Blueberry + Dynamic Yield

Quarterly Business Review

May 2020

This deck is a sample of what Dynamic Yield customers receive throughout the course of their personalization program to ensure long-term success. The content seen here represents *real* use cases and results.

- SAMPLE REPORT -

Agenda

1. Introductions

2. Business impact

3. Program overview

4. Personalization and targeting overview

5. Optimization and testing overview

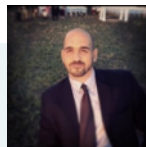6. Audience opportunities

7. Near-term KPI goals

1

Introductions

Your Dynamic Yield team

Oded Leiba
VP of Customer Success

Ben Malki
Director of Customer Success

Senior Customer Success Manager

✓ Main point of contact
✓ Develops personalization plans
✓ Provides business strategy support
✓ Facilitates outcomes and measurable objectives

Sandro Lubas

Technical Account Manager

✓ Provides ongoing technical expertise
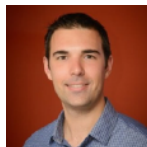✓ Advises & consults on strategic direction of the product

Buena Chen

Customer Success Manager

✓ Assists in day-to-day activities
✓ Updates program progress in Asana
✓ Facilitates communication between you and Support

Allison Schwartz

Account Director

✓ Handles commercial terms, renewals, and add-ons
✓ Responsible for overall account health

Chris Schlee

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Business impact

Your personalization program surpassed our revenue target

$743,379

6% of Total Revenue

$500K - $750K
Revenue Target

- SAMPLE REPORT -
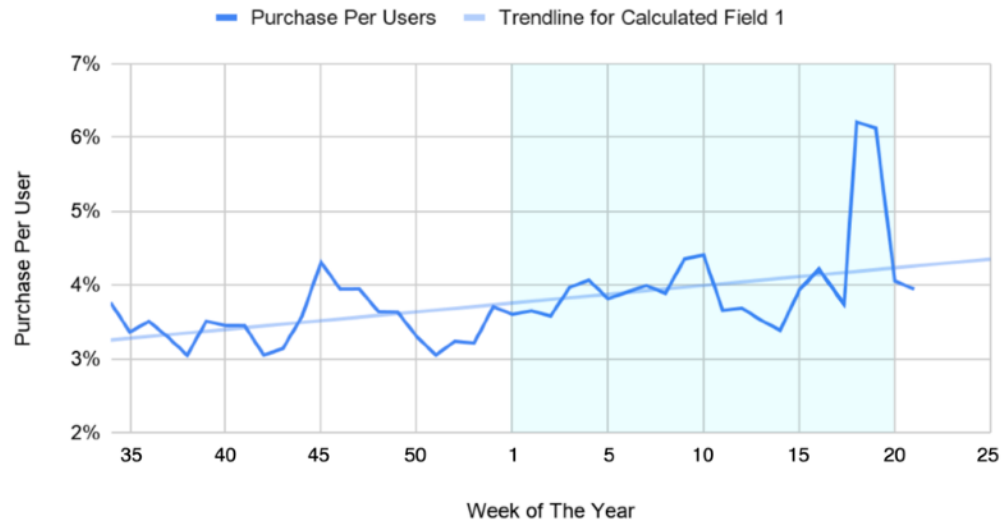
Purchase per user trended positively

Purchase Per User Over Time

Sandro's Take: We love a positive trend! Based on the current timeline, we expect to see **incremental revenue uplift** over the next quarter.

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3

Program overview

You almost hit the target for number of personalization campaigns

In the past quarter, you ran:

22

Personalization Campaigns

Your Previous QBR goal was: 24

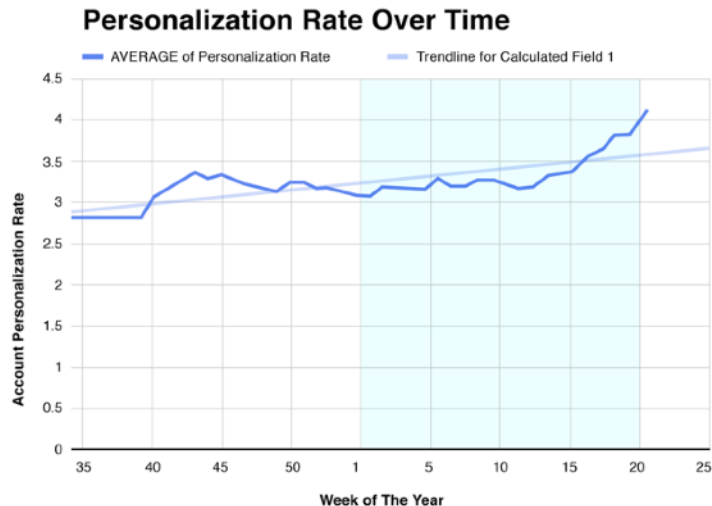**The benchmark for your industry (Fashion & Apparel) is: 21**

Sandro's Take: Well done! Although we didn't hit our personal goal, you are over-performing compared to others in your industry. Remember, the **more campaigns you're running, the deeper the impact** personalization will have on the customer experience.

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You over-performed on your rate of personalization

(the number of experiences per campaign)

Personalization Rate Over Time

— AVERAGE of Personalization Rate — Trendline for Calculated Field 1

In the past quarter, you had a

3.75

Personalization Rate

Your Previous QBR goal was: 3.20

**The benchmark for your industry
(Fashion & Apparel) is: 2.82**

Sandro's Take: By increasing the **number of experiences per campaign**, you've been able to better tailor the site for key audiences by showcasing content, offers, or recommendations that are most relevant for each. Keep it up!

You were right on target for number of variations within each campaign

In the past quarter, you ran:

3.57

Variations (A/B tests) per Campaign
Your Previous QBR goal was: 3.55

The benchmark for your industry (Fashion & Apparel) is: 3.49

Sandro's Take: Let's continue testing as increasing the **number of variations per campaign** will help you to optimize results by determining the best performing variation for a particular audience.

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Personalization and targeting overview

DY recommendations directly contributed to 3% of overall revenue

In the past quarter, recommendations drove:

$362,437

**11 recommendation strategies** were deployed across the homepage, PDPs, PLPs, and email.

Strategies included: Most Popular in Category, Recently Viewed, Collaborative Filtering, and more.

