



Adobe Analytics Challenge 2021

adobeanalyticschallenge.com

Team Opportunity



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Overview

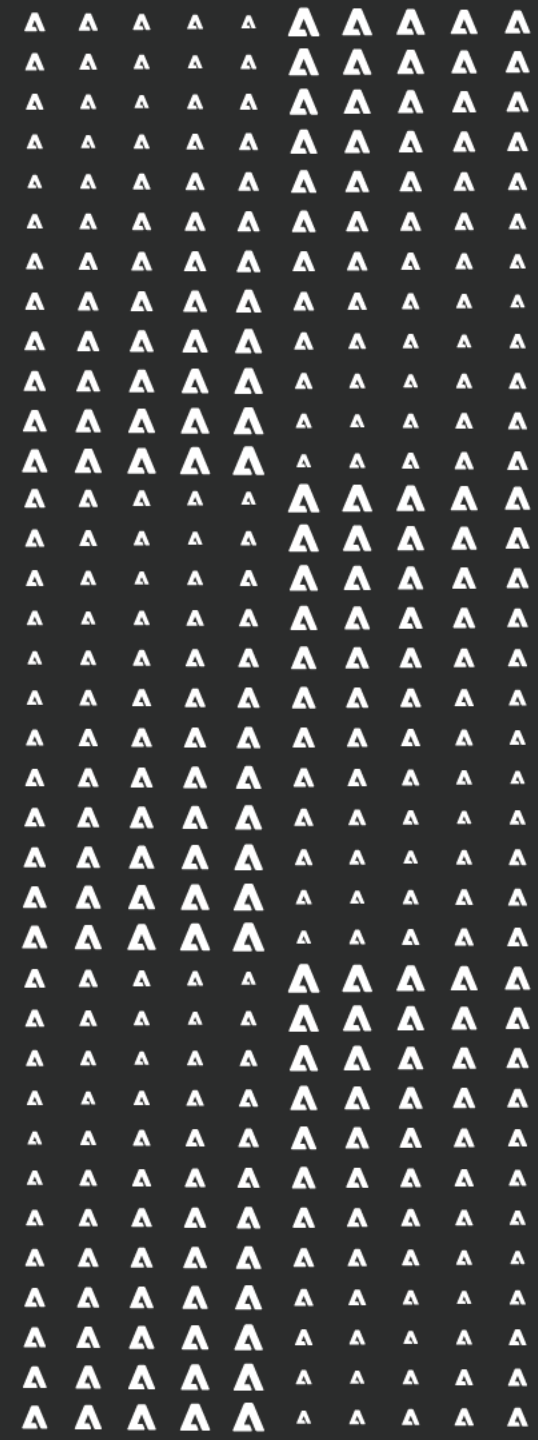
- Provided Data from Disney, which resembles the sales in **shopDisney** portal basis the various Dimensions.
- Analyzing data for **shopDisney Web** for the last 12 months.

Looking at the Cart, How do we drive the average order value?

Average Order Value (AOV) is an ecommerce metric that measures the average total of every order placed by customers over a defined period of time.

Knowing the average order value helps you to evaluate your pricing strategy and online marketing efforts by offers a window into shopper's behaviour and providing the metrics needed to measure the long-term value of individual customers.

Through Analyzing the provided dataset, we wish to suggest methods to increase the average order value to boost performance metrics.



AGENDA

1 Number of Items per Order

2 Promo Code

3 Distractions

4 Save For Later



**Number Of Items
per Order**



Multiple Orders Within a Week

Drop a segment here (or any other component)

Last 12 full months
Oct 1, 2020 - Sep 30, 2021

return within a week vs Purchasers | Generated at 6:12 AM on Oct 1, 2021

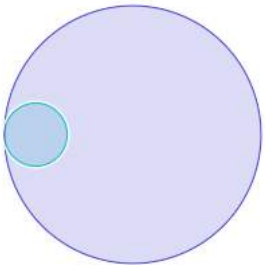
Size and Overlap

return within a week + Unique Visitors

233k

Purchasers + Unique Visitors

3.59M



return within a week

233,334

Unique Visitors : return within a week

Purchasers

3,586,321

Unique Visitors : Purchasers

Overlap

233,334

Unique Visitors : return within a week + Purchasers

6.5% of Customers who place an order, place **another order within the same week**. It is reasonable to assume that a good proportion of orders placed within a week of the other are related to each other

Average Order Value

Drop a segment here (or any other component)

Last 12 full months
Oct 1, 2020 - Sep 30, 2021

Freeform table

	Orders		Average Web Order Value
Segments			
Page: 1 / 1 Rows: 400 1-5 of 5		↓ 4,547,855	\$920
1. 1 item	<div></div>	1,632,318 35.9%	\$498 54.1%
2. 2 items	<div></div>	926,697 20.4%	\$414 45.0%
3. 3 items	<div></div>	543,451 11.9%	\$543 59.0%
4. 4 items	<div></div>	431,383 9.5%	\$1,009 109.6%
5. 5 items	<div></div>	300,634 6.6%	\$930 101.1%

