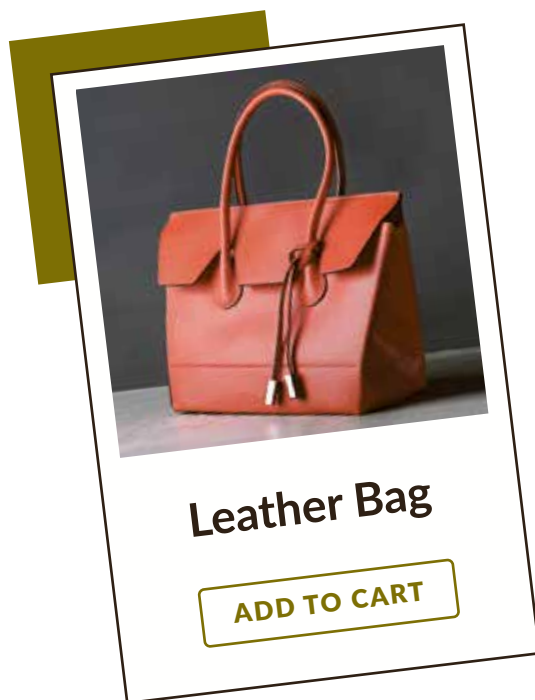




BigCommerce + Hype Interactive = the winning combination

Creating a customer-first checkout experience

How to boost your online sales with a customer-first approach to checkout





When it comes to ecommerce, there are a myriad of pivotal touch points that could make or break a sale: a product page, the homepage, site search and many more. But no point in the buying process is more important than checkout.

Checkout is the final step standing in between turning a shopper into a customer. Any hiccup or unnecessary step can turn a shopper away from a sale. The checkout process needs to be streamlined, secure and customer-centric, but what does that mean for your business?

A customer-centric checkout experience looks different to every business, but they each share similar characteristics that can help optimize the checkout process and turn a prospect into a customer.

Throughout this guide, we will cover:

- Why the checkout process is so important in the buyer journey.
- What does a customer-centric checkout process look like?
- How BigCommerce is helping merchants improve checkout.

Checkout by the Numbers

The end goal of any checkout experience is to facilitate a sale. Whether you're an HVAC manufacturer selling directly to businesses or a fashion designer selling clothes directly to consumers, your goals are the same.

Not only do all businesses strive for ecommerce success, they aim to avoid the dreaded abandoned cart. The Baymard Institute found an **average cart abandonment rate of 69.99%**. Why do so many shoppers abandon their carts? That answer varies. Let's take a look at how the checkout experience can impact cart abandonment for both DTC and B2B businesses

Direct-to-Consumer (DTC) Sales

A number of factors can contribute to abandoned carts in the DTC space, but The Baymard Institute found that the top three reasons for abandoned carts were:

48% Said extra costs were too high

24% Said the site wanted them to create an account

22% Said delivery was too slow

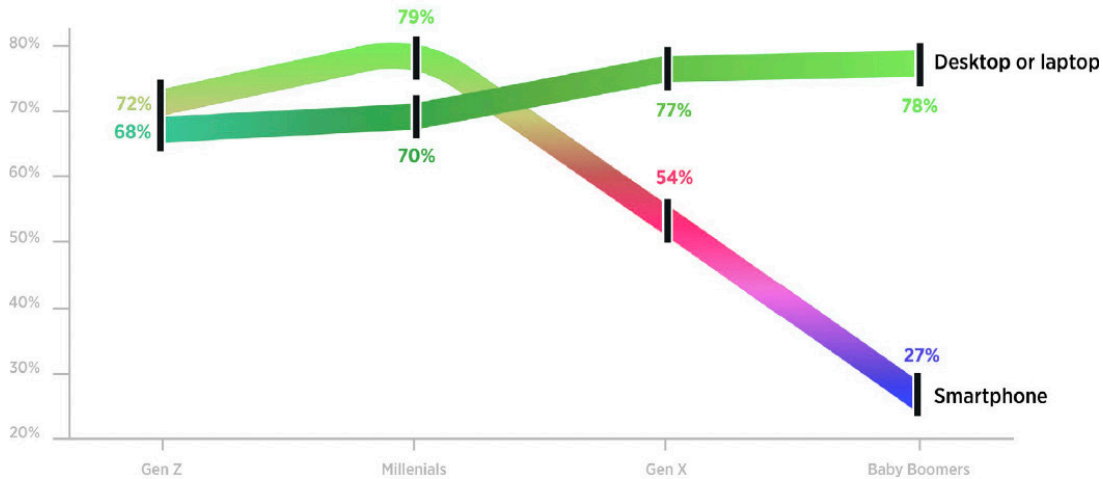




While these data points seem to center around different issues, they can all be tied back to the idea of customer experience. A customer’s experience was negatively impacted by hidden fees or extra costs. Their experience was hindered or slowed by the account creation process. Or their expectations for a speedy delivery experience were not met.

