

5 ways retailers are getting shoppers to stop abandoning the cart

In this edition of the Modern Retail Dossier, senior reporter Melissa Daniels dives deep into one of the most valuable pieces of real estate on a company's website: the checkout page.

There's an endless array of tactics companies can experiment with in the hopes of getting customers to add just one more item to their cart. But, push the wrong product on the wrong customer, and companies risk losing out on a sale altogether.

As such, the checkout experience is something that brands and retailers are continuously optimizing for. In the Modern Retail Dossier, you'll find four different articles examining some of the most common challenges brands and retailers run into regarding their checkout pages, and what tactics they have found success with.

Cart abandonment is a plague across the e-commerce world: roughly seven in 10 online shopping sessions see a customer "add to cart" without ever completing the purchase.

Sometimes this is a function of how shoppers behave. Many might use the cart as a holding place or "wishlist" for future purchases. And about half of the time, shoppers abandon their cart after seeing additional shipping costs and taxes, according to user experience research firm [the Baymard Institute](#).

But the institute has also found that the checkout experience itself may be why some shoppers aren't completing their purchases. And the reasons are myriad:

- 24% of shoppers abandon their cart because they're required to create an account
- 18% don't trust the site with their credit card information,
- 17% said they give up because the checkout process is too long and complicated.

"These are all things that can be avoided by any given website," said Rebecca Hugo, senior UX auditor with the Baymard Institute. "Some of these checkouts -- they look daunting when they shouldn't be. They're getting in the way of themselves, to some degree."

These design issues equate to billions of dollars in sales left on the table. In response, retail brands and e-commerce experts are tinkering with a blend of psychology, technology and design tools to lock in conversions.

Modern Retail rounded up some of the best practices experts are experimenting with this year to change up the checkout game.

Personalized add-ons or suggestions

Birdy Grey is a DTC brand operating in the competitive world of bridesmaid dresses. Product personalization is key to helping users convert, said Alex Arkhangelskaya, senior product manager at Birdy Grey. The biggest customer demand they hear about is color, with many weddings having a strict color-coded theme.

"Sometimes brides can get very specific, like, 'I only want this, like, specific shade of Twilight Blue,'" she said. "That's why we're trying to add more dresses to our assortment, and really capture all the different colors that are on the market."

Arkhangelskaya said the brand also aims to convert users by marketing to brides in the planning stage. Birdy Grey offers free color swatches in popular engagement periods like after the holidays, which brides can then pass along to their bridal party to order their dress.

"They're browsing, they're trying to get inspiration," she said. "Maybe they have an initial idea of the kind of the color scheme or dress style that they want to go with. But we can present similar options of things that maybe they hadn't thought about."

Putting best-selling and trendy styles in front of customers also helps reduce abandonment, Arkhangelskaya said. The brand experienced a 2% increase in conversions when it put best-selling designs on the cart page.

Comparing personalization to a Spotify discovery mix, Arkhangelskaya said the optimal checkout experience comes down to "knowing what your customers want without them even having to say or do anything," she said.

That thinking also applies to increasing AOV. The brand last year started adding more add-ons on the cart page such as coordinating shoes or hair accessories. Roughly 5% of Birdy Grey's orders contain an add-on item as of February 2023, which is up two times from last year.



Reduce clutter

Nandan Sheth, CEO of Splitit, a white-label BNPL product, said some of his company's customers choose to use Splitit over another BNPL product because they don't want to introduce another brand login to the checkout page.

"The merchants realize that the clutter actually confuses consumers, and fewer choices drive greater conversion," he said.

Baymard Institute research backs up the notion that a cluttered checkout page can deter buyers, particularly when it comes to the number of form fields a customer has to fill out.

"A form field means something you have to do is a requested task," Hugo from Baymard said. "There are these eye tracking studies where we are finding that users spend a large amount of time focusing on any given open form field, whether it's required or not."

Usability tests show that having 10 to 15 fields can intimidate customers. In order to reduce the number of fields, Baymard recommends designs that put optional fields behind a link, and pre-filling fields when possible – as well as avoiding fields that have multiple inputs like a spot for area codes.

