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the e-tailing group press release

Merchandising Innovation via Visual and Content Elevation

Merchandising Results from the e-tailing group's 17th Annual Mystery Shopping Study

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THE FACTS

In a digital world dominated by Amazon and investment-intensive omnichannel players, every retailer must sharpen their selling strategies and focus their efforts on differentiation. "Beyond product and pricing, retailers are attempting to compete via visual enhancement and creative, compelling content while assuming a mobile first mentality when designing their website experiences", according to Lauren Freedman, President, the e-tailing group.

THE METHODOLOGY

The e-tailing group's *17th Annual Mystery Shopping Study*, conducted during 4Q'14, benchmarks 340 metrics on 100 ecommerce websites across 14 consumer product categories. A previous release issued on 1/27/15 focused on 148 customer service features and functionality while this release summarizes shifts regarding the 192 merchandising tactics that were evaluated in this study.

NOTABLE FINDINGS

Given the maturity of the web, the penetration of many features are, not surprisingly, relatively consistent year-over-year. In order to discover the merchandising trends, emerging metrics are added annually where comparables will not always be available. Despite their small numbers over the past holiday season, expectation is they will become the standard, especially in categories where their execution is most valuable. Three themes rose above all others in a review of 2014 data and should serve as inspiration in 2015 merchandising prioritization.

VISUAL ENHANCEMENT

Retailers can deliver experiences that engage and inspire shoppers with onsite search core to shopping online. Returning results in a visual format continues to see traction and is now present on over 1-in-3 sites where type ahead tools are in place. Calling out a product's unique point-of-view via badging (new, customer favorite, top picks, etc.), particularly in search results and category listings, gives it a greater opportunity to be seen and shopped. This rising merchandising tactic is now present on 62% of sites up from 45% in 2013.

Five tactics were added to this year's research to assess visual enhancement. The ability to select the layout of images on a page is available on 1-in-4 sites, while the option to change the size of the image is found on 13% of sites. One of the most dynamic merchandising tactics is seen in search results, where mousing over product thumbnails results in product details exposed (16%), spin/alternative views shown (14%) or silhouette/runway dynamics provided (17% of relevant categories).

FEATURE	2014	2013
Visual Search	37% (73 sites)*	29% (70 sites)
Badging	62%	45%
Image Size Selector	13%	N/A
Image layout Selector	29%	N/A
Product Details Exposed When Item Moused Over	16%	N/A
Silhouette /Runway When Item Moused Over	17% (47 sites)	N/A
Spin/Alternative Views When Item Moused Over	14%	N/A

**type ahead in place **appropriate for category*

Despite the numbers, the experiences are incredibly impactful with a greater opportunity to become site converters while differentiating from retail peers. Five retailers stand out in providing the majority of these seven features, reinforcing their belief in these emerging visual tools.

CREATIVE AND COMPELLING CONTENT

While other retailers emphasize extensive assortment and value pricing, content often serves to showcase a retailer's expertise. Specialty retailers in particular have seized these moments to inform and inspire shoppers. The presence of look books has grown to 27% of sites, up from 22% in 2013. Embracing social dynamics escalated the role of the blog to 59% of sites while e-tailing group newcomers trending now (26%) along with photo sharing capabilities (21%) put a spin on social selling.

The doubling of a long standing content tool at the product page sees guides/how to's with a commanding 37% presence. This critical conversion juncture receives a strong performance from videos as well (78% vs. 72% in 2013). Generically across the site, video guides represent 72% of the 65 sites where they are featured, reinforcing that experiences matter and serve to distinguish seller scenarios across the retail landscape.

FEATURE	2014	2013
Look Book	27% (81 sites)	22% (82 sites)
Trending Now	26%	N/A
Photo Sharing	21%	N/A
Blog	59%	56%
Video Guides	73% (66 sites)	57% (70 sites)
Product Page Videos	78% (91 sites)	72% (89 sites)
Product Page Guides/How-Tos	37%	19%

OMNICHANNEL DIFFERENTIATORS

Lastly, every retailer is not in a position to offer free shipping from a profitability standpoint, so 24% (up from 16% in 2013), extended flat rate shipping in order to remain competitive. Those merchants with a brick and mortar presence view stores as an asset and are putting in place greater inventory transparency via store product locators (47% vs. 43% in 2013). Consumers will come to expect such access and at the same time will want the flexibility to buy online and pickup in store at their convenience. This is now a service found at 39% vs. 32% of store-based retailers. Every aspect of the shopping experience from logistics to low price models must be in consideration to remain competitive.

FEATURE	2014	2013
Flat Rate Shipping	24% (93 sites)	16% (85 sites)
Store Pickup	39% (85 sites)	32% (84 sites)
Store Product Locator	47% (85 sites)	43% (84 sites)

IN SUMMARY

Retailers must zero in on those merchandising elements that not only support their brands but differentiate them in today's crowded and competitive landscape. Visual execution, creative and compelling content and differentiation from onsite to omnichannel will inspire shoppers moving them to convert in support of bottom line growth.

THE COMPANY

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 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 website www.e-tailing.com.

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Share the details!

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