

THE MYSTERY OF WHO KILLED MR. PROFITS?

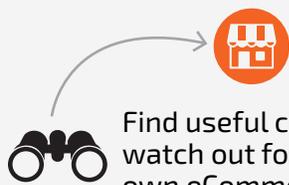
Investigate the Seven Deadly eCommerce Profit-Killers
Impacting Growth Merchants



As an eCommerce merchant, there's a good chance you spend a lot of time investigating potential conversion and profit-killing features on your site. This guide outlines seven of the usual profit-killing suspects and takes you on a journey to pinpoint the culprit.

Set against the backdrop of Magento's Annual Cruise, Detective Magento will help you investigate each of the suspects to identify the guilty party in the most recent murder of Mr. Profits.

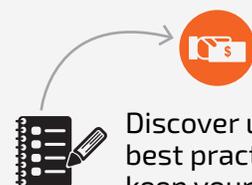
Along the way you'll:



Find useful clues to watch out for on your own eCommerce site



Hear from other merchants who have successfully jailed their profit-killers



Discover useful best practices to keep your own profits alive and well

READ ON AND BEGIN YOUR INVESTIGATION NOW!

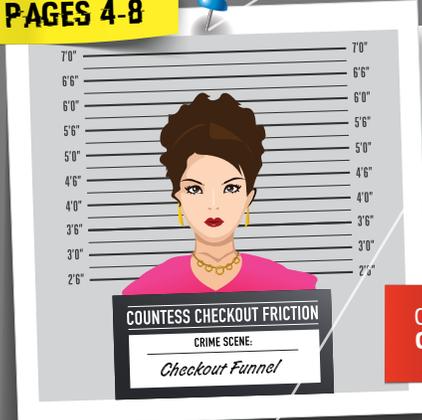


THE MYSTERY OF WHO KILLED MR. PROFITS?

THE SUSPECTS, INVESTIGATORS, AND CRIME SCENES



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Investigation assisted by:
 PayPal
 Bolt

Crime Scene:
Checkout Funnel

PAGES 9-11



Investigation assisted by:
 TaxJar

Crime Scene:
Sales Tax Noncompliance

PAGES 12-14



Crime Scene:
Order Approval Process

Investigation assisted by:
 SIGNIFYD

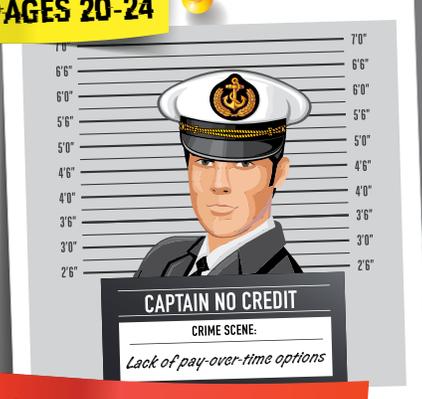
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Crime Scene:
Processing Inefficiencies

Investigation assisted by:
 Braintree Authorize.Net
A PayPal Company A Visa Solution

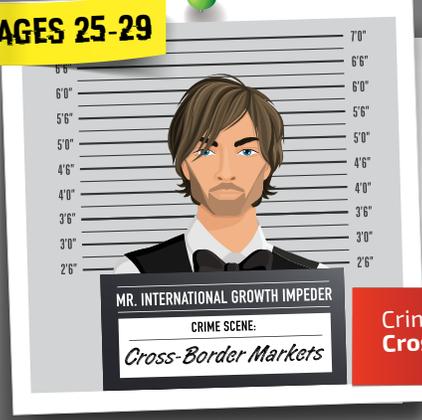
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Crime Scene:
Lack of Pay-Over-Time Options

Investigation assisted by:
 Klarna. affirm

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Crime Scene:
Cross-Border Markets

Investigation assisted by:
 worldpay from FIS
 stripe

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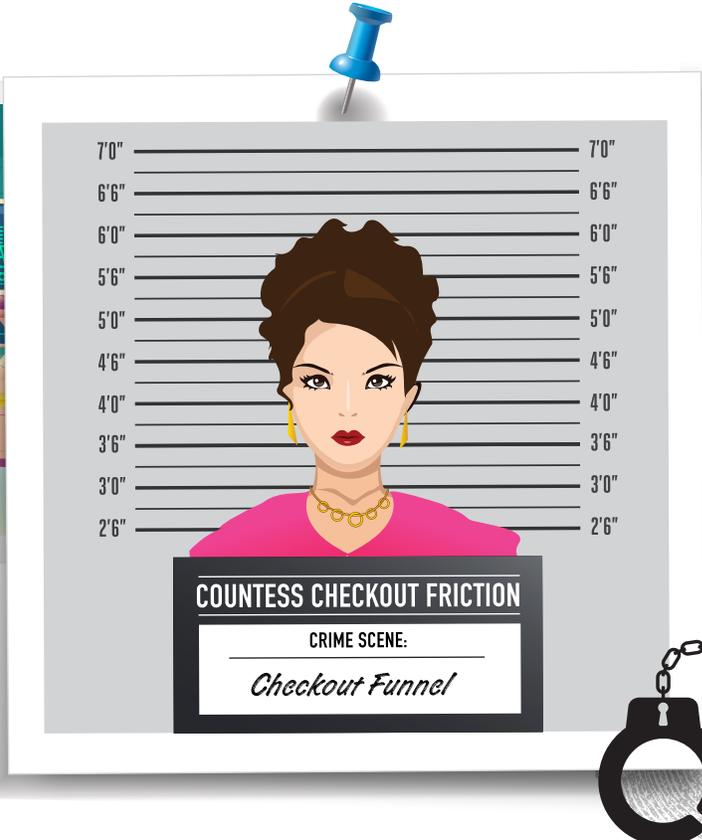
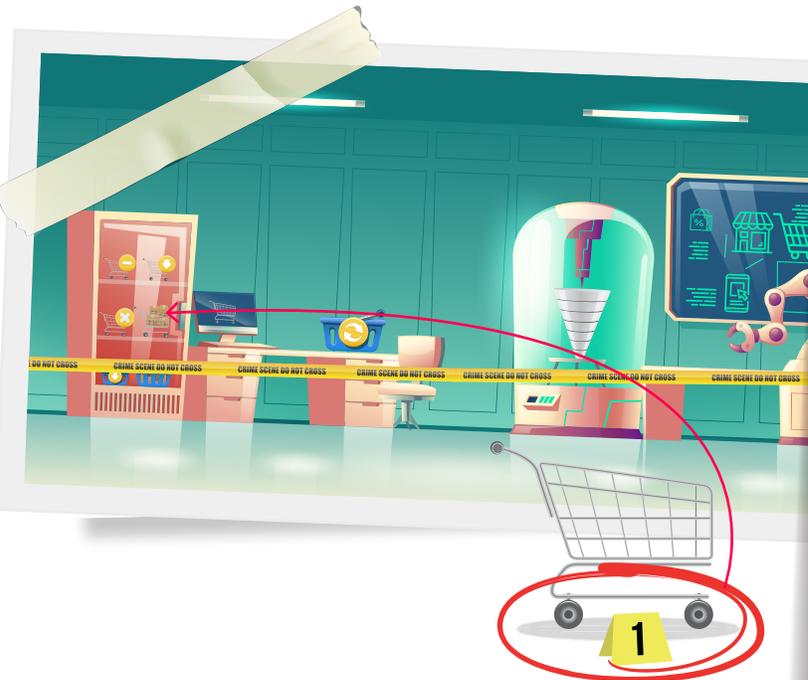
Crime Scene:
Poor Omnichannel Experiences

