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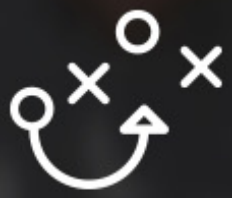


5 PROVEN

(& Often Ignored)

Tactics That Increase Conversion Rates for eCommerce

ARI WEIL

Obtaining eCommerce conversions is never easy.

No matter how great your product is, there are a variety of physical and psychological elements at play that drive a consumer's retail decisions.

Some of these roadblocks, however, can be avoided with a few simple application tweaks, which we will outline in this eBook. We put this information together from our own research and experience as a cloud-based content automation and optimization platform, combined with data from Forrester Research.

In this eBook, you will discover actionable, data-based strategies for avoiding common conversion rate killers, like when a product is 'out of stock,' and when your online application isn't responsive on mobile.

If you're ready to boost your conversion rates and improve your shoppers' experience, then read on!

1

Mobile Matters

THE CORRELATION BETWEEN SITE PERFORMANCE & CONVERSION RATES

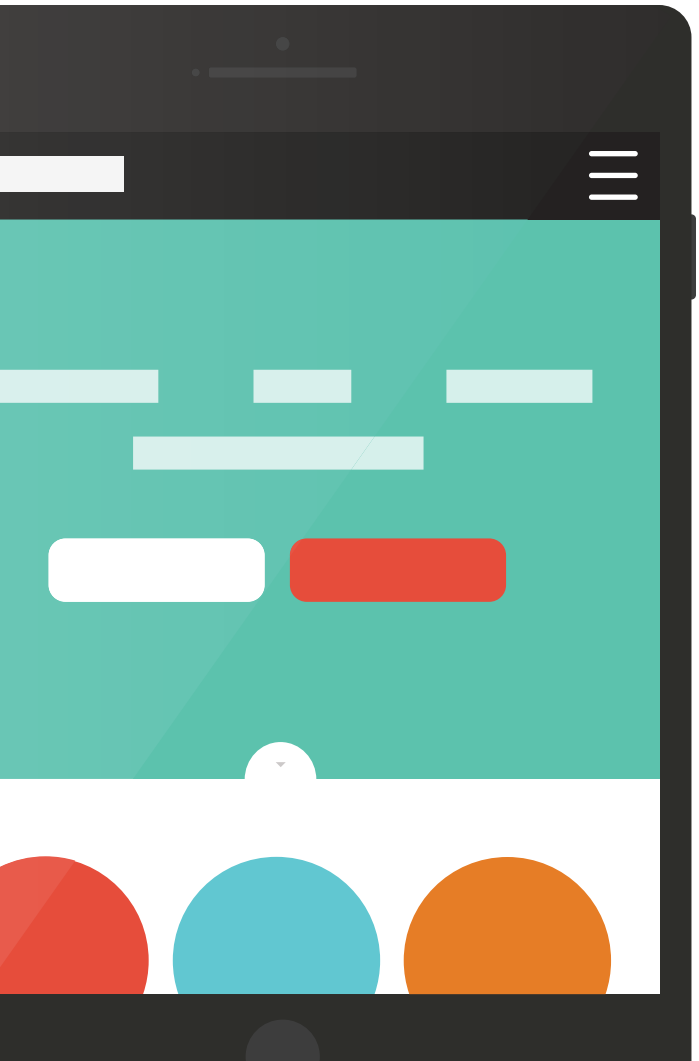
It's a great time to be in the eCommerce industry. The growth of online eCommerce channels isn't stopping any time soon. In fact, Forrester Research suggests an average 10% annual growth rate through 2018.

You would think that growth in this sector would also lead to growth in conversions. And while it's true that conversion rates are improving industry-wide, the change is muted. A lot of metrics that contribute to conversion rate tend to remain flat year over year, and many retailers don't recognize the need to move the needle on these metrics, causing them to lose out on hundreds of dollars in revenue.

