One of the greatest innovations of the last decade has been ecommerce. It’s actually been around for 20 years, but in the last five years, it has exploded. For success, the right brand and URL are essential, but an “etailer” must also have a unique value proposition and make a customer’s life easy. That’s fundamental for good innovation.

Good examples of this in the past, have been ThredUP as an innovative way to tackle donations and thrifting online, Instacart which lets you shop from your local grocery stores online, and a personal shopper picks up and delivers your order on the same day and Food52 which brings cooks together from different locations to exchange recipes and ideas. Today, these might seem ordinary, but that shows us the pace at which innovation moves.

For success, a seamless customer experience is essential and that includes making the payment process easy and providing fast delivery services. There are many new tools being added for customer engagement, and consumers are also moving to multichannel shopping.

There are 40 billion ecommerce transactions annually and more than 1 billion people have bought products or goods online. Business-to-consumer ecommerce sales are reaching $1.7 trillion in 2015, and are estimated to reach $2.35 trillion by 2018.¹

I’m going to take you through some recent innovations within the bigger innovation of ecommerce. But I will caution that because websites change so rapidly, some of these examples and statistics may already be history as business moves on to better ideas or what “seemed like a good idea at the time” did not work out.
Visitors

To create traffic, a search engine optimization (SEO) strategy is vital. If you are not on the first page of a Google search for what you offer, you have lost the game.

Some SEO golden rules are the use of keywords, user-friendly URLs and avoiding duplicate content. Google Analytics is a great tool to optimize a search engine.

Zappos provided one of the best-known examples of SEO: It carefully used product keywords and ensured they were in its product titles. They started simple by selling shoes online. Shoes are the most difficult of all items to fit, but they backed up their SEO efforts with a return policy that nobody could refuse.

A good blog, which is becoming one of the main ecommerce trends, can also increase the number of visitors by as much as 50%, but consumers will only read good content. Organizations that blog well, however, receive many more links.

There are many other SEO techniques, and increasingly, purchases are being driven through social media such as Facebook, Pinterest and Instagram. Direct purchase through social media is a major trend. Facebook is the source of over 60% of social sales worldwide, and over 90% of Pinterest users have made purchases online. J.Crew, GAP and Nordstrom have used social media with great success.

Partnering also helps SEO. For example, an online supplement store could partner with a fitness facility. This could allow a person who goes into the fitness club to receive a discount for their supplements.
Going mobile

Most emails are now accessed on mobile devices, and a rapidly growing trend is that more site views come from mobile devices. Users don’t have the patience to scroll and they need a website that loads in less than three seconds.

Today’s consumers make purchases while sitting on a train or out to eat. Mobile shoppers want the fewest number of taps and naturally will look for live chat support when they are using a phone. A major future focus will be mobile shopping sites looking to streamline their User Experience (UX).

Beacon technology on mobile devices enables geotargeting with selling that’s based on a mobile device’s location. This has major implications for brick-and-mortar stores. Geotargeting occurs when a customer walks near a store and their mobile device searches for a beacon. Physical stores implement physical beacons in the shop, and when a visitor is within the beacon range for three seconds, a marketing message is triggered. The store can then send personalized promotions to the mobile device.

Landing pages

The landing page must immediately give a strong value proposition that answers questions such as, “What’s being offered?” and “Why is it worth trying and buying?” After the potential customer has landed, good photos and videos will engage the visitor.

Video marketing builds a lot of trust and customers will remember 80% of what they see and only 20% of what they read. They want to see alternative angles and be able to zoom in on product images.
Custom videos also boost a retailer’s SEO and builds trust. It gives more information in less time. Shoppers greeted by a video stay two minutes longer, and most are more likely to buy something. Dollar Shave Club, for example, uses funny YouTube videos. Other good examples include Fiorly—which uses videos of master jewelers at work—Barbour’s Christmas site and Dannijo—cleverly showcased its products on Instagram.

The landing page will become even more personalized as retailers develop more customized landing pages that exactly suit a customer’s needs. They do this by recognizing an IP address from previous transactions—but I have to admit, I find this invasive.

