



# VWO eCommerce Cart Abandonment Report 2016

Insights to Convert 'Lost Sales' into Opportunities

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## Author's Note

This research was conducted by VWO in 2015 obtaining responses from more than 1000 participants. The survey was done online on mobile and desktop users in the age group of 18 to 65. The aim of the survey was to understand the specific reasons why visitors abandon carts and uncover insights that can help businesses address these issues to reduce the rate of abandonment.

# Overview

Cart abandonment is the biggest bane of the online retail industry. Conservative estimates have pegged the cart abandonment rate to be as much as 60%, some outlier independent surveys have even touched the 80% mark. Whatever may be the actual number, the problem is monumental – and one that always puts marketers on the back foot when it comes to justifying the customer acquisition cost.

There has been a lot of effort put into documenting what causes cart abandonment, but we are never able to see the full story behind this particular irrational behaviour. This survey in no way claims to show the full picture but attempts to answer many important questions boggling an online retailer's mind. We didn't just ask online shoppers 'why' they abandoned a particular cart, but through a set of nine questions, we also asked them what will make them return to an abandoned cart and tried to find out if there were specific triggers that caused this behaviour.

We came up with some really actionable insights that, if used, can redeem 'lost sales' by as much as 60% in some cases.

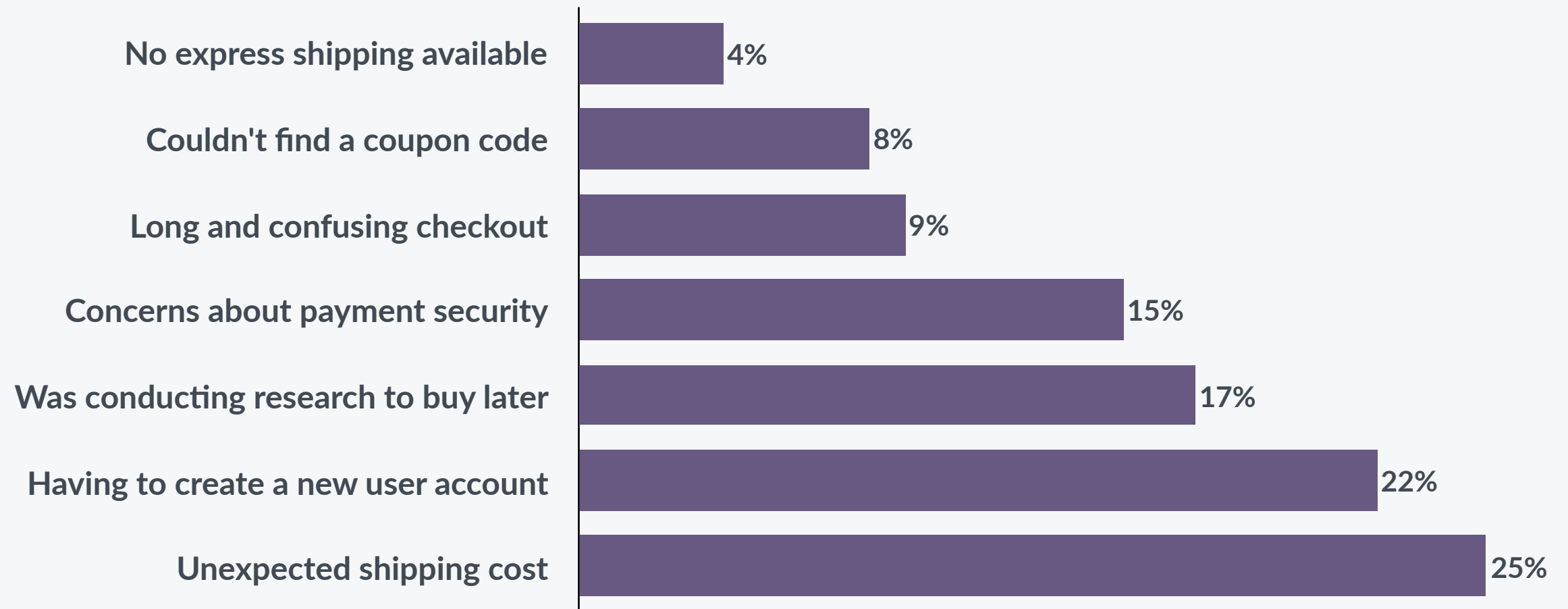
# Key Insights

- ➔ **72% of abandoned carts are not irrevocably lost.** The visitors go on to purchase the products through other means.
