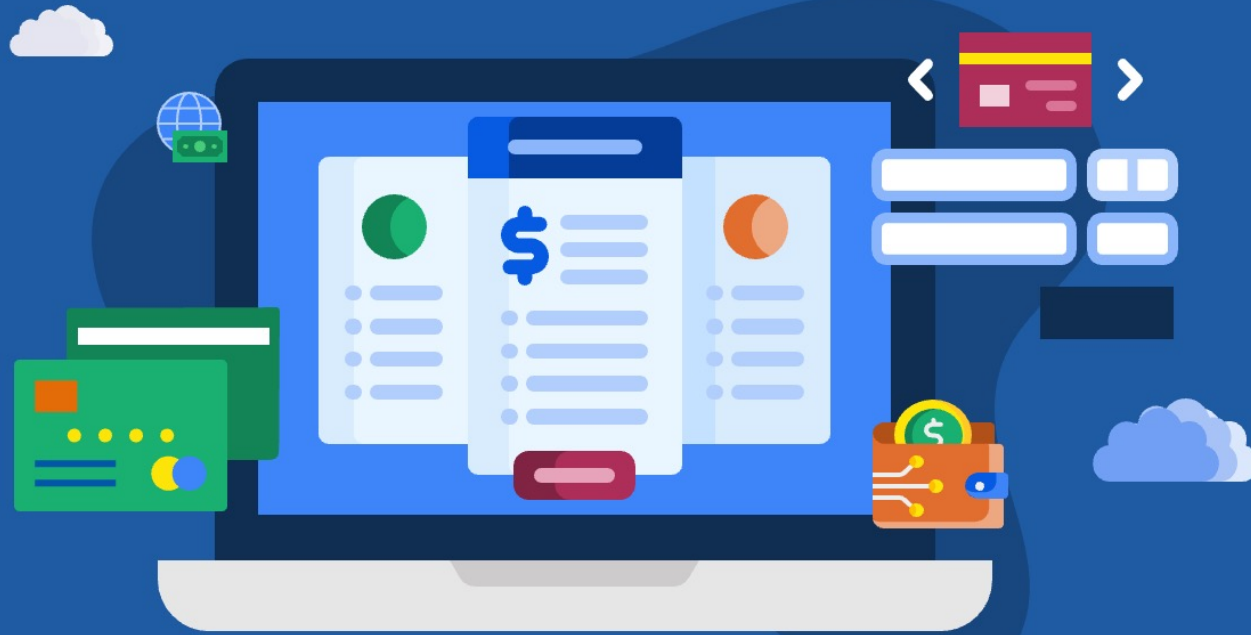# Self-Service Checkout

SaaS Product-Led Growth

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A Guide for SaaS Finance Leaders

Optimizing Product-Led Growth

Success with product-led growth requires optimizing all aspects of the new customer acquisition process. In each step of the customer journey there is a delicate balance. You want to motivate the user to take the next step in their adoption journey but not push so hard that you scare them away.

- **User Registration** – Needs to be tight enough to satisfy security concerns but not so time-consuming that it scares customers away.

- **Onboarding** - Should be detailed enough to jumpstart adoption but not so long that it leads to users dropping off.

- **Contextual Help** – Needs to surface at the right time to reduce confusion but not so frequently that it annoys the user.

- **Nurture Emails** – Should be sent at the right frequency to encourage engagement, but not so frequently that customers view them as spam.

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The Most Important Part of PLG

Perhaps the most important part of the new customer acquisition process is the final step - the checkout. It doesn't matter if the rest of the process is 100% optimized.
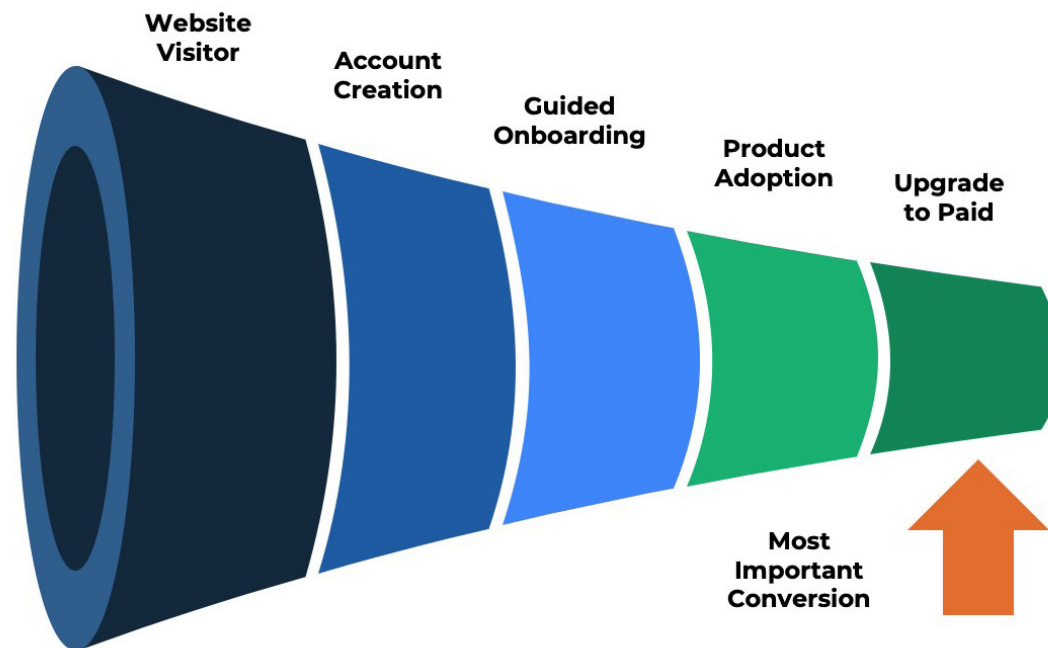
If the checkout experience is ineffective, the company will struggle to meet its growth targets.

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Table of Contents

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Section 1

Checkout Design

Designing the Checkout Experience

Designing an optimized self-service checkout process is challenging because the customer and the SaaS provider often have different goals.

Customer Goals

Customers want a low-friction, effortless checkout experience that requires little time to complete. They also want flexibility. Most buyers are cautious when making online purchases that commit them to recurring billing. If the product doesn't fulfill their expectations, they want the flexibility to get out of the subscription.

SaaS Company Goals

SaaS companies share some common goals with customers. They also want the checkout process to be easy and fast to maximize the number of customers that sign up. However, SaaS providers also want to maximize their revenues. They want to take the opportunity to encourage customers to purchase more expensive offerings and to make longer-term commitments. SaaS companies also may want to capture more billing details to ensure they can collect recurring payments throughout the lifecycle of the relationship.

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Four Goals for Self-Checkout

In designing a self-service checkout experience, SaaS companies want to optimize:

- **Customer Experience** – Minimize time and effort required by customers to check out
- **Conversion Rates** – Maximize the number of upgrades from free trials to paid plans
- **Cash Flow** - Maximize the number of prepaid upfront annual plans (versus monthly billing)
- **Revenue** - Maximize the number of customers selecting premium offerings and add-ons

Cash Flow

Annual Recurring Revenue

Customer Experience

Conversion Rate

All four goals must be balanced to arrive at the optimal model. There is no one "right way" to do it.

Some SaaS companies optimize for minimal friction. Their checkout process has just two screens and collects only 6 to 8 data points.

Others optimize for upsells and cross-sells. These checkout processes are more sophisticated, with three to four screens and 10 to 15 customer data attributes collected.

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Phases of the Self-Checkout Process

The self-checkout process can be divided into four phases:

1) **Plan selection** - Select the tier (e.g., good, better, best), billing frequency, and subscription length
2) **Shopping Cart** – Review items, sales taxes, and totals. Makes adjustments to unit quantities.
3) **Payment method** – Provide details needed to pay via credit card, digital wallet, or bank transfer.
4) **Final checkout** – Opt into recurring billing and general terms. Clicks to make initial payment.

Plan Selection	Shopping Cart	Payment & Checkout	Final Checkout

Each SaaS company approaches the checkout design differently. Sometimes, there is a one-to-one mapping between the phases above and the screens the user views. In other cases, two or more phases are combined into a single screen. In longer checkout flows, a single phase may be spread across multiple screens.

In the remainder of the eBook, we will explore these four phases in greater depth, explaining the different options SaaS companies utilize to capture data and influence customer behavior.

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Section 2

Plan Selection

Initiating the Purchase

The process starts with a customer clicking on a call-to-action to purchase a paid plan. If the customer uses a free trial or freemium version of the product, they will typically click an upgrade button. The button could be embedded in an email or inside the product as a secondary header at the top of the screen. Alternatively, it could be a pop-up notification. If the customer is not on a free plan, they typically click on a "Get Started" button on the website's home page or pricing page.

In-App Notification

Thank you for choosing
<vendor-name>

You have 3 Days remaining on your free trial!

Upgrade

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Plan Selection

After initiating the purchasing flow, the next stage is to take the customer to the pricing page, where they must select the specific plan they want.

Most SaaS companies have packaged their offerings into multiple tiers, which are differentiated by the level of functionality offered. The "good," "better," and "best" three-tier model is the most popular.
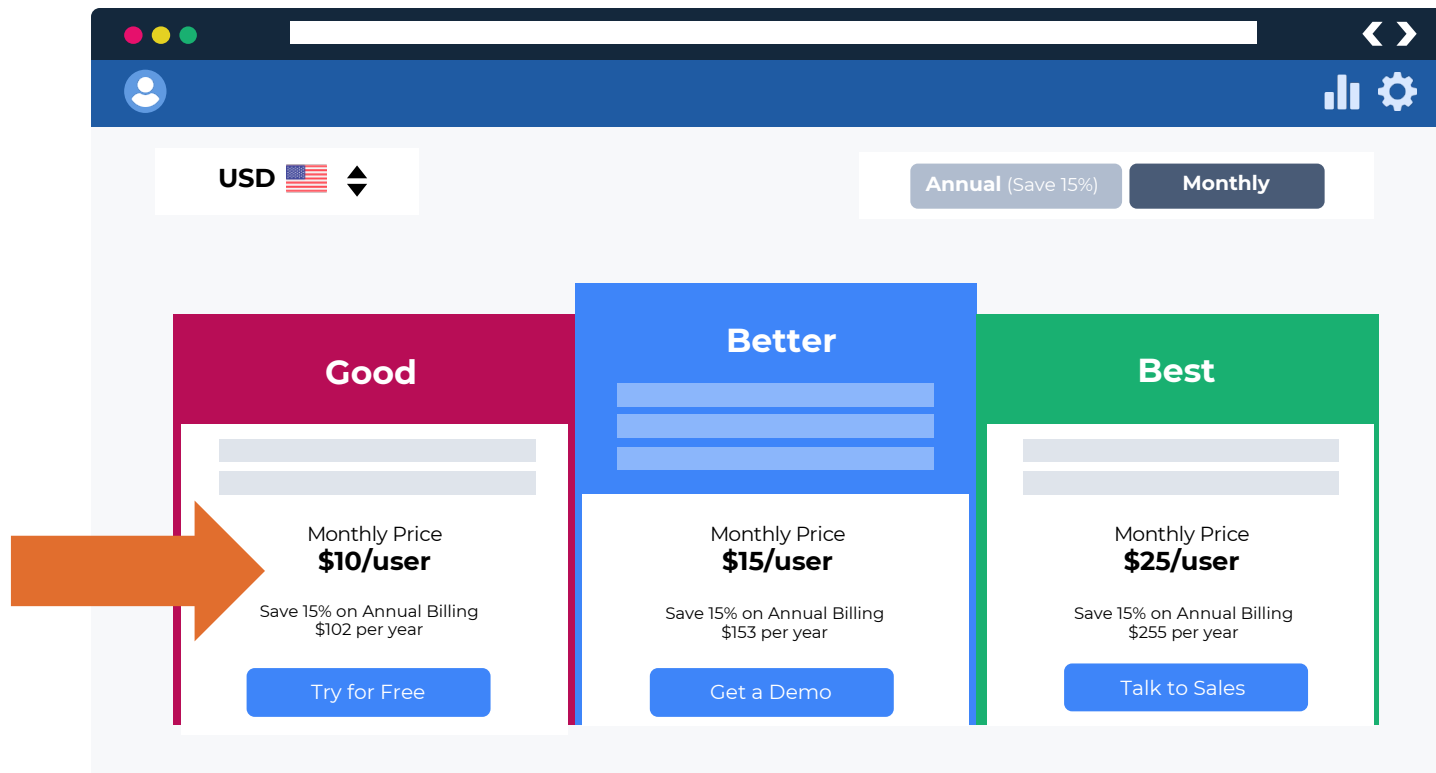
Free Trial Options for Plans

Each SaaS company uses different names for their "good," "better," "best" tiers. The most popular names are "Pro," "Business," and "Enterprise."

Most SaaS companies do not allow new customers to purchase all of the plans on line – usually just the lower-tier plans (e.g., Pro and Business).

Customers interested in the highest tier (e.g., Enterprise) may be redirected to another page and/or are encouraged to contact the sales team to discuss.
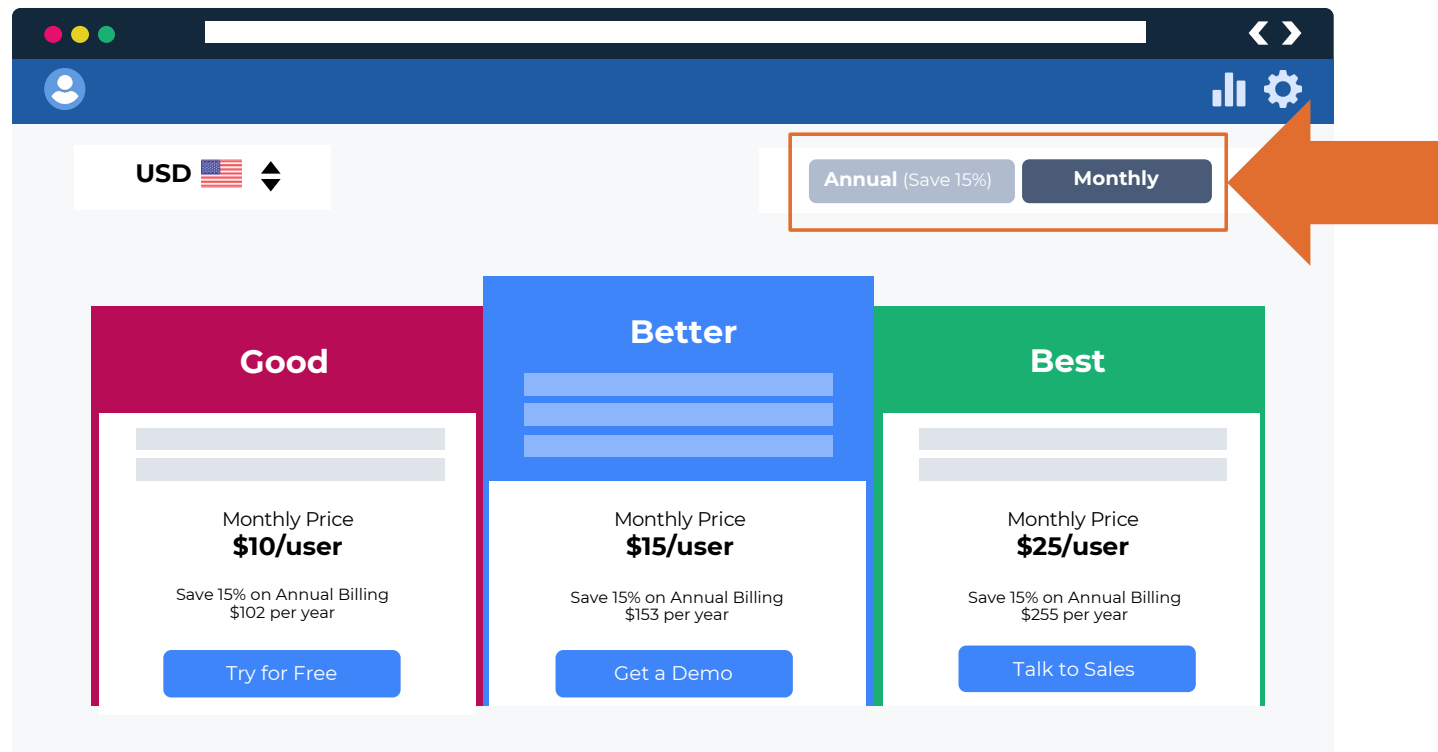
Customers interested in the Pro or Business plans can click on the appropriate button on the pricing table to initiate the purchasing process.

