affirm

Driving digital growth

5 steps to improve customer experience and increase conversion

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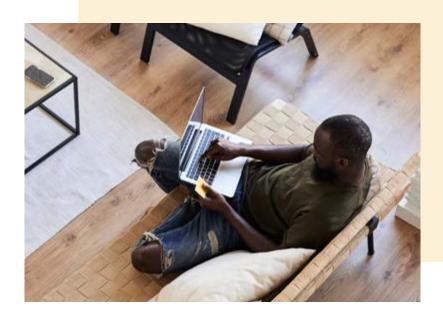
Introduction

Even before the coronavirus changed our world, the customer digital experience was important.

It's even more so now, and will continue that way in our post-lockdown reality. That's because delivering great customer experiences drives conversion and, ultimately, revenue.[1]

Every single interaction a shopper has with your brand shapes their experience and attitude. These interactions can be planned—customers might come to your site because your products are exactly what they need. But the interaction can also be incidental, like when shoppers stumble across your brand while killing time between meetings or browsing social media at 3 am.

Each of these touchpoints, planned or not, is an opportunity to wow existing and potential consumers, and nurture the customer-brand relationship.

But you need to make the best impression right from the get-go, because in this golden age of digital, customers have little patience for average experiences. Disappoint them, and they won't think twice about heading elsewhere.

62%
of customers will often abandon a brand for another when the online experience is poor.[2]

83%
of consumers believe the experience a company provides is as important as its products and services.[3]

84%
of consumers go out of their way to spend more money with a brand that provides great experiences.[4]

From average to amazing

Bottom line—if you want to increase conversion, delivering an exceptional digital experience for your customers should be your top business priority. That's why we've developed this easy-to-follow playbook, to help you transform your digital customer experience from average to amazing—and drive growth for your business.

Ready to get started? Let's jump in.

STEP 1

Take some time for <mark>self-reflection</mark>

The first step on the journey to better digital experiences is to take a good look at your current experience. This will help you understand your customer touchpoints across all channels, to see what's working well and what's not.

Most importantly, performing an audit of your current digital experience will help you find the perfect balance of marketing and communications to deliver impact where it matters—converting leads to customers. While it's crucial to anticipate customer needs and show up in opportune moments, there is such a thing as too much. Overzealous marketing can be a huge turnoff. No one wants to be bombarded with email, SMS, and push marketing campaigns—in addition to automated messages triggered when they abandon their shopping cart, or when there's low stock or a price reduction, while also being retargeted with display ads. That's what we'd call a bad customer experience.

Even if your brand doesn't use a complex ecosystem of channels and messages, this is still an important exercise to understand where and how you can better meet your customers and have a positive impact. Here's how to get started.

Plan your marketing with a holistic view

Think about your digital customer journey as a whole, not just as individual touchpoints or channels. Customers may interact with your brand at dozens of points—at different times in their decision-making process—and will be receiving various marketing messages before, during, and after those interactions.

Consider how all of the touchpoints and channels fit into the larger customer journey and work together to drive your business goals. A good way of doing this can be to document everything your customer may receive, and ask yourself:

- Are we showing up for customers at the main stages of their decision-making process (pre-, during, and post-purchase)?

- What are the messages customers get at each of those points, and are they personal, relevant, and useful?

- Are we missing opportunities? Where else could we connect with customers?

- Are the communications at each touchpoint complementary, and do they lead to the brand or business objectives we're trying to achieve (e.g., driving sales, engagement, loyalty)?

Set boundaries and define priorities

Now that you've found all the places you can and do connect with consumers, it's time to set some rules about when and how you'll connect.

If you're leveraging multiple outbound channels and types of communications—or planning to start doing so—set some boundaries around where, when, and how often you reach out to a customer within a day. Start with your main channels (e.g., email) and work down from there.

Next, look at prioritizing campaigns. Ask yourself, Is this communication critical? Is this type of campaign high performing (is it an engagement and sales driver)? If the answer to both is no, then chances are your customer will be fine without it.

Make it personal

Everyone wants to feel seen, so the more you can tailor and personalize your communications, the bigger impact you'll have. Indeed, 80% of consumers say they would be more loyal to brands that understand them and what they're looking for.[5]

To make your marketing and communications more personal, you can look to behavioral insights, such as previous shopping or search patterns. Use these insights to inspire the copy and imagery you serve people, and to tailor product recommendations.

A personalized customer experience shouldn't be limited just to marketing channels, either. Best-in-class brands personalize the entire site experience with things like suggested products and cross-promotion based on past purchases. For example, if a customer has recently purchased a bicycle, you could show them accessories such as helmets or cycling shoes.

80%

of consumers say they would be more loyal to brands that understand them and what they're looking for.[5]

STEP 2

Make the time online frictionless

About 90% of customers say when they interact with a brand online, they want a convenient experience.[6] So, to keep customers on your site and encourage them to convert, you need to identify and remedy any points of friction that might stand in their way. Here's how.

