

Project Phoenix: Abandoned Cart Root Cause Analysis

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Executive Summary: The Mystery Solved

The high cart abandonment rate (52%) is **not** primarily caused by high pricing or "Price Shock." Our analysis proves the dominant driver is **Critical Checkout Friction**, meaning customers are encountering a surprise barrier or error the moment they attempt to pay.

Diagnosis: 100% of cart abandonment occurs within the first **two minutes** of the checkout process, and the single largest group exiting is abandoning carts with only **1 to 2 low-value items**. A user cannot calculate or experience major price shock in that time—they are hitting a **payment wall or surprise fee**.

Immediate Recommendation: The highest priority is to **Audit the Checkout Flow** to eliminate payment friction and ensure absolute price transparency before the final screen.

Key Findings: Data Proof

A. Dominant Driver: Time (Friction)

The data shows a complete collapse of conversion during the initial two minutes of the checkout funnel, pointing to technical or structural barriers.

Checkout Time Segment	Abandonment Rate (of all abandoned carts)
0–1 Minute	57.69%
1.1–2 Minutes	42.31%
Total ≤2 Minutes	100%

Insight: Customers are not contemplating their purchase; they are immediately reacting to an unexpected requirement (e.g., forced account registration, surprise shipping, or unacceptable payment options).

B. Secondary Finding: Item Count

The size of the abandoned carts confirms that the issue is not item-volume or total price

shock.

Item Count in Abandoned Cart	Abandonment Rate (of all abandoned carts)
1 Item	26.92%
2 Items	23.08%
Total 1–2 Items	50.00%

Insight: Half of the abandonment occurs in carts with 1 or 2 items, which are typically low-value purchases. This strongly disproves the theory that the issue is high total cost.

C. Channel & Discount Overview

- **Top Acquisition Channel:** Social (50%)
- **Discount Effect:** 100% of abandoned carts had **no discount** applied. (While this is noted, the rapid exit time suggests friction is a more immediate cause than the lack of a sale.)

Actionable Recommendations

Based on the diagnosis of Critical Checkout Friction, the following actions are prioritized:

Priority 1: Fix the Friction (Immediate Action)

1. **Ease of Payment Audit (Highest Priority):** Investigate and integrate local, popular, and convenient payment methods. The current system is likely not supporting a primary payment method for the majority of users.
2. **Price Transparency:** Implement dynamic or upfront shipping calculation displayed clearly *before* the customer enters their address details to eliminate "surprise fee" friction.
3. **Cart Recovery Program (Quick Win):** Launch the suggested automated email/text reminder program 4 hours after abandonment to recapture sales lost due to immediate friction points.

Priority 2: Long-Term Engagement Strategy

1. **Targeted Discounting:** Instead of discounting every product (which is expensive), allocate budget to launching weekly or occasional promotional programs (like the suggested "Black Friday" events) focused on building buyer trust and loyalty.