

Tesco.com Channel Information Management

Optimising the Online Marketing Channel with IVIS Sonetto Solutions

case study

Background

Partner relationship management is becoming a key online marketing 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 online partners are supplied with accurate customer-oriented product information according to their disparate requirements. Additionally, products must be included or excluded quickly according to price competitiveness, availability and CPC level. This dynamic, marketing-driven process is usually handed to IT to expedite. However, 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.

Business Challenge

Tesco.com sends over 30 different product data feeds to up to 15 online partner networks, including affiliates 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 data feed and Tesco.com needs to implement new partners and amend feeds dynamically in response to changes in market conditions.

Before Tesco.com engaged IVIS Group on the project, the IT team were experiencing high levels of resource demand from the business users managing the process. Tesco.com wanted to improve the ROI from its online marketing programme and empower business users to manage partners more dynamically.

Solution - Sonetto Channel Information Management

IVIS Group implemented the award winning Sonetto Channel Information Management (CIM), which Tesco.com used to manage their online marketing programme. Sonetto CIM, a component of the Sonetto Retail suite, is an application that enables a business to manage, control and publish all information across multiple channels. Sonetto CIM takes a single feed and specifically tailors the information for each channel in a multi-channel environment. It takes in product, pricing and promotional data and uses business rules to adapt the content automatically for each channel – such as online, in-store, kiosks, call centres and marketing partners including

affiliates or price comparison sites. As Sonetto CIM is connected to other product or pricing systems it ensures dynamic, real-time and accurate information is delivered to every channel.

With Sonetto CIM, 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 online partner relationships and data feed specifications
- Select products to be included in partner data feeds
- Dynamically select products to be excluded from feeds according to rules such as stock availability
- Create enriched partner-specific product attributes and promotional messages automatically
- Apply categorisation to product groups to meet the requirements of each online partner
- Transform product data into the exact feed format and terminology required by each partner
- Build automated data feed extracts in the correct file format for each partner
- Create scheduled deployment of data feeds according to each partner's requirements
- Report and monitor feed content and feed delivery confirmation

Sonetto CIM has given Tesco.com's Product, Category and Marketing Managers the agility to control the supply of large product data feeds to online partners on the fly and without the need for IT support. More than 250,000 products are now managed through Sonetto covering the 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 online partners. While there are many individual benefits from implementing Sonetto CIM at Tesco.com, the real advantage lies in the increased business agility through enabling marketing decision makers to drive the online marketing process directly. Tesco.com's operational and financial benefits since implementing Sonetto CIM include:

- A 20% increase in clickthrough rates from online partners
- The return on online marketing spend has increased by 50%
- The partner management process is now completely business user driven
- DBA support is no longer required on a day-to-day basis, reducing operating costs

"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

"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."

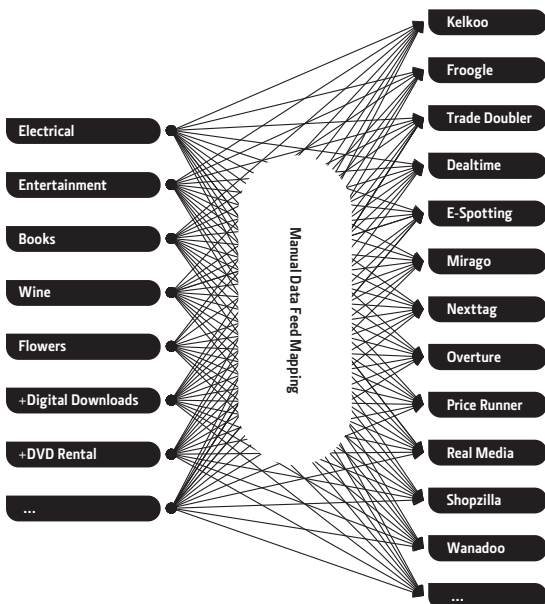
Jon Higgins,
Technical Director, Tesco.com

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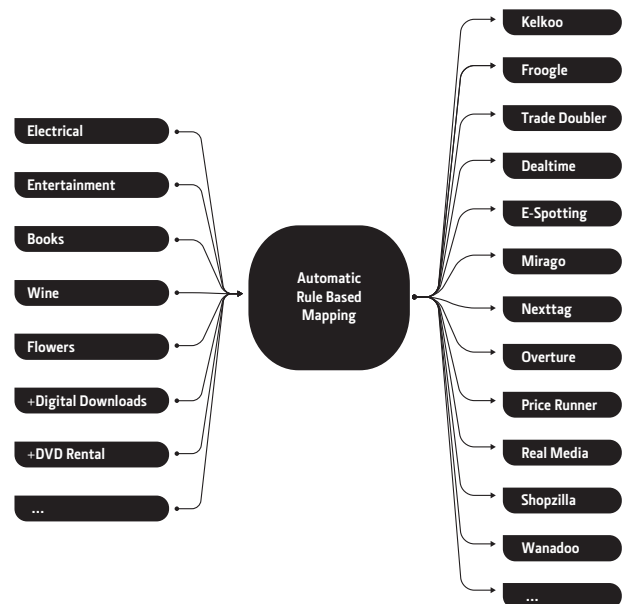
- Implementing changes to a partner's product data feed used to take over two weeks but can now be achieved in a few hours
- The process of implementing new partners has been reduced from several weeks to a few days
- Benefits to customers include:
 - Improved product discovery: Shoppers using online partners such as 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

