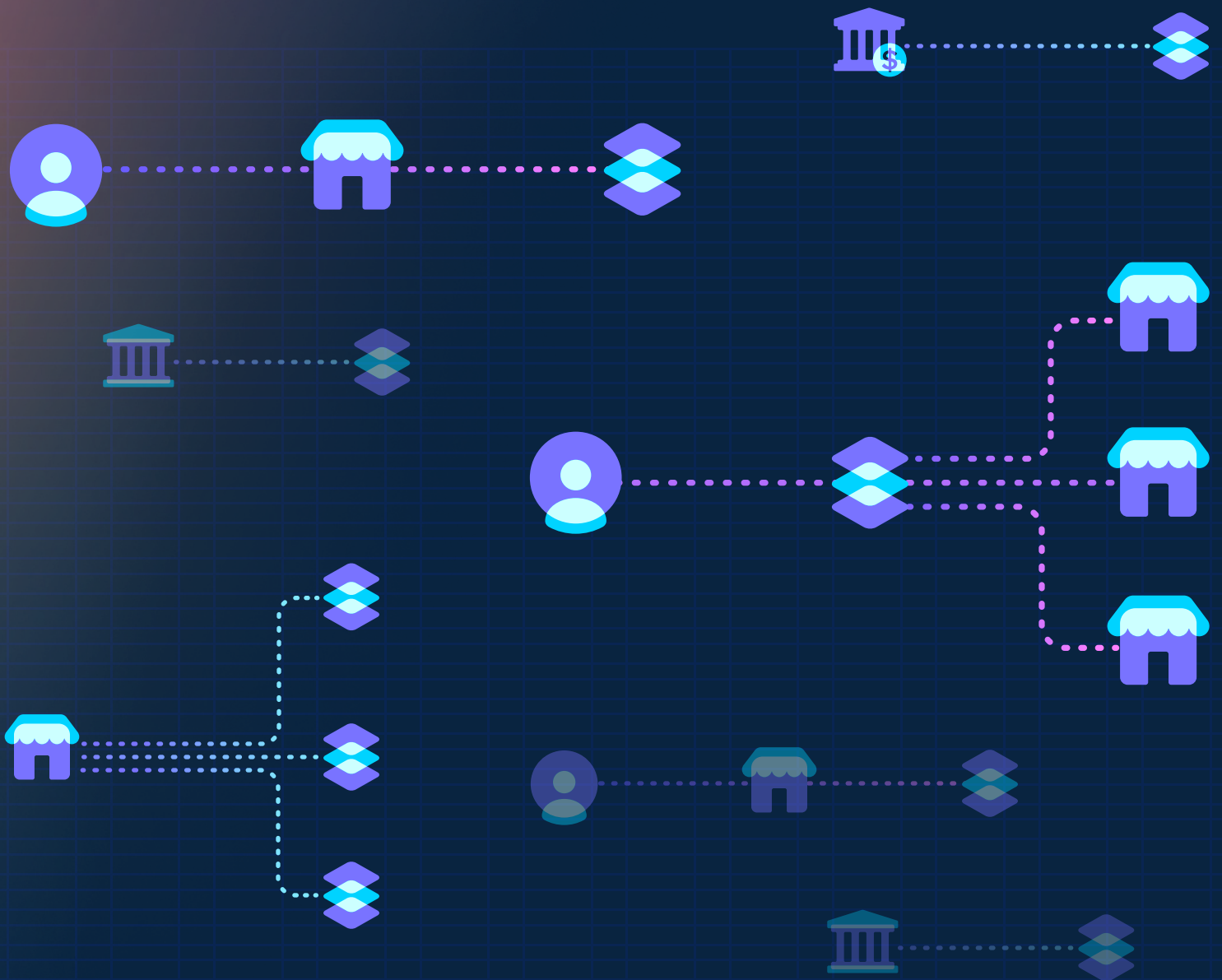




A new framework for maximizing the value of embedded payments



Growing your embedded payments offering

As SaaS platforms grow, they often look for ways to offer complementary services that add extra value for their customers. Supporting payments is a logical extension for many platforms—not only because it diversifies their revenue streams, but also because it allows them to solve additional customer pain points. This gives platforms the opportunity to become a complete operating system for their customers, who can manage all their money movement workflows in one place, such as accepting payments, receiving payouts, accessing financing, and managing expenses. We've seen this firsthand with platforms such as Shopify, Mindbody, and Jobber—and 14,000 others—which have used payments and financial products to expand the scope of problems they solve for customers and grow into vertical category leaders.

