

The State of eCommerce Revenue Recovery in 2024

Introduction

Running a business is hard. Running an eCommerce business in 2024? You've probably already let out a big 'oof'. Suffice to say that it's much harder than it has ever been. With a <u>recession</u> <u>looming over our heads</u>, it's not too hard to observe the stagnation in overall economic activity, especially in the lessthan-expected consumer spending when it comes to online shopping.

But none of this is to say eCommerce is bleeding a slow death. In fact, if popular <u>eCommerce growth projections</u> are anything to go by, the global eCommerce market size is expected to grow exponentially from about \$6.3 trillion in 2024 to about \$8.1 trillion by 2026. The math here is simple, there still lies a big opportunity ahead of eCommerce businesses of all shapes and sizes. The question is: how to grab a piece of that pie?

Having seen savvy eCommerce businesses across verticals weather the storm, we've been able to gain firsthand insight into how they think and act. In this eBook, we bring together how fast-growing companies are solving a crucial piece of the <u>eCommerce growth puzzle</u> – **recovering lost revenue or rather, preventing revenue loss!** At the core of this approach lies the fact that seasoned practitioners in the industry realize eCommerce isn't an outbound-only ballgame, i.e. you can't just hope to grow by acquiring more new customers. Instead, you mostly have to look inwards at your funnel from a high level and solve issues that are holding you back from realizing your maximum revenue potential.

Put it this way, a leaky bucket will require more water to fill up, so it's futile trying to keep up with it by just putting more water in. At some point, you have to duct tape the holes. It's as simple as that. With that in mind, let's dive into the how, what, and why of this nascent art and science: <u>eCommerce revenue recovery</u>.

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What is eCommerce Revenue Recovery?

While eCommerce websites might be akin to digital storefronts, it is very much something that is built by humans. And as much as your engineering and product teams would like to avoid errors, there is a high chance things can fall through the cracks. Moreover, given how complex modern eCommerce websites are, an absolutely flawless online shopping experience with zero drop-offs couldn't be further away from reality.

The result? Depending on the size of the online business, potentially millions are lost in realized revenue. To counter this, there exists something called eCommerce revenue recovery.

In the context of eCommerce, revenue recovery refers to the strategies and practices that online retailers like yourself can deploy to mitigate and rectify the negative impact of technical glitches, bugs, errors, poor quality experiences, or any other issues on your conversions and topline.

While it might not seem like much, something that hinders or disrupts your users' shopping experience isn't just detrimental for that one transaction, but also for your long-term brand perception. According to PriceWaterhouseCoopers (PWC), <u>32% of</u> <u>customers</u> would leave a brand they loved after just one bad experience. Addressing and recovering from these errors is crucial for maintaining customer trust, satisfaction, and the overall financial health of your company.

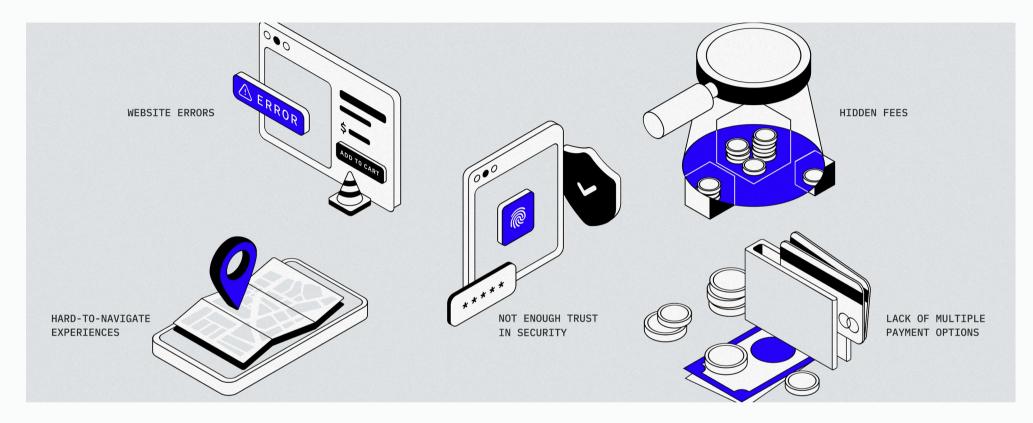
To be fair, not all reasons for eCommerce revenue recovery are equal. Some impact your business more than others, so knowing what to focus on is the most crucial step.

