Deloitte.

Deloitte's Omnichannel
Competitive Landscape
Services Checkout Study

MAKING AN
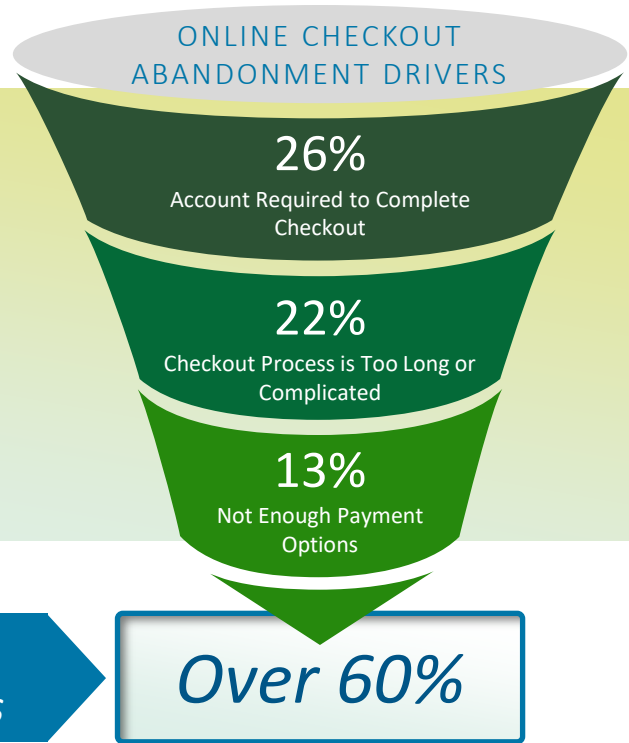IMPACT THAT
MATTERS
since 1845

Introduction

Attracting potential shoppers with great products and compelling prices is only half the battle when it comes to converting virtual window shopping into actual sales. No matter how much an online shopper wants an item, if a company's checkout experience is difficult or the services offered at checkout are limited, new order opportunities will be abandoned at checkout.

As a result, a company's online checkout experience is much more than a vehicle to collect customer information and payment. *It is a potential customer's first impression of a company's overall omnichannel maturity versus the competitive landscape customers are accustomed to…*

The Customer Checkout to Order Placement Conversion Funnel[1]

ONLINE CHECKOUT ABANDONMENT DRIVERS

26%
Account Required to Complete Checkout

22%
Checkout Process is Too Long or Complicated

13%
Not Enough Payment Options

Total Abandonment Driven by Checkout Experience & Options

Over 60%

Throughout the year, Deloitte monitors the omnichannel checkout services offered by global companies to establish year over year performance benchmarks and identify trends in checkout across the retail industry. We also test new checkout capabilities to understand how they work and perform.

Based on our review of the checkout services offered across the retail industry, we've identified how *Leading* retail companies are addressing the key factors that deter customers from transforming a desired item into a completed purchase through simplified processes and increased personal options.

Read On To Learn More About Leading Versus Lagging Checkout Experiences and What Your Company Can Do To Convert More Virtual Window Shoppers Into Customers

Introduction (cont.)

Deloitte's Omnichannel Competitive Landscape Study

16% of Companies Researched
- Sign Up Required to Purchase
- Only Accept Credit Cards
- Shipping & Billing Information Must Be Manually Entered
- No Delivery Timeframe or Timing Estimates in "Business Days"

LAGGING

65% of Companies Researched
- Can Checkout as a Guest
- PayPal & Pay-Over-Time Options
- Ship to Address Selection
- Estimated Delivery Date Shown

BASIC

19% of Companies Researched
- Can Checkout with Social Media ID
- Additional Payment Apps & Tender Types
- Commercial Ship to Address Indicators
- Cart Sharing Services
- Cross Brand Checkout

LEADING

Checkout Services Offered by Global Retail Companies Researched

Checkout Methods
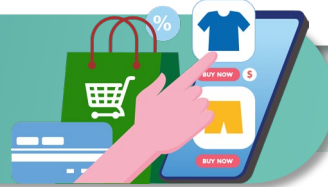
The first step in the checkout experience drives two major conversion components. First, customers may not want to make a commitment to a new company or share personal data that could be used elsewhere when they are making an initial purchase. Second, the checkout process must be fast and easy with as much automation as possible to prevent downstream order processing or delivery issues.

