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BUILDING
A BETTER
ONLINE CHECKOUT
EXPERIENCE:

The Key Features That Matter To Customers

Building A Better Online Checkout Experience: The Key Features That Matter To Customers examines the features retailers provide for shoppers during the checkout process and how changes to these features affect consumers' payment experiences, satisfaction and loyalty. Our findings are based on the PYMNTS' Merchant Index methodology and a survey of 2,139 consumers in the United States conducted between July 6 and July 13.

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INTRODUCTION

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For eTailers, the checkout experience is critical to building customer loyalty:

New research by PYMNTS shows that 91% of consumers feel a satisfying checkout experience substantially impacts their willingness to shop with a merchant again. Merchants that do not offer the features that empower smooth checkouts risk falling behind merchants that do.

Features such as social media sign-in, real-time inventory and multifactor authentication top shoppers' lists, according to our data. We also identified checkout pain points that large shares of shoppers experience, including excessive requests for personal information and surprise shipping costs. Though these pains occur across online retail channels, social media marketplaces — an innovation designed to simplify commerce by placing marketplaces where consumers are already spending their time — especially fall victim to these pains.

These are just some of the key findings from Building A Better Online Checkout Experience: The Key Features That Matter To Customers, a PYMNTS and Checkout.com collaboration. This study explores where and how consumers shop online, providing insight into the ideal checkout experience for a United States consumer. We conducted a census-balanced survey of 2,030 U.S. consumers from June 29 to July 6 to discover what shapes the online checkout experience for consumers, including the features shoppers expect and the pain points that reduce customer satisfaction.

This is what we learned.

KEY FINDINGS

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Smooth checkouts significantly impact shoppers' satisfaction and play a key role in building customer loyalty.

Nearly all consumers feel that a positive checkout experience significantly influences whether they shop at a merchant again.

Two-thirds of consumers we surveyed said that a quality checkout experience is very or extremely influential on whether they return to an eTailer. Just 9% said that it has little or no impact. Among the shoppers we identified as loyal customers based on purchasing behaviors, approximately three-quarters said that a satisfying checkout strongly affects their willingness to shop at a merchant again.

Consumers expect multiple checkout features and feel less satisfied when any are missing.

Frustrating checkout processes and excessive personal information requirements top the list of checkout pain points.

PYMNTS' research identifies 10 key online checkout features, including social media sign-in and price matching, that eTailers should view as essential to ensuring customer satisfaction. Shoppers who wanted these features but were not offered them in their latest transactions were significantly more likely to feel unsatisfied than those who used them. Frustrating checkout processes stand out as the most common pain point, occurring in 15% of consumers' most recent transactions, followed by excessive requests for personal information, which affect 11%.

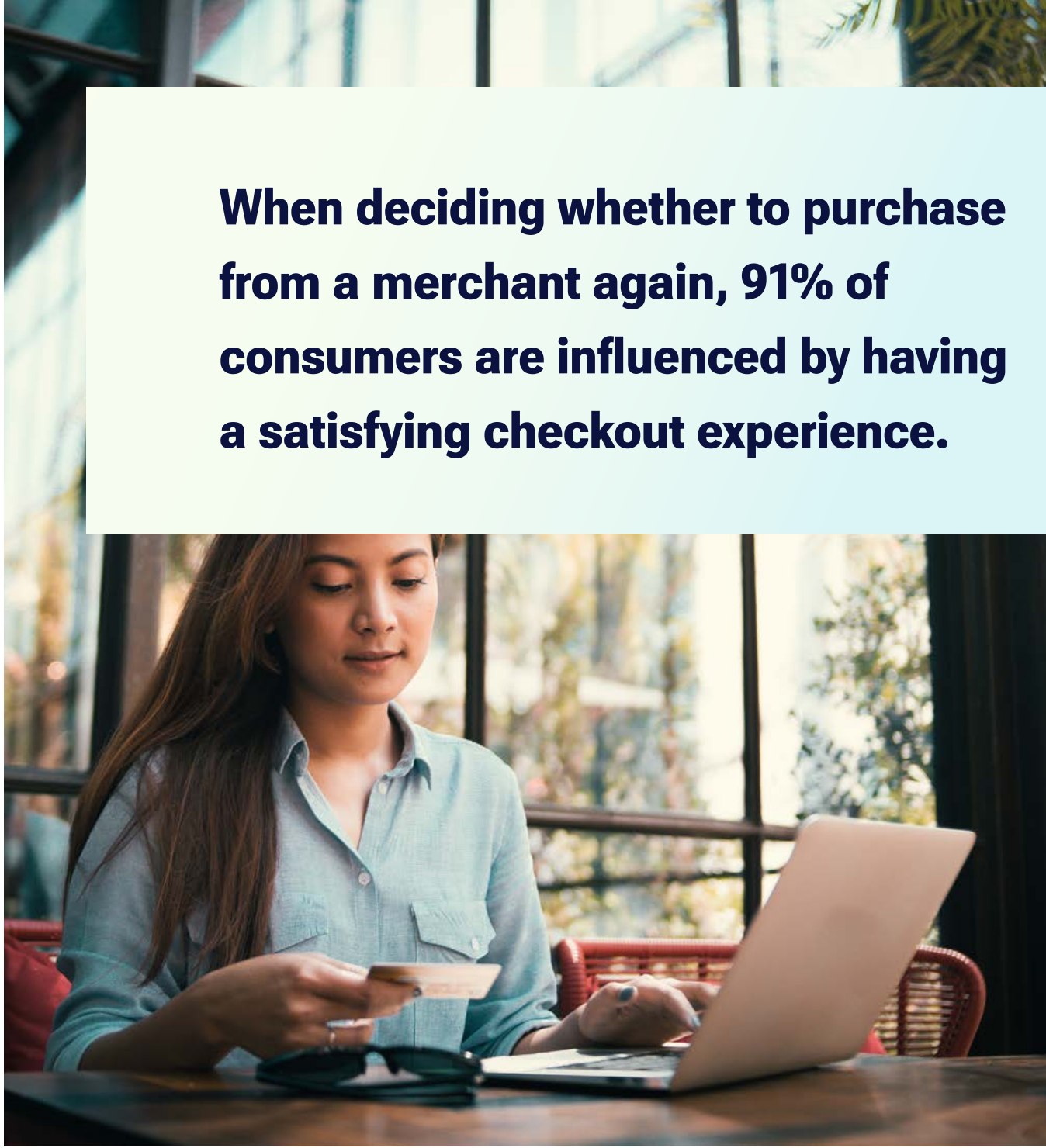### Social media marketplace checkouts suffer from high friction.