MOBILE OPTIMIZATION MATTERS

In recent years, end users have been shifting to access eCommerce applications across a variety of devices. The average desktop conversion rate is 2.7%, but the average mobile conversion rate is much lower, closer to 1%. Most retailers, however, tend to only focus on traditional desktop conversion rate optimization, causing them to miss out on the growing opportunities for mobile conversions.

Optimizing an eCommerce application for mobile can play a huge part in creating a great customer experience and keeping your customers engaged. But conversion optimization across mobile channels isn't a "one-and-done" process. There are a variety of metrics playing into your overall conversion rate, such as application speed, average order value, and shopping cart abandonment.



To increase your conversion rates, you will want to invest your time in optimization for metrics across all channels, and prioritize your efforts. Use the ideas and statistics presented in this eook to turn traditional conversion optimization on its head, so you can start seeing the revenue results from optimization across all channels.

2

Out of Stock, Out of Mind

WHY 'OUT OF STOCK' IS THE BIGGEST CONVERSION KILLER OF ALL

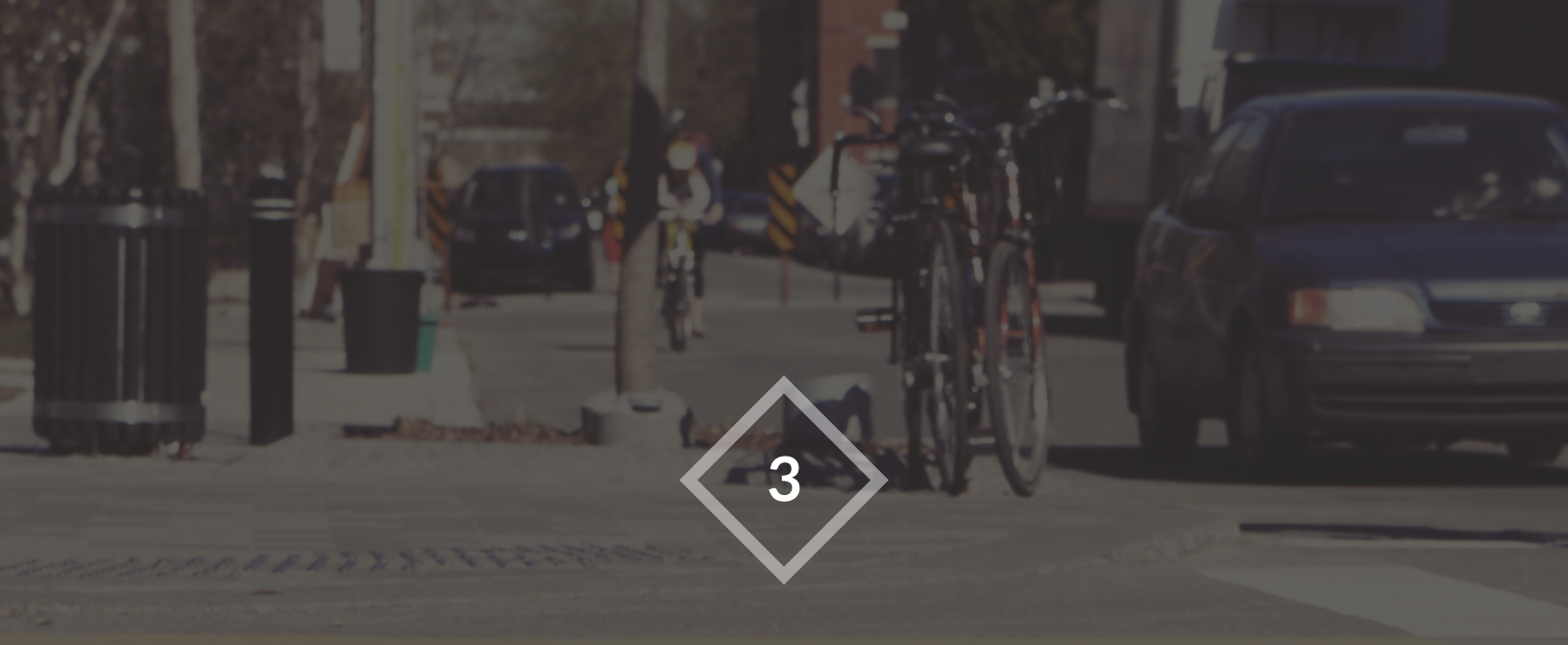
If you're not monitoring cart abandonment rates for a particular product that may only be out of size or stock, then you better start. Retailers obsess with optimizing their checkout process, but fail to realize that out of stock is one of the biggest conversion rate killers!