Sell via text

Forrester found that 59% of shoppers have used their smartphone to make a purchase -- yet brands are just beginning to crack the surface of what's possible for making purchases via text.

Jonathan Fudem, the founder and CEO of OneText, is among the entrepreneurs looking to make it easier for brands to make sales via text. The best checkout experience, Fudem said, is one that doesn't exist.

"You go to a website, you browse, you add some items to your cart, you get a reminder: 'We found the cart, we have these items ready to go. Whenever you're ready, just hit the button and we'll take care of it for you.'"

OneText, which charges monthly membership fees, offers a live agent service to brands to facilitate text-based purchasing, and it's also experimenting with scheduled purchases and deliveries.

Women's workwear brand M.M. LaFleur has experimented with text exchanges between stylists and customers and hopes to roll out a new way to facilitate purchases via text. Founder and CEO Sarah LaFleur said the brand has already seen higher conversion rates with marketing texts compared to email, and LaFleur sees buying via SMS as the next wave.

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It's a more immediate way to connect, she said, especially with customers who are predominantly using email while at work and might respond better to a more personal pitch or buying option.

"Most people don't really delight in looking at their email anymore," LaFleur said. "And so it's about how do we find other pockets of entry to get our attention?"

Launched in 2013, M.M. LaFleur originally had its own in-house engineering team to handle web development, meaning the entire website was built in-house. But in late 2021, it switched to using Shopify -- a move that Christina Beebe, director of e-commerce, called a "game-changer" because of the ability to customize the checkout page, plus a faster experience.

Since the switch, conversions have increased 50%, with a 164% increase in the add-to-cart rate. There's also been a 29% reduction in sessions without any shopping activity.

Beebe said the focus for 2023 will remain on improving the checkout experience by adding different Shopify apps to the checkout page, including options for product recommendations and potentially post-purchase sales. Behind the scenes, M.M.Fleur's team can add these options without a developer, making them efficient to integrate, Beebe said.

One goal she hopes to accomplish is making it easier for a customer to complete a set, whether that's recommending the complementary item in the cart, or as a post-purchase upsell.

Platforms appear to be responding to such demand. Shopify in February 2023 announced a new checkout editor for merchants that will allow them to add more apps by dragging and dropping what tools they want to use, rather than having to edit code in a designated file. Shopify executives say the goal is to give merchants the ability to more easily customize their pages.

"There's a lot of excitement around the Shopify update for cart," Beebe said, "so we'll be able to be a little bit more nimble and a lot quicker there. A lot of apps will come into play, like making sure post-purchase is there, upselling in the cart, and one-click purchasing."

Fast-loading pages

Jacob Hawkins, Forever 21's chief marketing and omnichannel officer, said the retailer is focused on providing an easy-to-access experience for its Gen Z customer base. Recently, that meant the launch of a new mobile app in 2022. The new app led to increasing the penetration of mobile sales from 14% to 40% in less than a year of operation. It's also the highest-converting platform they have.

Keys to the app's success at checkout is a fast-loading experience, Hawkins said. Forrester's Retail Benchmark Recontact Survey found 13% of U.S. adults say a fast checkout is influential in their purchase decision.

At Forever 21, the mobile checkout experience aims to be "as quick and clean as possible," Hawkins said.

"A younger audience who lives on their phones, lives on their devices and spends a lot of time online, they especially have high expectations for website speed," Hawkins said.

How to master the art of the post-purchase upsell

In the summer of 2022, four-year-old DTC apparel brand True Classic was experiencing steady sales from its trademark tees and jeans. A first-ever activewear line was gaining steam. But smaller categories like socks and underwear weren't getting as much attention.

So, True Classic decided to experiment with a tactic that's been embraced by many e-commerce startups: the post-purchase upsell. Initial offers included asking customers if they wanted to add discounted pairs of socks, underwear or another complementary category item to their order.

