

*Mobile Payments – How  
your checkout and  
payment methods can  
improve mobile  
conversion*

Matthew Scott | Klarna





# Hello

Boost business and think mobile first

# Let's talk about..



**Mobile Consumers & checkouts**



**Common issues & solution**



**Top Tips**

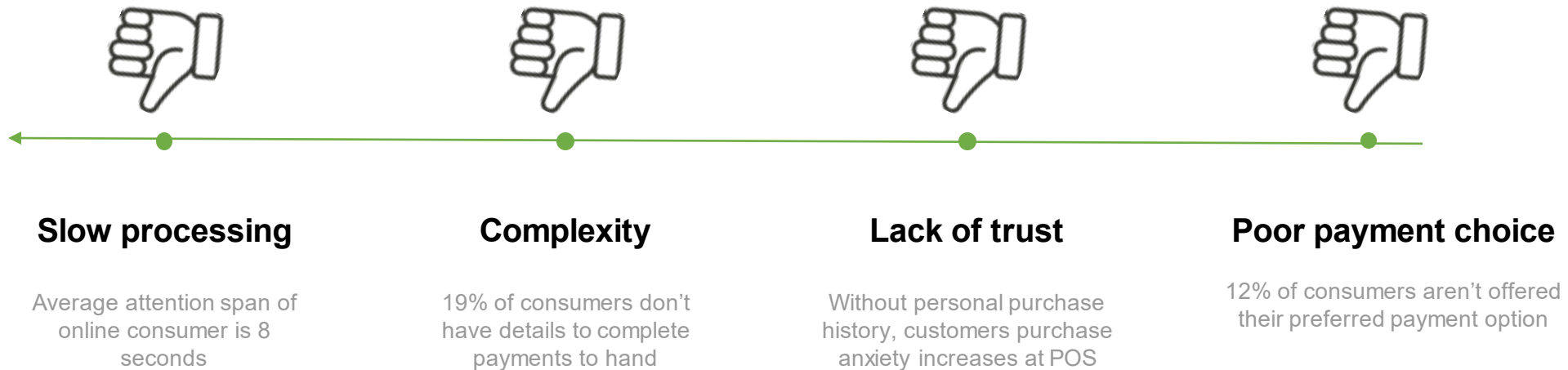


**Q&A**

# Mobile as a sales channel

- M-Commerce growth continues to outpace all other channels
- ***Browse on mobile, buy on desktop*** is fading for non-high ticket retailers
- Mobile checkouts are often a smaller version of the desktop site
- High number of distractions on mobile, social media, messaging, streaming etc. all contribute to churn