Customers come in with an intent to purchase, but because of industry shortages, may be turned away when the product they want to buy is not available. A lot of the time what will happen is that when a consumer selects the style they want and it's out of stock, the 'add to cart' option disappears entirely. So, a customer who may have been about to make a purchase no longer even has the option to make a purchase! This function has a huge impact on conversion rate, but it's not something a lot of retailers measure or even know to look out for.

To stay on top of this issue and reduce abandonment, try implementing a product notification tool. Customers can enter their email address and the tool will notify customers when a product is back in stock. As an additional strategy, you may also consider implementing a backorder program.

A trend we've noticed is that retailers are falling back on store inventory to meet customer demand. This way, even if a product is out of stock from the eCommerce inventory, a customer can still purchase the item, and will be alerted that the item will be shipped from a brick and mortar source. One Operations Manager of a books and media retailer found that "enabling fulfillment from stores has been a huge advantage to [his] business. [They] are able to cut shipping costs by 18% while driving up revenue by 20%."

A product notification tool, backorder programs, and ship-from-store programs have helped retailers capture more online orders. As is the case with the Operation Manager mentioned above, revenue growth comes from saving the online sale with these tools. Most retailers we hear from who try programs like this see double digits in growth of online conversion rates.



3

Your Competitors Offer Free Shipping,

Do You?

HOW FREE SHIPPING IS FAST BECOMING A CONSUMER IMPERATIVE

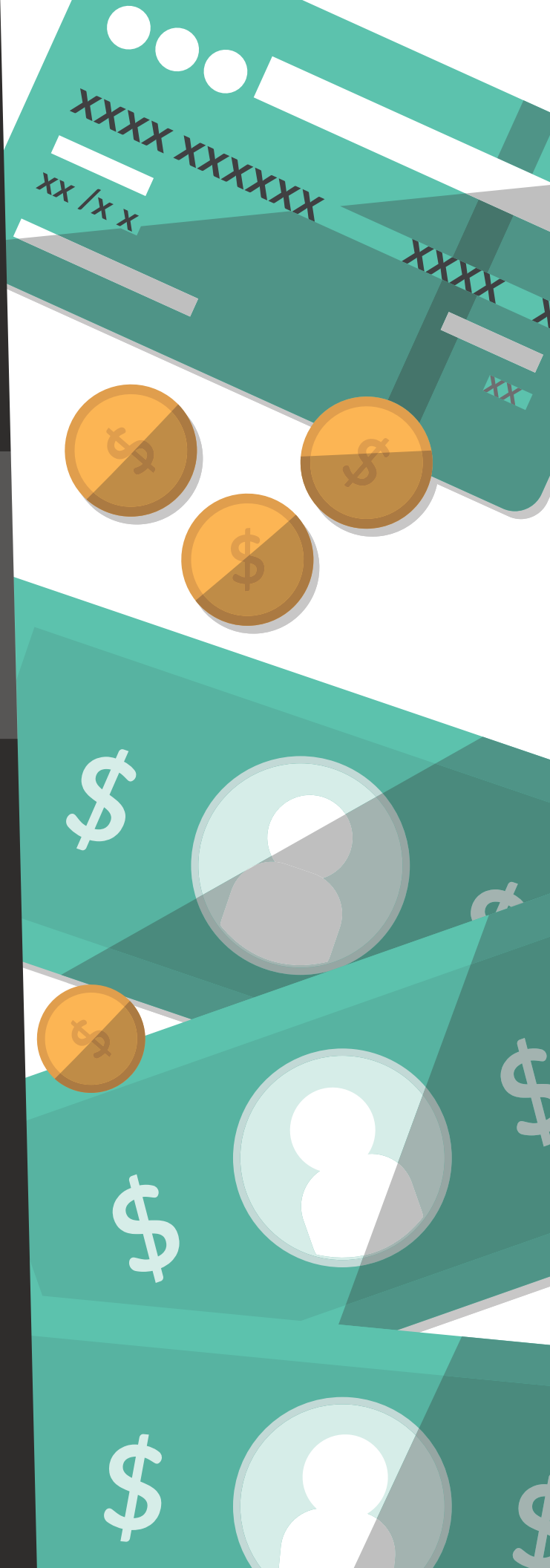
One of the first things a customer considers when they visit an online retail application is whether or not they offer free shipping. For many, no free shipping equals no purchase. Retailers need to be aware of this attitude in order to be competitive with other online retailers.

