

On

**Agility above all:
boosting On's world of
sports with the power of
personalization**



dynamic yield



See how the innovative sportswear brand is fueling its meteoric growth with a robust personalization program that delivers beyond revenue, empowering the team to build an increased sense of community and new avenues for brand engagement.

Summary

On, the innovative sportswear brand that captured the world with its revolutionary sneakers but has since expanded into apparel, accessories, kids' products, and new activity verticals, has sustained its lightning-fast growth with a robust personalization program. The brand started with Dynamic Yield in 2018, only four years after the birth of its eCommerce team and the sale of its first shoe online, and since then has used personalization to innovate through the COVID-19 pandemic, an IPO, and impressive growth that has seen the company hit nearly 2 billion in revenue. The team extensively uses cross-site product recommendations, dynamic content, and A/B testing to deliver seamless and hyper-tailored experiences via API. With the recent launch of a new website — deemed On's "24/7 digital flagship home" — the team has built an impressive roadmap, thinking outside the box with its KPIs to leverage personalized experiences as tools that can build community, expand the brand's image, and fuel On's continued growth.

Results

16%

of online revenue generated
by personalized product
recommendations

348x ROI

from Dynamic Yield

+13.5%

increase in CTR from promoting non-
shoe products on shoe PDPs

Dynamic Yield is seamlessly integrated at nearly every stage of the user experience for our web and app, providing us with numerous features. We've stayed agile even with our recent transition to server-side, and we continue to see great results. 348x ROI speaks for itself.

– Lena Hauck, Digital Personalization Specialist, On

Challenge

Tenured users of Dynamic Yield, On's eCommerce team has generated strong results from personalization for years, running campaigns for 11 regions worldwide. When it comes to experience optimization and driving revenue, they are tried and true. But recently, the team has also begun to think of personalization as a powerful tool to build a sense of community through On's websites and apps. This new focus is aligned with On's recent expanded business goals, which sees the brand moving beyond its famous elite running shoes and providing lifestyle apparel for all types of movers and activities. By reframing On's new website through a storytelling lens, introducing new product and content recommendation strategies, navigation options, and an ambitious roadmap incorporating personalized home pages and an app, On is leveraging Experience OS to not only achieve its business goals, but to build a community of sports enthusiasts and pros.

Execution

How On leveraged personalization to create a brand community

On's goal for its new flagship website is to “ignite the human spirit through movement.” To achieve this, the team made certain strategic changes through Experience OS, which together aimed to introduce a new world of storytelling, level up how merchandise was displayed on the site, deliver more targeted content to individuals, and create flexibility.

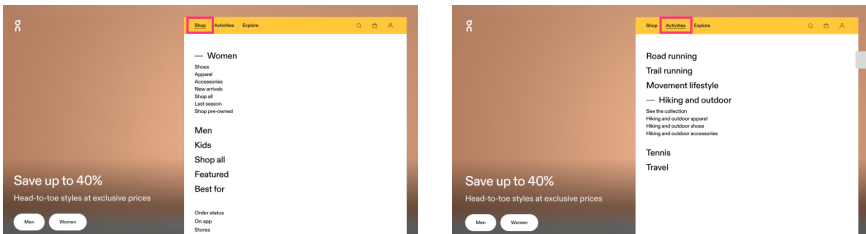
Tactically, this meant diversifying and testing the product discovery experience to better showcase On's expanded merchandise beyond shoes. And, the team wanted to future-proof these changes, implementing them via a series of modular components run entirely through server-side with Dynamic Yield — paving the way for eventual localization at scale, fully personalized “just for you” pages, and the introduction of a mobile app. This section will show examples of these key use cases and demonstrate why personalization is a critical tool for the brand's growth.

Moving beyond shoes with strategic browsing changes

For the past year, product discovery has been one of On's critical KPIs. While the team had generally mastered this in terms of product recommendations for its footwear — recommendations on shoe PDPs consistently drive an impressive 16% of On's online revenue — the team's specific goal was to increase product discovery for non-shoe products.

This went hand-in-hand with On's other critical KPI: to expand brand awareness and develop a reputation as a movement-passionate community, not just a producer of quality equipment. So, the team experimented with adding storytelling and community-based experiences to its already successful product discovery campaigns, ones that would strategically guide viewers to find non-shoe products.

