Personalization in fashion

Curating an authentic
online experience

Contents

This is fashion.

Personalization is a big hit with fashion brands. If we look at Qubit's own customer base, some of our longest standing customers are TOPSHOP, Farfetch and NET-A-PORTER, who have been delivering personalized experiences almost since Qubit was founded. In fact, fashion accounts for over 30% of our customers.

Why is this? Fashion brands value customer experience at every point in the customer journey. It's natural that fashion brands would want to extend the design-energy that goes into their in-store experience and replicate that online, adding a personal touch at every opportunity.

Personalization delivers against your business goals

In 2017, Qubit released the groundbreaking research 'Getting 6% more', validated by PwC, explaining that personalization can deliver a 6% uplift in Revenue Per Visitor (RPV).[1] Having a grasp of these techniques is essential, but personalization can deliver in other areas too:

• Increasing revenue by reducing promotions

• Leveraging higher margin items

• Reducing returns, and

• Predicting when a shopper might need a new item.

In this book, we'll be cherry-picking the best examples from brands that push the limits of personalization, ensuring that you have the freshest information to evaluate the right personalization options for your business.

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Some of the fashion brands we work with.

AG ADRIANO GOLDSCHMIED

Alice and Olivia

BALLY

DIANE VON FURSTENBERG

fcuk®

FARFETCH

HOBBS LONDON

Theory

kate spade NEW YORK

MR PORTER

L.K.Bennett London

MONSOON

VESTIAIRE [COLLECTIVE]

TOPMAN

TOPSHOP

NET-A-PORTER

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Get closer to your customers.

A core difference between personalization and conversion rate optimization is the addition of segmentation—targeting an experience towards an audience with a specific 'need' or characteristic. We have found that by adding segmentation, personalization can be 3x more effective.[1]

Audience needs can be derived from multiple places:

- Data collected from your site (e.g. people who shop in the sale category, women shopping for men),

- Data ingested from other parts of your business (e.g. people who return items in-store), or...

- Data collected from surveys or a fun quiz (e.g. what's your style?).

Indeed, in 'Getting 6% more', our consumer survey found that 49% of people were happy to share their preferences with businesses who use it to make the shopping experience better, with 57% revealing that their favorite retail websites already make efforts to personalize around their preferences and interests.[1]

An additional focus of this guide is to unearth the data Qubit uses to provide impactful segmentation that leads to highly effective personalization, and, in turn, very satisfied and loyal customers.

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> ## Stitching up all the data from the different touchpoints with the consumer is the biggest single challenge a multichannel retailer faces today.

Gareth Rees-John
Digital Director for Topman

A quick introduction to our featured segments

People shopping for certain occasions

New visitors

Returning purchasers

The lapsed multi-channel shopper

People whose size we know

Frequent purchasers of staple items

People on mobiles

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Deliver sales without discounting.

featuring **QSOS**

Opportunity

Although you might see a short-term spike in sales by adding discounts to your products, the longer term view can often be less optimistic—not every shopper needs a sale to make a purchase and training them into expecting one can develop a dangerous habit.

The opportunity is to drive sales without falling back on these measures, often by using scarcity, urgency, authority, social proof or any other psychological principles of persuasion. The more targeted these messages become, the greater their impact.

As we mentioned in the introduction, a useful way to improve the accuracy of your targeting is to ask customers about their interests so you can become more persuasive with your personalization tactics further down the line.

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Example

QSOS is our fictitious fashion retailer that offers a unique selection of products for every occasion—if you want to look sharp on a fancy night out, this is the place to go. Using Qubit Visitor Pulse they deployed a survey asking the following—'which occasion are you shopping for?'

