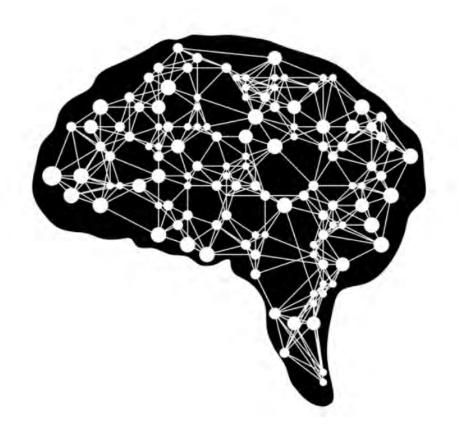


#### Persuasive E-commerce



@guido gui.do

#### Persuasion?

"an attempt to change attitudes, behaviors or both (without using coercion or deception)"

B.J. Fogg, PhD

Scientist @ Stanford University

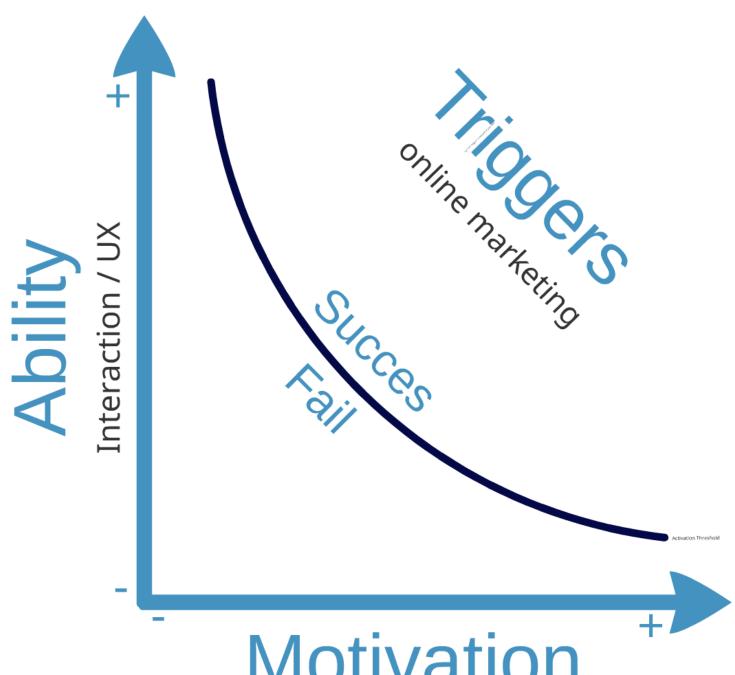


**Psychology** 



**Usability** 

(Joshua Porter)

