Znode's Guidebook for Retailers

10 RELEVANT
INSIGHTS TO ECOMMERCE SUCCESS

znode®   relevant ecommerce

Introduction

In the hyper-competitive world of online commerce, retailers can't move fast enough to stay current with technology trends and expectations of plugged-in customers. Today's tech-savvy online shoppers demand personalized, relevant on-site experiences every time they enter your store. Following are 10 insights into how and why this is happening, and ways in which retailers can respond in order to drive ecommerce success.

Relevant customer experiences matter.

Relevancy leads to more satisfied customers and higher conversions.

Customer-centric strategies have been used in traditional sales and marketing channels for decades, but they are still relatively novel in the ecommerce arena. Within the last few years, advances in technology have made it possible for online retailers to create shopping experiences that are centered on—and relevant to—the individual shopper. The cumulative impact of these advances is so significant that Znode, a leading provider of ecommerce solutions, has coined the term "relevant ecommerce."

Consumers purchase **300%** more often with online retailers who use customer-centric practices.[1]

While traditional retailers are leading the charge in developing ecommerce channels, they are still finding their way when it comes to delivering customer-centric on-site experiences. Meanwhile, big internet "etailers" like Amazon.com have been spoon-feeding relevant content to customers while they shop, conditioning them to expect a personalized experience every time they visit an online store. This has driven the expectations of online buyers even higher. 80% of Internet shoppers say they will leave a website if they're having a poor customer experience.[2]

The pressure is on for retailers to step up their game and start delivering customized, relevant experiences online.

A relevant on-site experience remembers the shopper's name, where the shopper is located, what they have purchased in the past, and products they have abandoned in the cart. It also intuitively recognizes what they are browsing for today. By using the data it collects over time, your ecommerce system can become your best salesperson. Similar to an in-store sales associate who knows the customer by name and remembers his/her size, likes and dislikes, an ecommerce platform built to deliver relevant customer experiences can present shoppers with products, promotions, and incentives tailored just for them.

These are the kinds of customer-centric experiences that lead to increased loyalty and purchase frequency. As evidence, one recent study found that consumers purchase 300% more often with online retailers who use customer-centric practices.[2]

Recommended For You:

⭐⭐⭐⭐⭐ (24)   ⭐⭐⭐⭐☆ (15)   ⭐⭐⭐⭐☆ (85)

Znode Multifront® and Multifront® Enterprise are powerful, highly flexible ecommerce platforms that allow you to customize nearly every aspect of the customer experience.

Learn more at znode.com

1. *How Multi-Channel Personalization Impacts Shopper Attitudes and Buying Behavior,* 2012
2. *Supercharge Your Search Results Page*, **practicleecommerce.com,** Sept. 17, 2012

Online customers expect dynamic site search.

Fast, accurate site search can lead to increased sales.

In the last 20 years, Internet search has grown from a concept to a billion dollar industry. The ease of using a keyword to search trillions of Internet pages and quickly receive results has shaped the expectations of today's online customers. When they visit your ecommerce website, customers expect to be able to find what they're looking for quickly and easily. They expect to be able to search using keywords and have relevant results dynamically displayed at sub-second speed.

71% 71% of online shoppers believe that keyword searches are helpful in shaping their online purchase decisions.

Some websites don't contain any site search functionality, forcing visitors to rely solely on site navigation to find whatever it is they're looking for. While this may have been acceptable several years ago, today's sophisticated shoppers like the control and speed offered by site search. In fact, one recent study revealed that 43% of online shoppers go directly to the search box when they enter an online store.[4] In addition, eTailing Group discovered that 71% of online shoppers believe that keyword searches are helpful in shaping their online purchase decisions.[5] These findings make one thing clear: If your ecommerce website doesn't offer site search capabilities, you are missing out on countless conversions.

Incorporating dynamic search capabilities into your site allows your customers to shop the way they want to shop. "Type ahead" technology is a search innovation that consumers are seeing more and more frequently, which has raised the bar on their expectations. With just a few keystrokes in the search box, matching product names and keyword phrases are automatically displayed for the customer to click on. This speeds the search, eliminates misspellings that cause search errors, and provides relevant search suggestions—

all of which improve the customer experience and moves the customer more quickly down the purchase path.