Investigation assisted by:
 Square

DID COUNTLESS CHECKOUT FRICTION MEDDLE WITH YOUR CONVERSIONS?

Scene of the Crime: CHECKOUT FUNNEL

Suspect Profile: COUNTLESS CHECKOUT FRICTION



Buyers are looking for frictionless experiences when shopping online, particularly when they're shopping on mobile devices. Unfortunately, Countess Checkout Friction ensures that buyer expectations are not being met across the checkout funnel:


69
PERCENT

69 percent of items that people add to their online carts are never purchased—that's a revenue loss of approximately \$260 Billion¹


62
PERCENT

The mobile commerce conversion gap persists—62 percent of all eCommerce visitors **come from mobile**, yet mobile still accounts for just **28 percent** of eCommerce revenue²



Likes to create confusion by creating extra steps in the checkout process



Enjoys high cart and checkout abandonment rates



Hobbies include frustrating mobile shoppers and killing conversion rates

¹ <https://baymard.com/lists/cart-abandonment-rate>

² <https://www.statista.com/statistics/268439/quarterly-us-mobile-e-commerce-spending/>



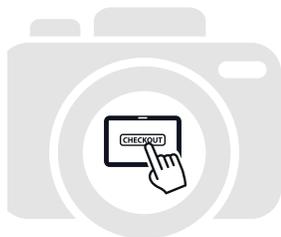
LOOK FOR CLUES TO DIAGNOSE CHECKOUT FRICTION WITH PAYPAL

PayPal suggests merchants answer the following questions about their own checkout funnel to uncover clues to catch the Countess:



1. Do you have a testing strategy to see what changes have a positive or negative effect on buyer behavior?

Merchants should continuously test their sites to keep up with shopper behavior. Start measuring key performance metrics like [revenue per visitor \(RPV\)](#), PDP view rate, and cart abandonment rate. Don't forget that behaviors change across device types so be sure to test and measure effects on both mobile and desktop experiences.



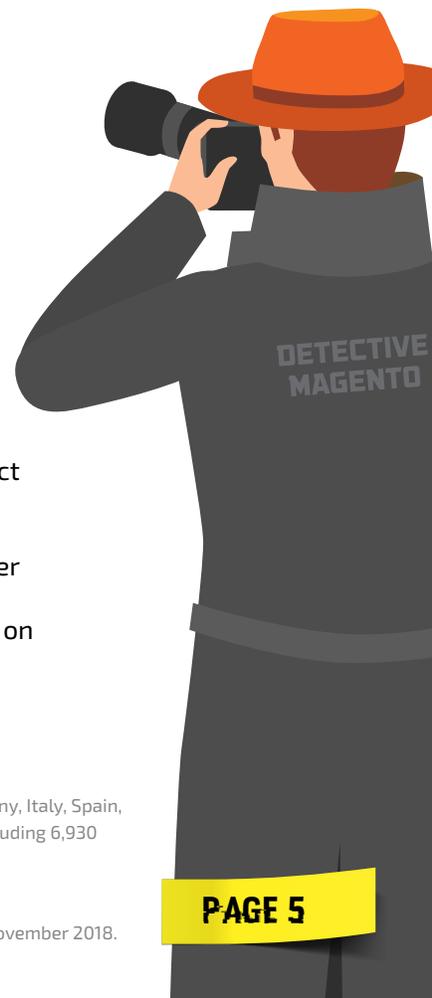
2. How many steps are in your checkout process?

If your checkout process is convoluted, it creates friction for the buyer. Small changes like simplifying the [cart header](#), auto-filling the [zip code field](#), or collapsing the [coupon field](#) can have a big impact on conversion rates and revenue per visitor. But be sure to test any changes prior to production and continue to test to keep up with ever-changing buyer behavior.



3. Do you offer alternative payment methods to allow customers an easier way to checkout?

Offering shoppers alternative ways to pay can have a big impact on your bottom line. For example, the [PayPal Checkout](#) with Smart Payment Buttons—which includes payment options like PayPal, Venmo, and local methods—delivers a 46 percent higher conversion versus alternative payment routes in key global markets.³ Businesses that promoted the [PayPal Credit](#) button⁴ on their site and at checkout saw 214 percent larger PayPal Credit transactions than those who did not.⁵



³ Ipsos Conjoint Research. Ipsos MORI Research Methodology: July 2018 online survey conducted across seven markets (UK, Germany, Italy, Spain, US, Australia, Brazil) with 1,500 respondents per market/10,500 total respondents (boost in Brazil to ensure 500 PayPal users), including 6,930 PayPal users. Respondents were online shoppers who have made a purchase in the last month.

⁴ PayPal Credit is subject to consumer credit approval.

⁵ Based on PayPal's analysis of internal data of all PayPal and PayPal Credit active customers and volume from December 2017 – November 2018.



STAR WITNESS: CATBIRD NYC

'Cool-girl' jewelry company, Catbird NYC, recognized that bringing people custom products online with the same rich experience of their brick-and-mortar store would be no easy task—especially on mobile.

To support their global growth, Catbird migrated to Magento 2 and created a separate, customized mobile experience that delivers exceptional service, quality content, and checkout options including PayPal.

Catbird

Magento has allowed us to easily integrate with exciting software partners like PayPal, Nosto, HiConversion, Bluecore and Klaviyo to really drive our products and brand globally."

