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The Growth Marketing Conference

How ShopRunner Uses Recommendations to Drive Retention

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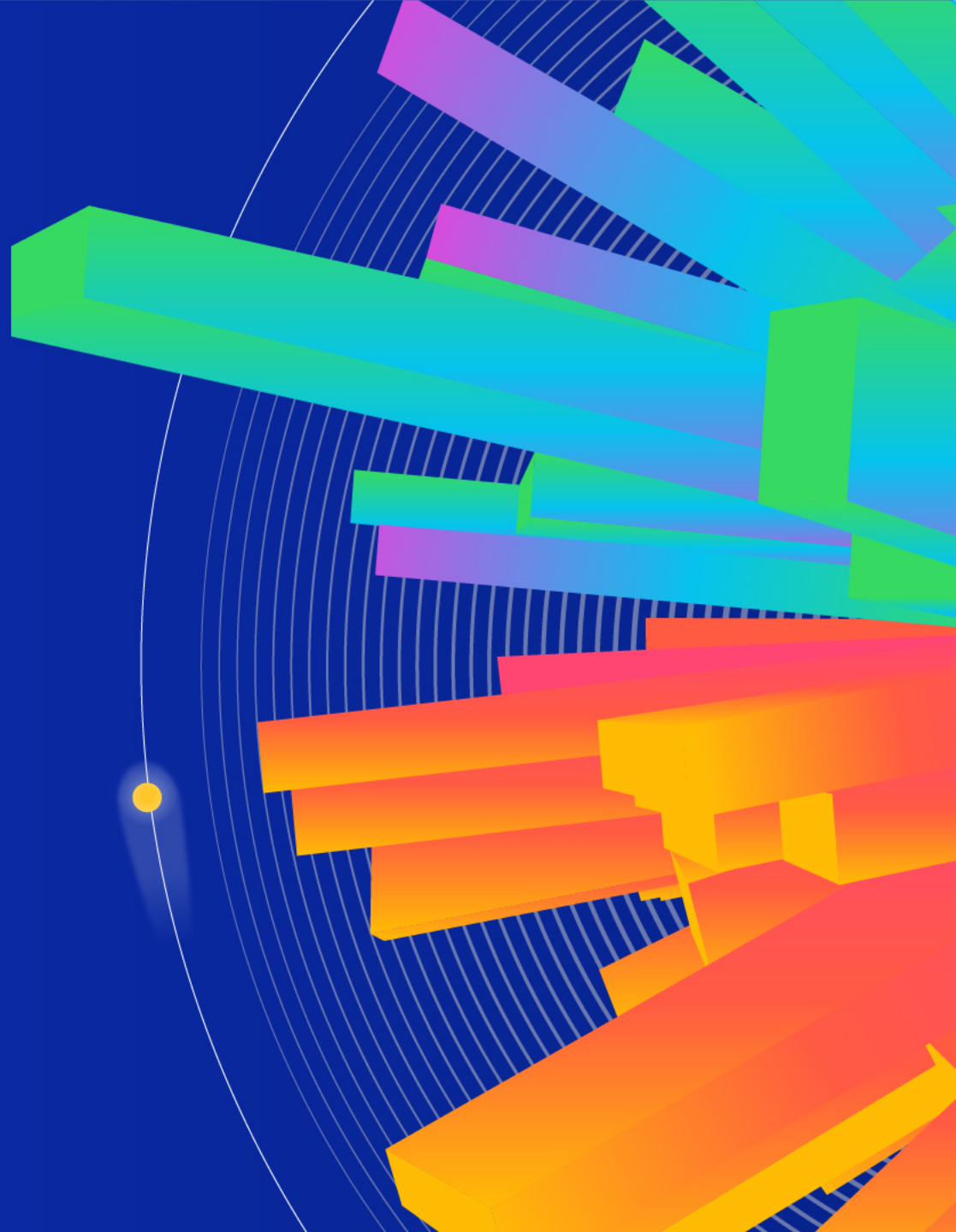
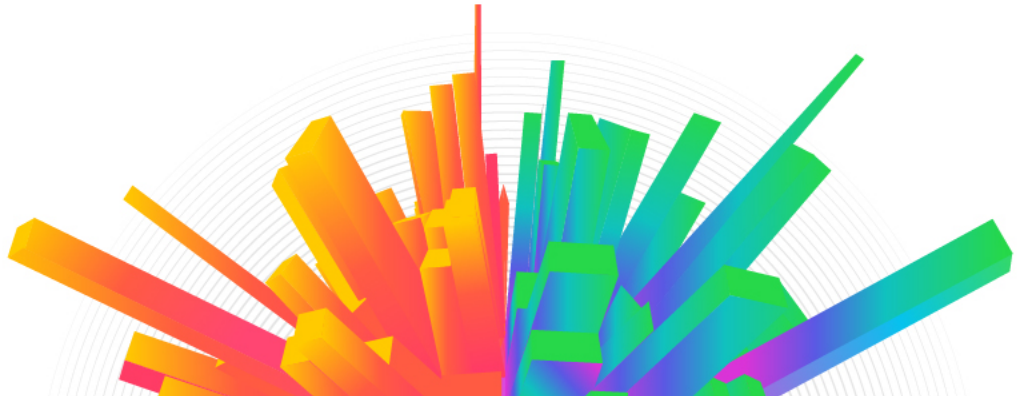
SHOPRUNNER

Presented by: iterable



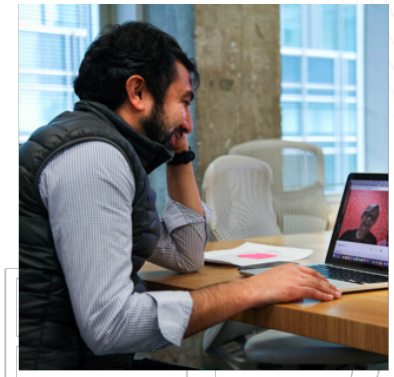
Our Agenda

1. ShopRunner 101
2. Why Recommendations?
3. Data Feeds, Custom Events, & Workflows
4. So How'd We Do?



ShopRunner 101

- A service that provides free 2-day shipping across 100+ retailers
- We're hiring!
- Go to shoprunner.com/free to sign up, you'll never be charged 😎



