

# TOYS ONLINE RETAIL INDUSTRY

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Which websites are maximising their online conversions?



FIRST.

# About FIRST

We assist online retail and services businesses to grow and expand by enhancing the customer experience. We do this through ongoing data insights, personalisation, testing and through leveraging 'best of breed' technology partners.

Our expertise in digital marketing has been built on over 15 years experience in digital strategy, analytics, conversion, search marketing and digital campaigns.

Get in touch to find out more.



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## Our Partnerships



# CONVERSION RATE OPTIMISATION (CRO)

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CRO is the process of improving your website's ability to sell for a given marketing budget and can increase the return on investment from your online marketing activities (not just search).

The optimisation is performed by finding your website's weak pages (those with high bounce or exit rates), determining reasons why visitors are dropping out at that point, making changes to the pages to address those reasons – guided by best-practices and customer research.

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# CRO Leads To Growth

A small improvement in your website's conversion rate can result in a relatively large lift in your website's ROI. The increased revenue can be re-invested into other sales-generating initiatives online (Performance Media Advertising or SEO) and may open up other channels that were previously cost prohibitive.

**An improvement in your website conversion rate by just 10% can lead to estimatedly:**

**>10%**

Increase in ROI

**=10%**

Increase  
in Revenue

# CRO Benefits



1. Increase lead conversion rates and sales



2. Improve landing pages



3. Get more leads



4. Decrease Cost Per Acquisition (CPA).



5. Engage visitors and increase time spent on your site



6. Eliminate guesswork from site design

# Report Methodology



**Conversion Experience Scoring (CXS)** is a methodology developed by FIRST to provide a relative measure of the onsite customer experience. CXS is a percentage based indication of how well a company utilises conversion best practices on its website's homepage and category page.



We evaluated the websites on the basis of the importance of each element in assisting online conversions and the presence of each element in the website's homepage and category page. We then ranked the websites alongside their competitors based on the scores. We also ranked the different elements to find out which ones websites are strong and weak at.



The overall scoring shows the opportunity size the company has to address on conversion issues, to engage more visitors and ultimately increase the number of leads and sales.



The list of core elements is intended to serve as a good practice framework for you to build from depending on your unique business and audience needs.

# Homepage Elements

Below are the Homepage Element Groups and the individual core elements under each.



1

## Design

- Clear logo
- Static emotive imagery/ website's main image
- Clear calls-to-action (CTAs)
- Responsive design
- Well designed and use of quality photo
- Fast page loading time



2

## Credibility

- Clear value proposition/ USPs
- About us link
- Visible trustmarks/ security seals
- Terms and conditions/ customer policies



3

## Features

- Deals/ offers/ promotions
- Featured/ most popular products
- New arrivals/ latest products



4

## Navigation

- Prominent search box
- Main navigation menu
- Search auto-suggest
- Relevant search results
- Clear and easy navigation
- Relevant text
- Good filters/ sorting

# Homepage Elements

Below are the Homepage Element Groups and the individual core elements under each.



5

## Customer Service

- Contact information
- Clear shipping and returns information
- Link to blog/ community section
- Newsletter/ Email signup
- Frequently Asked Questions (FAQs)
- Live chat



6

## Purchase Assist

- Shopping cart/ checkout link
- Payment options



7

## Social

- Social media links



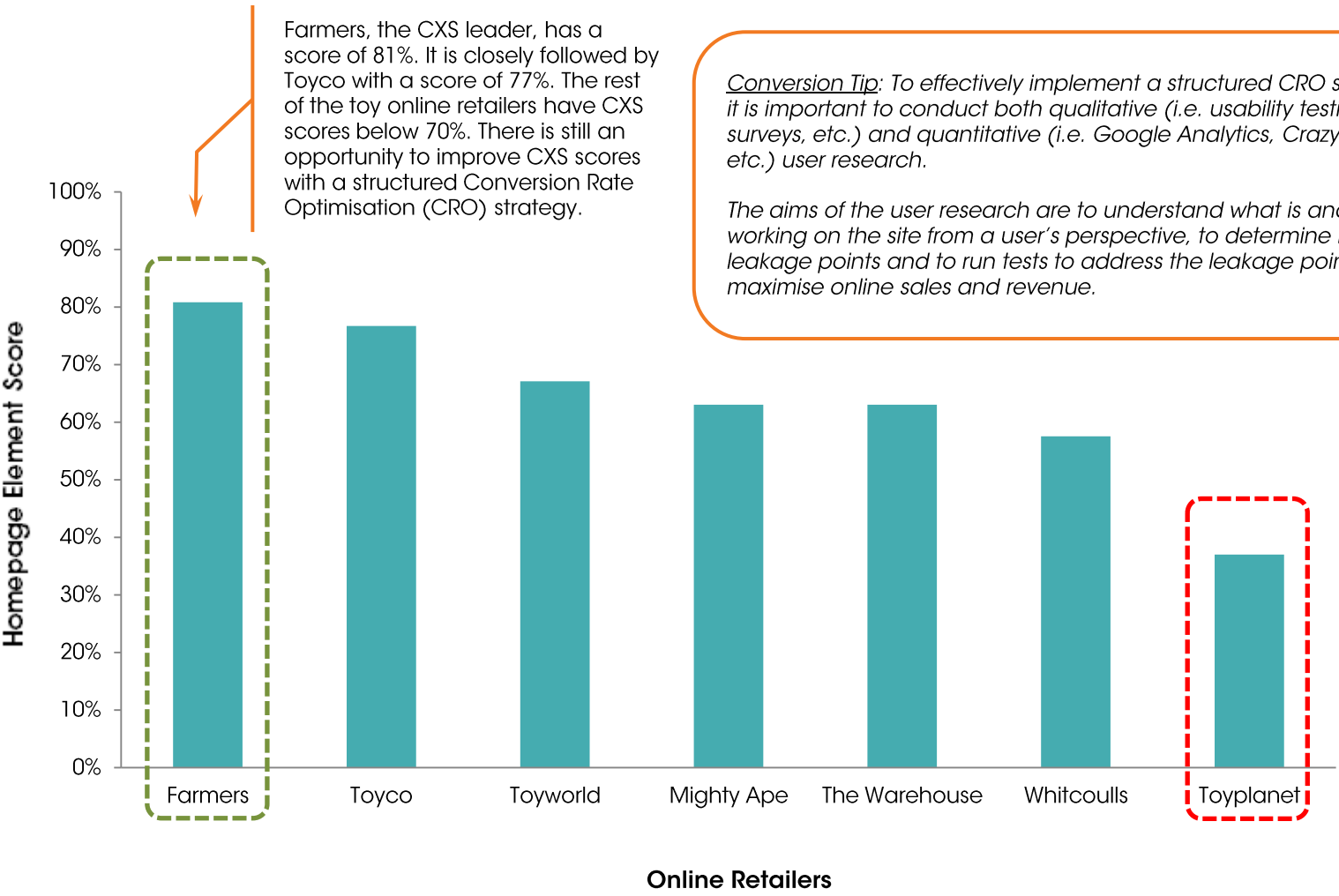
# Presence of Homepage Conversion Elements in Toy Online Retailer Websites

