

How to Avoid the 15 Most
Common Reasons for
Shopping Cart Abandonment

## Table of Contents



Introduction p. 3	Chapter 4: Lack of Trust
Chapter 1: Unexpected Costs	8. Concerns About Data & Transaction Security p. 14
	9. Unclear Return Policyp. 15
1. Total Price After Shipping, Taxes & Fees Too High p. 4	10. No Guest Check Outp. 16
2. Limited Shipping Optionsp. 6	11. No Social Proofp. 18
Chapter 2: Difficulty Paying	12. No Contact Information
3. Lack of Payment Options	13. Bad Customer Service p. 20
Chapter 3: Website Issues	Chapter 5: Buyers Aren't Yet Ready to Purchase
4. Checkout Process Too Long or Convoluted p.8	14. Prices Aren't Competitivep. 21
5. Website is Difficult to Navigate p. 10	15. Not Ready to Purchase or Planning to Purchase
6. Website Is Not Mobile Friendly p. 11	Later
7. Website Crashed or Too Slow to Tolerate p. 13	Conclusion p. 23

### Introduction



On average:

68.63% of online shopping carts are abandoned before purchases are completed

Baymard Institute

With approximately **\$4 trillion dollars** in purchases left behind (<u>BI Intelligence</u>).

With cart abandonment, the potential customers you're generating aren't purchasing. You have a problem!

Fortunately:

63% of abandoned carts are recoverable

BI Intelligence

But, how do you recover those carts? The first step is to track your campaigns. Analytics will help you assess where in the purchasing process shoppers are abandoning their carts.

You can even ask for feedback and perform user testing to get to the bottom of why potential customers are abandoning their carts.

Once you can identify these leakages, you'll be able to triage and **develop a robust abandoned cart strategy**. After all, if you can't identify the reasons behind abandonment, you can't win those carts back.

Here are the **15 most common reasons for shopping cart abandonment**, and how you can address those concerns to reduce abandoned carts.

### Chapter 1: Unexpected Costs

# Total Price After Shipping, Taxes & Fees Too High



The overall cost of items once shipping, taxes, and fees are included can sometimes be a shock to your customers. Because of this, they abandon their carts once they see the full amount. While this is a budget issue on the part of your customers, that doesn't mean that you can't address it.

Shipping usually accounts for the bulk of these "surprise" costs for the customer. According to <u>UPS and comScore</u>, 54% of online shoppers stated "shipping costs made the total purchase cost more than expected" and 34% stated "shipping and handling costs were listed too late during the checkout process" as their reason for abandonment.

### The Fix: Manage Expectations Around Costs

### Add a Price Calculator Before the Checkout

You can put a shipping calculator on product pages

or your view cart page. Include any other relevant taxes and fees, as well as shipping times (so buyers can understand how long it will take for their purchases to get to them).

By the time they get to checkout, nothing is a surprise. This level of transparency lets your customers feel secure that they're getting the best possible deal for their needs.

### Free Shipping on Orders Over A Certain Amount

Free shipping over a certain amount strikes the perfect balance on maintaining your bottom line and giving your customers what they want.

Determine the order value you need to be cost effective and see your average order value trend upwards towards that amount. You have the opportunity to capture more sales, and your customers are incented to spend more with you.

### Chapter 1: Unexpected Costs

# Total Price After Shipping, Taxes & Fees Too High



Depending on your demographics, free shipping over a certain value **might be more effective than offering a percentage discount**.

Consumers over 46 value free shipping over a percentage discount, whereas consumers between 18-45 value a percentage discount over free shipping (Blue Hornet).

You can leverage this knowledge in your abandoned cart nurturing emails to encourage abandoners to return.

### Make It Easy to Hit the Free Shipping Threshold

Be careful with where you set this number – according to the same UPS and comScore study:

44% of abandoned carts are due to consumers who didn't order enough to meet free shipping requirements

You want the free shipping threshold to be attainable, but still profitable for your store. You can make it easy to hit the free shipping threshold – this is the **ideal cross-sell and upsell opportunity**.

### Chapter 1: Unexpected Costs

# 2 Limited Shipping Options



Your buyers get all the way to checkout, just to realize that there's no way for them to get that item in time for the weekend when they really need it... Or even worse, they can't get it shipped to their location!

