



# Raise revenue by activating abandoned shopping carts

White paper on how to increase ecommerce revenue with 12% by activating abandoned shopping carts

# Content

- 1. Why read this white paper?..... 3**
  
- 2. Why abandoned shopping carts?..... 4**
  
- 3. Email reactivation of abandoned shopping carts..... 5**
  - 3.1 Impact on revenue .....5
  - 3.2 Collect the email address early in the checkout process.....6
  - 3.3 Plan a series of shopping cart abandonment emails .....7
  - 3.4 Conversion rates.....8
  
- 4. Shopping cart abandonment in Dynamicweb..... 10**
  
- About Dynamicweb ..... 11**

**Legal disclaimer!**  
*The white paper describes marketing initiatives, which may be restricted according to law in different countries. Dynamicweb recommend that you consider local rules and seek proper legal advice before implementing.*

## 1. Why read this white paper?

Recent analysis shows that 67% of all shopping carts are abandoned without completed transactions. This tendency occurs while online companies are continuously trying to improve the purchasing experience, for instance by optimizing landing pages, introducing pricing strategies and improving check out flows. The question is why carts are abandoned and more importantly how to reactivate them.

Our experience shows that the abandoned shopping carts are hot sales opportunities, and that reactivation can improve total ecommerce revenues with up to 12%. Online companies should therefore consider recovering lost sales opportunities, by implementing automated cart abandonment emails.

This white paper will elaborate on the subject by including the following topics:

- **Why shopping carts are abandoned.** We will introduce some of the primary known reasons.
- **How it improves revenue.** Learn how reactivation can improve your revenue with up to 12%
- **How automated cart abandonment emails are used.** We will guide you through the basic steps.

The last section will demonstrate how the Dynamicweb Platform simplifies the use of automated shopping cart abandonment emails.



Author:

Asger Munkholm Højfeldt, Product Manager, Dynamicweb  
[amh@dynamicweb.dk](mailto:amh@dynamicweb.dk)

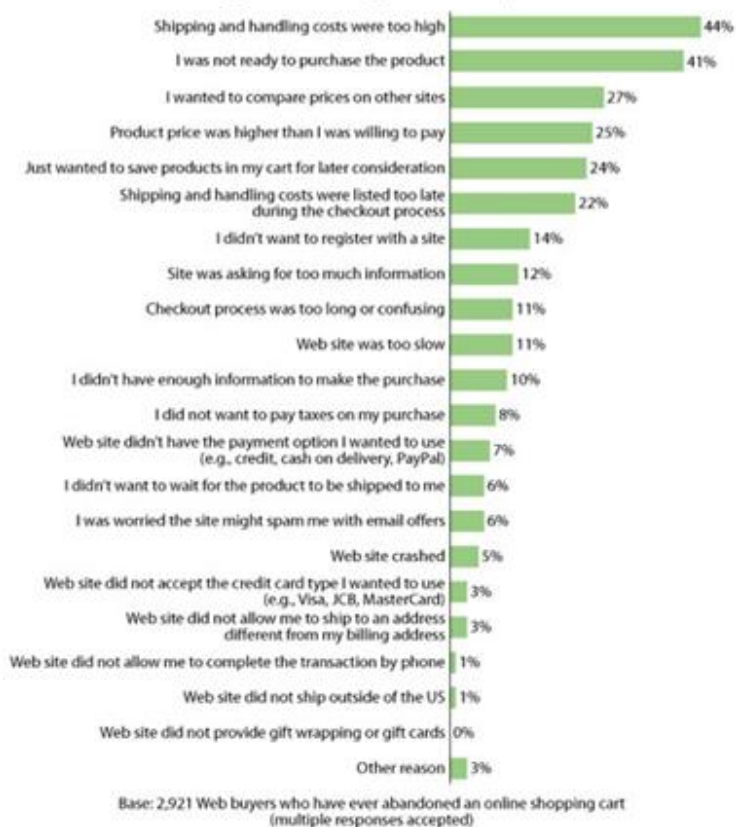
Professional online business advisor who specializes in both front and backend optimization.

## 2. Why abandoned shopping carts?

Consider an abandoned shopping cart like a broken promise. For the company, there is a lost sale and unclaimed revenue. For the customer, there is an unfulfilled need or want. The question is why the customer abandons their shopping carts in the first place.

There are several studies arguing the reasons and motives for why shopping carts are abandoned. Forrester Research, for example, has consistently blamed shipping and handling costs as the most common cause for abandonment.

