Retail eCommerce:

OPTIMIZING THE CUSTOMER JOURNEY DURING THE SHOPPING SEASON AND THROUGHOUT THE YEAR

Understanding how to streamline the customer journey and avoid lost revenue

UserReplay®

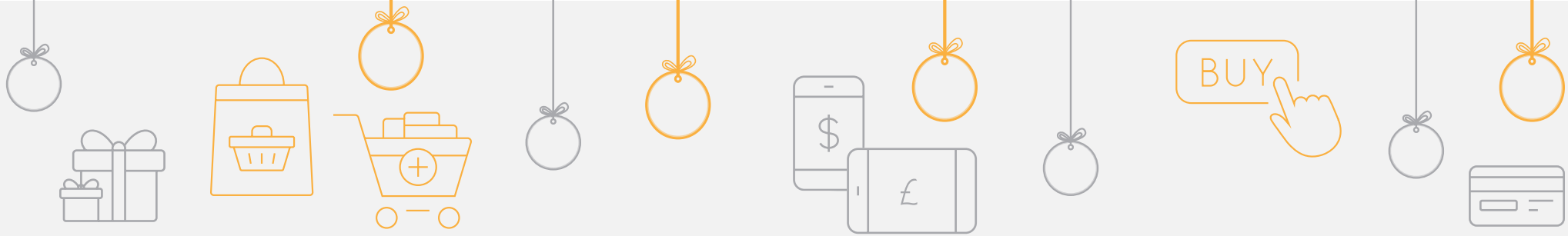# YEAR-ROUND CHALLENGES FOR RETAIL
IN AN EVER-CHANGING LANDSCAPE

DISCOVER STELLER CUSTOMER EXPERIENCE

Retailers love the holiday season and the increased revenue that comes along with it. However, the challenges that eCommerce companies face year-round can't be ignored.
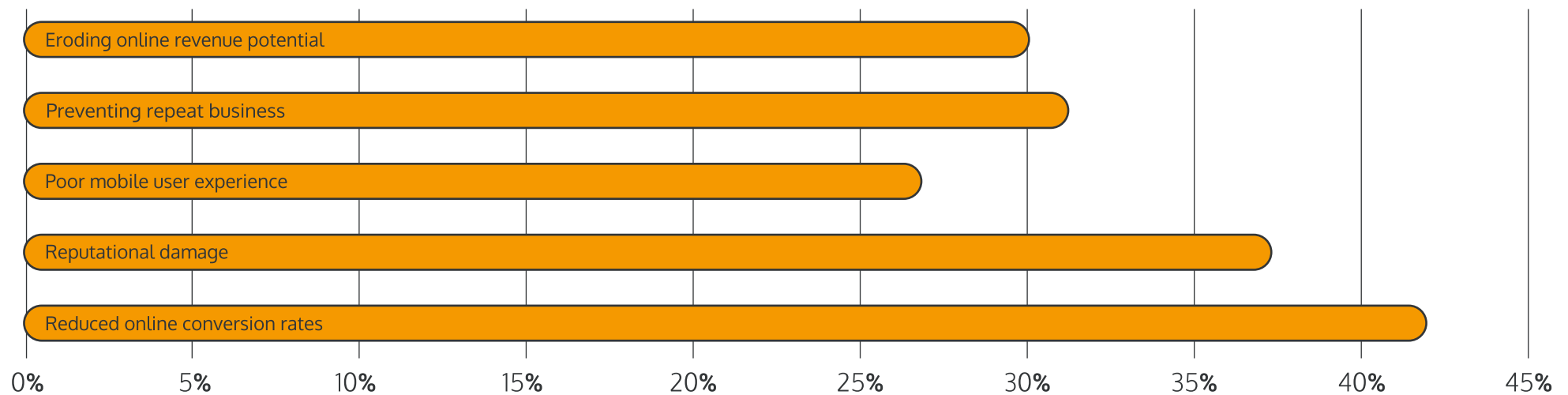
With retailers increasingly shifting their focus to eCommerce in order to compete with the likes of digital natives such as Amazon, it may come as a surprise that the vast majority of retail sales still come from brick-and-mortar stores.

