

BevMo!

How the Largest U.S. Alcohol Retailer Increased Revenue by \$125 Million

Case Study: Retail & E-Commerce



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About BevMo!

Founded in 1994 as “Beverages & More!” in the Bay Area of California, BevMo! is now the largest U.S. retailer of alcoholic beverages, offering:

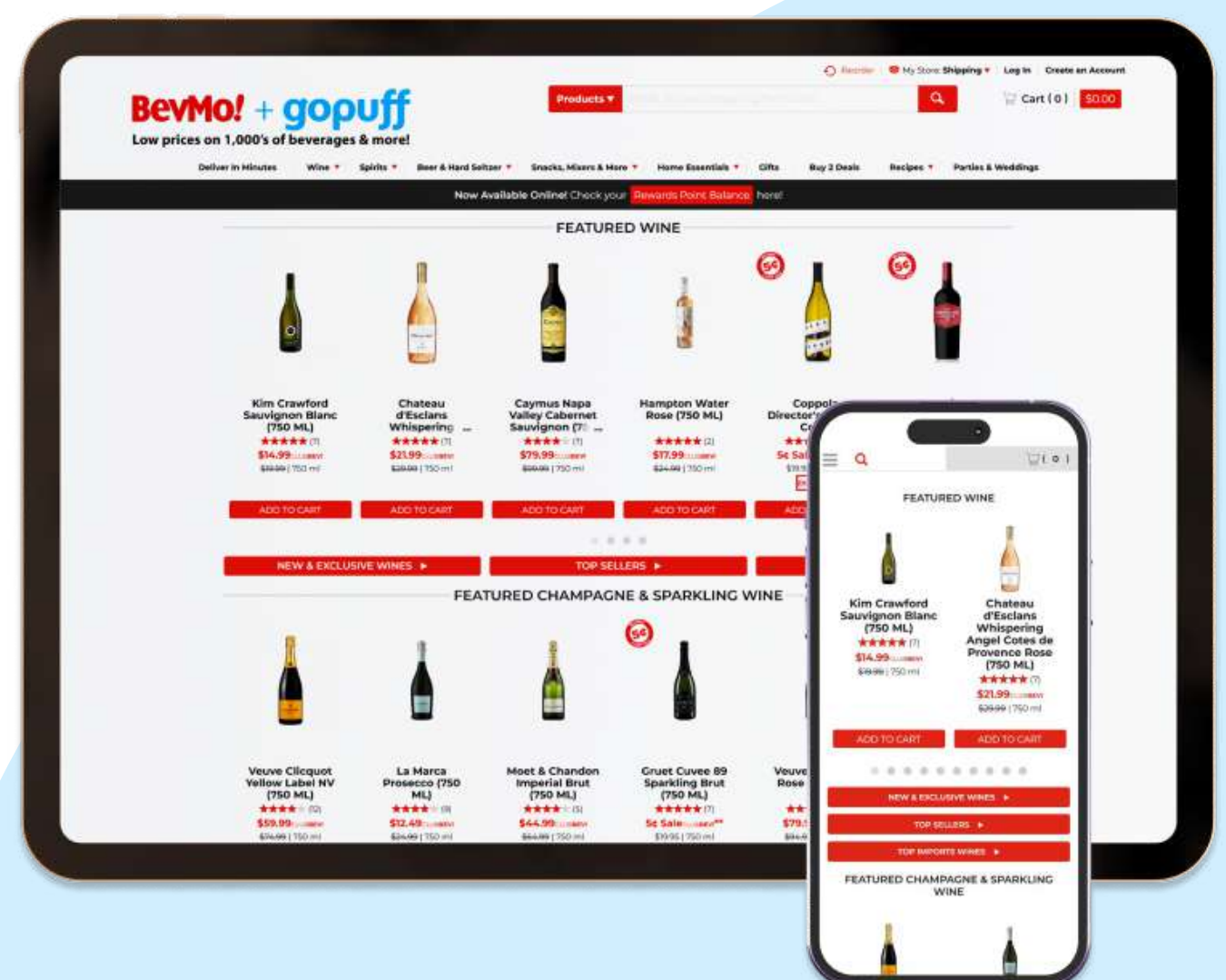
3,000 types of wine **1,500+** spirits **1,200** types of beer

Their 166 stores are peppered across the West Coast of the United States, where locals can enjoy weekly beer and wine tastings as well as delivery services for their entertaining needs.

BevMo! is a privately held company, acquired by Philadelphia-based delivery service goPuff in November 2020. From BevMo!’s online store, you can shop for snacks, mixers, barware, kitchenware, glasses, and more to get the party started, and have it all delivered to your doorstep within minutes. They use location data to offer customers the best omnichannel shopping experience, making sure that detailed information on what’s in stock is available to consumers that visit the site.