Top 5 reasons for eCommerce revenue loss

- → Slow website
- → <u>Complicated checkout process</u>
- → Missing product info
- → Payment failures
- → Technical glitches and website errors
- → Lack of mobile responsiveness

In the rest of this eBook, we will focus on some of the leading causes of eCommerce revenue loss and the strategies you can deploy to mitigate them.

Leading Reasons For eCommerce Revenue Loss



As we just mentioned, eCommerce revenue loss happens for a plethora of reasons, and not all of those are worth your attention equally. Instead, you should look at the very specific, granular reasons for eCommerce revenue loss as recurrent themes or buckets. This way, it is much easier to know what you're aiming to solve. In this section, we've listed some of the most commonly encountered themes by eCommerce brands when dealing with revenue loss. If any of these sound too familiar, don't fret, we have an entire section solely dedicated to solving these in a methodical manner. So, let's dive in!

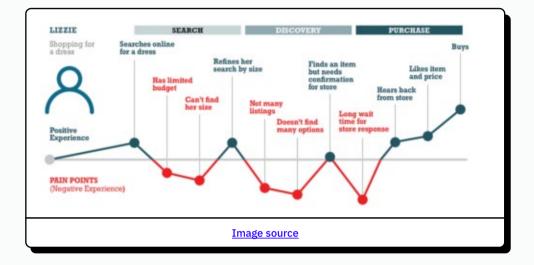
Complex and Hard-to-Navigate Shopping Experiences

Picture this: you (and/or your product teams) spent countless hours trying to create the most thought-through layout for your online store. You try to cover all bases and make it intuitive for your users to go from one category to the other. Sureshot recipe for success, right? Maybe not!

At the end of the day, whether your actual users would find your website as intuitive as you intended it to be is just pure dumb luck. Unless of course, you spent more time testing your product with actual, real-life users who reflect your target audience. And that isn't always realistically possible given the pace of business in this industry.

Despite the best of intentions, things like these are sometimes out of the hands of eCommerce store owners. It won't be an exaggeration to say that your users and customers will always end up using their own journeys and paths when it comes to product discovery, search, or any shopping-related activities they perform on your online store.

Similar to how people navigate a shopping mall, a superstore, or just any retail store — it's just not possible to dictate what the best shopping experience could be.



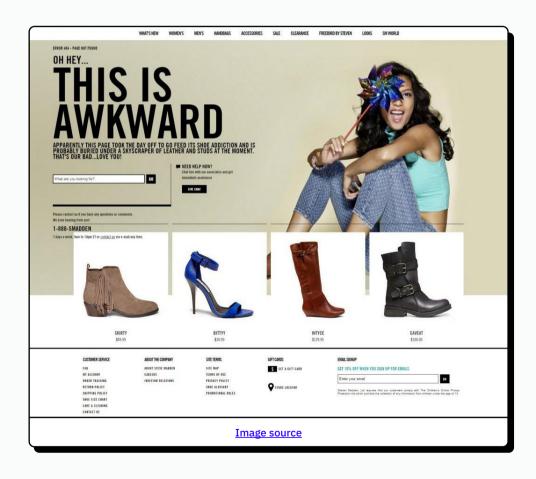
Take a look at the infographic above. When your fictional shopper Lizzie begins her search for a new dress, her path is split between positive and negative experiences. One of the biggest reasons for revenue loss for online stores is when the number of negative experiences overwhelms the positive ones.

Website Errors and Technical Issues That Hamper UX

Piggybacking on the point we just made about poor shopping experiences, it's a no-brainer to point out that <u>UX is indeed</u> <u>one of the most crucial aspects of your digital store</u>. Whether it is your site navigation, search mechanism, or just the button colors, any effort put into improving it is always going to be worthwhile. While this is still something you can fully control, some things are not always within your reach or sight.

Take website errors for example. Unless you've got someone checking in at random places across your website like the digital equivalent of a floor manager in a retail store, there is no way for you to know when something goes bust. Even then, there is a high chance there will be something lurking in a deep corner that annoys a customer to the extent that they decide to shop with your competitors.

The bottom line is that eCommerce errors are inevitable. Given the complexity of websites, countless third-party integrations, multiple feature releases, and different browsers and devices to optimize for, it's virtually impossible to completely avoid errors. No matter how quirky your error message page copy is (sorry, Steve Madden, the shopper wasn't super pleased with this either), there's no saving you from the fact that you need to address your eCommerce website errors or any technical glitches that hamper your users' experience.

