Bringing the human touch experience to the online world.

How Retailers can engage with customers online to create confidence and deliver conversions.

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This white paper examines why physical 'bricks & mortar' retail stores still offer better sales conversion rates than most e-commerce stores, looks at what it is about the 'human touch' provided by sales staff that makes bricks & mortar successful, and shows how the plug-in technology of guided selling can replicate this approach in an e-commerce environment to improve conversion rates.

Executive summary

Online Stores have a poor sales conversion rate compared to their bricks and mortar counterparts. The underlying reason is that online stores lack the "human touch" that gives customers the confidence to make the purchase.

When looking at the reasons for a higher conversion rates for bricks and mortar it's any one of the following reasons…stock availability, ability to touch and sample, visual engagement (merchandising), plus staff empathy, understanding and recommendations, which we refer to as "the human touch".

Adding the "human touch" by using a guided selling system gives customers the confidence required to make a purchase. Without this confidence they click away…to another site.

With this confidence we've seen online conversion rate increases of up to 137%.

Adding a customer focused 'human touch' through guided selling is all about Asking, Understanding, Recommending and Selling. It may seem old fashioned, but it's very effective.

Bricks & mortar vs. the online world

Despite the rapid growth of e-commerce, physical bricks and mortar retailers still have a higher sales conversion rate than their online counterparts. Why is this?

One of the key "success-factors" in bricks and mortar retail selling is the ability to "connect" with a person and "understand" their specific needs.

In a physical store, a well-trained salesperson would engage customers in conversation and help them identify the products the shopper is looking for, make suggestions regarding suitability for purpose, and help complete the sale.

With online sales we can never get the customer to try on the item, touch it, or sample it, but we can engage with them online using the human touch aspects that a real shop assistant utilises in the physical store. These include:

- **Empathy & understanding**
  The importance of delivering a uniform, high-quality buying experience for the consumer is more relevant than ever.

  Rapport and a structured conversation delivered by a trained retail sales person creates a personalised, high quality customer experience, and is still important to every robust sales strategy. Interacting with a sales person in-store makes customers feel comfortable and assured in their purchase.

- **Personal testimonies and recommendations**
  Having testimonies and reviews is more akin to online shopping platform, but is still a tool used offline. People gain confidence based on other people's experience, whether this is a rating or a narrative from a satisfied customer.

  In the bricks and mortar environment the conversation is less formal, often with the sales person highlighting a product that is their most popular....giving the customer the reassurance based on the "safety in numbers" philosophy.

  In the online world, reviews and testimonials are the bread and butter in the arsenal of the online merchandising team. Authenticity and credibility can be in question, as it's very unlikely that negative reviews or feedback are going to find their way to the website. It's the bad reviews that never make it on the website are the ones that really impact the complete customer experience.

- **Upsell, cross-sell**
  In the online world upsell and cross-sell are popular and easily implemented ways to increase the sale value.

  This is great, but you can only upsell or cross sell, having already gained the confidence of the customer by going through an intuitive process to recommend the products that are right for them. The ability to upsell or cross sell is dependent on the sale itself.

> Current e-commerce websites do not capitalise on these widely-accepted retail industry "success-factors".

Instead of building a relationship with an online user by asking questions, understanding their specific needs and recommending a product, e-commerce sites provide the customer enhanced search results, showing the most popular products and "you may also like…" lists

of recommendations, attempting to use attribute selection to hone in on what might be appropriate for the customer.

E-commerce sites also rely on colourful banners, product videos, one day discounts and online consumer loyalty programs. Yet none of these has any significant impact on sales conversion rates.

Adding the "Human touch" to increase conversions

Adding a **human touch** can be achieved by emulating the sales process that a sales person uses instore.

This process can be moved online with a sophisticated tool that asks intelligent questions, leading the user towards the product that best fits their needs.

Even the best search-optimising techniques and attribute pickers lack the 'human touch', and fail to adequately convert site traffic into sales. Shoppers are often confused by the product categories that are defined by manufacturers in their websites, as they can mean little to the end user.

Without any guided selling or assistance, users turning up at a website face a buying experience akin to walking into a retail store full of products with no salesperson to talk to them about the product or demonstrate its features.

Television retailers are perfect examples of stores you need help in.

An interaction that asks intelligent questions of the consumer and then delivers a product choice that fits their immediate needs is likely to deliver a higher conversion rate and a much better experience for the customer.

