The Definitive Guide to a Supercharged Magento Store

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Magento is proud to present ‘Community Insights’ to help merchants develop strategies and tactics to better serve their customers.

The Magento Partner Community is a trusted network of consulting and technology companies that help merchants grow their business, and create engaging customer experiences with the Magento Platform. These organizations provide valuable insights and practical takeaways from their real world experiences with merchants like you.
THE DEFINITIVE GUIDE TO A
SUPERCHARGED
MAGENTO STORE

By Magento Premier Technology Partners

nosto  dotmailer  CELEBROS

VERTEX  temando
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INTRODUCTION

In 2016, an estimated $101 billion in digital commerce sales were processed through the Magento platform, which means that there’s an enormous amount of digital commerce data available to help you optimize your online business. Understanding how customers behave on Magento powered stores, and how that behavioral data can be made actionable, is key for growing your business.

That’s why we’ve created this guide.

Powering your online store with Magento gives you access to a world of resources, and connects you to an ecosystem unrivaled by any other platform provider.

This guide is brought to you by members of that expansive ecosystem – Magento Premier Technology Partners.

Each Magento Premier Technology Partner is an expert in their field and provides cutting-edge technology that helps you extend the core capabilities of Magento Commerce. Through personalization, shipping, search, email marketing, payments, and more, these technology providers help you supercharge your Magento-powered store to increase sales revenue and business growth.

In this guide you’ll learn about the opportunities provided by the Magento ecosystem to empower your business growth. You’ll find customer behavior data, real-life examples and actionable next steps to take you all the way from theory to execution.

The result? One supercharged Magento store.

Let’s get started…
SUPERCHARGING MAGENTO THROUGH 1:1 PERSONALIZED CUSTOMER EXPERIENCES

Nosto enables online retailers to deliver their customers personalized shopping experiences at every touch point, across every device. A powerful personalization solution designed for ease of use, Nosto empowers retailers to build, launch and optimize 1:1 multi-channel marketing campaigns without the need for dedicated IT resources. Thousands of Magento retailers are already using Nosto to grow their business and delight their customers. Nosto supports its retailers from its offices in Helsinki, Berlin, Stockholm, London and New York. Learn more »
In the Econsultancy/Adobe Quarterly Digital Intelligence Briefing over 40% of all online retailers said that in the next five years, they were planning on differentiating themselves from their competitors by offering exceptional customer experience. But if you’re in that 40% (and you should be!) how do you come out ahead in this race to be the best?

There’s no doubt about it: delivering an exceptional customer experience requires an individualized approach to each and every visitor. And that’s not only on your online store, but throughout all retail touch points and all devices. This multichannel approach means delivering the right content to your customers at the right time, over the right channel – across both sessions and devices.

“I think it’s (Personalization) the hardest thing out there. It’s still early for true personalization.”

- Mark Lavelle, CEO of Magento Commerce

The power of 1:1 personalization lies in a combination of big data analysis and knowing how to leverage it. It’s only when you have both that you’re able to offer your customers a 1:1 personalized customer experience, and in doing so, power your business growth.

Traditionally, the combination of traffic, conversion and average order value have been the top line metrics from which an ecommerce business tracks operative success. But there’s a more important performance metric that should be considered: Can you grow faster and – even more importantly – can you do so quicker than your competition?
Personalization can help. Its power comes from the amount of data there is to analyze: specifically, how much traffic you already have coming to your site. In this guide we’re going to help you supercharge your Magento store, increasing your conversion rate and average order value, and in doing so, increasing customer lifetime value and your overall business growth – your ultimate KPI.

MAGENTO – SUPERCHARGED!

To supercharge your Magento store by delivering 1:1 customer experiences through personalization you need two things:

▷ A solution capable of collecting, analyzing and making all of your visitor data accessible

▷ Knowledge of how to make the data actionable and impactful.
PERSONALIZATION VIA RETARGETING

Statistically, the vast majority of your customers will leave your site without buying (if you’re a retailer with a conversion rate above 50% let us know – we want to know your secret!). In fact, the average customer to a Magento powered store visits the store 1.8 times before making a purchase, which means that only on the third visit does the average customer buy something.

3RD VISIT LEADS TO A PURCHASE

Those average three visits happen on a number of different devices and channels – making the modern day buyer journey no longer a linear one, but more like a plate of loosely connected spaghetti. The old way to target customers was through the use of cookies, but a far more effective one is via your customer’s individual profile. This allows for a more engaging and personalized customer experience, since customers are able to continue where they left off, regardless of the device they’re using.

Most ecommerce traffic to Magento powered stores comes via mobile (43.7% of all traffic), but the majority of all revenue still comes through desktop (57.9% via desktop vs. 28.6% via mobile). What does that tell us? That customers still use mobile for inspirational browsing, but move to desktop to finalize their purchases. (Source: ‘2016 Magento year in review’ report)

By adding the Facebook tracking pixel to your site, you can collect and leverage the rich data Facebook has on your visitors, and use those small digital breadcrumbs to lead the customers back to your store. An alternative way to identify the customer is to identify them by using a cookie or have them log into your store, which allows you to track their behavior and build your own profile on them.
HOW TO DO IT?

➤ **Re-engage on Facebook and Instagram**: Customers don’t always have the time, budget or motivation to complete a purchase then and there. By retargeting them via the channels they use the most, you’re more likely to get them back on your site to complete a purchase. In fact, according to Nosto data, retargeting cart abandoners on Facebook generates on average a **14x ROAS**.