Number of items/order↑

=>

Average order value↑



Customer Lifetime Value

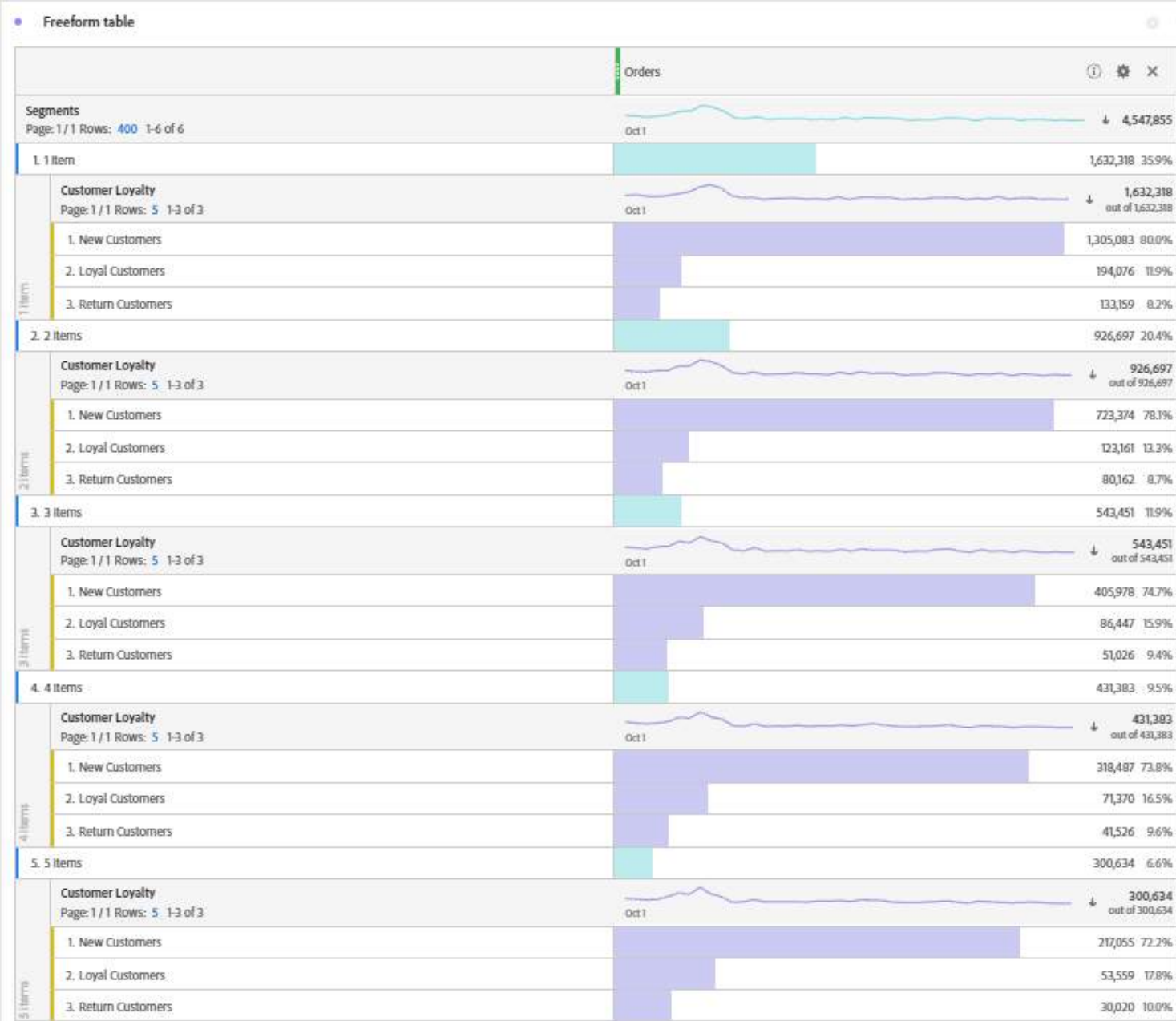
Number of items/order \uparrow => Customer Loyalty \uparrow

Customer loyalty is a customer's willingness to repeatedly return to a company to conduct business.

According to [Forbes](#), It costs **five times** more to acquire new customers than it does to retain current customers.

Customer Lifetime Value is a metric that represents the total amount of money a customer is expected to spend in their lifetime as a customer.

