

# The state of North American checkouts



# Introduction



Inflation and rising interest rates are making consumers wary about spending, which means businesses have to work harder to convert interested shoppers into paying customers. Successful conversion depends on a fast and intuitive checkout experience—without friction that could cause customers to abandon their carts. This is especially true during a difficult economic period in which customers may be more hesitant to purchase in the first place.

Stripe partnered with Edgar, Dunn & Company to analyze the checkout flows of the top ecommerce and subscription businesses in the United States and Canada, and found a startling fact: 99% of North American ecommerce sites had at least five basic errors in their checkout flows. These include not offering popular payment methods and not allowing customers to save their payment method details for future use. The net result is a lot of money left on the table.

The majority of businesses also neglected to integrate key revenue-generating opportunities into their checkout flows. For example, we found that 79% of North American ecommerce sites didn't offer recommended products at checkout, overlooking a proven way to increase average order size.

We've consolidated our findings to help businesses convert more customers and grow revenue by improving their checkout flows. This report highlights checkout best practices, as well as businesses that have used Stripe to implement them.



This report contains four sections:

- 1 **Checkout conversion strategies**
- 2 **Payment method preferences**
- 3 **Mobile optimisation**
- 4 **Subscription best practices**

# Checkout conversion strategies

The best checkouts optimize for speed, security, and convenience.

The importance of a fast checkout can't be overstated: 52% of customers give up on a purchase after two minutes, which is bad news since the average checkout takes three minutes to complete. This means businesses are losing more than half of all online customers who intend to make a purchase. The problem is worse in Canada where checkout processes are on average 18% slower than in the US.

## Length of checkout matters, and it still takes too long

**2 minutes**

The time it takes for 52% of customers to give up on a purchase

**3 minutes**

Average time to check out

Security is another critical factor. The customers we surveyed said the top reason they would perceive a business negatively is if its website didn't feel secure or trustworthy. Beyond offering a secure checkout flow, it's important for businesses to display logos and credentials like "Verified by Visa" or "Mastercard SecureCode" to build consumer trust in their brands.

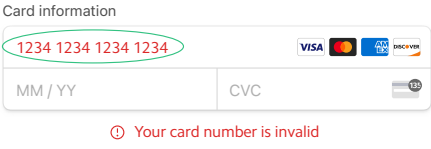
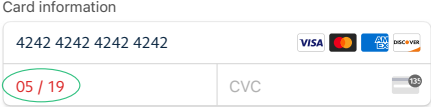
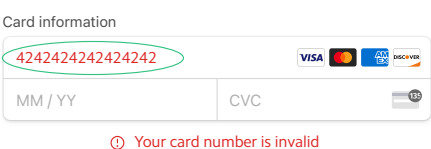
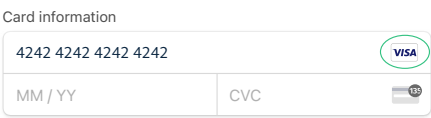
Finally, businesses can optimize their checkout flow by giving customers the option to save payment details for future use, surfacing recommended products through upselling and cross-selling, and reminding customers to complete their purchase if they abandon their cart.

## The top checkout form errors and missed opportunities

Ninety-nine percent of North American websites made at least five basic errors in their checkout process. Here are some of the most common mistakes and missed opportunities:

- **74%** didn't display security logos on their checkout page, jeopardizing customer trust.
- **87%** didn't follow up with customers who had abandoned their cart.
- **60%** didn't allow customers to save their payment method for future purchases.
- **79%** didn't recommend higher-end versions of a product or service through upselling.
- **33%** didn't recommend related products or services through cross-selling.

Many websites also had transactional errors related to card processing:

 <p>Card information</p> <p>1234 1234 1234 1234</p> <p>MM / YY CVC</p> <p>Your card number is invalid</p>	<p><b>38%</b></p> <p>did not automatically verify the card number as it was entered, increasing the likelihood of customers submitting inaccurate payment information.</p>
 <p>Card information</p> <p>4242 4242 4242 4242</p> <p>05 / 19</p> <p>MM / YY CVC</p>	<p><b>34%</b></p> <p>let customers attempt to pay with an expired card date.</p>
 <p>Card information</p> <p>4242424242424242</p> <p>MM / YY CVC</p> <p>Your card number is invalid</p>	<p><b>30%</b></p> <p>did not break down card number details in a structured way.</p>
 <p>Card information</p> <p>4242 4242 4242 4242</p> <p>MM / YY CVC</p> <p>VISA</p>	<p><b>37%</b></p> <p>did not confirm card type when a card number was entered, missing the opportunity to validate payment details in real time.</p>

