

E-Commerce Trends and Challenges:

The Effects of Product Support on Purchase Intent



OVERVIEW

1. Introduction – Influencing the Purchase Decision
2. Not All Content is Created Equal
3. Reducing “No Fault” Returns
4. Effects of Owner Reviews
5. Conclusion

Introduction – Influencing the Purchase Decision

Consumers exposed to higher levels of product support and owner reviews in the pre-purchase stage of the marketing cycle will have greater intent-to-purchase in the latter stages. One study even found that mobile shoppers, who view product related content at early stages of the path-to-purchase, had 133% higher conversion rates.¹



It is no surprise that rich informative content is in ever-increasing demand across the Internet, especially since the most influential channel for a consumer to conduct pre-purchase research is the web.² In fact, 35% of consumers will spend 75% or more of their total shopping time conducting online product research, and 15% will spend a massive 90% or more of their shopping in this manner.³ Forward-thinking e-tailers (online retailers) must be able to meet consumer demands of valuable product information, or else they will risk losing consumer leads and falling behind their competitors.

In order to analyze the impact of product information and aid e-tailers, OwnerIQ developed a support suite called Product Support for E-Commerce (PSE). PSE provides e-tailers with two key sources of product information: manuals and owner scores. After the implementation of PSE, the OwnerIQ team found that there is a direct correlation between customers exposed to product support and owner reviews, and increased levels of browsing activity and purchase intent for their PSE partners' customers.