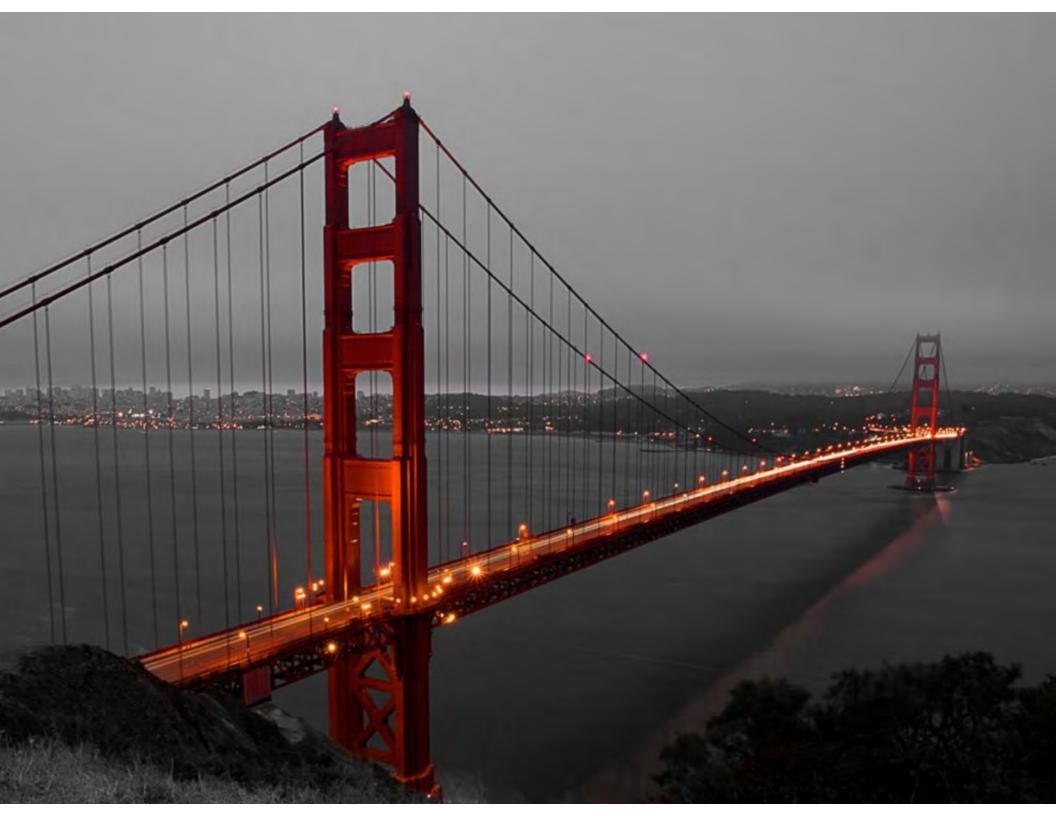


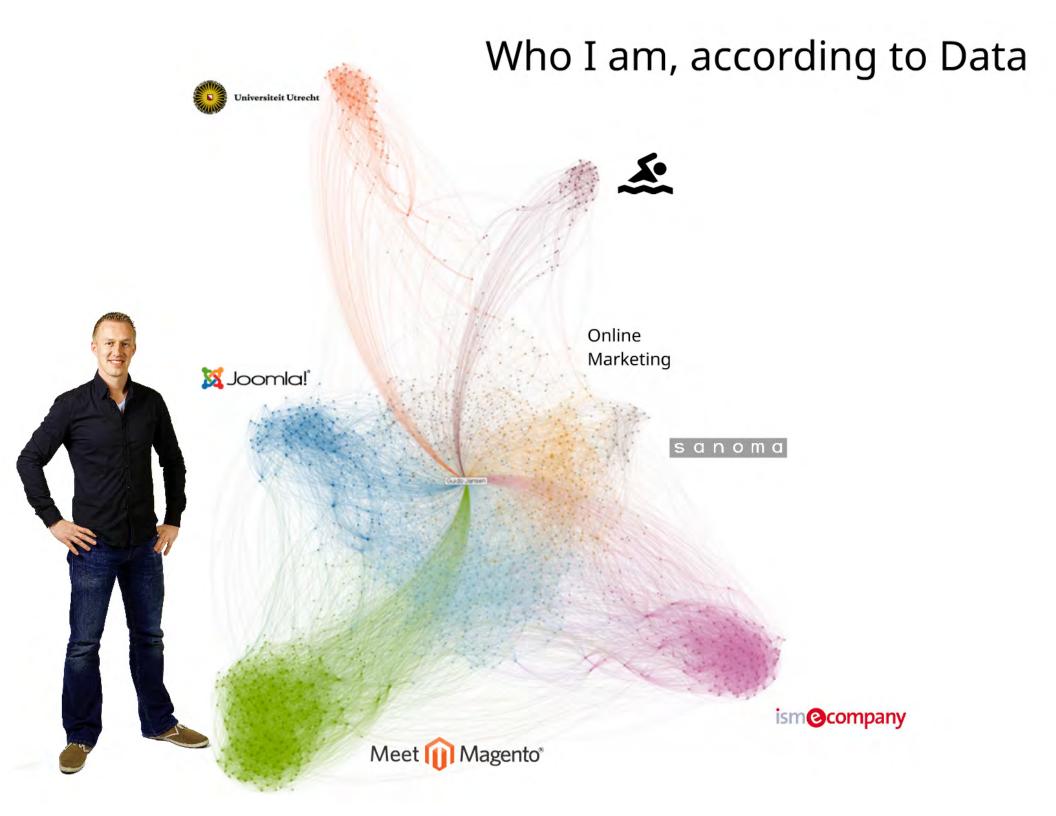
#### Motivation

Persuasion Technology

































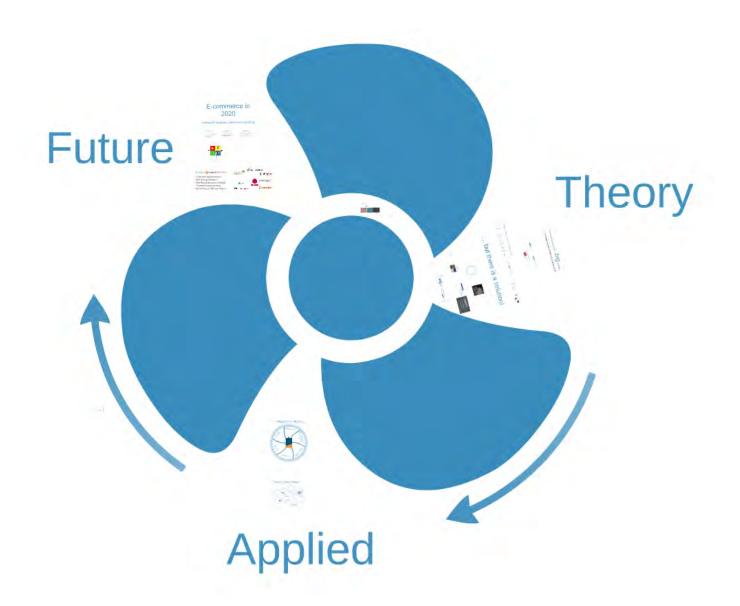
Data informed



Psychology



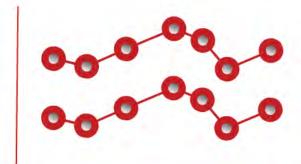
A/B/MvT testing



# Online Merchants have a OiG problem

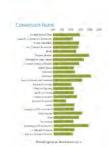
because online conversion rates suck

#### Average conversion rates



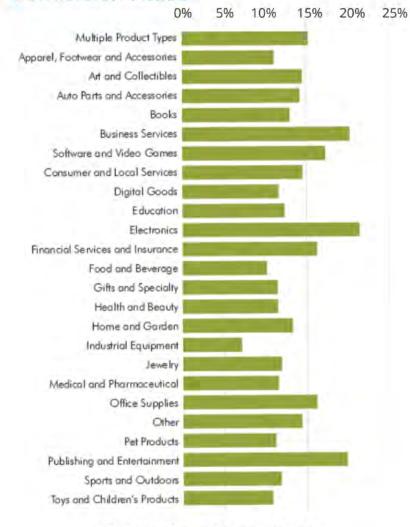
Offline: 20 - 25%

Online: 2 - 10%



(numbers for fashion, but the general trend applies to most sectors)

#### Conversion Rates



Marketingsherpa Benchmark 2014



#### Some very good e-commerce conversion rates



Mumbers based on some Internet research and Internetretailer Top 300 Europe Edition 2011

