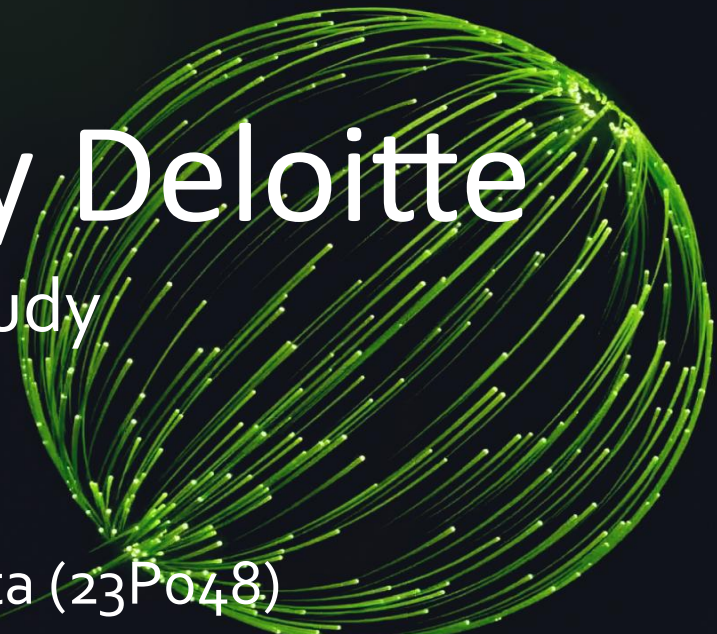


Hashedin by Deloitte

Case Study



By: Shivam Gupta (23P048)
(mob: 7530007993 ; knl.shivam.gupta@gmail.com)
Management Development Institute (MDI), Gurgaon

Introduction

Context of the Issue:

- ShopEase's traditional recommendation system delivers a generic shopping experience, reducing customer satisfaction, engagement, and loyalty in a competitive e-commerce market
- Lower repeat purchases, declining customer loyalty, and inability to differentiate from competitors
- Launch of "ShopEase Personal Shopper" to provide personalized, data-driven shopping experiences, boosting satisfaction, engagement, and CLTV

Key Challenges:



Lack of Personalization



Customer Retention Issues



Competitive Pressure



Dynamic Customer Expectations



Time-to-Market Pressure

Objective:

- To develop a comprehensive Strategy to
- Deliver a Personalized Shopping Experience
 - Enhance Customer Satisfaction and Engagement
 - Drive Repeat Purchases and Retention
 - Increase Customer Lifetime Value (CLTV)

In Scope

- Developing a personalization feature to
 - Increase Customer Satisfaction
 - Boost customer engagement
 - Drive repeated purchases
 - Increase CLTV
- Here, ecommerce does not include re-commerce (refurbished ecommerce), or quick ecommerce

Out of Scope

- Feature was only designed keeping in mind the current users or already acquired users, it is not intended for attracting or onboarding new customers

Ecommerce Market Dynamics

Key Changes (2017-2024):



Revenue increased from \$13.31m to \$58.97m



Users increased from 69.3m to 238.3m



Online shopping increased from 1.2% to 3.3%



Mobile usage increased from 68.8% to 81.2%



ARPU increased from \$192.20 to \$247.50

Understandings:

- Revenue increased by 342.9% demonstrating a strong upward trajectory in market size and consumer spending power
- Users grew by 243.9% highlighting the penetration of e-commerce into a broader demographic
- Online shopping showed a growth of 175% indicating a marked shift in consumer behavior towards digital platforms
- The growing reliance on mobile devices (18.1% growth) underscores the importance of mobile-first strategies for e-commerce businesses.
- ARPU showed 28.8% increase, signifying that customers are spending more per transaction, potentially due to increased trust and convenience in online shopping

Personalization

Drivers

Decision Fatigue

Convenience

Technological Drivers

Customer expectations

Hygiene factor

Benefits

- Modern personalization spans the entire customer journey, offering individualized interactions at every touchpoint
- Personalized strategies can increase customer satisfaction by 20%, sales conversion rates by 10-15%, and employee engagement by 20-30%
- Successful customer experience provide returns three times higher to shareholders compared to low-performing peers

Scope



Boosting Metrics



Cost Savings



Successful Case Studies

amazon

Amazon's Personalization Success

- Tailored Recommendations:** Uses advanced analytics to suggest complementary products and personalized bundles for individual customers
- Granular Approach:** Consistently innovates with detailed, data-driven personalization to enhance user experience

