



# A Better Way to Stop Cart Abandonment: **Real-Time Offers**

A new strategy, tested and proven effective



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## PART 1

# Why you should focus on reducing cart abandonment

**Cart abandonment is a widespread e-commerce problem.**

You've probably already been frustrated by abandoned carts on your website. It's especially frustrating when your PPC, SEO, and optimization work has paid off, and you've gotten the customer all the way to filling their cart. But then they don't take that very last step to finalize their purchase!

Yet cart abandonment is even *more* damaging than you might realize:

- Cart abandonment rates on the average e-commerce site range between **65% to 80%**.
- Most visitors will *not* return to buy after they've abandoned their cart (**89% of new visitors and 71% of returning visitors will not visit your site again in the next 4 weeks**)<sup>1</sup>
- Cart abandonment has been estimated to cost online retailers more than **\$18 billion a year**.<sup>2</sup>

The silver lining to this?

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<sup>1</sup> Charles Nicholls, *The Science of Shopping Cart Abandonment*, a research report by The Conversion Academy for SeeWhy.

<sup>2</sup> Forrester Research.

Money spent on reducing cart abandonment provides some of best bang for your buck in increasing website revenue.

A small change in cart abandonment can mean big changes in revenue:

Imagine you improve your cart completion rate by just 5%. For example, improving from the typical cart completion rate of 25% to 30%. You'd see a revenue improvement of a whopping **20%**.<sup>3</sup> That's a 5:1 impact on revenue from a modest improvement in the cart completion rate.

So if you improved your cart completion rate by just 5% from 25% to 30%:

- a \$500k/year site now makes \$600k/year
- a \$2 million/year site now makes \$2.4 million/year
- a \$8 million/year site now makes \$9.6 million/year

Merchants are catching on fast to how important it is to market to shopping cart abandoners. According to MCM Outlook Survey, the number of merchants who do nothing about shopping cart abandonment is dropping drastically — from 60.9% reported in a 2012 study to 38.3% predicted in 2013<sup>4</sup>.



WHAT IS  
YOUR "CART  
COMPLETION  
RATE"?

Cart Completion  
Rate =  
your number  
of orders  
÷  
number of unique  
cart visitors

3 Assumes consistent AOV

4 Multichannel Merchant's 2013 e-commerce survey, [http://insidepenton.com/Outlook-2012\\_E-commerce-2.pdf](http://insidepenton.com/Outlook-2012_E-commerce-2.pdf)



## PART 2

# Why customers abandon carts

Before you can figure out the best way to reduce cart abandonment on your website, you need to understand *why* it happens.

The cold, hard data:



**Key point:** The major causes of abandonment are cost pain points and not feeling pressure to buy *now*. Target these for lower cart abandonment.

5 "Understanding Shopping Cart Abandonment," Forrester Research, May 2010 study asking approximately 3,000 people.

## HOW MEN AND WOMEN SHOP ONLINE

(from a research report by The Conversion Academy)<sup>6</sup>

### WOMEN are more likely to

Save products for later

Take longer to buy

Be very sensitive to shipping and handling costs

### MEN are more likely to

Compare prices

Not abandon shopping cart

**Key point:** Gender can make a difference in online shopper behavior. Build your cart abandonment reduction strategy keeping your target market in mind.

These two studies show that a successful cart abandonment strategy has to focus on specific pain points of timing and price, and that flexibility in customizing for different shoppers is key.

So what's the concrete, practical way to make this actually happen on your website?



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<sup>6</sup> Charles Nicholls, *The Science of Shopping Cart Abandonment*, a research report by The Conversion Academy for SeeWhy.



