

A close-up, slightly blurred photograph of a person's hand with light-colored fingernails, pointing a finger towards a white surface, likely a computer screen. The background is softly lit.

# Checkout Conversion Optimization Best Practices

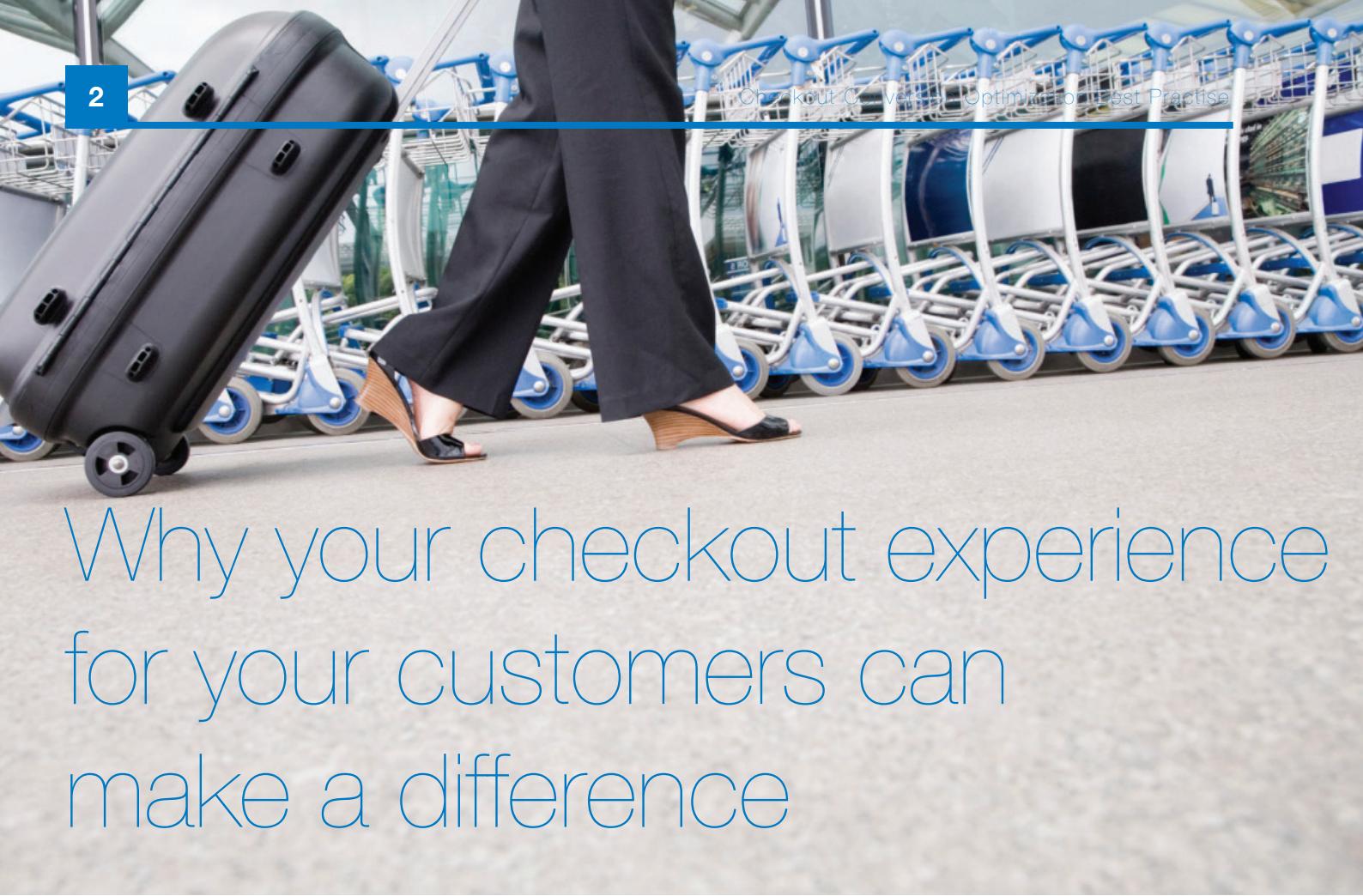
How to win online customer trust and  
convert more sales at the final hurdle

**P2** Why your checkout experience can make a difference

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# Why your checkout experience for your customers can make a difference

IF YOU CURRENTLY SELL ONLINE, THERE ARE MANY IMPORTANT ONLINE STRATEGIES YOU MAY NEED FOR SUCCESS.

