

INTERNET

Ecommerce up 28pc year-over-year: Forrester

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By RACHEL LAMB

Online retail remains the most profitable channel, beating in-store and mobile purchasing, according to findings from a report by Forrester Research for Shop.org.



Released yesterday, the study found that ecommerce is up 28 percent over the past year. Furthermore, the tactics in which retailers and marketers are keeping customers online have improved.

“While more consumers choose to shop on the online retail channel every year and existing shoppers shift more of their wallet share online, improvements in retail execution online have also been instrumental in the growth of Web sales,” Sucharita Mulpuru, author and vice president and principal analyst at Forrester, said in the study.

Shop, don't drop

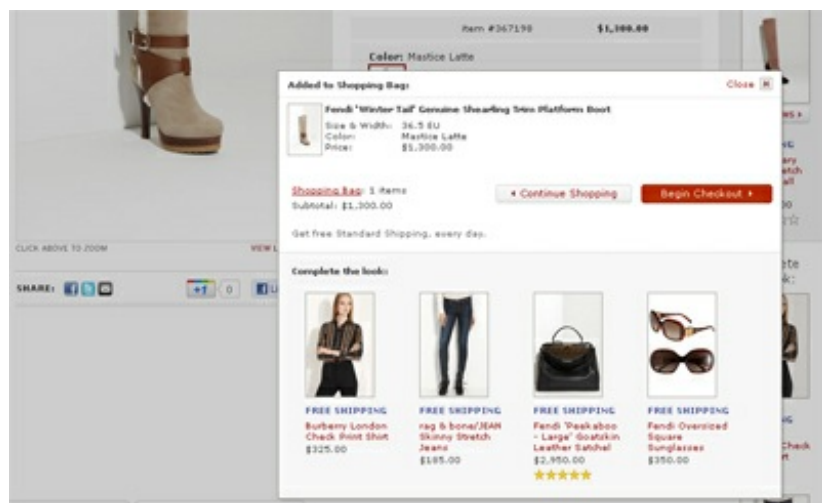
One of the main improvements in ecommerce this year was higher conversion rates.

Marketers have found that this particular metric has improved over the past few years, likely attributed to greater visibility in usability testing and check-out enhancements, per the study.

Another finding of the study was improved average order values.

The study found that sites that use recommendation features fared far better in average order size than those that did not.

For instance, department store chain Nordstrom uses the "complete the look" feature when users add something to their digital shopping carts, encouraging them to buy more products around the same price range as those in their carts.



"Complete the look" feature at Nordstrom.com

This metric pertains to added number of items as well as the increased price of items added.

In fact, 54 percent of retailers noticed that they saw higher order values from shoppers in the past 12 months.

The final main factor of the ecommerce jump was strong revenue from repeat shoppers.

Customer acquisition has been a main component of the ecommerce world, but now companies are showing their strength by luring customers back for repeat buys.

The study showed that email blasts tend to be particularly effective when drawing customers back when brands use advanced tactics such as shopping cart abandonment and personal emails.

Sending abandoned shopping cart emails packed with product images to shoppers is a great way for marketers to differentiate themselves from their competitors while also raising sales by enticing customers back to ecommerce Web sites ([see story](#)).

Launch pad

Although these metrics were the most probable reasons for the jump in ecommerce sales over the past 12 months, other factors such as new customer acquisition cost per order, marketing cost per order, fulfillment cost per order and returns as a percent per order added to the surmountable increase.

Luxury marketers have typically been reluctant to get on-board with new technology such as ecommerce, but more than ever are seeing the benefits from this tactic.

In fact, some retailers such as Elie Tahari, Ralph Lauren, Tory Burch and Saks Fifth Avenue are revamping their sites to entice consumers.



Ralph Lauren's ecommerce site

Although the majority of the brands in this study are not from luxury companies, upscale retailers looking to boost their ecommerce strategy could learn from the data and use it to increase conversion rates and Web traffic.

“Retailers that we surveyed reported that their investments in site merchandising have bolstered ecommerce revenues [since] conversion rates for most retailers have increased in the past year,” Ms. Mulpuru said in the report.

Tomorrow: Growing a retailer's Web, mobile team to increase transactions.

Final Take

Rachel Lamb, associate reporter on Luxury Daily, New York