Anna Mikkelsen, eCommerce Director, Catbird NYC



51%

Mobile conversion rate increase*



39%

Mobile revenue growth*



20%

Increase in total revenue across all experiences*

* Source: Imagination Media - How Catbird NYC Conquered Mobile Optimization Using Magento

For checkout optimization advice from PayPal, visit www.paypal.com



LOOK FOR CLUES TO DIAGNOSE CHECKOUT FRICTION WITH BOLT

Bolt suggests merchants answer the following questions about their own checkout funnel to uncover clues to catch the Countess:



1. Is your site optimized for mobile?

Ensure your site is dynamic and adaptable to a wide range of screen sizes (including mobile). Use compact fields for less scrolling and a better customer experience.



2. How is the overall flow (fields and layout) of your checkout?

Guide users through checkout with clear steps. Include form field guidelines and/or descriptive text for as many fields as possible.



3. How many clicks, steps, or pages are there to complete your checkout?

There is a direct correlation between checkout length and conversion rates— [25 percent of shoppers abandon](#) a cart because the checkout process is too long or complicated. The fewer clicks or steps in the checkout process, the more likely customers are to complete it. One-page checkouts also convert better. Implement tools such as auto-save for cart updates or address verification to auto-fill secondary fields (like ZIP codes).



4. Do you provide a guest checkout?

Remove unnecessary barriers to entry such as login walls. Guest checkout eliminates the friction of making customers create an account in advance.





STAR WITNESS: DITA

Luxury sunglasses brand, **DITA**, struggled to provide a premium experience online that was reflective of their high-end aesthetic and concierge-like approach for customers in-store. A particular pain point was the cumbersome checkout experience on their website which introduced friction and the potential for doubt as shoppers tried to pay. Weeks before Black Friday sales kicked off, DITA decided to implement Bolt. The result? DITA saw a 46% decrease in cart abandonment and a 72% increase in checkout conversion.

 **72%**
Lift in checkout conversion

 **46%**
Decrease in cart abandonment

DITA

When you're running a lean team like so many independent digital retailers are, you just assume a certain amount of friction and burden," says Cody. "What Bolt provides is game-changing for companies like DITA. Given the opportunity, why wouldn't you provide a premium checkout experience to solve for these pain points while making more money?"

Cody Cho, President of eCommerce



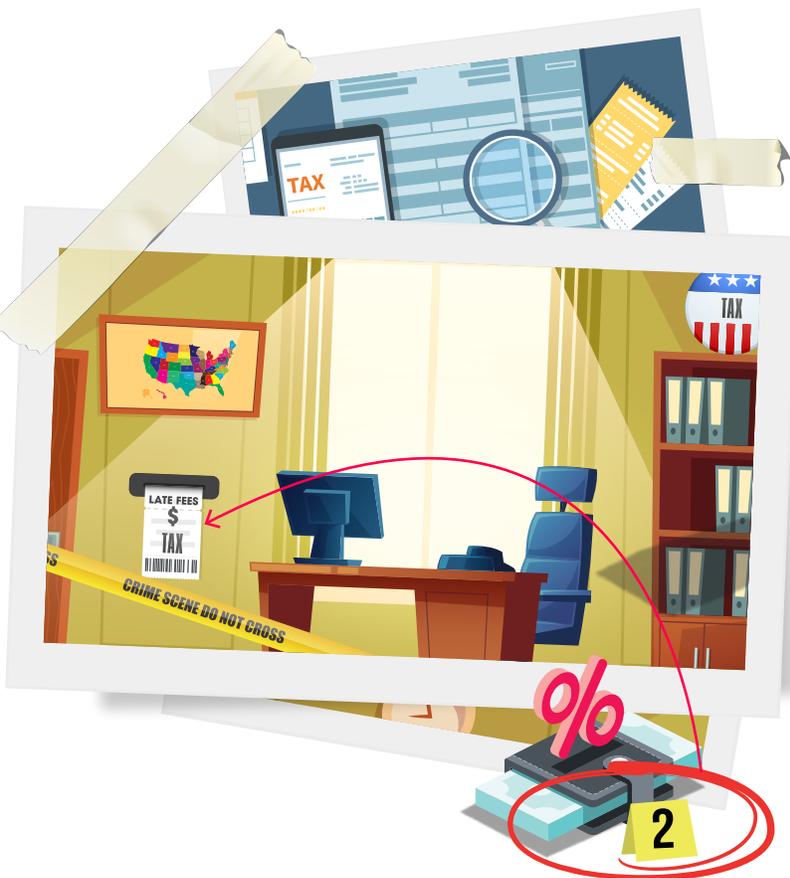
TIPS TO STOP COUNTLESS CHECKOUT FRICTION FROM MEDDLING WITH YOUR CONVERSIONS

Presented by **MCFADYEN DIGITAL**

- ✓ Optimize sites for mobile—don't just treat mobile customers like your desktop customers.
- ✓ Allow cart edits mid-checkout. Customers often realize they have forgotten something or ordered the wrong quantity after the checkout process has started.
- ✓ Enable checkout from anywhere. The customer should never have to look for a way to checkout. Ensure options are readily available from every view once an item has been added to the cart.

DID SIR TAX-A-LOT COMPLICATE MR. PROFITS' TAXES?

Scene of the Crime: SALES TAX NONCOMPLIANCE



10%
late fees for
not filing on time

In the U.S. alone, merchants are confronted with a complicated web of tax jurisdictions and constantly changing rules and rates. Merchants often experience **10% in late fees** for not filing their taxes on time. Many merchants choose to tackle taxes on their own, not only putting them at risk of noncompliance, but taking up hours of valuable employee time.

Suspect Profile: SIR TAX-A-LOT



- Likes to complicate taxes by making you file in more states as your business grows
- Gets a thrill out of making businesses noncompliant with their taxes
- Hobbies include confusing merchants with complicated tax scenarios that differ from state to state



LOOK FOR CLUES TO DIAGNOSE SALES TAX NONCOMPLIANCE WITH TAXJAR

Experts from tax automation solution, **TaxJar**, suggest merchants answer the following questions to decipher if Sir Tax-a-Lot is killing Mr. Profits:



1. Do you sell products or services that have varying taxability rules by state and how are you handling that today?

Forty-five U.S. states and Washington D.C. have their own sales tax rules. To become fully sales tax compliant, TaxJar experts recommend merchants: 1) Determine where you have sales tax nexus, 2) Verify if your products are subject to sales tax, 3) Get legal by registering for a sales tax permit, 4) Set up sales tax calculations on your online shopping carts and marketplaces, 5) Report how much sales tax you collected in each state, 6) File your sales tax returns.



