



# Checkout: How to delight consumers during the crucial last step of online shopping

Now is the time to offer your consumers a secure and seamless checkout option with Click to Pay.

DECEMBER 2024



# Foreword

1 in 5 retail sales worldwide are expected to be e-commerce purchases by 2027<sup>1</sup>

Shopping online provides consumers with the anytime, anywhere access to a wide range of products essential to today's busy lifestyles. E-commerce purchases are growing and more than one in five (22.6%) retail sales worldwide are expected to be made online by 2027.<sup>1</sup>

Furthermore, the mass adoption of smarter mobile devices and consumer confidence in mobile commerce has led to the advent and growth of new business models. E-commerce plays a critical role in powering emerging sectors such as the gig economy, in-car payments, and makes necessary, everyday tasks like bill payment and grocery shopping much more straightforward and less time consuming.

The improved access and ease of starting up a business online, can help new businesses start selling faster; e-commerce is fuelling the growth of large and small businesses alike.

Yet as retailers expand their digital storefronts and consumers choose to do more of their shopping online and increasingly across multiple devices and browsers, the checkout process does not always meet expectations. Today, 8 out of 10 online shoppers abandon their shopping cart, and nearly half say the lack of a frictionless payment experience is the reason. Can you imagine a physical store littered with that many abandoned baskets?

In our survey of more than 6,600 consumers worldwide, online shoppers told us they are frustrated by having to enter their payment details every time they make a purchase, yet nearly three-quarters of shoppers always or often end up doing so.<sup>2</sup>

They told us they enjoy the speed, choice and convenience of shopping online, but that paying for those goods can be complicated, take too long and can leave them feeling vulnerable about the security of their payment information. These themes were consistent across countries and demographics.

Consumers are looking for a payment option as easy and secure online as they have with contactless in store. They are looking for payment options that allow for flexibility, control and a simplified and consistent online checkout experience.

There is a great growth opportunity for online retailers to win over consumers' trust and loyalty, to remove the barriers to checkout and make it easier to shop online.

At Mastercard, we are committed to making payments safe, simple and smart for consumers and merchants. When it comes to online shopping, no one should have to trade off convenience for security. The insights in this report demonstrate that embedding online checkout solutions, like Mastercard Click to Pay, along with seamless authentication, can protect consumers, merchants and issuers from risk and fraud and boost checkout conversions. Seamless authentication is enabled through Mastercard payment passkeys, which are based on Fast Identity Online (FIDO) industry standards and the authentication provided by the operating system of the consumer's device. The combination of embedded checkout and passkeys actively improves the payment experience and checkout performance ensuring shoppers feel protected and valued.



**Jennifer Macrae**

Senior vice president

Global Digital Channel Enablement and Go to Market  
Mastercard

1. FIS, The Global Payments Report 2023.

2. Mastercard Global Foresights, Insights & Analytics Research, November 2023.

# Shoppers value the convenience of e-commerce, but are frustrated by complicated checkout processes

## 57%

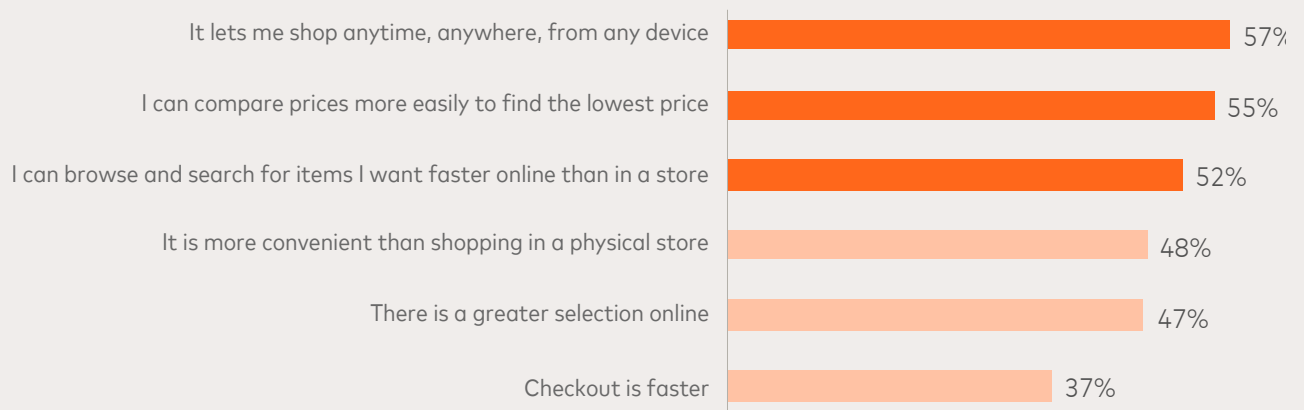
of consumers say the ability to shop anytime, anywhere, from any device is their primary reason for shopping online