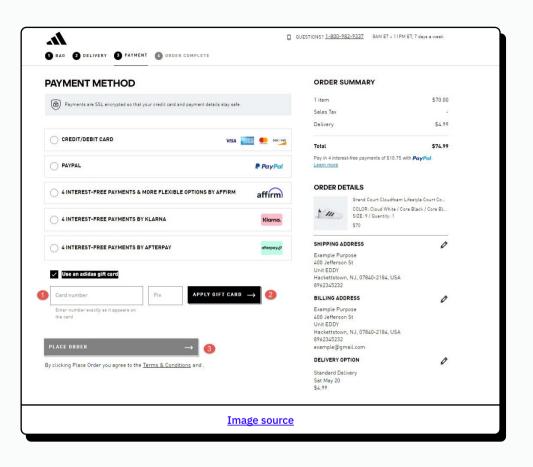


Lack of Multiple Payment Options

It's 2024, and gone are the days when cash on delivery and card payments (or something like PayPal) are the only payment options your customers use. From Buy Now Pay Later aka BNPL services like Affirm, Paybright, and Klarna to mobile wallets such as Venmo, Apple Cash, and more, consumers are spoilt for choice when it comes to payment methods. As an eCommerce store, it becomes imperative for you to provide the kind of flexibility that the modern shopper is looking for.

And not just that, within a type of payment method, say credit cards, there has been a rise of traditionally less dominant payment aggregators and providers, such as American Express and Diner's Club, that are eying millennials and Zoomers as their primary target audience.

Here's an example of a leading global brand, Adidas, doing it right. On their payment page, you can see logos of the payment methods they accept prominently displayed. Given that shoppers today split purchases across credit lines and accounts for better money management, any prospective buyer on their website will find it easier to make a decision about this one.



However, let's not forget that more payment options are likely to translate into more integrations and possibly more thirdparty errors. However, Noibu's comprehensive eCommerce monitoring capabilities make addressing third-party errors a breeze, even those that occur due to <u>integration with popular</u> <u>payment gateways</u>.

Not Enough Trust in Security and Credibility

In the past decade, cybersecurity has been a hot topic, and for good reason. Online scams have been on the rise, so much so, that according to Statista, <u>38% of all reported scams</u> worldwide are online shopping scams. Customers have been losing billions of dollars every year to scams that have evolved to be so sophisticated, that sometimes even the most aware shoppers fall prey to it. As a result, consumers are becoming more wary of where and how they shop.

And you'd think it's Gen X or baby boomers who have a hard time finding eCommerce stores credible and trustworthy, whereas it's the complete opposite. In a <u>survey by customer</u> <u>service platform Tidio</u>, they found that 1 in every 3 Gen Z find online stores untrustworthy. For millennials, that number is 1 in every 5. Gen X are more generous in placing their trust with only 1 in every 6 finding eCommerce stores lacking trustworthiness.

While it may seem surprising, the fact of the matter is, consumers today place a heavy emphasis on their perception of online security and brand credibility. As such, it's no wonder that lack of trust in the security and credibility of an online store is one of the biggest reasons for eCommerce revenue loss among online stores today.

The following image shows some of the most popular trust signals that eCommerce stores use today, and one that consumers have all come to recognize. Displaying it clearly on your online store is of the essence, however, earning the credibility of customers works a little differently than that.



For customers to view your brand as credible, they need to hear from people like themselves. This is where testimonials, customer reviews, and influences from their family and friends come in handy. So, apart from focusing on ensuring your trust badges are displayed front and center on your site, it's crucial to run review campaigns among loyal customers to gather word-of-mouth and build trust among your target audience.