**"Thinking of the last time you put items in your shopping cart but did not finish the online purchase, which of the following best describes why you did not complete the transaction?"**



Source: North American Technographics® Retail Online Survey, Q3 2009 (US)

56827

Source: Forrester Research, Inc.



The most common reasons why shopping carts are abandoned.

Imagine that a shopper finds the perfect \$20 item, adds it to the cart, and learns that it will cost another \$10 —half of the product's actual price — just to ship. At other times, a shopper might have become distracted, or maybe the shopper just wanted to compare prices from other sites.

Selling online, you should study the above-mentioned reasons for shopping cart abandonment and re-evaluate your site and business model accordingly. This involves improving the shopping experience by clearing the path to purchase, clarifying shipping prices and delivery times up front, as well as testing checkout scenarios including shopping cart abandonment campaigns.

But you should also consider implementing a shopping cart abandonment campaign in order to reactivate abandoned carts.

### 3. Email reactivation of abandoned shopping carts

Automated cart abandonment emails have demonstrated an efficient ability to reactivate shoppers and thereby to save sales. The following section will demonstrate how revenue can be improved by using reactivation emails, followed by a basic introduction on how to implement the solution.

#### 3.1 Impact on revenue

*Having demonstrated how to improve the reactivation process, we will now look at the desired outcome, in relation to how the numbers will affect the revenue.*

If we assume there are 1,000 daily visitors, the conversion rate is 2.12% and the average order is \$170. This totals 636 orders a month and equals a revenue of \$108,120.

In order to calculate the potential of abandoned shopping carts campaigns we use the rate 67.45%, which generates 1,318 abandoned shopping carts. A 6% conversion rate for reactivation mails would then provide an additional 79 orders a month – resembling 12% increase in revenue.

	RATES	MONTH
Daily visitors	1,000	30,000
Conversion rate	2.12%	636 orders
Average order size / revenue	\$170	\$108,120
Abandoned shopping carts	67.45%	1,318 carts
Conversion potential with email	6%	79 carts
Revenue from abandoned carts		\$13,430
<b>REVENUE IMPROVEMENT</b>		<b>+ 12%</b>



Automated abandoned shopping carts campaigns can increase revenue around 12%

The conclusion is that every online company should evaluate how they are able to benefit from working with shopping card abandonment.

### 3.2 Collect the email address early in the checkout process.

There are numerous suggestions on how create the best campaigns, and we will therefore elaborate on best practice shopping cart abandonment, to help you boost revenue.

The use of cart abandonment email access to valid email addresses is needed; otherwise you will not be able to reclaim the lost sales. It is therefore important that you ask for the email address at an early stage in the purchasing process.

The following image shows a typical example of a contact registration form, where the e-mail is required in order for the shopper to continue with the purchase:

\* these fields are required

Company

Name  \*

Address  \*

Zipcode & City   \*

Country  \*

Phone  [info](#)

E-mail  [info](#)

*We send your receipt to this email*

Make sure that all email addresses are automatically stored in your system. This feature can either be activated when saving the shopping cart, or when the shopper submits the first step in the checkout process (often the contact information).

It is important to be aware of the fact that you will be establishing a potential business relationship with the customer. This will allow you to send transaction-related emails, like the cart abandonment emails, without sending spam.

### 3.3 Plan a series of shopping cart abandonment emails

Many email experts recommend a series of shopping cart abandonment emails with a least two or three emails sent at scheduled intervals. Since conversion rates from successful shopping cart abandonment emails vary greatly, sending the first email within 60 minutes of the cart abandonment will boost the recovery rate.

The first email that you send might ask the shopper whether he or she needs any help completing the transaction. Perhaps, there was a technical issue, or maybe the shopper was uncertain about the proper size.

Here is an example of what Schuch.co.uk writes in their shopping cart abandonment email:

## schuh

DON'T MISS OUT!

Hello,

It looks like you left something behind. If you'd like to complete your order [click here](#).

Remember standard UK delivery is FREE and there's 365 days to return if you change your mind. We reckon you should go for it!



Will Desert Boot

UK 11

£75.00

**BUY ME NOW!**

Return to schuh by [clicking here](#).

If you have any questions about your order, feel free to drop us a line at [help@schuh.co.uk](mailto:help@schuh.co.uk)

UK 0845 307 2484 // ROI 1-800-411-084 // INT 0044 1506 468 733

PREFER TO RING US? Mon-Thurs : 8.30 - 8.30 / Fri : 8.30 - 6.30 / Sat : 10.30 - 5.00 / Sun : 11.00 - 5.00

The second email the series might simply be a reminder, informing the shopper that you are "holding" his or hers items. It might even make sense to add a deadline. Here are a couple of examples:

- "We have saved your selected items, but remember many of our popular and limited-edition styles sell out quickly. Please place your order soon."

