

# The Dotcom Survival Guide

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How to Tap the \$19 Billion Customer Experience Fund

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## **Note from the CEO**

Thank you for reading Creative Good's latest report, the Dotcom Survival Guide.

Mark Hurst, founder and president of Creative Good, started this consulting firm with the mission to make the Web easier to use and to make our clients more successful. It is in this spirit that we are giving away some of our best learnings in this report. We hope that by doing so we can help, in at least a small way, both the e-commerce industry and the customers who support it.

Along with this report, we are launching a new consulting service: the Holiday 2000 Customer Experience Workshop. Thus, in addition to our long-term Customer Experience Management service, we now offer a short-term intensive workshop that provides a glimpse into the power of creating good customer experiences.

I hope you enjoy this report. Read it, apply it and distribute it — particularly within your organization. Please contact me with any feedback or if you are interested in finding out more about our services.

Thank you,

Phil Terry  
CEO, Creative Good  
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### **About Creative Good**

Creative Good ([www.creativegood.com](http://www.creativegood.com)) is an Internet strategy firm focused on the customer experience. We bring our clients higher revenue, better customer retention, and improved branding by improving the customer experience on their sites. Our projects typically raise conversion rates between 40% and 140%.

To get our free weekly newsletter on the online customer experience, e-mail [update@goodexperience.com](mailto:update@goodexperience.com). All of our free resources may be found at [www.goodexperience.com](http://www.goodexperience.com).

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# Contents

1. Introduction	5
2. Survival Strategies	9
1. Making the customer experience your strategy	9
2. Building a customer experience team	13
3. Merchandising online	16
4. Listening labs	20
5. Effective e-mail	23
6. Improving search	32
7. The Page Paradigm	35
3. Survival Tactics: Thirty-One Dotcom Examples	37
- Home page	37
- Registration	44
- Merchandising	47
- Navigation	51
- Labelling	54
- Product comparison	58
- Size charts	61
- Search	64
- Shopping cart	67
- Checkout	70
- Fulfillment	74
- Extra Features	77
4. Case Study: How One Dotcom Survived	81
5. Other Perspectives	86
- Old Rules for a New Economy by Jeffrey Rayport, Marketspace	86
- Avoiding the Sins of Omission and Gluttony by Rob Schmults, Fort Point Partners	89
- Tracking the Right Metrics by Ray Greenly, Shop.org	92
- Delivering Superior Online Convenience by Alistair Williamson, WebCriteria	94
- Checklist for a Best-of-Breed Webstore by Lauren Freedman, The E-Tailing Group	96
- Important Factors in Choosing a Web Design Agency by Christine Harmel, The Interactive Resource	98

# Introduction

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Not all dotcoms will survive this year. With the recent tightening in the market, investors in 2000 are challenging dotcoms to show some results: higher revenues, more customers, perhaps even a profit. This is tough news for dotcoms who have spent most of their money on expensive advertisements, PR campaigns, or websites that look pretty but haven't succeeded. This year is the last chance for many dotcoms to show some results... or close their doors forever.

But there is a way for dotcoms to survive. There is still one resource left untapped that can save dotcoms from failure. It's the one resource that historically is most ignored in favor of ads, press, and flashy features — yet it's the one resource that can lead dotcoms to survival. That resource is *customers*.

Customers can provide the revenues needed to attain profitability. Customers can give the word-of-mouth marketing to drive traffic. Customers can give the feedback needed to continually improve the website. Customers are a dotcom's *most important* resource.

*To survive, dotcoms must turn to their most important resource: customers.*

Where does a dotcom connect with its customers? In its customer experience. Everything from the home page, to the shopping and buying process, to the fulfillment of products — the customer experience is the combination of everything the customer sees, clicks, reads, or otherwise interacts with. The customer experience is the key to dotcom survival.

*To survive, dotcoms must improve their customer experience.*

This Dotcom Survival Guide shows how any dotcom can improve its customer experience and, we hope, survive.

### **A \$19 billion fund**

If dotcoms improve their customer experience, it's not just individual dotcoms that will succeed: the entire e-commerce industry will succeed as well. A simple financial analysis, which we describe below, yields this surprising result:

*Over \$19 billion will be left unrealized in 2000 because of poor dotcom customer experiences.*

This untapped potential, the \$19 billion, is essentially a “customer experience fund” that the industry can draw on to survive. Dotcoms who improve their customer experience will enjoy thousands, more probably millions, of extra dollars as a result — and they won't have to give up stock options in the process. The money in this fund has very little downside.

We explain below how we arrived at the \$19 billion number. While we believe this number, we don't suggest that it's precisely accurate, since we made some assumptions in our analysis. But if this number turns out to be anywhere near correct, there is a *lot* of money waiting for those dotcoms who want to survive.

### **Explaining the analysis**

To form our analysis, we began by assuming these two figures:

- The revenue for the entire e-commerce industry is currently forecast at \$37 billion in 2000 (eCommerce: B2C Report, eMarketer).
- The average industry-wide conversion rate — the ratio of buyers to unique visitors — is only 1.8% (The State of Online Retailing 3.0, Shop.org).

Next we quantify the value of the customer experience, based on data from our own Creative Good consulting engagements. Specifically, we have measured the rise in conversion rate when client sites have improved their customer experience. In our work, we have measured rises in conversion rate between 40% and 140%.

Therefore, our analysis makes the conservative assumption that the e-commerce industry, by improving its customer experience, increases its conversion rate by 40%. We make another assumption — also based on our client work — that improving the customer experience raises the industry-wide average order size by 10%.

- A 40% increase in conversion rate, rising to 2.52% across the industry, would add \$14.8 billion in revenue ( $37 \times 0.4 = 14.8$ ).
- A 10% increase in the industry-wide average order size would add another \$5.18 billion ( $37 + 14.8 = 51.8$ , and  $51.8 \times 0.1 = 5.18$ ).

Together, these two improvements would add \$19.98 billion ( $14.8 + 5.18 = 19.98$ ) to industry revenues, money which the industry will leave unrealized unless it focuses on the customer experience.

We believe these numbers because we have seen them work in our clients' diverse industries. From electronics to apparel, from travel to automotive to home improvement, revenues have risen when Creative Good has improved the customer experience. Seeing these benefits, we wanted to share them outside our client base. This report offers what we've learned, so that other dotcoms can survive, too.

### **How dotcoms can survive**

The rest of this report shows the strategies and tactics of dotcom survival. In particular, we suggest these five steps for any dotcom to survive:

- Shift the e-business strategy to focus on the customer experience: solving customers' problems, recognizing the limitations of technology (both on the site side and the customer side) and achieving simplicity in all respects. (See Chapter 2 for survival strategies.)
- Make it easy for customers to find and buy products on the site. This may sound obvious, but (as shown in the tactics section) many top e-commerce sites still make it too difficult for customers to find and buy their products. (See Chapter 3 for survival tactics.)
- Merchandise more effectively; bring a merchant sensibility to the online organization. (See Chapter 2, Section 3 for an article on merchandising online.)
- Build a cross-functional customer experience team that spans marketing,

technology, design and product management. (See Chapter 2, Section 2.)

- Measure and improve the conversion rate, and communicate it throughout the organization. (Everything in this report should help increase the conversion rate.)

### **What this report contains**

This report contains some of the most valuable contents of Creative Good's customer experience knowledge base. The report draws on our client work, our e-business "best practices" columns, and our own independent research. We've also included contributions from other experts, outside Creative Good, who share their own knowledge about customer experience work.

Here's an overview of each chapter:

- Chapter 2: Survival Strategies — important strategies in any dotcom's toolkit, including the building of a team, merchandising online, creating a good search feature, and more.
- Chapter 3: Survival Tactics — thirty-one evaluations of individual dotcom features, teaching by example the good and bad ways of creating the customer experience.
- Chapter 4: Case Study — the story of one Creative Good client, describing how it doubled its revenue by improving the customer experience.
- Chapter 5: Other Perspectives — the knowledge and experiences of some e-business experts outside Creative Good.

Of course, compared to actually going through a full-blown customer experience improvement project, the Dotcom Survival Guide offers only a brief description of how sites can transform their customer experience. But reading the Guide is a good start. We encourage any and all dotcoms to dive in, explore, and make their way to improving their sites for the customer. And contact us if we can be of any help!

We hope you enjoy the Dotcom Survival Guide.

P.S. For more information by or about Creative Good, find us here:

- [www.creativegood.com](http://www.creativegood.com) (our corporate site)
- [www.goodexperience.com](http://www.goodexperience.com) (all of our free customer experience resources)



# Survival Strategies

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Survival strategies take many forms. In this chapter, we describe crucial business objectives (building the right team, merchandising, listening to customers), and several strategies for the site itself.

## Survival Strategy 1: Making the customer experience your strategy

by Mark Hurst

Before beginning customer experience work, it's important to understand its scope. Customer experience scope is *strategic*: in fact, it's the most strategic issue an e-business can work on. A dotcom's strategy should be directly *based* on the customer experience:

- Senior management should be focused on the customer experience.
- The dotcom's key success metrics should be measuring the customer experience.
- The budget should include funds for improving the customer experience.

Unfortunately, many companies don't see the customer experience as part of their strategy and instead confuse it with usability, a much more tactical concern. As described in the "listening labs" section later the chapter, traditional usability focuses on improving the efficiency of certain discrete tasks on a website — a useful benefit, to be sure, but it doesn't approach the strategic nature of the customer experience.

The customer experience is the holistic combination of everything that the customer sees, touches, feels, or interacts with on a site. Part of this is certainly the usability — but so are other components: the site’s business goals, its merchandising, the wording and messaging on the site, the use of graphics and color, the flow of pages in core processes, the choice of features to offer (or not), and the dotcom’s own team and its processes to create and refine the site.

All areas of the dotcom’s strategy should come down to one question: is it good for the customer? Thus it’s essential for dotcoms to view the customer experience as a central, ongoing, *strategic* priority, not a *tactical* concern to be farmed out in a couple of user tests. Only when a dotcom has fully formed its strategy can it begin to address the tactical concerns of the customer experience (like those included in Chapter 3, Survival Tactics).

### **Why is customer experience so important?**

As the Web has become increasingly complex, more and more new users have gotten online. The Web in 1994, used mainly by computer experts, was simple and fast, containing only text and graphics. Today in 2000, for a customer base of new users, the Web serves up a complicated soup of frames, Java, cookies, plug-ins, banners, bookmarks, secure servers, and streaming media.

Clearly, there’s a difference between what the Web gives its customers and what they actually want. Customers want simplicity, but the Web offers complexity. Customers want service, but the Web offers technology. Customers want to accomplish their goal, but the Web offers “compelling features.” In each case, the Web doesn’t offer the experience that the customer wants. This is the “customer experience gap”: the difference between what customers want and what they get. There is a widening customer experience gap online.

*To survive, dotcoms must bridge the customer experience gap.*

### **How to value the customer experience**

Bridging the customer experience gap can lead directly to higher revenues. On an e-commerce site, building a great customer experience makes it quicker and easier for customers to buy, raising the conversion rate. On high-volume e-commerce sites, raising the conversion rate by one tenth of 1% can add as much as \$10 million in incremental revenues per *month*.

Another way to value the customer experience is by considering the value of a single customer relationship. On the negative side, one bad customer experience can cause a customer to abandon a site permanently. With plenty of competitor sites to visit, after all, customers have little incentive to return to a site that has failed to meet their needs. Even worse, any customer who has a bad experience on a site is likely to tell several other people. An e-business may lose the lifetime value of several customers by providing one bad experience.

On the other hand, providing a great customer experience can generate tremendous value. In addition to the revenue from the customer's purchases, a happy customer also brings free word-of-mouth exposure — bringing even more customers to the site. A good customer experience brings loyal, buying customers who want to bring in more loyal, buying customers.

Here are three steps to take to base your strategy on the customer experience:

### **1. Identify your customers' goals and your goals.**

Before you can build a the right customer experience, you must know who your customers are and what they want. Get clear answers to questions like these:

- Who are our target customers?
- What do customers want from our site? Why would they return after their first visit?
- How do customers want to accomplish their goals on the site? What technology do they use, what features are they familiar with, and how long do they want to spend at our site?

Next, clearly define your site's business plan and marketing goals. Study online competitors, off-line competitors (such as competing channels), and any "comparable" dotcoms who are facing similar issues in a different market. Finally, find the common ground between the site's goals and the customers' goals; this reveals the ideal customer experience.

### **2. Commit the organization to building a great customer experience.**

Give the development team the task of creating the customer experience described in the first step above. To renew the team's focus, and prevent internal politics from

driving the process, draw heavily on *objective* data. Solicit customer feedback, run usability tests or listening labs, or bring in outside experts to evaluate the site. If objective resources aren't involved, any development team will tend to develop "tunnel vision" and design the experience for itself.

### **3. Monitor the customer experience.**

The customer experience is not a one-time event. After the site relaunches with its new customer experience, it's essential to continually monitor and improve the experience. Watch (and respond to) customer e-mails, continue to run listening labs, and occasionally involve outside experts to give objective guidance. After all, the customer experience is never perfect. Building a great customer experience is not an event, but an continuous process towards online success.

The rest of the Survival Strategies in this chapter show in more detail how to bring about strategic success by focusing on the customer experience.

## **Survival Strategy 2: Building a customer experience team**

by **Nicole Rubin, Creative Good consultant**

While it's easy to focus on the customer experience in the short-term, many companies find it difficult to maintain that focus over a period of months or years. One way to maintain the momentum of a customer-focused strategy is to create a "customer experience team" within the organization. Here's our definition:

A customer experience team is a group of employees, from separate areas of the organization, focused on looking at their company from a customer's perspective.

### **How to get started**

It can be difficult to build enthusiasm around starting a new team, but certain events or situations can serve as catalysts, flagging the need for such a team. Here are some possibilities:

- A recent customer survey rated your company or website poorly.
- Your website has a low conversion rate (a low ratio of buyers to unique visitors).
- Your company is planning a major website redesign and you want to make use of the customer's perspective during the redesign.
- Design and development teams — or marketing and IT teams — rarely sit in the same room and discuss customer tradeoffs for design or technology decisions. Both teams are frustrated by the current working relationship.
- Senior management or other decision makers are noticing that few company decisions are made with customers in mind.
- Competition in your market is heating up.

### **What is the purpose of customer experience team?**

The purpose of creating a customer experience team can be wide open, depending on a company's needs at the time, its history with customer-facing projects and corporate culture. The following is a list of common purposes of a customer experience team:

- Raise the organization's awareness of customers' problems.

- Unite different teams around the customer perspective. Specifically, bring together representatives from distinct business groups — operations, marketing, IT, customer service — to discuss needs of customers, how the company is meeting them, and how it can improve.
- Help the whole organization learn that the customer experience is not just one group's responsibility (traditionally marketing). Encourage the whole company, and each employee, to take responsibility for the customer experience.
- Get the company started measuring the important success metrics of the site — i.e. the conversion rate of visitors into customers, rather than measuring “hits” or “registrations.” The conversion rate is the single most effective measure of a customer's experience on a site, and hence the overall success or failure of a site.

#### **Who should be on the team?**

The customer experience team should discuss the tradeoffs of one decision or another from various perspectives. Therefore, several key roles need to be included on the customer experience team. Many companies will want a larger group than what is outlined below, but this represents a core team:

- **Technical representative:** Someone with a development background who can explain the implications and tradeoffs of each technology decision to the other (mostly non-technical) members of the team.
- **Designer:** An individual who has web design experience and business acumen, who can function like the technical person, offering a perspective on design tradeoffs and communicating it clearly to the other members of the team.
- **Web business leader:** A person who can lead the team and has ongoing and direct impact on the site and customer experience. This could be the site manager, or it could be a director or VP-level position of someone in charge of the Web business or e-commerce within the company. (Some companies even appoint a “director of web customer experience” and build a team around that director.)
- **Other functional areas:** Other employees whose work affects the customer experience (both online and offline) — from marketing, operations, etc.
- **Any major third-party vendors:** Any outside firms that need to understand customer experience to deliver good work — design and development firms, for instance.

## **The customer experience team at work**

The scope of the customer experience team's work can vary. Some teams may deal with the entire customer experience offline and online — from offline advertising, to the online transaction on the site, all the way through offline fulfillment. Other teams may choose a smaller scope, choosing (for example) to focus on the redesign of the site. Here are other examples of the projects customer experience teams can tackle:

- Map all the customer interaction points (offline and online) to identify areas of improvement or excellence anywhere in the customer experience.
- Integrate the online and offline customer experiences. Are the promises of your marketing messages being fulfilled by the experience on the site?
- Conduct customer feedback sessions (listening labs) to gather information on where customers are succeeding and failing on the site.
- Develop customer-centered scenarios of common ways customers might use your site — then optimize the site for those scenarios.
- Prototype a new ideal site designed specifically with customers in mind.
- Engender a sense of ownership across the company for customer issues through an internal “PR” program.
- Identify customer-oriented, measurable goals that the company can use to incent departments and individuals to focus on and improve the customer experience .
- Make customer feedback regularly available to the whole company.

## **How to maintain momentum?**

Cross-functional teams don't always succeed: they often start with some momentum, but dwindle in effectiveness over time. Your team needs to clearly define its purpose and, as time passes, incrementally change the scope as necessary. Be ready to reassess any aspect of the team to keep the team motivated and enthusiastic; this could mean reevaluating who is on the team, how often it meets, the scope of its work, and when its work is done and should disband.

If created and maintained right, an effective customer experience team can substantially improve the experience your customers have when interacting with your company.

