

# Best Practice Report

# Winning Website Optimisation Strategies

How to **boost**  
site **optimisation**  
at the four  
stages of the  
**customer funnel**



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# Introduction

The online retail market has ballooned in 2020, with the coronavirus pandemic accelerating an already-in-motion trend towards **digital taking a larger share of overall retail sales in the UK and across large parts of Europe.**

IMRG and Capgemini's Online Retail Index shows, in the UK alone, online sales were up by 43.5% year on year in August,<sup>1</sup> and tracking at around +30% for the year to date.<sup>2</sup> Office for National Statistics figures indicate online retail's percentage of total retail sales peaked at 33% in May — compared to around 20% at the start of 2020.<sup>3</sup>

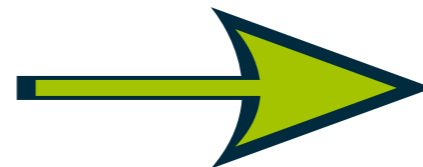
This trend, and consumers' increasing willingness to try ecommerce as reported by retailers themselves, increases the importance of website optimisation. The best retailers will make it easy for shoppers to navigate their sites and usher them towards a seamless transaction — it was ever thus, but is increasingly important as ecommerce grows.

For the retailers and brands ramping up their digital strategies at this time and investing in their website development, this report provides some key guidance on how to boost site optimisation at the four stages of the customer funnel.

## What are the four stages of the customer funnel?

With social commerce and buy buttons rising in popularity, and content marketing used more frequently to engage shoppers and drive them towards sales, the customer funnel — i.e. an online shopper's route to purchase — is ever evolving.

But there is a tried and trusted route for consumers on any ecommerce site. For the purposes of this report, IMRG focuses on that particular journey and defines the funnel in a traditional four-step format:



### Stage 1: view a product page

IMRG tracks the % of total online visits which view a product page

56%\*

\*(Feb, Mar, Apr 2019)

### Stage 2: add to basket

IMRG tracks the % of sessions converting from a product page view to 'add item to bag'

19%\*

\*(Feb, Mar, Apr 2019)

### Stage 3: proceed to checkout

IMRG tracks the % of 'add to bag' sessions converting to online checkout

57%\*

\*(Feb, Mar, Apr 2019)

### Stage 4: complete payment

IMRG tracks the % of checkout sessions converting to payment

58%\*

\*(Feb, Mar, Apr 2019)

# Stage 1: Getting to the product page

An average of 56% of consumers will view a product description page (PDP) after arriving on the retailer's homepage, according to IMRG's benchmarking research.<sup>4</sup>

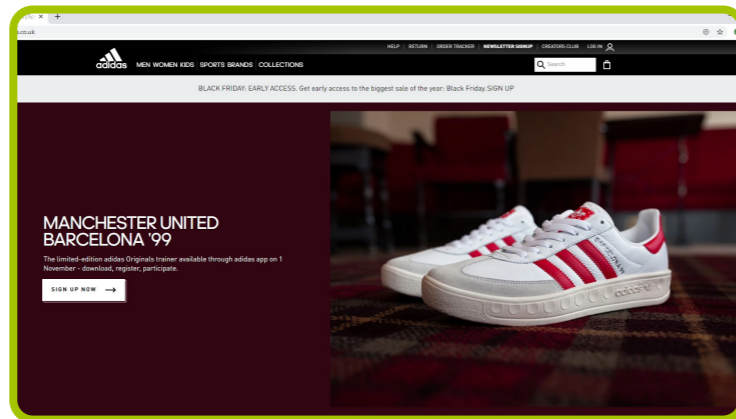
That means for every 1.5 million visits to a website recorded by the average retailer, 840,000 people will start moving through the customer funnel by clicking on a PDP.

Whether consumers are visiting a retailer's website on desktop, tablet, or smartphone, the conversion to product description page varies very little. It is later down the funnel where conversions are more likely to be impacted by the device a customer is using.

In the retailer sample analysed by IMRG, the best performer at stage 1 reports a PDP conversion rate of 73%, and the worst is 39%.<sup>5</sup> There is a significant gap between the leaders and the laggards, but what are the features of those performing well?

## What good looks like

It may seem an obvious point, but the retailers enabling visitors to click directly onto a PDP from the homepage, by marketing specific products in a prominent space on that page, are at the high performing end of the scale.



Most retailers in IMRG's sample use a carousel of images and links for this process, cycling through a selection of photographs leading to a PDP. **Some 74% of the retailers reporting a better than average conversion at this stage of the funnel adopt this format to encourage click throughs.**<sup>6</sup>

The decision about using multiple images on a product listing page makes a difference to web optimisation, too.