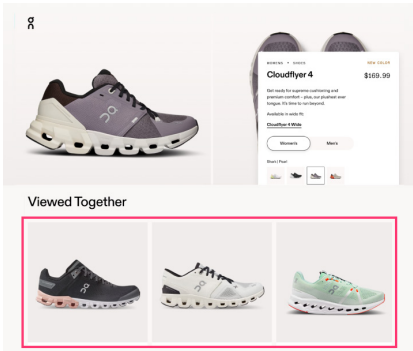
For example, On tested navigation with a product focus versus navigation with a community focus. The product navigation was by Category (such as Women's, Men's, and Accessories) and the community navigation was by Activity (such as Road Running or Hiking and Outdoor). The team found that while these options performed fairly well on their own, there was more power in combining them. Putting the Activity browsing option right next to the Category option greatly increased the overall chance that visitors would discover non-shoe products.



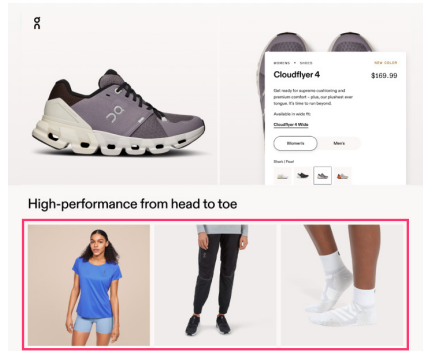
On found that by putting the options to navigate by either Category or Activity on the homepage, users were more likely to discover non-shoe products.

With both navigation options available, users were more likely to click on an Activity category. This essentially guarantees the visitor will discover a non-shoe product, since the Activity navigation option directs users to a storytelling PLP including a hero banner and an array of clothes, shoes, and accessories suitable for the chosen activity. Having this navigation option on the site not only increased browsing engagement from visitors overall, but it helped On develop its reputation beyond a shoe brand.

On also encouraged discovery of non-shoe products by changing its recommendation approach on the shoe PDPs. Historically, On displayed other shoe recommendations on shoe PDPs, which yielded strong conversions. By changing this strategy to display non-shoe products only, On hoped to increase awareness of and sales in new categories.



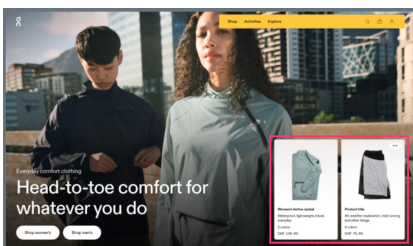
Originally On showcased other shoe recommendations on shoe PDPs, using strategies such as popularity, affinity, and Viewed Together, generating significant revenue from this widget.



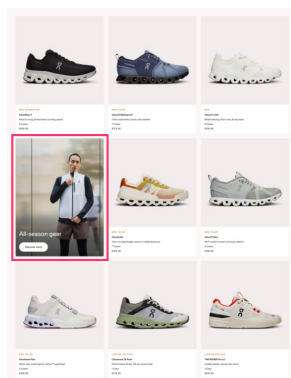
In a test, On showed only non-shoe products on shoe PDPs. The team found that users who clicked on non-shoe items were more likely to buy lifestyle products.

The team learned that promotion of other apparel on the shoe PDP yielded a +537.46% increase in click-through rate for non-shoe products, achieving the team's goal of increasing product awareness in new categories.

With this success on the PDPs, On expanded its non-shoe recommendations strategy to more site pages, ensuring visitors always saw a mix of products, no matter what they were browsing for. The team placed strategic product recommendations on the homepage, shoe product listing pages, and the cart page to encourage discovery and cross-sells throughout the user journey.



On experimented with product recommendations directly on the homepage banner to increase awareness, especially for prospects likely to be landing on the site looking for shoes.



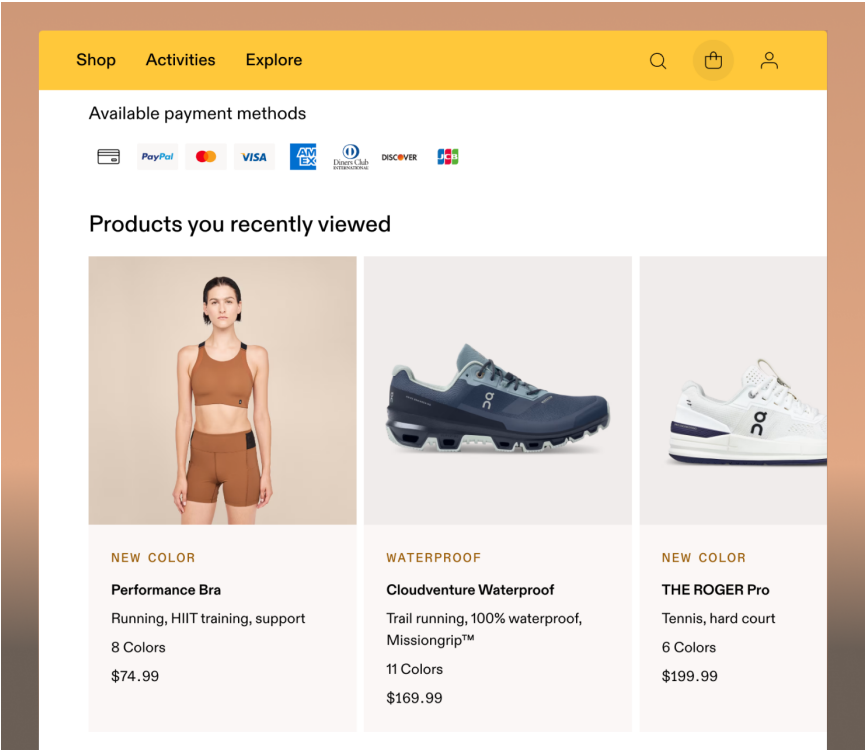
On included recommendations for other categories on the shoe PLP, increasing awareness of product categories. More than 55% of PLP visitors engaged with the cross-selling cards.