## Survival Strategy 3: Merchandising online

by Melissa Pennings, Creative Good consultant

The art of merchandising has enjoyed decades of refinement in offline retail. Today, e-commerce retailers have just begun to figure out how to effectively merchandise online. This is an important area of study: a recent Forrester survey reported that 84% of e-retailers consider merchandising one of their most important objectives (“Making Merchandising Work,” December 1999).

One way to think about online merchandising is to compare it to what works best offline: the salesperson. A good salesperson can identify the customer’s needs, recommend relevant products and give advice on how to use the products.

A literal translation of the live salesperson to the Internet, however, usually creates a bad customer experience. By not recognizing the technological constraints of the medium, sites that have tried to emulate the salesperson with “virtual sales assistants” have mostly failed in their merchandising attempts.

An effective merchandising strategy would use the best aspect of the salesperson — understanding the customer’s needs — without making a mess of the technology in the process. The site should understand, either intuitively or through direct questioning, what products to suggest (and when) to the customer.

Another Forrester report found that *targeting* is the most important factor of success for online promotions (“The Promotion Commotion,” April 2000). For perfect targeting, the retailer would have complete information on the specific shopper, including past purchases at other stores, known needs and even unarticulated desires. Obviously it’s unreasonable for e-tailers to expect to capture that much information about their customers. Without a huge database of information, though, there is still a way e-tailers can merchandise effectively.

In past client work Creative Good has developed an algorithm that calculates, with relatively limited data, the best products to recommend to each customer. By selecting the most appropriate products, the promotions are then targeted to the right customers, at the right time. It’s also much easier to develop occasion-based sales scenarios around the products, once a company has done the work to create the merchandising algorithm. Below we outline the steps to create the algorithm.



### **Step One**

The most important step is to identify those success criteria that will help you make a decision about whether to include a certain product or, in the case of occasion-based promotions, a certain occasion. These decision criteria must be aligned with the overall goals of the merchandising strategy. For example, do the products promoted:

- appeal to target customers?
- aid with overstock clearance?
- optimize margins?
- introduce new products or new product categories?
- increase average order size (e.g., through multiple product bundles)?
- aid with load balancing (i.e., promote orders at a certain time of day or week)?
- conform with typical customer purchases (based on transaction data)?

### **Step Two**

Check to ensure that you have data to support each decision criterion. For example, to test whether there is appeal to target customers, you might refer to demographic or psychographic information, or you might use survey data if it is available.

If there's not enough quantitative data available, you can rely on qualitative data. For example, you can use your industry knowledge and common sense to decide whether a certain product would promote orders during the week rather than the weekend.

### **Step Three**

Assign each criterion chosen a relative weight in percentage terms. For example, if a primary company strategy is to attract a different customer segment, the “target customer appeal” criterion may be weighted more heavily than whether the products “conform with typical customer purchases.”

### **Step Four**

Construct an analytical model that can evaluate each product (or occasion) using the criteria identified; rank how well each will meet the company's merchandising goals.

### **Step Five**

Launch the algorithm. Run various promotions on the site, using the merchandising algorithm to choose which products (or occasions) to use within each promotion.

### **Step Six**

Once the algorithm is running, *test* its effectiveness by tracking customer usage. Because of the Internet's unique ability to allow real-time product adjustments (pricing, placement, etc.), it has an advantage over the off-line retail environment. Track changes in conversion rate, average order size, and sales by category.

### **Example**

As an example, let's imagine how a fictional apparel retailer, BuyGoodClothes.com, might implement the merchandising algorithm. BuyGoodClothes wants to decide what products it should promote on its home page. Its strategy has three main components:

- attract men who dress “business casual” at the office
- introduce its new line of professional luggage
- increase its average order size and optimize gross margins.

**Step One:** The company chooses decision criteria that are aligned with its strategic goals:

- appeal to target customers
- introduce new product category
- increase margins
- increase average order size.

**Step Two:** Fortunately, BuyGoodClothes has focus group data that suggests what apparel is most appealing to the male business casual segment. The company also knows its revenue and margin on each product, so it has all the data it needs for a simple algorithm.

**Step Three:** Since its most important objective is capturing the profitable customer segment of professional men, BuyGoodClothes weights this criterion at 40%, while the others are weighted at 20% each.

**Step Four:** Using office-suite software, BuyGoodClothes builds a model that lists all of its product SKUs (though product categories would be sufficient if the data are similar across the category). Along the four decision criteria, each product is given a score on a 1 to 5 scale — 5 if it best fulfills the criterion. (For yes/no decisions, 5 stands for yes, 1 for no.) For example, a pair of cargo pants might get a score of 4 on “Appeal to Target Customers” and a score of 1 for the yes/no “Introduce New Product Category” criterion. The scores are then weighted and the result is a final ranking score for each product SKU.

**Step Five:** Based on the results of the algorithm, BuyGoodClothes decides to promote on the home page a picture of a man wearing flat-front khaki pants, a casual blue oxford and carrying a canvas briefcase.

**Step Six:** BuyGoodClothes tracks customers’ click-paths and conversion rate and determines that the oxford should be replaced with a spring polo shirt. Sales continually increase as BuyGoodClothes monitors the data and continually improves its merchandising.

## Survival Strategy 4: Listening labs

by Aamir Rehman, Creative Good analyst

Core to Creative Good's methodology is the customer input tool known as the "listening lab." While it is a new approach to generating customer feedback, the listening lab draws from traditional usability testing.

Traditional usability testing is a process of getting face-to-face feedback from customers as they use a website (or software). Sessions are usually one-on-one and directed by a moderator, while observers look on from behind a two-way mirror. Usability tests traditionally involve scoring users' performance — in time and accuracy — in fulfilling a set of pre-defined tasks.

Any sort of customer tests are important to the development process because they provide *objective* feedback. Test results cuts through the subjectivity of developers, whose attachment to the site can make it difficult to adopt the customers' perspective. Even the best developers can't avoid some "tunnel vision" after looking at the same site for several months. (For five reasons why user tests save money, read this article: <http://www.asktog.com/columns/037TestOrElse.html> )

Usability tests, while helpful, are less effective for the Web than they are for the software industry, from which they originated. The task-directed nature of usability is much better suited to the hermetically sealed "user interface" of a single software package; likewise, traditional usability does *not* fit well with the holistic, multi-dimensional, often chaotic experience that the Web serves up to customers. This is why Creative Good runs listening labs, not traditional usability tests.

### What listening labs are

While they are based on traditional usability processes, listening labs are less task-oriented and more open-ended than usability tests. In particular, listening labs are one-on-one sessions in which the *customer* — not the moderator — sets the context. The labs are set up to best recreate the environment at home, where customers would actually use the site (and where there would be no pre-defined tasks or scripted moderator sitting beside them).

Listening labs overcome some key shortcomings of usability and focus groups:

- Listening labs are non task-oriented: pre-defined tasks neglect what each individual customer wants to do on the site, and often miss a larger strategic finding.
- They rely less on quantitative measurement: such scoring of users tends to neglect important qualitative factors such as frustration or enthusiasm.
- Traditional usability tends to “lock in” users to the defined tasks; in listening labs, customers can give up at any time.
- Focus groups rely on what customers say — not what they actually do. Labs observe what customers *do*.
- Moderators control traditional testing; customers control listening labs. This key distinction delivers more accurate and strategic findings.

### **Who runs listening labs?**

Listening labs should be conducted by trained moderators with expertise in the methodology. Moderators must know how to let customers set the context and best simulate the actual experience of using the site.

Creative Good trains both its moderators and its clients in a blend of strategy, marketing and active *listening* skills, the latter being the most important skill to have, and often the most difficult to develop.

Setting up the labs requires strategic work beforehand to understand who the target customers are and what the key business objectives are. To best simulate the actual experience, the customers recruited for testing must match the demographic group likely to come to the site.

### **Who attends listening labs**

To gain most from the labs, it is critical that senior management from the company attend. Customer experience is not limited to marketing or to I.T. — it is the central driver of a merchant’s success online. To truly build a customer-focused business, senior managers need to understand how customers experience their site.

Creative Good has observed that it’s not sufficient for senior managers to observe the video or hear the results. Real customer focus (and thus real e-business success) comes from all levels of the client organization — including senior management —

seeing first-hand how live customers interact with the site.

### **Why listening labs?**

In e-commerce, it is critical to inform both strategic direction and interface decisions with customer feedback. While it is true that customer input is important in all businesses, it is particularly important online because customers “rule the Web.” Switching costs are low and competitors are abundant. The listening lab methodology is designed to identify the most important strategic and interface issues facing online retailers and to begin the cultural change necessary for companies to be successful online.

### **When to conduct the labs?**

Listening labs should be held throughout the life of a site. This includes initial testing of the site strategy, continuous testing of prototypes and changes to the site, and ongoing testing as business objectives evolve. Managers need to keep a close watch on how customers are interacting with the site — especially as their customer base grows as more consumers shop online.

### **The impact of listening labs — one client’s experience**

One major e-tailer, a Creative Good client, recently used listening labs to shape its ongoing customer experience strategy. In the labs, the client found that its customers were enthusiastic about the service but had difficulty using the site. None of the nine tested customers who were new to the site actually completed a purchase, for various and multiple reasons.

After the listening labs, the company’s CEO shared that he was shocked to learn how difficult his customers found his site. The CEO concluded from the labs that his business “should be three times bigger than it is today.” Ironically, a task-oriented usability test conducted (not by Creative Good) on the same site declared the “response from users was very positive.”

Non-directed listening labs has helped the e-tailer focus on its conversion rate and understand that how customer experience challenges were leaving millions of lost revenue dollars unrealized. The client is in the process of making changes as a result of the labs.

## Survival Strategy 5: Effective e-mail

by Liz Bennett, Ed Dawidowicz, and Mark Hurst

From newsletters to order confirmations, e-mail is an increasingly important aspect of the customer experience. There is *much* more to say about effective e-mail than we can fit into a brief column, but the tips below are a good start. The e-business industry is still so inexperienced about e-mail that even following these basic tips will put any dotcom ahead of most of the industry.

### Use a “hook”

An e-mail must have a good reason for being sent; otherwise it’s better to not send it. The hook of an e-mail is the single thought or message conveyed by that e-mail and should be stated in the first sentence or two of the e-mail.

By containing a hook, the e-mail makes it easy for a customer to understand the point of the e-mail. The customer is more likely to respond if the choice is clear: act or don’t act to get the specified benefit. Customers are less likely to act, understand, or otherwise have a good experience, if they have to spend time figuring out the point of the e-mail.

**Do** refine the hook to express the idea or message clearly and simply.

**Don’t** rely on jargon or indirect wording to express the hook.

### Support the hook

Just as the hook provides focus for the e-mail, so should the rest of the e-mail refer to the hook for focus. For example, an e-mail telling customers that there is a sale on a particular product line on an e-commerce site should do just that — tell customers about the sale.

This same e-mail should *not* be considered an opportunity to inform customers of every promotion, feature, or tidbit of corporate news. Customers tend to scan e-mails, and if several propositions are presented, even the hook will go unnoticed.

**Do** stick to a single subject in the e-mail.

**Don't** try to incorporate as many elements as possible.

**Be succinct**

Keep the e-mail short. From the subject line to the farewell, the e-mail should offer the reader the most relevant information in as few words as possible.

Customers are busy, and many feel overwhelmed by too much e-mail. Messages that are short and to the point are more likely to be read. When writing e-mail text, try to state the ideas in as few words as possible.

**Do** choose words carefully.

**Don't** think that having a lot of space means that you should use it all.

**State the most important things first**

Customers will start reading an e-mail from the beginning and read the introduction to see if it's worth spending more of their time. Readers tend to pay less and less attention to what is written as they scan more quickly through the rest of the e-mail.

To make sure customers read the most relevant information, *put the most important information (the hook) at the top*, followed by the most important supporting information. Each successive paragraph will receive less and less of the reader's attention and should contain less and less important information. As soon as the hook is well enough supported, end the e-mail.

**Do** provide the customer the most important information at the beginning of the e-mail.

**Don't** "save up" the key information for the middle or end of the e-mail.

**Write for scannability**

After absorbing the hook in the opening line of the e-mail, if customers choose to read the rest of the message, they will do so quickly, looking for the most important



components. Thus it's important to make it easy for customers to scan the e-mail.

**Do** use dashes or bullets to express lists of ideas or section headings.

**Don't** require users to read long continuous blocks of text .

### **Use the active voice**

The most effective way to communicate a message or idea is to use the active voice. The active voice focuses on the subject rather than how the subject is being acted upon, creating a more powerful image or idea.

Below are some examples of the active and passive voice:

#### *Passive*

We're happy to announce that there are now over 20 new product categories on our site. Best of all, more categories are still being added every day.

#### *Active*

We're happy to announce that you can now shop in over 20 new product categories -- and we're adding more products every day.

#### *Passive*

You've been selected for a special discount on any of the the following products!

#### *Active*

Buy any of the below products at a special discount:

### **Use the right tone for your audience**

E-mail communication tends to be less formal than traditional business and marketing writing. It's important not to be too formal, nor to familiar, when e-mailing your customers. The right tone for an e-mail varies, depending on the customer being mailed and the topic of the e-mail. (For example, an e-mail apologizing to a customer for poor service should be more formal than the weekly newsletter.)

**Do** feel free to make your e-mail fun and irreverent, *if* this is appropriate for the customer and the moment.

**Don't** be overly casual and risk being disrespectful to your audience with the wrong tone.

### **Use language that counts**

Avoid using words for their own sake. Remember, you don't communicate with your customers just for the sake of communication, but to get across an idea or proposition. To do this, each word and each sentence must "carry its own weight" and have something to do with the hook. If you can get your idea across in fewer words, do so.

**Do** make sure every sentence provides valuable information.

**Don't** include text just to fill up space.

### **Avoid URLs that wrap**

URLs can behave in peculiar ways when they are so long that they are broken into two lines of text. It's best to avoid "wrapping URLs" entirely. Here are some things you can do:

- If the URL is within your control, reduce its length so that it fits on a single line.
- Instead of listing it in the middle of a paragraph, insert a carriage return before listing the URL so that it starts on a new line.
- If the URL is so long that it must fit on two lines of text, tell the readers how to put together the composite URL in their browser window.

### **Wrap text at 68 character per line**

E-mail applications vary in hundreds of ways, but what they have in common is a basic text width. All applications will correctly display text that is 68 characters or less per line. While this "hard wrap" may sometimes result in excess white space on the right side of the page, it is better than having lines of hard-to-read, distorted text. Most good text editing software contain a feature to wrap text at a certain line length.

### **Use only ASCII characters — not “smart quotes”**

Many e-mail readers can't display text other than the standard set of ASCII characters (roughly equal to the characters you can see on a keyboard). An easy way to follow this ASCII-only rule is to type the e-mail newsletter in a plain text editor, *not* in a word processor (like Microsoft Word).

The most common infraction of the ASCII-only rule comes in the use of “smart quotes.” Notice that the quotation marks in the previous sentence are curved a bit — the left set of quotes (“) curve one way, and the right set (”) curve the other way. Similarly, the apostrophe (') also curves. All three of these characters are outside the basic ASCII character set and would display as error characters in many e-mail programs. Instead, regular quotes (") and a regular apostrophe (') display correctly in *all* e-mail programs. Microsoft Word defaults to using smart quotes, while text editors default to using e-mail-friendly regular quotes. (Why are there different kinds of quotes at all? Because smart quotes look better on the printed page. E-mail, viewed on low-resolution screens, doesn't benefit much from the aesthetics of curvy quotes, so there's no need to deal with the complexities of smart quotes in e-mail.)

So use a text editor, not a word processor, to write your e-mail newsletters. A good text editor for Microsoft Windows is UltraEdit ([www.ultraedit.com](http://www.ultraedit.com)); Macintosh users are blessed with the excellent BBEdit ([www.barebones.com](http://www.barebones.com) — the free version, BBEdit Lite, works well); and Linux users, who hardly have to be told about text editors, can of course choose between emacs and vi. (A final side note: thankfully, the main software on the Palm Pilot only uses the basic ASCII set.)

### **Avoid excessive use of ALL CAPS, \*\*\*\*, and !!!!**

It can be tempting to use these techniques for emphasis or urgency; however, using them in excess can be ineffective. It's best to employ these techniques sparingly. The example below shows some well-placed emphasis:

-----  
In This Issue:  
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- \* Messages from our Sponsors
- \* Top E-Commerce News Headlines
- \* How to Advertise in this Newsletter
- \* E-Commerce Times Job Board

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\* \* \* \* N E W \* \* \* \*

Visit the new E-Commerce Times Letters to the Editor page and see what other readers have to say about today's e-commerce issues!  
<http://www.ecommercetimes.com/letters>

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\* \* \* A D V E R T I S E M E N T \* \* \*

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[http://www.ecommercetimes.com/perl/mod\\_gotoad.cgi?etranslatenl-1](http://www.ecommercetimes.com/perl/mod_gotoad.cgi?etranslatenl-1)

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**Space and Spacing**

In an e-mail, “white space” is as important as the text in effectively communicating an idea or message. The eye can comfortably take in a limited amount of text at a glance, particularly on a computer screen. Cushioning the text with space helps readers scan the text more easily.

- Most paragraphs should not exceed three or four lines of text.
- Use “bullets” liberally to make individual points without writing a whole paragraph.
- Place double spaces between paragraphs and sections.

Below is an example of a good use of text and space:

-----  
Thank you for ordering from Amazon.com.

Your purchase information appears below.