- ➔ **30%** shoppers say **customer reviews** help them gain trust when shopping on an unfamiliar website.  
**At 19%**, reviews were followed by presence of security seals.
- ➔ At 25%, unexpected shipping cost is the biggest reason for cart abandonment.
- ➔ 45% of online shoppers say they have at least once added a product to cart in order to see the full billing amount inclusive of shipping.
- ➔ 10% of online shoppers add a product to cart with the sole intention of getting alerts later on when the product goes on sale.

# Key Insights

- ➔ 58% online shoppers say they will purchase a product they abandoned **if they get an email saying it's now available on discount** or if they see an advertisement saying the same.
- ➔ **25%** shoppers say they have at least once abandoned a purchase because their bank rejected the transaction.
- ➔ **99% passive window-shoppers** admit time-bound incentives can encourage them to seriously consider buying a product.
- ➔ Around **59%** shoppers have at least once abandoned a purchase because the website asked for personal information they were not comfortable sharing.
- ➔ 34% respondents said they abandoned the purchase because they were asked for their **social security number**.

# Q1: What stops you from completing the purchase process when shopping online?



- Not showing the total billing amount upfront is the biggest reason for cart abandonment.
- Not disclosing the total amount at checkout comes across as sly and puts off customers. The tactic might work in some cases, but backfires when it comes to price-conscious customers.

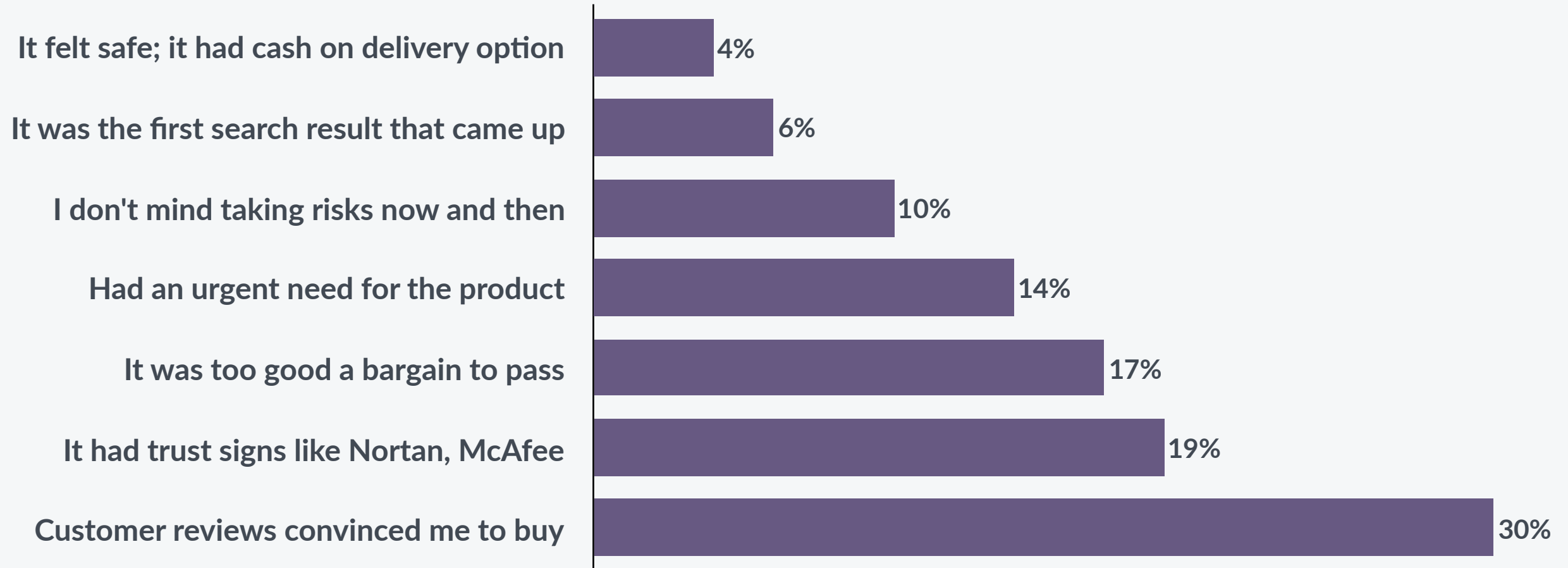
## Q2: If you chose to ultimately buy a product you initially abandoned, how did you complete the purchase?



