



# Why You Need to Prepare for the Coming One-Click Revolution



By Brad Giles,  
Vice President  
of Channel  
Marketing, Cayan

For a brief moment in the news cycle recently, an interesting story started getting attention: Amazon CEO Jeff Bezos had become the richest person in the world. Even after Amazon's stock later experienced a very slight downturn and Bezos dropped to merely the second or third richest person in the world, it inspired me to take a look back at the astounding success Amazon has had.

**B**ezos turned Amazon from a small book dealer in the early days of the internet to a global force far beyond the book industry—on to Amazon Prime, to Amazon Echo, to web and cloud services, to drone delivery, to original TV programming . . . and counting.

But there is one significant aspect of Amazon's success that often gets overlooked because it is now so ingrained in the Amazon

experience: 1-Click™ ordering. This fall, there's a reason 1-Click is especially relevant to those in the payments industry.

## WHAT YOU MAY NOT KNOW ABOUT 1-CLICK

Amazon's 1-Click ordering revolutionized e-commerce checkout and set the bar for what customers have come to think of as an easy shopping experience. It's become such

a staple for regular Amazon users that the company even expanded the concept beyond the virtual world of the internet: now many people place Amazon Dash Buttons throughout their home and use them to reorder common household supplies with the push of a button.

What many people don't realize is that Amazon has had a patent on 1-Click—not just the technology, but the concept itself. No company in the United States has been allowed to sell online with just one click unless they are licensed by Amazon. Barnes & Noble rolled out their own version of one click, called "Express Lane"; but in the late 1990s Amazon successfully sued to have it shut down.

Amazon has, in some cases, been willing to license the technology. Apple, for instance, licensed 1-Click ordering from Amazon in 2000 for an undisclosed sum. Yet, because most businesses do not have the resources that Apple does, they simply have not been able to employ the technology.

But that monopoly is over. Amazon's patent expired this month (September 2017). And that's a big deal for anyone working in e-commerce. Whether your customers are huge national chains or local merchants, you're going to need to offer one-click so that they get the buying experience they want.

**WHAT THE STATS SHOW ABOUT A SIMPLE PURCHASE PROCESS**

One-click checkout will be embraced quickly because it speeds up online buying, thereby removing some of the friction—one of the highest priorities of modern businesses. For brick-and-mortar stores, owners need to offer such conveniences as in-aisle checkout solutions, mobile payments, and faster credit card processing.

Customers have a preference for new payment technology that makes their lives simpler. Yet merchants and retailers aren't utilizing these new options as often as consumers

would like. At Cayan, we recently surveyed 500 SMBs and 1,000 consumers, asking about a variety of topics regarding retail. When we looked at the results, we saw serious gaps between what consumers really wanted and what merchants thought they wanted. Buying across channels, for instance, is crucial to modern consumers. We found that 60% of consumers feel it's highly important to be able to buy a product online and return it in a physical store; but only 33% of retailers think that "buy online, return in store" is a priority for customers.

And consider new payment options like self-checkout: although 70% of consumers have enjoyed using self-checkout in the past six months, only 14% of stores currently have it and only 19% have any plans of pursuing it. It's



something to keep in mind when you think about implementing a one-click option.

Much of this technology could soon be among the features that consumers expect. Yet at this point these features remain competitive differentiators—so the faster you offer one-click, the more you'll stand out from the crowd.

**THE HOLY GRAIL OF ONLINE SHOPPING**

In the online space, where it's common to see cart abandonment rates of 70% (<https://baymard.com/lists/cart-abandonment-rate/>), a more streamlined checkout is always the goal. The holy grail for e-commerce is safe, simple, and speedy one-click checkout—which leads to a noticeable boost in merchants' bottom line.

To prepare for one-click payments,

you need to be sure you have an e-commerce offering that can handle it. There are two fundamental parts to one-click that you should already have in place: the ability to retain customer payment and shipping preferences securely and to ensure that payment preferences are up-to-date.

Firstly, enabling card-on-file payment and storing shipping data are crucial to a high conversion rate and an area where security is absolutely essential. In today's era of fraud and fear, of course, security should be a staple of any e-commerce operation's entire strategy. E-commerce sites for both big and small merchants have been breached, resulting in customer data leaks, which can ruin a brand's reputation. Smaller merchants especially are built on loyalty from valued customers. So damaging trust can be irreparable, and can wreak havoc on a business with smaller margins. Companies must be able to trust their payment partners, just as you want your merchants to trust you.

Secondly, you must be prepared to handle changes in credit card numbers and expiration dates. As these obstacles to card-on-file purchases require input of new payment credentials, they interrupt the customer's checkout flow—and often are enough of a hurdle to discourage the customer from continuing. It's been proven again and again: the more steps a customer must take before checkout, the higher the cart abandonment rate. An excellent solution to this issue is card account updating—which retrieves new credit cards numbers and expiration dates when old cards are replaced, and makes one-click payments far more effective.

One-click payments are going to be in high demand soon. Be sure you take advantage of this incredible technology, and work with a payment technology company that can handle the ever-changing environment of online commerce—or risk being left behind. **C**