suits and ensembles, Dresses and skirts, Trousers, Shirts and blouses, Jerseys, Sweatshirts and pullovers, Sports and swimwear (Performance Apparel, Sports-Inspired Apparel, Swimwear), Night & Underwear, T-Shirts, Tights & Leggings, Socks, Clothing Accessories & Other Clothes (Gloves, Shawls & Scarves, Belts, Hats & Caps, Leather Clothes, Felt and Fur & Other Clothes).

The Men's Apparel market encompasses clothes for men and is further divided into the following categories: Coats and jackets, Blazers, Suits, Trousers, Shirts, Jerseys, Sweatshirts and pullovers, Sports and swimwear (Performance Apparel, Sports-Inspired Apparel, Swimwear), Night & Underwear, T-Shirts, Socks, Clothing Accessories & Other Clothes (Gloves, Shawls & Scarves, Belts, Hats & Caps, Ties & Bow Ties, Leather Clothes, Felt and Fur & Other Clothes).

The Children's Apparel market encompasses clothes for boys and girls up to the age of 14, is then further divided into the following categories: Coats and jackets, Blazers, Suits and ensembles, Dresses and skirts, Trousers, Shirts and blouses, Jerseys, Sweatshirts & Pullovers, Sports & Swimwear (Sportswear, Swimwear), Night & Underwear, T-Shirts, Tights & Leggings, Socks, Baby Clothes, Clothing Accessories & Other Clothes (Gloves, Shawls & Scarves, Belts, Hats & Caps, Ties & Bow Ties, Leather Clothes, Felt and Fur & Other Clothes).

40% of the labor force is employed by the nation's textile industry, which accounts for 46% of the manufacturing sector overall, according to a study by The Express Tribune.

The Pakistani e-commerce sector has room to develop. However, there are still obstacles to overcome, such as a need for more confidence in online transactions and a restricted selection of

payment methods. These problems can be solved by developing an open port policy and creating long-term relations with highly reliable payment sequencers. Therefore, the improvement of customer confidence within the e-commerce industry in the continent can be promoted adequately.

However, they are still experiencing specific problems, such as outdated technologies, traditional technology used in the production process, and limited access to export markets. To counter these issues, companies must embrace innovation towards an effective production style, including the use of technologies.

E-commerce has also benefitted companies in the apparel industry in Pakistan, as they can now expand their markets around the globe. Companies can unlock the growing potential of the clothing market in Pakistan by providing varied products, affordable prices, and easy access to online shopping.
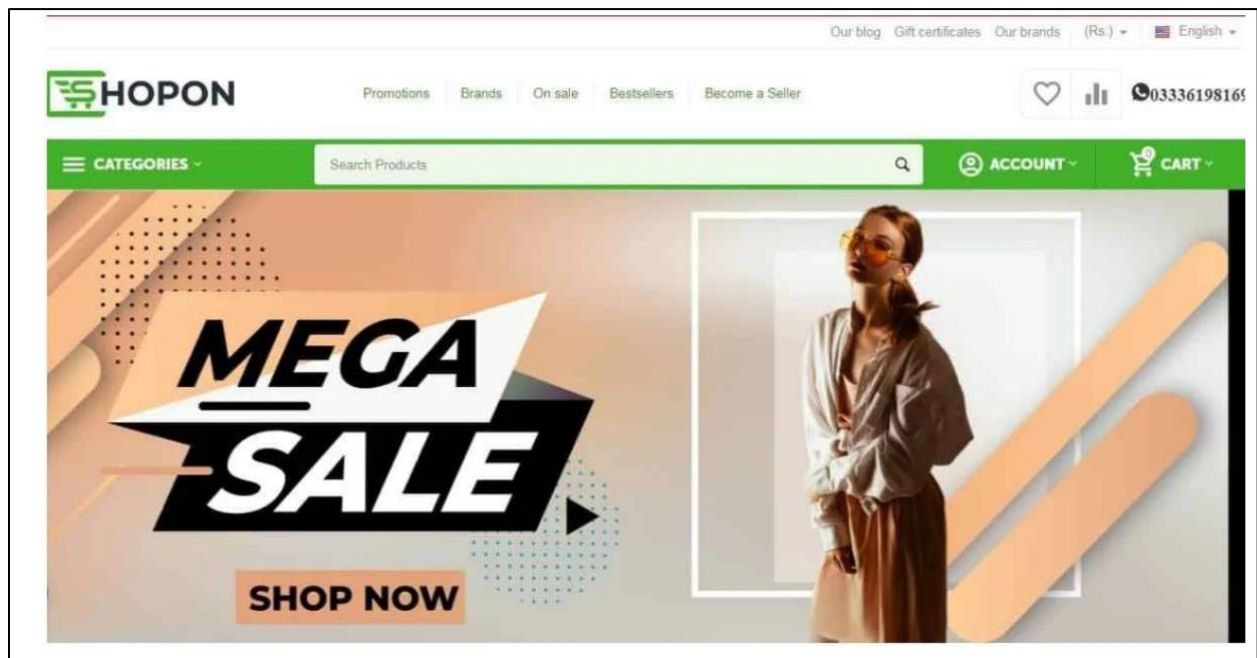

Figure 9 A view of a website with mention of sale to attract the customers

The seven most popular apparel outlets in Pakistan are:

1. **Khaadi:** It specializes in formal, casual, occasional wear clothes, home textiles products, home décor and accessories.
2. **Gul Ahmed:** Affordable clothes are available for casual wear, formal suits and dresses, and bridal wear.
3. **Sapphire:** Different fashion garments such as formal apparel, casual apparel, and semi-formal apparel.
4. **Alkaram Studio:** This is accompanied by a range of products such as Lawn Collection, unstitched fabric, Home Accessories, and others.
5. **Limelight:** This brand sells clothes, including formal clothes, casual clothes, and wedding dresses.
6. **Generation:** Products include casual wear, formal wear, and party wear.
7. **Origins:** Clothing brand offering a range of products, including casual wear, formal wear, and western wear.

These apparel outlets offer a wide range of products to cater to Pakistan's diverse fashion needs.

4.1 Market Insights of Apparel Industry in Pakistan:

Revenue and Growth: The global apparel market size is expected to grow from $655.7 billion in 2023 to $703.11 billion in 2024 and to $918.71 billion in 2028. This growth is attributed to economic growth in emerging markets, increased demand for artificial fibers, technological development, and foreign direct investments.

Pakistan's Apparel market revenue is estimated at US$5.81 billion in 2024, with a projected annual growth rate of -1.32% (CAGR 2024-2028).

