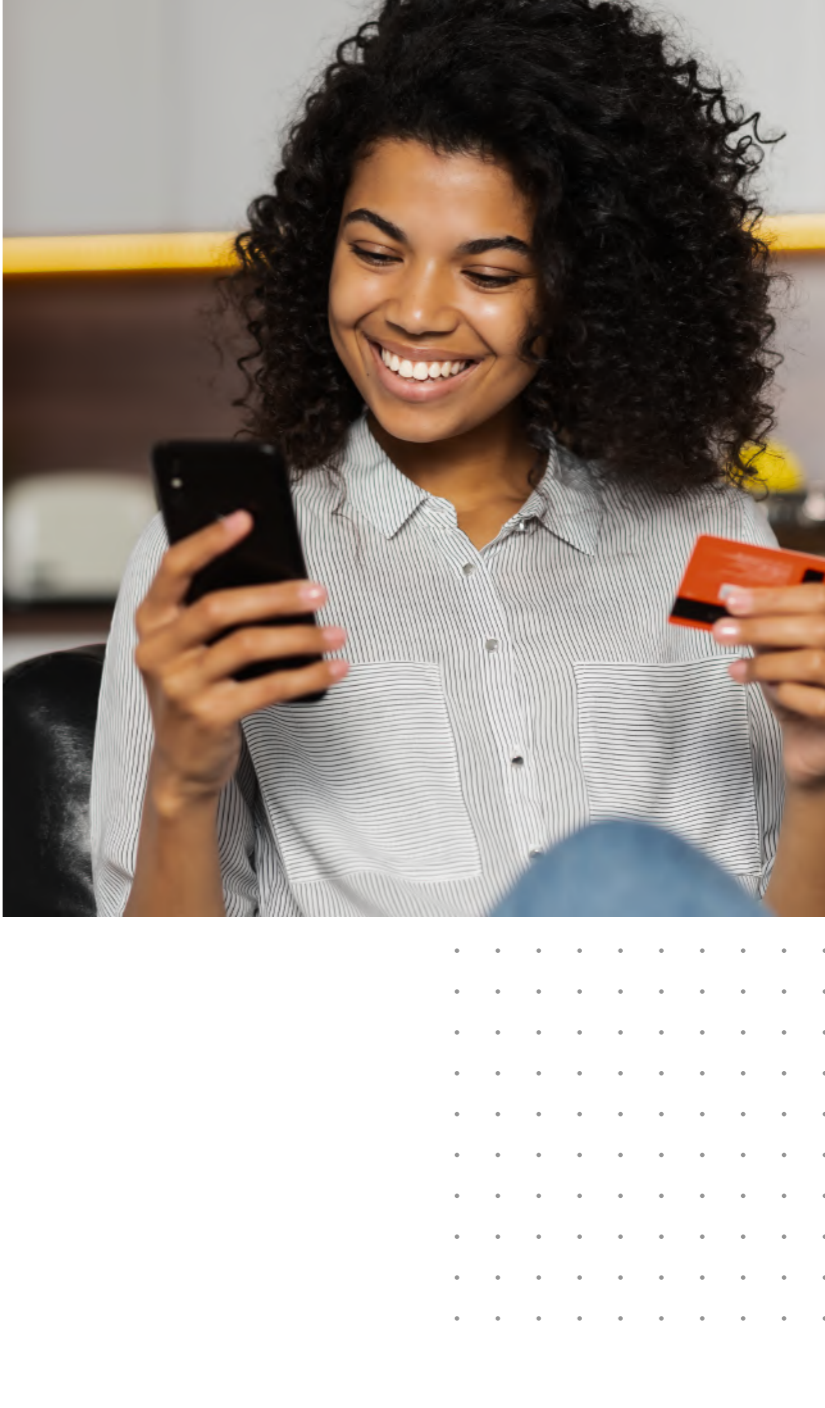


Your *ultimate* guide to 1-click pay

When Amazon first introduced their patented 1-click pay system to circumvent shopping cart forms back in 2000, it was truly revolutionary. For the first time in history, you no longer had to enter your name, address, and credit card information upon checkout! By allowing customers to make purchases with just one click, Amazon set themselves apart from the competition. But their patented click and pay technology was eventually licensed to other e-commerce retailers, like Apple Pay, PayPal, Stripe, and many others. Certain fintech companies, like Klarna and Affirm, now even offer a “click and pay in installments” solution to merchants.



Today, 1-click pay has become a standard convenience to most online shopping experiences. With Shopify's announcement that their one click purchase service, Shop Pay, will become available to all U.S. merchants selling on Facebook or Google, 1-click pay has come to the forefront of e-commerce news. This change with Shop Pay even affects merchants that don't use Shopify's software for their online stores. In fact, it's made Shop Pay the first Shopify product ever to be offered to businesses not using the platform.

The innovation that took the e-commerce world by storm

As mentioned earlier, the ingenuity of the one click purchase can be attributed to Amazon. The idea behind 1-click pay is to offer an easier, alternative checkout process in which the number of fields required to be filled is boiled down to one click. Retailers like Amazon and Apple remember and encrypt the customer's information, allowing them to subsequently check out with just a tap of the finger.

