IMRG Data Report: Customer Funnel Stage 2

Best practice for optimising your product page

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An IMRG report sharing insight from a study analysing participant performance in our customer funnel dataset – to identify common points between those who have the highest (and lowest) rates of site visitors that proceed from the product page to review their basket.

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Foreword – The stage where it gets serious

At stage one of the customer funnel (the homepage and search results page – see an earlier IMRG report on this[1]), the goal is to get site visitors onto a product page of interest and relevance to them. They may, at this point, be very casual and uncommitted browsers.

When they reach stage two – the product page – the visitor has taken a significant step toward converting into an actual customer. Stage two is where it starts to get serious.

How a product is merchandised – the quality of imagery used, product description etc – is obviously important. But for the purposes of this study we focused on the ecommerce attributes of the product page – how it is laid out, what information is included (and not), where that information goes and page design.

As we'll see, these attributes can be every bit as determining as the merchandising.

Andy Mulcahy, Strategy and Insight Director, IMRG

Foreword – Efficiency gains in the evolving funnel

Retail is detail, and Britain's eCommerce marketers - amongst the world's best - have long-understood that. This report proves that's the case, highlighting the industry's focus on efficiency - incremental improvements, test and learn strategies, and harnessing new technologies.

Ecommerce marketers have developed a highly-tuned skillset in optimising for efficiency on owned channels such as site, email and SMS. But what we are seeing now is that these skills can further be applied throughout the marketing funnel - digital media and video being key examples.

The massive advantage here is the huge efficiency gains over existing models. With eCommerce teams' focus on efficiency being applied to digital media, retailers grow with expectation of increased profitable incremental return - all whilst using existing budgets. Instead of a single customer view of a business' customers, it's now technically possible to have one view across business and marketing, at a single customer level.

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[1] https://www.imrg.org/data-and-reports/imrg-reports/customer-funnel-stage-1/

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Consider that a core goal of eCommerce is to get people on the right product and page - one that's of interest and relevant to the consumer. Technological advances now mean that the role of digital media can be full-funnel. It can deepen one-to-one connections between retailer and customer when they are not on site, maintaining interest and relevance through personalised dialogues. This means that when customers do arrive on site, they are highly-motivated – appearing as highly qualified traffic that drives growth across all eCommerce metrics.

Elliott Clayton, SVP Media, Conversant

About this study

The content for this report is based upon a dedicated study we undertook in relation to the second stage of the customer funnel.

While we track data from a total of 210 participants in our sales and performance indices, we focused on a sample of 25 in this study – the retailers covered included a group of the best (ie those with the highest percentage of visitors that place something in their basket and proceed to review it) and worst performers, plus a group with average rates. Participants were both large and small retailers, ranging across multiple sectors and product offerings.

We then reviewed the product pages for each of those participants to see if we could identify common factors that may be influencing a high / low progression to reviewing their baskets.

This report shares insight gleaned from this study to identify possible best practice, focusing on a few elements from that list specific for each of the retailers in our sample.
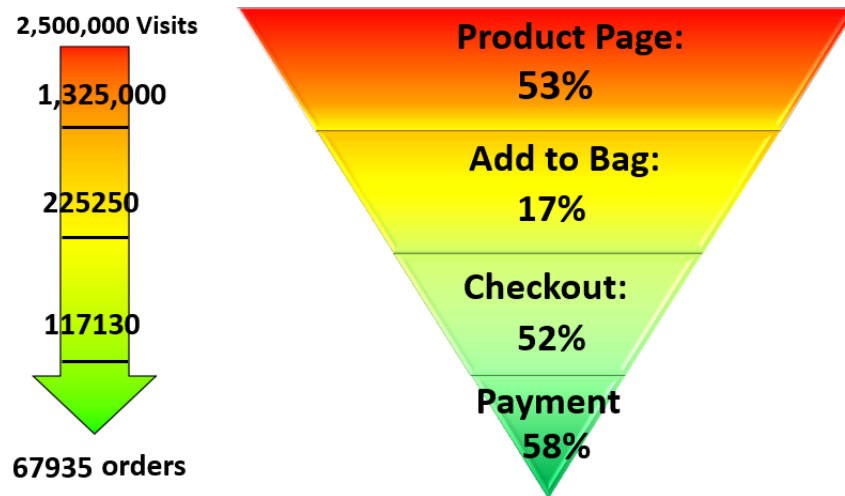
What is the customer funnel?

