



# **APPLIED E-COMMERCE**

Transcript

# Applied E-commerce

LESSON 1: FEATURES AND CONCEPTS OF E-COMMERCE PAGES.....	4
E-Commerce Pages .....	5
Home Page .....	7
Category Pages.....	8
Search Tool.....	10
Product Pages.....	11
Shopping Cart .....	12
Checkout Styles .....	13
LESSON 2: GENERATING CUSTOMER INTEREST USING CHANNELS AND FORMATS .....	15
Organic Search.....	16
Paid Search.....	19
Content .....	19
Re-marketing.....	20
Shopping Comparison Engine.....	21
Pricing Strategy .....	22
Affiliate Marketing.....	24
Social Media .....	24
Video .....	27
Email .....	27
PR.....	31
LESSON 3: CREATING E-COMMERCE CONVERSION OPPORTUNITIES .....	33
Sales Tactics.....	34
The Purchase Funnel.....	37
Omni-Channel Retailing .....	39
CRM .....	40

The Repeat Purchase .....	43
Channel Selling .....	44
Marketplaces .....	45
M-Commerce Channels .....	46
App Store.....	47
Bricks and Clicks.....	47
Selling Virtual Goods.....	48
LESSON4: ANALYZING USER BEHAVIOR ON AN E-COMMERCE PLATFORM .....	50
Platforms .....	51
E-Commerce Metrics .....	51
Heat Mapping .....	53

# **LESSON 1: FEATURES AND CONCEPTS OF E- COMMERCE PAGES**

## E-Commerce Pages

So, first and foremost, let's have an overview of what e-commerce is really trying to achieve. So, it's about generating relevant traffic, it's about driving that traffic to the right landing pages, it's about re-marketing to customers that leave, and it's about converting as many of these customers as possible all the way through the purchase funnel to buying product. So, again, let's look at that and let's think about that big funnel that we spoke about in Module 1 that starts at the broadest point that's trying to put as many relevant people into that funnel as possible and funnels all the way down to the bottom of getting people to buy. So, in the Royal & Awesome business, we think about three different groups of people as relevant traffic. First of all, you've got the people that are aware of our brand and are interested in buying our product. So, we do lots of marketing efforts to increase that number of people, increase awareness of our brand, and make them want to buy our product. And we'll speak about some of those later on in today's lecture.

The second group of people are people that are aware of the type of product we sell, but not aware of our brand. So, these would be people that are searching online for things like bright golf pants, tartan golf hats, funky golf trousers, that sort of thing. And then the third group of people are people that are aware of our competition. So, they might be searching for other brands that offer a similar product that we do. And so, again, we want to make sure that we show up against or we show up when those people are searching for what they're looking for, and show up in a way that triggers people into coming to our site and having a look around. So, secondly, we want to make sure that those people, when they come to our site, come to the most appropriate page. So, in a lot of instances, that most appropriate page is the homepage because it's the best introduction to what our site is all about and what we offer. However, it might not always be the most relevant page. So, for example, if someone is searching for 'bright golf hat', we know that they're already in the market for a hat, rather than a general piece of apparel, so it makes more sense for us to bring them in on a page that just shows our range of hats and that lists the features and benefits of those products because that takes them one stage closer to the end goal of getting to buy our product. Whereas, if we brought them in on the homepage, they would have to navigate through that homepage, find the hats category, and go from there. So, it's just one additional step that makes it slightly more likely that they would have dropped out of the purchase process.

As we know and as we understand, people will drop out, a percentage of people will drop out at each stage of that purchase funnel. And so point three here, the re-marketing, is about how we best capture information about people while they're on our site so that we can market to them again after they've left to make it more likely that they come to buy from us in the future. And in today's presentation, we'll speak quite a bit about some of those tactics. And finally, as I've mentioned, we want to be limiting the number of people that leave our site so that the maximum number of people go all the way through from entering the site, right down to buying. And there's lots of different things that we can speak about, about how we optimize our overall site to make that conversion rate so the percentage of people that come to our site who go on to buy as large as possible.

Now let's look at the different pages that you would have in a traditional website. I think it's useful to make an analogy here between an e-commerce site and a typical high-street shop, and we can see how the kind of rules of the different places and stages on the website and in the shop compare to each other. So, your homepage on your website is the equivalent of that first shop window that you see on the high street, and potentially the first sign you see when you go through the door. So, the role of the homepage is really to give people an instant understanding of what this web page is selling and what type of brand it is. So, for example, if you're stood outside an electronics shop and it'd be typical to see in the window some examples of those types of products. You might also see

big banners and red writing that says, 'Sale', and so that would let you know that this is an electronics shop and that price is one of the key things that they're differentiating on.

Conversely, you might be stood outside of an Apple shop and you see a few electronic products, but not right in the shopfront, and you don't see any communication about price until you're into the store. And again, this tells you something different about how that brand's portraying itself. Likewise, when you get to the homepage, you'll typically see some communication and imagery about what the brand is all about, and you may or may not see imaging or messaging around pricing. And again, that will tell you whether it's going to be a price-led website, or whether it's offering something else as its main value proposition. The other thing that's really important about the homepage is, it will help you navigate where next throughout the website. So, on most web pages, you'll either see a navigation along the top of the page that helps direct you where to go next, you'll typically see a search bar so you can type in specific searches, and you might see some tabs on the main page that will allow you to go to those categories directly.

Likewise, in a real store, as soon as you walk through the door, you typically see some signage that says, "Cameras over here. Computers over here. Laptops here. Mobiles here," and allows you to very quickly get to the section of the store that's most relevant to you. So, that then takes us onto the category page or the particular category section of the store. So, again, using our electronics example, if you're in the market for buying a new camera, you would've come in through the door, seen the sign to cameras or seen the section that had lots of cameras in it, and migrated over to that. Then you'd be looking to see, "Right, what are the different types of cameras that are here?", based on either product features or on price, and they'll most likely be grouped together in that way.

Likewise on a website, so taking Royal & Awesome as an example, our products are grouped into categories, so we've got all of our pants on one page, we've got all of our pants or trousers, for those in the UK, I should specify, and shorts are all in one category, hats are all in one category, our polo shirts are all in one category. So, again, you group like products with like so that it's easy for people to assess which of those products within the category do they want to buy. As we've spoken about earlier, another key thing that you want to have on your website is a site search so that if people haven't been able to quickly find that category that they're looking for, they can do it through using the search on the site.

The next stage is the product page. And again, the equivalent of this in-store is when you've seen the whole range of cameras that are available, you've gone to the area that has the ones that are in the right price point with the right features, and then you've decided that, actually, you're really interested in one of those products and you're going to pick it up and you're going to have a look and you're going to have a thorough read of the different features it's got available. So, back on the website in the Royal & Awesome example, this would be where you've selected a particular pattern of trousers and you're now having a look at the product imagery we've got there, you're having a read of the description, you know what price point it's at, you know what size it's available, and you're thinking, "Is this the type of product I want to buy?"

In both the web and the store example, once you've made that decision to buy, you then add the product to your shopping cart. And again, in the web example, you would be able to, before you go to checkout, see all the things that you've put into your basket, review how many of them you've got, what price they're at, and at that stage, go on to checkout. In the real shop example, again, you would have a genuine shopping cart or a genuine shopping basket, and you can see what's in there and review whether that's everything you want for this shopping trip before you go to checkout. And then, checkout is pretty straightforward. It's where you hand over your money or your credit card and you have confidence that that money is going to be well looked after, your information on your credit

card is going to be well looked after and kept safe, and in return for you handing over that money, you're going to get the product back that you were expecting.

## Home Page

So, now let's look at some of the specifics of a very, very crucial page of your website, the homepage. As I mentioned, this is like your store window, and so it's your first impression that people have of your brand. And so it's important that you get things right here. So, one of the most important points is that it's visually appealing and that it visually represents your brand. People are very busy, they're going to move quickly, and so don't assume that they're going to read all of the messages and all the words that you've put on your page. A lot of the time, they'll have a very quick, instant reaction to what your page is all about, and a huge influence of that will be the visual appeal. So, make sure that if you want your brand to be loud and brash and bright, that you use colors that reflect that. Conversely, if you want to be relaxing and classy and suave, again, you use colors that reflect that.

Second key rule of the homepage is allowing clear navigation to well-defined funnels and categories. So, again, the way that you do this will depend on how wide your product offering is. So, let's take an example of a website that sells a small range of products. There's a popular website in the UK, or a website that I'm quite a fan of, called Mahabis that sells slippers. So, that's spelled M-A-H-A-B-I-S .com. So, effectively, they've got a very small offering of products. They offer slippers and then a few accessories. So their website is very clear, has very minimal menus at the top and at the side of the product. And so, most people will navigate to the category page and to the product page through clicking on the main images on the body of the homepage.

Considering a different website that has slightly wider product offering, and Royal & Awesome would be a good example of this, where we've got pants, shorts, hats, belts, polo shirts, etc. We have each of those images on our homepage, and a small percentage of people do click on those images to navigate through to the category page. However, we also have a menu bar at the top that has each of the key categories listed there. And that's the most popular way and the most straightforward way for people to find the category that they're looking for. Because they don't have to scroll up and down the page, they can just see the categories listed at the top.

Moving on to a third example of a website that has a much bigger product range, and again, the Morphsuits site would be an example of this, and of course, the biggest retail website of all, Amazon, would be another example of this. Where it does have a menu bar at the top, but it can quite quickly become difficult to understand which of the roots on the menu bar is going to get you to your chosen product most quickly. So, they will have a very prominent search bar at the top of the site, where you can very easily type in what you're looking for and you'll be shown a list of products that closely matches that search.

So, to sum up, you want to have a range of options that allow people to very quickly find the product category or the specific product that they are looking for. The third thing that is very worthwhile considering putting on your site is some confidence-boosting purchase tools. So again, remember that a lot of the time people come to your website, they won't know much about your business. And so as a result, they might be a little bit nervous about whether they should choose you versus some of the competition and whether they can have confidence that their credit card details are going to be safe with you and that the product they are going to get is going to be of a high quality. So, anything that you can do to convince them and to take away that fear and that nervousness is a good idea. So some common ways of doing this are using what's called social proof. So, again, showing them that lots of other people are buying products from your website. So, you'll quite often

see on websites claims like, “1 million books sold,” or, “Join the 25,000 customers that are already using our service.” And again, humans are herd animals, so all of this helps people think, “Well, if all those other people are doing it, it must be a good idea.” Other things you might see to boost confidence are logos from businesses like Trustpilot or other review softwares, and the rating that the business has got. Again, say, “From a third-party business, we reviewed how good these products are and how good this website’s services are, and we’ve given them this score.” Likewise, you might see endorsements and references to different websites and to different media outlets. So, it might say, “New York Times Bestseller,” or, “As reviewed by the Guardian Newspaper.” And again, these endorsements all give people confidence that it’s a well-established website.

The final logo you quite often see, and it’s worth considering putting on your homepage, are things like ‘Norton Antivirus’ and ‘PayPal Approved by’. Things like that that let you know that, first of all, you’re not going to get any nasties through the site, and secondly, that if you do put your credit card details into the site, they’re going to be well looked after. So, again, it’s all about making it visually appealing so that it reflects your brand, make the products easy for people to find through the homepage and give them confidence that yours is a reputable site worth buying from.

Now let’s look at organic traffic and the role that that plays with the homepage. So, as I mentioned, the homepage will be the most likely place that people come from organic traffic, but it doesn’t need to be the only place. And again, it’s probably worth taking a step back just to explain what we mean by organic traffic. So, this is the traffic that, when people have searched into a search engine, some sort of search for what they’re looking for online, they’ll usually be shown some adverts and then below that they’ll be shown a list of websites that that search engine, in most cases Google, has ranked as the most relevant pages for their search.

So, in an awful lot of cases, the page that they land on will be the homepage, and that’s why it’s so important. But, as I mentioned earlier in the Royal & Awesome example, it doesn’t necessarily need to be. So, if someone is searching for ‘pair of size nine black hiking boots’, for example, that’s a very specific search, which indicates to you that they know exactly what they’re looking for and so it makes sense to show them either that exact product or a range of products that fit that bill so that they are closer to the end goal for them of purchasing a product, and also your end goal, as a website, of selling a product. Rather than putting them in on the homepage and then hoping that they navigate through all the different phases to find that product. Likewise, if you take a website that’s a two-sided marketplace, for example, so the likes of Airbnb, you’ll often get people who are searching for information that relates to being a host on Airbnb, or, conversely, they might be searching for information about being a guest at Airbnb. So, again, it makes sense to have a page that is optimized with the information that is relevant to each of those two different audiences and direct traffic onto that page. So, it’s all about understanding what your consumer is looking for and showing them that relevant information.

## **Category Pages**

Okay, so once people have navigated through our homepage, more often than not, they’re going to land on a category page. And this is where we group together similar products to narrow down the choice for what people are looking for. So again, taking Royal & Awesome as an example, we have a category page that has all of our pants on one page, so that people can see the designs that are available to them there, but not see all the other products that we also offer. And the key things that you want to include on your category page are your product detail, your product variables, quick Add to Cart, and product filters. So product details is the key information that people need to decide whether they want to find out more about any of those products on your page. So most likely, this will include an image of the picture, an image of the product, the price of the product, whether it’s in



stock or not, and any other information that you think is critical for them to know whether they want to find out more. It's also, potentially, a good idea to include product variables.

So again, taking clothing as an example, if you have a t-shirt that is available in several different colors, but the main product you're selling is a particular fit of t-shirt, you might show a picture of that fit and then have small swatches at the bottom that show that it's available in different colors. So that people know that, "Yes, I like the style of that t-shirt, but I'd rather have it in a different color." They know that that's available at the category page level from seeing the little swatches that indicate that there is further product variables available. Likewise with sizes. So again, on the Royal & Awesome pants example, you might have an image of the product, and underneath it may well say, "Available in waist size 30 through to 44," so that people know at that stage whether there is going to be the product that they're looking for at the next stage of the product page.

Having a quick Add to Cart is a really valuable tool on your category page as well. So again, this goes back to the objective of making it as quick and easy as possible for someone who knows what they are looking for to buy your product. So what this is where, on the category page level, if someone sees a product that they're looking for, it doesn't necessarily need to be a product that's only a one-size variable. So again, on the golf clothing site, they may well see a pair of pants that they like the pattern of, see the quick Add to Cart logo, click that, a small pop-up window will come up that allows them to pick their size and their quantity, and add it to cart there and then. And they can then either progress with the rest of their shopping or go straight to checkout. The other key thing is about product filters. So again, if you've got a range of products or a category that has a wide range of products in it, so lots of different price points, lots of different product features, it's often a good idea to have a range of filters down, quite commonly, the left-hand side of the page that allows people to narrow down that particular search.

So again, if you take Amazon as an example, it has a huge range of products. If you go to that website and type in 't-shirts' as your search, you would get to a category page that had a huge range of different t-shirts, and down the left-hand side, you would typically have product filters that allow you to narrow that search down by gender. So do you want men's t-shirts or ladies' t-shirts? Do you want adults or kids? You can then, also, narrow it down by price point. So do you want to buy it between \$0 and \$10, \$10 and \$20, etc., etc.? And you also might have particular brands down the left-hand side. So which of these brands do you want to pick? And then it will narrow the search accordingly. And again, those filters can either be done by tick boxes or by sliding scale, so that you can narrow the window that you're willing to look at prices or products at those prices at. So again, all of this is about having a range of products that allows people to see what's available, but also quickly and easily pick the one that is most relevant to them, so that they can find out more about that product. Here are some nice visuals that bring some of this to life. So on the left-hand side, you've got the category page, and as you can see, there's images that show what the product is like. There's some information about the price. There's also information about reviews underneath, so that you can see which products are the most highly rated. And then down the left-hand side, as I mentioned, at the bottom of the left-hand side, you've got some of those filters. So people can tick boxes, so that they're only showing particular sizes or a particular cost of products.