Segment Analysis: The largest segment is Women's Apparel, reaching US$2.44 billion in 2024.

Global Comparison: The United States leads globally with US$359 billion in revenue in 2024.

Per-Person Revenue: Pakistan is expected to generate US$23.70 per person in 2024.

Future Projections: The apparel market volume is projected to reach 196.1 billion pieces by 2028, with an average volume of 24.1 pieces per person in 2024.

Average Volume per Person: The average volume per person in Pakistan's Apparel market is estimated to be 7.7 units in 2024.

Market Attribute: By 2024, 100% of the sales in the Apparel market will be attributed to Non-Luxury products.

Demand Shift: There is a surge in demand for traditional clothing, reflecting a desire to embrace and preserve cultural heritage among Pakistani consumers.

Employment: Around 430 million people, or 12.6% of the world's working population, work in the fashion, clothing, and textile production industries. However, most of these workers need employment contracts, fixed schedules, labor law protections, or year-round employment.

4.2 Launch of an apparel brand in Pakistan:

Starting an apparel brand can be a challenging and exciting journey, but it requires careful planning and execution to be successful. Here are some steps businesses can follow to launch an apparel brand:

1. **Conduct market research:** This means conducting a market analysis that will help you determine the need for your product, the audience you will reach out to, and the competitors you are likely to face. This will help us define the feasibility of the brand and the potential for brand differentiation.

2. **Define your brand:** the brand name, the brand mission statement, the brand's organizational culture, and the distinctive selling proposition. This will help you stand out in the flooded apparel retailing market.

3. **Design your product line:** Promote the brand and expand the product range with its different types of designs, patterns, and fits. Develop a model of the product to bring the products as close to the customer's needs and expectations as possible.

4. **Source materials and production:** Source material for the study and production associates. Select the appropriate materials that match the brand quality standards and cooperate with conventional and moral production counterparts.

5. **Create a marketing plan:** Popularize the website and its services; come up with a marketing strategy that will help you reach the target group and promote the brand. This means that you can use digital marketing techniques or approaches, such as social and email marketing, as well as conventional approaches, like print and outdoor marketing.

6. **Build an e-commerce website:** Create an e-commerce platform where the products will be sold. Select easy-to-use software that allows customers to shop conveniently and optimize the site for search engines.

7. **Launch the brand:** Market the brand as soon as possible with the help of the marketing plan and potential partners to address the target group. Companies may choose to offer a launch party or discounts on the product to encourage the consumer to purchase it.

8. **Monitor and evaluate your success:** Measure brand effectiveness by assessing its level of market performance, such as sales performance and customer ratings. Make changes as necessary to guarantee immediate and steady success and sustainability.

Following these steps, we can create the best apparel brand that will satisfy the needs of your target consumers and give you a competitive advantage in the market, particularly in Pakistan, where the market is already flooded due to the e-commerce revolution. However, launching an apparel brand entails a focus and grit that takes time to achieve.

Figure 10 A view of a website of a Pakistani apparel brand

According to Majyd Aziz, the former president of the Employers' Federation of Pakistan (EFP), in 2021, Pakistan's textile industry needs to catch up to other sectors in adopting digitalization, which is causing inefficiencies and poor production within units. He said that the vague nature of the textile industry, ignorance of digital technologies, and lack of a suitable corporate environment to support digital transformation were some of the factors impeding digitalization in the sector.

Analyst Saad Ziker of Topline Securities said in an interview with The Express Tribune that digital transformation was necessary for the textile industry, one of the major drivers of Pakistan's economy. With the implementation of digital transformation, the textile sector might see notable enhancements in its supply chain and production.

Some AF&L players still need to establish an online presence, even if the majority already have. Without one, businesses may get a main website up and running in ten to fifteen weeks. That took 13 weeks for a store with private equity backing.
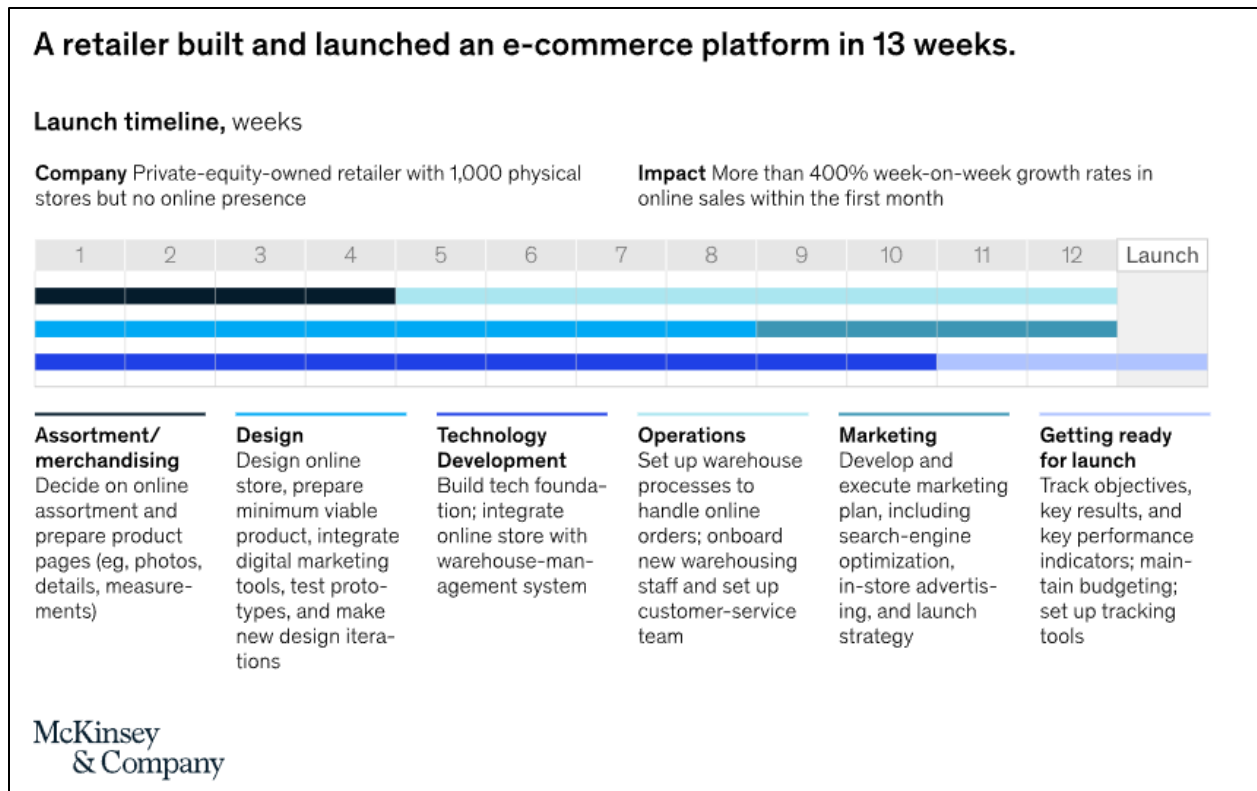
Figure 11 Timeline for a launch of ecommerce business.

