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# How to Increase eCommerce Conversions

Three Best Practices for 2019



# Are You Set up for Success?

The eCommerce industry is awash with reports and predictions for merchants based on what we learned in 2018. But regardless of what new trends and technologies emerge in the coming year, eCommerce merchants are all focused on the same thing: **improving conversion rates**.

Cart abandonment rates remain high. Implementing new strategies to increase conversions is critical — but how will you decide which new initiatives to invest your time and resources in? To save you from sifting through the literally hundreds of articles out there on the subject, we've compiled this guide. We've narrowed down the 3 areas that will ultimately have the greatest impact on your conversions in 2019:

- 1. Smarter payment processing**
- 2. Personalized shopping experience solutions**
- 3. Voice commerce**

**“Companies must create online experiences that focus on four principal characteristics — all of which are rooted in neuroscience — to prompt a customer purchase. The experience must be: personalized, reflective, transparent, and use pleasing aesthetics.”**

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**GULIZ SICOTTE** in *The Art and Science Behind Every “Add to Cart”*



## Best Practice #1: Smarter Payment Processing



Giving customers options to make purchases the way they want to will be the mantra for 2019. There are already countless online payment methods available, but all signs point to a continuous increase in demand for even more options. Security and convenience top the list of things shoppers are asking for when it comes to payment solutions — and providing both will help merchants increase conversions in 2019.

Statista estimates **global eCommerce** revenue will hit \$4.88 trillion by 2021. Experts predict that close to **2.1 billion consumers** around the world will use a mobile wallet in 2019 — a 30 percent increase from 2017.

Market Research Future reports that the global mobile wallet market is expected to grow at CAGR of 40 percent and is estimated to reach a market size of **US ~\$5 billion** by the end of 2022.

**Mobile wallets provide a secure and convenient way to pay for things without having to deal with credit cards or cash. Some of the most popular mobile wallets for smartphones, smartwatches, or tablets include:**



Paypal



Apple Pay



Android Pay



Samsung Pay

Is your business prepared to meet the rising demand for variety in payment methods, information security, and a seamless checkout experience?

***Focus on these three areas of smarter payment processing for improving conversions in 2019.***

## Best Practice #1: Smarter Payment Processing

### DIGITAL WALLETS

It's all about friction - or rather, the lack thereof. Shoppers want payment methods that are invisible and pain-free. Online retailers that force buyers to complete lengthy credit card and billing forms fail to understand that a convenient, quick payment method like digital wallets **can significantly increase conversion rates**.

The adoption and use of digital wallets like Apple Pay is increasing and expected to generate close to \$190 billion in the United States by 2021 with the number of users projected to reach **over 60 million before 2020**.

This isn't just a **trend among younger shoppers**, either:

**50**  
percent

Approximately 50 percent of shoppers between the age of 18 and 38 say they regularly use a digital wallet

**40**  
percent

40 percent of Generation X consumers say they've used a digital wallet in the past 12 months

**17**  
percent

17 percent of baby boomers have adopted the technology

Consumers are turning to digital wallets — think PayPal, Google Pay, Apple Pay, etc. — to eliminate the hassle of having to fill out and verify credit card information for each purchase. Recent checkout optimization experiments conducted as part of the **Mobile Optimization Initiative** clearly demonstrate that 'less is more' and that simplification of the checkout process can have significant impacts on revenue across the board, including mobile, desktop and tablet.

Merchants who embrace digital wallet technology will improve the customer's checkout experience and increase conversions.

**“The connected customer has emerged as the driving force in a world of constant innovation, mobility, and disruption. New technologies have put customers in the driver's seat of the marketplace — giving them power over which brands sink or swim in the digital age.”**

2017 State of the Connected Customer,  
Salesforce.com

## Best Practice #1: Smarter Payment Processing



# CRYPTOCURRENCY

The news about cryptocurrency was a bit of a mixed bag in 2018, but the fact is that a growing number of consumers are turning to crypto for secure and low-cost online purchases.

While currencies like BitCoin are unlikely to displace more traditional payments in the near future, there are reasons for merchants not to discount the technology.

