



B2B Marketers Integrate Precision Search to Boost Profitability and Increase Satisfaction Across the eCommerce Value Chain

By Dr. Larry R. Harris, Founder and Chairman, EasyAsk, a division of Progress Software

Web: www.easyask.com

Email: lharris@easyask.com

Dr. Larry R. Harris is EasyAsks chief scientist and technical visionary and is internationally recognized as an expert on database systems and computerized natural language. He founded EasyAsk as Linguistic Technology Corporation (LTC) in 1994, and is the author of its EasyAsk and English Wizard products. Prior to founding LTC, Harris was the founder of Artificial Intelligence Corporation (AICorp), which went public in 1990. Harris early research involved a unique language analysis technique that became the foundation of Intellect, AICorp's mainframe natural language solution, which has the distinction of being the first third-party software ever sold by IBM. Prior to AICorp, Harris was a Professor of Computer Science at Dartmouth College and a visiting professor at MIT. Harris, who received a PhD in Computer Science from Cornell University, is also the author of the Bantam book, AI Enters the Marketplace.

Abstract

This article will describe the central role that site search and navigation plays in B2B eCommerce, as well as the defining characteristics of a successful search implementation from both a technical and marketing perspective. This article will also outline how integrating precision search into an existing eCommerce infrastructure can result in higher productivity, streamlined processes, increased conversion rates, greater commercial buyer and partner satisfaction, and higher profits per transaction.

International Data Corporation (IDC) forecasts that worldwide business-to-business (B2B) eCommerce transactions will surpass \$1 trillion by 2008, a compound annual growth rate (CAGR) of 52 percent. Helping to drive this growth are improvements in synchronized site search and navigation technology. B2B vendors are learning that they must improve how their sites facilitate the evolving procurement, segmentation and communications functions - or buyers will go elsewhere. As a result, B2B marketers no longer rely on standard-issue site search and instead are turning to smarter, fully integrated technologies in order to present buyers with more complete product information and offer sellers new ways to profit from online transactions.

When it comes to selling commercial products and services online, distributors, manufacturers, wholesalers and suppliers have the same objectives:

- Produce higher profits per transaction while lowering the costs to process orders;

Streamline processes and easily maintain online product catalogs without investing in additional employee and IT resources;

- Improve commercial buyer and partner satisfaction; and
- Create a competitive differentiator to attract new customers, secure existing accounts and win back others.

B2B eCommerce sites must be designed with all types of users in mind, whether technical or non-technical, first-time visitors or repeat clients. The integration of precision search into existing eCommerce infrastructures and B2B applications (proprietary and third party) is playing a central role in this setting.

Through the use of precision search, B2B vendors have been able to overcome challenges inherent in eCommerce sites in order to:

- Simplify and enable users to find the products they seek
- Promote 'best sellers' and high margin products
- Increase conversion rates and average order sizes
- Leverage reports on customer activity and patterns through built-in analytics, resulting in an improved online experience
- Build customer loyalty

In-depth Analytics and Intelligence Deliver a Customized Purchasing Experience

Today B2B vendors are using proven site search and navigation solutions to turn raw data into business intelligence. Through search-based analytics and reporting capabilities administrators can track user activity and identify search patterns and buying trends. The analysis of real-time data provides insight into the site's performance and direction on possible improvements. It also allows B2B sites to more closely track business transactions and sales of particular products, allowing vendors to make better overall financial management decisions.

Advanced search technology allows B2B vendors to offer customers a more intelligent purchasing experience through rules that cover individual profiles, product scenarios and business goals. Commercial customers can search and receive targeted pricing, promotions and product information based on individual business rules and restrictions, purchase history or specific supplier agreements.

Support for Multiple Search Techniques

In addition, customers can start with a simple search and then narrow results by clicking on a specific product attribute such as color, price, size or designer. As the query is refined, the attributes and subcategories (height, collar, etc.) displayed dynamically change to reflect those relevant for the current set of results. Experience has shown that this approach, also known as parametric search, yields much higher search precision and recall than traditional text matching.

Through these powerful tools, B2B marketers can control when, where and how promotions appear to visitors as they move through the Web site, making it easy to optimize product and information placement based on defined user-activity criteria. This allows business customers to identify and save preferences according to product attributes, making future visits more efficient and the B2B vendor appear more receptive to customer needs.

Demands on Search Technology

Being able to produce solid metrics tied to revenue gains can validate the board-level case for any technology purchase decision. Nevertheless B2B vendors hesitate, wondering where and how to focus their attention and invest their marketing dollars. Too often, site search is treated as a mundane piece of plumbing, inherently less appealing than a new marketing campaign or a brand overhaul.

More than ever, a robust Web site is a strategic linchpin to a B2B vendor's success. Powerful

search capabilities should not only facilitate speedy navigation throughout the site, but also present relevant, heterogeneous product data at each decision point throughout the navigation process. Along with relational databases and HTTP networks, search is a cornerstone technology, and the choice of which technology to employ ultimately determines a site's usability and success.

