



Online Shopping Cart Best Practices

How to win online customer trust and
convert more sales at the final hurdle

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Why your shopping cart can make or break your online business

DO YOU CURRENTLY SELL ONLINE? OR PLAN TO IN THE FUTURE? IF SO, YOU MAY ALREADY KNOW ABOUT MANY OF THE IMPORTANT ONLINE STRATEGIES NEEDED FOR SUCCESS.

For example, your website must be easy to find on search engines (effective SEO), easy-on-the-eye once people arrive on your pages (appealing web design), and easy-to-use once they decide to go exploring and shopping (smart web development). Plus, your messages need to be very clear and focused on your audience's needs, problems and desires (engaging copywriting).

However, even if your ideal customers arrive on your website in droves, adore what they see and hear, and decide to buy something on the spot, there's an extremely high chance most will leave with nothing. Unless you also make life easy at the final hurdle - checkout.

More than 67% never click 'Pay'¹

Recently, the Baymard Institute looked at 22 major studies into eCommerce shopping carts to determine the average abandonment rate. In other words, out of all the people who initiate an order online through a website, what percentage of them never complete the transaction. The figure was a staggering, and frightening, 67.44%.

Of course, this percentage will vary from site to site, and people always have greater reservations the higher the product price. Regardless, the possibility of losing anywhere near two-thirds of the potential customers who have shown enough interest to begin the purchasing process, is a serious concern for any online business.

Why do online shoppers jump cart?

To improve shopping cart conversions and sales, we first need to understand why so many potential online buyers around the globe abandon their carts before payment. According to a study by Practical eCommerce², some of these motives are beyond our control e.g.

37% want to compare prices at different shops.

36% don't have money available to buy at the time.

However, many of the common objections are things that every business can control.

¹ Baymard Institute, <http://baymard.com/lists/cart-abandonment-rate> (October 2013)

² Reasons for cart abandonment, Listrak <http://www.listrak.com/Solutions/Reasons-for-Cart-Abandonment.aspx> (October 2013)

High or hidden shipping charges

Practical eCommerce found that the main reason people don't complete checkout is due to high shipping charges (46%). As shipping charges often appear very late in the checkout process, the problem becomes twofold.

Firstly, people are surprised by extra cost being added right at the end. Secondly, it's more difficult and time consuming for people to check and compare the total price. As a result, many potential customers become frustrated and decide to buy elsewhere.

Preferred payment option not available

Payment is the big step in every online shopping process. So it's not surprising that customers have strong feelings about how they pay.

24% of online shoppers abandoned their transaction after not finding their payment option of choice³.



Security concerns

Online shoppers not only want to be able to choose how they pay online, they need to feel very confident while they do it. With 21% not following through with a purchase due to concerns about security of their credit card information, it's vital to start building trust early in your relationship³.

Be sure to check your own stats

While the findings of research into shopping cart abandonment suggest very similar issues the world over, it's important to understand what drives your own customers to buy online, or not. Tools such as Google Analytics, or statistics available from your shopping cart provider, can reveal how many people abandon your shopping cart, and at what point.

Promote a safer, easier, faster way to pay

PayPal is Australia's third most trusted brand⁴, and the preferred way to pay online⁵.

And with payment options, or more importantly a lack of preferred payment option availability, being a significant reason why customers choose not to complete a transaction – it makes sense that improving your integration of PayPal into your site, could improve your conversion, and ultimately drive sales.

Putting PayPal to the test

In 2012, PayPal tested a number of website improvements with German businesses to determine the effect they might have on checkout abandonment⁶. Using A/B testing, they recorded the improvement in website conversion, through each technique. The study found that when all of the improvements were put in place, conversions increased by an impressive 9.91%⁶.

Whilst we can't promise these improvements will drive a 9.91% increase in conversion on your website, we recommend you try them on your site to see whether your conversion, and sales, can improve.

³ Reasons for cart abandonment, Listrak <http://www.listrak.com/Solutions/Reasons-for-Cart-Abandonment.aspx>

⁴ Young & Rubicam Brand asset valuator, 2011.

⁵ When compared to other online payment systems and individual credit card brands. Global Brand Tracker, Q2 2013

⁶ PayPal Germany, Best Practice Integration Study, 2012. Data based on conversion rate increase in eCommerce standard ordering processes, carried out as part of a PayPal analysis of 6 merchants with a total of 269,442 visitors in early 2012.

PayPal Integration Guide

INTEGRATING THESE STEPS HELPS TO ENSURE YOUR CUSTOMERS ARE AWARE YOU ACCEPT PAYPAL, AND STREAMLINES THE CHECKOUT PROCESS.

