

Focusing more on engaging customers online

Retailers are moving toward engaging consumers through social marketing, though new-age techniques like blogs and social networks still take a back seat to search and e-mail marketing, according to a study from Forrester Research Inc., "Top US eCommerce and Online Retail Predictions for 2008." At the same time, when they set their priorities for 2008, most retailers focused on improving how they engage consumers online by upgrading the usability, usefulness and enjoyableness of the online experience, according to a second Forrester report, "Customer Experience Spending Intensifies in 2008." Companies are looking beyond the traditional web browsing experience and concentrating on rich Internet applications, cross-channel interactions and mobile commerce. As a result, most companies plan to boost spending this year on tools that can improve the online customer experience, including web analytics and customer satisfaction surveys, Forrester says.

Spending on customer experience

	Less	Somewhat more	Significantly more	Don't know
Web analytics	1%	48%	20%	31%
Customer satisfaction surveys	2%	41%	14%	43%
Usability labs	5%	42%	11%	42%
Customer behavioral research	5%	40%	11%	44%
Design personas	8%	33%	15%	44%
Design agency services	13%	32%	12%	43%
Focus groups	6%	31%	8%	55%
Expert evaluations	6%	29%	8%	57%

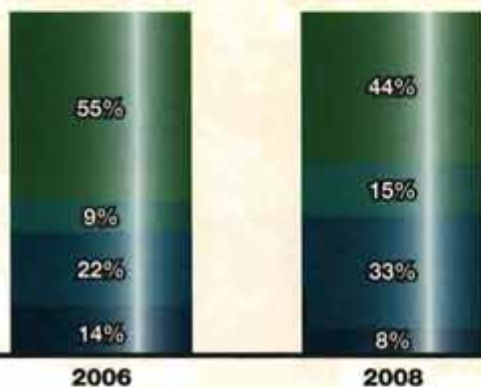
Plans most crucial to customer experience

	Less important	Somewhat more important	Much more important	Don't know
Improving usability	1%	34%	50%	15%
Adding functionality	2%	37%	46%	15%
Better interactions	1%	34%	46%	19%
Better cross-channel interactions	2%	38%	40%	20%
Rich Internet applications	4%	41%	25%	30%
Mobile web applications	10%	38%	25%	27%

Site personalization

(spending on design personas)

Less Somewhat more
Significantly more Don't know



Moving toward social marketing

	Average spend by retailers	Cost per order	Percent emphasizing in 2008
Social web marketing			
Blogs, message boards	\$11,344	\$4	37%
Social networks	\$575	NA	34%
RSS	\$83,833	NA	24%
Virtual worlds	\$6,000	\$0.71	9%
Traditional marketing			
Pay for performance search placement	\$1,422,518	\$26.75	58%
E-mail to house list	\$311,196	\$6.53	77%

Source: Forrester Research Inc.
www.internetretailer.com