

 Bronto

 Magento™

WHITE PAPER

WHY WE DON'T BUY:

Consumer Attitudes on Shopping Cart Abandonment



BRONTO SOFTWARE AND MAGENTO

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Overview

Marketers are constantly combating shopping cart abandonment and looking for ways to save potentially lost sales. Causes for abandonment are continually analyzed and various tactics are incessantly being developed to discourage abandonment and get consumers back into shopping carts. We are standing by the exit door enthusiastically waving customers back into the store by sending customer support reminder emails about a cart's contents or offering an incentive to come back and complete an order.

Data has been sliced, diced, automated and finely tuned over the years based on changing consumer behavior trends and the technology available to marketers to develop sophisticated shopping carts and robust cart abandonment email programs.

Customers have become more technologically savvy and are no longer simply interacting with a brand's website and email program. Social networks, mobile devices and various technologies that bridge the online and in-store shopping experiences have increased consumers' expectations of intuitive technology and made them keenly aware of how technology is used market to them.

High shipping costs, shopper anxiety, technical issues... These are the tried and true causes for abandonment that marketers have worked to combat. The truth is that many of your shoppers know they will abandon their orders before they even click "add to cart" on your product page.

Rather than depending on assumptions, in this study we go directly to consumers and ask them about their awareness of shopping cart technology, expectations for marketing when they abandon a cart, and if any of this helps. Marketers know that abandonment rates continue to increase. This report will:

- Explain why consumers are abandoning more frequently and how this could be an opportunity for marketers
- Analyze what the consumers want to happen when they abandon a cart and what will annoy them
- Examine key components of the shopping cart and cart abandonment strategies



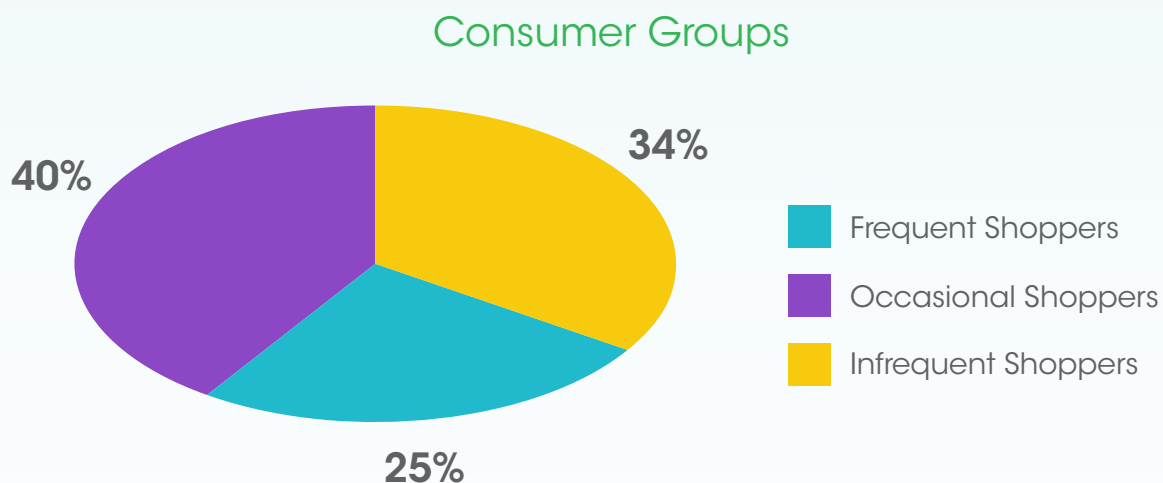
Methodology

Bronto Software and Magento partnered with Ipsos to survey online shoppers about their interactions with online shopping carts, cart abandonment and post-abandonment reminder emails. The study was conducted in August 2013 and consisted of 1,003 consumers in the United States who shopped online within the past 12 months. Respondents who had not made a purchase online were excluded from the study and are not included in the sample size or resulting analysis.

Assuming that awareness of shopping cart functionality and related marketing strategies would vary based on frequency of online purchases, qualifying respondents were divided into three groups based on how often they buy online. These groups - Frequent, Occasional and Infrequent Shoppers – will be referenced throughout this report. Additionally, results and analyses of the entire population of respondents will be occasionally presented in aggregate.

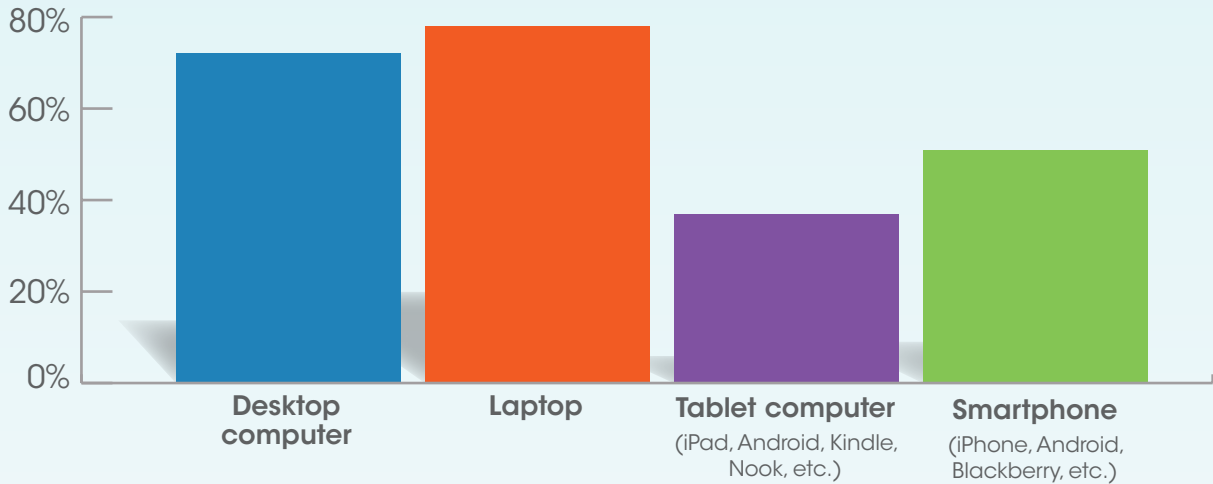
Consumer Group	Online Shopping Frequency	Percentage of Sample
Frequent Shoppers	Daily or Weekly	25%
Occasional Shoppers	Every Couple Weeks / At Least Monthly	40%
Infrequent Shoppers	Less than Once per Month	34%

