

BOMBAY SHAVING COMPANY: DIGITAL CUSTOMER CONVERSION

Rajeev Kumra wrote this case solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality.

This publication may not be transmitted, photocopied, digitized, or otherwise reproduced in any form or by any means without the permission of the copyright holder. Reproduction of this material is not covered under authorization by any reproduction rights organization. To order copies or request permission to reproduce materials, contact Ivey Publishing, Ivey Business School, Western University, London, Ontario, Canada, N6G 0N1; (t) 519.661.3208; (e) cases@ivey.ca; www.iveycases.com. Our goal is to publish materials of the highest quality; submit any errata to publishcases@ivey.ca.

Copyright © 2021, Ivey Business School Foundation

Version: 2021-07-26

On a chilly winter day in January 2020, Shantanu Deshpande, founder and chief executive officer of Bombay Shaving Company (BSC), was in the middle of a sales review meeting in his South Delhi office. He was in a sombre mood and was staring into space while Shanky Chauhan, head of sales and digital marketing, presented the year-end numbers. He was reporting on key sales performance indicators—gross merchandise value (revenue figures), sales growth rate, sales of new products, and conversion rates, among many others. Interestingly, since its inception three years earlier, BSC had been growing consistently in the men's grooming category. However, Deshpande was worried about a glaring problem at hand: the analysis of online purchase data had indicated that out of every thousand customers who visited his company's website, only 13 ended up making a purchase. This problem of a mere 1.3 per cent customer conversion rate was significant, considering BSC's 85 per cent online and 15 per cent offline sales mix. The alarming issue was that the company's conversion rate was nowhere close to the industry standard of 2 per cent. He wondered what BSC needed to do to ensure its conversion rate met the industry standard at optimum marketing spends.

Deshpande had obtained his bachelor's degree in computer engineering from Visvesvaraya National Institute of Technology, Nagpur, and his MBA from the Indian Institute of Management, Lucknow. After obtaining his MBA, Deshpande worked at McKinsey & Company India (McKinsey) for four years, from 2011 to 2015, as a consultant, primarily serving clients across the fast-moving consumer goods (FMCG) and retail industry. FMCG consisted of low-cost products that were sold quickly, such as toiletries, cosmetics, and candies, and other consumables.

In January 2015, a chance meeting occurred between Deshpande and his school friend in Boston. At that time, his friend was interning with a US-based company that made new-age shaving products for men. Deshpande became interested in the proposition and started studying the subject. His research revealed that in 2012, Dollar Shave Club (DSC), a subscription shaving accessories start-up, had disrupted Procter & Gamble brand Gillette's share of the men's shaving product market through viral video marketing. DSC disrupted FMCG sales and distribution by selling shaving razors, blades, and shaving accessories directly to consumers from its company website through a subscription model. DSC was not a manufacturer but a reseller of imported blades and razors from a Korean company.

In 2011, DSC's YouTube videos became an Internet sensation and garnered millions of hits and shares. The videos highlighted how the expensive shaving products of Gillette, the market leader at the time in the shaving category, were burning holes in consumers' pockets. DSC, meanwhile, acquired customers online

through digital marketing and passed on the saved supply-chain costs to its customers. Eventually, DSC acquired one million subscribers and completely disrupted the monopolized shaving products category in the competitive US market. The successful model applied by DSC further fuelled Deshpande's entrepreneurial ambition. DSC was eventually acquired by Unilever for US\$1 billion in 2016.¹

Back home in India, for BSC, entering the men's grooming category was a natural choice. Favourable macro-environment factors in India had resulted in the unprecedented growth of this sector, from a ₹44.68-billion² category in 2012 to a ₹75.48-billion category in 2015³. During this period, the migration of populations from urban cities in search of jobs had resulted in increased disposable income and access to running water. Urbanization and the increased contribution (66.1 per cent) of the service sector to India's gross domestic product resulted in a surge of jobs in the hospitality and information technology services sectors, a contrast to the previously predominant agrarian and manufacturing jobs.⁴ The newly created jobs in those sectors required men to be groomed properly and to look good and appear confident, a need that had not been that prevalent in the past.

