



11 ways to increase average order value

Unlocking the true power of conversion

As a retailer, you work hard to get shoppers' attention and convince them to buy. Before they reach checkout, you can go a little further for a worthy gain: boosting the amount shoppers spend per visit—or average order value (AOV).

AOV is one of the most important metrics for retailers because it quantifies how much customers buy, driving important decisions such as advertising spend and product pricing. Boosting AOV can also drive revenue growth.

When done right, optimizing your AOV helps shoppers feel they're receiving more value while boosting overall revenue for your business.

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An increase in the average order value for an online retailer has a strong correlation to an increase in profit. When an e-commerce retailer can sell more on each order, that retailer tends to make more profit overall.

Armando Roggio,

Director of Marketing and
Ecommerce at D&B Supply



Here are some simple ways retailers can increase AOV

01

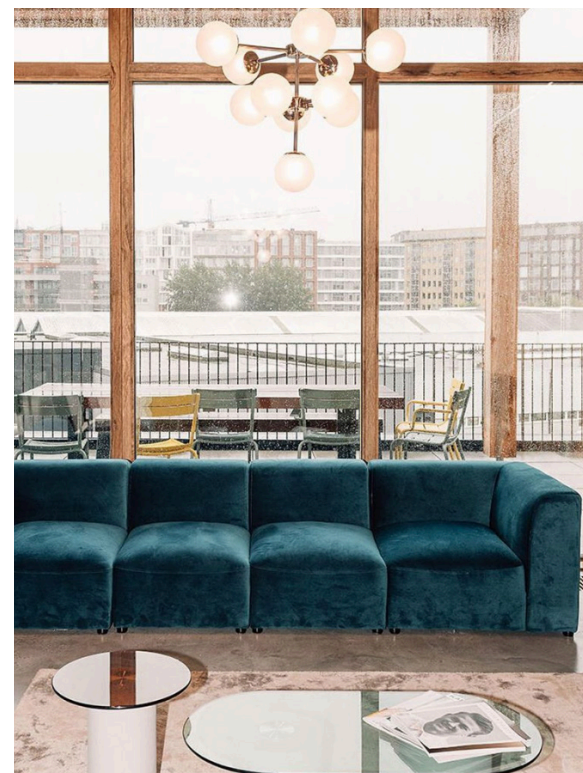
Set a free shipping threshold

Free shipping is a big motivator for shoppers. According to the [Walker Sands Future of Retail](#) study, 9 out of 10 shoppers said that free shipping is the top reason they would be willing to shop more online. When you offer free shipping on orders that reach a certain dollar threshold, shoppers are encouraged to spend more. Be sure to add up items in shoppers' carts as they browse and display how close the total is to the free shipping threshold. You'll also need to set a threshold that's high enough not to lower your existing AOV or hurt profit margins.

02

Set a minimum purchase for discounts, rewards

This one's a variation on the free shipping threshold. Rather than set a universal minimum dollar amount to qualify for free shipping, you can set a minimum to access discounts or rewards. This could be on seasonal stock or other overstocked products, like 20% off all winter apparel for purchases totalling \$50 or more. Customers will reach a little further to get the discount, and it will benefit your bottom line if you align the threshold with your AOV target.



Takeaways:

- Set a threshold that will offset any lost margins for giving free shipping or other discounts.
- Add up the cost of items in a cart and display the amount needed to reach free shipping.

| 03 |

Upsell

One way to boost AOV is to showcase a more expensive version of an item a customer is considering. Let's say a customer is looking at a laptop that costs \$399. Showcasing a faster, lighter laptop that's \$499 might very well boost that customer's spend. Even as far back as 2006, upsells like this produced a [35% lift in Amazon's sales](#). Just be careful not to come across as pushy.

| 04 |

Cross-sell

Cross-selling can also boost AOV. Rather than offering buyers a more expensive alternative to the item they're currently buying, offer complementary items. So if a shopper is buying a laptop, they might see items like a printer, laptop bag, or external hard drive they might want to enhance their laptop purchase. Of course, the suggestions must be relevant, or else you'll be seen as pushing unnecessary products.

Which of the two tactics is more effective? According to [research from Predictive Intent](#), upselling performs up to 20 times better than cross-selling when tested on product pages. But cross-selling is often a more successful tactic on the checkout page, according to [the Shopify blog](#).

