

F I R E S I D E

ROI Focused eCommerce in 2023.

Navigating the rising costs of advertising and explaining how to drive more revenue without investing more money in ad spend.

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Background

When it comes to e-commerce, ROI is king. In the early days of the internet, all anyone cared about was getting visitors to their website and closing sales. We weren't nearly as effective at assessing how profitable each of these marketing efforts were. We didn't prioritize if the traffic that our campaigns were generating brought visitors that stuck around, or came back and bought again. That's not true anymore! Nowadays, we have a wealth of data that shows us what works and what doesn't when it comes to digital marketing — and more importantly: how we can use that knowledge to improve our marketing strategy and increase sales while spending less money on them. As the world bounces back from a pandemic, it seems as though a recession is on the cards. So how does an eCommerce brand tackle their marketing in 2023? We break it down in this detailed report.

The Glory Days of eCommerce Advertising

If you're a seasoned eCommerce entrepreneur, you may remember a time when dropshipping was relatively new and social media advertising was far less saturated and competitive. If you don't remember those days, or if they feel like a lifetime ago, here are some of the key elements that were different:

Social media advertising was still in its infancy. This meant that there were plenty of opportunities to get your ad in front of people who hadn't yet seen it before — a huge advantage over today's landscape where Facebook Ads rarely reach people who are most likely to take interest in your ad and convert on your website. Rapidly evolving privacy settings are preventing Facebook advertisers from targeting true interest groups, which significantly limits their potential to effectively segment customers. Additionally, it impacts advertisers' capabilities to retarget high-converting customers who have already shown their interest in the brand or product. The ability to target certain interest groups and retarget warm customers is paramount to the profitability of Facebook ads. It's no wonder Apple's recent App Tracking Transparency feature is predicted to result in \$10 million in lost revenue for Facebook by the end of 2022 [1]. Moreover, the Cost Per 1000 Impressions (CPM) has aggressively risen over the past years. Between 2021 and 2022, CPM's increased by 61% following a consistent upward trend [2]. Overall, the landscape of Facebook advertising has changed drastically. It therefore goes without saying that the strategies and ad formats earning a decent ROI 10 (or even two) years ago most likely won't drive profit today.



Dropshipping was still being discovered by many retailers due to the fact that it didn't require any additional investment beyond setting up an online store (and sometimes even less). Today, there are thousands upon thousands of independent sellers on Amazon alone; not only have more sellers entered this space since then but their overall level of sophistication has also increased dramatically. With a more saturated market comes a higher level of competition and subsequent wars in price, product, shipping - you name it. The competitive element of eCommerce retail certainly benefits consumers in the short term. They experience a higher likelihood of finding the product they want on a website they're familiar with in an array of exciting variants at a skimmed cost, and to top it all off, it can be delivered for free within days. Dropshipping businesses are gradually losing their novelty, so it is up to the brand to establish quality strategies that withstand such aggressive competition.

So how can we generate more sales without increasing our advertising spend?

There are many different ways to grow your brand without spending more on ads. In 2022 and beyond, the annual rise in advertisement costs on primary social media platforms was approximately 60% [3]. If the rise in costs to reach a fixed number of people is predicted to grow continuously, it would be an irrational decision to simply approach this by throwing a greater sum of money into ads, only to reach the same sized audience as we had access to just a few years ago. It is more important than ever to focus on making sure that whatever brand page ads are driving customers to are high-converting, memorable, and efficient.

So if you're a growing brand and you're trying to maximize the revenue you're generating you might want to look at a few tactics before putting aside any extra budget for advertising. But finding these tactics and figuring out what they mean for your brand can be time-consuming and confusing. Luckily, we have summarized these for you into widely-applicable, straightforward, and highly-relevant tips that have the power to start improving your store's return in as little as one week when done correctly.

In this report, we detail seven key ways to drive more revenue without relying on more traffic and talk through strategies that include utilising conversion rate optimization, email marketing, apps and more!

7 Ways to Drive More eCommerce Revenue Without Increasing Ad Spend

Ecommerce businesses are always looking for tips and strategies to increase their revenue. Wanting to increase revenue doesn't always have to be met with increasing ad spend. Rather, it's important to create efficiencies that yield the highest possible return from the ad spend you're currently sitting on. Not only does this imply an increase in sales with your current spend, but it puts you in a great position later down the road when you do want to increase spend, because you know less of it will be wasted on ad views and website sessions that don't end in conversions. If you want to optimize your eCommerce site for better sales, here are seven effective ways to do so.