**The UX**

Online retail sales will reach $370 billion in 2017, but brick-and-mortar stores are still dominant players. People still enjoy a physical store, and so Burberry replicated the look of their website in their stores. People enjoy the “hunt”—the pleasure of handling the real thing, and the freedom to try out a product or try on a garment. They see it as fun, and it’s often a way to meet with friends. A connection with the physical world gives enjoyment. It’s not as much fun or as friendly sitting at a computer.

“Etailers” are digitizing the storefront to assist site navigation through techniques such as “new arrivals” and “recently viewed” to help visitors. Lookbooks, which enable a visitor to assemble an outfit or furnish a room online or WiFi hotspots in shopping malls also make their navigation easier.

Retailer Jack Jones uses clustering, which provides suggestions for creating an outfit and Bonarium’s “try me” is a mix and match tool. House of Fraser has an excellent “true
fit” tool which ensures correct sizing. The home try-on program by Warby Parker will send five pairs of glasses to try on at home, and The Body Shop displays its best offer at the checkout page.

Making navigation easier are features such as reminders when you’ve missed a key piece of data, the lookbook idea to show choices on one page and “hover state”—which reveals explanatory text above an item. Furniture store Structube faces customers who need structural detail, and to do this, it provides a series of video episodes on the people who build the products. After video, the next step is virtual reality.

**Virtual reality**

Augmented reality technology gives customers a 3-D shopping experience by using equipment such as the Microsoft HoloLens, Sony SmartEyeglass and Oculus Rift. Memory mirror technologies let customers try on virtual outfits, and iPads in fitting rooms allow shoppers to ask for help, read reviews and see what sizes are in stock.

A smart dressing room senses the profile with a shopper’s phone and recognizes the items that were tried, purchased and left behind. Furniture companies can use this type of technology to display products in a shopper’s home. For example, The MACK furniture view room uses hovers to reveal product information. TryItOn enables people to virtually try out watches and sunglasses.

**Engagement**
Consumers enjoy using their creativity, especially in the apparel and accessory sector. Social co-creation is most commonly experienced in t-shirt design, and many companies are in the game.\textsuperscript{12}

Voice is also a game changer—allowing less text-based searching and more live-chat helps customers make decisions faster. Chatbot has become a digital disruption. Advances have made using the technology more like interacting with a good friend. U.K. retailer Currys has a microphone icon in its search box for voice-activated searches. The WeChat App has 700 million active users every month, and it allows them to hail a taxi, order takeout or buy movie tickets. More than 10 million businesses in China have WeChat accounts.\textsuperscript{12}

Online shoppers have said having their questions answered by a live person is important, and they trust a site more when they see positive and negative reviews. After an online shopper has made a purchase, they are likely to buy again. Many people like seeing products that are recommended, which is why Amazon shows previous shoppers their browsing history.

Consumer shopping behavior is becoming more complex with free movement between channels becoming more common. Ecommerce jargon has developed with practices such as research online, purchase online (ROPO); buy online, return in-store (BORIS); and browse in-store on mobile, buy online (BIMBO).\textsuperscript{15} This is creating a new set of challenges in areas such as inventory management.

Stock and order management optimization will pose a greater challenge with products stored in a wider variety of locations. Organizations must answer the question, “What is the optimum range size without draining resources?”
**The cart**

Over 70% of online shopping carts are abandoned because of shipping fees, website time-outs and payment options. Nobody likes signing up for an account so Ipsy, for example, removes the pain by turning it into a beauty quiz.\(^{14}\) TOOBYDOO customers checkout as guests, which saves them from having to think of a username and password, and Apple just ask for a zip code and you’re done.\(^ {15}\)

Shipping costs account for over 40% of abandoned carts, so follow-up emails after cart abandonment are often used to generate sales. Customers want to know the number of steps required for checkout, easy item removal, single-page checkout and the ability to print purchased content in a receipt.

**Drone and droid shipping**

Free shipping is the most important factor in online business, and everyone looks for the cheapest shipping available. Free delivery over a certain order value is the next-best option.\(^ {16}\)

Half of online retailers in the United Kingdom offer free deliveries as standard.\(^ {17}\) Amazon is offering two-day delivery, but you sometimes discover that the offer seems to change after you get into the transaction.