Another important search functionality for retail sites is the ability to search on full text product descriptions. Without it, customer searches on incorrect product names, categories, or SKUs can cause false "no results found" to be returned. Your ecommerce solution should also allow you to customize the search results page and manage rankings. Where and how you display search results will determine how customers interact with them. And being able to set search filtering options to favor specific products and attributes allows you to boost rankings of items being promoted, and reduce excess inventory.
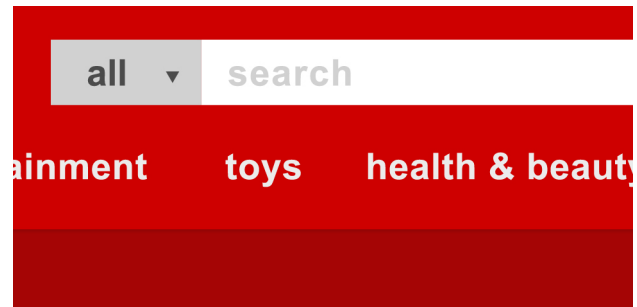
In addition, as minor as it seems, the position of a search box is key. Based on usability studies and a review of the top ecommerce sites, the search box should be located near the main menu of a site. There is a trend among major sites like Amazon, eBay, Walmart and Best Buy to centrally locate search. In some cases, these ecommerce giants are putting search right next to their logo—demonstrating the importance of search and why it should be taken seriously and given prime real estate right near the brand.

Znode Multifront® and Multifront® Enterprise include comprehensive advanced search capabilities that can take your ecommerce website to the next level.
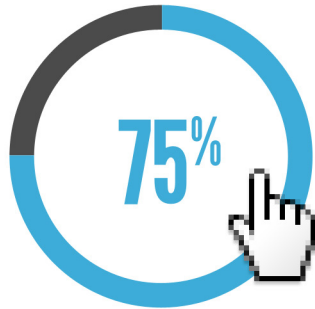
Learn more at znode.com

3. *New Study Results: Online Shopping Isn't Entertainment*, **Marketing Sherpa,** 2007
4. *The Multi-Channel Shopping Transformation Study*, **eTailing Group,** 2006

There is value in social media and social reviews.

Social customers deliver revenue. Reviews help speed conversion.

75% of shoppers that read social reviews will click through to products. If your ecommerce platform isn't social, you are losing buyers.[6]

The large majority of retail websites created within the last few years contain social media share buttons (e.g. Facebook, Twitter, Pinterest, etc.). For some sellers, these are more for show than anything else, signifying that the store is aware of social media and has some kind of presence on the major social media networks. But for retailers who truly understand the business opportunities afforded to them by social media, these buttons represent a vital connection to 1+ billion consumers who are socially active.

Make no mistake about it: Social media puts consumers in the driver's seat. It gives them a powerful voice and colossal stage on which to ask questions and share opinions about products, brands, and shopping experiences. As a retailer, you can't afford to ignore this. If you fail to become an active participant in social conversations, you are unnecessarily relinquishing power and control over your brand.

Today, half of all social media users—500+ million—follow, favorite and like online brands. If your website provides them with a positive customer experience, they may become a fan in this way. And having online fans pays off. They are responsible for roughly 80% of all brand advocacy and are effective in bringing in new customers. Moreover, new customers that come to your site as a result of a fan recommendation deliver an average of 16% more value than those obtained through marketing.[8] For businesses that work hard at social media, the value can be even greater. A study of Apple Computer's customer base found that the average value of an online Apple fan was 70% higher than that of a non-fan customer ($4,400 vs. $2,600).[8]

While most sellers can appreciate the value of a fan-base, some question the value of having product peer reviews on their website. For online consumers, social reviews have become a favored means of gaining insights on products from peers they trust. One study found that 90% of customers trust reviews from people they know, and 70% trust online reviews from people they don't know. Social reviews also provide you with a platform to answer customer questions, correct misperceptions, and mitigate problems quickly. Customers who believe they've found the right product and are satisfied that they have all the information they need to make a purchase decision, move to checkout quickly.

(24)

4 and 5 star rated products deliver 35% highers conversion and 40% higher order value.[7]

Znode Multifront® and Multifront® Enterprise include out-of-the-box social media integration, giving your online store a social presence right from launch.

Learn more at znode.com

5. *Social Impact Study 2012: Social Sharing as Helpful as Google Search in Shopping*, **sociablelabs.com,** 2012
6. **grabstats.com,** 2007
7. *How to Calculate Fan Value: Fan Economics 101*, **socialecommercetoday.com,** 2011
8. *Mobile Influence Factor*, **deloitte.com,** 2013

Customers pay attention to emerchandising.

