How to drive Digital Commerce growth for wineries

Build a frictionless sales model that reduces sales abandonment and increases repeat customers.

Let's grow together

How to Drive Digital Commerce Growth for Wineries

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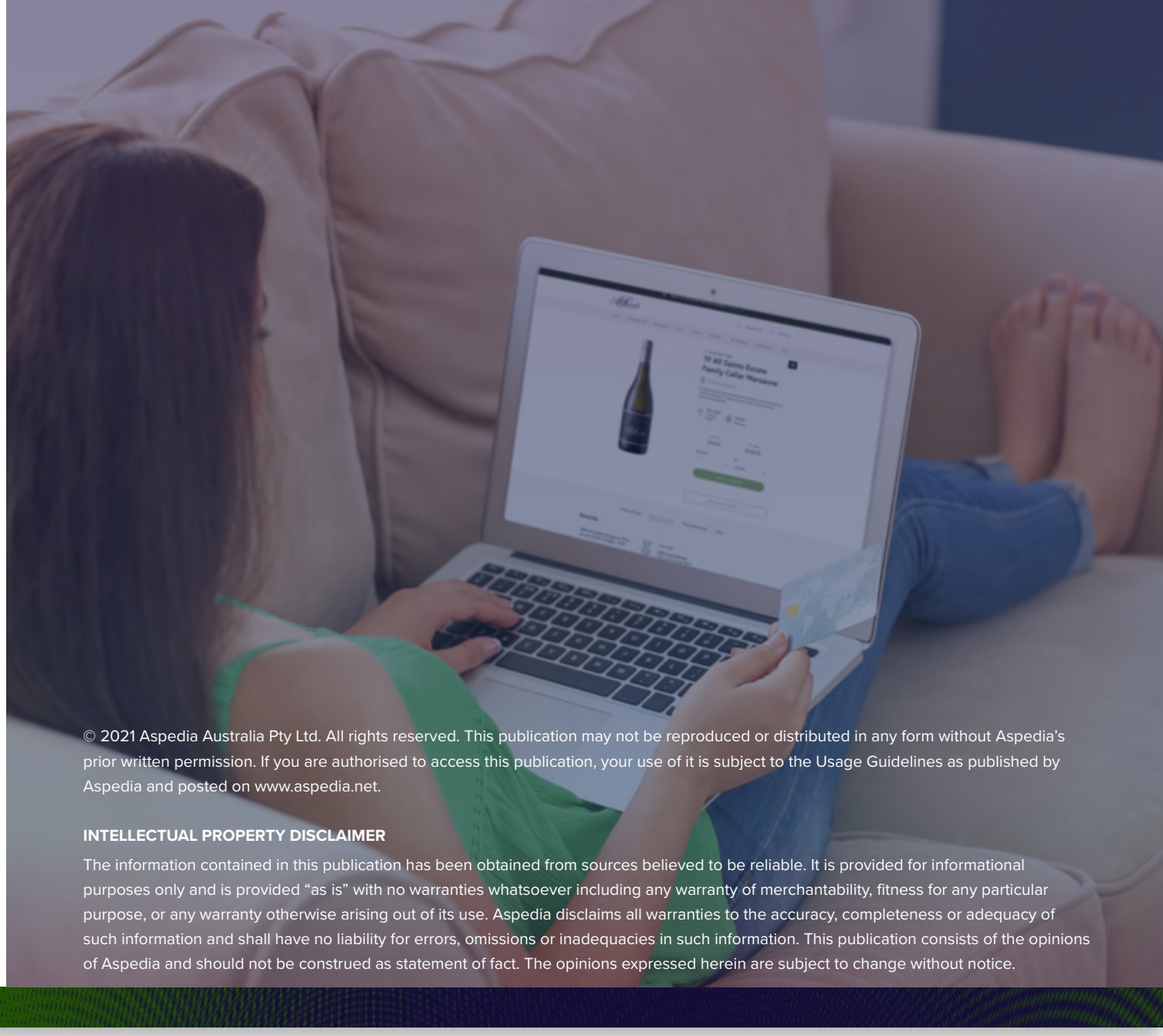
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Today more than ever, consumers demand choice.
Choice in how they communicate, how they engage, and how they purchase?

Recently, the premier global market intelligence firm IDC reported that during 2020 we experienced digital commerce adoption levels originally predicted for 2024!

Did you ride the wave? Or did you watch it pass you by?

Sadly most wineries deploy ineffective digital commerce strategies due to the lack of experienced resources available to them. And often, the web developers who they hire expecting to access this experience, have their university education under their belt but are significantly lacking when it comes to life experience. And in particular, experience in the successful delivery of strategic selling strategies!

Consumers today expect immediacy and consistency across all marketing, sales and customer service channels. The 'generational' landscape adds further complications as Baby Boomers, X-Gen's, Millennials and now Z-Gen's all have differing needs and expectations.

There is no question about it, the digital commerce landscape, and its associated customer interactions, has become increasingly complex over recent years, and the failure to adapt will be at your peril.

In this document, we explore the topic of 'Sale Abandonment' which is just one component of your 'Digital Commerce Strategy'. We will deep dive into the two largest causes of cart abandonment - Price Shock and Checkout Confusion, and look at the benefits of improved customer retention.