**“Consumers are increasingly receptive to non-traditional forms of payment and will make intentional choices to pick retailers that are more accommodating of them. As a result, understanding the nuances of cryptocurrencies is not only a valuable asset, but will lead to long-term success, growth, and customer loyalty in the highly-competitive world of ecommerce.”**

DIGITAL COMMERCE 360

- **Incentivizing loyalty**

A growing number of eCommerce platforms accepting payments in cryptocurrencies are leveraging loyalty programs and **offering rewards** that improve conversions and keep shoppers coming back.

- **Providing peace of mind**

Retailers saw a **record number of data breaches** in 2018, driving shoppers to prioritize the security of their transactions. The decentralized nature of the blockchain technology on which cryptocurrencies are based reduces the likelihood of fraudulent activity and helps **secure users' wallets**.

- **Reaching new markets**

There is a vast, **untapped market** of consumers around the world who don't use traditional banking. While crypto hasn't been widely adopted in North America yet, it's hit the mainstream in markets like Asia, where Altcoin ATMs have appeared in many convenience stores. Merchants who want to reach new markets — and stay ahead of this trend — should consider accepting cryptocurrency.

A growing number of experts recommend that innovative merchants **explore cryptocurrencies** as a form of payment. ECommerce merchants should pay close attention to developments in crypto and consider implementing cryptocurrency payment methods to enhance customer loyalty and security and increase conversions.

## Best Practice #1: Smarter Payment Processing

# SMART PAYMENT BUTTONS

We can't emphasize this enough: **friction in the online checkout process kills sales.**

PYMNTS Checkout Conversion Index reports that merchants with complex checkout processes **lose some \$236 billion a year** in potential sales to competitors who have streamlined the purchase process.

In short, to increase conversions, merchants must drastically decrease the steps consumers have to take to complete a purchase. For example, PayPal has introduced a smart payment technology that **eliminates the need to fill the checkout page with forms and payment options.** This could be game-changing for vendors who leverage it — and potentially dangerous for those who don't.

Consider these other Smart Payment Button features for streamlining the checkout process:



**Get Local:** Automatically present the most relevant payment options to customers based on their geography and device. Smart Payment Buttons allow merchants to offer local or alternative payment options without complicating the checkout process. It also enables merchants to accept payments from local wallets and funding sources, allowing consumers to pay using their method of choice.



**Streamline the Checkout Process:** Remove all barriers to conversion. PayPal's **One Touch Checkout** lets shoppers complete a purchase without entering a username, password, payment option, or shipping information. Over 96 million consumers have opted into the technology, and over 9 million businesses have enabled it. A recent comScore study found that 55 percent of customers said **One Touch Checkout motivated them to make more purchases.**



**Adopt Mobile Payments Options:** Provide access to a suite of checkout options. **PayPal and Braintree Direct** let U.S. merchants accept payments via Venmo — a wildly popular app **adopted by 68 percent of millennials** who use mobile payment applications. Venmo marries finances with social media and emojis, and vendors who accept Venmo payments stand to not only increase conversions but gain exposure when shoppers share their purchases.



