

Develop a strategy plan for increasing the Average Order Value on the company website.

Industry Context:

The E-Commerce Market size is estimated at USD 8.80 trillion in 2024, and is expected to reach USD 18.81 trillion by 2029, growing at a CAGR of 15.80% during the forecast period (2024-2029). As technology changes, many retailers are likewise having trouble figuring out how to successfully design a meaningful customer experience across many platforms. To improve the consumer experience, some of the major retailers have already launched specialized applications and e-commerce sites, while others anticipate that mobile users to adapt to their existing ecommerce sites.

On several e-commerce platforms, brands are counting on virtual shopping and experimenting with augmented and virtual reality retail. Consumers have no limits in the metaverse, a 3D virtual reality. People from all across the world can engage with products in a metaverse, irrespective of their location.

Mission/Vision of Wellness Shop:

The Wellshop Shop is B2C ecommerce company predominantly in the beauty and personal care segment. It has wide range of beauty products ranging from skin care, haircare, body care which are basically natural or chemical free in nature.

The company's mission is to blend ancient beauty secrets with modern convenience, providing high-performing and sustainable beauty and wellness solutions. Committed to addressing real problems faced by the customers, the company emphasizes transparency and results, aiming to contribute positively to the beauty industry. And as it is well said, clean beauty = non-toxic beauty

Goal/Objective:

The goal is to increase the Average Order Value metric by 20% in 3 months and this will help in increasing the overall profits and revenue of the company.

The focus could be on 3 areas : acquisition, engagement and monetisation. As the company is in its growth phase, so it is reasonable to acquire more users and keep the engagement of the customers with the products in the website.

User Segments:

The users can be segmented basis the below categories:

1. Demographic Segmentation:

Age: Targeting specific age groups, such as teenagers, young adults, or seniors.

Gender: Offering products tailored for men, women, or gender-neutral options.

Income: Catering to different income levels with products at varying price points.

Geographic Location: Adapting products for different regions or climates.

2. Behavioural Segmentation:

Usage Occasion: Offering products for daily use, special occasions, or specific events.

Brand Loyalty: Catering to brand-conscious consumers or those open to trying new brands.

Buying Patterns: Segmenting based on shopping behaviour, such as frequent buyers or occasional shoppers.

Based on the MECE framework, the users can be segmented based on the Age.

Users segmented by Age :

Teenagers (13- 19 years)

Young Adults (20 – 35 years)

Mid Adults (36 – 59 years)

Seniors (above 60 years)

User Persona 1

Name: Priya

Age: 28

Gender: Female

Location: Urban area in Mumbai

Occupation: Marketing Professional

Characteristics:

- Active and social, balancing work and personal life.
- Values natural and organic ingredients; eco-conscious.
- Enjoys a comprehensive skincare routine and minimal makeup for a natural look.
- Prefers cruelty-free and sustainably sourced beauty products.

Behaviour:

- Enjoys online shopping, looks for reviews and ratings before making a purchase.
- Open to trying new brands but tends to stick with those that align with her values.
- Uses beauty products daily and opts for special treatments on weekends or before events.

Needs & Motivations:

- Achieve healthy and radiant skin.
- Values self-care and believes in the transformative power of quality beauty products.
- Balancing a busy work schedule makes her appreciate time-saving beauty solutions.
- Seeks products with minimal environmental impact.

User Persona 2

Name: Aarav

Age: 34

Gender: Male

Location: Bangalore, suburban area

Occupation: IT Professional

Characteristics:

- Busy professional with a focus on career, health, and fitness.
- Values efficiency and practicality; looks for quick and effective grooming solutions.
- Adopts a straightforward grooming routine with minimal but effective products.

Behaviour:

- Prefers online shopping for convenience; tends to stick to trusted brands.
- Loyal to brands that offer reliable and time-efficient grooming solutions.
- Uses grooming products daily, with an emphasis on ease of use.

Needs and Motivations:

- Maintain a well-groomed appearance while balancing a demanding work schedule.
- Values grooming as a part of overall self-care and professional presentation.
- Faces time constraints due to work commitments, seeking efficient grooming solutions.
- Deals with occasional skin dryness due to varying weather.