• Bridal party   • Cocktail party

• Black Tie event   • Holiday

• Wedding anniversary

Once a shopper made their selection, they entered a corresponding segment, and then received the most useful personalization tactics based on their responses. Say they're shopping for a cocktail party: on product pages cocktail dresses are now badged as trending or low in stock—two tactics that are good for driving sales.
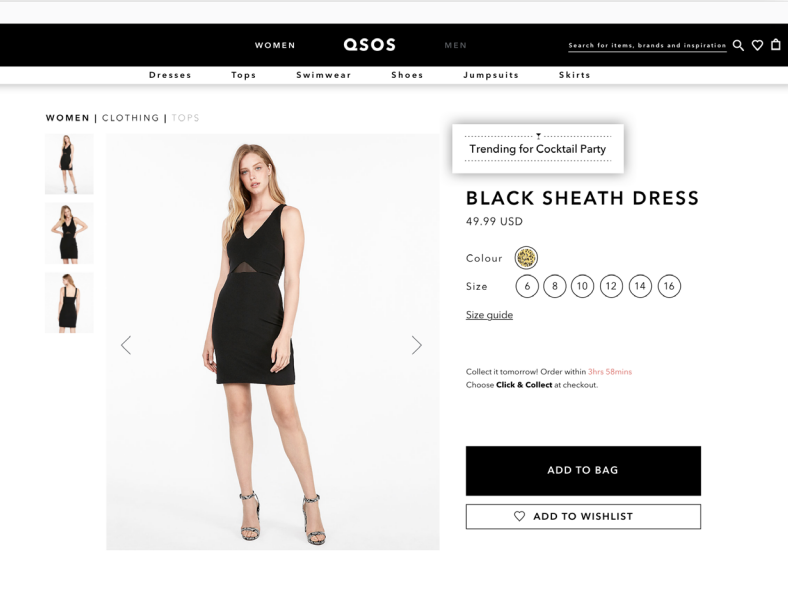
On a psychological level, when a shopper self-selects into a segment they become captured by the 'self-relevance' heuristic—an effect that predisposes them to engage more highly with content known as specific to themselves*. Within our professional services team, we have a lot of evidence to show that this act of self-selection drives far more engagement than typical messaging replacements such as 'new in' on hero banners.

Building segments such as these allows a deeper level of analysis to understand the behaviour of these segments—QSOS might see that Bridal Party have both higher order values and higher returns. With this data, they'd be able to see which were the highest converting products for each segment and adapt their merchandising tactics accordingly.

*For more information on heuristics, check out Qubit's research, "Shortcutting the path to purchase." www.qubit.com/research/shortcutting-the-path-to-purchase

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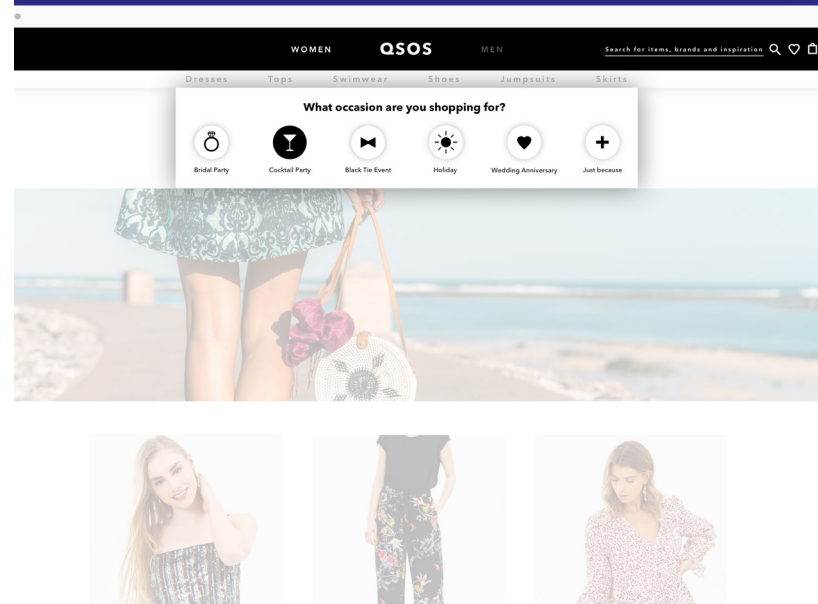
QSOS: Simple quiz for shopping occassion

Product page!
persuasive
messages
are added to
in increase
relevance

WOMEN QSOS MEN

Search for items, brands and inspiration

Dresses   Tops   Swimwear   Shoes   Jumpsuits   Skirts

WOMEN | CLOTHING | TOPS

Trending for Cocktail Party

BLACK SHEATH DRESS
49.99 USD

Colour

Size   6   8   10   12   14   16

Size guide

Collect it tomorrow! Order within 3hrs 58mins
Choose **Click & Collect** at checkout.

ADD TO BAG

♡ **ADD TO WISHLIST**

Key points:

- Deploy a Qubit Visitor Pulse survey

- Build insightful segments from the responses

- Deliver personalized experiences, including low stock
  or tending badges

- Analyze the segment data to find new insights

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Stay on trend, then recommend.

featuring **QSOS**

Opportunity

Two distinct shopper segments are first-time visitors and returning customers.

