website

Magazine

WEBSITEMAGAZINE.COM

THE MAGAZINE FOR WEBSITE SUCCESS

E-COMMERCE
TURNING BROWSERS INTO BUYERS

>> **12 Web Design Trends**

>> **Facebook For Business**

>> **Top 50 Web Hosts**

06

0 56698 80776 6

PRINTED IN USA

Better Web Retail

E-Commerce Solutions for a Better User and Merchant Experience

By Peter Prestipino

"The customer is always right."

It's one of the oldest adages of retail. And it holds every bit as true online as it does offline. Traditionally, those words referred to a dispute or dissatisfaction on the customer's part. But in the world of e-commerce, they meansso much more. It's not only about a dispute (although that still applies), but alludes to the overall user experience. It's about catering to the needs and wants of the consumer, often without being asked or even to their knowledge, but always to the benefit of the consumer and the merchant. The goal — attainable through intuitive design and emerging technologies — is to give shoppers a fulfilling experience while achieving higher profits.
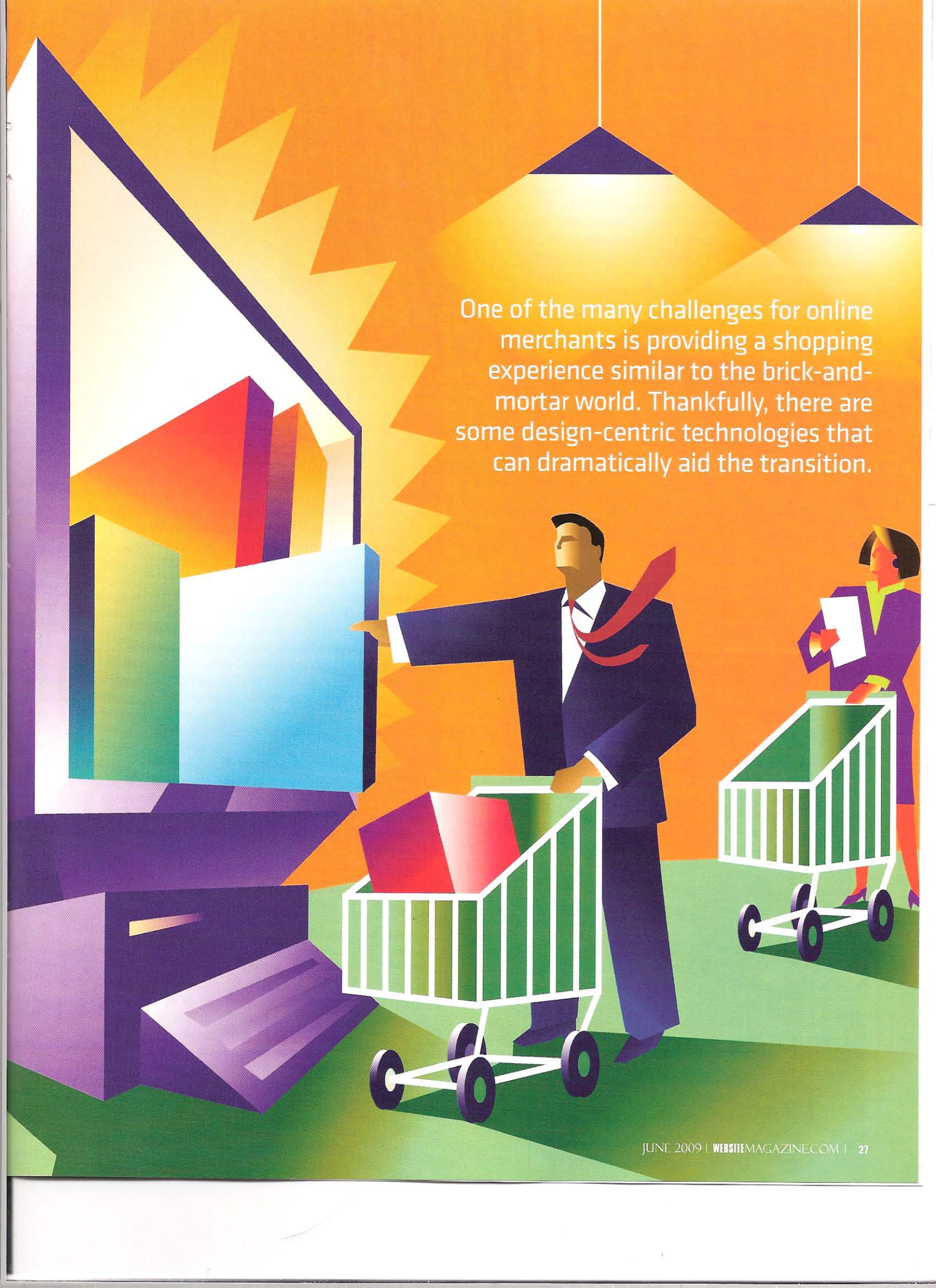
As e-commerce technologies continue to improve so will the experience for users and the return for merchants. While there is not one single answer for poorly performing Internet retailers (the best products and marketing always seem to win), there are technology and design opportunities present today that improve the likelihood of bigger sales, additional and recurring sales.

