

Cross-selling in the Online Marketplace

Seven Steps for Leveraging Merchandising Techniques Online

Up-selling and cross-selling are all about increasing the value of an order. Up-selling is the technique of encouraging a consumer to select more expensive products or add upgrades to make the sale of the primary product more profitable: laptop with memory upgrade. It's cross-selling when complementary products are added to an order: alpine skis and a ski rack for the car. You'll recognize online merchandising by phrases such as, "people who bought this, bought that," or "you might also like," or "accessories."

Up-selling and cross-selling can add significant dollars to the bottom line and increase customer loyalty as the online merchant becomes a trusted advisor. It isn't enough to have a title and description. Everyone has that. Give your buyers (and the search engines) more information in the form of product attributes. Online merchandising really boils down to structuring accurate and relevant data, with product attribute details in the right "places."

Once the product data is structured, all kinds of opportunities open up for helping consumers find and select merchandise. Seven simple steps can move an idling web site into overdrive.

Step 1: Determine How Customers Search for Products

Take the time to understand how your specific target audience searches. Research competitive sites and how they present data to prospective buyers. This information is extremely valuable to you and can help in establishing product structure for your own site.

Knowing how others structure data (e.g. category labels and taxonomies) doesn't mean that your work is done. Establish a similar data structure to get going, add useful details about the product and then differentiate yourself by your company's brand personality: be sure to answer the question, "why should a shopper buy from me?" This isn't a trick question or simply a matter of presenting a "pretty face." Browsers become buyers when they have a clear-cut understanding of who you are and an obvious incentive to choose you.

Next, watch a few individuals in your target segment shop online. What do they click? How many searches are they making to find what they are looking for? Do they need to compare products such as dresses of different styles or colors? What are they searching for that they can't find?

Go beyond shoppers in your target demographic. Add a few individuals into the mix who know little about the products you offer and see how they go about making a purchase. This can provide valuable insight into ways to make a niche site more accessible to buyers outside the specialty. For example, if the site features high-end shoes for 'fashionistas' it may have a vocabulary unfamiliar to mere mortals. Your target consumers may know exactly what a 'kitten heel' is, but a family member making a holiday gift purchase may need to search using more generic terms such as 'stiletto heel' or 'high heel' or even a visual aid such as 'shop by silhouette'.

Let's face it: making your products accessible and understandable to all audiences from expert to novice can set your site apart from your competition.

By investing the time to learn how your targets search, shop and buy you will be better positioned to build a successful online presence. You will be able to set up mechanisms that help shoppers discover new products, consider similar ones and act on recommendations.

Step 2: Create Your Data Structure and Product Attributes

Now, it's time to set up the data structure and enter the data. Don't skimp on the investment at this point. It often makes sense to have a pro create the data structure, establish more detailed categories of information and then automate the data entry. Not ready for that? Assign a person from your team to own initial data entry or hire a good typist who will emphasize data quality and make sure that all product data is broken out into separate fields.

Many online retailers just get mired in running their business, but don't let that be an excuse for having all your data in a singular "description" field. Divide that long description into different fields when it makes sense: size, color, length, weight, compatible, etc. Put shipping details into the shipping field. Each data element is a powerful differentiator in the world of crawlers and indexing algorithms where each data element is identified as an individual "piece" of the pie.

As tedious as it may seem to break the data out into very detailed fields, this effort will pay off in the mid- and long-term, and is one of the most important investments you will ever make. Your data is the foundation and framing of your online "shop." With a firm foundation, you will be able to offer alternatives and extras, and present recommendations tailored to each potential buyer.

Step 3: Optimize Data Feeds for Up-Sells and Cross-Sells

All feeds and product listings are not created equal. Optimizing specific feeds and listings greatly improves the opportunity to up-sell and cross-sell, because you are better able to define those merchandising actions based on shopper behavior.

Let's look at a couple of examples. When you're driving traffic to your site via a Google base feed, the more finely grained data elements are identified, the more you can optimize your feed. This means not only more traffic to your site, but also higher quality traffic.

they do related searches. In fact, based on your items' relevance, users may find them in their results for searches on Google Product Search and Google web search. The main benefits of Google Base include:

- Free content hosting**
 Google Base represents a new opportunity to put any kind of content online, even if it isn't a web page.
- Distribution**
 By bringing offline content online, Google Base is more accessible and useful. Even online content becomes more 'discoverable' when users refine their search results based on attributes. You can also link users to your own website, thus making your content far more accessible.
- Ease of Use**
 Now you can go to one place to upload content to Google. You can post individual items by completing a simple web form or submit a data file with more items in standard formats such as [TSV](#), [RSS 1.0](#) and [RSS 2.0](#).

Best of all, Google Base is entirely free. And you're always in control; you can edit or archive your items whenever you want.

2. What are attributes?

Google Base lets you describe your items with detailed information called *attributes*, which will help searchers find your content more easily when they search for various Google properties.

Attributes are words or phrases that help describe the characteristics and qualities of your items. For any given *attribute* you may enter multiple values separated by commas.