At the same time, India, which had the world's largest youth population, was getting hooked on social media. Many Indian males, predominantly those in their late twenties, were busy casting their lives and posting selfies on Instagram, Tinder, and Facebook, resulting in the need for grooming in order for them to in order for them to achieve their desired aesthetic.⁵ Further, with the advent of dating and marriage sites, this space had become increasingly competitive. Entry barriers in FMCG were reduced with the boom of e-commerce and online shopping. New role models, such as Ranveer Singh, Virat Kohli, and Shahid Kapoor, were inspiring young Indian men to go for an androgynous look.⁶

THE BIRTH AND MATURATION OF BOMBAY SHAVING COMPANY

Due to these favourable conditions, Deshpande was able to raise investors' confidence about investing in BSC. Based on his research, he presented crucial information to the investor community, stating that for daily grooming, the average Indian man spent 42 minutes and used about three to four products daily. Further, urban male consumers under the age of 25 were more conscious of their looks, digitally active, and price-insensitive. Interestingly, consumers were willing to pay a premium for the right kinds of products, as they were becoming more conscious of their grooming needs.⁷ The big catch, however, was that no brand spoke directly to men. Due to thousands of years of sociocultural nurturing, "beauty" and "looking good" seemed exclusively a female domain. Brands such as L'Oreal, Maybelline, Ponds, Lakme, and Fair & Lovely were predominantly women-oriented across age groups and economic classes.

¹ John Murray Brown and Arash Massoudi, "Unilever Buys Dollar Shave Club for \$1 bn," *Financial Times*, July 20, 2016, accessed January 31, 2021, <https://www.ft.com/content/bd07237e-4e45-11e6-8172-e39ecd3b86fc>.

² ₹ = INR = Indian rupee; US\$1 = ₹71.4965 on January 31, 2020.

³ Euromonitor International, *Country Report: Men's Grooming in India*, June 2020, accessed January 31, 2021, <https://www.euromonitor.com/mens-grooming-in-india/report>.

⁴ "Economic Survey 2015-16: Service Sector Remains the Growth Driver of Indian Economy," India.com, February 26, 2016, accessed January 31, 2021, <https://www.india.com/education/economic-survey-2015-16-service-sector-remains-the-growth-driver-of-indian-economy-1570289/>.

⁵ IANS, "Selfie Craze Squeezing Sensitivity out of Indian Teenagers," *India Today*, August 12, 2015, accessed January 31, 2021, <https://www.indiatoday.in/lifestyle/what-s-hot/story/selfie-craze-squeezing-sensitivity-out-of-indian-teenagers-287955-2015-08-12>.

⁶ Vikram Doctor, "From Virat Kohli to Ranveer Singh! Sporting a Beard is Now More Fashionable Than Ever," *The Economic Times*, April 01, 2017, accessed January 31, 2021, <https://economictimes.indiatimes.com/magazines/panache/from-virat-kohli-to-ranveer-singh-sporting-a-beard-is-now-more-fashionable-than-ever/articleshow/57951592.cms>.

⁷ Mintel Press Team, "India's Dapper Men: Average Indian Man Spends 42 Minutes Grooming per Day," Mintel, February 27, 2019, accessed January 31, 2021, <https://www.mintel.com/press-centre/beauty-and-personal-care/indias-dapper-men-average-indian-man-spends-42-minutes-grooming-per-day#:~:text=Men's%20grooming%20is%20becoming%20big,his%20face%2C%20totalling%20a%20beautiful>.

Deshpande was a rising star at McKinsey, quickly climbing the rungs at the firm. However, for him the entrepreneurial itch was unbearable. Eventually, he quit his stable, well-paying job at McKinsey and called three of his friends to join him in founding a new company. Raunak Munot, ex-director of Social Strategy at GroupM in the United States, came back to India to join the new company as head of Marketing. Rohit Jaiwal, who had gained experience in sales, operations, and marketing at The Emel Group, Nigeria, and at Crompton Greaves Limited, joined as head of New Product Development and Procurement. Deepu Panicker, an ex-McKinsey analyst, joined as head of Technology and Operations. Soon, Deshpande and his team of co-founders were able to raise funding from angel investors consisting of 23 leading corporate professionals, including 17 partners at McKinsey who had been Deshpande's bosses at some point in his stint there. Finally, BSC was founded in October 2015 in a small office in New Delhi.

BSC's top management decided to use all existing consumer insights they had access to. Based on these, BSC's strategy was to first create the brand digitally in the men's grooming category. A simple, no-frills method of storytelling via social media was used as a strategy for customer acquisition. From the very start, BSC focused on the direct-to-customer model for selling its grooming products on the company website. With a focus on online selling, the company invested heavily in data analytics to establish replenishment-selling algorithms that could predict consumers' usage patterns. Initially, the company decided to enter the shaving category only because shaving comprised 70 per cent of the men's grooming market, with just one player holding the largest market share and the rest making up a fragmented market. Thus, the co-founders saw a clear opportunity for BSC to become the second player in the market rather than joining one of the more cluttered men's grooming categories. However, this was a foot-in-the-door strategy, and BSC planned to eventually expand to other categories in the men's grooming market.

