

E-CommerceU Funnel Analysis



EXECUTIVE SUMMARY

Business Problem

The **conversion rate** of E-commerceU in **Q4 2022** has **dropped to the lowest stage 4,64%** compared to the previous quarter and year

Business Objective

We should **re-evaluate our funnel apps** to boost our conversion rate by at least **increased to 8% in the next quarter.**

Recommendation

Based on Cluster Performance:

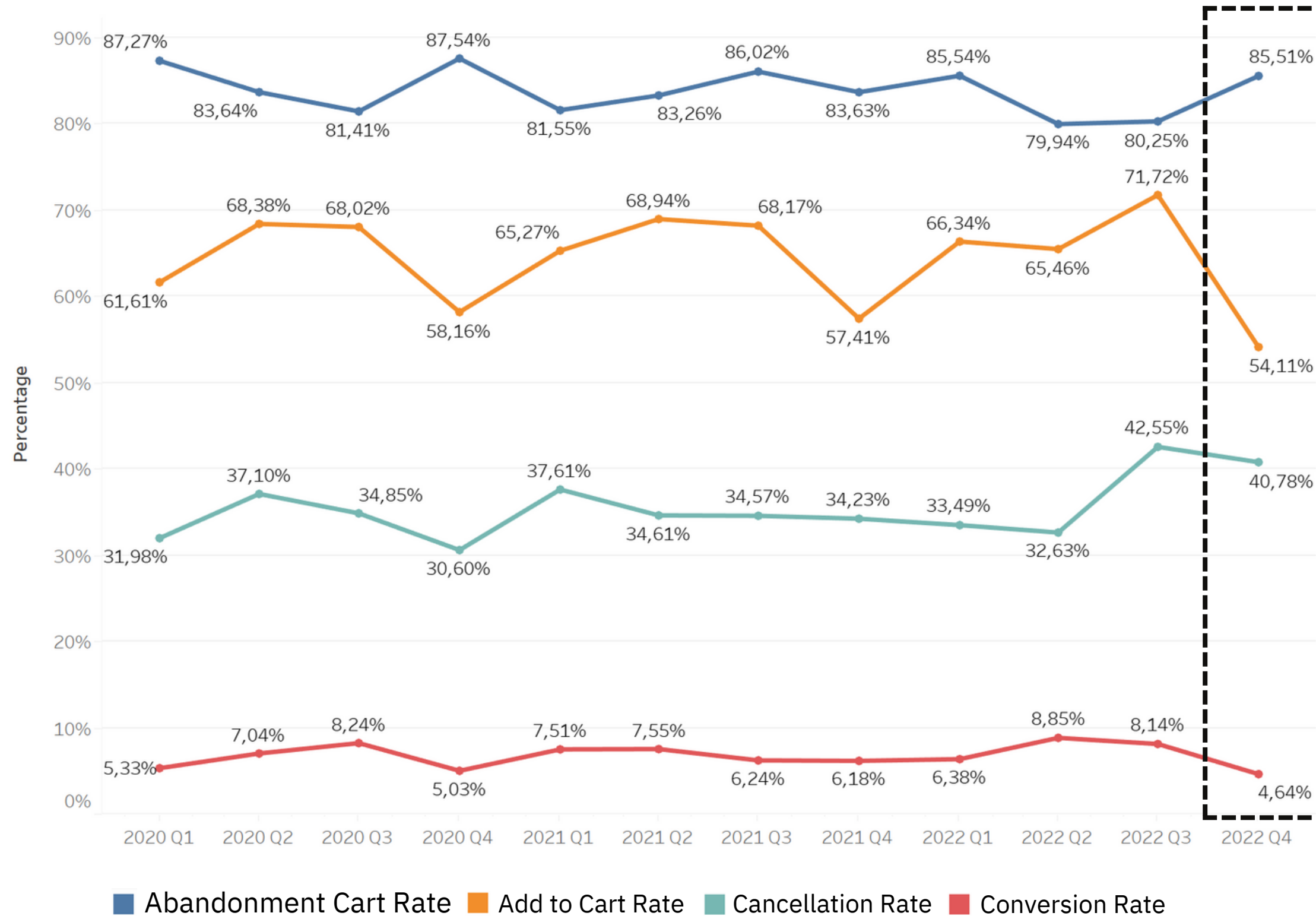
- Create precise and complete item descriptions
- Create FOMO trigger
- Create a refund and return policy

Based on Product :

- Prepare for the product stock and conditional discount for users to maintain our conversion rate

