

## Case Study

# Argos

How Sky is working with one of the biggest UK retailers to deliver insight into how to optimise their TV investment.



## The UK's Largest TV Viewing Panel

The Sky Viewing Panel is made up of over 500,000 homes and combines household-level viewing data with other data sources such as EPG channel mapping, spots and promos, as well as household attributes and MOSAIC lifestyles.

It allows Advertisers, Agencies and Broadcasters to generate insight into how people consume TV, at a granular level and across all TV channels. The ace in the pack is the ability to merge Sky's customer viewing data with an advertiser's customer database. This means advertisers and agencies can now start to understand the true linkage between media and sales, and ultimately prove the effect of TV advertising and the ROI it delivers.

## Background

With their huge customer data sets, Argos and Sky were drawn together by a desire to answer the question posed by marketers ever since the launch of commercial TV:

"Who watched my TV ad, and who responded by buying my products?" By addressing this we knew Argos could gain actionable insight to improve the effectiveness of their TV investment.

## Objective

To optimise Argos' TV spend by driving efficiencies to ultimately deliver incremental revenue from their tactical TV advertising.

## Sky's Approach

- Match Argos Customers with the Sky Viewing Panel
- Strategic TV Performance Analytics
- Target Audience Segmentations
- TV Campaign Planning
- In-flight TV Planning
- Post Campaign Analyses using Sales Data

## A Merged Panel of Sky and Argos Customers

Sky's viewing panel households was matched, at address level, with Argos customer records gathered via their Online Check & Reserve database. The two data sets were matched using Sky's data-matching technology, which creates a unique household identifier to enable any number of diverse data sets to be matched together.

The result was a matched customer panel of **280,000 Argos and Sky households.**

This combined panel is updated weekly and over 100 audience segmentations have been built to support cross-channel planning and evaluation. Around 1.4 billion viewing events and over 256 million transactions from Argos are captured each month.



## Media Analytics

Once the combined panel had been created Sky then analysed previous campaigns to gauge how Argos shopper segments could be found on TV. This allowed Sky to accurately define the relationship between TV advertising viewing and sales, and in turn, give recommendations to optimise their TV investment in the future.

We measured and compared the effect on sales of different spot lengths, frequency levels and TVR weights to see which combinations were the most effective in reaching audiences and driving them to respond.

For example, by better understanding optimal frequencies we were able to recommend moving ratings from less efficient to more efficient campaigns to drive further revenues.

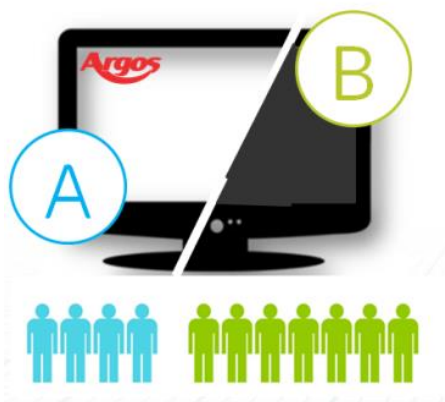
## Audience Analysis

The next stage was to define target audiences for each of their upcoming campaigns. **Frequency, recency and value of online orders** were analysed over a 2 year period. The most valuable audiences were then identified by looking at the greatest uplift in sales as a result of exposure to the TV advertising.

The size of these audiences segments were bigger than anything Argos had previously been able to plan against. Each target was based on 28,000+ households which were then scaled to represent the Argos base. Sales by product category were also studied to allow the media agency to optimise their TV plans to reach more of these key customers.

## Methodology

Due to the scale of the combined panel of Sky and Argos households we were able to create robust groups of Exposed and Non-Exposed audiences to the Argos campaigns. We could then measure and compare sales metrics across these groups.



## Planning and Execution

Once it was understood who was best to target and an effective way of targeting them, Sky was able to assist further by giving the media agency the ability to plan against these defined audiences by making them available within their TechEdge planning system.

The media agency also had access to the Sky Campaign Manager tool which allowed them to evaluate, in-flight, spot laydowns from sales houses. They could then make sure, as the campaigns aired, that their target audiences, not just their buying audiences, were also being reached sufficiently.

## Sky AdvantEdge / Sky Campaign Manager

Sky have partnered with TechEdge to give clients access to Sky's 500,000 household panel via their AdvantEdge system. Sky AdvantEdge enables users to create audiences for analysis from actual customer data or from hundreds of audience attributes. Sky Campaign Manager allows media agency buyers to monitor in-flight how a TV campaign is tracking against the client's key target audiences.

## Results

Viewing and shopping insight gathered from the matched panel allowed Argos to understand the viewing behaviours of their customers for the first time. The relationship between exposure and sales was also monitored and they were able to see how TV drives specific purchase patterns.

Through a combination of improved targeting and a more efficient use of copy, Argos saw increased TV targeting against their audiences by 8%, on average, year on year. Average shopping rates nearly tripled and average shopper value doubled for the exposed target audience. We also saw a large halo effect in incremental revenue within each category - beyond the products advertised.

Through highlighting where Argos could get in front of more of their key audiences, at the right time, meant they could connect with more customers and in turn saw sales increase. For the 10 weeks in the run up to their peak period alone, Argos drove 5% additional revenue from TV.

### £7 million Incremental Revenue in 10 weeks

This is a direct result of the insight and recommendations made from the data partnership with Sky Media.



Average shopping rate of the exposed group **tripled** for the target audience (vs. non-target audience)



Average shopper value of the exposed group **doubled** for the target audience (vs. non-target audience)



Average **nine-fold** increase in incremental revenue when looking at all products vs. SKU's advertised