



# 2015 EQ4

Monetate Ecommerce Quarterly Report  
*A Tale of Two Visitors*

The graphic features the year '2015' in a vertical orientation on the left. To its right, the letters 'EQ' are rendered in a large, bold, sans-serif font. A white arrow starts from the bottom right of the 'Q' and points upwards and to the right, ending at the number '4'. Below the 'EQ4' graphic, the text 'Table of Contents' is written in a smaller, white, sans-serif font.

2015  
**EQ<sup>4</sup>**  
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## About the EQ

As ecommerce companies look for ways to increase customer engagement and sales in a highly competitive online environment, they're faced with challenges centered on massive amounts of data. This big data conundrum goes beyond the collection and storage of information about customers and prospects.

Using a combination of historical and real-time data allows ecommerce marketers to glean meaningful insights that result in more relevant shopping experiences that drive loyal customers who share their experiences with others. Ecommerce businesses that tackle big data head-on focus their attention on different customer segments that continue to be explored in every release of the Ecommerce Quarterly (EQ):

- **Predefined:** New versus returning; referring traffic sources; technographics; geography.
- **Custom or Proprietary:** Demographics; proximity to location; offline and CRM data.
- **On-Site Behavior:** Shopping cart activity; brand or category affinity.
- **Behaviors Across the Web:** Browsing and purchase patterns demonstrated on third-party websites.

The EQ also includes takeaways, ideas and best practices used by leading ecommerce websites, based on insights gained from the more than seven billion online shopping sessions that contribute to the analysis and benchmark reports found in every release.

# New v. Returning Visitors

This is a tale of two visitors.

Well, two types of visitors, really: the new type and the returning type.

While the new/returning segment is about as old as it gets in ecommerce, digital marketers usually have a choice to make: Do they focus on finding new visitors or find ways to keep their existing visitors?

At Monetate, we ask, “Why Choose?”

We got a bit of an answer recently when we surveyed marketers on the topic of balancing acquisition efforts against retention efforts. 47% of them told us they struggled to create tactics and offers that allowed them to do both well.

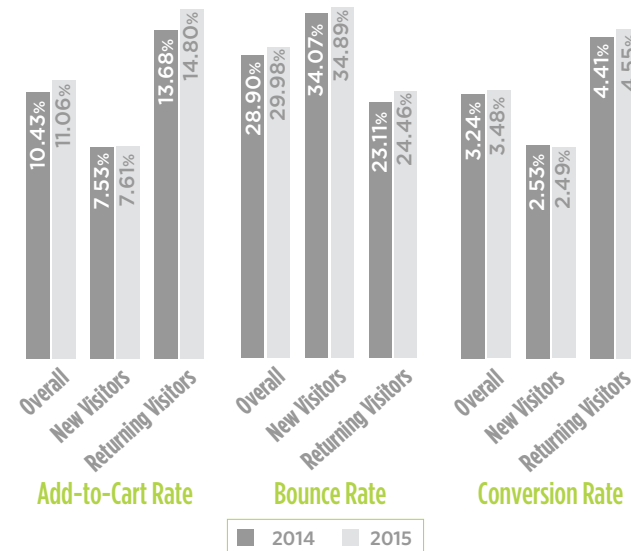
Which is a problem. The performance differences between new and existing visitors are so pronounced between these two visitor types—and the opportunities to improve experiences so great—that we thought it high time to give this topic the attention it deserves.

Consider even just this one paragraph of stats:

In Q4, despite making up less than half of all ecommerce sessions (48%), returning visitors spent nearly \$5.3 billion online— almost twice as much money as new visitors spent during the same timeframe (\$2.7 billion).

So, here we are.

Another holiday season has ended, and we’ve got troves of data on how shoppers—both new and returning—found and bought the stuff that topped their wish lists. We also got some of the best retailers in the world to give us stories to share with you on how they succeeded in helping shoppers get those items during the most pressure-packed time of the year. It might help to settle up on a few benchmarks before we dig into the story of how to better reach all your visitors.