PROBLEM STATEMENT

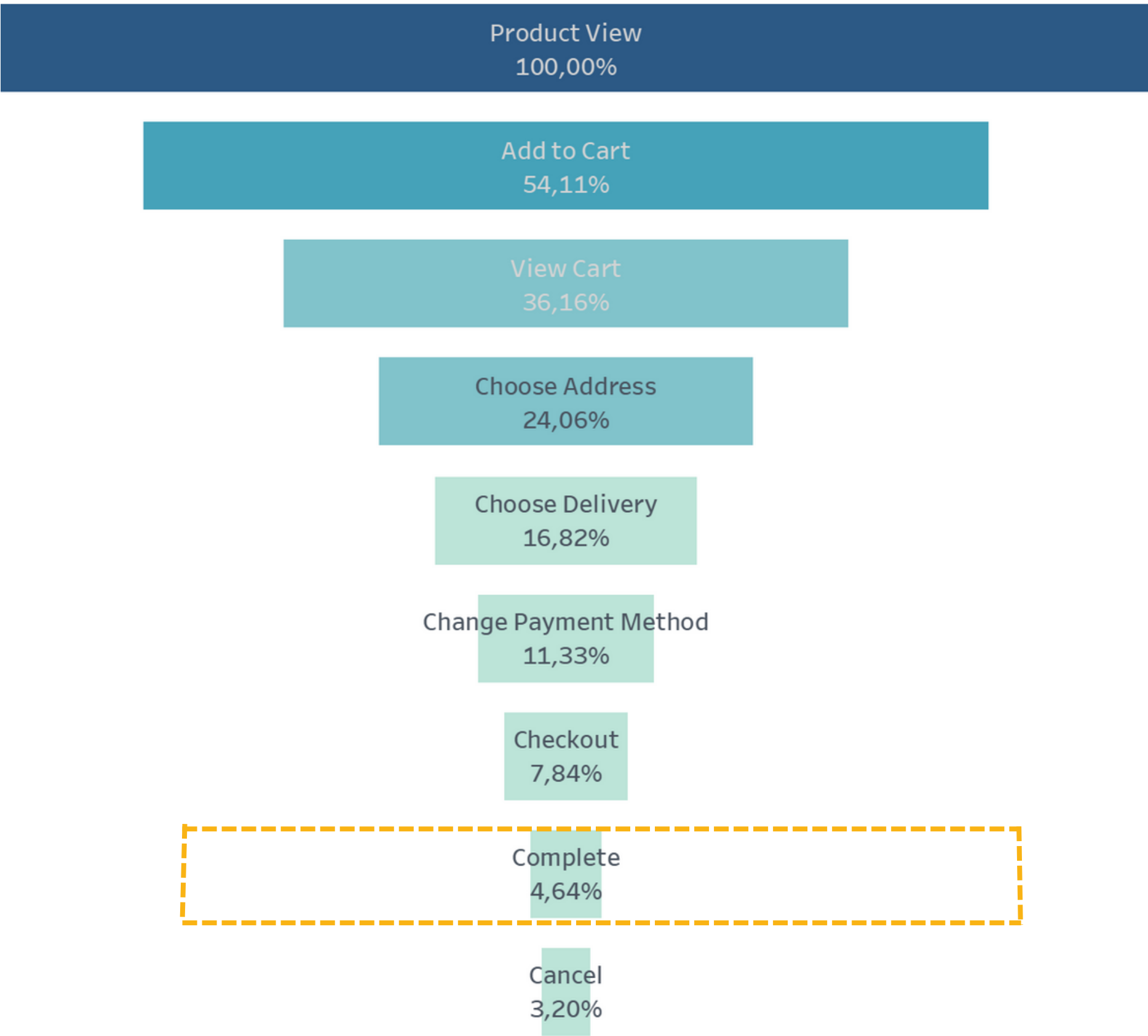
KPI Over Time



The quality of E-commerceU funnel performance isn't good enough

- In **Q4 2022**, our **conversion rate dropped to 4,64%** (the lowest value since 2020-2022).
- The **abandonment cart rate increased to 85,51%.**
- The **Add to Cart Rate dropped to 54,11%**

FUNNEL OVERVIEW Q4 2022

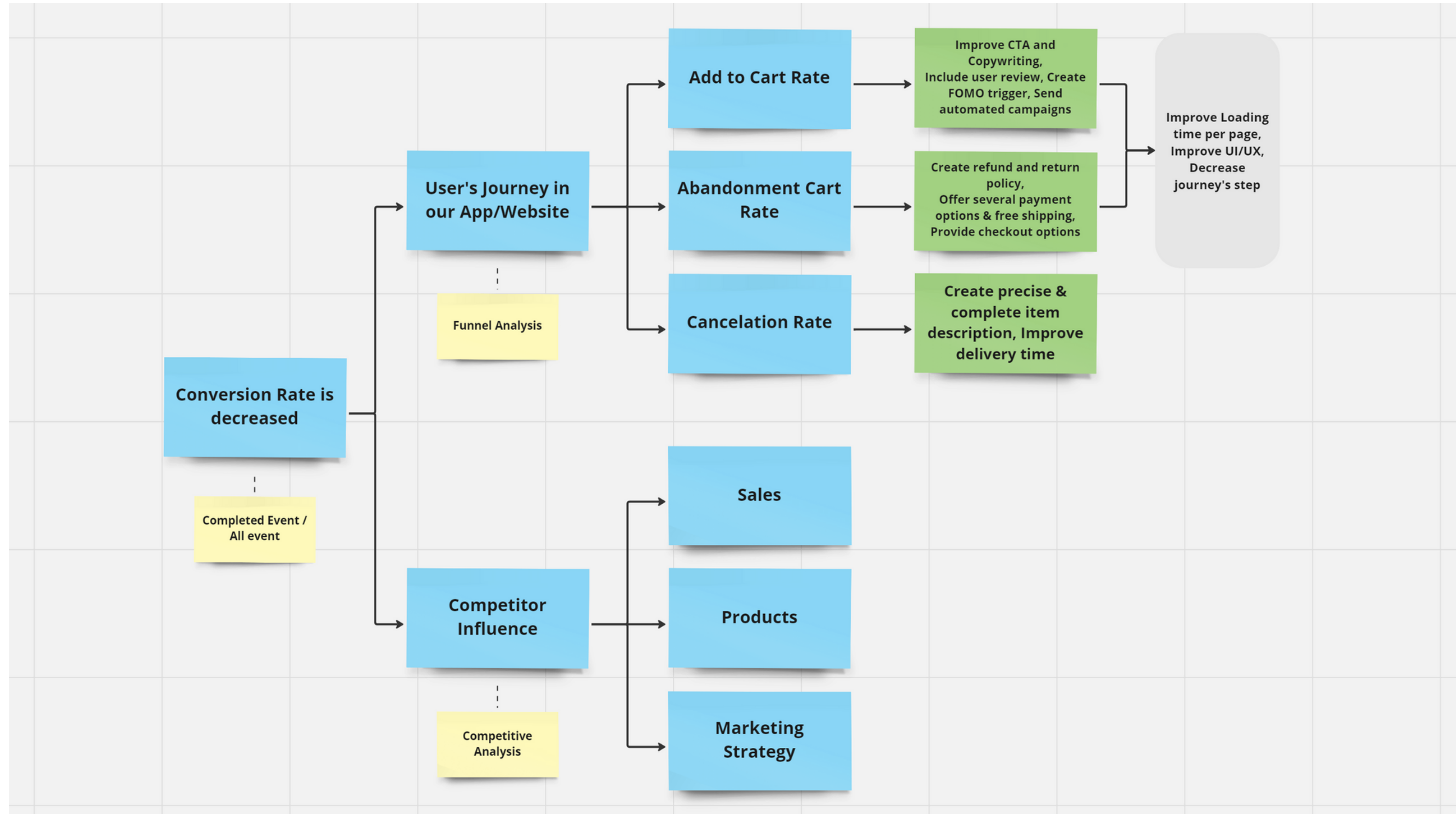


- E-commerceU conversion rate in Q4 2022 is only **4,64% from the product view**. It means we are **losing 95,36% of potential transactions**.

