

CASE STUDY



PRODUCT



RETAIL SEGMENT

Pure Play

CHALLENGE

Prior to launch in June 2012 SHOP.CA, Canada's #1 multi-channel marketplace sought a robust automated merchandising solution that could manage, and keep pace with its massive product catalog.

2013 RECS PERFORMANCE

- ▶ **13%** of sales attributable to recs in 2013; as high as **18%** sales in some periods

Q4 2013 ENGAGEMENT PER VISITOR

- ▶ Avg. time on site: **6** minutes
- ▶ **24** product views per visit
- ▶ **5.6%** add-to-cart rate

5.6%

Add-to-Cart Rate



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– Gary Black

CTO
SHOP.CA

As the first multi-merchant marketplace built for—and managed by—Canadians, SHOP.CA provides Canadians with the brands, products and services they need and want from trusted retailers, manufacturers and service providers, all through one universal shopping cart and one account.

Prior to the site's launch in June 2012, SHOP.CA's top priority was to find an automated merchandising solution that could manage a gargantuan product catalog—consisting of over 26 categories featuring 1,800 brands (at the time).

CTO Gary Black honed in on several key criteria when it came to selection—proven track record, sophisticated algorithms and scalability. His team considered the add-on personalization solution available through SHOP.CA's existing analytics provider, as well as another multi-channel personalization vendor popular with mid-size retailers.

Ultimately, the selection came down to scalability, based on his knowledge that SHOP.CA's product catalog would continue to expand rapidly. "We selected RichRelevance because we have a very large catalog which is difficult to merchandise manually. Another vendor we looked at had limitations on the size of product catalog you could feed them, and felt nervous with a catalog with more than 30,000 SKUs. That was a deal-breaker," says Black.

Implementation for onsite recommendations was "quick and painless" and completed within six weeks; implementation for email recommendations followed suit one year later.

Personalization that grows and matures with the business

Reflecting on the growth of SHOP.CA (now representing 5,000 brands from 2,800 sub-categories and 28 top-level categories such as apparel, electronics, books, auto parts, etc.), Black highlights the second half of 2013 as a watershed period for the business.

"The quality and breadth of the supply side of our marketplace really took off, with leading brands and manufacturers coming to us. At the end of our first true year of business, performance really got into a groove," he says.

Personalization was pivotal throughout the marketplace's growth and ascension. "RichRelevance was there from the get go. Performance of our recs went up nicely in tandem with our growth," says Black.

In his original plan, Black and his team made an assumption that recommendations would generate 10% of attributable sales. That assumption was quickly proven wrong. "There were days when our attributable sales from recs were as high as 18%, and RichRelevance delivered the highest attributable sales of any marketing channel we had," says Black. SHOP.CA also leverages other marketing channels, including paid search, email marketing, display advertising, retargeting, Facebook and Twitter ads and a large affiliate network.

Speaking to Canadians as Canadians

As the first multi-channel marketplace in the country, SHOP.CA wanted to drive home that this was a site built for and managed by Canadians.

Many online Canadian shoppers engage in cross-border trade and shop from US retailers, incurring service-related challenges in the process. SHOP.CA prides itself on its catalog assortment (compared to other retailers); its customer service, which is based in Canada (with in-country deliveries and returns, and no cross-border brokerage fees); and its loyalty program, which rewards shoppers with every purchase or social activity that leads to purchases. All of these represent crucial differentiators for shoppers comparing SHOP.CA to other online marketplaces like Amazon and eBay.

To maintain a competitive advantage, Black aims to leverage personalization to not only increase conversion, but to also drive engagement. "Personalization is ultimately an important driver towards conversion, but prior to conversion, we look at key metrics like time on site, number of product views per visitor, how many add-to-carts per visitor." With RichRelevance, he's seen performance increases in average time spent on site, product views per visit, and add-to-cart rate.

Messaging used in recommendations also reflects Canadian pride, with customized language such as "Canadians Who Bought Items In Tablets Also Bought..." or "Canadians with Similar Interests Viewed..."

All in all, SHOP.CA has embodied the spirit of personalization to instill homegrown pride in its shoppers, while finding a partner in RichRelevance to drive engagement and conversion as its business continues to grow.

Canadians Who Viewed Lenovo IdeaTab Tablet Also Viewed

The screenshot shows a carousel of product recommendations. The first item is a Lenovo Ideacentre horizon tablet pc - 27" - intel - core i7... priced at \$1,599.99. The second item is a Lenovo Idea yoga tablet 10 - 16gb - 10.1" hd screen priced at \$299.99. The third item is a Samsung galaxy tab 3 10.1 with intel atom processor priced at \$399.00. To the right, a 'Top Sellers' section is visible, listing items like a bed sheet for \$39.99, a curling iron for \$89.99, a sandwich maker for \$29.99, an electric toothbrush for \$29.99, a thermostat for \$249.95, a Sonicare toothbrush for \$99.99, and a PS4 game for \$69.99.

Want to learn more?

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