The Global Digital Shopping Index,
a PYMNTS and Cybersource collaboration,
is a comprehensive study on how digital channels and
features are reshaping the dynamics of retail shopping.
The first edition in the series focuses on the United States
market and is based on surveys of more than
2,170 U.S. consumers and 500 U.S. merchants.

The Global Digital Shopping Index

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United States Edition

NOVEMBER 2020

The Global Digital Shopping Index

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The Global Digital Shopping Index was done in collaboration with Cybersource, and PYMNTS is grateful for the company's support and insight. **PYMNTS.com** retains full editorial control over the following findings, methodology and data analysis.

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Introction

T o say that 2020 has been a tumultuous year would be an understatement. The COVID-19 pandemic has forced businesses and consumers to rapidly adapt in the face of public health risks, mandated store closures and disrupted supply chains. Digital technologies have played a vital role in addressing these challenges, yet the question remains: Just how long-lasting will these digital adaptations be?

Consumers' **digital shopping channel** use has increased by

60%

since March 2020.

PYMNTS' latest research offers strong evidence that a new digital normal is already taking shape when it comes to how consumers shop, solidifying the trends set in motion in the early days of the pandemic. Consumers' shopping journeys are bifurcating into two distinct physical and digital channels — and if they have the option of going digital by either taking advantage of online browsing or having items delivered, many consumers will opt that way.

All of this means that established retailers have important strategic decisions to make if they want to stay relevant and compelling to consumers. The Global Digital Shopping Index, a collaboration with Cybersource, serves as a comprehensive guide to the shifting retail landscape on a global scale. The first edition in this series focuses on the United States market and is based on surveys of more than 2,170 U.S. consumers and 500 U.S. merchants. Subsequent reports will focus on Australia, the United Kingdom and Brazil.

Our research strongly indicates that the more consumers have been exposed to digital shopping tools, the less patience they seem to have for the frictions that have long accompanied in-store shopping, such as checkout lines and product shortages. The pandemic has undoubtedly exacerbated these tensions. Retailers in this environment must do more to imbue in-store shopping experiences with the sense of control, convenience and safety consumers have come to expect when purchasing online. An overview of these and other key insights from our research follow.
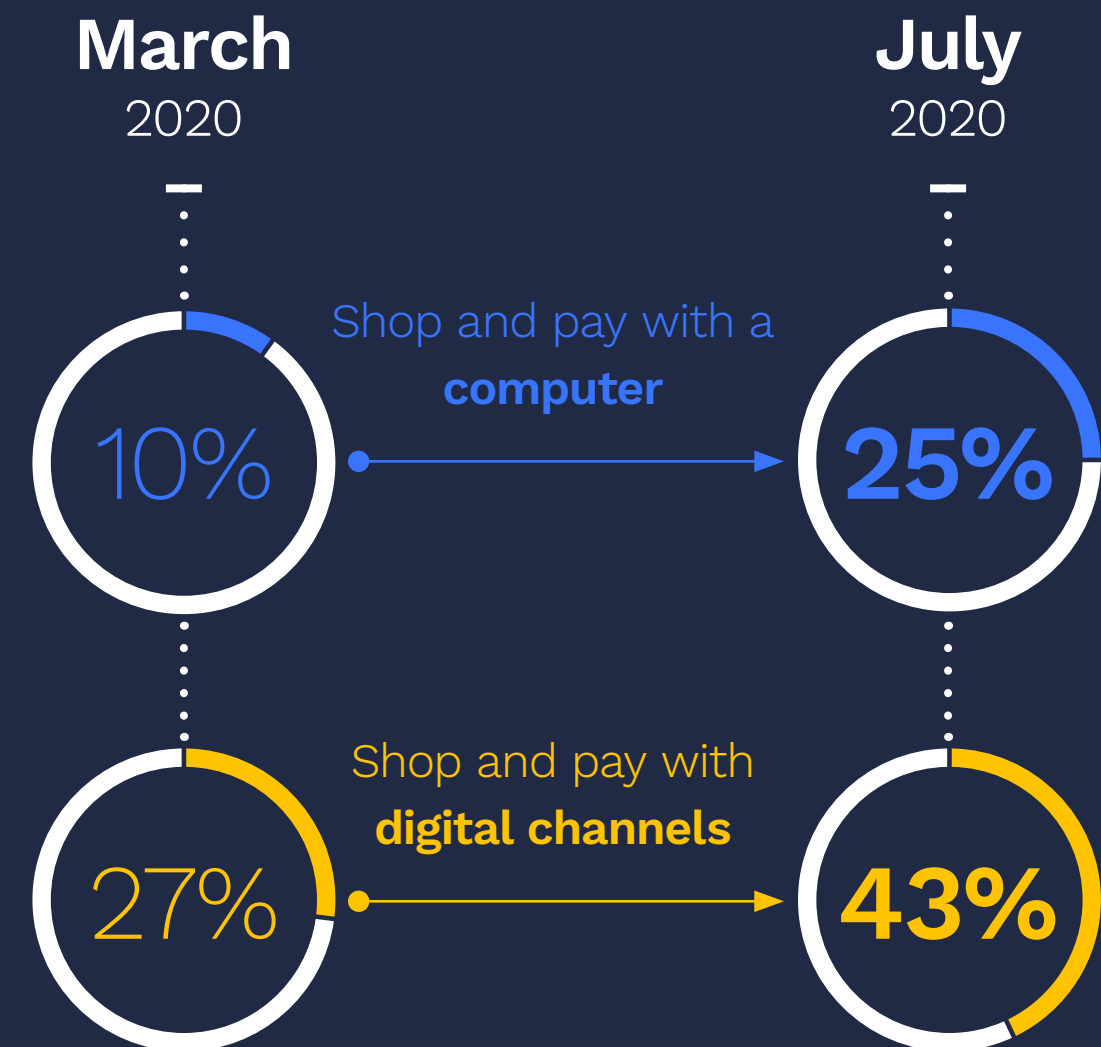
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Key findings