Before we go any further, we want to clarify one thing: For the purposes of this EQ, we’re defining “new visitor” as someone for whom it’s the first time Monetate has seen their specific cookie

OK. On with the show...

# Add-to-Cart Rate

Here's a rule of thumb for you: New visitors are half as likely as returning visitors to add an item to their cart.

It's not just an average; it's nearly universal across devices and referral channels.

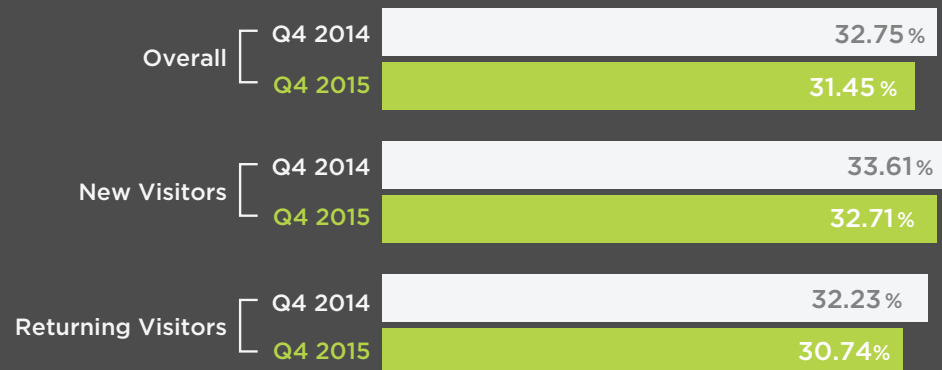
Though, if you're curious, here's the overall stat for Q4 2015: returning visitors, on average, add an item to their cart 15% of the time; new visitors, on average, add an item to their cart roughly 8% of the time.

There are, of course, some exceptions: new visitors on mobile phones only add items in about 4% of sessions (versus 10% of sessions for returning) and new visitors from social networks only add items 4% of the time (versus 9% for returning).

No other metric has this level of consistency. And that's really big news: This is a sticking point for new visitors, no matter their situation.

Once new visitors are past that point—once they've added an item to their cart—they actually convert on those sessions at a greater rate than returning customers.

## Percent of Visitors Who Complete Check-Out Process After Adding Item to Their Cart





GRAHAM & BROWN  
EST. 1946

## Q4 2015 *Taking a Closer Look at... Amping Add-to-Cart Rate*

If you've ever bought wallpaper, you know it's something you usually need to see in person before you give someone the go-ahead to put it up on your walls. It's a big-time, considered purchase.

For you, that's a wise tact. For Graham & Brown, a high-end wallpaper company, that can make converting new visitors into customers a bit of a challenge.

Adding to that challenge? 70% of the retailer's online visitors are new.

To make sure it was converting enough of such a large segment, Graham & Brown tested a greeting message to reduce a new visitor's perceived risk of buying wallpaper online. The message, served through a lightbox, highlighted the company's free delivery and free return policies. In other words, "don't worry if you don't like it."

The change had a positive impact across the board, including a 7.1% increase in add-to-cart rates and a 14.5% increase in new visitors conversions.

# Bounce Rate

On the whole, bounce rate was up slightly over Q4 2014: 30% in Q4 2015 versus 29% in Q4 2014. But, unlike add-to-cart rate, the difference in bounce rate between new and returning visitors varied significantly depending on a visitor's circumstances.