Related Metrics that show the funnel performance

Add to Cart	54,11%
Abandonment Rate	85,51%
Cancellation Rate	40,78%
Event per Session	2,58 (view cart)
Duration per Session	3,97 minutes

ROOT CAUSE ANALYSIS



CUSTOMER CLUSTER OVERVIEW

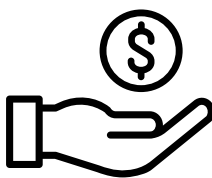


Champions

Highly valuable and loyal customers with high purchase frequency and monetary

1650 Users (28,04% of user base)

- Recency** : 188 days • **Most are male**
Frequency: 4 times • **Most live in South Jakarta**
Monetary : 42,85 B • **used a virtual account for payment**
• **Most didn't used any vouchers**



Potential Loyalist

Moderate purchase frequency and monetary value that potential for becoming loyal customers

2413 Users (41,6% of user base)

- Recency** : 305 days • **Most are female**
Frequency: 2 times • **Most live in Tangerang**
Monetary : 10,36 B • **used a virtual account for payment**
• **Most used delivery fee discounts**

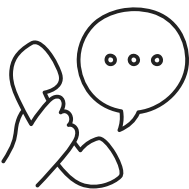


At Risk Customer

at risk disengaging or being lost due to low purchase frequency and monetary, infrequent recent purchases, and only have recent activity

579 Users (9,8% of user base)

- Recency** : 285 days • **Most are female**
Frequency: 1 time • **Most live in Cental Jakarta**
Monetary : 0,27 B • **used paylater for payment**
• **Most used direct discounts**

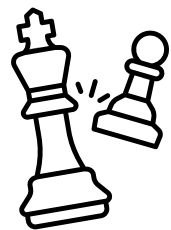


Rookie

It has been quite some time since their last visit, and they haven't made any recent purchases.

742 Users (12,8% of user base)

- Recency** : 469 days • **Most are female**
Frequency: 1 time • **Most live in Depok**
Monetary : 0,21 B • **used a paylater for payment**
• **Most used delivery fee discounts**



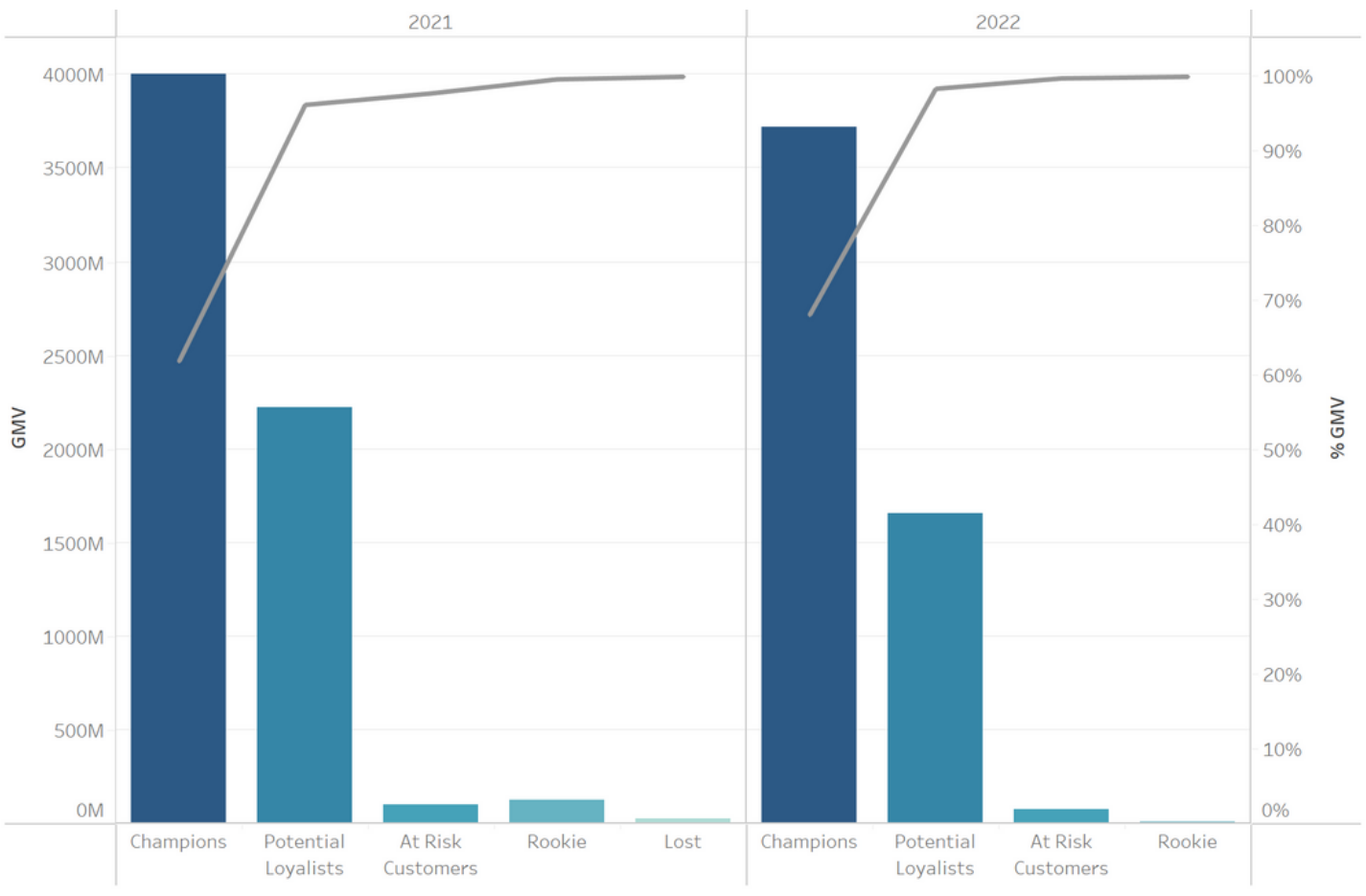
Lost

The lowest recency, frequency, and monetary value that have a huge potential to churn

429 Users (7,3% of user base)

- Recency** : 664 days • **Most are female**
Frequency: 1 time • **Most live in Depok**
Monetary : 0,04 B • **used a paylater for payment**
• **Most used delivery fee discounts**

Pareto



We focus on **Champions and Potential Loyalists**
Customer Segments that give the **top 2 huge GMV contributor**

