

AMAZON'S COMING!

The Tech Stack
You Need to

Ace the Online Customer Experience

 KLEUVU

nosto 

 Trustpilot

 Trustly

budbee[®]

Contents

INTRODUCTION **3**

SEARCH

Klevu: Sailing through Amazonification **6**

PERSONALIZATION:

Nosto: Going the Extra (Personalized) Mile..... **12**

RATINGS AND REVIEWS

Trustpilot: Powering Your Business with Online Reviews **16**

PAYMENTS:

Trustly: How to Ace the Payments Experience..... **22**

DELIVERY:

Budbee: Delivering a Superior Customer Experience **26**

TEAMING UP WITH AMAZON **30**

Introduction



When it comes to delivering instant gratification to online shoppers,

Amazon's business strategy knocks the proverbial ball out of the park (and if you're one of 63 million+ Prime subscribers, you can also have that ball drone-shipped to any doorstep in under an hour.) One of Amazon's 14 leadership principles to delivering this level of gratification centers around two words - **customer obsession** - and it's resulted in the company's \$356 billion valuation¹ and a 43% ownership of all online sales.

Amazon's imminent arrival to the Nordic ecommerce market means that these numbers are only expected

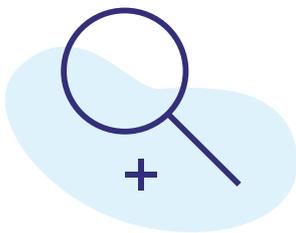
to grow. With business entities and preparations for a local launch entering their final prep stages, what can local ecommerce businesses do to work with - or mitigate - the power and influence of one of retail's leading powerhouses?

This guide explores five key areas where Amazon excels at driving the best customer experience: across search functionality, personalization of product recommendations, customer ratings and reviews, payment choices and product delivery options. In addition, industry experts across each of these areas will reveal their most trusted strategies to help Nordic retailers achieve this success.

» *The result: a powerful tech stack to help you ace the customer experience.*

(1) <https://www.inc.com/business-insider/facts-about-amazon-jeff-bezos-seattle-2017.html>

From search to delivery



Curating the customer's search experience

 KLEUVU

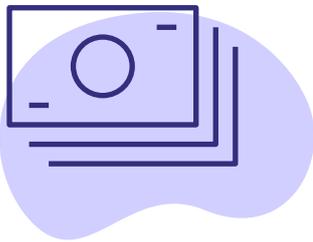
Powerful Personalization using AI technology

nosto 



Leveraging the strength of ratings and reviews

 Trustpilot

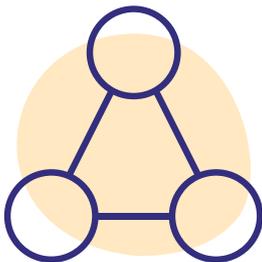
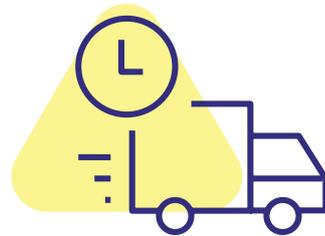


**Making payments
a positive experience**



**Ensuring delivery is
a positive differentiator**

budbee®



**Finally - as a bonus -
complementing your
business by working
together with Amazon**



Curating the customer's search experience

 KLEVVU



Sailing through Amazonification

The gravitational pull of Amazon is so strong that merchants can no longer afford to deliver an inferior commerce experience. Consumer expectations are driving merchants to bring expected experiences on their stores, thus achieving a level of “amazonification”. In this short article, we explore, in our view, what Amazon does well in terms of search and what a retailer can do to stay relevant in terms of superior search experience.

Amazon search

Amazon has demonstrated undisputable capabilities in machine learning-led search that, over time, has become superiorly personalized. Amazon captures every bit of a customer’s journey to programmatically rank results based on recent views, what others viewed upon viewing specific products, what was bought with specific searches and views, etc. Learning from user-generated data (i.e. a shopper’s interaction with Amazon’s catalog) is the primary strength and driver of Amazon’s customer experience.

However, Amazon has certain limitations when it comes to quick search. Due to a very large catalog, it is rather difficult to bring products in the quick search. Amazon search does not offer product suggestions - rather keywords to land customers on a relevant category search landing page to further refine product discovery. The site’s overall visual experience of search is also quite limited as it is more of a ‘marketplace for everything’ instead of niche category of shopping (such as fashion or a tool supplier).

Applying Amazon style search

Quick auto-suggest search

A typical store is quite different from a huge marketplace like Amazon. Customers have between a few thousand to tens of thousands of products to explore, with product data refreshing between 1-4 times a day. In this scenario, quick search should be utilized to bring relevant products to the attention of shoppers - and visuals play a key part in achieving this. By displaying relevant products via quick

search, we've found that shoppers are 68% more likely to click on results. To allow shoppers faster access to product discover, it is recommended to provide an opportunity to refine results in the quick search. For example (Figure 1), OCO Glasses brings extensive quick search with relevant refinement attributes, product grid, price range sliding bar and other content search results - all in one single interface. Results are not only visually appealing but they also provide a much faster way for shoppers to identify relevant products from the catalog. One thing to keep in mind: the visual experience must be backed by a powerful and relevant search experience.