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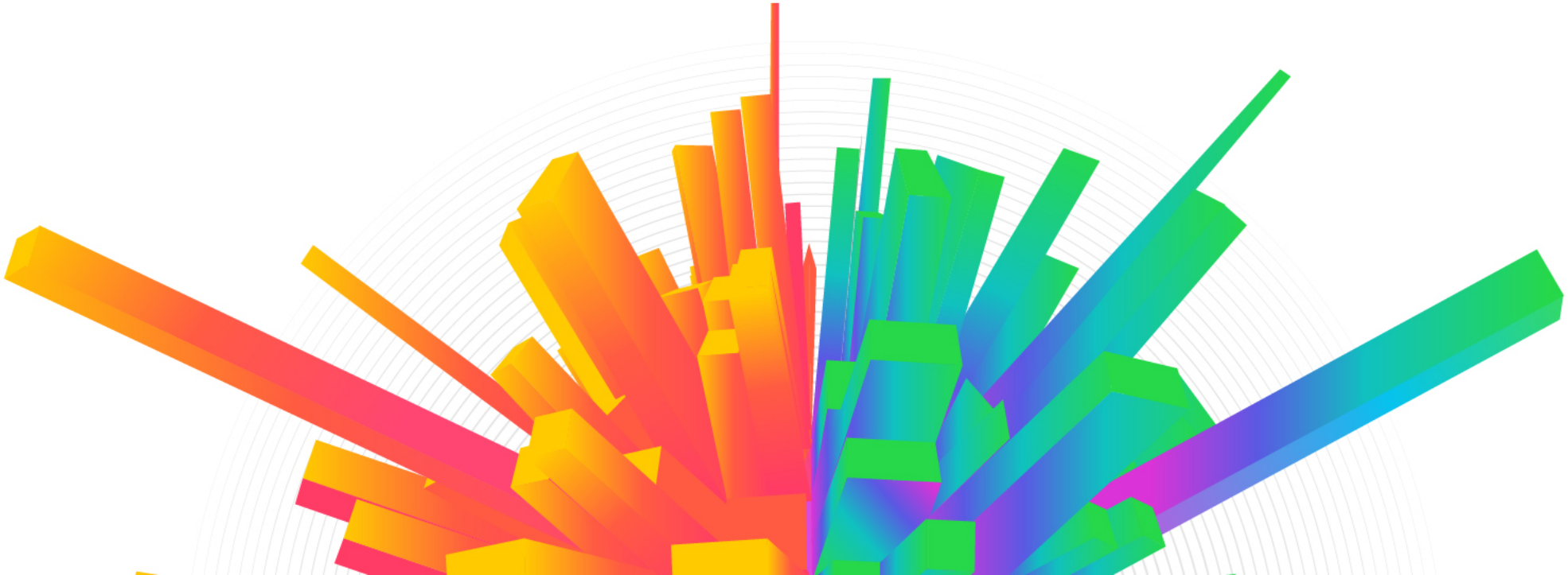
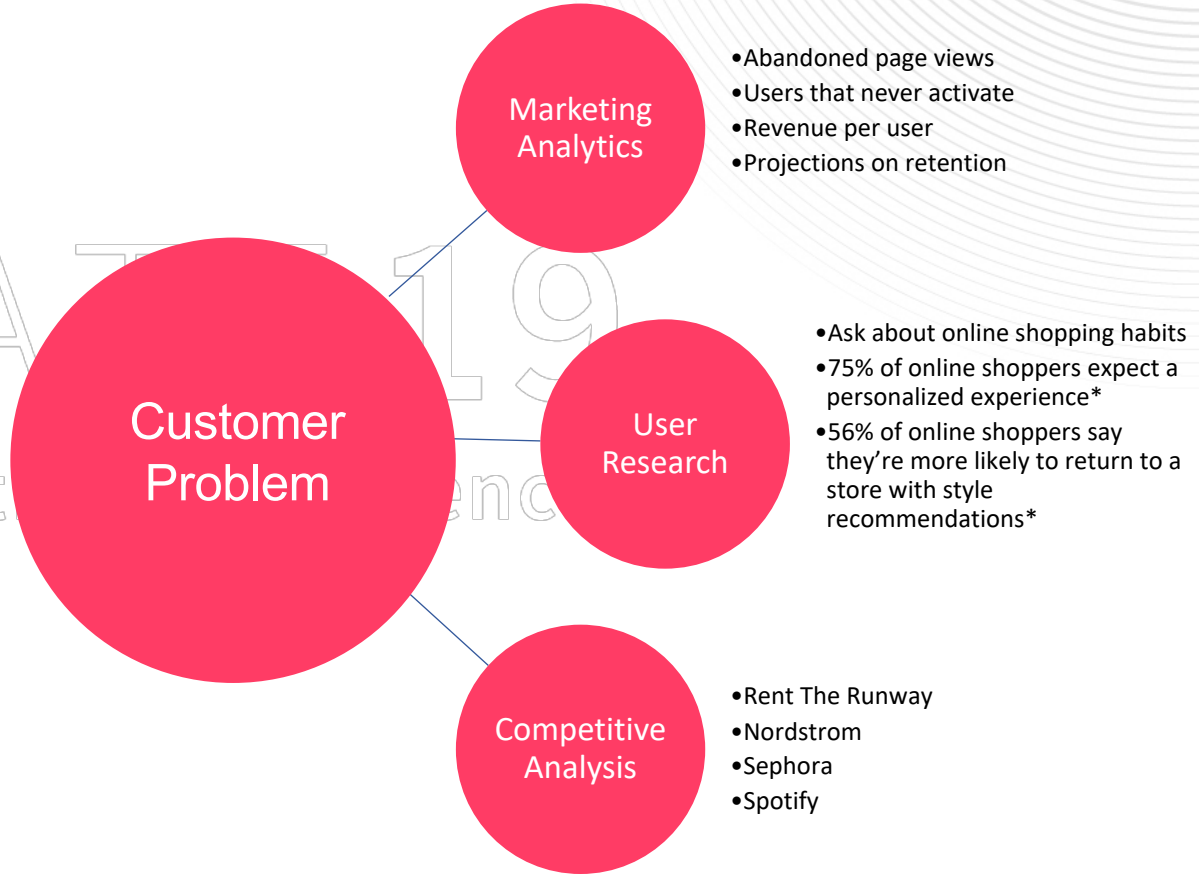
Why Recommendations?