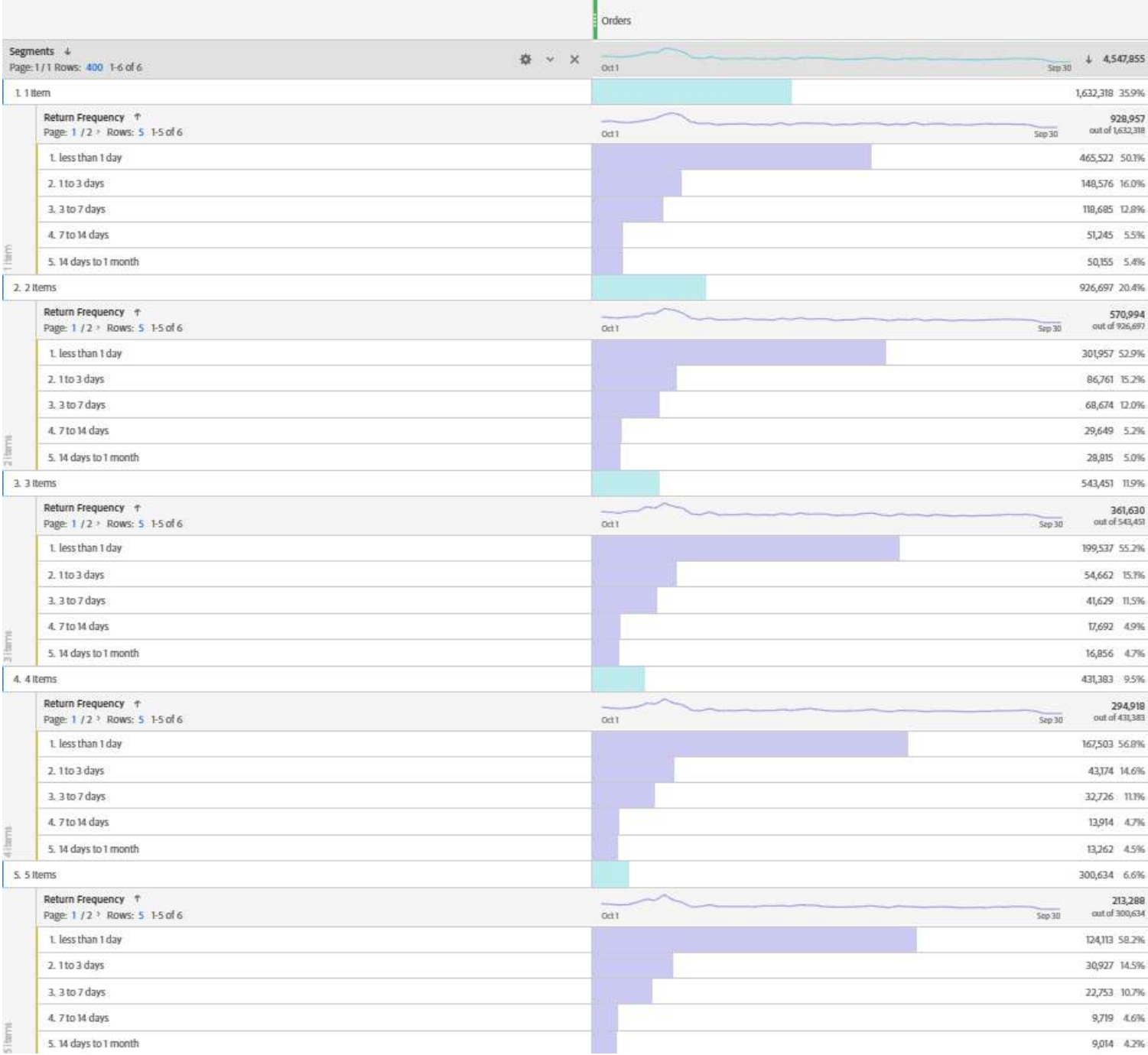
Customer Loyalty directly leads to higher CLV for this success metric, which defines the profit margin for transaction between the two parties.



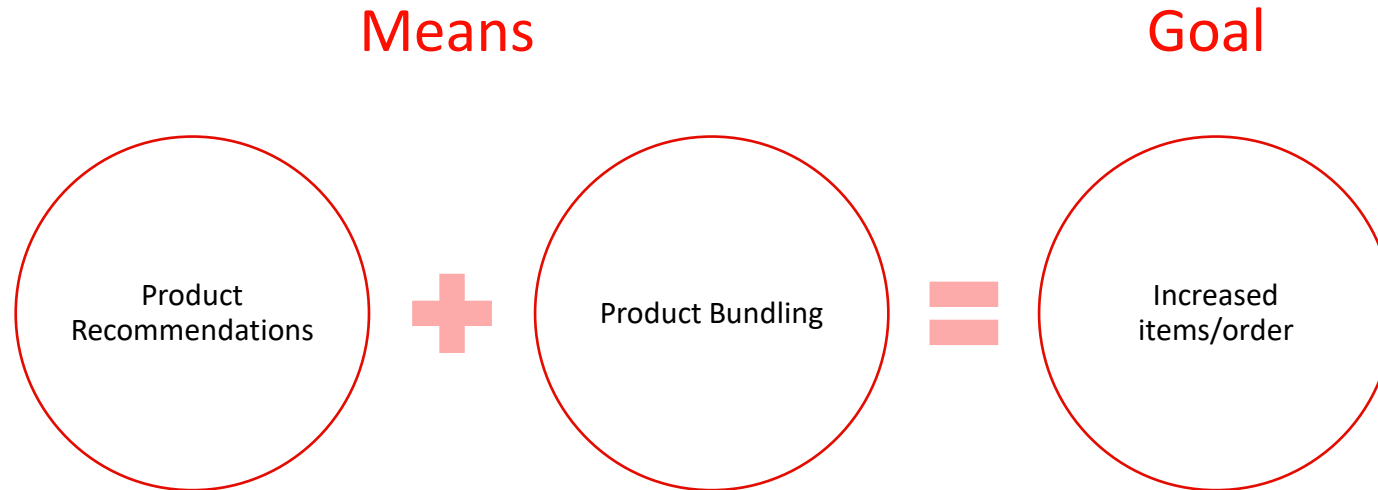
Return Frequency

Number of items/order \uparrow => Return Frequency \downarrow

Return Frequency is the metric that determines the **length of time** that passes between visits from returning visitors. Shorter the return frequency, the more likely the user is to make a future purchase.



- Increasing average number of item per order not only increases order value but also helps in improving benefits.



Bundling



What

- Product bundling is combining together several products or services that can be sold separately. This strategy is used to encourage customers to buy more products.

Why

- Increases Average Order Value.
- Reduces the **'Pain of Purchase'** which is the negative feelings associated with spending money through Value Creation.

Types

Pure Bundling

- Customers are offered to purchase the entire bundle only and can't buy individual items from it separately.
- Doesn't work well for E-commerce sites, as customers may be forced to buy items they don't want.

Mixed Bundling

- Customers have a choice. They may select to either buy the entire set of products or separate items from the package.
- It's a great opportunity to sell more because customers think they have the choice and control of the deals.

Advantages Of Bundling

Increase Perceived Value of the deal

By offering a discount on the total price or by a “free” item, the customer feels they got a good deal—even though they’ve likely spent more than they planned to.