To see the latest information about your order, or to make changes to your order, visit:

<http://www.amazon.com/your-account>

Your Account lets you manage your orders online by giving you the ability to do the following:

- \* Track the status of this order
- \* Combine open orders to save on shipping
- \* Change payment option for this order
- \* Change shipping option or address
- \* Cancel unshipped items from this order

You can also reach Your Account by clicking on the link in the top right corner of any page on our Web site.

If you still need to get in touch with us about your order, send an e-mail message to [orders@amazon.com](mailto:orders@amazon.com) (or just reply to this message).

If you ordered several items to be delivered to the same address, we may send them to you in separate boxes to give you the speediest service. Rest assured, this will not affect your shipping charges.

Thanks for shopping at Amazon.com

-- Amazon.com Customer Service

### **Use hyphens to delineate important information**

Text and space aren't the only way to highlight text. Lines of hyphens or equal signs (=) can also be effective. Consider the example below:

```
===== The Creative Good Update - 03 Aug 99 =====  
                By Mark Hurst, President of Creative Good  
                http://www.creativegood.com  
=====
```

In This Week's Issue:

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- Will the Web Be Easy Tomorrow?
- Best Practices Site Launches
- E-Recruiting Launch
- Creative Good Speaks
- Creative Good is Hiring
- Subscription/Contact Info

-----  
Will the Web Be Easy Tomorrow?  
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The Internet will soon become so easy to use, one commentator argues, that today's PC skills will be irrelevant tomorrow.

...

### **Always offer an option to unsubscribe**

As explained earlier, e-mails should only be sent when customers have requested information or if there is something noteworthy to tell them. Even with this level of permission there will still be people who will want to unsubscribe from the e-mail list or newsletter.

Always offer the option to unsubscribe. As an emerging convention, customers can now typically expect to see unsubscribe instruction as the last item at the bottom of the e-mail, following the signature and P.S.

### **The three most important pieces of real estate**

There are three key opportunities to get your message across to your customer. Failing to optimize these three opportunities will likely result in a large number of deleted e-mails.

The subject line, first line of the e-mail, and the P.S. at the end can hold the customer's interest. These three elements get more attention than any other section of an e-mail. If a customer is scanning the e-mail, as most customers do, those three may be the only elements read at all.

We discuss each of the three elements in more detail below.

#### **Subject line**

Whether or not a customer opens is affected quite a bit by the subject. If the subject line is relevant or informative enough, customers are more likely to open the e-mail. The subject line offers a very small space in which to make a very large impact. Below are some principles to follow when writing a subject line.

- An e-mail subject should tell the customer what the e-mail is about in clear, simple language.
- Even if the product or service offered is lighthearted or fun, the subject should not rely on quirky or jargon-filled language to invite the reader in.
- The subject should give some indication of the benefit the customer stands to gain by opening the e-mail.
- One way to write a strong subject line is to use a shortened version of the hook.

**First line of the e-mail**

A bad first line of an e-mail will be the only part of the e-mail the customer reads. However, a strong and informative first line, clearly stating the benefit of reading the full e-mail, will increase the chance that more customers will at least scan most of the message.

Like the subject, the first line of the e-mail should be explicit and contain the hook of the e-mail, including the benefit to the customer. Once again, if the first line offers something the reader considers to be valuable, they are likely to continue.

**P . S .**

After reading the opening line of the e-mail, most customers will scan the remainder of the message. The post script is a convention most readers will recognize. While the p.s. is not an essential element of all e-mail communications, it can be an effective way to highlight a reminder or a particular point of interest.

## Note

The final two survival strategies, Improving Search and the Page Paradigm, are adapted from our free Holiday '99 E-Commerce report, by Mark Hurst, which is available for free here: <http://www.creativegood.com/holiday99>

## Survival Strategy 6: Improving search

Many dotcoms offer thousands of products in hundreds of categories, making it essential to provide customers with a good search feature. Unfortunately, many dotcoms' search features are implemented poorly. This section gives a basic road map for how to offer customers a better search experience.

Many dotcom searches today give one of these unacceptable experiences:

- **Too many results:** Simple search queries tend to return dozens, even hundreds, of results. For example, a search on “fishing” at an outdoor site returned over seven hundred results.
- **Zero results:** Many searches return no results at all, sometimes because of trivial “mistakes” in the search query. For example, one site’s search returned no results because the query was plural (“stereos”), and the product was listed in the database only in the singular (“stereo”).
- **Irrelevant results:** Some searches return results that are not directly related to the intended search but instead contain one of the search terms somewhere in their database entries. For example, searching for “fish food” at a pet supply site resulted in water filters (on the first of several pages of results).

A good search should can avoid these problems by provide results that are *few* and *relevant*. The following describes how the search should work for simple and detailed queries.

### Simple query

Searching on a common, one-word query (“khakis”) should not return excessive results. Ideally, the results page should display the *one* page that is most appropriate for that query. (For example, the customer should be taken directly to the khakis page.) However, if there must be a long list of results, the list should begin with



those results most likely to be what the customer wants. For example, if there are thirty kinds of khakis available, the top-selling khakis should be at the top of the results.

In particular, searching on a simple query like “fishing” should bring back four types of results:

- The first result should be a link to “the” fishing page. This result would be hard-coded in the search engine to appear upon any query of “fishing” or “fish”.
- The second result, or set of results, would be products whose names *begin* with the entry fishing (i.e. “fishing rods”).
- The third set of results would be products whose names contain the word fishing.
- Finally, the last set of results would be products whose names contain some derivation of “fishing”.

This organization ensures that the most relevant results, i.e. those most likely to be the *right* product, are displayed first.

### **Detailed query**

A multi-word query (“mediterranean flower vases”), if it doesn’t yield an exact match, should not show the customer empty results. Instead, the search engine should find *parts* of the query that do begin to return results, then display those.

If a detailed query returns no results, one way to look for results is to progressively abbreviate the query from the left. For example, for “mediterranean flower vases,” the search engine can then try “flower vases,” and then “vases.” This algorithm would work best on dotcoms where detailed search queries tend to be a string of adjectives followed by a noun. Different search strategies, of course, will work better on different dotcoms (depending on the product set, the customer base, and the language queries are written in).

### **Keyword Mapping**

An easy way to give few and accurate results is a system Creative Good calls “keyword mapping,” a system where popular search queries lead to human-made results pages. To understand how it works, consider how a pet supply site and a toy

site could be improved by keyword mapping:

- The pet store's Web team would identify "fish food" as a keyword. Any search on "fish food" would take customers to a page containing fish food *only*. (This would be an improvement over a results page also showing filtration systems.)
- The toy site's development team would identify "tonka" as a keyword. Any search on "tonka" would take customers to "the Tonka page," specially created and maintained by the development team, that showed customers a well-designed overview of the Tonka products carried by the site. (This would be an improvement over a page showing a long alphabetical list of every Tonka product.)

The secret to keyword mapping is that humans can build better search results than machines can. Search engines can find every product with the word "fish" or "food" somewhere in its description, but that can result in irrelevant products like filters climbing to the top of the results. A human being, on the other hand, can manually construct a much more relevant page of fish food products.

Any online store can implement keyword mapping with a small investment in technology and an ongoing commitment (by people on the team) to improving the search experience. Here's how to implement keyword mapping:

- Using website logs, identify the top 10 most popular search queries. (For example, on a pet store site, "leash" might be in the top 10.) These 10 search queries are now the "keywords."
- Manually construct a page for each of the 10 keywords. (For example, create a page prominently showing the top-selling leashes, followed by a simple list of links to all other leashes.)
- Modify the search engine. If any search query is one of the keywords, the website must take the customer directly to the manually constructed page, bypassing the standard results page altogether.
- Watch sales increase as customers have a better experience when searching for these 10 popular items.
- Go through this process every month, turning 10 more popular search queries into keywords mapped to specially constructed pages. Consider adding keywords for new products and product classes as they are introduced.

## Survival Strategy 7: The Page Paradigm

Based on our research, we have found one simple rule (the “Page Paradigm”) that describes the online shopping habits of most online shoppers. The idea behind the Page Paradigm is that most customers go page by page through the shopping experience, not thinking too much about pages they’ve seen previously. Customers concentrate most on the individual page they’re on, not on the site as a whole. The rule is shown below:

### The Page Paradigm

On any given page, customers will do one of two things:

- EITHER click on something that appears to take them closer to their goal
- OR click the Back button.

### Why This Matters

Many online stores concentrate on telling customers where they are in the site, or where *else* they could go, or what *other* features they could try. Some sites are crowded with navigation bars (“navbars”), toolbars, and other features that are totally irrelevant to the customer. Customers don’t care “where they are” in the overall hierarchy of the site; they only care if they can accomplish their own, personal goal.

*Most customers want to achieve one particular goal on a site.*

Customers don’t want to experience *everything* on a site. Instead, customers want a *simple* experience that helps them achieve their primary goal, and doesn’t distract or confuse them. This is why customers’ behavior fits the Page Paradigm: since customers want to achieve a goal, they look to each page to take them closer to the completion of their goal. The Page Paradigm might be restated this way, from the customer’s perspective:

Does this page take me closer to my goal?

- YES: Click to go closer to the goal.
- NO: Click Back to try again on the previous page.

Another important takeaway of the Page Paradigm is that Web pages should not try to accomplish too many goals at once. Focusing a page (and the overall site) on one goal — the goal that customers have — makes it much easier for customers to use the site.

*Focus each Web page on one goal. Delete anything that doesn't serve that goal.*

The Page Paradigm also shows why “site maps” are irrelevant<sup>1</sup>. Despite all the “information architects” who say otherwise, customers do not care about site maps. A site map is fun for the development team to look at, and it gives information architects something to do, but it's mostly irrelevant to customers. Customers don't want to spend time learning how to use the site; they just want to accomplish their goal and leave the site as quickly as possible.

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<sup>1</sup> A site map is a page that functions as a “table of contents” for a website. Some books on Web design encourage sites to link to a site map from the home page.

# Survival Tactics:

## Thirty-One Dotcom Examples

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The following are thirty-one survival tactics, each accompanied with a screenshot of a site that exemplifies the tactic, either executing it well or poorly.

As you read the tactics, keep in mind a few thoughts: First, remember that these are just reviews of small, individual tactics; they are not reviews of the entire site. There are plenty of e-commerce sites that are good overall, but have certain tactics that could be improved; likewise, some of the *good* tactics below are part of sites that could really improve!

Also, notice the evaluation date at the bottom of each column. Sites change quickly, and we expect (and in many cases, fervently hope) that some sites have changed since we took the screenshots and made the evaluations. In a couple of cases, sites have made the very improvement we encouraged — leading us to write a “second look” evaluation that describes (and applauds) the improvement.

Finally, remember that customer experience is primarily a strategic issue (Chapter 2, Section 1 explains more) and that tactics like these become important after the strategy is fully formed.

### Home page

The home page has the unique responsibility of creating a good first impression on

the customer. If the experience on the home page is poor in any way, the customer may leave the site forever. Thus is it important to ensure a good experience: the home page should load quickly, clearly explain the purpose of the site, and speed customers toward their goals.

Below we see that Quixtar.com's original home page was not clear enough.

### Quixtar.com - poor practice

*Summary:* Quixtar's home page says little about what the site is.



An effective home page tells customers what site they're on and what they can do there. Quixtar's home page, however, creates a bad customer experience by failing to give visitors such basic information.

Customers must first wait as the flash-enhanced home page slowly loads. When the page finally does load, it hardly helps customers figure out what Quixtar is. Just saying "Welcome" doesn't explain why customers should spend time on the site.

What Quixtar does provide is links to information on becoming a "Quixtar Client," becoming a "Quixtar Member," and becoming a "Quixtar-Affiliated Independent Business Owner." But what's the difference between a client and a member? Quixtar boasts its "Store for More" and "Exclusive" stores, but what kind of stores are these?

What can customers buy there? Clothing? Furniture? Hamsters? The page doesn't say. And what is Quixtar, by the way?

The one thing Quixtar is clear about is perhaps the most irrelevant information to customers: how hard the web development team has been working. A full paragraph of text at the center top of the page announces that "over one hundred developers" have "accomplished some amazing things" with the site while working at "breakneck pace." Customers, however, don't care about how great the design team is; they just want to use the site.

Quixtar should improve its home page by clearly stating what the site is, who its affiliated merchants are, and what customers gain by signing up. Quixtar should also remove the irrelevant and excessive praise of its design team. Perhaps then customers will actually want to join.

(Evaluated by Aamir Rehman on September 7, 1999.)

### Quixtar.com - second-look evaluation

*Summary:* Seven months later, Quixtar's redesigned homepage makes clear to customers that they can shop.



When Quixtar first launched in September 1999, it did not clearly communicate why

customers should spend time on the site. Its homepage did not clearly state what the site is, who Quixtar's affiliated merchants are and what customers gain by signing up. The homepage created a bad customer experience by failing to give visitors basic information.

Fortunately for customers, Quixtar has redesigned. Its homepage states that Quixtar is a "personal shopping portal" along the top of the page. Even if customers do not read this text, it is clear that they can shop from the site. A list of affiliated merchants, broken down by categories, is the main focus of the page. The homepage no longer is Flash-enhanced and downloads quickly. With these few changes, Quixtar has created a good customer experience from the moment customers land on the site by giving customers information that they need to know.

Despite these changes, Quixtar could further improve its customer experience. Quixtar requires customers to register before entering its partner stores but fails to clearly state what the benefits of signing up are. If it's not easy to see *why* shoppers should register, new customers are likely not to bother. Some customers may thus be likely to abandon Quixtar and go directly to the partner sites.

(Evaluated by Christine Yu on April 2, 2000.)



## Swissarmy.com - poor practice

*Summary:* This collection of bad customer experiences hides the fact that you can't actually buy anything here.



Swiss Army's knives and other products are highly functional tools created in the fine tradition of European design. The Swiss Army site, however, is a collection of customer experiences so bad that it all but destroys whatever value the brand has for an online user.

Customers coming to [swissarmy.com](http://swissarmy.com) must first get past a splash screen featuring a large Swiss Army logo. The page may make Swiss Army feel good, but for customers it's just an extra step toward their goal of getting into the site. The splash page also warns customers that the site is designed for Version 4.0 browsers or above. Unfortunately, trying to move on to the home page with Navigator 4.02 (PC) led to a series of 10 JavaScript errors before the browser gave up on loading the page.

Assuming customers get to the home page, they're greeted with a collection of slow-to-load graphic images that don't help them navigate the site at all. The bottom frame features a series of nine identical buttons with absolutely no labels. The only way to see where they lead is to put the mouse over one and read the "rollover" description. Surprise: the nondescript buttons are crucial to the navigation of the site. Lousy way to move around a site, but a good memory test.

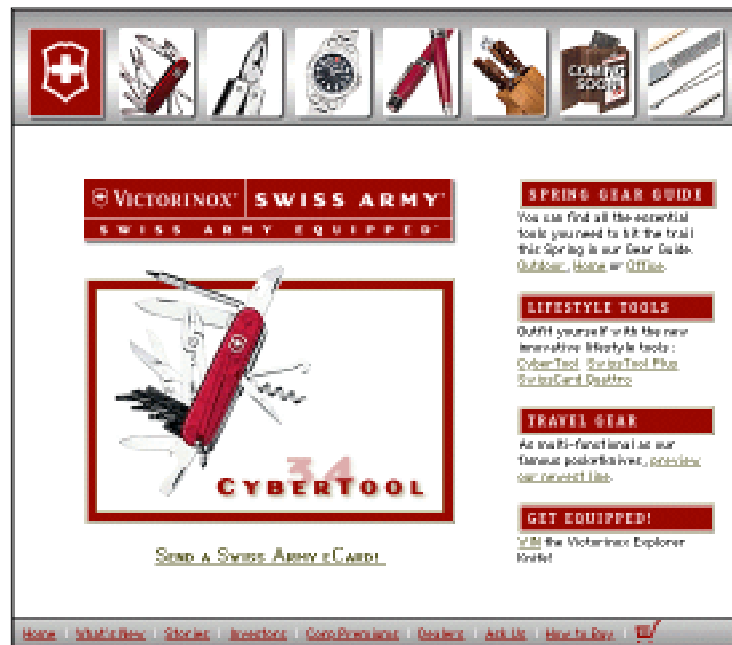
If customers have the patience to click through several layers of slow-loading graphics and frame-laden pages, they'll eventually find that they can't actually buy anything on [swissarmy.com](http://swissarmy.com). There is a link that says "Buy Now," but it loads an order page from [REI.com](http://REI.com) (along with its entire toolbar and a very different user experience), accompanied by the frame with the Swiss Army logo and those nine unlabeled buttons.

Next time you're on [swissarmy.com](http://swissarmy.com), we suggest buying a compass.

(Evaluated by Mark Hurst on May 28, 1999.)

### Swissarmy.com - second-look evaluation

*Summary:* A year later, Swiss Army has replaced graphic buttons with text links.



When we first reviewed Swiss Army's site in May 1999, we criticized the splash page that warned users about browser versions necessary to view the site; the slow-to-load graphics; and the series of identical, though unlabeled, buttons in the bottom frame. Without labels on these important buttons, Swiss Army made it extremely difficult for customers to navigate the site.

Swiss Army has since redesigned its site. The splash page is gone and the unlabeled buttons on the home page have been replaced with clear, underlined text links. The

site no longer sends customers to other sites to buy. Instead, it shows clearly how to purchase from affiliate Swiss Army sites.

Despite Swiss Army's home-page improvements, customers may still have some trouble with navigation. Shoppers might not realize that the product images at the top of the page (a pocket knife, watch, etc.) lead to product category pages. In addition, Swiss Army makes it difficult for customers to buy the product pictured in the middle of the home page by failing to make that image clickable.

