

# checkout conversion INDEX

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JANUARY  
2021

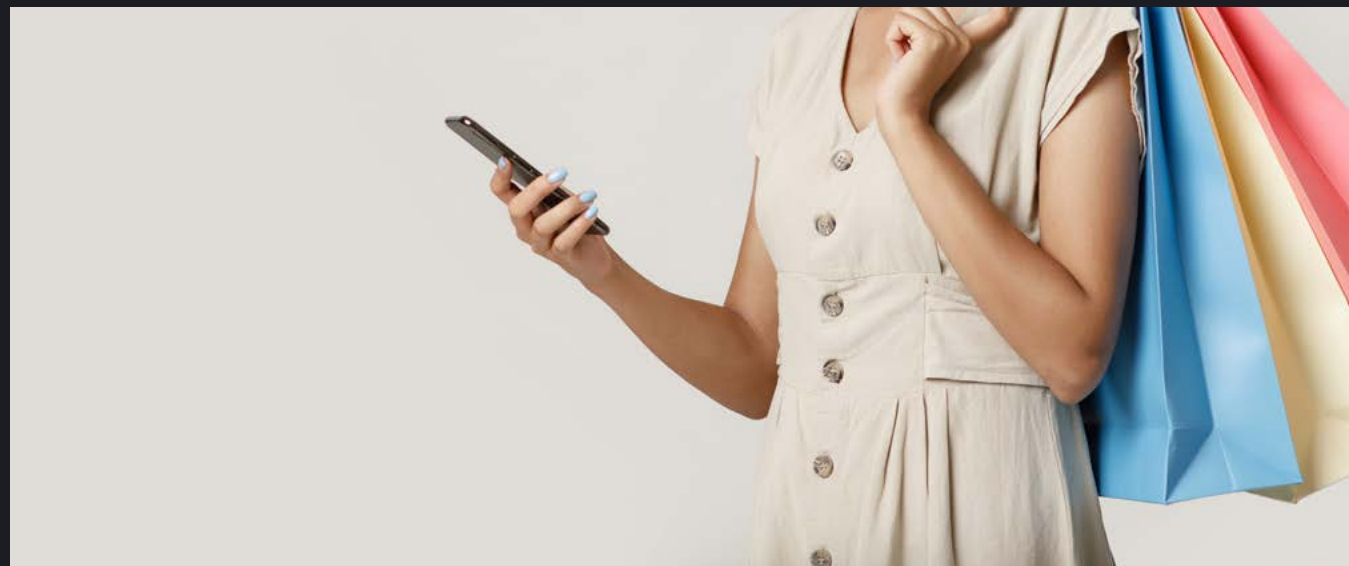


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The Checkout Conversion Index, which evaluates a benchmark PYMNTS developed in 2016 for a group of merchants representing 70 percent of non-Amazon online sales, measures the degree to which friction exists in the online path to purchase. We assessed the presence of 78 key features that we have found to be related to checkout conversion performance on mobile and online sites. The Checkout Conversion Index is a valuable guide for retailers and online merchants.

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*Introduction*

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# INTRODUCTION

**The year 2020 effectively ended American retail's noncommittal flirtations with eCommerce as digital checkout became the face of national economic resilience during the pandemic's initial surge. Firms reimaged business models in mere weeks, wedding offline retailers with digital checkout platforms while quarantine orders shuttered thousands of businesses.**

The national emergency declaration and ensuing stay-at-home-orders on March 13, 2020, led clothing stores to lose 89 percent of their trade volume within weeks, and many local economies ground to a halt.<sup>1</sup> Consumers were working fewer hours, spending less and mostly staying in their homes.<sup>2</sup> The negative impact on the retail industry began to mirror the public health crisis — devastation was nearly universal and seemingly unending. The lone bright spot for retailers in 2020 was the steady flow of customers through

digital checkouts: eCommerce revenues were up by 49 percent from Oct. 11 through Dec. 24 over the same period in 2019, according to Mastercard.<sup>3</sup> Many of the consumers still able to shop in 2020 had begun to shift toward online shopping exclusively.

PYMNTS' quarterly Checkout Conversion Index reflects this shift as high-volume and smaller merchants approached eCommerce as entrepreneurs and innovators, transforming checkouts with digital wallet acceptance and adopting customer experience features like on-page product reviews and automated address confirmation to remove friction from the sales funnel. Smaller businesses that performed poorly online — those with the most to lose by getting digital checkout wrong — implemented new features to improve their checkout experiences with precision and speed at a rate nearly six times that of the top 30 eTailers.

Physical retail and eCommerce futures became tightly intertwined in 2020 as scores of brick-and-mortar merchants were compelled to embrace eCommerce as the single viable option for recapturing homebound audiences.

These digital channels were unforgiving for many sellers, however. Established online retailers faced new competition from a host of direct-to-consumer retailers going digital across multiple platforms and had little time to adapt to eCommerce's customer experience requirements. Along with the flood of new eTailers came a deluge of consumer offers, including free shipping and deep discounts, to entice customers through virtual storefront doors. We found in our research that adopting a single component of a positive customer experience did not guarantee eCommerce success in 2020, however. All of the top-performing retailers in our study prioritized customer experience

last year, but they did so with multiple improvements at checkout that they implemented in 2019. Savvy eCommerce sellers knew that digital channels required them to offer efficient and intuitive checkout processes — along with consumer-expected benefits like free shipping — to remain competitive in the eyes of consumers.

Shoppers flush with new digital options became less tolerant of unwieldy customer experiences online as the pandemic wore on. Friction — whether an extra forced click or mandatory minute of data entry before being able to checkout — distracts and frustrates audiences. Disengaged shoppers do not purchase. They click away, and when sales were lost consistently at checkout this year, revenue streams often evaporated and businesses failed.

