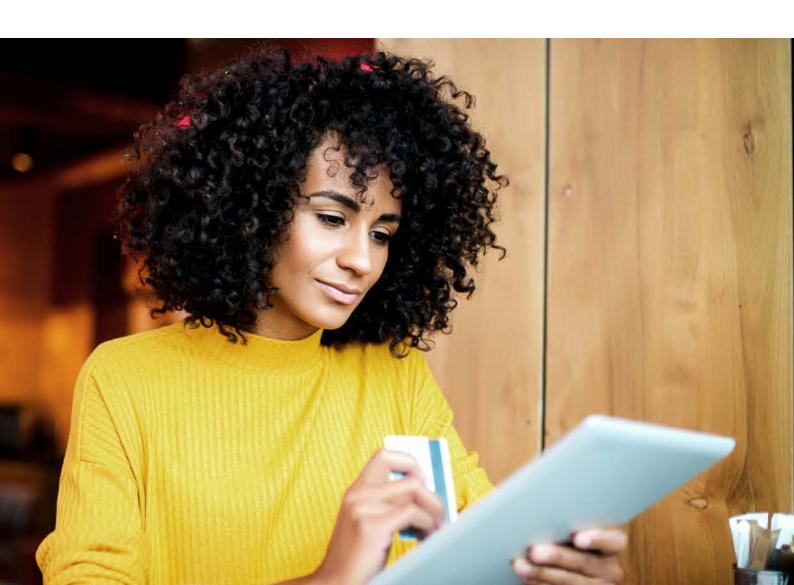


DTC GUIDE

### Cart abandonment: How to guide customers through successful checkout





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### Introduction

Cart abandonment is the most pressing challenge for DTC and e-commerce businesses. Everyone struggles with abandoned carts no matter the product line or business size.

In fact, about 70% of customers won't complete their checkout. Why is this the case?

The reality is that there are dozens of reasons why a customer could abandon their cart. Some of them may have simply forgotten about it, while others might be comparing prices with a competitor. But those examples are minor compared to the majority of cart abandonment instances: They aren't interested enough in the product—they don't know enough about how the product works or how it will personally help them.

So, while the DTC landscape has evolved to achieve high profitable growth, many companies are also constantly looking for ways to combat high cart abandonment.

We met with <u>Eli Weiss</u>, Senior Director of Customer Experience and Retention at Jones Road Beauty, to talk about that very problem.

- What's going through consumers' minds during their website journey, and why do they abandon their carts?
- How can we find those answers, and what can we do about it?
- How can we personalize our messaging for each of our consumers to get them to purchase?

CHAPTER ONE

## Typical purchase journey and where hesitations come in

To solve cart abandonment, the first step is to understand at what point in the buyer journey do your customers abandon their cart and why.

Let's start with the why – Different reasons a customer might come to your website:

- Paid campaign An ad interested them enough to learn more about your product
- Online search A simple online query for a specific kind of product pulls up your product as an option, which leads them to your website
- Word-of-mouth A direct recommendation from a friend or family member
- Past experience Previous knowledge or experience with your brand and wanting to browse the products you offer. Alternatively, they know exactly what they want to order and go directly to that item

Mapping the buyer journey: If someone first learns of your product or company from a social media ad, this is the journey they'll likely go on:



But, at any point during this journey, shoppers can decide to abandon their carts. So, what can you do about them?

CHAPTER TWO

# Actions to eliminate hesitations in the buying journey

### Solving cart abandonment: The Dos

Lack of personalization, communication, and education are the top reasons for cart abandonment.

DTC brands can only be effective with personalization by truly understanding what their customers want. Therefore, the most important thing to do when attempting to solve abandonment rates is to talk to your customers.

Eli summarizes a couple of common things he hears from customers, with some advice on how to solve them:



### One-on-one communication in a valuable, personal manner:

Emails are a great way to share information and educate your customers. According to Statista, the number of <u>global e-mail users</u> is expected to reach a total of 4.6 billion by 2025. But, many still perceive email communication as too generic or bland.



### **Solution**

"Consider sending out plain-text emails that come from—or appear to come from—an employee at the company. Plain text feels much more personal than a designed email that was likely sent to hundreds of people, if not more," says Eli.

Similarly, personalized emails based on an action taken by the shopper on your website can deliver a higher conversion rate. For instance, if a shopper has added an item to their wishlist, it's good practice to send a reminder mail a few days later letting them know that they have an item waiting on their wishlist. Such emails can trigger an action leading to conversions or in some cases brand recall for any future purchases.

Other such triggered emails include an unattended item in the cart, purchasing a related item, or replenishing stock, leading to repeat purchases—all these can deliver higher conversions.