* Direct Revenue: Generated from products bought after clicking a recommended item and buying that item (or items)

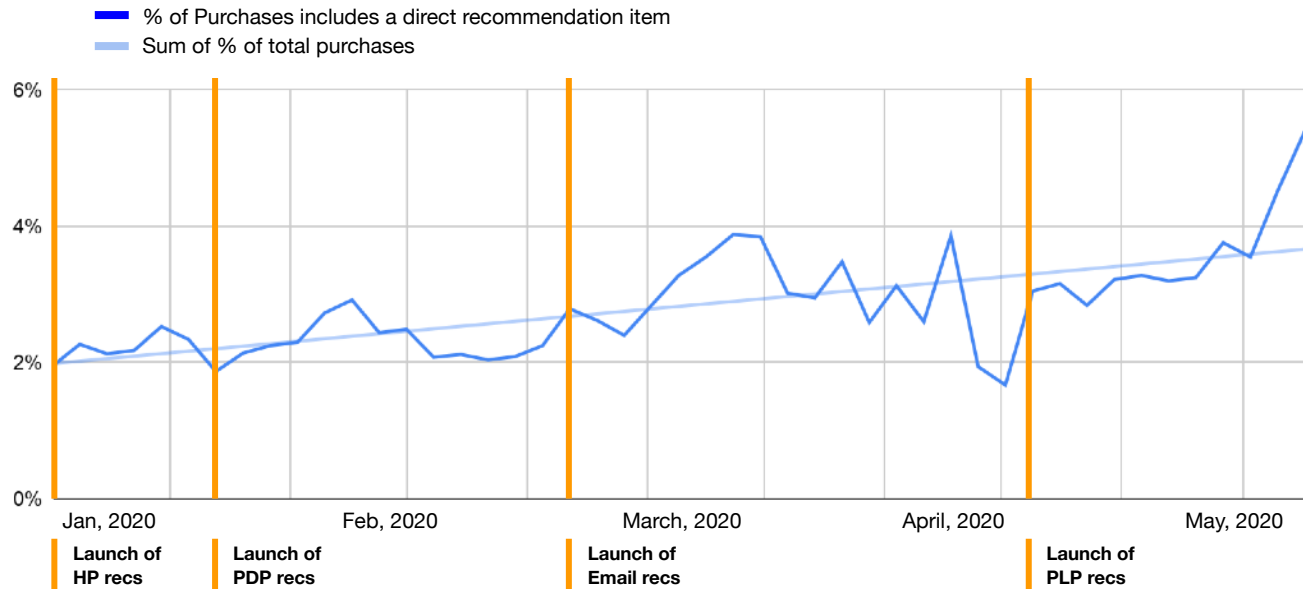# Higher performing recommendations led to greater revenue

Total Revenue vs. Direct Revenue (30 Days Attribution)
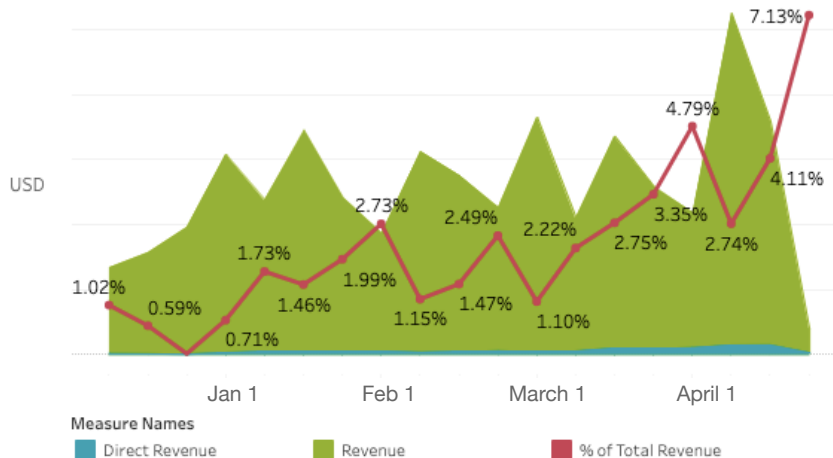
Sandro's Take: Continuous optimization of recommendations is directly tied to business results. Therefore, **the more we test, the more revenue we can expect to see**.

Cross-funnel recommendations drove an increasing % of overall purchases

Legend:
- **% of Purchases includes a direct recommendation item**
- Sum of % of total purchases

Vertical markers:
- Launch of HP recs
- Launch of PDP recs
- Launch of Email recs
- Launch of PLP recs

X-axis: Jan, 2020 — Feb, 2020 — March, 2020 — April, 2020 — May, 2020
Y-axis: 0%, 2%, 4%, 6%

Sandro's Take: We saw an uplift in overall purchases each time we incorporated a new recommendation. This shows us that **implementing recs across the funnel maximizes purchases generation**.
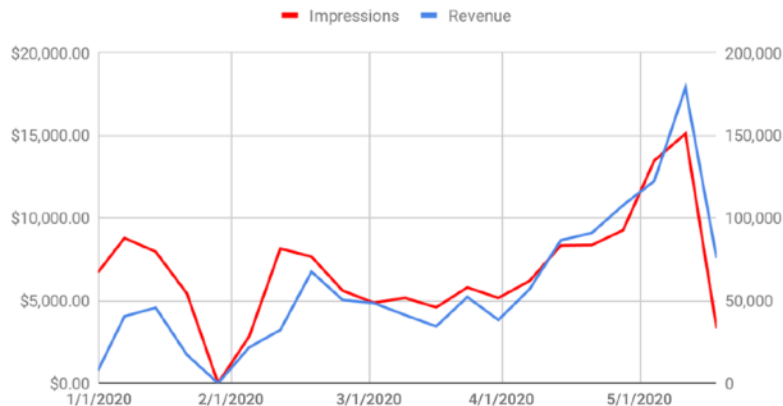
The more recommendations present, the more revenue

Live Variations & Revenue Over Time

Legend: Revenue, Recommendation Variations

Impressions & Revenue Over Time

Legend: Impressions, Revenue

Sandro's Take: We can see here that **additional exposure from recommendations is directly correlated to driving revenue.** Let's continue to use different recommendations and variations for positive growth!

Recommendations positively impacted the cart

KPI	Direct Purchases	Non Direct Purchases	% Increase
Items Per Transaction (ITP)	2.17	1.84	+18%
Average Item Price (AIP)	$4.76	$4.49	+16%
Average Order Value (AOV)	$41.27	$35.99	+15%

Sandro's Take: Recommendations have a major influence on purchase decisions, raising all cart metrics. We can raise these numbers even higher by further **experimenting with the placement, layout, strategies, and rules used**.