Shoppers have embraced digital commerce for its ease of access across any device and from any location. With e-commerce expected to exceed \$8.1 trillion by 2026, the opportunity for merchants to expand their market reach and customer base is greater than ever.<sup>3</sup> And as retailers enable their customers to use digital channels and physical stores in complementary ways, more and more consumers begin their shopping journey digitally and pick up their goods in store.<sup>4</sup>

Ease of access to a variety of products and services across any device and from any location is the strongest driver of online shopping, followed by the ability to compare prices and search for items much more quickly than in a store.

### Top reasons for shopping online

Global total



3. Insider Intelligence, The Growth in Retail Ecommerce Sales Worldwide 2021–2026.

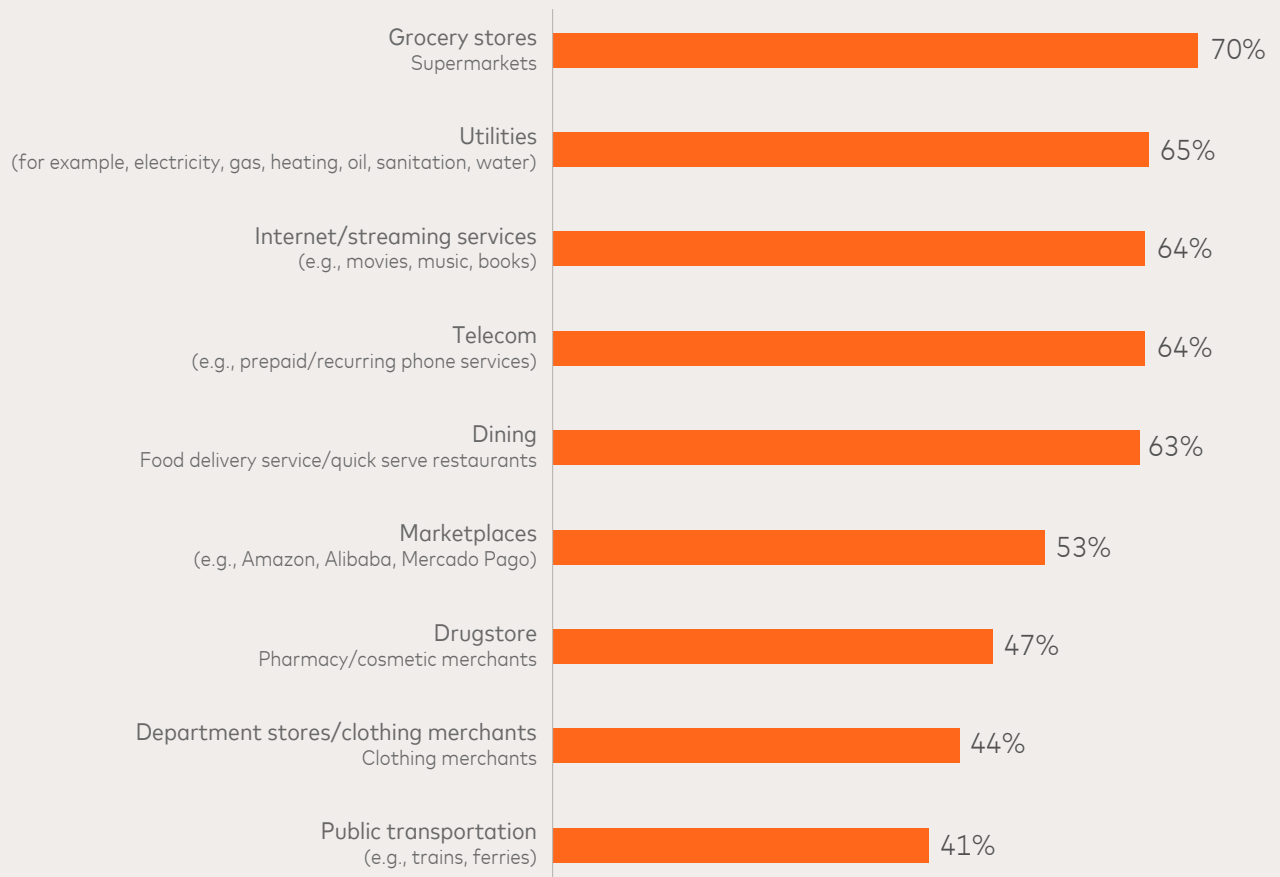
4. [Pymnts.com](https://www.pymnts.com), "Curbside Pickup Pops 66% in US as Delivery's Lead Erodes," March 21, 2023.

