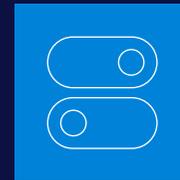
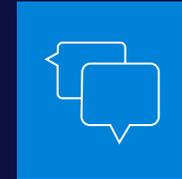


Prepare **your payments** for peak season



Introduction

Peak season is approaching.
It's time to ensure all aspects of the
business are firing on all cylinders.
That includes payments.

Payment issues risk derailing the
best-laid peak season plans. That might be
because your system prevents legitimate
customers from paying, your payment
costs increase and erode your margins,
or you get hit with fraud. And that's only
a handful of the problems that can occur.

But, with the right preparation, you can
minimize the risks of these issues occurring
and empower your business to capture as
much revenue as possible this peak season.

To support your preparations, our team
of ecommerce payments experts has put
together a list of the areas to focus on in
the run-up to peak season to ensure your
payments are setting you up for success.





Authentication

2022 marks the first year that Strong Customer Authentication (SCA) rules are fully operational across Europe during peak season.

It's imperative retailers do more than comply with the regulations. Otherwise, they risk creating additional friction at the checkout, leading to increased cart abandonment levels and lost sales. Here are some steps to take to build a bespoke SCA strategy that minimizes that risk.

[Learn more about your SCA strategy with our guide.](#)



Use the latest version of 3DS

3DS will only continue to evolve. The advancements made from 3DS1 to 3DS 2.x are significant, and applying the latest iteration should improve your customer's experience.



Leverage the right data at the right time

The more you know about your payments, the better you can tailor your strategy. A careful analysis of your payments data will give you the roadmap for how to move forward.



Develop an exemption strategy unique to your business

You can apply exemptions where the data suggests and adapt this according to country, customer, industry and the risk profile of your business.



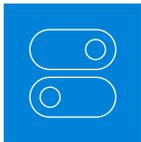
Decide on your business's risk appetite

To know to what extent your business should rely on 3DS2 to prevent fraud, you need a risk profile of your business so it can be applied at the right time and in the right regions.



Work with your PSP to continually improve your authentication flow

With the right information and support, your business can develop a strategy that will minimize fraud and maximize conversion — winning the trust of your customers and optimizing the checkout process.



Checkout experience

When retailers fight harder for every dollar, every marginal gain matters — and they're harder to achieve as customers' expectations rise.

Consumers want to pay with a method of their choice — on a device of their choice — and be confident their personal and financial data is safe while not being inconvenienced by security checks. Here are some steps you can take to achieve this.

■ **Prevent cart abandonment with our checklist.**



Provide customers with their preferred payment methods

Consumer payments preferences differ between and within regions. People in Poland want to pay using Przelewy24. In the Netherlands, they want to use iDEAL. 56% of consumers who cannot pay with their preferred payment method will likely abandon their cart, so make sure you offer the preferred payment methods in your core sales markets.



Optimize the checkout experience for markets and platforms

Ensure the checkout page is in local languages to give customers the best experience. And, with increasing volumes of commerce now happening on mobile, make sure the checkout is as functional on mobile as it is on desktop.



Establish consumer trust

Customers unfamiliar with your brand may hesitate to give up their payment details. A feeling intensifies when you send them to a third-party site to make payment. Avoid this by building the checkout on your domain. And deepen trust by positioning customer reviews, independent ratings and badges that show your security standards throughout the checkout process.



Unlock new channels of commerce

Sales opportunities exist everywhere in the digital world, not least on social networks. Reach your customer base on these platforms with shoppable ads and build a checkout experience that lets them purchase seamlessly in just a few clicks.



Offer additional services like product protection

As customers spend less in response to the macroeconomic environment, they think a lot more about extending their product's life cycle or protecting themselves in case anything goes wrong. Consider this and allow customers to purchase additional services seamlessly at the checkout.



Communication and contingency

There's little room for error over peak season. A system outage, high latency, spikes in fraud and an increase in false declines are just a few of the issues that can compound during times of high demand, leading to lost sales and revenue.

Here are some steps you can take to assess the risk of situations like this occurring and processes to minimize the impact should issues arise.



Understand your business's promotional and sales strategies

What is your business promoting? Where are these promotions targeted? When will each promotion occur? You need to answer these questions to tailor your payments strategy to match commercial plans and offer insights to help your business succeed.



