BEST PRACTICES FOR BUILDING AN
Apparel Loyalty Program

From trending styles to everyday staples, today's top apparel brands use loyalty programs to drive revenue, increase average order value, and boost basket size:

$100,000
average dollar value earned from loyalty per year

205%
increase in AOV from loyalty orders

176%
increase in basket size from loyalty orders

Here's how the best of the best in the apparel industry run their loyalty programs:

ⓘ Not sure where to start? Click the heading in each section to visit the related help article.

Visibility
Create a dedicated landing page and place it prominently in your website's header and/or footer, as well as a branded loyalty launcher. Customers will be able to easily find and access your loyalty program in a single click.

Program Settings
Reward customers with points for paid, partially paid, and fulfilled orders, but not for void, canceled, or Amazon orders. Point calculation should exclude shipping and taxes.

POINTS PROGRAM

Earning Rules
Incentivize customers to complete actions in exchange for points, including purchases, reviews, and subscriptions.

Orders: Give variable points for purchase, ranging from 1 to 10 points per dollar.

Account: Offer points for account creation (100 to 250 points), birthday celebrations (100 to 200 points), and newsletter subscriptions (100 to 500 points).

Social: Reward customers with points when they follow your brand's social accounts, such as Instagram, TikTok, and Facebook, ranging from 50 to 100 points. Consider customizing the point value for each individual social network depending on where your customers are most active and/or where you want them to be most active.

User-Generated Content: Give points for leaving product reviews (20 to 50 points), with an additional 20 to 40 points for including photos and/or videos in their reviews.

Additional Recommendations:

- Brands with low margins should focus on rewarding stickiness by offering points for multiple purchases, e.g. 200 points for every 3 purchases. Brands should also reward customers for writing product reviews and offer additional points for photos and videos to increase brand reliability and chances of conversions.
- Brands with high average order value (AOV) and margins, on the other hand, should focus on newsletter subscriptions to create a community mailing list for cross-selling opportunities.
- Brands with low margins, high volumes, and diverse SKUs should implement a cross-sell and product bundling strategy by rewarding customers for repeat purchases and multiple reviews.
- Lastly, brands with unique products should consider rewarding customers for engaging with their products by creating custom rules for reading blog posts and guides.

Redeeming Rules
Motivate customers to redeem their points in exchange for rewards, including discounts, free shipping, and free products.

Overall, apparel brands should offer fixed amount discounts in exchange for points, valued anywhere between $10 to $100 or alternatively, valued at around half of their AOV. The average dollar-to-point ratio is $1 per 100 points.

Additional Recommendations:

- Brands with high volume and low margins should incentivize repeat purchases and offer higher rewards at $1 per 20 points, with rewards ranging from $25 to $100.
- Brands with lower average order values (AOV) should offer smaller rewards at $1 per 100 points, with rewards ranging from $10 to $25.
- Brands with high volumes and low margins should not only incentivize repeat purchases, but also have a higher threshold for maximum redemption value, up to $150.
- Brands with low margins should also consider focusing on free shipping as a reward, ranging from 250 to 400 points.
- Brands that offer accessories in addition to apparel should consider rewarding customers with free products, where they can redeem points for popular accessories to increase their AOV and basket size.
- Lastly, brands with their own gift cards can offer fixed value discounts in the form of store gift cards to promote and reward stickiness.

REFERRAL PROGRAM

Give customers 200 to 500 points for each successful referral, and incentivize their friends with either a percentage discount (15 to 20% off) or dollar amount discount ($15 to $20 off). Brands with high order volumes should also consider rewarding friends with free shipping.

VIP PROGRAM

The most common VIP program structure consists of three tiers, where the base tier activates customers, the middle tier engages customers, and the top tier rewards brand loyalists that contribute the most toward overall revenue. When well-configured and properly promoted, the base tier should consist of approximately 60% of customers, the middle tier should be 30%, and the top tier should be 10%.

Brands should consider customizing the name of their loyalty program, VIP tiers, and points to improve brand recall and strengthen customer relationships. They should also leverage gamification in their tiers by incorporating challenges and rewarding customers for their achievements with experiences they truly value.

Additional Recommendations:

- Brands with higher average order value (AOV) and margins should offer personalized, experience-based benefits to higher tiers like personal shopper perks, early and exclusive access to products and sales, and exclusive invites to brand communities on platforms like Discord and Whatsapp. Reward values should be kept consistent across lower tiers, only increasing significantly in the highest tier.
- For brands with low average order value (AOV), they should offer free shipping and free returns as a tier perk, keeping reward values low for low and mid-tier customers while increasing it only in the highest tier.
- Lastly, brands with high volumes should offer free shipping as a VIP reward.

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To create this guide, we assessed the top apparel brands using Stamped Loyalty to identify common success factors by looking at their loyalty program set-up, execution strategy, and performance metrics. While these best practices are based on methodical quantitative and qualitative research, they are only recommendations, not requirements. They also do not guarantee the same results or level of impact demonstrated by these brands. We always recommend that brands assess their own needs, goals, and outcomes to determine what will work best for them.

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