The reason behind the brand name Bombay Shaving Company was an aspiration for a distinct brand that reflected the products' global benchmark quality. Globally, Bombay was the most prominent name associated with India after Gandhi, yoga, and the Taj Mahal. The name Bombay also had a romantic feeling to it and reflected the values on which the company focused: heritage with new engineering and design. Inclusion was also among the company's core values for the brand. Thus, the colours, language, narrative, identity, and archetype of the brand positioned BSC as a friendly, joyful, and romantic brand. This kind of brand positioning was different from the toxic masculinity and "chick-magnet" positioning of all other players in the category. Furthermore, BSC's brand narrative was consistently engaging and educational across channels and platforms.

After its establishment, BSC undertook intensive market research, consumer surveys, and product testing. Detailed interviews were carried out with product formulations experts, shaving hardware manufacturers, research and development labs and scientists, dermatologists, and skin and sensorial experts. Based on research findings, BSC developed a holistic shaving system, rather than just a simple shaving razor. The company's 6-Part Shaving System consisted of a single-blade razor manufactured with a high-precision, 80-micron tolerance, along with cream, balm, scrub, brush, blades, and a dab, all nicely packed in a premium box. BSC's products were differentiated from its competitors by high-quality ingredients that were developed based on the unique needs of Indian males with different skin types. It took 55 prototypes to develop the unique BSC razors at the desired precision level.

The poor-quality, single-blade shaving razor produced by local manufacturers had dominated the Indian market before Gillette's entry. The shaving giant made consumers believe that every new blade was a technological advancement and, hence, gave a better shave. In a multi-blade razor, not every blade cut the hair; the leading blade pulled the hair while the following blade cut it. However, this caused the blade to clog easily, and as such, getting a close shave required multiple strokes in the same area. Thus, shaving evolved from the elegance of a single blade to a seemingly advanced multi-blade cartridge. In comparison,

BSC propagated the idea that a high-quality single blade would cleanly cut the hair in one stroke without clogging or pulling at the skin. Multi-blade cartridge razors caused ingrown hairs and sore, red bumps on the skin, while a single-blade razor cut the hair at skin level. This precision helped in keeping the beard line clean, resulting in a clean shave. Moreover, a single blade was more hygienic, as it was easy to clean, and each blade lasted for 15 shaves. This precision safety razor from BSC was premium priced at ₹1,845, while the market leader, the multi-blade Gillette razor, was priced at ₹245. The price of 20 BSC blades per pack was ₹400, whereas Gillette sold its blade pack, each containing six blades, for ₹780. However, Gillette blades also gave 15 shaves per blade.⁸

Meanwhile, BSC's grooming products, such as cream and balm, were manufactured with no alcohol or harmful chemicals such as sodium lauryl ether sulphate and parabens. These best-engineered products with thoughtful aesthetic packaging and fragrances created a unique experience for consumers. The company also educated Indian consumers on complete care through a regimen philosophy for all BSC grooming ranges. The company worked to transform boring, mundane grooming into a ritualistic, joyful activity. Initially, BSC test-marketed the 6-Part Shaving System at the company website, www.bombayshavingcompany.com, before commercialization in May 2016. The company was able to obtain auto-debit approval from Paytm, a mobile payment platform. Using this platform, BSC developed a full ecosystem of vendors, suppliers, warehousing, finance, and logistics before full-scale commercialization.

Test marketing taught the BSC team a great deal about the product and Indian consumer insights. For example, many of the razors produced initially missed the tolerance gap by some microns, and these had to be fixed within a week to ensure that not even a single faulty razor was shipped to a customer. Fortunately, initial consumer reviews were encouraging. For example, one consumer commented, "I recently started shaving my face & let me tell you just how life changing it is!"⁹

To ensure customer satisfaction, BSC customers were given an offer—the first of its kind in India in the FMCG industry: a no-questions-asked return policy if consumers were not satisfied with the products. BSC soon learned that the DSC subscription model in the United States was difficult to replicate in India. Further, the shaving product bundling of the 6-Part Shaving System was perceived by Indian consumers to be enforcing or gifting-specific, rather than an attractive offer for regular usage. Thus, BSC had to dismantle the original 6-Part Shaving System kit idea and add more products into the repertoire, selling them as individual stock-keeping units (SKUs) to suit Indian consumers' purchasing behaviours. Further, it learned that customers were prone to buying smaller SKUs than large ones and that Indian consumers preferred to buy from e-commerce websites or stores near them rather than from a company website. This prompted BSC to establish a partnership with Amazon.in as its e-commerce platform.

The rising popularity of BSC's products did not go unnoticed by the media. In September 2016, an article about BSC appeared in a local newspaper. This gave the company much needed publicity and the BSC website a boost in traffic.¹⁰ BSC's e-commerce business was launched through Amazon.com in October 2016. However, the expansion of business in the US market through Amazon.com had to be rolled back because of the BSC's size limitation.