Even if your ideal customers arrive on your website, adore what they see and hear, and decide to buy something on the spot, there's an extremely high chance most will leave with nothing. Unless you make their lives easy at the final hurdle – checkout.

## More than 67% never click 'Pay'<sup>1</sup>

Recently, the Baymard Institute looked at 22 major studies into eCommerce shopping carts to determine the average abandonment rate. In other words, out of all the people who initiate an order online through a website, what percentage of them never complete the transaction. The figure was a staggering, and frightening, 67.44%.

## Why do online shoppers leave the checkout?

To improve shopping cart conversions and sales, we first need to understand why so many potential online buyers around the globe abandon their carts before payment. According to a study by Practical eCommerce<sup>2</sup>, some of these motives are beyond our control e.g.

- 37%** want to compare prices at different shops.
- 36%** don't have money available to buy at the time

However, many of the common objections are things that every business can control.

<sup>1</sup> Baymard Institute, <http://baymard.com/lists/cart-abandonment-rate> (October 2013)

<sup>2</sup> Reasons for cart abandonment, Listrak <http://www.listrak.com/Solutions/Reasons-for-Cart-Abandonment.aspx> (October 2013)

## High or hidden shipping charges

Practical eCommerce found that the main reason people don't complete checkout is due to high shipping charges (46%). As shipping charges often appear very late in the checkout process, the problem becomes twofold.

Firstly, people are surprised by extra cost being added right at the end. Secondly, it's more difficult and time consuming for people to check and compare the total price. As a result, many potential customers become frustrated and decide to buy elsewhere.



## Security concerns

Online shoppers not only want to be able to choose how they pay online, they need to feel very confident while they do it. With 21% not following through with a purchase due to concerns about security of their credit card information, it's vital to start building trust early in your relationship<sup>3</sup>.

## Be sure to check your own stats

While the findings of research into shopping cart abandonment suggest very similar issues the world over, it's important to understand what drives your own customers to buy online, or not. Tools such as Google Analytics, or statistics available from your shopping cart provider, can reveal how many people abandon your shopping cart, and at what point.

## Promote a safer, easier, faster way to pay

PayPal is trusted by over 130 million customers worldwide. A lack of preferred payment option availability, being a significant reason why customers choose not to complete a transaction – it makes sense that improving your integration of PayPal into your site, could improve your conversion, and ultimately drive sales.

## Preferred payment option not available

Payment is the big step in every online shopping process. So it's not surprising that customers have strong feelings about how they pay.

**24%** of online shoppers abandoned their transaction after not finding their payment option of choice<sup>3</sup>.

## Putting PayPal to the test

In 2012, PayPal tested a number of website improvements with German businesses to determine the effect they might have on checkout abandonment<sup>4</sup>. Using A/B testing, they recorded the improvement in website conversion, through each technique. The study found that when all of the improvements were put in place, conversions increased by an impressive 9.91%<sup>4</sup>.

Whilst we can't promise these improvements will drive a 9.91% increase in conversion on your website, we recommend you try them on your site to see whether your conversion, and sales, can improve.

<sup>3</sup> Reasons for cart abandonment, Listrak <http://www.listrak.com/Solutions/Reasons-for-Cart-Abandonment.aspx>

<sup>4</sup> PayPal Germany, Best Practice Integration Study, 2012. Data based on conversion rate increase in eCommerce standard ordering processes, carried out as part of a PayPal analysis of 6 merchants with a total of 269,442 visitors in early 2012.