Reduce Surplus Inventory

Bundling slow-moving inventory products with popular ones can help move stagnant items.

Increase Product Visibility

The net result of a Bundle deals being proposed to the customer is that products which did not have as much visibility earlier will now be brought to the notice of the customer.

Reduce Marketing and Logistical costs

Save costs of marketing the items separately and the cost to ship them separately to the customers.

Improve Customer Loyalty

Bundles give buyers the chance to try multiple products at once, which means more opportunities for them to find items they love and then buy over and over again.

Product Recommendation

“Product recommendations account for up to **31%** of eCommerce site revenues” - [Barilliance](#)

“Personalized product recommendations account for just 7% of visits but **26%** of revenue” - [Invesp](#)

Content Based Filtering

Analyzes customer data on the **likes and dislikes** of each user using cookies, then makes recommendations based on the browsing history of that user.

Collaborative Filtering

Data from users who have purchased **similar products** is combined making it capable of making complex recommendations on items.

Checkout is the final step before purchase, meaning if the customer reached this point, they are **committed** to the purchase. Encouraging purchase at this point will yield a high success rate.

Before Checkout

- Cross-selling items related to the cart to enable impulse buying.
- “You may also like.” providing items related the items currently in the cart.

After Checkout

- Upselling items that act as an upgrade to the product customers bought.
- “Customers who bought this also bought.”

Promo Code





Promotional codes are alphanumeric strings that is offered to encourage purchases by providing incentives for the same. The study show that customer applying promotional codes had heightened levels of **oxytocin**, which is a hormone that creates feelings of happiness.

UI changes to existing promo code segment may be useful to hold the attention of the customer and provide further impetus to increase the Order Value.

Recommendations

Scrolling Tab: Keeping the current promotions open and easily accessible to the customer

Targets: Set quantifiable value and encourage additional purchase to obtain discounts.

Customer Segment Specific: Encouraging new/return customers to purchase.

Cross Promotions: Including a short access to some of the plethora of Disney services.



Incorporating UI Changes

The screenshot shows the shopDisney website interface. At the top, there's a navigation bar with the shopDisney logo and links for Sign In, Sign Up, My Wish List (0), and My Bag (3). Below this is a category menu with links for NEW, SALE, HALLOWEEN, CLOTHING, ACCESSORIES, TOYS, HOME, and PARKS. A search bar is also present.

The main content area displays the 'My Bag (3)' section, which lists three items:

- Belle "My Favorite Part Is Chapter Three" T-Shirt for Adults**: Price \$39.99. Quantity: 1 at \$39.99. Size: 2X. Options: Edit, Save For Later, Remove. ID: 42035471.
- Evil Queen Deluxe Costume for Adults by Disguise - Snow White and the Seven Dwarfs**: Price \$69.99. Quantity: 1 at \$69.99. Size: L. Options: Edit, Save For Later, Remove. ID: 428405338343.
- Disney nu - Sushi Pajamas with Sleep Mask**: Price \$12.99. Quantity: 1 at \$12.99. Option: Add Gift Options: Free to \$6.95. Options: Edit, Save For Later, Remove. ID: 412344201133.

On the right side, there's an 'Order Summary' section showing the following details:

- Subtotal: \$122.97
- Est. Shipping and Handling: \$17.95
- Est. Sales Tax: *TBD
- Total: \$140.92**

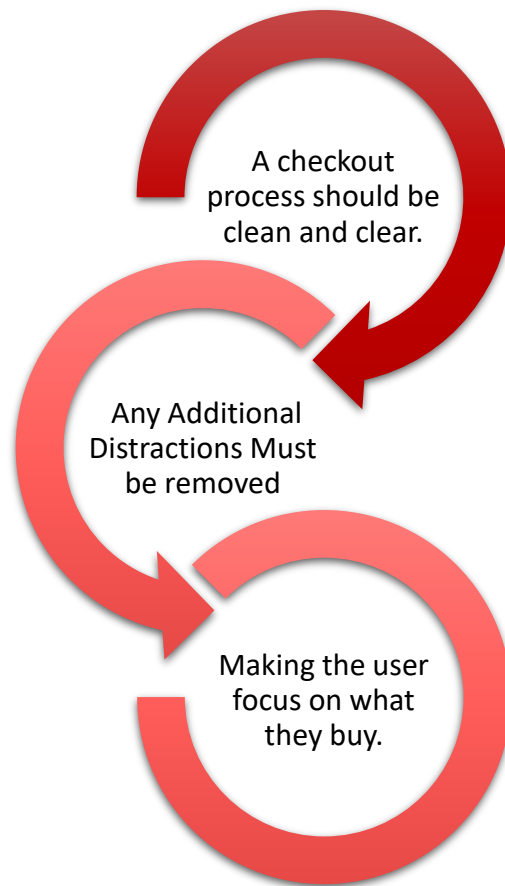
Below the order summary, there's a 'Sign In & Checkout' button and a 'Guest Checkout' button. A note indicates '* Tax estimated at checkout'.

