



VWO eCommerce Survey 2014

Trends and Insights to Find and
Convert Buyers



Visual Website Optimizer

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Research Methodology

This survey was conducted by VWO on 1000 US respondents. The research was conducted online in Oct 2014 on mobile and desktop users in the age group of 18 to 65.

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Overview: State of the ecommerce buyer in the US

With more than \$262 billion in annual spend last year and projected to reach a massive \$370 billion in 2017, online buyers are a massive force and opportunity for brands. But as these consumers mature, converting them to customers can become increasingly difficult. VWO surveyed more than 1000 online shoppers to find out what catches their attention, what frustrates them, and most importantly, what makes them “buy” in 2014.

We hope the following insights will help brands and eCommerce stores to further optimize their communication and business strategies to better serve the rapidly evolving customer.

Key Insights and Trends

- At 28%, unexpected shipping cost is the biggest reason for cart abandonment among online shoppers.
- At 23%, having to create a new user account is the second biggest reason for cart abandonment.
- 54% shoppers say they will purchase products they left in their cart, if offered again at a discounted price.
- 72% shoppers among 25-34 age group open to retargeting via discounts.
- 55% shoppers say reviews are important to them to make a buying decision.
- 24% shoppers are willing to spend extra and buy more in order to qualify for free shipping.
- 55% shoppers are indifferent to personalized offers.
- 39% online shoppers have a shopping app installed on their mobile/tablets.

Key Insights and Trends

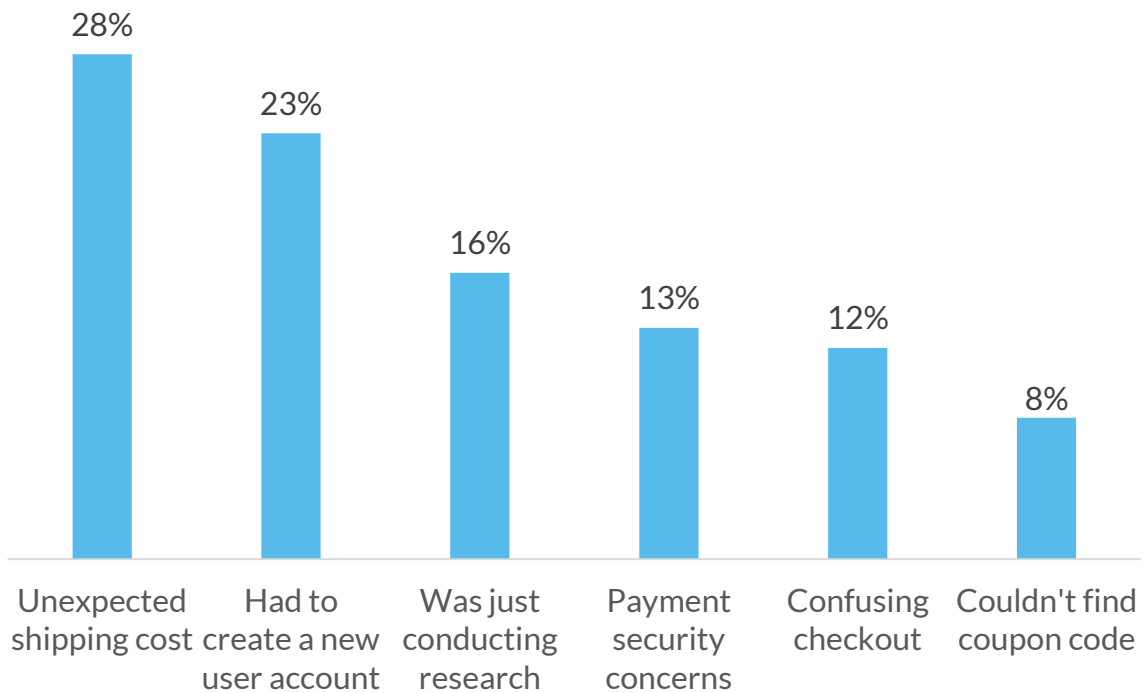
- At 60%, the app download percentage is significantly higher for shoppers in the age group of 25-34.
- 60% of app downloads are lying idle and are not being used to shop.
- 53% shoppers (ages 18-34) say Facebook keeps them informed about the latest in online shopping.
- Pinterest is the second-most popular social commerce network among women (27%), Twitter is the second-most popular among men (23%).
- 74% shoppers won't share that they bought a product online over their social networks.
- 25% of Millennials and 16% of all age groups will check out a product if their friend shares it on social.
- 80% shoppers say a low number of social shares does not negatively impact their decision to buy from an online store.

Understanding Why Visitors Abandon Shopping Carts

Cart Abandonment

28% shoppers abandon carts because of unexpected shipping costs

Reasons for cart abandonment



- Declaring the shipping cost upfront and offering a guest checkout option reduces cart abandonments, as these are the two main reasons why shoppers abandon an online purchase.