In response, average order values increased by about \$35, and overall revenue rose by at least half a million dollars.

"It makes it a larger order and offers something enticing to the customer with a really good offer," said Ben Yahalom, president at T-shirt brand True Classic. "Unlike a cross-sell or upsell (in the cart) that can clutter or add friction, it's almost risk-free because the order has already been placed."



True Classic isn't alone: a number of brands are experimenting with the post-purchase upsell as a way to increase average order values and drive brand loyalty with special promotions.

It seems deceptively simple -- simply suggest that a customer add on a water bottle or a pair of socks after they've already placed an order, and watch the sales ring up. But success largely depends on how relevant the offer actually is to the customer, and brands risk turning off the customer from future purchases if they don't do it right.

Industrywide, conversions tend to run in the single digits. In response, TrueClassic is frequently changing the post-purchase offer and running A/B tests, Yahalom said. Sometimes the discount is much deeper than the customer could find on another page of the site, a move that resonates because its seen as a last chance, Yahalom said.

In the future, Yahalom wants to pilot an AI-fueled post-purchase upsell opportunity that will have a more targeted offer based on the profile of the individual customer.

"We want to offer the right product at the right point in time," he said.

Liz Kressel, CEO of e-commerce agency Lizard Strategies, said it's crucial that the recommended products are highly tailored to what the customer has expressed interest in, and aren't duplicative.

For example, someone who just bought a mattress won't need to be sold a second one right away -- but they could choose to add on luxe linens or a warranty package. A customer buying new luggage won't need another set for some time, but packing cubes or luggage tags might make sense as a last-minute addition.

"People get angered when it's not contextually relevant," Kressel, who has advised brands like Rakuten and Conde Nast said. "It looks like you're just spewing product at them and that you haven't thought with consideration about how they're purchasing from you."

Nihar Kulkarni, managing director with e-commerce agency Roswell NYC, said upsells are becoming a popular addition to retail brands' Shopify-based sites.

Typically, the addition yields a 10% attachment rate across Roswell's portfolio. But Kulkarni, whose firm has worked with brands like Aerosoles, Hat Heaven and Feed, said it largely depends on the offer. He said post-purchase upsells are often less successful for higher-priced products, but it works well with average order values of under \$60 and lower-priced products under \$40.

Overall, he said, shoppers are attracted to the upsells because they've already committed to making a purchase and are in the mindset to spend money.

"The activation energy is a lot less when you are in checkout, because you're already in motion," he said. "I already made the order, it's already coming to my house in two-to-five days."

From the brand perspective, True Classic's Yahalom said it's a way to maximize the cost of customer acquisition. They've already made a purchase, and the brand will already be pulling, packing and shipping the order.

True Classic runs its upsell service with AfterSell, a Shopify-based app that charges a monthly fee of \$799 to \$149 depending on how many transactions are made. The app also provides targeting tools to match up relevant offers with converted customers, with A/B testing and subsequent analytics to guide merchants toward the best offers.

Yahalom called it "the lowest-hanging fruit" for e-commerce brands to earn extra sales.

"You've already paid to get this customer, you're already shipping the order," he said. "If they don't do it, they're leaving money on the table."



How Needed reduces checkout friction as a subscription company

Prenatal vitamin company Needed launched its nutrition-focused, four-part protocol in 2020. From the outset, co-founder Julie Sawaya said the goal was to help women understand their nutritional needs and what supplements could be taken in conjunction with one another.

Three years and two dozen products later, that's still the mission. Currently, about 90% of Needed's DTC revenue comes from its subscription services, with its success built on a foundation of carefully crafted product pages, highlighting clinical research and emphasizing product bundles.

"What we're really trying to do with the website is to help customers understand what their nutritional needs are and help them understand what products they should be taking in connection with one another," Sawaya said. "That's why we offer plans, a multi-product bundle where you're taking more than one product together."

