

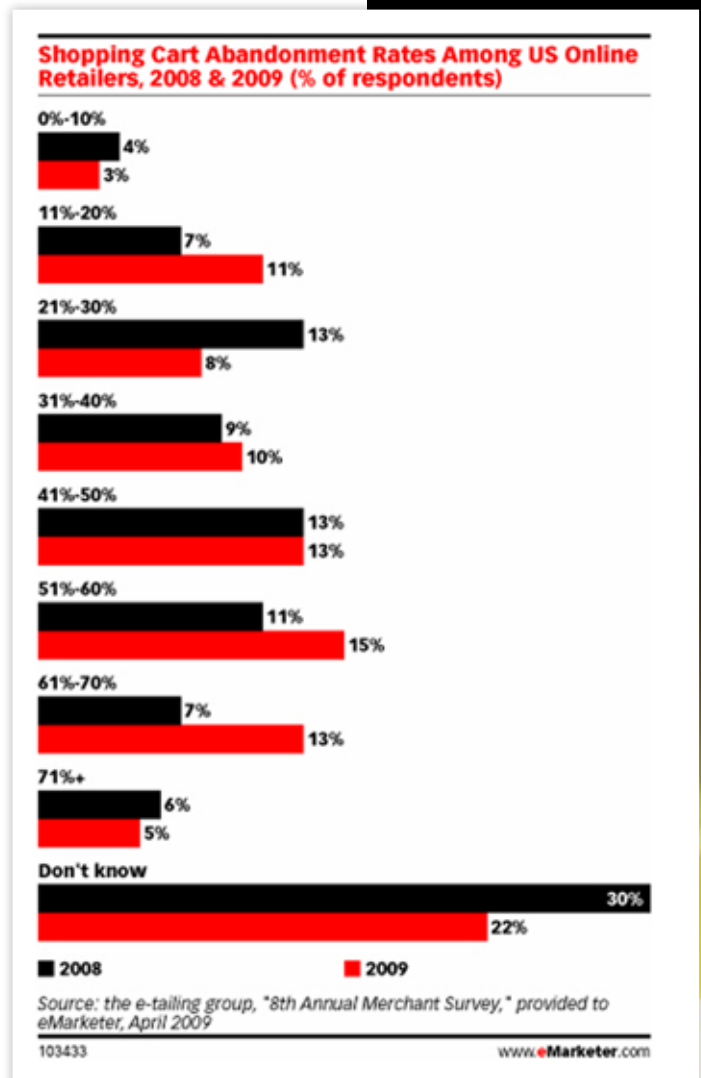
Recovering Lost Sales through an Automated Shopping Cart Abandonment Strategy

By Megan Ouellet, Director of Marketing
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Convenience no longer trumps price for online shoppers. Shoppers, in search of bargains, are taking the time to compare prices, shipping fees, return policies, and product reviews prior to making a purchase – and there is no easier way to do that than to add items to their online shopping carts. A study by [PayPal](#) and [comScore](#) found 45% of US online shoppers had abandoned shopping carts multiple timesⁱ. Another study by the [e-tailing group](#) showed 64% of US online retailers experienced cart abandonment rates of over 20% in 2009, with nearly one-third of them reporting rates over 50%ⁱⁱ.

Even more alarmingly, 22% admitted that they didn't know what their abandonment rate is.

Consumers abandon eetail shopping carts for a number of reasons. High shipping charge, slow delivery schedule, lack of customer support, inconvenient time to purchase, and feelings of insecurity are some of the more common reasons people don't complete their online purchases. Many times the shoppers simply found it too easy to walk away from an impulse purchase without a salesperson there to encourage the sale. But, whatever the reason, the results are the same. Retailers are losing significant amounts of revenue due to abandoned shopping carts.



