

Room & Board Attains 80% Higher Conversion with AI-Driven Personalization from Monetate

**30%**

lift in click engagements for visitors exposed to personalized experiences

80%

higher conversion rate for engaged customers

10%

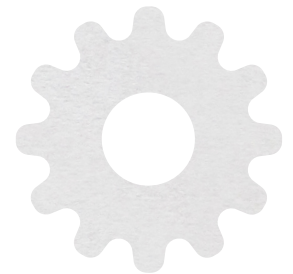
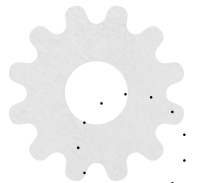
higher average order value for engaged customers

The Background: The Right Raw Material

Room & Board offers quality furniture and home furnishings on their website, and at several stores across the United States. The company offers high-quality-products at reasonable prices, with clean modern designs and custom options that appeal to a wide range of customers. Their steadfast commitment to their products, combined with a rich omnichannel program, has created a large and loyal customer base that associates them with high quality.

However, the level of personalization they offered online visitors left a lot to be desired. With 17 different customer segments, and a need for individual messaging across those segments, personalization was a cumbersome and burdensome manual process. This, in turn, ended up limiting the scale of their program.

Working together, Room & Board and Monetate identified several major opportunities for improvement. The combination of valuable customer insights from Room & Board's robust data warehouse platform, as well as a wide variety of creative assets from their content library—let's call it their "raw material"—offered a great opportunity to deliver scalable and automated personalization using Monetate's AI.



The Challenge: Getting to Scalable Personalization

Room & Board's Director of Business Intelligence John Schroeder knew that the company needed to improve their personalization efforts and turned to Monetate to build out a scalable program.



He wanted to ensure that:

- **The Room & Board team would be able to easily test and personalize new content, promotions, and offers**
- **There would be an open-source technology element for ongoing customization**
- **The setup would be agile enough to enable various team members to set up new campaigns and tests on a daily basis if necessary**

“We wanted to be able to leverage our content library and our data in an environment that would set us up for scalable personalization success. Setting up the data in the Monetate system was so easy,” – John Schroeder, Director of Business Intelligence, Room & Board.

This initial plan required the use of data feeds from our data warehouse and third-party connections to bring in the right creative assets from their vast content library.

The plan involved three components:

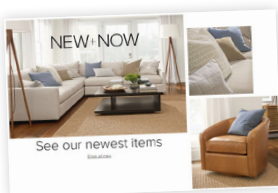
- 1 **Connect directly to the content library** This allowed R&B to easily point to and pull in the creative content that they wanted to use for their different personalized experiences.
- 2 **Match customers across devices** No matter what device they were using, and no matter what stage of the purchasing funnel they found themselves in, Room & Board wanted to offer a seamless experience to each visitor. (Utilizing Monetate’s Customer Views feature, R&B were later able to identify 85% of customers coming to their site.)
- 3 **Bring in data feeds** Room & Board needed to feed their rich data warehouse data into the personalization engine to heighten the power of Monetate’s AI-decisioning.

The Approach: Test and Expand

The first place that Room & Board applied their new capabilities was on their homepage, where there are many different content tiles that can be personalized, from hero images to individual promotional offers and editorial content.

The retailer leveraged both Individual Fit Experiences (IFEs) and Majority Fit Experiences (MFEs), alongside standard tests, to deliver better personalization. IFEs leverage AI to decide which content to show to each visitor based on everything known about them—the goal here is to maximise performance against a given metric. MFEs, sometimes referred to as dynamic tests, leverage machine learning to dictate the amount of traffic exposed to each variant based on the chosen goal metric. The two goals here are to learn while also driving the fastest possible ROI.

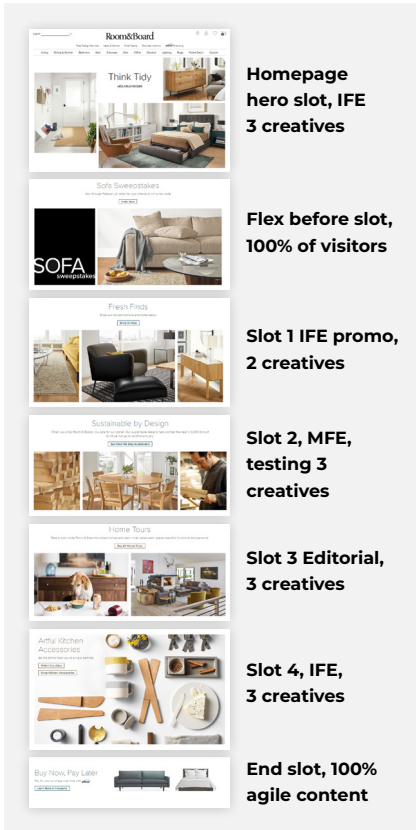
In the homepage hero image slot, R&B used a wide variety of context variables fed through Monetate’s AI-decisioning engine, using an IFE to deliver three different creative approaches to customers:



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JOHN SCHROEDER
Director of Business Intelligence,
Room & Board





This initial personalized experience resulted in a 45% lift in engagement, their primary KPI for that image slot. They were able to create unique personalization rules for each slot, resulting in truly unique experiences for each visitor.

For example, the full homepage experience responded to the following rules (see images on left).

They soon expanded their use of IFEs and MFEs across many content elements of their site, delivering individualized personalization at scale.

They now have more than 100 personalized experiences running live on their website at any given time, something that the old manual process would have never allowed.

▲
45%
lift in engagement

The Results: Sophisticated Personalization at Every Level

Not only have Room & Board been able to increase the scale of their personalization efforts, they are seeing dramatic increases in performance across engagement, clicks, and conversions.

Prioritizing AI-driven IFEs on their site has created a positive chain reaction, as engaged customers then receive even more personalization, which in turn drives further engagement and conversion.

“The great thing about leveraging IFEs and MFEs is that they usually always do well because the experience is targeting the right audience at the right time.” – John Schroeder, Director of Business Intelligence, Room & Board.

In the past 90 days, Room & Board has achieved:

▲
30%
lift in click engagements for IFEs

▲
80%
higher conversion rate for engaged customers

▲
109%
longer time on site for engaged customers

▲
10%
higher average order value for engaged customers



The great thing about leveraging IFEs and MFEs is that they usually always do well because the experience is targeting the right audience at the right time.

JOHN SCHROEDER
Director of Business Intelligence,
Room & Board



Monetate has also been helpful in delivering personalized experiences for customers even as Room & Board employees were working from home due to coronavirus. The technology made it easy for the team to optimize around the products in highest demand and offer the best level of service to engaged customers.

“Responding to products in high demand, we were analyzing our business on a daily, hourly in some cases and responding with new creative development. We would then push those assets through Monetate to maximize the opportunity that we were seeing at the time. We also elevated designer services available from our design associates that were working from home and saw really successful results. All of that was driven through Monetate.” – John Schroeder, Director of Business Intelligence, Room & Board.

Looking ahead, John and his team are looking at new ways of launching IFE for the homepage and leave it up to Monetate’s machine learning to test and optimize each customer experience. Also exploring new areas of our web site to deploy Monetate IFE based on the customers purchase journey.

To further increase the accuracy of the personalization, Room & Board plans to feed search and in-store data into Monetate, facilitating richer decisions that will improve a much-enriched customer experience even further.

