Quick Wins for Maximizing Conversion During a Looming Recession

A playbook of Conversion Rate Optimization (CRO) quick wins you can implement today

Table of Contents

The economy faces significant challenges in 2023. The war in Ukraine, the continuing post-COVID supply chain issues, persistently high inflation, and raises in interest rates have combined to produce a stubbornly difficult economic situation, both in the US and globally.

Of all these issues, the ones that are having the most direct impact on consumers are inflation and interest rates. Inflation has most likely peaked. In the US, the CPI measure was at 6.5% in December 2022, compared to a high of 9.1% in June 2022. In the UK, and in the Eurozone inflation sat at 9.2% in December 2022.

But while all these figures represent declines, the damage to consumers may have already been done, as wage growth has not kept pace. It's left household budgets squeezed and spending power down.

In addition to inflation, rising interest rates are having a clear impact on the housing market, with mortgage costs rising for many households. At the peak of the crisis in the US, the average cost of a mortgage doubled, from 3.5% to 7%. The increased cost of financing mortgages is having a direct effect on disposable income. Added to this, anticipated falls in house prices are affecting consumers' perceptions of how well off they are, now and into the future. A similar story can be told in Britain and several other countries.

In this situation, online brands and businesses need to work out their priorities. Every company will be looking at where they can make savings and there will be pressure on budgets across the board.

When advertising and marketing spend is down, you need to find a way to create standout customer experiences and deep on-site personalization that can continue to drive revenue.

To help you understand some of the ways an integrated, 1-to-1 personalization strategy can help you achieve this, we've produced this guide. It's packed with quick wins and amazing tips that you can implement on your site. Use them to truly personalize the buying journey, boosting ROI in the here and now and positioning you for success in the future during this uncertain economic climate and looming recession.

Current Trends

The effects of the economic slowdown for eCommerce are not completely clear yet. But what we can say with some confidence is that the rampant growth of the last few years, where consumers had little else to do than make purchases online, has come to an end. What this will be replaced by remains to be seen, but we can at least see an outline of the new situation.

Ecommerce growth continues to slow

The good news here is that online sales are indeed still growing, even as we enter a recession. According to Digital Commerce 360, Q4 2022 saw growth of [7.7%](#), which is still much higher than the growth figures before the pandemic but continues the trend of slowing growth established in the latter part of 2020.

How people get online is changing

[Monetate's latest quarterly benchmarking report covering data from Q3,](#) shows the devices consumers use to shop have shifted globally, the most significant change is from tablet traffic, which has fallen by over 20% YoY. This is an indicator of people returning to work: Desktop traffic is up 4% YoY. Mobile traffic, which is still the biggest driver of online traffic, is flat.

Traffic is strong, but conversions are down

Traffic and browsing in categories such as apparel & accessories, health & beauty, department stores, outdoor & sporting goods, and specialty products have stayed largely the same. However, conversions are down: 9% in the US, 9.8% in the UK, and a striking 27.8% in the EMEA region, according to Monetate's latest quarterly benchmarking report.

Average Order Value (AOV) is also down (4% YoY). These declines show customers are happy to continue to shop online but are becoming more budget-conscious and discerning.

Personalization and the Customer Experience:
Why Do It?

The current environment for eCommerce has changed considerably since the end of the pandemic. The new situation can be characterized as one of:

• **Increased competition**

• **Constrained consumer spending, leading to slowing growth**

• **A tough economic outlook for the economy in general**

In this new environment, maintaining a relentless focus on personalization and the customer experience is essential.

Pre- and post-click alignment is crucial to maximizing value from ad spend

If you've just spent a big chunk of your precious marketing budget on a high-profile campaign, you need to make sure you're getting all the ROI you possibly can. Making sure what your customers see when they land on your site aligns with what spurred them to click through is a key part of this process.

Understanding your customers reduces bounce rate

For example, if you've got a sports star to feature prominently in your online ads, but when visitors click through, she's nowhere to be seen, your bounce rate will soon shoot upwards.

Understanding your visitors' intent, what's driving traffic to your site, and what the expectation is on arrival all contribute to post-click optimization. It means you can maximize ad spend and reduce customer acquisition costs, both of which are crucial during a looming recession and economic uncertainty.

Personalization directly affects conversion rates

This doesn't just apply to the page customers land on after seeing a high-profile ad campaign. To maximize conversions, you need to apply personalization at every step of the customer journey. If a customer's session behavior tells you they're interested in discounts, show them recommendations that include your special offers on Product Listing Pages (PLPs), cart, and checkout pages.

Personalization isn't an added extra that online brands can afford to drop when times get tough. Creating a customer journey that shows visitors you understand their needs and intent has a direct impact on revenue.

