

The state of Asia Pacific checkouts in 2022



Introduction

Inflation and rising interest rates are making consumers wary about spending, which means businesses have to work harder to convert interested shoppers into paying customers. Successful conversion depends on a fast and intuitive checkout experience—without friction that could cause customers to abandon their carts. This is especially true during a difficult economic period in which customers may be more hesitant to purchase in the first place.

Stripe partnered with Edgar, Dunn & Company to analyse the checkout flows of the top ecommerce and subscription businesses in five countries in Asia Pacific (APAC), we found a startling fact: 99% of APAC websites make at least five basic errors in their checkout process. These include not offering popular payment methods and not allowing customers to save their payment method details for future use. The net result is a lot of money left on the table.

The majority of businesses also neglected to integrate key revenue opportunities into their checkout flows. For example, we found that 54% of APAC websites don't offer cross-sells at checkout, and 89% don't offer upsell opportunities, overlooking a proven way to increase average order size.

We've consolidated our findings to help businesses convert more customers and grow revenue by improving their checkout flows. This report highlights checkout best practices, as well as businesses that have used Stripe to implement them.

This report contains four sections:

- 1 **Checkout conversion strategies**
- 2 **Payment method preferences**
- 3 **Mobile optimisation**
- 4 **Subscription best practices**



Countries included in the report

Checkout conversion strategies

The best checkouts optimise for speed, security, and convenience.

The importance of a fast checkout can't be overstated: 49% of customers give up on a purchase after 3 minutes. This means businesses are losing about half of all online customers who intend to make a purchase. In addition, only 10% of customers always complete an online purchase. This provides businesses with substantial opportunity to convert the 90% who don't.

Length of checkout matters, and it still takes too long

49%

of customers give up on a purchase after 3 minutes

90%

of customers abandon their online purchases

Security is another critical factor. The customers we surveyed said the top reason they would perceive a business negatively is if its website didn't feel secure or trustworthy. Beyond offering a secure checkout flow, it's important for businesses to display logos and credentials like "Verified by Visa" or "Mastercard SecureCode" to build consumer trust in their brands.

Finally, businesses can optimise their checkout flow by giving customers the option to save payment details for future use, surfacing recommended products through upselling and cross-selling, and reminding customers to complete their purchase if they abandon their cart.

The top checkout form errors and missed opportunities

Ninety-nine percent of APAC websites made at least five basic errors in their checkout process. Here are some of the most common mistakes and missed opportunities:

- **79%** didn't display security logos on their checkout page, jeopardising customer trust.
- **82%** didn't follow up with customers who had abandoned their cart.
- **89%** didn't recommend higher-end versions of a product or service through upselling.
- **54%** didn't recommend related products or services through cross-selling.
- **45%** of APAC websites let customers attempt to pay with an expired card.

Many websites also had transactional errors related to card processing:

<p>Card information</p> <p>1234 1234 1234 1234</p> <p>MM / YY CVC</p> <p>Your card number is invalid</p>	<p>54%</p> <p>did not automatically verify the card number as it was entered, increasing the likelihood of customers submitting inaccurate payment information.</p>
<p>Card information</p> <p>4242 4242 4242 4242</p> <p>05 / 19</p> <p>MM / YY CVC</p>	<p>45%</p> <p>let customers attempt to pay with an expired card date.</p>
<p>Card information</p> <p>4242424242424242</p> <p>MM / YY CVC</p> <p>Your card number is invalid</p>	<p>32%</p> <p>did not break down card number details in a structured way.</p>
<p>Card information</p> <p>4242 4242 4242 4242</p> <p>MM / YY CVC</p> <p>VISA</p>	<p>54%</p> <p>did not confirm card type when a card number was entered, missing the opportunity to validate payment details in real time.</p>

Checklist: How to optimise the checkout experience

- Display error messaging:** Highlight payment information errors in real time, such as invalid card numbers, expired dates, or incorrect personal information.
- Save payment information:** Allow customers to store payment information so they can make future purchases with one click.
- Upsell and cross-sell:** Surface personalised and related product recommendations to increase average order value.
- Follow up:** Send an email to customers who abandoned carts, on either the same or following day.
- Display security visuals:** Display trusted security logos and credentials to reinforce that the page is secure.



