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# Must-Haves For Manufacturer Web Sites

by Sucharita Mulpuru

for EBusiness, Channel & Product Management Professional



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## Must-Haves For Manufacturer Web Sites

A Joint Study With Channel Intelligence Highlights A Critical Stop On The Customer Purchase Path

by **Sucharita Mulpuru**

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### EXECUTIVE SUMMARY

Consumer-facing manufacturer Web sites play a significant role in online and offline transactions, and they influence or directly drive billions of dollars in sales. Forrester conducted a joint survey with Channel Intelligence to find out about consumer usage and purchase behavior on manufacturer Web sites. We found that vocal and active customers hold manufacturer Web sites in high regard by frequently using them as primary sources of information about products and distribution partners. While some manufacturers cater primarily to consumers and engage them with relevant and robust content, most sites overlook the Web channel as a vehicle to provide crucial information, to empower and serve customers, and to build and cultivate brand loyalty.

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Forrester examined data from its Consumer Technographics® studies and from Channel Intelligence's online survey of intercepts at 38 manufacturer Web sites in the development of this report.

#### **Related Research Documents**

["The State Of Manufacturer And Retailer Collaboration 2006"](#)

December 19, 2006

["What Do Consumers Expect From Corporate Home Pages?"](#)

March 3, 2006

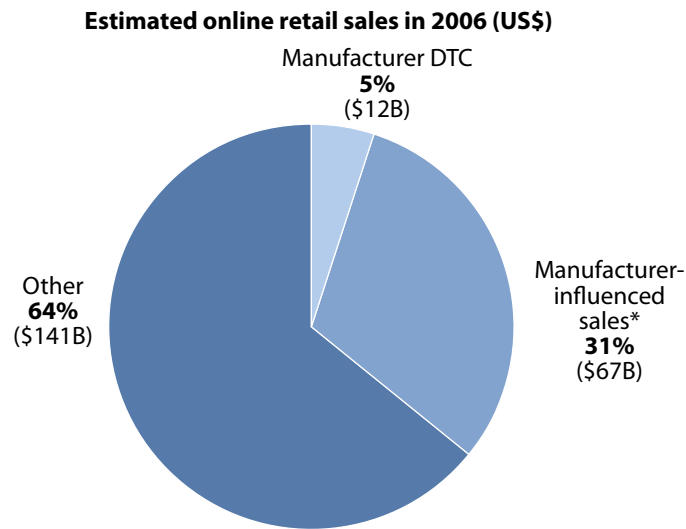
## VISITORS TO MANUFACTURER WEB SITES ARE KEY CUSTOMERS

Manufacturer Web sites play a critical role in the eCommerce value chain by directly or indirectly driving tens of billions of dollars in online sales, according to our estimates (see Figure 1).<sup>1</sup> Some manufacturers, such as Sony and Hewlett-Packard (HP), generate significant revenue directly from their direct-to-consumer (DTC) eCommerce initiatives, but most other manufacturer sites are critical research vehicles where consumers can learn about products and ultimately complete the transaction at *other* stores, either online or offline. To explore this trend, Forrester conducted a study of consumer behavior with Channel Intelligence across a series of manufacturer sites in the consumer electronics and home products verticals. Although the data was primarily derived from consumer interaction with hard-goods industries, it is applicable to a broad variety of categories, including other durable-goods businesses (e.g., appliances and automobiles) and soft-lines companies (e.g., apparel and accessories).

