



## CASE STUDY Tommy Hilfiger

**ShopTommy.com Dresses for Online Success - OnDemand**  
Tommy Hilfiger accelerates e-commerce growth and conversion rates with ATG's Commerce OnDemand platform and ATG Recommendations.



### THE CHALLENGE:

Create an e-commerce presence that's easy for merchandisers to manage, and improve the success of online recommendations.

When Tommy Hilfiger looked to enhance its relatively limited online store in 2007, ease of use for merchandisers was the key priority. The company's small, business-savvy e-commerce team needed to optimize online results with an approach that would be low on overhead and wouldn't require in-house technical expertise. Finding a way to set up effective recommendations without manual effort was also critical to Tommy's online success.

### THE SOLUTION:

ATG Commerce delivered on demand, along with ATG Recommendations' automated merchandising solution, powers a flexible, affordable, easily maintained online store.

Tommy Hilfiger worked with ATG to implement an on demand e-commerce platform complete with automated recommendations and merchandising, to deliver a relevant, personalized shopping experience to each customer. With ATG Commerce OnDemand, merchandisers have a state-of-the-art e-commerce platform, and can easily set up catalogs, change price points, and manage promotions. With ATG Recommendations, each shopper sees dynamic, automated product recommendations that match his or her personal needs in each visit. Because the entire ATG solution is delivered on demand, the company had no need to invest in new technology infrastructure or expertise.

### THE RESULT:

An engaging, easy to manage site delivers a 350 percent increase in sales. Shoppers interacting with recommendations convert at three times the rate of those who don't.

Sales on Tommy Hilfiger's new online store more than tripled in its first year. Business users, not an IT staff, drive the recommendations that help customers find the exact styles and accessories that match their individual tastes. Shoppers who click on recommendations stay on the site longer and convert at three times the rate of those who don't. Early results show that more than 30 percent of Tommy Hilfiger's online revenue is influenced by recommendations. The site is growing consistently and profitably, and has become one of the company's most important strategic priorities.



**“ATG Recommendations uses a variety of up-sell and cross-sell suggestions across the site to engage shoppers. Total revenue, conversion rates, and average online order values have all increased since we implemented it.”**

– **Tom Davis**  
Director of e-Commerce, Tommy Hilfiger

#### THE STORY:

Tommy Hilfiger is one of the world’s most recognized premium lifestyle brands for the 18-35 age demographic. The company’s unique point of view, compelling merchandise, and strong brand have propelled its success through specialty retailers, department stores, and over 800 dedicated retail stores and outlets worldwide.

From the start, the company was clear about its e-commerce approach. Tommy Hilfiger’s core competencies are marketing and merchandising, not IT. The organization was not interested in taking on a large headcount and/or technology infrastructure to run its online business. Whatever solution it deployed had to be easy for its business people to use, with minimal IT staff. Cost was also a key factor. After reviewing all the relevant e-commerce solutions available, Tommy Hilfiger engaged with ATG.

#### Robust e-Commerce, On Demand

Tom Davis, Director of e-Commerce, was attracted to ATG for several reasons. The ATG Commerce OnDemand platform provided all the capabilities Tommy Hilfiger needed, with a minimal up-front investment. He knew he was getting ATG’s deep e-commerce expertise, and he was impressed with the ease of use for his merchandisers. The ATG Business Control Center (BCC) made it easy to set up catalogs, move products around, change price points, build promotions, and change shipping thresholds. While every vendor Davis evaluated could build a shopping cart, the relevant differentiation for him was in how quickly he could train a merchandiser to use the system to add value in the day-to-day business. ATG’s user interface was robust, simple, and straightforward—just what his staff needed.

The total implementation period for Tommy’s new site was 120 days – in time for the upcoming holiday shopping season, and exactly the timeframe to which ATG had committed.