# Consumers shop online in nearly every merchant category

Consumers turn to e-commerce for nearly all their shopping needs, seeking the speed and convenience of digital shopping. Everyday purchases — like groceries, utilities, telecom, internet/streaming services and dining — are the categories consumers e-shop most frequently, at least monthly or more often. Shoppers feel empowered by the ability to comparison shop quickly and conveniently, seeking a better price or greater selection.

## Categories where consumers shop online at least monthly

Top categories





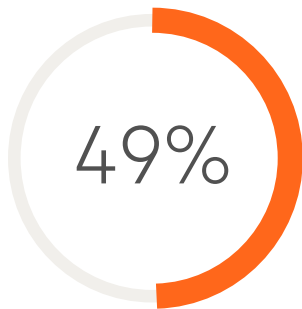
# Today's checkout experience does not always meet online shoppers' expectations

# 83%

of online shoppers have abandoned an online shopping cart

While e-commerce has become an everyday habit for most consumers, the checkout experience requires sharing payment details with merchants over and over. Not only do consumers consider this a time-consuming burden, they also worry that their data may be compromised. Shopping is easy, but paying is hard. For online shoppers in the U.S., for example, the average checkout flow can include over 14 form fields to complete, adding to the complexity.<sup>5</sup>

This broken checkout routine not only frustrates consumers, it can cause merchants to lose sales: 83% of online shoppers have abandoned a shopping cart. Many (49%) did so because they encountered inconvenient points of friction, like not having their payment information handy. A large number of shoppers (40%) balked at being required to enter or save too much information with the merchant and 25% felt checkout was just taking too long.