In December 2016, a chance order from a pharmaceutical company—it had decided to give BSC products as gifts to conference attendees—opened up a new gifting proposition for BSC products. Soon after, the company hired an employee to start a business-to-business/institutional gifting division. Eventually, BSC's

⁸ "Mach3," Gillette, accessed January 31, 2021, <https://gillette.com/en-us/products/razors-trimmers-and-blades/mach3-razor>.

⁹ "Silver Metal Razor," Bombay Shaving Company, accessed May 14, 2021, <https://bombayshavingcompany.com/products/precision-safety-shaving-razor-for-men>

¹⁰ Aditi Shrivastava, "Rs4 Crore Grooming Kit for Bombay Shaving Company," *The Economic Times*, August 10, 2016, accessed January 31, 2021, <https://economictimes.indiatimes.com/small-biz/startups/rs-4-crore-grooming-kit-for-bombay-shaving-co/articleshow/53625961.cms?from=mdr>.

6-Part Shaving System packaging was awarded as the best packaging in the FMCG industry in India. By 2017, BSC pursued a second round of funding from Fireside Ventures and started expanding across products, teams, and channels. BSC entered the bath-care market with its range of handmade soaps and further extended its distribution channels to include Flipkart e-commerce platforms.

In 2018, BSC hit a watershed when the Colgate-Palmolive Company invested strategically in the company. This investment by an FMCG giant was a testimony to BSC having pursued the right strategy. In the same year, BSC entered the beard-care category and rolled out a massive brand campaign to launch its products within the category. However, the campaign results were not encouraging, as click rates and sales were less than expected. The company understood the need to refine the business model and sharply define its online business. From 2014 to 2019, the male grooming industry in India had also shown phenomenal growth (see Exhibit 1).

In 2019, the company went for another round of funding from the Colgate-Palmolive Company and Sixth Sense Ventures and expanded into the skin-care category. At that point, BSC, which had started with just six products, was selling 32 products across the shaving, bath and body, skin-care, and beard-care markets (see Exhibit 2). BSC started to increase its offline presence by opening 6,000–7,000 stores across 10 Indian cities, and coupled with a strong online presence through Facebook and Instagram advertising, brand awareness increased. Moreover, Bollywood actor Kartik Aryan was signed as brand ambassador to ensure further mass appeal.

CUSTOMER ACQUISITION

The digital platform was leveraged differently along the consumer journey and entailed a process from customer acquisition and customer conversion to customer retention. In this customer funnel, the first step of customer acquisition meant driving traffic to the BSC website through digital advertisements. In the offline world, the retail store was a crucial brand touchpoint, whereas in digital parlance it was the BSC website. In a retail environment, a cluttered shelf display could dissuade customers. Similarly, a digital website should offer ease of navigation and a less “crowded” website. The BSC digital team understood that its website was a place of selling and that using a relevant content strategy was a key factor to consider. This was possible through “social listening,” which helped gain the best consumer insights for suitable digital content as well as new product development and services.

Social listening included the use of Google search analytics, which could help uncover the keywords used for searching and the questions consumers asked using these keywords. For example, analytics on the “charcoal face wash” keyword query cloud could reveal information associated with this keyword search in the form of how, what, when, who, will, why, where, which, and can (see Exhibit 3). BSC conducted product-specific search analytics and monitored search trends and common dominant search themes customer segment-wise. The goldmine of information that it gathered was useful in curating differentiated and relevant pitches, proposals, digital content, digital public relations, and new product development. Using this strategy drove more traffic to the BSC website.

The BSC digital team also undertook competitive analysis by studying the best-selling online brands in the market, specifically obtaining information on audience targeting, price, the discounts and features offered by competitors, customer reviews (positive and negative), and customer queries. BSC accordingly presented customized advertisements for the products searched based on the keywords used by customers in a Google search. For example, a Google search for “charcoal face wash” would result in a customized Facebook advertisement for the BSC charcoal face-wash product.

BSC's analysis indicated that clicks on banner advertisements on social media sites such as Facebook, which would open the BSC landing page, tended to have a high bounce rate. Further, the analysis revealed a direct correlation between the time it took for the BSC landing page to open and bounce rate. BSC calculated that it took 11 seconds for the BSC web page to load. Thus, it changed the core technology stack and brought the load time down to six seconds—at par with the benchmark Google web-page load time. Interestingly, BSC also found that mobile phones, in comparison to desktop or laptop computers, contributed a disproportionately greater share of e-commerce transactions. This was driven by the proliferation of low-cost smartphones and affordable mobile Internet service charges. The company thus created a mobile-friendly, quick-loading website.

