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Global Digital Town Hall
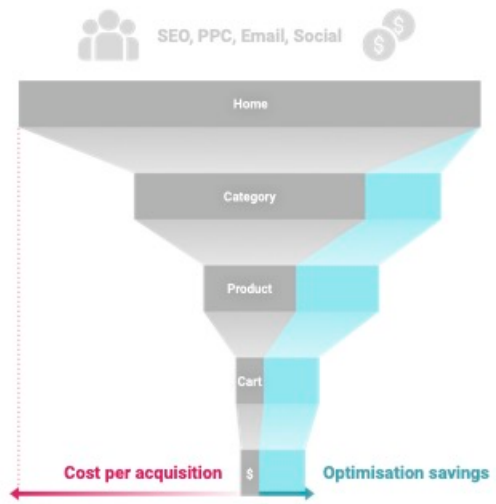
Consumer behaviour and optimisation opportunities

October, 2021

- Testing, analytics and insights
- Widening the conversion funnel
- Reducing acquisition costs
- Generating a strong ROI

SEO, PPC, Email, Social

Home

Category

Product

Cart

$

Cost per acquisition

Optimisation savings

Tools setup
Assessment
Workshop
Roadmap

Research
Build
Experiment
Report

Ongoing

CRO is a continuous journey of testing, analytics and insights.

We started by rigorously investigating analytics and making some adjustments for quality. We also ensured testing tools were implemented properly and set up some additional tracking.

Our approach: Same visitors, more revenue.

Hadleigh Waldegrave
UX & Conversion Consultant

Self-taught in design + programming

Studied marketing + science

Early career in paid media + SEO

Shifted to UX + CRO 5 years ago

Data-first philosophy (quantitative)

Dedicated CRO program manager for
_____, with a talented team led by
Cornelius Boertjens (CEO & Co-Founder)

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Kathmandu®

AIR NEW ZEALAND

MY FOOD BAG

Our scope for today

Catchi's work with ▓▓▓▓

- What changes have we evaluated?
- What are we doing next?
- What other opportunities are there?

Techniques for optimisation

- How can we acquire new customers?
- How can we upsell customers?
- What other techniques work?

Understanding user behaviour

- What doesn't work well on the site?
- What does work well?
- What are users looking for?
- What are users buying?
- What questions do users have?

Other questions

- What do you want to know more about?

A problem we addressed

There is a range of products that satisfy different needs, yet all product categories use the same template.

The hypothesis we tested

Reducing the height of the hero and introducing filters above the fold would help users find what they need on a page with dozens of similar looking products.

The result

+22% increase in transactions across users who visited this page.

█████ per year in revenue when implemented at 100%.

Learnings for scale

Users have finite time and energy.

More efficient shopping experiences can increase conversions and return visits.

Further opportunity for efficient shopping

The product cards can include copy to help users compare similar looking products, while providing enough information for existing customers to feel comfortable with adding to cart from category pages.

Plus an opportunity for contextual upselling

Using the filters can reduce the number of products on the page to just one. In circumstances like this, we can feature the corresponding 3-pack to upsell users with 10% savings.

A problem we addressed

Users could use the nav to land on various shopping pages like ████████ without understanding what makes propolis different and beneficial.

The hypothesis we tested

Using dropdowns to accommodate information that is common on individual product pages would increase how much users value propolis, and therefore more confidence to buy.

The result

+41% increase in revenue per user.

+24% increase in transaction value.

████████ per year in revenue when implemented at 100%.

Learnings for scale

Answering users' questions earlier gives them the confidence to move further down the funnel.

Although we achieved a good result, we identified a bottleneck in the funnel.

Tests highlighted a bottleneck in potential uplift

Custom engagement tracking identified parts of the site that took up users' finite time and energy.

Conversions increased significantly, but the time that users spent interacting with the 'Guest' page doubled.

Insights drove our next hypothesis and design

A segment of users is not (a) familiar with ▮▮▮▮▮ or (b) ready to make an account.

Moving the options on the 'Guest' page forward onto the 'Cart' page would reduce friction in the funnel.

