

CPG – RETENTION OPTIMIZATION

Turned Churn Into Loyalty, In Real Time.

A/B-tested retention offers that moved the needle on revenue.

OVERVIEW - A growing meal subscription service that delivers customized ingredient boxes directly to customers' doors. The company operates entirely online, with its main revenue stream coming from subscriptions. The focus of the use case is on enhancing the cancellation process by enabling real-time adjustments to retention offers, thereby reducing churn and improving customer retention.

CHALLENGES

- The company needed to implement a system to handle various promotional offers during the cancellation process and track their effectiveness compared to their existing offer of 3 static choices.
- The company wanted to have a customized offer based on user profiles but wanted to prevent customers from exploiting promotional offers and needed a system to manage these fringe cases effectively.

SOLUTIONS

- A pipeline was built to handle the logic for different promotional offers and enable A/B testing to compare their effectiveness against the benchmark of a default non-customized options.
- A pipeline was created to allow customized promotional offers to be presented while also cataloging the results, maintaining different distribution levels between the experiment and the existing process, and ensuring no exploitation was present.

TECH STACK - The solution integrates with the clients existing systems, including Databricks and Foundry, to provide a low-code environment for managing promotional offers.

OUTCOMES

▼ The new system allows the company to easily swap and test different promotional offers, providing the flexibility to adjust retention strategies in real-time.

▼ The implementation of the system has enabled the client to prevent exploitation of promotional offers by customers attempting to game the system.

▼ The ability to run A/B tests and adjust offers in real-time is expected to increase the number of customer saves during the cancellation process, potentially improving retention rates and reducing churn.

▼ Daily insights into the performance of the A/B testing experiment.