Source: eMarketer's article
"The Sad Tale of Abandoned
Shopping Carts"
June 20, 2009

It is possible, however, to recapture a major portion of those sales. There are a number of tweaks you can make to your website to discourage abandoned carts – PayPal published a great article entitled “[10 Tips to Reduce Cart Abandonment](#)”ⁱⁱⁱ and Practical eCommerce offers tips in its article “[Seven Ways to Reduce Shopping Cart Abandonment](#)”^{iv}. However, this white paper focuses on how you can use email remarketing campaigns to re-engage shoppers and convert them to buyers.

When to Send

McAfee performed a recent study on what it refers to as “[digital window shopping](#)”^v. Digital window shopping is similar to shopping cart abandonment except the shoppers return to the websites and complete the purchases. It analyzed over 160 million transactions and found that the average time between first visit and final purchase was **33 hours and 54 minutes**. While the study isn’t tied directly to email remarketing campaigns, it provides valuable insight into the mindset of online shoppers.

An email that is sent within 24 hours of the abandoned cart reaches customers when they are still considering the purchase and it can prompt them to take immediate action to complete the sale. However, you should test the timing of the campaigns to see what works best for your audience; if possible track open times by subscriber then deploy when customers are proven most likely to open your message

Survey Size	
Total A/B Tests	800
Total Visitors	163,387,560
Total Sales	2,523,663

Average Delay	
Average Delay: Days	1.41
Average Delay: Hours	33.90 (33 hours, 54 minutes)

Example: Among a group of 100 buyers, some purchase immediately, some purchase within a few hours, and others purchase after waiting more than 1 day. Averaged together, buyers wait 33 hours and 54 minutes before completing their sales.

Distribution of Delay	
< 3 hours	2.8%
3–12 hours	9.6%
12–24 hours	22.9%
1–2 days	31.8%
2–3 days	18.7%
3–4 days	6.5%
4 days or more	7.6%
Cautious (1 day or more)	64.6%

Example: Among a group of 100 buyers, about 3 purchase quickly, less than 3 hours after their first site visit. About 10 complete their purchase within 12 hours. Another 23 take up to 1 day. And the remaining 64 take more than 1 day to complete their sale.

Results of McAfee’s “Digital Window Shopping: The Long Journey to Buy” report

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What to Send

You must take a tactical approach to the design of your remarketing campaigns. The tone of the email must be helpful and reassuring to the recipient, and should include:

- Pictures of the items left in the cart and links to product reviews
- Security icons proving online transactions are safe, such as Verisign, Cybertrust, McAfee SECURE trustmark, etc.
- A toll free-number for your customer service department
- Links to your return policy and privacy policy
- An easy way to complete the purchase
- An unsubscribe link so recipients can opt-out of your re-marketing campaigns without unsubscribing from your marketing list
- Personal information, such as the shopper's first name

The emails can also include a notification that the cart will expire if action isn't taken or a limited time offer or special discounts. All of these items can greatly increase the likelihood of a completed sale. Listrak studied the [sending habits](#) of the [Internet Retailer 500](#)⁶ companies to look at their shopping cart abandonment messages. It found that 23.81% of the messages received linked directly to the abandoned cart, 45.23% included an incentive with over half of them offering free shipping, and 60% were personalized with the shopper's first name.

When creating your messages, you must approach the design with caution. In the past, consumers raised concerns about being "watched," and it was generally accepted that remarketing campaigns should be sent in a stealthy manner several days to two weeks after the cart was abandoned. [Forrester Research](#)⁷ published a number of reports in 2001 and 2003 offering advice on these campaigns. Those concerns aren't as viable today as most online shoppers are aware of the web analytics tracking their actions and most appreciate the convenience of a saved shopping cart and an email reminder. But you still need to create remarketing campaigns that the recipients will find useful. The emails shouldn't be too salesy or pushy, but the purpose must be designed to get customers to complete the sale.

There are a number of different tactics and types of campaigns you can use to re-engage your customers. Email marketing is the most versatile tool in your marketing toolbox and it is easy to test different campaigns to maximize your results. Here are some examples and tips for creating a successful remarketing campaign:

Reminders – A picture reminding shoppers of what was left in their carts and a link that makes it easy to buy can be enough of an incentive for many shoppers. These emails work best when they are designed to put shoppers at ease. Remembering why people abandon carts in the first place – security issues, lack of customer service or sales representatives, fear that the real item won't be as nice as the one in the picture, etc., the email should address all of these concerns by linking to product reviews, including security icons, and offering additional ways to complete the purchase. These emails could also include an urgency notice stating that the cart will expire within a certain timeframe to encourage shoppers to act quickly.

