Cracking e-commerce conversion

The proliferation of e-commerce essentially means that retailers are now more than ever competing in a global marketplace. In South Africa, online may account for less than 2% of total retail sales, but online spend has bee predicted to top R53 billion this year.

By Lauren Hartzenberg 16 Mar 2018

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According to Ipsos and PayPal's cross-border commerce report in 2016, 43% of South African online shoppers stated that they shopped online from websites in another country in the 12 months prior to the survey being conducted.

Cross-border shoppers also buy three times more than those purchasing within their own market, according to Jonathan Neumann, PayPal's head of sales and merchant services sub-Saharan Africa and Israel.

Speaking at the DHL E-commerce MoneyAfrica conference in Cape Town this week, Neumann said cross-border shoppi was being driven by factors like competitive pricing and gaining access to products not available in a consumer's immedia market.

"If you build it, they will come," he said. But to capitalise on the steady growth of e-commerce and cross-border trade, retailers firstly need to ensure that they have an online presence. And secondly, it needs to be optimised for a user-friend shopping experience.

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The conversion funnel

Referring to the conversion funnel that is the online customer journey he noted that "of the 10,000 visitors to your site, only 60% will go to product area, only 30% will get to the shopping cart and only 3% will complete their purchase. And on mobi these numbers are much less."

These stats helped illustrate just how important each leg of the consumer journey really is.

Neumann identified the three keep phases of successful e-commerce:

Attract – through marketing or lead generation
Convert – with user experience
Retain – through delivery and customer service

Optimising e-commerce

Among his tips for optimising the e-commerce experience was to prioritise research, data extraction and analysis as your starting point. He also said to measure your marketing KPIs - traffic and conversion KPIs, channel-specific KPIs, and financial KPIs.

He emphasised the importance of having a secure payment method on your site. "Our Ipsos research states that half of all online buyers would purchase more if they were reassured by your check-out page. And one out of every five drops their purchase if forced to create an account."

He also spoke about harnessing the power of simplicity in terms of site design and what you're offering, saying that a "less more" approach works best because too many options mostly tend to confuse customers.

In the era of omnichannel retail, Neumann noted that it's vital to be consistent across all channels. While investment into physical retail can immediately be witnessed in a tangible way, e-commerce is an opportunity for high profit at relatively lo costs. Little considerations like having a geo-localised pop-up on your site and having delivery options clear visible can ma your site more attractive to international shoppers.

With Neumann stating that "58% of customers will abandon their shop if one's website isn't loading quickly," it's clear that customer experience could indeed trump product.

"Make your customer happy by creating the best buying experience possible."

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