



### Business challenge

To increase its competitive advantage in the fashion market, Zalando aimed to reach more than 17 million active customers more effectively and deliver relevant promotions to nurture loyalty.

### Transformation

By replacing complex and time-consuming manual campaign management processes with IBM® Campaign, Zalando can deliver hundreds of unique, personalized email marketing campaigns every day.

### Business benefits:

**50%**  
shorter lead time for  
email campaigns

**230**  
ultra-targeted email  
campaigns launched  
every day

**Simplifies**  
and standardizes campaign  
management and reporting

## Zalando

# Increasing customer loyalty with highly targeted marketing campaigns across channels at scale

Employing about 10,000 people in 15 European countries, Zalando is Europe's leading online fashion platform headquartered in Berlin, Germany. With more than 17 million active customers, Zalando is Europe's biggest online platform for fashion and generates annual revenues of EUR2.2 billion.

*"We definitely gained  
a competitive advantage  
by using our customer  
data more effectively."*

Kien Ngo Duc  
Team Manager Customer Management  
(Campaign Operations)  
Zalando

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## Increasing effectiveness of marketing campaigns

Online fashion platform Zalando aims to strengthen its market-leading position, and set a bold target to maintain year-on-year growth. To achieve the goal, the company sought to nurture the loyalty of its existing customers and inspire them to make more incremental purchases.

However, reaching out to more than 17 million active customers via email and post effectively was becoming difficult. Slow, largely manual customer relationship management processes could not easily be scaled up to keep pace with business growth.

Kien Ngo Duc, Team Manager Customer Management (Campaign Operations) at Zalando, explains: “Previously, our campaign management process was complex, and required deep technical knowledge. In addition to understanding our internal data structures, our teams needed to go through the laborious process of manually compiling mailing lists. This extra effort limited the number of campaigns we were able to launch each day, and meant that we did not have time to tailor our messaging perfectly based on individual customer preferences.”

Zalando wanted to provide customers with the best offers at the right time. The aim was to shape a multichannel marketing process that would enable it to send each customer the most relevant offers and promotions across over 150,000 articles from more than 1,500 brands.

Kien Ngo Duc adds: “To foster lasting customer relationships, we looked for a way to design, build and run fine-grained marketing campaigns rapidly and frequently.”

*“At Zalando, we put the customer at the heart of our business and we want to provide the best possible shopping experience. As a result, we are always looking for innovative ways to further this vision. Efficiency is the key to delivering targeted marketing at scale—and IBM Campaign delivers the automation we need to reach out with more personalized messages than ever.”*

Kien Ngo Duc, Team Manager Customer Management (Campaign Operations), Zalando

## Reducing complexity

Zalando worked with IBM to streamline its multichannel campaign management. The company deployed IBM Campaign, enabling it to cut out the complexity and manual work required to create compelling email and postal campaigns.

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Today, Zalando's marketing team uses a point-and-click interface to create complex customer selection criteria, eliminating the need to manually write database queries. At the same time, the solution is flexible and allows CRM specialists to add custom database selectors where appropriate—for example, to speed up list generation for large campaigns.

In combination with the advanced analytics capabilities of IBM SPSS® Statistics and IBM SPSS Modeler, Zalando can now fine-tune its customer segments. The company evaluates everything it knows about its customers, and uses these insights to tailor its offers and product recommendations—shaping a more personalized shopping experience.





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Kien Ngo Duc, Team Manager Customer Management (Campaign Operations), Zalando

## Reducing lead time and boosting customer loyalty

Thanks to the simplified management of email and postal marketing campaigns, Zalando can prepare new campaigns 50 percent faster—and some campaigns are now fully automated. This enables the company to reach more customers with more relevant offers. In fact, Zalando now generates up to 230 new targeted campaigns per day.

Standardized workflows and reusable campaign templates boost staff productivity. For example, if Zalando's marketing team decides to launch a campaign that has performed well in its core market in Germany in another country, they can simply translate the existing content into the local language. Better control over business data and built-in analytics and reporting capabilities enable Zalando to better understand which campaigns will work best in which segments in which countries, supporting decision-making and simplifying Europe-wide campaign rollouts.

By improving staff productivity, the IBM solution has contributed to a reduction in its marketing costs.

Kien Ngo Duc comments: “One of our main goals was to empower all team members to work together more flexibly. Today, it is much easier for one colleague to take over a campaign from another, making our marketing team many times more efficient.

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With deeper insights into its campaigns and customers, Zalando gains a better understanding of which campaigns work better than others, and how campaigns can be improved to boost their effectiveness. This enables Zalando to consistently improve key performance indicators such as the average number of orders per customer and average shopping basket size.

Based on the success of its marketing transformation, Zalando is now looking for new ways to enhance its approach to communicating with customers. Because increasing numbers of customers are choosing to browse its site via mobile devices, Zalando wants to use IBM Campaign to drive relevant and accessible communications on the digital channel.

Kien Ngo Duc concludes: "Using our customer data to create fine-grained customer segments and tailor campaigns based on individual preferences is definitely a source of competitive advantage. Online retail is a fast-moving business, and we are very impressed with how responsively the IBM team provides the resources and solutions we need to drive our business and achieve our ambitious growth targets."

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## Solution components

- IBM® Campaign
- IBM SPSS® Statistics
- IBM SPSS Modeler

## Take the next step

To learn more about the IBM Campaign, please contact your IBM representative or IBM Business Partner, or visit the following website: [ibm.com/software/products/campaign-management](http://ibm.com/software/products/campaign-management)

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