Swiss Army should label the images more clearly so customers don't need to move the cursor over them to see where they lead. Swiss Army should also make the featured product clickable, easily taking customers to the corresponding product page.

(Evaluated by Jen Schaeffer on May 3, 2000.)

## Registration

Sites shouldn't make it difficult for customers to do business with them. If registration is a hassle, a site could lose valuable transactions. Below are a poor and a good example of registration.

### Reflect.com - poor practice

*Summary:* Reflect.com takes personalization too far with its forced customer survey.



Reflect.com, a Procter and Gamble beauty e-commerce website, tries hard to create an online beauty experience for customers. Reflect promises to customize its website and products for each individual customer, but it takes customization too far by forcing customers through an unnecessarily long personalization process.

Reflect requires customers to take a “new visitors” survey before they are allowed to view a single product. Customers coming to the site for the first time may become frustrated and leave the site because they can't shop immediately.

Those customers who do continue with the survey face questions such as “If I were a house, I would be” with answer choices ranging from “A beautiful mansion filled with art and the hottest artists” to “A maintenance-free townhouse with an exercise room.” Another question asks what “The person closest to me would say I am most likely to dream about.”

Reflect's survey might be tolerable if it actually led shoppers to customized products. Unfortunately, it appears that the only purpose of the survey is to customize the site's

colors and images. Some customers, for example, will view the site with purple flowers while others will see it with yellow ones. To actually customize *products*, shoppers must go through yet another survey when they finally access the site. In all, customers must answer more than 20 survey questions before viewing a single product.

Reflect claims to create the ultimate experience for customers with a personalized website and beauty products. Instead, Reflect's lengthy surveys create a bad customer experience.

(Evaluated by Christine Yu on February 28, 2000.)

### eBay.com - good practice

*Summary:* eBay provides useful links to help customers learn about auctions.



Many customers are unfamiliar with the process of online auctions. Customers must register, decide what auction to participate in, and figure out how to bid or sell. eBay makes it easy for customers to learn about online auctions by linking to key questions directly off the site's home page.

eBay presents five straightforward links in the upper-right of the home page. The

links “How do I bid?” and “How do I sell?” inform customers about the various types of auctions and how to take part in them. Another link, “Why eBay is safe,” allows customers to participate in a Feedback Forum where they can participate in an auction tutorial or comment on their buying and selling experiences.

Customers on eBay need not go to a “Help” or “About us” section; the site directly addresses their key concerns on the home page. eBay’s links are also more helpful than a lengthy FAQ (frequently asked questions) section that overloads customers with mostly irrelevant information. And eBay wisely places the links in the upper right, leaving the bulk of the home page for actual auctions.

In general, good e-commerce sites should not require explanations of how to shop. Navigation and buying should be intuitive, so that the experience explains itself. Auctions, however, are unfamiliar and thus may need more introduction. By effectively providing this introduction, eBay makes browsers more likely to become bidders.

(Evaluated by Jen Schaeffer on December 15, 1999.)

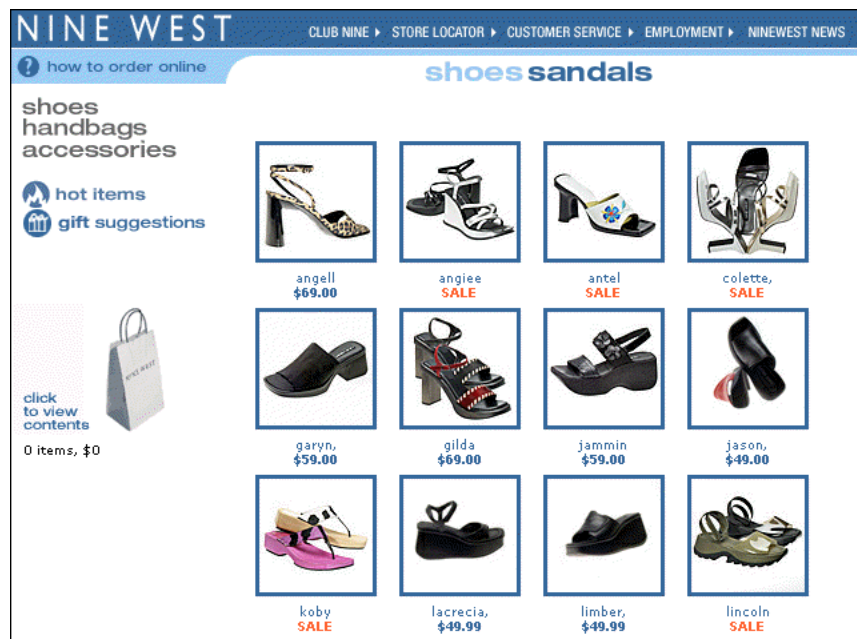
## Merchandising

Displaying and promoting products is a crucial aspect of the customer experience. Even if customers can navigate easily to the products, the customer may leave if the products are not clearly presented. (Also consult the “Online Merchandising” section in Chapter 2 for more information.)

Below are three examples of merchandising. The first shows how *not* to display sale items; the second shows a good use of situation-based merchandising; the third shows a better way to incent impulse buys.

### Ninewest.com - poor practice

*Summary:* Ninewest.com makes it difficult for customers to find the price of sale items.



Ninewest.com offers a wide selection of ladies’ shoes and sandals on its website. Unfortunately, poor page design hides the price of sale items.

Ninewest.com’s category pages present images of products accompanied by their name and price — unless the item is on sale. A black sandal called “Garyn,” for example, is shown with a price of \$59.00, while a discounted sandal called “Angell” is merely marked “SALE.”

To find the price of sale items on the category page, customers are forced to click onto each individual product page. Only there can they find the regular price, the discount, and the new price. This adds an extra step to the shopping process, which may prevent customers from investigating discounted items.

If Ninewest.com replaced the word “SALE” with the old price, crossed out, and the new price in red, customers could easily compare items. By forcing customers to look at individual product pages to find the discount price, Ninewest.com may lose impulse buys.

(Evaluated by Zimran Ahmed on April 16, 2000.)

### Guess.com - good practice

*Summary:* Guess.com’s “Getaway” merchandising appeals to customers’ lifestyle.



Guess.com, the apparel retailer, creates a good customer experience with its “Getaway” situational merchandising. The site’s appeal to a relevant situation can both help customers find useful products and help Guess communicate the breadth of products the site offers.

Customers on Guess’s home page see links to “Getaway Essentials” for men and for women. Clicking on the link “For Her” takes shoppers to a page featuring a variety of



items that might be useful for a weekend trip or vacation. The page includes, for example, a jacket, sneakers and a casual dress. Next to each piece, Guess provides prices and clear text links to the corresponding product page.

Customers may find the “Getaway Essentials” page helpful in suggesting items to buy before a vacation. The page anticipates shoppers’ needs — shopping for a getaway — and presents relevant merchandise. And by including products from many categories, Guess shows shoppers that they can buy a wide range of items on the site.

Guess could improve the Getaway page by clearly stating which featured items are on sale. Shoppers looking for a good deal might thus be more inclined to buy. The page might also offer discounts to customers who buy multiple Getaway items.

(Evaluated by Jen Schaeffer on April 16, 2000.)

### Outpost.com - good practice

*Summary:* A good example of contextual add-ons.



For decades, supermarket checkout lines have allowed customers to buy items on impulse. This practice has not yet translated well to the Web, since adding buttons to gum and candy would overwhelm the checkout page in a typically small browser window.

Outpost.com, however, offers a more customer-centered way to buy on impulse. The checkout page displays add-on products that are natural companions to the products the customer has already bought.

Here's how it works: on the Shopping Cart page, the items already added are displayed in the large yellow column. Less prominent (so as not to distract the customer), but above the fold, is a purple column containing add-ons that are appropriate to the items in the shopping cart. For example, if the shopping cart contains a PalmPilot, then the PalmPilot MacPac automatically appears in the left-hand column.

This feature is particularly good on Outpost.com, a computer good store, since it's often difficult to know what add-ons are necessary for a particular technology — or how to find them. In our PalmPilot example, a Mac user would be happy to find the relevant MacPac link immediately available.

Another good aspect of this feature is the prominence of both “Add It” and “More Info” buttons beneath each add-on. This makes it easy for customers to either make the buying decision immediately or to get the information they need to then make the buying decision.

The gain for Outpost.com is obvious: by making it easy to buy add-ons, more customers will buy add-ons.

(Evaluated by Mark Hurst on May 15, 1999.)

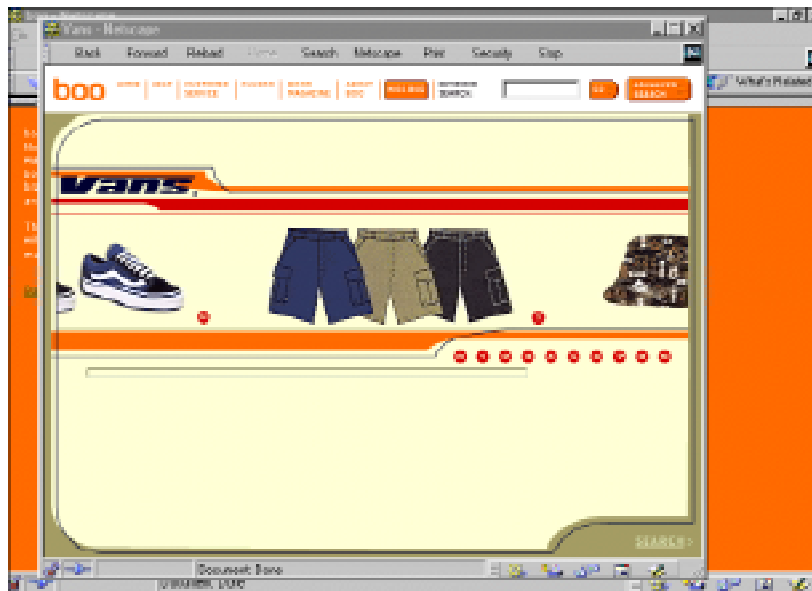
## Navigation

If customers can't find the product, they won't buy it. Likewise, making it quick and easy to navigate to products can raise sales substantially. As shown in the Creative Good Holiday '99 E-Commerce Report, most customers navigate to products by using simple category text links. Find the report here:  
<http://www.creativegood.com/holiday99>

Below are two examples of navigation: Boo.com (when it was still in business) used an irritating conveyor belt, and KBKids used an especially clear way to display categories.

### Boo.com - poor practice

*Summary:* Animated graphics make customers work to view product information.



Boo.com, an online retailer of urban streetwear, requires customers to work hard to shop. Customers must negotiate several pages of animated graphics before viewing product information. Such obstacles can cause a frustrating experience for customers.

Customers can click into a brand (Vans, for example) from the Boo.com home page, but they're in for a wait: the two following pages, which contain a large animation and a surf competition fact sheet, are full of slow-loading graphics. Neither page is particularly easy to get past; it's unclear that shoppers must click on the first graphic to continue and find the hidden "skip" button on the second page.

When customers finally get to the product, they encounter an especially confusing shopping feature: the conveyor belt. Boo.com’s merchandise is displayed on an animated banner that moves in different directions and speeds, depending on the placement of the mouse on the banner. With products zooming all around the page, customers practically have to play “target practice” to select the product they want. Even worse, not all of the product images are clickable.

To be fair, some aspects of Boo.com are much better than the average e-commerce site — a distinct visual “feel”, for example. But Boo.com makes a mistake in using technology for technology’s sake. It’s great to have a “cool” shopping site, but if its features (like the conveyor belt) are frustrating obstacles in the customer’s buying process, they should be removed. Boo.com should try to build a site with plenty of personality but none of the irritating technology.

(Evaluated by Kelly Eng on December 17, 2000.)

*Note: Boo.com was shut down in May 2000 and the remnants sold in June 2000.*

### KBKids.com - good practice

Summary: Easy-to-follow navigation.



KBkids.com’s main navigation feature makes it easy for customers to get started

browsing the site. The feature is a column of text links running down the left side of the home page. This nav bar is great for customers who have a general idea of what they want but do not have a specific product in mind.

Unlike many e-commerce nav bars that overwhelm the customer with one long list of choices, the KBkids nav bar clarifies navigation by offering four different categories of links. Sections for age, brand, character and department allow customers four different ways to find the right toy. Want to buy a Barney toy for your nephew? Click on the “Barney” link in the “shop by Character” section.

The nav bar reveals other good e-commerce practices. The four section headers are displayed in a color that stands out from the background. To make scanning even easier, the relevant word in each header is in bold; in “shop by Age,” the word “Age” is easiest to see. Finally, each section contains no more than a dozen or so links, ensuring that customers aren’t overloaded with choices.

By keeping things simple and well-organized, KBkids.com has designed a navigation feature that is easy for customers to use. It helps customers narrow down their interests so they can quickly leave the home page for other parts of the site — where they can find the perfect toy.

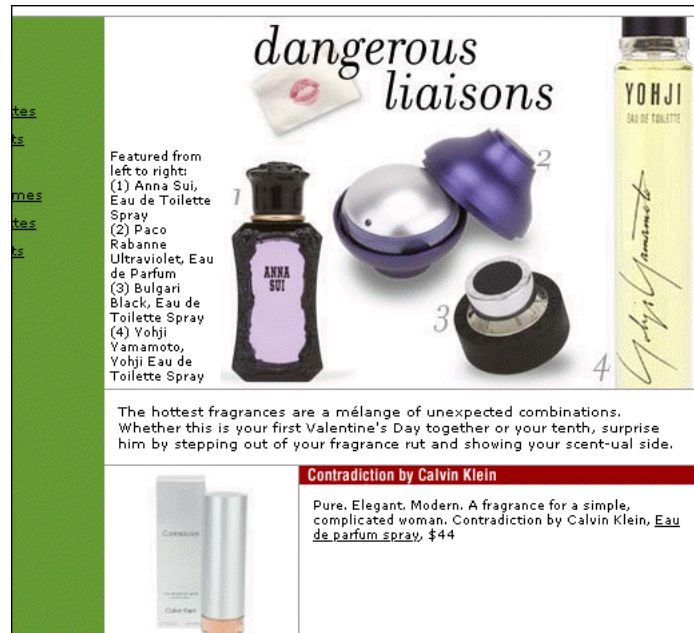
(Evaluated by Mark Hurst on July 20, 1999.)

## Labelling

Clarity is most important in the labelling of products and other items on the site. This section shows how not to label (with a confusing matching scheme, or with unlabeled graphics), and finishes with one good way to label time.

### Gloss.com - poor practice

*Summary:* Gloss.com makes customers work to match product names with their images.



Gloss.com makes customers work to match product names with the sleek layout of its category pages. By applying a traditional magazine layout to the online world, Gloss.com is likely to frustrate customers and create a bad customer experience.

Customers searching for perfumes, for example, may click on "Fragrances" on the home page. Gloss then displays four images of featured perfume bottles in the central section of the page. Rather than labeling the products by name, Gloss attaches numbers to each bottle. Customers are forced to match the image number with a corresponding product name in the text to the left of the pictures.

The matching game is even more frustrating because the product names are not clickable. Shoppers who go through the trouble of finding the product name may thus have a hard time getting to the product. By making customers work to find the

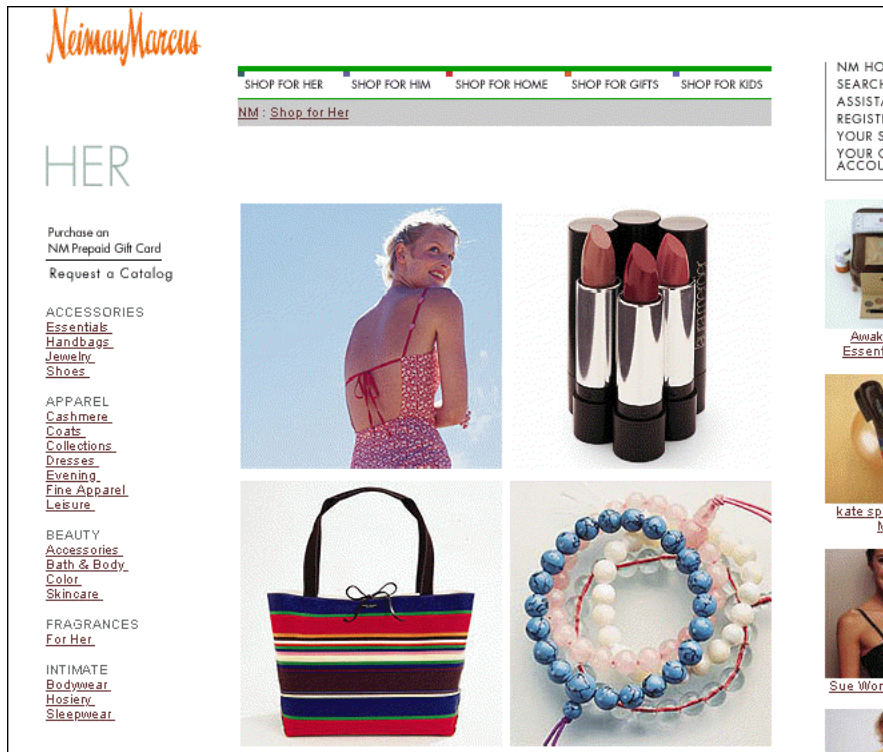
information that they need, Gloss is likely to frustrate them. Shoppers may be less likely to view the featured products, thus driving sales away from promoted items.

Unfortunately, translating print layouts to the online world doesn't always work. Gloss.com should make all product labels clear and clickable, as it does further down the fragrance page. Below the four featured bottles, for example, Gloss displays Calvin Klein's Contradiction perfume with an image, product name and text link. This straightforward display is more intuitive and makes for a better shopping experience.