## PART 3

# Cart abandonment reduction strategies: emails vs real-time abandonment offers

Currently, the most popular way to reduce cart abandonment is sending follow-up emails, adopted by 37.4% of merchants.<sup>7</sup> But there's a better solution gaining traction: **real-time abandonment offers**. These are windows that appear upon a buyer action, such as exiting a site. They're new, but they're surging in popularity. Merchant adoption of these pop-up window offers has grown 132% as reported in 2013.<sup>8</sup>

**More importantly:** according to our data, real-time abandonment pop-up windows lead to *4 times* more sales than recovery emails.<sup>9</sup>

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7 Multichannel Merchant's 2013 e-commerce survey, [http://insidepenton.com/Outlook-2012\\_E-commerce-2.pdf](http://insidepenton.com/Outlook-2012_E-commerce-2.pdf)

8 Multichannel Merchant's 2013 e-commerce survey, [http://insidepenton.com/Outlook-2012\\_E-commerce-2.pdf](http://insidepenton.com/Outlook-2012_E-commerce-2.pdf)

9 Email recovery services report that about 14% of the emails they send are "clicked," and of those about 40% result in a sale: a "success rate" is about 6%. Using our tracking software across our network of Cart Closer users, the measured conversion rate is 27.25%! That's a 4 times improvement in sales for The Cart Closer versus email recovery solutions.



"The truth of the matter is that once a shopper leaves your site, you have lost them. Many will forget what site they were on when they were shopping, many will go to another site that has all the information and the pricing they were seeking, and never come back."

—store owner and Conversions on Demand customer

## The case for real-time abandonment offers



### RECOVERY EMAILS

Email sent to target user after they leave the store, often just with cart information

vs



### REAL-TIME ABANDONMENT OFFERS

Presents a real-time offer to shoppers who add items into their cart but attempt to leave the site before making a purchase

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#### REACHES:

Only people who have provided their email address, and the message may get caught in spam filter, or be ignored or forgotten

#### REACHES:

100% of abandoning users immediately, can't be ignored or missed

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#### PERFORMANCE:

**Success rate (ie an email that results in a sale) is about 6%** (about 14% of emails sent are "clicked" and of those about 40% result in a sale)<sup>10</sup>

#### PERFORMANCE:

**Success rate (ie an offer that results in a sale) averages about 27%**<sup>11</sup>

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#### EASE OF USE:

Difficult, need to set up entire email system

#### EASE OF USE:

Easy, with simple set-up if using the right software

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#### PRICE:

10% of saved revenue or pay per/email (whether this works or not).

#### PRICE:

Can be as low as 5% of saved cart revenue. You only pay if this works.

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<sup>10</sup> Conversions on Demand data

<sup>11</sup> Conversions on Demand Cart Closer results



## Why real-time abandonment offers work so well

### **Real-time advantage of immediacy:**

Provides the incentive to the buyer immediately, while they are still on your site, increasing effectiveness.

### **Incentive offers work:**

Data show the overwhelming reason most carts are abandoned is an issue with price,<sup>12</sup> such as cost, tax, or shipping. An incentive like a discount, free shipping, or a free gift, (or a combination of these based on the size of their cart) overcomes that cost-based resistance.

Testing shows that even with discounts, profits are increased due to greater conversions produced.



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<sup>12</sup> 3 out of the top 4 reasons for abandoning relate to price according to Statista: <http://www.statista.com/statistics/232285/reasons-for-online-shopping-cart-abandonment/>

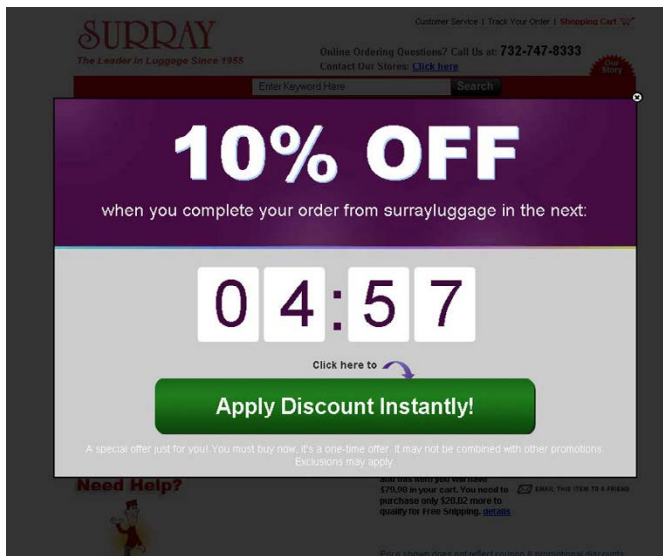


## PART 4

# The best real-time cart abandonment solution: The Cart Closer™ from Conversions On Demand

More effective, easier-to-use, and more affordable than all alternatives

We've been implementing and optimizing e-commerce sites for almost 17 years. We've tested and learned what works, and know how to build the most effective, easiest-to-use, and most affordable solution to cart abandonment: real-time pop up windows through our app The Cart Closer.™