Personalized product suggestions
At Klevu, we utilize user behaviour

to offer personalized product suggestions from the first click in the search box. As we evolve, we see this as both a challenge and opportunity. Providing personalized suggestions in quick search brings a very distinct and appealing shopping experience to visitors. It encourages them to continue their shopping journey in the store. As we mentioned, visual elements play a great role (alongside the ever-powerful machine learning) to bring the relevant products to search results. Figure 2 shows an example of UK's leading designer furniture brand, **MADE**. Using our technology, they have built an elegant and personalised quick search. As seen in the Figure 2, relevant results are shown upon first click; this is referred to as zero character search².

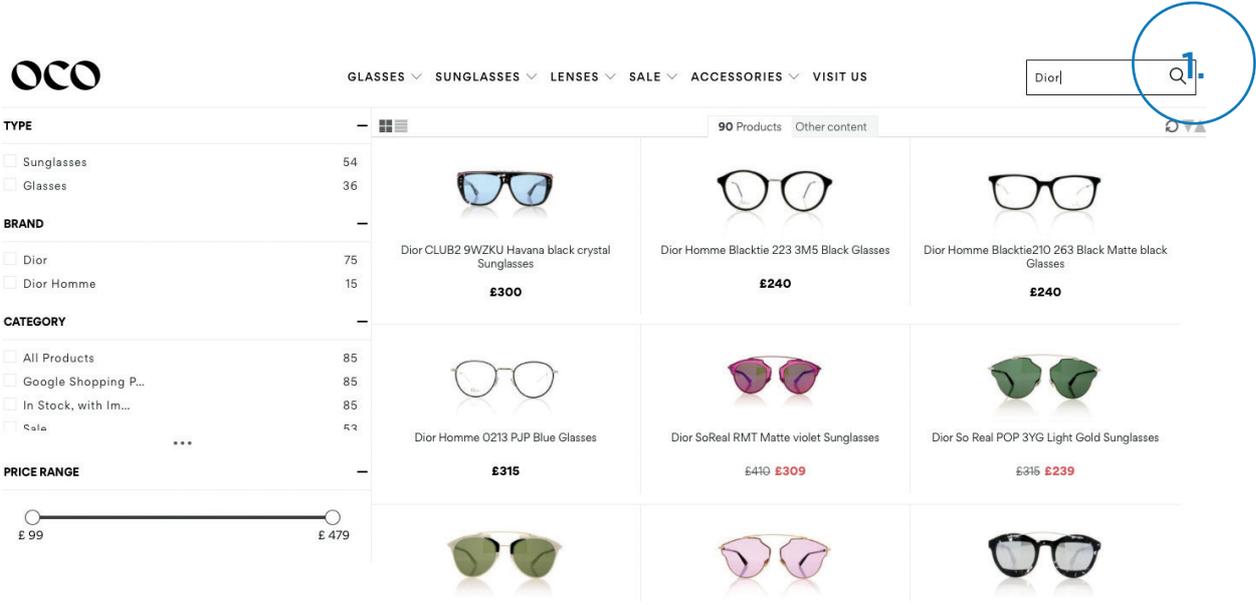


Figure 1: Quick search with enriched visual experience

(2) <https://www.linkedin.com/pulse/zero-character-search-nilay-oz/>

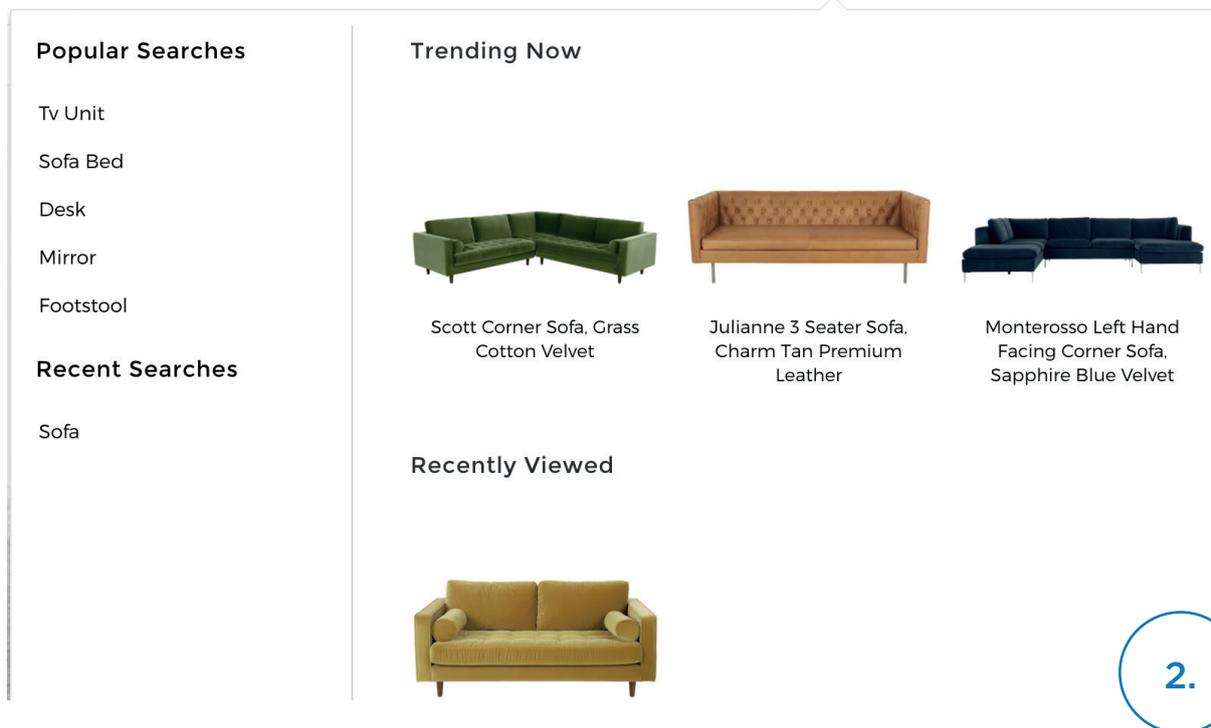


Figure 2: Personalized quick search

Final thoughts

With search being at the core of the Amazon customer experience, it is imperative for retailers to ensure that shoppers can find what they want on the store. At Klevu, we help retailers to stay relevant in the age of Amazon by curating search experience that is best for each shop, its context and shopper profile. As a retailer, one should look into both...

1. The quick search experience to build enriched personalized product suggestions, and
2. A search landing page with possibility to assort results across multiple, relevant attributes.

Finally, learning from the every click and transaction on the shop should be critical to ensure that results are relevant to shoppers at first sight.



Powerful personalization using AI technology

nosto 

