JAVELIN

E-Commerce Payment Acceptance Optimization Study

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This whitepaper analyzes the challenges large e-commerce merchants face in optimizing their payment success rate in the U.S., United Kingdom, and Continental Europe, and discusses the priorities of merchants in those markets, and explores the solutions merchants use and the partnerships they make to ensure the best experience for their customers.

Key findings:

- Merchants in all regions report a greater desire to improve approval rates than to prevent further fraud, and none more so than U.S. merchants.
- Merchants partner with multiple organizations to process e-commerce transactions, with an average of four parties directly deciding approvals and declines.
- The challenges merchants face in optimizing their payment acceptance strategy is keenly tied to the industry in which they operate.
- Approximately one-third of merchants have a payment success rate of less than 90%, and a false positive rate of 11–14% only compounds matters.
- Merchants are very willing to consider switching acquirer/processor relationships for compelling value.
- How authorization decisions are made is a clear source of tension in the relationships between a merchant and their payment acceptance partners.
- Only one in five merchants (19%) cited having a prior relationship as a key consideration in selecting a new processor.

The merchant data in this report is based primarily on information collected in an online survey of 536 merchants in October 2016.

Javelin targeted large e-commerce merchants (defined as those with greater than 10% of revenue coming from e-commerce) proportionally distributed across various merchant segments in the U.S., UK, and Continental Europe. Targeted respondents were responsible for, or involved in, the payment acceptance function of e-commerce properties.

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