In order to identify which websites are leading in providing quality onsite customer experience, FIRST evaluated the websites' homepages based on a scaling system that rated the importance of each element in assisting conversions and the presence of each in the homepages.

ONLINE RETAILER	WEBSITE URL	SCORE
Farmers	<a href="http://www.farmers.co.nz">http://www.farmers.co.nz</a>	81%
Toyco	<a href="http://www.toyco.co.nz">http://www.toyco.co.nz</a>	77%
Toyworld	<a href="http://www.toyworld.co.nz">http://www.toyworld.co.nz</a>	67%
Mighty Ape	<a href="https://www.mightyape.co.nz">https://www.mightyape.co.nz</a>	63%
The Warehouse	<a href="http://www.thewarehouse.co.nz">http://www.thewarehouse.co.nz</a>	63%
Whitcoulls	<a href="http://www.whitcoulls.co.nz">http://www.whitcoulls.co.nz</a>	58%
Toyplanet	<a href="http://www.toyplanet.co.nz">http://www.toyplanet.co.nz</a>	37%



# Homepage Element Score Rankings



Farmers, the CXS leader, has a score of 81%. It is closely followed by Toyco with a score of 77%. The rest of the toy online retailers have CXS scores below 70%. There is still an opportunity to improve CXS scores with a structured Conversion Rate Optimisation (CRO) strategy.

*Conversion Tip: To effectively implement a structured CRO strategy, it is important to conduct both qualitative (i.e. usability testing, surveys, etc.) and quantitative (i.e. Google Analytics, Crazy Egg, etc.) user research.*

*The aims of the user research are to understand what is and isn't working on the site from a user's perspective, to determine key leakage points and to run tests to address the leakage points to maximise online sales and revenue.*