*RETAILER EXAMPLE: Fashion store Eton generated 19X ROAS on Abandoned cart recovery ads. [Learn how »](#)*

➤ **Tailor the email experience**: Make your emails relevant to each individual customer by automatically populating each email with personalized recommendations.

*RETAILER EXAMPLE: Bodybuilding Warehouse added Nosto’s email widgets to dotmailer’s email templates and achieved a 20% increase in email conversions. [Learn how »](#)*

➤ **Retarget customers who’ve already completed purchases**: Shoppers who return to a store after being retargeted with post-purchase ads provide a significant ROAS on Facebook. Even better, the second and third purchases are statistically higher in AOV than the first.

*RETAILER EXAMPLE: Magento powered Volcom has seen great results with Facebook retargeting campaigns. [Learn how »](#)*

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PRO TIP: POP-UPS AREN’T DEAD!

When visitors land on your store, to encourage them to buy something and/or leave their details so you can retarget them, display one of the following:

➤ A discount pop-up encouraging visitors to complete a purchase (if they show signs of leaving the site without buying)

➤ An email capture pop-up offering a discount, loyalty points or free gift should the visitor give their email address
19x RETURN ON AD SPEND

8x RETURN ON AD SPEND
PERSONALIZATION VIA ON-SITE PROMOTIONS

It’s the job of smart algorithms and advanced machine learning engines to power 1:1 personalization. They do this by collecting behavioral data, product relationships and information on visitors based on location, product interests, brand affinity, style, and price sensitivity. Once the data is compiled from both user profiles and product relationships, it’s automatically analyzed to deliver the best fit for each situation. For instance, on the product page it makes sense to place more weight on product relationships to ensure the customer finds what they are looking for. On the other hand, a reminder of previous interests and other items related to those they viewed work like a charm on places like the home and cart page, for increased conversion and AOV.
HOW TO DO IT?

Welcome customers back with highly personalized content: Part of the secret to Amazon’s whopping 13% conversion rate is the fact that when visitors land on the site, they’re immediately met with the items they’re most likely to purchase. Use your customer insight to create a ‘recommended for you’ section – a selection of products based on each customer’s unique browsing and buying behavior. This makes it easy for them to continue shopping where they previously left off.

RETAILER EXAMPLE: Magento powered fashion & lifestyle store Knomo is seeing a 16% increase in AOV for personalization elements on the homepage.

Take advantage of your last 1:1 on-site opportunity by personalizing the cart page: The cart page is one area in your store especially suited to 1:1 personalization. Why? Because the items that have made it here, into the virtual cart, are most in-line with your customer’s buying preferences. This information is invaluable and puts you in the best possible position to recommend items that are most likely to increase basket value.

PRO TIP: THINK MOBILE!

Increase image use and prioritization when thinking mobile first – mobile users are very inclined to click visual cues instead of text. By appealing to this trait you can push this metric (and consequently other metrics like conversion, AOV and revenue) to hockey stick growth.

When used correctly, personalization drives customer engagement with visitors browsing more items and spending more time on the site. It also increases conversion and generates an enhanced customer experience – generating more happy customers that return to your store. All to drive that all important bottom line: the growth of your business.

Voila – one supercharged Magento store, thanks to the power of 1:1 personalization!
As a Magento Premier Technology Partner, dotmailer provides marketers with an easy to use email marketing platform to do smarter marketing and increase online sales. Build automation campaigns, clever segments and optimised landing pages without needing to code. Seamlessly integrate your other ecommerce tools or data and call on expert teams as and when needed, from technical to creative. Trusted by 8000 merchants globally, including Paul Smith, Habitat, Paperchase and Edcon. Learn more »
Now we’re going to go deep into one of the areas mentioned in Chapter One: personalization and email. Consider the number of marketing messages that arrive in the average person’s inbox from week to week – how do you stand out from the crowd?

The key to differentiating your brand from the competition is to develop human-sounding conversations. And while that might initially sound time consuming, by adopting segmentation and marketing automation, you have the tools that’ll enable you to deliver personalized messages at huge scale.

It’s over to you, dotmailer...

Email is the workhorse of the digital marketing suite. It’s stood the test of time, not least because it’s remained the preferred communications channel for consumers to stay in touch with brands. Handing over an email address is much less of a commitment than providing, say, a phone number.

On top of that, email is also cost effective, delivering the best return on investment (ROI) out of any of the digital marketing channels – more than $39 for every $1 spent, to be precise (DMA, 2017). And the great news for ecommerce business owners is that the technological advancements in email marketing mean it’s never been simpler for retailers to communicate with their customers on a really personal level.

In chapter 1 we stressed that data is key to being able to personalize the website and to enable remarketing tactics. To initiate 1:1 conversations via email, it’s no surprise that data is again the essential component. At dotmailer, we understand that the key to success is maintaining a single view of the customer, which is only achievable through connected systems. It’s why we offer a seamless, real-time integration for Magento – the world’s number one ecommerce platform.
When we refer to ‘mobile’ in this guide, it’s worth clarifying that we will also be looking beyond the physical smartphone or tablet itself. We believe ‘mobile’, in a metaphorical sense, means giving consumers the power to keep your brand in their back pocket, so they can pick you up whenever and wherever they might need you.

After all, in today’s world, most of us no longer distinguish between a ‘digital’ and a ‘non-digital’ experience.

Your customer sees your brand as a unified entity that should provide a consistent, seamless experience whatever platform they choose to engage with you.

While your social networks, your website, your app and your stores (if you have them) provide touchpoints, you also need to consider how you drive people to those channels. The age-old saying ‘out of sight, out of mind’ is especially true here, and if you’re not regularly communicating with customers on a personal level, you risk losing their business in the future.

