

Survey: More than a pretty face

Online retailers are redesigning web sites with a close eye on the bottom line

By Mark Brohan

Looks still count, but retailers want more than just aesthetically pleasing pages from their next web site redesign. To build e-commerce sites that drive more traffic and sales, retailers are creating interactive page treatments and adding video, customer reviews and other advanced features. Merchants also are making site optimization a top priority and redesigning their web sites to achieve speedier navigation and faster performance, according to Internet Retailer's latest monthly survey.

The survey finds that retailers are as busy as ever updating their web sites, with 49.9% of merchants having rolled out a new design in the past year, including 26.6% in the last six months and 13.3% within 90 days. Improved site optimization is the top priority for 72.9% of merchants, followed by clearly organized home, category and product pages at 62.4%, better navigation at 49.4%, improved site search at 47.1% and faster checkout at 40%.

By taking a more business-oriented approach to web site design, 81.7% of merchants also expect their latest redesign to attract a higher number of visitors and shoppers, compared with 76.7% that anticipate higher sales, 66.7% a higher sales conversion, 50% improved customer service and 48.3% better multi-channel sales.

“A growing number of web merchants are looking at the details of their redesign plan and asking if the elements they are adding will give them a competitive advantage,” says David Wertheimer, director of strategy for Alexander Interactive Inc., a retail web site design firm. “The fact that retailers are listing site optimization as their top design objective is very telling. It says they want to create images and write text that do a better job of making them stand out on Google and on the other major search engines.”

More sophisticated

In the early days of web retailing a flashy design that showcased a merchant's brand may have been enough to pique an online shopper's interest. But today web merchants are designing pages that deliver a more sophisticated shopping experience. The Internet Retailer survey finds that 43.3% of merchants will update their e-commerce sites with video this year, followed by 40% with personalized product recommendations, 36.7% with customer reviews and ratings, and 35% with product configuration tools.

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“Smart retailers are implementing only the best features and functions they believe will generate the most new business based on how consumers are shopping their web site,” Wertheimer says. “Retailers don’t need to reinvent the wheel every time they redesign their site. But they do need to select and implement page treatments and advanced features that deliver a truly unique customer experience.”

Most retailers still do their own design treatments or work with their current design firms. The survey finds that 40% of retailers will do their next major redesign in-house, while 20% will use a combination of internal staff and their incumbent design firm and 15% will give the job to their current agency. Of the retailers that do their own design work, 80% employ three or fewer full-time designers and web developers.

Room to improve

But whether they perform the work in house or use an outside agency, most retailers will need to work harder to improve their current design. Just under two-thirds of participants in the survey—61.2%—say limited personalization, or advanced features and functions that let shoppers see related items, store their preferences and update their personal information, are the biggest drawback to their current design, compared with 49.4% with outdated home, category and product pages, 45.9% that have no interactive applications, and 41.2% that only have limited advanced features or functions.

“An online merchant that wants to get ahead in today’s retailing environment can’t do it with a redesign that just freshens up some of the graphics on the home page,” says Dan Kurani, CEO of retail web site design firm Kurani Interactive. “Successful designs are made by studying the ways customers interact on a retailer’s home and product pages and then introducing a great new look and key features that deliver a superior shopping experience.”

One area where retailers can clearly improve is by doing a better job of testing page treatments and features on shoppers and then using the feedback to create an effective design, says Kurani. A/B testing, in which a retailer shows a group of shoppers a pair of alternative web pages or two versions of an advanced feature and then asks them to express their likes and dislikes about each, is a common web usability strategy that merchants use to collect feedback. Multivariate testing, which helps retailers determine the best combination of new text and images on a web page, is another tool merchants can use to gauge a shopper’s reaction to a new site design.

Of the 45 web-only retailers, 25 chain store retailers, 14 consumer brand manufacturers and 11 catalog companies taking part in the survey, 78% test their web sites. But of that group, only 40% conduct regular A/B tests and just 3.3% perform multivariate testing.

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“One of the best ways retailers can get better results from their next redesign is by building in some form of usability testing,” Kurani says. “By conducting frequent tests, retailers will get a clear sense of how their customers are reacting to new design elements. They can then implement the treatments that delivered the best results.”

Usability testing can also help retailers do a better job of deploying video, rich media and customer reviews. The survey was e-mailed in October to subscribers of IRNewsLink, the magazine’s e-newsletter, and all responses were collected and analyzed by Knowledge Marketing, which has partnered with Internet Retailer in a series of surveys of the e-retailing industry. The survey finds that while 78.3% of retailers are posting customer reviews and 41.7% are using videos on their web sites, most merchants aren’t seeing a big uptick in the average order. For 54% of web retailers that post customer reviews, the average ticket has remained the same, and for 33%, it has increased by no more than 10%.

More motivation

To incorporate video, customer reviews and other advanced features in ways that drive more business, retailers need to position the content or application on the product page in a way that motivates the visitor to take a specific action, says Betsy Emery, CEO of retail web site design firm Tellus.

“The customer review or video can’t be placed haphazardly,” Emery says. “Customer reviews and product videos need to be grouped along with the other text and images on a page in a way that gives the shopper all the information they need to make an informed buying decision. Some retailers think the review or the video by itself will generate a bigger sale, but that’s a misconception. These elements have to be part of a well-balanced design that pulls shoppers in, gives them multiple ways to see and explore merchandise and then makes it easy to complete the purchase.”

Many retailers are making videos and customer reviews a permanent fixture on their web sites. But merchants also are taking a wait-and-see approach to designing and launching mobile commerce sites or digital communities. The survey finds that only 32% of retailers plan to launch an online community within the next year and only 17% will design a mobile commerce site.

But even if they stick with a basic new design, more designers and programmers are sitting down with their marketing and management counterpart and developing redesign plans that meet specific business requirements. “All of the retailers we are working with these days are doing their redesign with a keen eye toward how this new look will improve the bottom line,” says Emery. “Even if it’s just remaking the home page or building in new functionality, they want that design to generate more business.”

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