

ECOMMERCE PLATFORMS



September 2012

an internet retailing special report

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Editors' comment

Welcome to the latest *Internet Retailing* supplement, where this month we're looking at ecommerce platforms. In the coming pages we'll be examining key issues and questions for retailers considering investment in this cornerstone of their online business.

Whether cross-channel or pureplay, it's a reality for most retailers that they are already or will inevitably trade through more than one channel. The rise of mobile commerce adds flexibility to the customer experience – but complexity to the trader's job. It's only realistic to assume that owners of mobile devices, whether smartphones or tablets, will want to use them to shop, and those who serve them best will reap the benefits. The buzzword for this issue, then, is omnichannel. By using it, we focus on how consumers shop. That is, by recognising that customers do not consider they are doing business through a particular channel, but are dealing with retailers in the way that is most convenient to them at any given point in time. It's a style of shopping that grows organically from the way they live and the devices they use. Expectations of customer service are growing and the challenge for retailers is to meet, and even over-deliver on, those expectations, to be open and available for business across all of their touchpoints.

That new-emerging picture puts ecommerce platforms in the spotlight. With an ever-expanding range of features, they make new flexible models of trading achievable. However, it's important to remember, as Sceneric's Jim Herbert says in our customer engagement feature (page 28) that while ecommerce platforms are evolving into highly sophisticated tools, they remain just that: tools. Each retailer's ecommerce hub and operational setup will look and feel different because they start with their own unique strategy, style and thinking.

Over the coming pages we aim to draw out the questions and approaches that are common to retailers approaching the task of specifying their own ecommerce platform. We look how individual merchants have solved problems, and we tap into the expert advice of a range of industry experts.

As always, we do that through the prism of our usual features: web interface, merchandising, cross-channel experience, logistics, strategy framework and customer engagement. In our web interface section (page 8) we look at how digital design is developing in an omnichannel world. A discipline that was once about websites is now concerned with different digital

interfaces. What's the place of ecommerce platforms in this new environment? Merchandising is the art of presenting products in a way that appeals to customers, and in our feature on the subject (page 12) we consider how the latest technology enables retailers to do that both on a website and beyond. We look at what it takes to find customers online, and convert them into loyal repeat buyers. Organic search and video merchandising are important here, alongside intelligent use of data. How can these be brought together by an ecommerce platform?

The ecommerce hub is increasingly at the centre of a wide variety of sales activity, with the central platform and the data it holds capable of effectively connecting stores, call centres and mobile activity. In our cross-channel experience (page 16) feature, we investigate strategies for making an omnichannel approach work most effectively, and look at why new solutions for mobile payments may lie at the heart of bringing together a sustainable architecture for all-encompassing commerce.

Convenience is at the heart of a successful logistics operation, and today that convenience crosses channels. With pureplay traders now offering the store-based collection that multichannel retailers have pioneered, logistics are becoming a point of differentiation, and an area where competitive advantage can be gained. In our logistics section (page 20) we weigh up consumer expectations, and look at different ways of delivering on those expectations using today's platforms and related technology. The job of building an online strategy has changed as the industry has matured. Today the task is no longer about one discrete sales channel – rather it's about joining up those channels in effective ways. In our strategy framework piece (page 24) we assess current thinking on achieving this and weigh up the advantages of different methods of accessing ecommerce platforms.

Finally, in our customer engagement feature (page 28), we envisage the online market as a crowded noisy place where retailers must engage one-to-one with their customers to stand out. We ask questions such as how platforms can most effectively enable this conversation, and identify the latest developments.

We hope you find this supplement useful. If you have comments, questions or suggestions for future supplements, do contact us. We can be reached at chloe@internetretailing.net or jonathan@internetretailing.net.

INTRODUCING OUR SUPPLEMENT EDITORS

Chloe Rigby has been writing about business issues for the last nine years. A former business editor of the *Bristol Evening Post*, she has written for a wide variety of online and offline publications. chloe@internetretailing.net

Jonathan Wright earned his e-stripes on the UK launch of *Business 2.0*, which rode the crest of the dot.com wave back at the turn of the millennium. Since then he's been writing about subjects from entertainment to alternative investment for a variety of print and online audiences. jonathan@internetretailing.net





CONTENTS

- 04 **SPONSORS' COPY**
IN OUR CROSS-CHANNEL WORLD, WITH ITS EMPHASIS UPON HOW UNDERSTANDING HOW CUSTOMERS INTERACT WITH RETAILERS ACROSS DIFFERENT CHANNELS, WHAT DOES THE LATEST GENERATION OF ECOMMERCE PLATFORMS NEED TO BRING TO THE MIX?
- 08 **WEB INTERFACE**
DIGITAL DESIGN AND CROSS-CHANNEL RETAIL
- 12 **MERCHANDISING**
MAKE IT PERSONAL
- 16 **CROSS-CHANNEL EXPERIENCE**
UNDERSTANDING HOW CUSTOMERS SHOP
- 20 **LOGISTICS**
WHY DELIVERY OPTIONS MATTER
- 24 **STRATEGY FRAMEWORK**
JOIN UP THE CHANNELS
- 28 **CUSTOMER ENGAGEMENT**
STAND OUT FROM THE CROWD
- 31 **CONCLUSION**
BEYOND JUST THE WEBSITE



28



20



24



12

Editor: Emma Herrod
Tel: 07801 282729
Email: press@internetretailing.net
Editor-in-chief: Ian Jindal
Design: Alex Goldwater
Web Editor: Chloe Rigby
Email: chloe@internetretailing.net
Publishing Director: Chris Cooke
Account Director: Rob Prevett
Tel: 020 7933 8999
Fax: 020 7933 8998
Email: robp@stjohnpatrick.com

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IN OUR CROSS-CHANNEL WORLD, WITH ITS EMPHASIS UPON UNDERSTANDING HOW CUSTOMERS INTERACT WITH RETAILERS ACROSS DIFFERENT CHANNELS, WHAT DOES THE LATEST GENERATION OF ECOMMERCE PLATFORMS NEED TO BRING TO THE MIX?

 **hybris software**
THE FUTURE OF COMMERCE



Customers have more choices today than ever before. A combination of more information, more touchpoints and more options is changing the way they purchase. This puts the customer firmly in the driving seat throughout the shopping process. To remain competitive in today's business world, organisations must adapt to these changing behaviours and deliver an agile, personalised experience across all channels or touchpoints.

It's critical to move forward now. New customer touchpoints, such as shopping via TV, will be realised in the next few years. The first step: organisations must understand their customers and how they use different touchpoints. Armed with an integrated view of customers, companies can personalise promotions, pricing, merchandising and engagement programs, which will drive up customer loyalty and satisfaction. Other actions that should be kept in mind when considering a cross-channel strategy include:

- Be able to support unified business processes and data management.
- Sync business and customer intelligence (CRM, web analytics, business intelligence applications, data warehouses) to drive relevant customer interactions.
- Ensure that front- and back-end systems talk to each other across all channels.
- View the customer relationship across all touchpoints, including Web, mobile apps, email, call center, stores, tablets, social media, and interactive advertising.
- Review and potentially restructure team models and consider new job roles.
- Use point-of-sale data for demand planning.
- Use assortment goals and merchandise planning across all channels.
- Give customers choices to make purchases, exchanges and returns via the channel of their choice.
- Deploy buy-anywhere, fulfill-anywhere methods for uniform customer fulfillment.

To bring all these elements together, organisations should implement a cross-channel platform to create a true agile commerce environment.

An effective commerce platform will unify efforts across all channels. The right solution is flexible, expanding to fit the organisation's needs and market changes. It should easily adapt to business processes, and integrate seamlessly into existing IT infrastructure.

Organisations that deploy a cross-channel commerce platform can take advantage of all its benefits – including increased revenue opportunities, lower operational costs, availability on all existing and emerging touchpoints and, the most critical, an optimised customer experience.

www.hybris.com

With the rise of multichannel commerce, retailers are increasingly expected to provide a seamless shopping experience across those channels. Customers will come to expect their shopping baskets, browsing histories, settings and preferences to be consistent whichever device they use to make an online purchase, and platforms are increasingly being asked to provide this capability and flexibility for ecommerce businesses.

Many platforms offer retailers the flexibility to allow customer-facing features to be custom-built for them, enabling them to provide economies of scale behind the scenes. Technical aspects that provide the foundation for a successful ecommerce business are key to platforms meeting the varied needs of retailers. These include infrastructure scalability, fraud protection and data security, and tax and regulatory compliance.

Ecommerce platforms that open interaction with other services allow businesses to move significant portions of their day-to-day business to the cloud. Smooth integration with third-party fulfilment, pairing with online marketplaces using a common inventory management interface, and seller- and buyer-facing APIs give sellers flexibility to use the ecommerce functionality to fit their needs in a decreasingly web-focused, increasingly device-agnostic world.

Ultimately, these three facets – consistent customer experience, robust infrastructure and platform adaptability – serve to enable retailers to build their business in a time when technology moves quickly and unpredictably. What was once web-based commerce relying on a fixed set of merchandising features made available to all sellers has become a race to be in front of customers when they are looking to make a purchase, whether that's on a corporate website or a social network, a laptop, tablet or phone, or new commerce channels that have not yet been explored.

www.amazon.co.uk



EPISERVER

In a cross-channel world, ecommerce on its own doesn't mean much. Of course retailers need to offer a site that looks attractive and which is easy to navigate, but more importantly they must reproduce in an online store the essence of the brand they represent. Regardless of the channel they use – a different branch of a store, a print catalogue, a mobile app or an online store – customers expect the consistent, familiar and welcoming experience.

To make this possible, personalisation technology has to be high on a retailer's list. It may be that a customer has already worked out what he or she wants and seeks only to complete the purchase as fast as possible. It is equally possible that this customer regards shopping as a leisure activity, enjoying the experience of considering a variety of options and being entirely open to suggestions of alternative choices. Either way, a retailer's ecommerce software needs to be able to analyse the customer's behaviour, assess what they want and respond accordingly.

Today's ecommerce platforms must allow for the analysis of data including sales history, browsing behaviour and past purchases, as well as stated consumer preferences, and for the product catalogue to be managed accordingly so that customers are offered products and promotions that are truly relevant and tailored to their personal preferences. This information should also feed into marketing campaigns, personalising catalogue distribution and direct marketing communications.

Increasingly, ecommerce platforms need to go further still in their consideration of the customer's preferences. It may be that individuals will store their personal information in the cloud, making this accessible only to trusted suppliers. 'Conversational agents', algorithms that recognise natural language, may draw customers into more sophisticated conversations, making it possible for retailers to provide a still more personal service.

Whatever the channel, understanding the customer has always been at the heart of successful retail. The online world offers the opportunity to reproduce much of the experience of the physical store, but in a far more personal way. It isn't possible to arrange the shelves of a bricks and mortar supermarket to the taste of every customer, but today's ecommerce platforms should be able to do exactly that, consistently, on a variety of digital channels.

www.compario.com

Since the dawn of the internet age, much has changed. Customers are now uber-connected in real-time and broadband speeds have revolutionised what is possible on the web. If you think it is bad now, just wait until the onslaught of mobile really takes hold.