The logo for 'nosto' features the word 'nosto' in a bold, dark blue sans-serif font, followed by a pink icon of a square with an arrow pointing up and to the right.



Going the Extra (Personalized) Mile:

How to Use Data to Tailor the Entire Shopping Experience

When an Amazon customer signs in to their account, they're immediately greeted with an experience that speaks to their tastes: from the products they're recommended site-wide, to the content they're shown as they navigate, to new (but still relevant) product discoveries that lead to higher conversions and order values. Together, these ingredients amount to a smooth, one-way ticket to checkout.

But often times, the Amazon experience ends there. With millions of customers and an even larger

product catalog, the emotional connection between company and consumer often gets lost. And it's this very connection that shoppers look for when committing to a brand or product.

This is an area where smaller, more brand-specific retailers have an opportunity to step in and convey a more powerful story. To dissect the opportunity, let's look at how retailers can better understand their customers and create an inspirational shopping experience that spans beyond the checkout page.

» This is an area where smaller, more brand-specific retailers have an opportunity to step in and convey a more powerful story.

Digging into the data: Understanding consumer behavior

Amazon uses the powers of Artificial Intelligence to analyze the interactions of every visitor to their site, then using that data to instantly tailor each individual visitor's shopping experience. With AI projected to boost profitability for retailers by 59% by the year 2035 (Amazon has been known to reap an additional 10-30% revenue through personalization alone), delivering an Amazon level of personalization is a clear and simple win.

