

A GUIDE TO E-COMMERCE EUROPE

Book 4: Tools for
successful e-commerce



Know
How →

 NEW ZEALAND
TRADE & ENTERPRISE
Te Taurapa Tūhono

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A GUIDE TO E-COMMERCE EUROPE

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successful e-commerce

Welcome to this guide

Your online shop is a business of its own, not just a website. Its performance will improve if you invest time and resources in its development and promotion.

You will need a branding strategy and draw on a range of digital marketing tools and methods to increase traffic and convert leads into orders.

With the rise of social media new, advertising and brand positioning approaches enable you to enrich the conversation with your customers and to build up a community of followers that may recommend your brand and products.

Most e-marketing techniques, as well as your content management system and e-shop software come with easy to use online monitoring tools. This is important

because you will need to evaluate and measure your success in order to adapt your e-commerce strategies and tactics along the way.

This fourth book of the NZTE guide to e-commerce in Europe covers topics such as branding, use of social-media, e-marketing techniques and e-shop performance metrics.

The earlier three books in this series of guides commissioned by NZTE focus on:

- Book 1: The European market dynamics
- Book 2: The European consumer
- Book 3: The e-commerce customer journey.

Author: Marianne Kopf

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SECTION 1

Tell your brand story

Make your brand stand out from established brands



A brand is more than labels and logos – it's a story about a company's creation, values and vision.

Branding is all about personality and differentiation. To succeed in Europe, you need a strategy to communicate what is special or unique about your brand.

Before buying your products, European shoppers will want to know who you are, where you operate from and what your brand stands for. Your brand will need to stand out from established European brands.

You're from New Zealand – will that be a key part of your brand? Having a New Zealand origin story could give your brand an advantage.

Many Europeans think of New Zealand as they've seen it in major movies, a place of vast landscapes and preserved nature.

They may also associate New Zealand with organic and genuine products, nice relaxed and enthusiastic people.

New Zealand is known for the All Blacks, sailing, agriculture, wine, wool and kiwifruit – and a place where European millennials want to study.

Images help tell a story

- The way products are presented and how people appear in photos can give a certain impression to European consumers. Make sure not to fall into Kiwi stereotypes.
- [*The New Zealand FernMark licence programme*](#) gives licensees the right to carry the FernMark
- [*New Zealand Story Group*](#) provides resources and tools to help tell your story.
- You may still need to do a professional photo/video shooting to talk to Europeans.

SECTION 2

Tap into digital marketing

Invest in content marketing



Attracting attention to your brand can be as easy as sharing relevant online content.

Content marketing is one of the most popular ways to tell your brand story and stimulate interest in your products or services.

Sharing online material in videos, blogs, podcasts and social media posts can help convey the story and values of your brand and attract an audience.

The content could range from advice and problem solving to recipes and tutorials.

Content marketing focuses on the material, rather than the brand.



Collaboration

Marketplaces like [Otto](#) use content marketing and partner with other media who are looking for well curated content.

Find an influencer



People who have the most influence over your potential buyers could help tell your brand story.

Online influencers are people who have established a credible voice in an industry and have a large audience of followers on social media platforms.

Product endorsement

Many influencers endorse products online. These bloggers, YouTubers, freelance journalists, celebrities, and thought leaders often test and try products, sharing their views with large audiences.

Suitability

For a New Zealand brand, leveraging the voice of well-connected people in Europe could be an effective way to grow your audience. Look for an influencer who will respect your brand.

Utilise an agency

There are a number of specialised agencies that help to connect influencers with brands; Buzzsumo, Ifluenz, Shoutcart, Tribe, Openinfluence, or Reech, influes.me, Yoo (Paris and London). These also provide companies with data on the most popular influencers and the most shared content.



Blogger influence

[Caroline Receveur](#) is a French fashion blogger with 2 million followers.

SECTION 3

Make it personal

Make it personal



European shoppers are looking for a tailored, personalised experience online.

Creating a brand that recognises customers as individuals helps to cement loyalty and increase sales. Customers expect good service online – it's important to recognise and respond to their needs without overstepping privacy boundaries.