## The Fix: A Variety of Shipping Options

Beyond a shipping calculator and a free shipping threshold, what else can you do to fix lack of shipping options as a reason for shopping cart abandonment?

### **Keep the More Expensive Options**

You might think that this is your chance to do away with overnight delivery or two day shipping. It's the exact opposite! You need to provide your customers with a variety of shipping options. Some will pay up for next day delivery, while others will be very happy trading a couple of days for a couple of dollars saved.

### Flat Rate Shipping

Flat rate shipping is an opportunity to trim your shipping costs and pass those savings on to your buyers. Instead of free shipping over a certain amount, you can offer flat rate shipping over a lower threshold. Once you calculate the average shipping rates for various products, you can separate them by shipping cost and provide a flat rate option.

### **Bundle Shipping**

Alternatively, you can offer discounted shipping on purchases of over a certain number of items. This works particularly well for **smaller or lighter products**, since it encourages customers to stock up, since shipping will be discounted over a certain amount. Some customers will prefer to pay more for faster delivery on individual products, while others will prefer getting all of their purchases together even if it takes longer, for cheaper shipping.

### Chapter 2: Difficulty Paying

## 3 Lack of Payment Options



If a customer doesn't have their preferred way to pay, they're likely not going to pay at all.

59% of buyers will abandon a transaction if their prefered payment method isn't available

VoucherCloud

Furthermore, if they're trying to pay with a credit card and it gets declined, if there aren't other ways to pay like PayPal or Apple Pay, they are likely to abandon their cart. Having to go find a second card to pay is a high barrier to purchase.

Multiple payment options also provide an opportunity to build trust with your customers.

40% of respondents say they have more confidence in an online shop that has more than one payment method

VoucherCloud

## The Fix: A Variety of Payment Options

While it can be more expensive to provide a variety of payment options, you need to make it easy for customers to pay you.

In addition to a credit card option, provide a digital wallet option like PayPal or Apple Wallet, so there are popular online payment methods represented. <u>VWO</u> found that providing payment options can help recoup **30% of sales** by customers who abandon when a card is declined.

# 4 | Checkout Process Too Long or Convoluted



If your buyer has to click through pages and pages to purchase, they're likely to give up part way through.

Similarly, if the process is confusing – they don't know what information you're asking for, or why you need it – they're likely to abandon as well. You should make it as easy for them to purchase as possible.

5.08 steps is the average length of a checkout process among the top 100 grossing ecommerce sites

— VoucherCloud

## The Fix: Smooth Their Checkout Experience

### Reduce the Length of Your Checkout Process

You don't have to have a single page checkout, but try reducing the number of pages as much as possible. If you have a two or three step checkout, have shoppers submit their email on the first page (so you can reengage them if they don't complete their purchase).

#### Be As Clear As Possible

Include explanations for why you need the information you're asking for. People are more likely to give you their information when they know that you need it for a reason – for example, a phone number to follow up about shipping queries.

# 4 | Checkout Process Too Long or Convoluted



Add a progress bar or number the checkout steps so customers know they're close to completing their purchase.

### **Optimize Wherever You Can**

Your checkout flow should pull buyers through. Do user testing to ensure that it is as intuitive and easy to use as possible.

While you might be tempted to ask for as much information as you can, remeber that your goal is to get prospective buyers to purchase. Only collect the minimum amount of information you need for this purchase to reduce friction.

# 5

## Website Difficult to Navigate



If your buyers can't find the add to cart button, you'll be lucky to get as far as an abandoned cart! Similarly, if your prospective buyers find it difficult to navigate your website, they're likely to abandon before purchase.

We've all been seemingly stuck in a shopping cart where the only option is to hit the back button on your browser, which then causes the website to come to a crashing halt.

24% of shoppers claim that they have abandoned carts because site navigation was too complicated

- Ripen Ecommerce

### The Fix: Make Sure Conversion Paths Are Clear

#### Have Clear Calls-to-Action

By minimizing distractions and simplifying their sites to make calls-to-action stand out more, **retailers saw conversions grow by 11.4%** (Ripen Ecommerce). Apply the same principles to your own site. Are calls-to-action clearly identifiable? Is there a clear path on a product page to add something to your cart? From the cart, is it easy and clear to checkout?

### Make the Cart to Site Transition Easy

From your cart, it should be easy to purchase, as well as easy to head back to the site to continue shopping. Provide a button or link explicitly for that reason. The clearer you can make these choices for your buyers, the more likely they are to use them.