Cart Abandonment

Expert Opinion

"Abandoned carts represent significant lost revenue for merchants - as many as 70% of carts are abandoned. We coach our clients on three key ways to reduce abandoned carts:

- 1) Add interactive tools to aid purchase decisions.*
- 2) Improve search functionality.*
- 3) Provide shipping policies and estimations as early as possible in the checkout process.*

If carts do get abandoned, using recovery tools to remarket can yield great upside. Online stores that implement the right tools and take a thoughtful approach to the customer experience, can dramatically boost conversions from abandoned carts to sales."



Meg Murphy
CMO,
Bigcommerce

Cart Abandonment

Expert Opinion

“After you've fixed the most obvious roadblocks (offering a guest checkout and providing total cost estimate in the cart), the next step is to optimize your error messages. While form errors are low in frequency, the severity is tremendous. During our checkout usability studies, we often observe how users struggle with resolving errors and frequently end up abandoning a site. Besides highlighting the erroneous field, it's vital the message itself is dynamic. For example, don't simply write 'Invalid Phone Number'. Provide the user with the actual validation rule triggered, e.g. 'Phone number can only contain numbers' (if the user added dashes) or 'Phone number should be 10 digits'. This will improve the user's 'error experience' dramatically. Also, typically 1-3% of all credit card transaction attempts get declined in the first try, so this message needs to be spot on.”



Christian Holst

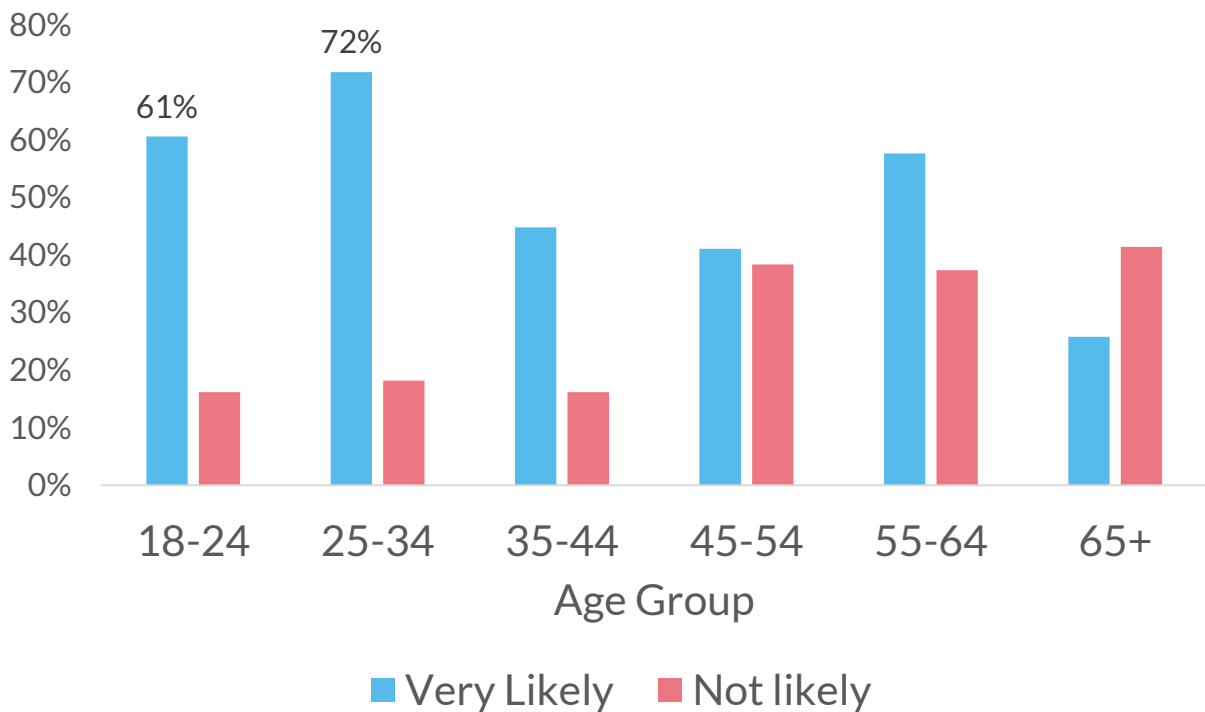
Co-founder,
Baymard
Institute

Attracting, Converting and Retargeting eCommerce Buyers

Retargeting

54% buyers will buy retargeted products (if offered at a discount)

How likely are you to buy products you left in your cart, if they are offered again at a discounted price?