**“The likelihood of checkout was three times higher for those shoppers who interacted with the Recommendations tool than those who did not. We implemented Recommendations with the expectation that we would get strong results – but we were astounded to see such tremendous results so quickly.”** – Tom Davis Director of e-Commerce, Tommy Hilfiger

## Growing with the Business

After launching the new site, Davis' team had a merchandising challenge which he would ultimately solve with ATG Recommendations. During the first holiday season using the ATG platform, business was taking off and the Tommy Hilfiger merchandising staff was introducing new products weekly, experimenting with how to improve conversion rates. The challenge was that merchandisers were setting up hard-coded, one-to-one product relationships to power cross-sells. These relationships were created in advance of a shopping visit, and cross-sells were presented the same way to every shopper. Instead of being based on what a customer was looking for, cross-sell offers were based on what Tommy Hilfiger was trying to sell. This approach was not increasing sales, and Davis' team was spending too much time setting up the relationships that determined what items would be recommended with each product. The process had to become more efficient, and recommendations had to become more relevant for individual shoppers.

Davis turned to ATG Recommendations, an automated, personalized merchandising solution. ATG Recommendations integrates with any product catalog and works dynamically, based on a sophisticated, predictive algorithm that takes into account all available data, including catalog data, the site structure, historical and current shopper behavior, and aggregated shopper behavior. Tommy Hilfiger first used ATG Recommendations to power recommendations on every product page. Implementation took less than four weeks, with easy set up, minimal site changes, and no additional hardware or software to install or configure.

Before using ATG Recommendations, when Davis and his team were hard coding all cross-sells and up-sells, recommendations had virtually no impact on online sales. After 30 days of running ATG Recommendations on product pages, 16 percent of Tommy Hilfiger's total online revenue was being influenced by the service – proof that recommendations presented were relevant to shoppers and their current shopping intent.

## Outfitting the Online Channel

To build upon the initial success, Tommy Hilfiger expanded the use of ATG Recommendations for their upcoming holiday season. Going beyond product pages, Davis used the service to power recommendations on Tommy Hilfiger's category and sub-category pages (Men's, Women's, Kid's, Sale, Accessories). Another feature, “Last Chance Recommendations,” offered cross-sell suggestions at checkout based on accessories that were relevant to the shopper's cart. The ability to refine recommendations based on Tommy's specific business rules was key to avoid recommending related or less expensive products that might reduce order values.

ATG Recommendations was also used to power an entirely new set of pages on the site, including a Gift Guide feature for holiday shoppers promoted via a highly successful holiday e-mail campaign, and a Top Sellers page which has become a core part of the online store. By using automated recommendations to power these “personal merchandise” displays, Davis is able to expose a wider range and breadth of products but in dynamic collections tailored just for each shopper.



With the expanded use of ATG Recommendations, Davis saw immediate benefits. The impact on Tommy Hilfiger's online revenue doubled over the holiday shopping season – from 16 to more than 33 percent. That number continued to increase into the next quarter, to over 40 percent. This impact helped generate an incremental increase in shopper conversion rates. According to Davis, "The likelihood of check-out was three times higher for those shoppers who interacted with Recommendations than those who did not. We implemented Recommendations with the expectation that we would get strong results – but we were astounded to see such tremendous results so quickly."

**After a full year on the ATG Commerce OnDemand platform, combined with ATG Recommendations, Tommy Hilfiger's online revenue more than tripled.**

### Dressed for Success

Now that ATG Recommendations is up and running site-wide, there are no more manual cross-sells based on what happened yesterday. Instead, Davis and his team are planning for the future. He reports that his team is able to be more proactive in planning promotions and strategy and is focused on optimizing product display and messaging to further increase sales in the fast-growing e-commerce channel. Next, Davis is looking to use ATG's segmentation, scenario, and business rule capabilities to augment Recommendations and continue enhancing the shopping experience for ShopTommy.com customers.

### about ATG

A trusted, global specialist in e-commerce, ATG has spent the last decade focused on helping the world's premier brands maximize the success of their online businesses. The ATG Commerce application suite is the top-rated platform by industry analysts for powering highly personalized, efficient and effective e-commerce sites. The company's e-commerce optimization services can be easily added to any Web site to increase conversions and reduce abandonment. These services include ATG Recommendations and the eStara Connections Services. To learn more about ATG, please visit [www.atg.com](http://www.atg.com) or call 1.800.RING.ATG

