ActivInstinct's overall revenue increases by 8.6% thanks to product ranking optimisation

55 the data company

CLIENT:

ActivInstinct

SECTOR:

Online Retail

+10-20%

in conversion rate

+8.6%

In overall revenue

+7.9%

in margin

ActivInstinct is a leading online retailer

of performance sports and outdoor equipment, that is part of the JD Sports Fashion Plc group and has online international operations.

ActivInstinct offers a wide variety of specialised equipment, with a large online inventory. Due to this broad selection, the chances that a consumer will browse through the entire inventory are slim. Optimising the display of products on their website is therefore a key issue for this pure e-commerce player.

How can we optimise the selection of displayed merchandise so as to uplift sales and optimise user experience?

Algorithmic merchandising: fifty-five created Rank. This solution calculates the optimal ordering of products in order to prompt consumer interest on the first few pages. Rank facilitates the user's shopping experience and maximises the chances of them purchasing.

Methodology: using machine learning algorithms, Rank is able to predict product performance based on 4 things:

1. The website's activity
2. The items' pricing
3. Product performance data sets
4. The following day's stock data

Rank's statistical calculations are based on non static data so as to produce a precisely optimised ranking of products everyday.

Proof of concept: Rank was implemented on certain sections representing 50% of ActivInstinct's traffic. This allowed fifty-five to compare the performance of sections running with Rank to that of regularly ordered sections and to prove its effectiveness.

fifty-five data scientists also conducted A/B tests to measure the efficacy of optimised lists against lists that didn't run Rank.

Continuous learning process: 10% of visitors are subject to a randomised shuffling of products in order to collect learning data sets. This enables to collect product popularity data sets independently from environmental variables. This allows algorithms to "learn" and make predictions that are always precisely based on current product data.
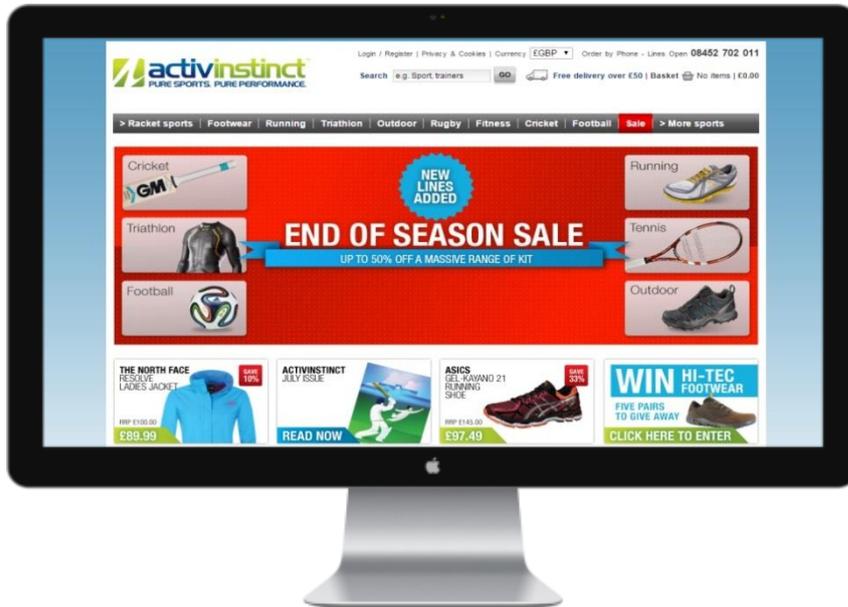
Results: fifty-five's use of comparative testing methods allows to precisely measure Rank's impact on conversion rates, and its effectiveness in uplifting sales and overall revenue is undoubtable. The categories handled by Rank have been doing consistently better than the regular lists.

After running Rank for a few months, fifty-five drove ActivInstinct's conversion rates up by 10-20%. ActivInstinct's overall revenue increased by 8.6%, and their margin by 7.9%.

As of now, and based on a successful proof of concept (POC), Rank is running on a larger portion of ActivInstinct's inventory and impacting a wider share of traffic. 70% of all users will now be viewing fifty-five lists, optimised by Rank, and the observed improvements are expected to multiply by 4.4, increasing ActivInstinct's overall sales and revenue drastically.