



Relieve consumer spending pressure with an elevated omnichannel payment experience

With peak retail and code-freeze windows approaching, the merchants who convert more of the traffic they already paid for will be best positioned to grow.



Executive summary

Store trips are shrinking, brand loyalty is weakening, and shoppers are becoming more selective about where and how they spend their money.

The challenge is that too much of your hard-earned traffic is being lost before conversion. As shoppers spend more carefully, merchants need to convert more of the traffic they already paid to acquire. Omnichannel payment optimization is one of the biggest untapped opportunities to reduce friction, protect conversion, and turn payment experience (PX) into measurable revenue impact.

The payment experience drives measurable outcomes across teams:

- **Marketing & ecommerce:** Conversion lift and average order value (AOV) improvements without increasing acquisition spend
- **Finance & payments:** Revenue protection with transparent merchant payment and managed repayment risk
- **IT & operations:** Omnichannel activation without point-of-sale (POS) replacement
- **Executive leadership:** A growth lever turning payment from a checkout function into an omnichannel revenue strategy

This eBook explores how retailers can better align omnichannel payment experiences with evolving consumer behavior and how Zip helps merchants turn payments into a performance layer that supports revenue growth across the full customer journey.

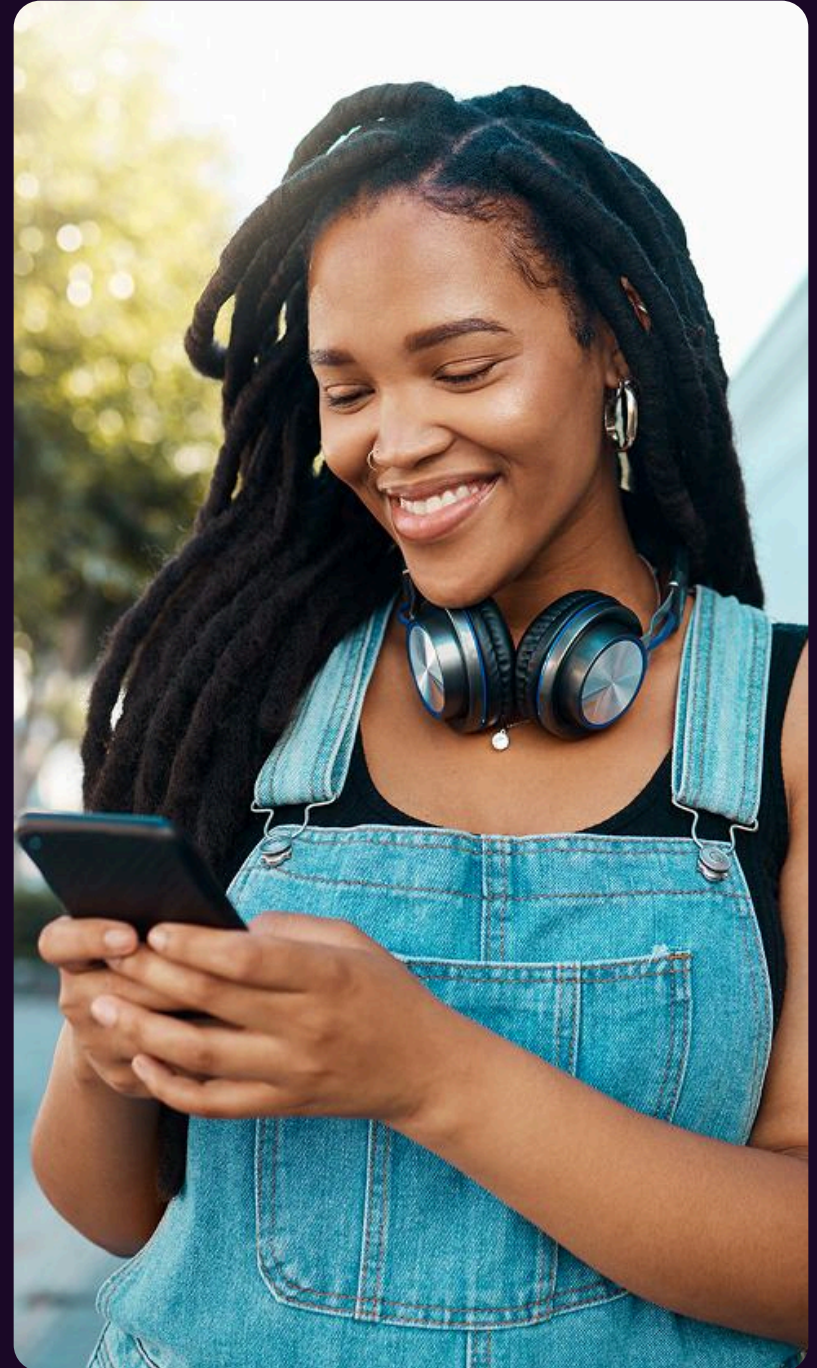


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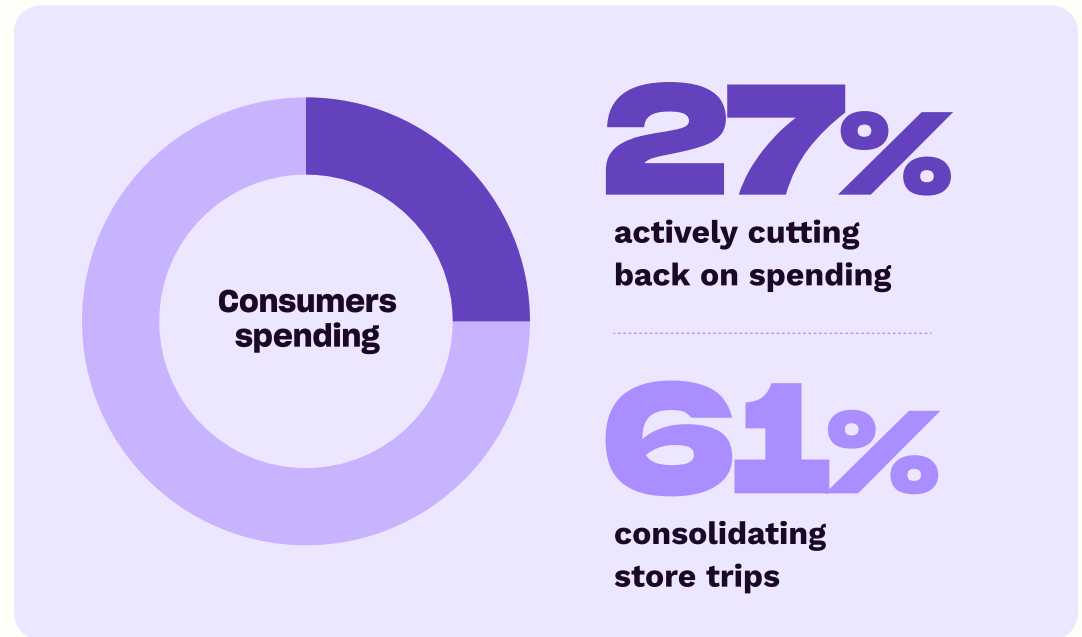
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Your customers are spending more carefully than ever

Consumer spending pressure is reshaping retail behavior in measurable ways. **Research shows 27% of consumers are actively cutting back on spending, while 61% are consolidating store trips as they become more intentional about when and where they shop.**¹

