



Payments Gap Assessment

Discover more about your payments processing setup

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Why analyse your setup?

The digital transformation has arrived. Consumers are moving online at an unprecedented pace. And today's consumer always demands a convenient, frictionless checkout on every channel.

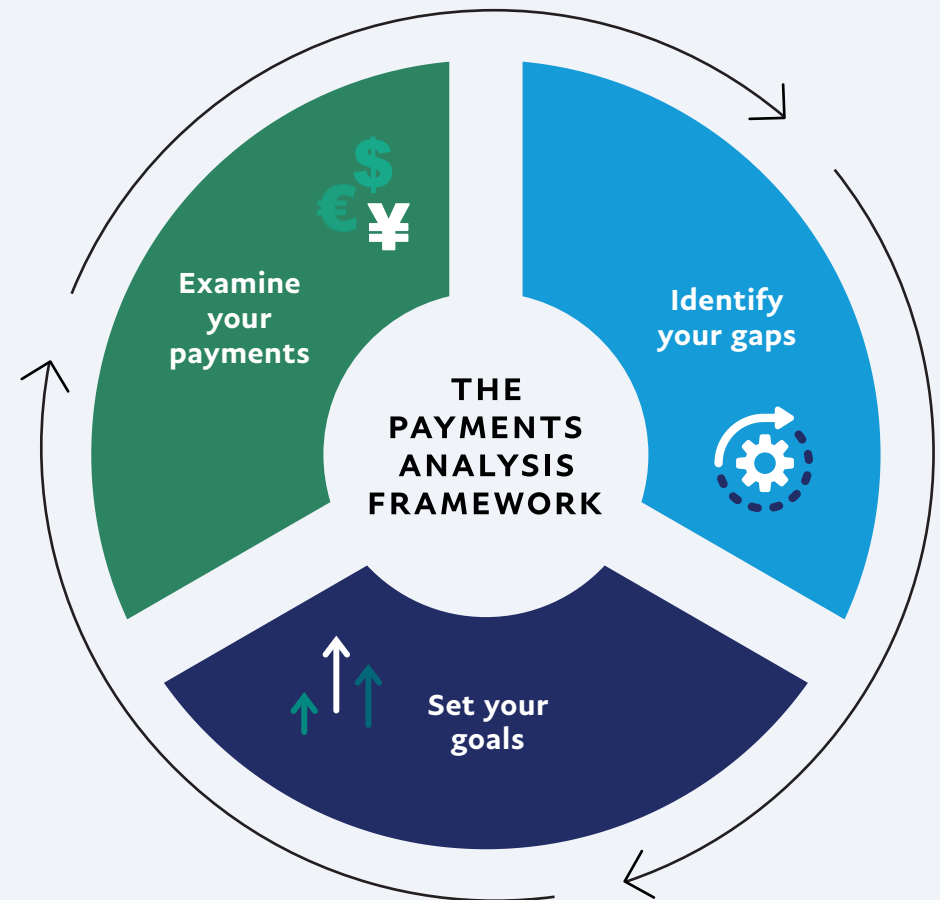
Rapidly shifting consumer behaviours pose new challenges for enterprises. There's never been a better time to analyse your payments processing setup. Performing a gap analysis can get you thinking about payments in a whole new way.