Understanding the Customer Problem

- Look for user stories in your marketing analytics
- User research: just ask them!
- Know what the best of the best are doing with competitive analysis
- Problem: Users have trouble finding what they love
- Solution: Hyper-personalization



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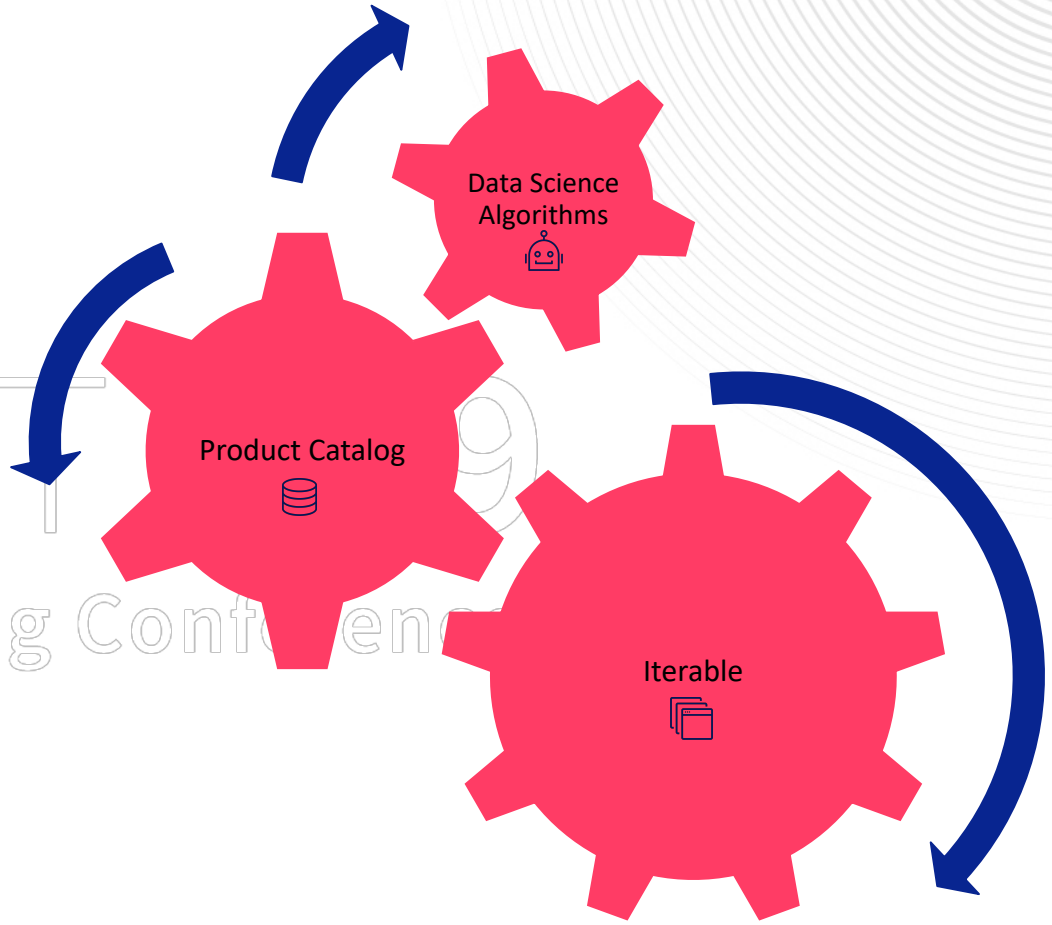
Before You Start

- **A Standardized Product Catalog** so that you have an array of items to show for recommendations
- **Data Science Algorithm**s to power the recommendations
- **Iterable** for audience targeting, trigger events, sending, and reporting



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Trending Products

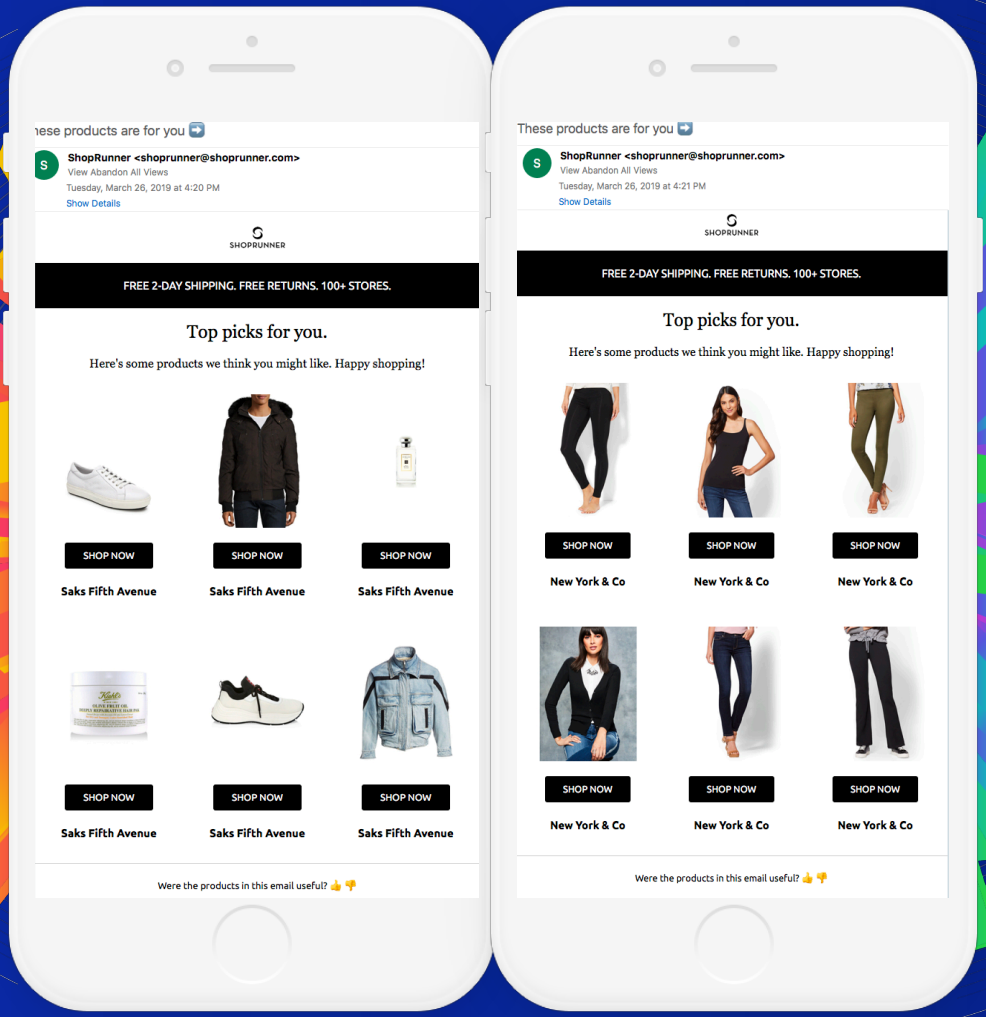
- Algorithm looks for % change over time in the popularity of items
- Demographic and behavioral information about user isn't required for MVP
- Opportunities for additional filtering: gender, product category, price tier, brand