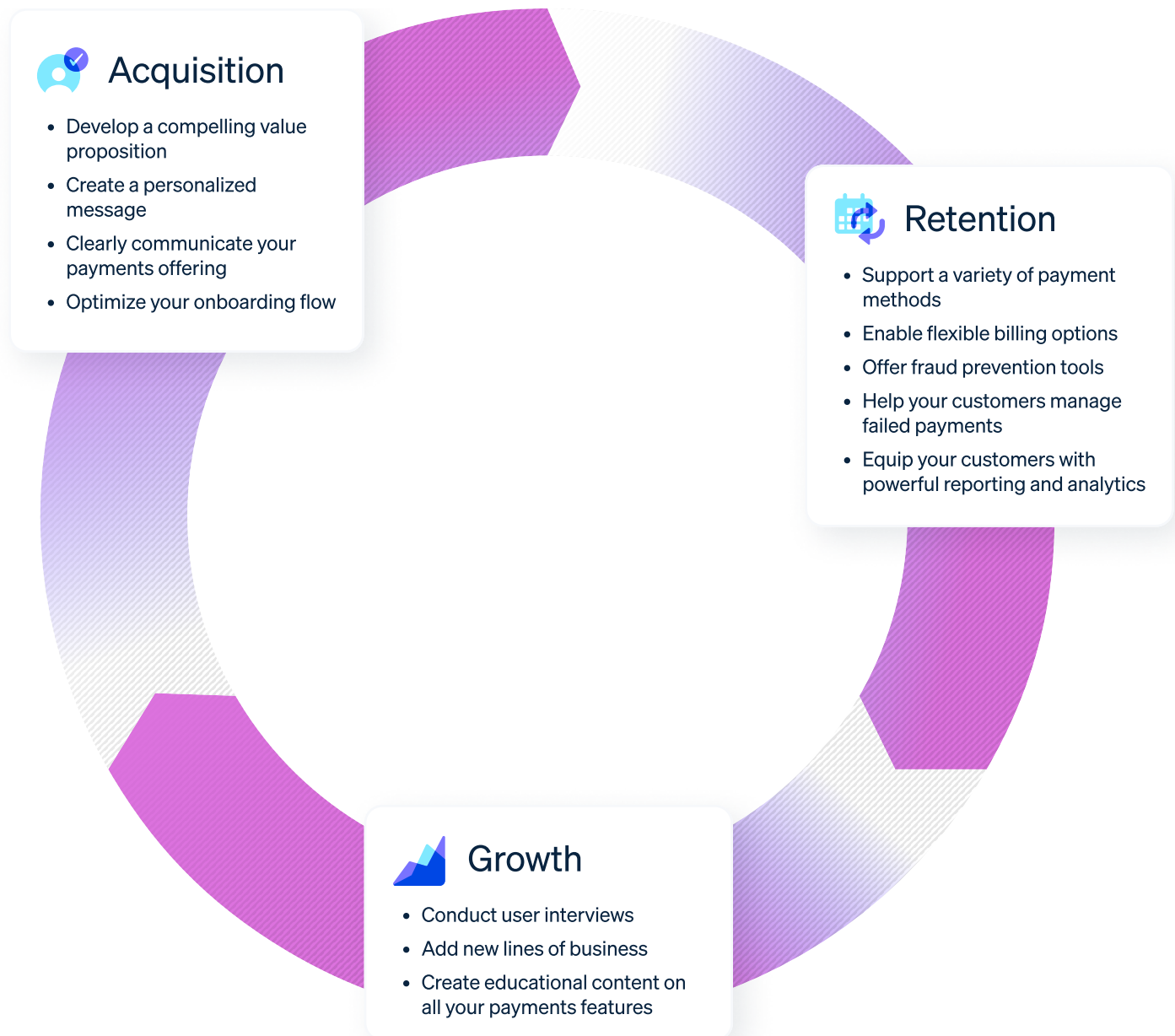
The value of embedded payments is clear, but quantifying that value with precision can be a challenge. While the payments take rate (i.e., the amount of money you keep from a transaction) is the most direct way to show how much revenue you're generating from payments monetization, it doesn't account for the other ways that embedded payments can add value to your business, such as improving customer acquisition and retention.