Today's consumers are evaluating purchases more carefully, comparing options, seeking stronger value, and looking for solutions that align with their needs and budgets. As artificial intelligence (AI) reshapes product discovery, shoppers enter the buying journey with more product context and more comparison points, raising the bar for every experience that follows.



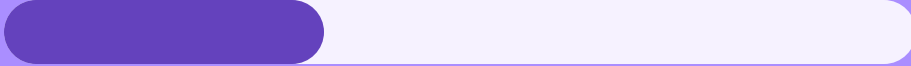
Today's consumer still spends when value is clear

Spending pressure is affecting retail categories differently, but the broader trend is consistent: Consumers are becoming more intentional about where they allocate discretionary spend.

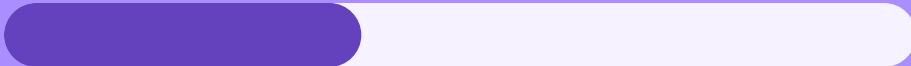
70% decline in apparel spending²



35% decline in beauty spending³



38% decline in personal care spending⁴



As fewer purchases make it through the decision process, brands are under growing pressure to create experiences that reinforce purchase confidence and reduce friction before shoppers abandon or delay purchases altogether.



Value-seeking behavior is changing conversion dynamics

Consumers are still spending on products they value, but the decision bar is higher. Before committing, many shoppers look for stronger value signals, more transparency, and payment options that help purchases fit within broader spending priorities.

Research presented at Shoptalk Spring 2026 found that **20-30% of consumers still trade up when value is evident**,⁵ even in a more cautious spending environment. For retailers, that reinforces an important reality.



20-30%

Consumers are still willing to spend on products they want, but they expect clearer justification before moving forward.

Many shoppers are also looking for payment flexibility that helps purchases feel more manageable within the context of their broader spending priorities. Importantly, some of the highest-intent shoppers are being lost because the payment experience does not support how they want to buy. In this environment, “manageable” is becoming more important than “cheap.”

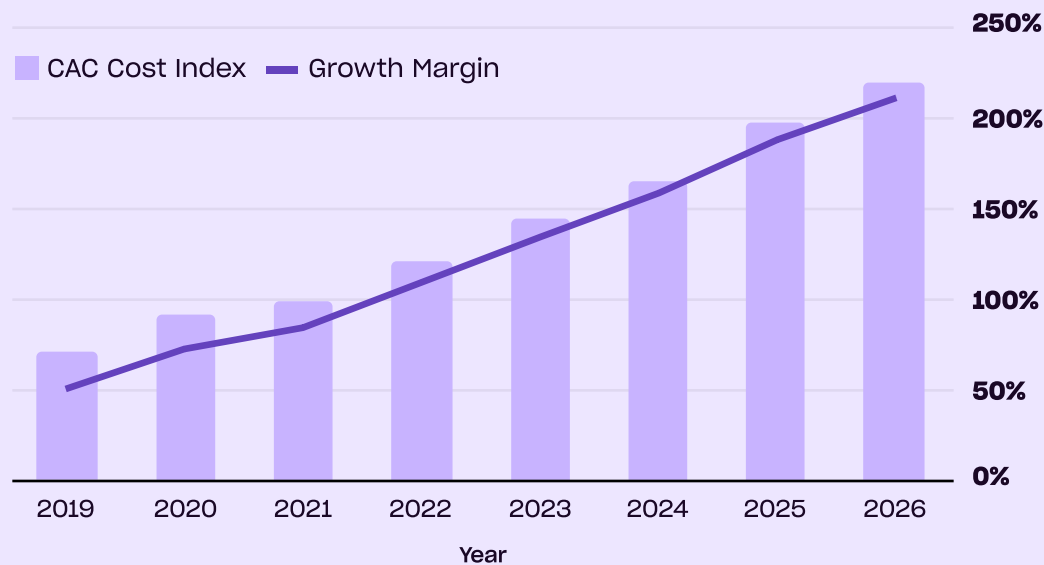
Retailers can't afford to lose high-intent shoppers

Retailers are no longer operating in an environment where lost purchases can easily be replaced with the next visit or browsing session. When shoppers abandon purchases today, there is a greater chance that revenue leaves with them.

