5 WAYS
TO **PREVENT CART ABANDONMENT** BY REMOVING FRICTION

5 Ways To Prevent Cart Abandonment By Removing Friction

A shopper is tantalizingly close to the end of the sales funnel, with lots of merchandise in the shopping cart, ready for checkout. But then something goes wrong. The shopper hesitates a while, then the retailer gets ghosted — the shopper disappears, never returning to complete the transaction.

According to a meta-study of cart abandonment by the Baymard Institute, *E-Commerce Checkout Usability*, September 2017, an **average of 69.23% of e-Commerce shopping carts are abandoned**. Business Insider research found as much as $4.6 trillion worth of merchandise was left in abandoned carts in 2016, up from $4.2 trillion in 2013.

Fortunately, BI Intelligence estimates that approximately 60% of those lost dollars can be recovered. In fact, Baymard's analysis of Business Insider's research found that **$260 billion worth of lost orders is recoverable** solely through a better checkout flow and design. The report also determined that **the average large-sized e-Commerce site can gain a 35.26% increase in conversion rate** through better checkout design.

Frustration lies behind many of those abandoned carts: A coupon code won't work, the shipping timeline is a surprise, the consumer is in a hurry and annoyed when the site indicates that an account already exists with the shopper's email address — but not what to do about it. Because of this, **many retailers lose shoppers in the transition from "add to cart" to checkout completion**.

The key to preventing customers from abandoning a purchase and clicking away is anticipating and proactively addressing shoppers' points of frustration through every step of the checkout experience. Smart retailers can reduce friction and prevent abandoned carts and lost sales by **incorporating these five strategies into their checkout experience**:

An average **69.23%** of E-Commerce shopping carts are **abandoned.**

BI Intelligence estimates that approximately **60%** of those lost dollars can be **recovered.**

$260 billion of lost orders is **recoverable** solely through a better checkout flow and design.

Focus On Micro-Moments And Proactive Interactions

There are four basic phases to a shopper's visit to an e-Commerce site: **awareness**, **consideration**, **conversion** and **service**. Because the mindset of the shopper is distinct in each phase, so are the causes of friction. The earlier the shopper is in the sales funnel, the harder it can be to discern cues that the shopper is struggling, and why. That's because the retailer has not yet seen what the visitor looks at, searches, where that visitor lingers and so on, to offer context for what the consumer is trying to do. Today's complex, multichannel sales funnels make this even more difficult.

As the shopper moves into the middle phases, behaviors such as bouncing between categories and seeking out information make the friction points a little easier to discern.

By the time the shopper reaches checkout, however, the causes of friction are common and well known. In fact, most retailers already have identified them in the process of writing error messages. Site traffic reporting that reveals frequent use of the error message, "We do not ship to P.O. boxes," for example, makes it clear that shoppers are finding P.O. box shipping a point of friction.

These are **micro-moments: small events in the customer experience** that can make or break the shopping experience. Retailers can act on these micro-moments by noticing any hesitation and proactively popping up a specific tip to carry consumers past that hurdle.

The fact is, most e-Commerce shopping cart activities are designed to serve the retailer, not the customer. By leveraging what they know about where shoppers struggle and proactively offering the information they need in micro-moments, retailers can reclaim sales that would otherwise be lost to customers who encounter issues that drive them away.

The **earlier the shopper is in the sales funnel**, the harder it can be to discern cues that the shopper is **struggling**.

Retailers can **act on these micro-moments** by noticing any hesitation and proactively popping up a specific tip to carry her **past that hurdle**.

3

Streamline And Optimize Mobile Checkout

Mobile-first design is getting all the buzz as mobile overtakes other channels to capture the lead as a source of shopper traffic. According to RSR Research's *Digital Selling 2017: Getting Real About Shopper Journeys*, **90% of retailer respondents agree that more site traffic now comes from mobile than ever before.**

But few retailers are mobile-first in their e-Commerce offerings, especially when it comes to things like customer engagement and analytics. They're still innovating on their desktop sites first and then trying to adapt those technologies to mobile, instead of the other way around. RSR's retail "winners" are more likely than others to prioritize, for example, responsive design, a hallmark of the mobile-first model. **Limited real estate and the complex role of mobile in the path to purchase** are just two of the reasons designing a great mobile shopping experience is so difficult.

Those design challenges only accentuate the need to create a seamless and frictionless mobile checkout experience. Consumers bring different expectations to mobile. Extended, multi-page processes, excessive typing or scrolling, and other issues bog down the mobile checkout experience and on their own can dissuade shoppers from completing the experience. So, any friction caused by hiccups such as bad coupon codes or address validation issues exacerbates the issue.

90% of retailers agree that more **site traffic** now comes from **mobile** than ever before.

RSR's retail "winners" are more likely than others to prioritize, for example, **responsive design**, a hallmark of the **mobile-first model.**

Extended, multi-page processes, excessive typing or scrolling, and other issues **bog down the mobile checkout** experience and on their own can **dissuade shoppers** from completing the experience.