Too Many Additional/Hidden Charges

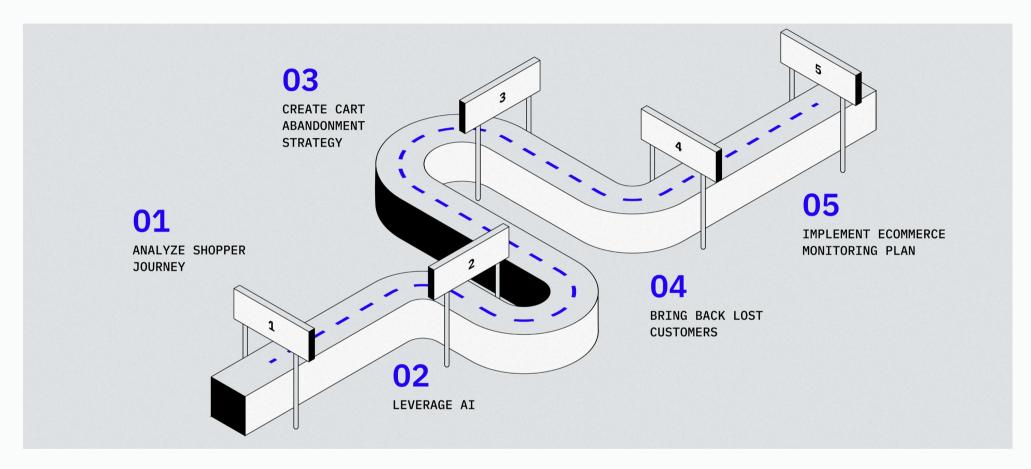
Taxes, service fees, platform fees, priority shipping fee, and the list goes on! Seeing a plethora of unrecognized charges on the checkout page is the last thing a customer wants. And yet, eCommerce sites keep serving them up like hotcakes. No wonder it is now one of the biggest causes of revenue loss for online retailers, and with good reason.

As a customer, it feels misleading to show one amount on the product page and 20% more when you go ahead to pay. What's worse? When you promise a coupon to provide X% discount, and it comes with a big caveat, something on the lines of "you need to shop for \$XX more to be eligible".

To think that customers just ignore it when they see such tactics at play would be foolhardy. They might let it go probably the first time, but when you end up ruining a customers' shopping flow repeatedly, they're sure not to return to shop with you ever again. The example below perfectly encapsulates what we're talking about. Shipping cost greater than almost 50% of the product's cost? Pfft. We'll pass.

> Shipping > Review 8	Payments				Sign I
Shipping Ad	ldress			Order Summ	ary
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Street Address *				Simi Valley, California 90064 United States	
East Los Angeles	Avenue			1 ITEM IN CART	~
Country United States	~	State/Province * California	~		gital Watch \$92.00
Zip/Postal Code * 90064		^{City} * Simi Valley			>
		,		Cart Subtotal	\$92.00
hipping Me	ethods		Ū	Shipping Best Way - Table Ra	\$50.00
\$5.00	Fixed	Flat Rate		Тах	\$46.00
\$50.00	Table Rate	Best Way		Order Total	\$188.00
elivery Date		Delivery Time			
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Building a Winning Revenue Recovery Strategy for Your eCommerce Store: A Roadmap to Success



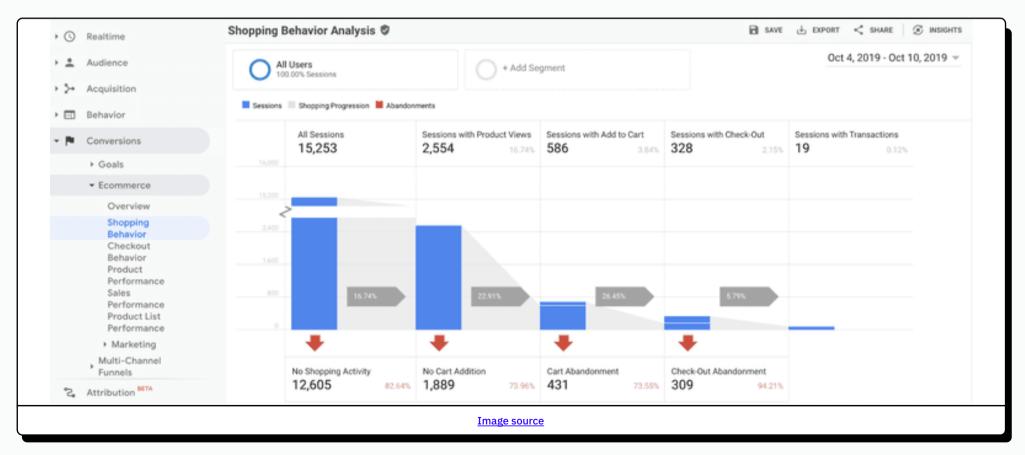
To truly ace revenue recovery for your eCommerce store in a way that it becomes a new stream in your topline, what you actually need is a comprehensive, all-encompassing strategy that covers the multi-faceted approach your business requires. In this section, we do a major deep dive into a sort of roadmap you need to follow to achieve revenue recovery for your eCommerce store. Let's begin!