- ✓ **Do:** Offer add-on products that complement the item being purchased.
- ✗ **Don't:** Offer add-on products that are priced much higher than the item being purchased.
- ✓ **Do:** Display related offerings prior to the checkout page.

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Provide volume discounts

For consumable, repeated-use products (think everyday household goods, pet supplies, tech accessories, and health and beauty), showing a discount price for buying more of the same product can boost AOV. If a shopper sees how much they can save buying two or three boxes of dog treats, they'll be enticed to buy more.

| 06 |

Offer limited items

Creating a sense of urgency through scarcity is a proven motivator for shoppers. [Research has shown](#) that people derive more satisfaction from avoiding a loss (missing a sale) than from achieving a gain of equivalent value. So adding a limited duration to an offer can create a sense of urgency and drive shoppers to buy immediately. For example, "Get 40% off on all products—ends tomorrow!" compels shoppers to act right away.



TIP

Carefully determine the right discount that attracts customers but doesn't cut into profit margins.

07

Display best-sellers

This is another psychological tactic, capitalizing on possible anxiety over missing out. By featuring trending or best-selling products above the fold on category pages, you can entice shoppers who are curious about the items' popularity. A similar tactic has worked well for booksellers—both online and near the store entrance. Showcasing products based on popularity will increase their appeal for shoppers who want to be on trend.

08

Help shoppers remember their selections

Remind shoppers which products they've recently viewed. If they're back and browsing on your site, there's a reason (maybe it was your effective abandoned cart email). Showing site visitors what they previously browsed can trigger intent, pushing them toward a decision to buy. Sometimes shoppers just need a little nudge to get them to convert.



TIP
Display recently viewed products on category pages.

09

Market to repeat customers

Marketing to returning customers—by email or on-site targeting, for example—has both a good return on investment and a positive impact on AOV. According to [this Adobe study](#), 40% of online revenue came from repeat buyers, who represented just 8% of site traffic for the participating brands. Returning customers also spend an average of **31% more than new customers**. That can deliver a significant boost to your AOV.

10

Offer a loyalty program

Loyalty programs are an effective way to engage customers and increase AOV. Making customers feel like they're members of a community and rewarding them for purchases makes them want to return and spend more. You can give repeat buyers reward points, gift vouchers, or cash-back offers. These transactions also yield valuable data about customers' buying habits, which can inform your marketing after the purchase.

Loyal customers:

- Account for **80–90%** of referrals
- Spend **66%** more per transaction
- Are **9 times** more likely to try new products

*Source: [Thanx Blog](#)



TIP
Make the initial buying experience a delightful one in order to earn customer loyalty and drive repeat purchases.

Offer Affirm monthly payments

When shoppers have the option to pay over time, they perceive their total cost as more manageable, which can drive your sales.

Giving shoppers a fair and honest way to pay over time, like Affirm, can lead them to make a more informed decision to buy. Once they see exactly what they'll owe—with no hidden fees and no surprises—shoppers can commit to adding more to their carts. And the option to spread their payments over 3, 6, or 12 months can make their purchases more budget-friendly.

When you offer Affirm monthly payments, more shoppers buy today—and buy more—helping your business outpace the rest. We work with over 3,800 U.S. merchants and have a network of more than 4.5 million shoppers, with an NPS of +83. On average across all industries, merchants who partner with Affirm see an 87% lift in AOV and a 20% lift in conversion.



TIP

Be sure to show shoppers at various points in the sales funnel—both on-site and off-site—Affirm's *as low as* messaging to raise awareness of monthly payments. Affirm's Multiple Financing Programs allows you to customize pay-over-time financing for promotions on specific inventory or item categories.



About Affirm

Affirm is modernizing consumer credit and changing the way people shop. We enable customers to buy what they want today and pay in simple monthly installments—boosting conversion rate and AOV. Our quick and transparent financing options (no hidden fees, no compounding interest) improve customer satisfaction and drive repeat purchasing. Affirm also enables retailers to expand their consumer reach: Our advanced underwriting is designed to serve those overlooked by the traditional credit system. With a lightning-fast, mobile-first UI, we're built to seamlessly integrate with your checkout flow and make purchasing quicker, simpler, and more consumer-friendly.

Learn how Affirm can boost your AOV at affirm.com/business