

Search and the Engaged Customer: An Apparel Study

“The insights from the joint study conducted by Yahoo! Search Marketing and Compete, Inc. give us the additional strategy-shaping information and decision-making confidence to grow our search marketing programs, particularly the effect of search marketing on multi-channel retailing as we enter the holiday season. Yahoo! continually demonstrates their commitment to providing valuable and timely research to apparel retailers.”

- Martin Kertz, Director of Web Marketing Coldwater Creek

In this multi-channel world, it's becoming increasingly important for retailers to develop search marketing strategies that consider the way their customers use search during the shopping process; strategies that recognize the consumer buying cycle, and move away from strictly measuring by click-to-conversion. By doing this, retailers will be able to build messaging and experiences consistent with their overall brand position, allowing them to better satisfy the needs of their customers.

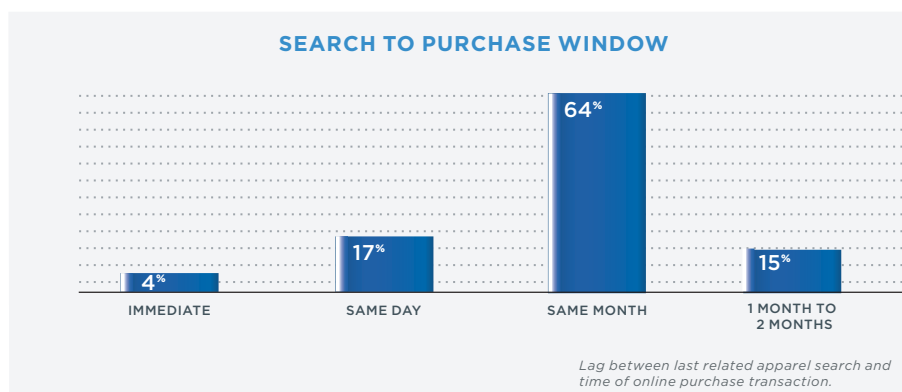
In an effort to learn more about how search visitors interact with retail sites, and better understand the role search plays in offline apparel and accessories purchases, Yahoo! Search Marketing commissioned the search experts at Compete, Inc. to conduct a custom study.

CUSTOMER ENGAGEMENT AND THE BUYING CYCLE

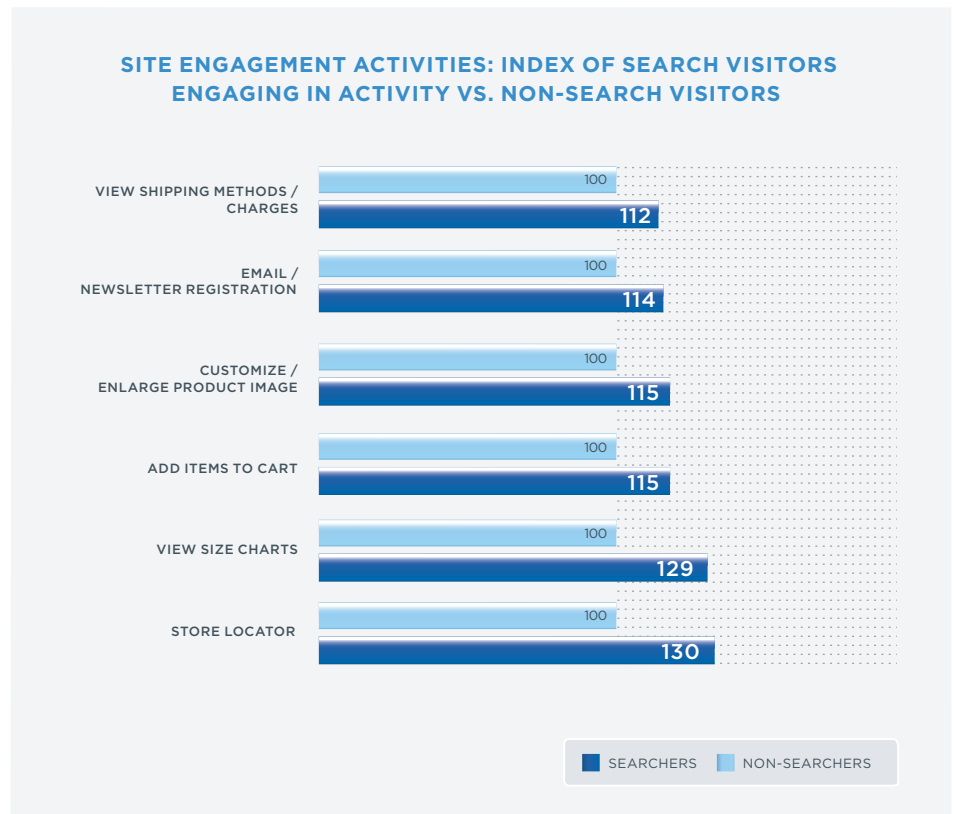
Retailers who understand customer engagement and its relationship to the buying cycle are able to move beyond the use of search solely as a direct response vehicle, and experience the full value of search marketing.