# Consumers want a better online experience across all devices



## Consumers abandoning carts:

67%

Desktop

71%

Laptop

82%

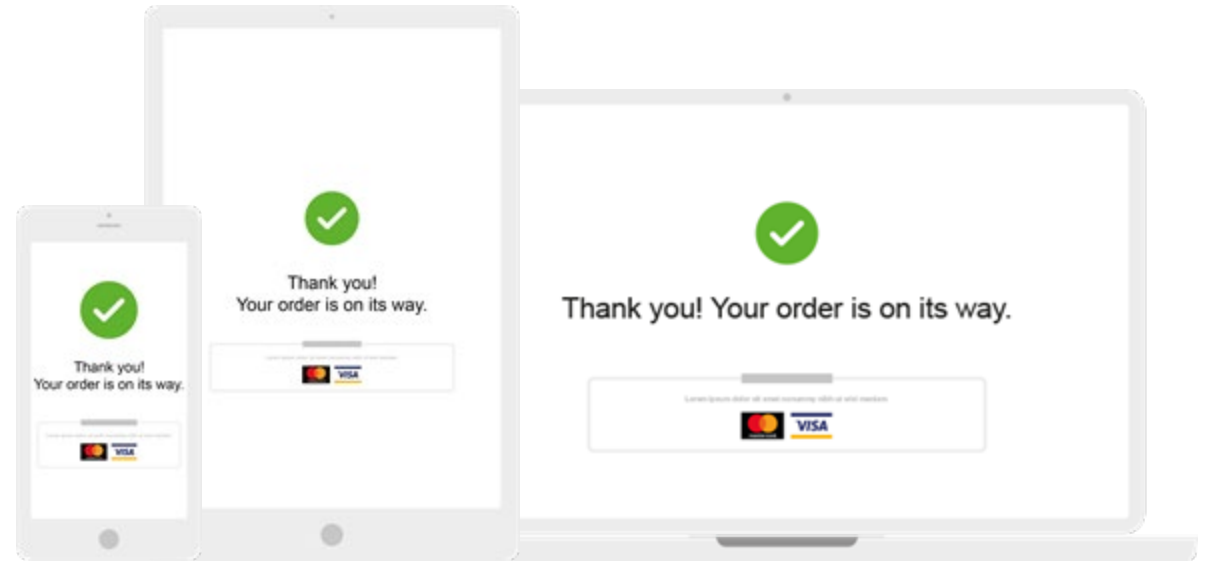
Smartphone

# Mobile *is* the preferred channel

*What this means for e-tailers*

- More emphasis on mobile experience
- Frictionless mobile payments crucial for success
- Greater investment in mobile channel  
(1 in 3 top UK retailers still don't have a mobile app)

***New e-payments platforms must be optimized for the mobile experience***



**>50%**

of UK retail traffic now from mobile devices. <sup>i</sup>

**66%**

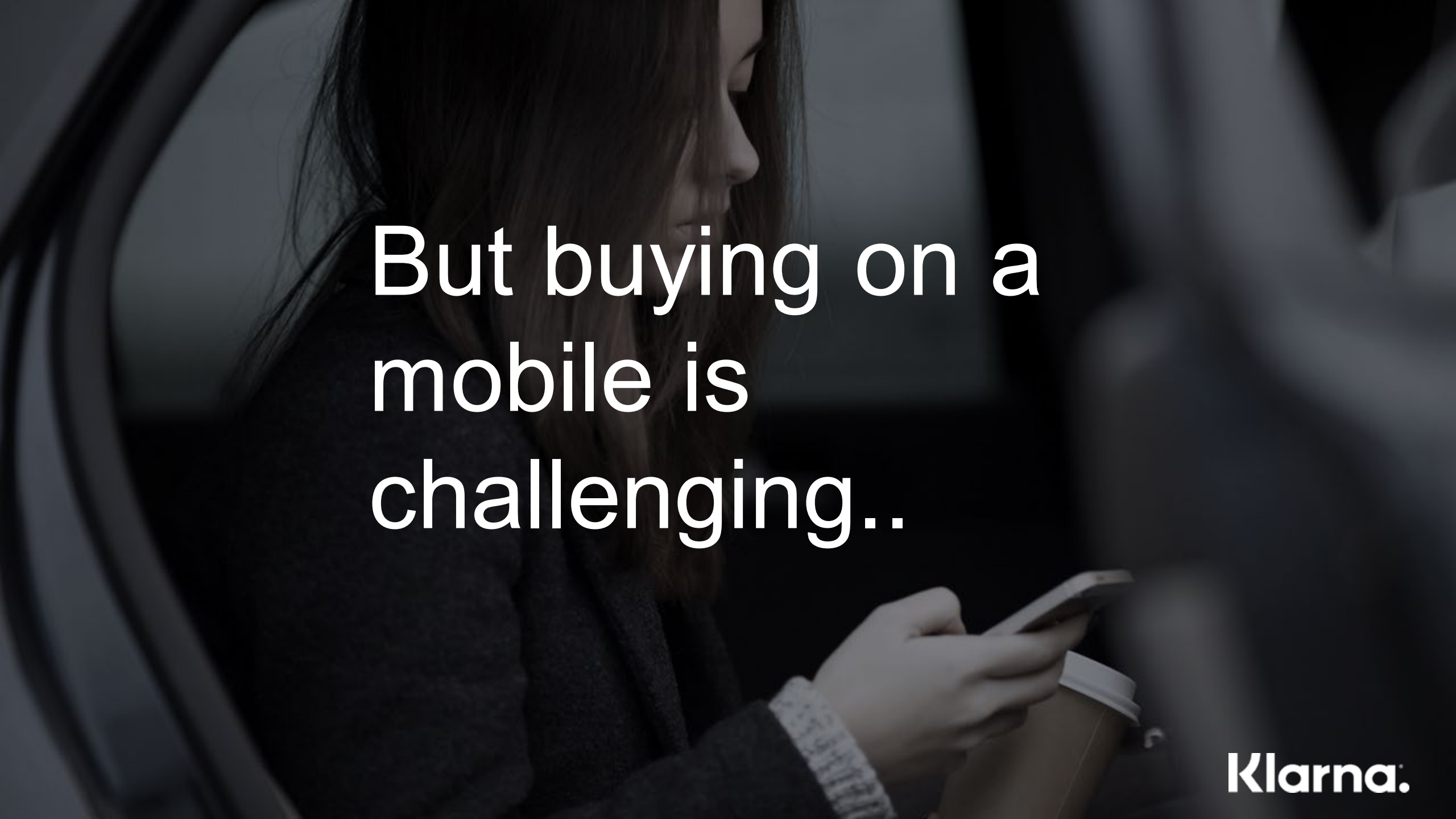
By 2020, 66% (£43 bn) all UK e-commerce sales by smartphone. <sup>ii</sup>



