THE
ESSENTIALS OF TURNING
ABANDONED CARTS
INTO SALES

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Imagine two fathers shopping for a chair for their daughters' dorm rooms. At checkout, both realize they aren't certain the chair will fit. They explain to the salesperson that they'll need to make some inquiries and leave their phone number — as neither wants their chair scooped up by someone else.

The next day, the first Dad receives an email from the store letting him know that they found specs for the state university dorm rooms and the chair will fit. And, by the way, the store just received a shipment of modestly-priced floor lamps perfect for lighting up dim dorm rooms.

The second Dad gets a very different email. The salesperson writes to tell him that the chair is going to go very nicely with the five-piece faux leather living room set that just went on sale.

Such a disconnect is not something a retailer wants to create, but it often happens in the ecommerce world with automated cart recovery emails.

Shoppers abandon carts for a variety of reasons, and a well thought out recovery message or series of messages can help save some of that revenue. But not all cart recovery programs deliver as much as possible. In this paper, we'll discuss why ecommerce retailers need a cart recovery program and how you can get the most out of one.

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THE BASICS OF CART RECOVERY

A cart recovery campaign brings in additional revenue that retailers have been losing to cart abandonment. Cart recovery programs started gaining traction nearly a decade ago. Today, roughly 60% of our customers use them.

The reason for their success is obvious. For a shopper, making the leap from browsing to buying can come with uncertainty, indecision and sticker shock. Sometimes, abandonment is caused by a more mundane issue: The baby is crying, the train has arrived at the station or a text message interrupts the shopper's journey.

Shoppers may want to complete the order in a store, read more reviews before they buy or discuss the order with a friend. They may abandon the cart with no plan to return, or they may be using the cart as temporary storage. Consumers know they have more options now than ever before and can find a good deal when they're ready to buy.

With all those possibilities, it's no wonder then that cart abandonment is incredibly common. Forrester Research estimates that 87% of consumers abandon carts, resulting in $18 billion of lost revenue annually.

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Commerce marketers know that cart recovery is a valuable email marketing tactic. In a recent survey of our customers, we asked which of six email marketing tactics were the most effective for their business. A resounding 98% reported that cart recovery emails are very or somewhat effective. Other than exclusive email offers, no other tactic comes close.

How effective are these tactics?
Very Effective　**Somewhat Effective**　**Not Effective**

Tactic	Very Effective	Somewhat Effective	Not Effective
Exclusive email-only offers	63%	36%	1%
Cart recovery emails	60%	38%	2%
Collecting customer info at registration	30%	57%	13%
Product status change emails	35%	58%	7%
Offers in transactional emails	30%	63%	7%
Birthday/Reminder emails	44%	48%	8%

We Asked, They Answered: Top Commerce Marketing Tactics Shared, 2016

THE PITFALLS OF MANY CART RECOVERY METHODS

Efforts to reclaim revenue lost from cart abandonment often suffer from a one-size-fits-all approach. That's why the best cart recovery programs aren't locked into pre-set business rules with pre-built templates that confine the timing, wording and structure of messages. Sophisticated merchants understand that consumer behavior differs based on a variety of factors, including demographics, products and season.

Consider a customer who's browsing for an appliance at a store that sells more than just appliances. When the customer carts a $1,000 refrigerator, sending a cart recovery offering free shipping on items $35 or more doesn't make sense. Being able to segment on price or type of product so that the message offers a relevant incentive, such as waiving a delivery or installation fee, would work better.

unique vintage

Abandoned cart was an area in which Unique Vintage, a California-based vintage clothing retailer, struggled to find the right fit. It had success with its first commerce marketing platform, but felt restricted.

"We were told, 'It's working; it's fine.' Now we see how good things can be," said Courtney Lear, director of digital marketing and ecommerce.

Unique Vintage's cart recovery messages are producing a revenue rate of $2.05 per email and a conversion rate of nearly 20%.

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DEPLOYING A MORE ROBUST CART RECOVERY CAMPAIGN

So what makes a cart recovery campaign especially effective? The ability to A/B test messages and filter by cart totals to determine the best approach are two examples of deeper functionality that increases the level of personalization.

Having the ability to test is incredibly important in determining an email's effectiveness. An app designed specifically for cart recovery allows more flexibility within the workflow than a manual function available in an ecommerce platform or through a third-party vendor. It gives more control to not only test the message, but also your incentives and timing.

