

Digitize + Thrive

OPTIMIZE YOUR CONVERSION RATE AT CHECKOUT

How to get your customers to go from browsing to buying



WHAT IS CONVERSION RATE OPTIMIZATION?

Driving customers to your website is essential, but it's only half the battle. With nearly 4 out of 5 online shoppers abandoning their cart at some point before or during the checkout process, cart abandonment is an issue that's common for online businesses¹. It's time to take action with checkout conversion rate optimization, so you can turn customers from casual browsers to buyers.

In today's digital world, success in eCommerce comes down to the ability to meet the increasing demands of customers — and this rings especially true at checkout. You could have everything they want and more, but if your checkout isn't seamless and secure, they'll drop off. In fact, eCommerce businesses globally lost out on an estimated \$260 billion in sales over the last ten years that could have been recovered with an optimized checkout process².

Not only is cart abandonment an issue that cuts deep into sales, it is a universal problem for retailers. The APAC region has the highest abandonment rate

clocking in at 73%, closely followed by the US at 72%, and EMEA at 66%³. So, no matter where your customers are, cart abandonment is there too.

Ready for some good news? As you develop a deeper understanding of your customers' needs, actions, and their hurdles during the checkout process, you can implement small tweaks that can boost conversions by as much as 35%⁴. **The average eCommerce site has 39 potential areas for checkout improvement**, so small adjustments across multiple pain points quickly add up to create a frictionless experience that drives sales⁴.



You could have everything customers want and more, **but if your checkout isn't seamless and secure, they will not complete the purchase.**

WHY CONVERSION RATE OPTIMIZATION MATTERS

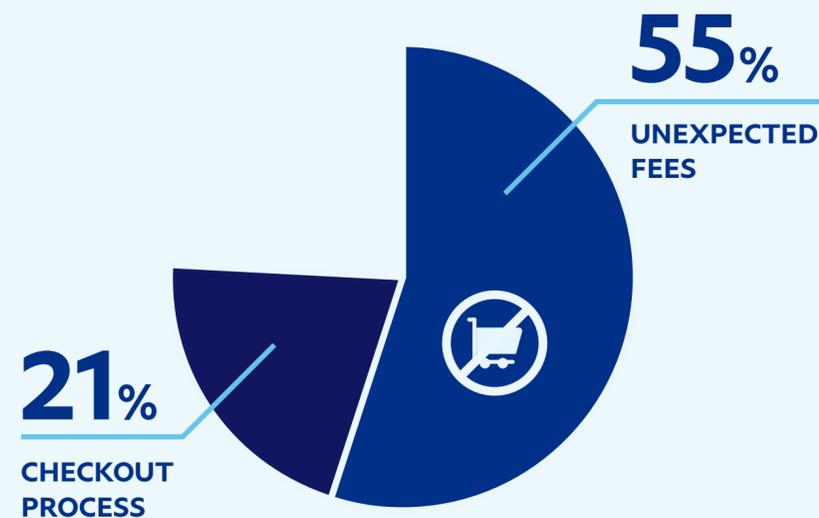
ABANDONED CARTS ARE IN ABUNDANCE

eCommerce loses out on **\$18 billion** yearly due to cart abandonment⁵.



SHOPPERS CHECK OUT WHEN THE CHECKOUT IS BAD

55% of shoppers abandon carts due to **unexpected fees**, and 21% abandon due to complicated or lengthy checkout processes⁶.



A SMALL CHANGE AND SALES CAN SOAR

An improved checkout process can result in a **35% increase in conversion**⁷.



GIVE SHOPPERS A NUDGE IN THE RIGHT DIRECTION

An abandoned cart isn't just a lost sale; it could be a lost customer. And with almost 80% of site visitors dropping off before purchase, that's a lot of potential lost sales and customers⁸. Of course, some of these drop offs are for reasons out of your control, but friction at checkout is something you can control.

While it may seem shoppers will abandon their carts at the drop of a hat, just a few small improvements can make a significant difference when they are that far in the customer journey. We covered the actions you can take to optimize your site's UX in an earlier Digitize & Thrive report, but now it's time to set yourself up for success at checkout.



5 tips to boost your conversions:

1. Cut to the chase at checkout
2. Make customers feel safe at checkout
3. Be transparent with your customers
4. Give them more ways to pay
5. Leave no customer behind with retargeting

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CUT TO THE CHASE AT CHECKOUT

Customers are savvier than ever. As large online marketplaces set a new standard for checkout experiences, expectations are also rising. When it comes to your checkout process, think fewer clicks and less friction for the lasting impression you need to keep them coming back.

As the eCommerce landscape continues to grow and evolve, customers expect a fast and seamless checkout—otherwise, you can expect high drop offs.

Reducing clicks can boost conversions by up to 60%⁹, and disorganized and complex checkouts are responsible for 21% of site abandonments¹⁰.

Start identifying those unnecessary steps and barriers in your checkout experience.

