

From Checkout
To Revenue:

PAYMENT OPTIMIZATION PLAYBOOK

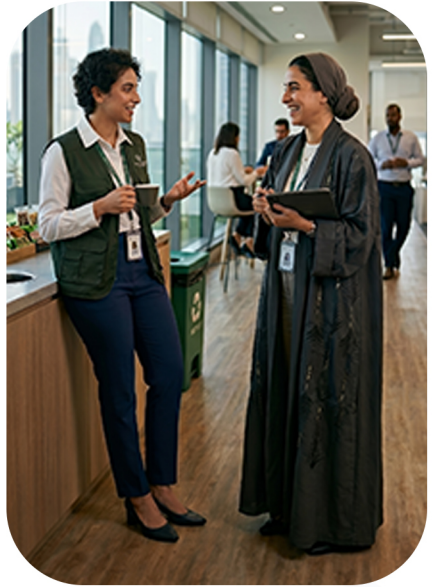


NEOPAY

1.

WHO THIS PLAYBOOK IS FOR?

This playbook is designed for teams responsible for payment performance



**Payments or checkout
product managers**



**Finance and
reconciliation teams**



**Ecommerce and
growth teams**



**Operations
leaders**



This is not for frontline transaction handling.
It is for teams accountable for revenue realization.

2.

EXECUTIVE SUMMARY

Most businesses invest heavily in acquiring customers and improving conversion, but overlook what happens after a customer clicks “Pay”.

The assumption is simple. If a customer reaches checkout, revenue is secured. In reality, this is where a significant portion of revenue is lost.

Payments are not just a transaction layer. They are the system that determines whether revenue is actually realized. Across authorization, authentication, routing, settlement, and reconciliation, multiple points of failure exist.

INDUSTRY PATTERNS SHOW:



Ecommerce checkout abandonment is close to **70%**



A meaningful share of payment declines are soft declines and can be recovered



Poor checkout UX can drive double-digit conversion drops



THESE ARE NOT ISOLATED ISSUES. THEY CREATE SYSTEMIC REVENUE LEAKAGE.

Revenue is not earned at checkout. It is earned when payment is successfully authorized, captured, settled, and reconciled.

THIS RESULTS IN:

- Inconsistent approval rates
- Payment failures that are never recovered
- Drop-offs at the final step
- Mismatch between captured and settled revenue
- Limited visibility into failure reasons

WHY THIS MATTERS IN GCC

Markets like United Arab Emirates and Saudi Arabia have additional complexity:



High cross-border transaction mix



Issuer behavior varies across banks



Strong authentication flows such as 3DS



Mobile-first checkout journeys



These factors can reduce approval rates and increase drop-offs if not optimized.

01

What This Playbook Covers



Where revenue leaks in the payment journey



How to diagnose issues using real signals



How payments or checkout PMs can fix performance at a system level



What to measure to continuously improve



02

Expected Impact



Higher realized revenue from existing demand



Recovery of failed transactions



Better customer experience



Improved cash flow visibility



Reduced operational overhead

3. The Reality



A customer reaches checkout with full intent to purchase.

The payment fails. They try again. It fails again.

They leave.

From a dashboard, this appears as a failed transaction.

From a business perspective, this is lost revenue that was already won.

4. Problem Reframed

Most businesses optimize: **Traffic** **Conversion**

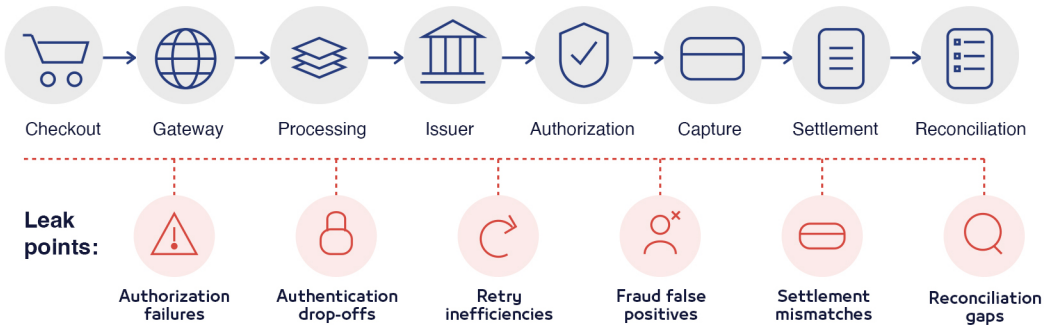
But ignore:



Collection Rate =
Revenue Captured ÷ Revenue Attempted

Two businesses with the same conversion rate can generate different revenue outcomes due to payment performance.

