



Time:

THE REAL DIGITAL CURRENCY

A whitepaper from Amazon

amazon payments

It's estimated that on average Millennials spend about an hour a day shopping online

While the figure is significant, it doesn't reveal much about how that time is being spent or whether there is a correlation between time spent and money spent¹. We don't really know for sure if time and money track one another and if they do whether it's in the same direction or opposite directions.

What we do know though is that consumers' time is becoming scarcer, we have more demands put upon us and there are more entertainment options to entice us than ever before. As such, the way we spend time and with whom has to become a more considered decision.

In this whitepaper we'll look at how customers evaluate the time they spend with online retailers and how these attitudes to time impact their likelihood to buy. We'll also look at how retailers can understand the time shoppers spend with them to maximize conversion, turning browsers into buyers.



The value of time

Our time is so important to us that it could have an actual financial value. So much so that transport industries have placed a value on a customer's minute and hour and that's the currency they trade in. Travel tickets for instance are based on the amount we would be willing to pay to save an hour getting to and from our place of work.

One of the ways in which we judge the time we're willing to spend on an experience is how happy it makes us – is an experience pleasure or necessity? If it's pleasure we're happy to take things slowly, if it's necessity we go for the quickest option possible.

Time / Pleasure vs Necessity

Consumer attitudes to online shopping mirror the same judgement of pleasure vs necessity except most online shopping experiences straddle both camps. Purchasing a new outfit for a wedding or a new camera is generally driven by a need but can be great fun.



It makes sense that retailers would want to heighten the enjoyment we get from this experience and that's why the best ecommerce sites have been designed for our pleasure. They're not simply online product catalogues but sources of information and advice. And often we chose them not just for their product supply but the content and the experience they offer – visiting becomes a leisure activity and we're happy to spend time perusing their catalogues or watching their videos.

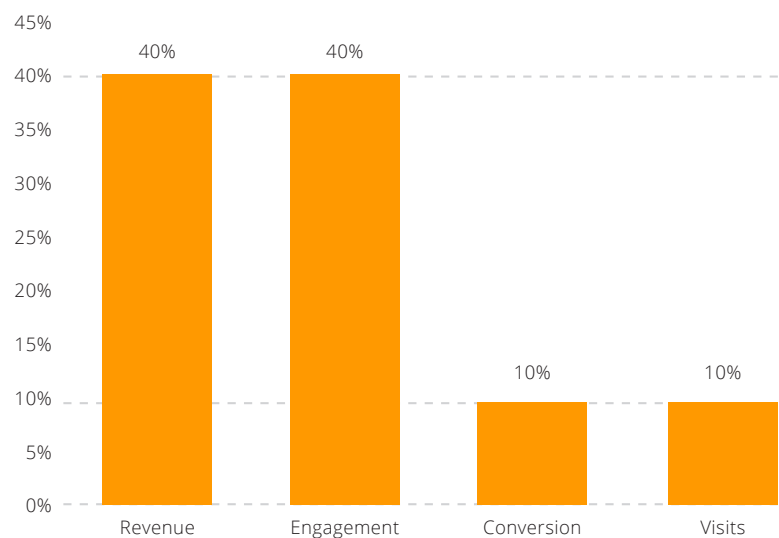


What can we judge from retail dwell time?

In brick and mortar stores, retail dwell time is proven overall to have a direct correlation to money spent and as such 'dwell time' is often used as a performance indicator for a store². The same logic is often applied to the ecommerce experience.

Retailers invest in producing richer content to make shopping experiences more enjoyable with a view to keeping hold of shoppers' attention for longer and encouraging greater spending levels.

Time as a KPI



Source: EConsultancy Report, Where Content and Commerce Collide

Econsultancy asked what Key Performance Indicators ecommerce retailers were using. Engagement, in which one of the major measures of engagement is dwell time, is considered the primary KPI by the same number of businesses as those who measure their success by revenue.



This is potentially worthy but measuring overall dwell time and taking it as an indicator of success is too simplistic for ecommerce. It doesn't take into consideration where 'dwell' is in fact a by-product of poor experience such as difficult navigation, slow loading time or a cumbersome process such as payment.

As a measure of success for an ecommerce site, overall dwell time can't be comprehensive enough and retailers must struggle to draw a meaningful correlation between time spent and conversion, basket value or repeat custom.