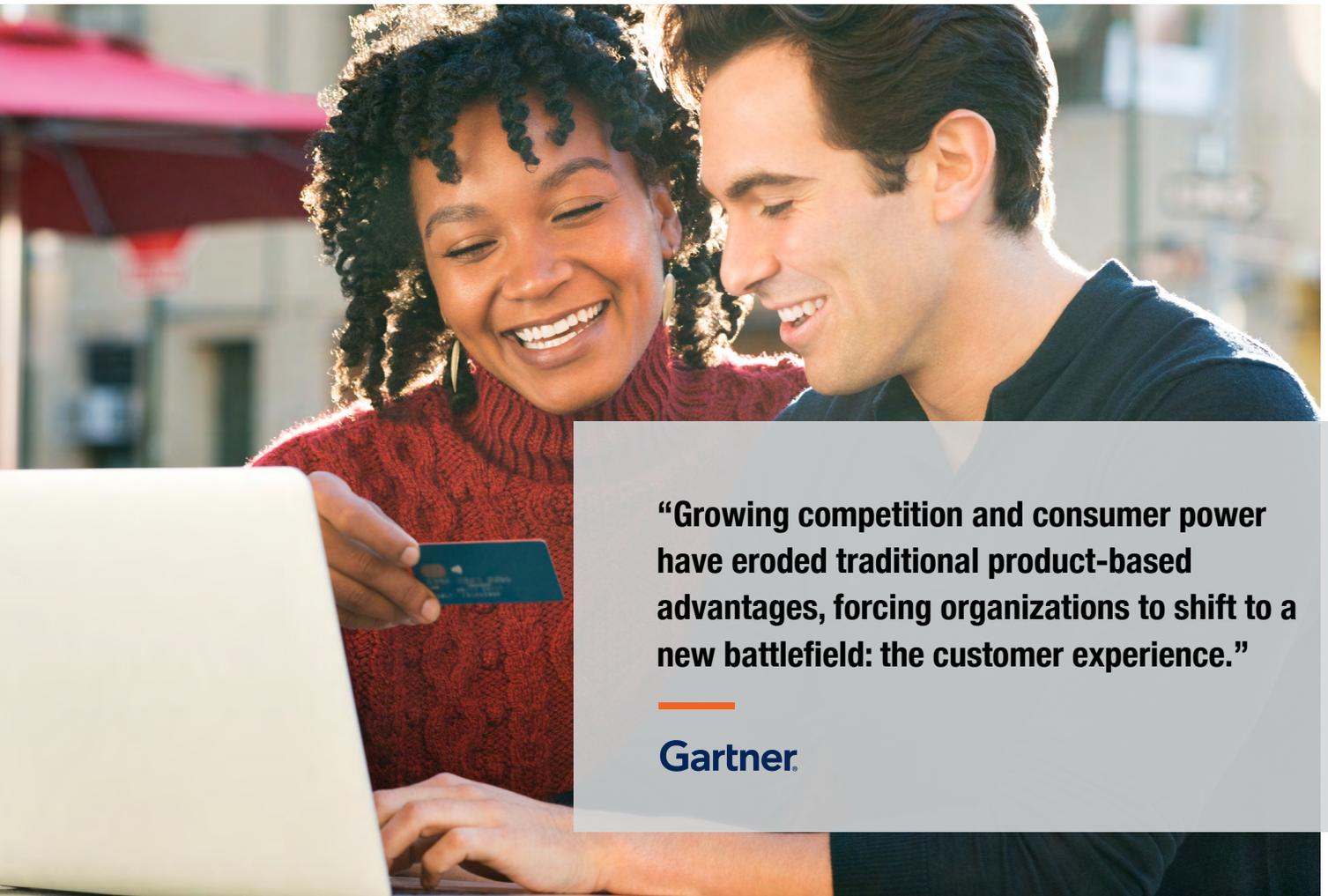
**Offer Credit and Financing:** Offering instant financing to shoppers provides another payment option that will drive an increase in purchases. Providing **PayPal Credit** can make a huge difference to your customers: 53 percent of PayPal Credit users say they wouldn't have made all their purchases without it, 21 percent say they spent more online because it was available, and PayPal Credit users spend 68 percent more per transaction.

## Best Practice #2: Personalized Shopping Experience Solutions

Online retail is no longer just about posting products on your website and providing consumers with options for how to purchase them. Online shopping has become an experience, and customers are demanding more, bigger, and better from merchants in exchange for their loyalty.

Vendors are turning to new technologies en masse to differentiate their brand, improve customer experience, and ultimately drive higher conversions. Virtual reality, artificial intelligence, and a future-proof eCommerce platform — any technology that **enhances and personalizes the shopping experience** will keep you competitive in the coming year. **Gartner** predicts that by 2020, smart personalization engines used to recognize customer intent will enable digital businesses to increase their profits by up to 15 percent.