5. Revenue Leakage Map





6. GCC Context

In markets like United Arab Emirates:

- International cards are widely used
- Issuer approval behavior varies
- Authentication flows introduce friction
- Mobile performance impacts conversion

Payment performance must be actively managed.

7. Data Reality

Most teams track:

- Overall success rate
- Total revenue

Payments or checkout PMs should track:

- Approval rate by issuer and geography
- Payment method performance
- Retry recovery rate
- Authentication success rate
- Authorization vs settlement gap

8.

ROOT CAUSES OF REVENUE LOSS



Authorization Failures

Issuer declines and processing inefficiencies lead to failed payments. Some of these failures are recoverable.



Checkout Friction

Slow pages, extra steps, and poor authentication flows cause drop-offs.



Retry Inefficiency

Lack of structured retry systems leads to repeated failures.



Fraud Misconfiguration

Overly strict controls block legitimate transactions.



Reconciliation Gaps

Disconnected systems create mismatches and delays.

9. Diagnose Your Setup

Symptom	Likely Cause	What to Check	Action
 Low approval rate	Issuer or routing issue	Decline codes, issuer trends	Improve routing logic
 High drop-off	Checkout friction	Speed, UX, authentication	Simplify flow
 Repeat failures	Poor retry setup	Retry patterns	Implement retry strategy
 Revenue mismatch	Reconciliation issue	Settlement vs captured	Automate reconciliation

10.

PAYMENT PERFORMANCE CHECKLIST



Infrastructure



Routing logic configured based on performance



Payment methods aligned with customer base



Performance



Approval rate tracked by issuer



Retry logic implemented



Retry recovery rate measured



Experience



Checkout optimized for mobile



Authentication flow optimized



Finance

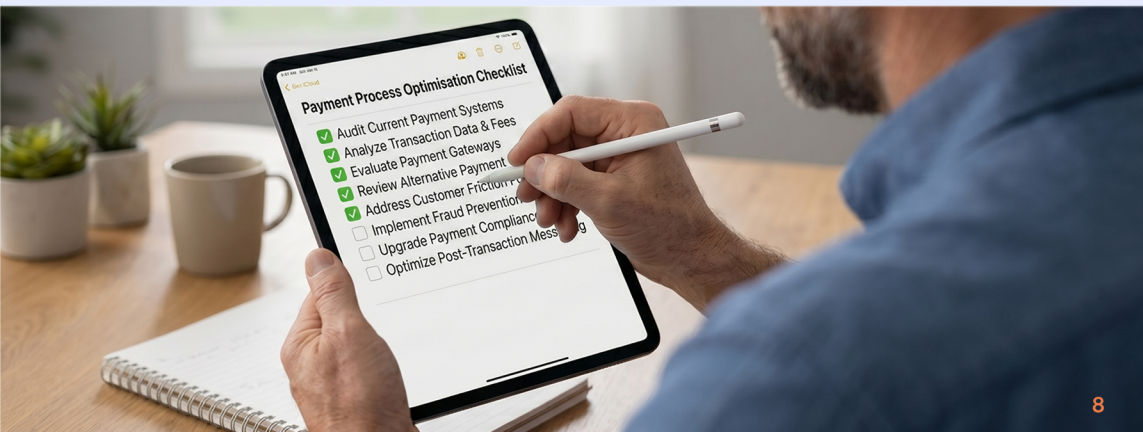


Reconciliation automated



Settlement visibility enabled

If these are not in place, revenue leakage is likely.



11.

SOLUTION FRAMEWORK

Improving payment performance requires more than isolated fixes. Businesses need a structured approach that addresses the key systems influencing approval rates, conversion, recovery, risk, and revenue visibility. The framework below outlines the core operational pillars required to optimize payment performance and reduce revenue leakage.



Pillar	Core Focus	Adaptive Intelligence Layer
 Intelligent Routing	• Route transactions based on issuer performance • Improve authorization outcomes	 AI-driven systems can identify approval trends, detect routing inefficiencies, and recommend routing optimizations dynamically
 Checkout Optimization	• Reduce checkout steps • Improve transaction speed • Optimize payment method display	 Intelligent systems can identify checkout friction points, adapt payment method ordering, and personalize checkout experiences based on user behavior
 Retry Systems	• Implement delayed retries • Adjust retry logic based on failure type • Improve recovery of failed payments	 Agentic systems can predict recoverable failures, optimize retry timing, and continuously improve retry success based on transaction patterns
 Risk Optimization	• Use adaptive fraud rules • Reduce false positives • Balance fraud prevention with approval rates	 AI-driven risk models can dynamically adjust fraud thresholds based on transaction behavior and risk signals
 Reconciliation & Visibility	• Enable real-time tracking • Automate matching • Improve reporting accuracy	 Intelligent workflows can identify anomalies, flag mismatches automatically, and reduce manual reconciliation effort

12.

