



Alienware Transforms Business with Omniture

\$100 M **▶** ACHIEVED OVER \$100 IN ANNUAL ONLINE SALES



CASE STUDY



ALIENWARE

RETAIL/MANUFACTURING



OVERVIEW

Alienware, a privately held company, was founded in 1996 by two friends who started out building customized, high-end computers for their fellow gaming enthusiasts. Armed with technical smarts, the pair saw a need to ratchet up the quality and capability of high-end PCs in the marketplace and soon formed their own company. Based in Miami, Florida, Alienware is known for its unique, innovative PC designs, with systems coming in a variety of sizes, shapes and colors with certain products inspired by the look of the extraterrestrial creatures in the classic science fiction movie, Alien. The company has quickly become a key industry player, manufacturing high-performance desktop, notebook and media center computer systems in the U.S. and Europe, and employing several hundred people. Once in a niche gaming market, Alienware has expanded into mainstream markets including home and home office, education, government, mobile computing, and creative services.



LOCATION: Miami, Florida
URL: www.alienware.com
INDUSTRY: Retail/Manufacturing

PRODUCTS: Omniture SiteCatalyst™, Omniture SearchCenter™, Omniture Discover™

Omniture DARTmail™ Integration, Omniture DataWarehouse™

CHALLENGE

- Gain deeper insight to analyze online channel
- Optimize online channel to drive company growth
- Gain competitive advantage through advanced analytics
- Improve e-mail marketing effectiveness

SOLUTION

- Omniture SiteCatalyst selected for its best-in-class, hosted analytics solution
- Omniture Discover delivers in-depth reporting analysis
- DARTmail Integration improves e-mail campaign execution
- Omniture SearchCenter simplifies keyword marketing

RESULTS

- Over \$100 million in annual online sales
- Average online transaction near \$3,000
- 35 percent annual growth in unique site visitors
- 105 percent annual increase in online holiday sales
- \$160,000 incremental revenue through DARTmail remarketing campaign

CHALLENGE

Before deploying Omniture's online marketing services, Alienware had no real analytics solution in place. To learn about online activity or visitor behavior the company relied on crude Web log reports, which required manual processes of pulling and formatting raw data. "At that point, our online decisions were essentially based on guesswork, as true analytics didn't really exist," says William Brown, director of e-commerce for Alienware. "We had no way to capture and view Web traffic and its related commerce data in real-time. We didn't have the breadth of tools to evaluate the results of our online decisions." The company had grown very quickly over a span of seven years, but was seeing Web site conversion rates gradually drop. "With 80 percent of our business conducted online, not understanding why customers were leaving the site without completing a transaction was becoming a huge missed opportunity," declares Brown. "As a rapidly growing company, every single sale counts. We needed a tool

that would give our stakeholders—at all levels—the insight to make quick, smart decisions." In a ferociously competitive PC hardware market with companies such as Dell, Sony and Gateway vying for market share, Alienware needed to find a way to break through the ceiling to continue its success trajectory in e-commerce.

SOLUTION

To take their Internet retail business to the next level, Alienware turned to Omniture in 2003 for its leading Web analytics solution. "It was critical for us to find the right partner and technology set," says Brown. "We wanted a best-in-class solution that would become a key foundation for growing our business. Our executives made the logical decision to invest in Omniture, embracing strategic e-commerce as a major priority for the company." Subsequently, the company deployed Omniture SiteCatalyst, Data Warehouse, Discover, and most recently, SearchCenter, creating a suite of analytics that has dramatically impacted all aspects of the busi-

ness. Recently, Alienware has deployed Omniture's integration with DoubleClick's DARTmail service. "Omniture's integration with DARTmail gives Alienware a truly powerful, comprehensive e-mail marketing platform, tied into the industry's leading Web analytics tool, creating the opportunity to develop truly effective segmented marketing," says Brown.

RESULTS

"The results have been phenomenal," concludes Brown. "Omniture provides incredibly robust tools that have had a profound impact on our business." Today, Alienware is selling over \$100 million annually through the online channel alone, with average transactions near \$3,000. Unique site visitors are growing 35 percent year-over-year. "The investments we've made in Omniture have been completely justified in terms of ROI," says Brown. "We are constantly improving decision-making across such mission-critical functions as site design, email marketing, and online media. Omniture gives us the tools to



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WILLIAM BROWN, DIRECTOR OF E-COMMERCE, ALIENWARE CORPORATION

optimize consumer demand-generation and conversion activities."