Facing Challenges

It will come as no surprise that top Internet retailers are in constant pursuit of a better Web retail experience for users and for themselves, immediately and long term. Can this e-commerce nirvana — the state of providing a safe, targeted and overall better Web retail experience for users which yields higher profits — be achieved? The short answer is yes. But it takes a combination of innovative thinking, new technologies and constant attention to the ever-changing needs and wants of consumers.

Web professionals are challenged each and every day to maximize the resources they already have to fully develop existing revenue streams. To differentiate an e-commerce enterprise from its competition however, it is necessary to be aware of the emerging Internet technologies and trends that are available today, shaping how other companies ultimately move their enterprises forward.

The e-commerce industry is in the middle of a significant transition. Millions of users continue to join the Web but everyone (merchants included) continue to reel from the effects of a prolonged recession. To reach the proverbial light at the end of the tunnel, we must realize that moving forward first

What is E-Commerce Anyway?

The term e-commerce is not limited to online stores selling physical products alone. Increasingly, e-commerce is defined as any Web experience wherein commerce (the exchange of money) comes into play. Many e-commerce vendors provide sophisticated functions such as flight or hotel booking systems, comparison sites, online brokers, and even affiliate marketers. This wide array of sites falls under the umbrella of e-commerce as they all ultimately touch the consumer pocket book.

One of the many challenges for online merchants is providing a shopping experience similar to the brick-and-mortar world. Thankfully, there are some design-centric technologies that can dramatically aid the transition.

requires a critical assessment of the e-commerce properties' current state, asking one important question: Could the user experience be better? In most, if not all cases, it most certainly can. Let's look at the technologies, trends and strategies that will help ensure online commercial success.

Web Design for a Better Experience

There is perhaps no greater influence on the user experience than Web design, and it goes well beyond how a site looks in a browser. It is design from the inside out, toward an ultimate goal. To this end, the trend being advanced by the best online retailers is to give consumers more of what they want. This is namely more immersive and interactive shopping experiences, where they can compare products, see what others are purchasing, and hear about products from those who used them before. To get started, it is essential to outline expectations by identifying key metrics that you want to improve — traffic, conversion, average order size (AOV) or shopping cart abandonment. Doing so will help you identify interactive and social features that can be implemented on your website.

For example, if the goal was to increase conversions, a merchant might decide to utilize technologies such as alternative product ratings. This is not your typical product rating but provides a new way for consumers to measure the likelihood that they will enjoy the product once delivered. ShoeLine.com's Return-O-Meter displays how often items are returned by the purchaser. When a consumer sees that their peers are not likely to return the product, it confirms a purchasing decision and eliminates the fear of the possibility of repackaging the product. Thus driving to the local post office and shipping the item back to the merchant.

Another way to improve conversions is by implementing persona navigation. It starts by identifying the segments of your target audience (e.g. price points, age or gender). Then create a few channels for those segments. From there, you can create a type of navigation that is slightly customized for your entire consumer base. This allows users to find items quickly without sifting through a stream of products that don't fit their needs or wants. Target Gift Finder is an excellent example of this technique

There are other ways that design and development can be leveraged to positively influence the e-commerce experience. Abandonment, an ongoing concern for merchants, can often be remedied through the use of single-page checkout systems which eases the buying process. Or display real-time inventory, which provides comfort that products are available and ready to ship during the buying process. While these techniques are not new, they do work.