These are important topics with many intricacies that only experienced online retailers ever master. But when you master it, you will build consumer trust, reduce buyers remorse, improve customer retention, and significantly increase your sales conversion and profits.

Keep in mind that your digital commerce 'Direct to Consumer (DtC) Sales Channel' is usually your most profitable, if it's deployed correctly. The key is to maximise your conversion rate!

So where do you start?

So how are you performing?
Before you dive in, you should benchmark your existing performance.

First, we should look at the opportunity at hand. 'The Future of Australian Retail' reported that 72% of consumers choose to shop online, and IDC reports that 61% of all consumers expect to increase their digital commerce purchases over the next three years with millennials being more than twice as likely as Baby Boomers to do this!

So it's clear that your website's conversion ratio is going to become a more, and more, important success factor for your business.

It all starts with the design and creation of your website. In particular, developing engaging customer journeys that drive people through to your checkout page and efficiently converting those people into paying customers. Get this wrong, and all the time, effort and cost you have invested into your marketing to drive traffic to your website could be wasted.



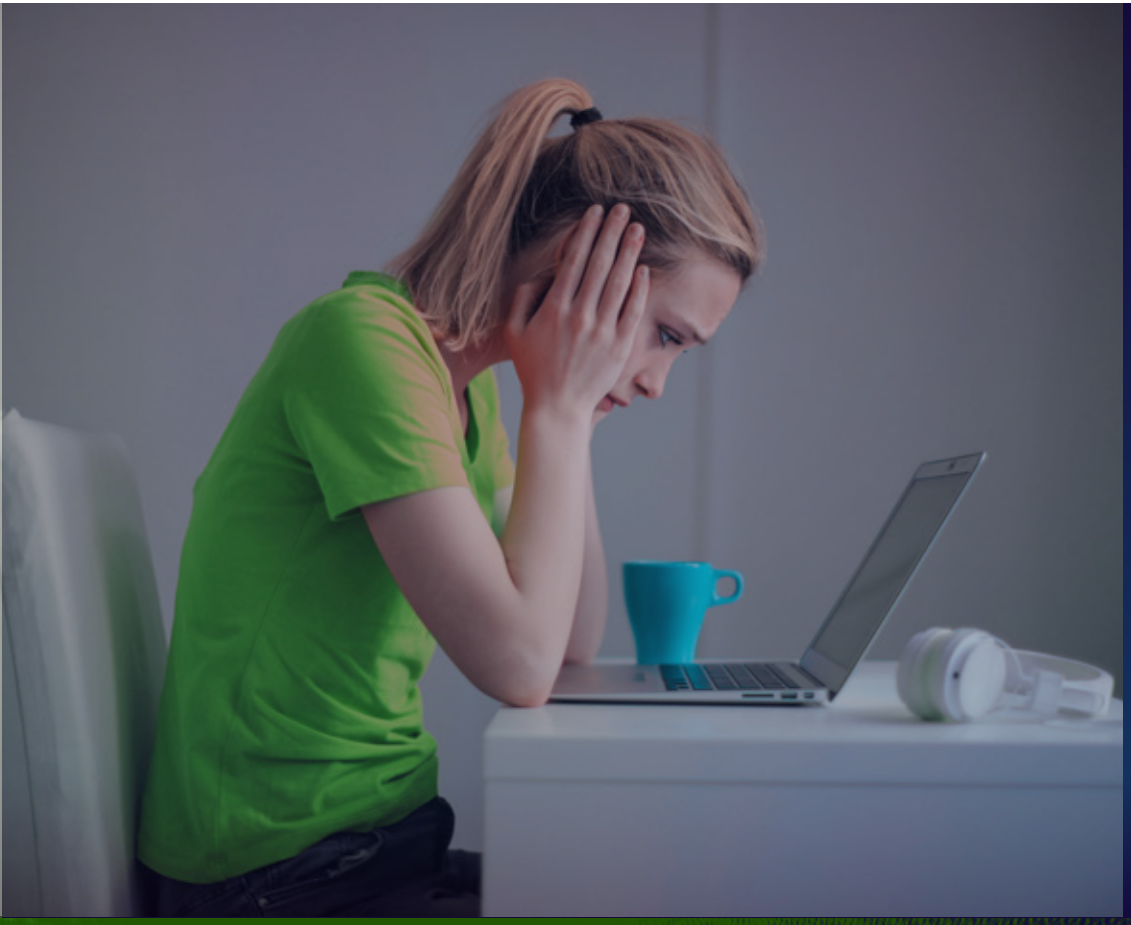
Source: The Future of Australian Retail

Up to 40% are just browsing with no purchasing intent. This is why the average digital commerce conversion rate for ‘Food and Drink’ is just 2.37%.



Source: Inside Australian Online Shopping

Up to 80% of consumers are shocked and angered by the inclusion of sudden ‘hidden’ charges in the checkout process, so they abandon the checkout and do not return!



There are multiple causes for sales abandonment in digital commerce processes. The largest cause is Price Shock from additional freight fees and other costs added to the checkout. But invalid coupons, or other discounts, not reducing the purchase price, will result in the same outcome.

I am sure you have experienced this yourself. You find the exact product you’re looking for, add it to your cart but on checkout, the price is increased! It now includes hidden costs such as freight, or taxes, or the coupon code you planned to use does not work.

