

# MIRRORING THE WAY THAT CUSTOMERS SHOP & BUY: THE NEW PANASONIC WEB SITE

*A conversation with the Vice President of E-Business for Panasonic Consumer Electronics*

**Intro:** In September 2007, Panasonic launched a completely redesigned consumer Web site. More than a year in the making, the new site more intuitively reflects the tasks and processes customers go through when shopping for electronic devices. Benchmark recently caught up with Jeremy Dalnes, Panasonic Consumer Electronic's vice president of e-business, to learn what's behind the redesign and Panasonic's approach to customer experience.

**Benchmark:** What has been your methodology for delving into the customer mindset, evaluating the customer experience and determining customer expectations — both prior to the Web site redesign and on an ongoing basis?

**Jeremy Dalnes:** We use a variety of online measurement tools to understand the customer experience, in addition to Keynote Transaction Perspective. One of those is iPerceptions, a tool we use to measure customer satisfaction on our Web site. The other tool we have is a feedback button provided by Opinion Lab. If a visitor has an issue they can click that and respond, and every single one of those responses is evaluated by our consumer affairs department and gets distributed to a wide variety of folks.

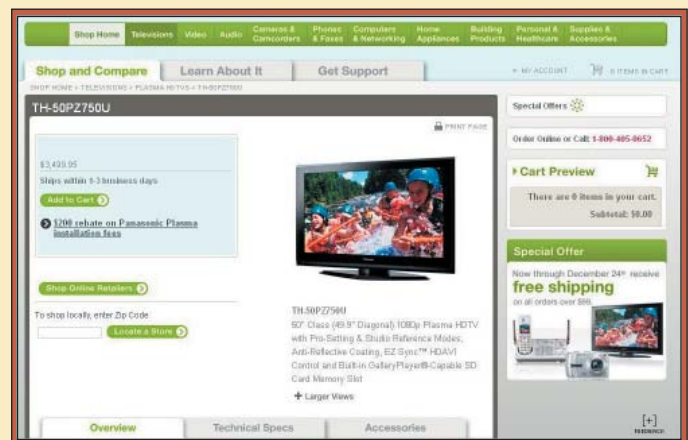
We measure and we watch trend lines of satisfaction across our site, at a variety of different touch points. There's navigation, there's product depth information, there's search — and it all rolls up to what we're hoping to provide, which is one visit resolution.

**Benchmark:** One visit resolution meaning, the customer succeeds in accomplishing whatever task they set out to accomplish on your site?

**Jeremy Dalnes:** Yes, and that could be for a variety of issues. The top three reasons that folks visit a manufacturer's Web site are to learn about a product, to shop for a product, or to get support for a product. If you go to Panasonic.com, and navigate to the consumer electronics section, you'll see that the site is specifically divided into three sections — or three experiential facets, that we are trying to cater to — based on feedback that we received from customers. On the site you see them as tabs at the top: Shop and Compare, Learn About It, and Get Support. It's very intuitive for the visitors, and very user friendly.

The tab functionality is a big new feature, and it's actually

contextual. So if you're in the Shop section looking at plasma and you click on the Support tab, you'll go to the support section for plasma. Or say you're at a product detail page for a particular plasma TV, when you click on "Learn" from that detail page, you'll get to the learn about plasma page.



**New tabbed functionality on Panasonic.com lets shoppers quickly get contextual information and support on the products they are researching.**

**Benchmark:** Did you bring consumers in throughout the process to test this functionality with them? How did you gauge how this was all going to work for your customers?

**Jeremy Dalnes:** The idea of having these three facets of the experience was something that we went out on the limb and said, "let's try this," and I don't think there are very many consumer electronics companies doing this right now — there's really nothing to compare it to. It's an innovative approach. What we did do before we went live — maybe three or four months before we locked everything down for testing — is we did some user testing on the whole tab concept. We brought in some focus groups and had people sit down and interact with a Flash version of the site. It was not the fully fleshed-out thing, it didn't have all the functionality, but we noticed some things about the tabs we had to change in terms of people not necessarily understanding, design-wise, how it works. So we did refine that concept throughout the process.

**Benchmark:** Let's look specifically at the shopping function. On your site you give the consumer three options to purchase: they can buy a product on the site, they can find an Internet retailer

that sells it, or they can find it at a local store. How did you arrive at the strategy of giving people those three options?