Streamline And Optimize Mobile Checkout

Best practices for seamless mobile checkout design include:

- **Recognizing the shopper is on mobile** and delivering a site experience optimized for the device.
- **Removing as many clicks as possible** from the checkout process. Baymard's research determined most e-Commerce sites could easily reduce the number of form elements in checkout by 20% to 60%.
- **Identify mobile-specific struggle points** and offer digital engagement tips to head off errors even before the shopper hits "enter."
- **Enable the shopper to open a chat session** without navigating away from the current screen.

Done right, the mobile shopping experience can be streamlined enough to drive the shopper to complete the transaction on the spot instead of switching to a different channel. But retailers also need to **accommodate omnichannel shoppers**. It's important to build consistency across the look and feel of each platform, so when shoppers switch from mobile to another channel to resume a transaction, they can easily determine where they left off because the "look" is the same.

CASE STUDY

To accommodate its customers' growing interest in omnichannel shopping, Crate and Barrel implemented live chat and email management. Crate and Barrel used these tools to deliver a superior online experience and to engage customers within their choice of channels. That drove a **30% increase in customer interaction with proactive engagement**. With Crate and Barrel's **mobile traffic increasing 30% year-over-year**, mobile was one of the company's most important considerations when selecting a multichannel engagement solution. Moxie's mobile solutions are optimized across devices and resolutions. As a result, the retailer saw a **3X increase** in conversion rate and a **135% increase** in Average Order Value.

Remove Barriers To Seamless Checkout

While retailers continue to refine the early phases of the e-Commerce experience around consumer expectations, checkout is often still much more about what the retailer needs. All those pages and clicks and text entry are friction points that add up to the **big drop-off from filled shopping carts to completed transactions**. Helping shoppers past common struggle points is often enough to push a browser to become a buyer. These are some of the most common barriers to seamless checkout:

Shipping Timelines and Costs: Shipping surprises are a significant reason for cart abandonment. Even after Baymard Institute screened out consumers who abandoned a cart because they just weren't ready to buy, **61% of remaining shoppers intending to buy did not** do so because the extra costs turned out to be too high. To avoid this, retailers need to offer accurate shipping data early in the checkout process.

At East Coast retailer [Boscov's](), certain pieces of furniture require customers to remove them from the delivery truck. The retailer was incurring high costs when surprised consumers refused deliveries. **After the company began using an automated digital engagement bot** to proactively notify consumers of this policy when they place a qualifying item in the shopping cart, **customer complaints about the policy dropped to zero.**

Coupon Codes: A coupon code failure is a big point of frustration for shoppers. Detecting a bad code and proactively suggesting a better one — or offering a chat — before the shopper even applies the code are powerful strategies to short-circuit coupon code frustration. For several retailers, **correcting bad coupon codes was the number-one use case for automated digital engagement technology** for Black Friday and Cyber Monday in 2016.

CASE STUDY

Impact Of Automated Digital Engagement Bots At [Boscov's]():

50% reduction in **chat volume**

89% of digital engagements are through **digital guidance**

Automated digitally guided engagements drive **44% more revenue** than chat

2% reduction in **bounce rate**

Remove Barriers To Seamless Checkout

Coupon code issues were another top customer struggle at Boscov's. To head off repetitive chats from struggling customers, the retailer offers proactive information within the cart, explaining what the error means, types of codes that can be used and where to enter them. By deploying this digital guidance, Boscov's has driven down cart abandonment and improved Bizrate surveys. Now **10% of all revenue generated through digital engagements** is associated with this specific struggle resolution.

Customer Registration: When a shopper creates an account, it generates lots of useful information for retailers. But shoppers often walk away when registration is required. Or they give it a try and get an unhelpful error message informing them their email is already registered. In Baymard's research, **35% of would-be buyers abandoned a cart** for this reason, the second-highest cause (although the research did not report on coupon code errors).

Minimizing clicks and data entry in the registration process or allowing guest checkout are smart strategies that encourage purchases — **one retailer famously drove** $300 million more in revenue **by removing a registration requirement.** And when the shopper encounters friction, an automated digital engagement bot that provides the answer can be just what's needed to complete the conversion.

Long Checkout. Retailers always should be working to take clicks out of the checkout experience; this was the **third-biggest cause of buyer cart abandonment** in Baymard's research. In the meantime, retailers should regularly survey customers and monitor error message metrics to spot friction points, and then employ automated digital engagement bots to proactively offer solutions. Make sure messages employ a friendly tone using colloquial language.

CASE STUDY

Novelty retailer **Oriental Trading uses automated digital engagement bots** to help customers struggling with sales tax within the checkout process. With a single click, the customer can view snippets of information on states where tax is assessed and get an explanation of tax exemption rules. By reducing the need to navigate elsewhere for this info, **Oriental Trading enables customers to quickly get the answers they need to complete the conversion.**

Offer 24/7 Real-Time Engagement

We are living in an increasingly self-service economy. And when it comes to e-Commerce, many consumers like it that way. **In UPS' 2016 Pulse of the Online Shopper study, self-service options edged out call centers and live chat as preferred e-Commerce customer services.**

The personal nature of mobile also means shoppers are more likely than ever to shop around the clock.