Questions to consider:

- How many plans do you want to enable a self-service buying experience?

- How should customers interested in the enterprise plan engage?

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Subscription Length and Billing Frequency

Once the specific plan is selected, the customer may be prompted to choose a billing frequency and subscription term. Most SaaS companies offer only two choices. The first is a monthly, pay-as-you-go plan that auto-renews at the end of each billing cycle and can be canceled anytime. The second option is an annual subscription, which auto-renews at the end of 12 months and is fully prepaid in advance.

USD

Annual (Save 15%)   **Monthly**

Good

Monthly Price
$10/user

Save 15% on Annual Billing
$102 per year

Try for Free

Better

Monthly Price
$15/user

Save 15% on Annual Billing
$153 per year

Get a Demo

Best

Monthly Price
$25/user

Save 15% on Annual Billing
$255 per year

Talk to Sales

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Annual Plans

SaaS providers offer discounts to incentivize signing up for the annual plan. Annual plans are typically offered at discounts of 15-20% of the monthly price.

A few SaaS providers offer annual plans without upfront payment. Instead, these customers are billed monthly using a model similar to pay-as-you-go plans. The big difference is that the customer is committed to paying for 12 months and does not have the flexibility to cancel at any time. The advantage of the annual plan with monthly billing is that it may better fit tight budget parameters. A small business may not want to prepay $2200 for a discounted annual plan but is comfortable paying $200 monthly.

Multi-Year Plans

Most SaaS companies offer multi-year plans with even more significant discounts than those available with a one-year commitment. However, these are not typically an option in the self-service checkout experience. Most multi-year contracts are reserved for sales-assisted purchases such as enterprise plans.

Questions to consider:

- Which plan should be the default option? Monthly, pay-as-you-go, or annual prepaid?

- Do you want to offer annual plans with monthly billing?

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Billing Currency

The customer also may be offered a choice of currencies on the pricing page. The default currency on the pricing page varies depending on how the SaaS company set up its website.

USD

CAD

GBP

EUR

AUD

Annual (Save 15%)   **Monthly**

Better

Best

Monthly Price
$10/user

Save 15% on Annual Billing
$102 per year

Try for Free

Monthly Price
$15/user

Save 15% on Annual Billing
$153 per year

Get a Demo

Monthly Price
$25/user

Save 15% on Annual Billing
$255 per year

Talk to Sales

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Regional Websites

Some SaaS companies have different websites for different markets. In these scenarios, each country site will default to the relevant currency. For example, the saascompany.co.uk site will display pricing in GBP. The saascompany.fr will display pricing in EUR. The saascompany.com.au site will display pricing in AUD.

If the SaaS company has a single global website, there may be a dropdown box allowing customers to see pricing in their preferred currency. However, not all SaaS companies offer billing in multiple currencies, and even if they do, they don't necessarily display the currencies on the website.

Questions to consider:

- Do you want to display pricing in multiple currencies? If so, which currencies?

- Do you want to offer billing in multiple currencies?

Section 3

Review Shopping Cart
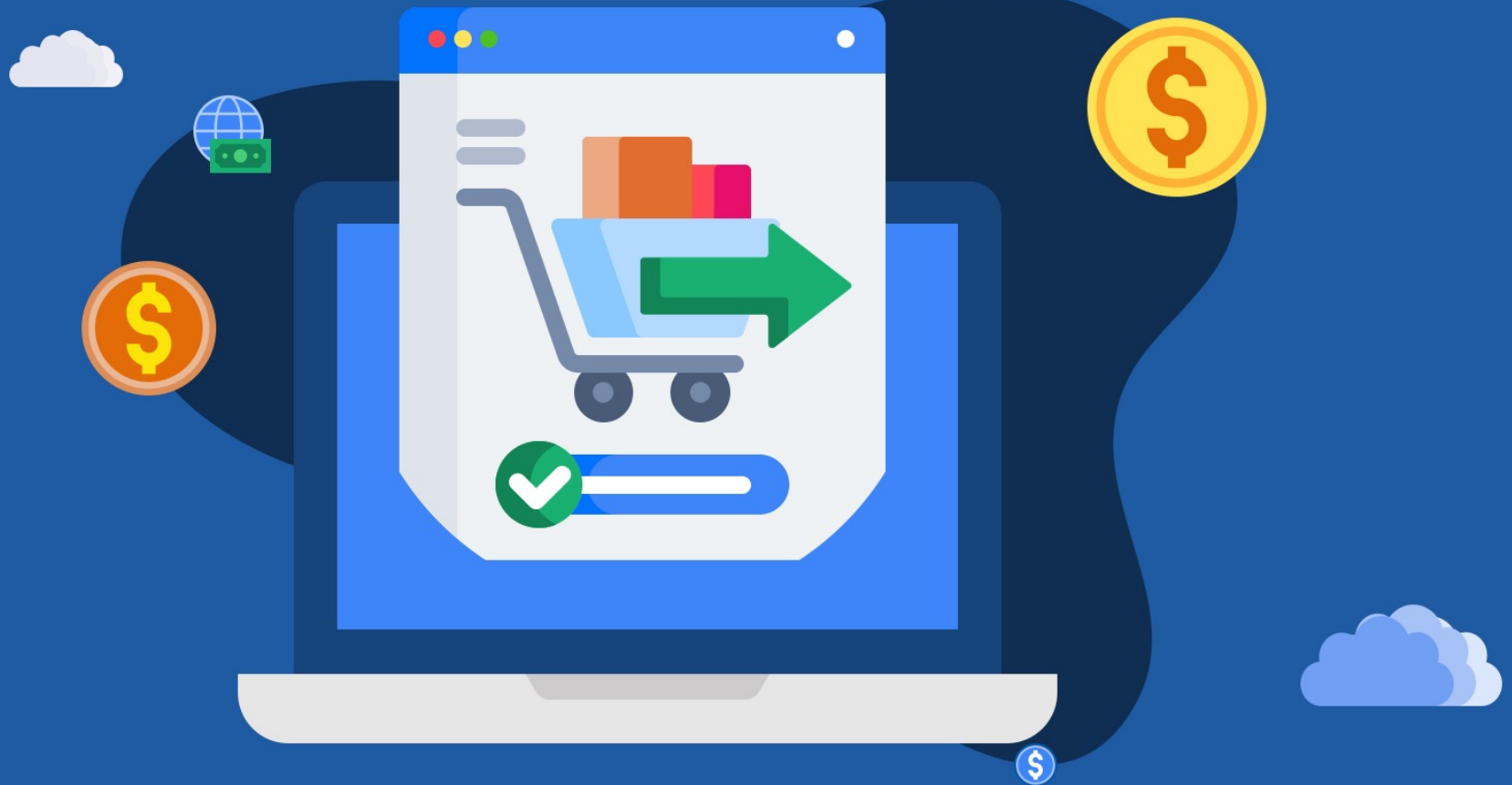
View Review Order/Cart

Once the customer has selected their preferred plan, billing frequency, and subscription length, they can review their order. The SaaS products selected should be displayed like an e-commerce shopping cart.

The level of detail displayed varies, but most SaaS companies show the product name, the plan name, the monthly price, the discounts applied, and the amount due today.

B2B vs B2C Shopping Carts

There are a few key differences between B2B shopping carts and those used in B2C for e-commerce. First, there is no physical product, so there is no need to calculate shipping charges or estimate delivery timeframes. Second, SaaS companies are more restrictive on customers' actions when reviewing shopping carts. For example, customers do not have an option to "continue shopping" and return to browsing other products on the site.

	B2C E-Commerce	B2B SaaS
Display Product Descriptions	Yes	Yes
Display Product Image	Yes	No
Display Unit Price	Yes	Yes
Display Billing Frequency	No	Yes
Change Billing Frequency	No	Sometimes
Display Unit Quantity	Yes	Yes
Change Unit Quantity	Yes	Sometimes
Delete Products	Yes	No
Apply Discount/Coupon	Yes	Yes
Estimate Shipping Charges	Yes	No
Estimate Sales Taxes	Yes	Sometimes
Guest Checkout	Yes	No
Save for Later	Yes	No
Add to Wish List	Yes	No

However, SaaS customers may want to return to earlier steps in the checkout process to change the plan selection, billing frequency, and/or subscription length. Some SaaS companies allow for simple changes in the cart without returning to earlier pages, such as toggling between monthly and annual billing.

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Timeline for Charges

Another big difference between B2B SaaS checkout and B2C e-commerce is the nature of the relationship. With e-commerce, the customer typically makes a one-time transactional purchase. However, with SaaS, the customer is entering into a longer-term, recurring billing relationship. As a result, there is a need to explain the billing schedule clearly to the customer during checkout.

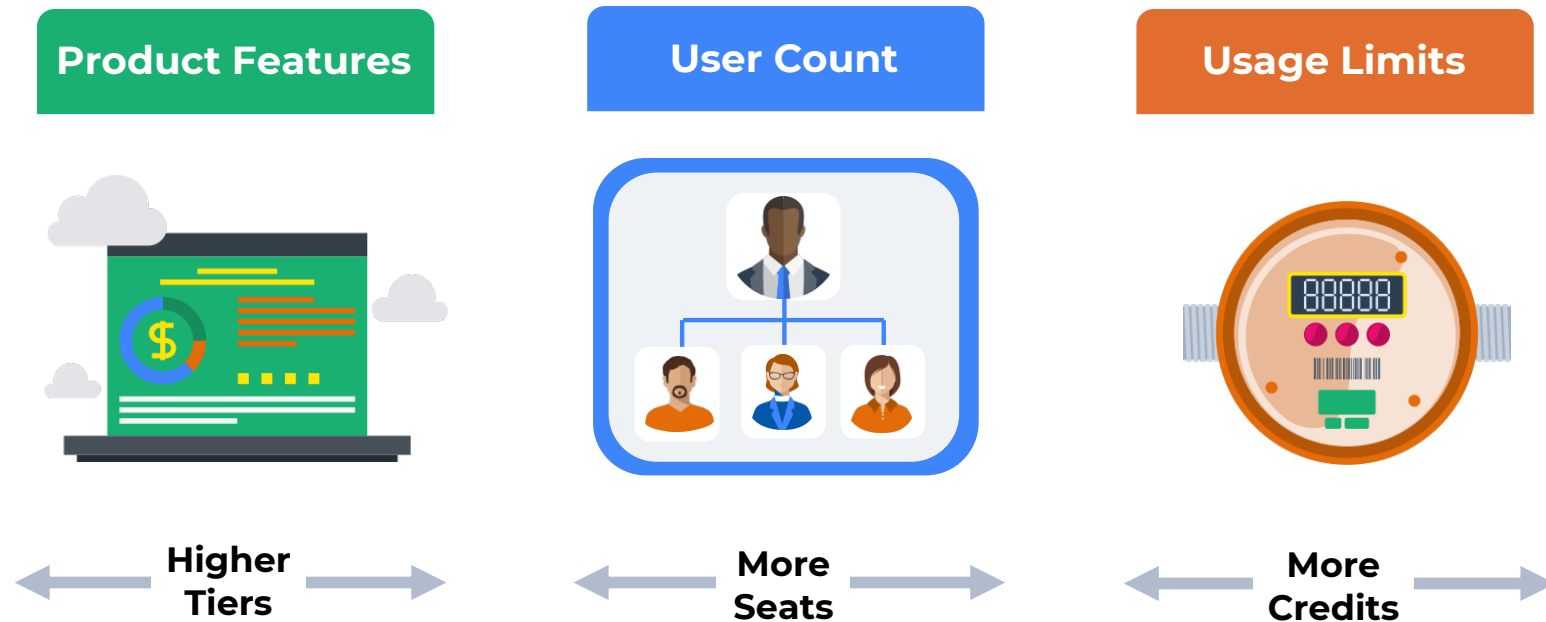The best practice is to identify clearly:
1. The amount the customer will be charged today (or at a later date if billing is deferred).
2. Notification of recurring billing and the frequency (e.g., you will be billed monthly for $100).
3. The date and amount of the following upcoming payment (e.g., February 1st for $100).
4. The cancelation policy for the customer's plan (e.g., any time before the next billing date).

Questions to consider:

- What level of detail should be included in the shopping cart line items?

- What elements can customers change in the cart? Plans? Unit quantities? Billing frequency?

- If the customer needs to return to earlier steps, what is the best approach to avoid cart abandonment?

- Is the cart first presented alongside the payment capture form? Or is it displayed earlier in the process?

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Upsell Promotion

Most SaaS offerings are not priced solely on the feature tier (e.g., "pro," "business," "enterprise"). There are often multiple pricing metrics.

Product Features	User Count	Usage Limits

**← Higher Tiers →** **← More Seats →** **← More Credits →**

The number of users is typically a secondary pricing variable for business applications, collaboration, and productivity suites. Examples include Google Workspace, Microsoft 365, Salesforce.com, Hubspot, Asana, and Monday, which are all price based on registered user count.