Some websites have deployed an 'online chat' module to try to alleviate the problem, but this approach has a very poor success-rate as online customers are suspicious about someone accessing their computer and potentially invading their online privacy.

> Adding a 'human touch' to you website empowers customers to select the product that's right for them.

According to Forrester Research, only about 18% of web users ever use live chat support. They are also more likely to request it than to respond to a pop-up box. What can go wrong, besides poor uptake? Slow responses, sub-standard answers, and bad spelling by online chat assistants can make a negative impression. Some customers hate live typed conversations as they're self-conscious about their own poor spelling or slow typing.

What product categories does Guided Selling suit?

Guided Selling is appropriate for semi-technical products whose purchase cycle is irregular and the purchase value warrants time being spent on the purchase process to ensure the customer gets it right.

Go to examples can be found in any hardware store, electronics shops, sports and recreational equipment stores, and home appliance outlets.

The sort of stores that you irregularly visit with product categories that you may look at purchasing from every 3-5 years. They are the sort of stores that when you go into them, you're scanning the floor to see who can help you find the appropriate section to look in and then once you're in the right section, all you see are similar looking products all shouting out equally for attention, with yellow sale tickets often being the only differentiator.

If the shop assistant is still with you at this stage, hopefully they've initiated a knowledgeable question, usually around your requirements and potential use of the product… if not it might be time to go to another store.

Conversely product categories that aren't appropriate are those categories that are subjective purchases…essentially fashion and emotive purchases. Think clothing, shoes, designer furniture…

Personalised online shopping

A purpose-built software product that digitally replicates the in-store experience can change the e-commerce landscape, and present a new level of customer engagement and sales support. Tailored algorithms that progressively ask the buyer questions can successfully bridge the chasm between the online and physical retail environments. The resulting user interaction quickly establishes a connection with the end-user and builds confidence in the product selection.

A selling resource of this sort plugs directly into a retailer's website and can be easily updated with accurate product information. This makes it easy for the end user to select the latest product for their need

In its executive technology report *(Guided Selling: In demand information for buyers)*, IBM recommended guided selling as: "… it leads customers through the purchasing process for a complex product and helps retailers discover what customers think about their products and to find out what motivates them to buy. At the same time it can enhance the buying experience."

Creating the human touch online

A good guided selling tool needs to immediately engage a customer, and build a relationship, just as a sales assistant would. Your guided selling system should solve a problem for the customer. Nine times out of ten, this problem can be clearly summarised as... "I don't know what product is best for me, can you please help me select the right one."

If your questions are designed to promote less relevant features or products or for covert market research, your shopper will smell a rat.

Here are the key ingredients when creating a guided selling system.

- **Engage your customer quickly.** It takes less than 5 seconds for your page visitor to decide to stay or leave. Show from the outset that you will guide them through the sale at every step, and make it easy – just as a salesperson would do.
- **Establish a rapport** – ask the right questions, in the right language. Explain why the recommended product was chosen. It's reassuring and helps customers feel confirmed that the decision is the right one.
- **Avoid introducing an attribute picker, or a filter**. They're for people who know what they need. Guided Selling is for people who don't yet know, and want to learn more.
- **Recognise that omni-channel shopping is a key to the future.** Customers research and choose products in a combination of online and in-store decisions – and on their smartphones while they're in the store – which is old news by now, but it does mean that your guided selling programme should be mobile-friendly and must integrate seamlessly into your website.
- **Be human.** This is often the hardest one to get right, but is crucial. Your guided selling system should have a human touch; it must be personable and real – just like a good salesperson.

The Impact on Conversion rates

Short and sharp…it's all about ROI. How much does it cost to get a customer to your online store and of those customers how many of them purchase off you. With guided selling, utilising **Shop Assistant,** our clients have been seeing averages of 64 – 137% increases in their e-commerce conversion rates. In addition to this the average sale value increases.

Wired Internet Group

Wired Internet Group coined the phrase "Human Touch", and demonstrates its essence through its guided selling tool, **Shop Assistant**. A leading web application development company, Wired works with manufacturers and retailers to help restore their connection with their consumers. Wired's single-minded goal is to unite the retailer, the manufacturer and the consumer based on increased product knowledge, affinity and brand value.

To understand how you could increase customer engagement and increase sales, contact Mike Baddeley, CEO: mike@wired.co.nz

For more information and resources, visit http://www.onlineshopassistant.com/