



Media Experts

# THE TOP 6 PRIORITIES FOR E-COMMERCE HOLIDAY RESULTS IN 2011

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A MEDIA EXPERTS WHITE PAPER

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# BACKGROUND

## 2011 IS *THE YEAR FOR ONLINE SHOPPING*

Canada was quick to lead the world in Internet usage, high-speed connectivity, video consumption, social media engagement, search, time-spent online and even the use of online banking. Our drive to high-speed connectivity allowed us to consume tons of rich content , connect with friends and enjoy an “always on” Internet experience ahead of our counterparts in the US, Europe and elsewhere.

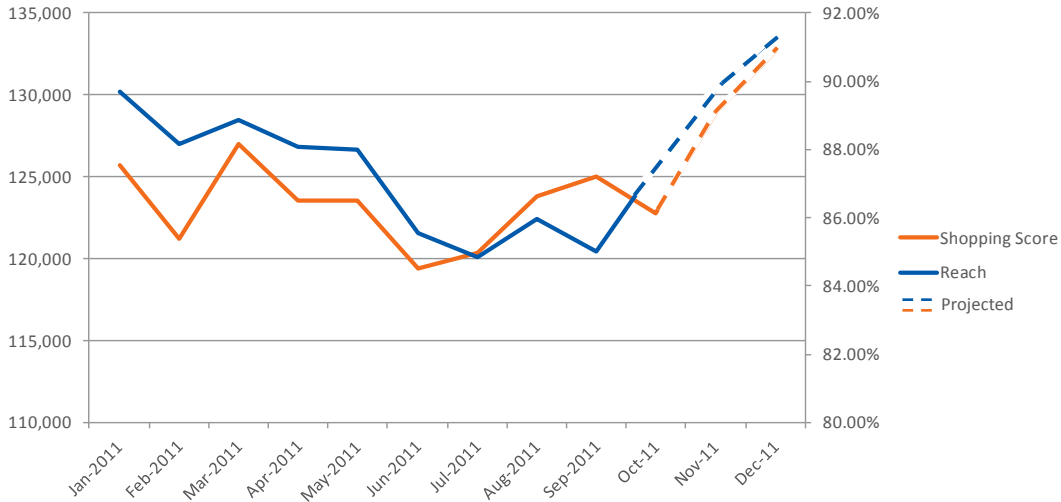
The one exception to our early adoption rates in the digital space is e-commerce. Our typically conservative business practices combined with other factors (sales tax issues, exchange rates, notoriously frugal shoppers, cross-border shopping, shipping costs, security concerns and scale) had led Canadian retailers to cautiously enter the e-commerce space. This was not helped by the slow pace with which Canadian online “shoppers” become online “buyers”.

Contrary to the explosive growth of e-commerce in the United States some ten years ago, Canadian online retail growth has been steady, but slow and starting from a smaller base. That slow and steady growth has now reached critical mass and Canadian retailers need to ready themselves for the biggest wave of online holiday shopping in our history. Access, confidence, options and availability have never been higher.

## **All Signs Point to a Record Year for Online Holiday Shopping, Researching and Buying**

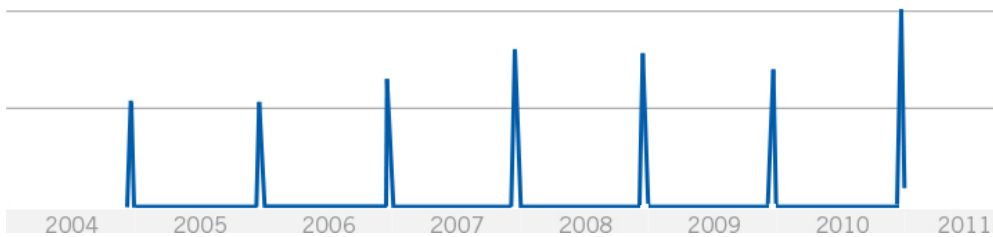
Data from multiple sources including StatCan, comScore, eMarketer, Google and [Xpeto™](#) suggests that overall Canadian retail sales are expected to be flat in 2011 or grow very modestly this year, to about 1% over 2010. In contrast, Canadian online spending is expected to grow by 12% over 2010 and top \$18.5 Billion in 2011 sales. Whether or not they buy online, budget conscious Canadian shoppers are more likely to research, compare and look for specials in even greater numbers this holiday season. On any given month, there are over 21.3 Million Canadian online shoppers, which is equal to 85% or more of all Canadians using the Internet. This number is likely to rise to over 90% during the key holiday shopping months of November and December. And this doesn't include the over 69% of Canadian “window shoppers” (over two-thirds of all online shoppers) who reported making their purchases directly from a store after browsing and researching products online.