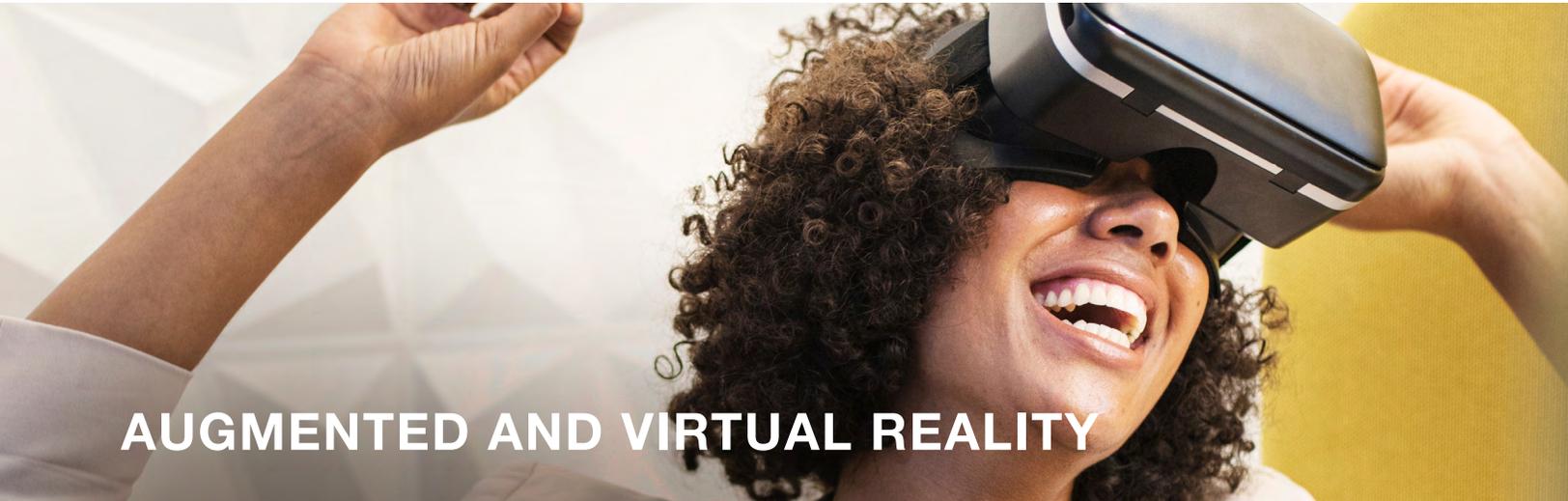
As part of your technology considerations in 2019, we recommend focusing on these three areas to increase conversions.



**“Growing competition and consumer power have eroded traditional product-based advantages, forcing organizations to shift to a new battlefield: the customer experience.”**

**Gartner.**

## Best Practice #2: Personalized Shopping Experience Solutions



Your customers are no longer content to order an item sight-unseen or take a trip to a brick-and-mortar location to get a closer look before committing to a purchase. New technologies that **tailor the eCommerce experience** to individual consumers are the way to go in 2019.

Many of the big-name brands have already demonstrated the potential of augmented or virtual reality. **Country Casual Teak** uses VR to let shoppers explore their showroom without ever leaving their homes. **SPEQS Limited** released an augmented reality app to let users virtually try on new glasses before ordering. UK cosmetics retailer **Charlotte Tilbury** developed “Magic Mirrors” to let shoppers experiment with the company’s makeup brands without ever putting anything on their face.

Incorporating augmented or virtual reality into your eCommerce model can help drive conversions in several ways:

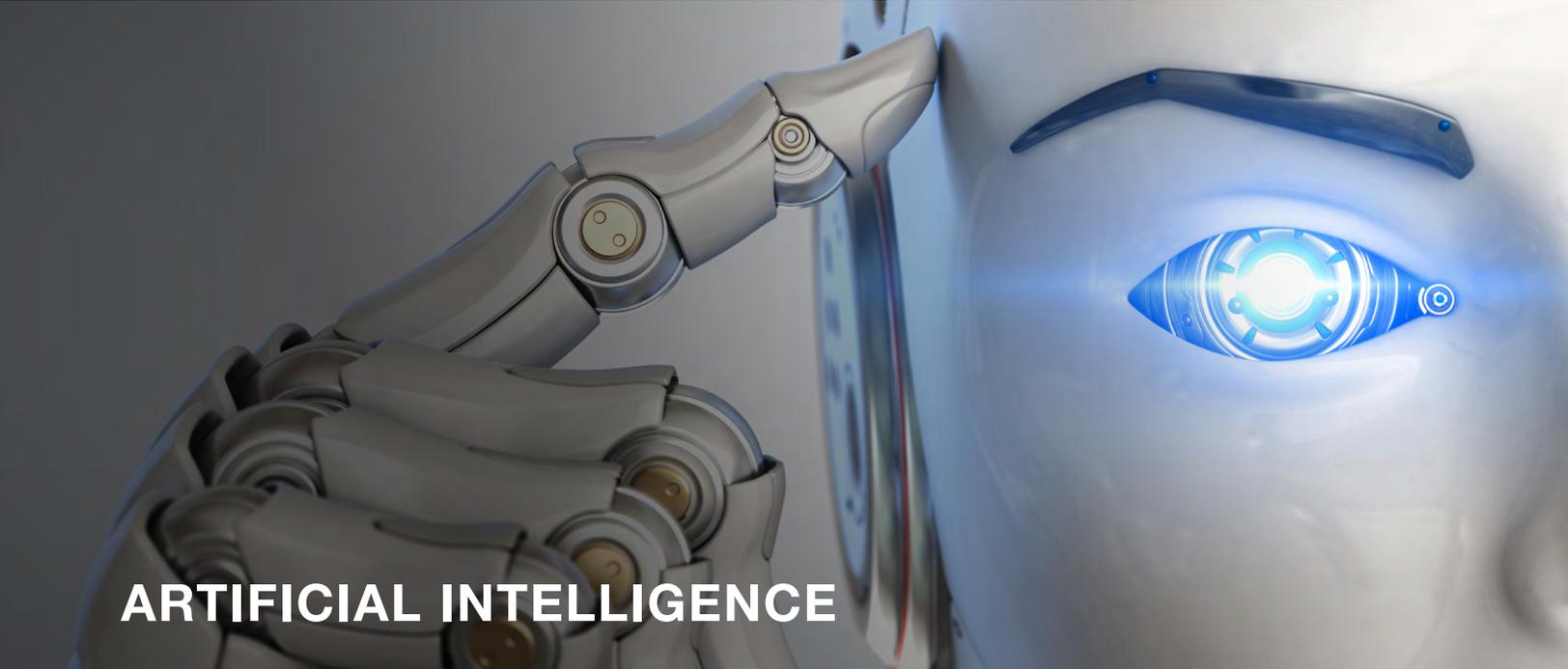
- Allowing customers to more easily manipulate and experience products before a purchase, helps to **bridge the “trust gap”** that results in abandoned carts. AR/VR offers an immersive experience that helps drive conversions.
- 66 percent of consumers are interested in virtual reality shopping, 63 percent of consumers think VR will permanently change online shopping, and 35 percent say virtual reality will encourage them to buy more items.

Augmented and virtual reality may sound like the stuff of the future, but that future is closer than you think. Investing in ways to enhance your customers’ online shopping experience is a must for increasing conversions in 2019.

**“Retailers need to be watching very closely because when vr hits the market adoption tipping point, it’s going to go fast and shoppers will be expecting to be able to shop from home with a vr experience akin to what they have in the store.”**