User Journey Map:

1. Sign in / Sign up to the website
 - a. Existing User
 - i. Email
 - ii. Facebook/Google
 - b. New User
 - i. Email
 - ii. Facebook/Google
2. Click for specific products for hair, face, body, wellness
 - a. By Category
 - b. By Concern
3. Click on Product Listing Page
 - a. Ratings and No of Reviews
 - b. Pricing
 - c. Product images
 - d. Highlights of product and Description
 - e. Product Details
 - f. Promotion offers
 - g. Add Quantity
 - h. Add to Cart
 - i. FAQs
 - j. Customer Reviews

- k. Customer who bought this product also bought
4. Checkout page
 - a. Apply coupons
 - b. Enter Shipping address
 - c. Confirm Order details
 - d. Delivery Dates
5. Payment details
 - a. Payment methods
 - i. UPI
 - ii. Cash of Delivery
 - iii. CC/DC
 - iv. Netbanking
 - v. Digital Wallets
6. Order Confirmed
7. Email notification and SMS

Pain points:

1. Users are unable to decide which product would suit their skin type.
2. Users are looking for pocket friendly skincare products
3. Users are unable to identify the skincare/haircare routines which will best suitable for them.

Solutions Proposed:

1. Product Recommendations:

- Implement intelligent product recommendations based on customer browsing and purchase history to encourage additional items.

2. Loyalty Programs:

- Launch a loyalty program that rewards customers for higher spending. Offer exclusive discounts, early access to sales, or points that can be redeemed for future purchases.
- Provide incentives for customers to reach specific spending milestones, unlocking exclusive perks.

3. Free Shipping Thresholds:

- Set a minimum order value to qualify for free shipping. Many customers are likely to add more items to their cart to avoid shipping costs.
- Display a prominent message indicating how much more they need to spend to qualify for free shipping.

4. Limited-Time Offers and Urgency:

- Create a sense of urgency or fear of missing out through limited-time offers, flash sales, or countdowns.

- Display real-time notifications about low stock or expiring discounts to encourage immediate purchase decisions.

5. Personalized Discounts and Offers:

- Use customer data to personalize discounts and offers. For example, offer a discount on a customer's favourite product or a product they've shown interest in.
- Send personalized emails with special promotions based on past purchases and preferences.

6. Gamification:

- Introduce gamification elements, such as earning points for certain actions or achieving specific spending milestones.
- Organize contests or challenges that encourage customers to increase their AOV for a chance to win prizes.

7. Post-Purchase Offers:

- Implement post-purchase offers, providing customers with exclusive discounts on their next purchase.
- Encourage customers to return by offering discounts or promotions that are valid for a limited time after their initial purchase.

8. Dynamic Pricing and Discounts:

- Implement dynamic pricing strategies based on factors like demand, inventory levels, and customer behaviour.
- Offer time-sensitive discounts that adjust based on the customer's behaviour, like abandoning their cart or revisiting the site after some time.

Prioritization of Solutions based on RICE framework:

Solutions Proposed	Reach(1-5)	Impact(1-5)	Confidence(%)	Effort(1-5)	RICE Score	Rank
1. Product Recommendations:	5	5	100%	4	6.25	4
2. Loyalty Programs:	5	3	80%	2	6	5
3. Free Shipping Thresholds:	3	3	100%	1	9	2
4. Limited-Time Offers and Urgency:	5	4	100%	2	10	1
5. Personalized Discounts and Offers:	5	4	100%	4	5	6
6. Gamification:	4	5	100%	3	6.67	3
7. Post-Purchase Offers:	3	4	80%	2	4.8	7

8. Dynamic Pricing and Discounts:	3	3	80%	4	1.8	8
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Based on the prioritization, we will focus on building the below features in Sprint 1:

- Limited-Time Offers and Urgency:
- Free Shipping Thresholds:
- Gamification:
- Product Recommendations:
- Loyalty Programs:

Success Metrics:

- Average Order Value
- Conversion rate
- Cart Abandonment Rate
- Gross Margins
- Average revenue per customer
- Churn rate

Go to Market Strategy:

1. Feature Development- For both features we will do extensive user research and study the user trends. Post that we will begin with design and technical development.
Criteria : No bugs in the final testing week
2. Pre-Launch- We will release both features for early cohort of 1% of customer base.
Criteria : At least 50% of customers disappointed if features were taken away
3. Beta Launch- We will release features for early cohort of 10% of customer base
Criteria : Increased engagement with the features
4. Feedback- The feedback can be taken from users by means of surveys and interview with sample users.
Criteria : Features improved as per feedback and no bugs in the final testing
5. Release- After making the changes as per feedback, we will roll out the final versions of the features

