6 Key strategies to reduce cart abandonment

When it comes to e-commerce, reducing cart abandonment is critical to increasing sales and revenue.

Derek Cikes, commercial director at Payflex

The industry norm for abandoned carts is an astonishing 75-80%, which means that merchants are losing 4 out of every 5 sales due to poor checkout conversion – this is after the customer has gone through the mental gymnastics to make the decision to purchase the selected items in the first place.

"Reducing friction in the checkout process is key to reducing cart abandonment. A simple checkout process will result in significantly higher sales for e-commerce merchants", says Derek Cikes, commercial director at Payflex.

Cikes provides insights into 6 core strategies to reduce cart abandonment.

1. Use a 1-Click checkout solution

Create a frictionless experience to reduce the number of steps to complete a card payment transaction. From entering card information details to completing the 3D secure mobile phone process, each step is a point of friction that can (and often does) go wrong, leading to an abandoned cart.

Amazon's 1-click checkout function was a gamechanger to reduce friction in the payment process. This feature dramatically increases sales conversions by facilitating a seamless shopping experience. Customers enter their card information just once. The details are then safely stored for future transactions and can be accessed any time through a "1-click" checkout.

"Our experience indicates that the Payflex 1-click checkout process can reduce cart abandonment by a whopping 40% - a huge benefit for e-commerce merchants," says Cikes.

2. Communicate delivery costs

Shipping costs is one of the biggest grudge payments when it comes to online shopping and is a key reason for cart abandonment. Being transparent and upfront about delivery charges manages shopper expectations, so they're not surprised by a higher than expected cost during the checkout process. Better yet, offer free delivery wherever possible to improve conversion.

3. Choose a flexible payment solution

Reduce the number of payment offerings at the checkout by choosing a flexible, customer-centric payment solution that incorporates a 1-click payment solution and offers shoppers a choice of payment options.

It's also critical that your payment provider offers top-notch customer service to solve any issues timeously as well as a stable and proven platform, so you don't lose any of those hard-won sales.

"Payflex ticks all the boxes with our 1-click "pay now" or "pay later" offering, together with next-day settlement facility, a stable and proven payment platform and a transparent and simple fee structure without fees for all sorts of payment activities. Payflex also offers a first-in-market 6-week free spending plan for your customers that will boost your sales by 20-30%," says Cikes.

4. Hold your shopper's attention

Use a progress indicator on your site to show the 3 steps of the checkout process, namely shipping, payment and order. This keeps your shopper involved and provides a clear path to completing the order.

5. Nurture trust and security

Many shoppers still have trust issues when asked to supply sensitive financial information, such as card details, to complete a purchase.

"Remind the customer of your security and data privacy protections to encourage completion of the sale," says Cikes, who also recommends displaying trust symbols of well-known security partners such as Norton or VeriSign on your website to improve trust.

6. Understand impediments to checkout completion

Regularly review the checkout process to identify obstacles that are causing abandoned carts – and remove the obstacles to create a frictionless checkout experience. Optimise navigation and provide clear calls to action, such as "Buy Now (with one click)", to increase sales.

"A relentless focus on creating a frictionless customer journey, including a simple customer-centric payment solution offering, will significantly reduce abandoned carts and increase sales," concludes Cikes.