

YOUR SITE EXPERIENCE IS OLD SCHOOL:

How to Meet the Modern
Shoppers' Demands



FOREWORD

I am bored. I go online to shop when I have a task in mind, spring shoes for my daughter, a book I want to read or to replenish the mascara I ran out of this morning. While I am visiting a website, depending on the time of day, I may spend a few minutes looking around, but I rarely start with the web to see what's new or what I can't live without.

Why is this?

I, like most of the shoppers in our research, am uninspired. Uniquely, my business is predicated on merchandising. In its classic definition merchandising is about romancing the product. The cookie-cutter nature of today's on-site product navigation and discovery has stripped the soul from shopping for many of us. We don't doubt the efficiency of the web or a good on-site search tool's ability to locate a very specific product, but consumers are looking to the online store to do more.

We must explore how we can double the size of web shopping, now in the high single digits, in the coming years. Inspiring shoppers is once again seen as a necessity to grow our channel. In 2000 I wrote a book about shopping online called "It's Just Shopping." Many times we forget that shoppers are really simple people. While much of shopping is about needs, more is about impulse buys and desires and this is where inspiration comes into play.

We hunger for differentiation in product, in site experiences, in store visits and in navigation tools that allow us to find products in the way we think. If you know me, you know that I am candid and honest, and it is rare that I come across a technology that inspires me not only as an omni-channel merchandising maven, but as a girl who loves shopping.

I'm excited to bring this new consumer intelligence to the market with Compare Metrics, illuminating some big opportunities for retailers. Seeing and hearing shoppers' delight with Compare Metrics' Adaptive Navigation experience, compared to the standard fare, was refreshing and exciting. I look forward to once again being inspired during my shopping journey as this more modern approach to product merchandising, navigation and discovery becomes the new "normal."

Lauren Freedman
President



YOUR SHOPPERS ARE BORED

In the multi-touch, online/offline world of retail, there has been significant investment and innovation applied to building the omni-channel “plumbing” —merging platforms, information systems, teams and goals to enable consumers to conduct business across online and offline retail channels. This focus has been a necessary starting point and has truly revolutionized retail over the past decade. But, now that the “pipes” are in place and the foundation is firm, it’s time to introduce a more inviting and colorful experience.

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Given that retailers can now offer such game-changers as cross-channel inventory look-up, “buy online, pickup in store” capabilities, mobile product lookup, and many other shopping conveniences, how are the behaviors and tendencies of the consumer changing? What are their new expectations in the store, online, on their phones and beyond?



Compare Metrics, in conjunction with the e-tailing group, recently conducted in-person usability sessions with 33 consumers to get an explicit view of how they shop in stores and online, getting to the heart of what they like and dislike about each channel. Not surprisingly, the majority of these shoppers are moving more of their purchasing to the online channel.

Interestingly, however, the resounding takeaway was that website experiences were predominantly overwhelming, lacking efficiencies and, well ... just plain boring. Put simply, the shoppers were left uninspired and shopping carts were often left empty.

SHOPPERS GO ONLINE FOR EFFICIENCY AND INSPIRATION

The shoppers were asked a series of questions regarding recent experiences looking for and deciding on the right products in stores. The results point to shoppers' strong preference to efficiently make purchases online, while also showing their growing affinity for window-shopping and looking for the "inspired buy" on websites.

47%

of shoppers gave a "mixed bag" rating to the experience of searching for and finding the right product for them in stores.

67%

of consumers go online to browse and window-shop for fun.

90%

of shoppers spend the majority of their time shopping online when they know exactly what they want.

70%

surprisingly also shop online often when they're not sure exactly what they want.

76%

said searching for a product online is easier than asking a store associate for help, but they still find the store experience more personal.

83%

of consumers find shopping and comparing products online more efficient than in a store.

86%

find shopping and comparing products online just as much fun or more fun than in a store.

We then dove specifically into the online discovery experience, letting the shoppers navigate and search for products on sites they often use. As we recorded their patterns and verbal feedback on their experience, a handful of themes arose.



Consumers rated top retailers' discovery & navigation experience 5 out of 10

MORE OF THE SAME

The product discovery process lacks creativity and has become cookie-cutter across most sites. Only a handful of retailers offer an experience that shoppers find personal and memorable. This was best expressed in their moderate-to-fair ratings of current navigation and discovery tools and experiences.