Respondents were rather evenly distributed with **Frequent Shoppers, those purchasing daily or weekly, representing 1 in 4 consumers.** As this research is reviewed, it will be important to consider that **65% of consumers are purchasing online at least once per month.**



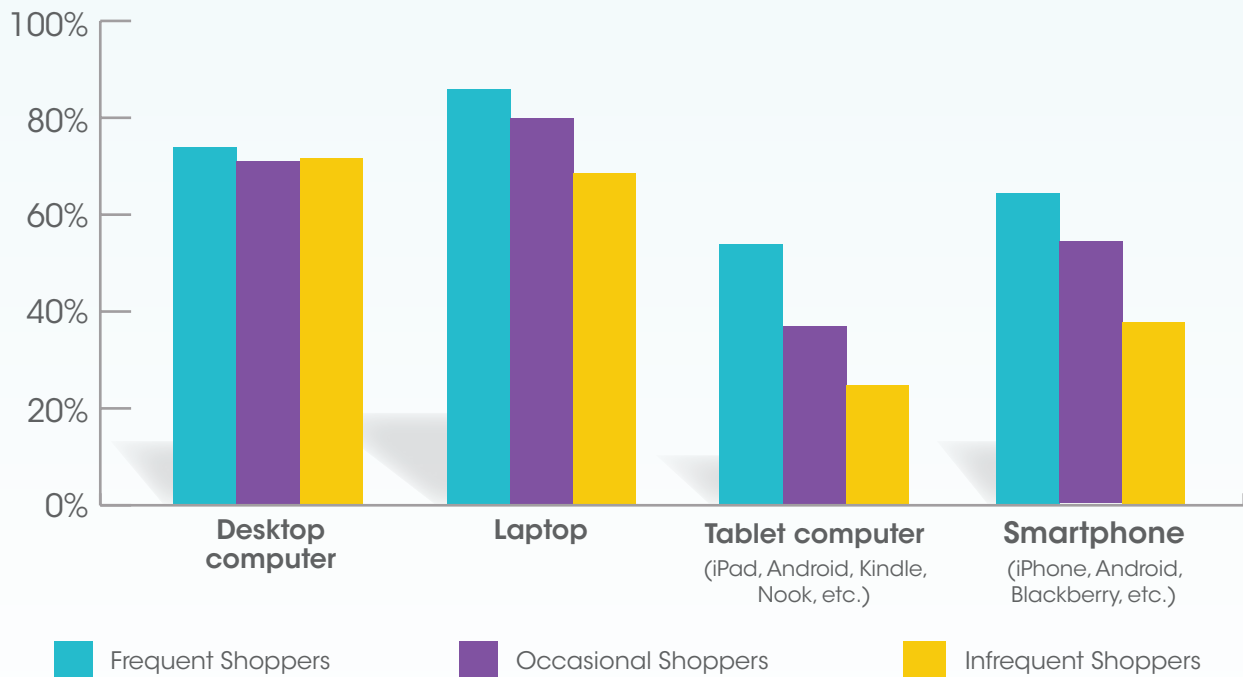
The sample is well connected, with laptops being the most commonly owned device for the overall online shopper population. **More than half of the consumers (51%) own a smartphone while only 37% own a tablet computer.**

Which of the following do you have in your household? Please select all that apply.



With the exception of desktop computers, the most active shoppers (Frequent and Occasional shoppers) own more devices than Infrequent Shoppers. Smartphone ownership varied the most across the shopper categories, and only 38% of Infrequent Shoppers own one. Being the most connected, **nearly two-thirds of Frequent Shoppers (64%) own a smartphone and over half (54%) own a tablet.** As the data in this report is reviewed, multi-device shopping and the methods consumers prefer for transferring the shopping experience between online and in-store will be detailed. It is important to understand how device ownership scales based on online purchasing frequency as the report progresses.

Which of the following do you have in your household?



Shopping Cart Behaviors

Gone are the days when launching an advanced, finely-tuned shopping cart required massive amounts of time, resources, technology, costs and multiple partners. Marketers can now launch, test and customize the shopping cart experience on the individual consumer level. This benefits the consumer by providing a smooth, consistent shopping experience while allowing the marketer to guide the customer toward completing the order and decreasing the risk of shopping cart abandonment. Even when the carts are abandoned, marketers are able to send highly-targeted email messages to the shoppers encouraging them to revisit the cart and complete the orders.

As consumers have become more technologically sophisticated, awareness of how behavioral and profile data are used by retailers to customize and personalize the online shopping experience surely influences shopping and purchasing decisions. Consumers are aware that the shopping cart is not simply a step in the path to purchase, rather it is a fork in the road that provides options to summarize, modify or save their selected items. Each of the following behaviors, which scale from the most practical cart functionalities to the more advanced, device and channel shopping behaviors, were presented to consumers and the results will be explored in detail in this section.

How frequently do you use the online shopping cart for the following purposes?

- Summarize my purchase so I can decide which items to buy
- Save items to buy later
- Build a wish list of items to shop later
- Store items to view on a different device
- View products on a mobile device while shopping in a store

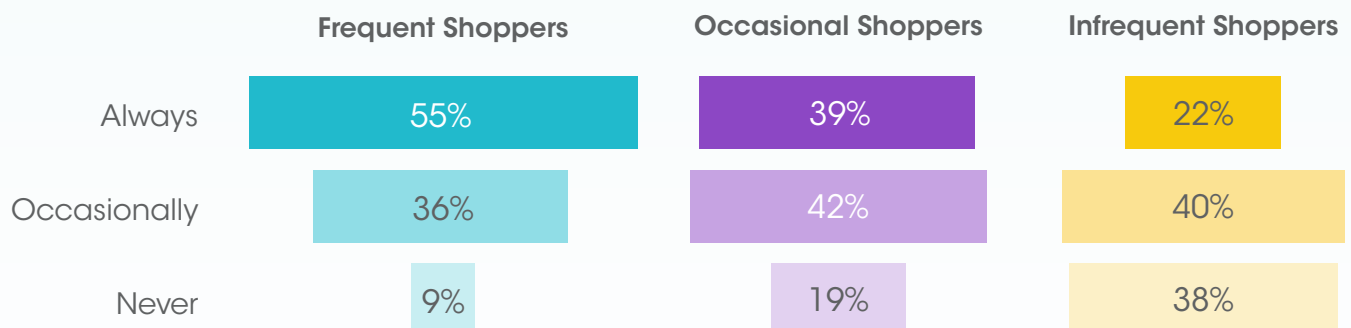
Summarize my purchase so I can decide which items to buy

A consumer's cart will show carted items, quantities, costs and other purchase details. While part of every online order, the perceived function and capabilities of the shopping cart will vary based on a consumer's perspective.