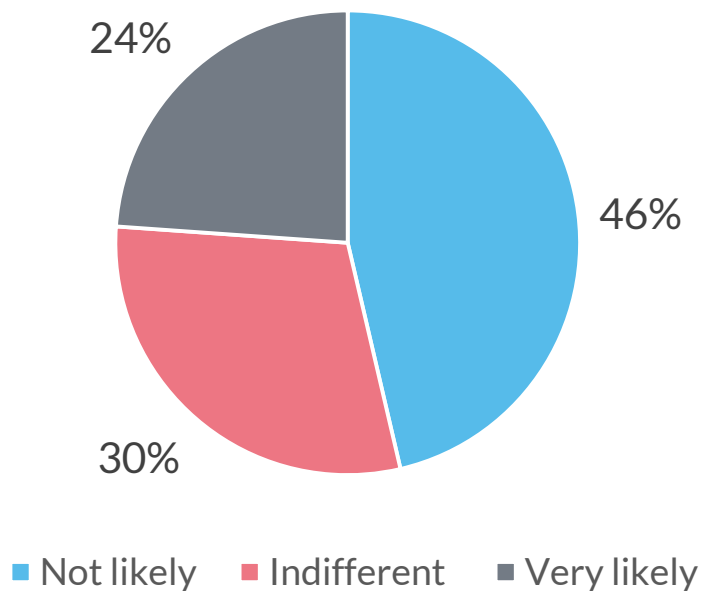


- This shows that not all carts are abandoned forever, and that there's strong potential for marketers to retrieve lost sales.

Free Shipping Threshold

24% shoppers are ready to spend more to qualify for free shipping

If your total order amount doesn't qualify for free shipping, how likely are you to buy more to become eligible for it?

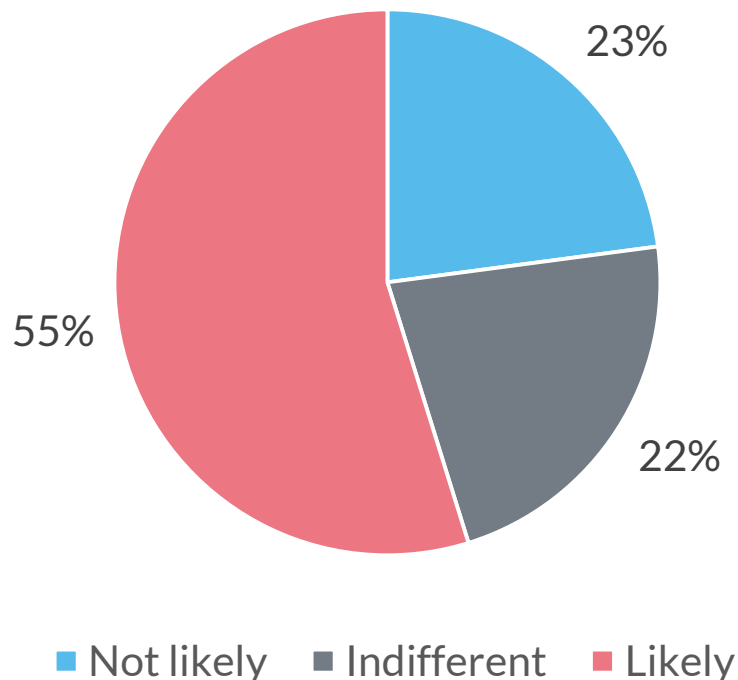


- This presents an opportunity for online stores to raise their average order value (AOV) by offering free shipping at a threshold which is slightly more than the current AOV.

Reviews

55% shoppers find reviews important for making purchase decisions

How important are customer reviews for you to make a buying decision?

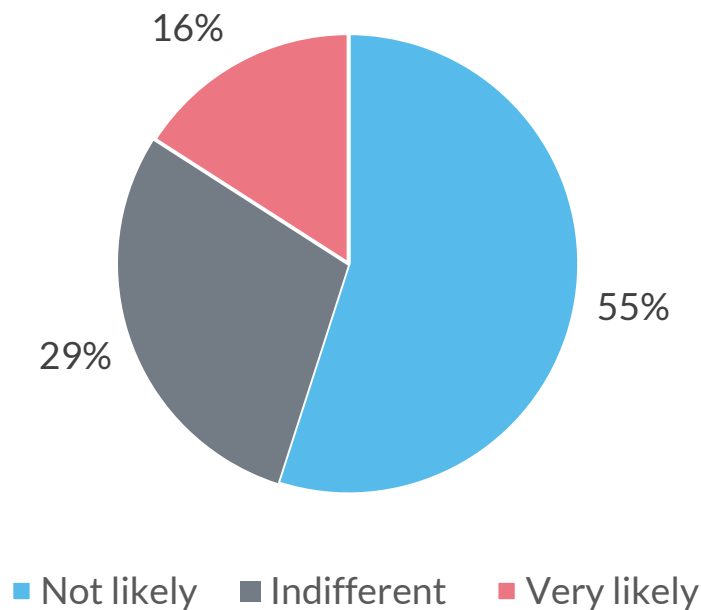


- The majority of online shoppers want to know what other customers thought of a product, and the experience that they've had with a brand before making a purchase.

