Blueberry + Dynamic Yield
Quarterly Business Review
May 2020

This deck is a sample of what Dynamic Yield customers receive throughout the course of their personalization program to ensure long-term success. The content seen here represents real use cases and results.
1. Introductions
2. Business impact
3. Program overview
4. Personalization and targeting overview
5. Optimization and testing overview
6. Audience opportunities
7. Near-term KPI goals
Introductions
Your Dynamic Yield team

Senior Customer Success Manager

✓ Main point of contact
✓ Develops personalization plans
✓ Provides business strategy support
✓ Facilitates outcomes and measurable objectives

Sandro Lubas

Technical Account Manager

✓ Provides ongoing technical expertise
✓ Advises & consults on strategic direction of the product

Buena Chen

Customer Success Manager

✓ Assists in day-to-day activities
✓ Updates program progress in Asana
✓ Facilitates communication between you and Support

Allison Schwartz

Account Director

✓ Handles commercial terms, renewals, and add-ons
✓ Responsible for overall account health

Chris Schlee
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Business impact
Your personalization program surpassed our revenue target

$743,379
6% of Total Revenue

$500K - $750K
Revenue Target

January 1 - May 15, 2020
Purchase per user trended positively

Sandro’s Take: We love a positive trend! Based on the current timeline, we expect to see incremental revenue uplift over the next quarter.
Program overview
You almost hit the target for number of personalization campaigns

In the past quarter, you ran:

22

Personalization Campaigns
Your Previous QBR goal was: 24

The benchmark for your industry (Fashion & Apparel) is: 21

Sandro's Take: Well done! Although we didn’t hit our personal goal, you are over-performing compared to others in your industry. Remember, the more campaigns you're running, the deeper the impact personalization will have on the customer experience.
You over-performed on your rate of personalization (the number of experiences per campaign)

In the past quarter, you had a 3.75 Personalization Rate
Your Previous QBR goal was: 3.20
The benchmark for your industry (Fashion & Apparel) is: 2.82

Sandro’s Take: By increasing the number of experiences per campaign, you’ve been able to better tailor the site for key audiences by showcasing content, offers, or recommendations that are most relevant for each. Keep it up!
You were right on target for number of variations within each campaign

In the past quarter, you ran:

3.57
Variations (A/B tests) per Campaign
Your Previous QBR goal was: 3.55

The benchmark for your industry (Fashion & Apparel) is: 3.49

Sandro’s Take: Let’s continue testing as increasing the number of variations per campaign will help you to optimize results by determining the best performing variation for a particular audience.
Personalization and targeting overview
DY recommendations directly contributed to 3% of overall revenue

In the past quarter, recommendations drove:

$362,437

11 recommendation strategies were deployed across the homepage, PDPs, PLPs, and email.

Strategies included: Most Popular in Category, Recently Viewed, Collaborative Filtering, and more.

* Direct Revenue: Generated from products bought after clicking a recommended item and buying that item (or items)
Higher performing recommendations led to greater revenue

**Sandro’s Take:** Continuous optimization of recommendations is directly tied to business results. Therefore, the more we test, the more revenue we can expect to see.
Cross-funnel recommendations drove an increasing % of overall purchases

Sandro’s Take: We saw an uplift in overall purchases each time we incorporated a new recommendation. This shows us that implementing recs across the funnel maximizes purchases generation.
The more recommendations present, the more revenue

Sandro’s Take: We can see here that additional exposure from recommendations is directly correlated to driving revenue. Let’s continue to use different recommendations and variations for positive growth!
Recommendations positively impacted the cart

<table>
<thead>
<tr>
<th>KPI</th>
<th>Direct Purchases</th>
<th>Non Direct Purchases</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Items Per Transaction (ITP)</td>
<td>2.17</td>
<td>1.84</td>
<td>+18%</td>
</tr>
<tr>
<td>Average Item Price (AIP)</td>
<td>$4.76</td>
<td>$4.49</td>
<td>+16%</td>
</tr>
<tr>
<td>Average Order Value (AOV)</td>
<td>$41.27</td>
<td>$35.99</td>
<td>+15%</td>
</tr>
</tbody>
</table>

**Sandro’s Take:** Recommendations have a major influence on purchase decisions, raising all cart metrics. We can raise these numbers even higher by further experimenting with the placement, layout, strategies, and rules used.