Implementing features such as persona navigation or techniques such as single-page checkout are the most basic adjustments a merchant can make to create a better retail experience and move the revenue needle. There are far more sophisticated and strategic options available.

The perfect present.
Great gift ideas for every budget.

Target Gift Finder

Advanced Shopping Experiences

One of the many challenges for online merchants is providing a shopping experience similar to the brick-and-mortar world. Thankfully, there are some design-centric technologies that can dramatically aid the transition. Virtual catalogs are an increasingly popular way to bridge the gap and get users to interact on a deeper level with product lines, while helping merchants call out products that need more attention. A good example is provided by Bloomingdales, at http://bloomingdalesbymail.shoplocal.com.

Many solutions allow merchants to develop tight integrations, such as allowing for hyperlinking of specific text, products or entire pages directly to a checkout page for the item being reviewed in the virtual catalog. There are several vendors who offer merchants the ability to digitize their existing print product catalogs. Some include NXTbook, Zmags and Texterity.

The use of multimedia in product presentation is also an exceptional way to simultaneously showcase current products and convey brand value to consumers. This is exemplified throughout the Web, but done exceedingly well in the case of IKEA Bedroom

In this example, the consumer is presented with a multi-layered presentation that shows a hectic home environment, ultimately leading to the pictured bedroom with peaceful music and slow-motion graphics. Stay long enough and the angle changes to reveal a new view of the bedroom, with more products. For IKEA, functionality, simple styling and price are defining brand factors. All are demonstrated exquisitely in an immersive, interactive experience. Go to http://www.ikea.com/ms/en_US/rooms_ideas/tcb/index.html to see it in action.

Most large-scale merchants integrate multimedia deeply into their site and individual product listings. The Gap promotes the use of 360° — a simplified, virtual catwalk to showcase products. Another interesting use of multimedia is for the purpose of visual product configuration. Users are able to essentially develop their own experience, mixing and matching items that fulfill their desires and meet expectations. A good example is Oneida.com's Virtual Table Setting, which lets users see the flatware and dinnerware available and mix and match sets. Users can even change the table style to better see how the products will look on their own dining room tables

All of these advanced experiences are intended to not only mimic the brick-and-mortar experience, but go beyond. They allow the consumer to nearly bring the product into their own lives.

RETURN HISTORY:
RETURN-O-METER™
LOW RETURN
Long   Short   Wide   Narrow

IKEA Bedroom

Performance Matters in User Experience

While it's easy to be drawn into the experience these design techniques provide (they can create a 'me too' moment), not everyone experiences everything in the same way. This is why the performance of sites and applications is so critical. If your slick website and applications don't perform well, users will never experience your site, and likely never return.

In late 2008, Aberdeen released its Performance of Web Applications: Customers are Won or Lost in One Second. This study revealed how essential high-quality Web experiences can be to overall business performance. Measured in terms of customer satisfaction and online sales conversion, Aberdeen found that business performance begins to suffer at 5.1 seconds of delay in response time of Web-based applications. Each additional second of delay results in a sequential 16 percent drop in customer satisfaction. The inability to prevent performance issues before end-users are impacted, as well as the inability to measure the quality of the end-user experience are clearly the top challenges to managing the performance of Web applications.

Hundreds of Internet performance monitoring solutions are available. From basic website monitoring (InternetSupervision.com, InternetSeer.com, SiteUptime.com, and UpTrends.com) to browser compatibility tools (Litmusapp.com, BrowerShots.org, and BrowserCam.com) to more sophisticated all-in-one application and website performance monitoring and testing platforms such as those provided by LoadStorm and Gomez. Using even the most basic tools of this variety ensures merchants are in compliance, or at least below that 5.1 second point-of-no-return for consumers.

A clear and present danger exists in thinking performance does not matter, and it's important to remember that user experience is a priority for your enterprise. "If you're in charge of retail, don't make assumptions," says Matt Poepsel, vice president of performance strategies, Gomez. "If you assume that it's working [solely] from the IT perspective, you risk losing a lot of money if those assumptions are wrong." And it's not just loss of revenue. Broken systems cost time and money to repair.