01

Consumer shopping journeys have shifted: More consumers are starting purchases in digital channels and will complete them there if they can.

Our research shows that that 96 percent of consumers shop for and complete their purchases within the same physical or digital channel. What this means is that when consumers start their shopping journeys online, they are likely to try to complete their purchases that way — by having them delivered. Conversely, consumers that go to stores tend to complete their purchases there.

This represents a shift from the early days of the pandemic, when consumers were more likely to shop via mixed channels. The most dramatic change we have seen regards consumers' preference for digital channels, which has increased by 1.6 times since March, skyrocketing from 27 percent of purchases to 43 percent in July. The share of consumers shopping solely in-store has correspondingly declined from 60 percent to 53 percent. One implication of these findings is that retailers' web and mobile sites must offer more functionality than simply listing open hours and locations — they should also have built-in payments and ordering capabilities.

March
2020

July
2020

Shop and pay with a **computer**

10% → 25%

Shop and pay with **digital channels**

27% → 43%

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02 Baby boomers are just as likely as millennials to employ digital-first shopping.

Millennials are not the only demographic group whose shopping journeys have become more digital. Millennials make up the largest share of shoppers who begin and complete their shopping journeys via mobile phones — a group we have termed "mobile natives" — yet baby boomers make up 28.3 percent of "online natives," those who begin and complete their shopping journeys via the computer. Our research reveals that 8.9 percent of consumers have shifted their shopping journeys from in-store to digital since the early days of the pandemic. These digital shifters are disproportionately from lower income groups, are older than average and are more likely to be female. This suggests that digital shopping tools may have had a democratizing effect during the pandemic thus far.

