

## QXL ricardo Gains Customer Understanding and Brings Online Auction Communities Closer Together with Business Objects

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**Company Overview:** QXL ricardo is the leading online auction company in Europe.

**Challenge:** QXL ricardo wanted to understand customer behaviour and further develop online auction communities.

**Solution:** QXL ricardo is using WEBINTELLIGENCE®, the e-business intelligence solution from Business Objects to drive both strategic and operational decision making. The company is also using SET ANALYZER™ from Business Objects to improve customer segmentation and understanding.

**Benefits:** QXL ricardo has now improved customer understanding and segmentation and is enhancing information flows to corporate partners.

Meeting evolving customer needs is challenging for most organisations and none more so than those involved in leading edge e-business. Europe’s premier online auction company, QXL ricardo, is using WEBINTELLIGENCE, the internet query and reporting solution from Business Objects, to gain valuable insight into online customer behaviour and leverage business information to aid decision making.

Knowing your customer base and understanding their behaviour is both critical and extremely challenging in the new online economy where new patterns of behaviour are being set. “Our business is bringing together buyers and sellers onto an e-commerce platform and enabling them to trade,” explains Neil Mason, Chief Marketing Officer, at QXL ricardo. “For us to do that effectively and efficiently we need a good understanding of how the business is working and what our customers need so that we can develop the platform experience in line with their needs and expectations. Business and customer intelligence is a significant part of that process.”



■ *QXL ricardo is the leading online auction company in Europe*

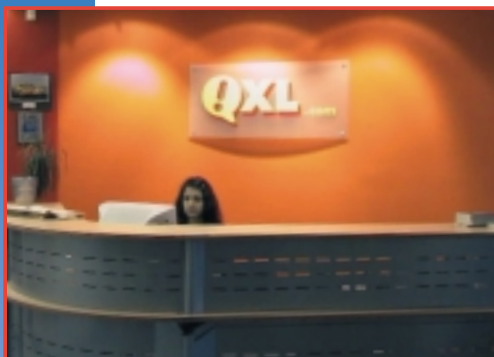
QXL ricardo is a pan-European online auction community, enabling buyers to bid on merchandise and services from across 13 countries in Western Europe sold by QXL ricardo members and merchants. The company has experienced massive growth and now has over 2.6 million customers.

### Speed of Delivery

The online auction market is fast moving, dynamic and highly competitive. Mason explains, “Speed is an issue for us. We need to understand quickly what works and doesn’t work.” QXL ricardo also wanted to implement an e-BI solution quickly. “WEBINTELLIGENCE is the proven market leader and we received an excellent response from Business Objects which enabled us to move from discussion through proof of concept to initial deployment within six weeks.”

This initial deployment provided country managers throughout Europe with access to high level key performance indicators daily. “Being able to make decisions quickly and in

immediate response to changing market characteristics on a region by region basis is where the real value lies," says Mason. "By rolling out WEBINTELLIGENCE across our intranet to our European offices we achieved the level of autonomy required to deliver a truly customer focused online auction environment."



### Deeper Business Understanding

QXL ricardo has since developed a data warehouse that has enabled the deployment of more sophisticated reporting and analysis across the business. Use of WEBINTELLIGENCE has been extended to category managers and marketing managers and is expected to reach over 100 people – a significant percentage of the company's employee base.

Using this information QXL ricardo has begun to address new business areas, such as customer churn. "The business is maturing so understanding customer churn has become an issue for us," says Mason. "We also now have a greater understanding of our conversion ratios: how people move from one stage in our value chain – such as registering and becoming a member – to the next, actually participating in an auction."

This information on churn and conversion rates has had a significant effect on the company's strategy of customer interaction and communication. "The depth of information now available to us has resulted in QXL ricardo walking away from marketing deals that we know would have been costly to the company and would not have given us the required return on that cost," says Mason.

### Increased Segmentation with SET ANALYZER

Extending its e-business intelligence strategy, QXL ricardo is now using SET ANALYZER from Business Objects to increase the number of customer segments and gain further insight into customers. "Currently our segments are fairly broad. SET ANALYZER will help us drill down into finer customer segments, understand where they exist and then measure and manage those segments," Mason says.

This ability to break down customers into many discrete segments will enable QXL ricardo to offer tailored messages. Mason says, "We are looking to communicate effectively with groups of like-minded individuals – or communities. SET ANALYZER will help us to understand how we can ensure that the QXL ricardo platform becomes the marketplace for that community."

### Improved Business Relationships

The information is also driving improved relationships with QXL ricardo's business partners, as category managers gain increased understanding in category dynamics and success of specific accounts. Additionally, WEBINTELLIGENCE is being used to deliver information to these business partners. "By adopting an e-business intelligence strategy we are not only able to demonstrate an excellent grasp of the business but also provide our partners with an insight into their business performance on our platforms. That is extremely valuable," Mason says. "From the beginning we have measured business success by sales volumes and online activity. By adding customer metrics to that process we can further improve the QXL ricardo business offering."

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Business Objects (UK) Ltd  
Objects House  
Vanwall Business Park  
Vanwall Road  
Maidenhead  
Berkshire  
SL6 4UB  
Tel. : 01628 764600  
Fax : 01628 764701  
Email: [tellmemore.uk@businessobjects.com](mailto:tellmemore.uk@businessobjects.com)