Mobile transaction values will treble in just four years. <sup>ii</sup>

<sup>i</sup> IMRG Capgemini Quarterly Benchmarking Report, Feb 2017

<sup>ii</sup> OC&C Strategy Consultants, Google and PayPal UK – The Mobile Mandate. Report, Feb 2017

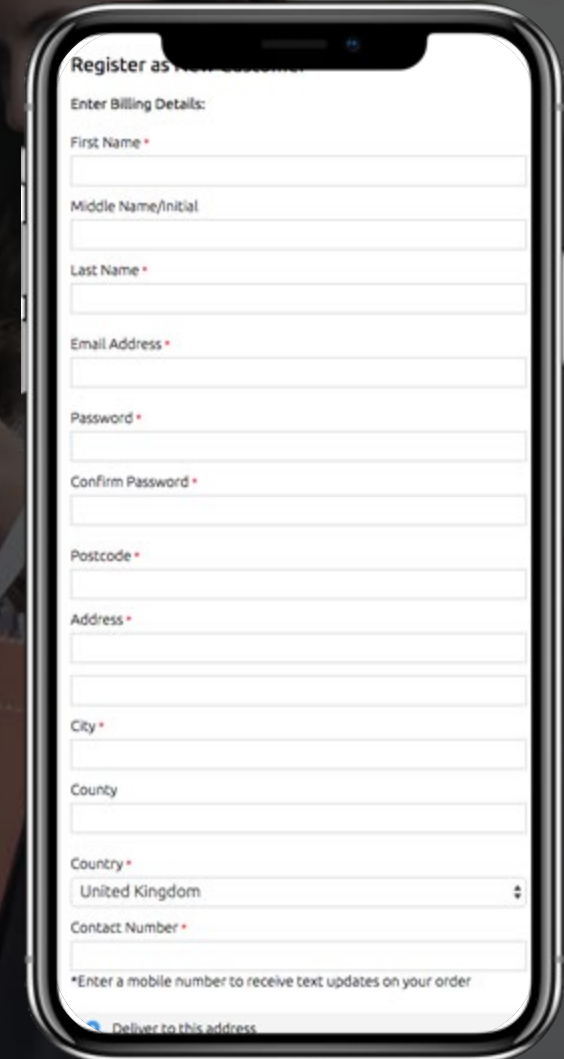
A woman with long dark hair is shown in profile, looking down at her smartphone. She is holding a brown paper coffee cup with a white lid. The background is blurred, showing other people in a public setting. The overall image has a dark, muted color palette.

But buying on a  
mobile is  
challenging..

**Klarna.**

# Some of the key drivers of churn

- Long, lengthy forms
- Unclear next steps
- Redirect took too long
- Forced log in
- Slow load/response time
- Other apps competing for attention



Register as

Enter Billing Details:

First Name \*

Middle Name/Initial

Last Name \*

Email Address \*

Password \*

Confirm Password \*

Postcode \*

Address \*

City \*

County

Country \*

United Kingdom

Contact Number \*

\*Enter a mobile number to receive text updates on your order

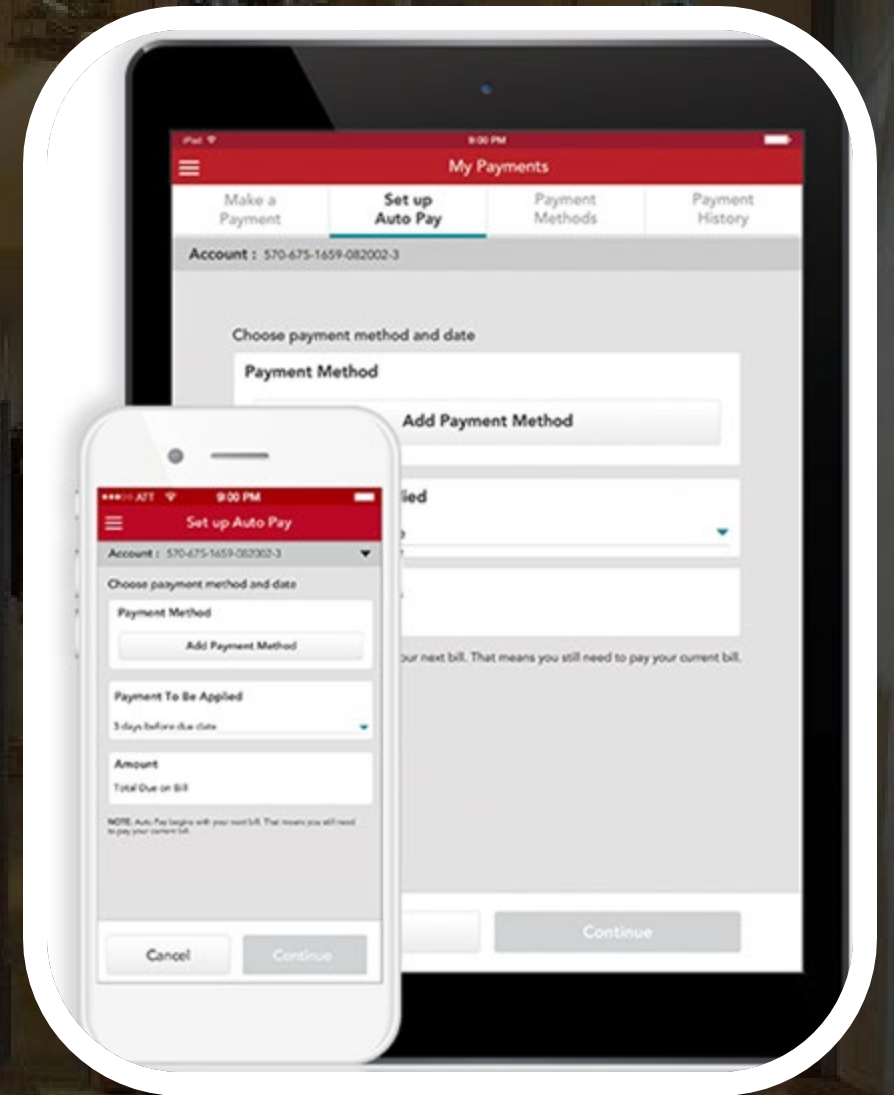
Deliver to this address





# Mobile Payment Piece

- Clarity at POS is crucial to avoid unnecessary churn
- Over-reliance on third party checks e.g. 3DS or User Log in
- Redirects away from site generate lag & drive increases in churn
- Ensure all calls to action are in the so called '*hot zone*'





**Introducing new ways to  
pay on mobile..**

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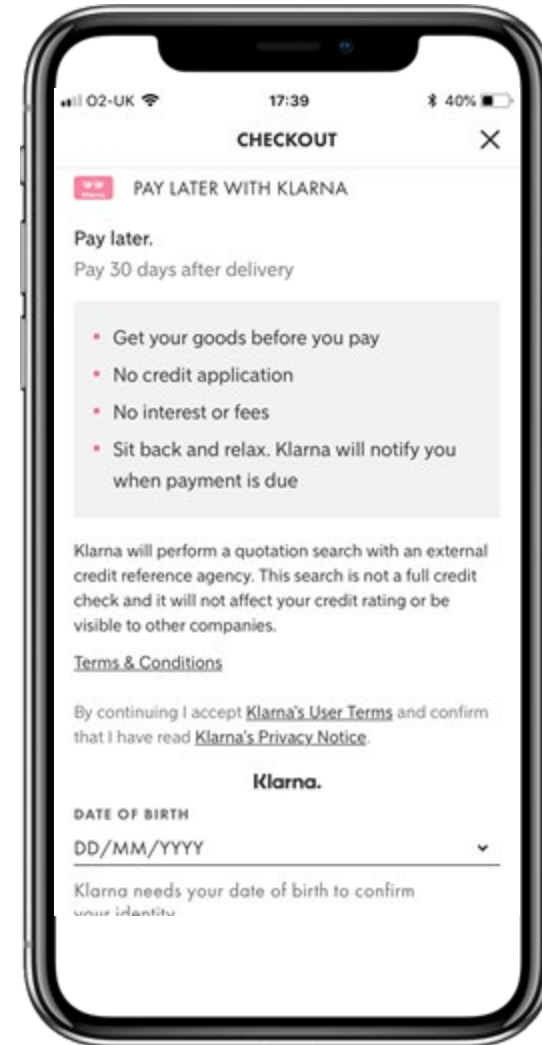
# Pay later