Personalization

55% shoppers indifferent to personalized offers

How likely are you to buy a product suggested by a website based on your interests and past purchases?



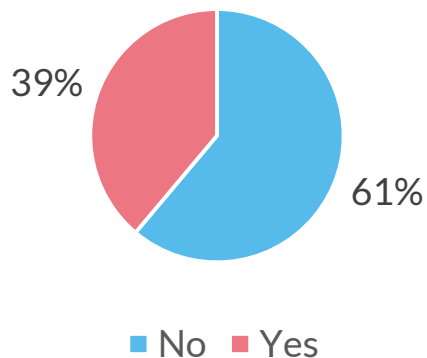
- Though offering customers a tailored experience is expected to be the future of online shopping, the data indicates that a majority of shoppers are still indifferent to personalized offers.

Improving Consumer Conversions: Understanding Mobile Users

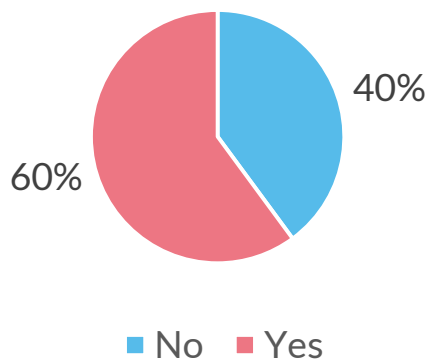
Mobile

Millennials are 53% more likely to have a shopping app on their mobile/tablet

Do you have any shopping apps on your mobile or tablet? (Across all age groups)

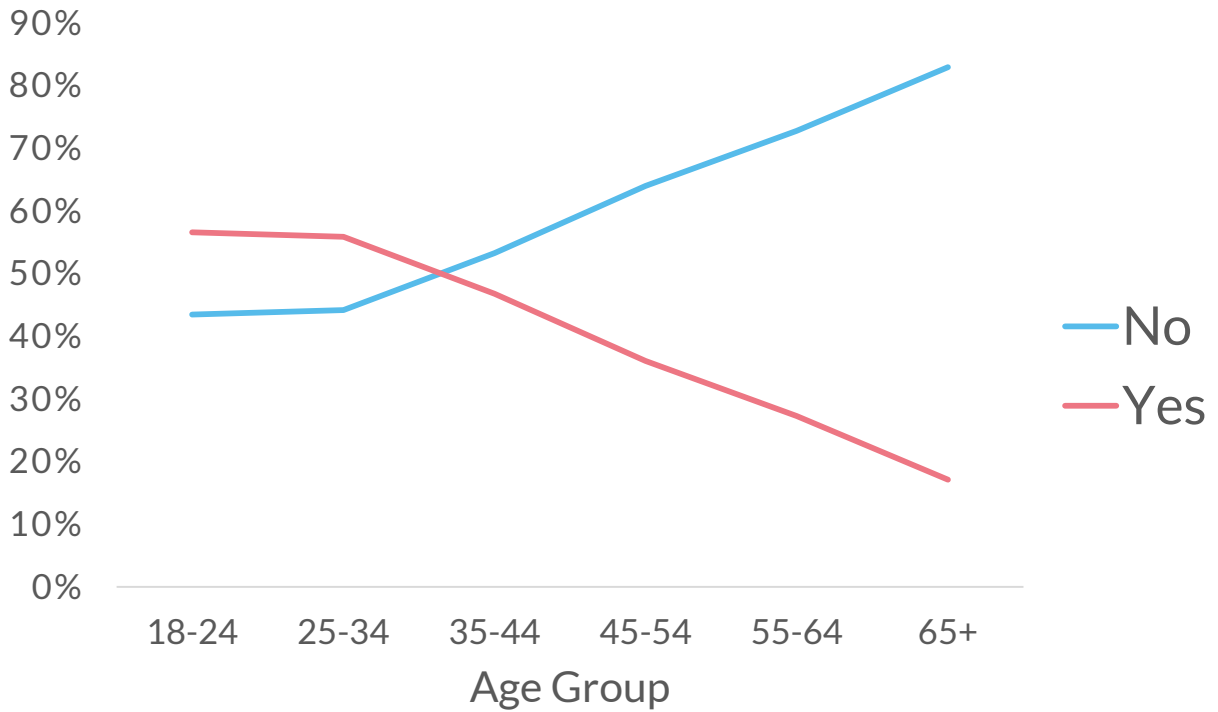


Do you have any shopping apps on your mobile or tablet? (25-34 age group)



Mobile

Do you have any shopping apps on your mobile or tablet? (Trend of app downloads according to age)

