



Knowledge Report

The CMO Brief: What's Driving Results in Fashion & Beauty Marketing

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In an era of channel fragmentation, evolving KPIs and data constraints, fashion and beauty's marketing leaders are confronting a new market reality. This knowledge report explores how they are redefining performance, reallocating investment and driving growth across the entire funnel.

In partnership with

Ekimetrics.

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Executive Summary

The fashion and beauty marketing function is in flux.

In 2025, both industries face a number of challenges — from increasing customer acquisition costs to competing for attention across saturated channels. Although inflation has waned, consumers have a diminished appetite for discretionary spending amid today's turbulent global economy.

This market reality requires brands to make additional investments to communicate their value proposition and to encourage consumers to part with their money — a pressure largely shouldered by marketing teams.

Meanwhile, consumer trust is under threat amid price hikes. Over the past 50 years, US brands have historically raised prices by 5 to 7 percent annually, already more than twice the rate of inflation, according to Bernstein research. Since the pandemic, however, most brands have raised prices even faster, by a double-digit percentage annually, according to a [2024 Bernstein report](#). As a result, 73 percent of US Gen-Z consumers report changing spending habits because of increased prices, according to *The Business of Fashion's* [The State of Fashion 2025](#) report, published in partnership with McKinsey & Company.

Communicating brand trustworthiness is increasingly complex. The effectiveness of performance marketing has dwindled, making it difficult for brand communications to cut through — 80 percent of Gen-Z globally report feeling overwhelmed by their exposure to brands, according to *The State of Fashion 2025* report. The introduction of data privacy regulations, meanwhile, restricts customer targeting, meaning fashion marketers need to find new ways to engage shoppers.

While brand marketing — with its more intimate and entertaining approach, focused on fostering long-term emotional connection — offers a solution, many brands do not have the measurement techniques to determine its return on investment (ROI) to justify budget allocation. Yet, its effectiveness is clear. In a Sprout Social consumer survey of more than 1,000 consumers, 76 percent said they would buy from a brand they feel connected to over a competitor, and 57 percent say they are more likely to increase how much they spend with a brand when they feel connected.

Another challenge lies in understanding how to balance investments across marketing levers, and then measuring their success over the long-term, particularly as most brand strategies and sales targets cater to shorter-term key performance indicators (KPIs).

“What we see being the main issue is the use of several different and fragmented measurement approaches that do not speak the same language, that are focused on isolated results, and that ultimately fail to capture the bigger picture,” says Sona Abaryan, partner at Ekimetrics, a leading tech-enabled data science firm which has supported over 50 luxury brands to pioneer the use of advanced analytics and AI to improve marketing effectiveness.

“Typically, what this leads to is CMOs [chief marketing officers] having a competing view of ROIs, if at all, and not having the right tools to look at everything holistically to drive both short and long-term business goals,” Abaryan adds.


This knowledge report, published in partnership with Ekimetrics, will explore common challenges to marketing success, and how to overcome them, with actionable insights from expert consultants, marketing leaders and executives from brands including Calvin Klein, Tod's Group, American Eagle, Rare Beauty and Merit on how to rethink marketing strategies in 2025.

Key Challenges



01. Building and Measuring Brand Equity

Quantifying the impact of brand marketing on long-term business health has long been a challenge for CMOs, often lacking the evidence to present to their CFOs. We explore how fashion and beauty brands can continue to nurture brand connection, unify brand and performance marketing, and implement robust measurement frameworks to balance short-term KPIs with long-term brand health.




02. Tapping into Underserved Media Channels

As media channels expand and fragment, crafting an effective, integrated cross-channel strategy has grown increasingly complex. Marketing leaders are challenged not only to orchestrate reach and relevance at scale but also to deliver measurable outcomes across a complex array of established and emerging channels such as sponsorship, retail media networks, and influencer partnerships — many of which defy traditional evaluation frameworks.



03. Fostering Cross-Generational Reach

Consumers aged 50 and over now represent nearly half of global fashion spending and hold more than 70 percent of US personal wealth. To broaden their appeal beyond youth-focused marketing, fashion brands can leverage psychographic segmentation, interest-based media planning and customer lifetime-value insights to achieve genuine cross-generational reach.



04. Unlocking the Full Potential of Creative

A recent study by Ekimetrics and YouTube revealed that 81 percent of creative campaigns fail to follow best practices. However, optimising that process could allow brands to double their ROI. With brands more risk-averse and creative confidence waning, data-driven creative frameworks, localised content and measurement techniques emerge as crucial levers to unlock the full value of creative investment.



05. Strategic Pricing for the Long-Term

Over 70 percent of consumers say that sudden or excessive price increases negatively affect their perception of a brand. This chapter encourages CMOs to play a more active role in pricing decisions, advocating for the customer while leveraging price elasticity analysis, value-led storytelling and cross-functional collaboration to drive sustainable growth.

Challenge 1

Building and Measuring Brand Equity



Previous estimates have suggested that we see thousands of advertisements a day — both consciously and subconsciously. (Getty Images)

With the rise of interest-graph algorithms adopted by platforms like TikTok in recent years, consumers today are accustomed to curated feeds that serve their personal interests and expectations. Consequently, content preferences have swung in favour of authenticity.

More broadly, today's consumer is also increasingly disengaged from the content they consume, with attention split between multiple screens and activities at any given time. Adults in the US spend between 13 to 18 hours on media daily, with concurrent activities across second or even third screens, according to management consulting firm Activate Consulting.

As a result, individuals — particularly younger generations — have grown accustomed to blocking out brand noise. Gen-Z reportedly loses active attention for advertising after just 1.3 seconds, according to a global study by Yahoo, Omnicom Media Group (OMG) and Amplified Intelligence.

To cut through the plethora of online content crowding digital and physical

spaces, brands need to foster emotional connection, while surprising and delighting their customers in activations, which extends beyond products or spotlighting star power.

“It is about storytelling and building community [...] and engagement and touch points that people consume: be that more niche collaborations, be that podcast appearances from the founder... People are very much interested in the story [and] the history behind brands,” says Joe McDonnell, director of global consumer, marketing and retail trends at trend forecasting company WGSN.

The cultural shift to favouring authentic content marks the diminished effectiveness of performance marketing, an approach which targets customer acquisition and has historically been prioritised by brands due to how easily its impact can be measured. Its ROI is directly trackable with shorter-term success indicators, such as clicks, sales or leads.

However, these shorter-term ROIs are declining, due to rising competition and the increased difficulty of cutting

through, resulting in skyrocketing media costs. This means that brands who over-index on marketing at the lower funnel — or customer acquisition — are damaging their longer-term brand health.

When it comes to building on their identity, preserving its essence and cultural relevance in an ever-evolving zeitgeist, brands must grasp incremental ROI rather than relying solely on last-click attribution, and work towards balancing short and long-term KPIs.

While these essential brand-building activities, such as fostering intimacy and surprising customers, may seem abstract, they *can* be measured through data. Although they do not show up in last-click attribution — a measurement method that credits conversion to the last consumer touchpoint — they are evident in changes in metrics such as organic search volume, social sentiment and brand consideration scores.

Convictions



Rare Beauty's Rare Impact Fund hosts an annual benefit to raise money for mental health care and destigmatise a subject matter close to the founder's heart. (Rare Beauty, Getty Images)

Emotional Connection Drives Brand Equity

Consumers today are searching for genuine brand connections centred on a sense of camaraderie, community and purpose. A 2024 Edelman survey found 84 percent of consumers across age groups said they need to share values with a brand in order to buy from it.

A personality-driven approach fosters that emotional connection. Take Rare Beauty — the makeup brand founded by 33-year-old actor, musician and social media personality Selena Gomez. The brand links its identity closely to its founder, who has a significant online following. At the time of writing, she is the fourth most-followed personality on Instagram with 419 million followers.

Central to the business' mission is its Rare Impact Fund, an initiative that supports the mental health of its community, employees and partners. Gomez speaks openly about her struggles with mental health, having been

diagnosed with bipolar disorder, and her transparency lends credibility to the work the brand does in this area.

"We have been very intentional about using [Gomez's] cultural influence in a way that feels integrated, not transactional," says Katie Welch, Rare Beauty's CMO.

For Stacie Henderson Capece Minutolo, CMO of the Americas at Tod's Group, it is about showing up where your consumers are, while leveraging the brand's heritage, in order to build intimacy.

"Start with the owner, the founder, the creative director. You start with the heritage of the company. You start with what feels good to the people who founded the company," she advises. "It has to be compelling, it has to feel real."

Tod's recent "Italian Diaries" campaign is centred around its iconic hero product, the Gommino driving shoe. It tells the story of the brand's heritage from a villa in Tuscany, while also featuring behind-

the-scenes candid moments with model Lennon Gallagher through playful TikTok content, leveraging the models' own personality to build an emotional connection.

Leveraging Collaborations Will Drive Discourse

Eighty one percent of consumers say the best way for brands to stand out and earn their loyalty is to surprise and delight them, according to data from digital business transformation consultancy Merkle. "At the core of it, there has to be some form of novelty," says Merkle's global chief strategy officer, Holden Bale.

Four-year-old makeup label Merit, founded by Who What Wear's Katherine Power, was designed to be the go-to makeup brand for Millennials and Gen-X. The brand is associated with taglines such as "clean beauty" and "five-minute makeup", with several core products sold in sets, to be applied with a minimalist approach.

Merit's recent creative tie-up with Brooks Brothers is an example of leveraging collaborations to delight its customers. It involved a dry-cleaner-inspired pop-up in New York and the creation of a shirt with the preppy American brand widely recognised as the inventor of the button-down. The partnership saw high online engagement across both Merit's and Brooks Brothers' social channels.

"I don't think anybody would look in an Excel [spreadsheet] and say, 'Yes, Brooks Brothers and Merit are absolutely two brands that make sense [together],'" Aila Morin, Merit's CMO, tells BoF. "But then when you build out the story and you know what you're trying to evoke through the metaphor of the uniform, it makes total sense."

Understanding the success of such campaigns is about having the right measurement lens. The challenge lies in building a framework that connects novel, creative successes with long-term sales impact — turning brand perception into something measurable and valuable.