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Increase Unit Quantity

In scenarios with a secondary pricing metric, the customer should have the option to select a unit quantity. There are three approaches for including these upsell options in the checkout flow:

1) Add another screen in the checkout process that prompts customers to select a unit quantity.
2) Provide the option to change the unit quantity on the pricing page.
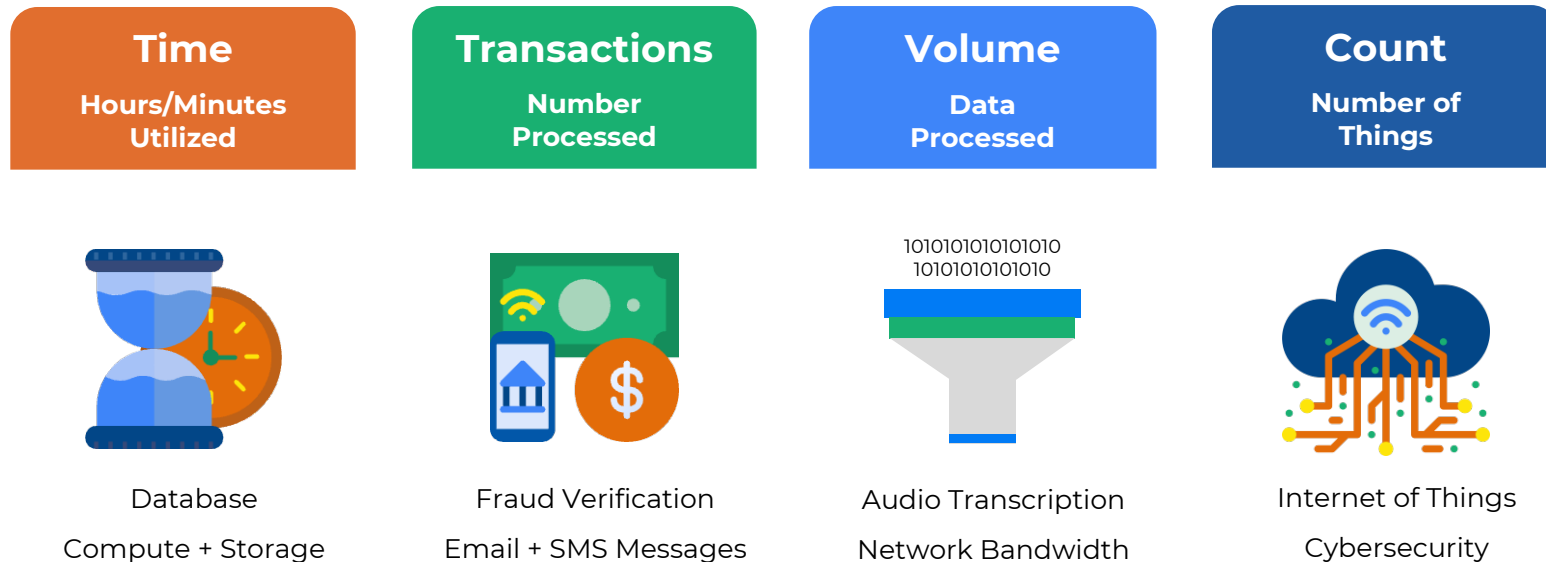3) Provide the option to change the unit quantity in the shopping cart.
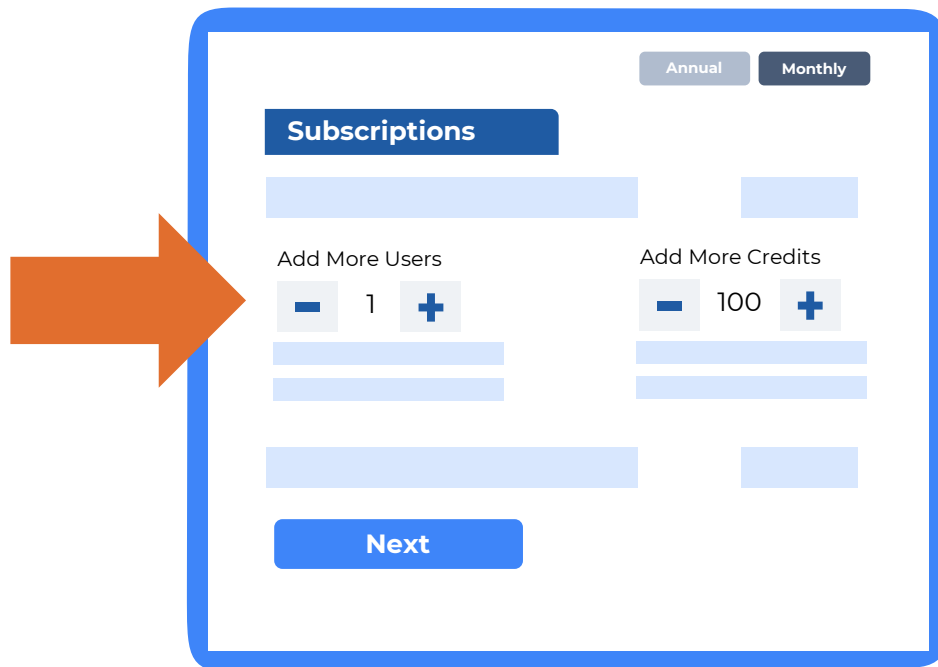
Questions to consider:

- What should the default value for the secondary pricing variable be set to? The minimum unit quantity?

- Do you want to add a step to ask customers about unit quantities?

- Where should the upsell opportunity be placed in the checkout flow?

Usage as a Secondary Pricing Metric

For other products that are not as user-centric, there is typically another pricing variable that is tied to consumption. For example, most AI/ML, fintech, and infrastructure products (e.g., AWS, Azure) are priced based on usage. There are lots of different metrics. The pricing might be based on transaction count (e.g. API calls), volume (e.g., GB data), or time (e.g., minutes).

Time	Transactions	Volume	Count
Hours/Minutes Utilized	Number Processed	Data Processed	Number of Things

Database

Compute + Storage

Fraud Verification

Email + SMS Messages

Audio Transcription

Network Bandwidth

Internet of Things

Cybersecurity

Instead of a specific metric like API calls, some SaaS companies sell customers a package of "credits" that can be drawn upon as the product is consumed.

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For example, a cloud infrastructure service might include maximum data transfer in its good, better, and best plans (e.g., 100GB, 500GB, 1TB). However, some customers may want to use more data without upgrading their feature tier.
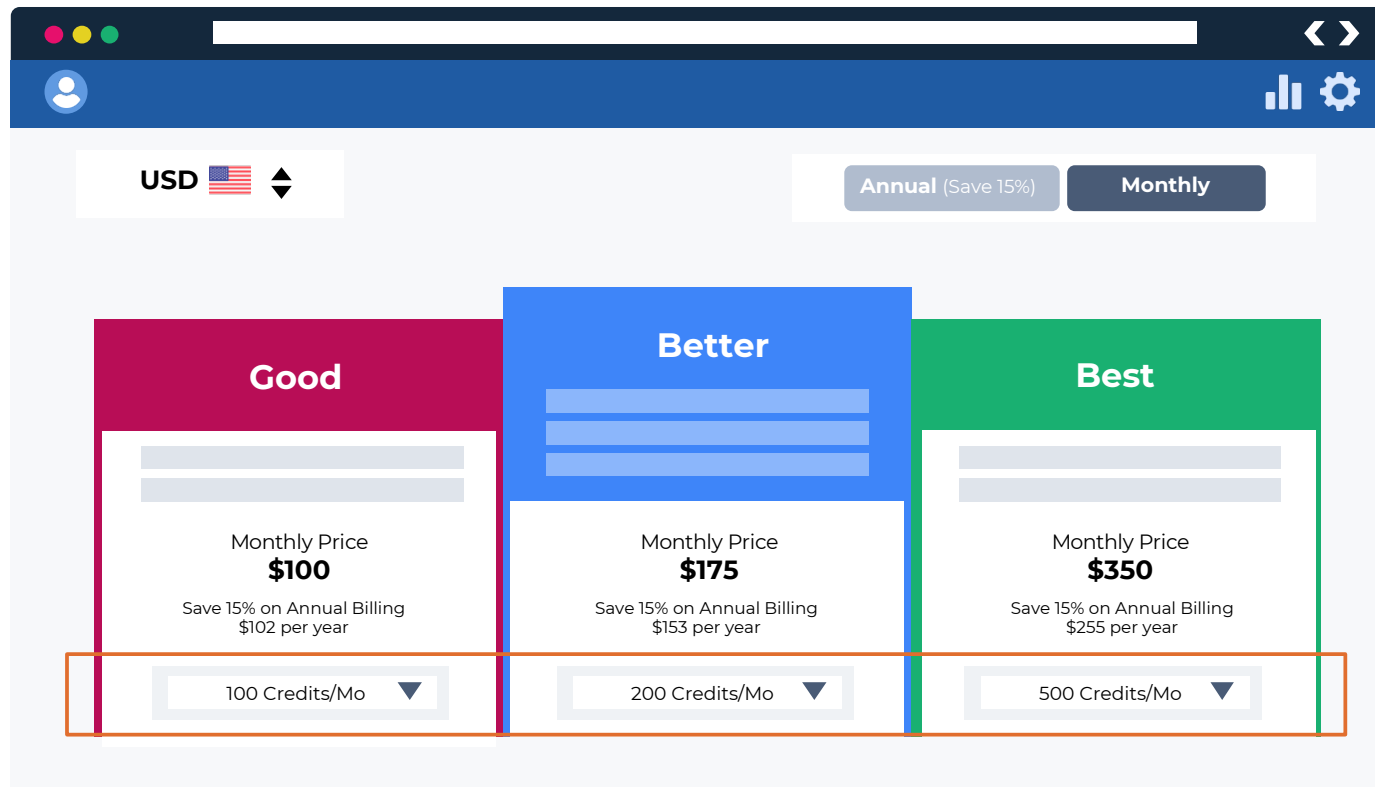
These customers should be offered the option to purchase more data transfer credits during the self-service checkout flow, which increases the ARR generated from the purchase.

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Cross-Sell Promotion

Some SaaS companies try to cross-sell additional products and services to new customers during the initial checkout flow. These cross-sell efforts might be an alternative or in addition to upsell campaigns. Incorporating a cross-sell motion into the checkout flow is challenging. There is little opportunity to explain the secondary product's features or benefits without introducing the risk of distracting the customer from purchasing the primary offering. To increase the probability of success, cross-sell campaigns must be designed around products with a highly intuitive value proposition.

Select Add-Ons

AI Copilot

Pro

$50/mo

Business

$100/mo
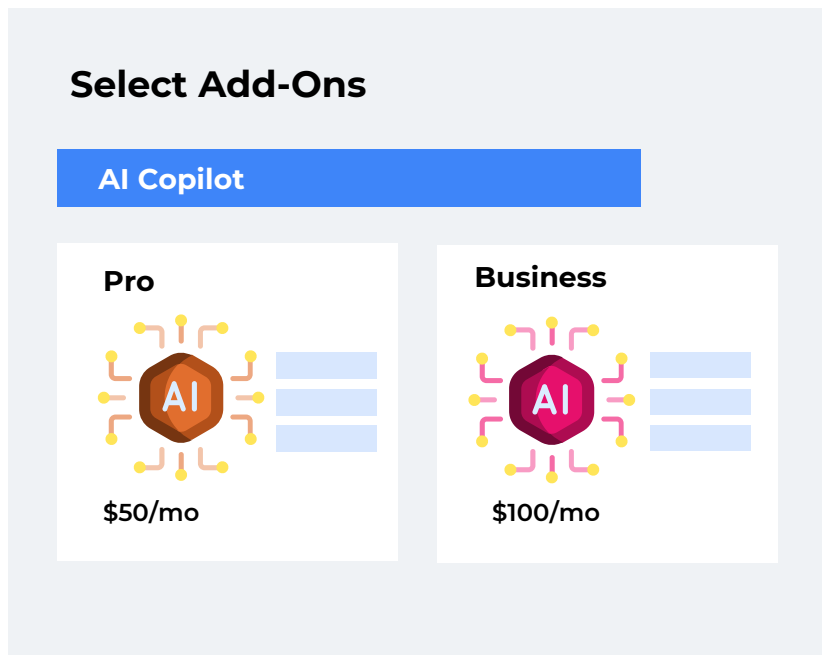
Examples

- Figma prompts customers buying its core design application to purchase the FigJam add-on.

- Zapier adds another screen to its checkout flow that prompts customers to purchase additional products, such as tables, interfaces, and chatbots, on top of the core Zap integrations.

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Discounts and Coupons

SaaS companies offer new customers a variety of discount incentives to entice them to sign up for paid plans. Some incentives are advertised directly on the website while the customer is navigating. For example, there may be a Black Friday offer to receive an additional 15% off the first year of a subscription if the customer purchases before November 30th. These on-site promotions may be applied automatically to the customer's plans and reflected in the line items displayed in the shopping cart.

In other cases, the customer may discover a promotional code or coupon on a third-party site. These are not automatically applied.

The customer must enter the promo code at checkout to obtain the discount. If the promotion is valid, the shopping cart must be dynamically updated to reflect the discounted pricing. The actual price the customer will pay should be reflected in the cart before s/he is prompted to enter their payment method.
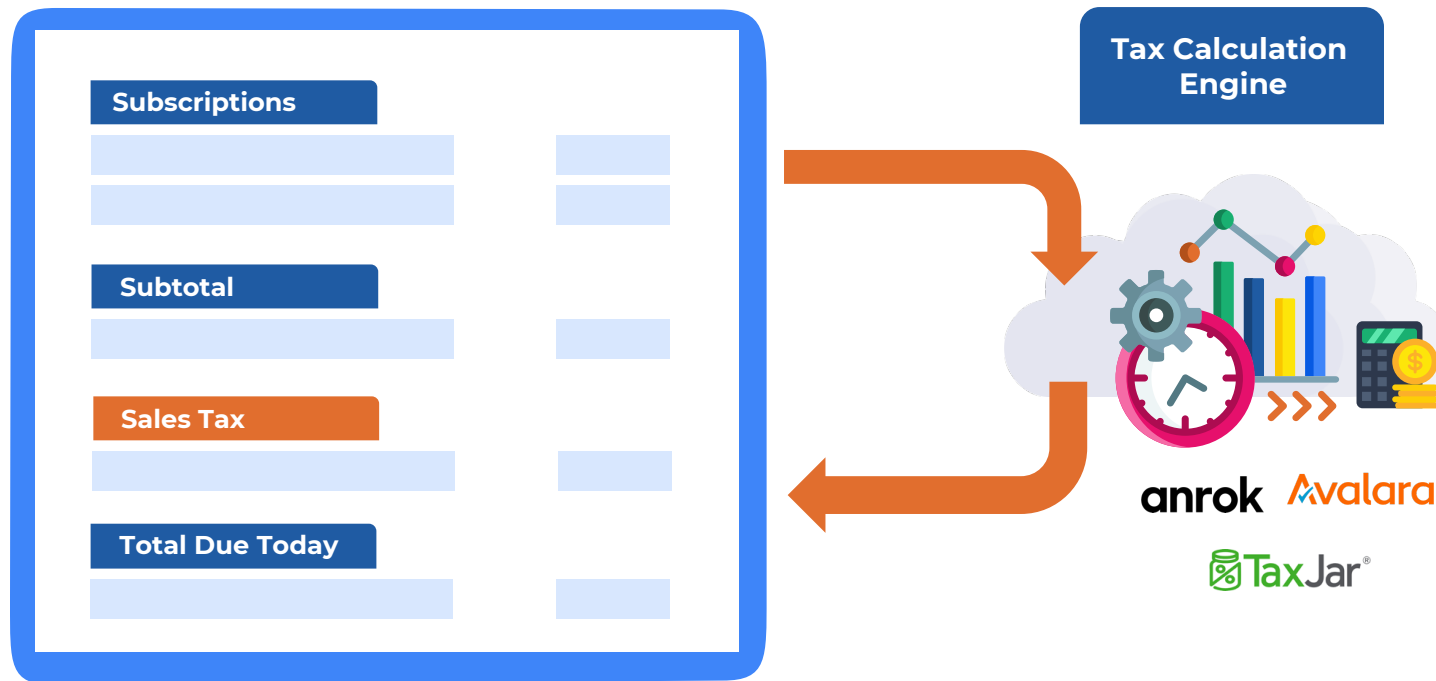
Enter Promo Code

AXE7138FJ6

Subscriptions

Discount

Total

Presentation of Sales Taxes

Most taxes for SaaS products are calculated based on the customer's physical address, which has not necessarily been collected when the cart is first presented. As a result, the tax amount is generally not included in the estimated total presented in the buyer's cart.

The tax calculation usually requires an API call to an external service such as TaxJar, Avalara, or Anrok. These API calls incur a fee, another reason the taxes may not be displayed before checkout.

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Preview Estimated Taxes

Some SaaS providers enable customers to preview the actual taxes to be paid for items in the cart. Customers can enter their billing address, and the estimated taxes will be calculated dynamically in real-time.

An alternative approach is to infer the customer's location based on their IP address. Of course, there are inherent challenges with reverse IP lookups as the customer may be traveling or using a VPN, either of which would display a different location.

Alternatively, the customer can proceed with the checkout process and view the taxes assessed on the invoice they will receive after the payment is processed. There should be a blank placeholder line item in the cart to reflect the estimated taxes if the actual amount is not shown.

