

CASE STUDY: tado°

Sector: Home Automation

SMART HOME COMPANY INCREASE SALES WITH NEW ONLINE STRATEGY

THE CHALLENGE

tado° is a German technology company that makes energy-efficient thermostats, air conditioning controls, along with other smart products and software and services that are part of the fast-growing home automation market. The company website was the only business-to-consumer (B2C) sales channel when the firm launched in 2011, but it was effective enough to achieve impressive year-on-year growth in their target countries: UK, Germany, Netherlands, Italy, France and Spain.

Digital marketing campaigns drove people to the website, but sales conversions were hard to leverage. Without visibility of the traffic it was difficult to know why.

“We weren’t seeing such a good return on our online marketing spend which was worrying; we had increasing traffic but not increasing sales conversions in our webshop,” explained Jesco Reb, tado°’s Head of Online Marketing.

“We eventually identified that people came to our website before buying from other channels.”

A pan-European online survey revealed that around 60% of visitors preferred to buy from a known retailer, such as Amazon and Coolblue where they had existing accounts, reliable logistics, and a familiar checkout process.

WHAT tado° SAYS >>>

“ChannelSight has helped us become one of the most advanced companies in our area when it comes to online sales. There are not many smart home manufacturers that provide such a state-of-the-art retail solution.”

JESCO REB

Head of Online Marketing, tado°

Third-party expertise was needed. Five potential vendors were whittled down to three, and then one. “From a technical and monetary perspective, ChannelSight was very attractive for us,” said Jesco Reb. “They had been very proactive in answering questions and very professional. We really liked their approach.”

Having found a partner, tado° would embark on a journey that would be transformative, and not just in sales conversion.

Leveraging ChannelSight’s insights into large online shopping platforms would provide more valuable customer insights than it would ever see from the narrow window of its own online store.

THE SOLUTION >>>



CONTACT US

www.channelsight.com | +353 1 9022 822 | info@channelsight.com

A typical online strategy would be to launch in one market with one marketplace, tado°'s trust in ChannelSight was evident in their decision to 'go live' with 11 markets and 37 retailers from day one.

THE SOLUTION

tado° knows that its products can be a hard sell. Awareness of the smart home market is still nascent and more education is needed. Potential customers often take their time before making their purchase. The company describes it as a "spaghetti customer journey".

ChannelSight's Where To Buy technology has simplified the process. Not only does it take shoppers from the tado° website directly to their preferred retailer, it tracks their progress.

"It's convenient for the consumer and nice for us because we can see the customer journey," said Reb.

"And wherever customers convert, they convert seamlessly. They don't have to Google us or end up on a price comparison website; they go straight to the retailer's product page."

Insights into customer behaviour is a big part of the ChannelSight solution, enabling tado° to look into the shopping basket of customers to see what else they are buying. This provides valuable information as well as clues to the different demographics. Other purchases might reveal, for example, if the shopper is buying to cut their electric bills or if it's a home automation enthusiast.

Once ChannelSight was integrated into its website, tado° was ready to go. A typical online strategy would be to launch in one market with one marketplace, but tado°'s trust in ChannelSight was evident in their decision to 'go live' with 11 markets and 37 retailers from day one.

THE BENEFITS >>>

CASE STUDY: tado°

Sector: Home Automation

THE BENEFITS

The ChannelSight value proposition highlights the benefits of using online marketplaces and offers a compelling business case for buying solutions rather than trying to self-build. For tado°, it quickly became a market differentiator. "ChannelSight has helped us become one of the most advanced companies in our area when it comes to online sales," said Reb. "There are not many smart home manufacturers that provide such a state-of-the-art retail solution."

tado° worked closely with Ben Fairclough, Head of Brand Performance at ChannelSight. "The tado° team have a strong entrepreneurial spirit, realising that the customer dictates the purchasing channel," he said.

"They have successfully adapted their digital strategy towards direct and indirect sales as their primary goal, avoiding dead-ends in their user experience, and most importantly, leveraging these insights to improve their knowledge of their consumers wants and needs."

tado° has seen a spectacular return. Within a few months of launching across Europe, our benchmark conversion rates have increased significantly whilst still maintaining brand-protection. Average order value is also much higher than the benchmark; good news for tado° because it shows that price isn't an obstacle to sales.

Another big benefit is the insights gained by pushing customers to a more competitive marketplace. Moving from the controlled but restricted environment of its own web shop for example to Amazon, the most competitive retailer in the world where millions of brands spend millions of dollars trying to sell competing products, gives tado° much better insight into its market position. The data ChannelSight collects helps build detailed customer personas with information that would not be available to tado° on its own website.

tado° has seen a spectacular return. Within a few months, benchmark conversion rates have increased significantly, whilst maintaining brand-protection. Average order value is also much higher than the benchmark.

All of this has helped change the way tado° goes to market. "We are refining the customer journey. We engage, educate, and inform users on our website, and they convert wherever they want," said Jesco Reb. "We have adapted to customer behaviour and it's been really good for us."

IN SUMMARY >>>

- **CHALLENGE:** The company had been increasing online traffic but not sales conversions
- **SOLUTION:** ChannelSight Where To Buy integrates with multiple online stores across Europe
- **BENEFITS:** Much higher than average conversion rates (12% vs. 5.2%); better customer profiling via online marketplaces