

Hollister tackles cart abandonment with new payment solution

Article

The news: Hollister introduced Share2Pay, a payment solution that lets customers send their shopping carts to other people via SMS text, per the Wall Street Journal.

Share2Pay lets teen shoppers—the retail brand’s target market—send their shopping carts to their parents to complete their orders. It’s available on the Hollister app in the US and UK.

How we got here: Hollister launched Share2Pay to address cart abandonment, which contributed to a 7% year-over-year sales loss for parent company Abercrombie & Fitch in Q2.

- Hollister and its sister brands' cart abandonment issues could be exacerbated by many of their target customers not being old enough to pay for their own purchases. These customers may start browsing online only to abandon their carts if a guardian isn't around to make the purchase.
- But with Share2Pay, customers can continue the shopping journey by sending their carts to someone who can complete the transaction. Early pilots for Share2Pay found customers who used the solution were twice as likely to place an order as those who didn't.

Why it matters: Cart abandonment translates to lower sales volume and lower revenues for merchants, making it a major issue.

- The **US retail ecommerce shopping cart abandonment rate was 88% on computer and 94% on mobile in Q1 2021**, per Insider Intelligence's Retail Ecommerce Performance Benchmarks.
- **Forty percent of global merchants described cart abandonment as at least somewhat of an issue for their business**, according to a 2021 Paysafe survey. Of those, 12% said it was a significant issue.

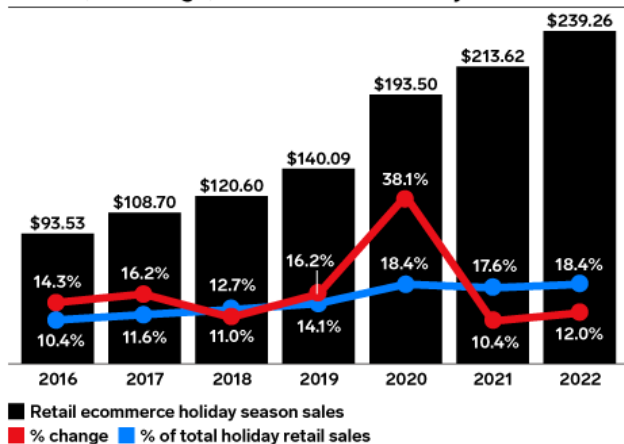
Like Hollister, many fintechs have introduced solutions to tackle cart abandonment: **Sezzle** targets shoppers who are ready to abandon their carts with messages offering its installment options. And **Revolut** recently launched one-click checkout to streamline the payment process.

The Share2Pay opportunity: The solution can help Hollister increase conversion rates, which will be important as the holiday season kicks off. US retail ecommerce holiday sales are expected to hit \$239.26 billion, per eMarketer forecasts from Insider Intelligence.

If the solution proves successful for Hollister, Abercrombie & Fitch will likely roll it out to its other brands, which should help lift overall sales volume. Down the road, Hollister could license Share2Pay to other retailers, opening a new revenue stream for the company. Payment providers may also replicate Share2Pay to better serve their customers.

US Retail Ecommerce Holiday Season Sales, 2016-2022

billions, % change, and % of total holiday retail sales



Note: includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, food services and drinking place sales, gambling and other vice goods sales; sales are for Nov and Dec of each year

Source: eMarketer, Sep 2022

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