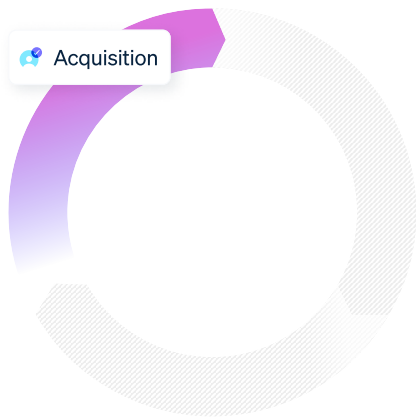
To help, we've created a new framework that puts the customer experience at the center of how you manage payments. This framework helps you grow payments adoption and revenue, and customer lifetime value. It is based on our experience working with 14,000 platforms—from startups to category leaders—to grow their payments offering, and it includes dozens of actionable steps that you can take to align the success of embedded payments with your customers.

This guide will introduce you to our embedded payments framework, share tips and case studies, and give you key questions to ask when evaluating an embedded payments partner.

The embedded payments flywheel

Our framework for evaluating and growing payments centers around a key concept: the embedded payments flywheel. This model, adapted by Stripe, puts the customer's experience at the heart of building and scaling embedded payments and financial services. By aligning your payments strategy with these three phases, you can offer cohesive brand and product experiences that drive better payments adoption and revenue.





Phase 1: Acquisition

You should think about customer acquisition in two ways: getting customers to use your platform and motivating them to use your payments product. This can be a challenge: in 2024, only **50% of customers** were also using their platform’s payments product. To encourage payments adoption, make sure your onboarding efforts are focused on getting your customers to use your payments product from the start, as it becomes harder to encourage adoption later when customers may have already chosen an alternative payments solution.

Acquisition tips

- 1

Develop a compelling value proposition
You need a differentiated, compelling story about why businesses should use your payments infrastructure. That story may change depending on your customers’ needs and industry, and the stickiness of your SaaS solution. The right product story includes the following things:
 1. A focus on a specific customer need
 2. A well-defined subset of target customers (rather than trying to accommodate everyone)
 3. An explanation of why your integrated payment solution is truly differentiated to meet that need

In 2024, only

50%

of customers were using their platform’s payments product

Examples of value propositions for payments offerings

 “ The world’s highest-converting, customizable, one-click checkout powers 10% of US ecommerce and is trusted by the biggest brands.”	 “ Get paid on average 4x faster than checks when your clients pay with debit or credit.”	GLOSS GENIUS “ Quickly take any tap, dip, or swipe. No matter how clients pay (key-ins, card-on-file, swipes) it’s one flat rate of 2.6%. No add-ons, no hidden fees.”	 “ Raise 26% more annually with Bloomerang’s integrated payment processing.”
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2 Create and repeat a personalized message

Use your value proposition to develop clear, personalized messaging that you highlight across a variety of channels, such as your website, landing pages, emails, blog posts, videos, podcasts, and webinars. Aim for frequency, because customers need to hear a message several times before it's internalized. Continue to optimize messaging and channels for best performance.

3 Clearly communicate your payments offering

Help customers evaluate your payment options by concisely communicating the benefits, trade-offs, and business implications of each option. Provide digestible and consistent ways to communicate “fast facts” so that options can be easily compared against each other. You can also create a payments page that clearly outlines product details such as pricing, payout speed, and hardware.