* Direct Revenue: Generated from products bought after clicking a recommended item and buying that item (or items)

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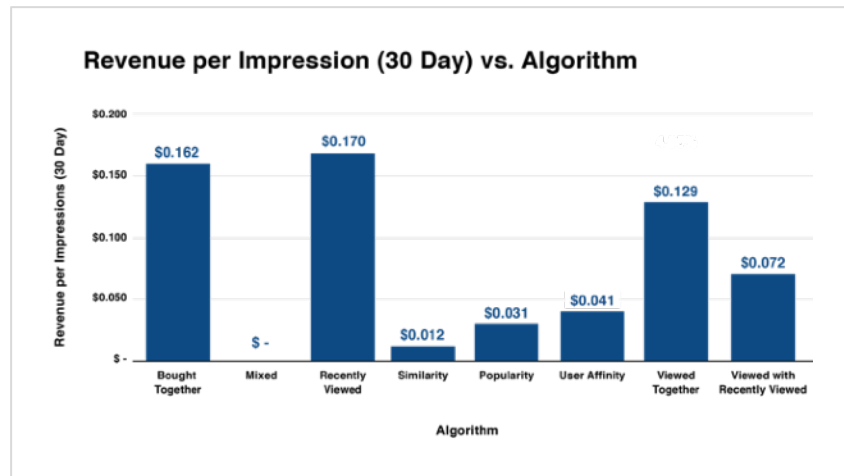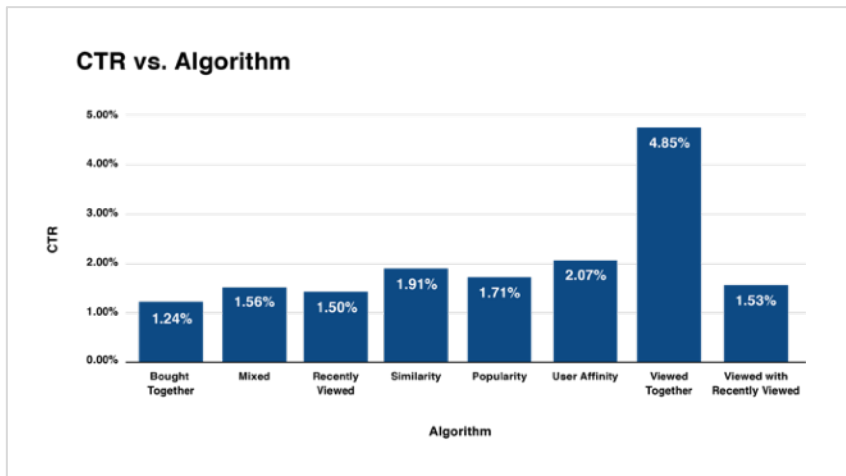# Words of wisdom from your Customer Success Manager

We grow fast when we turn test results into new hypotheses, so let's increase the velocity of our recommendations testing.

Sandro

Some recommendation strategies on PDPs performed better for certain KPIs

Sandro's Take: While *Viewed Together* drove the **highest click-through-rate (CTR) per average user**, *Recently Viewed* and *Bought Together* drove the **best revenue per impression (RPI)**. Since recommendation strategies perform differently based on the KPI, we should continue to experiment based on the goals you're trying to achieve.

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Mobile users preferred Similarity-based recommendations

PDP Recommendation Strategy	Purchase/Session	Revenue/Session
Bought Together	2.4%	$3.18
Popularity	2.7%	$3.77
Similarity	**2.7%**	**$3.83**
User Affinity	2.4%	$3.09
Viewed Together	2.3%	$3.09

Sandro's Take: *Similarity* performed best, with **+4% more Purchases Per Session (PPS)** than average. Let's continue deploying this recommendation strategy for mobile users and monitor the results as we go.

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Desktop users preferred Viewed Together-based recommendations

PDP Recommendation Strategy	Purchase/Session	Revenue/Session
Bought Together	7.7%	$11.91
Popularity	7.6%	$11.86
Similarity	8.5%	$14.07
User Affinity	7.9%	$12.77
Viewed Together	**8.7%**	**$14.57**

Sandro's Take: *Viewed Together* performed best, with **+5% more Purchases Per Session (PPS)** than average. We should prioritize this recommendation strategy for our desktop users to optimize for purchases.

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Tablet users preferred Bought Together-based recommendations

PDP Recommendation Strategy	Purchase/Session	Revenue/Session
Bought Together	**12.5%**	**$16.58**
Popularity	10.9%	$13.20
Similarity	11.9%	$15.52
User Affinity	10.1%	$11.86
Viewed Together	12.1%	$16.06

Sandro's Take: *Bought Together* performed the best, with **+5% more Purchases Per Session (PPS)** than average. We can drive additional uplift by pushing this recommendation strategy to our tablet users.

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Optimization and testing overview

We saw an uplift in purchases after opening up the filters on PDPs

A/B Testing Results

	Users	Purchase	Purchase / User	Uplift
VO: Open Filters	149,099	8,453	0.057	**+3.8%**
V1: Collapsed Filters	149,400	8,163	0.055	Baseline

Sandro's Take: We thought by collapsing the number of filters on PDPs, we might streamline browsing, but it turns out that **opening up filters drove a more significant uplift.** Tests like this allow us to better understand overall site behavior.

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Particularly for our core users

NEW USER

FAMILIARITY

CORE USER

Unidentified Users	136,873	6,237	0.046	+0.6%
Non-Purchasers	144,477	7,218	0.050	+1.9%
Purchased in the Past Year	15,843	2,669	0.168	+9.9%
Purchased in the Past Month	6,791	1,619	0.238	+14.7%
User Logged in this Session	225	71	0.316	+15.2%

Sandro's Take: Open filters resonated most with our core, logged in users (+15.2% uplift). However, our less familiar users represent most of the audience, so let's make sure to keep experimenting with what works best for them.
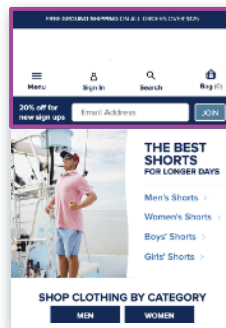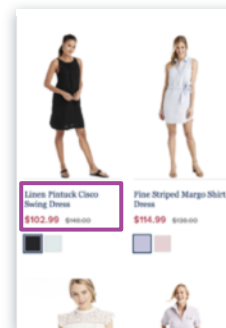
- SAMPLE REPORT -

Though, we are mostly just UX testing

Campaign Name	Page	Metric	Lift	Experiences Per Campaign
Collapse PLP Filters	Category	Purchases	+4.3%	1
New Mobile Header	All Pages	Purchases	-0.3%	1
Best Seller Badge	Category	Add to Cart	-3.3%	1
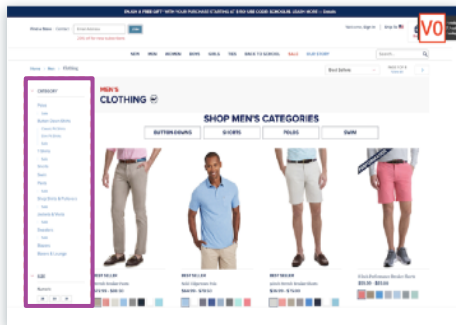
Collapse PLP Filters

New Mobile Header

Best Seller Badge

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Words of wisdom from your Customer Success Manager

While user experience (UX) testing is valuable, we need to increase the number of experiences per campaign to unlock additional personalization revenue.