Relevancy leads to more satisfied customers and higher conversions.

When today's consumers shop online, they expect to see the same kind of attention being paid to product merchandising as they experience at a brick-and-mortar store. They want a beautiful, organized shopping environment, appealing product presentations, accurate product information, appropriate pricing, and enticing promotions. In an effort to meet customer expectations, 72% of retailers have initiatives planned to enhance their website emerchandising.[9]

A flexible ecommerce solution allows you to present, price, and promote your products in ways that improve the customer experience. At a minimum, your online store should include site search functionality and faceted navigation (which allows customers to drill down on desired product attributes) to enable quick and easy browsing. Innovative visualization technologies offer interesting ways to showcase your products. Photo galleries, look books, and 360° product views are becoming increasingly popular.
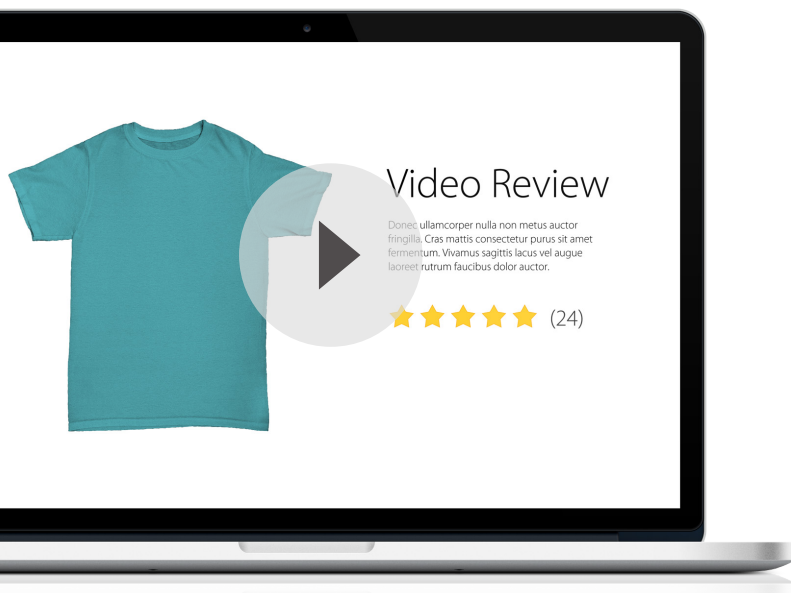
Providing high quality product information is another aspect of emerchandising that should be given priority. After all, it's more efficient for you to offer full product details up front than to have to react to inquiries from customers who lack the information they need to make a purchase decision. Be sure that your product descriptions are detailed and accurate, include appropriate specifications, and are fully searchable by your site search (see Insight #2: Online customers expect dynamic site search). Consider product videos to supplement product information. They can improve your website's SEO rankings and consumers enjoy them. In a recent survey, 36% of online shoppers revealed they had watched five or more product videos in the past 3 months.

Product pricing and promotion are final aspects of emerchandising that your ecommerce solution should help you manage. It is important that you have the flexibility to set pricing and discounts based on customer profile. The ability to run targeted product promotions is equally important for creating the type of value-oriented, customer-centric experiences consumers have come to expect.

Video Review

Donec ullamcorper nulla non metus auctor fringilla. Cras mattis consectetur purus sit amet fermentum. Vivamus sagittis lacus vel augue laoreet rutrum faucibus dolor auctor.

★ ★ ★ ★ ★ (24)

36% of online shoppers revealed they had watched five or more product videos in the past 3 months.[10]

Znode Multifront® and Multifront® Enterprise make it easy for retailers to emerchandise effectively for today's shoppers.

Learn more at znode.com

9. **Press Merchant Survey, etailing.com,** 2012
10. **e-Tailing Group Video Behavior Survey,** 2012

Customer data is the most relevant kind.

Accessible, actionable data can improve the customer experience.

The better you know your customers, the better you will be able to serve them. This has been true since the dawn of commerce, and it still applies today. In order to provide the personalized, relevant shopping experiences that today's savvy online consumers demand, it's vital that you collect and analyze key customer data and use it to shape the on-site experience. To make this process manageable, ensure that your ecommerce website platform centralizes data collection and reporting across all of your online stores.