A typical Cart Closer™ real-time pop up window

## The Cart Closer™ window is triggered by “Exit Predictions” not “Exit Events”

Rather than reacting to an “exit event” — like a shopper clicking to exit — we use exclusive, patented technology that observes your customers’ mouse movements and intelligently presents an offer window at just the moment when they’re likely to abandon. *Before* they’ve actually decided to leave. Using this “exit prediction” method has proven to not only increase orders,<sup>13</sup> but also create a better user experience. With The Cart Closer™ there’s no scary-looking alert box that looks like a malware attack.

These special benefits are something that only The Cart Closer™ can currently offer.

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<sup>13</sup> See sidebar test and Cart Closer 1.0 performance vs Cart Closer 2.0 performance.



When tested against a control page without an exit pop-up window, the pop-up window triggered by mouse movement toward the exit increased:

- orders by 7.10%
- AOV by 2.37%
- RPV by 9.64%



“I was looking for a way to reduce cart abandonment on our site and I had heard about The Cart Closer on an e-commerce forum that I frequent. What I liked about The Cart Closer was that it mimics a real life in store negotiation. Basically we now have the ability to say to a customer, “Wait a minute, let’s see if we can strike a deal and close the sale before you leave.”

—store owner and Conversions on Demand customer



“I was very concerned about the offer being intrusive on the customer. Once we were setup however, we were able to tweak the offers to only trigger when the cart value met our criteria. I wanted to make deals, but only on certain dollar value carts.”

—store owner and Conversions on Demand customer

## The Cart Closer™ in action: three examples



"We've seen a significant reduction in abandoned carts. It has turned out to be an invaluable tool for us. We see a significant number of closed sales that would have been lost otherwise.

—store owner and Conversions on Demand customer  
on improvements after using The Cart Closer™

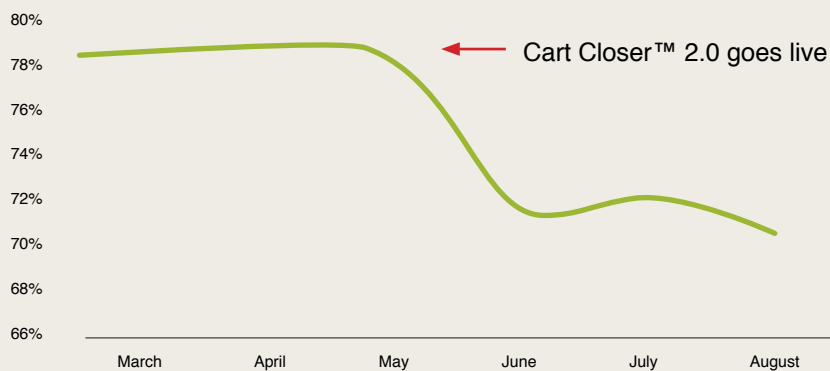
### EXAMPLE 1:

#### A network of Cart Closer™ stores

We compared the cart abandonment rate of 128 stores who activated The Cart Closer™ across 430,000 unique cart visitors. Our findings:

- Average cart abandonment rate went down **8%**
- The Cart Closer™ prevented up to **28%** of revenue loss