Special Offers – Some retailers are reluctant to include a limited time offer in their abandoned cart emails. They fear the customers will share the information with friends and soon all online shoppers will abandon purchases and wait for the discount to arrive via email. It is true that some customers may behave that way, especially now as the economy recovers; however, the additional revenue you're bringing in should significantly offset the discount and make it worth your while. If your average sale is \$100, with \$50 of that being profit, and you sell 250 items each day online, you're making a profit of \$12,500



Williams-Sonoma entices shoppers with a well-designed remind email



Improvements Catalog incentivizes shoppers with a coupon sent within 24 hours of an abandoned cart.

every day. However, if you can sell an additional 100 items each day at 10% off, you're increasing your profits over 30% - even accounting for the discounted price and the cost of deploying the additional email message.

Series of Messages – In case your first message goes unnoticed, you can follow up a second and third time with other remarketing campaigns. Your first message could be a reminder of what was left in the cart, the second message could be a discount, the third message could state that the cart is about to expire, etc. You could even include an email offering shoppers an easy way to re-order previously purchased items. These emails should be designed to work together to achieve the common goal, and you must be sure to monitor results closely to ensure shoppers receive the right messages at the right time.

How to Send

Shopping cart abandonment emails rely on web analytics data and require an **integrated email marketing solution**, **dynamic message assembly**, and a **behaviorally triggered messaging system**. However, the messages can be set up to run in the background automatically so all you have to do is update the message template occasionally and monitor the results.



Listrak has the platform and expertise needed to send the most sophisticated shopping cart abandonment campaigns. Working with you, Listrak will provide strategy, implementation, creative design, support, and campaign evaluation, to ensure your campaigns achieve your goals. **Contact us** today to learn more.

About Listrak

Listrak is a full-service email marketing firm providing the solutions, services, and software to optimize the value of email. Listrak combines strategy, service, creativity, and measurability to develop email marketing that goes beyond the inbox to the individual to deliver the extra perfect in effectiveness and ROI. Listrak provides engaging email marketing solutions for clients like Waterford, Movies Unlimited, Hitachi, Wolfgang Puck, and Motorola. Its intuitive email platform is also available in an ASP model enabling marketers to build one-to-one conversations utilizing dynamic content, split testing, geographical and behavioral targeting, triggered and transactional email, all backed by detailed analytics and reporting.sdfsdf

ⁱ The **e-tailing** group provides expertise and research in e-commerce, online merchandising, multi-channel retailing, category-specific selling strategies, industry benchmarks, and in-depth merchant knowledge. Read eMarketer's report on the e-tail group's study here: <http://www.emarketer.com/Article.aspx?R=1007156>.

ⁱⁱ **eMarketer**'s core expertise lies in researching and sorting vast amounts of publicly available information, and objectively compiling and analyzing this information into widely read reports, articles and newsletters.

ⁱⁱⁱ **PayPal** is the faster, safer way to pay and get paid online. With more than 78 million active accounts in 190 markets and 19 currencies around the world, PayPal enables global ecommerce. Read its cart abandonment article [here](#).

^{iv} **Practice eCommerce** provide down-to-earth articles and advice to help smaller businesses succeed online. Read its shopping cart abandonment article [here](#).

^v **McAfee** is the world's largest dedicated security technology company. Read its Digital Window Shopping report [here](#).

^{vi} **Internet Retailer** provides knowledge and insight in the form of articles, conferences, guides, and research to the eRetailing industry. It also ranks America's **500 largest eRetailers** and provides insights into their business strategies.

^{vii} **Forrester** Research is an independent research company that provides pragmatic and forward-thinking advice to global leaders in business and technology.



06

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