Across all online retail channels, pain points frequently occur during these transactions.

Consumers regularly encounter checkout headaches across all online retail channels, but social media marketplaces are particularly friction-laden, with shoppers experiencing at least one pain point in 60% of their most recent transactions. Twenty-six percent of consumers who purchased through a brand's official website or app report at least one issue, while 27% experienced friction when buying through an online marketplace.

Consumers have come to expect several specific features that facilitate smooth checkouts, including payment method choice and order confirmation.

Online merchants that fail to offer these key features will likely pay the price.

Nearly three-quarters of consumers used their preferred purchase method in their latest online checkout. More than half of shoppers cite using seven other features, including easy order confirmation, cited by 70%, and secure account data storage, cited by 60%. Among customers who wanted to use checkout features but the merchant did not offer them, the lack of free shipping has the most significant negative impact on customer satisfaction, reducing it by 14%.
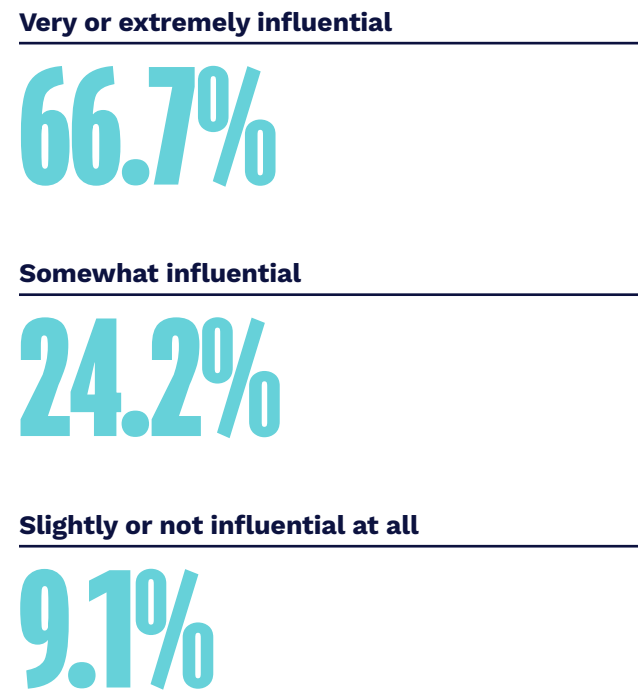
> ### When deciding whether to purchase from a merchant again, 91% of consumers are influenced by having a satisfying checkout experience.

Smooth checkouts win repeat customers.

Friction during the critical final step of a purchase journey significantly influences shopper satisfaction and whether they return to eTailers for repeat purchases. Two-thirds of the consumers we surveyed said that satisfying checkout experiences were very or extremely influential on their decision to purchase from the merchant again, and another 24% said this was somewhat impactful. Just 9.1% said that a smooth checkout had little or no influence.

Smooth checkouts are particularly instrumental to retaining customers we identify as loyal shoppers based on their purchase behavior. Seventy-six percent of customer respondents who always or usually give precedence to their merchant of choice over alternative retailers offering better deals consider a satisfying checkout experience to be highly influential to their shopping experience. This share is substantially higher than the 63% of consumers who always or usually give precedence to deals over preferred merchants.
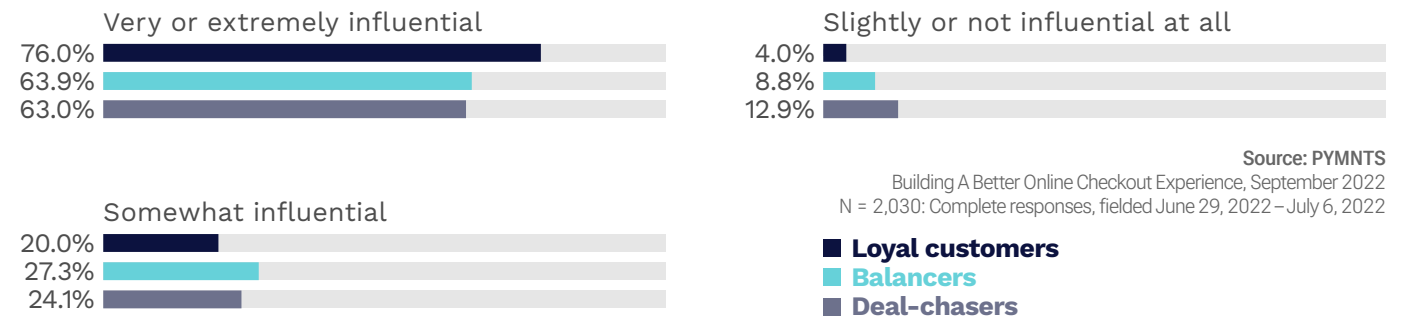
FIGURE 1:

Impact of a positive checkout experience

Share of consumers who identify a satisfying checkout experience to have specific levels of influence on their willingness to shop with a merchant again
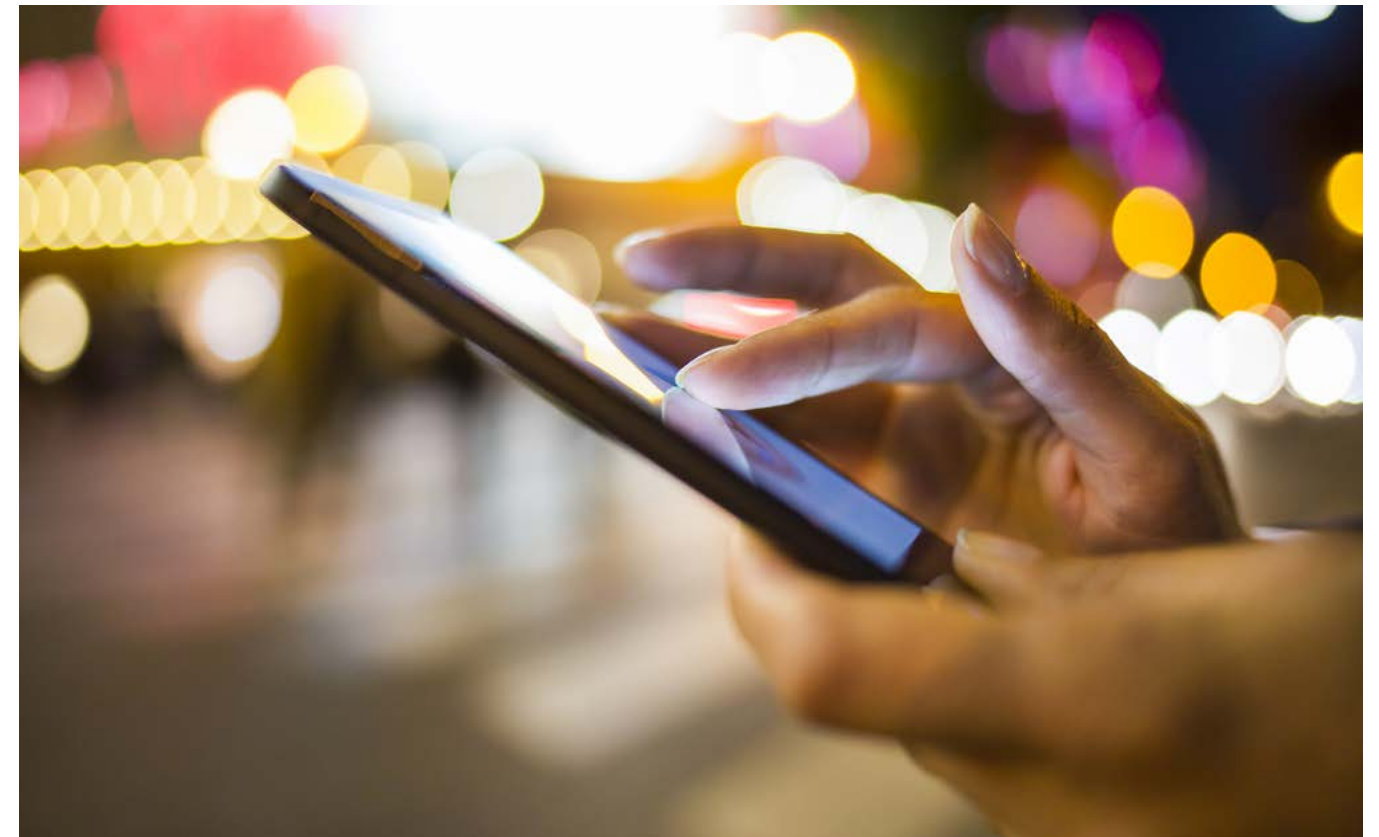
Very or extremely influential

66.7%

Somewhat influential

24.2%

Slightly or not influential at all

9.1%

FIGURE 2:

Merchant loyalty influences online purchasing decisions

Share of consumers who consider a satisfying checkout experience to have select levels of influence on their shopping experience as a whole

Very or extremely influential
- 76.0%
- 63.9%
- 63.0%

Slightly or not influential at all
- 4.0%
- 8.8%
- 12.9%

Somewhat influential
- 20.0%
- 27.3%
- 24.1%

- ■ **Loyal customers**
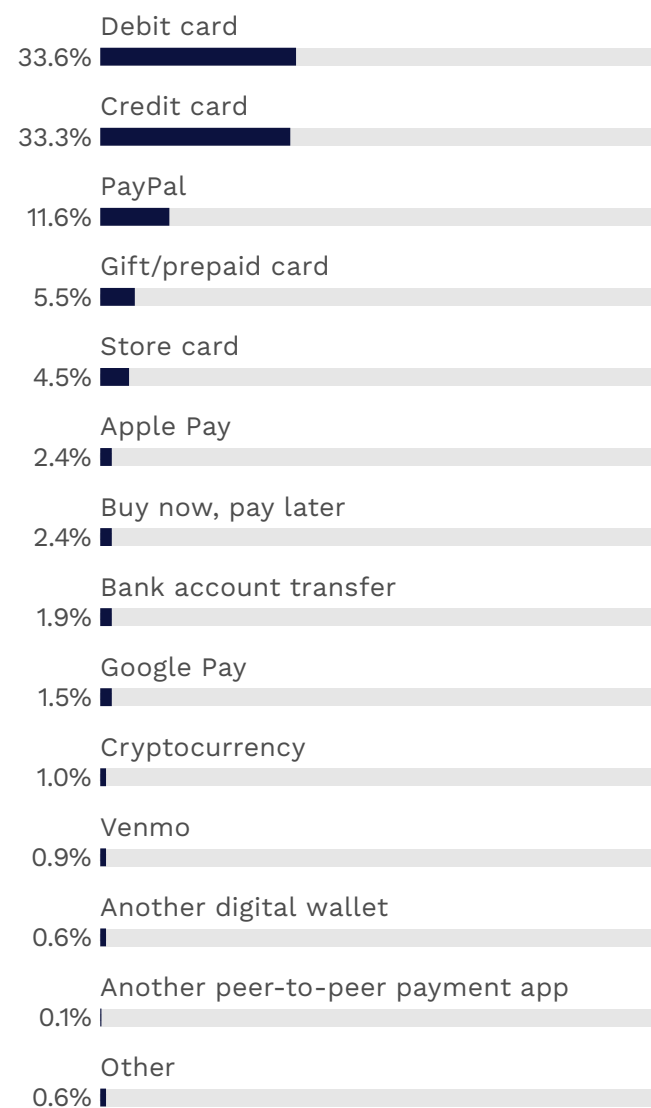- ■ **Balancers**
- ■ **Deal-chasers**

Payments power the checkout experience.