Accept payments and save cards on file

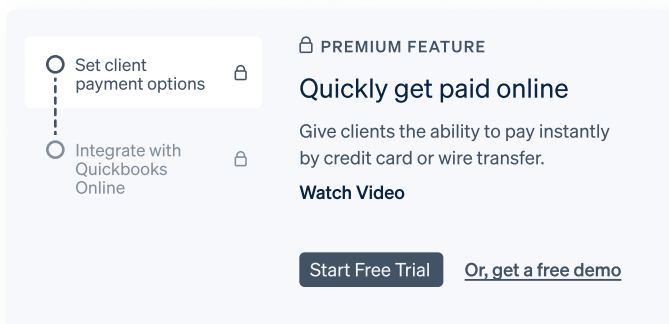
What you need to know

- 1 2.5% for in-app transactions
- 2 Transactions are paid out 2 business days later
- 3 You can accept Visa, Mastercard, American Express, Discover, as well as Visa Debit & Debit Mastercard

What you need to sign up

- 1 Bank account details
- 2 Business information, such as the legal name and tax ID
- 3 If asked for your website, please use the format <http://website.com>

Example of how to clearly communicate your payments offering



Example of how to optimize your onboarding flow for payments adoption

4 Optimize your onboarding flow

Enhance your checkout flow for conversion by prioritizing actions that help customers adopt your payments product. For example, create a task list within your dashboard to nurture the customer, and add payments as a task according to your customers' use case. Use what you've learned about your customers' business through your platform's onboarding flow to customize each task list to each customer. And finally, consider gamifying tasks: even something as simple as an interactive checklist can motivate your customers to keep going.

 beyond menu

Food ordering platform **Beyond Menu** used Stripe's hosted onboarding to transition all of its order volume to Stripe in just two months. The speedy transition allowed Beyond Menu's developers to remain focused on creating new, value-add services.

"If we had chosen another provider, we wouldn't have been able to spend as much time building products that a restaurant would be proud of," said Rodney Cox, Beyond Menu's chief technology officer.

[Read Beyond Menu's story](#)

2

developers
handled the entire
implementation process

 bloomerang

Donor management software **Bloomerang** used Stripe Connect to launch its Bloomerang Payments service. With Stripe handling the Know Your Customer (KYC) requirements, nonprofits are able to onboard to Connect in just a few clicks, allowing them to start taking donations on the Bloomerang platform almost immediately.

Easy onboarding to Connect has helped reduce the onboarding rejection rate from 15% before implementation to about 0.25% today. Together, this has helped Bloomerang Payments achieve an annual growth rate of more than 60% in online donation volume.

[Read Bloomerang's story](#)

14.75%

reduction in onboarding
rejection rate leads to more
than 60% annual growth in
online donation volume

 Phorest

Phorest, which offers salon management software, uses Stripe-hosted onboarding to automatically adapt to a user's relevant country and language—helping to drastically reduce onboarding time for salons.

"It takes less than two minutes for salon employees and self-employed stylists to fully onboard with Stripe; we timed it," said Mark Ronayne, Phorest's head of payments. "That's great for go-to-market."

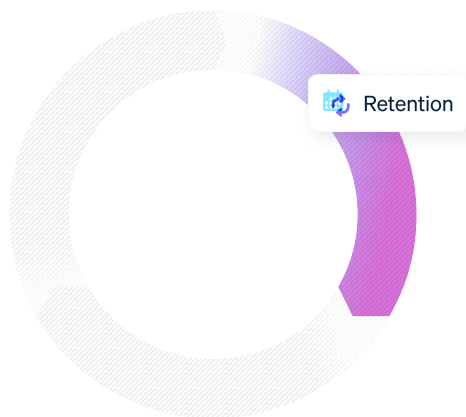
[Read Phorest's story](#)

