White Paper



Use Site Search Data to Improve Merchandising

16 Merchandising **Strategies to Drive Online Revenue**



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Strategies to Drive Online Revenue

One of the keys to e-commerce success is to be relevant. Deliver the products and information customers seek and you'll thrive. But remaining relevant in today's ever-evolving e-commerce world isn't easy. It requires the right tools to quickly present the most valuable information for an engaging and consistent shopping experience, and it entails listening to shoppers and testing to understand what works and what doesn't.

When site visitors search for a product, they are telling you what they want in their own words. This direct understanding of customers' intent enables you to deliver compelling merchandising messages, provide relevant information and offer the right products to your shoppers all while enhancing the user experience.

Data mined from site search activity allows you to anticipate market changes, such as trends, shifting customer demographics and the need for new products, so you can align your merchandising practices accordingly. The proper merchandising controls let you easily and quickly test and refine product assortments, promotional messages and the placement and presentation of non-product content on your search and navigation pages.

This white paper explores how site search data lets you listen to and learn more about your customers. It shows how merchandising practices, when used in conjunction with advanced learning-based site search technology, can help you create more relevant and engaging online experiences that boost online conversion rates, increase average order sizes and grow your online revenue.



Reinforce Key Messages with Merchandising Banners

Merchandising banners showcase brands and reinforce promotional campaigns, such as free shipping, seasonal promotions or holiday sales. These targeted banners use shoppers' search terms as keywords that trigger the display of highly relevant messages, images or calls to action.

You can use merchandising banners to highlight specific offers and time-sensitive messages like a flash sale or a daily deal. Many merchandising tools will allow you to set banners to load whenever certain search conditions are met. For example, if a Snow+Rock customer searches for sale items, a search page with only products on sale will load along with the appropriate banner at the top.

Targeted merchandising banners use shoppers' search terms as keywords that trigger the display of highly relevant messages, images or calls to action.



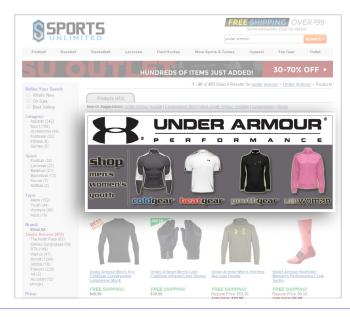
When set up properly, your banners can highlight specific brands, seasons, holidays or other special promotions on your search results pages.

Banners should be easy to integrate into your site, and they can be informative as well as eyecatching. The 3Rivers Archery site uses a matrix banner to provide shoppers on the search page a detailed chart they can quickly reference to compare product features.



Build Brand Loyalty

Branding banners also create a visually appealing search page for shoppers. Your merchandising console should allow you to automatically display brand-specific banners upon certain keyword searches. For example, when a customer searches "Under Armour," a banner will load at the top of a search results page showing all Under Armour products. This creates a cohesive branded search page experience for shoppers. Using visually integrated merchandising banners makes top-selling brands stand out.



Merchandising banners can be used to show and link to specific brands, promotions and sale items.

Drive Impulse Buying with Ribbon Overlays

Ribbon overlays are digital stickers you can apply to individual search results to visually accentuate something special about the product, such as best-seller status, out of stock, free shipping, top-rated products, limited availability, newly added products or videos.



Ribbon overlays highlight special features, such as a new item, sale pricing or video.

Online videos are a popular way to boost site conversions. You can use ribbon overlays to highlight when product videos are available. These overlays offer an additional incentive for customers to click the product because seeing the product in action may convey tangible information such as fit and size faster than reading product specifications. Managing ribbon overlays should be straightforward. For example, once the ribbon is designed, your merchandising tool should allow you to flag the applicable products in the data feed with the specific information you want to display, such as sale, free shipping or video.



While ribbon overlays are useful, they're best used with discretion. If every thumbnail in your search results features a best-seller or top-rated overlay ribbon, the impact is diluted. Be selective about what you show, and test your merchandising tactics to see what works best on your site.

Tune Results for Perfect Promotion

There are times you want to promote certain products to your customers on a search results page. To do this, you can tune the search results by moving certain products to the top of the page. You may choose to push products to the top when they are seasonal, new, high-margin or high-inventory items. Conversely, there may be results you wish to push to the bottom or hide for that particular search string. Tuning rules allow you to put the products you want site visitors to see front and center. Tools to create tuning rules should be easily accessible in a merchandising console so you have complete ability to promote or demote particular products based on your desired outcomes.

