

# Know Thy Customer

Farfetch gets personal with Big Data

by JANET GROEBER

**T**he original Farfetch.com tagline read “10 cities, 20 fashion boutiques, 200 designers, 1 website” — but those numbers are so yesterday. Today Farfetch works with close to 300 boutiques globally, offering some of the hottest, priciest names coveted by fashionistas of all stripes.

Founded in 2008 by José Neves, Farfetch began with a roster of independent bricks-and-mortar boutiques throughout Europe and the United States “networked” to sell by way of an online platform/portal of Neves’ design. These boutiques — some of which have been in existence for more than a century, including Austria’s Wunderl and Al Duca d’Aosta in Venice — feature “risk-taking” luxury designers like Ann Demeulemeester, Isabel Marant and Rodarte.

U.S. stores include Kirna Zabête in New York City, A’maree’s in Newport Beach, Calif., and The Webster in Miami. “Our customer might find shoes

from a Milan boutique, a dress from a New York specialty [shop] and a handbag in London and ... check out in one very easy transaction,” says Rachel Waller, Farfetch digital marketing manager.

## ‘REAL-TIME RETAILING’

But there’s more to understand than just what’s selling: Farfetch wanted to know why first-time browsing visitors were not converting to buyers at the rate it hoped.

Enter Qubit, whose technology encompasses a targeted, real-time advertising approach for e-commerce. Using big data techniques to measure what online users do, Qubit lets e-retailers granularly target audiences with products and offers that result in increased, measurable sales. The tool includes real-time reporting to check that tests are working correctly.

“This is what real-time retailing is all about, helping your site become completely in tune with your custom-

ers’ needs,” says Graham Cooke, Qubit co-founder and CEO.

Farfetch devised a test with Qubit’s tools that drove first-time website browsers who visited 10 pages to its FAQ page. Because this page dives into logistics like shipping, returns and refunds, Farfetch saw this as the final tipping point for conversions. The hypothesis was correct: As a result of the Qubit layer, it saw a 17 percent increase in conversion rates.

“We very carefully manage the first visit experience, because if the user had a bad first visit, trying to get them back is basically impossible,” Waller says. “We’ve done propensity score matching to work out the kind of content users who purchase see versus ... users who don’t purchase.” There can be uncertainty or anxiety around buying from “unknown” online retailers, and “Just letting people know about our free return service gave customers ... security.”

Farfetch also determined its shipping fee was a barrier to purchase, particularly in the United States where shoppers are used to free shipping — especially from luxury retailers like Nordstrom and Neiman Marcus. “Our data told us we were losing 25 percent of all [U.S.] visitors at the basket page,” Waller says, so they used geographical targeting to offer non-purchasing U.S. visitors a free shipping code. “It’s already driving a 10 percent uplift in conversions rate in that one market.”

## THE LONG-TERM VIEW

Farfetch takes a slightly different route to customer retention. “We think carefully about the tracking we apply, to make sure we can track people as individuals,” Waller says. “We are firm believers in ... trying to think about what that customer’s journey looks like through the multiple times

[she] might visit ... rather than thinking about independent visits.”

Such thinking allows the company to build a fuller picture of what its visitors look like, which can affect messaging and customization. “It could be as simple as changing the way pricing or product information is displayed,” Cooke says, “or could encompass the creation of customized product pages for different traffic sources.”

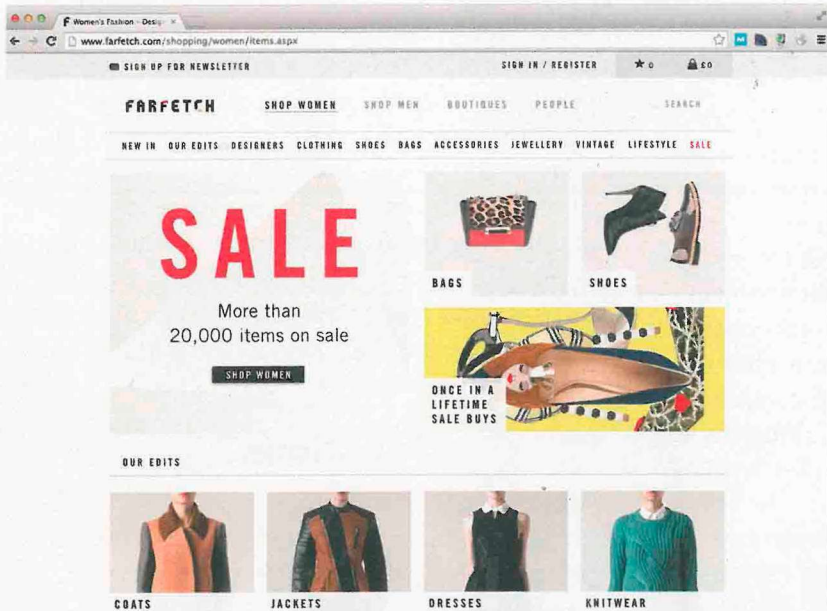
Farfetch also conducts tests on returning visitors — with about 120,000 items available, it can be overwhelming, so it created another “small interruption in the user’s journey” to show a selection of trends based on the customer, focused around a single seasonal item.

“We are encouraging the customer to visit those parts of the site to have a slightly more additive experience,” Waller says. “It’s already driving significantly more traffic” — 14 times higher to the women’s section of the site and 11 times higher to the men’s section.

With Qubit tracking in place, Farfetch can also see exactly where browsers are dropping out and have exit feedback pop up when they’re leaving. This allows the company to capture the qualitative and quantitative data needed to build a clear picture of its customers.

“Experiential online retailers such as Farfetch aren’t trying to compete with ‘utility’ retailers like Amazon on price or breadth of stock,” Cooke says. “They’re differentiating themselves on customer experience and brand by giving customers great products wrapped up in a rich online experience.” **STORES**

Janet Groeber has covered all aspects of the retail industry for more than 20 years. Her reporting has appeared in *AdWeek* and *DDI Magazine*, among others.



Farfetch saw a **17%** increase in conversion rates after driving first-time customers to its FAQ page.