At the bottom right, there's a 'Promo Code' section with an 'Enter code' input field and an 'Apply' button. Below this, there are three radio button options:

- ☐ **Savings: \$12.49**
SAVENEW
*Applicable only for First Purchase
- ☐ **Disney+ 7 day Trial TRY7**
*T&C Applicable
- ☐ **Shop for \$50.08 to Unlock Deal TREAT**

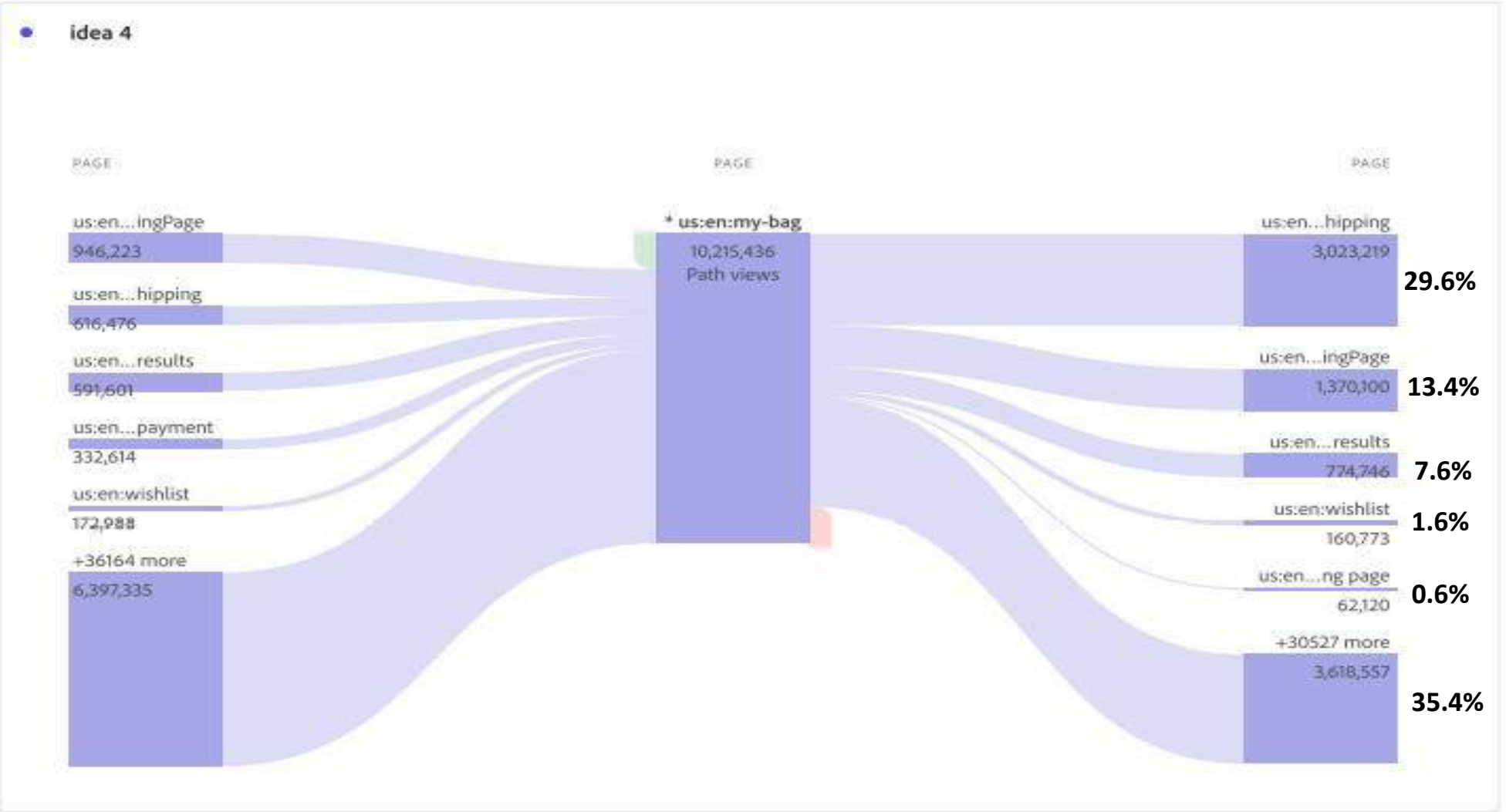
Distractions



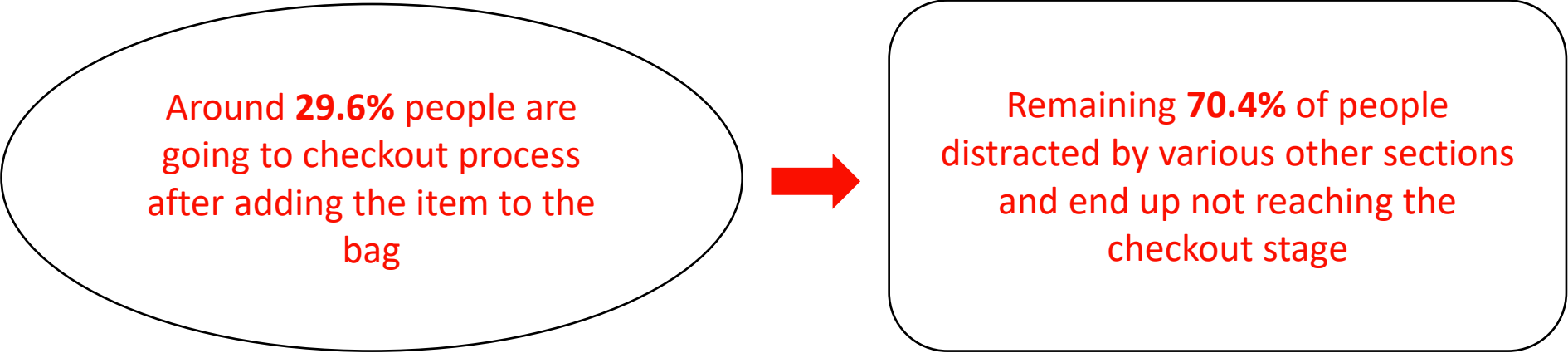


Segment

Visits from Non-Mobile Devices



Visits from Non-Mobile Devices



Around **29.6%** people are going to checkout process after adding the item to the bag

Remaining **70.4%** of people distracted by various other sections and end up not reaching the checkout stage

We can reduce this number by limiting distractions within mybag section.