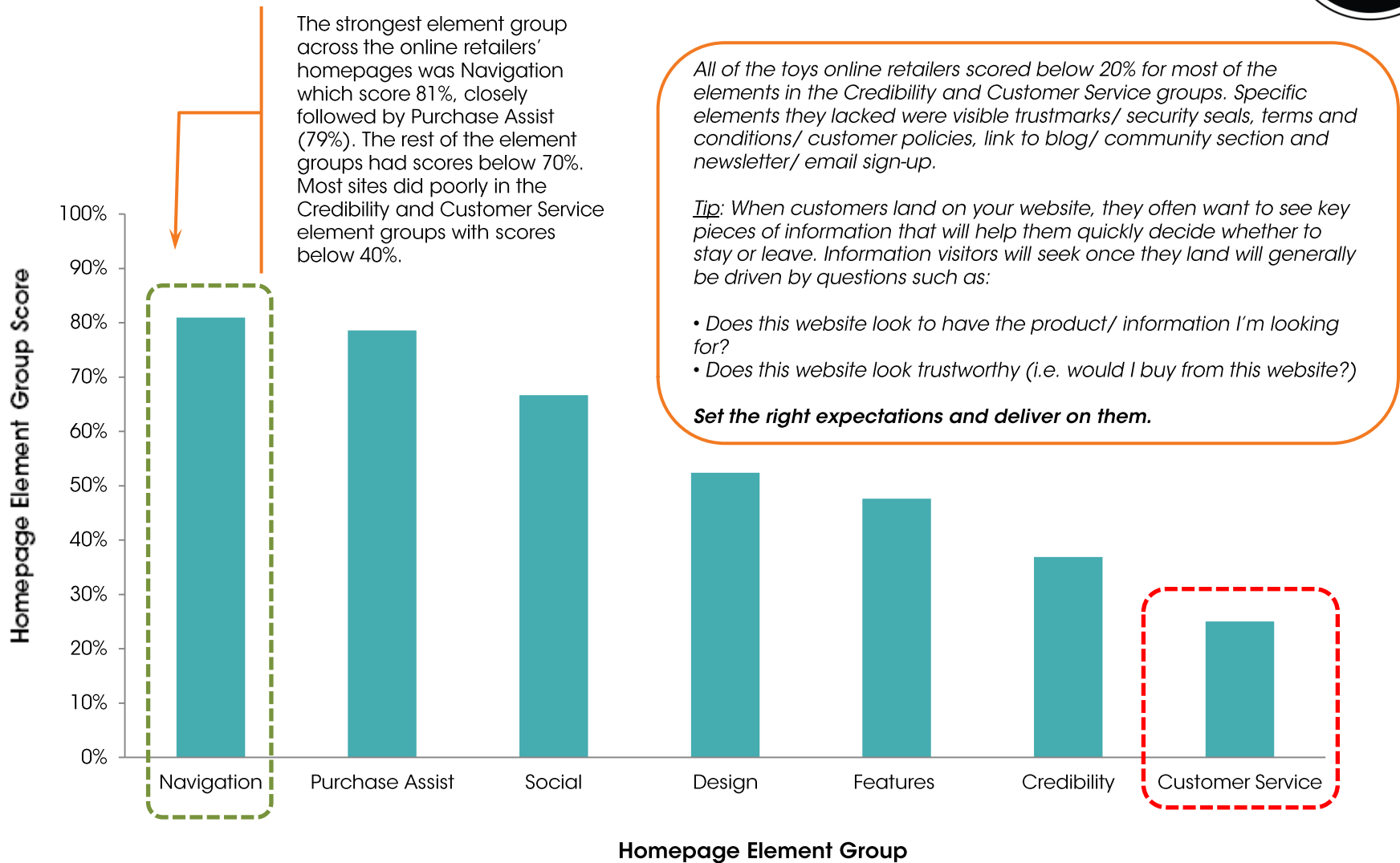
# Which conversion element group is the strongest across the selected website homepages?

In order to identify which element group the selected online retailer websites is strong at, FIRST gave a score (Element Group Score) for each element group based on its presence on the websites' homepages.

HOMEPAGE ELEMENT GROUP	SCORE
Navigation	81%
Purchase Assist	79%
Social	67%
Design	52%
Features	48%
Credibility	37%
Customer Service	25%



# Homepage Element Group Score Rankings



# Category Page Elements

Below are the Category Page Element Groups and the individual core elements under each.



1

## Design

- Clear calls-to-action (CTAs)



2

## Credibility

- Clear value proposition/ USPs



3

## Features

- Display promotions or deals
- Most popular sub-categories featured prominently
- Use of visual tiles to showcase sub-categories
- Use of personalisation elements
- New & in-season products/ what's new (Product Introduction section)



4

## Navigation

- Prominent search box
- Navigation to sub-categories
- New & in-season products/ what's new (Navigation)
- Good filters/ sorting



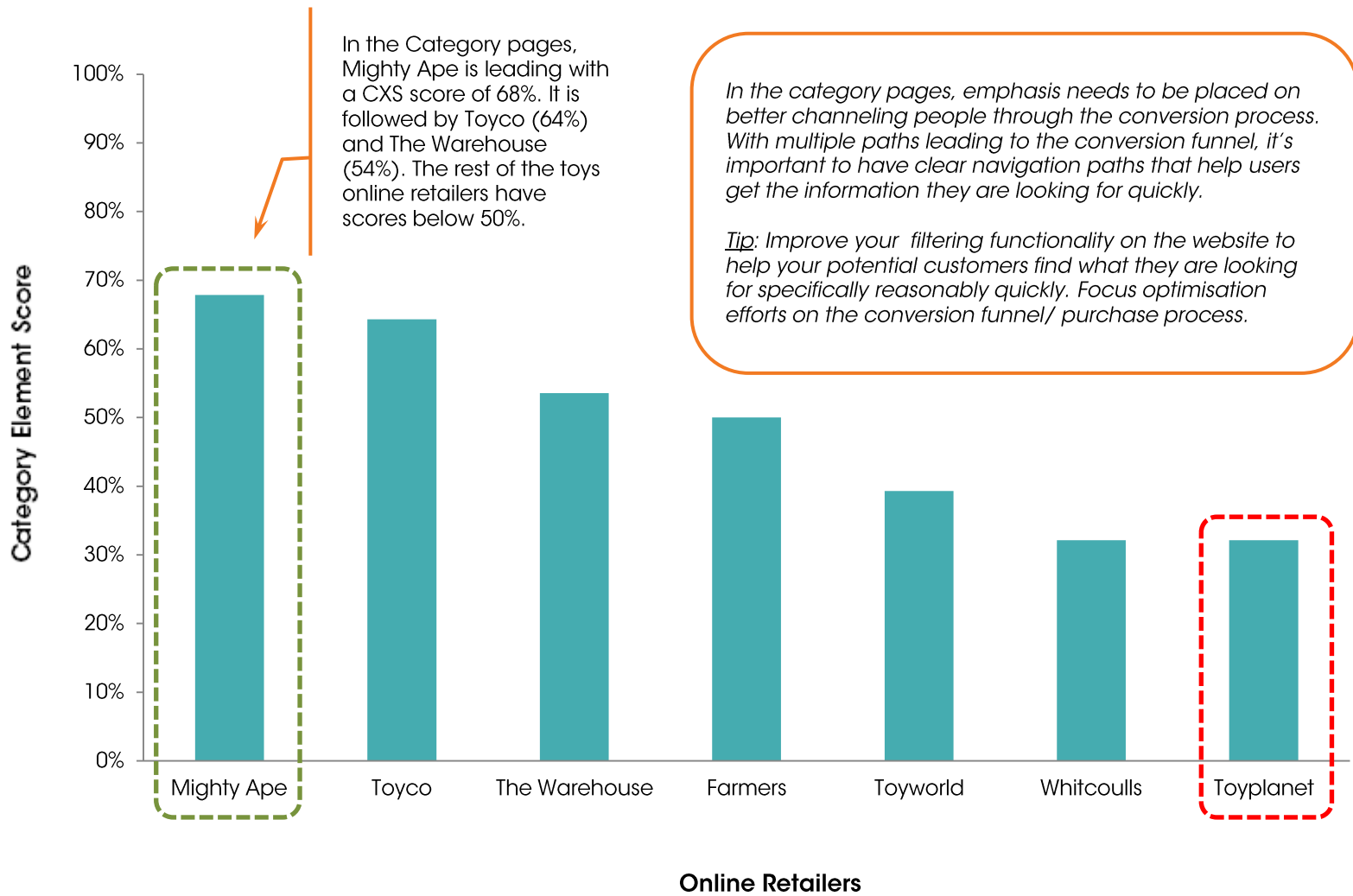
# Presence of Category Page Conversion Elements in Toy Online Retailer Websites