Worst still, you’ve been offered a ‘first-time buyer discount’ but as soon as you enter your email address it’s removed! You have been penalised for being a loyal customer? How does it feel?

If consumers feel cheated, or misled, for any reason, then they will lose faith in the vendor and leave the site empty-handed.

The solution is simple

Do unto others .... Consider your own experiences and treat your website visitors as you would like to be treated yourself.

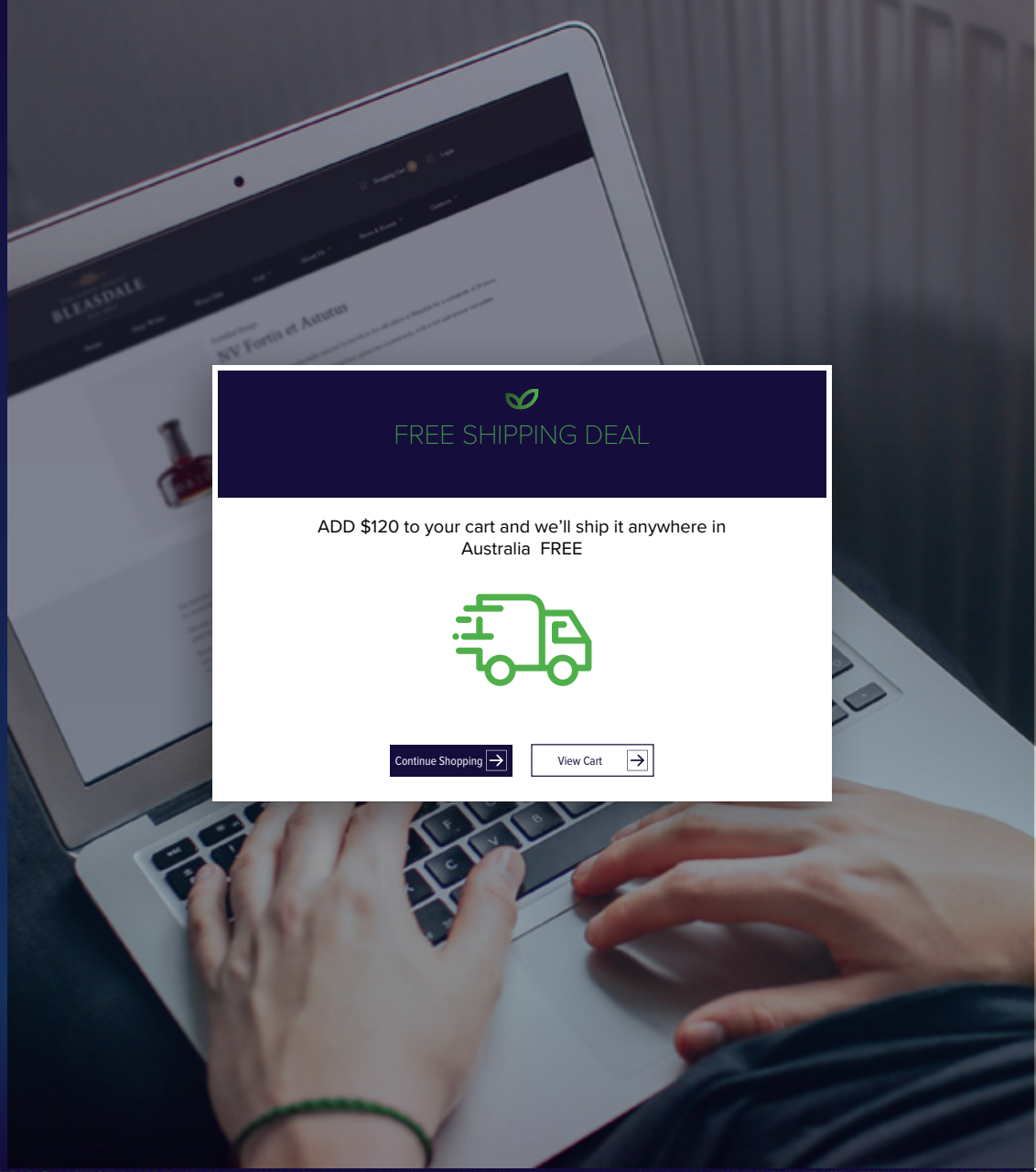
There are many strategies to remove price shock

The key is to be transparent and address the ‘elephant in the room’ by highlighting all additional costs before the checkout. Your shipping message could be presented on the homepage site message, as a pop-up site message for all visitors, or on the product page itself. Click to close ensures the message is acknowledged.

Sell the value

If you must charge a shipping fee, show the clients the amount upfront and ensure you devise ways to justify the price like prompt and fast delivery, or order tracking for their shipment as these messages are likely to motivate clients to pay shipping fees. Try to use freight fees with a positive call-to-action such as ‘Only $15 Nationwide Delivery’, or ‘100% Guaranteed Priority Shipping’.

It’s now clear a fee will be charged so abandonment is reduced significantly.



Offer free or complimentary shipping

Research shows that free shipping works. We know that 74% of all online shoppers rate free shipping as an important factor when checking out. And, 36% say it's the most important factor they consider!