How Bikes Online achieved 10x growth in global expansion

Bikes Online, a direct-to-consumer online retailer of road bikes, mountain bikes, and bike gear, was founded in Sydney, Australia. With Stripe, the company expanded into new markets and built a seamless checkout experience that has increased conversion. The company has seen a 10x increase in business since its US launch, and now does more business there than in Australia. Bikes Online also saves almost \$20,000 per month in fraud costs with protection from Stripe Radar.

Payment method preferences

Payment method preferences are diverse and vary regionally. To expand global reach, businesses have to stay on top of how and when their customers prefer to pay. That could mean offering one-click checkout in some markets, local payment methods like Paynow in others, or instalment plans in regions where buy now, pay later options are popular.

However, it's not just about increasing the number of payment options—businesses need to ensure that they're surfacing the right ones, too. Ninety-seven percent of customers said it was important for a website to provide the common payment methods in their country, and 84% said they would frequently abandon their cart if their preferred payment method wasn't available.

Preferred local payment methods across Asia Pacific

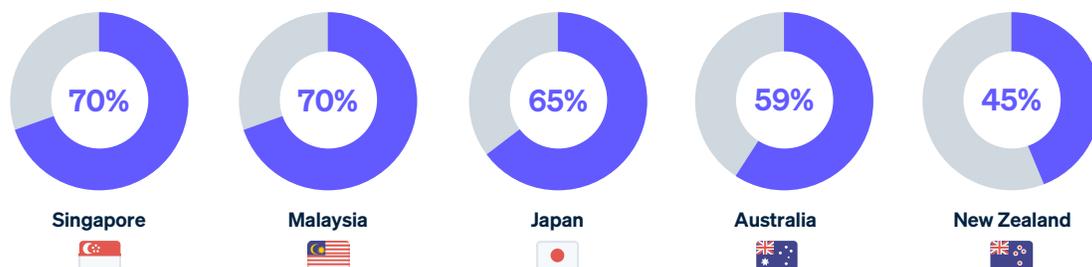
Country	Preferred local payment method	% of consumers who prefer this payment method	% of businesses that offer this payment method
 Australia	Bank transfer	19%	9%
 Japan	Konbini	29%	73%
 New Zealand	Bank transfer	24%	8%
 Malaysia	FPX	56%	48%
 Singapore	PayNow	50%	29%

This excludes any non-domestic payment methods, such as international cards, digital wallets, or buy now, pay later options.

Beyond local payment methods, businesses should also consider letting customers pay in instalments, especially if they have a high average order value. Buy now, pay later methods, like Afterpay in Australia, are increasingly popular: 71% of customers said they would be more likely to complete a purchase if they were available. However, only 40% of ecommerce sites in APAC offered them. A Stripe study found that businesses saw a 27% increase in sales when they offered Afterpay.

Sixty percent of APAC customers are more likely to use a mobile phone than a desktop or laptop to shop online. This means businesses can reduce friction at checkout and enable their customers to check out faster when paying with Apple Pay, Google Pay, WeChat Pay, or AliPay. In a separate Stripe study, we found that businesses doubled their sales in China when they offered Alipay, a popular payment method in the country.

Asia Pacific customers are more likely to complete a purchase on mobile than their desktop or laptop, but it varies by country



Percentage of survey respondents in each country who are more likely to complete a purchase on mobile than their desktop or laptop

Checklist: How to localise and improve your payments experience

- Language and currency:** Identify the top countries in which you want to sell and make sure you localise the checkout experience by translating the page and displaying local currency.
- Local payment methods:** Dynamically surface the right payment methods in your checkout depending on where your customers are located or which device they're using.
- Dynamic fields:** Change the payment fields to capture the right information for each country. For example, if your form recognises an Australian card, you should dynamically remove the field for postcode.
- Instalments:** Consider offering buy now, pay later services if they're popular where your customers are based and you have a high average order value.

Jotform offered 20+ local payment methods with Stripe Checkout



Jotform is an online form-building platform that streamlines workflows for entrepreneurs, SMBs, and enterprise businesses. Jotform integrated with Stripe Checkout to offer its users 20+ local payment methods on web and mobile. Checkout automatically filters payment methods based on a customer's device and location. After switching to Checkout, one Jotform user increased conversion 67%, and now receives 18% of their transactions via digital wallets like Apple Pay and Google Pay.

