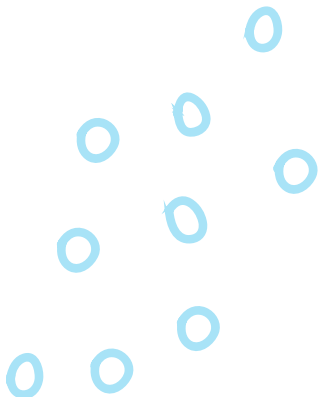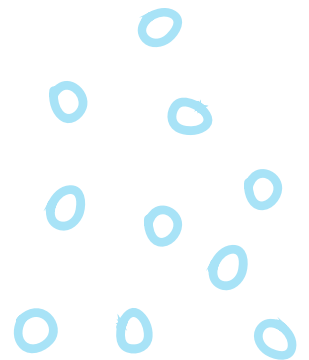# The Abandoned Cart Recovery Guide

AdRoll

Introduction

The ecommerce economy grew enormously during 2020. Many new retailers benefited, but growth in ecommerce shopping changed shopping behavior. For several years prior to March 2020, ecommerce cart abandonment rates hovered around 70%. While stuck indoors, many people passed the time by window shopping and adding items to online carts that they never expected to buy. After March 2020, average cart abandonment rates have jumped to 88% and remain there this year. This higher rate of abandonment offers opportunities for you to develop an edge over your competition by:

- Reducing initial ecommerce cart abandonment rates; and
- Bringing more cart abandoners back to complete a purchase

With the strategies outlined in this guide, you can drive more initial sales, bring back more abandoners to complete purchases, and even make them long-term returning customers.

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Sources of Shopping Cart Abandonment

A high shopping cart abandonment rate should prompt an audit of your cart and checkout flow. Negative experiences with your checkout process may account for a portion of abandoned shoppers, while shopper motivations unrelated to your store can also cause cart abandonment. You can take steps to reduce both, but the remedies differ slightly.

Eliminate Negative Experiences and Lower Friction

Removing negative experiences will increase conversion rate and revenue growth. The most common reasons shoppers abandon carts or checkout include:

- ❌ **Hidden costs**
- ❌ **Poor mobile experience**
- ❌ **Frustrating checkout flow**
- ❌ **Price sensitivity**

Hidden Costs

Unexpected costs during checkout like expensive shipping, difficult-to-redeem discounts, and hidden fees contribute to cart abandonment. Make pricing transparent early on by warning shoppers about extra costs or make shipping cost predictions available.

Poor Mobile Experience

Shoppers frustrated with tiny forms and difficult-to-read text will quickly abandon checkout. More than 50% of consumers shop with mobile devices, so you must optimize checkout for small touch screens. Also, ensure fast page load times and audit the amount of services that load javascript on your page.

Frustrating Checkout Flow

Lack of guest checkout option. Some customers may gladly create an account, but no shopper likes to be forced into it. Make checkout easy by limiting steps and form fields, making sure autofill works properly on your forms, and offering guest checkout.

Limited payment options. Consider offering shoppers an option to pay in installments. Shopify partners with Affirm to allow merchants to do just this. Other platforms such as Klarna, Sezzle, or Afterpay offer similar services that make shoppers more comfortable with their purchases.
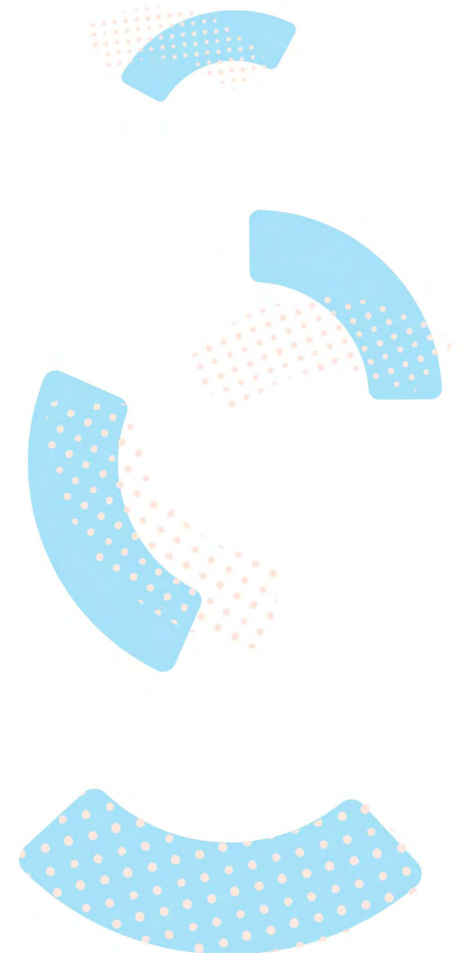
Price Sensitivity

Customers anticipate loss or fear missing out on better deals when making a purchase. This can cause hesitation and cart abandonment. Using certain types of messaging at specific points in your checkout flow can reduce these types of negative emotions. In the next section, we will explore these types of messages in depth.