7m 59s

According to data from Hitwise³ the average time spent making a purchase online is **seven minutes 59 seconds** but it isn't necessarily the case that increasing that number would have a positive impact on revenue.

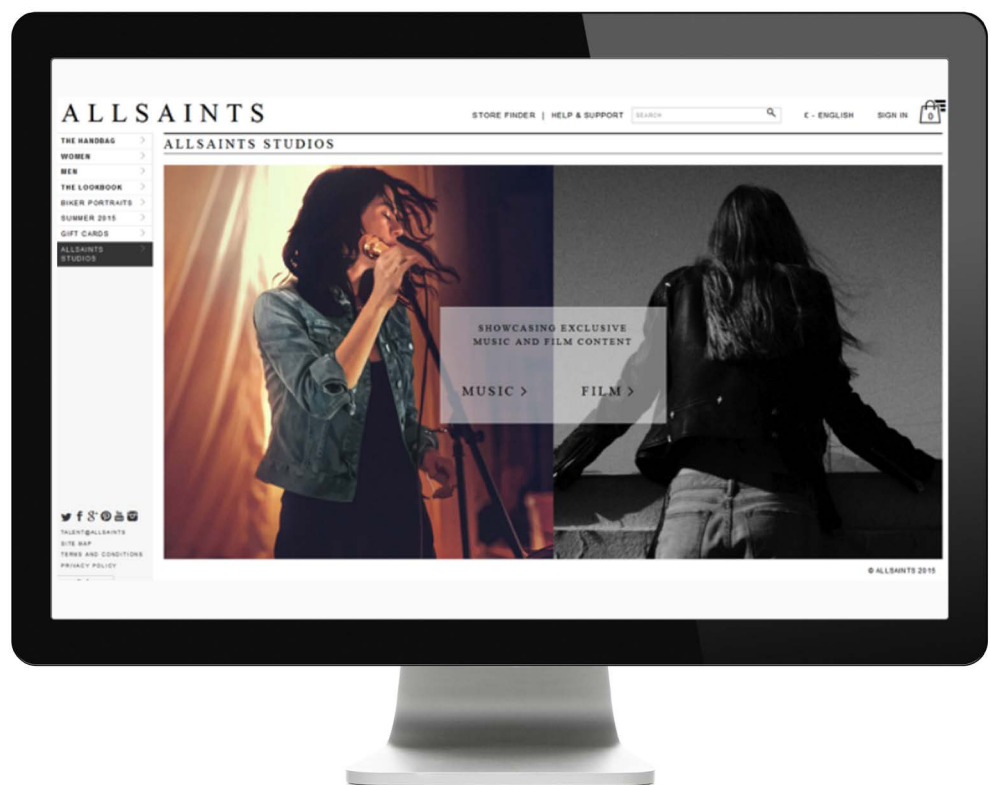
How do customers want to spend their time with you?

It's because the online shopping experience straddles both worlds of pleasure and necessity that retailers need to examine how customers want to spend their time in the ecommerce environment vs the experience they're actually getting.

Retailers can map the customer journey according to possible pleasure points.

Where there are opportunities to provide more engaging and entertaining content - editorial, video, reviews - retailers can serve it up at times and locations in that journey when customers will want it and opt in to reading / watching / hearing it.

This is already being done by many retailers who know their customers as well as their hobbies and interests, and successfully find ways to make the shopping experience more enjoyable through this kind of content.





But that focus on encouraging dwell shouldn't be implemented at the expense of identifying times and places when customers don't want to be slowed down – times when they strongly want to save time.

Browse >>>>>>>> Buy

Customers want to speed through navigation and checkout

Research among 3,000 consumers in the UK and Germany⁴ showed that speed was important to shoppers during navigation and payment. They want to save time finding what they've come for, if they've come with a purchase in mind, and they want to save time when they go from browsing to buying; the payment process.



The cost of delays

When you consider the typical online retailer checkout process you can see that the time investment made by customers quickly adds up.

Following the navigating and browsing stage, when a customer has picked their item and put it in their basket, they tend to go through the following stages, each requiring their data input:

- Registration
- Address entry
- Delivery address/ options
- Card detail entry / billing

This doesn't take into consideration the potential additional stages that retailers often present to encourage greater engagement and sharing:

- Sign up to a newsletter
- Tweet about your purchase
- Like the item on Facebook
- Share an item on Pinterest

< BACK TO SHOP

I AM A NEW CUSTOMER
If you are new to AllSaints please use this option. You will be able to sign up for a full account after checkout.

