EXECUTIVE SUMMARY:

RECOMMENDATIONS AND RATINGS & REVIEWS

Using Product Recommendations and Ratings and Reviews to Personalize the Customer Experience

BY DANIELA FORTE

Product recommendations and ratings and reviews are important parts of the personalizaed customer experience. Using these two tactics allows your customers to make smart purchase decisions and keeps them loyal to your brand.

Using ratings and reviews as a strategy helps leverage product recommendations to show high-rated products more often.

Kevin Metz, chief marketing officer for jewelry merchant Stuller, said you can use ratings to drive product recommendations when you use ratings as an attribute in the logic used to recommend specific products.

"One would have to evaluate the 'strength' of ratings in determining its role in recommending a product in a specific situation," said Metz.

Effectively Using Product Recommendations

Product recommendations are essential to the overall shopping experience. Consumers want merchandise selected based on their own shopping habits. Customers can find product recommendations in an email marketing campaign or on the product page of the website, among other places.

Chris Smith, vice president of ecommerce catalog and interactive at apparel retailer Jockey International, said product recommendations are primarily used off the

Stuller provides customers a "You May Also Like" option on its product pages.

Jockey International shows customers it's most liked positive review and its most liked negative review along with ratings below it.

product page and in triggered email campaigns for the shopping cart, browse and search abandons.

Smith said product recommendations are combined with personalization through its triggered campaigns; the company is in the midst of driving personalization throughout the entire experience.

Smith said product recommendations have increased the customer's time on site through certain segments.

"For example, a 'shopper' who does not quite know what they are looking for will have longer sessions due to both recommendations and reviews," said Smith. "A 'laser' or replenishment buyer is getting a streamlined, reduced-friction path."
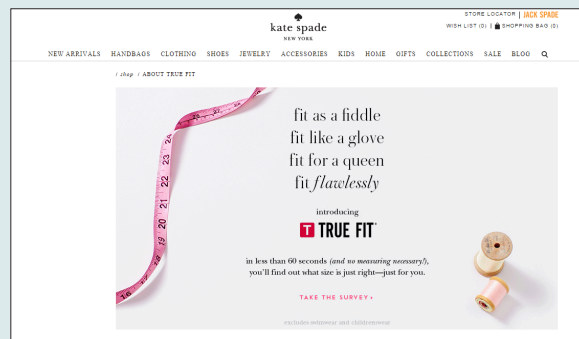
Ian MacDonald, director of ecommerce at Silver Star Brands, said that in addition to displaying product recommendations on the product detail page, his multi-title company also displays them on almost every page on its websites.

Silver Star Brands Director of Ecommerce Ian MacDonald said ratings are the stars and reviews are the text. The ratings give customers a quick answer and allow them to sort by top rated.

True Fit Personalizes Online Fit Recommendations on katespade.com

kate spade new york and True Fit, a fit personalization service, announced a partnership to provide personalized fit and size recommendations for kate spade new york branded apparel and footwear on katespade.com. True Fit's technology, powered by a global platform of fit data and consumer feedback from millions of consumers and the technical design details from the world's top apparel and footwear brands, enables kate spade new york customers to shop the brand's flagship site with increased confidence about fit. The site will also feature True Fit's new shoe user experience that delivers accurate fit ratings and size recommendations to consumers while also communicating the nuance of each shoe style.

True Fit partners with more than 2,000 brands and leading retailers to create the world's largest collection of apparel, footwear and consumer fit data. Offering a simple user experience, the True Fit technology applies this data to offer consumers accurate fit advice that is based on both technical design specs as well as consumer feedback about fit.

"We view the kate spade new york ecommerce site as our ultimate global flagship and we are always refining our approach to offer the best customer experience," said Mary Beech, executive vice president and chief marketing officer of Kate Spade & Company. "Incorporating True Fit's technology allows us to enhance and personalize our customer's online shopping experience."

"Since its inception, the kate spade new york brand has defined what it means to be fresh and innovative, without faltering on what it means to be customer-centric," said Jessica Murphy, True Fit co-founder. "True Fit is thrilled to offer katespade.com shoppers a unique experience that motivates discovery, increases confidence and builds on exceptional growth at each and every consumer touch point."

"Off the product page, we display recommendations in emails and in our retargeting banner ads," said MacDonald.

What is More Important? Ratings or Reviews?

Today, both ratings and reviews play an active role for a retailer. For many retailers it isn't a question, but rather a must-have. The question however, remains, which is more important?

MacDonald said ratings are the stars and reviews are the text. So they are displayed together. The ratings give customers a quick answer and allow them to sort by top rated.