2 minutes

for salons to onboard
their employees

9x

increase in PhorestPay
user base

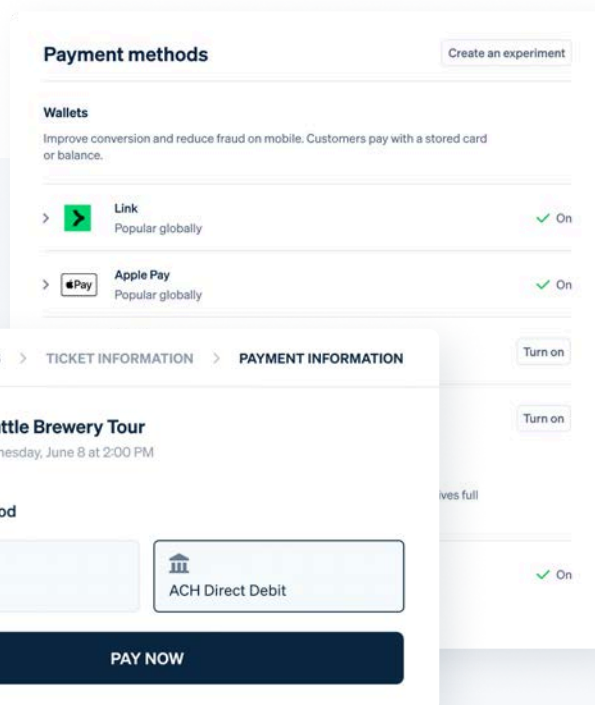


Phase 2: Retention

Once your customers are actively using your payments product, you can then shift your focus to customer retention. **The key to stickiness is adding value: make sure your payments product helps your customers grow their own user base.**

Retention tips

- 1 Support a variety of payment methods**
Increase retention and grow payments volume by helping your users improve their customer's experience. For example, give businesses using your platform the ability to surface the right payment methods depending on where their customers are located or which device they're using.



THINKIFIC

Thinkific, an online learning platform, was looking for more ways to help creators drive sales, scale their businesses, and expand into new markets. In 2023, they integrated Stripe's Optimized Checkout Suite, launching 10 payment methods with minimal effort as well as buy now, pay later (BNPL) payment methods, which are popular with students and teachers.

"With Stripe, we're releasing local payment methods customized to each country to make payments faster and simpler for students," said Peter Fitzpatrick, vice president of commerce at Thinkific. "This has made it easier for us to avoid building new integrations and has created a better experience for teachers and students."

[Read Thinkific's story](#)

3x

greater BNPL order value compared to card transactions with Stripe Payment Element

30%

of Thinkific Payments' gross merchandise value (GMV) is from recurring subscriptions with Stripe Billing

2 Enable flexible billing options

Give your customers the ability to create flexible subscriptions, billing plans, and invoicing. For example, if businesses on your platform have high average order value, they might prefer to collect payments via an invoice instead of an online checkout page. Other businesses might want to set up recurring subscriptions, offer a usage-based billing model, or further customize their billing logic directly from your platform.

3 Offer fraud prevention tools

Make sure you have fraud prevention and management tools in place to help your customers detect and block illegitimate charges. These tools offer additional signals about the transaction, helping verify legitimacy and giving your customers more confidence when deciding whether to retry a charge.

4 Help your customers manage failed payments

When transactions don't go through, allow businesses to prompt their customers for another payment method, or obtain authorization to retry the transaction at a later date (when the original payment method is more likely to have adequate funds). If their customers are in the US, allow your users to ask to rerun the charge on the 1st or 15th of the month.



Cedar, a patient financial platform, wanted to help maximize conversion and acceptance rates while offering a simple and familiar payment experience for patients. Cedar took advantage of Stripe's **authorization optimizations** including Adaptive Acceptance (which identifies optimized retry messaging and routing to recover false declines) and network tokens (which automatically update card numbers to prevent payment failures). And in 2023, Cedar achieved a 0.2% payment acceptance uplift with Adaptive Acceptance and a 1.61% payment acceptance uplift with credit card account updater and network tokens.

