

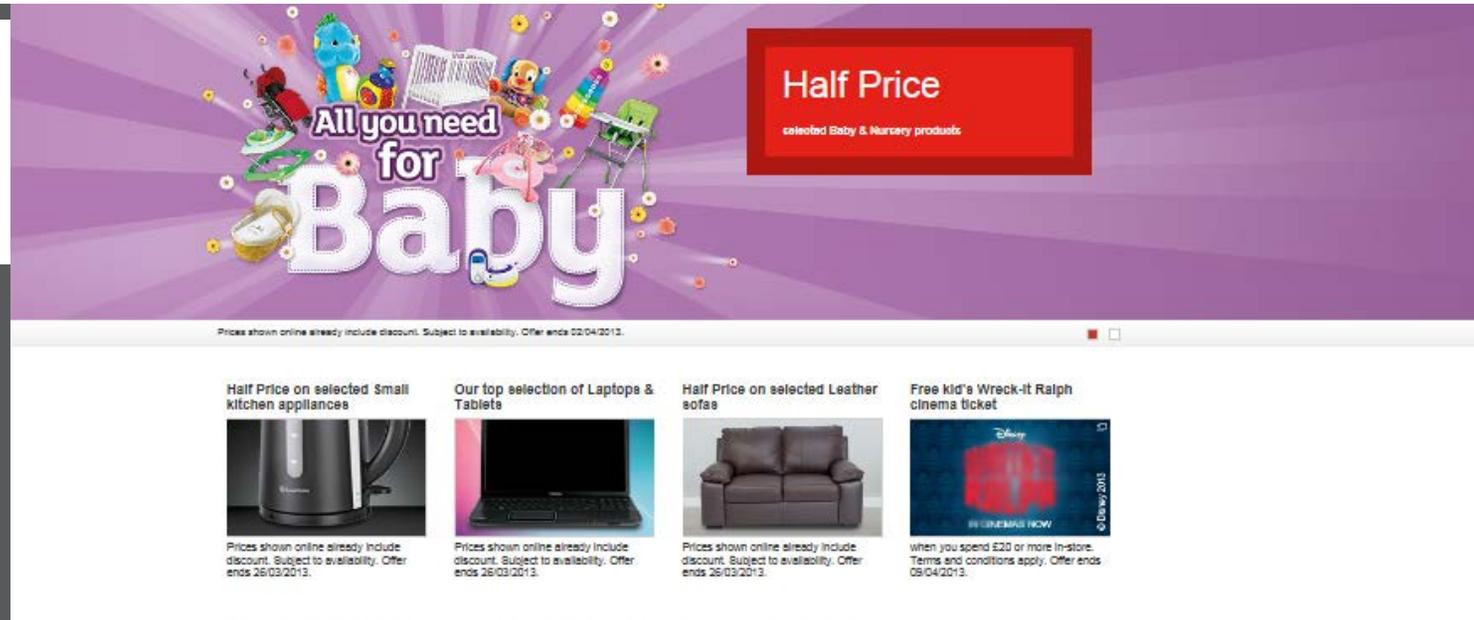
Argos, maximizing digital marketing returns.

High street retailer builds its digital channels and drives new revenues through actionable insights from Adobe Marketing Cloud.



"Adobe Marketing Cloud solutions have transformed our e-commerce and finance organizations' understanding of multichannel customers and KPIs. Now, all our marketing efforts are deliberate, well-informed, and often very successful."