- “Have you met Dash the Dog? He keeps the Zappos.com site running smoothly so our customers can shop with ease! Dash has been looking after the items you left in your shopping cart. While Dash doesn't mind watching your order, he wants you to know that your items have been asking for you and would like for you to return.”

Finally, the third email should consider a potential follow up offer including a loyalty discount like **free shipping**, such as:

- “We were just about to put away the items you had in your shopping cart, but we thought we'd give you another chance to claim them. We are even going to include free two-day shipping if you order in the next four hours.”

It is vital that online marketers continue to monitor, measure, and adjust the shopping cart abandonment email series. For example, the above data about when to send the first email in a series might not apply to all online retailers in all industries.

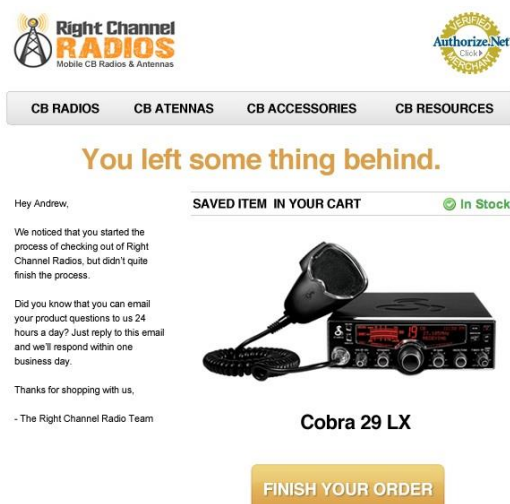
The best practice is to monitor the cart abandonment campaign. Make small, distinct adjustments and compare the results. Does changing the subject line impact conversions? Does including pictures of the items in the abandoned cart help?

### 3.4 Conversion rates

Having incorporated a successful series of automated emails it is now time to look at the potential conversion rates. For the sake of readability, we will use a business case regarding Right Channel Radios published at <http://www.ecommercefuel.com>.

Right Channel Radios did created a campaign with three mailings to customers who have abandoned their shopping carts:

- An email reminding them about the cart.
- A second email asking them to finish their purchase.
- A final email offering a discount to complete their purchase.



**Right Channel RADIOS**  
Mobile CB Radios & Antennas

Authorize-Net  
Official Retailer

CB RADIOS   CB ANTENNAS   CB ACCESSORIES   CB RESOURCES

**You left some thing behind.**

Hey Andrew,

We noticed that you started the process of checking out of Right Channel Radios, but didn't quite finish the process.

Did you know that you can email your product questions to us 24 hours a day? Just reply to this email and we'll respond within one business day.

Thanks for shopping with us,  
-- The Right Channel Radio Team

**SAVED ITEM IN YOUR CART** ✔ In Stock

**Cobra 29 LX**

**FINISH YOUR ORDER**



It is vital that online marketers continue to monitor, measure, and adjust the shopping cart abandonment email series.



This structured approach enabled Right Channel Radios to recover somewhere between 3-11 % of the abandoned carts each month – or in average 6.4% of the abandoned shopping carts.

	OPEN RATE	RECOVERED
March	22%	5%
April	38%	11%
May	27%	7%
June	18%	3%
July	14%	6%
<b>AVERAGE</b>	<b>23.8%</b>	<b>6.4%</b>

The good thing here is, that an abandon shopping cart campaign is not a one off incident – it will run year after year. So imagine if you could recover 6.4 % of the abandoned shopping carts in your solution – the impact on revenue is significant.



There are many suggestions on how to improve the reactivation process.

There are several suggestions on how to improve the conversion rates by using automated emails. It is up to each online company to decide, which ones works best in their favor but here are some inspiration:

- Make your emails personal by adding the name of your sales manager at the end. It will have a more personal impact on the receiver.
- Consider using small time-limited offers in your second reminder email. Nothing too big or expensive, but one that just has the ability to lure back the shopper and still allows for a profitable transaction.
- Analyze your customer and get an understanding of what he or she is interested in, and whether you are dealing with a new or an old customer. This information will help you understand the motives of your customer, and will also make it easier for you to match appropriate offers to current and future shoppers who abandon their shopping carts.
- Make sure that you are fully suited to respond to any potential communication from owners of abandoned shopping carts, who contacts you with specific questions or requests.
- If shoppers return to their carts, but still do not complete the purchase, then make sure to send the reminder email again.

