



Parsionate

porta



porta Revolutionizes Shopping Experience with Artificial Intelligence

Breaking New Ground in the Mid-Size Space

Enriching the Shopping Experience With Intelligent Solutions

Even in the face of all the current economic turmoil, porta is still on course for growth. But the home furnishings powerhouse isn't content to rest on its laurels and is investing in marketing automation and artificial intelligence to ensure this remains the case moving forward. It's time for the shopping experience to get personal and it's time to bring the real and online worlds together. porta onboarded Parsionate to develop an AI algorithm and is thrilled with the first results from the smart system.

The Company

porta is one of Germany's largest family-run furnishing companies. Founded back in 1965 as a single furniture store, porta is now a group of companies totaling four brands and 140 locations across Germany, Czechia and Slovakia. Their mission? "To create successful people-furniture relationships and to do so with pride." And porta has also met with success as a popular employer: in 2022, around 7,300 employees generated annual sales of around 1.34 billion euros.



Business Case

porta is growing and has been for years. But the competition is only heating up. To continue to withstand this pressure as a family business, the company is determined to invest in transforming itself from a bricks-and-mortar retailer to a sought-after omnichannel provider. With Parsionate’s support, porta developed a central customer database and was one of the first mid-sized

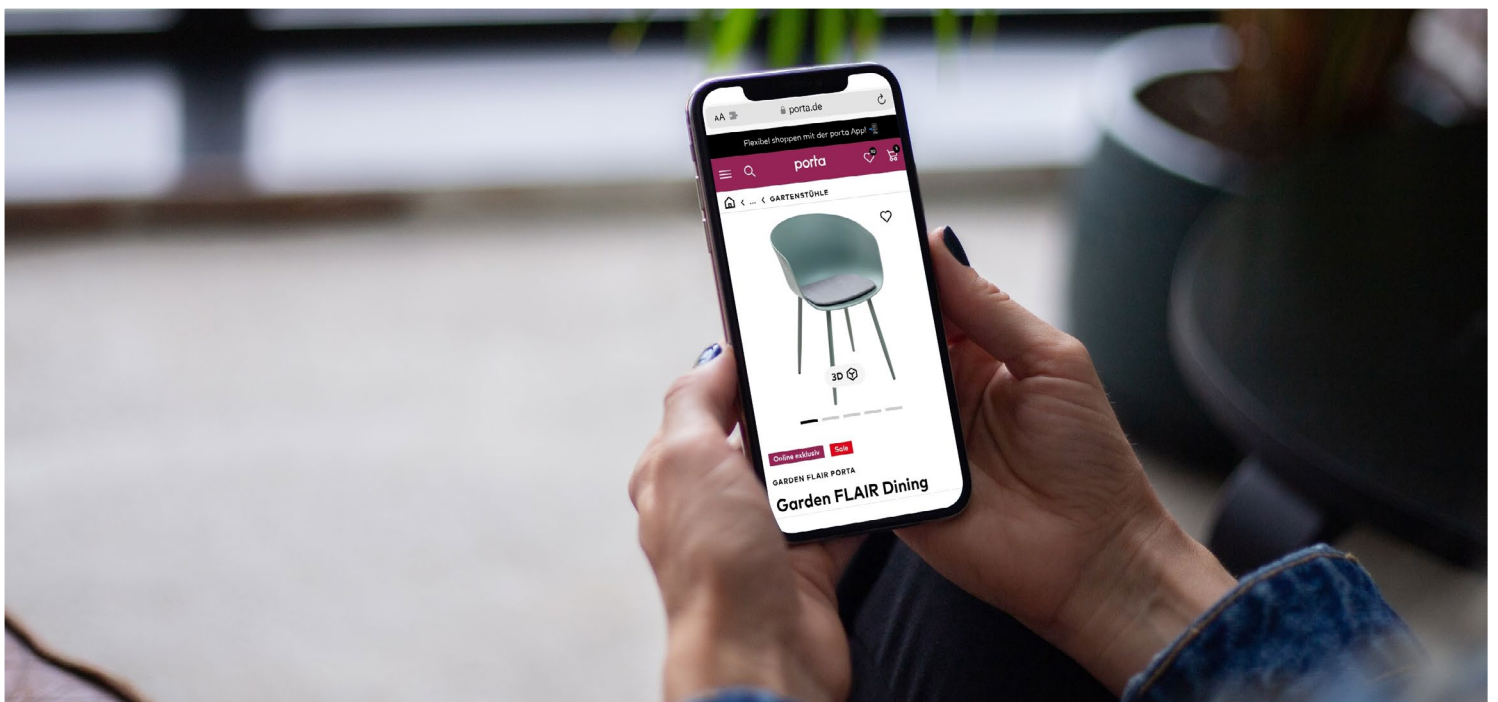
furniture companies in Germany to introduce artificial intelligence for an improved customer experience. The goal here was to offer customers support tailored to their personal interests along the entire customer journey – online and offline alike – and to leverage digital tools to make furnishing projects an intuitive and inspiring experience.