In order to identify which websites are leading in providing seamless online customer experience on the website, FIRST evaluated the websites' category pages based on a scaling system that rated the importance of each element in assisting conversions and the presence of each in the category pages.

ONLINE RETAILER	PAGE URL	SCORE
Mighty Ape	<a href="https://www.mightyape.co.nz/Toys">https://www.mightyape.co.nz/Toys</a>	68%
Toyco	<a href="https://www.toyco.co.nz/toys/construction-and-blocks">https://www.toyco.co.nz/toys/construction-and-blocks</a>	64%
The Warehouse	<a href="http://www.thewarehouse.co.nz/red/catalog/toys">http://www.thewarehouse.co.nz/red/catalog/toys</a>	54%
Farmers	<a href="http://www.farmers.co.nz/toys">http://www.farmers.co.nz/toys</a>	50%
Toyworld	<a href="http://www.toyworld.co.nz/category/building-sets-and-blocks-1">http://www.toyworld.co.nz/category/building-sets-and-blocks-1</a>	39%
Whitcoulls	<a href="http://www.whitcoulls.co.nz/toys">http://www.whitcoulls.co.nz/toys</a>	32%
Toyplanet	<a href="http://www.toyplanet.co.nz/Lego-b-65.htm">http://www.toyplanet.co.nz/Lego-b-65.htm</a>	32%