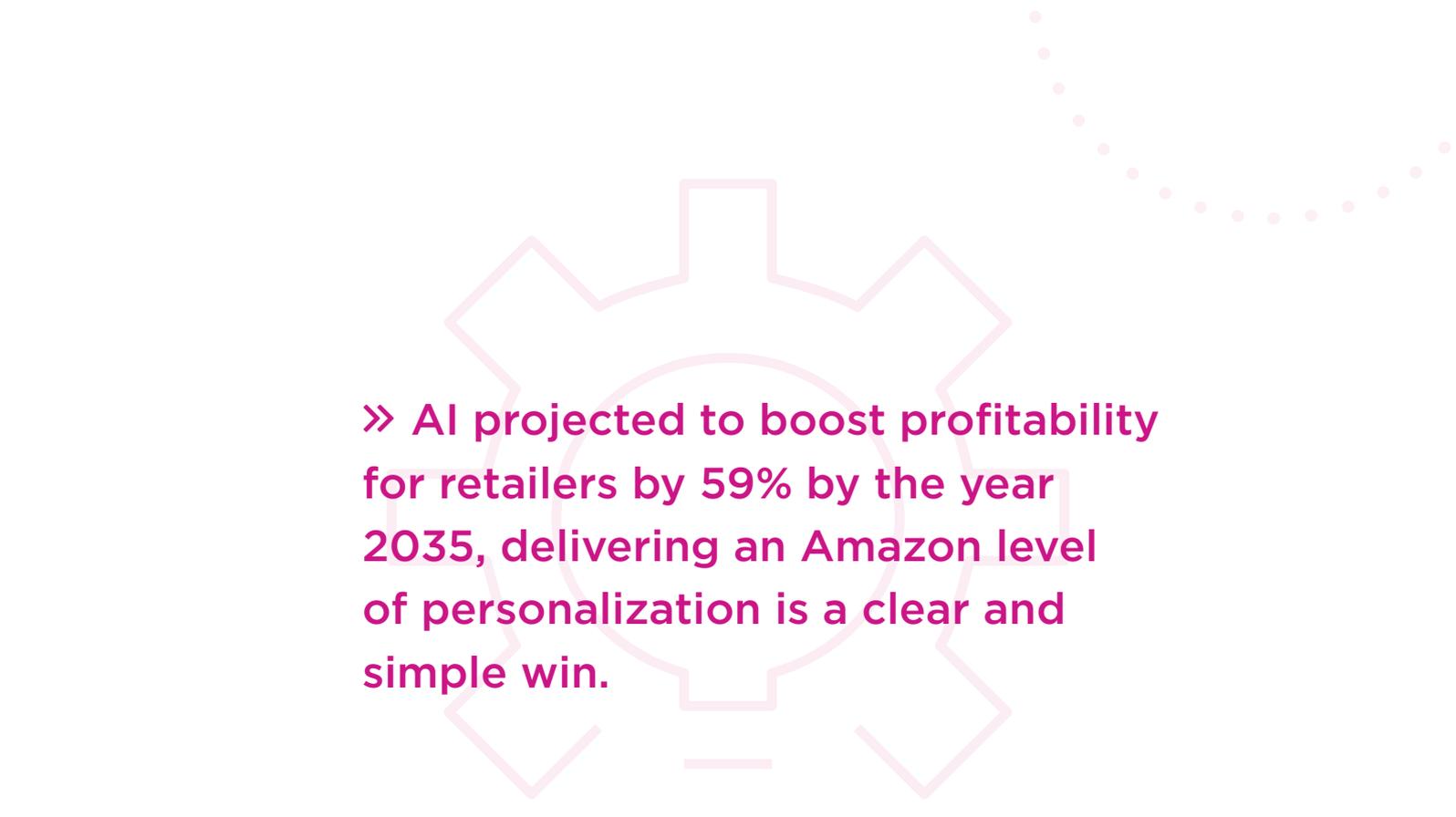
But there's so much more that can be done with that data to increase brand loyalty in the long term...

To start, data should be gathered on both a transactional and behavioral level. Transactional data, typically old data reflecting historical preferences, is what most retailers use to deliver personalization - but it only accounts for 1.6% of the data captured in an online store. Behavioral data (the 98.4% of data that goes untouched) reflects a shopper's intentions and buying pattern as they interact with a webstore. Together, this data creates a foundation to better understand a customer's wants and needs.



With this data, retailers can then access valuable consumer insight that influences personalization, including:

- Which product ranges or brands are driving the most revenue per visit
- What are the most popular products within a specific customer segment
- What day of the week different types of shoppers convert best to determine investment opportunities in email or paid advertising strategies.



» AI projected to boost profitability for retailers by 59% by the year 2035, delivering an Amazon level of personalization is a clear and simple win.

Actioning consumer insights to improve the customer journey

After analyzing how shoppers interact with products onsite, data can be used to map out customer journeys and target shoppers based on their behavioral preferences and position in the buying funnel. This is known as lifecycle **segmentation**.

From first-time visitors to loyal customers, each segment generated has a specific set of characteristics and rules; these can be leveraged to move shoppers in those segments down the buying funnel. (For an even stronger strategy, combine this with personalizing based on individual

shopping preferences - such as affinity towards a certain brand, style or price point.)