New Priorities at a Challenging Time

The Covid-19 pandemic turbocharged digitalization for so many companies, porta included. “At a time when we were forced to focus our efforts and press pause on many projects, **we made sure to build up our data science team and avoid any cuts to our key data projects,**” reports Christian Walka, Head of CRM at porta. His team is responsible for maintaining and growing customer relationships – and, in close partnership with IT, for the technical infrastructure needed to do so.

customers find what they are looking for online even faster, and for the company to leverage augmented reality and personal recommendations to enhance the on-site shopping experience, **porta first needed to gain a clearer understanding of its customer base.** In turn, this meant improving access to data on customer interests and behavior. The challenge here for Christian Walka was that “we were only a small team when we started, a handful of employees from IT and marketing.”

Like all retailers, porta has long observed changing trends in customer expectations and that online shopping is rapidly gaining market share. But to help



Pioneering AI in the Mid-Size Space

While global players like Amazon can recognize a trend and have the workforce power to adapt in just a few months, medium-sized companies have more limited resources to play with. Strategic projects have to take a back seat to more urgent day-to-day business. The team was determined to prove, however, that porta's innovative work would still pay off. In 2020, they made the decision to bring Parsionate on board:

“We wanted to bring visibility to the first successes quickly, and we wanted to do this with a partner who wouldn't lock us into a collaboration, but who would empower us to be autonomous. Ultimately, that's why we chose Parsionate.”

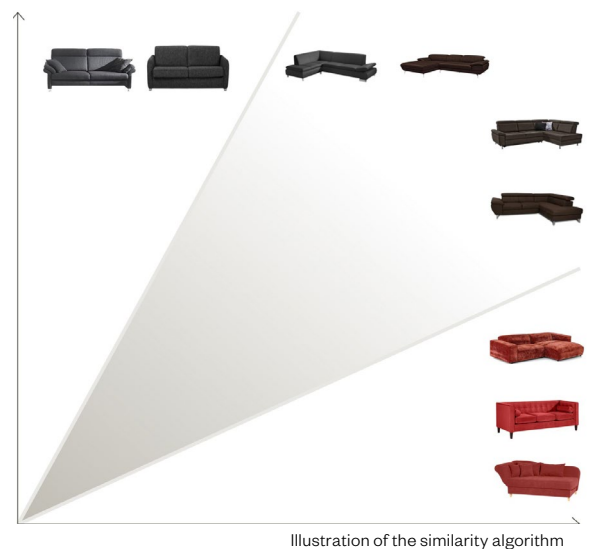
Together with the porta team, Parsionate addressed a key point of the transformation in an invention project and created a central customer database, an absolute must for individualizing customer communications across all channels.

