

Leading Beauty Retailer Uses Coherent Path to Unlock Huge Potential of Underexposed SKUs in Product Catalog

Coherent Path's science-driven personalization empowers retailers to achieve their strategic goals while driving near-term performance metrics. We go far beyond next best action to help retailers identify the best path ahead for each customer.

CLIENT PROFILE



- A leading online retailer of beauty and cosmetics products, carrying over 7,000 products from more than 200 brands across a range of categories including hair care, fragrance, natural, clinical and cosmetics.
- Differentiates itself by providing expert advice and insight on skin care, hair concerns and cosmetics to shoppers.

CHALLENGE

Customers were only buying from a narrow selection of the catalog, which significantly limited engagement and revenue.

As a leading online beauty retailer, our client was well known and liked for anti-ageing cream. So much so that **80%** of their revenue came from this single product category, which represented only **15%** of the catalog. In other words, the remaining **85%** of the catalog was underperforming.

Questions Our Client Was Asking

How can customers be exposed to more of the catalog without hurting engagement and loyalty?

If our client could expose more of the catalog to their customers, they could potentially reap big rewards such as improved engagement and increased revenue. Figuring out how to do this effectively, however, is tricky and soon leads to questions like:

- How can more customers be exposed to more of the catalog without irritating those who are not interested?
- Which products should be offered to which customers?
- When should these offers be made?

Common Solutions That Our Client Tried

'Spray-and-Pray' Campaigns

Customers were offered a variety of products across a wide swath of categories without regard to their preferences. After the first promotion, customer interest could then be gauged and targeting refined accordingly.

RESULTS

Revenue from email dropped dramatically, probably because the wrong customers were being offered the wrong products.

'You May Also Like' Campaigns

Customers were offered products based on their past purchasing behavior. For instance, if a customer bought moisturizer, they received offers for products similar to moisturizer.

RESULTS

Conversions decreased significantly, likely because customers who recently purchased a certain type of product did not want to purchase the same type of product again so soon after the initial purchase.

The Coherent Path Solution

SIMPLIFY, AUTOMATE AND OPTIMIZE

Coherent Path uses cutting-edge data-science and machine learning to understand each unique customer journey forward in time. With this understanding of the customer journey, Coherent Path is able to optimize campaigns around business goals far beyond near-term performance metrics. More specifically, our client used Coherent Path to:

1

Discover new product categories that would introduce customers to new areas of the catalog

2

Map these new product categories to receptive audiences

3

Identify when to send promotions and emails

RESULTS

After six weeks of using Coherent Path to plan campaigns optimized for catalog exposure, our client:



- Increased click rates by **26%**
- Increased purchase rates by **25%**
- Generated **31%** more in amount per send
- Produced **35%** more purchases
- Generated a **30%** increase in revenue lift
- Earned a **10:1 ROI** on their investment
- Dramatically improved the health of the business through diversifying product exposure

These results are likely to improve as the solution refines its understanding of the speed and trajectory of each unique customer journey towards our client's business goals.

ABOUT COHERENT PATH

Coherent Path's science-driven personalization empowers retailers to build meaningful relationships with their customers – increasing revenue and differentiating their brand today, while maximizing lifetime value. We go far beyond first-generation recommendation tools to help retailers build sophisticated maps of product and transactional spaces – then identify the best path ahead for each customer. Using this groundbreaking approach, retailers of all sizes can deliver personalized, multistep offers that increase engagement, deliver impressive returns, and inspire loyalty. All with a proven platform that's easy to implement and use, and that pays for itself quickly.

Want to learn more about Coherent Path?



VISIT OUR WEBSITE:

<http://www.coherentpath.com>



CONTACT US:

info@coherentpath.com



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