As consumer spending becomes more selective, the ability to convert existing demand is becoming just as important as generating new demand in the first place.

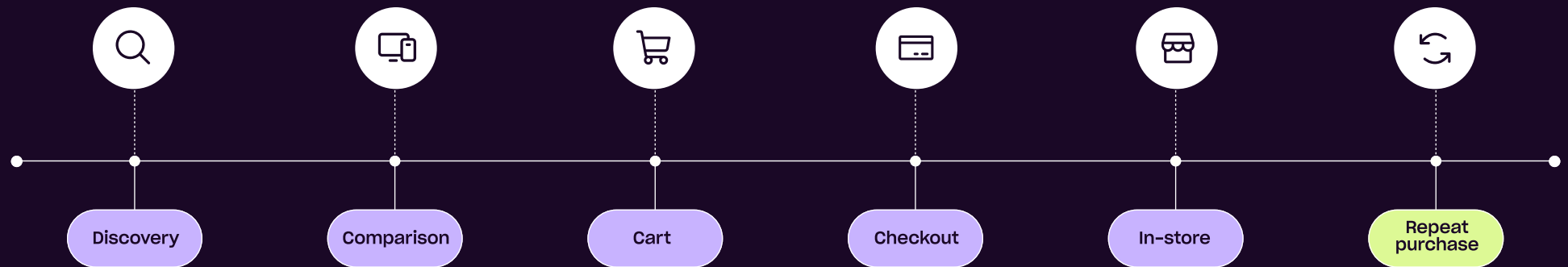
As CAC rises, so does the pressure on every function in the business to defend the unit economics of growth. Marketing must convert more of the demand it generates, finance must protect margin and return on investment (ROI), and executive leadership must justify acquisition investment against measurable revenue return.

Customer acquisition costs (CAC) have surged 222% in the last eight years.⁶



In a higher-cost acquisition environment, the merchants that win will be the ones treating conversion efficiency as a shared P&L responsibility.

The most valuable shoppers don't stay in one channel



Today's shoppers move across digital, physical, mobile, social, and experiential touchpoints before making a purchase decision. They may discover a product in one channel, compare options in another, and complete the purchase somewhere else entirely.

For merchants, omnichannel value comes from connecting those moments so each touchpoint supports the next. When payment experiences remain consistent across channels, high-intent shoppers can continue toward purchase with fewer interruptions.

Single-channel selling creates revenue leakage

As shoppers move across channels, disconnected experiences can turn high-intent moments into missed revenue. Payment is often one of the most consequential places where that disconnect shows up.

Disconnected payment experiences can deepen that leak when options vary by channel, appear too late in the journey, or become harder to access as shoppers move from browsing to checkout. Even small inconsistencies can interrupt momentum and make it easier for shoppers to abandon or delay a purchase.



That gap creates a revenue leak, meaning shoppers may be ready to buy, but friction between channels makes it harder to convert, retain, and maximize their long-term value.

Omnichannel consistency builds trust

Payment consistency can also support repeat engagement. When shoppers understand how payment options work across web, app, in-store, and mobile environments, the buying process can feel more familiar and easier to repeat.

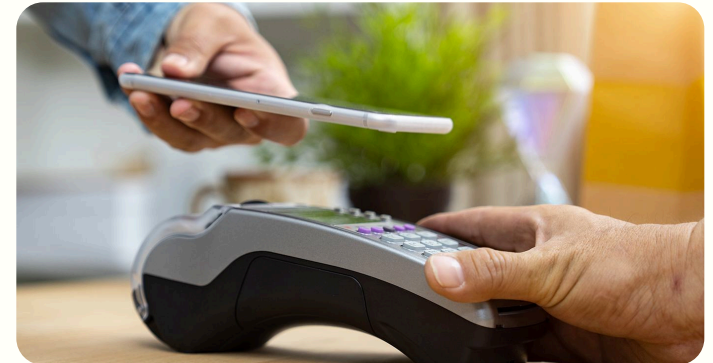
That loyalty signal translates directly to repeat revenue for merchants:

97.4%

transactions were by repeat customers.⁸

11.3

transactions per customer annually.⁹



Payment flexibility can become part of a broader retention strategy by making the purchase experience easier to recognize, navigate, and return to over time.

Retailers are overinvesting in acquisition...

Brands are spending more to drive traffic across both digital and physical channels in an effort to maintain visibility and market share.

Merchants continue increasing investment in:

 Retail media

 Paid social

 Search

 Customer acquisition campaigns

But many retailers are also navigating:

 Rising acquisition costs

 Lower return on investment (ROI)

 More selective shoppers

 Greater pressure on conversion efficiency

By extending payment access to a broader range of shoppers who may be overlooked by traditional payment options, retailers can protect more revenue from existing demand.

