

How Hanna Andersson is Experimenting its Way to Higher Lifetime Value

Adored by parents around the world, Hanna Andersson offers a wide range of children's clothing and matching pajamas for the entire family. Founded in Portland, OR by Gun Denhart in 1983 as a purely catalogue company, the brand has since successfully made the transition to online sales

Increasing Customer Lifetime Value

"One of our challenges is marketing our toddler collection," explains Morganne Hatfield, Marketing Analyst at Hanna Andersson. "We recently combined the kids line and the toddler line into one collection. But toddler is a key demographic - if we can get moms to discover and fall in love with Hanna Andersson clothing for their young children, chances are they'll stay loyal customers as their kids grow, increasing their overall customer lifetime value (CLV)."

Creating an e-commerce growth engine

Expanding a product line is a far-reaching goal that affects all aspects of a business. Morganne's challenge was to figure out how to use Hanna Andersson's website to increase awareness and sales. But where to start! The team could rewrite product descriptions, increase or decrease product image sizes, add customer reviews or implement a cross-sell bar... The possibilities were endless: what was the best tactic to increase growth?

Morganne decided to test swapping out the default image with one where the item was sized for a toddler, but only if the user was navigating from the toddler section of the site. "I wanted to test if buyers would react more positively to the age-appropriate clothing, whether this would increase basket rate and overall conversion rate."

Significant revenue impact

After a quick set up, the test was live and results rolled in: the experiment was an absolute success. "I was honestly surprised by just how well it worked - clicks on PLPs increased by about 8%, and purchase rate on those items by 22%, which is huge. At the time of this test we only had a handful of toddler-sized items online. But we'll soon be offering 100% of our line in these sizes, so if you multiply these results by hundreds of products, the revenue impact is significant."

"Our merchandising team was thrilled"

Not only did the test have a positive impact on immediate business metrics, it was also another step in solidifying the marketing for the toddler clothing line.

"When I shared these results in our quarterly review, our merchandising team was thrilled," explained Morganne. "Having this kind of data-driven evidence helps us confidently make strategic investments - this knowledge is really helpful," concludes Morganne.

AB Tasty enables agility

AB Tasty's ease of use was instrumental in the success of this experiment. Without the marketing-friendly interface and widget library, it wouldn't have been possible to get this test up and running in under

a week. "It's great to be able to use AB Tasty to launch these kinds of campaigns independently, without having to bother our dev team," says Morganne. "We're really pleased with the results we've had, and how agile the AB Tasty Customer Success team has been. The widget library especially - the countdown banners, NPS surveys - have been key in enabling us to be autonomous and launch campaigns fast."

Continuous optimization is key to fully reaping the benefits of experimentation and personalization, and Morganne intends to continue perfecting the customer journey. "We dug into the data and realized that, although 70% of our traffic comes from mobile devices, there's still a lot of room for improvement when it comes to converting that traffic," explains Morganne. "We're excited to see what more we can achieve with AB Tasty!"

Looking forward

This test on the toddler line was undoubtedly a success. But that doesn't mean the testing ends.

The image shows two versions of a product page for 'Marvel Captain America Long John Pajamas' (\$50.00). The top version is labeled 'Test' and the bottom version is labeled 'Control'. Both versions feature a product image, a description, a color selection dropdown (set to 'Captain America'), a price of \$50.00, a size selection table, and an 'ADD TO BAG' button. The 'Test' version has a small icon of a person in the top left corner of the product image area, while the 'Control' version does not. The size selection table is identical in both versions.

3-4 yrs		4-12 mos		12-18 mos		18-24 mos		2 yrs	
3	4	5	6-7	8	10	12	13	14	15
40 Cm	100 Cm	110 Cm	120 Cm	130 Cm	140 Cm	150 Cm	160 Cm	170 Cm	180 Cm