So rather than discounting your product pricing which also decreases your brand equity - you should offer free or complimentary shipping. Using the term complimentary can be very powerful, instead of free, as it infers a fee should be charged, but it's been waived for them.

Further value can be added with Complimentary Shipping and Insurance, as this has shown to provide a further uplift to conversions.



Customers are happy to qualify

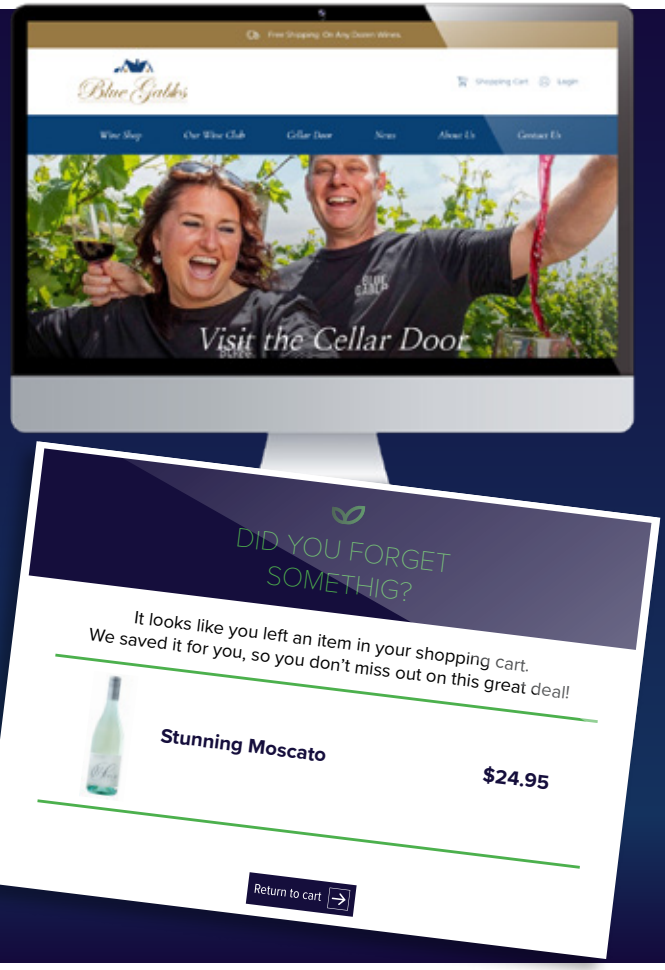
Keep in mind that your customers are happy to 'qualify' for Free Shipping.

Try using campaigns such as 'Free Freight over $250' as these campaigns have been shown to increase the cart value by 30%. This pays for the free shipping whilst improving the shopping experience to increase overall customer satisfaction. It's a win-win.

Send cart abandonment emails

Your visitors could be multitasking while browsing making it hard for them to complete a purchase. You can help them complete their purchases by sending emails immediately after a cart is abandoned to ensure a shopper is motivated to return and finish the purchase.

This can be an extremely valuable process as up to 46% of cart abandonment emails are opened, and 21% opened are clicked. This results in 11% of all email recipients returning to purchase and an average revenue 'per email sent' of $6.00.



Now that you have removed the 'price shock' factor you can be confident that when your customer does reach the checkout this will not be the reason they abandon it if they do at all.