# PayPal Integration Tips

INTEGRATING THESE STEPS HELPS TO ENSURE YOUR CUSTOMERS ARE AWARE YOU ACCEPT PayPal, AND STREAMLINES THE CHECKOUT PROCESS.

## 1 Display a PayPal logo on your homepage

Over 130 million online shoppers worldwide, place their trust in PayPal - and they are all potential customers to you. So, it makes good sense to let your customers know straight away that they can use PayPal for purchases through your website.

**Step 1 - Go to PayPal and download PayPal logo**

**Step 2 - Display the PayPal logo on your homepage**

It's always best if the logo can be seen without having to scroll down.



## 2 Add a PayPal logo to your product and checkout pages

Not everyone arrives at your homepage. Many customers land on product pages from price comparison sites, or by searching for a specific product via a search engine. Displaying the PayPal logo on each product page tells your potential customers that they can pay with PayPal immediately, easily and securely.

**Step 1 - Go to PayPal and download PayPal logo**

**Step 2 - Display the PayPal logo**

Add the PayPal logo to your product pages and checkout page. It's always best if it can be seen by shoppers without having to scroll down.

## 3 Make PayPal the first payment choice

As the preferred way for customers to pay online, it's little wonder that many online shoppers make a conscious choice in favor of eCommerce businesses that offer PayPal.



If you offer multiple ways to pay, consider making PayPal the first option, or even the pre-selected option so customers can move quickly through each stage of the checkout.

# 4

## Include details of the purchase in the PayPal payment steps

From the moment a customer adds a product to their shopping cart, you should display the details such as product description, shipping cost, and tax information for them very clearly.

You can also show these purchase details in the PayPal checkout, so that even when the customer leaves your site to pay, they can still see what they are buying.

This strategy builds shopper trust in your business. It also removes uncertainty about the price and prevents any unpleasant surprises arising just as your customer is ready to pay.

### Guidelines for developers

Simply transfer the shopping cart details to the relevant parameters. Contact your developer to see our developer portal.

