Does your eCommerce business utilize product recommendation tactics? If not, you're missing out on the opportunity to significantly increase your sales revenue, click-through-rate, and conversion rate. In fact, <u>a study of over 100 eCommerce stores</u> showed that product recommendations in the checkout page resulted in a 915% increase in conversion rate.

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The goal is obvious—create the best possible shopping experience for your customers. How better to do this than by offering a tailored shopping experience just for them? Read on to get the product recommendation tips you need so your customers will not only convert but spend more.

Product Recommendation Methods to Increase Conversions

How do Product Recommendation Methods Work?

Product recommendations may seem complex, but they're really just a way to filter information so you can propose products to your customers based on their online behavior.

The data that you can use for product recommendations could include anything from browsing history to keyword-based searches to previous purchases (or all of the above). That's where eCommerce Product recommendation engines come into play (also called personalization engines). They then take this information to utilize algorithms and data so they can recommend the most relevant items to a specific user.



Image via AppSamurai

When you think of strategic product recommendations, Amazon is probably the first company that comes to mind. That's because they're leading the pack when it comes to personalization (and have been for quite some time).

Because of this, customers now expect a customized shopping experience just for them. Product recommendations may be your best bet when it comes to competing with Amazon. Why? They're a great way to keep shoppers on your website instead of hopping off to check Amazon's products and prices.

Here are the top product recommendation tips to help your eCommerce store succeed.

1. Cross-Sell

The first and one of the most important product recommendation tactics is cross-selling (not to be confused with up-selling). This sales tactic is used to increase conversions by suggesting additional or similar products to an already-committed buyer.

Why Cross-Selling Works

Cross-selling can be an incredibly successful product recommendation tactic since it acts as a way to satisfy a customer's further needs that weren't satisfied with the original product. Additionally, a customer may not even realize they're dissatisfied until the moment another product is suggested to them.

According to "Marketing Metrics: The Definitive Guide to Measuring Marketing Performance", there's a whopping 60-70% chance to cross-sell an existing customer. Meanwhile, the chance to gain a new customer is only 5-20%.

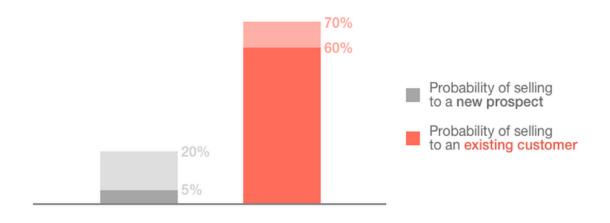
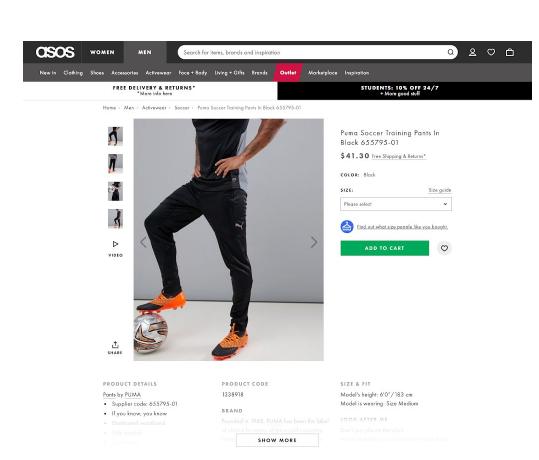


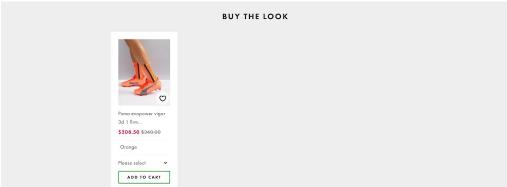
Image via Accordium

The reason for the drastic difference? A customer who is willing to convert already has their wallet open and is more likely to spend more.

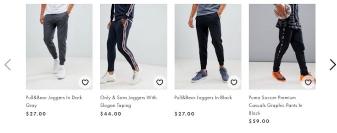
Cross-Selling Examples

Take <u>ASOS</u>, for instance. If a customer is purchasing these Puma soccer pants, they may notice the "Buy the Look" section below and realize they could use some new soccer cleats as well (and they may as well match the pants).





YOU MIGHT ALSO LIKE



Too much of an additional cost? No problem—right below this section is a product recommendation (or 4) the customer may also be interested in purchasing. This is a product recommendation tactic done right.

Another great example of cross-selling is from <u>MAKE Beauty</u>. This company offers both makeup and skincare. When cross-selling, they don't intertwine the two lines.