- The results go on to show that 72% of carts are not irrevocably lost.
- 41% respondents go on to purchase from other websites. The contributing factors for the defection are better deals, more trust factors at play and faster shipping – in that order.

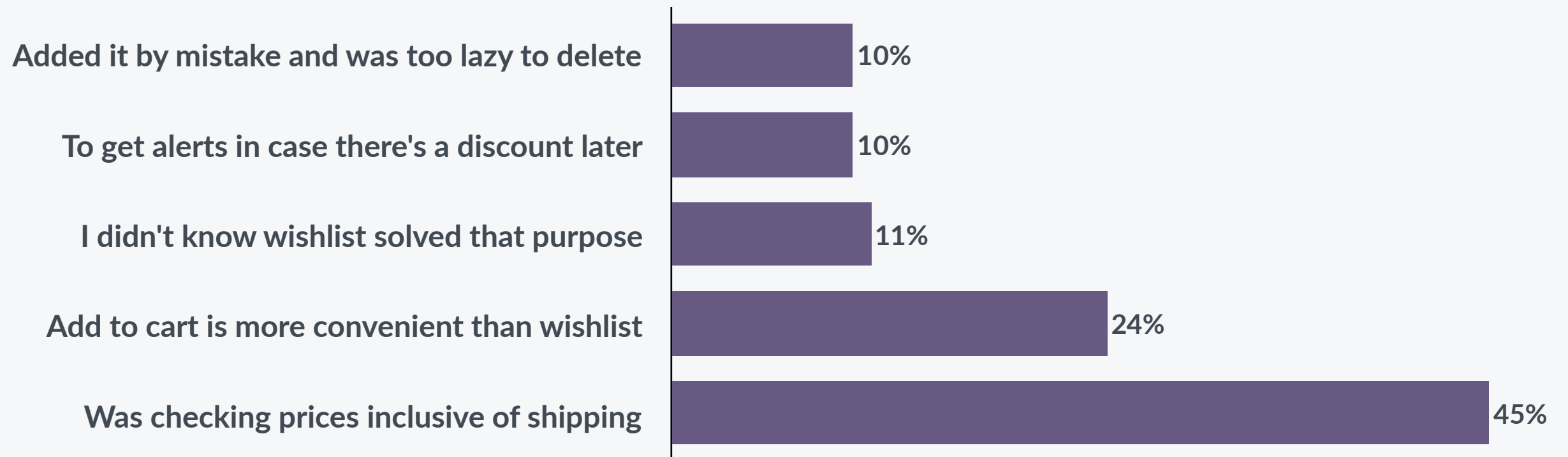


### Q3: Have you ever bought from a website you weren't familiar with? If yes, what convinced you to buy?



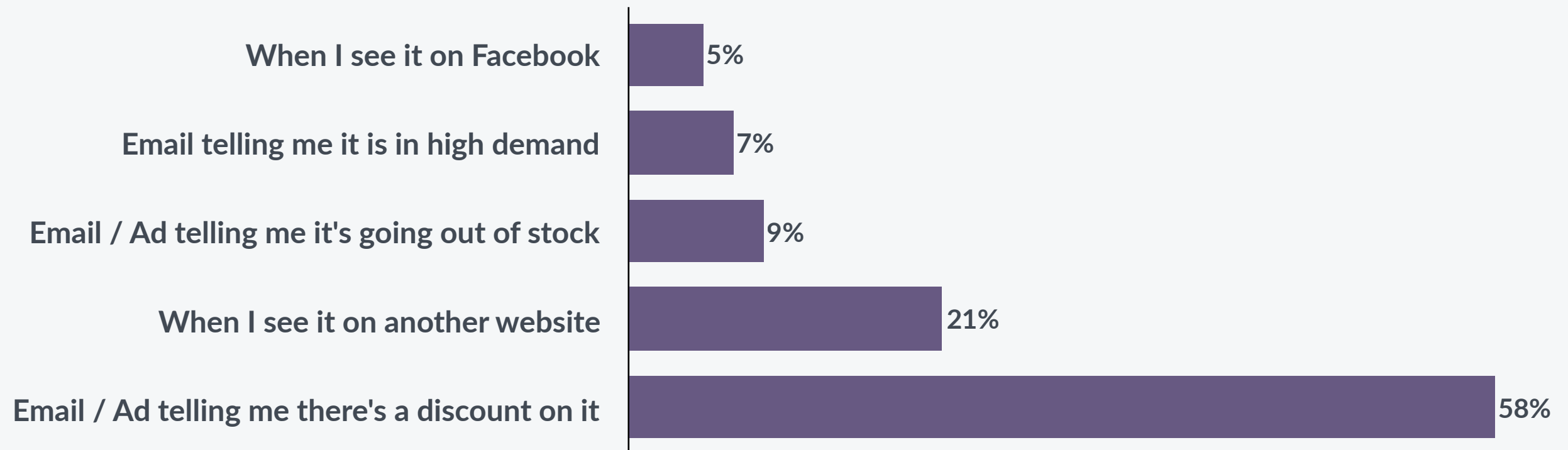
- Trust indicators like customer reviews and security seals play the biggest role in convincing visitors to shop with an unfamiliar website.
- Good experiences of other shoppers work as positive reinforcement for visitors while presence of security seals assuages the fear of credit card information being stolen.