The other interesting bit that is at the top on the left-hand side are some of the other categories available because, again, this is a really important point, that people may well have come from the homepage onto a particular category page, in this case Knitwear, had a look around, and then decided either, "Yes, I'm going to buy one of these," and added it to their cart, or, "Actually, no, I'm not in the market for knitwear." And in both of those instances, you want to make it as easy as possible for those people to get to the next category that they might want to look at, and that doesn't always necessarily mean going back to the homepage and starting their search again. The

image on the right-hand side shows what's happened once you've clicked on one of these images on the category page and gone into more detail on a product page, and we'll cover that in quite a bit more detail later.

## Search Tool

So let's go into a little bit more detail on the very important tool on your website of search tools. So as I mentioned, it's incredibly important that people can very, very quickly find what they're looking for. I think we can all kind of empathize with that situation where you're in a big grocery store, you've got to buy some obscure ingredient for a new dish you're cooking, and you've no idea where to find it. And if you really need that product, you might invest a bit of time of going and asking someone to help you find it, walking around the store, and eventually finding it. However, if you don't really need it, it's quite likely you're just going to give up and not buy that product. And it's the same on websites. So if you've come to buy something and you can't find it quickly and easily, it's very likely you're either gonna give up and not buy it at all or go back to your search engine, type in the search again, and go back to a different website that you hope will make it easier to find. So it's incredibly important that we get these search tools right, so that people can find what they're looking for as quickly as possible. So the key thing a search tool needs to do is to lead customers to the ideal product offering as quickly as possible. They also provide business insights for purchasing, and they also help you merchandise through analysis of the searches. So I think the first one is reasonably straightforward. As I mentioned, it's all about helping people find things incredibly quickly.

The second one is very interesting because, again, you can see what people are searching for on your site. So for example, if someone was searching on our Royal & Awesome site very regularly, they were searching for a pink golf t-shirt and that's not a product that we offer, we may well make a decision that, actually, given the number of people that are searching for it, we should expand our range to include that. Likewise with merchandising. There are lots of different names that people can use to search for the same type of product. Again, taking golf as an example, if you think of the famous late golfer, Payne Stewart, he was famous for wearing a particular type of golf trousers, where you have big, baggy pants that tuck into your socks. And again, there's lots of different names for these in different markets. So in America, they're traditionally called "golf knickers," in the UK, they're often called "plus fours" or sometimes "plus twos," And on our website, we need to call them something. It wouldn't look good to have them called all those different things in the product titles. So again, we can use the information that we're getting from the search provider to see what are people searching for most commonly and call our product that. So as this search function is so important, it's important that we also use the right infrastructure to get it right, and there are a few different options available to you.

So first of all, you can install your own search engine script. This is where you actually write code for your website that basically runs things behind the scenes, so that when someone types something in the search bar, the code that you've written trolls through your website and finds the most relevant results for that search and shows them to the user. The benefits of this are that you have control over how it works as you're designing it yourself. However, the potential pitfalls are that it can be quite difficult to do, and if you're doing all the coding across all of your site, it's very difficult for you to be an expert in all of those things. So you might be able to get 50%, 70% of the search functionality right, but you might miss things out, like not including misspellings or not including synonyms on particular products because that is just something you didn't know how to do.

And so as a result, the functionality of your self-written search script might not be as good as if you were to use one of the other options. However, if you are incredibly good at coding, that sort of thing, this could be a very valuable and viable option for you. Second option is around using third-party,

hosted search engine services. So again, these people are experts in how to design search for sites, and they will typically have an out-of-the-box solution that has all of the key functionality that you would hope for from your search tool on your website. And you just need to integrate that into your page and provide that tool with some relevant pieces of information. The advantages of this are that it usually has all the features you're expecting and usually works very smoothly. The disadvantages can be that it's more expensive, as you're paying for a service from a third party.

Third option is that you use one of the major search engines, the likes of Google or Bing. And again, they can integrate their search with your site, so that people, when they search for different things on your site, will be shown the products on your site that are most relevant to them. The key major advantage of this are that it's free, but there's a couple of key considerations that could be potential drawbacks. First of all, for Google or Bing to know what is on your site, they need to use robots to kind of troll through the site and see what's there. You don't have any control over how regularly they do this, so if they don't do it frequently enough, it could be that new products you've uploaded to your site or products have come into stock, or gone out of stock, do or do not show in the search, which could lead to missed opportunities. The second key consideration is that these search providers typically show adverts as part of the display of the results of their products. So it's possible that someone could search for something on your site, and while they're being shown the results that are available on your site, they're also showing adverts for competitor sites, which is a potential area that you might lose some customers to some other websites.

## **Product Pages**

Okay. So now that we've successfully navigated through the home page, through our category page, and we've picked a product that we're particularly interested in, we've most likely landed on the product page. So here are some of the key things that a product page should do. So first of all, it should be visually appealing. Now, this is particularly focused on making the product, in particular, visually appealing as well as the page as a whole. So this might include having a range of different product images from the front, from the back, from the side, maybe lifestyle shots, and potentially even video to show what the product looks like as it moves on it from all different angles. So effectively trying to recreate that in-store moment where people physically pick up the product, move it around, feel it in their hands, and get a really good understanding of what the product is actually like. That's what you want to be recreating on your e-commerce product page. Next, you want to have a really clear product description.

So one key conversion killer on any website is uncertainty. And so you want to be making sure that you're removing any uncertainty from the shopper's mind as they're reading what your product is all about. So this can be things like, you know, are batteries included with it? Or any particular element that you need to have alongside this product going to be included? You want to be as clear as possible on that so that people know what they're getting and they'll have no reason to go and continue their search or look for more information elsewhere. You'll also want to make sure that your product descriptions have keywords that are relevant to your particular product.

So I'm going to speak about search engine optimization later on in this presentation. So there are reasons why having keywords in your product description are important for that. But it also just makes good common sense. That you want to be describing the product in the language that people typically use when they're describing your product themselves. The other thing I mention on clear product description is you should also try and make that description as compelling as possible so it doesn't need to be just black and white descriptions of what the product it is. Make sure you're listing what the benefits are for the individual from using your product. Why it's going to make their life easier and their life better. Because ultimately, you're asking them to part with some of their

money for your product and so you want to make that description as clear, but also as compelling as possible.

Then you want to drill down on the product information. So this might be slightly further down the page where you really get into the nuts and bolts detail of what the product is all about. So this might include technical specifications, it might include size gauge if it's a piece of apparel, care instructions, all of that kind of real detailed stuff that hopefully just answers any uncertainty or any questions that shoppers might have. But it isn't the type of detail that you want to put in your initial compelling description upfront. Next, and really importantly, is clear pricing. People don't like surprises when they're buying. They want to know exactly how much they're buying the product for and so you need to make that incredibly clear on the product page. And again, kind of a real-world non-e-commerce example, we've probably all had that experience where you've found an item that you're considering buying in a shop, but it doesn't have a price tag on it. And you don't like that feeling of taking it up to the checkout and not knowing how much it's going to be and potentially being in a position to say, "No, actually, that's more expensive than I'm expecting, I don't want it." And the same goes for e-commerce. People don't like to be unsure how much it's going to cost them partly because they would have to go through subsequent steps before they make a decision which might waste their time. But also, it makes it less likely that they're going to add other products to their basket because they don't know how much their total bill is accumulating to. And then the other really important bit is the availability of reviews. And we're going to speak quite a bit more about this later on. But again, it's just a key function that gives people confidence that the product that you're showing there is going to give them the service that they're looking for.

## **Shopping Cart**

So once you've read a lot of information on the product page and you've decided that it is a product that you want, you're then going to put it in your cart. Hopefully, you're going to navigate around the site and select some other products to add to your cart, and then before you check out, you're going to go to the cart page and review what you've got. And the key elements of the cart page are item selection, user registration, related products, and upselling tools. So item selection is pretty self-explanatory. It's clearly showing what the person has put in their basket and what they've selected. User registration is giving someone the opportunity to register as a member of your site or continue to check out as a guest. There's benefits for the website owner of having people register.

For example, you get more data from the user such as email address, potentially, real address. You can add in some other information that might be useful to you to help you better understand your customers. But in return for that information and that value you're getting from them, you often need to provide some value in exchange to the customer. So it might be that you're promising that as a signed-up member, they're going to get better service or get some additional features. It might be that they get some additional discounts. But again, it's trying to understand how much value you're getting from having people sign up as a user and what the value exchange is for the user. And again, how much you offer to get them, to incentivize them to sign up will depend on how important it is for you that people check out as a registered guest rather than as a guest.

Third key point is about related products. So again, Amazon are incredibly good at this by saying, "You've bought or you've put X in your basket, other people that have put X in their basket have also bought Y and Z, so these might be relevant to you." Likewise you'll be able to see from your own site analytics what products people typically buy together, so again, it makes sense for you to show those related products to someone who has a product in their cart to try and increase the products they buy. So again, taking Royal & Awesome as an example, if someone has a particular pair of our golf pants or golf trousers in their bag, we would typically show them a hat that matches that

particular pattern, a polo shirt that complements the color and our belt, as we know that those are products that are often bought in conjunction together so that will provide the user with a better experience because it makes it easier for them to find and gets them a better outfit as a whole. But it also provides us with the benefit of increasing the average basket spend of our customers.

Fourth point of upselling tools is slightly different than related products because it's using further incentivization to get people to add more products to their basket. So again, examples of this might be where rather than just saying, "You're buying those trousers. Some people who have bought those have also bought a hat," we would say, "You bought those trousers. This has opened up a deal to you that means you can get a hat at 10% off or 25% off, or even a 50% off." Likewise, you might do an upselling tool that says, "For the next 30 minutes, these products will be available to you at this discount," and try and create that level of urgency. So there's lots of different techniques and tools that can be used for upselling, but the key thing to understand is that this point, where people are reviewing their cart, reviewing their total order, is a very valuable opportunity to try and upsell them additional products before they move through to the checkout.

## **Checkout Styles**

So once they're through to the checkout, again, this is probably, alongside the home page, is one of the most important areas to look at on your website from a conversion rate optimization point of view. Because everyone who buys from your site goes through these pages, and it's the time where they are most likely to drop out because you're asking them to part with their hard-earned money. And so there's different formats and layouts that you can use for these checkouts and we're going to talk through three of them here. So the first is the multi-step checkout. So almost all checkouts will require you to fill in four key bits of information or go through four key stages. The first is filling in your shipping address, the second is filling in your billing address, the third is putting in your payment details, and the fourth is receiving your order confirmation. And on a multi-stage checkout, all four of those bits happen on individual web pages that typically have a progress bar along the top so that they can show you how you're progressing through those stages. The benefits of this style of checkout are that it doesn't show a huge amount of information on one individual page so it can be less overwhelming for someone when they first come onto it. The downsides are that it requires several different pages to load, and that can take longer to go through the process and make it more likely that someone will drop out partway through the process.

The second checkout style is a one-page checkout. And again, just exactly what it says on the tin, it takes the four stages of the checkout, merges them into one page, and has all of that information there in front of the shopper when they come onto the page. So again, the benefits of this are that it's quicker as it's one step to go through, but the downsides are that it can be quite daunting and lots of information for the person to fill out when they first land on the page, which will put some people off. So the third option is kind of a hybrid between these two approaches, and it's called an accordion style. And this is where you get each stage of the checkout as the primary bit of information that you can see and that you're asked to fill in on the checkout, and then once you've filled that information in, you then click on the next one down. The one you've been on shrinks, and the one that you've just entered into expands, and that's where you fill in the next stage of the detail.

Another interesting example of a checkout is Amazon's page here. And I guess there's a couple of key things to note on this page. First is that Amazon in general have, because people are typically logged into their account while they're checking out, Amazon has lots of information about that person on file, which means that they can streamline the checkout process because they already know the person's delivery address or they have a range of options available. Likewise, they already know the delivery address and the billing information, so can they can put a short list of options



available to the customer and they just need to pick which one they're looking for, and then they can simply click on it without filling in their information.

The other key thing to note is that Amazon have done what a lot of businesses do and what they call lock-down this checkout, which basically means they've made it much more difficult to navigate away from the checkout back to the rest of the website. So on almost every other page, on Amazon's website, the Amazon logo would be clickable to return to the home page. However, it's not on the checkout. Likewise, almost every other page would have a footer at the bottom and a header at the top that allow them to easily navigate around the rest of the site. Both of those things are removed from this checkout page with the sole aim of keeping people's focus on what's most important to Amazon of getting them through that final stage of checkout and completing their purchase.

So by removing all the other noise and all the other potential distractions that might make people go back to the main page, and potentially make it less likely that they'll come back and complete their purchase in the end. So the final thing to say in this section is around tracking codes. Tracking codes and pixels enable analytics and advanced advertising and they can also aid re-marketing efforts. So effectively, when you're thinking of structuring your site, a big part of what you need to do is all the things we've already discussed about what pages you have, how they're put together, how you help people search through your site. But you also need to make sure that you're capturing the relevant data so that you actually know how people are traveling through your site and you actually know where they're leaving from on your site and generally how they're behaving. And one of the most popular tools for doing this is Google Analytics.

Effectively, how Google Analytics works is you have small amounts of JavaScript on each of your pages that take information from the browser that the user's using and sends that off to Analytics where it's all captured and can be reviewed later. Because Google Analytics is so widely used, it's reasonably easy to set up and there's lots of blogs and online resources available for how to do this. But generally, if you're using any of the kind of out-of-the-box, web-hosted, web design tools like Shopify, they'll have lots of advice on how you set up Google Analytics correctly. And any good web designer would also be very clued up on how to implement this. And so often, it's as simple as inserting your URL into the Google Analytics user interface, putting a few bits of relevant code onto your website, and then that starts the process of capturing all the information of how people are using your site that you can then analyze to help optimize your site. And again, we'll go into quite a lot more detail on how to use Google Analytics to help optimize your site in Section 4 of this presentation.

# **LESSON 2: GENERATING CUSTOMER INTEREST USING CHANNELS AND FORMATS**

## Organic Search

So first let's look at organic search and search engine optimization, or SEO as it's often referred to. This is a massive part of digital marketing and a really important concept to understand. So just to understand, first of all, what it is, and then how to do it. Organic search are the results that come up when you search into a browser...sorry, search into a search engine and they're the results that that search engine ranks as the most relevant for your search based on their merits.

And if you think of Google as a typical web browser or search engine, when you type in a search, you'll often be shown results that are highlighted at the top, sometimes little boxes that show images of products. So those little boxes that show images of products, those are paid advertising and called Google Shopping that we'll speak about later on. Then, often below that, you'll see a range of bolder links sometimes on a kind of yellow background. Those are also search ads that, again, are paid for advertising.

Then if you come down a level below that, that's where you get the organic results, and these are the ones that Google are rating as the most relevant results for the search you've made. On other searches that are either less relevant or that have fewer companies bidding on the results, you may well find that there aren't those levels of ads and the organic lists are right at the top, right underneath the search bar that you've entered your search into. So now we need to understand how it is that we get your website and your links to be those top most relevant results for the searches that people have made. I've had it explained to me that this really falls down to two things. One of them is about relevance and the other one is about authority, and this is about the content and your site. So how relevant is your site, how relevant is the content on your site, and how much authority does Google, in this case, deem your site to have? So let's talk about relevance here in the first place. I guess there's two key things that contribute to this. One of them is content, and this is all about how much content there is on your page that relates to the search that someone has made.

So, for example, if someone has searched for bright golf pants, there's lots of content on our website. Both products, product descriptions, product titles, blog articles about different bright golf pants that are available to people, all that relevant content that includes the similar words that are used in the search inquiry are on our site, which makes Google think, "Yes, this site is relevant to that search term." Likewise, if you've got people searching for what's the best software used to do x, if you've got sites that have got blog articles that are answering that specific question, those blog articles will feature those words quite heavily and as a result Google will know that there is content there that is relevant to that inquiry. Second thing that helps relevancy is some of the kind of SEO nuts and bolts that you need to have in place. This is things like having the right keywords in your titles, and having the right tags and meta data set up behind the web page for your product descriptions and your titles.