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Section 4

Payment Method
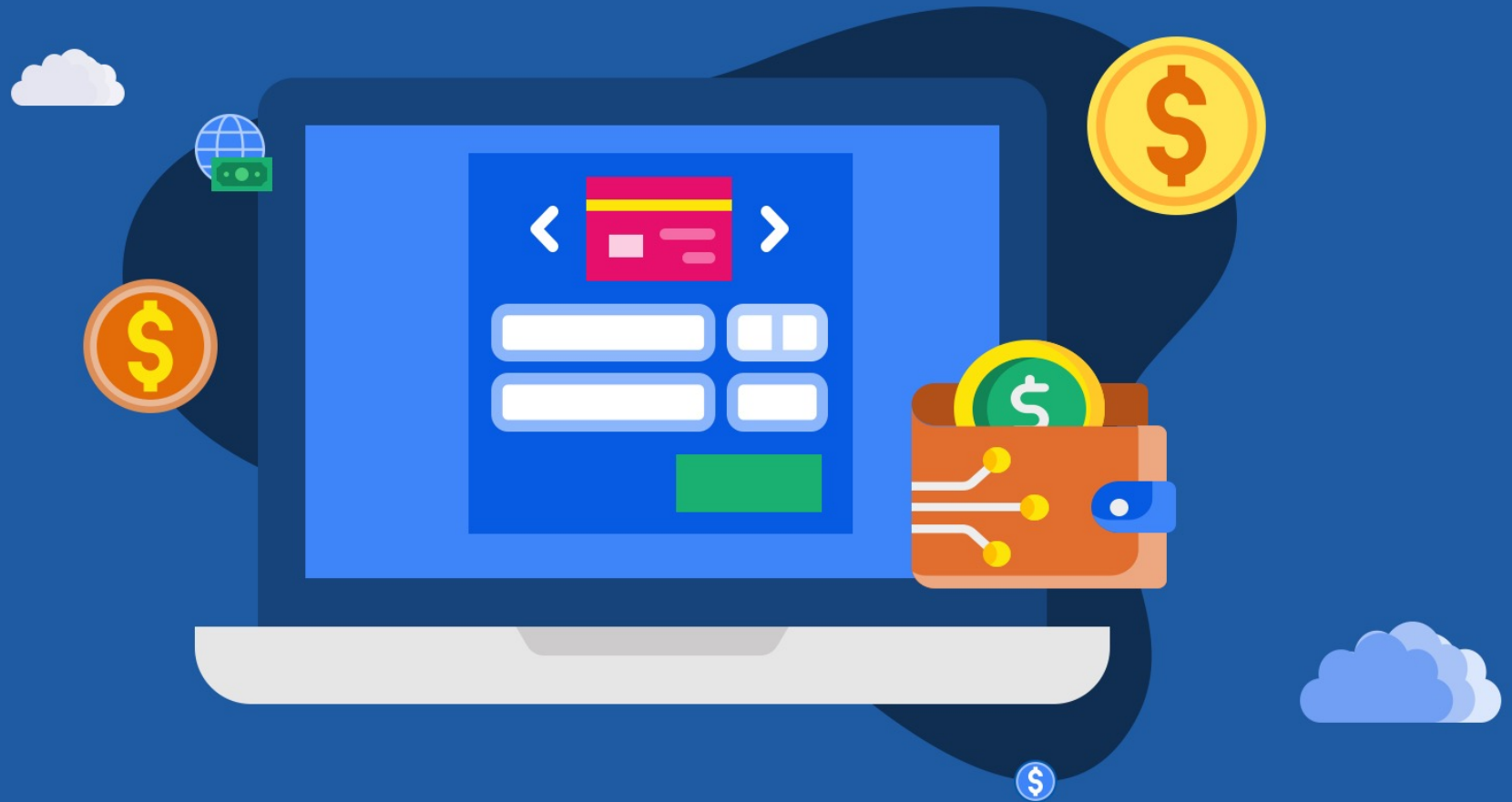
Payment Method Selection

Payment Options

The most important part of the checkout experience is capturing the payment method. This is needed for the initial charge at checkout and the ongoing recurring billing. SaaS providers vary in the payment methods they offer. Credit cards are the most common payment method, but some also offer the option to pay via a debit card, digital wallet, peer-to-peer network, or bank transfer.

Credit Card Options

The most popular credit card networks are Visa and Mastercard, which are almost universal for every SaaS product. Other options include American Express, Diners Club, JCB, UnionPay, and Discover. Some card brands are more popular in certain regions than others. For example, Discover is popular in North America, and JCB is popular in Japan.

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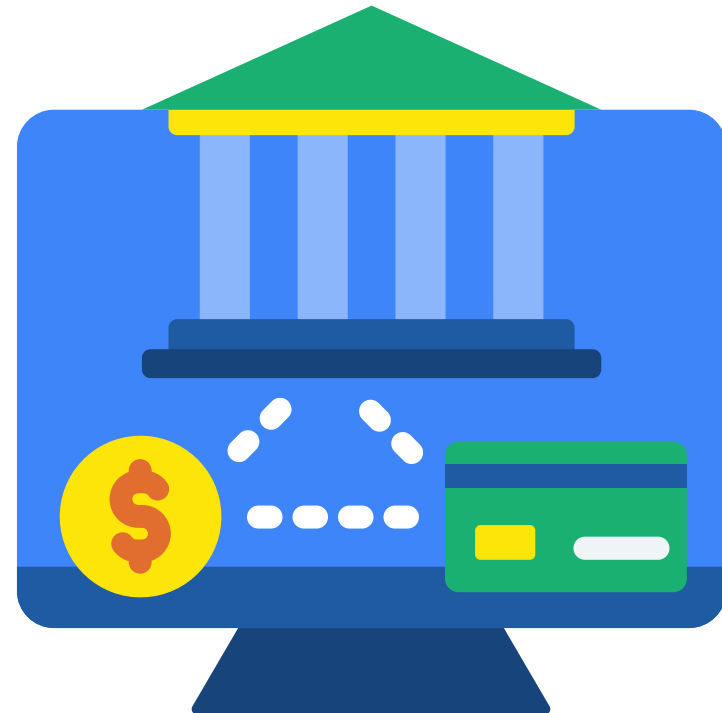
Digital Wallets

Offering more choices increases conversion rates and improves the customer experience. For example, Monday enables customers to pay with all the card networks listed above, plus PayPal. Digital wallets and peer-to-peer payment networks can simplify the checkout process by freeing customers from having to type in credit card numbers or bank routing numbers. Google Pay and Apple Pay are some of the most common options for B2B SaaS transactions.

Direct Debit ACH Transactions

Payment via bank transfer (e.g., ACH) is becoming increasingly popular as SaaS providers try to reduce their payment processing fees. Credit card payments cost 2-3% of the transaction value. Bank transfers are typically priced much lower as a flat fee (e.g., $0.30 per transaction) or a much smaller percentage (e.g., 0.5%).

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Dynamic Payment Options

Reducing Card Processing Fees

Some SaaS providers set up business rules to hide or show specific payment options depending on the nature of the transaction.

For example, some SaaS providers may not want to incur the 3% processing fee for cards on higher dollar-value transactions. As a result, they may not present credit cards as the default payment option during checkout.
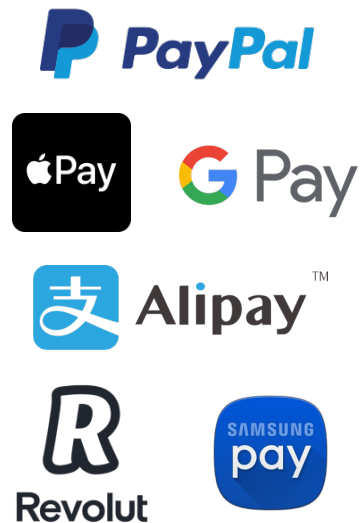
Location-Based Options

Others will dynamically adapt the payment options presented to customers based on location and local currency, which can be deferred from the user's IP address.

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Payment Options - Summary

Credit Cards	Digital Wallets	Bank Transfers

Credit Cards: VISA, Mastercard, AMERICAN EXPRESS, CB, DISCOVER, JCB, UnionPay, Diners Club INTERNATIONAL

Digital Wallets: PayPal, Apple Pay, G Pay, Alipay, Revolut, Samsung Pay

Bank Transfers:

ACH Automated Clearing House

PADS Pre-Authorized Debits

BACS Bankers' Automated Clearing System

SEPA Single European Payments Area

**BECS** Bulk Electronic Clearing System

Questions to consider:
- Which credit card brands will you accept?
- Which digital wallets and peer-to-peer networks will you accept?
- Will you offer bank account debits?

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Credit Card Details

Once the customer has selected a payment method, the appropriate details must be captured for the initial charge and the ongoing recurring billing process. For credit card transactions, the customer must provide the sixteen-digit card number, the expiration date (month and year), and the security code.

Enter Payment Method

First Name   Last Name

Card Number

Expiration Date   Security Code

Submit
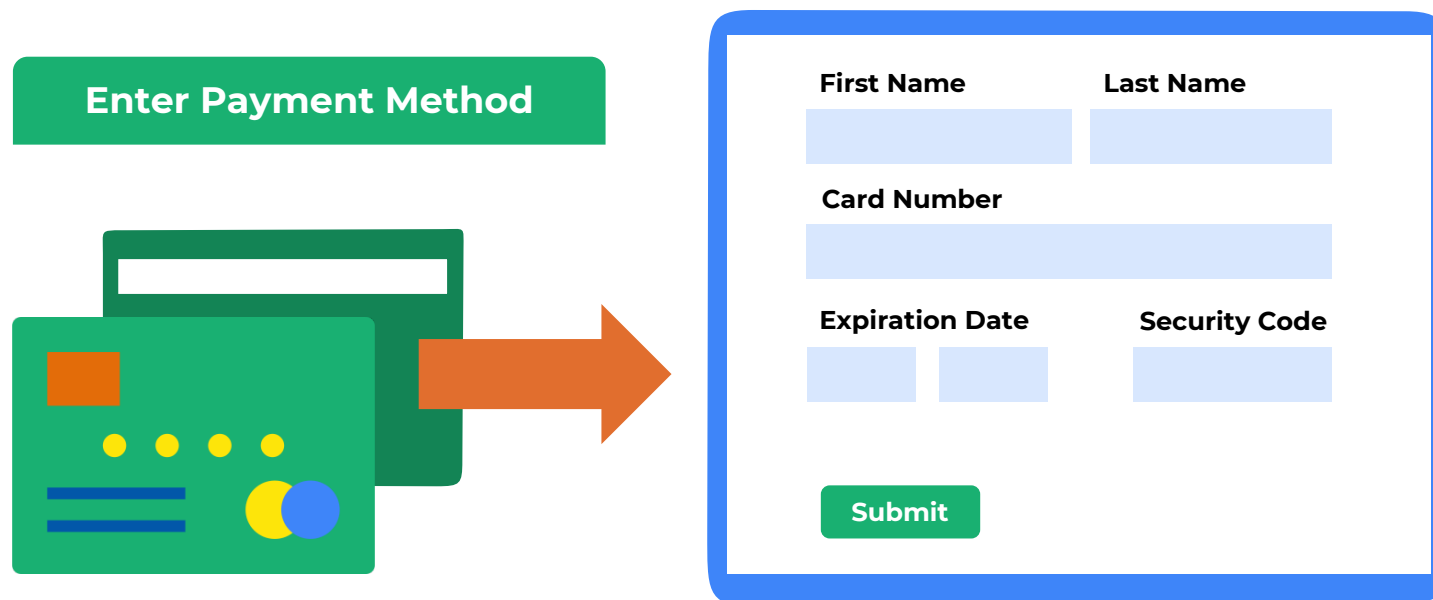
As with all elements of the self-service checkout flow, there is a balance between the need to capture information and the desire to minimize friction in the user experience. SaaS providers must ensure they have the relevant details to bill the account and calculate taxes accurately. However, they don't want to present an intimidating checkout form with 10+ fields that might lead to lower conversion rates.

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Some SaaS providers require additional details to reduce the risk of fraud. Examples include the cardholder's name, the zip code, or the full billing address.


If the additional details, such as name or address, were collected during a free trial or freemium registration, they should be automatically populated on the card details form. If the information is incorrect, the customer can edit the appropriate fields before submitting the payment.

Stored Card Details

Some payment processors allow customers to save their card details in a specialized digital wallet.

For example, Stripe created a service called Link that stores details of payment methods.

The benefit of these services is that the card information can be automatically populated into the form at checkout.

Website #1
Checkout

Website #2
Checkout

Website #3
Checkout

link
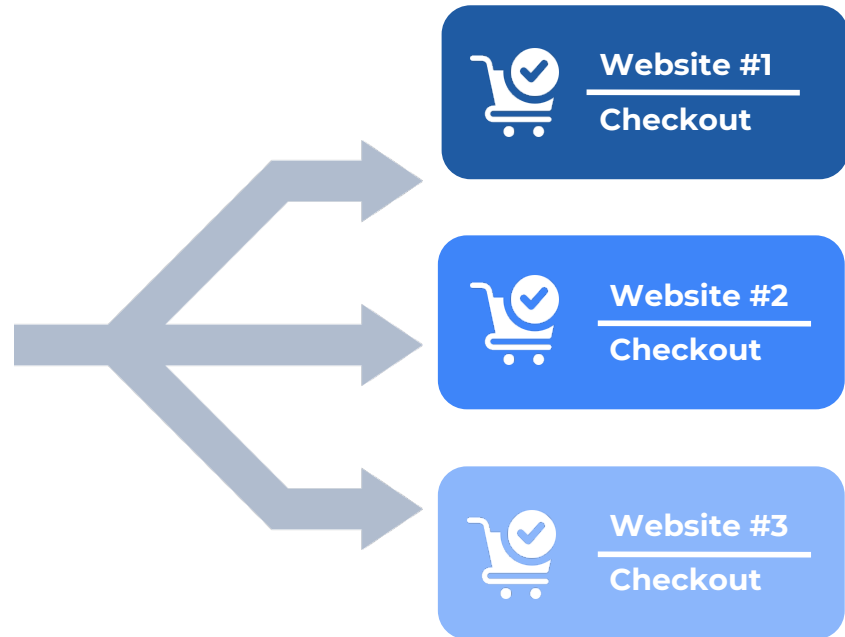
Digital wallet services also free customers from remembering their sixteen-digit card number, expiration date, and security code, allowing for a more frictionless checkout experience.

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Direct Debits from Bank Accounts

Direct Debit in Different Countries

The names, rules, and customer authorization processes for direct debits vary by country. US automated clearinghouse (ACH) transactions are governed by different rules than Canadian preauthorized debits (PAD), BACS direct debits in the UK, or SEPA direct debits in Europe.
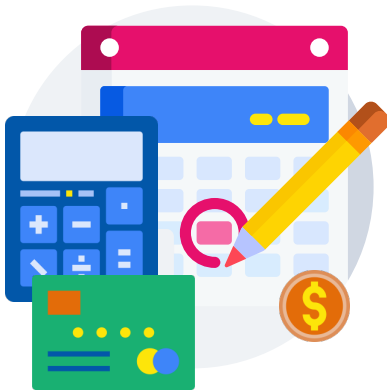
Credit Cards vs Direct Debit

Direct debit transactions introduce some challenges that are different from credit cards, which SaaS providers should understand before introducing these options. The differences relate to factors such as

- Processing costs
- Timing of funds transfers
- Required customer notifications

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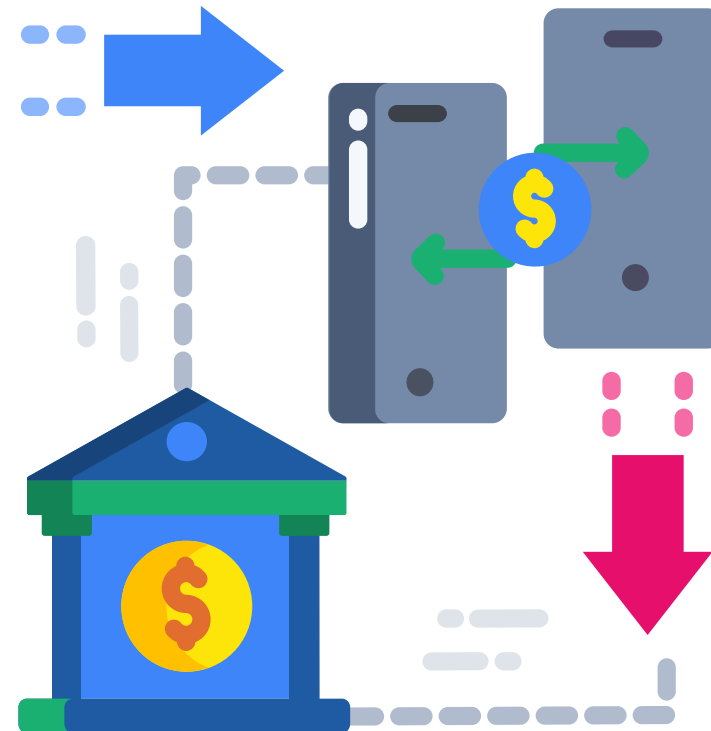
Processing Costs

Automated bank transfers have substantially lower costs than credit card transactions. Debit transactions are often charged a flat fee rather than a percentage of the transaction price. Expense savings can be significant, particularly for SaaS companies with a high average selling price.

