

PLUS: Pamida Poised for Growth, eCommerce Special Report

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STRATEGIES FOR GROWTH

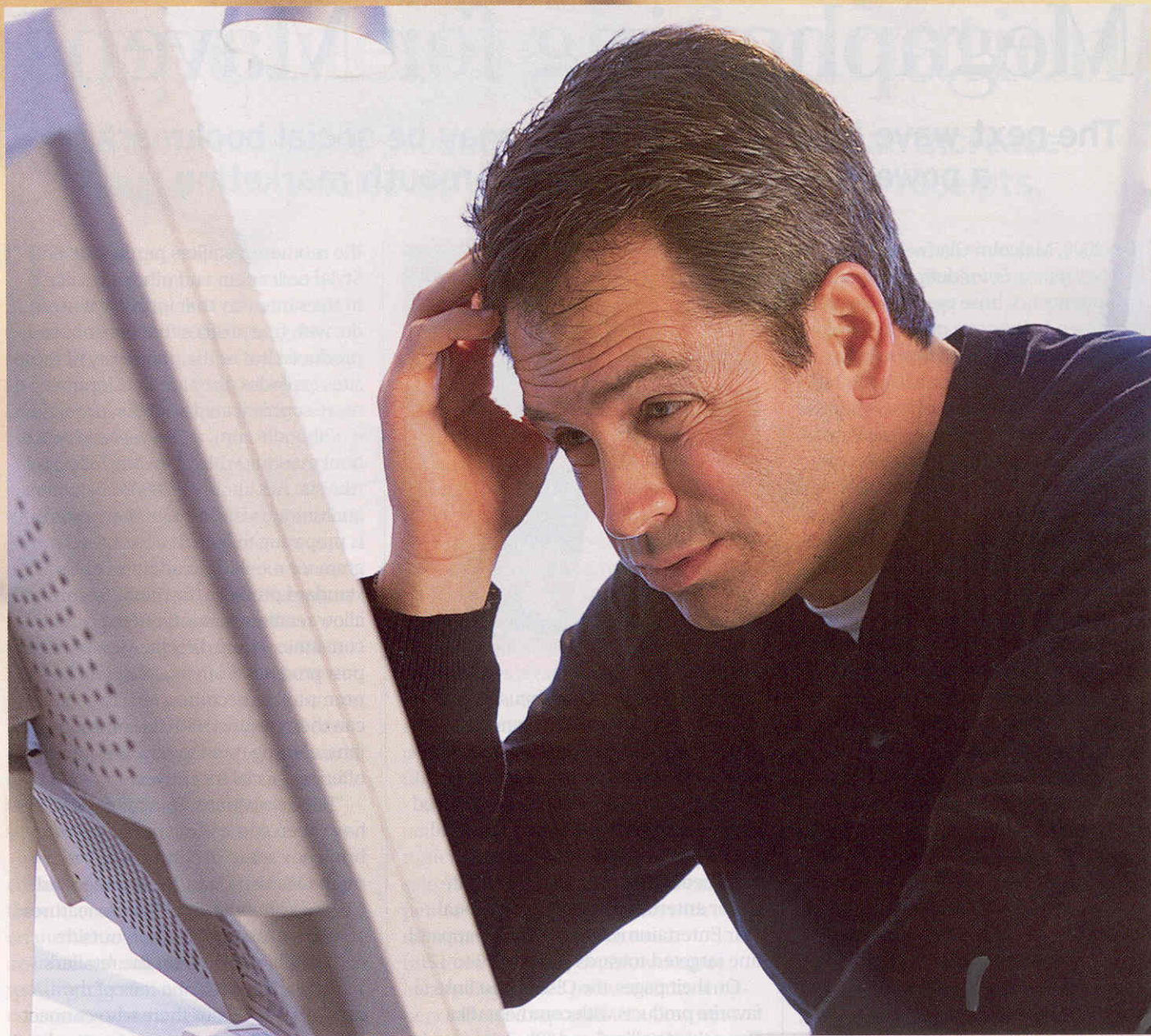
Boots Steps In

Boots Retail USA expands its presence in the U.S. and Canada via CVS, Target and Shoppers Drug Mart.

Houchens Thrives
on Diversity

The Trouble
With Coupons

Taxes, Economy Top
Small Retailers'
Concerns



Getting A Clue

You have problems online that you don't ever hear about. Here's how to find them—and fix them.