Again, there's lots of blogs available and lots of agencies available to help you better understand that kind of technical SEO basics that you need to have in place to make sure that Google views your content as relevant as possible to those search inquiries. The second key element is about authority. So this is about Google saying, "Okay, you might have lots of information about the thing the person has searched for, but how do we know that it's valuable and that it's relevant, and it's accurate?" It could be that you've just made up lots of facts and figures and information about that particular search inquiry and that's no use to the user who's searched for it. So Google will need to do what they can to try and validate that the information on your site is valuable and accurate, and so they do this through trying to get a sentence on the authority that your site has. And the real key way that this is done is through Google looking at how many other sites link to your site.



So effectively they think if there's other sites that are referencing your site as a valuable resourceful content, then there's a good chance that that content is accurate and is valid. So if you think about an example, again going back to bright golf pants, if we read a blog...Sorry, if other people are writing about bright golf pants for whatever reason in different blog and then linking back to our site, that gives Google confidence that yes, whatever people are going to find on the Royal & Awesome site is relevant to that particular search term. The other important thing to note on links and providing authority is that links from different sites have different levels of weighting.

So, again, not all sites are equal in Google's eyes, quite rightly. And so if you were to get a link from a very high traffic, very high authority website, so the likes of the BBC in the UK, the likes of Huffington Post, or ESPN in the US, so all of these major traffic, highly respected websites, if they link to your website, that, again, gives Google real confidence that the content that users are going to find on your site is valid, is relevant, and has the relevant authority. Conversely, if you're getting links from much smaller sites, Google gives less weight to those links because they're easier to get and they're less validated in Google's eyes. So, again, just to recap, to maximize your chance of showing up well in these organic searches, you need to deliver two things: relevant content, and then as many links as possible to your site from other sites so that Google has confidence that you've got authority on the subject that you're speaking about.

The other key thing to consider for all search, but especially organic search, is the different phases that a user can be in when they're searching for things. So the three key phases are the attention phase, the interest phase, and then the decision-making phase, and we're going to talk about a couple of examples here. So first, as you take the example of someone who's running an e-commerce site like me who is viewing his data of how his users are using his site can see that the conversion rate is not as high as he would like, and can see which pages people are leaving from, but doesn't really know why people are leaving from that page. I may well go to Google and type in, "How can I better understand how people are using my website?", or "How can I better understand why people are leaving my website?", or "How can I see how people are using my website?"

These are all searches that let me know that I am looking to solve, or let Google know that I'm looking to solve some sort of problem. And so it's very likely that they will then show me information that says, "These different web tools are available for either viewing heat maps of how people are using the website, potentially filming people or filming the screen of the people using the web browser so that they can see how people are navigating the site." And it'll obviously mention those software providers in those blog posts. And so that's kind of phase one, where I've been searching for something and I now know that there are these web softwares that allowed me to get a better understanding of how people are using my site. And so then stage two becomes, "Right, I know about these different providers. Which one is best for me?" So I might then do a new Google search of "Which is the best software between Inspectlet..." and I think there's another called Visualizer, or something along those lines, "Which is the best software of these two?" And then it would come back with blog posts about that issue. And again, that helps me better understand my decision before I move on to the final decision if I'm ready to take action.

So I've done the research on the different providers, I know which one I like best and which best matches my need, and so I'm now in a position to buy so I'll be searching for things like, "Best place to buy Inspectlet software from" or "Buy Inspectlet software" or "Cheapest Inspectlet software" and, again, the results that would come up would be the ones that are all the different people selling that product and information about what price they're selling it at, what their service levels are going to be. And so it's important for someone that is selling that service to have organic content that is relevant to every stage of that buying and kind of process that the buyer, in this case me, was going through so that they are visible and likely to pick up traffic at that stage. So, again, they would have

content optimized, and content about the initial stage of these are all the softwares that are available. They'll have content available at the interest phase of these are how those different softwares compare to each other, and then they'll have buying opportunities and product information at this is where you buy the product from, at this price.

Again, a simple example in a more traditional category, so, again, looking at our morphsuits and fancy dress costume business, a typical search that someone would start that purchase process with would be something along the lines of, 'Funny Halloween costume'. And so again, we make sure that we've got blog content that speaks about these are the top five, these are the top ten funniest Halloween costumes for men, funniest Halloween costumes for women, funniest Halloween costumes of 2015, of 2016, etc.

So we've got lots of content around that high level attention phase search so that hopefully, when someone types in, 'Funniest Halloween costume', a blog that features morphsuits comes up either on our page or on someone else's page, and gives them information about the types of products available. So, ideally, that person sees that content, has a read of it and decides, "Yes, I want to buy a morphsuit," which is an all-in-one Lycra costume, but they also might see through that blog post or through other research they do that there are other brands that offer a similar type of product. So then they might move on to stage two which is the interest phase. So at this point they're searching for things like "Why should I buy a morphsuit rather than a skin suit?" or "Why is morphsuits better or worse than the competition?" So, again, we've got content on our site that is optimized to answer that question of why our product is better than the competition. So things like the consistency of the Lycra allows you to see through it, but not be seen through, things like the zips are a better quality, all these product features that we believe differentiate us compared to our competition.

There is content on our site that answers that question so that hopefully, users who are not sure whether to buy from us or our competition, search for things, come to our page, view that information, and then decide to buy our product. Which takes them on to the third phase of decision action, and again, at this stage they would have decided, "Right, I want to buy a black morphsuit because it will go best with the rest of my Halloween costume." So at that stage they type in, 'Buy black morphsuit' and at that stage, all the different retailers including us that sell that product will show up, both in terms of paid advertising that we'll speak about later, and in terms of organic search.

And again, we want to make sure that our website is optimized in a way and has content available that means that we come up top of the organic search to try and maximize the amount of sales and the amount of traffic that we get for that key portion of traffic that is around the decision and action phase. So then this leads us in to how you convert customers, and as I've said, point one here around the importance of having content available to rank is really around getting your organic search engine optimization right. Point two is around running marketing campaigns through paid media that help complement that. So as I've already said, when you type something into Google, you often get shown a combination of paid advertising results and organic results. And so having these two elements of your marketing, mix of the organic and the paid working together in harmony gives you the best chance of capturing those sales.

So it's a real kind of belts-and-braces approach of making sure that you've got all bases covered, to mix metaphors there, so that when people are searching for a product you're most likely to capture that sale.

## **Paid Search**

And again, I'll speak more about paid search further through the presentation, but here it's just important to emphasize why it's so important. So first of all, it can generate traffic, and secondly, it is hugely valuable because of the amount of space it takes up. So again, if you think about what's important to Google, part of what's important to them is about quickly and easily getting the right content in front of their users so that people continue to come back to them as a search engine.

But, another point that's important to them is making money out of that overall process, so they want to make sure that the ads that they are serving do what the clients need those ads to do, i.e. sell products. So they make sure that the ads have a very good location on the page so that they are most likely to be successful. So again, as I mentioned, usually when users type in a search, the adverts will be above the organic results and that's the kind of prime real estate on a web page and makes it most likely that those are the areas that get clicked on. Google are also often changing the different ad formats and experimenting with the amount of space that they give to paid adverts and paid results versus the organic product. So again, to give your website the best chance of generating as much traffic as possible, it's important that you've got both bases covered of having paid search well looked after and having a clear and effective strategy on that, as well as having organic optimization looked after as well.

## **Content**

Okay, so earlier we spoke about the importance of having links to your site from other sites, as a way of giving Google confidence that your site is an authority on whatever you're talking about. So a good way to do that is through having off-site content. This is effectively content that you've helped to create that is on other people's websites. So the key things that we're going to look at to do this are about changing your approach to guest posts, favoriting your content, giving a time, other resources, and focusing on building relationships. So again, a lot of this is about understanding who your customer is in this sense. So if we go back to the example of the software that helps you view how people are using your website. So again there's lots of people that are writing blogs about different softwares and different e-commerce tools, and effectively those people need content to put on their website.

And so if you can understand that and you can understand that you've got something valuable and interesting to say on that subject, and then you can go to those blog owners and say "You speak about this subject. I've got something interesting to say on it that I think would fit well with the rest of your website. I'd like to write something for you." There's a very good chance, because you're giving them something that's valuable to them, that you're going to be successful, and that they are going to take your content and put it on your site. However, it's also important to understand that these sites are kind of indirectly in competition with each other. So it's important that you, if you're wanting to work with multiple sites, that you vary the different content that you give to each of those sites.

And it's also important that you vary your content from the point of view of, you want to have content out there about your website, about as many of the different subjects that people might be searching for, that would all help drive relevant traffic back to your page. The other thing to understand is that like with anything else where you're asking for some sort of transaction, it can be much more effective if you've built a relationship, which is really about understanding what's important to them, what is it that they're looking for from you to help make their lives easier, and then helping to provide that for them. And because this does involve doing things a little bit differently, having an overall strategy of who the different websites that you want to work with, what the different messages that are relevant to that website, but also relevant to the messages that you want to get out there.

It's important that you give this the time and the resource it requires to get it done right. Running a small business, running an e-commerce business, your time is a very valuable resource as well. So it's important that you allocate enough time to this to get it done well, but not so much time that you can't focus on other things. So you need to be very structured, very strategic in how you get this content out there, who you work with, and what that content is, to give you the best chance of getting those valuable links from other people's sites back to your sites.

## **Re-marketing**

Okay, we're now going to look at a key area of re-marketing. So we touched on this a little bit earlier, and just to repeat what this is. So this is when people have visited your site in some way and then they have left your site, typically without purchasing, and you're going to try and market to those people again to get them back to your site to complete their purchase in the future. So there are a number of different channels that you can do this through.

YouTube and Facebook are two examples, but it's also possible to do it through Google display networks and through other websites. Now there's a couple of tools that are available to help you do this as well. Effectively, if you think about all these different channels of YouTube, Facebook, Google display network, that's a huge number of different potential places to show your ads. And then if you think about all the different types of customers that you've got, and the different ways that you might group them. So you might have people that have just visited your website once and only gone to your homepage. You might have a segment of people that have been on a particular product page that you want to serve different efforts to. You might have people that have put the product into the basket, but haven't completed check out, and that's a different and segment of people that you want to send different messages to.

All of that, in terms of different channels, different potential audiences, and different content, and different advertising executions, that you want to share with those people very quickly becomes a whole range of different executions. Which can become very, very difficult to manage without using a tool like AdRoll or even enterprises, that effectively helps you pull all of that stuff into one place and gets you an easy-to-understand user interface and typically a dashboard, a portal, and all of that sort of stuff. That helps you seal all of that in one place, manage it effectively, and make appropriate decisions. So let's speak a bit more about the different types of re-marketing. So the first one is product feed. So this is where someone has viewed a particular product on a website, and you capture that information that these customers view this product and as a result when they move out of your website you then show them that product at different opportunities.

So that might be through Facebook ads or it might be through Google display ads that show up on other people's websites. Second group of advertising or re-marketing is site re-targeting. This is when someone has just been to your website and then again you're going to show them adverts as a result of that. So where the product feed stuff is often product specific, this might be that you're showing them more top-level brand awareness type advertising, or issuing an advertising that reinforces the value proposition of your business. So it's slightly higher up the purchase funnel and generally saying, "This is who we are as a brand, this is what we're about, please come back and find out more about us." Third area is re-marketing lists for search ads. This is where you can actually show different search ads based on how people have been to your site, or whether they've been to your site or not, and then what they've done on those sites. So you might well find this that if you've gone and searched for flights to a particular destination, and you've gone to that website and checked out the flights where you need to go, and you've thought "Actually, before I book, I'll go and check some other sites." You then leave their site, go and check some other sites, and then come back to Google and type in a new search, and you then get shown some different information.

So it might be that the price of your flight is actually changed, and that can be because the airline knows that you have previously been on, done some research, gone elsewhere, come back, and so they guess that they can potentially show you a higher price and still complete that purchase. So again, you've just got to be conscious there are different ways that you can tailor the advertising you're showing people based on how they've already interacted with your site. The next thing is about search re-targeting. So again, this is where you can actually show different advertising and different search results to people based on what they've searched for. This even before they get to your site. So if someone has searched for bright golf trousers, and have not come to our site, through the Google display network I can have our advertising shown to those customers as they move around the Internet.

The final thing mentioned here is similar audience re-marketing, and this is where you capture data on the people that are visiting your site, and then you say to the likes of Google and Facebook, that these are the characteristics of the people that are on my site, in terms of demographics and attitudes. Please find me another audience of people that have a similar set of characteristics. I show my advertising to those people. Again, you're just looking for ways to increase your chances of your advertising being shown to a relevant target audience of people. I think at this stage it's probably worthwhile if I explained the three key ways that we use re-marketing on the road and also business.

So the first is that we capture information about people who have joined our site, but not gone through the purchase. We do this through an email capture on the homepage so that we can re-market to them through email. We also use Facebook pixels to advertise on Facebook to the people, and basically show them branded content about Royal & Awesome to try and encourage them back to our site in future to buy. The second group of people are people that have been to a particular product page, and again we use the product feed and advertising both on Facebook and on Google display, to show those people adverts for that particular product to again, encourage them back to our site. The third way is about abandoned baskets. So this is where people have put a product into their basket and haven't gone all the way through to purchase. Yes, we know that they've got a high likelihood that they could be tempted into buying our product in the future.

So again, we serve them ads through Facebook and through Google display to try and encourage them back to buy. There's actually a fourth way we do it as well, which is through marketing to people after purchase. So again, this is quite common that once you've bought a product from a website, you'll be added to their database so you can be communicated with in future, given information about new products, new offerings, new launches, new bits of information, that might be relevant to that consumer.

## **Shopping Comparison Engine**

Now I'm going to speak about a very important part of the paid advertising, and it's the shopping comparison engines. So the most well-known of these is Google Shopping, and you've seen these when you've searched for products. So again, when you type in any type of e-commerce product, generally, so let's take the bright golf trousers as an example, or digital cameras, or certain types of running shoes, any type of product offering. You will very often see small boxes that show a picture of the product with the price, and the website that you can buy it from underneath. This is the product called Google Shopping and it is...the products that are being shown there are all from websites that are paying to advertise that product in that position. It's paid on a pay-per-click basis so that the advertiser will decide, "I'm willing to pay up to X amount for a click to my website and I want to show up on these type search terms. And this is the image and the product that I'd like you to show." It's incredibly valuable to the retailers, and also to Google, and also to the shopper because it very quickly allows people to see exactly what the product is, in terms of the image of it, and the



price it's at. And it gives a very, very transparent view of the different prices available across all the different retailers, which really shortcuts the whole user journey. It's very valuable to...so that's why it's valuable to the consumer.

It's very valuable to Google because it's highly competitive amongst these retailers for that space, and as a result, retailers are willing to spend a lot of money to have their product show up in that space. And it's very valuable to the retailer because it's a great opportunity to get traffic to your site from people that you know are interested in buying your products. And it's a really quick and easy way to show them how good your product looks.

The other two examples of PriceRunner and PriceGrabber are a little bit different. They are specific sites that people go to, enter their search terms, and these sites will then very quickly troll the Internet for the different places that those products are available. And come back with a list of results that show all the different places you can buy the product and the different prices that they're available at. So the key thing to understand with these services are that they just make it very, very easy for shoppers to very quickly see the different price points that they can get the same products at from all across the Internet. So it makes it very transparent for the retailer, which is...or for the user, which is great for them getting lower prices, and really encourages competition between different retailers. But also means that retailers and branded suppliers need to be very strategic about what their pricing and distribution strategy is so that they can get the best balance of maximizing sales while maintaining margin.

## **Pricing Strategy**

This leads us nicely on to speaking about pricing strategy. As I mentioned, this links very closely to your distribution strategy as well. As we've just mentioned, it's incredibly easy for people to see what price the same product is sold at across multiple retailers.