The survey found that visitors to manufacturer Web sites exhibit several noteworthy qualities.<sup>2</sup> These consumers:

- **Believe that manufacturers are authorities.** Visitors to manufacturer Web sites believe that critical information is most reliable and of the most value when it is from the metaphorical horse's mouth. Our survey respondents often made the manufacturer Web site the first stop in the shopping process, which begins with gathering information. In fact, 58% of survey respondents stated that they *began* their entire research process on manufacturer Web sites (see Figure 2). In addition to visiting manufacturer sites first, consumers also visited these sites often. The vast majority — 63% of all respondents — said that they visited manufacturer Web sites more than a dozen times per year (see Figure 3). A small but interesting group of consumers also bookmark manufacturer Web sites, indicating a deep level of engagement with particular brands: 7% of visitors to manufacturer Web sites came directly to those sites from bookmarks (see Figure 4).
- **Are brand loyalists.** Our survey found that visitors to manufacturer Web sites are particularly influenced by their positive experiences and are very likely to evangelize their sentiments. Sixty-seven percent of visitors to manufacturer Web sites from our joint study with Channel Intelligence agreed with the statement “When I find a brand I like, I stick to it” (see Figure 5). This contrasts with 56% of overall US Web buyers from Forrester's proprietary Consumer Technographics® surveys. In addition, the study data reinforces the notion that this active base of customers is very influential: A hefty 82% of manufacturer Web site visitors say that they tell friends about products that interest them, compared with 49% of general US Web shoppers.
- **Are primed to purchase.** The vast majority of our survey respondents were far along the purchase funnel: That is, they were prepared to purchase within the near future. Seventy percent of consumers said that they would purchase the product they came to research within 30 days (see Figure 6). Furthermore, many of these customers actually did purchase within a few days of visiting the manufacturer Web site. In a follow-up survey that Channel Intelligence conducted within a week of the original survey to the same customers, 38% of consumers said that they did in fact purchase the product they were researching.

**Figure 1** The Power Of Manufacturers In eCommerce



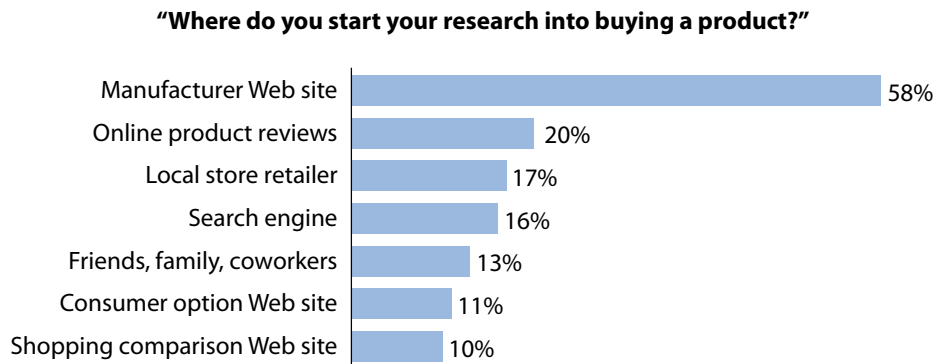
Source: Internet Retailer's "Top 500 Guide, 2006 Edition" and Forrester's Consumer Technographics® 2005 North American Benchmark Study

\*Online sales that follow visits/research at manufacturer Web sites; these sales are completed on nonmanufacturer sites. Figures are Forrester forecast estimates.

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Source: Forrester Research, Inc.

**Figure 2** Consumers Often Start Research At Manufacturer Web Sites



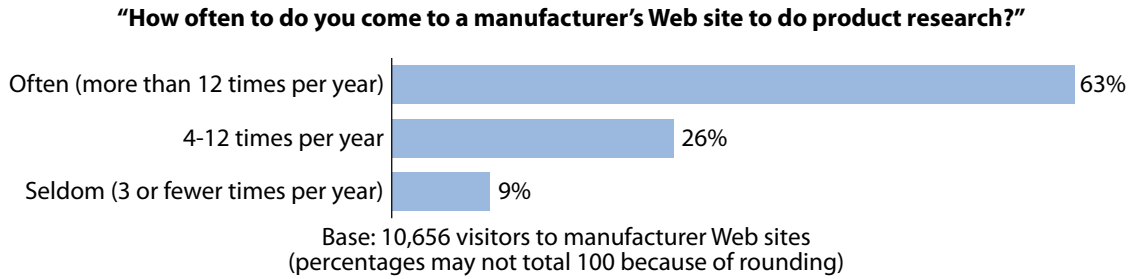
Base: 10,656 visitors to manufacturer Web sites  
(multiple responses accepted)

Source: Channel Intelligence 2006 Referral Site Survey

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Source: Forrester Research, Inc.

