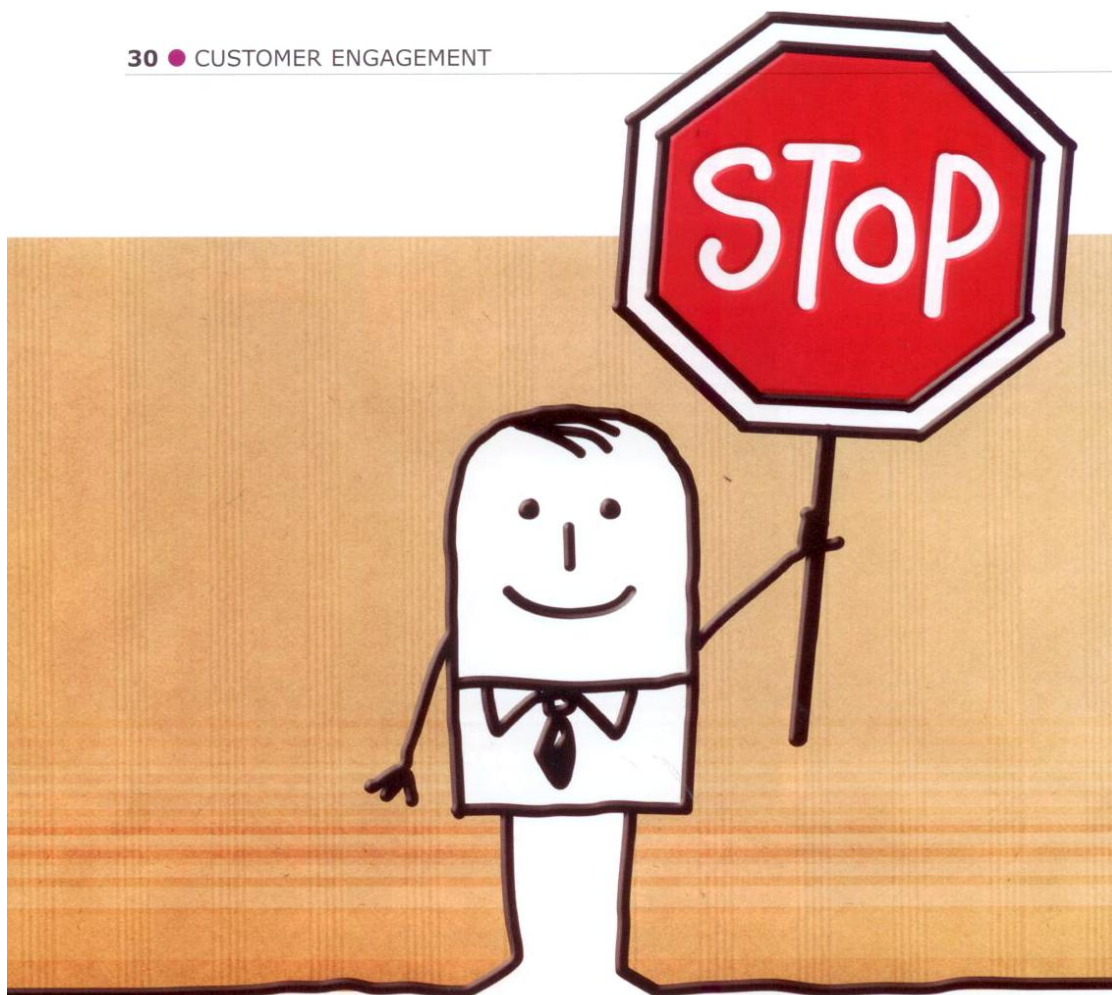


## How to get shoppers' attention

By Alison Clements, November, 2011



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## HOW TO GET SHOPPERS' ATTENTION

BUYING ONLINE IS MUCH MORE THAN THE ADD-TO-BASKET MOMENT. SHOPPERS TODAY EXPECT TO BE ASSISTED WITH RECOMMENDATIONS, OFFERED DEALS, ENTERTAINED AND INSPIRED. WHICH COMPANIES ARE THE INNOVATORS IN CUSTOMER ENGAGEMENT AND WHAT ARE THE CHALLENGES AHEAD? **ALISON CLEMENTS** REPORTS

**B**anish dullness and sell more dynamically, this could be the mantra for today's leading retailers. These are companies that constantly improve searchandising on their sites and push levels of customer engagement ever higher as they do so. Asos delights with fashion tips and latest looks. White

Stuff is "bringing back happy" on its quirky, helpful, product-review driven site. Over at Lakeland, shoppers enjoy gift ideas, recipes and learning how to use a pasta-machine or poach the perfect egg. Great content is a commercial must. Lakeland's 500-plus product videos, top fives (for gifts, cleaning products, etc), and reviews and dynamic

recommendations are working incredibly hard to drive sales, as well as entertain and inspire the customer.

