

# E-retailers are ready for redesigns in 2010

BY ZAK STAMBOR

In spite of the recession, more than three in five web retailers redesigned all or part of their web sites in 2009. And with an economic recovery under way, web retailers are planning to embark on further improving their sites to

in 2009 because of the economy, 66.5% say they plan to embark on a redesign in 2010.

Those results reflect a pent-up demand for redesign projects caused by the recession, some web site redesign experts say.

want to generate higher sales conversion rates, and 48% say they want to attract new visitors and shoppers.

The easiest way to achieve those goals, says Nawara, is improving the site's "shopability." "It's important to increase the ease of doing business,"

## The reasons why

Why are you redesigning your web site? (Check all that apply)

	All	Chain	Catalog	Web	Manufacturer
Attract new visitors and shoppers	48.0%	43.8%	38.3%	47.8%	65.4%
Boost sales	50.5%	54.7%	43.3%	47.8%	63.5%
Generate higher sales conversion	50.0%	50.0%	46.7%	48.7%	57.7%
Improve customer service	35.4%	35.9%	31.7%	33.8%	42.3%
Generate multichannel sales	16.8%	23.4%	15.0%	13.2%	25.0%
Increase ticket size	22.0%	18.8%	23.3%	21.9%	19.2%
Other	11.0%	7.8%	8.3%	11.4%	13.5%

make them faster, quicker and easier for customers to shop. Retailers are focused on such improvements as search engine optimization, site organization and navigation, as well as planning to add a few advanced bells and whistles like video streaming and community features.

These are some of the conclusions of a recent *Internet Retailer* survey of 404 web-only retailers, chain retailers, catalogers and consumer brand manufacturers.

The survey finds that while 22.3% of survey respondents say they deferred a web site redesign

"We went through a nuclear winter where no one knew how bad things would get," says Tom Nawara, managing director of digital strategy and design at e-commerce and m-commerce consulting firm Acquity Group LLC. "As the economy opens up a bit, retailers can begin to look at the goals they put on hold or that they barely eked away at."

### Improving 'shopability'

Those goals mainly revolve around increasing sales. 50.5% of the respondents say they plan to redesign to boost sales, 50% say they

he says. "Shopability can mean anything from how the site is laid out to changing or developing its content to introducing structural elements like one-page checkout."

According to the *Internet Retailer* survey of IRNewsLink e-newsletter readers conducted this fall with e-mail marketing and survey firm Vovici Corp., 43.7% of respondents say their top priorities include better organized and updated home, category and product pages; 40.2% say better search engine optimization; 31.7% clearer navigation; 30% speedier and more intuitive site

# Web site design strategies and tactics

What is your primary business?	
Chain retailer	15.8%
Catalog	14.9%
Web-only merchant	56.4%
Consumer brand manufacturer	12.9%

How many web designers and programmers do you employ?	
1 to 2	69.7%
3 to 4	12.8%
5 to 6	7.4%
7 to 8	1.5%
9 to 10	1.5%
More than 10	7.1%

When did you last redesign your web site?	
Past 3 months	33.8%
3 months to 6 months	12.7%
6 months to 1 year	18.1%
1 year to 2 years	19.1%
More than 2 years	16.1%

Did you defer a web redesign project in 2009 because of the economy?	
Yes	22.3%
No	77.7%

Do you plan a web site redesign in 2010?	
Yes	66.5%
No	33.5%

Why are you redesigning your web site? (Check all that apply)	
Attract new visitors and shoppers	48.0%
Boost sales	50.5%
Generate higher sales conversion	50.0%
Improve customer service	35.4%
Generate multichannel sales	16.8%
Increase ticket size	22.0%
Other	11.0%

Who will conduct your web site redesign?	
Internal staff	45.9%
Current outside design firm	9.5%
Internal staff and current outside design firm	19.0%
New outside design firm	7.7%
Internal staff and new outside design firm	17.9%

What are the biggest drawbacks of your current design? (Check all that apply)	
Limited personalization	31.2%
Outdated design and graphics on home, category and product pages	34.4%
No interactive applications	28.3%
No or limited advanced features or functions	27.3%
Inability to upsell and cross-sell products	21.5%
Inability to make design changes quickly	23.2%
Poor navigation	16.6%
Slow or limited site search	20.5%
Slow performance	8.3%
Lack of blogs, forums and other social features	30.0%
Other	8.8%