More than half of Frequent Shoppers (55%) always use the shopping cart summary as a way to make a final purchase decisions. Providing options to modify carted items, like changing sizes, colors, or quantities, can help the consumer to quickly navigate the decision making process without becoming frustrated or overwhelmed and abandoning the cart.

Occasional Shoppers and Infrequent Shoppers are less likely to use the cart as an extension of the purchase decision process. Forty-two percent of Occasional Shoppers will only occasionally use the cart for this purpose while **38% of Infrequent Shoppers will never use the cart summary to make their final decision.**

How frequently do you use the online shopping cart to summarize your purchase so you can decide which items to buy?



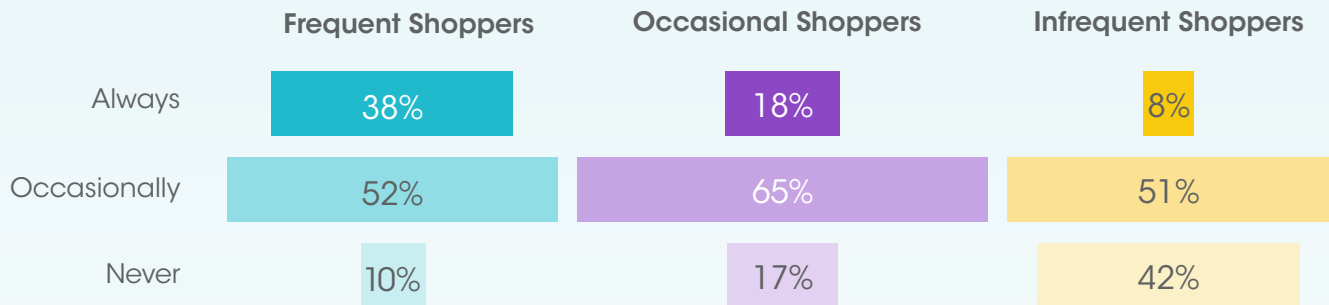
Save items to buy later

Many consumers are aware that, unlike shopping in a brick-and-mortar store, a shopping session does not end when exiting an online store. A consumer can have many reasons to want to wait to complete an order. Shopping anxiety, comparison shopping, wanting to watch product videos or read reviews is just a short list of reasons shoppers may want to save their carts before buying.

The data shows that this behavior is only occasionally used by all consumers irrespective of their shopping frequency. It's worth noting **that nearly half (42%) of Infrequent Shoppers will never store items in their cart for a later purchase**, making efforts to complete the order within the shopping session even more essential.

While most Frequent (52%) and Occasional Shoppers (65%) will only occasionally use the cart to store items, a significant percentage of these consumers use the shopping cart in this fashion each time they shop. Combined, **56% of consumers who purchase online at least once a month are using the cart to store items to buy later**. Targeting these frequent shoppers and anticipating the need to store items can help save sales even though cart abandonment rates would stay the same.

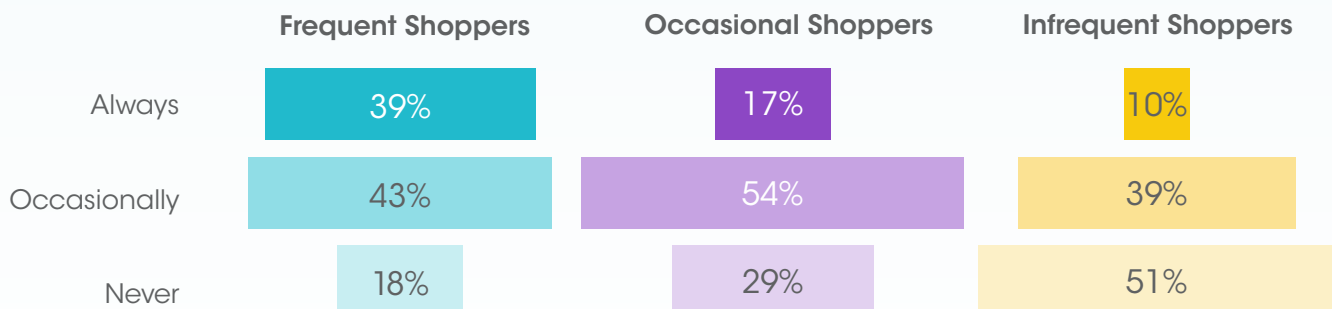
How frequently do you use the online shopping cart to save items to buy later?



Build a wish list of items to shop later

One strategy to help decrease abandonment once a cart is shown, costs are totaled and the checkout process begins is to offer shoppers an option to save the items to a wish list. The total costs of an order including taxes and shipping may result in sticker shock. Offering a wish list tool can help calm the nerves of a penny-pinching shopper by letting them know the items can be saved for a later date. The shopping-cart-to-wish-list conversion is more likely to occur with Frequent Shoppers. **Eighty-two percent of Frequent Shoppers will always or occasionally build wish lists**. It's worth noting that more than one in four Occasional Shoppers (29%) and over one-half of Infrequent Shoppers (51%) will never use a wish list. Prominent references to a wish list option can be included for returning customers, while this vital check out process real estate can be utilized in a different way for those customers who buy less often.

How frequently do you use the online shopping cart to build a wish list of items to shop later?



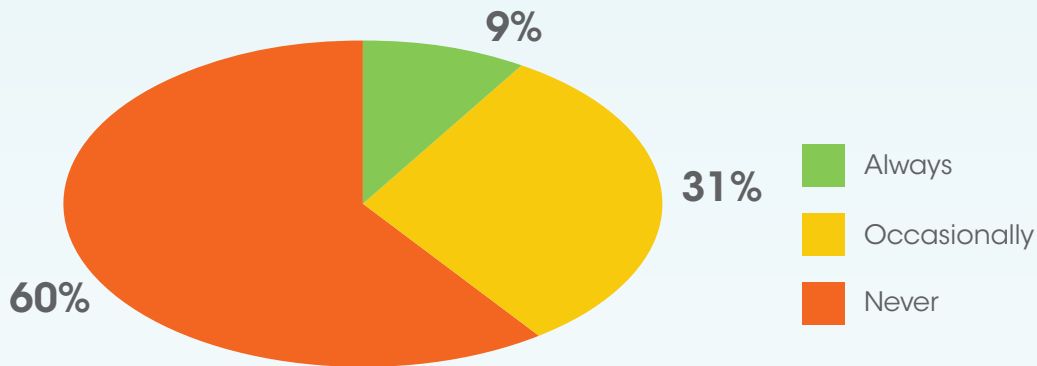
Store items to view on a different device

The shopping experience is no longer locked down to a personal computer. Shopping and actually completing an order on a mobile device has quickly become a common part of consumer behavior.