Conversion
Rate Trends

Conversion rates are down across the board

According to Monetate's Ecommerce Quarterly Benchmarking Report Q3, 2022, conversions are falling in all categories. The biggest drops are in building materials and electronic goods (over 47% down YoY), but home goods (17.8%), luxury (15.4%), and outdoor & sporting (11.2%) are also down.

Tablet and desktop are driving the falls, but mobile is down too

Tablet conversions show the biggest falls, dropping 20.8% globally, while desktop is down 14.6%. This might be expected considering the move back to the office, but mobile conversions are also down, if somewhat less severely, by 5.6%.

All statistics are from Monetate's Ecommerce Quarterly Benchmarking Report Q3 2022, unless otherwise stated.

2 Quick Wins for Improving Conversions

Using scarcity or popularity messaging with social proof provides a sense of urgency and gives your customers an extra reason to buy, helping your conversions over the line.

TRENDING

TRENDING

SOCIAL PROOF

30 BOUGHT TODAY

1

Use purchase messaging on Product Detail Pages (PDPs.) Displaying messages such as '30 bought today' beside your products is an effective way to move customers from browsers to buyers in an environment where discretionary spending is down.

2

You can also use social proof on Product Listing Pages (PLPs) or category listing pages to boost engagement earlier in the buying cycle. Automatically apply badges to popular, trending, or best-selling products to create a compelling reason for visitors to continue on the customer journey.
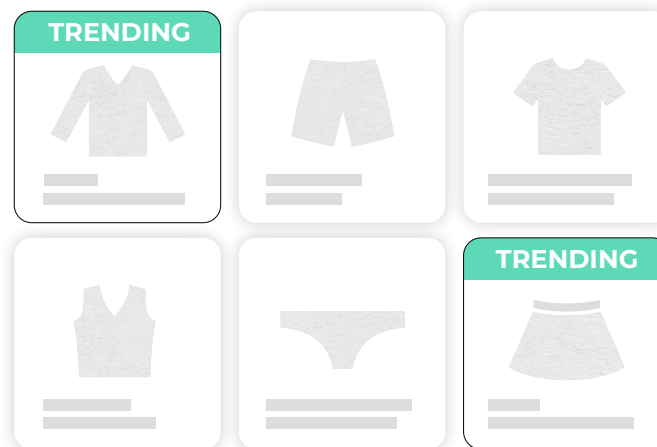
2 More Quick Wins for Improving Conversions

Badging provides reassurance, giving your customers the confidence to complete their purchase.

ONLY 2 ITEMS LEFT IN STOCK

PRODUCT BADGING

BEST SELLER
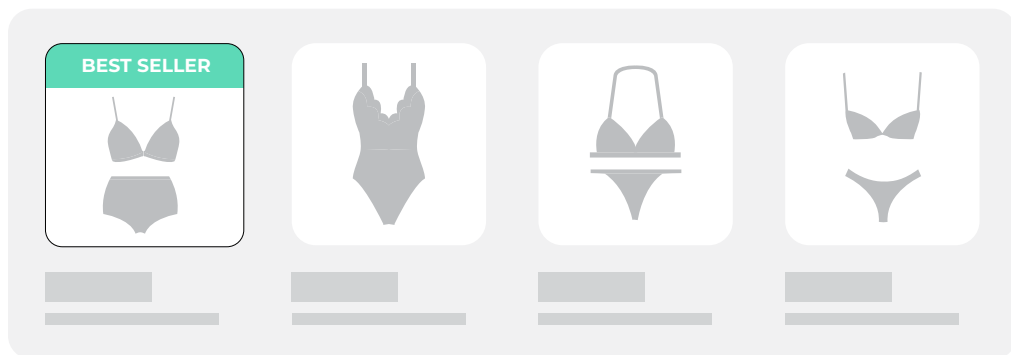
1

Highlight product attributes by adding brand-approved badges to products. You'll want to avoid 'badgeggedon' by layering in personalization to limit the number of badges shown. You can personalize badges against factors like:

- **New vs. Returning Visitors**
- **Category or Product Affinity**
- **Referrer Targeting (i.e., Instagram)**
- **Geographic Relevance**

2

Use machine learning algorithms to decide exactly which badges work best with different customers. Some will respond best to messaging alerting customers to how fast an item is selling, while others will want to feel part of a group of fellow purchasers before buying. Small tweaks in language can make all the difference, and dynamic testing can automatically allocate traffic to the winning variant.

Bounce Rates Trends

Bounce rates are up

Bounce rates are up YoY; 10.5% in the US, and 8.2% across all regions, according to Monetate's Ecommerce Quarterly Benchmarking Report Q3 2022.

The increase is driven by desktop

Globally, bounce rates on desktop are up 13.8%. But mobile is not that far behind, with a 7.3% increase YoY.

Engaging customers quickly is the key to success

These striking figures show the importance of fighting to turn every visitor into a customer, whether they're new or returning.

