

CASE STUDY



SEGMENT | Supermarket chain/
Discount retailer

PRODUCT | Algonomy
Personalisation Recommend™,
DeepRecs NLP, Discover™,
Engage™ - on the web and
mobile sites

OBJECTIVE | Surface more of the
Aldi catalogue to shoppers without
compromising on relevance,
boost digital engagement and
repeat visits, 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)**

Aldi is one of the UK's fastest-growing supermarkets with over 900 stores. It strives to always provide the highest-quality products at the lowest prices, thanks to its efficient business model. 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, Aldi sought to use personalisation on their site, and were on the lookout for a strategic partner to guide their personalisation plans as well as provide the technology that meets Aldi's unique business model. The retailer sells groceries and household goods, but Aldi also runs two Specialbuy events a week, where 'once it's gone, it's gone'.

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

A key requirement was strategic advisory services to help the business teams better understand the role personalisation can play across the customer journey, identify specific opportunities and roll out the plan in a systematic manner.

Solution

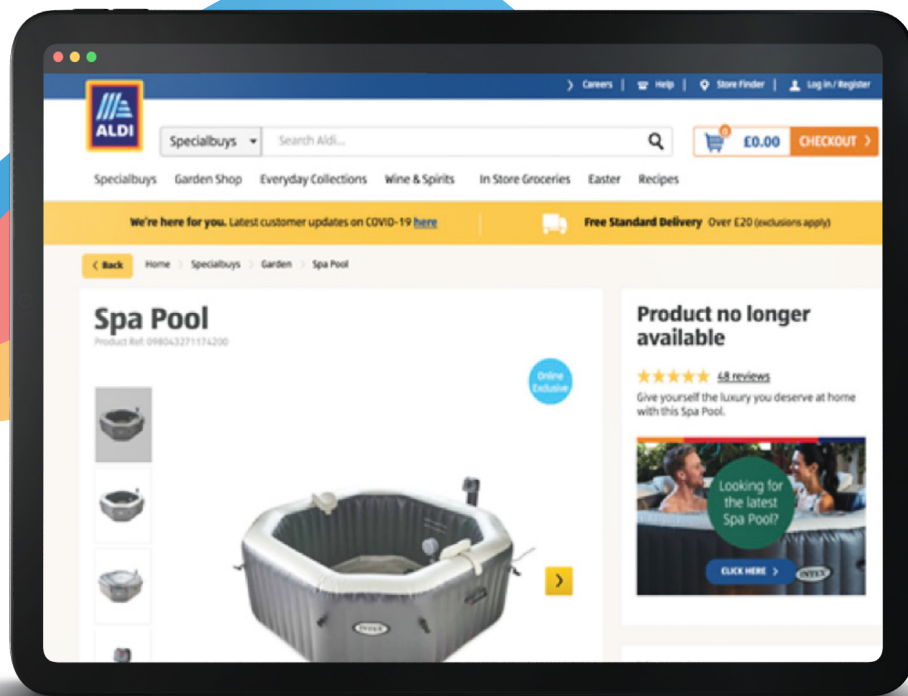
Algonomy appealed to Aldi due to its ability to provide a single-solution suite encompassing personalised content, recommendations, navigation, and search in addition to expert in-house personalisation consultants. 'A single source for integrated personalisation across key revenue driving components on the commerce site' is how Aldi describes Algonomy Personalization Suite.

Personalised Content and Campaigns

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

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

Using personalised 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.



An example of shoppers being directed to replacement item for an out-of-stock product

Personalised Product Recommendations

Due to their unique fast-paced business model with frequent catalogue changes, Aldi needed to surface the right spread of recommendations for their 'Specialbuys' – a unique range of products covering multiple categories such as sports, camping, DIY and BBQs at low prices. Aldi releases Specialbuys every week for a limited period of time, giving their customers the opportunity to try something new.

To surface these products to likely interested shoppers, Aldi deployed Algomomy **DeepRecs Natural Language Processing (NLP)** to generate recommendations in a markedly different way 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.

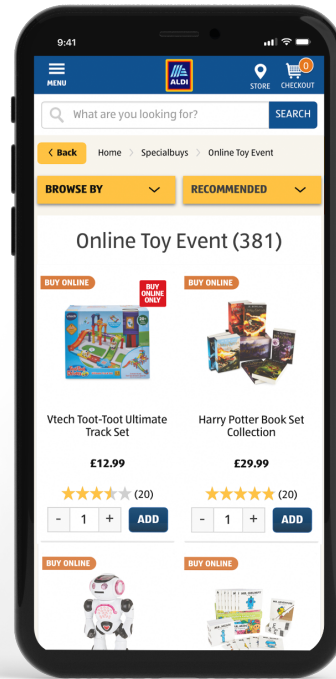
Another key requirement for Aldi was the ability to personalise not just for known customers, but also for unknown and first-time shoppers looking for deals and Specialbuys. Using Algomomy's combination of content and product recommendations, Aldi is now able to give all visitors a personalised experience from the moment they start browsing the site.

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

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

Personalised Browse and Navigation

Subsequent to content and product recommendations, Aldi expanded personalisation to category pages by deploying Algonomy Discover™, to achieve their vision of delivering a cohesive experience to shoppers no matter how they choose to interact with the site. Discover offered the flexibility to extend the same personalisation to the mobile site as well.



Algonomy personalisation is built on the foundation of 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.

Aldi plans to continue innovating with personalisation, and has laid out a strategic roadmap together with Algonomy to further serve customers better.

"Few digital businesses have been able to connect the customer journey across the purchase lifecycle; it requires firm management commitment, significant volumes of data and the right technology. Done right, it immensely strengthens your bond with customers, and we have seen higher engagement and conversions. With Algonomy, we're able to trigger personalised experiences in real-time and shoppers don't have to dig deep into the product catalogue to locate products they prefer," concludes David Barter.

ALGONOMY

Algonomy (previously Manthan-RichRelevance) is a global leader in algorithmic customer engagement powering digital first strategies for retailers and brands. With industry-leading retail expertise connecting demand to supply with a real-time customer data platform as the foundation, Algonomy enables 1:1 omnichannel personalization, customer journey orchestration and customer analytics. Headquartered in San Francisco and Bangalore, our global presence spans over 20 countries. To learn more, please visit algonomy.com.