



The Ongoing Process of Internet Marketing Increasing sales with Location Traffic

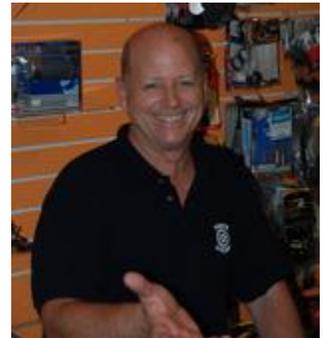


When Ross Hart first launched his Web site in 1998, he really wasn't that interested in the Internet – he just had a local student create a page for him because everyone else was doing it. His bike shop, Hart's Cyclery, was doing well; and he was enjoying being a hands-on owner. Considering himself as "just a bike guy" above all else, Ross's top priority was individualized customer service, making sure that customers felt welcome, comfortable with the advice they got at Hart's, and pleased with their purchases.

This commitment to personal service has not changed in more than 20 years at Hart's – but the way the store advertises to local customers certainly has. Let's take a look at how Hart's Cyclery, working with Shepard Morrow at Location Traffic, has evolved into a more efficient, marketing-driven business – with sales increases of more than 30% to show for its new Internet marketing strategy.

Getting Started

Shepard Morrow came into Hart's Cyclery as a customer. Because Ross takes such care to get to know his customers, he and Shepard's conversations often turned from bikes and cycling to Shepard's business and marketing experience. Ross acknowledged that he was 'old school' when it came to sales and marketing and wasn't convinced that Internet marketing could do anything for his business. What changed his mind?



"Shepard had a lot of marketing experience and I could tell he really knew what he was talking about," said Ross. "I was also very impressed by his retail experience – it was clear he understood the operations side of running a retail business. While I still wasn't entirely sure that he could make a difference in my business using Internet strategies, he convinced me to let him put something together for me and at least give it a shot."

The effect of creating an online marketing presence was immediate, and Ross was amazed. "I had no idea of what keywords were and how they worked, what Google was all about or how click ads could bring people to the Web site," he said. "From the month we launched, I could see a positive impact. I began to understand the role search engines played in marketing and advertising, and I started to realize that I had missed out on significant opportunities by not getting in earlier."

Taking It to the Next Level

Updating the look and content of Hart's Web site, implementing a content strategy and using Web analytics to track buyer behavior were just the beginning of business growth for Hart's Cyclery. "I'm really a people person," said Ross. "I'm good at customer service and sales. Shepard used his retail experience to look at the entire operations of my store – not just the Web side, but the actual design of the merchandise presentation and traffic flow inside the store. He offered suggestions about signage, merchandising and layout that I never even thought of implementing."

Over time, this insight and the obvious momentum of Internet traffic created a high level of trust between the two businessmen, who would spend hours talking about the bicycle business and how to become even more successful. "I opened up the business to Shepard in a way that I hadn't done with anyone else. I shared sales numbers, operating costs and other really sensitive information."



Shepard looked at local competitor's stores and reviewed, demographics, and consumer search data, using this information to create a great profile for bike stores and their customers. The early results demonstrated to Ross the value of the strategy and gave him the confidence to let the strategy work over time. Solid sales results also convinced him that the process was worth the money it took to get started and then maintain a positive momentum.

How it Looks Now

During a time when similar businesses have been flat or declining, Hart's Cyclery has experienced positive sales results and sales growth month-to-month from the previous year. The success has also energized the owner. "After so many years in the business, I felt like I hit a plateau. Seeing what Location Traffic did for Hart's Cyclery rekindled a spark an excitement in my business that I hadn't felt in a long time," said Ross. "I'm excited about finding ways to get to that next number and do even better."

"We've seen a more direct increase this past year in sales from customers responding to our internet efforts than the past 20 years of using print ads and direct mail," he added. "This whole process has also changed the way I look at my customers now. I'm much more interested in how they found us, if the Web site was helpful, did they use search engines. We're seeing people come in from further away, too, and that's made a big difference. I may have been a little late in embracing the Internet, but the marketing strategies Shepard implemented, combined with the physical changes to my store, have really worked."