The following diagrams show how Sonetto CIM transformed Tesco.com's manual and IT-driven process into an automated business user driven process:

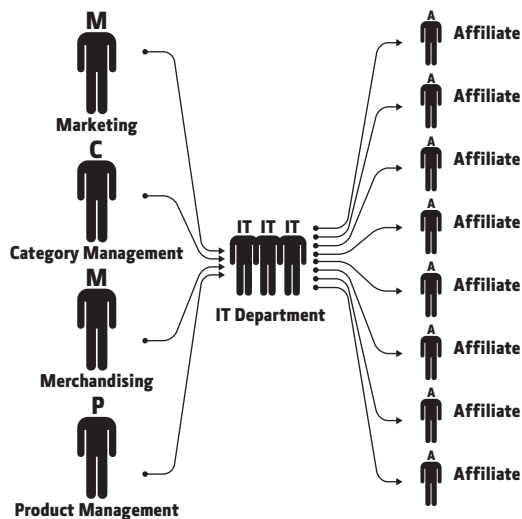
Before Sonetto CIM



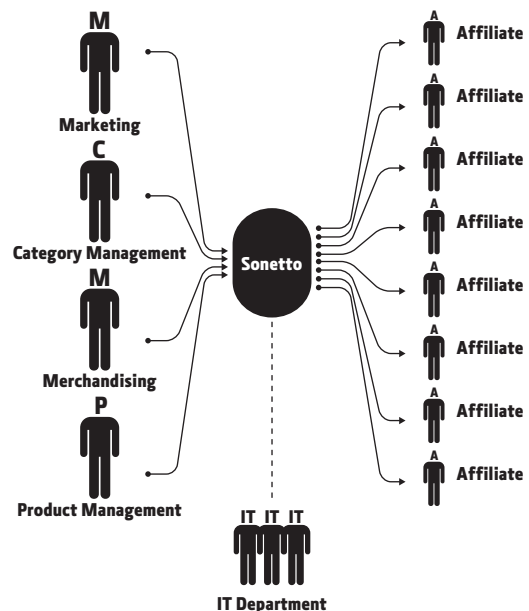
After Sonetto CIM



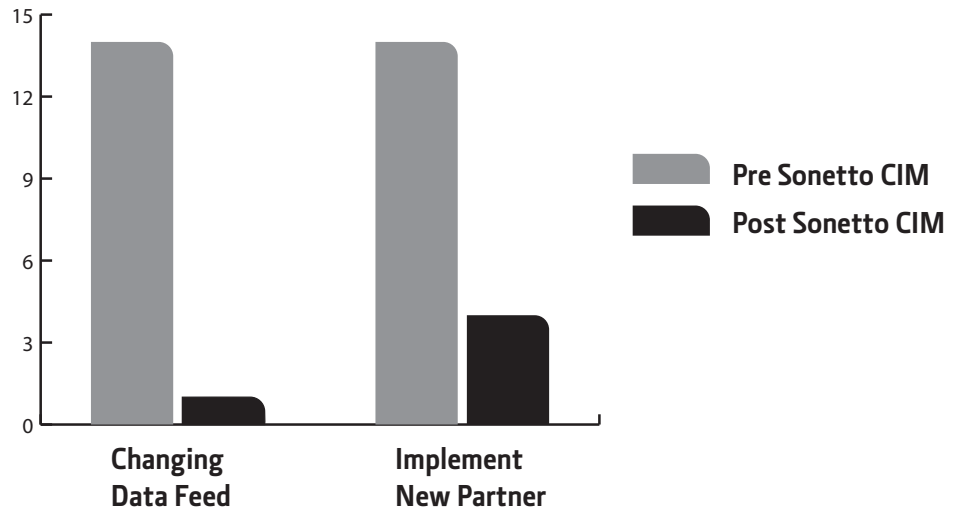
Before Sonetto CIM



After Sonetto CIM



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



Microsoft
GOLD CERTIFIED
Partner

Sonetto CIM for Affiliate Management won both the Multi-Channel Retailing Award and the Special Award for Innovation at the Microsoft EMEA Retail Application Developer (RAD) Awards 2006.

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 **ivisgroup**

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