So there's really different ways that brands can get the best balance of sales versus margin. And a couple of...or a few different ones are. So, for example, if you take Apple, they seem to have a very good ability ensuring that their product maintains a high price point across every different retailer that sells that product. And they must do that through very strict terms and conditions and offering limited margin to those retailers. There's other pricing strategies available. For example, you might choose to sell your product to lots of different retailers and allow them to compete it out for the lowest price, except that you're still going to make your margin through your wholesale price to those retailers. Another way would be the likes of a brand like Nike where they'll sell different products and different ranges to different retailers to service different price points. So if you were to go to a sports shop, it's very likely that they'll have Nike products in there, but there are different ranges of Nike products to the ones that you would buy at higher-end retailers and through Nike's own flagship stores. Customers are going to be able to get visibility of the different price points that your products are available at, and so you need to make sure that you plan accordingly.

Using price comparison sites is also a way that you can drive volume. So if you want to increase your volume, you can decrease your prices and people will very quickly be able to see that and choose to buy from you versus your competition. So this is great for shifting volume and clearing stock, but it's also important that you have a really good inventory management system behind your website so that you can handle that level of orders, and you know the amount you're selling through different channels so that you don't end up selling product that you don't have and potentially disappointing customers. And this is especially important to do when you're an e-commerce business with a large portfolio of products, because that makes it more difficult to keep track of exactly how much stock

you have of each product, and that's where effective management of that portfolio becomes even more important.

Another key way of driving sales or driving traffic to your website is through affiliate marketing. Affiliate selling is when a third-party site offers products in various ways and receives commission on each product that's sold. So we're going to talk about a couple of ways that this is done.

The most common way that this is done is through a site showing adverts or links for particular products on content that they have on their site. Often, the content on the site will be relevant to a particular topic. So again, using golf trousers as an example, there are blogs that write about different sportswear, different fashion styles. And if they're writing about something that's relevant to golf, and particularly relevant about bright golf trousers, they may well put a link to our website in there. If a customer reads that blog, clicks on that link, comes to our page and buys our products. If there is affiliate relationship set up between that initial blog and our website, then, typically, we would pay a commission to that blog and that affiliate as a reward for them transferring a customer from their page to ours when we were able to generate a sale from it. Similar to this is when you've got people who generally have sites that have lots of content about lots of different stuff. And they have real estate on those sites for showing adverts. And it might be that the site is just about general sport or general stuff that is of interest to our target audience, but they have space available to show ads.

And so again, if our ads are shown on those sites and people click through that ad to our site and purchase, again, that site that hosts the initial content would receive a commission for the referral. Because there are lots of different sites that are offering this real estate for advertising and offering links in their articles, and there are lots of retailers that are wanting to get that traffic, there are kind of brokers in the middle, often. The likes of Tradedoubler and Commission Junction who help manage that process of joining up advertisers with high-traffic sites. And then they take a cut and a commission in the middle. The other example of affiliate selling model that I want to touch on is a kind of quick and dirty dropshipping-style model that we spoke about briefly in the E-Commerce Module 1.

An example of this is, there's a golf retailer in the US who stocks our product or sells our product, I should say, because they don't actually stock the product. So what happens here is, they show an image of our product on their website, along with a product description and all the other information you would expect to see on an e-commerce site. When a customer comes to their site and clicks on that product and goes through to purchase, the customer pays that intermediate site and gives them their credit card details and makes a transaction in the usual way. And then that retailer then goes to our website and buys the corresponding product through our website. They enter a special affiliate's code that gets them a discount off of the regular price, and then they enter the delivery address of the customer that bought from them.

So we then process the payment from the intermediary, we send the product to the initial customer so they get the product on time and when they expect it. And this model works for everyone involved because the initial customer has paid for a product and received it as they expected. The intermediate retailer has made a sale and made the margin between the price that we charge them and they charge their customer for that sale, and they also haven't had to deal with any of the stock costs or hassle of handling any of the product. And we've also made a sale from a customer who was never on our website. So there's benefits associated with us for that as well.

## **Affiliate Marketing**

Okay, before we move on from affiliate marketing, let's look at some of the key strategies to get this right. So first of all, you need to incentivize or have the right incentive commission structure. So you need to make sure that each party is getting the relative or the appropriate return for the effort they're putting into the process. So, for example, the websites that are hosting your affiliate content, or hosting your blogs that people then link back to your site, or hosting those adverts that are on their page, you need to make sure that they're getting the appropriate compensation for the traffic that they are sending to your site. To make sure that they're keen to continue to do in the future. And to show your product in the best possible light. You also need to make sure that there's enough margin in the product you're selling so that you're also rewarded for selling this product. Because without everyone doing well out of it, it's a difficult process to sustain.

Secondly, you want to make sure you've got strong content for the affiliates. So this could mean a few different things. If it's talking about where affiliates are writing blog contents about the type of product that you offer, you need to make sure that you've given them all the necessary information so that they can write about your product in the best possible light, partly to make your product come across well. But also to make the job as easy as possible for the affiliate so they're most likely to write about you rather than other products. It can also mean about creating really great, compelling advertising copy so that the advertising images on their site, or the videos on their site, or whatever the advertising format is, look great and add to the overall look and feel of their site. That'll make it much more likely that they're happy to work with you as an affiliate partner in future.

And then thirdly, it's important to have a concentrated affiliate recruitment strategy. So this means giving it real focus, either in terms of doing it over a short period of time and signing up as many affiliates as possible in that time, or focusing on a particular area or a group of affiliates that you want to be as successful as possible with. We all know it's much better to be focused on a particular area or over a particular time, rather than spreading that effort out over a long period of time. It just gives you the best chance of success.

## **Social Media**

Now let's look at how social media can both drive traffic to your website, but also drive sales through your website. So first, let's look at social commerce, which is a kind of the blend or the overlap that's happening between social media and e-commerce.

And so, one element of this is about the participatory commerce based on consumer inputs. So this is really about the fact that people are now able to engage with each other and engage with brands to help the overall purchase process. So this could be people generally talking online about, "I've bought this product, it's really great. I bought this, it's not so great." Generally, just talking about brands, and that all influencing conversion and purchase decisions. Likewise, it can be about reviews, where, say, for example, on Amazon, again, there's a huge number of consumer reviews about particular products, there's comments about how the product actually fits, all that type of stuff. But again, it helps people understand more about the product and makes them more or less likely to buy, depending on how positive that kind of whole conversation is around your product or service.

All this kind of links to the fact that social shopping mimics the offline experience. So again, in real life, if you go into...first of all, before you even get to a shop, you'll quite often have a real-life social interaction with a friend or acquaintance about something they've done, something they've bought. Whether it's a restaurant they've been to, or a film they've been to, or a product they've bought, and that, you may well get a positive recommendation or a negative one, and that then influences



whether you want to go and buy that product. Likewise, if you then go to a shop to purchase it, you may well have an interaction with the person in the store and find out from them what other people have thought about the product, how popular it's been, all that type of stuff. And all of that can be recreated now through social media. Like this is the peer-to-peer recommendations, which allows easy word-of-mouth online marketing. So again, lots of e-commerce websites are set up in a way that allows you to either like a product before you've bought it, or...so on Facebook, for example...on lots of websites you can share that product to Facebook to let people know that you like it. You can often pin a product to Pinterest.

So again, letting people know that that's a type of product you're interested in. Likewise, you could often, after you've completed a purchase, you can share that news or that information through social media. So again, if you've bought tickets to a concert, again, you can share that such and such has bought a ticket to this, and so people know what you're interested in and what you're excited about. Curated shopping is also an interesting area, and again, this is, I guess, very relevant to the likes of Pinterest, where people are curating lots of different things from lots of different sources about the types of things they're interested in. And often on Pinterest, the types of things that are interested in are products that can be bought. And so that's functionality that Pinterest is adding into their service, but that's similar functionality of being able to buy while in the social media environment, and on the social media platform, is something that's been rolled out across lots of the social media platforms.

So, for example, on Facebook, they have a Buy button and it's available to, I think, at this stage, a small number of different retailers, where you could actually buy the product within the Facebook platform. Likewise, on Twitter, they did a partnership with Amazon that meant if someone saw a particular product in the Twitter feed, they could #AmazonCart near that product and Amazon would add that product to their cart next time they went into the Amazon platform. So it's all about kind of bringing together consumer recommendations and integrating that into the whole e-commerce retail process to make it as like the real world as possible, but also as seamless for people to buy these products as possible.

So next, let's look at the overall social media e-commerce strategy. And social media, and in particular, Facebook, has been a big driver of the success of the Royal & Awesome business. So I'm going to use that as an example as I talk you through these key strategies or the key steps of the strategy. So, first and foremost, it's important to create a user-orientated experience. I think this is also a really key marketing principle in general, which is about understanding your consumer. Who is your consumer? How do they interact with your product? What are they looking for from your product? What do they value from your product? And then what is the best message to serve them, and the best media to serve them that message through, that makes them most likely to take the type of action that you want them to take? So, in the Royal & Awesome example, we effectively have two key objectives from our Facebook advertising. The first is to raise awareness of our brand. So we know that there are lots of relevant consumers on Facebook who may be interested in buying very bright golf trousers, but at the moment they have never heard of Royal & Awesome. So we want to show them adverts that increase their awareness and basically let them know about it.

The second key objective for us is to stay top-of-mind with those consumers who already know about Royal & Awesome. And the reason for this is a combination of understanding our consumer and also understanding our business and our product, to know that a very small percentage of people are going to wear very bright, very fun golf trousers every time they play golf. They tend to wear it more often for a charity day or a corporate day or one of those special golf events that's all about having fun. And we don't know when that event is. So we need to make sure that we're top-of-mind all the way throughout the year, so that when they have an event like that, they're more likely to think of us and more likely to buy from us. So we use social media as a way of serving them

messages all through the year about stuff they're interested in so that we are more top-of-mind and more salient when they come to buy. So that leads into point two about designing a service you'd want to use.

And this is really about the quality of the content that you're going to serve your customers, being incredibly granular about how you target people. And with re-marketing tools, it is easy to follow people around the Internet with marketing messages. And so it's also easy, if you're not careful, to cross the line into being a nuisance and annoying people by serving them irrelevant messages or unappealing messages too often. So you need to put yourself in the consumer's shoes and think, "What are the messages that I would like to receive at this time, that are going to be valuable or interesting to that consumer?" But also you need to marry that up with what messages you need to land with your consumer to be valuable and useful for your business. Secondly, or thirdly, it's important to take customer feedback. And this is important because, with all the best planning and all the best strategy in the world, it's impossible to get it right all of the time.

So there are going to be situations where either you get your marketing wrong, or there are some problems with your product. And social media is a very good way of quickly identifying those problems and correcting accordingly. Now, a live example of this, again, with the Royal & Awesome golf business. We did a photo where...or a promoted post where we edited a picture of a famous golfer to have him wearing our trousers. And we very quickly got a negative backlash from a small number of consumers saying that this was inappropriate, it wasn't respectful of that golfer, etc., etc. And so we were very quickly able to apologize to those people, take that image down, and as a result, think differently about how we use those types of tactics in the future. Likewise, you'll also often get feedback about your products and about potential problems in your product through social media, whether it's through Twitter or Facebook. And so it can be a very valuable customer service channel for you. And wherever there's a problem with your product or service, it's also an opportunity for you to turn that into a positive user experience and make them even more positive about your brand than they might have been had they not had any interaction with you at all.

Fourthly, it's important to utilize social media, but don't rely on it. So, this is important to understanding that social media platforms are still owned by those social media businesses. It is borrowed real estate, rather than owned or earned. So it's important that your business doesn't rely too heavily on those channels, just in case something significant changes. Having said that, it's also important to understand what's important to those businesses. And obviously, advertising is a huge part of social media platforms' revenues, and so it's like that they're going to continue to do things that work for their advertisers. So although you should be conscious of how reliant you are on social media, it's also not one that you need to be too worried about are make too drastic changes if it is driving the right performance in your business.

The other key area, I would say, about using social media but not relying on it, is it's also important to use it if it's right for you, and use the platform that is right for you and for your business, but don't just do it because everyone else is or because you've heard it's the must-do thing. It's important to start with an overall business objective and an understanding of your consumer and what platforms they're using so that you can pick the right way to do it. So for example, if your target demographic is almost entirely male and really young, then Pinterest is probably not the right platform for you, as it's more of a female audience. Likewise, if you've got a target audience of old males, SnapChat is probably not the right place for you, because it's a much younger audience. Whereas Facebook, because it has such massive user numbers across all different demographics, is often the most appropriate channel to catch the broadest demographic of customers possible.

Next, it's important to invest in mobile. And again, this comes back to understanding your consumers as well, and the general trend of people being much more reliant on their mobile devices and moving towards that away from desktops. And also, the kind of ever-increasing willingness for people to buy through mobile makes it a really potentially profitable e-commerce channel. So people are effectively consuming data and consuming all their social media content while on their mobile. It makes sense for you to have advertising campaigns that work well on that platform, too, and then that dovetail nicely into your e-commerce solution that works on those platforms and on mobile devices too.

And then finally, it's important to be incredibly ever-evolving. The social media platforms are moving so quickly. I mean, Facebook's mission statement is to move fast and break things. And they often do. And so it's incredibly important that you are aware of what they currently offer, but also keep your radar up for things that they are offering in the future. And then test and learn about whether those services work for you and deliver the business objective that you need them to learn. So, yeah. Hopefully, all this will help you come up with a strategy that allows you to drive really high-value customers to your web page and convert to sale through social media.

## **Video**

Next key area is about video driving e-commerce. So I guess the overall fact that consumers and humans like video is not a new thing. People have loved consuming video for the last 50 to 100 years over TV, because it's just a highly engaging type of media that allows them to get real depth about whatever subject it's covering. And so what this is really about is a shift on the different types of media channel that people are now consuming this data on. So whereas in the past it was all on TV, it's now moving to be a much more widespread media landscape where these videos are valuable to consumers. So TV still plays a huge role in the number of people it can reach and the frequency it can reach them, but so do more online channels, the likes of YouTube, Facebook, and other websites. And so, again, there's really two key rules that this slide's highlighting here of video and those channels.

First is about creating appeal and awareness for your brand. And the second is about displaying the products and giving real detail on the products through the videos that you show on your website, and potentially even on the product pages where you can show exactly what the product looks like when it's being worn. For example, I know that Asos, one of the big global fashion e-commerce retailers, has videos on most of their products where you can see a model wearing that product on the catwalk so you can see how it looks being worn and as it moves.

Likewise, lots of major brands are now creating specific online advertising campaigns that focus on video, and releasing them specifically online rather than on TV to reach a new audience, to reach a very big audience, and also to create some PR coverage. So again, a couple of examples of that would be BMW doing some very intricate stunt driving that they launched online, and also Volvo vans doing a Jean Claude Van Damme kind of splits on two different precision-led Volvo vans. So again, a couple of things you might want to check out online there.

## **Email**

Okay, now let's look at another really important tactic for driving traffic to your websites. And this is about emails. So, there's lots of benefits. You've already worked really hard of getting people to your website. They've shown an interest in your brand and in your product. And so wherever possible, you want to be able to try and capture that email address so that you can continue your conversation with them, either before they've purchased to make it more likely so they purchase from you in the

future or after they've purchased to make it more likely that you come back to purchase from your again.

There are a number of different ways that you can do this. So lots of brands and lots of e-commerce websites, including Royal & Awesome, use email pop-up when you first come to the site. So this would come up after a couple seconds of being on-site and say something along the lines of, "Sign up now for our emails and receive great content and first class access to the best deals." Something like that. So it's straightaway giving them a consumer benefit, and then would be followed up within the same pop-up box with an additional incentive like for everyone who signs up will have a chance of winning a free pair of trousers. And again, we test different executions of that pop-up banner to see which ones get the highest sign-up rates and which ones are most compelling for the customer. We also check, and it's important to do this, what the overall conversion rate for the site is before and after that pop-up has been added. Because you want to make sure that any decrease in conversion rate of the site, if there is one, is small enough to be offset by the benefit of having all these additional email addresses that you can then market to in the future. Another way that we use email to improve our sales is through abandoned basket emails. This is when someone's put the product into their basket and hasn't gone through to purchase. And again, we would then send them an email saying, "You were looking at purchasing this product. Here's some additional information about the product. Here's some reviews about it."

