The Site Search Goldmine:

How Personalized Search Can Boost Engagement and Conversions

Site search is one of the most valuable elements of the online retail experience. It's also one of the most overlooked, particularly by the very retailers who employ it on their websites.

Instead of being seen as the best method for creating strong customer engagement and identifying high purchasing intent, it is often treated as little more than an afterthought.

When handled correctly, however, site search is a goldmine for any online retailer.

Site search is one of the best available tools for gathering details about an individual shopper. It's infrequent that a consumer is given the opportunity to express their intent or interest through something other than a click. Someone who uses a search field to locate a specific item is expressing both a high degree of interest and significant purchasing intent. Instead of passively clicking on promotional images or using site navigation, the customer is actively raising their hand and saying "I want x. Give it to me now."

By using the site's search function, the customer is indirectly communicating that they're seeking the fastest path to a specific product, rather than simply browsing in that product's general category. This is another strong indicator of buying intent.

Why has site search been given such a low priority in eCommerce? While other aspects of the digital retail business have been highly developed, site search technology hasn't evolved in years. Most sites use search software built around a utilitarian, dictionary-like lookup process.

Instead of treating site search as a dynamic method for engaging customers and marketing products, finding an item is often as cold and lifeless as looking up a book's shelf location and Dewey Decimal number at a public library terminal.

Compare this to when a customer enters a store, walks up to a sales associate, and says "I'm looking for sweaters." For the sales associate, that's the brightest moment of their day. The customer is leaning forward, expressing exactly what they are looking for, and it will be easy to capture that demand and steer it towards a sale. The more the sales associate learns about what that customer wants, the better the odds that a sale will happen.

Why does the average eCommerce site's search function fail to emulate this experience?

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The primary reason has largely been one of software development. Site search software projects have typically been massive, complex and expensive undertakings. Even when using an off-the-shelf solution, the costs can be significant. Every item must be added to a database, associations between related items must be created by keywords and categories, and new products must be constantly added. For larger sites, it's common for these systems to be multimillion dollar implementations.

Given the perceived costs and complexity involved, it's hardly surprising that once site search software is in place and operating, many retailers would rather just forget about it. Resources are rarely spent improving search tools, or on making them more user friendly and intuitive for customers. As a result, customers steadily decrease their use of these tools. Given that site search is one of the strongest indicators we have for what someone intends to purchase, this is bad news.

Digging Deeper and Finding Solutions

When a customer searches for an item, they're revealing an interest.

Let's take a look at a simple, phased approach for improving results. The most important change is one of perspective.

Site search can be more than creating an appropriate, automatically generated selection of results in response to a string of keywords. It's actually an opportunity to have a conversation with the customer.

When a customer searches for an item, they're revealing an interest. They're indicating a strong intent to buy a specific item, rather than a casual interest in browsing the

items currently showcased on your site's main pages. This creates an opportunity to market to them directly, in a one-on-one manner, that's specifically tailored around their interests.

Most site search tools don't capture customer data. They simply perform a dictionary-like lookup of the search term, sending customers to a keyword or category-generated results page. These systems aren't

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designed to take customer needs or interests into account, and have no mechanism in place for leveraging previous customer shopping behavior. There's very little data in play and the results will always be generic.

Consider what happens when a customer types in something as simple as "red shoes" into your site's search field. Most search software will display a 50/50 selection of men's and women's shoes, rendering half of the search results useless to the customer. Simply by having a new data point to weight the search results by, such as the likely gender of the customer, those results have become much more relevant. With the viewable area of a screen at a premium (especially in the case of smartphones), it's always better to show customers more of what they are a looking for, and less of what they aren't.

In a real-world retail experience, a sales associate can garner a tremendous amount of information about each customer they encounter. An associate approached by a person asking for red shoes would have several clues to guide their suggestions, simply by looking at the customer. That sales associate would know at a glance if the shopper was a young woman or older man, for instance, and

could easily point them in the right direction.

Interestingly, most of these same details can be inferred in an eCommerce setting by capturing and analyzing the information the shopper shares as they click on items they like. Both historical and real-time customer data inform this analysis, and an accurate picture of an individual customer can emerge after only a few moments. For example, when a customer searches for "red shoes" and the first thing they click on is a pair of designer wedges, it's fairly likely that they are female. The more actions that the customer takes on the site, the easier it is to confirm this inference.

This same method can be used to infer the customer's personal preferences on almost every level. As the customer spends more time on the site, particularly over multiple visits, their preferences become easier to observe. Regardless of whether an eCommerce store is selling shirts or hotel rooms, every item has dozens of attributes attached to it. Within a few clicks, you can start getting a good sense of people's tastes, whether it's for clothing brands or vacation locations.

