Crutchfield

A Friend in the Electronics Business

Organization

Crutchfield Corporation

www.crutchfield.com, www.crutchfieldadvisor.com

Interviewed

Lawrence Becker, Vice President, E-Commerce

What's For Sale

Crutchfield sells millions of electronic devices to aficionados and beginners alike.

What's So Interesting

Crutchfield stands out in the crowded consumer electronics marketplace by focusing on providing superior service; a major service component is the provision of excellent content. While many e-commerce sites (think Best Buy or Amazon.com) can sell you a car stereo system, Crutchfield.com walks you through the entire process—from choosing the right system for your make, model, and year of car to installing it yourself. Started 30 years ago as a print "magalog," Crutchfield has successfully extended its high-quality educational content model to the Internet. With the Crutchfield.com e-commerce site and its educational companion site, CrutchfieldAdvisor.com, content successfully drives commerce.

Why You Should Care

Crutchfield has built one of the most successful consumer electronics stores online by providing more informative content than its competition. In particular, useful content is written for novices and audiophiles alike, so everyone is empowered to make the right selection. The company employs a team of editorial professionals who write about the products they love. By continually optimizing the site around content tailored to buyer behavior, Crutchfield takes the sometimes daunting task of purchasing a gizmo or gadget online and makes it fun for consumers. E-commerce sites in virtually any category can learn from the tried-and-tested Crutchfield approach.

rutchfield Corporation began 30 years ago when Bill Crutchfield founded the company in his basement with a \$1,000 investment. Initially, he focused on car stereo equipment, selling through a catalog he wrote himself. But the initial catalog was a failure, producing hardly any sales. In a tradition that continues to this day, Bill wanted to find out why people weren't buying, so he conducted some basic market research by contacting customers and asking them what they thought of his catalog. He quickly learned a valuable lesson: The public was confused about car stereo equipment and intimidated by its installation. The result was the launch in 1975 of a "magalog"—a cross between a magazine and a catalog—for car stereos. As soon as Bill provided customers with not only catalog information but also articles he wrote (for example, "How I Evaluate and Install Quality Car Stereo"), he created a business selling consumer electronics.

Soon Bill was running a rapidly expanding company. He hired staff, moved out of his basement to a much larger space, and diversified his product line beyond car stereos. Today the company distributes about 30 million



Crutchfield.com extends the company's print "magalog" to the Web, delivering high-quality content to help consumers choose and purchase electronics.

Crutchfield magalogs each year. Crutchfield launched its Web site in 1995 with the same strategy as its magalog: To provide high-quality content that helps consumers choose and purchase electronic equipment.

The Crutchfield site sells what Lawrence Becker, Vice President of E-Commerce for Crutchfield Corporation, calls "information-rich products"—those things that need to be explained, described, and specified to help consumers make intelligent purchases. Crutchfield even seeks to enhance the customer experience with content addressing something as seemingly self-explanatory as instructions. Becker says that the often complex products sold by Crutchfield are assembled by Crutchfield staff just as a customer would be required to do. The Crutchfield team follows the directions and uses the products to see how they work, and then they write content that helps consumers understand what they will get and what to expect if they buy.

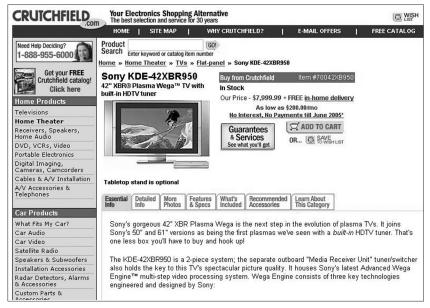
Turning Complexity into Opportunity

Many of Crutchfield's customers are electronics enthusiasts who are looking for specific products; Crutchfield.com delivers distinct content for this type of consumer. These customers can sort by brand, price, top sellers, new products, or specials within individual product sections on Crutchfield.com. Thus, if you're already knowledgeable and know you want a flat panel HDTV in a certain price range, you can easily comparison shop online.

Clicking on a product leads to an individual product specification page. From there, users can drill down through a series of tabs on the essential information page to more detailed pages, photos, or features and specs. In addition, details about what's included in the package and recommended accessories are listed on other tabs. Because the information is written by Crutchfield people and organized around the Crutchfield product and feature taxonomy, users are guaranteed consistently valuable content that allows them to compare products across multiple brands and price ranges.