Lakeland's marketing director Tony Preedy examined the importance of using quality editorial and the latest searchandising techniques to drive customer engagement at this year's *Internet Retailing* Conference. An

important facet of the Lakeland site, which relaunched this year after a major development programme, is its ability to segment customer groups and merchandise accordingly, ramping up relevance and engagement for the customer.

"As well as general good online shopkeeping around navigation, suggestions of complimentary items and keeping the search engine working well, the second layer of smart merchandising is segmentation," says Preedy. "This is possible because the site tracks IDs from the Lakeland back office customer database, reacts to different referrer IDs, and can distinguish characteristics such as people who have or haven't bought before and returning people with active baskets. The aim is to develop segment-specific marketing plans based on these insights. And to make sure we're on track, we test, test, test."

Thanks to search, merchandising and targeting software, online retailers are redefining customer engagement for the digital age, ensuring the right products

software can be expensive," says Lombos. "But the return on investment makes a compelling business case. Our clients tend to see a 20 to 30 per cent uplift in conversion rates after implementation."

### PERSONALISED SHOPPING

Asos.com added Fredhopper's personalised recommendation technology to its website earlier this year, to enrich the shopping experience of customers and increase sales by cross-selling and upselling. "Personalised recommendations offer our customers a more bespoke shopping experience," says James Hart, ecommerce director at Asos. "We needed a tool where shoppers can see complementary fashion suggestions that are relevant to them."

Equally innovative in fashion is US player O.com (previously [www.overstock.com](http://www.overstock.com)). It offers high levels of customer service as well as keen prices. Powerful searchandising functionality is now at the heart of its proposition. O.com works with RichRelevance to refine the

has helped the company build its award-winning reputation for good service. Having ranked within the top 10 of the NRF/American Express Customer Service Survey in the US for the last five years, it's clear that improving how product is presented online really pleases shoppers.

Store promotions have driven customer engagement for decades, and now in ecommerce, engagement can be turbo-charged because personalisation of promotions comes into play at the point of search. "A shopper is going to be compelled to take action if there's a good price or good promotion made known to them just as they are searching for specific items," says Paul Bolton, director of product and corporate strategy for multichannel marketing specialist IVIS Group. The company works with clients including Tesco and Carphone Warehouse to automatically present promotions in as relevant a way as possible, using demographic information, known customer preferences, and behavioural patterns on the site.

"The technology also reads where a customer has clicked most on a site, and will present promotions to those spots," says Bolton. Tesco customers are alerted when their basket value is bringing them close to qualifying for a promotional discount, "so they'll see a message saying 'if you spend £5 more you will benefit from £20 off your bill'. It's vital to use the technology to help customers and keep them happy, rather than be too pushy and over-promote."

### BRAND VALUES

Sites that automatically select the best products and promotions to display on web pages engage customers very well, but it's important not to lose sight of your brand identity at the same time, particularly if you have a rich brand heritage to tap into. Luxury shirt retailer Thomas Pink has spent the last few years working hard to emulate its offline brand experience online and present product digitally in ways that are just as engaging as its trademark stores, windows and advertising, conscious that the brand is a customer engagement tool in itself.

Speaking at *Internet Retailing* 2011, head of ecommerce Nadine Sharara said the aspirational brand, with its superior product, and heritage of quality and craftsmanship is now properly reflected in the Thomas Pink website thanks to strong editorial and video content.

**“ Site stickiness thanks to valuable, rich content is a huge commercial benefit ”**

are presented to the right people at the right time. "We are in the business of creating a better customer experience to help clients sell more," says Frank Lombos, vice president of worldwide sales at searchandising solutions provider Fredhopper. "There are a whole host of predictors of saleability at retailers' disposal and we believe the best way to use that insight is to blend together the most powerful predictors, giving retailers the most potent cocktail for dynamic merchandising and recommendation. Then you can show customers everything that could possibly hook them into making a purchase."

Fredhopper's smart targeting solution is based on consumer behaviour alongside merchandise data such as bestsellers, positive customer reviews and items least likely to be returned. It also takes into account promotions and whether the latest range needs to be pushed, or end of lines shifted, according to the wider merchandising strategy. "Of course not all retailers are embracing this, because to fully implement the

search process for customers, and provide fast, relevant recommendations across the site.