With Klarna's Pay later, consumers get 14 or 30 days from order shipment/collection to pay for their purchase.

- **Simple and convenient for the shopper.**
- **Minimal personal details collected via device.**
- **No risk** - You get paid. Klarna collects funds from the consumer.
- **Unique proposition in the market** – differentiate from competitors and build loyalty.

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**Boost business – 7% increase in sales conversions when compared to card.**

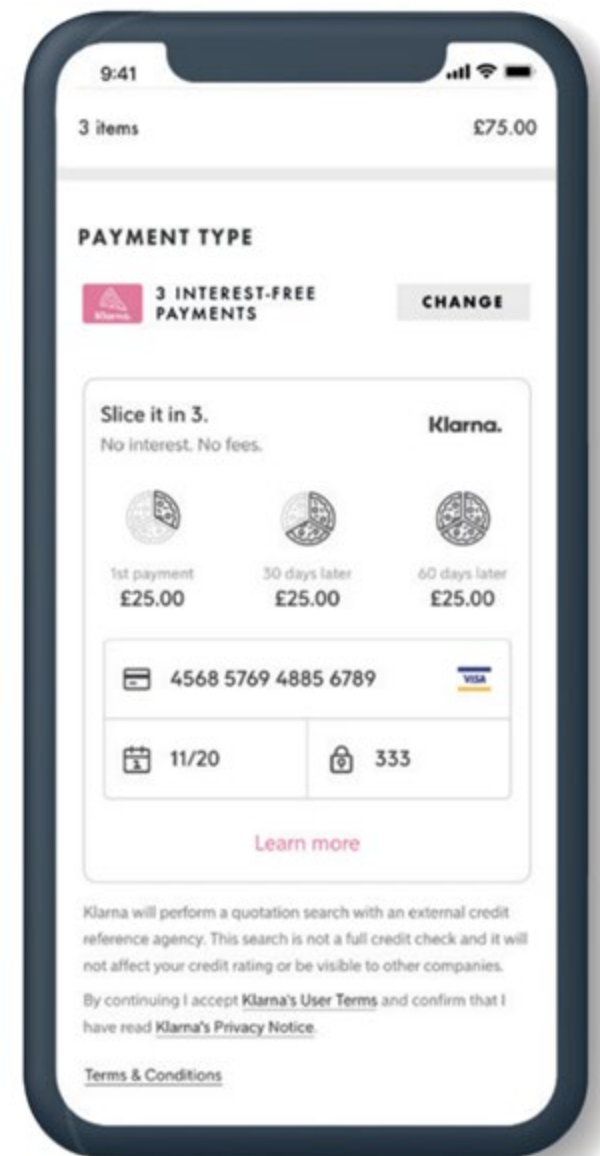




## Slice it in 3

Similar to Pay Later, Si3 would give your customers even more flexibility in purchasing.

- **Maximises Approval Rates** - As we are taking card details, we are expecting 95% approval rates.
- **No credit application or registration** - Like Pay later this is not a regulated product therefore the customer is not entering into a credit agreement.
- **Increasing purchase power** - It gives your customers the chance to buy everything they want in one go. This is possible owing to the high level of acceptance, the speed of application and process and naturally, increases their budget.
- **No need for a Credit Broker License (CBL)** - As an unregulated credit product, you would not need to have a (CBL) to offer this to their customers



A person is shown from the chest down, wearing a dark grey hoodie and holding a silver smartphone in their hands. They are sitting on a grey surface, and a dark grey Herschel bag with brown leather straps and buckles is resting on their lap. The bag has a white label with the Herschel logo and 'MADE IN CANADA' visible. The background is dark and out of focus.