Providing fast and frictionless checkout experiences is critical to converting eCommerce shoppers, but it is only half the battle. Providing shoppers with a wide variety of payment options at the eCommerce point of sale is also critical.

Cards continue to rule the online checkout space, but alternative payment methods are on the rise. The shoppers we surveyed paid by credit card or debit card in 71% of their latest transactions, followed by 17% for digital wallets and 2.4% for BNPL and Apple Pay. Some shoppers pay with cryptocurrencies and peer-to-peer (P2P) options such as Venmo. Even bank account transfers are common. Accepting these payment methods and others is therefore key to optimizing conversion and boosting sales.

FIGURE 3:

Payment methods consumers use to buy items online

Share of consumers who paid for their most recent eCommerce purchase using select methods

Debit card
33.6%

Credit card
33.3%

PayPal
11.6%

Gift/prepaid card
5.5%

Store card
4.5%

Apple Pay
2.4%

Buy now, pay later
2.4%

Bank account transfer
1.9%

Google Pay
1.5%

Cryptocurrency
1.0%

Venmo
0.9%

Another digital wallet
0.6%

Another peer-to-peer payment app
0.1%

Other
0.6%

Source: PYMNTS
Building A Better Online Checkout Experience, September 2022
N = 2,030: Complete responses, fielded June 29, 2022 – July 6, 2022
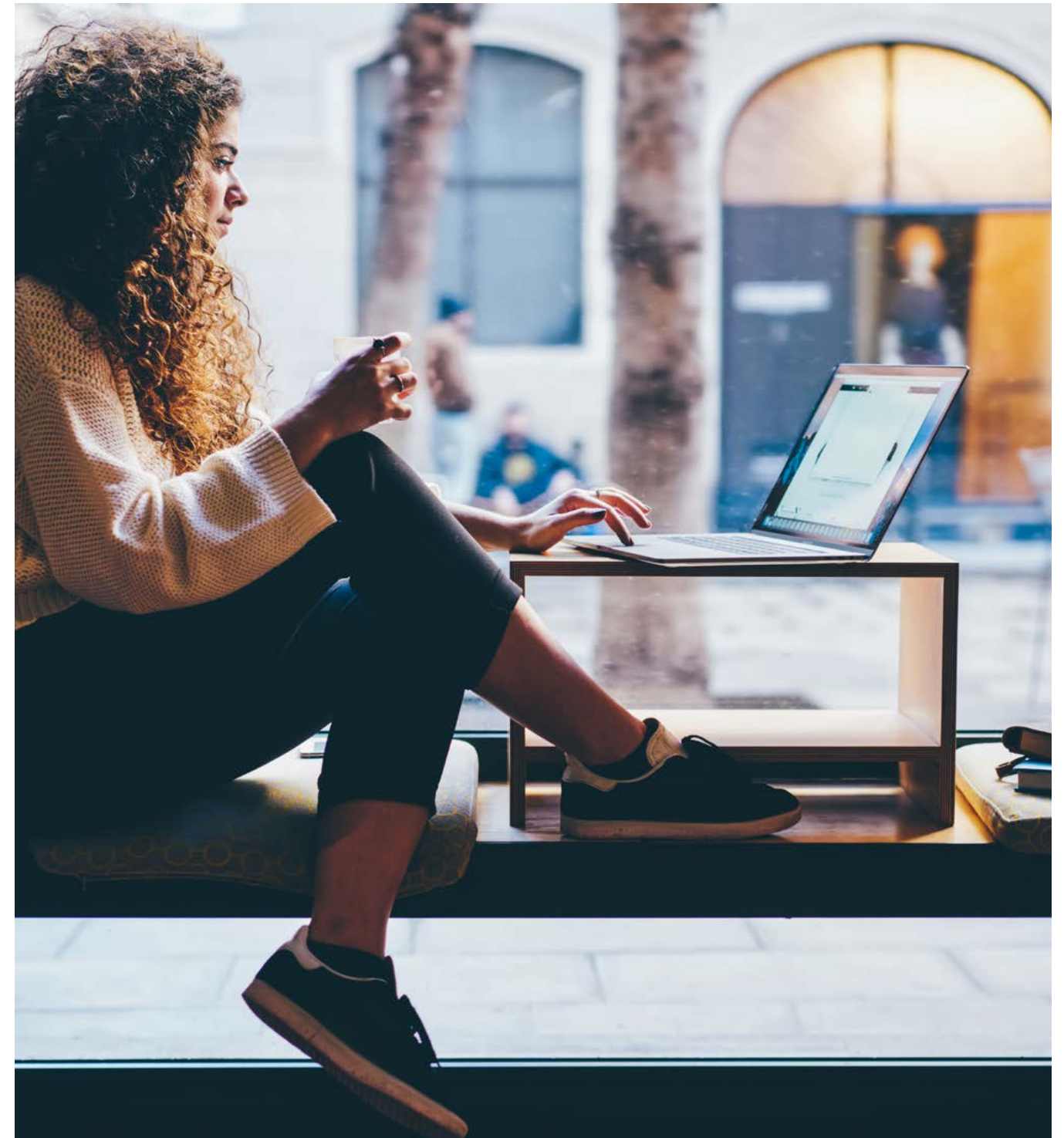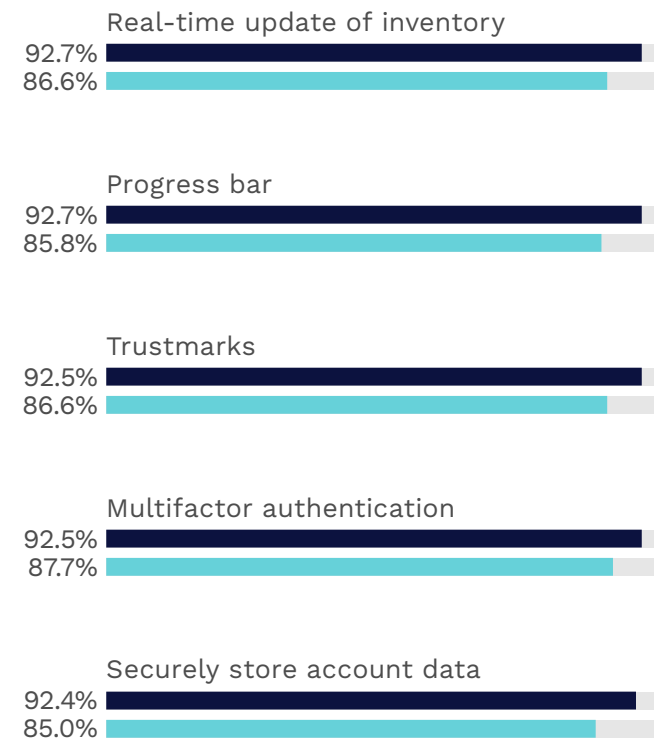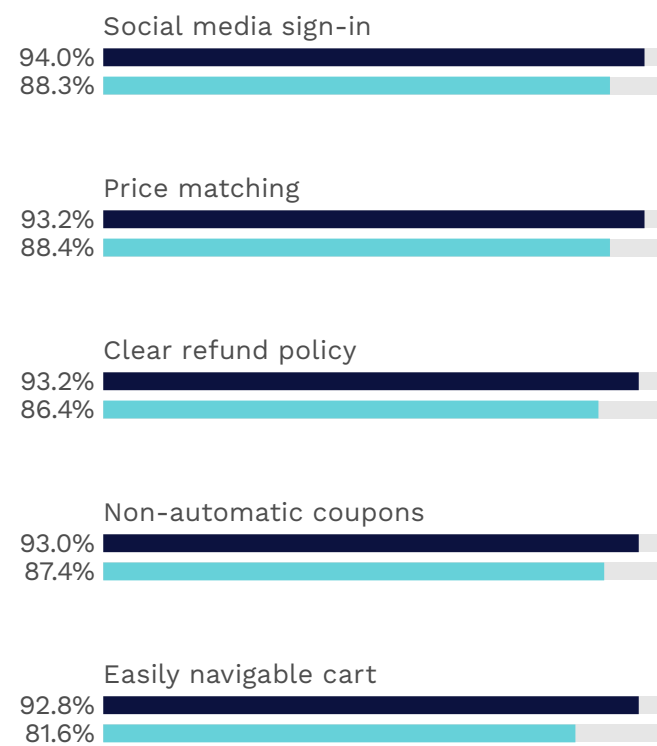
Key checkout features and pain points