The increased value from conversions could significantly outweigh the importance of users making an account before their first purchase.

Early results look promising for desktop

So far, this test has accumulated [ ] transactions worth of data for us to compare, but reaching statistical significance may take [ ].

+18% increase in revenue per user across all users who entered the cart on desktop.

Potential to test a different mobile experience

The design changes were extremely similar across desktop and mobile, yet the results seem very different.

Segmenting the results will offer us insights into the different intents of mobile and desktop users.

We are wary of averages that hide valuable insights

Here, the average conversion rate hasn't changed significantly. When we look closer at the data, we often see multiple peaks, caused by different user types/needs.

Average

-ve   **Difference in revenue between design A vs B**   **+ve**
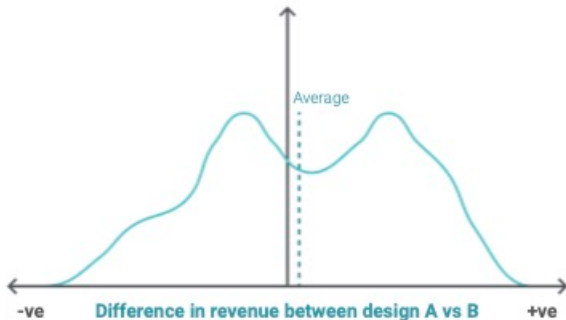
Segmenting data and tailoring experiences

Segmenting the data in many different ways can identify what causes each peak. In this case, the tested design performs significantly better for desktop.

Unidentified segment

Mobile users

Desktop users

Differences in revenue per segment

-ve   +ve
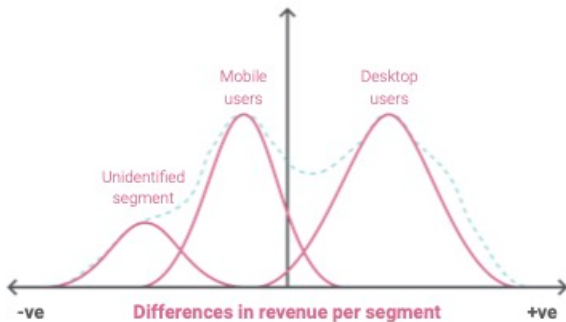
What is the purpose of a page like the cart?

Most ecommerce conversions have traditionally occurred on desktop.

There is a trend towards users converting more on mobile, but they browse/add products differently.

In this case, the purpose of the page is to check the contents of the cart, and make changes if necessary.

How can we leverage efficient shopping?

- Grouping product information clearly.
- Reducing effort to quickly review cart contents.
- Removing duplicate information that exists throughout the checkout process.
- Reduce distraction and focus on 'Go to checkout'.

Where ⟶ What ⟶ Why

"Where are the bottlenecks in the shopping funnel?"

"What info is not clearly presented on this page?"

"Why are some users buying certain products?"

"Where are the opportunities and weaknesses?"

"What are the top 3 user types we should focus on?"

"Why are users getting stuck on this page?"

"What parts of this page are causing hurdles for users?"

Quantitative → Qualitative

Google Analytics

Heatmap Analysis

Heuristic Analysis

Adobe Analytics

Website Polls

Remote Testing

Funnel Analysis

Email Surveys

Usability Lab Tests

How can we better understand customers?

Becoming more data-driven doesn't have to start with rigorous analytics

- On average, testing just 5 users identifies 80% of website problems.
- Testing 1 user is infinitely better than none.
- Testing 1 user at the beginning of a project is better than testing 50 users at the end.
- For best results, 10% to 15% of a project's budget should go towards UX research.
- ROI for UX research is maximised when smaller groups of users are tested often.

The best way to begin qualitative research is with a single user test

- Build rapport with users before testing to help them speak openly and honestly.
- Honestly report usability problems, even when they conflict with personal beliefs.
- Test users that are representative of a website's target audience.
- Give users specific and simple scenarios that represent common website tasks.
- Spread the word about your findings.

How can we acquire new customers?

Reducing effort to first purchase

- First impressions determine return visits.

