IBM

carhartt

Business challenge

When a trend catches fire, fashion and apparel brands must move quickly to capture sales. How can Carhartt identify spikes in consumer demand and optimize its marketing and merchandising strategies?

Transformation

Carhartt enhanced its digital strategy using an IBM® Watson® Commerce platform infused with AI from Watson Commerce Insights—delivering real-time information on emerging retail trends.

Anna Cole,
**Director of E-Commerce,
Carhartt**

Business benefits:

Highlights
in-demand products in real time, enabling better customer experiences

Empowers
merchandisers to make better-informed decisions and boost conversions

Delivers
insights for senior managers instantly, improving operational effectiveness

Carhartt
AI identifies trends and delivers actionable merchandising insights

Headquartered in Dearborn, Michigan, Carhartt manufactures premium clothing known for its durability, comfort, quality of construction and fit. Established in 1889, Carhartt operates company-owned retail locations throughout the USA and employs more than 4,700 people worldwide.

"We measured record-breaking conversion rates during the holiday period, and IBM Watson Commerce Insights played a key role in that success."

Anna Cole,

Director of E-Commerce,

Carhartt

Share this

Sales take off, analytics lags behind

In the world of fashion, trends can surge up and subside in a matter of days. For leading retailers like Carhartt, the challenge is to connect every customer with the products they're looking for.

Anna Cole, Director of E-Commerce at Carhartt, explains: "To drive conversions, our goal is to get the right product to the right customer at the right time. Superficially, that sounds easy, but in practice it's extremely difficult.

"In the past, we relied heavily on a spreadsheet-based approach to determine how our digital merchandising strategies were performing. However, because we had to pivot between so many different systems to collect the data we needed, it took at least a full working week to build our reports. If we needed to dive deeper into one of our categories, creating a granular view could take even longer."

When a Carhartt jacket featured prominently in the Academy-Award-winning film Interstellar, the company realized that it needed to move faster to identify spikes in demand.

"Carhartt is about authenticity, and for that reason our products often appear in movies," Cole continues. "Before Interstellar was released, the jacket that Matthew McConaughey was wearing wasn't one of our bestselling items—but as soon as people started seeing the movie, the look blew up. It took us a week to identify that trend, and we knew we'd missed out on a significant opportunity. To help us get in front of fast-changing customer preferences, we looked for a way to accelerate and enhance our analytics processes."

"These insights are enabling us to make adjustments that help lift conversion—for example, by moving popular products to more prominent positions to capture customers' attention."

Anna Cole, Director of E-Commerce, Carhartt

Shorter time-to-insight with AI

To realize its goals, Carhartt augmented its IBM WebSphere® Commerce platform with IBM Watson Commerce Insights— an AI-powered solution that delivers real-time information on business performance to merchandisers and marketers.

"We knew that Watson Commerce Insights would bring about a tremendous change to the way we work—particularly for our merchandising teams," recalls Cole.

"Rather than spending hours or even days pulling in data from multiple different systems to identify changes in product demand, our merchandisers now have a single analytics hub that contains all the information they need. Better still, each of our team members can customize their workspace to show only the products and categories they manage—enabling them to see at a glance which of their strategies are working and which aren't."

Working together with IBM, Carhartt has integrated IBM Watson Commerce Insights with data from its ERP, planning and e-commerce platforms.

"We can now see where people are clicking on our site, and the points where people are cutting short their journeys," says Cole. "These insights are enabling us to make adjustments that help lift conversion—for example, by moving popular products to more prominent positions to capture customers' attention."

She adds: "The IBM solution also delivers insights in a proactive way. For example, towards the end of our winter clearance sale, Watson Commerce Insights alerted us that sales for a product that we'd been moving at a steady rate had slowed by 40 percent. Rather than having to wait seven days for a report showing that trend, our team bubbled this information up to management immediately.

"Our Chief Brand Officer is very interested in merchandising, and often comes by to ask how our strategies are performing. In the past, our merchandisers often needed to go away and leaf through multiple pages of spreadsheets to answer his questions—but thanks to Watson Commerce Insights, they can now respond quickly and confidently on the spot."

Making sales-driving decisions, faster

With an AI platform constantly monitoring its business data for emerging trends, Carhartt can act faster than ever to capitalize on new opportunities.

"The next time that one of our products goes viral, Watson Commerce Insights will be able to spot that trend and point it out to our merchandisers," explains Cole. "Our team can then quickly identify the source of a surge in our website traffic, and quickly adapt our marketing and merchandising strategies. By taking timely actions like making the in-demand product the hero image on our homepage and purchasing related search terms, we can make it as easy as possible for customers to buy—driving our revenues."

Like many leading retailers, the holiday season is Carhartt's busiest sales period. With IBM Watson Commerce Insights, the company is harnessing AI to help accelerate its decision-making at times when every hour counts.

Cole notes: "We do significant business in November and December, which means it's vital for us to make well-informed merchandising decisions rapidly. Previously, if our merchandisers needed to find out what percentage of a SKU was available, they needed to go directly into each product detail page in IBM WebSphere Commerce. Based on that information, they would make manual adjustments to move products running low on stock to the bottom of the list on our site—a time-consuming process.

"The next time that one of our products goes viral, Watson Commerce Insights will be able to spot that trend and point it out to our merchandisers."

Anna Cole, Director of E-Commerce, Carhartt

"We started using Watson Commerce Insights a few months before our peak winter season, and the results have been exceptional.

"Using the solution's intelligent sequencing capability, we designed rules to automatically move products that are trending to the top of their page and reposition products where inventory is running low further down their page—saving valuable time that we can spend on deeper analytics. We measured record-breaking conversion rates during the holiday period, and IBM Watson Commerce Insights played a key role in that success."

Deeper insight into inventory is helping Carhartt to deliver better experiences to its customers.

Cole comments: "In the past, we were frequently forced to act on data that was at least one week old, which meant there was always the risk of promoting a product that had started to go out of stock—leading to disappointed customers. Today, we can see the quantity of each SKU in stock in real time, which empowers our content and marketing teams to focus their work on the right products."

Based on its success with IBM Watson Commerce Insights, Carhartt is already looking for ways to extend its use of AI.

"At the moment, we're using a range of separate analytics systems throughout the business, many of which have AI capabilities," says Cole.

"The more effectively we can harness our data, the better we can learn what our customers want and find the best way to offer it to them. In the future, we would love to feed all our data into IBM Watson—delivering a single source for analytics insights across our business, and the ultimate personalized experience for our customers."