What are your top web site design priorities? (Check all that apply)	
Better search engine optimization	40.2%
Better organized and updated home, category and product pages	43.7%
Clearer navigation	31.7%
Speedier and more intuitive site search	30.0%
Faster checkout	28.3%
Bigger and clearer images	25.6%
More community features	27.8%
Other	9.8%

What advanced features and functions will you add in your new redesign? (Check all that apply)	
Video or streaming media	33.2%
Personalized product recommendations	25.9%
Customer reviews and ratings	32.9%
Product configuration	20.5%
Alternative payments	17.6%
Blogs or forums	27.3%
Advanced search	24.1%
Gift registry or wish list	20.5%
Order status	19.3%
In-stock availability	17.8%
Community	19.0%
Other	9.3%

On which of the following elements can a shopper refine a product search on your web site? (Check all that apply)	
Category/product type	47.1%
Keyword	38.0%
Brand	30.5%
Item number	25.1%
Price range	26.6%
Best sellers	15.9%
Size	15.9%
Color	17.8%
Recommended items	11.5%
Reviews/ratings	9.0%
Refine results	9.8%
Gender	5.6%
Suggestions	5.9%

Which new customer service features will you launch? (Check all that apply)	
View/update profile	20.5%
Express checkout	20.7%
Live chat	14.6%
Shipment tracking	21.2%
Sales tax/shipping calculator	10.7%
Click-to-call	8.8%
Buy online/pick up in-store	6.8%
Stored shipping/billing/shopping information	12.7%
Self-registration	11.7%
Real-time product availability	13.9%
Forget login ID	10.7%
Forget password	11.7%
Shipment tracking	14.4%
None	12.4%

**'As the economy opens up a bit, retailers can begin to look at the goals they put on hold.'**

**Do you have an online community?**

Yes	26.0%
No	74.0%

**When do you plan to launch an online community?**

Six months	21.1%
Six months to 1 year	22.4%
1 year to 2 years	8.2%
No plans	48.3%

**What functions does your online community offer? (Check all that apply)**

User profiles	12.4%
Linking with friends	8.3%
Messaging with friends	7.3%
Product library	5.6%
Wish list	6.8%
Discussion boards	11.5%
Retailer blogs	8.8%
Customer blogs	6.6%
Picture uploading	9.5%
Video uploading	4.9%
Other	3.4%

**Do you test your web site?**

Yes	75.4%
No	24.6%

**What test methods do you employ? (Check all that apply)**

A/B	36.1%
Multivariate	18.5%
Focus groups	17.8%
One-on-one	42.2%

**Does your web site use rich media?**

Yes	40.1%
No	59.9%

**Which rich media applications does your web site include? (Check all that apply)**

Dynamic images	26.6%
Color swatches	13.4%
Interactive catalog	11.5%
Tools for personalizing and monogramming merchandise	6.1%
360-degree spin	5.6%
Mouseover windows	17.3%
Mouseover zoom	12.9%
Other	9.0%

**Does your web site use video?**

Yes	41.6%
No	58.4%

**How much larger is the average ticket for shoppers who view videos versus those that use standard rich media?**

No difference	56.9%
1% to 5% larger	22.2%
5.1% to 10% larger	12.5%
10.1% to 15% larger	4.2%
More than 15% larger	4.2%

**Do you have a mobile commerce web site?**

Yes	10.0%
No	90.0%

**When do you plan to design a mobile commerce site?**

Six months	6.6%
Six months to 1 year	15.3%
1 year to 2 years	14.2%
Two years	5.5%
No plans	58.4%

**Is the design of your mobile commerce site significantly different from that of your e-commerce site?**

Yes	38.5%
No	61.5%

**What is the annual sales range of your online retail business?**

\$1 million or less	50.6%
\$1.1 million to \$5 million	22.8%
\$5.1 million to \$10 million	8.1%
\$10.1 million to \$25 million	4.8%
\$25.1 million to \$50 million	5.8%
More than \$50 million	7.9%

**'There's no one-size-fits-all solution.'**

search; 28.3% faster checkout; 27.8% more community features; and 25.6% bigger and clearer images.

