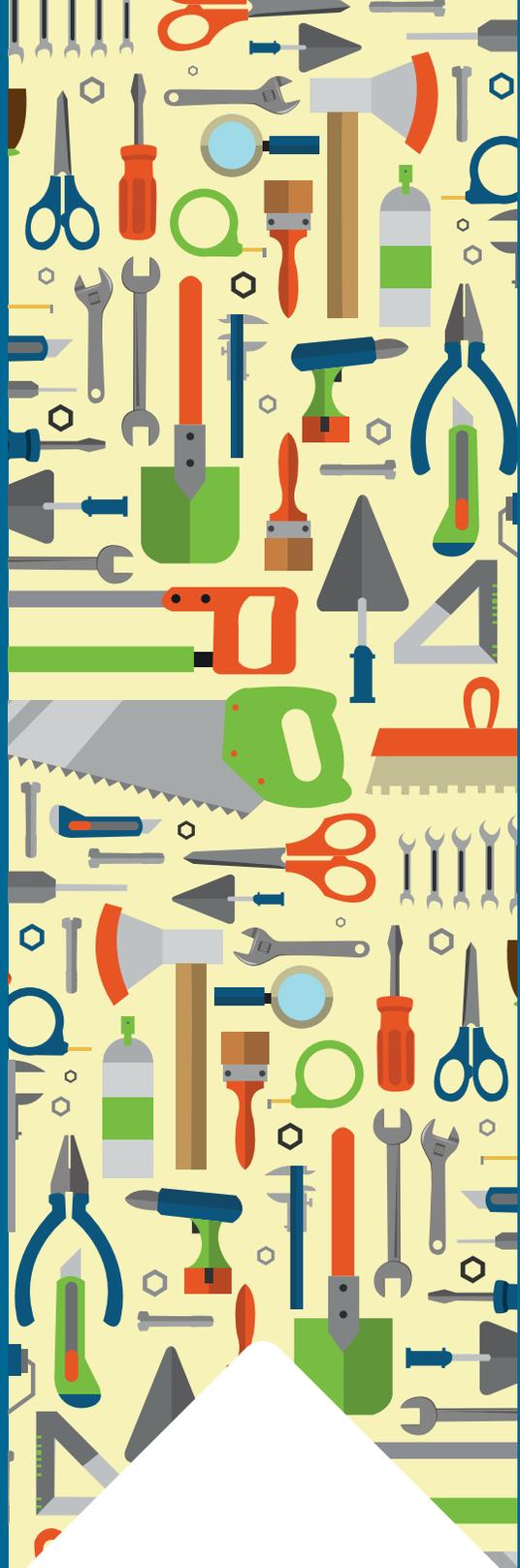


Retail:

Large International Home Improvement Retailer



Case Study

Overview

The Company: Large International Home Improvement Retailer

The Client: Head of eCommerce for Canadian retail website

The Website: Approximately \$120 million online revenue

Business Challenge

Pain Point

- Searching for new methods to boost online revenue in a way that minimizes margin erosion

The Current State

- Over half a billion dollars in abandoned cart revenue annually

The Challenge

- Majority of customers that shop / visit the site are unknown (i.e., don't login) and cannot be treated with traditional 1:1 marketing tactics using historical behavior

Exchange Solutions Objective

- Implement a 1:1 personalized offer solution that boosts online revenue from unknown visitors through increased purchase conversion and increased average order value
- Ensure that the achieved revenue is both incremental to the business and maximizes the ratio of attributed revenue to marketing spend

The Solution

- Exchange Solutions deployed ES Engage, a cloud-based, individualized offers customer engagement product, on the client's website for a three month pilot period
- ES Engage targets website visitors with a high propensity of abandoning their cart and presents 1:1, personalized offers in real-time, to entice customers to convert their cart

Methodology

- Once connected to the client's website, Exchange Solutions' ES Platform collected and analyzed customer clickstream events and isolated the patterns indicative of conversion and abandonment. Once a customer visited the website, their specific clickstream pattern was identified, and if deemed a high propensity to abandon, a 1:1, personalized offer was presented, enticing the customer to complete their conversion in exchange for money off. (e.g., Get \$10 Savings, if you spend \$100 or more, right now!)

- To ensure profitability, each offer considered the margin of the items in the cart and allocated just enough reward to get the conversion while maximizing profit. Also, because offers were only extended to those customers with a high propensity to abandon, margin was not wasted on rewarding customers who would have purchased anyways.
- The 1:1 personalized offers capability is delivered as a managed service, requiring minimal client integration and leverages the client's existing Coupon Code capability to deliver rewards.

The Results

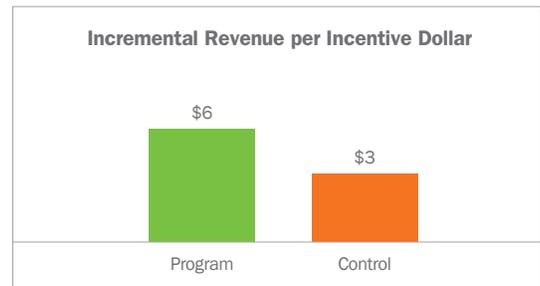
Pilot results were positive, yielding an approval for roll-out on a national scale. Since roll-out, results compared to BAU activities (control) indicate:

Positive Shift in Conversion and Average Order Value (AOV)

- An average 15% lift in conversion rate over BAU
- An average AOV improvement of \$35 per order

Incremental Revenue at Profitable Margins

- Every \$1 of incentive invested in the 1:1 Personalized Offers returned an average of \$6 in incremental revenue, compared to \$3 for the client's BAU



Efficient Channel for Conversion

- Average offer performance exceeded the client's BAU benchmark for Return on Marketing spend by 25%



About Exchange Solutions

Exchange Solutions offers innovative customer engagement and loyalty products that maximize customer lifetime value, customer satisfaction, and profitability.

ES Engage is our cloud-based, individualized offers customer engagement product focused on driving incremental customer behavior and optimizing promotional spend, using 1:1, real-time technology, machine learning analytics and compelling customer experience.

Our cloud-based platform permits rapid implementation in all channels, in real-time, customized to each client's needs. Our proprietary approach and in-market experience deliver quicker results, better ROI, and deeper customer engagement than traditional promotional or loyalty programs.

Contact

Boston
781.693.0300

Toronto
416.646.7000

www.exchangesolutions.com



Email
info@exchangesolutions.com



LinkedIn
<http://www.linkedin.com/company/exchange-solutions>



Twitter
<https://twitter.com/ExchangeSolns>