## Q4: Do you ever add a product to cart without the intention to buy? If yes, why?



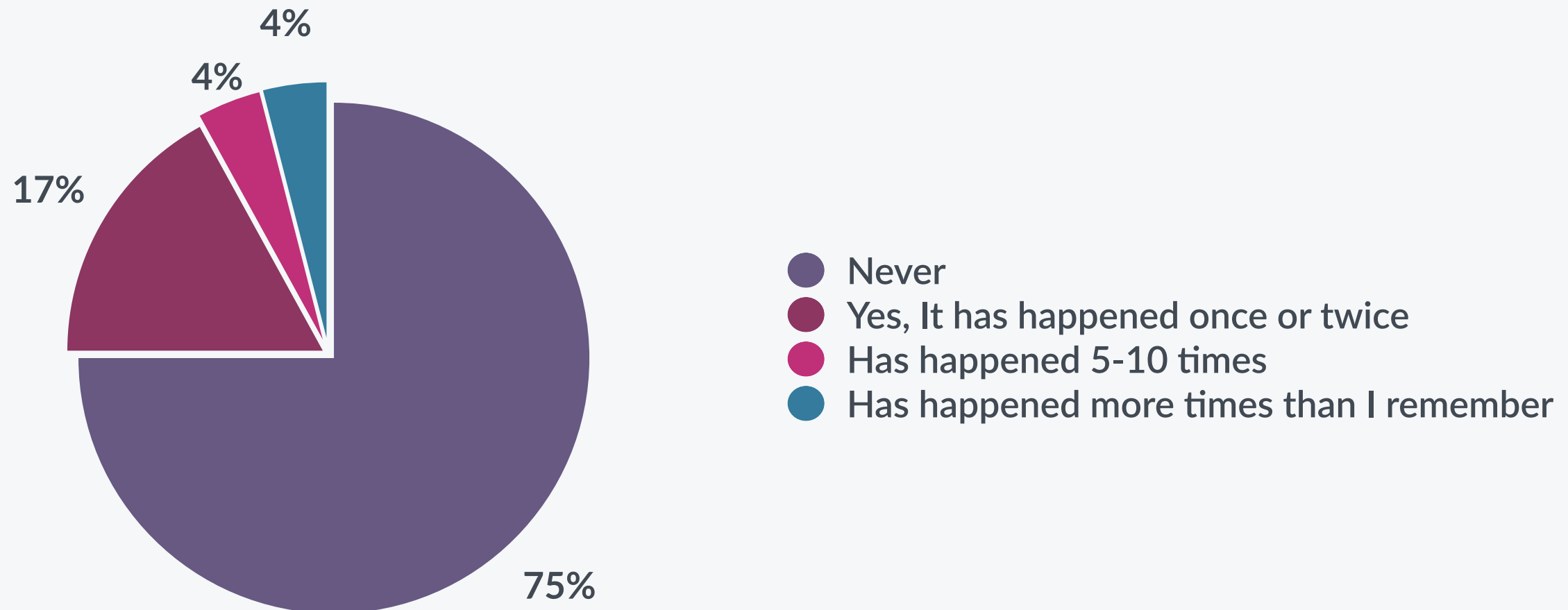
- 45% of shoppers have at least once added a product to cart in order to check out the price inclusive of shipping. This shows that websites are not doing a great job of showing the cost inclusive of shipping upfront, creating a barrier in the user experience.
- 10% shoppers say they add a product to cart only to get alerts when the product goes on sale. This behavior demonstrates different uses of the cart other than the conventional one.