## Lack of frictionless experience

*I did not have my payment card with me/could not remember my card details.*

*I could not find my preferred payment method at checkout.*

*The payment options were confusing.*

*Checkout was too difficult on my device.*



## Required too much information

*It required me to create a customer account which I didn't want to do.*

*Site asked me for too much personal information.*

*It required me to save my payment information which I didn't want to do.*

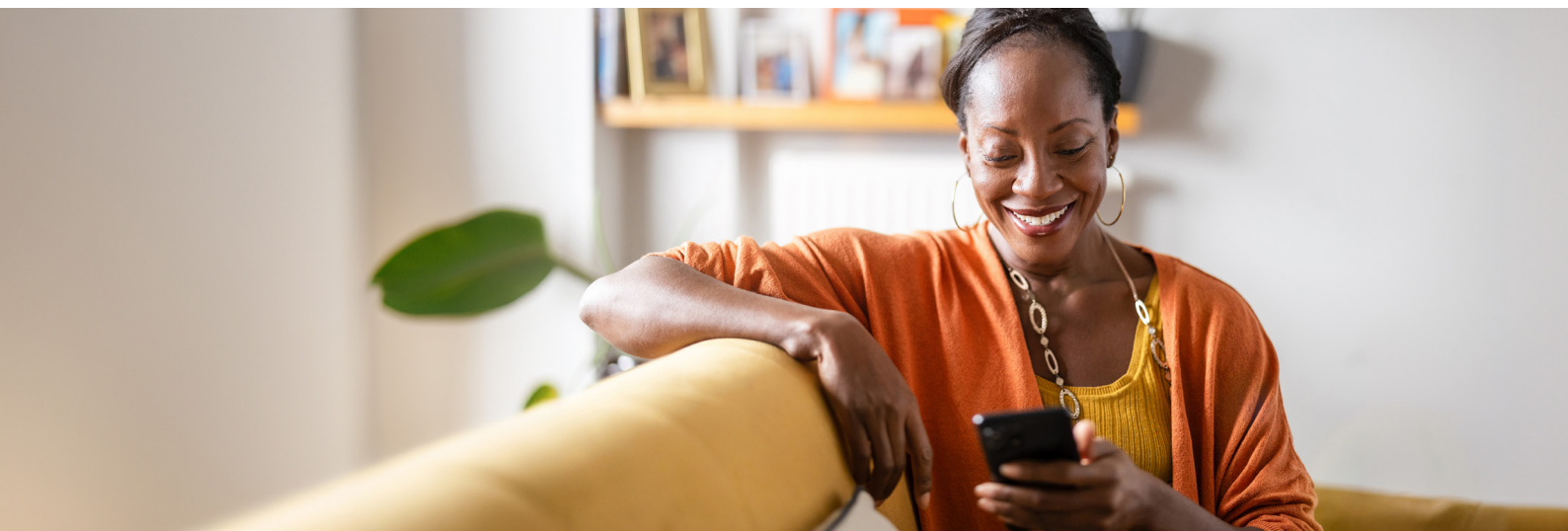


## Took too long

*Was taking too long to check out.*

*It was too complicated/there were too many pages to go through.*

5. Baymard Institute. "49 Cart Abandonment Rate Statistics 2024"



# In search of a better way, some shoppers store their payment information with the merchant

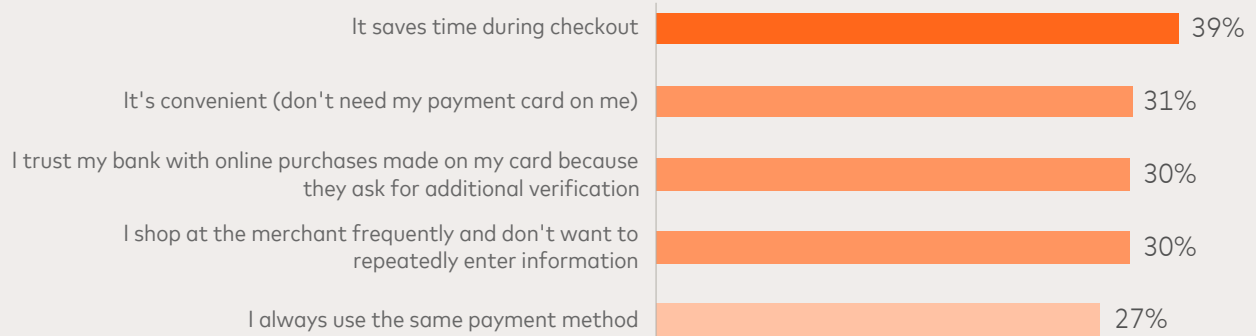
# 35%

create a customer account on  
the merchant website but do not  
store their card information

Frustrated by the hassle of entering their payment details each time they check out, merely a third of online shoppers choose to store their payment card with a merchant. The convenience of not having to keep their payment card on them or repeatedly entering the same information are strong motivators for keeping their credentials on file. Shoppers are also reassured and motivated to store their payment information online when their bank asks for additional verification.

## Why consumers store payment information online with merchants

Top 5 reasons



"I am not fond of having my card details on the internet as it leaves me at risk of my details being stolen."

– Survey participant

Even though many consumers do save their cards online with merchants, nearly three-quarters (72%) of shoppers always or often manually enter payment information when they check out! Even the 35% of shoppers who have created a customer account on the merchant's website don't always choose to store their card details.

Nearly six out of 10 online shoppers (58%) said concerns about security is the primary barrier to storing their payment information online. Not trusting the merchant with their information was the second most frequent reason.

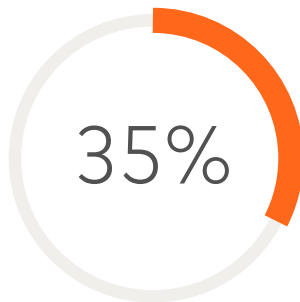
Another interesting insight is that more than a quarter of the respondents surveyed (27%) shared a reluctance to store payment details online due to the belief that their purchase will be a one-time occurrence.

And because today's consumers shop online so frequently and with so many merchants, the effort to create and manage numerous accounts and passwords is a real burden.