2. How much time do you spend on tax filing and reporting?

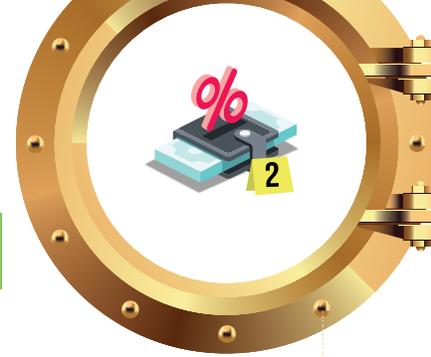
Tax preparation is a huge time-burden for many businesses, especially for those who are resource-constrained or experiencing rapid growth. Automated tax solutions can simplify the reporting and filing process, saving valuable time and money. A solution like TaxJar can even file sales tax returns automatically, so they are always on time.



3. Do you require the assistance of an in-house or external accountant to do your taxes?

Many merchants rely on accountants (in-house or external) to handle their taxes. While these experts can help ensure merchants stay compliant and file on time, they also cost businesses a great deal in salaries or fees. Automated tax solutions, on the other hand, can do the work of these experts without the need for additional help.





STAR WITNESS: KORNERSTONE CREDIT

Kornerstone Credit, a lease-to-own financing company that serves retail customers in the furniture, mattress, tires, and wheel businesses, has a high volume of sales across 45 different states.

They sought a partner to help them manage the complicated sales taxes across these states. TaxJar's automated tax solution helped them save more than 70% over its previous tax services provider.

<KORNERSTONE CREDIT

TaxJar is an important partner for us. Because we don't have anyone internal that has a lot of sales tax experience, we appreciate as much help as we can get."

Darren Haws, VP Finance and HR, Kornerstone Credit



TIPS TO KEEP SIR TAX-A-LOT AWAY FROM YOUR TAXES

Presented by  REDSTAGE

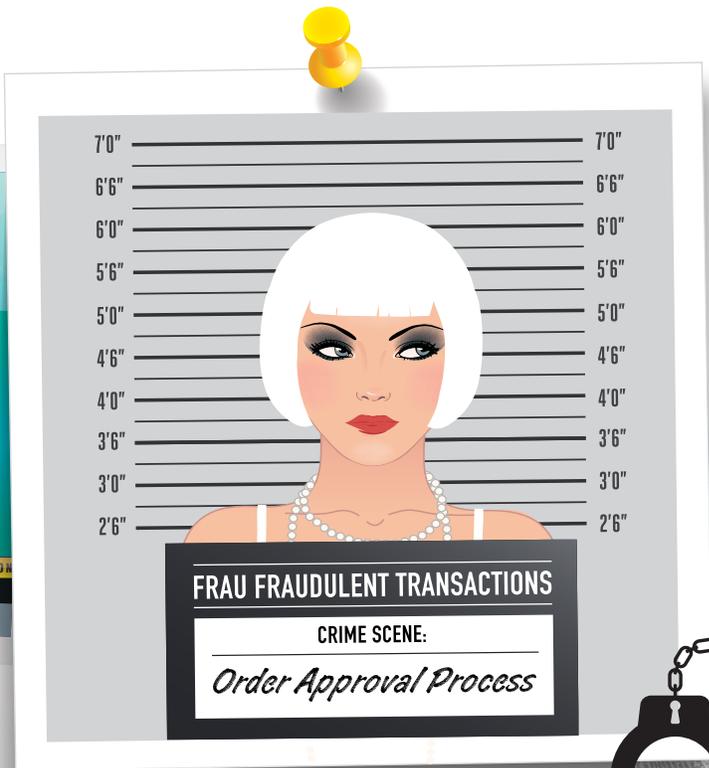
- ✓ Collect tax in all the states and regions where you have nexus (i.e. a legal obligation to collect tax based on that physical location).
- ✓ File your quarterly reports automatically.
- ✓ Ensure your tax vendor helps take the onus off you for state-by-state tax compliance.

For tax automation advice from TaxJar,
visit www.TaxJar.com

IS FRAU FRAUDULENT TRANSACTIONS FIDDLING WITH YOUR FINANCES?

Scene of the Crime: ORDER APPROVAL PROCESS

Suspect Profile: FRAU FRAUDULENT TRANSACTIONS



Efforts to mitigate the risk of fraud are necessary but still costly—online merchants spend **an average of 8 percent** of their annual revenue on preventing and managing fraud. The cost is justified, however, since for every \$1 stolen by order fraud, **merchants lose another \$2.56** to lost labor, lost productivity, and chargeback penalties.

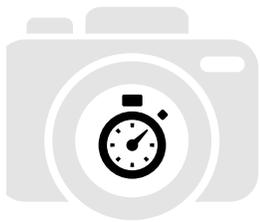
Lengthy manual reviews are time-consuming and traditional technology solutions are problematic as they often block legitimate customers—false declines cost eCommerce businesses over **\$330 billion per year**.

-  Likes to frustrate genuine customers by falsely declining their orders
-  Enjoys high chargeback fees from payments providers
-  Hobbies include letting fraudulent orders through while blocking legitimate ones



LOOK FOR CLUES TO DIAGNOSE FRAUDULENT ORDERS WITH SIGNIFYD

To catch the Frau in her tracks, Signifyd suggests merchants answer the following questions about their own order approval processes:



1. What is your current order approval rate—and how fast are approvals?

eCommerce merchants should have an order approval rate in the high 90% range—and the approval should be fast. By increasing the number of orders approved automatically and quickly, retailers can reduce the number of canceled orders.



2. How much revenue are you losing to false declines?

False declines account for the lion's share of the total cost of fraud for U.S. retailers and Signifyd found that two-thirds of shoppers would stop purchasing from a merchant if they had an order falsely declined. Opting for an AI-powered fraud detection solution adds an extra decision layer to your existing fraud process without creating additional work for your team.



3. What is your current chargeback rate?

The average eCommerce merchant should have a chargeback rate below 0.9% (1.8% for high-risk industries like alcohol, tobacco, firearms, etc.). Any higher than that will incur additional fees from the payment provider. To mitigate the impact of chargebacks on your business, Signifyd offers a managed service that investigates and resolves chargebacks on your behalf and recovers lost revenue for merchants.





STAR WITNESS: STRUCTUBE

Furniture retailer, **Structube**, launched its online business in 2015 and, from day one, the team was shocked at the volume and velocity of fraudulent orders that were coming through. They had limited success filtering out the bad orders and ended up turning away legitimate customers in the process.

With the help of Signifyd, Structube saved time reviewing fraudulent orders, increased sales, and reduced chargeback fees.

STRUCTUBE

Signifyd was an easy choice. Protection was complete for us yet invisible to our customers, with no negative effect on conversion. We actually increased sales because we could accept more orders, since we no longer had to turn away or investigate legitimate customers we weren't sure about."

