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2Q '03 edition 1 of 3  
*"The Merchant Speaks"*  
measurement

[the e-tailing group inc.](#)

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# commentary

**SHOW ME THE NUMBERS!  
E-COMMERCE MANDATES MEASUREMENT**

Regardless of channel, merchandising is a delicate balance of art and science. Like many of this survey's participants, we at *the e-tailing group, inc.* do believe that "gut factor" has merit in merchandising. However, **consistent and timely measurement is critical** to successful online selling.

Simply stated -- **we recommend investing in measurement tools** along with the time/talent to analyze the data generated and a commitment to implement what is learned.

While some ecommerce metrics are being analyzed, most are not. This need for more relevant statistical measurement may be the biggest frustration we encounter among merchants. It is time to challenge technologists to deliver these much needed tools -- cost effectively.

1. BUYING & MERCHANDISING - the equivalent of square inch analysis, open-to-buy and assortment planning in order that merchants have the analytics they need to intelligently manage their online inventories.
2. MARKETING - adoption of metrics like Gross Rating Points (GRP) that are consistent with mainstream media so the industry can plan and measure ads on the Internet relative to other advertising opportunities.
3. CUSTOMER INFORMATION - predictive tools that correlate customer behavior and preferences with online shopping activity to make this valuable data actionable.

Only by learning customers' shopping patterns and preferences can merchants learn how best to

evolve a site. From prioritizing feature enhancements to new technology introductions to allocation of manpower -- there is nothing like 'facts' to support a position or aid in decision making.

# results

a look at the numbers

In the e-tailing group's 1Q 2003 research questionnaire, "**The Merchant Speaks**", over 200 senior executives with responsibility for e-commerce shared insights - and statistics.

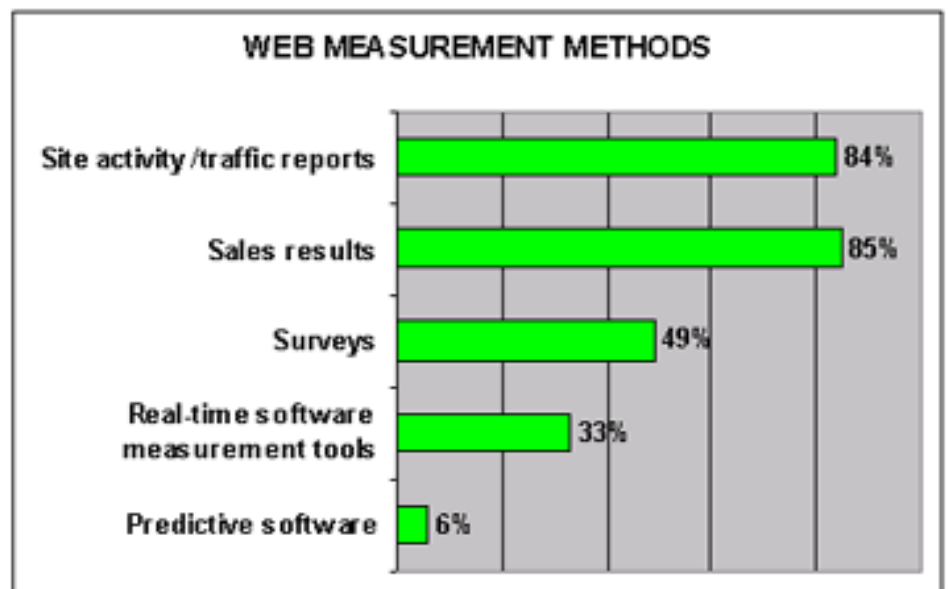
Results of this 2nd annual proprietary survey of merchants confirm that as sites evolve, measurement becomes more important but --- there is definitely room for improvement.

## Key Findings:

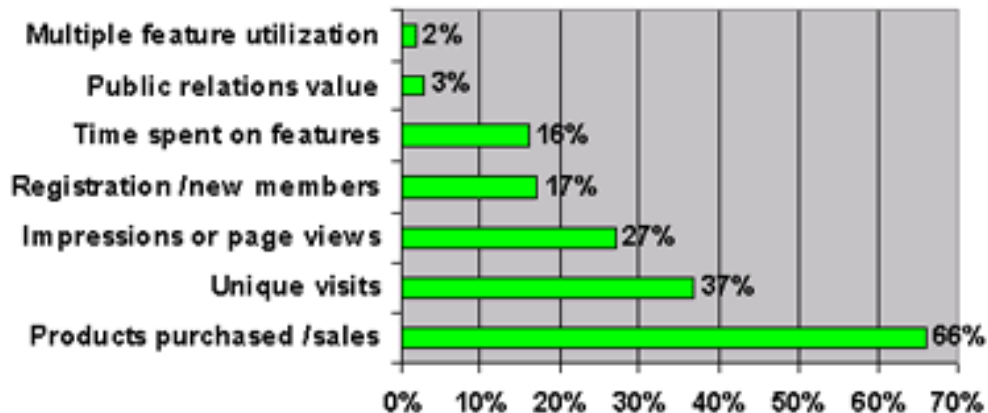
- The percent of respondents who did not know their rates of conversion (14%) or shopping cart abandonment (43%) is indicative that there needs to be more focus on the numbers.
- The most frequently used measurement methods were based on sales results and site activity/traffic reports, many of which are overly simplistic in nature.