A commercial site's technical staff performs a balancing act every day, juggling the pressure for new features and faster reporting against the need to maintain back-end stability and performance. Because customers ultimately manage to find items on the site and probably don't grumble too loudly, there's an understandable skepticism about the need for superior search. We often hear:

- Search is search ' how much better can another tool be?
- We just got the new product database on its feet; it would be a nightmare to integrate.
- I don't have extra staff for administration, let alone for re-categorizing everything.
- We're growing! Why do we need search?

When evaluating new search tools, it is important to remember that not all search technology was created equally. The technology under consideration should provide a complete range of search and information retrieval capabilities required for eCommerce success, including fast access to structured and unstructured data sources, built-in analytics and reports to track user activity and identify search patterns and buying trends, and centralized administration and maintenance.

How does investing in online search further accelerate revenue opportunities, increase sales and customer loyalty? If you can empower your customers to quickly locate the information they need to make purchasing decisions and dynamically navigate related products of interest, you are enriching your business with a true competitive differentiator. For the person who makes key technology-adoption decisions, search technology must:

- Integrate seamlessly with current web server, application server, operating system and database architecture, however heterogeneous. It should also have well-tested APIs that link to catalog databases, graphics storage and pricing engines
- Install rapidly. The software should be configured and operational in a matter of weeks ' not months ' and ongoing, centralized administrative overhead should be a fractional full-time employee. Downtime is obviously not an option.
- Build its own product metadata from both structured data and unstructured content and have the ability to absorb customer-specific business rules. It should also be able to index new products automatically as they arrive in the catalog.
- Deliver almost instantaneous responses to thousands of users. In addition to accuracy and relevancy, perceived speed is an essential component of site satisfaction and usability.

The next generation of search and navigation solutions are engineered using open standards that ensure integration with heterogeneous IT environments, including J2EE-compatible application and commerce servers, as well as existing portal infrastructures. Because minimal customization is required, B2B organizations can begin to see returns on their investment within weeks of implementation. In addition, advanced technology platforms scale to deliver up to sub-second search and information access to many thousands of end users.

Search Characteristics for Intelligent Customer Interaction

B2B marketers are realizing the danger of taking search for granted or leaving the decision in the hands of a Webmaster. Superior search can spell the difference between satisfied and frustrated customers, between visitor conversion and site abandonment, between optimized and shotgun product offers, and between an intelligent customer interaction.

At the deepest level, search is integral to site usability, powerfully leverages spending on customer acquisition and product/brand promotion, and is the ideal customer interaction channel where merchandising and marketing meet. Ultimately, it's the payoff that fulfills the promise. But what characterizes a world-class search solution? It must:

- Support the varied ways people look for information ' from keyword search and guided navigation to natural language ad hoc querying ' with identical results, and link disparate but related content repositories within a single *distributed* search. The site must also reflect B2B's extended purchase cycle by recalling user-specific searches.
- Pay for itself through larger average order size, reduced cost per sale, higher customer conversion and retention rates, automated business-rule execution, and increased cross-selling and up-selling.
- Enable customized merchandising and marketing ' synchronizing visuals, specs, and promotions with search results and navigation ' so that B2B vendors can proactively help customers find the right items and leverage their purchase history.
- Generate profit-seeking metrics that uncover usage patterns and preferences, analyze promotion response, and help refine a mix of products, services and special offers.
- Leverage and enable changes in how a B2B vendor presents its products.

B2B marketers should evaluate search solutions by their ability to incorporate business rules on a customer-by-customer basis, deliver insightful metrics, enhance promotional campaigns with relevant merchandising, and reflect the way your best salespeople and customer-service representatives treat your best customers.

Driving B2B eCommerce Profitability

In summary, the heart of B2B eCommerce has changed little over the years: sellers are trying to close deals and build relationships with buyers, who often have a range of needs, motivations and knowledge. In this age of online commerce, buyers have come to expect a personalized shopping experience from B2B providers, and incorporating advanced search technology enables the following customization:

- A site that welcomes and recognizes a previous buyer's purchase-order history, negotiated discounts, credit authorizations and shipping requirements
- Ability to save valuable time by searching by product number, product attributes or a specific category
- Enable intuitive navigation to similar products, should the original product not be available

The salesperson's role has shifted from simply providing product information and taking orders to being responsible for more consultative solutions and market development. In addition, unwieldy, often outdated catalogs are giving way to real-time inventory databases and business buyers are rationalizing and consolidating their supply chains.

In short, in order to increase sales, expand the available market and reduce costs, the B2B sales process has moved online, and therein lays huge opportunity for competitive advantage among companies who capitalize on the technology available to help them meet these goals. The addition of more powerful search technology allows sellers to rely less on expensive call centers and inside sales, capitalize on relevant and well-timed product recommendations, and gain more useful insight into customer search and purchase patterns. When executed properly, this leads to a richer user experience that drives online conversion rates, increases satisfaction and ensures customer loyalty.