Though it is part of any mobile check out process, the shopping cart can also be used as a tool to transfer carted products and related information between devices. Perhaps a consumer is carting a few items during his lunch break at work but he wants to spend more time researching at home on his tablet while watching television. As shown in the previous section, consumers are using wish lists and the shopping cart to store this information while, according to a study by Google and Ipsos, 45% of consumers will use more manual methods like bookmarking products or emailing a product page link to themselves to make this transition. Facilitating this transfer of product information within the shopping cart will help keep the shopper on your site and engaging with your brand.

While only 31% of all consumers studied will occasionally store items to view on a different device and another 9% will always do so, this number can be expected to increase as mobile devices continue to become more sophisticated and eagerly adopted by consumers and integrated into the shopping experience and marketers improve the connection between devices.

How frequently do you use the online shopping cart to store items to view on a different device?



Nearly 1-in-5 Frequent Shoppers (19%) will use a mobile device to view products stored in their carts. As stated earlier in this report, ownership of mobile devices is higher with Frequent Shoppers, so this behavior is expected to be more common than it is among Occasional and Infrequent Shoppers. Even with that considered, the percentage of shoppers who will always view shopping carts on a mobile device should solidify the point that shopping carts and the checkout process must be optimized for these devices. Sixty percent of Occasional Shoppers never view carts on mobile devices, which means marketers could benefit from generating awareness about functionality and ease-of-use of mobile shopping and checkout.

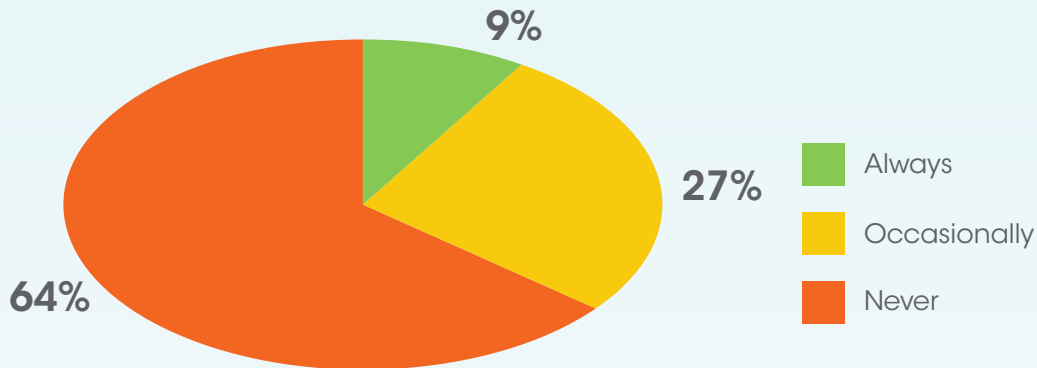
How frequently do you use the online shopping cart to store items to view on a different device?



View products on a mobile device while shopping in a store

Shopping cart functionality can be extended to connect online and in-store channels. As illustrated in the previous sections, consumers are using their shopping carts to store items and then transfer that shopping data between devices. **Over one-third of consumers (34%) reported utilizing product information saved on a mobile device while shopping in a brick-and-mortar store location.** As more sophisticated yet easy-to-use tools are literally placed in the hands of consumers, this behavior should be expected to increase.

How frequently do you use the online shopping cart to view items on a mobile device while shopping in a store?



Even Infrequent Shoppers, nearly all of which (78%) never exhibit this behavior, might potentially use online stores as a pre-shopping tool for their in-store purchases. While the majority of consumers may not channel and device hop at the same time, it is worth noting that **58% of Frequent Shoppers report always or occasionally taking online shopping information into a physical store location.** Anticipating this behavior for your most active shoppers can help you to direct them to their preferred channel to complete an order or gather additional product information while also helping you to attribute specific marketing channels as sales drivers and purchase influencers.

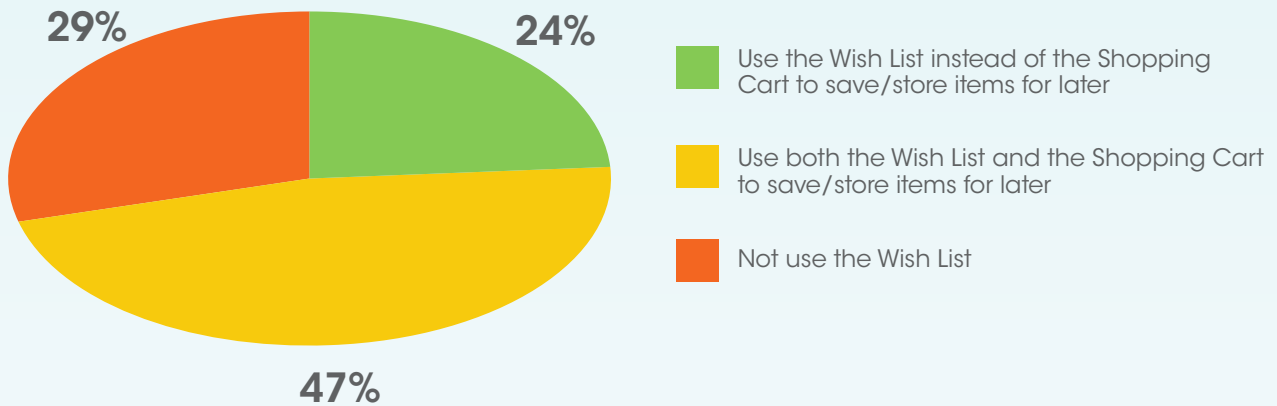
How frequently do you use the online shopping cart to view items on a mobile device while shopping in a store?