**Figure 3** Manufacturer Web Sites Are A Critical Part Of The Research Process

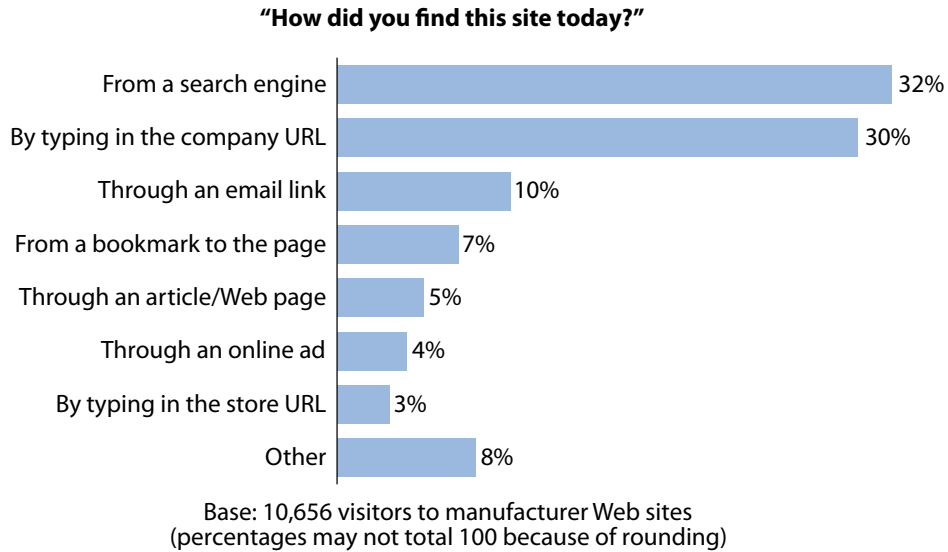


Source: Channel Intelligence 2006 Referral Site Survey

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Source: Forrester Research, Inc.