Customer offers: Through loyalty programs, retailers learn about customers purchases. They can use the information to personalise discounts and offers.

Retargeting: Remind shoppers of items they browsed but didn't purchase. These reminders appear as ads on other websites the shopper visits or are delivered via email.

Push alerts: Send a direct message to customer's mobile phone about products on sale, or products they may also enjoy.

Loyalty offers: Offer special deals to customers who recommend your brand to friends.

Personalised marketing can help:

- Convert visitors to your online shop into buyers
- Increase revenue through return customer loyalty
- Reduce the number of visitors who leave the site without purchasing.

Adaptive communication

When cross-channel communication involves using information that customers have not actively provided, retailers should supply information that is really valuable.



Starbucks is doing this well

They use *location information* from customers' mobile phones during the preparation of their order.

Give customers a voice

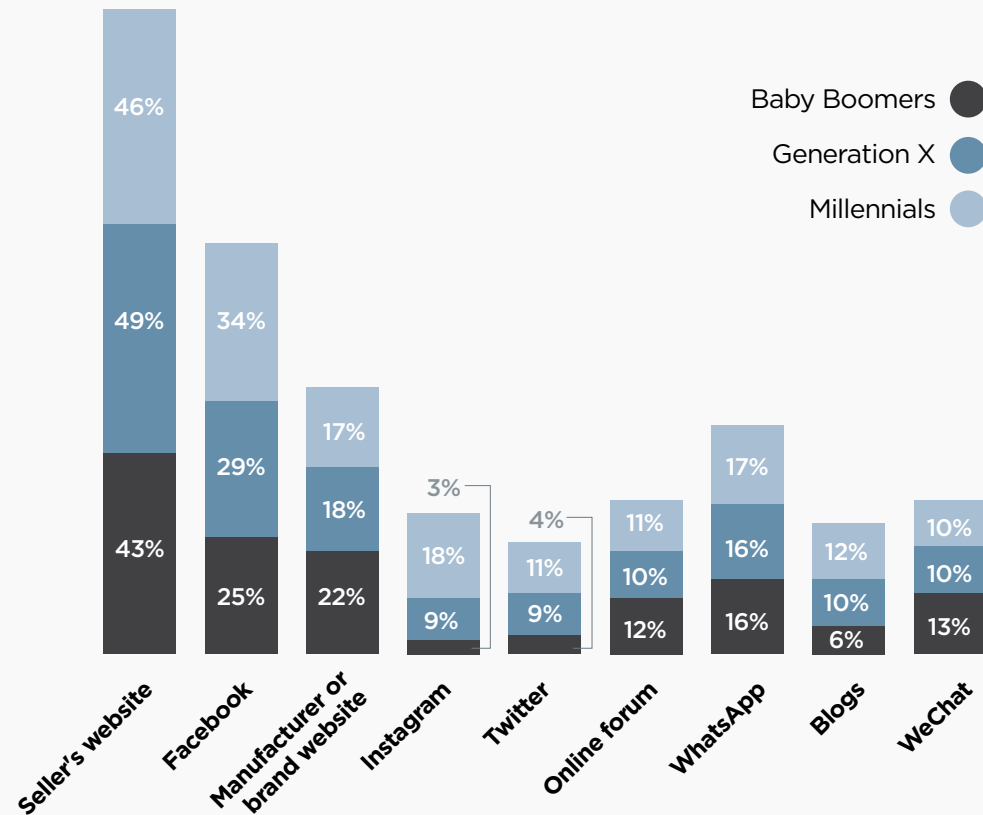
Encourage reviews and feedback

European shoppers are keen to add their feedback to products and brands online, ask questions and join conversations – and they prefer to leave comments on the seller's website.

Give them an opportunity to rate your products, share what they liked, and also give you direct feedback throughout their shopping experience.

→ A brand that can provide online forums, chatbots or live chats and web call back features has an advantage.

Most popular websites used by consumers for feedback by generation, 2017.



