L'OCCITANE en Provence boosts revenue by 2,500 percent

Overview

The need

L'OCCITANE en Provence, a manufacturer and retailer of skincare and hair care products, sought to improve revenue by sending targeted mails based on product affinities.

The solution

The integration of IBM® Coremetrics® LIVEmail with email marketing solutions from e-Dialog helped L'OCCITANE increase revenue by enhancing unique click rates, conversion rates and revenue per email sent.

The benefit

The deployment of IBM Coremetrics LIVEmail helped improve the conversion rate by 17 times and revenue per email by 25 times.

Improved revenue from email campaigns by using IBM Coremetrics LIVEmail
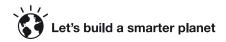
For retailers who market both online and through brick-and-mortar outlets, email is vital to customer retention and loyalty. Online marketers at L'OCCITANE en Provence have used email for years to help build excitement about campaigns and entice customers with free shipping and gift-with-purchase offers.

As much as possible, the marketing team seeks to recreate the highly experiential environment of L'OCCITANE boutiques in their email campaigns. The team refers to its email campaigns as windows because of the close alignment with boutique windows and in-store displays, which are updated approximately every three weeks.

But bringing the in-store experience online is complex. Email "shelf space" is limited. Featuring all of the secondary offers that are available throughout the stores would overwhelm email recipients. Consequently, marketers were required to pick and choose the items they promote through email.

In addition to this challenge, the staff recognized that many consumers today suffer from email overload. Increasing email frequency was reaching the point of diminishing returns. Customer engagement through email was declining. To counter these trends, marketers sought to increase the relevance of email through smarter, more effective segmentation and through testing of content and offers.

A solution for customer engagement

To get the job done, L'OCCITANE combined the power of online marketing and business optimization solutions from IBM Coremetrics with industry-leading email marketing solutions from e-Dialog. The tight integration of IBM® Coremetrics® LIVEmail with e-Dialog permission-based email marketing services and database technologies enabled L'OC-CITANE to achieve remarkable improvements in open rates, unique click rates, conversion rates and revenue per email message sent.

Extraordinary results

The results of L'OCCITANE's Immortelle campaign clearly demonstrate the value of using behavioral web analytics data to segment customers and deliver targeted messages based on product affinities. Marketers created a segment comprising visitors who recently purchased, carted, or browsed products online from the Immortelle skin care line. They compared the results of this segment against the results of a control group using a message containing the same creative and same subject line.

As Table 1.1 shows, key performance indicators for the targeted message group were off the charts compared to the control group. In particular, the conversion rate for the targeted message group was 17 times higher and the revenue per email was 25 times higher than the control group.

Smarter Retail

Instrumented
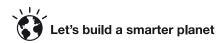
The cloud-based analytics solution captures customer behavioral data, such as web browsing and online shopping history, which is compiled with profile data to deliver optimized marketing communications to various customer segments.

Interconnected

IBM Coremetrics analytics software is tightly integrated with the email creation software used by IBM Business Partner e-Dialog to create and deliver targeted messaging. The new architecture integrates the client's customer data with browsing histories and related marketing data to develop targeted email campaigns.

Intelligent

The software helps the retailer compile complex customer profiles that are automatically updated with each visit to the online store in a process that could not easily be completed without the assistance of analytics tools such as those available within the Coremetrics application. With the latest profiles available at any time, L'OCCITANE is positioned to quickly develop targeted campaigns for market segments of virtually any size, and be able to anticipate success in appealing to recipients' interests.

"By segmenting visitors based on behavior and tailoring email content accordingly, we are able to deliver highly person-alized messages that generate much higher open rates, conversion rates, and revenue per email. We're also better able to accommodate secondary offers that are available in our boutiques. Instead of try-ing to second-guess our customers, we can present them with offers that we know will interest them."

—Director of Ecommerce
  L'OCCITANE en Provence

Table 1.1

	Personalized Email, Gift w/Purchase	Control Group
Open rate	43.1 percent	26.1 percent
Unique click rate	19.5 percent	3 percent
Conversion rate	2.43 percent	0.14 percent
Revenue per email message	$2.84	$0.11

Rich insights

As part of the Immortelle campaign, the marketing staff also tested the effectiveness of a gift with purchase. Marketers created two versions of the email message for visitors with an affinity for their Immortelle skin care line. The content and subject lines were identical for the two groups except that one included a gift-with-purchase offer in the creative.

As Table 1.2 shows, the revenue per email message is one and a half times higher for the gift-with-purchase group. With this information, the staff was able to calculate incremental ROI and determine that the gift-with-purchase offer was a good investment for customers who have a clear product affinity.

Table 1.2

	Personalized Email, No Offer	Personalized Email, Gift w/Purchase
Open rate	41 percent	43.1 percent
Unique click rate	19.9 percent	19.5 percent
Conversion rate	1.5 percent	2.43 percent
Revenue per email message	$1.92	$2.84

Additional advantages

Marketing team members are convinced that the ability to segment and target customers more precisely is key to increase the overall performance of the email channel over time. More personalized messages can also help keep customer engagement high and drive repeat online purchases.

The joint solution of IBM Coremetrics LIVEmail and e-Dialog is also allowing L'OCCITANE to leverage secondary in-store promotions that previously would not have been included in email campaigns. By matching these offers to customer segments that have demonstrated a product affinity, marketers are able to drive incremental sales that enhance the bottom line.

About L'OCCITANE en Provence

For more than 30 years, the fields of Provence and the traditions and techniques of this unspoiled land have been the secret and inspiration behind L'OCCITANE beauty products. L'OCCITANE has drawn inspiration from Mediterranean art de vivre and traditional Provencal techniques to create natural beauty products devoted to well-being and the pleasure of taking care of oneself. The company markets its products through boutiques in more than 70 countries around the world as well as through its usa.loccitane.com website.

For more information

To learn more about IBM Coremetrics please contact your IBM marketing representative or IBM Business Partner, or visit the following website:
ibm.com/software/marketing-solutions