### Instruction for Website Payments Standard

### Instruction for Express Checkout

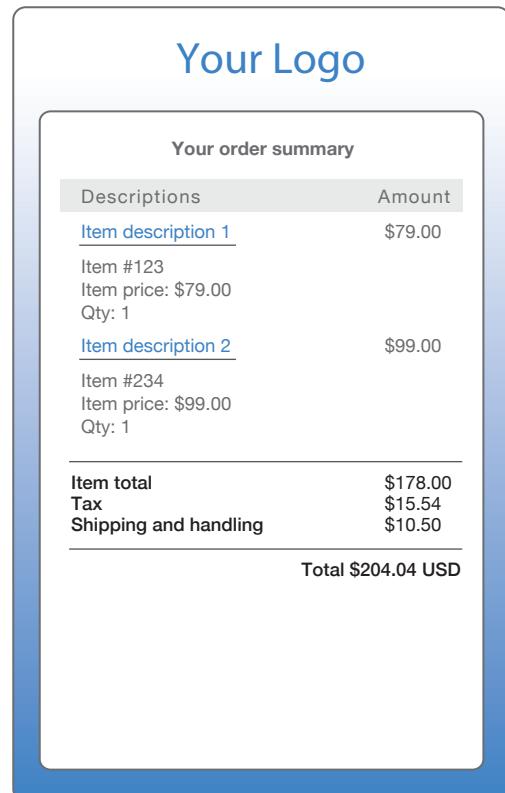
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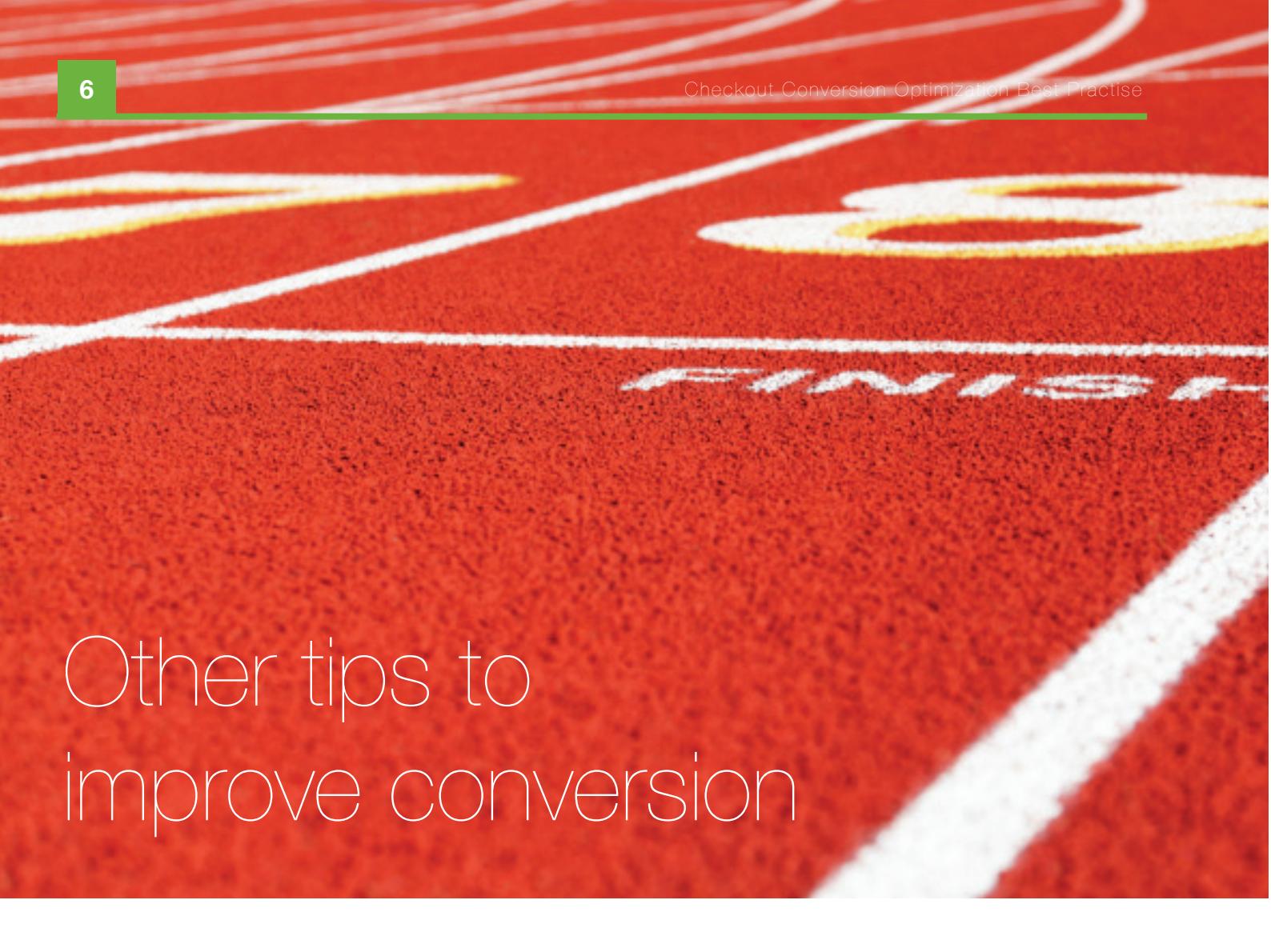
## Add your logo and customize your own PayPal checkout

Add your own logo and main business colors to the PayPal checkout page to make the checkout flow consistent and look professional. This way, your customer's will feel more confident they are moving through the right checkout path. Anything you do that makes people feel more comfortable as they are about to hand you money is good for business.