- **Site activity/traffic and sales** are still the primary measurement tools for over **84%** of the sites surveyed

- Only **6%** have yet to try **predictive** software



### PAGE-FEATURE EFFECTIVENESS MEASUREMENT

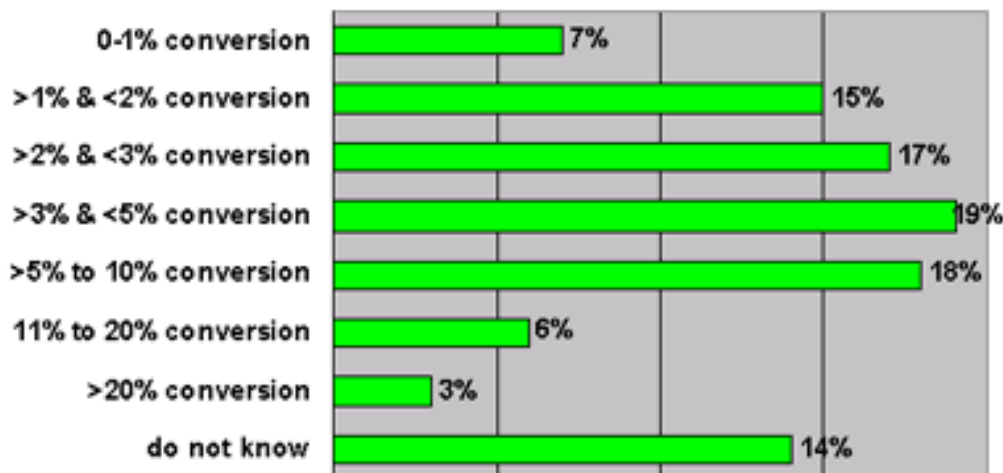


- **2/3rds** of respondents determine their page / feature effectiveness based on **sales** results -- as often little else is available

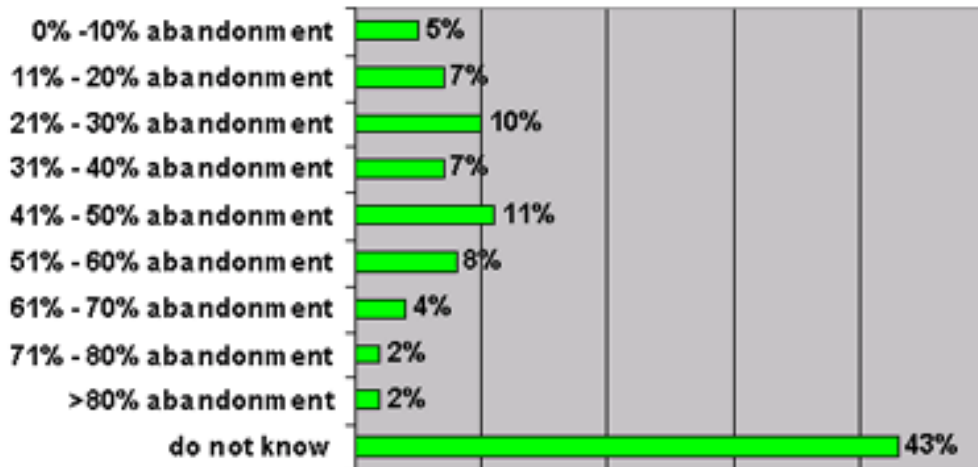
Using the formula for conversion rates, **# of orders divided by # of visits:**

- **32%** of the sites reported rates greater than 1% but less than 3%
- **37%** reported conversion rates greater than 3% to 10%
- **14%** of respondents did not know their conversion rates!

### WEBSITE CONVERSION RATES



## SHOPPING CART ABANDONMENT RATES



- **43%** of respondents did not know their shopping cart abandonment rates!

- **28%** of known rates were between 20% and 50% abandonment

# who we are

*the e-tailing group, inc.* is a Chicago based consultancy that provides strategic and e-commerce merchandising solutions to merchants selling online as well as to firms targeting that market.

### CONSIDER A CUSTOMIZED E-AUDIT OF YOUR SITE

See how you stack-up against your competition, your category and the e-tailing group top 100 sites.

Whether your site was recently launched or is established, learn where to prioritize future upgrades and how to enhance performance.

[CONTACT US](#) ABOUT YOUR E-AUDIT

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