The truth is, rigid platforms based on traditional ecommerce best practice no longer support modern business need. So what do retailers need from the latest generation of ecommerce platforms to succeed? Here are the key areas that will become increasingly important:

- **Cross-channel:** increasingly, your customers will expect (and possibly demand) the same experience across every single channel accessed on a range of devices. Your platform will need to be able to easily unify the user experience and content across all channels and deliver a single customer view.
- **Social and mobile:** much of this is here already, but it will only intensify in the coming years. That means more social reviews and ratings, personalisation that includes localised mobile offers and crowdsourced assistance when making buying decisions.
- **Conversion:** at the end of the day, success comes down to getting customers to purchase. And this will continue to be a challenge as competition grows. Platforms will need to incorporate advanced analytics and split testing, all in real-time, so content can be optimised on the fly and deliver real business results.
- **Internationalisation:** there has never been a better time to use the web to give your retail presence an international base. This means supporting multiple languages and payment methods in a flexible way that allows you to scale quickly and easily.
- **Content and layout:** more and varied content will be key. Product pages, for example, will need to support more multimedia options. This means that your editors must be able to make changes quickly – and across channels. Can your content be reused across other channels and in marketing campaigns?
- **Full control:** in the real-time web, success relies on your ability to analyse customer behaviour, measure your website's performance and easily modify your content. However, if your ecommerce platform is inflexible or requires a developer for even simple changes, you'll lose the opportunity to make quick agile updates that will improve your results.

www.episerver.com/commerce

HYBRIS: THE CROWN JEWEL OF 21DIAMONDS E-COMMERCE STRATEGY

WHEN IT COMES TO SELLING HIGH-QUALITY, CUSTOMISED FINE JEWELLERY TO A DISCERNING CLIENTELE, ATTENTION TO DETAIL AND SUPERIOR SERVICE ARE ESSENTIAL. AND WHEN 21DIAMONDS (WWW.21DIAMONDS.DE) PLANNED ITS GO-TO-MARKET STRATEGY, THESE REQUIREMENTS WERE OF PARAMOUNT IMPORTANCE

COMPANY: 21DIAMONDS, a high-class online shop for customisable jewellery, fashion jewellery and watches

CHALLENGE: Launch an online store by Christmas which supports sophisticated product presentation and configuration and that will grow with the company over time

SOLUTION: hybris Multichannel Accelerator

RESULTS: Fully featured site was launched in 11 weeks, in time for the Christmas buying season

21DIAMONDS is a start-up retailer that specialises in selling handcrafted jewellery that's customised to fit a woman's unique

taste. Customers select the model, gemstone, and metal and craftsmen in Pforzheim, Germany create each unique piece by hand, which is then delivered within three weeks.

"We attach great importance to the art of German jewellery making," said Emanuel Schleussinger, CTO at 21DIAMONDS.

"Casting, polishing, and setting are all done by highly skilled professionals and each piece of jewellery must be verified for quality and authenticity before being shipped. Our online store needed to reflect this superior level of quality and care."

ALL 21DIAMONDS WANTED FOR CHRISTMAS WAS A NEW COMMERCE SITE

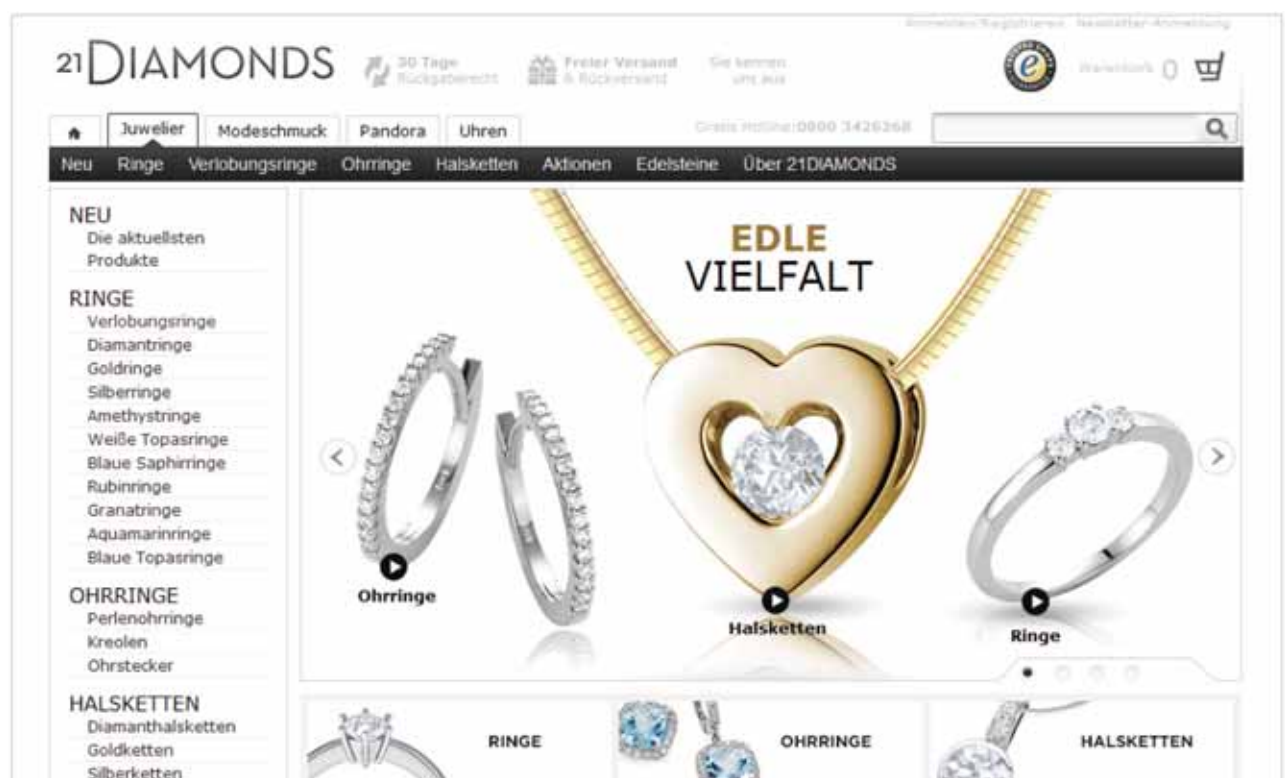
With the website as its only retail channel, 21DIAMONDS needed to develop an online

store that offered the luxury and service of a well appointed boutique as well as the functionality of a world-class online shopping experience. And because the company wanted to launch the store in time for the Christmas gift season, they had less than 12 weeks to make it happen.

HYBRIS DELIVERS ON ALL FRONTS

When it came time to select a platform, in addition to the fast time-to-market, 21DIAMONDS had three primary criteria and a number of must-have functional requirements. The company evaluated several vendors but, due to the rapid rollout schedule, hybris was the only solution that could deliver on all counts:

■ Rapid deployment that would enable 21DIAMONDS to launch a fully featured site



HYBRIS MULTICHANNEL ACCELERATOR

KEY FEATURES

- Multichannel foundation
- Ready-to-use store front
- Project delivery framework
- Product and technology documentation

KEY BENEFITS

- Deploy multichannel faster and at a lower cost
- Increase turnover from online stores
- Deliver strategic growth across channels and regions
- Quickly ramp up development
- Easily customise and extend

within an aggressive timeframe.

- A feature-rich solution that provided exactly what they needed out of the box to enable fast time-to-market.
- A reliable investment to support product and market expansion over time.
- A vendor with a proven strategy and evidence of ongoing investment in and development of the solution.
- Must-have functional requirements:
 - Support for a massive product line: the range of styles, gemstones, and metals means there are more than a million possible options which all have to be represented – and as the company expands the product line, the number will continue to grow.
 - Sophisticated and intuitive search and navigation: customers need to be able to easily browse by a variety of attributes such as type, style, material, occasion and to narrow results by gemstone, metal, cut, price and more.
 - Support for complex pricing: since prices change daily based on fluctuations in the costs of the raw materials, they need to be calculated in real time for each unique combination.
 - Customisation via configurator: because every 21DIAMONDS customer creates her own customised piece, the website had to include a product “configurator” to display each unique combination. The company integrated an in-house-developed, easy-to-use configurator that enables simple customisation of jewellery. Because gemstones, metals, and chains can be combined individually, there are a million potential configurations. For each customised piece, a product image must be generated dynamically in real time and must portray the jewellery in a consistent and appealing fashion.

ALL WRAPPED UP: THE HYBRIS MULTICHANNEL ACCELERATOR

Given the aggressive launch schedule, 21DIAMONDS decided to use the hybrid Multichannel Accelerator, hybrid's ready-to-use commerce solution that enables retailers to jump-start their efforts and easily build and maintain a feature-rich commerce site. As a fully functional storefront built on the hybrid Commerce framework, the hybrid Multichannel Accelerator provides a pre-configured foundation that incorporates best-practice multichannel commerce functionality with integrated web, order management, and call centre capabilities. The hybrid Multichannel Accelerator reduces implementation time and cost for fast and successful project completion.

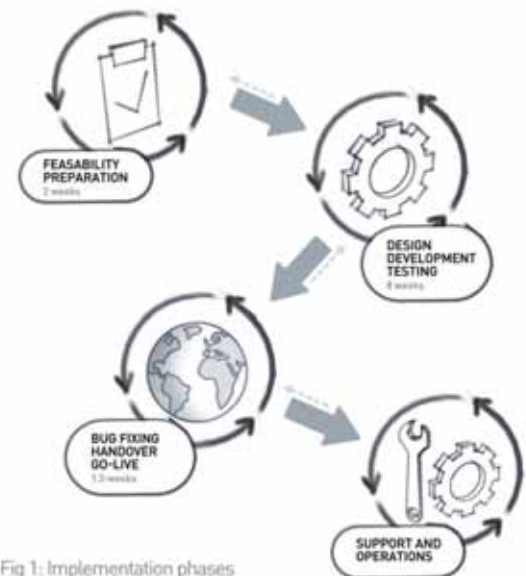


Fig 1: Implementation phases

HYBRIS FOR SMALL AND MEDIUM ENTERPRISES (SMES)

hybris is known for its comprehensive commerce platform that delivers sophisticated functionality for the world's top B2C retailers and B2B manufacturers. But hybrid is a great choice for smaller and mid-size businesses, too. The hybrid Multichannel Accelerator gets new sites up in no time, shortening time-to-market – and time-to-sales – significantly.

“We used 100 per cent of the hybrid Multichannel Accelerator framework which really speeded implementation and simply took care of a lot of the details for us,” said Schleussinger. “This allowed 21DIAMONDS to focus on our core business – selling high-quality custom jewellery.”

A GLITTERING SUCCESS

Deploying a complete commerce site within a short timeframe did not require an army of programmers and external service providers. With the hybrid Multichannel Accelerator and a small team of top-of-the-line developers, 21DIAMONDS was able to successfully develop and launch a full commerce site in less than three months – in time to take advantage of the Christmas buying season.

