

Maximise your e-commerce revenues. Give shoppers a richer



Online marketing isn't just about driving traffic to your Web site. You need visitors to convert – and then come back time and again. However, research suggests that many businesses are failing to give customers an ideal e-commerce experience. Paul Curran shops around for some answers.

E-tailers (that's retailers who use the Internet to display and sell their wares) generally have only one chance to make a good impression and encourage repeat Web site visits. Yet many are failing to do so. Research by digital consultancy Rawnnet, for instance, found that 78% of consumers have been put off dealing with a company due to poor processes on its site.

Despite this, the good news for e-tailers is that UK shoppers spent £22.9 billion online in the first six months of 2009, according to the IMRG CapGemini E-retail Sales Index. With average basket sizes increasing and year-on-year sales for the month of June rising by 12.3%, online spending looks set to be more resilient than that on the high street.

Whilst online continues to drive growth in the sector, Mike Petevinos, Head of Consulting for Retail at CapGemini UK, warns that cash strapped shoppers are now browsing much more before buying, so e-tailers must gear themselves up to exploit this. "Our research shows that online conversion rates (which measure purchases per visit) have been in steady decline from 7-8% in 2007 to 4-5% in the first half of 2009," he says.

Now, if four out of five online shoppers have experienced bad Web sites and conversion rates are declining, yet online sales are steadily rising; online must be a world in which a few smart e-tailers are doing better than anyone else. How can your company join the online smart set?

Petevinos says, "This highlights a clear opportunity for retailers to improve the customer experience through their online stores and thereby capture more purchases. Greater competition and the increased propensity of consumers to research before they buy puts pressure on conversion, making it more important than ever to keep improving Web site performance."

His view is supported by Rawnnet's 2008 Online Conversion Report, which revealed that 86% of people research a company online before choosing whether or not to use them. It also found that 31% of British consumers say it's rare to find a Web site that's really well designed and easy to use.

Match design and technology to business needs

Consumer opinions about Web sites in general demonstrate a distinct disconnect between the creative and technical capabilities of most Web design projects, according to Microsoft retail manufacturing and services specialist, Daniel Sumner. "Many e-tailers are losing out on a massive amount of potential business simply because their Web design is focused too much on what looks great or on non-essential technical features. As a result, they fail to produce a Web site that works for the business."

Sumner recommends that e-tailers focus on ways of creating a richer Web experience for consumers, rather than 'so-what' technology that doesn't add much real value.



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Microsoft

Nick Lansley, Head of R&D at Tesco.com, agrees: "Our customers tell us that to differentiate ourselves we must be proactive. They say we must inspire them and we must make grocery shopping easier and faster.

"Perhaps this new immersive experience needs to be a great mobile phone application, perhaps a 3D virtual store, shopping through the TV set-top box, or a third-party recipe site where ingredients can be added straight to your basket. There are 101 different and exciting ways of shopping – some of them very 'blue-sky'."

In fact, Tesco is ready to listen to anyone with interesting ideas to help drive online sales. With the help of Microsoft and its partner, EMC Consulting, Lansley and his team are encouraging third-party developers to build their own interfaces to the Tesco online shopping portal.

By leveraging this open Grocery API (Application Programming Interface) and by taking advantage of sophisticated technologies like Silverlight 3, Deep Zoom and the Windows Azure platform, developers can now create rich and dynamic applications which plug seamlessly into Tesco's online shopping system. "It means, for example, an event planning company won't need to build a separate area of its Web site to help its online subscribers choose food and drinks for their garden parties – they can simply plug directly into Tesco.com products," says Sumner. "They can even track their orders from a mobile device. The incentive for developers is a cheque from Tesco for every new customer who tries its service through their application and for orders placed as a result."

Richer ways of addressing customer behaviour

Sumner adds that Silverlight and Deep Zoom also provide e-tailers like Tesco with much richer ways of encouraging customer purchasing behaviours than presenting them with a traditional text menu.

