Optimising your online business

Getting your online business up and running is a big deal. The next step is to get things really humming.

With sales data and experience under your belt, it’s time to gather more insights to tweak your approach.

Get to the next level

To take your business and profits to the next level, it’s important to deeply understand your customers. Find out what motivates them. Consider what else you can offer that they might value.

Review where your business sits compared to others in the market and learn how to carve out your own space. And check where you sell — is it still the right choice for you and your customers?

Clarify your ideal customer

Start by creating personas that sum up your ideal customers. These fictional characters help you picture who you want to sell to, and how to attract them.

Next, find more detailed information to improve your personas. Here are example questions to answer in a persona’s description:

- Where does this person live, or not live?
- How old are they?
- How much spending money do they have?
- Why do they buy from you?
- What languages do they speak?
- What are their favourite websites?
- How often do they buy from you?
- What are their worries when buying?

These are not descriptions of real individuals. You don’t need matching characteristics for all your personas. Just use whatever helps you tell them apart.

Make the most of your information sources. Start with what you already know about your customers, eg from newsletter sign-ups or point-of-sale systems. If you talk to people to get more insights, make a note of whether they’re loyal, occasional, or lost customers. Information about all three can be useful. Platforms like Google Analytics and Facebook Audience Insights include information about the types of users visiting your site or social media.

Using your personas regularly helps you get to know them better. For example, when planning a
marketing campaign, think about how best to attract each persona. How might they react to different messages? Deeply knowing your personas helps you think of new ways to engage with, and sell to, customers.

Once you have a great set of detailed personas, keep an eye out for any changes you need to adapt to. For example, a new product may bring in new customers with different characteristics. Or social media platforms might grow or shrink in popularity among different groups of customers. During customer research, check if your respondents match existing personas. Fill in any gaps in matching personas and keep them up to date.

**Understanding each customer journey lets you tailor the online experience to them**

**Improve customer journeys**

Customer personas help you understand the journeys your customers follow towards buying. Once you identify key customer journeys, you can make improvements.

*Understand customer journeys ([/do-business-online/planning-business-online/#e-21793](/do-business-online/planning-business-online/#e-21793))*

**Add detail to each journey**

Start with a customer persona and a clear map of their customer journey, eg as a diagram or a set of steps. If you don’t have a map yet, start with the four basic stages each customer goes through:

1. researching
2. shortlisting
3. choosing
4. buying.

You might also include what triggers a customer to start researching in the first place, and what you do to follow up a sale to encourage loyalty.

For example, imagine you sell shirts.

**Trigger:** Summer is coming up, and your customer wants a new shirt for the new season.

**Researching:** A customer starts by researching all their shirt options — on your site and others. At this stage, they’re getting a good idea of all possible shirts that fit a broad category, eg summer t-shirts.

**Shortlisting:** Next, the person shortlists shirts. They choose a small selection that meets their needs. They will likely weigh up many aspects they find important, eg price, colour, fit, quality.

**Choosing:** Then comes choosing a single shirt. At this stage they hone right in on the aspects that matter most.

**Buying:** Ideally, the person then buys from you instead of a competitor.

**Follow-up:** Think about how you’ll keep in touch with your customer after purchase, eg what their after-sales experience is like. The more detail you can add, the better.

**Customer journey map**
Consider four topics
To add rich detail, look at four topics for each stage of the journey: your customer's activities, motivations, questions, and barriers. Each topic has a set of prompts to gain insights and improve the journey for your customer.

**Activities**

Ask yourself what the customer is doing at each stage. Maybe they're at home, browsing your website while they relax. Maybe they need to decide fast to quickly solve a problem. Or maybe they're in a stressful situation and find it difficult to concentrate.

**Motivations**

Using personas as a prompt, ask yourself what will encourage your customer to move to the next stage, and what might put them off. Think about their emotions. For example, if your customer’s in a hurry, they won't tolerate anything that slows them down. A complex checkout process might make them abandon the purchase.

**Questions**

Figure out where customers get stuck. Maybe they have questions and can’t find the answers, eg can they return a shirt if it doesn’t fit. Unanswered queries can cause people to give up and buy elsewhere.

**Barriers**

Look for obstacles customers might encounter at each stage. Cost could be a factor, or limited payment options even after a decision to buy. Think about what might cause the customer to give up and not complete the sale.

You might be able to identify activities, motivations, questions and barriers yourself, especially if you use your customer personas. Customer research like feedback forms and user testing are good ways to find out more.

**Support customer journeys at each step**

Understanding the journey from researching to buying is a great start. Go further by looking at the whole journey in more detail, from the moment someone first becomes aware of your product or brand. Figure out all the ways you can interact with them and guide them to buy from you. This process is sometimes called a sales funnel.

Here are some typical stages your customers might go through, and examples of what you can do to help.