- Help users try _____ products before asking them for commitment/loyalty.

- Provide users with actionable answers to their burning questions.

- Minimise reasons for users side-stepping out of the shopping funnel.

- Tech-savvy users will first judge _____ brand and products based on usability.

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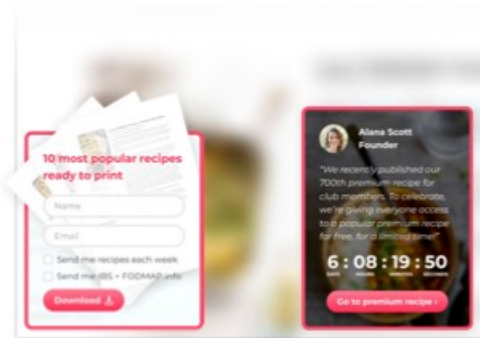
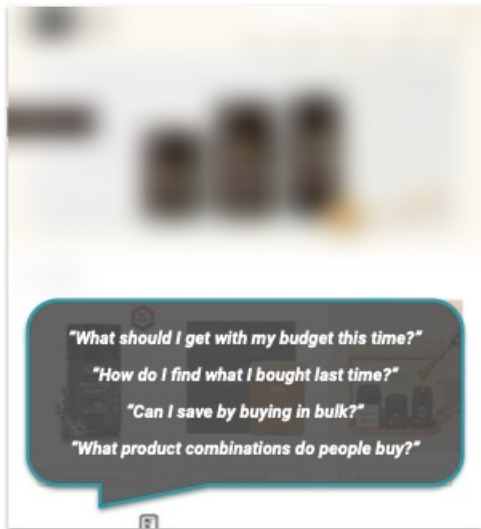**Leveraging the 'Principle of Reciprocity'**

- Building real trust with humans takes time.

- It is known that users are more likely to to something valuable for a brand if they receive something of value first.

- New users don't automatically trust brands with things like their email.

- Offering users a discount for signing up is a transaction of value is good, but it is not an act of reciprocity that builds trust.

How can we upsell existing customers?

Upselling asks more from customers

- When upselling is irrelevant to a users' context, it can come across as 'pushy'.

- When upsells are relevant to a certain situation and we provide a convincing reason, it can come across as thoughtful.

- *"If I were a user on this site, what would really make me want to spend more?"*

- Upselling well often requires good answers to 'why' questions via qualitative research.

What other techniques work?

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A/B Testing for Revenue vs LifeTime Value

Conversions vs Return Customers

Many online businesses rely on subscriptions or repeat purchases. Businesses begin A/B testing, often starting with a focus on clicks of key CTAs and pageviews of key pages. Eventually, they narrow in on actual conversions to try increase subscriptions and purchases, but most don't move on from there.

The problem? The first conversion is only the beginning of many customers' journeys. And the profitability of customer segments tends to follow the Pareto Principal, or the 80:20 rule. There is a clear trend in available research on the relative value of return customers:

- On average, 15% of online customers returning. Returning customers account for 33% of revenue, making them 2.9x more valuable than one-off customers (average from study of 100,000 online businesses).
- Return visitors add-to-cart 65% more, convert 73% more and spend 16% more per transaction. In another study, return customers spent 67% more than new customers.
- Return customers are at least 5x cheaper to retain than new customers are to acquire.
- Reducing customer churn by 5% can lift profits by at least 25%.

Upselling is one aspect of lifetime value

- We can also 'upsell' customers' intent to shop with ▓▓▓▓ again, and spread word of mouth.

- *"If I were an existing customer, what would **really** make me want to come back again?"*

Ecommerce facts worth leveraging

- On average, 15% of online customers come back, yet they account for 33% or revenue.

- Return visitors add to cart 65% more, and spend 16% more per transaction.

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Existing customers need more convenience

- 50% of customers report that they are not loyal to brands because of their pricing.

- 88% report 'quality experience' drives loyalty.

- 71% want to resolve most issues on their own.

- 94% of customers who reported a low-effort experience also expressed intent to buy again.

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Data-Driven Optimisation
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