# Category Page Element Score Rankings



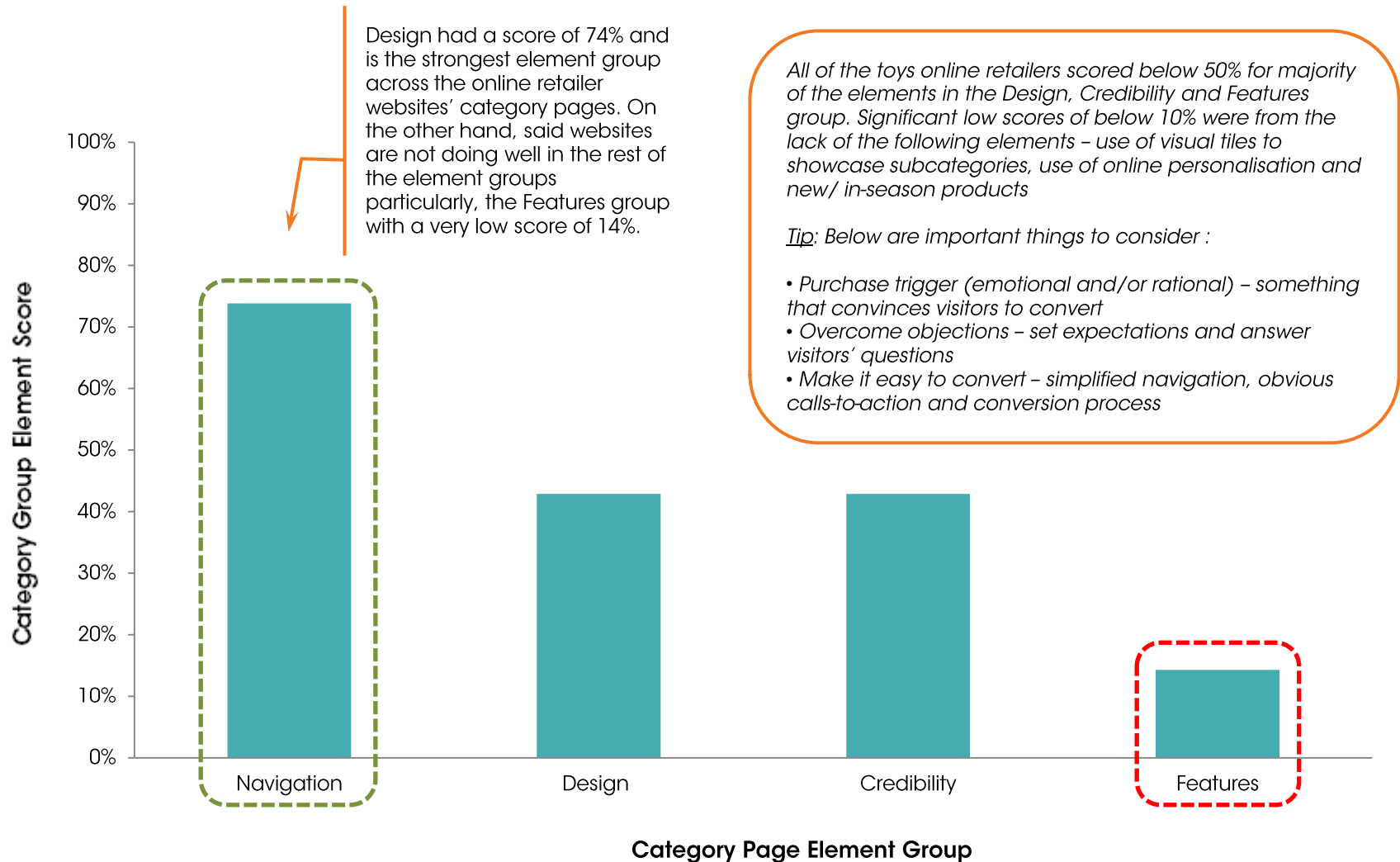


# Which conversion element group is the strongest across the selected website category pages?

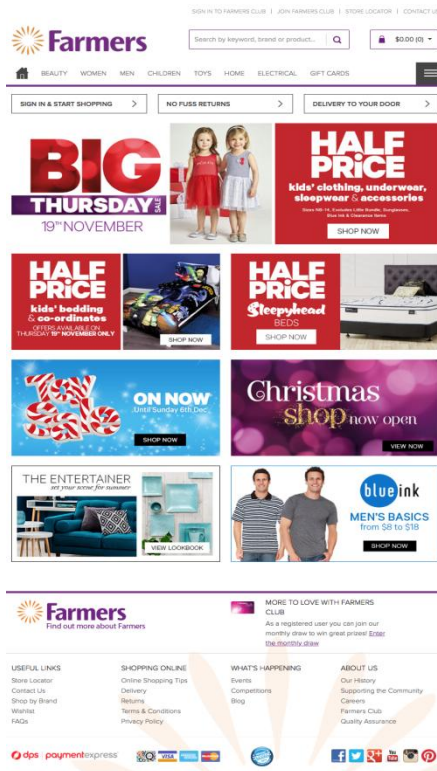
In order to identify which element group the selected online retailer websites is strong at, FIRST gave a score (Element Group Score) for each element group based on its presence on the websites' category pages.

CATEGORY ELEMENT GROUP	SCORE
Navigation	74%
Design	43%
Credibility	43%
Features	14%

# Category Page Element Group Score Rankings

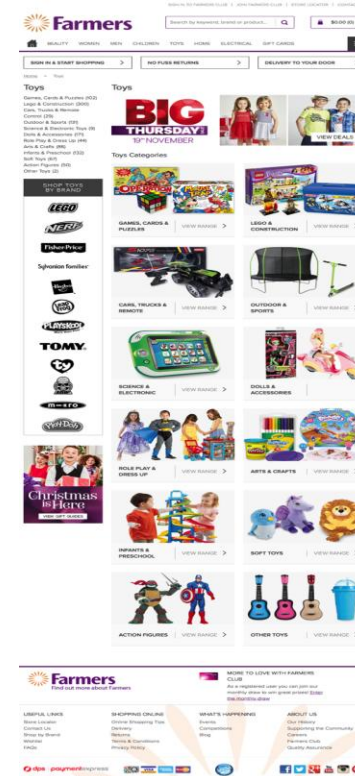


## Homepage Review



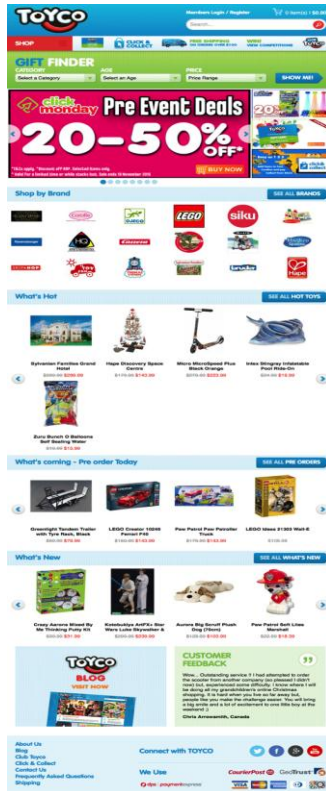
- ✓ Easy to navigate with clear search function
- ✓ Clear calls-to-action
- ✓ Good display of offers / promotions
- ✗ Slow page loading time