### Canadian Online Shopping Projection – Q4 2011



In September 2011, the average Canadian online shopper is spending over 10% more time shopping and over 13% viewing more retail pages in Canada than they did 12-months earlier. Canadian search demand for keywords and phrases like “free shipping”, “ship to Canada” and “Cyber Monday” have grown steadily over the past 5 years, especially in late November and early to mid-December. At the same time marketer demand for both search and display inventory will undoubtedly spike during the holiday period, just as it has for the past three years.

■ CANADIAN GOOGLE SEARCH VOLUME ON THE KEYWORD “BOXING WEEK”



■ CANADIAN GOOGLE SEARCH VOLUME ON THE KEYWORD “CYBER MONDAY”



Source: Google Trends, 2011

# THE 6 PRIORITIES

To capitalize on this opportunity and truly compete, we recommend that advertisers make the following six areas of their marketing plans a priority:

## 1. Customer Experience and Relationship

Ensure your web store is open, ready for business and ready to provide the best shopping experience possible.

- a. In an environment where competition is a click or search away, loyalty matters more than ever – where loyalty means *confidence* and *preference* over equal offers:
  - i. According to the Harvard Business Review article ‘E-loyalty’<sup>1</sup> “Price does not rule the web; trust does.”
- b. Repeat visitors are a source of increased revenue, profit and cost significantly less than new prospects.
- c. Customers are a significant source of new prospects via referrals and Social Media – 47% of Canadians are “critics” or “creators” of social media content according to Forrester.
- d. The first transaction establishes expectations and lays the foundations of the relationship. Trust is a defensible competitive advantage in an environment notorious for phishing scams, hackers and credit card fraud.
- e. Meeting or exceeding customer expectations is the foundation of a solid Customer Relationship (CRM) or Social Media program.
- f. Track transaction paths to identify drop-off points in the sales process in order to remove any barriers to conversion.

## 2. Search Strategies are Key

- a. An aggressive Search Engine Optimization (SEO) strategy is the entry point. Optimize your site and its content to capture the largest number of potential customers, while they are in market. Make sure to develop and implement a solid inbound link building strategy that includes links from authoritative domains, social networks, blogs, forums and press releases using appropriate anchor text.
- b. Paid Search – Batten down the hatches.
  - i. Prioritize and increase budget to meet increased consumer demand and auction competition.
  - ii. Improve quality scores by ensuring the copy, heading, links and landing pages are the most relevant to the keywords that are queried.
  - iii. Optimize keywords – ensure negative keywords are in place and avoid potentially costly broad matching that places your ads next to irrelevant queries.
  - iv. Have your best offers (specials, discounts, free shipping, promo codes) displayed on your ads.
  - v. Add keywords that match all your marketing efforts (Free Shipping, Cyber Monday, Open Late, Express Shipping, Etc.)
  - vi. Track and optimize your investments.

### 3. Develop a Multi-Media Strategy

- a. All media drives to the web, whether from URLs in the Radio, TV, Out-of-Home and Print ad copy or from the increased brand or product searches generated from your advertising or from other advertisers' offline activity.
- b. In addition to increasing customer demand online, offline media can make online marketing efforts work harder and perform better. Click-through rates and post-click conversion rates tend to increase with other media, specifically broadcast media (TV, Radio), in market. Offline marketing provides additional confidence in online choices and builds trust.

