

# BUSINESS 2.0

## RAFE NEEDLEMAN'S WHAT'S NEXT

### Just Browsing, Thanks

Online retail sites smile and touch you with products like Groopz.

By Rafe Needleman, August 18, 2003

Recently I got a pitch to cover a new site, TopBulb.com, an online lightbulb retailer. And people say innovation in e-commerce is dead.

Maybe it was that lightbulb going on over my head, but it got me thinking about online retail. Especially the cold, impersonal nature of shopping online. While that's one of the reasons online shopping is appealing to many people -- you can do it at your own pace, and you don't have to socialize with people while you're doing it -- anybody who's ever sold anything knows that the personal touch makes a big difference in sales. It's why Nordstrom (JWN) can charge more for its shoes, and why Wal-Mart (WMT) puts greeters at the front door.

There are no smiling salespeople or greeters at TopBulb, or on eBay (EBAY) or Amazon (AMZN) either. But there is technology that enables a similar experience. One of the most promising is from Digi-Net, which created Groopz to enable what it calls a "digital handshake."

It's really not much more than an online instant message or chat room that pops up when you visit an e-commerce site. (Visit Groopz.com for a demo.) Like a savvy salesperson, the Groopz technology also watches visitors entering the site. It doesn't pop up a window for everybody, just those who exhibit promising shopping behavior, such as visiting a lot of product and pricing pages.

Of the visitors whom Groopz engages, about 60 to 70 percent respond to the conversation window, says CEO Robert Parker. What Parker wants everyone to know is that those who do respond spend a lot more.

I've seen similar on-demand chat services before, especially in customer service. Parker says his system is different. It focuses on tried-and-true sales methodologies, such as qualifying leads before contacting them.

Jon Nordmark, CEO of eBags, an online luggage retailer, says his company tried this type of technology three years ago but gave up on it because it wasn't helping overall sales. However, he's beginning to like what he sees with these products now, and told me he will "for sure" be testing it again.

More people are buying more stuff online today -- eBags is seeing 100 percent

revenue growth. But eventually online retailers are going to go after the window-shoppers, those customers who are not quite ready to commit to a purchase. To win them, the sites will have to grow the old-fashioned way: with salesmanship. Groopz and other personal contact services could help them simulate the 150-watt smile.

-Rafe Needleman

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