First-time shoppers often don't fully understand what makes you special as a brand, or might not be familiar with your entire catalog. Your goal with this segment is to drive immediate engagement and increase conversion rates.

In contrast, returning shoppers may have something specific in mind, or might need an item to complete an existing outfit. Your goal here is to increase order values.

We can deploy two different strategies for each of these instances, finding the perfect balance between inspiration and helpful recommendation.

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Example

A trending feed looks just like a recommendations panel, but the logic, the psychological principal and the copy are different. Firstly, trending feeds are powered by Qubit Social Proof —a counter that measures real-time popularity in 'views', 'adds to bag' or purchases. The copy, 'trending now' creates intrigue which is perfect for the first time shopper.

At Qubit, we can add a bit more dazzle by allowing shoppers to self-segment their city and see what is trending there. In fact, it doesn't even need to be their city—for example, during fashion week someone in New York may find great inspiration from what's happening in Paris.

Recommendations, on the other hand, help the user find similar items to what they are currently interested in or have purchased in a previous visit. In many cases, we present a trending feed for new customers but then exchange to recommendations for people who have made a purchase.

In cases where you have extremely loyal customers, you can further alter the algorithm to upweight products at a higher price point, further increasing the potential to generate revenue.

Key points:

- Create segments for new visitors and returning shoppers

- Utilise Qubit Social Proof feed to surface popular products when shoppers first arrive

- Amplify the relevance by adding a geo-location filter

- When a new visitor becomes a purchaser, switch to recommendations

- For high-value customers, switch algorithms and upweight high margin products

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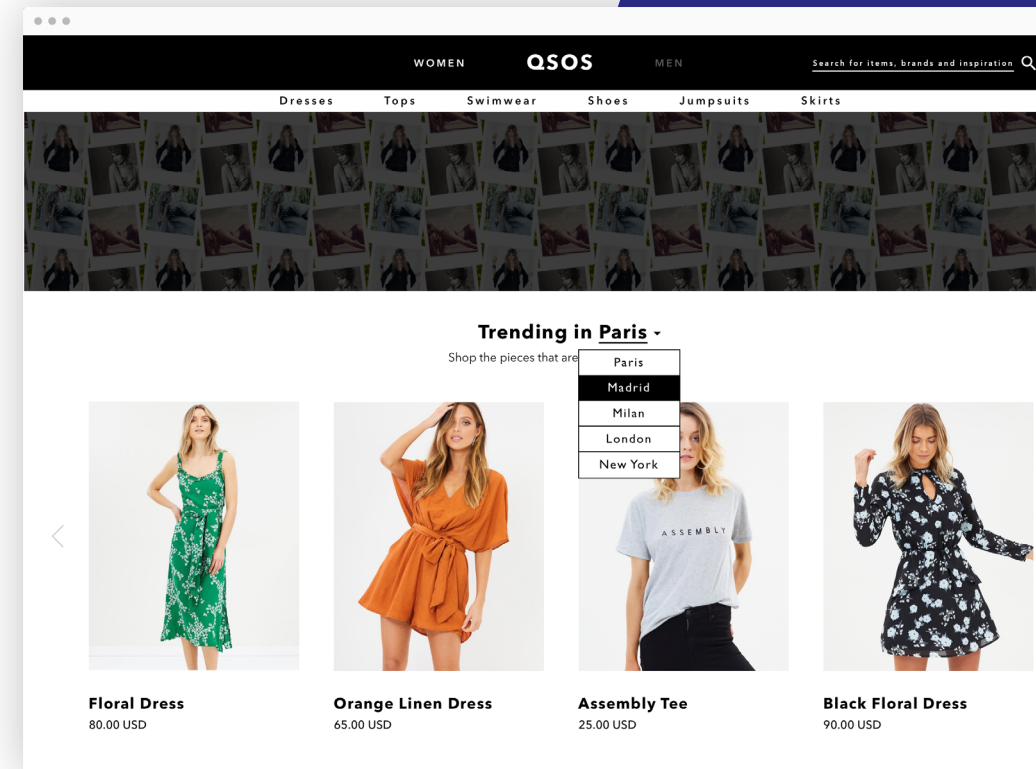
See what's trending in Paris, Madrid or any fashion capital

Recommendations: Huge impact for HOBBS

The Hobbs online store launched in 2018 with the company now delivering to 55 countries worldwide. The company are on a trajectory to become one of the affordable leading luxury retail brands online with a focus on understanding site visitors' historic behavior and their on-site activity in real-time. Alongside Qubit, the Hobbs team have built a culture of date-first decision making and the results are just starting to show. For example, the product recommendation experience deployed through Qubit across multiple domains is driving more than £2.3mil in revenue.

