# Major American fashion brand enhances product discovery experience with personalization

dynamic yield

# Leading fashion retailer leverages Dynamic Yield's Strategic Services Group for a fully-managed personalization program

## Summary

In 1984, the leading American fashion retailer opened a small, 900-square-foot retail store in Los Angeles. Offering fashionable and trendy clothes at a great price point, the brand went on to become a household name. After cementing its position at the forefront of the fast-fashion world, the retailer began working with Dynamic Yield to focus more intently on extending its success beyond brick-and-mortar and optimizing the digital customer experience. When COVID-19 hit, the company, like many other retailers, saw an increase in activity and value from its eCommerce channel. In order to keep pace and scale its efforts to meet a whole new wave of consumers, its team partnered with **Dynamic Yield's Strategic Services Group** for fully-managed program support to assist with both strategic and tactical execution. The program, which allowed their team to continue its personalization activity without any additional resources, resulted in a 4.3% increase in average revenue per user and annual revenue projections of $4.57 million from homepage product recommendation optimizations alone in the 3-month engagement.

## Results

### A fully-managed personalization program

that allowed the fashion brand to increase the volume, insights, and value of its personalization program without adding long-term overhead costs.

### $4.57 million in projected annual revenue

from personalized optimized recommendation experiences targeted to key audience segments.

## Challenge

Following the onset of COVID-19, the fashion brand needed to adjust its operations swiftly. This meant continuing to provide online shoppers with the optimal eCommerce experience, especially as many of their brick-and-mortar customers were forced to shop online for the time being. However, they weren't able to adjust their resources and bandwidth immediately, and the team needed assistance further developing and managing its entire personalization program, especially when it came to:

- Identifying additional personalized experiences that meshed data insights with program best practices to identify high-value campaign opportunities
- Acquiring additional development resources to execute and bring opportunities identified to market as quickly as possible for faster time to value
- Analyzing business performance thoroughly and identifying high-value audiences and behaviors for additional campaign variations and overall revenue

The retailer was looking for a true partner, one with a team of veteran personalization and eCommerce experts that they could trust with such an essential aspect of their business during a challenging moment for the retail industry. That's when they enlisted the Strategic Services Group at Dynamic Yield.

### Dynamic Yield Strategic Services

The Strategic Services Group delivers all the facets of a high-performing personalization program, from the ideation and development phases, all the way through analysis.

## Execution

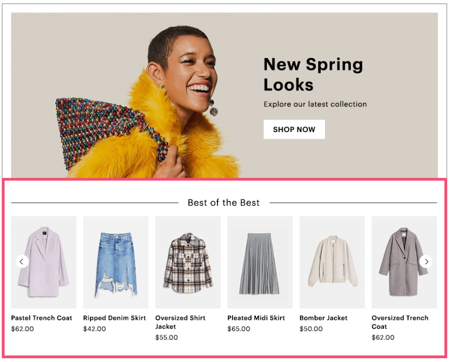
**Increase value by implementing personalized product recommendations on the homepage based on the customer group**

Looking to prove ROI and generate incremental revenue returns as quickly as possible, Dynamic Yield focused on a high-impact use case that would quickly reach statistical significance. The team identified the homepage as the ideal place to begin running tests, as it had one of the highest page entries and time spent on page rates. With three recommendation widgets previously driving minimal engagement and revenue at the bottom of the page, the the Strategy Services Group analyzed page performance and determined that placing an additional recommendation widget directly below the homepage banner would lead to higher product engagement and overall revenue per session.

