Mitigating Abandoned Carts Through Digital Engagement

A Celerant Technology Corp. White Paper
By Zeke Hamdani, Director Of Web Services, Celerant Technology Corp.
How real-time engagement and remarketing thwart E-Commerce cart abandonment.

In the early days of E-Commerce, omnichannel retailers went to great lengths to create store-like atmospheres on their Websites. Back then, careful attention to product presentation, transaction flow, brand presence, and establishing trust were the keys to creating a comfortable online shopping experience for a somewhat tentative consumer base.

Little more than a decade later, the tables have turned. The convenience of the digital commerce experience has improved to the point that retailers are actively seeking to create in-store experiences that are as pleasant and effective as those found online. That’s why stores are so eager to develop interactive digital touch points that mirror the online experience, and it’s why they’re implementing in-store technologies that mimic the ease with which consumer data can be collected online.

And yet, stores still have a certain sales advantage over sites, an advantage that isn’t so tech-centric after all. They have associates. And the presence of associates—and more specifically, engaged associates— aids conversion. According to a 2012 Price Waterhouse Coopers report on associate engagement, improvements in employee engagement led to 34 percent performance gains and, on average, 20 percent of their year-over-year growth. The logic is simple; associates who do their jobs well—and with a positive attitude—can move consumers from discovery to purchase. As it relates to E-Commerce, the perils of a lack of associate to consumer engagement are clearly illustrated in the cart abandonment epidemic. According to data from 29 studies aggregated by the Baymard Institute, more than 68% of all E-Commerce shopping carts are abandoned before the transaction is completed.

Why Conversion Fails, And Why It Costs

If it costs real money to sustain consumer attraction to your E-Commerce site, why don’t we count the loss associated with cart abandonment in real dollar terms? Consider it this way: If 68 percent of the customers who visited your brick-and-mortar stores on a daily basis suddenly began leaving their merchandise laden shopping carts in your aisles and walking out the door, there’s no doubt you’d take notice. If you’re not converting the majority of your shoppers, you’re wasting the money you’re spending to get them to your site in the first place.

To effectively address cart abandonment, it’s important to understand the problem. Unfortunately, that’s easier said than done when the consumer is the solo driver of the E-Commerce shopping and transaction experience. Cart abandonment is a situational issue, as illustrated in the chart above.

In the event the cart abandonment epidemic were to spread to brick-and-mortar stores, it would be relatively easy for store associates to intervene. That intervention would save sales, and it would also create an avenue for associates to collect improvement-driving data on consumer objections and preferences. But how can retailers facilitate that intervention on E-Commerce sites, especially considering the cross-platform propensity of the modern digital consumer?

Better Conversion, Better Customer Service

Earlier this year, Celerant Technology Corp. launched a new module called Conversion Center for Celerant E-Commerce customers. Conversion Center battles cart abandonment on two fronts:

- An automated and intelligent remarketing effort.
- A proactive, real-time, customer service associate led intervention with cart abandoners.

The remarketing effort is cross-platform by necessity. While the ability to track every click gives E-Commerce retailers a leg up in the race to gather data on consumers and their preferences, that advantage begins to break down when the consumer initiates a shopping session on her workplace PC, then
picks it up on her iPhone over lunch, only to revisit her site engagement from her iPad later that evening. That single consumer engagement spanned three different devices and, likely, three different networks.

To address that complexity, retailers running the Celerant Conversion Center module can, after a mere 4-week implementation, begin collecting consumer data that drives an automated, device and network agnostic e-mail remarketing effort.

The remarketing effort can be customized to meet your brand and customer service standards, but in general terms, here’s how it works:

Upon detection of an abandoned cart, the remarketing effort begins within an hour. The site automatically generates an e-mail to the consumer, asking if they need assistance completing their order. If that effort fails to elicit a response, a second e-mail is sent two days after the cart was abandoned. Perhaps this e-mail message inquires whether the shopper experienced any problems that a CSR could help them with. If this second effort goes unanswered, many retailers choose to send a third message, perhaps a week after the cart was abandoned, offering a perk to incite the consumer to complete the purchase. Free shipping and 10% to 15% discounts are popular options.

Of course, in this scenario, the easily-trained shopper might soon realize that cart abandonment leads to reward. Generally, retailers are more than willing to offer a 10 percent discount or free shipping to persuade the sale. However, the automated remarketing strategy is customizable to meet the retailer’s desires, and its parameters can be adjusted automatically dependent on custom parameters, such as the margin level of the product set in the cart.