Timing of Funds Transfer

Credit card transactions are approved in real time, and the funds are available within a few days. Direct debit transactions are not approved in real-time. They are asynchronous. For example, direct debits through the US ACH system typically take 2-3 days. Most countries have faster settlement times. The US recently introduced a real-time payments option.

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Additional Direct Debit Considerations

Funding Risk	Account Status	Notifications and Mandates
The customer may not have sufficient funds in their bank account to fulfill the recurring payments. Unlike credit cards, which provide the customer with 30+ days to fund the charges, direct debits are collected within a few days of the billing cycle.	The customer may close their bank account at any point during the subscription term. In these scenarios, the SaaS provider must contact the customer and capture an alternative payment method.	Customers must explicitly opt into recurring billing. The specific requirements differ for cards and direct debits, but the high-level principles are the same.
Credit cards are not perfect, either. The credit limit on an account may be exceeded, which may lead to the transaction being denied.	Credit card accounts can also be closed, or the card can expire. Although, banks now offer services to update merchants with new card numbers for recurring billing automatically.	The billing frequency and amounts should be communicated to the customer upfront. Following enrollment, an email confirmation with the details should be sent.

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Preventing Fraud in Direct Debit Payments

Account Details

SaaS companies accepting direct debit payments must design low-friction approaches to enrolling customers in direct debit programs during checkout. The data fields and security protocols required differ from those of credit cards.

In general, SaaS providers will want to confirm that the customer has provided a valid account number, that the account has sufficient funds, and that the customer has authorized recurring payments.

Account Ownership

Another important consideration is fraud. The customer must verify that they own the account to perform direct debits. There are two primary methods for collecting payment details and verifying account ownership during a self-service checkout motion.

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Option 1
Connection to Financial Institution

One way for the customer to demonstrate ownership of the bank account is to connect to the financial institution during checkout. After selecting direct debit as the preferred payment method, the customer will be prompted to select their bank. A new window will appear from the bank, prompting the customer to enter their credentials to access the account.

Self-Service Checkout	Account Connection	Financial Institution
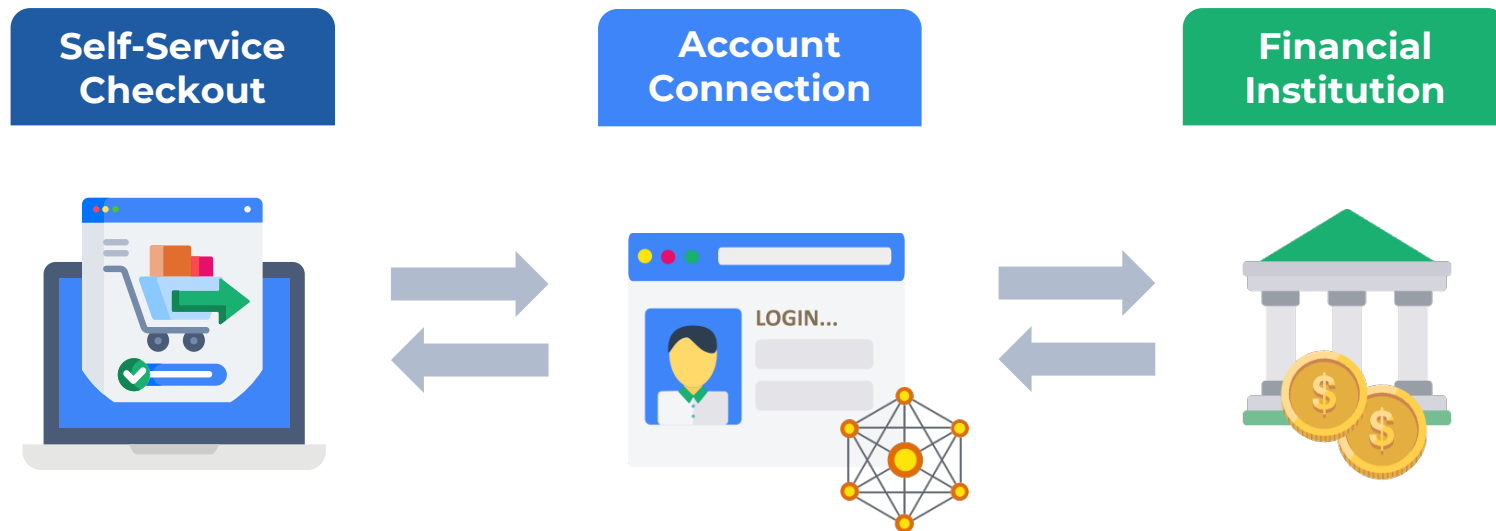
The bank connection simplifies checkout in two ways. First, it allows the SaaS provider (their payment processor, to be more exact) to capture the necessary details for recurring payments - bank account, routing number, etc. Second, it provides real-time verification that the customer owns the account and gives authorization to debit funds.

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Option 2
Microdeposits

The second option is microdeposits. In this model, the customer is presented with a form similar to the one used for credit cards. The form will capture the account holder's name and bank account details.


The specifics to be captured will vary depending on the country and direct debit transfer mechanism being used. In the US, the ABA routing number and bank account number will be required. In Europe, BIC and SWIFT codes may be required in addition to the bank account number.

Some payment processors will request additional details. Common examples include the name of the financial institution, the bank account type (checking or savings), ownership (business or personal), and the name listed on the account (business or individual).

Confirming Account Ownership

The banking details are necessary to perform the direct debits, but they are insufficient to initiate the payment stream. An additional security measure is required before the first direct debit can be performed.

Payment Processor → $0.02 $0.05 → **Financial Institution**

Billing System ← Confirmation ← **Online Bank Account**
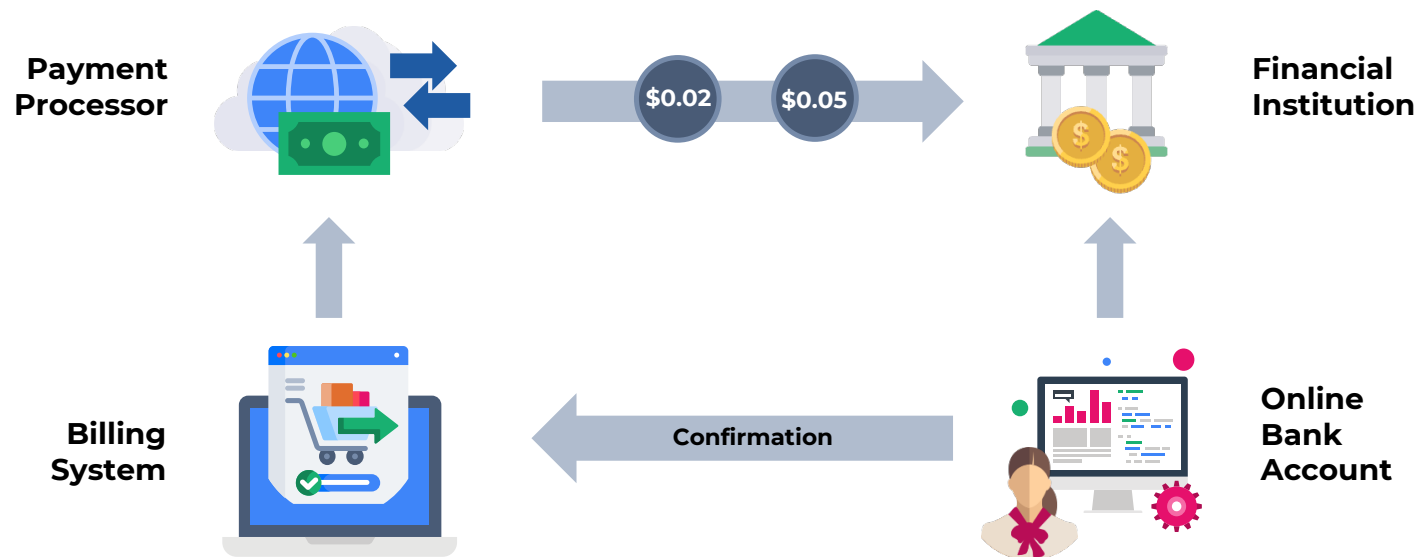
The payment processor will make small deposits to the customer's account. For example, a $0.02 and $0.07 deposit might be made. The customer must verify the amounts deposited to confirm ownership of the account.

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Account Statement Codes

An alternative approach is to make a $0.01 deposit and tag it with a unique verification code in the description on the account statement.

For example, the descriptor code might read "GHX62Y." The customer can use the code to verify ownership of the account.

Questions to Consider

- Can your credit card payment processor also perform bank account debits? If so, in what countries?

- Will you offer bank account debits as a lower-cost alternative to credit card payments?

- What information does your payment processor require for these bank account debits? Does the information needed vary by country?

- How will you capture bank account details during checkout? Will you have users' key data in a form? Will you require them to log in to their bank accounts?

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Buy Now Pay Later

Buy Now Pay Later (BNPL) programs have become mainstream in many different markets worldwide. SaaS companies that sell to consumers (B2C) and businesses (B2B) are increasingly adding BNPL as a customer payment option.

For example, many EdTech companies sell to both businesses and individual employees at the associated companies. Employees purchasing individual courses or subscriptions may pay "out of pocket" for these expenses.

In these scenarios, the customer may want an option to spread the payment into four installments or make monthly payments over a longer period of time, such as 36 months.

BNPL programs are also being adopted for B2B transactions. Revenue financing companies are introducing new products for these scenarios. For example, a small business may purchase an annual plan from a SaaS provider that requires an upfront payment but uses a BNPL program to avoid the upfront cash outlay and instead pay monthly.

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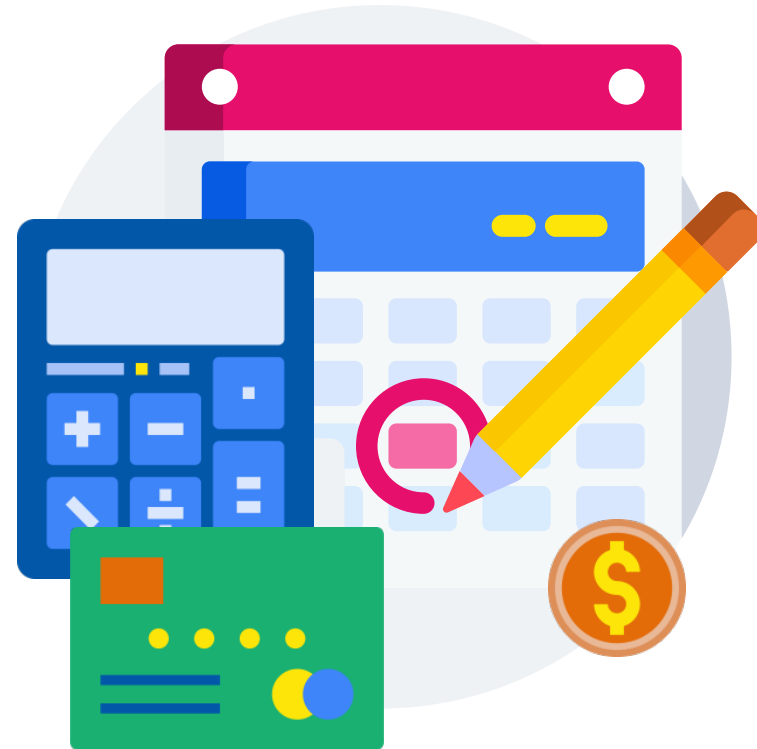
Tax Details

With SaaS there is physical product is being shipped, so there is no need for the seller to know the exact street address as there is in e-commerce.

However, third parties involved in the transaction may require the full address details, such as the financial institution processing the payment or the government assessing taxes on the transaction.

Billing Address

For example, many US states and municipalities collect sales taxes on SaaS subscriptions. In some states, a SaaS company must exceed a minimum dollar or transaction volume threshold to be taxed. In other states, there is no minimum, and all SaaS purchases are taxed. Still, others have no taxes on these types of digital goods.

No SaaS Taxes

Taxes B2B + B2C SaaS

Taxes B2B or B2C

Local Cities Tax SaaS

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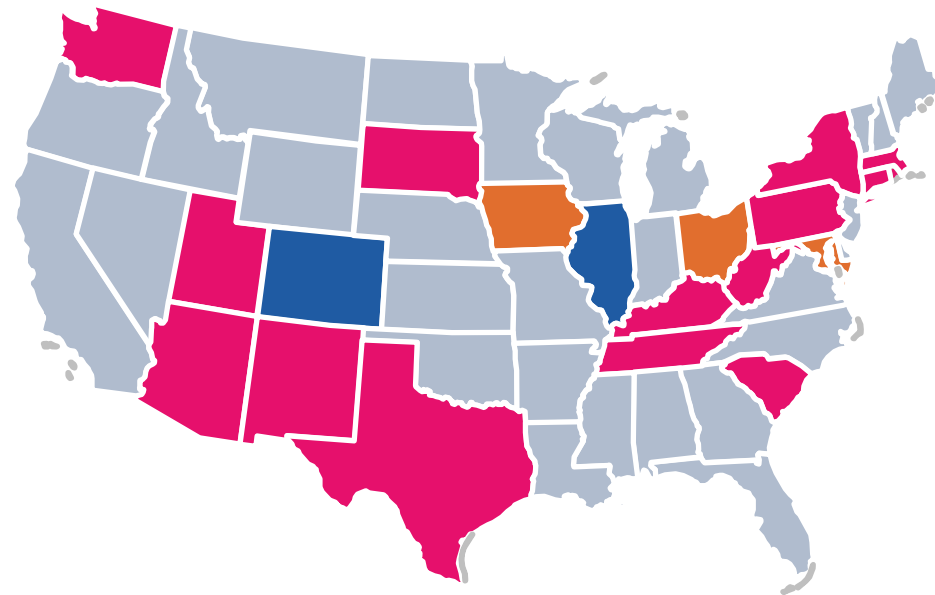
Tax Identifier

Taxation requirements vary from country to country. As a result, most SaaS providers collect the country to determine what type of taxation scheme applies - VAT, GST, HST, or local sales taxes.

In addition to the address, the taxpayer identification number may need to be collected during checkout. This is often the case in countries with VAT, GST, and HST.

VAT (Value Added Tax)

GST (Goods & Services Tax)

HST (Harmonized Sales Tax)

Questions to consider:
- Which countries are your customers in?
- Which types of taxation schemes do you need to support?
- Do you need to capture taxpayer identification numbers for VAT, etc.?
- How will you maintain accurate, up-to-date tax rates for each of the regions in which you sel

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Billing Contacts

In today's economy, people switch roles frequently. Some move to another role within the same organization. Others find roles at another company.