#### amazon.com°

6,3% - average order €90,-



8 - 11% - average order €430,-

### ProFlowers<sup>®</sup>

15,8%

# Woman Within

25,3%



40,6%

# Why is online conversion so low







# Online lacks several Key Factors

used in offline stores

## sensory input



## direct feedback



## no commitment

until checkout



# personalization





sensory input



direct feedback



personalization

#### ome very good e-commerce conversion rates







#### but there is a solution!





Our decisions are for 90-99% unconscious



#### Our decisions are for 90-99% unconscious



#### Expensive = Good Quality

#### White coat = truth

# Shiny = New

## Familiar = Safe

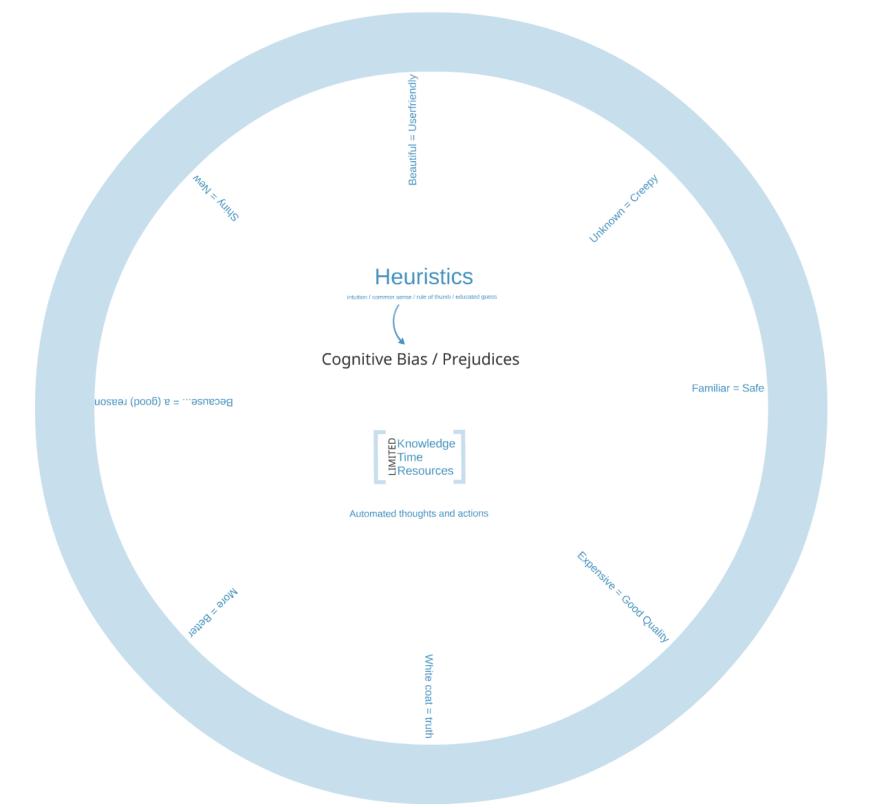


Automated thoughts and actions

## Heuristics

intuition / common sense / rule of thumb / educated guess





### We all have many biases

# and we're not even aware of most of them

## Let's try this....

# Availability heuristic

### Casualties from deadly situations

Terrorism Airplane Crash



Any natural disaster

Swimming Pool

## Actual statistics

50% more people die in a swimming pool than the 3 other situations...

...COMBINED

## ties from deadly sit

#### Actual statistics

50% more people die in a swimming pool than the 3 other situations...