Analyze Shopper Journeys to Identify Revenue Leaks

They say, the best way to know someone is to try to walk in their shoes. And while it might not be possible in the real world to walk in your customers' shoes, in the online one, it very much is. Today, there exists analytics and research tools that arm you with the ability to experience exactly what your customers do. Here are some of the steps you can follow to visualize how your customers are using your store:

Glean into your site analytics to see where the revenue leaks are happening

Even if you have the most basic site analytics <u>tracking data on</u> <u>your shoppers' behavior</u>, you can still easily zero in on the most crucial drop-off or revenue leak points in your checkout funnel.



<u>Noibu's Funnel Impact</u> highlights the exact impact of errors on the purchase journey over the past 90 days, broken down into four main stages:

1. On site

Indicates the customer has landed on your website.

2. Added to cart

Indicates a customer has added an item to their cart.

3. Checkout started

Indicates a customer has started the checkout process.

4. Placed order

Indicates a customer has clicked Place Order.

	On site		Added to cart		Checkout star	rted	Place order	
	This Issue	Average	This Issue	Average	This Issue	Average	This Issue	Average
Sessions	6,642	5,731,113	192	946,600	9	565,490	4	318,154
Progressed	972	1,014,741	61	525,768	2	314,875	4	275,169
Progressed %	14.6% -3.1%	17.7%	31.8% -23.8%	55.5%	22.2% -33.5%	55.7%	100%	86.5%
Sessions lost	0		45		3		0	
Transactions lost	0		25		3		0	
Annual revenue loss	\$0		\$15.6k		\$1.87k		\$0	

Watch session recordings of shoppers using your site or mobile app

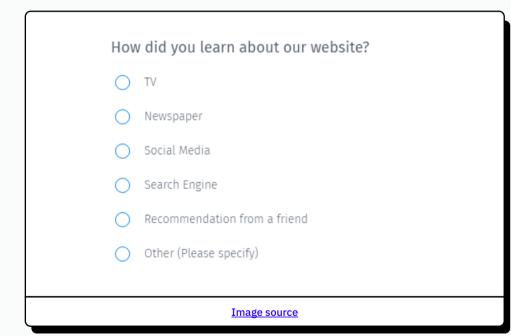
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What did we say about tech allowing you to do a lot more than you'd imagine? Today, savvy eCommerce product owners and marketers are watching session recordings to truly walk into their customers' shoes and identify the exact hiccups they're experiencing. Noibu's Session recording feature allows you to experience customers' journey on your site firsthand by reviewing every action they did on the site, the errors they encountered, and every hiccup that prevented them from completing their purchase.

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Sort	₩ Add Filte	er					7311	1935 total sessior
Started at	Ended at	Friction factor	Session symptoms	Browser	os	Page co	untError co	untLast funnel step
6 Sep 2023 12:56am	6 Sep 2023 1:19am	153	Multiple Payment Gateway Refresh Rage Click Form Deserted Back Burton	Edge	Windows 10	17	64	Place order
5 Sep 2023 2:55am	5 Sep 2023 3:23am	107	Contact For Help Back Button	Edge	Windows 10	9	1	Add to cart
10 Sep 2023 1:15pm	10 Sep 2023 2:10pm	99	Refresh Rage Click	Safari	iPhone	18	66	On site
9 Sep 2023 3:06pm	9 Sep 2023 4:41pm	86	Multiple Payment Gateway	Chrome	Android	41	19	Place order
8 Sep 2023 11:48am	8 Sep 2023 1:12pm	86	Form Deserted Refreeh Back Button Rage Click Multiple Payment Gateway	Firefox	iPhone	56	90	Place order
5 Sep 2023 11:37am	5 Sep 2023 12:43pm	85	Multiple Payment Gateway Refresh Beclined Card Form Deserted Back Button	Edge	Windows 10	41	42	Place order
8 Sep 2023 8:24pm	8 Sep 2023 9:23pm	83	Form Deserted Back Button Refresh Multiple Payment Gateway	Safari	iPhone	59	103	Place order
6 Sep 2023 9:02am	6 Sep 2023 9:30am	83	Multiple Payment Gateway Refresh Form Deserted Back Button	Edge	Windows 10	25	14	Place order

Run trigger-based surveys to hear straight from the horse's mouth

You'd be surprised at how much your customers want to tell you, only when you're willing to actually listen. Run triggerbased surveys at various stages of the shopping journey to gather insights into how frictionless or challenging their experience has been. For example - upon the completion of a purchase, you can go ahead and ask how comfortable the shopper felt while sharing their card details.