4.3 Marketing Differentiation in implementing the Marketing Strategy:

Marketing differentiation is a concept that focuses on positioning a company from rivals so that the marketing message will note aspects that set aside the company's products or services from the rest. It helps to establish a concept of a unique selling proposition that explains to potential customers why this specific company is better than the others and is worth their attention. Here are some strategies for differentiating businesses may use for marketing:

1. **Targeting niche market:** The company is in a position to address its segmentation objectives since segmentation involves dividing the market into segments, such as targeting a specific customer group, geographical area, or industry.

2. **Offer unique products or services:** It is best to offer commodities or services that are exclusive and not offered by any other companies. For instance, we can deliver

differentiated products, services, or solutions that customers cannot get anywhere else.

3. **Emphasize the brand's personality and values:** Create a well-defined brand image and values to support the brand image that one wants to portray for the company. This may be useful for building an emotional connection with target audiences and making the brand stand out from the crowd.

4. **Highlight the company's expertise:** Use the Company's advantage or claim to be experienced, knowledgeable, or professional in a given field to brand the company as the place to go for the latest products and services.

5. **Offer exceptional customer service:** First, tangible service quality, which is superior to the expectations of the customers. This may assist in differentiating it from other companies and assist in establishing a pool of loyal customers.

6. **Use unique and creative marketing campaigns:** Marketers should use communication strategies that are unconventional, innovative, memorable, and apt to create awareness amongst the targeted customers.

These are the various marketing differentiation strategies through which the firm can build a unified brand that will likely influence the target consumers to patronize the company's products instead of the competitors' products.

4.4 Saturated online market & how to win in this situation?

Capturing the market in a crowded environment is a significant feat and calls for strategy, innovation, and implementation. Based on the above guidelines, the following guide to painting could be helpful in making a successful paint job:

1. **Identify Unique Value Proposition:** Clearly identify what makes a product/service different and superior to other similar products or services.

2. **Focus on Customer Experience:** To deliver the best possible quality, convenient, personalized, and satisfying service to the customer.

3. **Utilize Data and Analytics:** Gather and process information regarding Customers and markets, which can guide decision-making and indicate the best practices for increasing profit.

4. **Invest in Digital Marketing:** Formulate and implement an integrated digital marketing campaign that involves Search Engine Optimization, Social Media, Email, and Pay-Per-Click advertising.

5. **Embrace Innovation:** Pursue growth opportunities to enhance the quality of products, services, or processes and manage competition effectively and constantly.

6. **Collaborate and Network:** Partner and collaborate with other businesses, organizations, and opinion leaders whose interests are related to yours to increase visibility and effectiveness.

7. **Monitor and Adapt to Market Trends:** Be aware of market changes and always analyze and modify the strategy and approach based on market development, needs, customers, and competition.

4.5 SWOT Analysis:

If we discuss the SWOT analysis of the Pakistani apparel industry that is focused on digital marketing and attempt to locate crucial components – Below is a gist:

Strengths:

1. **E-commerce Growth:** Technological advancements, especially the growth of the Internet, have positively impacted the Pakistani apparel industry. Various forms of e-marketing, including social media advertising and influencer partnerships, allow clothing brands to tap into the online consumer market.

2. **Social Media Presence:** Most Pakistani apparel brands have an official presence on various social media networks, including Facebook, Instagram, and Twitter, to interact directly with users and efficiently target customers.

3. **Digital Payment Systems:** Advanced payment solutions, such as mobile money services, have made it easier for customers to complete online purchases and increased overall e-commerce transactions in apparel.

Weaknesses:

1. **Limited Digital Skills:** Most conventional apparel makers and sellers need to gain digital marketing skills that are relevant to promotional strategies and online selling.
2. **Cybersecurity Concerns:** The apparel industry is not immune to computer crimes such as hacking, cyber forgery, and other malicious endeavors that could cause customer distrust and brand diminution.

Opportunities:

1. **Digital Advertising:** The opportunity to continue the growth in digital advertising, such as paid search, digital display advertising, and video marketing, to help bring more visits to online apparel and brands.
2. **Personalization:** Through digital marketing, apparel brands can, therefore, target customers and communicate with them more effectively, including in terms of content and promotional offers that they may depict, hence implementing customer loyalty programs and strategies.
3. **Data Analytics:** Applying advanced business analysis tools allows for the capture of customer behavior and demand patterns, thus facilitating more effective marketing strategies for apparel companies.

Threats:

1. **Intense Online Competition:** Apparel and fabric brands are highly active in the digital platform today. Differentiating a website from the competition in the world of online commerce may be challenging.
2. **Changing Algorithms:** Social media signals and search engine placement change over time, affecting the reach of apparel brands' content. Keeping abreast of such changes is vital in digital marketing.

3. **Ad Blockers:** Ad blockers can hinder the efficiency of advertising techniques by drowning out the potential reach of online marketing.

4. **Negative Online Reviews and Social Media Criticism:** Customer criticism on social media platforms and disgruntled customers who have given the product a bad review can be very costly for the brand image. Reputation management must be part of the integrated approach to successful digital marketing.

In conclusion, the Pakistani apparel industry has a vast scope for expanding its market reach through digital marketing. However, it must also mitigate risks like low digital literacy and cyber security threats when facing challenges such as high competition and fluid algorithms in the digital space.

4.6 Future of Apparel industry:

Current trends like digitalization and upcoming technologies like tR and AR, AI, and 3D printing will shape the future of the apparel industry. These are supposed to influence consumer relations with the apparel industry and present new prospects for development in this industry by offering innovation to the designing, production and marketing models of garments. Consequently, sustainability also emerges as a critical element, as customer concern about the environmental impact and their social responsibility has gradually risen. Those organizations that have adopted these trends and have incorporated them into their operations are likely to prosper in the future. Also, the modern consumer's desire to have unique pieces that can be produced for individual orders and the shift in the focus towards the Internet and online shopping poses specific threats to the industry.

