

CASE STUDY



SEGMENT | Consumer Electronics

PRODUCT | Recommend™

OBJECTIVE | To increase Conversion Rates and AOV using the right product recommendation strategies

RESULTS

- 24% higher Items Per Order (IPO) from recommendations
- 3% increase in Conversion Rate
- 52% higher AOV from recommendations

The eXtra Story

eXtra is one of the most popular consumer electronics and home appliances marketplace in the Gulf region, with both online and offline operations in Saudi Arabia, Bahrain, and Oman. It was started in 2003 by United Electronics Company (UEC).

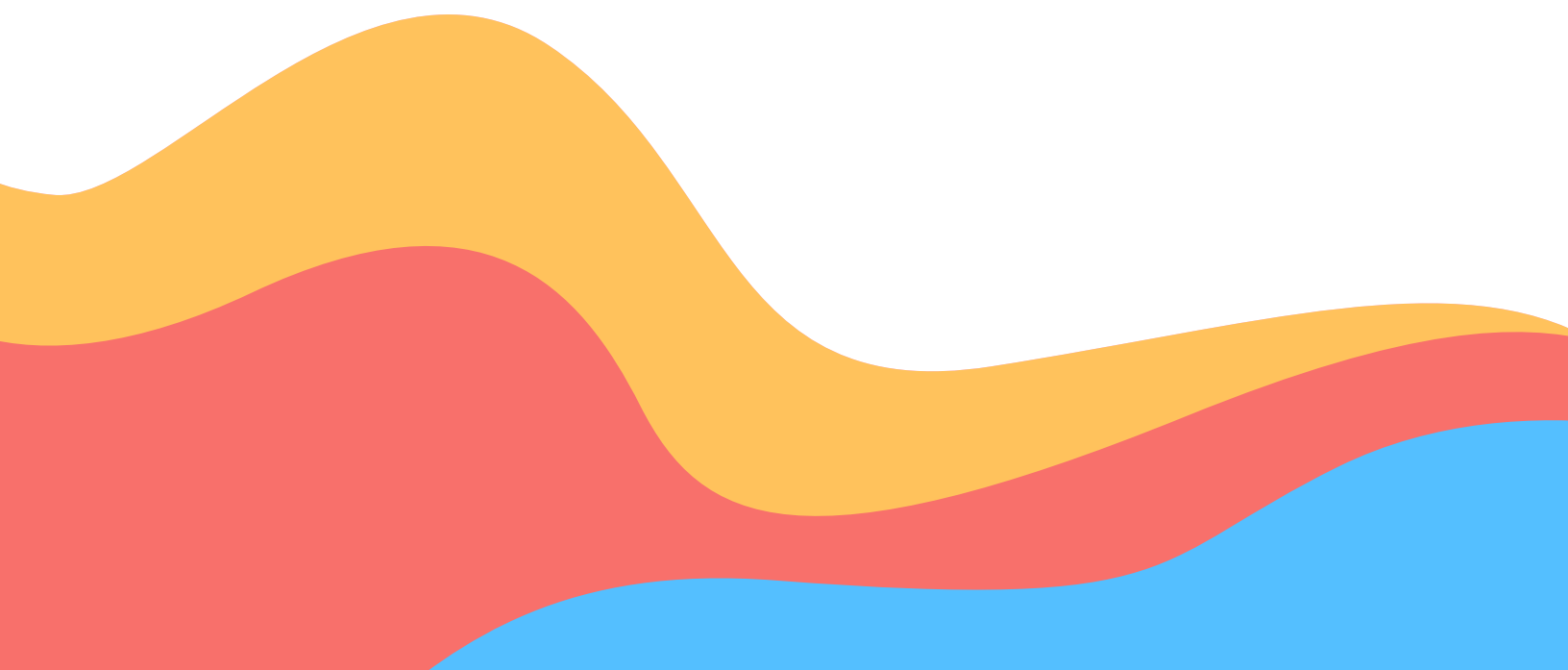
eXtra now has over 45 stores in Saudi Arabia and 3 stores each in Bahrain and Oman, in addition to three websites serving customers in both English and Arabic. They offer over 12,000 different products, including leading international brands, and cater to over 12 million shoppers.

They also offer comprehensive after-sales service such as extended warranty, free home delivery, product installation, and 24x7 remote assistance through three dedicated service centers across Saudi Arabia.