Visual Similarity

- Takes a seed product and looks for other products that look like it
- Great for customers that are already in the purchase funnel via cart/browse abandonment campaigns
- Requires an interaction with a specific product

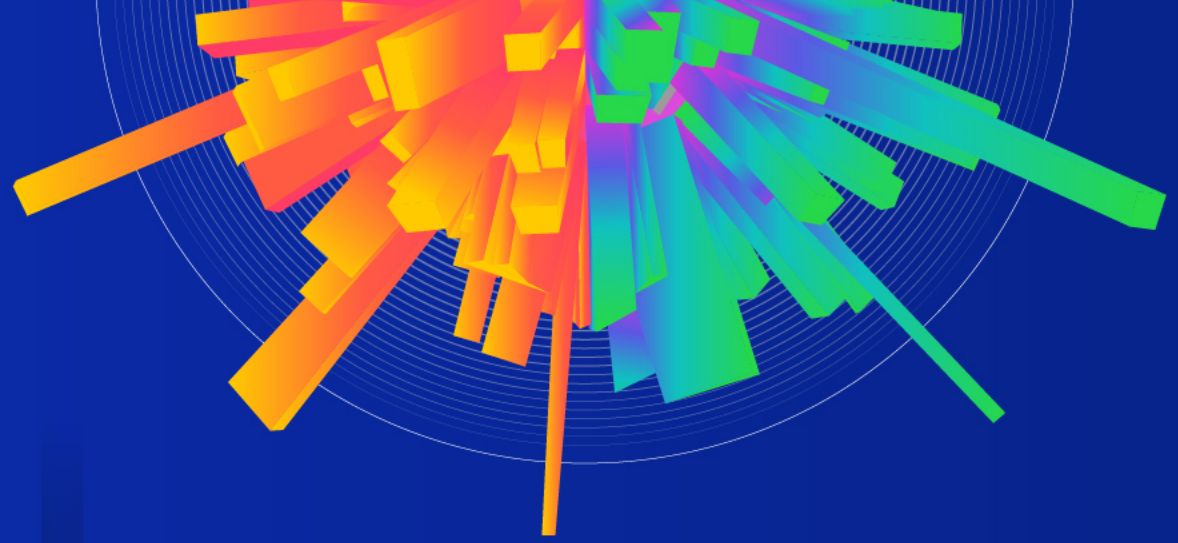
User-Based

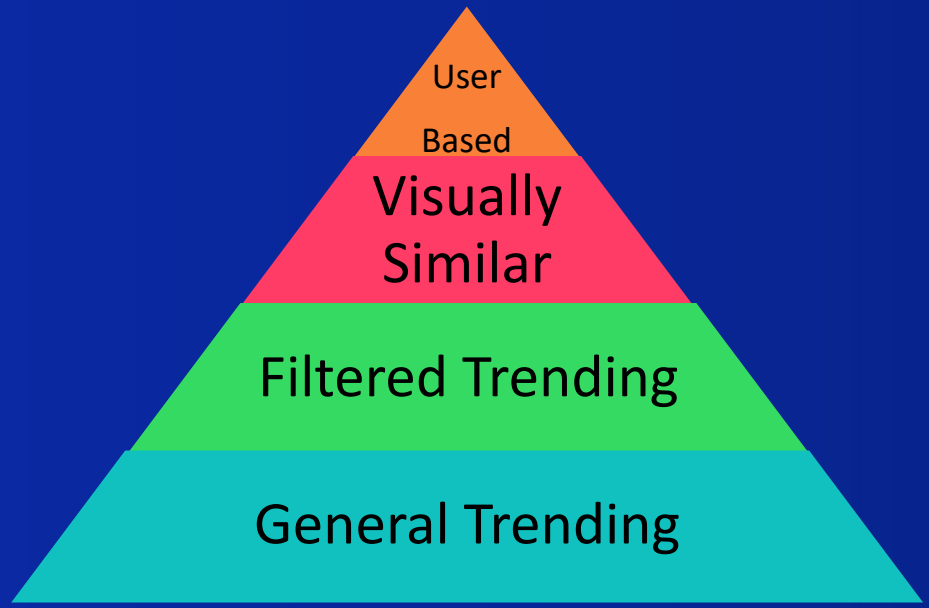
- Takes a seed user and makes product recommendations based on a collection of their web interactions, like:
  - Products viewed
  - Brands purchased
  - Stores clicked on via email
  - Categories favorited during onboarding
- High quality recommendations
- Difficult to get to the minimum number of interactions required to make recommendations



Personalizer

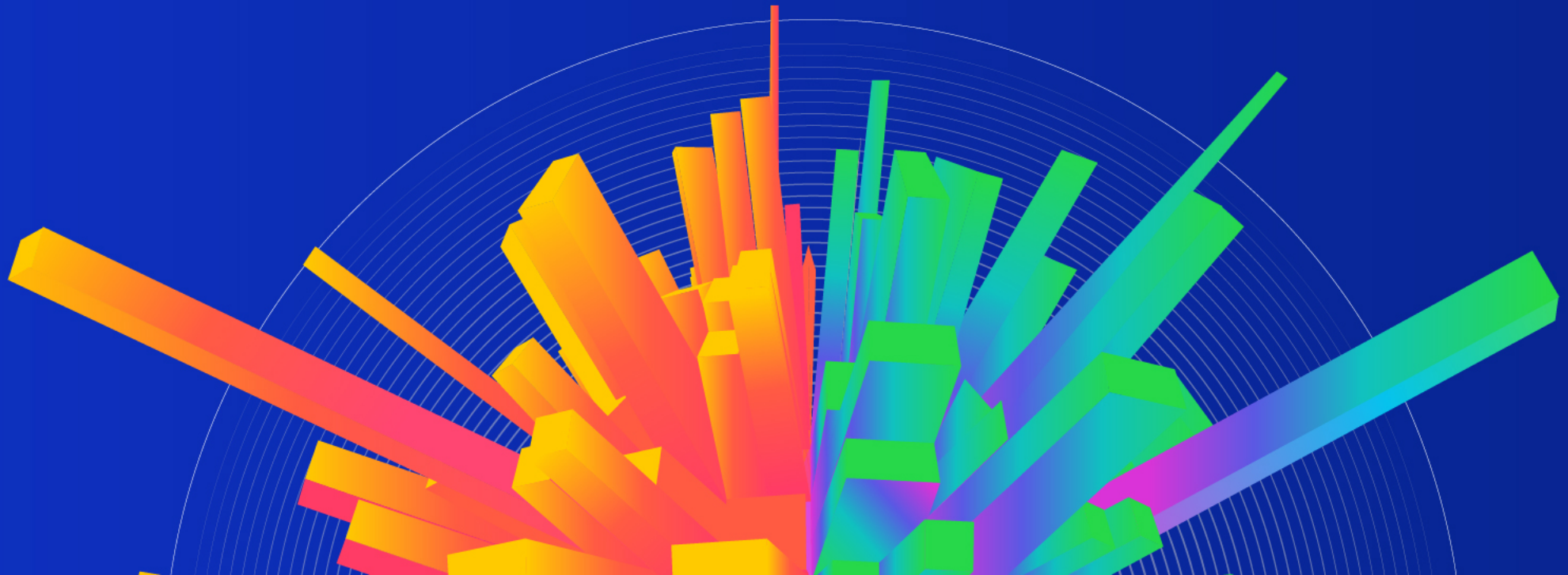
- We have limited data on inactive users, making it difficult for them to qualify for User-Based or Visually Similar
- Personalizer scans the user profile for available interactions and based on what it finds, selects an algorithm
- Fallback model is useful for scaling recommendations to the max number of users