1. **Optimize your checkout!** *Conversion Rate Optimisation.*

The online shopping landscape presents consumers with a vast range of storefronts at their fingertips. Unlike in physical stores, customers don't have to walk to the other side of a shopping mall to check out what competitors have. Rather, they can get to the competitor's website in a matter of seconds. This means it's more important than ever to ensure your website presents no hassles or roadblocks for the customer, because when presented with one, it's far too easy for them to simply leave and give the sale to a similar eCommerce brand. Therefore, one of the most important factors that come into play when chasing a higher conversion rate (and therefore, ROI) is the smoothness and easiness of the checkout process.

- **Make sure your checkout is mobile friendly.** In 2021, over 70% of online shopping was done on mobile devices. So, it's safe to say that more and more customers are gravitating towards doing their shopping on mobile devices instead of desktop. Yet, 90% of mobile users say their mobile shopping experiences overall could be significantly better [4]. With this trend only predicted to continue, now is the time to make sure your website is user friendly on mobile devices. Furthermore, a huge bonus here is that the unmet need for brands to provide quality shopping experiences for mobile users means you have the potential to be favored over competitors who haven't caught on yet!

- **Don't let users get stuck anywhere.** If a user has to go through multiple steps just to get to the next page, chances are they'll either abandon their cart or be frustrated with your website's usability. Don't ask customers for too much information, ensure your website navigation is straightforward, and offer a swift and accurate search function. There's nothing worse than searching for a product you know is on the site, but seeing no results show up.