Millennials
24 to 39

28%
Online native

39%
Mobile native

Baby boomers
56 to 74

28%
Online native

16%
Mobile native
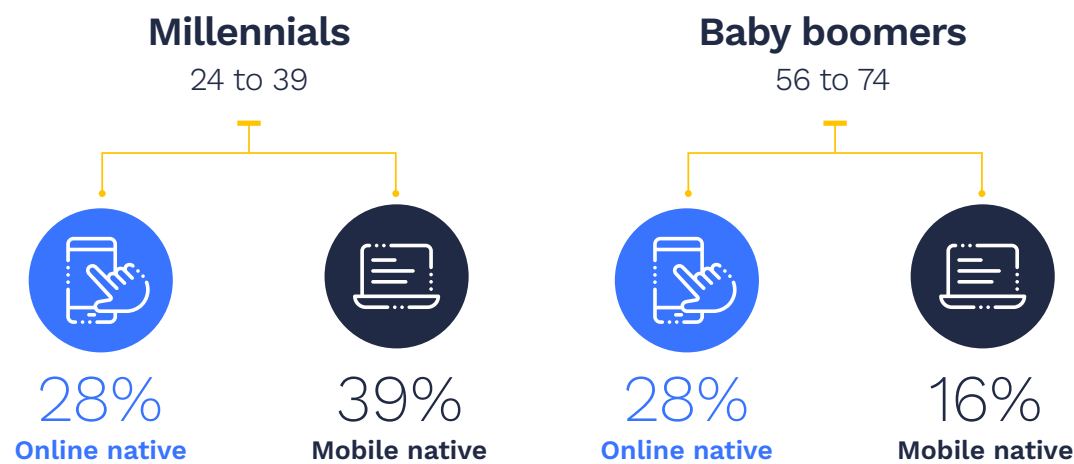
03 Consumers are the least satisfied with in-store shopping experiences because digital-first shopping offers them more — and better — shopping options.

Our Consumer Satisfaction Index shows that online natives' shopping journeys have the highest scores — 158.7 overall on a scale of with a median of 100. Mobile natives' journeys follow closely behind. Brick-and-mortar shoppers' scores are nearly two times lower. The specific digital features consumers favor reflect their desires to minimize the time spent inside stores. Curbside pickup use has notably grown from 10.8 percent of digital purchases in March to 15.5 percent in July.

Other features' use similarly seems to be driven by a desire for safer and more efficient shopping experiences. The digital features that experienced the greatest usage increases since the pandemic's onset included product availability tools, mobile order-ahead and contactless cards or digital wallet payments.

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04

A significant disconnect exists between what merchants think consumers value in their shopping experiences and what consumers actually value.

Merchants do not fully appreciate consumers' appetites for a robust range of digital features, and they overestimate the appeal of more conspicuous features, like buy online, pickup in store (BOPIS). Our research found that 38.3 percent of merchants think that consumers commonly use BOPIS, while just 10 percent of consumers say they use BOPIS often or always.

Our research also found that 56.1 percent of consumers regard free shipping for digital orders as an important feature — approximately 1.6 times the share that merchants estimated. Notable gaps exist when it comes to less noticeable features, too, such as data protection: 43.6 percent of consumers view this as an important feature — close to twice what merchants perceive.

There is one major point of alignment between merchants and consumers: rewards. Thirteen percent of each group regard rewards as the single most important digital feature.

05

Top performing merchants offer a robust range of digital features, prioritizing consumer convenience, security and desire for value.

Our Index measured consumer satisfaction with various aspects of the shopping experience. Top performing merchants have the highest satisfaction scores — consumers encounter the least degree of friction in shopping with them.

The top performers in the current retail market are not digital marketplaces but rather merchants with both brick-and-mortar and online operations. The largest portion of top-performing merchants, according to our Customer Satisfaction Index, make 50 percent to 75 percent of their sales in-store versus online. Only half as many top performers are found among those who do most of their sales online, and only a fraction of leading merchants sell exclusively in-store.