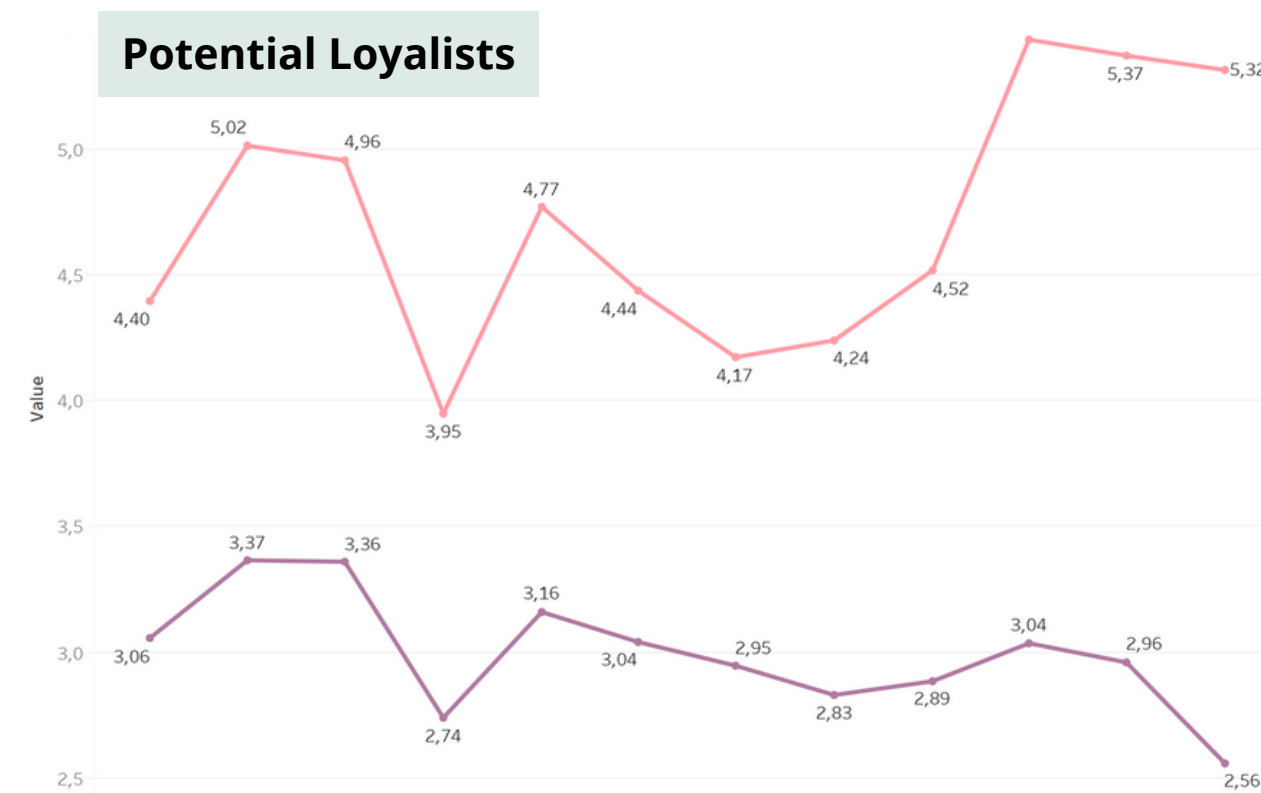
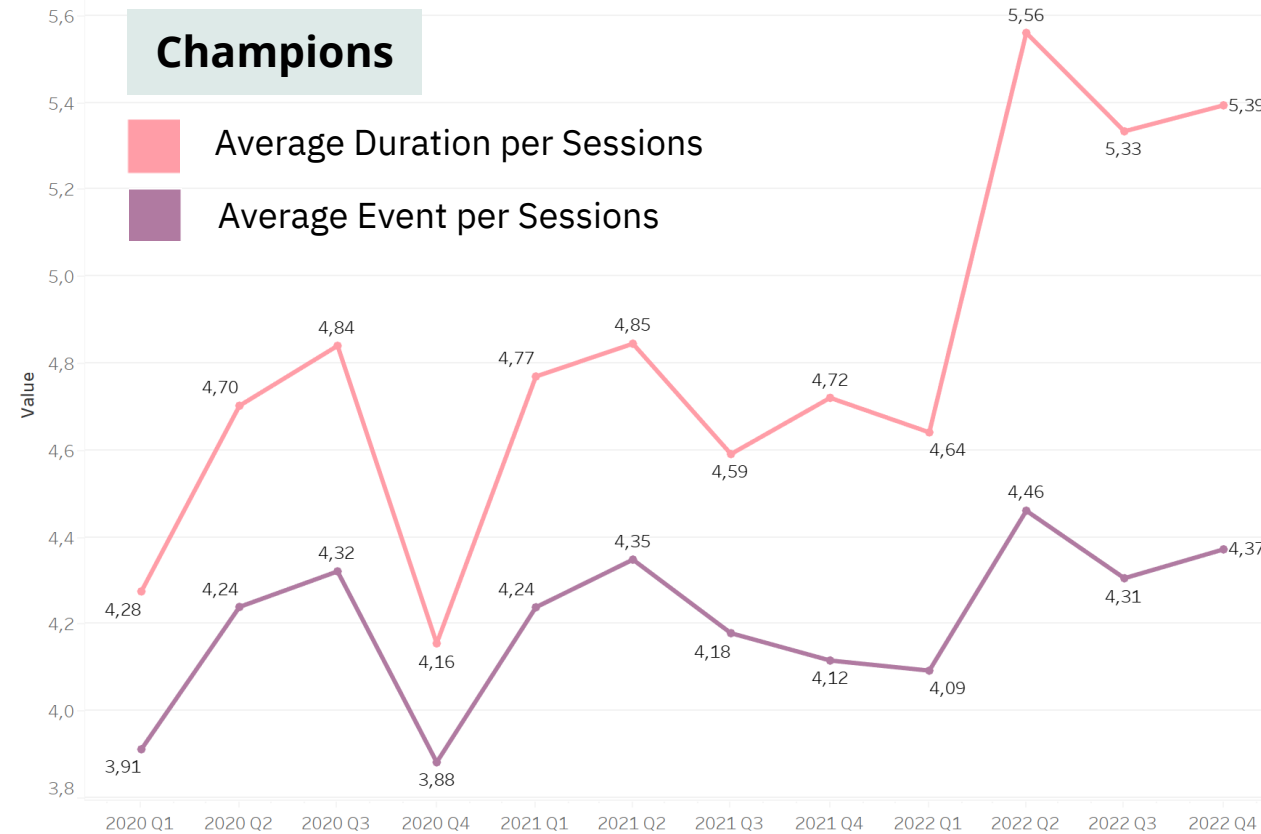
FUNNEL OVERVIEW PER CLUSTER (DEC 2019 - JAN 2023)

Conversion Rate

Events	Champions	Potential Loyalists
Product view	100%	100%
Add to Cart	87,32%	62,92%
View Cart	71,32%	41,19%
Choose Address	57,25%	30,96%
Choose Delivery	38,40%	21,68%
Change Payment	27,86%	13,61%
Checkout	18,72%	10,23%
Complete	15,47%	9,25%

Champions have the **highest conversion rate** compared with potential loyalist.