...And under-optimizing conversion

The conversion moment is where hard-earned demand either turns into revenue or slips away. Even when shoppers reach checkout with strong purchase intent, friction within the payment experience can disrupt the final decision.

Nearly 74% of shoppers abandon purchases, often because the payment experience did not meet their needs, whether that meant limited flexibility, missing payment options, or too much friction during checkout,⁹ including:



Unexpected totals

Additional fees, taxes, or shipping costs introduced late in the checkout process can cause shoppers to reconsider purchases altogether.



Limited payment flexibility

Consumers may abandon purchases when payment options do not align with how they prefer to manage spending over time.



Checkout hesitation

Even high-intent shoppers may pause at checkout to re-evaluate whether a purchase feels worthwhile or manageable before committing.



Payment decision fatigue

Too many steps, unclear options, or inconsistent payment experiences can create unnecessary ambiguity during the final stage of conversion.

Payment experience is a conversion strategy

Payment experience describes every interaction a shopper has with payment options throughout the buying journey, from product discovery and consideration to checkout and repeat purchase.

The PX framework developed by Zip recognizes that payment influences far more than the final transaction and serves as the foundation for the ideas explored throughout this eBook.

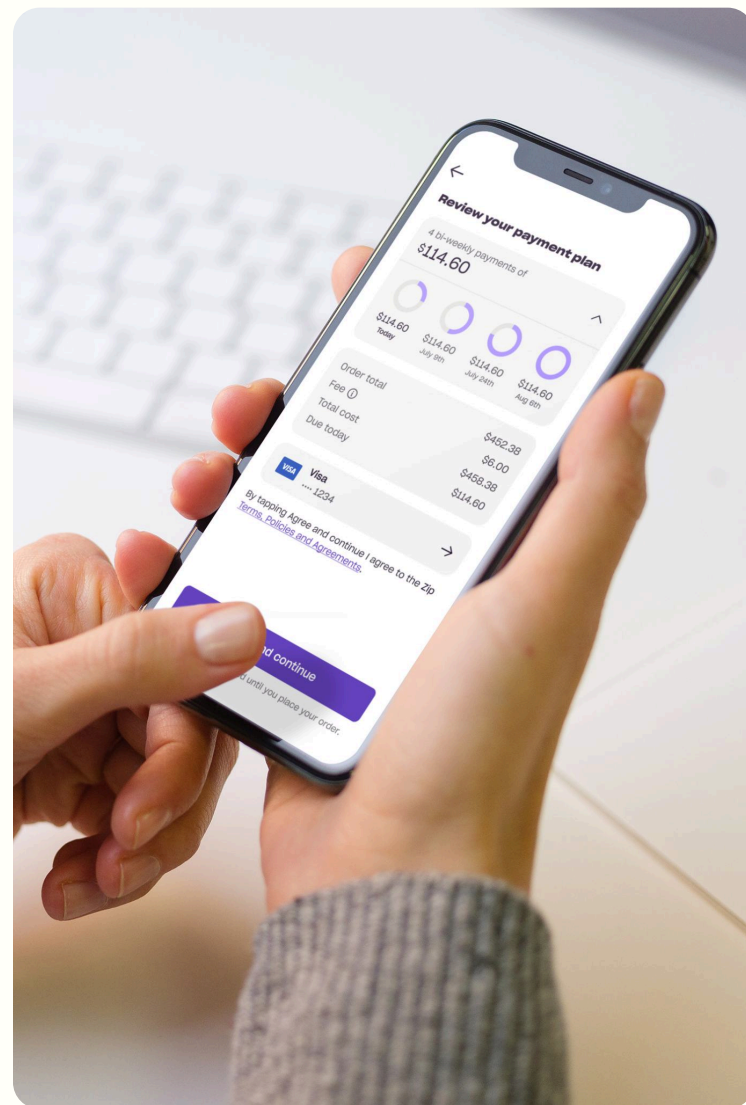
Consumers evaluate:

- ✓ **Payment clarity**
- ✓ **Ease of use across channels**
- ✓ **Purchase confidence**
- ✓ **Flexibility**

These factors shape purchase decisions across the full journey.

PX is one of the most overlooked—and potentially most influential—parts of conversion optimization.

For merchants looking to improve efficiency from existing traffic and acquisition spend, payment experience is an important lever for supporting conversion, customer value, and long-term retention.



Payment experience starts before checkout

For many consumers, the decision to move forward with a purchase begins long before the final payment screen. Shoppers are already evaluating whether a purchase feels worthwhile and manageable during product discovery, comparison shopping, cart review, and other consideration moments.

That makes payment experience part of the broader buying journey, and it should remain visible, consistent, and easy to access across:



Product detail pages (PDPs)



Mobile experiences



Cross-channel shopping journeys



Shopping carts



In-store touchpoints

Earlier payment visibility with buy now, pay later (BNPL) options gives shoppers more context to decide whether to continue before hesitation turns into abandonment.



Meeting shoppers across the full funnel

Shopping journeys now stretch across web, app, in-store, social, and experiential touchpoints. Each moment creates an opportunity to reinforce purchase confidence before shoppers reach the final payment screen.

Payment visibility can show up across the journey through:



PDP messaging

Access payment flexibility while shoppers are evaluating products and comparing options.



Cart reminders

Reinforce payment flexibility within abandoned-cart emails, texts, and other recovery efforts.



Checkout visibility

Display payment flexibility clearly at the point of purchase to reduce last-minute hesitation and decision friction.