The Challenge

eXtra has been working with Algonomy for close to seven years now. They realized the need to aid their customers in product discovery early on, and wanted to recommend the most relevant products to customers at every step of their journey. A search for the right platform to put this vision into action led them to Algonomy Recommend™.

The electronics retailer continues to place their trust in the platform because of its proven ability to significantly and consistently improve key metrics such as Conversion Rates, Revenue per Click, Average Order Values, and Attributable Sales.



The Solution

Recommend™ makes it very easy for eXtra to deploy different strategies, assign weights to them as per business KPIs, and decide how and where to display product recommendations on a page.

They use product recommendation placements across different pages on their websites and apps. They optimize the impact of these recommendations by using a variety of recommendation strategies, including but not limited to:

- Advanced Merchandising Strategy
- Movers and Shakers
- New Arrivals
- Site-wide Top Products
- Popular Products
- Category Top Sellers
- Brand Top Sellers
- Top Offers
- Frequently Bought Together
- Related to Cart
- Related to Cart Category
- Recently Viewed



The top five strategies that have worked well for them are: recently viewed, others also viewed (category level), others also bought (category level), advanced merchandising strategy, and personalized as per users' pageview history.

Here are some examples of these placements.

1. Related Items and Category Top Sellers on the Product Detail Page

49.33% Off LG 9 Kg Dual Inverter Heat Pump Dryer, VCM
0/5 No Reviews Yet

3799 SR Save 3700 SR [Add To Cart](#)

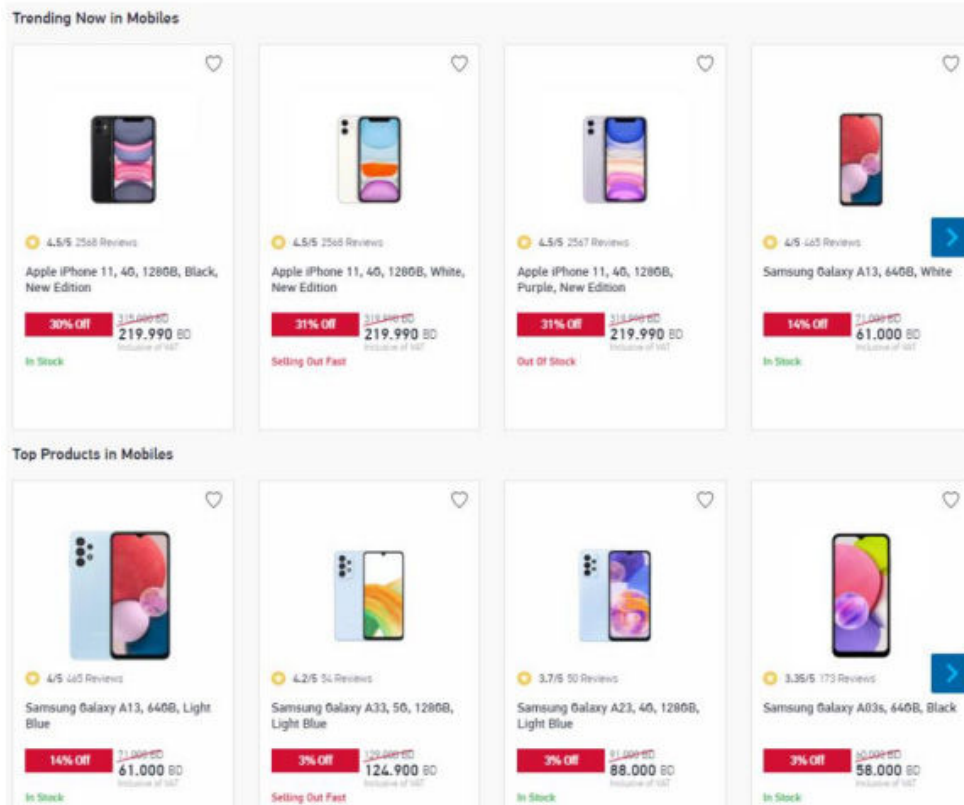
Related Items

- LG 9 kg Front Load Fully Automatic Washer with AI DD, Silver**
36.96% Off **2899 SR** ~~4399 SR~~ Inclusive of VAT
- LG Front Load Washer, 12kg, Steam, Wi-Fi, Black Steel**
36.51% Off **3999 SR** ~~6249 SR~~ Inclusive of VAT In Stock
- 4.85/5 12 Reviews**
LG Front Load Fully Automatic Washer, 10.5 kg, TurboWash, Silver
36.37% Off **3499 SR** ~~5499 SR~~ Inclusive of VAT In Stock
- LG Top Load Automatic Washing Machine 11kg, WiFi, Black**
43.75% Off **2699 SR** ~~4849 SR~~ Inclusive of VAT In Stock