IMRG's study assesses multiple image cycles — defined as three or four different pictures of the same item popping up before a consumer has entered the PDP — and there are some clear findings. 63% of the below average performers at stage one of the funnel adopt this tactic, suggesting they are **giving away too much too soon**, and possibly deterring people early on in the online shopper journey.<sup>7</sup>

## The dilemma

Category pages that help guide consumers to different types of product on a website appear on 89% of the websites of better than average retailers at stage 1 of the customer funnel, suggesting they have a positive impact on filtering people onto PDPs.<sup>8</sup>

But there's a balancing act to maintain between being useful to a customer — i.e. by providing organised category pages — versus avoiding irritating them with too many clicks before a purchase. However, IMRG notes a correlation between poor performance and lack of category page, so this layer of content is advisable.

Jim Herbert, EMEA general manager for online eCommerce platform provider BigCommerce, describes an optimised retail website in physical retail terms. Google, Facebook, and Instagram are the digital high streets, according to Herbert, but once inside the 'store' a lot of work is required to keep shoppers interested — just like in brick and mortar retail.

*"The site has to perform well. It has to be fast, show products a customer is looking for as easily as possible, and provide an efficient search function."* he notes. Herbert suggests, *"The longer consumers spend on a site, the less likely they are to convert — it must be simple to research."*



## Quick Checklist:

Are links to products high up the homepage; how many images are you using to illustrate products; what does your homepage product carousel look like; what is your category page strategy; how efficient is your search function; is the landing page personalised to the visitor; and have you sense checked the design of your site against the physical retail fundamentals?

## Stage 2: Adding to basket

Some 19% of consumers on a PDP, on average, will add a product to their online basket, according to IMRG's benchmarking research.<sup>9</sup>

Of all the parts of the customer funnel, stage two has the lowest conversion rate, suggesting this part of the journey should be a particular focus area if retailers want an opportunity to drive more sales. Retailers in IMRG's sample study range from a 34% add-to-basket success rate to a lowly 5%.<sup>10</sup>

It is at this stage of the online customer journey the device a customer uses starts to have more impact on conversion rates. The add-to-basket rate for those shopping on a desktop is 22%, versus 18% for those using smartphones.<sup>11</sup>

### What good looks like

There are several essentials on the product page, based on IMRG's research.

Functionality that is essentially universal among the retailers analysed for the study includes similar product suggestions and customer reviews. **Customers now expect to see this type of information on the PDP.**



There are also some commonalities in the order of information provided in the clusters of product detail. All retailers naturally list the product name first, with 45% and 39% then opting for price or review score, respectively, one level below.

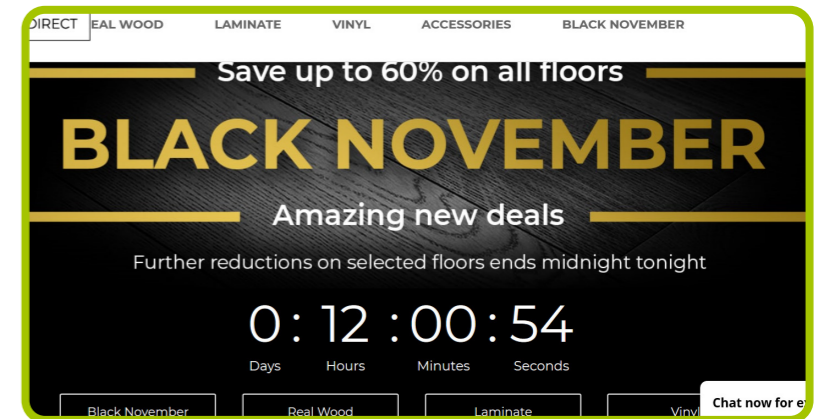
Only 10% of retailers include any other information other than those three bits of detail in the top three layers of their product description, showing there is an online shopping standard.<sup>12</sup>

Another tactic used by many retailers, including DIY chains looking to help consumers with larger projects or fashion brands trying to sell a full outfit, is to adopt "Complete the look" functionality. Where data was available, IMRG says those who did use this online sales method have a higher than industry average products per order, while those that do not use it report the opposite. The industry average is 2.2.<sup>13</sup>

### Any other business?

IMRG says video on the PDP works well for engaging customers, but not many retailers are doing it, primarily due to cost. If budgets allow, videos in product descriptions may give retailers **a point of difference** and help drive conversions to stage 3 of the funnel.

And urgency messaging has grown in popularity in recent years. Little online notes on the PDP suggesting other people are interested in an item or stock is limited, for example, help drive add-to-bag rates, according to the IMRG study.



Meanwhile, green is the colour most often used on the add-to-checkout button, potentially for its connotations with go versus red's association with stop. IMRG encourages retailers to conduct traditional A/B testing here, citing no evidence to suggest the button colour has any significant impact on click-throughs.