**Figure 4** Visitors To Manufacturer Web Sites Come From Diverse Sources

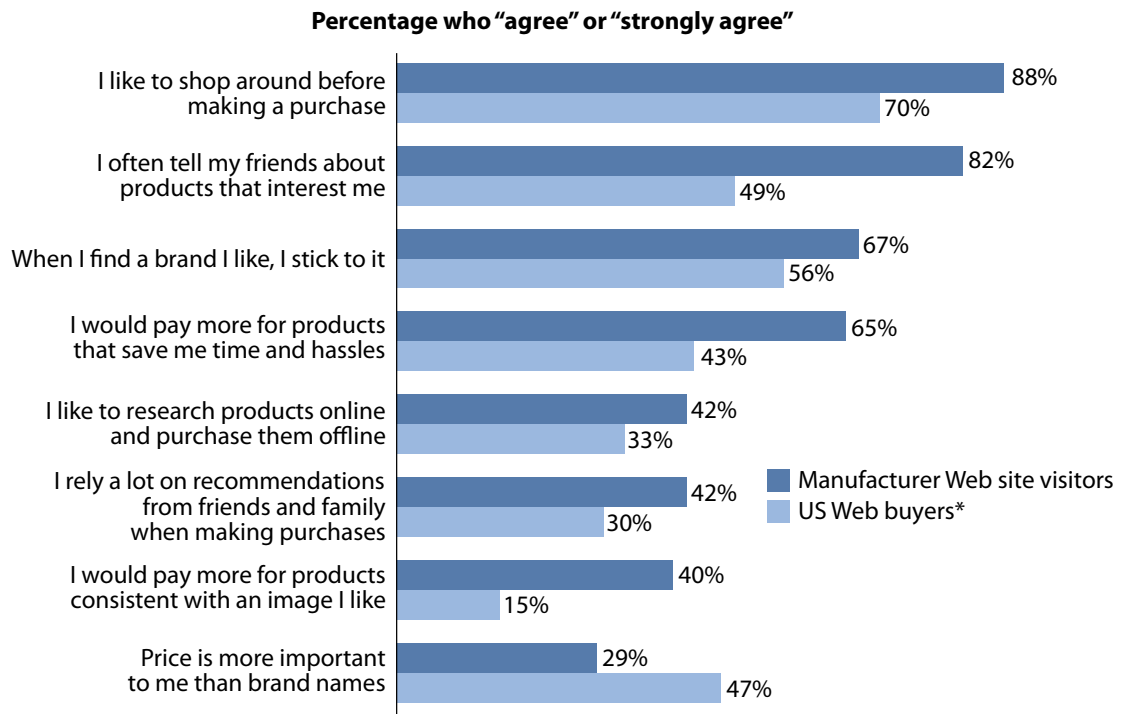


Source: Channel Intelligence 2006 Referral Site Survey

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Source: Forrester Research, Inc.

**Figure 5** Attitudes Of Visitors To Manufacturer Web Sites



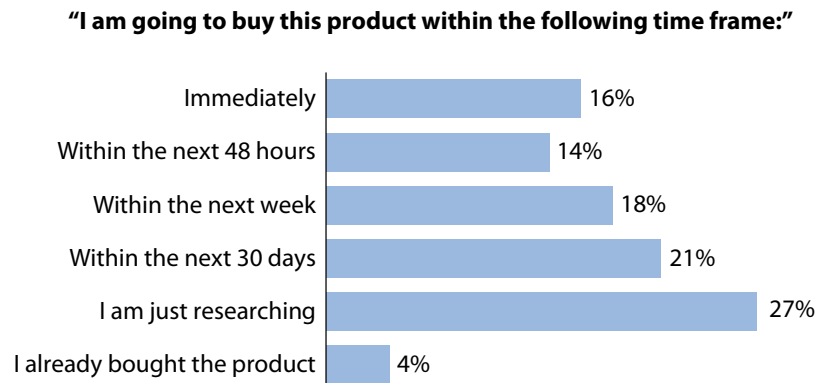
Base: 10,656 visitors to manufacturer Web sites  
\*Base: 21,932 US Web buyers

Source: Channel Intelligence 2006 Referral Site Survey  
\*Source: North American Technographics® Benchmark Survey, 2007

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Source: Forrester Research, Inc.

**Figure 6** Visitors To Manufacturer Sites Have High Intent To Purchase



Base: 10,656 visitors to manufacturer Web sites

Source: Channel Intelligence 2006 Referral Site Survey

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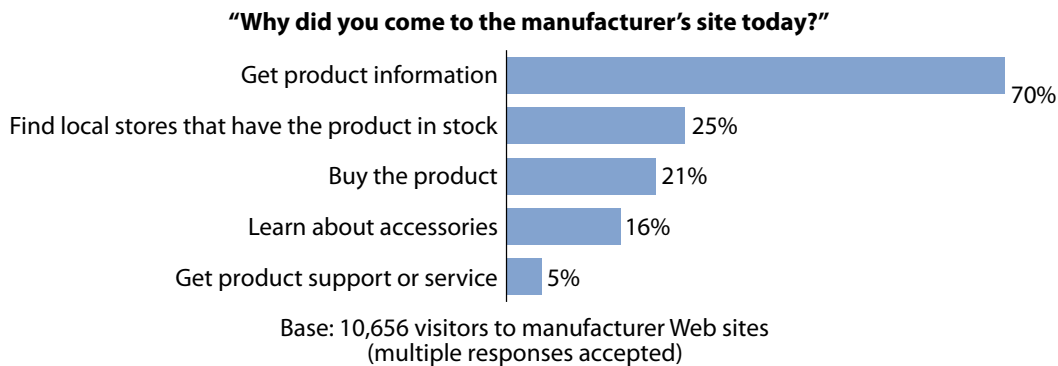
Source: Forrester Research, Inc.