Mobile optimisation

Roughly half of the customers we surveyed use smartphones more often than desktop devices to browse and shop for products online. Survey respondents are also shopping through social media, with 80% saying they use platforms such as Facebook, Instagram, and YouTube to make purchases.

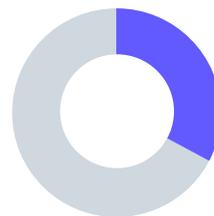
Businesses need to improve their mobile checkout experience to accommodate these preferences. While 98% of businesses we surveyed adapted their checkout flow to a smaller screen, the majority did not support wallets, a mobile-friendly payment method that allows customers to store payment information, such as debit or credit cards, on their phones.

More than three-quarters of customers (84%) are more likely to complete a purchase if a website offers one-click checkout options, such as Apple Pay or Google Pay. Saving a payment method can also provide customers with the option to use one-click checkout in the future. However, only one-third of the websites we analysed offered this feature.

Most businesses don't offer one-click checkout, but most customers prefer it



84%
of customers are more likely to complete a purchase if one-click checkout is offered



33%
of sites offer one-click checkout

Percentage of survey respondents across Asia Pacific who would be more likely to complete a purchase if one-click checkout were offered

The top mobile optimisation errors

- **66%** of mobile checkouts did not provide the ability to save payment information for future purchases.
- **89%** did not support Apple Pay or Google Pay.
- **60%** did not offer buy now, pay later services like Afterpay.
- **54%** did not recommend related products or services through cross-selling.
- **26%** failed to surface a numeric keypad to help with entering card information.

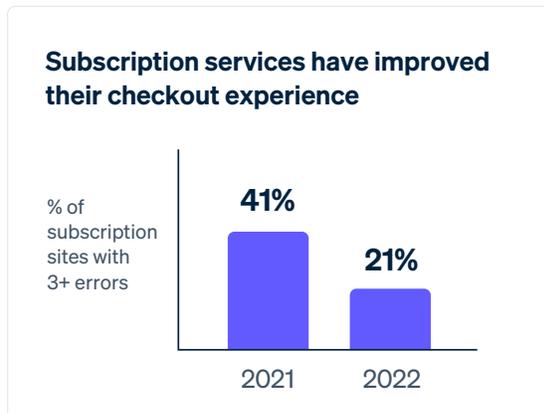
Checklist: How to optimise for mobile and unified commerce

- Responsiveness:** Optimise conversion on mobile devices with a fully responsive design to ensure your form automatically resizes based on device screen size.
- Keypad:** Display a numeric keypad when customers are prompted to enter their card information.
- Wallets:** Offer mobile wallet payment methods (e.g., Apple Pay and Google Pay).
- One-click payment:** Increase conversion and reduce checkout friction with one-click payment options.

Global subscription best practices

Subscriptions can be an effective tool for creating high-value repeat customers, but any mistakes in the checkout process put recurring revenue at risk.

We found that 79% of APAC customers have had a negative experience with subscriptions—with the top reason being that it takes too many steps to cancel a subscription. One-fifth of the top 217 global subscription sites had at least three basic errors in their transaction process, including not confirming card type (35%) and not automatically verifying card number (30%). This is an improvement over last year, when 41% of subscription businesses were making these types of errors.



With checkout flows improving, subscription businesses need to provide a thoroughly seamless customer experience in order to gain a competitive edge. Businesses need to pay attention to the factors that could deter new subscribers or cause existing ones to cancel when they update their payment details.

Top opportunities to improve the global subscription experience

- **57%** of subscription sites did not offer a free trial, which would allow users to try before they buy.
- **51%** of subscription sites did not provide fields for coupon or promo codes.
- **58%** of subscription sites did not facilitate account creation through integration with a social media profile (e.g., Facebook or Google).
- **39%** of subscription sites required customers to manually enter their address instead of offering autofill capabilities.
- **25%** of customers said they are deterred from subscribing if they can't modify or cancel their subscriptions online.