*Direct Revenue: Generated from products bought after clicking a recommended item and buying that item (or items)*
Words of wisdom from your Customer Success Manager

We grow fast when we turn test results into new hypotheses, so let’s increase the velocity of our recommendations testing.

Sandro
Some recommendation strategies on PDPs performed better for certain KPIs

Sandro’s Take: While Viewed Together drove the highest click-through-rate (CTR) per average user, Recently Viewed and Bought Together drove the best revenue per impression (RPI). Since recommendation strategies perform differently based on the KPI, we should continue to experiment based on the goals you’re trying to achieve.
## Mobile users preferred Similarity-based recommendations

<table>
<thead>
<tr>
<th>PDP Recommendation Strategy</th>
<th>Purchase/Session</th>
<th>Revenue/Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bought Together</td>
<td>2.4%</td>
<td>$3.18</td>
</tr>
<tr>
<td>Popularity</td>
<td>2.7%</td>
<td>$3.77</td>
</tr>
<tr>
<td>Similarity</td>
<td>2.7%</td>
<td>$3.83</td>
</tr>
<tr>
<td>User Affinity</td>
<td>2.4%</td>
<td>$3.09</td>
</tr>
<tr>
<td>Viewed Together</td>
<td>2.3%</td>
<td>$3.09</td>
</tr>
</tbody>
</table>

**Sandro’s Take:** Similarity performed best, with +4% more Purchases Per Session (PPS) than average. Let’s continue deploying this recommendation strategy for mobile users and monitor the results as we go.

January 1 - May 15, 2020
Desktop users preferred Viewed Together-based recommendations

<table>
<thead>
<tr>
<th>PDP Recommendation Strategy</th>
<th>Purchase/Session</th>
<th>Revenue/Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bought Together</td>
<td>7.7%</td>
<td>$11.91</td>
</tr>
<tr>
<td>Popularity</td>
<td>7.6%</td>
<td>$11.86</td>
</tr>
<tr>
<td>Similarity</td>
<td>8.5%</td>
<td>$14.07</td>
</tr>
<tr>
<td>User Affinity</td>
<td>7.9%</td>
<td>$12.77</td>
</tr>
<tr>
<td>Viewed Together</td>
<td>8.7%</td>
<td>$14.57</td>
</tr>
</tbody>
</table>

**Sandro’s Take:** *Viewed Together* performed best, with +5% more Purchases Per Session (PPS) than average. We should prioritize this recommendation strategy for our desktop users to optimize for purchases.
Tablet users preferred Bought Together-based recommendations

<table>
<thead>
<tr>
<th>PDP Recommendation Strategy</th>
<th>Purchase/Session</th>
<th>Revenue/Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bought Together</td>
<td>12.5%</td>
<td>$16.58</td>
</tr>
<tr>
<td>Popularity</td>
<td>10.9%</td>
<td>$13.20</td>
</tr>
<tr>
<td>Similarity</td>
<td>11.9%</td>
<td>$15.52</td>
</tr>
<tr>
<td>User Affinity</td>
<td>10.1%</td>
<td>$11.86</td>
</tr>
<tr>
<td>Viewed Together</td>
<td>12.1%</td>
<td>$16.06</td>
</tr>
</tbody>
</table>

**Sandro’s Take:** *Bought Together* performed the best, with +5% more Purchases Per Session (PPS) than average. We can drive additional uplift by pushing this recommendation strategy to our tablet users.
Optimization and testing overview
We saw an uplift in purchases after opening up the filters on PDPs