Overall, cross-selling in different categories improved engagement with non-shoe products and boosted conversions. For example, On found that over 55% of shoe PLP visitors clicked on the cross-selling card from that page, yielding an uplift in conversions from this audience group.

Increasing conversion and AOV with personalized content

Aside from product recommendations specifically designed to expand awareness of On's non-shoe categories, the team also runs sophisticated recommendations based on advanced audience segmentation and an individual's browsing behavior. These personalized experiences encourage conversion and increase average order value.

For example, personalized recommendations appear in the overlay cart and are viewable at any time, from any page:

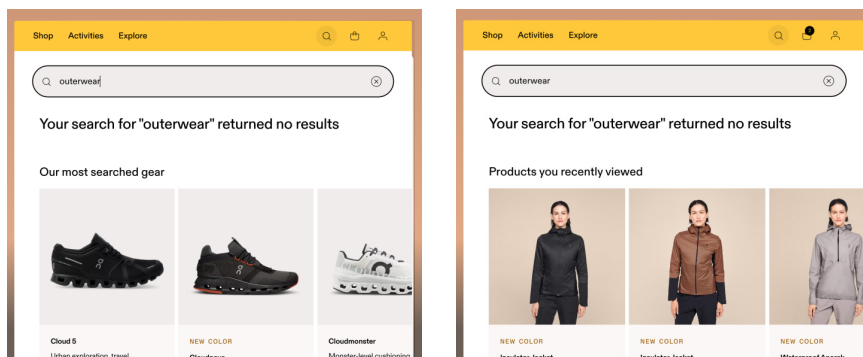


On displays product recommendations based on a visitor's cart status, which are viewable from any page of the site in this overlay format.

The positive performance of this widget is due in part to On's advanced audience segmentation and targeting. On uses a Recently Viewed strategy if a visitor has at least two PDP views; if the visitor has no views, the strategy reverts to Popularity. If the visitor has one shoe product in their cart, the recommendation strategy is Bought Together with an apparel product pinned to appear in the first slot (as shown in the image here). If the visitor has one item in the cart but does not fall into any other logic, the recommendation strategy shows Bought Together, filtered for only accessories.

The cart recommendation widget is On's top-performing personalization experience based on direct revenue per click. However, On continuously tests this recommendation logic throughout the year to optimize performance. Most recently for example, the team ran an A/B test to consider gender affinity versus no gender affinity in all suggested items. In one variation, the popularity fallback filtered for Men drove a +30% increase in click-through rate, yielding a +1.86% uplift in purchases.

On also uses recommendations as a powerful tool for re-engagement. For example, if a customer searches for a specific item and receives no results, a recommendation widget appears within the search overlay to encourage the visitor to keep browsing.

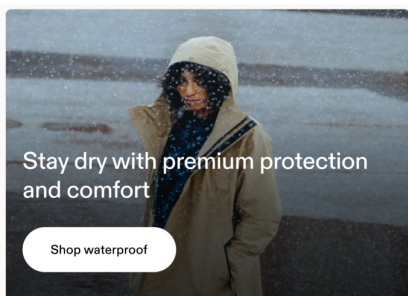


On delivers recommendations on the search page if the query returns no results. The left image shows a Popularity strategy, delivered to visitors with less than 2 PDP views. The right image shows a Recently Viewed strategy, delivered to visitors with more than 5 PDP views.

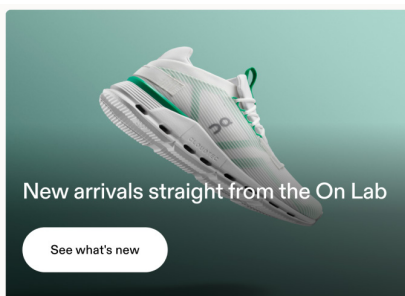
For visitors with fewer than two PDP views, the recommendation strategy is Popularity. For visitors with more than two PDP views but less than five, the strategy is Recently Viewed + NextML deep learning. If the visitor has more than five PDP views, the strategy is Recently Viewed. Despite the fact that this experience was deployed near the end of the year, the slider still drove **1% of the year's total direct revenue** from recommendations.