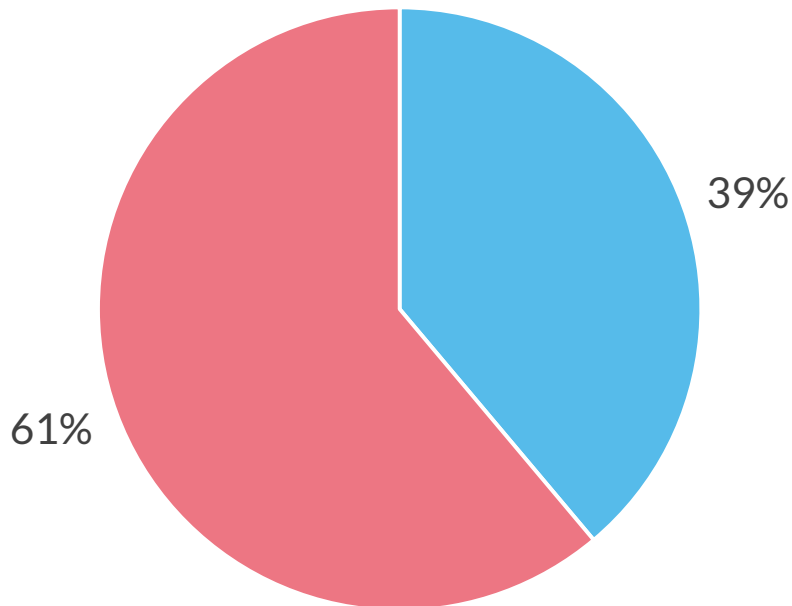


- The number of shopping app downloads for mobile/tablet directly correlates with age.
- Consumers belonging to younger age groups are more likely to have a shopping app on their phones/tablets compared to people over 35 years

Mobile

60% of shopping apps are lying idle

Usage of mobile apps among online shoppers



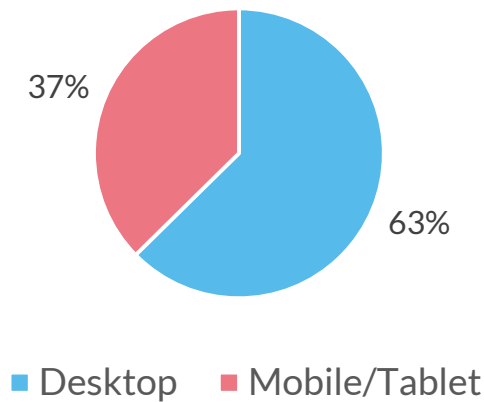
■ Use app to shop online ■ Have the app, but don't use it

- Though 40% of consumers say they have a shopping app on their tablets/mobiles, only 39% of those 40% are actually using the app to make purchases.

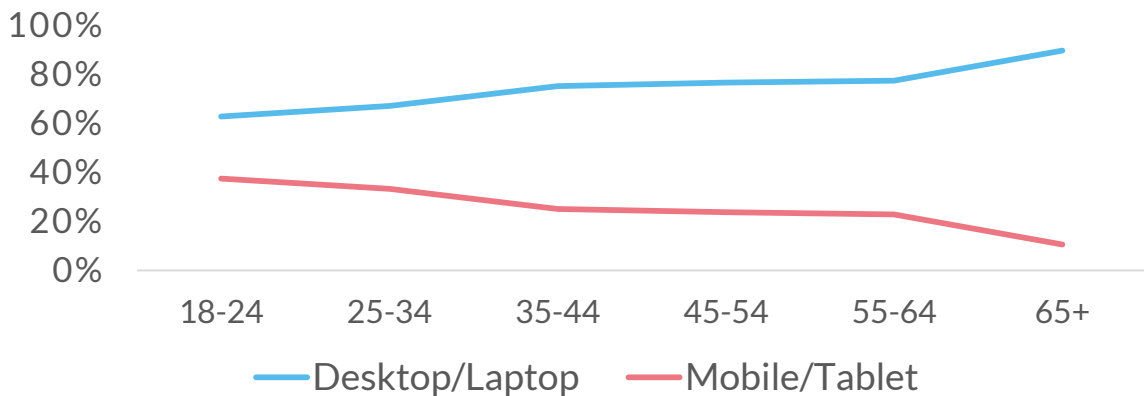
Mobile

37% shoppers (18-24 age group) do most of their shopping on mobile/tablets

On what device do you do most of your online shopping? (18-24)



On what device do you do most of your online shopping? (Trend according to age)