Looking ahead, 21DIAMONDS' plans include a strategy for international expansion. Because the site is built on the powerful hybrid platform, it can grow and expand to keep up with business requirements and customer expectations over time. Also, 21DIAMONDS was able to rapidly expand its assortment with more than 6,500 products in the new watches and costume jewellery categories. Schleussinger noted: “The key to achieving all this in just 11 weeks was that we focused on choosing the right product, putting great people to work, and making sure we all understood

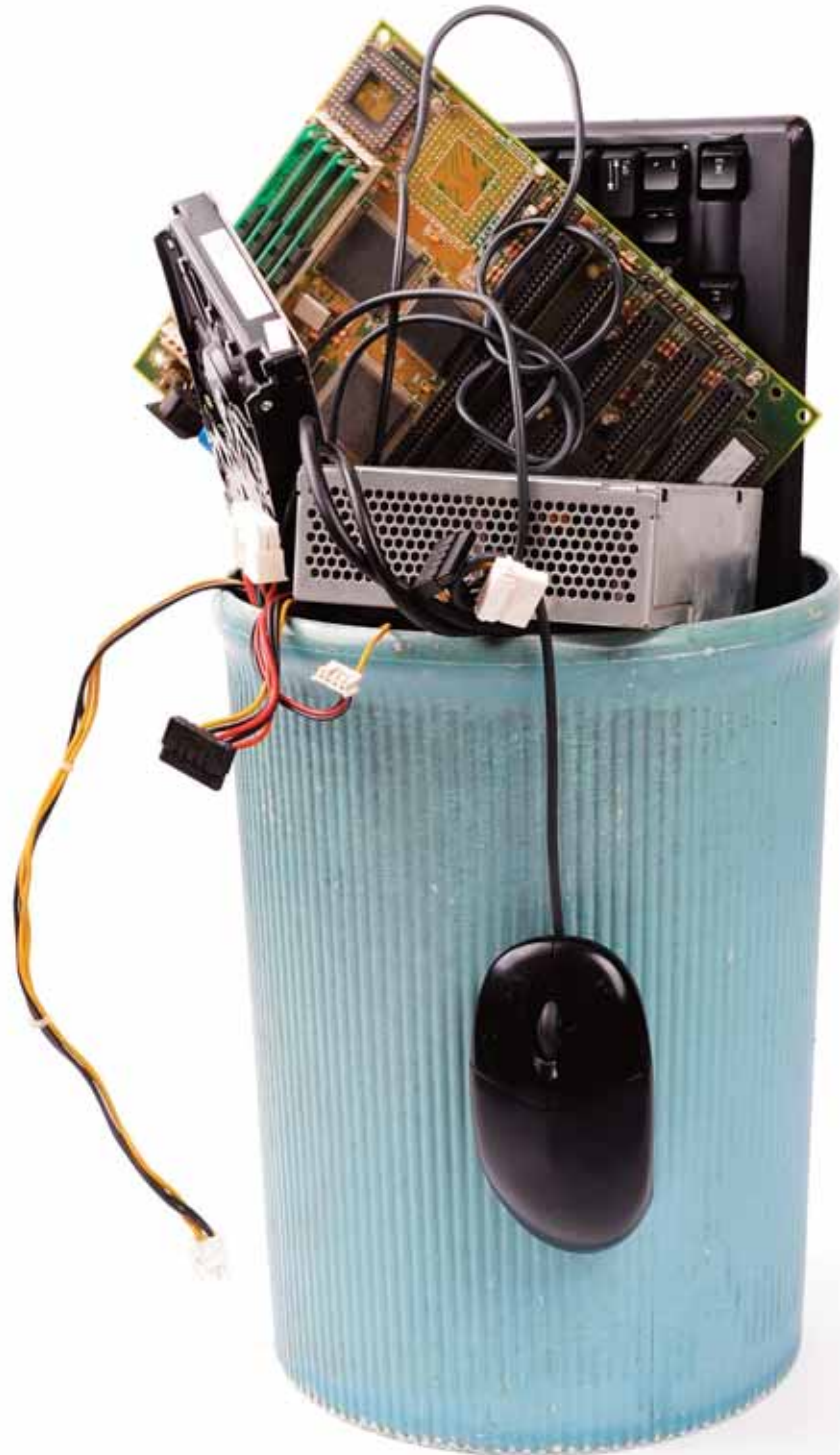
the problem. We challenged ourselves to build something cool in a very short time and with the hybrid Multichannel Accelerator, we were able to do just that.”

LEARN MORE

To learn more about the hybrid Multichannel Accelerator visit www.hybris.com/accelerator

ABOUT HYBRIS

hybris provides a complete multichannel commerce software solution that integrates product content, commerce operations, and the extended channel to help retailers, manufacturers, and other businesses create a unified and seamless cross-channel experience for their customers – from online, to in-store, to mobile and beyond. Since the company was founded in 1997, hybrid has been powering the global commerce operations of the world's largest retail and manufacturing brands, including H&M, Lufthansa, Douglas, Reebok, and Ericsson, to name just a few. By enabling companies such as these to create a powerful, consistent customer experience, hybrid helps them drive company growth, differentiate from competitors, and reflect commitment to customers and the core principles behind their brand image. For more information, visit www.hybris.com



POST-PC DESIGN

THE ECOMMERCE PLATFORM ISN'T JUST A TOOL BEING USED BY THOSE WORKING ON WEBSITES ANYMORE. AS CROSS-CHANNEL RETAIL DEVELOPS, DESIGNERS IN TURN NEED TO DEVELOP AN UNDERSTANDING OF HOW THE WHOLE BUSINESS WORKS.

JONATHAN WRIGHT REPORTS

The more things change within the realm of digital technologies, it sometimes seems, the more they stay the same. From an ecommerce perspective, the big change that's going on at the moment, which we've been charting in these supplements for a year and more now, is the emergence of cross-channel retail.

Look at that from another angle, though, and you can equally see cross-channel, with its emphasis on customers using multiple touchpoints to research and make purchases, as in key respects a new variation on the old idea of convergence, the merging of once distinct technologies into a hybrid form. In this reading, cross-channel retail is symptomatic of an ongoing move towards our wider culture being underpinned by always-on digital devices. Considering that 4G, with its rich promise of super-fast mobile broadband, lies on the near horizon in Europe, the direction of travel is clear – and has been for some time.

All of which, from the perspective of those working at the cutting edge of design, poses a distinct problem. While many of the digital technologies intrinsic to modern retail, including ecommerce platforms, have evolved because of the needs of those working on websites optimised for desktop computers, we're actually entering what Ulrike Mueller, chief software architect of ecommerce solutions provider Demandware, calls "the beginning of the post-PC era".

What does this mean in practice? "The younger generation will grow up with touchpoints everywhere: it can be a personal device, it can be also a device present in a location," Mueller says. "In retail, you think about kiosks or information displays, it will be accepted as the norm that these devices will be present everywhere." Sir Tim Berners-Lee's vision of a world where all kinds of electronic devices, from your phone to the fridge and even Fluffy the cat's collar, have a digital presence is tantalisingly close.

FUTURE NOW

For both designers and retailers, it may sometimes seem as if life would be easier if we could switch this future on today. In reality, of course, this new era will arrive gradually. Further complicating the overall picture, different companies are preparing for this new era at different

GET SET FOR TOMORROW

"You need to think ahead: what is the next device that's coming around the corner? And you need to be able to respond to that. Again, your architecture needs to be set up in the right way to respond to those changes that are going to come towards us, changes that we are not aware of yet."

Kees de Vos, VP business consulting, Hybrid



SPEAKING FROM EXPERIENCE



NEW PARADIGM
"You're not thinking about only the web or the store, [cross-channel] is a completely new experience, a kind of fluent bridging between channels and different devices."

Ulrike Mueller, chief software architect, Demandware

OF TOASTERS AND PURCHASE DECISIONS

"It was expected every two years you'd replace your ecommerce platform or you'd do it again. This world we're in now, every two years spending £150,000 to replace your ecommerce platform isn't practical, so these things have got to last between two and five years at the very least. So what that means when choosing an ecommerce platform is you want to choose one that embraces

technologies like responsive design, which means effectively they're device independent at the end of it. The user could be using a toaster in five years time to access your website, but as long as you've done the work properly in responsive design it shouldn't matter."

Joe Leech, user experience director, cxpartners



RESPONSIVE DESIGN

"It's clear that 'responsive design' is a healthy discussion in helping us understand the need to respond with varying interfaces but the conversation needs to go far beyond this. It's not just a question of how something looks, it's a question of how it meets the user's objectives."

Ben Morrison, head of web development, BT Fresca



speeds. Even as Marks & Spencer rolls out stores with free wi-fi and iPad-wielding sales assistants, other retailers are still grappling with problems around silos within the company where different teams work on different channels or, at a less abstract level, simply providing customers with an intuitive site optimised for smartphones.

Seen against this backdrop, the apparently narrow question of how to create engaging interfaces can be seen as one part of a bigger question facing retailers – that of how best to prepare for a converged near future, while still giving customers what they want now. This is a daunting proposition, yet one advantage of the future not arriving suddenly is that retailers and designers don't have to be

ready for tomorrow today. Look again at what M&S is doing and these newly kitted-out and digitally enabled shops aren't in any way an endpoint, but part of an evolving response to a retail landscape that's likewise evolving.

Even those retailers that don't have M&S's resources can learn from this. From a design perspective, as we've noted in a number of recent supplements, a key shift here is a move away from the idea of creating digital interfaces and websites to thinking about designing for new kinds of retail journeys – the kinds of retail journeys consumers are already taking because it's consumers who are driving change here.

"The reality is that the customer wants to engage with the retailer through

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connected commerce

AT
THE HEART
OF EVERY
BUSINESS
IS THE
CUSTOMER.

YOUR
BUSINESS
IS NO
DIFFERENT.

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Discover how at www.compario/centricity

whatever channel, through whatever device, in whatever location they are,” says Kees de Vos, VP business consulting with ecommerce solutions provider Hybrid. “If that’s through TV, if that’s through the web, if that’s through a physical presence in a store, you as a retailer have to respond to that and you have to be able, at whatever touchpoint, to be able to give [consumers] the service and the customer experience that they expect.”

UPDATING THE TECHNOLOGY

To return to a point made earlier, though, there’s a problem here. This kind of cross-channel retail, which requires companies to be flexible and responsive to customer behaviour, necessarily rests on technology essentially developed for websites. “The first generation of ecommerce platforms, which we started working with five or six years ago, was typically about getting your business online,” says Joe Leech, user experience director with usability experts expartners. “This was, ‘Okay, dear high street retailer you need a platform, we’ll get you online,’ and that was basically the requirement most retailers had, it was just get me there.” This was also often technology selected by an ecommerce team that was working separately from the rest of the company.

Plainly, best practice has long moved on from this scenario. In addition, the designers and manufacturers of the latest iterations of ecommerce platforms are responding to the move towards cross-channel retail. The ideal, says Kees de Vos is a “single customer-engagement platform that deals with all of the touchpoints you have with the consumer”. In other words, the ecommerce platform isn’t just central to web operations, but to all channels, whether customers are interacting with the retailer via web, a mobile device, TV or a screen within a bricks-and-mortar environment.