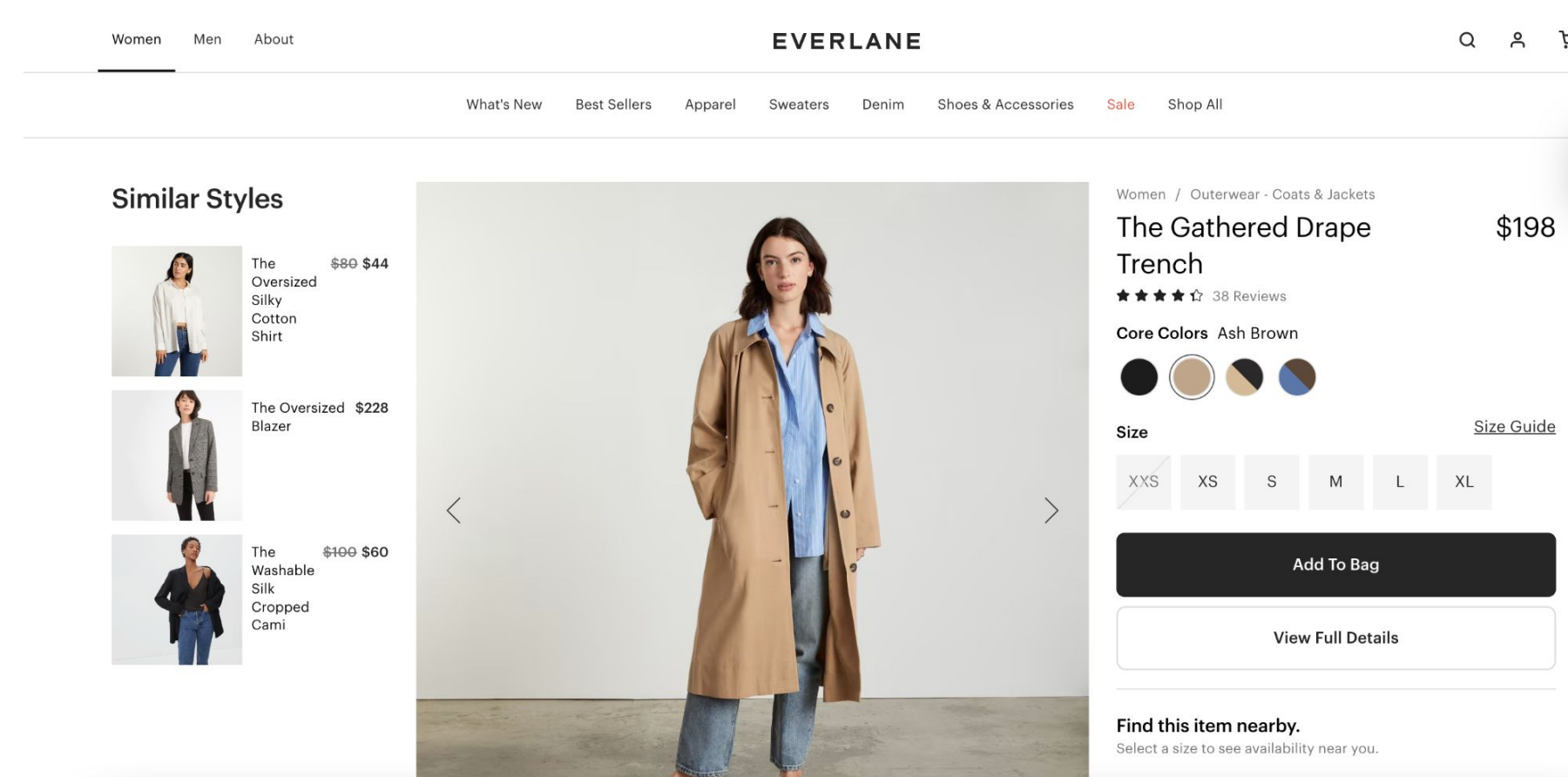
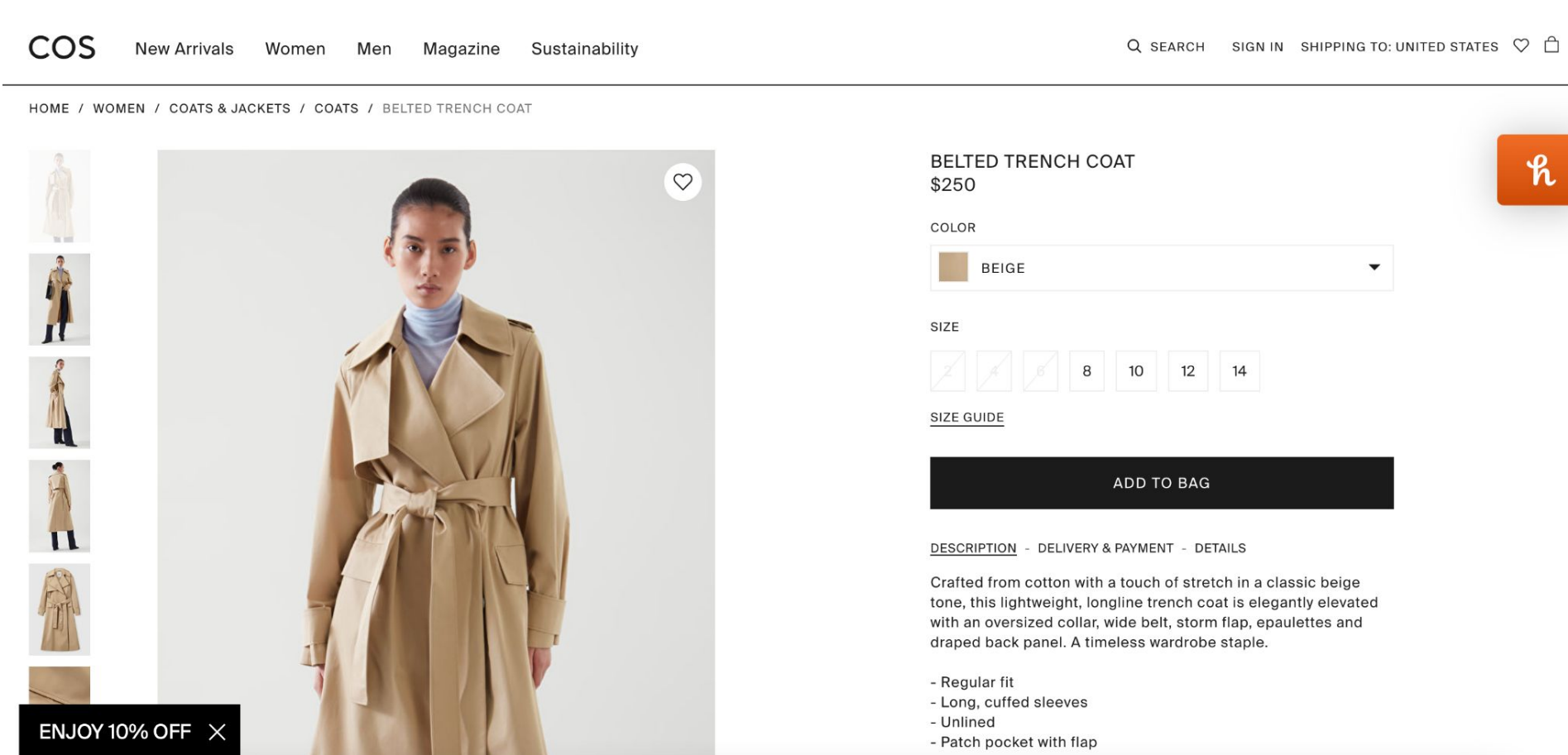
WOMEN SHOES HANDBAGS JEWELRY & ACCESSORIES BEAUTY MEN

We couldn't find a match for your search.

Check the spelling, try a new search or browse our list of [designers](#).

