

# Making eCommerce work

Jack Lang

# Search Engines

- Easily the most important marketing item
- Google
  - Try “Computer Science” – the lab comes on page 2
  - Try “Computer Laboratory” – the lab comes top
    - Poor nomenclature in the marketplace
  - Try “Last Minute Holidays”
    - But note also [www.lastminute-wales](http://www.lastminute-wales)
- Algorithm
  - Page ranking (peer review)
    - Which led to scams (checks IP now)
  - Meta text, URL, page title, headings more important
  - Massively parallel retrieval, rank and search
- Google adword campaigns

# Driving traffic

- **Special targets**
  - UK Online – Parents and kids
  - WorldPOP – 12 to 16 year old females
    - Actually paid by music industry
- **Adverts**
  - Click to win a car
- **Known URL**
  - [www.microsoft.com](http://www.microsoft.com)
- **Freshness (even if just the date)**
  - Nothing sadder than “last altered June 1999”
- **Social networks**
  - Facebook, Twitter etc

# Logs and Audit

- **Who bought what and when**
  - I bought this from you and it's faulty
  - Why have I been charged for this?
- **ISPs must keep records for RIP**
  - Regulation of Investigatory Powers
- **BBCi: The country's most popular destination**
  - How do they know?
- **Ad costs**
  - Separate landing pages
  - Per impression
  - Adwords
  - effectiveness

# Words mean what I want them to

- **Hit: Primitive object served by the server**
  - Or proxy request (not quite the same)
  - Multiple object to the page
  - Impression: Banner ad served – measured by counter
- **Page view: Pages or frames served**
- **Click: Deliberate action by the user**
  - Not refresh or script generated
  - But timeout refreshes are interesting
- **Visit: Multiple pages on site**
  - trajectory
- **Unique User/day**
- **Exit popups**

# Answers depend on the questions

- **Audit**

- Advertising returns and effectiveness
- Confirmation of transaction

- **Traffic analysis**

- 80% of the site is wasted

- **Confirming user behaviour**

- Still need focus groups to find out why

- **Trend analysis**

# Data mining

- **Lots of data**
  - Lots of data: 100 bytes/hit ->Gigabytes/week
  - Multiple sources: e.g help desk, servers, proxy, telephone logs, radius logs etc
- **Hits, clicks, page views, visits, trajectories etc**
- **Answers depend on the questions**
- **Personalisation and localisation**
  - Models of the user
  - Bins and profiles
- **Collaborative filtering**
  - X liked these so you'll like them too
- **Affinity marketing**
  - Special offers from our carefully selected partners
- **Real-world matching**
  - Sainsbury's data mountain

# Communities

- Chat
- Bulletin boards
- Social networking eg Facebook etc
- BBC
- Amazon
- Feedback and people feel good about it
  - But beware false shoppers who are actually competitors



# Typical Behaviour

- **40% chat**
  - Maybe overstated because of frequent refreshes
- **10% mail, newsgroups, mail lists (75%)**
- **5% help, admin, accounts, home page**
- **3% search**
- **2% favourites**
- **Less than 1% purchase (same as mail order)**
- **Remainder random surfing**
  - 40% “specialist content”
  - 30% shopping
- **Model (still) as “sad lonely geek” BUT**
- **Fastest growing demographic is women over 60**
  - Genealogy

# Typical behaviour II

- 100,000 impressions
- 1% - 1000 clicks/new visitors
  - About the same as mail shot
  - CPC costs maybe \$0.5 – \$5
- 5% - 50 register/trial
  - Depends how hard registration is.
- 2%- 1 Purchase
- <http://www.google.com/onlinechallenge/>

# Typical funnel

| Stat                          | Actual | % Funnel | % Conversions |                              |
|-------------------------------|--------|----------|---------------|------------------------------|
| Unique Visitors               | 84867  |          |               |                              |
| New Unique Visitors           | 82170  | 96.82%   | 96.8%         | % Unique Visitor = New       |
| Unique Download Page Visitors | 15141  | 17.84%   | 18.4%         | % New Visitor = Download     |
| New Registrations             | 4318   | 5.09%    | 28.5%         | % Download = Registered      |
| New Trial Users               | 3192   | 3.76%    | 73.9%         | % Registration = Trial User  |
| New Paying User               | 94     | 0.11%    | 2.9%          | % Free Trialer = Paying User |
| Cancelled Subscriptions       | 17     | 0.02%    | 2.8%          | % Total Subscriptions        |

# Sales funnel

AIDA model

Awareness

Interest

Desire

Action

Satisfaction

Prospects

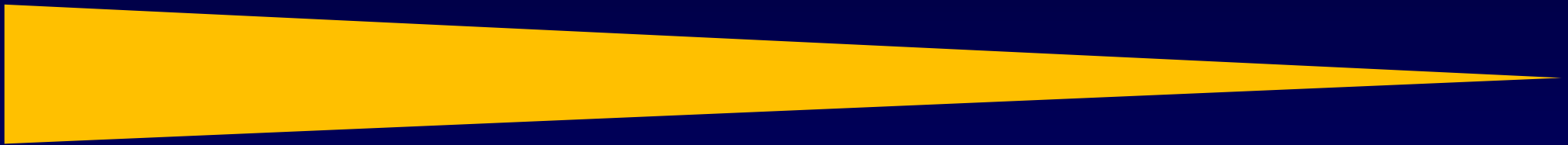
Contact

Demo/Trial

Negotiate

Close

Satisfaction



Impression

Click through

Register

Demo

Purchase

Satisfaction

# Alphabet soup

|      |                                      |
|------|--------------------------------------|
| CPC  | Cost Per Click (what Google charges) |
| CPA  | Cost Per Acquisition aka COCA        |
| ARPU | Average Return per User (in period)  |
| CLV  | Customer Lifetime Value              |

# Apps

- Proliferation of devices
  - iPhone, iPad, Android
  - <http://appinventor.googlelabs.com/about/index.html>
  - Facebook games etc
- Controlled by vendor
  - Limits revenue
- (mostly) Fashion
  - Top 10 list important

# Social Media

- **Keep in touch**
  - **Human face**
  - **Consistent voice**
  - **Community**
  - **Feedback**

# Future

- **Mobile**
- **TV**
- **Clicks and mortar**
- **Multiple devices**
- **Adverts are annoying and don't work**
  - Pop-up hell
- **Content will no longer be free**
  - Yahoo paid-for email
  - Daily Telegraph, News group
- **Pay for E-mail**
  - Penny Black