Exit-intent recovery

Reintroduce payment options when shoppers show signs of leaving without completing a purchase



In-store signage

Highlight payment flexibility throughout physical retail environments before shoppers reach the register.



Mobile app experiences

Maintain consistent payment visibility as consumers browse, compare, and purchase through mobile channels.



Pop-ups and experiential activations

Extend payment flexibility into temporary retail environments, events, and brand activations.



Consistent placement helps reduce friction, reinforce familiarity, and support movement from discovery to purchase.

Why placement strategy matters

The value of placement comes from timing. Payment messaging is most useful when it reaches shoppers at decision points where they are weighing total cost, channel choice, and whether to continue.

Placement strategy can also play an important role during moments where conversion risk is highest, including:



Cart hesitation

Shoppers may add products to their cart but pause before completing the purchase as they evaluate the total.



Exit-intent moments

Consumers preparing to leave a site or abandon a session may still convert when presented with clearer payment options.



High-ticket purchase consideration

Larger or discretionary purchases often involve longer decision cycles, making payment visibility especially important.



In-store or app-based decision points

Consumers comparing products, reviewing totals, or making real-time purchase decisions may benefit from seeing consistent payment options across channels.



Well-timed payment messaging can help reduce hesitation and support a smoother path from discovery to purchase.

Flexible payments help turn hesitation into conversion

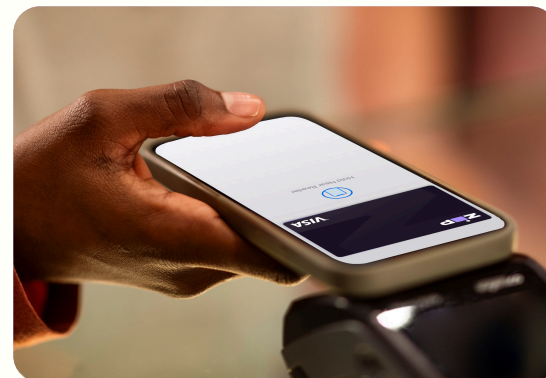
Flexible payments can help shoppers evaluate purchases during high-pressure moments. When payment options are easier to understand before the decision stalls, shoppers can feel more equipped to move forward instead of delaying or abandoning a purchase.

1/2

of active Zip customers cited staying within budget as their biggest holiday challenge.¹⁰

75%

said BNPL factored into their decision to make a purchase.¹¹



When fully integrated into checkout, **Zip merchants also see up to a 32.3% increase in average spend.¹²** Those gains come from helping shoppers move through purchases they already wanted to make, rather than encouraging additional spend.¹³

For merchants navigating code-freeze planning, the practical question is how quickly that impact can be activated within existing infrastructure.

¹⁰ Zip 2025 Holiday Customer Insights survey of active Zip customers, conducted September 2025 ahead of peak holiday shopping.

¹¹ Zip 2025 Holiday Customer Insights survey of active Zip customers, conducted September 2025 ahead of peak holiday shopping.

¹² 3Q FY26 results released to the ASX

¹³ Zip internal data analysis of transactions from July 2024–March 2025. Based on merchants fully integrating Zip into checkout.

THE SOLUTION: ZIP

An omnichannel payment experience built for the full journey

Most payment flexibility still shows up only at checkout, limiting its impact to a single moment in the customer journey. The full-funnel approach developed by Zip extends payment flexibility across the buying experience, helping merchants engage shoppers earlier and more consistently.



Earlier payment visibility

Payment widgets help shoppers evaluate purchases before reaching checkout.



Reduced decision friction

Clear payment messaging and Express Checkout help simplify conversion moments.



Cross-channel consistency

Consistent payment visibility helps shoppers move between channels more seamlessly.



Visibility before the register

Signage, QR moments, and app-based flows surface Zip earlier in the shopping journey.



Payments without POS rebuilds

A virtual card model supports flexible payments in temporary or nontraditional retail environments.

THE SOLUTION: ZIP

Flexible payments across physical retail environments

The expectations shaped by ecommerce now extend into physical retail. Consumers increasingly expect payment experiences to feel convenient, flexible, and consistent whether they are shopping online, in-store, or across both environments.

With Zip's virtual card model and omnichannel capabilities, payment flexibility can extend into physical retail through in-store signage, QR discovery moments, and app-to-store continuity without requiring a full POS rebuild.

Flexible payment visibility can support modern physical retail behaviors.

01

In-store browsing

Shoppers evaluating products in-store can see payment flexibility before reaching checkout.

02

Associate-assisted selling

Store associates can help shoppers understand available payment options during higher-consideration purchases.

03

Mobile-first shopping

Consumers use mobile devices in-store to compare products, prices, and purchase options in real time.

04

Cross-channel journeys

Shoppers often move between web, app, and physical retail before converting.