SEPHORA

Sephora's Omnichannel Personalization

- Digital-Physical Synergy:** Mobile app integrates virtual try-ons, personalized recommendations, and in-store profiles for seamless shopping
- High Impact:** Combines data and personal touch to rank consistently as a top retailer in personalization indices

NIKE

Nike's Individualized Experiences

- Product Customization:** Platforms like Nike by You enable customers to design shoes and apparel with real-time 3D previews
- Seamless Omnichannel Integration:** NikePlus membership offers personalized services, curated collections, and mobile-first checkout

User Personas and User Stories

Data Sources

User Personas

User Stories



The Value Seeker

Bio:

- Age: 25-40
- Occupation: Middle-income professionals
- Location: Tier-2 and Tier-3 cities or budget-conscious buyers in metro areas

Behavior:

- Actively hunts for discounts and sales
- Spends time comparing prices and reading reviews before making a decision
- Shops periodically, especially during sale seasons or festive periods

Needs:

- Affordable yet quality products
- Transparent pricing and easy access to discounts
- A hassle-free shopping experience with minimal surprises

Pain Points:

- Overwhelmed by too many irrelevant product suggestions
- Frustrated by unclear pricing or hidden charges
- Difficulty finding deals that align with their needs in time-sensitive situations

- As a Value-Seeker, I want to receive personalized discounts and deals based on my preferences
- As a Value-Seeker, I want the platform to remember my favorite product categories (e.g., electronics or fashion)
- As a Value-Seeker, I want to be notified when products I have wishlisted or searched for go on sale
- As a Value-Seeker, I want to see clear comparisons between similar products with price and quality metrics



The Convenience-Driven Shopper

Bio:

- Age: 35-55
- Occupation: Upper-middle-income professionals, parents, or business owners
- Location: Suburban or urban areas, typically with families or busy schedules

Behavior:

- Shops for necessities like home essentials, or electronics
- Prefers quick, efficient browsing and purchasing processes
- Often repeats purchases of known products

Needs:

- Streamlined shopping experience with minimal clicks
- Reliable product recommendations for household or essential items
- Real-time updates on product availability and delivery schedules

Pain Points:

- Frustration with cluttered interfaces or irrelevant suggestions
- Irritated by delays in delivery or unavailability of essential items
- Struggles with complex checkout processes or unreliable customer support

- As a Convenience-Driven Shopper, I want to reorder my frequently purchased items with one click
- As a Convenience-Driven Shopper, I want to receive recommendations for complementary products (e.g., batteries for electronics I buy)
- As a Convenience-Driven Shopper, I want an intuitive interface that highlights trusted products with high ratings
- As a Convenience-Driven Shopper, I want access to quick, responsive customer support

Transaction Data:

- Purchase history
 - Discounts used
 - Repeat purchases
- Highlights shopping behavior and provides insights into customer needs and preferred product categories

Behavioural Data:

- Browsing behavior
 - Wishlist activity
 - Feature engagement
- Reveals what users are looking for and their frustration points

Survey Data:

- Feedback on shopping experience
 - Cart to payment ratio
- Identifies pain points like unclear pricing for value seekers

Social Media and Reviews

Offers real-world validation for personas and stories and authentic customer opinions on what works and what doesn't

User Story	Reach	Impact	Confidence	Effort	RICE Score
Value-Seeker: Receive personalized discounts	9	8	9	4	162
Value-Seeker: Notifications for wishlisted deals	8	9	8	4	144
Convenience: One-click reordering	7	7	8	3	130
Value-Seeker: Compare similar products	8	8	7	5	89
Convenience: Complementary product suggestions	7	7	8	5	78
Convenience: Trusted product highlights	7	7	7	7	49
Convenience: Responsive customer support	6	8	8	9	42

Feature	Priority	Justification
AI-powered personalized product recommendations	Must-Have	Core to addressing personalization, boosts satisfaction and engagement
Notifications for deals on wishlist items	Must-Have	Directly impacts repeat purchases and customer satisfaction
One-click reordering	Must-Have	High impact for convenience-driven shoppers, increases retention
Comparative product insights	Should-Have	Supports value-seekers in making informed purchase decisions
Complementary product suggestions	Should-Have	Drives cart size increase and customer satisfaction
Trusted product highlights	Could-Have	Adds convenience but is less critical in the early stages
Responsive customer support	Won't-Have for Now	Requires extensive backend resources; can be phased in later