According to BigCommerce's Herbert, retailers should be on the look-out for add-ons that can help boost optimisation.

*"Retailers need to make sure they have an agile software stack that allows them to pick the best of breed providers, put more flexibility in place, and deal with new ideas such as social selling,"* he comments.

As with any new innovation in commerce, he adds, *"if consumers start buying that way and you can't pivot towards it, you're going to be left behind"*.

### Quick Checklist:

Do you display similar products next to each item; how prominent are your product reviews; have you considered "Complete the look" functionality; are you injecting enough urgency in your shoppers; could videos drive more interest; and what colour is the add-to-basket button?

## Stage 3: To the checkout

IMRG's benchmarking research shows, on average, 57% of consumers will head to a checkout page from their online shopping basket.<sup>14</sup>

Desktop online shoppers are more likely to convert at this third stage of the funnel than smartphone shoppers (63% versus 58%), in line with a trend that emerged at stage 2.<sup>15</sup>

So, what can retailers do to ensure they are optimising their websites at this critical latter stage of the customer journey?

### What good looks like

IMRG assesses live chat usage among its retailer sample, and it appears customers have still not taken to this form of technology. The average number of sessions where visitors engage with the live chat functionality is very low at 0.3%.<sup>16</sup>



There are, of course, examples of retailers gaining traction with this type of technology, with The Very Group and Farfetch two organisations fast-tracking use of it, but generally speaking it remains a work in progress or rarely used solution for retailers.

**However, if retailers want to get more from this conversational commerce tool it may be a matter of positioning.** Prior to its study, IMRG assumed live chat would mostly be used for WISMO [Where is My Order?] queries, but the most popular use of it is actually for questions around product, returns, refunds, and payment options.

Perhaps placing live chat at the third stage of the customer funnel would drive more usage of the technology, and give consumers the information they are looking for at the optimal time.

With urgency messaging also so successful at the PDP stage, might it have a similar impact later down the funnel once the product is already in the online shopping basket? This could help remind consumers of the limited time or volume of products available, at a crucial point in the funnel, and IMRG suggests it is a strategy worth testing.

### Law of cumulative returns

Optimising a website echoes the *“law of cumulative returns”*, according to BigCommerce's Herbert, who suggests even **2-3% improvements to fundamental pillars — customer acquisition, conversion rates, and average order value — could generate high sales growth opportunities.**

*“From a pure sales perspective, having a fast site that is easy to find, easy to search, includes fantastic product imagery, and a simple-as-possible checkout process are absolutely key,”* he adds.

In the absence of wishlists on retail websites, some consumers will use the online shopping basket as a mock wishlist. Often that is where products stay, with these items not converting to transactions.

A great tactic for retailers looking to optimise conversions at this stage, according to Herbert, is to send follow-up and cart abandonment emails to shoppers who do not complete their online journey. *“It's a tool that pays for itself,”* he explains, adding it can be an important sales driver.



### Quick Checklist:

Are you monitoring the speed of your site, and the three pillars of customer acquisition, conversion rate improvements, and average order value; what about experimenting with different positioning for chatbots and urgency messaging; is your shopping basket clearly displayed; and are you sending follow-ups to those who have abandoned online shopping baskets?

## Stage 4: Making a purchase

According to IMRG's benchmarking research, 58% of consumers at the online checkout move to the transaction stage, on average.<sup>17</sup>

The best performing retailer at this stage of the funnel reports an 88% payment conversion rate compared to 24% for the worst retailer, highlighting the diversity of online checkouts across retail.<sup>18</sup>

It is at this stage **the difference in conversion rate between desktop website online shoppers and smartphone shoppers is most stark.** Desktop website shoppers convert at a rate of 61% versus 50% for smartphone users, with shoppers seemingly more confident entering their payment details on a bigger screen.<sup>19</sup>

### What good looks like

The most regular number of pages used at the checkout of online retailers analysed by IMRG is **three.** A huge 78% of the retailers performing above average for payment conversion rate offered customers three pages at the checkout, making it **standard practice for successful commerce.**<sup>20</sup>



The majority of retailers with four or five pages at the checkout are below average in terms of conversion rate at this stage of the funnel, suggesting consumers are put off by having to scroll through too many payment pages.

Of course, this research refers to first-time customers. Those retailers who remember repeat website visitors or those with apps tend to store payment and address details in order to fast-track transactions. This is increasingly seen as a winning strategy for retailers competing with Amazon, which was one of the first to provide the functionality.

