THE WAREHOUSE GROUP

The Warehouse Group tailors the shopping experience for specific audience segments

A
**dynamic
yield**
Case Study

THE WAREHOUSE GROUP

New Zealand retail group personalizes to perfection across entire brand portfolio, sees a 4.4% increase in revenue per user

Summary

Home to six sub-brands and 260+ brick-mortar shops, The Warehouse Group is New Zealand's largest retailer, selling everything from household and department store merchandise to tech essentials. As the company looked to meet the ever-increasing demands of consumers, it realized the need to tweak its eCommerce strategy and embrace a more customer-centric approach. After experimenting with basic personalization in-house, the retail group sought a partnership with a solution that could effectively scale the promising results it witnessed during its low-scope, internal tests. After teaming up with Dynamic Yield to improve product discovery and tailor the customer journey, The Warehouse Group launched over 400 campaigns across its brand portfolio over the course of 12 months, leading to a $3 million increase in incremental revenue, in addition to an uplift in revenue per user by 4.4%.

Results

4.4%

uplift in revenue per user after segmenting category promotions for snow and fitness enthusiasts vs. one-size-fits-all promotion strategy

26.4%

click-through rate after adding "Featured" sub-category modules and personalized recommendations to category pages

"Personalization has become essential to The Warehouse Group, and partnering with the exceptional team at Dynamic Yield made adoption a breeze. Not only can we use its all-in-one platform to personalize across brands, but doing so is easy, allowing us to consistently experiment with new ideas and squeeze the most value out of every experience."

Nathan Martin, eCommerce Personalization Manager at The Warehouse Group

Challenge

Many of today's eCommerce retailers offer an overwhelming number of products on their sites, making it challenging for visitors to browse and find items they might be interested in buying. The Warehouse Group was determined to improve product discovery and connect customers to the right items. In order to successfully do so, the company needed support from a solution that would allow them to:

- Build robust category pages to surface relevant products in various sub-categories
- Tailor homepage promotions for different audience segments in real-time

After evaluating a number of vendors, The Warehouse Group tapped Dynamic Yield to take its personalization efforts to the next level.

Execution

Introduced personalized sub-category content modules to improve discovery

For The Warehouse Group's outdoor retail sub-brand, Torpedo7, rectifying issues with product discovery was a top priority. Category pages were doing little to surface relevant products per shopper, with large content modules displaying available deals, but not much else. As a result, frustrated visitors were navigating away from the site, leading to high exit rates, while many others resorted to the search bar for finding what they were looking for — a less than optimal experience.

To make it easier for shoppers to browse products directly from the category page, the team made these pages more robust, and began using them to list sub-categories. For example, on the "Bikes" category page, The Warehouse Group also promoted Bikes & Frames, Helmets, and Bike Racks. Each of these sub-category sections included their own content modules and recommendation widgets, with products served according to the user's expressed affinities. The order of the listed sub-categories was also based on the user's displayed affinities.

Compared against the original category pages, building out this tailored site experience resulted in a 1.5% decrease in page exits, a 26.4% click-through-rate, and a boost in conversions by 1.8%.

Original category pages included large content modules for testing available deals, but not much else

Robust category pages included content modules and recommendation widgets with personalized products and deals in numerous sub-categories

Curated homepage promotions according to different audience segments

On any given week, The Warehouse Group deploys hundreds of category promotions on its Torpedo7 site. Historically, the most popular promotions sat atop the homepage and were served to every site visitor. Knowing this one-size-fits-all model wasn't surfacing the right promotions for each user, the team began curating promotions by audience segment.

Using a Dynamic Yield Variation Feed, the team was able to automate which content gets served to each audience segment, such as fitness enthusiasts. A variation feed acts as an external database, housing creative assets with defined properties (i.e. images, text color). This feed is updated daily with new and refreshed content, helpful in situations where many variations need to be consistently adjusted or swapped out, such as during a homepage banner test.

During the test, performance was optimized in real-time based on clicks, ensuring the best-performing variations were always displayed per audience. Upon completion, ceasing to serve every user the same promotion in exchange for this more tailored approach ultimately drove a 7.8% increase in CTR and a 4.4% uplift in revenue per user.
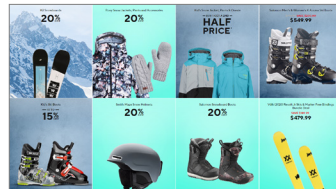

Control: Same promotions served to all users
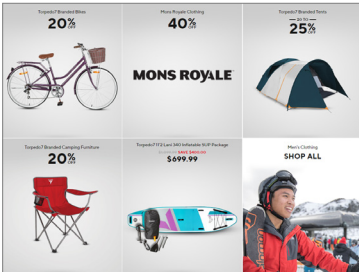
Tailored promotions for Fitness Audience
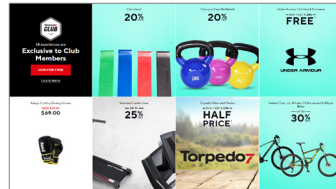
Tailored promotions for Snow Audience

Key Takeaway

In the highly competitive eCommerce space, investing in innovative ways to capture and hold the attention of busy shoppers all the way through to purchase can be a challenge. That's why The Warehouse Group turned to personalization, allowing them to better connect customers to the right items. Upon launching a number of campaigns designed to improve product discovery, the team was able to influence customers at every stage of the funnel, generating impressive results, most notably a 4.4% increase in revenue per user.

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Dynamic Yield helps enterprise brands quickly deliver and test personalized, optimized, and synchronized digital customer interactions. Marketing, Product, Development, and eCommerce teams from more than 350 global companies are using Dynamic Yield's Experience Optimization platform as the technology layer on top of existing CMS or Commerce solutions, to iterate faster and algorithmically match content, products, and offers to each individual for the acceleration of long-term business value. Dynamic Yield Ltd. is a wholly-owned subsidiary of McDonald's Corporation.

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