### 4. Prepare for “Black Friday”, “Cyber Monday” and “Boxing Day”

- a. Participation in the two busiest retail days in the US (offline on Friday, online on Monday) is rapidly growing among Canadian retailers and consumers, and well timed for holiday shopping and shipping.
- b. This year, Black Friday falls on November 25<sup>th</sup> and Cyber Monday on November 28<sup>th</sup> (coinciding with the US Thanksgiving holiday weekend)
- c. Many Canadian advertisers are offering Black Friday/Cyber Monday deals to
  - i. capture increasing Canadian interest
  - ii. prevent cross-border shopping
  - iii. profit
- d. Ensure your display and search budgets, messaging and inventory are prepared for the spike in demand and competition.
- e. Consider adding “Cyber Monday” and related keywords and ad copy to the mix as these queries have spiked over the last week of November each year, and the number is growing annually.
- f. Retailers in Canada have the added bonus of the traditional Canadian post-holiday shopping frenzy that comes with Boxing Day (or Boxing Week). Search queries for phrases like “Boxing Day”, “Boxing Day Sales”, “Boxing Day Specials” and “Boxing Week” rise sharply starting mid-December and peak just before New Year’s Eve and have for the past five years. In fact, searches for “Boxing Week” have been growing steadily each year, while “Boxing Day” related searches have remained relatively flat or have declined slightly.
- g. Access massive volumes of quality inventory, targeted to Canadians, via a trading desk and multiple Display Ad Exchanges. Using services like Media Experts’ [Xpeto™](#), layer detailed shopping segment data on the inventory to separate the buyers from the shoppers by category and optimize the media investment.
- h. Use offline channels to feed the funnel online and let shoppers know you are open for business and competitive.

### 5. Build Effective Mobile and Multi-Screen Campaigns

- a. Ensure your websites are tablet compatible and mobile enabled.
- b. Build robust Mobile Search Campaigns – Separate the mobile search from overall search results to better manage budgets, messaging, targeting and results.
- c. Smartphone usage and mobile browsing have brought mobile display ad inventory to critical mass, volumes that can move the traffic/sales needle. Target by locale, demography, handset, content and more.

- d. Tablets, according to Forrester Research<sup>2</sup>, are better suited to e-commerce due to their larger screen sizes. Mobile users are more likely to be searching for localized information. Tablet owners are also likely to be more affluent consumers.
- e. Tap into the multi-media dynamic between the first social medium (Television) and the new platforms on tablets, laptops, mobile and PC.

## 6. Business Intelligence - Tracking, Insights and Optimization

It is critical to track all media in market against all customer touch points - web visits, web sales, store traffic, store sales, call centre activity and so on – in order to optimize the media mix over time. The levers that consistently drive demand, click and conversion rates differs by category, product and customer. Developing an optimal mix for a specific brand, product and objective is critical. In the end, all media is related and Canadian online retailers can benefit from a properly orchestrated media mix to drive traffic to their ecommerce enabled websites. At Media Experts, our **Tradigital™** approach to media is at the heart of what we do to help our clients grow and prosper.

For more information regarding our services and products, please contact Penny Stevens, President, at [Pennys@mediaexperts.com](mailto:Pennys@mediaexperts.com).

<sup>1</sup> Reichheld, Frederick F., and Phil Schefter. "E-Loyalty: Your Secret Weapon on the Web - Harvard Business Review." *Harvard Business Review Case Studies, Articles, Books*. Web. 04 Nov. 2011.

[http://www.pearsoned.ca/highered/divisions/text/cyr/readings/Reichheld\\_SchefterT2P1R1.pdf](http://www.pearsoned.ca/highered/divisions/text/cyr/readings/Reichheld_SchefterT2P1R1.pdf)

<sup>2</sup> Source: Forrester Research, "Five Retail eCommerce Trends To Watch" In 2011

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