MVP Features to Include

AI-powered personalized product recommendations

Core feature for differentiation and user satisfaction

Notifications for wishlist deals

High impact on retention and repeat purchases

One-click reordering

Crucial for convenience-driven shoppers

Comparative product insights

Addresses value-seekers' need for informed decision-making

Milestones and Deliverables

Milestone 1: Requirements Gathering and Planning

- Define clear objectives and success metrics
- Identify user personas
- Finalize the MVP feature set based on prioritization
- Create a project timeline and allocate resources

Milestone 2: Data Collection and Infrastructure Setup

- Set up infrastructure to collect and process customer data
- Integrate key data sources such as CRM, website analytics, and mobile app log
- Build or refine the data pipeline for real-time insights

Milestone 3: Prototype and MVP Development

- Develop core features:
 - AI-driven product recommendation engine
 - Wishlist notifications
 - One-click reordering functionality
- Create a working prototype for testing key features

Milestone 4: Testing and Feedback Collection

- Conduct internal testing (alpha phase) to ensure the platform is free of critical bugs
- Run a beta testing phase with a subset of loyal customers to gather feedback on usability and feature performance
- Use analytics tools to track user behavior during testing

Milestone 5: Marketing and Pre-Launch Preparation

- Develop a marketing strategy, targeting value-seekers and convenience-driven shoppers
- Create user tutorials and promotional content highlighting key features
- Set up pre-launch campaigns via email and social media to generate anticipation

Milestone 6: Official Launch

- Release the MVP to all users on both web and mobile platforms
- Monitor real-time analytics to measure initial user adoption and engagement

Milestone 7: Post-Launch Optimization

- Collect user feedback and analyze early adoption metrics (e.g., repeat purchases, NPS)
- Identify areas for improvement and create a backlog of new features or refinements
- Plan the next development phase to incorporate additional features

KPIs

- **Customer Satisfaction Score (CSAT)**
- **Net Promoter Score (NPS)**
- **Feature Adoption Rate**

Customer
Satisfaction



- **Customer Engagement Rate**
- **Personalized Notifications Sent** (Vanity Metric)
- **Wishlist Additions** (Vanity Metric)

Engagement



- **Repeat Purchase Rate (RPR)**
- **Customer Retention Rate (CRR)**

Retention



- **Customer Lifetime Value (CLTV)**
- **Average Order Value (AOV)**
- **Growth in App Downloads** (Vanity Metric)

Customer Value



User Feedback

In-App Feedback Mechanisms

- **Feedback Prompts:** Use non-intrusive pop-ups to collect feedback after key interactions, such as completing a purchase or using a personalized recommendation
- **Bug Reporting:** Include an easy-to-access option for users to report issues directly within the app

Surveys and Polls

- **Post-Transaction Surveys:** Gather insights after checkout to understand satisfaction levels and improvement areas
- **Periodic Polls:** Use short surveys to ask users about desired features or potential improvements

Social Media Listening

- Monitor mentions, reviews, and feedback on platforms like Twitter, Instagram, and Facebook to understand customer sentiment.
- Encourage users to share their experiences using specific hashtags

Customer Support Insights

- Collect data from customer service interactions (e.g., FAQs, complaints) to identify recurring issues or feature requests

Analysis

Differentiation

- Feature requests for future development
- Feature feedback

Feedback Categorization & Sentiment Analysis

- **Positive:** to identify strengths
- **Negative:** to identify pain points

Prioritization

- Using RICE method to focus on high-impact, high-reach issues that are feasible to solve

Trend Identification

- Track recurring themes or issues across multiple feedback channels to uncover evolving user needs or frustrations

A/B Testing

- Use feedback-driven hypotheses to test feature changes with A/B experiments and validate improvements before full implementation

Dashboard

- Implement dashboards that aggregate feedback metrics (e.g., CSAT, NPS, engagement rate) and provide actionable insights

Continuous Development Continuous Integration

Iterative Updates

- Use agile development cycles to release frequent updates addressing the highest-priority feedback
- Communicate updates clearly to users via release notes and in-app notifications

User-Centric Design Workshops

- Host co-creation sessions with diverse user groups to brainstorm and refine new features

Feedback Incentives

- Reward users who participate in surveys or beta tests with loyalty points, discounts, or exclusive access to features

Post-Implementation Monitoring

- Track usage and satisfaction metrics for newly implemented features to ensure they meet expectations

Build a Feedback Loop

- Continuously share findings from feedback with relevant teams (e.g., engineering, marketing) and close the loop by informing users how their input shaped improvements

Thank You!