Understand Shopper Motivations for Abandonment

Personal shopper motivations that don't relate to your website's user experience may lead to cart abandonment. This type of abandonment is harder to prevent, but understanding the motivating factors can lead to strategies that increase purchase rate. Some major reasons for shopping cart abandonment include:

> ✖ **Shopping cart as an organization tool or wishlist**
> ✖ **Shopping for entertainment**
> ✖ **Tracking price changes over time**

Shopping Cart as an Organization Tool or Wishlist

A study in the *Journal of the Academy of Marketing Science*[1] found that many shoppers use online carts as an organizational or research tool. Shoppers may add multiple items to a cart to add up prices or to compare similar items side-by-side. Customers that use shopping carts as an organizational tool may still purchase in a later session or through a different channel, e.g., in-store using their shopping cart on a mobile phone as reference.

Shopping for Entertainment

Some people simply derive joy from shopping. Creating an enjoyable shopping experience may result in more adds-to-cart on your site in general, but not all the behavior necessarily leads to purchases. An enjoyable shopping experience is still essential to your store because the study referenced in the previous paragraph found that shoppers who entertain themselves with your online store may still develop brand affinity and recommend your brand to others.

Tracking Price Changes Over Time

Every shopper factors cost evaluation into a purchase decision, but to varying degrees. Some shoppers face real budget constraints, while others may not believe the value of a product properly matches the current listed price. Either motivation may prompt strategic shoppers to add an item to the cart to wait for price reductions.

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1   Kukar-Kinney, Monika, and Angeline G. Close."The determinants of consumers' online shopping cart abandonment." *Journal of the Academy of Marketing Science* 38.2 (2010): 240-250.

Reduce Cart Abandonment With Psychological Cues

You do not need to write off all site visitors that use carts for organization, entertainment, or tracking price changes. Subtle changes to the language on your website and user experience can lower abandonment on first visits. Segmented messages for retargeting campaigns can increase purchases on return visits. Methods for this include:

Increase purchase rate on the first visit

☑ Induce "perceived ownership" to increase the likelihood of purchase

☑ Use price guarantees to reduce hesitation and stop competitive research

☑ Reiterate value with user ratings and recommendations on cart completion when entering checkout

Increase purchases through return visits

☑ Send scarcity messaging to shoppers that did not add items to cart

☑ Offer price promotions to shoppers that abandoned after adding items to a cart

Increase Purchase Rate on the First Visit

Perceived Ownership

A study from the *Journal of Consumer Psychology*[2] showed that emotional attachment to an item in an online store can produce similar feelings of loss aversion to those created by actual ownership. This emotional attachment, known as "perceived ownership," means that feelings of loss will exert a strong influence over a shopper's decision-making. Loss aversion is a stronger motivator than potential gain, so bringing loss aversion into the purchase process will reduce cart abandonment rates. Methods for achieving this "perceived ownership" effect include:

- Attractive, use-oriented images that ease a shoppers' ability to imagine benefitting from the product
- Interactive product experiences — think of an Instagram post with clickable tags that zoom in and provide more detail on a product or specific feature
- Direct messaging that prompts a shopper to imagine owning or using the product
- Augmented reality experiences that actually emulate product use. Examples of this include mobile apps that overlay a pair of shoes on your feet or a sunglasses shop that puts a sunglasses filter on a shopper's face.

Price Guarantees

Customers often have second thoughts about a purchase near the end of a buying process. They may experience fear of missing out on better deals or lower prices elsewhere. This can lead to hesitation, negative emotions surrounding the purchase, and even cart abandonment. A study from the *American Journal of Industrial and Business Management*[3] found that price guarantees reduce negative emotions and regret surrounding a major purchase. A price guarantee is an offer on your website to match or beat a competitor if the competitor happens to offer the same product at a lower price. Price guarantees can:

- Reduce negative emotions and regret surrounding a major purchase
- Increase long-term satisfaction even when customers did not use the guarantees
- Stop comparison shopping and research to drive immediate purchase

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2 Shu, S. B., & Peck, J. (2011). Psychological ownership and affective reaction: Emotional attachment process variables and the endowment effect. *Journal of Consumer Psychology*, 21(4), 439-452.