Take the example of the carted refrigerator. Filtering on product description or SKU would have led to a much more relevant cart recovery email. These factors can make a world of difference when attempting to regain revenue from abandoned carts and help bring customers back to the checkout line.

EMU Australia®

EMU Australia, a handcrafted sheepskin footwear company, was considering adding cart recovery emails to their ecommerce toolset. Using Bronto's Cart Recovery app has delivered a monthly average as high as $17 per email in revenue. "We saw instant success in terms of revenue generation. It's so simple, yet so effective," said Sue Meehan, global director of brand and ecommerce.

She was also cognizant of the value of expert advice to launch the right mix of revenue-generating programs. Meehan contracted with Bronto professional services to make it easier to roll out successful programs, such as a welcome series and birthday campaign.

Personalization plays a key role in an effective email marketing campaign. One highly useful incentive in cart recovery campaigns is the coupon offer. But it doesn't always make sense to offer a coupon on the first abandon trigger — or in some cases, on any message.

This is where filtering can be especially important. If you filter out SKUs with low profit margins, you can avoid offering promotions that will sink profit. Another filtering option is based on purchase threshold. For instance, you could offer free shipping or a percentage off when a customer's purchase reaches a certain amount.

ELOQUII

ELOQUII Retention Marketing Manager Kelsey Foy calls Cart Recovery a consistent top email revenue performer. The plus-size fast-fashion brand's messages open at a rate 273% higher and convert at a rate 166% higher than standard messages.

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ONE MESSAGE ISN'T ENOUGH: THE CASE FOR FLEXIBILITY

Here is an example of a cart recovery program from one of our customers using our Cart Recovery app. In the chart below, you can see that limiting the number of messages would decrease the overall amount of revenue. Yes, the first message delivered the best results, but the fourth message also did very well. Can you afford to leave $200,000 in revenue on the table?

	Sent	Open Rate	Click Rate	Conversion Rate	Revenue	Revenue Per Email	Unsubscribe Rate	Complaint Rate
Message 1	136,065	45.3%	30.9%	18.2%	$602,968.66	$4.45	0.1%	0.1%
Message 2	116,662	42.5%	33.6%	11.2%	$351,048.80	$3.01	0.1%	0.0%
Message 3	113,327	43.2%	36.8%	9.4%	$236,614.29	$2.09	0.1%	0.0%
Message 4	112,013	38.7%	34.4%	10.2%	$206,026.48	$1.84	0.1%	0.0%

This particular series was also aided by app functionality that is not always available through more manual processes – the ability to insert a product image in the second or third message.

Additionally, basic cart recovery programs confine merchants to an overall number of triggered emails. But for expensive items, it sometimes takes more than the standard three messages to get the consumer to act.

THE BLOCK SHOP

The Block Shop, a furniture shop based in Australia, was struggling with engaging customers during the off-season of its corresponding home renovation show and turning online traffic into conversions. Enter cart recovery.

Emma Garland, social media manager of The Block Shop, implemented a three-email cart recovery series that included a 10% coupon in the third message.

She segments her sends to customers that tend to buy higher-end items and pushes sales content to those that are mostly price-focused. "When I limit a sale email to subscribers who like sales, we see a 35% open rate and a 21% click rate, which is much more than we've been seeing with standard emails," she said.

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DON'T LIMIT REVENUE WITH LIMITED CART RECOVERY PROGRAMS

With Bronto's Cart Recovery app, retailers can have a more robust and flexible cart recovery campaign. For instance, they can utilize features such as A/B testing to study incentives and timing.

Retailers should be engaging with a cart recovery program that allows them to test these factors to create the most effective campaign for their customer base and the products they sell.

Using an app to recover lost carts and adding a touch of personalization for the consumer allows for a flexible campaign that gives you options and resources to create the recovery series that is right for your company. Don't lose out on revenue because of software limitations.

About Oracle + Bronto

Oracle + **Bronto** arms high-growth retailers with sophisticated marketing automation to maximize revenue opportunities. The Bronto Marketing Platform powers personalized multichannel content that generates the higher engagement needed for retail success. Keenly focused on the commerce marketer, Bronto continues its longstanding tradition as a leading email marketing provider to the global *Internet Retailer* Top 1000 and boasts a client roster of leading brands, including Rebecca Minkoff, Timex, Lucky Brand, Theory, Brooks, Ashley Homestore and Christopher & Banks. For more information, visit **bronto.com**.

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