CUSTOMER CONVERSION

The next step in the customer journey was customer conversion. BSC used data analytics to analyze consumer journeys on the BSC website, helping to create assets—static or video advertisements found on the BSC website—that were tailored to creating better consumer experiences. BSC's analysis of Facebook algorithms had indicated that if the assets were not changed continuously, customer fatigue could result. In turn, this resulted in poor conversion and click-through rates (CTR), leading to wastage of advertising money. This insight prompted BSC to revolutionize its digital strategy: rather than work with external agencies, the company decided to create an in-house digital analytics and data science team responsible for hour-level tracking and generating a much greater number of assets to target customers more effectively. The in-house digital team soon started tracking all of those parameters that mattered after customers visited websites, such as bounce rate, how many pages they were browsing, how much time they spent on the website, and the conversion rates. To improve these parameters, BSC leveraged moment marketing, heatmaps, rich media pages, customized content, personalized gift options, and product A/B testing.

Contextualized Moment Marketing

The assets were also contextualized based on the interests of the target group. For example, young male consumers who listened to music online would receive music imagery and content, or automobile enthusiasts would receive automotive imagery and content. This was achieved through automation by which Facebook audiences were created based on the interest groups and BSC advertisements delivered accordingly. Further, the campaign was highly contextualized. For example, on a rainy day in Delhi, the advertisement banner would show a raining background and related content.

In this moment marketing, it was crucial to get the right message across at the right time instead of expressing a generic message. This strategy created a seamless connection in the users' offline and online worlds and included everything from sports events to changes in weather, all competing for the consumer's attention. It was essential to remain competitive in the digital world, where power lay in the hands of the consumer. As BSC made it imperative for the brand to use moment marketing to foster deeper relationships with the customers, its team created 50–60 advertisements daily for this purpose, which resulted in marked improvements in CTR and cost per action.

BSC also created a greater value proposition for customers, to gain a long-term and sustainable competitive advantage. This included personalized gift options, which resonated with Indian customers in general and millennials in particular. India was a land of festivals, and gifting was a major part of the festival tradition. Therefore, BSC created gift options specifically meant to be gifted at festivals. Millennials loved the idea

of personalized gifting as a trend in the personal care category.¹¹ With BSC's efforts to personalize razors with initials and create customized messages for the packages, it was able to increase customer engagement. Furthermore, Facebook and Instagram advertisements tended to look very similar to users; hence, advertisements with messages on product customization and personalization created better traction.

Heatmaps and Click Pattern Analysis

The BSC digital marketing team also worked on company website heatmaps to analyze consumers through their browsing behaviours on the website. For example, the company observed that the advertisement for its discount campaign (i.e., the Broke Bank campaign offering a buy-one-get-one deal) was previously placed on the left-hand side of the page. However, heatmap analysis pointed out that the right side was the most-often visited part of the website. Therefore, the Broke Bank campaign advertisement was shifted from left to right for easy thumb tapping. The team then refreshed the deals every 15 days and created rich media web pages with enhanced product photos; a how-to-use section; frequently asked questions; and urgency factors such as inventory sold, last bought information, and a single call to action.

BSC also used a website click-tracking tool to perform granular analysis on website traffic. Instead of looking at macro-level metrics, this analytical tool drilled down to the basic tracking of website clicks and how customers used the BSC web page. For example, click pattern analysis indicated that BSC customers usually browsed their mobile phone using their right thumb. Based on this insight, BSC moved the beard campaign advertisement from the left side to the right side of the web page in line with such click behaviour. This method was also used to analyze whether different channels were paid or organic, as well as to compare engagement from different sources, redesign the site, direct visitors' attention, and remove distractions.

A/B Testing

To properly curate the customer experience, the best content company knew that a website should be relevant to micro-moments when customers used their mobile phones to perform activities such as discovering, watching, or buying something. These specific moments on the Internet were moments of buying decisions. Thus, keeping in line with the agile principle of working for A/B testing, BSC decided to check the performances of its advertisements on an hourly basis using the Facebook dashboard. A/B testing, also called split testing, was an experimental design to compare two designs—namely, experimental and control design. It included comparing the performance of two versions of web page advertisements, content, or other assets. BSC experimented with A/B testing on different visuals for the same promotional communication. For example, the marketing team compared product imagery to model lifestyle imagery to test which of these generated better click rates on websites and in emails.

