

The Findability Solution

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Do You Have a Findability Problem?

Is your company losing millions of dollars every year to findability problems on your web site? Many are, often without fully realizing the true costs of these failings. The shift from brick-and-mortar stores to online commerce suggests that consumers should be better able to find precisely what they need. But the exponential growth of information available online may in fact make it more difficult for customers to find what they are looking for. In the last months of 2013, over 600 million search queries were carried out per day,¹ and the number continues to grow 3-4% annually. And you can count on it: customers fail to find what they are looking for—including your company. It's a big problem, and it will only get bigger as competition increases. So how will you solve the findability problem for your company?

What is Findability?

Findability is the quality of a piece of information to be conveniently and intuitively “within reach” on the web when needed. Remember the old adage, “Can’t see the forest for the trees?” The web today is a thick forest, and consumers must navigate the forest of information to find exactly the tree they want. Too many trees, or no clear path through those trees, and consumers get lost in the forest. Improving findability is the key to solving this problem. And in the hypercompetitive world of online commerce, ensuring that your findability is better than your competitors’ can be the difference between success and failure. First consider the two distinct hurdles to consumers finding exactly what they want on your site: external findability and on-site findability.

EXTERNAL FINDABILITY

External findability is the domain of branding and search engine optimization tactics. It usually involves two steps: (1) building initial brand awareness and then (2) ensuring accessibility from external search. Consider the external findability for a physical store. Factors such as brand awareness and real estate location will drive findability. Customers must want to look for the store and be then able to find it, but they should also be able stumble upon it unexpectedly and shop there because of convenience. On the internet, this correlates to marketing through various channels in order to raise brand awareness and direct consumers’ attention before they even start looking, followed by tactics to ensure that company products or offerings will appear near the top of search results.

External findability, however, can be difficult to influence—particularly in consumer products—because of the significant investments needed to build awareness among customers and ensure that a company’s products are “found” in search results. Companies like Apple or Toyota, with brands already worth billions of dollars, can continue to invest billions more in building those brands.² Smaller companies can still compete, but it may take a focused or niche strategy.

ON-SITE FINDABILITY

On-site findability is concerned with the ability of a potential customer to find what they are looking for within a specific site. Once a customer is on a company’s website, the company has far greater control over the experience and is more likely to convert the visit into a sale. This is the realm of site structure, information architecture, graphic design, content creation, and on-site search tools. Investing and spending the time to get these right will ensure the customer finds what they are looking for and completes the sale.

EXECUTIVE SUMMARY

- Findability is the quality of a piece of information to be intuitively “within reach”
- Findability has two components: external and on-site
- The cost of findability problems can be understood by finding the ROI of findability
- Firms can address findability problems by employing industry best-practice strategies to achieve parity with competitors
- However, firms should also create competitive advantage by partnering with firms that specialize in findability to increase the ROI of investments in findability

Findability ROI and the Opportunity Cost of Findability Failures

One approach to thinking about the strategic implications of findability for your company—what a findability problem might be costing you—is to consider the return on investment from your efforts. This can be visualized by Figure 1 on the right: every dollar spent to enhance findability delivers paying customers, who in turn generate revenue to offset that investment in findability. Companies can achieve significant returns by investing in external findability and improving aspects such as traditional marketing, targeted online advertising, paid search, and other customer acquisition strategies. These will increase the number of customers who arrive at your site.

EXTERNAL FINDABILITY ROI

But this can be an expensive proposition. Recent pay per click rates averaged \$1.65 in online retail, and were as high as \$3.68 in health care.³ Such paid search campaigns *can* lead to significant increases in revenue and profitability, especially in early stages. A case such as this is reflected in a company moving from point A to point B in Figure 1. Not spending the money required to enhance external findability can result in the high opportunity cost of a missed sales.

Over time, however, with diminishing marginal returns, the same additional investment may deliver smaller returns. To illustrate this, the revenue increase from point B to point C in Figure 1 is significantly smaller. This problem of diminishing returns suggest the need for a broad and balanced strategy to enhance findability both externally and on your site. Even if your company can successfully get potential customers to your site, you haven't succeeded until you close the sale. Companies with a high bounce rate (customers navigating away immediately after arriving) are wasting the dollars spent on external findability. Assuming a company gets one hundred thousand paid clicks per quarter (at a total cost of \$165,000), if 34% of customers bounce—an average rate for online retail sites⁴—the company will have wasted just over \$56,000 *per quarter* on paid advertising. Even more important is the opportunity cost of lost potential revenue.