The current benchmark is same-day or next-day delivery. A “pickup in store” option is another method people like, based on their locations. Nearly all shoppers consider delivery tracking features as essential. One or two-hour delivery will become the norm by using drone and droid delivery.
Drone Delivery speeds up delivery, but government regulations must be established. It operates at distances of 10 to 15 miles and carries packages that weigh up to five pounds. Flirtey, which delivers medical supplies, had the first Federal Aviation Administration-approved doorstep delivery drone. Australia Post is testing drones and the United States and Europe have built airports specifically for drones. This will enable same-day or even same-hour shipping.¹⁸

Droid delivery has received less attention than drones. A droid has six wheels and travels on sidewalks at about four miles per hour. It weighs between 20 and 30 pounds, and transports about 20 pounds of goods in 30 minutes.

Here’s the cool stuff. It climbs stairs, has cameras to stream live video and a microphone for communication with customers. The attraction is that 30% of transportation costs are during the last mile, and it avoids traffic and parking.¹⁹

Data and security

Consumer data are being collected in huge amounts and organizations target users with upsells, promotions and cross-sells based on past purchases. But many people think hyper-targeted “perfect” products take the thrill out of shopping.²⁰

Metrics will be created around consumers by using data to build personal profiles of them, and individual consumer value will become the central metric.²¹ Canadian retailer Aldo Group, for example, melds in-store and online shopping experiences using Hybris, SAP’s ecommerce solution that can personalize a customer’s needs. Aldo used this system to integrate more than 100 applications, services and databases, allowing the retailer to process millions of events per day.²²
In the future, big data will be better used, and organizations will be built on micro decisions such as, “Who do I upgrade to next-day delivery?” and “To whom do I offer a promotion today?” At the same time, they must be careful not to annoy shoppers by creating experiences in which a product a customer viewed starts following them around for weeks.\textsuperscript{23}

Traditional analytics, and spotting trends or problems was a slow, time-intensive process. With these new analytic tools, problems will be identified in your sales funnel, enabling interaction with a customer before they abandon a shopping cart.\textsuperscript{24}

Site security is an increasing issue, and retailers are losing around $3.5 billion in one year as a result of online fraud. This creates the need for tracking every order, strong secure sockets layer (SSL) authentication, strong passwords and payment card industry (PCI) tests.

Looking ahead: The price race is beginning. Multidimensional social networking is here. People now buy from foreign online stores, and it’s essential to embrace the mobile revolution. Video-based marketing will explode, and marketing will be driven by big data.

(I’ve noticed repetition of references below e.g. 1,2,8 etc. Is this normal? – Peter)

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**Peter Merrill** is president of Quest Management Inc., an innovation consultancy based in Burlington, Ontario. Merrill is the author of several ASQ Quality Press books, including *Innovation Never Stops* (2015), *Do It Right the Second Time*, second edition (2009), and *Innovation Generation* (2008). He is a member of ASQ, previous chair of the ASQ Innovation Division and current chair of the ASQ Innovation Think Tank.
Want to start an online store? Finding the niche market is the key to your success, so choose wisely. These 4 steps will help you find your niche audience. In this post, I’m going to cover the 4 steps to finding a niche for your online store. And if you stick with me till the end, you’ll also get a free list of more than 100 ideas you can use in your brainstorming sessions! Niche marketing vs. selling everything to everyone. Innovating the Online Store. Looking ahead at ecommerce’s changing landscape by Peter Merrill. One of the greatest innovations of the last decade has been ecommerce. Physical stores implement physical beacons in the shop, and when a visitor is within the beacon range for three seconds, a marketing message is triggered. The store can then send personalized promotions to the mobile device. Landing pages. The landing page must immediately give a strong value proposition that answers questions such as, “What’s being offered?” and “Why is it worth trying and buying?” After the potential customer has landed, good photos and videos will engage the visitor. These stores, or brick-and-mortar establishments, can differentiate themselves by making shopping fun and effortless, and by deploying tools that enhance business intelligence and training across the physical storefront and stockroom. The Neon Sign Goes Mobile. MIT research shows that over 80 percent of in-store shoppers first visit online, and then in-person. Having some kind of online presence became important years ago, but customers are now becoming used to finding the information they want in whatever platform they are on at the moment. This means that users looking to shop will likely st