Tony Trew, Director of Marketing and eCommerce, Structube



95%

Reduction in Cases Reviewed



5%

Increase in Accepted Orders



0

Chargebacks



TIPS TO STOP FRAUD FRAUDULENT TRANSACTIONS FIDDLING WITH YOUR FINANCES

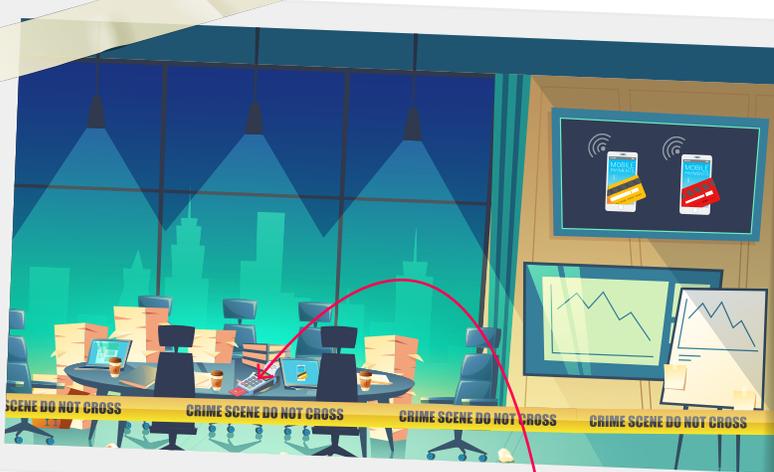
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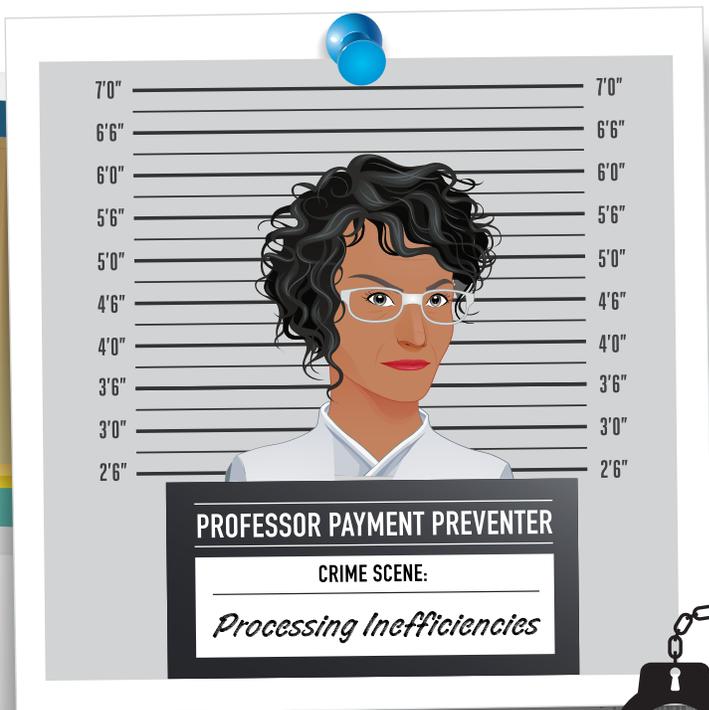
- ✓ Work with your partner to eliminate as many false positives as possible. These instances frustrate customers and cost you time and money.
- ✓ Analyze past instances of attempted (or successful) fraud.
- ✓ Look for patterns and similarities that can help dictate what the fraud check parameters should be.

DID PROFESSOR PAYMENT PREVENTER CREATE LEAKY PAYMENT PROCESSING?

Scene of the Crime: PROCESSING INEFFICIENCIES



Suspect Profile: PROFESSOR PAYMENT PREVENTER



Complicated checkout processes account for nearly **39% of U.S. shopping cart abandonments**. At the heart of the checkout experience is the payment provider and processor.

Choosing the wrong payment processing partner can result in high cart abandonment rates, heightened fraud, and increased chargebacks.

-  Likes to cost merchants money with high chargeback rates
-  Enjoys complicating a merchant's payment ecosystem with various inputs
-  Hobbies include annoying customers with limited payment options



LOOK FOR CLUES TO DIAGNOSE PROCESSING INEFFICIENCIES WITH BRAINTREE, A PAYPAL SERVICE

Braintree, a PayPal Service, encourages merchants to answer the following questions about their payment processing practices to find clues related to Professor Payment Preventer:



1. Do you spend time worrying about how your customers pay you?

Braintree offers merchants the comfort of knowing that they're getting paid (usually in two days or less) without having to monitor payments continuously. Further, it's the only multi-market and multi-currency solution to accept major debit and credit cards, PayPal, Apple Pay, Android Pay, Venmo, and local payment methods like Bancontact, EPS, giropay, iDEAL, Klarna Pay now / Sofort, MyBank, P24, and SEPA / ELV Direct Debit*—all in one simple integration.



2. What is your current transaction flow like? Does it involve manual work for the end consumer?

Automated payment processing simplifies the checkout process and helps [reduce cart abandonment](#) by giving shoppers an easy way to buy what they want, with speed, across any device they use. One Touch™ for PayPal (where available) allows Braintree merchants to implement one of the fastest checkout experiences. Braintree merchants can accept Apple Pay, Android Pay, Venmo, and American Express inside their iOS11 apps with no additional code.



3. Do you see a large amount of declined transactions for invalid reasons?

Today, there are a variety of fraud scenarios that merchants must protect themselves from—[credit card fraud](#), [refund fraud](#), and [phishing scams](#), to name a few. Payment processors like Braintree seek to protect merchants by fighting fraudulent transactions and secure payment data while simplifying PCI compliance.





STAR WITNESS: OSPREY LONDON

In 2016, luxury leather goods store, OSPREY LONDON, set an ambitious target of doubling its online business every year. However, their existing payments platform wasn't designed to support the payment volumes required to hit that target.

OSPREY LONDON turned to Magento to help them build a modern and flexible eCommerce solution to cater to today's savvy digital customer and to help them reach their goal. Braintree (a PayPal company) was selected as the processing platform because of its ability to accept and process payments across all devices and with almost any payment method.

Since switching to Magento and Braintree, OSPREY LONDON has increased its online revenue by 300% year-over-year—beating the original target.



Today with Braintree, we have a good level of control and visibility, whether that's adjusting the fraud rules to suit our changing requirements or helping a customer complete a transaction. Overall it's a service that we know we can rely on."

Ben Jones, eCommerce Manager, OSPREY LONDON

10 DAYS

Short 10-day integration

300% revenue increase year over year⁷

⁷Source: PayPal Case Study - How OSPREY LONDON Tripled Online Sales with Magento and Braintree, 2018.