A/B Testing Results

<table>
<thead>
<tr>
<th></th>
<th>Users</th>
<th>Purchase</th>
<th>Purchase / User</th>
<th>Uplift</th>
</tr>
</thead>
<tbody>
<tr>
<td>VO: Open Filters</td>
<td>149,099</td>
<td>8,453</td>
<td>0.057</td>
<td>+3.8%</td>
</tr>
<tr>
<td>V1: Collapsed Filters</td>
<td>149,400</td>
<td>8,163</td>
<td>0.055</td>
<td>Baseline</td>
</tr>
</tbody>
</table>

Sandro's Take: We thought by collapsing the number of filters on PDPs, we might streamline browsing, but it turns out that opening up filters drove a more significant uplift. Tests like this allow us to better understand overall site behavior.
Particularly for our core users

<table>
<thead>
<tr>
<th>Familiarity</th>
<th>Unidentified Users</th>
<th>Non-Purchasers</th>
<th>Purchased in the Past Year</th>
<th>Purchased in the Past Month</th>
<th>User Logged in this Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>New User</td>
<td>136,873</td>
<td>144,477</td>
<td>15,843</td>
<td>6,791</td>
<td>225</td>
</tr>
<tr>
<td>Purchased in the Past Year</td>
<td>6,237</td>
<td>7,218</td>
<td>2,669</td>
<td>1,619</td>
<td>71</td>
</tr>
<tr>
<td>Purchased in the Past Month</td>
<td>0.046</td>
<td>0.050</td>
<td>0.168</td>
<td>0.238</td>
<td>0.316</td>
</tr>
<tr>
<td>Open Filters Audience Lift</td>
<td>+0.6%</td>
<td>+1.9%</td>
<td>+9.9%</td>
<td>+14.7%</td>
<td>+15.2%</td>
</tr>
</tbody>
</table>

Sandro's Take: Open filters resonated most with our core, logged in users (+15.2% uplift). However, our less familiar users represent most of the audience, so let's make sure to keep experimenting with what works best for them.
Though, we are mostly just UX testing

<table>
<thead>
<tr>
<th>Campaign Name</th>
<th>Page</th>
<th>Metric</th>
<th>Lift</th>
<th>Experiences Per Campaign</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collapse PLP Filters</td>
<td>Category</td>
<td>Purchases</td>
<td>+4.3%</td>
<td>1</td>
</tr>
<tr>
<td>New Mobile Header</td>
<td>All Pages</td>
<td>Purchases</td>
<td>-0.3%</td>
<td>1</td>
</tr>
<tr>
<td>Best Seller Badge</td>
<td>Category</td>
<td>Add to Cart</td>
<td>-3.3%</td>
<td>1</td>
</tr>
</tbody>
</table>

January 1 - May 15, 2020

- SAMPLE REPORT -
Words of wisdom from your Customer Success Manager

While user experience (UX) testing is valuable, we need to increase the number of experiences per campaign to unlock additional personalization revenue.

Sandro
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Audience opportunities
Tailoring the funnel represents a $30K/mo revenue opportunity

Just a 5% increase in underperforming metrics translates into:

- Product views from returning mobile and desktop visitors landing on the homepage = +$18K/month
- Average order value (AOV) from returning mobile visitors landing on product pages = +$11.5K/month
- Add-to-cart (ATC) from returning desktops visitors landing on product pages = +$5.3K/month
Optimizing for our high-value customers

We want to continue growing our base of high-value shoppers.