"We hear from patients and providers that the payment and checkout experience is really solid and smooth, which is in-line with our original hypothesis," said Daiven Chawan, a product manager at Cedar. "People are getting an experience they expect and appreciate from Cedar Pay."

[Read Cedar's story](#)

Alternative payment methods
gain traction among patients

0.2% ↑
uplift in payment acceptance
from Adaptive Acceptance

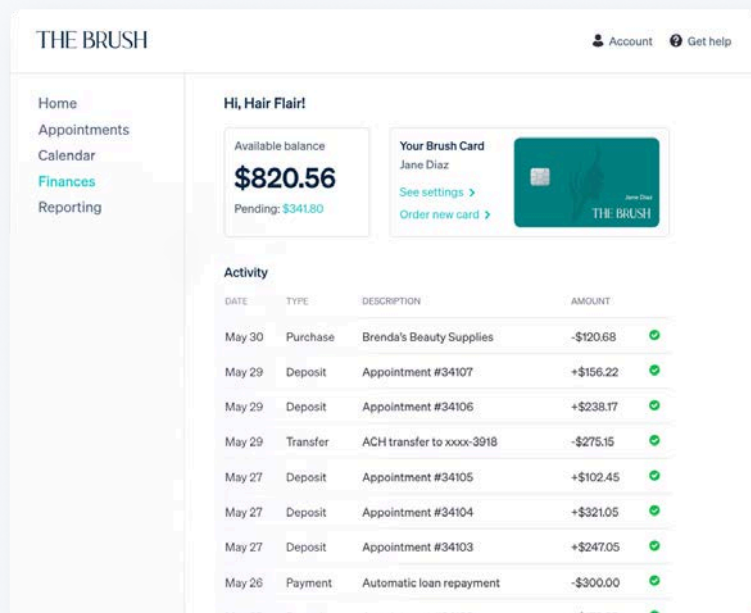
1.61% ↑
uplift in payment acceptance
from credit card account
updater and network tokens

99.999%
processing uptime with Stripe

5

Equip your customers with powerful reporting and analytics

Your customers need access to relevant payments reports and analytics to help close their books each month, such as the ability to track when payouts will hit their bank account and analyze their margin and pricing strategies.



HitPay, a payment platform for businesses in APAC, partnered with Stripe for comprehensive, easy-to-use payment processing services. Stripe-powered dashboards make it easy for SMBs to see key KPIs including conversion rates, sales, and payment method usage. With the insights and the easy customization options made possible with Stripe Elements, SMBs can improve their services and revenue by changing the payment methods and currencies they support as well as the look and feel of their customers' checkout experiences.

"At HitPay, we live by the principle of creating technologies that small businesses want," said Nitin Muthyala, cofounder and CTO of HitPay. "What stands out to me isn't just the technology they choose but the creative ways they approach business and personal growth. Through our partnership with Stripe, we can continue to rapidly evolve the HitPay platform so SMBs can meet their requirements their way, regardless of their resources—and thrive in the dynamic global economy."

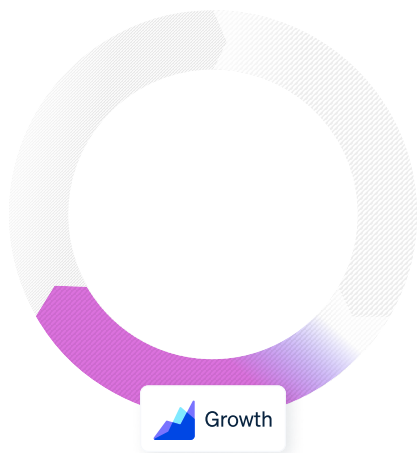
[Read HitPay's story](#)

15,000+

SMBs process payments on HitPay

455% ↑

increase in revenue over 3 years



Phase 3: Growth

The final phase of the flywheel is about adding additional finance-related functionality—above and beyond payments—to create more value and solve more of your customers' pain points.

When you become the source of truth for how customers run their day-to-day operations—including how they get paid, access financing, and manage expenses—your platform becomes fundamental to their growth.