1. The U.S. Census Bureau, Advance Monthly Retail Sales for Retail and Food Services, April 2020.

2. The Federal Reserve Bank of St. Louis, Covid-19 Data Tracking Dashboard, per The U.S. Bureau of Labor Statistics.

3. Mastercard Spending Pulse, 2020.

## About the Checkout Conversion Index

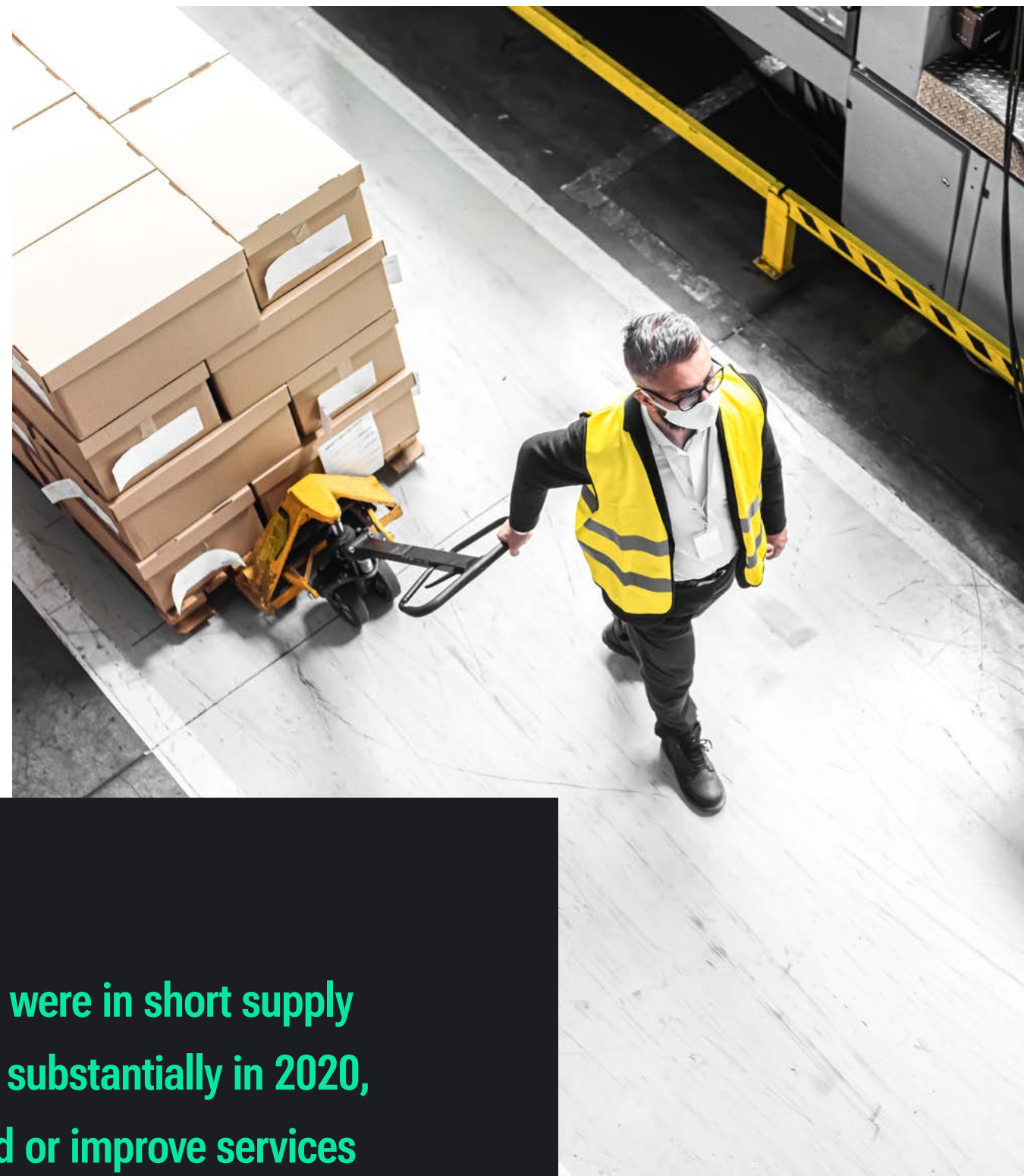
PYMNTS gauged the online and mobile checkout performances of a random sample of more than 650 merchants that represented 70 percent of non-Amazon sales online in Q4, determining the features that have become crucial to driving sales. We assessed more than 70 indicators to measure the quality of customer experiences through checkout and how this impacts retailers' abilities to convert. This sample is largely the same sample we have studied over the last 5 years as we benchmarked the evolution of checkout innovations online and on mobile.

A score increase in our Index reflects an improved user experience for consumers that leads to more seamless conversions. The 2020 Index score for all retailers rose by 2.2 percent for online and 1.4 percent for mobile transactions. This means that most merchants have intensified their efforts to remove friction from both their online and mobile checkout processes. A score of 100 indicates that a retailer has eliminated friction from the consumer checkout process. The average score for the top 30 retailers was 83, with middle and

bottom scorers earning 56.2 and 21.3 respectively. The average Index score encompassing all retailers was 55.8.

This overall increase in Index score (2.2 percent) is less than the 2.8 percent uptick we observed in Q4 2019, but it should be viewed in context of the pandemic's impact on the industry. Fiscal and human resources were in short supply when retail revenues shrank substantially in 2020, and retailers' capacity to add or improve services was also severely limited.

The multiple checkout innovation obstacles retailers faced mean that the lift in our Index results, although moderate, may be indicating marketplace resilience.