## Category Page Review



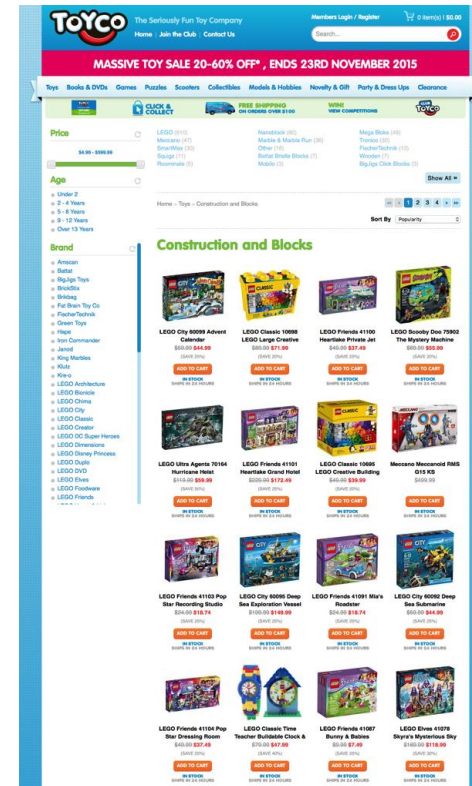
- ✓ Good filters/ sorting
- ✓ Prominent search box
- ✗ No display of new and in-season products
- ✗ Placement of the most popular subcategories are not prominently displayed

## Homepage Review



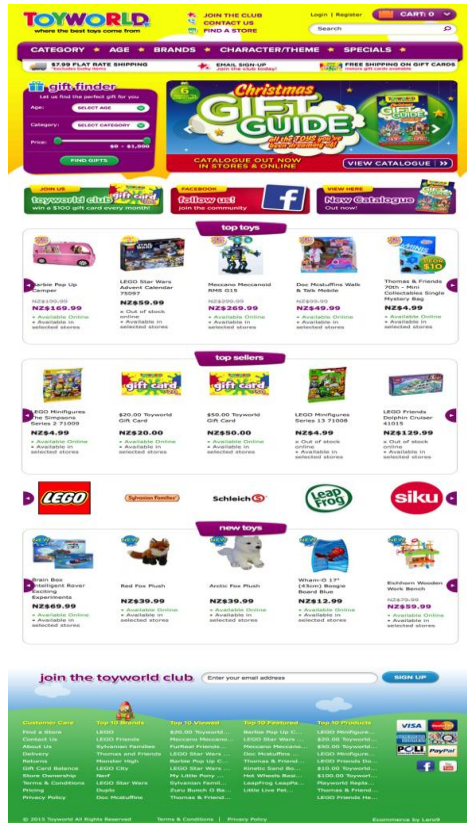
- ✓ Clear logo
- ✓ Displays most popular and new & in-season products well
- ✓ Link to community with blog
- ✗ Contact details or customer service information not prominently displayed

## Category Page Review



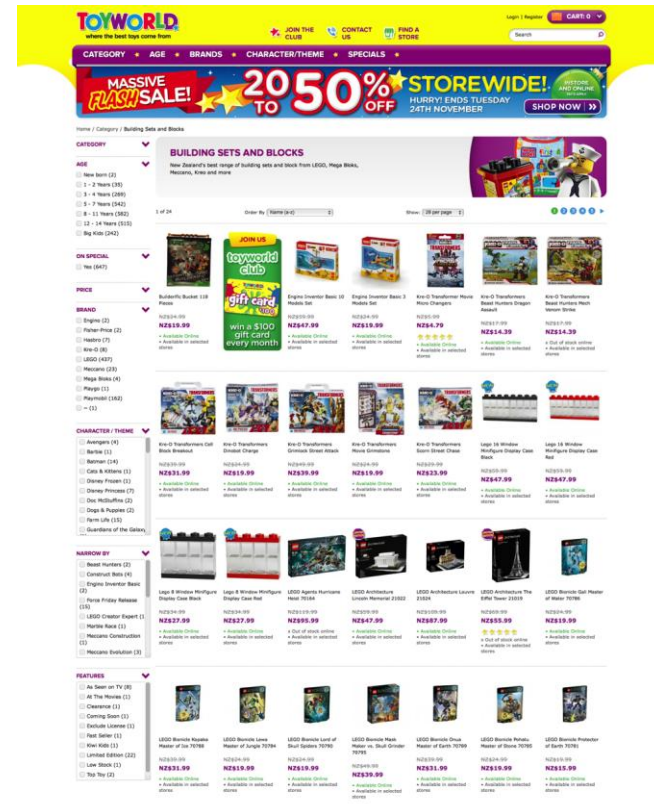
- ✓ Prominent search box
- ✓ Good filters / sorting
- ✓ Easy to navigate to subcategories
- ✓ Good indication of stock availability
- ✗ No display of new and in-season products

## Homepage Review



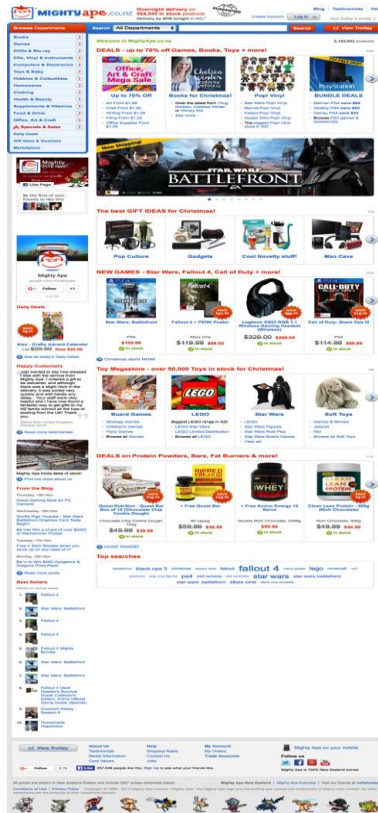
- ✓ Useful gift finder tool
- ✓ Payment options displayed
- ✓ Newsletter Sign-up
- ✗ No FAQs
- ✗ No auto-suggest when searching