Top-performing merchants distinguish themselves by offering many digital features while also prioritizing customers' convenience and security. At least 90 percent of leading merchants offer nearly all of the 27 digital features we examined. Gaps between top performers and middling ones are particularly wide when it comes to convenience-focused features, such as mobile app ordering and curbside pickup. At least 98 percent of top performers offer every one of these convenience-focused features, while only about half as many middle performers do so.
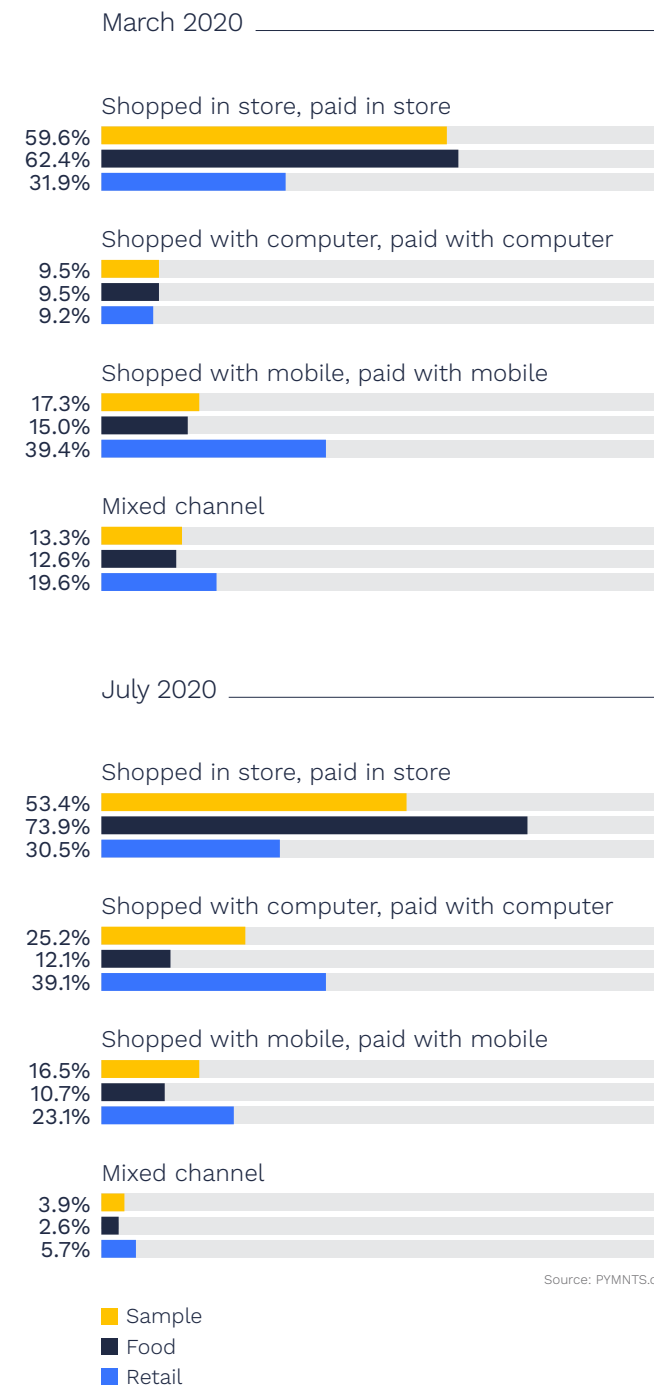
The Global Digital Shopping Index

Charting the course of the changing shopping journey

The shopping channel shift
Share of consumers who reported shopping and paying via select channels, food versus retail products

March 2020

Shopped in store, paid in store
59.6%
62.4%
31.9%

Shopped with computer, paid with computer
9.5%
9.5%
9.2%

Shopped with mobile, paid with mobile
17.3%
15.0%
39.4%

Mixed channel
13.3%
12.6%
19.6%

July 2020

Shopped in store, paid in store
53.4%
73.9%
30.5%

Shopped with computer, paid with computer
25.2%
12.1%
39.1%

Shopped with mobile, paid with mobile
16.5%
10.7%
23.1%

Mixed channel
3.9%
2.6%
5.7%

Source: PYMNTS.com

- Sample
- Food
- Retail

The internet is no longer just playing a supporting role in consumers' shopping practices. Consumers who start their shopping journeys online are more likely to complete their purchases there and have the product delivered or — in a relatively small but growing number of cases — get it themselves through curbside or in-store pickup.

The overall use of digital channels has increased 1.6 times since March, shifting from 27 percent of purchases to 42 percent in July. The use of multiple channels to shop and pay has decreased significantly since March, moving from 13 percent then to 4 percent in July. The shift was most pronounced regarding the use of online versus mobile channels. The share using computers to find and purchase retail products online rose by more than four times, reaching 39.1 percent in July. This could reflect the fact that consumers were spending more time at their computers, working from home. The online shift was more muted for groceries, rising from 9.5 percent to 12.1 percent.