Does the customer only book beach view rooms? The search results can now place a higher priority on that preference, and show less

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rooms overlooking the city. Does the customer generally buy polo shirts? Results can now be weighted to show more of those, and less t-shirts. If the customer favors specific colors, designers, price ranges, fabric blends or countless other variables, these can now be taken into account.

Not only are customers more likely to find the products they are searching for, but they're also being shown more of the items they're most likely to purchase.

By using these advanced personalization tools and machine-learning algorithms, site search becomes more than a method for looking up products. It becomes an intelligent, adaptive marketing tool, reaching customers on a one-to-one level and allowing merchants to maximize engagement. By showing customers more of the items they're most likely to buy, it becomes possible to directly influence and increase tricky metrics like conversion rates and average order values.

More importantly, intelligent site search makes for a far more intuitive and pleasant customer experience.

Unearthing Buried Benefits

Although the biggest benefit to dramatically improving your site's search functionality is increasing the relevance of the search results, there are other perks.

One of the biggest challenges faced by eCommerce companies is managing bounce rates. Bounce rates can be high for several reasons, but one of the biggest factors is user frustration and fatigue. The more difficult it is for a user to find the item they are looking for, the more likely it is that they will give up and leave the site.

By delivering personalized site search results, you can dramatically reduce this problem. Customers who see more of the items they are searching for tend to stay on the site longer and look at more products. They are less likely to leave the site, and more likely to buy while on the site.

The typical site-search experience is a dry, mechanical process.

Another layer to this is how the search results themselves are presented. The typical site-search experience is a dry, mechanical process. The customer types their query into a field, and generally sees nothing other than autocomplete suggestions until they hit the search button. From there, they are brought to a static category page or a pool of results generated from the keywords. Visually speaking, this process is extremely unengaging.

Imagine an alternative, where the customer not only sees autocomplete-like suggestions for the words they are typing, but actual product images and details for what they are searching for. The page fills in with suggested products as they type, creating an immediate, responsive feel. Because these results are driven by personalization algorithms, they automatically consist of items the customer most likely wants, making it almost seem like the site is reading their mind.

This completely changes the dynamic. Instead of seeming like a cold, mechanical database query, the search now seems more like a real-time conversation between a customer and a retailer.

Rethinking Search Metrics

With so little innovation in site search software, the value of search as a performance metric has faded.

One side effect of this is that eCommerce retailers often fail to notice the decline of an often-overlooked metric: Revenue per site search entry.

Revenue per search is rarely discussed, but it's a metric every online retailer should be watching. Many eCommerce businesses aren't even aware of this metric, making it very difficult to notice changes in customer search behavior. As Lord Kelvin noted, "If you can not measure it, you can not improve it."

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Although few analytics dashboards are set up to track revenue per search, setting up a baseline measurement isn't technically complex. It simply tracks every time a customer initiates a search on your site. If that customer's session results in a sale, the total revenue of the sale is divided by the total number of search entries. The result is the revenue per site search entry.

Every site will have a distinct revenue per search baseline, and these values will vary widely depending on the products and services offered. A luxury travel site with have a very different revenue per search than a site that sells custom t-shirts, for instance. As a result, this metric will only be relevant to the specific site it was generated by, rather than being suited to cross-industry comparisons in the way that conversion, bounce or engagement rates are.

Another important related measurement to track is search utility. This measurement reflects the percentage of overall site visitors who use site search to find products. A low search usage number is a strong indicator that the site is failing to deliver relevant results, and that customers are instead finding items through the site's "multiple-click and hope" navigation.

We recommend developing some benchmarks for search utility. If the percentage of search used by visitors is in the single digits, it is probably too low. Ideal search usage should be 15%-30%.

The final metric to pay close attention to is site search conversion rate. This measures the average conversion rate that's achieved during sessions in which search is utilized. When search is optimized as described in this white paper, site search conversion rates increase by roughly 15-25% (compared to pre-optimization levels).

If you can increase revenue per site search entry, site search utility, revenue per search, and conversion rate per search, you have the opportunity to dramatically grow your business.

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Refined Ore:
Real World Results

Retailers who bring shoppers closer to the items they are likely to purchase through personalized site search are rewarded with tangible results.

When consumers are accelerated steps forward in the buying process, their likelihood to purchase dramatically increases.

Among Reflektion clients, the percentage of visitors who use site search goes from nominal (about 6%) to substantial (27% on average) after search is optimized. Other positive consequences include higher conversion rates and improved engagement (as measured by time on site, more clicks, and fewer bounces).

Additionally, once search is improved and truly becomes one-to-one, we typically see an average of 3X revenue growth per search entry.

This all translates into more revenue across entire eCommerce sites. By giving site search the attention it deserves, retailers can create a distinct competitive advantage. Just as importantly, they can also achieve better engagement with their customers.

↑ 21% **Site Search Usage**

↑ 3X **Revenue Growth**