Knowing an online customer well requires more than knowing their name, email, and shipping address. In order to be able to deliver tailored messages, offers, and promotions that will lead to conversion, you need to know your customers' preferences in products, product categories, brands, and content. You need to understand their buying habits, navigation patterns, shopping cart behavior, use of discounts and promotions, and sensitivity to price increases. If your store sells globally, it is imperative that your ecommerce solution knows and understands the customer's language of choice, and caters to the cultural nuances of the locale throughout the entire shopping experience.

An advanced ecommerce website solution allows you to collect and analyze all of these key pieces of information from single admin dashboard. You can benchmark customer time on site, product views, additions to the cart, shopping cart abandons, conversions on cross-sells, up-sells and down-sells, web form completions, promotion redemptions, and so on; then run tests to fine-tune and improve your percentages. You can also test various emerchandising schemas to find the most effective images, page positions, banner ads, and promotions. Lastly, you can create targeted email campaigns and personalized product pages from your website platform to gain further customer insight and improve online sales.

An advanced ecommerce website solution allows you to collect and analyze all of these key pieces of information from single admin dashboard.

admin dashboard.

Znode® Multifront and Multifront Enterprise enable data collection and analysis from a single, easy-to-use admin dashboard.

Learn more at znode.com

Multi-store ecommerce is an efficiency boon.

Centralized administration saves online retailers time and money.

Multi-store (or multi-tenant) ecommerce offers tremendous efficiency advantages for retailers with more than one online property to manage. Website platforms designed specifically for multi-store ecommerce allow retailers to create and manage multiple online stores—be it two or twenty plus—with one software application. Administration for all the stores is centralized at single point and there is only one database to manage, greatly reducing the burden on your ecommerce team.

With an advanced multi-tenant solution, retailers have ultimate flexibility and control over their brands. Each online store can be fully tailored and branded independently of one another. User interfaces can be customized to meet the most demanding brand standards, and business rules can be added and altered without customizing the source code. At the same, product catalogs can be shared among all online properties, which means that if the same product is offered at more than one of your stores, the product information only needs to be entered once. Plus, product inventory and reporting is also centralized across stores.

Multi-tenant solutions also give retailers the ability to offer personalized, relevant customer experiences—the kind today's online consumers demand. Because customer profiles, purchase history, and preferences are shared among all online properties, a customer shopping at one of your stores can be recognized on a very personal level while shopping at any of your other stores. This allows you to deliver product suggestions, offers, and promotions that are most likely to of interest to the customer, increasing the likelihood of conversion.

Multi-tenant solutions also give retailers the ability to offer personalized, relevant customer experiences.

Built on a highly flexible ASP.NET architecture, Znode Multifront® and Multifront® Enterprise deliver efficiency, power, and flexibility to multi-store retailers.

Learn more at znode.com

Mcommerce is the new ecommerce.

Stores optimized for mobile have a significant competitive advantage.

The future of ecommerce is brighter than ever: Forrester predicts that online sales in the U.S. will reach $327 billion by 2016.[11] Much of this is being driven by the advent of mobile commerce, or mcommerce. Mcommerce sales in the U.S. are expected to reach $2.12 billion in 2013 and explode to $62.2 billion in the next three years.[12]

As you would expect, the force behind these promising forecasts is the unprecedented rapid adoption of mobile devices. In 2012, just over a decade after the first smartphone was released, U.S. smartphone penetration reached an astonishing 50%. Tablet ownership is already at 19%, twice that of 2011.[13] With such tremendous market penetration, and additional types of mobile devices currently in development (e.g. wearables), retailers that haven't embraced mcommerce are falling further and further behind.

Consumers are using their mobile devices to shop and purchase both online and off. For many, tablets and smartphones have replaced laptops and PCs as the preferred electronic for shopping online. Consumers are also using these devices while shopping at brick-and-mortar retail locations—going online to search for coupons and promotions, compare other stores' prices, and snap and share photos of products. Another shopping behavior that industry experts are watching is showrooming.

In 2012, tablet ownership doubled in the U.S., currently at 19%.

Showrooming occurs when a shopper goes to a brick-and-mortar location to see, touch, hear or demo the product, then searches and purchases the product online. According to a recent Harris poll, 43% of U.S. adults have participated in showrooming.[14]

In order to capitalize on mcommerce—and prevent lost sales caused by a website that isn't optimized for mobile customers—it is imperative that retailers mobilize their ecommerce stores. Today's plugged-in consumers expect a personalized, relevant, and context-aware shopping experience, regardless of the device they're using. If your website doesn't accommodate their channel of choice, they'll click elsewhere.