As a ‘push’ channel, email is a natural enabler here because it provides a vehicle for you to reach out to prospects and customers.

**PRO TIP: CAPTURE EMAIL SIGN-UPS IN-STORE**

Paul Smith recognizes that some of its most valuable customers shop on more than one channel, e.g. browsing online then going into the store to try and buy. This is why the company localizes email content for customers on occasion, driving them to store events that are local to them.
Example 1: Online email subscribers/shoppers in & around London

Paul Smith also encourages staff to collect email addresses in-store and sends the customer a simple welcome email that recognizes the interaction, letting the customer know exactly what will be coming their way via email. Of course, the email is mobile optimized in case they are still out shopping when it arrives.

Example 2: Welcome program from in-store signups
IT STARTS WITH SMART SEGMENTATION

If you have a healthy database, there is almost an infinite number of ways in which you can segment your contacts. However, what we’re going to show is why it’s smart to prioritize identifying your most valuable customers and what you can do to encourage them to convert. Email segmentation is not new but it’s by no means an outdated technique, with 51% of marketing influencers saying that the ability to segment email lists is the most effective personalization tactic (Ascend 2, 2016).

51% OF MARKETING INFLUENCERS SAY THAT THE ABILITY TO SEGMENT EMAIL LISTS IS THE MOST EFFECTIVE PERSONALIZATION TACTIC.

With the dotmailer for Magento integration, the customer data from your store is at your fingertips. You can see who’s been on your site and the device they used to view it, what they browsed, favorited, added to their cart or purchased, as well as when they completed purchases and how much they spent during their customer lifetime (and much, much more!). From this information, it’s possible to work out who matters most to your business and how best to target each of them.

For instance, when it comes to your regular ‘high-value’ customers, you’ll want to keep in regular contact and target them with more expensive products. However, to make your campaigns really effective and relevant, it’s necessary to get much more granular. You also know exactly what these customers have purchased and on what device, giving you the insight to target them with products of likely interest – and in a way that lets them buy wherever, whenever.
HOW TO DO IT?

A common method for ‘grouping’ or personalizing at scale is to create content around different product categories within your store.

Let’s say you’re an online homewares business selling items for every room in the house. You want to target regular buyers who typically browse and purchase bedroom-related products in the higher price bracket – in this case, it’s luxury bed linen.

Your next step would be to create some tailored content to go into the body of your email that features products from this category. You could also go one step further by including helpful value-add content, such as a guide on ‘Choosing the right bed linen for the seasons’.

Finally, you need to create your segment. In dotmailer, it’s easy to build segments with the ability to drag and drop different queries. The queries you set will automatically mine the data fields associated with each customer record and generate the segment based on your requirements.

You may think that this seems like quite a lot of effort to go to, but remember that these are some of your most valuable customers, and consumers in general are much more inclined to engage with relevant, focused communications. In the 2016 DMA Consumer Tracker Report, 84% of people claimed that they now find less than half of brand emails interesting or relevant – so personalization is definitely the way to win and keep the hearts of your customers.
**PRO TIP: USE SEGMENTATION TO STIR UP SUBSCRIBER ENGAGEMENT**

Gourmet flavor and syrup manufacturer Monin used segmentation to reinvigorate a different segment of its database: inactive contacts. Its re-engagement campaign – called Relationship on the Rocks – involved segmenting and targeting inactive contacts from the last seven to 12 months. The email’s subject was titled ‘Are we breaking up?’ and asked recipients whether they wanted to continue receiving emails from Monin.

An impressive 25% of contacts opted to stay connected with the brand. Monin was able to rekindle the love with more than 2,100 waning subscribers and remove those who had become disinterested, ultimately savings costs and resources, and improving overall engagement rates.

In the next part of this guide, we’ll be exploring how your valuable customer data can be turned into a money-generating machine when combined with email marketing automation.
QUICK WINS WITH CART RECOVERY

We’ve already spoken about targeted campaigns, and this piece of advice is a simple (and automated) extension of that. dotmailer for Magento holds full details of customers’ shopping carts, namely when items have been abandoned. With a simple automation program, dotmailer can dynamically pull the details of yet-to-be-purchased products into an email and deliver timely reminders to the customer.

There are many reasons why customers don’t make it through the checkout – from account creation barriers to the lack of a mobile-responsive website – so this is your chance to turn things around and bag that sale. eMarketer predicts that the share of smartphone sales will grow to 65% in 2017, making the ‘mobile-first’ mindset a priority for any ecommerce business.

Interestingly, in the 2017 dotmailer Hitting the Mark benchmark report, 60% of retailers didn’t use email marketing automation to try and recover the sale. Clearly there’s a huge opportunity to be had, especially when abandoned cart emails convert at an average of over 28% (ShopCycle, 2017).
HOW TO DO IT?

This is often the first automated email campaign that online retailers implement and there are a few crucial things to consider. For instance, whether you have one abandoned cart email or a series of them. First up is the reminder of what products have been left in the cart, accompanied by images and the price. The second ‘must have’ is great copy that’s on-brand.

*HiHouse* covers both of these off. Note the use of ‘don’t get caught short’. The brand sells everyday goods for the household so this acknowledges that while it’s likely not the most exciting purchase, these items are a necessity! The button is also clever, offering help to complete the purchase.