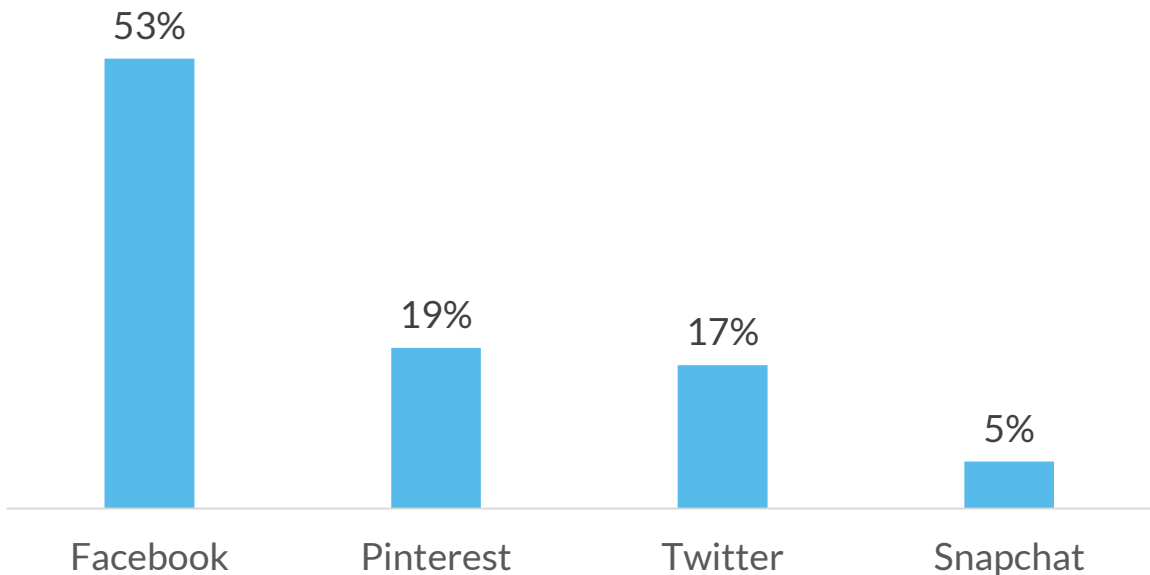


Social is an eCommerce Asset, Sometimes

Social

53% buyers say Facebook informs their purchase decisions

Which social network keeps you most informed about the latest in online shopping? (18-34 age group)