For efficient payment processing advice from Braintree, visit www.braintreepayments.com



LOOK FOR CLUES TO DIAGNOSE PROCESSING INEFFICIENCIES WITH AUTHORIZE.NET | A VISA SOLUTION

Authorize.Net | A Visa Solution encourages merchants to answer the following questions about their payment processing to determine if Professor Payment Preventer is messing with their store's payments:



1. What is your current transaction flow like?

Some 80% of shoppers are motivated to shop at a business if they have an easy to use website and checkout process. Checkouts that seem insecure or that require a lot of manual work on the consumer's side typically result in high cart abandonment. Automated payment processing simplifies the checkout process by giving shoppers an easy, secure way to buy what they want, fast.



2. Do you apply comprehensive payment gateway best practices or just the basics?

Most payment gateways authorize, capture, and settle transactions. However, to help your business grow, you should consider additional capabilities that will help you boost the efficiency of your sales processing and create better more secure shopping experiences for your customers. These include: [PCI-DSS compliance](#), secure customer data management (tokenization), advanced fraud filters, alternative payment methods (eChecks, ApplePay, PayPal, Visa Checkout), recurring payments, automated payment updates, and digital invoicing.



3. Does your payment processor support your current and projected growth?

Many payment gateways charge add-on fees for basic functionality like card tokenization, in-store payments, and recurring billing. Select a processor with a comprehensive, transparent offering that is robust enough to scale with you as your business grows.





TIPS TO KEEP MR. PROCESSING FROM MAKING YOUR PAYMENTS INEFFICIENT

Presented by  REDSTAGE

- ✓ Ensure you have the ability to store and tokenize credit cards.
- ✓ Offer relevant, alternative payment options (Amazon, Apple, Google Pay, PayPal, pay later solutions, and so on).
- ✓ Don't include too much education about these options. The checkout is not a time to distract customers—keep them laser-focused on the purchase behavior.



For efficient payment processing advice from Authorize.Net | A Visa Solution, visit www.authorize.net

DID MR. PROFITS SUCCUMB TO CAPTAIN NO-CREDIT'S LACK OF PAY-OVER-TIME OPTIONS?

Scene of the Crime: LACK OF PAY-OVER-TIME OPTIONS

Suspect Profile: CAPTAIN NO-CREDIT

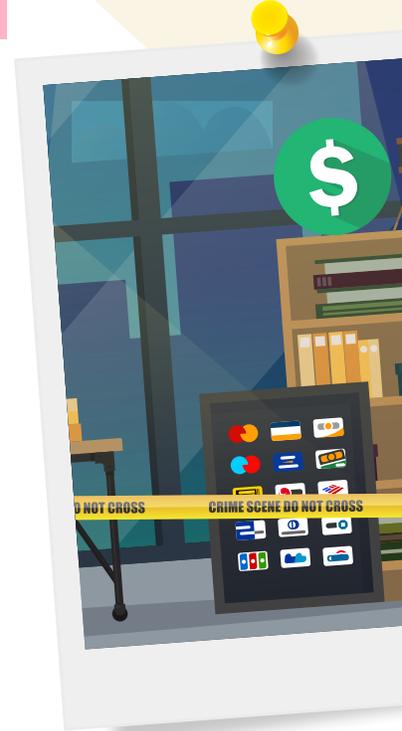


Customers expect brands to deliver a wide range of alternative payment methods, including point-of sale pay-later options. This is especially popular among Millennial and Gen Z shoppers who enjoy mobile shopping and are wary of credit card debt. As a result, point-of-sale pay-over-time options are expected to **account for 55% of online transactions in 2019.**

This is positive news for merchants—those who use pay-over-time as part of their retail strategy see an increase of a **32% increase in sales and a 75% increase in average order value.**

- Likes to keep customers from buying their favorite products from their preferred channel
- Enjoys keeping merchant AOVs down
- Hobbies include strict payment requirements and the lack of flexible pay-over-time options

LOOK FOR CLUES TO DIAGNOSE LIMITED PAYMENT OPTIONS WITH KLARNA



Experts from Klarna encourage merchants to answer these questions about their own payment set-up to determine if Captain No-Credit is responsible for Mr. Profits' death:

1. Do you currently offer multiple payment options on your site?



By offering buy now, pay later options, merchants can offer customers an alternative to traditional credit. Customers can split the cost of higher priced payments, such as 4 equal installments or pay up to 30 days after delivery with invoicing. Best of all, merchants always get paid in full, straight away.

2. Do you sell to younger audiences like Millennials and Gen Zs?



Installment payment methods are popular with Millennial and Gen Z shoppers as they provide easier access to higher-priced items. Installment payments also increase their overall experience with a brand, helping to **forge deeper connections** for brand loyalty and repeat business.

3. Does your store offer a mobile app?



Alternative payment methods help deliver a frictionless buying experience on mobile with no redirects, no account sign-up, upfront fees. By installing a payments solution like Klarna, merchants can meet consumer demand for payment simplicity and increase their **mobile conversion rates by up to 68%**.



Klarna.

STAR WITNESS: RANCOURT & CO.



Intent on broadening its online appeal, Maine-based, family-owned shoe crafter, **Rancourt & Co**, turned to Klarna's flexible 'pay later' payment options for help.

Today, nearly one in ten of its customers make purchases through Klarna's convenient installments solutions.



Not only is Klarna providing a smoother experience for our customers, it's also been great for our own team. Simple to use, integrate, and manage, there's no extra burden on our customer support, leaving them free to focus on delivering great pre and post-sales service. Klarna has also made it really easy for our customers to explore pricing options, providing them with an 'as low as' cost comparison before they hit the checkout. This has helped to boost AOV and aid conversion."

Kyle Rancourt, VP Sales & Marketing, Rancourt



47%

increase in checkout conversions



\$250

average order value



10%

increase in online orders

For alternative payment method advice from Klarna, visit klarna.com/us/business



LOOK FOR CLUES TO DIAGNOSE LACK OF FINANCING OPTIONS WITH AFFIRM

Experts from the pay-over-time solution, [Affirm](#), suggest merchants answer the following questions about their payment practices to unpack if Captain No-Credit is the criminal:



1. Have your customers inquired about flexible payment options or alternative payment methods?

As a result of the most recent financial crisis more consumers are skeptical of revolving debt and banks. They want transparent payment solutions that give them complete control over their spending.



2. How are you working to decrease cart abandonment on your website?

Sticker shock is a leading cause of cart abandonment. By offering a flexible pay-over-time solution, merchants can build consumer confidence, increase customer satisfaction and [increase cart conversion rates](#).