- Similar to findings in other studies, Compete, Inc. found that consumers conduct multiple searches and make more than one store visit during the purchase process. Searchers in this study averaged over five apparel searches in a 60-day period.
- Only 21% of conversions were directly from a search, while 79% were latent—15% of which were more than one month after the last search.

Yet many search marketers still measure on a click-to-conversion basis with a short term cookie—giving only the last click in the shopping process credit for the purchase. Retailers can more accurately measure the full impact of paid search on online conversions by tracking all visits that ultimately lead to a purchase. They can then factor this information into their ROI calculations.



- The study found that over the 60-day period apparel searchers spent a third more time when visiting retail sites than non-search visitors, and were more likely to engage in site activities such as interacting with a product. In fact, 87% of searchers exhibited high levels of engagement on apparel sites, with 83% reaching a product detail page (versus 76% of non-search visitors) and 43% enlarging or customizing a product image (versus 37% of non-search visitors). Additionally, search visitors interacted more with email registration, size charts and shipping details.
- This behavior suggests that apparel searchers are highly engaged shoppers who are more likely to make a purchase (online or offline) than other site visitors. In fact, the online conversion rate for this group was 21% over the 60-day period, 14% greater than that of non-search visitors.



Retailers who promote customer engagement activities and incorporate this behavior into their search marketing strategy will be able to drive maximum value for their companies.

SEARCH INFLUENCES OFFLINE PURCHASING

Retailers can better meet the needs of their customers and build more effective search campaigns by recognizing the multi-channel behavior of search customers.

- According to the findings, searchers were 30% more likely to research offline locations using an apparel site’s Store Locator tool.
- The study also shows search to be influential, with 78% of people who purchased apparel offline after using search reporting that search influenced their store visit and purchase.
- Additionally, nearly half (47%) of these buyers have also purchased apparel online and are highly valued multi-channel shoppers, spending 26% more on apparel annually.
- At least one in five offline buyers who used search reported using search to find out about sales and retail events.

“Findings from this groundbreaking study will help us craft the best possible search marketing strategies for our apparel retailers. Clients crave this kind of data to understand the value of search customers in a truly multi-channel manner and to invest marketing dollars accordingly.”

- Cam Balzer, Director of Search Strategy, Performics

To accommodate multi-channel consumer behavior, many retailers have already developed a cross-channel store approach, offering multi-channel gift card redemption, in-store pick up and return of online purchases, consistent pricing and promotions, and more. Recognizing that consumers use search throughout their multi-channel shopping process will enable retailers to leverage this powerful medium more effectively for their entire company.

In the current buying process funnel (Awareness, Research, Evaluation and Purchase) search is primarily viewed as residing in the purchase phase. However, this study shows offline buyers use search for other reasons, including keeping up-to-date on styles, learning about brands that are new to them and deciding what to buy—all activities that reside higher in the funnel.



To fully meet the needs of their best customers, retailers must incorporate search marketing into their overall multi-channel strategy. Marketers who understand and take advantage of the key role that search plays in the overall shopping cycle, including offline purchases, will have a better chance to build awareness of their brands and influence purchase decisions. Retailers can expand search marketing campaigns to promote offline events and sales, in-store pick up and return, multi-channel gift card redemption and other multi-channel benefits.

RECOMMENDATIONS FOR ADVERTISERS

The Buying Cycle

1. Utilize tracking solutions that capture all click activity. Periodically review this data to understand your customers' buying cycle, including the number of clicks before purchase and interplay of different keyword types. (i.e. generic vs. brand).
2. Enable a cookie of appropriate duration for your products' buying cycle; research indicates a minimum of 30 days for apparel and accessories.

Customer Engagement

1. Acquire email names from search visitors, who are more likely to give them. Place your email registration above the fold and offer customers an incentive such as free newsletters. Include email capture in your ROI metrics.
2. Measure site engagement activities such as time spent on-site, number of pages and product and shopping cart interaction. When you understand the activities and level of engagement of search visitors you'll be able to use search marketing more effectively.

Multi-Channel World

1. Adjust your search marketing strategy to reflect today's multi-channel world. Coordinate your search campaigns and creative messaging with online and offline promotions, sponsorships, events, store openings and more.
2. Measure offline impact through periodic customer surveys, coupon offerings, custom 800 numbers or other means, to gain insight into your customers' behavior and develop a more cohesive marketing approach.

Yahoo! Search Marketing, the global leader in online search services, helps businesses connect with customers who are searching for what they sell.