



GOMEZ HELPS BEST BUY OPTIMIZE ITS INTERNET CHANNEL

Best Buy Co. has come a long way since it was founded in 1966 as Sound of Music, Inc. Today the largest consumer electronics outlet in the U.S. and Canada, the company's trademark tag logo is instantly recognized in all of the markets it is in, and increasingly on the Web. Best Buy's flagship BestBuy.com site was launched five years ago to extend the success of its stores to the Internet. The site now ranks among the top 10 retail sites on the Web and receives over 200 million visits per year.

BestBuy.com is commonly referred to as Best Buy's largest "store." Every effort is made to enhance the selection and mirror the ease of use and shopping experience that consumers enjoy when visiting their neighborhood centers. Major site shopping categories, including Computers, Consumer Electronics, Home Appliances and Cameras & Camcorders, resemble their brick-and-mortar counterparts in the stores. Similarly, consumers interested in buying a cell phone or portable MP3 player can sign up for related services, just like when shopping in person.

Given BestBuy.com's high traffic and transaction volume, company management recognizes the risk associated with even a few minutes of downtime or degraded Internet performance. For the past four years the company has used the Gomez Performance Network (GPN) external performance monitoring service from Gomez, Inc. to help prevent this from happening. Today Best Buy works with Gomez Professional Services to create shared reports and relies on Gomez metrics and tools to detect most performance issues—before they become problems.

Business managers responsible for major product categories leverage GPN performance data in their Daily Activity Report, or DAR. This report consolidates the information they need to:

- **Increase profits.** Unlike traditional stores, BestBuy.com never closes, so even a few minutes of downtime or degraded performance could have a sizeable impact on profitability.
- **Proactively support partners.** Because Best Buy relies on partners to provide seamless access to services such as extended warranties and music downloads, any performance issue originating at a service source could affect online shopping. The site minimizes this risk by notifying partners of potential issues often before finding them on their own.
- **Improve SLA management.** Various service level agreements between Best Buy, its service partners, and the IT and Web management team ensure the user experience remains optimal.

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Manager,
Third Party Relationships



BestBuy.com

At A Glance Sidebar

Key Facts:

- \$27.4 billion in fiscal 2004 revenue
- Company of the year—Forbes, 2004
- Ranked No. 1 Store by Top 100 Specialty Retailers, August, 2004
- 109,000 employees in 2005
- Headquartered in Richfield, MN

Who: U.S. consumers looking for a good buy in electronics are increasingly turning to the best - Best Buy, that is. The biggest consumer electronics outlet in the U.S. and Canada with about 700 stores, Best Buy also operates commercial Web sites under the brand names BestBuy.com, BestBuyCanada.ca and a handful of others. Flagship BestBuy.com is an e-commerce leader offering consumers a wider and deeper range of products that closely mirrors the shopping experience of its retail stores.

What: Utilizes Gomez products and services such as the Gomez Performance Network (GPN) to continually monitor application performance across the company's network of service providers and partners. The GPN monitors site availability and responsiveness in real-time from worldwide locations and offers recommendations for improving performance.

Where: Up to 100 rules-based application tests run around the clock from BestBuy.com's network operations center. Leveraging data from the Gomez Performance Network (GPN), Best Buy business managers review critical performance information every day in an ongoing effort to enhance the user experience and extend its e-commerce leadership position.

When: A Gomez GPN customer for the last four years.

How: Combines data from Gomez products and services to verify, validate and improve its Internet performance and end user shopping experience.

While Best Buy has already received substantial business benefits from its relationship with Gomez, it is looking forward to even greater use of Gomez performance information. Working with Gomez Professional Services, Best Buy is creating a new GPN-driven "Report Card" utilizing GPN data and other Gomez tools. By highlighting only the most critical performance information central to the business, the report will further highlight events of interest and strengthen communication across IT and lines of business.

Background

Richfield, MN-based Best Buy launched BestBuy.com in 2000 intending to run it with the same focus that had transformed this former music store chain into a consumer electronics powerhouse. Two key management decisions early on helped the site grow fast:

- First, to assign individual business managers responsible for each of the major product categories to manage products, pricing and the overall customer experience across the site; and
- Second, to outsource datacenter activity to two key partners: Accenture (which manages the IT development); and Totality (which provides day-to-day Web management). This approach frees the Business Operations group to focus on key business goals such as delivering superior customer satisfaction and profits.

Best Buy understood from the beginning the need to provide excellent performance for customers. Working with Gomez, Inc., based in Lexington, MA, the IT team developed a number of rules-based GPN tests to automatically monitor application performance across common transactions such as adding a product to the shopping cart and making a purchase. Over time with the help of Gomez, the GPN tests have been refined and now form the basis of a comprehensive daily report that is widely distributed to the Business Operations group and top company management.