### Guidelines

1. Log-in to your PayPal Account
2. Go to the Profile section
3. Go to My Selling Tools
4. Go to Custom Payment Pages and click 'update' to set up PayPal payment pages
5. You will be taken to a new page called 'Edit Custom Page Style'. Please complete tabs Page Style Name, Logo Image URL and Cart Area Gradient color





# Other tips to improve conversion

## Allow customers to pay without signing up to your website

It can be tempting to make customers sign up to your website so you can contact them again after the sale, and get repeat business. However, registration processes can be a barrier for customers and may result in you losing sales.

Consider providing your customers with an option to order and pay as 'guests', without having to register. Once they complete the sale, you could ask them to join a mailing list so you can capture their details for future<sup>5</sup>.

## Make your website and shopping cart mobile

Mobile commerce, or m-commerce, has rapidly changed the face of online shopping. As the number of smartphone and tablet users grows, so too does the shift towards buying online and buying more – via mobile devices.

PayPal's Express Checkout and Website Payments Standard are mobile optimised so that customers can easily make a purchase regardless of the size of the screen they use.

5 Please note you will need to comply with any relevant legislation relating to contacting customers.

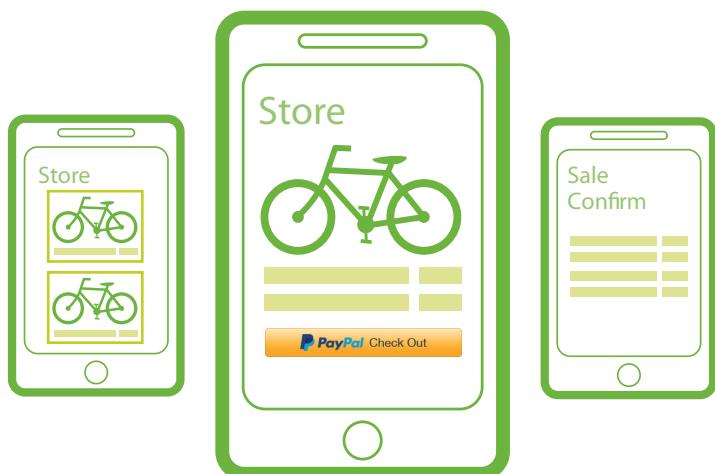
## 1 Mobile shoppers abandon unfriendly websites

Mobile optimizing your website – making it easy to view and use on a small phone screen – improves the overall shopping experience for the growing number of people visiting your online business via their phone or tablet. That, in turn, encourages spending.

According to a study by Verdict Research commissioned by eBay<sup>6</sup> three quarters of mobile users would spend more through their mobiles if more websites were optimised. On the other hand, not catering for mobile shoppers can have the opposite effect with 61% saying they would not return to a site that wasn't optimized for mobile.



61% would not return



## 2 PayPal – reducing friction for mobile shoppers

PayPal's core checkout products, Express Checkout and Website Payment Standard are mobile optimized so that customers can easily enter their details and complete a payment regardless of the size of the screen they use. Plus, by placing the 'Checkout with PayPal' button early in your checkout flow your customers won't need to enter all their personal details, such as credit card details and address, which are harder to do on a small screen/keyboard.

# Your checklist

NOW THAT YOU UNDERSTAND HOW DRAMATICALLY A GOOD OR BAD ONLINE SHOPPING CART PROCESS CAN AFFECT YOUR BOTTOM LINE, IT'S TIME TO TAKE ACTION.

Below is a checklist of the recommendations discussed to help you improve your online sales conversions, profits and customer loyalty.

- Display a PayPal logo on your homepage
- Add a PayPal logo to your product and checkout pages
- Make PayPal the first payment choice
- Show people details of their purchase
- Add your logo and customise your own PayPal checkout
- Allow customers to pay without signing up to your website
- Make your website and shopping cart - mobile

## Questions?

Contact our customer service by clicking 'Contact Us' at the bottom of any PayPal page.