

A Design Dilemma: Attracting New Prospects while Staying Focused on your Niche

A common dilemma that stores face when designing a website is to balance a desire to present something for everyone, with a focus on the value you offer to your target audience. If your focus is too narrow you worry it could take a long time to find customers who are interested in your offer. However, if your scope is too broad it could lack differentiation; your ideal customers may overlook the value you can offer them.

Barry Schwartz, a social sciences professor at Swarthmore College, outlines his research on how this dilemma affects your customers' behavior in his newest book. In *The Paradox of Choice*, Schwartz argues that when presented with too much choice, consumers become paralyzed to such an extent that it lowers sales and hurts customer satisfaction.

To demonstrate his findings Schwartz described testing at a grocery store that was promoting a brand of jam. During the first part of the experiment they set twenty-four jams on a table at the front of the store; for the second half only six jams were displayed. The result was that twice as many visitors came to the table with twenty-four jams; however there were ten times the sales when only six jams were on display. He concludes that a big selection attracts more visitors, while a more limited selection converts to more sales.

It seems too much choice also leads to less satisfaction. When consumers are presented with more options than they can possibly investigate, any selection they make comes with the suspicion that alternatives exist that could have turned out better. This leads to regret that they may have made a poor decision, even if they made the best possible selection.

Certainly the goal of your store is to attract new customers and to sell to returning ones. Indeed, this challenge

is especially true online where it is rare that an e-commerce site can identify more than thirty percent of its traffic as returning customers. In support of retailer websites, part of our work at Beverage Media is to distribute their inventory to search engines and shopping comparison sites. This attracts traffic from customers that are looking specifically for products the store has in-stock. Clearly having more items on your website means there are more opportunities to pick up traffic from product searches at these referring sites. One of the advantages of Virtual Inventory is that by adding thousands of products to your website you maximize this opportunity for referral traffic.

Once the visitor is on your site you want to keep them and convert the sale by presenting everything your prospect could possibly want. But how do you do this without confusing existing customers? Try researching how your customers behave online, then fine-tune the navigation and search tools around choices that will help your main customer groups. Your best customers should be able to do very little to find whatever they are looking for.

How are returning customers using the site? They might be following links in your emails or searching for your homepage. If so, your homepage and the email landing pages should be designed to minimize confusing decisions. Think "six jams" for these pages; however each page can have a different targeted selection.

By understanding your customer's goals and being clear about how they can get the best value from your website you will provide a better shopping experience. Make it easy for them to feel that they have made good choices and you will have more satisfied customers.