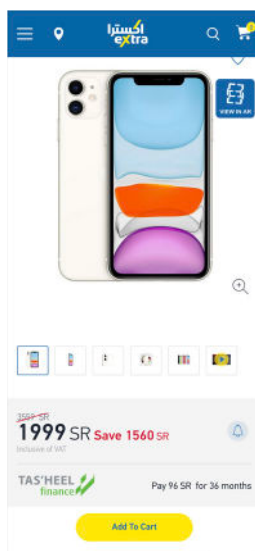
Top selling

- Samsung, 45 Inch, 4K Smart TV, UA65AU7000LUXUM, 60Hz**
37.5% Off **2999 SR** ~~4799 SR~~ Inclusive of VAT In Stock
- 4.45/5 251 Reviews**
Dyson V11 Cordless Vacuum Cleaner, 1.0L, 545W, Blue
3069 SR Inclusive of VAT
- ClassPro, 58 Inch, UHD, Android, E6558UHD, 60Hz**
43.34% Off **1699 SR** ~~3049 SR~~ Inclusive of VAT In Stock
- 4.75/5 107 Reviews**
LG Microwave, Solo, 56L, Easy Clean, Even Heating, Defrosting, Smart Inverter.
43.36% Off **849 SR** ~~1499 SR~~ Inclusive of VAT

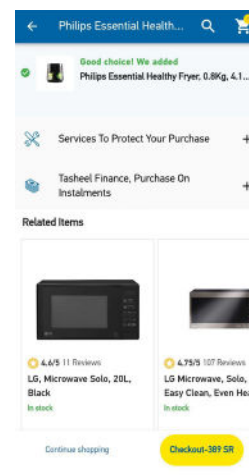
2. Popular Products and Top Products on the Category Page



3. Advanced Merchandising Strategy on the Add to Cart Confirmation Page



4. Top Sellers on the Cart Page



"As a customer-first business, we are always looking to improve digital experiences for our customers. Through Algomomy Recommend™, we are able to add value to our customers' shopping journeys by showing products most relevant to them,"

- Imran Khan, e-Commerce Director, Extra.

The Results

eXtra has seen the Average Order Value go up by 52% when product recommendations are present on a page, versus when there are no product recommendations on a page. Similarly, the number of Items per Order is 50.5% higher when there are product recommendations on a page than when there are none.

The electronics retailer's Revenue per Click grew by 100%, and they have seen a year-on-year uplift of up to 73% in conversion rates (2020-2021) by leveraging the capabilities of Recommend™.

Here's a quick summary of the growth:

	2020	2022
AOV	2,083	2,899
Conversion Rate	3.54%	8.67%
RPC	9.26	85.42

Looking Ahead

eXtra is keen to leverage more of the capabilities of the Algonomy platform to implement more nuanced product recommendation strategies, such as Advanced Merchandising.

They also plan to explore the features of DeepRecs Natural Language Processing (NLP) and deploy it on their websites and mobile app. They believe NLP will not only give them competitive advantage, but also make it easier for their customers to discover more relevant products as well as niche products.

"Recommend™ has been consistently delivering 5% to 7% conversion rates for us, in addition to higher AOVs and IPOs. This has encouraged us to explore more nuanced product recommendation strategies within the platform. We're also looking forward to exploring DeepRecs NLP, which will help us further individualize experiences for our customers,"

- Shahin Riaz, Head of product.

ALGONOMY

Algonomy (previously Manthan-RichRelevance) empowers leading brands to become digital-first with the industry's only real-time Algorithmic Decisioning Platform that unifies data, decisioning, and orchestration across marketing, digital commerce, and merchandising for the retail industry. With industry-leading retail AI connecting demand to supply with a real-time customer data platform as the foundation, Algonomy enables 1:1 omnichannel personalization, customer journey orchestration, merchandise analytics, and supplier collaboration. Algonomy is a trusted partner to more than 400 leading retailers and brands, QSRs, convenience stores, and more; with a global presence spanning over 20 countries. More at algonomy.com.