**Four top tips..**

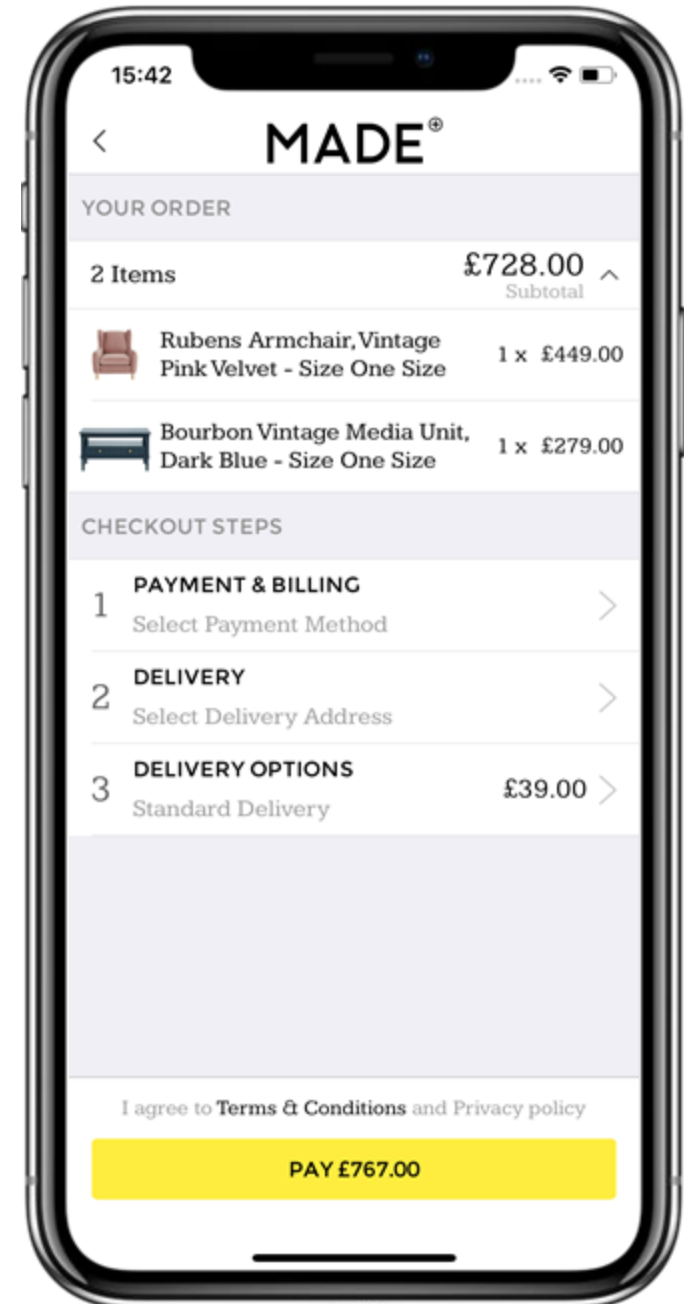
**Klarna.**

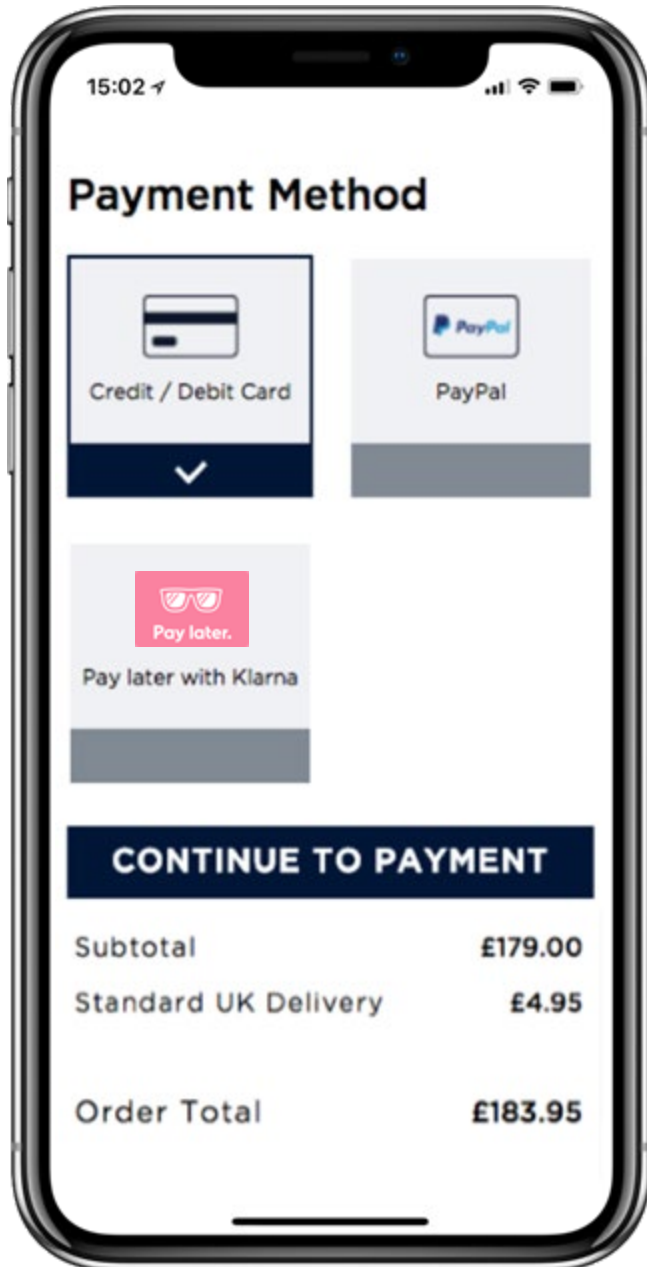
# 1. Improve the checkout UX

- Lengthy checkout processes will cause increases in abandon carts
- Needless interaction points generate unnecessary friction & lost sales-  
minimise scrolling needed

## Recommendation:

- Monitor and test your checkout UX on all non-desktop devices