Ensure consistency across channels.

featuring **DIANE VON FURSTENBERG**

Opportunity

Nailing multichannel marketing is important for brand consistency, and fashion is no exception. Difficulties lie in connecting both the online and offline worlds (e.g. ensuring that an in-store 'end of season sale' message is reflected on the website) and mirroring messaging across various digital channels.

Consider someone who has received an offer by email, but chose not to follow the link immediately—instead they return to your site by directly typing in the search term. Clearly, you'd like them to see the offer they received by email, but if they didn't click the referrer link, how do you make that happen?
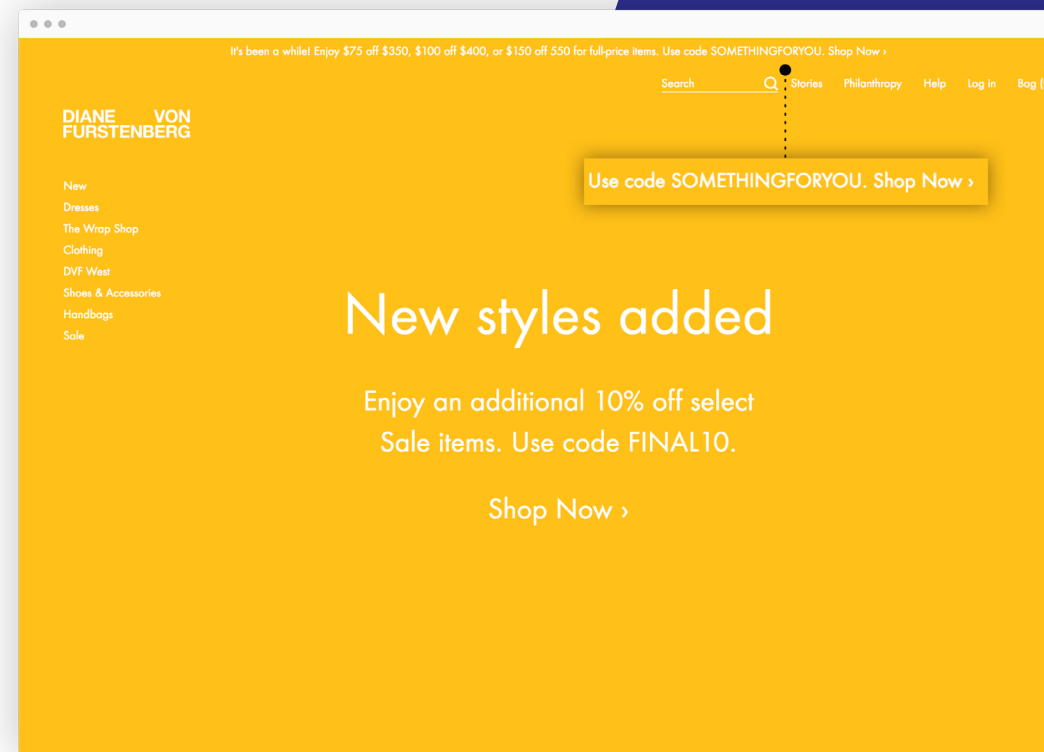
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Case study

Felipe Araujo, Director of Ecommerce at Diane von Furstenberg, had exactly this challenge. DVF was interested in uniting the messaging across email, Facebook retargeting ads and the website, so that various offers were mirrored across all channels.

Using Qubit Pro, DVF were able to ingest a data set from their CRM database of all the lapsed customers who had been receiving promotions by email and through retargeting. When these customers returned to the site the same offer code was presented as on the other channels, regardless of whether they clicked on the referrer link or not.

This tactic helped DVF see a 20% conversion rate increase.