All statistics are from Monetate's Ecommerce Quarterly Benchmarking Report Q3 2022, unless otherwise stated.

3 Quick Wins For Reducing Bounce Rates On Product Pages

These personalization tips target visitors landing on product pages at the start of their session. They can help pull visitors into your site, engaging them from the get-go with relevant, consistent messaging.
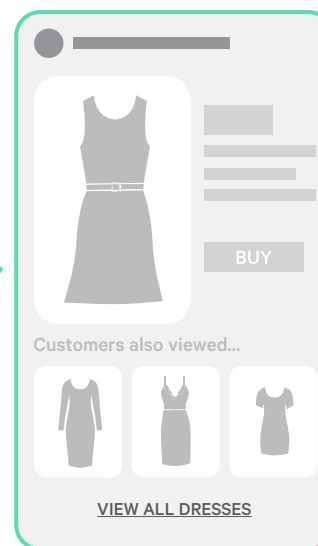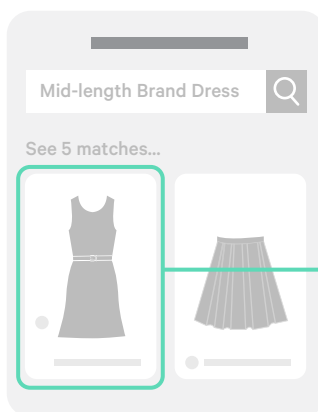

2

Align landing intent with well-placed links to relevant pages. Show a cut-down version of product detail page (PDP) with a link to all product details. Include: (1) a 'buy now' button which reveals buying mechanism, (2) 'also viewed' product recommendations from the same category, (3) a link to category product listing page.

1

A lot of visitors arrive on your product pages via paid or organic search. To reduce bounce rates, insert a simple and visible text link pointing back to your product's parent category page. Use JavaScript to automatically pull in the category name and hyperlink from your page's breadcrumb. Great for mobile experiences.
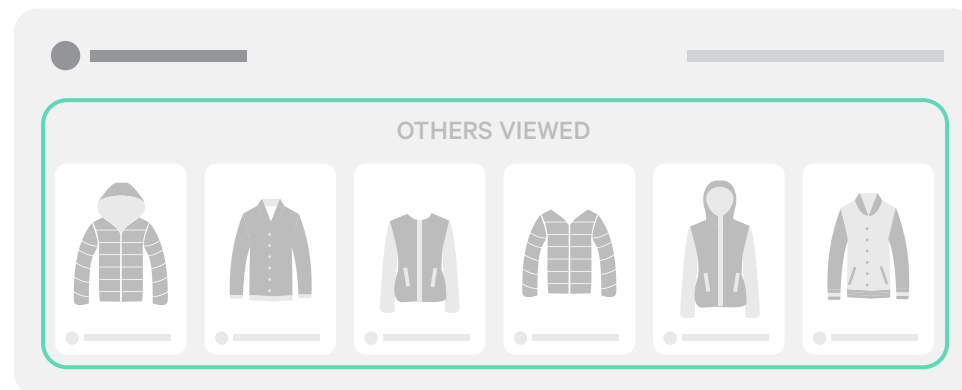

3

Introduce co-viewed products at the top of product detail pages (PDPs) when serving as product landing pages (PLPs). Not suited for mobile; best on desktop and tablet. Restrict listings to the same category or sub-category.

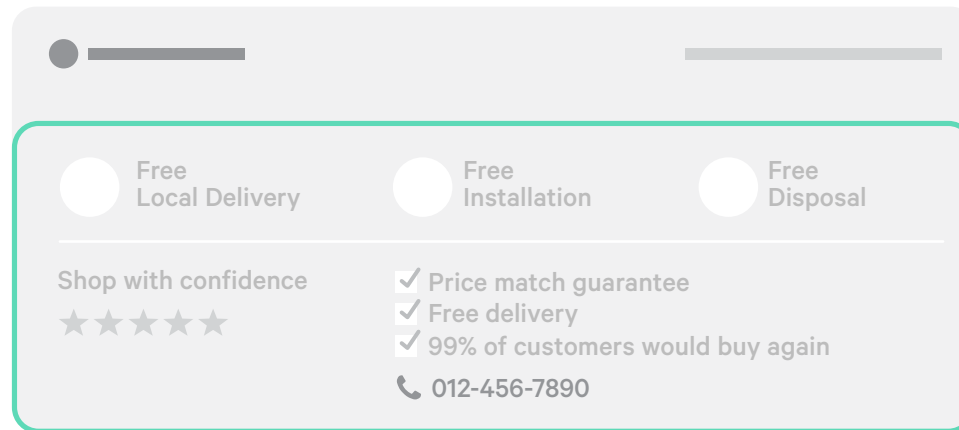# Quick Win For Reducing Bounce Rates On Homepages