Jim Bassett, multichannel operations manager, Argos



SOLUTION

Adobe Analytics and Adobe Experience Manager solutions within Adobe Marketing Cloud

RESULTS

40%
ONLINE SALES

DOUBLE THE RESULTS
Increased percentage of sales from online channels from 20% of total to 40%

7,000%
RETURN ON INVESTMENT

MAXIMIZING IMPACT
Enhanced value of some campaigns to deliver an ROI of 1,500% to 7,000%



ADDED INSIGHT
Provided insight into visitors' behavior to inform different campaigns, including mobile



EFFECTIVE STRATEGIES
Boosted performance of individual campaigns, increasing open rates by 43%, click-through rates by 37%, and conversion by 32%

Argos

Established in 1972

Customers: 130 million+ served annually

Milton-Keynes, England

www.argos.co.uk

CHALLENGES

- Gauging consumers' online shopping behavior
- Targeting marketing spend for maximum return
- Understanding the characteristics of different channels

A pioneer in online retailing

Argos is one of the United Kingdom's leading digital retailers. Its unique model offers consumers a fast and convenient online shopping experience, with customers able to select from 35,000 products available for home delivery or Check & Reserve for pick-up from one of almost 740 stores across the United Kingdom and Ireland. Argos serves approximately 130 million customers a year through its store network.

"Over the past few years we've invested in growing the percentage of transactions that go through the web," says Jim Bassett, multichannel operations manager at Argos. "We've focused on learning more about how customers use our online channels to optimize the online customer journey."

Argos launched one of the very first transactional retail websites in the United Kingdom in 1999 and was a pioneer of the "Click and Collect" concept in the United Kingdom. To deliver continued growth through the website, Argos needed strong digital marketing capabilities and sought a solution that could integrate data across multiple locations and suppliers, and link online browsing behavior and outbound campaign activity.

In addition, Argos wanted to provide not just raw data and metrics, but insightful reports that would initiate action to improve the business. It sought clear visualizations and granular data on the types of customers coming to the website and their behaviors to help trigger intelligent campaigns and improve sales and conversion.

After considering all its options, Argos selected Adobe Marketing Cloud, including the Adobe Analytics and Adobe Experience Manager solutions, for its proven functionality and powerful reporting capabilities.

Multichannel marketing and sales

There are many types of customer journeys at Argos; some search the digital catalog and then go to a store, while others place an order for home delivery over the phone or web. The most popular online service is Check & Reserve, which enables customers to reserve a product online at their local store for pick up as soon as they need it. No other retailer in the area can offer immediate reservation for so many products. Check & Reserve now accounts for almost half of total sales at Argos, with Internet sales overall representing 42% of the business.

On the U.K. website, Argos uses Adobe Experience Manager dynamic media and video capabilities to manage and dynamically deliver product imagery and videos as well as enable customers to see and zoom in on multiple product images.



“The Adobe team really understands the products, implementations, and features, and has been very helpful in getting us the right systems and resources, plus training.”

Jim Bassett, multichannel operations manager, Argos

Argos also uses the marketing reports and analytics and ad-hoc analysis capabilities within the Adobe Analytics solution to reveal what customers in each channel search for and which experiences tend to produce the most conversions. The marketing reports and analytics capabilities help the company create segments, tagging, and tracking elements. Argos leverages the analysis capabilities to understand customer behavior at a more granular level, recognizing customer groups and journey types and using that data to create a real-time view of customer behavior.

Using Adobe Analytics, Argos generates approximately 30 automated reports each week on the performance of certain product groups, channels, or customer types to inform the company's financial and strategic planning and optimize the value of each segment.

For example, Argos segments customers by what they have browsed or bought, and by life stage, such as customers who have recently moved to a new home. Its models mine historical transactions at a customer level to uncover popular combinations of purchases, browsers, and demographic data to help Argos target each segment with relevant offers. For an end-to-end view of every email campaign, Argos integrated the Adobe Analytics solution with its email service provider.

In addition, Argos has taken advantage of some Adobe plug-ins, such as one that improves page response time. “We turn to Adobe Consulting to help us get where we need to go,” says Bassett. “The Adobe team really understands the products, implementations, and features, and has been very helpful in getting us the right systems and resources, plus training.”

Focused marketing for maximum ROI

With more than 440 million hits each year the Argos website is the United Kingdom's most visited high street retail site. “Adobe Analytics has been key to our success,” says Bassett. “It's helped us see exactly when and how much to invest in new channels, and what kind of return we're getting from our spending on paid search, affiliates, and email marketing.”