Key points:

- Export CRM data for those who have received email and advertising

- Ingest data into personalization platform

- Deliver consistent promo messaging in site

It's been a while! Enjoy $75 off $350, $100 off $400, or $150 off 550 for full-price items. Use code SOMETHINGFORYOU. Shop Now ›

Search   Stories   Philanthropy   Help   Log in   Bag (

DIANE   VON
FURSTENBERG

New
Dresses
The Wrap Shop
Clothing
DVF West
Shoes & Accessories
Handbags
Sale

Use code SOMETHINGFORYOU. Shop Now ›

New styles added

Enjoy an additional 10% off select
Sale items. Use code FINAL10.

Shop Now ›

DVF:
Small touches make a big
difference when an offer is
connected across channels

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Supercharging abandonment.

featuring **Ann Summers**

Opportunity

In personalization terms, fighting abandonment is pretty much the oldest tactic in the book. Yet, it's still one of the most effective personalizations available to retailers. In the aforementioned 'Getting 6% more', we found abandonment to be the 4th highest performing tactic, providing an average 1.1% increase in Revenue Per Visitor (RPV)—outperformed only by scarcity, social proof and urgency.[1]

Abandonment isn't always executed in a consumer-centric way though. Many brands are guilty of trying to 'collect an email' or 'serve an offer' at all costs, which may provoke some immediate results, but in the long term, can hurt deeper ecommerce metrics.

With that in mind, the challenge becomes: How to ensure that abandonment is both well-timed and useful.

Case study

Ann Summers wanted to prevent visitors from abandoning the site when they had products in their cart. This was particularly essential for low-stock products, as a returning customer might find the items they had been interested in were no longer available—a real dampener for date night!

The chosen approach surfaced an abandonment message for both mobile and desktop browsers. To add relevance, the message alerted the visitor that the products in their basket were low in stock and might run out soon.

The results? Total success: Ann Summers confirmed an increase in conversion rate with scarcity tactics proving value once again.

Key points:

• Try to be as helpful as possible with abandonment tactics

• Trigger these tactics when a shopper is tempted to leave your site, rather than in the middle of their session

• For maximum effect, combine tactics such as scarcity or social proof into the abandonment message
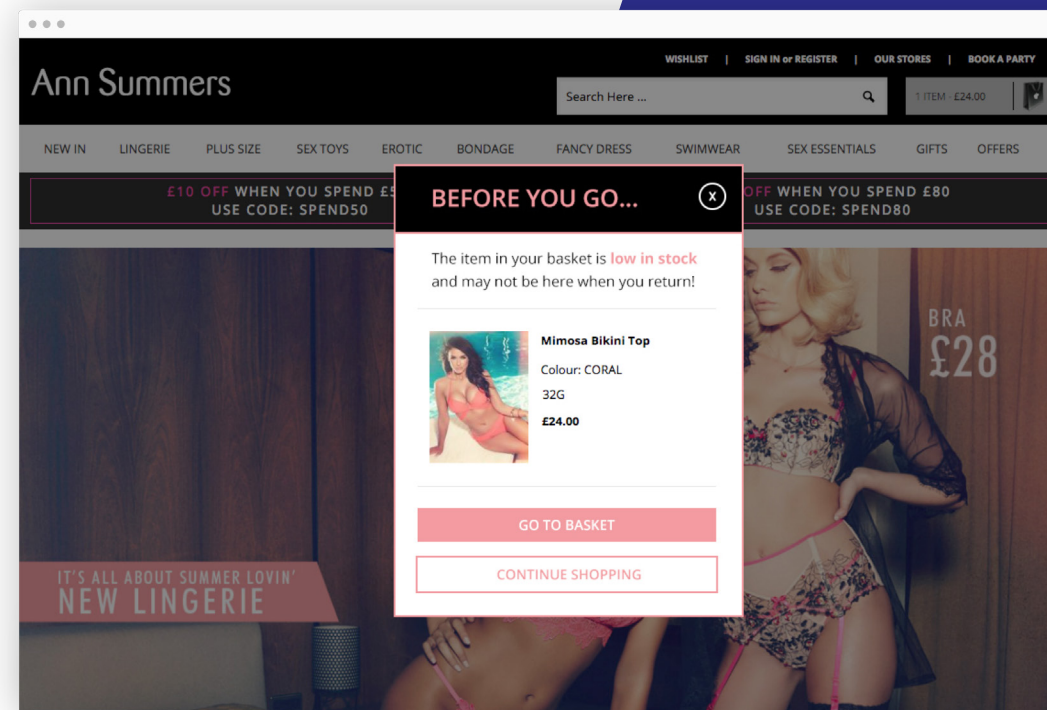
Ann Summers:
Multiply tactics to drive conversions

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> At Ann Summers we are constantly thinking of ways to make the experience personalized for each and every user. Harnessing the data at our fingertips we're able to use personalization to drive acquisition, loyalty and retention.