—  
**GARY HAWKINS**, CEO of the Center for Advancing Retail & Technology

## Best Practice #2: Personalized Shopping Experience Solutions



# ARTIFICIAL INTELLIGENCE

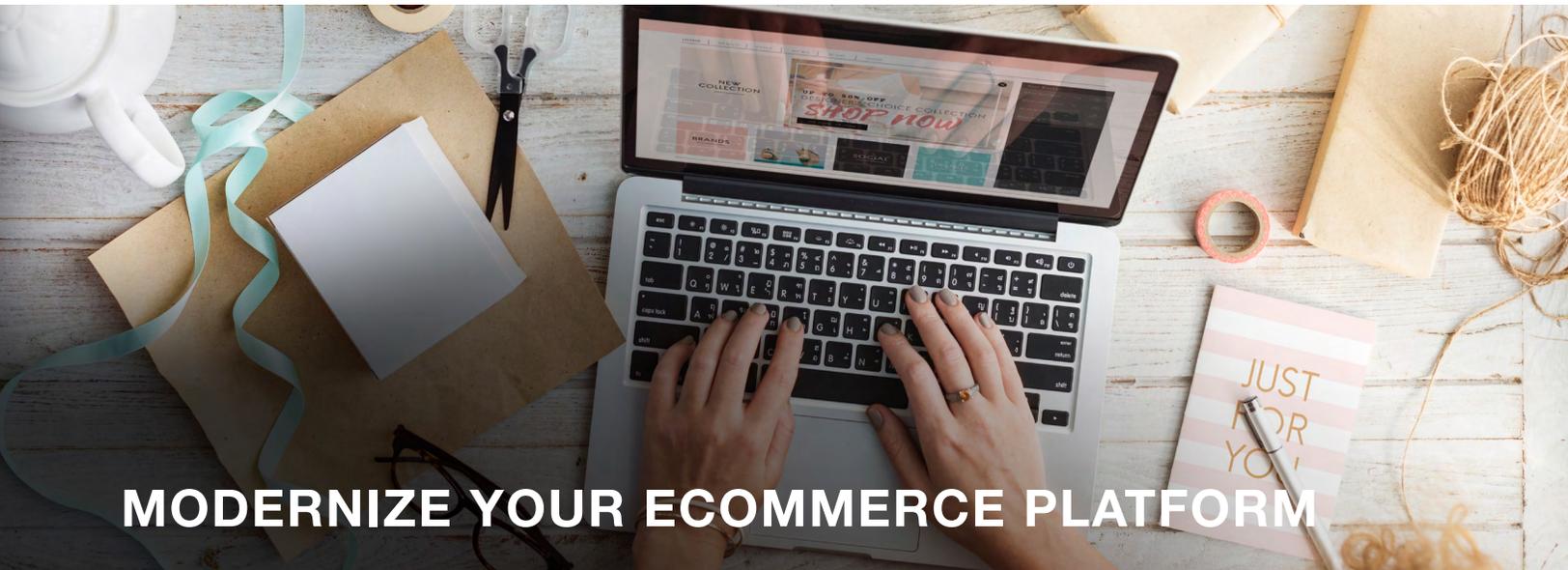
Artificial intelligence is already permeating our society in ways we don't even notice. Using technology to personalize your customer experience is no longer a "nice to have" — it's an absolute must. But shoppers aren't the only ones benefiting from AI: eCommerce merchants have more access than ever before to customer data, and leveraging that information can simplify business decisions. **Gartner predicts** that by 2022, at least 5 percent of digital commerce orders will be predicted and initiated by AI.

**Integrating artificial intelligence** into your online store will allow you to:

- Enhance the customer experience by providing a virtual personal shopping assistant that can deliver relevant product recommendations based on previous purchases and viewing history— increasing average order value.
- Improve customer service by more quickly responding to questions using AI chatbots — eliminating wait times associated with online inquiries and improving customer experience. Over 60 percent of consumers expect companies to respond and **interact with them in real time**. (There are already several chatbot extensions available in the Magento Marketplace, like **Webkul's Facebook Chatbot** — which can be integrated with your store to respond to multiple customer inquiries simultaneously.
- Stay abreast of trends by monitoring searches on your own site as well as relevant trending topics on social media. Using AI to gain a better understanding of what your customers want will allow you to anticipate their needs and improve conversions.

eCommerce platforms like Magento have made AI tool integration simple and cost-effective. As you develop technology strategies for 2019, don't overlook the advantage AI offers to eCommerce merchants for increasing revenue.

## Best Practice #2: Personalized Shopping Experience Solutions



# MODERNIZE YOUR ECOMMERCE PLATFORM

This is almost so obvious as not to bear mentioning, and yet it's an actionable item that many merchants overlook. Ensure your eCommerce platform is current so you can leverage the latest functionality to improve conversions.