We hope this guide has helped you to understand why email marketing is primed to supercharge your ecommerce business. At dotmailer, our advice to customers is to start small, think big and scale quickly; it’ll set you on the path to achieve maximum ROI. Good luck!
CLOSING THE CX LOOP WITH
SHIPPING & FULFILLMENT

THIS CHAPTER WAS WRITTEN BY TEMANDO

Magento Premier partner Temando offers a multi-carrier shipping platform for commerce that helps retailers manage the fulfillment process from the shopping cart through to delivery. Temando’s software solutions give merchants the power to move goods from anywhere they are to wherever they need to be. 

Learn more »
So far, we’ve looked at how you can optimize your digital marketing, both off and on-site, to supercharge your Magento store. But once a customer buys from you, there’s still a key part of the journey to come – namely, shipping and fulfillment. It can be a key differentiator between you and your competition, so how do you make sure you’re staying ahead of the pack?

Let’s turn to Temando…

While Magento makes it easy for you to set up your online store, deciding how best to optimize your shipping and fulfillment processes may be daunting. Commonly known as a loss leader, shipping can be a costly exercise if your IT systems and infrastructure are misaligned. With 50% of UK retailers surveyed for Temando’s 2017 State of Shipping in Commerce report admitting that they needed to improve their shipping and fulfillment automation, having a guide to help you get the most out of your shipping and fulfillment – and learn how to use it to boost customer experience (CX) – is a great step towards supercharging your Magento store.

Here, you’ll discover the common challenges that retailers face, how consumer expectations around shipping has changed, and what you can do today to help set yourself up for success tomorrow. First, try out the simple quiz on the following page to find out if your current approach to shipping and fulfillment is on track. If you got at least 8 points for the quiz, congratulations – you’re a rare breed and on your way to being a retail superstar! For most, the reality is that many of the best practice items listed in the quiz pose challenges – either in terms of operational efficiencies, quality and consistency of customer service, ability to scale, and ultimately its impact to the bottom line.

Temando’s report also showed that up to 56% of UK shoppers abandoned their cart due to shipping-related pain. With this in mind, are you confident that your shipping and fulfillment processes will put you in good stead to win a sizeable share of the $86.7 billion e-commerce sales pie that’s forecasted for this year? Let’s look at the the types of challenges that retailers currently face when it comes to shipping and fulfillment.
temando

Quiz: Is your shipping & fulfillment best practice?

Answer these five questions to find out if you’re doing well in optimising your shipping and fulfillment process.

Yes, all the time = 2 POINTS
No = 1 POINT
Don’t Know = 0 POINT

1. In addition to ‘standard’ and ‘express’ delivery, my customers have a minimum of 2 other shipping alternatives that they can choose from such as ‘same-day’, ‘hyperlocal’ (1-3 hours), ‘selected time-slot’, ‘weekend or afterhours’ or ‘click & collect’?

☐ Yes   ☐ No   ☐ Don’t Know

2. When we receive a customer review, it would more than often mention shipping in a positive light which contributed to their exceptional shopping experience.

☐ Yes   ☐ No   ☐ Don’t Know

3. Our automated shipping and fulfillment process enables us to curate a number of shipping promotions to the finer details such as product, location, time and type of shipping service - with a few simple clicks.

☐ Yes   ☐ No   ☐ Don’t Know

4. Our carrier-related costs are manageable due to our ability to auto-select the cheapest and fastest carriers regardless of where, when, and which shipping service the customer selects.

☐ Yes   ☐ No   ☐ Don’t Know

5. We have been successful in driving down cart abandonment by addressing all shipping related pains that our customers face including shortening the length of time it takes for deliveries to arrive, reducing the cost of shipping, communicating tracking updates on email and text, and providing returns shipping options.

☐ Yes   ☐ No   ☐ Don’t Know

Add up your score. How did you go?
KEY SHIPPING & FULFILLMENT CHALLENGES

Consumers today want more, for less: Due to market disrupting models by the likes of Amazon Prime, many shoppers have evolved to expect a lot more from their shipping services – be it in the range of delivery options, level of post-purchase communications, or ease of returns. Shoppers have grown accustomed to the concept of ‘free shipping’, with 37% stating that they’ll abandon cart when this option is not made available to them, and almost 60% indicating that they’ll do the same if they considered shipping costs to be too high.

Pro tip: Don’t let ‘free shipping’ bleed your profit margins dry. Uncover how to make this conversion tactic work for you with our Free Shipping Tips.

Retailers aren’t innovating fast enough: Almost all UK retailers surveyed acknowledged the value of shipping to enhancing customer experience, with 32% stating that they saw a CX uplift when they introduced better shipping options. Despite this, only 29% planned to invest in improving CX in the next 12 months. This slow footed approach may be attributed to the struggles that retailers faced with getting shipping and fulfillment automation right while they juggle rising carrier costs.

Pro tip: Overwhelmed by shipping and fulfillment at peak periods, such as the holidays? Let our Holiday Retailing Tips give you the head start that you need.

Gap between consumer and retailer is too wide: With close to 60% of shoppers stating that they’ll buy from a competitor if a desired shipping option is unavailable, failing to right the wrongs when it comes to shipping is risky business. Almost 50% of shoppers surveyed wanted same-day shipping, but currently only 21% of retailers offered this service. Likewise, 60% of shoppers wanted the ability to reserve a delivery time-slot but only 32% of retailers offered this, while 29% plan to offer it in the future.