#### CART CLOSER™ 2.0 IMPACT ON CART ABANDONMENT RATES

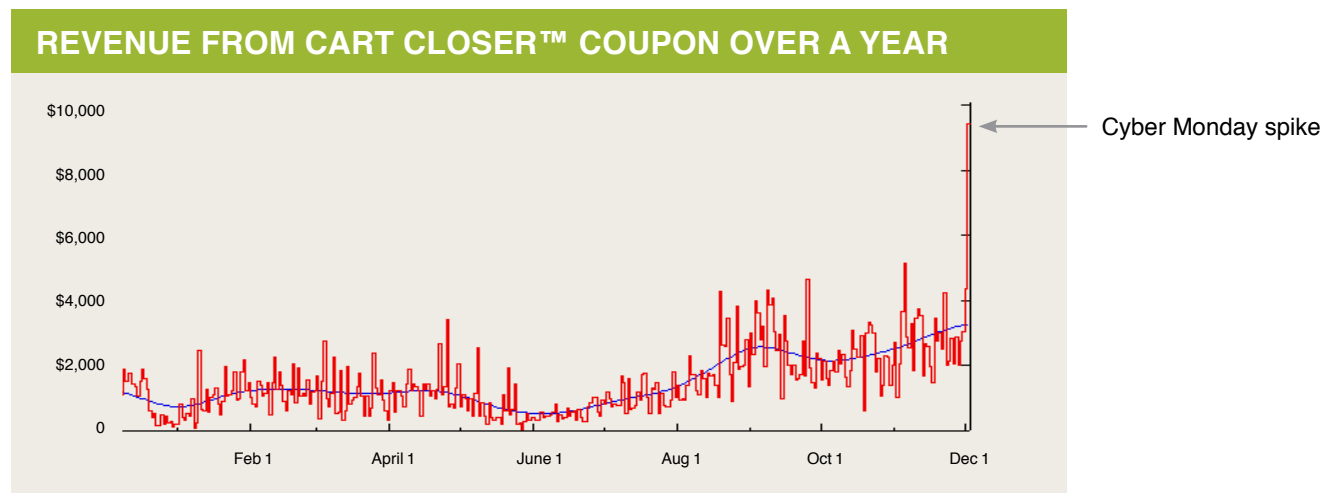


The power of using  
mouse gestures in  
Cart Closer 2.0

## EXAMPLE 2:

### Greekgear Cyber Monday

Greekgear, a specialty apparel retailer and one of Internet Retailer's top 1,000 US merchants, found that The Cart Closer™ was more effective during last year's Cyber Monday than a much bigger site-wide discount. Greekgear generated nearly \$10,000 in revenue on Cyber Monday 2013 with The Cart Closer.™ Many abandoning shoppers were won back by the 12% coupon from Cart Closer,™ despite it being less than a site-wide 20% discount, which they apparently missed or forgot. Discounts could not be combined, and The Cart Closer™ offered only one coupon per shopper. So the merchant closed more business than they would have closed, and saved 8% on any shopper who might have purchased anyway.



## EXAMPLE 3:

### A site sees a revenue increase of 10% when running just 1/3 of its traffic through the latest version of The Cart Closer.™

For a site test, we ran 1/3 of traffic through The Cart Closer™ (2.0). The test environment was a store with no previous exposure to The Cart Closer™, and sufficient cart traffic to provide statistically meaningful results in a relatively short period of time.

- The Cart Closer™ increased conversion rates confidently by 7% and revenue per visit by 10%
- It brought in almost \$7,000 more in a month

# Can your store afford *not* to use The Cart Closer™?

Easy to Implement. Easy to Analyze. Easy to Increase Revenue.

The Cart Closer™ doesn't require any integration on your part, and all of its valuable tools are ready to use right out of the box. We'll install it for you for free if you are on a supported platform, and it's a 100% self-service solution. If you do find you need help, we'll provide the customer care you need to successfully use this incredibly powerful solution to your cart abandonment problem.



If you are ready to tackle your cart abandonment problem, contact us at [Sales@ConversionsOnDemand.com](mailto:Sales@ConversionsOnDemand.com). Better yet, take advantage of our **free installation and 30-day free trial by signing up now!**

## About Conversions On Demand

Conversions On Demand was created by **Exclusive Concepts**, a company that has been pioneering e-commerce marketing solutions since 1997. Exclusive Concepts is the leader in do-it-for-you e-commerce marketing services.

Our mission is to level the playing field and help smaller retailers compete against larger ones. That means creating sophisticated solutions that are both affordable and easy to use. Our expertise is in getting results and we know that complicated new technology is only a means to an end.

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