## Category Page Review



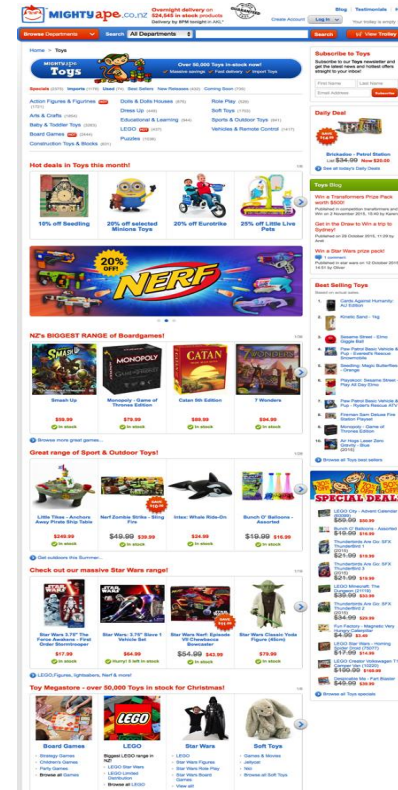
- ✓ Easy navigation to subcategories
- ✓ Good filters/sorting
- ✗ No visual titles to showcase subcategories
- ✗ No visible calls-to-action

## Homepage Review



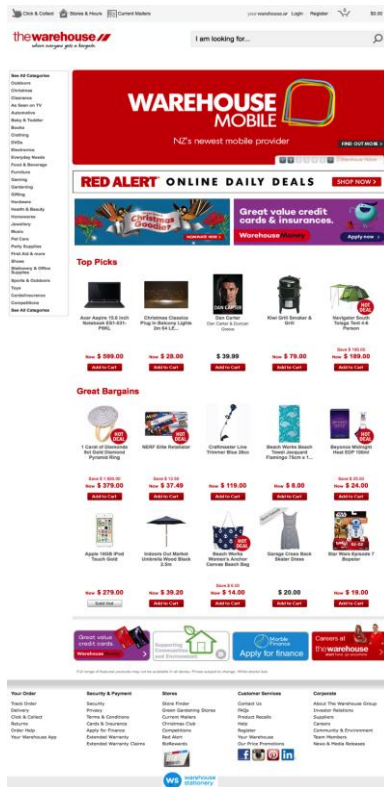
- ✓ Mobile responsive
- ✓ Prominent search box
- ✓ Good display of social links and testimonials
- ✗ No payment options displayed
- ✗ A little cluttered looking

## Category Page Review



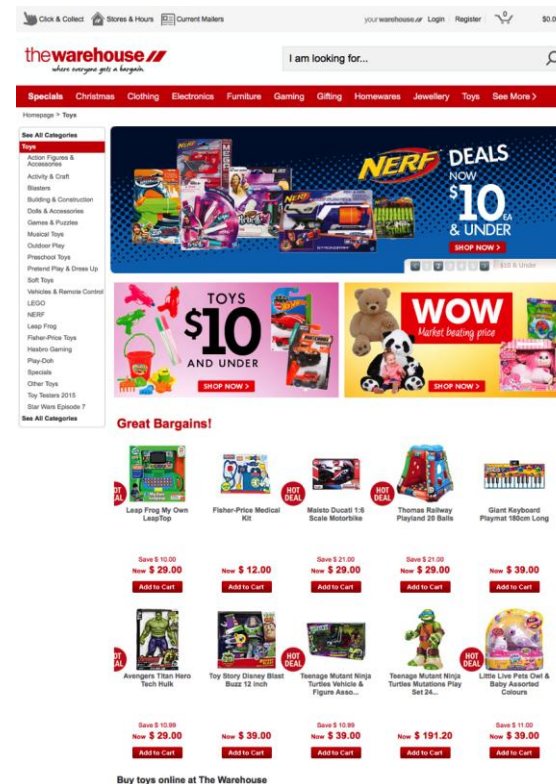
- ✓ Clear value proposition
- ✓ Good display of deals
- ✗ No visual titles to showcase subcategories
- ✗ No clear calls-to-action on subcategories or specific products

# Homepage Review



- ✓ Good placement of most popular products
- ✓ Easy navigation
- ✓ Prominent search box
- ✗ No payment options displayed
- ✗ Shopping cart is too small

# Category Page Review



- ✓ Clear calls-to-action
- ✓ Promotions / deals displayed well
- ✗ No display of new & in-season products
- ✗ No relevant text to introduce the product range

