Harness The Power Of Communities To Improve The Online Commerce Experience
Introduction

Online shoppers have access to vast information resources across the Web. Yet companies struggle to capture and maintain customers’ attention throughout the purchase life cycle. Online communities provide a useful source of product information for customers. But brands have not yet found the best way to harness the value that community content can bring to their commerce offerings. This challenge results in significant customer dropout and lost revenue opportunities.

In January 2016, SAP commissioned Forrester to explore how commerce executives are embracing different community and social media solutions to optimize and connect the phases of their customers’ online purchasing life cycle. Forrester used existing data and a custom survey to explore this topic.

Custom survey of 170 companies from the US, the UK, Germany, India, and China

- 100% Business decision-makers involved with eCommerce and online interactions
- 32% Managers
- 20% Directors
- 21% VP
- 27% C-level

Company Size
- 39% 500 to 999 employees
- 30% 1,000 to 4,999 employees
- 31% 5,000 or more employees
Online Shoppers Drop Out If They Can’t Find High-Value Product Information

Online shoppers often explore product information, Q&A discussions, and expert advice from brand or retailer community or social sites. They are looking for detailed product and usage information from people who have actually used the product. It’s content that is relevant to their needs during their consideration and purchase process. Thus, when they can’t find it or connect with the product to buy, they drop out.
Brands Struggle To Connect Customers With Content

Brands have begun to embrace the value of community-generated content over the past few years. And user-generated ratings and reviews are table stakes for online commerce sites today, as customers have come to expect them. But brands’ sales-focused community programs are still in relatively early phases. In fact, these programs face critical mass core challenges like lack of user-generated content and lack of direct access to the brand. Marrying a clear strategic focus with the right tools will smooth the path for brands to execute on the opportunity that community-generated content can bring to stem the tide of shopper dropout.

To what challenges do you attribute the current level of customer dropout [during the online customer life cycle]?

- Lack of technology to track between life-cycle phases: 39%
- Lack of opportunity for customers to engage directly with brand: 36%
- Lack of clear marketing strategy to guide customers: 36%
- Lack of product info and user-generated content to explore: 35%

Base: 170 business decision-makers involved with eCommerce and online interactions
Source: A commissioned study conducted by Forrester Consulting on behalf of SAP, January 2016

Only 28% of respondents strongly believe they are fully harnessing the sales potential of branded social/community sites.
Brands Put Customer Experience At The Center Of Their Strategy To Win, Serve, and Retain Customers

Core to the digitally connected, multitasking life customers now lead is connecting with their peers and fulfilling their needs. Brands know it. And brands know that they struggle to help their customers connect with great content. In order to win, serve, and retain these on-the-move customers, brands are focusing on improving customer experience. Making the online experience materially better will be critical to this initiative. So, brands will be making efforts to up their game when it comes to their social and mobile offerings. This will allow customers to more easily do what they want to do already — connect with their peers and find content they need — via their branded site.

Which of the following initiatives are likely to be your organization’s top business priorities over the next 12 months? (% identified as critical or high priority)

- Improve the experience of our customers: 71%
- Increase influence and brand reach in the market: 53%
- Create strategy for addressing technologies like mobile and social: 48%

Base: 11,021 respondents
Source: Business Technographics Global Priorities And Journey Survey, 2015, Forrester Research, Inc.

What actions is your firm taking to improve the experience of your customers?

54%
Improving online customer experience

Base: 3,293 respondents
Source: Business Technographics Global Priorities And Journey Survey, 2015, Forrester Research, Inc.
Brands Will Collect Better Content And Help Customers Find It When They Need It

The more information customers have available to them about a product, the better chance they have of finding the information they need to make a purchase decision. Online shoppers have cited good search capabilities as one of the most useful tools as they shop online. Our survey found that 70% of businesses agree that customers who read user-generated content are more likely to purchase those products, and 75% agree that customers who read user-generated content will have greater post-purchase satisfaction. Because of this, 92% of companies surveyed want to enhance search capabilities of product-related social content or have already done so.

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Please rate to what degree you agree or disagree with the following statements. (Strongly agree or agree)

- Customers who read the user-generated content are more likely to purchase those products: 70%
- Customers who read the user-generated content will have greater satisfaction when using those products: 75%

Base: 170 business decision-makers involved with commerce and online interactions
Source: A commissioned study conducted by Forrester Consulting on behalf of SAP, January 2016
Connect Community And Commerce To Enable Easier Purchase Opportunities

Brands recognize that simply having a branded social or community website is not sufficient to drive online purchases. They need to enrich online capabilities to connect shoppers with community content richness, immediately, while they are in the purchase process. The better customers are able to link to, engage with, and navigate through valuable product-related content, the better online experience they’ll have, and the more likely they will be to find the content they need to drive a purchase decision.

Which of the following capabilities of your branded eCommerce/community/social sites do you feel are most impactful in driving customers to make purchases?

<table>
<thead>
<tr>
<th>Capability</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Have branded buy button to link community to product pages</td>
<td>50%</td>
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<tr>
<td>Ask questions to others (experts or peers)</td>
<td>49%</td>
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<tr>
<td>View multiple sources of community content on the product pages</td>
<td>47%</td>
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<tr>
<td>Integrate community content with product detail pages</td>
<td>47%</td>
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<tr>
<td>Tag specific products within discussion pages</td>
<td>42%</td>
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</tbody>
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Base: 170 business decision-makers involved with commerce and online interactions
Source: A commissioned study conducted by Forrester Consulting on behalf of SAP, January 2016
Conclusion

Online communities are a good resource for customers to learn about products they want to buy. However, despite their value, there is still opportunity to make better use of these tools to drive customer purchases. Brands can expect to reduce customer dropout from the purchase process if they better connect customers with the rich content that online communities can provide and offer a clear path to purchase across all steps of the journey. Together, these initiatives can foster positive online customer experiences, which will ultimately lead to better customer experiences overall.

METHODOLOGY

› This Technology Adoption Profile was commissioned by SAP.
› To create this profile, Forrester leveraged its Business Technographics® Global Priorities And Journey Survey, 2015. Forrester Consulting supplemented this data with custom survey questions asked of global eCommerce and online interaction decision-makers.
› The auxiliary custom was completed in January 2016. For more information on Forrester’s data panel and Tech Industry Consulting services, visit forrester.com.