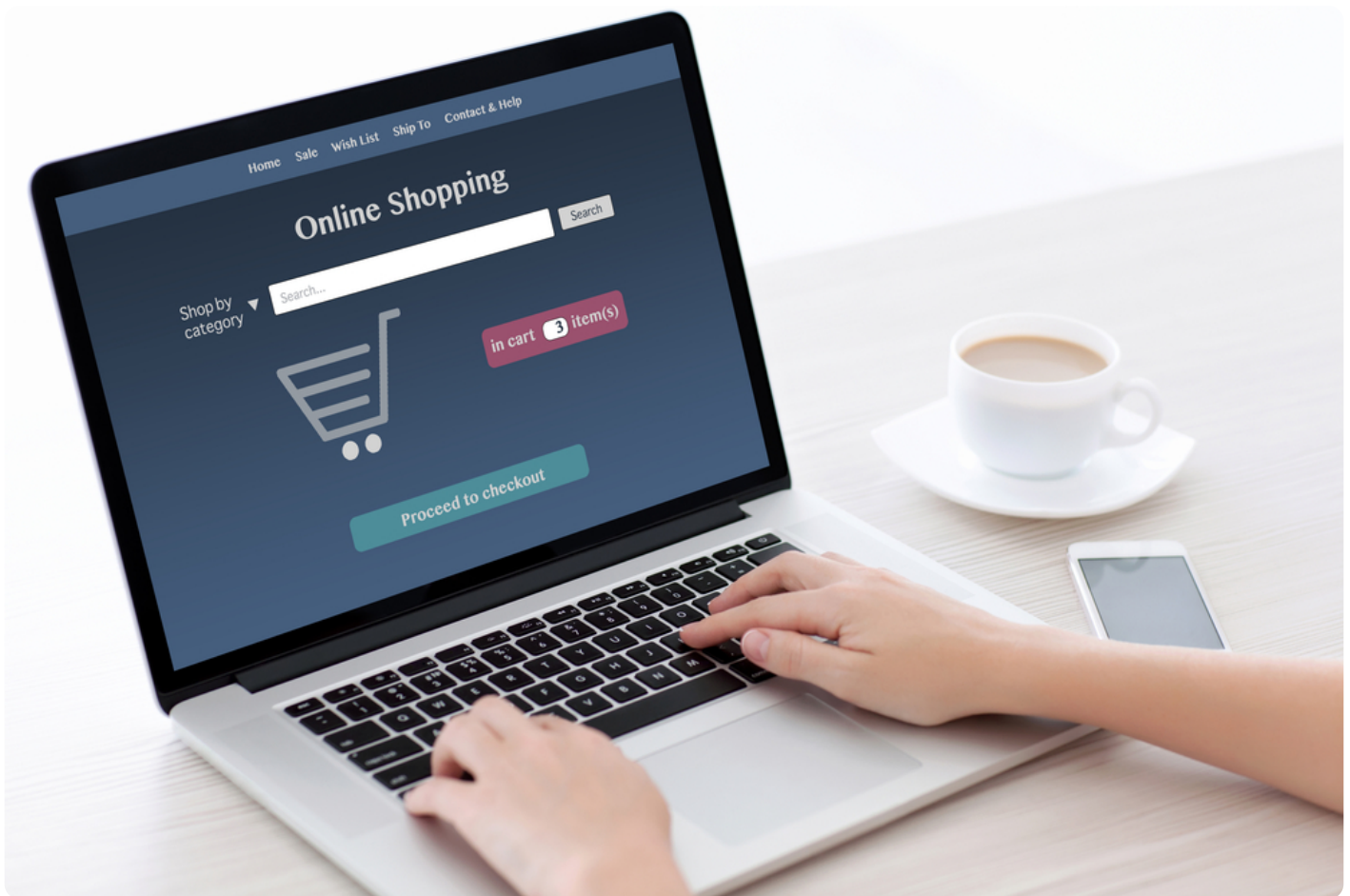# 3 Reasons for Online Shopping Cart Abandonment and How Geo IP Targeting Can Address Them

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Almost 70% of shopping carts are abandoned upon checkout, based on 41 different studies. In light of this, checkout optimization should be a top priority for e-commerce websites to reduce the number of cart abandonment, and, therefore, missed revenue opportunities.