Moving forward, successful retailers will be those that understand how to adapt to the fact that customers can interact with brands through their choice of channels – both in store and digitally at home.

Delivering a stellar customer experience (CX) is critical in the world of eCommerce. The problem is that as retailers embrace digital transformation, they run into a multitude of CX challenges that can interrupt the customer relationship and, ultimately, lead to revenue being left on the table from customers that have already been brought to the site.

Impact of sub-optimal customer experience

Category	Value
Eroding online revenue potential	~30%
Preventing repeat business	~31%
Poor mobile user experience	~27%
Reputational damage	~37%
Reduced online conversion rates	~42%

0% 5% 10% 15% 20% 25% 30% 35% 40% 45%

These are eCommerce issues that retailers have to deal with on a 24/7/365 basis. However, starting every fall, the pressure starts to weigh down on retailers as the holiday season looms. The busy shopping season amplifies the CX challenges that eCommerce retailers face year-round.

A PERIOD OF THANKSGIVING OR A TIME OF STRESS FOR ECOMMERCE RETAILERS?

In 2015, eCommerce sales over the big holiday shopping weekend overtook brick-and-mortar sales for the first time. This trend endured over the 2016 holiday period and is set to continue in 2017.

According to Adobe, the 2016 Cyber Monday event set an all-time record with online sales of $3.45 billion, representing an increase of 12.1% YOY.

2016's Black Friday was also a record breaker, exceeding $3 billion in online sales for the first time. This was also the first day to drive over $1 billion in mobile revenue.

The average retailer can expect to bring in 20% to 40% of their annual revenue between late November and December. With eCommerce sales set to increase nearly 16% over the 2017 holiday season, it would seem as if retailers should have nothing but excitement for this time of year.

However, the problems that retailers experience on a small scale throughout the year become big issues that can erode the opportunities of the holiday shopping season.
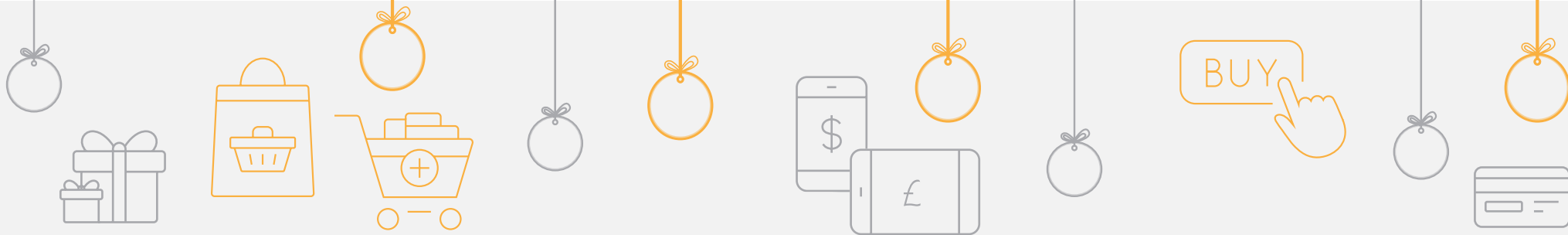
The average eCommerce site sees between 100% and 200% traffic spikes over the big holiday shopping weekend.

During the hectic shopping season, 75% of mobile users admit to abandoning a slow, buggy or crashing website in favor of a competitor.

It only takes 3 seconds for half of eCommerce customers to abandon a website.

In the case of downtime due to overloaded web servers, eCommerce companies can lose 8% of sales per hour.

The first step to preparing for a holiday eCommerce rush is to pinpoint the real CX struggles that are keeping people from completing purchases, going beyond simply recognizing there is increased web traffic.

5 ECOMMERCE ISSUES THAT CAN RUIN A RETAILER'S HOLIDAY

Cart abandonment is an issue for eCommerce retailers all year, but holiday shoppers are particularly impatient when it comes to CX issues. In fact, 85% of holiday eCommerce shoppers have abandoned a cart at least once– and that's not to mention the customers who never even get that far before struggling with the CX.

