

Paulmann Licht drives 26% revenue uplift with Mastercard Dynamic Yield's Experience Search

OVERVIEW

Paulmann Licht, a leading German lighting manufacturer, wanted to make it easier for customers to find the right products across its extensive online catalog while reducing the manual effort required to maintain search performance.

Following a controlled evaluation between Paulmann Licht's existing search solution and Mastercard Dynamic Yield Experience Search, the retailer achieved a 26% revenue uplift in the test group, revealing a significant opportunity to scale business impact across additional markets.

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Manual search tuning couldn't keep pace with a complex catalog

> *"Our goal was not simply to improve search performance, but to implement a solution that could consistently deliver relevant results with less manual intervention. Given the complexity of our product portfolio, finding a more scalable approach to search optimization became increasingly important."*
>
> *Robin Petersen, Head of Ecommerce D2C, Paulmann Licht*

As product assortments expanded and customer expectations increased, Paulmann Licht recognized an opportunity to improve the effectiveness of search as a product discovery channel.

While the company's existing search solution provided strong foundational capabilities, maintaining search relevance required significant manual effort. Teams regularly adjusted synonyms, field weighting, and business rules to ensure customers could find the products they were looking for.

This challenge was particularly acute due to Paulmann Licht's complex product catalog. Many products exist as part of broader lighting systems, making it difficult to consistently surface the most relevant results for different customer needs and search intents. Previous empty search results created dead ends for shoppers, reinforcing the need for a search experience that could better interpret intent and surface relevant alternatives.

The team wanted a search experience that could:

- Better understand search intent
- Reduce no-results searches
- Improve product discovery
- Handle complex product searches more effectively
- Reduce dependence on manual optimization
- Drive measurable improvements in conversion and revenue

Most importantly, they wanted objective proof that a more intelligent approach to search could generate meaningful business value.

Proving the value of AI search in a head-to-head live test

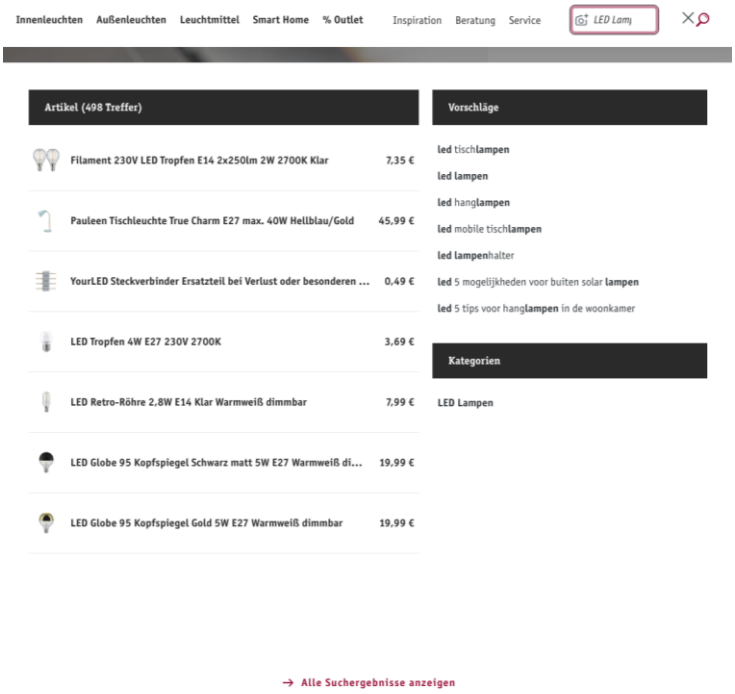
The Solution

To evaluate the opportunity, Paulmann Licht partnered with Mastercard Dynamic Yield to conduct a structured bake-off between its existing search experience and Experience Search.

The project began with a joint workshop to align on business objectives, success metrics, and testing methodology. The teams then launched a 50/50 A/B test, comparing the incumbent search solution against Experience Search running in its default configuration.

This approach allowed Paulmann Licht to evaluate the technology under real-world conditions and measure the incremental value of AI-powered search.

Experience Search uses AI-enabled semantic search capabilities to help shoppers discover relevant products more easily, while supporting merchandising experiences such as campaign redirects and category recommendations.



TEST DESIGN

50/50 A/B test

Experience Search ran in its default configuration.

