The State of eCommerce: Yotpo Benchmark Report
About This Data

The data in this report is based on 65 million orders and two billion dollars in transactions across over 120,000 eCommerce stores.

This data includes stores of all sizes among thousands of verticals and ranges from single-founder startups to multi-million dollar businesses with hundreds of employees.

This report is designed to help you see where your business stands in the eCommerce market as a whole and how you match up against the competition.
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Part 1: The Current State of eCommerce Marketing

In this section, identify if your marketing is bringing the best visitors with statistics on desktop and mobile distribution by source as well as engagement benchmarks.

• Do I have a healthy distribution of traffic?
• Are my traffic channels bringing quality, engaged traffic?
• How does my mobile traffic from different sources stack up?

Part 2: Sales Benchmarks for eCommerce

This section tackles sales and conversions and will help you see how your AOV, customer retention, and reviews strategy matches up.

• Should your average order value increase over time?
• How much is customer retention worth?
• How do reviews impact social commerce?
• How do star ratings impact sales?
Part 1
The Current State of eCommerce Marketing

Even the most forward-thinking businesses struggle with marketing in today’s fast-paced, digital world. The online marketing landscape is notoriously unstable, complex, and dynamic. In order to grab hold of your marketing, you need to know how you stack up.

The data in this section of the eBook can help you answer the questions below (and many more).

1. Do I have a healthy distribution of traffic?
2. Are my traffic channels bringing quality, engaged traffic?
3. How does my mobile traffic from different sources stack up?
Do I Have a Healthy Distribution of Traffic?

Traffic Broken Down by Source

The pie chart clearly shows that search, direct and referral traffic remain the most dominant traffic types.
Are My Traffic Channels Bringing Quality, Engaged Traffic?

Average Seconds on Site Per Visit

- Instagram, email, referral and direct traffic are the winners in terms of longest time on site.
- The channels which are bringing the least engaged traffic are Pinterest, Other (all utm tagged traffic not including paid, social or email), Reddit and Facebook.

Start driving more engaged traffic with Yotpo today.
According to our data, 38% of traffic comes from mobile devices.
While there wasn't a significant difference in engagement metrics like time on site and bounce rate on mobile devices versus non-mobile devices, one of the most interesting findings from our study was the distribution of pageviews by mobile versus non-mobile when looking at individual channels.

The bar graph on the left shows very clearly that certain traffic sources lean heavily in one direction or another when looking at percentage of page views from a mobile device versus a nonmobile device.

Have a look at Instagram as an example. According to our findings, over 97% of page views are attributed to mobile. This makes perfect sense, since Instagram was a mobile-first service. In the opposite direction is LinkedIn which has a 95-to-5% distribution of non-mobile to mobile page views.
Part 2

eCommerce Sales Benchmarks

This section will help you understand market dynamics related to sales activities and online consumerism.

This section will help you answer questions like...

1. Should your average order value increase over time?
2. How much is customer retention worth?
3. How do reviews impact social commerce?
4. How do star ratings impact sales?

Start boosting your sales with Yotpo today.
Although average order value (AOV) varies depending on industry, product, and store size, we wanted to look for overall trends to see if online consumers were willing to spend more online per order in the last 10 months. The hypotheses is that as eCommerce grows globally, people will spend more on average per order when buying online.

However, the data indicates that there hasn't been any significant change in AOV across products, shops, and industries since August 2014. More and more people are spending online and access to technology has improved, so you would think it would result in people spending more online on average per order, but that’s not the case.
So, don’t fret if your AOV isn’t increasing: You’re not alone.
How Much Is Customer Retention Worth?

You’ve probably heard keeping a current customer is more cost effective than trying to get a new one, but when it comes down to actual spend, just how much is customer loyalty worth?

How much are returning shoppers really worth?

14.77% of all shoppers are returning shoppers. Which means returning shoppers spend nearly 3X more than one-time shoppers. They account for 33.3% of the overall $ spent.

Figures courtesy of Yotpo’s global user database of over 120,000 online businesses, 2015.
The data showed us you better be investing to improve customer retention, because returning customers really pay off.