Wish Lists

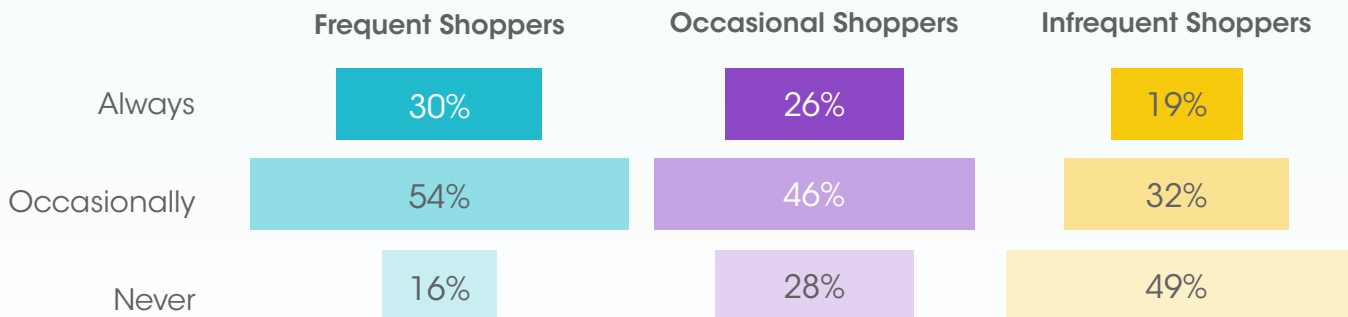
Providing a wish list option in addition to just saving the shopping cart can help decrease shopping cart abandonment. When asked what they would do if their favorite brand offered a wish list in addition to a shopping cart, **many consumers (24% of the total sample) would use a wish list option instead of the shopping cart to store items for later.** A larger population, 43%, would use both the wish list and shopping cart in tandem.

If your favorite brand offered both a Wish List and a shopping cart, would you:



When viewed by shopping frequency, active shoppers (Frequent and Occasional) are more likely to use both wish lists and shopping carts. The lack of awareness of the distinction between the shopping cart and a wish list could lead to consumers not being informed about how products will be saved and reviewed later, confident enough that the information will be properly stored, or understanding of the benefit of taking either action. Sending an email dedicated to highlighting the features and capabilities of a wish list tool will help inform consumers and build confidence in the tool while providing marketers with a distinct way to market to the potential customer by distinguishing efforts between an abandoned cart and a saved wish list. For example, a wish list may offer important date reminders like birthdays, anniversaries or pay day. Wish list follow-up emails could be triggered based on these dates rather than when a cart was abandoned. The tone and timing of these two messages differs significantly. Wish lists can give consumers more control over when they will receive a reminder email and give the marketer a more specific way to speak to the potential customer.

If your favorite brand offered both a Wish List and a shopping cart, would you:



Post-Shopping Cart Abandonment Expectations

Abandoned shopping cart reminder emails are an essential part of any email marketing program. Marketers know that shopping cart abandonment rates continue to climb. Abandonment rates range from 70-80% and conversion rates from abandoned shopping cart reminder emails can easily exceed 20%. Marketers know that these automated messages, which are triggered after a shopper has left items in a shopping cart, will help boost sales and can be executed in a way that provides a service to the shopper.

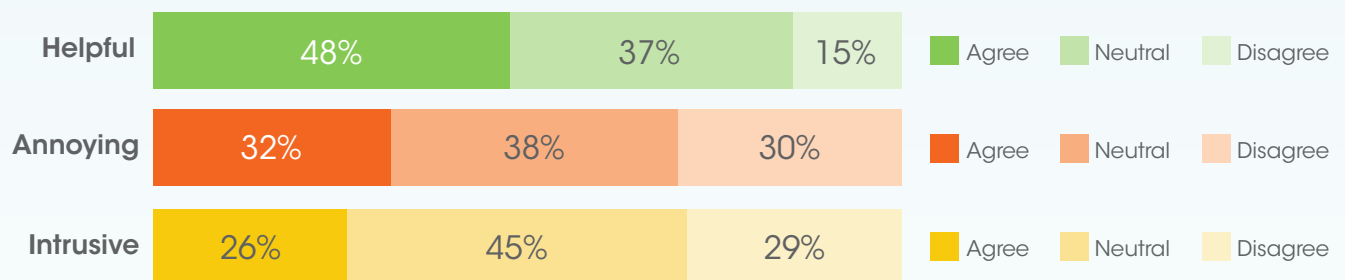
However, do consumers share this enthusiasm for post-shopping cart abandonment messages?

Helpful, Annoying or Intrusive

Nearly half of all consumers find shopping cart abandonment reminder emails helpful. Excluding the expectation of even receiving the message (which is detailed later in this report), this illustrates that once the message is received, the consumer understands the value. Many marketers are concerned that consumers will find the shopping cart abandonment reminder email and use of their shopping data as intrusive. Consumers' comfort level seems to refute that preconceived notion with **74% of consumers either feeling neutral or disagreeing that the cart reminder emails are intrusive.**

It is important to consider these emails as an additional message in the ongoing cadence of promotional and other automated messages such as a welcome series and transactional messages. Over-emailing can cause some consumers to be annoyed. Thirty-two percent of consumers find cart abandonment messages to be annoying. Balancing content and timing, which are detailed later in this study, can help increase the perceived value and comprehension of the message, thus potentially reducing the feeling of annoyance.

I find notifications reminding me about items in my shopping cart to be...



When examined by online shopping frequency, more than half of the most active shoppers, Frequent (59%) and Occasional (51%), agree that shopping cart reminder emails are helpful. Compared to the overall data, Frequent Shoppers seem to better understand the value of these messages and usage of shopping data, with 37% disagreeing that the messages are annoying and 35% disagreeing that the messages are intrusive.

While overall demonstrating a lack of interest and enthusiasm for advanced shopping cart functionality and cart abandonment reminder emails, Infrequent Shoppers generally feel neutral about the messages. This should provide some insight into what is probably a lower risk of abuse complaints, customer service issues and unsubscriptions than one might assume would be the reaction of the less interested population of Infrequent Shoppers.

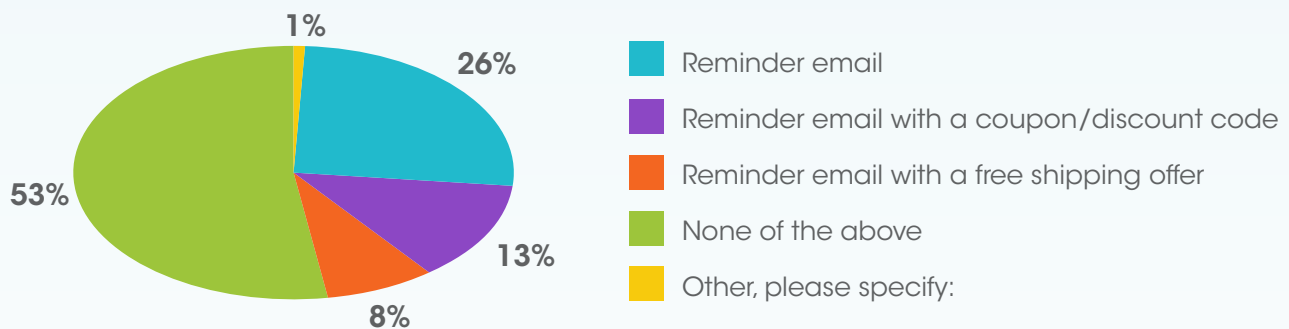
I find notifications reminding me about items in my shopping cart to be...



