

RETAIL

Luisa Via Roma's personalized targeting results in ecommerce lift

October 9, 2017



Luisa Via Roma is personalizing the retail experience for shoppers. Image credit: Luisa Via Roma

By SARAH JONES

Italian department store Luisa Via Roma's ecommerce personalization tactics have boosted the retailer's sales, showing the potential applications for the broader luxury industry.

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Bringing upselling to the online channel, the retailer worked with personalization provider Dynamic Yield to serve up tailored recommendations at various points in the purchase path. Beyond providing a customized experience for shoppers, this initiative yielded an uptick in both conversions and order value.

"The fundamental promise of luxury retail dating back to the first high tailors in London is providing a customer with an individualized, couture experience that makes him or her feel like the most important person in the world," said Mike Mallazzo, content director at **Dynamic Yield**, New York. "As even high-end commerce goes digital, it makes sense that luxury retailers seek to replicate this experiences as best they can online.

"While the fashion and luxury industry is immune to some of the threats posed by Amazon, they still have to meet the needs of an ever more demanding digital consumer," he said. "Couple this with the fact that the price of acquiring luxury customers online is skyrocketing and the need to delight existing users magnifies.

"Luisa Via Roma's success with Dynamic Yield proves that deploying personalization is key to delight your online shoppers and deliver substantial revenue uplifts."

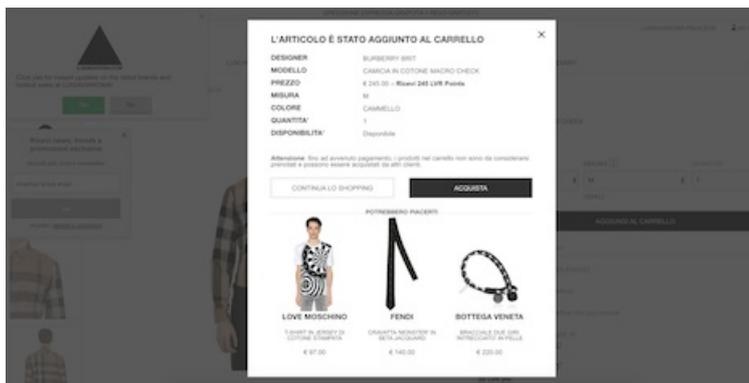
Targeting tactics

While Luisa Via Roma has two stores in Florence, the bulk of its business today is online, with 5 million monthly visitors to its site selling high-end fashion and home goods. Since it opened its ecommerce site in 1999, 95 percent of its revenue comes from digital sales.

Dynamic Yield's personalization for Luisa Via Roma focuses on delivering recommendations across the site, as well as leveraging consumer behavior data to push targeted messaging.

One of the places where Luisa Via Roma served up personalized suggestions was within shoppers' carts. For about a

month, the retailer targeted consumers with ideas of other products that may also interest them, inspiring shopping bag additions.



Screenshot of Luisa Via Roma's add to cart personalization. Image courtesy of Dynamic Yield

As a result of this effort, the retailer grew its average order value per shopper by 15 percent.

Additional product ideas were also presented to shoppers in a thank you message. Over the course of two and a half months, this grew the average revenue per user by 14 percent.

The average revenue per user also increased with the addition of notifications of dwindling stock availability. When an item in a shopper's cart was close to becoming unavailable, the retailer would include a message within the shopping bag.



Screenshot of Luisa Via Roma's availability notification. Image courtesy of Dynamic Yield

With consumers told to get their merchandise now or regret it, the average revenue per shopper grew 6 percent over the course of one and a half months.

"One of the key advantages of a unified platform like Dynamic Yield is that we can onboard data from any digital touchpoint and use all of that data to inform all aspects of personalization, including recommendations," Mr. Mallazzo said.

"Thus, the data that informs our personalization can be fairly straightforward, such as creating customized experiences for users based on the country or city they are shopping from and the current weather in that region," he said. "Or they can be very complex and comprise a user's past purchase history, items he or she has shown affinity for, and/or the price point that she has shown willingness to buy."

Personalization potential

Fellow Dynamic Yield client Sephora recently introduced a host of new features to its online store focused on personalizing the purchasing process for individual customers.

Some of the new features include individual recommendations based on previous purchases and a personalized welcome when past users visit the online store again. Sephora is banking on the growing trend toward smarter online shopping experiences to help drive up ecommerce sales ([see story](#)).

The LVMH-owned beauty retailer was ranked as the top customer experience provider in Sailthru's [Personalization Index rankings](#) as it continues to stronghold the digital and in-store retail experience, based on what its audience wants ([see story](#)).

"For decades, luxury stores have perfected every aspect of shopping in-store right down to the floor associate's cologne," Mr. Mallazzo said. "Unfortunately, there just is no substitute for the level of customer service that a seasoned store representative can provide.

"But personalization is the key to bridging this inherent gap in ecommerce," he said. "By suggesting the perfect item for a user or proactively answering key user questions, you can capture some elements that customers receive in a brick-and-mortar store."

However, even with the potential benefits of customizing the ecommerce experience, retailers should ensure they do not cross any lines with shoppers as they leverage data.

Time-poor consumers are increasingly seeing the value in personalization, but even with this greater acceptance of the use of their data, retailers still need to be careful not to cross the line into "creepy" targeting.

A new report from Oracle finds that while consumers are excited about certain technological advances in retail, other inventions leave them uneasy. As retailers look to adapt to the increasingly digital landscape, they should take into account consumers' comfort levels with automation and artificial intelligence ([see story](#)).

"First and foremost, it is vital to prove that you understand the context in which a user is shopping," Dynamic Yield's Mr. Mallazzo said. "If your CRM data shows that a user is a returning buyer, be sure to serve a promotion alongside a 'Welcome back' message that acknowledges her as a loyal customer.

"Another great use case to delight luxury online shoppers is to tailor free shipping messages and offers based on the country they are shopping from," he said. "For example, if a German user logs in, display a notification that lets the user know you have free shipping to Germany. It sounds almost trivial but it can lead to serious uplifts in conversion and revenue per user.

"Finally, in an industry, as driven by aesthetics as luxury, the hero banner image on the homepage is paramount. Showing someone who has viewed Gucci products a model decked out in Armani can set the wrong tone. Invest in segmenting audiences on your homepage and invest the creative resources in creating 10-plus compelling home page banners to serve to these diverse audiences."

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