Average Duration & Event per Session



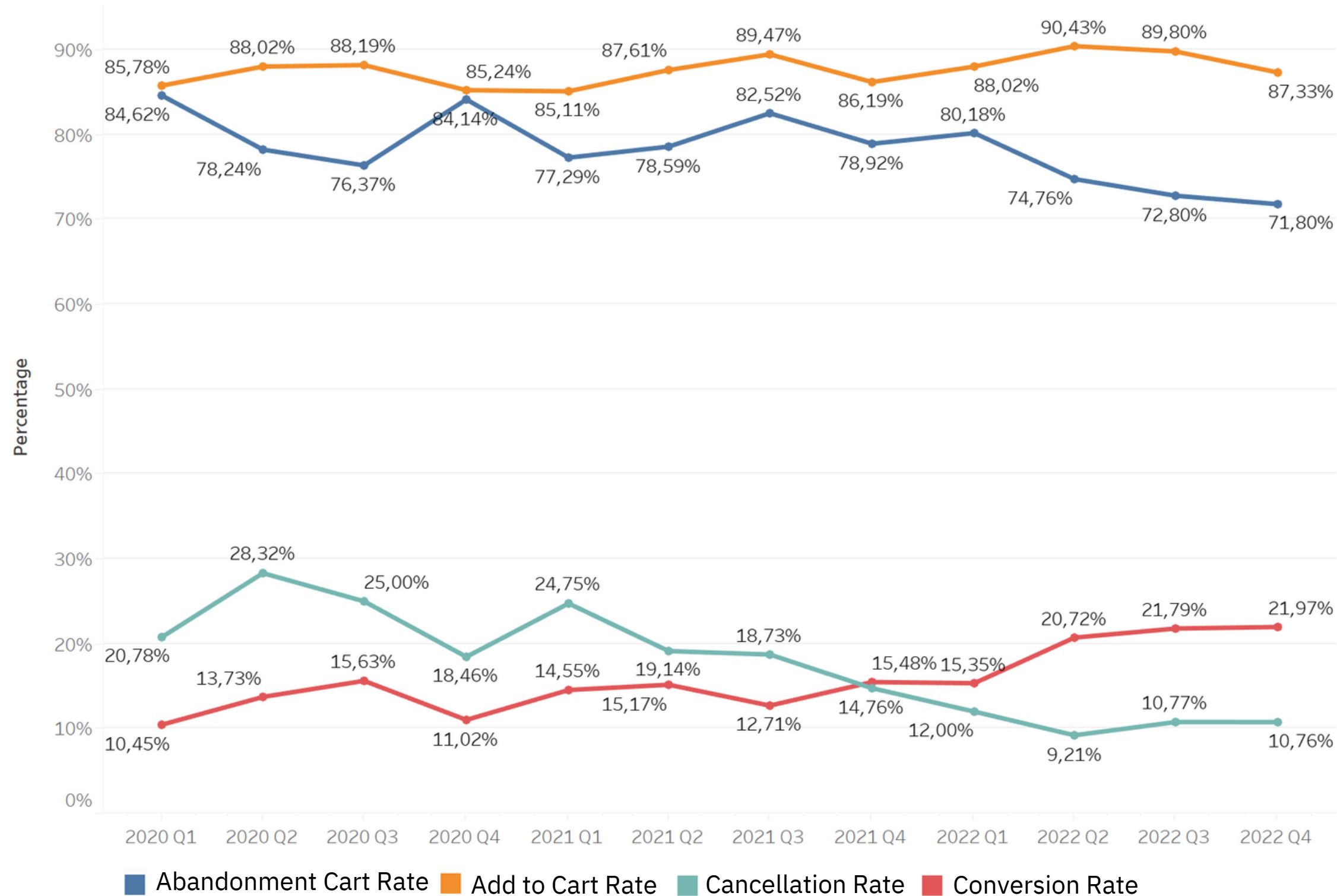
- Users in **champions** tend to arrive at the **event stage choosing an address (avg.4)**
- Users in **potential loyalists** tend to arrive at the **event stage view cart (avg.3)**
- Some users in potential loyalists **stuck in certain/ beginning event**

Insight :

- with the **same average duration**, the **champions** tend to arrive at the **chosen address** but **potential loyalists** only in **add to cart and view cart**.
- Champions has the highest tendency to checkout the products

KPI METRICS PER CLUSTER

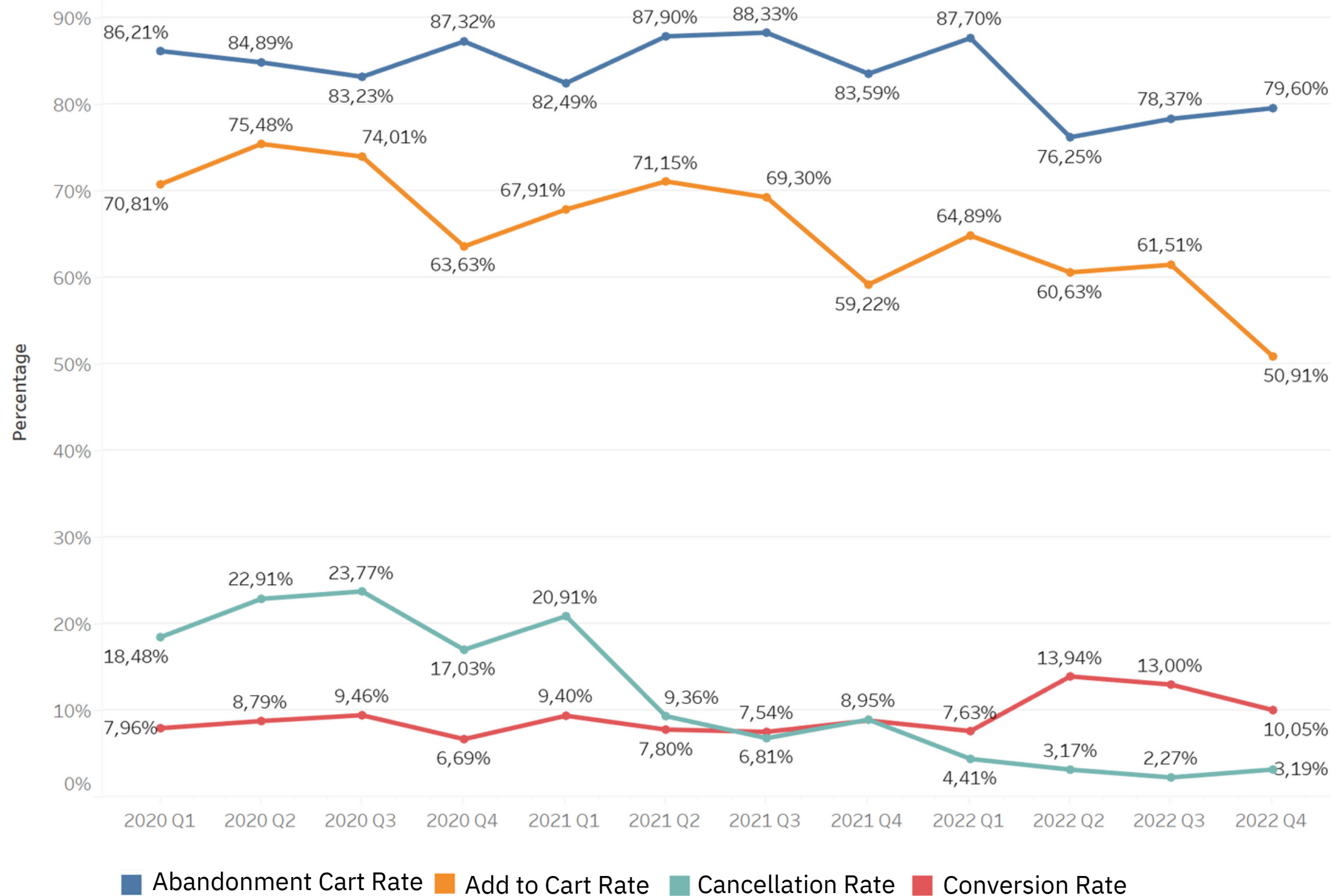
Champions



- Champions have good funnel performance. In **2022 Q1-Q4** the **conversion rate** always increased.
- **The abandonment cart rate always decreased since Q1 2022** -> the potential of adding the product to the cart then take action to checkout the product will be huge