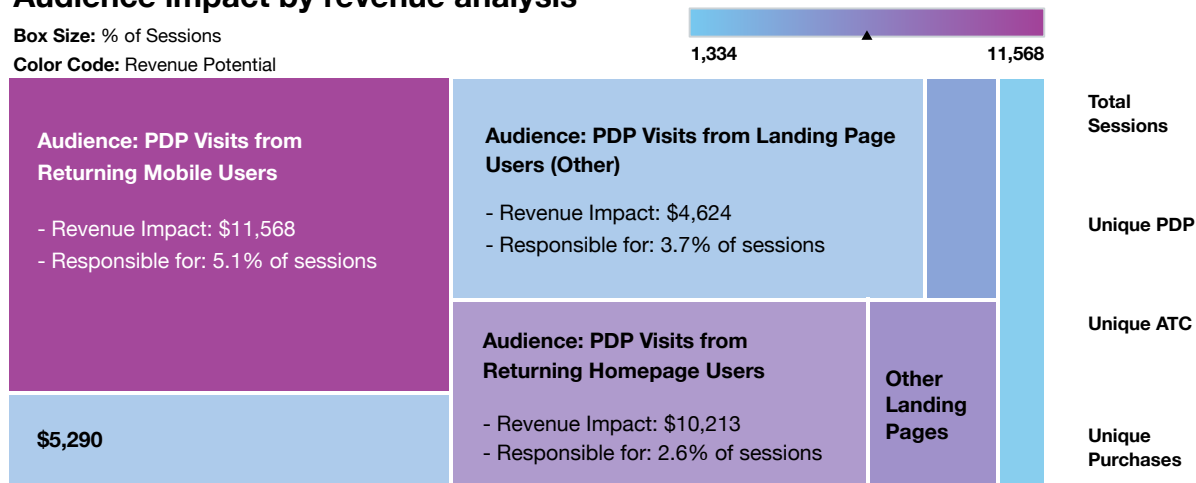**Sandro**

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Audience opportunities

Tailoring the funnel represents a $30K/mo revenue opportunity

Audience impact by revenue analysis

Box Size: % of Sessions
Color Code: Revenue Potential

1,334 ——————————————— 11,568

Audience: PDP Visits from Returning Mobile Users

- Revenue Impact: $11,568
- Responsible for: 5.1% of sessions

$5,290

Audience: PDP Visits from Landing Page Users (Other)

- Revenue Impact: $4,624
- Responsible for: 3.7% of sessions

Audience: PDP Visits from Returning Homepage Users

- Revenue Impact: $10,213
- Responsible for: 2.6% of sessions

Other Landing Pages

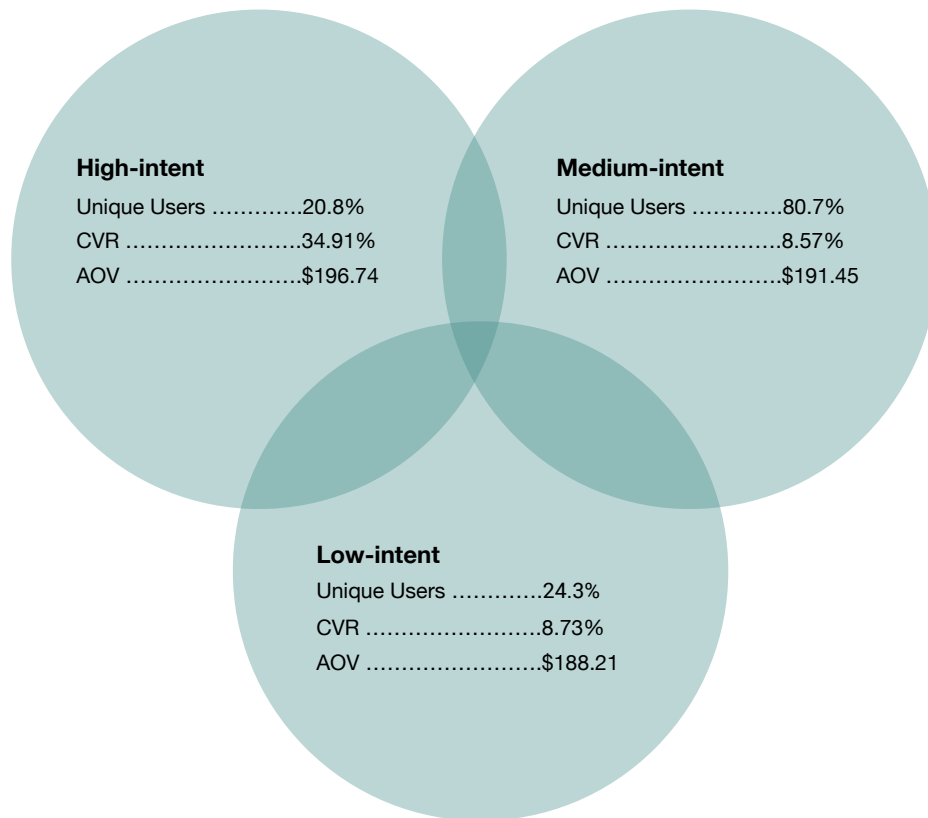Total Sessions

Unique PDP

Unique ATC

Unique Purchases

Just a 5% increase in underperforming metrics translates into:

- Product views from returning mobile and desktop visitors landing on the homepage = **+$18K month**
- Average order value (AOV) from returning mobile visitors landing on product pages = **+$11.5K/month**
- Add-to-cart (ATC) from returning desktops visitors landing on product pages = **+$5.3K/month**

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Optimizing for our high-value customers