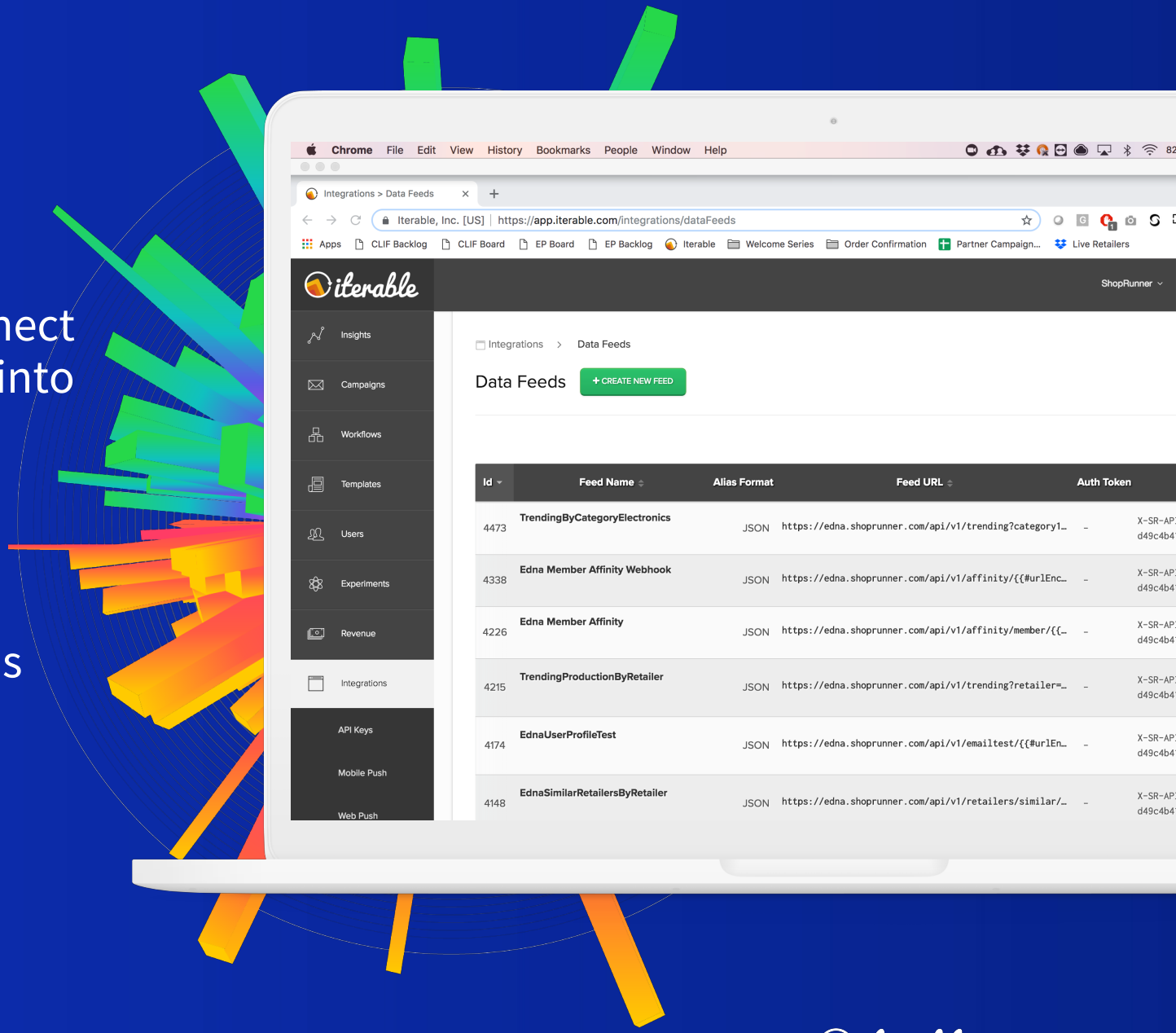
YOU GET A RECOMMENDATION!
AND YOU GET A RECOMMENDATION!