Whether such a bells-and-whistles ecommerce platform yet exists is open to debate, but it’s nevertheless clear that ecommerce platforms are becoming far more powerful and responsive. Kees de Vos, for example, describes it as a “customer engagement layer” sitting above “black box ERP capability that makes the retailer tick over”. For Ulrike Mueller, the ecommerce platform is “the underlying fabric that connects... channels, which provides access to all the [company’s] data”.

Understanding the nuances of how this works in different businesses may

not immediately seem like a design challenge and yet the prettiest interface is useless if it’s not displaying accurate information. At the risk of simplifying things wildly, one way to look at the ERP layer here is to think of it as the place where so-called big data lives. “That may sound a bit dull, to talk about data when you talk about customer experience, but that data is going to fuel that customer experience,” says de Vos. “That’s going to be the single driver for a really good customer experience. Having a really slick user interface is great and absolutely crucial, but if that’s not fed by the right stock information, or the right customer information or whatever that might be, it’s going to fall flat on its face.”

BIG DATA

Within this scenario, the role of the ecommerce platform is to get this (big) data to where it’s needed, consistently and in the correct form. To do this effectively, senior designers need to understand how

the organisation works, including at those points where great design ideas hit the immovable buffers of reality.

“[Designers] have got to be able to understand the constraints that [an] organisation has,” says Joe Leech. “It would be great if my flatscreen TV could be delivered by a plethora of dancing girls on the back of a camel, but in reality that’s never going to happen, it’s going to be through CityLink or somebody else like that. It may not be in stock. There are lots of constraints that are out there that you’re only ever going to be able to understand as a designer by not only digging into the ecommerce platform that’s there, but also how the business works, how much stock it holds, what time of lead times it’s got on getting new levels of stock. There’s a whole world of business analysis and business understanding the designer has got to get their head around to get the most from these platforms, it’s not as simple as it used to be.”

That’s not the same, it’s important to recognise, as saying that designers can afford to ignore what might be

considered to be more traditional design considerations. One of the recurring lessons of cross-channel retail is that customers expect a great experience on whatever device they’re using. Having gained an understanding of how the business operates – and it might be added of the kind of purchase journeys that a company’s customers are taking – designers still need to produce crisp and clean designs that are pleasing on the eye. To enable this, ecommerce platforms self-evidently need to be able to support the latest technologies.

Within this context, the idea of responsive design, creating digital interfaces that respond to the different devices that customers use, is becoming a recurring theme within the industry, a subtle change from previous years.

“Retailers... mark flexibility as one, if not the, key requirement from an ecommerce platform,” says Ben Morrison, head of web development at BT Fresca. “In the past, this request was used in terms of the abundance of rich

“Having a really slick user interface is great and absolutely crucial, but if that’s not fed by the right stock information or the right customer information, it’s going to fall flat on its face”

features available, supporting of video, flash and image carousels with a ‘best-practice’ checkout process. Now, retailers are more aware that the level of flexibility that will most greatly impact their users is an ability to respond dynamically to context... Our role as an ecommerce platform provider is increasingly to help our clients understand these differing contexts, and to share a vision for how we can design interfaces that best respond to them.”

We’ve returned, not coincidentally, to the emerging world of convergence and cross-channel retail, and the place of design experts in helping retailers to respond to these challenges. Which brings us to a final key point. A recognition of the increasing importance of ecommerce platforms means that purchase decisions here are becoming a board-level issue. Senior designers, by which we mean those who understand usability issues, where digital technologies are headed and how the specific business as a whole works, need to be given a voice here as a safeguard against making expensive mistakes. ■



BESPOKE RETAIL

ONLINE MERCHANDISING IS INCREASINGLY USING PERSONALISATION TO DELIVER THE BEST EXPERIENCE FOR INTERNET SHOPPERS, SAYS **CHRISTIAN ANNESLEY**

As competition in online retail hots up, how do retailers boost visitor numbers – and then get visitors spending?

Simple enough questions, you might think, but coming up with the right answers goes to the heart of the challenge of online merchandising. Being able to attract visitors and to convert shoppers into loyal, high-spending repeat buyers through effective merchandising is what makes the best retailers successful at the expense of the competition.

So just how do you find customers online and get them to buy again and again?

The first part of that equation – driving traffic to an ecommerce site – is treated by some retailers as a separate challenge to their online merchandising strategy, but there is a strong argument for putting the two together since generating visits is fundamental to successful ecommerce. After all, it sits at the top of the online sales funnel.

John Readman, new business director for search engine marketing business Search Laboratory, says smart use of search engine optimisation and pay-per-click advertising can give retailers a great

insight into which search journeys are leading visitors to a website or product page, and it's a good place to start when it comes to merchandising.

"What gets in the way of this happening is that many online retailers are already struggling to make enough of the data they are collecting on their sites, before they even think about the search journey," says Readman. "It's a resourcing challenge, of course, but some industry leaders are making sure it gets the necessary attention and reaping the benefit."

Asos, the online fashion and beauty retailer that ships to more than 190 countries from its UK hub, is one that Readman and Search Laboratory says has benefited from working hard to secure good organic global Google rankings: the latest research shows it achieving 90 per cent coverage in the UK for its brands in organic search results. Next to this, its multilingual natural search strategy supports websites targeting the UK, US, France, Germany, Spain, Italy and Australia, which led in April 2012 to Asos appearing in the top 10 for 66 out of 72 generic fashion search terms in Google. Asos led all retail sites with 8.2 million click-throughs, while Coast, Debenhams and House of Fraser all also feature in the top 10, with three million, 1.8 million and 1.8 million respectively.

"Online fashion is probably a leader in organic search as well as ecommerce more generally," adds Readman. "These numbers illustrate that point."

PERSONALISATION MATTERS

Whether through luck or judgement, once a visitor has landed on a retailer's website – and particularly a homepage – the art of online selling, in all its growing complexity, can take centre stage.

The challenge can be characterised as falling into two parts: using site search, and particularly data-drive personalised search, effectively and inventively; and using rich media and other methods to present and market and bring to life the selected elements or products for each visitor.

The personalisation of navigation and site search and much more is supported by ecommerce platform providers with such as Venda and SDL-owned Fredhopper, to name two of many players in a crowded market. Allyson Tremblay, UK director of sales at Fredhopper, says what's changing in this space is how controllable, multifaceted and integrated such platforms are becoming.

SEARCH MUST ALWAYS RETURN RESULTS

"Any site search that returns zero results is a disaster. One fashion retailer I know of has a dreadful website that makes this mistake among others. The shops are high end, but when go online you feel like you are somewhere else entirely."

Allyson Tremblay, UK director of sales, Fredhopper



LOOK FOR EFFECTIVE AUTOMATION

"Anything that automates effectively and takes out labour, while delivering results, is an example of the best of online merchandising. Progress is often incremental for retailers, but some technologies do work and can deliver a real step-change for seemingly little effort. That's the holy grail for anyone in charge of driving online sales."

John Pinnington, head of ecommerce, RareLondon.com

TOKENISATION FOR DATA COLLECTION

"Tokenisation is continuing to evolve. Tokenisation lets retailers collect data and ensure relevance. It's something the leading online retailers like Amazon use very effectively, but it's time for retailers with other strengths, like offering a strong visual experience, to apply tokenisation and get it right."

Max Childs, marketing director, Amplience



"Every ecommerce platform provider's goal should be to give the online retailers that are buying the functionality as much control and flexibility as possible," she says. "They will still need support at the start and from time to time, but really the more control they can have the better."

"Ours is a plug-in platform that delivers tools for online search, powerful navigation and filters and merchandising tools to enable cross-selling and upselling by identifying and acting on buying affinities."

"The tools are powerful, but what really gets them working for the retailers that are our customers is that we can put the functionality in their hands. When the business logic on a product data set sits with the retailers, that's when really powerful, responsive merchandising is made possible."

If it sounds abstract put in those terms, the proof of the effectiveness of any merchandising strategy should be found in the hard numbers: like others, Fredhopper is gunning for a 15 per cent to 20 per cent improvement in key conversion metrics, and can boast delivering that kind of performance uplift for customers like Neckermann.com, as well as a 15 per cent increase in average order value for ECI. The shoe retailer Clarks has even gone on record reporting a 40 per cent sales increase.

"These days there is no top-end retailer

without something like this in place. The risk, though, is of good intentions being poorly implemented," adds Tremblay. "The data has to be really clean to deliver on merchandising's promise, and key individuals in the company will need a vision and direction to carry a retail business forward."

A NOT-SO-RARE TEST

One retailer that has just committed to developing its merchandising is boutique women's fashion brand Rare London, which has recently started using PersonalMerchant behavioural merchandising technology from PredictiveIntent.

“ The data has to be really clean to deliver on merchandising's promise ”

RareLondon.com's head of ecommerce John Pinnington explains: "We have always had a merchandising team, but until recently they just operated manually, identifying associations between products and identifying related categories."

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A SLOWER SALE

Recent research by retail analysts has uncovered how the growth of digital retail channels is actually slowing down the shopping process in the fashion retail sector.

The analysis, conducted by Conlumino for Webloyalty, found that the total length of time taken from browsing to collection of a fashion item has increased from 0.5 days in 2002 to 3.4 days in 2012, partly reflecting the huge choice of shopping destinations now available to fashion shoppers.

With this increase in duration comes an increasing cost to retailers of maintaining customer engagement throughout the purchase process.

The purchase process has four phases: browsing, researching, purchasing and collection. The research shows that in 2002 the average shopper would complete the whole process in half a day, usually in the form of a single shopping trip to the

high street. In the past 10 years, the rapid adoption of smartphones and tablets, combined with extensive broadband penetration, has driven retailers to develop innovative multichannel shopping experiences. Consumers can now access fashion retailers online through their desktop computer, tablet or mobile, as well as in store and through catalogues. Nine out of 10 shoppers now use two or more channels when making a fashion purchase, and this proliferation in choice means an increase to the time spent on making a purchase.

Conlumino reckons shoppers now spend over half an hour longer browsing for fashion than they did 10 years ago. The time spent on the research, purchasing and collection phases has actually decreased as a larger proportion of this activity now happens on online channels which are fast and

convenient. What is notable, however is that the length of time between each phase has increased enormously. The first reason for this is that time lapses as consumers move between channels. They may spot an item they like in store but wait a day or two before buying online. The increase in purchasing from remote channels has also hugely increased as shoppers wait for their home deliveries to arrive.

Neil Saunders of Conlumino spells out the challenge: "The birth of several new channels being used by shoppers to make fashion purchases has added to the cost and complexity of managing the path to purchase for retailers. Since consumers also now spend more time between browsing, researching and purchasing, retailers face the new challenge of maintaining customer engagement with the brand over a longer period of time."



A|Wear's site uses Amplience video and style features

"We are now testing the PredictiveIntent platform over a three-month period to see what impact automated personalisation can have on conversion rates and revenues. The platform can take account of the past and current behaviour of individual visitors, the behaviour of others – what some call crowd wisdom – and visitor preferences such as sizes, colours and styles. Our initial tests have been positive, but we are still at the stage of experimenting with the algorithms to see what works best."

The aim of the pilot project is to improve click-through on products and to take the pressure off the merchandising team to come up with all the answers, adds Pinnington.