Remove forced sign-ups and account creation

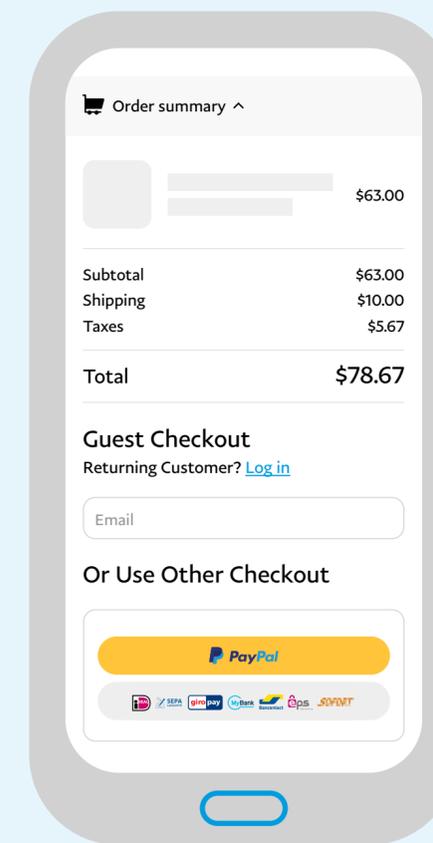
Although the information you gather from these sign-ups and accounts can be tempting, forcing them on shoppers is a leading cause of friction and abandonment. Instead, offer a single page sign up or guest checkout—which is shown to increase conversion rates by up to 45%¹¹. PayPal is another great solution for sticky spots at checkout. It allows customers to automatically skip these signups and complete their checkout in just a few clicks.

Avoid unnecessary form fields

Another point of friction to avoid is any unnecessary form fields. Return customers shouldn't have to fill out their billing and shipping addresses every time they want to shop on your site—instead, allow them to save default addresses. You can also let them use social logins to speed up the process, but one of the simplest solutions is to log in with PayPal. It's a commerce identity solution that lets customers use their PayPal credentials to log in quickly and securely without the need to fill out card details again.

Speed up transactions and reduce clicks

The reality is customers are not going to go out of their way to shop your site, so don't make them wait. Speed up your transactions and reduce clicks simultaneously with PayPal Checkout and log In.



Customer expectations are higher than ever, so it's time to streamline your checkout process. **Start by speeding up transactions, reducing clicks, and smoothing out friction.**



2 MAKE CUSTOMERS FEEL SAFE AT CHECKOUT

When it comes to eCommerce, losing trust means losing customers. Sensitive data at checkout combined with the rise in online fraud means trust plays a critical role in customer decisions.

Despite the uptick in online fraud, 1 in 4 merchants still struggle to implement online payment security solutions¹².

When it comes to drop off, 17% of customers say it's due to a lack of trust and fear of credit card theft¹³.

It's no surprise customers are wary, but you can take a few small steps to make them feel more secure at checkout.

Leverage fraud prevention

PayPal continuously track all transactions to monitor for fraud phishing, identity theft, and other scams. If a problem arises, PayPal will put a hold on the funds until the issue is resolved. With PayPal, customers can feel secure in their transactions knowing that fraudulent activity is monitored.

Use the power of customer testimonials

Customers tend to trust fellow customers more than businesses, so while you are putting in the work to show your credibility, don't forget the power of customer reviews. Real experiences will offer an objective and human view that carries more weight than any company's marketing could¹⁴.

Turn to a trusted partner

Ultimately, shoppers want peace of mind, and that's what PayPal delivers on. Ranked as one of the top 2 most trusted brands in the world, PayPal has a powerful network that processes more than 10 million payments daily¹⁵. And with a security platform that gets smarter with each transaction, you will have the tools to help customers shop with confidence.

Calm your customers' nerves

If customers are worried about ordering online, ease that concern with PayPal Buyer Protection*. They can shop with peace of mind knowing they can get reimbursed for the full purchase price on eligible purchases. You can also calm nerves at checkout by highlighting your security features.

Boost your credibility to build trust at checkout:



Leverage fraud prevention

Give shoppers peace of mind with fraud prevention.



Use the power of reviews

Offer potential customers an objective and human view of your business.



Turn to a trusted partner

Give your customers confidence by teaming up with a familiar and trusted partner.



Calm your customers' nerves

Leverage PayPal's Buyer Protection* or showcase your website security features.



3 BE TRANSPARENT WITH YOUR CUSTOMERS

Consumers are demanding more from businesses, and shipping transparency is no exception. On top of already high expectations, supply chain constraints only increase their need for visibility¹⁶. Shoppers now expect you to provide everything associated with cost and timeline before buying.

