

COLUMNS

Payments: The last mile of online customer intimacy

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By A LUXURY DAILY COLUMNIST

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When it comes to online commerce, the point at which money changes hands has often been the moment a sale falls apart. What was a carefully crafted brand experience becomes off-putting and complicated. There are confusing redirects, forms that clash with the rest of the design, and a lot of sensitive data that needs to be entered.

But that is now changing, and fast. Innovative companies have stepped up their game, using technologies that make a much easier payment experience possible. That in turn is changing consumer expectations about what a payment transaction should be like. You now need to bring your payments experience up to this new standard, or risk getting beaten by competitors who do.

Why? Because removing barriers for your customers is a hallmark of customer intimacy, and customer intimacy is one of three value disciplines that every company must master to dominate their market. A customer-intimate company has to get to know its customers at a deeper level with every interaction. It must understand what they want and need, sometimes even before they do. Payments are the last mile of customer intimacy.

Come fund me

GoFundMe, the world's largest crowd-funding site, is a great example of a customer intimate company.

GoFundMe's customers are ordinary people trying to raise money to deal with adversity, support causes they care about, or follow their dreams. They are accepting donations, but they are not traditional nonprofits, or traditional merchants. They want to enable a single campaign to accept payments for a limited time. Asking them to go through the traditional business process of signing up for a merchant account, handing personal financial data, and going through an underwriting process is overkill for what they are doing, and it puts a big obstacle in their way. They just want to raise money, fast.

At the same time, GoFundMe has another set of customers with a different set of needs: the donors. They do not have the time or the ability to investigate every campaign to assure it is on the up and up before they give. And they do not want to have a bad checkout experience when they are trying to do a good deed.

GoFundMe gets it. It has built the simplest possible onboarding experience, which gets the payments stuff out of the way quickly so fundraisers can start collecting money in minutes. Yet it has also built in trust and safety.

The way GoFundMe managed to balance the competing priorities of the two sides of its user base proves it really understand its customers. And that is the sort of change that is coming to payments. It is not acceptable anymore to just move money now. You have to do it in a customer intimate way.

So not intimate

Contrast that experience with the historic way of making payments online using a credit card or PayPal. Credit cards were not designed to be secure in card-not-present transactions, and adding the necessary layers of security makes onboarding hard and checkout tedious.

The big consumer innovation with PayPal was that you could set up an account you could use at a variety of different sites without having to reveal your credit card information. But that adds another account to maintain and another set of passwords to remember both challenges to customer intimacy.

Another challenge is that when you have filled your shopping cart and want to pay, you are kicked over to a form on another Web site to complete the transaction, then kicked back to the original Web site once the transaction has concluded.

The original merchant, who has invested a lot of time and money in getting the customer to that point, loses its consistency of branding and customer experience because it loses control of the customer while the transaction is happening.

As a sales guy I can tell you that that is a bad way to close a deal. You are counting on someone else to take care of your hard-won customer. Even if the transaction goes well, the reality is when the customer is sent back to your site, her experience is different than before she left. That is not a customer-intimate payment experience.

With you all the way

In the traditional payment model, if something goes wrong, the customer may not know whom to call. She does not know if it is a credit card issue, a PayPal issue or an issue with the site itself. It does not really matter because it reflects on your company. It is your customer, and you may very well have lost the sale and made them angry.

Even if the customer completes the transaction, there is still a lot that can go wrong. She thinks she paid, but does not get a confirmation email. Or she gets a call from the credit card company asking if she really meant to spend that much money. Or the product or service she wanted is not delivered. All these scenarios create uncertainty, confusion, and friction none of which you want associated with your brand or your customer experience.

Customer intimacy is not just about making it easy to pay. It is maintaining security, transparency and accountability across every facet of the experience. It is making sure you stay close to your customer, and she knows it is you and you are with her all the way.

Managing the last mile

Payment is not the main objective of any transaction. It is just the last mile of a decision that has already been made, but it is a big part of that whole experience. It needs to be valued and curated and managed in the same fashion as the rest of your customer experience.

In the past, customers accepted payment struggles as part of buying online, because that was the industry standard. That standard is rapidly changing as new technology gives companies the ability to extend customer intimacy to payments.

At minimum, you have to make it so payments are not part of what the customer is struggling with. But there is also an opportunity to exceed expectations and use a customer-intimate payment experience as a competitive differentiator. In the platform economy, the companies that understand and execute on that will win.

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