Use machine learning's dynamic testing to pick the best content based on real metrics and automatically allocate traffic. Similar to A/B testing, dynamic testing can adjust traffic to the winning variant but in real time to maximize ROI. Use metrics like clicks or revenue per session to select the content used at the front of your carousel.
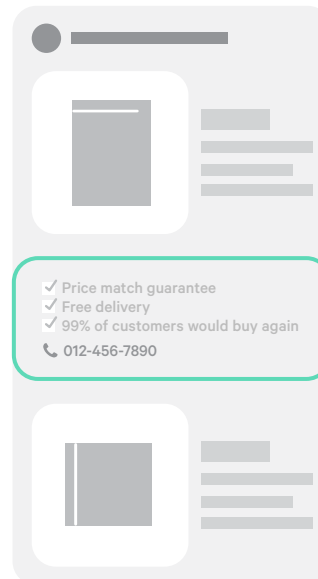

40% OFF

〈　　　　　　　　　　　　　　〉

SHOP THIS STYLE

SHOP MENS

20% OFF
FULL PRICE ITEMS

SHOP MENS

SHOP LADIES
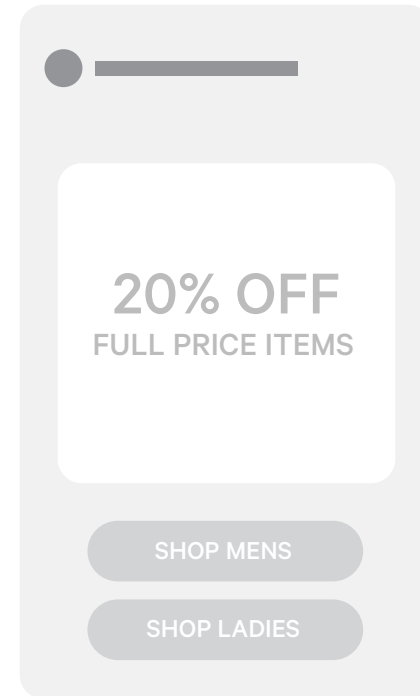
3 Quick Wins For Reducing Bounce Rates For New Visitors

Treat your new visitors differently from your returning visitors - not personalizing the new and returning visitor journey is a crime against profitability! Think 'landing journey' rather than just 'landing page.' Monetate has observed an increase in cart-to-purchase rate when visitors were exposed to more personalization in their journey.

Free
Local Delivery

Free
Installation

Free
Disposal

Shop with confidence

★★★★★

✓ Price match guarantee
✓ Free delivery
✓ 99% of customers would buy again

📞 012-456-7890

2

Consider expanding 'new visitors' segment to 'non-purchasers' as the same messages will resonate and you're only a 'new visitor' once. Call out unique selling propositions (USPs) and your Trustpilot rating if it's good. Include a telephone number to convey trust. If you're feeling bold, also introduce popular or best-selling products.

Based on paid ad content

Based on visitor location

Ad
4k TV Range | Reserve online
★★★★★

We ship to Australia in 5 working days

1

Insert content into product landing page (PLP). Include information to reassure customers further with: price match, social proof, and easy returns info.
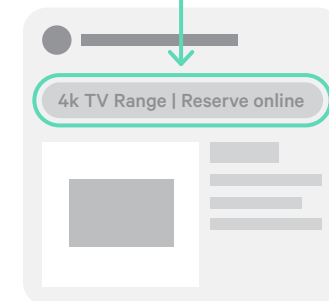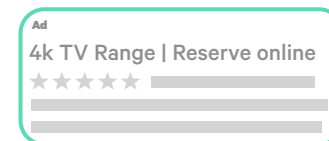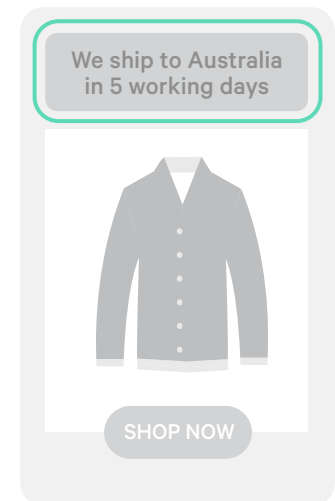
✓ Price match guarantee
✓ Free delivery
✓ 99% of customers would buy again
📞 012-456-7890

4k TV Range | Reserve online

SHOP NOW

3

Align pre- and post-click intent with the help of data. You can pull context with location-based targeting, and a landing URL (example.com/women/dresses) indicates intent. Ensure content and messaging continuity from your paid media with the banners and product recommendations on-site.
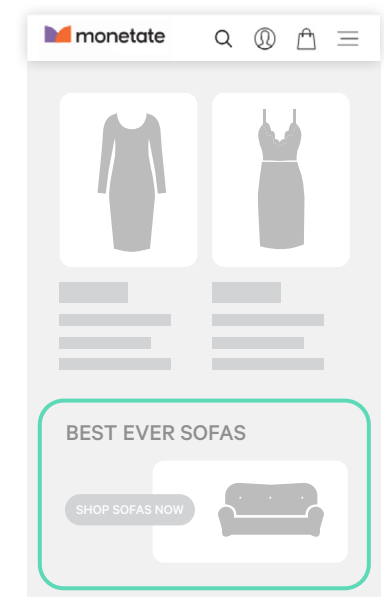
2 Quick Wins For Reducing Bounce Rates For Returning Visitors