Before looking at stage two of the customer funnel, this section provides a brief overview of what it actually is and the four stages that constitute it. The metrics that we track in our Quarterly Benchmark[2] are defined as follows:

Stage one – view a product page	*Percentage of total visits that view a product page*
Stage two – add to basket	*Percentage of sessions that convert from a product page view to 'add item to basket'*
Stage three – proceed to checkout	*Percentage of 'add to basket' sessions that convert to checkout*
Stage four – complete payment	*Percentage of checkout sessions that convert to payment*

[2] https://www.imrg.org/data-and-reports/imrg-capgemini-quarterly-benchmarking-reports/

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The below image provides the market averages for each stage of the funnel (Q2 2018 data) and, to illustrate the importance of optimising each of these areas, gives an example of the number of site visitors that would reach / complete each stage given those market averages (assuming that the site receives a monthly average of 2.5 million visitors).

The pyramid is showing the market averages that reach each stage of the customer funnel. So, for example, 53% reach the product page, 17% add an item to their bag from the product page and so on. The arrow down the left shows the impact these percentages would have on 2.5 million monthly site visitors – 1,325,000 view a product page, 225,250 add a product to their bag etc.

If a retailer had the market average percentage for each stage of the funnel, those 2.5 million monthly visitors would yield 67,935 orders.

It is important to understand that the metrics used in this example are market averages, so no retailer actually matches those figures exactly. It is also not necessarily the case that a retailer who has a high percentage at one stage of the funnel performs very strongly across all stages.

We will now look at some of the possible factors that may correlate with a high / low percentage of site visitors who proceed from the product page to review their basket.

Which factors influence high / low rates?

The following chart lays out some of the most interesting elements we reviewed as part of this study into the second stage of the customer funnel.

It shows each of the retail participants used as part of the study, with them lined up in order of the percentage of site visitors who proceed from the product page to review their basket (left to right, lowest to highest). Each of the icons in the rows show what each are doing within those elements.

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| Funnel stage 2 rate: | 24%+ | 20% | >10% |
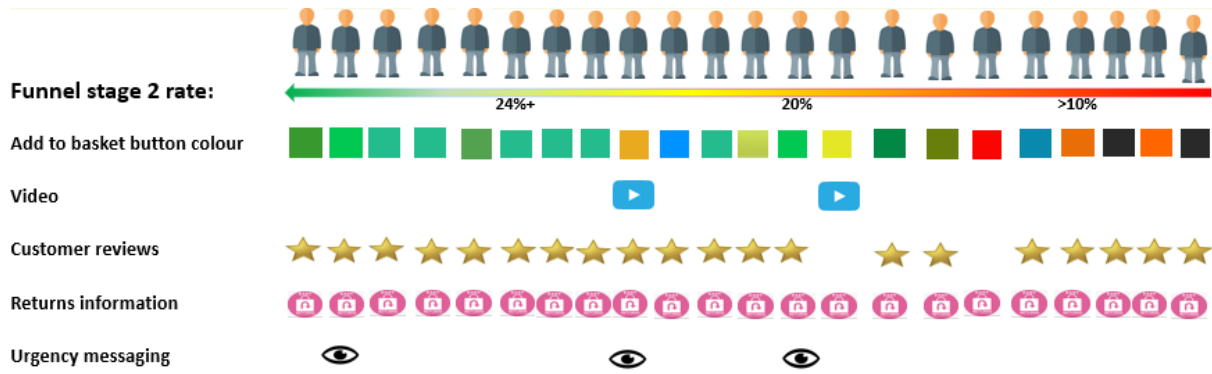
These are explained in turn below.

Add-to-basket button colour

This is something that has come up in a few separate studies that IMRG have undertaken. Generally speaking, it always seems to be those using green buttons that convert the highest at various stages, while dark and red / orange buttons have lower conversion.

In a simple sense it may be due to the associations each colour has – green for go, red for stop – and it's possible that black buttons convert less well as they do not stand out quite as much as other colours.

The message then, would appear to be to use green buy buttons. The issue in reality is more complicated than that, as retailers often try to balance button colours (and other imagery) in line with their brand colours. It may be that green in some cases wouldn't stand out (perhaps where a retailer's main brand colour is green) or directly conflicts with other colours in use.

It's also interesting to note, given where the black buttons are on the scale, that many retailers change the colour of their buy buttons to that colour during the Black Friday period.

Video

This element refers to those retailers that use video on their product pages – either for additional marketing purposes or as how-to guides.

As can be seen from the chart, only two in the sample actually included video and they are not grouped together toward the higher or lower end of performance, so it's difficult to read anything meaningful into that.

From discussions that IMRG have had with retailers on this point, the results of video-usage have been mixed. Some include them as they feel they need to as part of the customer experience, even though they could not identify definitive ROI, while others say they believe it does increase conversion.

Some did have plans to experiment with video, so it remains an interesting area to keep an eye on at the moment.

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Customer reviews

At this stage of the funnel, customer reviews are very widely used. At stage one of the funnel[3] (on the homepage or search results page), inclusion of star reviews did not seem to be a particularly determining factor, but at this stage only two did not use the facility and they were toward the lower end of performance.