2. On average only 15% of customers are repeat customers, yet these customers account for 1/3 of the total spend.

3. Returning customers spend 2.92 times more than one-time shoppers. Retention has a major effect on overall sales and should be a focus for eCommerce storeowners.

4. 41 days – the average number of days between a returning shopper's purchases.
Learn how Yotpo can make reviews your best marketing tool.

How Do Reviews Impact Social Commerce?

Social and reviews are a match made in eCommerce heaven. And the data backs this up.

Businesses that share reviews to social have higher conversion rates from social channels than the industry average.

Just how much do reviews boost social commerce benefits?

With reviews, conversion is:
- **5.3 times higher** for LinkedIn.
- **40% higher** for Facebook
- **8.4 times higher** for Twitter

CVR of Reviews Shared to Social

Figures courtesy of Yotpo’s global user database of over 120,000 online businesses, 2015.
How Do Star Ratings Impact Sales?

To find out just how star ratings influence customers’ future behavior, we analyzed one million reviews for 8.6 million purchases made on 6,623 products across multiple verticals and stores.

What we found:

on the next page
Higher Star Ratings Lead to More Orders

More stars really do lead to more sales. The data shows that products with higher star reviews have a much higher volume of purchases.

Average Star Ratings and Number of Orders

Figures courtesy of Yotpo’s global user database of over 120,000 online businesses, 2015.
Higher-Rated Products
Get More Reviews

Chalk it up to the Snowball Effect, but when a few people say something good, everyone else wants to pile it on.

Average Star Rating and Number of Reviews

Figures courtesy of Yotpo’s global user database of over 120,000 online businesses, 2015.
What does the data mean?

Products with high ratings get more reviews and more purchases than those with lower ratings.

There are a couple possible reasons for this:
People write more reviews for products with higher star ratings because they really are better products, not because they see the actual star rating.

Or, products with higher star ratings have more purchases, so there are more people who are able to write a review.

In terms of purchases, people tend to buy products with higher star ratings more. But, since there are more reviews for higher rated products, it's the quantity of reviews that influence people to buy the products.

It might even be the case that products that are highly purchased are instinctively given a higher rating (i.e. because this product is popular and most bought, it influences the consumer to rate it higher).
How can you use this to your advantage?

1. Stop worrying about negative reviews. The chances of receiving them are slim, and negative reviews can still have positive effects.

2. Low star ratings can signal possible weaknesses in your shop that you can correct in order to grow sales. Don’t be afraid to find out why a product isn’t doing so well: Ask your customers what you can do to make the experience five star.

3. Share your stars everywhere! Use the power of social proof to your advantage and start using your reviews in marketing. People like to buy highly rated products, so share these the most.
So, how do your reviews stack up to industry averages? Here’s a breakdown of the current industry standards for star ratings.

Average Star Rating Distribution

![Pie chart showing the distribution of star ratings: 5 Stars 75%, 4 Stars 11%, 3 Stars 5%, 2 Stars 3%, 1 Star 6%.]

The good news....
The vast majority of reviews are positive.

Figures courtesy of Yotpo’s global user database of over 120,000 online businesses, 2015.
Most often, people write reviews after an extremely good or extremely bad buying experience. For stores who are worried about receiving negative reviews, the data shows the chances are slim.

People tend to write reviews for products with higher average ratings.

So, more often than not, it’s the good experiences that motivate people to write.
Mobile and social are changing eCommerce, but mobile vs. non-mobile traffic varies majorly depending on source - so make sure you’re measuring appropriately.

It’s okay if your AOV isn’t improving. Neither is anyone else’s.

Customer loyalty is valuable, and focusing on keeping current customers happy pays off. Reviews matter. They seriously spike conversion rates from social.

Most often, people write reviews after an extremely good or extremely bad buying experience. For stores who are worried about receiving negative reviews, the data shows the chances are slim.
Now You’ve Got the Data...
How Are You Going to Use It?

Check out how Yotpo helps over 120,000 businesses propel their marketing with reviews.

GET A FREE DEMO