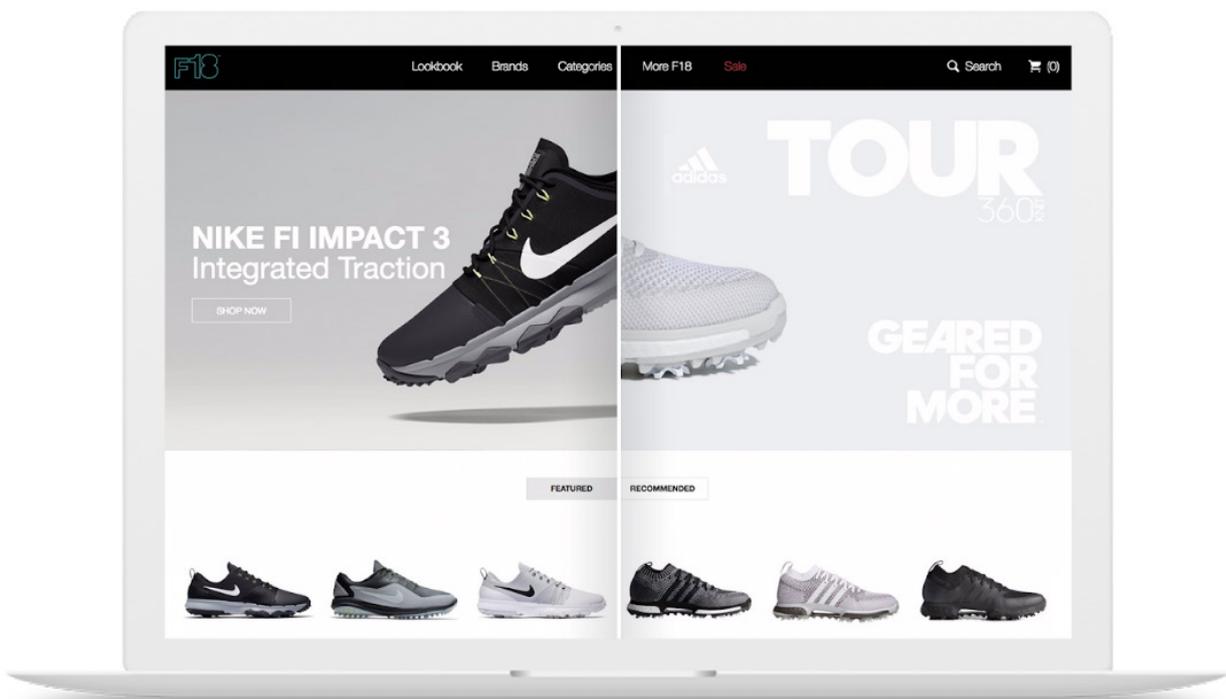
For example, retailers typically identify shoppers who have provided their email address or added something to their shopping cart as being 'close to purchase'. However, we've found that these factors do not always correlate directly to purchase intent. Instead, leverage behavioral data to infer positions in purchase funnel to significantly improve targeting. Then, incorporate various methods - such as social ads, pop-ups or 1-day free delivery - to automatically encourage shoppers to progress through that funnel.

Going beyond product recommendations

To drive the highest possible value, we recommend going beyond simply offering relevant products onsite by tailoring multiple aspects of the shopping journey.

Onsite Content Personalization allows retailers to tailor the content displayed

across the entire store experience: from the navigation bar, to banner imagery, brand logos, blog posts and videos. Sports apparel retailer Function18 illustrates how personalizing content onsite creates a more positive experience for the customer. This example shows the view of a user who is shopping for Nike shoes (left), versus the experience of a customer shopping for Adidas shoes (right).



» Onsite Content Personalization allows retailers to tailor the content displayed across the entire store experience.



Nosto data shows that personalising content across the entire store experience can lead to...

- An average of **1.3x** higher conversion rate
- An average **18%** higher Average Order Value
- An average **2x** increase in customer time spent onsite.

Final thoughts

Making the effort to understand their customers to establish valuable, long-term connections is the key to going the extra mile with personalization.

To establish that connection, remember to:

- Collect and action data to better understand customers
- Segment customers based on their location in the shopping funnel to increase relevance
- Introduce unique content elements onsite
- Use the same data to acquire, re-target and retain customers via social ads and email.

With these tips, there's no limit to acing the customer experience.



Leveraging the strength of ratings and reviews





Powering Your Business with Online Reviews

With Amazon's new launch in the Nordics, how can fellow eCommerce owners stand out from the new competition in order to sell their products online? One way these companies can create a seamless customer experience lies in the power of customer reviews. To achieve this, we've put together this list of best practices to improve the customer service by collecting customer reviews and put eCommerce stores on the map.

Telling a story

Some businesses sell products, while other businesses sell stories. Marketplaces only offer the former, giving smaller companies a real opportunity to dominate on the latter.

Thus, retailers should ask themselves: *How far does the company go beyond the product/service? And is branding aligned with the brand's story?*

It's important to tell the story of how the company came to be, and why the company decided to launch their brand.

» Letting customers in on the company's journey will have a positive impact on the way they perceive the brand as whole.

» Here's an example of great brand story integrated on an Amazon business profile:

Cozy Glow

LONDON

This candle is inspired by our American friends and the celebration of fall (well we call it autumn). It is the scent of the season. It combines the spices we start to use in our cooking at this time of year; cinnamon, nutmeg, and just a hint of clove. It's a great blend of spices to put into a Madeira cake mix. The scent is just divine!



PUMPKIN SPICE
Natural Soy Candle

Who We Are & What We Do
Here at Cozy Glow, we are passionate about bringing your home alive with an exhilarating scent that permeates your room. We work with the best essential oils and soy wax to ensure a long lasting and highly scented candle. Did you know soy candles can burn for up to 50% longer than paraffin or beeswax?