Gomez customer eBags, an online retailer of bags and accessories, provides a strong example of the power of proactively ensuring quality Web experiences. "We use Gomez's services to proactively protect our sites and customer experiences and, in turn our revenue and brand loyalty," says Mike Frazzini, vice president of IT, eBags. "The Gomez services we use are a key foundation for our focus on site performance and conversion. We have already achieved a 10 percent increase in conversion and continue to make great gains in this area. Plus, the automated service is saving us more than 50 percent in staff and fees versus testing 50-plus browser and operating system combinations manually."

Recommendations: Take My Word for It

One of the most popular ways to increase conversions on an e-commerce site and give users access to relevant products is to utilize one of the many recommendation technologies at the disposal of Web professionals. There are many companies, including BayNote, RichRelevance and Strands that can often yield double-digit conversion increases. If that doesn't catch your attention, you're not serious about turning a serious profit in e-commerce.

The basic idea of recommendations in online retail is to help users filter through and present information that may be of interest to them. There are many potential uses — product discovery to personalized recommendations and just as many top-tier merchants offering some variation of the technology. But Amazon, a company that arguably set the standard for product recommendations nearly 10 years ago, is an excellent place to establish a baseline understanding of what recommendations are all about, and what a merchant can expect from implementing such a technology. Considering all that these services have to offer, why haven't other merchants jumped on the recommendation bandwagon?

Perhaps it is because there are so many different types of recommendations available and the various ways to have those recommendations implemented — social networks to e-commerce and beyond. There are personalized recommendations (based on the individual user's past behavior), social recommendations (based on the past behavior of similar users), and item recommendations (based on the item itself), as well as combinations of all three. These dynamic systems automatically generate representations of visitors, content or products from what the visitor did on the website or what is expected of them based on similar users' interactions. These self-optimizing technologies are able to leverage the traffic patterns of users without the need for personal data to provide the most relevant Web experience possible. They simply work. And for many, require no more than the most basic of integrations.

"Strands offers a unique combination of ease of use to get the system up and running quickly, together with a great deal of flexibility and customization to fit a merchant's needs. There is a lot under the hood," says Jesus Pindado, vice president, business solutions, Strands. For the vast majority of merchants, the most intriguing thing about Strands is the availability of free plugins for popular e-commerce platforms including ZenCart, Magento, OpenCaps, PrestoShop and CRELoaded. While these plugins are not a substitute for the full-fledged service Strands provides (through their API, for example), some very valuable functionality to shopping carts. These can go a long way toward separating a merchant from its competition.

There is little guidance for selecting a recommendation technology for an e-commerce enterprise, however. Ideally it will be presented as a software-as-a-service (SaaS), utilizing a pay-for-performance

Oneida.com's Virtual Table Setting
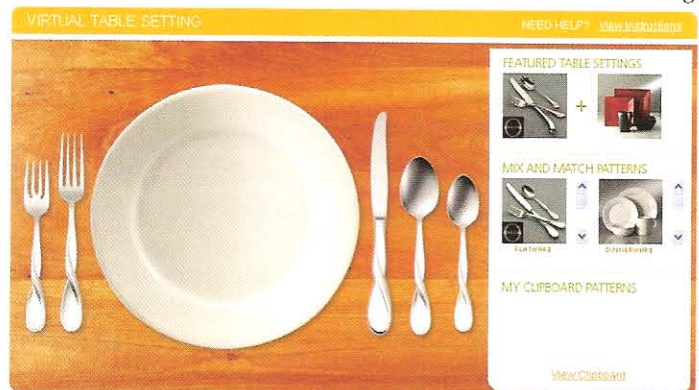
pricing model, offering a deep-level of testing and providing exceedingly granular reporting. The ability to optimize revenue streams through more sales, higher average order value, additional items per order, and better conversions overall is enough to intrigue even the most doubting merchant. Add in a deeper level of engagement and reduced costs, and users of recommendation technologies quickly become evangelists.

The World is Flat: IP Data in Action

Wouldn't it be great if you could target content for users based on the specific location of their IP address? You can. Companies like Digital Element have been making that possible for years. They provide some of the biggest names in the online advertising space (e.g. AOL, Yahoo, DoubleClick, eBay and Facebook) with information that aids in their ad targeting.