SECTION 4

Harness social media

Europeans are savvy social media users

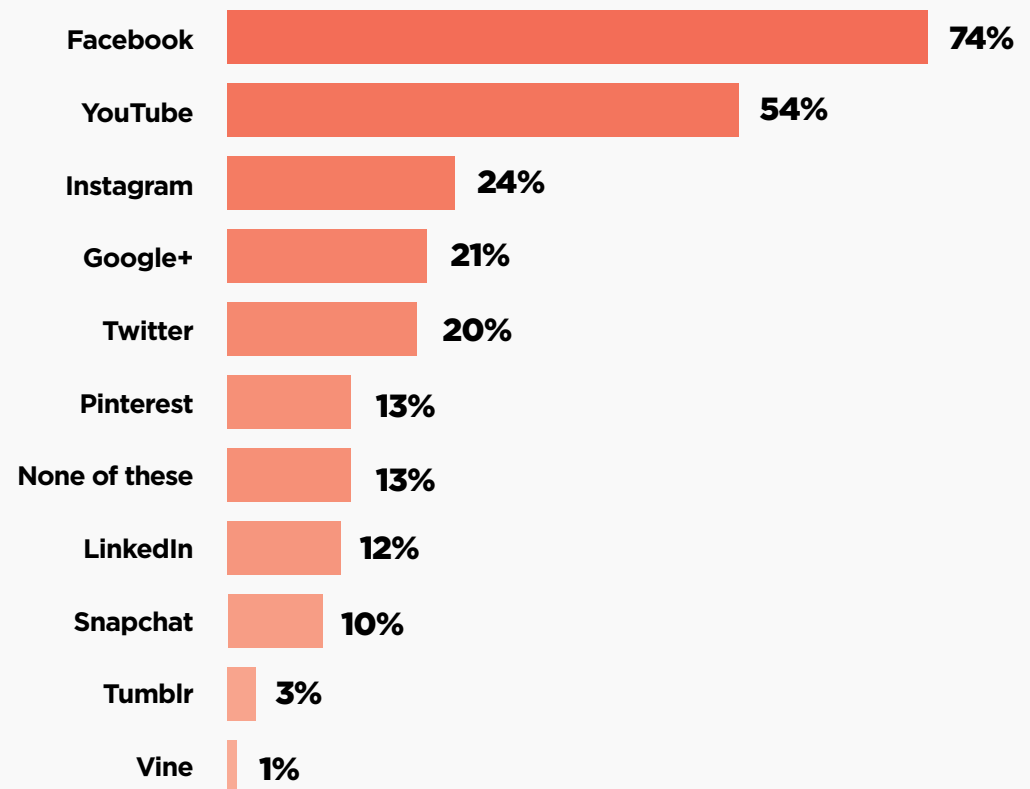
The top three social sites

One of the best ways for your brand to be seen is on social media – Facebook, YouTube and Instagram are the three most popular social media sites in Europe.

Pinpoint your target customer

Brands often call in the experts – many European communications suppliers specialise in social media advertising campaigns, and can help identify which social media platforms your target customers use.

Weekly use of social media across 21 European countries.



Facebook rules in Europe



Facebook is king

A Facebook business page can be used alongside a website, to create focused communities, engage with customers and track consumer behavioral trends.

→ Facebook has 354 million subscribers in Europe and also owns Instagram.

→ Facebook's WhatsApp and Messenger chat apps are used by 1.3 billion people worldwide. WhatsApp is regularly used by 55% of Germans and 17% of the French.

→ You can advertise and host events on Facebook to encourage people from your online community to meet.

354M

No. of Facebook subscribers in Europe

1.3B

No. of Facebook's WhatsApp and Messenger users worldwide

55%

of Germans regularly use WhatsApp

17%

of the French regularly use WhatsApp

YouTube is the place to be seen



Visual content is king on YouTube, where a video can potentially go viral and help establish your brand.

- When creating videos for YouTube (or Vimeo, also popular in Europe) quality and timing matter. Video and audio should be crisp, clear, and easy to understand, aligned with your overall brand.
 - Brands can set up their own dedicated YouTube channel, linking to their website.
 - Content can include marketing and advertising, and customer generated video content.
 - Google owns YouTube. Publishing a video on the channel can help your brand be found in a Google search.
-

Advertise on YouTube



→ In-streaming ads

The most common advertisements are short clips before, after and during video streaming. These are called in-streaming ads, which also pop up whenever a video is embedded on pages other than YouTube.