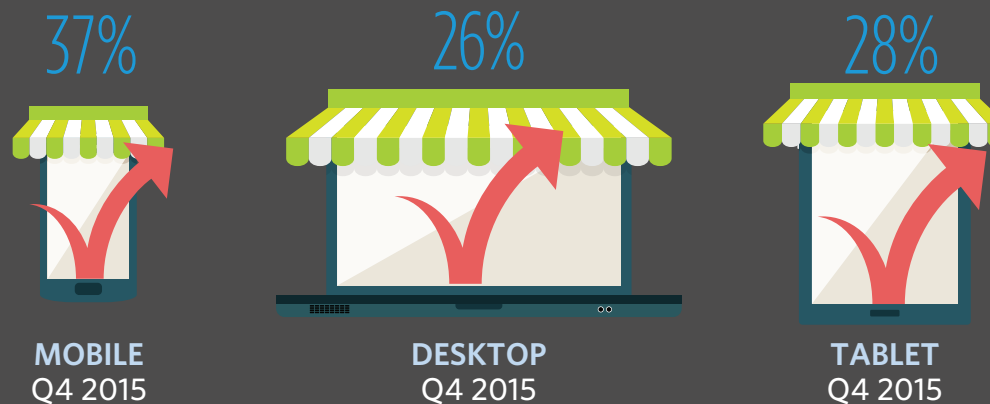
From a device perspective, for instance, mobile is still a laggard when it comes to the global average: 37% of mobile visitors in Q4 2015 bounced from the site they were visiting. (Compare that with the 26% and 28% bounce rates of desktop and tablet visitors, and you get an idea of how far behind mobile still is.)

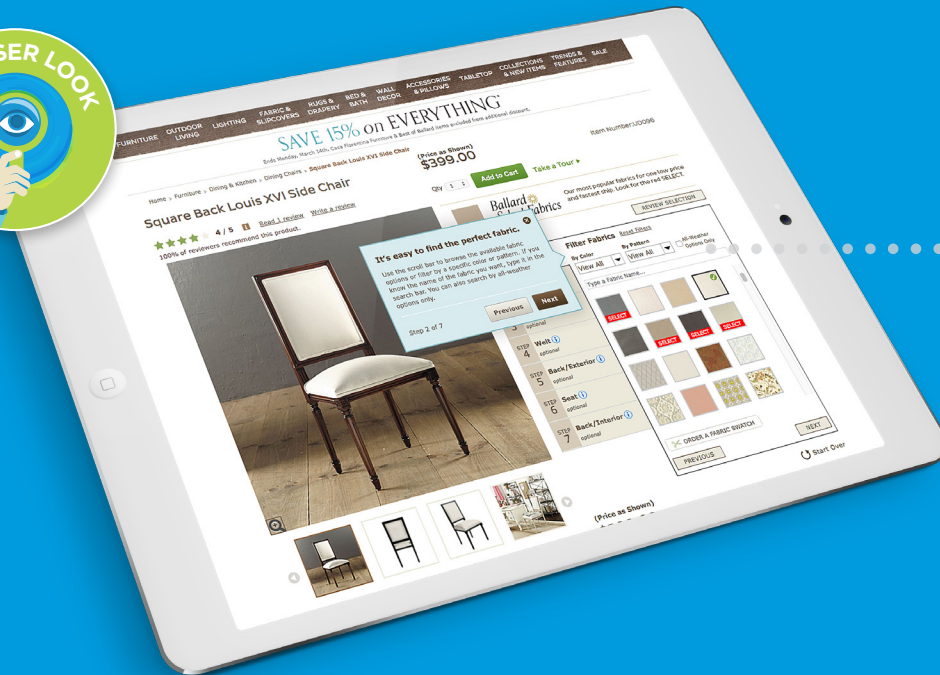
Here, though, is the interesting thing: When it comes to new versus returning visitors, the performance gap is actually the smallest on mobile.

While nearly 40% of new mobile visitors bounce, 34% of returning visitors bounce. That differential is only 14%.

Among tablet visitors, that differential is 19%. And desktop? 43%.

From a device perspective, mobile is still a laggard when it comes to the global average:





BALLARD DESIGNS.

## Q4 2015 *Taking a Closer Look at... Beating Bounce Rate*

Ballard Designs, the home furnishings retailer, has some really cool furniture. Like “buy it now” cool. Here’s the kicker, though: You can customize a good amount of it.