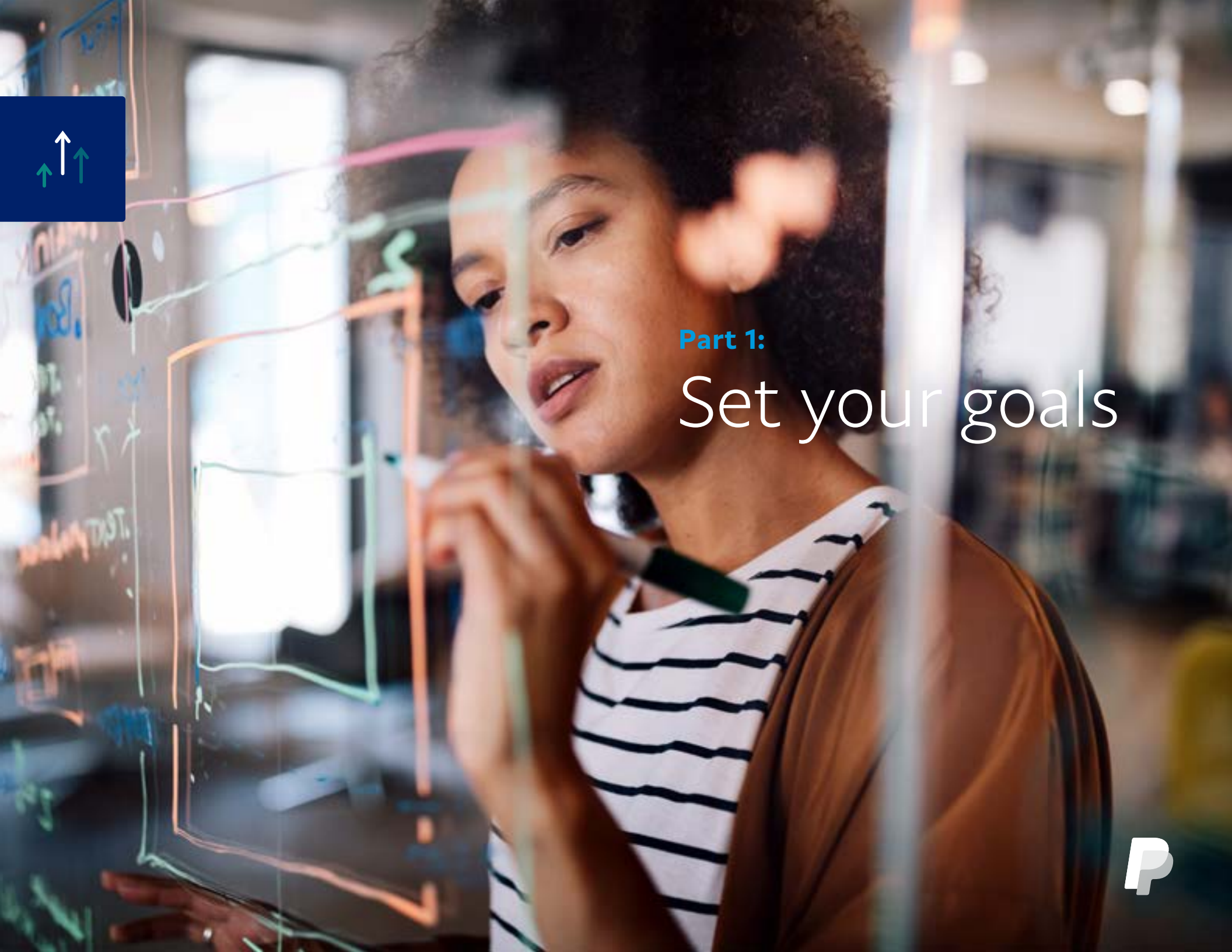
The payments analysis framework

Enterprises often don't make the connection between payments processing and their goals for growth and revenue. This framework is designed to help you connect those dots.

Start by assessing your past performance and outlining what you'll need to do to reach your goals in the upcoming year. Part 2 of the framework looks at the strengths and weaknesses of your current setup and prioritises the areas with the greatest opportunity. In Part 3, you'll dive into the specific tools and features that could help you achieve your goals.

Throughout the framework, you'll examine payments with consideration to your growth, optimisation and diversification needs.





Part 1:

Set your goals



> PART 1 | SET YOUR GOALS

Start by looking back at last year's objectives and key results (OKRs). Did you hit your goals? Give an honest assessment of your performance and write down anything you learned that can inform your strategy for the upcoming year.

Goal	Current state	Learnings

> PART 1 | SET YOUR GOALS

Next, perform a SWOT analysis to examine where you are and what obstacles you might encounter as you work towards your goals this year. It'll also point to areas where you may find quick wins, helping you prioritise tasks and create a more strategic roadmap.

Strengths What do you do well? What unique resources can you draw on? What do others see as your strengths?	Weaknesses What could you improve? Where do you have fewer resources than others? What are others likely to see as weaknesses?
Opportunities What opportunities are open to you? What trends could you take advantage of? How can you turn your strengths into opportunities?	Threats What threats could harm you? What is your competition doing? What threats do your weaknesses expose to you?

> PART 1 | SET YOUR GOALS

Based on your learnings from the past year and your SWOT analysis, outline your new goals for the upcoming year. Think about what resources you will need and potential obstacles you might encounter.

Goal	Required resources	Potential obstacles

> PART 1 | SET YOUR GOALS

Finally, identify how your team is planning on hitting your new goals in the areas of growth, optimisation and diversification.