While tuning is an important component of merchandising, it is advised to use restraint when creating tuning rules, as they can interfere with the placement of learning-based results and push relevant results below the fold.

Curate a Custom Experience with Landing Pages

You can also use merchandising tuning rules to create curated landing pages for a particular group of products when a related term is searched. If you would like to promote a series of special holiday products, for example, you can create a landing page that loads when the word "holiday" is searched. At the same time, you can create a dedicated PPC link that directs users to that page. When you use the same PPC link in email marketing campaigns to drive users to that page, you can track the success of your campaign in Google Analytics.

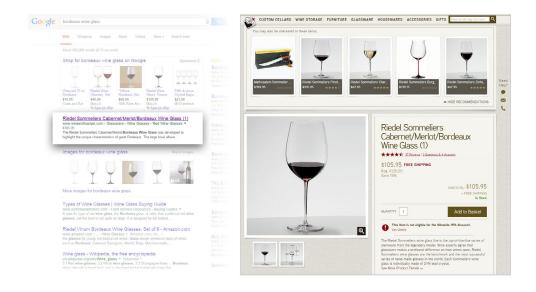


Zachys uses custom landing pages to promote certain wines.



Offer More Products to Your Visitors

Often shoppers will enter your site through a product link from a search on Google, Bing or Yahoo! rather than directly from your home page. When visitors land on a single product page, you run the risk of showing them an item that's not the most relevant to their search, and you may miss out on letting them know you offer other products they might like. You can solve this problem by presenting a merchandising banner that shows products relevant to their original search term. This way they are shown your top products for their search term along with the product they selected from their browser search. When used for long-tail and product-specific search terms, these merchandised landing pages can keep customers engaged and drive more page views and conversions.



Wine Enthusiast uses SLI Dynamic Product Banners™ to showcase a wider selection of its products.

"These banners are incredibly powerful merchandising tools," says Wine Enthusiast CMO Glenn Edelman

Read more: sli-systems.com/wine



Use Synonyms for Global Reach

Advanced merchandising tools allow retailers to easily create and manage synonyms. Using synonyms is a great way to improve the relevance of your search results and avoid pitfalls like "no results" dead ends. Synonym groups are usually created by gathering words together that are correlated. The result is that a search for any of the words in that group will also trigger a search for the corresponding synonyms.

Synonyms allow you to adapt to the different words that people use to search, and keep your search results relevant. For example, Australian adventure retailer Anaconda uses words like icebox and cooler as synonyms for esky, which is not the most globally well-known word for an insulated box that keeps your beverages ice cold. A beachwear retailer realized that visitors looking for flip flops were using terms like zori, thongs or jandals, depending on which part of the world they came from.



What is known as a cooler or icebox in the U.S. is known as an esky in Australia. Synonyms help visitors find what they're looking for regardless of the phrase used.

These examples are a reminder that more international shoppers are buying online. Even when different countries speak common languages, not everyone uses the same words to refer to the same products. You should regularly monitor your site search data to spot below-the-radar terms so you can stay on top of synonyms and notice other jargon that cross-border shoppers may use.

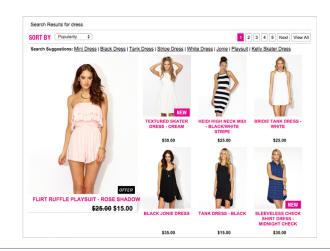
Tracking, managing and adding synonyms in a merchandising console should be easy. It's important to know what the poor-performing and top search phrases are because they can help identify the search terms that may need synonyms. But looking at search phrases with poor results can also point to new trends and products that you might want to carry. You can continue to add, delete or modify synonyms as needed.



Make Search Results Highly Visual

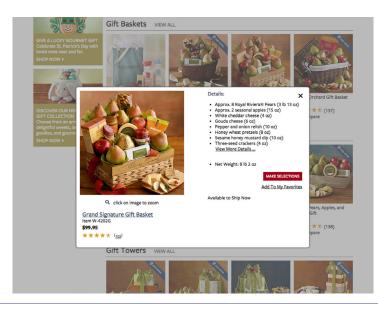
When it comes to presenting search results in a simple and engaging manner, product images are indeed worth a thousand words.