Omniture SiteCatalyst has given Alienware new insights and a deeper understanding of their customers, which has made them a more competitive company. "One of the great things about Omniture is that you can see—in real time—what your customers are doing and what your customers are thinking. In the 'offline world', you often have to be clairvoyant—a mind reader—to understand what drives a customer to make a purchase or not. In the 'online world'—with Web analytics—you can identify the factors that lead to a purchase decision. With the right tools, you can monitor customer activity, from the initial visit to a purchase or abandonment, every step of the way. There's an opportunity for direct learning from every visitor who comes to our site. With Omniture, we've gained tremendous insight into our customer base, which has literally transformed our business. Having the ability to look at real-time data in a highly intuitive, graphical format has allowed Alienware to maintain our competitive advantages over our well-heeled competitors."

Alienware established a high-profile partnership with Lucas Films, whereby Alienware built and sold the first official Star Wars PC, the Aurora 7500 Star Wars Edition. The company invested heavily in this initiative with Lucas, building a custom-designed PC with a unique Star Wars look-and-feel. Customers could choose one of two models, a "dark side" model associated with dark characters in the movie or a "light side" model in a light color scheme. Alienware used Omniture to track visitor behavior with this strategic product, and quickly uncovered a startling insight: dark side systems were outselling light side models by a ratio of 15 to one. This fresh insight from SiteCatalyst rippled through Alienware and the company was able to quickly adjust its product development, supply chain assets, marketing and manufacturing plans to meet the demands of the marketplace and maximize sales. Using SiteCatalyst, Alienware had an overwhelmingly successful 'Black Friday'

and 'Cyber Monday' shopping weekend in November 2005. "This is the biggest online shopping weekend of the year, and we wanted to make the most of it," says Brown. And they did. Alienware increased weekend sales by 105 percent compared to the prior year's five-day period. "With real-time data delivered through Omniture, we turned our strategies and tactics towards products or promotions that were really working well on the site to maximize sales," says Brown. "Using Omniture reports, key performance indicators, alerts and other tools within the system, we had real-time data to support decisions, changing and tweaking site content to optimize sales. We identified hot-selling products such as our high-end Area-51 notebooks, gave them better site visibility and online media promotion, and watched sales spike before our eyes. We could also see what price point customers were responding to, and make the appropriate changes." Alienware had its best month ever, with record-breaking site traffic, conversion rates, and revenue. "We were able to fully leverage our online media investments into maximum ROI."

OMNITURE PAYS OFF IN SPADES

SiteCatalyst has been rapidly adopted by users throughout the enterprise, as it monitors the Miami-based site and other company sites in the United Kingdom, France and Germany. Brown says there are approximately 30 total employees using the tool in Miami as well as in their Athlon, Ireland subsidiary office—with even more stakeholders receiving specific reports delivered by email worldwide. With a dedicated analytics team as well as six to ten 'power' users throughout the company, SiteCatalyst is spreading insightful data to improve business performance. Viewing customized charts and reports through intuitive dashboards, Alienware's executive team is engaging the tool and viewing analytics daily to keep their fingers on the pulse of the business. Customized dashboards are sent to executives via e-mail for simple, quick viewing. "Our executives are looking at Omniture reports every day," says Brown, "Dashboards are automatically sent every morning showing the

previous days' site activity and results, along with a comparable period. For our busy executives, this 'executive summary' provides them easy access to the information they need. If they need to go deeper, more detailed real-time data is just a click away, so they can make on the spot decisions that can influence customer behavior in a matter of minutes."

With Omniture, Alienware has been able to do more with less. "Omniture is so easy to run and so easy to use," says Brown. "We can access it from any Web browser. The tool allows us to do so much without additional overhead." For a company its size, Alienware has a lean analytics department. "With a hosted solution, we don't have to worry about software updates or maintenance. We don't need to become experts in building an analytics software platform. Instead, we can just focus on building upon the Alienware e-commerce success story and getting the most out of the tool. We trust Omniture 24 hours a day, seven days a week, year-round to track the status of our global e-commerce business." →

"We are constantly improving decision-making across such mission-critical functions as site design, email marketing, and online media. Omniture gives us the tools to optimize consumer demand-generation and conversion activities."