**Fiscal and human resources were in short supply when retail revenues shrank substantially in 2020, and retailers' capacity to add or improve services was also severely limited.**

**02**

*Key Findings*

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**Merchants’ online Index scores increased by 2.2 percent and their mobile Index scores increased by 1.4 percent, indicating that retailers continued to improve their customer experiences despite the economic downturn.**

Customer experience remained a priority for the majority of merchants, with leading retailers and small to medium-sized merchants seeking to boost conversions through improved shopping and checkout features. Payment features, such as quick add-to-cart buttons and digital wallet acceptance, added performance value for the middle-performing and bottom 30 retailers. Those with the most to gain from increased revenue — the bottom 30 merchants — increased their use of features, such as digital wallets and free shipping, to improve their online and mobile performances.

**The bottom 30 retailers improved at nearly seven times the rate of the top 30 merchants.**

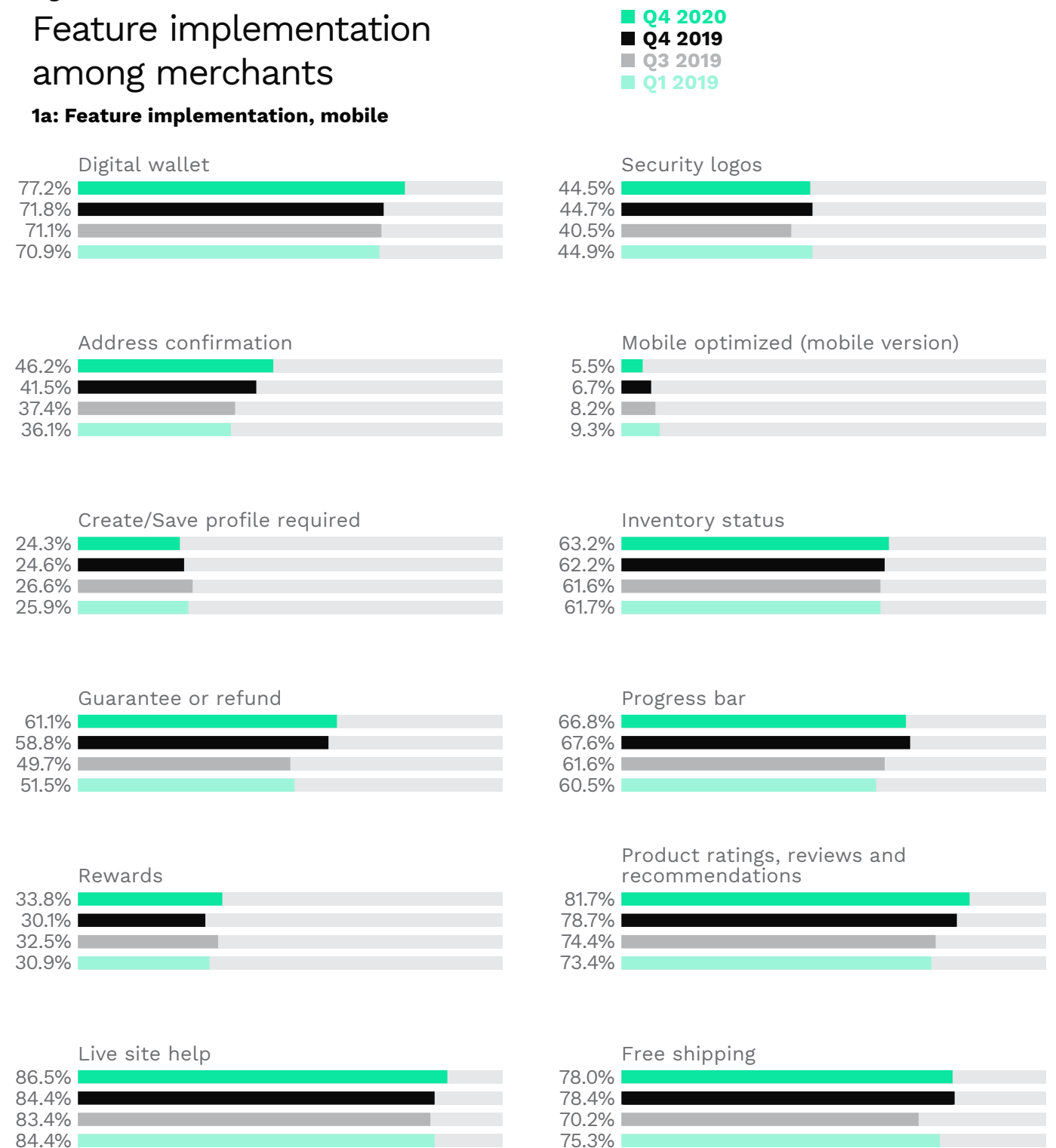
Retailers at the bottom of our Q4 2020 Index have made exceptional progress despite the pandemic’s catastrophic impact on the economy. As the top 30 merchants made incremental improvements, the lowest-performing retailers in Q4 2020 increased their adoption of

free shipping and digital wallets, leading to a 5.5 percent increase in their performance during the quarter. Quick-start software-as-a-service (SaaS) eCom-merce tools, such as PayPal, Shopify and Square, gave merchants the option of implementing checkout improvements quickly without the burden of building custom sales solutions. This may have been a significant factor in bottom 30 retailers’ score improvements, which represented a significant leap among small and medium-sized businesses (SMBs) to transform customer experiences at checkout and protect revenues.