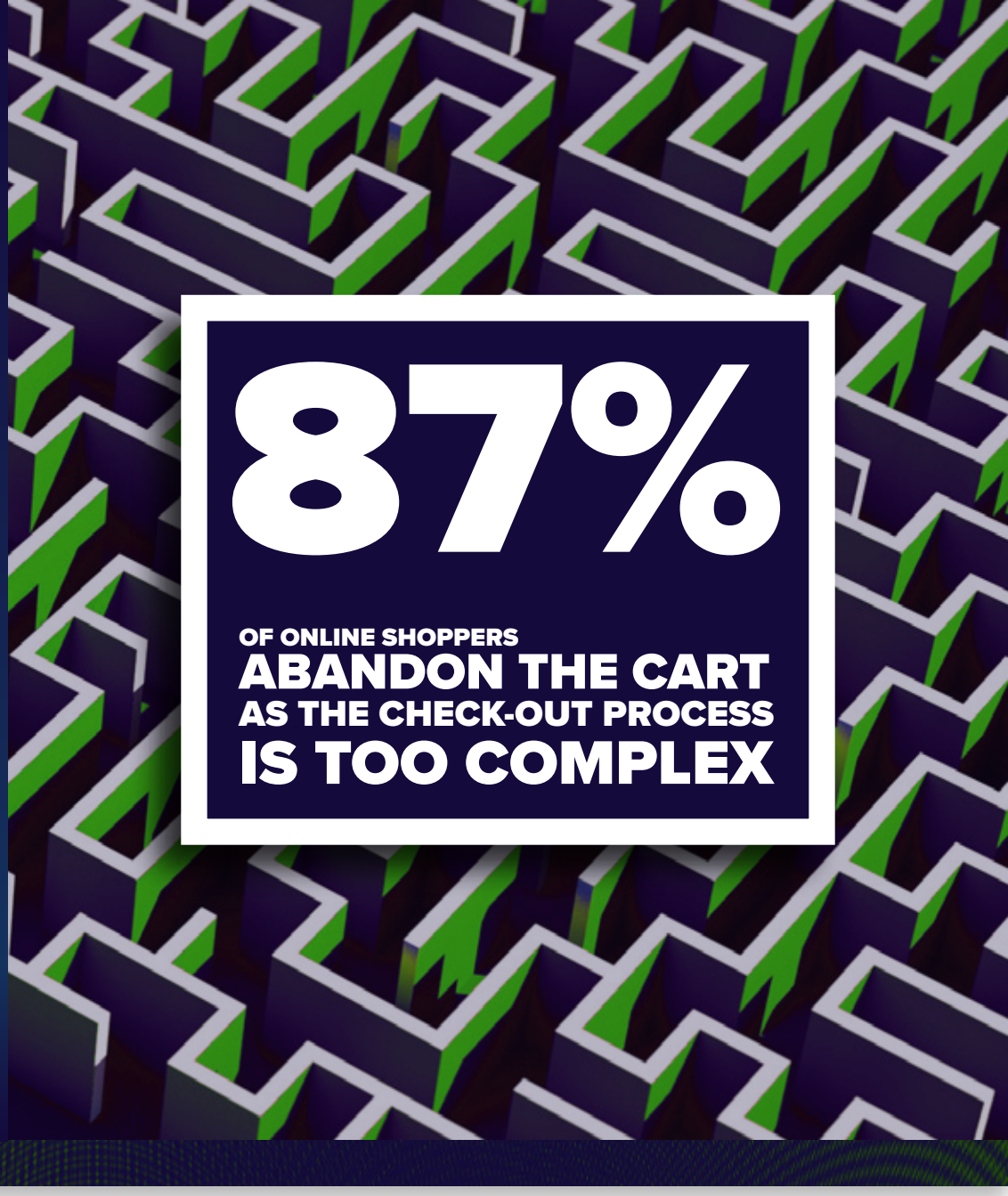
Frictionless Buying Process

Every customer visit is your opportunity to deliver an amazing shopping experience to build trust and credibility and encourage repeat business.

Don’t get lost in the maze of technology!

A recent study reported that 87% of online shoppers abandon their shopping carts if the process was too difficult, with 55% saying they would never return. The two largest reasons for this sales abandonment are forced user account creation and complicated checkout processes.

These issues cause sales friction providing customers with reasons to abandon their shopping carts, and many never return. So wherever possible you should aim to reduce this friction from the buying process to ensure your customer’s experience is memorable for all the right reasons.

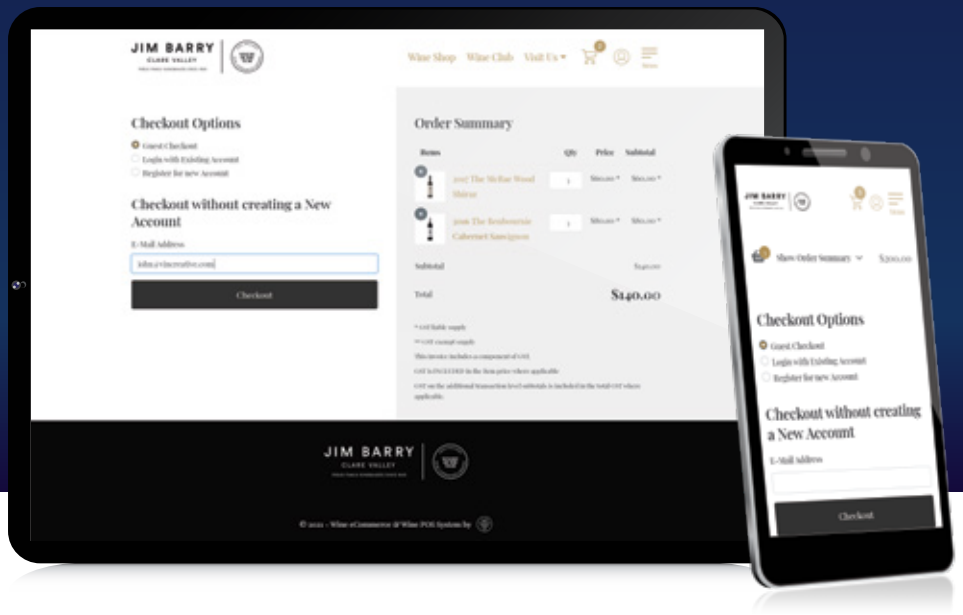


Guest checkouts remove friction

Over 35% of shoppers abandon their shopping cart if they are required to create an account. Yet many wineries, and their software providers, still insist on customers creating one. Why, when the abandonment rate is so high?

Many first-time customers just want to quickly buy some wine, and move on. They are not interested in handing over their personal data as they want to test out your product and service. Guest checkouts address this immediate need for both your customer and yourself - they get their wine fast and you get a sale!

So why would you force them into such a high abandonment rate process, instead of providing them with a 'Guest Checkout'?



Data collection for marketing

Of course, you should always be seeking to engage visitors and to collect their data so that you can market to them later. And this should be encouraged across all aspects of your communications strategy, not just your website.