### Customers Just Want The Basics From Manufacturer Web Sites

The majority of survey respondents (84%) said that they were visiting manufacturer Web sites for personal versus business purchases (see Figure 7). To this end, when consumers visited manufacturer Web sites, they categorically expressed the need to have a few critical elements on those Web sites. Those critical pieces include:

- **General product information.** The primary reason for visiting a manufacturer Web site was also the most obvious — to better understand a product offering. In addition to gathering detailed information on the attributes and benefits of various products on a manufacturer Web site, customers were also keen to better understand accessories and supplementary items for key purchases. While product details were the top reason for consumers to visit a manufacturer Web site, 16% of consumers were specifically interested in learning more about accessories.
- **A path to purchase.** The natural step after researching a product is of course to buy it. To that end, approximately 20% of customers said that they came to manufacturer Web sites specifically to buy items. An additional 25% said that they came to the Web site specifically to research which other stores — both online and offline options — had the item of interest in stock.
- **Pre- and after-market service details.** Specific questions that required personal assistance best delivered by manufacturer sales representatives drove a portion of customers to these sites. While this group is smaller in number than the information- and product-seekers, it represents a critical portion of active customers. Five percent of visitors were either prospective buyers or current product owners looking specifically for customer support and information to address issues such as returns, additional product details, service issues, and maintenance queries. This is particularly interesting, given that these results surfaced while consumers responded to the survey triggered from product detail and retail referral pages.

**Figure 7** Why Consumers Use Manufacturer Web Sites



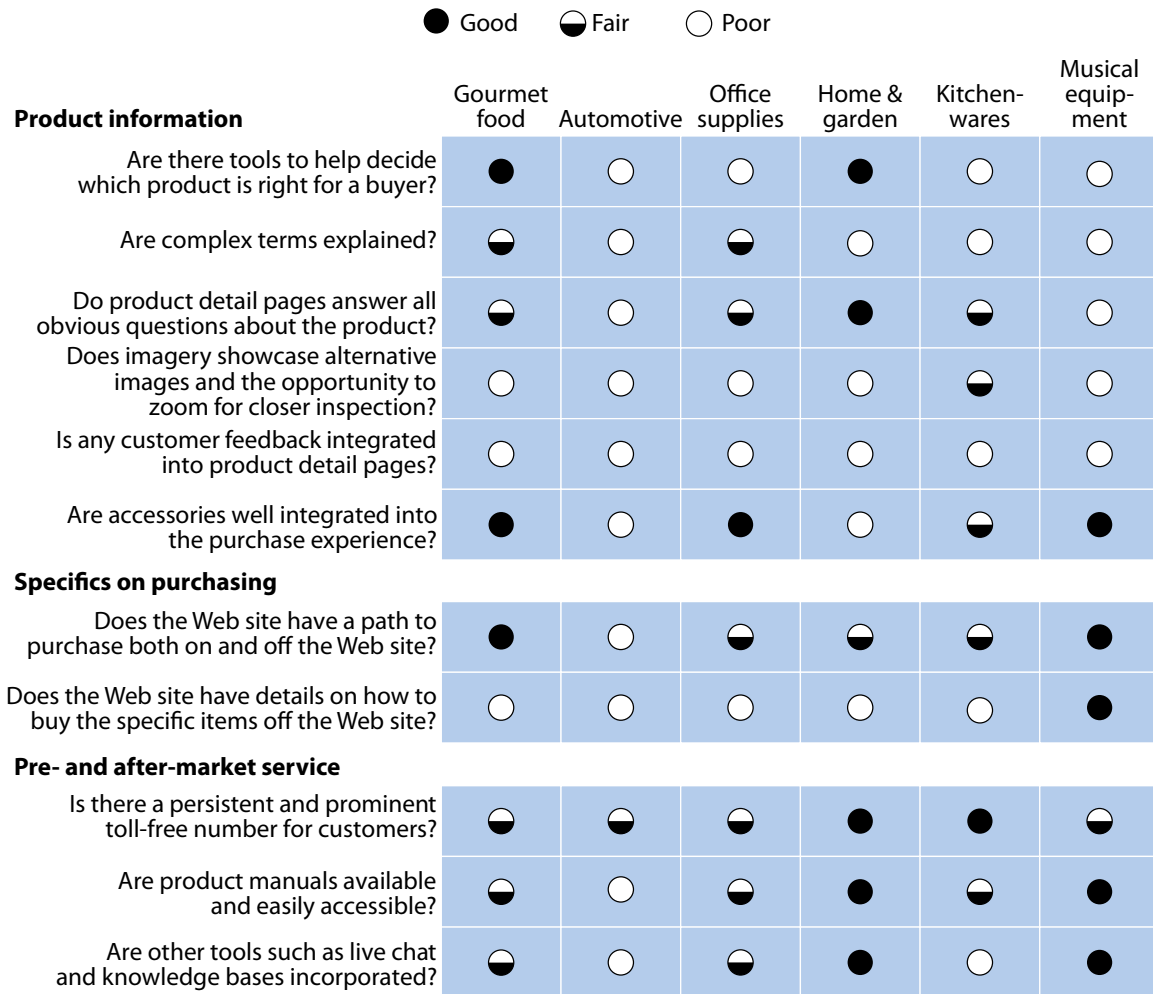
Source: Channel Intelligence 2006 Referral Site Survey