Watch the video at
tiny.cc/stale

“ It’s [retail site] a 5 or 6 ... it’s not really like fun, but if you’re searching for something and you really need it then it will get you there.
—Charlotte

“ There’s just nothing special about the [retailer] website. It looks like every other website that’s out there.
—Holley

SHOPPERS HAVE FOMO

73% of shoppers expressed some form of a fear (true fear!) of missing out (FOMO) by having their product view artificially limited. They felt their searches were often misinterpreted and applied filters cut out product options they would have otherwise considered. Additionally, many preferred having large sets of options to browse and “judge with their eyes.”

Age did seem to matter when it comes to shopper FOMO. The 35-49 segment had the highest FOMO at 73%, yet 40% still used keyword search. Ages 18-34 had high FOMO at 69%, although the vast majority (88%) used a browse path rather than keyword search to discover products.

Watch the video at
tiny.cc/FOMO



“ If I click that one button, did I just kill 30 options that I wanted to see?

—Tina

“ I feel like I might miss something if I go straight to the keyboard search.

—Melissa

“ Sometimes filters just filter too much.

—Ashley

73%
of shoppers
have FOMO



FRUSTRATION WITH INEFFICIENCY

Shoppers value their time and are becoming less tolerant of inefficient shopping experiences, especially in the online store. The biggest frustration point was the number of clicks needed to make navigation refinements tied to the amount of time waiting ... click by click ... for the page to reload.

“ I don't like waiting for the page to reload.
—Lucy

“ For me it just needs to be fast. It needs to be easy. It needs to do what I expect it to do.
—Renee



64%
of shoppers
desire
simplicity

TOO MUCH STUFF

52% of shoppers felt that the majority of current websites have become overwhelming. The key things they pointed out included massive (and growing) numbers of facets, sort options they don't need, along with too much or irrelevant product details in the gridwall. With the shoppers' growing tendency towards visual shopping, unnecessary default content and excessive controls may be doing more harm than good.

“ I'm just used to having a ... bunch of crap on the side.
—Ben

▶ Watch the video at
tiny.cc/toomuch

“ Some sites are just overwhelming.
—Aneasha

BURNED BY SEARCH

70% of the shoppers used browse-based navigation tools to discover the right product rather than the search box. When asked why they did not use search, answers ranged from utter dislike of the tool due to continuous small and/or irrelevant result sets to feeling they had become conditioned to use search for only very specific and limited queries.

X X X X X X X X X X

4 out of 10 consumers
don't trust search

▶ Watch the video at
tiny.cc/burned

“ I don't even use search. Too many bad matches.
—Megan

“ If you put in [the search] 'red dress v-neck', you'd likely
come back with nothing.
—Renee



With anywhere from 40-65% of purchases now beginning on a smartphone, and 60% of consumers conducting research via mobile before leaving home to go shop¹, the discovery experience on mobile can't be ignored, either. 60% said it was the screen size that stopped them from making a purchase, pointing to a dire need to also re-think how "shopping" should render on mobile devices.

The discovery experience on mobile can't be ignored.

GIVE SHOPPERS WHAT THEY WANT

Now that the plumbing is in place, it's time for retailers to elevate their omni-channel experience from "it works" to "it keeps customers engaged." As retailers, we must be compelled to inspire our shoppers. For stores, this means getting to the heart of why shoppers are really there, and catering to their unique shopping styles, rather than assuming one size fits all. For instance, should retailers encourage mobile research and discovery in store? There are conflicting reports on the continued growth of showrooming, fueled by in-store mobile usage. Regardless, retailers like Sephora are accommodating natural shopper tendencies and encouraging the use of mobile to peruse customer ratings and reviews and product info. They know their shoppers crave convenience, and they're giving it to them!

As retailers, we must be compelled to inspire our shoppers.

▶ Watch the video at tiny.cc/shoppers

For retail websites, giving shoppers what they want is about finding a way to create an experience that balances inspiration with intention and relevance. Our study pointed to three things that retailers should focus on:

1

Increase Your Brand's "Wow" Factor

Your brand is distinct and your shoppers are individuals. Create and refresh unique product content that's interesting to one or all of your customer micro-segments. Focus on commerce-driven content (as compared to pure editorial content) that's available naturally within, rather than outside, the shopper's chosen discovery path. For example, leverage rich content buried in the product page and in customer reviews as new unique criteria shoppers can use in product search and navigation. This might mean letting a shopper filter by "pockets," "machine washable" and "anti-wrinkle" versus standard filters like "size," "price" and "color".