**Consumers also appreciate free delivery.** A significant 89% of above average conversion rate retailers include free delivery in some form, be it as a standard fulfilment option or as part of a spending threshold. The majority of retailers not offering free delivery are below average for payment conversion, at this stage of the funnel, showing it is important for encouraging spend.<sup>21</sup>

IMRG finds retailers offering their customers PayPal at the online checkout typically generate around 30% of all their sales through this method. Not all retailers provide data on PayPal but of those that do it is clearly a popular driver of revenue.<sup>22</sup>

This speaks to the growing popularity of one-click payment technology at the online point of sale, with the likes of Amazon Pay, Samsung Pay and Apple Pay increasingly commonplace, and buy now, pay later tools such as Klarna, Laybuy, Openpay, and Clearpay a growing phenomenon among consumers.

Online homeware retailer Cox & Cox added Klarna to its payment options in April 2020, and in the proceeding five months it took 3,000 transactions through this platform.<sup>23</sup>

### More than words

Does the wording of a retailer's call to action at the online checkout make a difference? IMRG advises this should be another area for traditional A/B testing, although from its sample retailers "Place order and pay" is the most popular language used here.

What about imagery at the checkout? **IMRG data shows 67% of the higher than average conversion rate retailers do include images at this point,** making it an advisable pursuit.<sup>24</sup>

BigCommerce's Herbert says: *"When you get to the checkout you need payment choice to make it easy.*

*"Tools like Apple Pay are incredibly easy. There's no long form, and it's frictionless. Details are already filled in. You look at it, confirm it is you, and it's done."*

He adds: *"These techniques are key to getting a conversion rate up, and making sure customers are converting when they come through the digital door."*

### Quick Checklist:

Have you considered using product imagery at the checkout; what about new payment tools to offer customers choice; do you have a progress bar to inform shoppers how far through the payment process they are; have you got delivery and returns information displayed; and how many pages does your checkout entail?

## 5 key takeaways

### 1. Test and learn

No company is consistently hitting it out the park at every stage —all retailers analysed by IMRG fall down in terms of optimisation at some point and are below average for at least one point in the customer funnel. There's always room for improvement, and brands should follow an ongoing process of **test and learn, and adopt or dismiss**.

### 2. Look for inspiration across sectors

IMRG's customer funnel statistics represent an industry average, covering companies ranging from footwear to fashion, and from homeware to health & beauty. The average figures do not change dramatically by sector, meaning **the benchmarking figures are appropriate for any ecommerce site**.

### 3. Be open to innovation

Retailers have shown their innovative nature during the Covid-19 crisis, and in challenging times new technology and ideas come to the fore. More innovative tech will enter the sector, and **retailers need to be in a position to try these ecommerce add-ons as they emerge, and stay agile and flexible in order to embrace it**.

### 4. Make incremental changes

Sometimes times of change induce corporate paralysis. If there's too much to do, retailers may just opt to do nothing. When it comes to online optimisation, even small tweaks can drive huge benefits, so **retailers should consider a policy of marginal gains**.

### 5. Nothing stays the same

AO.com CEO, John Roberts, said in May 2020 the coronavirus accelerated online retail behavioural change by five years in the space of five weeks,<sup>25</sup> and Naked Wines CEO, Nick Devlin, spoke of an "inflection point" in his category.<sup>26</sup> With the change indicative of an ongoing period of transformation in retail, **brands should consider agile platforms they can continue to iterate supported by open API architecture**.

## ABOUT IMRG



*For over 20 years, IMRG (Interactive Media in Retail Group) has been the voice of e-retail in the UK. We are a membership community comprising businesses of all sizes – multichannel and pureplay, SME and multinational, and solution providers to industry. We support our members through a range of activities – including market tracking and insight, benchmarking and best practice sharing. Our indexes provide in-depth intelligence on online sales, mobile sales, delivery trends and over 60 additional KPIs.*

*Our goal is to ensure our members have the information and resources they need to succeed in rapidly-evolving markets – both domestically and internationally.*

## ABOUT BIGCOMMERCE



*BigCommerce (Nasdaq: BIGC) is a leading software-as-a-service (SaaS) ecommerce platform that empowers merchants of all sizes to build, innovate and grow their businesses online. As a leading open SaaS solution, BigCommerce provides merchants with sophisticated enterprise-grade functionality, customization and performance with simplicity and ease-of-use. Tens of thousands of B2B and B2C companies across 150 countries and numerous industries use BigCommerce to create beautiful, engaging online stores, including Ben & Jerry's, Molton Brown, S.C. Johnson, Skullcandy, Sony, Vodafone and Woolrich. Headquartered in Austin, BigCommerce has offices in San Francisco, Sydney and London.*

## Additional Information

### Methodology

The IMRG benchmarking statistics are derived from a study of 38 retailers in February, March and April 2019.

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