

2009: what's coming in online retail and technology

1. Mobile will NOT be the killer app for eCommerce... at least not as a shopping channel in and of itself. But it will become hugely useful as a companion to both online and offline shopping. People will be able to add items to their online wishlists by uploading photos from a phone, get text messages announcing sales on their favorite items at their favorite stores, pull up a coupon on their phone and show it to an in-store salesperson (rather than printing it out at home).

Why are those capabilities important? Because of No. 2:

2. The lines between online and offline shopping will blur even more than they already have. Physical stores will take on the role of “showroom.” People will examine merchandise in store, but ultimately make the purchase online. Retailers will need a holistic approach, making all of their offline and online channels work together.

Personalization reaches new levels with the next two:

3. Consumers will create their own personal shopping malls. One of the principles of Web 3.0 will be information mashup. Leading online retailers (Amazon, Best Buy, eBay) will most likely either adopt existing industry-wide standards or come up with a new standard to allow their customers to easily subscribe to their product catalogs. With this universal product catalog, consumers can further personalize their shopping experience by creating their own “personalized mall” or product mashup.

4. “Smart” retail sites will treat shoppers as individuals. Online retail sites will become more personalized to each individual customer, with personal product recommendations, product reviews from that customer’s favorite reviewers, etc. A website will know, for example, that a visitor orders toner about every three months. So if that person visits the site at the three-month mark, the home page will have will be personalized to say, “It’s time to order toner.”

5. Commerce will become even more collaborative. Collaborative commerce is a natural extension of social commerce. The two are tightly connected – social commerce enables interaction among shoppers in a variety of forms, while collaborative commerce takes it to the next level by enabling “the group” to purchase together, or have a say in product development. Groups of people will be able to chip in to buy something one person wouldn’t be able to afford (charter a private plane for the weekend, for example). Or, the familiar concepts of “layaway” and “wish lists” will morph online into “crowd-funding.” A buyer reserves an item, others pitch in to help buy it. Another element: consumer-driven pricing. Think Jellyfish.com’s “Smack Shopping,” a live auction during which the audience sets the selling price for an item and the price drops every second until the item is sold out.

6. The next wave for video? Customer reviews. Online retailers are increasingly giving shoppers a forum through which they can submit their own product reviews. But in 2009 those reviews will evolve beyond the written word to include more photos and, especially, videos – as more and more people upload videos of themselves using and talking about the product they just bought.

7. Configuration: beyond the product, configure the entire purchase. Shoppers will be able to visually assemble multiple products to see how they look together, allowing them to preview related items together before purchasing – and potentially increasing the size of those shopping carts. Just think how much easier it would be to push those extras – the throw rugs that nicely complement the curtains, or the scarf and shoes that complete that formal outfit – if the online image is akin to the full presentation a shopper would get in-store.

8. Use tweets to capitalize on buzz. Give your brand’s fans something to follow. Consumers are there, and retailers should be too. Merchants will use Twitter to let consumers know about inventory levels for hot items. “There are 300 Wii’s left at the sale price.” “The Pomona store has two more PS3’s.” It’s a great way to push enthusiastic buyers *toward* your inventory, rather than the other way around.

We can’t ignore the social movement...

9. Corporations will “become” social. Larger companies will bring social networking in-house. Embracing “corporate social software,” companies will incorporate into their intranets some of the social features and functions people get on sites like Facebook or LinkedIn. This will allow companies to improve collaboration and productivity, work faster and smarter, and more effectively capture and bottle the collective wisdom of their team.

10. As people cut costs elsewhere (cable, evenings out, etc.), they might **increasingly turn to social networks** for comfort, companionship and entertainment.

So...

11. Retailers will need to **have someone (or a team) designated to be the “personality” of the company online** – corresponding with customers on the retail site and within social networking communities (beyond the traditional customer service role).

about guidance

Since 1993, Guidance (www.guidance.com) has helped companies seize opportunities and solve problems through the innovative and practical use of technology. Guidance designs, builds and maintains eCommerce websites for retailers that are pure-play online or multi-channel – creating captivating experiences so consumers will buy more, come back often and value greater engagement with the retailer. Guidance's systems facilitate \$500 million in online sales every year. Members of the Guidance team are seasoned professionals, passionately committed to providing technical leadership and powering ingenuity. Key clients include Foot Locker, GEARYS Beverly Hills, Relax the Back, Salvation Army, and many others. Guidance is based in Marina del Rey, Calif.

media contact

Ken Greenberg
Edge Communications, Inc.
818/990-5001

ken@edgecommunicationsinc.com