EXECUTION PLAN



Phase 1

Audit

- Analyze failure reasons
- Segment approval rates
- Identify drop-off points

OUTPUT: Payment performance assessment report



Phase 2

Fix

- Improve routing logic
- Enable retry systems
- Optimize checkout

OUTPUT: Improved approval and recovery rates



Phase 3

Optimize

- Monitor payment performance trends
- Test and refine payment flows
- Use adaptive insights to improve decision-making and risk controls

OUTPUT: Continuous payment performance optimization



13. TEST & LEARN FRAMEWORK

Payment optimization is not a one-time fix. It requires continuous experimentation, measurement, and refinement.

As issuer behavior, customer preferences, authentication requirements, and fraud patterns evolve, static payment setups become less effective over time.

AI-driven experimentation can further accelerate optimization by identifying patterns and recommending improvements across routing, retries, authentication flows, and checkout performance.



What to

Test

- Retry timing
- Authentication flow variations
- Payment method ordering
- Checkout flow simplification
- Mobile vs desktop payment performance
- Fraud rule thresholds



How to

Test

- Run controlled experiments on a subset of transactions
- Compare approval rates, conversion, and drop-off trends
- Test one variable at a time for cleaner insights
- Monitor results over a defined time period before scaling changes



Success

Criteria

- Improvement in approval rate
- Increase in recovered revenue
- Reduction in checkout drop-offs
- Faster transaction completion
- Reduction in false declines

14. Metrics That Matter

- Approval Rate = $\text{Approved} \div \text{Attempted}$
- Authentication Success Rate = $\text{Successful} \div \text{Attempted}$
- Retry Recovery Rate = $\text{Recovered} \div \text{Failed}$
- Settlement Accuracy = $\text{Settled} \div \text{Captured}$

15. System Requirements

Your payment system should enable:

- Routing intelligence
- Checkout flexibility
- Risk control
- Reconciliation automation
- Performance analytics
- AI-assisted performance insights

16.

MATURITY SCORECARD

How it works:

Each Yes = 1 point | Each No = 0 points

Total your score to determine your maturity level: Basic, Optimized, Intelligent

Pillar	Yes (1)	No (0)
 We have clear visibility into payment failures and their causes	☐	☐
 Payment performance data is accessible across product and finance teams	☐	☐
 Reconciliation is automated	☐	☐
 Settlement tracking is consistent and reliable	☐	☐
 Approval rates are actively tracked and reviewed	☐	☐
 Checkout and payment flows are regularly optimized	☐	☐
 Payment decisions are driven by data, not assumptions	☐	☐
 Payment performance is reviewed on a regular cadence	☐	☐
 Payment optimization decisions are supported by AI-driven insights or automation	☐	☐

Scoring & what it means for you

0-3 points ->

Level 1: Basic

Payments are treated as a backend function. There is little visibility into failures, and most processes are manual. Revenue leakage is likely but not clearly measured.

- Limited visibility
- Manual processes

4-6 points ->

Level 2: Optimized

Some performance tracking and automation exist. Key issues are identified, but fixes are inconsistent. Payment performance improvements are reactive rather than systematic.

- Basic tracking
- Partial automation

7-8 points ->

Level 3: Intelligent

Payments are actively managed as a performance driver. Decisions are based on data, systems are optimized, and payments are directly linked to revenue outcomes.

- Data-driven decisions
- Real-time visibility
- Payments linked to revenue

17.

COMMON MISTAKES



Optimizing only for cost



Treating declines as final



Ignoring issuer behavior



Using static rules



Treating payments as backend infrastructure

The future of payment performance will not be managed manually. It will be continuously optimized through intelligent, adaptive systems. You are not losing customers.

You are losing transactions that were already won.

Data Note

The benchmarks and patterns referenced are based on aggregated industry insights and typical payment performance ranges. Actual outcomes may vary based on business model, geography, and implementation.



READY TO OPTIMIZE YOUR PAYMENT PERFORMANCE?

Let's work together to reduce revenue leakage, improve approval rates, and unlock the full potential of every transaction.

Get in Touch



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