Checklist: Best practices for subscription businesses

- Discounts and free trials:** Bring in new customers by allowing them to sample your product or service for a period of time at no cost.
- Reusable payment methods:** Allow customers to utilise reusable payment methods such as wallets and bank debits, so they only have to provide their payment information once.
- Self-service:** Enable your customers to easily manage their subscriptions online without needing to speak to a support agent or go through too many steps.
- Social media:** Streamline the sign-in experience by allowing customers to create an account or log in via a social media profile.
- Address auto-complete:** Make it easier for customers to enter their billing or shipping address with address auto-complete.



Atlassian selected Stripe to create a single platform for global billing and payments

Atlassian is a leading provider of team collaboration and productivity software, including Jira Software, Confluence, Trello, and Bitbucket. The company chose Stripe for its flexible billing solution and deeply collaborative approach to enterprise partnerships. This has allowed Atlassian to consolidate its payments and billing systems into a single, easy-to-use architecture for its more than 200,000 customers.

How Stripe can help

In order to successfully navigate the uncertain economic conditions ahead, businesses need to ensure they're offering every customer the smoothest possible path to purchase. That means a frictionless checkout experience which surfaces recommended products so customers don't have to hunt for what they need.

Fortunately, you don't have to spend time and engineering resources building your own solutions. With Stripe, you can increase conversion globally and provide a best-in-class customer experience—all by integrating with our unified platform. With our suite of products, you can:

Offer a seamless checkout experience

- Use our [prebuilt, hosted payments page](#) with Stripe Checkout to launch a conversion-optimised experience with minimal development time.
- Use our [embeddable UI components](#) with Payment Element to design a secure, conversion-optimised payments experience that perfectly matches your site and dynamically surfaces the most relevant 25+ payment methods.
- Create a full [payment page](#) with Payment Links and share the link without writing any code.
- Let customers save payment details and check out faster with [one-click checkout](#) with Link.



Build for global expansion and localised experiences

- Accept payments from customers [around the world](#) with cardholder support in more than 195 countries.
- Let customers pay with their local payment method—Afterpay and BECS for customers in Australia, Konbini and Furikomi in Japan, Paynow in Singapore, FPX in Malaysia, or popular wallets like GrabPay, Alipay, and WeChatPay.
- Dynamically display relevant payment methods based on IP address, browser locale, cookies, and other signals.
- Add and scale payment method support, including wallets and buy now, pay later, without filling out multiple forms or following one-off onboarding processes.



Optimise for mobile and unified commerce

- Use fully responsive checkout forms that work across any device.
- Get built-in Apple Pay and Google Pay without any additional registration or domain validation required.
- Provide a [seamless experience](#) across online and offline channels (e.g., reserving online and picking up in store).



Launch subscriptions quickly and turn one-time purchases into recurring revenue



- Collect [recurring payments](#) via card, direct debit (BECS in Australia), bank transfers (Furikomi in Japan), and other popular payment methods instantly.
- Experiment with pricing by using flexible billing logic for everything from per-seat pricing to metered billing, out of the box.
- Allow customers to self-serve with a portal to easily upgrade, downgrade, pause, or resume subscriptions.
- Reduce churn with smart retries, automated failed payment emails, and an automatic card updater.

[Get in touch](#) with a Stripe expert today to learn how you can optimise your checkout flow and scale your business.

Methodology

Stripe partnered with Edgar, Dunn & Company to analyse the top 100 ecommerce websites in each of five countries in APAC—Japan, Australia, Singapore, Malaysia, and New Zealand—based on online sales volume from Statista. Where the number of websites was not sufficient, we augmented the sample with the top websites by online traffic according to Similarweb.

We tested each website for errors by placing a product in the shopping cart to simulate an online purchase and, in some cases, using a VPN to complete the checkout process to mimic customers based in different countries. We analysed checkout flows against a list of 26 criteria related to checkout form design, mobile optimisation, localisation, and buyer trust and security.

We also analysed the top 217 global B2C subscription websites that offer digital content and physical goods, based on website traffic from Crunchbase. The sample included the following categories of subscription websites: media and streaming, file sharing, fitness apps, food delivery, e-learning, and news. We excluded B2B subscription websites where pricing is often tailored to individual clients, adult entertainment platforms, and online gambling websites.

Lastly, we surveyed 542 consumers in APAC to uncover insights around current shopping behaviours and trends, payment preferences, and factors that affect the checkout experience.