

5 ways to increase your average order size



The Holy Grail?

For many e-commerce businesses, increasing traffic is the holy grail. But is this the best approach?

It's one thing to get traffic to your site but what happens to them once they are there. Are they buying or just simply browsing? And don't forget, acquiring traffic usually has a cost attached to it.

In fact, focusing instead on increasing your average order value for existing customers can be a more effective (and cost-effective) approach.

So how do you do it? This whitepaper covers 5 tactics that you can implement on your site to boost your profits.

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Free Delivery

Our 2014 [Payments Landscape Report](#) revealed that a large number of drop-outs occur on the delivery charges page, due to unexpectedly high costs and confusing information.



A simple and effective way to combat these high drop-out figures whilst differentiating yourself from the competition, would be to offer free delivery.

Not all businesses can afford to offer this, so a simple solution is to either bake delivery costs into the cost of goods and services to offset any potential losses, or set a 'threshold' amount. The latter option is also attractive to retailers because it encourages consumers to add products to their shopping basket, and spend more in order to reach the threshold.

If you are going to offer free delivery on goods over a certain value however, be warned- making the threshold amount too high can have the opposite effect on your sales. As a rule of thumb, work out your current average order size, add 10-15% and use that as your threshold.

If you aren't in a position where you can offer free delivery, mitigate the risk of drop-out by making your delivery offerings really clear. Simply stating 'saver' or 'premier' won't help your customers understand their delivery options. Instead include a description and price clearly so your customer can compare options and prices.



Bundle Offers

Bundling products or services together creates the perception of increased value and improves your profit margin.

They can be inexpensive, consumable products that complement a best seller.

Businesses can promote them on the product detail pages for easy purchase, and naturally will increase average order size.



Up-Sell

Up-selling is simply encouraging the customer to buy a more expensive version of their original desired purchase.

The key for a successful upsell is to focus on the features the up-sell product has that are lacking in the original product, or by highlighting 'new' or 'just released' products.

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Loyalty Points

Offering loyalty points on high-value orders is an effective way to boost cashflow. This not only encourages shoppers to spend more, but also makes these customers more 'sticky' meaning they are more likely to return to your shop.

There is also the added benefit of being able to detect patterns in consumer behavior and using it as part of a wider retargeting campaign. By tracking what your customers are buying, you can promote new products to them based on their preferences.

Companies such as [Webloyalty](#) have made loyalty schemes more accessible for businesses of all sizes.

Many customers are appreciative of loyalty schemes, as they are being rewarded for their commitment to your business, so there is the additional benefit of customer satisfaction.

Ultimately, every shopper is different. If you decide to use any of these techniques, it's crucial to test each and track your conversion rates to see which is the most effective at enticing customers to part with their hard-earned money.



Cross Sell

Suggest additional products to accompany a customer's initial purchase to entice them to spend more. You can do this with "Customers who purchased this item also bought..." and "Must-have accessories include..." type features.

Of course, delivering a great customer experience is key. You only want to suggest suitable products, tailored to each customer and what they've viewed. Too many options create confusion and harm effectiveness.



Facts About Sage Pay

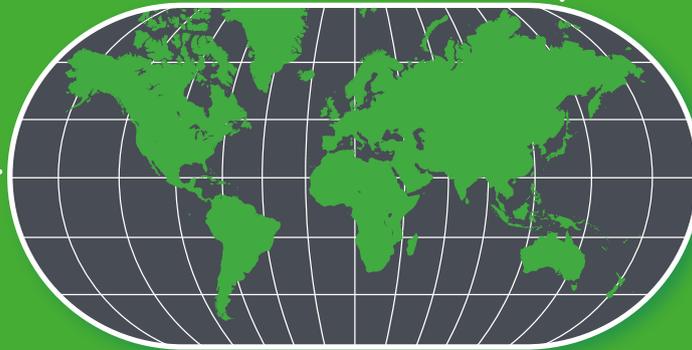


258 million

We securely process over 258m payments worth 21bn each year



At a speed of 1.7s per transaction, Sage Pay has the 2nd fastest payment gateway in the world



We're helping over 50,000 business grow faster



Sage Pay offers free 24x7 UK based support 365 days a year



Sage Pay integrates with a wide range of Sage Accounting software

Our Payment Solutions



Online payments



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About Sage Pay

Sage Pay is a division of FTSE 100 business software company Sage. It is Europe's leading independent payment service provider (PSP) and is one of the most trusted e-commerce brands. Sage Pay processes millions of secure payments for its 50,000+ customers each year and makes the process of accepting payments simpler, faster, safer and more profitable for businesses of all sizes.

