

A quick guide to recovering lost sales



OVERVIEW OF BASKET ABANDONMENT

It's not a secret that a high proportion of all baskets are abandoned without a purchase.

However, not all shopping cart abandonment is bad. In fact, shopping cart abandonment is an important part of the normal buying cycle for many customers and for many types of purchase. New buyers in particular will require multiple visits and, potentially, multiple 'abandons' before purchasing.

With this in mind, retailers must make sure that their conversion strategy is focused on supporting this process by offering great customer service with personalised communication and targeted offers.

OVERVIEW OF SOLUTIONS

A variety of third-party solutions exist that provide retailers with sales-recovery capabilities. Product offerings range from basket abandonment email campaign tools (see figure 1 on the next page), to site exit overlay tools (see figure 2), to behaviour personalisation tools.

Advanced features such as customer segmentation based on a variety of site and behaviour metrics are available with some of the more sophisticated solutions.

Email remarketing is proven to recover on average between one in four and one in five abandoned baskets.

Vendors range from niche players that offer simple point solutions for basket recovery emails (i.e. AbandonAid, Rejoiner) or site overlays (i.e. PicReel), to Email Service Providers (ESPs) who extended their platform with the basket recovery campaign capability (i.e. Bronto, IBM LIVEmail, Cheetahmail), to third-party vendors who offer comprehensive solutions for optimising site conversions, starting with capturing emails from first-time visitors all the way to the ultimate purchase (i.e. BounceExchange, SeeWhy, Qubit).

The pricing models for these solutions range from a fixed monthly cost to Cost-Per-Acquisition (CPA)-based charges that take a fixed per cent from saved and recovered sales only.

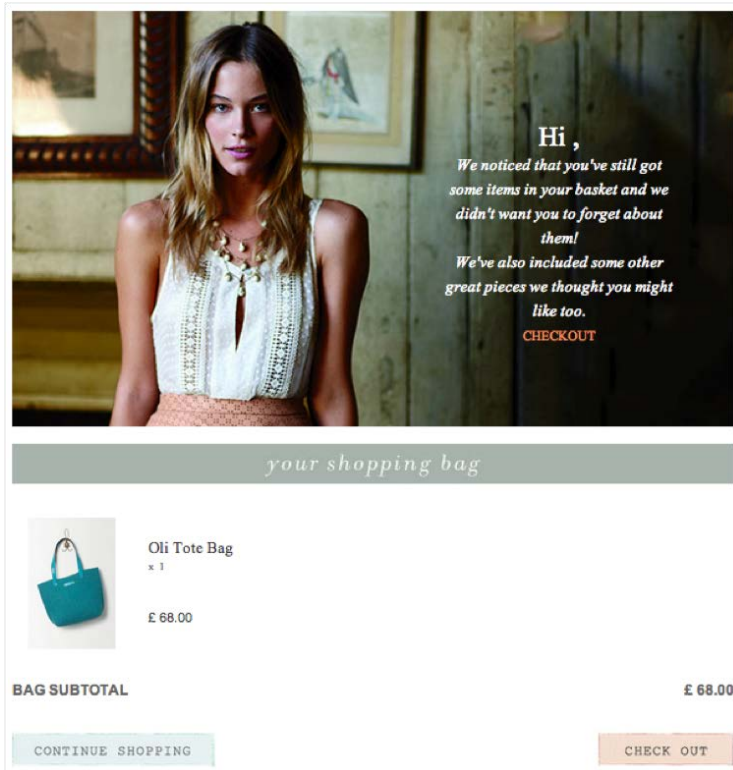


Figure 1: An example of a personalised basket recovery email with a direct link to an abandoned shopping basket

Figure 2: An example of a site overlay that triggers when a customer is about to leave the site



Choosing the right solution

Given the variety of solutions, how can you select the right one for your business?

Step 1: Identify the problem

Choosing the right solution requires an understanding of your traffic composition (new versus returning visitors), and the key drop-off points during the purchasing cycle. Benchmarking these metrics against competitors will help you understand where the major gains are to be made.

For example, one retailer might have high levels of unidentified traffic that leave the site without adding any items to the basket (and possibly never come back), while another retailer may have mostly repeat visits that could be tracked back to individual customer accounts.

The first retailer would benefit from a site overlay served to visitors on exit to capture their email and offer an incentive on first-time purchase, while the second retailer will see the best ROI from well-timed basket recovery emails.

QUESTIONS TO ASK DURING THIS STEP INCLUDE:

- ▶ **Are the majority of my site visits new?** If your answer is YES, consider focusing on solutions that drive email leads during site visits such as Yieldify or BrowseExchange
- ▶ **Can I identify most of my returned visitors?** If you have a high proportion of returned visitors, but don't know who they are, focus on solutions that excel in identifying users (beyond a simple session cookie capability) such as BrowseExchange or Qubit
- ▶ **Is personalisation critical for my conversion strategy?** If you answered yes, consider solutions that excel in audience segmentation and personalisation, such as Qubit
- ▶ **Is the basket abandonment rate the key metric that affects my overall site conversion?** If your answer is yes, focus on vendors that offer advanced basket recovery solutions such as SeeWhy, Bronto, and Rejoiner

Step 2: Choose the provider

Once you have identified whether you're after a pure basket recovery solution, a site overlay tool or a combination of the two, decide on the budget and choose the provider that offers best ROI based on your site metrics.

For example, a retailer with high number of page views but an unusually low conversion rate might benefit from CPA-based pricing, while a retailer with low level, highly relevant traffic might be better off with a per-page-view pricing model.

QUESTIONS TO ASK DURING THIS STEP INCLUDE:

- ▶ **Investment level:** Am I willing to invest in the most sophisticated solution in the market to maximise conversions and outperform competitors, or will a more basic approach be enough?
- ▶ **Pricing model:** Is page-per-view the right pricing model for me or will I benefit more from a CPA-based approach?
- ▶ **Fully managed service or DIY:** Do I require a fully managed service which will include customer segmentation and campaigns definition, as well as implementation?

Step 3: Implement and follow best practice

Once you have settled on a solution, make sure to get the most out of it by following best practice. Common mistakes that retailers make include not setting up the frequency cap on basket recovery emails, getting the timing of the emails wrong, or leaving money on the table with non-personalised, one-size-fits-all offers.

For example, according to SeeWhy, a leader in basket abandonment solutions, the first few hours after an abandon are critical. Make sure to send the first post-basket abandonment email after 45 minutes to an hour; then follow up with the second email 23 hours later; and send the final reminder one week later. Successful implementation will generate on average 18% conversion rate from these emails.

QUESTIONS TO ASK DURING THIS STEP INCLUDE:

- ▶ What is the best way to segment my customers in order to create personalised targeted promotions: by basket contents, by shopping history, or by traffic origin?
- ▶ What is the right incentive for each segment of users?
- ▶ How many emails do I want to send and at what intervals?

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