## MANUFACTURER WEB SITES SORELY DISAPPOINT

Despite the clear reasons why consumers visited manufacturer Web sites, many manufacturer Web sites do not deliver. For example, in a recent Forrester study of 100 global home pages, the top-perceived objective of sites was to deliver financial news and information about a company, not to deliver product information.<sup>3</sup> Additionally, Forrester conducted audits of six manufacturer Web sites that were reflective of the larger manufacturer landscape, and we found that the sites failed to deliver against the three aforementioned reasons that drive customers to manufacturer Web sites altogether (see Figure 8). In fact, these manufacturer Web sites:

- **Buried or omitted critical information.** Key elements of product detail pages, such as alternative images and glossaries of technical terms, did not exist on many of the sites, including several of the large-ticket purchase items. Furthermore, while the sites were clear to showcase the breadth of their product assortment, they provided little help in the form of guided navigation tools or comparison charts to assist customers in evaluating the offerings. In three of the six cases, critical customer information, such as product manuals, was several clicks deep within the site and in one case, did not exist altogether.
- **Provided sloppy paths to purchase.** Only two of the six sites that we evaluated provided clear paths to either purchase a product online or purchase a specific item from an offline retailer or dealer. More commonly, sites displayed links to other Web sites that supposedly carried a given product line (but often did not) or to a generic link or phone number to offline stores without any insight into the inventory position of the offline channel.
- **Missed key selling opportunities.** Online retailers generally regard assisting customers in accessorizing their purchases as a key driver of improving average order value. While all six sites appeared to have a rich inventory assortment of several hundred items, only two integrated cross-sells and upsells directly onto their product detail page. One manufacturer included its accessories in a completely separate section of its Web site, but the remaining three showcased no clear accessory presence or merchandising at all. Manufacturers can also thrive on the differentiation of their products across key attributes. As further evidence that manufacturers do not optimize their Web sites, four of the six sites that we evaluated did not explain complex, industry-specific terms — the online equivalent of entrusting a poor salesperson with the task of selling.

**Figure 8** How Manufacturer Web Sites Deliver Against Customer Expectations



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Source: Forrester Research, Inc.