So again, make it more likely that they're likely to buy. And then if they do want to buy, we give them access to a link that means they can come straight back to that cart with the product in it so that they don't need to go through the whole buying process again. And then we also do post-purchase emails. First of all, to let people know that the product has been dispatched and send tracking information, but also to give them the opportunity to review the product, refer it to a friend. And then after all of these, we keep all of the email information securely and can market to it through the use of newsletters in the future. So I guess this is just a really good way of kind of capturing people that you know are interested in your product, and then serving them content that you know will be interesting to them, that you know will help them feel more positively about your brand, and that will hopefully increase purchases both in the short-term and over the long-term. And we'll speak more about this when we speak about customer relationship management in the next section of the presentation.

Because all of the different numbers of ways that you might choose to email your customers can vary quite dramatically, based on the different interactions that they've had with your site, it's a good idea to have a set number of emails that are triggered by particular actions. So, for example, it might be that if someone has downloaded an educational offer from your site, then that then triggers a particular set of email or a sequence of emails that you believe gives you the best chance of converting that person to the desired outcome that you're looking for them to do. So an industry that does this incredibly well is digital agencies, for example. So there's lots of blog content out there about what are the different ways of doing digital marketing tactics. Say, for example, if you're searching for how best to use Amazon ads to drive sales or something like that.

As you're trying to gather information about how to do something better, you'll quite often see blogs that have content about that. When you go and click on those blogs, you'll start reading, and you'll maybe get a few paragraphs in. So you've already gained enough information to know that, "Yes, I'd like to read more about this." And then you might be served with a pop-up that says, "To read the rest of this article, please fill in your email address." Obviously, that's reasonably aggressive and may annoy some people, and they might choose that that's too intrusive. And so they don't want to sign up, so they might then leave. So an alternative to that method would be to actually let people read the whole article, gain lots of useful information from it, but at the end say, "Some of the templates

that we've mentioned in this article that you hopefully found useful are available at no extra cost if you sign up for our email newsletters."

And so, again, that's another way that you can capture people's email addresses. And both of those methods would then be followed up by a string of emails that say, "You've clearly found this piece of information interesting. Thank you for signing up. Here are some more bits of information that, based on your interest in that, you will also find interesting." So that's a way of doing a really good value exchange of, you've got some useful information from that business, you've given your email address in return. And they can hopefully continue to provide you with useful information, and that'll make it more likely that you turn to them in the future if you ever need any more significant advice. Another interesting email trigger is, you've taken a particular action, but then you've not taken the next action. So this might be when someone has... Again, abandoned cart is a good example of this. So they've put a product into the basket, but they haven't gone on to buy.

And so you might serve them an email that says, "We've seen that you've done this. Here's a little bit more information. If you do want to buy, here's an option." And also, you could send email triggers to people who have recently been highly engaged with your page. So again, if they have been downloading maybe online learnings about a particular category, you can follow up with email, saying, "Given that you're interested in this, you may also be interested in this." And then, it's also possible to capture email addresses and have a string of sequence of email addresses that come after people have been highly engaged with you on social media. So again, you can run competitions on social media and use different incentives there, so that you're asking people to, if they want to enter this competition, they'll need to enter their email address for a chance to win the prize. And again, you can follow up after that email by saying, "Given that you're wanting to win this prize, we'll let you know about when the draw is going to be made or when the prize is going to be announced. But in the meantime, here's a discount or a promotion or something else that you might be interested in." And then you can continue to lay out a series of different sequence of emails, based on what you know will be the most likely to get them to the outcome you want them to take.

Next, let's look at email newsletters. So through many of the different tactics we've just spoken about before, you've accumulated a large number of email addresses that you can continue to market to, and one the most popular and common ways of doing this is through newsletters. And the three key benefits of this are that you can keep in contact with your customer base, so that you remain top-of-mind when they are considering making a purchase decision. Secondly, you increase your engagement with them, so that's about building the depth of relationship you have with them, so that they know more about you and they know more about what you have to offer, and they hopefully feel more strongly about it. And then, thirdly, about improving your brand image. So this is about, as I say, not only deepening the relationship, but making it a more positive relationship.

So I'm going to share a few examples of a couple of different brands that I think have done this very well recently in email exchanges that I've had with them. So the first is Mahabis, the slipper company that I mentioned earlier on. They're well worth checking out online because they've got a very innovative slipper, but they've also positioned their brand in a very intelligent way. So rather than just focusing on being a slipper brand, which, basically, you know, comfortable footwear to keep your feet warm in the wintertime, they've positioned themselves as being about relaxation reinvented. This gives them the opportunity to speak about a much wider range of things than just slippers. So in their newsletters that they send out on a reasonably frequent basis, they have lots of beautifully created, curated content about all sorts of really interesting topics to do with relaxation and downtime. So, for example, they have best coffee shops to go to and relax, best vacations around the world, and the most relaxing places. They have all sorts of product imagery and photography that...it's just massively chilled out, massively in line with their brand values, and really interesting to their consumer, and



makes you think more fondly of the brand and also makes you think, “Yes, I am interested in relaxing more. If I am going to do it with slippers, Mahabis would be the brand I would go to.”

The second brand that I think do this incredibly well is an apparel retailer in the US called Shonesty, and these guys are actually a brand that clearly focus very heavily on kind of college frat kids and the type of clothes that they want to wear to peacock at parties. So they sell things like all-in-one ski suits, and speedos, and shell suits, and big, garish, loud shirts, and basically anything to help people stand out from the crowd and have a really good time. And the whole tone of voice around their brand, both on their website and, really importantly, in these email newsletters, is incredibly fun, incredibly engaging, often a little bit controversial, often kind of alcohol-fueled. But all of it just really aligns with what they’re trying to achieve and positions them as the kind of fun party brand for college kids. And even if you’ve got no interest in buying their products at that stage, a lot of their target audience will look at the content in their emails and think, “That’s the kind of impact I want to have at a party.” And so they will be the brand that they would go to buy that type of product and that type of apparel.

The next brand that I recently achieved an email from is an e-commerce fashion business called Everlane, and they sell products that are not dissimilar to a lot of other e-commerce fashion businesses. So they sell t-shirts, and jeans, and sweatshirts, and all sorts of fashion items, but their key point of difference and their key value proposition is around radical transparency. So they, on all their products, let consumers know exactly how much the manufacturing costs are, exactly how much the shipping costs are, and as a result, how much margin the retailer’s making.

They also, obviously, provide a lot of information about where the product’s manufactured, who the partners are, what the terms are with those manufacturers, so that people can have confidence that the product is well-sourced, ethical, and feel good about buying that product. An email I received from this business recently said, “This is not a sale. It’s even better. You choose what price you buy the product for.” And so I clicked on the email, was taken through to their website, where they’ve got a range of products that are on special offer. And again, you click on the individual product, and you’re taken to a page where you can choose the price out of the three options that you pay for it. The lowest price was probably a 20% to 30% discount, and when you hovered over that price, it said, “At this price, this covers the cost of the product and the shipping, and it’s a break-even price.”

The next price was slightly higher and it said, “At this price, Everlane make \$6 dollars’ profit. This is enough to contribute towards some of the overheads of running a business with 80 people.” Next price, again, slightly higher, still, it says, “At this price, Everlane make \$12. At this price, we can continue to pay our staff, and we can continue to build our relationships with our suppliers around the world. And so it gives you those kind of three different levels of prices and allows you to pick which one is most relevant for you, and there’s a couple of reasons why I think this is really clever. First of all, lots of businesses have to clear products and promote products at a lot below break-even price because there are costs associated with holding on to the product, and so by having the deepest level of discount and still break even, and then having additional good reasons why people should pay slightly more, it generally increases the amount, I think, people will pay for the product, rather than having a real deep discount available.

The second key reason I think it’s clever is that it will allow them to segment their database even further. So if someone clicks through that ad and chooses to buy the product at the lowest price, that’ll tell Everlane that that’s a certain type of customer that is more price-sensitive, potentially less interested in some of the ethical side of their business, and, as I say, crucially most driven by price. So that gives them some interesting information that allows them to tailor future advertising for that person in a way that makes it most likely that future advertising will be more successful. So, for

example, that customer is very likely to be open to real price-led messages and future emails about the deepest and the best promotions that Everlane has to offer. Conversely, if someone chooses the higher price, that gives them information that that person is very interested in the ethical side and the procurement side of Everlane's business and are less price-sensitive, which gives them a real opportunity to advertise to that high-value customer with some content that is relevant to them.

So moving on to newsletters and how we should segment our database to make these newsletters as effective as possible. So the first key thing to do is to start small and segment on a single variable. With segmentation, there's lots of different ways you can do it, and it's quite easy to break the things down into incredibly small groups and to get confused about the different ways that you're doing it. So I'd always encourage you to, as I say, start small and get this right and then expand from there. And so it's probably best to just start by segmenting your database on a single variable. So this might be...the variable you might choose to segment on is the particular type of product that the person has bought. So again, in the Royal & Awesome business, we might send particular advertising to someone who's bought men's products, and a different type of advertising to someone who's bought ladies' products. Likewise, you might also segment around geography. So again, sending a different type of email to people who are based in one region, rather than another. The second key thing you want to do is, start with your goal and work backwards.

So again, this is a very good principle for marketing in general, but try and understand what it is you're wanting your consumer to do, and then segment your audience accordingly. So going back to the Everlane example, if your key objective for the email is to sell as much stock as possible and just get the product out the door and, as a result, you're going to be doing a deep discount to do that, if you have information about which of your customers are most price-sensitive, that would be a good segment to target with this particular piece of communication. And then, thirdly, where possible, you can segment on a one-to-one basis. This is where the content the end consumer gets feels like it's tailor-made specially for them. And again, a good example of this would be a business like Netflix, where you often receive emails saying something along the lines of, "Given that you've watched X series, you may also be interested in Y series."

And so, again, that's incredibly tailored content, based on something that you personally have done, and that makes it much more likely that you will take the action that the retailer, in this case Netflix, would like you to do, which is watching the next program that they've recommended.

## **PR**

The final marketing tactic we're going to look at in this section is PR. There's two key benefits of PR in relation to this module. The first is around, it's a great way of increasing awareness of your brand. If you can get coverage in different media outlets, then that, as I say, raises the awareness of your brand with a new audience of people. The second key benefit is linked to the SEO benefit that we spoke about earlier, and that's about the number of links that you can get from other people's sites to your site. Again, if you can create good PR stories and get good PR coverage that then links back to your site, that can have a significant SEO benefit to your overall business. So what are the different ways that we can make sure we get PR right? First of all, it's important to align your brand with any emerging trends. This is basically kind of based on the premise that journalists and media companies are going to be covering stories that are in the news, in vogue, at that point in time.

And so your best chance of having your brand spoken about in relation to those issues is by aligning yourself with those key issues. So again, if there's a particular movement of politics going on at this stage, or if there's a particular focus on any major current events or any world news, if you can align your brand to those things at that time, it gives you a much better chance of getting covered, which,

again, increases awareness and gives you a chance of getting links. Secondly, think about what you can position yourself and your business as a position of authority for. So again, what are you, as a business or as an individual, best placed to speak about and do so with authority? Then people in the media and in the papers are going to be looking for people who know, in detail, about a particular subject, and if they are looking for that, you want to make sure that you're well-placed to be the business that they come to.

Next, you want to, just a very good lesson in life, generally, is be friendly, and in this case, be friendly with journalists. Because, again, lots of business is about relationships, and so if you can be a person that they enjoy doing business with, that they like speaking to, that gives you so much better chance of getting them to cover your brand and speak about the things that are important to you. And very closely linked to this, a good way to make journalists like you more is by giving them some free product. So again, people like free stuff, and this is also a great way that they can speak about your product with confidence, having tried it, experienced it for themselves. And that'll make them much more comfortable and confident to endorse your product, to speak about it, to write about it, and it'll also, most likely, make them feel more positive about you as a business.

And then, finally, with a grassroots approach to PR. So this is about really starting at thinking about all the different ways that you can get your product out to as many different people as possible, so they can start trialing and sampling your product. As the more people you can reach at a grassroots level, the better chance you've got of getting covered and getting PR going forward.



# **LESSON 3: CREATING E- COMMERCE CONVERSION OPPORTUNITIES**

## Sales Tactics

Firstly, let's look at coupons. And so coupons and vouchers are used in e-commerce to acquire new customers or customer information.

So effectively, this means that you can acquire new customers by handing out either literal coupons like flyers out in the streets, or emailing and using digital coupons that tell people about your product offering, and often offer some sort of discount. The way you can get customer information back from this is by sometimes asking people to fill in email addresses to get these coupons, and also you can track the performance of different marketing activities by seeing how these coupons are redeemed. There are two different types of coupons, typically. One is a unique single coupon, and other is a single code coupon. And we'll speak about each of these in the next slide. So, a unique single use code is either a code or a web link that can be used once by one individual. And the great thing about this is it gives you real close tracking about where that person is coming from, and it also ensures that that particular code can only be used once.

And so that it gives you great control over the level of discount and the frequency of discount that you're offering as part of that discount code. Second option is using a single code, and this is typically one code or one link that can be used unlimited times by multiple different people. And again, one of the benefits of this are that it's easy to set up, and it can give you one code and also a lot of other people, but the danger is that you have less control as you don't know where that code is being distributed, and you don't know who is using that code. So again, something you need to be really cognizant of when you're using discount codes is that there are special websites that are set up to harvest these discount codes from a whole host of different websites so that people can go to the website, type in your particular URL or your particular products, and see what discounts are available for that type of product.

And so, they there are lots of...it's quite a common shopper behavior, to go to a website, find the product that you want, put it in your basket, and then when they see that there's a box on the checkout that says 'Discount code' or 'Voucher code' they will often go away on to a different web browser and search for voucher codes for that particular product. And again, there is a danger that the single code voucher code that you've set up could be available on that site. That means that you end up giving a discount to more customers than you had originally intended with that discount. Of course, you might also decide that it is, if a customer is that driven to get at least a slight discount on your product, and the level of discount is shallow enough, that you might be willing to, or happy to let them have that discount rather than them going in and looking to buy your product from a competitor. Another key tactic that can help drive conversion on your website and help you sell more product is what's called dynamic content. So, dynamic content is when the content on the site is changed to make it as relevant as possible for the particular person that is viewing the site.

So this might be based on actions that they've taken already on your site, or information you know about them as an individual, or the characteristics they've got, based on the information in their browser, or it might be based on where they've come from up from previous sites. The benefits of these are that it displays relevant content to the person and gives them a higher likelihood of conversion, and as a result, gives your website higher conversion rate. And it's also relevant that if you can show highly relevant content to people, it's likely that they're going to buy more products, and as a result, have a higher average order value. And so, I can think of a couple of businesses that do this very well.

Again, Netflix will very effectively show you content on your site and on your account that is tailor-made based on the products that you've already watched. And it will be very different to the content they're showing to someone else on their account based on the content that they've watched. So, this makes it really easy for you to quickly find the products that are most relevant and that you're most likely to enjoy out of their huge range of content that they've got on offer. Likewise, Amazon which as we've already spoken about, an enormous range of potential products is very good at saying, "Based on these products that you've bought, or these products that you've looked at, or even just this information that we know about you from how you're browsing the web, these are other products that we think will be relevant to you." And so, I guess to sum up on the overall advantage of dynamic content is all about just being as helpful as possible to the shoppers, to show based on all the information you know about them, to show them content, and products, and services that you think will be of interest to them, add value to their experience, and are most likely for them to want to buy, so that you're giving them what they want and making it as likely as possible that they choose to purchase from you. Another interesting tactic for driving online conversion is live chat.