- **Optimize your website's speed.** Online shoppers can be impatient. Over 40% of customers will abandon a website if the speed time is more than 3 seconds. Moreover, eCommerce leader, Amazon, found that sales decreased by 1% for every extra 100 milliseconds customers had to wait for their page to load [5]. For each second that goes by, you could be losing thousands of customers, and the cost of putting your ad in front of them is therefore wasted. Don't let something as simple as website speed be the reasons for your lost revenue. *Hint:* Many brand owners or marketers will test their website speed using a laptop or desktop (because that's what they work from!), so may will only be shown the speed of their website for shoppers using a desktop computer. As previously mentioned, this doesn't account for a large proportion of shoppers who are visiting the store on their mobile device. So, make sure to pay attention to the speed of your website on both mobile and desktop because they can often vary significantly. Here are some tips on optimizing your website's speed:
 - First, test your website and take a look at it's speed score. We recommend tools like Pingdom Tools, GTmetrix, or Google PageSpeed Insights.
 - Use a lightweight theme. If you're on Shopify, we recommend the following for the fastest speeds: Booster (the fastest Shopify theme), Shoptimized (fast and high converting), Plak (fast and customisable) [6].
 - Remove unused/unnecessary plugins. If you've installed apps in the past that you no longer have use for, get rid of them! It's also worth investigating whether apps you have installed are actually increasing your conversion rate. If they're not, they're likely doing more harm than good by slowing down the website.
 - Reduce your images and videos' size. Do you have a lot of imagery on your website? Play around with how small you can make their file sizes without negatively impacting the image quality too much. There's often room to do so and it can help drastically.

- **Add a best sellers page.** It's no secret that customers enjoy scrolling through well-curated collection pages. However, marketers will see a higher conversion rate when they lead customers directly to the product pages of the brand's most highly converting products. The number one way to capitalize on both of these behaviours is to put together a collection page with a small to medium number of your brand's most popular products. To do this, simply look at your store's analytics (we'd recommend setting up Google Analytics Enhanced Ecommerce Tracking for this if you haven't already), and gather together the products achieving the highest conversion rates. It's almost guaranteed that this will become your highest converting collection page! This is a great page to send new customers to, who aren't yet familiar with all your brand has to offer. It exposes them to a wider range of products, which is great when you don't yet have data on what their preferences are, yet it doesn't overwhelm them with a huge 'Shop All' page, where they're unsure what products are most-loved. For this reason, we recommend including your 'Best Sellers' collection button in your website tabs so that all customers can easily navigate to the page. Make sure to keep track of the success of this page too. Split test your best ad and send it directly to this page versus 'Shop All', or a singular product if relevant, and assess the impact it makes on your ad's conversion rate.
- **Make sure your website has reviews.** If you omit reviews from your website, you're missing out on a significant proportion of shoppers. 80% of consumers claim they're less likely to make online purchases when there are no reviews present, and 44% claim they simply wouldn't buy anything if it didn't have reviews. This number is even higher amongst millennial and Gen Z shoppers, which means the percentage will only grow as this crowd matures [7]. For most brands, customer reviews are the number one source of brand trust, which is often the missing piece when it comes to securing those sales - so much so that we've seen conversion rates multiply when brands implement reviews.



- **Follow best-practices for product page layout.** Make sure all essential information and buttons are placed above the fold. This means they should all be displayed the minute a customer clicks onto the product page - they shouldn't have to scroll to find things like size options, color options, nor the 'Add to Cart' button. Although this seems minor, we've seen it have a huge impact on conversion rate. When it comes to selling online, we profit most from customers who purchase on an impulse. Even the slightest roadblock or inconvenience in the buying process is a threat to our customer's conversion decision. So, it's important to make the add to cart action as fluid and speedy as possible.

