# Lily ᴬᴵ ™

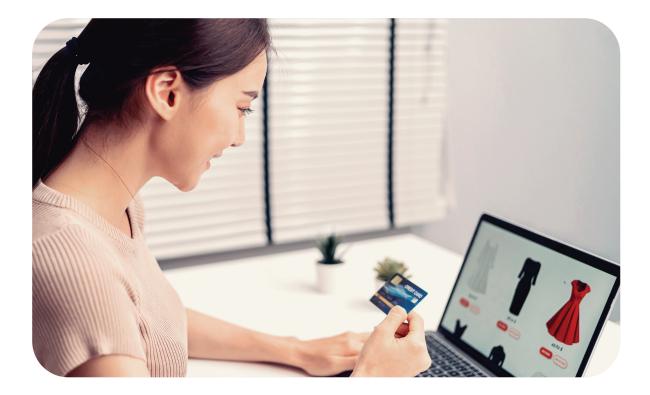# The Retailer's Step-By-Step Guide to Using Enhanced Product Attribution Data

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The most common excuse made in the world of business and commerce – often said defensively, in hushed tones and with no small degree of implied embarrassment – is, *"It's the way we've always done it."* Well, we're only human, after all. Stagnation, stasis, and the comfort of the known often keeps us from innovating and evolving in our processes.

Take, for instance, the time-honored retail industry practice of **letting the merchant drive the attribution of products**. This is not, on its face, a terrible idea. Who but the merchant, designers, and distributors they buy from knows the product being sold the best? For many years this was certainly true, yet in a customer-centric, niche-ified world of preferences and choice, merchant-driven attributes are largely objective, can be inconsistent and lack depth. Without a **customer-centered product taxonomy** that describes products in the language that *shoppers* – as opposed to merchants – actually use, retailers start a cascading series of problems right at item set-up. These problems then continue on through site search, demand forecasting and merchandise planning.

This guide has put together 6 key ways that will help you use that enhanced, customer-centered product attribution data to grow your retail e-commerce business - and deliver the sorts of boosted revenues and loyal customers that the C-Suite is looking for.

# Optimize Site Search with the Attributes Shoppers are Looking For

The humble search bar is the starting point for 43 percent of online shoppers, yet 42 percent of e-commerce stores manage to overlook the importance of optimizing their search feature.

It's no longer acceptable to return 10-plus pages of results that drop off dramatically in relevance after the first onward click. Customers are looking for focused, relevant suggestions that evolve their previous search history and resonate with their current context. By using granular product data and enabling long-tail semantic searches and predictive autocomplete, retailers can guide users directly to the items they really want.

## 43%
**of online shopping experiences begin with the search bar**

It's not just about finding the product. Sites that support semantic searches (which requires enhanced product data) can see cart abandonment **rates drop down to as low as 2 percent**.

Consider two shoppers. The first goes to your website and types "shirt" into the search bar, the second types "sequin party shirt". Can you deliver an intuitive digital experience to both of those shoppers? For many retailers, the answer is no.

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**That first shopper** looking for a "shirt" knows they need a shirt. Yet what kind of shirt? They haven't explicitly provided any meaningful information, so there's more work to be done to help them find their perfect shirt. Strategies such as faceted search (to help guide them down a path to the most relevant results) or personalization (to predict which shirts they are most likely to be interested in) can be effective measures to improve the search experience for these browsers. Ultimately, this shopper likely has a higher intent to buy than a casual browser, but they still require inspiration, and may not be quite ready to make a purchase just yet.

**That second shopper** looking for a "sequin party shirt" has a very specific vision of the product they're looking for, and has signaled that they are a very high-intent shopper. If you can accurately return matching results, you have a high likelihood of converting this visitor. Best of all, you don't need to rearchitect your search experience or implement any sophisticated personalization strategies to create a great digital experience for this shopper. All you need is to be able to return relevant and comprehensive results. Sounds simple, right?

## Getting descriptive search results right

# 46% of E-commerce websites can't support thematic seaches

While searches for specific brands or product categories typically perform well, the harsh reality is that 46% of E-commerce websites can't support thematic searches. That means brands and retailers are delivering a lackluster experience to their highest intent shoppers. Unfortunately, something that sounds so simple is actually quite difficult. E-commerce businesses face several challenges in creating an intuitive, delightful experience for shoppers who use descriptive searches.

