Case Study

An Enterprise case study from Nabler

Lifting Black Friday Revenue By 17% Through Predictive Analytics

Introduction

- The client is a leading electronics retailer in North America.
- Black Friday weekend was approaching and the client wanted to increase revenue during this critical festive season.
- Nabler utilized predictive analytics to identify the key products, traffic requirements and expected incremental product views in order to boost revenue.
- Nabler's insights proved profitable with a remarkable increase in average order value and basket size.

The Need

Black Friday weekend is one of the busiest times of the year for online retailers, generating a whopping one-fourth to one-third of their annual revenue during the week. Considering the significant percentage of revenue that gets generated during the week, both brands and retailers plan exclusive budgets and promotions well ahead of time to capitalize on the action happening through the week.

A leading electronics retailer in North America approached Nabler with an objective to improve its average order value by 20% and basket size from one to three items for the Black Friday weekend. The client provided the list of products promoted during the Black Friday week of the previous year for reference and the target revenue it planned to achieve during the current year.

The responsibility of Nabler's team was to come up with a list of products to be promoted during the current year with traffic estimates required for the products to reach the target revenue.

About Nabler

Nabler is a solutions-focused digital analytics consulting firm that assists enterprises and media agencies in leveraging the best out of their digital infrastructure by playing a consultative role throughout their digital maturity journey.

Founded in 2004, with offices in Charlotte (USA) and Bangalore, Nabler has consulted some of the top 100 global brands and Fortune 500 firms.

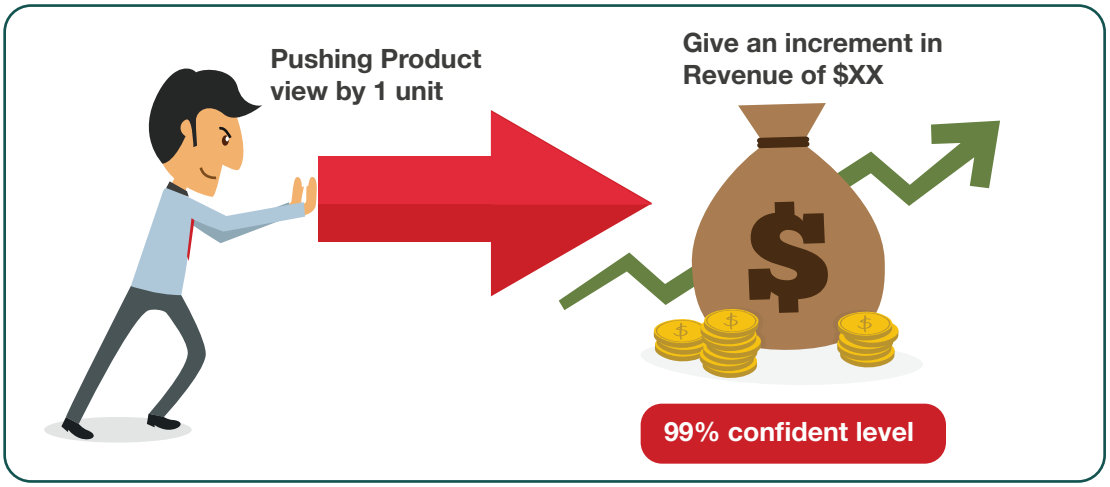
To talk more about your needs, write to info@nabler.com

The Solution

The predictive analytics consultants at Nabler helped the client find answers to solve these business challenges through complex data modeling procedures. Our primary objective was to identify the right data set in order to maximize the revenue generation.

The approach taken by the predictive analytics team was:

- Previous year's Black Friday transaction data was used as the basis for the exercise since the purchase behavior of the customers is very different between non-festive season and during Black Friday.
- Multi-level segmentation techniques were applied to segment products based on the behavior and sales metrics.
- Statistical tests were used to identify high-value segments within the data clusters. Eliminating outliers within the high-value segments, the ideal list of products was derived.
- With details of the ratio of revenue received in the previous year, the revenue target for the current year was estimated. The team then used regression techniques to estimate the traffic required to achieve the target revenue.
- The final deliverable contained the list of products, an estimate of the traffic required, and an estimate of the lift in revenue that can be expected for every incremental product view.



The Benefits

As an outcome of the above methodology, the client was able to:

- Boost the average order value from $85 to $120.
- Increase the units per transaction from one to three products.
- Grow the inventory in the warehouse by 15%.
- Lift the overall revenue by 17% during the holiday season as compared to the previous year.

The Perfect Digital Analytics Partner

Nabler enables marketers take advanced data-driven decisions and boost the effectiveness and success of their digital properties including websites, social media, online platforms, digital devices, web or mobile-based applications, and more. Combining progressive analytics practices, technology, and domain expertise, our custom solutions help clients connect data and insights with business decisions.