Based on the A/B testing results, those advertisements that performed well were scaled up and those that had less than 1 per cent conversion were cut down. This strategy was used across all of BSC's social channels. Interestingly, the company's experience was much different on Facebook. The Facebook team suggested that visuals (images) without text were more effective, but BSC learned that, specifically for its products, visuals with text had better performance. In fact, campaigns with visuals and text generated the

¹¹ Himanshu Chawla, "How Personalization In the Gifting Industry is Attaining New Identity?" Business World, April 20, 2019, accessed January 31, 2021, <http://www.businessworld.in/article/How-Personalization-In-The-Gifting-Industry-Is-Attaining-New-Identity-/20-04-2019-169546/>.

following outputs: CTR: 1 per cent, cost per click (CPC): 13, and conversion rate: 9.5 per cent, as compared to image-only content (CTR: 0.65 per cent, CPC: 21 per cent, and conversion rate: 6.5 per cent).

Influencer Marketing

With the company's strong digital presence on social media platforms, churning assets for continuous engagement became the core focus of the marketing team. BSC understood that the key to its success was to generate content as fast as possible. BSC's target group consisted of young adults who were typically swayed by social media influencers. The company's research indicated that 68 per cent of this population group visited Instagram to interact with influencers. In addition, the online campaigns endorsed by influencers had a wider reach, were perceived to be trustworthy, and reached the relevant consumer group. BSC also found that influencer endorsement had a good marketing return on investment, and that although influencers increased marketing spending by 15 per cent, they delivered twice the effective reach. However, influencer marketing had its downside as well. In particular, hiring the wrong influencer could harm the brand image.

Interestingly, the marketing team also found that social media was flooded with fake influencers who posted high-quality images and had numerous followers and many likes or comments who were not much different from a real influencer. However, upon closer inspection, one would see that most of their followers were fake-purchased followers, accounts, and bots, which meant they had no real influence on the audience. These accounts and bots would even create awkward situations and post insensitive comments, because their engagement was often based on hashtags. To overcome this problem, BSC used technology tools to analyze and evaluate influencer marketing plans. The influencer scoring algorithm, which was an important tool in this monitoring task, analyzed any unusual follower-to-engagement ratio, engagement quality, sudden spikes in number of followers, numerous irrelevant or spam comments, and audience evaluation in terms of demographics to identify and spot the right influencers.

Digital Analytics

The final objective of BSC was to use data analytics to obtain relevant traffic at the lowest cost and increase conversion rates. Among various other metrics, bounce rates were used to measure the website's overall engagement. This was a measure to check whether consumers interacted with the website or just left after checking the landing page. BSC used Google Analytics, which tracked the session timing. Google started the timer when the session started; the timer stopped when the user ended the session by leaving the website or when the user had been inactive for 30 minutes. Google Analytics calculated the time spent by each web page visitor divided by several visitors to arrive at the average session duration. However, for this calculation purpose, the user had to take an action on that page (click a link, play a video, fill out a form, etc.). Thus, the average session duration contributed to the understanding of user engagement by illustrating how long users stayed on the BSC site.

At the site level, this proved to be a helpful metric that indicated engagement in the true value of the site content. BSC also tracked pages per session or the average number of pages viewed during a session. A higher number of pages per session meant that users were more engaged while visiting the website. This helped to broadly gauge how compelling users found the content and the ease of access they experienced. Then, data on marketing spending were obtained using the CPC and cost-per-mile pricing models to analyze the number of clicks and number of impressions, respectively, as the bases of measurement. Combining the two, CTRs were obtained to measure the number of clicks received per number of impressions. In turn, this tool was used to benchmark the performance of the assets and control the efficiency of promotional spending (see Exhibit 4).

BSC also added positive words and categorized negative words to fine-tune the content based on users' search behaviours. For example, it found that anyone who searched for "beard oil" never bought beard-hair growth oil from the website. It was possible that beard oil was purchased for maintenance and not for growth. Thus, even though the search had resulted in a click, it did not turn into a conversion. Keyword "beard oil" was then categorized as a negative keyword. This type of classification helped each campaign identify only the positive keywords and thus avoid spending on unnecessary queries. BSC also ensured that it remained in the top three positions in a Google search, as these had the highest conversion rates. It also monitored the ad rankings in the Google search results for each keyword.

CUSTOMER RETENTION

After customers purchased a product, BSC focused on changing conversion to retention. For this purpose, BSC invested in a customer relationship management (CRM) engine. In particular, it built a CRM engine consisting of 0.3 million registered users on the website, after which emails were sent to these users to generate repeat purchases. Ten automated emails for all four product categories were sent at different time intervals to customers after the purchase, mapping the consumer journey to encourage brand connection, repurchases, cross-selling, up-selling, proactive feedback referrals, and subscription. These emails were sent at a specific period or time (t): at purchase (t0), dispatch of the product (t1), post-order dispatch (t1+2 days), category-level tips (t1+5 days), product feedback (t1+10 days), product longevity (t1+15 days), other product recommendations (t1+20 days), introduction of a newly launched complementary product (t1+25 days), gift or refer a friend (t1+28 days), and subscription mailer (t1+30 days) (see Exhibit 5).