Another important dimension of the shopping journey is fulfillment — the way consumers ultimately receive products, including via delivery, at the checkout counter or through curbside pickup. We have created five shopping journey personas to better understand how these patterns have shifted.

Online native: shoppers who prefer to use computers to pay for products and have them delivered

Mobile native: shoppers who prefer to use smartphones to pay for products and have them delivered

Brick-and-mortar: shoppers who prefer to pay for products and receive them in-store

Online cross-channel: shoppers who prefer to use computers to pay for products and pick them up at the store curbside or via kiosk, for example
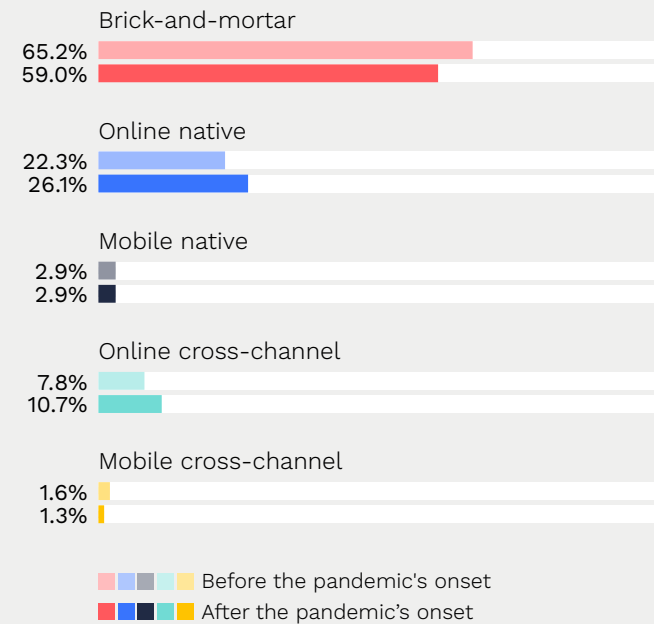
Mobile cross-channel: shoppers who prefer to use smartphones to pay for products and pick them up at the store

Brick-and-mortar remains the most common shopping journey, but it is now less popular than it was before the pandemic: 66.2 percent were brick-and-mortar shoppers before the pandemic, while 59.6 percent are now. . Conversely, the share of online native shoppers grew from 21.9 percent to 25.7 percent and the share of cross-channel shoppers increased from 7.5 percent to 10.9 percent.

FIGURE 2:

Shopping persona distribution
Distribution of shopping personas before and after the pandemic's onset

Brick-and-mortar
65.2%
59.0%

Online native
22.3%
26.1%

Mobile native
2.9%
2.9%

Online cross-channel
7.8%
10.7%

Mobile cross-channel
1.6%
1.3%

Before the pandemic's onset
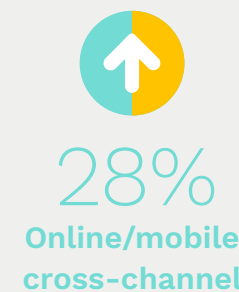After the pandemic's onset

The share of online native shoppers has grown by **17%** since the pandemic began.

The big picture is clear: The share of brick-and-mortar shoppers declined by 10 percent since the pandemic's onset, while the share of online native shoppers increased by 17.4 percent. The share of cross-channel shoppers remains comparatively low, but this group has grown by 28.2 percent since the pandemic began.

FIGURE 3:

Shopping persona distribution shifts
Shift in share representing shopping personas since the pandemic's onset

28%
Online/mobile cross-channel

17%
Online native

–10%
Brick-and-mortar

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TABLE 1:

The demographics of digital shifters

Demographic characteristics of consumers who have shifted their preferences from in-store shopping to digital shopping since the pandemic's onset

	Sample	Digital shifters
Total respondents	100.0%	8.7%
Have college degree	32.2%	38.3%
Female	51.5%	67.1%
Low income	33.4%	36.7%
Middle income	30.8%	27.4%
High income	35.8%	36.0%
Average age	47.0	48.9

Source: PYMNTS.com

An important dimension to these shifting shopping patterns is the degree to which they contrast with conventional assumptions about digital adoption and demographics, specifically that online shopping is more of a young person's game. Our research shows that 8.7 percent of all consumer respondents have shifted their preferences from in-store shopping to digital after the pandemic's onset. These shifters tend to have lower incomes, be older than average and be female: 36.7 percent make less than $50,000 a year, their average age is 48.9 and 67.1 percent are female. This shows that digital shopping options may be having a democratizing effect.