3. How does your payments strategy fit into your overarching marketing strategy?

Merchants that add Affirm as a payment option have witnessed the huge impact that pay-over-time options can have on conversion. However, the most successful merchants incorporate promotion of Affirm into their overall marketing strategy. Featuring alternative payment methods in social media campaigns, email programs, and retargeting can [increase lift in return on ad spend \(ROAS\) by up to 70%](#).





STAR WITNESS: JOMASHOP

Luxury retailer, Jomashop, specializes in high-end watches that range in price from \$100 to \$70,000. The retailer saw the opportunity to offer a flexible pay-over-time solution and attract customers who otherwise wouldn't be able to afford the lump sum payment for one of their watches.

JOMASHOP

With Affirm, there's suddenly a tremendous opportunity for customers to buy something they really want, but can't lay out all the money at once. For them, paying over several months at reasonable interest rates is very attractive and has been a great success."

Osher Karnowsky, General Manager, Jomashop



210%

increase in average order value



7%

lift in conversion rate



35%

of customers that use Affirm return

*Data based on A/B test conducted in 2015 when Jomashop first implemented Affirm.



TIPS TO KEEP CAPTAIN NO-CREDIT AWAY FROM YOUR PAYMENT OFFERINGS

Presented by  REDSTAGE

- ✓ Provide simple checkout experiences and allow customers to pay how they prefer.
- ✓ Ensure new payment options are easy to use so that Countess Checkout Friction doesn't rear her head.
- ✓ Test any new checkout feature before rolling it out site-wide. Some sites convert less when there are too many payment options at the checkout, some convert more.

IS MR. INTERNATIONAL GROWTH IMPEDER HINDERING YOUR GLOBAL EXPANSION?

Scene of the Crime:
CROSS-BORDER MARKETS

Suspect Profile:
MR. INTERNATIONAL GROWTH IMPEDER



McKinsey Global Institute projects that cross-border eCommerce will account for \$1 billion —or one quarter of the global market by 2020. And, that's just business-to-consumer commerce; cross-border business-to-business eCommerce is thought to be four-to-five times larger.

However, before merchants rush to expand globally, they need to consider how international shoppers want to pay for goods or services. Each region and the individual countries within them have local nuances and preferences that require thoughtful planning in order to achieve cross-border eCommerce success.

- Enjoys creating poor local shopping experiences in international markets
- Delights in high cross-border transaction fees
- Hobbies include frustrating international shoppers and killing conversion rates



LOOK FOR CLUES TO DIAGNOSE CROSS-BORDER PROCESSING ISSUES WITH WORLDPAY

International payments provider, **Worldpay**, suggests merchants answer the following questions about their own international processing needs to uncover clues to catch Mr. International Growth Impeder:



1. Do you tailor the checkout experience to suit local payment preferences?

A survey of 36 countries found at least **140 online payment methods** in use today. Adapting your payment methods and currencies to the preferences of consumers in local markets can broaden your global reach, maximize your acceptance, and increase your bottom line.



2. Determine if it makes sense to establish a legal entity in a new country.

Legal entity options, related costs, restrictions, and setup times will vary from country to country, so it's advised to consult an expert familiar with target-country tax laws and processing requirements to determine the optimal entity type for your situation. In general, there are three categories of legal entities: a representative office, a branch, and a subsidiary. Weigh the costs and benefits of each to determine if this route would have a positive impact on your bottom line on an annualized basis.



3. Do you consider domestic or intra-regional processing?

Compare potential uplifts in authorization rates and declines in processing costs by processing international card payments domestically, intra-regionally, or internationally. This is particularly useful when an entity already exists which can be used to significantly increase authorization rates and reduce interchange costs.

STAR WITNESS: AZUL



As the fastest growing airline in Brazil, Azul needed a payments provider that could support its ambitious growth road map.

The collaborative relationship between Worldpay and Azul helped the carrier to reach passengers across 45 new countries, doubling their revenue.



Working alongside Worldpay has given us a huge competitive edge in the market, as seen by the multitude of countries we've moved into and the marked increase in revenue since the partnership began. By giving ourselves the ability to save time, money and resources by operating through a single provider, we hope to demonstrate Azul's ambition to expand worldwide, supplying frequent and affordable air services to underserved markets throughout Brazil and beyond."

Douglas Pacheco, Alliances Manager, Azul



45

New markets entered



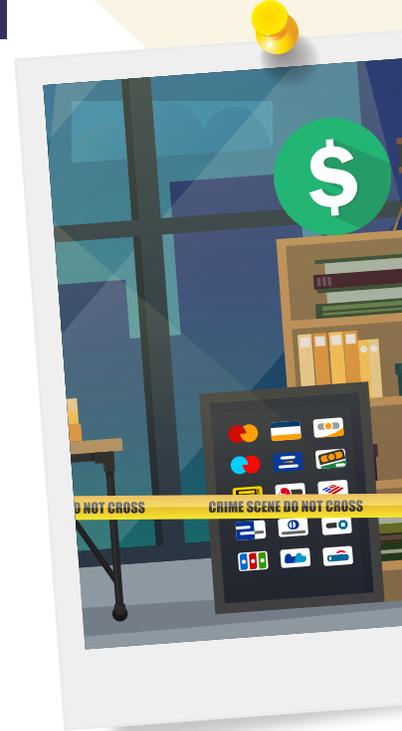
2x

Growth in revenue



LOOK FOR CLUES TO DIAGNOSE CROSS-BORDER PROCESSING ISSUES WITH STRIPE

Payments platform, [Stripe](#), suggests merchants answer the following questions about their own international processing processes to uncover clues to catch Mr. International Growth Impeder:



1. Are your checkout experiences optimized for international revenue growth?

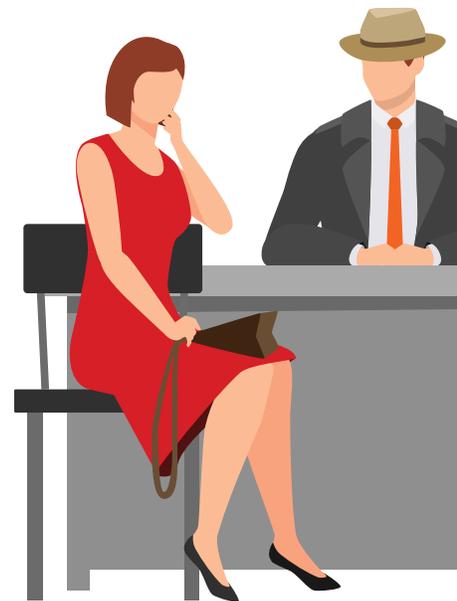


The easier and more familiar the payment method, the more likely a conversion will happen. Stripe offers a flexible solution for international businesses that provides access to 140+ currencies and includes support for dozens of popular, local payment methods such as AliPay, iDEAL, SEPA, Bancontact, and more. Stripe is also optimized for mobile experiences and supports mobile wallets like Apple Pay and Google Pay.