Abandoned Cart Reminder Email Expectations

The data shows that 53% of consumers do not expect to receive an abandoned shopping cart reminder email after they have stepped away from a shopping session. Of the 46% who do expect an email, **only 21% expect the shopping cart abandonment reminder email to include an incentive.** Twenty-four percent of consumers expect an abandoned shopping cart email to only serve as a reminder about items in the cart. Targeting consumers who expect an incentive can help save the potentially lost sale, while having a better understanding of those who only need a reminder will ensure the full order amount is realized.

After you abandon a shopping cart, do you expect to receive any of the following?



The notion of being *unexpected* is different than being *unwelcomed*. As stated above, abandoned shopping cart reminder emails resonate with consumers and drive revenue for the marketer. When analyzed by online shopping frequency, all three consumer groups expect to receive a reminder email without an incentive more often than receiving an email with a discount or offer. Expectations for a discount are higher among the more active shopping groups. Timing the inclusion of an incentive to the second message of an abandoned cart reminder email series could help to meet the first expectation of no incentive and not feel the negative effects of a discount on the total order value. Adding controls to not send an incentive each time a consumer abandons a cart will also help to keep this expectation static and not train consumers to intentionally abandon just to receive a discount.

After you abandon a shopping cart before making a purchase do you expect to receive any of the following?

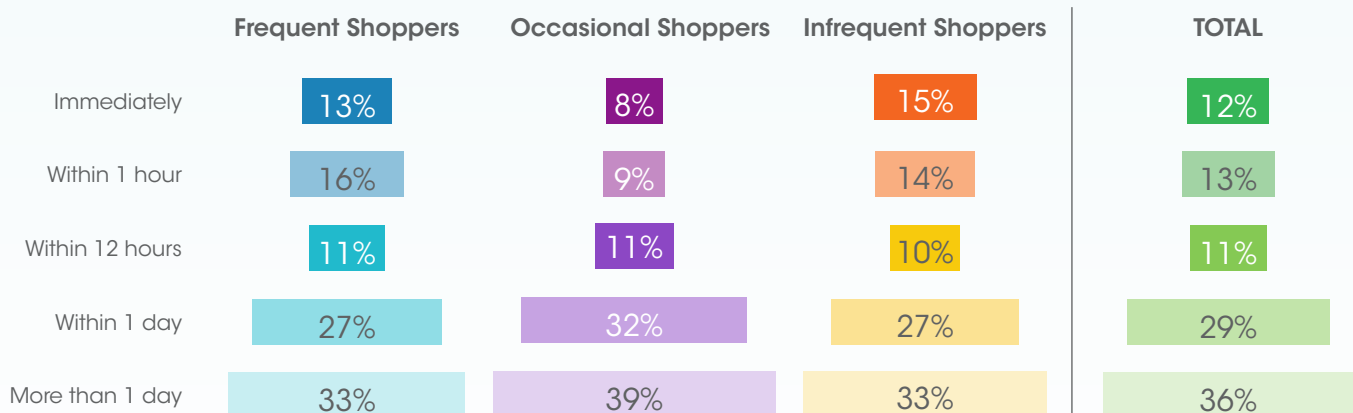


Timing the Reminder Email

Timing is everything, and so is balancing expectations with reality. Whether viewed in aggregate or on the individual online shopping frequency level, the data shows that consumers expect to receive abandoned cart reminder emails more than 24 hours after abandonment. Many marketers have seen great success by narrowing the window of time between abandonment and triggering the abandoned cart reminder email. In Bronto's study, *"From Abandon to Conversion: Why Shoppers Abandon Carts and What Merchants Can Do About It,"* the average time between cart abandonment and receipt of a cart reminder email is 30 hours, though some brands send as soon as 45 minutes or as late as 3 days after abandonment.

This imbalance between consumer expectations and what the marketer knows to be successful should not be seen as a disconnect, but as fertile ground for testing. There is no "magic hour" to trigger abandoned cart reminders, and engagement metrics may vary based on seasonality or past-purchase behavior. A first step would be to analyze current abandoned cart reminder data and test shorter and longer durations with the current timing as a control. Do not assume the results will reveal one answer. Considering the revenue-generating potential of abandoned cart messages, it is worth the time to identify any shopper profiles, like those used in this analysis, which responded differently to the various timing ranges.

Cart Reminder Email Timing



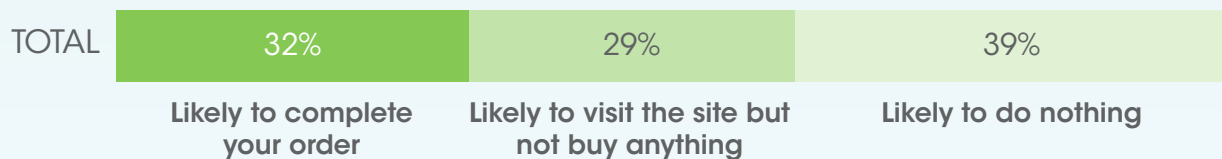
Shopping Cart Abandonment Emails

As shown in the previous section, consumers do not always expect to receive an abandoned cart reminder email, but the good news is that they are likely to return to the cart if they receive the email.

