CF Coleman FURNITURE

How Coleman Furniture competes in a crowded online market

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SUMMARY

Established in 1999, Coleman Furniture is a mature business that has won the Inc 500 Award, and was recognized as the 6th overall fastest growing private company in the retail category in America. Coleman is in perpetual growth mode, seeking to expand its already extensive product catalog of 30,000 SKUs, at an extraordinary pace. To Coleman, Tangiblee offers a path to sustainable growth while tackling the above business challenges.

+37.4%
Revenue Per Visitor

+20.5%
Average Order Value

"We look at the data to see where customers are falling off... and what we can do to improve"

SHMAYA KRINSKY
CTO

CHALLENGE

Catalog-based furniture retailers provide immense value to consumers. By eliminating warehouses, companies of high-value products can offer items at a discount, while still maintaining healthy profit-margins. Making the switch to digital was straightforward from a branding perspective: simply transpose the value proposition to a new medium.

The real challenges revolved around two questions:
1) How can we maximize the efficiency of our logistics/supply chain operations?
2) How can we reduce unnecessary waste due to returns and customer-item mismatches?

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One pain point that high-volume product retailers like Coleman face is the cost of marketing.

"Over the years, the cost of traffic acquisition has gone up at an unpredictable pace," says Shmaya Krinsky, CTO at Renegade Furniture, the parent company of Coleman Furniture. "If Amazon begins to come after your keywords, your costs could increase ten-fold. We can't endlessly pump money into losing campaigns."

Krinsky explains that to build a winning campaign, companies like Coleman need to put UX front and center—to give customers a realistic perspective of what they are going to buy. Ultimately, make consumers more comfortable with what they're buying while reducing return rates, increasing purchase rates, and as a result, boosting your margins.
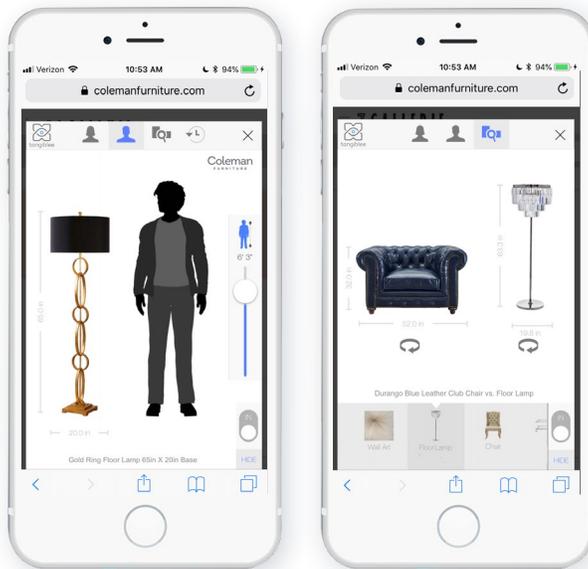
"It was really about increasing the customer conversion rate, the cart total, [what] customers were checking out with, and the overall customer engagement with the site."

THE SOLUTION

Krinsky found Tangiblee on a competitor's site and quickly reached out to the technology company. Krinsky concluded that Tangiblee's value addressed the specific milestones he wanted to achieve for his online furniture company.

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Tangiblee was a simple-to-implement technology service that could help Coleman achieve these important UX goals with minimal overhead, at scale, off-the-bat. "It was really about increasing the customer conversion rate, the cart total, [what] customers were checking out with, and the overall customer engagement with the site, and the product that we have to offer," Krinsky says. Having been in the selling-through-catalog business since 1999, the company had a keen eye for what would be functional to customers and beneficial to the bottom-line - which is exactly what Tangiblee's service is made to do.
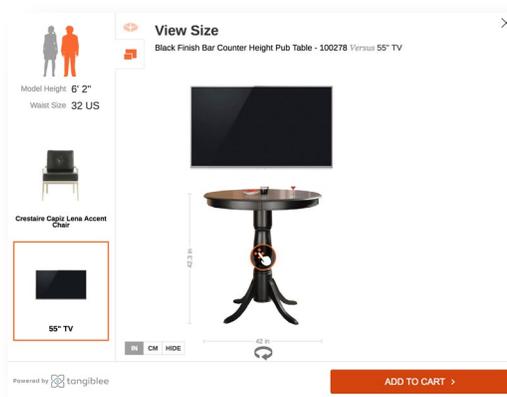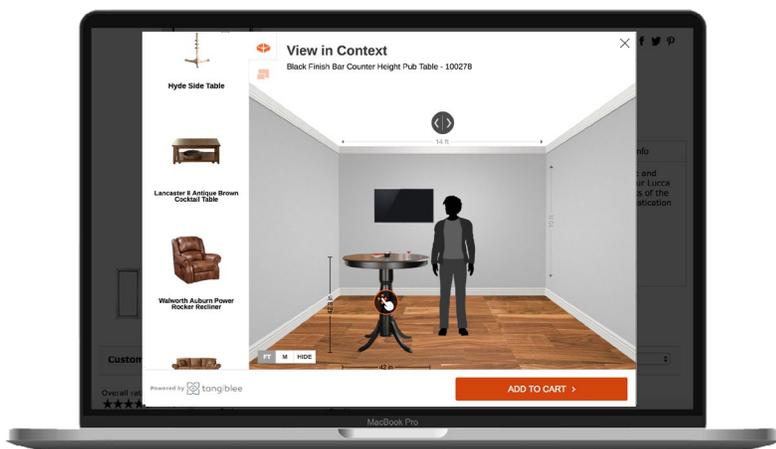
TANGIBLEE'S VALUE

"We look at the data to see where customers are falling off in the funnel and what we can do to improve," says Krinsky. "We monitor customer calls and incorporate this feedback into making improvements. We implemented Tangiblee to quickly solve problems related to product sizing."

Currently, 10-12% of Coleman's customers interact with Tangiblee's platform for depicting true-to-life product experiences. Conversion rate increases have been consistent across the board. Coleman tests the performance of Tangiblee against control groups. "We expected a lift of 1%, but we ended up with a lift of 27% with Tangiblee," says Krinsky.

Krinsky and his team, within a span of 3 months, have made Tangiblee a core part of the company's marketing infrastructure. The company has deployed Tangiblee across 30,000 SKUs and plans to expand even further by pumping advertising dollars behind promoting the technology on a series of product lines.

When asked about his experience with technology vendors, Krinsky says, "It's really about the ROI. If it's helping you convert, and return is there on the service, why not? If there's a predictable return on the service, you need to keep using it."