360-degree personalization for strong customer engagement

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Quick Facts

About DOUGLAS

The DOUGLAS Group is Europe's leading omnichannel retailer for high-quality beauty products. With a company history stretching back over 200 years, DOUGLAS is currently active in 27 European countries with the brands DOUGLAS, Nocibé, Parfumdreams and Niche Beauty. In its approximately 1,870 stores and on its e-commerce platforms, DOUGLAS focuses on providing an appealing, individual and inspiring customer experience in a wide range of beauty products.

The challenge

Providing highly personalized content that is delivered automatically across the various customer channels in real time

Ensuring the personalized content meets a range of requirements

Improving the user experience and differentiating from the competition through innovative, personalized use cases

Linking customer data from the online shop and physical store for the best possible individual customer approach

Strategically steering the personalization strategy, aligned with the company's objectives and differentiated for various channels

The solution

Personalized customer journey in web shop, app and newsletter

Individual push notification through 1:1 personalization by GK AIR in the app

Implementation of various innovative use cases for personalization, e.g. as part of the DOUGLAS Beauty Profile, Beauty Stories or replenishment recommendations

Highly configurable recommendation system that takes all requirements into account

Beauty Card, enabling customers' shopping data to be incorporated into the personalization of online channels

Increase in various key performance indicators

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Overview

The market for beauty and body care products in Europe is highly competitive. Beauty expert DOUGLAS excels online and in its stores with an inspiring brand experience and a strong range of products – with a clear focus on customer centricity. By using GK AIR Personalization, DOUGLAS is able to inspire customers across all channels with personalized services and data-based advice.

More than a decade of trusting collaboration

The needs of their customers are at the heart of everything the beauty experts do. The DOUGLAS Group was quick to recognize the potential of real-time personalization as a forward-looking tool and an important means of engaging customers. As early as 2012, DOUGLAS integrated the GK AIR Personalization AI solution into the German online shop and its associated newsletters.

Since then, the company has continued to develop personalized use cases. Eleven country shops, apps and the associated newsletters currently provide cross-channel recommendations and personalized content. DOUGLAS employs various personalization scenarios here to inspire its customers.

Relevance as a means of engaging customers

DOUGLAS creates a strong brand presence through a variety of marketing measures, with a particular focus on personalized content: "With GK AIR Personalization, we provide our customers with the best product and content recommendations in line with our beauty expertise. With the help of AI, we utilize various data sources from the in-store and online business to achieve maximum relevance for customers. This contributes significantly to engaging customers," says Elisabeth Westendorf, Head of Product & Engagement at DOUGLAS.

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Solution

Rollout in eleven country shops, the associated apps and in the newsletter

GK AIR Personalization analyzes the interests of customers based on current behavioral data and historical transaction data and learns from customer interactions in real time. Self-learning algorithms that adapt to consumer behavior in real time ensure the highest quality recommendations. The AI solution draws on a library of AI algorithms based on 25 years of research and development.

After the initial installation of the personalization solution in the German online shop and newsletter in 2012, the positive development of the key figures led to the solution being rolled out to the European country shops in eight languages and, later, to the associated apps. Personalization in the online shops takes place throughout the customer journey

– on the homepage, the product pages, in the shopping basket and the add-to-basket page, as well as on the zero hit page and even the error page. Here, the DOUGLAS Group's on-site and CRM managers can choose from over 20 recommendation types, which can be flexibly deployed within the personalized areas. With the help of the AI solution's extensive filter options, DOUGLAS can tailor the delivery of personalized content with a high degree of granularity, for example to push dedicated brands and products as required.

Kristina Hekmann, Product Owner Core Shop Experience at DOUGLAS: "For us, strategically steering the personalization strategy in line with our corporate goals for the various channels is paramount. GK AIR Personalization is the ideal tool for our goals. The wide range of functions and the various recommendation types ensure maximum relevance for our customers."

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Independent design of the various newsletter formats

The omnichannel retailer's newsletter recipients receive various newsletter formats, for example advertising personalized sale products for Black Friday. Personal recommendations in the anniversary newsletter or product pushes as part of brand newsletters are also an integral part of regular communication. Each newsletter can be flexibly configured by the CRM managers at DOUGLAS so that the recommendations are precisely tailored. For example, the upper and lower discount limits for products can be adjusted. DOUGLAS regularly works with the GK AIR team to configure and create new recommendation logics for a newsletter. DOUGLAS can flexibly customize and use this setup for each country individually.

The newsletter managers select and combine from 30 services with different recommendation logics (e.g. based on product, category, user, search term, top seller) in their day-to-day business, allowing them to act very flexibly. The personalized areas in the newsletter can be adapted to current requirements on an ad hoc basis. A weekly automated report from the AI solution helps DOUGLAS to evaluate the success of the various services in the individual countries.