**“Magento Commerce 2.3 includes many awesome features, and choosing from them is not an easy task.”**

SYED MUNEEB UL HASAN, Magento Developer and Blogger at Magenticians

**On the new Multi-Source Inventory feature: “The majority of our clients have multiple locations and warehouses. This is going to be a great built-in feature.”**

BRENT PETERSON, Magento Master, Wagento

**“In my opinion, GraphQL will become a revolution in Magento ecosystem. With the technology, it'll be possible to create PWA solutions that will create the user experience that's totally different from the one we've got today.”**

ÓSCAR RECIO SORIA, Magento Master & Certified Technical Director at Interactiv4

## Best Practice #2: Personalized Shopping Experience Solutions



# MODERNIZE YOUR ECOMMERCE PLATFORM

**Industry experts** are lauding Magento Commerce 2.3 as one of the best eCommerce platforms available. Ensure you're working with the latest technology to access the benefits your Magento eCommerce platform offers:

- **Smart Payment Button** - Automatically offer customers the most relevant payment options based on where and how they're shopping. Offer One Touch Checkout, Pay with Venmo, Paypal Credit, or local payment alternatives — just turn it on and let your customers enjoy the smooth experience.
- **Improved checkout process** - Dissatisfaction with the checkout process accounts for **close to one-third of abandoned carts**. Whether shoppers object to loading speed, lack of payment options, or being forced to create an account with all their personal information, the fact is that streamlining your checkout is a significant factor in improving conversions. Magento Commerce 2.3 offers a two-step checkout to replace the previous six-step process.
- **Mobile-friendly** - eMarketer estimates that by 2021, **mobile eCommerce sales will hit \$3.5 trillion** and account for 72.9 percent of all online sales. Today, mobile users account for **more than half** of internet shoppers — ignoring them is a great way to hurt your conversion rate. Magento Commerce 2.3 offers responsive design themes and a mobile-friendly checkout, allowing you to reach potential customers on any screen size.
- **Instant purchase feature** - Impulse buying accounts for a massive amount of retail sales. Nearly nine out of every ten Americans **admits to making impulse purchases online**. Traditionally, impulse buys in brick-and-mortar shops were close to the register for quick acquisition. Available since Magento Commerce 2.0, Instant Purchase feature reduces the time required to make a purchase by 90 percent by allowing customers to use previously stored payment and shipping information.
- **Built-in customer segmentation and personalization** - Customize your customers' experiences with dynamically displayed promotions and pricing to increase conversions. Magento Commerce 2.3 lets you customize content for shoppers by location, gender, order history, lifetime purchase value, wishlist contents, and more.
- **Dynamic rule-based product relations** - The latest version of Magento Commerce also includes a condition-based tool that lets merchants automate which products are presented as upsells, cross-sells, and related products to different audiences.

Keeping your eCommerce platform current by upgrading to Magento Commerce 2.3 is a no-brainer for merchants looking to improve conversion rates in 2019.

## Best Practice #3: Voice Commerce



Close to one-third of American internet users have used a voice assistant to look for product information or to purchase products online. Consumers — millennials in particular — expect intelligent technologies like **connected appliances and vehicles** to significantly influence their personal lives by 2020.

More significantly, one study found that 85 percent of respondents admitted a **virtual assistant's recommendation** had persuaded them to buy a brand other than the one they initially set out looking for.

While voice commerce isn't yet dominating the market, all signs point to consistent growth here (comScore predicts 50 percent of all searches will be voice searches by 2020). eCommerce merchants who leverage this trend are likely to see an increase in conversions. How? There are a few ways you can use the developing voice commerce market to grow your sales:

- Google reports that **52 percent of voice-activated speaker owners** want to get information about deals, sales, and promotions from merchants. Voice customers are virtually asking you to market to them — and such a receptive audience is an easy mark for increased conversions.
- Consumers who own a smart speaker tend to be younger, wealthier, and more likely to live in households with children. What does that mean? **Voice commerce will be shaped** by some of the most prized eCommerce demographics: young people, people willing to pay extra for convenience, and people who prefer online shopping for the time it saves them.
- Voice commerce, like so many of the other functionalities we've highlighted, **simplifies the checkout process** for consumers. Merchants prepared for this trend will offer customers the opportunity to buy something by simply asking their virtual assistant to make the purchase.