Grow <ul style="list-style-type: none">• Product upgrades • New product launches• New channels • Geographical expansion• Reach new audiences	Optimise <ul style="list-style-type: none">• Abandoned cart/upsell campaigns• Competitor campaigns • Increase ad spend	Diversify <ul style="list-style-type: none">• Mergers & acquisitions • New business units• Funding increases • Partnerships
All areas: Installing new technology • Increasing spend • Competitor research		

What are some of the ways you need to change your business to hit your new goals?



Part 2:

Examine your payments



Analyse your current payment setup to identify your areas of greatest opportunity.

Optimisation

To optimise and achieve greater market penetration, repeat conversions, loyalty and referrals could help. Take a detailed look at your checkout experience. Are you providing a fast, easy and intuitive checkout?

1. What's your overall conversion rate?

- 0-2% 2.1-4.0% 4.1-6.0% Over 6.0%

2. What's your cart abandonment rate?

- Less than 50% 51-70% 71-90% Over 90%

3. Where do you see the highest abandonment?

- Viewing cart Creating account Shipping details Payment

4. How many form fields does your customer need to fill out at checkout?

- 0-4 5-6 7-8 9 or more

How confident are you in your ability to achieve your optimisation goals? _____ out of 5

Extremely
confident

5

4

3

2

1

Not at all
confident

Growth

To target higher-value demographics or expand your operations globally, identify the gaps between what your target market wants and what you're providing.

1. What payment methods are most popular with your target audience?

Credit and debit cards Digital wallets Buy now, pay later

2. Do you offer all of these payment methods? Yes No

3. Where do you currently do business? What countries are on your roadmap for global expansion?

4. Do you offer the local payment methods popular in those countries? Yes No

Examples: UnionPay (China), JCB (Japan), giropay (Germany), MyBank (Italy)

5. Can you accept payments in the appropriate currencies? Yes No

Examples: US dollars (USD), British pounds (GBP), Euro (EUR), Chinese yuan (CNY), Japanese yen (JPY), Canadian dollars (CAD)

How confident are you in your ability to achieve your growth goals? _____ out of 5

Extremely
confident

5

4

3

2

1

Not at all
confident

Diversification

In today's fast-paced digital world, diversification is more important than ever. Examine your business's larger roadmap for potential joint ventures, mergers, acquisitions and new business units, and consider how they may affect your payments process.

1. How many joint ventures, mergers, acquisitions and new business units are on your roadmap?

0 1-3 4-6 7-9 10 or more

2. What new tech will they introduce to your payments ecosystem?

3. Are there opportunities to leverage in-context commerce experiences?

Extremely
confident

5

4

3

2

1

Not at all
confident

How confident are you in your ability to diversify quickly and efficiently? _____ out of 5

Technology

Tech that can help streamline operations, improve authorisation rates and keep out fraud affects your growth in all areas.

1. How many integrations are in your current tech stack?

- 1-2 3-5 6-8 9 or more

2. How many payment vendor relationships are you managing?

- 1-2 3-5 6-8 9 or more

3. What is your current decline rate?

- Less than 5% 5-10% 11-15% Over 15%

4. What percentage of declines are actually false declines (i.e. good transactions)?

- Less than 20% 20-30% 31-40% Over 40%

How confident are you in your current payments technology? _____ out of 5

Extremely
confident

5

4

3

2

1

Not at all
confident

Bringing it all together

You'll come back to your confidence scores in the next section, so summarise them here. Areas with lower scores should be higher on your list of priorities.

	Optimisation	Growth	Diversification	Technology
Confidence score				

Extremely confident

5

4

3

2

1

Not at all confident



Part 3:

Identify your gaps



You know where you are and where you want to be. But how do you get there?

Go through the lists below and check off all items you've achieved through your current payments setup. The remaining items are your gaps.

Optimisation

Frictionless checkout would normally form part of the foundation for conversions. Tools such as cart abandonment campaigns and targeted marketing can also help increase penetration into your current markets.

- Create a seamless omnichannel experience to keep customers coming back
- Reduce form fields to 8 or fewer to help make checkout frictionless
- Securely save customer data for returning customers and recurring payments
- Improve mobile responsiveness and load times to help drive mCommerce sales
- Use targeted marketing tools to encourage repeat purchases and referrals
- Implement cart abandonment email campaigns to recapture lost sales

Growth

Payments are changing. Cross-border commerce is easier than ever in our globalised economy. With the right tools, you can leverage these trends to reach new markets.

- Offer options that can help you reach millennial and Gen Z markets
- Leverage local banking relationships and expertise to expand globally
- Offer popular local payment methods to help capture sales in global markets

Diversification

Diversification is key to long-term, stable growth, but incorporating new processes, systems and technology isn't always smooth.