100% Natural, Cruelty Free & Vegan Friendly



Pure Cotton Wick

We use 100% natural cotton wicks to make our candles, hand selected to ensure it delivers one of the best burns possible. The wick is made of pure cotton and thin paper filaments interlaced for a more stable and consistent burn, it consists of specially treated paper threads providing a controlled curling of the wick.



Natural Soy Wax

We use 100% organic soy wax to make our candles, so they don't produce any nasty soot or carcinogens. This is due to the soy wax burning at a lower temperature. A lower burning temperature also ensures the scent is not burnt off and it is thrown around your room, leaving you with a lovely aroma in your home.



Natural Oils

We use 100% natural oils to make our candles, with an extensive choice of seasonal and on-trend fragrances made with pure natural oils from the finest ingredients around the world.



The story-telling checklist:

- Tell customers about the brand (create a unique story)
- Use user-generated content to attract new customers (for example, encourage customers to share feedback on social media)
- Create 'human' and personal content that visitors can relate to (this can be anything from video testimonials to case studies)

Not sure how to get started? Read on...

Leveraging customer reviews

Ecommerce sites can benefit from online reviews: with less credibility than larger marketplaces (like the one in question), they may have more people looking at reviews on search engines.

One way for a brand to take ownership of their reputation is to leverage reviews on-site and within their marketing strategy.

Amazon reviews are great, but they're only visible from the product pages. Leveraging reviews from third-party platforms directly on your website means retailers have the freedom to place customer feedback anywhere they want in the customer journey: from search to landing pages, product pages, and checkout.

Showcasing reviews is an easy way to create better experiences for everyone, while collecting great customer insights that will help retailers improve and innovate.



Finding the right review platform

Finding the right customer review software can be tough. Some of the most common challenges a review platform should address include...

- Improve (or build) retailer reputation
- Obtain customer feedback
- Engage with customers directly
- Adopt a customer-centric strategy
- Boost SEO, marketing, conversion, or sales
- Improve brand perception
- Leverage user-generated content in marketing

» Any of the above will help retailers both stand out from the competition and build trust and credibility directly on-site (even if they're already collecting reviews on marketplaces!)

Choosing an open review platform ensures any customer can leave feedback.

Companies using closed platforms only allow customers to leave a review when invited. There are two issues with this:

- A closed platform offers credibility issues, and won't give customers an accurate picture of a company's reputation.
- With a closed platform, shoppers won't be able to find you or your customer feedback as they research your company and your products online. An open platform considerably increases your visibility.

Once you've established what kind of platform is best for your business,

here's a list of questions to consider before choosing a review software:

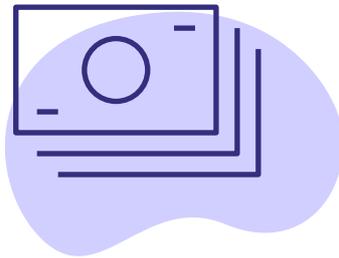
- Can I share my reviews on all marketing channels?
- Is the review platform a Google partner? Will it give me more visibility on search?
- Can I respond to reviews and engage with customers?

Final thoughts

After addressing the questions above, make sure to...

- CMake a list of challenges you'd like to overcome with reviews
- Establish what platform is right for your business
- Start collecting reviews and share your customers' stories!

Finding a review solution that ticks all of the boxes will ensure visibility outside of big marketplaces like Amazon.



How to ace the payments experience



Amazon's customer obsession is evident in its checkout and payment experience. Recognizing that cart abandonment is largely driven by friction in payments, the company has become famous for innovating around the 1-Click Checkout, which makes it possible for customers to make a purchase with just one click. Even those who don't use this feature can still save their card details, making subsequent checkouts smoother.



Subtotal (2 items): **EUR 21,80**

Proceed to Checkout

or 1-Click Checkout

 Pay in SEK with 1-Click

Subtotal in SEK: **235,71**

[Change 1-Click payment to EUR](#)

Dispatch to: John Smith- Stockholm ▾

» Amazon's 1-Click Checkout

So how can retailers match — or even outpace — Amazon's payment experience? The key is to localize the payment mix, offer instant refunds and to allow purchasing without registration.

Localize payment mix

Amazon puts a large focus on cards in its checkout, and this is where smaller merchants have a chance to offer a superior experience. While cards dominate Nordic markets like Norway and Denmark, they are no longer the obvious choice for many customers, especially those in Sweden and Finland. According to a survey conducted by Trustly, 77% of customers are swayed by a merchant's payment mix and if their preferred payment method is not available, they are likely to shop elsewhere. As payment preference varies greatly from market to market, offering the right payment mix becomes a key aspect of good customer experience.

» Below are graphs showing how customers in different Nordic markets prefer to pay online, according to 2018 data from PostNord. While some markets have a high preference for debit and credit cards, others prefer alternative payment methods like e-wallets, invoice, and online bank payments.

Preferred payment methods

Source: PostNord, December 2017
Base: Have shopped online

Which of the following methods do you prefer to use when you pay for a product you've bought online?