For customer retention, BSC conducted A/B testing of the email subject lines to check the open rates and see how many users opened the emails out of the total number of people who received them. It also found that emails with multiple links spread throughout the email drove fewer conversions than those with dedicated elements, such as a timer to induce a "fear of missing out" (FOMO) reaction. BSC also tracked the open rate (i.e., the number of users who opened the email divided by the total database to whom the email was sent). After analyzing these data, BSC found stark improvements in open and click rates when in-text lifestyle images were used in comparison to content that only featured product information. Similarly, different permutations and combinations of subject lines and unique selling propositions were tested to increase the open rates.

When Chauhan finished presenting the year-end numbers at BSC's January 2020 sales review meeting, Deshpande shared his concern about customer conversion rates, asking, "Chauhan, what do you think: how can we improve our digital initiatives, specifically our customer conversion rates? Which of the digital analyses should we consider for this purpose?"

The author would like to thank Niharika Gupta, MBA 2021 from the Indian Institute of Management, for her assistance with the writing of this case.

EXHIBIT 1: MALE GROOMING MARKET IN INDIA

Year	Retail Value (in ₹ Million)
2014	73,275.10
2015	81,397.80
2016	89,716.00
2017	98,507.40
2018	108,281.50
2019	118,313.90

Note: ₹ = INR = Indian rupee; US\$1 = ₹71.4965 on January 31, 2020.

Source: Euromonitor International, *Country Report: Men's Grooming in India*, June 2020, accessed January 31, 2021, <https://www.euromonitor.com/mens-grooming-in-india/report>.

EXHIBIT 2: BOMBAY SHAVING COMPANY PRODUCT RANGE AND COMPETITOR BRANDS

Bombay Shaving Company				
Shave	Beard	Bath	Skin	Other
Dexter V6 Razor	Beard Colour	Face & Body Wash	Face Sheet Mask	Hand Sanitizer
Shaving Foam	Beard Growth Oil	Bath Soap	Face Cleanser	Veleno Perfume
Athena Sensitive Cartridge	Beard Shaping & Styling Kit	De-Tan Face & Body	Face Moisturiser	
Precision Safety Razor	Beard Shampoo & Conditioner		Peel-off Mask	
Shaving Cream	Beard Butter		Face Pack	
Pre-shave Scrub	Moustache Wax		Face Scrub	
Post-shave Balm	Beard Growth Roll-on		Face Wash	
Feather Blades	Beard Comb			
Shaving Brush	Beard Brush			
Face Towel	Beard Serum			
Aggressive Clamp				
Razor Sheath				
Competitor Brands				
Shave	Beard	Bath	Skin	Direct Competition (with Major Focus on Online Channels)
Gillette	Beardo	Nivea	Garnier	The Man Company
	Ustraa	Garnier		Beardo
				Ustraa
				Happily Unmarried

Source: "Experience Our Range of Grooming Solutions," Bombay Shaving Company, accessed January 31, 2021, <https://bombayshavingcompany.com>; "Razors Trimmers and Blades," Gillette, accessed January 31, 2021, <https://gillette.com/en-us/products/razors-trimmers-and-blades>; "Beard," Beardo, accessed January 31, 2021, <https://www.beardo.in/categories/beard>; "Beard Care Products," Ustraa, accessed January 31, 2021, <https://www.ustraa.com/featured-categories/beard-growth/c>; "Body & Beautiful," Nivea, accessed January 31, 2021, <https://www.nivea.in/products/body>; "All Products," Happily Unmarried, accessed January 31, 2021, <https://www.happilyunmarried.com/all-products/c>.