<table>
<thead>
<tr>
<th>When customers are:</th>
<th>You can help them by:</th>
</tr>
</thead>
</table>
| Figuring out what they need       | • Matching what they're looking for, if they know  
|                                   | • Being easy to discover as a potential way to solve their problem  
|                                   | • Giving useful advice without promoting your product                                                   |
| Searching for information         | • Giving expert advice about features to look for  
|                                   | • Explaining how your offering will solve their problem  
|                                   | • Showing how to use your product or service                                                            |
| Comparing alternatives            | • Providing plenty of information for comparisons  
|                                   | • Standing out with your price, features, or other characteristics  
<p>|                                   | • Explaining exactly how you differ from rivals                                                          |</p>
<table>
<thead>
<tr>
<th>Deciding to buy</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Helping them feel confident in their choice, eg relatable case studies</td>
</tr>
<tr>
<td>• Offering a promotion that gives you an edge over competitors</td>
</tr>
<tr>
<td>• Explaining what happens next, eg delivery methods and timing</td>
</tr>
<tr>
<td>• Showing excellent customer service is available in case they have any problems</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Using your product after buying</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Supporting them to make the most of the product, eg user guides, troubleshooting tips</td>
</tr>
<tr>
<td>• Giving great customer service</td>
</tr>
<tr>
<td>• Asking about their experience with the product, to show you care and to unearth any issues</td>
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</tbody>
</table>

If you sell online, one way to help customers through the sales funnel is to check how well the content on your website supports each step. If you can map each step to helpful content, you know your website helps your sales process. If any tasks are missing content, you may not be fully meeting customer needs.

Check information is where the customer needs it most. For example, place testimonials on product or service pages where people make decisions to buy, not buried on a testimonials page.

This process also helps you know:

- what content to update if your operations change
- where to look if particular problems happen often.

Make sure you have analytics in place to monitor each stage of the sales funnel. Then you can identify anything that's blocking customers from progressing to the next stage.

Online tools can help manage your sales funnel, eg by automating tasks like follow-up emails or special offers to people who research you but don’t complete a purchase. A local example is UbiQuity from New Zealand company Qrious.

[UbiQuity](https://www.qrious.co.nz/engage/ubiquity) — Qrious

**Review your market position**

Markets keep evolving. Keep an eye on your place in the market to stay ahead of your competition and adapt to changes, eg new competitors or changing prices.

Did you use product, place, price, and promotion as a framework for understanding your marketing mix? You can use the same framework to review it, and see if your choices still stand up.

[Understand your marketing mix](/do-business-online/planning-business-online/#e-21823)

Look at how your business has changed. And how your existing competitors have changed, which competitors have joined or left the market, and anything else that could affect your position.

**Check how you compare to rivals**

Every product or service has its own profile of price, performance, and customisation. These characteristics define the position of the product or service in the market.

Different profiles can make two otherwise similar items appeal to different customers. And each item’s profile determines how it stacks up against competitors.
Use the tool below to compare your business, or one of your products or services, against its competitors. It rates whether you have a strong position in the marketplace. We’ll help you identify some common opportunities and risks.

CVP Loading...

Create your own space in the market

Competing head-on with bigger businesses can be difficult. They have more resources to help them dominate the market.

But as a small business, you may be able to respond more quickly to change. If you spot a gap in the market, you can create your own space where you’re not competing directly against bigger businesses. For example, you might be able to offer a personal sales experience with expert advice, without increasing your costs.

To find your niche, you might consider:

- what your customers value
- new opportunities within your business
- adding value without adding to your costs
- how to stand out from the competition.

Creating your own space in the market (/business-performance/business-strategy/creating-your-own-space/)

It helps to explain your unique selling point clearly. Write down a simple description that explains to customers why they should buy from you. It will make a great slogan for your website — and define your approach to all parts of the sales process.

Identify your unique selling point (/do-business-online/planning-business-online/#e-21796)

Work out what else you can sell

Offering products or services that complement each other can:

- give customers more value
- bring in more revenue
- help you grow your online business
- give you an edge over competitors.

Understanding what products and services go together can help you improve your offering. For example, you could create bundles or combo deals for items that naturally go together. Or offer subscriptions for products your customers buy regularly.

Or you can take the next step and create value with something completely new. If you currently sell products, think about related services. If you sell services, consider related products. Use the tool below to explore opportunities.

PSM Loading...

Check your locations
Review the locations you chose when you started selling online. Check whether anything has changed, and how various locations are performing. Consider whether to add new locations, or move away from old ones.

Choose where to sell (/do-business-online/planning-business-online/#e-21829)

You might sell on your own website, a shared marketplace like Trade Me, or both. Using one location can work well, but consider extending to others to be available to more customers. It’s common for businesses that start on a shared marketplace to later create their own website. This saves on commission costs, and offers better control of the shopping and brand experience. It’s like setting up your own shop after having your products stocked in other retailers’ stores.

Review where your customers are in relation to your physical operations. They may be nearby or too far away for quick delivery. They may be in the same country or overseas. Think about how you can improve operations or customer support. Examples include a local warehouse for faster delivery, or local customer support to match the time zones and accents of your customers. A local base can help you build credibility and stay in tune with local trends.

If you started out online-only, you might benefit from adding a physical location. This could offer a better brand experience, boost sales in a particular spot, or improve trust because customers can experience your products in person.

Alternatively, if your physical store is not profitable, it might make sense to mostly focus on selling online.

References to specific businesses

At times business.govt.nz refers to specific businesses to make our resources more effective and easier to understand. We do this on the advice of our independent expert partners, including the New Zealand Business Performance Panel. However, we do not endorse any third-party private-sector businesses.

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