For Craig Brommers, the CMO of US retailer American Eagle, novelty emerged from pairing the Gen-Z-loved retailer with one of the cohort's favourite TV

series: "The Summer I Turned Pretty." Earlier this year, the brand debuted its second collaboration with the show's three lead actors to coincide with the final season dropping on Amazon Prime Video.

Brommers was interviewed by BoF before the launch of American Eagle's latest denim campaign featuring Sydney Sweeney — an activation which has sparked controversy and a polarising response. The ad used the wordplay "Sydney Sweeney Has Great Jeans" — a double entendre referencing Sweeney's appearance and the brand's denim offering that has garnered more sinister interpretations.

More than 53,000 posts on X have reacted to the ad, according to narrative intelligence company Peakmetrics. Much of the commentary centres around racial insensitivity, gender inequality and broader concerns about the ad undermining social progress.

Despite this reception, the brand's share price surged 24 percent that same day of the ad's launch — its biggest daily increase since August 2000.

As debates continue to inflate online around the campaign's true meaning,

the ad has undoubtedly increased wider awareness for American Eagle. Indeed, 62 percent of men and 50 percent of women said they were "very or somewhat likely" to purchase from the retailer despite awareness of the controversy, even if they do not typically shop there, according to a survey conducted by The Drum.

But while the campaign may generate a short-term spike in sales for American Eagle, embracing shock value for virality can be dangerous — potentially harming or undermining a brand's meticulously crafted identity over the long-term.

Understanding your brand's guardrails requires an understanding of how far you can push your brand voice.

Katie Welch, CMO at Rare Beauty, compares the role of brand guardian to that of a trend forecaster, with an idea of "where attention is going, where emotion is going, where pop culture is going, and how can [the] brand show up authentically in those three arenas so that you're not chasing relevance, but creating authentic relevance within your community and beyond."



Merit's recent creative tie-up with Brooks Brothers is an example of leveraging collaborations to delight customers. (Merit Beauty)

Solutions

Unify Brand and Performance Marketing

Traditionally, businesses have treated brand and performance marketing as two separate entities, with brand marketing seen as a longer-term investment with somewhat indistinct measurement and performance marketing designed to drive more immediate revenue on DTC channels. Businesses have also typically pitted spend against one another, rather than encouraging these disciplines to work in unison.

[Previous estimates](#) have suggested that we see thousands of advertisements a day — both consciously and subconsciously. If your brand marketing techniques succeed in surprising and delighting your customers, snippets of those activations running as paid ads will help with cut-through. Indeed, using performance marketing to boost your brand marketing investments can help create a holistic brand experience for your consumers, and will encourage the likelihood of those ads resonating.

“With respect to [optimising] a lot of Google, PMAX campaigns, [...] banner ads on Google, pretty much no matter what you do, [it] is not going to surprise and delight anybody. That’s a cost to play. That’s inserting yourself into a purchase funnel or into a decision funnel,” says

Bale. “You cannot surprise people without being clever and without being playful with your brand.”

Brommers reflects on how brand investments feed paid ads’ performance at American Eagle. “The reality is: the data tells us that more brand [investment] generally means more efficient and more effective performance. And so, when we pull back on brand, we will potentially see a dip in performance marketing. [...] Building brand is actually really building our business.”

WGSN’s McDonnell suggests combining brand and performance marketing techniques for a stronger result for brand performance. “It’s that idea of leveraging social content, telling a story, building an audience, getting people engaged, [...] doing all that brand building, and then following it up quickly with the more performance metrics — for instance, this is the shirt that the influencer was wearing; this is where you can buy it, [and] you can get it next-day delivery. [...] Just reinforcing all of those messages.”

Drive Internal Collaboration

Customer journeys are no longer linear. A prospective customer might initially discover a product on TikTok, for example, to later be reminded of the product when flicking through a

magazine, which inspires them to search for the product online or visit a store.

“You go through one touchpoint and then another, and it’s like a cycle. So it means that a consumer interacts with multiple touchpoints before deciding to go through [with] the purchase,” shares Camille Erard, partner and head of retail luxury, fashion and beauty at Ekimetrics.

As a result, an end-purchase that was inspired by a creative campaign might show up as a success for the e-commerce team. With this in mind, teams need to work together to identify and optimise cross-departmental attribution reference points, to communicate which touchpoints they are targeting and how.

Effective collaboration between CMOs and CFOs is crucial. Marketers might lack 360-degree metrics for their investments, while finance teams may not have clear evidence of marketing’s impact on both short- and long-term growth.

Measurement is critical to generating ROI and should be treated as a value-driving asset. Teams must first align on a single source of truth and a shared investment language, then agree on measurement goals and KPIs to enable the appropriate budget allocation.

Erard suggests a “cross-functional steering committee around the measurement approach of a particular creative campaign or project”. She explains that, at Ekimetrics, the company hosts “individual interviews [as well as] a global session with the CFO, CMO [and the] CCO to align around ‘golden’ questions that the project will answer, and to make sure that everyone will get interesting inputs from the project [so that they are all] invested in the success of the approach.”

Remaining relevant and showing up for your consumers in meaningful ways requires speed — and churning out a new campaign requires access to a flexible budget. Such activity is only possible if teams are aligned around the value of this kind of marketing push.

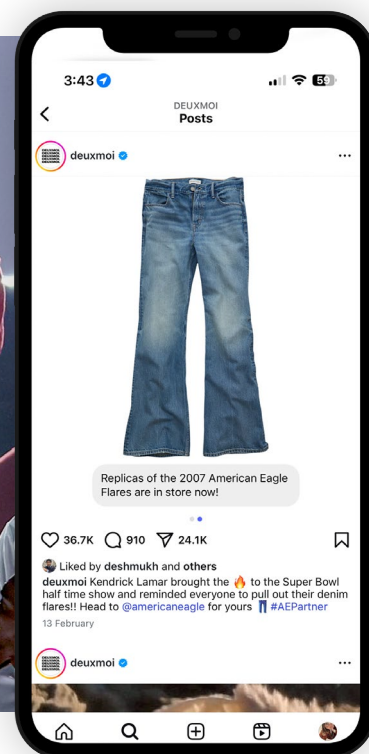
At American Eagle, for instance, check-ins between finance and marketing occur daily and weekly rather than quarterly or less. Brommers cites Kendrick Lamar wearing bootcut jeans at his performance at the Super Bowl Halftime Show earlier this year as being a moment for the brand to “pivot quickly to drive a certain story.”



Teams must first align on a single source of truth and a shared investment language, then agree on measurement goals and KPIs to enable the appropriate budget allocation. (Getty Images)



In order to react quickly to cultural moments, reserving budget for pivots or quick responses is critical — and requires a collaborative culture across functions. (Getty Images and Deux Moi, respectively)



Specifically, the style of jeans had evoked conversations online among nostalgic consumers, and American Eagle sent bootcut jeans to creators to capitalise on the moment. The brand also partnered with pseudonymous Instagram account Deux Moi, which shares tip-based insights and information on popular culture. An anonymous “tip-off” post on the account jokingly implied that Lamar had borrowed his fiancé’s American Eagle jeans from 2007, minutes before heading on stage.

In order to react quickly to cultural moments, reserving budget for pivots or quick responses is critical — and requires a collaborative culture across functions.

Quantify Brand Equity to Ensure Like-For-Like Comparisons

Brand health, while an abstract concept, can be measured through both qualitative and quantitative metrics.

Qualitative data extracted from social channels can be an excellent means of interpreting brand health — particularly online engagement. It typically gives earlier signals, prior to other metrics like traffic or revenue, allowing marketers to vouch for an activation’s success quickly.

“To me, brand equity is trust. And trust shows up in the [direct messages] we get from customers saying we helped them through a hard day. It shows up when someone wears Soft Pinch Liquid Blush to a big moment,” says Rare Beauty’s Welch.

“We look at engagement quality more than quantity. Are people sharing their own stories?

Are creators organically posting before we even launch a campaign? Are we seeing genuine curiosity in DMs and comments [...]? Are people tagging their friends not because we asked them to, but because they actually want to share something they love? If we’ve built enough emotional equity up front, the sales follow,” she adds.

Awareness, desirability, buzz, and consideration are also valuable brand health KPIs to follow in response to branding and media campaigns, but these can take a little longer to bear fruit. Moreover, if your media’s objective is to drive such brand health metrics, and a business is not measuring them, there will naturally be a blind spot in perceptions of the marketing teams’ success.

When it comes to quantitative data, brands often struggle to find a metric that accurately represents brand equity — particularly in a way that speaks to the metrics familiar to other functions within the business. In order to be able to compare success stories, the qualitative data needs to be interpretable in quantitative terms — which will only strengthen the case of brand investment to your CFO.

Digital metrics exist — such as pageviews, traffic growth and quality of traffic — which represent some of the most accessible in understanding brand performance. CRM

metrics also provide an understanding of your customer, which help determine client acquisition and retention.

However, it is a combination of these with other aforementioned qualitative metrics that can better align businesses around a universal evaluation of brand health. Indeed, evolving perceptions of brand power require relevant measurement techniques — a pain point where Ekimetrics can support brands. Fundamentally, CMOs require a measurement of both short-term business indicators, such as sales, volume of sales, and traffic, alongside longer-term metrics, such as brand awareness, consideration, buzz and desirability.

Erard associates volume of web search, for instance, with qualitative buzz. “It could be negative buzz, but it’s [still] a way to see the dynamic,” she adds.

Balance Short-Term Wins with Long-Term Gains

Brands need to establish a realistic timeframe around which KPIs to track and align the business around these.

“If [marketing teams] implement marketing ROI, then it will automatically favour short-term measurement, meaning short-term drivers with transactional ways of pushing things, [...] like search and promotion. This is because they don’t imagine that you can measure impact on brand image and on long-term sales,” says Erard.

Indeed, Ekimetrics reports a steady increase in lower-funnel allocation of media in a strive to push short-term sales among brands. According to Ekimetrics' data, the fashion and luxury industries underinvest in brand equity, with an estimated 50 percent of paid media going towards upper-funnel marketing amongst fashion brands, versus 62 percent in beauty.

Short-term marketing success indicators must not overshadow the longer-term when it comes to measuring brand equity. Indeed, understanding the entire marketing funnel through measurement — from brand awareness to conversion — helps to offer a holistic view of marketing success.