2. Use urgency to create an incentive for your customers to purchase now. *Ad Creative + Website Optimization.*

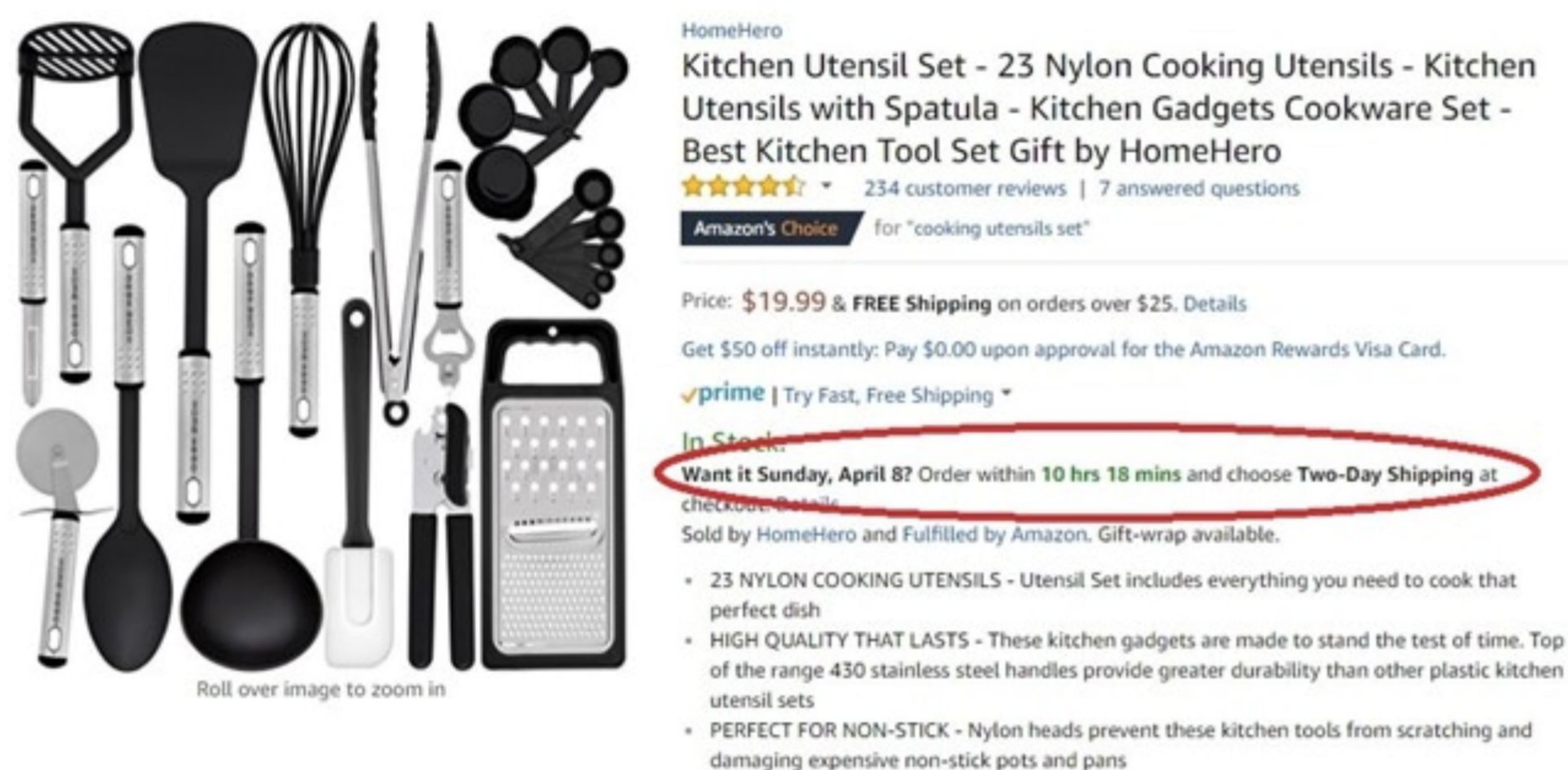
How do you get your customers to buy now? One of the simplest ways to accomplish this is by using urgency. Urgency creates an incentive for your customers to purchase now, rather than waiting around and possibly losing their chance at purchasing. Without it, they may forget about you, or be incentivized to purchase by a competitor. This element is a top way to increase your conversion rate, with multiple case studies proving that adding an element of urgency can increase conversion rate by upwards of 300% [8].

Urgency can (and should) be applied to both your ads and your website. Here are some of the top actionables to take when introducing urgency to your strategy:

- **Use a countdown timer.** When it comes to buying online, the more time there is between impulse and action, the less likely it is that someone will actually buy something from you. A countdown timer on your product page is a great way to create urgency around an item that may not be in high demand or ready-to-ship immediately after being purchased. Nothing creates a sense of urgency like a ticking clock counting down each second. The term 'Flash Sale' draws out a much stronger sense of urgency and panic in customers than more mellow terminology, and a physical countdown to illustrate this will only strengthen your case as a brand. Some brands find this strategy so successful that they constantly run flash sales and rely on these periods to bring in majority of their revenue. Overall, if you're a brand that runs discounts, we'd strongly urge you to back your promotions with as much timeframe urgency as possible and use countdown timers in both emails and on your website to prove it to your customers.



- **Provide a cut off time for package delivery by a certain date.** Consumers like knowing exactly when their package will arrive, and they love knowing that it's going to arrive fast. Some brands, like Amazon, provide a countdown down to the minute displaying when they need to place their order so that they can receive it by a certain day. For example this can read "Order within 31 minutes and receive this tomorrow". As you can imagine, this is a significant incentive to place the order fast, knowing that waiting an extra hour or two could push back your package delivery by upwards of a day. Not all eCommerce brands can provide such exact predictions, but we strongly recommend following these same principles Amazon does to illustrate the connection between purchase time and delivery time to instill the extra sense of urgency.



