

Tesco.com Affiliate Management

Optimising the Online Marketing Programme with Sonetto™



The Affiliate Channel

The affiliate channel is becoming a key channel for multi-channel retailers. Retailers with an online presence can drive more customers to their websites by partnering with affiliate networks and shopping comparison sites. In return they pay a cost per click (CPC) charge per lead or sale generated. The challenge is to ensure that multiple affiliates and shopping comparison partners are supplied with accurate customer-oriented product information according to their disparate requirements and that products are included or excluded quickly according to price competitiveness, availability and CPC level. This dynamic, marketing-driven process is usually handed to IT to expedite, but without agile, business-driven systems, failure to respond quickly to changing market conditions can lead to dissatisfied customers, brand damage, lost sales and increased marketing costs.

Tesco.com's Challenge

Tesco.com sends over 30 different product data feeds to up to 15 affiliate networks and shopping comparison sites every day. These feeds contain information on hundreds of thousands of products from its electrical, entertainment and Jersey-based product catalogues. Each partner requires a unique datafeed and Tesco.com needs to implement new partners and amend affiliate feeds dynamically in response to changes in market conditions. Before Tesco.com engaged IVIS Group on the project, the IT team was experiencing high levels of resource demand from the business users managing the process. Tesco.com wanted to improve the ROI from its Affiliate Marketing Programme and empower business users to manage partners more dynamically.

The Solution - Sonetto™ Affiliate Management

IVIS Group implemented its award winning Sonetto™ Affiliate Management solution at Tesco.com. Sonetto™ Affiliate Management is a component of the Sonetto™ Information Management suite. It is a business user driven Product Information Management application that enables multi-channel retailers to manage dynamic relationships with many affiliate networks and price comparison websites and align these collaborative channels with other routes to market. Sonetto™ optimises the promotion of products to customers through affiliate channels, thereby increasing sales, optimising affiliate marketing ROI and minimising the costs of managing multiple partners.

With Sonetto™ Affiliate Management, the Category Managers at Tesco.com can control the following processes with minimal IT support:

- Import product and commercial data from multiple internal systems, partners and data providers
- Set-up new affiliate relationships and data feed specifications
- Select products to be included in affiliate data feeds
- Dynamically select products to be excluded from feeds according to

case study

“Today more than half of our customers who buy electrical goods from Tesco.com find the website through affiliates.”

“As a major online brand we take affiliate marketing very seriously. It is a crucial component in our drive to give our customers the best online experience. Sonetto™ will allow us to be more customer driven when promoting specific product categories on Tesco.com. We expect a 20% increase in clickthrough rates and a 50% improvement in return from our affiliate marketing spend. The benefits will come in the first week of operation.”

Stewart Hunter, Online Advertising Manager, Tesco.com

case study

- rules such as stock availability
- Create enriched affiliate-specific product attributes and promotional messages automatically
- Apply categorisation to product groups to meet the requirements of affiliates
- Transform product data into the exact feed format and terminology required by each affiliate
- Build automated data feed extracts in the correct file format for each affiliate
- Create scheduled deployment of data feeds according to each affiliate’s requirements
- Report and monitor feed content and feed delivery confirmation

Sonetto™ Affiliate Management has given Tesco.com’s Product, Category and Marketing Managers the agility to control the supply of large product data feeds to affiliates on the fly and without the need for IT support. More than 250,000 products are now managed through Sonetto™ covering Tesco.com’s electrical, entertainment and Jersey stores.

Business Benefits

More than half of the customers who buy electrical goods from Tesco.com now find the website through affiliates. While there are many individual benefits from implementing Sonetto™ Affiliate Management at Tesco.com, the real advantage lies in the increased business agility through enabling marketing decision makers to drive the affiliate management process. Tesco.com’s operational and financial benefits since implementing Sonetto™ include:

- A 20% increase in clickthrough rates from affiliates
- The return on affiliate marketing spend has increased by 50%
- The affiliate management process is now completely business user driven
- DBA support is no longer required on a day-to-day basis, reducing operating costs
- Implementing changes to an affiliate’s product data feed used to take over two weeks but can now be achieved in hours
- The process of implementing new affiliates has been reduced from several weeks to a few days

Benefits to customers include;

Improved product discovery: Shoppers using affiliate and price comparison sites are far more likely to find that what they are shopping for is available from Tesco.com

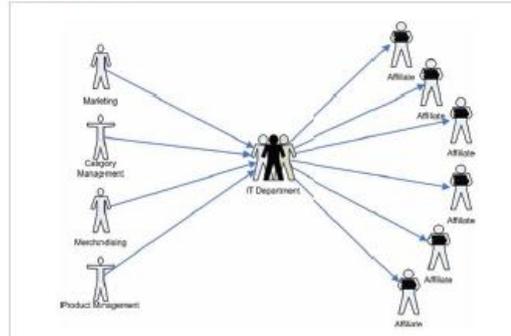
Increased chance of purchase: Rich product content for products that are in stock helps shoppers reach buying decisions.