Jo Hyder
Head of Brand & Digital, Ann Summers

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Drive urgency and reduce returns with predictive sizing.

featuring **QSOS**

Opportunity

With Amazon offering free delivery and free returns, the pressure is on for many retailers to follow suit. But when you're potentially losing money on shipping, it's paramount that you don't have even more revenue at stake on returns.

One tactic available for retailers is to help shoppers buy the right sized garment in the first place. However, predicting someone's size is a complicated (and sometimes sensitive) matter: Getting it wrong can have devastating effects on your brand image.

To get it right, Qubit uses all the relevant data sources to predict someone's size. This data comes in the form of browsing data, purchasing data and even previous returns data (both online and instore).

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Example

Back in the room with QSOS, the Qubit team were asked to 'save' a shoppers size to allow various merchandising tactics. The challenge with doing this on the browser is threefold; how do you record a user's purchases across different devices? How do you save a size for every sub-category of clothing? And lastly, how do you predict what size someone should buy if they haven't purchased in that sub-category before?

Step one in our approach was to consolidate all the purchases made by a shopper under a single user ID (catering for mobile, desktop and in-store purchases). Step two was to algorithmically predict their size based on purchase history over the last 90 days.

With the size calculated and saved, we were able to serve a variety of personalizations to make the shopper's life better, such as pre-filtering category pages and alerting customers when their size was running low. Even if the shopper was in a category they hadn't purchased from before, we offered them some sizing help based on our assumption about their size.

Key points:

• Build a size profile for each shopper based on their past purchases

• If insufficient data is available across each category, make a prediction

• Deploy size-specific personalizations, such as pre-filtering and low stock alerts

Size predictions allows better targeting of persuasive tactics

QSOS

FRILLIO
190 USD

10

Based on your previous purchases this is your most frequently selected size that hasn't been returned!

SIZE 10 IS LOW IN STOCK

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Increase lifetime value with menswear replenishment.

featuring **asos**

Opportunity

In the cosmetics industry, replenishment is a big deal, with repeat purchases happening as soon as 30 days after the initial purchase. In fashion, the need is not as frequent, but particularly in menswear, it does exist. We're talking socks, underwear and essentials such as white, black and grey tees.

What's true of both moisturizers and tees is that people wear them out at different rates. Therefore the science of a successful replenishment strategy lies in being able to predict when someone is about to run out of something—until that point in time, the real estate on your website can be used to display different content and products.

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Example

In the menswear department of QSOS the merchandising and Qubit teams have been working away for some time. Qubit has been on the site for a year, so there is plentiful historical data to analyze for purchase frequency.

Specific staples in the menswear department were targeted for replenishment, including tees, sweaters and linen shirts. When a shopper comes to the site who has previously bought one of these items a quick calculation is done to see how often they buy the product. If that data didn't exist, the mean frequency of purchases across the whole site is used for that product. Since QSOS is a multichannel business, this is done by looking at both ecommerce and instore datasets.