...COMBINED

### Casualties from deadly situations

Terrorism Airplane Crash

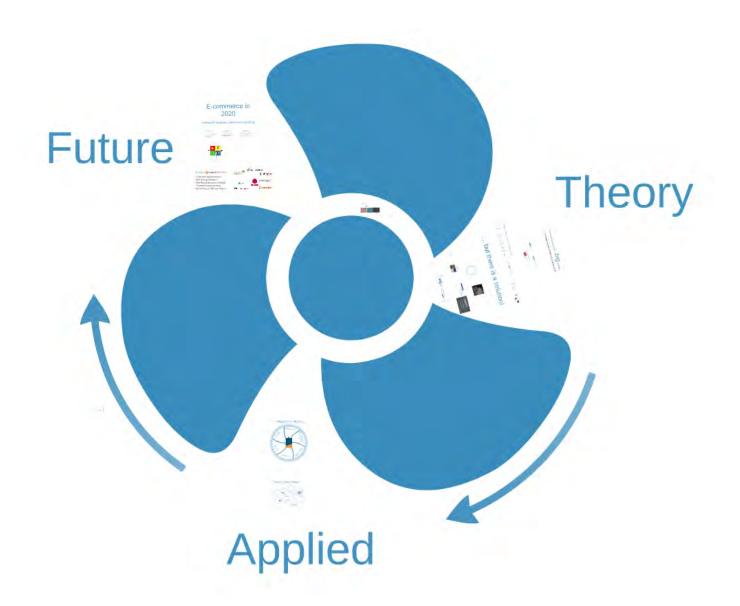


Any natural disaster

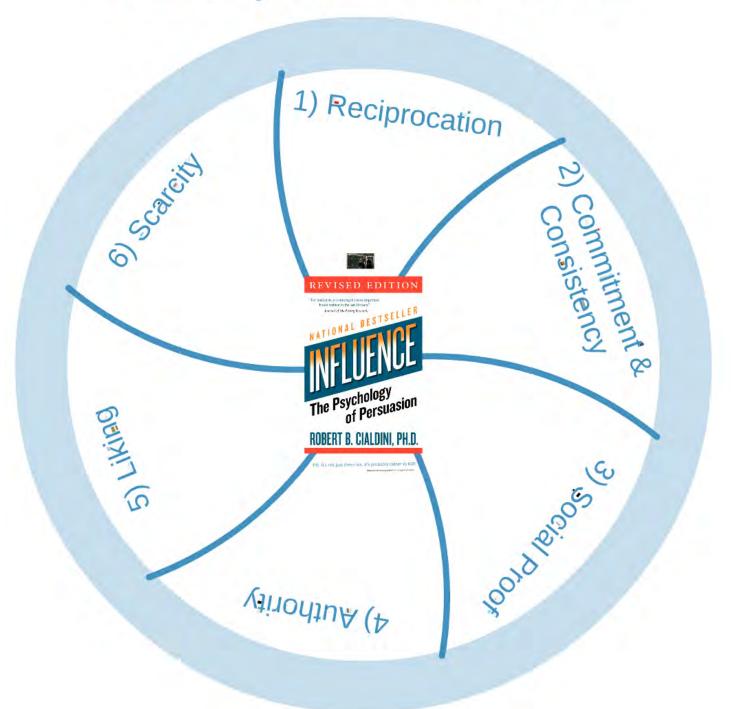
**Swimming Pool** 

#### Theory conclusion:

- Big difference between online and offline conversion
- We have many Cognitive Biases and we are not aware of most



### 6 Weapons of Influence



#### REVISED EDITION

"For marketers, it is among the most important books written in the last 10 years."

-Journal of Marketing Research The Psychology of Persuasion

ROBERT B. CIALDINI, PH.D.

A. always always a/b testing

## 1) Reciprocation

Newsletter eBook **Tutorials** Courses Webinar/podcast Software Free Apps Trial

. . .



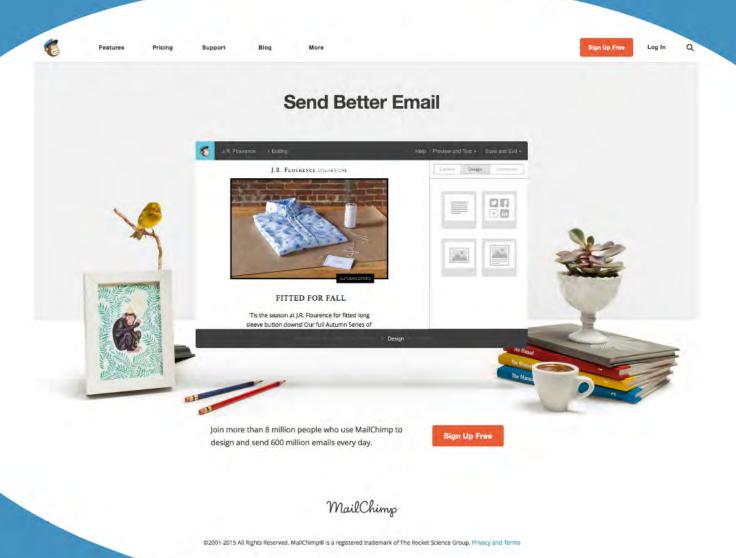


- Be unexpected
- Provide real (personal) value
- Keep on giving
- Don't apply reverse reciprocity

## 1) Reciprocation

# 2) Commitment & Consistency







#### NEW REDUCTIONS ON SELECT MERCHANDISE SHOP NOW!



PHYSICAL & VIRTUAL GIFT CARDS

SHOP PRIVATE SALES

**NEW PRODUCTS** 

TRAVEL GEAR



LAFAYETTE CONVERTIBLE DRESS \$340.00





\$210.00



LINEN BLAZE \$455.00



CHELSEA TEE \$75.00

## Cher dans Cher dans



want Nederland heeft een vetorecht. Een agenda met bindende lidstaatcontracten en een ongebreidelde geldstroom van noord naar zuid is niet in ons belang. Dan moet je je tanden laten zien", aldus VVD-Kamerlid Mark Verheijen.

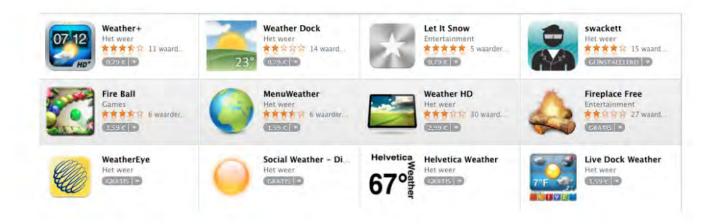
Door: ANP/NU.nl











User statistics

AquaSoft

20%

increase in sales



90%

increase in conversions



21%

decrease in bounce rate



6.3%

increase in sales

## Other users

2 miljoen succesverhalen en de teller loopt door

















#### Select Clients

#### Walmart.com

Walmart.com, a subsidiary of Wal-Mart Stores, Selects SiteSpect for Multivariate Testing and Site Optimization.



Staples, the World's Largest Office Products Company, Selects SiteSpect for Website Optimization and Multivariate Testing.



Mozilla Chooses SiteSpect to Optimize the Usability of its Website through Multivariate Testing.



Newegg, the Second-Largest Online-Only Retailer in the United States, Chooses SiteSpect for Multivariate Testing and Site Optimization.

#### The New Hork Times

NYTimes.com selects SiteSpect for Multivariate Testing and Conversion Optimization.