The personalized recommendations also work in real time in the newsletter: The AI recognizes the interest of the recipients in certain products/product groups or content and predicts which content is best suited to the person in question. The content is only actually generated when the email is opened. This enables DOUGLAS to ensure that customer actions that took place in-store or online after the newsletter was sent are also included in the calculations.
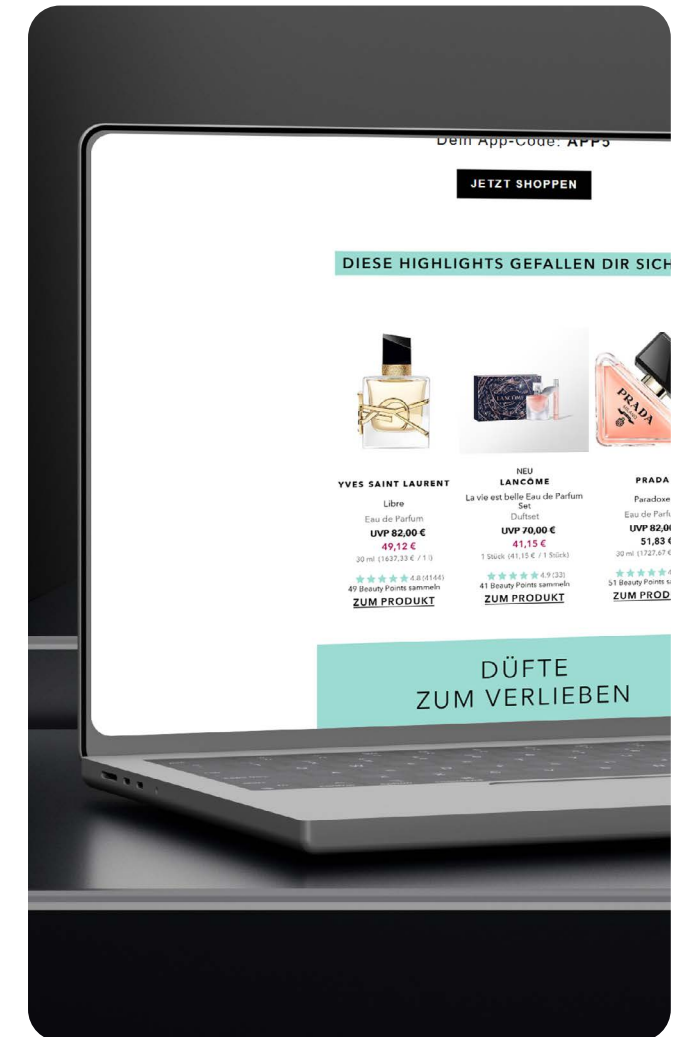
Linking the online shop & physical store for a seamless shopping experience

The gap between in-store and online business is closing at DOUGLAS, as most of the company's customers are active in both worlds – online and in-store. To address them personally wherever they are, GK AIR Personalization also includes in-store purchases in the recommendation calculation in real time. This means that when logging into the DOUGLAS online shop or the app with the DOUGLAS Beauty Card, individually relevant category and product recommendations are displayed in addition to the existing personalized areas. With the purchasing data from the physical store, DOUGLAS is able to further optimize the personalized content in the online channels and increase customer interaction.

GK AIR Personalization scores highly in A/B tests

DOUGLAS regularly tests the efficiency and performance of technologies that are already integrated, including GK AIR. An A/B test conducted from late 2020 to early 2021 compared the performance of product recommendations from GK AIR Personalization with those of a competitor. The DOUGLAS team looked in particular at the influence of the solutions on the key figures 'number of completed shopping baskets' and 'total sales'. The results showed that GK AIR came out on top in the A/B test with significantly better values.

Another important factor for DOUGLAS is the reliability of all connected IT systems – including the stable processing of large amounts of data with high numbers of hits on busy shopping days such as Singles Day or Black Friday. "With GK AIR Personalization, DOUGLAS has an application

that continuously and reliably calculates an average of 45 million recommendations per day in our shops, fully automatically and with fast response times. Automating the processes also saves us time and money," says Kristina Hekmann.

Innovative use cases for a highly personalized shopping experience

DOUGLAS optimizes existing personalization formats and develops new, inspiring application scenarios. "We use GK AIR Personalization for numerous use cases to make the shopping experience as appealing as possible. Our customers experience 1:1 personalization within the respective customer channel, for example individual Beauty Stories in the online shop or personalized push notifications in the app. We value the wide range of possible applications for the AI solution and the advice provided by the GK AIR team on how to implement innovative personalization scenarios," says Kristina Hekmann.

"For us, strategically steering the personalization strategy in line with our corporate goals for the various channels is paramount. GK AIR Personalization is the ideal tool for our goals."