## Long-tail search terms require automated solutions

Not many customers come to your site to search for "sequin party shirts", "boho chic dresses", or "feminine business casual skirts", but when you combine all of these long-tail searches together, you have a critical mass of high-intent shoppers all desperately wanting to purchase these hyper-specific items. Hard coding the endless array of possible search terms into your database is incredibly challenging, and not something you can brute force your way into through manual efforts. Yet most retailers rely on a team of merchandisers who manually assign product attributes, tagging each product with its category, brand, color, and perhaps 2-4 other attributes such as material or pattern.
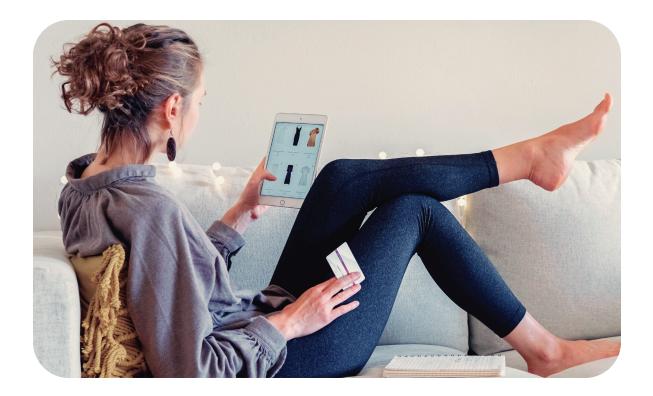
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## Consistency is difficult at scale

Even companies who capture a bit more detail for each product still struggle to deliver highly relevant search results because enforcing consistency across large teams of merchandisers processing products from hundreds of brands is incredibly challenging. Yes, companies may have strict taxonomies that define specific product attributes, but mapping pictures of products and brand-specific vernacular to those product attributes is an inherently subjective process. One individual merchandiser's opinion of what constitutes "feminine" should not influence the search experience.
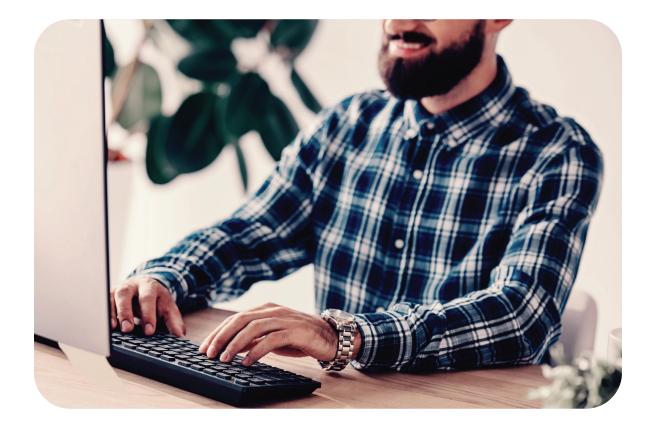
# Implement product attribution data that supercharges personalization

Today's retail e-commerce stack is starved of customer intent, with bad guesses about shoppers and what to recommend to them leading to low conversion rates and a high amount of unsold inventory. Customers want a shopping experience that shows that you know and understand who they are as a *person* in the same way a skilled staffer in a brick-and-mortar store would. Merchant-driven product attribution is exactly the wrong way to go about this.

Shoppers don't just want recommendations based on mere colors or sizes. Product recommendations must reflect customers' genuine preferences and affinities. At the end of the day, they want to feel like you "get them", and in order to recommend the right products to them, your product data taxonomy needs to expand to understand the relationships between colors, cuts, fabrics, occasion, styles and more.

You might know that someone who likes a **black shirt** might also like a **black belt** - yet what if what's *really* driving the items placed in their cart is a trend, such as Y2K fashion or Cottagecore, or an occasion, like a wedding or a holiday? **Granular product attribution drives granular and highly targeted product recommendations** - and therefore larger basket sizes and AOV, and happier customers who are being recommended items that actually enhance and complement why they're on your site in the first place.

# Boost your SEM and SEO

No matter what is displayed on the virtual clothes rack, the quality of the traffic you attract to your e-commerce store is a defining feature of how many visitors become customers.

## 3%

and below is now the average benchmark for CTR through **paid search**

Search Engine Optimization (SEO) and Search Engine Marketing (SEM) are themselves the engines of that acquisition strategy, and with enhanced product data they are better equipped to attract engaged customers who are likely to convert.

Gone are the days when a site could stuff product descriptions and meta data with the most popular keywords and hurdle to the top of the SERP. Today's search engine, particularly Google with its Enhanced E-commerce feature, rewards relevance and customer experience. The goal should be to sow longer tail keywords to attract higher intent customers. The benchmark for CTR in e-commerce through paid search is below 3 percent.

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With enhanced product data from the outset, the chances of conversion are far more favorable, allowing your advertising budget to go further.

