

The True Cost of Ignoring Your Site Search Problems

2019

Background

In this paper, Unbxid examines the costs and benefits of replatforming compared to upgrading site search. Unbxid chose to examine these two routes because we often speak with companies who think they should delay fixing their site search so that they can replatform first.

In addition to doing secondary research, we interviewed ecommerce executives whose companies have gone through both replatforming as well as site search upgrades. They shared their experiences with each process.

Executive Summary

Through our research and analysis, we found that there is a significant opportunity cost to ignoring site search problems. For example, a company with 300,000 monthly site-search visits, a 5% site-search conversion rate, and an average order value (AOV) of \$100 will leave almost \$2 million a year on the table by delaying fixing its site search.

The comparison below shows how, between replatforming and upgrading site search, site search can be a much better return on investment for most companies.

Our key findings continue on the next page.

Site Search: The Better Return on Investment

Replatforming

5,000+ people hours
\$1-10M+ just for license
High-risk project
1-2 years to implement
Very delayed payback

VS.

Site Search Upgrade

<300 people hours
\$60K /year
Low-risk project
A few weeks to implement
10%+ conversion lift in weeks

Following are our key findings:

- Site search projects took companies only 250-300 people hours (15% of a 5-person team's time over 2 months) on average, far less than the 5,000 hours for a replatforming project.
- Site search offers a very fast payback period, often delivering a 10% lift in search conversions or more within 90 days of implementation.
- Costs for site search are a fraction of those for platforming, at five to six figures each year, compared to \$1-10 million plus for replatforming.
- Site search is low risk and doesn't impact overall site operations like replatforming does.
- Site search helps improve marketing ROI by helping create better landing pages and more effective marketing campaigns.
- The cost of delaying site search projects is huge, given the 10% conversion lift potential. For example, a company with 300,000 monthly site-search visits, a 5% site-search conversion rate, and an AOV of \$100 can lose \$1.8 million a year by delaying site search. ¹

Choices that ecommerce executives face

Let's assume that you're an ecommerce executive looking to improve the performance of your site. What initiatives might you consider? Replatforming is probably the most common one. In fact, a recent Internet Retailer study showed that 72% of companies are planning to replatform in the next two years. ²

Another initiative that ecommerce executives might consider is upgrading their site search. But this initiative can sometimes be put on hold, with the feeling that replatforming will be a better bet.

But is it? From our analysis, we saw that the opportunity cost of not fixing site search is one that most companies can't afford.

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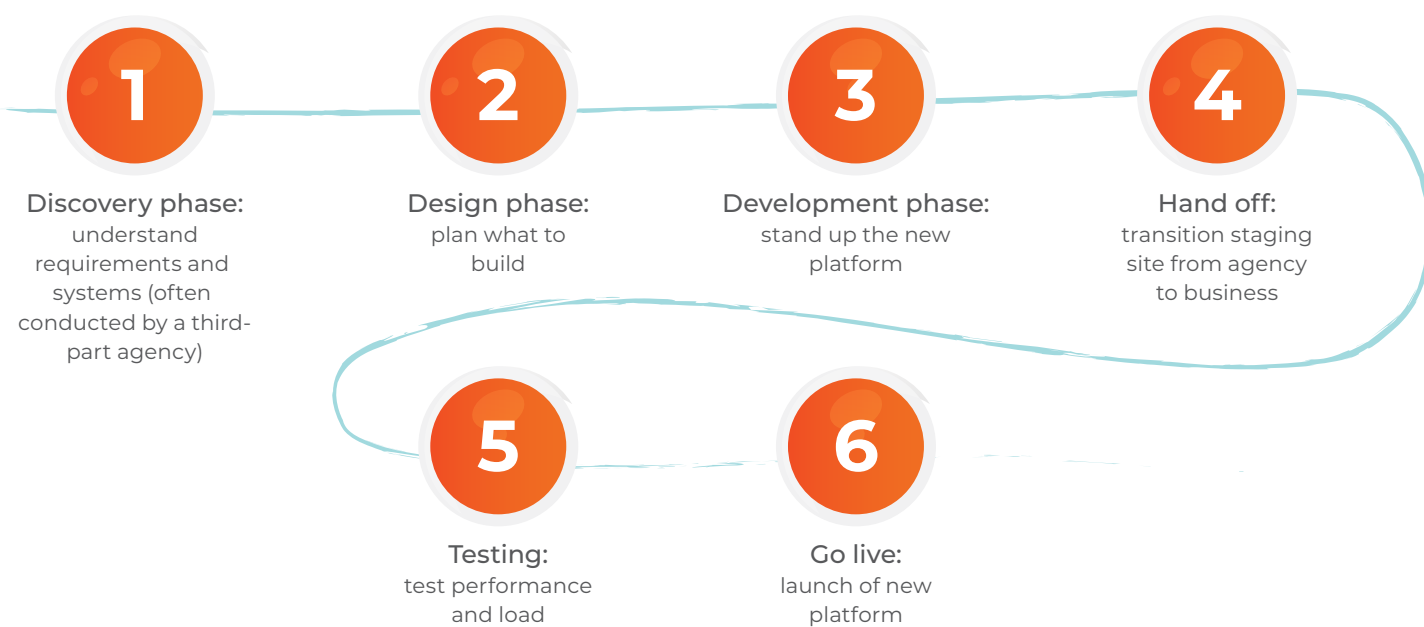
We'll walk through the following for both replatforming and site search projects:

- ▶ Time to implement
- ▶ Software costs
- ▶ Cost to implement
- ▶ Risks
- ▶ People hours
- ▶ Time to Payback

Replatforming Costs and Benefits

Time to implement

Replatforming is a major initiative and requires stakeholder alignment and buy-in, full project planning, allocation of resources, and extensive plans for post-go-live success. The project generally follows these phases:



In total, Phases 1-6 above can take up to two years.