The trends toward self-service and 24/7 shopping mean it's essential for shoppers to be able to get the answers they need quickly and easily. Chat is a common approach to help customers overcome friction points. While chat has its place in your engagement strategy, there are **more effective and efficient ways to engage your online shoppers**. Staffing chat agents at the level required to help the high volume of shoppers who abandon carts due to friction would be cost-prohibitive.

Automated digital engagement bots successfully fill this gap by quickly engaging with the struggling customer even before the shopper hits "enter" with bad data. When one gift retailer implemented automated digital engagement bots, **average order value increased 20%** and **conversion rates doubled**, driving close to **$10 million in incremental value**.

When one gift retailer implemented automated digital engagement bots, **average order value increased 20%** and conversion rates doubled, driving close to **$10 million in incremental value**. Research shows consumers are embracing self-service options: virtual agent usage **increased 15% in a two-year period**, reaching 43% in 2014, according to Forrester.

Serve up helpful answers to shoppers' struggles at checkout

Shoppers need different types of support at different phases of the buyer's journey: **awareness**, **consideration**, **conversion** and **service**. Providing the right information at the right time is essential to moving shoppers past points of friction at every stage. This means taking context into account, leveraging all available information on an individual consumer, including activity and current shopping phase to provide on-target solutions to any struggles the shopper encounters.

Chat is not always the best strategy for resolving the majority of customer shopping issues. Consumers often want to avoid one-on-one interactions, which can be time-consuming. These interactions also are costly and non-scalable for the retailer, without delivering significant revenue impact.

Unlike live chat, automated digital engagement bots scale, making them capable of delivering improvement in conversions as high as 50%. Chat cannot be scaled to that level cost-effectively. Instead, chat becomes complementary to automated digital engagement bots. Chat is available for escalation, and the quality of those encounters goes up because chat representatives are not busy responding to common, repetitive and easy-to-answer questions.

After Boscov's decreased chat volume by 50% using an automated digital engagement bot, "**We're able to give better attention to the customers who are chatting with us**," according to Maria Tenreiro, Care Center Director for Boscov's Department Store. "We can take more time with them."

Unlike live chat, automated digital engagement bots scale, making them capable of delivering **improvement in conversions** as high as **50%**.

After **Boscov's decreased chat volume by 50%** using an automated digital engagement bot, **"We're able to give better attention to the customers who are chatting with us."**

- Maria Tenreiro,
  Boscov's Department Store

Conclusion

Digital shopping growth is inevitable; eMarketer has reported that retail **e-Commerce sales worldwide increased at four times the rate of retail sales in 2017,** with growth rates predicted in double digits through 2021. But those sales could be even higher if retailers worked to remove the friction points that cause shoppers to progress all the way to the checkout process, then walk away — as much as 35% higher.

Friction occurs when shoppers encounter a problem — an unclear registration requirement, a bad coupon code, a shipping surprise — and are unwilling or unable to stop what they're doing and go find the answer. But when the retailer adopts strategies that include **engaging the customer in micro-moments, optimizing mobile checkout, removing checkout barriers, offering 24/7 real-time engagement and serving up helpful answers when shoppers encounter checkout issues,** the retailer removes the sticking points that stop a browser from becoming a buyer. That boosts conversion rates, replacing abandoned carts with happy customers and higher revenues.

5 Ways To Prevent Cart Abandonment By Removing Friction

1. Micro Moments
2. Mobile Checkout Optimization
3. Removing Checkout Barriers
4. 24/7 Engagement
5. Helpful Answers

To Learn More...

retail TouchPoints®

Retail TouchPoints is an online publishing network for retail executives, with content focused on optimizing the customer experience across all channels. The *Retail TouchPoints* network is comprised of a weekly e-newsletter, special reports, web seminars, exclusive benchmark research, an insightful editorial blog, and a content-rich web site featuring daily news updates and multi-media interviews at www.retailtouchpoints.com. The *Retail TouchPoints* team also interacts with social media communities via Facebook, Twitter and LinkedIn.

P 201.257.8528
info@retailtouchpoints.com

Moxie®

Moxie is changing the way ecommerce is done. Moxie anticipates what customers want, connecting and engaging with them through the entire digital journey, across devices. With Moxie's digital commerce solution, companies can guide customers with useful snippets of information increasing conversions without the need for human assistance. More than 600 of the world's leading brands in financial services, healthcare, high-tech, retail, travel and hospitality rely on Moxie to build loyalty and drive customer conversion and revenue. To learn more, please visit www.gomoxie.com.

Moxie, Concierge and Kbot are trademarks or registered trademarks of Moxie Software, Inc. or its affiliates.

info@gomoxie.com