And what this is, is you'll see a lot of websites where instant messenger type application pops up, says hello and gives you the opportunity to communicate with a correspondent on the other side, and they're there to answer any questions that you might have. As the benefits of this are that it hopefully provides increased customer satisfaction, it hopefully drives increased time-on-site, it can be done at a low cost per customer level, and it hopefully increases the conversion rate. So again, let's take each one of these in turn. So, why does it drive increased customer satisfaction? Well, it's basically making a lot easier for the customer to get the questions answered that they need. So this is particularly useful on complicated products or high-ticket item products where the customer needs quite a lot of information about the product, and that information would be difficult to concisely deliver to them through a standard product page. Because there's a whole host of different questions an individual might have, because they...again let's take a camera as an example. It has lots of different features and benefits. They might know some of those but not others, and have particular questions that they want to be able to ask of an expert.

And laying all that out through the standard product description would potentially make the product description very long, but having someone there who's an expert who can answer their questions can quickly get them the answer they need and deliver the satisfaction that they're looking for. The increased time-on-site is an interesting one, because again, this has potential search engine optimization benefits, as Google looks at the time that people typically spend on a site, and uses that as an approximation of how valuable that trip has been to that site for that user. And so, the longer people spend on your site, the better benefits you get from an SEO point of view. The third benefit is lower costs per customer served; this is because a single account handler can serve a large number of customers, and because it's done over text rather than over voice, and so you can have several conversations going at one time, so which makes it more efficient. And then, all of this hopefully drives higher conversion rates, because you're answering the key questions that a shopper has. You're giving them the opportunity to ask any additional questions, and also giving you the opportunity to position the best features and benefits of your products to make them most likely to go on and purchase.

There's a couple of different, or there's several different platforms that could help deliver live chat. So there's third-party services such as LiveChat and Olark. And this allows sales and customer service agents to use their live chat service. And again, it's very important that if you are going to use live chat, you fully understand the way that you're going to implement it, and how you're going to resource that live chat in a way that it delivers on the customer need. So, again, customers are generally quite impatient, so if they're asking a question over live chat, they will expect an answer

very quickly. And so it's important that you provided it to whoever the agents are, they're handling a live chat with all the relevant information at their fingertips, so they can quickly, efficiently, and most importantly, accurately answer the customer's question. And if you can't do that, you potentially need to consider whether having live chat is the right thing to do for your business, because you might be better off at handling customer inquiries through a more traditional 'contact us' platform, which, although isn't as instantaneous, gives your customer service handlers more time to find the correct answer. So, it's all about understanding who your customer is, how quickly they need the information, and then how well your business is resourced to deliver that information to them.

Another key element of maximizing the conversion rate of your website is about having reviews on your site. And again, if you think about consumers in general and humans in general, this shouldn't come as a surprise. People like to be given information about how good or bad a product is likely to be before they buy. So again, think of when you've recently met a friend, and they've been out for dinner at a particular restaurant, or been seeing a particular film, if you were thinking of going to one of those places, you would obviously ask, "How was it? What was it like? What did you think?" So that you can make a more informed purchase. Likewise, if you're booking a holiday online, you'd almost definitely go somewhere like TripAdvisor where you can get real detailed reviews and comments about how the whole process and how the whole holiday has been, so that you can make a more informed decision.

And the same goes for when people are buying other items online. They want to get as much information as they can before they purchase, and that's where reviews on site come in. And these can either be reviews about the overall site and how credible and how reliable it is, or they can be about reviews of particular products on the site. And there's lots of different providers of these types of reviews, and there's also different ways you can do it. So there are businesses like Trustpilot and like FIFO that are elements of software that make it easy for people to leave reviews about your site. And then there's also...you can buy web services like Magento or Shopify that have review rating or review leaving functionality in the user interface as well. And there's different pros and cons that you should consider when you're choosing which one to use.

Some of the key considerations that you should have in mind when choosing which type of review interface to put on your site are things like, does it allow people to leave a star rating?, which can often be a really good shortcut for shoppers to understand how good the product is. Secondly, does it allow only people to leave a review that have actually bought the product, or does it allow anyone who happens to be on your site to leave a review? Again, there can be pros and cons associated with each of those.

Likewise, can the review...is it just able to be allocated to a particular product, or can it be spread across all of your products in a particular category to give people a general sense of the quality and caliber of your products? Likewise, there are some interesting things you should think about how you handle the reviews that you get on your site. Again, there's often some debate around how negative reviews should be handled. There's very little debate around the fact that a negative review is an opportunity for you to correspond with the customer, make the situation better, and as a result, hopefully they'll leave as a customer with a good view of your business. But some people would advocate that it's a good idea to, once you've done that to remove the product or that review from your site, if the software you've used gives you the possibility of doing that.

However, other people would say that actually leaving some negative reviews, especially if there's some conversation that follows, visible on the site, that shows that the issue has been dealt with actually help give your overall review system credibility so that people know that, yes, the majority of people have enjoyed this product or had a positive experience, but one or two customers haven't,

and that gives them confidence that the overall review process is reflective of how customers have actually enjoyed the experience. Again, all of this is just about giving customers more information at the time of purchase so that it makes it more likely that they will go on to buy, which is a good thing for you as a retailer.

## **The Purchase Funnel**

Next, let's have a look at the purchase funnel. And again, we've spoken a little bit about the phases that people go through when they're considering buying a product, and this just goes into a little bit more detail on that. And some of the things you should be considering at each stage of this process, and to make it most likely that the ultimate outcome is a successful one, and that they buy some product. So this model shown here is the consumer-focused marketing model, and it starts with letting a big range of people know about your product or service, and as a result, getting their attention. And that can be done through a whole range of different advertising and marketing initiatives.

Then you need to get their interest, and so that they are wanting to find out a bit more about your product or your services, then down to desire where they've made the decision that, "Yes, I do want this product," and then down to action where they actually buy it. As an interesting segue there's a, I guess, a different, an inverted business model that lots of start-ups are often saying, or some of start-ups are now saying is almost more valuable or more relevant to some of these tech companies. So, I'm thinking of businesses like Facebook, and Airbnb, and Uber. And their model often actually starts with a product first. So whereas this is a consumer-focused marketing model, this could be thought of as a more product-focused marketing model. And it starts with the product that people really want, that people really love, and then moves out slightly to the more people using that same product because they've been referred to that product by the initial group. Then it grows from there, and by getting those initial people who are using the product, and using it well to refer other people. And then it grows again by getting people who, or focusing on people who are searching for a product that delivers what that part is looking for.

So again in the Airbnb example, this would be showing up for a paid advertising, when people are searching for hotel rooms in a certain city or guest houses in a certain city, so that's when Airbnb would make themselves visible to those types of people. The next stage up the funnel would be, once you've exhausted the amount of sales you can get from all of that relevant search, you would then look at, who are the types of people that are using our product? In terms of what demographic are they? What they look like attitudinally? All that kind of rich information that they'd have about these people using their service. And then they think, "Right, where can we find other people that match that type of customer?" And they'd start advertising to them. And then it's only right at the very end that they, and once they kind of exhausted all the growth available from those different stages, that they would then start doing mass awareness attention type advertising, and the big brand campaigns that you typically associate with a more traditional model. And again, this kind of rings true with what you've seen in Facebook's model that in the early stages of their growth, they didn't have to do any advertising, people just started using it, and then using it more and more. Then people start telling their friends about it, and it grew, then they started doing a little bit of marketing to people that are like people that have been using their product, and by launching into other markets, etc. And it's only very recently that they've started doing any brand-led marketing. And I guess these two types models that I once heard summed up as the traditional model, is about making people want a product. And the more start-up-based model I just spoke about is about making a product that people want.

Let's not say one is right and one is wrong. They're two very effective marketing channels and marketing funnels, is by understanding which one is most relevant to your business, or which one is most relevant to the activity that you are looking to drive. So again, if that's something that you're interested in, I'm sure if you do some Googling around marketing models used by start-ups and making a product people want, you'll see some talks and some blogs that come up on the subject.

Let's get into a little bit more detail about the traditional purchasing funnel of awareness, interest, desire, and action. So again, it all starts with making people aware of your product. So what are the advertising campaigns that you are going to do to reach the relevant customer, with the relevant message, through the right media, to get them to take the action that you want? Which in a lot of cases for an e-commerce business is getting them to go to your web page. And still at that initial stage of awareness, and that initial visit to your web page, what are the key messages that you want to hit them with or offer them so that they know more about your business and know that you're a business that they want to interact with further? So this is things like the general look and feel of your website, the articulation of your key promise, your customer value proposition on the first page, and then also, some of the trust things that we spoke about earlier of reviews or endorsements from known brands, all that sort of stuff that makes you think, "Yes, I know what this business does, and I'm interested in finding out about it a bit more."

Next, at the interest level, again, you want to give them, give more information about why they should choose you rather than any competition, or why they should choose your product to deliver the need that they're looking for. And then also deliver all of the product benefits that we spoke about either on the category page or on the product page to boost that gap between interest and desire. And once you've got into the desire stage, it's really about how do you make the process from there through to purchase as convenient and slick as possible, taking out any uncertainty so that it's just a straight line for the consumer from there through to purchase? And again, we'll speak later about the analytics that helps give you more information about where you're losing people through this process, but the key thing from understanding a consumer point of view is to just think about, what are all the different questions they've got at all the different stages of this process? How do we answer them in the most compelling way that puts our product in the best light, that makes it most likely that the person is going to progress to the next stage of the funnel, and ultimately on to the final stage of action and purchase? And so again, this final slide on purchase funnel is about, I guess, articulating how different the consumer journeys are for different people.

So there are an infinite number of different ways that a consumer can find out about your product, and then choose to go and research more. They can come to your website, they can view your website on a mobile, they can view it on a desktop, they can comment at a different page, they can go and read a review site that's got nothing to do with your site, nobody references it. They can then come in to your site after that at a later date, and they can exit through your site, go into other stuff, come back. As I say, there are an infinite number of possible ways that they can interact with your site, with other sites on the Internet, with real people in the real world, to all inform their view of your business, and all of that will lead them either coming to buy from you in the future or not. And so, it's very, very difficult to map out all those potential ways, but what you're really looking to do is understand what the key user journeys that most people go through, and then optimize the route from that awareness, through to interest, through to desire, through to purchase, and just think about those most common routes, and make sure that your site is optimized to give the relevant information at the right time, and to avoid any potential blockers on that route to give you the best possible chance of converting people from attention through departures at the end.



## Omni-Channel Retailing

Next, let's look at Omni-Channel Retailing. So first of all the definition, Omni-Channel Retailing is an evolution of multichannel retailing concentrated on the seamless approach to a customer experience through all available shopping platforms. So multichannel retailing is really about having your website consistent across all different devices, so mobile, desktop, tablets making sure that those are all executed well. For omni-channels, taking things a bit broader and actually realizing that there are a number of different channels that people can choose to buy your product through. So they can buy through your website but they can also buy through more general websites.

So, for example, Royal & Awesome, we have our own branded website, people can also buy our products through other golf retail websites. And then obviously, they can buy through major marketplaces like eBay and Amazon. And it's really the growth of these major marketplaces, especially Amazon, that I think has spawned this real consideration of how we make sure that our brand is portrayed well across all of these different channels. And I think the key thing that's driven that is that they're almost diverging slightly that you've got one channel that is effectively the general website retail channel that is spearheaded by Google. So people come into that channel, go to Google, type in what they're looking for, and a whole range of websites become available which they can then choose from.

The other channel is Amazon where, again, people start their journey there. So they never go to Google, they just start at Amazon, go to the main search bar and type in what they're looking for, and again are shown a range of products. So because those two paths have split and there are certain retailers that are starting their buying journey in each one of those paths are not crossing over is important for lots of brands to consider how are we showing up in each of those channels, and does that both represent our brand well and maximize our chance of sales. So there are certain brands that choose not to play in Amazon channels because they believe that it is heavily price-driven and a heavily traded category, and that doesn't align with their brand credentials.

However, there's another school of thought there, actually it's just another retail channel, and if you choose to do certain things, you can display your product in a way in that channel that does align with your brand values. So again, if you are only selling through your own marketplace store there is not price competition led by competing with other retailers, so that gives you the opportunity to sell a product at the recommended retail price. Amazon also offers, and so do eBay offer, branded storefronts, so again this gives you the opportunity to display your product with branded imagery, without other competition products on that page. So again, getting very close to recreating the look and feel of your overall website. Amazon also offers a range of paid advertising opportunities just like Google do.

So again, this can be another way of showing your product and your offering to a whole new audience of shoppers who weren't previously buying your product or even previously aware of your product. So again to bring this to life, Royal & Awesome has seen significant growth over the last couple of years by actually focusing more on Amazon marketplace, and being one of the first people in to start using some of their paid advertising in the golf channel. So now when people are searching for things like bright golf pants, loud golf pants in the USA, we've got advertising running that means our product shows up with a good picture, a good product description, at the right price point, and as a result, we sell large quantities of products. Two people searching for those types of terms and we can tell from those types of terms that they weren't previously aware of Royal & Awesome as a business. And so by us choosing to understand that there's lots of people shopping in Amazon, knowing what type of products that they would be searching for, but would be willing to be tempted

into buying our product, and then making sure that we are present and visible and well represented in those channels, we're increasing our sales.

So again, it might not be right for all businesses, but it's certainly an important distinction to understand that as the Amazon marketplace and eBay to a certain extent grows it's important to have a retail strategy for that, and understand how that channel works in a way that complements your more traditional retail channel through standard websites.

## **CRM**

Next, let's look at another key element of driving conversion which is customer relationship management or CRM. Now, I guess e-commerce is a lot like real relationships where the first impression yes, it's important but traditionally or typically relationships build up over time through a number of interactions that you have with another person. And what the quality of those interactions is, what the frequency of those interactions is, what your takeaways are, how you feel as a result of those interactions. And CRM in the e-commerce sense is just the same.

So it's about how you map out, how you plan, and how you record those different interactions in a way that delivers your overall business objective. So customer relationship management is a strategy for managing your company's relationship and your interactions with either your existing customers or potential customers. Ideally, you need to get your customers to register with you for CRM so that you can get as much detail from them as possible, and so that you know how best to communicate with them in the future. And then once you've got that record of an individual customer you should add to that record over time. So that you record all the different interactions you had with them. So you build up a picture of what information they've already been served, what information they're interested in, how they interact with that information so that you can more accurately and more effectively serve them future content. Again, with the aim in mind of how do you ultimately get them to take the step where they buy one of your products or services. So e-commerce CRM systems are used to optimize engagements. They're also used for analyzing the system that will help you build an image of your customer base. And you can use data to create dynamic content that will create conversions and opportunities.

So again if you take a business like Netflix as a very good example of this. They will build up a really clear picture about people that come to the website. So if you first go to the Netflix website, I'm sure they've got some sort of email pop-up where they'll try and capture your data. They may try and tempt you into free 30-day trial or a trial whether a reduced price point, and all of that is aimed at getting your details and starting the conversation with you, starting that relationship with you. Then depending on what you do next will dictate what their next interaction is with you. So if you sign up for the 30-day trial, they'll then open up an account for you, start recommending programs that you might want to watch. Based on what other people of your demographic or your demographic, your location all that type of stuff have previously watched. And then they'll continue to kind of offer you different things throughout that 30-day trial to try and maximize the likelihood that you continue that subscription after the free trial. If for whatever reason you choose not to continue, I'm sure they've got a chain of sequence of emails that come out after that that try and re-market to you to get you to take the action they're hoping for would be to sign up again.

Conversely, if you do choose to stick around with them I'm sure they've got another sequence of emails that help serve you content that they know will be relevant to you, that makes it most likely that you maximize the value you take from their service. Which again makes it most likely that you'll continue to pay for that service over an ongoing time. All these little interactions that you're having with their site and with the emails that they're sending you are touch points so they can take data



from and build up a more and more colorful picture of what you are like as an individual. What you are interested in consuming and that informs their future decisions.

So for example, they will be able to build a picture of what type of genre of programs you're interested in based on what you've watched, and also what trailers you've watched. What you've added to your watch list and maybe even just things that you've hovered over. They'll be able to build up a picture of what time of day you like to view products, even what time of day you typically interact with the emails they send you, and which time of day you're less likely to do that. They'll be able to get a picture of which type of device you interact most commonly on. And all this, as I say, they're much more capable of tailoring content to your needs and wants so that the overall product offering that they are giving you makes it as valuable as possible to you. And most likely that you'll continue to use them in the future. All this huge amount of data that's available to big businesses and to e-commerce businesses can become quite unwieldy. So it's important that you have a software provider that helps you manage it. So there are certain key areas that use CRM. So one of them is by marketing automation.