Revolt against standardized experiences. Shoppers are growing accustomed to using natural language and image-based navigation throughout their digital life. Explore ways to keep your site's discovery experience on pace.

2/3

described Compare Metrics' Adaptive Navigation as "new," "modern" and "cool."

2

Simply, Simplify

Our study showed the majority of consumers (69%) shop with a specific occasion or scenario in mind and they are now more willing to share information about themselves in return for a better experience. Give shoppers a simple path to follow and create naturally engaging ways for them to express what they're looking for along the way. Just because you have a filter, sort option or a piece of product information doesn't mean that every user wants to see it and use it. Consider using standard default filters versus one completely custom built by the shopper.

Also, evaluate ways to facilitate better visual shopping. Many shoppers may not be able to tell you what they want, but they "know what they like when they see it." Make it easy for the shopper to point out an item that appeals to them, and then see more like it. Think of it as allowing the shopper to search and narrow with their eyes rather than collections of controls.

64%

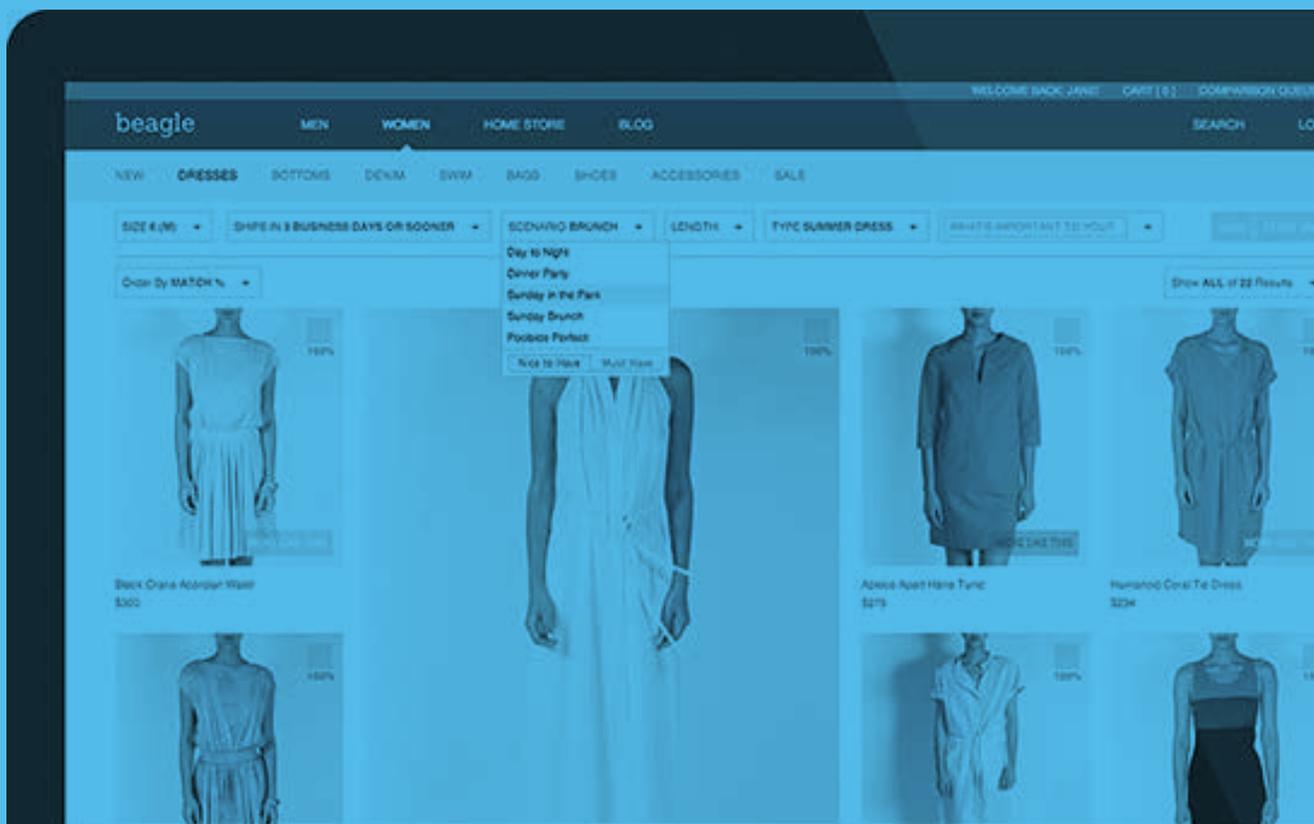
described Compare Metrics' Adaptive Navigation as "easy," "simple" and "clean."