Digital wallet adoption helped merchants at the bottom of our list shrink the performance gap between themselves and the top performers. Digital wallets provided shoppers with new ways to connect with retailers while automating essential, repetitive transactions, such as logins and customer profile creation. The share of bottom 30 merchants adopting digital wallets showed exceptional progress, rising from an Index score of 26.7 in Q4 2019 to 40 in Q4 2020. Digital wallet implementation was less important for scoring among the top 30 retailers, which experienced a decrease (97 percent to 93 percent) in implementation since Q4 2019, and

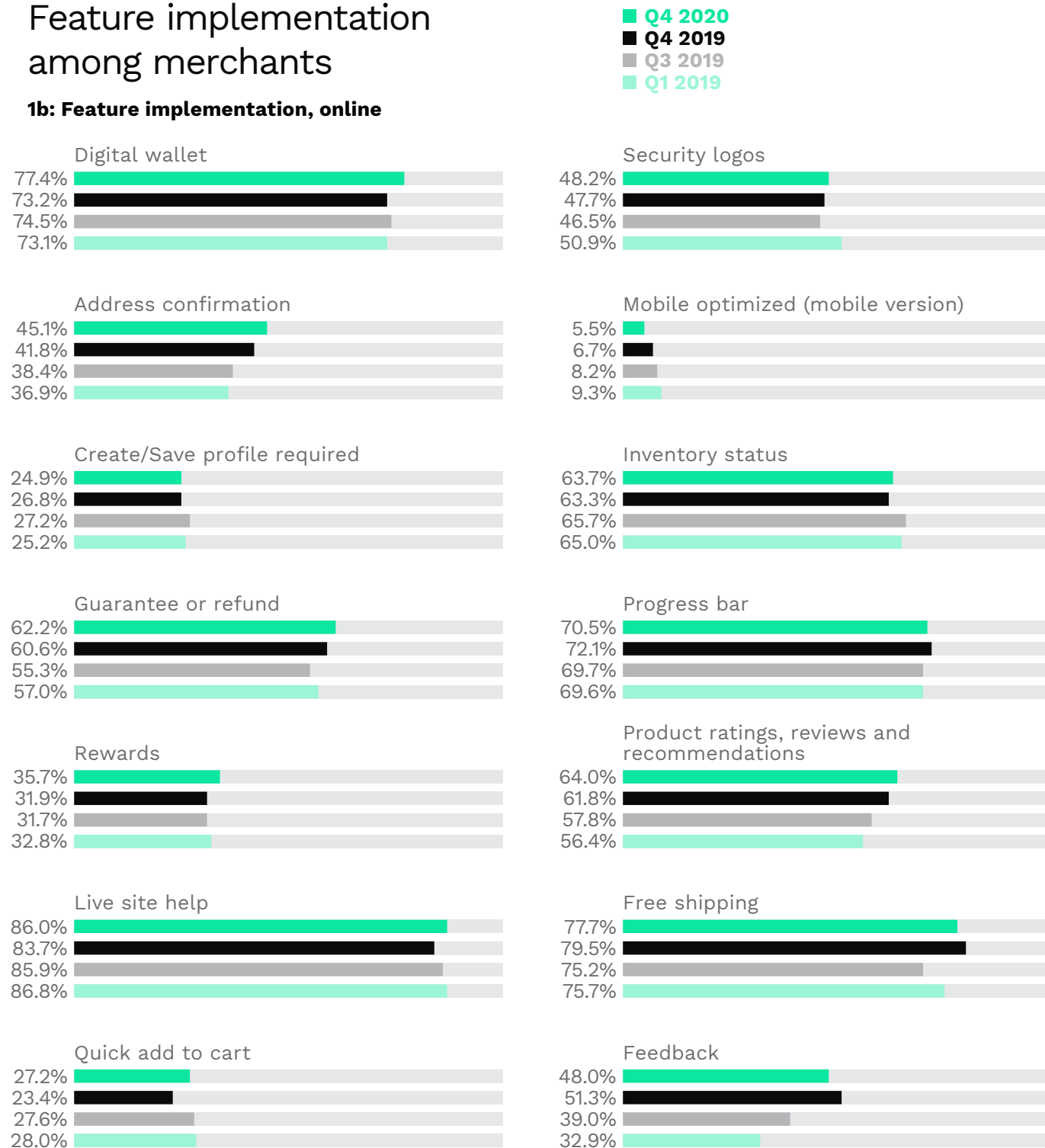
**Figure 1:**  
**Feature implementation among merchants**

**1a: Feature implementation, mobile**



**Figure 1:**  
Feature implementation among merchants

**1b: Feature implementation, online**



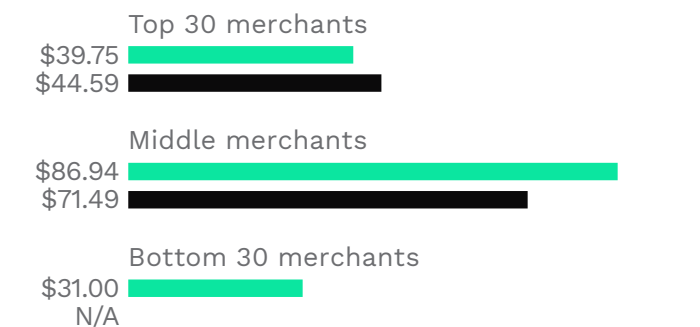
middle 30 merchants, which showed a small rise in our Index from 74.3 to 78.5 compared to Q4 2019.

Free shipping adoption among the bottom 30 retailers increased by about 17 percentage points over Q4 2019, helping enhance the overall checkout performance. This is more than the “Amazon Effect” as even small sellers have begun to see high-threshold shipping as a friction rather than a fee consumers are willing to tolerate. Consumers now expect their shipping to be free when spending more than the average threshold for big box retailers — about \$40.

