## CwV

#### **CASE STUDY**

### How A/B Testing By VWO Helped NuFace Increase **Purchases On Its Website**

90%

PURCHASES



INDUSTRY Specialty Retail

**COMPANY SIZE** 51-200 employees

LOCATION USA

**CAPABILITIES USED** A/B Testing

#### **About NuFace**

NuFACE is a company that sells anti-aging skin care products. Its website attracted traffic but somehow visitors seemed shy about purchasing. The company hired interactive marketing agency Red Door to improve online sales.

Red Door is a certified VWO partner that uses the VWO platform to provide solution to its clients.

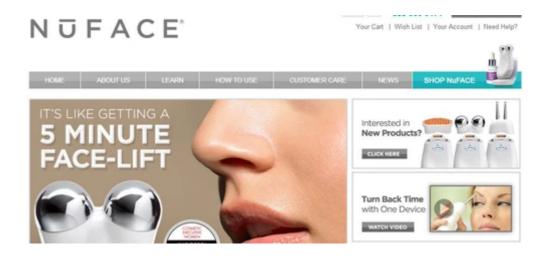
### **Objective**

The objective of the entire campaign was to identify an incentive that would persuade visitors to complete their purchase.

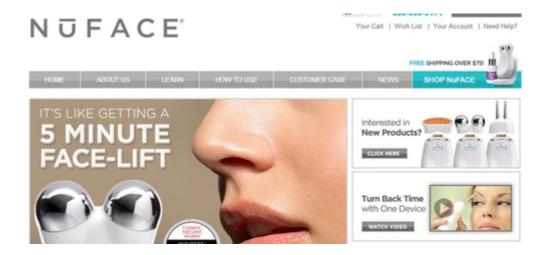
# Solution: Free shipping for orders above a certain threshold reduces friction to online purchases

Red Door hypothesized that giving customers an incentive to buy would probably solve the problem. Red Door decided to run an A/B test to figure out if adding a free shipping threshold would act as an incentive that would positively impact sales.

This is how the original page (the control) looked like:



During the test, half the visitors were shown the original website; the other half were directed to the challenger variation with the incentive "Free shipping over \$75!" placed right above the Shop NuFace button. This is the variation that was pitted against the control looked like:



The purpose of the test was to give interested customers an attractive incentive to go ahead with the purchase. The premise of the test was to prove that the right incentive would, in fact, successfully nudge prospects to become customers.

# Conclusion: 90% increase in purchases; 7.3% increase in average order value

The test results proved the hypothesis. When customers were given the "free shipping" incentive, orders

increased by 90%. The results had a 96% confidence level. The company's Average Order Value (AOV) also rose by 7.32%.



Gratifying as the results were, Team VWO tried to understand why "free shipping" worked as an incentive.

Lack of free shipping is the top reason consumers abandon their virtual shopping carts. Research conducted by Dr. David Bell, Wharton School, University of Pennsylvania shows that approximately 60% of online retailers cite free shipping with conditions as their most successful marketing tool.

Given that buyers spend more when offered the option of free shipping, online retailers would always want to offer this service to gain an edge over their competitors. But this isn't always possible. Retailers can decide on the free shipping threshold by assessing various factors which are explained in detail here.

That is why online retailers offer free shipping only when the order value crosses a certain threshold. This often encourages buyers to purchase another product- if only to avail the offer of free shipping. The retailer's average order value goes up. More important, the additional shipping costs can be absorbed without cutting into profit margins.

# Would you like to learn more about Conversion **Optimization?**

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