He says Microsoft recently worked with Tesco and Procter & Gamble to put 140 health and beauty products online; letting consumers choose items in a very different way to the old-style shopping basket. "Health and beauty doesn't

work like groceries – consumers behave differently," he says. "They want to examine the packaging, find out how the product is applied, how it relates to other products, which products work well on certain skins, which resolve particular skin problems and so forth. Deep Zoom lets them pan in and out of each product, assemble groups of products and view more details about each one. Similarly, Silverlight has made it easier for Tesco to feature demos on how to prepare different dishes for its 'Top Tips' page." Again, this encourages sales by giving users an engaging and satisfying online experience.

New technologies that deliver business results

These ever richer and more functional online experiences would not be possible without a convergence of design and development technologies. Alex Smith, a member of Microsoft's UK Digital Agency Team, says "Technologies like Silverlight and Expression satisfy a clear need in the marketplace for a complete end-to-end solution – one that makes it easy for development teams to work together effectively, from concept to deployment, creating the rich, interactive experience today's users expect."

Paul McGinness, a director of Web applications developer Storm Ideas, says his team is inspired by Silverlight as a means of providing new ways of interacting with information. "We find Silverlight ten times quicker than any other platform we've ever used and we love the fact its 'out-of-browser' capability allows applications to run on any desktop. It means we can build once and deploy everywhere, so our customers can access applications and content whether they are online, offline, or intermittently connected."

Another keen advocate of Microsoft's e-commerce technologies is ASOS.com, the UK's largest independent online fashion and beauty retailer. ASOS has bucked the trend and more than doubled its sales thanks to the popularity of online shopping among cash-strapped consumers. InStyle magazine went so far as to say. "ASOS.com is a bottomless pit of fashionable pieces that make you click, click, click and buy".



To help customers “click, click, click and buy”, ASOS invests constantly in emerging technology. With the help of EMC Consulting, its Web site team has capitalised on the rich features and functionality of the new Internet Explorer 8 (IE8) Web browser – available as standard with Windows 7 – which features visual search tools and a user-friendly new invention: “Web slices”.

Web slices enable shoppers to make “clippings” of ASOS.com products which can be added to the IE8 ‘Favourites’ list. Whenever new information becomes available about an item – for instance, if the price changes, the Web slice is highlighted on the customer’s favourites bar – for an instant preview or return visit to the ASOS site.

Customers can also use slices to trace their order or receive alerts when a product is out of stock. According to Computing magazine, “Slices have the potential to be huge – soon a lot more people will be using IE8 than have ever used iGoogle, or added a Facebook application or any other gadget host.”

Silverlight

www.microsoft.com/silverlight/default.aspx

Microsoft Expression

www.microsoft.com/uk/expression/default.aspx

Microsoft Silverlight and Expression

www.microsoft.com/silverlight/seethelight

Visual Studio

<http://msdn.microsoft.com/en-gb/vstudio/products/default.aspx>

Sumner says the key benefits to ASOS.com of using Microsoft’s IE8 tools are higher conversion and customer retention rates. “For instance, they allow customers to browse the company’s products even while they’re on competitors’ Web sites – simply by marking a particular word. This kind of advanced functionality provides consumers with ‘a window into the ASOS world’ and vastly increases the chances of making their site sticky.”

Maximise advantage from the upturn

Whilst first impressions are obviously important online, Sumner believes there is clearly a chasm between attracting visitors and converting them into customers. “In today’s economic climate, getting that lead, sale or enquiry is far more important than simply boosting your Web site’s traffic.

“Having captured the consumer’s interest, a Web site needs to follow through on its promise of providing that individual with as rich an experience as possible. E-tailers must continue to invest in Web site improvements to take maximum advantage from the upturn when it arrives.”

Internet Explorer 8

www.microsoft.com/windows/internet-explorer/default.aspx

Tesco API Developers Forum

www.techfortesco.com/forum

ASOS

<http://asos.com>

Storm Ideas

<http://stormideas.com>



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