## Vandra

## The New Default:

## Welcome Pop-ups on E-Commerce Sites

You can't miss them. They are ever-present in the world of e-commerce. You get to a new e-commerce site, start exploring the brand and what it has to offer, and then it appears... a pop-up asking for your email address, maybe even your phone number, usually in exchange for a discount on your first purchase.

The Vandra team wanted to understand more about the Welcome Pop-up, which has become the norm for e-commerce. We've been wondering about the pros and cons of these pop-ups... are they the beginning of a long and fruitful line of communication with prospects and customers or an unwelcome interruption in a shopper's journey to learn about your brand and to buy your products?

Curious about the economics of these Welcome Offers? Check out our whitepaper, <u>Smart Discounting Strategies</u>.

In this research, we analyzed over a hundred of the top e-commerce sites to gain insights into:

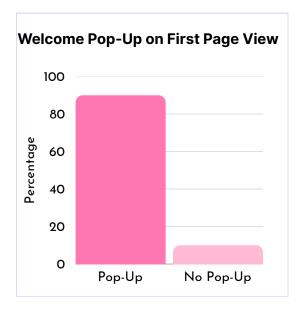
- The prevalence of these Welcome Pop-ups
- The types and value of the offers in these pop-ups
- The timing of when these popups appear to shoppers

Our data shows clear patterns in both timing and discount strategies that seem to have become industry standards.

### THE INSIGHTS

## They're everywhere!

Welcome pop-ups are clearly the norm. 90% of the sites analyzed surfaced some sort of Welcome Pop-up on the initial page. Every new visitor on these sites is being welcomed (some might say interrupted) by attempt to capture their email address and/or phone number typically in exchange for promotional offer.



## They're early!

On average, these pop-ups happen ~8 seconds into the session. We assume this is an attempt to balance the following:

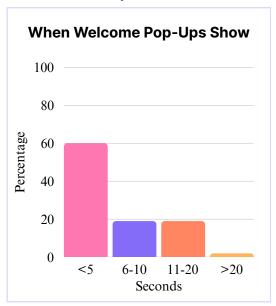
- Allowing visitors to get an initial impression of the brand and to register its value proposition
- Engaging visitors before they choose to bounce

However, more than half the time (60%), these pop-ups occur within 5 seconds or less of a visitor arriving on the e-commerce site. The average person reads around 200-300 words per minute. So, on these sites, the visitor has almost certainly read fewer than 20 words total about the brand, its value prop, and what products it has to offer. It makes us wonder if that is enough time to deliver a meaningful message.

Here's a closer look at how early these pop-ups show in a session for the sites analyzed: In this research, we analyzed over a hundred of the top e-commerce sites to gain insights into:

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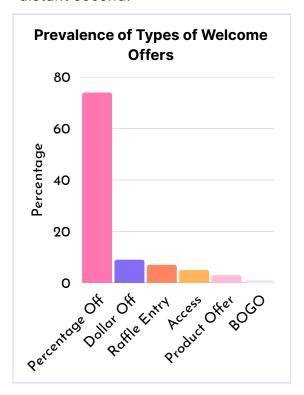
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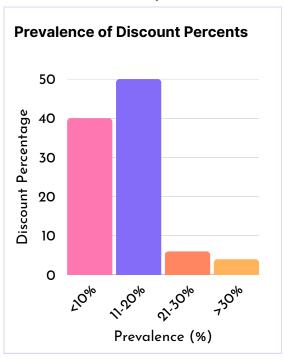
## They have deals!

The clear assumption from brands is that visitors are not going to part with their email address or number without phone а promotional offer, typically discount code for a percentage off their first purchase. Only a few brave brands offered nothing more than access... to a community, to updates on the latest products, or to the promise of great offers down the road.

The most popular exchange of value for capturing contact information for a shopper is percentage-off discounts, with dollar-off discounts a distant second.