Recommendation

Removing the menu bar (marked red in the previous slide) within the MyBag page will help in improving conversation rate to a great extent.

Instead of completely removing the menu, we can also replace it with a button (like what Disney have implemented in mobile web and indicated in green) that can be expanded to see the whole menu.



Save For Later



"Let me check out few cool toys to play with!"



Journey From MyBag

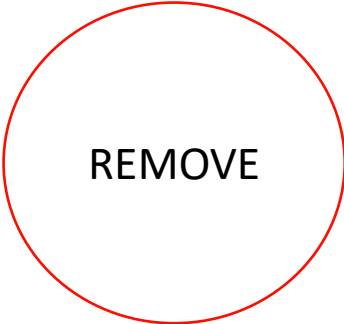
STEP:1



STEP:2



OR



STEP:3



STEP:4



OR



MyBag

SAVE FOR
LATER

OR

REMOVE

This option
contributes to **cart
addition**

Order

These two don't
contribute to cart
additions

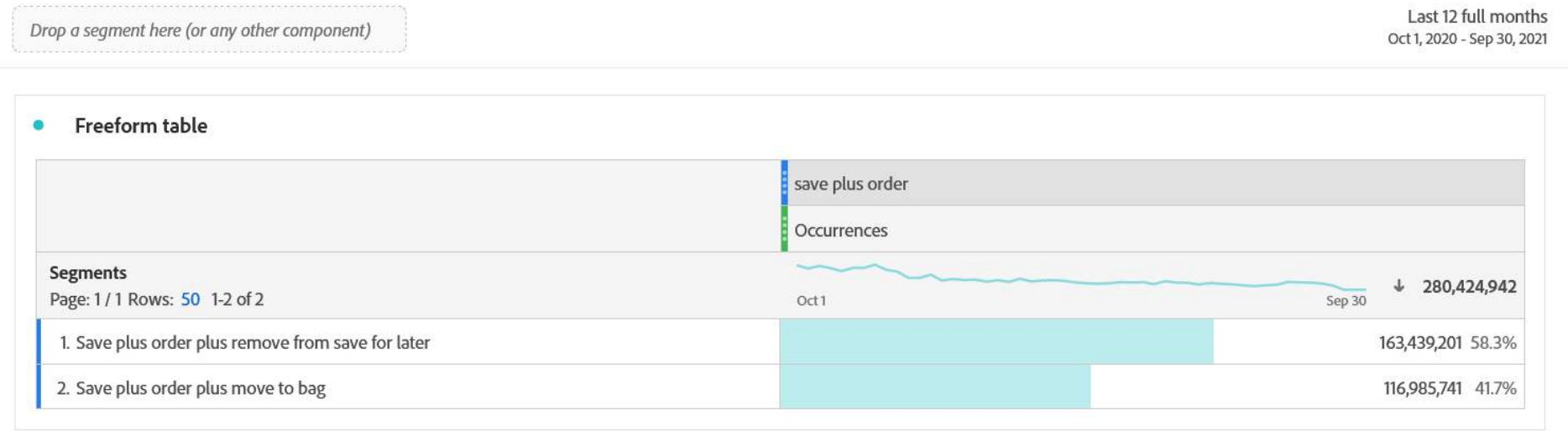
MOVE TO
BAG

OR

REMOVE
FROM
SAVE FOR
LATER

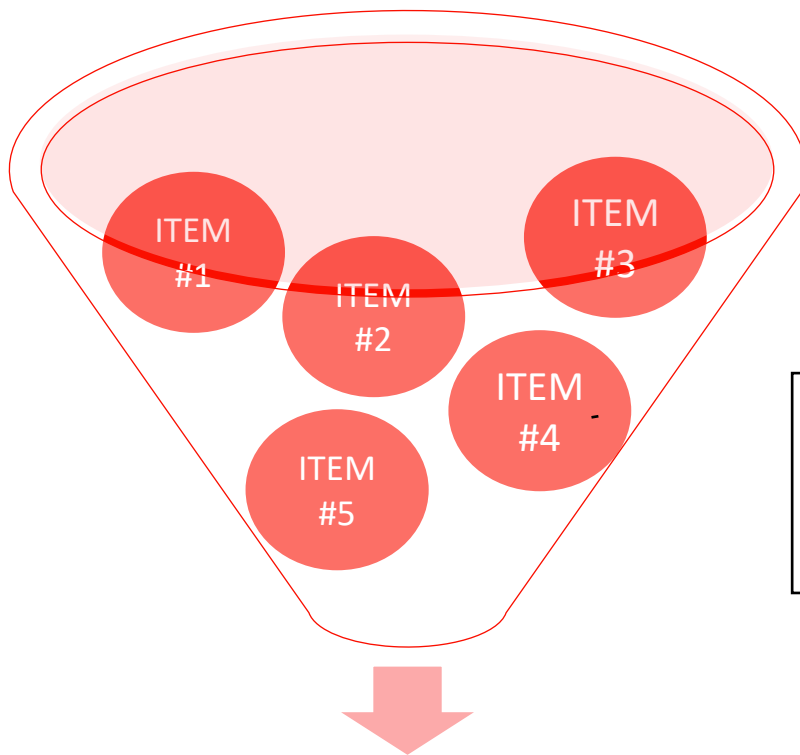


Number of instances users clicking : “move to bag” or “remove” it from “Save For Later”





About **41.7%** of the time
users **REMOVE** items
from their save for later
bucket



Save for later
Bucket



Only **58.3%** of the time user
MOVE the items back to
MyBag



Takeaways

- After observing “**save for later**” we found that only **58.3%** of the people end up moving the items back to mybag.
- This data says that a lot of people **remove items** from mybag/save of later unnecessarily to purchase other items which in turn **reduces** the **average cart value**.

