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IBM Customer Reference

Argos Retail Group

Synopsis:
Top UK general merchandiser looks to IBM Global Services - e-business Hosting
Services to support its consolidated Web storefront, leveraging IBM eServer
pSeries servers, IBM DB2 information management and IBM WebSphere
technologies

Location:
Milton Keynes, United Kingdom

Industry:
Retail

Focus Area:
e-business infrastructure

URL:
http://www.argos.co.uk

Customer Background:
Argos Retail Group (ARG) is the UK's leading general merchandise retailer. Part of the larger
GUS retail and business services group, ARG is a multibrand, multichannel retailer that strives to
deliver optimal value across its wide range of merchandise, including toys, electrical goods,
clothing, hard goods and household furnishings. The retailer prides itself on its convenient
shopping experience, letting consumers purchase items in the store, over the telephone or via the
Internet and then collect purchases from the store or have them delivered to the home or
workplace. The core ARG brands are Argos Limited (Argos), Homebase Limited and Wehkamp.

Business Need:
To provide consumers with convenient, quick access to all of its various retail stores, ARG
decided to develop a consolidated Web storefront, supported by a scalable, flexible Internet
infrastructure. The retailer selected Argos, the UK's top retailer for toys and small electrical
appliances, as the first brand to migrate to the new platform.

Already attracting over 1.4 million monthly visitors each month, the Argos Web site proved to be a
valuable sales channel, particularly during the Christmas season.

To accommodate such a high-volume, highly seasonal retail environment, ARG needed a flexible
e-commerce platform backed by a solid, scalable information technology (IT) infrastructure.
Specifically, ARG needed its robust Internet infrastructure to be:
- Highly available, so customers could shop online, any hour of the day
- Cost effective, enabling the retailer to reduce IT expense
- Scalable, so ARG could tap into additional capacity resources during seasonal peaks
- Flexible, letting the company modify the infrastructure by adding or removing brands as needed
to remain competitive.

To effectively manage all these needs, the company decided to outsource its new consolidated e-
commerce environment, letting the retailer continue to focus on developing brands that offer
choice, value and convenience as opposed to managing complex IT systems.

Solution:
Having already been a customer of IBM Global Services - e-business Hosting Services for two years, ARG chose to renew its Web outsourcing agreement. The new contract includes managed hosting services for a highly resilient, dedicated infrastructure located in the IBM e-business Hosting Center in Warwick, England. The infrastructure is based on IBM eServer pSeries servers running the IBM AIX operating system and supporting IBM DB2 information management, IBM WebSphere and IBM WebSphere Commerce Suite software.

As part of its strategic outsourcing agreement with IBM, ARG receives service management, help desk support, and the provision of firewalls, routers and switches to deliver a high availability production site. IBM also provides comprehensive backup, restore and offsite storage services to help ensure business continuity even during peak shopping periods. Charges for service elements such as capacity, bandwidth and data backups are tied closely to usage and volumes. As well as supporting live Web sites, the strategic Internet infrastructure also offers a robust staging environment where ARG can add and test new products and prices.

Benefits of the Solution:
By consolidating its Internet infrastructure and moving all of its branded e-commerce sites to a single hosting supplier, ARG expects to reduce operating expense. The additional capacity required to accommodate seasonal peaks is charged on a usage basis which, with the seasonal variations Argos experiences, offers a far more variable, cost-effective solution.

The IBM hosted solution delivers a highly resilient platform for the 24x7 security and availability ARG needs to support its customer-centric strategy. Delivering optimal flexibility, the solution also lets the retailer add and remove capacity and Web sites as required, matching infrastructure costs and resources closely to business needs. Best of all, by offloading all of the day-to-day responsibilities of its Internet infrastructure, ARG can focus on strategic business goals such as developing customer relationships and achieving growth targets.