Pro tip: Give yourself that edge by using great shipping and fulfillment practices to drive your business forward. Download The Delivery Advantage e-book now to find out how.
HOW TO SUPERCHARGE SHIPPING

At Temando, we believe that challenges give way to great opportunities to innovate – and there’s no better time to lift your retail game than now. Here’s five tips on how you can supercharge your shipping and fulfillment, to transform it into a CX-rich profit making tool.
1 – INCREASE SHIPPING OPTIONS

Retailers have told us that they’ve enjoyed better conversion when they’re successful at providing their customers with more shipping choice. Aside from the traditional delivery options such as ‘standard’ and ‘express’, why not consider adding the increasingly popular ‘same-day’, ‘hyperlocal’ (1-3 hours), ‘weekend or after-hours’ and ‘specified timeslot’ services into the mix? Admittedly, in theory this sounds great, but often the investment required to onboard carriers and update IT systems discourages many retailers from acting. For this change to work well, retailers need a solution that is easy to use and saves them valuable time to nurture those new conversions that come their way as a result of providing better shipping choice.

How? Consider adding a multi-carrier platform (such as the soon to be released Magento Shipping) into the mix to make this process easier for you. Aside from enabling you to access a range of carriers that each excel in different delivery types and locations in one view, you’ll be able to automate the process of matching the delivery request to the most suitable carrier – with confidence that it’ll always be the fastest and cheapest option.
2 – MASTER SHIPPING PROMOTIONS

Shoppers love ‘free shipping’, but are you hesitant to implement this because it cannibalizes your profit margin? Rather than walking away from this proven tactic, why not leverage shipping technology to create rules, so that you can engineer an entire range of ‘free shipping’ promotions that drive profit, not loss, for your business? To be successful at implementing shipping promotions, retailers need to have the ability to fully control the ‘who, what, where, when’ of each promotion that is running.

**How?** By using shipping rules to curate ‘free shipping’ promotions, you can be as agile and creative as you want to be. Consider testing a few promotions within a controlled environment first before committing to larger projects. Think about pushing slow-moving products by tagging free shipping on when a spend threshold is met, or reinvigorate slow trading days by announcing to your inner city-based loyal customers an exclusive free shipping offer if they purchased between 9am to 5pm on Mondays? Remember that having access to suitable carriers that can complete the last mile delivery based on your offers is key to executing this tactic well.
3 – LEVERAGE YOUR LOCATIONS

In a 2017 PwC/JDA study, only 10 percent of the 350 global retailers surveyed profit from fulfilling e-commerce orders, so we know that fulfillment is challenging for almost everybody. With optimized fulfillment identified as one of the reasons why Amazon has been able to grow so quickly, ensuring your processes in this area are aligned to your IT systems and vice versa is imperative. Leveraging your locations is one way of fixing this issue. From Temando’s report, we found that UK enterprise retailers on average ship from 87 locations – but are they using this geographical reach to their full advantage?

**How?** Shipping and fulfillment software can help retailers easily identify which warehouse or retail store closest to the customer holds stock. This visibility is advantageous as it not only reduces the time and effort it takes to fulfill orders, it gives retailers the chance to save on carrier costs as the distance between the dispatch and delivery destinations decreases.

4 – ACCELERATE ORDER FULFILLMENT WORKFLOW

To this day, we’re still taken aback when we hear of retailers who jump in and out of IT programs to fulfill orders. Even worse, some still rely on using Excel spreadsheets – turning this process into a long and extremely manual exercise. In fact, about 50% of retailers surveyed stated that platform compatibility, as well as shipping and fulfillment automation, are issues that need to be fixed. It doesn’t have to be this way.

**How?** With the power of shipping technology, you can streamline your order fulfillment workflow to achieve economies of scale: from the cart where customers are shown dynamic shipping options and quotes, to the fulfillment center where orders are prioritized based on selected shipping service, packaging logic identifies the best box size for the order, shipments are quoted from the nearest store with stock on hand and compliant labels are ready to go.
5 – COMMUNICATE TRACKING INFORMATION

Great shipping practices concludes with good communication. It’s one thing to quote a date range for when your customer’s order will arrive, it’s another to give them a definite timeline. Not only will it help build anticipation on the part of your customer, communicating tracking updates will also ease the load for your customer service teams - especially at peak trading periods where over 40% of retailers struggled with shipping.

**How?** Think beyond the general email updates – how about enabling regular text or SMS updates – maybe even explore real-time tracking? Or give customers better control, by giving them the ability to edit shipping information while goods are in transit. Of course, these tactics would also apply with returns shipping, where your customers will appreciate having a range of shipping options and good communications as part of a seamless return experience.

Much like the important role that payments, email marketing, site search and analytics play, investing in better shipping and fulfillment practices can supercharge your Magento store performance in both the short and long run. To help merchants streamline even further, Temando is powering the upcoming [Magento Shipping](#), so leave your details [here](#) to find out more about how this will transform the way you ship. To find out more about how UK retailers are faring when it comes to shipping and fulfillment, [download the Temando 2017 State of Shipping in Commerce report](#).
UNDERSTANDING SITE SEARCH, MERCHANDISING AND NAVIGATION TO GROW ON MAGENTO

THIS CHAPTER WAS WRITTEN BY CELEBROS

Celebros is an industry leader in Concept Based Semantic Site Search and the only Site Search Magento Premier Partner. Founded in 2000, Celebros revolutionized e-commerce by creating intelligent, concept-based semantic site search for online stores. The Celebros Site Search has over 250 NLP (Natural Language Processing) algorithms that return the most accurate and relevant answers for each query, and directly empowers e-commerce website visitors to search for their product using their very own unique search queries, language and vernacular. Learn more »
How to create a cohesive online shopping ecosystem, driven by conversions
The ability of an ecommerce platform to connect shoppers with products quickly and efficiently has a profound impact on the store’s bottom line. Customers experiencing few barriers tend to purchase more often, with higher cart values and in more frequent patterns. A seamless online shopping experience equates to a satisfied shopper and an eventual brand advocate.