Another one is by Salesforce optimization. You can then also use CRM in contact center automation and also use geolocation technology to make your CRM more effective. Effectively, HubSpot and Salesforce are two different examples of CRM platforms and softwares that help manage this for you so HubSpot is a marketing automation software that again takes all these different user interactions that people might be having with a particular brand and records them in a way that makes it easy for the marketing person at the overall business to view so that they can make the next decision. So it pools in all those different things of customer X interacted with the email on this time at this date. They viewed this piece of content, they clicked on this link through to that. And they can also manage the different email chains that flow out of that. A bit like one of the softwares we spoke about before around the re-marketing tools, HubSpot does this for CRM where it brings all those different media, all those different potential customers, and all those different objectives brings them into one place, with one dashboard, and allows you to manage it efficiently.

Salesforce does a very similar thing for sales teams and we'll speak about that in a bit more detail in a second. So let's look at the CRM opportunities in a few different markets or a few different sectors. So the marketing automation is the automation of repetitive tasks to enhance the marketing efforts of a customer at different points in the life cycle. So again we've spoken a little bit about this as email as just an example. So where you trigger someone to sign up for the database of your website and then you start serving them content in a pre-determined sequence of emails that make it as likely as possible that they go on to purchase your product. Likewise, you can do abandon baskets have a series of emails after it and post-purchase emails that again have a series and sequence of emails that happen after the person has taken the event that you would like. But you can do this...this becomes even more complicated when you've got a business that is selling more complicated service. So again using our digital marketing agency as a business example, they've got people who are coming to their site for advice and to read content on a whole host of different digital marketing areas. So it might be what's the best way of advertising on Facebook? What's the best way of using Amazon to drive retail availability? What's the best way of using Google Shopping as a way of increasing retail availability and retail visibility? So those are all different sections they might have on their website and again all they'll have different content related to each of those and users and members will be downloading different bits of those content. And their CRM software will pull all of that information together in one place and say, "This customer has been consuming data on these types of things, which gives us good information that the type of email we should be serving them should include more information on those areas that they're most interested in. Again, moving on to sales force automation and Salesforce is actually the name of the software as well that helps deliver

this. So this prevents duplicate efforts between sales person and a customer by automatically tracking all contact and follow-ups between both sides.

So yeah, if you think about a sales person in an organization who has multiple accounts to look after and they are going to be trying to sell those a different range of products over an extended period of time, there's different ways that they can manage that. But without a software, it's likely that they're going to be having to have presentations and spreadsheet you save in different folders around their computer or on their shared drive with the system or their internal business. They're then going to be having to use emails to correspond with their customer and phone calls to correspond with their customer and keep notes on those. Again, either in documents on their computer or on folders offline, and every time they've got a call to make or the next encounter with that customer, it takes time and effort to pull all of that together. So a software like Salesforce makes that much easier for them. So you'd have particular account or a particular page for each account that that sales person looks after. They'll have a log of all the different interactions they've had with that sales person or that sales account. So telephone call on this date, this was discussed, these are the next steps. Follow-up email was sent on this date with this information. Here's a copy of the email. These are the presentations that we used to correspond with this customer.

So again, it is just a case of pulling it all into one place so that it makes it easier for the salesperson to manage and makes it a better experience for the customer that they're trying to sell to because the information isn't being repeated and the key next steps are always being followed up on. So if you expand that salesperson over to the number of different accounts they have to sell to, you can then see how important it is to have some sort of software or some sort of process that helps manage that overall experience, which is where the CRM software is incredibly useful. Next let's look at CRM applications. So again contact center automation is another area that CRM automation can play a key role. So again, if you think about the contact section of a website the number of inquiries a busy website can get through the 'contact us' section is incredibly high.

However, the number of different subjects that that covers is typically quite low. So there's a lot of emails that will go through the 'contact us' page that will be around where is my delivery, what are the expected delivery times, what are the product features of this product? If I order now will I get it by then, etc.? And so those types of inquiries can be grouped together and pre-determined responses can be decided for those inquiries. And then the CRM software can decide what's the best media to deliver those responses through.

So for example, if a phone call is the way that customers like to interact with a particular retailer there might be a series of automated responses to particular questions that are all laid out through the CRM automation. So if your question is regarding delivery, please press one. If your question is regarding product quality please press two, etc. And at each stage of that, they get an automated response that takes them through as quickly as possible to provide them an answer that they're looking for. And obviously at the end of it, if the automation hasn't managed to get the answer they're looking for, a customer service person would step in and take over. It might be that that whole process can be handled actually through a web interface where the customer never needs to leave the website. They can simply go to the 'contact us' section and be asked questions online saying what is your question regarding. If it's to do with delivery, click here, if it's to do with product quality, click here, etc.

And then again, there will be a series of questions that come up after that that will hopefully help handle the person's inquiry. Again all this shows how understanding the different questions that the consumer has can help you automate the solutions you give to them. But you always need to bear in mind how does this work for the consumer? Is it as seamless and as easy as possible, and is it a

good experience for them? Because at the end of the day, that's one of the most important considerations along with the commercials of delivering that to that end consumer. And then the other thing to consider with CRM is around geolocation technology. So this allows you to tailor the content that you're providing people based on where they are in the world. So again, it might be that you've got particular promotions running or particular types of advertising campaign are more relevant to someone in one part of the world than the other, and again, geolocation targeting will allow you to do that. And again, this can get very specific on the locations. So high-street retailers I'm sure have done trials on having offers pop up on people's mobile phones while they're in the location of their shops to again try and tempt people into buying while they're there and then.

## **The Repeat Purchase**

CRM also has a role to play in driving repeat purchases after people have chosen to buy a product or service from you. So here are a few key examples. So Tesla, the car manufacturer, again, an interesting thing about car advertising is a huge amount of the advertising value actually comes after someone has bought a car. It's about reinforcing with the buyer that that was the right decision to make, they've bought the right car and so hopefully, when they come to replace the car even three, five years down the line that they choose to buy with the same brand again. So that shows you it's incredibly important in the car industry that customers are followed up with, and that they're served lots of relevant marketing material to help them validate that they have made the right decision, and spent a very significant amount of money on the right brands for them.

The other end of the spectrum in terms of price point is the fast moving consumer goods sector where re-marketing and marketing to people after purchase is incredibly important for driving engagement with the brand and repeat purchases. And because the price points are very low, items like this, typically it's incredibly important that brands try and drive as much frequency as possible. It's actually very interesting book called *How Brands Grow* by Byron Sharp that speaks about how brands grow. And he advocates that the best way you can drive growth is through increasing penetration of your brand. So getting more customers buying it. And he says, "There's couple key ways that you can do this and one of them is through driving mental availability and the other is through physical availability." And what he means by mental availability is about being top-of-mind when someone is at the point of purchase.

So if you think of a typical grocery store or supermarket, there are literally tens of thousands of products in there, and there are far too many products for a shopper to make a rational decision on each of those products about will I or will I not buy. It will take them years to do a single shop if they thought about every product and thought yes or no to that in a rational way. So what shoppers actually do is do very short subconscious shortcuts about what they're going to buy based on product packaging, product familiarity, where it's in the shop, where it's on the shelf, all these types of things. And the more that your brand can be top-of-mind with the retailer, or with the customer, sorry, while they are stood in front of that shelf, the better chance you have that they choose your product rather than someone else's. Which will increase the penetration of your brands and the number of people that buy it, and also, as a result, increase the frequency. So the number of times that people buy your brand which in turn grows the overall brand.

The other area where post-purchase marketing and CRM is very important is in the subscription sectors. So again, taking Netflix or Apple Music as an example. People are signed up for a subscription there and if they choose to take new action that subscription will continue to roll on. And so it's really important that after someone has made that commitment the retailer continues to market to them and continue to show them the full value that that product service has to offer them. So examples of this would be making recommendations about what products and which types of

music, what types of films that the customer might like. It might also be highlighting some of the features of the service that the customer is not currently using. So effectively, just trying to make sure that the person and the customer has as positive an experience as possible to make it as likely as possible that they really value what they're getting and so that they continue to pay for it.

## **Channel Selling**

Next, we're going to look at channel selling and we've already spoken a little bit about this when we were speaking about Omni-Channel Retailing. So here, channel selling is defined as referring to the sales where transactions occur in another website rather than direct selling through your own website. So again I've mentioned that this might be through a wholesale retailer who operates in the same sector as you, or it's very commonly now a marketplace like Amazon. And I've already explained that there are lots of retailers that are choosing to shop on these channels and unless your brand is incredibly strong, they're going to choke on that channel whether you're there or not.

And so if your brand is not there, all likelihood is they will choose to buy someone else who is there. And again part of this is because the service that Amazon is offering and the reputation they have for that service for low prices, incredibly convenient delivery options is so strong and so compelling. And the fact that people have already signed up for subscriptions for the likes of Amazon Prime gives them another motivation to buy from retailers like that. And so again you need to be really conscious of evaluating, is that really a sector that you can afford to not be selling in? And if it is a sector that you want to sell in what are all the different ways that you can do it so that you maximize sales whilst also protecting things that are important to you like your brand perception. And yes, the overall way that your brand is perceived in the marketplace. However, just because you've accepted and you believe that it's important that you are selling through those channels doesn't mean that you shouldn't try competing with those channels to maximize the number of sales that go through your own website. Because obviously there are benefits for you, the more sales that go through your website you typically make more margin from those sales, and you also own the customer information.

So again, you get the email addresses, etc., whereas you don't always get that through the likes of Amazon and eBay. So here are some of the incentives that you can do to try and make customers choose your website as the place they purchase from rather than the likes of Amazon. So first of all, you can offer coupons to attract customers effectively, price promoting. Secondly, you can offer extended product warranties that make customers to buy directly from you. So that's about differentiating yourself based on the level of after service care you're going to be giving people rather than on the specific product, which is obviously very difficult to differentiate on if you're selling the same product in multiple channels. Thirdly, you can offer rebates upon registration and it provides an incentive for someone to switch. So again, it's just another form of price promotion and differentiation but you're making sure you get something back in return which is more customer data.

And fourthly, you can offer things like free refills on consumables which may attract customers. So again, yeah, that's a way of using post-purchase additional services to differentiate yourself from other retailers. And again, there are commercial considerations with all of these and you'll have to factor in whether the costs associated with these mechanics is greater than the margin that you would lose through selling through the other retailers.

## Marketplaces

Because these marketplaces are such a big focus, let's have a look at them in a bit more detail. So first of all an e-commerce marketplace is a type of e-commerce site where products or services are provided by multiple third parties but the transaction is processed by the marketplace operator. So let's again take Amazon as an example but the same is also true for Rakuten and of eBay. So in part of Amazon, in the marketplace part of that retail business, there are multiple retailers that are selling the same products as one another. So there could be two or three different retailers that are all selling exactly the same pair of Nike running shoes, for example. I think that's a bad example I think Nike don't sell much through Amazon. So let's take Reebok as an example so there's only a Reebok pair of running shoes. Then when a customer comes to the website and types in 'Reebok, size nine pumps', they'll be shown all the products that match that search query. And the prices they're available at but they won't necessarily see all the different manufacturer or different retailers that are selling that. They'll just be shown the offering that Amazon thinks is best for them.

And so there are benefits for the three different candidates in or the three different parties in this transaction. So the benefit for the customer is that they get...there's a huge number of people competing on the same sale through this marketplace, and as a result, that drives competition and that drives prices down and services up. So they get a really great product offering as a result of the competition. Amazon, you get the benefit of having these third-party marketplace sellers on their site because they get a huge range of product offering available through their portal without having to invest the associated amount of money in stock. And they also get benefit because there's a huge number of transactions going through their portal they can give commission on each one of those transactions. So they're making revenue through those commissions but not having to have a huge amount of money tied up in stock that would be required if they owned all that stock rather than the third-party seller owning the stock.

And then the benefit for the third-party marketplace seller is that Amazon already have a huge body of customers that are coming to their website looking for a product. And so they are able to generate sales from that audience of people and as a result, generate revenue without having to go and drive traffic to their own site. So hopefully, it's a mutually beneficial environment for all those three parties which is why it's an area that's growing so quickly. Because these marketplace-type businesses are growing so quickly and proving so successful, they're expanding into lots of different categories. And so there's a few examples here. So Fiverr is a professional services marketplace where businesses or individuals can go to Fiverr and buy services like website design, like imagery design, like copywriting, customer service people, all different types of services that might be useful for your business.

There are marketplace providers there happy to provide it at the right cost. Etsy is a marketplace retailer that offers exclusively handmade products. And Steam is a marketplace that offers computer games to its customers. So again it's a question as the market has become so big for these marketplaces, you get kind of dividing up on the market. You get Amazon, you're still all things to all people, and through their scale have huge amount of opportunities because so many people do start their search there. But because they are all things to all people, it's very difficult for them to specify and provide the level of service that might be required within smaller niches. So that's where you get people like Fiverr springing up where they can better provide what professional services people are looking for. And as a result, they're carving out their niche in a large market and being successful through that.

Likewise, with Etsy products, it must be a large number of people that are looking for handmade products. And within the Amazon marketplace, because there are so many other products, it can



become difficult to find those ones. So Etsy are again carving out their own niche by being more focused on that.

## **M-Commerce Channels**

Okay, so let's have a look at how the trend of people using mobile phones more and more is also having an impact on commerce and mobile commerce. So this creates lots of opportunities. First of all, the most basic level it's incredibly important to have a mobile version of your website so that people, first of all, can just get a good user experience while browsing and shopping on your mobile phone. It's also really pragmatic reason that you need to do this is that because Google want to ensure a good user experience for their users they are penalizing sites that are not formatted correctly for mobile phones, by making them less visible when people are searching for content on mobiles. So it's incredibly important and a real business basic that for an e-commerce site, you must have it correctly formatted for your mobile.

Secondly, you can do location-based deals. So we've already spoken about that very briefly where you can use geolocation targeting to pop up particular deals that are relevant to someone while they're in a particular store in a particular location. So again that makes it feel very tailored to their customer and they're clearly, kind of, in purchasing mode while they're in that shop. And so it has a really high potential for conversion.

The other thing you just have to be a little bit careful of is people feeling like they're being spied on and being watched and that might freak a few people out. So again, you just need to test it with your audience and see how it works and potentially then segment your database and your audience accordingly depending on which ones take the behavior that you hope they do and which ones don't. Another interesting mobile commerce trend is price comparison using barcode scanning. So again this is where there's a real kind of interface between traditional bricks and mortar retail and e-commerce retail. So it's now very easy for people to simply scan the barcode of a product in a shop and find out whether they could buy that product more cheaply online.

So again we spoke earlier about how transparency is a real trend between different prices. And so those retailers who aren't the cheapest need to be thinking about what value they are adding to the overall buying experience so that retailers are still going to choose to buy from them. So is it overall kind of ambiance of the store? Is it the level of service that they give? Is it the level of refunds that they accept? Is it the push purchase service they give people? What is the key thing that's going to make people buy from them if they aren't the cheapest? And then, next, you can also use an app on your mobile to sell and deliver the products, and so we'll have a look at that in a bit more detail in a couple of slides time as well. So again, another key point of the kind of progress being made through mobile is the fact that your mobile phone now often doubles as your wallet, and payments can easily be made through your mobile phone, through the likes of Apple Pay. And why is this relevant to e-commerce? Well, there's been studies done to show that cardless payments, people who make cardless payments are shown to buy more than those spending on a card.

