

FINANCIAL SERVICES

Express checkout adoption strong on mobile as options proliferate

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Visa Checkout enables users to check out by swiping

By CHANTAL TODE

While mobile shoppers are embracing one-click checkout buttons, retailers are likely to integrate only several out of a quickly growing number of options, suggesting not all will survive.

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With recent research showing that mobile shoppers are gravitating towards express checkout, more retailers are likely to integrate such offerings into their applications and on mobile sites in time for the upcoming holiday shopping season. The list of possible solutions is growing, including PayPal, Pay with Amazon, MasterPass, Visa Checkout and half a dozen more, suggesting providers will be focused on trying to shore up their role here.

"Moving into the holiday shopping season, we can expect more merchants integrating buy buttons into both their ecommerce sites and mobile apps to eliminate friction and increase conversions," said Jordan McKee, senior analyst for mobile payments at [451 Research](#).

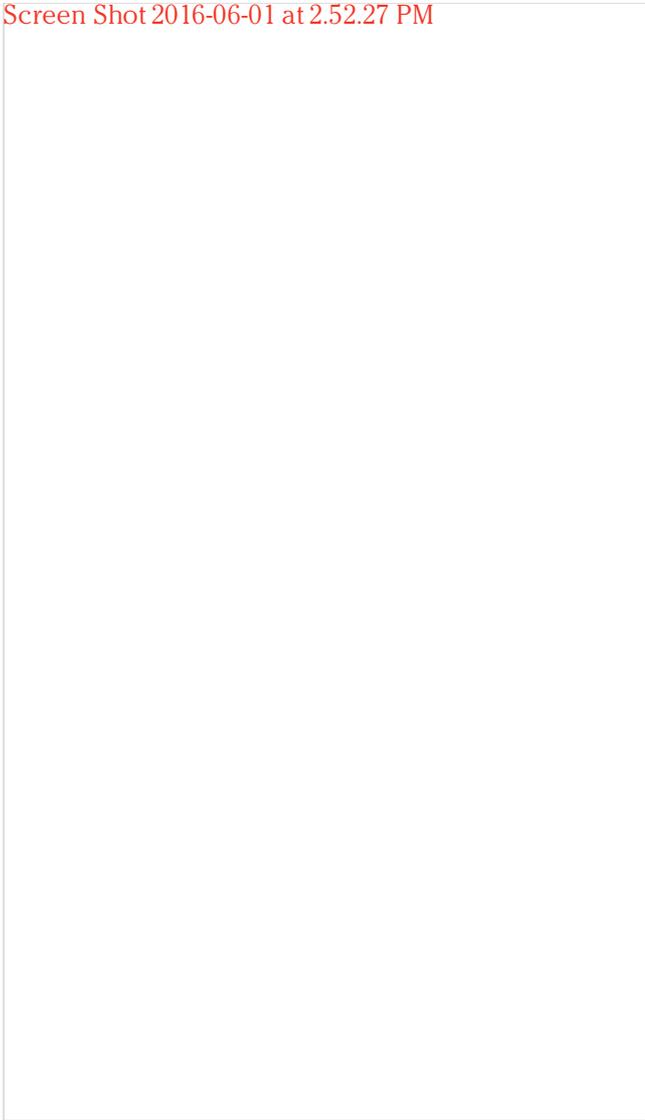
"We anticipate merchants will integrate only several of a what is now more than a dozen buy buttons currently available on the market, meaning the next few quarters will be a critical land grab period for providers like Visa," he said.

Easier purchasing

While express checkout buttons require users to register, once they do so, this can significantly streamline the purchasing process on a phone.

Recent research from 451 Research suggests that as consumers become more comfortable with shopping and paying on mobile, they are embracing express checkout buttons.

A survey of mainstream online adult consumers found that 37 percent say they use mobile one-click checkout monthly or more frequently.