With traffic essentially flat for everyday consumer goods and bounce rates trending upwards you'll need to make the most out of every session. Returning visitors present a great opportunity for personalization - you have data on these visitors to personalize their upper funnel journeys. Displaying content and messaging relevant to their position in the buying journey reduces the chance of them bouncing.
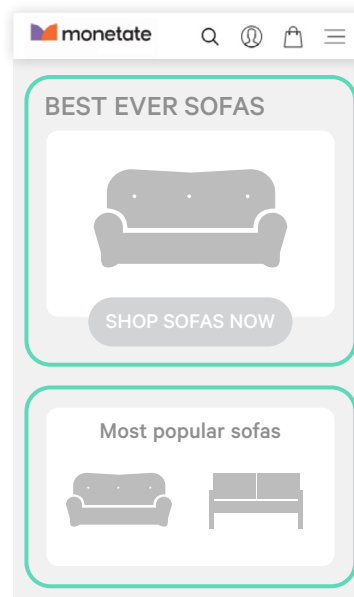
1

To help reduce bounce, create reusable personalization templates. Use them to insert banners or swap out or move content to make pages more relevant. Templates are a simple and scalable way to create a highly relevant homepage experience for returning visitors. Use product recommendation slotting ('recently viewed' or 'co-viewed same category not purchased') to reduce bounce rate further.

2

One of our favorite banner positions: Carry over banner to the bottom of product listings pages so that original category intent isn't forgotten: 'Oh right, I came to shop for new sofas.'

Reducing Bounce Rates for Returning Visitors by Maximizing Performance

Example pulled from Monetate on a sofa-interested segment: We've used intent from previous browsing habits, current cart data, the landing page, and traffic sources to serve personalized experiences to large segments of sofa-interested folks.

Using CRM data and machine learning, you want to make sure your personalization efforts are worthwhile and that changes made to your website meet the maximum appropriate audience.

To reduce bounce, you'll want to maximize the size of your segments to serve personalized journeys.
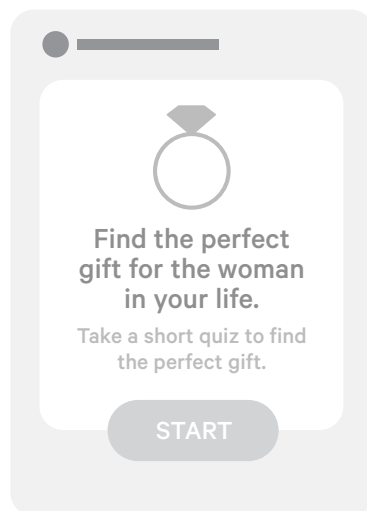
You can enhance your personalized experiences further by loading in your CRM data to expand the variety of your segments. Communicate with your marketing and data science teams to let them know you can use their data to personalize customer journeys.

Data loaded is useful for manually segmented experiences, and invaluable for machine-learning context. Load your CRM data (propensity models, RFM segments, VIP status, unsubscribe status, and gender) into your personalization platform to enhance and improve relevance.

Average Order Value

Average order values are slightly down

Globally, AOV decreased by around 4% YoY in 2022, although the US was flat, according to Monetate's latest [Ecommerce Quarterly Benchmarking Report Q3 2022](#).

## Shoppers are Watching Their Budgets

Day-to-day shopping categories (defined as Apparel & Accessories, Health & Beauty, Department Stores, Outdoor & Sporting Goods, and Specialty Products) are mostly unchanged in terms of traffic, browsing, and conversions, but Average Order Value (AOV) is down, showing a slight tightening of purse strings, according to Monetate's latest quarterly benchmarking report.
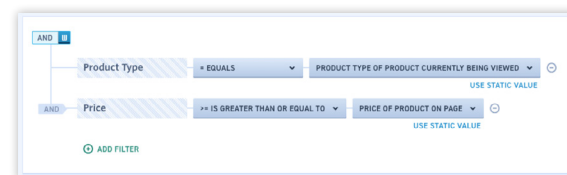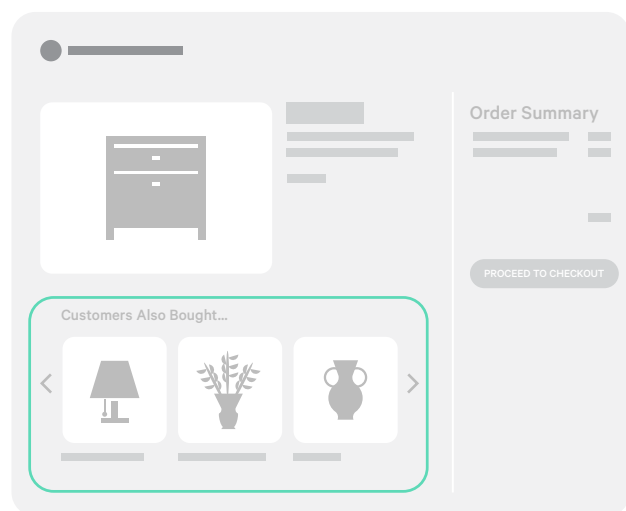
3 Quick Wins for Increasing Average Order Value