## Q5: If you added a product to your cart and didn't buy, what further action will motivate you to buy?



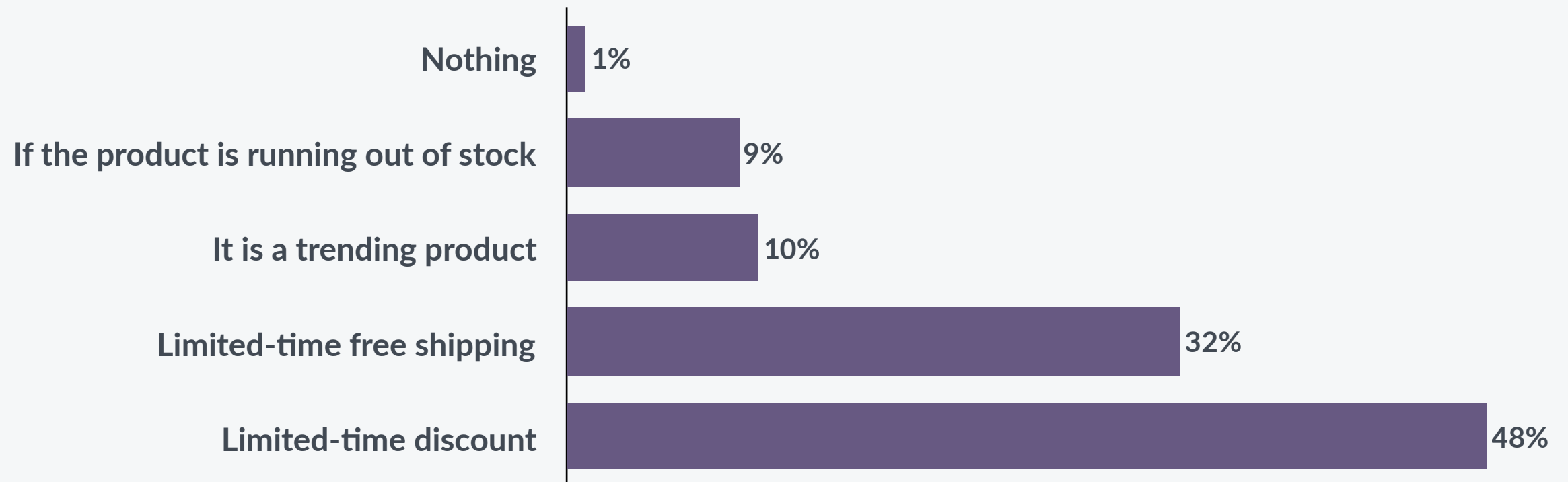
- Clearly there's a huge scope for retargeting as 58% respondents said they are open to buying the product they initially abandoned when it's offered again on a discount.
- The psychological principle of scarcity also works as 9% say they will buy it if they are notified that it's going on discount through a mail or an advertisement.

