



Online Merchandising (1 of 2) Efficiencies and Differentiators

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commentary

Contact:

Lauren Freedman
the e-tailing group, inc.
1444 W Altgeld St.
Chicago, IL 60614
773-975-7280
LF@e-tailing.com

Merchandising results from *the e-tailing group 12th Annual Mystery Shopping Study* find leading merchants focused on reaching the bar and raising stakes to improve the overall customer experience and boost sales.

Making websites easier and more efficient to use, differentiating oneself from the competition, and engaging customers all are strategically essential initiatives to achieve bottom-line growth goals.

This e-tail detail highlights findings and showcases examples of **efficiencies for ease of use** and **differentiators to drive conversion**; a subsequent edition will deal with **involvers to engage customers**.

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12th Annual Mystery
Shopping Study Report

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results

a look at the numbers

Search has become increasingly sophisticated with category-centric complexity

Merchants see the value of on-site search and are investing to ensure more accurate results. **Keyword search** has become the norm as 100% of the EG100 sites now offer this metric while **advanced search** penetration increased slightly from last year (18% vs. 15%) due to a majority of merchants implementing in-depth **refined search results** (90% vs. 85%), as well as providing **guided navigation** (74% vs. 63%), and **landing page sorts** (87% vs. 77%), all of which help reduce click-throughs and expedite finding desired products. Surprising is the relatively low number of merchants who recognize the need to further **merchandise** these **search results** pages (15% vs. 24%).

Search/ Shop	e-tailing 100 4Q 2009	e-tailing 100 4Q 2008
Keyword Search	100%	100%
Refine Results	90%	85%
Landing Page Sorts	87%	77%
Guided Navigation	74%	63%
View All	53%	46%
Advanced Search	18%	15%
Merchandised Search Results Page	15%	24%

Source: the e-tailing group 12th Annual Mystery Shopping Study, 4Q'09



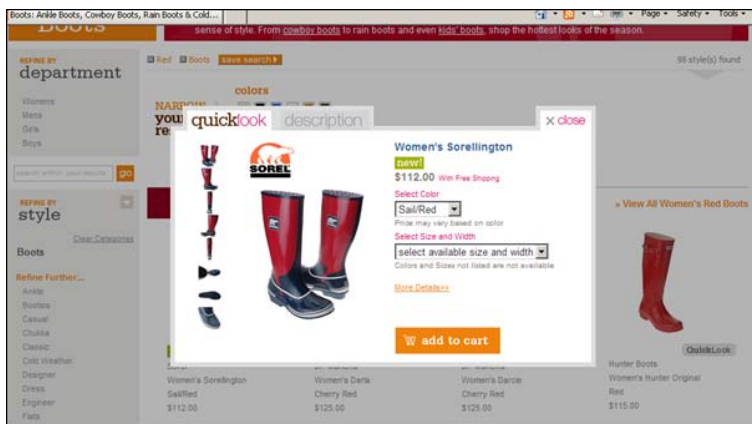
Landing Page Sorts

This example from **Toys 'R Us** uses multiple merchandising tactics to drive the sale while letting customers control the experience.

- Refine results by: category, gender, age, type, price, materials, colors, top sellers
- View all option
- Customer ratings
- List price/our price
- Stock status
- PayPal promotion

A more natural shopping environment is conducive to spending time/money on a site

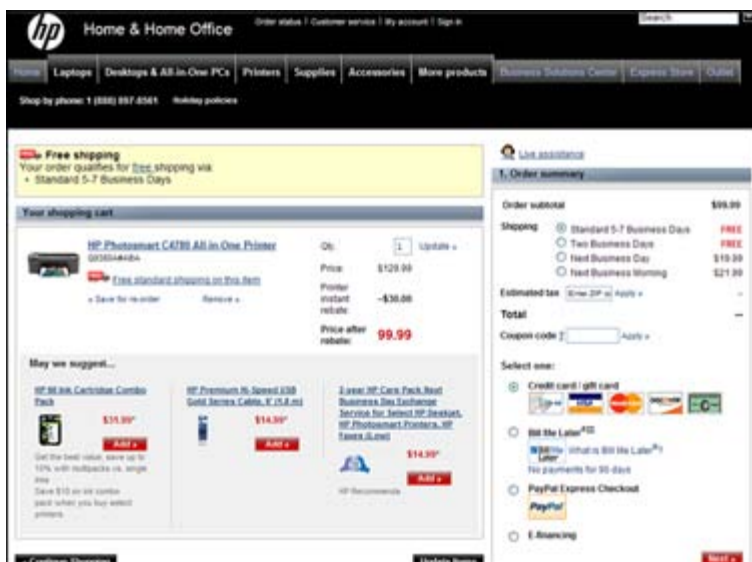
In the past once something was added to the cart, merchants virtually pushed customers through the checkout line and "out the door." With the proliferation of **fast buy/direct to cart buying** (62% vs. 39%) and **perpetual carts** (92% vs. 77%) customers are fully aware of cart contents as they browse the site, adding product along the way.