1 Display a PayPal logo on your homepage

Over four million Australians, and another 110 million online shoppers worldwide, place their trust in PayPal - and they are all potential customers to you. So, it makes good sense to let your customers know straight away that they can use PayPal for purchases through your website.

Step 1. Download the PayPal logo

Step 2. Display the PayPal logo on your homepage.

It's always best if the button can be seen without having to scroll down.



2 Add a PayPal logo to your product and checkout pages

Not everyone arrives at your homepage. Many customers land on product pages from price comparison sites, or by searching for a specific product via a search engine. Displaying the PayPal logo on each product page tells your potential customers that they can pay with PayPal immediately, easily and securely.

Step 1. Download the PayPal logo

Download the new PayPal logo.

Step 2. Display the PayPal logo

Add the PayPal logo to your product pages and checkout page. It's always best if it can be seen by shoppers without having to scroll down.

3 Make PayPal the first payment choice

As the preferred way for Australians to pay online⁵, it's little wonder that many online shoppers make a conscious choice in favour of eCommerce businesses that offer PayPal.



If you offer multiple ways to pay, consider making PayPal the first option, or even the pre-selected option so customers can move quickly through each stage of the checkout.

4 Use an Express Checkout on your website

By integrating PayPal's 'Checkout with PayPal' button at the start of your checkout process, your customers can purchase in as little as three steps. They can buy without needing to enter their delivery address or credit card details.

The 'Checkout with PayPal' button makes for a more comfortable, pleasant buying experience. And satisfied shoppers will buy, and keep coming back.



Guidelines for integrating an Express Checkout through a shopping cart

If you use a shopping cart, check with the cart provider to see if PayPal's Express Checkout is available and how you apply it. Our Partner Portal includes links to the instructions for integrating your shopping cart system.

[Visit the partner portal](#)

Guidelines for developers

See our [Express Checkout Integration documentation](#).

If you need help integrating the Express Checkout, give the PayPal Australian Based Business team a call on 1800 PAYPAL (1800 729 725).

5 Include details of the purchase in the PayPal payment steps

From the moment a customer adds a product to their shopping cart, you should display the details for them very clearly.

You can also show details of the products being purchased in the PayPal steps of the purchase, so that even when the customer leaves your site to pay, they can still see what they are buying.

This strategy builds shopper trust in your business. It also removes uncertainty about the price and prevents any unpleasant surprises arising just as your customer is ready to pay.

Guidelines for shopping cart systems

If your shopping cart system allows you to transfer shopping cart details, then activate this feature. Our Partner Portal includes links to the instructions for integrating your shopping cart system. [Visit the partner portal](#)

Guidelines for developers

To transfer the shopping cart via the API interface simply transfer the shopping cart details to the relevant parameters. These should be sent via SetExpressCheckout and DoExpressCheckout.

[See our developer portal](#)

6 Include your logo in the PayPal payment process

Add your own logo and main business colours to the PayPal checkout page to make the checkout flow consistent and look professional. This way, your customer's will feel more confident they are moving through the right checkout path. Anything you do that makes people feel more comfortable as they are about to hand you money is good for business.

Guidelines

1. Log-in to your PayPal Account
2. Go to the Profile section
3. Go to My Selling Tools
4. Go to Custom Payment Pages and click on set up PayPal payment pages to look like my website and click update
5. You will be taken to a new page called 'Edit Custom Page Style'. Please complete tabs Page Style Name, Logo Image URL and Cart Area Gradient colour

Other tips to improve conversion

Allow people to pay without registering

It can be tempting to make customers sign up to your website so you can contact them again after the sale, and get repeat business. However, registration processes can be a barrier for customers and may result in you losing sales.

Consider providing your customers with an option to order and pay as 'guests', without having to register. Once they complete the sale, you could ask them to join a mailing list so you can capture their details for future⁷.

Most shopping carts offer the ability to have a guest checkout flow. Alternatively, speak to your website developer about including this option in your website.

Make your website and shopping cart - mobile

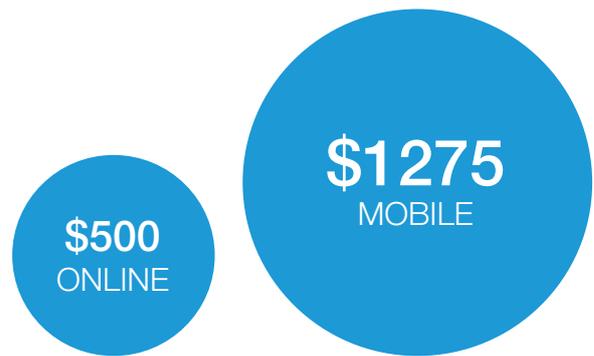
Mobile commerce, or m-commerce, has rapidly changed the face of online shopping. As the number of smartphone and tablet users grows, so too does the shift towards buying online - and buying more - via mobile devices.