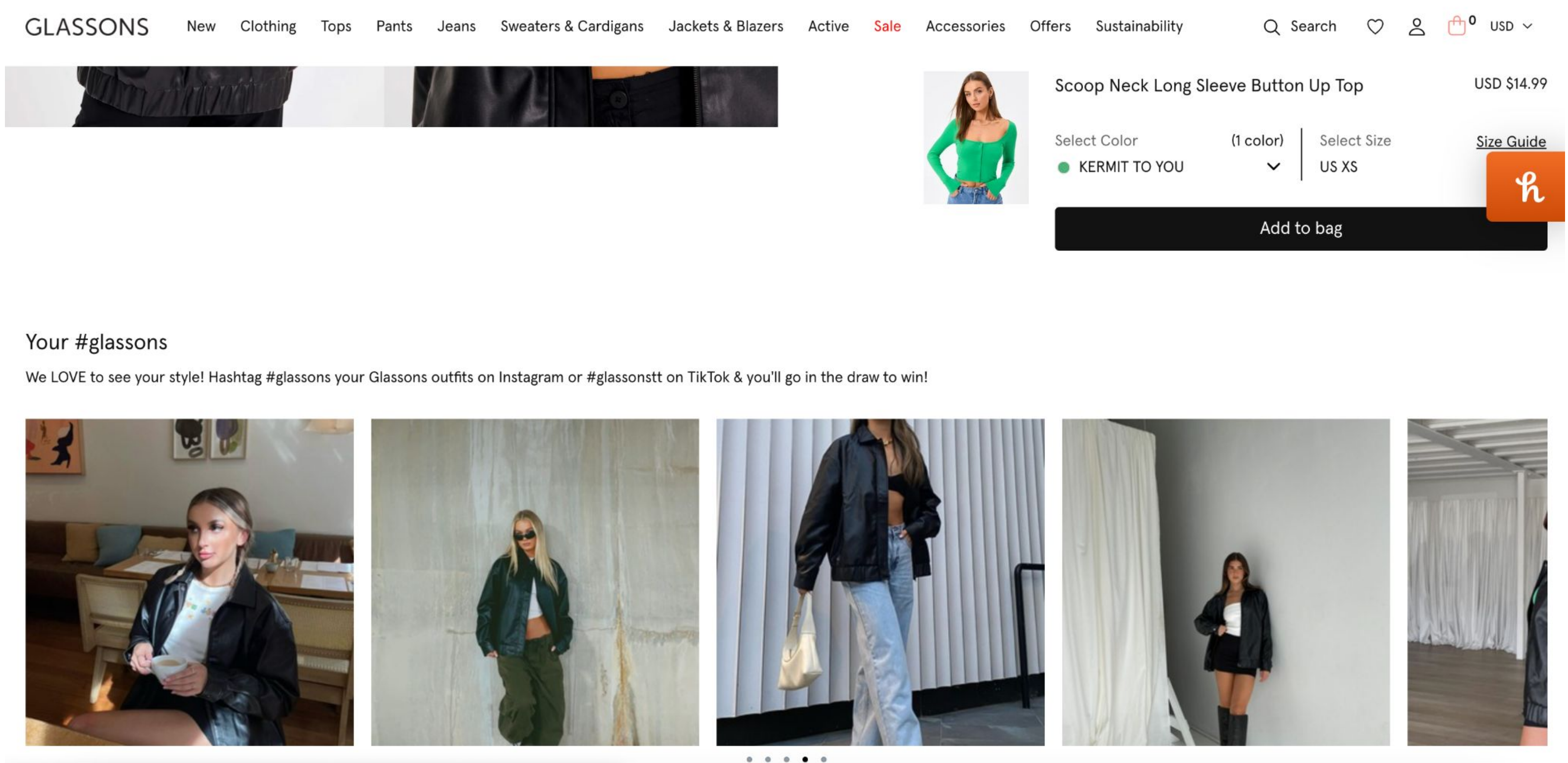
- **Harness words that illustrate urgency in ad copy and creatives.** This can not only increase conversion rate, with the scarcity effect pushing customers to convert fast, but it can also increase click-through rate by capturing the attention of a larger number of ad viewers, thus, bringing more traffic to the website. Some words to include are "Now", "Hurry", "One time only", "Last chance", "Before it's gone", "Clearance", "Today only", "Limited time", "Instant", and "Don't miss out". If your branding guidelines allow, it can be as simple as using capital letters and including emojis that elicit feelings of urgency (e.g. 🚨⌚).
- **Use warm colours in your website and in your ad creatives.** Research shows that warm colours, particularly red, create a higher sense of urgency in customers relative to cool tones, therefore, a higher conversion rate [9]. A simple technique you can implement is to make call to action buttons red, and make sure to test how this compares to what you had previously so that you can continue developing your strategy around this.