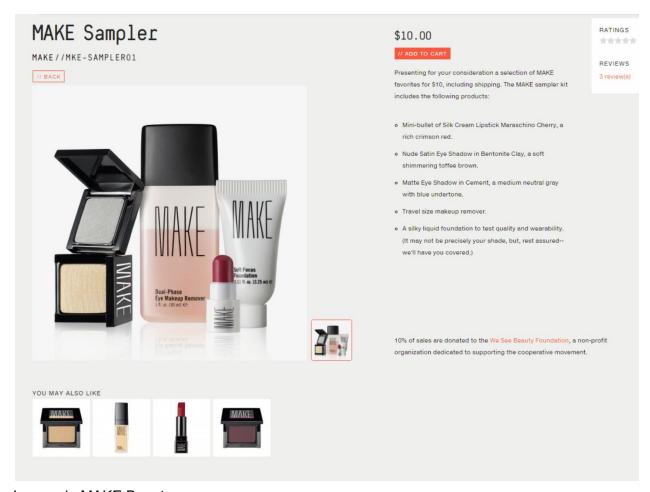


Image via MAKE Beauty

Be careful not to suggest too many related products as this could not only overwhelm the customer but lead them astray from the purchase they were making.

2. Upsell

It's not a clever name—the goal of this strategy is to sell a better, pricier version of a product that the customer is purchasing. This could be either a better model of the product or the same product with added bonuses that make the product seem like a better value. Want the simple version? It's essentially an upgrade.

This product recommendation tactic is a simple method to increase your average order value and boost your bottom line.

Wondering how it works? If a customer is purchasing a 27" TV and they're offered a 32" TV or an extended warranty, that's an upsell.



Image via OptiMonk

Before you go upselling every product in your inventory, slow down. Not every product can be upsold. Some products are simply better to offer as upsells than others. Here are some products that work better as upsells:

- Top Sellers
- Most Reviewed Products
- Most Relevant Products

Not only does upselling increase your average order value (AOV), it also <u>increases customer</u> <u>lifetime value</u>, which is incredibly profitable.

Amazon succeeds in upselling by showing customers what customers who also bought their item purchased. This means that someone who is interested in buying an iPhone wide angle lens may feel the need to purchase a higher-caliber (and more expensive) wide angle lens after coming across this section:

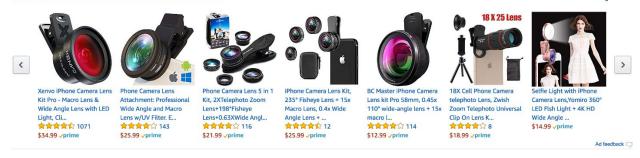


Image via Amazon

3. Homepage Product Recommendations

It's impossible not to use one of the biggest retailers in the world as the prime example for homepage recommendations. Currently, <u>70%</u> of Amazon's homepage is made up of product recommendations.

When a customer visits Amazon's homepage for the first time, they're shown other shopper's browsing and purchasing behavior. When they go on to interact with products, themselves, they show the company they're excited about certain products.

This helps Amazon understand their interests. When a customer returns to the homepage after that engagement, they are greeted with numerous personalized product recommendations categorized by category so the customer doesn't get lost within the store.

[caption id="attachment 350" align="alignnone" width="714"]



Image via Amazon

Quick Homepage Product Recommendation Tips

Use tools like heatmaps to see exactly where users are clicking on your homepage. This will help you place your product suggestions in the best possible spot. <u>Hotjar</u> offers an easy-to-use heatmap to implement in your homepage.

Well-placed product suggestions can't succeed by themselves, though. You'll need to have a functional and beautiful homepage to complement these product suggestions (and make them shine). Use Shogun Landing Page Builder to customize your homepage's layout so it can be as effective and visually appealing as possible.

Here's how eCommerce store, <u>Hitcase</u>, used Shogun to create a homepage with strategic product recommendations:

