# Web Shop Conversion Optimization

Do you have a web shop that's been online for a few years, but sales targets aren't being reached? Have you ignored the changes needed by the increasing use of mobile devices?

"After making our website responsive, mobile sales increased by 600% within two years"



Wouldn't you like to bring your web shop's sales to the next level too? This guide will provide you the best practical tips for fine-tuning the shopping journey of your shop. The guide is aimed primarily for experienced web shop entrepreneurs.

Happy reading, Paytrail Oyj



## **Contents**

| 1. Conversion optimization results in a successful buying journey |      |
|---|------|
| 2. Make buying easy   | p.6  |
| 3. Search engine optimization brings buyers to your shop          | p.9  |
| 4. Serve your customers on all devices                            | p.11 |
| 5. Optimize the checkout steps                                    | p.13 |
| 6. Turn abandoned shopping carts into sales                       | p.15 |
| 7. Closing remarks  | p.16 |

#### Interviewed experts and online merchants



Lennu Keinänen Founder Paytrail Plc



Vesa Nippala CEO ProsperCart Oy



Mikko Horneman Co-Owner Lumingerie Oy



Samuli Hellman Brand Manager Miss Windy Shop Oy



# 1. Conversion optimization results in a successful buying journey

Conversion optimization is a way to increase the percentage of web shop visitors that convert into customers. In conversion optimization, improvements are made to the web shop to provide the most convenient way for customers to buy, which results in increased sales. The web shop conversion rate tells how many visitors have made a purchase. The desired conversion rate percent is between 2 and 4.

Conversion optimization has a technical ring to it – perhaps that is the reason improving conversion is often considered too difficult and pushed to the background. **According to a study**, for every dollar spent on improving conversion, online merchants spend up to 92 dollars on increasing the number of visitors.

A line at the door of your web shop doesn't do much good if no one buys.

Conversion optimisation can be viewed in an entirely new light when you visual it as the creation of a purchasing path. For the implementation, technology is needed of course. But at the center of development should be what is most important to you, the purchasing customer who is happy to return to your shop.

The ideas and tips in this guide will help you improve your shop's customer potential, increase the number of purchasing customers and the size of individual purchases, turn abandoned shopping carts into purchases and increase the number of repeat purchases by engaging customers.



## Test the stamina of your online store

Using these indicators you can track how successful the conversion optimisation of your web shop has been.

| The phenomenon to measure<br>Conversion percent i.e. the<br>ratio of purchasing customers<br>to the number of visitors<br>(red line <2%) | Calculation Number of purchasers / number of visitors x 100  | Your store's statistics |
|--|--|-------------------------|
| The ratio of one-off purchasers to regular customers   | Regular customers / number of one-off customers x 100  |                         |
| The size of the average purchase in relation to profitability  | The sales of the whole store / purchases in comparison to the profitability limit that you have set yourself |                         |

#### Conversion percentage:

if 55 visitors out of 1,400 make a purchase, the conversion percentage will be  $55/1400 \times 100 = 3.9\%$ 

#### Web shop profit calculation:

number of visitors x conversion% x average purchase x gross margin% = profit



#### 2. Make buying easy

Easy shopping is intuitive. The desired products are easy to find, navigating between product categories is easy, viewed products are stored in the shop's memory for the duration of the visit and product pictures, descriptions, reviews and videos help evaluate the suitability of the product for one's own needs. After a round of browsing, it's easy to add products to the shopping cart. And should one be interrupted while shopping, the product list can be saved or sent via email.

A long delivery time is increasingly a buying obstacle. People are accustomed to quick deliveries and want products immediately. Display delivery time to the buyer preferably on the product page but the latest when the product is added to the shopping cart. Verify that the promised delivery time is realistic - too often the delivery time displayed in the web shop can change in the order confirmation email by weeks. The result is undesirable from the merchant's point of view: an abandoned shopping cart or a cancellation of an already confirmed order.

When buying is easy, there is no uncertainty while shopping. Once a product is added to the shopping cart, the total amount including shipping charges should immediately display. Terms and conditions should be easy to find and getting in contact with the merchant should be easy. An effective way to increase chances of overall sales is to offer a web shop chat service.

"When a consumer contacts a merchant via the chat service, they are more likely to actually purchase the product."