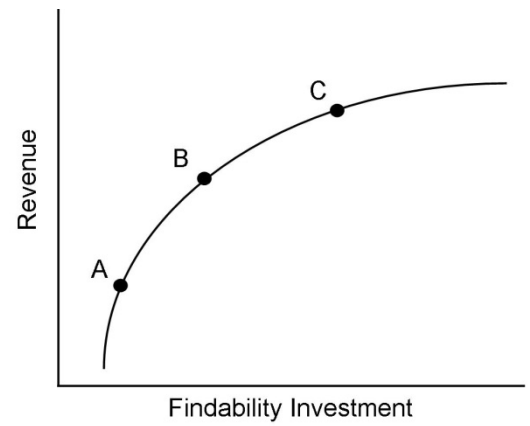
These numbers indicate that once the customer arrives at your site, the opportunity to outperform competitors increases significantly. For example, although average bounce rates are 34% for online retail sites, the range is extremely wide, from 14% to 68%.⁵ This suggests that some companies are much better than others at keeping customers on site. And successful on-site findability strategies will likely lead to dramatically higher sales, and a significant return on investment.

ON-SITE FINDABILITY ROI

Want to know what drives customer perceptions of findability once they're on your site? Consider four key factors that drive on-site findability and ultimately increase sales: (1) on-site search, (2) related links and products, (3) site match to customer needs and preferences, and (4) cross-device experience.

Site Search: Once consumers arrive on e-commerce sites, up to 30% use site search.⁶ Those who use site search are particularly important to your business, as buyers are 90% more likely to use search compared to those merely browsing.⁷ However, while site search is the go-to place for online buyers, in only 50% of site searches do customers typically find what they are looking for.⁸

Figure 1: Findability ROI



This fact is alarming when you also consider that shoppers who had null-result site searches are three times more likely to leave.⁹ Although users may return later, it is very likely that a failed search experience will hurt the reputation of the retailer.

Anything that increases the time required to find a product, such as multiple searches, also raises the odds of losing a potential customer. A one-second increase will decrease conversion by about 7%.¹⁰ However users who had successful site searches are twice as likely to ultimately convert.¹¹ Combined, these factors suggest that increasing the quality of on-site search can dramatically increase conversions. On the other hand, poor findability due to ineffective on-site search has high costs in terms of lost sales.

Related Links and Products: Many consumers don't know exactly what they want when they start shopping for an item. Because of this, intuitive links to related products and other recommendation features are an important source of revenue enhancement. A company that learns to process data and show related products—in terms of size, color, occasion, content or price—will create a better experience for its users and thereby increase sales.¹²

Site Match to Customer Needs and Preferences: Understanding the preferences and needs of your target customers, and then matching the on-site experience to those preferences, also plays a key role in on-site findability. 74% of consumers get frustrated when content, offers, ads, or promotions on a website appear that have nothing to do with their interests.¹³ This decreases conversion rates and increases bounce rates, thus decreasing the overall findability of products across the site. As a result, companies that don't invest time in site design, content creation, and recommendations that are relevant to their customers pay an enormous price.

Cross Device Experience: Finally, cross-device experience is a key element for a firm's on-site findability because of the rise of mobile devices. About 90% of consumers “cross devices in pursuit of a single goal and 98% move between devices in the same day,” but 71% report they are not able to easily continue a process across channels.¹⁴ Most importantly, “61% of users said that if they didn't find what they were looking for right away on a mobile site, they'd quickly move on to another site”.¹⁵ Getting findability right on the full range of devices—from computer to tablet to mobile—will pay meaningful dividends in increased sales.

If you want to understand your specific company's on-site findability more fully, run the short test in the sidebar on the right and see how your site performs.

MEASURING ON-SITE FINDABILITY

Need a convenient way to measure your website's findability? The following steps are a good start:

1. Generate a representative sample of products available on the site. Select products from all categories—and multiple products in each category—to estimate findability for the site as a whole instead of your best or worst products.
2. Ask a panel of consumers to search for the products on the list. To identify specific findability issues, have them to search for products in different ways:
 - a. Using specific search/product terms (such as the product name)
 - b. Using general search terms like “green dress”
 - c. Using only browsing and menus
3. For each item, gather the following information from the participants:
 - a. Were they able to locate the item? (yes/no)
 - b. How long did it take? (measure directly)
 - c. How difficult was it? (use a 7-point Likert-scale measure from “extremely easy” to “extremely difficult”)
 - d. What problems did they encounter while searching for the item? (open-ended)
4. Conduct an open-ended debriefing to allow the participants to talk about the overall experience. Prompt with questions about how intuitive the search process was, what recurring problems they encountered, and what seemed effective or ineffective on the site.
5. Consolidate and summarize the findings, with a focus on particularly problematic areas. These can then serve as guidelines for improvement.

The Parity Solution: Improve Findability by Traditional Methods

Once the cost of a failed findability strategy is apparent, firms typically want to identify ways to invest and improve. The first apparent issue from a close look at the Findability ROI curve (Figure 1) is that firms who have invested little in findability (those at point A) must *employ traditional methods* of improving findability, both externally and on site, to get the basics right and achieve parity with the firms in their industry.

