

With rising acquisition costs and increasing competition online retail is set to encounter the operational challenges of a maturing discipline. Peter Ellen from Maxymiser looks at post analytics optimisation and multichannel merchandising as a major source of new sales.

A recent Internet Advertising Bureau debate in the UK asked “Has online retail taken the fun out of shopping”. You might argue this was like asking a group of plumbers if hot running water had taken the fun out of bath-time – unsurprisingly the answer was no, but with a few caveats. The caveats included clunky sites and a lack of customer engagement. Dealing with these pain points now is the big win for e-commerce directors.

At Maxymiser we are committed helping you achieve continual excellence in your online store. We optimise website content to improve user experience and boost conversion. Our goal is to achieve conversion uplift by improving your site’s metrics.

Online retail has impacted the anthropological way in which great retailers understand customer habits. Most top retail brands are driven by great product people who combine floor-walking skills with analytical minds and deal focused habits. They then turn to responsive merchandisers who have creativity, sales focus and 360 degree customer vision. Then income must be delivered through operations which take all the pain of purchase away. All of these competencies exist in a dynamic environment where weak performance can cost you dearly. They also involve combining and processing large amounts of observational and sales data.

Online retail is not so different. With highly analytical real estate practice now common-place, the next big win is onsite content optimisation – or, put another way, better merchandising and customer facing operations.

“Brands that fail to embrace content optimisation will deliver weak user experiences, losing sales and loyalty to those with optimised online stores.”

Maxymiser’s Onsite Content Optimisation solutions enable retailers to progressively optimise user experience in a real-time live environment. This doesn’t require any focus groups or labs so you can get down to brass tacks much quicker. It does put your analytics data to excellent use by addressing the issues that analytics diagnose.

POST ANALYTICS E-TAIL

If your online store has been on the block for a while you have probably accumulated a wealth of data and insight from your analytics solution. The next question is how do you use it? As former Jupiter analyst Eric T. Peterson puts it, “If you’re not testing, you’re not really taking proper advantage of the data your analytics provides.”

Employing multivariate technology in a planned, progressive and creative way will help achieve a winning online store experience judged by your customers. There are many quick wins to be had using MVT but, if you want those sales and margins to move up in a sustainable way, avoid starting with a “trolley-dash” approach to the process. Getting granular detail right will be the foundation of sustainable revenue uplift for your store. When clients come on board with Maxymiser we guide them through this process by testing form and structure, information architecture and generic processes to get them in good shape.

Where to begin...

Start by focusing on high traffic areas and processes like landing pages, search results and checkouts

Then optimise merchandising elements of the store that remain constant as these also are a source of sustainable uplift

Include content optimisation into all your campaign plans to establish the best performing creatives at the start.

It’s good to have clear sales and margin objectives as Maxymiser’s team can tailor a programme to fit these.

YES, NO, MAYBE?

Some people love you already and are addicted to your products. Others just bumped onto your landing page with no intent to buy. More know what they need and are prepared to grind their way past virtual “grannies” to the check-out, come what may. But it’s the shoppers with the highest latency of intent that are your best asset and source of new profit. These are the “undecided” who make up a good chunk of customers and will help you beat your budget.

Examples of latent shoppers:

- shoppers with unqualified interest but a willingness to buy something
- those who are new to your brand and have developed an affinity
- those who have an interest in product categories but an empty basket and a “commitment deficit”
- those who have something in their basket but are still browsing
- customers who need guidance through the site’s search functions
- customers who need hand-holding through the checkout.

Optimising your site’s content provides a major source of new income from these people. The proportion of traffic that displays latency varies with different businesses and sectors, but it is always there. Luxury goods are discretionary purchases and therefore demand is often latent in its nature. In commoditised goods direct demand is common but the intent to purchase may be spread across a number of vendors. In both cases targeted content is the tipping point

for conversion. Subtle changes in that content may have significant effect. Experience suggests most customers display some element of latency of intent in their shopping habits. There is always an opportunity to improve your offer and convert more visitors.

CONTENT IS STILL KING

A sensible and surprising fact about multivariate testing is that when we test lots of content combinations at once, the best performing pages often don’t contain the content assets which win in a straight A/B/C test. For this reason multivariate testing drives value where simple chop and change A/B processes can’t. When we look at user eye tracking the reason is clear. A strong bit of content next to four weak ones can diminish the effect required to solicit a click. Content that works in a balanced and synergistic way will deliver more conversion actions. The most cost and time effective way to identify these page combinations is through multivariate testing. In this white paper we look at how Maxymiser’s progressive solutions are helping retailers win more of these customers, increase their basket values and improve retention rates.

SOME GENERIC APPROCHES TO OPTIMISATION TESTING

In the first place it makes sense to have some clear commercial objectives. An increased sales conversion rate affects most of your other key metrics. On one side these include your current CPA and the cost benefit of improved conversion could be used to bank some media spend or scale up acquisition via your chosen channels. Improving the conversion performance of popular landing pages can influence the mix of category sales and so on.

