



Amplifying business returns.

Leading plumbing, PVF, HVAC, and waterworks distributor masters website testing and optimization.



"We achieved payback within the first week of launching website testing and optimization with Adobe Analytics and Adobe Target."

Melody Walk, Digital Optimization Owner, Ferguson

SOLUTION

Adobe Analytics and Adobe Target solutions within Adobe Marketing Cloud
Adobe Professional Services

RESULTS



Achieved **PAYBACK** within one week using Adobe solutions

\$6.6M
ANNUALLY

Increased revenues and boosted revenue per site visitor by **381%**



Aligned solutions, people, and processes for **DATA-DRIVEN** decision-making



Reinforces position as **INDUSTRY LEADER**



Ferguson

Established in 1953

Employees: 22,000

Newport News, Virginia

www.ferguson.com

CHALLENGES

- Instill industry-based practices for website testing and optimization
- Move to data-driven digital marketing
- Acquire the right products and build the skills and processes for success
- Contribute to the bottom line

Bottom-line contribution

Imagine a company with a digital marketing strategy so effective and exciting that every website test launches with a ceremonial striking of a gong, where people vote on the test entries for prizes, and where just one winning contest entry can—and has—resulted in estimated revenue increases of \$6.6 million per year.

Welcome to Ferguson. Owned by Wolseley plc, Ferguson is ranked by trade publications as the largest distributor of plumbing supplies and pipe, valves, and fittings in the United States. Ferguson is also the industry's third largest distributor of heating and cooling equipment and the second largest company within the waterworks industry.

The company's cross-functional eBusiness team developed a program fueled by Adobe Analytics and Adobe Target that has made site testing an integral part of the company's culture—and a major contributor to the bottom line. "The buy-in across departments to the program and to the Adobe solutions has been fantastic," says Melody Walk, Digital Optimization Owner at Ferguson.

Step-by-step advancement

Ferguson's eBusiness team has worked hard over the years to demonstrate the value of data-driven marketing and help achieve organizational alignment. For instance, adopting strategies for consistent and proper tagging of web pages was required to improve performance measurement.

There were organizational and skill set hurdles to overcome. The company is a matrix-style organization with a variety of departments. There was no standard way to figure out which parts of any website were working best because different teams—merchandising, loyalty, user experience, and others—relied on different reporting metrics.

The team gained additional perspective and best practices insights from Adobe's online content as well as blogs by industry experts. In 2013, Adobe Professional Services helped to conduct a Digital Marketing Maturity Assessment to provide the team with more solid footing for next steps.

"The Digital Marketing Maturity assessment gave us good next steps that framed the data-driven marketing work going forward," says David Hammond, Senior Manager of eBusiness Analytics at Ferguson.

The right people, processes, and products

Success with the testing program was supported by the company's use of Adobe Analytics and Adobe Target, part of Adobe Marketing Cloud. Ferguson's Digital Optimization Owner, Melody Walk, followed Adobe's best practices and recommendations by assembling a cross-functional team and establishing a solid process to gain organization-wide buy-in for the testing program.



The cross-functional team evaluates the test ideas using data from email campaigns, surveys, offline transactions, and other sources contained in Adobe Analytics. The team then decides which tests to run based on criteria such as potential business value, technical difficulty, time, and resources required. Today, associates from different departments submit testing requests that they believe will bear fruit.

Making testing fun

Once a test is selected, the excitement begins. The person who submitted the test entry strikes the ceremonial gong upon launch of the test to alert all within hearing distance to the commencement of a new test. People are notified of the test variations and start voting on the designs for prizes. Associates have become enthusiastic participants eager to learn more. Ferguson did the seemingly impossible—making website testing and optimization fun, while delivering measurable business results.

Within a little more than three months after implementing Adobe Target in January 2015, the eBusiness team completed two tests and started a third. The first test was chosen based on Adobe Analytics data indicating that indicated Ferguson's PROPlus™ Loyalty members spend far more on the site than non-members. PROPlus™ members receive points for purchases that can be redeemed for a variety of products on third-party sites, from movie tickets and TVs to camping gear or donations to charity.