MTV Networks Music, the World's Leading Online Music Entertainment Company, Chooses SiteSpect. for Multivariate Testing and Site Optimization. ISM eCompany is trots voor de volgende klanten te werken:



### What other customers do

#### What Do Customers Ultimately Buy After Viewing This Item?



80% buy the Item featured on this page:

The Web Application Hacker's Handbook: Discovering and Exploiting Security Flaws \*\* (16)

\$31.5

HACKING

8% buy

Hacking: The Art of Exploitation, 2nd Edition \*\*\* (64)

\$32.97

MAAP MANE 6% buy

Nmap Network Scanning: The Official Nmap Project Guide to Network Discovery and Security Scanning

in the second

3% buy

Hacking: The Next Generation (Animal Guide) \*\* \*\* \*\* (7) \$26.39

**Explore similar items** 

#### Frequently Bought Together







Total List Price: \$149.90 Price For All Three: \$97.44



hree to Cart Add all three to Wish List

Some of these items ship sooner than the others. Show details

☑This item: The Web Application Hacker's Handbook: Discovering and Exploiting Security Flaws by Dafydd Stuttard

Hacking: The Art of Exploitation, 2nd Edition by Jon Erickson

▼ Nmap Network Scanning: The Official Nmap Project Guide to Network Discovery and Security Scanning by Gordon Fyodor Lyon

### Again: Always Be Testing

"In the past month [x] customers bought this product"

Socially acceptable products



Socially undesirable products X



### Especially effective with:

- same kind of people
- uncertainty
- inexperience

### Sasquatch music festival 2009



## Cher dans Cher dans

# 



## Trust Logo's































































Alle afbeeldingen voor Samsung UE40F7000:

Winkelprijzen vanaf:

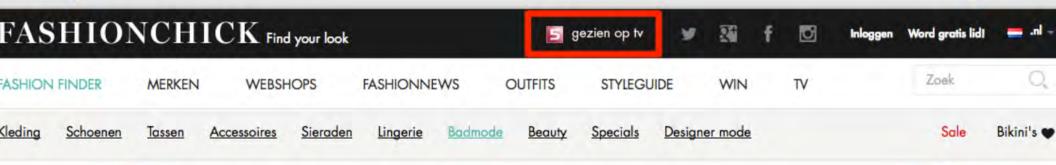
o bekijk alle prijzen

FOKA Voor 22:30 besteld, morgen in huis

klein AFHALEN IS NOG

€ 899,00

€ 899,00



# 



"All things being equal, people will do business with a friend.

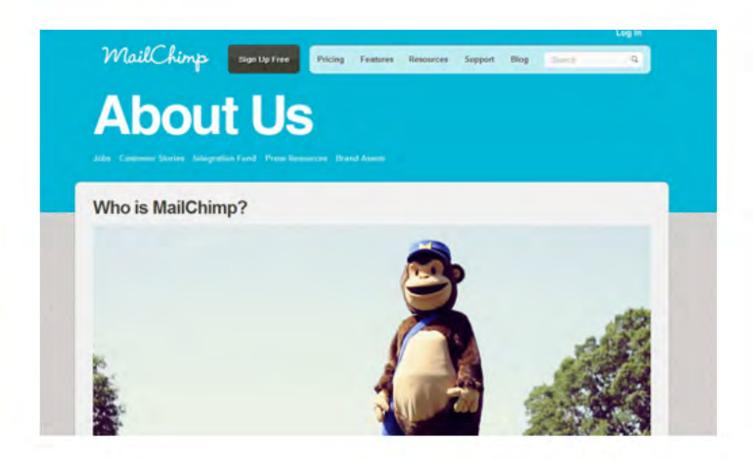
All things being unequal, people will **still** do business with a friend."

Mark McCormack

# Problem:







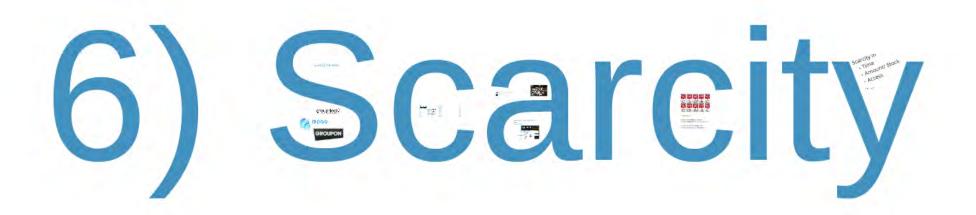




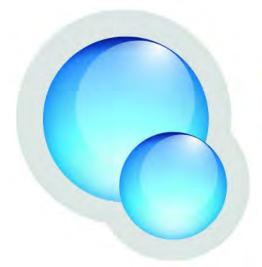


- Attractiveness
- Similarity
- Compliments
- Get likeable people to promote you









# BOOD



# GROUPON Collective Buying Power

### Gameson + GamingSocial Deal of the Day time!



£1545.62 Value

Discount 75%

You Save £1147.62



### Only 20 available



√ The deal is on!

This offer won't last long so secure yours now!

### What's Included

- . One full conference pass (RRP £795 plus VAT)
- · A copy of Gabe Zichermann's groundbreaking book, Game Based Marketing (RRP £16.99)
- · Exclusive Game Design and Gamification workshop, hosted by game design experts from Playgen (RRP £699 plus VAT)
- . Pack of Adding Play "DIY Gamification Kit" playing cards (RRP £44.95)













### 10% discount

Version A: no limit per person

Version B: limit of 12 cans per person

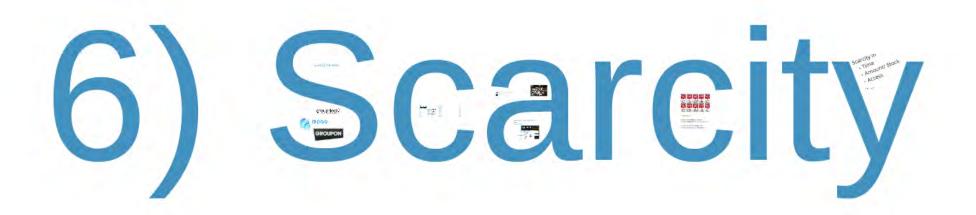
Version A: average 3 cans sold

Version B: average of **7 cans** sold!