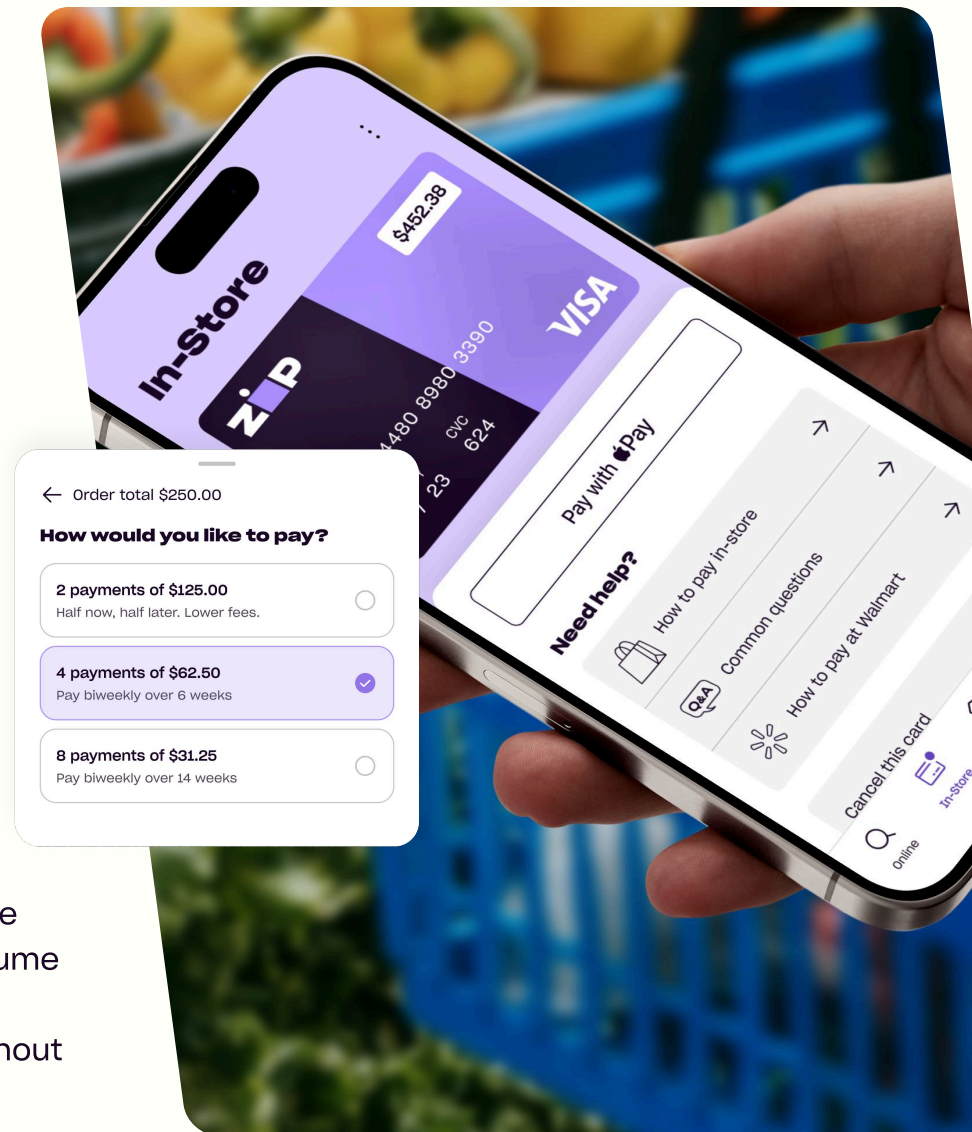
Omnichannel payments without a POS overhaul

Modernizing payment experiences can feel operationally risky, especially as peak retail seasons approach and November code freezes begin limiting implementation flexibility.

Teams preparing ahead of seasonal freeze periods face the challenge of activating quickly and practically within existing infrastructure constraints. Flexible payment plans, including options to pay in 2, 4, and 8 installments, give shoppers greater control over how purchases fit into their budgets while helping merchants deliver a more adaptable PX.

A virtual card model allows merchants to introduce flexible payment experiences without requiring a full POS replacement. Because the virtual card works anywhere Visa is accepted, retailers can extend payment flexibility across digital and physical retail environments while continuing to operate within their existing commerce stack.

Flexibility helps reduce operational lift while giving merchants a more practical path to activate omnichannel payments ahead of high-volume retail periods. Faster implementation timelines and POS-agnostic functionality can help retailers modernize payment experiences without creating unnecessary disruption during critical seasonal windows.