Lennu Keinänen, Paytrail Plc



#### A checklist for easy shopping

| Item to check  | In order | Needs improvement |
|--|----------|-------------------|
| Are the pictures or videos the right size and do they display the necessary details?   |          | •                 |
| Does the product description include in addition to technical features its suitability for different situations?   |          | •                 |
| Are call to action buttons in the shop clear, is it easy to understand what pressing them will do?   |          |                   |
| Can the customer see right at the beginning of the purchasing process the total price of items in the shopping cart, shipping charges and delivery time? |          |                   |
| Can the customer easily see a list of the products they have browsed?  |          |                   |
| Can the contents of the shopping cart be sent to oneself if the shopping is interrupted for some reason?   |          | •                 |
| Does your shop track the products the customer has viewed during their visit?  |          |                   |
| Does your shop save the selections made by a regular customer?   |          |                   |
| Is your shop accessible on all devices, also with slower connections?  |          |                   |
| Do the visual appearance and technical implementation of the shop instill confidence?  |          | •                 |
| Has the path from the shopping cart to the payment service been made as clear and as short as possible?  |          | •                 |

If you checked "needs improvement" for several of the items, take a moment to straighten out the purchasing process. Chapter four of this guide explains in more detail, among other things, why mobile compatibility is more important than ever these days.

**Tip!** Improving the purchasing process requires continuous experimentation such as A/B testing. By making two alternative product pages and testing their effects on sales, you will learn more about your customers and be able to develop your shop in the right direction.

**Tip!** Also check out **Google Tag Manager**, it allows you to manage all the tags in your site, such as analytics, remarketing and conversion monitoring.



**Case Story: LUMINGERIE** 

# Bras can be bought from a web shop

Buying a bra isn't always easy even from a speciality shop. How on earth has the online bra merchant Lumingerie succeeded at this?

"At first, the biggest obstacle was the same as at brick-and-mortar shops – how to find a bra that is the right size and fits. This uncertainty manifested itself in our shop with a large number of returns. Customers ordered bras, tried them on at home and returned unsuitable ones," explained Mikko Horneman from Lumingerie.

Lumingerie began to tackle their problem by developing a size guide.

"The size guide helps the customer find a bra that fits them. To us, this has meant satisfied customers and a visible decrease in the number of returns."

- 1. Identify problems that customers face in the purchasing process and try to remove buying obstacles A/B testing will help you when deciding between several alternatives.
- 2. Serve returning customers extremely well make sure the shop remembers the customer's previous visits and selections. Lumingerie's web shop remembers the size the customer previously looked for, allowing the customer to see right away which bras are available in their size.
- 3. After making our website responsive, mobile sales increased by 600% within two years.

# Lumingerie's tips for conversion optimization

- **1.** Identify problems that customers face in the purchasing process and try to remove buying obstacles A/B testing will help you when deciding between several alternatives.
- 2. Serve returning customers extremely well make sure the shop remembers the customer's previous visits and selections. Lumingerie's web shop remembers the size the customer previously looked for, allowing the customer to see right away which bras are available in their size.
- 3. After making our website responsive, mobile sales increased by 600% within two years.



# 3. Search engine optimization brings buyers to your shop

Search engine optimization supports conversion optimization by improving the quality of the visitors to your shop and bringing you purchasing customers. The secret of search engine optimization is designing the contents of your shop to correspond with how a person intent on buying is searching for a desired product. Lumingerie, who sell bras and lingerie for curvy women, has invested in the search engine visibility of its web shop. The shop appears as number one in the search results for "t-shirt bra D cup". In light of this example, here are some tips on how to get closer to the top of the search ranking.

| Technical point of view   | Content point of view   |  |
|---|---|--|
| The shop's URL addresses are in plain language                                    | The names of pages are based on the search problem (in the example, the name of the page is t-shirt bras and the view in the address bar: lumingerie.fi/t-shirt_bras) |  |
| The H1 tag is in use  | The main header or H1 answers the search problem (t-shirt bras)   |  |
| Tags H2 and H3 are in use   | Used in product descriptions, preferably including an answer to the search problem  |  |
| The Title tag is in use   | The title answers the search problem (t-shirt bra   Lumingerie bras and lingerie for curvy women)   |  |
| The pages are responsive and will scale according to display size                 | Working for Lumingerie, test it by going to lumingerie.fi on a mobile phone   |  |
| There are links between the shop pages that have some connection in their content | Highlighted "Related products" on product pages   |  |
| There are several links to the shop from blogs and partners' sites                | Lumingerie has efficient collaboration with bloggers through events like Lumingerie Nights, where bloggers record their experiences                                   |  |
| Pictures have names in plain language and ALT texts                               | Naming pictures according to the search problem and using the ALT attribute   |  |
| Product descriptions have been optimized for search engines                       | Product descriptions answer the search problem, but also provide examples of how the product can be used. Effective utilization of lists, bolded texts and headers    |  |

**Tip!** Utilize social media content also in your web shop.

**Tip!** Also utilize the meta-description (max. 150 characters), which doesn't directly improve search engine visibility, but will draw users to click on the search result.