High-intent

Unique Users ………….20.8%

CVR ……………………34.91%

AOV ……………………$196.74

Medium-intent

Unique Users ………….80.7%

CVR ……………………8.57%

AOV ……………………$191.45

Low-intent

Unique Users ………….24.3%

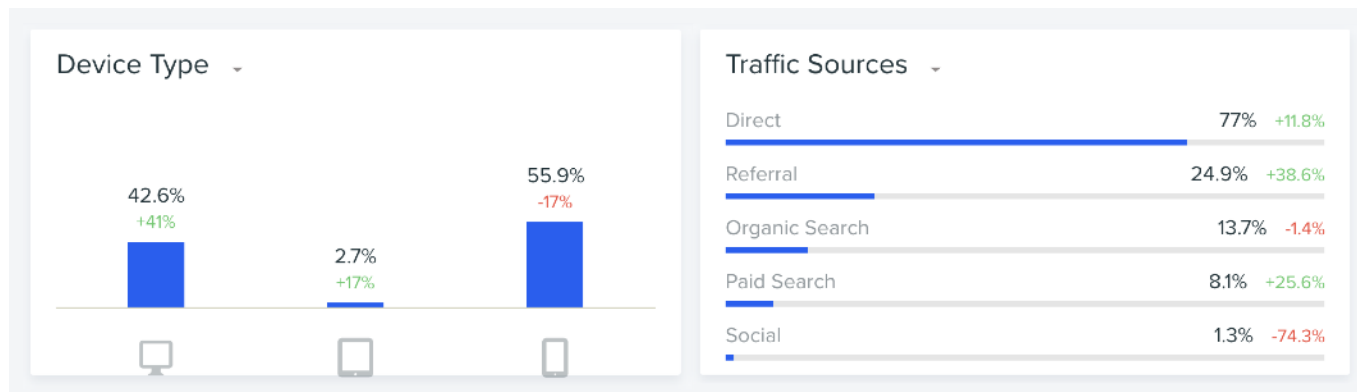CVR ……………………8.73%

AOV ……………………$188.21

We want to continue growing our base of high-value shoppers.

To do so, we recommend tiering audiences into three groups: **high-intent**, **medium-intent**, and **low-intent** users.

A profile of our high-intent users

Device Type

42.6%
+41%

2.7%
+17%

55.9%
-17%

Traffic Sources

|		
Direct	77%	+11.8%
Referral	24.9%	+38.6%
Organic Search	13.7%	-1.4%
Paid Search	8.1%	+25.6%
Social	1.3%	-74.3%

20.8%

Conversion Rate:
34.91%
+346.3%

AOV:
$196.74
+4.2%

- Represents only 20.8% of overall users
- Typically comes direct / via email or from referring domains on desktop and mobile
- Shows a **+346.3%** higher conversion rate (CVR)
- Also exhibits larger average order values (AOV)
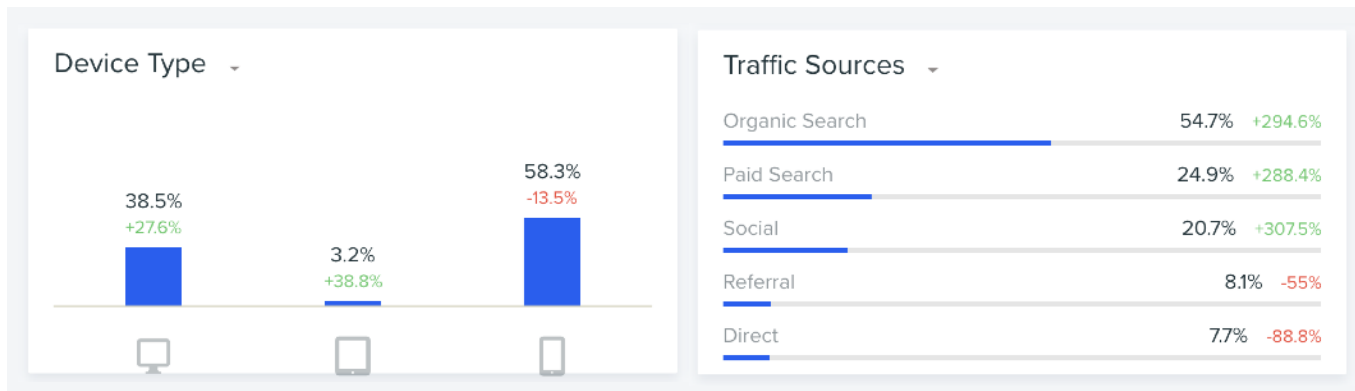
- SAMPLE REPORT -

A profile of our medium-intent users
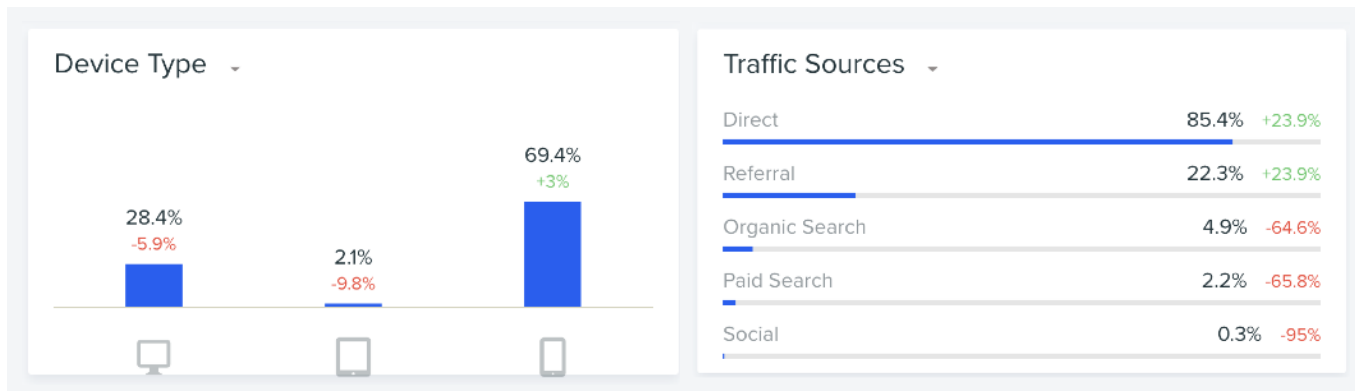
- Represents the largest portion (80.7%) of overall users
- Typically comes direct / via email or from referring domains on mobile
- Shows an average conversion rate (CVR)
- Exhibits larger average order values (AOV)

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A profile of our low-intent users