In 2012, just over a decade after the first smartphone was released, U.S. smartphone penetration reached an astonishing 50%.

Znode Multifront® and Multifront® Enterprise make it easy to create and manage multiple stores optimized for mcommerce. Znode can also help you mobilize your current website platform.

Learn more at znode.com

11. *U.S. Online Retailer Forecast, 2011 to 2016,* **Forrester Research,** 2012
12. *How WiFi Affect Mobile Shoppers,* **emarketer.com,** 2012
13. *State of Consumer and Technology Benchmark 2012, U.S.,* **Forrester Research,** 2013
14. *43 U.S. Adults Participate Showrooming,* **internetretailer.com,** 2012

Not all cart abandons are inevitable.

Improving checkout can reduce abandons and increase conversion.

Shopping cart abandonment is a nagging problem for all retailers selling online. Forrester estimates that 88% of consumers who shop online abandon at least one cart per year.[15] Average abandonment rates are thought to run 65% to 75%, but for some retailers the number is even higher. Although cart abandons are an accepted liability of doing business online, not all abandons are inevitable. Making the checkout process as fast and easy as possible for customers can help you reduce your abandonment rate and increase your conversions. Following are some tactics to consider:

• Make the checkout process clear. Signal to the customer where he/she is in the checkout process (e.g. number the steps or show a progress bar). Customers want to know how long it's going to take them to checkout, and providing indications sets appropriate expectations.

• Offer information up front. Many ecommerce sites force customers to go through the entire checkout process to get the product's total cost. By including information on shipping times and costs, taxes, and discounts up front with the product description, you can reduce abandons that occur when customers are surprised by the final cost or shipping time.

Up to **26%** of your customers will abandon their carts because they want to come back and buy later.

• Include thumbnail images. Showing thumbnail-size images of products in the order alongside the full product name and selected attributes (e.g. size, color, quantity) makes it easy for customers to review and confirm their selections. Make sure it's also easy for them to the change quantity or remove an item from the cart.

• Allow guest checkout. Despite wanting all your customers to become members of your site, studies show that 14% of shoppers will abandon your cart if they are not given the opportunity to check out as a guest. Providing this options will naturally decrease abandonment rates.

• Pre-populate fields. Pre-populating the customer's name and billing address using data captured from previous purchases helps to speed checkout. Allow the customer to indicate if the shipping address is the same as the billing address; if they, pre-populate it. Ask the customer if they'd like their credit card number stored to speed future purchases.

• Demonstrate security. Make it clear to customers that your store follows security best practices to protect customers' sensitive data to remove any doubts that may cause them to abandon. If your website has been certified PCI compliant (it should be), indicate as much.

The checkout process is a critical part of the online customer experience and your final chance to influence a conversion during the customer visit. By making the process clear and quick, and providing customers with the information they want and need, you can increase conversions and reduce abandons.

Znode Multifront® and Multifront® Enterprise are certified PCI compliant, having achieved compliance under the newest, most stringent PA-DSS certification process to date.

Learn more at znode.com

15. *Understanding Online Buying Behavior: Part III Cart Value Abandonment Trends,* **seewhy.com,** 2013
16. *Shopping Cart No Brainers,* **getelastic.com,** 2010

Customer analytics provide actionable intelligence.

Data analytics can improve your view of the customer and your business.

A plethora of website analytics tools are available on the market today (e.g. Adobe Sitecatalyst® Google Analytics®, Webtrends®, IBM Coremetrics®, etc). No matter which tool (or combination of tools) you're using for your ecommerce channel, the basic goal is the same: Gain maximum insight into your customers and use it inform your business decisions and improve your ecommerce results. Web analytics are so critical to retailers that in one study, 93% of them named "using analytics to see what works" as the most important/ somewhat important merchandising and navigational tactic.

With data analytics, you can quickly identify popular click paths and determine the most and least profitable ones and alter your emerchandising accordingly. You are able to determine where visitors are navigating away from the site, and make the adjustments necessary to reduce abandons. You can discover, measure, and analyze your most profitable customers and use the information to target like customers. You can also analyze online campaigns and promotions, and use the results to inform your future marketing efforts.

The data also helps retailers anticipate customer demand, understand what competitors are doing, deliver insights to enhance the shopping experience, personalize offers based on behavior, determine preferred payment types, and create the relevant ecommerce experiences online shoppers look for as they engage brands and search for products and services.