PYMNTS' research identifies vital online checkout features that help satisfy the highest shares of consumers with their checkout journeys. These range from social media sign-in to easy cart navigation but most primarily relate to convenience and pricing.

Consumers used social media sign-in during 94% of transactions in which the shopper felt at least somewhat satisfied, slightly ahead of the rest of the top 10 features, all of which had usage rates of approximately 93% in checkouts where consumers were at least somewhat satisfied. These include price matching, clear refund policies and non-automated coupons. The most significant impact, however, comes from easy-to-navigate carts, which increased satisfaction by 14% relative to transactions in which consumers wanted the feature, but the merchant did not offer it.

Our research also identified customers' top pain points during online checkout journeys. Frustrating checkout processes — including slow speed of checkout and difficulties with manual coupons — topped the list, affecting 15% of consumers in their most recent transactions. Information or account issues, such as the merchant requiring too much personal information or forcing the purchaser to create an account, impacted 11% of such purchases. Nine percent of shoppers said lack of inventory was a problem in their most recent transaction, meaning that their desired items were not in stock or immediately available upon checkout, and 7.3% highlighted this as the most significant challenge encountered, leading all other pain points.

FIGURE 4:

Top 10 checkout features that enhance customer satisfaction

Share of consumers who were somewhat, very or extremely satisfied with checkout experiences that used select features or wanted to use select features but the merchant did not offer them
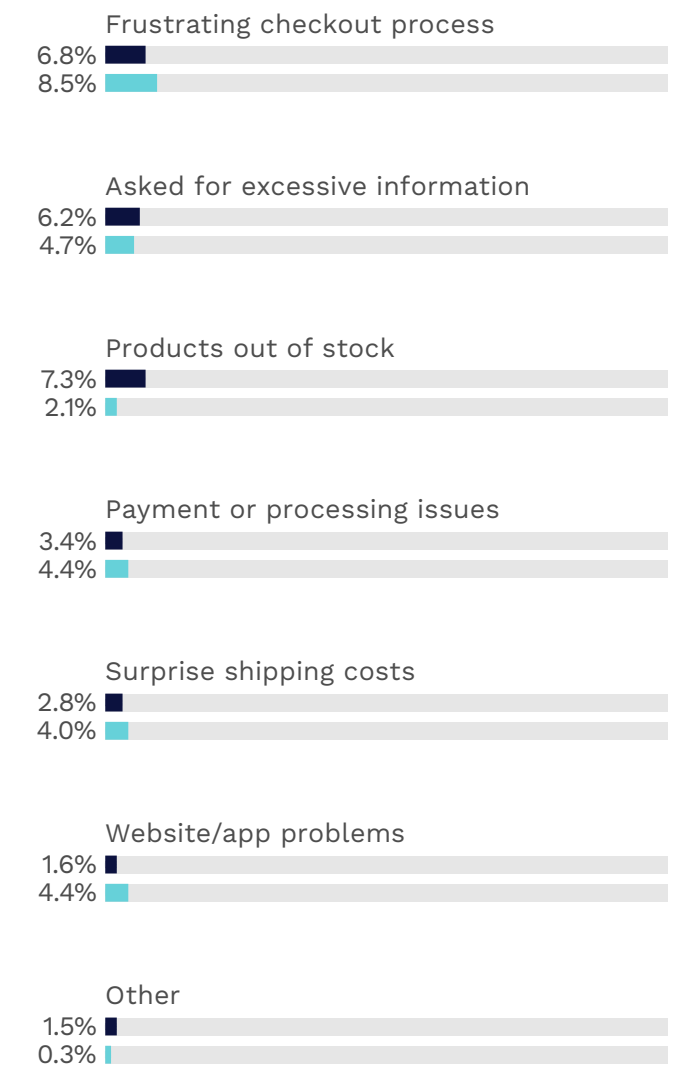
Social media sign-in
94.0%
88.3%