Displaying one search result image that's significantly larger than the other thumbnail images is a merchandising practice that improves conversion and boosts sales. Larger product images that convert well include results from top searches, highest-rated products, best sellers and high-margin products.



Showing search results with one larger image creates an interesting, high-converting search results page.

Another way to present more useful search results is to expand an image's size using a Quick View window. Providing searchers with the rich product detail typically found on a product page saves them from having to click to and from a series of product pages. The fewer clicks a customer has to make, the higher the likelihood they'll convert. Be sure to test which product details (e.g. zoom, multiple alternative views, color options, material swatches, size options and ratings) work best for your customers.



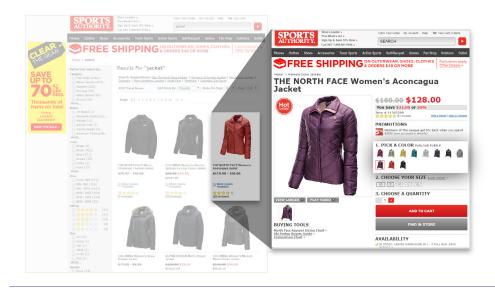
Presenting more details and a larger image through a Quick View window gives visitors access to important details without leaving the results page.



Color Your Search Results

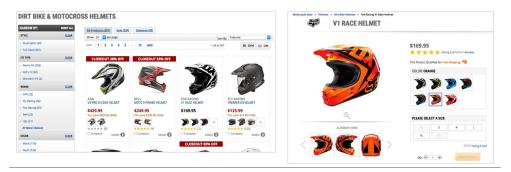
Color is one product feature that is visually attractive and easy for customers to distinguish. Make sure that if a customer searches for a product in a particular color, the image of the product displays in that same color. This provides the extra information to understand what the item truly looks like, which is helpful in cementing the decision to buy.

Ultimately, the ability to do this depends on whether images of the product in all colors are available in a data feed. Sports Authority does this to great effect by allowing shoppers to search by color.



In many cases, color is an important factor in a purchase. Display search results in the color that is specified to help visitors see the exact product.

Additionally, it can be helpful to provide users with the number of colors available, either through an image swatch below every photo on a search page or by displaying available colors. Motorcycle Superstore does this by first showing the number of available colors on the search results page, then by allowing users to click the helmet colors within the product detail page. When you click a different color helmet, the main photo changes to reflect the new color.



Display all colors available for a product, and switch the color of the main image when clicking each color option.



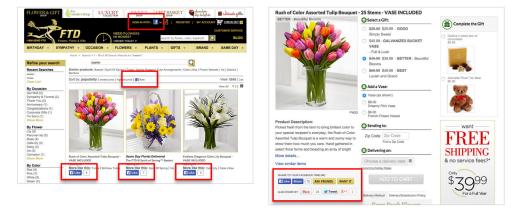
Showcase Your Products' Social Status

Today's shoppers respond well to social validation from others. You can provide this support by showcasing social approvals, ratings, reviews and recommendations. This makes shopping more social by providing the engaging, human element that is sometimes missing from online retail.

Drawing on a product's collective Likes or Pins can motivate shoppers to hit the buy button. Encourage your customers to share the best products from your site across their social networks by integrating social media buttons onto your pages.

Additionally, showing the recommendations of other influencers (e.g. top editors, celebrity curators, popular or emerging stylists) within search results is another merchandising practice that taps popular opinion to build community and grow sales.

It's also possible to help your customers find social media mentions quickly by indexing content from various social media sites in a separate tab on the search page. When customers search a product, they can also quickly see related social media content along with search results.



Use Pinterest "Pin It" and Twitter "Tweet" buttons on search results.

Address No Results Pages

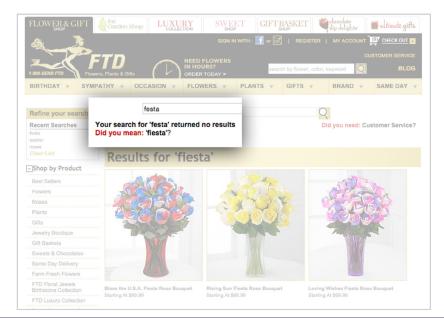
A no results message is a visual dead end that invites shoppers to bounce instead of buy. Merchandising banners can help.