**Tip!** Test your shop's technical optimization using **Validator**.



Case story: MISS WINDY SHOP

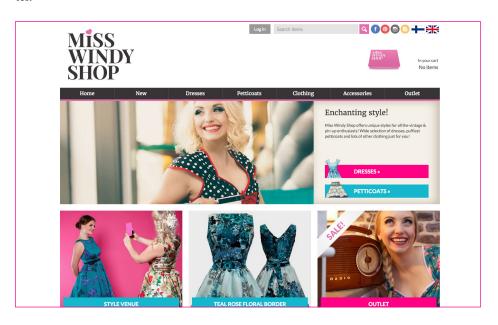
## It's important to find the right customers

The challenge for Miss Windy Shop, which sells vintage, pin-up and old-fashioned glamor clothes online was finding the right customers online.

"To our customers it's important that we are part of the same phenomenon as they are. For this reason, we have focused our store precisely on the interests of our target group in texts, pictures as well as the visual appearance," says Samuli Hellman.

Miss Windy Shop's customers are women who are active, proud of their own femininity, and many of them like to rebel against constantly changing trends and follow a classic style that is always fashionable.

"The smoothness of shopping is important to our customers. We have paid special attention to the speed of our site and making it easy to find online. At the moment, 50% of our purchasing customers come through search engines. Returning customers are the most likely to buy, so after sales and a solid relationship with our customers through the Miss Windy Club play an important part in increasing the sales conversion. Naturally, we market in social media as well as in our customer focused newsletter."



"Customers brought in by search engine optimization are usually the ones most likely to buy, because they're looking for a specific product."

Samuli Hellman, Miss Windy Shop Oy



## 4. Serve your customers on all devices

Have you ever stopped to think how much cash flow you're losing because visitors coming to your shop using mobile devices are either technically unable to shop, or shopping involves so many steps that it never gets completed? Why should you think of a mobile shopper as a separate customer from those using a laptop or desktop?

The mobile use trend is constantly growing. Google has reacted to this by announcing in early 2015 that responsive pages have priority in search results. Now is the time to make sure that shopping at your store is possible using any device.

A responsive web shop scales to the screen size. A separate mobile version is no longer needed. However, it's good to remember to have images that load quickly so be sure to use picture sizes optimized for the Internet.

# In the future, mobile shopping will not be separated, there will only shopping

| Mobile payments in 2014 | Mobile payments during the first quarter of 2015 |                                       |
|-------------------------|--|---------------------------------------|
| 15.5%                   | 18%  | Mobile payments made through Paytrail |
| 15%                     | 25%  | Lumingere                             |
| 15%                     | 34%  | Miss Windy Shop                       |

"After making our website responsive, mobile sales increased by 600% within two years"

Mikko Horneman, Lumingerie



#### Hundreds of thousands of mobile purchases – Paytrail's payment statistics show a tremendous growth

| Desktop<br>81.86% | Tablet<br>8.81% | Mobile<br>9.33% |
|-------------------|-----------------|-----------------|
| 86.84%            | 8%              | 5.16%           |
| 92.72%            | 4.60%           | 2.68%           |
| 97.57%            | 1.49%           | 0.94%           |

Source: The Paytrail payment statistics

**Tip!** Test to see whether your shop is mobile-friendly: https://www.google.com/webmasters/tools/mobile-friendly



#### 5. Optimize the checkout steps

Have you ever checked your shop statistics to see at what stage a buyer's journey ends? If several customers put products in the shopping cart but never check out, you should consider whether the shopping process could be made more straightforward. For example, would it be possible to reduce the amount of required information from the customers, or the steps in the process?

When evaluating the shopping journey at your store, consider each stage the customer has to go through to get to the checkout. Traditionally, filling in the needed information requires going through several consecutive pages. If you're using a multi-page shopping cart, contact your shop's technical partner and find out if the information provided by the customer could be grouped on a single page.

