



Q&A from Webinar "Behavioral Merchandising for Fashion Online Retailers" 24th of June 2009

- 1. I'm a multi channel retailer and my biggest problem is returns and wonder if it isn't possible that by using recommendations to push more products towards my customers, this will further increase my problems with returns?**

Answer: We are aware that returns are a big problem for fashion retailers. Recommendations do increase sales volumes. And the more you sell, the more products you get in return – if your return rate stays unchanged. But in fact, as you saw before when Sara demonstrated at the ellos sites, the use of explicit user contributed information with ratings and reviews can give shoppers more accurate product information which has proven to reduce return rates by significant amounts.

- 2. In terms of performance improvement, what can I expect using the Avail solution?**

Answer: The impact that you should be able to expect as an increase of conversion rates is up to 20% and average order value up to 10-15%. Those figures assume pretty extensive implementations on several interaction points. Most fashion retailers start to use Behavioral Merchandising on two to three interaction points. Typically the landing page, the search results page, the product page and perhaps the shopping cart page. And with two to three or four interaction points you should still see increases in total sales revenue of 10-12% to begin with.

- 3. Which are the best places to use recommendations on the site (I am a fashion retailer)?**

Answer: You can use them on virtually any interaction point that you have, we challenge you to come up with an interaction point that we could not support. But again the most common ones are the landing page for search traffic, the onsite search results page, the product page and the shopping cart page.

- 4. Will it be possible to control the setup so it does not show the most sold article which is also the most returned one...?**

Answer: Yes, of course. I can't comment whether or not the bestseller item would be the one with the greatest return rate. But certainly with a solution, like Avails, that has a control panel that allows your Merchandisers to exercise control, you should be able to limit the freedom of the automated Merchandising. For example adding a rule saying to the software – 'Recommend the best products in each situation but never recommend any of the top 20 or 30 bestselling items'.

- 4. I use Omniture for analytics and targeting. How is this different?**

Answer: These are two different modules of Omniture:

- Omniture analytics is a tool (similar to Google Analytics) that is used to track and create reports on your visitors and their behaviors, once it has occurred. Based on these reports, merchandisers can more intelligently configure a rules-based merchandising tool. In opposition, Avail Behavioral Merchandising is a tool that in-itself 'creates' rules on-the-fly for each individual visitor based on real-time behavioural data.

- Omniture targeting is a tool (similar to Google Website Optimizer) for automated testing of different designs of a website. Using a tool like this you can try different versions of design-elements of your sites in different

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combinations to understand which combination works best. It is not a real-time personalization or recommendation tool that can determine which product – out of your whole catalogue – should be shown to individual visitors.

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