



Ecommerce Checkout Optimization for Software and SaaS Companies

5 Best Practices to Help Increase Conversions

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Ecommerce has come a long way since the early days of the internet. Just 24 years ago, there were only 120,000 registered domain names in existence. Three years later, that number ballooned to more than two million, and by the end of Q3 2018, there were 342.4 million registered domain names worldwide. That same year, consumers spent \$517 billion with US online retailers.

The story of ecommerce is one of constantly shifting beliefs and behaviors. At first, many retailers and B2B vendors viewed the “World Wide Web” as a threat to their established brands and business models. Consumers were hesitant to jump on board as well—early online stores were clunky, and well-publicized security breaches stoked the fear of fraud and identity theft.

In 2018, consumers spent \$517 billion with US online retailers.

As more companies shifted their focus to online sales, ecommerce technology quickly evolved to fix these weak spots. Merchant of record (MOR) providers pioneered new services to help sellers manage the complexities of accepting online payments—handling everything from secure credit card and debit processing, to tax remittance and compliance requirements. At the same time, global software ecommerce sales boomed as digital downloads and license keys allowed for instant distribution to anywhere in the world.

Today, the highest converting ecommerce sites deliver an enjoyable buying experience designed around each customer's unique preferences. Yet many software companies still struggle to convert visits into sales. Almost 70% of potential buyers abandon their shopping cart, and for every three purchases, around seven never close. Unfortunately, the problem of shopping cart and checkout abandonment seems to be growing.

Following these five ecommerce best practices will help optimize your checkout process and increase conversions:

1. Simple

Streamline your checkout to make buying easier.

2. Fast

Offer quick options to make a purchase.

3. Global

Tailor the experience for international customers.

4. Branded

Create a seamless transition between each step.

5. Safe

Demonstrate your commitment to security.

1. Simplify Your Checkout

Nobody likes to fill out forms. In fact, 26% of recent online shoppers in the US have abandoned an order because the checkout took too long. The more complicated the process, the more likely you are to lose the sale.

The average US checkout form contains as many as 14 fields. Rather than design a step-by-step flow that effortlessly guides customers through their purchase, many companies add unnecessary steps that create friction and drive them away.

The **solution is to simplify**. Streamline your checkout to make buying easier.

Increase conversions by 10 percent or more with a popup checkout experience.

Tips for Simplifying Your Checkout:

✓ Focus On One Goal—The Sale

Remove any steps that aren't absolutely essential to completing a purchase. The ideal checkout flow has as few as seven form fields.

✓ Customizable Popup

Add a customizable popup checkout that displays directly on top of your website and lets customers buy without ever leaving your product page. Also, incorporating a built-in shopping cart into a popup checkout experience allows consumers to review and modify their items without having to leave the checkout.

✓ Mobile First

Make sure that your website and shopping cart are mobile-responsive, and check that your content is displaying correctly across all popular devices and browsers.

2.

Make Registration Optional

Forcing customers to register before they can buy creates an unnecessary obstacle that can seriously hinder conversions.

For many of us, sharing personal information online feels invasive and uncomfortable. In the age of Amazon, few customers will jump through extra hoops. If they can't complete their purchase without disclosing private details, they'll simply leave.

The solution is to make it easy for customers to complete their purchase without being forced to share unnecessary information or create an account.

If you do ask customers to register, **integrate it seamlessly with your checkout process**—without adding unneeded additional steps. Highlight account benefits like the convenience of placing repeat orders with just a couple of clicks, credits toward future purchases, and access to digital downloads.



3. Know Where Your Customers Are Buying From

International ecommerce presents a lucrative opportunity for software companies looking to expand to new markets. To compete globally, your website and checkout need to deliver a tailored experience that accommodates a broad range of **languages, regulations, and local preferences.**



Language

Imagine trying to buy software from a website written in a language you don't understand. Which button would you click? Where would you enter your payment information? Would you even feel comfortable sharing your credit card number?

To earn the sale, **you need to speak your customer's language**. Go beyond auto-translated words into truly localized content that recognizes the unique dialects and translations for each country.



Pricing

Pricing should be set based on the purchasing power and price sensitivity of each target market. Localized pricing considers factors like geography, time zone, and currency, as well as personal buyer characteristics like profession, price sensitivity, buying history, browsing history, and loyalty.

A study of 50 SaaS companies found that those that used localized pricing **increased growth over their competitors by 30% or more**.



Currencies

Offering prices in just one currency forces customers to calculate exchange rates on their own—the opposite of a seamless shopping experience. User behavior studies show that opening an online currency converter in a new tab can distract customers and cause them to abandon the checkout process.

Automatically converting to local currency makes it much easier for buyers from anywhere in the world to make a purchase, significantly impacting your international conversion rates and sales revenue.



Payment Methods

Preferred payment methods vary from country to country. To succeed globally, you'll need to offer popular payment options for each market.

- Many European customers prefer **real-time online bank transfers**.
- In China, two popular payment methods are **Alipay** and **UnionPay**.
- **Cash-on-delivery** is a go-to method for Eastern Europe, Africa, and the Middle East.
- In some countries, customers prefer paying by **check or money order**, as well as digital wallets like **PayPal** and **Amazon Payments**.