For new visitors, especially those who land on a product description page, that customization process can be a bit daunting. It’s multiple steps and, though it pays off in the long run, can make a new visitors feel like they’re far away from getting what they’re looking for.

To solve the problem, Ballard Designs tested an onboarding module that was presented only to first-time visitors, and visitors who had never before seen the onboarding module, to help them better understand the customization options on the products they were viewing.

The result?

While making visitors feel more comfortable with the in-depth process (and higher price points that some choices can cause), the module also reduced bounce rate by 13% and increased average order value by \$151.58.



# Conversion Rate

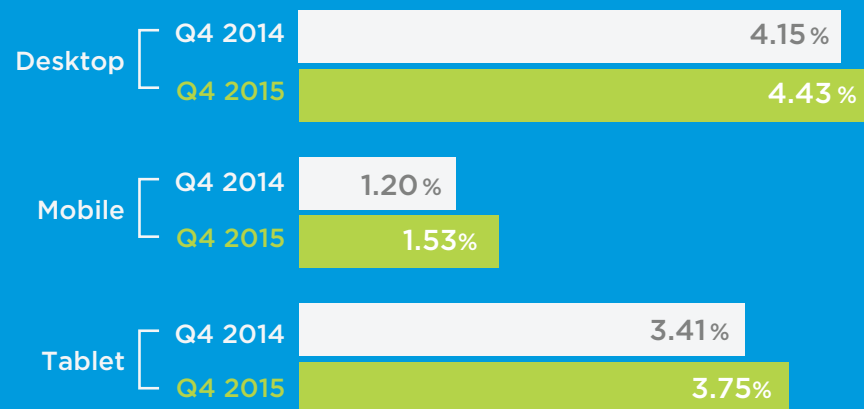
As is usually the case during Q4, it was a good quarter for, you know, actually selling stuff.

On the whole, conversion rates averaged 3.5%, the highest rate in our trailing 12-month analysis and slightly higher than Q4 2014, which had an average conversion rate of 3.4%.

Device performance saw across-the-board, year-over-year gains (even if they were modest), while email and search both saw growth as referral channels.

As you likely expect, new visitor conversion rates trailed returning customer conversion rates in every way imaginable.

The average new visitor conversion rate for Q4 2015 sat at 2.5%, with desktop visitors the only segment within the new visitor category to break the 3% conversion rate plateau.



Device performance saw across-the-board, year-over-year gains



**DESKTOP**  
↑.28%



**MOBILE**  
↑33%



**TABLET**  
↑.34%



# CALENDARS.COM

## Q4 2015 *Taking a Closer Look at... Optimizing Conversion Rate*

While we've focused our storytelling efforts on retailers who have found ways to turn the tide with new visitors, Calendars.com has a retention story you need to hear.

Using predictive analytics and Monetate's ability to take action on those analytics, the online retailer created a "win-back" segment comprising customers they identified as having a high risk of churn, and customers who had previously made a purchase but whose engagement with the retailer was slowing.

To begin creating repeat purchases and loyalty, Calendars.com gave customers in this segment a 20% discount offer for their next purchase, advertised through a lightbox and sitewide banners.

The results were good enough that the brand now refreshes that segment on a weekly basis and offers the discount through an email promotion.

Of customers who were at risk for churn, conversion rates increased 46% and revenue per customer increased 71%. For customers whose engagement with the retailer was slowing, conversion rates jumped 121% and revenue per customer increased 100%.

## A Spotlight on The UK

On the whole, metrics associated with UK shoppers are trending up and to the right.

There is, however, one notable exception: Average Order Value.

Since Q4 2014, AOV has actually slipped each quarter. At the end of Q4 2015, the metric was at its 15-month low: \$78.68 (compared to \$86.21 in Q4 2014).