And voila! Once you've actually spent some time trying to analyze how shoppers interact with your online store, you will have unlocked a goldmine of insights and revenue recovery opportunities waiting to be implemented on your website.

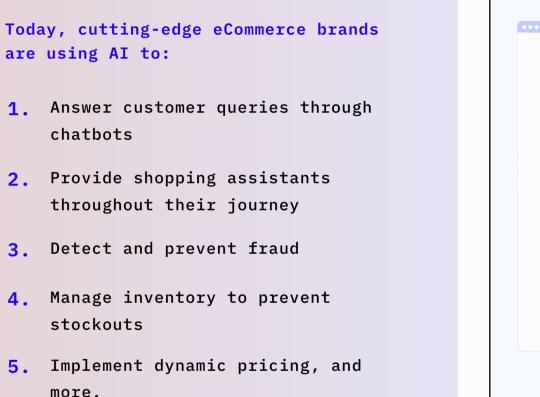
Leverage AI to Elevate the Customer Shopping Journey

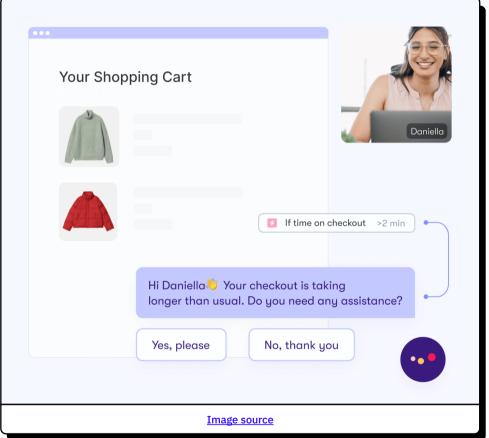
2023 has been all about AI. And let's face it - AI is not really a buzzword anymore. Today, kids are using Chat-GPT to do their homework while grown-ups are using it to literally write code for software at their tech jobs. In eCommerce, <u>AI has</u> <u>the potential to optimize literally every facet of the business</u> think smart merchandising, <u>dynamic product pricing</u>, and even <u>immersive shopping experiences</u>!

Big-name eCommerce brands such as Amazon, Target, and eBay have been deploying AI capabilities such as personalized recommendations for years. Ikea and Sephora have been offering virtual try-on experiences where buyers can visualize a product before committing to a purchase.

Today, there exist third-party solutions that provide independent online retailers to provide a similar level of AI-powered experience for their shoppers. And AI applications have also expanded far beyond just personalized recommendations.

At the end of the day, the future of eCommerce will belong to those who make quality customer experience their single key priority, and AI is possibly the most powerful enabler for eCommerce brands to achieve that goal.



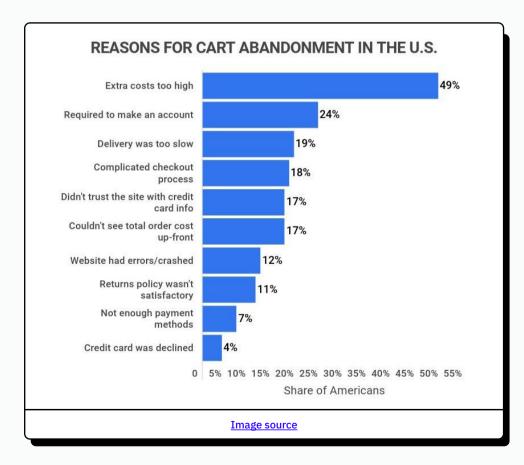


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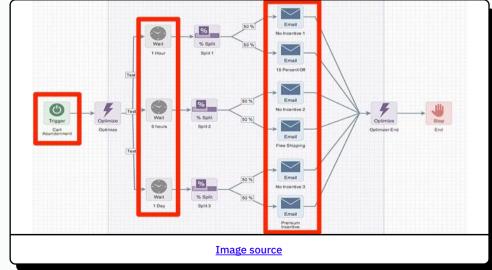
Create a Dedicated Cart Abandonment Strategy

<u>Cart abandonment</u> is a perennial eCommerce challenge, which is why it becomes super important for companies to not tackle it with tactics or ideas, but with a thought-through strategy that includes multiple touchpoints and channels. Customers leave carts behind for a multitude of reasons, some of which are as below



Depending on the type of audience you're going after, you'll have to choose a careful mix of what, when, where, and how you re-target your audience after they leave your store with a cart full of unpurchased items.

