

Cart to Checkout: Harnessing Payments Technology to Drive Sales

by Donal McGuinness

“Today’s customers want hassle-free checkout, consistent brand interactions online and offline, payment flexibility, and fast, secure transactions with strong fraud protection,” writes Donal McGuinness, CEO of Prommt

Did you know that 70 percent of shoppers look for their preferred payment method when deciding where to buy? For Millennials, it’s even more crucial - 80 percent will ditch an online checkout if their favourite payment option isn’t available.

The secret to reducing abandoned carts may well be in offering the right payment choices. Many brand websites fall short on this, leading to 20 percent more abandoned carts than online marketplaces.

The payment journey isn’t just a transaction, it’s an extension of your brand and often the final touchpoint that creates a lasting impression. Today’s customers want hassle-free checkout, consistent brand interactions online and offline, payment flexibility, and fast, secure transactions with strong fraud protection.

To deliver on these expectations, keep the checkout really simple and streamlined, the fewer steps from product discovery to purchase, the better. Complicated and lengthy checkout processes can deter buyers. Instead, focus on a design that mirrors your brand, ensures a logical payment flow, and minimises unnecessary clicks for a smoother payment experience.

Explore payment solutions that help you seamlessly orchestrate between card and open banking, with automation and smart features like personalised payment plans, reminders, group send, convenient card-on-file for personal shopping, and real-time tracking and reporting.

Let’s delve deeper into how payments technology can transform abandoned carts into successful purchases:

1. Reduce Fraud, Chargebacks and Data Breaches

In 2023, global retail lost a staggering \$429 billion to payments fraud, with nearly half of all businesses worldwide encountering cyber-attacks or data breaches, a 32% increase from 2022. Businesses eyeing substantial revenue growth in 2024 faced the highest fraud losses, totaling \$196.4 billion.

These statistics underscore the urgency for fast-growing businesses to invest in advanced payment technologies. This involves implementing robust measures like data encryption, tokenization, stringent data governance, access controls, robust authentication, and compliance with global standards. Open banking as an alternative to card payments significantly reduces exposure to chargebacks. Recent studies indicate a 61 percent decrease in fraud this year, credited to advanced encryption and real-time authentication through open banking APIs.

Security concerns often drive cart abandonment, influenced by factors like outdated websites or unfamiliar payment gateways. To enhance trust and reassure customers about the security and reliability of your payment process, prominently display 3D security and PCI compliance badges during checkout. Additionally, include customer testimonials, transparent return policies, and

multiple contact options. Leveraging chatbots and virtual assistants also ensures a seamless payment journey.

2. Eliminate Scheme/ Interchange Fees and Boost Security for High-Value Transactions with Open Banking Payments

Open banking payments reduce costs and protect margins by reducing transaction fees, payment operations costs, card fraud, and chargebacks. For example, Prommt’s open banking payments solution has helped a UK-based leading car retailer, Motorpoint, save over £100,000 in less than eight months by reducing merchant fees and simplifying payment collection.

PSD3, the EU’s updated Payment Services Directive, represents a significant leap forward in open banking, building on lessons learned from PSD2. Effective from 2026, it aims to bolster open banking APIs and promote broader adoption of related services, with key priorities including enhancing fraud prevention, safeguarding consumer rights, and ensuring equitable access to payment systems.

Moreover, PSD3 improves fraud prevention by expanding IBAN and name checks. Payment providers now must verify payment details’ accuracy, driving increased adoption of Confirmation of Payee services among PSPs to curb misdirected payments and fraud. PSD3 also mandates Strong Customer Authentication across multiple devices, empowering customers with greater control and enhancing

data security through diverse authentication methods.

3. Capitalise on Social Commerce

Social media-driven shopping generated \$571 billion USD in 2023 alone. Projections indicate that this figure will exceed one trillion dollars by 2028. As online shopping, live selling, and social commerce continue to grow, the shopping experience must evolve to be more immersive, customised, and secure. Businesses can tap into this trend by embedding pay-by-link features within social media and messaging apps, allowing customers to purchase directly from live videos hosted by influencers and brand representatives on Instagram and TikTok.

4. Streamline Payment Operations

Smart payment orchestration allows businesses to automate the presentation of card or bank payment methods to the customer, based on criteria such as transaction value, location, product type, or specific transaction details.

For example, they might accept card payments for initial deposits and use open banking for final balances, ensuring customers benefit from card protection while minimising fees on larger transactions. They can create personalised payment plans and automate workflows to handle failed payments, offering alternative methods via bank or card to complete transactions.

Advanced payment technology platforms simplify team management and access control, enhancing operational efficiency across various locations and departments. Both online and in-store transactions generate valuable data captured through the payment infrastructure. Features like live tracking, reporting, and comprehensive analytics offer precise insights into purchasing behaviours and preferences, enabling businesses to better address customer needs, decrease cart abandonment rates, and foster customer loyalty.

Businesses can pivot from abandoned carts to payment success by adopting secure and versatile paytech solutions. By offering multiple payment options and

simplifying checkout processes, they can drive sales and build brand loyalty.

About Prommt

Founded in 2017, Prommt is a payments platform that is revolutionising payments for enterprises and their clients. Its innovative solutions enable fast, frictionless card and open banking payments anytime, anywhere. Prommt is an enterprise-grade solution that is built for teams, supporting multiple locations, and provides powerful reporting and alerting capabilities. It is trusted by industry leaders across the automotive, luxury retail, hospitality, builders merchants, and insurance sectors. Headquartered in Dublin, Ireland, Prommt is used by businesses today across Europe and North America. It is the winner of the Best Open Banking Service Initiative awarded by Global Payments Innovation Awards 2023, as well as a finalist for the Best Open Banking/A2A Initiative at The Payments Association's Pay360 Awards 2024.

Curious to learn more about how Prommt can help you? Get in touch - www.prommt.com



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Serial paytech entrepreneur Donal McGuinness is CEO of Prommt. He studied Information Technology at DCU and Telecommunications Engineering at DIT and spent the early years of his career in the telecommunications industry. His experience in mobile payments dates to 1999 when he founded his first mobile payments company, ItsMobile and since then has been working areas covering payments, money remittances and digital identity.