Whether a consumer is hosting a dinner party or holding down the fort through a long winter, BevMo! has the beverages and supplies they need to satiate their habits.

And with the help of Breinify, BevMo! can now identify these habits and act on consumer insights to deliver personalized omnichannel experiences to every visitor.





Initial Context

It's no wonder that personalization was one of the initiatives that brought BevMo! to Breinify. BevMo! is a brand that has always been familiar with the idea of catering to consumer preferences: the name "Beverages & More!" was shortened to "BevMo!" in 2001, after the founders caught on to the nickname given to the company by its loyal customers.




In working with Breinify, BevMo! has found that the ability to personalize shopping experiences and cater to consumer preferences goes well beyond the company name. Since partnering with Breinify, BevMo!'s ability to personalize consumer experiences has increased and improved exponentially.

Like most retailers, BevMo! wanted to increase revenue, but their marketing team felt constrained by the rigid tools they were using to personalize their website for incoming visitors.

Their goals at the onset of the engagement were to increase e-commerce sales through personalized recommendations, and to maintain high levels of product variety for their consumers. They wanted to achieve this without having to manually curate recommended products.

They also wanted to avoid manual data tagging for product recommendations. Our AI services are able to complete this process seamlessly and effortlessly, all the while picking up on insights that the human eye might miss.

Goals

-  Increase e-commerce sales through personalized recommendations
-  Maintain high levels of product variety for their consumers.
-  Avoid manually curate and data tagging for product recommendations

The Challenge

BevMo! came to Breinify with clear-cut goals for personalization, but without the means to achieve them efficiently. They needed to test theories and learn from data insights, as well as activate ideas quickly without compromising ROI.

Relying on a marketing team to run tests and act on the insights discovered could take months, especially for a large company with several internal stakeholders and processes in place. Breinify was able to achieve considerable results within seven days of being implemented on the site.

Before Breinify, BevMo! had tried using a rule-based approach to personalization. They leveraged a segmentation tool from their previous email provider, which was ineffective and mostly manual. The consumer experience used to be based on rules such as ‘clicks in the last 365 days,’ which did not lend itself to personalized shopping experiences. None of it took into consideration the category preference of the actual consumer, such as wine drinker vs. whiskey connoisseur.