Shipping cost is the second most frequently cited reason users switch retailers, after price. Even affluent shoppers will go elsewhere if they can get free shipping. According to Forrester Research,

75% of consumers would buy from another retailer that offers the same product, but with free two or three-day expedited shipping.

Amazon Prime is setting the standard for shipping by always offering free two-day shipping to its members.

Shipping costs are a top consideration when buying online, followed by shipping policy (e.g., how long, price, return policy, etc.). In the end, retailers need to put themselves in the mind of the consumer and create a shipping strategy that benefits both them and their consumer.



4

How Community Validation Nudges the Customer Towards That ‘Add to Cart’ Button

Did you know that 70% of purchases, whether purchased offline or online, are initially researched online?

Whether you have an online retail channel or a brick and mortar establishment, it is important that customers can find product information when they need it

One critical type of information the consumers utilize when researching a product is customer reviews. Product reviews and ratings, combined with additional online information like the quality of a product, help consumers make purchasing decisions. Q & A forums, like on Amazon.com and HomeDepot.com, can also have a huge impact on conversions.

Simply put, reviews are packed with information that customers find valuable. For example, customer reviews usually include information that brands won't think to present, but that the consumer is nonetheless looking for. Plus, many consumers place a significant amount of trust in their fellow users' opinions on products. In fact, the 2014 BrightLocal Local Consumer Review Survey revealed that ***"88% of consumers trust online reviews as much as personal recommendations."***

If you're looking for an example of this sort of customer community, check out Amazon. Amazon.com wins hands-down when it comes to the assortment and quality of their customer reviews.

The more customer tools you build out, like a Q & A forum and customer review section, the more success you will see. The BrightLocal survey further supports this idea with their finding that

"72% of consumers will take action after reading a positive review."

Just don't expect results overnight. These tools tend to be expensive to build and difficult to implement in terms of developing the technology and growing that community, but the increased conversions will be worth the wait.