To achieve this you should plan out offers, and user journeys, then utilise 'calls to action' to entice visitors to participate. Your Rewards Program and Wine Club should be the cornerstones of this strategy, allowing you to offer value and build a trusted and valuable long term relationship.

If your customers have a positive experience and do not feel pressured, you will build this credibility and trust. They may not choose to hand over their personal data on the first purchase but they will be more inclined to return and buy again. Next time they visit, they will be more likely to provide their details in order to receive incentives that you offer them.

Post purchase data collection

When visitors purchase they willingly enter billing and shipping details which can be used to create a User Account after the purchase is complete.

At this point you have all the data, you have delivered a fast, secure and frictionless purchase process and your customer is excited. It's the perfect time to encourage guest purchasers to register. And it's as simple as them clicking on one button to do so - no additional data is required.

So, consider adding a process on the Order Summary page 'Thank you for your purchase. Click Here to register now and receive a 10% discount on all your future purchases for the next 12 months.

Offer your customers options and choices

The standard offerings in the checkout should be guest checkout, sign-in for existing customers, and register a new account for new customers. A call-to-action next to the 'Register Now' option explaining the value of having a User Account may be just what is needed to convince them to engage.

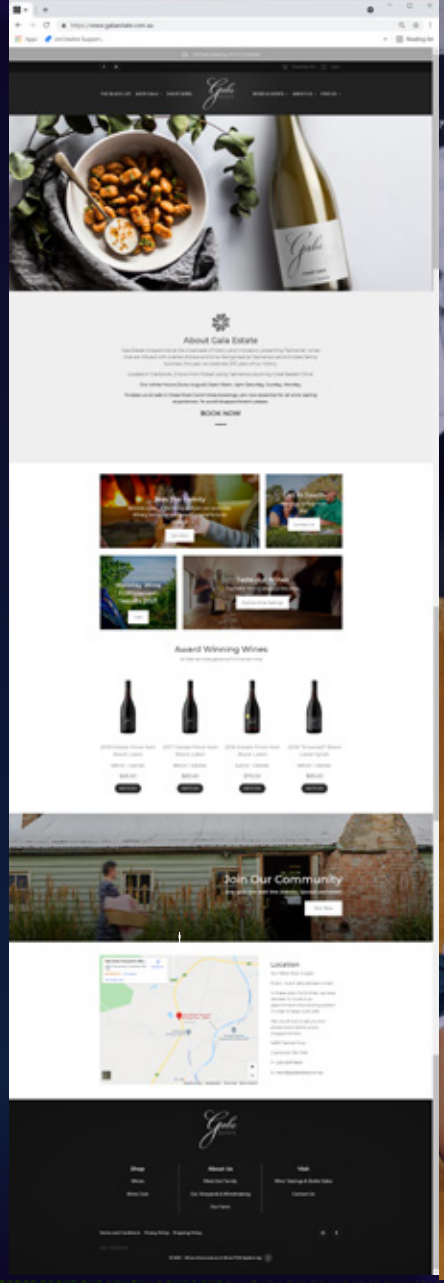
Consider offers such as;

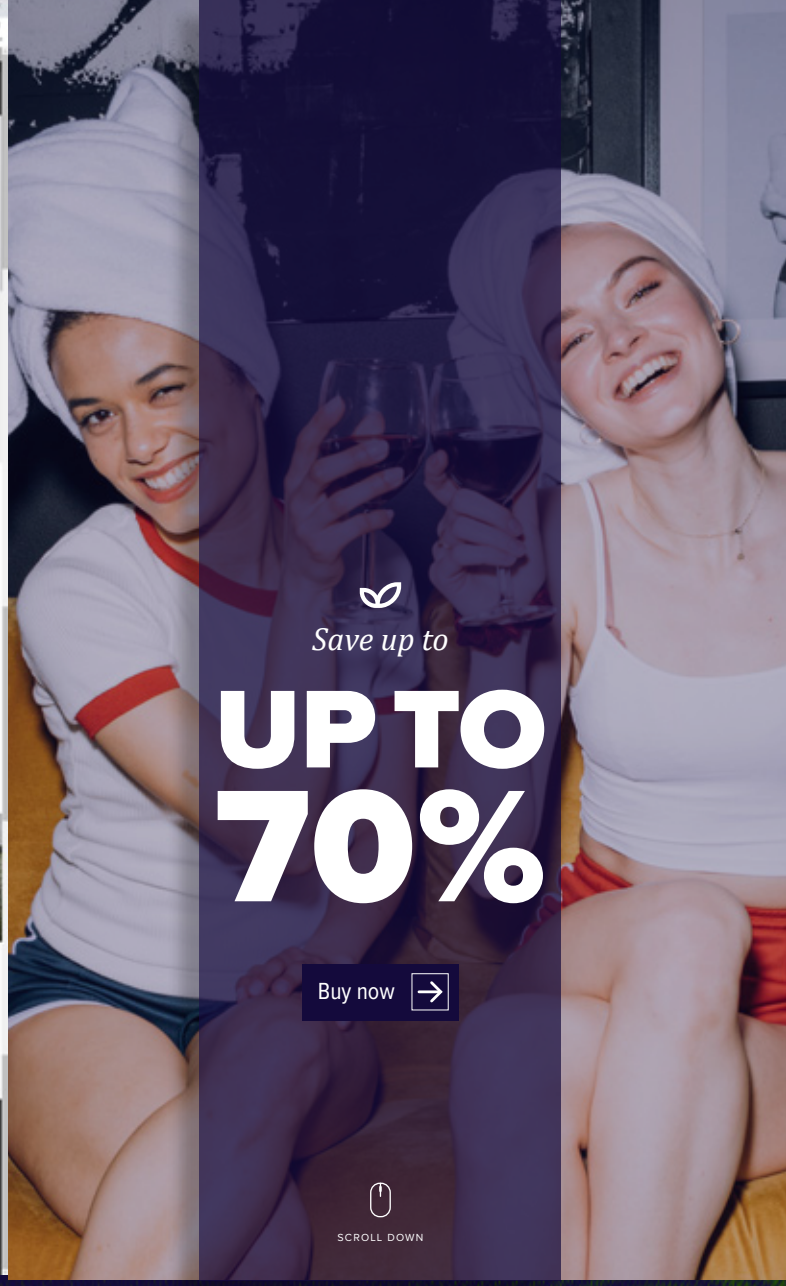
- X% Discount for Life
- Free Shipping for Life, or;
- Exclusive Access to New Releases
- Simple Order Creation