Based on KPIs from Adobe Analytics, Argos can better ensure that every initiative it undertakes is built around a business case, so that the company can be sure an initiative is meeting a business need. “We have a full end-to-end process around project delivery, including capturing, benchmarking, and reporting, so we can see what investment we should be putting into each campaign. Adobe Marketing Cloud is essential to our process of investing wisely in our marketing—and measuring the results of that investment,” says Bassett.

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For example, Argos' retargeting campaigns have been especially effective. These leverage Adobe Analytics, capabilities from its email service provider, and consultants at Planning Inc. to retarget customers with three types of campaigns: one for visitors who abandoned their carts, another to recommend accessories or complementary products after the sale of an initial product, and the third to suggest products that might appeal to the customer, based on qualities of their previous purchases such as price point, color, and overall similarity.

The results have been phenomenal. In the first year, the abandoned basket campaign resulted in more than 930,000 messages, with an average open rate of 43%, a click-through rate of 37%, and a conversion rate of 32%. The ROI of this campaign was 5,600%.

In its first six months, the recommender campaign sent out 4.9 million messages suggesting accessories or supporting products after a sale, with follow-up reminders to non-responders. In its first six months, the campaign generated a 35% conversion rate and a campaign ROI of 7,000%. Argos' smart blocks (newsletter) campaign uses the same data model as the abandoned basket and recommender campaigns to generate three recommendations, then incorporates them as a smart block in the weekly large campaign email. In its first year, it generated 15 million messages, with a conversion rate of 10% and a 1,500% ROI.

Tailoring marketing for each channel

Two years ago, when Adobe Analytics revealed increasing use of mobile devices, Argos began studying which device types were being used and started developing strategies to create better experiences for each type of device to make it easier for mobile customers to shop.

"By providing reports for each channel, Adobe Analytics showed us that there were major differences between mobile channels," explains Bassett. "Those reports help us focus on tailoring the experience of all our users. For example, we've learned that tablet users spend 20% more per order, shop more regularly, and look at higher-end products than mobile phone users, so now we present our product range a little differently through that various mobile channels."

Argos' digital channels include not just websites for the United Kingdom and Ireland, but an iPad app, mobile apps for Apple iOS and Android devices, and a mobile website for smartphones. In the period September 2012 to January 2013, mobile commerce sales grew by 125% as customers took advantage of new tablet and smartphone apps and improved web functionality.

SOLUTION AT A GLANCE

- Adobe Marketing Cloud, including the Adobe Analytics and Adobe Experience Manager solutions. Capabilities used include:
 - Marketing reports and analytics
 - Ad-hoc analysis
 - Dynamic media
 - Video

Using social networks to build incremental revenue

Through attribution modeling, Adobe Analytics helps Argos understand the volume of customers coming in from every social channel. Argos uses social media channels to increase the relevance of its brands by engaging with customers and helping them find information about products. Adobe solutions help the company understand how to invest in this new channel and how to measure results.

For example, an integration between Adobe Analytics and BazaarVoice gives Argos insight into all the interactions customers have with its platform, which influenced how Argos developed its review service. When data from Adobe Analytics showed that customers who leave reviews or questions tend to have a higher conversion rate, Argos began sending users emails saying that their questions had been answered, and referencing campaign IDs. The company saw significant incremental revenue as a result. "We couldn't have done that without the marketing reports and analytics capabilities of Adobe Analytics," says Bassett.

Using data to drive business value

The biggest difference since adopting Adobe Marketing Cloud, according to Bassett, has been the way his team can transform website data into insights that result in effective digital marketing.

"Before, we could just deliver a lot of data," he says. "Adobe Marketing Cloud enables us to combine, analyze, and deliver consolidated reports that have completely changed the insights we provide across the organization. Adobe Marketing Cloud solutions have transformed our e-commerce and finance organizations' understanding of multichannel customers and KPIs. These days, all our marketing efforts are deliberate, well-informed, and often very successful."

For more information

www.adobe.com/solutions/digital-marketing.html



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345 Park Avenue
San Jose, CA 95110-2704
USA
www.adobe.com

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