Take a data-driven approach

Your site analytics are a wonderful resource to help you better understand where consumer pain points are, and how you can overcome them.

Use Google Analytics or your e-commerce platform to review site data and keep an eye out for red flags, such as landing pages with high bounce rates, navigation paths that don't lead to your business objectives (e.g., conversion), and common points where consumers drop off.

You could even consider doing A/B (or split) testing of your site, by putting out two different versions and seeing which drives the better results. If you don't have the time to implement this yourself,

there are a number of tools available today that make A/B testing a breeze—Google Optimize (which integrates with Google Analytics), VWO, Optimizely, and HubSpot, to name just a few, but there are plenty more.

Conduct a manual audit

While site analytics can give you great high-level insights about where customers are falling off, a manual audit of common processes can give you a more in-depth picture of why.

How many times have you walked (or clicked) away from a purchase because something about the process annoyed you? Perhaps it was because the experience wasn't intuitive or took longer than expected? Or maybe you had a better experience elsewhere and decided to go to a competitor? Whatever it was, all the brand knows is that you left—not the reason why.

To help identify opportunities for improvement on your own site, take a walk in your customer's shoes. Go through the most common and important processes that they'd use, such as:

- Creating an account
- Adding/removing items from your cart
- Continuing to shop after adding items to cart
- Determining your cart total
- Joining your loyalty program
- Starting and completing checkout

If you get through all of these without wanting to throw your computer, then chances are you've got a great set of processes in place. If not, now's the perfect time to revisit them.

Observe customers in action

It's one thing to go through your site's processes yourself, but it's quite another to see your customers in action. So, to get an added layer of insight, look into tools that will help you see how customers navigate through your website.

For example, Crazy Egg and Hotjar are two tools that allow you to record site visitor sessions (maintaining customer anonymity, of course) so you can see how people digest content, navigate through various pages, and, ultimately, drop off. This helps add visual context to data trends—if shoppers leave a specific landing page without clicking or converting, you can watch where they scroll and what content they interact with before they leave.

90%

of customers say when they interact with a brand online, they want a convenient experience[6]

Don't forget about mobile!

The final piece of the frictionless-experience puzzle is mobile. Consumers frequently turn to mobile at different points of their shopping journey, and more often than not, mobile plays an important part in their decision-making process.

In fact, according to a 2019 survey, over 40M Americans are mobile-only internet users, which is about one-third of the entire internet population of the country![7] That's a huge reason to make sure your mobile experience is easy to use.

Mobile customers are interacting on a smaller screen, so anything you can do to declutter and simplify the experience is a bonus. For example, if you eliminate the need for customers to tap between screens by showing the cart total in the header you could see a 4.7% increase in conversion and 4.1% increase in revenue per visitor.[9] And, if you reduce distractions by hiding the chat window during checkout, you could see an 11.5% increase in conversion and 15.2% increase in revenue per visitor.[10]

4 mobile tactics

To get your mobile experience in the best shape, consider the following tactics:

1   Build a responsive site that translates beautifully from desktop to mobile.

2   Reduce inputs required from users and offer alternatives to text (e.g., voice, video).

3   Implement mobile payment options.

4   Increase mobile site speed—a 0.1-second improvement can yield an 8.4% increase in retail conversion.[8]

STEP 3

Develop immersive online experiences

As more and more people shop online, your e-commerce site is likely your main storefront, and your digital experience is your primary way of engaging with consumers.

This huge rise in digital commerce, particularly among new or low-frequency consumers, is expected to continue.[11] Which means brands have to find new ways to help consumers experience products without needing to touch, try on, or test them. Luckily, there are a number of things you can do.

Upgrade your copy

One of the most effective and low-tech things you can do to elevate the consumer experience is make your copy sing.

Words have power, and inspiring descriptions can help excite consumers and motivate them to buy. But be careful of becoming too showy—descriptions should be clear and detailed, and include important details like measurements, materials, size charts, and any other relevant notes.

Be clear and transparent

Consumers have little patience for wading through your site to find answers for common questions. FAQ responses should be easy to locate and understand—people shouldn't need a PhD to find out if your sizing runs small, or how they can track an order.

A lack of transparency can annoy loyal customers and send potential customers to your competitors. So be upfront about promotions, return policies, and shipping costs and terms.

Observe customers in action

Customers get a confidence boost when they read great reviews written by other consumers. Reviews provide social proof that an item is worth purchasing.

But customers are also circumspect if reviews look too good to be true. Don't break consumer trust by only including five-star, glowing reviews—give people a full picture of what their peers think by including all available reviews. And if for some reason you're not able to capture and incorporate customer reviews, you can include customer feedback or testimonials into your product pages.