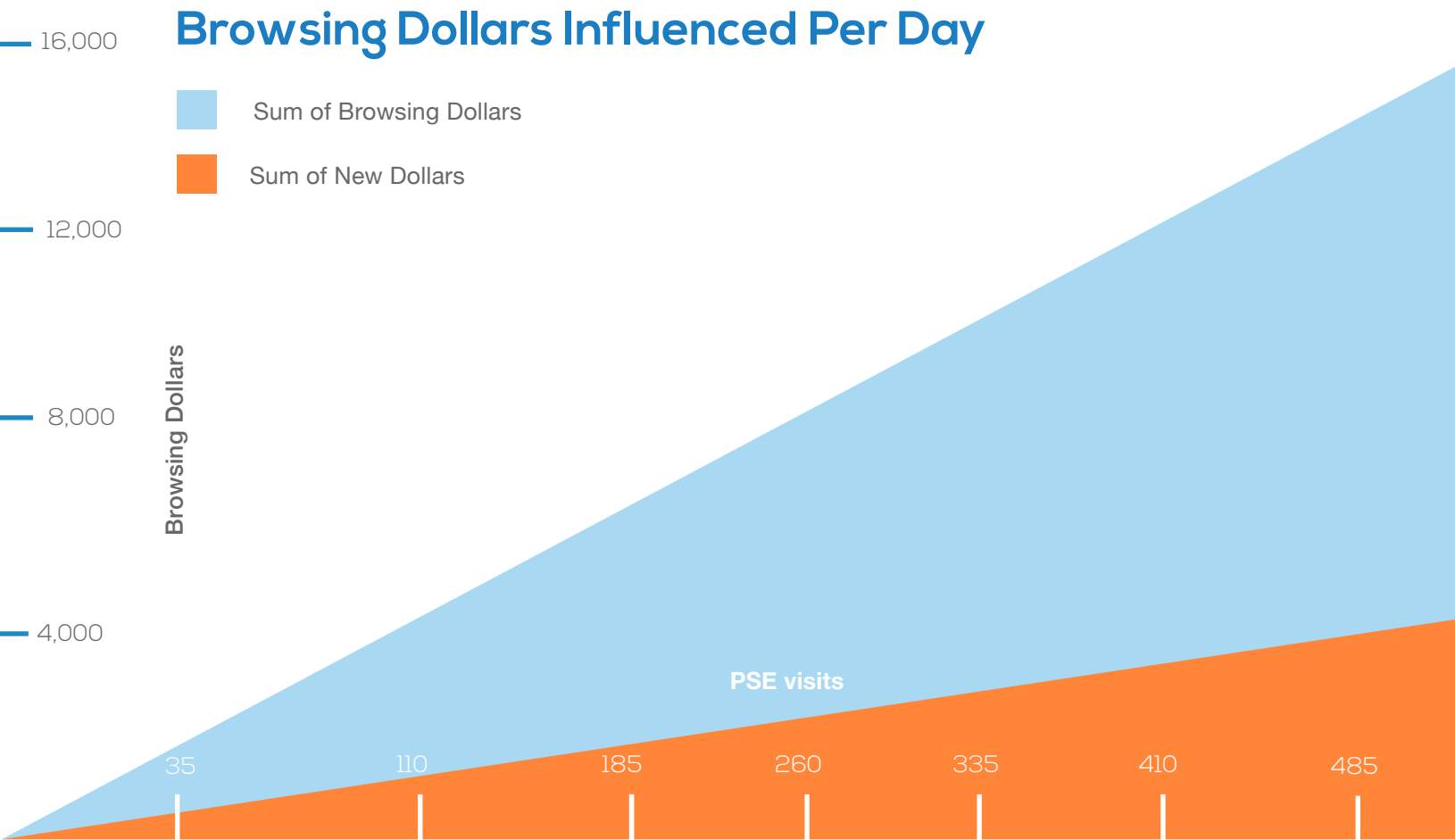
Not All Content is Created Equal

Content is king, but not all forms of content influence a consumer's decision to buy. For example, it is easy for e-commerce managers to plaster websites with filler content such as social share icons and hastily written blog posts, but this type of content has minimal effect on purchase intent. In contrast, the most effective content will increase a user's trust and knowledge of a product or brand. Owner manuals, written by manufacturers, are perfect examples of non-disputed trustworthy sources of product information. Consumers find value in manuals during the post-purchase (product support) stage because of the troubleshooting value and also during the pre-purchase (research) stage because of the straightforward product descriptions within manuals. A 2008 study concluded that reading owner manuals might significantly influence the purchase intention of a product, as long as the perceived instructional quality of the manual is high.⁴ In addition, access to manuals and higher purchase rates are independent of a consumer's prior knowledge or expertise of the product they are interested in. (Acrwebsite)

Owner manuals and readily accessible support information are vital tools for consumers to comfortably understand and troubleshoot a product. At least 47% of men and women from 25-34 prefer self-directed support

from manuals or online forums.⁵ 75% of consumers surveyed by ManualsOnline.com say that the owner's manual is the first thing they consult for maintenance and troubleshooting – if available.⁶ Over 50% of consumers surveyed assume they can get support materials from the online retailer they purchased from. (ManualsOnline)

An important metric measured for OwnerIQ's PSE partners to quantify purchase intent, is the total dollar value of browsing activity per individual shopper. For example, if a shopper enters the ecommerce site by mistake or with low purchase intent, then the monetary value of their browsing activity is likely low. On the other hand, a shopper who is in the consideration stage, conducting research, or evaluating multiple products, will tend to have a higher amount of total dollars browsed. The graph below takes data from an early test with a PSE partner. As the PSE visits increase, the sum of the browsing dollars and new dollars (new users) driven to the e-tailer's site increases. More dollars browsed means the consumers are staying on the website longer, and therefore have a higher purchase intent than had they not been exposed to product support and owner review resources.



Reducing “No Fault” Returns

A consumer’s purchase intent is often decided long before visiting an e-tailer’s website. However, even though the shopper is ready to convert, they may be ill-informed on the product that they are going to purchase. The product might not reach their satisfaction possibly leading to a product return. Returns cost consumer electronic retailers approximately \$14 billion annually, mostly due to “Product Ignorance.” Retailers can alleviate this expense by educating their consumers prior to purchasing. 76% of consumers say a product’s owner manual is the best tool to learn about how a product works versus reviews, social media, or ratings. (ManualsOnline)

“I recently bought a used camera off eBay which did not come with an owner’s manual. Knowing nothing about DSLRs, naturally I couldn’t figure out how to adjust my settings. I just assumed I must have bought a lemon.”