The kind of experience your customers expect can depend on a variety of factors. A recent PaySafe report shows a stark difference in how different age ranges prefer to shop online.

Devices consumers use to shop online



Gen Z, classified as individuals born between 1997 and 2012, prefers shopping on a smartphone over shopping on a laptop or desktop device (72% vs. 68%). On the other end of the spectrum, Baby Boomers, individuals born between 1946 and 1964, drastically prefer shopping on a desktop or tablet to shopping with a smartphone (78% vs. 27%). Depending on the age range of your ideal customer profile (ICP), you will need to optimize your checkout experience for different devices.

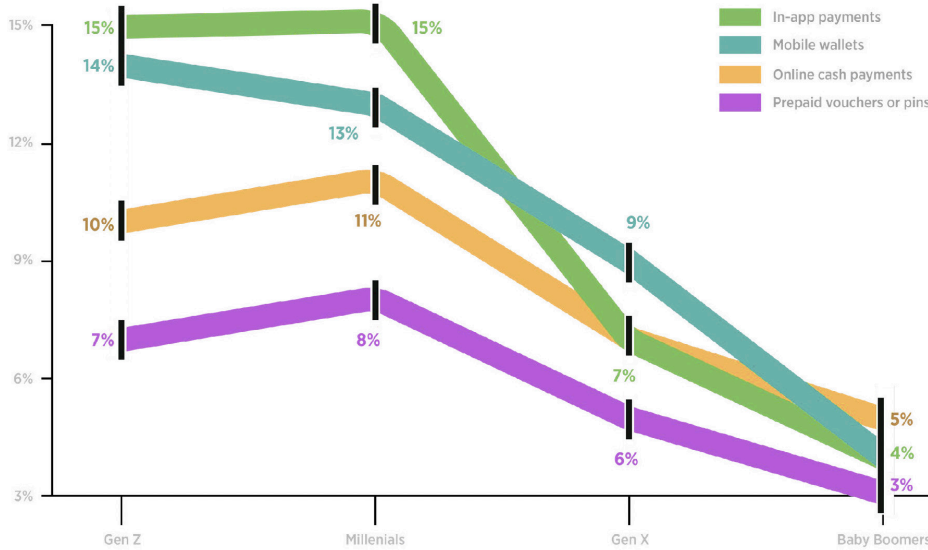
Different consumers are also much more likely to have familiarity with and propensity to use alternative payment methods, with Mollie reporting that 87% of consumers say it’s important that retailers offer their favorite payment methods when they’re shopping online. However, not seeing enough payment methods can cause 9% of consumers to abandon their cart, according to the Baymard Institute.

The graph below illustrates regular and occasional use of alternative payment methods – like in-app payments, mobile wallets, online cash payments or prepaid cards – by different age demographics.





Regular use of alternative payment methods by age demographic



The data is clear: younger demographics, like Gen Z and Millennials, are much more likely to use alternative payment methods compared to older consumers, like Gen X or Baby Boomers. A business may want to offer more traditional or more alternative payment methods depending on their ICP.

This idea of tailoring your website experience to your ICP is not a new one. But how do customer expectations look with B2B businesses?

Business to Business (B2B) Sales

B2B industries, whether wholesalers, manufacturers, distributors, or anything in between, have traditionally been more reserved when it comes to ecommerce innovation. Instead, businesses have held onto more traditional practices of invoicing, product search and sales.

But times are changing. The B2B industry is quickly realizing that the old ways may no longer hold up in the modern world. As customer expectations change, so too must the ways that businesses present and sell their products.

A study from Avionos found that 97% of online B2B buyers experience some sort of pain point during the ecommerce purchasing process, and that 85% of those buyers would turn to a competitor if their supplier’s digital channel can’t keep up with their needs.





What are those needs? In the past, transactions were largely kept offline. “When we think about ecommerce, we think about discovery and trade. Finding the products that you want to purchase and exchange money for goods,” says Bar Geron, Co-Founder and CEO of Balance, a BigCommerce B2B payments partner. “On the trade side, businesses just went back to offline. So everything in the experience was slick and then it got stuck for between seven and 14 days.