3 Zhou, H., & Gu, Z. (2015). The effect of different price presentations on consumer impulse buying behavior: The role of anticipated regret. *American Journal of Industrial and Business Management*, 5(01), 27.

Reiterate Value With Social Proof

A study from *Internet Research* finds that reiterating product value with user recommendations and ratings during the transition from shopping cart to checkout process increases the chance shoppers complete a purchase.[4] Highlighting positive feedback about a product post-purchase reduces hesitation to buy and provides shoppers with more confidence that they will not experience disappointment.

Increase Purchases Through Return Visits

Research from *Information Systems Research* offers a clear strategy for recovering shoppers that left your site. The paper demonstrated that stores using the model increased purchase conversion by 29.9% more than stores that did not use the model.[5]

- Showing a scarcity message to visitors that did not add anything to a cart was 2.3x more effective than a price incentive
- Showing a price incentive to shoppers that added items to a cart worked 11.4x better than the scarcity message

Scarcity Messages

Grab prior visitors' attention with a scarcity-oriented message. Highlight a limited supply of products, a one-time run of a product, or a limited time period to buy. This produces a sense of urgency and may trigger fear of missing out. The experiment from the paper found success with a message as simple as, "Our products will be gone quickly. We have only limited inventory and supply. Hurry up!"

Avoid showing a scarcity message to people with the item already in their cart. This may cause them to react negatively, disbelieving the claim of scarcity when they already added it to a cart.

Price Incentive

The successful price incentive message from the experiment was similarly simple: "You have a discount of X toward your purchase." Creating relevant messages that highlight specific products shoppers left in a cart can pay even higher dividends. Only show your price incentive to visitors that added an item to a cart. Ubiquitous price discount messages may cause doubt about the authenticity of the original price. Constant discount messages may also send signals that your products are low-quality or you face difficulty selling them for some negative reason.

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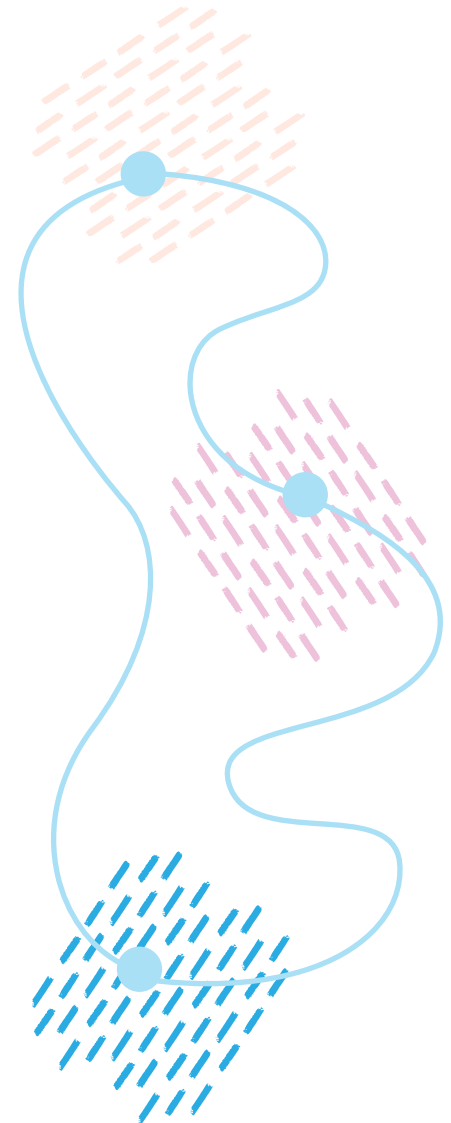
4   Shen, K. N., & Khalifa, M. (2012). System design effects on online impulse buying. *Internet Research*.

5   Luo, X., Lu, X., & Li, J. (2019). When and how to leverage e-commerce cart targeting: the relative and moderated effects of scarcity and price incentives with a two-stage field experiment and causal forest optimization. Information Systems Research, 30(4), 1203-1227.

Leverage an Ecommerce Marketing Platform

Engagement across marketing channels and personalized shopping experiences improve the performance of abandoned cart retargeting campaigns.