# 6

# Website Not Mobile Friendly



Ever since "Mobilegeddon," when Google changed its algorithm to take mobile responsiveness into account in its search rankings, there's no excuse to not have refined the mobile experience for your shoppers.

## Mobile currently accounts for one in six dollars spent online

- comScore

... and is growing. If your website isn't mobile optimized, you're missing out on increasing amounts of revenue.

### The Fix: Optimize Your Website for Mobile

#### Make Sure Your Site Renders on Mobile

The first step, and one that you should take immediately, is to make sure that your site is minimally mobile optimized. Things to consider (and that Google considers in their assessments of whether a site is mobile friendly), include:

- Whether the content is wider than the screen
- If the text is too small to read on mobile
- If the links are too close together
- Whether the mobile viewport (the width of page for the device) is set correctly

If your website is designed on a platform that has responsive design, you should be all set. Otherwise, these areas could be negatively impacting your traffic and driving shoppers to abandon their carts.

# 6

# Website Not Mobile Friendly



### Focus on Experience

Now that you've covered the basics of whether your website will render correctly on a mobile device, you need to take it a step further.

How do people use your website on mobile? Do they use it differently than they use your website on a desktop?

Once you can assess those differences, you should incorporate them into your website. For example, if the majority of your mobile users browse and add items to their cart, but checkout on desktops, you should prioritize optimizing the browsing and add to cart parts of the experience over the checkout.

By ensuring your website works for your consumers in the way that they want to use it, you can alleviate the risk that they'll abandon their cart.

# 7 Website Crashed or Too Slow to Tolerate



Consumers have high expectations about how quickly your site should load. In fact, **30% of site visitors** expect a page to load in **one second or less**, while **18%** expect a page to load **instantaneously** (Akamai).

57% of online consumers will abandon a website if they experience more than 3 seconds of load time, and 80% of those consumers will not return

VoucherCloud

The Fix: Reduce Page Load Time

See Where You Stand

The first step is to assess how much of an issue page load is for your website. Depending on where you

host your website, some of this optimization may have already occurred behind the scenes.

You can always use free resources like <u>Website Grader</u> to assess the speed at which your site loads, and see how you compare to other sites (<u>learn more</u>).

### **Optimize Your Images**

As an ecommerce site, you need to balance the need for high quality product images with the need for speedy page load times. Fortunately, there are ways to keep images from slowing down your page load times.

Two of the easiest ways to solve for this issue is by resizing or compressing your images to help pages load faster. Since ecommerce sites tend to be image heavy, coming up with a strategy to manage your image sizes can make a big difference to your overall load time.

# 8 | Concerns About Data & Transaction Security



Even though digital natives have been buying online for years, customers still abandon their carts due to their concerns about website security.

Data breaches at high profile retailers like Home Depot and Target have made website data and transaction security top of mind for consumers.

Only 65% of ecommerce companies display security information throughout the checkout process

— Ripen Ecommerce

As a retailer, you need to ensure that you're communicating the security of your website with consumers to assuage these fears that can lead to abandonment.

The Fix: Make Your Shoppers Feel Safe

### Add Trust and Security Seals

By implementing a security badge on their checkout pages, retailers saw **a sales increase of 4-6%** (Ripen Commerce). But recognition was more important than relevance. Regardless of what the badge stood for (whether it was a trust seal or a seal that promoted SSL):

76% of consumers stated that they had abandoned a purchase because they did not recognize the seal

Baymard Institute

Incorporate relevant seals into your checkout process and site to get the largest impact.

# 9 Unclear Return Policy



Consumers expect the same amount of clarity around return policies online as they do in-store. Return policies are arguably even more important for online retailers, since customers don't have the option to see, touch, or try your products before purchase.

To reduce abandonment related to your return policy, you need to reassure shoppers that they aren't stuck with their purchase if the size or color of the product isn't what they expected.

### The Fix: An Unambiguous Return Policy

### Don't Bury Your Return Policy

Your return policy can't impact purchasing decisions if your shoppers can't find it! It shouldn't be inconvenient or inaccessible. Consider including your return policy in a pop up window, in your footer, or provide a quick summary (with a link to the more in-depth policy) straight from your checkout.