### Checklist: How to optimize the checkout experience

- Error messaging:** Highlight payment information errors in real time, such as invalid card numbers, expired dates, or incorrect personal information.
- Save payment information:** Allow customers to store payment information so they can make future purchases with one click.
- Upsell and cross-sell:** Surface personalized and related product recommendations to unlock additional revenue and increase your average order value.
- Follow up:** Send an email to customers who abandoned carts, on either the same or following day.
- Security visuals:** Display trusted security logos and credentials to reinforce that the page is secure.

### GroupGreeting increased conversion by 8% using Stripe Checkout



GroupGreeting offers customizable, digital group cards—with millions of cards sent to customers in more than 190 countries. While evaluating Stripe, GroupGreeting set up an A/B test and split their site traffic between their previous provider and Stripe Checkout. Conversion with Checkout was 8% higher compared to the previous payments provider, and the first month after switching to Stripe was the biggest month in company history.

# Payment method preferences

Payment method preferences are diverse and vary regionally. To expand global reach, businesses have to stay on top of how and when their customers prefer to pay. That could mean offering one-click checkout in some markets, local payment methods like Interac in others, or installment plans in regions where buy now, pay later options are popular.

However, it's not just about increasing the number of payment options—businesses need to ensure that they're surfacing the right ones, too. Ninety-three percent of customers said it was important for a website to provide the common payment methods in their country, and 81% said they would frequently abandon their cart if their preferred payment method wasn't available.

It's important for businesses to consider whether they're offering the payment methods customers most prefer, because there's a notable gap between customer preferences and what businesses offer. For example, businesses are more likely to offer buy now, pay later payment methods than digital wallets, even though more customers prefer digital wallets. And among digital wallets, Apple Pay is offered more, yet Google Pay is more preferred.

## Business support for buy now, pay later and digital wallets doesn't always reflect consumer preferences

	Payment method	% of consumers who prefer this payment method	% of businesses that offer this payment method
Mobile wallet	Google Pay	13%	7%
	Apple Pay	7%	14%
Buy now, pay later	Afterpay	4%	19%
	Klarna	3%	16%

*Percentage of survey respondents who prefer to use buy now, pay later or digital wallets, and percentage of businesses offering those methods*

Offering discount coupons or codes, or allowing customers to pay with gift cards, can also increase conversion. Ninety-two percent of customers are more likely to purchase if offered a coupon or discount code. A top reason customers abandon a checkout is that they have not been offered one. Thirty-five percent of sites still don't provide a field for entering gift card details.

Beyond local payment methods and gift cards, businesses should also consider letting customers pay in installments, especially if they have a high average order value. While buy now, pay later methods are the first choice for only a small percentage of consumers, the majority of consumers still want the option of buy now, pay later methods like Klarna and Afterpay. Fifty-one percent of customers say they would be more likely to complete a purchase if buy now, pay later purchasing were available. However, only 33% of North American ecommerce sites offered this payment method.

### US customers are more likely than Canadian customers to complete a purchase if buy now, pay later is offered, but less likely than other regions



Percentage of survey respondents in each country who would be more likely to complete a purchase if buy now, pay later were offered

### Checklist: How to offer customers their preferred payments experience

- Language and currency:** Identify the top countries in which you want to sell, and make sure you localize the checkout experience by translating the page and displaying local currencies.
- Local payment methods:** Dynamically surface the right payment methods in your checkout depending on where your customers are located or which device they're using.
- Dynamic fields:** Change the payment fields to capture the right information for each country. For example, if your form recognizes a Canadian card, you should dynamically add a field for postal code.
- Installments:** Consider offering buy now, pay later services if they're popular where your customers are based and you have a high average order value.

#### Glossier increased average order volume by 17% with Afterpay through Stripe

##### **Glossier.**

Glossier is a direct-to-consumer ecommerce beauty brand with select retail locations, providing skin care, makeup, body care, and fragrance. Glossier was able to provide a seamless checkout experience for its international customers by leveraging Stripe to navigate global payments complexities and currencies. Additionally, Glossier increased average order volume 17% within weeks of implementing Afterpay.