3. Review & highlight your products with customer submitted photos and videos. *Harness email flows to capture UGC.*

One of the best ways to show off your products is by showcasing them in action. Similar to reviews, user-generated content builds credibility around the brand as well as effectiveness of the product. It can often serve as the added layer of trust customers require to make their final purchase decision. The next time a customer snaps a photo or shoots a video with your product, consider asking them if you can use their photo or video for marketing purposes. If they agree, it's an opportunity for you to showcase your brand and products in front of an engaged audience—and those customers will appreciate being able to share their experience with others.

93% of customers place very high value on user-generated content when making a purchase decision. Yet, only 16% of brands have a user-generated content strategy in place [10]! This insinuates a rich opportunity to position your brand above competitors, by displaying imagery your customers highly depend on but don't often receive. If that's not convincing enough, websites with UGC typically get 29% more conversions than websites without it. The content is highly versatile and should be displayed across your website, organic social media channels, and ad platforms.





One of the best and most widely-applicable ways to capture user-generated content images is through a dedicated email flow. Include an email in your post-purchase flow to be sent out approximately 1-3 weeks after the product is delivered to the customer (depending on the nature of your product), which asks for user-generated content imagery of the customer using the product. Of course, customers will almost all require an incentive to do so, so this is a great chance to put forward a free gift, gift voucher or discount incentive in return. Not only does this act as motivation for a higher volume of user-generated content, but it also serves as a loyalty scheme as it encourages customers to make further purchases using their reward. When constructing this email, we recommend to:

1. Personalize the subject line with the customer's name. This captures attention and sets the tone of the customer being an important collaborator with the brand.
2. Place the offer upfront and make it bold. Customers want to know what's in it for them! If you place the reward for them taking user-generated content for you at the bottom of an email, most customers won't see it, let alone be excited about it. Ensure your offer is both competitive and placed front and center.
3. Ensure the email is succinct and to the point. This is best practice for most email marketing efforts, but it will be extra important here because it ensures the directions do not get lost in communication.

4. Show big discounts for price sensitive shoppers. *Capture sales from your wider audience using enticing offers in email communications.*

Showing big discounts to price sensitive shoppers is a great way to drive more revenue. It's also one of the most effective ways of increasing your average transaction value and lifetime customer value, because you're showing people that they can get more for their money—and if they want it, they should buy right now! Plus, it incentivizes customers to add extra units or products onto their purchase that they wouldn't have purchased otherwise.

Here are four tips on how to yield the highest return from running big discounts:

1. Show a big discount in a prominent place, like at the top of your product page or alongside other information about the product. Include your discount on product pages, collection pages, and the homepage so that it cannot be missed.



2. Show it only to price sensitive shoppers who are ready to buy (not just those browsing). If someone is still not ready to buy and sees an offer for 50% off, it's likely they may decide against buying altogether because they know products are subject to significant discounts. On the other hand, if someone is already going through checkout or has filled out their shipping information and has hit "proceed with payment" yet abandoned for whatever reason, then that person is more likely ready to buy. These customers will be extremely reactive to the discount and you'll likely see a lot of success with them. Shoppers can get distracted by a myriad of different factors, causing them to abandon checkout. Seeing a compelling offer in their social media ads or email inbox is often all they need to convert, so they will; become your most cheaply converting customers.
3. Harness user-generated content or influencer content to build hype around the sale. Seeing an ad with text stating "50% off storewide" is one thing. However, seeing a user-generated content or TikTok style video ad with a relatable or recognisable influencer excitedly announcing an "amazing limited time offer from one of [their] favorite brands" is likely going to be far more effective. Use previous ad or organic social media data to determine which influencers or creators your customer base favoured the most and use them in your promotion campaign.
4. Make it a flash sale to increase the sense of urgency. Shopify studies show that 50% of sales from a flash sale occur within the first few hours. They also recommend that flash sales should not exceed 36 hours [11]. An increased sense of urgency can cause customers to buy out of panic and impulse, who may not have converted if they had days to ponder their purchase decision.
5. Utilize email marketing to communicate the discount. Targeting your subscriber network with emails is the most cost effective form of marketing communications because it requires no ad spend. Furthermore, the conversion rate and click through rate are often higher than they are on social media ads. If you're looking to squeeze the most value and sales out of your resources, email marketing is the way to do it.