And the result of that? More revenue dollars.

The strategy for boosting conversions and generating more revenue is a multifaceted one, involving several core features of your ecommerce—namely learning site search, merchandising and navigation.

Let’s explore these 3 puzzle pieces in a bit more detail.
THE IMPORTANCE OF MACHINE-LEARNING SITE SEARCH

Site search could be the first or last tool your customers use to find the products they’re looking for. Regardless, it needs to be the most accurate, allowing them to instantly view applicable search results and refine them until their desired item is found. For this reason, there’s no substitute for machine learning site search.

How does it work?

Learning site search does away with keyword matching or ineffectual parsing, to deliver intelligent results that mirror the demands of a shopper. Better still, a machine-learning search function knows what your shoppers are trying to say, even if they’re not saying it.

It’ll process brand names, colors, spelling errors, quantities, misnomers and more with speed and accuracy. It locks on shoppers’ intentions by extracting concepts and relying on smart product classification—regardless of size and variety. It becomes the basis of advanced merchandizing and recommendations which are a must in shop/customer interactions.

In short, machine learning site search is the shortest link between a customer and a product — which is just a few short clicks from a conversion.
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No algorithm runs perfectly forever. No algorithm is a magic bullet – especially in Ecommerce, which is constantly affected by seasons and trends. Shop owners need to constantly cultivate and tweak their machine learning advantages by using ML search based tools such as campaigns, recommended products, etc.
A great site search will also have a built-in dictionary to prevent empty results from returning when a search is misspelled. A built-in dictionary indicates when customers are misspelling unique words (such as brand names) and gives the ability to manually enter misspellings into the dictionary. It also comes in handy when shops wish to stay up to speed with slang, social concepts related to brands they carry, and the ever-popular social media abbreviations.

**PRO TIP: PREVENT EMPTY RESULTS**

If visitors are searching for a brand you don’t carry, you can add it as a misspelling to the dictionary and have it correct to whatever search term you would like. Instead of seeing ‘no results found’ your customers could see ‘sorry we don’t carry Nike, we searched for Adidas instead.’
UTILIZING SMART MERCHANDISING

Site search analytics provide data for the next logical step in optimizing your ecommerce: Merchandising.

Analyzing search data allows you to see specifically what your shoppers are looking for and understand why they’re not finding it. This is where merchandising plays a key role—it places the most-wanted, hardest-to-find products front and center.

Merchandising data can be continually dissected and leveraged to boost your ecommerce revenue, namely because:

- It’s continually changing, meaning there’s always new needs to be met and new products to be focalized.
- It personalizes your offerings. Depending on your various marketing channels, you’re able to leverage different products to different applicable audiences.
- It entices your shoppers. Finally, knowing your in-demand products allows you to run deals, create sales funnels and entice shoppers at crucial buying points across your site.

PRO TIP: SMART MERCHANDIZING

Smart merchandizing tools enable users to create fast ad hoc product categories featuring all relevant products related to a specific event or concept (Create a Valentine’s Day category and drag to it all products that can be bought as Valentine gifts). This will enable you to stay ahead of the game when it comes to preparing for your shoppers’ needs.
MAKING NAVIGATION EASIER

The final piece of the puzzle is one that fits seamlessly with merchandising: navigation. It simply means making it easy for shoppers to traverse your store, to find items that A) they want or B) appeal to them. More than that, it’s also a natural way to promote a clean, organized platform that’s easy and intuitive for customers to use.

PRO TIP: FIRST THINGS FIRST

Items that appear first or last on your navigation are most effective, as Psychology studies show that, attention and retention are highest for things that appear at the beginning and at the end. Place the most important items at the beginning of the navigation and the least important items in the middle.
HOW TO DO IT?

You shop uses navigation to better define and display your product categories, to nest product groups or to display top-merchandised products within drop-down menus.

➤ Use data derived from search results and merchandizing efforts to position best-selling items clearly within navigation, while also making your peripheral sellers easy to find.

➤ And, of course, navigation applies beyond products! Consider revamping navigation to make charts, comparisons, reviews, articles, FAQs, shipping/returns information and more all easy to find.
PUTTING THE PUZZLE TOGETHER

Learning site search, merchandising and navigation all feed off of one another and all work together to facilitate the customer experience. Modifying and optimizing one facet can have beneficial effects on conversions—looking at all three from an overhead view could dramatically improve the revenue you’re seeing!

Understanding the customer experience is key to understanding where conversions happen or why shoppers leave with nothing. To gain insight into this process on your ecommerce, start by looking at your site search, merchandizing and navigation.
SURPRISE WEBINAR - WHAT YOUR MAGENTO STORE SHOULD LOOK LIKE IN 2018
In our surprise webinar hosted October 18th, 2017, Magento Premier Technology partners Nosto and dotmailer teamed up to share successful combinations of strategies to extend the core capabilities of Magento Commerce in 2018. Watch the 45 minute webinar recording to learn which strategies and tech stack powering those strategies you should be eyeing closing in on 2018.
06

HOW TO BEAT THE BURDEN OF TAX COMPLIANCE TO SPEED UP YOUR MAGENTO STORE

THIS CHAPTER WAS WRITTEN BY VERTEX

Vertex is the leading and most trusted provider of comprehensive, integrated tax technology solutions for corporations worldwide. Since 1978, companies from around the world have relied on Vertex for our unparalleled expertise in tax technology and data management. Vertex combines sophisticated software and an award-winning team of tax experts to help Magento merchants stay on top of ever-changing tax laws. Use Vertex for simple sales and use tax calculations, or all the way through the filing and remittance process. Vertex’s Magento 2 extension is available in Marketplace for both Enterprise and Community Editions. Learn more »
In this chapter you’ll learn all about the supercharged power of Vertex, and how they help alleviate the burden of calculating sales and use tax during the checkout process on your Magento site.