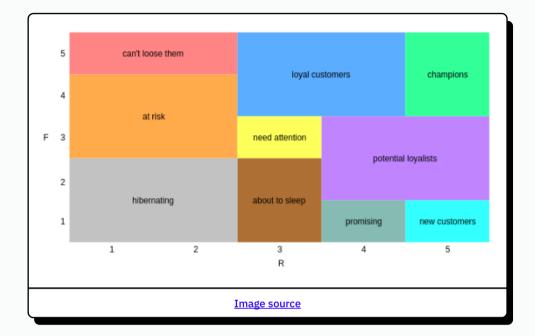
Your job as an eCommerce store owner or the person tasked with building out a holistic cart recovery strategy is to design campaigns in the form of workflows, including multiple marketing channels such as paid ads, push notifications, emails, and more. Here is a very basic example from our friends over at Sailthru of one such flow (you could very well A/B test your campaigns for better outcomes):



Invest in Retargeting to Bring Back Lost Customers

While cart abandonment is good for targeting users who showed an active interest or willingness to buy from you, what about beloved customers who were once loyal to you? Or perhaps the ones who haven't shopped in a long time? You'd have heard the old marketing adage, "It's 10 times cheaper to retain a customer than to acquire a new one". Well, turns out it timelessly still holds true.

As an eCommerce store owner, you should invest in tools and programs that prevent you from letting lost customers be... well, lost. One of these ways is to build out an RFM model that segments your users based on how recently, at what frequency, and how much money they spent on your store.



Barring your loyal customers and champions, you should keep a close eye on the other buckets and act before it's too late. However, for the ones hibernating, you must incentivize them with the most enticing offers and keep them engaged once they're re-activated to avoid losing revenue to your competitors.

Implement a Dedicated and Ongoing eCommerce Monitoring Plan

Finally, to eliminate all revenue leaks in your shopper journey, you need a rock-solid eCommerce monitoring plan that helps you proactively detect and resolve technical bugs on your site that are hindrances to customer experience. And <u>Noibu</u> is the only solution you need to check off all your eCommerce monitoring needs. And sure, we're biased, but hear us out!

Noibu is an end-to-end eCommerce monitoring solution that empowers you to stay one step ahead of what's really happening under the hood of your site. With a quick set-up and minimal training required, you can start driving RvOI with Noibu from the get-go.

Annual revenue saved	Issues	resolved	Annual revenue loss	New issues			
\$63,091 -84.4%	4 -2	0.0%	\$31,244,667	141 -2.8%			
Closed-fixed issues			Loss overview	Recent issue	S		
Funnel Analysis				Progressed %	rt . Checkout start	ed	
			\$16,881,044				100
			\$10,681,044				80
							60
		\$8,615,667					40
							40
\$3,151,386	\$2,596,570						20
On site	Added to cart	Checkout started	Place order				0
				iep 1	Oct 1	Nov 1	
Fop suggested issues			View all	Team activity			

From proactively detecting revenue-impacting errors on your site to prioritizing them based on the exact impact they're predicted to have on your bottom line to providing all the technical details required to make efficient fixes, you can rely on Noibu to target all sources of revenue leaks due to site errors.

The best part? Noibu provides you a starting point for your eCommerce revenue recovery strategy.

Noibu answers questions such as:

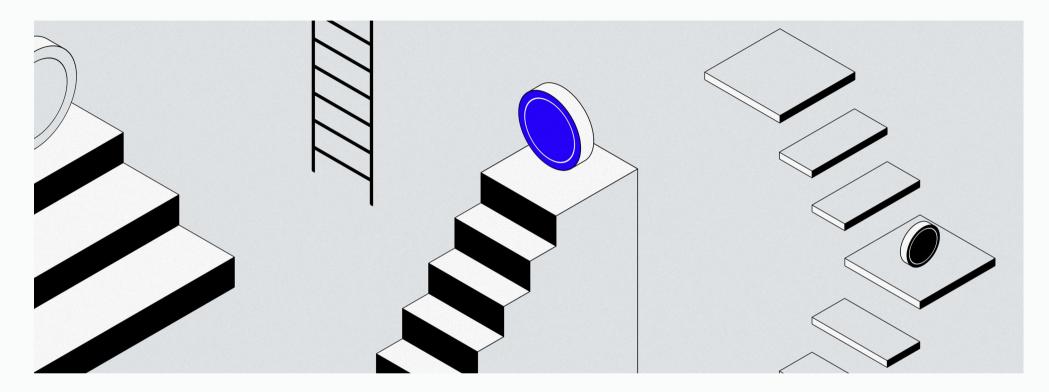
- → Which errors do I prioritize and resolve first?
- → Which part of my eCommerce funnel is experiencing maximum revenue loss?
- → How do I view the exact session where this particular error occurred?
- → How do I fix this error without having to spend more time investigating and reproducing it?
- How do I detect on-site errors that customers haven't reported yet?