Primary Contact	Alternate Contact	Alternate Contact
Mark Sponzor	**Joe Payor**	**Jill Remitter**
VP of Operations	Accounts Payable	VP/Controller
Mark.sponzor@monster.llm	joe.payor@monster.llm	Joe.remitter@monster.llm
+1.415.555.1212	+1.212.555.1212	+1.617.555.1212

Whenever the primary sponsor of a SaaS product disappears, there is a risk of involuntary churn because the payment method on file may also disappear. In these scenarios, it is helpful to have secondary contacts at the organization to engage to establish a new payment method.

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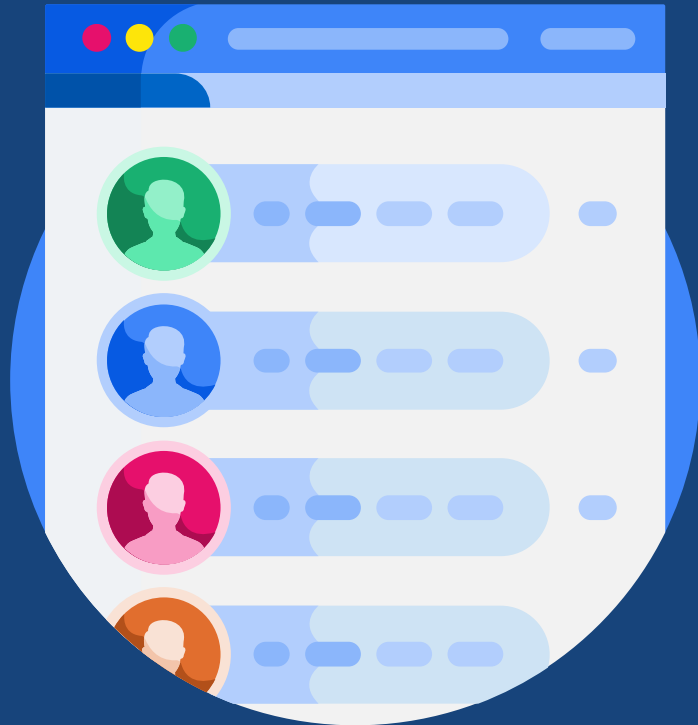
Secondary Billing Contacts

Some SaaS companies like to capture secondary billing contacts, if possible, during the initial checkout process.

In addition to the product's business sponsor (primary user), you should also aim to get contact details for the finance organization. The best approach is to get a specific person as well as the generic email address for accounts payable used for all vendor invoices.

These form fields are usually optional to avoid frustrating users looking for a quick checkout experience. When included on checkout pages, most buyers may leave secondary contacts blank. However, there is considerable benefit even if only 10 or 20% of customers take the time to share a secondary contact.
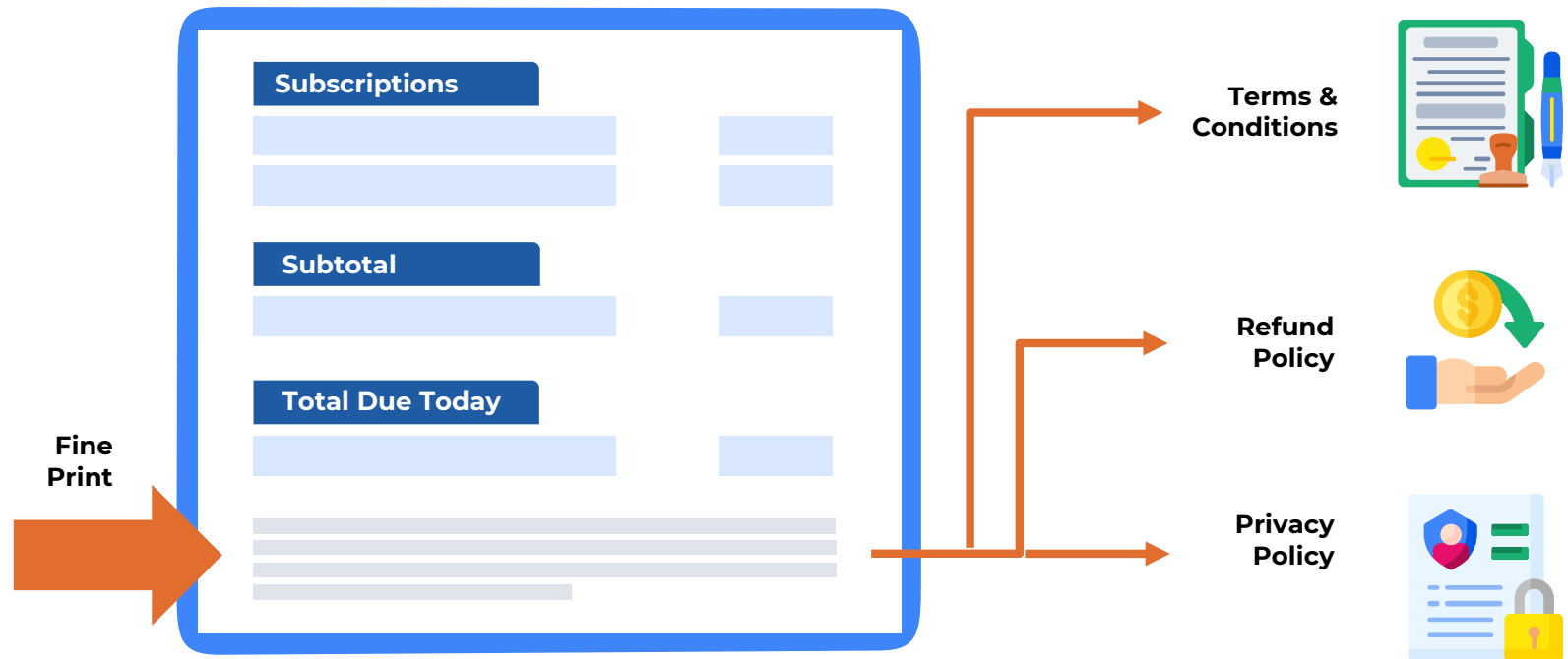
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Section 5

Final Checkout

Recurring Billing Opt-In

SaaS providers must capture payment details during checkout, not just for the initial transaction but also for ongoing recurring billing.


If the customer selects a pay-as-you-go plan, the account will be charged monthly using the payment method on file.

If the customer selects an annual plan, the account will be charged every twelve months.

Customer Consent

SaaS providers must get customers' consent to opt into the recurring billing relationship.

Some require customers to tick a box acknowledging that they have opted into recurring billing. Others simply provide a notification on the checkout page.

Auto-Renewal

Cancellation Notice
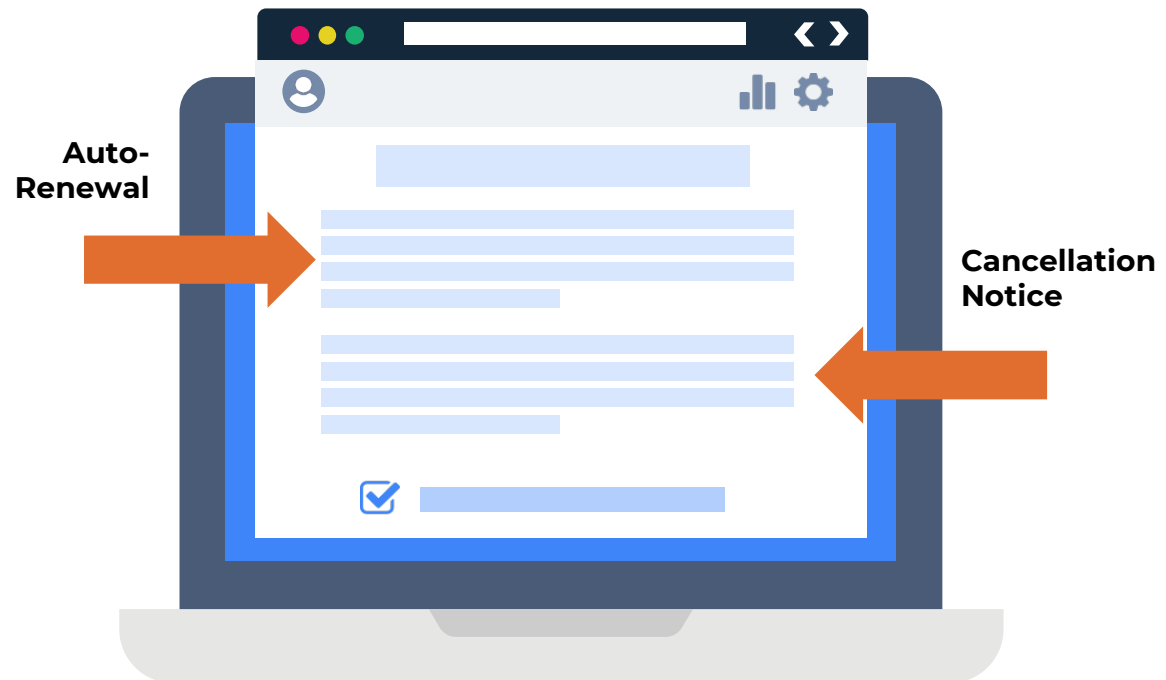
Terms and Conditions

In most cases, the opt-in is broader than just the recurring billing. It also requires the customer to opt into the privacy policy and general terms for the SaaS application. A link to these documents is provided in the fine print on the checkout page.

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Cancellation Policy

In addition to recurring billing, most SaaS providers want customers to be informed of cancellation policies to reduce confusion and potential disputes.

Pay-as-you-Go Plans

Typically, customers can cancel monthly, pay-as-you-go plans at any time. However, the user should be informed how they will be charged for the final month of the subscription. Most SaaS companies bill in advance for the full month and do not prorate charges for cancellations.

Annual Contracts

There is typically less flexibility for annual plans. These can only be canceled at the end of the subscription term (e.g., 12 months).

Refunds

Some SaaS companies offer customers a cancellation window during the first few weeks of the subscription term. These refund policies are effectively termination for convenience clauses that enable the customer to opt out of an annual plan for any reason. Refund policies are typically used as differentiators. They are prominently displayed during the checkout process.
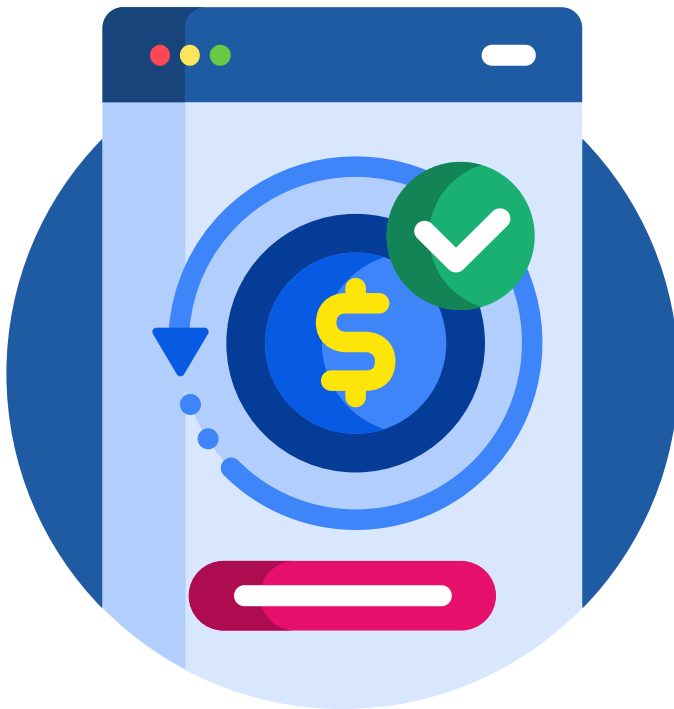
Example
Monday.com promotes its "Money Back Guarantee" and offers a prorated refund for dissatisfied customers in the first 30 days.

Timing

Some refund windows are for seven days. Others last as long as 90.

Prorations

Some SaaS providers will offer a full refund. Others will prorate the refund based on the number of days remaining in the subscription.

Reviews and Testimonials

It is important to continue building confidence in the customer's decision as they progress through the checkout experience. Just because they entered the checkout process does not mean they will complete it. A popular strategy among SaaS companies is presenting customer reviews or testimonials at various points during checkout.

Customer Quotes

Ideally, the testimonial is from a senior executive from a well-established brand. SaaS companies will include a photo to show that it is a real person, a short one-sentence quotation, and the company's logo.

Social Proof

An alternative strategy is to use social proof in the form of real-world reviews from Capterra, G2, or TrustRadius. Another approach is to display a row of badges from these review sites that reinforce the quality of customer support or the ease of use.

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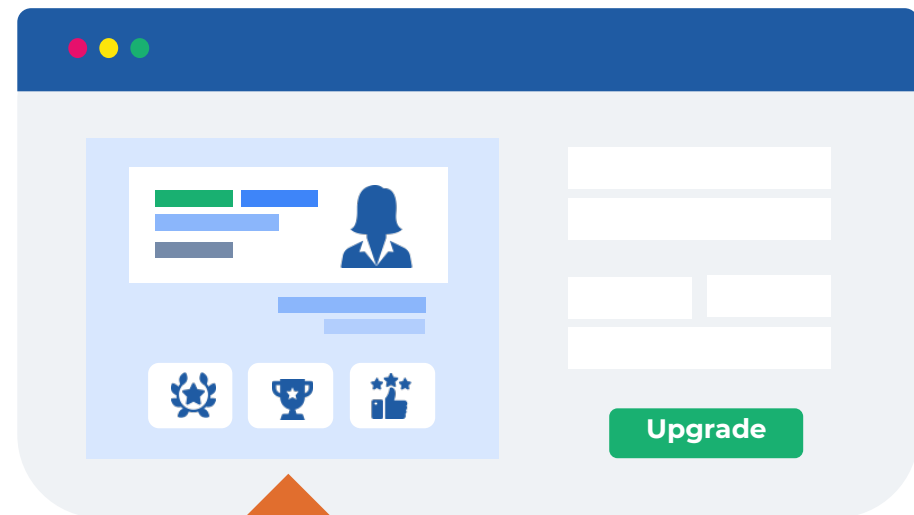
Trust Badges

Consider adding trust badges to your checkout page to boost confidence with your users. Although e-commerce is over 30 years old, purchasing software online is still a relatively new phenomenon for most buyers. Most software purchases still occur through the traditional sales-led process in which the customer is invoiced after the contract is signed. Buyers might be apprehensive about sharing credit card numbers or bank account details with software companies they have not previously had a relationship with.

Some popular trust badges include those from McAfee, Verisign, PayPal, TRUSTe, and the Better Business Bureau (BBB).

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Final Checkout

Once the customer has reviewed their cart, entered their payment method, opted into recurring billing, and supplied any other information required by the SaaS provider, they are ready to checkout. Card payments will be processed in real-time. Direct debits (e.g., ACH) may or may not be processed immediately, depending on whether the customer has established ownership of the account. Once the "Submit" button is clicked, a few processes are set in motion behind the scenes.