Payment method	Sweden	Denmark	Norway	Finland
Debit or credit cards	26%	75%	59%	26%
Invoice	37%	1%	15%	27%
Direct payment via bank	17%			30%
Bank transfer		2%		
Vipps (app)	-	-	7%	-
Cash on deliver	0%	-	1%	2%
MobilePay	-	16%	-	-
Swish	8%	-	-	-
Other	3%	1%	0%	1%
Doubtful, don't know	1%	1%	0%	4%

Of course, these payment preferences aren't static. According to Worldpay's Global Payments Report 2017³, over half of all online transactions will be made using alternative payment methods by 2021. The report even goes as far as to say that over the next five years, the popularity of online bank payments will exceed that of credit and debit cards globally.

By localizing the payment mix at checkout, retailers can ace the payment experience and increase conversion. For extra credit, clearly display a payment mix on the site - ideally in the shop footer - to inform customers from the get-go.

(3) <https://www.worldpay.com/global/insight/articles/2017-11/global-payments-report-2017>

Instant refunds create loyal customers

Customers often order several sizes of one item to try at home before deciding which to keep, which results in high return rates and resource-intensive logistics. In contrast, Amazon's fast and hassle-free returns process is a feature that builds trust and loyalty among its customers.

However, one downside of using card as a payment method is that refunds can take anywhere from 3 to 20 days to settle. With alternative payment methods like online bank payments, on the other hand, money can be sent to the customer's account within minutes of merchant authorizing the refund. Our previously mentioned survey also revealed that 95% of customers would be more loyal to online merchants if they received a refund within the same day.

For one Nordic online fashion merchant that was struggling with its resource-intensive returns process, online bank payment solution turned out to be the perfect remedy. After

integrating Trustly's automated instant refunds, the merchant saw a decrease in the amount of administration required to issue refunds.

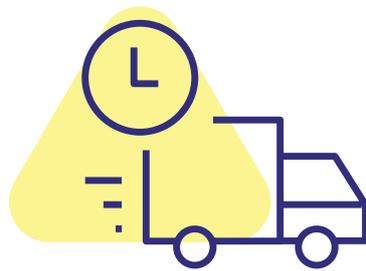
By offering instant refunds through online bank payments, merchants have an opportunity to increase their revenue per customer without fundamentally changing their business model or product offering. This can increase ROI from acquisition activities and also help in differentiating retailers from other competitors.

Let the customer purchase without registration

Another advantage that smaller shops can have over Amazon is to allow purchases without registering to the site. This means that customers can make purchases even if they have never shopped in the store before and still proceed through the funnel very quickly. Most solutions are smart enough to remember returning customers; just make sure the solution supports adding local payment preferences across Europe.

Final thoughts

While Amazon has many advantages due to its size and brand recognition, when it comes to the checkout, Nordic merchants have the opportunity to usurp dominance by perfecting their payments.



**Ensuring delivery
is a positive
differentiator**

budbee®



Delivering a Superior Customer Experience

A lot of companies can find inspiration from Amazon's supply chain management. One area that differentiates Amazon from other players is that they constantly work with logistics as a value-creating element for their customers. The combination of sophisticated information technology, an extensive network of high-tech warehouses, inventory management and excellent transportation makes Amazon's supply chain one of the most efficient in the world.

Checkout conversion is, of course, critical for all ecommerce players; but do not forget that when the customer finalizes the purchase, the process is not over. To attract more loyal customers, make the post-purchase experience quick and

smooth with fast pick-and-pack, easily accessible customer service, pinpointed information flow and a last-mile-delivery that suits the unique customer. This is a process that Amazon manages with great success.

Innovation in the delivery process

Early in their journey, Amazon understood the value of home deliveries, offering their customers fast deliveries to their doors. They're also not modest when it comes to innovations for home deliveries, pioneering delivery by introducing drones and other autonomous vehicles. Through these strategies, they've explored how to create value with future last-mile-delivery services.

» One area that differentiates Amazon from other players is that they constantly work with logistics as a value-creating element for their customers.

To make a smooth home delivery experience, the delivery needs to be flexible, transparent and take place at a time where the consumer is actually at their home. At Budbee, we've developed a next-generation home delivery service for everyday life: from home deliveries during evenings on a day chosen by the consumer, with several choices to customize the service and get in touch with customer service at any time. These options help make life and online shopping easier - in other words, the services themselves "deliver time" to consumers via their last mile service.

Our business focuses on technology and data to make the estimated time of arrival as accurate as possible. We also deploy a user-friendly UX for consumers to interact and tailor

their unique delivery experience. At the same time, there is a clear focus on operational excellence, securing high-quality operations despite the complexity that is inherited in large logistic flows. The goal is to give the consumer a delivery service that saves both time and energy.

