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MARKETING

Data can guide customer experience improvements

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Farfetch has expanded to the Middle East. Image credit: Farfetch

By SARAH RAMIREZ

NEW YORK Data-driven decisions are essential to improving the customer experience, from the supply chain to ecommerce.

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During a presentation at LuxeCX/AMCX 2019 on Sept. 25, a principal from IBM shared examples of how luxury brands have changed their strategies based on customer data. The evolving retail environment has led to a wealth of data, but brands often need guidance and the right tools to best interpret the data and implement their findings.

"This all begins with data capture and having the right mechanisms to do that," said Elizabeth Kiehner, apex global leader and design principal at IBM.

LuxeCX/AMCX 2019 was produced by Luxury Daily and sister title American Marketer, with venue sponsor UBS

Data decisions

Data can be used to find weaknesses in business strategies, such as decoding why a popular monobrand Web site does not drive sales.

Rapid changes in retail and technology have resulted in an omnichannel environment, where everything is a channel and an opportunity to acquire data.

Omnichannel retail contributes to the wealth of customer data. Image credit: Olapic

According to Ms. Kiehner, data is a two-way relationship. She encourages brands to exchange something of value, such as access to personal digital wishlists, to convince consumers to give up their data.

Quantitative data can help brands make better decisions, but it is important that the data is high quality. This is a time-consuming process, requiring removal of duplicate information and more.

Ms. Kiehner shared overviews of data projects that IBM collaborated on with luxury jewelers. Different sets of data were used to increase online sales.

For Tiffany & Co., IBM teams conducted A/B testing to see what layouts and calls-to-action led to more ecommerce sales on the jeweler's Web site. IBM also tracked visitors to the Bulgari Web site to better understand their buyer habits to better market its ecommerce offerings.

Customer relationship management platforms also gather helpful information that luxury brands can use to improve consumer experiences.

Oracle is providing Italian fashion company Prada Group with a multitude of solutions in a variety of different categories.

Customers expect to receive something of value in exchange for their data. Image credit: Prada

For Prada's merchandising business, it will be using solutions such as merchandise financial planning, assortment and item planning. This will allow the brand to better forecast trends, determine sales, analyze performance and manage inventory and its supply chain.

Oracle Retail Customer Engagement Cloud Service and Oracle Retail Xstore Point of Service will allow Prada to manage customer-related touchpoints, personalizing the shopping experience (see story).

AI assistance

More luxury brands are also employing artificial intelligence to improve customer experiences, most often through visual search and chatbots.

Online luxury platform Farfetch is among several high-end retailers and brands that have introduced visual search tools.

Called "See It, Snap It, Shop It," the feature has been integrated into the Farfetch mobile application.

The tool enables shoppers to upload images to identify similar products available to purchase. Once an image is

analyzed, shoppers can tap the items and find similar options from Farfetch (see story).

AI technology is also used to implement chatbots.

Retail and consumer products brands are largely falling behind in AI customer service adoption, with less than a quarter offering a voice assistant or chatbots, according to a report from the Capgemini Research Institute.

Three-quarters of companies that have implemented chatbots or voice assistants have seen a positive impact, such as fewer calls to customer service, lower customer service costs and even a bump in loyalty. Consumers are also apt to feel more trust in a company or tell their friends and family about the brand after having a fulfilling experience with an AI assistant (see story).

However, Ms. Kiehner believes that within the luxury business, conversational chatbots may be more beneficial for employees rather than end customers.

"Luxury consumers still want to deal with humans," Ms. Kiehner said. "The human experience is still a premium experience in the luxury space, and people treasure the person-to-person interaction."

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