(Evaluated by Christine Yu on February 8, 2000.)

### Neimanmarcus.com - poor practice

*Summary:* Neimanmarcus.com misleads customers with category links resembling product images.



In brick-and-mortar department stores, shoppers can easily find departments by following posted signs. Online, customers must rely on labeled links to guide them from one department to another. Neimanmarcus.com, however, fails to label its graphic category links and thus confuses customers who may think these links lead to

featured products rather than categories.

Misleading category links can be found across the main shopping areas of the site. Customers who click “Shop for Her” on the home page, for example, come to a page where they see four large images at the center of the page. Each image shows a particular product, like a dress or handbag. There are no labels indicating what the images represent or where clicking on them will lead.

Customers may click on one of these graphics believing that it leads to a product or featured item; if they do, they’ll be disappointed when they land on a category page. Instead of getting the dress in the image, for example, they’ll be on a page that doesn’t even contain the dress shown in the original graphic.

When used appropriately, images can give shoppers a greater understanding of merchandise. Pictures, however, must be clearly and accurately labeled to avoid confusion. Neimanmarcus.com could improve its navigation by placing a “Dresses” label on the image of the woman in a dress. Moreover, the dress depicted should be one that customers can actually *buy* from that section of the site.

(Evaluated by Liz Bennett on January 21, 2000.)

### **Dollar.com - good practice**

*Summary:* Dollar.com’s dropdown menus let customers choose “Noon” and “Midnight”.

(See screenshot on next page.)

Dollar.com, Dollar Rent A Car’s website, prevents customer confusion with its well-implemented time selector. A dropdown menu in the time selector allows customers to choose “Noon” or “Midnight,” avoiding the common error of mistaking 12AM for noon.

To choose a pickup time, customers go through a series of dropdown menus. After selecting the hour and minute, the third menu allows customers to specify AM, PM, Noon or Midnight. Including Noon and Midnight saves customers the trouble of having to remember the rules of time-telling.



**CLICK NOW!**

**Online Reservations**

**Make A Reservation**

Name (First Name, Last Name)\*:

Email Address\*:

Phone\*:

Pickup Location: NEW YORK-JFK / JOHN F. KENNEDY (AP) / JAMAICA, NY

Return Location: NEW YORK-JFK / JOHN F. KENNEDY (AP) / JAMAICA, NY

Pickup Date\*: OCT 4 1999

Pickup Time\*: 12 00 NOON

Return Date\*: OCT 4 1999

Return Time\*: 12 00 NOON

Vehicle Type\*:
 

- Economy
- Compact
- Intermediate
- Standard
- Full Size
- Premium
- Luxury
- Convertible
- Minivan
- Sport Utility

For more information about a *Vehicle Type*, select a vehicle type to the left and hit "More Information..."

**More Information...**

Without the Noon and Midnight options, customers might select 12AM when they want noon or 12PM when they want midnight. With these options, the customer experience is improved by ensuring that customers enter their reservation time correctly.

While Dollar's time selector is well-done, the overall reservation process is difficult. Customers have to go through 5 steps before they can select their pickup time and vehicle type. Dollar should make it easier to reserve a car by providing a quicker and easier path off the home page. The change would make customers more likely to place a reservation, and appreciate Dollar.com's helpful time selector.

(Evaluated by Aamir Rehman on October 5, 1999.)

## Product comparison

As the Web is best at displaying information page by page (see the Page Paradigm explained in Chapter 2), it's often hard to compare two or more products at the same time. Most websites are equipped to display only one product at a time, forcing the customer to grab pen and paper to manually record the comparison data. The lack of good comparison shopping online is the result of the Web's limitations, not from a lack of customer interest.

Some e-commerce sites offer comparison shopping through a variety of features. Below, we see that Lycos delivers a poor experience, while MySimon.com keeps it simple and creates a good experience.

### Lycos.com - poor practice

*Summary:* Lycos's product comparison loses sight of the customer.



Staples.com - Your Online Office Manager

**Inside Lycos Shopping**

- [Summer Shopping:](#) Gear up for summer in our shopping guide. Get your summer reading, outdoor gear, and travel tips - all in one place!
- [Shopping for a car?](#) Check out Autoshop to research new and used cars or to buy online!
- [Star Wars Merchandise:](#) Check out the hottest toys and gifts from Episode I
- [Lycos Gear:](#) Apparel, hats, gifts and more!

**Shopping Tools**

- [Build a Store NEW!](#)
- [Product Comparison](#)
- [Find Sales & Specials](#)
- [Locate a Store](#)
- [Shop Safely](#)
- [Customer Service](#)
- [Read Store Reviews](#)

**Episode I Federation Pewter Tank**  
**SCIFI Store**  
**Buy Now! \$57.95**

**STAPLES.com** **Click Here!**

[Staples.com:](#)  
Click Here to slash the cost and hassle of running a business.

Product comparison is an important step in the PC buying process. Customers shopping for laptops on Lycos, however, may find it difficult to compare products.

Since Lycos Shopping contains information about many products, customers have to navigate through several pages to arrive at the Laptops page. The navigation bar on the top of the page describes the path customers took:

Lycos Home > Shopping > Computers > Hardware > Laptops

Having clicked through four pages to arrive here, customers are ready to shop for laptops. Lower on the page is the link many customers want: "Product Comparison".

But clicking on this link brings customers to a page with links to *all* product categories within Lycos Shopping, including “Apparel” and “Music” as well as “Computer Hardware.” There are no laptops to compare here.

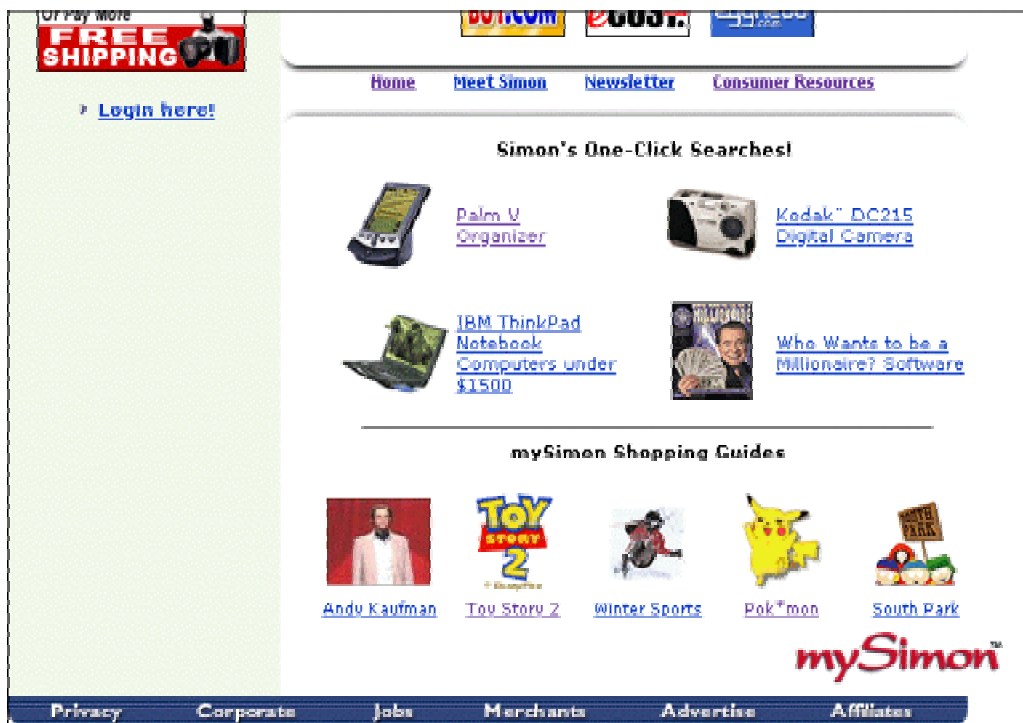
Lycos’s product comparison, therefore, creates a bad customer experience. Customers on the laptops page who click on Product Comparison want a comparison of laptops — and the resulting page has no laptops.

It’s easy to describe how Lycos could improve this feature: remember the customer’s goals. If customers are on the Laptops page and ask for a product comparison, the site should take customers to a page where they can compare laptops. Then the customers might buy.

(Evaluated by Mark Hurst on August 5, 1999.)

### MySimon.com - good practice

*Summary:* MySimon.com makes comparison shopping for popular items easy with one click.



MySimon.com makes comparing prices simple by allowing access to popular

comparisons with one click, instead of the several clicks that most comparison features require.

MySimon's one-click searches are featured on each of the main shopping department pages, like Home & Garden or Computers & Software. When customers click on a highlighted item — a Palm Pilot, for example — MySimon returns a list of the merchants and their prices. In one click, the customer can compare the price of a Palm Pilot, or any of several other popular items, at several merchants. The results page is sorted by merchant name, but allows customers to re-sort by price.

MySimon's one-click searches make it easier to compare prices because customers don't have to navigate through a hierarchy to find information about a popular item. For example, customers searching for a Palm Pilot normally enter the "Computers & Software" department and click on the "Handheld Organizers" link. They must select a type (PDA or Accessories) and a manufacturer from drop-down menus to begin comparing. With its one-click feature, MySimon shows customers the most relevant information and allows quick and easy comparisons.

(Evaluated by Christine Yu on January 18, 1999.)

## Size charts

Finding the right sizes of clothing can be difficult on the Web, since there is no way to try on the clothes. Even worse, few e-commerce sites use the same sizing scheme. A size 2 on one site can be a size 6 on another site. Therefore, before they can buy clothes online, customers often need a size chart.

The two case studies below show that *context* is an important aspect of the customer experience in the size chart. It's best to have separate size charts to show the customer, depending on who the customer is and what product is being bought.

### JCPenney.com - poor feature

*Summary:* Size charts lose the customer's context and make finding the right size a challenge.

The screenshot shows a window titled "SIZE CHARTS" with a "close window" button. It contains three main sections:

- MISSSES, TALLS:** A table with columns for sizes 00, 0, 4, 6, 8, 10, 12, 14, 16, 18, 20. Rows include Bust, Waist, and Hips.
- PETITES:** A table with columns for sizes 0, 2, 4, 6, 8, 10, 12, 14, 16, 18, 20. Rows include Bust, Waist, and Hips.
- WOMEN'S:** A table with columns for Women's Petite Sizes (10WP, 16WP, 18WP, 20WP, 22WP, 24WP, 26WP, 28WP, 30WP, 32WP) and Women's Sizes (10W, 12W, 14W, 16W, 18W, 20W, 22W, 24W, 26W, 28W, 30W, 32W). Rows include Bust, Waist, and Hips.

JCPenney.com tries to help customers with its Size Chart feature but instead ends up confusing them with complex and irrelevant information.

To place an order from a product page, shoppers must first select a size. For customers who are unsure of what size to choose, JCPenney offers a link to "View Size Charts." Customers expect that clicking there will help them select the right size for the item they're looking at.

Clicking on the chart, however, confuses shoppers more than it helps them. Whether a customer is buying a button-down shirt or a pair of track pants, the size chart is the same. The feature is not contextual to the selected product. If a woman is looking for a button-down shirt, for example, she has to navigate a chart that includes hip and waist sizes. The site's size range system (Misses, Tall, Women's, etc.) is also complex.

Offering one chart for all products may be easier for JCPenney.com's design team, but it creates more work for the customer. To improve, the charts should only show customers the sizes appropriate to the product they're viewing. Shoppers looking at pants, for example, should be taken to a chart that matches measurements to pants sizes. With this improvement, customers could more easily find the right fit.

(Evaluated by Liz Bennett on December 21, 1999.)

**Gymboree.com - good practice**

*Summary:* Gymboree lets customers browse by size.

The screenshot shows the Gymboree online store interface. On the left is a vertical navigation menu with links: SHOPPING BAG CHECKOUT, THE GYMBOREE CORPORATION, PLAY & MUSIC, CUSTOMER SERVICE / FAQs, QUALITY ASSURANCE, STORES, EMPLOYMENT OPPORTUNITIES, and PLAY & MUSIC FRANCHISES. The main content area features the Gymboree logo, a 'FREE OVERNIGHT SHIPPING IN A GYMBOREE GIFT BOX' banner, and a 'GYMBOREE CLOTHING SIZE CHART'. Below the banner is a table with the following data:

SIZE	AGE	HEIGHT	WEIGHT
<a href="#">0 - 3 months</a>	0 - 3 months	19 - 21" 48 to 53 cm.	8 - 12 lbs. 3.5 - 5.5 kg.
<a href="#">Newborn</a>	3 - 6 months	21 - 24" 53 - 61 cm.	12 - 17 lbs. 5.5 - 8 kg.
<a href="#">Infant</a>	6 - 12 months	24 - 28" 61 - 71 cm.	17 - 22 lbs. 8 - 10 kg.
<a href="#">XX-Small</a>	12 - 18 months	28 - 31" 71 - 79 cm.	22 - 27 lbs. 10 - 12.5 kg.
<a href="#">X-Small</a>	18 - 24 months	31 - 34" 79 - 86 cm.	27 - 32 lbs. 12.5 - 14.5 kg.

Gymboree.com creates a good customer experience by letting shoppers use a clickable size chart to browse baby clothing. Browsing by size takes the customer's perspective in mind, and shows shoppers only those products appropriate for the child. Gymboree's clickable size chart exemplifies customer-focused navigation.

After choosing the gender of the child they're shopping for, customers are taken directly to a size chart. Once they click on a size, customers go to a page where they choose what type of clothing they're looking for. A shopper who clicks on Newborn, for example, is taken to a page where she can select the Sweaters and Coats category of Newborn clothing. Gymboree makes it easy for customers to select the right size by including age, weight, and height information that corresponds to each size.

Kidswear customers often know who they're shopping for — a four month-old niece, for example. By asking the child's gender and size right away, Gymboree saves shoppers the trouble of having to sort through *all* sweaters or jackets to find an appropriate item. Instead, customers go only to the sweaters appropriate for the child.

A few changes to size chart could improve the experience. Some of the specific size names can initially be confusing for the customer. "0-3 months," for instance, does not follow the same naming convention as the other sizes ("small," "medium," etc.). Gymboree could rename some size categories to make them more intuitive and consistent.

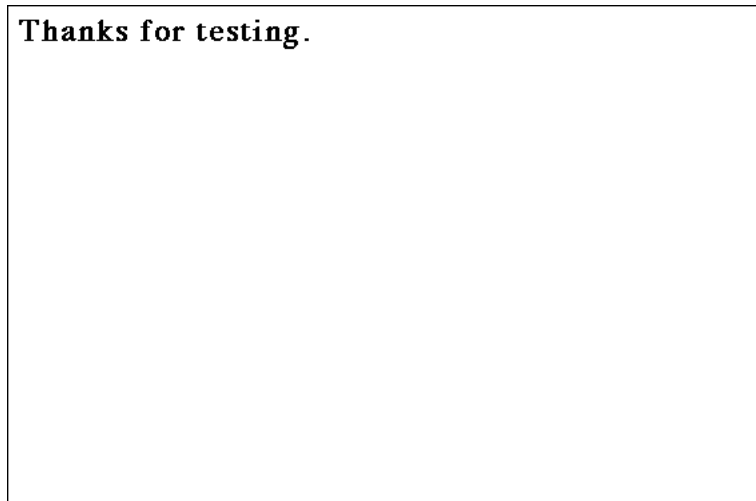
(Evaluated by Kelly Eng on January 6, 2000.)

## Search

Below are three executions of a crucial feature on any e-commerce site: search. (For more information on search, see Chapter 2.)

### **Clinique.com - poor feature**

*Summary:* Clinique puzzles customers with its difficult home page search.



Clinique.com, the online store for Clinique cosmetics, offers customers a wide array of product offerings. Many shoppers, however, may never find out what Clinique has to offer because of a problem with its home page search function.

The search feature on Clinique’s home page can create a bad customer experience. A shopper looking for foundation, for example, may type “foundation” and click Go. Instead of leading the customer to foundation products, however, Clinique’s search returns a puzzling message: “Thanks for testing.”

To actually return results, customers must select a product category (i.e. cleansers, lipsticks) in the dropdown menu next to the search field. Many customers may search without realizing they need to select a product category, then receive the confusing message and no search results. To make matters worse, clicking the browser’s Back button from the “Thanks” page traps customers in an endless loop of error messages.

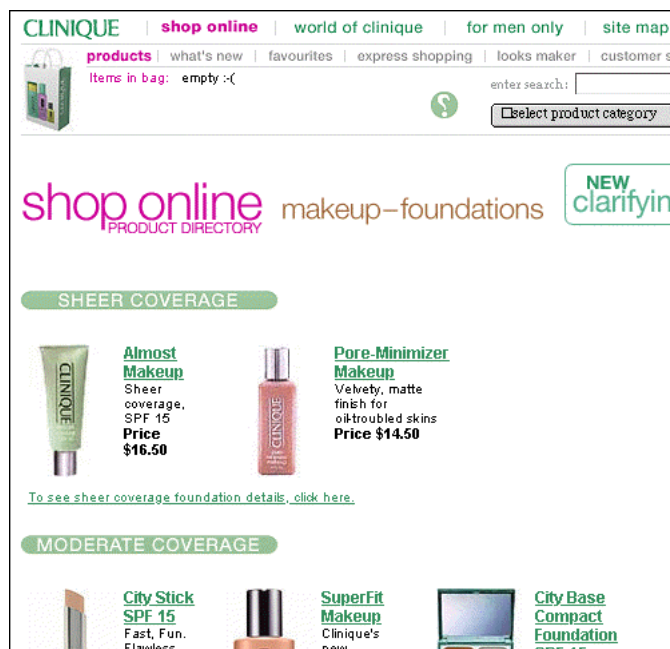
Clinique can improve its home page search by defaulting the category dropdown to “all categories.” Customers who miss the dropdown could then find products.