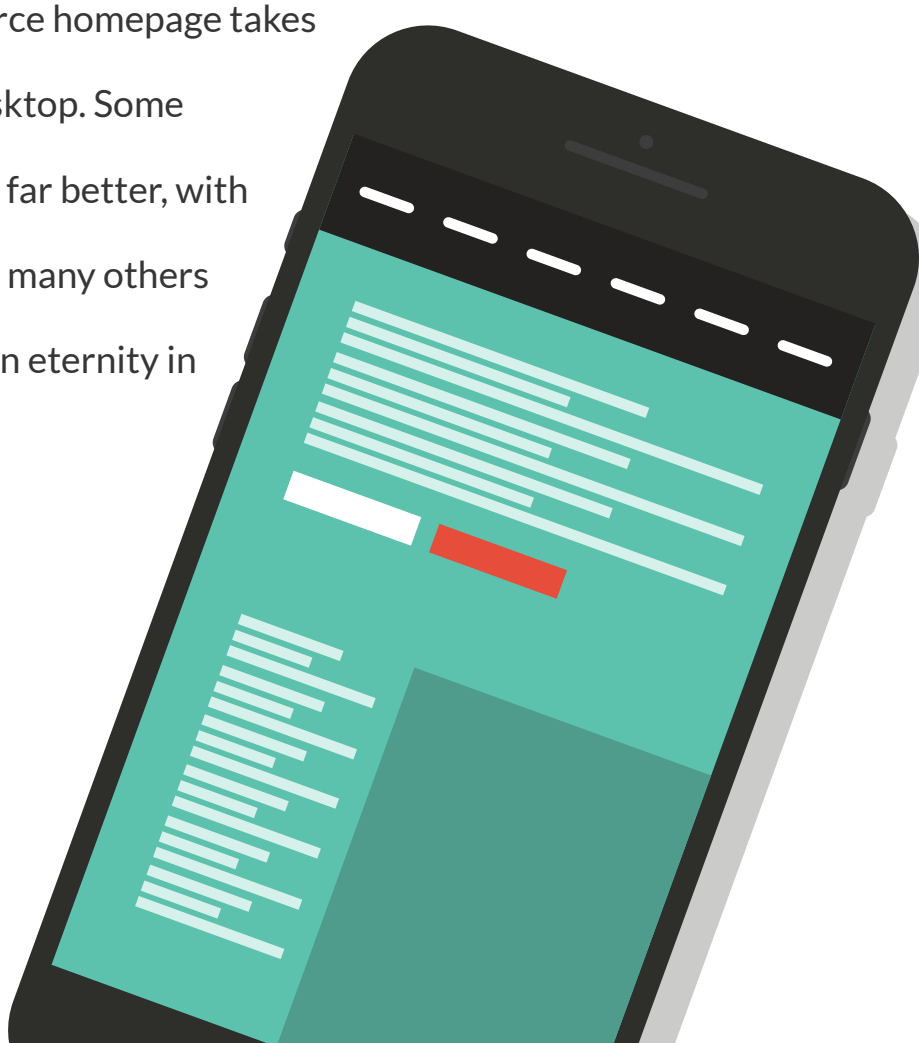
5

The Importance of Application Responsiveness

WHY CONSUMERS WALK AWAY WHEN THE BUYING EXPERIENCE DOES NOT MEET THEIR EXPECTATIONS

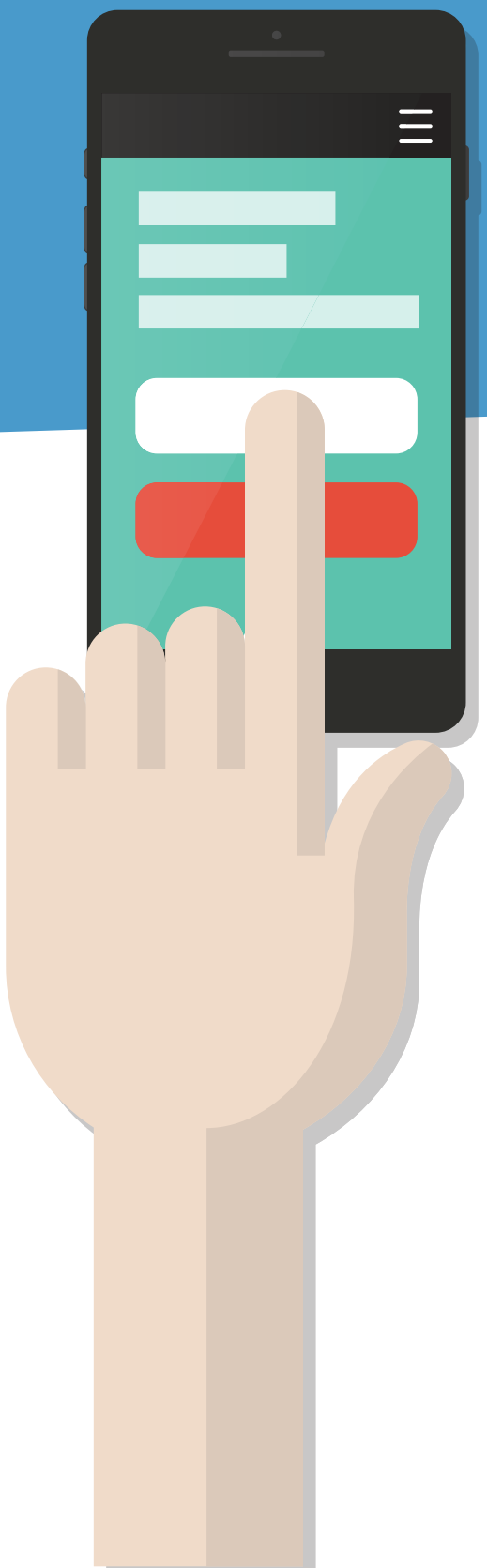
Application performance, or the responsiveness of the application from the user's perspective, is a crucial element of the customer experience. In theory, the faster the application, the easier and better the experience for the consumer. This means that the customer will be less likely to abandon the app or the buying cycle.