If it's time for some fresh tops, a personalization panel is deployed to show the items that are ready for repurchase.
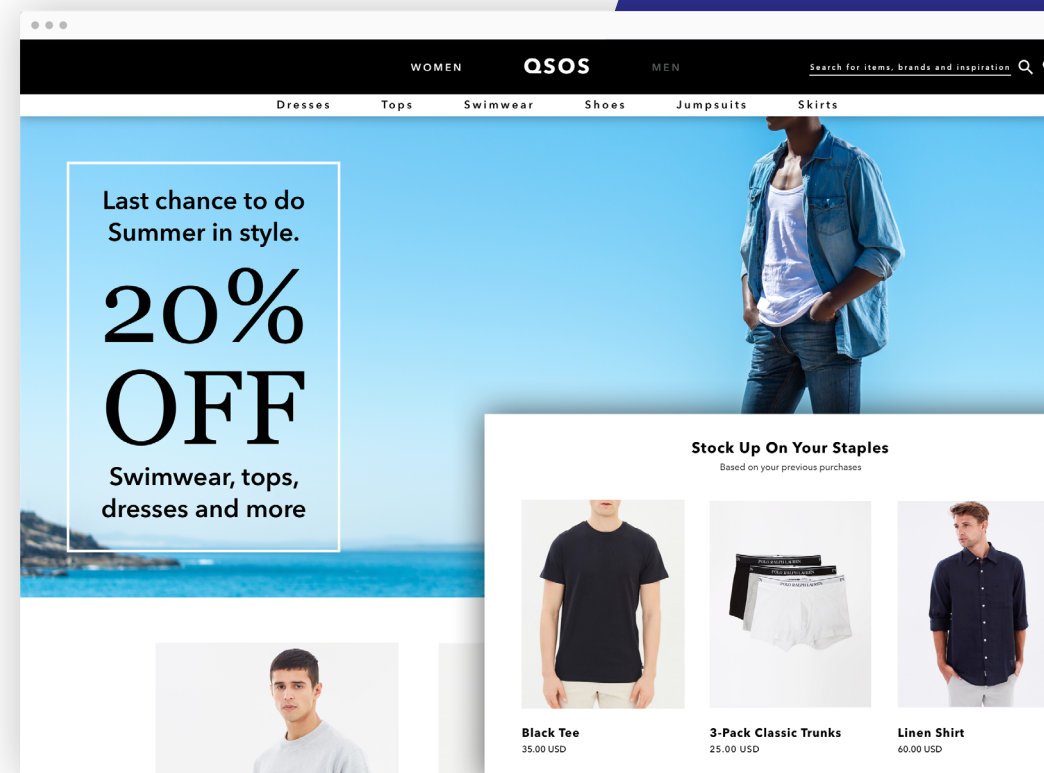
Keeping fresh: Qubit helps brancs predict when shoppers need a new garment

Mobile Discovery made easy.

featuring **WOLF& BADGER**

Opportunity

Last, but not least, the time is now for mobile discovery. Our latest research found that while traffic to mobile sites is double that of desktop, conversions are less than half.[2]

Another revelation is that checkout isn't the key pain for most consumers. In fact, it was in fourth place behind faster browsing, ease of finding 'what I want', and ease of 'discovering new things'. And this makes perfect sense— oftentimes the mobile mindset (on the move, killing time) is not about buying stuff, it's about finding inspiration.

And here lies the problem. Compressing a desktop site down to mobile dimensions and turning a big horizontal navigation into a hamburger does not fuel inspiration. What we need is an alternative state for the mobile shopper who simply wants to browse and feed their imagination, similar to likes of Instagram and Spotify.

2 https://www.qubit.com/research/mobile-product-discovery-ecommerce-revenue

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Case study

By understanding the need to make discovering new products simple, Wolf & Badger were among the first of our brands to adopt Qubit Aura.

Qubit Aura is launched when a shopper clicks on the icon in the bottom right. The next step is to prime the experience with a few suggestions (similar to getting started with Netflix), before being taken into an AI-powered version of the site. Shoppers will see the most relevant selection categories across the top and Instagram-like scrollable selections of products down the page.

The feed becomes more relevant based on the shopper's browsing behavior, whether they're into tops, tees or trendy trinkets—a truly 1:1 expression of personalization. Helpful cues and context are also added to the feed, such as 'based on recently viewed' or 'popular right now' to create reassurance in the selection of products offered.

Other features include the ability to save products to 'My Picks' and 'share with friends', a strong favorite with today's mobile-first shopper. According to the 2018 Business of Fashion report, social sharing is the fastest growing referrer of new traffic to ecommerce sites in 2018.[3]

Key points:

• Focus on the beginning of the purchase journey and tackle product discovery

• Qubit Aura helps users see 2.25x more products

• Save products for later and share them with friends

• Qubit Aura is the winner of Glossy's Best Breakthrough Product Innovation Award

• Truly 1:1 personalization with a tangible artificial intelligence

3 ---?

