

Tier 1 retailer increases conversion rates across omnichannel platform

Grid Dynamics helps increase conversion rates with implementation of comprehensive search solution

Over the past two decades, the retail industry has undergone significant changes to adapt to the rising consumer expectations and needs of today's digital consumer. With today's consumers more demanding and less forgiving than ever before, the volume of data generated leaves many retailers with little time to make business sense of it all. Moreover an increasing number of online consumers are adopting search capabilities across omnichannel as a primary way of communicating with e-retail sites.



Grid Dynamics

AUGUST 2014

C A S E S T U D Y

Convergence of social media, Big Data analytics, wearable technology in retail, mobile and cloud computing continue to accelerate the pace of technology across omnichannel while the competitive landscape narrows and retailers struggle to earn and maintain customer loyalty.

For this massive tier 1 retailer, providing the consumer a consistent seamless shopping experience across omnichannel is central to their ability to maintain high performance. This requires a customer-oriented strategy that encompasses people, process and technology aligned in the context of omnichannel operations. Around 40% of their site traffic uses search, and search traffic share quickly increases as mobile customers clearly prefer search over other types of navigation.

Being a true omnichannel enterprise, their product search extends to a full enterprise catalog of brick-and-mortar stores, and carries catalog data to ever increasing number of channels including online store, Mobile Apps across smartphones and tablets, sales associates, partner B2B websites, customer support hotline, in-store information systems - just to name a few. Merchandisers want to tightly and precisely control search experience for every one of those channels while understanding full context of the user, device and application. In IDC Retail Insights "Unified Retailing – Breaking Multichannel Barriers" executive brief, Ivano Ortis writes that "multichannel shoppers spend, on average, 15%-30% more with a retailer than someone who uses only one channel" and "estimates that omnichannel shoppers will spend over 20% more than multichannel consumers...". Given the increase in customer loyalty and spending for omnichannel retailers and the importance of search to those consumers, a comprehensive omnichannel search experience is key in driving conversion rates to this retailer's strategy.

business challenge

The legacy eCommerce engine was on an end-of-life platform and it couldn't scale the way they needed to keep up with modern omnichannel enterprise needs. Some of the issues included:

- Search was very basic and it couldn't handle searching across the increasing number of channels consumers use let alone allow merchandisers to fine tune search results based on channel;
- Customers were frustrated when trying to buy sold out products and were turned away at the checkout stage;
- Merchandisers wanted better control search across all platforms for a better user experience and needed to be able to scale search to the whole enterprise catalog.

They needed to upgrade as quickly as possible.

delivering omnichannel search platform

Grid Dynamics had to help them find the right solution. Traditional, general purpose search engines are poorly suited for omnichannel search. This retailer requires rich and complicated facets which don't exist in general purposes search engines. Omnichannel search engines ideally have to 'understand' the customer by building a meaningful hypothesis on what that user means by the search phrase by supporting domain-specific linguistics, normalizations and spelling corrections. The search engine has to find that perfect balance between search result precision and understanding the customer query. Each aspect of the algorithm needs to be configurable and tunable. Performance also can't suffer. There may be multiple requests to the database per request and the number of requests can spike tremendously, especially during the holiday shopping season.

Grid Dynamics implemented a customer eCommerce-focused search engine. Concept search goes beyond simple keyword matching and understands the customer need and presents the customer with a small set of products which match their need. The scoring algorithm is driven by merchandising rules and takes into account signals about product relevancy. It also supports incremental index updates so consumers will see more accurately inventory before they get to the checkout stage. Grid Dynamics also created an automated Search Tuning model which automatically analyzes search quality allowing merchandizers to monitor the behavior of search phrases used.

increased conversion rates

After implementing the new search platform, results were dramatic. The more precise search results allowed for a better consumer experience and was easier to maintain. This retailer has attributed some of this growth to mobile traffic in public interviews. In addition, the new search engine had improved performance over their old method.

Their new search solution proved to be instrumental to their comprehensive omnichannel strategy by providing more precise, customer driven, and relevant search results with data intelligence to better understand

customer shopping preferences, behavior and to drive customer loyalty.

Specifically Grid Dynamics helped to:

- Develop a search strategy across all sales channels;
- Design concept and staged search algorithms capable of deliver high precision, noise-free search results;
- Create rich faceted navigation experience to help customers refine search results;
- Build results preview capabilities which allowed search tuning team to experiment with variety of search engine configurations, business rules and linguistics;
- Deliver Black Friday-ready, high performance, elastic solution.

Together, this retailer and Grid Dynamics improved the product search capabilities to build customer loyalty, customize products based on consumer preferences, and provide rich and personalized search results.

about Grid Dynamics

Grid Dynamics is a leading provider of open, scalable, next-generation commerce technology solutions for Tier 1 retail. With in-depth expertise in commerce technologies, wide involvement in the open source community and a modern, global workforce, Grid Dynamics helps great companies gain a sustainable business advantage by implementing and managing solutions in the areas of omnichannel platforms, product search, and continuous delivery. To learn more about Grid Dynamics, find us at www.griddynamics.com or by following us on Twitter @GridDynamics.



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