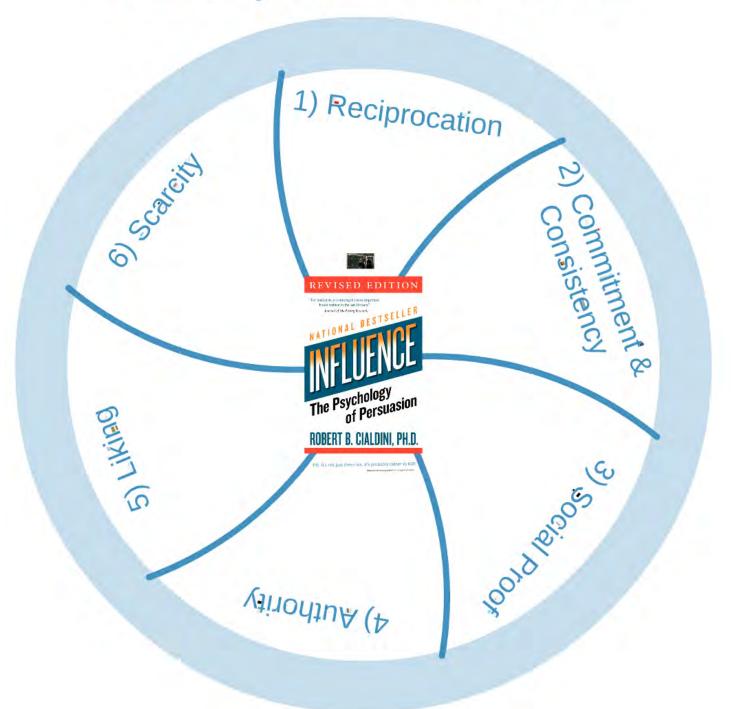
# Scarcity in

- Time
- Amount/ Stock
- Access

•



# 6 Weapons of Influence





# ROBERT B. CIALDINI, PH.D.

PS: It's not just these six, it's probably closer to 600

https://en.wikipedia.org/wiki/List\_of\_cognitive\_biases

## There's (much) more!



# Perceptual Contrast / Framing Anchoring and adjustment heuristic





The ugly brother effect





### The **Economist**

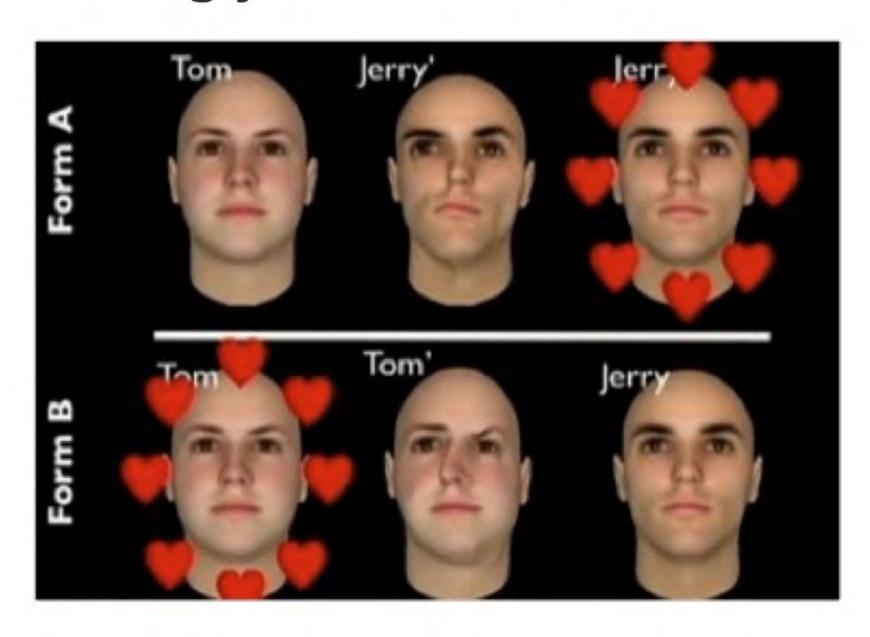
Web subscription

\$59

16%

Web & Print subsciption \$125 84% —

# The ugly brother effect



# Perceptual Contrast / Framing Anchoring and adjustment heuristic





The ugly brother effect



### **Choice Paralysis**

#### Hobson's +1 choice

















# Jam Experiment

	6 options	24 options
Tasting	40%	60%
Buying	12%	1.6%

### **Choice Paralysis**

#### Hobson's +1 choice















### Hobson's +1 choice











# Book online now, and you get:

- ✓ Discount on your next order
- ✓ Free drink
- ✓ Free cancellation
- Room upgrade when available
- Free and unlimited internet
- Checkout untill 5pm on sundays
- ✓ Best & lowest price guarantee
- ✓ Direct e-mail confirmation

# Book online now, and you get:

**✓** Lowest price guarantee!

### You also get:

- ✓ Discount on your next order
- ✓ Free cancellation
- ✓ Free and unlimited internet

Besides this, you also have **no reservation costs**, you get an **e-mail confirmation** and you get a **free drink** on arrival (and on sundays you can **checkout untill 5pm!**)

### **Choice Paralysis**

#### Hobson's +1 choice















# The power of 'because'





1 May I use the Xerox machine?

60%

2 May I use the Xerox machine because I'm in a rush?

94%

3 May I use the Xerox machine because I have to make some copies? 93%





### One good deed deserves another. → SO SHIPPING'S FREE, SEE DETAILS. <

Wishlist | Customer Service 1-800-975-8667

Register or Login





With every pair you purchase, TOMS will give a pair of new shoes to a child in need. One for One."