### Share content that's not just informative but also offers a solution

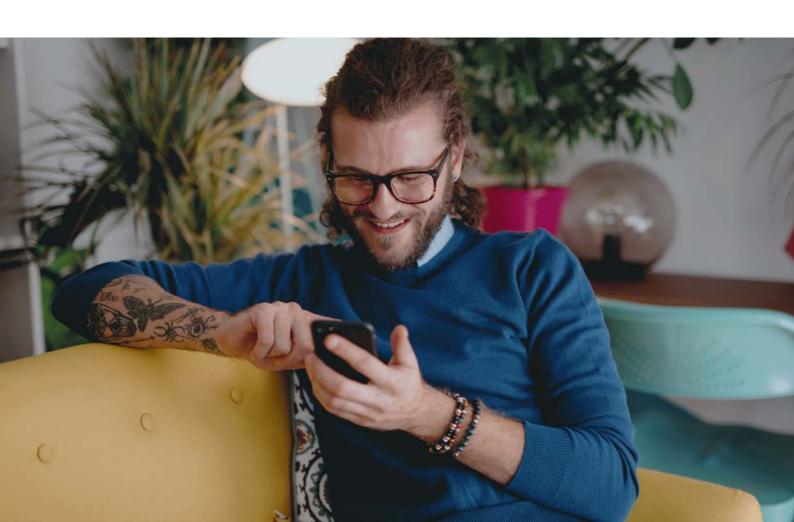
Lack of education on the product and how it can benefit them can be a significant reason for cart abandonment.



### Solution

Be aware of the customer's buyer journey and provide as much information as possible at every stage. "Build in areas throughout the buying journey to educate consumers on the product—what it's meant to do, what it solves for, and how it's already helped other consumers like them. This way, you address their needs and challenges and provide a proven solution," says Eli.

If you're not sure where to add these educational experiences, it's a safe bet to introduce the value of your product as early as possible in the buyer journey. Conversational marketing using live chat or chatbots is a great way to engage with customers. SMS is also an effective way to share relevant information with your customers. In fact, SMS marketing yields open rates as high as 98%, with a clickthrough rate of 25%.



### 3

### Be responsive to your customers' needs

Lack of education on the product and how it can benefit them can be a significant reason for cart abandonment.

"The biggest mistake brands make, no matter the size, is not talking to their customers. No company knows everything about its customers. You don't need a fancy study group to figure out more about customers; get on the phone and talk to some of them," says Eli.

What you learn from customers during those conversations or while reading survey results will prove incredibly valuable as you start to brainstorm on cart abandonment campaigns.

Eli adds, "[You can] Run smaller surveys. Ask customers why they almost didn't purchase or what holds them back. Marketers love numbers, but qualitative is just as important as quantitative."



### **Solution**

Leverage the information your customers give you through surveys, quizzes, or similar methods. You can do this manually, or you can implement software to help with sending those surveys out.



### Create personalized content that is relevant and relatable

As a DTC brand, you need to track your buyers' journey and understand at which point they drop off. These are your cues to catch their attention without being overbearing. Solution: Consider using product recommendations or sending targeted messaging via email or SMS asking them to revisit the site and why.

### Solving cart abandonment: The Don'ts

All of the "don'ts" for cart abandonment solutions revolve around motivation for a quick win. Quick wins and short-term money aren't the way to grow your business or earn your customers' trust.

"A business' motivation is whatever makes them long-term money. If an ad makes the business \$5 today but the customer never comes back, then they gain nothing," says Eli, "You have to have a long-term vision around what your KPIs look like. I would rather spend \$30 if that customer then goes on to buy from us three more times."

### Eli shared the biggest "don'ts" with us:



### Solely relying on discounts

"Discounting is a really low item on the hierarchy of needs. Even when customers say their main concern is price, that's not necessarily true," says Eli.

"The misconception around price is that a product is too expensive, but the true problem is the lack of product value, vision, or benefits the customer receives with the purchase," says Eli.

Plus, discounting might not necessarily be possible. He adds, "In the current climate with online shopping, most brands don't have the margin to continually discount products."



### Missing out on providing value to the consumer

The biggest detractors for consumers are being unclear about the value of the product—in relation to the price, of course—or not feeling like the product is actually a good fit for them after all. Both of these things are often due to a lack of education from the product page and the product journey.



### **Solution**

Keep your website updated with all the information related to your products—the benefits, price, shipping, return policies, etc. Engage with your customers on multiple platforms and share educational content that your customers resonate with.



### Neglecting to provide a long-term solution

DTC brands should be careful not to assume that if a consumer doesn't want your product now, they wouldn't want it later. Continuous education and communication are important to stay engaged with your customers.





### Sharing incomplete or non-actionable communication

Another mistake many brands make is sending out irrelevant or half-baked communication or messages. In the case of abandoned carts, Eli says, "The worst case scenario is what cart abandonment has turned into – which consists of messages like: 'Hey, you left this product in your cart. Did you forget it?' Of course, I know I left that in my cart. That message doesn't provide any additional value," says Eli. That kind of communication often feels like a nuisance, and it doesn't make an attempt to find out why the customers have left an item in their cart.

Remember the more common reasons for cart abandonment: lack of education, unclear value prop, and a disconnect between the marketing for the product and the product itself.

Use this abandoned cart instance in your buyer's journey to research and gather more information on how you can serve them better—talk to your customers, engage to find their reasons using polls or a simple form, and then create cart abandonment emails that address those concerns instead.



### It's time to lower your cart abandonment rate and improve the shopping experience

You don't have to accomplish that alone, though. Every great marketing program and marketing team needs the right tools to support them.

The lesson is clear: solving cart abandonment isn't just about discounting or temporary, short-term solutions. As a business, you need to refocus on how you value and learn from your customers in order to improve your abandonment rates over time.

<u>Freshmarketer</u> can help you grow and engage your customers with the personalized buying journey. <u>Request a personalized demo for Freshmarketer today</u> to get started.



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