Data Feeds, Custom Events, & Workflows



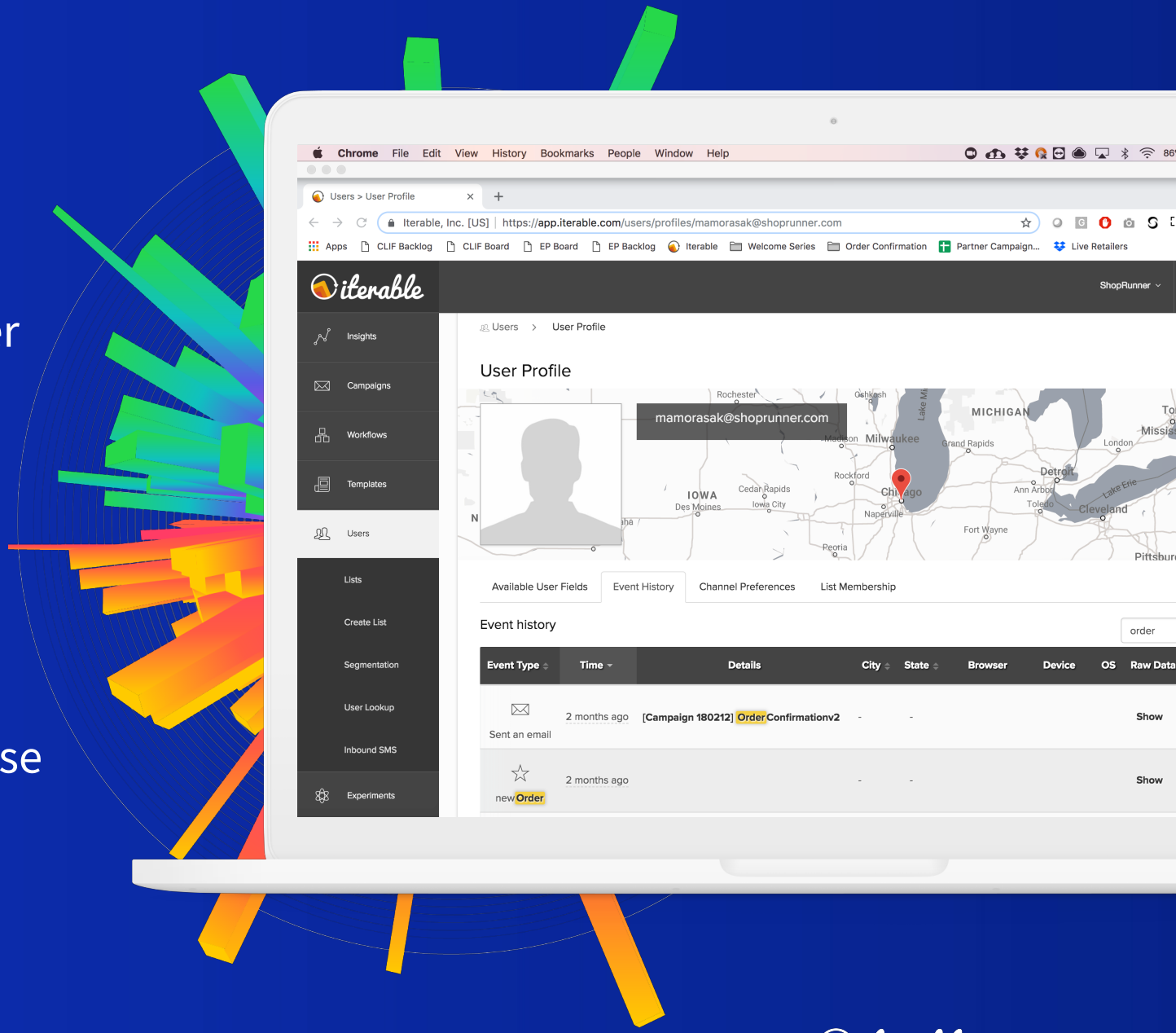
Data Feeds

- Data scientists & engineers connect their recommendation engines into Iterable's Data Feeds, allowing marketers unlimited access
- Individual data feeds for each recommendation type
- Ability to use multiple data feeds per campaign
- Real-time recommendations generated at the time of send



Custom Events

- Identify the events in a customer lifecycle that matter to your business
- Use these events to trigger messages containing recommendations
- Make your events as specific as possible, so that you can later use logic to string multiple events together



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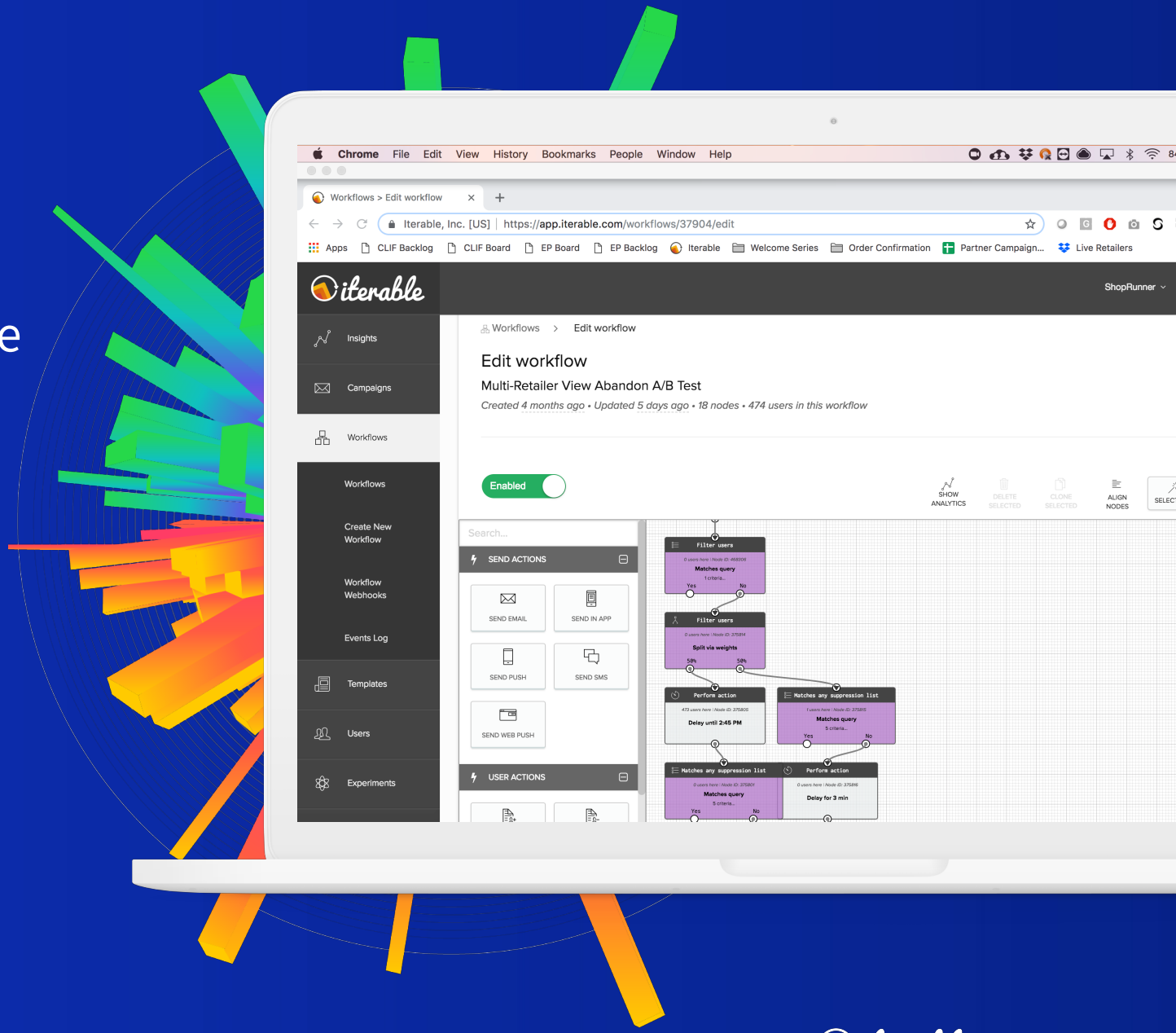
Workflows