Taxes

Unexpected additional charges can make customers rethink their purchase. To help reduce abandoned checkouts, **display the full cost with taxes as early as possible.**

Your ecommerce platform should automatically calculate the taxes associated with a variety of countries, including:

✓ **US State Sales Tax**

The recent [Supreme Court Wayfair ruling](#) has changed US sales taxation for online sales. As a result, more and more states continue to adopt new tax rates.

✓ **Value Added Tax (VAT)**

European Union, Norway, South Africa, South Korea, Switzerland, and Taiwan

✓ **Goods and Services Tax (GST)**

Australia, India, and New Zealand

✓ **Consumption Tax**

Japan

4.

Make Checkout Part of Your Brand

In ecommerce, trust is everything. Customers must feel confident that you're securely handling their payment information, and that they'll get the product they are paying for.

Sending shoppers to a non-branded checkout can quickly ruin whatever trust you've already earned. Customers are often most motivated to buy after exploring your beautifully designed website and unique products. Then, just as they are about to make a purchase, they're sent to another site that looks and feels completely different.

A branded checkout creates a seamless transition between steps.

This visual disconnect between your website and checkout stops customers in their tracks. Am I in the right place? Can I trust that my payment and personal information will be secure? Am I really comfortable moving forward?

If the answer to any of these questions is no, then the sale is lost.

A branded checkout solves this problem by creating a seamless transition between steps. **Your cart and checkout should maintain a consistent look and feel**—colors, font types and sizes, buttons, layout, company contact information—that creates a unified experience.

5.

Secure Your Site and Checkout

We're all on high alert for threats to the security of our personal and financial information. 17% of customers who abandoned a cart said they didn't trust the website with their credit card information. If shoppers don't feel safe, they won't buy.

17% of customers who abandoned a cart said they didn't trust the website with their credit card information.

Ensuring ecommerce security is not a set-it-and-forget-it, one-time event. Data hackers and identity thieves are constantly testing for weaknesses in the system. To keep up, security regulations and compliance requirements are constantly evolving as well.

To earn your customers' trust, **you must demonstrate your commitment to their privacy and security** by staying current on the latest threats, solutions, and regulations.

Disclaimer: The following is intended to provide general information regarding EU data privacy laws, GDPR, PSD2, and PCI DSS. Please contact an attorney for legal advice regarding your business.



General Data Protection Regulation (GDPR)

GDPR was created to protect personal data across any online platform for all European Union residents. It establishes a framework for handling information that can be used to identify an individual, including email accounts, IP and home addresses, dates of birth, and online financial information.

If your company is **conducting business with, offering goods or services to, monitoring the behavior of, or has access to the personal data of EU residents**, your ecommerce platform must be GDPR compliant—regardless of your company’s location.

Under GDPR, businesses must:

- ✓ Constantly monitor and manage their data privacy and security.
- ✓ Obtain explicit consent to access EU-based residents’ personally identifiable information (PII).
- ✓ Notify customers in case of a hack or breach.
- ✓ Appoint a dedicated data protection officer.

The [European Commission website](#) offers comprehensive GDPR resources to help you comply with EU data protection rules.



Payment Card Industry Data Security Standard (PCI DSS)

PCI DSS is a set of operational procedures, policies, and technical requirements to **ensure the security of card transactions and help protect users from fraud.**

- PCI DSS provides companies with a baseline standard for creating a security program, properly handling customer data, and responding to potential security breaches.
- It applies to any service provider or merchant involved in processing, transmitting, or storing cardholder data, organized on a tiered merchant level system based on transaction volume.
- Compliance guidelines feature 12 requirements that cover network security, program vulnerability, access control, monitoring, information security policy, and data protection.
- Failure to comply can lead to **loss of card processing privileges, heavy fines, and significant additional costs** of card replacement, compensation for customers' losses, audit fees, and investigation costs.



New Directive on Payment Services

The second Payment Services Directive (PSD2) introduces new rules designed to add additional protection for consumers making online payments.

Despite some delays throughout the EU and EEA, effective September 14th, 2019, companies that process payments from EU consumers must adhere to **new online payment authentication requirements**, including the Strong Customer Authentication (SCA). In addition to having 3D Secure 2.0, merchants will need to include two-factor authentication to verify each customer's information.

Three Categories for Authentication:

1. Knowledge


Something the user knows.

2. Possession

Something the user owns, like a physical credit card.

3. Inherence

Something the user is, like fingerprints or facial recognition.



FastSpring's full-service ecommerce platform includes secure checkout and robust fraud management services that make it easy to comply with payment security regulations, including the EU General Protection Regulation, the EU-US Privacy Shield Framework, PSD2, and PCI DSS. FastSpring is certified as a PCI Level 1 Service Provider, the most stringent level of certification available in the payments industry.

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Partnering with FastSpring gives you access to our [full-service ecommerce platform, branded web and popup checkouts, secure payment processing, and customized localization tools](#)—all designed to create a seamless shopping experience for software buyers from anywhere in the world.



Your Full-Service Ecommerce Partner