Price matching
93.2%
88.4%

Clear refund policy
93.2%
86.4%

Non-automatic coupons
93.0%
87.4%

Easily navigable cart
92.8%
81.6%

Real-time update of inventory
92.7%
86.6%

Progress bar
92.7%
85.8%

Trustmarks
92.5%
86.6%

Multifactor authentication
92.5%
87.7%

Securely store account data
92.4%
85.0%

Source: PYMNTS
Building A Better Online Checkout Experience, September 2022
N = 2,030: Complete responses, fielded June 29, 2022 – July 6, 2022

■ **Used**
■ **Wanted to use, but merchant did not offer**

FIGURE 5:

Customer pain points at checkout

Share of consumers who experienced select challenges during their most recent transaction, by level of importance

Frustrating checkout process
6.8%
8.5%

Asked for excessive information
6.2%
4.7%

Products out of stock
7.3%
2.1%

Payment or processing issues
3.4%
4.4%

Surprise shipping costs
2.8%
4.0%

Website/app problems
1.6%
4.4%

Other
1.5%
0.3%

Source: PYMNTS
Building A Better Online Checkout Experience, September 2022
N = 2,030: Complete responses, fielded June 29, 2022 – July 6, 2022

■ **Most important challenge experienced**
■ **Experienced challenge, but not the most important**

Social media marketplace checkouts prove problematic.

PYMNTS's research shows that checkout pains vary by channel, but overall, social media marketplace checkouts are particularly complicated and much more likely to leave customers dissatisfied than checkouts via other channels. Among consumers who made their most recent purchase on a social media platform, 60% encountered at least one transaction-related challenge. In contrast, respondents reported a problem with just 26% of purchases at brands' official web stores and 27% at online marketplaces.

A closer analysis of our data shows that this pain is relatively universal: each category of pain point we examined occurs much more frequently in social media marketplace checkouts. We found that 38% of shoppers said they encountered frustrating checkout processes, and 27% said that the merchant asked for onerous personal information or to create an account. Similarly, 19% indicated

challenges related to processing payments and 19% cited that out-of-stock inventory negatively impacted their checkout experiences on social media marketplaces. Consumers were far less likely to face these struggles if they shopped with other channels.

The incidence of pain points across other channels is still significant. For online marketplaces, 16% of respondents cited frustrating checkout processes. Merchants asking consumers to create an account or to provide excessive information was the next most popular, at 12%. Consumers who shopped at brands' digital stores identified the same two top pain points, at 11% and 9%, respectively. Bucking the trend somewhat are shoppers at online merchants. Out-of-stock inventory impacted these shoppers more, creating a marginally more ubiquitous than frustrating checkout process.

FIGURE 6:
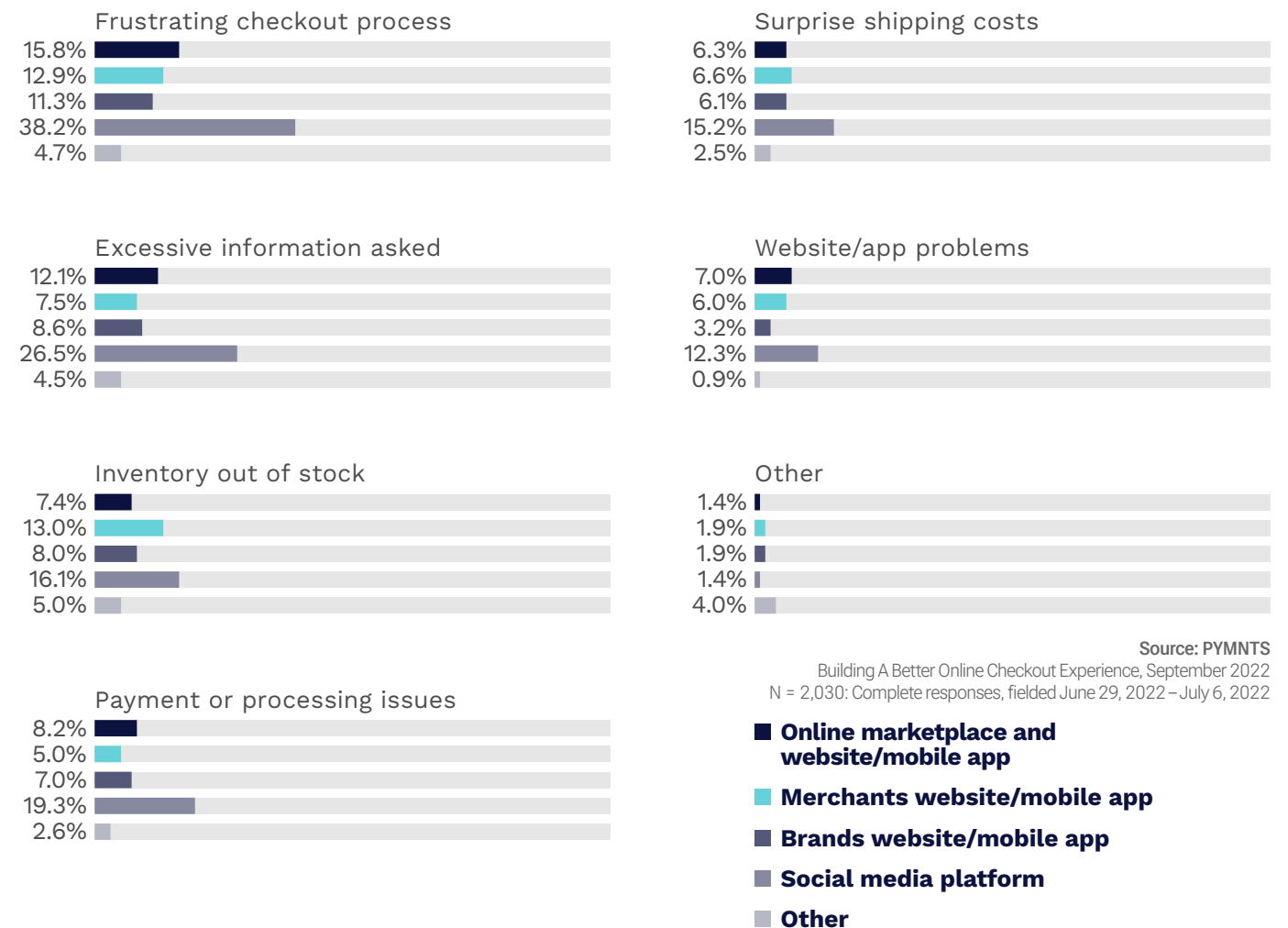### Checkout frictions across channels