When your customer can't make a purchase because they hit a flaw in your Web site, what are the chances you'll find out about it? Nearly nine out of ten consumers polled recently by Harris

Interactive say they have experienced problems completing transactions online—but only a fraction call or email customer service to report that problem.

The same Harris survey found that as many as 40% of customers will com-

pletely abandon a transaction and go to a competitor's site at the first sign of trouble and 85% expect online service levels to equal those offline. Consumers are no longer willing to accept less than perfect online service. These

figures prove that transaction failures can not only lose your company millions of dollars in sales, but also erode customer loyalty.

Despite the maturation of Web technologies and the increasing popularity of the Internet as a business channel, transaction problems continue to plague sites and cut away from the bottom line—often without businesses even realizing what is happening. By contrast, these are problems that would be shocking in the offline world. As David Norris, a senior analyst at Bloor Research recently explained, “When was the last time you went into a store, loaded your shopping cart and then found that you could not find a way to pay and, worse still, could then find no one to help you?”

This would never be acceptable. And simply crossing your fingers that any issues hidden away on your site will remain isolated is no longer an option. Losing a single customer's sale, or even a small minority of customers', is one thing. But the rise of review sites, blogs, message boards and online forums give customers new-found power to globally broadcast any site problems, affecting immeasurable others. This type of viral, user-generated feedback can hugely damage any business' reputation, making it more important than ever to ensure that every customer succeeds, every time.

How can businesses proactively address online failures flying under their radar? Customer Experience Management solutions enable businesses to identify exactly what each customer experience is, from start to finish, and view each and every step to success or failure. Plus, they allow business decision makers to draw overall conclusions for each customer's experience to accurately gauge the impact to the bottom line.

In Internet time, it's taken the equivalent of a millennium to get here. Initially, eCommerce sites were in a fight for their lives just to remain available 24/7. But by the late '90s, businesses also wanted Web analytics solutions—to understand where their visitors came from, where they were clicking, what they looked at

and how various marketing programs performed. Shortly thereafter, performance monitoring solutions gave businesses insight into how long it took to serve pages to site visitors, and how long a wait those visitors would put up with. Finally, Customer Experience Management gives e-businesses the means to relive each customer's experience in real time with the insight to answer the question “Why?”

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By proactively identifying, quantifying and resolving problems, online businesses can improve on historically low sales conversion rates. Typical companies using Customer Experience Management solutions see conversion rate increases of between one and three percent, which could translate to millions of dollars in sales. This is pure incremental conversion—converting the people who already have shown clear intent to transact with you, revenues that go directly to your top line.

How does such a system work? First, the solution must capture every customer, every transaction, every time. If a site completes 1,000 transactions each hour, the only possible way to see those one or two that may go wrong is to inspect all of them. This includes monitoring both business processes (i.e. the steps a customer goes through to complete a transaction), as well as the technical infrastructure that make that transaction possible or might send it off course.

Second, as you capture this rich data stream, you need the ability to make sense of it all. Management interfaces and relevant analytics can create proactive, actionable responses, enhanced transaction success, and ultimately

increased conversion, reduced costs and happier, more loyal customers.

Finally, this rich data set is a powerful asset that can be utilized across the entire enterprise. From customer service representatives, IT support and development teams, to senior management, all aspects of the business must be able to view and understand at a granular level what happens to a customer online, with a common “view.” For example, customer service representatives can use the information to help solve transaction problems. Rather than requesting that those customers who do actually call in to retrace their steps, the representative can search for that customer's site visit and replay exactly what happened, identifying and resolving issues quickly on the first attempt. Meanwhile, if the problem was caused by a technical meltdown, IT teams can simultaneously examine the same information to make necessary corrections, before the problem impacts additional customers, immediately enabling improved conversion rates.

Management teams can in turn transform that rich customer interaction data to actionable, impactful business decisions. They can determine not just when, but why customers are abandoning or completing transactions, or why a site is stuck at a 2.5% conversion rate. Getting to the heart of transaction issues, taking action to enhance the customer experience, and simply discovering when and why problems arise, has allowed some businesses to improve conversion rates by as much as 3%. Over the course of a year, that relatively small increase can result in millions of dollars in additional revenue. To put that into context, 2% of a year is 1 week—and who wouldn't like to find a “53rd week” of revenues every year you never even knew you had?



▶▶ Geoff Galat is vice president, marketing and product strategy for San Francisco-based Tealeaf, a provider of online customer experience management solutions. For more information, visit www.tealeaf.com.