"We will do split-testing to demonstrate the extent to which its working and in early October will sit down and undertake a fuller evaluation of progress."

VISUALISING SUCCESS

Recent years have seen an explosion in the use of rich media to make ecommerce sites more appealing, and this side of merchandising is opening up right now, with the launch of platforms such as Video Merchandising from rich-media specialist Amplience changing the landscape.

Opening up how, exactly? In two ways. First, because the tools are getting more

sophisticated and allowing click-throughs from videos straight to the product pages,

than 10 per cent and average order values up by 17 per cent.

"Historically, video has worked very effectively at increasing engagement and creating positive brand experiences, but it always missed the vital 'add to basket' link that drives sales," says Childs. "With video merchandising, companies can create richly engaging experiences and merchandise products in a smarter, more intuitive way."

Crucially, too, the video content can be deployed with no technical expertise to create compelling merchandised experiences on tablets and smartphones in HTML5. It means retailers have the potential to create a

“ With video merchandising, companies can create richly engaging experiences and merchandise products in a smarter, more intuitive way ”

and second because rich media no longer requires expensive, bespoke production by dedicated agencies, but can be handled simply using software-as-a-service platforms with strong functionality.

Max Childs, marketing director of Amplience, says the video merchandising tool his company has just launched was the product of a specific request from a client but has great potential, with one early adopter having already seen in-channel conversion increases of more

shoppable online TV channel using unique content or by repurposing assets from YouTube or TV advertising.

It sounds good and the early signs, says Childs, are more than encouraging: women's clothing retailer A|Wear has seen a 30 per cent sales uplift on products using the Amplience video and style features – and it's an increase that is prompting A|Wear to put video merchandising at the heart of its growth strategy for the next year at least. ■



CHANNEL HOPPING

UNDERSTANDING CUSTOMERS ACROSS CHANNELS MAKES SERIOUS DEMANDS OF AN ECOMMERCE PLATFORM. **PAUL SKELDON**, EDITOR, M-RETAILING, CONSIDERS HOW RETAILERS CAN BEST APPROACH THE CHALLENGE

M

ultichannel, or omnichannel, as it is increasingly being dubbed, is not so much a shift in technology, but more a shift in how to manage what your customers do

when they interact with you via different channels. Getting as joined-up a picture as possible as to what these shoppers are like, what they buy, where they buy it and then interacting with them based on this information is a complex mix and one that relies on increasingly powerful systems that typically sit at the heart of

this burgeoning retail experience.

These ecommerce platforms have come a long way since 1996 when Toys ‘R’ Us became the first UK store-based retailer to launch a transactional website in this country. Now they have to service a multitude of channels as consumers increasingly want to interact with retailers online, on mobile, and in store, and within these channels do different things at different times. That can be problematic for the ecommerce platform, the retailer and, ultimately, the customers.

GIVING CUSTOMERS THE CHOICE

At this summer’s launch of Tesco’s virtual kiosks at Gatwick Airport, Ken Towle, director of internet retailing at Tesco, suggested that multichannel was not so much about technology, but about giving customers every possible means of accessing the retailer. That’s not just to look after their existing customers, but also to use all these channels and, in the case of the kiosks, novelties, to attract new customers.

But while Tesco is keen to, in Towle’s words, “try lots of different technologies



and see what flies”, for any retailer looking to open up this omnichannel way of interacting with the consumer, there is the massive challenge of how to actually make it happen.

Increasingly, the ecommerce platform sits at the heart of this, but how do you make an ecommerce platform deliver on this ever complex way of delivering the ultimate customer experience across so many different channels in a joined-up way?

“One of the issues that come with today’s ecommerce systems, is that you are now dealing with multiple channels, data sources, and fulfilment methods,” says Mark Thornton, director of ecommerce at Maginus, providers of integrated software solutions for multichannel retail and distribution companies. “When in the process of choosing a new ecommerce platform, it is always important to consider your customers. Companies should segment their customer base and understand why they buy. This will have a huge impact on which is the best platform for them.”

Andrew McGregor, chief executive at eCommera, which provides intelligent ecommerce platforms, agrees that the key element in any platform for multichannel delivery is the customer, and says their mobile behaviour is what can really give you an insight into how they buy.

“It can be said that mobile devices are the digital personification of the consumer,” he explains. “Consumers take their mobile devices everywhere and use them for everything from emailing and social networking to getting directions, finding stores and checking product

information and comparing prices while in store. Each of these actions leaves a digital footprint and many offer clues as to a customer’s purchasing intent. As a result, retailers and brand-owners can learn about individual customers’ likes, dislikes and preferences. They can then use this information to offer an enhanced and engaging customer experience by offering personalised, location-specific services and customised communications.”

UNDERSTAND THE MARKET

While understanding the consumer is key, Maginus’ Thornton believes that retailers also need to understand their own market. “They need to ask themselves things such as whether they send out one catalogue a year and therefore the website doesn’t change too much, or do they need the ability to react to customer requirements, maybe introducing new products, new delivery options, or do they have to be able to quickly develop new promotions to quickly sell underperforming products or to react to competitors’ activity?” he says. “Dependent upon how volatile the market is and how quickly and how frequently the website needs to change, will impact what type of platform is required.”

For many retailers, moving from an ecommerce-centric way of doing things to using the ecommerce platform as the hub that serves up this multichannel approach can mean either tweaking the system you already have, if the platform has the capability to add new channels. But for many it means perhaps rethinking the entire way that ecommerce is delivered.

And increasingly, many vendors are

ARE MOBILE PAYMENTS TO KEY TO MULTICHANNEL?

As summer 2012 has roared past, a trend is emerging in the use of mobile payments as a way of unifying how online, in-store and mobile retail stick together.

The tie-up between mobile payments and in-store point of sale is obvious and the likes of Starbucks in the US and McDonald’s in France are trialling how they can use their own loyalty app and PayPal respectively to deliver a mobile-in-store system that streamlines customer service and gain valuable cross-channel data about consumers to feed into their omnichannel model.

But this is the tip of the iceberg. In the UK, Carphone Warehouse has rolled out Mobile Money Network’s SimplyTap mobile payment tool across its stores, its website, its mobile website, its app and its catalogues, in a bid to get consumers

interacting through their mobile devices with all its channels.

“Mobile payments acts as the glue that holds all the channels together,” says Matthew Smith, director of mobile strategy at Carphone Warehouse. “It will act as a call to action to shop and we hope will improve the customer journey and will help deliver much higher online, mobile and catalogue conversation rates as we have made it simple to do.”

In perhaps an even bolder move, 14 leading US retail brands, including 7-Eleven, Target, Wal-mart, BestBuy, Sears, AVC and Shell, are joining forces to develop their own payment and loyalty led m-commerce platform to cement together multichannel in a simple and trusted way.

The Merchant Customer Exchange (MCX) aims to provide a way that retailers can

offer a coherent mobile payment tool, that can be used across channels.

“MCX will leverage mobile technology to give consumers a faster and more convenient shopping experience while eliminating unnecessary costs for all stakeholders,” says Mike Cook, corporate vice president and assistant treasurer, Wal-Mart. “The MCX platform will employ secure technology to deliver an efficiency-enhancing mobile solution available to all merchant categories, including retail stores, casual dining, petroleum and ecommerce.”

With projects such as MCX, the arrival of myriad mobile wallets from banks, telcos and Google and the increasing interest in how mobile payments connect the online, mobile and real worlds of retail, it is likely that this is the keystone in completing the multichannel cathedral.

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championing a move to cloud-based offerings. “Cloud-based software is central to an integrated cross-channel experience,” explains Ian Tomlinson, chief executive of Cybertill, pioneers of cloud-based retail solutions. “Ecommerce is becoming a hub for many retailers because so many customers go through the website that it is an ideal tool to collect and collate information. But cloud allows retailers to take a holistic view to the business and truly put the customer at the centre of the organisation. With cloud software there is a single customer file and stock file which all sales channels access. So all sales channels view the same customer record and stock record. This allows an omnichannel approach where any customer can use any channel to buy, reserve, collect or return a product at any stage.”

Having this single product file makes reserve and collect and click and collect straightforward, as stock levels across the business are viewed in real time.

“If the mail order arm of the business or ecommerce fulfilment is outsourced to a third party, again with a cloud system this is very easily integrated,” says Tomlinson. “As a cloud ecommerce and retail system can be accessed from any location and device, third parties can be given access to the system (and security parameters set in place) so they too have sight of orders and customer records so the retailer can offer consumers a high level of continuity of service across its business.” ■

SPEAKING FROM EXPERIENCE

TRY – AND SEE WHAT FLIES

“You have to be constantly tuned in to both customers and technologists. It is relatively easy to track what customers do and understand which channels they like and don’t like, but keeping up with the technology is hard and sometimes you have to just try things out and see what flies.”

Ken Towle, director of internet retailing, Tesco



JOIN UP CHANNELS

“You need to let consumers shop how they want to, on whatever channel they want to and jump between channels seamlessly. Most ecommerce systems don’t let you do this over all channels. You can’t, for instance, respond to a newspaper ad offering money off in the same way as you can redeem a mobile coupon in a shop. We need to change this and the key is through payment systems.”

Matthew Smith, director of mobile strategy, Carphone Warehouse

FOCUS ON THE CUSTOMER

“Systems cannot be centred around inherited legacy systems or previous processes – they need to be centred around the customer. The customer will not understand why the contents of their basket cannot be maintained across their mobile app and the online site, why their reward points cannot be cashed online, why the product they buy online cannot be returned in store, and have no sympathy or understanding of the system and process issues – they are buying from your brand and they want their product.”

Andrew McGregor, chief executive, eCommera



ROLL OUT QUICKLY

“Not only is it essential that companies look for a solution that allows them to control social media channels as easily as possible, but to offer a true cross-channel experience, it is important the solution allows companies to easily deploy immediately across ecommerce, m-commerce, and social commerce.”

Mark Thornton, director of ecommerce, Maginus

TOYS ‘R’ US PUTS MOBILE AT THE CENTRE OF ITS OMNICHANNEL WORLD

It was the first UK store-based retailer to launch an ecommerce solution in the UK in 1996, but now Toys ‘R’ Us is coming to m-commerce. It sees mobile as the key to developing its omnichannel retail approach.

Britain’s largest toy retailer has worked with Neoworks, an award-winning ecommerce consultancy and software solutions provider, Hybris, a leader in multichannel commerce software and Red Ant digital agency, to create the mobile offering.

Toys ‘R’ Us head of ecommerce Will White explains: “We were the first ‘bricks and mortar’ retailer in the UK to go online back in 1996, and since then we’ve made it our business to stay ahead of the curve when it comes to enhancing our customers’ experience with the latest technology. This mobile platform is a fundamental part of our commitment to omnichannel delivery, access to our products and promotions any time,

anywhere. Our customers expect, and deserve, nothing less.”

Neoworks developed and implemented one solution that gives users a truly top end mobile experience with functionalities such as store stock availability information based on the user’s location, together with new features including QR-code driven purchasing.