Designed for operational flexibility

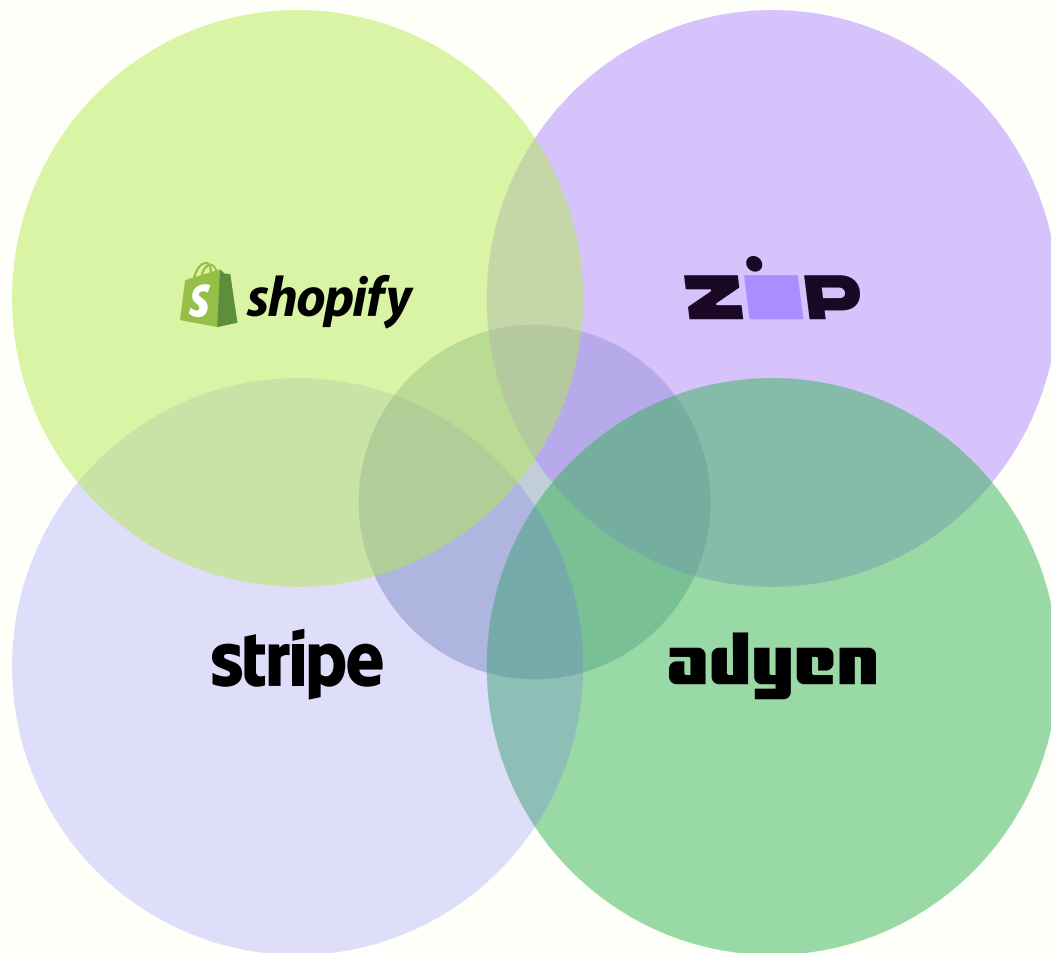
For IT and operations teams, payment innovation has to be practical to implement. Platform compatibility, integration requirements, resource availability, and launch timelines can all determine whether new payment initiatives move forward during high-volume retail periods.

Designed to integrate into existing commerce ecosystems with minimal disruption, Zip helps retailers expand omnichannel payment flexibility without extensive infrastructure changes.

55% of merchants go live within a month.¹⁴

Compatibility with platforms and payment ecosystems like Shopify, Stripe, and Adyen allows merchants to work within systems they already use rather than rebuilding existing workflows from the ground up.

Faster activation timelines and clearer integration paths make omnichannel payment initiatives easier to execute within existing commerce environments.



The rise of experiential retail

For digital-first and direct-to-consumer (DTC) brands, experiential retail has evolved from a brand marketing tactic into an acquisition and loyalty play. Pop-ups, temporary storefronts, and event-based commerce give brands a way to meet new customers in person, drive high-intent traffic, and turn one-time discovery into longer-term relationships.

As brands experiment with more flexible retail formats, temporary physical environments are becoming a larger part of broader omnichannel growth strategies.



Pop-ups



Experiential activations



Temporary storefronts



Event-based commerce

Flexible payments for pop-ups & experiential commerce

Pop-ups and experiential retail environments are designed for speed, flexibility, and consumer engagement. But many temporary activations operate without the infrastructure of traditional retail environments, including permanent POS systems, dedicated IT resources, or long implementation timelines.

A virtual card model helps merchants maintain payment consistency in these short-term environments, giving shoppers access to flexible payment options beyond permanent storefronts and traditional ecommerce flows.

Common challenges

No permanent POS system

Limited IT resources

Short implementation windows

Maintaining omnichannel consistency

How Zip helps

Virtual card functionality works nearly anywhere Visa is accepted

Lower operational lift for temporary retail activations

Faster activation for event-based retail experiences

Flexible payment visibility across digital and physical touchpoints

This can support mobile-first shopping, on-the-go purchasing, and high-intent event commerce where speed and simplicity are especially important.

The BNPL ROI framework for marketing & ecommerce

For marketing and ecommerce teams, flexible payment experiences should be evaluated by how well they help turn existing demand into measurable customer action. A strong BNPL performance framework should look beyond payment availability and evaluate impact across four areas:

A connected payment experience can be measured through performance signals such as **conversion efficiency**, **customer value**, and **+69% year-over-year in-store growth**.¹⁵

These areas make payment experience easier to evaluate as part of the broader performance strategy.

Conversion efficiency

How effectively payment options help shoppers continue from product discovery to purchase completion.

Average order value

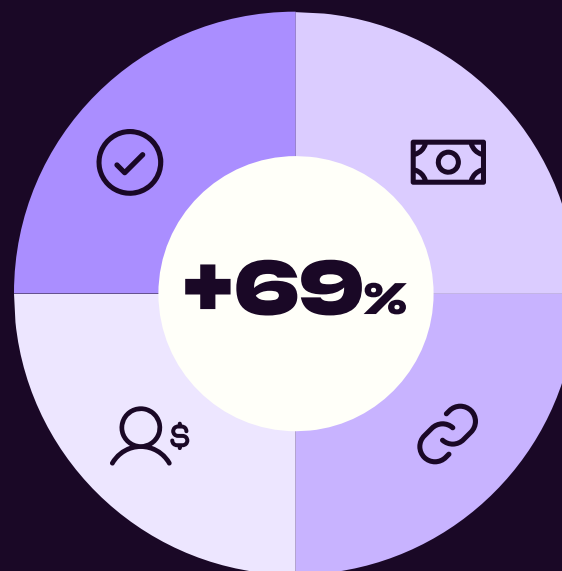
Whether flexible payment options support stronger order value without encouraging unnecessary spend.