Growth tips

1 Conduct user interviews

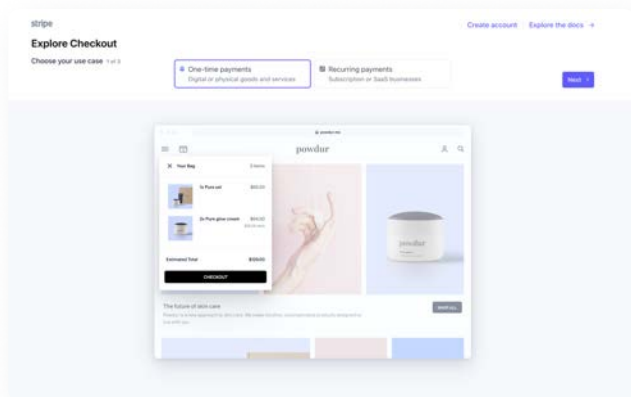
Make sure to regularly talk to your customers. Try to understand gaps (are your customers cobbling together off-platform workflows with third-party providers?) and opportunities (are there additional problems you can solve for your customers by adding new business lines?). Here are key questions for your business to consider:

Who is my target audience?

What are my potential customers currently using for financial services?

How big is this market opportunity?

What are their financial pain points today?
Where do they currently experience friction?



2

Create educational content on all your payments features

You should be able to help users understand all your payments features by creating ready-made answers to common questions and sharing tutorials and demos. Your support team should also have access to detailed training and resources to learn about your payments solution and be able to respond to these questions. For more tips on going to market with your payments offering, read our [Introduction to marketing and selling payments for SaaS platforms](#) guide.



3

Add new lines of business to continue solving customer pain points

To be a truly all-in-one platform operating system, you need to serve as many of your customers' needs as you can. To do that, consider adding new lines of business, such as:

- Enabling point-of-sale payments to unify in-person and online payments through your software
- Helping your users stay compliant by automatically calculating tax on all transactions
- Offering access to capital to help your users better manage their cash flow and grow their business
- Distributing physical and virtual spending cards so users can have greater control over their finances
- Allowing your customers to more quickly access their earnings



ServiceM8 simplifies job management for trade and service providers (“tradies”). The company’s recent challenge: move the lagging payment collection process out of tradies’ offices and into the field. Thanks to Stripe’s Tap to Pay on iPhone integration, tradies can now accept all types of in-person, contactless payments right on their iPhone—from physical debit and credit cards, to Apple Pay and other digital wallets—with no extra hardware needed. Less than a year after ServiceM8 launched Tap to Pay on iPhone in Australia and the US, the feature now accounts for more than 30% of in-person payments accepted by ServiceM8 users.

“We’re still fighting this outdated convention that a trade contractor or service business will do work on-site, then leave in good faith and wait days or weeks to get paid,” said Darren Ford, ServiceM8’s product manager. “The faster and more streamlined you can make payment, and the closer you can get it to the completion of the work, the happier [customers] are to pay.”

[Read ServiceM8’s story](#)

30%+

in-person payments made with Tap to Pay on iPhone

78%+

year-over-year adoption of card payments since Tap to Pay on iPhone launch

800

Tap to Pay on iPhone transactions in 30 days by a single ServiceM8 business



JOBBER

Jobber supports more than 100,000 home service professionals in Canada and understood how much their customers could benefit from easier access to cash, whether to keep operations running smoothly or to invest in new ideas. Jobber uses Stripe Capital to provide business owners with access to funds with minimal risk, and those business owners can receive funding within two days of their request—if not within hours.

By offering financial services to address its users' cash flow needs, Jobber has expanded and differentiated its platform, and further cemented its role as the primary tool used by its customers to both run and grow their businesses.

“Capital and Instant Payouts are especially valuable in the current environment—where credit card borrowing limits and lines of credit are being cut,” said Laura Collinson, director of fintech at Jobber. With Stripe Capital, “business owners sign up with a simple application and repay the loan as a percentage of daily sales.”