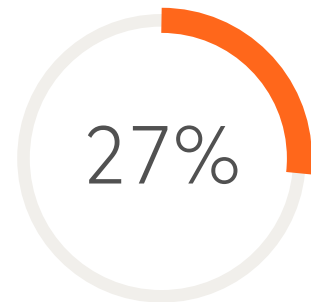
### Barriers that stop shoppers from storing payment information online



*I'm concerned about security.*



*I don't trust this merchant with my saved information.*



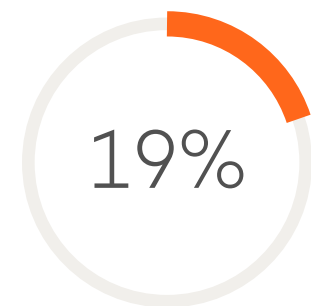
*It is only a one-time purchase with this merchant.*



*I want to be able to use different cards as the need arises.*



*I don't want to create a customer account.*



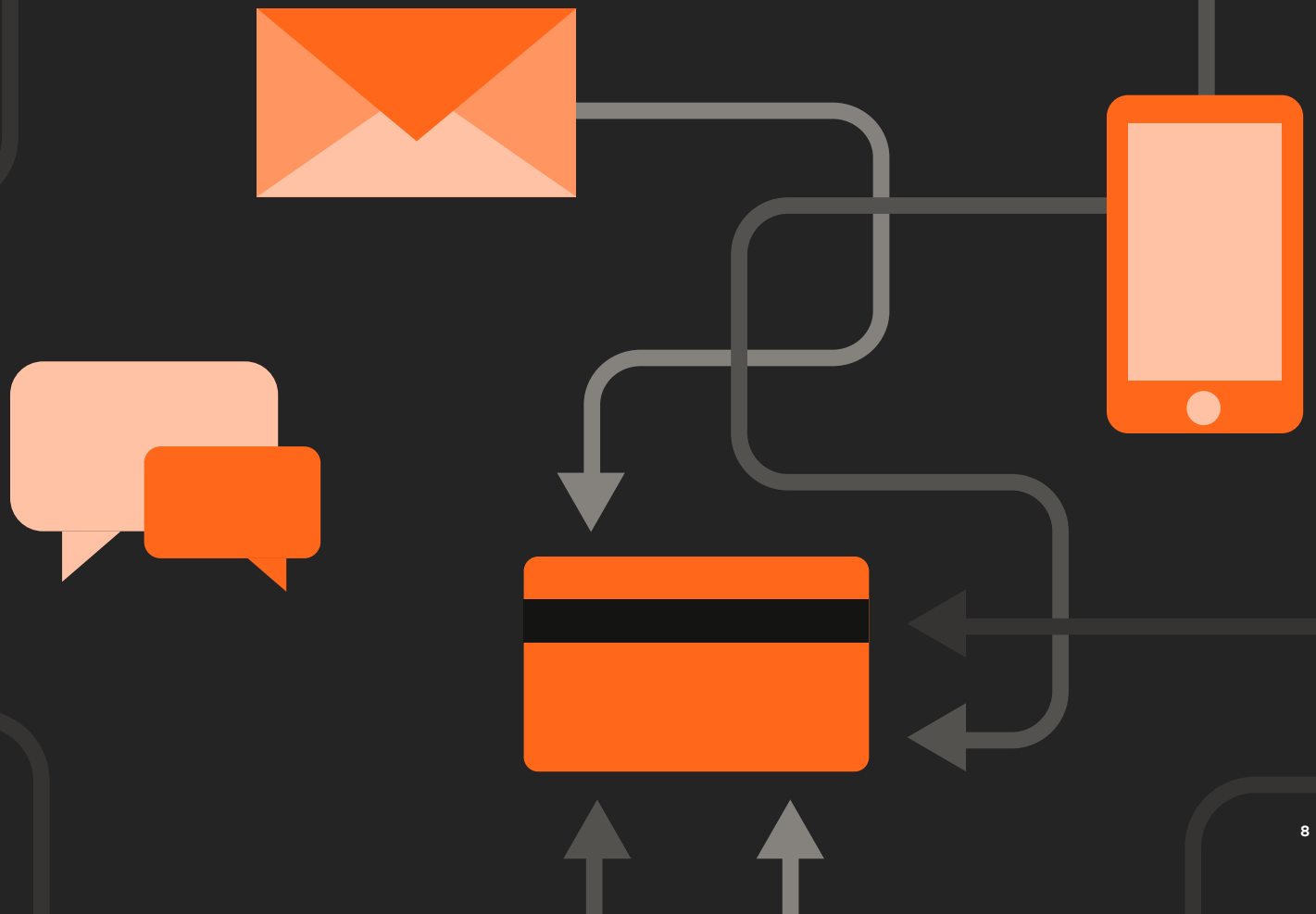
*I already have too many accounts and passwords to remember.*