Metz said reviews are a little more important. While ratings offer a quick reference for the customer, it's the content of the review that best assists a consumer in making a potential purchase decision.

For SEO purposes, the content provided by each review is added to the page for the item being reviewed, which is ultimately crawled by search engines.

According to the MCM Outlook 2015, ratings and reviews ranked highest (64.8%) as the type of user generated con-

International Military Antiques Sees Product Recommendations Success

International Military Antiques, a military collectables company, saw a 47.8% increase in revenue when it ramped up product recommendations on its website.

The company worked with Listrak to implement its product recommendation engine. Its onsite recommendations generated 22% of ecommerce revenue and produced year-over-year increases in 2014. In addition, the average order value on the website saw an increase of 18.5% and transactions rose 19.6% in 2014.

There was also 1% increase in conversion rates on the site, a 2% increase in conversions on the product page and a 17% increase in conversions on the shopping cart pages.

Alex Cranmer, vice president of International Military Antiques, said that installing the product recommendation engine on the website was an incredible time saver. "On site, each time we wanted to show items, we had to manually input that information; we don't have to do that anymore at all," Cranmer said.

Cranmer said the company plans to offer a free shipping promotion for items over $100, and embed within the recommendation engine a threshold shipping calculator. "It will show items that are all above a certain amount that is also related," he said.

For email campaigns, Cranmer said the company was able to implement product recommendations in abandoned cart and thank-you campaigns.

"We show them products that are related or inspired by what they already purchased," he said. "All of those things we were doing manually now run themselves."

Cranmer said he used to manually input 20 product images into the International Military Antiques newsletter, taking him hours to complete. Now he just needs to list the SKUS he wants to include and it populates itself.

"For an ecommerce experience, product recommendations are mandatory at this point," Cranmer said. "If you are not doing it, you are just losing money."

Cranmer said product recommendations are important for International Military Antiques because it isn't a typical retailer like a home goods and kitchen appliances company.

"A customer may come for a World War II helmet and see a World War I aviator wing set," said Cranmer. "For us, product recommendations are (awkward… maybe delete "it's" entirely and just say "product recommendations are" without brackets.) very important because many of our items are of interest to our customers even though they are not necessarily in the same category."
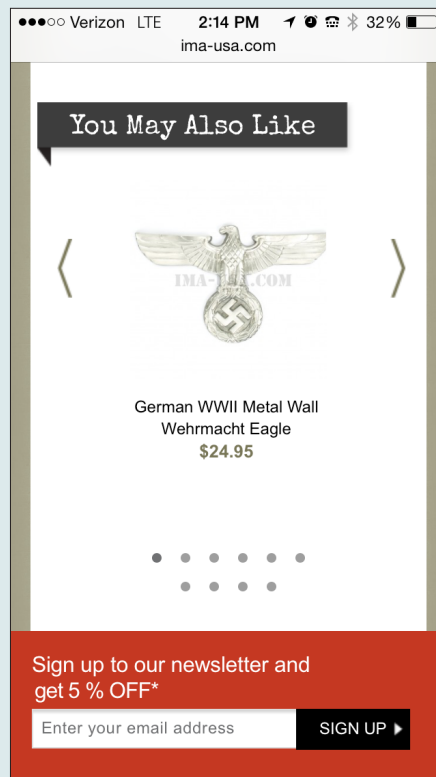
International Military Antiques has a "You May Also Like" on its product pages.

tent on a retailer's website. However, in the next 12 months, only 18% of retailers said they would be incorporating ratings and reviews onto their website.

"Ratings aim to improve the customer experience by providing an easy-to-read ranking of an item," said MacDonald.

MacDonald also said reviews are a big help to SEO. When customers write reviews, they are creating unique content for your website.

"No two reviews are the same, it helps describe the product in terms [which] your copy editor may not have thought of," said MacDonald.

MacDonald said reviews are definitely a useful tool when comparing items. He said this happens even before the customer is on their website.

"Google displays product reviews in product listings ads and organic search results, allowing customers to compare reviews across multiple retailers before visiting any of the retailers," said MacDonald.

How to Respond to a Bad Review

Not every review on your website will be a good one. In many cases, customers will leave negative reviews, but what is important is how to effectively respond to a bad review.

Smith said they have customer care software that allows the care representative to dive into the issue with the consumer and they are empowered to surprise and delight the consumer.

"Some of our most frequent contacts have been around product discontinuations and we have had a fairly good track record of matching the consumer to a new product and even more impressively have brought some 'retired' products back if there is enough demand," said Smith.

Metz said in the contact center, agents are trained to respond appropriately and ask necessary follow-up questions to provide insight to the right internal parties.