But while Needed has raised \$8 million and grew its sales 3.5 times over last year, Sawaya says the brand is still experimenting with new ways to maximize sales and get customers to purchase complementary subscription products. And some of her wish-list functions don't exist yet. For example, she'd like customers to have the ability to add another three-month subscription when they're already in the cart. But those types of customizations are difficult for a company that's beholden to a platform like Shopify. And it's also critical to make sure that any updates don't create a cluttered checkout experience in the process.

"We want it to be customizable, but we also don't want to overwhelm people with choice," she said. "Our target consumer is generally a mom or a soon to be mom. She has other things to do than to enter her address again, or create an account when she's trying to check out."



A simplified product offering

Needed sells multiple products on a subscription basis, including like a prenatal multi capsule, an herbal stress support or digestive enzymes. Some products can be shipped on different cadences -- a 30-day supply of a prenatal vitamin ships monthly, for example, or customers can subscribe to a 90-day supply of a prenatal protein powder shipped every three months.

Needed also offers bundles on a monthly subscription basis, like a four-part prenatal plan that includes a multivitamin, omega-3, a pre and probiotic and collagen protein. And some products, like the Hydration Support, come in different flavors.

As a result, communicating to customers what they get out of various subscriptions is key. Much of Needed's conversion growth from last year can be traced back to tweaks and modifications to the pages where customers set up their own subscription plans.

"We like to put the tailoring and the personalization in the product merchandising, and less so in the checkout experience," she said.

Sometimes that looks like information hierarchy and design changes; Needed ran dozens of A/B tests on product pages in 2022 with some positive results. A decision to put add-on buttons below the "add to cart" button resulted in a 16% increase in conversions and 53% increase in revenue per session. And putting customers' star rating of its products underneath the product title lifted conversions by 11%.

Copy updates are also a critical factor. Changing phrases like "subscription" and "recurring" to "delivered to your door every 90 days" increased conversions by 3.5%. And a streamlined header on a page offering customized trimester-based plans resulted in 33% higher conversions for the product, and a 2.9% increase for conversions from mobile users overall.

The goal with these changes, Sawaya said, is to make it as easy as possible for people to understand what different products do and how they can put different plans together based on their needs.

"Starting with that foundation, our main goal on the site is how to get people to understand what they need and make it easily shoppable," she said.

The pros and cons of platforms

But when it comes to making more significant changes, platform-based sites can hit roadblocks as they grow. Needed is a Shopify-based site that operates its subscriptions via the vendor Recharge. And while Sawaya is confident in the scale and resources of the vendors, she said there are some heavy lifts and limitations.

"We don't want to build a custom website, because there are best-in-class practices out there," she said. "But our scale is growing to the point that we have more complexity than your average Shopify store."

For example, she would love to see more "friction-free shopping" for a customer who encounters the brand on channels like Google and Instagram. Those customers don't have the same checkout experience as those on the main site.

"I would love to see that cleaned up," she said. "I don't know that that will until apps simplify the back end of how they're powering their subscriptions."

Oisin O'Connor, CEO at Recharge, said the nine-year-old company is focused on subscription retention. Doing so means making it transparent and easy for customers to sign up, pay for their subscription and make potential customizations.

But on the merchant side, that looks like a complex API-based system that allows merchants to offer what different tools and functions they want -- like loyalty credits or memberships.

While there's always competition from new companies, O'Connor said Recharge looks to stay on top of trends by aiming to make it as easy on the merchants to update their pages as possible. That was the case when it acquired Rebundle in August, a company that specialized in helping customers customize their subscription bundles. The acquisition meant that customers could access Rebundle's software and features via the Recharge platform.

"It used to be like a big development project for someone to build (the customizations)," he said. "Now people can set up in a minute,"

Future goals

Moving forward, Sawaya is eager to add more potential for upselling on the cart page itself. The current setup Needed is running, combining Shopify and Recharge, doesn't allow the addition of another subscription once on the cart page.