"Those priorities are driven by return on investment," says Chris Hauca, vice president of Acquity Group. Beyond the nuts and bolts elements of a redesign, retailers are also looking to add advanced features and functions, many of which may have been part of their plans for the last year, but got pushed aside for more pressing needs, says Hauca.

The survey found 33.2% of respondents say they plan to add video or streaming media; 32.9% customer reviews and ratings; 27.3% blogs or forums; 25.9% personalized product recommendations; 24.1% advanced search; and 19% a community element.

### Sense of community

"Social media is obviously a huge thing that increases the stickability around a site," says Nawara. "A number of retailers, particularly in fashion, face the challenge of how to keep their user content current when their products change over time."

For instance, reviews written about fall sweaters will no longer be on the site once the spring line arrives. "Creating a community can help fix these challenges by creating a different area for engagement. It can even augment some of the content previously delegated to catalogs and merchandise in the context of the wider site," Nawara says.

With 26% of respondents noting they already have communities and 43.5% saying they plan to add a community within the next year, more retailers are convinced these online forums represent a previously unseen opportunity to engage consumers, says Hauca.

"There's a realization that there is an opportunity there, particularly for

## Design priorities

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Faster checkout	28.3%	31.3%	30.0%	25.9%	28.8%
Bigger and clearer images	25.6%	31.3%	28.3%	22.4%	28.8%
More community features	27.8%	28.1%	18.3%	26.8%	38.5%
Other	9.8%	3.1%	5.0%	12.3%	11.5%

retailers at bigger volumes," he says. "If creating a community can move your conversion rate a hundredth of a point, that's probably enough."

However, among the retailers that say they offer an online community, there is little consensus about what community features to offer. The survey found that 12.4% offer profiles of community members; 11.5% discussion boards; 9.5% picture uploading; 8.8% retailer blogs; 8.3% linking with friends; 7.3% messaging with friends; 6.8% wish lists; 6.6% customer blogs; and 4.9% video uploading.

"There's no one-size-fits-all solution," says Nawara. "Retailers need to identify the features that best fit their customer base."

For many merchants, the rapidly emerging arena of mobile commerce represents another key redesign focus. 21.9% say they plan to add a mobile commerce web site within the next year. Meanwhile, 10% of respondents say they already have an m-commerce web site and 38.5% of those say their mobile site is significantly different from their e-commerce site.

In some cases, retailers' growing penchant for developing mobile sites or apps—small e-commerce programs designed for particular smartphones like the iPhone or

Blackberry—represent a departure from their focus on return on investment, or ROI, for design projects, says Craig Smith, founder and managing director of Trinity Insight LLC, an e-commerce consulting and services firm that specializes in site design, testing and analysis.

"Almost every executive I talk to wants an iPhone app and wants to know how to optimize for iPhones," he says. "But I think an investment in an iPhone app has to make sense, which it will for some retailers, but not for all."

One reason for Smith's skepticism is that he doesn't believe many consumers will pay with a credit card using a mobile phone. But he believes there are ways of working around that problem. For instance, Amazon.com Inc.'s app allows a user to log in to his existing account, which is already linked to his payment information. Another solution, he says, is for retailers to promote apps primarily as research tools that will lead to purchases later—either online or in a store.

### Redesign staffing

Most Internet retailers' own personnel are heavily involved in site redesigns. The survey finds that of the retailers planning

redesigns in 2010, 45.8% will have their internal staff handle the entire overhaul. Another 36.9% will have their own staffers work with either their current, or a new, outside agency.

Either retailers are appropriately staffed to do a redesign in-house, or they're relying on their own employees because bringing in an outside agency is too expensive, says Nawara. For the retailers that have their personnel working with an agency, he says, the outside perspective can help provide a new look and feel for the site.

Regardless of who works on the redesign, the focus is the same, says Nawara.

"The things that retailers are working on are the basic blocking and tackling types of issues," he says. "They want to focus on things that impact ROI—navigation issues, making search more efficient and hopefully increasing conversion rates through that. Even the more esoteric improvements, like the social and mobile commerce aspects, while they may not be provable through ROI, retailers see additional money opportunities there. That's the key, developing the opportunities." ●

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