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Is boring, *is better*

eStar client services director **Richard Berridge** on thinking boring for your eCommerce buck.

DECIDING HOW TO allocate an eCommerce budget is becoming an increasingly complex decision. Budget holders consistently report the same thing – they receive an endless stream of pitches, and could easily hear a different presentation on a different solution every day of the week. So who do you listen to and how do you prioritise?

Think boring!

'Boring' fundamentals are the foundation of eCommerce success, consistently providing the greatest return on investment – but they are often overlooked.

So what exactly are the boring fundamentals?

Up time

Is your store open for business? An outage during peak trade has significant impact not only on revenue but also on brand. The *Wall Street Journal* reported that the Amazon Web Services outage earlier this year cost companies in the S&P 500 index an incredible $150m.

Retailers must invest in vendors who can provide a stable and robust infrastructure. In the recent past, uptime of 99.9% was considered acceptable, target uptime should be 99.95% or greater.

Site speed

Can visitors move about your store easily? Online shoppers have little patience for navigating sites that load slowly - it would be like forcing your customers to walk long, empty distances between aisles to reach their desired items.

Studies show the correlation between site speed and conversion rate is key. A recent Hubspot infographic provided a compelling statistic: a one second delay meant a 7% reduction in conversions.

Retailers must measure site speed regularly, as new functionality will often impact on site speed. A CDN (Content Delivery Network) should also be considered if customers are geographically dispersed. Ideally the TTI (Time to Interact) should be sub-3 seconds.

Range

Are your products available to purchase? It is not uncommon to talk to retailers who are wondering why they cannot gain traction online, while only presenting less than 50% of their total SKUs for purchase.

Customers now have a clear expectation that a retailer's digital presence mirrors in-store. If you don't present it online, the assumption is that it is not stocked, and the sales opportunity is gone.

Retailers should start from the premise that 100% of SKUs will be available, and then exclude only where absolutely necessary. Retailers should invest in technologies that can assist with expanding range. For example; integration capability, fulfillment options.

Price and availability

Is key information accurate? Given your customers can't physically sight and handle the stock, it is particularly important to present accurate information online.

Accurate pricing and availability relies on frequent or live integrations, a powerful and flexible promotions system, and, of course, good source data.

Incorrect price and availability information has a direct and significant customer service impact, resulting in cancellations and refunds. Even for loyal customers poor customer experience will reduce repeat purchase or referral.

Retailers should look to vendors with solid integration experience and promotional solutions that can handle the replication of in-store offers. Emphasis should also be placed on stock accuracy through the entire system.

Fulfilment

Do your customers receive what they have paid for, in a timely fashion? Fulfilment is so often a secondary consideration behind front-end functionality. But poor fulfilment processes will quickly derail plans for online growth, and, like price and availability inaccuracies, repeat custom and referral will dry up.

Although there are a multitude of fulfilment efficiency measures, the primary KPI retailers should track is DIFOT (delivered in full on time) – what percentage of orders are delivered to the customer in full within your published service window.

A 98% DIFOT, or a failure rate of one in every 50 orders, would usually represent an acceptable target. Vendors that provide solutions to improve fulfilment efficiency should be prioritised. For example; routing orders to the most appropriate dispatch point, effective pick and pack processes, courier integrations.

Cancel the presentations

These fundamentals might be considered boring, but the failure to measure and excel in these areas will render investment into the latest and greatest near worthless.

So if your eCommerce foundations are lacking, or if you are not measuring and don't have insight, then cancel the flashy presentations and think boring. ■