First-class recommendations for first-class products

GK

Quick Facts

About FALKE

International fashion retailer with 3,119 employees

FALKE products are available in over 60 countries across five continents

Both brands of the fashion house FALKE and Burlington operate in conventional retail stores and in online retail

The challenge

Integration of a smart, omnichannel-capable personalization solution in the launched online shops

Reduction of the amount of work required for online shop and newsletter through automation

Personalization as a customer loyalty tool: Every customer should receive relevant product recommendations at the right time and in the right place

Positive development of sales and shopping basket value

Solution

Automated display of personalized contents in online shops and newsletters

Personalized product recommendations increase sales

Less manual effort required to control personalized contents

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Overview

Since 1895, the FALKE family business has stood for fashionable clothing made from high-quality materials, which are processed with perfect craftsmanship and attention to detail. The range includes textiles in the categories hosiery & socks, sports, underwear and clothing.

FALKE currently operates over 100 shop-in-shop systems and flagship stores worldwide. Overall, FALKE products are sold in more than 60 countries. FALKE has 13 online country shops; for example, for Germany, Spain, the UK and the USA. Since 2008, the Burlington clothing brand has also been part of the company and is on the market with 11 of its own online shops and a retail store in Düsseldorf.

In 2020, the fashion retailer carried out an international shop relaunch and evaluated the use of a personalization solution as part of this.

Customer satisfaction as a decisive criterion

For FALKE, an important factor in the decision was for the personalization solution to be omnichannel-capable – an individualized approach should be possible in the online shop, in the newsletter and, in the future, also in the retail store.

In addition, the added value of the personalization solution for its customers was important to FALKE: The requirement was to have truly relevant contents played out at the right time and via the right channel, encouraging people to buy. Satisfied customers have the greatest influence on the success of a company – the personalized customer approach should also be reflected in sales development. Another criterion for the FALKE team was low administrative effort combined with a high degree of decision-making freedom, e.g. in the selection of recommendation types.

In an A/B test lasting several months at the end of 2020, the AI solution GK AIR Personalization won out over another competitor solution. Since then, GK AIR has been supporting the fashion retailer FALKE in the implementation and optimization of personalized offers.

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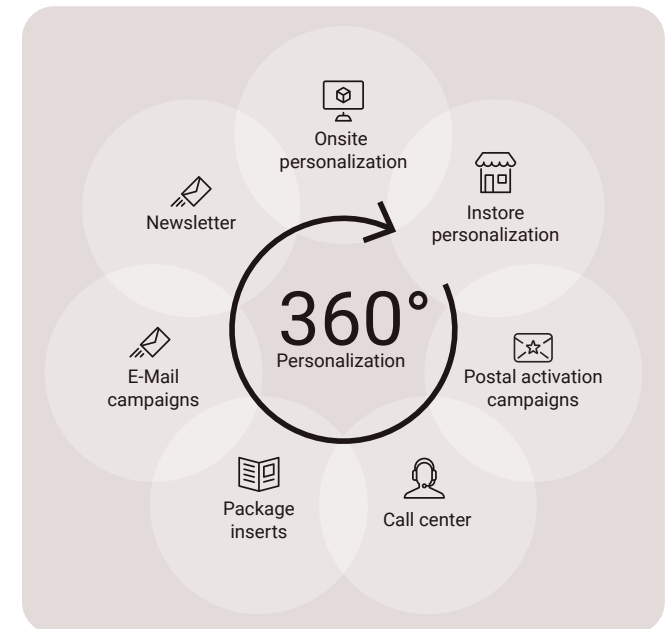
Solution

Roll-out across 26 country shops and associated newsletters

GK AIR Personalization was integrated into the German FALKE online shop and the country shops for Austria, Switzerland, France, the Netherlands and the UK in spring 2021. Due to the positive key figures and the improved user experience in these online shops, the company decided to integrate personalized areas in other country shops. In May 2022, the GK AIR team carried out the rollout for the online shops of other country clients. The personalization solution was then successively integrated into the Burlington brand's country shops.

The newsletter is an important customer communication tool for the fashion retailer. In October 2022, the first FALKE newsletter was sent out with personalized recommendations tailored to the interests of the respective recipient. Gradually, GK AIR Personalization was also integrated into the various country newsletters.

In addition, a reference client was created for both FALKE and Burlington, which combines many small English-speaking clients for a more efficient design of the personalized newsletters with less work for the employees at FALKE. By synchronizing the configuration, the newsletter managers can use the reference client to make an adjustment for all required country newsletters at the same time.

"We appreciate the competent project support from GK AIR right from the start. The integration of the personalization solution was carried out professionally and in close coordination between the project teams."