#### Matches Fashion reached more customers globally with localized payment methods

##### **MATCHES FASHION**

Matches Fashion, one of the largest global destinations in online luxury for men and women, earned an additional £6 million in revenue after partnering with Stripe to implement the six global card schemes (Visa, Mastercard, Amex, JCB, CUP, Discover) as well as a local card network (Cartes Bancaires). The company was able to provide users with the most relevant local payment methods all through one integration, resulting in a significant revenue uplift.

# Mobile optimization

Roughly half of the customers we surveyed use smartphones more often than desktop devices to browse and shop for products online. Survey respondents are also shopping through social media, with 69% saying they use platforms such as Facebook, Instagram, and YouTube to make purchases.

Businesses need to improve their mobile checkout experience to accommodate these preferences. Yet, one in five North American sites have at least one basic error in the mobile optimization process, and 93% did not support wallets, a mobile-friendly payment method that allows customers to store payment information, such as debit or credit cards, on their phones.

Three-quarters of customers (75%) are more likely to complete a purchase if a site offers one-click checkout options, such as Apple Pay or Google Pay. Saving a payment method can also provide customers with the option to use one-click checkout in the future. However, only 40% of the websites we analysed offered this feature.

## Most businesses don't offer one-click checkout, but most customers prefer it



**75%**  
of customers are more likely to complete a purchase if one-click checkout is offered



**40%**  
of sites offer one-click checkout

*Percentage of survey respondents across North America who would be more likely to complete a purchase if one-click checkout were offered*

## The top mobile optimization errors

- **86%** of checkouts did not support Apple Pay.
- **93%** of checkouts did not support Google Pay.
- **17%** failed to surface a numeric keypad to help with entering card information.
- **60%** didn't provide the ability to save payment information for future purchases via one-click checkout.

## Checklist: How to optimize for mobile and unified commerce

- Responsiveness:** Optimize conversion on mobile devices with a fully responsive design to ensure your form automatically resizes based on device screen size.

- ❑ **Keypad:** Display a numeric keypad when customers are prompted to enter their card information.
- ❑ **Wallets:** Offer mobile wallet payment methods (e.g., Apple Pay and Google Pay).
- ❑ **One-click payment:** Increase conversion and reduce checkout friction with one-click payment options.

### Goodtill sped up checkouts with mobile wallets



Goodtill provides point-of-sale solutions, including online ordering, self-checkout, and table ordering, across a range of sectors. After learning that 70% of its customers would use mobile wallets such as Apple Pay and Google Pay, Goodtill used the Stripe responsive payments experience to implement those methods and enable customers to check out 3x faster.

### BloomNation grew revenue with one-click checkout



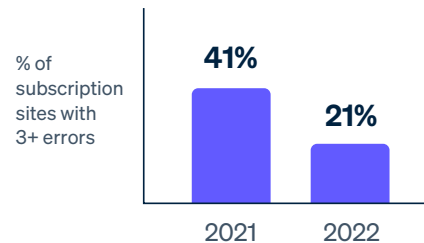
BloomNation is an online marketplace that enables florists to reach more customers. When BloomNation integrated Link, Stripe's one-click checkout experience, it found that Link customers were able to purchase 30% faster than non-Link customers, and spent 12.5% more.

## Subscription best practices

Subscriptions can be an effective tool for creating high-value repeat customers, but any mistakes in the checkout process put recurring revenue at risk.

We found that 73% of North American customers have had a negative experience with subscriptions—with the top reason being that it takes too many steps to cancel a subscription. One-fifth of the top 217 global subscription sites had at least three basic errors in their transaction process, including not confirming the card type (35%) and not automatically verifying the card number (30%). This is an improvement over last year, when 41% of subscription businesses were making these types of errors.

### Subscription services have improved their checkout experience



With checkout flows improving, subscription businesses need to provide a thoroughly seamless customer experience in order to gain a competitive edge. Businesses need to pay attention to the factors that could deter new subscribers or cause existing ones to cancel when they update their payment details.



## Top opportunities to improve the subscription experience

- **57%** of subscription sites did not offer a free trial, which would allow users to try before they buy.
- **51%** of subscription sites did not provide fields for coupon or promo codes.
- **58%** of subscription sites did not facilitate account creation through integration with a social media profile (e.g., Facebook or Google).
- **39%** of subscription sites required customers to manually enter their address instead of offering autofill capabilities.
- **25%** of customers said they are deterred from subscribing if they can't modify or cancel their subscriptions online.