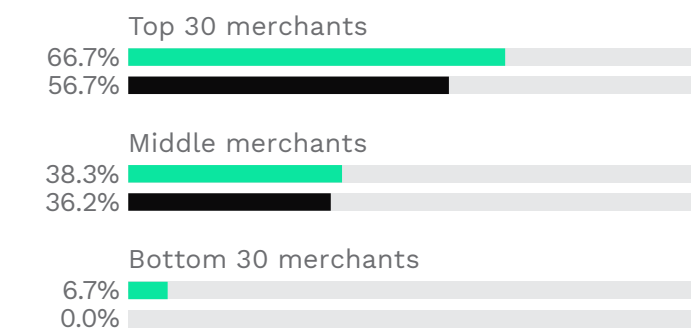
The increase in the number of retailers in the bottom 30 on our list that offered free shipping helped to enhance overall Index scores. Although free shipping is a hallmark of the top 30 retailers, the lowest ranked merchants added lower purchase thresholds for free shipping — an average of \$31 — and maintained a cost advantage over large retailers that offered free delivery with a significantly higher average purchase minimum of \$40. Free shipping may also

have contributed to the bottom 30 merchants leading all other groups in click efficiency as a free shipping option eliminates the need for consumers to click through additional screens to calculate shipping costs before purchase.

**Figure 2:**  
Free shipping threshold, by top/bottom merchants



**Figure 3:**  
Has free shipping minimum amount, by top/bottom merchants



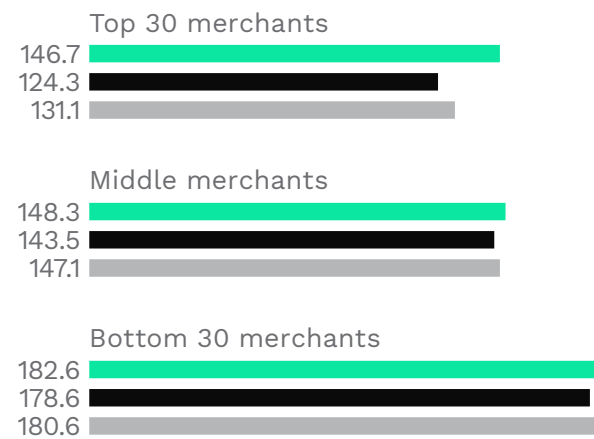


**Despite overall Index score increases, it now takes consumers longer to check out both online and on mobile. The total time spent to complete the process increased by 3 percent online and 2 percent on mobile.**

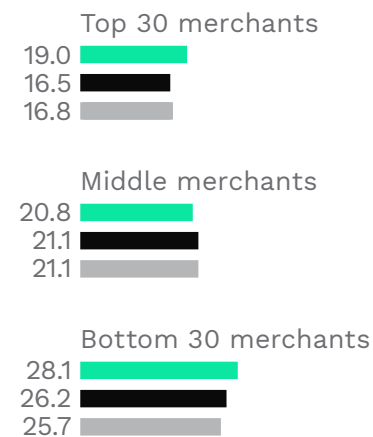
Consumers spent an average of 144.2 seconds before conversion online in Q4 2019 and 147.9 seconds in Q4 2020. Mobile shoppers spent 134.8 seconds in Q4 2019 versus 137.9 seconds in Q4 2020 before finishing their purchases. This increase came along with a slight uptick in the number of clicks required to checkout, data that may represent friction during the ordering process arising from front-end design issues. Platforms that allow for buy now, pay later plans experienced a boon during the 2020 holiday season, with basket sizes increasing by as much as 30 percent for one platform. These payment options at checkout make it easier for consumers to buy more and encourage longer browsing times.

**Figure 4:**  
Site metrics

**4a: Time in seconds**



**4b: Total clicks**



- Q3 2019
- Q4 2019
- Q4 2020

# Checkout conversion from 2019 to 2020:

*A brief history of trying times*

The holiday season in 2019 truly was the most wonderful time of the year for retailers. The last pre-pandemic holiday season broke retailers' records for all the right reasons. Consumers spent nearly \$880 billion between Nov. 24 and Dec. 24 and eCommerce represented nearly 15 percent of total sales.

The public health crisis upended the brick-and-mortar retail landscape by the end of Q1 2020, leaving merchants dependent on their online businesses for revenue. This is one reason why many retailers rapidly adopted features, such as quick add-to-cart and digital wallet support, as Q2 began, making it easier for consumers to keep shopping.

Mobile devices would become the tether connecting millions of Americans to essential goods, services and the world around them by the end of Q2 2020. The devices served as always-on command centers for distracted consumers who were forced to learn a new argot — curbside pickup and digital wallet — to manage everyday tasks.

The surge in online and mobile transactions intensified as lockdowns did. Retail industries suffered during the economic downturn, but digital-first companies with easily scalable payment solutions thrived. Payments innovation became essential rather than aspirational for retailers by Q3.

Consumers gravitated towards brands and retailers that provided easier ways to complete purchases online that quarter. Innovative customer authentication and payment integrations made it simple for offline consumers to duplicate the best parts of in-store shopping via mobile and online channels. Consumer expectations and audience demand remained high as consumers and retailers connected in new ways.

### The 2020 consumer at checkout: More value for less effort

The 2020 consumer was value-driven, choosing to shop with eCommerce retailers that delivered on the brand promises of the sector as a whole — efficiency, ease of use, flexible payment options and affordable (or free) shipping — rather than the capabilities of specific retailers. Retailers with Amazon-like abilities to streamline online ordering earned increased revenue during the pandemic, while merchants — even popular ones — unable to keep pace with audience demand and expectations did not. It was not that consumers simply hoped to duplicate their frictionless experiences with top eCommerce brands at every retail touchpoint but that they now expected it.

Consumers who have shifted toward digital channels are also likely to stay there. More than 80 percent of consumers who have shifted to digital-only retail shopping are likely to continue to do so in the future.

Consumers in 2020 favored retailers that provided tangible improvements in user experiences, but they largely ignored consumer-facing website features that

were more related to branding than demonstrable end-user value.

Downward price pressure in the marketplace and audience resistance to shopping cart complexity in Q4 2020 made it imperative that merchants got the checkout process right for the sake of their buyers and the long-term viability of their businesses.