Take Cole Haan as an example of how to do customer reviews right. This Affirm partner includes detailed review sections on each product page that summarize size and fit feedback, and also takes steps to verify reviews are from actual purchasers. In addition, customers can vote on whether reviews are useful or not, and sort them based on helpfulness, recency, and star rating.

Incorporate user-generated content

Seeing how other people use or style your products is another form of social proof that helps consumer confidence. This is especially true for apparel, accessories, and beauty categories, but also for other things too. Furniture customers might be inspired to buy when they see a photo of a couch in someone else's house. Shoppers in the market for home exercise gear could be motivated by a video of someone decked out in Lycra, riding their stationary bike.

63%
of cart abandonments are due to extra costs for shipping.[12]

76%
of customers trust online reviews just as much as a personal recommendation.[13]

Social media is a treasure trove of user-generated product images and, with the right permissions and credits, you can incorporate pictures and videos onto your site so others can see your products in action. Encourage consumers to tag your brand in their posts so you can easily find them.

There are a number of platforms that help aggregate social mentions and tags, which allow you to easily request permissions and then manage where content appears on your site. But if you're reluctant to invest in yet another tool, you can manually reach out via comments or DMs and ask permission. Specify what the content will be used for and save screenshots of exchanges to cover your bases. If you get the proper permissions, you can use these images for direct marketing purposes too—a great hack if you're unable to conduct photo shoots.

Leverage 3D product models

3D imaging and models aren't just the purview of luxury brands anymore. All it takes these days is a handful of photos and you can create a 3D model, which allows your customers a 360-degree view of the product.

There are a number of e-commerce platforms that make it easy to incorporate quality 3D models, such as Shopify. And the Shopify team has seen firsthand that 3D models can boost conversion rates by up to 250% when they are incorporated on product pages.[14]

Lean into new technologies like AR

We don't believe in technology for technology's sake, but there's definitely a time and a place for augmented reality (AR) in the online shopping experience. Brands are increasingly looking to AR to help bridge the online and offline experiences for shoppers during the global pandemic.

That's because AR gives your customers the closest shopping experience they'll have to holding the product in their hands. One company using the technology to its fullest potential is Warby Parker (an Affirm partner), offering customers the option to try on AR versions of their glasses.

49%

of furniture retailers say they plan to offer AR shopping in the near future.[15]

STEP 4

Create checkout that's a breeze

At this point in the shopping process, your customers have committed to an online purchase. They want to give you their money, but that's where things can get tricky.

Shoppers will not hesitate to jump ship at the last minute if you make checkout difficult for them. But fear not! There are plenty of ways to create an efficient experience that drives conversion.

Offer guest checkout

Don't you hate it when you have to go through the hassle of creating an account and profile when you just want to buy one thing online? Yeah, we do, too! That's why it pays to offer a guest checkout option on your site.

Giving customers this option is a great way to start a relationship and nurture them toward brand loyalty—even with guest checkout, you can still offer email opt-in. And if you want to encourage them to create accounts, incentivize shoppers with things like special deals, members-only advice, or access to experts.

28%
of customers cite the need to create an account as a reason for abandoning shopping carts at checkout.[16]

Make promotions easy to apply

If you're going to offer promotions, make sure they can be easily fulfilled at checkout—don't hide the promo code box! For promotions that are automatically applied, be sure to communicate that up front so customers don't get confused or frustrated during checkout.

Display checkout progress

If your checkout experience lives on multiple pages, consider adding a graphic to show customer progress. Setting expectations will prevent people from getting frustrated and abandoning the site.

No surprises, please

Surprises can be wonderful, but not in the midst of online checkout. Be upfront about all terms, conditions, and fees so your customers don't get a nasty shock and leave. About 50% of customers will abandon if they are confronted with extra costs at checkout.

Enable auto-detect and auto-fill

Leverage auto-detect and auto-fill capabilities for shipping address, billing address, and payment information, to make checkout as convenient and as fast as possible. It also makes checkout much less tedious if they're using a mobile device.

Offer multiple payment options

Payment is the final milestone in the checkout process. Make it easy and painless for your customers to add and use whatever their preferred payment method is—be it credit, debit, or your brand's private label card (PLCC). If customers check out on mobile, integrate payment with mobile wallet for ease of completion.

21%
state that a long and complicated checkout process is a reason to go.[17]

50%
of customers will abandon if they are confronted with extra costs at checkout.[18]

Another option to consider is flexible payments, which is a proven way to accelerate your business.

This benefits your customers by breaking down a purchase into more affordable payments and giving them options to pay over time. And it benefits your brand by helping attract and convert customers who may not otherwise be in a position to buy right now. In fact, Affirm pay-over-time customers deliver higher conversion rates (+8%), larger cart sizes (+85% average order value), and make purchases more frequently—they have a 20% repeat purchase rate.