Picture this: you’ve made the decision to choose Magento as your online shopping cart, business is booming and your webstore is growing significantly and on its way to going global. Things look promising, don’t they? Except there’s one obstacle standing in the way of your victory: the dreaded task of dealing with tax challenges outside of your comfort zone — and fast.

Many retailers using Magento still rely on manual sales tax processes that increase compliance risks and the possibility of audits. Trying to keep up with taxability codes and ever-changing tax laws when selling and shipping through your online store makes any Magento seller groan.

These issues are particularly acute for online stores for three major reasons:

- **Consequences of Growth**: Expanding into new product offerings can quickly multiply the complexities of sales and use tax management. Taxation rules can vary widely even for similar product types; for example, when an apparel item is identified as a luxury item versus essential, or if food and beverages are sold by an eating establishment instead of a grocery store.

- **State-by-State Nuances**: Ecommerce and the use of third-party warehouse and fulfillment services simplify expansion to new markets but they can quickly complicate tax calculations, making it difficult to clarify exactly where nexus exists.

- **Audit by Automation**: States are more actively pursuing sales tax collections, using big data-style analytics and automated solutions, as well as employing third-party companies that are paid a percentage of taxes and fees collected.
Consider the following:

- **In Chicago**, sales tax is 10.25%: 6.25% state, 1.25% city, 1.75% county and 1% regional transport authority tax

- **In Tennessee**, a 7% sales tax exists on the first $1,600, with 2.75% on the next $1,600

- **In Texas**, certain sales of electronic data are subject to tax, but only on 80% of the price

- **In New York**, clothing sold for under $110 is exempt from state sales tax, but subject to local sales tax

These variations can be confusing, but they’re also hugely critical for any business. Because unlike European VAT, which is generally included in the advertised price, US sales tax is highly visible — literally added on at the point of sale. Retailers risk damaging the customer experience (or even losing customers) by making tax or credit errors.

Without technology, the task of manually staying up-to-date and compliant is exceptionally difficult and time-consuming. Put simply, a non-tech solution does not make sense for modern businesses.
5 SIGNS YOUR MAGENTO STORE NEEDS A SALES AND USE TAX AUTOMATION SOLUTION

Now that we’ve identified the many tax pains of selling online, let’s figure out your tax complexities.

By automating your sales and use tax processes, you will be freed of the tax burden and risk associated with selling online – allowing you to focus on growing your business and satisfying your customers. So how do you know when it’s time to give up your manual process of calculating sales tax within your Magento Store? If you identify with any of these 5 signs, it’s time to reevaluate your tax game plan...

➤ You’re selling products and/or services into multiple states where your business does not have tangible physical presence. In these cases, remote seller nexus rules could apply. These nexus rules have and will likely continue to change regularly. Managing use taxes on sales made by out-of-state sellers to in-state customers manually places a hefty research and maintenance burden on your business processes. An automation solution alleviates that burden.

➤ You’re selling different types of products into multiple dates. Variability in product taxability state-to-state has historically been a headache to manage, and there are no signs that this will change. In some states, product taxability varies state-to-state, based on product type, date sold, ingredients or how the product will be used.

➤ You’re running a brick and mortar business along with your online Magento store. You may have storefronts in a different tax jurisdictions within one state, or even across state lines.

➤ You have storefronts in one state, even in one single tax jurisdiction — but have distribution centers in multiple states. Or you may have one physical storefront in a single tax jurisdiction, but sell online to tax jurisdictions across the U.S. and beyond.

➤ The mere thought of a tax audit send shivers down the spines of your CEO, CFO, CTO, VP of finance, accountants and tax professionals.
IS YOUR BUSINESS MAKING CROSS-BORDER OR IN-COUNTRY SALES IN EUROPE? TOP TIPS AND RECOMMENDATIONS FOR EUROPEAN BUSINESSES GOING INTO THE US

» Do your homework: Ensure tax expertise is close to the business, know what, where and when the company is planning ahead of time, so you can be prepared for the challenges that lie ahead.

» Seek local knowledge: Tax accountants trained in Europe are unlikely to have the knowledge base required to manage US rules. Seek local knowledge before making a sale.

» Use automation: With so many laws, variations and legislative loopholes, trying to do everything with a spreadsheet and desk research makes no sense. Use automated systems such as a tax performance engine wherever possible to keep compliant in the US.

Let’s start looking at how much easier your life would be by embracing the power of tax automation...

It’s the most wonderful time of the year! Is your Magento store ready for The Hendersons’?

The holiday season is in full swing, and so is the retail tax complexity surrounding the Hendersons’ to-do list.
It’s a Very Henderson Holiday

Is your Magento store ready?

A GIFT FROM THE HEART

Mr. Henderson needs to buy a gift for his lovely wife. While browsing online, he finds the perfect beaded necklace. It comes in pink on one site and blue on another. However, the differences don’t end there.

- Purchase online from a jeweler with stores in New York: TAX RATE: 8.875%
- Purchase online from a small shop with only a warehouse in California: TAX RATE: 0%
DECK THE HALLS
This year, Sally is in charge of decor. She finds the perfect light-up snowflake online, but when it arrives, it doesn’t work. While returning it in-store, she decides to not swap it for a new one and instead purchases a light-up gingerbread house. After the switch, more changes than just the display.

