CASE STUDY

ALGONOMY

"Algonomy's ability to personalize for unknown shoppers is key. We're now successfully able to engage shoppers with deeper journeys, leading to a 10% higher average order value and a 46% lift in revenue per visitor. We're also witnessing organic repeat visits, which is invaluable."

– Managing Director

SEGMENT

Supermarket chain/ Discount retailer

PRODUCT

Discover™, Engage™, Recommend™, and DeepRecs NLP deployed across web and mobile

CHALLENGE

Surface more of the client catalog to shoppers without compromising relevance, boost digital engagement and repeat visits, and reduce manual merchandising effort

RESULTS

- **46%** higher Revenue Per Visitor (RPV)
- **25x** RPMI from DeepRecs NLP for new launches
- **20%** Attributable Revenue
- **10%** higher Average Order Value (AOV)

The client is one of the UK's fastest-growing supermarkets with over 900 stores. Thanks to its efficient business model, it strives always to provide the highest quality products at the lowest prices. As part of their expansion plans, the online store was launched in 2016, and the eCommerce site not only merchandises products that are available for sale online but also products that are available in-store.

In 2018, the client sought to use personalization on their site and was looking for a strategic partner to guide their personalization plans and provide the technology that meets the client's unique business model. The retailer sells groceries and household goods, but the client also runs two Specialbuys events weekly, where 'once it's gone, it's gone.'

As the merchandise sells fast, the online shop must consider inventory levels diligently, recommend substitutes for out-of-stock products, and alert shoppers when a product is back in stock.

An essential requirement was strategic advisory services to help the business teams better understand personalization's role across the customer journey, identify specific opportunities, and roll out the plan systematically.

Solution

Algonomy appealed to the client due to its ability to provide a single-solution suite encompassing personalized content, recommendations, navigation, search, and expert in-house personalization consultants. 'A single source for integrated personalization across key revenue-driving components on the commerce site' is how the client describes the Algonomy Digital Experience Personalization (DXP) suite.

Personalized Content and Campaigns

Personalizing content was first on the list. With Algonomy Engage™, the team started experimenting with content to guide visitors to the most relevant categories and campaigns based on their behavioral affinities and customer trends.

"We're now creating much more content and seeing positive results from personalized targeting. Content creation requires effort, but we wouldn't be investing in it if we didn't see strong returns from Algonomy's dynamic personalization," said the client's Managing Director of National IT.

Using personalized content targeted to shoppers interested in specific categories, such as Fishing and Pets, has resulted in up to 6X higher click-through rates for these categories.

Personalized Product Recommendations

Due to their unique, fast-paced business model with frequent catalog changes, the client needed to surface the proper spread of recommendations for their 'Specialbuys' - an impressive range of products covering multiple categories such as sports, camping, DIY, and BBQs at low prices. The client releases Specialbuys every week for a limited period, allowing their customers to try something new.

To surface these products to likely interested shoppers, the client deployed Algonomy **DeepRecs Natural Language Processing (NLP)** to generate recommendations markedly differently from the traditional collaborative filtering recommendation techniques that rely on historical events (such as viewed together, bought together). DeepRecs NLP has resulted in 2X higher engagement and 25X higher RPMI (revenue per 1000 impressions) for Specialbuys.

Another critical requirement for the client was the ability to personalize for known customers and unknown and first-time shoppers looking for deals and Specialbuys. Using Algonomy's combination of content and product recommendations, the client can now give all visitors a personalized experience from the moment they start browsing the site.

The team also appreciates the time savings they've achieved by moving to algorithm-driven personalized recommendations for each shopper. Not only are the products shown to be relevant, but out-of-stock situations are automatically managed by Algonomy without manual intervention.

Personalized Browse and Navigation

After content and product recommendations, the client expanded personalization to category pages by deploying Algonomy Discover™ to achieve their vision of delivering a cohesive experience to shoppers no matter how they interact with the site. Discover also offered the flexibility to extend the same personalization to the mobile site.

This personalization is built on the foundation of the customer profile that updates in real-time as the shopper interacts with anything on the commerce site. A shopper's preferences are leveraged to determine their experience.

The client plans to continue innovating with personalization and has laid a strategic roadmap with Algonomy to serve customers further better.

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