“That inconvenience is a massive force to bring in what we know from the DTC space – things like buy now pay later – inside of a payment experience that together can really digitize the whole B2B payment process,” he continued.

Digitizing the B2B payment process may seem a challenging process, but really it comes down to creating a customer-centric checkout experience. As ecommerce technology grows, B2B buyers are bringing their DTClike customer expectations with them. While the process may differ slightly – paying on credit or customerspecific pricing, for example – from DTC ecommerce, the sentiment remains the same.

Now that we have established the need for a customer-centric checkout experience, let’s explore what exactly that experience looks like for your business.





How to create a customer-centric checkout experience

Stripe, a leading checkout provider, recently surveyed B2B and DTC ecommerce sites and customers and discovered that 96% of sites in North America, as well as 95% in Asia-Pacific and 94% in Europe had at least five basic errors in their checkouts. These errors could be costing businesses valuable sales from both first time and repeat customers.

While a customer-centric checkout experience might look different on every site (depending on industry, ICP, business, etc.), we can at least establish some foundational qualities that a customer-centric checkout experience should have.

Optimize for Mobile

According to eMarketer, mobile commerce sales alone accounted for \$360 billion in 2021. By 2025, that number is expected to almost double to \$710 billion. This means that your site and your checkout experience have to be optimized for mobile. Otherwise, you could be losing out on potential sales.

As mentioned earlier, younger users are much more likely to shop on mobile devices than older consumers. But as Gen Z and Millennials age, mobile shopping experiences will become not just a nice-to-have, but a must-have for any business looking to succeed.

Allow for Guest Checkout

Does this sound familiar? After hunting for the checkout button on a site, you finally make your way to your cart page only to be forced to sign in or create an account, handing over your personal information in the process.

The Baymard Institute found that 24% of customers abandon a site because they're asked to create an account. That's why a guest checkout option is a must.

Shoppers don't want to be surprised by hidden fees, expensive shipping options, or forced into creating an account. They want a seamless, frictionless checkout experience that allows them to get in, find what they want and get out.





Getting Shoppers to Create an Account

Account creation is a valuable thing for both businesses and customers. It not only gives you useful information on your consumer and allows you to communicate with them in a more direct way, but it also gives your customers a simpler, easier way to purchase your products.

When it comes to B2B businesses, account creation is often a necessity. Businesses often require customers to create an account in order to gain access to custom ordering, pricing and shipping options.

So how can you get customers to bypass guest checkout and continue down the account creation pipeline? This often takes place before checkout even begins. Many stores will use popup windows to their advantage and offer a percentage discount on a customer's next purchase if they create an account. You can also use this tactic during checkout as an added bonus, offering free shipping or a percentage off of their purchase.

All this is to say that while a number of customers may prefer to checkout as a guest, there are still ways businesses can entice them to create an account. A/B test some options and see what works best for you.

Follow User Experience (UX) Best Practices

UX is a term that gets thrown around a lot without much understanding of what it actually means. It usually refers to a set of best practices for how a user interacts with a specific design, in this case, checkout.

While everything on this list refers to the user's overall experience with your checkout process, this is more about how they interact with it. How does your store deal with guest checkout as an option for customers? Is it the most prominent option, or is it hidden and unused? The Baymard Institute found that 65% of sites don't make guest checkout the most prominent option for customers. When 24% of customers prefer to checkout as guests, this can cause some major problems with conversion rates.

Another UX consideration for your site is, if the user is making an account, what are your password requirements like? That same Baymard Institute study found that 80% of sites had overly-complicated password requirements. Their testing determined that overly-strict password requirements could lead to an 18.75% checkout rate among existing account users.

Over time, these UX mistakes can lead to a large drop in revenue due to abandoned carts. Learn about UX design best practices and follow them to the best of your ability.





Keep Security Top of Mind

As an ecommerce business, you're not just selling a product or service. You're asking your customers to share their information, like credit card numbers, street addresses and birth dates. This is especially so if you're storing their information by asking them to create an account.

Using encryption tools like SSL certificates can help put users' minds at ease. Most large platforms will provide you with an SSL certificate for your site free of charge.

You can also partner with trusted payment partners that can add another layer of security to the payment process. This leads us to the fifth characteristic of a user-centric checkout process.