Key capabilities evaluated included:

01 **Semantic Search**

02 **Auto Suggest and Query Understanding**

03 **Typo Tolerance**

04 **SKU and Product Recognition**

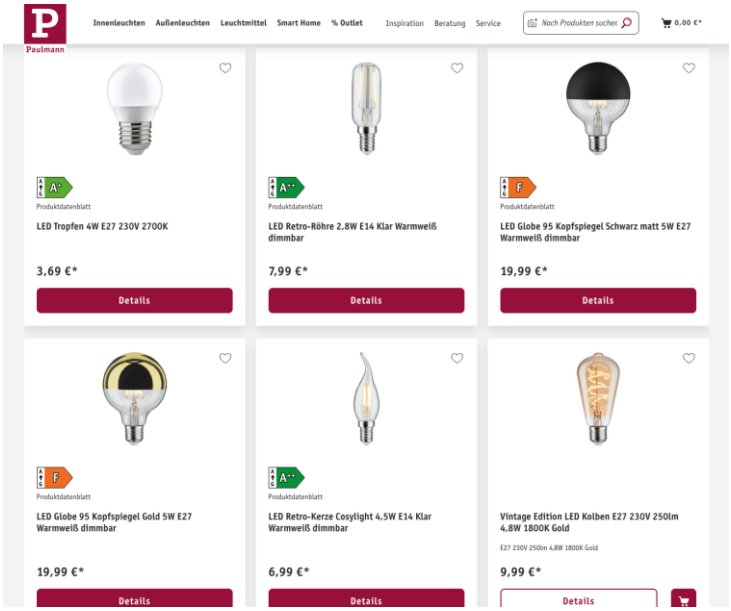
05 **Intelligent Merchandising**

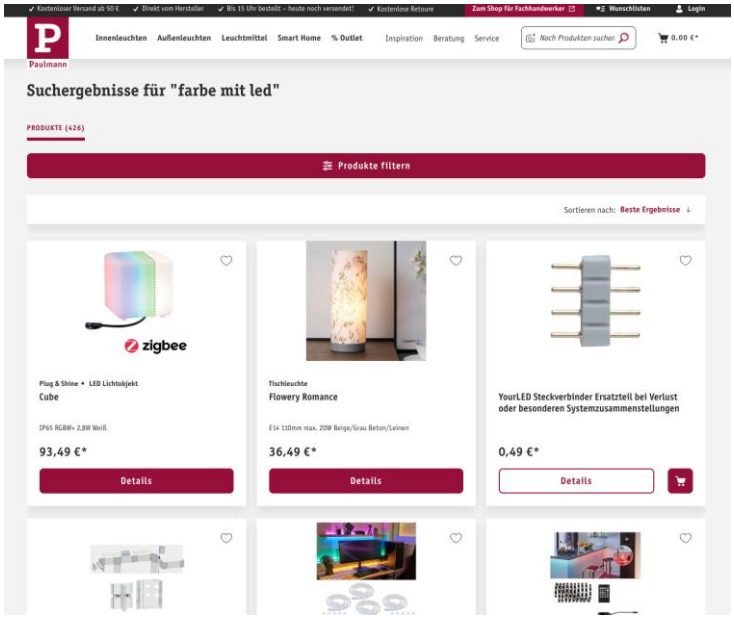
Helping shoppers reach the right product faster

Semantic Search

Rather than relying exclusively on keyword matching, Mastercard Dynamic Yield analyzes the intent behind a query and connects shoppers with relevant products even when their search terms do not exactly match catalog terminology.

For Paulmann Licht, this helped address one of the biggest limitations of traditional search: understanding the likely meaning of a search query, rather than simply what the user types.



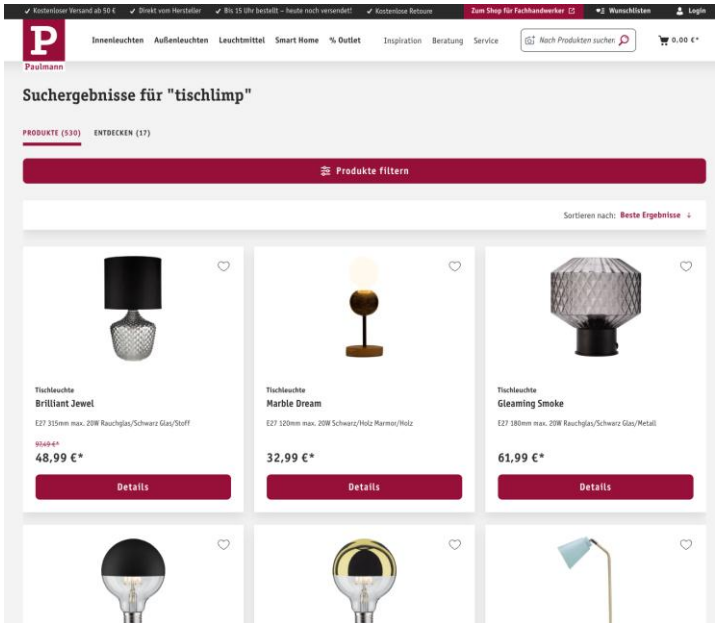


Auto Suggest and Query Understanding

Experience Search helps shoppers find products more quickly by predicting intended searches and surfacing relevant suggestions while they type.

