## **Cdiscount**





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Case Study

## How Cdisount uses algorithm orchestration to improve recommendations and merchandising

With more than 9 million customers and 23 million unique visitors per month. Cdiscount is one of the French leaders of e-retail.

Cdiscount, part of the Casino group, began its activities in 1998 by selling CDs online. Since then, its catalog has diversified with products ranging from high-tech and leisure to home equipment and financial services. The launch of their marketplace in 2011 allowed them to expand their offering from tens of thousands to 100 million offers on the platform.

## Challenges:

# Personalizing the customer journey

In order to offer personalized experiences to its customers, Cdiscount was looking for ways to better segment and target its offers. Cdiscount already had a data team and was developing its own algorithms, but the volume brought by its marketplace exceeded its internal resources.

The French retailer needed a technology partner who could help accelerate its R&D and improve its recommendation algorithms. Cdiscount also needed its merchandising team to be able to take control of merchandising rules without having to rely on data scientists.

#### Overview

#### Goals

- · Segment and target offers
- · Accelerate R&D
- · Improve recommendation algorithms
- · Take control of merchandising rules without data scientists

#### Challenges

· Volume from marketplace exceeded its internal resources

#### **Solution**

- Crownpeak Product Recommendations
- · Implement different algorithms in one tool
- · Processed large volumes of data leading to a more personalized customer journey

#### Results

- · Improved conversion rate and average basket size
- · R&D acceleration
- · Productivity gains

"Algorithm orchestration is something we didn't have before. Thanks to Crownpeak we now have the ability to stack strategies and algorithms using fallback strategies that allow us to find the optimum combination of different algorithms. Furthermore, our data scientists are able to work much more efficiently on the platform. This has been groundbreaking for Cdiscount. ."

Simon Berthet-Bondet, Head of Merchandising, Cdiscount

### Solution:

### Empowering Cdiscount to use different algorithms, all in one tool

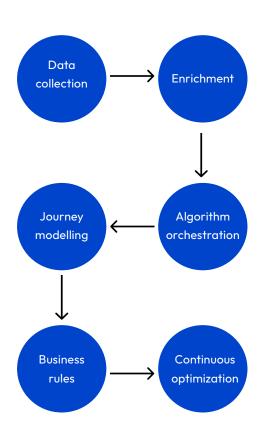
After comparing different providers, Cdiscount decided on Crownpeak's Product Recommendations solution. The following aspects were key to the Cdiscount's decision making:

- · Seamless integration with all their systems
- · A microservices-based environment
- A high level of support, in line with good market practice

Simon Berthet-Bondet explains that Crownpeak Product Recommendations is the first solution that Cdiscount has integrated in Server Side mode.

This means there's no need for front-end development, everything works in the back-end by exchanging data in real-time to activate personalized recommendations.

Crownpeak Product Recommendations allows Cdiscount's data teams to use their own and third-party algorithms, all in one tool. Scalable, thanks to its architecture, Crownpeak Product Recommendations can process large volumes of data, collecting, cleaning and enriching it in real time. This data is then available for Cdiscount's data scientists to work with. Crownpeak Product Recommendation algorithm orchestration capability enables the team to find the best combination of algorithms and therefore the most appropriate merchandising strategies, in real-time and on a continuous basis.



"We were looking for a platform that would allow us to bring our own algorithms on board and challenge our data scientists against the market's best practices."

Simon Berthet-Bondet, Head of Merchandising, Cdiscount



### Results:

## Using Crownpeak's algorithm orchestration solution to implement personalized recommendations

Thanks to its partnership with Crownpeak, Cdiscount has implemented personalized recommendations on the 20% of products that generate 80% of the turnover and optimizes the management and visibility of the 80% of products that generate 20% of the turnover.

#### 1. Improved conversion rates and average basket size

Complementary strategies powered by Crownpeak algorithms allowed Cdiscount to achieve an increase in the conversion rate of 2.5%. The integration of journey models on 100% of the search list strategies resulted in a 3% increase in the conversion rate.

Applying new merchandising rules resulted in a 1% increase in the conversion rate.

"Before, our systems were holding our team back. With Crownpeak Product Recommendations they were able to speed up development and testing."

Simon Berthet-Bondet, Head of Merchandising, Cdiscount

#### 2. R&D acceleration

Cdiscount is now able to industrialize A/B tests on different algorithms and data thanks to the native layer integrated into the Crownpeak Product Recommendations platform.

Moreover, by using hybridization, they can quickly find the right combination of algorithms and implement the right fallback strategy when they do not have enough data. Simon Berthet-Bondet explains that today their data scientists have more time and can work more efficiently via the Crownpeak Product Recommendations platform as it gives them the opportunity to test the algorithms as soon as they have an idea in mind.

#### 3. Productivity gains

The fact that the business team took control of the merchandising rules (without having to rely on the skills of data scientists for every change) made a big difference to their daily work.

Merchandisers can now enhance specific brands or offer very quickly. "What used to take us several days if not weeks to set up, now takes less than a day," highlights Cdiscount's Head of Merchandising.



## Ready for a personalized demo?

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