Customers should be able to quickly add products to the shopping cart from any product view - whether that be;

- Product Catalogue
- Product Page, or
- Homepage Featured Products Carousel.

When they are added the Cart Icon should instantly update and be interactive to catch the eye of the buyer. This way they know exactly what to do when they are ready to checkout.





Single Page Checkout Process

KISS - Using the KISS principle it has been proven that the best results are always achieved when design simplicity is the key goal.

Your customers have selected their products and are ready to buy so the process must be 100% frictionless right through to payment completion. Even at this point abandonment is a major concern with surveys showing that 27% of your visitor's exit at this point due to the process being too complex!

It should be a '1 click process' to take you to the checkout, with no distractions or pop-up offers, and at no point should customers ever leave your website. Entering validation codes or checking emails will frustrate customers and abandonment rates will skyrocket.

Post-Purchase Follow-up

There are many ways of getting customers to create an account and that shouldn't stop even when the sale has been made. One strategy that works exceptionally well is to include a personalised note (handwritten works better) with their delivery, that offers them an incentive or discount to buy again or create a User Account.

This drives customers back and gets you another sale - so a win-win situation. You could also offer a discount coupon for a friend which is a nice way of enticing the next visitor to your site.

Removing customer choices or putting restrictions in place in your checkout will ultimately cost you money both in terms of lost sales and potentially wasted marketing budget driving them to your site in the first place!



Customers are seeking a seamless, frictionless and secure buying experience. Each and every time you make it difficult, they will seek out a competitor!

Whether checking out as a guest, an existing customer, or a new account customer, you should be provided with a simple, fast, secure and intuitive experience. With 87% of shoppers abandoning their cart if they are provided with a complicated slow interface and 55% reporting that they never return.

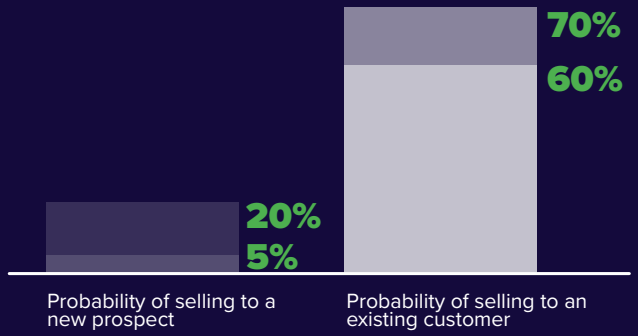
It is critical that you deliver a memorable shopping experience to encourage visitors to come back time and time again!



Focus on repeat business

Remember that the probability of selling to an existing customer is up to 70% better than selling to a new prospect. This is because you have already built credibility, trust and brand equity so abandonment rates are significantly lower.

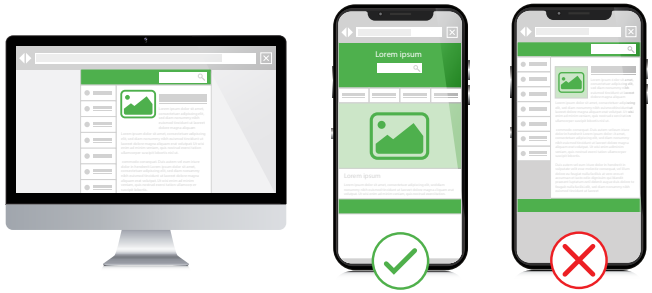
This results in a far lower marketing cost per sale, and a higher average order value (AOV) with repeat customers spending 3x more. So make every sale an experience by adding a personal touch, or a discount coupon so there is always a reason to come back! It's a no brainer.



Mobile-first design

Today more than 50% of eCommerce sales are made on a mobile device, so wineries with an inadequate mobile experience will fail to satisfy their customer's needs which will impact their bottom line.