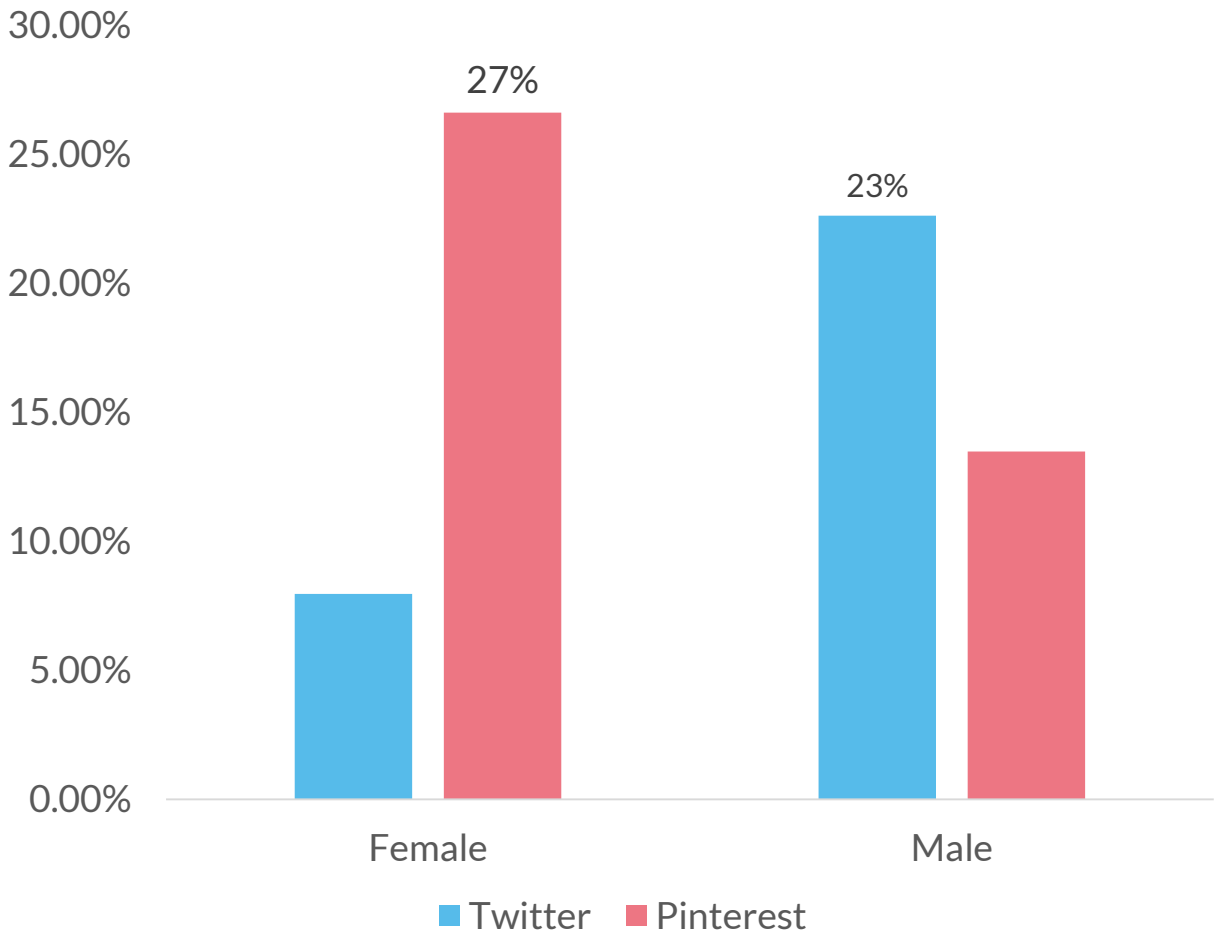


- From retargeting products to running paid campaigns, marketers can effectively use Facebook to attract new customers.

Social

More women like Pinterest, while men opt for Twitter

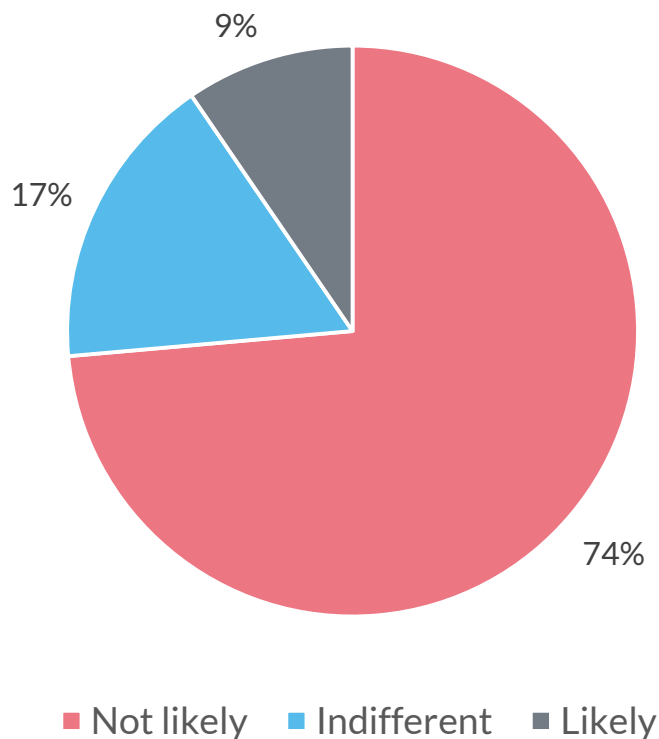
Women chose Pinterest over Twitter as their second most preferred platform



Social

74% shoppers unlikely to share product on social network after purchase

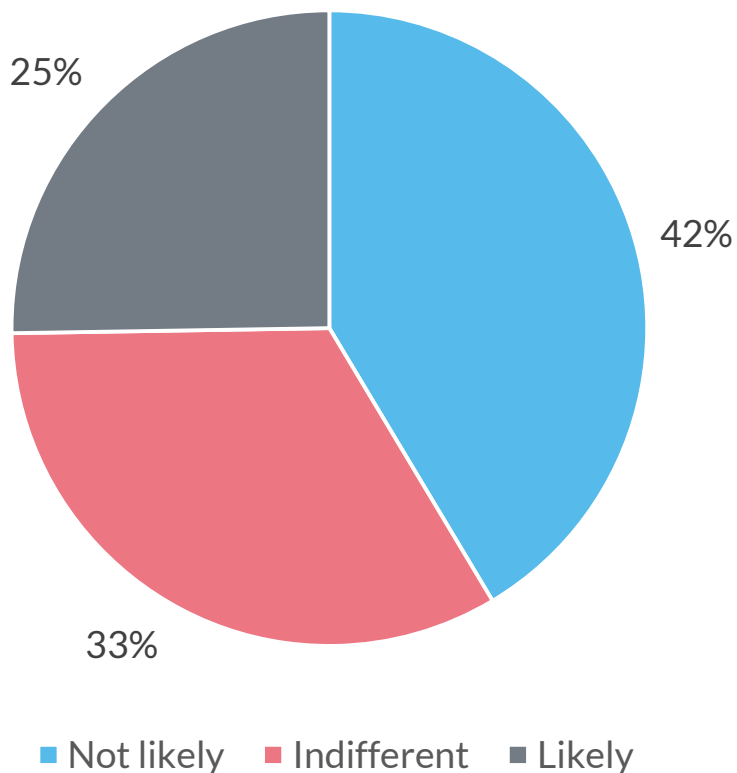
How likely are you to share a product on a social network after making a purchase online?