Solutions such as virtual reality/augmented reality (VR/AR) and AI-based virtual fitting rooms have been met with much acclaim in the apparel sector. These technologies help contribute to saving time, effort, and resources along with the proper fit based on body measurements. A men's fashion lifestyle brand, Otero Menswear, had research info, and 93 percent of men have two different body types that require different fits. Through the personal avatar of Perfitly, one can

wear the shirt and have a complete circular view of how it will look like, in as much as it will feel to have the perfect fit without having to go through the various processes of guessing as seen with other online shops.

The future of digital marketing for the industry in Pakistan appears bright since Pakistan is also expanding at a fast rate in terms of technology and internet use. The increasing adoption of the Internet, social media platforms, and mobile devices is also influencing the adoption of digital marketing in Pakistan. The mobile population is growing with the rise of internet sites and applications, which are good platforms for firms to connect with consumers via digital marketing. Social networks, SEO, and mobile marketing will remain crucial for firms that want to reach out to customers in Pakistan. Another factor that will contribute to the growth of digital marketing in the country is the introduction of mobile wallets and digital payments, which will extend e-commerce to more consumers. To remain competitive and effective for customers in Pakistan, digital marketing firms and related businesses will have to focus more on technology and data analysis to enhance their targeting and communication efforts.

4.7 Best practices of Digital Marketing in apparel industry:

Technology has hence brought changes to how customers consume fashion products. Earlier, people used to go to physical shops to locate, see, and make purchases of what they require through electronic gadgets. This also helps the sellers to have more avenues to market their products digitally to a more extensive customer base. However, due to the high level of competition that has been observed in the online fashion industry, it can be challenging to be noticed. This can be achieved by developing and deploying sound marketing strategies that will give a brand a competitive edge.

The following points must be considered while developing a world-class e-commerce business in the apparel industry of Pakistan:

- **Offer a seamless user experience:** A link to a well-organized website with a clear structure and a laconic description of the product helps the customer make a conscious decision.

- **Provide diverse product options:** Provide various clothing categories for customers with different demographic profiles.

- **Offer competitive pricing:** Ensure that you have the current market price and provide affordable and reasonable prices to the customers.

- **Provide multiple payment options:** Provide different payment options for buyers' convenience to ensure a smooth purchase.

- **Focus on customer service:** Good handling time for customers' inquiries and concerns, as well as simplicity in their returns/exchange policies.

- **Invest in marketing and advertising:** Promote through different mediums to attract more customers and familiarize them with the brand's existence.

- **Utilize data-driven insights:** Gather information about customers to learn their preferences and improve the quality of the shopping experience.

Fashion digital marketing can be defined as fashion marketing that can be accessed through gadgets like laptops, computers, smart TVs, wearables, smartphones, and tablets. When executed correctly, digital marketing for fashion brands can be a powerful tool, enabling brands to reach their target market with special offers, increase brand recognition, foster brand advocacy, and drive sales.

Numerous digital marketing strategies exist in the fashion industry, but it is essential to find the best approach for your business. Let us highlight ten best practices of fashion digital marketing that are widely recommended for most brands.

1. **Create a simple and smooth online shopping experience**

Buying anything ought to be simple. Customers who have a great online buying experience are more likely to make more purchases, recommend the company to others, and write favorable reviews. It may provide the following effects to make for a great shopping experience:

- Give personalized product recommendations based on customer buying history,
- Make sure the website can be opened and accessed from any device and browser,
- Provide flexible payment options.

Integrating good POS software that can collect and sync all data in real time helps customers quickly learn about their preferences. The more you understand your customers, the better you can serve and delight them.

2. Optimize your fashion brand website to improve customers' online shopping experience.

Websites play a crucial role in promoting the brand as more and more customers are turning to the Internet to find what they want. To prioritize customer experience, it is essential to enhance website speed, simplify navigation, provide hassle-free returns, offer multiple payment options, and provide exceptional online customer support. Moreover, displaying social proof on the website can help establish trust with new customers and encourage them to make a purchase.

3. Applying SEO

SEO can bring numerous benefits to the fashion brand. It can increase online presence by attracting natural visitors to the website and raising brand awareness as visibility improves. Even though the results of SEO may take weeks, months or even years to be seen on your fashion e-commerce website its advantages will surely compound over time.

The most important aspect of SEO is consequently to find the relevant and appealing keywords applicable to drive customer and traffic attraction. The best way of having free traffic to the site popularizing the blog is to create it and having more exposure in case of searches on search engine results. Furthermore, using high-quality pictures optimized for the fashion website can help to keep visitor's attention and interest.

4. Create unique content

It is possible to create top-notch texts and graphics that will surely create a desire to buy sneakers in the audience and make your company stand out from other online stores that offer similar products. In cases such as close-up shots and lifestyle uses, the customer can almost

visualize the product in their possession. Including a video of how the item looks when worn on different body types is also one of the highlights in your material.

5. **Leverage influencer marketing**

According to a poll, 22% of buyers admitted to having purchased a product because of a social media influencer. Collaborating with influencers who possess a substantial fan base may draw interest and establish confidence in your offerings.

In order to get the best possible outcomes, it is advised to contact influencers who have a large following in their community and whose audience is comparable to your target market. For a higher return on investment, think about collaborating with influencers who are active on many platforms, such as YouTube, Instagram, TikTok, blogs, or TikTok.

Resources like images, videos, or brand standards are necessary to support the production of high-quality brand content.

6. **Email marketing campaigns**

While just a tiny percentage of website visitors will complete a purchase, companies may boost the chance that they will become customers by sending them targeted, automated emails that progressively reveal additional information. Additionally, it enables them to discover the kinds of goods and deals that clients are most interested in when they purchase.

7. **Email marketing campaigns.**

Fashion and luxury firms may use paid advertising as a valuable technique to boost sales and establish their brands. This simple approach enables the company to market its items to consumers rapidly. Your advertising efforts have various goals, such as raising sales, bringing in more visitors to your website, and reminding people of your brand.

8. **Join the social world to promote your fashion brand.**

As reported by Smart Insights, approximately 59% of the global population regularly uses social media. This highlights the importance of social media marketing for fashion businesses to reach more customers. Simply by posting your product reviews and your collection on sites such

as Facebook and Instagram, customers can easily make their choices and buy what they want with the click of a button.

