



CHECKOUT BEST PRACTICES

A CHANGE SCIENCES RESEARCH BRIEF

LEARN HOW TO:

- 01: GUIDE THE CUSTOMER TO THE FINAL SALE
- 02: REMOVE BARRIERS TO CONVERSION
- 03: SHORTEN THE PROCESS



Introduction

It is well known that the widespread proliferation of abandoned shopping carts is significantly hurting the top-line revenues of e-commerce sites. The most commonly cited e-commerce statistic states that three quarters of web consumers abandon their shopping cart before making their online purchases. But why do consumers abandon their carts? Is it because consumers get confused with the interface or is it because they simply change their minds? If it's a usability issue, what specifically is the problem?

The truth is that it can be any number of subtle and complex reasons – reasons the log-file numbers can't tell you. The only way to understand why consumers are abandoning their shopping carts is to actually observe them do it. Only then can you know how to improve the checkout process.

This brief presents a few insights gleaned from our experience directly observing real people performing the checkout process at various e-commerce sites.

01: Guide the customer to the final sale.

Customers become lost and confused when there are a lack of cues telling them where they are and what the next course of action should be. Keeping the customer oriented throughout the process and focused on completing the transaction goes a long way to ensuring an improvement in conversion rates.

- The first hurdle in achieving this is to make it clear when customers put something in their cart. The best way to do this is to take customers directly to the shopping cart as soon as something is added to it.
- As customers continue on in the checkout process, displaying a status indicator helps keep them oriented by giving them a sense of where they are in the process and how close they are to completing the transaction.
- Accurate and descriptive labeling also plays a major part in guiding the customer to the final sale. Strive to offer descriptive links that suggest the next logical course of action. For example, replacing the link "Next" with "Proceed to Confirmation" better informs the customer what the next step is.

Guiding the customer to the final sale in this manner is an effective way to reduce the occurrence of shopping cart abandonment due to the lack of orientation.

02: Remove barriers to conversion.

Once a consumer clicks on the "buy" button, it is important to realize that this person has expressed an interest in making a

transaction – not a commitment. What follows in the checkout process determines whether that person will follow through with a commitment to make the purchase. We cannot prevent the consumer from abandoning the process due to something arbitrary such as high shipping prices or a change of heart. What we can prevent, however, is the consumer abandoning the purchase due to a poorly designed process – a problem that still accounts for almost half of all abandoned shopping carts.

- Customers often cite the difficulties with registrations as a reason they abandon a checkout process. Removing the requirement that a customer register at the web site before making a purchase is a good way to reduce the effort involved in checking out.
- For sites that cannot get around this requirement, keeping the registration form simple is key. For example, eliminate the need for customers to choose unique usernames by using their email addresses instead.
- When the customer makes an erroneous field entry, provide clear error messages that show what the error is and suggest how to correct it.
- Avoid asking for excessive personal information that may put off people and cause them to bail out of the process.

Concentrating on removing these barriers for the customer is critical in reducing the likelihood of abandoned shopping carts.

03: Shorten the process.

As a rule of thumb, the more steps there are in the checkout process, the more opportunities people have to abandon it. This is not to say that e-commerce sites should always strive for a one-page checkout process. However, extraneous or excessive steps that make the checkout process long and tedious are likely factors that lead to abandoned shopping carts.

- Avoiding a complex registration process, as previously discussed, goes a long way to shortening the checkout process. If possible, remove this requirement altogether.
- Resist the temptation to cross-sell in the middle of a checkout process. Extra pages inserted within the process can be off-putting and distracts customers who are trying to complete the transaction.
- Streamline data entry requirements for customers. The more data entry that is required, the higher the probability there is for customers to enter erroneous data. Drop-down lists pre-filled with valid entries are a good way to mitigate this problem.

Keeping the process as short as possible significantly reduces

the pain factor involved in making an online purchase.

Conclusion

Recent studies reveal that more and more people who have gained confidence using the web (typically over a period of 2 to 3 years) are starting to shop regularly at e-commerce sites. These studies also point to baby-boomers as the key demographic responsible for this trend. E-commerce sites that are able to address critical bottlenecks in the online shopping experience today will be well poised to take advantage of this growing trend going forward. The ability for companies to learn about what customers actually do on their site and what can cause them to leave in frustration will be the key differentiating factor in the intense competition for market share to come.

About Change Sciences Group

Change Sciences Group specializes in improving the customer experience for online applications. We don't just point out what's wrong; we show you how to make it right. First, we help companies understand the people, environments, and contexts that make up their business. Then we produce a complete framework, including designs and documentation, for improving the experience people have with their business.

All that adds up to satisfied customers, employees, partners, and suppliers. For our clients, this means higher revenues and lower costs. By grounding development in the real experiences of real people, Change Sciences' clients develop products that fit with their customers' lives, adding business value, and long-term brand-loyalty.

Based in New York, Change Sciences provides customer experience strategy, information architecture, and usability services for e-commerce sites, business-to-business marketplaces, intranets, wireless applications, and information appliances.