2. Have you adjusted your checkout experiences for international regulations around fraud protection?



International regulations to protect consumers from fraud differ by country. For example, a new European regulatory requirement called Strong Customer Authentication (SCA) protects merchants and their consumers from fraud by requiring additional authentication during the payment process for most online transactions (such as two-factor or biometric). Stripe helps you meet these new requirements by applying exemptions for low risk payments, thereby avoiding unnecessary friction in the payment process.



3. Is your payment solution equipped to optimize network authorization rates?



Stripe's intelligent optimizations reduce needless payment declines. These smart optimizations include automated retries, smart MCC designations, relevant metadata passing, and instant card updates from the networks. Even consider opening a local entity in any of Stripe's 34 countries to maximize authorization rates.



STAR WITNESS: MISSGUIDED

Fashion retailer, [Missguided](#), needed a payments platform with global reach and built-in fraud protection to support its global expansion.

Today, Stripe's localized checkout flows and support for payments in 140+ currencies available helps keep Missguided running for shoppers in every country.



MISSGUIDED

Stripe was a natural fit, with its emphasis on software that goes far beyond payments and a fundamentally different approach to commerce online."

John Rignall, IT Director, Missguided



75%

Increase in revenue



150

Countries served



40%

Of revenue from international sales



TIPS TO STOP MR. INTERNATIONAL GROWTH IMPEDER FROM HINDERING YOUR GLOBAL EXPANSION

Presented by  REDSTAGE

- ✓ Research platforms that allow you to offer local payment solutions that best suit your customers.
- ✓ Look into alternative payment methods to win sales from even more customers.
- ✓ Ensure your checkout is distraction-free and test all changes before rolling out new features site-wide.

IS SERGEANT SILO CHANNELS PREVENTING A SEAMLESS ONLINE TO IN-STORE TRANSITION?

Scene of the Crime: OMNICHANNEL EXPERIENCE



Suspect Profile: SERGEANT SILO CHANNELS



55 PERCENT
OF SHOPPERS FELT DISCONNECTED

Consumer expectations for seamless, personalized and omnichannel experiences are high. Despite this, a recent report found that only 27.5% of all US retailers offer buy online/pick up in-store (BOPIS) options.

This is a missed opportunity to drive incremental revenue since a separate study found that omnichannel customers are actually more valuable—they spend an average of 4 percent more every time they shop in the store and 10 percent more online than single-channel customers do.

- Enjoys creating poor in-store return experiences for items bought online
- Chuckles when customers can't validate and redeem personalized benefits both in-store and online
- Hobbies include creating silos between online and in-store inventory, payment, promotions and CRM systems



LOOK FOR CLUES TO DIAGNOSE POOR OMNICHANNEL EXPERIENCES WITH SQUARE

Omnichannel retail expert, [Square](#), suggest merchants answer the following questions about their own omnichannel experiences to capture Sergeant Silo Channels:



1. Do you have a full picture of your omnichannel buyers' behavior?

Customer profile data should include purchase history from both online and in-store channels, giving you a holistic view of your customers so you can create truly personalized experiences for them. When you have a complete view of your customers, you can better understand their purchase behavior across channels. This helps you target them accordingly to turn online buyers into in-store visitors, and vice-versa.



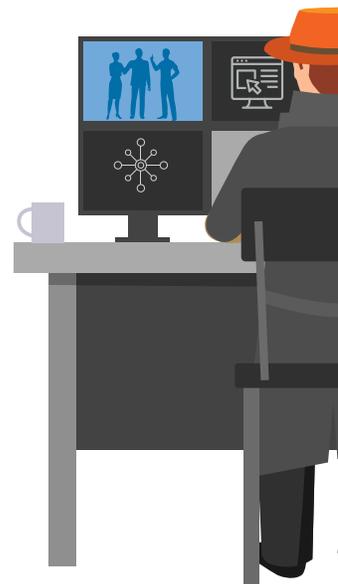
2. Is your inventory syncing in real-time across all channels?

Inaccurate data, limited stock, and slow replenishment are the biggest challenges when it comes to omnichannel operations. Overstocks and out-of-stocks cost retailers **\$1.1 trillion globally in lost revenue—\$222.7 billion of that can be attributed to data issues.** A strong inventory management system is crucial to effectively managing inventory and being prepared for online and in-person purchases, especially during seasonal rushes.



3. Are your online and in-store payments providers consolidated?

When choosing your payment processor and point of sale, think about how you run your business, what channels you have, and the data you receive from your back-end operations. When all of your channels are truly unified through your payments and POS, you'll get a holistic, data-driven view of how your customers shop.





STAR WITNESS: MEDICINE MAN GALLERY

Medicine Man Gallery was taking online payments with a provider that couldn't meet their unique business needs. Since their site is built on Magento, they sought a payment partner who was already integrated with the platform.



Square's dynamic multi-operational platform not only protects us during the transactions, but provides valuable insights into our customers on a granular level. As we continue into the next 25 years of business, I feel confident Square will join us for the ride."

Mark Sublette, Founder, Medicine Man Gallery

Today, Medicine Man Gallery uses several Square solutions, including Square POS and Virtual Terminal for their in-store and online sales, and is providing customers with a seamless omnichannel experience.



TIPS TO STOP SERGEANT SILO CHANNELS IN HIS TRACKS

Presented by



- ✓ Ensure your brand and message are communicated in a consistent manner across all channels (in-store, print, desktop, mobile).
- ✓ Incentivize customers with special offers, programs, contests, etc. to drive in-store traffic from online and vice-versa.
- ✓ Gather information in-store about items customers are seeking but not finding and turn this information into online offers.

For more advice on creating seamless omnichannel shopping experiences from Square, visit www.square.com

THE VERDICT



SO WHO KILLED MR. PROFITS?

Detective Magento and partners have completed their investigation into the murder of Mr. Profits. Clues have been gathered, suspects have been interviewed, and witnesses have stepped forward to testify.

THE RESULTS ARE CONCLUSIVE: ALL SEVEN SUSPECTS ARE TO BLAME!



Thankfully, along the path of the investigation, we uncovered plenty of ways to prevent Mr. Profits' demise within your own eCommerce business. From better checkout and payment processing to consumer financing, tax management, global, and omnichannel solutions, Magento and partners are here to support you and lock out the profit-killing challenges.

For more information, contact Magento. www.magento.com



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