[Read Jobber's story](#)

\$15 billion

in services delivered
via Jobber

5 minutes

to complete digital
Capital application

3 hours

needed for first Stripe
Capital loan approval

lopay

The founders of **Lopay** wanted to develop a payment processing app that would enable small businesses to keep more of their profits and gain faster access to their payouts. After building their initial app on **Stripe Connect**—and adopting **Instant Payouts** so users could choose when to receive payments—they saw the potential in providing more options for instant payouts.

In just six days, Lopay developed and launched a Lopay Visa rewards card using **Stripe Issuing**. Completed payments immediately appear as balances on the cards, and Lopay users offset processing fees with the rewards points they earn every time they use their card. Today, 1 in 10 Lopay users actively utilize a Lopay rewards Visa card. And collectively, the Lopay card and app have saved users £3 million in transaction fees.

[Read Lopay's story](#)

6 days

to develop and launch a Visa
card rewards program

£3M saved

in fees for Lopay users over
2 years

1,000

new businesses adopt Lopay
each week

How to evaluate a payment provider

When selecting a platform payment provider, consider both your current needs and your long-term vision. To guide your decision-making, we've developed six sets of questions for assessing potential partners that will help you find the one that best aligns with your strategic goals.

1. Platform experience ✓ Does the provider offer easy and fast onboarding that can be customized to my branding? ✓ Does the provider offer visibility into the status of each of my users throughout the onboarding funnel? ✓ Is the provider dependent on one or multiple third-party providers for KYC or KYB checks?	2. Operations enablement ✓ Does the provider offer flexibility to take on responsibility for negative merchant balances? If so, what does this cover? ✓ Does the provider offer risk support with their risk management service? Or will I need to train a risk support team to manage risk? ✓ Does the provider offer tools to manage transaction risk? ✓ Does the provider offer tools to manage merchant risk if I decide to take on loss liability?	3. Time to go-live ✓ Does the provider have strong developer documentation and tools? ✓ Does the provider offer strong documentation to train my own support teams? ✓ Does the provider have strong testing capabilities to allow for end-to-end testing of my integration? ✓ Does the provider offer professional services to expedite development time?
4. Expansion ✓ Does the provider make it easy for me to expand internationally? ✓ Does the provider make it easy to turn on and present new local payment methods? ✓ Does the provider offer offline payments solutions that enable me to provide omnichannel payments?	5. Money movement ✓ Does the provider allow me to control the payout timing, currency, speed, and methods available for my users? ✓ Does the provider allow me to provide instant access to funds with clear eligibility and pricing capabilities?	6. Management experience ✓ Does the provider give my users a unified view of their customers and transactions? ✓ Does the provider support billing, subscription lifecycle management, and provisioning? ✓ Does the provider enable me to create experiences for my users to handle disputes and refunds, adjust payout settings, and manage their own customers?

How Stripe can help

Stripe's financial infrastructure offers modular solutions that help you monetize and distribute a full suite of payments functionality to your customers. This includes online and in-person payments, onboarding, instant payouts, card issuing, and lending—all without requiring you to natively build and maintain the infrastructure needed to run these services.



mindbody



GLOSS GENIUS



With Stripe, you can:

- **Launch payments on your platform.** [Stripe Connect](#) is a multiparty payments solution built for SaaS platforms to facilitate and monetize platform payments, while offloading the complexity of facilitating payments.
- **Enable new business models.** Integrate [Stripe Billing](#) to give your customers the ability to launch subscriptions, memberships, free trials, coupons, and more. You can also set up recurring payments and enable smart tools to reduce churn.
- **Build a unified commerce experience.** [Stripe Terminal](#) provides developer tools, precertified card readers, contactless payments, and cloud-based device management that help you create a cohesive customer experience across online and in-person payments.
- **Launch financial services on your platform.** You can extend your payments offering by embedding financial services—including accounts ([Stripe Treasury](#)), cards ([Stripe Issuing](#)), and lending ([Stripe Capital](#))—to attract more customers, add new lines of revenue, and improve your customer experience.

To learn more about how Stripe can help you grow your embedded payments and financial services business, [contact our team](#).