## Q6: Have you ever abandoned a purchase because your bank rejected the transaction?



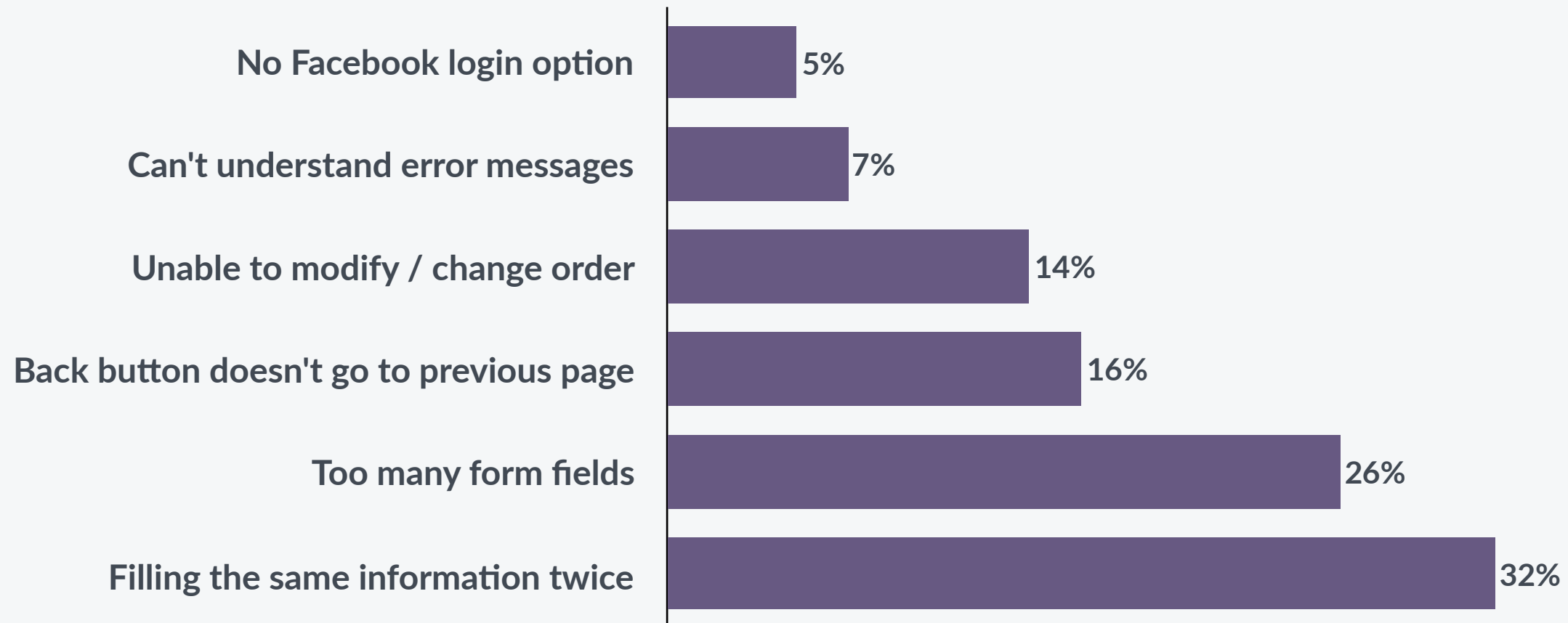
- 25% respondents say they have abandoned purchases at least once because of the bank rejecting the transactions.
- These abandonments could easily be redeemed by the retailers by offering Paypal and Cash on Delivery option.