To overcome this situation we would like to give some recommendation to **MyBag** page



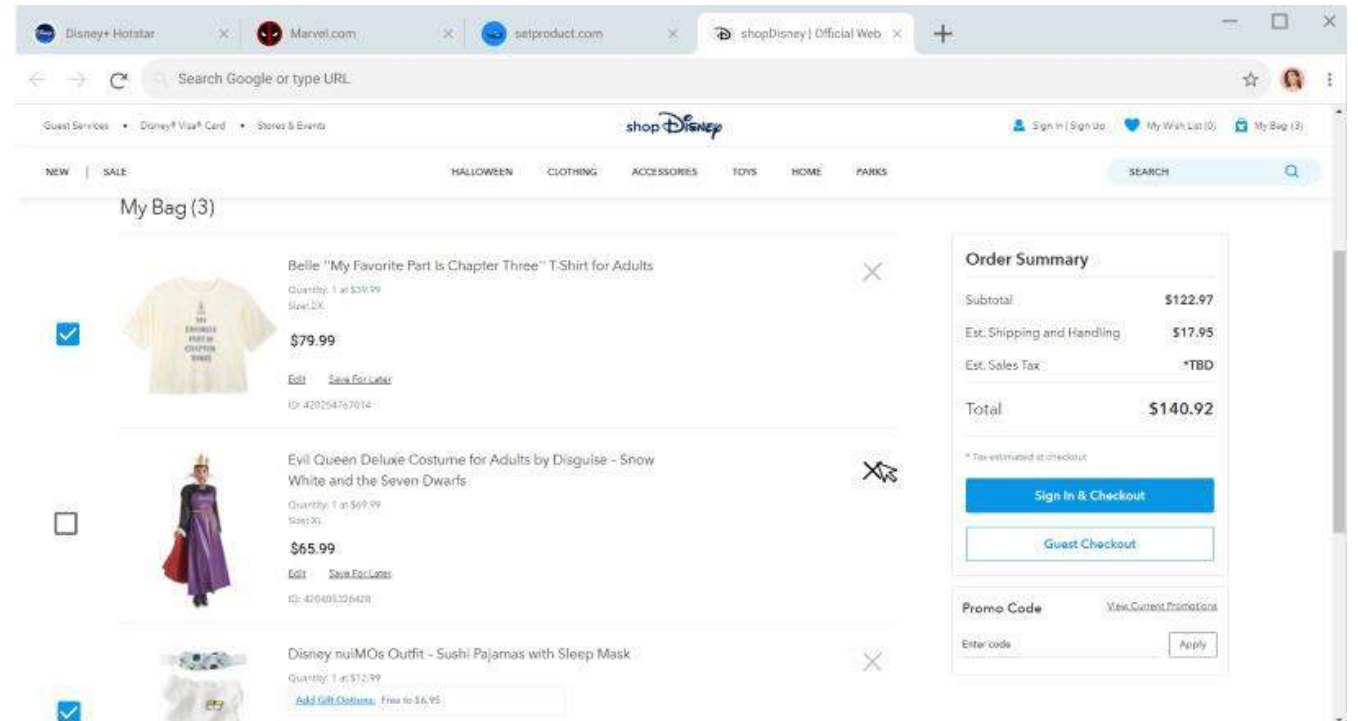
Recommendations

Including checklist in Mybag in such a way that Users can order only the checklisted items from myBag

- In this case we won't be required to remove items from the cart.
- The conversion rate for save for later will also increase

“Remove” option changed to cross

- Subtle till cursor points.