If your brand has a private label credit card, don't worry about the pay-over-time option cannibalizing your PLCC sales. Offering flexible payments actually complements your brand's private label credit card.

If you're after a best-in-class checkout example, take a look at the Rad Power Bikes process. This brand incorporates everything we've mentioned above—no account required, clear terms, conditions, and messaging, easy-to-apply promotions, express checkout options available, etc. Customers can go from cart to payment in as few as four steps.

16%

of customers will abandon if they are confronted with extra costs at checkout.[18]

Pay-over-time benefits customers and brands

Jewelry retailer Kristin Coffin is just one brand seeing great results since partnering with Affirm. Conversion for the brand has gone up an impressive 16%, often due to clients opting for upgrades and customizations of features, like accent stones and different metals that they otherwise may not have been able to afford. These customizations add on anywhere from $100 to $1,500 a sale, and are happening at a much higher rate than they did in the past.

The best part? By using a pay-over-time option clients don't have to settle for anything less than perfect—they can get the piece of jewelry they've always dreamed of.

STEP 5

Ask for input

In order to create an exceptional digital experience, you need to know as much about your customers' wants and needs as you can. The best way to do that? Ask them!

Inviting input from customers helps take the guesswork out of experience optimization—you can double down on what's working and move away from what's not. It can also help you stay on top of trends, because as technology changes and consumer needs shift, so too should your customer experience. Here are some key ways to get to know your customers better.

Seek answers through surveys

There are a number of tools and platforms that help you execute surveys directly within your website experience. Or, you can also use free survey sites and send the link out via email to your customer base.

When implementing a survey, make sure you're not interrupting the purchase experience. Incorporate surveys on your homepage or on the purchase confirmation page to prevent impacting conversion— we already know that it doesn't take much for a customer to walk

away at that critical moment. Be strategic with your questions and only ask what you really need to know. If a survey is too long, customers will head for the hills.
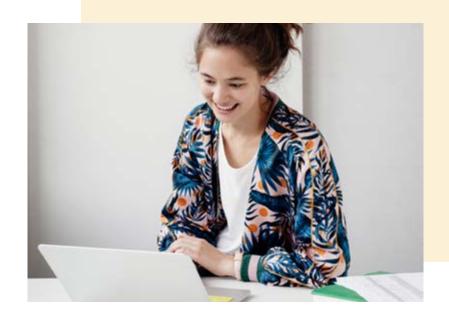
Conduct consumer panels

Surveys can be cost-effective, fast, and give you broad insights into large groups of consumers. But sometimes you need to dig down into the nitty-gritty and really understand why something happens. That's where consumer panels or focus groups come in handy.

These allow you to dive deeper and better understand things like what makes an audience segment tick or which product to put into production. It's wise to go in with prepared questions around what you want to uncover, but be ready to react and probe as the conversation evolves.

Leverage social listening

Social listening provides an opportunity to see what people are saying about you online. You can track social media platforms for mentions of your brand, then uncover opportunities to boost experiences for consumers. This is a great way to identify trends and issues customers may be having during their shopping experience that they might not outright tell you about, as well as understand how your audience feels about your brand overall.

There are plenty of tools out there (e.g., Hootsuite, Buffer, Brand24) that will aggregate all of your brand's social media mentions and tags and make it easy to identify key learnings and takeaways.

Conclusion

We truly believe that brands that strive for best-in-class digital consumer experiences will see growth well into the future.

That's because investing in the digital customer experience is a win-win. Consumers can get what they need, when they need it, with minimal fuss and bother. And businesses can expect to see positive growth in the areas that matter most to them, be that conversion, engagement, bottom-line growth—and everything in between.

Building better customer experiences is a process. You don't have to do everything outlined in this playbook, all at the same time. We suggest starting with a couple of tactics—the ones that make the most sense for your brand, where you can have the most impact. It could be as simple as streamlining your checkout process, refreshing your product copy, or adding customer reviews to your site.

Check out our blog

If you'd like to learn more about the changing nature of shopping, then check out our blog for the latest advice, trends, and insights. Here at Affirm, we're committed to helping your brand reach its full potential—today, tomorrow, and well into the future.

About Affirm

Affirm is modernizing consumer credit and changing the way people shop.

We enable customers to buy what they want today and pay in simple installments—boosting conversion rate and average order value. Our quick and transparent financing options (no hidden fees, no compounding interest) improve customer satisfaction and drive repeat purchasing. Affirm also enables retailers to expand their consumer reach— our advanced underwriting is designed to serve those overlooked by the traditional credit system. With a lightning-fast, mobile-first UI, we're built to seamlessly integrate with your checkout flow and make purchasing quicker, simpler, and more consumer-friendly. Learn how Affirm can boost your AOV at affirm.com/business.

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