Unexpected fees and unknown shipping timelines are not just an inconvenience. They are a main driver of drop offs. More than 85% of customers want full visibility into these factors before making any online purchase, and 87% say shipping and delivery directly impacts their decision to shop with a merchant again¹⁶. **So, if you want to reduce cart abandonment, you have to make sure there are no surprises at checkout.**

Be upfront about pricing

In this era of eCommerce, shipping essentially defines a site's customer service, so it's important to set the right expectations. Make sure you show customers all costs associated with their order right at checkout - including fees and taxes. Also, don't forget to display local currencies as it eliminates an extra step for the customer to do their own conversions.

Set the right expectations for shipping and delivery

Another factor customers expect to know ahead of purchasing is the timeline. Show your estimated delivery dates, so they know when to expect their delivery as well as shipping cut off times, and when to order by to stay within that time frame. As we are all aware, those timelines don't always go as planned. Get ahead of the problem with a customer service message to inform them about shipping delays or ways to get in touch with you.

Make your return policy crystal clear

Your return policy is another piece of critical information in the eCommerce era. When you clearly highlight your return policy at checkout, customers won't have to scour your site, and you can get rid of another barrier to purchase.

More than 85% of customers want full visibility into these factors before making any online purchase, and 87% say shipping and delivery directly impacts their decision to shop with a merchant again¹⁶.



¹⁶ Small Business Trends, *More Consumers Demand Shipping Transparency from Retail Businesses*, August 10, 2021.

4 GIVE THEM MORE WAYS TO PAY

Customers these days expect you to meet their needs head-on, and one of those needs is their preferred payment method at checkout. When you offer a variety of seamless payment options, your chances of attracting a wider audience and driving conversions increase.

One of the main reasons why cart abandonment is at a staggering 70% is because businesses fail to offer shoppers' preferred payment method¹⁷. **This is why it's essential to give your customers a range of payment options at checkout.**

Know your customers' preferred payment methods

Before you can be sure you're offering the best range of payment methods, you have to know your audience. Different age groups and demographics have different preferences, so take time to better understand who you're targeting and what they want. For example, if your shoppers are primarily millennials, they prefer a full range of credit & debit card options, as well as PayPal and other mobile-based payments¹⁸.

Choose the best payment option for your customers

Once you know your customers' needs, it's time to consider your payment options. Think about who you need to meet in the middle and what options you

can offer them to do so, whether they are overseas or domestic customers.

- Credit & debit cards
- Digital wallets like PayPal
- Buy Now, Pay Later (BNPL) schemes
- Alternative local payment methods

The options can be overwhelming. Want to simplify things? Use PayPal Checkout and get a simple, single integration that allows you to accept credit & debit cards in over 100 currencies from 200+ markets around the world. No matter what integration you choose, PayPal Checkout will intelligently deliver the most relevant payment types for your customers so they can pay the way they want in as few steps as possible. This could be the little something extra that turns their consideration into conversion. And keep in mind, if you don't offer it, your competitor might.



1 out of 5 shoppers will abandon their carts if they can't use their preferred payment method¹⁹.



5 LEAVE NO CUSTOMER BEHIND WITH RETARGETING

So, you didn't get them the first time, but that doesn't mean a lost customer is lost forever. There are always ways to stay on their mind even after they have left your site. Taking the time to retarget shoppers could end in new sales and changed minds.

Retargeting is a powerful tool to drive conversions and boost customer loyalty since it ensures the people you advertise to have already shown an interest in your store and maybe even considered purchasing at one point. It's also been found to **increase conversion rates by up to 150%, reduce cart abandonment by 6.5%²⁰, and boost online sales by nearly 20%²¹.**

Use email to retarget

One retargeting method is using email to remind customers about the abandoned items in their cart. These cart recovery emails have an impressive 45% open rate, and 11% of customers will continue to repeat their purchase²². This could be the reminder they didn't know they needed to finally make that purchase.

Retarget drop offs with ads

Another tried and true way to retarget customers is to use advertising. By adding a "pixel" or a JavaScript

tag to your site, you will be able to track visitors that didn't purchase. Later, when a customer searches for a keyword similar to yours, your banner or ad will show up, keeping you top of mind even after they have left your site. And since retargeted ads are 76% more likely to turn into conversions compared to a regular display ad, this method is a better bang for your buck²³.

Offer incentives

One of the more straightforward solutions is to offer incentives. Here are some ways you can connect with high-intent buyers with no upfront cost to you:

- Free shipping
- Free returns
- Discounts
- Exclusive offers

Retarget shoppers and boost customer loyalty:



Reach out through email

Remind shoppers about the abandoned items in their cart.



Catch their eye with advertising

Stay on the top of their minds with retargeted ads.



Offer incentives

Nudge them towards making a purchase with incentives.



OPTIMIZE YOUR CONVERSION RATE WITH PAYPAL

Don't wait for your next customer to abandon their cart.
Start taking steps to optimize your checkout with PayPal.

Used by millions of merchants around the world, PayPal Checkout helps you connect with more buyers and drive more conversions by letting them pay their way. From safety and security to the perfect balance of convenience and flexibility, get what you need to optimize your checkout and keep customers coming back.

[Get Started](#) →