(Evaluated by Jen Schaeffer on January 5, 2000.)



## Clinique.com - second-look evaluation

*Summary:* Five months later, Clinique's improved homepage search takes customers directly to category pages.



In our January 2000 evaluation of Clinique, we criticized the homepage search function. Clinique's search results page displayed the cryptic message "thanks for testing" instead of a single result. To receive results, shoppers had to first select a product category.

Since December, Clinique has improved its search feature to return actual results. Customers no longer need to select a product category in a dropdown menu. Moreover, the search also seems to be keyword mapped so customers are taken directly to the appropriate category page. For example, a search on "foundation" now takes customers to the foundation category page (with products arranged by "sheer coverage", "moderate coverage", and "full coverage").

Unfortunately, Clinique has made it difficult for customers to start shopping by including a Flash-animated splash sequence before the homepage. Not all customers have Flash-enabled browsers, and waiting for an animation to load does not help anyone shop. Clinique should remove the Flash sequence and let customers shop right away.

(Evaluated by Jen Schaeffer on May 16, 2000.)

## Flowerbud.com - good practice

*Summary:* Flowerbud's Instant Order understands the shopper's perspective.



Flowerbud, an online florist, lets hurried shoppers quickly find the right product. The site's Instant Order feature, different from its regular buying process, asks questions that specifically focus on the customer. While florists typically ask about flower type, arrangement, or occasion, Instant Order simply asks what customers really care about.

Hurried shoppers can get to Instant Order from the home page. Instant Order asks two quick questions: the customer's price range and whether or not they want a vase with the flowers. The first question is especially simple because there are only three price range choices. After choosing from their options, shoppers see a *brief* selection of products that match their parameters (not several pages of results). One more click and the checkout process begins.

Instant Order gets three key principles right:

- tailor the search questions to the buyer
- ask few and simple questions
- and show only a few, highly relevant results.

Another merit of the feature is that its options default to the lowest price and no vase. Flowerbud doesn't automatically guide shoppers to the most expensive merchandise.

(Evaluated by Aamir Rehman on August 9, 1999.)

## Shopping cart

Two poor practices comprise this section about the shopping cart. The lessons here are obvious: don't allow customers to add out-of-stock items, and make it easy to add in-stock items.

### Marthastewart.com - poor practice

*Summary:* Marthastewart.com allows customers to add out-of-stock products to the shopping cart.

The screenshot shows the Marthastewart.com shopping cart interface. The header includes the site name, navigation links, and a customer service link. The main content area is titled "IN YOUR BASKET" and features a table with columns for item ID, product name, quantity, a remove checkbox, price, and total. A single item, "Sunflower Print Unframed", is listed with a quantity of 0 and a price of \$8.00. A message indicates the item is "Sold out" and that the credit card will not be charged. The subtotal is \$0.00. Navigation buttons for "CONTINUE SHOPPING", "UPDATE BASKET", "EMPTY BASKET", and "CHECKOUT" are visible. A sidebar on the left lists various product categories.

ITEM #	PRODUCT	QNTY	REMOVE	PRICE	TOTAL
DSP 001	Sunflower Print Unframed <small>Sold out</small>	0	<input type="checkbox"/>	\$8.00	\$0.00

**SUBTOTAL \$0.00**

CONTINUE SHOPPING UPDATE BASKET EMPTY BASKET CHECKOUT

Home expert Martha Stewart is often touted for effortlessly accomplishing difficult projects. Unfortunately, customers may find shopping on Marthastewart.com a project in itself. Shoppers face unnecessary confusion and frustration as they are allowed to add unavailable products to their shopping carts.

Customers shopping in the “tag sale” area of the site can scroll through a list of products. To add products to the shopping cart, customers first click on the product name or image to arrive at the product page; from there, customers must enter the quantity and recipient’s name. Finally, customers are brought to the shopping cart where their selected products were added. At this point, customers may finally be informed that the products they have selected are “sold out.”

Customers will be frustrated that they have wasted time attempting to buy unavailable

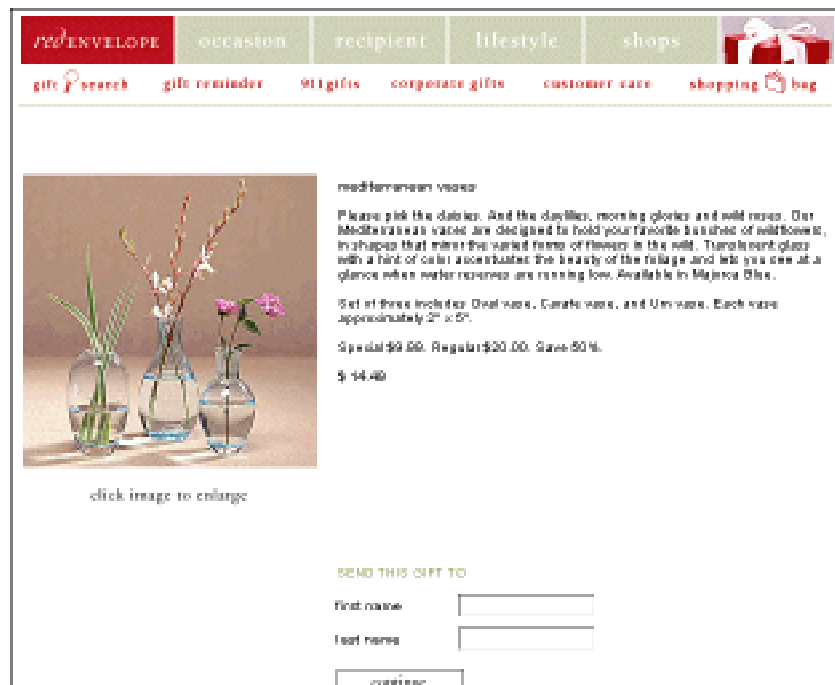
products. Furthermore, the site's "sold out" message is small and not immediately obvious to customers. Customers could potentially miss the message and continue with checkout process. Incidentally, Creative Good completed all but the final step of checkout having only "sold-out" products in our cart; a charge of \$5.95 was displayed on the checkout page for the shipment of these nonexistent products.

To avoid confusion and frustration, Marthastewart.com should not even display permanently sold-out products. If the product is only temporarily out of stock, customers should be informed up front of its unavailability and the date when it will become available. Martha Stewart should only allow shoppers to order products it knows it can deliver. And of course, customers should never be charged for shipping on products that will never come.

(Evaluated by Kelly Eng on April 13, 2000.)

### Redenvelope.com - poor practice

*Summary:* Red Envelope adds extra steps in the buying process.



RedEnvelope.com, a gift item site, unnecessarily adds extra steps to the buying process. Customers on a product page must complete three steps before the product is

finally added to the shopping cart. Each additional step complicates the buying process and may frustrate customers.

Customers on the product page of the Mediterranean Vases, for example, first choose if they want gift wrap. Regardless of what they choose customers must go to a second page where they are required to enter the recipient's name. Finally, on yet another page, customers then select a quantity. This three-page process is unnecessarily lengthy.

Although each piece of information is important in the purchase, the process could be streamlined from three pages to one page for a better customer experience. Customers should be able to enter in a quantity and recipient's name directly on the product page rather than on two separate pages. Instead of having customers choose to add gift wrap from the product page, Red Envelope could include this option at checkout. These simple changes would decrease the number of pages in the purchasing process and decrease customer frustration.

(Evaluated by Kelly Eng on February 29, 2000.)

## Checkout

Once customers have found and added their products, it's important to make checkout as quick and easy as possible. Customers who are frustrated with any part of the checkout process may abandon the cart and leave the site.

### Bloomingdales.com: poor practice

*Summary:* Bloomingdale's complicates the checkout process with unnecessary instructions.



The screenshot shows the Bloomingdale's website header with navigation links for various departments like men's store, women's fashion, and kids. Below the header is a navigation bar with links such as '59th & Lex', 'bridal', 'stores', 'events', 'careers', 'services', 'my b profile', 'rewards', 'search', 'help', 'talk to us', 'clearance', and 'my bag/checkout'. The main content area features a 'my bag/checkout' link in purple, a 'bb' logo, and a 'sign up for b mail' button. Below this is a 'Thank you for shopping with bloomingdale's!' message followed by a long, detailed instruction block regarding the checkout process, including steps for order confirmation, stock availability, and feedback.

Well-designed features require no explanation. Bloomingdales.com, however, assumes that shoppers are unfamiliar with the basic checkout procedure and drowns the checkout page in lengthy explanatory text. The site's excessive instructions are an obstacle that makes it difficult for customers to quickly check out.

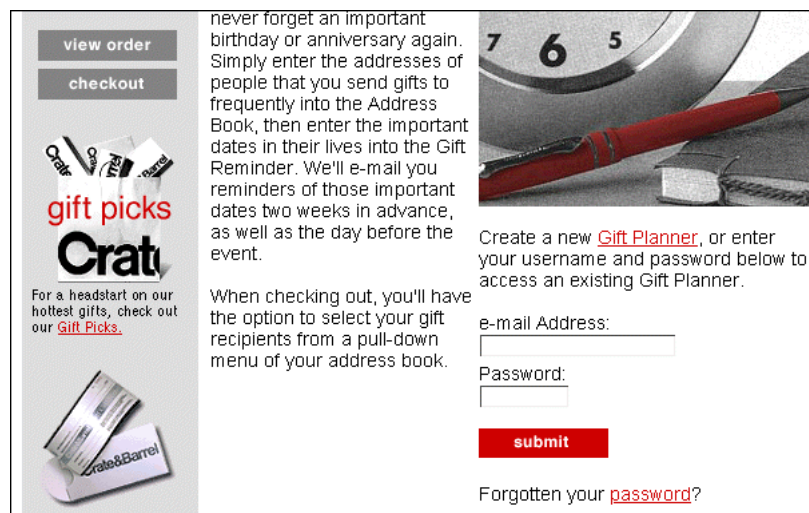
In order to check out, Bloomingdale's shoppers must find the brown bag link in the top right of the page. Once customers click the brown bag to begin the checkout process, they go to a page inundated with unnecessary text. Bloomingdale's uses all of the above-fold space on the checkout page to spell out, in detail, what customers should expect in the checkout process. The text is unnecessarily long; for example, it includes the explanation that "once all of the necessary data has been entered correctly... your order will be submitted."

Checkout should begin with fields for billing, shipping, and credit card information, so that customers get quickly and easily begin the checkout process. (If any feature on an e-commerce site requires lengthy instructions, it's probably too difficult for customers to use.) Bloomingdale's should eliminate the text and make its checkout process simple and self-explanatory.

(Evaluated by Jen Schaeffer on April 4, 2000.)

### **Crateandbarrel.com - good practice**

*Summary:* Crate & Barrel lets customers use their e-mail address as a username.



never forget an important birthday or anniversary again. Simply enter the addresses of people that you send gifts to frequently into the Address Book, then enter the important dates in their lives into the Gift Reminder. We'll e-mail you reminders of those important dates two weeks in advance, as well as the day before the event.

When checking out, you'll have the option to select your gift recipients from a pull-down menu of your address book.

Create a new [Gift Planner](#), or enter your username and password below to access an existing Gift Planner.

e-mail Address:

Password:

Forgotten your [password](#)?

Many sites force customers to concoct a username in order to register or use site features. Creating and remembering usernames required for different sites can be irritating for customers. Crate & Barrel, however, makes it easy to use its Gift Planner by asking shoppers to use their e-mail address for their login username.

Customers who use Crate & Barrel's Gift Planner must simply enter their e-mail address and password in order to access their account information. The e-mail address login allows customers to avoid the hassle of saving their username on a piece of paper, trying multiple times to guess their registered username, or registering all over again. The e-mail address username uniquely identifies the customer and is easy to remember.

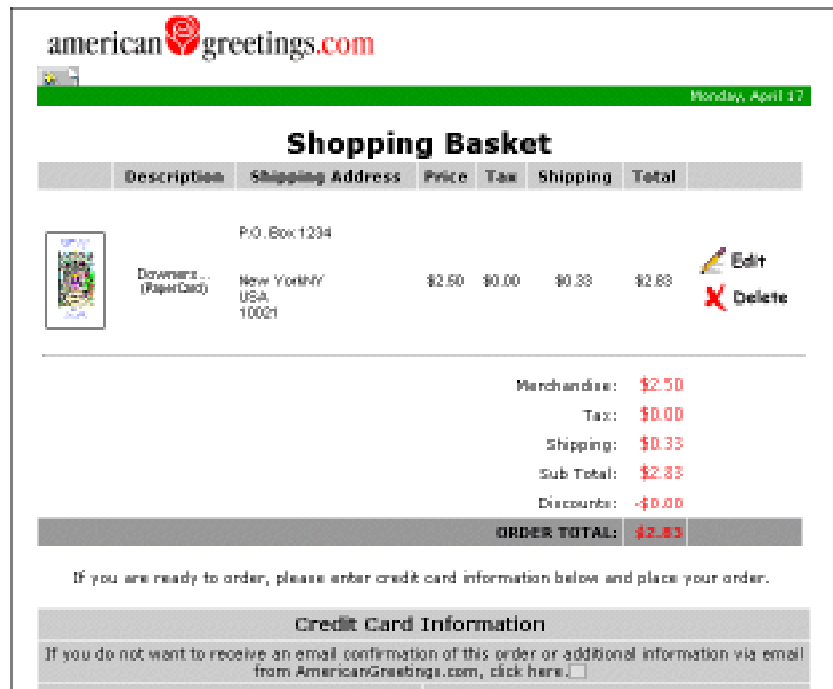
Although the Gift Planner presents an easy login, first-time customers may be confused by the login interface. The page prominently displays fields for e-mail

address and password without explaining that only *return* shoppers can use those fields. New customers may not realize that they must click on the “Create a new Gift Planner” above the fields in order to set up a Gift Planner. Crate & Barrel should clarify the new customer’s path.

(Evaluated by Jen Schaeffer on April 11, 2000.)

### Americangreetings.com - good practice

*Summary:* Americangreetings.com makes sending a card cost the same online and offline.



Shopping online saves customers a trip to the store but often involves significant shipping fees. At AmericanGreetings.com, however, the cost of ordering, personalizing, and sending a paper card online is exactly the same as in the offline world.

After browsing the card selection, customers can personalize their card, include a message and insert a photo. When shoppers reach checkout, the cost of a stamp — \$.33 — is added as the shipping charge. Sending a paper card from Americangreetings.com thus costs customers no more than buying the card offline and putting it in the mail.



Unfortunately, Americangreetings.com does not communicate its reasonable shipping charges up front. A customer therefore discovers this bonus only after committing to the purchase. The site could bolster sales by promoting the shipping charges on the “Paper Cards” page and the home page.

Other tactical improvements could significantly enhance the customer experience on the site. In the order process, for example, entering an arrival date of 5/2/00 (instead of 5/2/2000) causes an error. Additionally, Americangreetings.com should more clearly distinguish between these ambiguous buttons at the end of the buy process:

- Add to Shopping Basket & Continue Shopping
- Add to Shopping Basket and Checkout
- Delete and Continue Shopping

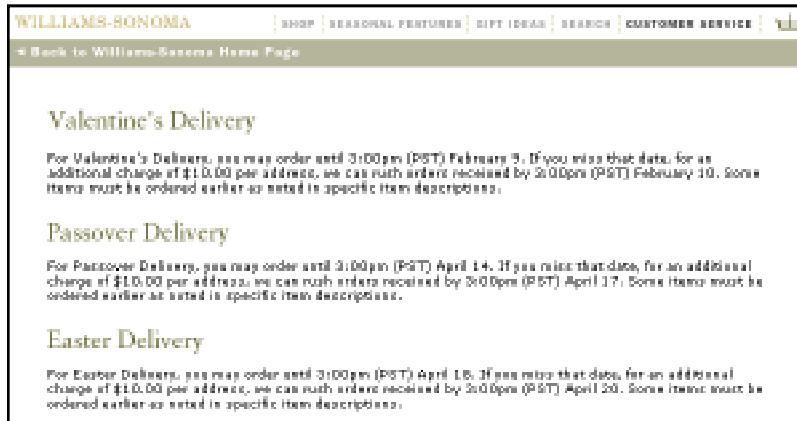
(Evaluated by Jacqueline Sheehan on April 24, 2000.)

## Fulfillment

Fulfillment, representing the end of the site transaction, is a crucial part of the customer experience. Below are two good executions.

### WilliamsSonoma.com - good practice

*Summary:* Williams Sonoma makes holiday deadlines clear.



During the holidays, online customers are especially concerned that packages arrive on time. Williams Sonoma, the popular furniture and housewares store, addresses this concern by clearly telling customers when orders must be placed in order to arrive on time.

In the bottom-right corner of each product page, Williams Sonoma informs customers: “Order by 3:00PM (PST) February 10th for Valentine’s delivery.” Customers who click on this text go to a page with order deadlines for other forthcoming holidays such as Passover and Easter. The page further states that customers who miss the order deadline by a few days can rush the delivery for an extra \$10.

By making the holiday deadlines so prominent, Williams Sonoma saves customers the hassle of hunting around the site for delivery information. The deadlines are also a subtle reminder to buy gifts for special occasions at Williams Sonoma.

(Evaluated by Jen Schaeffer on February 18, 2000.)