5. Analysis:

PESTEL Analysis

1. **Political Factors:**

The government's influence significantly impacts the operations of the apparel industry in Pakistan since it controls several aspects of the operating environment. Subsequently, the following issues should be taken into consideration:

- **Government Policies:** The government imposes specific rules and policies that impact the apparel industry. Such policies may pertain to trade, taxation, employment, and import/export, among other things, in the two countries. For instance, shifts in the tariffs or duties on textile imports or exports affect the cost and the ability of apparel producers to compete effectively in the international market. Likewise, measures concerning employment relations and Persons Employed standards can impact production costs and legal obligations for apparel organizations.

- **Political Stability:** Political stability is essential to any industry's growth and development. The Pakistani case shows that political stability leads to local and overseas investment in the apparel industry. They opined that while political stability fosters confidence, leading to improvement, political instability can cause uncertainties, affect the supply chain, and discourage investments. Hence, a stable political environment is favorable for the operations of the apparel industry and encourages investment.

- **Government Support and Incentives:** This clearly shows that government policies and incentives can either positively or negatively influence the apparel industry. To support the sector's development, governments may provide subsidies, tax privileges, or other forms of fiscal support. Such incentives can involve direct cash subsidies to support R&D activities, export marketing initiatives, or infrastructure for operating the industry.

- **Trade Agreements:** This paper has also seen that Pakistan's membership in regional and international trade impacts the apparel industry in both a positive and negative manner. Trade agreements, whether bilateral or multilateral, can create new opportunities and often grant favorable access to export markets. On the other hand, the flow or changes in trade agreements or tariffs by the partner countries may affect the competitiveness of Pakistani apparel in those markets.

- **Political Relationships:** International relations between Pakistan and other countries also affect the apparel industry. Hostility between nations or strained relations with major trading partners may result in trade barriers or restrictions on exports or imports. On the other hand, positive political relations can facilitate trade relations and increase the chances of easing market access for Pakistani apparel products.

Companies in the apparel industry need to follow political activities, interact with stakeholders, and change their plans according to the new government policies and political environments.

2. **Economic Factors:**

Pakistan is already in an economic crisis, and most of the industries are suffering due to the dollar crunch, import constraints, and a higher cost of operations. All of them must be checked beforehand in order for their ships to be able to sail off. The most important economic factors include the following:

- **GDP and Economic Growth:** In its simplest form, the pattern and growth rate of the Gross Domestic Product (GDP) in Pakistan determines the performance of the apparel industry. There is usually a positive relationship between enhanced GDP and

improved purchasing power or consumer spending, which is likely to spur demand for apparel. On the other hand, lower GDP or economic contraction can make consumers spend less due to lower disposable income, hence lowering the demand.

- **Exchange Rates:** Changes in exchange rates are common and have an impact on the following dimensions of the apparel industry. Firstly, fluctuations in exchange rates affect the cost of raw materials and manufacturing equipment procured from other countries. Depreciation of a local currency against the major currencies may mean a rise in import prices, which might pose some risks to the apparel business. Secondly, movement in the exchange rates affects garment export prices since apparel price competition occurs in international markets.

- **Inflation and Interest Rates:** It means inflation is the relative rise in the overall price level of commodities and services in an economic period. Inflation denotes that consumers are able to purchase fewer goods and services, making apparel more costly comparatively. This results in decreased demands for apparel, particularly those that are not considered necessary in day-to-day life. This is so because interest rates determine the cost of borrowing for various entities, such as textile manufacturing firms. The affordability of funds may also be affected by higher interest rates, which may influence investment options in the industry.

- **Income Levels and Disposable Income:** Population income and personal disposable income are salient factors that determine consumer spending on apparel. Since cash-rich consumers entail more consumption, the increase in income per capita increases the demand for apparel products. Consumption of clothing, as noted, is a matter of choice. Therefore, the ability to consume comes after the exclusion of necessary expenditures in the form of taxes and other necessities.

- **Consumer Confidence:** Consumer confidence refers to consumers' dispositions regarding the general economy and their well-being. Consumer attitude and perception have a direct relationship with the level of apparel consumption. On the other hand, during periods of economic downturns or low consumer confidence, people's purchasing power may be low, or they may be less willing to purchase apparel.

These economic forces can influence the demand, price, and profitability conditions of the Apparel industry in Pakistan. Therefore, these factors should be closely observed before formulating appropriate pricing techniques or relevant product lines and market positioning strategies.

3. Sociocultural Factors:

It also shows that the sociocultural aspect has played a significant role in and influenced Pakistan's apparel industry. The following are some of the vital considerations that must not be overlooked:

- **Cultural Preferences:** From the perspective of the cultural values of the consumers in Pakistan, it can be inferred that consumers have certain cultural expectations when it comes to clothing. Culture and beliefs regarding dress codes, colors, and patterns all remain determinants of what people wear. Such aspects as restraint or reclusiveness may be valued, especially when it comes to dressing appropriately. This is evident through the traditional dress code, especially the men's shalwar kameez and women's shalwar, which are cultural clothing still widely worn. This tells the apparel companies that they have to respect and deliver goods that appeal to those cultural values in order to sell them.

- **Fashion Trends:** Fashion trends are another factor that affects the apparel industry to a large extent. Young Pakistani consumers are more conscious of fashion trends in the international market through social media, key brands, and fashion bloggers. It is essential to match the latest trends and provide a variety of styles, designs, and colors to cater to market demands.

- **Demographics:** The nature and trends of the population distribution within regions or countries are other factors that affect the fashion textiles industry. Pakistan is a country with a rapidly increasing population and a considerable number of youths. The young generation of consumers is known to be more fashionable, and they are the ones who are more willing to try out new fashion trends. As for the consumer market, the income levels and purchasing power of the population segments affect apparel consumption and the requirements for various categories of apparel, ranging from basic and inexpensive to luxury merchandise.

- **Gender Roles:** Gender stereotypes and norms affect the apparel industry. There are specific clothing trends and etiquette demands for males and females. For example, male Luvale's dress code is limited to traditional clothing, while female Luvale has the option of either traditional or western wear. This is an area that the industry has to meet, particularly in light of various changes in gender relations and trends in fashion.

- **Celebrations and Occasions:** There are many festivals and occasions in Pakistan which affect the fashion of clothes. Functions like festivals, marriages, and occasions related to religious practices and cultural celebrations generate more demands for ethnic and formal wear. This is an opportunity that apparel companies utilize by designing special collections or designs intended for such occasions with a view of cornering the market during special occasions.

- **Social Awareness:** Pakistani society is becoming more conscious of ethical and environmental issues, as well as fair trade. Today's consumers are more aware of issues like paid or forced labor, pollution, or the use of organic or reasonably obtained materials. This means that clothing businesses that adhere to the code of good behavior and address critical issues linking business and sustainability can appeal to consumers who are aware of the social problems in the world.