### SMBs outpaced top eTailers in checkout innovation

Top-performing merchants and those at the bottom of our Index adopted new features to improve checkout at vastly different rates in Q4 2020.

**Figure 5:** Merchant breakdown based on web-based sales

Size	Number of merchants (Q4 2020)	
	Web Sales	
Small	Less than \$50M	120
Small-medium	\$50M - \$100M	116
Medium	\$100M - \$500M	155
Medium-large	\$500M - \$1,000M	31
Large	More than \$1,000M	65

Both groups saw positive impacts on Index performance influenced by added features, like free shipping and quick-add-to-cart, which were direct responses to intensifying consumer demand for frictionless shopping. Bottom 30 retailers experienced substantial gains on the Index (5.5 percent) compared to the top 30 merchants (0.8 percent), however.

Positive mobile checkout performances and digital wallet adoption were key determinants of Index upticks for bottom 30 retailers. This may reflect a greater willingness to absorb the opportunity cost of checkout innovation than leading performers, or the use of advanced SaaS platforms that offer “plug and play” mobile and online order fulfillment tools.

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Bottom 30 retailers experienced substantial gains on the Index **(5.5%)** compared to the top 30 merchants **(0.8%)**.

### How the checkout experience changed in 2020

Top retailers and bottom-performing merchants alike faced the challenge of meeting the heightened expectations of a larger online and mobile audience. Consumers shifted their shopping habits to mobile and online platforms and tried different payment methods to manage a slew of new shopping and lifestyle management tasks under pandemic lockdowns.

This led savvy retailers to intensify digital-first strategies to include robust mobile options, like digital wallets. That shift meant that retailers seeking to outlast a turbulent economy had to simultaneously launch payment innovations and take meaningful steps to limit unnecessary frictions.

Retailers began to reimagine checkout as a key component of their brand promise. A seamless conversion process became a litmus test that would determine their success or failure to retain and build consumer bases.

Numerous innovation barriers cropped up during the pandemic, yet the health and beauty, apparel and accessories, automotive accessories and mass

merchant sectors kept pace with online and mobile consumer demand in 2020 and improved checkout features.

Waning offline consumer spending had the opposite impact on feature implementation in industries significantly affected by pandemic lockdowns, such as sporting goods and travel and hospitality.

Beauty and health, consistently ranked in the top three industries for overall website performance since 2019, reached number one in 2020. Beauty and health websites streamlined purchases with digital wallet acceptance, saved consumers time with on-page product recommendations and live site help and limited unnecessary clicks and cart abandonment with free shipping.

Apparel and accessory retailers, ranked second for online performance, similarly benefited from digital wallet acceptance. Apparel and accessories retailers scored highest for digital wallet adoption out of the top three industries on our list. Apparel retailers also excelled at limiting consumer frustration at checkout by making purchases possible without mandatory profile creation. Other key determinants for apparel and

**Figure 6:**  
Industry ranking (top eight industries)



accessories merchants' performance included on-page product reviews, live site help, free shipping and inventory status. That last feature helps

customers avoid shopping cart errors when stock is low — another cause of cart abandonment.

The third-ranked industry — automotive parts and accessories — saw digital wallet, live site help, guarantee or refund offers and product reviews as key drivers of online performance. Consumers

tend to postpone the purchase of durable goods, such as appliances and electronics, during times of economic uncertainty.

Retailers in loss-leading industries often fail to invest in digital solutions when the potential for new revenue is slim. This is also reflected in our Index.

**Table 1:**  
Features offered among merchants of different sectors

Portion of merchants from various sectors that offered specific features and their Index scores

Size	Health and beauty	Computer and electronics	Apparel and accessories	Housewares and home furnishings	Automotive parts and accessories	Sporting goods	Mass merchant	Hardware and home improvement
<b>Index score</b>	<b>64.2</b>	<b>59.4</b>	<b>62.4</b>	<b>59.6</b>	<b>59.8</b>	<b>59.3</b>	<b>59.7</b>	<b>56.8</b>
Create profile (optional)	66.7%	88.2%	90.3%	82.0%	89.7%	88.2%	73.3%	87.1%
Create profile (required)	30.3%	7.4%	9.7%	8.2%	0.0%	10.6%	24.4%	3.2%
Quick add to cart	51.5%	47.1%	19.4%	13.1%	31.0%	27.1%	31.1%	38.7%
Rewards	57.6%	25.0%	51.6%	29.5%	31.0%	40.0%	48.9%	22.6%
Guarantee or refund	78.8%	57.4%	75.8%	68.9%	82.8%	62.4%	71.1%	77.4%
Security logos	45.5%	52.9%	37.1%	55.7%	72.4%	48.2%	66.7%	61.3%
Product ratings/reviews	87.9%	70.6%	74.2%	90.2%	82.8%	89.4%	88.9%	87.1%
Inventory status	57.6%	57.4%	80.6%	57.4%	75.9%	85.9%	64.4%	61.3%
Free shipping	90.9%	77.9%	83.9%	82.0%	69.0%	74.1%	75.6%	67.7%
Product recommendations	93.9%	86.8%	93.5%	85.2%	72.4%	89.4%	97.8%	90.3%
Live site help	93.9%	89.7%	93.5%	95.1%	93.1%	94.1%	84.4%	93.5%
Marketing option (default)	33.3%	35.3%	43.5%	32.8%	34.5%	40.0%	44.4%	45.2%
Feedback	36.4%	50.0%	51.6%	45.9%	62.1%	48.2%	53.3%	51.6%
Address confirmation	54.5%	50.0%	61.3%	63.9%	34.5%	49.4%	48.9%	51.6%
Digital wallet	93.9%	85.3%	96.8%	78.7%	96.6%	62.4%	86.7%	74.2%