A Little Friendly Advice

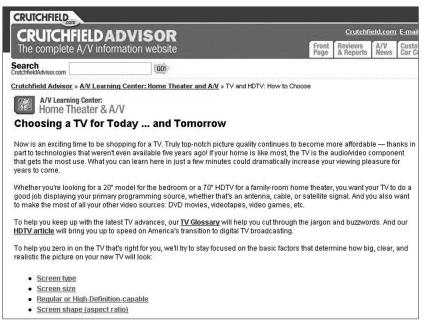
Professionals at Crutchfield also recognize that visitors come to the site at various stages of a purchase decision with a wide range of product understanding. While some customers are highly knowledgeable enthusiasts who jump right to the product pages, many others know next to nothing about a particular product category. Crutchfield has developed compelling content for both audiences (and anyone in between).



Example of an individual product specification page on Crutchfield.com.

If you're considering an electronics purchase, but are a little confused or intimidated, Crutchfield.com has content for you. Say you're in the market for a new TV. On most e-commerce sites, it can be a daunting experience to be confronted with a dizzying array of choices: flat-panel, HDTV, tube-style, front- or rear-projection... and the list goes on. Specialists at Crutchfield recognize the problem of consumer confusion (that can lead to shopping-cart abandonment) in providing the necessary value-added content to make informed decisions. At Crutchfield.com, you can read about each category of TV; you can study a primer on how to choose the right set for you, and potentially confusing terms can be clicked on so the term is defined in a pop-up glossary window. "Content on the Crutchfield.com site builds confidence in the customer's ability to understand, use, and enjoy products," Becker says.

To underscore its unique position among retailers and to supply even more helpful information to those in the early stages of the buying process, Crutchfield Corporation launched CrutchfieldAdvisor.com as a companion site to Crutchfield.com. "Crutchfield Advisor is a complete Audio/Video content resource. It's the equivalent of a trusted friend who knows a great deal about electronics," says Becker. An added benefit of Crutchfield Advisor as a



The Crutchfield Advisor site provides the details you need to make an informed purchase decision.

separate site is that it provides an alternative "front door" to the consumer electronics shopper who is in research mode and not yet ready to go to the store.

Car Stereo for Everyone

Although there are two separate sites, visitors can seamlessly click back and forth from Crutchfield.com and CrutchfieldAdvisor.com. Depending on their point in the purchase process, they may choose to link from the product descriptions on Crutchfield.com through to the "How-to-buy" information on Crutchfield Advisor and back again without even knowing they've moved to a companion site and back. "Audiences experience the two sites holistically," Becker says. "We try to reach people who are in all stages of the consideration process with appropriate content. Crutchfield.com is designed for those who are further down the shopping path, while the Crutchfield Advisor site is designed for those who are earlier in the process and simply looking for helpful information about electronics."

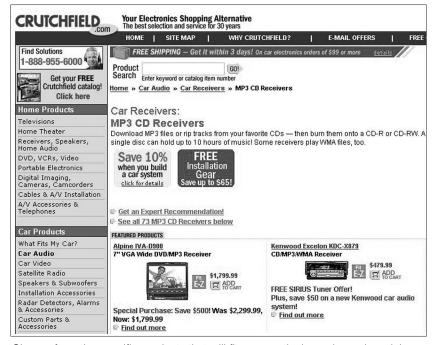
By creating layers of information and anticipating the needs of people at various stages of the consideration process, Crutchfield sells to enthusiasts and novices alike. For example, with car stereos (the product category Bill Crutchfield launched his business with in the mid-1970s), its customers cover a wide range that includes the highly knowledgeable urban street rod outfitter looking for a particular sub-woofer to boom, as well as the suburban mom who enjoys soothing adult contemporary as she transports the tykes in her minivan. Crutchfield optimizes content to reach both audiences. "Much of what determines how you're going to enjoy a new unit in your car starts with installing it in the car," says Becker. Although this may sound obvious, most other e-commerce retailers just proffer the goods and let you deal with the research and decision-making process on your own. Instead, Crutchfield Advisor walks you through a process to identify your exact make, model, and year of car and then presents only the product options and shopping comparison tools appropriate for your vehicle.

The professionals at Crutchfield understand that when many people investigate a piece of electronic equipment in an unfamiliar category, it's so confusing that they abandon the process in frustration—without a sale being made. "Content helps build confidence and anticipates questions," says Becker. As



Enter the make, model, and age of your car to find the right products.





Choose from the specific products that will fit your particular make and model car.

the content is built and organized around the various stages of the consideration process, Becker helps his prospects go from confusion to delight. "Content is there to create excitement," he says. "Ultimately, we have fun stuff to sell."