The reason? Mobile purchases have gone from accounting for 13% of all ecommerce sales in the UK in Q4 2014 to 26% of all ecommerce sales in the UK in Q4 2015.

Though UK shoppers on mobile phones convert at a far greater rate than their US counterparts (3%

for UK shoppers in Q4 2015 v. 1.4% for US shoppers in Q4 2015), they don't spend much on those purchases. In Q4 2015, UK mobile shoppers spent \$61.36 per order (US mobile shoppers, by comparison, spent \$95.31 per order).

Of possible worry for those who market to UK shoppers: The gap between new visitor conversion rate and average conversion rate for UK shoppers is significantly larger than the same gap for US shoppers.

With an average conversion rate of 4.2% for all UK shoppers in Q4 2015, new UK shoppers were about 32% behind that figure (with a conversion rate of 2.9%). US shoppers, meanwhile, had a lower 3.6% average conversion rate, but a nearly identical 2.7% conversion rate among new visitors (for a gap of roughly 26%).

### UK Spotlight



## How One UK Retailer Nailed Acquisition & Retention in One, Fell Swoop

Waitrose, the UK-based grocer, knows that, if you want a new online customer to become a loyal online customer, it needs that person to make five or more purchases in a three-month period.

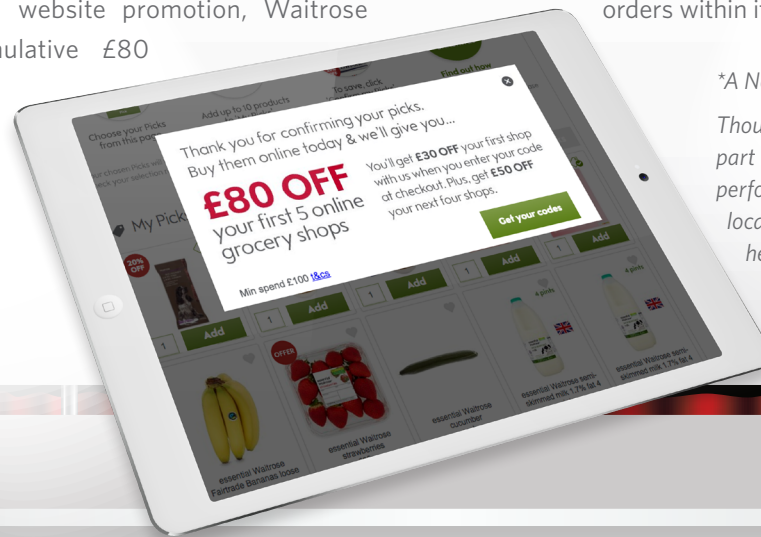
Easier said than done, you say? Not so fast.

Through a cross-channel campaign that spanned PPC, display, affiliate marketing, email, and website promotion, Waitrose offered new visitors a cumulative £80 discount on their first five online orders. The grocer even promoted it in stores.

The discount offer was personalized based on the number of purchases a visitor had already made online (how cool is that?), and only made available after the customer completed a purchase.

The result?

Waitrose was able to generate a 24% year-over-year increase in orders within its new customer/early customer segment.



### *\*A Note About Our UK Spotlight*

*Though several UK ecommerce sites are analyzed as part of the EQ, Monetate measures country-based performance by the location of the customer, not the location of the website. That means metrics you see here are generated by UK consumers who may have also shopped on US ecommerce sites.*

## Benchmark Reports

### Website Visits:

	Website Visits by Device	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
GLOBAL	Traditional	62.81%	62.64%	60.94%	58.75%	56.01%
	Tablet	17.25%	17.10%	16.16%	15.63%	15.37%
	Smartphone	19.94%	20.27%	22.89%	25.62%	28.62%
US	Traditional	63.05%	63.04%	61.72%	59.93%	56.87%
	Tablet	16.86%	16.56%	15.53%	15.14%	14.93%
	Smartphone	20.09%	20.40%	22.75%	24.94%	28.21%
UK	Traditional	47.32%	47.73%	45.03%	40.05%	39.16%
	Tablet	27.60%	28.67%	27.56%	25.22%	24.90%
	Smartphone	25.08%	23.60%	27.40%	34.73%	35.94%