EXHIBIT 3: CHARCOAL FACE WASH—KEYWORD CLOUD

Charcoal Face Wash	Who	Which charcoal face wash is best?
	Will	Does charcoal face wash work?
		Does charcoal face wash cause breakouts?
		Does charcoal face wash burn?
		Does charcoal face wash make you break out?
		Does Bioré® charcoal face wash work?
		What does charcoal face wash do?
	Can	Does charcoal face wash work?
		Does charcoal face wash cause breakouts?
		Does charcoal face wash burn?
		Does charcoal face wash make you break out?
		Does Bioré® charcoal face wash work?
		What does charcoal face wash do?
		Can you use charcoal face wash daily?
		Can you use charcoal face wash while pregnant?
		Can we use charcoal face wash daily?
	Which	Which charcoal face wash is best?
		What does charcoal face wash do?
		What is charcoal face wash good for?
	Why	Why charcoal face wash?
		Why does charcoal face wash burn?
		Why use charcoal face wash?
	What	How does charcoal face wash work?
		How does charcoal face wash work?
		What is charcoal face wash good for?
		How charcoal face wash works?
		Which charcoal face wash is best?
		How to apply charcoal face wash?
	How	What is charcoal face wash good for?
		How to make charcoal face wash at home?
		How to make charcoal face wash?
		How to use charcoal face wash?
		How does charcoal face washes work?
		How does charcoal face wash work?
		How does charcoal face wash work?
		How does charcoal face wash work?
	Are	Is Bioré® charcoal face wash good?
		Is charcoal face wash good for blackheads?
		Is charcoal face wash good for sensitive skin?
		Is charcoal face wash good for rosacea?
		Is charcoal face wash supposed to burn?
		Is charcoal face wash safe?
		Is charcoal face wash safe during pregnancy?
		Is charcoal face wash good for oily skin?
		Are charcoal faces wash good?

Source: Company files.

EXHIBIT 4: OPTIMIZING CHANNEL-WISE TRAFFIC AND CONVERSION RATE

Channel Grouping Final	Acquisition		Behaviour			Conversions E-commerce
	Sessions	New Users	Single Page Visited	Number of Pages Visited	Average Session Duration	Conversion Numbers
Paid Social	77,259	65,522	40,940	137,521	00:00:55	3,700
Paid Search	39,850	26,137	26,436	73,723	00:01:06	785
Affiliate Networks	18,324	12,200	4,797	97,300	00:00:50	110
Direct	15,460	13,759	9,281	32,775	00:00:48	173
Organic Reach	4,825	2,851	1,678	19,976	00:03:31	188
Referrals	4,741	3,139	1,937	13,701	00:01:50	261
CRM	2,352	881	2,438	5,317	00:00:45	79
(Other)	3,498	2,878	1,021	8,985	00:02:58	41
	166,311 Total	127,368 Total			00:01:04 Average	5,337 Total

Note: CRM = customer relationship management.
Source: Company files.

EXHIBIT 5: CUSTOMER RETENTION AND CUSTOMER RELATIONSHIP MANAGEMENT COMPLETE EMAILER JOURNEY

Trigger Buckets		Deployment Day	Shave Care	Skin Care	Bath Care	Beard Care
1	Welcome to Bombay Shaving Company (BSC)	Post-order confirmation t0	Welcome to BSC general emailer.	Welcome to BSC general emailer.	Welcome to BSC general emailer.	Welcome to BSC general emailer.
2	Category Philosophy	Post-order dispatch t1	Philosophy or rationale behind having a complete grooming regimen	Benefits of using the product	Benefits of using the exfoliating soap product	Benefits of using the natural-oils-infused product
3	Know Your Products (Ingredients)	t1+ 2 days	Product ingredient story	Product ingredient story	Product ingredient story	Product ingredient story
4	Category Level Pro Tips	t1+ 5 days	Right usage sequence	How to get the best results	How to get the best results	How to get the best results
5	Product Feedback	t1+ 10 days	How was your first shave?	How was your first-use experience?	How was your first-use experience?	How was your first-use experience?
6	Product Longevity	t1+ 15 days	How to keep your product in good shape	How to keep your product in good shape	How to keep your product in good shape	How to keep your product in good shape
7	Other Recommended Products (Cross-sell)	t1+ 20 days	Enhance your shaving experience. Replenish your skin after shaving.	Enhance your skin-care experience. Rejuvenate your skin with the right product combination.	Enhance your bathing experience. Rejuvenate your skin with the right product combination.	Enhance your beard experience. How to ensure smoother skin.
8	Introduction to Aftershave	t1 + 25 days	A guide to men's grooming and lifestyle	A guide to men's grooming and lifestyle	A guide to men's grooming and lifestyle	A guide to men's grooming and lifestyle
9	Gift a Friend/Refer a Friend	t1+ 28 days	Share the secret to your perfect shave with your close friend and get rewarded for being a true friend.	Share the secret to your perfect skin with your close friend and get rewarded for being a true friend.	Share the secret to your fresh look with your close friend and get rewarded for being a true friend.	Share the secret to your well-groomed look with your close friend and get rewarded for being a true friend.
10	Subscription Emailer	t1 + 30/31 days	Tired of running out of your favourite product? Save yourself from the hassle of reordering or replenishing the products.	Tired of running out of your favourite product? Save yourself from the hassle of reordering or replenishing the products.	Tired of running out of your favourite product? Save yourself from the hassle of reordering or replenishing the products.	Tired of running out of your favourite product? Save yourself from the hassle of reordering or replenishing the products.

Note: t = time.

Source: Company files.