For example: If you're describing a recipe you want to share, your *attributes* might include 'Theme: Breakfast', 'Main Ingredient: Eggs, Chicken', etc.

Figure 1: Explanation of Google Base

Again, building these feeds is not very sexy (see Figure 2). Think of it like training for a marathon—the hard work pays off in the end when you have a successful finish.

	A	B	C	D	E	F	G	H	I	J	K
1	expiration_date	brand	mpn	title	description	link	image_link	id	condition	upc	payment_a
2	12/30/2008	Ski-Doo	280000230	Ski-Doo Si	The "X Sys	http://www	http://www	2.8E+08	New	280000230	Visa,Mast
3	12/30/2008	Ski-Doo	280000232	Ski-Doo Si	The "X Sys	http://www	http://www	2.8E+08	New	280000232	Visa,Mast
4	12/30/2008	Ski-Doo	280000234	Ski-Doo Si	The "X Sys	http://www	http://www	2.8E+08	New	280000234	Visa,Mast
5	12/30/2008	Ski-Doo	280000235	Ski-Doo Si	The "X Sys	http://www	http://www	2.8E+08	New	280000235	Visa,Mast
6	12/30/2008	Ski-Doo	280000236	Ski-Doo Si	The "X Sys	http://www	http://www	2.8E+08	New	280000236	Visa,Mast
7	12/30/2008	Ski-Doo	280000238	Ski-Doo Si	The "X Sys	http://www	http://www	2.8E+08	New	280000238	Visa,Mast
8	12/30/2008	Ski-Doo	280000246	Ski-Doo Si	The "X Sys	http://www	http://www	2.8E+08	New	280000246	Visa,Mast
9	12/30/2008	Ski-Doo	280000249	Ski-Doo Si	The "X Sys	http://www	http://www	2.8E+08	New	280000249	Visa,Mast
10	12/30/2008	Ski-Doo	280000253	Ski-Doo Si	The "X Sys	http://www	http://www	2.8E+08	New	280000253	Visa,Mast

Figure 2: Sample Google base feed

Step 4: Create Accessory Relationships for Up-sells and Cross-sells

Are you listing to Amazon Seller Central? In the case of a marketplace, Amazon brings the traffic to you. Your products will have higher rankings if you are able to list with more item specifics. Although nobody knows the complete product ranking formula, in theory the more relevant data elements and keywords you establish, the better you rank.

Amazon Seller Central includes the concept of building accessory relationships, which are the basis of cross-selling. You establish accessory relationships as you structure your product data, and doing so requires you to understand how the products you sell are related to each other. For example, it is fairly straight-forward to understand that a cell phone has a set of accessories that may be cross-sold along with it, including extended life batteries, headsets and cases. You'll want to create fields in your product listing database that identify known relationships. You'll also want to leave a few fields as "placeholders" that may be filled with relationships you discover as you watch which products are actually purchased in a single transaction on your site.

Right from the Amazon Merchant On-Boarding page (<http://simply-amazon.com>) is a fantastic set of info including tips for optimizing the customer experience and understanding customer metrics. Take advantage of the free advice and apply it as appropriate to your merchandising.

Step 5: Create Category Landing Pages for Your Own Site

During data setup, you established category attributes for your products. Take advantage of them by creating a set of category landing pages, such as women's clothes, winter sporting goods, Valentine's Day specials or whatever is appropriate to your business. These pages should include pictures, text, subcategories and additional ways to shop, such as size, designer, color, and fabric. Establish the number of category landing pages that you can commit to maintaining with fresh content. These pages should be updated at least once a quarter, but preferably more often, so that you can continue to engage your repeat buyers.

Step 6: Analyze Performance

Merchandising requires an on-going investment in analytics with follow-on actions and fine tuning to take advantage of what you learn through research and analysis. Create a plan to look at your category taxonomy on a regular basis using Google Analytics or other tools. You may find that using the analytics built into your advanced search solution that shoppers are searching for "sofas," yet you only use the keyword couch. Or, perhaps they are searching regularly for products that are complementary to your primary product line which you really weren't planning on offering. This information helps you consider expanding your family of products. The beauty of regular analytics review is that you can always expand the product attributes, landing pages, presentation to meet the evolving search patterns of your customer base.

Once the data is structured, entered and analyzed, it is possible to execute effective up-selling and cross-selling merchandising. It is an on-going effort that should not be underestimated – tools can help you. Still, nothing beats the value of watching all shoppers and browsers habits as they visit your site. Understanding your customers and delivering excellent service is hard work, but it is the foundation of successful business growth.

Step 7: Seek out Efficiency in a Complex Multi-Marketplace World

Be sure to look for a software solution that not only allows you to establish accessory relationships, but also allows you the flexibility to add new relationships that you find as you analyze your sales. Be forward thinking about the efficiencies your growing business will require and look for software that allows you to structure your product data once, with all the attributes and relationships in a single location. The software solution should be flexible enough to allow you to utilize all the attributes and relationships a marketplace, feed or your own site can take advantage of, while also allowing you to ignore the attributes that are not supported by a specific marketplace or feed. This way, you manage your data one time, and optimize its use for each environment.

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