So... how good were those discount offers? Percentage-off discounts from brands averaged 16% and dollar-off discounts averaged \$34. The highest offer we came across was a 50%-off discount for a beauty brand.



Two numbers in particular stood out as standards for percentage-off discounts... 10% off and 15% off. Nearly 3/4 of sites offering a percentage-off discount offered one of these values.

## STRATEGIC CONSIDERATIONS

Each brand is unique and it's rarely the case that there is a single answer that will apply to everyone. Instead of prescriptive recommendations on the perfect offer or the perfect timing, we offer strategic considerations for you to use when determining the best approach to capturing emails and phone numbers and driving first-time visitors to convert on your e-commerce site.

## Value of an Email / Phone Number

First and foremost, it's critical to answer this question... What's the value of a prospective customer's email or phone number for your business, specifically one captured through these pop-ups? This is not about precision, but getting a ballpark sense of how contact information captured through these pop-ups translate into actual conversions and sales.

We propose exploring the behavior of these visitors for 90 days after sharing their email or phone number via a Welcome Pop-up. How many make a purchase within 90 days and how much do they buy?

You can translate that into a rough value for each captured email address.

One factor to watch for is the potential destruction of value through unnecessary discounts, giving a discount to someone that was going to buy anyway ("Free money" for them). We'd propose exploring the in-session purchase rate for visitors that engaged with the Welcome Pop-up as an indicator of this.

## **Timing**

8-10 seconds seems to be the rule of thumb here, but that may not be right for your brand. There are several factors at play:

- Giving visitors time to learn about your brand before asking them to part with an email or phone number
- Taking a shot at capturing an email or phone number before they leave your site
- Risking the pop-up feeling like a disruption instead of an appreciated offer

Simple steps you can take to improve timing are:

 Investigating the frequency and timing of first-time visitor bounces and adjusting the pop-up timing accordingly. It might be worth segmenting by traffic source as well (a first-time visitor from a Facebook Ad may bounce sooner than one from organic social media)  Experimenting with different times and see how that impacts capture rates

#### Offer

When it comes to value offered, 10% or 15% off discounts seem to be the norm, but given the vastly different economics of each business, we'd actually expect more variation.

If you're a brand with strong repurchase rates, you might have room to be more aggressive here since you can earn it back and more long-term. If you're a brand with a high-ticket item likely bought once every few years, 15% off may be a lot to give away to a visitor who's spent 5 seconds on your site.

#### We'd recommend:

- Leveraging your understanding of the value of an email address
- Experimenting with offer types and values rooted in your understanding of the value of an email address (<u>The Rule of 100</u> may help with the choice between dollar-off and percentage-off discounts)
- Exploring segmentation strategies based on traffic source

## **Impact on Customer Experience**

This is the hard-to-measure, "Elephant in the Room" with Welcome Pop-ups. Is the pop-up degrading the user experience for first-time visitors and by how much?

Once you start combining Welcome Popups with Privacy Consent Pop-ups, the initial experience for a visitor can be pretty choppy.

Try an experiment where you turn off Welcome Pop-ups for a short period of time or as an A/B test. Then, monitor whether a no pop-up experience improves:

- Conversion rates and revenue per session for these initial visits
- · Bounce rates on initial page views

### **Explore Al**

Welcome Pop-ups are an area that would likely benefit from an Al-centric approach. In reality, for many of the areas above, there is almost certainly no single, right answer... no perfect time to show the pop-up, no perfect offer. Al opens up the possibility of a unique decision for each and every visitor, maybe even a decision to **not** show the pop-up at all because that visitor is already likely to make a purchase... and you'll get their email address then, for free.

This is where solutions like Vandra come in. We use AI to intelligently nudge visitors based on where they are coming from, what they're doing on your site, and where they are on their purchase journey. Our most effective nudge targets On-the-Fence Shoppers with a one-day-only discount offer while staying quiet for shoppers headed to checkout.

# Personalized paths to purchase



## Ready to turn your browsers into buyers?

- Book a demo
- Install our Shopify app

Vandra