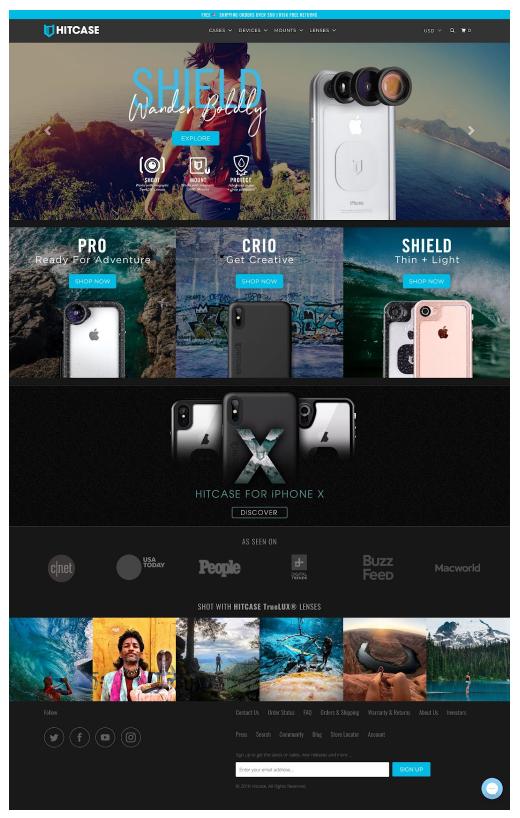


Image via Hitcase

Need a tool to help implement homepage product recommendations? <u>Certona</u> is an excellent option. They use real-time targeting and improve behavioral profiles with every single interaction made on your homepage. This allows for a highly-personalized experience for each user.

Another important step involved in increasing conversions is making sure you have all of the pages your store needs. Take a look at these <u>important and often overlooked pages</u> so your eCommerce is fully-equipped to succeed.

4. Abandoned Cart Recommendations

If a customer leaves a product in their cart and doesn't check out, email campaigns are a great way to capture their interest again.

Dynamic, personalized product recommendations in cart abandonment emails are highly effective since they offer the proper message to the right shopper at the right time.

<u>BigCommerce researched abandoned cart emails</u> and found that the average revenue per email is \$5.64. This is compared to only \$0.02 for promotional emails and \$0.18 for welcome emails. Not sure how to word these emails? Companies have seen success with subject lines like these:

- Hey ____, you forgot something
- You've left something behind,
- Your favorite items are still waiting for you
- Don't let your favorite items sell out

A key factor in creating successful cart abandonment emails is to show the actual product the user was interested in purchasing. It can also help to include a discount so the customer is even more motivated to convert.

Thrive does a great job of tantalizing the customer with the original product(s) they were interested in.





Still Interested?

Your cart has items left in it. Check 'em out now!

Buy Now



Toms of Maine Children's Toothpaste - Silly Strawberry

\$6.90 (\$3.08 in savings!)



Spry Fresh Fruit Xylitol Gum \$6.95 (\$2.54 in savings!)



Almond Butter \$.00 (\$14.99 in savings!)

Buy Now

The coupon QMR9TOED is waiting for you at checkout. Did you know millions of dollars go wasted on unclaimed food coupons every year? Remember to redeem your code and get even steeper discounts on the already 25 - 50% low prices on Thrive Market. It's a no brainer!

QMR9TOED

Redeem Coupon

5 Automation Tools to Help

Ready to get started with product recommendations but don't know where to start? There are a ton of tools that can help, but here are some that are especially helpful:

- 1. <u>Adobe Marketing Cloud</u> is a full-feature Customer relationship management (CRM) allows for product upsells, multi-channel analytics, remarketing and more.
- Marketo is another full-featured CRM that makes personalized upsells possible. Added bonuses include personalized email, ad spend optimization, and a wide range of other features.
- 3. <u>Vue.ai</u> uses artificial intelligence to extract data so it can showcase a particular product with particular styling to a specific group of users. This is a great option if you have a fashion eCommerce store.
- Conductrics features real-time optimization and machine learning to understand a customer's behavior. This makes it capable to offer the most profitable recommendations.
- Bunting drives revenue with machine-learning recommendations personalized for each shopper. They also have a super easy point and click editor that allows you to build recommendations exactly to your specifications.

Summary of 4 Product Recommendation Methods to Increase Conversions

You now have everything you need to jump on the personalization bandwagon and start implementing product recommendation methods into your eCommerce store. If you need a synopsis of what we went over, take a lot at the below list (and maybe take a screenshot too) so you can start increasing conversions with product recommendation tactics.

- 1. **Cross-Sell.** Use this sales tactic to suggest similar products to already-committed buyers. Many times, a customer won't even realize they're dissatisfied until the moment another product is suggested to them.
- 2. **Upsell.** Increase your average order value by suggesting a better model of the product they're interested in or the same product with added bonuses.
- Homepage Recommendations. Personalize your customer's shopping experience by suggesting products right on your homepage. This will allow the customer to feel valued and understood.
- 4. **Abandoned Cart Recommendations**. Use email campaigns to remind visitors they left something in their cart. Display the product right in the email and offer a discount so their excitement reappears.

Make sure your newly implemented page recommendations have the chance to succeed by building beautiful custom pages with Shogun's powerful drag and drop page builder (<u>free 10-day trial</u> to test it out).