A clear picture of your conversion funnel is good and by focusing on visitor attrition points we can consider the value to be had by seeking conversion uplift.

If you are new to Multivariate Testing you might adopt a top down or bottom up approach. In a top down approach we would normally commence optimisation of home pages then category pages, product pages, search functions and check-out processes. We also test form and structure elements such as navigation; however it is important to consider any major changes and their effect on regular customers’ habits.

No two stores are the same but in the examples below we look how we typically identify the content areas, which we call Maxyboxes, for optimising different types of page.



Figure: 1. Maxyboxes (the testing areas)

Multivariate Content Optimisation works by taking a web page, or a series of pages, and dividing them into blocks of content which we call Maxyboxes (see the illustration above). We then prepare variants of content for each Maxybox and simultaneously test each combination to see which versions deliver the best conversion. These changes include from navigation restructures, calls to action, or search and promotional content.

On any web page or series of pages, 1000’s of combinational content elements affect how customers respond, react and convert. If you try to deduce which content is best through subjective means the chances are your sales will under-perform by double digits percentages

Typical focus areas:

- Product promotional blocks
- Calls to action
- Search
- Key sales points
- Navigation
- Best sellers blocks
- Search results
- Payment Processes
- Up-sell solicits

Our goal is to find a winning page combination for each test. This means the version of the page where the content variants in Maxyboxes have the best combinational effect on conversion. We arrive at that goal when Maxymiser has determined a clear winner with a statistically valid result.

Multivariate testing often gets some of its most sustainable results when we test Maxyboxes across more than one page in a process. These are often achieved by optimising registration processes and check-outs. The balance of design, process and supporting information architecture in these processes is proven to have very significant effects on conversion to sale. Multi-stage processes often have high drop-out rates so the gains to be made can be substantial.

What conversion actions should you measure against?

Clearly sales are the main goal but Maxymiser allows you to track and optimise for all major click related actions that your customer makes. We also enable multiple actions to be tracked within the one test. In a top down programme of optimisation you might choose “add to basket” as a conversion action from a landing page, a category page or a special offers page.

In some scenarios driving more clicks to the next page may not have a proportionate effect on sales. This usually happens when your optimised copy raises overall expectations, only for the customer enthusiasm to disperse at the next stage. Where this is the case there is a mud throwing effect to consider. By driving more traffic to the check-out you might actually increase the volume of attrition at subsequent stages but the name of the game will be increasing your final action – which is normally a sale. It is important to get the balance right and make sure that you are tracking and optimising the correct actions or combinations of actions.

DRAG, DROP AND TARGET

Maxymiser Content Delta™ allows retailers to create stores with multi-channel merchandising targeted at optimal customer segments. You can create displays that will present different products, campaigns and offers to specific target groups. You can even vary the proportions in which these groups are presented with different content. Maxymiser Content Delta™ Report Centre can then track the performance of targeted merchandising and allow automatic or manual adjustments in real-time. For our clients the multiple store front vision of many retailers is now a simple reality and it need not stop at your landing page.



Why have a single conversion funnel when you can have one for each customer segment?

Maxymiser delivers this in software-as-a-service format where you can drag, drop and target merchandising through our easy to use management interfaces.

How does this work in practice?

Firstly you load a web page into Maxymiser’s Test Management module. Using our Drag and Drop tools you simply identify the content to be optimised. Then for each block selected you can assign a number of creatives.

Content Delta™ then allows you to take a hands-off or hands-on approach. The hands-off approach means you can run the testing campaign and find out which content is performing best within automatically identified segment criteria. The hands-on approach allows you to combine segmentation criteria and then target specific content variants at them in any chosen combination.

Within a test campaign you can then identify the click or conversion actions which are most relevant to the merchandising scenario.

So in *figure 1*, the variants of content could be targeted at customers arriving from different channels and search terms, within different timeframes and with different conversion histories.

Content Delta™ also enables you to target the wandered shopper. You can for instance offer specific promotional solicits to visitors who have failed to purchase within a timeframe of their session.

What Kind of Criteria can be used and how?

Maxymiser Content Delta™ works with three main segmentation criteria groups:

- i) Environmental Criteria including geo location of the visitor and the software and hardware they are using.
 - ii) Temporal Criteria including time, day, the recency of their last visit, the frequency of visit, time on site and their conversion history
 - iii) Traffic source including channels like PPC, Affiliates with any hierarchical relationship down to a keyword or banner creative.
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What Next?

Whether you have years of trading history and large sales volumes or have a relatively small operation Maxymiser can help. If you simply rely on your analytics and creativity to optimise your store's content then there is likely to be considerable sales value to unlock in your store. Maxymiser's solutions come with a range of consultancy and support options to complement your business resources and assist your team's goals. And we have specialists with many years of retail experience to quickly understand the challenges you face.

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