- Gather information on why the shoppers decided to abandon their carts. This will enable you to construct a unique survey on your company.

#### 4. Shopping cart abandonment in Dynamicweb

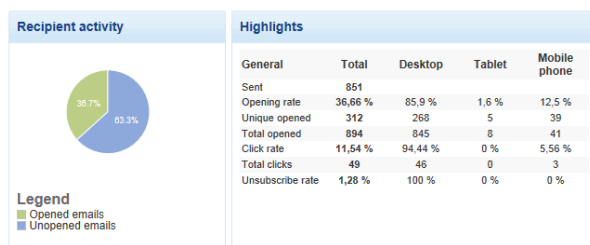
There are many suggestions on how to setup and work with the reactivation process, but the general impression about return is positive. It can however be a complex matter to setups since the process requires simultaneous handling of several features.

Dynamicweb has an integrated function to support shopping cart abandonment campaigns. The function is included from version 8.4 as a part of the email marketing and campaign setup and requires a minimum of setup.

Dynamicweb basically let you create your own campaigns where you can setup the flow for campaign mails.

At least once an hour Dynamicweb automatically initiates the campaign and sends out emails to the abandoned cart recipients.

In the dashboard you can access data on how your shopping cart abandonment campaigns are performing.

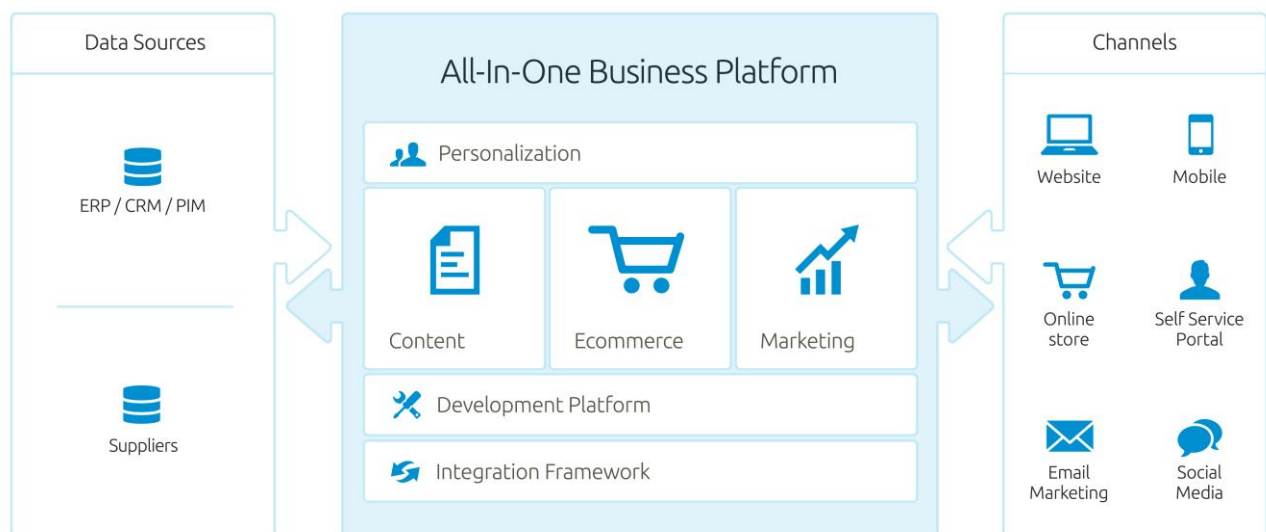


For technical information about setup, please click [here](#).

### About Dynamicweb

Dynamicweb is a leading software company developing products that help you grow and optimize your online business. Our All-in-One Business Platform combines Content Management, Ecommerce and Marketing capabilities to create powerful customer experiences across all channels, which increases conversions and optimizes customer lifetime value.

Today, thousands of businesses run more than 12,000 websites with Dynamicweb. We are expanding our services internationally in close corporation with 200 certified partners in 13 countries.



### One platform for your (whole) digital world

Dynamicweb's All-in-One Business Platform brings the digital world together in one powerful platform. It empowers you to deliver great online experiences across channels.

The Dynamicweb difference means that all you need for Web Content Management, Ecommerce and Marketing is available in just one platform. With Dynamicweb, all your content can be reused and personalized – your customers get the benefit!

Find out more [www.dynamicweb.com](http://www.dynamicweb.com).