Fast Buy/Direct to Cart Buying

Shoes.com uses a well merchandised pop-up to enable shoppers to quickly view product attributes and place it in the shopping cart.

- Two tabs: quicklook and description
- Product labeled "NEW"
- Many alternate views
- Manufacturer's logo for brand recognition
- Free shipping



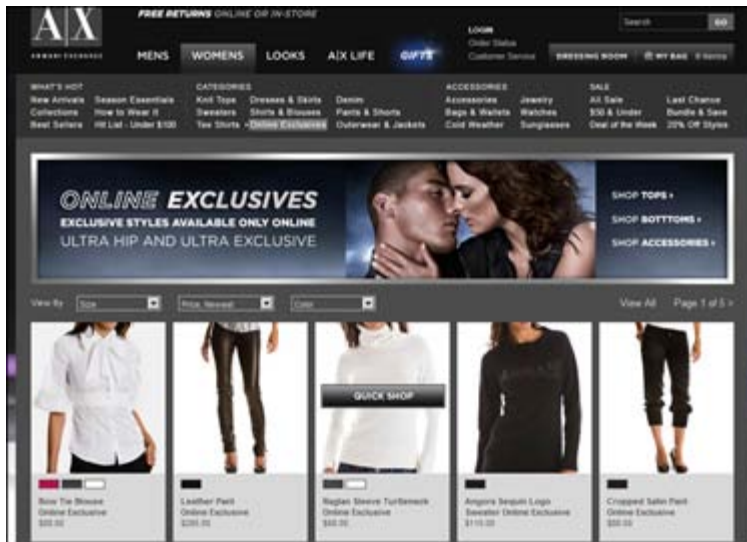
Perpetual Shopping Cart

HP Home & Home Office makes the cart visible at anytime as one browses the site then presents this comprehensive cart overview where incremental value is added via convenience tools.

- Order summary w/shipping, tax, coupons, and payment method visible at a glance
- Free conditional shipping eligibility called out in multiple places
- Option to save product for re-order
- Relevant cross-sells and up-sells

Merchants need a way to set themselves apart from their competitors

In these tough economic times merchants are deploying a variety of tactics to differentiate their unique product mix and individually target shoppers. From **channel and/or merchant exclusives** (72% vs. 65%), to **product personalization** (37% vs. 24%) they are creating a reason for shoppers to come to their websites.

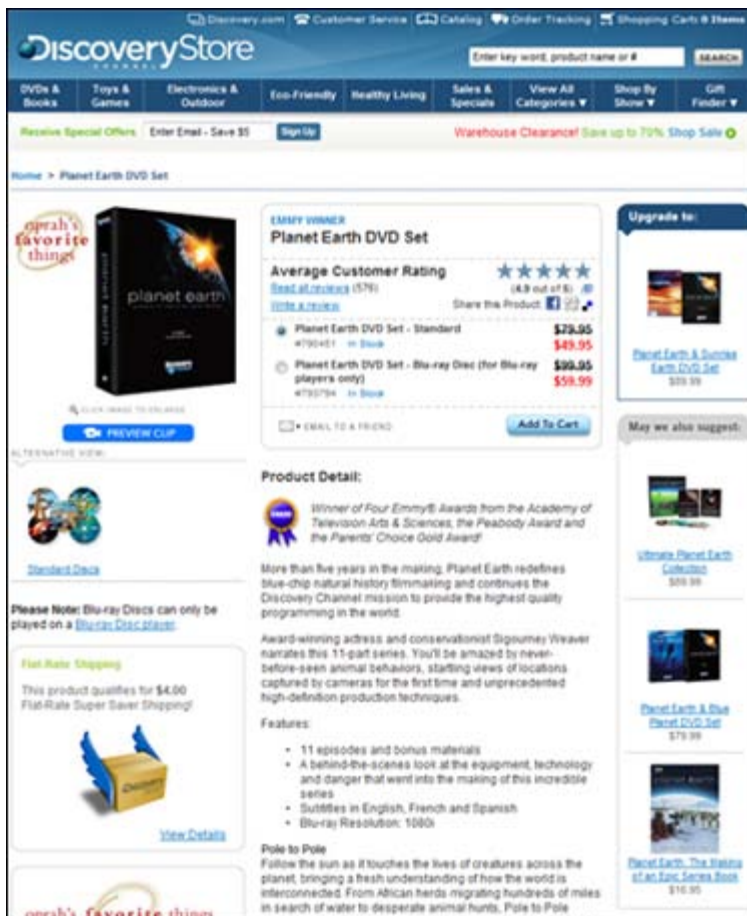


Online Exclusives

Armani Exchange aggregates online exclusives into a category included in their navigation menu.

- Key product categories are represented (tops, bottoms, accessories)
- Thumbnails include visuals of color options
- Quick Shop is denoted for basics

A new metric reveals that 35% of the EG100 are now promoting **product awards** received; leveraging publicity to tout items and validate their presence as "players in the industry."



Product Awards

As the lead-in to this product's detailed description the **Discovery Store** touts prestigious awards which are sure to give buyers confidence to buy the item.

