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STRATEGIES FOR MULTI-CHANNEL RETAILING

Best of the Web

TOP

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*Our 7th Annual
recognition of
market leading
retail sites*

Newegg.com

16839 E. Gale Ave.
City of Industry, CA 91745

Date launched
January 2001

Unique visitors (monthly)
6,500,000

Annual web-based sales
\$1,300,000,000

Vendor relationships

Site design
In-house

E-commerce platform
In-house

Web hosting
In-house

Site search
Endeca Technologies Inc.



Content management
In-house

Order management
In-house

Payment processor
First Data Corp.,
CyberSource Corp., PayPal



Fulfillment
In-house

Affiliate marketing management
None

Search engine management
In-house

E-mail marketing
Loyalty Labs, In-house

CRM
In-house

Web analytics
WebSideStory Inc.

Rich media
In-house

Site performance monitoring
In-house

Newegg.com

Above and beyond

When Newegg.com, a retailer of computer equipment and consumer electronics, launched in 2000, it wanted to give tech-savvy shoppers an experience beyond what they would find in a retail store. The company set out to accomplish that by building a large product selection and by offering competitive pricing and top flight customer service and fulfillment. “We have no face-to-face time with the customer,” says Howard Tong, vice president. “The web site is really the only sales front that we have.”

Newegg has built a reputation for offering quality service to do-it-yourself techies, gamers, information technology professionals and what Tong refers to as digital lifestyle persons who make up its customer base. Newegg has eight, custom-built, state-of-the-art logistic centers that ship 98% of packages within 24 hours. And it has a call-center in California that handles only customer service.

To give customers a superior retail experience, Newegg also posts “massive amounts” of photos of new products. That includes shots of all sides of the box and packaging, all sides of the product, all accessories, manuals, CDs and wiring. “Since we

don’t have a storefront, you can’t touch or feel or smell the product,” Tong says. “We decided to simulate that retail experience as close as possible.”

Not only does Newegg sell hard-to-find parts, it also provides links to forums for customers to exchange ideas on everything from assembling equipment to troubleshooting. Newegg also has a large customer-review base, where customers can ask questions, give advice or comment on new products, and it posts expert opinions, specifications and other information from manufacturers, and other content. “You have everything you need at your fingertips,” Tong says. “We make it easy to navigate, easy to find, easy to check out, so it becomes a source for not only buying products, but for learning about products.”

Newegg’s customer-centric approach has helped it attract a loyal customer base, says Patti Freeman Evans, retail analyst at JupiterResearch. “Newegg has made it easy for people who really are intensely interested in this information to both share it and get it,” Evans says. “That creates a great bond with the customers because they know this is the place to come even if they’re not going to buy something today.”

The screenshot shows the Newegg.com homepage. At the top, there's a search bar with fields for keyword, category, min/max price, and a 'GO' button. Navigation links for 'CUSTOMER SERVICE', 'HELP & INFO', and 'ABOUT US' are visible. A sidebar on the left lists various product categories like 'Computer Hardware', 'Software', 'Digital Cameras', etc. The main content area features a large banner for 'GET ALL YOUR DIGITAL LIFESTYLE GEAR' with images of various devices. Below this is a 'NO PAYMENTS FOR 6 MONTHS' promotion. At the bottom, there are two 'One Day Sale' announcements for Western Digital Caviar SE and Intel Pentium 4 processors, both ending on 11/15/05 at 5:30 P.M. PST.