- Simplify the journey end to end





## 2. Create clarity at POS

- Complex &/or unclear payment options will generate customer confusion
- Calls to action that are too small cause irritation amongst customers at the critical buying phase

### Recommendation:

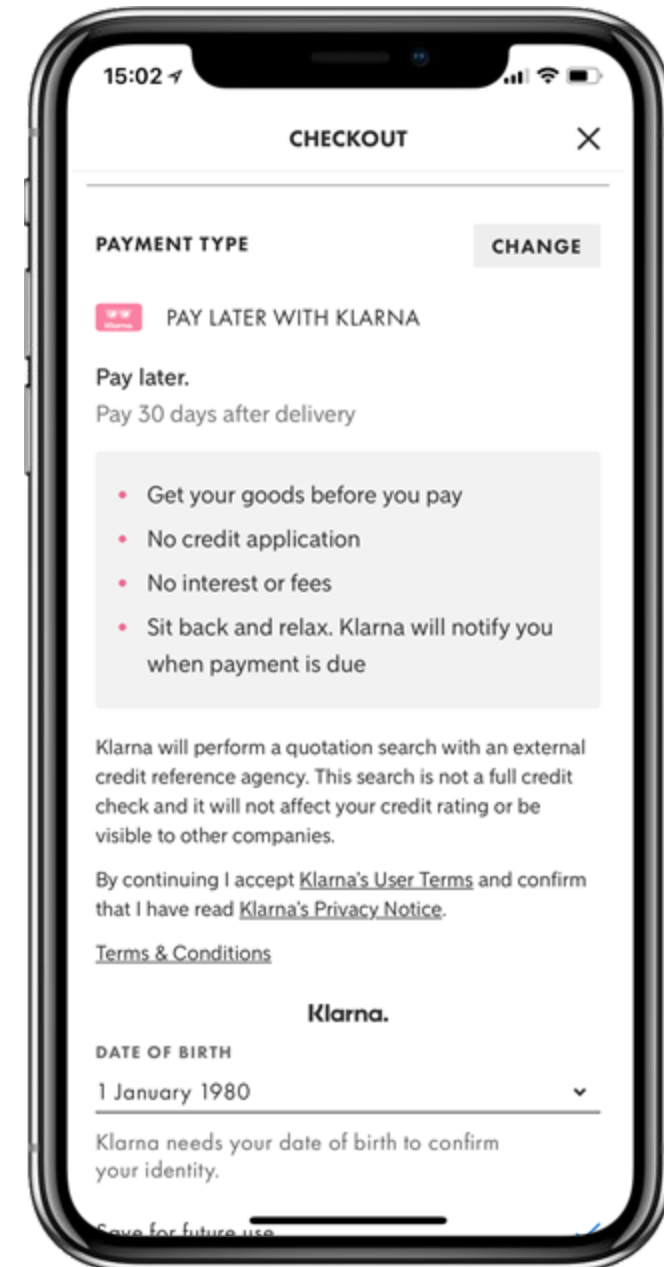
- Ensure all options are clearly displayed & outlined
- Recognised branding & large calls to action