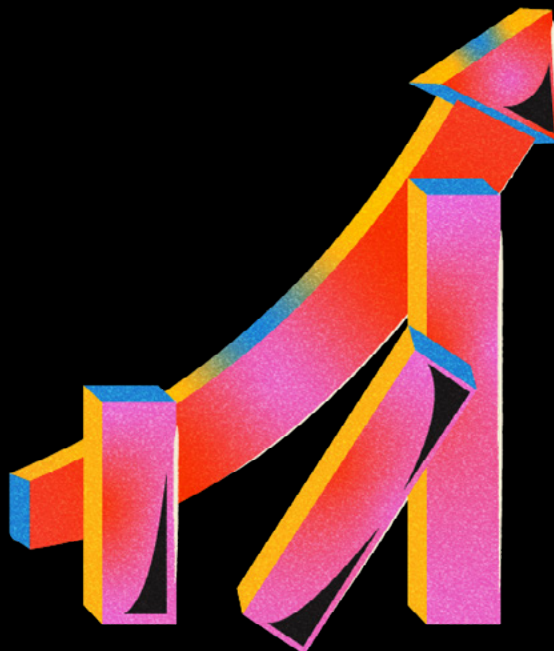
Also, Sawaya wants the ability to customize subscriptions more easily, such as picking one of three flavors for hydration support, and being able to change it month by month. Currently, customers pick from one of three flavors -- grapefruit, lemon and lime -- or a variety pack.

"Some consumers are going to build their bundle, get to the cart and decide they want to change something," she said, "so figuring out how to make that seamless for consumers to tailor their subscription, tailor their bundle to their needs."

Sawaya also wants to find ways to make it more flexible for people to purchase with FSA and HSA funds. Prenatal vitamins are covered under such plans, though other types of wellness products require a letter of medical necessity.

This creates friction for the customer, so Sawaya is eyeing possible tools that would allow them to enter their provider's information along with their FSA or HSA information. That would allow the letter to be obtained to verify the purchase even if the customer didn't have it ahead of time.

"Once the customer reaches the cart experience, I'd say at that point, we are not doing enough right now," Sawaya said. "But we're eager to do more."



Shopify's checkout strategy aims for customization, efficiency

Shopify claims to power as much as 10% of all e-commerce transactions. Over the last few years, it has skyrocketed in growth -- processing \$197 billion in gross merchandise volume last year, more than triple what it processed in 2019. And the company's business has blossomed from serving not only independent and DTC retailers but also major global brands like Black and Decker, Mars and Mattel.

But sustaining this growth amid increasing competition from web platforms and the likes of [Amazon's new Buy with Prime](#) means creating products that continue to increase merchants' conversions. And this year, that means creating a simple-as-possible checkout experience.

The latest Shopify software updates rolled out in the first quarter of 2023 features a suite of updates allowing merchants to customize their checkout page -- such as being able to use apps for add-on purchases, stackable discounts or loyalty programs on their checkout pages. In addition, it offers the ability to update how brands' pages look in the Shop app. Critically, the update also includes a one-page checkout that spares users from clicking through multiple pages to enter their shipping and billing information.

The updates respond to the demand for more customizable strategies as merchants aim to make their checkouts easy to navigate and provide opportunities to upsell.

"Where we see customization adding the most value falls into two kinds of buckets," Shopify's director of product Mani Fazeli said. "The first bucket is that there is some piece of information they either need to collect or convey. And then the second is the ways in which they can enhance the experience with that buyer, in order to either increase their average order value or to increase the likelihood of getting that conversion."

Modern Retail spoke with Fazeli about how the latest updates respond to retailers' needs, and the future of checkout. This conversation has been edited for length and clarity.