### Checklist: Best practices for subscription businesses

- Discounts and free trials:** Bring in new customers by allowing them to sample your product or service for a period of time at no cost.
- Reusable payment methods:** Allow customers to utilize reusable payment methods, such as wallets and direct debit payments, so they only have to provide their payment information once.
- Self-service:** Enable your customers to easily manage their subscriptions online without needing to speak to a support agent or go through too many steps.
- Social media:** Streamline the sign-in experience by allowing customers to create an account or log in via a social media profile.
- Address auto-complete:** Make it easier for customers to enter their billing or shipping address with address auto-complete.



**Postmates**

### Postmates gained \$3 million in revenue with recovery tools for subscriptions

Postmates is a leading on-demand delivery marketplace that partners with local restaurants and stores across 4,200 US cities. They were able to unify payments and billing logic on Stripe and use Smart Retries, a feature of Billing, to retry failed subscription charges at optimal times. This led them to recover more than 200,000 payments—leading to an additional \$3 million in revenue.

# How Stripe can help

In order to successfully navigate the uncertain economic conditions ahead, businesses need to ensure they're offering every customer the smoothest possible path to purchase. That means a frictionless checkout experience that surfaces recommended products so customers don't have to hunt for what they need.

Fortunately, you don't have to spend time and engineering resources building your own solutions. With Stripe, you can increase conversion globally and provide a best-in-class customer experience—all by integrating with our unified platform. With our suite of products, you can:

## Offer a seamless checkout experience

- Use our [prebuilt, hosted payments page](#) with Stripe Checkout to launch a conversion-optimized experience with minimal development time.
- Use our [embeddable UI components](#) with Payment Element to design a secure, conversion-optimized payments experience that perfectly matches your site and dynamically surfaces the most relevant 25+ payment methods.
- Create a full [payment page](#) with Payment Links, and share the link without writing any code.
- Let customers save payment details and check out faster with [one-click checkout](#) with Link.



## Build for global expansion and localized experiences

- Accept payments from customers [around the world](#) with cardholder support in more than 195 countries.
- Dynamically display relevant methods based on IP address, browser locale, cookies, and other signals.
- Add and scale payment method support—including wallets and buy now, pay later payment methods—without filling out multiple forms or following one-off onboarding processes.



## Optimize for mobile and unified commerce

- Use fully responsive checkout forms that work across any device.
- Get built-in Apple Pay and Google Pay without any additional registration or domain validation required.
- Provide a **seamless experience** across online and offline channels (e.g., reserving online and picking up in store).



## Launch subscriptions quickly and turn one-time purchases into recurring revenue



- Collect **recurring payments** via card, ACH, and other popular payment methods instantly.
- Experiment with pricing by using flexible billing logic for everything from per-seat pricing to metered billing, out of the box.
- Allow customers to self-serve with a portal to easily upgrade, downgrade, pause, or resume subscriptions.
- Reduce churn with Smart Retries, automated failed payment emails, and an automatic Card account updater.

**Get in touch** with a Stripe expert today to learn how you can optimize your checkout flow and scale your business.

# Methodology

Stripe partnered with Edgar, Dunn & Company to analyze the top 100 ecommerce websites in the United States and Canada—based on online sales volume from Statista. Where the number of websites was not sufficient, we augmented the sample with the top websites by online traffic according to Similarweb.

We tested each website for errors by placing a product in the shopping cart to simulate an online purchase and, in some cases, using a VPN to complete the checkout process to mimic customers based in North America. We analyzed checkout flows against a list of 26 criteria related to checkout form design, mobile optimization, localization, and buyer trust and security.

We also analyzed the top 217 global B2C subscription websites that offer digital content and physical goods, based on website traffic from Crunchbase. The sample included the following categories of subscription websites: media and streaming, file sharing, fitness apps, food delivery, e-learning, and news. We excluded B2B subscription websites where pricing is often tailored to individual clients, adult entertainment platforms, and online gambling websites.

Lastly, we surveyed 216 consumers in North America to uncover insights around current shopping behaviors and trends, payment preferences, and factors that affect the checkout experience.