Customer value

How payment experience supports repeat engagement, loyalty signals, and long-term customer relationships.

Omnichannel growth

How payment flexibility performs across ecommerce, mobile, in-store, and other connected touchpoints.



The BNPL ROI framework for finance, IT, & executive leadership

Stakeholders from different departments like finance and payment teams, IT, and executive leadership evaluate solutions differently, from conversion and customer value to risk, implementation, and long-term growth.

Reaching more qualified shoppers can help merchants capture additional revenue opportunities while keeping repayment-risk exposure with Zip rather than the merchant. The proof points below show how those benefits translate across finance, IT, and executive priorities.

Finance & payments	IT & operations	Executive leadership
What they care about: Margin safety, repayment risk, cash flow, and ROI	What they care about: Implementation lift, disruption, POS complexity, and timelines	What they care about: Revenue growth, customer loyalty, omnichannel strategy, and competitive resilience
How this shows up: Merchants receive full payment upfront while Zip carries repayment risk	How this shows up: No POS changes required	How this shows up: Helps reduce payment friction across the customer journey
1.86% loss rate ¹⁶	Go live in as little as one month	Helps capture more value from existing traffic
+43.1% YoY TTV growth ¹⁷	Lower operational lift for implementation teams	Helps position payment experience as a growth lever, not just a checkout function
Takeaway: Conversion can be supported while repayment-risk exposure remains with Zip rather than the merchant.	Takeaway: Help activate omnichannel payments without a major infrastructure rebuild.	Takeaway: Assist with strengthening long-term customer value while supporting broader omnichannel growth strategies.

Payment experience is now a revenue strategy

Payment experience remains one of retail's most underutilized growth levers.

The PX framework recognizes that payment influences more than the final transaction. Through broader access to qualified shoppers, flexible payment plans, omnichannel visibility, and streamlined implementation, PX helps retailers reduce friction across the customer journey while creating measurable value across marketing, finance, operations, and executive priorities.

The retailers that gain the greatest advantage will use payment experience to support growth across the full customer journey.



Share this with your buying committee

ACCESS		CONNECTION & PX		EXCELLENCE	
Reach more qualified high-intent shoppers		Make payments visible across the journey		Deliver measurable results with less operational lift	
Business outcome: Convert more high-intent demand already moving through the funnel. Why it matters: Qualified shoppers may be ready to buy but need payment options that better support how they want to manage purchases over time. Marketing & ecommerce / Executive leadership		Business outcome: Reduce friction across web, app, in-store, and experiential touchpoints. Why it matters: Payment flexibility can play a stronger role when it is built into the moments where shoppers are actively evaluating whether to continue. Marketing & ecommerce / IT & operations		Business outcome: Improve conversion performance, AOV, implementation speed, and repayment-risk protection. Why it matters: A stronger payment experience can support conversion, AOV, implementation speed, and repayment-risk protection without requiring a full POS rebuild. Finance & payments / IT & operations / Executive leadership	
11.3x customer transactions annually ¹⁸		32.3% increase in average spend ¹⁹		97.4% of Zip transactions were by repeat customers ²⁰	
55% go live within a month ²¹		No POS changes required			

KEY TAKEAWAY

Retailers that make payment flexibility visible, consistent, and easy to activate across the full customer journey are better positioned to convert high-intent shoppers, protect existing acquisition investments, and improve omnichannel customer value.

¹⁸ 3Q FY26 results released to the ASX

¹⁹ 3Q FY26 results released to the ASX

²⁰ Zip transaction data for 12 months ending in June 2026

²¹ Merchant Impact Study, August 2025. First order vs. contract signed date.

Evaluate your payment experience to improve your customer experience

Growth is increasingly tied to the quality of the customer experience. Retailers that make payment flexibility visible, consistent, and easier to activate across channels can capture more value from existing demand while helping qualified shoppers move from consideration to purchase with less friction.

See how it works for your stack

See how another retailer approached flexible payments



1 Zip can only be used for US purchases. Certain merchant, product, and services restrictions apply. A fee may apply for payment date changes. Displayed estimated spending power is for representative purposes only. Your Estimated Spending Power is a point-in-time estimate of how much you may be able to spend, is not guaranteed, and is impacted by a number of factors. Zip or WebBank may decrease your estimated spending power within its reasonable discretion, including where you have previously had an unpaid balance or have an amount past due. Your estimated spending power is not an open line of credit. Each transaction is separately reviewed for approval. For additional details, please see the [terms and conditions](#). VISA is a trademark owned by Visa International Service Association and used under license.

2 For example, a \$1,100 purchase could be split into 2 payments of \$553.75, with the first payment due today (\$7.50 origination fee, representing a 35.70% APR with total of payments \$1,107.50) or a \$400 payment could be split into 4 biweekly payments of \$102 with the first payment due today (\$8 origination fee, representing a 34.75% APR with total of payments \$408). For a \$400 purchase, you could make 8 payments of \$52.37 with the first payment due today (\$18.97 origination fee, representing a 34.99% APR with total of payments \$418.97). Not all customers qualify for all repayment options. Different repayment options may result in different APRs for the same purchase amount. Origination fees are prepaid as a finance charge with the first payment. Actual fees vary by purchase amount (e.g., \$0.50-\$124.00) and will be shown at checkout. Examples exclude taxes and shipping. Financing through Zip, issued by WebBank. Zip may be used only for U.S. purchases, and certain merchant, product, goods and service restrictions apply. All loans subject to credit approval.