“Mobile solutions are becoming the centre of a multichannel commerce strategy, enabling retailers to seamlessly transfer the user from one channel to another,” says Rick Hobbs, director at Neoworks. “This makes a fully integrated mobile platform an essential element in today’s competitive marketplace.”

Red Ant’s mobile experts developed a clean, clear front-end user experience with a focus on ease of use and a direct, straightforward interface, which encourages interaction and purchase. Alex Sbardella,

Red Ant head of mobile explains: “The key to m-commerce success is to make sure that everything you do helps the customer achieve a task, look for a product, find a local store, buy something. We worked closely with neoworks to deliver a mobile solution which has the customer at its heart, simple to use, with a straight path to products and, ultimately, purchase.”

Toys ‘R’ Us has built its entire omnichannel functionality on the Hybris platform, which provides support for key features including click and collect and a loyalty scheme.

Ariel Lüdi, chief executive at Hybris, says: “The new mobile solution relies on the flexibility of our platform and its ability to support new and innovative developments within the retailer’s omnichannel strategy. We are delighted to be involved with such an exciting and forward-looking company, which truly embraces omnichannel.”



FULFILLING DELIVERY EXPECTATIONS

KEEPING ONLINE CUSTOMERS SATISFIED RELIES ON STRONG DELIVERY OPTIONS, WHETHER THOSE ARE TO THE STORE, THE HOME, OR SOMEWHERE ELSE ALTOGETHER, WRITES **CHLOE RIGBY**. BUT WHILE THE TASK IS BECOMING MORE COMPLEX THE RIGHT TECHNOLOGY CAN HELP MAKE IT ALTOGETHER MORE SIMPLE.

Retailers vying for custom in an increasingly competitive market are finding that getting delivery right can make a real difference to their bottom line. Get the delivery options right, and expect to see orders grow. But get it wrong, and customers, now well versed in what is possible, will turn elsewhere.

“Even previously satisfied customers will often order elsewhere for a saving of only a couple of pounds, or to get their goods quicker, with lower delivery costs,” says Michael Latimer, director of B2B integration and ecommerce at logistics software provider Kewill.

For ultimately the customer does not care how a parcel arrives. What matters is that it gets to the right place at the right

time, for the right price. Patrick Wall, chief executive of delivery management software provider MetaPack, sums up the job facing retailers thus: "It's all about providing services in a seamless manner to customers from all the points of order, dispatching to all points of delivery."

It sounds daunting. What's important here, however, is to provide relevant delivery choices. The free but slow delivery that suits a customer on one occasion won't fit their needs when they want something in a hurry, and are willing to pay for a speedy option.

The first step, therefore, for any retailer is to work out what delivery options their particular group of customers needs and expects. The retailer who sells items that often given as a present, for example, will need the option of next-day delivery if they are to capitalise on the likelihood of last-minute birthday orders, but a trader selling relatively low-cost goods is unlikely to convince their audience to pay a premium to have them delivered.

The second step is to know where stock is held – and how much is left. Stock on the website must be kept up to date by the warehouse or distribution centre that's responsible for filling orders. A large retailer might have its own warehouse, while a smaller retailer will probably have a distribution partner. Either way, says Jim Herbert, director at ecommerce project specialist Sceneric, the interface between warehouse management system and website needs to be automated. "Manual intervention means wages and that means money. Ultimately IT is all about automation." This is key, he says, because, "you don't want to be in the scenario where you ring the customer back and say sorry, I can't do it."

SIGNED, SEALED AND DELIVERED

The first port of call for a retailer planning their logistics service will be delivery, whether that's to a home, work or other address. In the eyes of the customer, the retailer's job isn't complete when the parcel is handed over to a courier. Rather, they want to be kept informed with text messages sent to advise them of expected time of delivery. That doesn't have to present a hurdle for retailers. They can tap into

THE CRUCIAL LAST MILE

"What builds confidence in crossborder trade is that last mile delivery. If customers have a bad experience with you, customs or the delivery process it can put them off and they just won't shop again." Stuart Hill, managing director and co-founder, Worldnet



SPEAKING FROM EXPERIENCE



FINDING FLEXIBILITY

"The world that you have to deal with has already been determined by the warehouse and store, supplier infrastructure and where the product has been ordered to, whether domestic or international. The ecommerce logistics platform has to be the flexible piece of blu-tack that can stick onto all these different parts and stretches itself but still stays as itself."

Patrick Wall, chief executive, MetaPack

KEEP CUSTOMERS INFORMED

"The sites I like personally are those that say your order has been picked, then dispatched. When it goes dark for a few days I'm ringing them up and saying what's going on. Backing up with SMS and a tracking ID, that's all best practice customer service and will lead to repeat business."

Jim Herbert, director, Sceneric



DELIVER ON PROMISES

"Retailers not only need to stay more in tune with the competition than ever before, but ensure they have tightly integrated supply chains that enable them to deliver on their promises to customers, and importantly – on time."

Michael Latimer, director of B2B integration and ecommerce, Kewill

services such as parcel tracking and one-hour delivery times, with those all-important text messages sent along the way that both inform and allow changes to be made, simply by using a logistics partner that offers those services. Indeed, they can go further and outsource the whole picking, packing and delivery function to a fulfillment partner.

But for those who choose to do it themselves and to offer more options than one delivery partner can, retailers can use specialist software to manage carrier allocation. At the front end, such software integrates with the shopping basket to offer shoppers the widest choice of delivery options, based on where they live and what is in their shopping basket. As well as

offering choices such as next-day or medium-term delivery to a home or work address, carrier allocation software can give options including collect from a convenience store, through networks such as CollectPlus, or collect from a nearby locker bank, through systems such as the ByBox system. At the backend, it feeds into warehouse operations. "It can be very simple," says MetaPack's Patrick Wall, who adds: "The ecommerce logistics platform is about providing flexibility, rapid response, while being able to change quickly to new circumstances and new opportunities. A software-as-a-service platform with the right interfaces allows you to do that."

CLICK AND COLLECT

The popularity of click and collect services is striking. To take one example: over a week in August this year, UK department store John Lewis reported that demand for its service, which enables online orders placed by 7pm to be picked up from any of its branches, as well as selected branches of

“ Reserve and collect shouldn't be scary from a technology standpoint at all ”

what's going on?

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OCT 11TH – WEBINAR

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Richard Anson, founder of Reevo, will talk about how to set up your social CRM and integrate your social content (such as ratings, reviews and customer conversations), what you can expect to achieve and give some best practice and real life examples of how companies are integrating social commerce and CRM systems.

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OCT 16TH – WEBINAR

Choosing the right e-commerce platform for your business can be a difficult task for even the most web-savvy commerce professionals. The pace of innovation in ecommerce is incredibly hard to keep pace with, and your aim in launching a new site or re-platforming should focus on business results and long/short terms requirements. Attend this informative webinar by EPiServer to learn how to specify an e-commerce platform and avoid the common pitfalls. We will provide step-by-step guidance on the process, key considerations for your business, market trends and cover the main functionalities and innovations that you should be aware of. You'll go away with a good understanding of the available ecommerce technologies and be able to prioritise the key imperatives to grow your online business with the right solutions.

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Waitrose, by 2pm the following day, had grown by 85% compared to the previous year. This is a service that should be popular with retailers as well as shoppers, since it cuts down on the cost of delivery and often results in other in-store purchases when the customer goes to collect. "Lots of retailers see a cross-sell percentage," says Jim Herbert, director of ecommerce project specialist Sceneric. "People go in to pick up a lawnmower, for instance, and realise they need lawn seed, or other gardening items." But how can retailers with both shops and an online presence set this up for themselves?

Click and collect can stand for two different services. The first is that the shopper buys online and has it delivered to a store. Offering this, says Herbert, is no different from any other ecommerce transaction from a technology point of view, except that the delivery destination is the store rather than a home address.

The second alternative sees the shopper reserve an item from a store's stock for purchase and collection in store. Here, says Herbert, in-store stock levels must be connected to the website, in order to give a reliable promise that an item will be in the store when the shopper arrives. Such functionality, says Herbert, is already built into many ecommerce platforms, including Magento, ATG and Hybris, where developers must simply create a store and load in stock levels. By asking a customer for their location, a website can then inform customers which of a retailer's nearest stores have the item in stock and available for reservation. "Reserve and collect shouldn't be scary from a technology standpoint at all," he says. "You just need to make sure stores understand the process so you don't get people turning up to collect something and the person who works on the till doesn't know what's going on."

For those without stores, CollectPlus is now offering a buy online, collect in your corner store service that retailers such as the online giant Amazon and fashion retailer Asos have adopted.

SHIP IT DIRECT

Customers offered choice want still more choice, suggests Kewill's Latimer. He says: "In order to meet the seemingly insatiable customer demand for increased choice, fuelled by the shop window of the internet and reduced relevance of seasonality, created by a global retail marketplace, retailers are finding they have to offer more

product lines, often from more suppliers, but without increasing already rising logistics costs and tying up cash in stock."

A solution, he suggests, is to put a supply chain in place where customer orders are sent directly to suppliers to despatch the order, cutting down on the time taken for goods to arrive.

"Direct despatch is essentially channel-neutral and works in the same way for orders placed via any channel," says Latimer, "providing a good degree of future-proofing for retailers contemplating further investment in new channels, for example mobile and increasing collaboration between channels, with initiatives such as click and collect."

“ The only thing you can plan on is that the future's going to be uncertain ”

INTERNATIONAL DELIVERY

The *2012 International Retail Delivery Report* from Micros-UK found that only 49 per cent of retailers currently deliver overseas. And among those that do deliver beyond our shores, the service can be decidedly patchy. Some 82 per cent gave no choice of delivery method, and only 58 per cent arrived in the time specified when the order was placed. All of it added up to "a huge amount of variation in what overseas customers can expect from UK online retailers," in the words of Micros-Retail marketing manager Sarah Clelland.

Stuart Hill, previously international logistics manager at e-tailer Asos, co-founded delivery solution provider Worldnet in order to focus on the service available to retailers sending orders overseas. "Traditionally," he says, "retailers were faced with spending a lot of money to get it there very quickly or spending not much and hoping you'd get it there after a certain number of days. Our ambition is to give the in-country customer a local look and feel service experience." It's therefore created IT, available to embed in retail systems or taking a feed from the retailer's warehouse management system, that gives the retailer tracking data on a single platform while giving the customer that local feel. That means, says Hill, leveraging the service offered by local

carriers. "In the US the customer is used to receiving three to four emails on the journey of the package, but in somewhere like Scandinavia they are used to receiving a notification email the day before delivery," he adds. Its IT also aims to deal with the backlogs that can build up as customs start to learn to deal with a growing volume of ecommerce parcels, all of which can require individual clearance.

Selling, and hence delivering, overseas will grow more quickly than many UK retailers might expect, predicts MetaPack's Wall. UK retailers will therefore need to make sure their international deliveries are up to scratch sooner than they may think.

"They'll be selling more product overseas more quickly than they imagine," he says, "and will be shifting more product [direct] from suppliers more rapidly than they are predicting." That will mean a shift to the direct despatch model of supply chain, discussed above, that will see suppliers sending out retail orders direct to customers. Wall points to retailers such as Achica who are already selling in flash sales products that are sourced from around the world for delivery anywhere. "You need a supply chain that's able to deal with these quite rapid changes," he says.