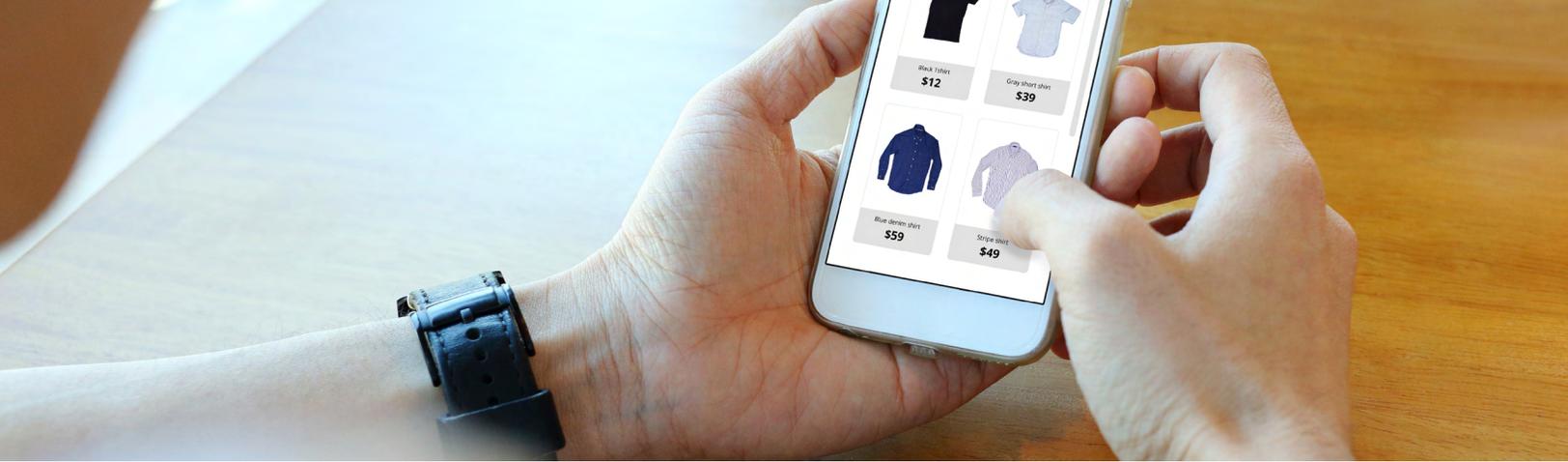
## Best Practice #3: Voice Commerce



Voice commerce is still in its infancy when compared to VR or digital wallets. It might be a little early to start leveraging it to increase conversions — but it's never too early to start preparing.

- Develop your store's presence in voice apps. Many digital home assistants offer APIs that allow you to create listings specifically for voice commerce. Netstarter has developed a **voice assistant** to enhance the shopping experience for both online and in-store customers.
- Implement a **voice SEO strategy**. Ensure metadata on your site is accurate and comprehensive; submit a sitemap to Google and claim your Google My Business listing.
- Watch for trends in your customer data. Pay attention to which items are most popular for voice commerce users. Is there a specific type of listing that attracts more voice-powered purchases? (If so, optimize the rest of your listings.)
- Make sure shoppers can use voice apps to make purchases in your store. Streamline your checkout process to remove anything that might make completing a purchase complicated or time-consuming.

Many of the other strategies we've suggested implementing are already in common use and expected by consumers. Merchants who want to stay ahead of the curve in 2019 should consider how they can leverage voice technology to improve the customer experience and increase conversions.



## Increase Your Conversions in 2019

**“eMarketer projects that online retail sales will more than double between 2015 and 2019 and account for more than 12 percent of global sales by 2019. Retail therapy is giving way to e-tail therapy.”**

### **NIELSEN'S** Global Connected Commerce

The world of eCommerce gets increasingly competitive every day. More and more merchants crowd the market with more and more alternatives in a bid to win consumers. Your conversion rate is probably the most critical metric you have — and definitely a factor to focus on when setting out a strategy for 2019.

Armed with these tools and strategies, you can confidently go forward and improve customers' experiences. Convert your casual browsers to buyers, and your customers to loyal followers.

**CALL NOW TO LEARN HOW MAGENTO COMMERCE CAN TAKE YOUR BUSINESS TO THE NEXT LEVEL**

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(for individuals in Europe and the Middle East)



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