Creating Content That Sells

Content for both Crutchfield sites is written in-house by two teams of writers, each with a managing editor and a Web editor. One team focuses on car electronics and the other on home electronics. Each writer within a team maintains content on a specific product category, creating and updating all of the information. What sets the content creation apart from many other sites is the level of interest for the products the writers possess. "The people who work here have a passion and an enthusiasm for the products we sell and that comes across in the content we write," says Becker. "We're gear heads and we love the equipment. We particularly enjoy bringing the products home to test them. Many of us have equipment like four-channel amplifiers, component speakers, and 12-inch sub-woofers... in our cars."

Although Crutchfield employs people who have studied writing, Becker is proud of the diverse background of the editorial staff. "For some reason, we've attracted a lot of musicians," he says. "Crutchfield Corporation is conducive for providing a career path for creative people." Many of Crutchfield's writers are also veterans of the sales department, which allows them to enhance their copy with an understanding of customers' needs. Because it's written by enthusiastic, creative people who love electronics, content on the Crutchfield site is lively and effective. The enthusiasm of the writers comes through in the content, which in turn helps Crutchfield to sell and to make happy repeat customers.

Customer Feedback

With a staff of editorial professionals and a strategy to provide content to people at each stage in the shopping process, one might think Crutchfield has everything down to an exact science. However, Becker knows that the way people buy electronic products is constantly changing and he wants Crutchfield to continue to be the best place for getting product information. In order to remain current with his online customers, Becker constantly tests, asks questions, and gathers feedback—a tradition begun by Bill Crutchfield when he launched his print magalog business 30 years earlier. "Information-rich products are sold with great content," Becker says. "How do I, as the writer, cull out what would be most important to the audience? How can I anticipate questions? We do this with many types of feedback. We always review customer comments to learn about how people use the sites."

Crutchfield uses multiple methods to gather input, comments, and suggestions from customers. As direct customer response mechanisms, each page has a "rate this page" link to give a quick "thumbs up" or "thumbs down" as well as opportunities for more detailed written customer comments. Crutchfield also links to the BizRate.com service where consumers can rate their overall experience across multiple parameters. Other ways Crutchfield gathers marketing research include reviewing competitive sites and usability testing of their own site. These tests are performed in a lab environment to determine how people navigate the site. Additionally, live, multiversion testing is conducted on the site to help understand which presentations customers find most appealing. By performing studies and gathering feedback,

Crutchfield is able to develop better content. Helping customers better understand the products ultimately helps Crutchfield.com sell more.

With so much feedback and testing, Becker and his team sometimes have difficulties sorting out what's important. "Certainly there are prototypes we've tested online or in user testing that didn't work out," he says. "There's a finite amount of space between any set of ears, so a challenge can be adding too much content without effective layering. Customer experience is important to us, so we may prune or reformat content to help improve the experience."

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Crutchfield.com and CrutchfieldAdvisor.com are potent e-commerce sites because they were built from the start as content sites. Drawing on Bill Crutchfield's success with his print magalogs, well-written content sits front and center on the sites. By any measure, Crutchfield.com is a great success. The site generates well over 100,000 visitors per day and consistently wins awards and accolades such as the Circle of Excellence from BizRate.com and Best Site for Electronics from Time Magazine online. But to cash in, Becker and the Crutchfield team of editorial professionals work on a basic principle that content sells. "Content simplifies the process of choosing a product," Becker says.

As successful as Crutchfield is, Becker says many people think of them as a specialty site for electronics enthusiasts more than a place for the novice consumer to learn and buy. In the past several years, broad e-commerce sites such as Amazon.com have demonstrated that average consumers will buy products online in huge numbers. Amazon, being one of the most informationrich consumer shopping sites, has demonstrated that an incredible number of people will shop online—enthusiasts and novices alike. Where Crutchfield had focused more on the educated consumer who wanted to choose the right product, Amazon has proven that virtually anyone will buy online. Therefore, Becker believes there is a larger market for the content-driven e-commerce model for products. "The challenges for Crutchfield are how to better exploit the nonenthusiast group," Becker says. "How can the top-layer content draw even more people into the process?"

The essence of the usability testing going on at Crutchfield's labs today is in many ways exactly like Bill's basement approach. These tried-and-true techniques could help Becker and the Crutchfield develop the content required to sell electronics to a new group of people and possibly turn them into enthusiasts, too. "For example, digital cameras transcend the enthusiast group," Becker says. "How do we reach potential first-time digital camera buyers? That's what we're working on now and that will make us more successful." Just like that first Crutchfield magalog, products purchased by reading the right content delight consumers. And that's the ultimate goal for Becker who says, "We define success as exceptionally satisfied customers."