This pattern is seen more broadly when we look at shopping journey personas' demographics. Baby boomers are just as likely as millennials to have online cross-channel shopping journeys, with each group representing approximately 28 percent of the category. Baby boomers and Generation X also stand out for their preference for online native shopping journeys, making up 35.6 percent and 38.9 percent of this group, respectively.
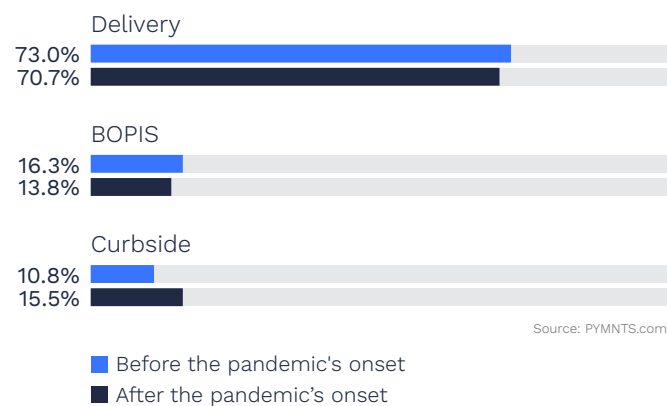
Millennials do conform to assumptions in one respect: their preference for mobile shopping journeys. Millennials represent the largest shares of mobile native and mobile cross-channel shoppers at 47.7 percent and 39.3 percent, respectively.

FIGURE 4:

Shopping journeys and generation

Share of age groups that make use of each shopping journey

Legend:
- Brick-and-mortar
- Online native
- Mobile native
- Online cross-channel
- Mobile cross-channel

	Generation Z (23 or younger)	Millennials (24 to 39)	Bridge millennials (32 to 41)	Generation X (40 to 55)	Baby boomers (56 to 74)	Seniors (75 or older)
Mobile cross-channel	7.0%	47.7%	35.7%	29.6%	12.5%	3.2%
Mobile native	14.1%	39.3%	31.5%	29.0%	16.5%	1.7%
Online native	6.0%	28.2%	22.6%	28.4%	28.3%	8.6%
Online cross-channel	0.0%	19.5%	20.0%	38.9%	35.6%	6.0%
Brick-and-mortar	3.7%	18.5%	16.3%	27.3%	36.1%	14.5%

16%

of consumers who shop digitally are now using **curbside pickup.**
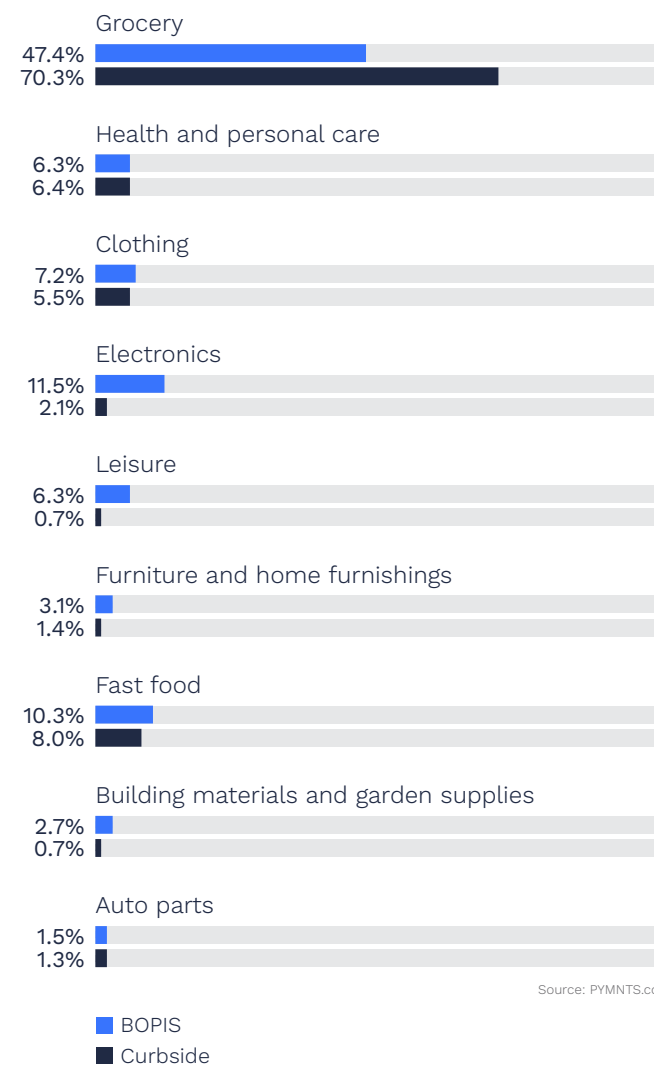
Curbside versus BOPIS