Why is e-mail so effective? According to ExactTarget’s Channel Preference Study, 91 percent of all U.S. consumers still use e-mail daily. And a recent iConsumer Study from McKinsey found that e-mail marketing remains a significantly more effective way to acquire customers than social media—nearly 40 times that of Facebook and Twitter combined. And, according to eMarketer, nearly 45 percent of marketing e-mails are opened on a mobile device, underscoring the imperative of a cross-platform, device-agnostic remarketing strategy.

Enabling Real-Time Access To Cart Activity

Of course, even better than reacting to carts that have been abandoned is preventing their abandonment in the first place. That’s where the second prong of the Conversion Center strategy comes into play. Celerant’s Conversion Center solution gives dedicated CSRs access to a screen called Running Cart, which provides the CSR with a live view of site activity. The CSR can view and access all active sessions, including which shoppers are adding or removing which merchandise, in real time.

Let’s say a shopper places an item in her cart, but then balks at an unexpected shipping cost, experiences a technical issue, finds it difficult to locate a complementary product, or stalls the transaction for any other reason. When site activity is actively monitored, the CSR can initiate a chat session or telephone conversation that’s complemented by real-time visibility into—and, when necessary, control of—the consumer’s shopping cart.

While active site monitoring can yield significant benefits, implementation of Conversion Center isn’t dependent on a dedicated, site-monitoring CSR. The shopper can also initiate the engagement via live chat or telephone, prompting the CSR to engage Running Cart through Conversion Center. There, the CSR can provide assistance, just as an associate would in a store. Questions can be answered, items can be added or removed, discounts and shipping adjustments can be applied, and the CSR can even complete the customer’s order on their behalf.

As is the case with the automated e-mail remarketing effort, retailers can set rules and parameters for the level of autonomy afforded to the CSR. The system aids intelligent decision making by authorizing discounts or free shipping offers if the purchase meets predetermined margin criteria. With Conversion Center, the CSR becomes as seamless and valuable an online transaction enabler as the associate is in the store, while the retailer maintains control.

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Celerant Conversion Center enables real-time customer engagement in any channel, at any touch point.

Full Support And Ongoing Enhancement

Once the Conversion Center module is implemented and actively collecting data, successful execution of its remarketing and assisted selling features becomes a joint engagement between Celerant and its retail client. Celerant provides e-mail template support and actively monitors and adjusts e-mail cadence to optimize its efficacy. Celerant also works with its clients to develop the customer-facing Web features that both educate consumers about their assistance options and collect valuable information for the retailer. A simple pop-up window prompts site users to enter their e-mail addresses for promotions, which is the key enabler of cross-platform, cross-device remarketing efforts.

Once that e-mail address is collected, there’s no need for the shopper to register or log in for the CSR to engage the transaction or receive remarketing offers through Conversion Center. Celerant also helps its retail customers develop on-site consumer awareness of live chat and telephone support, thereby increasing real-time consumer engagement with Conversion Center.

Celerant is actively working on enhancements to Conversion Center, including the creation of custom on-site push promotions to customers who browse, add merchandise to their cart, and then leave the site. Upon their next return visit, the customer will be greeted by an incentive in the form of a custom landing page or banner featuring the merchandise left in their cart. According to McKinsey & Company, customized landing pages—which send the user directly to the item or offer featured in the e-mail—can increase conversion rates by more than 25 percent.

As the volume of E-Commerce transactions grows—and as the E-Commerce experience continues to influence the omni-channel customer experience—targeted engagement of online consumers will only become more important. With Conversion Center, that engagement can happen in both e-mail inboxes and in real time shopping sessions.

Visit www.celerant.com or contact your Celerant representative today to learn more about best practices for beating cart abandonment.
About Celerant Technology Corp.

Founded in 1999, Celerant Technology is a leading provider of enterprise retail management software for optimizing operations in store, online and mobile. Our 350+ clients use Celerant’s omnichannel solution that combines POS, E-Commerce, CRM, inventory management, fulfillment processing, marketing automation, analytics to enhance the shopping experience and accelerate business growth and efficiency. Celerant is recognized as a top retail software provider on the RIS Software LeaderBoard and TopCommerce Provider by Multichannel Merchant. For more information, visit www.celerant.com.