You don't have to be a data scientist to know that "**fun and flirty 50s-style red dress with crinolines**" is a more helpful description than simply "**red dress**." The former provides a lot more information. So when it comes to your product data and descriptions that have the power to connect shoppers with specific needs to your products, more information is simply better. The more product data you have, and the more granular that data is, the better you can leverage it with on-site shoppers and off-site marketing.
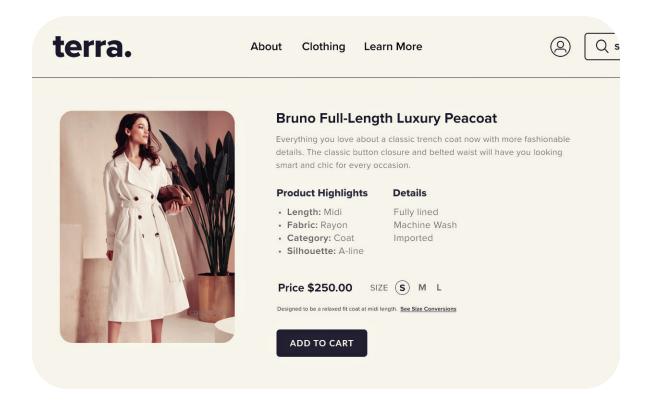
# Enable better filters and facets

The goal for any fashion retailer is to help shoppers quickly find products they already know about and discover products they didn't.

More granular filters and facets can help, as well as a user-friendly interface that allows customers to add or remove fields easily, even at checkout. Rather than showing visitors a static selection of filters, enhanced product data can help you customize options according to previous interactions or current context (e.g., "On Sale!" "Just in!"). Likewise, more targeted and granular facets build a fuller picture of customer preferences, leading to better product recommendations and suggestions in the future.

For example, **Lily AI now helps thredUP** efficiently tag each article of their clothing with more attributes than they'd ever had before, according to Ryan Moser, thredUP's Director of Engineering. The platform's filters and facets identify specific accents, patterns and materials, and account for factors such as style and occasion, and fit details such as shoulder cut and sleeve length. **Because thredUP carries 35,000 brands across 100 categories**, a customizable search experience is critical. Lily AI helps thredUP customers discover the items they want faster and more efficiently.

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# Product descriptions that convert

It's easy to treat product descriptions as static features...

And in the worst cases e-commerce retailers simply stick with the manufacturer's product description. By combining human, relevant product descriptions that **focus on benefits** and pain points rather than specs, supported by **intelligent product tagging**, retailers can build stronger connections with consumers in the digital setting. That level of detail can evolve through the customer funnel. As buyer awareness increases, retailers can trim down descriptions and focus on more compelling triggers such as scarcity or urgency.

The more considered and specific the product description, the more personalized the shopping experience for the customer. When customers are engaged with personalized, dynamic content they are more likely to convert and less likely to abandon a purchase in the shopping cart or return the item after delivery.

Crucially, by tying product descriptions to a specific goal (such as decreased cart abandonment) and testing relentlessly, retailers of any type - fashion, home furnishings, beauty or others - can improve average order value and customer lifetime value. In that sense, product descriptions should evolve, taking into account the insight from each customer interaction. Shoppers themselves will reveal which attributes matter most, simply by purchasing those items that highlight specific features or leaving items that are missing the deal clincher in the shopping cart.

# True inventory optimization and demand forecasting

**Stock piled high in the warehouse or heavily discounted clearance items both impact the bottom line.**

Each is the result of insufficient insight into customer demand. The more granular a store can go with its data, the easier it is to synchronize supply and demand, opening up more attractive options than discounting. Likewise, more sophisticated forecast modelling can reduce the occurrence of "out of stock" warnings. Studies show that **31 percent of customers will switch to a competitor** if their product is unavailable on their preferred site  - and that's just the first time.

## Discover the "Why" Behind Product Performance

Better demand forecasting starts with a deeper understanding of the connection between your products and customer behavior. What was it about that pair of jeans that made it fly off the shelf in size 6, but languish in the warehouse in size 12? Traditional inventory management tools don't know the particular attributes of those jeans that made them more attractive to size 6 women than to size 12 women, so they can't help you predict the right size allocation for the next pair of jeans you buy.

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Each purchase or engagement generates insight that, analyzed at scale, can help you identify which specific attributes impact sales across various customer segments, and which trends are picking up speed or are falling away. Use these insights to:

✓ **Forecast demand for certain types of products in real time** and react immediately to shifting consumer trends, so you have enough of the inventory that will sell like hotcakes next season and you're not overstocked in products that are beginning to go out of style.

✓ **Get allocation right by understanding the complex relationships** between product attributes and sales performance in various sizes or colors.

In simple terms, enriched product data gives you more detailed information to assess in your inventory planning, an area that **58% of fashion executives** in one McKinsey study highlighted as a key priority.

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Lily AI is the customer intent platform built to power the present and future of e-commerce. Lily AI injects customer-centered product attribute data and unique customer intent into the existing e-commerce stack, supercharging retailers of all types by dramatically improving on-site search, personalized product discovery and demand forecasting, unlocking millions in new revenues.

**Learn more at www.lily.ai**