# 3. Allow flexible payments

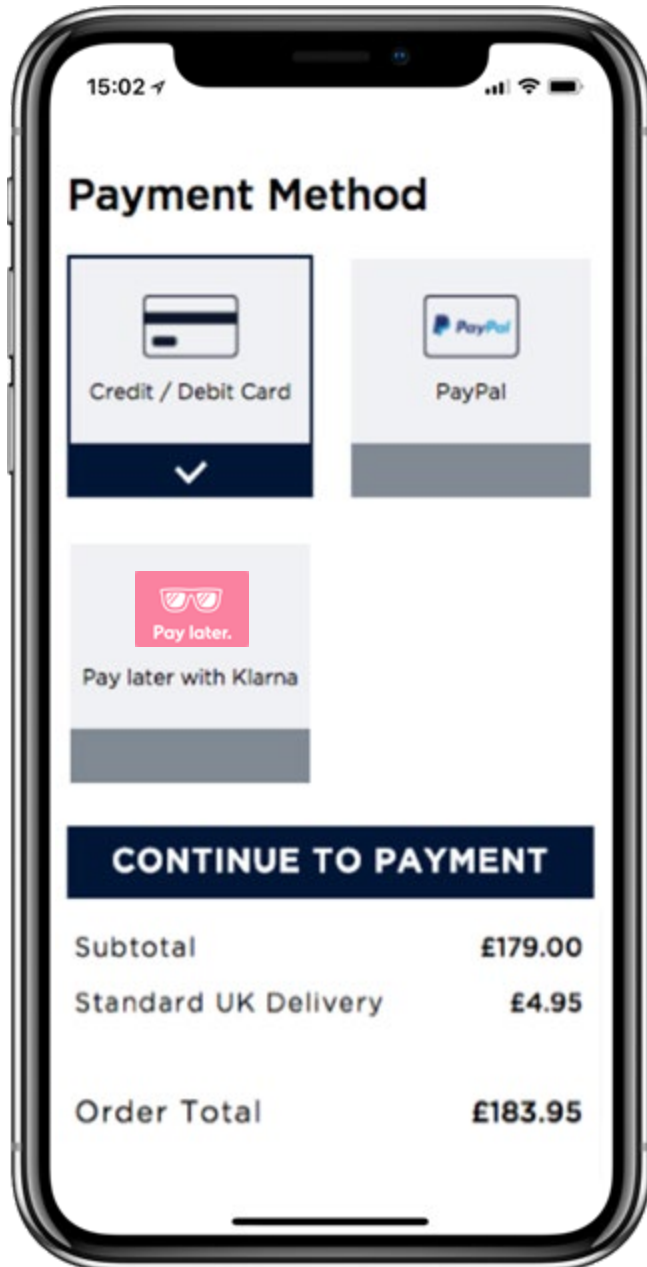
- Fixed payment methods with limited flexibility can put buyers off completing their purchase
- Additional payment methods can aid in converting customers wavering on abandoning their carts

## Recommendation:

- Diversify your payment choices away from only card payments







## 4. Reduce reliance on redirects

- Redirects to 3rd party HPPs or sites generates lag & churn
- Merchants lose contact with the customer once redirected

### Recommendation:

- Ensure customers remain onsite, inline for all payment types (where possible)
- Reduce reliance on 3rd party vendors who include redirects

The image shows two women standing side-by-side, both looking down at their smartphones. They are wearing light-colored, sleeveless dresses with a lace-like pattern and a dark, beaded choker necklace. Each woman is holding several shopping bags, including a prominent brown paper bag and a black bag. The background is a blurred outdoor setting, possibly a shopping street or a public square, with buildings and other people visible in the distance. The entire image has a dark, semi-transparent overlay, and the word 'Thankyou' is written in large, white, sans-serif font across the center.

# Thankyou

Matthew Scott  
Key Accounts & Partnerships  
[matthew.scott@klarna.com](mailto:matthew.scott@klarna.com)  
+447590 109265