Analytics data highlighted a significant opportunity to increase online sales and customer engagement by increasing PROPlus™ Loyalty program members. As such, the goal of the test was to boost sign-ups for the program and, in turn, generate more revenue.

The team saw several opportunities for improvement to the banner promoting the loyalty program. It was difficult to sign up unless a visitor was new to the site, so the first goal was to make the path to conversion easier. The wording for the banner touted "Ferguson PROPlus™ Benefits," but digital marketers wanted to try more action-oriented copy: "Register Now." It was also believed different imagery and button colors might be more effective than the existing design.

The team created four variations of a new banner. Three featured a picture of its celebrity spokesperson for the program. The other showed a camping tent with copy saying "Score Points for Free Stuff." For each variation of the image, the banners featured different button colors and calls to action—either "Ferguson PROPlus™ Benefits" or "Register Now."

Millions in incremental revenue

After the first test, the offer featuring Ferguson's celebrity spokesperson and the new copy increased sign-ups by 40%, but the offer with the tent image increased sign-ups by a whopping 75%. For further validation, the winning variants from the first test were evaluated in a follow up A/B test. The tent won again, with a 59% conversion rate compared to a 41% conversion rate for the celebrity image.



"We're confident because every testing decision we make is backed by data from Adobe Analytics."

David Hammond, Senior Manager of eBusiness Analytics, Ferguson

In the first month after the tent banner was pushed live using Adobe Target, business-to-business share of sales grew by 469%, online revenue per visitor increased by 381%, and daily sign-ups grew by 32%. The increase in incremental sales per year is estimated to be \$6.6 million. "The success was astounding," says Walk. "We achieved payback within the first week of launching website testing and optimization with Adobe Analytics and Adobe Target."

Validating hunches

The next test was designed to determine the best placement for merchandising banners on the home page touting hot deals and featured products. The default location was the middle of the page. The test placed them at the bottom and the top, as well as in the default location. The top placement outperformed the default location in banner click-throughs.

However, through additional analysis in Adobe Analytics it was determined the new location did not influence sales. The team learned that placement on the page could increase merchandising banner click-throughs, but it was not a factor in increasing purchase conversion. The best decision: keep them in the middle.

"Some tests result in great returns, others confirm hunches," says Hammond. "We're confident because every testing decision we make is backed by data from Adobe Analytics."

The fourth test segmented HVAC customers based on their nearest Ferguson branch and presented a banner that was appropriate to the weather and the equipment available in their area. The test was another step toward involving branches more in the company's online activities to help improve customer self-service and convenience.

Training and organizational alignment

The company's team cites several best practices for the program's success, including training. At the outset of its deployment, only 10 people used Adobe Analytics. Today, there are 71 active users, largely due to internal training developed and hosted by the Analytics team, which 55 people across five departments have completed.

Departments also came together by democratizing marketing data. Reporting and dashboards were revamped to be consistent and configured in a way that everyone could understand and find useful. That progress has had a significant impact on marketing productivity. Routine requests for reporting data have plummeted.

SOLUTION AT A GLANCE

- Adobe Marketing Cloud, including the Adobe Analytics and Adobe Target solutions. Capabilities used include:
 - Marketing Reports and Analytics
 - Ad Hoc Analysis
 - Tag Management
 - AB Testing
 - Rules-based Targeting
 - Geotargeting
 - Automated Personalization
- Adobe Professional Services

"Standardized dashboards and quarterly Adobe Reports and Analytics training have eliminated involvement by the Analytics team in basic reporting almost completely," says Hammond. "People can find most answers on their own, so we can focus on more strategic eBusiness tasks."

Ferguson and Adobe Professional Services

Through a maturity assessment, Adobe Professional Services helped Ferguson identify competencies within its digital marketing team, deliver training where knowledge was still required, and implement best practices for B2B and B2C marketing. Professional Services also built automations within Ferguson's digital marketing workflows to help marketers effectively maintain its website and scale activities with its extensive product catalog.

For more information

www.adobe.com/marketing-cloud/web-analytics.html

www.adobe.com/marketing-cloud/testing-targeting.html

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

<http://myanalyticsscore.com/>

www.adobe.com/marketing-cloud/service-support/professional-consulting-training.html



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