Document key contacts with your payment providers and agree on escalation procedures

Issues that arise over peak season need fixing as fast as possible. Ensure you know your key contacts at your payment providers and how to reach them 24/7. And have a clear escalation procedure and socialize that with your team and providers.



Verify your payments technology stack can handle spikes in peak season volumes

At peak season, the number of transactions flowing through a payment processor multiplies substantially. You need to ensure your providers can handle spikes in volume without creating additional latency and timeouts that can lose your business sales.



Consider leveraging a secondary payments provider as redundancy

It never hurts to have a backup. And that's true for payments, especially if you have any concerns about the performance of your current provider under the pressures of peak season.



Schedule regular performance review meetings with your payments providers

You should meet with your payment providers regularly at all times. Over peak season, that cadence should increase to analyze the data, spot any risks, and uncover opportunities to help your business capture more sales.



Fraud and risk

Card-not-present fraud is increasing. Over 30% of retailers say they've experienced first-party misuse, account takeover fraud and identity theft in the past year.

So, the priority during peak season is to ensure risk tolerance and fraud prevention strategies are fully refined and implemented. Here are some steps you can take to do that.



Take advantage of SCA liability shift

Routing payments you can't be certain aren't fraudulent through the 3D Secure protocols will typically shift the liability of that transaction to the card issuers. But remember, it's important to be strategic in deploying 3DS and balance the security benefits it provides with the additional friction it can cause at the checkout.



Minimize friction for genuine customers

Spend time leveraging your transaction data to create customer segments to direct how you assess transactions. Specifically, a new versus repeat segment in your risk strategy will enable you to apply friction for new customers while ensuring a seamless experience for repeat customers.



Combat card testing schemes

Scammers are using card testing at all times, but at peak season, that activity intensifies. Avoid falling victim to these scams by using a risk tool that deploys cumulative amount velocity rules, allowing you to identify spending patterns that are commonly used by bad actors running card testing schemes.



Use Network Tokens

Network tokens are generated automatically by the card schemes as customers use their cards. A token offers end-to-end security and reduces the risk of malware and phishing attacks because a stolen token cannot be used elsewhere.



Use data to inform your disputes process

Using a portal to respond to disputes gives you an advantage in knowing why a dispute was raised and what evidence you should give in response. Good dispute management processes and data will also indicate when you should settle a dispute rather than fight it.



Payment performance

False declines – where payments get rejected incorrectly after the customer initiates the transaction – are one of the most expensive mistakes you can make as a retailer.

And it's a problem hiding in plain sight for those with authorization rates below 90%. If this is your business, take these steps to identify any issues and make improvement.

Discover how to use data to optimize authorization rates.



Get access to payment decline codes

To stop payments from failing, you first need to understand why they're failing. Decline codes — otherwise known as response codes — will give you the answer. But 65% of businesses don't receive detailed response codes on failed payments. Work with your payments provider to ensure you get these data points.



Carry out a BIN analysis to uncover what issuers commonly decline payments

Some issuers are more likely to decline transactions from your business than others. Uncover these through a BIN analysis and work with your payments provider to reach out to issuing banks to solve any problems you uncover.



Use Card Updater to minimize declines due to expired cards

Payments failing due to customers using expired or canceled cards is commonplace. Avoid this situation using automatic account updaters, such as Visa Account Updater and MasterCard Automatic Billing Updater.



Take advantage of local acquiring

Local card acquiring can give merchants a competitive advantage in their key global markets by providing cheaper processing costs and boosting authorization rates. But, remember, you need a local entity in each market to make use of local acquiring.



Refine your retry logic

All is not lost if a payment fails due to a technical error, such as a timeout. That's because you can use retry logic to recapture the payment at a better time. The best retry strategies work alongside a dunning process that ensures clear communication with customers.

Conclusion

With this year's peak season occurring against a challenging economic backdrop, it's arguably more important than ever for your business to take all necessary steps to minimize the risks of these issues. By doing so, you'll reduce the risk of payments losing your business sales and likely also find that payments become a strategic lever your business can use to capture demand and foster customer loyalty.

At Checkout.com, we pride ourselves on being there for our customers over peak season—and every other day of the year. What we do for retailers in the build-up to peak season isn't unique; it's what we do day in and day out to give our customers the payments foundation they need to thrive in the digital economy.

Read our [case studies](#) to learn more, or [speak to our team of payments specialists](#) to see how we can help prepare your payments for peak season.