## Q7: If you are just browsing and not actively looking to buy, what will encourage you to make the purchase?



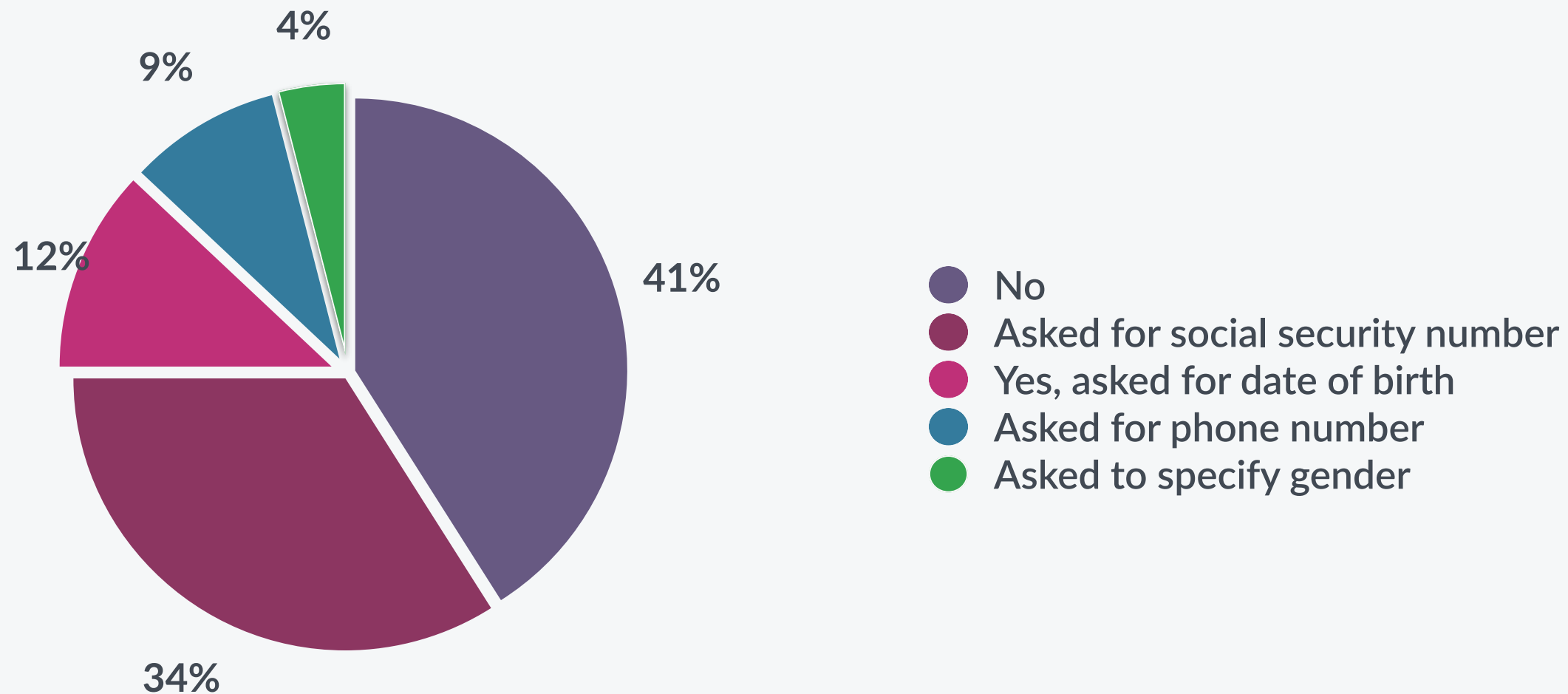
- 99% passive window-shoppers admit time-bound incentives can encourage them to seriously consider shopping.
- These discounts and free-shipping tactics could be used to induce urgency, but overuse could breed distrust too. Hence, such tactics should be used in moderation.