Business Challenge #1: Information Sharing

BestBuy.com is a large e-commerce site, both in terms of the quantity of products for sale and the amount of content on its pages. Many content-rich pages - such as those with a wide selection of product pictures or Flash demos—average nearly twice the size, byte for byte, as comparable pages found on competitive sites such as Amazon.com. While the depth of content makes performance monitoring critical, the initial business reports at BestBuy.com were sometimes so detailed that busy product managers had little time to read them all. Over time, the reports have been refined and "are now condensed into a more agreeable fashion," says Kristin Maus, manager of third party relationships at BestBuy.com. Drawing heavily from GPN data and other IT tools, the latest Daily Activity Report, or DAR, employs spreadsheets, charts and graphs to "shows the key website metrics that ensures the best possible visit to the site," says Maus.

Business Challenge #2: Actionable Partner Reports

As the company has grown, so too has the number of service providers providing customers with related services, such as reward points for frequent shoppers, rebate tracking and music downloads. In many cases a service is co-branded with BestBuy.com. Keeping the experience seamless is important and so is the level of performance across all portions of the site. "We have a lot of third party partners and we deal with them in many ways," says Maus. "For example when you want to order music downloads on our site, you can click through to Rhapsody or Napster."

Bestbuy.com Site Operations and Gomez are defining new metrics and working on additional reports to closely monitor this aspect of its extended network. A major goal is to provide busy Operations and IT team members with actionable alerts that are sent only in the unlikely event of a real or emerging performance problem.

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The Solution

Work done over the past year has already extended much of the Gomez performance tracking done on BestBuy.com’s internal network to the partner sites. If and when a performance slowdown occurs outside the company’s direct control, Best Buy occasionally alerts the partner before they discover it on their own. “Most of our service providers are very receptive to Gomez information and thank us for the update,” says Maus.

Meanwhile, the company’s vision of an automated and easily understood partner “Report Card” is now taking shape with help from the Professional Services team at Gomez. Another business challenge now being solved is establishing performance benchmarks for managing a partner extranet on the scale of BestBuy.com. Says Maus: “For example, what is considered ‘acceptable availability’ for a partner in our industry? Should there be a single standard for everybody, or should each partner be measured separately? These are the types of questions that Gomez is helping us answer.”

One option being considered is to use Gomez Dashboard, a new browser-based tool that can help users see at a glance how a partner is performing against SLA thresholds. Drawing real-time test data from internal networks and the Gomez GPN, Dashboard analyzes and presents GPN data in summary reports using a color-coded presentation scheme that conveys critical information at a glance. “We are looking at expanding the use of Dashboards in the holiday shopping season, so that we can go out there continually and monitor how the site is doing,” says Maus. “Sometimes it’s easier if you have this visual picture of what’s going on.”

The Benefits

Best Buy leverages Gomez and the GPN to provide measurable business benefits to customers and internal business managers alike. Among them are:

- **Event notification.** Gomez worked closely with Best Buy’s business operations group, Accenture, and Totality to define event notification thresholds for measurements that model the core components of BestBuy.com. The latest performance reports are used to alert Site Operations in the event of a real-world business problem. We will continue to work with Gomez to find ways to refine these alerts to become even more effective in the future.
- **SLA management.** Best Buy partners with third-party application and service providers to deliver additional levels of service to its customers. To ensure customers receive the best service possible, the company relies on Gomez and GPN data to baseline these deliveries and works closely with vendors to set appropriate service-level expectations for Web performance. Similarly, Best Buy.com has used GPN metrics to review each of the key merchant pages. Benchmarks help them decide if and when changes to the merchant sites are warranted to improve performance.
- **Data correlation.** By comparing Web traffic with order and performance data, Best Buy is able to extract deep patterns of performance information to make better business decisions. Business and IT teams use this to their mutual advantage, such as deciding when to schedule system maintenance with minimal customer disruption.
- **Data reporting.** While early GPN reports sometimes included more detail than needed, today’s performance reports are short, highly relevant and largely automated. All reports, including the Report Card now under development, are designed to scale well with the increasing traffic levels that Best Buy anticipates.

Future Direction

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With growth of consumer electronics and e-commerce accelerating, Best Buy is well positioned to extend its leadership position on the Web. Exceeding its customer expectations, both in its stores and online, will be the path it follows, and leveraging the performance information it gathers even more will help it stay focused right where it wants to be—on the customer. “Our working relationship with Gomez is very good,” says Maus. “They always listen when we suggest product enhancements, and they are quick to respond when we need help to make our transactional monitoring even better.”

About Gomez

Gomez helps companies increase the profitability and reduce the risks associated with the delivery of their mission-critical Internet applications by providing actionable insights and process improvement techniques that enable them to achieve and maintain peak performance.

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