Probably the most obvious advantage to a 1-click payment method is the convenience it brings to your customers: an easier checkout process means more sales. This is especially true as more and more consumers turn to online shopping using their mobile devices.

For the most part, it has become synonymous with modern e-commerce convenience. Imagine the headache in ordering an Uber and having to input all your information every time you use the app...



Consider the fact that shopping carts are abandoned 70% of the time, and that 18% of online shoppers in the U.S. abandon a cart solely because the checkout process is too long or overly complicated.

That means almost one out of every five shoppers don't make a purchase simply because the checkout process wasn't optimized!

So...what is 1-click pay, exactly?

The 1-click payment system is a card-on-file transaction that's triggered by the cardholder. It involves the following three steps:

- 1 The cardholder saves their card details on file
- 2 This information is tokenized
- 3 The card is subsequently charged every time the pay/buy button (or other pre-selected trigger action) is clicked

WHAT IS TOKENIZATION?

We won't get too technical here, but it's important to note that merchants don't actually have access to the card details. The system leverages tokenization, which is the process of replacing data with unique identification symbols so that the essential information is retained without compromising on security.

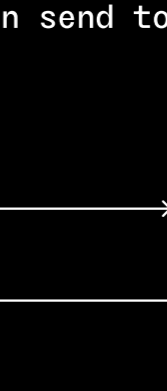
When card details are saved by a customer, only two entities have access to the information: the acquiring bank and the certified payment gateway (a.k.a. the entity that converts the card information into tokens). Basically, tokenization is what ensures the 1-click payment method remains secure.

CUSTOMER

First purchase



Subsequent payments



MERCHANT

- 1 Card and payment details sent to PSP
- 2 Payment information with tokenized card ID
- 1 Payment details with token sent to PSP
- 2 Payment confirmation

What kinds of businesses can benefit from 1-click pay?

While 1-click buy has applications across industries, it does complement certain types of business more than others. These include, but are not limited to:

MOBILITY AS A SERVICE APPS

It's easier to visualize how 1-click buy and mobility as service apps—like vehicle sharing and ride hailing apps—go hand in hand. Not only does this process allow for quick and easy payments for rides to service providers, it allows them the ability to charge users for damage or other violations as needed. Unlike prepaid mobility apps where users have to top-up a digital wallet, a click and pay system means users will be charged for only the amount they used, thus lowering the entry threshold and allowing MaaS companies to be more accessible.

SAAS MERCHANTS

1-click buy has been a game changer for many SaaS merchants. Since the click and pay system is simply a user-triggered transaction, it's been seamlessly integrated into many subscription-based SaaS models. Through 1-click buy, these software merchants are able to cross-sell to their base of subscribers, sometimes right from the app itself.

MULTI-PLATFORM DIGITAL SERVICE PROVIDERS

Think about your Smart TV or Kindle. Would you want to be typing in your credit card information each time you made a purchase on a remote control or e-book reader? 1-click buy has proven to be a reasonable solution to a painstaking process in which the user experience remains unaffected. That's exactly why Amazon developed the click and pay system for Kindle users, their Dash Button technology, and Alexa voice shopping.

Pulse check: Is 1-click pay right for my business?

As with every innovation in business, 1-click buy comes with advantages and disadvantages.

Before you jump on the click and pay train, it's best to ask yourself the following questions to find out whether it's right for your business:

Does your store rely on repeat customers?

The 1-click payment method was designed for repeat customers in mind, so consider your customer segment. For example, are they buying the same products each time or different ones?

Do your customers have unanswered questions at the time of purchase?

1-click pay could be detrimental if your customer doesn't have all the information they need at checkout.

Does your store communicate delivery and shipping information clearly?

If you opt for click and pay, be sure to include all the key pieces of information that a customer needs. This includes expected arrival date and exact shipping costs.

Are you being fully transparent?

One of the reasons Amazon is so successful in their 1-click pay process is because they integrate it seamlessly with the total customer experience. Take a look at any given product page: all the information is laid out for the customer, with nothing hidden.

Are your sales primarily made up of high-value transactions?

Because of the elevated security risk of enabling 1-click pay, the process is best suited for businesses with lower value transactions.

✓ Pros	✗ Cons
Increased conversion rates	Increased potential for unintentional purchases
Elevated checkout experience	Not as suitable for high-value transactions
Conducive to mobile-commerce	User authentication is needed

Key user experience considerations

When the click and pay system first came out, UX designers across the globe collectively rejoiced. In terms of user experience, 1-click pay is hands down one of the best innovations to have been introduced to the world of e-commerce. We don't have to remind you that modern-day shoppers have very little patience for a buying experience that doesn't produce instant results or that's lengthy and/or complicated.

But a checkout experience that comes down to a single click doesn't come without potential hiccups. 1-click pay opens the door for unintended transactions, for one. There are, luckily, a few methods to prevent this from occurring by placing some strategically positioned speed bumps. Keep in mind, however, that these solutions are applicable only to prepaid models in which payment determines fulfillment.