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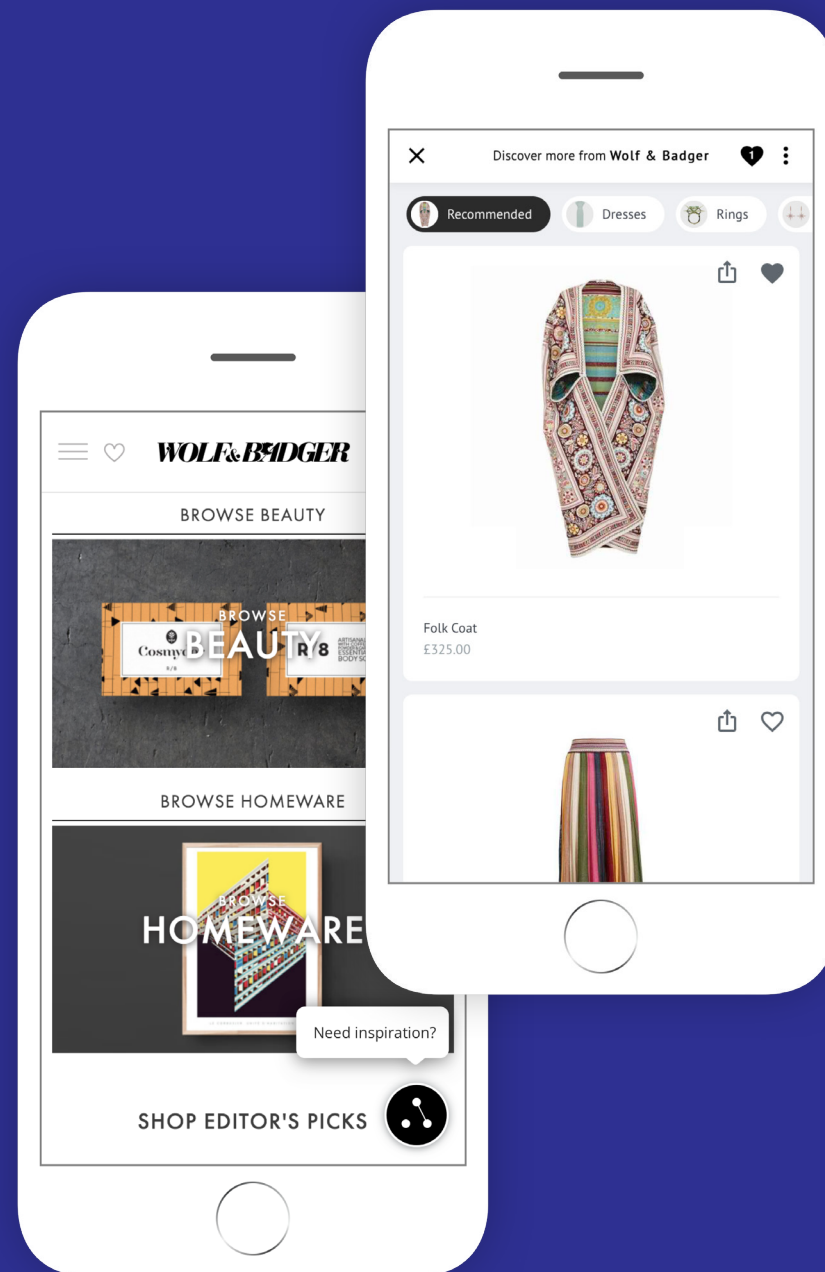
That's a wrap.

As you can see from this book, Fashion is a real innovator in the personalization space, drawing on granular data from browsing, offline shopping and CRM sources to serve highly need-based experiences that deliver against your business goals.

The magic of personalization lies not only in the nature of the tactic, but potential combinations of multiple tactics and, most importantly, the audience to which the tactic has been focused. This leads to relevance, a key tactic to avoid using discounts when you don't need to and ensuring shoppers find what they're looking for in less time, whatever their need, whatever their channel.

Herein lies the beauty of personalization—your site should never be all things to all people. It should present a smooth and coherent experience, finely tuned to the needs of individual shoppers.

Want to know more?

We've got a ton more examples to show and great numbers to back them up. If you'd like to take inspiration from all the beauty brands we work with, drop us a line: info@qubit.com

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About Coveo-Qubit.

Amplify your ecommerce strategy with Coveo-Qubit to deliver personalization at scale and more metrics that matter.

Coveo-Qubit is now part of the Coveo Family.

COVEO™
The Relevance Company

Learn more about Coveo

Coveo is the world's leading cloud-based relevance platform. The Coveo Relevance Cloud ™ uses applied AI to deliver relevant experiences in all digital interactions, from search to recommendations to personalization.

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