This phenomenon was illustrated in a PayPal whitepaper 'Mobilising Sales - Making money in the mobile commerce revolution' Q1 2013.

⁷ Please note you will need to comply with any relevant legislation relating to contacting customers.

1 Mobile commerce is booming, locally and globally

In 2012, Australian online shoppers spent on average \$500 online⁸. Meanwhile, Australian mobile shoppers spent on average approximately \$1275⁹ – more than twice as much, and a 26% increase over the previous year.



2012 AVERAGE SPEND



61% would not return

2 Mobile shoppers abandon unfriendly websites

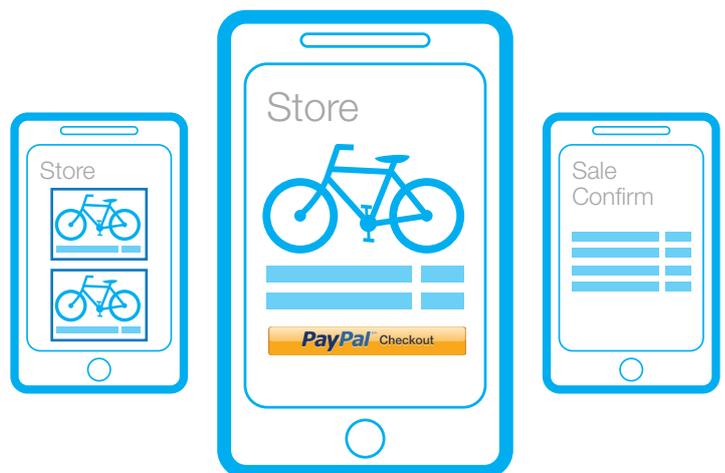
Mobile optimising your website – making it easy to view and use on a small phone screen - improves the overall shopping experience for the growing number of people visiting your online business via their phone or tablet. That, in turn, encourages spending.

According to a study by Verdict Research commissioned by eBay¹⁰ three quarters of mobile users would spend more through their mobiles if more websites were optimised. On the other hand, not catering for mobile shoppers can have the opposite effect with 61% saying they would not return to a site that wasn't optimised for mobile.

3 PayPal – reducing friction for mobile shoppers

PayPal's core checkout products, Express Checkout and Website Payments Standard are mobile optimised so that customers can easily enter their details and complete a payment regardless of the size of the screen they use. Plus, by placing the 'Checkout with PayPal' button early in your checkout flow your customers won't need to enter all their personal details, such as credit card details and address, which are harder to do on a small screen/keyboard.

In addition to the general online shopping cart recommendations mentioned in this report, our **'Mobilising Sales' whitepaper** contains 10 proven strategies to help make your website highly appealing to mobile customers.



8 National Australia Bank Online Retail Sales Index

<http://www.heraldsun.com.au/news/victoria/australian-shoppers-spend-11b-a-year-shopping-online/story-fn7x8me2-122637039830214>, 2013

9 Ofcom 2012 "The Communications Market 2012" (\$1275 based on approx. exchange rate research of research figure £842)

10 Verdict Research and eBay, 2011, "Seizing the Mobile Retail Opportunity". Source: www.ebay-mobilemediacentre.mobi/documents/mobile_manifesto.pdf

Your checklist

NOW THAT YOU UNDERSTAND HOW DRAMATICALLY A GOOD OR BAD ONLINE SHOPPING CART PROCESS CAN AFFECT YOUR BOTTOM LINE, IT'S TIME TO TAKE ACTION.

Below is a checklist of the recommendations discussed to help you improve your online sales conversions, profits and customer loyalty.

- Display a PayPal logo on your homepage
- Add a PayPal logo to your product and checkout pages
- Add PayPal's Express Checkout on your website
- Make PayPal the first payment choice
- Show people details of their purchase
- Include your logo in the PayPal payment process
- Allow people to pay without registering
- Make your website and shopping cart - mobile

Tell us what you think

Share your feedback and results

If you have feedback on this report, or have other changes you've made to your website to improved conversion, we'd love to hear them – send them to paypalinsight@paypal.com.

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