→ Cost per view

You pay for advertising every time a user watches 30 seconds (or shorter, depending on the clip's length) of your clip or whenever they click on your ad to learn see more. (CPV: Cost per View)

→ Discovery ads

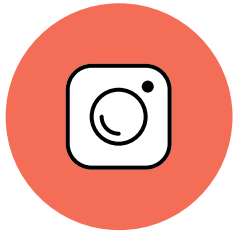
There are also discovery ads, which appear when a user is searching or browsing content on YouTube or across the web. These clips aren't limited to 30 seconds; they can be as short or long as you wish. You'll be charged every time someone clicks on the ad to watch the full video. (CPV)

→ Industry gateway

YouTube also gives you a gateway to be an educator in your industry. You can upload webinars or videos speaking about topics that interest your audience.

Birkenstock reach more of their target audience by producing online product tutorials and videos. This can enable consumers to engage with the brand or product in more detail without the need to visit a physical store.

Instagram is the millennials favourite



Instagram is like your shop window online.

It can build your brand's personality, help you attract customers, and promote products and services to a wide audience.

→ **Track followers and how they interact** with your posts and stories.

→ **The favorite social media platform for millennials.**

→ The number of monthly active Instagram users worldwide reached **600 million in December 2016.**

→ **You can advertise in a variety of ways through photos, videos or stories.** Instagram provides a step by step tutorial to help you build your campaign. You get real time metrics on how your stories and promoted posts perform throughout the day.

→ **The Ads Manager feature uses the same powerful advertising tools as Facebook.** You can set up, make changes and see results for all your Instagram campaigns and ads in one place.

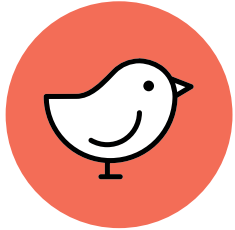
600M

No. of monthly active Instagram users worldwide in December 2016

16M

No. of Starbucks Instagram followers worldwide

Twitter for microblogging



Twitter is your space for posting short messages, tweets, and joining a conversation about your brand and industry.

- Twitter has 330 million registered users.
 - Brands can also advertise through sponsored links.
 - Hashtags # are your key on Twitter, as they allow you to reach a wider audience than just your followers.
 - Twitter users can follow anyone else on the platform, including celebrities and people they may not otherwise talk to.
-



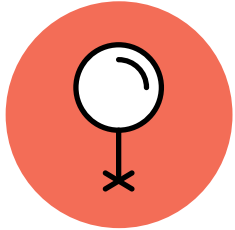
Increase brand followers

Adidas has been on Twitter since 2011 and has nearly 3.5 million followers.

330M
No. of registered
users on Twitter

3.5M
No. of Adidas
followers on
Twitter since
2011

Pinterest is for the creatives



A digital mood board

Pinterest is like an online mood board for sharing ideas, and in Europe large online marketplaces use this social network to position themselves as lifestyle, fashion and design brands.

→ Pinterest has 200 million visitors each month, of which 70% are women.

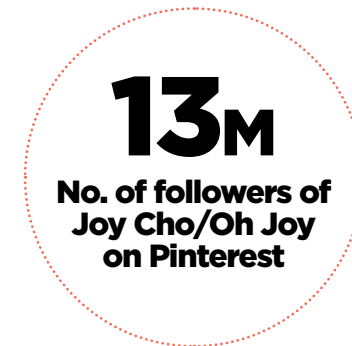
→ It has business solutions to help companies improve brand awareness, increase website traffic and boost online sales.

→ Trendsetters and influencers use Pinterest to share what they like and profile themselves.



Blogger Influence

Blogger [Joy Cho/Oh Joy!](#) has a community of over 13 Million followers.



Google+ and Google My Business



Businesses use Google+ to optimise their brand's profile in search results.

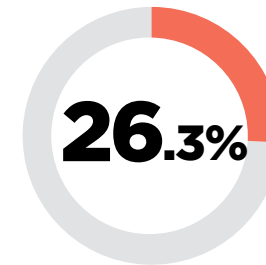
Europe B2B companies use Google+ actively, but for a different purpose than social media.