ADD AN EASY WAY TO CANCEL

Whether it's because they changed their mind on a dime or made a purchase unintentionally, customers should have the option to cancel shortly after making the click. Instead of initiating payment immediately after the click (or other trigger), inform them that they have a specified amount of time—say, 5 minutes—to cancel the transaction without having their card charged. Ways to do this include putting into place a pop-up message, or even an automatic post-purchase email.

LEVERAGE A PROXY SCREEN

Like the above, this is another solution to avoiding unintended purchases. Essentially, a proxy screen ensures that the transaction being carried out is precisely what the user intends to do. Again, instead of having the “buy” button trigger an immediate charge on the credit card, it opens a proxy screen in which the customer has to confirm that purchasing the item in question is what they meant to do. This allows the customer to either move ahead with the purchase or abandon it.

CONSIDER A DYNAMIC CONFIRMATION REQUEST MECHANISM

The idea behind the method is to use basic behavioural information as an additional layer of authentication, activated when the transaction might have been carried out by an unauthorized entity. For example, in order to confirm the transaction customers could encounter an authentication request, in which they need to enter a single-use SMS code.

A merchant's guide to setting up 1-click pay

So you're ready to leverage click and pay to your online store? Congratulations! We've pulled together a few resources that will guide you step-by-step through the 1-click pay setup process. Keep in mind certain e-commerce platforms, like BigCommerce and WooCommerce, offer 1-click pay options at a small, additional fee. To find out what your click and pay options are and how to enable the payment method, reach out directly to your retail account provider.

Shop Pay: A quick look

The platform offers a 70% faster checkout rate compared to traditional checkout process, leading to higher conversion rate by 1.72 times—translating to fewer abandoned carts.

Beyond speed, Shop Pay is also integrated with Shopify's mobile app, Shop.

Shop organizes and tracks online orders across merchants like Amazon, so you can manage your orders as they arrive.

The idea is that over time, Shop will provide you with a customized feed of your users' favourite merchants, tracking and sorting relevant data as it comes in, including with non-Shopify merchants.

Setting up click to pay on your website

All you'll need to do is add a Click to Pay API to your website to ensure your customers will see it as one of their payment options upon checkout. You should be able to acquire the necessary API from your current merchant account provider, whether that's Visa, MasterCard, or another partner. You can learn more here.

How to it up on Stripe

To enable click to pay, you'll need to first integrate Secure Remote Commerce (SRC) into your Stripe integration. Please note that SRC is only available in the U.S. at this time. As you set this up, you may want to consider working with your IT team to ensure it's done correctly.

- 01 INTEGRATE THE SECURE REMOVE COMMERCE BUTTON
In your Stripe dashboard, generate a Masterpass Checkout ID and configure your sandbox and production callback URLs.
If you'd like to use SRC on your website, you'll need to add a script tag to your HTML document. For details on how to do so, click here.
- 02 COMPLETE THE PAYMENT
Once the Masterpass button has been clicked at checkout, the customer will be directed to the Masterpass website in which their existing payment information has been saved.
Once the customer has completed this process, they'll be sent to the callback URL configured above.
In the route handler for the redirect destination, extract the URL query parameter. This can be used to confirm the Payment Intent created at the beginning of the checkout flow. To learn how to manage your checkout flow using Payment Intents, click here.
- 03 TEST YOUR SRC INTEGRATION
Create a new SRC user account while going through the checkout process on your website
Configure the account to use a test card from the Masterpass documentation.
Then, complete the checkout process like you normally would - and select the test card as your payment method.

Shopify dynamic checkout options

For single products, you can use Dynamic checkout buttons as an alternative to the “Add to cart” button. This allows customers to bypass the cart and go directly to the checkout page, speeding up the payment process along the way.

The dynamic checkout button will appear either beside or below the “Add to cart” button, depending on your store's theme and the customer's device.

The two different types of dynamic checkout buttons are Unbranded and Branded buttons:

- Unbranded buttons display a “Buy it now” text. Clicking this button allows customers to skip the cart and go straight to checkout.
- Branded buttons include the logo for third-party accelerated checkout methods. Clicking a branded button will lead a customer to checkout with the information they've pre-populated for that method. Accelerated checkout methods include, but are not limited to: Amazon Pay, Apple Pay, Google Pay, PayPal, Shop Pay, and Venmo.

The kind of button to appear will depend on your payment settings, the customer's browser, and their device.

Dynamic checkout buttons are not compatible with all online stores. Certain apps, cart attributes, products, payment settings, and button texts may not be suitable for dynamic checkout. To learn more, check out this comprehensive guide.

Risk management

In life, nothing's perfect. Enabling one-click buy will allow you a multitude of advantages, but not without risk. That's why it needs to be implemented properly and wisely.

Effective risk management comes down to making well-informed and data-driven decisions. Before implementing the 1-click payment method, ensure that your business model and type of merchandise is suitable for instant shopping.