Keep shoppers on your site by using merchandising solutions that mine your search data to find suitable replacements for unsuccessful search terms. Merchandising intelligence gathered from search data allows a site to deduce what searchers meant and provides results that closely reflect shoppers' intent.

Sometimes no good alternatives exist to a search query. In this case, one merchandising best practice is to encourage searchers to check out popular searches, best sellers, top-rated products and new arrivals. Another best practice is to use a "Did you mean..." message that offers visitors alternative spellings for their search term. It's also helpful to list how shoppers can contact customer service, including your site's 1-800-SER-VICE number.

A final tip is to make sure your no results response reflects your brand's personality. This is often where a little bit of humor can go a long way toward keeping shoppers engaged.





Don't let searches end with no results. Offer shoppers alternative products or customer service support.

Merchandise for Mobile

More than half of all time spent shopping online is done via smartphones and tablets, propelling mobile commerce to grow three times faster than overall e-commerce. But the mobile experience isn't always what it could be. Mobile shoppers often have to swipe and tap their way through small screens and slow-loading mobile sites.

Customers are more likely to find what they want if your site is designed to provide the best user experience for a mobile device. First and foremost, be sure to have an easily accessible search bar and a search functionality that returns highly relevant results.

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Make your products available anytime, anywhere with merchandising features for mobile.

Though site search is not always considered a merchandising feature, in the context of mobile devices where space is limited, the ability to find a product dramatically increases the site's effectiveness. Along these same lines, autocomplete is also helpful to limit the number of words a user must type. Having the most popular searches autocomplete in the search bar will guide customers to products with fewer keystrokes. It's a common sense solution to the frustrating "fat finger" syndrome, which is a big reason why mobile search queries often result in misspelled search terms. You can also move certain products to the top of autocomplete search results using tuning rules.



Expandable refinements and sort-by options can help bring the most applicable products to the top of the search results. Additionally, adding ribbon overlays can help identify products that might be more attractive because of discounts or shipping offers. By enabling these simple features, you can increase the efficacy of your mobile site.

Merchandising for mobile means improving search results for tablets too. Remember that tablet users are often shopping and searching in a different context than smartphone users. The experience of using a tablet more closely resembles reading a magazine or watching TV while relaxing, instead of sitting at a desk in front of a computer or searching on the go with a smartphone.

To better the "couch commerce" experience, make sure your mobile search results highlight shopping guides specifically designed for tablet users. Tablet users respond well to video, style guides and look books (richly illustrated, magazine-like digital catalogs) when they are searching for objects of interest. All of these tablet-based shopping guides offer nice ways for brands to showcase product collections.



Present products in a beautiful, user-friendly layout designed for a variety of mobile devices.

Use Reporting and Analytics

Site search data tells you exactly what your customers are searching for and shows you where they're running into problems. Through specific reporting, you can find the top keyword searches, which indicate products of high interest and the words visitors use to find them. Your reporting and analytics tool should also show keyword searches that have poor results. These reports will quickly show products customers are searching for that you do not sell. This can help in planning for future inventory purchases, potentially changing product descriptions, or providing alternatives your visitors may not have thought of.

Site search data tells you exactly what your customers are searching for and shows you where they're running into problems. Furthermore, analytics can help you understand what your customers value the most. Ideally, learning-based merchandising solutions are built on top of deep analytical and reporting foundations. There are hundreds of different search-related metrics to identify and correct issues that impact conversions.



Test to Learn What Shoppers Really Value

As any online merchandiser knows, testing is crucial. A/B and multivariate testing have proven their worth as indispensable tools to develop page layout, messaging and offers.

When approaching the task of setting up A/B testing, make sure to test individual elements like merchandising banners, ribbon overlays or various types of filters, sliders and refinements to see what people tend to use most. When working out your graphic design layout, test differing visual designs to find what drives the most clicks and conversions. And lastly, test to see if your social media efforts are worth the real estate you devote to them.

Theoretically, you can give your customers a lot of information and resources. The trick is to find the equilibrium between providing customers with information that is "not rich enough" and "too rich." Testing various features and designs can help you find the balance that will work best for your audience.