### Make Your Return Policy Clear

If you make your return policy difficult, customers won't return as much because they simply can't. But, they'll also buy less from you, and even if they do, they won't return to purchase again.

It costs your company 6-7 times less to retain a customer rather than gain a new one

— AMEX

Retaining customers is integral to your growth strategy. Gain your customers' trust by being clear and upfront with your return policy.

# 10 No Guest Checkout



**35**% of people abandon their carts because checkout requires too much personal information and **34**% abandon their carts because a site requires registration before purchase (<u>Source</u>).

Both of these statistics reinforce the importance of a guest checkout option. Your goal is to get the minimum amount of information from your customers to be able to complete their purchases, which is where a guest checkout options helps.

### The Fix: Give Your Buyers Options

#### Don't Force Buyers to Register Upfront

If you force buyers to register upfront, you're putting a significant impediment between them and completing their purchase. Instead, offer a guest checkout option.

As they go through the guest checkout process and complete their purchase, add a box where they can

opt into creating an account. Since they've already filled out their information for their purchase, it's easy for them to select another box to opt into creating an account based on the same information, they don't need to re-enter it.

It's significantly more difficult to get potential customers to fill their information out for an account, rather than a purchase. Make it as easy as possible for them to have the information do double duty.

#### **Offer Social Logins**

In addition to a guest checkout, you may want to consider providing social logins as an option.

Consumers may be hesitant to create another login and another password, but happy to connect their social account to have their information pre-populated for purchasing.

# 10 No Guest Checkout



### Run a Registration Campaign

The final step is to run a registration campaign postpurchase.

Just because consumers aren't creating an account upfront, doesn't mean you can't nurture them into creating an account after they purchase.

After all, they've just bought from you! This can help with your retention marketing strategy as well.

# 11 No Social Proof



Social proof is when people seek guidance from those around them to determine how to act. It's the equivalent of seeing people waiting in line for something, and assuming that whatever they're waiting in line for is exciting and worth waiting in line for (because other people are doing it)!

It can also lead to increased trust in your brand. If you aren't providing social proof on your online store, buyers don't have the same reinforcement that it is socially encouraged to purchase, and are more likely to abandon their carts.

### The Fix: Provide Ample Social Proof

#### **Customer Reviews**

80% of shoppers consider online reviews as trustworthy as personal recommendations, as long as they meet certain requirements (for example, if there are enough reviews to read and make a

judgment (<u>BrightLocal</u>). Customers are viewed as more trustworthy, since they just don't have the same incentives as employees to write about your brand.

You need to leverage reviews on your website to provide social proof, especially on product pages. If a potential customer can read the reviews from a third-party (without leaving the website), they can trust that information.

#### Other Forms of User-Generated Content

Besides reviews, there are more opportunities to lean on user-generated content to provide social proof for your products. Encourage your customers to include pictures with their reviews or post on Instagram with a specific hashtag that is relevant to your brand.

User-generated content can bring your content to life in a way that studio photographs can't, and help buyers envision your products in their lives.

# 12 No Contact Information



Would you buy from a website where you couldn't find contact information for the company? Not being able to contact the company you're purchasing from is a big red flag for buyers.

By the same token, if contact information for your brand isn't clearly available to potential buyers, you might as well not have it.

To reduce shopping cart abandonment due to lack of trust, provide multiple channels where customers can contact your company to discuss their purchases.

### The Fix: Clarity Around Contact Information

#### **Update Your Header or Footer**

Include your contact information – for example, a link to a phone number, email and/or online form – on every page of your website.

Headers and footers are good places to include this information. Consumers feel more comfortable knowing that they can pick up the phone and talk to person about their purchase if something goes wrong.

You likely already have the systems in place, just make sure they're visible to your potential customers.

### Keep Contact Information Relevant to Your Buyers

Make sure you're providing context around your contact information. If your customer service is only available during specific times, make sure to note that on your website. After all, you might have buyers up early on the East Coast with questions before your customer service lines are open to answer on the West Coast. Managing expectations about time will help buyers.

Similarly, if you serve multiple geographies, consider having dynamic content on your website to only serve the most relevant contact information to your buyers.

# 13 Bad Customer Service



78% of consumers have bailed on a transaction or not made an intended purchase because of a poor service experience

- AMEX

Beyond just making contact information available to buyers, make sure that you're going above and beyond in your customer experience.