## Q8: What is the most frustrating part of the checkout process?



- At 32%, online shoppers said filling the same information twice is the biggest bane of the checkout process.
- Too many form fields cuts a close second at 26%.

## Q9: Have you ever decided to not buy something because the website asked for personal information you were not comfortable sharing?



- Almost 60% of online shoppers have at least once abandoned a purchase because the website asked for personal information they were not comfortable sharing.
- Surprisingly, 34% respondents said they were asked for their social security number.

# Conclusion

The result of this survey broadly demonstrates that cart abandonment rate as an isolated statistic is misleading. Though it might be true that a good 60% - 65% of your carts are abandoned, the results of this survey clearly shows that a majority of these can be easily reversed. There are many factors which are directly causing these abandonments, many of which can be easily fixed. Here are some of the broad themes that came out in this survey:

## Retargeting – The Silver Lining

Almost 60% respondents say a retargeting ad or email will encourage them to buy a product they initially abandoned. Another 9% say they will reconsider buying if they get an email saying it's going out of stock and another 10% say when they get an email saying it is in high demand. This behavior demonstrates that not all carts are abandoned forever and that most respondents can be swayed by discounts into reconsidering their purchase.

## Urgency – The Psychology Principle to Bank upon

The survey results show that Robert Cialdini's persuasion principles (especially 'urgency') are some of the best ways to convert a visitor who is passively browsing through your eCommerce website into a paying customer. A lot of websites already use this tactic by flashing time-sensitive offers in the head banners. However, the downside of using these tactics a little too often is that it can lose its novelty value and the visitors can start taking these offers for granted. Another possible problem is that they might think you are taking them for a ride.



# Conclusion

## Always Explain

When you ask for their personal information, always tell them why. You want their phone number? Great, go ahead and ask but do tell them the reason why you are asking for the number, for example "because you will send out a message to them when your guy is out for delivery." One piece of data that is concerning is that 34% respondents say they have abandoned a cart at least once because they were asked for their 'social security number.' The best piece of advice is to ask for information that's critical to the transaction and completely avoid asking for information like 'social security number'.

## Show Shipping Cost Upfront

Many studies have established that not displaying the shipping cost upfront is one of the biggest reasons for cart abandonments. To one of the questions, 45% respondents said they add a product to cart only to calculate the price inclusive of shipping. This is just a usability barrier that could be easily fixed.

## Multiple Payments Options

25% respondents said they have at least once abandoned a purchase because their bank rejected the transaction. Many online retailers are not even aware that they lose out on so many sales just because of a third-party payment issue. This can be easily taken care of by offering payment options such as COD and PayPal.

# About VWO

VWO is a leading conversion optimization platform used by more than 4,000 brands to identify barriers to conversion on their websites and resolve those to effect higher ROI. Companies such as eBay, Target, Rackspace, use VWO to understand how website visitors behave.

VWO offers multiple connected capabilities such as A/B Testing, Multivariate Testing, Heatmaps and On-Page Surveys that help you visualize and identify any room for improving user experience and thereby conversion rates.



## Visitor Behavior Analysis

Get crucial insights into how users behave on your website and what prevents them from moving down your conversion funnel.



## On-Page Surveys

Directly ask visitors about barriers to conversion real-time and generate actionable insights from their responses.



## Bayesian Stats Engine

Configure your tests based on a bayesian stats engine, to give you results that make business sense in half the time as that of traditional A/B test tools..



## Ideact

Our in-house consultants and campaign developers will help you swiftly act on your test ideas and set up campaigns end-to-end no matter how technically advanced the requirements are.



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