START CHECKOUT

EXISTING CUSTOMER

Email:

Password:

[Forgotten password?](#)

LOG IN

Registration

YOUR DETAILS
 DELIVERY
 PAYMENT
 REVIEW
 CONFIRM

DELIVERY ADDRESS

+ ADD A NEW ADDRESS
Your address book is currently empty.

AVAILABLE DELIVERY OPTIONS

Address Entry

AVAILABLE DELIVERY OPTIONS

	Delivery & Return info
<input checked="" type="radio"/> Standard Delivery <small>Send this order by Standard Delivery (UK delivery time is 2 working days not including holidays). International delivery time is between 3-5 days. Outlying areas may take longer.</small>	FREE
<input type="radio"/> Next Day Delivery <small>Please Note: Orders must be placed by 1pm in order to be dispatched for next day delivery. Restrictions apply, please see our Delivery page for full details.</small>	FREE
<input type="radio"/> Saturday Delivery <small>Please Note: Orders must be placed by 8pm on Friday to be dispatched for Saturday delivery.</small>	FREE

Delivery Details

YOUR DETAILS
 DELIVERY
 PAYMENT
 REVIEW
 CONFIRM

GIFT CARDS

You have not added any gift cards.
+ REDEEM A GIFT CARD

PAYMENT OPTIONS

Use Credit/Debit card

Card number:

Card expiry: /

CVV Number:

Billing address:

[CHANGE ADDRESS](#)

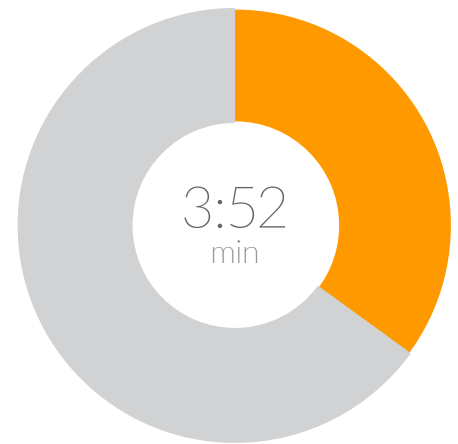
Payment Method

YOUR DETAILS
 DELIVERY
 PAYMENT
 REVIEW
 CONFIRM

I AGREE TO THE ALLSAINTS TERMS AND CONDITIONS **PURCHASE SECURELY**

YOUR DETAILS	DELIVERY	PAYMENT
Name: gail chan Email: gailchan@all.com Telephone: 01753 91400 ORDER UPDATES Email:	Deliver Address: gail chan 13 St. Benets Close London GB SW17 7UB Delivery Method: Standard Delivery	Card Type: AMERICAN EXPRESS Card Number: XXXXXXXXXXXX
EDIT DETAILS	EDIT DELIVERY	EDIT PAYMENT

Confirmation



Just the initial process tends to take anywhere between one and a half and three and a half minutes. This is a disproportionately long time when you consider again that overall shopping time is just under eight minutes.

It's no surprise then that many retailers we've seen start to experience customers tail off during this process

One European children's clothing retailer tracked their customers through this checkout process to identify whether time spent at each stage affected behavior. The results showed a significant drop off throughout the protracted stages of data entry.



At the point where customers with something in their shopping basket realized they were going to have to enter their personal details **only 87% commit to proceeding**. Once they had gone through that stage, there was further drop off on every subsequent step, finally ending up with **only 39% of those who started the process actually completing checkout**.

The measurable cost of delays

This retailer's experience is reflective of the industry more widely. Nearly three quarters of purchases are abandoned at the checkout stage⁵.

Customers don't want to spend their time this way

68% of baskets abandoned



Of course some of these shoppers are just browsing with no intention to buy while some might think twice about the item or the cost. However, in a separate study⁶, 20% of people say that it's because the payment process simply takes up too much of their time.

Time is to blame for 20%

How to optimise customer time

Let's look at the steps retailers can take to optimize the time customers spend on their websites...