# Consumers keep looking for alternatives



Alternative payment methods are emerging as consumers try new things in their search for a checkout solution in the hope that it will be more convenient. Consumers' use of digital wallets for e-commerce — such as PayPal, Google Pay and Apple Pay — are forecast to grow 12% annually through to 2026.<sup>6</sup> Businesses and governments have also embraced this challenge, as demonstrated by the rise in instant payments, domestic wallets and merchant loyalty cards. But each of these alternatives has its limitations: they can be dependent on consumer device type; may have limited acceptance or in the case of some global wallets may require the shopper to navigate away from the merchant site adding friction to the checkout process.

6. FIS, The Global Payments Report, 2023.





# How to deliver a seamless, secure checkout experience

"This is indeed an exceptionally innovative and brilliant idea that seamlessly helps in a great way to conduct transactions frequently in a hassle-free manner."

– Survey participant

It is clear consumers' expectations for online shopping are higher than ever and, no matter the setting, they value three things above all else: security, speed and convenience. That's where Mastercard Click to Pay comes in. With features that promote security and speed, Click to Pay helps merchants reduce friction in the checkout experience and ultimately gain greater customer loyalty. Built on EMVCo standards, Click to Pay **eliminates manual card entry from guest checkout** so consumers enjoy the same hassle-free payment experience regardless of whether they have stored their card with the merchant or not. Just as with contactless, our aim is to deliver the same speed, security and convenience to online shopping - wherever, whenever and however consumers choose to shop.

By giving consumers immediate **access to their preferred cards on any device or browser**, Click to Pay empowers consumers to make all their online purchases as fast and frictionless as card-on-file transactions, without having to create and manage multiple accounts. With Click to Pay, the **consumer's personal and payment details are encrypted** via tokenization, so both the consumer and the merchant benefit from added security and reduced fraud. The implementation of network tokens also drives higher approval rates by issuers resulting in reduced false declines. And unlike some digital wallets, Click to Pay is **embedded directly within the checkout flow**, so shoppers don't have to leave the merchant site.

To better understand the appeal of Click to Pay and the value it can deliver to consumers, we provided online shoppers a video and description of the solution. For nearly six out of 10 shoppers, the concept of Click to Pay was very clear, and half already have a high degree of trust in the solution. Overall, 79% of shoppers are motivated to use Click to Pay because of its features that promote seamless shopping, while 63% cited features that promote safety and security. More than 40% of shoppers say they are likely to sign up and use the service. Online shoppers readily understand the benefits that Click to Pay offers, and associate it with being easy (45%), fast (44%) and convenient (40%).

\*Mastercard internal data



# The connection with Mastercard raises consumers' trust and interest in Click to Pay

"I love the idea, it is fast and safe. It also saves me time when shopping with a new device and I am impressed with the safety features that they have to protect my personal information."

– Survey participant

Shoppers' favorable response to Click to Pay was greatly enhanced by the new platform's connection to the Mastercard brand. When consumers surveyed learned the solution was from Mastercard, their perceptions of Click to Pay rose further:

## The Mastercard brand drives up interest in Click to Pay

↑ 68%

Trust in Click to Pay as a payment method

↑ 69%

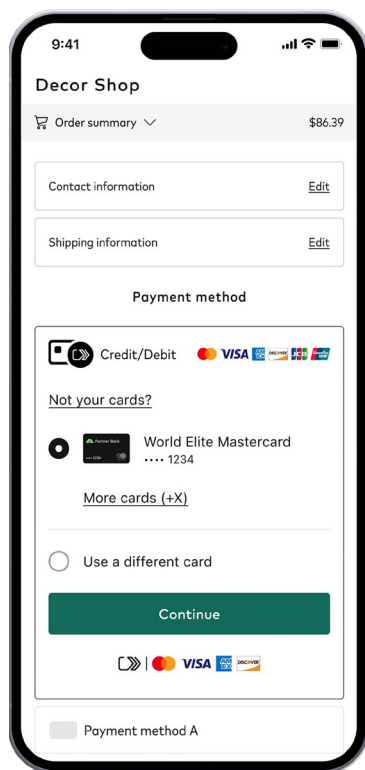
Confidence in Click to Pay safety and security