Share of consumers who experienced at least one pain point at checkout in their most recent transaction, by shopping channel

Social media platform	Merchants website/mobile app	Online marketplace website/mobile app	Brands website/mobile app	Other
59.8%	**29.9%**	**27.4%**	**25.6%**	**17.3%**

FIGURE 7:
Pain points across shopping channels

Share of consumers who experienced select challenges in their most recent transaction, by shopping channel

Frustrating checkout process
- 15.8%
- 12.9%
- 11.3%
- 38.2%
- 4.7%

Surprise shipping costs
- 6.3%
- 6.6%
- 6.1%
- 15.2%
- 2.5%

Excessive information asked
- 12.1%
- 7.5%
- 8.6%
- 26.5%
- 4.5%

Website/app problems
- 7.0%
- 6.0%
- 3.2%
- 12.3%
- 0.9%

Inventory out of stock
- 7.4%
- 13.0%
- 8.0%
- 16.1%
- 5.0%

Other
- 1.4%
- 1.9%
- 1.9%
- 1.4%
- 4.0%

Payment or processing issues
- 8.2%
- 5.0%
- 7.0%
- 19.3%
- 2.6%

- ■ **Online marketplace and website/mobile app**
- ■ **Merchants website/mobile app**
- ■ **Brands website/mobile app**
- ■ **Social media platform**
- ■ **Other**

Consumers set a high bar for features.

Online merchants stand to lose out if they fail to implement the widely expected checkout features that have become table stakes for competing in online retail. PYMNTS' data reveals that more than two-thirds of shoppers took advantage of three key features during their most recent online purchases: the flexibility to use a preferred payment method, at 72%, an easy-to-navigate cart, at 70%, and the ability to check order confirmation easily, at 70%. Most shoppers also cited using several other features in more than half of their checkouts, most notably free shipping, cited by 61%.

The data shows that these widely available features are necessities for customer satisfaction rather than value-added options that eTailers can optionally use to impress shoppers. For transactions in which respondents wanted flexible payment options, customer satisfaction fell 10% if the merchant did not

offer it. The absence of free shipping caused an even bigger drop of 14%. Customers who expected access to a mobile app or website but did not get it felt 11% less satisfied than those who received this benefit. Even a lack of trustmarks, the least impactful benefit, led to a 5% decline in satisfaction among customers who wanted this feature, but the merchant did not offer it.

Our research also identified the checkout features consumers most frequently wanted but were not offered. Thirty-seven percent of consumers cited price-matching as a desired feature the merchant did not offer during their last purchase. Coupon code entry and multifactor authentication were the next most frequently missed features, each cited by 22% of respondents. Sizable portions of consumers also wished to see trustmarks and to be offered real-time assistance and buy now, pay later (BNPL) options, among others.

FIGURE 9:

Impactful checkout features
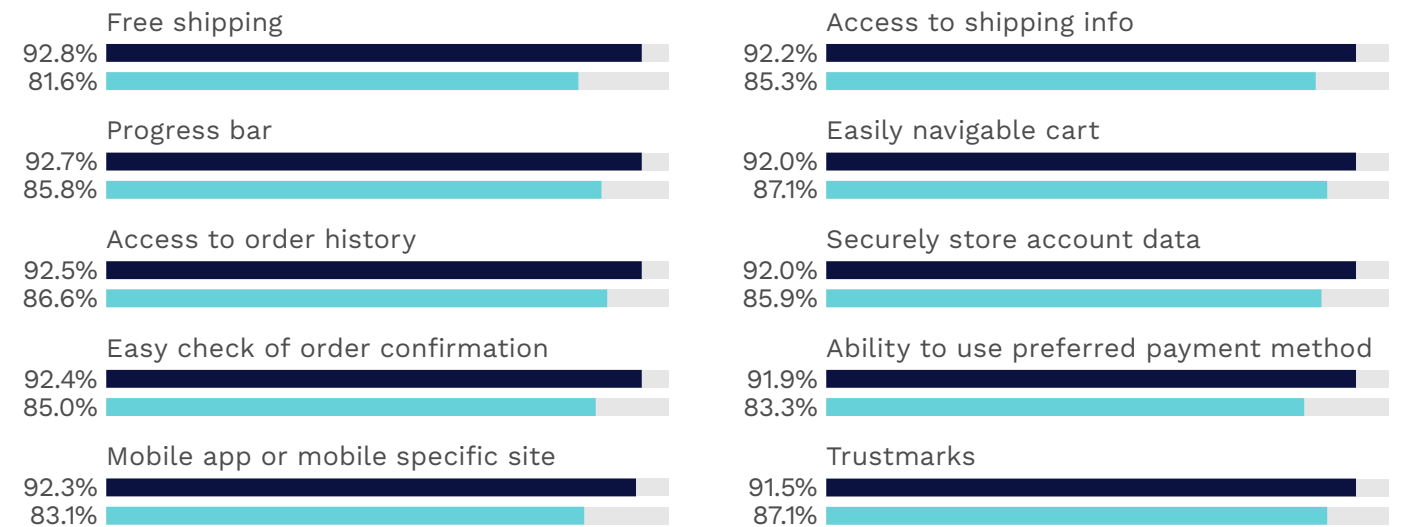
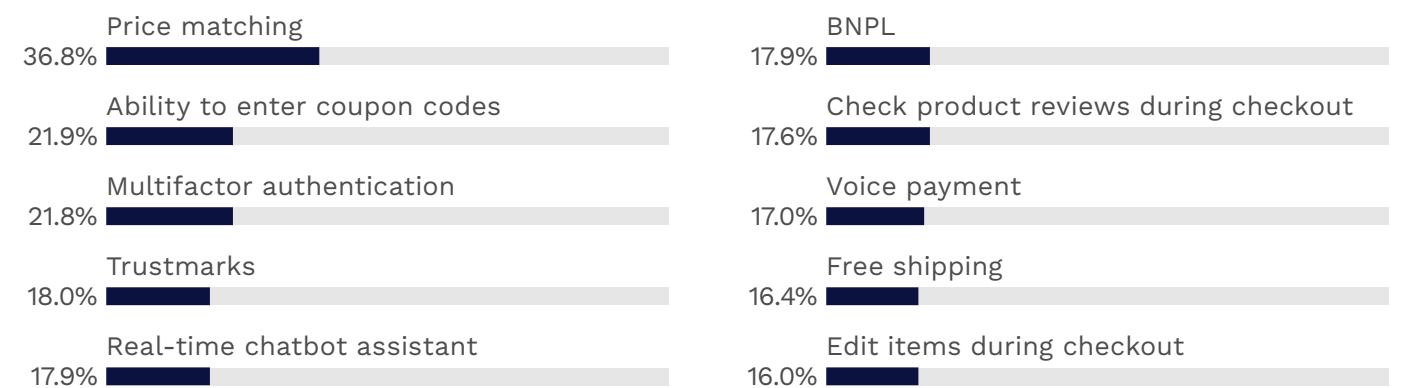**Share of consumers satisfied with checkout among users and nonusers of the top 10 features**

Feature	Used	Did not use
Free shipping	92.8%	81.6%
Progress bar	92.7%	85.8%
Access to order history	92.5%	86.6%
Easy check of order confirmation	92.4%	85.0%
Mobile app or mobile specific site	92.3%	83.1%
Access to shipping info	92.2%	85.3%
Easily navigable cart	92.0%	87.1%
Securely store account data	92.0%	85.9%
Ability to use preferred payment method	91.9%	83.3%
Trustmarks	91.5%	87.1%

■ **Used**
■ **Did not use**

FIGURE 8:

Ubiquitous features at checkout

Share of respondents that used select features during their most recent purchase

Feature	Share
Ability to use preferred payment method	72.0%
Easily navigable cart	70.4%
Easy check of order confirmation	69.8%
Free shipping	60.6%
Securely store account data	60.4%
Access to shipping info	59.1%
Access to payment info	58.0%
Access to order history	54.9%
Progress bar	53.5%
Trustmarks	42.9%

FIGURE 10:

Missing features

Share of respondents who wanted select features during their last checkout but the merchant did not offer them

Feature	Share
Price matching	36.8%
Ability to enter coupon codes	21.9%
Multifactor authentication	21.8%
Trustmarks	18.0%
Real-time chatbot assistant	17.9%
BNPL	17.9%
Check product reviews during checkout	17.6%
Voice payment	17.0%
Free shipping	16.4%
Edit items during checkout	16.0%

CONCLUSION AND METHODOLGY

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Smooth checkouts are critical to whether shoppers return to eTailers for repeat purchases, which makes delivering excellent checkout experiences central to building customer loyalty and lifetime customer value. Yet online shoppers frequently encounter frustrating processes and other pain points, with social media marketplaces being the most in need of improvement. eTailers should view meeting customer expectations at checkout as table stakes and understand that the absence of these features — from preferred payment options to easy-to-use carts — will be catastrophic for shopper satisfaction, especially for bigger ticket purchases. To stay competitive, eTailers must address checkout pain points and deliver more optimized and satisfying checkout journeys. As our research shows that approximately one-quarter of shoppers are willing to forgo better deals in favor of returning to their preferred merchants, merchants that win a consumer in the short-term may well earn their patronage for life.

Building A Better Online Checkout Experience: The Key Features That Matter To Customers, a PYMNTS and Checkout.com collaboration, explores where and how consumers shop online, gaining insight into the ideal checkout experience for a U.S. consumer. We conducted a census-balanced survey of 2,030 U.S. consumers from June 29 to July 6 to discover what shapes the online checkout experience for consumers, including the features shoppers expect and the pain points that reduce customer satisfaction.

ABOUT

BUILDING A BETTER ONLINE CHECKOUT EXPERIENCE:

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