- The tool used to construct the customer journey
- Connect custom events
- Add segmentation and A/B testing without engineering help



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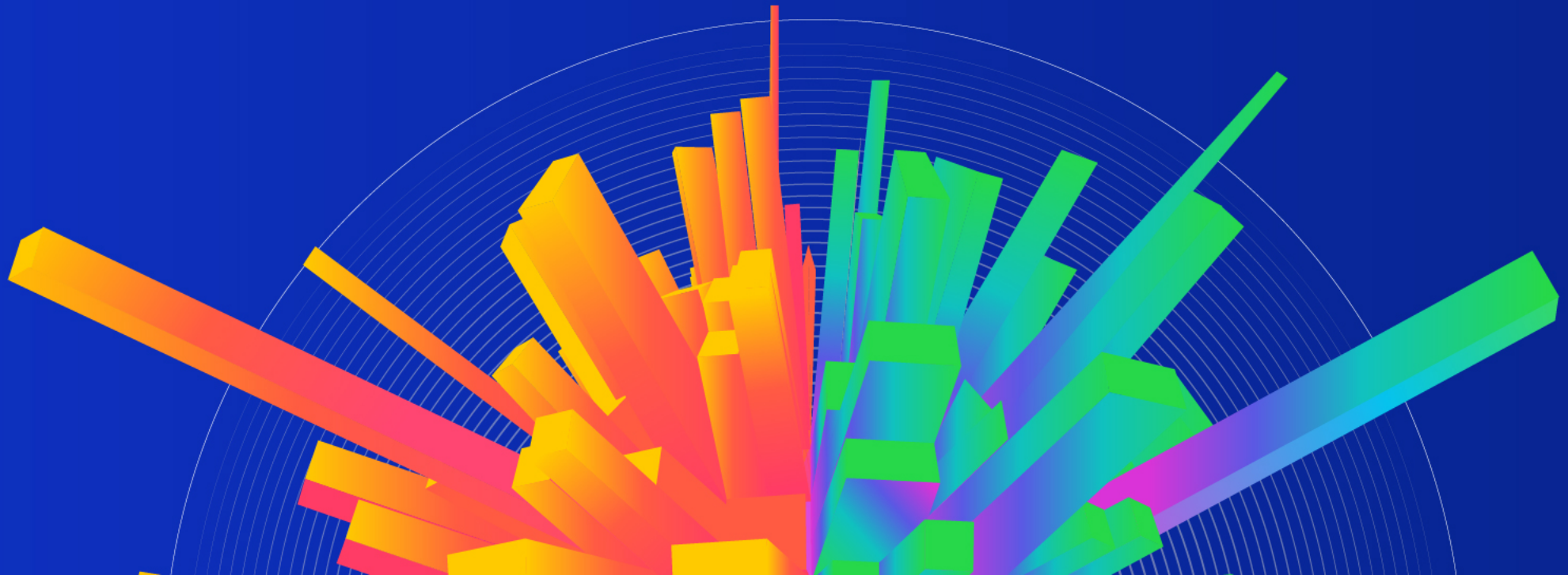
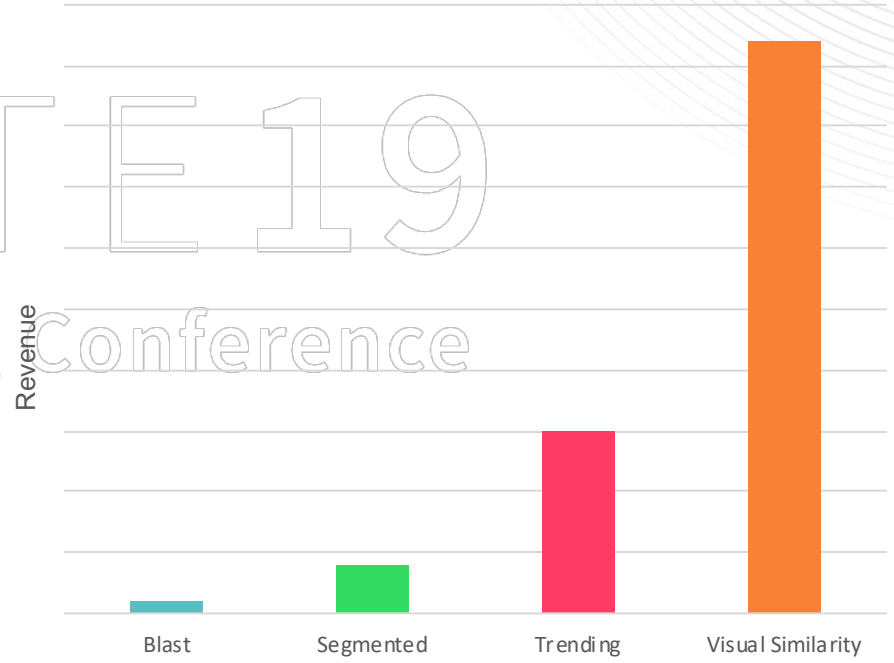
So How’d We Do?