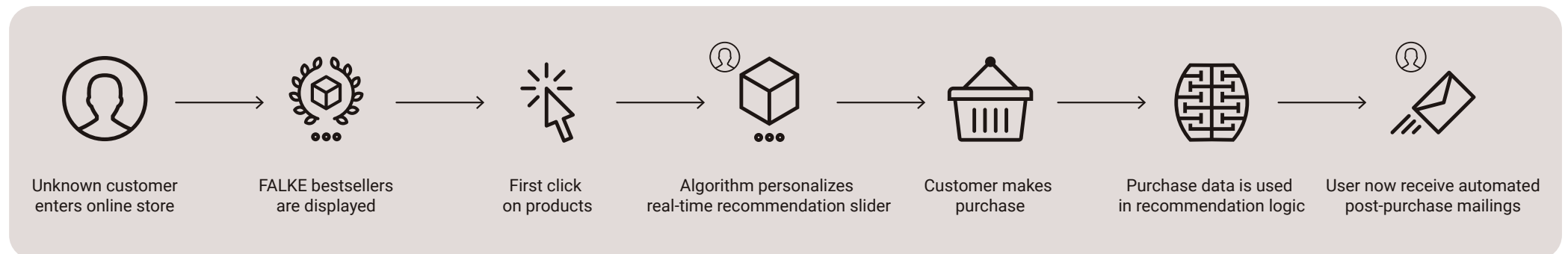Alina Erpenbach, Team Lead CRM Communication at FALKE KGaA
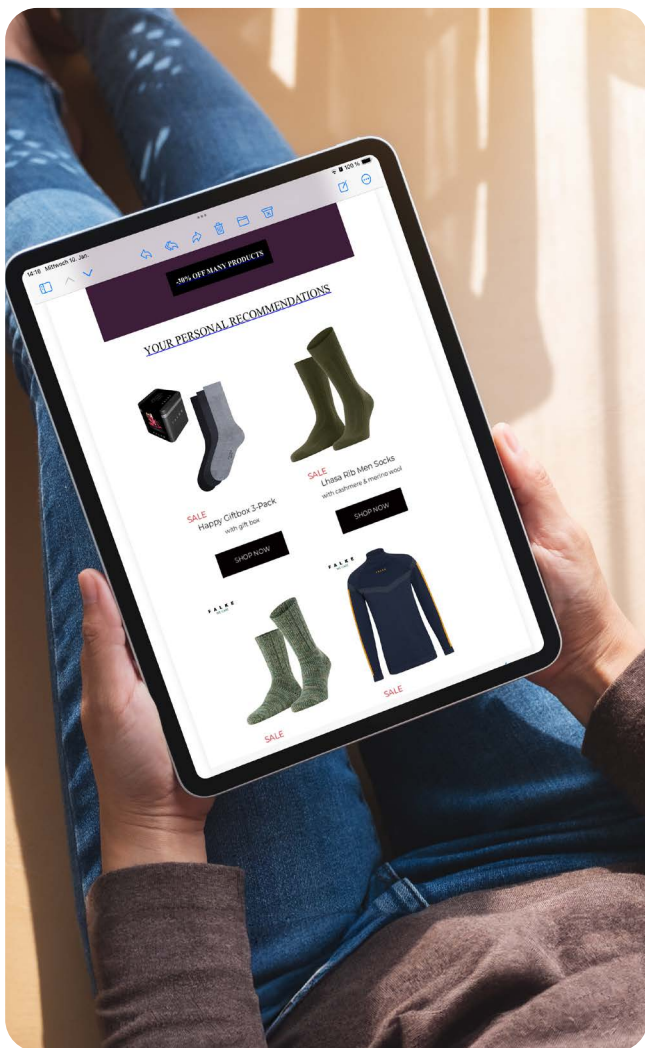
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Real-time personalization from the first click

In order to offer a relevant shopping experience for all shop visitors, the learning ability of the personalization solution plays a decisive role. GK AIR Personalization analyzes the search and purchasing behaviour of shop visitors from the very first click and immediately adapts to the new situation. If a new shop visitor enters the FALKE online shop and the AI solution has not yet been able to process data on click-through

and purchase behaviour, product recommendations are displayed that do not relate to customer behaviour, e.g. the current bestsellers. As soon as the shop visitor clicks on the first product, GK AIR Personalization records this information and immediately displays recommendations that match the current click.

Similar to a chess computer, the AI calculates all of the visitor's possible moves and makes the most suitable recommendations. In the FALKE and Burlington online shops, different types of recommendations are displayed in the various shop areas; for example, on the homepage, the product detail page, the shopping basket or the wish list.

Real-time personalization – also for new customers

| Unknown customer enters online store | FALKE bestsellers are displayed | First click on products | Algorithm personalizes real-time recommendation slider | Customer makes purchase | Purchase data is used in recommendation logic | User now receive automated post-purchase mailings |

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Relevance in real time right up until the customer email is opened

The high-quality recommendations also work in real time in the newsletter: The AI identifies the affinity of subscribers to certain products/ product groups or contents. At the same time, the AI predicts which contents are best suited to the person in question. The content is only generated when the email is opened. In this way, the personalization solution ensures that any customer activity in the app or online shop after the newsletter was sent is also included in the forecast.

