

Predicting order cancellations for a leading Online Furniture Retailer

Summary

The client is among the leading online furniture and home decor marketplace, with a well accomplished business across multiple markets.

Challenge

Finding enough time for business expansion while handling everyday operations like order-processing, tracking and order cancellations was a major challenge of the business. The client faced a cancellation rate of 17.8% of all orders, wherein 18.5% of revenue loss, equating to \$10M of revenue losses. During the past year the client had invested Analytics Platforms to measure the performance and order cancellations but was not able to accurately determine the causal factors and the prospect of an order being cancelled.

Solution

This solution was built on mAdvisor, utilizing its Automated Prediction module. By analysing historical transaction data, the solution could identify key factors that were driving cancellation of orders. A custom modelling application was built that helped in automating the process of tracking order cancellations in real-time and predict the probability of an order to be cancelled. The model was intelligent enough to learn from the past data and capable of applying on new data.

"mAdvisor allowed us to build and deploy a prediction use case in 4 weeks that would have taken us at least 3 months. ML components, including automated pattern discovery and automated prediction, are very powerful and easy to use."

- Product Head

The key solution differentiators are:

- Seamless integration with existing Marketing Tools enabling the client to act in real time
- **Reduced Time to Execute** – The entire modelling exercise was completed in 4 weeks
- **Hyperparameter Tuning** – Users can get the possible accuracy for their models by leveraging hyperparameter tuning.

Results

Using mAdvisor's Automated Prediction, models were built which could estimate the future order cancellations for each purchase. The predicted model results were scheduled to be sent to the client marketing automation tool daily which was used by their customer service team to take actions pre-emptively. The platform was able to accurately find the key drivers that influences the cancellation of orders.

- **8% reduction in order cancellation rates.**
- **Increased annual revenue by 1.3%**

About mAdvisor

mAdvisor is a patent pending AI & Cognitive Computing platform, which helps enterprises to translate data into meaningful insights and narratives without any manual intervention. Now enterprises can reduce the analytics timelines from weeks to minutes using mAdvisor.

mAdvisor employs cognitive technologies like machine learning, machine reasoning, deep learning, natural language generation, natural language processing and expert rules systems, thereby enabling enterprises to identify revenue streams, enhance customer experience and productivity.

About Marlabs

Marlabs helps companies adopt digital transformation using Digital360 - a comprehensive digital framework comprising of Digital Product Engineering, Digital Automation, Enterprise Analytics, Cloud, Digital Security and User Experience; delivering a next-generation Digital Customer Experience.

Marlabs' digital life-cycle model delivers rapid innovation using prototyping, co-creation, concept-to-completion and rapid deployment.

Marlabs' innovation labs, "marlabs.next" incubates cutting-edge technologies like Intent-Intelligence, IoT, IoP, Blockchain and Hyper-Personalization.

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