Apparel firms need to identify sociocultural forces so that they can address the market needs of consumers in Pakistan. To sum up, it is necessary to conclude that changes according to cultural standards, appeal to fashion trends, and consideration of social issues can be helpful in creating a business's competitive market position and developing brand identity.

4. **Technological Factors:**

The following factors are essential when looking at the technological factors that may drive the business and industry dynamics:

- **Automation and Innovation:** Technological changes in automation and innovation can revolutionize the apparel industry. The application of computerized technologies in manufacturing, like robotics, aids in simplification of production procedures, improvement of efficiency, and decrease in costs. Implementing automation in

apparel companies can help them upgrade the manufacturing capacity, time, and quality of the products.

- **E-commerce and Online Retail:** E-commerce and online retail marketplaces have also significantly influenced the apparel industry. The rise in relevancy, availability, and visibility of online marketplaces and D2C brands in fashion creates opportunities for apparel firms. Some advantages that it offers include: it makes products and services easily accessible through online shopping; and appealing and different product choice and advertising options. The apparel businesses need to have effective e-business and Internet commerce strategies to be put in place to fully adapt to the increasing number of internet consumers.

- **Digital Marketing and Social Media:** Marketing communication is important to the growth and development of the apparel industry and evolution of technologies has aided in improving the marketing methods used. Modern techniques such as social media, influencer advertising, and other techniques assist apparel companies to reach the appropriate audience. Social networks are the main channels that brands, customers, and markets use for interaction. The observations show that firms in the apparel sector should use digital marketing and social media to enhance brand acknowledgment, customer engagement and sales.

- **Supply Chain Management Technologies:** The use of technology has led to the improvement of the supply chains as understood in the apparel industry. Information technologies in the form of ERP systems, inventory applications, and data analysis tools make demand calculations easier, inventory more manageable, and supply chains better overall. By implementing these technologies, the apparel companies are able to manage their supply chain, reduce their expenses and increase their efficiency.

- **Product Development and Design Tools:** In regard to product design and development, the application of technology has predictably entered transforming the fashion industry. Design iteration in new product development can heavily benefit from CAD tools, 3D modeling, and virtual prototyping. It also allows designers manufacturers and retailers to cooperate in creating a better design, efficiency or output in the manufacturing phase.

- **Sustainability and Traceability:** Sustainability and traceability interventions involve using technologies in the apparel industry to enhance efficiency. For instance, the use of blockchain in supply chains will enable consumers to know where their garments originate from and independently confirm the sustainability of the product. Also, innovations in used textile recycling and the development of the newest materials, like bio-fibers and recycled textiles, help make a positive impact on the environment.

Thus, it becomes imperative for the apparel business in Pakistan to incorporate these technological developments in order to sustain itself in the global market. Automating business processes, utilizing e-commerce and digital advertising, streamlining supply-chain processes, and integrating green technologies can have a positive impact on overall organization efficiency, customer satisfaction, and, thus, long-term profitability.

5. **Legal Factors:**

This paper identifies legal factors as having a significant influence on the apparel industry's operating environment in Pakistan. Covering below points:

- **Intellectual property rights:** Strong IPR enhances a favorable legal environment that allows apparel organizations to safeguard their creations from issues of imitation and infringement.
- **Labor laws:** To be ethical, the globalization of apparel industries must embrace labor laws on wages, working hours, and occupational health and safety standards.
- **Trade agreements:** In the context of regional and international trade relations, Pakistan's engagements can affect the import/export competition for apparel products.

6. **Environmental Factors:**

- **Sustainability and eco-friendly practices:** Consumer pressure and concern have been growing towards making sustainable products that have minimal impact on the environment. This is both a threat and an opportunity for apparel manufacturers to adopt and incorporate green production methods and materials.

- **Waste management and pollution control:** Some of the issues include wastewater discharge, textile waste, and energy use that need to follow environmental legislation and standards for waste disposal.

However, they are crucial to understanding the cause-and-effect relationship, and it is necessary to remember that the details might change over time because of specific conditions and trends within the industry.

6. Factors determining successful digital marketing in the fashion industry:

Digital marketing entails the use of technology to popularize fashion goods and services through the Internet and other technologies, including websites, social media, email marketing, influencer marketing, SEO, and aid advertising, among others.

The ultimate aim of digital marketing within the fashion sector lies in targeting and communicating with the customer, improving brand visibility, and ultimately boosting sales. The factors that are crucial for successful digital marketing include emphasis on the customer experience, proper SEO optimization, influencer marketing, and personalized email marketing.

In conclusion, fashion organizations are in a position to fully leverage digital marketing strategies since these are aligned with the best practices, trends, and technologies in the market. Mainly includes:

1. SEO optimization

The act of identifying, using, and refining the right keywords and link structures to make your content simpler for search engines to scan and rank is known as search engine optimization. To put it simply, SEO ensures a certain rank in search results. Strategies for digital marketing cannot only be comprehensive if you keep an eye on SEO. To put it another way, SEO aids in focusing your marketing efforts on the right target audience, promotional channels, and crucial company metrics.

2. Website performance

One effective medium for a digital marketing campaign is a website. The success of the website also depends on how well it performs and functions. If a website is complex to use and loads slowly, it will not attract many visitors or leads. For websites to function well and provide visitors with pleasurable experiences, they must be easy to use, informative, visually appealing, and fast to load.

3. Timing

Brands should use digital marketing strategies. You cannot just implement whatever plan you come up with at any time. If you want to succeed, you need to use each sales tactic at the appropriate moment.

For instance, you might expect a spike in demand for beachwear like bikinis throughout the summer. Because of the fierce competition and high client demand during this busy season, you need to have a thorough digital marketing strategy for summer items.

Aside from peak sales season, your company could want additional sales time. To increase sales performance, you may utilize email marketing and sponsored advertising to provide great discounts and other promotions. The wonderful incentives you provide encourage customers to purchase your products and services.

4. Integration

It is necessary to use many digital marketing strategies at once. A good strategy requires fusing many strategies to generate synergistic power.

Here are a few examples of integrations:

- Make sure the material on your social media postings and website are the same.
- Incorporate social media connections into your marketing mailings.
- Integrate a point-of-sale (POS) system with online marketing platforms to create more precise buyer profiles of your potential clients. The POS system's ability to

gather and organize all customer data may facilitate a tailored experience across sales channels.