Meeting longer-term marketing goals can mean harder breadcrumbs to follow, which makes internal alignment key. "Understand the potential lag of a big moment, meaning that if a big moment happens, not everyone reacts immediately," shares American Eagle's Brommers.

Ekimetrics offers a full-funnel, multi-stage measurement framework, which tracks the impact of a programme on short-term sales as well as on long-term branding. This framework allows brands to better understand and set up constraints over the long-term — something which many brands currently lack, according to Abaryan.

For a business that "wants to invest less than 50 percent of advertising and promotion budget in long-term drivers, and at the same time, maximise the short-term sales, this is the framework that will help to convince all the stakeholders across the board," says Erard.

This framework helps avoid reactive decision-making and ensures sustainable, successful marketing impact over time because it equitably measures brand and performance marketing in one ecosystem using relevant KPIs.

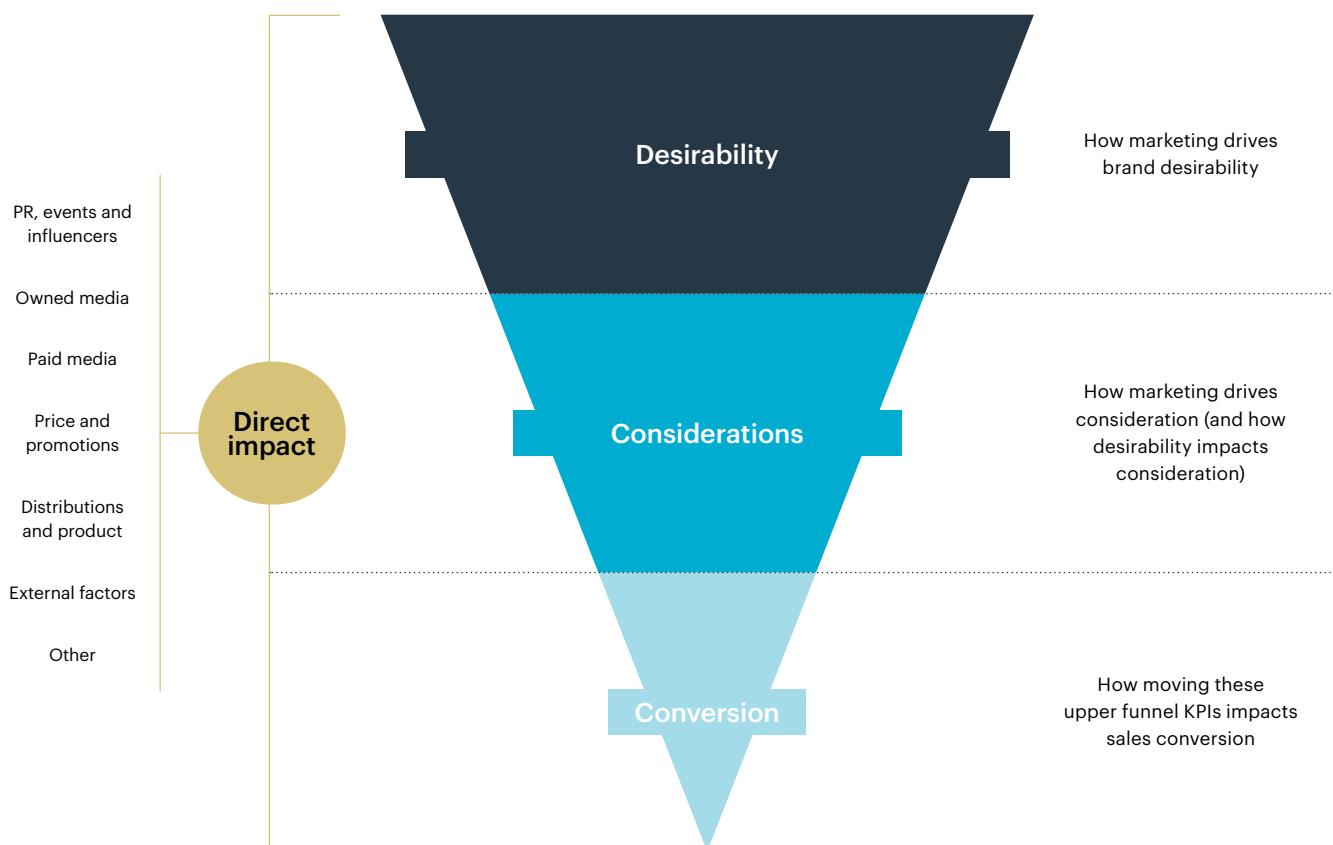
"Businesses like The Estée Lauder Companies have leveraged this multi-

stage approach for several years," says Doug Jensen, head of business development at Ekimetrics, and formerly an SVP in a global data and analytics role at The Estée Lauder Companies. "It allows them to more accurately measure marketing levers that are meant to impact upper-funnel KPIs — like search — as a proxy for desirability, while having visibility into marketing's contribution to each stage of the funnel."

Exhibit 1

Ekimetrics' full-funnel measurement framework

The framework considers three key stages of customer journeys, and offers a means to measure the effectiveness of marketing tactics holistically across all.



Source: Ekimetrics

Challenge 2

Tapping into Underserved Media Channels



New channels are gaining popularity but have been underserved by measurement due to a lack of good data quality. (Torso for Calvin Klein)

As media channels continue to evolve and proliferate, developing an effective cross-channel strategy has become increasingly complex. Marketers are now expected to balance reach, relevance and performance across a growing array of platforms – many of which are still emerging, underutilised or harder to measure.

“Channel strategy has always been pretty hard, but today it’s [evolving] fast,” says Bale. “Merkle projects that by the end of this decade, 100 percent of advertising will be addressable, shoppable and accountable to performance outcomes.” This assumes some leaps in terms of technology, “especially when you consider things like unaided awareness or out-of-home activations like billboards, but this is the way the market is going,” says Bale. “It’s what everybody wants.”

As brands navigate this increasingly complex ecosystem, success hinges on selecting the right mix of channels — each with its own strengths, trade-offs and demands.

The lucrative world of sports sponsorships is one such area where cultural relevance can be garnered and built at scale, but it requires significant investment and know-how. What’s more, often the commercial return trails the moment itself.

Retail media networks (RMNs) are also gaining traction as retailers seek to benefit from their own traffic — a win-win for the brand-retailer relationship. Meanwhile, influencer and creator partnerships present powerful ways to build engagement and trust, but the latter is hard-won and easily lost.

Simultaneously, platforms like Reddit and Discord offer deeper connections with niche, highly invested consumer groups. However, these channels require a shift in measurement metrics to justify the uplift in monitoring discussions and for brands to maintain an open, active dialogue with consumers.

The above channels are gaining popularity but have been underserved by measurement due to a lack of good data quality as well as a lack of the right measurement practice. According to Ekimetrics’ data, sports sponsorship, RMNs and influencer partnerships present significant investment and ROI potential. This chapter will unpack how to understand their value.

Convictions



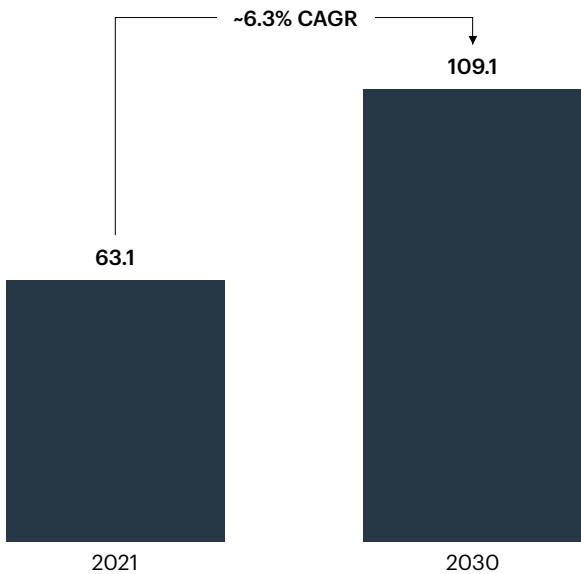
Sephora has announced its partnership with the WNBA’s Valkyries, securing naming rights for the team’s training facility — now called the Sephora Performance Center. (Getty Images)

Exhibit 2

The rapid rise of sports sponsorship

The market is expected to grow by over 70 percent by 2030, driven by rising brand investments.

Market size
USD (billions)



Source: PwC

Sports Sponsorship Drives Cultural Relevance

Fashion and beauty brands have steadily increased their spending on sports marketing in recent years, as they seek to be part of the booming sports sponsorship market, which is projected to grow from \$63.1 billion in 2021 to \$109.1 billion by 2030, according to PwC.

The beauty sector specifically is enjoying increased association value with sports as a category. Netflix’s series “Running Point”, starring Kate Hudson and following the first female president of a basketball team, featured a storyline involving a Sephora sponsorship.

For Sephora’s CMO Zena Arnold, the placement was a calculated decision and a glimpse into the brand’s broader aspirations. In January, the retailer revealed it would serve as the title sponsor for Unrivaled, a newly launched professional women’s basketball league. Just a few months later, it announced its partnership with the WNBA’s Valkyries, securing naming rights for the team’s training facility — now called the Sephora Performance Center.



Coco Gauff winning the US Open in 2023. (Getty Images)

“It was just so serendipitous that [the show] came out just as the news of our real-life sponsorships were coming out,” Arnold [told *The Business of Beauty*](#) earlier this year. “People love to see brands that can engage in meaningful ways.”

As a benchmark, the average incremental media ROI across the fashion and beauty industries is 3.2x, according to Ekimetrics. The data science firm reports that ROI on sports sponsorships is highly variable — ranging from 1.2x to 4.1x — offering significant rewards when done right, but risking wasted investment if managed poorly.

“Sponsorship is a large investment of both money and time. It also doesn’t come with much two-way negotiation or data-sharing,” says Abaryan. “We see room for improvement at the contract stage, but brands also need to have the right KPIs in place to measure success.”

Sometimes, genuine cut-through in this space requires anticipating future impact.

Last summer, American Eagle partnered with US tennis star Coco Gauff on a range of products. Embossed on the back of one jacket from the collection was a quote from Gauff, taken from her speech after winning her first Grand Slam title at the US Open in 2023: “Thank you to the people who didn’t believe in me.”