OMNITURE AT THE CENTER OF THE MARKETING SERVICES ECOSYSTEM

Alienware has also deployed DoubleClick DARTmail, which is tightly integrated with Omniture to provide new insight into e-mail marketing campaigns. The company can now analyze all e-mail campaigns through one interface: SiteCatalyst. "We've seen fantastic initial results. Our first month of use brought in several million dollars in revenue" says Brown of the integrated solution. "We've also been able to determine—for the first time—what percentage of our overall revenue is attributed to DARTmail campaigns."

In evaluating e-mail marketing vendors, the major selling point for DoubleClick was their strategic relationship with Omniture," recalls Brown. "With all the technical integration worked out between the two companies, deploying DARTmail was like turning on a light switch." The tight integration enables better campaign execution and new analysis, closing the information gap between Alienware's two most critical online channels: Web and e-mail. "The integration opens up a whole new window of insight for us to understand user behavior around e-mail marketing campaign and drive incremental revenue," says Brown. "Without Omniture, DoubleClick could only tell me that someone bought something. But tied to Omniture analytics, I can now investigate how a visitor reached my site, what steps they took before purchasing—such as carting a product but abandoning before checkout—and then use this information to remarket to these customers by pumping custom reports from Omniture Data

Warehouse into DARTmail. We are now able to tailor permission-based e-mail remarketing campaigns based on visitor behavior, which enables us to push more relevant, targeted promotions with improved conversion rates."

For example, in response to a DART e-mail campaign promoting two popular Alienware notebooks, Brown's team used Omniture analytics to identify 36,000 respondents who were passively interested in the offering (those who clicked on a prior e-mail link but did not ultimately purchase a certain high-end notebook). Brown, sensing that these customers were very interested, crafted a 'follow-on' e-mail campaign to those individuals with a special incentive. The results were outstanding, as the campaign brought in over \$160,000 in incremental revenue or \$4.40 in revenue per every email sent. "This is the complete solution that online marketers have been waiting for," Brown said.

ALIENWARE GOES DEEPER WITH NEWEST OMNITURE OFFERINGS

Alienware is also using Omniture Discover and Omniture SearchCenter to gain more insight into user behavior and maximize their online investments. "Discover takes us to the next level of data for more advanced analysis, providing us with a powerful business intelligence platform. With its intuitive interface, we can look at data to analyze our customers and their behaviors at a more granular level. It gives us access to information we can act on right away, improving our effectiveness. For example, if there are drops in conversions for a certain product, we can use Discover to determine causal

reasons, which will lead to theories that will allow us to fix the problem faster."

The company also uses Omniture SearchCenter, which brings all keyword search campaigns and performance metrics into a single interface that consolidates and optimizes keyword marketing. With SearchCenter, Alienware is beginning to manage, through one interface, bid management activities across Google, Yahoo! and MSN, and can easily view return on ad spend per keyword and monitor performance.

Omniture has provided all the support and training needed to help Alienware get the most out of its investment in Web analytics. Alienware's relationship with Omniture has been enhanced by the outstanding results delivered by Omniture Professional Services. "The professional services group goes over and above the call of duty to help us make the most of the tool," says Brown. "As for development, the self-paced training library is an outstanding resource for new hires, and keeps our people up to speed on the product and all its capabilities. There are few vendors that have the resources that Omniture University offers, which means our team can keep learning and improving."

"The devil is in the details," concludes Brown. "If you don't have clear visibility into every investment you make on the Web, how can you possibly know if you're improving or doing everything possible to drive the consumer experience and conversion? Omniture permeates everything we do here and we anticipate continuing a great working relationship going forward." ■

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ABOUT OMNITURE Omniture, Inc., headquartered in Orem, Utah, is the pioneer of on-demand Web analytics technology that delivers the essential intelligence needed by Web commerce leaders and innovators to drive the business decisions that increase ROI. Omniture is the largest on-demand Web analytics provider by revenue, and Omniture's SiteCatalyst is the most mature and comprehensive technology on the market, offering industry leading scalability and flexibility combined with an intuitive user interface. Omniture is the only company in its market to offer a third-generation platform that combines instant response times with the power to view Web data across any dimension. In addition, Omniture offers knowledgeable professional service teams, experienced in helping customers determine the questions they must ask to arrive at the answers they require. Proof of its world-class technology and outstanding team, Omniture has the highest level of retained and satisfied customers in the market, including eBay, AOL, Wal-Mart, Gannett, Microsoft, Oracle, GM and HP. www.omniture.com.

OMNITURE™

UNIQUE QUESTIONS, PRECISE ANSWERS.

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