- Transition to a full-stack solution that consolidates all your payments technology
- Leverage a flexible, reliable and scalable architecture to ensure seamless growth
- Obtain end-to-end visibility in all processes to help overcome roadblocks
- Access data-sharing tools to create new, in-context commerce experiences
- Ensure you have the customer service you need to help you integrate new technology

Technology

Payments technology is becoming more and more sophisticated, from security and fraud tools to data and reporting. Don't be left behind – ensure you have what you need to operate at peak efficiency and help uncover new revenue streams.

- Rapidly deploy new customer experiences to keep up with fast-changing preferences
- Help stay ahead of fraudsters with quality fraud tools
- Implement a real-time account updater to help reduce false declines
- Shift chargeback liability to card issuers on eligible transactions with 3DS2
- Fully integrate chargeback management into your setup to improve efficiencies
- Leverage comprehensive reporting to identify areas for improvement
- Use network tokenisation to help improve data security

> PART 3 | IDENTIFY YOUR GAPS

Now look back at your checklists – is there anything you didn't check off that could be considered a gap in your payments processing setup? If you have a lot of gaps, you're not alone. And it's not too late to do something about them.

Fill out the table below with your gaps in each quadrant, then prioritise them based on the number of gaps and your confidence scores from Part 2 above. Low confidence scores indicate a higher priority, as closing the gaps in these areas could make the biggest difference in your goals.

Quadrant	Confidence	Gaps	Priority
Optimisation			
Growth			
Diversification			
Technology			

Your plan: Starting with your highest priority quadrant, implement the remaining tools and features you need to optimise your payments and achieve your goals.

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PayPal's approach to payments

PayPal has more than 20 years of experience and has processed trillions of transactions, but we don't stop there. We're always investing in innovation, including Braintree, Xoom, Venmo (US only), Hyperwallet, iZettle, Simility, Honey and others, to stay at the top of our industry. We're one of your most connected payments partners, here to help you achieve your goals.

Market penetration

Market penetration is all about driving conversions – and that's our number-one focus. PayPal has shown it can drive conversions, spend, and customer satisfaction.¹ Our marketing tools help you create more effective campaigns, while buy now, pay later options can help increase sales.² Overall, we'll help you make checkout more frictionless and encourage customers to return to make repeat purchases.³

Market development

Payments are an essential part of entering new markets. Digital wallets are more popular than cash among millennials and Gen Z, and offering these payment methods may help you capture these younger demographics.⁴ Plus, PayPal is Australia's most trusted online payments brand.⁵ We've also built relationships with global payments networks, to help take some of the stress out of global expansion.



Diversification

When you're focused on diversifying, the last thing you want to worry about is your payments tech stack. Our agile, scalable, full-stack payments solution can help you integrate new partnerships quickly and easily, while our data-sharing capabilities make it possible for you to get more from those partnerships. Our technology can help you create seamless in-context commerce experiences to open new channels and help drive revenue.

Technology

We're more than a digital wallet and payments processor. We can help you reveal hidden revenue and create new efficiencies. Leverage our advanced Fraud Protection on eligible payments to help you keep out bad actors while approving more legitimate transactions. Take control of charge-back management and shift liability to card issuers where possible thanks to 3DS2. See all your data in one place to better plan for this year and beyond.



Throughout our relationships with our enterprise businesses, we provide professional, white-glove customer service. If you need help creating personalised, strategic plans for long-term growth and efficiency, bring your goals to our experts. We're here to help you create your perfect payments ecosystem.

Ready to learn more?

www.paypal.com/au/enterprise

Contact Sales.

www.paypal.com/au/enterprise/contact-sales

1 Nielsen Study, Commissioned by PayPal, July 2020 to September 2020 of 15,144 US consumers to understand and measure the impact that PayPal has for US-based LE merchants across different verticals.

2 Average annual incremental sales based on PayPal's analysis of internal data among 210 small and middle market merchants with annual sales up to \$37MM against a broader group of merchants with 24 months of continuous Direct Credit Card volume between January 2016 and November 2019.

3 Nielsen Study, Commissioned by PayPal, July 2020 to September 2020 of 15,144 US consumers to understand and measure the impact that PayPal has for US-based LE merchants across different verticals.

4 How We Shop: Winning the Digital-First Consumer, PYMNTS.com, November 2020.

5 [2021 eCommerce Trends Report](#)

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