COLUMNS

6 ways to improve the checkout experience

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By A LUXURY DAILY COLUMNIST

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Retailers are losing $18 billion annually due to shopping cart abandonment. Research shows two out of three users who add items to their online shopping cart leave without making a purchase. The numbers are even worse on mobile, where conversion rates are 70 percent lower than desktop.

So why are consumers leaving right at the point of sale and what can companies do about it?

Even multimillion- and multibillion-dollar companies are failing to implement some of the critical best practices for checkout. We have incorporated the findings of Baymard Institute, the leading researcher centered on ecommerce usability, to categorize six types of best practices that you can apply to your mobile checkout and increase conversions up to 25 percent. Here they are:

1. Messaging: Ninety-two percent of the largest United States ecommerce sites fail to have adequate messaging throughout checkout.

Use clear, direct language to help consumers understand what they need to input and why. Enhance form field labels with short descriptions (e.g., "Your security code: a 3-digit code found on the back of your card"). Avoid generic error messages such as "Invalid." And explain why you require a phone number (for shipping issues) rather than leave customers guessing.

2. Context: Consumers are often interrupted on mobile devices, as they are doing other things. To meet expectations for fast and easy transactions, brands must provide experiences that match the mobile users' contexts with smaller touch-based screens and in-the-moment needs.

Save mobile users time and taps by auto-detecting card type based on their card number and auto-detecting city and state based on ZIP code. Disable auto-correct for name fields and provide numeric keyboards for phone and credit card information.

3. Design and navigation: Mobile customers expect a checkout experience that is user-friendly and seamless.

Twenty-five percent of shoppers abandon shopping carts because the Web site navigation is too complicated. Ensure the font is legible never use one below 11 points and provide adequate spacing between clickable elements.

Offer a guest checkout option. Thirty percent of users abandon their cards if they are asked to register upfront.

One final tip on this point make it easy for mobile users to keep track of where they are in the checkout process by labeling each step (for example, "Step 1 of 3").

Avoid using a coupon field, as it prompts shoppers to coupon hunt. Many will abandon their carts to look for a coupon and fail to return.

4. Trust/security: Creating a sense of trust and security is key during checkout.

Seventeen percent of shoppers ditch their carts over concerns about payment security. Include credit card logos and site seals from anti-virus software brands.

Consider encapsulating certain fields to make them feel more secure. Add a padlock icon to reinforce users' sense of security.

And give customers one last chance to review what they ordered and ensure that they entered everything correctly before they proceed with their order.

5. Funnel insights and analytics: Insights on where in the checkout process drop-offs are happening are the key to minimizing shopping cart abandonment.

Use field-level analytics to track in which fields (name field, address field 1, address field 2, etc.) customers drop off.

Analyze user behavior by segment (e.g., traffic source, geography, device, returning versus new) and tailor the checkout experience to their needs. For example, if they came from an ad promoting a sale, fill in the promo code for them.

6. Testing/iteration: When testing your mobile checkout, be sure to set up statistically significant tests. You should not call tests before you have reached a 95 percent confidence interval or higher.

Run your tests for at least one to two business cycles. Determine the sample size in advance and run the experiment until the predetermined sample size has been reached. One useful tool for calculating sample size is www.testingsignificance.com

OUR INSIGHTS into online shopping behavior show businesses big and small are failing to meet the demands of mobile shoppers. These six ways will give companies a clear roadmap to better checkouts.

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