Security also matters for your business. Fraudulent charges can have a huge impact on your bottom line, and partnering with a secure payment partner can help mitigate some of those costs

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The Payment Process

A straightforward and secure payment process is imperative for your checkout. The faster someone can click that checkout button, the faster you will make the sale.

There are now more ways to pay online than ever before. Your customers can pay with practically any debit or credit card. They can also sign up for payment services that store their card and account information, making payment easy with a few simple clicks.

What Kind of Payment Options Should You Offer?

As mentioned earlier, preferred payment options vary depending on industry and user demographics. Here's an overview of the options available to businesses.

Credit or Debit Card Checkout

This is a checkout method that we are all familiar with. Users can input credit or debit card information into a payment gateway and complete the checkout process. Which cards you accept depend on your payment gateway and which fees you are willing to accept as the payments are processed.

Digital Wallets

What is a digital wallet?

A digital wallet, sometimes referred to as an e-wallet, is exactly what it sounds like: a digital storage space for payment information. A digital wallet can be linked to an individual's bank account, debit or credit card, or it can have a finite amount of funds from an outside source.

How do digital wallets work?

Digital wallets work by allowing users to log into their account during a checkout process and quickly input payment, billing and shipping information. Once the user has clicked their wallet of choice (PayPal, Amazon Pay, Apple Pay, etc.), their information is quickly populated into the checkout page and, after clicking the buy button, funds are quickly pulled from the source of their choice.





BigCommerce digital wallet providers



One-Click Checkout

What is one-click checkout?

When you imagine an ecommerce checkout experience, you probably see a number of form fields, like your name, shipping and credit card information. This process may be several pages long, requiring shoppers to click through a lengthy group of forms just to end up clicking “Buy” five minutes after they clicked “Checkout” in their cart.

One-click checkout throws all of that out the window. With just one click, users can fill out their checkout information and purchase a product without ever having to create an account or fill out lengthy forms.

How does one-click checkout work?

While each one-click checkout provider works slightly differently than the next, they all retain the same basic functionality. Shoppers store their information in the provider’s secure network, and then that network uploads their payment information when it comes time to checkout on a site. That means a customer only has to input their information once.

It’s all the convenience of an account-based checkout experience without having to create an account on every single site they purchase from.

Why does one-click checkout matter?

When it comes to ecommerce, convenience is key. Customers don’t want to spend five minutes on checkout alone. One-click technologies offer a simple solution that puts customer experience at the forefront.





BigCommerce one-click checkout providers



Buy Now, Pay Later (BNPL)

What is BNPL?

BNPL is very straight forward. A customer makes a purchase now, but pays later through an installment plan agreed to at the point of sale.

Who is using BNPL?

Historically, BNPL has been used by younger shoppers, like Millennials and Gen Z. In fact, from 2019 to 2021, BNPL use grew by 600% among Gen Z shoppers. Millennial use of BNPL has tripled.

When it comes to older generations, BNPL use isn't growing as quickly, but is still a popular payment option. In 2021, eMarketer found that 17.2% of Gen X shoppers had used a BNPL option, while only 6.2% of Baby Boomers used the option.

Why is BNPL so appealing to shoppers?

BNPL has risen in popularity for many reasons, but these are some of the biggest.

Credit card use is on the decline

Credit cards just aren't as popular as they used to be. Shoppers' dissatisfaction with companies and their terms are causing a shift away from traditional borrowing to more modern methods, like BNPL.

BNPL is affordable

Some BNPL providers may charge lower fees and interest rates than traditional credit card companies, which could mean less long-term cost for shoppers.

BNPL is convenient

For many shoppers, BNPL offers a convenient, flexible payment option where there hasn't been one before. Breaking up a purchase into multiple payments gives all shoppers the opportunity to purchase what they want, when they want it.





Choosing the right BNPL provider

As BNPL has grown in popularity, the number of companies offering this service has also grown. Here are a few things you should look for when choosing the right BNPL provider for your site.

Look at the terms

Many BNPL providers offer different term lengths, ranging from a few weeks to a few years. What kind of terms are offered on your store will probably depend on your average order value, or AOV. A high AOV usually means a lengthier repayment period, while a lower AOV means a shorter term.

Look at the limits

When it comes to BNPL, there are usually minimum and maximum limits for the amount of credit offered. Evaluate your limits compared to AOV to see what will work best for your business.