Search for Color / Style / Product

WOMEN

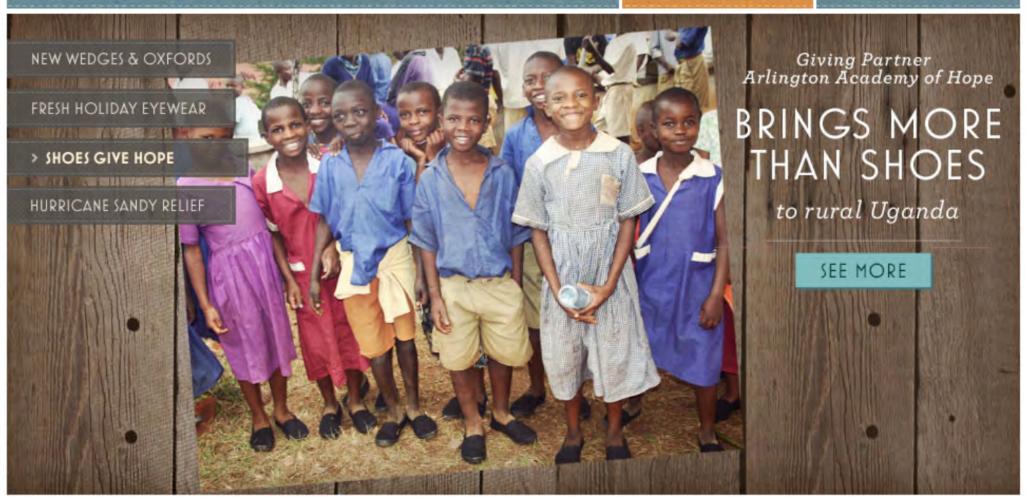
MEN

YOUTH (5+ YRS)

TINY (0-5 YRS)

**TOMS EYEWEAR** 

**OUR MOVEMENT** 

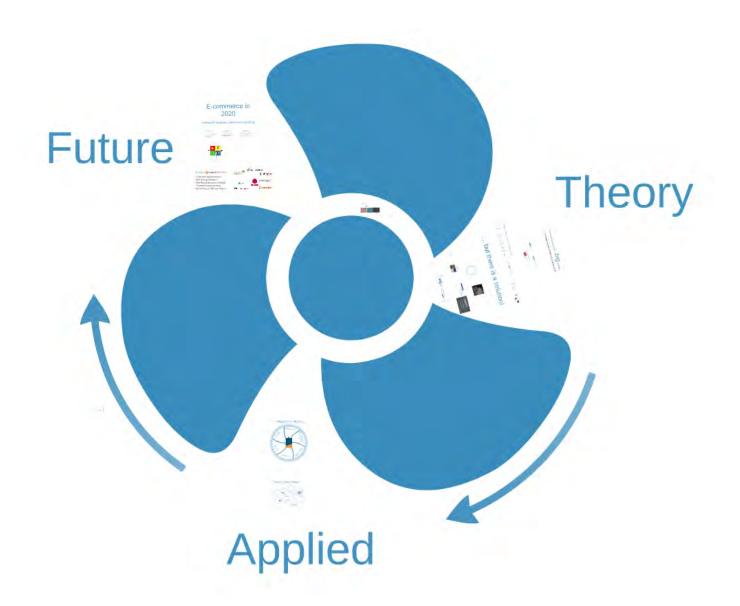


## There's (much) more!



## There's (much) more!





# E-commerce in 2020

behavioral targeting / persuasive profiling

Now:

Problem:

Future:

"Optimize for the average customer"

Large individual differences

Dynamic websites tuned to specific audiences

(...but we see consistent behavior

# E-commerce in 2020

#### behavioral targeting / persuasive profiling

#### Now:

"Optimize for the average customer"

Communication is the same for everyone

#### Problem:

Large individual differences

(...but we see consistent behavior on an individual level)

#### Future:

Dynamic websites tuned to specific audiences

Everyone gets a different sales pitch







### Now:

"Optimize for the average customer"