**Jeremy Dalnes:** It is based on what the user ultimately would like to do. We know from our survey data that there is demand to have those three options. Most consumers who are shopping for consumer electronics prefer to buy from the channel, and as a manufacturer we want to continually deepen the relationship with our channel partners. We want to ensure that folks who express purchase intent on our Web site can ultimately fulfill that purchase intent in whichever channel they choose. That's really the kernel of how that strategy was born.

**Benchmark:** Are you at liberty to characterize how that shopping breaks up? How many people end up buying from your site versus another Internet site or a retailer?

**Jeremy Dalnes:** Even if I could disclose it, we don't necessarily know what happens once they leave our site. I can tell you for sure that the vast majority of our visitors leave our site and purchase through one of our channel partners. Because if you think about it, let's just use the flat panel television as an example, which is certainly a hot-selling category right now for Panasonic and for the consumer electronics industry as a whole. That purchase decision is strongly influenced by picture quality. And that's something you just can't demonstrate online. You can list the specifications, but ultimately, the customer usually prefers to check out the quality in person before buying.

Therefore, our zip code locator and online dealer locator are integral to delivering the best possible shopping experience for our visitors. There will always be a small segment of the population that wants to buy direct and we will offer them the opportunity to do that.

**Benchmark:** How does that impact your relationship to the channel? Is there any sense that you're competing with them by offering direct sales on your site?

**Jeremy Dalnes:** It's about being customer-focused. What does the end customer want from our Web site? If there is a customer who is willing to pay MSRP and says, "Okay, I'm going to buy direct from the manufacturer," I want to offer them the ability to do that. I don't think that necessarily competes with the channel given that it's such a small percentage of folks who ultimately do this.

The other thing that we do to create a deeper level of partnership is to share a lot of data with our channel about the leads that we send to them. I'm a big proponent of sharing as much data as possible because it ultimately helps them sell more of our products. I can tell someone like a Best Buy, or a Circuit City, or a Sears, "Did you know in the fourth quarter we drove X million dollars' worth of leads to your Web site for these particular products?" And that enables them to say, "There is demand here that we didn't necessarily see before." I've actually been in

meetings where some of the executives are surprised and didn't realize there are actually a lot of folks interested in a particular model. I want to provide them a tool kit to monetize those visitors that come to *our* site and ideally buy Panasonic on *their* site.

**Benchmark:** OK, so you've redesigned the Web site, you've enhanced the customer experience, you're working with your channel partners to sell more product. What's next?

**Jeremy Dalnes:** One of the more interesting concepts I've been introduced to over the last six months is this notion of purchase shifting, and I'll explain what that means. There's a company called Shopatron, and what Shopatron is able to do is allow a manufacturer to sell direct but have the orders fulfilled through their current channels of distribution. Each order placed on the manufacturer's site is put into a "Commerce Exchange System" where all the retailers all over the United States have the opportunity bid on it. Because we charge MSRP we're not talking about bidding on price, but bidding based on whether or not the retailer has all the line items in that order and how geographically close they are to the end customer. Calloway golf is doing it right now.

It's an intriguing idea. It's a win for the consumer because they get their products faster. It's a win for the retailer because they get an order they wouldn't have otherwise had, at full MSRP. And it's a win for Panasonic because instead of forwarding over a lead to a retailer, we're actually capturing the order. Our goal as a manufacturer obviously is to sell more Panasonic to more people, more often. I'm trying to create additional value and sales opportunities in the current supply chain as it exists today. It's exciting. Stay tuned!



**Jeremy Dalnes**

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Jeremy Dalnes is Vice President of E-Business for Panasonic North America ([www.panasonic.com](http://www.panasonic.com)), where he is responsible for leveraging the Panasonic e-commerce platform to increase sales in all consumer channels. Prior to Panasonic, Mr. Dalnes was VP of Marketing for Home Décor Products, Inc. ([www.hdpi.com](http://www.hdpi.com)) an online retail and marketing company, ranked as one of the nation's top 125 online retail companies by "Internet Retailer" (2004 - 2006). Originally from Chicago, he has worked in online marketing strategy, PR, and advertising sales both in California and New York for companies such as CMGI and Excite.com. Mr. Dalnes is an active conference speaker having participated in numerous industry conferences including Internet Retailer, Shop.org, & Ad:Tech. He received his bachelor's degree in Technology in Music and Related Arts (TIMARA) from the Oberlin Conservatory of Music.