**MANUFACTURERS HAVE BEEN HELD BACK BY THE LACK OF WEB SOPHISTICATION**

The mediocrity of so many manufacturer Web sites is often due to factors beyond the control of the online managers developing the sites. Largely cultural issues driven from C-level suites, these factors stem from one or all of these three issues:

- **An organizational structure that hinders success.** Weaker manufacturer Web sites often do not have dedicated eCommerce or eBusiness groups that can focus on the channel, hindering execution of consistent initiatives that could maximize the company’s overall multichannel efforts and bring a truly customer-centric approach to the Web. Manufacturer Web sites, including several of the ones that we evaluated for this report, often have disparate sections

on their Web sites with unintuitive or unhelpful presentation of content. This is not surprising, given that 41 of 108 eBusiness executives that Forrester recently surveyed said that their companies' different divisions each had their own individual online groups making independent decisions about their sections of the Web site.<sup>4</sup>

- **Fear of channel conflict.** The threat of distributors retaliating against a manufacturer that ventures out on its own strikes a paralyzing fear into the hearts of many marketing and strategy executives at manufacturing companies. Four of the six manufacturers that we evaluated for this report represented a microcosm of the larger manufacturer landscape that often fails to offer DTC eCommerce from its Web site and in fact has a weak Web presence overall. In reality, the relatively small numbers of consumers who come to manufacturer sites with the intention to buy there illustrates that the fear of channel conflict is largely overblown and is a topic that manufacturers must address head-on. Why? Whether or not manufacturers have a strong eCommerce presence, retailers are more likely than ever to develop private-label programs designed to shift customer wallet share away from manufacturers.<sup>5</sup>
- **Immaturity of the role of the Web.** Despite the fact that eCommerce is now more than a decade old, many manufacturers have yet to push the channel to the top of their priority list and make it a significant driver of growth. Few recognize that the Web is in fact the most critical showroom that the business has and must be treated accordingly. As a result, technologies that have become commonplace in other verticals, such as live chat or even zoom, are less common in manufacturer Web sites. The lack of support from the top is highlighted by the fact that 33 of the 108 eBusiness executives that Forrester surveyed agreed with the statement “We often do not get the support we need from senior management.”

## RECOMMENDATION

### A WEB SITE TRANSFORMATION MAY BE DAUNTING, BUT SMALL STEPS ARE IN ORDER

Manufacturers are leaving precious direct and influenced sales dollars on the table and are allowing valuable customer relationships to languish due to mediocre Web sites. For lagging manufacturers, the following features are critical to improving the customer experience and growing the brand. To grow their online presences, eBusiness executives at manufacturers should focus on:

- **Better, deeper information.** Where possible, manufacturers should integrate as much information as they can in as many formats as possible — text, images, podcasts, and streaming video — even audio voice-overs, where relevant. Customer reviews or feedback from current owners also provide rich insight to prospective customers. ShawFloors.com has rich tools on its site where customers can configure flooring and see it dynamically rendered in a variety of settings, including their own homes by uploading images of a room. For years, Coach has had a feature on its product detail pages where consumers can “try on” a handbag to get an approximation of how a bag hangs from a shoulder.