SHOPPING CART TIPS

MAKE YOURSELF RELEVANT TO PROTECT MARGINS

$95.00 $48.00 $51.00
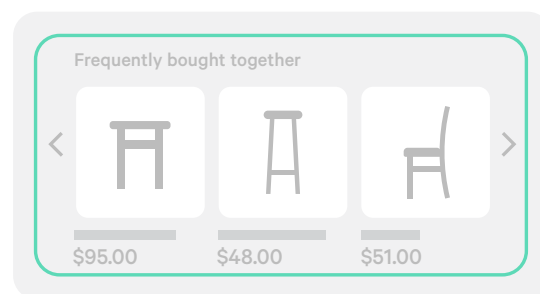
1 Ensure your product recommendations boost average order value by displaying highly relevant suggestions. Personalized recommendations that add value for visitors can boost AOV, even when targeting budget-conscious shoppers.

2 As well as showing product recommendations after 'add to bag' on product page, you should also display them in the shopping basket, as visitors can drop-off here and never come back.

Context is key. Machine learning can help show or not show the product recs based on likelihood to increase AOV or not.

Other things to consider:
- **Do not limit to categories within cart**
- **Add slots of 'Recently Viewed' or 'Trending'**
- **Include essentials and treats**

PRODUCT RECOMMENDATION BUNDLES

Frequently bought together

Total: $189.00

ADD ITEMS TO BASKET

3 Add product recommendations to product pages to create product bundles. Curate using your own product grouping or automate with algorithms.

Cart Abandonment Trends

Cart abandonment is now above 85% in the US

For luxury goods, the figure is 87%. Consumers are craving a dopamine hit, but not necessarily buying, according to [Monetate's Ecommerce Quarterly Benchmarking Report Q3 2022](#).
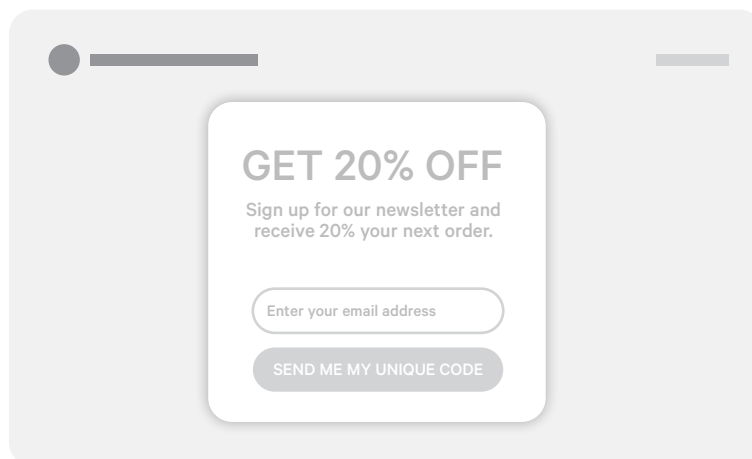
Reassurance is key

Provide messaging throughout the entire customer journey and segment to new vs known vs loyal where you can, to encourage visitors to check out.

Personalization versus optimization

Reducing cart abandonment doesn't start with optimizing the checkout process, it starts with personalizing the whole journey.

3 Quick Wins for Reducing Cart Abandonment

GET 20% OFF

Sign up for our newsletter and receive 20% your next order.