“On the day the collaboration launched, Coco was named the female flag bearer for Team USA for the Paris [2024 Summer] Olympics,” says Brommers.

When considering Activate Consulting’s research into consumers multitasking across channels, sports remain one of the only “by-appointment things to watch or tune into live — everything else is on demand,” said Clive Reeves, then PwC’s UK sports leader, in BoF’s [case study](#) on fashion’s new rules for sports marketing in 2024.

Indeed, sports is enhanced by those channels as the viewing experience increasingly becomes multi-screen and multi-platform. For brands, tie-ups with athletes on social channels — rather than large-scale team sponsorship deals — can cut through the noise. This means that brands do not need to rival the spend of sponsorship giants. Rather, Ekimetrics recommends that what matters most are the KPIs in place, regardless of investment level.

“Sponsorship is typically an upper-funnel driving tactic. So, if you’re only looking at sales results, you will not be capturing the full impact of what that sponsorship is driving,” says Abaryan. “With that in mind, there’s a lot to think about: how will you measure reach? Will the data quality be strong? Are you making a significant

enough investment for the impact to show up clearly, even beyond the noise? Having a solid measurement plan is absolutely critical.”

Measuring Sports Sponsorship

To accurately measure sports sponsorship, brands should:

1. Define the brand metric that the sponsorship is targeting and ensure that it is tracked both before and after the sponsorship.
2. Negotiate a comprehensive data agreement, or budget to buy the exposure metrics needed to quantify reach and quality.
3. Measure the full picture of its effectiveness, including owned and paid media amplifications, as well as the global impact of the sponsorship beyond the borders of where it takes place.
4. Integrate the aforementioned brand KPIs into an incremental measurement framework to quantify how sponsorship drives a change in this KPI, and in turn, how that KPI drives short- and long-term sales.

Retail Media Networks Extend Brand Visibility

Retail Media Networks (RMNs) are paid advertising on platforms with in-app, transactional e-commerce capabilities. Today, they are becoming a formidable advertising avenue, particularly as retailers seek to profit from their own traffic and first-party behavioural data.

Nordstrom was the first major fashion player to launch an RMN. At the end of 2021, the luxury department store chain enabled brands to advertise to Nordstrom and Nordstrom Rack customers via on- and off-site media campaigns. Those channels include paid social and display ads, video, search and shopping, connected TV, custom content creation and native display ads, among others.

“One of the challenges is how that data gets passed between brands and retailers, and the quality that’s shared,” says Abaryan. “I think retailers need to tighten up their measurement strategy for those ads so that they can provide brands with the appropriate read.”

While there is room for more considered metrics, the market itself is set to see a period of sustained growth. According to research and advisory firm Coresight Research, the global RMN market is set to grow from \$179.5 billion in 2025 to \$257.3 billion in 2028, with a CAGR of approximately 14 percent from 2023 to 2028. Meanwhile, Ekimetrics’ benchmark suggests that most brands have between 8 and 12 percent of total media spend invested in RMNs.

Ekimetrics’ data also claims RMNs can offer a 15 percent higher ROI above the average in the beauty sector, and up to 30 percent above average in fashion — although there remains a high variability depending on the retailer, tactics and objectives.

Indeed, the dynamic between brand and retailer in this evolving space is complex. Abaryan believes it is becoming more “pay-to-play”, just as brands used to compete for shelf space at retailers. “This is where brands need to now invest, to participate, to have visibility with the retailer. It’s almost becoming part and

parcel of the trade negotiation rather than a media play,” she adds.

Bale agrees that it has always been a line in a marketing budget. “Traditional wholesale relationships required money from brands to do promotions, discounts or store advertising, or even being shown in a retailer catalogue,” he says. “Today, it’s reframing the thinking — [because] these retailers want more and more of your marketing dollars.”

At WGSN, reporting suggests that the evolution of this space will be technology that connects RMNs with physical footfall, bridging online and offline channels.

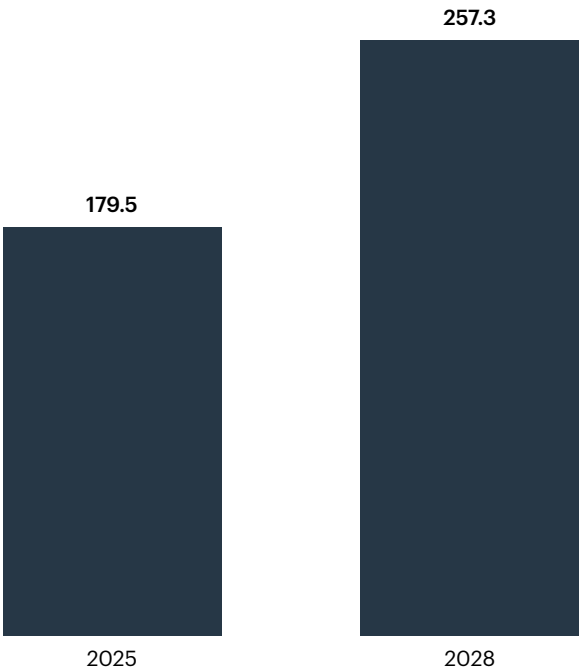
“We are tracking [how] the next phase of this will be new technology which can measure footfall in shopping malls, while also directly capturing how that impacts spend,” says McDonnell. “So you can, in theory, always directly measure how many people have seen your outdoor advertising and then quantify what is the push to purchase. This is relatively uncharted territory.”

Exhibit 3

Retail media networks are an increasingly valuable marketing asset

The global retail media network (RMN) market is projected to grow by over 43 percent between 2025 and 2028, with a CAGR of approximately 14 percent.

Market size
USD (billions)



Source: Coresight Research

“Retailers need to tighten up their measurement strategy for those ads so that they can provide brands with the appropriate read.”

— SONA ABARYAN, PARTNER, EKIMETRICS

Evolving Your Trade Spend

- “Trade spend” — traditionally covering investment in store experiences through visual merchandising, sampling and cooperative advertising is now inextricably linked to a brand’s RMN spend.
- Brands should view these investments as interconnected: the “halo effect” of a premium in-store presence enhances the efficiency of digital advertising.
- CMOs should also balance short-term sales activations expected from RMNs against the potential long-term dilution of their brand image.
- Thus, a holistic measurement — a marketing mix modeling framework — should be leveraged for evaluating RMNs.



Calvin Klein tapped K-pop star and Seventeen band member Mingyu for their Autumn 2025 denim campaign — an example of how the brand leverages partnerships with talent to stay relevant to the zeitgeist. (Torso for Calvin Klein)

Influencer Partnerships Can Build Advocacy and Community

In 2025, collaborating with influencers with varying degrees of reach is nothing new. However, the metrics for success constantly fluctuate and require monitoring and attention from marketing leaders.

According to Ekimetrics' data, influencer partnerships consistently perform at a 15 percent higher ROI than the average for both beauty and fashion brands, with more room for improved ROI with influencer tier (across nano-, micro-, mid-, macro- and mega-influencers) and media platform optimisation.

Whether through intimate content series or community-driven activations, success hinges on more than just reach. A 2025 report from online commerce platform Shopify on influencer marketing separated influencers into micro and macro-influencers. While macro-influencers are categorised as creators with more than 100,000 followers, micro-influencers are creators with upwards of just 10,000 followers.

"Typically, micro-influencer content drives more engagement, as consumers seek influencers who are less likely to be involved with paid sponsorships and are deemed more authentic," says Ekimetrics' Jensen.

"When working with micro-influencers, and looking at events, activations or content moments, I think again it's all about intentionality — knowing what your metrics are, what success looks like for your brand, and having that defined upfront," shares McDonnell. "You don't want to embark on something without that clarity and then try to apply measurement midway through — or worse, wait until the campaign or event is over and try to retrospectively work out what success looked like."

Jonathan Bottomley, CMO at Calvin Klein, views cultural partnerships with talent as a key lever for the brand to effectively respond to the zeitgeist.

"When we think about those partnerships, we consider people who have their own space within culture — or a cohort of support within culture — that we believe we can talk to directly and then amplify more broadly."

As part of this strategy, Calvin Klein has collaborated with the likes of American actors Jeremy Allen White and Michael B. Jordan, South Korean musicians Jennie and Jungkook, in addition to their recent collaboration with Bad Bunny.

"When you think about the influencer engine, there are hundreds of people that

Optimising Your Influencer Strategy

- Brands should first define the objective of their influencer marketing strategy and define which section of the marketing funnel it should impact.
- Influencer marketing technology metrics should be leveraged. For instance, earned media value (EMV), which converts consumer engagement with creator content into a monetary value, can be tracked constantly.
- This EMV can then be integrated into a unified framework that measures incrementality at each stage of the funnel, and links brand equity to sales performance.
- Brands must structure measurement into modular components in order to optimise the strategy. These might consist of influencer tiers, or content type, and whether that content is paid for or organic.

you want to work with around the world. Some are people of real renown, others are more micro but can allow [access] to a cultural event at a certain time of year or in a certain location," adds Bottomley. "That sense of currency is key — it's a leading indicator. It drives relevance and consideration, which then translates into more tangible metrics."

It's important to note that the same channels — and even creators — that elevate a brand can just as easily turn against it. In today's era of radical honesty, especially on platforms like TikTok, exposure doesn't always equal endorsement.

"The growth of TikTok and of the review culture it facilitates means your product doesn't have to be bad or sub-par for someone to de-influence somebody else," says McDonnell. "If it doesn't match up to their expectations of value, it's not unreasonable to expect that someone will create a two-minute long video to say so."

For brands, this means navigating creator-led spaces requires strategic partnerships with clear ROI, data-backed tools to understand the true impact of influencer activity and a readiness to be held accountable.

At Ekimetrics, the way this measurement is approached is via the inclusion of influencer

marketing spend within its performance measurement models, along with what Erard calls influencer-specific KPIs.

“From there, we can deep-dive and break down the impact in different ways. We can do it by platform, for example, comparing influencer or creator impact on TikTok versus Instagram,” says Erard. “But we also look at influencer tiers, which is especially interesting and important for beauty brands. It allows them to compare the performance of macro- versus micro-influencers, depending on the strategy they’re using.”