The following 5 common eCommerce issues are enough to ruin any shopping season:

5 ECOMMERCE ISSUES THAT CAN RUIN A RETAILER'S HOLIDAY

1

FORM FIELD ERRORS ARE A TURN-OFF FOR CUSTOMERS

Many eCommerce retailers don't put as much thought into their form fields as they should. For example, a properly-designed form field can result in 56% more conversions and nearly 36% greater completion rates for busy shopping season customers.

However, design isn't the only factor that comes into play when it comes to leaving money on the table due to form field errors.

Whether through validation rules that do not accept required characters, mandatory fields that aren't applicable to certain customers, or the form not being supported on a user's mobile device, online forms can cause endless customer frustrations. These issues can often be fixed quickly, but identifying them amidst the holiday rush can be difficult.

5 ECOMMERCE ISSUES THAT CAN RUIN A RETAILER'S HOLIDAY

2

ECOMMERCE SEARCH FUNCTIONS CAN CAUSE MORE FRUSTRATION THAN A BLACK FRIDAY CROWD

Google has set a high standard for consumer search expectations. Even when customers have left Google and are on an eCommerce website, they expect the same level of functionality when searching. The problem is that many retailers haven't optimized their search functions:

42%
of eCommerce websites don't facilitate product browsing

34%
of eCommerce websites don't allow customers to search by product themes

38%
of eCommerce websites have over-complicated search hierarchies

Retailers are under pressure to ensure products can be easily found and they need to make sure that customers receive relevant results on terms they expect to be able to use– or risk losing revenue to competitors as impatient shoppers search elsewhere.

5 ECOMMERCE ISSUES THAT CAN RUIN A RETAILER'S HOLIDAY

3

WEBSITE INCONSISTENCIES LEAVE CUSTOMERS CONFUSED AND UNHAPPY

Many retailers operate as a marketplace, offering products from multiple suppliers. Customers don't know (or care) that the contents of their baskets may come from different suppliers—they expect a consistent experience.

Unfortunately, many retailers are struggling to get e-commerce goods to customers with shipping options consistently a problem; especially under the heavier demands of the holiday season.

Customers expect the same options for delivery, as well as the ability to use any promotional codes they may have, for their entire transaction. Even a slight misstep in consistency can lead to lost revenue.

5 ECOMMERCE ISSUES THAT CAN RUIN A RETAILER'S HOLIDAY

4

SOME RETAILERS DON'T SPREAD THE HOLIDAY JOY TO ALL PAYMENT METHODS

Online payment has become increasingly complex with multiple tender options and payment gateways to contend with. While eCommerce has broken down many global barriers, when it comes to payments, there are still some very specific culture preferences.

There are more than 300 different types of payment methods in the world of eCommerce. Multiple payment tenders and gateways, coupled with device compatibility, create a complex environment in which retailers must close deals with customers.

Technical issues in this environment can be a big challenge – if there is an undiscovered payment issue, customers will not be able to convert. Additionally, some retailers don't support multi-tender payments (that is, paying via two types of cards or with a gift card and another form of payment). Without deep insight into customer challenges, it can be impossible to know if a customer has abandoned because they were unable to use their payment option of choice.

5 ECOMMERCE ISSUES THAT CAN RUIN A RETAILER'S HOLIDAY

5

DON'T LET THIS BE THE YEAR OF ONLINE FRAUD

Online fraud may not be directly related to CX, but it certainly has an impact on holiday eCommerce success. Hackers are often motivated by financial gain, so it should come as no surprise that online fraud can jump by as much as 43% over the big shopping season

Ever since the big Target hack in 2014, eCommerce retailers have been on high alert to protect their sites against hackers looking to hide within the spiked traffic during the holiday season. Suffering a cyber attack on Black Friday or Cyber Monday can have multiple effects on a retailer.

In the case of a DDoS attack, eCommerce companies stand to lose revenue as customers can't access the website. Whether the site is down for a half hour or multiple hours, the reality is that eCommerce companies lose immediate revenue on top of long-term damage to their reputation.