Enter your email address

SEND ME MY UNIQUE CODE

2

Target those who are exiting your site. Use exit-intent techniques (mouse movement on desktop and inactive time on mobile) to encourage those who are showing signs of leaving to stay:

• **Show offers, email sign-up forms**

• **Consider adding the contents of the abandoned cart so visitors can be reminded of what they are leaving behind**

Hurry! Sale ends in 2 hours 5 mins 23 seconds

$20.00 (-29%) $51.00 (-50%)

Order now! Only a few left!
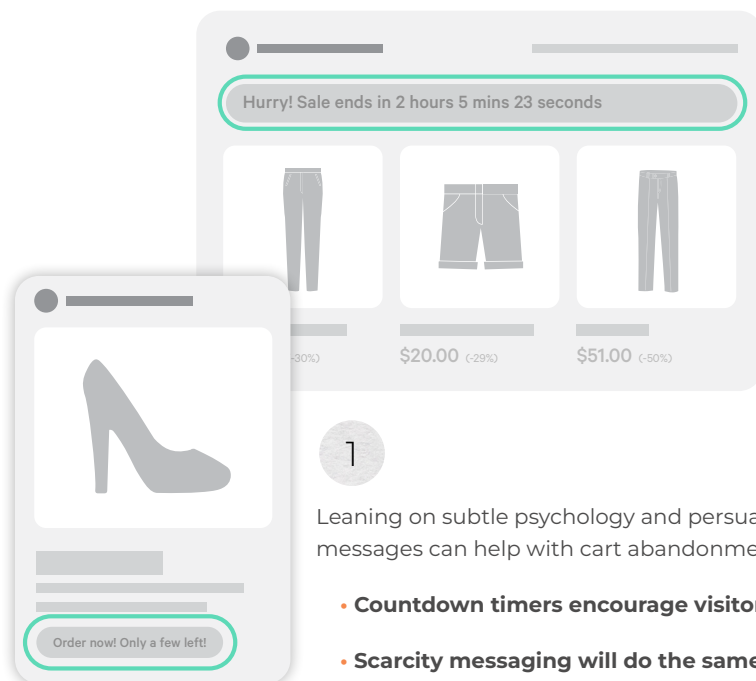
1

Leaning on subtle psychology and persuasion techniques and text messages can help with cart abandonment reduction:

• **Countdown timers encourage visitors to check out now**

• **Scarcity messaging will do the same:**
   • 'Currently in stock'
   • 'Stock not reserved until ordered on shopping basket'