Quantified Results

- Revenue Per Email Sent is a metric that measures relevancy and resonance with users
- The more individualized the recommendation engine, the higher the Revenue Per Email Sent
- No statistically significant reporting for User-Based or Personalizer yet

Revenue Per Email Sent by Recommendation Type



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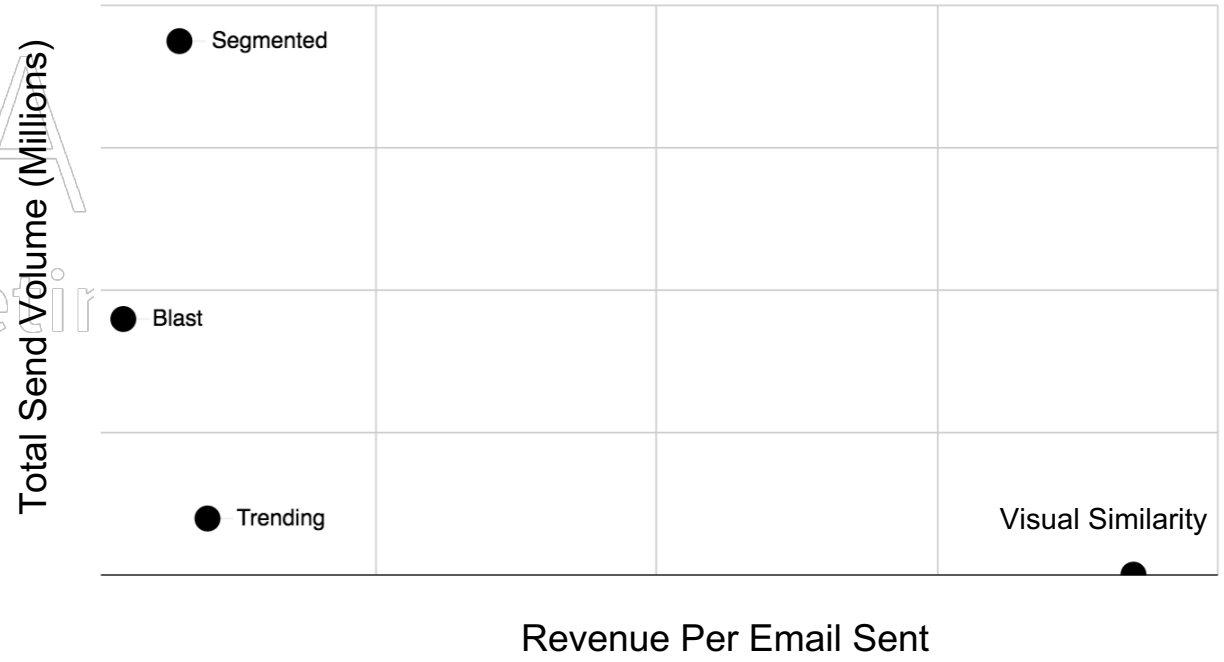
Quantified Results

- The efficacy of personalization is clear, but scaling and volume pose challenges to move the needle
- At ShopRunner, total revenue on recommendation emails is still dwarfed by editorial emails with larger send sizes
- How do we get to the top right of this chart?

Send Volume & Revenue Per Email Sent by Recommendation Type



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Qualitative Results

- Use low-threshold tactics for feedback like a thumbs up and thumbs down
- Put your prototypes in front of real members
- Pipe user feedback into Slack in real time and let internal stakeholders engage

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Q&A

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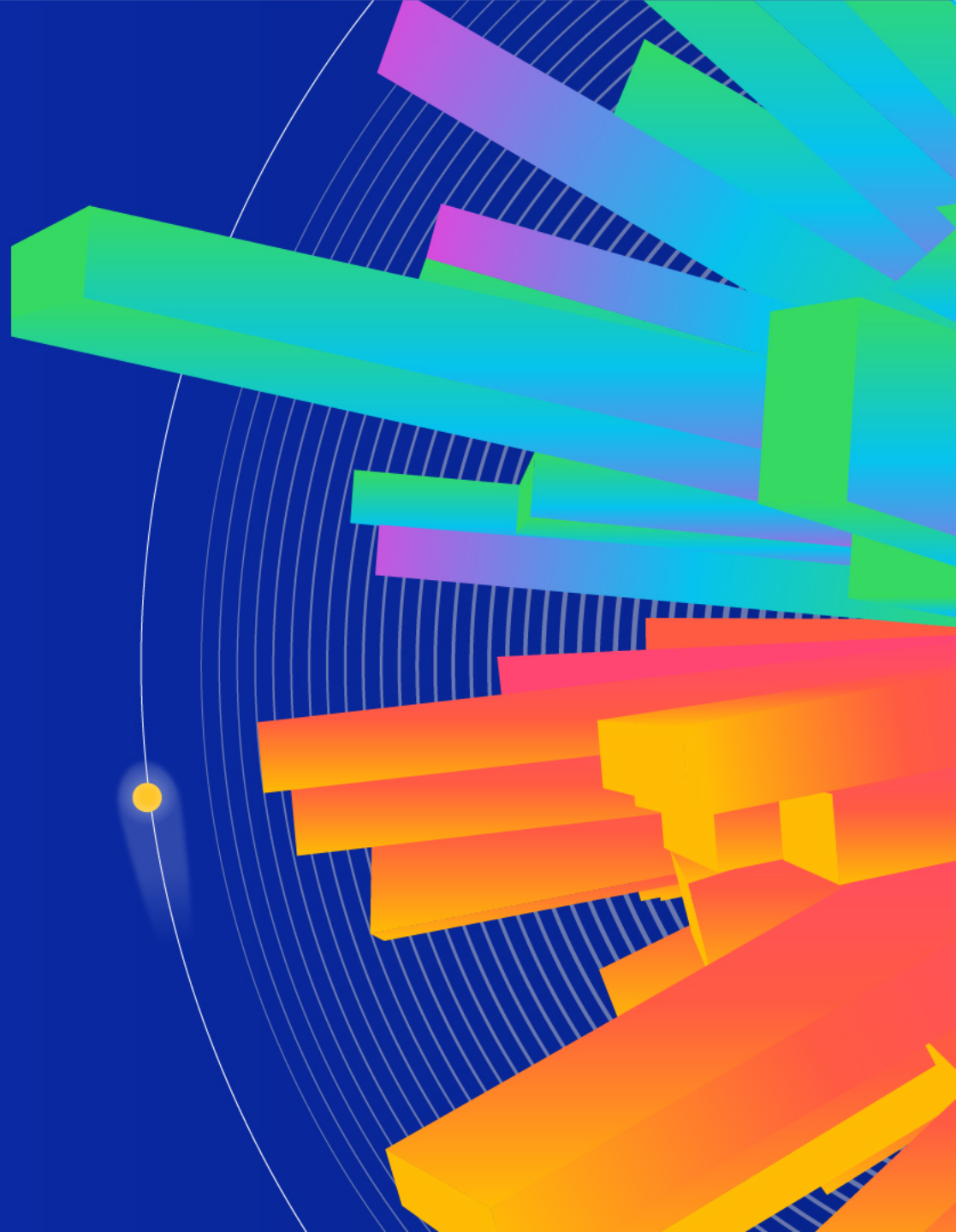

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