And again, this makes intuitive sense. Once you've already entered your bank details and your payment details into your phone it's then much easier for you to select products through a mobile e-commerce site, add them to your basket, and then rather than having to go through the whole checkout process where you enter lots more details you can just simply click that you want to pay and purchase that product. And that removal of those additional stages makes it more likely that you're going to buy, and it makes it more likely that you're going to spend more money, which is obviously a benefit for the retailer. I haven't said this but also a key consideration for retailers is that you need to make sure that you're able to handle those mobile transactions and safely look after



people's payment information and data. And safely process those with the APIs and the interface of your payment gateways on your site.

## **App Store**

Let's take a little bit more of a detailed look at how apps can play a role in mobile commerce. So they can either be a great point of sale directly for your product, and they can also be a channel for selling other products or goods to engage users.

So again, this plays a little bit back to what we were speaking about around Amazon before where if you can make your app a place where someone goes to buy before they even go to Google, you can collect sales from that channel without having to risk competition from other people that are advertising on Google, and you can also collect sales without having to pay advertising to Google to get the sales. However, for this to be...to give yourself a high likelihood of success you need to have a retail business that people shop at frequently enough so that it's likely that they will actually download your app, keep it on your phone, and visit it regularly as the first point that they go to when they're considering making a purchase from the types of goods that you offer.

Alternatively, you need to be able to offer such, either a good buying service, or good buying experience, or such rich content that they're going to choose to use your app to buy the goods and services from. A different approach to app economy is having an app that is not primarily focused as a retail app, but it's primarily focused as an entertainment app. So again, there's lots and lots of very successful businesses at the moment that are effectively computer games played through apps, and a lot of the time, those apps are completely free to download. But then there's in-app purchases that users can make to make the overall experience better or to make them progress more quickly. And so again, the model is slightly different there that people aren't going there with spending money in mind, they're going there to enjoy whatever service or entertainment the app provides, but then they are choosing to spend some additional money while there to make the overall experience better.

## **Bricks and Clicks**

Now let's have a quick look at the integration between traditional retailers' bricks and e-commerce retailers clicks, so let's have a look at bricks and clicks. So this is integrated retail where e-commerce and traditional model come together, where sales made online can be collected from existing retail infrastructure. So again, mobile or online grocery shopping would be a good example of this where people can go on to the likes of tesco.com or walmart.com, select all their groceries that they like to buy, those products are then picked from local grocery stores and then either dispatched with a courier or through the retailer's own couriers and delivered direct to the door of the customer, or the customer can choose to collect those goods from their local store at a convenient time.

So this really gives the customer the best of both worlds so they can have the convenience of shopping when and where they want, either in-store or online, and then they can also have the convenience of collecting the product at a time and a location that suits them or having it delivered directly to their door. The challenges associated with this are that there needs to be join-up between those two infrastructures, the online world and the more traditional bricks and mortar world, as you need to make sure that the systems or the backend systems, often called ERP systems, are integrated well to each other so that when someone's buying a product the system knows where that product is available to sell it from. So you need to make sure that those two systems join up, where the e-commerce system joins up with the more traditional bricks and mortar system. These backend systems are often called ERP systems and essentially what you're needing to ensure is that when a product is sold online that it can be fulfilled from one of the fulfillment centers, whether that is

a major distribution center or an online store, but the stock is there to be fulfilled, and then once it has been fulfilled that it's counted off the system so that that unit can't be sold again. So some businesses like the Tesco and the Walmart that we mentioned earlier are able to do this all within their own infrastructure.

However, lots of e-commerce businesses don't have a traditional business structure to rely on, so that's where partnerships are becoming more and more prevalent where e-commerce businesses are partnering up with other traditional businesses to say, "Can our customers collect our products from your outlets at times that are convenient for them?" And then again there's mutually beneficial outcomes of this that the customer gets a better service, the retailer gets...or the e-commerce retailer is able to offer their customer better service so they hopefully get better conversion rates and then the traditional retailer that is being used as a collection point gets increased footfall which then gives them an opportunity to sell to those people coming through their premises as well.

## **Selling Virtual Goods**

So when we're thinking about e-commerce a lot of the time we been thinking about and discussing real products, hard tangible goods that you can buy and feel, but a big part of this market is also around selling virtual goods,, and there are a few things that we need to take into account when we're doing that. So the goods and services which need to be streamed or downloaded must be hosted properly and hosted separately.

So it's important that you use the right providers to help you do that. Secondly, it's very important to have a reliable service so that people can download and stream the product quickly and easily and they get the user experience that they're hoping for. And this is a huge impact on conversion rates, on repeat rates and on positive reviews. Again, we can all imagine what it would be like if you're trying to watch Netflix or Amazon Prime video and buffering all of the time. That's not a very good consumer experience, so you need to make sure you have the infrastructure in place to give the consumer experience that the consumer needs. We also need to make sure that you are hosting it correctly and there are some specialist marketplaces that offer businesses the ability to do this hosting through outsourcing. Stream is one example, Amazon Web Services offer this service, as does Apple app store.

Now let's have a look at some of the key metrics that we should be conscious of when we're selling digital goods. And again, Netflix is a very good example of the market...one of the market leaders in digital goods online. So first, we've got the cost per acquisition. This is the cost it takes us to acquire one customer. So if you think of using Google advert to get customers to your website that is based on a pay-per-click basis and it's costing you £1 or \$1 to get that click to your site, if you have a conversion rate of 1% then you can multiply that £1 by a hundred and get to your cost for acquisition of £100 or \$100. And this cost per acquisition is an incredibly important cost of doing business for you to be aware of. Next, you've got the average revenue per customer. So this, simply put, is where you divide your total revenue over a given period of time by the number of customers you have, so you can work out per customer how much you're getting. The next incredibly important metric is lifetime value or customer lifetime value and this is really about how much profit you generate from each individual customer over the lifetime that they use your product. And the interaction between this customer lifetime value number and the customer acquisition value is incredibly important because effectively, if you can generate more value and more profit from each customer, on average, than it costs you to acquire customers, so if your customer lifetime value is higher than your cost per acquisition, then you have an ongoing scalable business, as long as you can continue that over time and at scale. So it's often referred to as reaching product market fit when you have a customer lifetime value that is higher than your cost per acquisition because effectively you can just

keep on spending that cost per acquisition to get more and more customers and then you generate more profit from each of those customers than it costs you to get them. So as a result, your business makes money.

The next key metric is churn. This is the percentage of people that stop buying your product or stop subscribing to your product within a given period of time. So again, the likes of Netflix, they'll have a certain percentage of people that churn out each month and don't renew their subscription, and they need to be aware of how much that percentage is so they can make sure they recruit more customers to fit more and fill the gap. Then finally, you've got monthly recurring revenue. And this is where retailers take the number of subscriptions...number of people who they have buying subscriptions, times it by the value of those subscriptions and that gets to a figure of how much revenue they are guaranteed to make in a given month and as a result, how much they are likely to make from those continued subscriptions the following month. And it's important to note that that figure is about subscriptions and subscription income, but businesses like Netflix and other subscription business will also be trying to generate additional incomes.

So if you take the likes of phone providers, so like Vodafone, Verizon, for example, they all have monthly subscriptions that generate ongoing recurring revenues and that will contribute to their monthly recurring revenue, but they're also trying to generate income through the actual phone calls that people make and additional services that people make. Again, TV providers operate in a similar way where you've got your standards of subscription, but they might also be offering to try and sell you box sets and box office and all that sort of stuff. So they consciously consider those different revenue streams in two different ways to help them understand their business, but overall looking to maximize both of them to maximize the value of their customers and the profitability of their business.

# **LESSON4: ANALYZING USER BEHAVIOR ON AN E-COMMERCE PLATFORM**

## Platforms

So first of all, I think it's important to say why we need all this data. So businesses are often talking about being data-led and using data to make the right decisions, and this is really where it all comes from on e-commerce business, your Google Analytics. We've also spoken a lot through this presentation about understanding how your consumers are interacting with your websites, understanding the routes they're taking, understanding exactly how they're interacting with different pages, and again, this is where it all comes from.

So Google Analytics allows you to track your user behavior. It allows you to view profitable and nonprofitable traffic. It allows you to enable a variety of marketing tools, e.g. automation, and all of the dynamic content that we were speaking about earlier. That's all enabled by Google Analytics. It allows you to gather useful customer insights, and we'll speak quite a bit more about what those insights are shortly. And it allows you to make incremental changes to increase conversion and generate competitive advantages. So again, if you're optimizing your website effectively, you can use Google Analytics to run different tests where you say, right..., let's use this particular layout of homepage to half the people coming to our page, this particular layout to the other half, and let's see which one has the best impact on overall conversion. Once we've got a significant result, we transfer everyone to the better option. Then you can do lots and lots of incrementations of those types of experiments through all different elements of your site to have significant, positive changes on the overall conversion rate of your site.

So Google Analytics is certainly one of the widest-known and widest-used analytics tools available, but there are other platforms, the likes of Kissmetrics, Clicky, and Woopra. And again, these will all have slightly different features and benefits that may or may not be more appropriate for your individual business uses, but I'd recommend you check each of these out in the notes of this presentation or check them out online and find out the different features that they offer.

## E-Commerce Metrics

So, on a very regular basis, I will go into Google Analytics and look at some key metrics to understand how our site is performing. So, a very basic level, I'll go in and look at how many people do we have coming to our website on a given day, over a given period of time? Where are those people coming from? So you can see the traffic sources that they're coming from.

Are they coming from paid advertising? Are they coming from SEO? Are they coming from Facebook? Are they coming from the emails that we've been sending out? Then I'll look at what our overall conversion rate is at a total level, but also at our individual level for the traffic sources, to see which ones are converting best.

And then also, you can see the total revenue being generated. And that's just a very quick snapshot that we can see. Are we getting more people than we had this time period versus last time period, or this time versus last year? Are they coming from similar-type sources? And are we selling more product? If there are trends there that are surprising, there's a huge amount more data that you can use from Google Analytics to dig into what is driving those differences to what you expect.

So again, let's look at a few more of the metrics that are available through Google Analytics. You can have your cart abandonment rate. So again, you can get very detailed funnel analysis of your checkout. So, from the 100% of people that put something in their cart, what percentage of people eventually go through to purchase?

And you can see at which stages of the checkout process that they drop out. So again, if they're dropping out at adding in your delivery address, or adding in your shipping address, or adding in their payment details, and if there's a major blocker at any of those stages of the checkout, it's gonna have a significant impact on your conversion rate. And through using Google Analytics to see where that blocker is, you can then do further investigation and hopefully solve that.

Next, you can look at new customer sales versus returning customer sales. So, as I mentioned earlier, you can already see where people are coming from. But you can also split that by whether they're new customers or returning, and see whether they behave in any different ways. You can also split the audience who are coming to your site in terms of demographics, splitting in terms of location, splitting in terms of the devices they're on.

There are a huge number of different ways that you can divide up the audience into smaller segments to get a more detailed view of how they're behaving. Next, you can look at product affinity. So, you can see which products are being bought with other products on your site. Again, this can be very useful for deciding how you should lay out your products on your web page, which accessories you should offer with other products, which checkout deals that you should offer, which cart deals and uplift deals, that we spoke about earlier, you should be offering, based on the product affinity.

You can also look at the revenue per product and see which your top-selling products are. And again, that might impact where you display those products on your site and what range you want to be developing, going forward. You can also look at day parting, so you can see when in the day people are making most of their transactions. And again, this can be very useful in determining when you should be doing most of your advertising efforts, and when you should have most customer service people on hand.

Next, you can look at your cost per acquisition. Again, you can feed in information about how much your overall advertising is costing, and then see how many sales that advertising is driving to get to a cost per acquisition. And this can be really important in helping you identify which sales are profitable and which ones aren't, so that you can spend more time and more effort driving the profitable sales to get more of them, and you can cut out sales that you're not making any money from, to make your overall business more profitable.

And again, another metric to do with your advertising is return on ad spend, or ROAS. And again, this just allows you to look at the amount of sales you are getting back for the ad spend that you're putting in. We can also look at the relationship between these e-commerce metrics and other data, and we can use this to evaluate how effective our advertising is being at driving profitable sales. And we can also use it to evaluate which channels and which type of advertising we're using and which of those are driving the best results for our overall website.

So I can go into a little bit more detail on that. So for example, in Google Analytics, you can see all the different traffic sources, as I've mentioned. So you can see at a top-line level how much of your traffic is coming through from pay-per-click advertising, you can also see how much is coming from SEO, how much is coming from email, how much is coming from direct traffic to your website, and you can also break most of those down into a more granular level. So within email, you can see exactly how much traffic is coming from each email and how much revenue is generated from that traffic, and as a result, what the conversion rate is and even see which pages people visit as a result of going to those emails.

Likewise, with Facebook advertising, you can put Google Analytics tracking links in your Facebook advertising, so that when someone clicks on that Facebook advert, they come to your page. And



Google Analytics captures that's where they come from, saves all the data from the people that have clicked on that link into a particular campaign, so again, you can analyze how many people you're getting, what behaviors those people are going on to take, and are they going on to buy? So then, comparing this information with some of the other advertising channels, you can get an overall sense of how much money are we spending on these different channels, which of them are driving the most traffic to our website, and which of those traffic are most of those going on to buy? So you can get a really good end-to-end analysis of how profitable your advertising efforts are being and which ones are driving the right consumer behaviors. The other thing to be really conscious of is that Google Analytics can allocate responsibility or attribute sales in a number of different ways to advertising campaigns.

So the most simple way it does it is through Last Click, so it effectively says the last click that someone clicked on before they came to our site or as they came to our site was from one of these channels, so organic, direct, paid, Facebook, email, etc. And so you can see that, yes, there's a split of people selling or buying products is based on those channels. However, it can go more detailed than that as well. It can also show you whether people bought or have been through any of those channels and then came back on a different channel to buy. So you can get a full breakdown of all the different ways that people have come and gone from your site, which pages they've been to, etc., and then how they've gone on to purchase, so you can get an overall sense of the value that the different channels are providing. So again, a good live example of that might be that you might find that you're doing a lot of Facebook advertising, and it's driving lots of traffic to your website.

When you look at it on a last-click basis, the conversion rate is very bad, so people are coming to your site from Facebook, having a look around, and then not buying. Because if you just looked at it on that basis, you might decide, "Actually, Facebook is not a very good marketing channel for us. Let's not spend our money on it." However, if you look at the multichannel attribution of those Facebook advertising, you might find that, actually, Facebook is a big contributor to the first visit, and then lots of those people who didn't buy come back through direct or through organic or through paid and go on to buy in the end. And so actually, Facebook is being the first introduction to your brand. They've had a look around, they've seen what it's all about, they've gone off and done more research, they've thought about it, and then come back and bought in the end. And so that level of additional detail that you can get out of Facebook and out of Google Analytics helps you make the right decisions for your overall business and the overall profitability of your ad campaigns.

## **Heat Mapping**

So Google Analytics is incredibly useful for helping you to identify potential problems or how people are behaving and what they're doing there. It's not quite so good at why they're taking that behavior, and so it will often flag up key questions. So for example, through Google Analytics, you might be able to see that the exit rate from one of your product pages or from your category page is higher than you would expect, but it doesn't tell you why that is. So you may well have a question of, "Why are people leaving that page?" And so then there are other softwares that you might turn to help you answer that question.

One example of those might be some heat mapping software that allows you to see exactly where people are hovering over the particular page and how they're moving their mouse around. Another example might be the software I mentioned earlier, called Inspectlet, that allows you to see the screen of someone who is browsing on your website, real customers browsing on your website, where their mouse is hovering, which page they're going from, to, and how their journey evolved through the site. And all of this gives you a much richer detail of how people interact with your site. And you might find some key things like they can't find the menu bar or they don't see the search bar

or the Buy Now button is below the fold on the website. And so these additional softwares that allow you to get a richer piece of information about how people are interacting with your website are really useful in helping you get a better sense of how people are interacting.

Again, it is kind of classic market research that is good to use a combination of quantitative analysis and qualitative analysis, so the likes of the heat maps and the user videos help you to do the qual. And you may well want to follow that up with some real customer interviews, where you say, “How did you use it? How did it feel? What did you think of our site, etc.?” And then you use Google Analytics to back up the quant and the hypothesis that you get from those qual bits of research.