KPI METRICS PER CLUSTER

Potential Loyalists



- Potential Loyalists issue : The user **only scroll the product without doing** further transaction until **completed checkout**
- The Overview **2022 performance increased** than the previous quarter of years. but in Q3-Q4 decreasing again

RECOMMENDATION PER CLUSTER

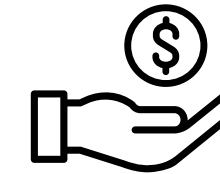


Champions

- Cancellation rate increased since Q2 2022

Recommendations:

Create precise and complete item descriptions, improve delivery time



Potential Loyalist

- Add to cart always decreased since Q1 2021

Recommendations:

Improve CTA and copywriting, include user review, create FOMO trigger, send automated campaigns, improve UI/UX

- The abandonment cart rate has increased since Q2 2022

Recommendations:

Create a refund and return policy, offer several payment options and free shipping, and provide checkout options, improve loading time per page

PRODUCT PER FUNNEL HIGHEST GMV

Clothing Conversion Rate 2022

Events	Q1	Q2	Q3	Q4
Product view	100%	100%	100%	100%
Add to Cart	72,47%	72,32%	75,29%	69,64%
View Cart	55,12%	54,55%	57,81%	52,44%
Choose Address	42,80%	42,44%	45,06%	40,48%
Choose Delivery	28,94%	28,74%	30,20%	27,49%
Change Payment	20,20%	19,94%	21,10%	19,21%
Checkout	13,78%	13,58%	14,39%	13,14%
Complete	11,72%	11,71%	12,40%	11,28%

Health&Beauty Conversion Rate 2022

Events	Q1	Q2	Q3	Q4
Product view	100%	100%	100%	100%
Add to Cart	71,60%	71,19%	74,53%	68,65%
View Cart	54,45%	53,64%	57,34%	51,59%
Choose Address	42,04%	41,53%	44,65%	39,63%
Choose Delivery	28,33%	27,98%	29,90%	26,78%
Change Payment	19,95%	19,60%	21,04%	18,89%
Checkout	13,58%	13,35%	14,28%	12,88%
Complete	11,55%	11,49%	12,26%	11,05%

PRODUCT PER FUNNEL LOWEST GMV

Stationery Conversion Rate 2022

Events	Q1	Q2	Q3	Q4
Product view	100%	100%	100%	100%
Add to Cart	79,98%	79,87%	81,77%	78,53%
View Cart	64,43%	63,77%	66,21%	62,75%
Choose Address	50,83%	50,36%	52,53%	49,45%
Choose Delivery	34,07%	33,74%	34,85%	33,16%
Change Payment	24,75%	24,25%	25,11%	24,04%
Checkout	16,54%	16,16%	16,70%	16,01%
Complete	13,71%	13,59%	14,06%	13,41%

Games Conversion Rate 2022

Events	Q1	Q2	Q3	Q4
Product view	100%	100%	100%	100%
Add to Cart	84,96%	84,93%	85,76%	84,33%
View Cart	68,89%	68,21%	70,08%	68,06%
Choose Address	54,96%	54,48%	55,90%	54,32%
Choose Delivery	36,61%	36,36%	37,12%	36,35%
Change Payment	26,40%	25,91%	26,55%	26,07%
Checkout	17,72%	17,30%	17,76%	17,42%
Complete	14,64%	14,49%	14,88%	14,55%

INSIGHT & RECOMMENDATION PRODUCT FUNNEL

- There are **no issues with the product funnel** as the **conversion rate remains stable** with no significant changes in each quarter
- Across all products, both with the highest and lowest GMVs, the **highest conversion rates** are observed in **Q3 2022**

Clothing Health & Beauty



Stationery



Games



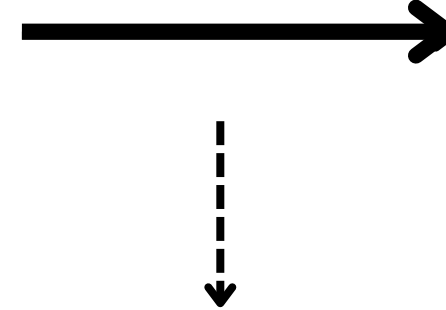
- There has been a **transition from the pandemic situation** where many people were working from home (WFH) back to working from the office (WFO), which has led to the need for products to support these activities
- In the 3rd quarter, Indonesia celebrates its **Independence Day**, which leads people to increase their interest in purchasing clothing and games
- Around July-August is the moment when **children go to school** so the demand for stationery will definitely increase
- During August-September, there is a moment when **new college students** are **preparing for their studies**, which increases the demand for clothing and stationary items



- **Prepare** for the **product stock** and **conditional discount** for users to maintain our conversion rate
- **Offer product bundles** during seasonal times to increase the conversion rate

