

## Newegg hatches plans for better site search and expanded payment

Newegg.com will use a new emphasis on consumer electronics and site improvements in a bid to grow its web sales by at least 40% in 2005.

Newegg, which ranks as No. 9 in the Internet Retailer [Top 400 Guide to Retail Web Sites](#), anticipates that its e-commerce sales will increase to about \$1.4 billion this year, compared to \$1 billion in 2004.

To achieve that goal, Newegg is adding more consumer electronics products to its web store and improving its internal site search using new applications from Endeca Technologies Inc.

Also in the works is a private label credit card that Newegg will introduce in time for the holiday shopping season, says vice president of marketing Howard Tong. Newegg, an online retailer of computer equipment and consumer electronics, joined the \$1 billion annual sales club through organic and internal efforts, not acquisitions. It's been on the web since 2000. Newegg serves more than 2 million customers who buy three to five items and spend about \$300 each time they shop, Tong says.

The company caters to a younger demographic of gamers and IT do-it-yourselfers who grew up with computers and the Internet, like the latest in computers and games, and are often employed as information technology workers.

It's that same audience of loyal shoppers that Newegg hopes to entice with a bigger inventory of consumer electronics, including big screen TVs and MP3 players, and easier ways to locate merchandise, Tong says.

Newegg has updated its site search engine with Endeca technology that utilizes guided navigation and natural language search to cut down on the steps customers need to find merchandise. Newegg has also updated its product pages and made it easier for its customers to shop by category and brand, especially for the new consumer electronics products the company is adding to the site. "More consumer electronics will generate some new cross selling opportunities for us," Tong says.

Newegg will feature its expanded line of consumer electronics in a new TV campaign set to begin later this fall. In time for the holiday shopping season, Newegg will also introduce its first private label credit card. The web retailer is still negotiating with card issuers, but believes a private label card is another way to build better customer loyalty. "A private label card rounds out our payments program and gives customers some new finance options," Tong says.