- Blue ribbon "award" icon
- Text reads: "Winner of four Emmy® Awards from the Academy of Television Arts & Sciences, the Peabody Award and the Parents' Gold Choice Award."
- "Oprah's favorite things" notation supports media exposure

Generically and on product pages video entertains and educates

With the popularity of social networking trending upward, 49% of the EG100 merchants are availing themselves of **streaming video/audio** to host branded content, often on social platforms as well as their websites. Merchants who offer **guides and how-to** content are also embracing this technology, as evidenced by 24% more of these tools available in audio/video format than last year (61% vs. 49%). This year we also specifically benchmarked the penetration of **video product demos** on product pages which 55% offer. Categorically, all of the Mass Merchants as well as those selling Books/Music/Media, Technology, and Office Supplies provided these helpful tools, in many cases supplied by their vendors.

Audio/Streaming Video	e-tailing 100 4Q 2009	e-tailing 100 4Q 2008
Guides/How-To Content with Audio and/or Video	61%*	49%*
Video Product Demos on Product Pages	55%	N/A
Video Content – Non Product Page or Guides (Branded or Other)	49%	N/A

Source: the e-tailing group 12th Annual Mystery Shopping Study, 4Q'09 *Subset of survey



Video Demos

Along with zoom **Green Mountain Coffee** offers a video demonstration to help shoppers see how this product functions.

- Links to a YouTube presentation featuring a spokeswoman wearing a green mountain apron who walks the viewer through product features and use

- Note product page also offers bundles

checklist

1. Keep efficiency and differentiation top-of-mind with a product page that informs, involves, and enriches consumers, giving them the confidence to buy
2. Provide search and sort efficiencies to optimize finding and purchasing products fast
3. Extend efficiencies to merchandising the shopping cart and related "fast buy" pages
4. Offer content for a robust experience taking advantage of video to enrich and engage consumers
5. Differentiate your brand in support of overarching objectives

who we are

About the e-tailing group, inc.

The e-tailing group, inc. serves as the multi-channel merchant's eye, bringing a merchant's

sensibility to evolving the multi-channel shopping experience. A Chicago-based consultancy, they provide practical strategic perspectives and actionable merchandising solutions to merchants selling online as well as to enabling technology firms.

For more background about this research study, including a list of merchants surveyed or for additional information on the e-tailing group, inc. please contact Lauren Freedman at LF@e-tailing.com or visit the e-tailing group "new" website www.e-tailing.com.



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The e-tailing group 12th Annual Mystery Shopping Study Report Is Available for Purchase

**Looking to get a handle on which merchandising tactics are essential?
Wondering if your customer service makes the grade?
Want the inside scoop about the features we found on 100 B2C websites?**

This study benchmarks over 280 features on 100 B2C merchants that were mystery shopped in 4Q '09. Our extensive summary highlights key metrics and trends from both a service and selling perspective. Throughout, the presence of each element is presented via a series of 14 categories including an industry-at-large perspective.

- Stellar merchants are identified from a merchandising and customer service perspective
- A comprehensive index of those features and their penetration are included for at-a-glance viewing.
- Execution checklists wrap up the report with a goal of elevating features to differentiate and drive dollars

**Purchase the downloadable report for \$395 via this link to PayPal
or by contacting [Lauren Freedman](#) for credit card payment
(phone 773-975-7280)**



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the e-tailing 100 Merchants 2009

1-800 Flowers	Clinique	Giggle	New Egg	Sony Style
Aeropostale	Coach	Godiva	Nordstrom	Staples
Amazon.com	Cooking.com	Golfsmith	Office Depot	Sundance
American Girl	Crate & Barrel	Green Mountain Coffee	Orvis	Target
Apple	Crutchfield	Harry & David	Overstock	The Avenue
Armani Exchange	Diapers.com	HP Home & Home Office	PetSmart	The Children's Place
Aveda	Dick's Sporting Goods	HSN	Polo	The Container Store
Bare Necessities	Discovery Channel	iRobot	Pottery Barn	The Home Depot
Barnes & Noble	Drs Foster & Smith	J. Crew	QVC	Things Remembered
Bass Pro	Drugstore.com	JCPenney	RadioShack	Toys 'R Us
Bath & Body Works	eBags.com	King Arthur Flour	RedEnvelope	Under Armour
Bed Bath & Beyond	EBGames	Kohl's	REI	Urban Outfitters
Best Buy	eToys	L.L. Bean	Road Runner Sports	Victoria's Secret
Blue Nile	Famous Footwear	Lamps Plus	Saks Fifth Avenue	Vitamin Shoppe
Bluefly	Forever 21	Lancome USA	Sears	Walgreen's
Borders	Frontgate	Lands' End	Sephora	Wal-Mart
Brooks Brothers	Gaiam	Lego	Shop NBC	Williams-Sonoma
Brookstone	Gap	Lowes	Shop PBS	Wine.com
Buy.com	Gardener's Supply	Macy's	Sketchers	Zales
Cabela's	Garnet Hill	MoMA	Solutions	Zappos

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