Cross-company integration of data and reporting allows staffers in other business departments to gain the real-time information they need to make better informed business decisions. This ensures fact-based business intelligence on sales, inventory, service requests, customer accounts, tax liabilities, and more.

93% of [retailers] named "using analytics to see what works" as the most important/somewhat important merchandising and navigational tactic.

20,000

Znode® Multifront and Multifront® Enterprise offer real-time, high-performance data analytics and comprehensive reporting, all managed via a single admin dashboard.

Learn more at znode.com

Personalization is a key trend for retailers.

Retailers that deliver relevant on-site experiences can win more digital wallet share.

Just a few years ago, website personalization was considered a future trend in ecommerce. Today, that trend is here. Advances in ecommerce technology have enabled retailers to customize and personalize numerous aspects of the online customer experience. Many retailers are capitalizing on these new technologies. Last year, 48% of retailers polled said they had a planned initiative for website personalization/customization. And 31% said that their focus is on the customer experience.

In order to succeed in today's highly competitive marketplace, online retailers need to deliver on personalized, relevant customer experiences if they're going to gain digital wallet share. A personalized on-screen welcome message and pre-populated name in the customer login box are no longer enough. You need to deliver a highly relevant shopping experience for every customer every time, from the moment they hit your home page until after they check out. And that requires a flexible, customizable ecommerce platform with advanced personalization capabilities built right in.

An open source code platform built on ASP.NET architecture delivers unbeatable flexibility and unlimited customization possibilities. It allows you to fully customize the user interface, ensuring brand consistency throughout all ecommerce channels. It also allows you to create an unlimited number of customer profiles that help ensure that the messages, offers, promotions, and experiences you deliver are relevant to the customer. The profiles, along with all product catalogs, customer data, and reports can be managed from a single point of administration—which significantly reduces the burden on your ecommerce team.

An open source code platform built on ASP.NET architecture delivers unbeatable flexibility and unlimited customization possibilities.

```
1   Hadean::Application.routes.draw do
2
3     # mount Resque::Server.new, at: "/resque"
4
5     namespace(:admin){ namespace(:customer_service){ resources :comments } }
6
7     resources :user_sessions, :only => [:new, :create, :destroy]
8
9     match 'admin'   => 'admin/overviews#index'
10    match 'login'   => 'user_sessions#new'
11    match 'logout'  => 'user_sessions#destroy'
12    match 'signup'  => 'customer/registrations#new'
13    match 'admin/merchandise' => 'admin/merchandise/summary#index'
14    resources :products, :only => [:index, :show, :create]
15
16    resources :wish_items,  :only => [:index, :destroy]
17    resources :states,      :only => [:index]
18    resource :about,        :only => [:show]
19    resources :terms,       :only => [:index]
20    resource  :unsubscribe,      :only => :show
21
22    root :to => "welcome#index"
23
24    namespace :customer do
25      resources :registrations,   :only => [:index, :new, :create]
26      resource  :password_reset,  :only => [:new, :create, :edit, :update]
27      resource  :activation,      :only => [:show]
28    end
29
30    namespace :myaccount do
31      resources :orders, :only => [:index, :show]
32      resources :addresses
33      resources :credit_cards
34      resources :referrals, :only => [:index, :create, :update]
35      resource  :store_credit, :only => [:show]
36      resource  :overview, :only => [:show, :edit, :update]
37    end
38
39    namespace :shopping do
40      resources  :cart_items do
41        member do
42          put :move_to
43        end
44      end
45      resource  :coupon, :only => [:show, :create]
46      resources  :orders do
47        member do
48          get :checkout
```

Conclusion

To succeed in ecommerce today, retailers need to meet customers' demands for relevant, personalized shopping experiences. The best way to do this is through an ecommerce platform that is specifically designed to allow retailers to tailor nearly every aspect of a customer's experience. Znode Multifront® and Multifront® Enterprise provide the power, flexibility, scalability, and advanced capabilities mid to large size retailers need to stay relevant today and tomorrow.

Znode® relevant ecommerce

About Znode

Znode is an industry-leading ecommerce provider that enables clients to create highly relevant online experiences for shoppers. As one of the fastest growing ecommerce platforms, Znode is currently implemented in many ecommerce sites worldwide. To learn more, please visit us on the web at www.znode.com or contact a sales professional at 888.755.5541.

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