WELCOME BACK

We've saved your items in the shopping basket

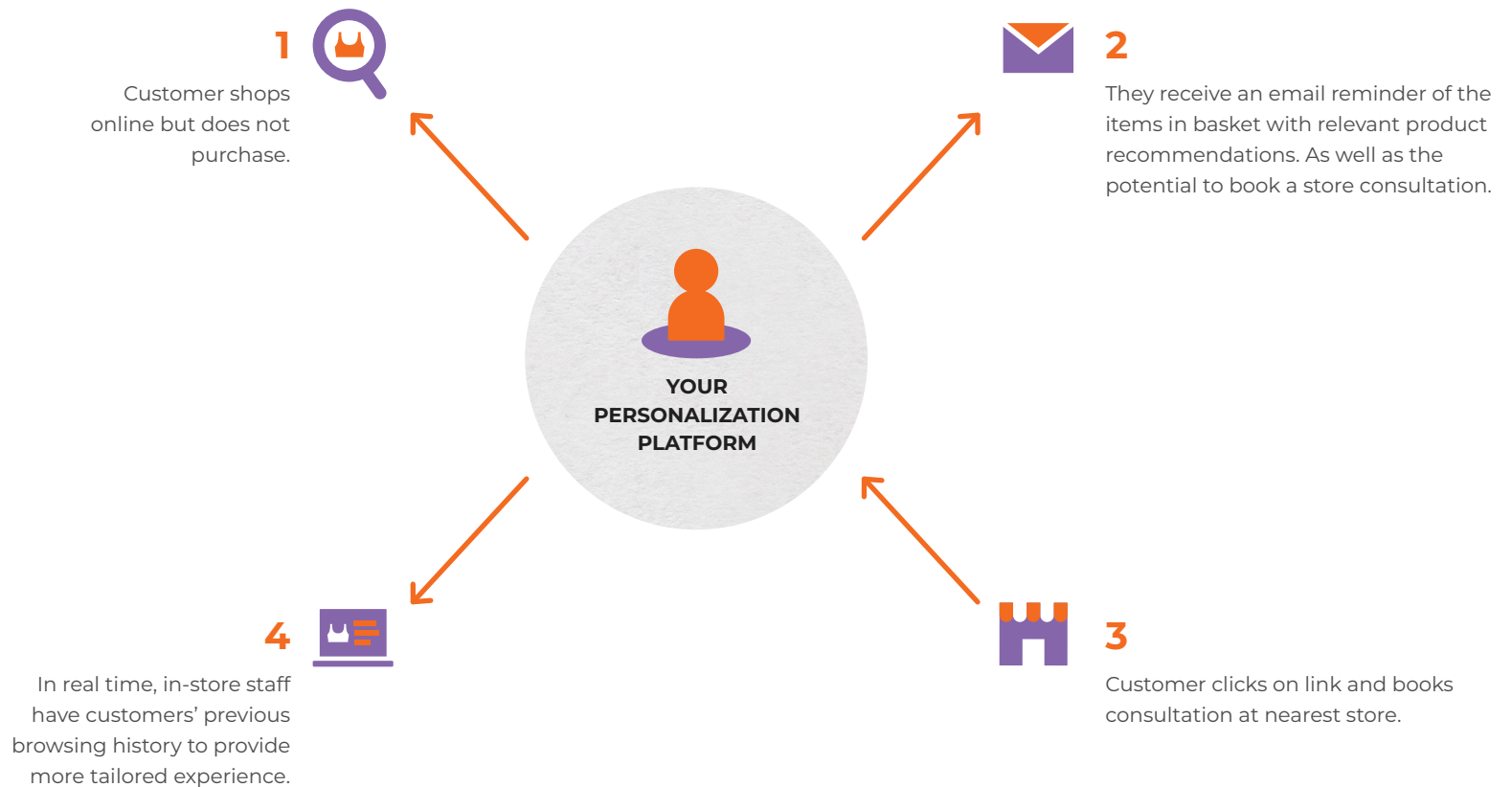VIEW BASKET

CHECKOUT NOW
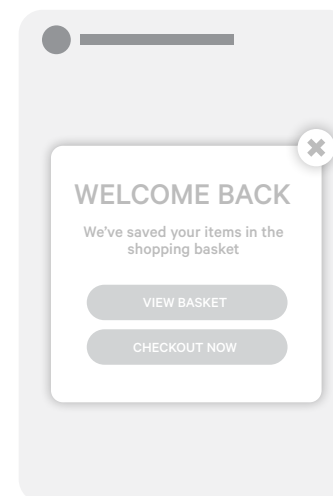
3

For people who had items still in their cart during their last session:

• **Make sure to welcome back returning visitors**

• **Remind them they still have items in their basket**

• **Consider increasing motivation using countdown timers and stock scarcity messaging**

• **Add discounts if appropriate**

If Visitors Leave Your Site

If the cart abandonment quick wins don't work, and if your personalization platform is truly omnichannel, you can consider this potential customer journey.

1 Customer shops online but does not purchase.

2 They receive an email reminder of the items in basket with relevant product recommendations. As well as the potential to book a store consultation.

YOUR PERSONALIZATION PLATFORM

3 Customer clicks on link and books consultation at nearest store.

4 In real time, in-store staff have customers' previous browsing history to provide more tailored experience.

Traditional Testing Vs. Machine Learning Trends

A/B testing can be costly and slow

In an environment where every click matters, you can't afford to lose valuable traffic to poorly performing variants.

Driving revenue is key

Given the present conditions, for most retailers, it's about driving revenue over learning at the moment.

Use machine learning to optimize traffic allocation

Dynamic testing strengthens your ability to personalize, creating 1-to-1, individual experiences for your customers at the same time as maximizing revenue by automatically allocating traffic to winning variants.

Personalization Platform Experience Types

Standard A/B Testing

WHEN TO USE

- Find a winner to suit your audience
- Interest in tracking multiple metrics against control
- Deep learnings
- Time to reach significance

Dynamic Testing

- Learn with smaller volumes
- Less time to reach results
- 1:many decisions
- Less data available
- Maximize performance in short time period

1-to-1 Personalization

- 1:1 Decisions
- Good quality data for decisioning
- Maximize performance over longer term

← Learning   Performance →

Key Takeaways

Every conversion matters

Traffic, browsing, and conversions are flat. Every visitor you can move towards the finish line with intelligent, 1-to-1 personalized messaging represents a win.

Get the basics right

Optimizing the customer experience post-click, providing a compelling customer journey, and using well-targeted, timely messaging are key to reducing customer acquisition costs and maximizing revenue from a reduced ad spend.

Make sure you're getting everything you can out of your personalization software

We've covered a lot of the features and use cases that Monetate Personalization can give you, but getting the most out of the platform means learning for yourself where and when to use personalization in the most impactful way for your customers.

Monetate's ease of use, combined with their after-sales professional services, means our clients' feature adoption rate is consistently high. Continuous engagement with our personalization experts means a faster time to value and maximum ROI.

Learn More about Maximizing Conversion from our Experts

SCHEDULE A DEMO

monetate

Monetate is shaping the future of digital customer experiences. Powered by patented machine learning, Monetate empowers organizations to use relevant data to make the most intelligent and personalized decisions across touchpoints. Capabilities such as testing and experimentation, recommendations, and automated 1-to-1 experiences give brands the ability to deliver the right experience at the right time to their customers. Monetate has incorporated powerful capabilities from Certona to provide the most comprehensive personalization solution, all within a single platform.

Founded in 2008, with a presence in the U.S. and Europe, Monetate is trusted by leading organizations around the world and influences billions of dollars in revenue every year for top companies such as Reebok, Office Depot, and Lufthansa Group.

To learn more, visit **monetate.com**

in **https://www.linkedin.com/company/monetate-/**