"This way you are engaging the customer with helpful suggestions, as well as creating opportunities to cross-sell and upsell," says Sam Peterson, senior vice president for technology, website and merchandising at O.com, another *Internet Retailing* Conference presenter. "Increasing numbers of customers are navigating the site through recommendations – 'more like this' and 'people also bought this' – so that today a large number of our online revenue comes from people clicking on recommendations and buying those products." O.com has also seen an increase in average order values for products that have been selected through recommendations. Peterson says it's important to constantly improve the searchandising process by using A/B testing to find out what kinds of recommendations customer respond to best. He believes the convenience provided by dynamic recommendation



There's an integrated "holistic" brand strategy in place that spans stores, web, video-enriched email, digital devices and print adverts (with QR codes) so that campaigns are aligned, and product presented in tune with the brand, regardless of the different communication vehicles. "A major challenge for us was how we would present our product online so that our customers can appreciate what they can touch and feel in the in-store environment," says Sharara.

Working with multichannel video agency Adjust Your Set, Thomas Pink has "built a seamless customer journey across our web site", explains Sharara. Launched in 2009, Pink TV includes product video to show the look and movement of shirts on models, and embedded players that show seasonal campaigns. "Our films of campaigns capture the essence of the brand and capture the imagination of our audience," says Sharara. Pink TV also includes 'expert guides' – video tutorials showing how to iron a shirt or tie a bow tie. The next step will be a 'click to buy' ad, that will be pushed out through an affiliate partner, giving customers the chance to click straight through from a video advert to an 'add to basket' function, all hosted by the affiliate.

**“ Online retailers are redefining customer engagement for the digital age, ensuring the right products are presented to the right people at the right time ”**

Since introducing video content, bounce rate has declined by 10 per cent, overall dwell time on the Thomas Pink site has risen 40 per cent, with people who look at the product and lifestyle videos spending three times longer than those who don't. The most encouraging statistic is that conversion for people who view video is 230 per cent higher than for those who don't view video, says Sharara. For this reason she believes the expense

of video can be justified. "Our content is now really drawing popularity and the engagement rates we are getting from analytics are phenomenal," says Sharara.

Site stickiness thanks to valuable, rich content is a huge commercial benefit. "There's a halo effect too as we're getting thousands of Facebook views of our campaign videos, and where the marketing is integrated with the other channels we are seeing sales uplift – particularly in stores."

Searchandising is about to become even more customer-centric, as mobile

devices provide new opportunities, predicts Lombos at Fredhopper. "Already we are seeing companies like Zmags helping brands mobilise their merchandise in time and location-specific ways. Brands can reach specific people via mini mobile product catalogues across social, tablet and mobile commerce channels," he says. "New hybrid apps that know who you are, where you are at a certain time, and what you like, will take digital merchandising and customer engagement to whole new levels." ■

## WHAT THE EXPERTS SAY

### THE PURCHASE JOURNEY

"The three ways shoppers navigate online retail today are browsing the hierarchical categories, using the search box or discovering new products through personalised product recommendations. At this point in the purchase journey, the shopper is deeply involved in the process and very open to helpful suggestions. Increasingly online retailers are maximising this powerful moment by using algorithms that will present product recommendations that fit with the wider merchandising strategy, are highly likely to convert, and will really drive sales."

Diane Kegley, chief marketing officer, RichRelevance



### CROSS-CHANNEL WORLD

"After 10 years of being about one main digital channel, right now the world of ecommerce is fragmenting into what Forrester is calling the 'splinternet'. From now on ecommerce must work across many digital channels, and because online is in our pockets on mobile devices the world of online and offline is blurring dramatically. This all has implications for how customers access and relate to product. We must offer a consistent, relevant, brand-aligned experience across all touchpoints, in order to truly engage them."

Frank Lombos, vice president worldwide sales, Fredhopper

### THE SOCIAL FACTOR

"The recent partnership between Facebook and eBay shows the way forward for online retailers to tap into the power of social commerce. The integration of Facebook's Open Graph technology with ecommerce tools provides online retailers with new opportunities to engage shoppers with social shopping experiences. The introduction of a shopper's social connections, the products friends are interested in or have purchased, will provide a new type of personalised engagement for both online retailer and shopper."

Alan Botwright, digital development director, Brandhouse



### BREAKING DOWN THE SEARCH PROCESS

"As the browsing experience has become more powerful and responsive, the search process has been broken down and enriched at three key stages: the predictive results page which today can be presented with varying levels of rich content, the search results page and final product page. These last two stages should present not only the most relevant results, but associated products based on past user behaviour or business objectives. Argos is a great example of this, providing simple prioritised recommendations results, the dual aims being to increase conversion and basket size."

Sundeep Kumar, user experience director, Grand Union