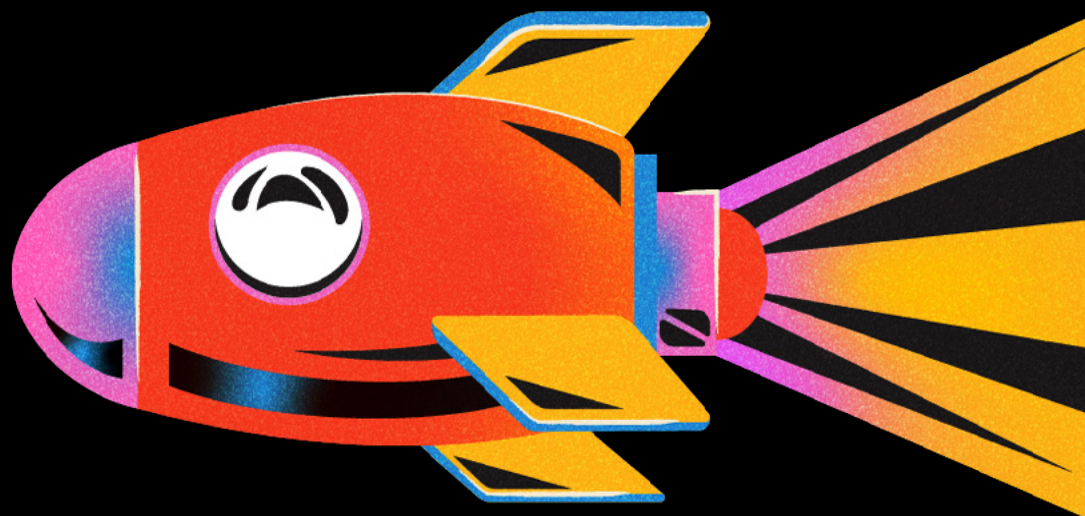
Merchants have expressed the desire to be able to customize the checkout process for their brand. How has Shopify responded?

Merchants have told us that they want more control over their checkout. So we're launching new levels of extensibility, which is the term we use for how to have an app-based upgrade, and a safe, higher converting way of making customizations. We're releasing a new drag and drop checkout editor, which means the Shopify Plus merchants can install third-party apps.

We also have something called the branding API that allows them to make fairly sophisticated changes to the look and feel of the checkout. There are a lot of examples of the way that this can manifest, whether it's to capture fulfill order, to maximize average order value, to further optimize for conversion. That can come from anything like simple form fields and banners that they might need to load, or sophisticated upsells, loyalty programs, ID verification tools, whatever it might be.

Why is one-page checkout an important update for Shopify?

The relationship of a buyer's journey is all about how streamlined it is for them to have to go from browsing the site, choosing the kinds of products that they're interested in and then being able to turn that into an order without lots of repetitive tasks. So, the streamlining really comes down to how easily they can get clarity of cost for the purchase that they're making, understanding the promise that's made to them with delivery and when they can expect the product, what are their taxes or potential duties if they're purchasing cross-border and being able to enter in their information really easily and pick their preferred payment method.



What functions or tools do you anticipate are going to fuel the future of e-commerce?

My humble opinion is that the future of e-commerce will be powered by a buyer's identity, and Shopify is at the forefront of that evolution.

The key to creating it is automatically recognizing the buyer at checkout, even if it's the first time that that buyer is purchasing from a particular merchant. So long as that buyer is in the Shop Pay network, we have a number of clever ways to detect them and streamline their ability to say, 'Yes, this is me. And I want my identity to be used as part of this shopping flow.'

It's where you've gone to a Shop Pay-enabled merchant, and you just type in your email address as you're going through a guest checkout, and we pop up and say, 'Hey, is this you? We just sent you an SMS, type in your code.' And then we accelerate everything else after that.

That's just one of a number of ways that we try to identify the buyer with very little effort on their part, including in a world that operates with, you know, Apple's latest ITP restrictions that they have on the industry and still being able to be that streamlined system.

What other elements do you think will be part of the next iteration of how we shop online?

If we care a lot about knowing the identity of a buyer, why just recognize them inside of the checkout? Why not try to know who they are from the very beginning of their shopping journey?

With the Winter edition, we're announcing another really exciting thing called Login with Shop, which is the ability to have merchants offer something to the buyer in exchange for them identifying themselves. Then that identity is known through the entire journey, not just the checkout.

What that enables is personalization, what that enables is targeting. We think this is a pretty big unlock globally for a very large swath of the current merchant base, and the future merchant base.

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