Bringing Them Back

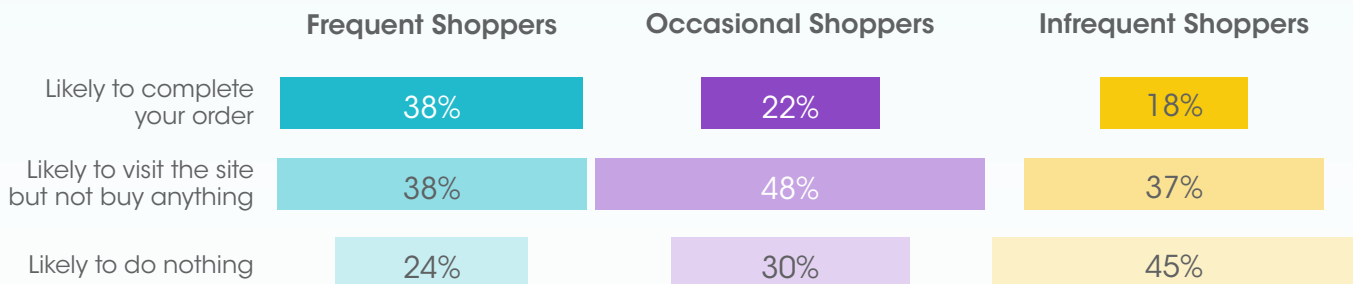
While **61% of all consumers report they are likely to return to your site after receiving an abandoned cart reminder email**, it is up to the marketer to convince the other 39% to do so. Only 32% of consumers are likely to buy based on the cart reminder email alone. Ensuring a consistent, streamlined experience after the consumer clicks out of her inbox and back to her cart can help to increase the likelihood that she will purchase.

After receiving a notification reminding you about items in your shopping cart, would you say that you are...?



When analyzed by online shopping frequency, the most active shoppers (Frequent and Occasional) tie at 38% as the most likely to complete an order after receiving an abandoned cart reminder email. For the 48% of Occasional Shoppers who state they are likely to return to the cart but not buy, you can help encourage the sale by delivering a more customized and personalized experience and communicating the value proposition of buying from your brand (return policies and loyalty programs for example). For the 45% of Infrequent Shoppers who are likely to do nothing after receiving an abandoned cart reminder email, focusing efforts on building a more targeted reminder email that includes content that speaks directly to this population is vital.

After receiving a notification reminding you about items in your shopping cart, would you say that you are...?



Building the Message

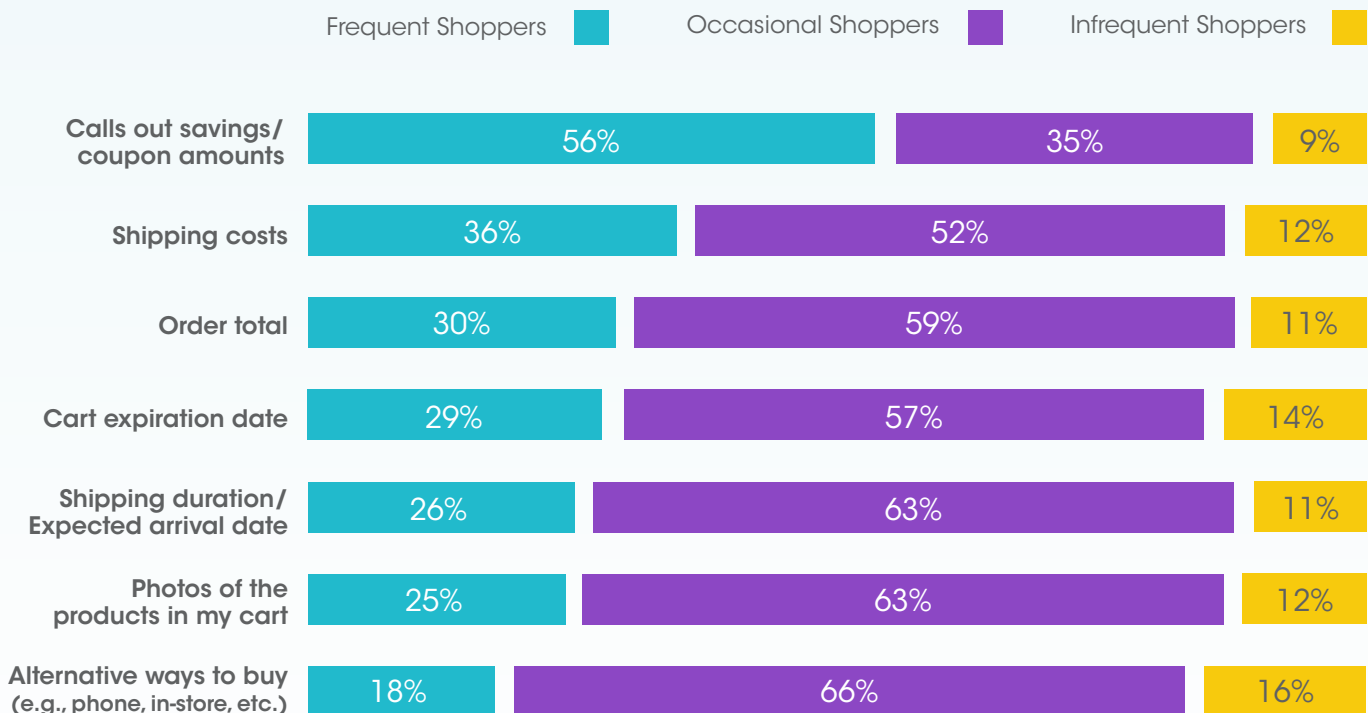
Including content that resonates with the shopper will help him to understand the intention of the email, clarify any confusion and encourage him to return to the cart to complete the order. Consumers were asked how various content elements would influence them to return to a site to complete an order.

As one may expect, **56% of online shoppers believe highlighting special saving or discounts was the strongest influencer of getting an abandoner back into the shopping cart.** For 36% of consumers, including shipping costs within the abandoned cart reminder email is the second most influential content element. Note that there is a 20 percentage point gap between the top two “more likely” content elements.

The majority of content elements neither encourage the consumer to continue to stay away from the cart nor continue shopping. Excluding the use of coupons in the message, the percentage point spread of neutral content elements is rather narrow, though the most influential of the neutral content elements is featuring alternative ways to buy. As marketers anticipate the adoption of mobile devices, consumers expect a seamless cross-channel experience among those devices. This expectation of carrying the cart into a store location or using the abandoned cart reminder email to call a customer service number and complete the order could help increase engagement and save potentially lost sales. Simply asking the consumer to return to the online cart may not be enough.

Curiously, alternative purchasing methods was the most negative influencing content element, though, as with the neutral content elements, the spread is narrow. Including the cart expiration date, commonly included to evoke a sense of urgency to complete an order, was in the middle of the pack for the neutral group, though second among the negative influencers with 14% of consumers reporting that the expiration date would make them less likely to return to the cart.

If you were to receive an email or other notification reminding you about the items left in your cart, how likely would you be to return to the site to purchase if that notification included...?