Location Traffic – Creating a Winning Strategy

So what were the steps in creating this successful business model? Shepard saw that Ross was promoting his bicycle shop through word-of-mouth, phone book ads, print advertising, and Val-Pak mailings, and all in a very local area around his store. Based on his experience and knowledge of online advertising, keyword management and other SEO tactics, Shepard's first goal was to help Ross attract business from 10-15 miles away. He started by analyzing Hart's current Web Presence.

The site really just existed as a landing page, and Shepard suggested an overhaul of the site to create an online presence and build an online brand that reflected Ross's own personality and style – personal customer service, a friendly and welcoming atmosphere and more than 20 years of experience in bikes and cycling. Updating content, adding pages and utilizing custom photography to demonstrate the sense of community at Hart's, the Web site started to take shape and become a better vehicle to generate leads.

"A well-done Web site is a gold mine of information," said Shepard. "It's the foundation of a successful Internet marketing strategy. Building the site to gain a better understanding of customer behavior and create a digital brand is the first step in laying the foundation."

The branding and SEO strategy also carried over into social media tactics – in this case, service-oriented videos on YouTube.

Mining the Site

Understanding how a business works is a very important part of the process. Shepard takes a look at each individual process as a system. From what the customer buys and why to how employees are trained to sell, Shepard looks at all the key points of a successful business and integrates those points into the Web site. "For Ross, we wanted to make sure that the factors that make Hart's a great retail store were carried over onto the Web site," said Shepard. "By moving part of the sales process onto the web, the Web site can help make the sale for him before the customer ever sets foot in the store."



“Bringing the store to the Internet creates a customer experience similar to what they find in the store. The same principle can be applied to service businesses that don’t have a physical location – it’s all about creating the image and environment that is comfortable for the buyer.”

With the site in place and the right strategy utilized to bring in traffic to the site, Shepard can then begin the part of the consulting process that mines the site for customer buying behavior. Analytics tools show where the customers come from, the pages they visit, how long they stay on the site (and individual pages) and the pages that don’t generate interest. This data can help generate AND convert leads when used proactively for site changes and in-store merchandising.

Using the Data

“The Internet is very dynamic,” said Shepard. It’s very three, even four-dimensional. The first dimension is content and navigation specific to a site, followed by the competitors’ content. The customer psychology, what they look for and what they respond to represent the third dimension. Finally, you have to work with the reality that search engines are moving targets, constantly changing the dynamics of page rankings based on internal algorithms.”

After about nine months, Hart’s Web site had fulfilled the initial goal of bringing people in from further away and of providing data driven insights into the items and services Hart’s customers were most interested in. In order to really increase sales, the next step was to take the information and the success of the Web site and make changes in the store. Shepard worked with Ross at this stage of the process to translate the digital world in real terms to the retail location.



In the bike store, customers first saw the array of bikes, followed by tightly bunched together accessories and clothes and gloves. Using insight gleaned from the Web, Shepard encouraged Ross to make changes to the layout of the store so that it was more welcoming and (much like a Web site) easier to navigate. The easiest items to select and purchase without assistance were the clothes and gloves, which were moved to the entrance. Volume accessories were placed in a center aisle, with specialty items and bikes moved towards the back of the store, where employees could offer assistance without being intrusive.

Understanding the Business

The final steps in making operational improvements involve integrating customer based internet data with cash register receipts, inventory turn and sales per square foot – basic business operations. When coupled with the data from the Web, this provides a powerful guidebook for employee training, ongoing merchandising, and customer services. **“Turning a business around or finding new ways to make a solid business even more successful is our main objective,”** said Shepard. “We want our owners or managers to learn how to work **on** the business instead of **in** the business.”

“Most business situations have some similarities, most owner perspectives are unique.” - Shepard Morrow