> ✅ **Use multiple marketing channels with consistent aesthetic and timing**
> ✅ **Segment shoppers that abandon carts for more relevant messages**
> ✅ **Include email in your cart recovery campaign**

Use Multiple Marketing Channels

Your cart recovery strategy should account for a customer journey with many touchpoints. Make your multi-channel cart recovery strategy more effective with a few guidelines:

- **Stay consistent.** Don't confuse your shoppers. Keep your brand aesthetic similar and maintain a focused message across display, social, email, and whichever channels you choose. Even if a shopper does not end up purchasing immediately, a consistent brand experience will stay memorable.
- **Coordinate timing.** A piecemeal approach lowers performance. Keep your audience expiration periods, the launch of your campaigns, and your conversion triggers consistent across networks.
- **Personalize promotional messages.** Dynamic ads and product carousels each can augment the performance of your retargeting. Dynamic ads can take your product feed and match shoppers to show them the products they expressed interest in. Product recommendation carousels work similarly, but will show specific products in email messages or when visitors return to your website.

Segment Shoppers That Abandon Carts

Place visitors into audiences to target with specific messages. You might promote men's clothing to a male audience and women's clothing to a female audience. Segmentation reduces waste on ad spend and improves message relevance. A few ideas for segmentation include:

- **Recency.** A shopper that put an item in a cart half an hour ago might simply be forgetful, while a shopper from seven days ago might have changed moods or received a paycheck and now feel ready to buy.

Think about your buying cycle and segment messages accordingly.

- **Purchase history.** You might offer a discount to a first-time visitor that abandoned a cart, but avoid that cost with return buyers. You can use this segmentation to upsell returning customers with accessories to items from previous purchases.
- **Browsing device.** Some shoppers may use mobile for research and desktop for buying. Others may use a mobile device for information while browsing a brick-and-mortar store. Examine prior behaviors by device and craft your campaign to encourage the behavior associated with purchasing on each device.

Include Email in Your Cart Recovery Campaign

46.1% of people open cart abandonment emails. This represents a significantly higher open rate than typical branded emails. Best practices for cart recovery email campaigns include:

- **Act quickly.** Emails that arrive in a shopper's inbox within an hour after they abandon a shopping cart produce the highest conversion rates. Your product and brand stay top-of-mind for a limited period of time, so use that time.
- **Focus on the point.** Create a persuasive message but keep it short and make your point quickly. Skip the brand story since they already visited your site.
- **Meet their Interest.** Use the body of your email to feature the product shoppers showed interest in, or the products they added to their cart. Leverage the psychological lessons from this guide in your email body as well.
- **Experiment with headlines.** Iterate and test email headlines for open rate improvement. Target your tests at a single variable like word change, emotional message tone, or numbers. Identify winners and combine them for future tests.
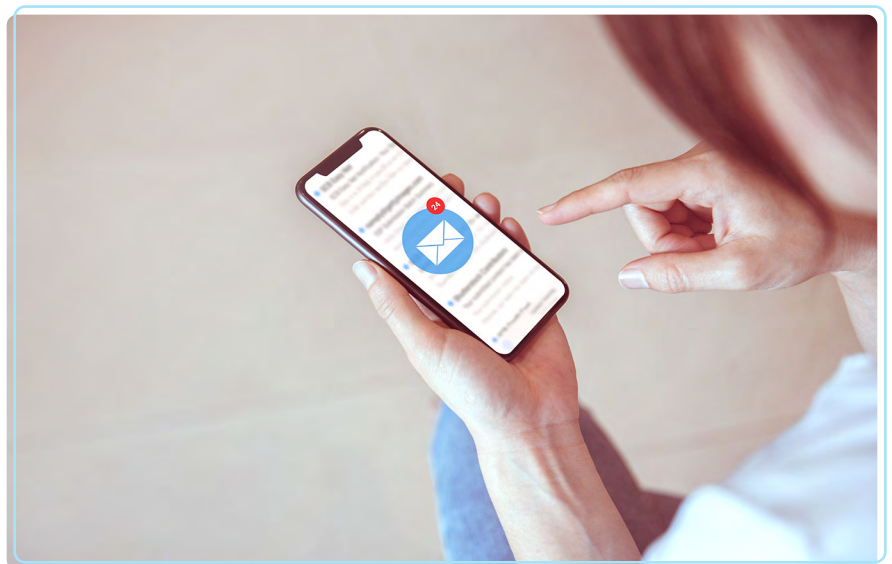
Get Started With AdRoll

Customers with demonstrated intent are the cheapest customers to convert. Instead of directing all of your advertising dollars at finding new customers, invest a portion in completion of purchase for those shoppers that initiated the process. AdRoll makes it easy for you to reach shopping cart abandoners across marketing channels, including ads, and product recommendation carousels. If you're ready to target shoppers that abandoned carts, check out **AdRoll's abandoned cart recovery solution**.