Curbside pickup and BOPIS are examples of recent retail innovations that have found unexpected utility amid the pandemic. Our research shows that interest in curbside pickup has grown significantly, with 15.5 percent of those who purchase digitally citing it as their preferred way of shopping in July — up from 10.8 percent in March. BOPIS has not gained traction in the same way. The share preferring it dropped slightly during the same period to 13.8 percent. The preference for curbside seems to reinforce an ongoing theme in our research: Many consumers prefer to avoid entering stores.

FIGURE 5:

Shift in use of cross-channel shopping
Share of digital purchasers using delivery, BOPIS and curbside before and after the pandemic's onset

Delivery
73.0%
70.7%

BOPIS
16.3%
13.8%

Curbside
10.8%
15.5%

Source: PYMNTS.com

■ Before the pandemic's onset
■ After the pandemic's onset

70%

of curbside pickup users purchase **groceries.**

FIGURE 6:

Product segments and cross-channel shopping
Share using BOPIS and curbside pickup to purchase select categories of goods

Grocery
47.4%
70.3%

Health and personal care
6.3%
6.4%

Clothing
7.2%
5.5%

Electronics
11.5%
2.1%

Leisure
6.3%
0.7%

Furniture and home furnishings
3.1%
1.4%

Fast food
10.3%
8.0%

Building materials and garden supplies
2.7%
0.7%

Auto parts
1.5%
1.3%

Source: PYMNTS.com

■ BOPIS
■ Curbside

This is further reflected in the fact that groceries are the dominant use case for both curbside pickup and BOPIS, albeit to a lesser extent. Our research shows that 70.3 percent of curbside pickup users purchase groceries. The data suggests that digital shoppers are more likely to use curbside pickup to quickly obtain perishable products and are more likely to opt for delivery for more durable retail goods.

The broader pattern indicates that many consumers are reluctant to go into physical stores, and our research suggests there are good reasons for this.

Tracking the changing digital shopping journey

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U.S. consumers are increasingly seeking the efficiency, convenience and safety they have come to expect in online shopping whenever and wherever they shop.

The strongest trend shifts since the pandemic began have been toward wholly digital and cross-channel shopping experiences.

28%
Online/mobile cross-channel

17%
Online native

–10%
Brick-and-mortar
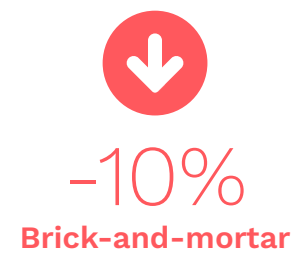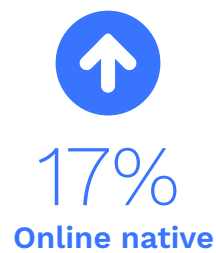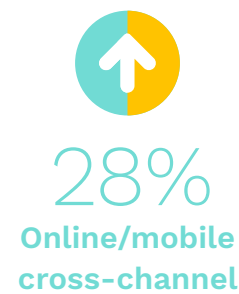
Consumers are gravitating toward digital shopping because in-store shopping is the least satisfying channel.

on a scale with a median score of 100

Online shopping channel satisfaction score:
158.7

Brick-and-mortar channel satisfaction score:
78.9

A majority of consumers shop in-store, but a growing number are starting their shopping journeys in digital channels — and many of them will complete purchases there if they can.