1

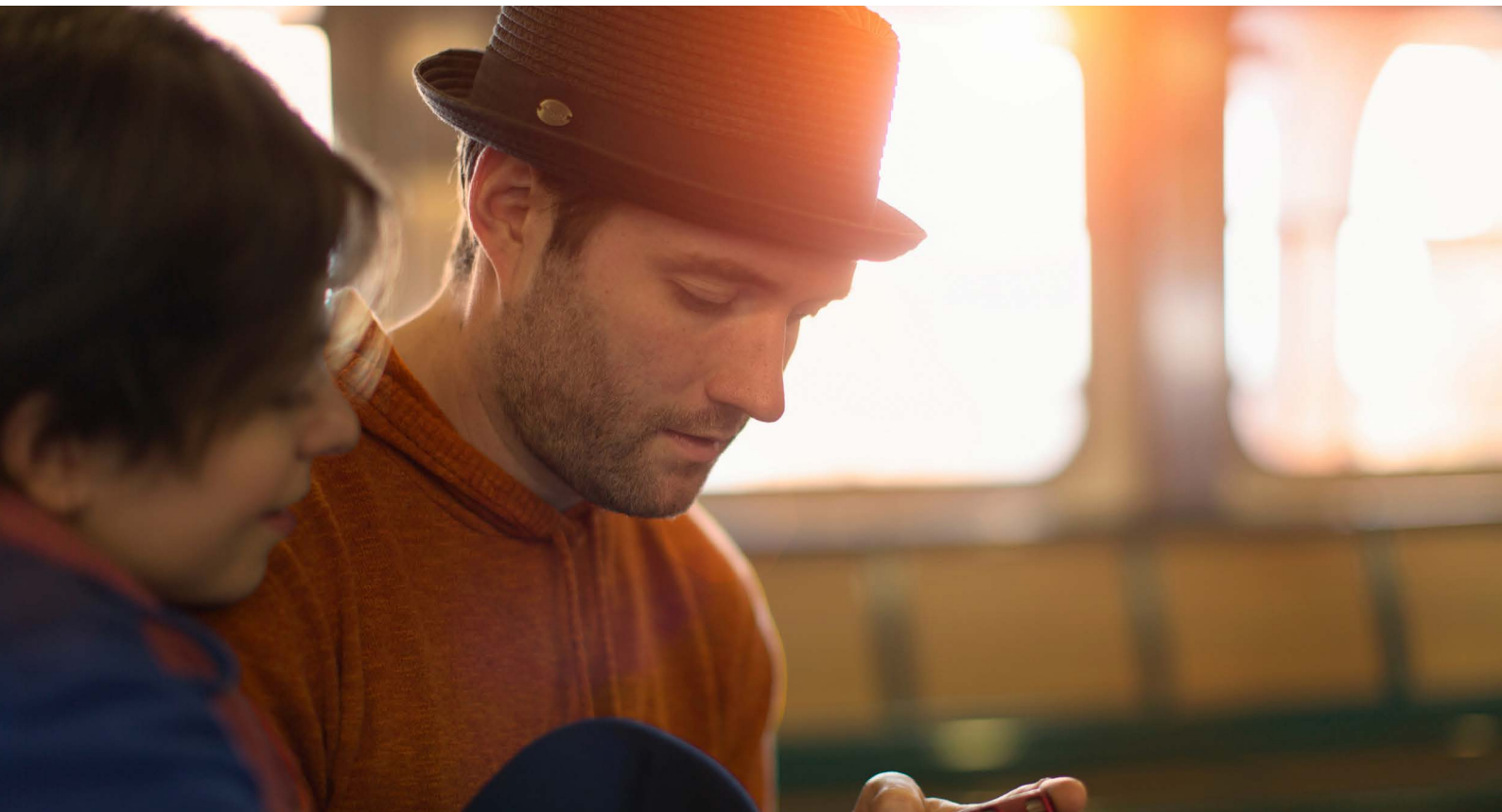
Consider what kind of experience customers want from your site

It's vital to have an objective view of what customers want from your site.

There are some goods and products with which customers have a transactional relationship and the experience is one of pure necessity – in this case they are likely to want their entire visit to be as efficient as possible. On the other hand, for some retailers, there's an opportunity to make the online shopping experience a pleasurable or entertaining one, in which case there's merit in serving up engaging content that customers value and that keeps them browsing for longer.