Managing return flows seamlessly with return pickups

Managing return flows can be a challenge for many ecommerce retailers, especially those who are fashion-focused. When a customer returns products they don't want to keep, it's even more important that the service is smooth in order to preserve the relationship with the customer. To improve this experience, we've launched return pickups, where return

» When a customer returns products they don't want to keep, it's even more important that the service is smooth in order to preserve the relationship with the customer.

goods are picked up directly from a customer's home. If the customer requests a return, the most they'll have to do is reclose their package and the rest is in our hands: we print the waybill and pick up the goods on a day that suits them.

Analyzing superior delivery service

An example of a retailer that aced the delivery experience for their

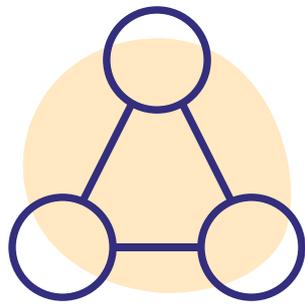
customers is Bangerhead. Not only have they created a great online brand in the beauty sector, but they're also an innovative and successful business when it comes to delivering convenience. They offer customers free deliveries and home deliveries stand for more than 50 % of all delivery services in the large cities of Sweden. Together with Budbee, they've achieved a 29% higher average order value and a more than 10% shorter repurchase frequency than they've achieved with other delivery solutions.

Final thoughts

Focusing on the quality of the product delivery process, like Amazon has done so expertly, is a critical part of acing the customer experience. When creating a delivery strategy,

- Offer flexible delivery options that fit a customer's busy schedule.
- Create a user-friendly interface that makes online shopping easier for customers.
- Turn product returns into retention opportunities by implementing return pickups.

By doing so, Nordic retailers can create instant value for customers and convert them into loyal buyers.



Teaming up with Amazon



Naturally, the aim is to both attract and keep customers on the store's own site by offering a stellar experience. However, via Amazon Marketplace retailers can cover their bases and fight the threat of cannibalism by doubling up – selling both on their own site and via Amazon.

According to DI Digital's Digitalpodden, the cost of using Amazon is only slightly higher than advertising on Facebook or Google. So this way, retailers can update their marketing mix and stay in the proverbial game even though consumers no longer seem to find their way to their actual website.

Taking business across borders

Working with Amazon also presents retailers with a unique opportunity to expand internationally, enabling them to tap into other markets and increase cross-border sales by using Amazon. It is much easier to become a reseller on Amazon than fielding the obstacles in establishing a whole new store in another country. Using Amazon, retailers can also take advantage of the company's superior reach and impressive market share, saving a considerable amount of the marketing spend needed when breaking new ground.

Final thoughts

Amazon's coming - but this doesn't necessarily signal an end to other businesses in the Nordic ecommerce industry. With many retailers and resellers vying for the same space and consumer attention on Amazon Marketplace, competition is steep, which presents an overarching risk of getting lost in the ecommerce jungle. However, it does present an opportunity for retailers to review their customers' experience, as well as explore a powerful channel into a bigger audience.

Regardless of which path you choose, don't hesitate to reach out to the partners of this guide to get hands on advice in how you can use technology to serve your customers in the best possible way.

This guide was brought to you by:



Klevu is an intelligent site search solution designed to help online businesses increase onsite sales and improve customers online shopping experience. To ensure that visitors to your site find exactly what they are looking for, Klevu powers the search and navigation experience by leveraging advanced semantic search, natural language processing, merchandising and multilingual capabilities. Over 3,000 retailers across the world use Klevu with the support of their global team. To learn more, visit www.klevu.com.



Nosto enables online retailers to deliver their customers personalized shopping experiences at every touch point, across every device. A powerful personalization platform designed for ease of use, Nosto empowers retailers to build, launch and optimize 1:1 multichannel marketing campaigns without the need for dedicated IT resources. Leading retail brands in over 100 countries use Nosto to grow their business and delight their customers. Nosto supports its retailers from its offices in Helsinki, Berlin, Stockholm, London, New York, Los Angeles and Paris. To learn more visit www.nosto.com.



Also known as the world's most powerful review software, Trustpilot is an independent platform built on collaboration and open to all customers and companies. Their mission is to inspire ever-improving experiences for everyone by collecting consumer insights and building trusted relationships with customers. They believe sharing experiences and stories gets you closer to your customers and powers your business forward.



Founded in 2008, Trustly Group AB is a Swedish FinTech company that makes online banking payments fast, simple and secure. With Trustly, consumers can pay directly from their bank account, using only the login details they already use to access their bank account. Trustly supports more than 3,300 banks in 29 European markets, which means merchants that have Trustly in their checkout can accept payments from more than 400 million Europeans. Trustly is a licensed Payment Institution under the supervision of the Swedish Financial Supervisory Authority. Read more at www.trustly.com.



Budbee is a technology company that operates a modern customer centric last-mile logistics service specialised for ecommerce businesses. The company has since 2016 breaking new grounds within home deliveries and today they operate in Stockholm, Gothenburg, Malmö and Helsinki.