While peer reviews can create a greater sense of trust on the part of the site visitor, it is not necessarily the case that they need to be used for every product – those that serve a very basic purpose where there is little scope for diversification, for example.

Returns information

This refers to whether information about returning the item was included on the product page.

Every single retailer in the sample offered it at this stage of the funnel. The average return rate for online retailers was just under 25% toward the end of 2018; it's an unavoidable part of doing business online for many that has to be catered for – making information on it easily findable is in retailers' interests. In a survey IMRG carried out with Toluna in late 2016[4], 10% said 'returns information' was the most important factor in making a purchase decision – for those respondents, that was even above other options such as 'price' and 'quality of product'.

Urgency messaging

This refers to the type of message that is flashed up, typically in a small overlay window, to communicate demand for a product or service and create urgency on the part of the customer. The type of message can vary, as per the following examples:
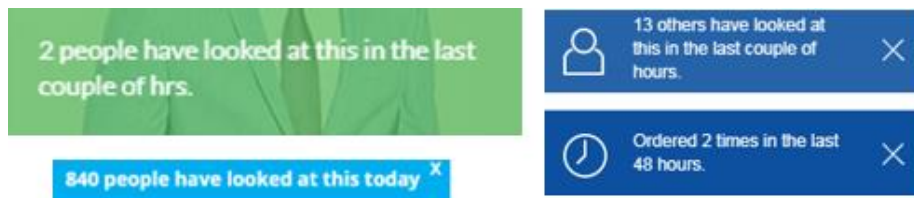
The retailers in our sample that used this facility were toward the higher end of performance. There are also other factors to consider when implementing it, such as when to surface the urgency message (doing so at the start of the user's session or delaying for a set time can produce different results).

While this is a technique that can be effective at driving conversion, there are caveats to its usage. It has been a target for negative coverage in the media, with mental health charities in particular raising concerns about the pressure it puts on vulnerable people. Excessive or aggressive use of urgency messaging could make retailers a target for media investigations in this sense.

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[3] https://www.imrg.org/data-and-reports/imrg-reports/customer-funnel-stage-1/
[4] https://www.imrg.org/data-and-reports/imrg-reports/how-do-shoppers-perceive-value-today/

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# Multiplying conversion rates by building relevancy and demand off-site

Elliott Clayton, SVP Media, Conversant

Macro-economic conditions are creating a tough market for retailers - standing still often translates to moving backwards. As a result, it has become increasingly important that brands increase market share. However, at the same time, consumers have become increasingly fickle.
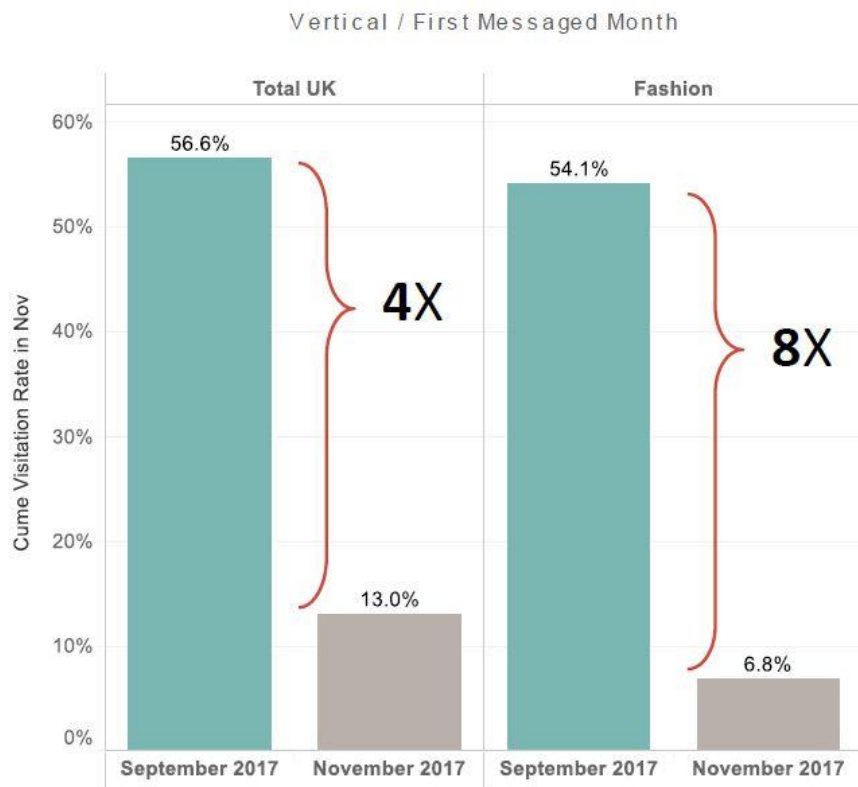
For fashion brands, being able to stay in communication with their customers - talking product, lifestyle or values - and stay top-of-mind, is a great way to both secure existing, and create new growth.