A Google+ page is another way to promote your brand in Google search results.

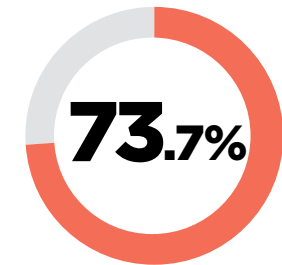
Google My Business

The Google My Business dashboard is where you can build your business page on Google, update your business listing, add photos, and share content that makes your page more valuable. All of that information is pulled directly into Google's business listing for brand searches.

Google My Business has become a robust business listing in its own right, offering built-in analytics, and the ability for users to chat with your business directly from your listing.



Percentage of Google+ female users



Percentage of Google+ male users

Top 5 countries

- 1 USA
- 2 India
- 3 Brazil
- 4 UK
- 5 Canada

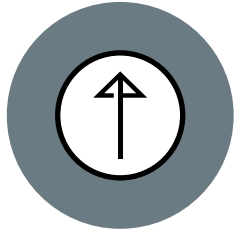
Top 5 brands

- 1 Google Chrome
12.3M followers
- 2 Andriod
11.9M followers
- 3 Playstation
9.3M followers
- 4 Google Play
9.1M followers
- 5 Gmail
9M followers

SECTION 5

The rise of social commerce

The rise of social commerce



Browsing online needs to be easy, and an important part of the shopping experience you offer.

Nearly half of online shoppers in Europe use social media to look for a product or service – but this number jumps to 67% for shoppers aged 18-24. The number of buyers and browsers have tripled over the past two years.

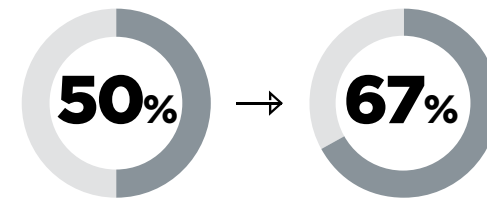
→ Consider embedding commerce directly in your social channel.

Facebook has partnered with Shopify

to enable businesses to set up a Facebook e-shop. With a Facebook store, you can sell directly from your Facebook page, manage orders, and run an ad. You can personalise the shopping experience with Messenger chat support, allowing customers to buy your products directly in a chat, and track their orders in real time.

Twitter has teamed up with a number of e-commerce partners to allow users to sell directly from its platform. Any product that you've tweeted will include a buy button, which means your audience can buy from you without leaving Twitter.

On Pinterest, buyable pins were released in 2015. At the time, there were 30 million on the site, and within three months the number had doubled.



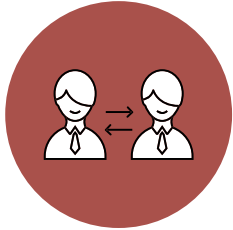
Of online shoppers in Europe use social media to look for a product or service

Jumps to 67% for shoppers aged 18-24

SECTION 6

How B2B companies use social media

How B2B companies use social media



In Europe, B2B companies use social media to promote thought leadership, strengthen customer relationships and attract talent.

Desired B2B platforms

In Europe, the most popular platforms for B2B are YouTube, Google+, Twitter, LinkedIn, Viadeo (mainly in France) and Xing (mainly in Germany, Switzerland and Austria).

LinkedIn

LinkedIn has developed a number of tools for business accounts. It has become a top hiring platform in Europe used by HR specialists, headhunters and candidates.

LinkedIn also offers marketing solutions and advertising options, including video ads. It provides tools to monitor traffic.



Example: Hager Group

A leading supplier for innovative electrotechnical components and solutions, *Hager Group*:

- is active on 7 social media platforms for brand awareness and employer branding;
- has its own social media charter for employees;
- also leverages social media to support talent recruitment.

SECTION 7

Monitoring performance

Monitoring performance



The advantage of an online shop is it's possible to keep track of sales and trends so you can adjust the shopping experience for your customers.

Almost everything can be measured instantly in an online shop – from the number of sales and conversion rates to the impact of an ad campaign on sales.