HANDLING RETURNS

And while retailers hope their systems will deliver goods that customers want to keep, sometimes there will be the need to handle returns. The technological process, says Sceneric's Herbert, should be simple. It depends on making the business decision of whether returned goods go back into stock or not. If they're not going into stock, there's no technological issue beyond the question of returning payment, handled elsewhere in the business. If they are, then the question is simply one of defining the process to put them back into stock, and whether they're listed as new or used.

Ecommerce logistics is a fast-moving field, and, says Wall, "the only thing you can plan on is that the future's going to be uncertain. There will be changes in the market that haven't been predicted or are going to change more rapidly than expected: the pace of change in mobile and social networks is probably greater than people have predicted." But still it seems clear that retailers who start with their customers' needs and keep talking to them as their demands evolve, will be in the best place to meet their future aspirations, while growing their businesses at the same time. ■



BRAVE NEW WORLD

ONCE UPON A TIME ECOMMERCE PLATFORMS WERE STANDALONE AND HAD LITTLE TO DO WITH EITHER STORE OR CORPORATE PLANNING SYSTEMS. IN TODAY'S OMNICHANNEL WORLD IT'S A VERY DIFFERENT STORY. **PENELOPE ODY EXPLORES SOME POTENTIAL STRATEGIES**

A

sk ecommerce platform providers about their future plans and many will talk of how their systems are building outwards to embrace various aspects of traditional retail IT.

They might be adding EPoS (electronic point of sale) technology that can handle

cross-channel order management or customer experience issues, for example, or developing multichannel integration tools to link to existing legacy systems.

Talk to the traditional retail IT suppliers and they are building, or buying, ecommerce platforms and related tools to create some sort of

all-singing-all-dancing multichannel solutions. There's IBM's Smarter Commerce initiative, for example, or Oracle's acquisition of ATG. Some talk of the impact of SaaS (software as a service), enabling marketing or digital development executives, to source whatever they need independently of IT,

others mutter about best-of-breed or the need for a single integrated cross-platform solution.

Almost all, however, accept that the role of the ecommerce platform is changing and as the online retail sector matures, tools that were appropriate in its infancy may no longer be adequate or desirable.

“IT vendors always need to keep on developing their systems to keep ahead,” says Richard Eynon, senior manager at Kurt Salmon, “and so much of the activity we are now seeing from the ecommerce platforms is driven by the sector’s maturity and the fact that vendors have to find new ways to grow their businesses. Many are opting to build outwards into new retail areas rather than focus on their existing specialism. Is that good or bad? There has always been a debate over whether it is better to opt for a fully-integrated single solution or choose best of breed products that can deliver competitive advantage – but today web services can make integration simpler, so best of breed can be the better option. It’s all a matter of balancing cost and risk.”

KEY TRENDS

When it comes to ecommerce platforms, Eynon identifies three key trends: the entry into the marketplace of IT’s giants, such as IBM and Oracle; the growth in Open Source; and the availability of cloud-based and scalable SaaS solutions.

Companies such as BT, which added the Fresca ecommerce platform to its Expedite retail suite, itself largely the result of various acquisitions over several years, are typical of the way the major retail IT players have sought to keep up with the changing market. “Ecommerce is becoming increasingly complex,” says Eddie Dodd, director of client management at BT Expedite, “especially when you look at the delivery or click and collect implications. It can be a challenge to technology so you need to both manage the complexity and also innovate and respond to the next big thing which happens.”

Avoiding duplication is important with merchandising systems able to service all channels, for example, or payment systems capable of handling both online and offline sales. “We are seeing a lot of convergence,” says Dodd, “not just in systems but in moving from licensing models, usual with traditional retail systems, to SaaS, which is popular for ecommerce platforms.”

DON'T REINVENT THE WHEEL

“There is no point in trying to reinvent the wheel or replace everything. You need a mix of proprietary, SaaS, Open Source – whatever is the best tool.”

Richard Jones, technical director, iKoS



SPEAKING FROM EXPERIENCE



BEST IN SHOW

“Many wall-to-wall vendors started in their area of expertise but they are unlikely to be best in class for all modules – and that is true of any IT vendor.”

Richard Eynon, senior manager, Kurt Salmon

FLEXIBLE APPROACHES

“Vendors have to be flexible. They need to have a chameleon-like response to rapidly changing channels but they also need depth of knowledge about retailing to understand the business and how it is being changed by channel developments.”

Eddie Dodd, director of client management, BT Expedite



FIT YOUR BUSINESS

“If a retailer has a business problem they need a quick solution, so on-demand software that can deliver the flexibility and speed may be the answer. Later the business may prefer to buy a solution and take control of their own destiny – it is all a matter of what the business needs.”

Stefan Schmidt, director of product strategy, Hybris

“Retail information systems were built for a bricks and mortar world, and then ecommerce came along”

BUYING OPTIONS

SaaS is often a preferred choice for marketing departments that want to select software independently of IT control and critics sometimes suggest this can lead to systems fragmentation and integration issues. However, companies such as Venda, which now has more than 100 brands operating on its cloud-based platform, are increasingly common choices.

While SaaS can be attractive because it

moves IT investments from balance sheet to profit and loss account, companies still need to recoup the return on investment on their legacy investments first. A merchandising system may have an expected life of 10 or 15 years, EPoS perhaps eight or 10, but an ecommerce platform may pay for itself in six months so is far easier to change or write-off. Equally an ERP (enterprise resource planning) system from the likes of SAP or Oracle, which could have taken three or four years to implement, is very unlikely to be changed for decades. Ecommerce platforms thus have to be capable of integrating with these long-life systems, which generally involves CRM (customer relationship management) as well as merchandising, as we move to a cross-channel or omnichannel environment.

Some vendors talk of creating an ‘enterprise service bus’ or ‘omnicommerce hub’ which allows both store systems and

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ecommerce platform to tap into common customer, order and stock records.

For Pascal Podvin, chief executive of Compario, this is a compromise solution which does not get to the heart of the problem. “Retail information systems were built for a bricks and mortar world,” he says, “and then ecommerce came along and because it was tiny it could use something small and specialised – an ecommerce platform. But in future everything will be bricks and clicks, so you need to simplify the architecture to avoid duplication as well as support multiple channels and recognise the customer in whichever channel she turns up.”

He argues that the key strategic division will be between ‘back office’, the existing ERP and retail applications provided by traditional suppliers, and ‘front office’ where the customer-facing applications reside, with some sort of integration hub linking the two fields of activity. In the front office the most over-riding consideration will be customer experience. Functions that more appropriately belong to the back office, such as HR or finance, are not needed by ecommerce platforms. Platforms should instead focus on areas such as promotions, pricing, loyalty and basket management across all channels. “Existing ecommerce platforms are not architected to develop the functionality needed to manage the customer experience,” says Podvin.

While customer experience needs to be consistently managed across the channels, so too does inventory. “Stock availability is crucial,” says Dodd, “so merchandise records have to be near real time. Batch processing is no longer practicable when you are talking about 90-minute delivery for online orders.”

MOVING INTO THE STORE

For the dedicated ecommerce platforms, expanding into store activity seems an obvious move and Hybris is typical in currently building outwards in this direction. It already has a point-of-sale application used by the likes of J C Penney, is piloting a personalisation and recommendation product for use in stores, and is planning an automated marketing application that can adapt to meet KPI (key performance indicator) targets within two years.

“Retailers really do not know how the market will grow in future, which

customer devices will prove to be the winners, or what new ones may emerge,” says Stefan Schmidt, director of product strategy, at Hybris. “They need to be able to play with new channels without having to change core systems so the ecommerce platform needs an interface that everyone can connect to. ERP is important for a company but it is locked away in the background – you need speed and agility in uncertain times and that is where ecommerce platforms can fill the gap.”

To meet this need, Hybris has an “omnicommerce connect API” (application programming interface) that links to existing legacy systems and allows new channels and devices to be quickly integrated, tested, and either maintained or discarded. Schmidt argues that ecommerce specialists can deliver this sort of adaptability more easily than IT’s mainstream players. “I don’t see a threat

you simply plug together what you need and add on new extensions as required or as they are developed,” says Jones. “Users can download free software but the real power is in the community and we’ve been able to make good enterprise contacts worldwide.”

iKOS started life as a conventional developer but found that ecommerce was moving so quickly it was difficult to keep up so in 2008 it started to look at open source options and switched to Drupal Commerce. Instead of charging its customers for software, that money can instead be directed to better website design and usability. “Basically with open source the budget to build the site should be the same but the money goes towards professional services rather than software licences,” explains Jones. “Open source should be on any retailer’s short list when it

“ Eight months... is a long time in ecommerce ”

from the likes of IBM and Oracle as ecommerce is not where they come from,” he says. “They do not have the agility and flexibility to adapt to rapidly changing markets. It could take them maybe eight months to develop something and that is a long time in ecommerce.”

OPEN SOURCE

Certainly when it comes to speed to market there is much to be said for open source with hundreds of developers worldwide making new applications freely available all the time. “Open source really does give speed to market,” says Richard Jones, technical director at iKoS which uses the Drupal Commerce framework. “Pinterest is a good example – it suddenly appeared and was massive. A proprietary developer would have had to add a supporting app to their roadmap and it could take months to develop, but with Drupal someone produced a Pinterest app within 48 hours and it was immediately available to all other Drupal developers.”

Open source is essentially free software with no licensing fees where developers share whatever they produce with the global community. “Drupal Commerce contains all the necessary components for building a website and

comes to choosing a platform, but it’s not just about being a cheap option. You potentially have a more powerful and flexible platform and tens of thousands of eyes around the world looking after the code.”

Drupal Commerce sites include Cartier, and there are also plenty of other open source options to choose from. Richard Eynon cites Magento as typical: it is responsible for the North Face and Gap sites and while its Enterprise Edition software has to be paid for, the Community Edition is free to developers who want to build sites based on the framework.

Views clearly vary on which strategy ecommerce platforms should develop: some may succeed in building outwards to embrace additional channels, others may be absorbed by the major players to become part of a wall-to-wall enterprise offering. Some may disappear all together if Pascal Podvin’s vision of a future retail IT architecture is accurate. Meanwhile, retailers have plenty of options to choose from with SaaS, integrated best-of-breed tools and Open Source applications all adding to the mix. As Richard Eynon says, “The most important thing is not to become locked into one vendor.” ■



STAND OUT IN A CROWDED MARKETPLACE

ENGAGE YOUR CUSTOMERS IN A CONVERSATION AND THEY'LL BE MORE LIKELY TO BUY. BUT JUST HOW CAN PLATFORMS HELP YOU TO DO THAT?
CHLOE RIGBY FINDS OUT

Today's online marketplace is a noisy place. Traders compete to be heard over the digital din made by competitors as they work to entice shoppers to their pitch. But the most successful do not shout, bombard or confuse. Rather they engage existing and potential customers and, as a result, make their shopping journeys easier.

There's a powerful difference to be made by retailers who show customers goods that interest them, laying before them only the most relevant alternatives.