Manage Your Merchandising Efforts

Time and resources are always at a premium. Merchandising consoles must offer user-friendly control over how search results and banners are presented. The best consoles allow you to create and manage a variety of features without needing technical assistance. You should be able to create and upload banners, create and modify tuning rules and view and process information from reports. This information should allow you to more effectively target your customers, plan for future purchases and relay information back to your team.

Tools	Reports	Top Searches
Tune Results	Reporting	1. maternity
Synonyms	Click here to test drive our new reporting interface. Best with Chrome or Firefox. Send feedback to reporting@sli-systems.com	2. breton
Redirects	Learning Recommendations	3. slippers
Banners	View Learning Recommendations report	4. leggings
Conversion Optimizer	General (Legacy)	5. cardigan
System	view the statistics about your entire site, such things as the most	6. hoody
	popular searches, the usage, etc.	7. cashmere
	My Reports (Legacy)	8. dungarees
Activity Log	View all of your custom reports	9. Towelling
		10. tunic
	Help	
	Documentation	
	Support	

SLI Merchandising and Reporting Console offers an easy-to-use interface.

Maintain a Solid Infrastructure

Make Sure Your Site Search is Redundant

Servers and data centers can fail and go offline from time to time – earthquakes, hurricanes, lightning strikes and human error can cause site interruptions. It's important that all critical parts of your site are protected at all times. Make sure that your search can continue to run if a server or data center fails.

Look into SaaS Site Search Solutions

If you haven't already, consider using a SaaS site search solution. Make sure that your SaaS solution is fully redundant so that it runs across multiple data centers. A well-constructed SaaS solution will offer higher capacity at a much lower price point than a retailer can reach with their own on-premise solution.



Moving Forward with Merchandising

The time has come for a search-data-centric way of thinking about and executing online merchandising. Use the merchandising practices we've outlined in this paper to observe, test, learn and improve the relevance of your site search results. Let these merchandising practices make your web pages more vibrant, visual and content-rich hubs of your shoppers' online experience.

Use merchandising to position your brand as provider of something special – a great user experience.

Use merchandising to position your brand as provider of something special – a great user experience. In today's highly competitive and rapidly transforming retail world, the ability to serve your customers by providing the timely information and relevance they seek is the competitive differentiator that will make your site stand out.

But remember: don't overdo it, or your page can start to look cluttered. It's important to maintain a streamlined appearance so shoppers can find the information they most want quickly and move toward a purchase without having to wade through more "stuff" than they need.

As shoppers are more exposed to sophisticated search, it's important to stay up-to-date on the features that will make your site shine.



Next Steps: Choose a Merchandising Solution that Learns

SLI Systems offers all the merchandising solutions mentioned in this paper. The SLI Merchandising and Reporting Console helps increase average order value, profit margins and overall conversion rates by featuring the right products or promotions at the right time. Features such as synonyms, tuning rules and banners improve visitors' ability to find what they are looking for and gives you the flexibility to strategically promote certain products.

SLI is the leading provider of site search, navigation, merchandising, mobile, recommendations and SEO solutions to top retailers around the world. Since 2001, we've been perfecting our patented learning engine and improving our customers' e-commerce profitability. Hundreds of customers worldwide have shared their analytics with us, revealing dramatic results since implementing SLI.

Benefits of SLI include:

- As you provide the ideal search experience to your customers whether on their PCs, tablets or smartphones you build incredible brand loyalty
- With our user-generated SEO, more of your products are found and purchased through organic search, spurring your business' growth and profitability
- Our rich in-depth reporting system provides you with data on what your visitors are looking for, what they are finding and what they are NOT finding on your site
- Our SaaS model allows us to deliver fast rollouts and easy scalability so your site stays at the forefront of current e-commerce trends
- Our Customer Success Managers proactively work to improve your search and user experience, which frees your time to focus on other aspects of your business
- With our redundant servers in multiple data centers in different geographies, your site is prepared for unexpected outages or traffic spikes



About **SLI** Systems

SLI Systems enables the world's leading e-commerce retailers to increase sales by connecting shoppers with the products they're most likely to buy. With proven search technology that learns from the activity of real site visitors, SLI delivers SaaS-based site search, navigation, merchandising, mobile, recommendations and SEO solutions that arm retailers with the tools they need for rapid growth.

To learn more visit sli-systems.com,

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