## Nordstrom.com - good practice

*Summary:* Nordstrom scores high marks for its easy to find, customer-friendly return policy.



Nordstrom, the popular department store, is well known for its superior offline customer service. It's not surprising, then, that Nordstrom.com delivers one of the clearest and most comprehensive return policies on the Web.

From the home page customers can find the return policy by clicking on "Easy returns, free exchanges." This leads to a page that clearly describes the return policy. There are two options for returns: either place the purchase in a pre-addressed envelope for the mail carrier to pick up, or simply return items to a brick-and-mortar Nordstrom.

Nordstrom does not stand out merely for *having* a return policy. Nordstrom is distinctive because the information is extremely easy for customers to find from the home page. Many sites, perhaps hoping to prevent returns, bury this crucial information. Nordstrom's return policy also stands out because it saves customers the trouble of going to the post office. Instead, they can leave unwanted packages for the mail carrier to pick up.

Though easy to find from the home page, the return policy is hard to reach from other

areas of the site. From almost every page, customers can only access shipping info through the Help section. Nordstrom should make its policy easier to find, so that more customers are aware of this good feature.

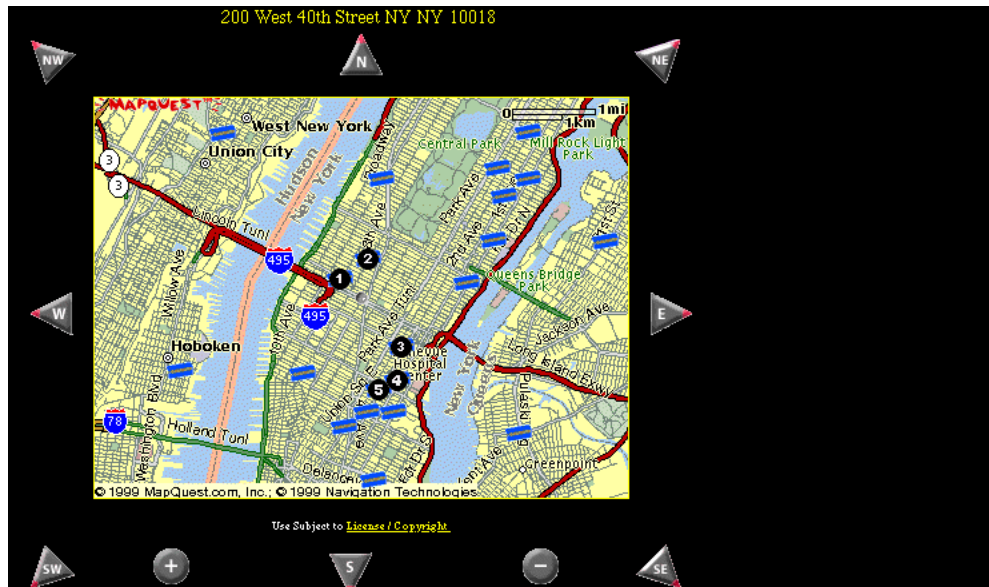
(Evaluated by Liz Bennett on December 14, 1999.)

## Extra features

Here are three executions of other, assorted e-commerce features.

### Blockbuster.com - poor practice

*Summary:* Blockbuster.com's Store Locator obscures key information.



In theory, a store locator is a useful tool, letting customers quickly and easily find the nearest physical store. Unfortunately, Blockbuster.com's store locator obscures the key information customers want and instead focuses on Blockbuster's advanced mapping technology.

Customers using the store locator first enter their address. Blockbuster then shows these shoppers a large map displaying every Blockbuster store within a 15 mile radius. The map is surrounded by arrows and buttons that allow viewers to zoom in, zoom out, or scroll in eight directions. The map and buttons take up the entire browser window.

The key information, however — addresses and phone numbers of the nearest stores — is hidden below the fold, forcing customers to scroll down, past the map view, to get there. And there's no indication on the page that customers need to scroll down to find what they are looking for.

To Blockbuster's credit, the five closest locations are shown on the map with small

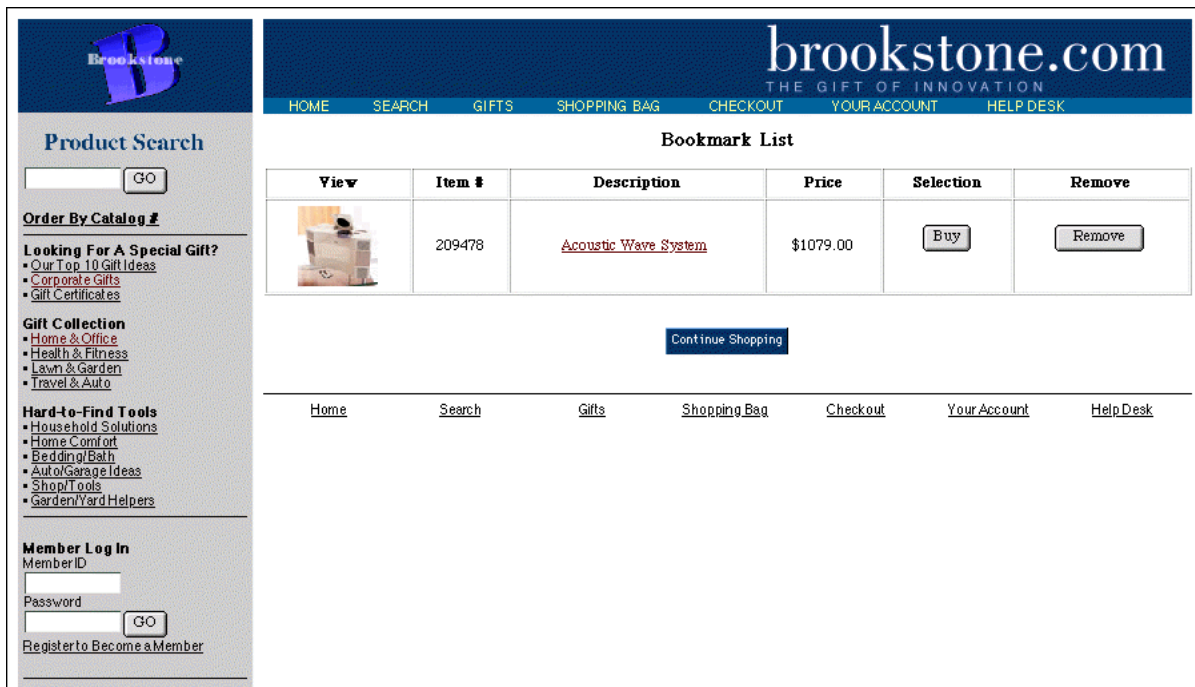
black circles. Clicking on one of the circles, however, only changes the focus of the map and still does not give customers the address of the store. The black circles thus help shoppers *see* where the closest stores are, but they fail to provide the precise information that customers need.

Blockbuster should simplify its store locator by focusing on the most useful information. The feature should more prominently display the addresses of nearby stores, and *then* provide a link for shoppers who want to view a map. Or, Blockbuster should at least link each store on the map to its address and phone number.

(Evaluated by Liz Bennett on October 29, 1999.)

**Brookstone.com - good feature**

*Summary:* Brookstone’s bookmark page makes it easy to store products and buy them later.



Brookstone.com does a good job with its “bookmark list.” Many sites have a similar type of “wish list” feature, but Brookstone’s implementation is particularly easy for customers to remember and purchase products.

After bookmarking an item from a product page, customers go to a clearly designed chart displaying their bookmarked products. Other sites may include additional features on their bookmark page, such as promotions or search functions.

Brookstone, however, displays only basic product information (name, price, SKU) and three buttons: “remove,” “buy,” and “continue shopping.” Customers know exactly what they can do on this page and do not have to decipher a lot of text or options to get there.

Thumbnail images beside each product name on the bookmark list make it especially easy for customers to remember products. In particular, product names unique to Brookstone (e.g. “The Tropical Rain Forest Sound Card”) can be more easily remembered with these images.

While the bookmark page is clean and simple, Brookstone could improve it. The site should automatically remove products from the bookmark list if the item is added to the shopping cart. By doing this, customers would not have to monitor and update the list for products they have bought.

(Evaluated by Kelly Eng on February 29, 2000.)


## Homewarehouse.com - good feature

*Summary:* Homewarehouse combines instructions with toolbuying in its how-to guides.

SHOPPING CART

**CHECKOUT**

HWH HOME PROS


 [e-mail](#) | [info](#)

FREE NEWSLETTER

[Sign up](#) for our free newsletter!

### Items Needed

#### Installing a Dimmer Switch



Here is the place to purchase the tools you'll need to complete this project. Our Basic Electrical Kit contains the items listed below. Order them together as a kit and receive a special value price. The items in our kits are also available for individual purchase. Click on any of the items to find out more about them and add them to your shopping cart.

**NOTE:** Dimmer Switches are sold separately. Scroll down and click on the blue bar to see our complete selection of Dimmer Switches.

Item	Our Price	
<a href="#">Basic Electrical Kit</a>	\$12.99	<input type="button" value="Add to Cart"/> <input type="button" value="Quick Buy"/>

Kit Contents 54111

**This Kit Contains**

- [6 in 1 Screwdriver, Phillips and Slotted](#)
- [Scotch Electrical Tape, 3/4" x 60'](#)
- [Needle Nose Pliers](#)
- [Twin Probe Circuit Tester](#)
- [Multi-Tool Crimper & Stripper](#)

Buying tools for home improvement can be daunting. Homewarehouse helps customers solve this problem with how-to guides that provide a list of required tools and an easy way to buy.

Customers who click into a how-to project page (installing a dimmer switch, for example) will see a list of the six tools necessary to do the project. Customers can then purchase all the items as a kit or any of the six individually. Combining the list of products with the option to buy saves customers the effort of determining what they have to buy and where they should buy it.

The how-to page also contains step-by-step installation instructions, complete with explanatory images. The instructions also contain estimates of the time and skill required to complete the project.

In a single page, Homewarehouse teaches customers how to make a home improvement, what tools are required, and how they can buy those tools. This feature is a good example of integrating content and commerce.

(Evaluated by Christine Yu on February 7, 2000.)



## Case Study:

### How One Dotcom Survived

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**Summary:** The following is a case study of a recent client of Creative Good’s consulting services. During a consulting engagement lasting several months, Creative Good made recommendations to improve the customer experience on the site. When the client launched a redesigned site using those recommendations, the site’s monthly revenue doubled. This 100% increase in revenue, much better than simple “dotcom survival,” was the direct result of improving the site’s customer experience.

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Founded over 80 years ago, with a recognized and trusted brand, the client is a leader in its industry. Many loyal customers see the client as offering hard-to-find products with unusually good prices.

The client realized that its current e-commerce website was not making the most of the Web’s potential — and the client knew it had to act. While most of its competitors still had little or no Web presence, some new “pure-play” dotcoms were beginning to arrive in the space.

Committing to developing its Internet sales channel, the client began by hiring a senior manager and an Internet design manager. They also engaged two third-parties: a leading infrastructure company to develop a new back-end, and Creative Good to

lead the improvement of the site's customer experience. An internal development team, headed by the two new managers, was tasked with implementing Creative Good's recommendations and launching the redesign.

The client had one clear goal: to increase online revenues. To accomplish that goal, Creative Good developed a new site strategy, backed up by tactical recommendations, focused on improving the customer experience. The consulting engagement included these components:

- Strategic analysis (of the current site strategy, business plan, and the client's competitors and overall market)
- Listening labs (open-ended usability tests to evaluate the current site)
- Qualitative evaluation of the current site's customer experience
- Development of prototypes (simple schematics of the new site for designers to refer to)
- Customer advocacy during the redesign process

Below we describe those components in more detail.

### **Strategic analysis**

The strategic analysis found that the client faced a complex set of internal and external factors:

- **Competitors:** several different types of companies are entering their online market space — well-financed Web startups, brick-and-mortar retailers, and non-traditional ventures.
- **Partners:** manufacturers and others were potential partners, as the Web made new partnerships possible.
- **Technology:** a back-end specialist was improving and rebuilding the technical infrastructure of the site. Meanwhile, several new technologies (like personalization) were available options for the front-end of the site.
- **Channel risks:** In years past, some competitors had failed opening a new channel in a new medium.
- **Products:** the website contained more than 50,000 products, with millions of

SKUs, and many products were usable for multiple applications.

- Customers: Creative Good’s interviews with senior management found that the new site was to be designed for two very different types of customers: traditional customers (mostly older, male, and rural) and new customers (a diverse set of younger, more female, urban, and Web-savvy people).

Creative Good’s strategic work helped the client cut through this complexity to develop a “hook” for the success of the site. Our solution for the company began by centering the entire redesign process on this customer-focused mission:

*The client’s customers must be able to find and buy the right products quickly and easily.*

The hook is deceptively simple. Finding that strategic direction took several weeks of accumulating data, making analyses, and successively “boiling down” the findings to find the parallels between them. When the simple hook finally emerged, since it made use of data throughout the organization, the client easily unified its organization around that “mantra,” and the hook guided the rest of the redesign process.

### **Listening labs**

Creative Good’s listening labs, conducted on the current site, confirmed this strategic direction. These were some customer comments heard during the labs:

- “If it was easier to use, I’d be happy to buy online.”
- “It’s not something I want to spend my time trying to figure out how to do.”
- “If I can find the products I need easily, then I’ll use it.”
- “When I’m looking for something I want to get there the quickest way I can.”
- “A lot of time online there’s a lot of garbage. It gets frustrating, you look for something and it takes you an hour instead of ten minutes to find.”

Just as important as what customers wanted is what they did not want, at least not before they could find their products quickly and easily: irrelevant features, technologically complicated functionality, community features or even “content.”

The listening labs revealed other interesting results. One was this: when shopping in

offline channels, the client's customers typically searched for their products by product category (this is how the products were arranged in stores and catalogs), while online these customers shopped in a completely different way.

## **Recommendations**

During the qualitative customer experience evaluation, and the prototyping phase, Creative Good made many strategic and tactical recommendations for improving the customer experience. These recommendations were informed by both the strategic analysis and the listening labs.

One strategic recommendation was that the client focus on the shopping and buying process on the site first, and do nothing else until this core experience was good.

These were some of the other key changes on the relaunched site:

- Better merchandising: the new home page provided several opportunities for unobtrusive merchandising of new, popular, and clearance items.
- Customer-focused navigation: the site's core navigation was changed to make it easy for customers to find products the way they wanted to, not the way corporate merchandisers filled stock or how the company traditionally organized them.
- Improved search: the company began implementing keyword mapping, so that search would take customers directly to popular product and category pages.
- Streamlined checkout process: the checkout process was optimized into an easy one-page form.

## **Customer advocacy**

As the client's internal developers implemented these and other changes, Creative Good continued to advocate for the customer. This "design-stage customer advocacy" is particularly important during any redesign, because it counteracts natural tendencies to design poor customer experiences:

- Marketers or senior management may want to add flashy features to gain more press attention, even though customers don't want those features.
- Venture capitalists or other investors might also pressure the company into launching flashy, irrelevant features, in order to boost the stock price.

- Designers, feeling creative or experimental, may become bored creating a simple experience. (We should note, however, that most designers do not fit this description.)
- Third-party agencies may have incentives to complexify the site. For example, design agencies may be able to ask for a higher fee by creating flashier graphics or more complicated features.
- Competitive pressures may lead management to demand the latest features to be launched on the site before they're ready.

With all these pressures, it's easy to see the value of a strong, independent, *objective* customer advocate, to help keep the redesign focused on the customer.

## **Results**

The client saw substantial results when the redesign launched at the start of the Holiday 1999 season:

- The same month as the relaunch of the site, Service Metrics (a company which measures performance of top websites) found that the client's new site had the third fastest load time of all websites, ranking directly ahead of Yahoo.
- Conversion rates doubled during the holiday season.
- After the holidays, and continuing through May 2000, the conversion rate and average order size are more than they were than before the redesign. Traffic to the site is also up, probably as a result of more return visits and better word-of-mouth.
- Also through May 2000, monthly revenues are *double* what they were before the redesign.

## Other Perspectives

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Creative Good isn't the only firm focused on dotcom survival. To give the Dotcom Survival Guide a more balanced perspective, we invited several of our partners to give their own thoughts on dotcom survival.

### **Old Rules for a New Economy, or What Really Matters Online**

by Jeffrey F. Rayport, CEO, Marketspace

Jeffrey\_Rayport@monitor.com, [www.monitor.com](http://www.monitor.com)

On Wall Street and Main Street, the last five years have brought much sound and fury — and we are only now trying to understand what it signified. Call it the birth of a New Economy or the rise of the dot-com domain, but it's undeniable that business these days is happening in a new world of information, enabled by information technology, and most of us know it as the Web.

It's been fashionable for some time to observe that this new world, with its New Economy, would write itself new rules — that everything we knew about business would now be obsolete. Witness the readiness of New Economy entrepreneurs to put customers in the back seat of a vehicle designed for a more important race. For years, dot-com CEO's blithely argued that profitability and sometimes even revenues were irrelevant as compared with building traffic and growing their users' numbers. In the same breath, these New World czars downplayed quaint Old Economy notions such as service quality. In the race to a near-mythic liquidity event, concerns about

customer satisfaction and loyalty fell by the wayside.

Many today argue that the correction in the NASDAQ of recent months is a wake-up call. Suddenly, dot-com survival requires dot-com profitability. As a result, on-line companies are laying off staffs in droves to realize improved gross margins. That might appease Wall Street, but it won't play on Main Street. The reason is simple: Main Street is where dot-com customers live, and, increasingly, they are demanding good, if not great, customer experiences. Dot-com companies will not generate good experiences without recognizing that building customer satisfaction and loyalty requires not short-term cost-cutting but aggressive, long-term investment. What the dot-com economy needs is investors who provide not just capital, but patient capital, who believe that staying the course on good experience is the only way to ensure survival.