This is a challenge online retailers have been dealing with for many years; in that time, however, experienced companies have developed excellent solutions to these problems. An incomplete list follows; if you want more detailed advice, marketing and SEO firms are widely available to help you make quick improvements and generate returns from adopting best practices and replicating common approaches. Two of the most common strategies to increase findability are branding and search optimization. Branding primarily involves either advertising investments or user experience improvements, while search engine optimization is primarily focused either on gathering and using consumer data or on increasing the relevance of indexed content and product pages. Other strategies include creating more targeted landing pages, building more intuitive and inclusive categorization schemes for products, and providing an intuitive system to enable customers to quickly link to similar and related products. Finally, creating a mobile site which integrates with your traditional site experience for customers can enable your company to address an even larger customer population and satisfy them at every point of contact.

As mentioned above, the sidebar on the page 3 can help you get a feel for which of these methods could improve your site the most, particularly in relation to on-site findability. Many companies do benefit from re-examining and focusing on some of these basic strategies. However, from a strategic perspective this will only to help you achieve parity with your competitors. To really build an advantage will take something more.

The Competitive Advantage Solution: Shift the Curve through Technology

The key to moving beyond competitive parity with other firms involves finding ways to break free from the limits of the ROI curve and shift it upwards so a new level of return can be achieved without significantly increasing investments, as illustrated by Figure 2 on the right.

In the realm of findability, this means identifying innovative new solutions to the findability problem and using multiple solutions together to achieve competitive advantage. These efforts could focus on external or on-site findability issues, and the innovation may involve behind-the-scenes system tools or client-facing content modifications.

Optimal findability may be best achieved by partnering with other companies that provide specialized solutions. Fortunately, there are a host of new approaches to findability improvements that can help shift the curve. Some of these companies specialize in online consumer marketing optimization, others facilitate analysis to enable general site enhancements, and still others use data to analyze your customers and then provide tools to improve their experience in targeted ways.

Figure 2: Shifting Findability ROI

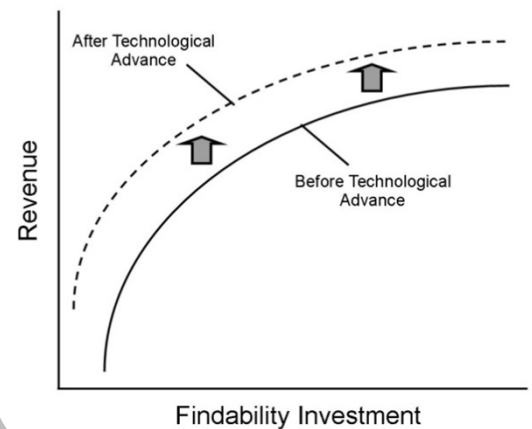
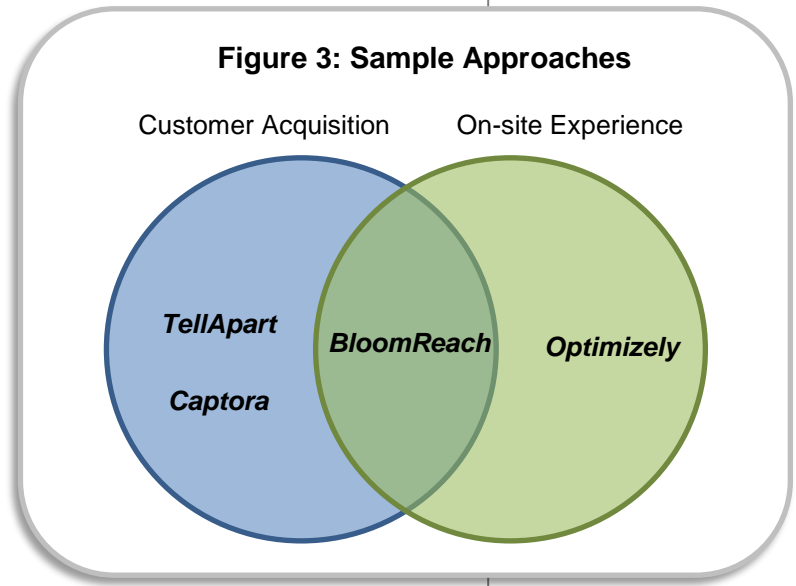


Figure 3 highlights four different approaches to innovation in the findability space:

- **BloomReach**¹⁶ has offerings which enhance site content and structure to help users locate the right products on-site, and also contributes to increased external findability and customer acquisition.
- **Optimizely**¹⁷ provides systems for structured analysis and design testing, which facilitates development of sites with high on-site findability.
- **TellApart**¹⁸ provides a comprehensive system to target and track customers and deliver personalized advertising and marketing campaigns, also increasing external findability.
- **Captora**¹⁹ provides marketing campaigns tools that make lead generation and capture more effective and less costly.

These are not the only firms that offer findability solutions, but they provide good examples of the broad range of options available. When your company reaches the point where profits and the findability ROI can only be increased through more sophisticated approaches, a wide variety of partners—including these four—can provide the necessary tools to shift the curve. These options allow you to decide whether you will focus on content enhancements or other systematic approaches, and on external versus on-site findability. And as with any effort to differentiate your company, adopting multiple approaches will create the strongest possible competitive advantage.



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