Advances in technology mean that if brands can remember who their customers are and what matters to them - via privacy-friendly profiling and machine learning - a brand can keep the conversation going by employing automated, one-to-one messaging. The brand remains top-of-mind and, essentially, their customers are always in the sales funnel.

Amongst our fashion clients in 2018 we've seen that a one-to-one, personalised, always-on messaging strategy drives on-site conversion rates up by around 400% over time. Through highly relevant messaging over time, consumers are conditioned to the brand and its products off-site, so that when they arrive on-site - which happens more frequently because the brand is top-of-mind - they are far more likely to convert.
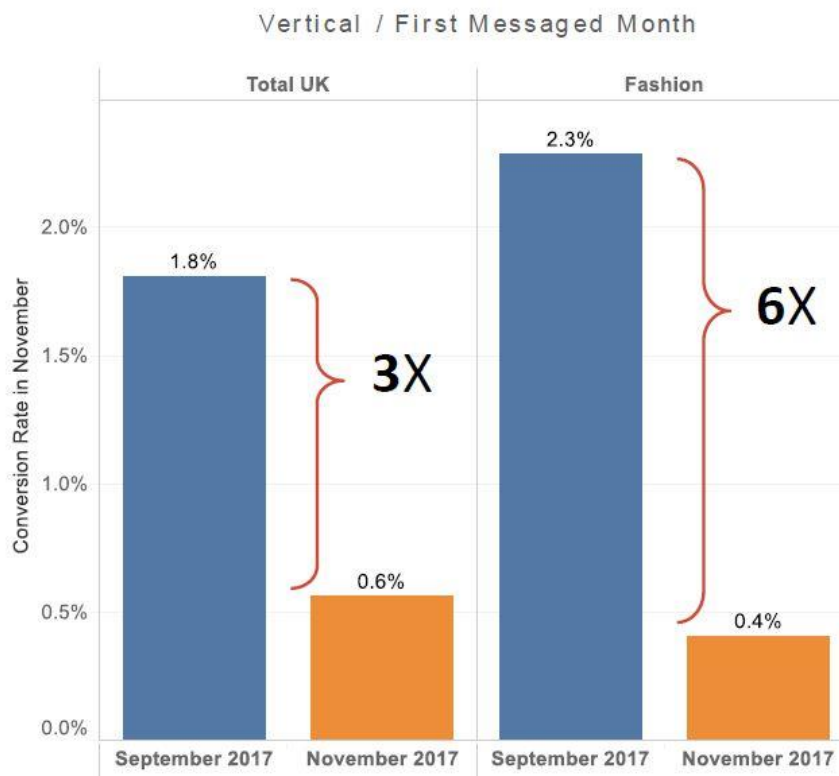
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In the previous chart, we can see how personalised messaging over time increased conversion rates six-fold for fashion retailers. Below, the chart shows that for the same fashion retailers - all Conversant clients - the likelihood of messaged-consumers visiting their website increased eight-fold when they received personalised messages over time.

Vertical / First Messaged Month

Total UK

Fashion

56.6%

54.1%

4X

8X

13.0%

6.8%

Cume Visitation Rate in Nov

September 2017   November 2017   September 2017   November 2017

Important to note, this isn't comparing like-for-like with IMRG's on-site funnel data. IMRG's data looks at how visitors to ecommerce websites progress within the website's funnel towards conversion. The data above from Conversant's clients is the conversion rate for consumers that are seeing personalised display adverts over time off-site, versus a control who aren't.

By building demand over time off-site, brands are able to create a highly engaged and qualified audience onsite, creating a virtuous circle.

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Conclusion – what this tells us

It may seem remarkable that something as simple as changing the colour of a button can have an impact on the volume of sales made *of the exact same product* – none of the attributes of that product have changed, just some subtle elements on its framing page.

Yet how, where and when these elements are structured and displayed can be significant from a sales perspective.

The challenge is how all these elements can be balanced out to produce the best results for a specific retailer – no two propositions are exactly the same and there is no out-of-the-box solution for getting it exactly right.

Some may also find that changing certain elements / implementing certain functionality can exert a stronger influence on performance than others. But, as with urgency messaging, there are different ways they can be used / applied and these should all be considered to achieve outcomes that work for the customer as well as the business.

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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.

www.imrg.org

About Conversant

Conversant is a leader in personalised digital marketing, helping the world's biggest companies grow by creating personalised experiences that deliver higher returns for brands and greater satisfaction for people. Offering a fully integrated personalisation platform, personalised media programmes and one of the world's largest affiliate marketing networks - all fuelled by a deep understanding of what motivates people to engage, connect and buy.

For more information, please visit www.conversantmedia.eu