↑ 67%

Interest in learning more about Click to Pay

↑ 65%

Likelihood to use Click to Pay



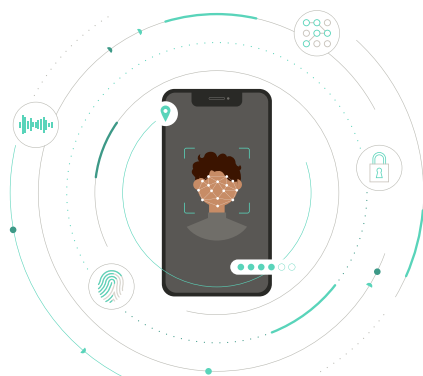
## Now is the time to offer your customers a secure and seamless checkout option — from a brand they trust

As we've learned from our extensive, global survey, online shoppers often abandon their carts, primarily because they feel the checkout process is too long and complicated and requires entering or saving too much information. So, when 80% of customers say the experience a company provides is as important as its products and services,<sup>7</sup> it is essential for merchants to offer their customers a seamless purchase experience. Good news for e-retailers: the average large e-commerce site can increase its conversion rate 35% by offering a better checkout experience.<sup>7</sup>

Mastercard Click to Pay tackles the consumer's main frustration with the checkout experience head on: Click to Pay helps merchants deliver an easy, seamless experience and ultimately earn greater customer loyalty. That customer bond is deepened by the connection with Mastercard: two-thirds of online shoppers say our brand increases their trust in Click to Pay as a payment method, its safety and security and their likelihood to use it.

7. Salesforce, State of the Connected Customer, 2023.

For consumers who don't have their card with them or want to make a purchase on the go, Click to Pay delivers the ultimate flexibility of an anytime, anywhere purchasing experience, helping make their busy lives a little easier. Once they have created a Click to Pay profile, shoppers are recognized at checkout across any device or browser at any participating merchant and can select which card among those they have stored to use for their purchase. Click to Pay also supports biometric authentication with Mastercard payment passkeys, embedding frictionless authentication into the checkout flow. No more entering passwords or card details — just enhanced security with a smooth experience.



Click to Pay provides a secure and convenient solution to lower the barriers to consumers purchasing on a new site and provides an alternative secure way to engage for those who don't want to store their card details with a merchant. Powered by tokenization, physical card numbers are masked and not shared with the merchant. Further, card details are automatically updated when replaced or renewed, reducing the risk of false declines. Merchants will be able to request passkey authentication to secure the transaction and benefit from fraud liability protection in eligible markets. Passkey authentication leverages biometric authentication provided by the operating system of the consumer's device — a familiar and consistent authentication method used by the consumer multiple times a day to unlock their device. The authentication process is integrated directly in the merchant checkout flow thus reducing the risk of cart abandonment. Tokenized transactions are approved up to 3-6ppt<sup>8</sup> higher than PAN transactions which means more completed transactions, less friction at checkout and reduced fraud risk, ultimately earning merchants greater customer loyalty.

Click to Pay is a standardized solution built on EMVCo standards and is supported by the major card networks via a single integration. The insights from this study highlight that embedded digital solutions like Click to Pay are poised to set the new standard for a seamless checkout maximizing further growth for e-Retailers.

**[To learn more, visit Mastercard Click to Pay](#)**

8. Mastercard internal data. Benchmarked 2024 sample of MDES for Merchants customers on CNP first attempt transactions. Varies by region.





# Methodology

To better understand consumer perceptions and online shopping behaviors that are shaping the e-commerce payments landscape, Mastercard Global Foresights, Insights and Analytics and The Harris Poll conducted an online survey of more than 6,600 banked consumers (age 18+) in 13 countries with a credit card who shopped online in the past six months. The survey was in field November 7-20, 2023.







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