

## The laws of ECommerce

ECommerce is about converting visitors to your site into customers.



A bricks and mortar shop has to work hard to get a prospect to make a special visit or passing prospects to enter. Then the visitor has an investment in the visit. They have expended time, energy and money to get there. This means that they are quite likely to make a purchase.

On the web, visiting your store needs just a single mouse click. This also means that there is little investment and they can just as easily move to another site. So you really have to

work hard to ensure that your bounce, page exit and abandoned cart rates are as low as possible and your co-sale and up-sale rates as high as possible for the best possible average order value, return visit rate and account lifetime value.

ECommerce success needs to be judged on the total lifetime value of each account and all accounts.

So how can one be successful?

The key management success factors in retail are:

- Customer service and selling
- Demand planning and management
- Forecasting, allocation and replenishment
- Markdown management
- Merchandise and range planning
- Promotion planning and management
- Store operations
- Supply chain management

In addition all successful retailers understand:

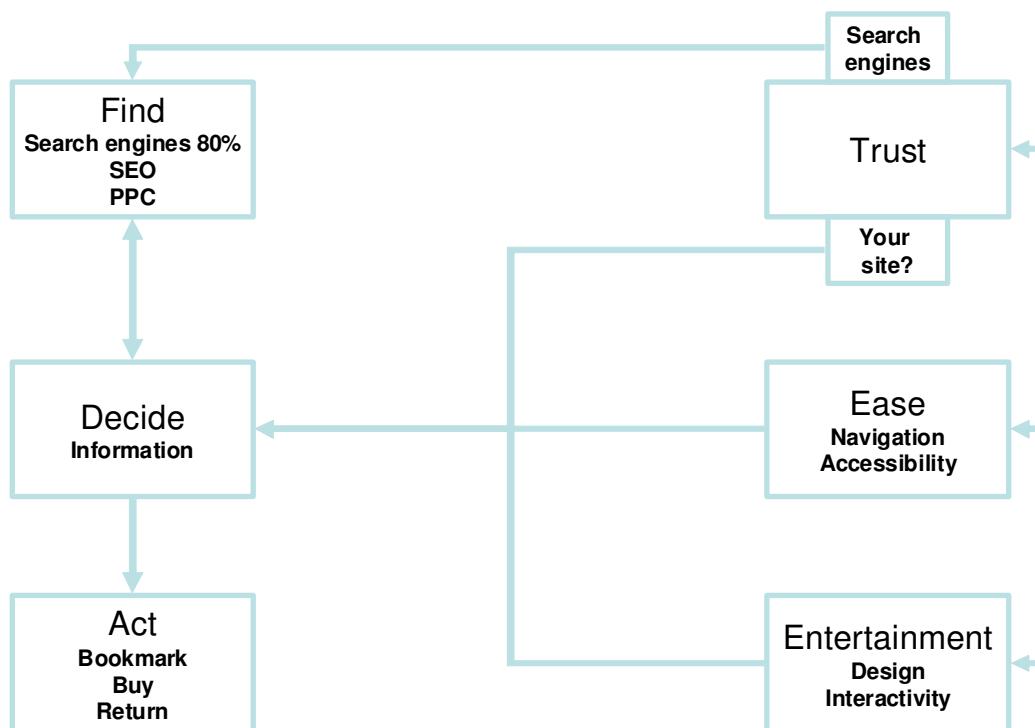
- The competition
- Branding – retail is not just products, but an experience
  - Willing to pay for relevance
  - Willing to pay for excitement
  - Willing to pay for quality
  - Willing to pay for simplifying life
  - Willing to pay for forward movement



- But selective and defiant
- Customer loyalty - customer relationships and increasing awareness
  - Promotional campaigns and marketing techniques
  - Merchandising visual impacts
  - It is not always about price: "Customers move to the lower cost provider when marketers stop giving them reasons not to." Tom Peters.
- Retail is detail
- Retail is news
  - You have to be a "step ahead" ...in sync with the consumer's perception of value: "It's not the strongest of the species and not the wisest that survive, but the ones that are most responsive to change." Charles Darwin.

On the web you still need all these skills and approaches, but because it's so easy to "click away" you also have to understand a more.

Firstly, understand how people behave on the web. They go there and they search (find), decide and then act. But, the final decision to act is based on a whole gamut of emotional factors bound up in trust, ease and entertainment.



Secondly, understand the laws of ecommerce.

### **Get visitors to the site**

- Search engine optimisation
- Pay-per-click
- Email
- Affiliates
- Online public relations

### **Convert visitors into customers**

- Sales
- Special offers
- Coupons
- Associated products
- Recommendations
- Site effectiveness

### **Build relationships**



- Make sure the site works – fast load times etc. Sounds obvious but.....
- Think like a consumer – show you understand what they want
- Be visually clean – clutter does not work
- Be clear about your advantages over the competition – price promise etc
- Never rest on your laurels - change your “window” display regularly

- Build trust – don’t oversell
- Make contact by phone, email, letter etc easy – it increases consumers’ confidence
- Answer emails, calls and letters fast – build your reputation, service is an investment
- Have logical categories – confusion leads to exit
- Make products easy to find – put them in more than one category
- Put your best margin high volume goods up front – highlight what most people buy
- Show the site is secure – get certified
- Have great on site search – multiple navigation routes can make life easier
- Consider up sell and cross sell opportunities - offer products that fit together
- Keep it simple – 1 click navigation if possible, tell people where they are



- Be transparent – have clear pricing, shipping and returns information
- List drop down boxes logically – country lists etc. don't make me search!
- A picture is worth a thousand words - but people want clear written information too
- Make sure it's in stock – having out of stock items show just annoys
- Integrate with your back office – stock control etc
- Give something for nothing if you can - reviews, price comparisons, cool links
- Show community responsibility – charities you support, show you are 'green' etc.
- Market your site - it's not enough to just build it
- Collect email addresses – send offers and newsletters
- As few pages in the checkout as possible - longer equals more likely to leave
- Make sure they can easily add and delete products at checkout – I may have a budget
- Make payment processing easy – don't repeat what's in the checkout
- Make sure your forms use common names for fields so that they're recognized by toolbars that have an auto fill function
- Make sure you auto respond – confirm the purchase details immediately by email
- Make sure you deliver the goods fast – people hate waiting

Do you have retail sites you rate? Let us know. Here are some we rate.

<http://www.milletts.co.uk/>  
<http://www.bluebanana.cc/>

<http://www.bluenile.co.uk/>  
<http://www.jdcycles.co.uk/>