Credit Card Payments

The payment processor will route the request to the issuing bank. The bank that issued the card will confirm that the account is in good standing and that the credit limit has not been exceeded.
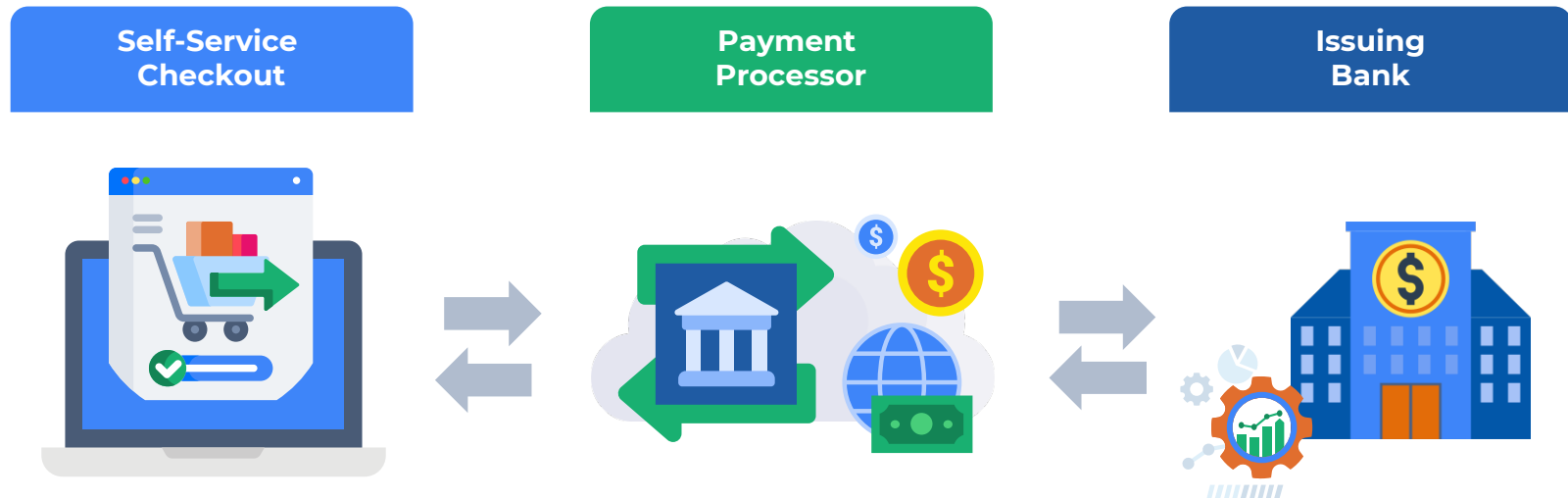
Many corporate cards have additional controls that limit the dollar value of a single transaction or the types of products that can be purchased on the card. The appropriate rules will be applied to the SaaS payment to ensure the transaction complies with the company's policies. The bank will also look for evidence of suspicious behavior that might indicate fraud. The process concludes with the bank returning to the payment gateway a message that the transaction was either approved or denied.

Automated Provisioning

Some SaaS products can be immediately activated upon receipt of a successful payment transaction. Behind the scenes, the checkout page will initiate a provisioning workflow to provision the customer's account based on the selected plan.

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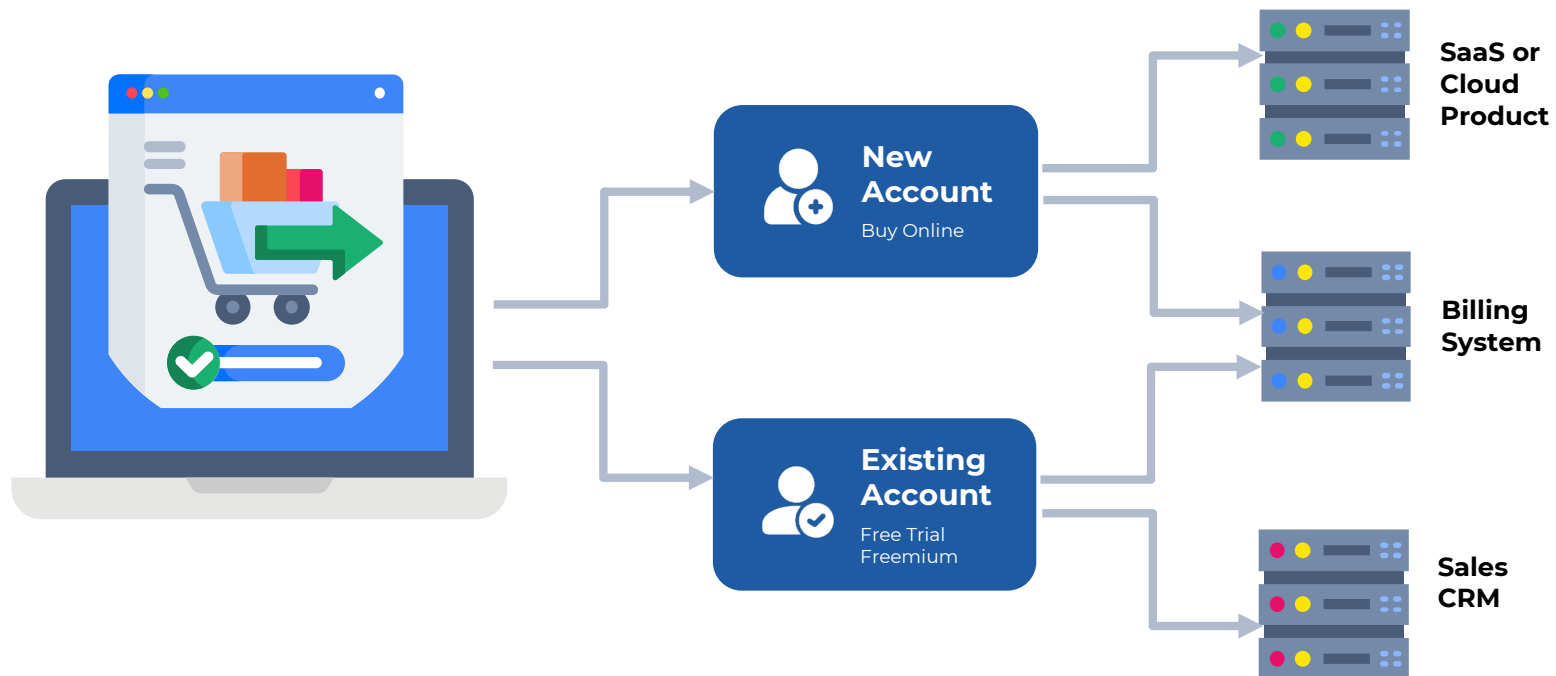
Additional Security

Secure Customer Authentication

Secure customer authentication (SCA) is required for many UK and European card transactions. In addition to providing the card details listed above, the customer may be required to verify the transaction with their financial institution before the payment can be processed.

Initial vs Recurring Payments

For SaaS subscriptions, only the initial payment requires SCA. The ongoing, recurring billing will be performed without any involvement from the customer and does not require SCA.

Section 6

Post-Checkout

Transaction Approved

If the payment is approved, the SaaS application will advance the customer to one of two screens.

The first option, which is the most common, is to advance the customer to the home screen of the product. As an active customer, the user can now enjoy the functionality and entitlements in their selected plan.

No Trial

If the customer's first step were to purchase a paid plan (versus a free trial), then the product would be in an "empty state." The user will likely be prompted to start a guided onboarding or product tour.

Free Trial or Freemium

If the customer had a freemium plan or participated in a free trial, they can resume using the product and pick up where they left off.

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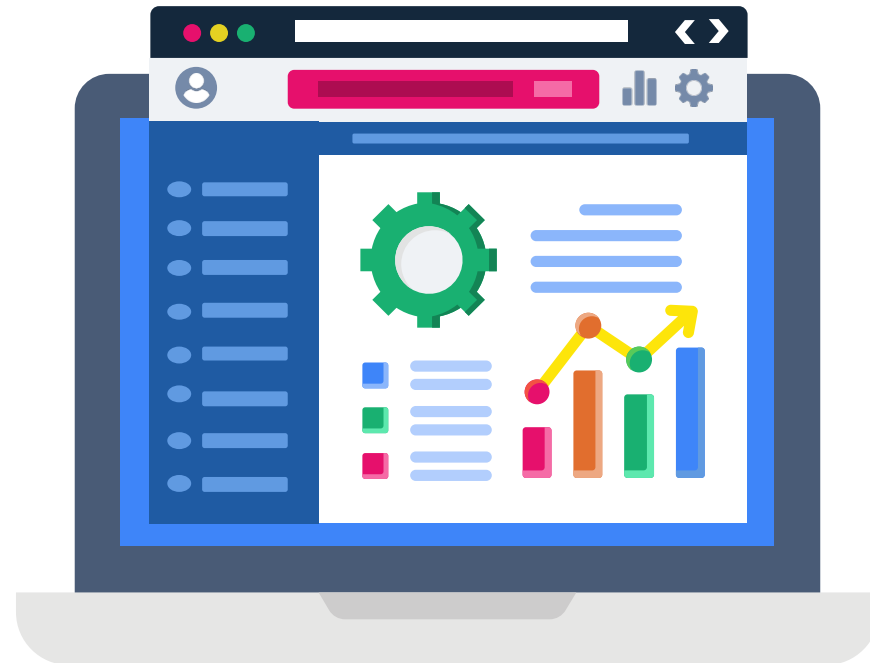
Subscription Confirmations
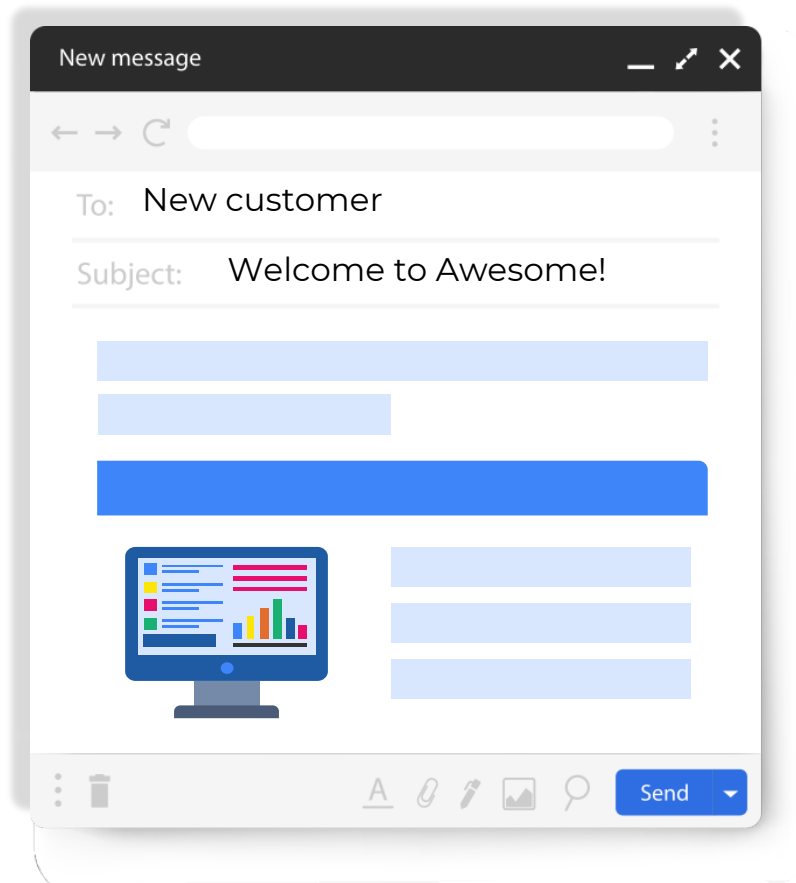
Success Page

The second option is to advance the customer to a success page, confirming that the payment was approved, and the account is active. This strategy is most common for SaaS applications that require onboarding or implementation tasks to be completed before the customer can access the product.

Confirmation Email

In either scenario, the customer should receive an automated email shortly after checkout confirming the purchase. Most SaaS companies send a welcome email that provides links to guides or product tours that help the customer begin to utilize the product.

Transaction Declined

If the payment is declined, SaaS companies should consider multiple next steps. The most common flow is to return the user to the checkout page with a notification that the payment was declined. A second, less common option is to advance the user to an error page explaining that the payment transaction was unsuccessful and offering instructions for how to proceed. The user might be encouraged to contact a salesperson to assist with the payment or to restart the checkout flow.

Card Payment Errors

Card transactions can fail for a variety of reasons. If the cardholder's account balance is approaching the credit limit, the transaction may have been declined for a legitimate reason.

However, many payments fail due to illegitimate reasons. For example, the issuing bank's payment gateway may have hit a capacity limit for concurrent transactions and returned a failure message. If the payment is resubmitted a few minutes later, the bank might approve it without issue.

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Abandoned Cart Scenario

Not every customer who starts the self-service checkout flow will complete it. Some will abandon the process during the plan selection phase. Others will abandon during the payment and checkout phase.

Automated Emails
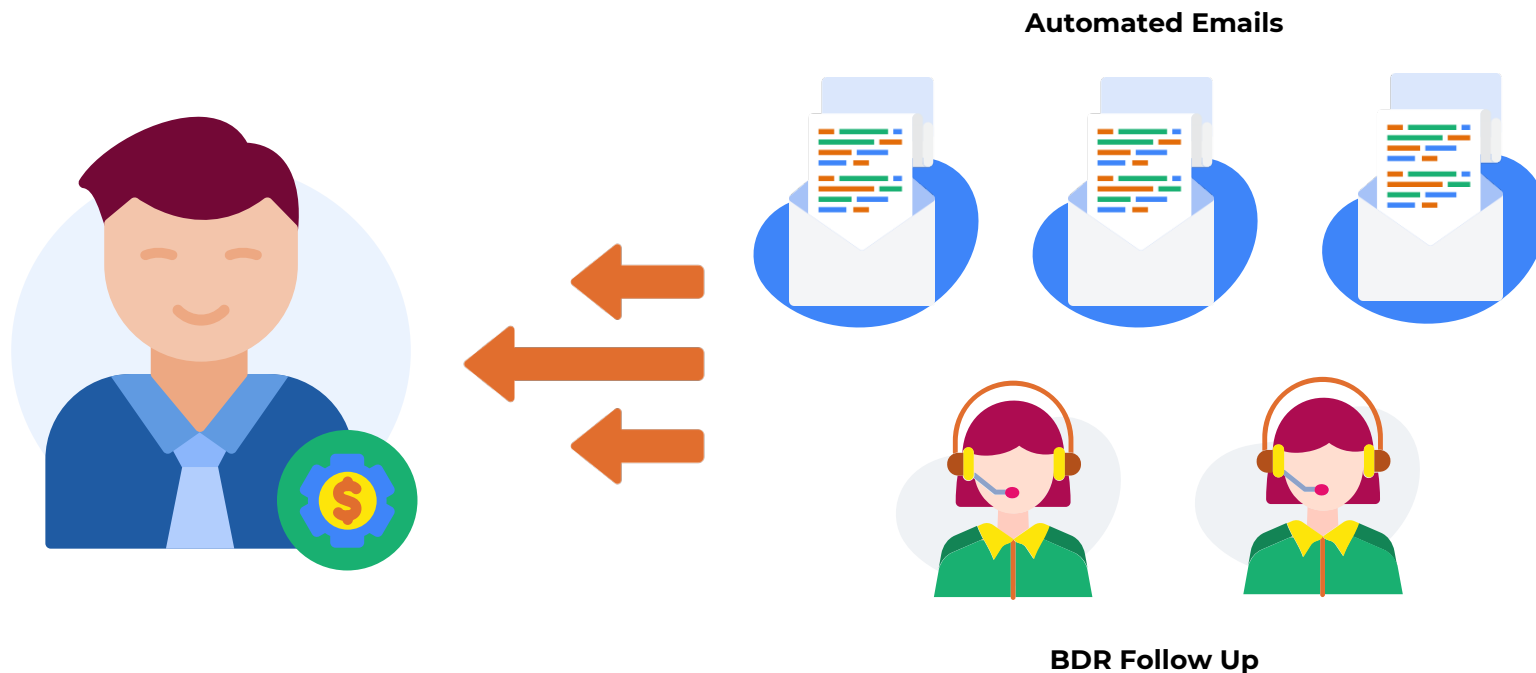
BDR Follow Up

SaaS companies should develop a strategy to recover a certain percentage of these potential buyers with follow-up activities. Imagine how much additional revenue you could generate if you were able to re-engage 5, 10, or even 15% of the customers who abandoned the checkout process.