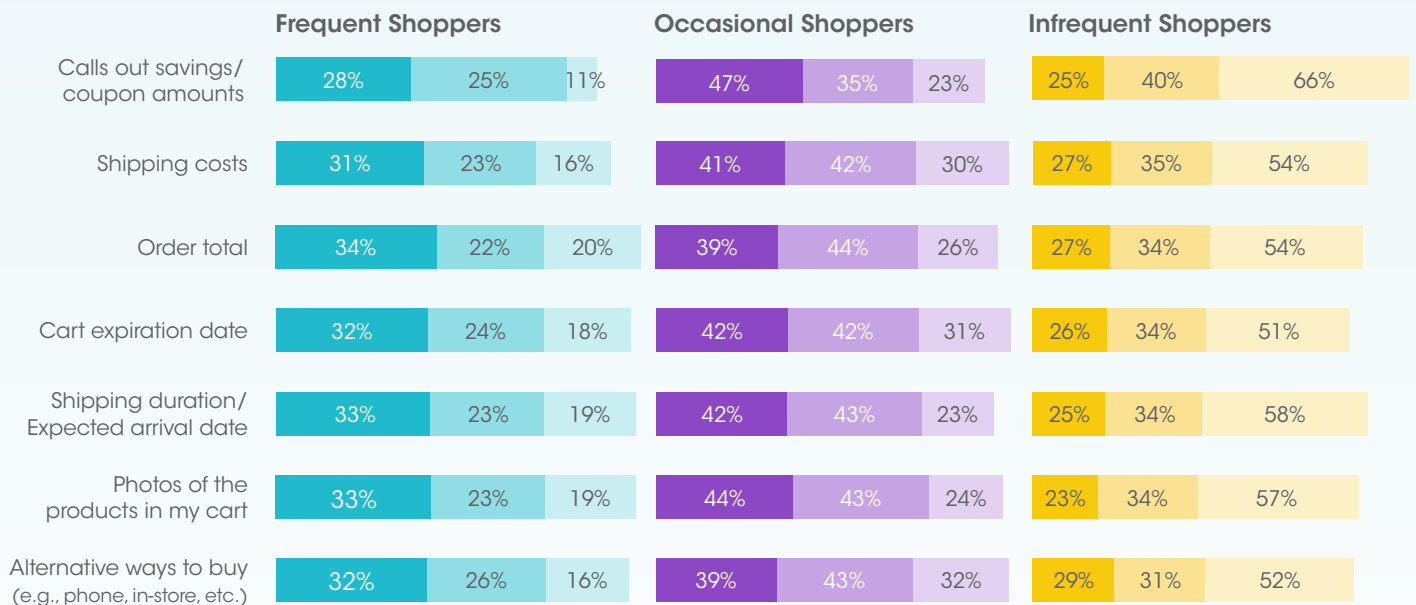


An interesting pattern emerges when the abandoned cart content elements are further examined by online purchase frequency. Clearly, abandoned cart reminders are not a one-size-fits-all email. Frequent Shoppers take the kitchen sink approach by reporting that the inclusion of all content elements will increase the likelihood of clicking through and completing an order. While the spread for all content elements is narrow, **34% of Frequent Shoppers believe including the order total is the most influential**. An assumption could be made that the original abandonment from Frequent Shoppers is likely from the reveal of the order total. Interestingly, Frequent Shoppers reported featuring discounts or savings as the least important of the positive content elements within an abandoned shopping cart email reminder.

Occasional Shoppers reported a broader mix of content element influence. While the majority of content elements were perceived as neutral, featuring special savings (47%) and product photos (44%) are the two content elements that should be targeted to the occasional shopper to get them back to the cart.

In contrast, all content elements will make Infrequent Shoppers less likely to return to the cart. Oddly, highlighting coupons or special savings is the least effective of all content elements. Consumers who do not shop online often, or may be new to your brand, could perceive the discount as too aggressive. Featuring an alternative way to complete an order is the content element (29%) that is most likely to get Infrequent Shoppers back to the cart.

If you were to receive an email or other notification reminding you about the items left in your cart, how likely would you be to return to the site to purchase if that notification included...?



Summary

The online shopping playing field has been leveled. Consumers are more connected than ever and understand that behavioral and profile data will be used to customize their shopping experiences. The degree to which that data is used and the perception of whether the application of that data helps or intrudes on the consumer is the balance marketers and consumers must work to achieve with each other.

The purchase funnel significantly narrows once the consumer enters the shopping cart. The consumer begins to share personal information while the marketer is getting closer to getting the sale. This logically means that the conversation will become more intense, personal and hopefully beneficial to both consumers and marketers.

In this report, consumers who shop with various frequencies have shared what they expect to happen when carting, checking out and abandoning on your site. Facilitating the process and enhancing the experience by encouraging consumers to use traditional computers and mobile devices interchangeably while shopping and buying online and in-store, providing ways to store carted products until it's time to buy and offering tools like wish lists for gifts and aspirational items will help you to decrease abandonment rates while providing a superior shopping experience.

Once cart abandonment occurs, attention must be paid to the consumer's expectation of receiving a cart reminder and the content therein. Knowing your customer is a fundamental part of every marketer's job. For years, data-driven reports and analyses have given you tools to better understand trends and anticipate consumer behaviors and then target accordingly. The consumer's voice presented in this report can be used in tandem with such data to help you develop a full-circle approach to maximizing sales and earning loyal, repeat customers.

About Bronto



Bronto Software provides a cloud-based marketing platform for retailers to drive revenue through their email, mobile and social campaigns. The leading self-service email marketing provider to the Internet Retailer Top 1000, Bronto is used by top brands worldwide, including Armani Exchange, Timex, Samsonite and Gander Mountain. The company is headquartered in Durham, NC with an office in London, UK. For more information, visit: bronto.com

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About Magento



Magento offers flexible, scalable eCommerce solutions designed to help businesses grow and succeed online. The Magento platform is trusted by more than 150,000 businesses, including some of the world's leading brands. Customers choose Magento because our cost-effective solutions enable businesses of all sizes to control and customize the look and feel, content, and functionality of their online stores.

Magento is part of eBay Inc., a global leader in commerce technology. Our relationship enables us to offer our customers, partners, and community members a wealth of experience and resources in commerce-related technologies, as well as access to world-class, branded capabilities from eBay Marketplaces, PayPal, eBay Enterprise, and others.

To learn more about how Magento Enterprise Edition is helping merchants grow their online businesses, visit: www.magento.com/enterprise