5. Show real-time availability of items. *Communicate and provide evidence of scarcity.*

As discussed previously, urgency can make a huge impact on the ability to generate sales. That's why it's always recommended to use phrases like "limited stock remaining" in ad copy, especially amongst warm customers who have shown interest in a product but have not yet converted. However, showcasing a live countdown of units remaining on product pages proves to a customer that they are truly at risk of missing out on the product. Plus, it adds an element of exclusivity to the product itself which manifests into a higher perception of value. Creating this elusive sense around the product is especially important amongst brands or products that are priced highly and are less likely to be



discounted. From a customer’s perspective, the high price tag is a mere trade off for an exclusive and prestigious item. The fact that there are limited units left of something also insinuates that the product isn’t mass produced, so it cannot be guaranteed that the product will be back in stock any time soon. This further pushes customers to act fast.

★★★★★ 12 Reviews

\$465.00

📦 Just 2 In Stock 🔥 67 Sold

Color Cream [Size guide](#)

This is simple to execute. Download a tool like stockfeedr.com to automatically update your inventory and use a tool like Shopify's stock watch to show real-time availability levels.

As always, make sure to monitor your conversion rate closely. Analyze the difference this tool made and build upon your strategy accordingly.

6. Use a simple product card design. *Be clear in what you’re offering.*

Customers need to have no question in mind when it comes to what they’re purchasing. Ambiguity and confusion about the product details are one of the leading factors to customers dropping off before they even add items to their cart. Zara is notorious for confusing customers with their abstract clothing photographs, so it’s no wonder why their online revenue is nowhere near as high as their revenue from physical stores - a very rare trend for brands in 2022.



While your competitors are enthralled with elaborate designs and animations, you can step ahead by using a simple product card design that doesn’t distract visitors from their intent of buying.



7. Make sure your page looks good on mobile devices. *Ensure your storefront is user-friendly for the large portion of shoppers who choose to browse and buy on their mobile devices.*

The mobile device is the most common way to access websites, so it's important that your eCommerce site works well on these devices. Mobile commerce (m-commerce) refers to the buying and selling of goods and services through handheld electronic devices like smartphones, and is a rapidly growing form of e-commerce. In fact, m-commerce sales increased by more than 22% to \$3.56 trillion in 2021, and two out of every three dollars spent on online purchases today is done so through a mobile device [1].

As a brand owner or marketer, you can’t afford to neglect the huge industry of m-commerce. You should use a responsive website design that adjusts based on screen size and orientation to avoid creating separate versions of your site for mobile devices versus desktop computers. One of the best ways to ensure your store’s success is to use one of the many Shopify mobile first themes. Additionally, something to note is that you should also make sure the site works well across all platforms, including iOS, Android and Windows Phone operating systems.

Below, find the best themes for mobile devices. This allows you to select a theme that capitalizes on mobile shopping behaviour, but suits other needs you have in regards to your brand’s storefront.

Best 10 Shopify Themes for Mobile

THEME NAME	PRICE	TOTAL RATINGS	SATISFACTION RATING	SUPPORT
Avenue	\$280	213	97%	Email
Context	\$280	25	96%	Help Center + Email
Envy	\$350	194	92%	Email
Express	Free	24	33%	Email
Galleria	\$250	109	100%	Help Center + Email
Handy	\$180	49	88%	Email
Reach	\$180	8	75%	Email
Simple	Free	29	86%	Email
Showtime	\$250	231	98%	Help Center + Email
Streamline	\$320	237	95%	Email



If you optimize these aspects of your site, you will see more sales!

1. Conversion rate optimization. This is the most critical aspect of driving more sales on your site. A good CRO strategy will help you increase your conversion rate and make more money from the same number of visitors.
2. Use urgency to create an incentive for your customers to purchase now.
3. User-generated content strategy: Collecting videos and photos that promote your products could be a great way to drive traffic back into your shopify store or website while also expanding brand awareness through social media channels like TikTok & Instagram Stories.
4. Show big discounts for price sensitive shoppers through all marketing channels.
5. Show real-time availability of items to communicate scarcity.
6. Use simple product card designs to limit any ambiguity or confusion from the customer.
7. Optimise your website for mobile to capitalize on rising mobile trends.

Conclusion

There are many ways to drive more eCommerce revenue, and it does not always require an increase on ad spend. Sometimes, it is smarter to invest your time and resources into making sure your website and business assets are working at the highest level possible to generate optimal sales. No matter the industry or business challenges you face when it comes to increasing sales, the key is to place yourself in the position of the customer. Think about all the times you were an eCommerce consumer. What held you back from purchasing? What accelerated your conversion decision? Replicate and build upon the positives, while identifying and avoiding the negatives to provide a cost efficient customer journey.

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