Online purchase return:
Price: $10.00
Tax: $0.74
REFUND: $10.74

New NYC in-store purchase:
Price: $10.00
Tax: $0.89
TAX RATE ADJUSTMENT: $10.89

SALLY OWES: $0.15

IT'S THE THOUGHT THAT COUNTS
Johnny saved up to buy nice gifts for his dad and sister. He selects a tie for Dad and a hat for Sally. He does the math before heading to the register to ensure he has enough. When they ring him up, his calculation was wrong. One item is taxed, one is not.

NYC HAS A $110 CLOTHING PURCHASE TAX THRESHOLD:
Dad's Tie $109.99 (TAX EXEMPT)
Sally's Hat $120.00 (8.875% TAX)

*TIS THE SEASON FOR SAVINGS
Mrs. Henderson loves Cyber Monday, but just before hitting “Submit” she realizes that the packages arriving at the house will certainly be seen by the kids. She quickly decides to ship the gifts to her husband’s office in CT. Boy is she surprised when she sees that secrecy also means savings.

Total when shipped home to New York, NY:
Gifts Price: $100.00
Tax: $8.87
TOTAL COST: $108.87

Total when shipped to Dad’s office in Greenwich, CT:
Gifts Price: $100.00
Tax: $6.35
TOTAL COST: $106.35

$8.87
$6.35
**See How Tax Automation Cleared Up This Magento Merchants Tax Headache**

Event Network, a company that operates more than 100 retail gift stores and Magento sites for independent organizations with nationwide customer bases, has witnessed firsthand the time and effort that is saved by automating their sales tax processes through Vertex.

Event Network has learned that deploying an effective sales tax management system can make the difference between processing tax quickly and dealing with a drawn-out process for filing monthly sales tax returns.

But like any other network of retail sites and stores, it has its challenges. For instance, before Event Network deployed a new sales tax management system last year, it would take a significant amount of time each month to reconcile all of the sales transactions with sales tax records for all of the e-commerce sites and stores they operate.

“With the old system, it would take me the first three weeks of every month to reconcile sales and tax data. Now I’m done by the 10th of every month.”

That has freed their Sales Tax Manager up to do more work on various projects in Event Network’s accounting department that help the company operate more efficiently and profitably.

*Tax is calculated and shown within Magento based off of the product and ship to address*
KEY TAKEAWAYS

We’ve now identified your company’s tax complexities, learned how sales and use tax automation can help your Magento store, and have witnessed how a Magento merchant has saved time and eliminated the tax risks of selling online. While some of us love to talk about the details of tax, others heads may be spinning. To make things easier, let’s recap what we’ve covered in his chapter so you’re well armed with key takeaways.

Tax is complex because...

- There can be different rates for each jurisdiction
- Rates are constantly changing
- All products are not created equal in the tax world – they can be are taxed differently
- States are looking for new revenue sources and hiring more auditors

A Sales and Use Tax Automation solution can...

- Streamline your entire sales tax process within your Magento store – from collection to reporting
- Save time – you will be freed of manually looking up product tax codes across jurisdictions
- Stay compliant and relieve the stress of an audit
- Assure compliance with state and local tax holidays
- Access every product code in every jurisdiction
- Validate taxes for each ship-to address
- Sell more products and reach more customers.
AND SO WE REACH THE END OF OUR SUPERCHARGE JOURNEY... FOR NOW

We hope it’s been a valuable one, and that you’ve learned key lessons that empower you to make the most of your Magento commerce efforts. We’ve not only guided you through how you can supercharge your Magento store using personalization, shipping, search, email marketing, taxation – but have also hosted a surprise webinar ‘What Your Magento Store Should Look Like In 2018’ to help set you up for success! Now that you’ve learned what strategies you should focus on (and because we’re all about keeping the supercharge vibes alive!), we’d love to send you off with something special that will help you apply your newly acquired Magento knowledge in the coming year. Without further ado, here’s your sneak peek of...

RETARGETING IN 2018

Did you know that 46% of internet users consult social media when making a purchase decision? No surprise here, seeing as social media – Facebook, in particular – leads the pack when it comes to how consumers digest information. Mobile is also a heavy target for marketers and consumers alike – with 43.7% of site visits coming from the comfort of our smartphones. And seeing as the average customer on a Magento-powered site tends to visit a store 3 times before committing to a purchase, extending the power of your reach has never been so important.

So how do re-engage existing customers using the power of social media and the popularity of mobile to lead them to the checkout page?

Well, you already know how powerful Dynamic Product Ads are to increasing your ROAS (at Nosto we see, on average, a 12x ROAS with retailers using DPA), but in true supercharge fashion, the world of customer retargeting is moving towards a strategy that satisfies visual shoppers everywhere. This is where Facebook Collection Ads come in.
Facebook Collection Ads are a way to spice up your ad campaign strategy by leveraging the power of inspirational content to promote your products. The feature allows you to insert a video on the top half of the ad, with recommended products below. And it’s a hit when it comes to conversions: Collection Ad Units have potential to increase your ad’s Click Through Rate by over 35%.
Alongside video content in ad campaigns, **geolocation is another key strategy** to consider when mapping out your retargeting plan. By collecting behavioral data from your consumers, you can tailor the shopping experience even further by offering products relevant to wherever they’re shopping from. Say a visitor enters an apparel site from Miami and another from New York - in the middle of winter. Using behavioral data, Miami shopper will see summer-appropriate apparel, where New York shopper sees more winter-friendly products.

And your teaser ends here!
Thank you for reading through this guide! We wish you a supercharged year and invite you to have further discussions with us by clicking the logos below.

Thank you!
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