B2B payments

B2B ecommerce businesses, although moving toward DTC-like preferences for site design and overall checkout experience, have their own individual payment types that are unique to their needs, including:

- Traditional Trade Credit
- Cash on Delivery
- Bank-to-bank Wire Transfers
- Purchase Order
- Credit Cards
- Digital Payment Platforms like PayPal
- Paper Checks

While B2B payments have traditionally been conservative in its adoption of new technologies, there are companies dedicated to improving the B2B checkout experience, like Balance.

Balance is a B2B technology solution that owns the entire B2B checkout process from beginning to end, allowing merchants to unify different payment methods and terms, providing a self-serve experience while getting full control of their checkout process.

“Balance is about simplicity and trust,” explains Geron. “It’s about saying to merchants ‘You don’t need to worry about everything that comes along with payment processing.’ On the other hand, as a buyer, you don’t need to care about the preferences of a merchant, how they want to get paid, what their payment terms are. Balance is not here to disrupt, but to facilitate, to help, and to enable businesses to get the job done.”



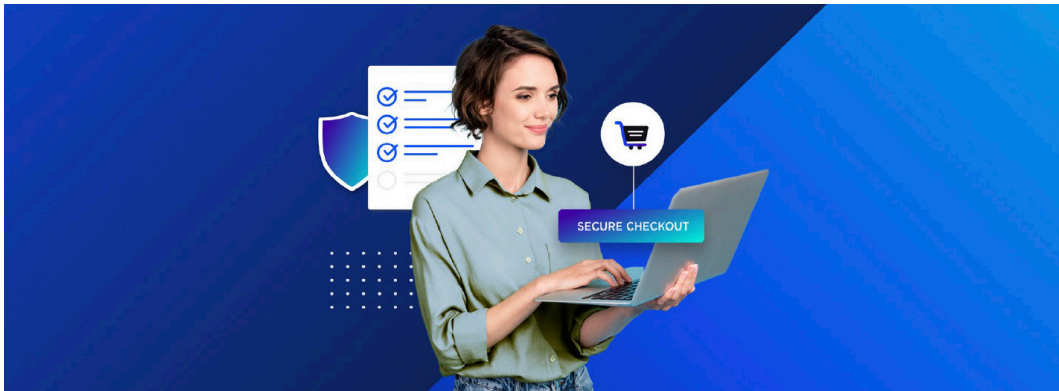


BigCommerce makes checkout optimization easy

When it comes to technology, there are traditionally two types of software available to users: opensource solutions and SaaS. While open-source platforms offer a fully-customizable solution to users, they often require a large amount of work behind the scenes. SaaS solutions, on the other hand, require little maintenance, but may not give users the custom, one-of-a-kind solution that could make their business stand out.

BigCommerce's ecommerce platform offers the best of both worlds – the openness and customization of open-source software and the managed, secure environment of SaaS – in one, easy-to-use package.

This is especially evident when it comes to checkout. BigCommerce merchants can take advantage of our native checkout experience and customize it using our partner integrations, or use our open APIs to create a completely custom solution unique to their specific needs. Let's dive into these solutions and see how BigCommerce can help improve your checkout experience.



BigCommerce Native Checkout Features

Use the BigCommerce page builder to create a checkout process that your customers will love.

Multi-currency Capabilities

Your store's currency settings influence how your product prices appear on the storefront, which payment methods are available at checkout, and how shipping, tax, and discounts are calculated on orders. Displaying product prices and the checkout in your customers' local currencies provides a more familiar shopping experience and can increase conversion when expanding your store to a new region.





Recurring Payments Made Easy

Recurring billing is a convenient, attractive, and easy way to encourage larger carts and better conversion rates by providing your customers with flexible ways to pay for goods and services. Customers can take advantage of recurring billing through subscription (paying for goods and services on a repeated schedule) and financing (buying now and paying later).

Recurring billing is especially useful for businesses that sell big-ticket items, subscriptions and services, or businesses with average carts of over \$100. Shoppers who may not feel comfortable spending a large sum of money at one time often find these purchases more accessible when they are broken down into smaller payments over time.

Native Single-page Checkout

Our native checkout experience is optimized for a single page, creating a customer-centric experience that your shoppers will love.

Flexible Shipping Options

Shipping is a major function of almost every ecommerce operation. BigCommerce provides both storefront and back-end features to help you manage your shipping. Since all businesses are different, there is no one-size-fits-all shipping solution or recommended configuration. We allow the flexibility to set up your shipping options the way that's best for you, your store, and your customers.