Returns cost
consumer
electronic retailers
approximately

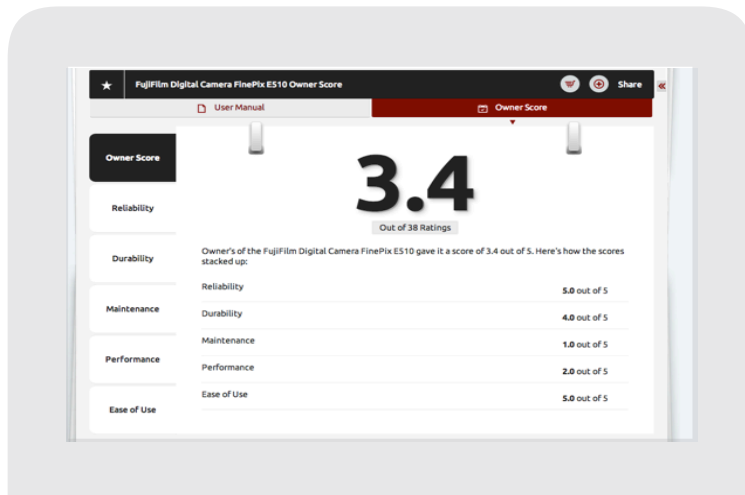
\$14 billion
annually



76% of
consumers say a
product’s owner
manual is the best
tool to learn about
how a product works
versus reviews, social
media, or ratings.

Effects of Owner Reviews

Over the past decade, peer reviews of products have become a boon and necessity of almost all online retailers. Reviews with high readability and user subjectivity, are associated with higher levels of product sales.⁸



70% of consumers consult reviews or ratings prior to a purchase

90% of consumers will spend a few hours to an entire week researching before making a purchase decision

70% of consumers consult reviews or ratings prior to a purchase, and 90% of consumers will spend at least a few hours to an entire week researching a product before coming to a purchase decision.⁹ High quality reviews will prevent consumers from leaving a retailer's site to a third-party for better information, and, therefore, will increase time on site and conversion potential.

“Review volume and average rating are significant factors in conversion based on data from a Top 25 Internet retailers.” (Bazaar Voice) Reviews are in high demand for pre-purchase research, but there is a distinction to be made between different levels of quality. “Expert reviews (credible, third-party online articles) were

the most effective online content type across all three stages of the purchase process, increasing purchase consideration 11%, affinity 12%, and familiarity 15%.”¹⁰

Owner Scores on PSE are reviews created by product owners who answer quick surveys about their products through ManualsOnline. Filtering reviews by those who have actually had experience with a product adds another layer of trust to the review system. The picture above provides an example of a FujiFilm Digital Camera review. Simplicity, subjectivity and honesty are essential for relevant and useful reviews.

Conclusion

Ownership information – content that allows users to picture themselves owning a product – boosts conversion rates, time on site, and purchase intent. By combining product support and owner reviews in the Product Support for e-Commerce suite, OwnerIQ has been able to influence a significant amount of new browsing dollars on e-commerce websites, reduce no-fault returns, and increase consumer purchase intent.

Product support is in high demand across the Internet and, if executed correctly, can drastically increase consumers perceptions of any e-commerce website. The content of the product support has to be easy to access, trustworthy, and as simple as possible in order to affect browsing activity. Owner and peer reviews are some of the most powerful tools for e-tailers. Reviews will boost purchase intent, increase consumer retention and attract shoppers at every stage of

the marketing cycle. Consumers are demanding them; and all the top retailers are implementing them.

In conclusion, after research and several studies conducted with ManualsOnline.com and the Product Support for e-Commerce platform, OwnerIQ has found that product support and owner reviews have a strong positive effect on purchase intent.

Learn more about PSE

PSE.ManualsOnline.com
SupportSolutions@OwnerIQ.com

Sources

- ¹ <http://www.bazaarvoice.com/research-and-insight/social-commerce-statistics/#.UdGG25yqTUI>
- ² www.ampagency.com/wp-content/uploads/pdfs/InsideTheBuy.pdf
- ³ <http://www.marketingcharts.com/direct/online-research-takes-up-large-portion-of-shopping-time-19002/etailing-importance-of-online-research-to-shopping-sept111.gif/>
- ⁴ http://www.acrwebsite.org/volumes/v36/NAACR_vol36_67.pdf
- ⁵ <http://www.accenture.com/SiteCollectionDocuments/PDF/Accenture-Reducing-the-Quantity-and-Cost-of-CustomerReturns.pdf>
- ⁶ 2013 ManualsOnline.com User Survey
- ⁷ <http://www.getelastic.com/pro-tips-optimize-to-reduce-product-returns/>
- ⁸ <http://www.ipeirotis.com/wp-content/uploads/2012/01/tkde2010-usefulness.pdf>
- ⁹ <http://www.dr4ward.com/dr4ward/2013/03/what-are-some-interesting-statistics-about-online-consumer-reviews-infographic.html>
- ¹⁰ <http://www.marketingprofs.com/charts/2014/24787/which-type-of-online-content-most-influences-consumers>