IMPACT ANALYSIS

Total duration per stage funnel = **14,4 minutes**
Conversion Rate = **6,46%**



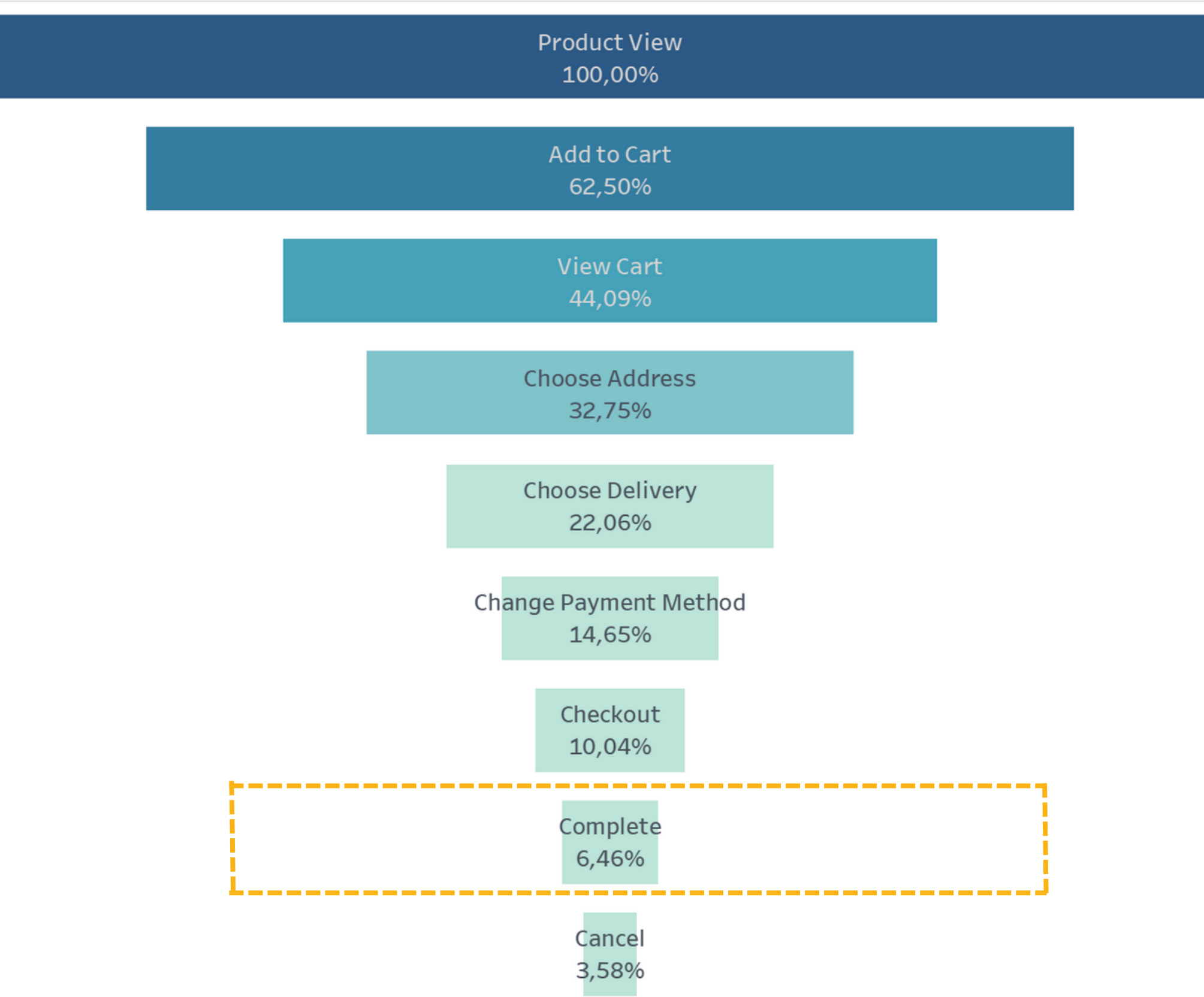
Total duration per stage funnel = **12,3 minutes**
Conversion Rate = **7,56%**

Featured Implementation on Choose address
from 2,21 minutes to 1,5 minutes

THANK YOU!



FUNNEL OVERVIEW (DEC 2019 - JAN 2023)



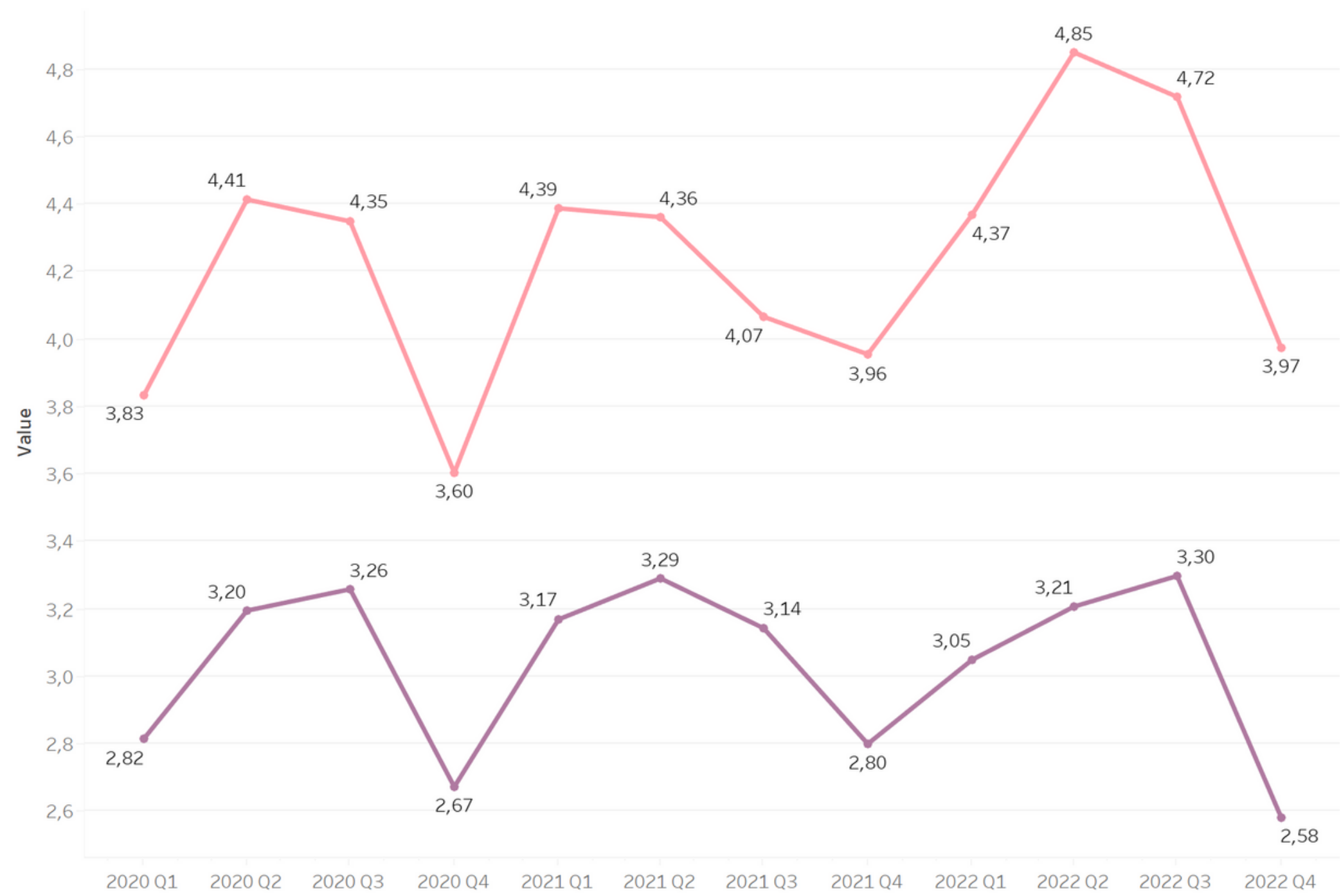
- E-commerceU conversion rate is only **6,46% from the product view**. It means we are **lost 93,5% potential transactions**.