It's important to start out as you mean to go on, using a digital strategy and specific key performance indicators (KPIs) as a roadmap.

Measure performance on the fly



The success of your online shop depends on a number of factors that help lead browsers to the checkout.

- 1 Good design and well thought out e-marketing campaigns. Be willing to adapt.
 - 2 Attracting and nurturing a community of fans will help foster brand advocacy from loyal customers.
 - 3 Data and advanced analytics play a crucial role in understanding shopper behaviour, and qualitative listening tools are also critical.
 - 4 Engage regularly with shopper panels, ethnographic research and observation can offer valuable feedback on the impact of personalised communications.
 - 5 Many start-ups have developed online surveying and monitoring tools and apps.
 - 6 Google, Facebook, and all the professional e-commerce software have their own web based analytical dashboards that enable you to track your e-shop's performance.
-

Keep track of customer churn rate

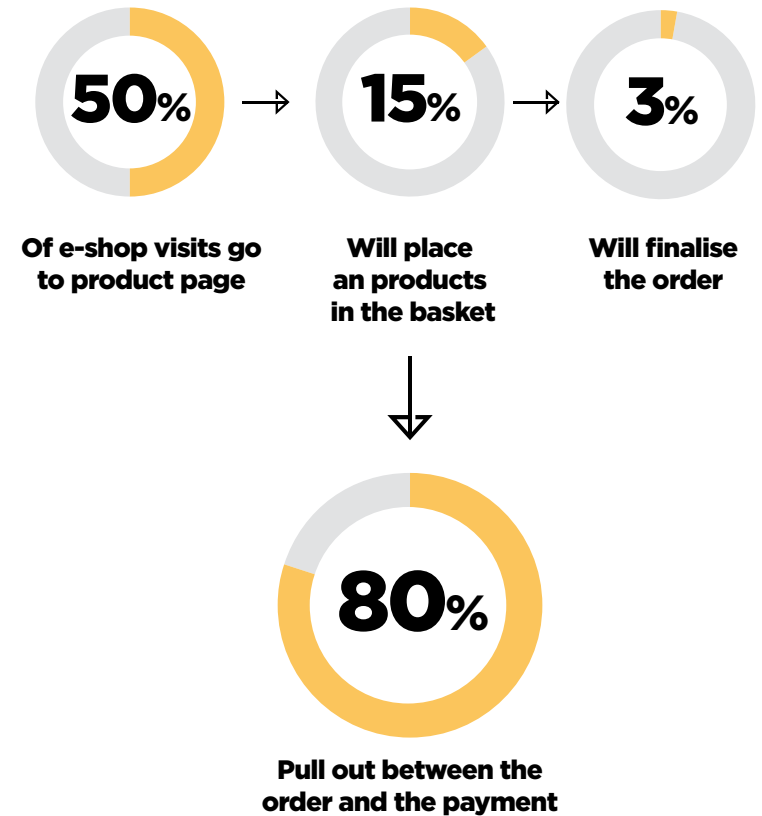


Consumers can abandon their cart for a number of reasons, sometimes because the path to purchase is too complex.

→ E-commerce statistics show that only half of 100 e-shop visits go to a product page, and 15% will place products in the basket, then 3% will finalise the order.

→ Between the order and the payment, 80% pull out.

→ A fast and reassuring purchase path is essential.



The metrics explained

Conversion Rate (CR)

The percentage of your site's visitors who make a purchase. To calculate CR take your total number of site visitors who make a purchase and divide by the total number of site visitors. An average conversion rate across industries is about 3%.



To improve your conversion rate, make it easier for customers to find what they're looking for.

Average Order Value (AOV)

The average amount a customer spends when they place an order on your site. To calculate AOV divide the total value of orders by the number of orders.



To improve the average amount a customer spends, examine your customers' shopping behaviour and find ways to offer them more relevant products and specials.

Repeat Customer Rate (RCR)

The percentage of customers who return to make another purchase on your site. To calculate the RCR, divide the total new customers in a given timeframe by the number who return for another purchase.



To improve the number of customers who make return purchases, provide great customer service, use email lists and newsletters to send relevant and timely personal content and offers.

