Avangate Case Study: AVS4YOU

Avangate Helps Boost AVS4You Western European Software Sales by 40%

“Avangate was able to give us a more efficient eCommerce strategy, which turned into concrete results. The ability to start with test markets allowed us to see what was working and what would translate into increased success for our business. This has allowed us to expand that strategy into additional markets, and increase sales across Europe. Our key account executive was instrumental in the success of these projects and we are thrilled to have Avangate as partner, fully involved in our business and extremely proactive” - AVS4YOU CEO

www.avangate.com
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40% Increase in Software Sales with Price Localization and Cart Optimization

Background: Company & Products

Video and Audio Solutions

Founded in 2004, Online Media Technologies develops award-winning, innovative video and audio software solutions for millions of end-users and professional developers worldwide.

In this case study, Avangate highlights how price localization and cart optimization have helped Online Media Technologies, developer of the popular AVS4YOU multimedia software products, increase sales in European countries by 40%.

Issue: Goal to increase sales through improvements in conversion rates

The first project aimed at increasing revenue in Western Europe and improving conversion rates was an A/B testing campaign between two different carts solutions.

What we did:
A/B testing campaign on competitive carts

Pilot Project: Germany - March 2011

The pilot campaign was performed on the German microsite in March 2011.

Results: conversion rates on the Avangate cart for Germany were 5 percentage points higher than the competition and cart abandons decreased 30%.

Projects for other languages followed gradually throughout 2011, first to follow being France, with similar results: increase in conversion rates by 4%.

Avangate cart converting 5% better than competition +30% lower abandon rate
Issue: High abandon rates due to complex ordering flow

AVS4You had implemented a three step buying process:

1. Billing information first collected on AVS pages (Step 1 in image below)
2. Information further transferred into Avangate secure pages for ordering processing/ payment information collection (Step 2 below)
3. Order completion on Avangate secure pages in Step 3.

High abandon rates were registered between Step 1 (AVS pages) to Step 2 (Avangate pages) due mainly to errors on page and discrepancies in the look and feel of the two carts.

What we did: Change of flow and shopping cart optimization

Pilot Project: France – June 2011

The solution proposed by Avangate was to change the ordering process into one step and perform this entirely on Avangate secure pages eliminating in one go the errors on page. Additionally, payment methods were displayed as logos and security logos included in the cart.  

Results: improvement of conversion rates resulting in 14% increase of sales volumes for France in June 2011 compared to May 2011. Due to the success of the pilot project, all microsites will follow this transition.

Change of ordering flow resulting in:

14% increase in sales for France (May 2010 compared to June 2010)

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Issue: Prices in USD on localized microsites resulting in poor shopper experience

The avs4you.com website is localized in several languages: English (with US and UK microsites), French, German, Spanish, Italian and Japanese, helping visitors and customers easily understand product features and benefits. However, prices for all countries and languages were displayed in USD, making the decision process problematic, resulting in a high abandon rate.

What we did: Setting up localized prices and fully utilizing Avangate’s geo-location capabilities

Pilot Project: France - October 2011

In order to take advantage of Avangate platform’s multiple localization capabilities, at Avangate’s suggestion, Online Media changed prices on the French localized website from USD to EUR, matching the actual price & currency displayed in the Avangate shopping cart.

Before

Prices displayed in USD on the French microsite and geolocated in EUR for France in the Avanate shopping cart.

The Avangate eCommerce platform supports multiple localization capabilities for the ordering interface, including:

- 28 languages
- 27 payment methods
- Regional settings automatically filled in
- Prices displayed in 48 currencies
- Location-relevant taxes, display of global and local payment methods.

Avangate uses real time geolocation to provide shoppers with location-aware content. The country is auto-selected and prices are displayed in the corresponding country’s familiar currency on the checkout form, and the correct taxes, if applicable, are calculated as well.
Results

In just one month (Oct 2011), the number of orders from French customers increased by a staggering 44%, resulting in an increase of 40% in sales volumes (price slightly adjusted from USD to EUR, i.e. from USD 59 (=EUR 44) to EUR 39.

The pilot project was extended to Germany, with results of 20% + increase in sales. Next to be localized: prices in GBP, AUD, CAD.
Recap of Results

- **A/B testing against a competitive cart** - Avangate performed better, with conversion rates 5% higher for Germany and 4% for France. 30% decrease in abandon rates.

- **Change of ordering flow & cart ownership** - from 3 steps (Step 1 on AVS pages/Steps 2, 3 on Avangate secure pages) to 1 step exclusively on Avangate secure pages. Results: 14% increase in sales volumes (pilot project: France).

- **Localized prices** - exact match between the price displayed on the vendor’s website and the price displayed in the Avangate cart (before tax). Results: 40% increase in sales volumes for France and 20% increase for Germany.

Conclusions

This case study shows the importance of localization, optimization and testing for a successful ecommerce operation, as well as the positive impact on the bottom line that was achieved.

The AVS4You approach of gradual testing and optimization using pilot projects for different regions/microsites/currencies etc. is recommended, minimizing risk and improving efficiencies.

Beyond these technical aspects, it is essential to emphasize how important it is for the ecommerce provider to understand the client’s business and to provide solid expertise in ecommerce. Through the voice of the dedicated account executive, Avangate know-how and suggestions made a real difference to AV4You ecommerce activity, level of customer service and ultimately the bottom line.