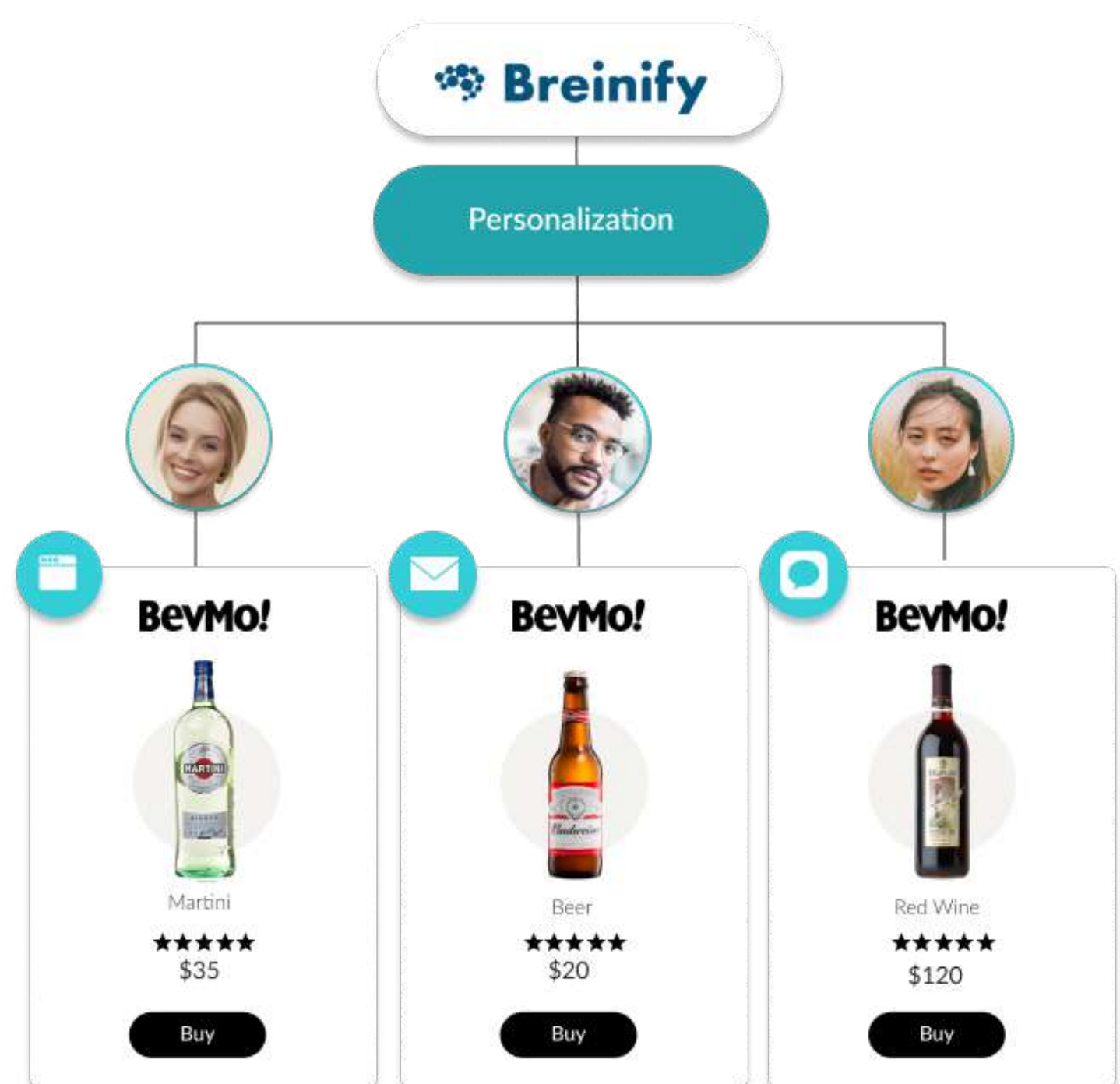
The Solution

Breinify worked with BevMo! to optimize the customer journey with product carousels throughout the shopping experience. Our AI is able to personalize product recommendations for both returning and first-time visitors based on product information, price, category, region, and dynamic consumer preferences.

These intelligent product recommendations take into account trending products from the entire catalog, while allowing BevMo! to add crucial constraints such as promotional qualifiers based on state, store-level inventory, and individualized recommendations from their in-house cellar master. This means BevMo! customers saw the right product, at the right time, specific to their location, in effect increasing “add to cart” conversions, and average order values.

In addition to website personalization, Breinify also deploys emails to BevMo!’s subscriber base, with dynamic templates that offer personalized product recommendations based on consumer habits and preferences.

Consumers who like wine will get a different set of recommendations, hence a different email, than those who prefer and purchase whiskey. To take it a step further, Breinify’s AI solution treats each wine drinker differently based on their purchase behavior and preferences: red vs. white, sweet vs. dry, weekend vs. weekday, and more granular segmentation of shoppers that tells the story of their engagement with the brand.





The Results

In our engagement with BevMo!, it's clear to see that 1:1 personalization pays off. After launching a proof of concept within seven days, Breinify was able to help BevMo! earn the following results:

Increased new sales revenue in the first year by

\$125 million

in the first year by

Increased year-over-year sales by

51%

Increased conversions to total

21.6 million

products sold in the first year

Increased eCommerce sales by

5.6%

during the 2020 pandemic

Dynamic website personalization creates an irresistible shopping experience for both loyal customers and first-time visitors. BevMo! stands out against the competition by creating hyper personalized shopping experiences for their customers.

Hyper-personalization is a must in today's market, which means going beyond the traditional approach of using a recipient's first name in an email. In addition to our work on the website, we also helped BevMo! see great improvements in email engagement with our dynamic templated solution to impersonal marketing emails.



Our Impact

In the first year of the engagement, Breinify helped BevMo! see a rapid return on investment with profits that eclipsed the cost of an AI marketing solution. Our AI solution is also much cheaper than the headcount needed to analyze copious amounts of data and launch marketing campaigns in response to consumer behavioral patterns.

Rather than looking to hire more marketing personnel and taking on the costs of a recruitment process as well as salaried hires, BevMo! chose to invest in an AI solution that continues to meet their needs and exceed their expectations.



Ongoing Support

Our AI solution still runs on BevMo!'s website, ensuring that every visitor sees a unique version of the homepage that entices them to convert. New visitors will see seasonal promotions and pertinent banner ads, as well as products trending in the past week. For consumers that have a BevMo! account, their entire experience is impacted by their browsing and purchase history.

On the homepage, they will see offers to pick up where they left off, or to complement their history with just the right product to draw them back in.