Easy Tax Configurations

Just like with offline commerce, governments require online merchants to collect sales tax on orders where it's applicable. BigCommerce allows you to set up your tax configuration manually as well as connect with a third-party tax service to automate your tax configuration as you grow into new states, territories or countries.

BigCommerce Covers Security Compliance

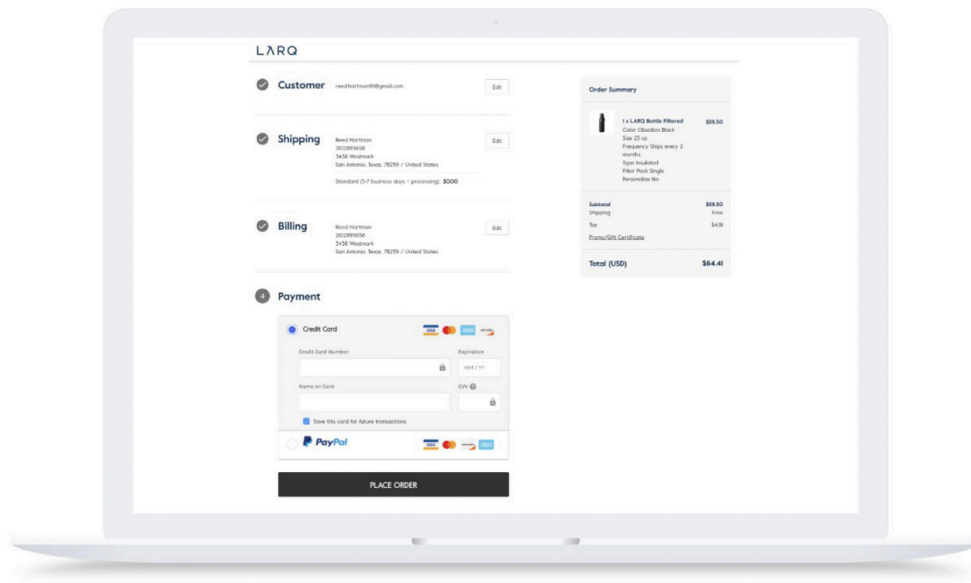
The Payment Card Industry Data Security Standard, or PCI DSS, is a set of rules put forward to keep customers' payment information safe online. BigCommerce servers are PCI DSS 3.2 certified at Level 1, which protects against credit card data breaches and eliminates the massive cost and hassle of handling compliance yourself. If you're using our native checkout experience, we let you accept leading payment methods without worrying about implementing PCI standards for your online store.





How LARQ Uses BigCommerce's Native Checkout

LARQ uses BigCommerce's native checkout experience to the fullest. This sleek, single page design allows customers to move through the checkout process seamlessly, and pay using either their credit or debit card, or a digital wallet like PayPal.



BigCommerce APIs for a Customized Checkout

BigCommerce's native checkout can help businesses create a customized, user-friendly checkout experience, but what if you want to take your checkout to the next level? Thanks to BigCommerce's open APIs and our software developer kit, you can.

With BigCommerce, the only limit to your checkout experience is your development team and their imagination. Create a multi-language, multi-currency experience that can expand your business around the world. Use our multi-storefront feature to create individual checkout experiences across your product or brand line.

The possibilities are endless. The only limit is your imagination. And with our detailed technical documentation and support staff, help is only a few clicks away.





The Final Step

Checkout is arguably the most important step in the customer journey. A single hiccup in the process can mean the difference between making a sale or losing a customer for good. Your checkout process needs to focus on your customers and giving them a positive experience on your site.

How do you make your checkout process customer-centric? It depends. There are so many factors to consider – customer demographics, industry trends and even your type of business – that a customer-centric checkout process is challenging to pin down, but most have a few things in common.

- **Short and sweet:** Your checkout process should be as short as possible, usually limited to one page, and give your customer all the information they need up front (fees, taxes, shipping, etc.)
- **Guest checkout:** Don't make your customers sign up for an account if they don't want to. This extra step can be devastating to cart abandonment rates.
- **More ways to pay:** Different buyers want to pay in different ways. Find out how your customers prefer to pay and provide them with exactly what they want. This can vary depending on demographics like age and country.

BigCommerce gives you two ways to improve your checkout experience. Your business can use our native page builder to create a seamless checkout experience tailored to your needs, or you can use our developer kit to create a fully-customized experience that your customers will love.

Contact Sultan at 312.952.4787 for a free analysis to see what opportunities await your business with BigCommerce.