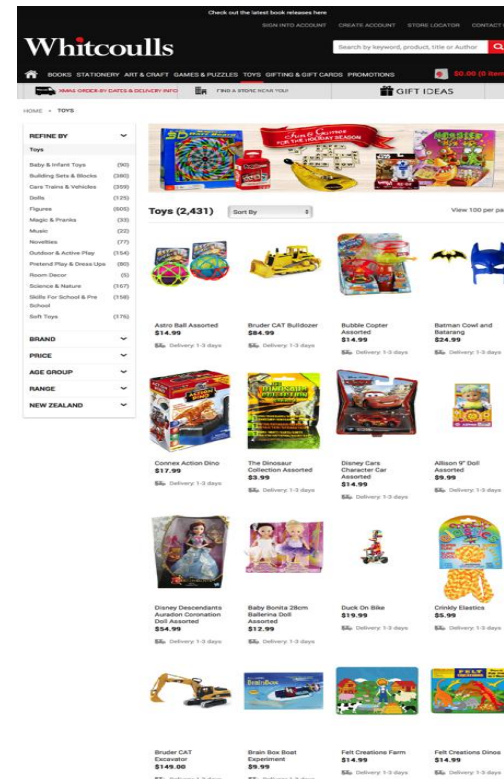


## Homepage Review



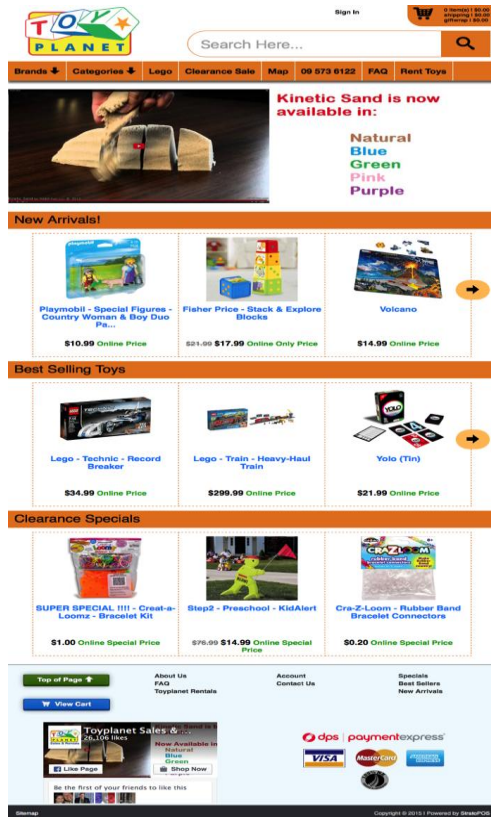
- ✓ Well designed and use of quality photography
- ✓ Clear logo
- ✗ Slow page loading time
- ✗ No clear calls-to-action

## Category Page Review



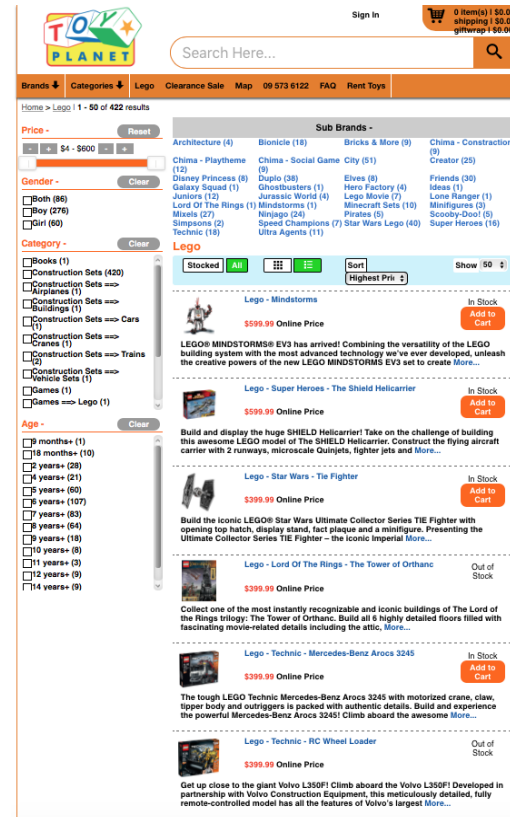
- ✓ Prominent search box
- ✓ Good filters/ sorting
- ✗ No relevant text to introduce product range
- ✗ No clear value proposition
- ✗ No use of visual titles to showcase subcategories

## Homepage Review



- ✓ Prominent search box
- ✓ Most popular products / new arrivals displayed
- ✗ Lack in quality photography and design
- ✗ No newsletter sign up
- ✗ No terms and conditions / customer policies displayed

## Category Page Review



- ✓ Shows stock availability
- ✓ Good filters / sorting
- ✗ Subcategories not showcased with visual titles
- ✗ No relevant text to introduce the toys category

# Conclusion



Currently, Farmers takes the lead in having the online conversion elements in its homepage. It is followed by Toyco and Toyworld. In the category page, Mighty Ape holds the first place with Toyco and The Warehouse following in the second and third places, respectively. Toyco consistently holds the second place in the CXS rankings for both the homepage and category page.



Most sites have the elements under the Navigation group present but lack the elements under the Customer Service group for the homepages and the Features group for the category pages.



Majority of the analysed toys online retail sites have CXS scores of below 70%. There is significant opportunity for these retailers to improve their CXS or online conversions by having the core elements present to effectively convert visitors into paying customers.



To increase online conversions, it is important to not only have the core conversion elements present but to place each element on your pages in such a way that it serves a purpose of making buying easier for your customers.



Understand insights about underlying user behaviour and preferences to better address barriers to conversion and implement the necessary changes on your pages.



Implementing a structured CRO programme and establishing a culture of conversion optimisation will ensure that you don't miss the big opportunities that can significantly improve your customer's online experience.

FIRST.