“Sonetto™ gives our Marketing team very powerful product data enrichment and data feed formatting capabilities with a user interface built around our business processes. The Marketing team will no longer need IT to provide data feeds on a day-to-day basis, they can now select the optimal product set for each affiliate, amend feeds and make changes in real-time.”

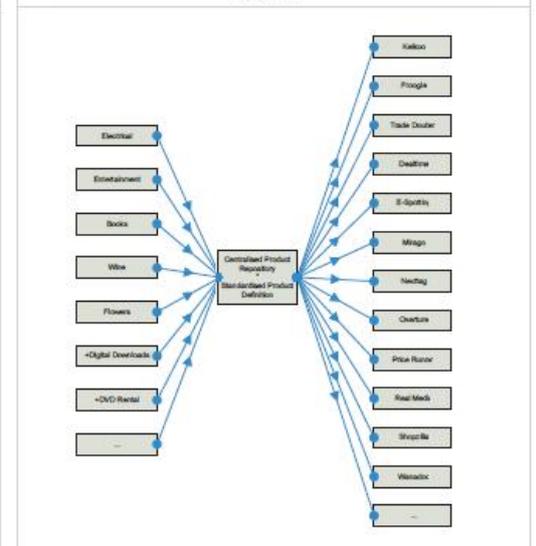
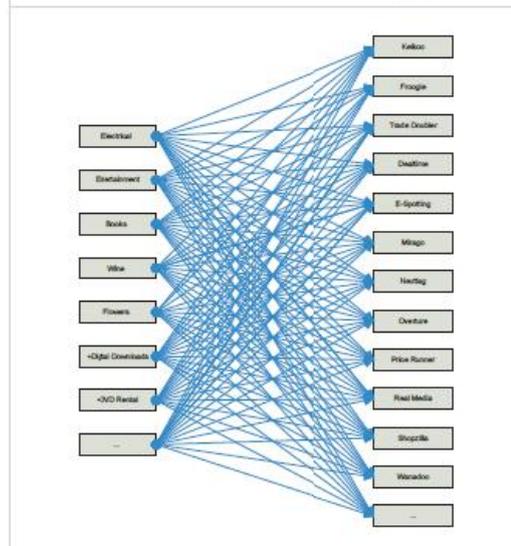
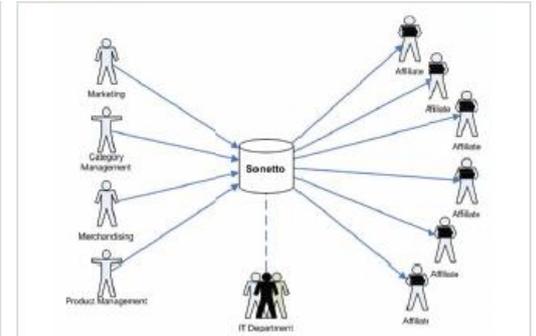
Jon Higgins, Technical Director, Tesco.com

The following diagrams show how Sonetto™ Affiliate Management transformed Tesco.com’s manual and IT-driven process into an automated business user driven process:

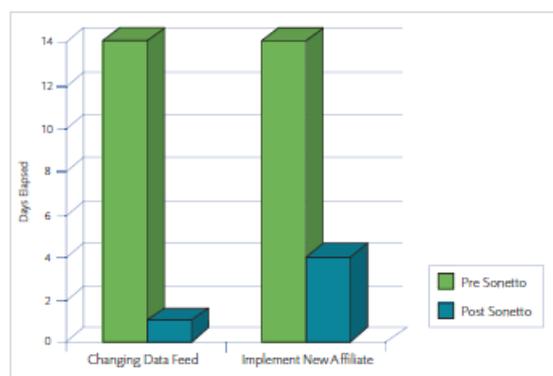
Before Sonetto



After Sonetto



Improvement in speed of response for the two main activities in the process:



Details and Information

IVIS Group Ltd.
 CP House 97-107 Uxbridge Road,
 Ealing, London W5 5TL, UK
 Tel +44 (0)20 8579 3335

www.ivisgroup.com