5. Personalization

Customization is essential for the success of any digital marketing campaign since consumers will always see the company as being customer-focused. Given that over 85% of consumers are prepared to pay more for superior customer service, personalization also enables small firms to compete in a larger market. Additionally, it may assist you in developing successful digital marketing campaigns that align with the shifting needs of your target market. These are some suggestions for you to consider:

- Personalize email content
- Use customized salutations in emails and chats
- When responding to consumer complaints, stay away from platitudes
- Utilize power phrases wisely
- Adapt website content to each visitor group or business
- Provide custom product recommendations based on customers' preferences

6. Budget

The effectiveness of your online presence will depend on the funds allocated to each marketing effort. Before considering a campaign, companies should assess the cost of the technique in order to avoid any delays or disruptions during its execution. The salaries of digital marketing employees, the price of the direct campaign across several platforms, and other expenses could all be included in the digital marketing budget. This money has to be wisely distributed among a variety of platforms and undertakings. In order to achieve this, you must compute the ROI information for each marketing campaign in order to support the existing marketing spend and budget. The marketing performance improves with a more significant ROI. A precise budgetary strategy for digital marketing can help you obtain the most return on your investment.

7. Digital marketing trends in the apparel industry in 2023

The following are the digital marketing trends in the apparel industry expected to dominate in 2023:

- **Personalized Experiences:** There is a prediction of individualized marketing strategies, which in the apparel industry will relate to the sale of apparel through specific, customized marketing techniques.

- **Voice Search Optimization:** Mobile voice search is on the rise, and fashion brands must adapt and ensure they are easily reachable through voice commands.

- **Influencer Marketing:** Since influencer marketing will remain an impactful technique for communicating with customers, fast fashion brands should continue to leverage this strategy in their campaigns, especially with micro-influencers.

- **Augmented Reality (AR) and Virtual Reality (VR):** The role of augmented and virtual reality will grow in the apparel industry. Customers will be able to try on outfits and accessories virtually, thus enhancing the experience of buying through the web.

- **Artificial Intelligence (AI) and Machine Learning:** Because of this, the application of AI and machine learning will expand in the fashion industry; they will help with the personalization of services, the echnologicalization of marketing functions, and the assessment of consumer patterns and tendencies in the future.

- **Interactive Content:** Quizzes, games, and polls will remain dominant in the apparel industry because they effectively capture customers' attention and keep them interested.

- **Eco-Friendly and Sustainability:** The specifics identified mean that sustainability and eco-friendliness will remain significant considerations influencing consumption decisions in the apparel sector. Brands that embrace these values and correctly signal them to their targeted consumers through online ads will benefit.
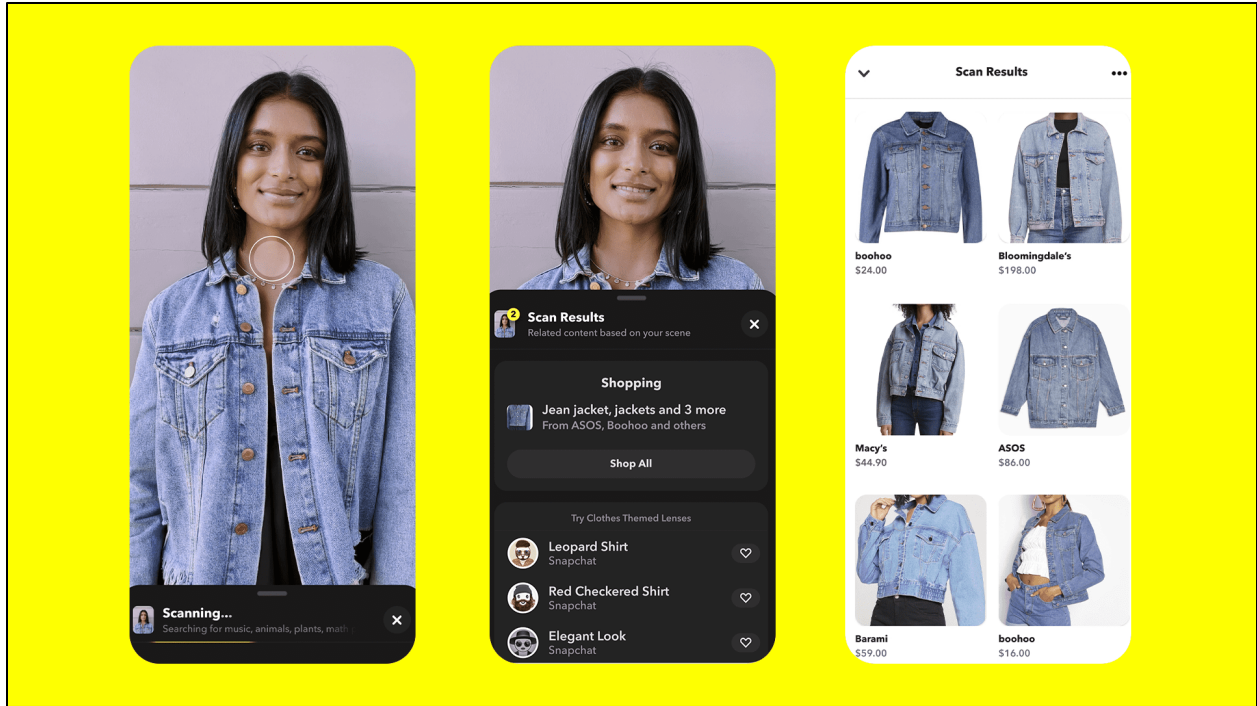
Figure 12 AI Based Models to customize the outlook

Furthermore, below are the essential specific social media-related trends that will remain effective in the near future (2023 to 2025)

a. Shopping on Instagram

Sprout Social data from 2023 shows that 70% of customers use Instagram to research their next purchase, and 90% of Instagram users follow a business. When paired with ads, Instagram is a great place for brand awareness campaigns.

Instagram Shops now allow brands to sell goods directly to customers, paving the way for social commerce. Customers may touch "View Shop" to begin scanning items and selecting their preferred size, color, and patterns once they are on your business page.

Following an order placement, customers are notified of all shipping information, including order tracking, via email confirmation and Instagram notification. Customers may evaluate a purchase before completing or canceling it.

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b. Influencer marketing

According to Insider Intelligence, 55.4% of marketers used influencer marketing in 2019. The same study projects that the proportion will increase by 17.1% to 72.5% in 2023.