This enables customers to discover products faster while reducing abandoned searches and dead ends.

Turning imperfect queries into high-intent conversions



Typo Tolerance

Customers rarely search perfectly. Mastercard Dynamic Yield automatically accounts for spelling mistakes and variations, helping ensure shoppers still find relevant results even when queries contain errors.

SKU and Product Recognition

Many customers search using product numbers, technical references, or specific product names. Experience Search demonstrated strong out-of-the-box performance for these high-intent searches, helping customers quickly navigate to the products they were looking for.

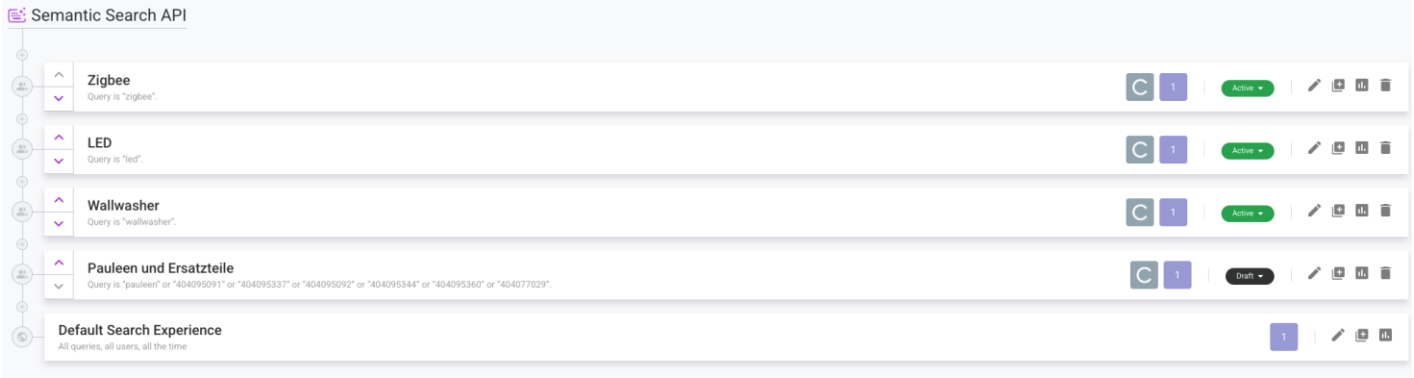
Intelligent Merchandising

The solution also supports business-driven merchandising strategies, including campaign redirects and category surfacing.

This enables retailers to guide shoppers toward the most relevant experiences while maintaining a seamless search journey.

A disciplined rollout that proved value before any tuning

One of the defining characteristics of the project was the team's commitment to maintaining a fair and transparent evaluation.



The Execution

The initial test phase focused exclusively on measuring out-of-the-box performance. Mastercard Dynamic Yield established a clear performance advantage without requiring extensive optimization or customization.

Once that baseline was established, the teams worked together to refine relevance for selected high-volume queries.

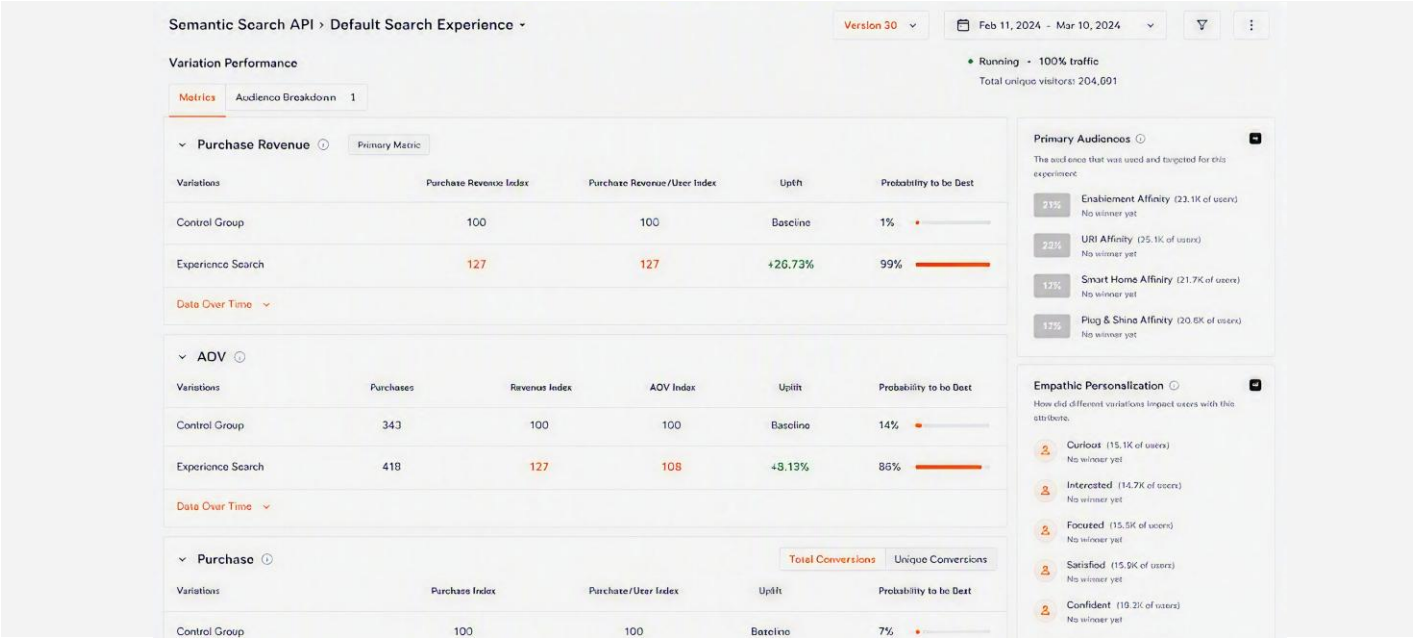
By separating the validation and optimization phases, Paulmann Licht was able to clearly understand the value delivered by the underlying search technology before introducing additional enhancements.