In both cases though, retailers must identify all occasions in the journey where customers might want to have a swifter, frictionless experience, such as during navigation and checkout.

Don't assume that keeping customers for longer is leading to a purchase.



2

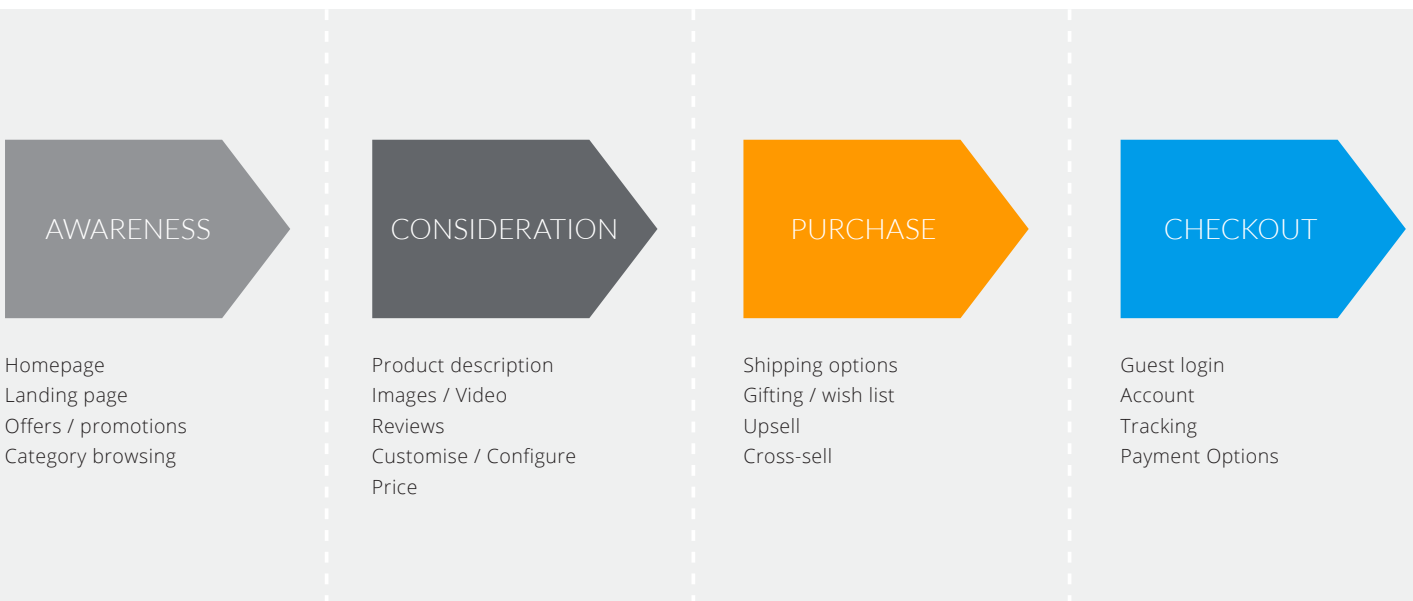
Map the customer journey by time

With just under eight minutes to make a sale, retailers need to know where that time is being spent.

Obviously, the eight minutes doesn't apply to everyone, so firstly establish your average visit time. Then start tracking how this time breaks down.

Once you know where customers are currently spending their time, you can evaluate this against what you know about their desired experience:

- Are the chunks of time throughout the journey happy dwell time where customers are indulging in something valuable, or are these moments of frustration,
- where there are barriers delaying customers from getting where they want to be next?



This process will likely reveal some unexpected findings and it should prompt some introspection of whether the current journey is reflective of what customers really want from you.