It's that difference that online strategies aimed at personalisation and relevance can achieve. Show a shopper the item they are looking for and you make it easier for them to complete their errand with a purchase, and more likely that they will return in the future.

"Being able to cut through that noise and serve up relevant information is extremely important to help drive customer loyalty, and encourage the customer to convert," says Gary Lombardo, commerce solutions marketing at Demandware. "When you

visit that site you're only seeing what you're interested in, with suggestions that are really relevant. That's what makes Amazon so powerful."

At the heart of Amazon's appeal, he suggests, is the level of personalisation it achieves. Recommendations based on past purchase history can show shoppers either goods that they as an individual are likely to be interested in, based on their own previous buys. But suggestions based on what others bought after looking at the same items are equally effective.

Ever-more sophisticated software and ecommerce platforms have the tools to help retailers achieve this kind of personalisation and relevance that can encourage customers to keep coming back. But how can retailers best use them?

The first place to start, it seems, is not with the tools but with the retailer's own strategy. "The technology often, and particularly in greenfield sites, is not the hardest part. The hard part, and it's not necessarily hard is to put thought into how you're going to engage customers, and then make the technology do it," says Jim Herbert, director at ecommerce project specialist Sceneric. "That will drive real business gains." Too often, says Herbert, retailers see vendor claims that an ecommerce platform raised conversions by 90 per cent and then expect the software to achieve that for them. "But actually technology out of a box won't do that or seldom will," he says. "You need to put the thought around how you lay pages out, what your user experience is going to be, what your segments are and how you deal with those different segments."

PERSONALISE IT

Many retailers shy away from using the personalisation part of their ecommerce platforms, says Herbert. He thinks that's because the idea of personalising web sites for each individual visitor is daunting. But for him, that's not what it's about. "People think they need very granular-level personalisation but really the whole point is about identifying trends." Thus, Amazon shoppers see 'people who bought this also liked...' or people who viewed this also bought...'

How can traders achieve this? Retailers who use automated recommendation engines tag each of their pages with a piece of code. The engine then learns from millions of real customer journeys over a period of about three weeks and then uses real data to influence customers who are shopping. It might show someone buying a DVD player the useful fact that other customers bought a certain lead to connect it to their TV, or conversely, might suggest an alternative purchase on the grounds that other people who looked at this bought this other, slightly better or cheaper one. "If you put a automated recommendation engine in, vendors will claim a five to 10 per cent increase in conversion rates," says Herbert, "and that can mean real

CASE STUDY: DISTRIBEAUTY

Online retailer Dtribeauty is behind the UK website that has been selling e.l.f. (eyes lips face) cosmetics in the UK since 2007. Over that time its team has grown from three to more than 30 and its turnover has grown to £4.6m. When it recently came to update its ecommerce platform, finding one that could help it personalise its communications with customers was important.

Neil Phillips, co-director at Dtribeauty, said: "We've found that engaging with customers is the best way to market ourselves." YouTube, Facebook and Twitter have all proved good ways for the company

to talk to its customers. It was logical that when the company grew beyond its original homebuilt website, it would decide to look for a platform that offered interactive features, such as enabling sharing, comments and reviews. It opted for Venda, with its cost-per-transaction model. "We have access to new features as and when they become developed," said Phillips. "We were trying to futureproof ourselves as best we possibly can. We see these features and we've got the kind of customer base that's crying out for social media add-ons and ecommerce sharing features."

money in ecommerce – that could be £10,000 or even £1m.

"It's all about getting the average order value up. If I'm buying something and am looking at something that's relevant, then I'm more likely to go and buy it."

An alternative approach is to target people who belong to specific demographics or market segments by showing them pages designed with that group in mind. Existing customers will already be known to the site and can be targeted accordingly. When an unknown customer clicks on certain parts of the site or follows certain page trails, algorithms are triggered that identify the group that they belong to and ensures they see relevant pages.

A final option is to send out emails based on segments in the marketing database. Customers then identify themselves as belonging to one category or another simply by clicking through from the email they received.

CROSSCHANNEL

Meanwhile, tag management systems are also used to collect data about consumers in order to create a 360 degree view of a customer. Again, such systems work by replacing existing tags with a short piece of code for each page of a website. Des Cahill, vice-president, marketing, at Ensignten points to the ability of tag management systems to cross channels, collecting data about individual customers at every point that they touch a brand in order to recognise them and respond to their preferences. That, he says, reflects the consumer trend towards engaging with retailers both through the mobile web and in-store.

"Brands have to be conscious that you don't take a website view of their customers but a customer-centric view," says Cahill. "It's about how customers

interact with my brand, and do I have enough insight and knowledge about how those customers are interacting with us?"

As well as providing a better service, personalisation can ultimately simplify a website, says K3 Retail head of business development Tony Bryant. "I do genuinely believe that we totally overcomplicate the journeys on many of the retailers' websites. We hope personalisation will start to drive out that fundamental dizziness by simplifying the journey. That's possible because you know a bit more about the consumer."

SOCIAL MEDIA

Engagement with customers doesn't only happen on the retailer's site.

Increasingly, shoppers spend much of their online time on social media sites and retailers are now following them there. It's proving a lucrative source of traffic to the site. Interaction through Facebook pages and Twitter feeds can be a valuable way of addressing customers' questions, while such sites are also a valuable source of data for the retailers.

Enabling a social media sign-in, for example, can expose more than the initial customers to a retailer's offers and also draw in data from all of their online friends that helps engage through tools such as birthday suggestions. It's important, says Herbert, to make sure the consistent messages are going out to all through the different social media feeds.

Meanwhile, customers are also engaged by giving and reading reviews and ratings on the products they have bought, and brands and retailers can also improve their products as a result of the feedback that buyers leave. Reevo's Steve Hurn points out, additionally, that the reach of a review increases dramatically when it appears on a Facebook feed.

While many retailers may question the return on investment that a social media strategy can deliver, entertainment retailer Play.com recently worked out that Facebook had driven sales worth £2m on its website in 2011, as a result of engaging with customers through the platform. The pureplay retailer ran research in collaboration with social marketing platform, EngageSciences, on the effect of its social media campaigns. They worked out that its 350,000 Facebook fans gave it a reach of more than 38m people, that customers who had integrated with it through Facebook spent 24% more and that customers who came to it through Facebook spent 30% more in their first year of using the website. While as yet the total credited to Facebook is a relatively small part of Play.com's total revenues, Adam Stewart, marketing director at the company, says it demonstrates the potential of social fans: they spend more than those gained through paid-for sales channels.

"It's not just about increasing sales through our Facebook fans," he says. "We see social channels as being a huge part of engaging and rewarding our fans. Through the EngageSciences platform we can create holistic profiles of our fans. Looking at how they engage with and share our content, we can create online campaigns that are more compelling and better reward our biggest social promoters and advocates."

“ I think one of the fundamental opportunities is around the concept of big data ”

USING AND UNDERSTANDING DATA

All of this activity not only benefits the customer by making sure he or she only sees the products and recommendations that are most useful to them, but it also produces valuable data. And data, says Francois Ajenstat, director of product management at Tableau Software, which specialises in the visual presentation and analysis of data, can give retailers a "unique competitive advantage".

PERSONALISE TO ENGAGE

"Where customers are accessing site on mobile devices they tend to have shorter attention spans, and the more personalised the site can be the better."

Gary Lombardo, commerce solutions marketing, Demandware



SPEAKING FROM EXPERIENCE



COLLECT DATA

"Best in breedetailers are unifying the data from the instore experience with the data from the digital experience and the best way to do that is through digital data collection in real time at the store front, either at the point of sale or on the sales floor with a mobile checkout experience."

Des Cahill, VP, marketing, Ensignten

UNDERSTAND THE DATA

"People have really focused on creating the experience but now the big opportunity is on mining the data to go to the next level."

Francois Ajenstat, director of product management, Tableau Software



STAY CONSISTENT

"You need to make sure you're pushing the same messages through Facebook page, the Twitter feed and other social media. If you're a retailer you need to make sure you have a good brand strategy and are getting the right messages out there."

Jim Herbert, founding director, Sceneric

FOCUS ON PERSONAL

"As we start to move forward we always talk about the next generation, but the next whatever it is will be so personalised and so localised that the engagement piece around that commerce platform will be absolutely essential."

Tony Bryant, head of business development, K3 Retail



So much data is now pouring in to many retailers, from sources including social media, CRM data, behaviour on the website and buying history, that for many, says Ajenstat, it is "intimidating". But using data well can have a powerful effect. "If you can make your site more appealing to your users by understanding what they want or targeting them more effectively, as a result of seeing that data in new ways, you're both improving top line revenue and bottom," he says.

So how can people use data to improve their websites? Ajenstat suggests a targeted approach. "In a practical way I think it comes down to what are the questions you're trying to answer." A brand might want, for example, to

identify their strongest social media advocates. One way to do this would be to look at Twitter data and identify those with the most retweets to target in a campaign. Where are those individuals who are frustrated by the product or service that's being offered? Target those people in order to win over a convert. Target competitors' advocates to win new customers, and so on.

Ultimately, says Ajenstat, big data should not be intimidating but an asset. "I think one of the fundamental opportunities, technology shifts, is around the concept of big data. The more you can store, the more you have opportunities to understand what occurred and what might occur in the future." ■

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hat's become clear over the course of researching this supplement is that the role of the ecommerce platform is changing – and changing fast. No longer can retailers

assume decisions about the ecommerce platform simply involve considering the needs of the website. Rather, retailers have to make judgments about what the company's approach to selling is now, and is likely to be in the future.

Forward-thinking retailers are now putting digital at the heart of operations, whether these extend to stores, to mobile devices and/or a call centre. And that's because not only is the ecommerce platform the home to the website, it is also home to the data that increasingly underpins all aspects of their operations. In a number of the features in this supplement, the underlying imperative is that of big data. How can traders collect it and how can they usefully analyse it in ways that make sense of their business decisions?

It's not enough to have nice photography on the website if customers then phone through to a call centre where staff have inadequate information. It's the right data that holds it all together. Accordingly, companies investing in a new ecommerce platform or updating an existing system, need to think about how it works with other systems. That's not only those the business already has, but those it may want to add in the future.

The exact shape of that future may be uncertain but we'd be very surprised if it didn't involve a move towards true omnichannel retail.

In this context, the data that currently ties together the multiple and different channels that go to make up any single retailer's omnichannel business will become crucially important. It's likely that the ecommerce platform will be one of the key pieces of architecture helping retailers to unite all these different channels. That's because it's the platform that helps retailers get consistent and

up-to-date information to where it's needed in the business, at the moment that it's needed.

When we've previously focused on ecommerce platforms, it's often seemed that retailers have been debating their role in enabling new kinds of commerce, in particular m-commerce. It's a measure of how things have changed that retailers are now considering how ecommerce platforms can help bring together what are still different and even siloed sections of the business. Specifying an ecommerce platform is a complex task, but we hope this supplement has helped make sense of some of the choices on offer.

Each of *Internet Retailing's* series of supplements explores key questions facing retailers today. We welcome your ideas and suggestions for future themes at editor@internetretailing.net.

Chloe Rigby and Jonathan Wright
chloe@internetretailing.net
jonathan@internetretailing.net



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