Application performance varies greatly between retailers and across devices and connections. The average eCommerce homepage takes nearly seven seconds to load on desktop. Some retailers, like Apple and Costco, are far better, with load times around two seconds, but many others have load times over 10 seconds—an eternity in today's UX-centric retail culture.



One of the top three biggest problems consumers experience is slow page load times on mobile devices. If a page is taking six to nine seconds to load, it has a huge impact on revenue and conversion rate. This is particularly true of mobile users, who are often just as impatient for page loads as their desktop counterparts, despite the fact that mobile sites load much slower on average. Consumers aren't going to wait around for an application to load—they'll simply find a competitor with a faster app to make their purchase with.

To map site responsiveness with revenue, you need to quantify what speed really costs you. One study, about Walmart.com, found that conversions declined sharply when load time jumped from one to four seconds. For every one second of improvement, they experienced up to a 2% increase in conversions.



Another common issue consumers have with mobile is not being able to touch and click on what they want. When an app loads on mobile, for example, the size and placement of application elements like buttons and images may be off-kilter to the point of lacking functionality.

Both of these site responsiveness flaws make it frustrating for end users to go through the purchasing experience via mobile, and they may quickly abandon their purchasing efforts.

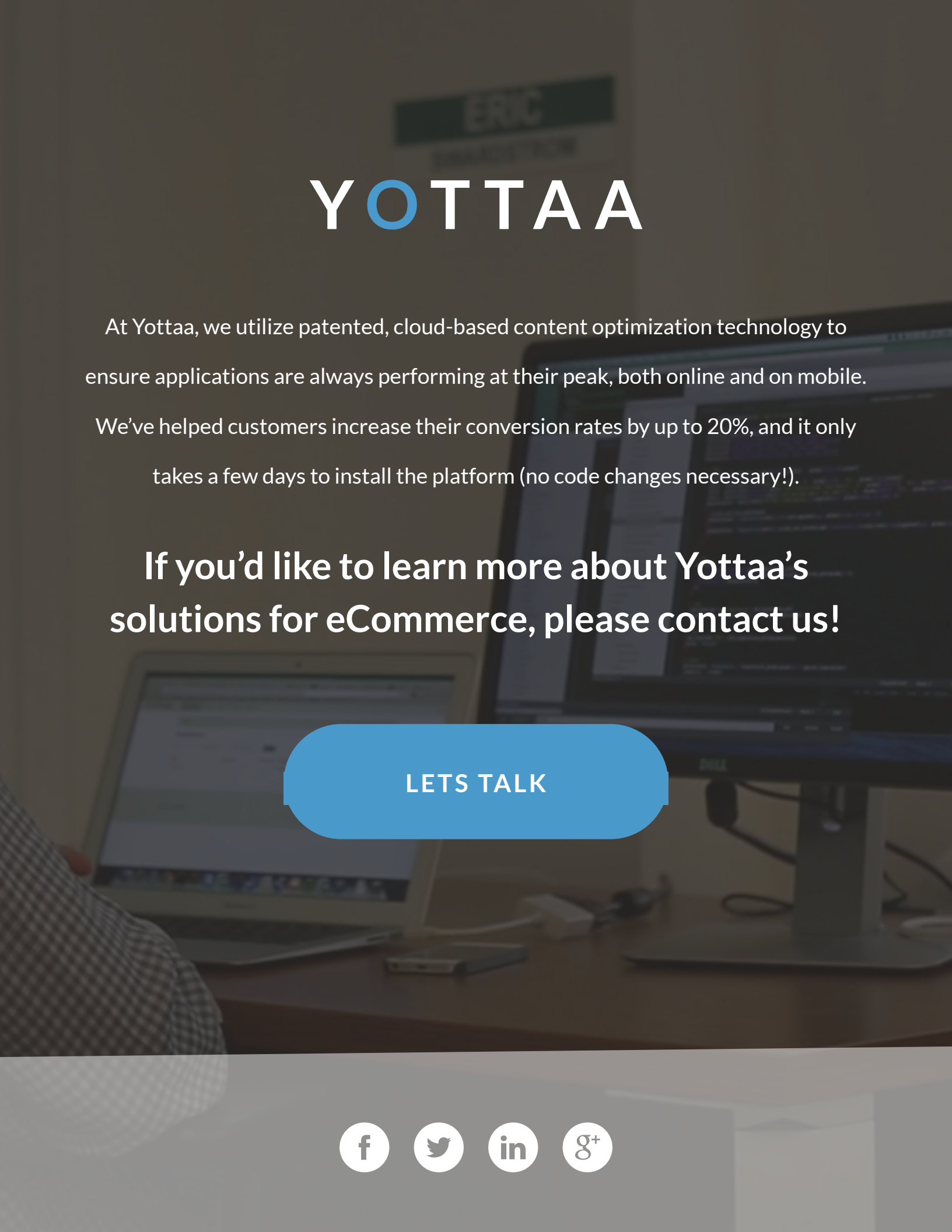
Once you figure out just how much your site responsiveness is costing you, you can turn to our *guide to managing a web performance optimization project* to find out how to remedy your app performance.

CONCLUSION

To recap, you can apply these strategies to your application to prevent common conversion rate killers:

1. Make sure your online application is optimized for mobile viewing.
2. Offer alternative purchase options when a product is 'out of stock,' like a ship-from-store program, a backorder program, and/or a product notification tool.
3. Offer free or reduced shipping options to improve a customer's experience.
4. Implement a customer Q & A and/or review section for the products you offer.
5. Improve your end user's shopping experience with a responsive, fast-loading application that performs at its peak both online and on mobile.

The tactics presented above are just a snippet of the improvements you can make to your online and mobile applications to improve conversion rates. There is always room for improvement, and new data is constantly being mined to discover factors that are affecting conversion rates.



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At Yottaa, we utilize patented, cloud-based content optimization technology to ensure applications are always performing at their peak, both online and on mobile. We've helped customers increase their conversion rates by up to 20%, and it only takes a few days to install the platform (no code changes necessary!).

If you'd like to learn more about Yottaa's solutions for eCommerce, please contact us!

LETS TALK

ABOUT THE AUTHOR

Ari Weil, VP of Products, Yottaa

"I love technology and have always been intrigued and impressed by complex problems being solved elegantly and seemingly effortlessly. Throughout my career it's what has kept me consuming and creating compelling, differentiated technologies - as a developer, DBA, administrator, solutions architect, product manager and marketer. It's also what brought me to Yottaa - the ability to work on an incredibly powerful, novel technology that provides a real, tangible benefit to consumers and businesses alike. Today my focus is on ensuring that people understand the very real tie that binds user experiences and online business performance."