

Easy isn't optional

Customers demand frictionless cross-channel experiences, from search all the way to purchase

The explosion of eCommerce is wholly transforming the way retailers and consumers do business. One study found that online channels grew at more than seven times the rate of the retail sector as a whole in 2016.¹

But it's also not unusual for a customer's shopping journey to bridge multiple channels. Today, she might start by researching a product on the internet, then visit a brick-and-mortar store with a mobile phone or tablet in hand to evaluate the item, search for deals and make real-time price comparisons. Any points of friction she encounters on the way to making her purchase significantly increase the odds of taking her business to a merchant that makes the shopping experience easier.

"The best businesses today—and the ones that will succeed tomorrow—are the ones that are creating consistent, compelling customer experiences through seamless integration across all channels," says Michael Roberts, chief marketing and digital strategy officer at Bank of America Merchant Services.

Now that websites, made-for-mobile apps and social media have made shopping faster, easier and more convenient, two points along the purchasing journey are presenting as particularly critical: search and payment. Consumers are most motivated to buy when they search for an item on a retailer's website, so it's essential to deliver accurate, useful search results. Likewise, the payment process must also be fast and seamless or consumers will simply abandon their shopping carts—both in stores and online.

IMPROVING THE SEARCH EXPERIENCE

Many companies create unwanted friction in their online search functions. Failing to meet customer expectations in this area can be especially costly, since

shoppers who perform in-site searches end up buying from that business at twice the rate of visitors who don't use search.² For this reason, improving search capabilities presents a huge opportunity for growth and differentiation.

"If you haven't optimized the search experience from start to finish, you're missing out on higher conversion rates and greater customer loyalty," says Roberts.



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It's no surprise consumer search expectations have been shaped by Google. Google's universal and fluid search effectiveness lies in its ability to deliver personalized, relevant results that understand the searcher's context. By contrast, many retailers' site-search functions confuse, and ultimately frustrate, customers. For example, a search for "washer" might bring up both washing machines and dishwashers, while a search for "khakis" might deliver results for khaki-colored shirts as well as pants.

A recent study found that 70 percent of the top 50 retail websites were unable to return relevant search results for product synonyms.³ The same study found that

68%

of shoppers won't return to a site that doesn't provide a good customer experience.



34 percent don't return useful results when consumers search for a model number or misspell a single character in the product they're looking for.

Retailers need site-search technology that interprets consumers' needs and delivers relevant results. Such technology used to be prohibitively expensive or difficult to implement, but in recent years, relatively inexpensive cloud-based eCommerce search engines have emerged that can be added to merchants' websites and apps via an application programming interface. These tools are easy to customize and update, and deliver personalized, appropriate results that drive conversion rates and loyalty. Implementing smarter search technology can help retailers retain business that they're currently losing: A Forrester survey showed that 68 percent of shoppers won't return to a site that doesn't provide a good customer experience.⁴

Just as important, cloud-based systems allow merchants to create seamless search experiences across a variety of platforms. Consumers searching from their laptops at home will experience the same level of quality and convenience as shoppers performing mobile searches from a store. In an optimized system, the search interface will be intuitive and satisfying, and relevant results will be paired with personalized recommendations based on prior searches, user location and other data points. If consumers want to buy something, they can do it with the click of a button.

MAKING PAYMENT AN AFTERTHOUGHT

Payment, like search, is trending toward less friction and greater speed. Yet the

proliferation of new payment options can be difficult for both merchants and consumers to navigate. Mobile apps let consumers order a coffee—or a car—hours in advance, and make invisible, cashless payments on their mobile devices. Digital wallets let shoppers make purchases at a store or on mobile devices; contactless POS terminals make payment as easy as swiping a phone; and tokenization silently increases purchase security by substituting sensitive data with non-sensitive information.

"We're still in the early days of frictionless payment," says Gunter Pfau, chief executive officer of Stuzo, a digital product innovation firm. "A variety of different companies are jockeying for position, and it remains to be seen how it will all play out."

But the benefits for consumers are clear: more convenience and faster transactions. Companies benefit not only by remaining relevant and reducing swipe fees, but by creating a more personalized experience that increases customer loyalty and drives additional transactions.

"The forms of digital payment that will win out are the ones that provide the most value to customers," says Pfau.

As consumers grow more sophisticated and demanding, retailers must keep up with their evolving expectations. That starts with aligning the consumer experience across multiple channels—from the moment someone searches for a product to the moment they decide to buy it.

For more information on how Bank of America Merchant Services can help you optimize your business and customer experience, call your Bank of America Merchant Services business consultant or 855.833.3614. We're here to help.



¹ PwC's Strategy&, 2017 Retail Trends <https://www.strategyand.pwc.com/trend/2017-retail-trends>

² Smart Insights, "ECommerce Conversion Rates," April 25, 2016. <http://www.smartinsights.com/eCommerce/eCommerce-analytics/eCommerce-conversion-rates>

³ Baymard Institute, "ECommerce Search Usability: Report and Benchmark," 2014. <http://baymard.com/blog/eCommerce-search-report-and-benchmark>

⁴ Forrester, "Google-ize Your Site Search," October 2015.

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