

# 2010 Shop.org

Highlights

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## annual summit

2010 was a record-breaking year for Shop.org's Annual Summit —more than 3,400 attendees, 200 solution providers, 150 speakers, an unforgettable networking event at Dallas Cowboys Stadium, hundreds of collegial connections, and immeasurable tactics and strategies from Urban Outfitters, ShoeBuy.com, Southwest Airlines, among several others.

This year's massive turnout was confirmation that eCommerce continues to be an emerging, powerful channel. While most retailers are struggling to survive in today's bleak economic climate, eCommerce has become a \$175 billion dollar channel representing 6% of all retail sales (and growing). Aside from being more efficient and less costly, an eCommerce site should be viewed as a global storefront that is open 24/7, leaving endless opportunities for customers to purchase products. For all companies wanting to sell product, eCommerce means *everywhere commerce*.

Innovative mobile and social technologies and techniques have opened the door for new retail experiences and prospects, all discussed during this year's event. We have compiled the key concepts, highlights, and insights from the 2010 Shop.org Annual Summit and separated them by "retailer type:"

- Multi-Channel
- Pure-Play Online
- Brand Manufacturers

## shop.org by the numbers

**3,400**  
attendees

**200**  
solution providers

**150**  
speakers



Source: Shop.org



## eCommerce takeaways

### Five Valuable Social Media Concepts



1. **Conversation:** If you want to be strong in social you need to talk with your customer not at your customer.
2. **Depth:** It is important to take your message beyond your product and dialogue about.
3. **Authenticity:** Don't write social media checks your site cannot cash!
4. **Ingenuity:** Individual brands/retailers have contests specific to product/service (i.e. a business card contest for a printer company).
5. **Community:** Brand owned group buying (the more you tweet the lower the price goes).

### Opportunities & Challenges in Mobile



#### Opportunities

- By 2010, there will be more smartphones than desktops.
- Leverage the phone's features:
  - Camera phone
  - Video phone
  - GPS
  - Text messaging
  - Email
  - Social media APIs
  - Internet for:
    - Content submission
    - Live chat

#### Challenges

- Tracking is limited
- Testing and QA are both difficult for business users
- Users change devices on a frequent basis
- Mobile commerce is not the same eCommerce – user experience is critical, with different expectations

### Why Retailers Should "Like" Facebook



- **Organic Value of "Likes:"** Likes are the permission to communicate. If someone connects to a brand on Facebook, they are:
  - 65% more likely to remember the brand
  - Twice as likely to visit and "like" that brand
  - Four times as likely to buy from that brand!
- **Density:** The more products listed, the more chances for "likes"
- **Tests & Trends:** Use Facebook likes to trend popular products and test top selling products
- **Facebook Sign In:** An alternative to guest checkout; the new social CRM
- **Facebook Pop-Up Stores:** Use Facebook to reorder from past purchases, so they stay connected to the brand/product; also, to test top-selling products for upcoming orders.

### On-site Conversion Boosters



- Showing product attributes by lifestyle (i.e. night out, beach time, outdoors, etc...)
- Showing a product's return history with a *return-o-meter*.
- Promoting what's good, better, and best for each product category
- Having a consistent unique value proposition and unique campaign proposition, from homepage to thank-you page



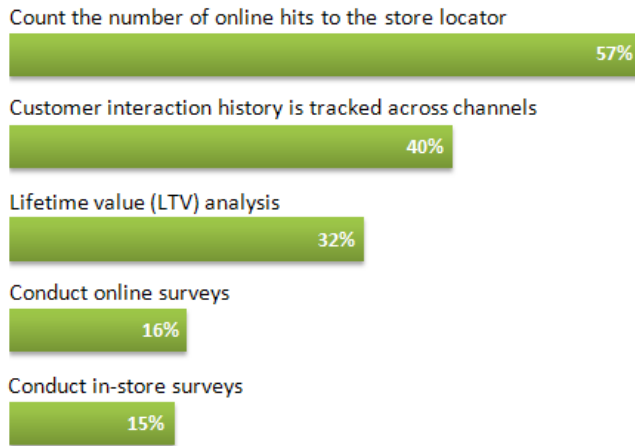
## multi-channel retailers

Sucharita Mulpuru, VP & Principal Analyst at Forrester Research, opened Shop.org's general session with highlights of the eCommerce channel metrics (below), focusing on the many multi-channel retailers who continue to struggle to embrace a true cross-channel strategy, facing challenges with organization structure, internal competition, under-developed unified strategies, and poor executive buy-in.



Source: Shop.org

### How do you track customers across channels?



Source: Shop.org-Forrester State of Retailing Online Survey 2010

### identifying obstacles

Store managers and brick-and-mortar owners tend to see online sales as competition. Some remedies:

- Incentivize collaboration, customer data capture, track sales by location fulfilled, not by channel ordered.
- Reorganize management hierarchy and don't separate your channels into different businesses, focus on and stress the importance of the customer's point of view.

### the power of cross-channel strategy



**"Shoppers accessing each of a retailer's channels are typically different."**

*A young urban male looking to purchase Nike Air Jordan shoes or a basketball jersey may be a bricks-and-mortar shopper but not the online shopper."*

**Jason Meugniot, CEO**  
Guidance

An optimized cross-channel strategy recognizes different shoppers while delivering a seamless customer experience across multiple channels, recognizing that the sum of the channels must be greater than their individual parts.