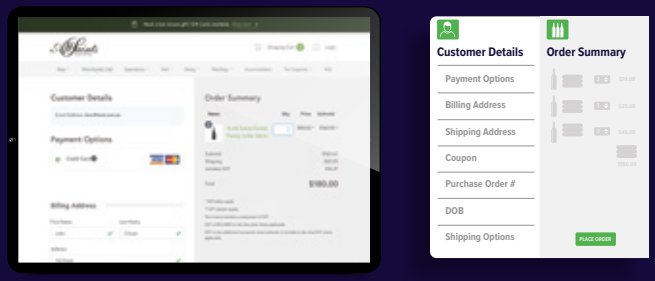
Mobile-first development is commonplace for professional digital agencies. They understand the benefit of this philosophy to ensure that your user experience is seamless on any device.



Flexible checkout

Allow customers to edit their product selections on the fly, so they can change their quantities and even remove products if they wish.

A dynamic checkout will speed up the customer's checkout time which is a key factor to reduce abandonment. So forcing clients to return to their shopping cart just to amend purchase quantities will frustrate them, providing a reason to leave without buying.





Security concerns are a major factor

Your customers, especially first time buyers, are always going to be slightly nervous when providing their credit card information to your online store. And up to 15% will abandon their cart if they are not sure your site is properly secured.

All sites must be secured with SSL, or Hypertext Transfer Protocol Secure (HTTPS) as it's now called. This creates an encrypted connection between your customer's device and your website. Presenting the SSL Padlock and HTTPS:// URL is reassuring to your visitors as they know you have taken appropriate efforts to protect their credit card and personal data. Also displaying payment option icons such as Visa, Mastercard, AMEX, or ApplePay will provide another layer of comfort when they are visible in the checkout process.

Note: There are still too many Australian wineries that do not comply with PCI Standards and place their business at significant financial risk. You should never accept credit card information via email, a web form or any paper form.

No excessive upselling

As a general rule, no sales tactics should be presented on the checkout page. Keep it uncluttered and focus on the goal of making the process quick and simple for them.

Planning your upselling and cross-selling strategies can help increase your average order value (AOV) by up to 20%. But be careful upselling during the checkout process will distract, or annoy, your customers and force an early exit. This will have the reverse effect!

Be subtle. The entire reason for a 'checkout' is for your customer to be able to do exactly that 'Check Out'!



Offer Discount Coupons

Cost is clearly important to modern-day shoppers, so it'll come as no surprise to learn that 41% of your shoppers are influenced to buy from coupons and discounts.

Only free delivery ranks higher at 53%!



Never expire shopping carts

Your customers have many distractions. So once they have selected products, you should retain them - if only for a few weeks.

Surveys show that 31% of shoppers return later to complete their orders. They will not be happy when they come back and find their cart is empty. Especially when that hard to find discount coupon has been deleted with it!



Ensure your delivery process is efficient and trackable

A UK study reported that 62% of shoppers rate 'fast shipping speed' as the No.1 measure of a positive shopping experience.

The good news is that since Covid-19, you have 8 days to exceed their expectations - up from 5 days. So you must strive to streamline your fulfilment processes and keep them informed as each step in the process is completed.

This will drive repeat customers which in turn lowers your abandonment rate and increases profitability.



Google address lookup

Using the Google address lookup is another way to speed up the checkout process for your customer, as the type-ahead feature allows for a more natural way to enter data, especially for international addresses.

It also ensures the address they enter is correct which in turn makes for a seamless fulfilment process at your winery giving you every possibility to exceed the 8 days time limit.

Digital Commerce Sale Abandonment is a complicated subject with many, many potential causes. From your overall brand presentation, your website functionality, consistency and speed, to your sales and content strategy.

In an ideal world, visitors would complete every interaction with your website but in reality, only 2.37% of winery website shopping carts are ever converted to a sale. But maybe this is also your opportunity!

All your customers are different in terms of their buying behaviours, product preferences, understanding of your business practices, and expectations regarding customer service. But where they are similar, is they all have some consistent psychological responses when it comes to buying online.

They want an amazing shopping experience which means you must :

1. make the purchase process simple and fast
2. be transparent with your pricing
3. offer great value and excellent service
4. offer fast, preferably free, shipping
5. provide minimal risk to credit card fraud
6. provide reasons to buy again

Now you should reconsider your Digital Commerce Strategy and ensure you address the 6 points adjacent as best you can. If you do, then you will be a step ahead of your competitors and you will experience consistent revenue and profit growth from this sales channel.

Remember the path to purchase must be frictionless, and wherever possible you must not contribute to your shopping cart abandonment rate through poor strategy and practices. And when customers do abandon, provide them with reasons to come back, and complete their order.

Turn hesitant visitors into decisive shoppers by implementing these simple and actionable practices into your Digital Commerce Strategy.

For a **FREE** no-obligation quote or system demo please contact us today on +61 1300 633 900



About vinCreative

At vinCreative, our purpose is driven by helping Australian wineries grow their post bottle direct-to-consumer sales. That's why we've created Australia's only true unified post-bottle Direct-To-Consumer (DTC) software solution.

We focus on providing Wine and Alcohol businesses with true intelligence data to help improve DTC sales, workflow processes, track compliance and improve effectiveness and efficiency across every business department. Our software is jam-packed with features allowing you to manage your eCommerce website, user choice Wine Clubs, POS, marketing campaigns, and newsletters, and it's all connected to our powerful Single Source of Truth (SSOT) Unified Data Hub.

Let's grow together

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