

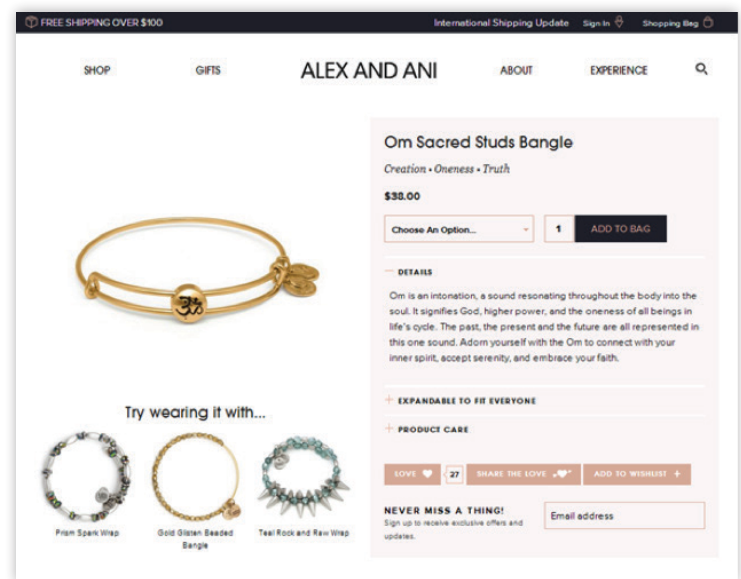
## INCREASING AVERAGE ORDER VALUE (“AOV”)

Contrary to popular belief, the conversion itself is not the end goal. Once you’ve convinced your shoppers to buy, there is a final opportunity and this is to maximize the value of that transaction by increasing the basket size. This is better known as average order value (“AOV”). AOV is also one of the most important inputs to the customer lifetime value formula.

### Relevance

Relevance yields hefty returns across several different marketing metrics, and AOV is no exception. The better the user experience your customers have, the greater the share of wallet you will ultimately achieve. Sailthru client delivery.com, for example, noted a 3% improvement in AOV across its customer base after rolling out targeted emails to its audience base. If you are not already using Horizon-powered recommendations, contact your account manager today to learn more.

### Horizon-Powered Onsite Recommendations (“Scout”)



### Cross-Selling / Upselling

Cross-selling and upselling are arguably the easiest ways to increase AOV, and there are numerous different pathways you can pursue to do so, including:

- Display Horizon-powered “you might also like” onsite modules. Sailthru client AMARO, a Brazilian retailer, drove a 2.3% improvement in AOV (and a 21.1% lift in purchase conversion!) after introducing these product recommendations from Sailthru.
- Introduce “Almost there” units in the checkout process. If there’s a threshold to unlock a particular incentive (e.g. free shipping on orders over \$100) and the buyer still has not reached it at checkout, issue reminders throughout the checkout process along the lines of “only \$X more until free shipping!”
- Leverage the Basket Analysis reports in the Merchandising section of Advanced Analytics for quick insights regarding which items are most likely bought as pairs (or in the prior/next purchase) as well as which items are most likely to be purchased as the only item in the basket (avoid those!).
- Be sure to cross-sell items in your abandonment emails as well as any other messages that may have traditionally only featured a handful of items or even just one item. Abandonment emails with product recommendations are known to drive much larger baskets than those without.

# Increasing Average Order Value (“AOV”)

## “Almost There” Example

(note “\$60 more until free shipping” as well as product recommendations in right rail)

The screenshot shows the BustedTees website's shopping cart page. At the top, there are navigation links for Order Status, Contact, Returns, and Create Account or Log In. The BustedTees logo is on the left, and navigation links for T-Shirts, New, Today's Deals, Fun Stuff, and Clearance are in the center. A search bar is on the right. Below the navigation, the cart is titled "Your Cart" and includes a link to "Log In or Create an Account for a quick getaway." The cart table has columns for Product, Price, Qty., and Total. One item is listed: "Los Pollos Hermanos Male, Creme, Small" with a price of \$20.00 and a quantity of 1. To the right of the cart, there is a notification: "Wait! Spend \$60.00 more and get free shipping! Orders of \$80 or more qualify for free shipping!". Below the cart, there is a "Got a Coupon?" section with an input field for a code and an "Apply" button. At the bottom, there is a "Continue Shopping >>" link, a "Subtotal \$20.00", and a "STANDARD CHECKOUT" button. On the right side, there is a product recommendation for "I'M A KEEPER" with a price of \$20 and an "ADD TO CART" button.

## Incentive Structure

Believe it or not, discounts can help you increase AOV. More specifically, discounts with spending thresholds (“get 20% off purchases of \$200 or more”) tend to yield AOVs just north of the discount floor.

## Discount Threshold Example

The screenshot shows a promotional banner for Country Outfitter. At the top, it says "This week only: Save \$20 on orders over \$150, \$35 on \$250, or \$50 on \$300. Web View". Below this, there are navigation links for COUNTRY OUTFITTER, COWBOY BOOTS, APPAREL, ACCESSORIES, BRANDS, and NEW ARRIVALS. The main text reads "HURRY BEFORE IT'S OVER! CHOOSE YOUR DEAL". There are two discount offers: "\$20 OFF WHEN YOU SPEND \$150 OR MORE" and "\$35 OFF WHEN YOU SPEND \$250 OR MORE". Each offer has a "SHOP NOW >" button. The background features a close-up of a cowboy boot.