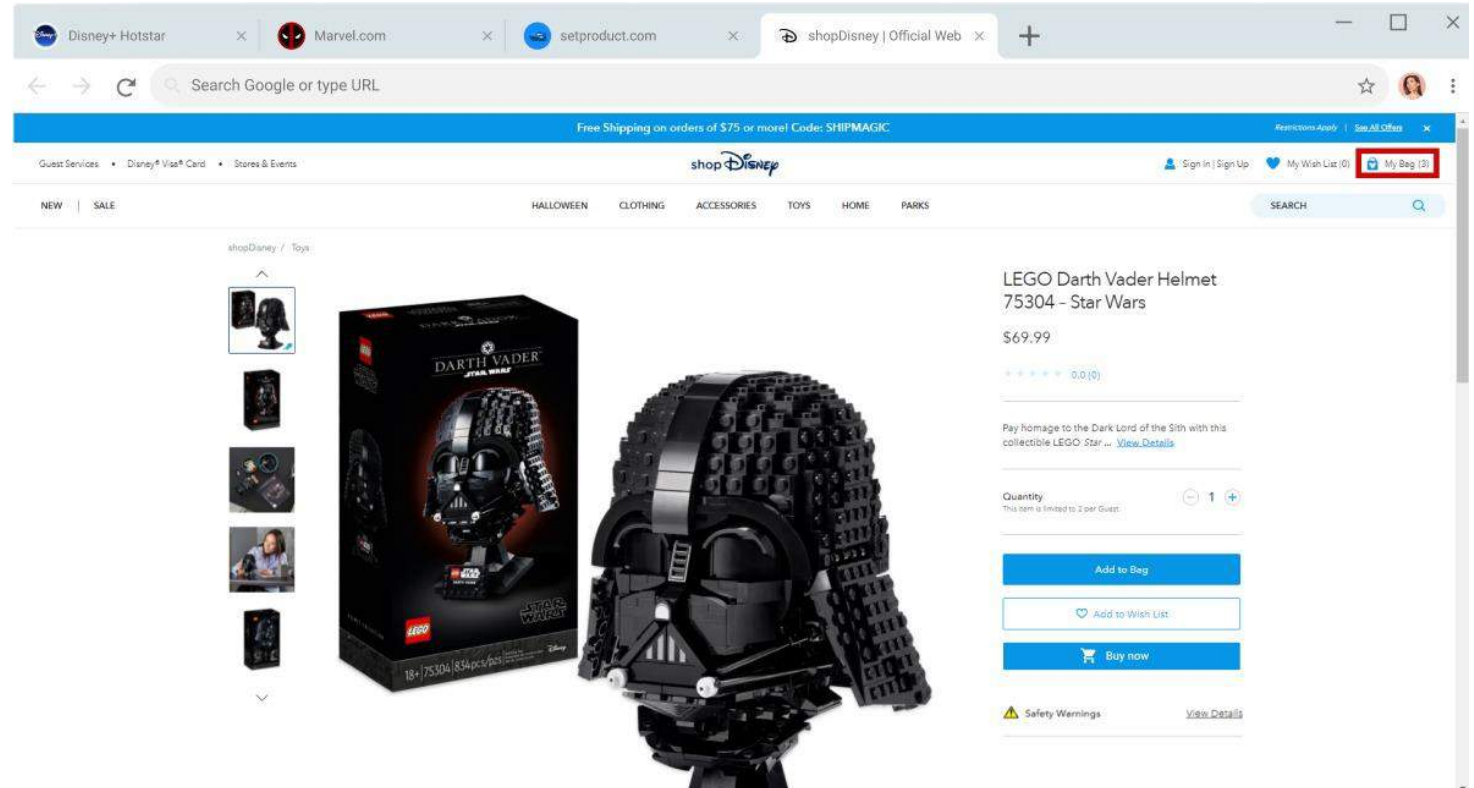
Recommendations

Adding **Buy Now** button directly in the product details page

Clicking it will be direct customer to the checkout bag skipping Mybag.

We have also highlighted (Top-right corner) that there are 3 items in Mybag which will not be disturbed.

- After implementing this we can **reduce average order time** to a great extent.
- It also helps reducing **cart removals** as discussed in the previous slide

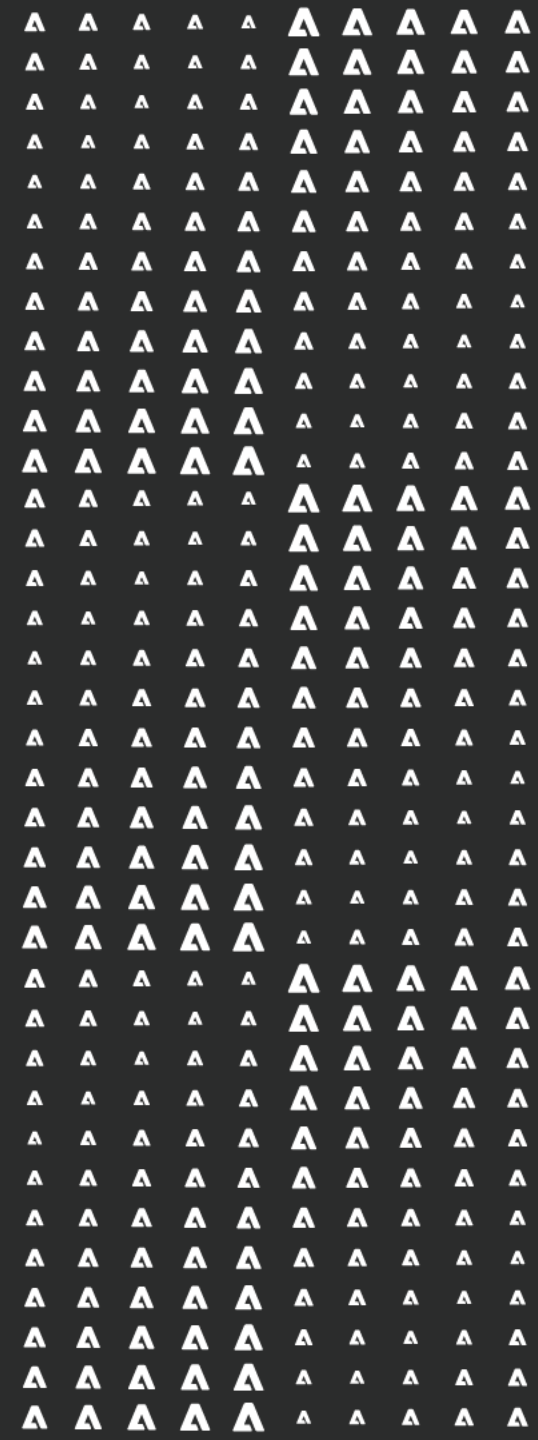


Conclusion

The Average Order Value is among the important Key Performance Indicator for Ecommerce decisions as it presents an insight into the customer's buying patterns, online advertising spending, and help product pricing.

An increase in AOV means that we are extracting a higher revenue for the same amount of money spent on acquiring the customer as earlier ensuring higher margins or more funds to invest elsewhere.

Through this presentation, we have tried to cover some ways to improve Average Order Value and have analyzed why and how they work.



Thank You!

For the opportunity to use Adobe analytic tools and for taking the time to listen to our presentation.



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