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Recovery Email Sequences

A popular strategy for re-engaging prospects is to send a series of automated emails. B2C companies focus a significant amount of time and energy on recovering abandoned shopping carts. E-commerce companies have found that sending two to three follow-up emails is best practice.   Ideally, the first email is sent about one hour after the attempted checkout. The second email should be sent the next day, and the third a few days later.

Re-Engagement Strategies

The contents of the email are essential to consider as well. Social proof points help reinforce that the customer is making a good choice by committing to your product. Consider using testimonials or reviews other than those offered on the checkout screens.

Some SaaS companies offer abandoned checkout customers a financial incentive to re-engage. The incentive might be to provide the first month free or an additional 10% discount off the list price.

Perhaps most important is to ensure the email has a clear call to action button that draws the user's attention.

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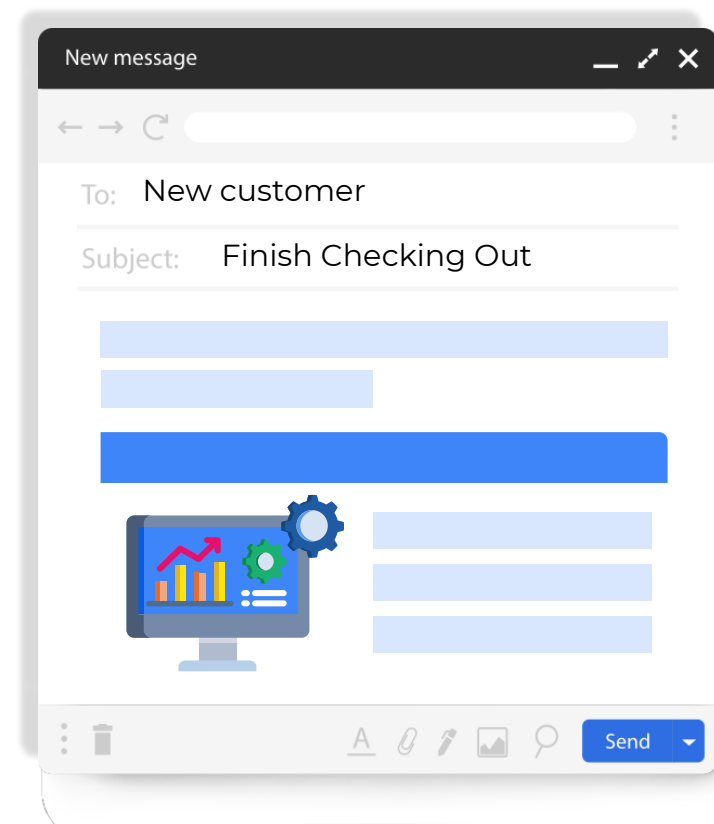
Higher Touch Recovery

In addition to automated email, you might also have a BDR or account executive reach out to the customer. A higher touch, more personalized approach may be justified in these scenarios.

If you have a high volume of checkouts, consider setting up a decision tree for which ones to direct for human follow-up. The criteria could be firmographics such as the customer's annual revenue or employee count.

Another way to decide which prospects merit human follow-up is by assessing the customer's engagement level during the free trial.

The Human Touch

Sales reps may be able to resolve concerns that the customer may not be empowered to fix on their own. For example, the customer may not have completed the checkout process because s/he did not want to pay 12 months in advance. The sales team may be able to offer quarterly installment payments. Perhaps, the customer was unsure about selecting the middle-tier "Business" plan because it capped usage at 1TB per month. The sales rep may be able to sell additional usage credits that weren't available online.

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Online Help

The goal of the "self-service" checkout is to empower customers to quickly and easily purchase online without having to talk to a sales representative.

Checkout Support

However, some customers might encounter issues or have questions when making a purchase. As a result, SaaS companies should make options for getting help visible and accessible during the checkout flow.

Phone Support

Many SaaS companies have a toll-free phone number that can be called to speak with a representative.

Email Address

A generic email address is another option, but it is not ideal as the customer will not get a response in real-time.

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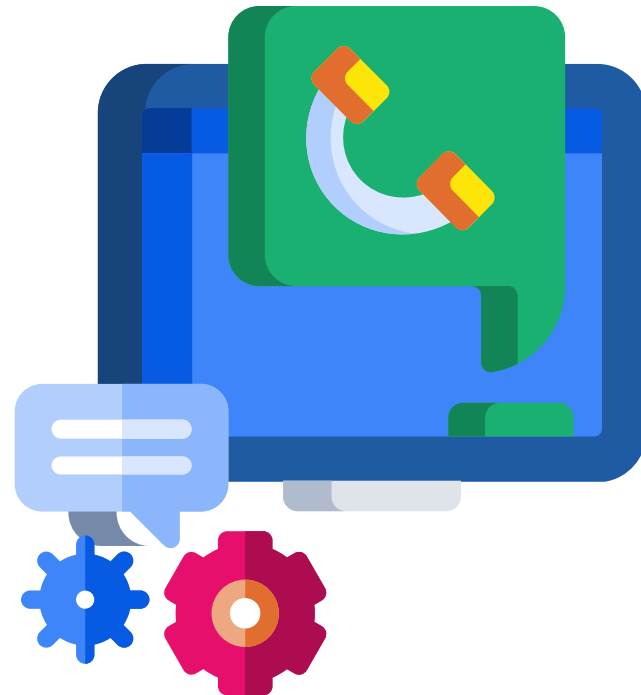
Checkout Chatbots

Chatbots may be a better option. However, consider configuring the chatbot differently for inquiries during the checkout process. These are customers who have invested time to participate in a free trial and have demonstrated a strong interest in upgrading to a paid plan.

Live Video Call

High purchase intent customers need a faster response from a more experienced resource. Rather than routing them to an inbound SDR who joined the company six weeks ago, consider routing these chats to a sales rep who is knowledgeable enough to answer questions in real-time.

Another option is to combine the chat and phone call experience. Modern conversational marketing apps allow users to initiate a video call with a sales rep from a chatbot prompt. The buyer can speak to a sales rep in real time to get questions answered. These apps also allow the customer to share their screen with the salesperson to troubleshoot the issue more effectively.

Optimizing Conversions

Optimize the Checkout Experience

Consumer-Like Experience

E-commerce companies invest significant time and energy in optimizing their checkout process to maximize conversions and minimize cart abandonments. B2B SaaS providers should adopt the same mindset.

Every B2B buyer is also a B2C buyer, and each person brings their consumer experience and expectations with them to work. B2B buyers also want a checkout experience that is fast, easy, and almost effortless.

Design Tradeoffs

As discussed earlier, tradeoffs will need to be made between the competing goals of optimizing for conversions and maximizing upsells and upfront payments.

Be mindful of the number of clicks and keystrokes a user must perform during checkout. Reduce the number of data fields collected to avoid form fatigue. Eliminate unnecessary steps. Try consolidating the number of pages in the checkout flow from three or four to two or just one.

Required Checkout Actions

At a minimum, there are five critical actions that SaaS companies need customers to take during every self-service checkout experience:

| Required Action	Example Choices
Plan Selection	Select from plans provided (e.g., good, better, best)
Billing Frequency	Monthly, pay-as-you-go or annual paid upfront
Subscription Length	Annual commitment vs month-to-month
Payment Method	Credit card, digital wallet, or direct debit (bank transfers)
Recurring Billing	Opt in to recurring billing and general terms

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Optional Checkout Actions

Beyond these five things, customers may need to make many other decisions or actions during the checkout process. The list varies for each SaaS company.   Examples include:

Required Action	Example Choices
Upsells	Additional users or usage credits
Cross-Sells	Additional products
Coupons	Apply discounts, incentives, or coupons
Billing Currency	USD, CAD, GBP, EUR, AUD
Billing Address	Street number and name, country, zip code
Billing Contacts	Accounting/finance, procurement, IT
Secondary Payment	Backup credit card
Stored Card	Link
Buy Now Pay Later	Installments or a series of monthly payments

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Design Considerations

Reduce clutter on the pages. Most checkout pages do not have a menu or navigation at the top of the screen. There should not be any stock photography to distract the user from completing the checkout.
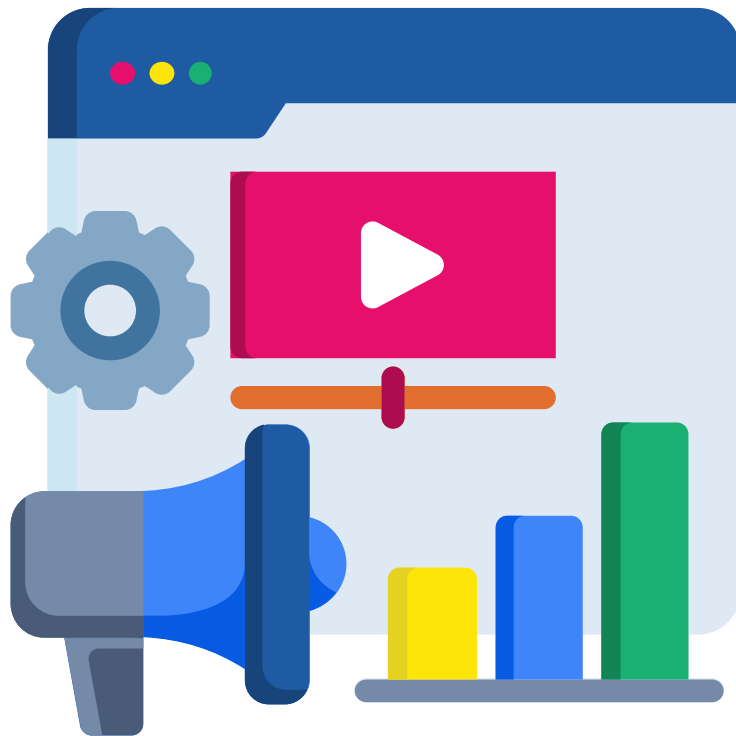
No Backtracking

Avoid the need for the customer to go backward in the checkout flow. Design in a way that keeps the customer on the current page or advancing to the next. Repeat the critical details about selected plans, unit quantities, billing frequency, and subscription length in the shopping cart so the customer doesn't have to click back to the prior screen to view them.

Editable Cart

Allow options for users to edit the shopping cart on the same page rather than requiring them to click the back button on the browser. Adding simple plus/minus buttons, toggles, and drop-down menus into the cart keeps the presentation clean but offers users the flexibility to change their minds.

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Examples of Design Efficiencies

Account Creation

Allow the customer to use a social sign-on with Google or Microsoft rather than requiring them to create an account and verify their email address.

Form Data Entry

Automatically populate form fields such as first name, last name, and company name if you have collected that information in the free trial or freemium registration.

Data Fields Collected

If possible, postpone the collection of optional fields such as job title, secondary billing contacts, and backup payment options until later in the customer lifecycle.

Upsell/ Cross-Sell

Design upsell and cross-sell campaigns as optional activities rather than requiring users to navigate through additional screens promoting other products.

Digital Wallets

Allow customers to pay with stored credentials in digital wallets such as Apple Pay, Google Pay, PayPal, or Link rather than making them type in 16-digit card numbers.

Account Ownership

For direct debit payments, consider a real-time account connection to the financial institution rather than making the customer research routing numbers, BICs, and SWIFT codes.

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A/B Testing

Test critical dimensions of the user experience and page design to learn which variables affect user behavior. Experiment with different options until you arrive at the design that yields the highest conversion rates. Consider testing elements such as:

Number of Steps	**Number of Form Fields**	**Call-to-Action Buttons**
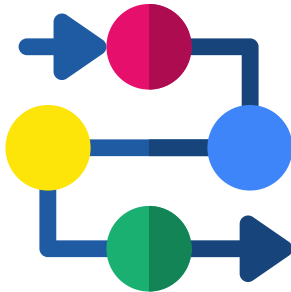
How does the conversion rate change if you use three screens for the checkout flow versus just on two or one?

Does reducing the number of data fields users must fill out for payment details improve conversion rates?

How do users react to changes on the "call to action" buttons? Does a red button get more clicks than blue?

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Call-to-Action Words

What if you use different words on the checkout page: "Subscribe" versus "Pay" versus "Upgrade?"

Sequence of Options

Does listing Apple Pay and Google Pay before Visa and Mastercard improve checkout volume?

Reviews and Testimonials

Does putting more G2 badges result in a higher lift than using a customer testimonial from a well-known brand?

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Mobile Optimization

Ask the marketing or product team to report the percentage of your website visitors using mobile devices. If the percentage is meaningful, optimizing the checkout for mobile is important.

Compatibility Testing

Confirm that your checkout experience works on the latest two or three versions of Android and iOS. Test different browser to operating system combinations. Does checkout work for a MacOS user on a Safari browser? Does it work for an Android user on a Samsung Galaxy device? You can use tools like Google Analytics to understand the devices, operating systems, and browsers your end-users are actually working on to prioritize the combinations to test.

Responsive Design

The checkout pages should use a responsive design that scales up and down automatically with the dimensions of the user's screen. This ensures that if the customer is on a tablet, smartphone, or desktop, the experience is sized correctly for their device.

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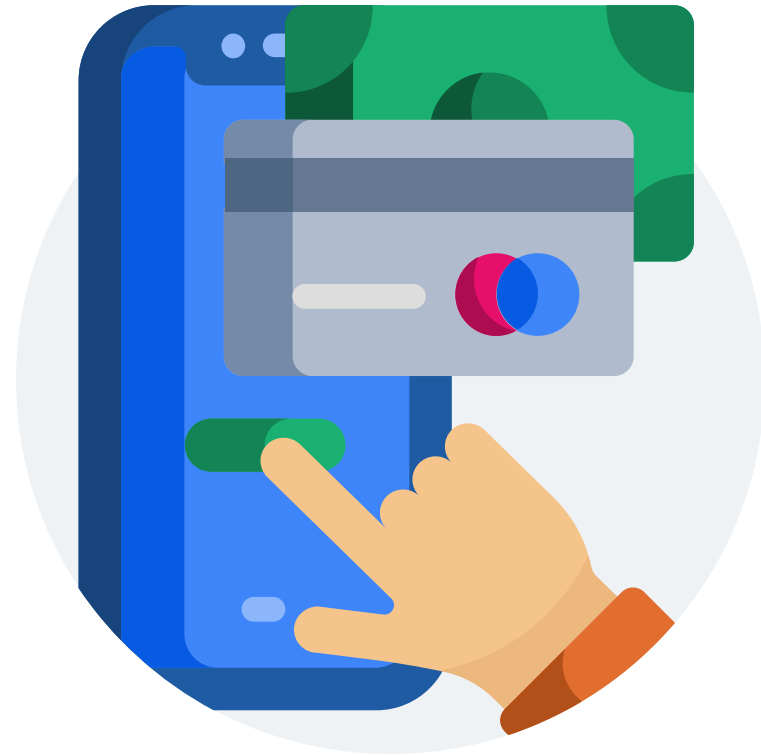
Above the Fold

However, even with a responsive design, you must be thoughtful about page design.

Consider what appears "above the fold" on the screen without users having to scroll. You can use accordions and drop-down menus to enable users to shrink or expand the level of details. These design elements give you more high-level information on a single screen but empower the user to view additional details if desired.

Mobile Friendliness

Test the checkout flow as if you were an end-user. Ensure that fine-print text with a smaller point size is legible to users. Ensure buttons are large enough to be easily tapped on. Ensure that pop-up displays don't cover the whole screen and are easy to close.

Google offers a mobile friendliness test highlighting issues with the page design on different devices.

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Ordway is a billing and revenue automation platform that is specifically designed for today's innovative, technology-centric business models. With Ordway you can automate billing, revenue recognition, and investor KPI reporting for recurring revenue models based on subscriptions or usage-based pricing.

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