Also note that one of the most typical buying obstacles in online stores is being unable to buy products without registering. Not all customers want to register as regular customers, at least not when shopping for the first time. You can't force them to, and you shouldn't even try.

Next, take a look at how you guide the customer to pay. Are the available payment methods visible when first entering your store? Are you presenting the different payment methods as icons instead of just text? If the use of photos isn't possible in the shopping cart, use text links that are as descriptive as possible, such as "Pay with credit card", "Pay with online bank" or "Pay with Paytrail account".

Using the tips described in this section, you can create a smooth shopping experience at your online store. As the number of mobile purchases increases at your shop, these tips become more important for its optimization.



## More agile shopping with Paytrail account

Traditionally, buying online has involved quite a few steps. The customer first fills in their personal information, then gets up from the couch to look for their credit card or online bank codes, then returns to type in long series of numbers.

If you want to optimize purchasing at your shop to the maximum, consider adding Paytrail account as a payment method. It makes buying very simple.

- 1. At checkout, the customer enters their email address.
- 2. The customer enters the PIN they received via text message.
- 3. That's it!

Paytrail account can be connected to stores using a traditional payment page, and it won't rule out any other payment methods. Paytrail account is used at thousands of web shops; there are more than 100,000 customers with accounts, and the number is continuously growing. If you're interested in Paytrail account, contact our customer service. We'll be happy to help you!



## 6. Turn abandoned shopping carts into sales

Is the customer adding products to the shopping cart just because there is no other way to store the browsed products? Shopping cart abandonment is a problem that often plagues online merchants. However, it doesn't take big investment to turn an abandoned shopping cart into a purchase.

To customers who have abandoned their shopping cart, send an email with a link to the incomplete order offering them the opportunity to complete it. Politely ask why they didn't finish shopping and give them a chance to pay for the order. Think of this more as a service than pushiness. At the same time you can delight your customer and speed up their purchasing decision by giving them a discount towards their order or offering free shipping when they complete order.

Shopping has changed. Purchases are made wherever one has time, when traveling on a bus or during lunch. Abandoning a shopping cart is often caused by reasons beyond the customer's control; an urgent call might put an end to the shopping process, or the bus might arrive at the stop before the order has been paid. The solution in such situations is an opportunity to save the shopping cart. A saved shopping cart is often converted into sales as the customer returns to the shop later.

**Tip!** You can save at least some of abandoned carts with the help of Paytrail Sales Rescue.

The idea is to automatically send an email to customers who didn't complete their order, which gives them another opportunity to complete it.

"Using a shopping cart reminder will save as many as 25% of abandoned purchases. There have been no complaints about the reminder being annoying."

Samuli Hellman, Miss Windy Shop Oy

"We have heard of cases where a saved shopping cart has been activated even years later."

Suvi Tikkanen, Paytrail Plc



#### 7. Closing remarks

If you don't feel an ache in your heart after reading this guide, we congratulate you. You have most likely managed to build a web shop where shopping is smooth and rewarding for both you and your customers. On the other hand, if you noticed that your store's shopping experience isn't as smooth as it should be, now you at least know where to make improvements.

At Paytrail, we believe that in the future people won't talk separately about online or mobile shopping. There's only shopping. If you believe in the same vision, remember that we'll be happy to help you develop the payment processes of your web shop.

#### Contact us!



#### **Paytrail Plc**

Paytrail is a Finnish online payments specialist company. The company is considered to be Finnish online payment pioneer, and was first in Finland to receive a payment institution license.

Our mission at Paytrail is to remove obstacles from online business. We do this by providing an effective payment solution that take into account the needs of the merchant and the consumer.

Our goal is to be online shoppers and merchants partner and best friend. We do inspiring hard work with professionalism and passion.

www.paytrail.com

#### **Paytrail Plc**

- Established in June 2007 as 'Suomen Verkkomaksut'
- In use in more than 10,000 webshops and online services and in more than 10 countries
- More than one billions euros in good and services have been processed through our payment service
- We have close to 40 experts
- One of the best places to work in Finland (Great Place to Work 2015 and 2016)
- Our headquarters are in Jyväskylä, Finland
- Developed in conjunction with traditional payment methods, Paytrail account makes shopping online convenient with one set of credentials that work in various online stores.