Personalized areas with product recommendations based on different recommendation logics arouse the reader's interest and encourage them to return to the online shop.

Real-time personalization in the newsletter through GK AIR

GK AIR Personalization personalizes the shopping experience across all sales channels and offers a seamless customer experience. Customized visual content in the newsletter, tailored to the interests of the recipient, achieves higher open and click-through rates and brings readers back to the online shop.   More information at: https://www.gk-software.com/us/solutions/air/personalization

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Test & learn: Optimized customer response through A/B testing

GK AIR Personalization offers over 20 different recommendation types that FALKE can use. These are based on the following logics:

The product, e.g. product recommendations that were clicked together with the displayed product.

The category, e.g. product recommendations from a category that is displayed to match the current category page, based on the behaviour of all users.

The user, e.g. recommendations calculated based on the customer's current and past clicks and purchases.

The search term, e.g. product suggestions in the search results list, which are calculated based on the search term entered and the behaviour of all users.

Global factors, e.g. top seller recommendations from the entire range.

In order to achieve an optimal customer response, FALKE regularly carries out A/B tests in the online shops and newsletters on the recommendation logics used. For example, on the product detail page: Under the selected product, customers see recommendations for other products. Here, FALKE is testing which recommendation logic is best received by customers.

The perfect customer journey through A/B testing on the product detail page

Goal: Increase in sales & relevance

Test group A:
Products based on the displayed product are recommended

Test group B:
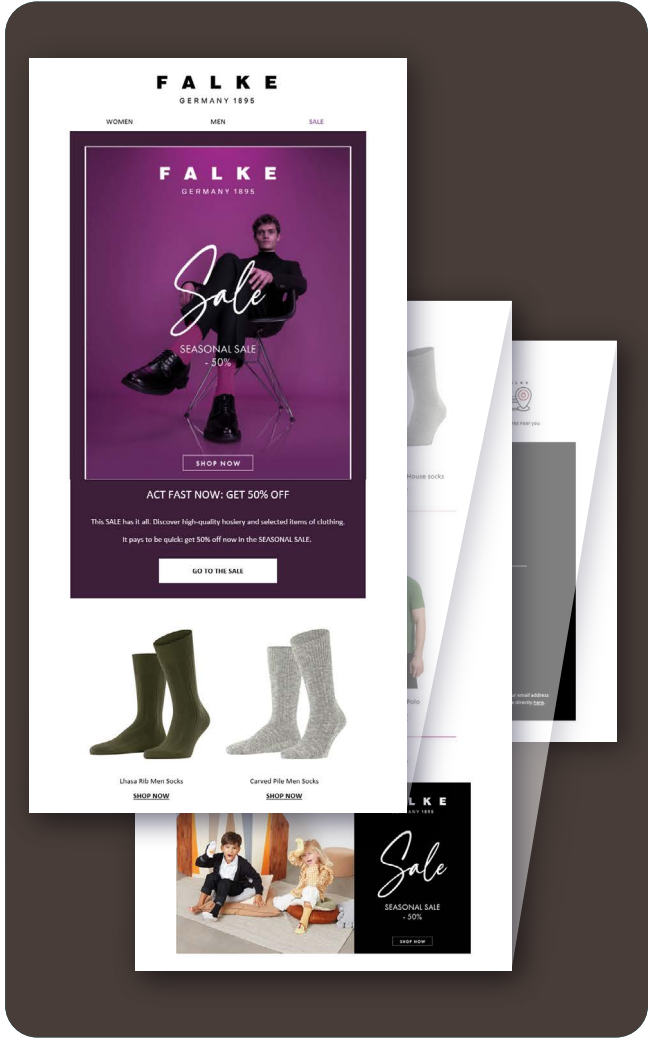Products based on user behavior are recommended

Add to cart

Add to cart

3.5%
more turnover in B

100%
conversion rate in B

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Optimized recommendation areas and new use cases in focus

Together with GK AIR, FALKE is continuously working on optimizing the personalized areas in the online shop and newsletter.

"The AI solution offers a variety of recommendation logics, which we check for their effectiveness in integrated testing, thus achieving an optimal customer response. GK AIR Personalization is the perfect tool for us to implement 360° personalization in our customer approach," says Alina Erpenbach.

New use cases for personalization are regularly added at FALKE; for example, the use of the Profiler add-on to identify potential shopping basket abandoners and address them with a personalized email.

Higher sales, less manual effort and strong customer loyalty

By using GK AIR Personalization, FALKE achieves higher click-through rates and more sales in its online shops and newsletters.
The intuitive dashboard makes it easy to plan the respective recommendation strategy via the AI solution's campaign management. The manual effort required by the FALKE team to implement the personalized customer approach is low with maximum outcome in terms of relevance for customers.

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