## Website Visits:

Website Visits by Platform	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
<b>Android</b>	10.42%	10.79%	11.26%	12.16%	13.13%
<b>Chrome OS</b>	0.47%	0.54%	0.55%	0.55%	0.63%
<b>Linux</b>	1.33%	1.81%	1.62%	1.31%	1.04%
<b>Macintosh</b>	12.53%	12.07%	12.12%	12.43%	12.65%
<b>Windows</b>	48.48%	48.17%	46.58%	44.48%	41.44%
<b>Windows Phone</b>	0.28%	0.28%	0.27%	0.27%	0.26%
<b>iOS</b>	26.50%	29.53%	27.60%	28.97%	30.85%

### Conversion Rate:

	Conversion Rates	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
	<b>Global</b>	3.42%	2.83%	3.08%	3.02%	3.48%
	<b>US</b>	3.60%	2.91%	3.18%	3.09%	3.62%
	<b>UK</b>	3.65%	3.56%	3.97%	4.08%	4.20%

	Conversion Rates by Device	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
<b>GLOBAL</b>	<b>Traditional</b>	4.15%	3.40%	3.74%	3.71%	4.43%
	<b>Tablet</b>	3.41%	2.83%	3.22%	3.20%	3.75%
	<b>Smartphone</b>	1.20%	1.13%	1.24%	1.37%	1.53%
<b>US</b>	<b>Traditional</b>	4.41%	3.54%	3.90%	3.84%	4.66%
	<b>Tablet</b>	3.59%	2.92%	3.32%	3.28%	3.89%
	<b>Smartphone</b>	1.16%	1.05%	1.17%	1.24%	1.43%
<b>UK</b>	<b>Traditional</b>	4.66%	4.34%	5.04%	5.32%	5.39%
	<b>Tablet</b>	3.52%	3.27%	3.76%	3.83%	4.02%
	<b>Smartphone</b>	1.94%	2.35%	2.45%	2.86%	3.05%

## Conversion Rate:

	Conversion Rates by Platform	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
	<b>Android</b>	1.51%	1.42%	1.50%	1.51%	1.74%
	<b>Chrome OS</b>	3.11%	2.48%	2.80%	2.95%	3.30%
	<b>Linux</b>	0.70%	0.64%	0.73%	0.84%	0.77%
	<b>Macintosh</b>	4.57%	3.78%	4.30%	4.12%	4.72%
	<b>Windows</b>	3.95%	3.44%	3.60%	3.71%	4.48%
	<b>Windows Phone</b>	0.88%	0.91%	0.98%	1.01%	1.13%
	<b>iOS</b>	2.50%	2.11%	2.28%	2.28%	2.54%



Add-to-Cart Rates:

	Add-to-Cart Rates	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
	<b>Global</b>	10.43%	9.28%	9.69%	9.73%	11.06%
	<b>US</b>	10.78%	9.45%	9.84%	9.89%	11.16%
	<b>UK</b>	10.23%	10.75%	11.60%	11.61%	13.25%

	Add-to-Cart Rates	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
<b>GLOBAL</b>	<b>Traditional</b>	11.75%	10.23%	10.93%	11.14%	12.94%
	<b>Tablet</b>	11.27%	10.25%	10.68%	10.34%	11.81%
	<b>Smartphone</b>	5.78%	5.77%	5.81%	6.23%	7.09%
<b>US</b>	<b>Traditional</b>	12.25%	10.51%	11.20%	11.48%	13.38%
	<b>Tablet</b>	11.72%	10.53%	10.90%	10.47%	12.01%
	<b>Smartphone</b>	5.63%	5.55%	5.54%	5.85%	6.34%
<b>UK</b>	<b>Traditional</b>	12.01%	12.14%	13.49%	13.41%	14.17%
	<b>Tablet</b>	10.45%	10.50%	11.34%	11.20%	11.97%
	<b>Smartphone</b>	6.70%	8.30%	8.72%	9.74%	13.11%