In order to address both of these customer concerns simultaneously, ***Leading companies are leveraging customers' pre-existing information stored within their various Social Media identifiers to accelerate and simplify the checkout journey from the very start.***

Checkout Methods Offered by Global Retail Companies Researched

LAGGING
7% Require Company Sign Up to Checkout

Perceived ongoing commitment & requires sharing personal data

BASIC
87% Offer a Guest Checkout Option

Purchaser & delivery information must be reentered with each order

LEADING
14% Allow Checkout with a Social Media ID

Information needed to complete order can be easily & safely shared

How Checkout with a Social Media ID Frequently Works

Customer selects to checkout with a Social Media ID

Sign In

Continue As Guest

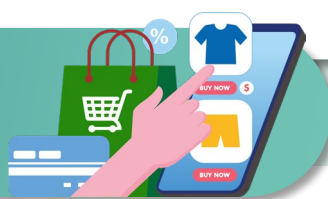Links to social media applications provided

Social Media ID elements are automatically applied to cart at checkout
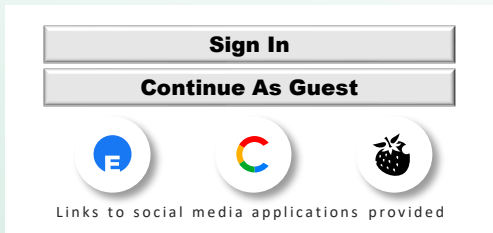
Examples of Critical Order Elements that can be Applied
- Purchaser Name
- Purchaser Contact Information (email & phone)
- Shipping Addresses Associated with Social ID

WHY **COMPANIES** LIKE SOCIAL MEDIA ID CHECKOUT

Increases checkout conversion rates

Secures accurate customer data for order processing & delivery

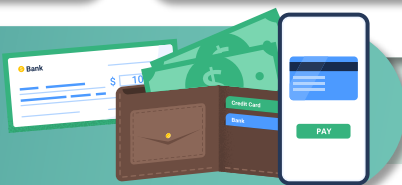## WHY **CUSTOMERS** LIKE SOCIAL MEDIA ID CHECKOUT

Facilitates the online checkout process

Personal information needed to place an order can be shared securely
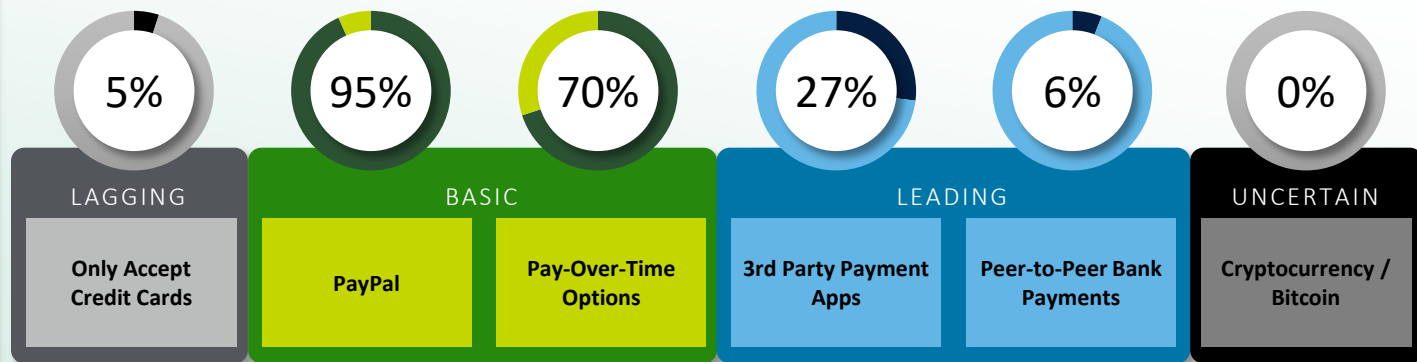
Payment Options

To address the third checkout abandonment driver we've identified, companies must offer customers choices they are comfortable with and that they trust when paying for an online order. Although 53% of consumers surveyed in 2023 indicated that they prefer to make purchases using digital wallets or payment applications[2], the first payment option offered by every retail company in our research was a credit card.

Leading companies are expanding the number of payment options they offer during online checkout to better align with the personal payment choices across varied customer segments.

Payment Options Offered by Global Retail Companies Researched

5%	95%	70%	27%	6%	0%
LAGGING	BASIC	BASIC	LEADING	LEADING	UNCERTAIN
Only Accept Credit Cards	PayPal	Pay-Over-Time Options	3rd Party Payment Apps	Peer-to-Peer Bank Payments	Cryptocurrency / Bitcoin

*Although **70% of Gen Z & Millennials** prefer to use Peer-to-Peer Payment Methods for Their Personal Finances[3], Only **6% of Retail Companies** We Researched Are Offering This as a Payment Option for Online Checkout*