Throughout the project, Customer Success, Search Specialists, Technical Account Managers, and key Paulmann Licht stakeholders met regularly to review performance, align priorities, and ensure results were interpreted consistently.

Search improvements translated into revenue growth

The evaluation delivered a statistically significant outcome, with Experience Search achieving a 98% Probability to Be Best.

Most importantly, those improvements translated directly into revenue growth.



Business Impact

+26%

Revenue uplift among users exposed to the Dynamic Yield Search experience

98%

Probability to Be Best

The results suggest that improving search relevance and product discovery can have a meaningful impact on revenue generated through search experiences.

Following the evaluation, a value assessment highlighted a significant projected incremental revenue opportunity in the initial test market. Based on the outcomes achieved, Paulmann Licht identified strong potential to extend similar revenue gains across additional markets, reinforcing the scalability of the approach.

Beyond revenue, the project also demonstrated that search relevance could be improved while reducing the operational effort traditionally required to maintain performance.

Technology, testing discipline and collaboration

Several factors contributed to the success of the initiative:

01	**AI-enabled semantic search and query understanding**	helped shoppers find relevant products more easily.
02	**Strong out-of-the-box performance**	demonstrated immediate value without extensive tuning.
03	**Reduced reliance on manual optimization**	lowered the operational burden on internal teams.
04	**Close collaboration between business and technical stakeholders**	ensured rapid learning and continuous alignment.
05	**A disciplined testing approach**	provided confidence that business results were attributable to the technology rather than manual intervention.

Scaling proven search gains across markets and channels

Following the success of the bake-off, Paulmann Licht continues to explore additional opportunities to enhance product discovery and search relevance across its digital experiences

Current initiatives include:

Testing Affinity Boost	which helps improve search relevance by incorporating contextual engagement signals into product ranking decisions.
Evaluating Product Listing Page Search	enabling shoppers to search and refine products directly from category and collection pages without interrupting their browsing journey.
Optimizing top-performing search queries across additional countries and markets	helping ensure customers receive relevant results regardless of language, region, or local product assortment.
Exploring Visual Search	allowing shoppers to discover products using images and visual inspiration in addition to traditional text-based search.

"What impressed us most was that we achieved a significant revenue uplift without requiring extensive configuration or optimization. The evaluation was intentionally designed to validate the technology first, with only a small number of high-impact queries being refined afterwards. The results demonstrate that we were able to realize clear business value early on, while still seeing considerable potential for further improvements going forward."

Robin Petersen, Head of Ecommerce D2C, Paulmann Licht

KEY TAKEAWAY

Six weeks of better search, measurable impact at scale

By adopting AI-enabled semantic search, Paulmann Licht improved product discovery and delivered a 26% revenue uplift among visitors who were served the Experience Search experience during a six-week bake-off. Following the test, Paulmann Licht identified strong potential annual revenue opportunity if scaled across markets, demonstrating how improvements in search relevance and product discovery can contribute to measurable business growth.

> Search is one of the most influential touchpoints in the online customer journey, yet many organizations continue to rely on experiences that require significant manual maintenance and optimization.

6 week

Bake-off testing demonstrated a clear performance advantage

98%

Probability to Be Best, showing statistically significant performance advantage

+26%

Revenue uplift among users exposed to the Dynamic Yield Search experience