Device Type ⌄

38.5%
+27.6%

3.2%
+38.8%

58.3%
-13.5%

Traffic Sources ⌄

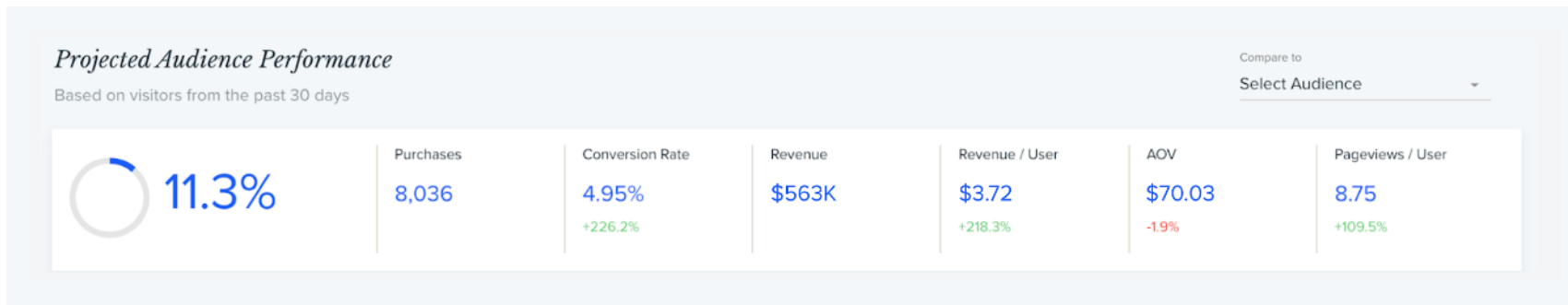|		
Organic Search	54.7%	+294.6%
Paid Search	24.9%	+288.4%
Social	20.7%	+307.5%
Referral	8.1%	-55%
Direct	7.7%	-88.8%

24.3%

Conversion Rate:
8.73%
+11.7%

AOV:
$188.21
-0.3%

- Represents 24.3% of overall users, 3.5% more than our high-intent users
- Typically comes via organic and paid search or social on mobile
- Shows an average conversion rate (CVR)
- Exhibits lower than average order values (AOV)

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Ensuring the accuracy of your Global Control Group

Traffic from Safari browser in last 30 days:

Projected Audience Performance
Based on visitors from the past 30 days

Compare to
Select Audience ▾

	Purchases	Conversion Rate	Revenue	Revenue / User	AOV	Pageviews / User
11.3%	8,036	4.95% +226.2%	$563K	$3.72 +218.3%	$70.03 -1.9%	8.75 +109.5%

36.8% of purchases and 36.1% of revenue comes from Safari Users

- Following Apple's latest Internet Tracking Prevention (ITP) Policy, to effectively keep track of users visiting your website via the Safari browser, an implementation adjustment is required on your side.

- Here's a walk-through of exactly what you need to do.

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Near-term KPI goals

Our plan to unlock $500-700K incremental revenue

Increase in personalized campaigns

$210,856

Addition of cart & exit recommendations

$316,115

Continued optimization of recommendations

$101,597

User-intent based experiences

$15,259

Better highlight cart recommendations

Hypothesis:
Moving cart recommendations higher up on page will attract more high-intent shoppers to additional products, improving revenue per user (RPU) without hurting purchase per user (PPU).

Targeting:
High-intent users

Impact:
Medium

Effort:
Low
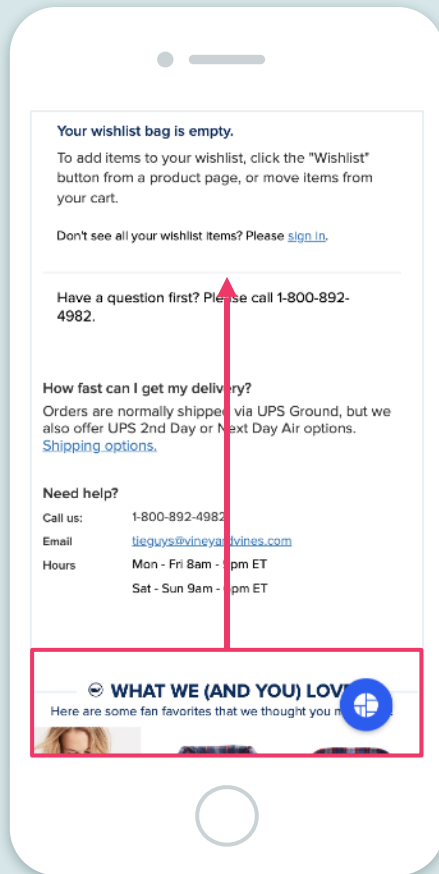
Serve recommendations following an add-to-cart

Hypothesis:
Extend the session and capitalize on purchase momentum by providing an easy jumping off point to either continue the product discovery process or checkout, increasing revenue per user (RPU) and item per transaction (IPT).

Targeting:
Medium-intent users

Impact:
High

Effort:
Medium
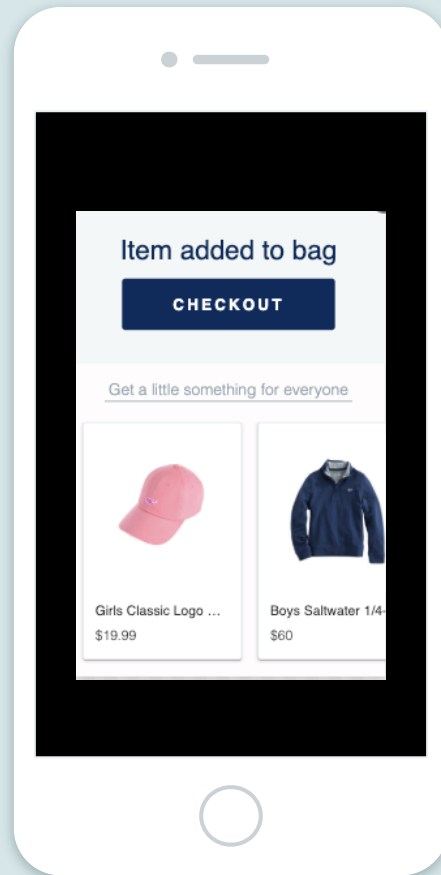
Include a row of Recently Viewed recommendations

Hypothesis:
Proving medium-intent shoppers with a tool that conveniently summarizes their recently viewed items will reinforce interest in these products, resulting in greater purchase per user (PPU).

