



## What's up with online shoppers?

They spend significant amounts of time on your site, view several product pages, select items and place them in a shopping cart. Then they disappear. It happens a majority of the time during the online shopping experience.

According to Forrester Research, 87 percent of consumers abandon carts, and 70 percent of carts are abandoned just before check-out. Abandoned carts perplex online retailers; they represent missed revenue opportunities—up to \$18 billion a year.

## Why do shoppers do this?

The *Online Shopping Customer Experience Study*, a 2012 comScore survey of 2,625 U.S. online buyers reported by eMarketer, reveals several reasons that consumers abandon carts.

Table: Why online shoppers abandon carts

Reason for abandoning cart	Percent (multiple responses)
I was not ready to purchase, but wanted to get an idea of the total cost with shipping	57%
I was not ready to purchase, but wanted to save the cart for later	56%
Shipping costs made the total purchase cost more	55%
My order value wasn't large enough to qualify for free shipping	51%
Shipping and handling costs listed too late	40%

There are behavioral reasons as well. Shoppers may treat carts as ongoing shopping lists, ultimately converting in-store. They may resist having to register on the site as a requirement to buy, preferring a guest checkout. They may also use carts as ways to comparison shop with other sites, or as a wish list waiting for a sale price to kick in.

# 21%

21 percent of abandoners re-engage and buy. Abandoners spend 55 percent more than non-abandoners.

– Marketing Sherpa, 2012

# 25+%

Cart abandonment retargeting programs can return as much as 25-40 percent of email program revenue.

– Forrester

And the fast-growing trend of consumers using smartphones to research purchases are inflating abandonment rates, but that, too, may have a silver lining. According to eMarketer, smartphone “carters” often prefer to switch to a PC or laptop to complete their purchases.

## Abandoners are a source of untapped revenue

While “abandoned cart” is a standard metric, its significance as a measure of lost revenue may be overstated. Perhaps it is more helpful to look at abandoners with a glass-is-half-full perspective. Consider this: Shoppers who place items in a cart are motivated to buy, but the purchase path is a complex one. If you consider that most abandoners are still in a consideration cycle—think of them as window shoppers— a shopping cart of not-yet-purchased items is a natural and necessary part of the customer conversion journey.

Email remarketing provides a huge opportunity for conversion. Yet, just 20 percent of Fortune 500 merchants do anything to re-engage, and the practice of retargeting abandoners constitutes just 2 percent of their overall email deployment.

When shoppers return to their carts, something wonderful happens. More than half of them spend more. This “add-to-cart” rate—the percentage of site visitors who add items to a cart—not only increases understanding of shopping behavior, but should be considered an important metric of remarketing efforts. According to a report in eMarketer, Monetate tracked the add-to-cart rate and the cart abandonment rate over five consecutive quarters in 2011 and 2012. Monetate found the add-to-cart rate increased by 2 percentage points, while the cart conversion rate decreased by 2.7 points.

## Three factors that impact conversion of abandoned carts

### Factor 1: Timing

Timing is everything, or so the efficiency expert’s saying goes. It’s particularly true when remarketing to abandoners. Two separate studies conducted by the Massachusetts Institute of Technology have shown:

1. 90 percent of leads grow cold in just one hour, and
2. Within 12 hours, the majority of customers who are going to buy will do so.

What you can take away from this data is that remarketing has its biggest impact within the first 12 hours. Call this the ideal window of opportunity to reach out to your cart audience.

# 50%

50 percent of trigger emails are opened, a 95 percent higher rate than traditional email.

– CMO Council, 2012



## The 'Push API' trigger

Webtrends offers a Push API, which is triggered by the abandonment of a cart. Through Webtrends, email partner programs personal data is automatically pushed into the email management system within seconds of abandonment, making it possible to fuel nurture or remarketing tracks with ease and immediacy.

## Factor 2: Frequency

Equally as important as timing in email retargeting is the frequency in which emails are sent. Listrak surveyed the companies of the Internet Retailer (IR) 1000 about their shopping cart abandonment practices.

*The 2012 Shopping Cart Abandonment Review and Look Book* focused on four points:

- Number of companies that re-engage shoppers after carts are abandoned
- Number of emails the retailers send attempting to recapture the lost sale
- Timing of the messages
- Use of discounts or special offers in the emails

Listrak found an upward trend of retailers remarketing to abandoners. The study found that 19 percent of the IR 1000 sent at least one email, up from 14.6 percent in 2011 — a 30 percent increase. In addition, more retailers are opting to send a series of messages to re-engage shoppers, instead of a single message.