Digital Element's IP Intelligence technology culls information from online visitors' IP addresses, giving retailers the opportunity to decrease website abandonment and increase time spent on-site by providing relevant, geo-targeted merchandise and messages. Deliver convenience by automatically showing the nearest retail location to the visitor instead of requiring them to enter their country or zip code to find a store. Increase offline revenue by targeting location-relevant promotions to drive online visitors to make purchases offline. And boost in-store purchases by showing shoppers where the items are available, based on their location.

IP Intelligence in Action

Digital Element recently announced that 4 Wheel Parts (4wheelparts.com), a distributor of 4x4 parts and accessories, selected the company's IP Intelligence technology to enhance its online shopping experience by tailoring content to its geographically-dispersed online customers. For example, different parts of the country experience different seasons, so a customer from Minnesota may be more interested in a Jeep hard top compared to a customer from southern California, who might be more apt to consider a Jeep soft top. By geo-targeting content based on a site visitor's location, 4 Wheel Parts will be able to ensure shoppers are receiving relevant content and, ultimately, a more convenient shopping experience.

"Because we are focused on delivering unrivaled and praiseworthy customer experiences, improving the online channel for our customers is a top priority," says Chris Casarez, Internet marketing specialist for 4 Wheel Parts. "With Digital Element's IP Intelligence technology, we can continue to serve a wide range of customers with differing needs, while ensuring they can quickly locate the parts and accessories they need with the same ease they'd experience in one of our retail locations."

Digital Element's IP Intelligence allows clients to improve audience segmentation and content targeting based on a set of parame-

The State of E-Commerce

It is imperative to monitor the performance of the entire industry to realize the full scope of opportunities available to online merchants. Total e-commerce sales for 2008 were estimated at $133.6 billion, according to the U.S. Census Bureau – an increase of 4.6 percent (±1.8%) from 2007. However, total retail sales in 2008 actually decreased 0.6 percent (±0.4%) from 2007. Of that, online retail accounted for 3.3 percent of total sales – an increase from 3.2 percent of total sales in 2007 — a small but encouraging figure.

Immersive E-Commerce for Every Seller

The technologies in this article might not be feasible for every online retailer. But there are some simple ways to engage consumers at even the most basic level. Consider these five tips that every seller can use — from those using craigslist to those selling from blogs.

1. **Display several photos of your product from different angles.** The more a customer feels as though the product is in front of them, the better they feel about a purchase. Showcasing different angles of a product can reveal features not immediately apparent, and make the consumer confident that what they see is what they get.

2. **Include a video demonstration.** Much like photos, video can show different views, even different uses of a product. This is particularly useful for those items that need a little instruction.

3. **Place a link to an eBay or similar seller profile.** If you have ever sold anything on eBay, and you have positive feedback, place a link to your profile. Users can then be assured that you are trustworthy.

4. **Play some music.** Grocery stores and fancy boutiques alike play music in their stores to promote spending. It might work for your website, too.

5. **Show yourself.** People are more inclined to purchase from a friendly face. Post a photo of yourself to let consumers know that they are buying from a real person, not just a faceless website.

ters that include geographic location (country, region, state, city and zip code), connection speed, Internet Service Provider (ISP), language, domain name, demographics and more. Clients such as 4 Wheel Parts will be able to leverage such technology for strategic online initiatives including store locator enhancements (retail locations in the visitor's area), channel synergy (in-store pickup of online purchases), and content customization.

Pricing is based on the size of the deployment (how many IP addresses are looked up), and other variables like the depth of the data — from 500 to a country-level deployment, to tens of thousands.

There are many other IP intelligence providers in the marketplace, including Digital Envoy, Quova and MaxMind. Each of these services' product lines vary but at least match or exceed Digital Element technologies in some regard. They can be used similarly for credit card fraud detection, ad serving, traffic analysis or content customization. MaxMind is unique in that it offers some of its data open source including GeoLite Country and GeoLite City, free GeoIP City lookup, and GeoIP APIs.

Presenting a Better Web Retail Experience

There is not one way to improve the Web retail experience for consumers or merchants. Through a mix of user-centric design and development techniques, and an eye on technologies that aid in targeting or merchandising, merchants are able to close the gap on what users expect — a more integrated and immersive experience — and what merchants need — more revenue. ∎