Targeting:
Users with recently viewed items

Impact:
Medium

Effort:
Low
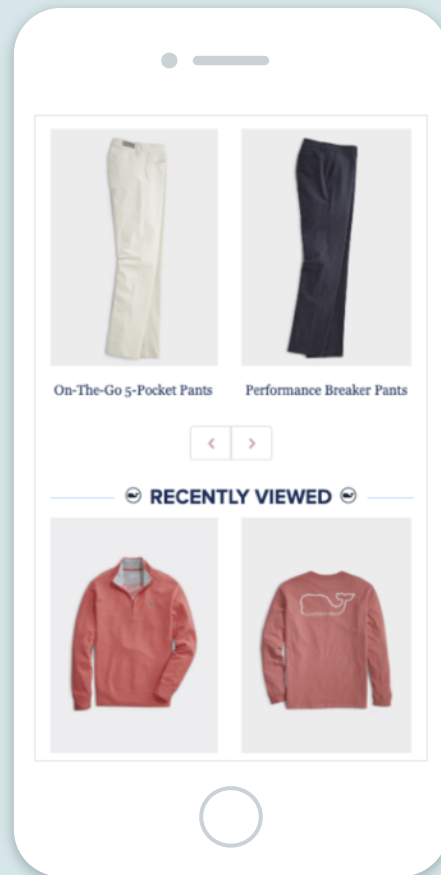
Send email traffic to a fully personalized landing page

Hypothesis:
Directing email subscribers to a unique landing page where they can easily explore different items based on their gender, purchase history, affinity, location, etc. will increase revenue per user (RPU) and average order value (AOV)
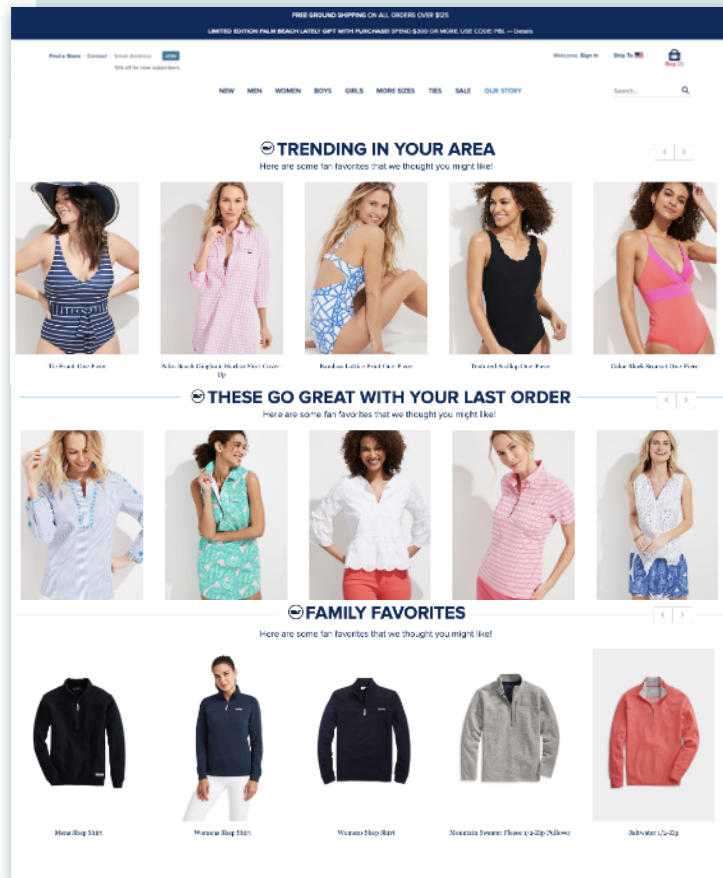
Targeting:
- Email traffic
- Segmented to gender

Impact:
High

Effort:
Medium

Upsell customers with easy add-ons

Hypothesis:
Serving medium-intent shoppers with additional inexpensive items that don't distract them from reaching the checkout page will lead to higher revenue per user (RPU).
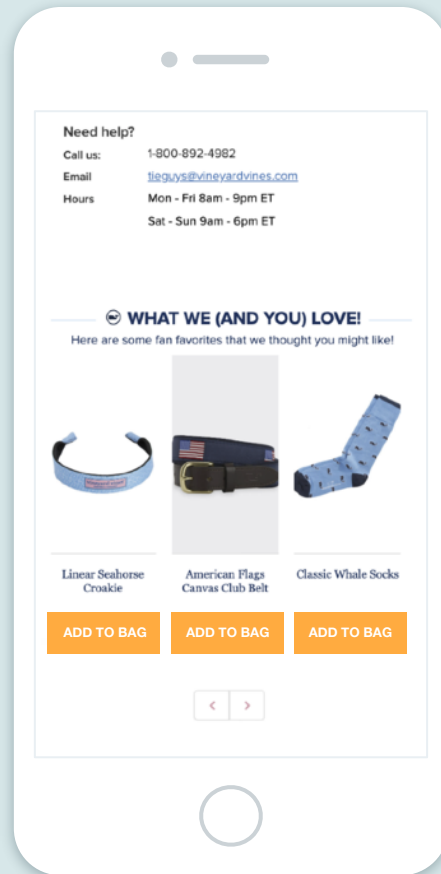
Targeting:
Medium-intent users

Impact:
High

Effort:
High

Retarget users unlikely to convert

Hypothesis:
Testing different email capture strategies will increase identification rate and, therefore, purchase per user (PPU) as email marketing campaigns can then be used to drive them back to the site to convert.
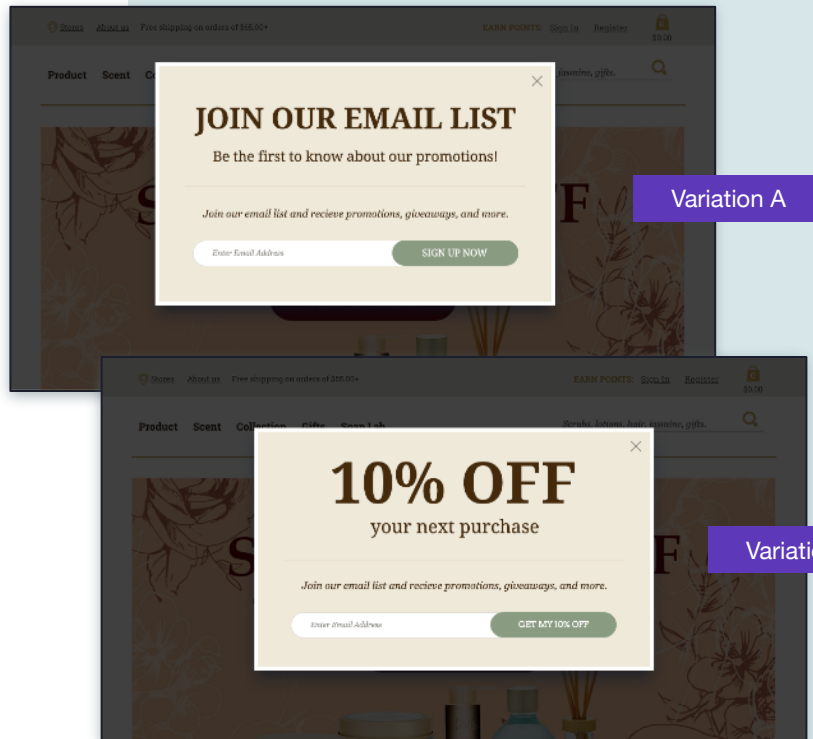
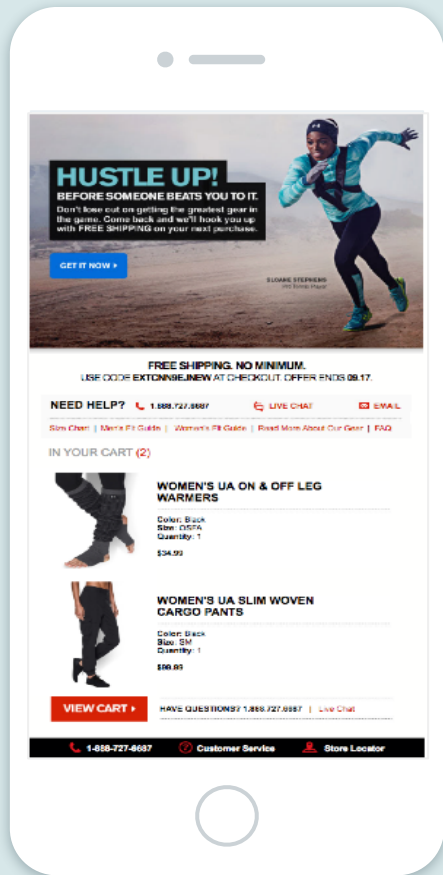**Targeting:**
Low-intent users