"We do reach out in those instances where a bad review was specifically related to a service or if there was a safety

concern," said Metz, who added they use outbound email and/or a phone call to respond to customers.

Ratings and reviews not only provide credibility for your business, but make the purchase decision an easier one for your customer.

Debra Ellis, founder of Wilson & Ellis Consulting who co-lead a session at Operations Summit 2015, asked attendees, "Who is telling your story?" She said in a world that is so interactive and so connected, someone is telling your story.

"If you're not the one telling your story, someone else is. If you are not responding to the story they've told, then they're telling it and telling it inaccurately," said Ellis.

According to Ellis, 72% of consumers said in 2012 that they trusted online ratings of strangers as much as those from someone they knew; in 2014, that figure had increased to 88%.

"Part of the reason for this increase is the companies that are doing it well," said Ellis. "Amazon and some catalogers and direct marketers are policing the reviews and they're downgrading the ones that are duplicate, inaccurate or not from buyers."

Ellis said happy customers may leave positive reviews, but unhappy customers will leave negative reviews everywhere they can, aggressively searching for places to post them, even if it is inappropriate.

Ellis said ratings are playing an increasingly larger role with SEO, adding that people need validation when there are so many choices online. She also said they allow customers to differentiate similar products and decrease return rates because they've been educated, know what they want and what they're buying.

"The bottom line is you want your customer to trust you and have an open line of communication to you," said Ellis. "If they know they can post anything about your company, positive or negative, and that you will be responsive to them, they are more inclined to trust you and you'll have a better relationship with them."

Ellis said if you handle customers with respect while keeping communication lines open, the relationship will improve naturally.

"The trick to negative reviews is to turn them into a positive," said Ellis. "One of the best benefits is constructive criticism, which gives you an opportunity to take that information and improve your business."

Ellis said it is important to know your customers better than anyone else and why they are coming to you. "You have to know if they're on Facebook, Twitter, Instagram or Pinterest, and if they're leaving reviews on Yelp," she said. In addition to knowing what social channels they're using and where they're leaving reviews, brands should know what their online triggers are.

Most customers don't want over-the-top service unless you have really high-end products, Ellis said. They just want to be able to get what they want, when they want it and at the right price point and quality level.

Ellis also pointed out that not knowing how customers are being disappointed is a handicap in terms of creating a great customer experience.

"If you don't know what their experience is, you have to keep working until you do," said Ellis. "You need to be responsive, answering emails and reviews in 24 hours or less, and you want to provide them with solutions."

Also key is responding quickly and accurately, reporting fraudulent reviews to
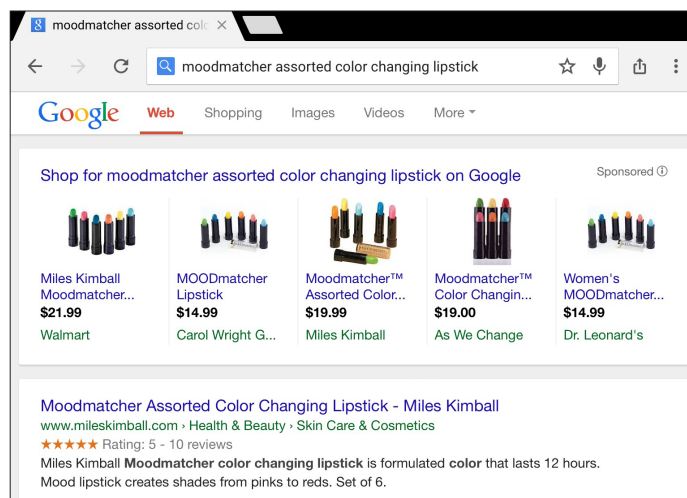
"Google displays product reviews in product listings ads and organic search results, allowing customers to compare reviews across multiple retailers before visiting any of the retailers."

site managers and having an active digital presence.

What is a good way to get more positive reviews? Ask customers for them, Ellis advised. The best places to post them are on your homepage where appropriate, alongside your best-selling items and on your search page.

Using Reviews for Future Merchandising

Using your reviews for future merchandising is a great way to test and understand which products are doing well for a retailer.

Smith said Jockey uses reviews in a variety of ways. For example, the company removed the product from the site that consumers felt did not live up to the brand promise.

"We also have modified existing products based on consumer feedback," said Smith. "Reviews are a very important part of our product test-and-learn process prior to wide launches."

Smith added that reviews have built a business case for some "retired" items to make it back in the assortment.

"This connection between the consumer and our products is one of the most important assets," said Smith. ■