Finally, because much of On's gear is worn outside by athletes in various types of weather, the team experiments with location-based experiences that reflect the weather in a visitor's region. This real-time messaging capitalizes on a user's most likely current need and generates engagement and conversion.

The team has experimented on and off with running a weather-based homepage banner in several markets. If it is raining in the location of the visitor, the visitor will see a banner addressing the rainy weather, instead of the default experience, which makes no reference to the weather.



This variation, which showcases rainy day content, appears if it is currently raining in the visitor's area.



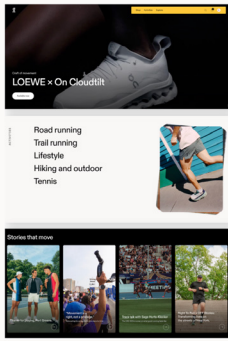
This default experience appears if it is not raining in the visitor's area at the time of their browsing.

Overall, the On team sees a positive impact on CTR if the homepage banner displays rainy weather content when it is currently raining in the region.

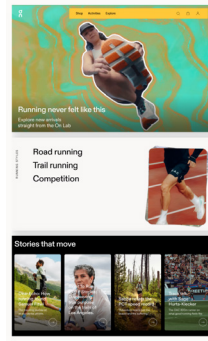
The future of personalization at On

With the new website launched, performing well, and the team fully converted to running modular experiences via API, On's next goal is to bring all data points from a customer together to provide an even more personalized experience. The team plans to do this through individualized home pages, personalized shopping pages, and the launch of a new app.

Currently, On's homepage contains campaign-driven content, but the team believes they can create a more aligned brand experience and drive better results with community-driven content, as shown here:



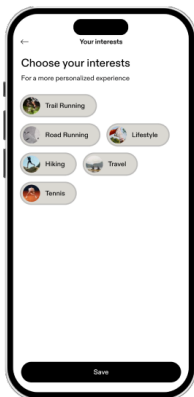
On's default homepage contains modules of campaign-driven content, but the team plans to evolve this experience and create homepages based around community and a visitor's affinity.



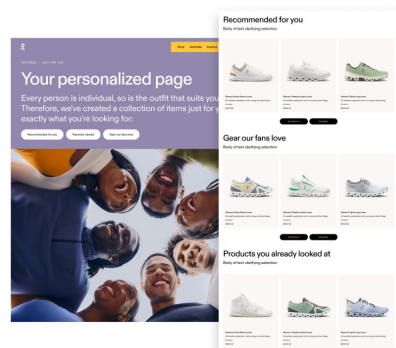
In this variation, the modules on the homepage reflect a running community, showing an adjusted banner, nav, and recommended blog posts. This experience will be served to visitors with an interest in running.

On plans to build variations of the homepage targeted to all its key activities, including running, tennis, movement, and lifestyle and travel.

Expanding on this idea, On also plans to deploy a personalized shopping page for logged-in account holders on the website. This experience is coordinated to complement the launch of the brand's first app, which will be personalized with Dynamic Yield and include an onboarding questionnaire to get more targeted with users' interests.



On's new mobile app will be personalized with Dynamic Yield. New and returning account holders will be prompted to complete a brief questionnaire to indicate what they're most interested in.



On plans to launch personalized shopping pages for logged-in users, containing Dynamic Yield widgets with the strategies recommended for you, most popular, and recently viewed.

Following the launch of these exciting experiences and its new channel on mobile app, On plans to continue pushing the boundaries of personalization by focusing on localization across priority markets and developing more nuanced audience groups.

Key Takeaway

Personalization is a critical pillar of On's eCommerce strategy, one which has empowered the team to move beyond simply delivering optimized experiences and incremental revenue. The team has leveraged Dynamic Yield in every part of its site and coming mobile app to create community-driven experiences that boost brand awareness and loyalty — factors which have led to and sustained On's meteoric growth. With a new website transitioned entirely server-side and the right tools and data in place, On can push the boundaries of personalization by engaging with customers on a one-to-one level, combining product recommendations with storytelling content for a sustainable and exciting future.



dynamic yield

Dynamic Yield by Mastercard helps businesses across industries deliver digital customer experiences that are personalized, optimized, and synchronized. With Dynamic Yield's Experience OS, marketers, product managers, developers, and digital teams can algorithmically match content, products, and offers to each individual customer for the acceleration of revenue and customer loyalty.

Request a Demo

dynamicyield.com | info@dynamicyield.com