5 ECOMMERCE ISSUES THAT CAN RUIN A RETAILER'S HOLIDAY

5

Another option for hackers is to steal customer personally identifiable information (PII) and sell it for monetary gain. While this may not result in direct revenue loss, the long-term effects on the company's reputation (in addition to the money necessary to respond to a cyber attack) can nullify any profit from the holiday season.

eCommerce retailers can't leave their customers out in the cold this holiday season – websites must be prepared for increased hacking attempts.

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CHALLENGES TO OVERCOME IN THE OFF SEASON OF HOLIDAY SHOPPING

The CX issues detailed to this point are focused on what happens during the busy shopping periods when traffic is at an all-time high.

However, eCommerce companies don't succeed by paying attention to CX during just a few months out of the year – there are multiple challenges that retailers can identify and resolve leading up to the holiday season.

RE-PLATFORMING IS CERTAINLY NOT SOMETHING THAT SHOULD OCCUR DURING A PEAK SHOPPING SEASON.

With a great number of retailers looking to upgrade legacy systems, many are moving to new or upgraded platforms; for example, some have transferred services to the cloud to improve their agility. Managing the customer experience during this process is critical, as website outages can damage retailer reputations.

At best, a transition to a new platform or infrastructure can cause momentary lapses in service. At worst, it can cause significant outages and degradation in customer experience. There have been multiple cases of retailers being embarrassed as their customers suffer during these changes.

UNDERSTANDING CONTEXT AROUND
VOICE OF CUSTOMER

Voice of customer (VoC) technology is often implemented by retailers to try and gain an understanding of customer experience. These solutions include customer survey and feedback solutions.

Unfortunately, the feedback or survey responses provided by customers do not always provide the context required to make actionable decisions. Often, responses are anonymous and there is little detailed understanding of the problems customers experienced.

SUCCESS OR FAILURE OF MULTI-VARIANT (MVT) OR A/B TESTS

Many retailers are running MVT or A/B tests but actually have very little insight into why particular tests succeed or fail. By better understanding the customer experience for particular tests, retailers would get a much better idea of why customers may not be converting.

These tests are often run at the top of the funnel. If conversion obstacles have not been resolved further down the funnel, investment in MVT or A/B testing can be wasted as customers continue to abandon their transactions.

HOW THE RIGHT CX TOOL CAN PUT A SMILE ON RETAILERS' FACE

BY LEVERAGING THE FULL POWER OF BIG DATA, RETAILERS COULD INCREASE THEIR OPERATING MARGINS BY UP TO 60%

The rise of eCommerce has created a data-rich retail environment. Using the abundance of eCommerce traffic and behavioral data to gain insight into the customer journey is invaluable. By leveraging the full power of big data, retailers could increase their operating margins by up to 60%, according to McKinsey research.

With big data and a complete view of the customer journey, retailers can overcome the CX challenges that result in lost revenue both year-round and during the shopping season rushes. Retailers have already earned the right to the revenue being lost by CX issues–it's just a matter of capturing the opportunities. Collecting the revenue that is being left on the table during the holiday season (and all year) requires a three-fold approach to customer experience analytics:

A THREE-FOLD APPROACH TO
CUSTOMER EXPERIENCE ANALYTICS

1 Discover the pipeline of undisclosed opportunities in the customer journey data. The issues discussed in this e-book are not unique to any specific retailer. However, eCommerce companies must leverage big data to determine which are applicable to their websites and do so in real time.

2 Monetize these revenue opportunities by qualifying and quantifying those that have been discovered. By counting each customer that would have converted had it not been for a CX issue, retailers can prioritize an action list for resolving customer pain points.

3 Optimize opportunities by identifying specific instances of struggle for the technology team to resolve. Examples of request and response data and high-fidelity replay are necessary for unlocking the revenue that retailers have earned during the holidays.

This is the three-fold approach that the UserReplay customer experience analytics solution takes to unlock earned revenue both during the holidays and throughout the year.

If you want to learn more about how the UserReplay customer experience analytics solution can help you uncover lost revenue this busy holiday shopping season and beyond, contact us today for a free demo.