

studio

STUDIO.CO.UK OPTIMISATION PROGRAM



How to Accelerate Growth in a Challenging Economic Climate

Key Results

- Revenue gains of up to 3.2 percent to increase the share of customers' ever-tightening purses.
- An increase of sales of up to 2.6 percent among the more profitable credit customers segment.
- Reduced cost per acquisition by as much as 4.2 percent from paid search performance.
- Lowered call centre contacts for returns by 43 percent by improving customers' self-service ability.

Enhancing the customer experience is an essential driver of growth for all retail and eCommerce businesses. McKinsey research (Apr 2022) revealed that improving the customer experience can increase revenue by between 2 percent and 7 percent.

Without best-in-class CRO capabilities, businesses risk lost sales and revenue, a higher cost per acquisition, and wasted budgets. This is especially pertinent at a time when a rising cost-of-living is limiting disposable income.

Studio.co.uk

Studio.co.uk (a part of Frasers Group) is a market-leading digital value retailer providing a broad range of products and flexible payment options that allow customers to easily purchase both necessities and “nice-to-haves.”

Selling more than 40,000 items online, Studio.co.uk has more than 2.2 million active customers. With an AOV of +£50 and ASV of +£150 per customer, Studio.co.uk’s annual revenue for 2021 was £578.6m (92.9% online orders) and its profits (before tax) were £41.7m.

Studio.co.uk’s mission is to become the UK’s #1 digital value retailer for families that want payment flexibility. To achieve this goal, they are focusing on 3 key growth pillars:

- 1. Choice:** Studio.co.uk strives to provide customers with broad product choices in order to increase spend per customer and their share of customers’ wallets.
- 2. Value:** Studio.co.uk aims to build their core customer base, which is attracted to the unbeatable value they offer.
- 3. Payment Options:** Studio.co.uk wants to broaden their appeal to a wider customer base that seeks great value and flexible payment options by offering an innovative tailored credit proposition.

Key Challenges

Studio.co.uk recognised that creating an enhanced customer experience is an essential driver of growth. This requires best-in-class CRO aligned with best-in-class CX to maximise marketing budgets that are under pressure.

Some of the challenges Studio.co.uk may potentially face in reaching their growth goals include:

- 1. Cost of Living Crisis:** The near-term economic climate will be testing as the cost-of-living, energy, fuel, food and interest rates will depress disposable household incomes. As a result, Studio.co.uk will be pressured to maximise every penny of their marketing spend.
- 2. Rising Material Costs:** The rising cost of materials is expected to bring the biggest downward pressure on the retailing market moving forward. Consumers cutting back on their spending may impact Studio.co.uk’s revenues, increase their costs, and squeeze their net profit.
- 3. Increase in Customer Acquisition Costs:** If Studio.co.uk doesn’t have the items that customers want and can’t provide suitable alternatives, their marketing may bring customers to their website only to disappoint them. This increases customer acquisition costs.
- 4. Selling Stock Within Time:** Optimising the sale of available items helps Studio.co.uk minimise the risk of being left with out-of-season lines, which ultimately puts pressure on costs and profit margins.
- 5. Supply Chain Management:** Failure to manage and leverage supplier and brand partner relationships successfully could impact targets, performance, and long-term growth.

Endless Gain Helps Accelerate Growth

Since 2017, Studio.co.uk has partnered with Endless Gain to achieve its growth goals. Endless Gain and Studio.co.uk have continually addressed customer opportunities (needs, pain points, and desires) that allow Studio.co.uk to achieve its growth objectives and create business value. Some of these opportunities include:

- 1. Increasing the share of their customers' ever-tightening purses:** Through multiple experiments designed to optimise the popularity of certain products, keep the basket at the forefront of the shopping experience, and help customers buy additional products that compliment those in their basket, revenue gains of between 1.3 percent and 3.2 percent have been achieved.
- 2. Offering flexible payment options:** Promoting and offering flexible payment options throughout the customer lifecycle has increased overall sales. This is especially true in the more profitable credit customers segment, where sales have increased between 1.2 percent and 2.6 percent.
- 3. Improve digital marketing performance:** Optimisation and experimentation have improved the performance of Studio.co.uk's digital marketing investment, driving down paid search costs per acquisition by as much as 4 percent.
- 4. Improving customers' self-service ability:** Customers wishing to return products struggled to complete this task on their own so they had to contact Studio.co.uk's call centre. After better understanding customer pain points like this, Endless Gain designed a new digital self-serve experience. This reduced call centre contacts for returns by 43 percent.

Addressing Customer Opportunities to Create Business Value

By integrating a detailed understanding of digital marketing with an improved customer experience, Studio.co.uk and Endless Gain are energetically addressing opportunities (customers' needs, pain points and desires) that have the biggest impact on achieving their desired outcomes and creating business value.

Being a part of Fraser Group, Studio.co.uk is now in its strongest position ever to achieve its goal of becoming the UK's #1 digital value retailer. Having the right products in the right place, at the right time and at the right price, while offering flexible payment options are key components of realising this goal.

Along with an improved customer experience that is consistently delivering higher sales growth with less digital marketing spend, Studio.co.uk is in a leading position to accelerate growth through this challenging economic climate. They are future-proofing the business for continued growth during challenging economic times.

Client quotes:

“Endless Gain’s method of working suits us perfectly and continues to strengthen our partnership.”

“We wanted to create a strategic partnership with a conversion optimisation agency that could help us grow. We wanted an agency that shared the same ethos as ours and one that would support and guide us with realistic and reliable advice. Endless Gain has shown they are that partner and together we are tackling our big challenges head-on.”

“Endless Gain’s research is advanced and insightful. Combined with their deep understanding of psychology and online human behaviour, the solutions they are proposing and the results we are getting are impressive.”

“Beyond their expertise in optimisation, Endless Gain is professional, likable, and genuinely interested in our business. Nothing is too much trouble for them. Their method of working suits us perfectly and continues to strengthen our partnership.”

Craig Elwell

Product Manager – Digital Development

Studio.co.uk