“That was a milestone,” says Walka. Now customers who research a product on their laptop, for example, can seamlessly continue their purchase on the app. Or customer support staff can see the caller's previous contacts and purchases and can help more quickly. And that's just two use cases. But porta wasn't content to stop there, and so Parsionate developed a similarity algorithm for the team that works using AI.

AI-POWERED RETARGETING STRATEGY

While the furnishing company's online store sees millions of user searches, as is so often the case in e-commerce, most of those searches never progress beyond online window shopping. But by combining Parsionate's algorithm with the customer database, porta can now leverage retargeting to visually suggest similar products in an equivalent or even lower price range to users.

As a first port of call, these recommendations will be automated via email marketing, with other channels to follow moving forward.



STEVEN JONES, PARSIONATE

„When we embarked on the AI project, porta was a real pioneer in the German SME sector. Only a year and a half later, we're starting to see our competitors across the board waking up to this and hoping to follow suit.“

Steven Jones, Director AI & Analytics and Project Lead at Parsionate.



More Artificial Intelligence Spells Lower Costs

The project opened a new door, proving that IT teams can implement a data science project in a relatively short space of time – and with real-world added value for the company as a whole. Walka is delighted with the project’s progress and results.

Marketing was able to increase email open rates by **50 percent** with personalized content, while click rates also **doubled**.

porta also managed to cut its mass mailings drastically, instead focusing on highly segmented emails which, while automated, are still customized. And marketing is by no means the only department to benefit from the new AI.

Meanwhile, porta has built up its own data science team to further develop in-house expertise and implement different use cases for sales, marketing and customer service. Since the Covid pandemic, they have focused their work more and more on customer interests.

The service concept and demand for the best possible customer experience continue to set the agenda at porta, even in times of economic crisis and inflation.

CHRISTIAN WALKA, PORTA MÖBEL

„The initial results from our AI project are excellent. Our new data-driven approach has yielded visibly better advertising efficiency and response rates.“

Christian Walka, Head of CRM at porta Möbel



AI Project Accelerates Company Transformation

porta is determined to continue down the path of digitalization. “The project and the speed of results have turned the internal response to data science on its head.”

The similarity algorithm proved AI’s real-world impact and potential to the company, and a roll-out to other brands is now in planning.

“That’s the advantage of homegrown algorithms. You have real flexibility,” says Parsionate project manager Steven Jones. “Now, it’s up to porta to fully realize the commercial potential over the coming months and years.” But Parsionate will remain on hand as a sounding board and catalyst as porta chooses to further grow its digital initiatives.

The next digital transformation projects are already underway: alongside further AI projects, porta is increasingly focusing on 3D/augmented reality (AR). In future, in-store visitors will be able to merge on- and offline words via the app to gain a view with individual relevance and a wide range of products, streamlining customer product choices. After all, where imagination reaches its limits, technology steps in! While the company isn’t ready to reveal exactly what it has planned next, further new services are set to be released before the end of the year.



Parsionate

Enough reading. Let's talk!

Data is the foundation for many business initiatives. Take the opportunity to talk to experts about your specific challenges. Due to our long-term experience from numerous customer projects, we are able to assess even individual situations well and identify first steps towards a solution.

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About Parsionate

Data is at the core of any digital transformation. Since 2013, Parsionate has been supporting companies determined to face the challenges involved head-on and leverage data's limitless potential. We bring our expertise to go all out, delivering the benefits and successes we generate for our customers and partners. And that's why Parsionate offers end-to-end services, from strategy development to full tech implementation.

We are the data leadership team. With our holistic focus on data and the opportunities it creates, we take on a longer-term, more comprehensive responsibility than traditional consultants or implementers. Our vision is to help our clients harness the unique potential of data and analytics and empower them to use it more smartly and efficiently than the competition. Across our parsionate locations in Europe, we have more than 200 experts hard at work on just that for international market leaders like Hapag-Lloyd, the Hoffmann Group, Festo, Stihl or Dekra.

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