3

Review basket abandonment rates

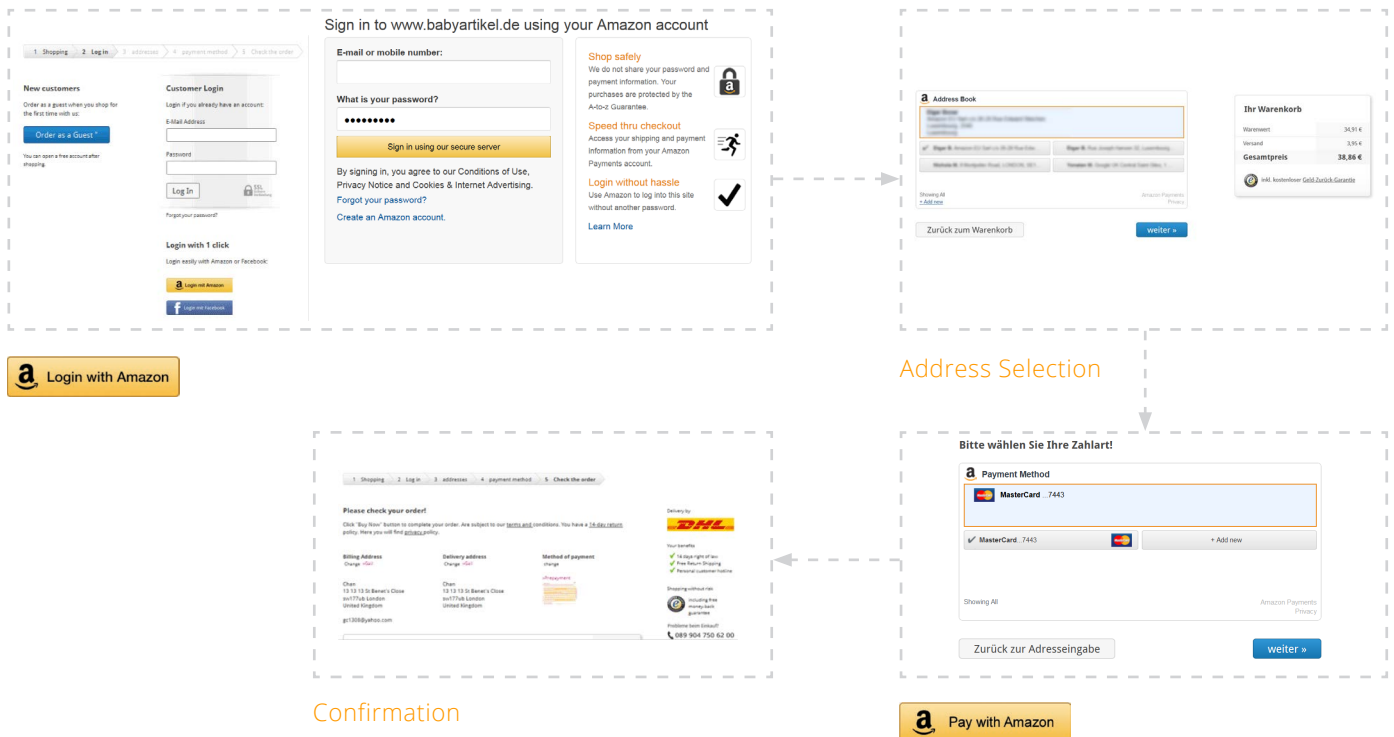
Once you know the customer journey by time, it's important to map this against behavioral data. You will be able to see whether the suspected points of friction are leading to actual site or basket abandonment.

Some basket abandonment is to be expected but when the numbers are between 60% and 80% of all baskets then evidently there is a strong reason to look at whether a faster checkout process for customers would bring down this number.

4

Cut down the checkout process

The European children's clothing retailer which was losing 61% of purchases from the start of the checkout process addressed the issue by offering a faster checkout through Login and Pay with Amazon. The number of customers who continued with their purchase was significantly higher with 25% more sales completed.



Click here to see a side by side checkout comparison

Login and Pay with Amazon lets shoppers sign into websites using their existing Amazon account information. They can then access all of their existing delivery and payment data easily and securely eliminating the need to re-enter this data. This can shorten the checkout process by two thirds – a really significant time saving for customers.



Conclusion

Retailers should start treating time as a currency to trade in – know when customers would be happy for you to take it but also know when to give it back.

Understand how customers judge the time they are spending with you and how that changes throughout the shopping journey. Look at attitudes at each stage and therefore the time they are willing to invest. This will allow you to create and place richer content at moments in time when customers might want to dwell and remove barriers and blockages at moments when they don't.

The ecommerce businesses that recognise the value of customers' time and use it effectively for mutual benefit should be the ones that customers gravitate towards and to whom they stay loyal.

Retailers should start treating time as a currency to trade in – know when customers would be happy for you to take it but also know when to give it back.

About Amazon Payments

[Find out more about Amazon Payments](#) and streamlining the login and checkout process to make Amazon customers your customers and increase basket conversion on your site.

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