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HOW ONLINE RETAILERS CAN LEVERAGE THE PSYCHOLOGY OF E-SHOPPING

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PHASE 1 UNDERSTANDING THE PSYCHOLOGY OF E-SHOPPING

Ecommerce seems to be going only in one direction –upwards. Forrester has predicted it to account for almost one tenth of the total retail sales in US by 2017, which amounts to a whopping $370 billion. This is in effect to the increase in access to shopping via different mobile devices in this digital era. But at the same time, for this year, the shopping cart abandonment rate is predicted to be around 70% which is nothing less than a $3 trillion lost revenue for companies across the globe.So, what is the trick here? Is there a way, technology can help us in taking up this $3 trillion challange?

THE BUYING JOURNEY

Let's look at how a consumer ends up doing an online shopping. Basically we can categorize e-shopping into two types:

• Impulsive buying

• Pre-decided buying

Digital marketing can help retailers in both of these cases using different techniques. Let's see how

we can do this. Each of the above mentioned categories takes a different path to reach the shopping cart.

IMPULSIVE BUYING

Many of the times, people actually visits a product page just because they have seen a great offer or have seen a nice piece of content over a social networking site. So, if the retailers can tap into these there channels, there is sure to be an increase in impulsive buyers. It might lead to even more abandonment rate of the shopping cart, but there are ways wherein it could be balanced out. We

will discuss about that later. For now, you can start with:

• Churning out great content according to the social channel

• Floating out some great looking ads/offers.

PRE-DECIDED BUYING

These buyers have already a demand and know what they are looking for. The question is - are they looking for your website? If not, are your products showing up in their research? So, you should tap into these areas using two things:

• Search Engine Optimization/Marketing – This will make your products visible, while the buyers are doing their basic search.

• Website optimization – This will lead to more loyal buyers and increase in the direct traffic.

There are many factors which can influence the buying decision of a consumer. Some times we are not even aware of these. So, if we can grasp the psychology behind these decisions, we would be able to reformulate our strategies in a more consumer-oriented way.

THE BUYERS' BEHAVIOUR

Let's look at what the statistics have to show and we can easily make out what a buyer expects during his e-shopping experience. Focusing on these areas will definitely help out the retailers.

90 SECONDS ASSESSMENT

On an average, this is the time spent by a buyer to decide, whether to buy or not. It clearly indicates that all the features which can in-

fluence the buyer in a positive way should be present in the product page. But we should avoid information overflow also. May be a nice product image with access to reviews and basic product info is good to start with.

CARVING FOR VIDEOS

Research shows that, 50% of customers have more confidence in buying the product if they see it in a video. Nothing fancy is needed here. Even a small 5-10 seconds video will work out, depending on your product.

BUILDING UPON REVIEWS

As many as 85% pf the customers read online reviews before making any transaction. This is, needless to say, builds up the trust on the brand. So, get your good reviews out there.

COUPON MANIA

57% of the customers are believed to have completed the online transaction just because they had some coupon code. Otherwise, these numbers would have been just an addition to your bandoned cart figures.

TRUSTWORTHY PAYMENT PROCESSOR

Even when the buyers have decided to do the transaction, they look for a trustworthy logo in the final page. 80% of the buyers said to have felt safer when they saw such a card logo being displayed on the website.

LAST MOMENT DROP-OUTS

67.4% of the buyers will drop out at the last

moment. That's a very big no. and huge revenue lost.Research says that it has got to do mainly because of these factors –

• Lengthy checkouts

• Hidden charges at checkouts

• Registering before checkouts

• Uncertainty about delivery terms, shipping cost, return policy, etc.

GEAR UP YOUR REMARKETING

Even if a potential buyer has dropped out, the opportunity is not lost yet. Take help of remarketing tools like Google, AdRoll, Facebook, etc. to keep attracting them. Research shows that, they are going to send 55% more the next time they visit your site. Remarketing helps in improving your conversion rates, which is usually just 3%.

SHIPPING IS A BIG DEAL

Free shipping has become a 'critical' feature in today's e-commerce. It encourages the buyers to add more products to their cart. More than 66% of them are going to buy even more, if the return shipping is also free.

INFLUENCE OF ADS

Visual ads may seem tempting, but if you go by the stats, google search results are still the frontrunners. Organic searches are resulting in more than 80% of the sessions. So, it's advisable to go for search engine marketing and optimization. But, other channels shouldn't be avoided as 20% of the pie is still a big chunk. And more so, when you would like to start your 'remarketing'. visual medium. Even though twitter accounts for a very less percentage of the sessions, the average order value coming from them is the highest. So you

SEARCH ENGINE RESULT PAGES

You might have your google ads up and running, but if your ads are not showing on the first two pages, you are missing the whole point. Data shows that more than half of the consumers never go beyond these two pages (SERPs). So, keep optimizing your ads and keep a look at your 'ad quality score' in adwords. As for the organic part, you need to work towards a better landing page experience and use of relevant keywords.

CONCLUSION

With ecommerce growing up every year, it is up to the creative and effective strategies of retailers, which can help in preventing and responding to the cart abandonments. To summarize all the points, retailers just need to focus on two simple formulae: help to smoothly consummate the purchase and engage enough to imbibe loyal customers. So, are you ready to take up the $3 trillion challenge?

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ABOUT US

Focus

Optimize & Enhance Retail Omni channel Experience.

Experience

100+ man years of expertise in working with retail/e-com merce technologies.

Credibility

99% of our customers doubled their revenue within 6 months.

IOT- R CoE

Centre of Excellence team to constantly innovate Internet of Things in Retail such as Aug mented Reality, Mobile PoS & 3D printing.

Stability

Team is backed up by eminent industry advisors and Venture Capitalists.

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