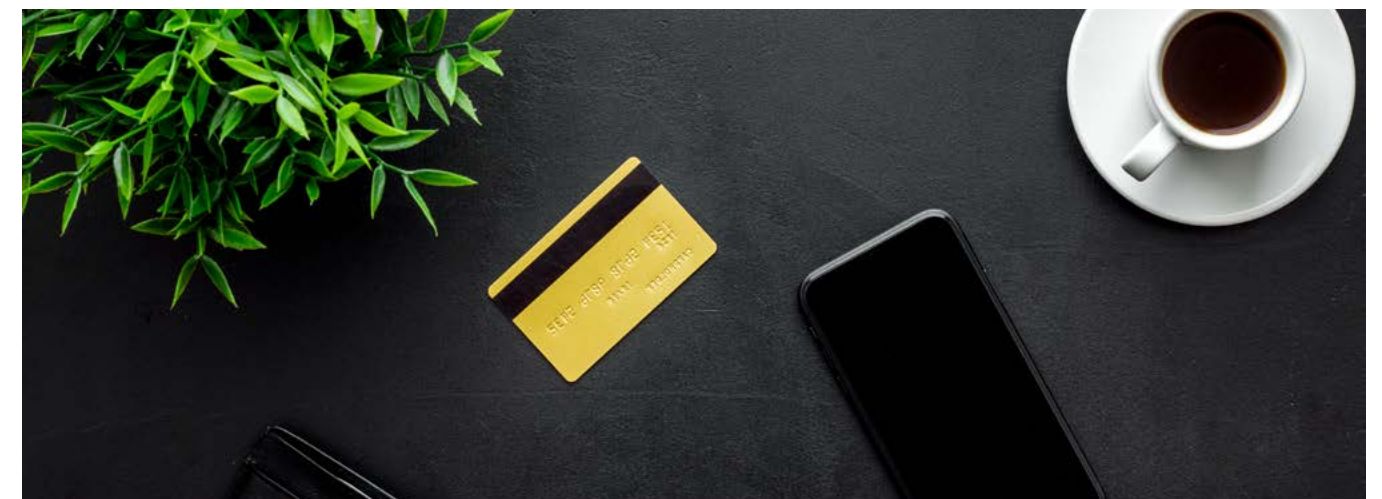
### Key features supporting improved conversions

Features that reduced friction within the shopping, customer authentication and order fulfillment processes helped drive eCommerce sales as retailers experienced the worst effects of the pandemic. Requirements like the need for a customer profile to be created prior to order fulfillment declined, for example, making rapid guest checkouts slightly more accessible to users in Q4 2020.

### The big easy: How digital wallets transformed online and mobile users' experiences

Merchants' previous flirtations with digital-first strategies turned to rapid adoption by necessity in 2020. The role

that digital wallet adoption played in reducing purchasing bottlenecks for online and mobile increased, reaching 77 percent of merchants in Q4, up from 73 percent in Q1. This change was even more prominent on mobile channels, shifting from 72 percent to 77 percent. That is not surprising as the number of consumers who reported limiting their in-store purchases and shopping instead at eCommerce platforms has more than tripled since March 2020, and the U.S. Census Bureau reported a 31 percent rise in the revenue share of eCommerce between the first and third quarters of 2020. That increase in digital commerce activity is frequently powered by digital wallets that automate many tasks, such as customer profile creation, that can slow online shopping and lead to cart



abandonment. One recent survey indicated that consumers' mobile wallet usage is up from 38 percent before the pandemic to 55 percent in November 2020, indicating a marked shift towards touchless checkout experiences.

Our research shows that 93 percent of top-performing retailers support digital wallets. Those at the middle and the bottom of our list added the feature to their roster of checkout features in Q4 2020. The bottom 30 merchants increased their adoption of digital wallets significantly from 27 percent in Q4 2019 to 40 percent in Q4 2020. Middle performers also increased their usage, rising from 74 percent in Q4 2019 to 79 percent in Q4 2020).

Digital wallets provide a simplified ordering process for consumers, but they benefit merchants as well. The wallets can help speed payments to merchants, making it easier for marketers to view the impact of their marketing on tracked audiences more quickly and adjust their strategies accordingly. They can also help retailers bundle value-added services such as instant coupons and loyalty memberships with well-known payment options that consumers may

already be using, thereby boosting engagement opportunities.

**Spotlight: The transparency quotient — product reviews, live site help, address confirmation and product guarantees drive a mobile uptick**

Transparency is a critical component of the checkout process, especially during a year of a retail sales slowdown. Consumers want a seamless shopping experience with a minimum number of clicks required to get from product page to checkout, but they also want accuracy and an open-ended view of their item-selection-to-purchase journey.

Our research shows that features like product ratings and reviews are driving improvements in mobile channel performance by building customer trust. Product ratings and reviews adoption rose in our Index from 79 percent to 82 percent for mobile channels in Q4 2020. The lowest scoring merchants benefited the most from the launch of new features, such as product reviews on mobile. The bottom 30 retailers showed the greatest improvement in mobile performance (8.2 percent), meaning that these merchants removed more

frictions for their consumers at checkout on mobile than all other groups.

One reason that product reviews and ratings for mobile were highly significant in 2020 is that consumers were spending less on retail, meaning their purchases were likely made with careful consideration. Recent research has shown that most consumers consider online reviews before making purchases for everything from restaurant choices to online products. Featured product ratings and reviews also offer new opportunities for customer engagement, allowing them to access targeted, user-generated content that can enhance consumer trust and inspire purchases.

Live site help was a differentiator in mobile checkout as well, with adoption reaching 85 percent on new mobile apps. This feature helps keep customers on the product or checkout page and promotes the kind of quick problem solving that lessens the likelihood of shopping cart abandonment — and negative consumer reviews. Live site help was also a key determinant in the high mobile and online checkout scores of top performing industries in Q4 2020: health and beauty, apparel and accessories and automotive parts and accessories.