Impact:
Medium

Effort:
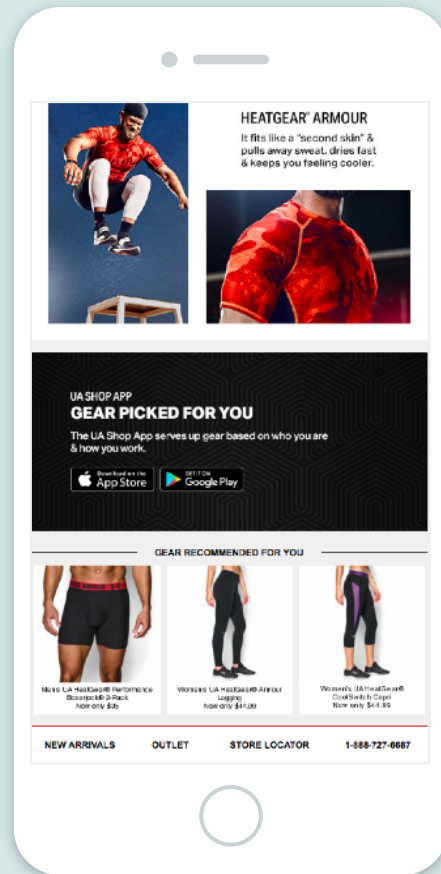Medium

Variation A

Variation B

Select strategy based on the email type and content

Not all strategies fit all email types (marketing vs triggered). For example, when content is dynamic, such as in abandoned cart emails, the *Similar* and *Bought Together* strategies will not be applicable.
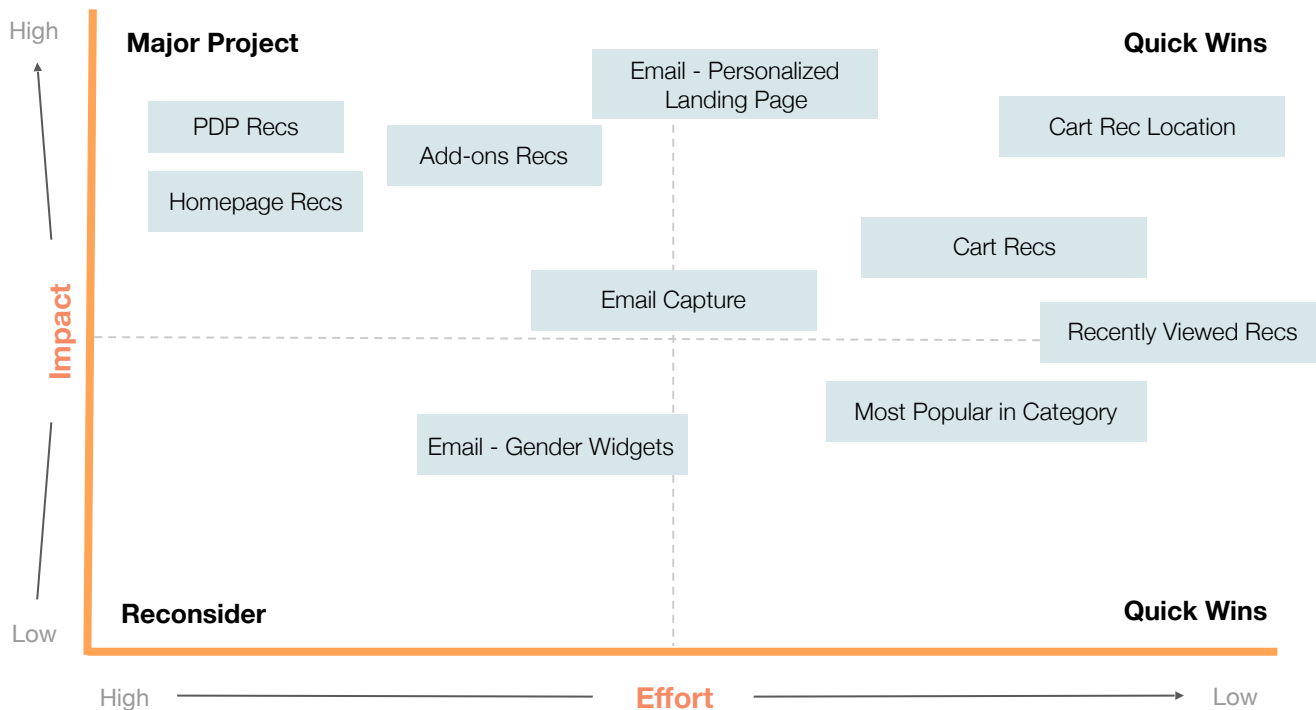
Select strategy based on the email type and content

While the *User Affinity* strategy is great for personalizing recommendations based on user preference, if there are fewer items than the number of slots, the engine will fallback to the most popular items, which may not be gender specific.

Prioritizing campaign ideas by impact vs. effort

High

Major Project

Quick Wins

PDP Recs

Email - Personalized Landing Page

Cart Rec Location

Add-ons Recs

Homepage Recs

Cart Recs

Impact

Email Capture

Recently Viewed Recs

Most Popular in Category

Email - Gender Widgets

Reconsider

Quick Wins

Low

High ⟶ Low

Effort

Thank you for a great quarter.
Let's celebrate our growth and
strive for continued success!

cs@dynamicyield.com

dynamic yield