To do so, we recommend tiering audiences into three groups: high-intent, medium-intent, and low-intent users.
A profile of our high-intent users

- Represents only 20.8% of overall users
- Typically comes direct / via email or from referring domains on desktop and mobile
- Shows a +346.3% higher conversion rate (CVR)
- Also exhibits larger average order values (AOV)

January 1 - May 15, 2020
A profile of our medium-intent users

- Represents the largest portion (80.7%) of overall users
- Typically comes direct / via email or from referring domains on mobile
- Shows an average conversion rate (CVR)
- Exhibits larger average order values (AOV)

January 1 - May 15, 2020
A profile of our low-intent users

- Represents 24.3% of overall users, 3.5% more than our high-intent users
- Typically comes via organic and paid search or social on mobile
- Shows an average conversion rate (CVR)
- Exhibits lower than average order values (AOV)
Ensuring the accuracy of your Global Control Group

Traffic from Safari browser in last 30 days:

36.8% of purchases and 36.1% of revenue comes from Safari Users

- Following Apple’s latest Internet Tracking Prevention (ITP) Policy, to effectively keep track of users visiting your website via the Safari browser, an implementation adjustment is required on your side.
- Here’s a walk-through of exactly what you need to do.

January 1 - May 15, 2020
Near-term KPI goals
Our plan to unlock $500-700K incremental revenue

- Increase in personalized campaigns: $210,856
- Addition of cart & exit recommendations: $316,115
- Continued optimization of recommendations: $101,597
- User-intent based experiences: $15,259
Better highlight cart recommendations

Hypothesis:
Moving cart recommendations higher up on page will attract more high-intent shoppers to additional products, improving revenue per user (RPU) without hurting purchase per user (PPU).

Targeting:
High-intent users

Impact:
Medium

Effort:
Low
Serve recommendations following an add-to-cart

**Hypothesis:**
Extend the session and capitalize on purchase momentum by providing an easy jumping off point to either continue the product discovery process or checkout, increasing revenue per user (RPU) and item per transaction (IPT).

**Targeting:**
Medium-intent users

**Impact:**
High

**Effort:**
Medium
Include a row of Recently Viewed recommendations

**Hypothesis:**
Proving medium-intent shoppers with a tool that conveniently summarizes their recently viewed items will reinforce interest in these products, resulting in greater purchase per user (PPU).

**Targeting:**
Users with recently viewed items

**Impact:**
Medium

**Effort:**
Low
Send email traffic to a fully personalized landing page

Hypothesis:
Directing email subscribers to a unique landing page where they can easily explore different items based on their gender, purchase history, affinity, location, etc. will increase revenue per user (RPU) and average order value (AOV)

Targeting:
- Email traffic
- Segmented to gender

Impact:
High

Effort:
Medium
Upsell customers with easy add-ons

**Hypothesis:**
Serving medium-intent shoppers with additional inexpensive items that don’t distract them from reaching the checkout page will lead to higher revenue per user (RPU).

**Targeting:**
Medium-intent users

**Impact:**
High

**Effort:**
High
Retarget users unlikely to convert

Hypothesis:
Testing different email capture strategies will increase identification rate and, therefore, purchase per user (PPU) as email marketing campaigns can then be used to drive them back to the site to convert.

Targeting:
Low-intent users

Impact:
Medium

Effort:
Medium

Variation A

Variation B
Select strategy based on the email type and content

Not all strategies fit all email types (marketing vs triggered). For example, when content is dynamic, such as in abandoned cart emails, the Similar and Bought Together strategies will not be applicable.
Select strategy based on the email type and content

While the *User Affinity* strategy is great for personalizing recommendations based on user preference, if there are fewer items than the number of slots, the engine will fallback to the most popular items, which may not be gender specific.
Prioritizing campaign ideas by impact vs. effort

<table>
<thead>
<tr>
<th>Impact</th>
<th>Effort</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Low</td>
<td>Low</td>
</tr>
</tbody>
</table>

**Major Project**
- PDP Recs
- Homepage Recs
- Add-ons Recs
- Email - Personalized Landing Page

**Quick Wins**
- Cart Rec Location
- Cart Recs
- Recently Viewed Recs
- Most Popular in Category

**Reconsider**
- Email Capture
- Email - Gender Widgets
- Email - Personalized

**Quick Wins**
- Email - Gender Widgets
- Add-ons Recs
- Homepage Recs
- PDP Recs
Thank you for a great quarter. Let’s celebrate our growth and strive for continued success!

cs@dynamicyield.com