- **Clear paths to purchase.** Because purchases can happen in multiple channels, it is incumbent upon manufacturers to facilitate the sale through whichever channel a customer prefers — online, phone, or store. While a direct-to-consumer eCommerce strategy makes sense for some brands, passing leads to other dealers, retailers, or distributors in a seamless fashion should be perfected first. The Swingline site links shoppers to the exact item on partner sites that the customer was previously browsing. Yamaha Motor's dealer locator gives users only the names of those stores that have committed to carrying certain items in stock. Callaway Golf (working with a vendor called Shopatron) enables consumers to complete a transaction on its Web site but then passes the order to a network of retailers that carry the items. Vendors such as Channel Intelligence also facilitate the challenges of cross-channel inventory visibility by passing retailer inventory availability on to manufacturer Web sites.
- **Service for the most loyal customers.** The most basic levels of service are self-service through online manuals and knowledge bases. However, extensive assistance, particularly for loyal owners, is a hallmark of the most reputable manufacturers, and that level of service is reinforced online by the best brands. Auto manufacturers often provide capabilities through features such as scheduling service and maintenance online. Panasonic and Sony have special concierge programs with proprietary toll-free numbers and support staff for buyers of their highest-ticket electronics items like plasma TVs. Prestige beauty manufacturers such as Bobbi Brown and La Mer drive loyalty through live chat consultations with beauty advisors and skin replenishment programs.
- **Tools that instill passion for the brand.** By providing special features such as aficionado communities or instructional videos that give customers reasons to return to a site and stay, brands are more likely to reinforce the spirit of the products and to encourage brand loyalty. Mini has an owner-exclusive section on its Web site where owners can connect with other owners and share photos and stories. Grill manufacturer Weber has an area called Weber Nation, which is filled with robust information on grilling, including instructional podcasts and recipes. Nikon caters to the universe of serious amateur photographers by providing online courses and photo-sharing tools.
- **Content syndication, where possible.** Given that manufacturers are regarded as authorities and that most sales do not happen on manufacturer Web sites, best-in-class manufacturers take their best content and enable other retailers or dealers to publish the information on their sites. By syndicating content, a manufacturer is more likely to pass consistent and often comprehensive information to channel partners. Companies such as WebCollage or Sellpoint help companies in this syndication process, an act that reinforces the brand message where customers are more likely to interact with a brand.

## SUPPLEMENTAL MATERIAL

### Methodology

Channel Intelligence conducted an online survey executed through site intercepts of 38 manufacturer Web sites from October 26 to December 23, 2006. Surveys were gathered using pop-up surveys on manufacturers' retail referral pages. A total of 14,700 customers responded when it was fielded. A follow-up survey of 685 consumers was conducted by Channel Intelligence five to six days following the initial survey to evaluate if and where consumers completed their transactions.

For the evaluation of manufacturer Web sites, Forrester selected the manufacturers of the item that was reflected to be the "top seller" in its respective category on the Amazon.com Web site on June 15, 2007. Each of the six Web sites selected were then evaluated according to the criteria outlined in this document.

### ENDNOTES

- <sup>1</sup> Forrester's estimation of total online sales in 2006 was \$220 billion. Forrester's Consumer Technographics 2005 Benchmark study showed that approximately 36% of consumers had shopped at a manufacturer store or Web site, which we used as an approximation for the percent of total US eCommerce dollars that were directly or indirectly influenced by manufacturer Web sites. Of those sales, the Channel Intelligence survey indicated that 12% were transacted directly on manufacturer Web sites.
- <sup>2</sup> Thirty-six percent of consumers said that at some point in the past, they had shopped from the store or Web site of a manufacturer. Source: 2005 Forrester's Consumer Technographics 2005 North American Benchmark Study.
- <sup>3</sup> Of the 100 global home pages evaluated, 40 allocated the majority of their home page real estate to financial and news information. Only 19 of the companies focused the home page on delivering product information. Meanwhile, 81% of consumers said that they came to corporate sites to gather company products and service information, while 31% said that they came to read news stories. See the March 3, 2006, "[What Do Consumers Expect From Corporate Home Pages?](#)" report.
- <sup>4</sup> Forrester surveyed more than 100 eBusiness executives in May 2007 on topics pertaining to the organizational structure of their online groups.
- <sup>5</sup> The tension between retailers and manufacturers is driven by initiatives from both sides. Sixty-nine percent and 61% of manufacturers and retailers, respectively, said that branded and private-label goods created by retailers pose a moderate to significant challenge in enabling retailers and manufacturers to collaborate. See the December 19, 2006, "[The State Of Manufacturer And Retailer Collaboration 2006](#)" report.

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