Related Metrics that show the funnel performance

Add to Cart	62,50%
Abandonment Rate	83,94%
Cancellation Rate	35,7%
Event per Session	2,96 (view cart)
Duration per Session	4,18 minutes

AVERAGE DURATION AND EVENT PER SESSION (DEC 2019 - JAN 2023)

Average Duration & Event per Session Over Time



APPENDIX

FUNNEL PER CLUSTER
(DEC 2019 - JAN 2023)

Conversion Rate

Average Duration Per Stage (Min)

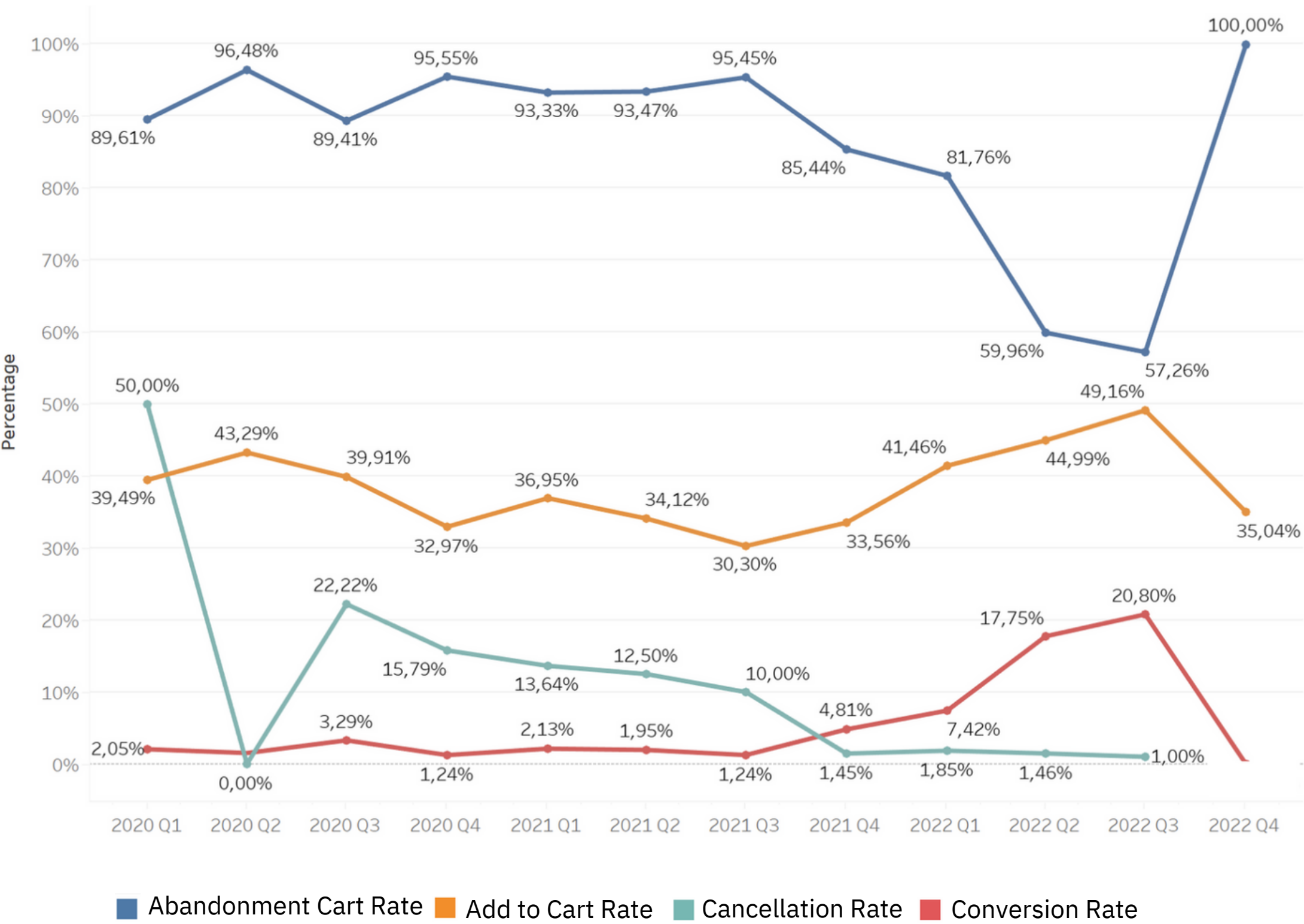
Events	Champions	Potential Loyalists	At-Risk Customer
Product view	100%	100%	100%
Add to Cart	87,32%	62,92%	36,95%
View Cart	71,32%	41,19%	21,49%
Choose Address	57,25%	30,96%	12,51%
Choose Delivery	38,40%	21,68%	9,21%
Change Payment	27,86%	13,61%	6,45%
Checkout	18,72%	10,23%	5,24%
Complete	15,47%	9,25%	5,03%

Champions have the highest conversion rate compared with other clusters.

		2020	2021	2022
Champions	Product View	2,08	2,10	2,16
	Add to Cart	0,23	0,23	0,23
	View Cart	2,06	2,08	2,14
	Choose Address	1,76	1,79	1,91
	Choose Delivery	1,44	1,47	1,65
	Change Payment Method	1,22	1,25	1,41
	Checkout	0,89	0,98	1,47
Potential Loyalists	Product View	3,03	3,13	4,12
	Add to Cart	0,23	0,23	0,23
	View Cart	2,57	2,61	3,30
	Choose Address	2,45	2,49	2,78
	Choose Delivery	2,37	2,41	2,26
	Change Payment Method	1,90	1,95	1,99
	Checkout	3,03	3,19	5,71
At Risk Customers	Product View	5,16	5,82	6,21
	Add to Cart	0,24	0,23	0,23
	View Cart	3,50	4,21	4,77
	Choose Address	2,76	3,08	3,27
	Choose Delivery	2,44	2,11	2,02
	Change Payment Method	1,98	1,99	1,99
	Checkout	3,27	6,74	8,28

KPI METRICS PER CLUSTER

At-Risk Customers



- At-Risk Customer issue: **There aren't transactions in Q4 2022**
- **In Q4 2022, the Abandonment Cart Rate was 100%** -> All the products still in the cart without further action until checkout and completed
- **Decreasing add-to-cart in Q4 2022**, the users only scroll the product, and take it in the cart but do not take checkout action