Communication is the same for everyone

## Problem:

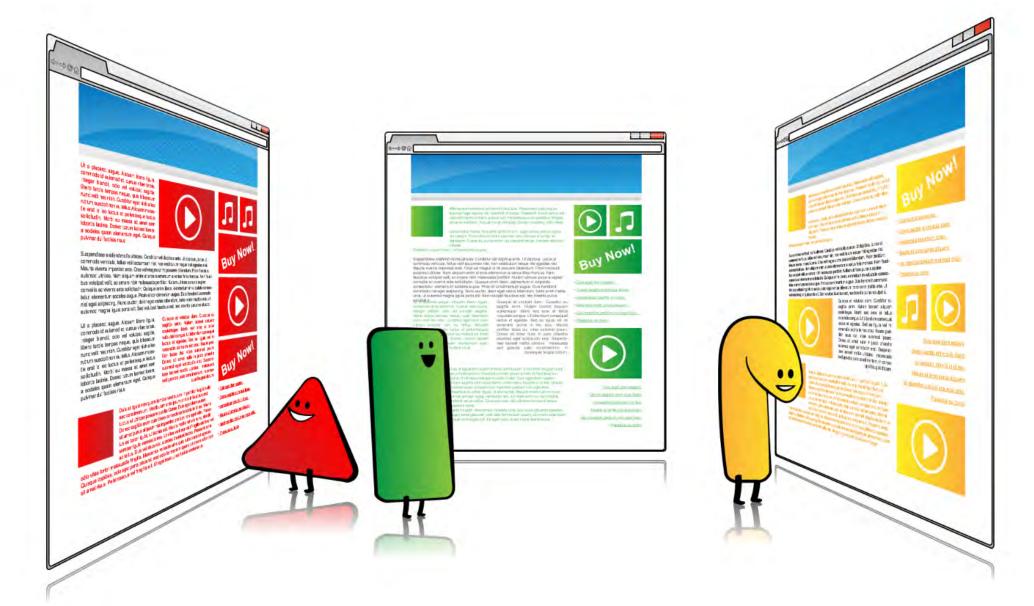
Large individual differences

(...but we see consistent behavior on an individual level)

## Future:

Dynamic websites tuned to specific audiences

Everyone gets a different sales pitch



### Already in Magento® Enterprise

- Customer segmentation
- Visitor segmentation
- Rule based product relations
- Customer group pricing
- Automated e-mail reminders













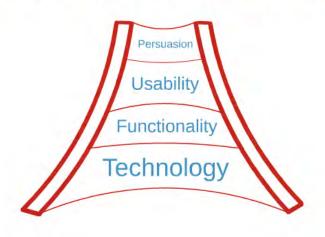




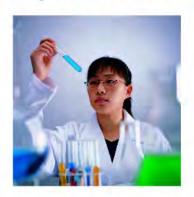


#### Two More Things

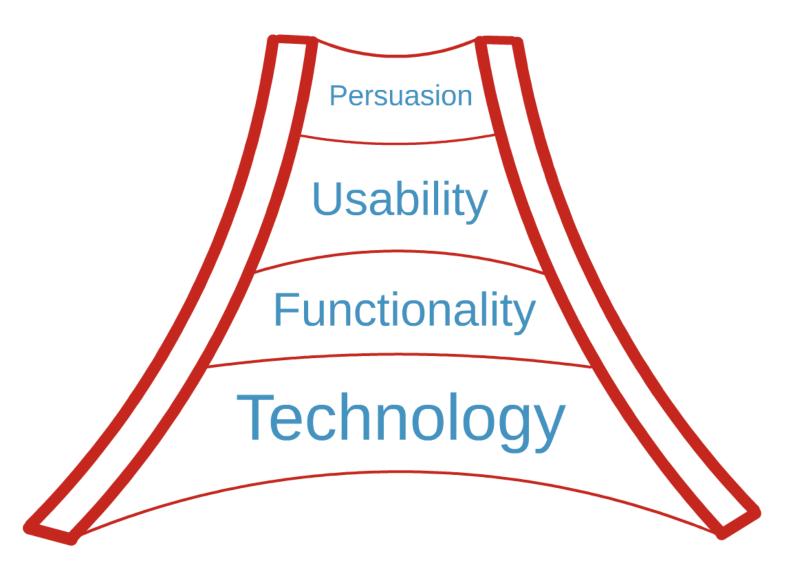
Hierarchy of optimization



**Experiment!** 



## Hierarchy of optimization



## Experiment!



#### Get to know your customer!

#### What's next?

#### Slides & more: gui.do

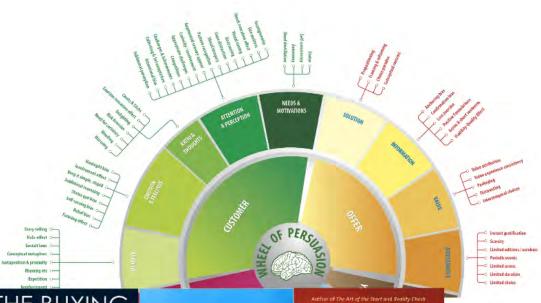
- · 'Psychology of E-commerce' blogseries on gui.do
- · Books
- · Online courses
- \* ...



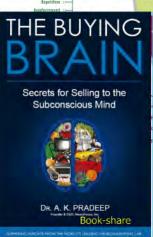
Remote User Testing you'll actually use



Give me your business card for a special treat...

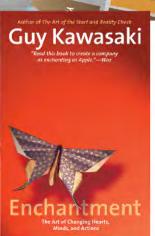


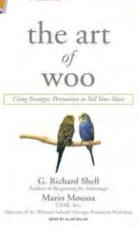


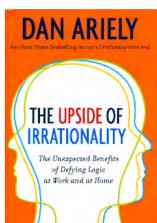


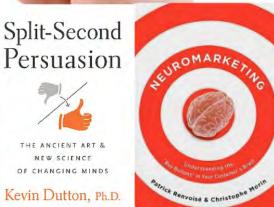


B.J. FOGG

















ROBERT B. CIALDINI, PH.D

Susan M. Weinschenk, Ph.D.

Stephen P. Anlerson

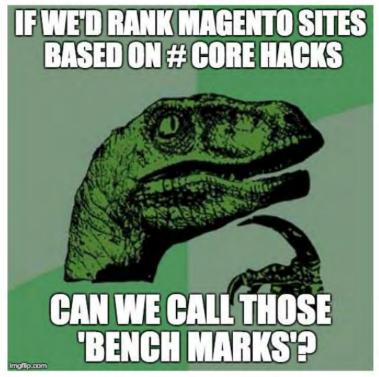
Seductive

## What's next?

Slides & more: gui.do

- 'Psychology of E-commerce' blogseries on gui.do
- Books
- Online courses
- ...





#### @ismagento2ready?

#### Remote User Testing you'll actually use



Give me your business card for a special treat...