Cost to implement

Costs are both in terms of people hours and software costs.

People hours

People hours are a significant cost across each phase. Averages from our research are:

- ▶ Discovery phase: **500 hours**
- ▶ Design phase: **500 hours**
- ▶ Development phase: **3,000-5,000 hours**
- ▶ Hand off phase: **1,000 hours**
- ▶ Testing: **500 hours**
- ▶ Go live: **100 hours**

In total, people hours for replatforming can exceed **5,000 hours**. These hours take attention away from other business activities and can result in lost revenue.

Software

A license for replatforming can cost anywhere from \$500,000 to \$10 million. Recent study data shows that a replatforming effort can cost large retailers up to \$10 million, while small and mid-market retailers regularly pay \$500,000 to \$1 million to implement a new ecommerce platform. ³

And on top of the license fees, set up fees are generally an additional 20% or more.

Risk

Replatforming is a high-risk endeavor that touches most aspects of a business. It requires broad internal alignment and planning. Companies must also factor any new product launches, rebranding initiatives, and strategic acquisitions into replatforming plans, which can result in higher cost and longer timelines for any of these projects. Because replatforming upends so many parts of a business, “the success or failure of a replatforming project can make or break careers.” ⁴

And it’s difficult to figure out the right balance of features and timing with a replatform: “You end up with either an underwhelming basic solution or overcorrect with a slow-to-market expensive solution.” ⁵

Time to Payback

Replatforming can provide business benefits, but none of these benefits can begin to kick in until the new platform is in place and running smoothly. This process can take the better part of a year and up to two years.



You end up with either an underwhelming basic solution or overcorrect with a slow-to-market expensive solution.” ⁵

Site Search Upgrade Costs and Benefits

Time to implement

A site search upgrade is a relatively quick and easy project for ecommerce companies. Typically, it takes only 2-3 months to be up and running.

Costs to implement

Site search upgrades involve drastically fewer people hours and software costs compared to replatforming.

People hours

This project requires a small fraction of people hours compared to replatforming. For example, a major online fashion company spent about 250-300 hours in total to fix their site search...that's about 95% less time than for replatforming.

Software

Among the companies we spoke to, several reported spending less than \$5,000 per month for their search solutions, with little or no setup fees and rapid integration timelines.

Risk

The risk for upgrading site search is low. It is relatively self-contained, without the many integration points involved with replatforming. In addition, Unbxid Search lowers the risk even more by offering a conversion guarantee – making the choice of Unbxid Search an easy decision.

Time to Payback

The payback from upgrading your site search is significant and fast. Unbxid Search customers have seen improvements immediately after implementation. These customers have seen increases in the number of search sessions, search conversion rates, and orders from search sessions, as shown in the table on the following page.

Unbxid Search Customers Show Increased Search Sessions, Conversion Rates, and Orders

Representative customer statistics by industry ⁶

Industry	% Increase		
	Search Sessions	Search Conversion	Orders from Search Sessions
B2B	80%	15%	107%
Fashion (Company A)	13%	11%	25%
Fashion (Company B)	52%	17%	77%
Furniture & Home Decor	91%	22%	134%
Specialty	50%	32%	99%

Debunking a Myth about Site Search

Myth: I'll need to redo my site search after I replatform.

This myth has kept many companies from fixing their site search. The truth is the opposite – an advanced site search solution is best to have in place before embarking on a replatforming project. It can ease the transition to a new platform by informing navigation, customer experience, and product taxonomy requirements. It also enables retailers to do multi-variant testing when the underlying platform does not support this functionality.

As an ecommerce executive we spoke with said, “You should be continually optimizing and tweaking your site search. It’s a cop-out to say you need to replatform first.”

Closing

Site search projects are sometimes delayed due to replatforming initiatives. But the time and cost required for replatforming are many times those for improving site search. Furthermore, the business benefits with Unbx Search are substantial and quick.

Fixing your broken site search requires minimal investment and has significant upside for conversions and revenue. Not fixing site search is leaving money on the table, and incurring true costs to your business. For example, for a company with 300,000 monthly site-search visits, a 5% site-search conversion rate, and an AOV of \$100, not fixing site search means leaving almost \$2 million on the table every year. ⁷

What is the opportunity cost of not fixing your site search?

Contact us

It's time to stop incurring the opportunity cost of sticking with bad site search. Reach out to us at sales@unbx.com to learn more about how Unbx Search can help you capture the benefits of better site search.

Sources:

¹Unbx, "Selecting the right site search solution for increasing conversion: Get a guaranteed 10%+ lift with Unbx Search," 2019.

² Internet Retailer, "2018 Quintessential Guide to E-Commerce Platforms."

³FitForCommerce, "Breathe New Life into Your Tired Ecommerce Platform: Discover How Advanced Site Search Can Delay, or Even Eliminate, the Need to Replatform," 2019.

⁴Gorilla Group, "The Ecommerce Replatforming Checklist," 2019.

⁵Gorilla Group, "The Ecommerce Replatforming Checklist," 2019.

⁶ Unbx data and analysis, 2019.

⁷ Unbx, "Selecting the right site search solution for increasing conversion: Get a guaranteed 10%+ lift with Unbx Search," 2019.