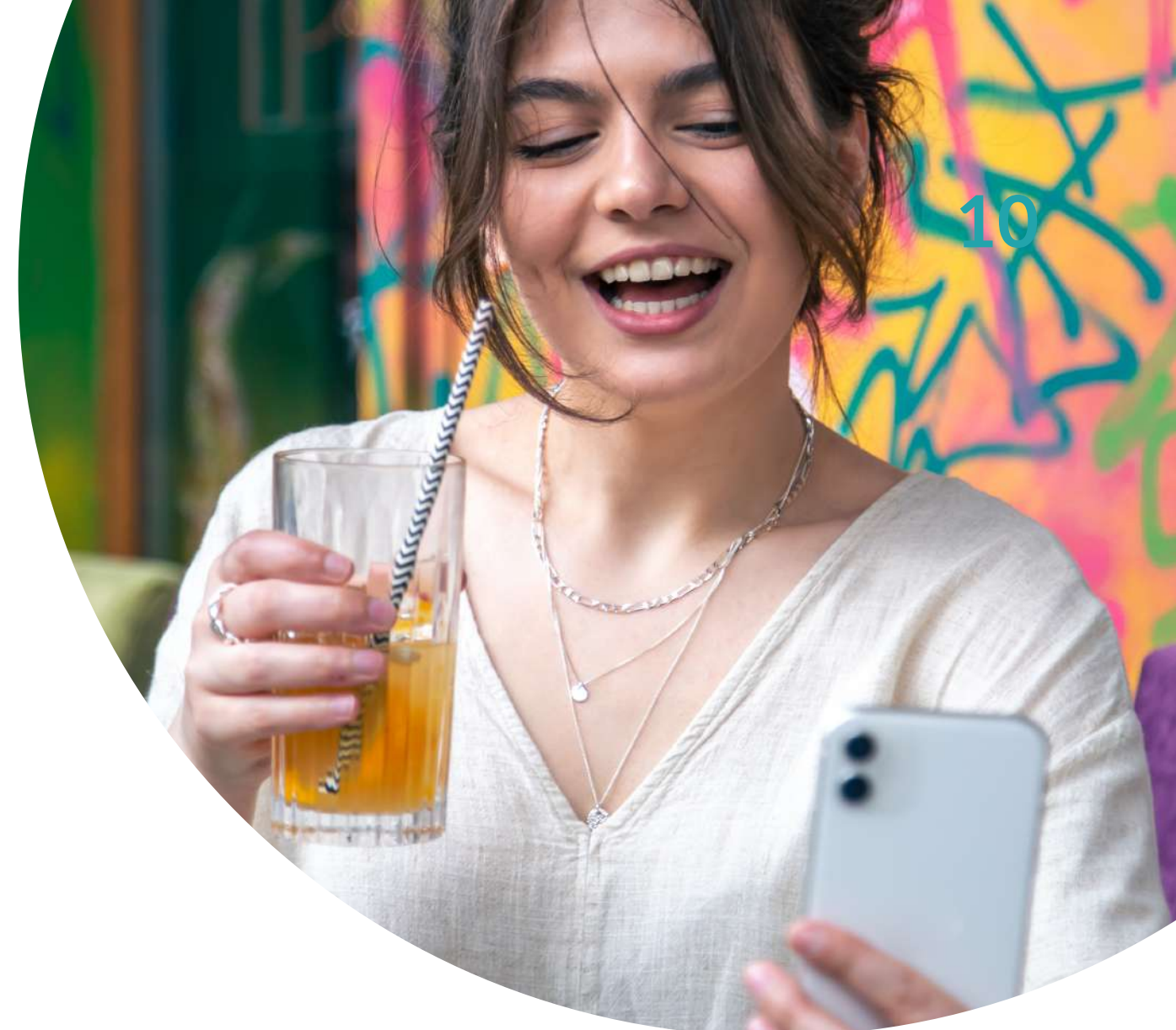
Breinify also still deploys emails on BevMo!'s behalf, optimized to send the perfect offer to each recipient at exactly the right time. Rather than manually choosing which products to highlight for every campaign, emails from BevMo! now include uniquely curated product recommendations based on individual behavior.

This increases the likelihood that a consumer will act on an offer presented to them, and makes them feel understood by a brand that aims to anticipate their needs.

Another feature enabled by Breinify on the BevMo! site is the SMS channel. Consumers who have chosen a home store and searched for an out-of-stock item can sign up for text alerts when the item is available in their nearest store.

By leveraging SMS effectively and maximizing choice for customers, Breinify helps BevMo! to enable omnichannel experiences that keep consumers informed and engaged.





Final Thoughts

According to data from the Epsilon Group, 80% of consumers are more likely to buy from a business that offers true 1:1 personalization. In today's eCommerce landscape, hyper-personalization has become an expectation of brands as they compete for the dwindling attention of consumers.

We've reached a cap in the attention economy, where people are trying to spend less time online searching for the right products, and would rather give their money to a brand that is curating the perfect solution for them.

The startup costs of offering true personalization may seem daunting: training or acquiring personnel to analyze and act on data insights in real-time seems nearly impossible. At the very least, you may run into bottleneck issues in trying to change the homepage of your website just once, let alone personalizing it for every visitor.

That's where an AI marketing solution like Breinify comes in: by analyzing data in real-time and acting on insights quickly to offer hyper-personalized shopping experiences for every consumer.

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Epsilon Group