Website Traffic

The number of visitors to your website or online shop, and the number of pages visited. Calculate this by adding up all visitors to your site from every source including referral, organic, direct, social, and email. Google Analytics is offering metrics dashboards on a number of variables.



To improve website traffic harness free sources of visitors, such as search results, social media traffic, PR, content marketing, word of mouth, and emails to existing customers.

Customer Lifetime Value (CLTV)

A prediction of the profit you expect to receive from a customer over the course of your entire relationship. By knowing how much each customer is worth to your business, you can better decide what and where to invest in the business.



To stay profitable, it's important that your upfront customer acquisition expenses do not exceed your customer lifetime value.

SECTION 8

Get the right skills

Get the right skills



Deciding when to use external expertise or develop the right skills internally will help your online shop succeed.

Outsourcing

You may count on a number of specialised suppliers, from digital strategy advisers and web designers to change management consultants.

Keeping it in-house

When it comes to the day-to-day running of an online shop, you will need key skills in-house.

Your e-commerce adventure can be a great opportunity to develop new skills with your staff, to build capacity and digital know-how and to improve working methods or processes.

SECTION 9

Summary

Reflective questions



- 1 Do you have a marketing and communication strategy that can promote your e-shop?
- 2 Do you know which e-marketing tools and methods will best suit your e-business?
- 3 How can you best leverage the power of social media to support your business?
- 4 Are you ready to implement social commerce?
- 5 Could you apply influencer marketing methods?
- 6 How can you best personalise the customer relationship?
- 7 Which e-marketing features can you embed in your e-shop?
- 8 How can you best collect and use customer feedback?
- 9 Do you have the right competencies in-house to market and develop your e-shop?
- 10 Which metrics could you use to measure your e-shop performance?

Index of document links

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[The New Zealand FernMark licence programme](http://www.fernmark.nzstory.govt.nz/) - <http://www.fernmark.nzstory.govt.nz/>

[New Zealand Story Group](https://www.nzstory.govt.nz) - <https://www.nzstory.govt.nz>

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[Otto](https://www.otto.de/) - <https://www.otto.de/>

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[Caroline Receveur](http://www.carolinereceveurandco.com) - <http://www.carolinereceveurandco.com>

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[Starbucks location information](#) -

<https://www.forbes.com/sites/michelleevans1/2017/05/10/what-other-commerce-players-can-learn-from-starbucks-mobile-rise/2/#2e921dc70e51>

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[Birkenstock](https://www.youtube.com/channel/UCsDtI51c5Ieo3GNKDK9v-6A/featured) - <https://www.youtube.com/channel/UCsDtI51c5Ieo3GNKDK9v-6A/featured>

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[Joy Cho/Oh Joy](https://www.pinterest.nz/ohjoy/) - <https://www.pinterest.nz/ohjoy/>

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[Hager Group](https://www.hagergroup.com/en/media/1024-160.htm#socialmedia) - <https://www.hagergroup.com/en/media/1024-160.htm#socialmedia>



NEW ZEALAND
TRADE & ENTERPRISE
Te Taurapa Tūhono

New Zealand Trade and Enterprise (NZTE) is the Government agency charged with a single purpose: growing companies internationally, bigger, better and faster, for the benefit of New Zealand.

We employ 600 people, have over 200 private sector partners and draw on a global network of thousands more. We have people based in 50 offices, working across 24 time zones and 40 languages to support New Zealand businesses in over 100 countries. Our global presence lets us deliver value to the businesses we support, through our unique know-how (knowledge and experience) and know-who (networks and connections).

Our know-how and know-who is expressed in our Māori name: Te Taurapa Tūhono. Te Taurapa is the stern post of a traditional Māori waka, which records valuable knowledge, and stabilises and guides

the craft forward. Tūhono represents connections to people and an ability to build relationships.

We provide customised services and support to ambitious businesses looking to go global. We help them build their capability, boost their global reach, connect to other businesses and invest in their growth. We also connect international investors with opportunities in New Zealand through a global network of investment advisors.

We call on our Government network and work closely with our NZ Inc partners and the business community, to grow our national brand and help businesses to open doors in global markets.

nzte.govt.nz

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