Social

25% will check out a product if their friends share it on a social network

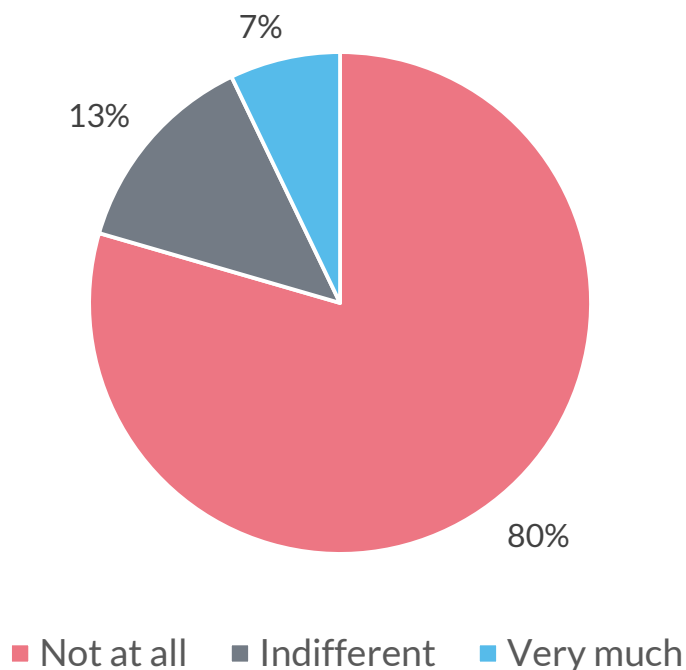
How likely are you to check out a product if your friend shares it on a social network? (18-24)



Social

80% consumers say low number of social shares do not bother them

Do low number of social shares affect your decision to buy from an online store?



- Though it's assumed that a low number of social shares works as negative social proof, the data shows that an overwhelming majority of shoppers don't care either way about social signals.

Conclusion

According to different survey findings, the eCommerce cart abandonment rate varies between 60% to 80%.

Cart Abandonment

As per our survey findings, businesses could take care of the problem by declaring shipping costs upfront, offering a guest checkout option, simplifying checkout and using trust indicators to take care of the security concerns.

Retargeting

Retargeting via discounts has huge potential to turn abandoners into customers. What's also notable is that those in the age group 25-34 are most open to remarketed products. This age group comprises young professionals and the 'Bargain Hunting Mama'. Both consumer sets are traditionally known to respond well to discount offers.

Conclusion

Free Shipping Threshold

Setting free shipping thresholds could increase average order values for businesses, as a fourth of shoppers are ready to purchase more to qualify for free shipping.

Combined with the fact that a large number of respondents cited unexpected shipping cost as the primary reason why they abandoned their purchase, it is a clear indication that consumers would rather spend on additional purchases instead of paying for getting a product delivered.

Reviews

Reviews can boost conversions as they are hugely important to buyers for making purchase decisions.

Customers' reliance on reviews also means that it would serve stores well to put up online review badges and widgets that aggregate and present others' ratings.

Conclusion

Personalization

The majority of consumers who were surveyed expressed indifference to personalized offers.

This could mean that eCommerce has not yet cracked the personalization code, and customers are used to being pitched products and offers that they are not interested in. This in effect leads them to simply treat personalized offers as another banner ad to ignore.

Social

Facebook is the most influential social network when it comes to online shopping for the Millennials. A key finding is that 74% of online shoppers will not share that they bought a product on social networks, and only 16% of shoppers will check out a product if it's a friend who shared it on social.

Conclusion

Mobile

While laptop/desktops are still the preferred device for online shopping, mobiles and tablets are emerging quickly.

Mobile and tablet use is shifting quickly, rapidly emerging with younger age groups as compared to the older groups. This signifies that there is an ever greater need for eCommerce businesses to optimize their websites for mobile and tablets.

The challenge of low conversion rate

Most eCommerce websites have a conversion rate of 3%. This means for every 1000 visitors who arrive on eCommerce websites, only 30 end up purchasing.

Understanding visitors through A/B testing

Consumers are constantly changing and the way most eCommerce brands can keep pace is by knowing what they value. A/B testing is the key to unlocking what matters most to consumers and guaranteeing conversion rates stay strong.

A/B testing allows you to create more than one version of a webpage, to then present one version (let's call it A) to one half of your traffic, and the other version (B) to the remaining half. You can measure the impact of each version on visitors and find out what design draws a better response in terms of engagement and sales.

About VWO

VWO is a leading website testing platform used by over 3,800 brands in 75 countries to test different versions of their eCommerce websites and increase conversions. Companies such as JustFab, ShoeDazzle and Dafiti use VWO to understand how visitors engage with their digital properties. VWO offers marketers a highly effective A/B testing, behavioral targeting, usability and heatmap testing solution that requires minimal coding skills. It easily integrates with shopping cart tools like Magento, BigCommerce and Shopify. Visit vwo.com for more details.

About Wingify

Wingify is a fast-growing software company whose flagship product, VWO, is a market leading solution for increasing website sales and conversions. For more information, please visit: wingify.com.

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