

Proceed to checkout? Not on your mobile, say researchers

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Shoppers hoping to bag a bargain in the post-Christmas sales are much less likely to go through with their purchases if they are using phones and tablets to buy goods online.

This is because consumers often worry they are not seeing the full picture on a <u>mobile app</u> or that they could be missing out on special offers or overlooking hidden costs, according to new research. Concerns about privacy and security can also motivate people to put items into their shopping baskets but then quit without paying.

Although mobile apps are rapidly becoming among the most popular ways to shop online, the phenomenon of shopping cart abandonment is much higher than for desktop-based online shopping. According to Market Research firm Criteo , the share of e-commerce traffic from mobile devices increased to 46% of global e-commerce traffic in Q2 2016 however, only 27% of purchases initiated on this channel were finalized and conversion rates significantly lagged behind desktop initiated purchases.

Researchers at the University of East Anglia (UEA) investigating why this is so say it represents a huge challenge for online retailers, who are investing heavily in mobile shopping, but not reaping the rewards in successful sales.

"Our study results revealed a paradox," said Dr Nikolaos Korfiatis, of Norwich Business School at UEA. "Mobile shopping is supposed to



make the process easier, and yet concerns about making the right choice, or about whether the site is secure enough leads to an 'emotional ambivalence' about the transaction - and that mean customers are much more likely to simply abandon their shopping carts without completing a <u>purchase</u>."

The researchers studied online shopping data from 2016-2017 from consumers in Taiwan and the US. They found that the reasons for hesitation at the checkout stage were broadly the same in both countries. In addition, shoppers are much more likely use mobile apps as a way of researching and organising goods, rather than as a purchasing tool, and this also contributes to checkout hesitation.

"People think differently when they use their mobile phones to make purchases," said Dr Korfiatis. "The smaller screen size and uncertainty about missing important details about the purchase make you much more ambivalent about completing the transaction than when you are looking at a big screen."

Flora Huang, the study's lead author, added: "This is a phenomenon that has not been well researched, yet it represents a huge opportunity for retailers. Companies spend a lot of money on tactics such as pay-perclick advertising to bring consumers into online stores - but if those consumers come in via mobile apps and then are not finalising their purchases, a lot of that money will be wasted."

The team's results, published in the *Journal of Business Research*, showed that consumers are much less likely to abandon their shopping baskets if they are satisfied with the choice process. App designers can help by minimising clutter to include only necessary elements on the device's limited screen space and organising sites via effective product categorisation or filter options so <u>consumers</u> can find products more easily.



Other strategies that might prompt a shopper to complete a purchase include adding special offers, or coupons for a nearby store at the checkout stage.

"Retailers need to invest in technology, but they need to do it in the right way, so the investment pays off," added Dr Korfiatis. "Customers are becoming more and more demanding and, with <u>mobile shopping</u> in particular, they don't forgive failures so offering a streamlined, integrated service is really important."

More information: Guei-Hua Huang et al, Mobile shopping cart abandonment: The roles of conflicts, ambivalence, and hesitation, *Journal of Business Research* (2018). DOI: 10.1016/j.jbusres.2017.12.008

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