If a buyer reaches out to your company, are you quick to respond? Or does your contact us form go into a blackhole?

Buyers will abandon their carts if they have a bad experience with your brand, never to return.

The Fix: Customer Service Drives
Revenue

74% of consumers have cited good customer service as a reason they spent more money online

- AMEX

You could consider installing live chat, to help potential customers get over any issues they have with shopping or checking out.

Alternatively, you can measure the efficacy of your customer service with a net-promoter survey after customers have interacted with your email or phone support team.

### Chapter 5: Buyers Aren't Yet Ready to Purchase

# 14 Prices Aren't Competitive



If shoppers discover that your prices aren't competitive, they may abandon their cart for a better deal.

The challenge here is to avoid a race to the bottom on discounting against your competitors. Instead, make sure that your product pricing is in line with industry standards, and then find other ways that you can add value for buyers.

## The Fix: Distinguish Yourself from Competitors

#### Add Additional Value

If customers search hard enough, they are likely to be able to find a better deal than your products somewhere on the Internet, that's a fact of life.

Instead of competing solely on price, distinguish yourself from competitors by adding value for your customers in other ways.

A big differentiator is content. By providing free content and educating your consumers about their purchases, you can keep them coming back to your site. If they already know and trust your brand, they'll exchange that for a couple of dollars of savings from a competitor.

### **Build Relationships**

Content is only part of building a relationship with your potential customers. You need to continue that relationship post-purchase to keep them coming back. Engage with customers by asking for user-generated content (UGC) like reviews or social media content to make sure they know their opinion is valued. Always follow up with customers about their feedback, and you'll keep them coming back.

# 15 Not Ready to Purchase or Planning to Purchase Later



A portion of visitors on your website are simply not ready to purchase, or planning to purchase later. As a retailer, this is one of the harder shopping cart abandonment reasons to combat.

But, you can use your website to identify the purchase intent of visitors to your website.

### The Fix: Clarify Purchase Intent

### Provide Options to Save for Later

If shoppers are adding items to their carts to keep track of them, rather than purchase them, you need to give them an alternative way to track the products they're interested in.

Wishlists or save for later options allow potential customers to keep track of specific products (and sizes!), without necessarily impacting your abandonment analytics.

### Follow Up!

Once you can differentiate between browsers versus buyers, you can follow up with them in a targeted way.

For consumers abanonding their cart, you can target follow up to specific products. For browsers adding products to wish lists or saving them for later, you can nurture them into purchases.

### Conclusion



While the statistics around shopping cart abandonment can be shocking, the good news is that as a retailer there is a lot that you can control.

Just keep in mind:

### 63% of abandoned carts are recoverable

— <u>Bl Intelligence</u>

### Follow the Data

The reasons for cart abandonment that you prioritize triaging on your own website will depend on where you are seeing abandonment happen. The most important step you can take to combat cart abandonment is to use analytics.

Analytics will tell you where people are dropping off and that will help you sniff out your causes for abandonment throughout your site.

Once you have identified which reasons are most pertinent to your site, you can address them. All of the fifteen reasons from this ebook have specific and actionable ways that you can combat that abandonment reason.

### Get That Revenue Back

After analytics, the next step of your abandoned cart strategy is to proactively address the onsite reasons for abandonment on your site.

Once you've repaired your conversion paths and funnel, you can take your abandonment strategy to the next level, by implementing abandoned cart nurturing and other offsite activities to re-engage with those potential customers.

### Whether you're starting a business from the ground up or trying to accelerate growth for a more established brand, HubSpot can help you:



#### ATTRACT NEW CUSTOMERS

Drive traffic to your site using our first-in-class search engine optimization (SEO) tools, social media monitoring, and blogging platform.



#### PERSONALIZE THE REMARKETING PROCESS

Use website behavior and individual campaigns and on-site experiences for abandoned cart nurturing, upsell campaigns, and reorder marketing.



#### **CONVERT TRAFFIC INTO SALES**

Upwards of 95% of site visitors don't buy anything on their first visit. Build and optimize product pages and emails that deliver a more compelling online shopping experience.



#### TRACK AND ATTRIBUTE REVENUE

Use closed loop reporting to track customers from their first site visit through their latest purchase for direct attribution reporting between marketing efforts and digital dollars spent.

**REQUEST A LIVE DEMO** 

**GET A FREE ASSESSMENT**