One key question Ekimetrics’ clients often have is around isolating the impact of boosted content, she adds. “That is, distinguishing between influencer campaigns that are purely organic and those that are supported with paid media. It’s really important to separate the performance of boosted campaigns from non-boosted ones, to understand the true value of each.”

Influencer partnerships require the right measurement of upper-funnel KPIs to have an accurate read on their impact. “Beauty brands should first measure influencer marketing efforts in driving upper-funnel activity, like buzz or search, which is a proxy for desirability,” says Jensen.

Brand Community Builds Brand Power

As traditional marketing channels become more fragmented and less predictable, brands are turning to their communities for deeper, more authentic engagement. By nurturing organic conversations and creating space for shared values and storytelling, companies can build lasting emotional connections — even in places they don’t fully control.

Rare Beauty has created Rare Consejos, an original content series which shares multigenerational beauty advice from Latine team members, with particular reference to advice or learnings from family members, friends or community influences in their beauty routines and perspective.

The series is an extension of the founder and her team’s values, and moves beyond product recommendations, focusing on the broader impact of beauty advice and more emotional drivers.

For Rare Beauty, that open dialogue with customers in harder-to-measure channels is core to its community strategy. The brand was early in establishing a community base on a social messaging platform called Geneva, and today, it



Community engagement is likely already taking place across channels — without brand control or involvement. (Pexels)

leverages TYB, a play-to-earn community management platform that allows it to engage and reward fans for completing brand-oriented actions. “It has the same sort of chatroom function and conversational feel that we found on the platform Geneva,” Welch adds.

Welch shares that topics that drive conversation, and how Rare Beauty engages with customers on those topics, is core to the brand’s identity.

“We would never want to stray from community engagement and the tools we use to keep that conversation open. It comes back to our founder’s mission of wanting people to feel celebrated for who they are. You do that through community engagement and community marketing, even if it’s more challenging [to quantify].”

That community engagement is likely already taking place across channels without brand control or involvement.

“One example is the Chevrolet Silverado. It isn’t typically the kind of product that attracts a lot of emotional brand attachment, yet its subreddit [user-created areas of interest where discussions on Reddit are organised] ranks in the top three percent of Reddit communities by size,” says Bale. “And it has no official affiliation with Chevrolet or General Motors. That raises an interesting challenge for CMOs — how do you incubate and enable that kind of organic fandom without trying to tightly control or curate it yourself?”

Bale’s example serves as an important reminder to brands that customer chatter online means that your brand exists in these spaces — with or without strategic

investment. Brands must therefore be present and active in the channel to monitor and listen for feedback. While there is value in owning the narrative, Bale went on to liken channel strategy to tending to a garden. Some parts require meticulous attention: your brand image, your direct marketing spend, your carefully crafted campaigns. “But then there are these wild offshoots,” he says. “Sometimes, the best approach is to let them thrive without interference.”

As a concluding point, Abaryan stresses the importance of a measurement plan — especially as brands experiment with new channels, creators and formats.

“We encourage experimentation, but it needs to come with a plan on how we’re going to measure whether it worked or not, whether we’re going to do it again,” says Abaryan, who suggests CMOs should be asking: “Do I have what I need to learn from this, or learn how to do it better?”

With any new activation, a measurement plan is critical.

“The growth of TikTok and of the review culture it facilitates means your product doesn’t have to be bad or sub-par for someone to de-influence somebody else.”

— JOE MCDONNELL, DIRECTOR OF GLOBAL CONSUMER, MARKETING AND RETAIL TRENDS, WGSN

Solutions



As the customer journey evolves, so too do business strategies, as brands seek to measure marketing success across constantly shifting channels. (Getty Images)

Create a Holistic Measurement Approach

To successfully interpret the impact that these channels are driving, they should be measured together — analysing marketing performance holistically and ROI incrementally. For example, if there is a measurement in place for your search and social ROI, but not your TV or sponsorship ROI, it would be impossible to accurately allocate budgets.

“If I only take advantage of the signal that’s available to me, which is click-through rates, engagement rates, time on a page, time on an app, but never see that flow through to conversion or re-engagement with a brand, my aperture of the world is so small. It’s not holistic,” says Bale.

There also needs to be what Abaryan calls a universal “language for performance” across all channels, “where you can look at what drives your business in terms of the natural demand — so, your baseline distribution, what the competition is doing, what the market is doing”. This approach provides a basis for understanding which levers to tweak or adjust in order to change the overall business performance.

These levers are multiple: “It’s not just media; it’s price and promotion, it’s trade activities, it’s your sales staff, it’s your CRM. And if you’re making [...] budget decisions holistically, you also need the

measurement to be apples to apples, so that you can make those trade-offs,” Abaryan adds.

Align Teams Around Tangible KPIs

As the customer journey has evolved, so have business strategies as brands attempt to measure marketing success across ever-evolving and emerging channels. Enabled by cookie tracking, multi-touch attribution lets brands map customer journeys more accurately. However, recent data privacy regulations have curtailed its effectiveness.

“[Multi-touch attribution was] often the only measurement because all of a sudden marketers could see exactly what people clicked on before they purchased something and it gave this illusion of measuring a return on investment,” says Abaryan. “But it only looked at the journey that gets people to the purchase rather than what drove that actual purchase in the first place.”

As cookies have deprecated, marketers have shifted to what Abaryan calls a “far more sustainable approach” — marketing mix modelling (MMM), an econometric method that relies on leveraging historic data and can cater to the granularity and incrementality required in terms of measurement today.

One overarching challenge with MMM lies in the host of KPIs to analyse, which

are not always complementary and can ultimately be problematic when different functions focus on tracking different metrics.

The key is aligning the organisation around which KPIs are the priority to track for the business at that moment.

At Ekimetrics, the company’s full-funnel, multi-stage measurement framework, mentioned in chapter one, incorporates brand health metrics across the full marketing funnel to evaluate long-term brand building. This process requires understanding how marketing drives strategic brand KPIs, such as awareness, desirability, buzz and consideration. Then, the brand KPI is fed into sales models to provide a comprehensive view of how sales are impacted if you move your brand KPI by 1 percent.

This interconnected ecosystem allows brands to capture the intended impact of marketing on the right KPIs, while still being able to look at everything holistically with a final sales KPI, where the indirect impact on sales is still captured.

“We encourage experimentation, but it needs to come with a plan on how we’re going to measure whether it worked [...]”

— SONA ABARYAN, PARTNER, EKIMETRICS

Challenge 3

Fostering Cross-Generational Reach



Fashion brands are looking to diversify beyond youth-oriented marketing to tap into new demographic growth opportunities. (Shutterstock)

“Those aged 50 and above represented 38 percent of total global spend in 2024, and are expected to drive 48 percent this year.”

— THE STATE OF FASHION 2025 REPORT
(THE BUSINESS OF FASHION AND
MCKINSEY & COMPANY)

Traditionally, marketing teams have segmented audiences through bucketed consumer profiles, like gender and generational cohorts, to better appeal to assumed preferences.

However, generational behaviours are increasingly coalescing and challenging expected norms. For one, despite being the first digitally native cohort, Gen-Z are less inclined to shop for apparel and footwear online compared to Millennials, according to global data and business intelligence platform Statista.

What's more, longer life expectancies and declining birth rates are pushing the global population of those older than 50 to grow faster than any other cohort. Thanks to years of accumulated wealth and steady incomes, older generations also have more disposable cash to splurge on fashion. Indeed, those aged 55 and over in the US account for more than 70 percent of the nation's personal wealth, according to The State of Fashion 2025 report. Those aged 50 and above represented 38 percent

of total global spend in 2024, and are expected to drive 48 percent this year.

Consequently, fashion brands are looking to diversify beyond youth-oriented marketing to tap into new demographic growth opportunities. But appealing to an older demographic, without alienating younger consumers, requires a strategic and delicate approach.

Convictions

Psychographic Segments Deepen Consumer Insight

“Segmentation has historically been top-down,” says Bale, meaning that brands have analysed customers based on pre-defined criteria and categorisation methods such as age, gender and geography.

But behaviours and attitudes differ widely, which naturally makes it difficult to separate consumers neatly into brackets: “If I could give you a perfect view of every single human being on earth and all of their specific practices, could you build marketing ads, experiences, products, whatever, specifically for them? Absolutely not,” says Bale.

Realising the limitations of this approach, marketers are increasingly looking to psychographic segmentation — a method that sees consumers divided into groups based on psychological characteristics, such as lifestyle choices and personalities.

For BoF Insights’ [Brand Magic Index](#), which leveraged AI to understand which brands were driving cultural conversations and audience engagement without compromising their identity, we turned to psychologist Carl Jung’s 12 archetypes to segment audience (and brand) behaviours.

Jung’s archetypes are widely considered to be universal and timeless, and cover a broad range of personalities and behaviours: the “Hero” archetype, for instance, associated with courage and strength, might suit customers who are engaged in activism or political matters. Meanwhile, the “Jester” archetype could be used to segment customers who enjoy playful or humorous brand content.

This segmentation strategy contrasts with bottom-up approaches, which analyse customer data to discover patterns and form segments accordingly. Whilst this may solve the riddle in marketing across generations, the question brands need to consider before implementing a bottom-up approach, is: “Do you have enough stories to tell, enough products to market — [does] getting that fine grain matter to you?” says Bale.

Bale re-emphasises the financial and logistical difficulty in creating targeted ads for, say, 30 different attitudinal segments across five to eight demographics. With this in mind, it is worth considering the complexity of psychographic segmentation for larger

brands — the approach is rather best suited for SMEs as they scale.

For bigger businesses, McDonnell suggests using AI personas to model and predict customer responses to product or campaign launches. This approach involves leveraging AI to build customer profiles, inputting data such as age, website activity, social media engagement and purchase history, before using it to forecast customer purchase or online behaviour through A-B testing.

Brand Values Bridge Generations

Naturally, segmenting consumers based on age and geography is the simplest way to compartmentalise and understand them — since this is the most accessible data. But rethinking how those in age and geography-defined groups look and behave can help capture new consumers.

“Part of it is [...] challenging your biases in what people at certain ages do, how they spend their time, how they spend money, but also [...] thinking about things like wellness, thinking about holistic understandings of consumer groups [and] designing campaigns that respect different life stages,” says McDonnell.

When it comes to beauty specifically, McDonnell advises looking at the functional benefits of products, or “the idea of a life well-lived” and “the benefits cross-generation” rather than relying on

age-defined characteristics such as anti-ageing properties.