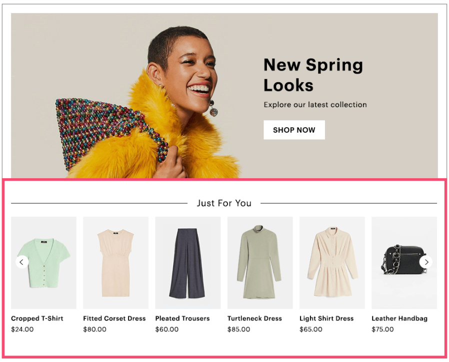
### An iterative process

At first, the Strategic Services Group targeted the retailer's macro audience segments: new and returning customers. New visitors were shown the Popularity strategy while returning users were shown recommendations based on their affinities. This initial test increased homepage recommendation direct revenue from 0.3% to 2.9%. They then analyzed each audience cohort's behavior and adjusted the different recommendation strategies based on audience-specific performance. Returning users who completed a purchase in the last month, as well as new visitors, were targeted with the Most Popular strategy, and returning users who made a purchase in the last year and all other returning visitors (visitors who have yet to complete a purchase or haven't completed one in the last year) were shown products based on the Affinity recommendation algorithm. By bumping up and fine-tuning their homepage recommendations, the company is projected to generate $4.57 million in annual revenue from these optimizations alone, with a 4.3% increase in average revenue per user.

*Recommendations based on Popularity targeted toward new users*



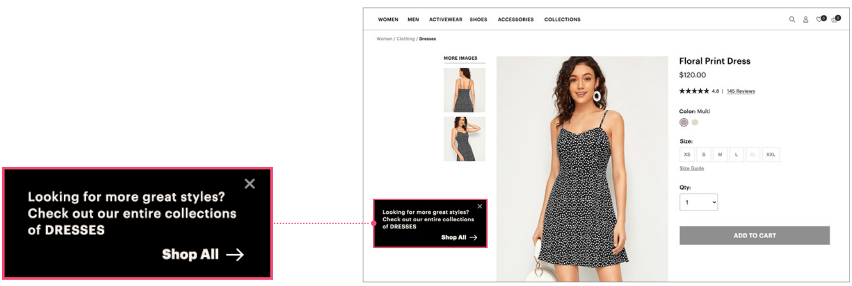

*Recommendations based on Affinities targeted toward returning users*



**Displayed PDP notifications to encourage deeper product discovery among first-time visitors**

The Strategic Services Group identified that product detail pages (PDPs) had a high first-page entry and bounce rates when compared against other site pages. In order to ensure visitors who landed on these high-value pages were engaged and could easily discover additional products, they programmed category-specific notification messages. The targeted notification message appears only after a user is on the PDP for 10 seconds, ensuring that all elements on the page have fully loaded, simultaneously giving users enough time to scan a page before the notification pops up. This campaign is only live on a number of high-traffic product pages: PDPs within the “Dresses” and “Tops” categories.

By focusing on certain product categories, the fashion retailer avoided having to run tests across all PDPs and minimized the potential negative impact from any unexpected performance outcomes. However, as anticipated, the notifications encouraged browsing and product discovery across the site. By enhancing shoppers’ product discovery experience, the company decreased its bounce rate and is expected to generate $77,103 in annual revenue from the “Dresses” and “Tops” category pages from this implementation alone.




## Key Takeaway

The Dynamic Yield Strategic Services Team provided fuel in the form of resources to help the major fashion brand turn a time of uncertainty into a time of action and growth. The ability to identify and develop new initiatives above the current program allowed the company to capitalize on the increase in digital activity and engagement. By leveraging the Strategic Services Group’s full-service offering to scale its personalization efforts, the retailer launched 10 new variations across three separate personalization campaigns. The partnership resulted in a 4.3% uplift in average revenue per user and annual revenue projections of $4.57 million from homepage product recommendation optimizations alone. And most importantly, the retailer was able to continue successfully delivering tailored experiences to each and every shopper, even as they witnessed surges in site traffic.

dynamic yield

Dynamic Yield helps enterprise brands quickly deliver and test personalized, optimized, and synchronized digital customer interactions. Marketing, Product, Development, and Digital teams from more than 350 global companies are using Dynamic Yield's Experience Optimization platform as the technology layer on top of existing CMS or Commerce solutions, to iterate faster and algorithmically match content, products, and offers to each individual for the acceleration of long-term business value. Dynamic Yield Ltd. is a wholly-owned subsidiary of McDonald's Corporation.

## Request a Demo

dynamicyield.com | info@dynamicyield.com