3

Let Go

Hand over some control to your shoppers. They want it! Most websites today have highly structured product categorization and navigation, layered gridwall rules, and facets and filters that eliminate any product that isn't an exact match. Shoppers just want to shop like "them." Find ways to let shoppers search and navigate to a product using their own vernacular. Let them identify the collection of filters they care most about. And most of all, don't limit the product options they can consider by "hard filtering" out any product that doesn't exactly match the shoppers criteria. Instead, use "soft filtering" combined with more intelligent sorting to retain the breadth of options while presenting the most relevant products first.

52% of shoppers want control



CONCLUSION

GAP Chief Executive Officer Glenn Murphy may have summarized the current state of shopping best:

“Are we disappointed in the consumer sentiment or have we ... not been that innovative in order to give the consumers a value proposition that doesn’t look like wallpaper day in, day out? They are looking for something exciting.”²

The omni-channel shopping experience has arrived. Now it’s time to take it from guts to glory by focusing on user experiences that delight, inspire, and connect shoppers with your brand.

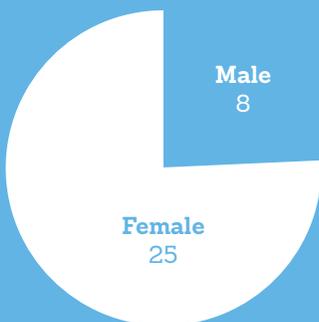


SURVEY PROCESS

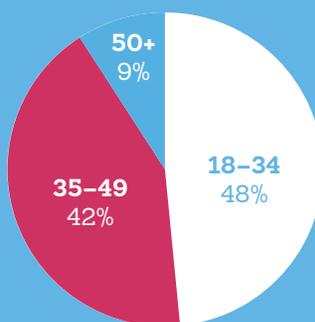
- This study was conducted by Compare Metrics and the e-tailing group.
- Participants filled out an online questionnaire about the shopping tools they currently use and their satisfaction with the experience they provide.
- In-person sessions were then conducted allowing participants to:
 - Demonstrate how they shop for products today on retailers websites and give feedback on the experiences.
 - Shop using a site with Adaptive Navigation and give feedback on the experience.

SURVEY PARTICIPANTS

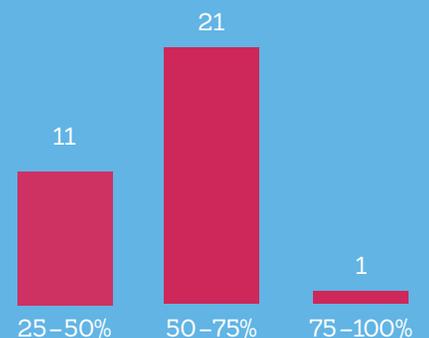
Gender Breakdown



Age Breakdown



Breakdown of Amount of Shopping Conducted Online





SOURCES

- 1 Millward Brown, "New Mobile Measurement Solutions from Millward Brown Digital Fill In Marketers' Blind Spots," 24 October 2013.
- 2 Businessweek, "Gap Dares to Ask: Are Customers Tired of All Our Sales?" 22 November 2013.



Compare Metrics drives dynamic product discovery, allowing consumers to forge their own distinct path to a buying decision. The solution scales merchandising to meet every consumer scenario while creating new intelligence into how and why your shoppers buy.

Inspiring Better Decisions.

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the e-tailing group

The e-tailing group is a niche e-commerce consultancy that helps merchants deliver the right customer experience on their websites and across all of their channels while adeptly assisting technology companies to create and execute go-to-market strategies that simultaneously educate the retail community and deliver cost-effective thought leadership and lead generation.

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