### URBAN OUTFITTERS

discovered that a customer buys:

**2.5x more**  
If they shop on **2 channels**

**6x more**  
If they shop on **3 channels**

### unifying channels

REI and Office Depot shared their company's strategies and difficulties on unifying cross-channel retailing.



- One unified strategy for territory, not managing each channel independently
- Consistent pricing

#### Office DEPOT

- Consistent value proposition, unique to pull customer into new channels
- Multi channels present in each:
  - Buy online then pick up in store
  - Kiosks, catalogs in store.
  - Catalog shopping by SKU numbers



## pure-play online retailers

Pure-play retailers, whose business are conducted solely online, rely heavily on building a great team, understanding and analyzing key metrics, driving traffic, producing customer loyalty, and differentiating the company in a competitive marketplace.

### word to the wise: competing with retail giants

Keynote speaker Scott Savitz, Founder and CEO of Shoebuy.com, explained what it took to grow his business into one of the largest online retail companies in the country throughout the economic downturn. Savitz stressed how remaining entrepreneurial and innovative has helped continuously enhance the customer experience and led to 6.5 million visitors a month, over a thousand brands, 800 thousand products, and \$3.5 billion in inventory. Shoebuy.com's biggest feat, however, was the 51% increase in repeat customers in just 5 years.



**SHOEbuy.com**

**Scott Savitz, Founder and CEO, Shoebuy.com** offers five tips on eCommerce strategy:

- 1. Always remember why you got into the business in the first place.** "Everyone will tell you how you should be doing your business...but don't forget why when you started your business it was important to you."
- 2. Don't ever stop innovating and building value.** "There are no rules in how you innovate, just that you need to never stop innovating."
- 3. Every dollar should be spent as though it is your last; maximize opportunity and minimize risk.** "You are not being frugal, you are being smart and responsible."
- 4. Go for better than good, be in it to win it; maintain a refuse-to-lose mentality across your entire team.** "It is your customers, employees and partners that make you succeed – it is them that allow you to thrive, during good times or bad."
- 5. Help others.** "Small or big – everything makes a huge difference."

**Vintage Tub & Bath**



**Allan Dick, CMO, Vintage Bath and Tub**

When asked, "what advice can you offer other small retailers that are trying to compete with the big boys?," Allan Dick responded:

- 1. Don't hire out the marketing of your products to a vendor until you have done it yourself.** You won't have a clue if they are doing a good job unless you have done it first.
- 2. Cash is king.** Spending money is always a last resort. Example: Don't buy new equipment if used will do. Our first shipping desk was two saw horses with a door on top.
- 3. Niche marketing** – go deep into a market. The big boys almost always go wide. You can then beat them on service and knowledge in your specific market."



*"With features like product reviews and product configurators, eCommerce stores can provide a **more complete shopping experience** than its offline channel counterparts."*

**Jon Provisor, CTO**  
Guidance



## brand manufacturers

### Reputation Management



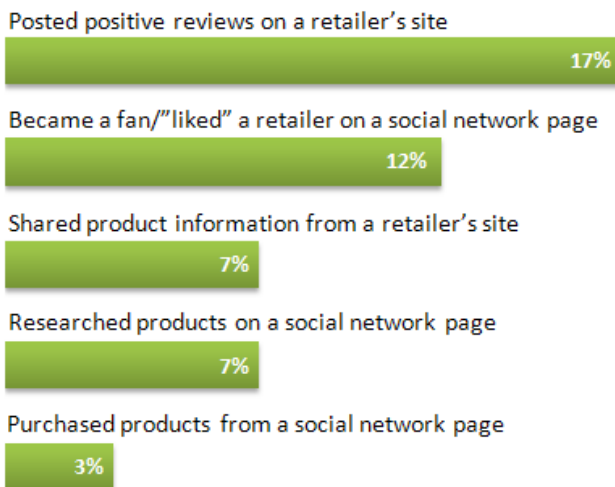
Todd Friesen, VP of Search at Position Technologies shared the following statistics on reputation management:

- Approximately 80% of adults are more likely to buy a product recommended by real-world friends/family
- 90% of consumers trust recommendations
- 87% believe CEOs' reputations are important
- 83% of companies will face a crisis that will impact share price up to 30%

### Consumer Behavior: Social



#### Ways users interacted with retailers/social networks in the last 3 months



Source: Q2 2010 Forrester Consumer Technographics Retail Survey

## getting social

Kevin Krone, Southwest Airlines VP of Marketing, shared a few lessons of how to interact with and engage customers through a variety of networks. The following ten tips provide great guidelines for any company trying to drive sales through the use of social media. Here's what Krone says they've learned:



### Driving Sales through the Use of Social Media

1. Don't be afraid to join the conversation
2. Make it personal
3. Engage the positive
4. Establish channels before a crisis
5. Act fast
6. Social media tends to be the first reporter on the scene
7. Don't rely on the numbers alone
8. Educate your employees and leaders
9. Live and breathe social media
10. Have fun – this is not a burden, it's a gift



***"Shoppers that socially connect with your brand are your best gauge for brand positioning."***

*There's a reason why Coca-Cola's Facebook page has 9 times as many 'Likes' as Pepsi's."*

**Mike Hill, EVP  
Guidance**