## Add-to-Cart Rates:

	Add-to-Cart Rates by Platform	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
	<b>Android</b>	6.53%	6.45%	6.35%	6.38%	7.08%
	<b>Chrome OS</b>	11.28%	10.30%	10.96%	11.62%	12.79%
	<b>Linux</b>	3.57%	2.85%	9.07%	14.07%	9.52%
	<b>Macintosh</b>	13.96%	12.38%	13.38%	14.10%	15.13%
	<b>Windows</b>	10.90%	10.01%	10.02%	10.26%	12.45%
	<b>Windows Phone</b>	4.59%	4.61%	4.93%	4.60%	5.10%
	<b>iOS</b>	9.02%	8.37%	8.42%	8.38%	9.44%

Average Page Views:

	Average Page Views	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
	<b>Global</b>	10.22	9.97	9.90	9.75	10.02
	<b>US</b>	10.02	9.59	9.49	9.40	9.71
	<b>UK</b>	12.03	13.73	13.55	13.11	12.99

	Average Page Views	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
<b>GLOBAL</b>	<b>Traditional</b>	11.19	10.72	10.73	10.60	11.26
	<b>Tablet</b>	11.05	11.19	11.06	10.83	10.95
	<b>Smartphone</b>	6.59	6.79	6.91	7.23	7.17
<b>US</b>	<b>Traditional</b>	11.09	10.42	10.41	10.35	11.06
	<b>Tablet</b>	10.77	10.74	10.55	10.33	10.53
	<b>Smartphone</b>	6.19	6.27	6.32	6.63	6.62
<b>UK</b>	<b>Traditional</b>	12.79	14.79	14.72	14.33	14.28
	<b>Tablet</b>	12.90	14.12	14.04	13.82	13.60
	<b>Smartphone</b>	9.69	11.17	11.17	11.22	11.17

## Average Page Views:

	Average Page Views	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
	Android	8.17	8.41	8.30	8.26	8.31
	Chrome OS	11.60	11.82	11.63	11.80	11.83
	Linux	6.07	4.07	4.23	5.03	5.17
	Macintosh	12.16	12.10	12.19	11.69	11.70
	Windows	10.58	10.66	10.21	10.48	11.34
	Windows Phone	6.62	6.72	6.65	6.73	6.79
	iOS	8.84	8.96	8.76	8.73	8.56

Average Order Value:

	Average Order Value	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
	<b>Global</b>	\$119.73	\$113.70	\$116.53	\$112.11	\$117.16

	Average Order Value by Device	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
<b>GLOBAL</b>	<b>Traditional</b>	\$123.35	\$118.64	\$122.82	\$119.76	\$124.32
	<b>Tablet</b>	\$112.83	\$104.19	\$105.78	\$99.04	\$107.63
	<b>Smartphone</b>	\$96.75	\$87.25	\$85.22	\$82.53	\$88.73

	Average Order Value by Platform	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
<b>GLOBAL</b>	<b>Android</b>	\$103.40	\$95.20	\$91.34	\$89.31	\$94.71
	<b>Chrome OS</b>	\$110.62	\$106.23	\$104.66	\$104.37	\$108.36
	<b>Linux</b>	\$134.54	\$143.75	\$122.81	\$133.29	\$149.44
	<b>Macintosh</b>	\$145.92	\$139.96	\$146.13	\$140.50	\$146.26
	<b>Windows</b>	\$134.18	\$132.03	\$136.07	\$134.77	\$135.82
	<b>Windows Phone</b>	\$89.24	\$80.08	\$76.98	\$78.79	\$79.65
	<b>iOS</b>	\$122.14	\$114.39	\$114.90	\$107.58	\$113.76