Remember that there is no business on the Web that cannot be characterized as a service business. Web businesses create value through interactions with customers based on flows of intangibles made of media and information. If physical products flow up and down supply chains as a result of Web interactions, that's fine, but Web businesses are not product or industrial businesses any more than Wal-Mart is a maker of consumer packaged goods or an industrial distributor.

### **Three Dimensions**

Service businesses have always realized revenues and profitability based on optimizing three dimensions of customer relationship management.

First, they must select customers with whom they can do business profitably. This may sound obvious, but every credit issuer or retail bank and every distributor or industrial supplier does business with customer accounts on which they lose money. Needless to say, this is especially true among Web businesses, where familiar brands such as Buy.com and CDNow routinely sell goods like music CD's at negative gross margins, resulting in the painful reality that every customer relationship is unprofitable.

Second, they must find customers who value their services offered sufficiently not just to browse but to purchase — and not just to purchase but to return frequently to purchase again over time. This means registering not just any users but, in large proportions, those users who exhibit high yields to purchase when they visit a site

and high repeat rates after the first purchase. On the Web, where serving customers who browse and those who buy costs roughly the same in fixed resources, maxing out a company's servers with hits from people who merely look and leave does not drive attractive economics.

Finally, they must find customers who will maintain a relationship with a business over time — preferably, for a long time — since longer relationships generate higher customer lifetime values than shorter ones. It's another obvious point, perhaps, but its reality is not often factored into business decisions in real time.

Put these three requirements together — intrinsic customer relationship profitability, high rates of conversion of customer visits to purchase and repeat purchase, and extended duration of relationships over multiple visits — and it's clear why the great companies of the Old Economy's service sector focus on customer satisfaction as a way to drive customer loyalty. Companies do not create vast populations of returning customers unless they can create great customer experiences. Whether it's Nordstrom in retail or Southwest Airlines in air travel, leading service companies generate loyal customers by delivering experiences, each and every time, that meet or exceed customer expectations. Find ways to satisfy or even delight customers, and the benefits are enormous. Scores of academic studies suggest that loyal customers become less price-sensitive over time, will refer their friends, spread positive word-of-mouth (or word-of-mouse), and incur lower costs of relationship management than demanding prospects who have never done business with a company before.

So if you want to survive in a dot-com world, the answer is clear. You may have to cut back somewhere in today's climate, but you can't cut back on good experience; indeed, entrepreneurs should be investing in it more aggressively than ever before. Get the experience right with your customers — assuming they're the right ones — and the financial results will follow. Get the experience wrong, and you may as well stop raising money, because it will be Game Over. Good experience wins every time. Just wait.



## **Avoiding the Sins of Omission and Gluttony**

by **Rob Schmults**, VP of Strategy, Fort Point Partners

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Companies that seek to drive revenue through the digital channel must remember that being digital does not exempt them from the need to sell. True selling — qualifying, serving, and closing — goes beyond the novelty factor which until recently has been the savior of the online world. The digital buyer knows that they have the upper hand in the buyer-seller relationship. They demand a positive, effective experience. The best sites — Dell, Amazon, Schwab — meet this expectation; why do so few others? Companies looking to survive online need to take a good hard look at the causes to understand how to avoid making similar mistakes.

The Internet has created tremendous value for consumers and business buyers alike, yet sellers fail to deliver on its full potential. This error can often be traced to a strategic miscue on the part of the company, but even companies that “get it” can stumble when it comes to translating their strategic vision into an operational reality. They forget that implementing eSelling requires not only a single-minded focus on the end customer, but the discipline to remove barriers that impede a buyer. The two most common sins that lead companies astray from this approach come in the form of omission and gluttony.

### **Omission**

The sin of omission arises when companies do not consider their whole relationship with the customer and all of the points where they can use the online channel. This is often the case with B2B sites and B2C sites built by distributors or manufacturers. In many cases these companies and their consultants suffer from post-ERP syndrome. As the successor to ERP, practitioners of eBusiness tend to turn companies inward: they design and build systems that automate internal processes or the needs of functional silos. The customer gets left out or is seen as a secondary consideration. Not surprisingly, these companies often create sites that map product lines rather than customer needs. The result is a system can actually be less functional than a paper catalog.

Those guilty of omission reads like a who’s who of the Internet. Even Sun Microsystems, one of the driving forces behind the online world, has room for improvement. No one would doubt they get the Web. The sheer volume of

information, product descriptions, white papers, and tools available to help companies make the transition to the dot-com world demonstrates Sun's enthusiasm for the online channel. Unfortunately, the site seems to reflect the internal organizational structure of the company more than a sensitivity to the needs of buyers. This is not surprising given Sun's early entry to the Web and the rapid expansions of its site.

But Sun should now consider restructuring its offering around specific customer segments and the activities required to qualify, serve, and close these customers. It could also expand the functionality available to help a buyer or partner make decisions about Sun products. By acting on the answers to the questions "who is going to be using this site, for what purpose, and in what way," Sun could make a quantum leap from a functional site to an outstanding one.

### **Gluttony**

As for the sin of gluttony, it far exceeds that of omission. In this case companies (and their consultants) are dazzled by the choices available and want it all. They put in a little Shockwave here, some "rich media content" there, and then top it all off with a flaming logo on the front page. As often as not, these choices are justified by a "brand building" imperative or by the need to create something distinctive. The resulting disaster zone buries the core functions of finding product, ordering, paying, fulfilling, and serving under an avalanche of gratuitous technology. The most common sinners here are the managers and Internet consultants who allow them to get seduced by the sexiness of technology and the excitement of "brand essence."

Boo.com is — or rather was — the gluttony poster child, burning through millions to deliver a site that was months behind schedule and hopelessly out of touch with customer needs. The site was created for speeds of 56k and above, and it offered "features" like an animated Ms. Boo fashion consultant and 360 degree views of shoes. Despite a successful campaign to create awareness, the site's overdose of functionality made purchasing difficult even for those who met the bandwidth requirements. As a company that was clearly obsessed with making a brand statement, Boo.com and their consultants apparently got blinded in a quest to create a distinctive experience. They forgot to ask "how does this feature serve the customer to help they buy from us?" or "how will this decision impact the customer likelihood to buy from Boo.com?" The result failed to create value for the buyer and hence for Boo.com.

Boo.com is an extreme case and its spectacular implosion makes it an easy target. But for the many other sites that suffer from gluttony — even to a lesser degree than Boo — as well as those guilty of omission, they too under serve their customers. And in the eSelling world, the failure to deliver value to buyers results in a failure to create value for the company. To avoid the sins of omission and gluttony, companies need to continually wrench their view away from internal priorities and look outward. Organizational priorities and brand building imperatives cannot take precedence. eSelling demands building a system for the customer and letting their needs and requirements drive every technology and design decision. Go outside of this framework and your site will fail to meet its full potential.

## Tracking the Right Metrics

by Ray Greenly, Director of Membership Services, Shop.org  
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Taken any trips lately? Imagine trying to drive to your destination without any road signs. A similar situation exists for online retailers that aren't tracking enough data or the *right* metrics for their company. Shop.org and The Boston Consulting Group are providing online retailers with the signposts on their road to profitability with *The State of Online Retailing*, now in its third edition.

This year's Executive Report was released in late April, and stated that online retail sales reached \$33.1 billion in 1999 and are expected to surpass \$61 billion in 2000.

What data points are important for online retailers to track? The benchmarks in our reports provide the answers by providing a detailed set of metrics across eleven product categories. Some of the most important metrics Dotcoms should track for their own web sites and measure against benchmarks include:

- Conversion rates — order and buyer
- Revenue per order
- Acquisition cost per new customer
- % repeat buyers
- % revenue from repeat buyers
- Abandoned shopping carts

For example, the industry wide order conversion rate rose from 1.5 percent to 1.8 percent in 1999, and the buyer conversion rate increased from 2.8 percent to 3.2 percent. Improvement in these two critical performance metrics enabled some online operations to achieve profitability. Obviously, the conversion rate is a key measure of success. Your site's conversion rate should be measured daily and *everyone* in your company should know what it is.

Another significant metric also tells a startling story: approximately 65 percent of shopping carts were abandoned before purchase in 1999, representing significant lost sales. How many of your customers are abandoning their shopping carts? And, much more important, *why* are they abandoning? Improving the customer experience

during the shopping and checkout processes will lead to significant revenue increases for your site.

Of course, opportunities to improve the consumer experience can be found from one end of the purchase process to the other, but they are not being fully exploited. The order fulfillment process is especially ripe for improvement. Pure plays and store-based retailers can learn from their catalog-based counterparts, which, on average, have the lowest fulfillment costs, the fastest out-the-door performance, and the highest on-time shipping rates of all online retailers. The year 1999 saw the appearance of unconventional partnerships to build fulfillment capabilities and improve the merchandise return process. Expect more of the same in 2000.

If the conversion rate and shopping cart abandonment numbers presented here sound interesting, ask yourself if you know the answers for your company. You should. Otherwise, how else will you know where you're heading?

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To learn more about Shop.org, visit their Web site at [www.shop.org](http://www.shop.org). Visit [www.bcg.com](http://www.bcg.com) to learn more about The Boston Consulting Group. Interested in participating in the 2001 survey? Contact [ecommerceresearch@bcg.com](mailto:ecommerceresearch@bcg.com).

## Delivering Superior Online Convenience

by Alistair Williamson, CEO, WebCriteria

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I want to focus on a key aspect of the online customer experience: *convenience*. I'll also outline a way to focus on delivering superior online convenience, and reaping the business rewards.

As we know the Web is a wonderland of promises, and one of those is the promise of a more convenient way to do your daily work. I value things that are quick and easy: be it buying a book, checking movie times, catching news or looking for a car. Web sites that truly deliver on that convenience will win loyal customers and prosper.

Brick-and-mortar marketers have always known that reducing prices attract the price-conscious buyer, and they similarly understand that increasing the convenience of the shopping experience attracts the convenience-conscious buyer. The additional benefit to the business is that those who value convenience — for whom time is a premium — are also less price-sensitive than average customers. The unique challenge for e-marketers is to understand the value do online prospects place on convenience — and then deliver it.

Presuming your online customers value convenience, you need to be able to define it. After all it's very hard to succeed at something you can't define. At WebCriteria we define convenience in terms of the *time* and *effort* required to complete a task. If objectively defined and consistently measured, time and effort metrics can be universally applied. WebCriteria has its own approach to measuring time and effort; our metrics are based on a computer model of human behavior that assesses a variety of perceptual, cognitive, and physical movement parameters.

Alternatively — perhaps less elegantly — you can define time and effort measures for yourself and as long as you use them consistently, they will provide valuable direction in helping improve your site convenience. For example:

- **Time** can be clocked as the total elapsed time for a novice user to complete a predefined task (measured in seconds or minutes).
- **Effort** can be approximated as the count of other choices the user is presented while accomplishing a task (judging that each choice requires the user to read and consider) summed with the total number of actions required of the user to complete

the task (such as filling in a form or selecting options).

Now, armed with your definitions, you can benchmark the time and effort for key tasks on your site, your competitors' sites and your most admired sites (that is, those sites that you and your customers would probably consider "best of the web"). With the objective data that you have collected, you will be better able to specify convenience goals for your site, design to these goals, and verify your results.

If this sounds suspiciously like a plan, a "Customer Experience Management Plan," it should. It also ought to be as complete as your marketing plan, your product plan, or brand management plan. Writing a customer experience management plan will ensure that you can deliver the convenience your customers' value and expect, enabling your business to successfully achieve its sales objectives.

Don't worry if this sounds a little daunting, since there is help: tools and services are available commercially from a variety of vendors, including traffic analyses, online surveys, usability testing, and automated measures such as WebCriteria's. Whatever your choice — develop a methodology to measure convenience yourself or bring in commercial help — it's better than last year's alternative: get a huge advertising budget, discount your product heavily, and pray for a 1000 point surge in the NASDAQ stock exchange!

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WebCriteria offers services that analyze and improve the online user experience. Over 100 customers leverage WebCriteria's web site assessments to improve conversion and retention of online visitors to their sites.

## Checklist for a Best-of-Breed Webstore

by Lauren Freedman, President, The E-Tailing Group

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Here are ten things to do that will make your webstore really perform:

- Update your site frequently to encourage repeat traffic. If your customers anticipate that they will find something new on a regular basis, they will visit (and buy) more often.
- Position impulse buys in prime real estate on your home page and throughout your site to convert browsers to buyers at every logical point in your hierarchy.
- Provide multiple search options to make finding products as easy as possible. Invest in software that makes this function as intuitive as your budget will allow.
- Apply best-of-breed “brick & mortar” merchandising techniques to make shopping a familiar experience. Features, promotions and gifting tools will drive sales online just as they do offline.
- Integrate content and commerce to increase conversion. Editorial content serves as a virtual salesperson. Positioning products along with articles, reviews and rankings will encourage on-the-spot buying.
- Personalize the experience to create loyalty. Features including “my account” where customers have ownership of information build a sense of belonging that brings them back to your site. Use this profiling data to send customers targeted e-mail — relevant messages will result in sales.
- Reward customers for their loyalty. Frequent buyer programs that give special discounts or incentives for shopping often will drive repeat business.
- Make it interactive. Use technology to give customers a reason to shop online. Tools like configurators show “how-to” and entertaining games keep shoppers involved with your site while adding value to their experience.



- Make customer service a priority. Without user-friendly navigation, a reliable “back-end” and responsive communications, even the most beautifully designed webstore will not succeed. Delivering the goods in a timely manner is the bottom line.
- Data mine to keep learning about your customers. As they evolve, evolve your site with the features that meet their changing shopping styles/needs.

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The e-tailing group is a Chicago-based e-commerce consultancy delivering merchant driven solutions to online merchants and companies that provide solutions to those players. Lauren Freedman, president, can be reached via e-mail at [lf@e-tailing.com](mailto:lf@e-tailing.com).

# Important Factors in Choosing a Web Design Agency

by Christine Harmel, CEO, The Interactive Resource

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Selecting the right design and technology partners is a critical step in surviving online. Here are eight important factors to consider in the evaluation of a Web design agency:

## 1. Chemistry

There is more to choosing a Web developer than just judging their design portfolio, technical expertise and prices. Chemistry between client and developer is one of the most significant factors in creating a successful working relationship/partnership. When you meet with a potential developer, assess if it is a good personality fit. Find out who your project manager will be, discuss your work-style with the development team and give the developer a sense of the personalities that they will be dealing with on the client side. If you get a sense of a developer's willingness to accommodate changes, and their commitment to your project for the long-term, it will be much easier to deal with the inevitable obstacles that arise during the development process.

## 2. Interest

It helps if a Web developer has a special interest in your industry, product or target demographic. They should have prior experience in developing the type of sites and tools that your Web initiative will require. They should display enthusiasm for your initiative and actively engage in suggesting possibilities for you to consider. Try to evaluate if the agency is particularly interested in the prospect of working with *your* company and helping you meet your goals, and is not merely taking on the project for a learning experience or for monetary reasons.

## 3. Aligned Expectations

Make sure that expectations are realistic with the constraints of technology and your budget. Have a clear understanding of the capabilities and limitations of the technology that your budget can allow. A good developer will guide you through the available options and their costs, and will propose several solutions. Discuss and agree upon such crucial components as the timeline, process and deliverables and you can be assured of a smoother process.

#### **4. Expertise**

It is important to choose a developer who has the desired design capabilities and technological know-how to execute the site you want. You should work with a developer who typically builds sites within your budget range. Remember to keep your desires in line with your budget. View their work on similar projects and ask them to discuss how they can translate their past experience into a value-add for your project.

#### **5. Process**

Establish who will be the designated point people at both the agency and the client. Know whose input and approval is required to make each decision in order to proceed past each milestone. The more effectively you can anticipate any potential bottlenecks, the easier it will be to prevent them. Understand how the milestones will be laid out through the timeline of the project and who will be responsible to keep the project on track. Make special note of deliverables and deadlines, and make sure you feel comfortable with the work-style of the developer you are interviewing.

#### **6. References**

In assessing a firm, speak to their references, view their work, and spend some time with them going over your ideas. A successful developer will be very willing to give you qualified references on whom you can call. Try to speak to some past clients who have worked with the developer on technologies and initiatives similar to your project. Ask them what they learned in working with the agency and how responsive they felt them to be throughout the process.

#### **7. Communication**

A good channel of communication between client and developer fosters an easier building process. Projects can get off track when clients and developers fail to communicate regularly. It is important that both parties have complete awareness of any obstacles, budget constraints and scheduling problems that may arise throughout the course of the site development. If you are working with one or more outside agencies (i.e. an ad agency, strategic consulting firm, or PR firm) you will want to evaluate the ability of the Web developer to interact with the different parties and their past experience in doing so.

## **8. Scope**

When determining the goals of your project, make sure the objectives and limitations are clear; otherwise the project may outgrow its budget. “Scope creep” is usually the result of a miscalculation or underestimation of the size of a project. A thorough, well-written scope of work is essential to a successful project.

After a careful evaluation of several Web development agencies of similar size and background you should have a good sense of how your project might develop. A careful vendor selection process will increase the likelihood of establishing a fruitful, long-term partnership with a Web agency with whom you enjoy working... and a site that survives.

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The Interactive Resource is a consulting firm, based in New York and Los Angeles, that conducts interactive agency reviews.

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