Payment Options (cont.)
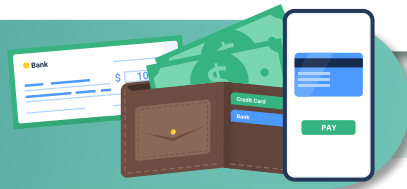
How Peer-to-Peer Payment Options Frequently Work

Payment Method

- ○ Credit Card
- ○ 3rd Party Payment Apps
- ○ Pay-Over-Time

- ○ Peer-to-Peer Payment **P2P**

Basic Payment Options

Customer Initiates Immediate Funds Transfer via P2P Digital Platforms

WHY **COMPANIES** LIKE PEER-TO-PEER PAYMENT

- Increased checkout conversion rates, especially with younger customer segments

- Reduced transaction approval & processing fees

WHY **CUSTOMERS** LIKE PEER-TO-PEER PAYMENT

- Fast and convenient instant payment with no monthly credit card balance

- Safe & secure method of issuing a payment to a company they have no history with

Additional Leading Checkout Services

In addition to addressing the primary drivers of checkout abandonment, *Leading* companies are offering additional services throughout their customer checkout journeys. Each of these services increases the chance of converting a shopping cart into an order *while simultaneously achieving even more company & customer benefits:*

Additional Leading Checkout Services

|	CROSS BRAND CHECKOUT	INDICATE COMMERCIAL ADDRESS	CART SHARING SERVICES
% 2024 Companies Offering	**9%**	**4%**	**3%**
How it Works	Items selected across different brand websites can be added to a single consolidated cart for checkout	Customers can indicate whether the address they are shipping their order to is a commercial building vs. residence	Customers can forward their cart to other individuals to approve purchase or to complete checkout payment
Company Benefit	• Delivery consolidation & Increased average order value • Decreased transactions and communications needed	• Delivery savings on residential surcharges • Reduced failed delivery attempts	• Reduces returns • Secures low-risk payment
Customer Benefit	• Simpler process • Fewer deliveries and packages • Easier to reach free shipping minimum threshold	• More accurate delivery address details • Convenience of shipping to an office location instead of home	• Recipients receive preferred colors, sizes and styles • Payers can review and edit cart before authorizing

About Deloitte's Omnichannel Competitive Landscape Services

We research & test omnichannel services **offered by 145 global companies collecting over 70 data points** across the customer journey. We then apply intelligent analytics to our data to establish year over year performance indicators and identify new emerging trends.

Who is Included in Our Studies

145 global companies
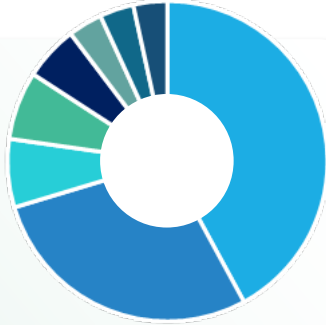
Category	%
SPECIALTY RETAILERS	42%
WHOLESALE BRANDS	28%
DEPARTMENT STORES	7%
FAST FASHION	7%
DISCOUNT & OFF-PRICE	6%
BIG BOX & MASS MERCHANTS	3%
CONSUMER PRODUCTS	3%
RESALE / CIRCULAR MARKETS	3%

Company Statistics

Annual Revenue (Billions)

20%	32%	23%	10%	6%	3%	5%
Under $1	$1 - $4	$5 - $9	$10 - $24	$25 - $49	$50 - $99	Over $100

Headquarters

37%	26%	19%	14%	2%	2%
Eastern US	Western US	Central US	Europe	APAC	Canada

Markets Serviced

100%	53%	52%	51%	48%
North America	Europe	APAC	Other Regions	Central / South America

Years in Business

19%	26%	33%	21%
Under 25	25 - 49	50 - 100	Over 100

Brick & Mortar Stores

14%	6%	14%	17%	10%	16%	23%
None	Under 25	25 - 99	100 - 249	250 - 499	500 - 999	Over 1k

HOW WE COLLECT OUR INFORMATION

- *Research company store policies & online service offerings*
- *Conduct store shopping, online order & return performance tests*
- *Advanced analytics to identify performance levels and capability trends*

WHAT THIS ENABLES US TO SHARE

- *Key omnichannel performance benchmarks across retail industries*
- *The end-to-end global competitive landscape*
- *The optimal post purchase journeys for your customers*

Want To Learn More About Where Your Company Resides In The Omnichannel Competitive Landscape Spectrum And How Deloitte Can Help You Advance Your Online Checkout Capabilities?

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Endnotes:
1. https://baymard.com/lists/cart-abandonment-rate
2. https://www.forbes.com/advisor/credit-cards/credit-card-statistics
3. https://media.chase.com/news/consumers-are-using-banking-apps-for-more-than-transactions-new-chase-.

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