If you're looking to level up your eCommerce monitoring strategy in 2024 and explore a tool you can completely rely on, sign up for a free checkout audit by Noibu! We'll identify key areas of potential revenue loss on your site, how to reproduce errors and hand you all the information needed to fix them and possibly save hundreds of thousands of dollars this year.





Simplifying eCommerce Revenue Recovery with Noibu: One Site Error at a Time



At Noibu, we partner with some of the fastest-growing eCommerce brands across the globe to help them recover lost revenue due to errors and technical issues on their website. In this section, we'll look at some key trends across errors detected and revenue recovered by our customers in 2023 to potentially uncover some interesting insights.

Breaking Down the ROI eCommerce Brands Drove with Noibu in 2023

In 2023 alone, Noibu helped recover a whopping \$1,976,752,877 in annualized revenue for our customers! Yes - that's how much website errors would collectively cost our customers if they weren't detected and addressed. To put this number in perspective, customers were able to drive an **average of \$6.2K in ROI** for each issue that was successfully resolved and an average of **\$572K in overall ROI** for their business.

eCommerce Platform's ROI per issue and overall ROI in 2023:

Site Type	Avg. Issues in the Funnel/Site	Avg. Issue Fixed ROI	Avg. Issue Fixed ROI/Site	
Big Commmerce	4,417	\$1.5K	\$237K	
Custom	3,597	\$8.5K	\$488K	
Hybris	9,360	\$1.1K	\$84K	
Magento 1	3,604	\$7.6K	\$1,269K	
Magento 2	4,072	\$5.4K	\$336K	
Oracle Commerce Cloud	4,811	\$5.8K	\$761K	
Salesforce Commerce Cloud	4,346	\$7.4k	\$730K	
SAP Hybris	5,226	\$12.7K	\$615K	
Shopify	4,620	\$8.0K	\$1,655K	
Shopify Plus	5,146	\$10.0K	\$606K	
WooCommerce	1,058	\$0.1K	\$23K	
Average	4,341	\$6.22K	\$572K	

Here, average issues in the funnel/site determine the average number of errors that each website built on the corresponding platform encountered throughout the year. Similarly, the average issues fixed ROI represents the average ROI that was driven by resolving each issue on the site for the corresponding eCommerce platforms. Finally, avg. issue fixed ROI/site determines the overall ROI that each website drove on average by fixing all the issues on their site in 2023.

Getting Deeper Into the Errors Noibu Detected Across eCommerce Platforms

Over the course of the past year, Noibu helped discover **3,579,825** revenue-impacting errors for all our customers combined.

Let's take a look at the breakdown of the errors across key platforms our customers' sites are built on and the stages they were detected at:



INSIGHTS

Highest number of issues per site

SAP Hybris

Shopify Plus

Salesforce

Looking at these numbers from the year that went by, Noibu's delivered substantial ROI that businesses could take to the bank, preventing revenue losses due to website issues and bugs. It's no real surprise that Noibu can be a key piece of the puzzle in your 2024 growth strategy, fixing errors that could potentially make a dent in your topline and helping you prevent losing out on those precious lost dollars.

Least number of issues per site

WooCommerce

Custom

Magento 1

Start Recovering Revenue Before Your Competitors Do

If you've made it this far, chances are you're pretty convinced with the potential of a solid revenue recovery strategy for your eCommerce business. While it might seem overwhelming if you're just starting out, no effort you put into it is going to go in vain. What matters the most is that you commit to it and get right to execution! In this eBook, we've tried to cover real-world and actionable advice from tried-and-trued sources. However, we do realize that each business is built differently. It'd be remiss of us not to advise to take it with a grain of salt. To ensure you're making the most of your revenue recovery program, make sure you tailor it based on the structure, processes, and context of your organization. And that's all it will take.