Kristina Hekmann, Product Owner Core Shop Experience at DOUGLAS

Maximum relevance with the DOUGLAS Beauty Profile

With the Beauty Profile, DOUGLAS actively offers its customers the opportunity to provide information about their beauty preferences. For example, the questionnaire in the app takes a closer look at skin type, intolerances or preferred brands. This information is incorporated into the calculation of content and recommendations, further increasing the relevance for the app user.

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Dynamic calculation of appropriate repurchase times

DOUGLAS customers regularly buy certain products such as creams, makeup or shampoo because they run out after a certain period of time. With the replenishment function in GK AIR Personalization, they receive relevant product recommendations at the right time for items they are likely to have since used up. The appropriate time is calculated dynamically for each product

and country based on the products in the customer's individual purchase history. This increases customer response and simplifies the purchasing process.

Customized push notifications in the app

Being there and staying there – the app is the ideal way to interact with customers daily via their smartphones. DOUGLAS reactivates users who have not used the DOUGLAS app for at least

30 days with a push message containing relevant product recommendations and appropriate text.

Inspiring Beauty Stories tailored to the individual customer's interests

In addition to products, the beauty chain uses personalized content to offer customers real added value. GK AIR Personalization generates the appropriate 'Beauty Stories', i.e. articles on personal care, health and beauty, based on the click and purchase behavior of visitors to the online shop. The AI solution learns the correlations between product and content interaction in the shop and can therefore display the right Beauty Stories for each customer.

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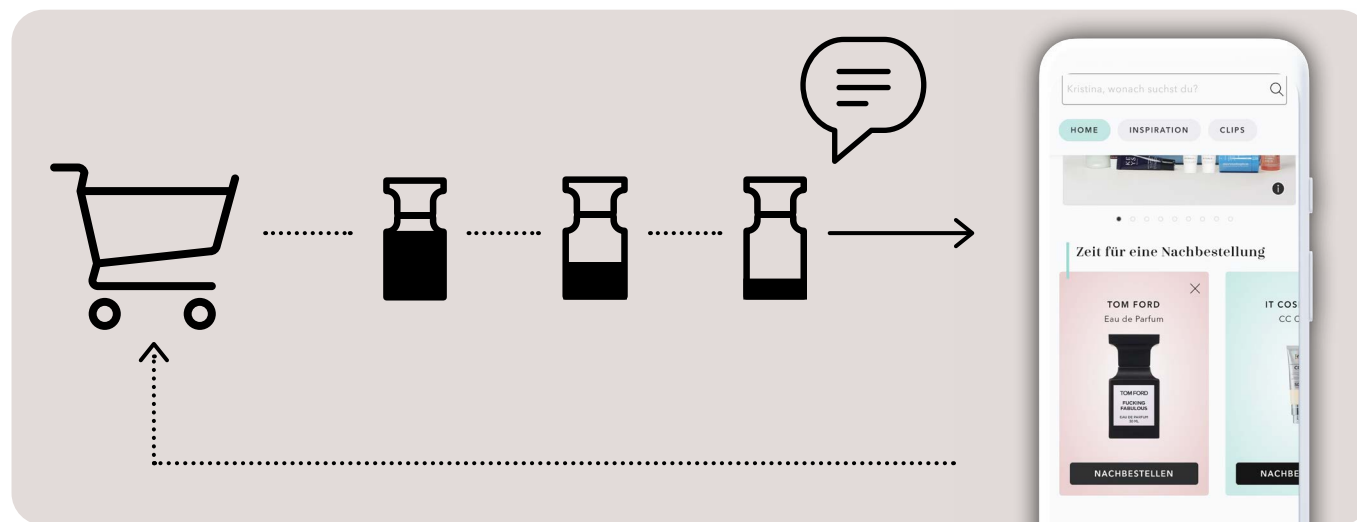
Continuous optimization and rollout to further countries

DOUGLAS uses the integrated A/B test function within the GK AIR Personalization user interface to continuously optimize the recommendation logic used in the online shop, app and newsletter. The close dialog with the GK AIR team ensures efficient collaboration on improving existing processes, integrating new use cases and implementing further project steps. Integrating additional country shops and expanding the replenishment use case across all channels are currently on the agenda and are being driven forward on an ongoing basis.

+8.0%

Sales from recommendations
in the German online shop[1]

+5.7%

Conversion rate
in the German newsletter[1]

+31.7%

Click rate
in the German newsletter[1]

1 − Average per year

Higher conversion rate and sales

Using GK AIR Personalization enables DOUGLAS to improve its conversion rate and increase its sales. The automated processes and standardization of personalization in the online shop, app and newsletter reduce the manual effort required by the DOUGLAS team when planning and implementing recommendation strategies. "Thanks to channel-specific placement and evaluation of product recommendations for desktop, mobile and app, we can optimize the displayed content quickly and flexibly. The quality of the 1:1 personalization has proven itself for over 12 years, enabling us to increase our conversion rate and sales," Kristina Hekmann from DOUGLAS concludes.

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