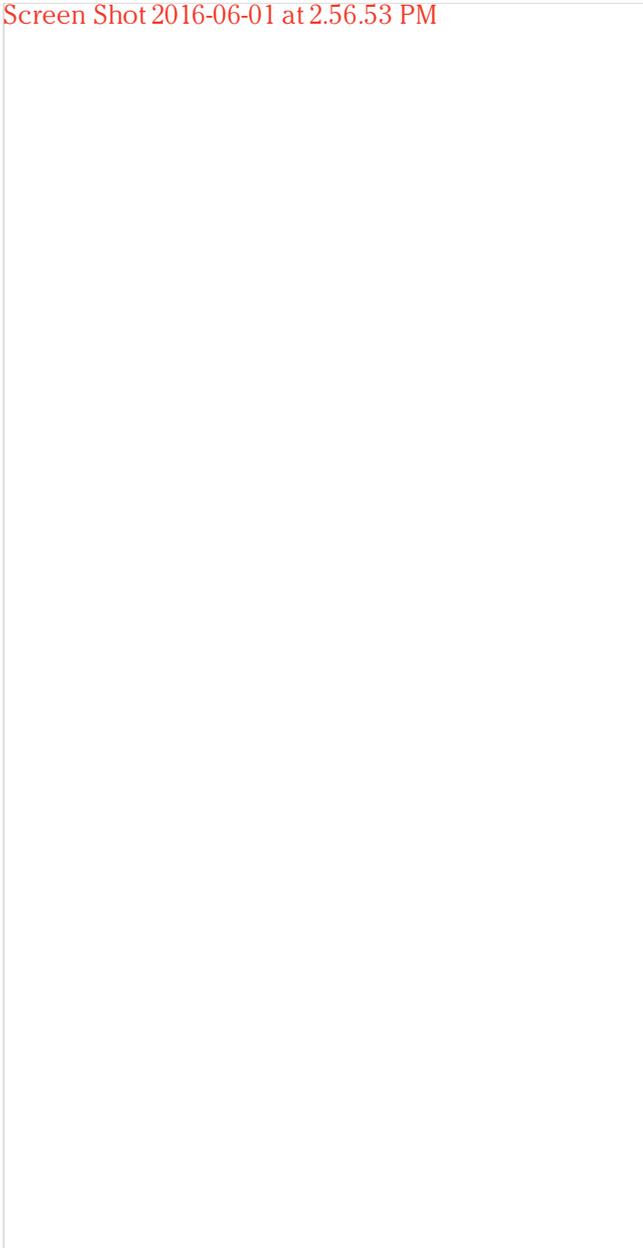


The 18- to 24-year-old demographic exhibits the highest adoption rates, with 31 percent using one-click checkout on a weekly or more frequent basis.

Competition grows

Mobile traffic continues to outshine actual mobile sales, in part of the challenges associated with completing a purchase on a smartphone's small screen, something that express checkout buttons try to address.

With mobile sales expected to continue to grow, a number of players have jumped in with express button offerings, including PayPal, Pay with Amazon, MasterPass, Visa Checkout, Amex Express Checkout, Apple Pay, Android Pay and Klarna. Samsung Pay and Chase Pay will soon have their own offerings as well and there are some local solutions in certain international markets.



In such a competitive environment, providers are looking for ways to stand out.

In-app payments were an early win for Apple Pay but as the solution continues to gain steam with in-store proximity payments, it is its cross-channel strength that is winning over consumers ([see story](#)).

For example, Visa Checkout allows shoppers to make a purchase by swiping, reflecting growing interest in swipeable commerce, with Pizza Hut, Virgin America and Fandango already signed on ([see story](#)).

MasterPass, which has been adopted by a number of major merchants including Walmart and JetBlue, is also piloting the use of a humanoid robot to assist smartphone-equipped customers at a Pizza Hut in Japan ([see story](#)).

PayPal's One Touch has seen 21 million consumers opt in for the express checkout and the company expects more than 2 million merchants will have One Touch enabled by year-end.

"Success will be defined by ubiquity, agnosticism and simplicity," Mr. McKee said. "The buy button must be widely available where consumers are already shopping, able to facilitate a variety of funding mechanisms and most importantly, quick and easy to use."