Online retailers are also sending the messages closer to the abandonment time to re-engage a shopper while the sale is still top of mind. Discounts, however, are on the decline. Many IR 1000 retailers found that a simple reminder message is sometimes enough to prompt customers into action.

## Retargeting at the right time with the right message

With Webtrends email retargeting solution for email partners, brands not only can trigger the first message within seconds of abandonment, but also trigger additional email sends based on behavior factors, such as:

- Return visit without purchase
- Lack of return visit but opened email
- Lack of return visit but high value of cart

These behavior triggers are just three examples; with Webtrends you can write your own frequency rules based on ongoing behavior and value of the visitor and cart. Webtrends solutions can identify the right timing and messaging to optimize cart conversion.



## Factor 3: Personalization in context

Remarketing is not just about what was in the cart when it was abandoned, it's also about what else the shopper looked at during their session.

### Here's an example to illustrate this potential to retarget and upsell, based on personalization in context of shopping behavior:

Steve is a frequent customer of an outdoor clothing retailer. In his most recent online visit, Steve browsed three items—two coats and a pair of gloves. He placed one coat in the cart, then left the site.

Within seconds of abandonment, an email is triggered to Steve offering him free shipping if he purchases the coat. No purchase occurs at that time, so Steve is emailed a second offer: a 25 percent discount if he buys the coat and gloves together.

### Why do this?

The retailer knows from its analytics data that people who purchase coats score as high-value customers. In addition, the retailer's historical data on Steve rates him as a longtime customer, triggering a specific message to him about the gloves.

If, on the other hand, the retailer's customer profile showed Steve was a lower-value customer, then reminder emails or smaller discount offers can be sent within the optimal windows of opportunity for remarketing and maximizing revenue potentials.

Through online testing of the IR 1000, Listrak learned three remarketing best practices as they pertain to those large Internet retail brands:

1. 1st message sent within three hours of abandonment
2. 2nd message sent two days after that
3. 3rd message sent three days after that

## Webtrends in-the-moment data fuels effectiveness of email remarketing

What if it were possible to track preferences and behaviors while customers are placing items in their shopping carts?

Your email remarketing program could use as-it-happens data to respond almost immediately to high-value customers. You could offer a promotion that facilitates conversion, perhaps even before they leave the site, when customer intent is at its highest. This is possible with Webtrends Streams® which can be combined with Webtrends Optimize as a way enable more relevant email retargeting.





# Mine the gold of abandoned carts and email remarketing

Perceiving abandoned carts not as lost revenue but as opportunities to promote, upsell and convert helps inform a more successful email remarketing program. Studies conducted by SeeWhy, Inc. show three compelling statistics about online shopping behaviors:

- 1 percent of new visitors will buy on the first visit
- 90 percent of conversions come from visitors you already know or who know you
- 66 percent of eventual conversion comes through email marketing

These three facts should convince any brand that abandoners are not time wasters. Even “serial abandoners” are 2.6 times more likely to buy than one-time abandoners. That’s why immediate conversion is not the only goal to be pursued in the customer purchase path. A secondary goal (some may argue, the primary goal) is capturing an email address, because visitors who return through email are much more likely to purchase.

Online retailers that are using incentive techniques to collect email from visitors, such as wish lists, rewards and memberships, will have even more opportunities to mine the gold of abandoned carts. Combining your email marketing program with data intelligence solutions from Webtrends that nurture customer loyalty, your remarketing efforts will strike the mother lode.

For more information, visit [webtrends.com](http://webtrends.com)

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#### About Webtrends Inc.

Webtrends helps companies make sense of their customer data to drive digital marketing success. By combining innovative technology with our team of trusted and creative advisors, our solutions are designed to provide actionable insights, increase customer engagement and boost revenue.

We partner with companies at all levels of digital maturity and offer solutions in analytics, audience segmentation, streaming data delivery, remarketing, online testing and targeting, as well as search and social marketing. We work closely with approximately 2,000 global brands including Microsoft, KLM Royal Dutch Airlines, Kimberly-Clark, HSBC, Marks & Spencer, npower, BMW, Toyota, The Telegraph, Lastminute.com, Mindjet and many more.