



Grid Dynamics

Precision Matters: Match Search Results with Actual Customer Requests

Delivering precise search results increases conversion rates and builds customer loyalty

Nothing is more frustrating than searching a site for peanut butter and the top results are bags of birdfeed and sticks of butter. It's a major turnoff for the shopper and a missed opportunity for the retailer. If customers take the time to tell a merchandiser exactly what they want, retailers need to honor that request and deliver search results that match.

Delivering accurate search results streamlines the customer experience, leading to higher conversion rates while building customer loyalty. But how do you build a robust search system without hiring an army of search and engineering experts?

The answer: precise search.

A powerful precise search solution ensures exact matches between search requests and merchandizers' products, enables powerful faceted search that efficiently filters highly-relevant results, and includes automated tools that help retailers take charge of their search solutions without requiring programming expertise. The result is a robust yet efficient search solution that increases conversion rates and builds customer loyalty. It's win-win.

This white paper will discuss:

- Why precise search results matter to the customer experience
- The complexity inherent in existing search solutions
- How precise search can deliver highly-relevant search results
- The impact precise search has on a retailer's bottom line

Precise Search Respects Customers' Desires

Online shopping is a double edged sword. The convenience attracts customers, but it can drive them away just as easily. Offline shoppers have a different experience when they can't find a particular item easily, having to walk out the door and drive to another store that they hope will have their item—a process that often adds hours to the shopping experience. Online, customers simply type in a new URL, virtually teleporting to another store in seconds. Because of this, the customer experience takes center stage online. The key to improving conversion rates, the percentage of visits that result in a transaction, and return rates, the percentage of visitors that revisit the site in the future, is giving customers what they want when they want it.

Search helps streamline the customer experience online, especially for customers who have a particular kind of item in mind. Shoppers come to a site with a fairly specific notion of what they want, they search for it, and then they purchase it. The experience needs to be easy, and customers' wishes need to be respected. Faceted search, in particular, helps customers find their desired items quickly and efficiently, however, the nature of legacy site search today presents major issues in the retail space. Faceted search cannot be done effectively on irrelevant or low relevant results—and this negatively affects the customer experience.

For example, imagine searching for "women's leather jacket" on a traditional retail website. The top results should be relatively accurate, but further down the list appear less-relevant items such as non-leather jackets, men's jackets or other leather products. That might be fine, if not ideal, until the user wants to sort the items by color, by size, or by brand through facets. Suddenly you have men's leather pants from Michael Kors at the top of the search results—a far cry from the item the customer initially wanted to find. Customers with limited



patience—the majority of online shoppers—aren't likely to continue tweaking their search parameters. Rather, they're apt to move on to another site.

This issue with faceted search is why web search engines such as Google and Bing do not include facet filters. These sites rely on giving users as many results as possible, using algorithms that show the most relevant results first. However, individual site search—and especially online retail—is dependent on finding a particular item in a sea of results. In retail search, precision matters to the customer and directly impacts retailers' bottom line.

The Counter Argument: Cross-Selling Opportunities

You'll hear many arguments within the merchandising teams of major retailers that say that precise search results do not matter, claiming that slightly relevant search results may lead to an opportunity to sell related items. Cross-selling can be a solid sales and marketing strategy for retailers, but it should be done deliberately and strategically by smart marketers who have valuable insight into purchasers' habits and behavior rather than by accident through inaccurate search results. Precise search may turn up fewer results in total, but it returns more powerful results that respect customers' wishes.

Characteristics of a Robust Yet Efficient Retail Search Solution

Recognizing the need for precise search results is one thing. Delivering precise results is another matter entirely. Tuning of search systems has previously been a specialized and labor-intensive process, requiring in-depth analysis of search logs and clickthrough data—which takes time—and advanced programming expertise—which takes in-house expertise. The result is a complex, bloated search solution that doesn't deliver the results that customers need. A simple solution that delivers highly-relevant results without requiring constant tuning is needed.

Traditional site search solutions typically include a tradeoff between precision and recall, but precise search allows innovative merchandizers to build search solutions that result in near 100 percent precision and 100 percent recall.

Here's how:

Enable Concept Search

Concept Search connects product information directly to SKU data in a retailer's inventory system, ensuring that exact matches between search requests and merchandizers' products are delivered up front. This results in highly-relevant search results that link to specific product pages down to the brand, color and size. In the women's leather jacket example above, if products are available that match all the keywords (women's, leather, and jacket) then these will be the only products that are shown. Men's leather jackets and women's tweed jackets will not be shown since they are not a match to the customer's stated preference.

Deliver Faceted Search on Highly-Relevant Results

Faceted search is a powerful tool that can lead shoppers to the exact products they are looking for by convenient filtering. The user experience is quick and seamless and requires as few clicks as possible.

Leverage Automated Tools

Retail search solutions need to include a suite of automated tools that streamline and speed up the process of enriching and cleansing product data while automatically generating the required linguistic relations that match the words customers use with text in the product data—the foundation of Concept Search. Collectively these procedures allow retailers to optimize and maintain the quality of their search results in a comprehensive and systematic way that does not require highly-skilled search experts.

Increase Conversion Rates and Build Customer Loyalty

A robust yet efficient retail search solution delivers more precise search results, provides merchandizers with greater insight into customer preferences than traditional search systems, and gives customers a more efficient and satisfying shopping experience.

This increases search conversion and customer loyalty while creating comprehensive automated procedures for monitoring and improving the quality of search results. At the same time, customers benefit from precise results

and precise facets that ensure search results match their stated preferences. Rather than needing to scan through somewhat relevant and sometimes irrelevant results, retailers can deliver a precise match to the customer's expressed preferences. In addition, since all the results are relevant, then any customer-selected refinement by brand, size, or color will lead to results that are consistent with the customer's search phrase. This allows retailers to value customers' preferences by only delivering results that are highly relevant, so they don't have to sort through a long list of unintended results.

Improved search function creates a direct connection between what the customer wants and what they receive, making them feel that the site understands their needs and results in a more satisfying experience. As a result, it is more likely the visit will result in a transaction, and the customer will return in the future.

The Short-Term Benefit: Increase Conversion

The whole point is to convert visits to transactions, and the best way to do that is to give customers what they want when they want it. The less time and fewer clicks it takes to find a particular item, the more likely a sale will be completed. Irrelevant and low relevant search results add complexity and confusion to the purchasing process—almost daring customers to flee to a competing site.

The Long-Term Benefit: Build Customer Loyalty

While conversion rates help retailers' bottom line in the short term, building customer loyalty is a long-term benefit. A good user experience encourages return shoppers as it shows customers that your eCommerce solution understands them and their needs. People have good memories. It's no secret that a positive customer experience leads to return business.

Conclusion

Online retail search needs to enable shoppers to find what they are looking for quickly and seamlessly. Low-relevant and irrelevant search results confuse the customer experience and encourage users to try a competing website. Precise search solutions for online retail need to encourage concept search and provide faceted search on only the most relevant results. In addition, the search solution needs to include a suite of automated tools that streamline and speed up the process of enriching and cleansing product data. Enriching search improves the customer experience, increasing conversion rates and building customer loyalty while directly impacting the bottom line.

Visit GridDynamics.com for more information on how retailers can build a robust yet efficient precise search solution.



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