Social media users may discover new fashion goods via influencer marketing and get the impression of trying them on without having to go to an actual shop. Customers may listen to reviews, check how an item fits, and talk to influencers about its advantages and disadvantages before deciding whether it would be a suitable match for them. Influencer marketing encourages consumers to buy from the comfort of their cell phones by making purchases more accessible than before.

c. Transparency

As customers' concerns about clothes' environmental impact grow, more and more clothing companies are disclosing their products' origins. Eco-friendly skincare products and cosmetics set the trend, and now clothing companies are catching on. To reduce their environmental impact, several major clothing manufacturers have begun to create sustainable fashion lines using organic materials.

d. Frequently renew marketing content.

Over time, changes in consumer behavior and style result in modifications to marketing trends. As a result, you must regularly update your marketing material by paying attention to trends if you want your marketing strategy to be effective. For instance, today's youth are drawn to simple clothing. Additionally, fashion manufacturers need to talk about and provide advice on how to follow this trend while still appearing current.

e. Incentives

Given that many consumers like receiving free or discounted goods, you may draw in these consumers and raise awareness of your online brand by offering suitable incentives.

Instead of providing customers freebies up front, you can provide loyalty programs with a customized fashion point of sale that allows them to earn discounts or complimentary things to

encourage their later purchases. Monthly discounts, gift contests, 15% off your first purchase, or 15% off for introducing a friend are a few suggestions for incentives.

8. Top e-commerce businesses for apparel industry:

There are several top e-commerce businesses globally for the apparel industry, some of which are:

- Amazon
- Zara
- Alibaba
- ASOS
- Forever 21
- H&M
- Walmart
- Target
- Nike
- Adidas.

These companies are leaders in the apparel industry due to their vast product offerings, customer reach, brand recognition, and investment in technology and digital marketing.

In Pakistan, businesses must study the difference these brands are making that makes them global players and leaders in digital product selling. Platforms like Amazon and Ali Baba are not even clothing manufacturers but online spaces where sellers have their profiles, and people (with the adaptation of the digital age) check in to buy products.

Due to shifting business factors, niche clothing businesses cannot compete with Amazon and other large retailers on pricing and delivery. Therefore, they must develop a distinctive selling concept and effectively convey it to their target market if they are to flourish online.

Across the globe, the apparel category—which includes clothing, shoes, and accessories—has seen some of the most significant increases in sales among all consumer items offered online.

The global apparel market size is expected to grow from $655.7 billion in 2023 to $703.11 billion in 2024 and to $918.71 billion in 2028.

Pakistan's Apparel Market Size: Estimated at USD 8.10 billion in 2024

Pakistan's Apparel E-commerce Market Revenue is estimated at US$521 Million by 2024

Global Comparison: The United States leads globally with US$134 billion in revenue in 2023.

Per Person Revenue: Pakistan generates US$35 in revenue per person.

Average Volume per Person: In 2023, the average volume per person in Pakistan's Apparel market will be 7.7 units.

Employment: Approximately 430 million individuals, or 12.6% of the global labor force, are employed in the fashion, apparel, and textile sectors. However, the majority of these people need year-round employment, labor law safeguards, set schedules, or employment contracts.

Online sales are expected to account for 40% of the apparel and footwear market by the 2030s.

Large fashion firms, such as Louis Vuitton and Gucci, have started directing their marketing budgets from print advertisements to digital platforms in recent years due to the increasing trend of online clothing purchasing. These companies are worldwide players, while smaller companies adjust to changes in other areas of their business, including fashion.

As more consumers purchase online, apparel firms that prioritize their online presence might see rapid growth. However, there is fierce rivalry. Large physical retailers, such as Macy's and Kohl's, have been devoting substantial resources to developing their virtual storefronts. Amazon's low costs and quick delivery are preventing conventional clothes stores from losing business to them.

9. Recommendations:

Achieving success in the highly competitive e-commerce space requires a strategic approach that leverages best practices across various business aspects. Here are critical recommendations for succeeding in e-commerce.

Creating buyer personas or customer profiles may assist organizations in deciding how best to interact with their audience, what kinds of material to test, and what message to use. Although buyer personas start as semi-fictional depictions of ideal customers, clothing manufacturers should utilize sales data, conversations with customers, and customer surveys to refine their personas as their business expands.

Businesses must have a clear plan and concentrate on the big picture to effectively digitize. The influence of digitalization will only be hampered if attention is paid to particular jigsaw pieces and current constraints. A human-centric and comprehensive strategy is essential for achieving digital success in the fashion industry.

Organizations need extra resources in addition to internal competencies to digitize end-to-end processes. To accomplish their objectives, businesses must enroll people with particular skill sets and combine them with already-existing information. Ninety percent of supply chain executives who responded to the study said they would educate existing staff members to be ready for the change to digital or onboard new talent with the necessary knowledge and abilities.

For a successful digital transition, organizations need strong leadership support, a clear strategy, and goals. The consumer should be the primary emphasis of an agile, adaptable, transparent digital supply chain.

Here is the checklist for organizations to start an online clothing business:

1. **Conduct market research:** Understand the potential customer, their competitors, and market trends to create a unique selling proposition and decide which products will be demanded.

2. **Choose a niche:** Focus on a specified product line and/or specific consumer segmentation and attempt to create one that is easily recognizable among consumers. For instance, is it an Easter party or a western bride attire?

3. **Develop a strong brand identity:** Develop a unique logo to represent the brand and establish an informative website and engaging social media presence.

4. **Choose a reliable e-commerce platform:** When deciding where to open an online shop, there are several aspects to look at: ease of use, options provided and price.

5. **Offer high-quality products and excellent customer service:** Customers should be offered quality to build a favorable name and win their hearts by providing quality products and good customer relations.

6. **Optimize your website for search engines:** Get familiar with SEO and optimize keywords used in the text of your online store, headings, titles, etc., to increase traffic.

7. **Utilize social media marketing:** It is advisable to include links to such social networks as Facebook, Instagram, and Pinterest with an appeal to the target audience.

8. **Invest in digital advertising:** To this end, it is advisable to deploy advanced tools like PPC ads, influencer, and other forms of digital promotion to get more traffic and eventually sell merchandise.

9. **Offer promotions and discounts:** Coupons and special offers can also be availed so that the customer can buy a product in order to get a certain percentage or kinds of discounts for the next purchase.

10. **Analyze your data and continuously improve:** Treat the employment of analytics tools to track the comparative website traffic, sales, and customers as an approach. Utilize it consistently to update the website and review the existing marketing messages alongside the product and service offerings.

The digitalization opportunity cannot be overlooked by the apparel industry anymore. It has gotten very competitive and thus creating trends and higher demands from consumers making it compulsory. Digitization is firstly needed as competition must be fought, and companies have to survive in environments which can be termed as unpredictable.

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