Galeries Lafayette

How DinMo helps Galeries Lafayette better segment and address its customer base

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Introduction

In their two centuries of existence, Galeries Lafayette department stores have withstood successive wars and the emergence of a number of competitors: hypermarkets, specialist retailers, ready-to-wear chains, e-retailers and so on.

However, the Covid19 crisis has had a major impact on their business, with stores being closed and tourism severely restricted. In response, Nicolas Houzé decided to expand his concept by combining luxury and mainstream fashion, **while opening up his e-commerce channel.**

Galeries Lafayette thus doubled its efforts to catch up with its competitors and increase online sales.

However, with the digital environment already saturated, **companies are facing increased competition and ever-higher customer acquisition costs**. Galeries Lafayette was therefore looking for innovative ways to improve the efficiency of its ad spend.

This is where DinMo came in, enabling Galeries Lafayette to activate their own data to improve campaign performance.

Needs

Galeries Lafayette had a large customer base, but was unable to exploit it for its marketing strategies. And yet, the possible uses were broad: acquisition, upsell, cross-sell, customer loyalty and retention.

Galeries Lafayette wanted to use its first party data to **improve campaign targeting** and **maximize ROAS**.

In this context, Galeries Lafayette's e-business teams **needed to be autonomous in order to create their customer segmentation and send their audiences** to their marketing platforms, even though they had no technical skills.

How Galeries Lafayette uses DinMo

DinMo provided Galeries Lafayette with a solution tailored to their needs: easy to use, enabling them to segment their customer base in just a few minutes, and send their data to all their platforms with a single click.

Thanks to our modular Customer Data Platform (CDP), Galeries Lafayette were able to implement various use cases:

1 **Implementation of audience strategies**

Before using DinMo, Galeries Lafayette's e-business teams needed to go through the data teams to segment their database.

As in most companies, the data teams were often busy with other matters, reducing the velocity of the marketing teams. This made it difficult to test new audience strategies on advertising platforms and iterate.

Thanks to DinMo, e-business teams are now autonomous and have been able to implement different strategies on Google Ads, Meta Ads and Tik Tok Ads:

- Exclusion of existing customers from acquisition campaigns
- Exclusion of core customers identified as "lost" from all campaigns
- Personalization of experience and advanced offers according to product, brand or promotional sensitivities
- And much, much more!

3 platforms connected	40+ segments used	150+ activations (segment x destination)

2 **Use of Predictive data**

DinMo also provides predictive data to enrich the view of existing customers.

For each customer, **the probability of churn** (at different time horizons) and the expected **additional Lifetime Value** (LTV) are added to the Customer 360 thanks to our platform's artificial intelligence.
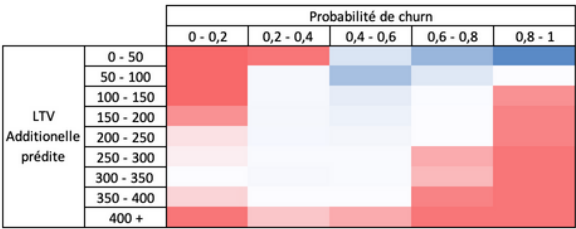
This data can then be exploited by Galeries Lafayette teams to **focus their marketing efforts on people who can still be influenced and personalize their offers / experiences.**

For example, people with a churn probability close to 1 are likely to be lost, whatever happens next. It may make sense not to spend marketing budget on them.

On the other hand, people with a high LTV and a very low risk of churn are almost certain to remain loyal to the brand. Does this mean we should exclude them from all campaigns? The answer isn't so simple, since you don't want to lose them.

These customers can, however, be removed from all awareness campaigns and addressed with personalized campaigns, taking into account their preferences and buying habits.

Finally, for customers with an intermediate churn value, Galeries Lafayette focuses on those with a high predicted LTV.

		Probabilité de churn				
		0 - 0,2	0,2 - 0,4	0,4 - 0,6	0,6 - 0,8	0,8 - 1
LTV Additionelle prédite	0 - 50					
	50 - 100					
	100 - 150					
	150 - 200					
	200 - 250					
	250 - 300					
	300 - 350					
	350 - 400					
	400 +					

Illustrative data - example of segmentation by LTV / Churn

The metrics proposed by our artificial intelligence enable Galeries Lafayette to better segment their customer base. **The proposed segments are 4 times more effective than segments created with business rules** *(such as "customers who have bought 2 times in the last 3 months").*
They therefore enable the customer base to be better segmented and addressed.
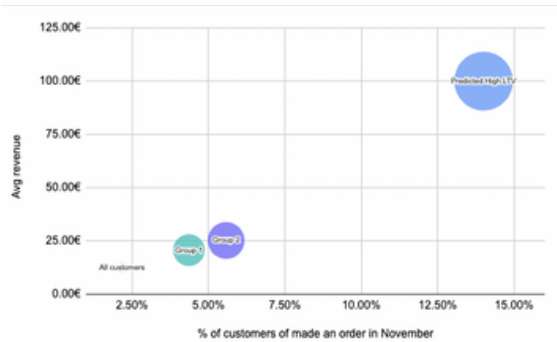
Illustrative data - Performance of predictions

Next steps

Galeries Lafayette's e-commerce teams will continue to use DinMo to segment their bases and propose innovative marketing strategies.

We can't wait to see what happens next!

Follow us on LinkedIn, X and other social networks for real–time updates and ideas.

Contact us!

All the best with your data marketing strategies!

Oussama Ghanmi
CEO @DinMo