Rare Beauty’s Welch says she “assumed [their] customer would skew younger”. Indeed, Gomez’s audience are majority female (62 percent on X, 66 percent on Instagram), single, and aged 25-29, making them older Gen-Z or younger Millennials, according to marketing platform Influencer Intelligence.

“While Gen-Z is definitely a key part of our community, what blew me away was the emotional reach across generations,” shares Welch.

Rare Beauty was surprised to find both mothers and daughters engage with the brand, as well as Millennials and Gen-X. Welch says that it is the brand’s core themes that tie their community together: “If we’re putting out mental health content, or content around self-care, and someone appreciates that type of content, and that shows up in their algorithm... It’s not age-specific.”

In fashion, Coach has geared much of its marketing efforts on younger audiences and seen increased success by continuously updating its hero product the Tabby bag — inspired by an archival 1970s design — through Coachtopia. This is a circularity programme based on recycling and upcycling, and appeals to eco-conscious consumers across generations.



Coach’s circularity programme, Coachtopia, recycles and upcycles classic Coach designs into new pieces. (Coach)

Solutions



J.Crew recently reintroduced its physical catalogue after a seven-year hiatus. (Getty Images)

Work to Build an Ageless Brand

For The State of Fashion 2025 report, BoF spoke to J.Crew's CEO Libby Wadle. When asked about her customer base, she said: "Our core customer really puts style first, and they're fairly ageless in demographic. That said, many are in their 30s, 40s and 50s, and they've likely grown up with J.Crew. These are our best customers. They're multi-generational — and they're bringing their kids to the brand, too."

Indeed, the company's mission is to "build a brand that embodies multi-generational style." Wadle aims to achieve this by leading teams to release classic and evolved carryover pieces alongside new launches, tweaking the assortment slightly every season.

McDonnell adds: "In terms of how you can create an ageless brand, [...] it depends on the category and it depends on what the product purpose is."

Within fashion, carryover or "classic" items can be modified to meet different consumer preferences. For instance, whilst one customer might not sport a sequin-embellished item, the same design reissued in a later season in a colourful print might catch their attention.

While product can be seen as the most identifiable age-defining aspect of a shopper's behaviour, it is also valuable to

assess how they discover the product and why they make that purchase, rather than what they are buying.

For instance, Wadle recently reintroduced the J.Crew physical catalogue after a seven-year hiatus. This was a nostalgic move for the brand, but also a strategic play — since those under the age of 30 are just as likely to source inspiration from magazines as those over the age of 50, according to The State of Fashion 2025 report.

Advertising campaigns should avoid centring on a single hero product and instead spotlight the consumer — demonstrating how they use multiple items in real-life scenarios rather than merely listing features.

"No product is ever going to be your hero product [over the] long-term. It's just not, because use-cases change, trends change. So what became the focus for the brand is really speaking to that Millennial and Gen-X consumer, both through how they use makeup, but also through showing them as the face of the brand," says Merit's Morin.

Morin reveals that Merit has the same percentage of clients over the age of 55 and under the age of 25, which she attributes to "recommending up and down" — the concept of generational advice working in both directions. She

adds that the main uptick of adoption is from mothers recommending products to their daughters, rather than the other way around (which is more common in beauty). This approach sends a multi-generational brand message that feeds into Merit's customer loyalty and retention.

Balance Media Channel Spend Appropriately

Branching into new channels can help brands boost customer acquisition. However, finding the right balance of time and resources spent across these channels, whether on or offline, is key for achieving inter-generational appeal.

"You have to move at the fast current and then you have to move at the slow, generational culture, equity-building current. Brands who over-index on one or the other will eventually die out," says Bale.

Historically, younger generations have demonstrated more trend-driven behaviours, leading brands to spend on channels that drive the cultural zeitgeist in order to capture their attention. But brands must identify where their consumers, across generations, spend time, and meet them where they are, in order to move at both "currents".

"[This is] successful when there is a more balanced portfolio of media investments, where it isn't all just social and digital,

“You have to move at the fast current and then you have to move at the slow, generational culture, equity-building current.”

— HOLDEN BALE, GLOBAL CHIEF STRATEGY OFFICER, MERKLE

but [where] there is some traditional media. [For example,] TV is going to give you a certain reach of audience that is really hard to replicate with many other channels,” says Abaryan.

It’s worth remembering that some platforms are also not generationally distinct. For one, TikTok is often assumed to appeal uniquely to Gen Alpha and Gen-Z, but the average age of users is over 30, according to data from the platform.

Leveraging psychographic tools by tapping into TikTok communities can help brands deliver content that appeals cross-generationally. Indeed, the platform’s interest-graph algorithm serves content based on user interests, rather than user demographics. Today, TikTok is made up of thousands of subcommunities that congregate around “Toks”. These create pockets of users with shared passions, from “BookTok” for avid readers to “FashionTok” for fashion enthusiasts.

Tapping into channels based on interests and niches can nurture relationships with a wider cohort — a particularly valuable strategy for luxury brands. While they acquire more wealth, younger consumers can be inspired by marketing that genuinely excites them, in their preferred channels, while the same campaigns might spark conversion among older generations with greater spending power.

Inform Your Marketing Plan with Customer Lifetime Value Data

Brands can look to evaluate the customer balance across generations by leveraging customer lifetime value (CLV). CLV is a metric which determines the net worth of a customer throughout their relationship with a brand.

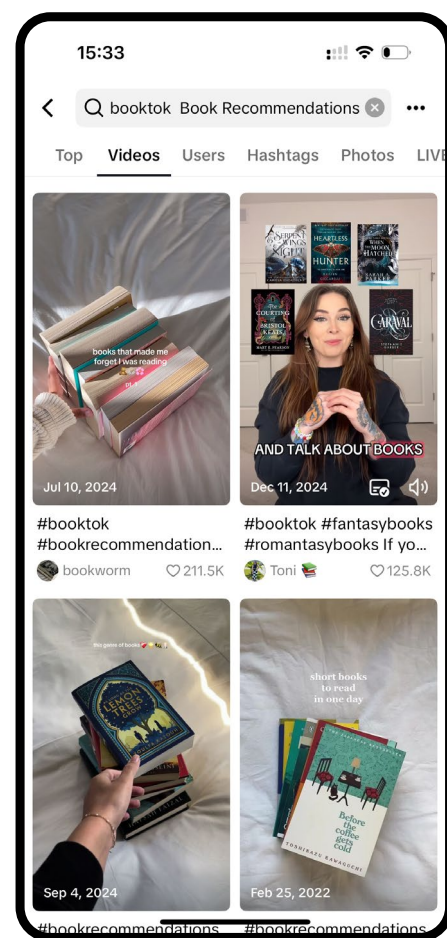
Over the long-term, CLV provides a forward-looking view of value over a defined outcome period with a wide breadth of potential inputs, hence its reliability. By analysing CLV, businesses can identify which customer segments have the most potential and tailor marketing strategies and investment to their preferences and spending power, thereby optimising long-term return.

For instance, a luxury fashion retailer, and one of Ekimetrics’ partners, leverages value-driven effectiveness measurement to guide brand investments toward acquiring higher-value clients, which has delivered a 15 percent increase in long-term ROI. Similarly, a fine jewellery brand that the company works with uses predictive customer value to personalise

activations and expand its pool of VICs. This strategy represents an 18 percent increase in customer value for the brand. Meanwhile, an Ekimetrics partner in the luxury footwear space relies on CLV targeting to prioritise clienteling efforts and event activations, which has driven a 97 percent targeting uplift.

Some brands also define sales targets based on the revenue of new sales, or number of new customers, rather than the possible value of a customer over time. “This may lead to spending precious budget targeting lower-value customers and making offers or discounts to one-off deal-seekers, for example, rather than customers who value your product, service and brand,” Ekimetrics shared in a recent white paper.

The key is to measure the potential of your customer base and invest early in high-value prospects and customers in a tailored manner, and to then create cohesive, targeted marketing that will resonate with each group.



Bookworms who share recommendations, reactions, and lore about their favourite books on TikTok are part of the BookTok subcommunity. (TikTok)

Challenge 4

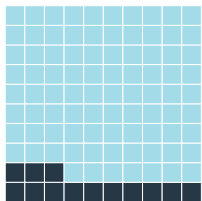
Unlocking the Full Potential of Creative



Brands with a high appetite for creative risk are 33 percent more likely to see long-term revenue growth. (Getty Images)

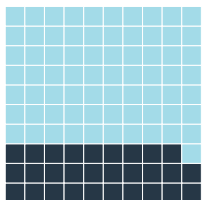
Exhibit 4

Marketers and creatives are risk-averse in 2025



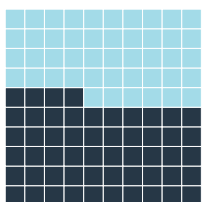
13%

of this year's respondents view their companies as risk-friendly



29%

of this year's respondents admit to being highly risk-averse



54%

of this year's respondents view customer insights as too weak

Source: Cannes Lions' 2025 State of Creativity

Creative confidence among fashion and beauty brands is waning, according to the Cannes Lions' 2025 State of Creativity study.

This year, its global survey of over 1,000 marketers and creatives identified themselves as risk-averse when it comes to creative spend. Just 13 percent of this year's respondents view their companies as risk-friendly, while 29 percent admit to being highly risk-averse. Meanwhile, more than half of its respondents said that their customer insights are too weak to develop bold creative work.

However, the report states that brands with a high appetite for creative risk are 33 percent more likely to see long-term revenue growth.

To unlock the full potential of creative, brands should be willing to take greater risks. However, investing in strong creative measurement frameworks can minimise some of the uncertainty and track how investments in creative truly perform, both in short-term sales and long-term brand equity.

In 2024, Ekimetrics undertook a study with Google and YouTube to assess both the importance of creative execution

as a sales driver and brands' creative success. The study found that 81 percent of creatives were not executed at the optimal level of creative best practice. Further to that, it found a potential uplift in ROI of 2.2x when those practices were optimised.

"We know creative is important, but until now, we didn't know by how much," says Ekimetrics' Abaryan. "The opportunity is huge and untapped, and the race is on to get to best practice at scale."