Average Order Value by State	AOV
Armed Forces - America	\$159.66
Armed Forces - Europe	\$166.14
Alaska	\$145.42
Alabama	\$111.71
Armed Forces - Pacific	\$159.28
Arkansas	\$113.48
Arizona	\$114.65
California	\$130.76
Colorado	\$123.64
Connecticut	\$125.60
District of Columbia	\$139.32
Delaware	\$119.57
Florida	\$119.24
Georgia	\$119.44
Hawaii	\$131.25
Iowa	\$109.12
Idaho	\$119.61
Illinois	\$121.30
Indiana	\$109.75
Kansas	\$109.00
Kentucky	\$111.92
Louisiana	\$113.96
Massachusetts	\$127.32
Maryland	\$119.77
Maine	\$112.03
Michigan	\$115.89
Minnesota	\$120.02
Missouri	\$110.20

Average Order Value by State	AOV
Mississippi	\$110.77
Montana	\$123.20
North Carolina	\$114.56
North Dakota	\$119.18
Nebraska	\$112.50
New Hampshire	\$120.92
New Jersey	\$130.61
New Mexico	\$123.32
Nevada	\$123.53
New York	\$134.66
Ohio	\$112.24
Oklahoma	\$114.19
Oregon	\$124.92
Pennsylvania	\$106.07
Rhode Island	\$118.10
South Carolina	\$112.13
South Dakota	\$112.52
Tennessee	\$110.46
Texas	\$123.40
Utah	\$126.30
Virginia	\$120.33
Vermont	\$123.88
Washington	\$131.97
Wisconsin	\$113.92
West Virginia	\$104.48
Wyoming	\$121.50
Wyoming	\$114.16

## Average Order Value:

	Average Order Value by Category	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
	Direct	\$121.37	\$115.62	\$117.67	\$113.92	\$118.57
	Email	\$113.77	\$106.33	\$113.04	\$112.24	\$113.62
	Search	\$114.27	\$107.37	\$109.99	\$105.94	\$111.70
	Social	\$105.14	\$98.78	\$99.02	\$96.73	\$107.42
	Unknown	\$124.43	\$118.56	\$123.39	\$115.76	\$123.24

	AOV by Device	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
US	Traditional	\$124.75	\$120.74	\$125.80	\$122.08	\$126.79
	Mobile	\$116.54	\$108.54	\$110.72	\$102.31	\$112.16
	Tablet	\$102.28	\$93.81	\$90.57	\$89.30	\$95.31
UK	Traditional	\$91.84	\$88.64	\$87.97	\$89.76	\$87.40
	Mobile	\$84.59	\$78.23	\$78.70	\$78.94	\$79.08
	Tablet	\$63.92	\$56.27	\$58.49	\$58.69	\$61.36



# Monetate is the global leader in Experience Marketing for brands worldwide.



Monetate's Experience Marketing platform understands the nuance of every customer through data collection and enables marketers to create individualized experiences at each moment of interaction.



*The POWER to PERSONALIZE is now yours.*

Monetate is the global leader in experience marketing for brands worldwide. Monetate makes it fast and easy for marketers to test, target, merchandize, synchronize and personalize experiences across multiple devices and channels. Our brands grow their business by delivering one-of-kind experiences to every customer at each moment of interaction.

Monetate does it all through the industry's first Experience Marketing Platform, the only platform that combines marketer creativity with predictive models and machine learning to optimize each moment of interaction. Monetate drives your ROI by continually improving your ROE... your Return on Experience.

Founded in 2008, Monetate influences billions of dollars in annual revenue for world-class brands like QVC, Office Depot, Patagonia, Sur la Table, and The North Face. During Cyber Week 2015, Monetate influenced more than a third of all U.S. ecommerce sales. Monetate is the industry leader, with more clients in the IR 500 than any other company.





### Expert Personalization Resources

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