Think about this example: Out of more than 20 million e-commerce sites all over the world, 10 customers found your online store and liked your products enough to put some of them in their shopping carts. When they reach the checkout page, around seven decide to abandon their carts, leaving only three actual paying customers. Either the seven people changed their minds entirely or they decided to buy from a competitor.

It's hard enough to make an e-commerce website stand out from the millions that offer similar products. It's equally challenging to convince customers to stay and complete purchases. It is, however, not impossible.

In this article, we examined three reasons for cart abandonment according to the Baymard Institute and how geo IP targeting can help solve the problem by offering a smoother online shopping experience.

What Is Geo IP Targeting?

Geo IP targeting is the process of segmenting website visitors according to their IP addresses. By using location-based segments, organizations can better target customers and offer personalized and localized content, which is an effective way to engage customers and create positive user experiences.

A useful geo IP targeting tool is IP Geolocation API, as it provides accurate geolocation details for both IPv4 and IPv6 addresses, including a given user's country, region, city, postal code, latitude and longitude, time zone, Internet Service Provider (ISP), Autonomous System Number (ASN) and type, and associated domains.

How Geo IP Targeting Addresses Reasons for Cart Abandonment

There are several reasons for shopping cart abandonment, including the fact that users just weren't prepared to make a purchase in the first place. However, these three particular reasons can be somewhat alleviated by implementing geo IP targeting.

Long or Complicated Checkout Process

Long and complicated checkout processes were cited by 27% of visitors who abandon their shopping carts. The ideal checkout form should only have 12 fields, yet some online shopping sites display more than 20. Understandably, users leave these sites due to time constraints.

Aside from minimizing headers and footers to remove distracting content from the checkout page, pre-filling out most of the fields using geo IP targeting can tremendously speed up the process. Instead of typing required information into fields one by one, users just need to confirm and make corrections, if any.

For returning customers whose billing and delivery details are already in the shop's database, IP Geolocation API can easily match them with their saved profiles using their IP addresses as a reference. As a result, repeat purchasers only need to fill in 5-7 fields manually.

Couldn't See or Calculate the Total Order Cost Upfront

Around 24% of users abandon their shopping carts because a site didn't give them the total cost quickly enough. This fact proves the importance of content localization through geo IP targeting. How so? By displaying the appropriate currency for the user based on his/her location, he/she can immediately see the order cost and doesn't have to make conversions.

In fact, using the location data that an IP geolocation API automatically detects and displaying the

right currency for each user are already possible. As a result, fewer users abandon their shopping carts during the checkout process.

Didn't See Their Preferred Method of Payment

Customers have varying payment preferences, which depend on their country. For example, PayPal may be a popular payment method in several countries, but in Norway, the majority prefer payment by BankAccess. This method is a form of bank transfer that does not require them to divulge their bank details. In Australia, credit card payment is preferred.

If customers don't see their preferred payment methods when checking out, 8% of them abandon their shopping carts. While e-commerce sites have the option to display all methods of payment possible, this clutters the checkout page, resulting in a seemingly complicated checkout process.

To better address the issue, geo IP targeting can be used so that the payment methods preferred in the user's country are instantly displayed.

Online shopping cart abandonment is a serious e-commerce issue that every online business is facing. While it's impossible to eradicate cart abandonment, some strategies can urge people to complete the checkout process.

Geo IP targeting aided by IP Geolocation API is an effective method to reduce instances of online shopping cart abandonment. With accurate IP geolocation details, customers no longer have to abandon their carts due to a complicated checkout process, unclear total order costs, and the absence of their preferred payment methods.

Would you like to learn more about how our IP geolocation products can help you improve your e-commerce site experience? Feel free to contact us.