This section will explore the importance of creative and the tensions between local and global creative strategies, the challenges in truly knowing your audience, and the need for data-enhanced decision-making in the creative process. Attention is declining, and in most media consumption spaces, you have so little time to get a message across, so creative best practice becomes critical.

Convictions



In 2021, Crocs partnered with Kentucky Fried Chicken, releasing Crocs that looked and smelled like fried chicken. (Crocs/KFC)

Localised Creative Drives Greater Impact

Today, localising content for different markets has become a key differentiating factor for brands looking to build global reach while maintaining a sense of community and connection. 2023 data from market research company Forrester found that 79 percent of companies that invest in localisation experience an increase in revenue, with an average uplift of 9.2 percent.

“I massively empathise with any global brand that has a global brand identity to maintain, but then has lots of local or even hyper-local markets,” says WGSN’s McDonnell. “Trying to control that global narrative while also making sure that factors all the way down to local-level retail and creative — that’s really tough.”

In creative, localisation goes beyond translation and requires an understanding in, and respect for, cultural nuances and market relevance. All are to be imbued into marketing strategies.

“The impact is often substantial,” says Abaryan, who references an Ekimetrics

project with a fashion retailer that tested a localised campaign in Japan featuring well-known local figures and culturally relevant messaging. The localised campaign delivered over 50 percent higher ROI compared to the global creative they would typically run.

“This kind of measurable uplift highlights the value of localised content,” says Abaryan. “Of course it involves additional cost, but when brands understand the potential return, it becomes much easier to make informed investment decisions.”

In the March 2025 BoF [Case Study](#) entitled The Playbook for Succeeding in China’s New Reality, retail correspondent Cathaleen Chen highlighted Crocs as a brand that successfully leveraged localised creative to achieve cultural resonance and market impact in China.

A limited collection with artist Zhang Quan’s streetwear label Melting Sadness, gave the brand real cultural credibility in the region.

Additionally, in 2021 Crocs partnered with Kentucky Fried Chicken, the first Western fast-food chain in the region. The brand carries significant cultural

relevance in China after opening its first venue in 1987 in Beijing and introducing Chinese consumers to Western-style fast food. For this collaboration, the brands released Crocs that looked and smelled like fried chicken.

Today, the brand has since earned a nickname from its Chinese consumers: *dong men* (洞门), meaning “cave entrance”. The term has been used more than 70 million times on Chinese social platforms. In 2024, Crocs’ sales in China surged by 64 percent year-on-year, following triple-digit growth the previous year.



Crocs partnered with Chinese streetwear label Melting Sadness on a limited edition capsule collection. (Melting Sadness/Crocs)

Solutions



Zalando leverages generative AI to tailor creative content for diverse global audiences. (Zalando)

Leverage Tech and Talent to Achieve Localisation at Scale

For fashion and beauty businesses aiming to harness the power of localised creative, success lies in combining the right technology — such as data-driven insights or AI-powered content adaptation tools — with skilled local teams who understand cultural nuance and consumer behaviour.

“If you ask a CMO of any global fashion or beauty business to raise their hand if they have access to all of their creative assets worldwide, like that cool campaign they did in South Africa two years ago, I can guarantee that nobody will raise their hands,” says Merkle’s Bale. “That single asset management system doesn’t really exist yet. Here lies a significant opportunity to improve creative performance.”

Bale went on to reference the importance of having devolved creative power — not just for that local expertise, but also for access to creative outside of the usual scope.

“Let’s say you have this amazing creative agency in Brazil, and they want to do something creatively that doesn’t line up with the flagship global campaign, brands

have to be thinking about how they empower them,” he says. “But then, it’s also about how you take those assets and help them live on and take them into new markets.”

This balance between global consistency and local relevance requires brands to build flexible frameworks — ones that empower regional teams.

“With localised creative, we effectively have a marketing plan for every single city,” says Henderson of Tod’s Group. “We speak to our store managers, we speak to our clients — it’s a really personal thing. We just don’t approach creative from the top down and dictate what we do in, let’s say, Dallas or Miami. The role of CMO requires the business acumen and the creative perspective to [facilitate] this.”

The use of AI can also help scale creative localisation — not just through translation, but also through targeted visual content and large-scale adaptations or edits to cultural and contextual nuance.

A blending of the two strategies is key, and AI-driven campaigns must be locally validated by regional experts. In research published by *Adweek* in 2025, one agency

found that campaigns blending AI with local insights outperform pure AI approaches by 40 percent.

In a [2025 BoF knowledge report](#), Zalando shared how the retailer leveraged gen AI in content creation using this method, creating more dynamic and relevant backdrops for product shots or onsite teaser campaigns. This strategy allows the team to jump on microtrends that emerge at short notice, enabling content production up to 80 percent faster than conventional content production methods.

“Everything needs to have the story baked into it. Then, you take the levers available to you in this highly measurable, emerging, AI-driven age — things like personalisation at scale across targeting, storytelling and content — and ensure that those values come to life in every single touchpoint”, says Calvin Klein’s Bottomley. “If you can do that successfully, that’s how you win.”

Apply Creative Quality Metrics to Unlock Greater Returns

Brands must now find how to track the quality of creative in a systematic and

scalable way, to eventually integrate into a more robust ROI measurement technique. Indeed, Ekimetrics is currently piloting a creative quality measurement integration technique with its partners, where a creative quality score is an explicit input into marketing mix models.

To effectively quantify the lasting impact and overall relevance of a brand's creative, CMOs must identify the key cultural signals that indicate success, ranging from how customers talk about the brand to the adoption of brand-related language within broader culture. For example, Kim Kardashians' shapewear brand Skims is now used like a noun — "I need new Skims" — having become synonymous with the category, and the term "Ganni Girl" has become utilised by consumers to refer to Scandinavian style.

In its study with YouTube and Google, Ekimetrics developed an approach to measure video ad creative effectiveness and identified the opportunity to more than double YouTube ROI. The new methodology helps to understand the impact of creative on sales and used

Google's existing ABCD framework, which consists of 73 creative levers clustered into "Attention", "Branding", "Connection" and "Direction", proven and derived over several years of research.

"Finding that more than half of videos were suboptimal was surprising and demonstrates clearly that measuring creative effectiveness is a worthwhile pursuit," says Abaryan, at the time of the report's release.

"At Calvin Klein, we've developed a model we call the 'entertainment mentality'. It's really about how to break through in a culture and media environment that's been flattened by algorithms," says Bottomley. "We look through the lens of Calvin and ask, how do we make this feel relevant and current today? It starts with product innovation and real product storytelling, combined with a cultural idea that's genuinely crafted to capture attention."

Indeed, Calvin Klein's campaign with Bad Bunny, cited in chapter one, exemplified the brand's approach to high-impact content moments.

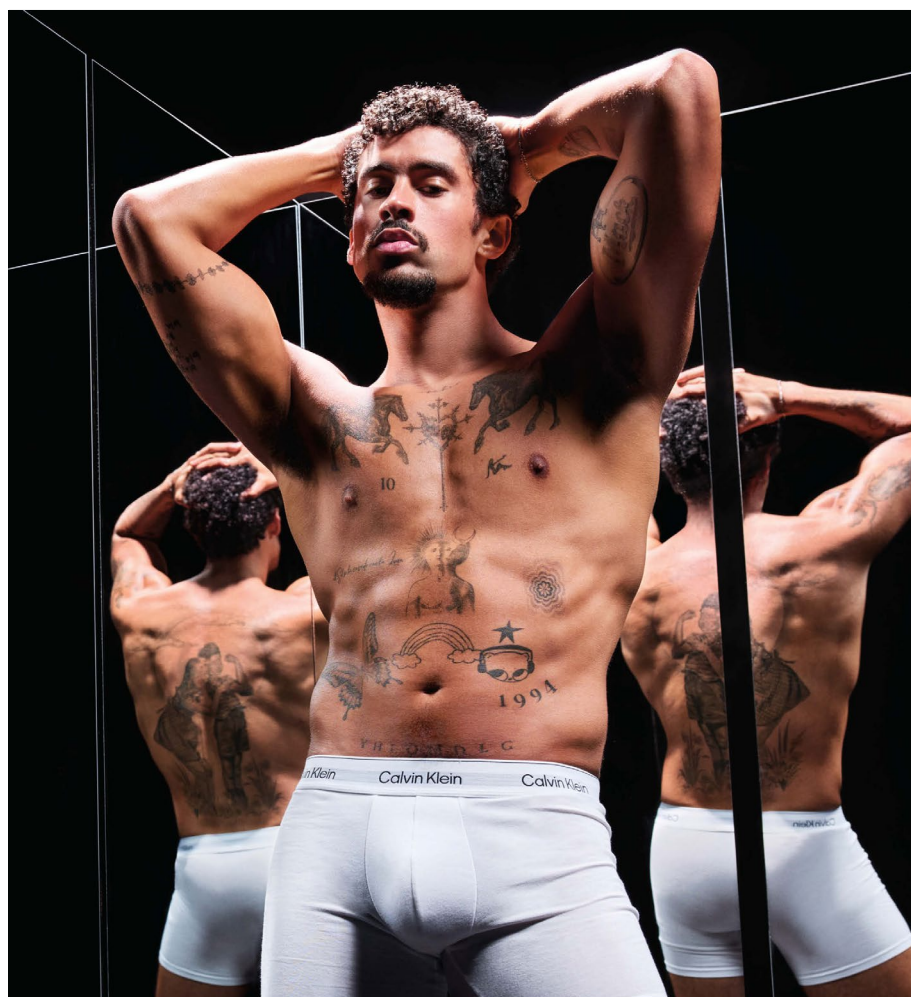
"We think really hard about the talent, not just in terms of reach or engagement, but the opportunity to create a cultural character, show them in a way that maybe you haven't seen before," Bottomley said on stage in New York at BoF's Professional Summit in 2024.

The Bad Bunny campaign garnered \$8.4 million in media impact value in just 48 hours, according to Launchmetrics.

"If you can do that — if you can create a spike in the algorithm — you earn significantly more attention than you could ever buy," says Bottomley. "This is financially driven. This isn't just about brand storytellers saying, 'I believe' and hoping that someone will see the sale down the line. It's about real value creation."