Our research shows that features like **product ratings** and **reviews** are driving improvements in mobile channel performance by building customer trust.

Top retailers feature product satisfaction guarantees at rates of **97%**, yet bottom 30 merchants have been slow to catch up.

Our research shows that all merchants across the board improved customer access to live site help in Q4 2020, with top rated retailers (100 percent adoption) and mid-range merchants (87 percent adoption) holding a substantial lead over the bottom 30 retailers (53 percent adoption).

Address confirmation is yet another simple idea with powerful customer engagement benefits. Address confirmation is empowering from a consumer standpoint, eliminating the likelihood of eCommerce's most persistent and loyalty-ending gaffe: shipping errors, which can harm consumer trust. Address confirmation takes a crucial order processing task for brands and automates it on the front end, limiting the risk of costly errors and supporting effective supply chain management. Address confirmation also helps customer support options work more efficiently as human resources can be shifted away from tasks that can be easier delegated to software, such as address confirmation checks. Top 30 retailers have tended to score high for this metric and they increased their adoption of automated address confirmation from 80 percent to 83 percent in Q4 2020. Retailers at the middle and bottom of our list also

began to offer this feature, but their adoption rates were relatively small, shifting from 41 percent in Q4 2019 to 44 percent in Q4 2020 for mid-range retailers and from 17 percent in Q4 2019 to 20 percent for bottom 30 merchants.

Top retailers feature product satisfaction guarantees at rates of 97 percent, yet bottom 30 merchants have been slow to catch up. This changed in Q4 2020 as they increased their adoption of guarantees and refund policies to 17 percent in Q4 2020 from 7 percent in Q4 2019. Consumers are demanding not only effortless checkout experiences on every device but also assurance that the retailer offers "Amazon-like" guarantees. Guarantee adoption helped support struggling retailers' overall improvement in Q4 2020 in online and mobile conversions.

### **Spotlight: Back to basics — how free shipping drove performance for retailers**

Competitiveness in an era characterized by economic uncertainty does not stop with pricing or a simplified checkout process for many retailers. It also requires providing consumers with an overall customer experience that is

fast, seamless and mirrors the features offered by top-performing sites. That means that popular features, such as free shipping, are must-haves for companies seeking to improve or maintain a healthy market share. Our survey revealed that consumers downloaded mobile apps from retailers who offered free shipping twice as frequently as those that did not. Free shipping is a common feature for the top 30 companies on our Index as well as for the top three industries ranked by online performance: health and beauty, apparel and accessories and automotive parts and accessories. We found that bottom 30 retailers frequently began their efforts to create better customer experiences by offering free shipping. Forty-seven percent of bottom 30 retailers offered free shipping in Q4 2020 compared to 30 percent in Q4 2019.

This supports our findings, which indicate that poor performances among retailers spurred the adoption of features to improve overall customer experiences and checkouts, with an emphasis on mobile.



03

# Conclusion

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Q4 2020 revealed retailers' exceptional resilience in the face of numerous challenges. It also created its own challenge: How would merchants respond to increasing consumer demand and shoppers' higher standards for checkout experiences? Top-performing retailers continued to make incremental changes in their customer experience offerings, yet smaller retailers were the big story this year. The bottom 30 performers in our Index made substantial changes to the amount of friction that their customers faced online and on mobile, causing a significant boost in their overall performances. Common features like free shipping were

applied differently by retailers according to their size and based on purchase thresholds, and retailers on the low end of our list made shipping more affordable than top performers by lowering their purchase threshold. Digital wallet acceptance is now the rule rather than the exception at top and mid-range retailers, but smaller merchants increased their adoption on mobile and online, helping their performance in our Index. Retailers facing the uncertainty of 2021 can take comfort in the knowledge that the challenges faced in 2020 were not only addressed by merchants of every size but, for the most part, overcome.

# 04

## About

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The 2020 Checkout Conversion Index takes a sector-by-sector look at merchants' abilities to provide their customers with seamless checkout experiences on both mobile and online channels. We track the relevance of online and mobile sales to overall commercial strength, and we identify key features that have supported or diminished the impact of merchants' eCommerce strategies, from the implementation of quick-add options for shopping carts to single-sign-on technology for unregistered users, in specific sectors. The scores that we assign to specific sector features allow us to develop an informed assessment of which industries offer the fewest barriers to eCommerce profitability. Low-performing industries, according to our scale, tend to

present more layers of complexity during checkout than those that are not, for example. As checkout Index percentages rise or fall over time, we provide analysis of new "checkout" feature implementations that retailers may use to develop long-term marketplace strategies.

We have surveyed a group of approximately 650 retailers that represent 70 percent of non-Amazon eCommerce volume since 2016. We assessed these retailers' online and mobile eCommerce traffic using more than 78 attributes that we have found to be related to checkout conversion performance. Using benchmarks weighted according to current and historical research on the impact of mobile and online checkout frictions on eCommerce performance,

we calculated a series of scores that denote retailers' success in removing obstructions to conversion at checkout. These scores are aggregated for online and mobile and then segmented by retailer size, industry and digital channel, with specific scores assigned for features that have a meaningful role in the checkout performance, such as optional guest checkouts. The checkout Index measures potential eCommerce revenue placed at risk due to friction customers experienced while shopping online. This past year highlighted the power of a seamless eCommerce experience to drive revenues for a retail industry in crisis. We anticipate that heightened consumer standards and economic uncertainty will keep retailers committed to improving checkout conversions in 2021.



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## About

### PYMNTS.com

[PYMNTS.com](#) is where the best minds and the best content meet on the web to learn about “What’s Next” in payments and commerce. Our interactive platform is reinventing the way in which companies in payments share relevant information about the initiatives that shape the future of this dynamic sector and make news. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovation that is at the cutting edge of this new world.

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