That value creation doesn't always require major spend on top talent. To celebrate the opening of its London flagship in 2024, Jacquemus tapped Bemi Orojuogun, a London-based creator who achieved overnight virality on TikTok with piece to camera videos recorded in front of London's red buses.

Jacquemus dressed Orojuogun and gave her creative license to announce the opening of the Mayfair store in her usual style for hyper-local cut-through. The collaboration post received over 11 million views across Jacquemus' and Orojuogun's channels in 48 hours.



The Bad Bunny x Calvin Klein campaign garnered \$8.4 million in media impact value in just 48 hours, according to Launchmetrics. (Mario Sorrenti for Calvin Klein)



Value creation doesn't always require major spend on top talent. (TikTok/@omo.oroje)

Challenge 5

Strategic Pricing for the Long-Term



In mass market fashion segments, promotion contributes to 20 percent of incremental sales, according to Ekimetrics. (Getty Images)

Shoppers are not eager to increase their fashion budgets in 2025, even as economic prospects and consumer sentiment improve in some regions. Over 80 percent of shoppers plan to spend the same or less on clothing, footwear and accessories this year, according to The State of Fashion 2025 report.

An “inflation overhang” occurs as customers take time to adjust to higher prices, which can have a detrimental impact on brand loyalty.

According to McKinsey’s State of the Consumer 2025 report, over 70 percent of consumers say price is a major factor influencing their perception of value. However, 60 percent also associate sudden or excessive price increases with brand opportunism — a reputational risk that cannot be ignored.

In the luxury sector, Bain and Company analysis found that prices for luxury handbags rose by more than 30 percent between 2019 and 2023, which significantly outpaced inflation and prompted consumer pushback.

In tandem, reports of diminished quality circulated online, undermining reputational craftsmanship. Social media personalities like Tanner Leatherstein,

who takes apart luxury bags for rigorous assessment, and Andrea Cheong, who breaks down the material composition, quality and assembly of high street brands, are increasingly democratising access to once insider-exclusive knowledge about fashion construction and quality.

This open discourse with customers around price, quality and value suggests that the pricing of products requires more than just financial modelling or cost-based logic. Instead, a multidimensional approach that incorporates a deep understanding of how price impacts brand perception and diverse data points — from competitive benchmarks to customer sentiment — should be adopted.

“It is one of the hardest things to find — a skill set where you can understand how to run a P&L, but also understand how to tell a brand story,” says Merit’s Morin. “I would say that now, more than ever, the analytical ‘left side’ of business is fuelled by the creative ‘right side’.”

This intersection is where the active involvement of the CMO and the wider marketing function can positively impact pricing decisions, in part because it speaks to their role in communicating value with clarity and consistency across channels.

“Academically, pricing can absolutely be considered a part of marketing. Today, with the maturity of businesses, some of these responsibilities have become so siloed,” says Abaryan. “What’s needed is a coherent view, not just across marketing and finance, but also across merchandising, and product and performance strategy.”

In the luxury fashion industry, promotion contributes to 12 percent of incremental sales, increasing to more than 20 percent in more mass market fashion segments, according to data from Ekimetrics. The same data cites that pricing can impact incremental transactions between 10 and 30 percent.

If we compare to media, which drives on average 20 percent of incremental sales, price and promotion can be at least as impactful, often more, in driving growth. Getting price and promotion right has a significant impact on customers, revenues and profits. It’s also a decision that should be made with the appropriate data.

This section will make the case for placing CMOs at the centre of pricing strategies, as price-sensitive customers question increases that far outpace inflation, which in turn can impact brand equity.

Convictions



Without open collaboration and access to other teams' data, the marketing strategy can be skewed. (Getty Images)

Data Sharing Aligns Teams Around Pricing Decisions

The inability to align teams around pricing decisions, which naturally feed into wider business targets, is partly due to opacity within or across operating systems.

Indeed, only 31 percent of marketers are fully satisfied with their ability to unify customer data sources, according to a 2024 Salesforce report. Without access to other teams' data, the marketing focus can be skewed, resulting in unexpected or unwanted outcomes, and misunderstandings around pricing strategies.

"When you work with the media team and they are the main stakeholder of the project, sometimes they don't have access to other stakeholders' data, [which is] restrictive," says Erard. "We believe [that] having a better-run organisation is important, not only in terms of data governance, but also in terms of processes, [and] how you make sure you improve from one period to the next," she adds.

Data silos block holistic pricing decisions, and balancing brand perception and price elasticity is critical to avoid alienating your customer base. Price and promotion

can account for a large proportion of incremental impact for brands, so aligning around these decisions to avoid error is critical.

CMOs Understand Consumer Price-Sensitivity

While CMOs may not own pricing strategies, an opportunity exists for them to advocate for the customer in pricing discussions and decision-making.

Retailers in the US alone held approximately \$740 billion in unsold inventory in 2023, according to research by McKinsey. Globally, the impact of inventory distortion, encompassing both overstock and out-of-stock scenarios, was even more pronounced. Analysis from retail intelligence firm IHL Group estimates that retailers worldwide lost \$1.77 trillion in revenue in 2023 due to these inventory imbalances.

This data suggests that the tools and metrics used to determine product pricing, and forecast consumer acceptance of that pricing, are not performing effectively.

"Pricing is incredibly technical. How you optimise, the price elasticity of demand, where you apply promotions, localising

the strategies — it's one big maths equation," says Bale. "It's unlikely that the CMO owns the P&L and therefore owns pricing. That said, the CMO's role in this equation is to be the voice of the customer. They need to be driving that feedback into that equation."

Brommers adds: "Marketing now has a seat at the table in those weekly meetings, helping inform pricing and promotional strategy based on real-time market and social data. That's a significant shift from where we were five or ten years ago."

Less traditional metrics like sell-through and margin production can provide fashion and beauty businesses with a more comprehensive steer on the price points that make sense from the customer's perspective.

"When merchants are looking at that to set pricing, I think it's fair to call it unsophisticated," says Bale. "This is when CMOs must come in as a bridge to better metrics and better customer understanding."

What's more, consumers also demand greater transparency from brands. While brands might want to quietly raise prices, other brands are leaning into the openness as a marketing opportunity to demonstrate transparency with customers. Rhode and E.l.f. Beauty are two brands that have recently announced price hikes for all their products — by \$2 and \$1, respectively.

"It is one of the hardest things to find — a skill set where you understand how to run a P&L, but also how to tell a brand story."

— AILA MORIN, CMO, MERIT BEAUTY

E.l.f. Beauty shared these intended price hikes in a post on the brand's Instagram, explaining: "Not gonna lie, inflation and tariffs are hitting us hard," accompanied by emojis of a downward trend. While the post received some comments questioning the price hikes given E.l.f. Beauty's acquisition of beauty brand Rhode for \$1 billion, others stated: "This is so thoughtful. Love the transparency!" and "Super reasonable and respectable. Thanks for being so gentle about it!".

Solutions



At Ralph Lauren, brand elevation happens across storytelling, product and the shopping experience. (Spotlight/Launchmetrics)

Understand Your Brand's Price Elasticity

While inflationary pressures and market realities make price increases inevitable, not all products respond to pricing changes equally. Price elasticity — the degree to which demand changes in response to price — is a critical consideration in fashion and beauty, where consumers are highly attuned to both value and perception.

Entry-level items, such as basics or bestsellers, often anchor price perception and carry high elasticity — even a modest increase can trigger a drop in demand. These items should be protected in order to maintain accessibility and traffic.

By contrast, peripheral stock keeping units (SKUs) that sit outside the core assortment may show less elasticity — items referred to as “basket-builders” or “margin drivers” by BoF’s tech correspondent, Marc Bain, in a [BoF Executive Memo](#) in March 2025. These pieces could offer room for price increases without a significant loss in volume.

“Different products and different customer segments respond differently to pricing changes. By taking a more granular approach, companies can tailor

their pricing strategies to the elasticity of individual items or categories,” agrees Abaryan. “This is how brands can ensure price adjustments are both effective and sustainable.”

Abaryan shares a recent study Ekimetrics conducted with a fashion retailer. Had the retailer adopted a more segmented pricing approach, rather than implementing uniform increases across its product catalogue, it could have increased revenues by seven percent while still achieving the same margin targets.

“This underscores the importance of integrating price elasticity analysis into pricing strategy,” she says. If you’ve had some variation in your pricing historically, then you can understand the elasticity from those changes and predict that outward.”

Prioritise Elevation to Drive Price Changes

For The State of Fashion 2025 report, BoF spoke to Ralph Lauren’s CEO Patrice Louvet. “We often get compared to a lot of the other companies in that we’re [raising like-for-like prices]. I don’t view us as taking pricing. I view us as driving elevation, making sure that the consumer value is there,” he said. “Because for the

pricing to stick, you need the consumer to feel like this is a good investment.”

For Louvet and Ralph Lauren, brand elevation is something that takes place across storytelling, product and the shopping experience. The outcome, Louvet says, is the ability to price.

Indeed, when thinking about communicating and demonstrating “value” to customers more broadly, price isn’t everything. A June 2025 report from the Deloitte Consumer Industry Center found that between 10 and 40 percent of value perceptions arise from factors other than price. Understanding those factors and crafting a complementary value proposition is one route to raising prices for discerning, value-seeking customers.

For some marketing leaders, their insight into the products that generate buzz and traction can be leveraged when decisions around discounts are made — a critical part of brand perception and elevation. “Often [marketers] have a great [view] of where to pull back on promotions,” says Brommers. “If we collaborate [cross-functionally,] we can respond more precisely, whether it’s dialing up value messaging or holding firm on products generating excitement.”

Still, without the right internal decision-making frameworks, brands risk chasing short-term results at the expense of long-term brand equity. This is where marketing leaders must step in.

“It’s really difficult to run a business using a single KPI. While it might drive certain outcomes, like revenue growth, it can also lead to poor decisions, such as slashing prices or over-promoting. That might boost short-term sales, but it can erode brand equity in the long run,” says Abaryan. “That’s why a multi-KPI approach is essential. It provides the broader context CMOs need to make informed, balanced decisions that support both commercial performance and long-term brand health.”

Customer-centric data offers insight into consumer psychology and behaviour, helping to drive decision-making around pricing, while avoiding alienating consumers. Brands must understand their price elasticity, the power of their brand and the power of prioritising their valuable customer base.



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