Top-performing merchants sell across multiple channels and extend features that offer convenience and security.

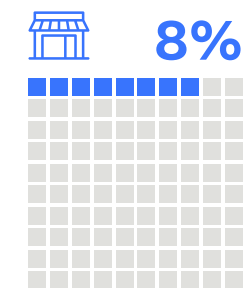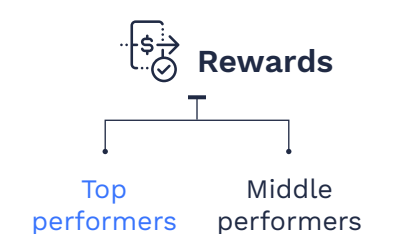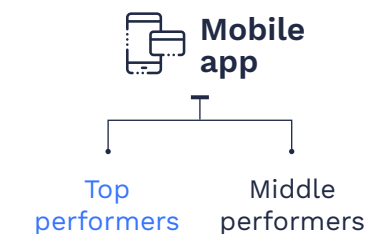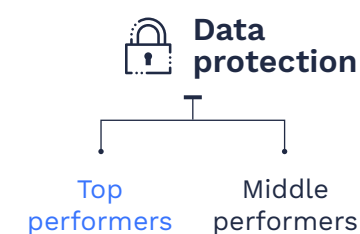Most top-performing merchants are omnichannel:

All of sales in stores	**50-75%** of sales in stores	**Less than 25%** of sales in stores
14%	42%	8%
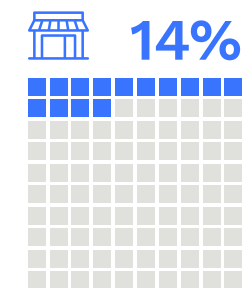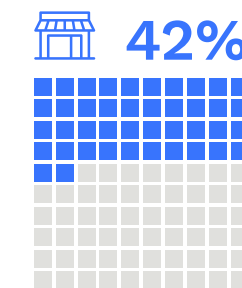
Leading merchants distinguish themselves by offering a wide range of digital features that prioritize customers' convenience and security.

Data protection

Top performers — Middle performers
100% — 62%

Mobile app

Top performers — Middle performers
100% — 56%

Rewards

Top performers — Middle performers
94% — 57%

The Global Digital Shopping Index

The drivers of consumer satisfaction

Shopping inside stores remains the most common way consumers shop. This does not necessarily mean shoppers like it, however. Our research indicates that a growing share of consumers appreciate the certainty, efficiency and safety of digital shopping channels and that these feelings are informing the standards and expectations they have for shopping in general.

We developed an Index to measure consumer satisfaction with various aspects of the shopping experience. The Index shows that the highest satisfaction scores are associated with those who make wholly digital shopping journeys — digital natives. This group has the highest satisfaction score: 158.7 on a scale with a median score of 100. This is followed closely by mobile natives, who earned a score of 149.8. Brick-and-mortar shoppers have scores that are lower by roughly half, reaching just 78.9.

TABLE 2:

Index scores and shopping personas
Index satisfaction scores associated with the five shopping personas

	Sample	Product	
		Retail	Grocery
Brick-and-mortar	**78.9**	105.0	71.0
Online native	**158.7**	158.4	155.2
Mobile native	**149.8**	149.0	139.0
Online cross-channel	**123.8**	155.5	117.3
Mobile cross-channel	**123.2**	130.4	124.1

Source: PYMNTS.com

Satisfaction appears to be closely related to the degree to which consumers can avail themselves of digital features, which include everything from product reviews to rewards to store pickup options. Online native shoppers use an average of 13 features, while online cross-channel shoppers use more than 14 features on average when purchasing retail products. The various features a cross-channel shopper might employ before ultimately finalizing their purchase can include product reviews, rewards and digital payment options.

FIGURE 7:

Digital features and shopping journeys
Average number of features accessible to consumers when shopping for retail products and groceries, by shopping journey
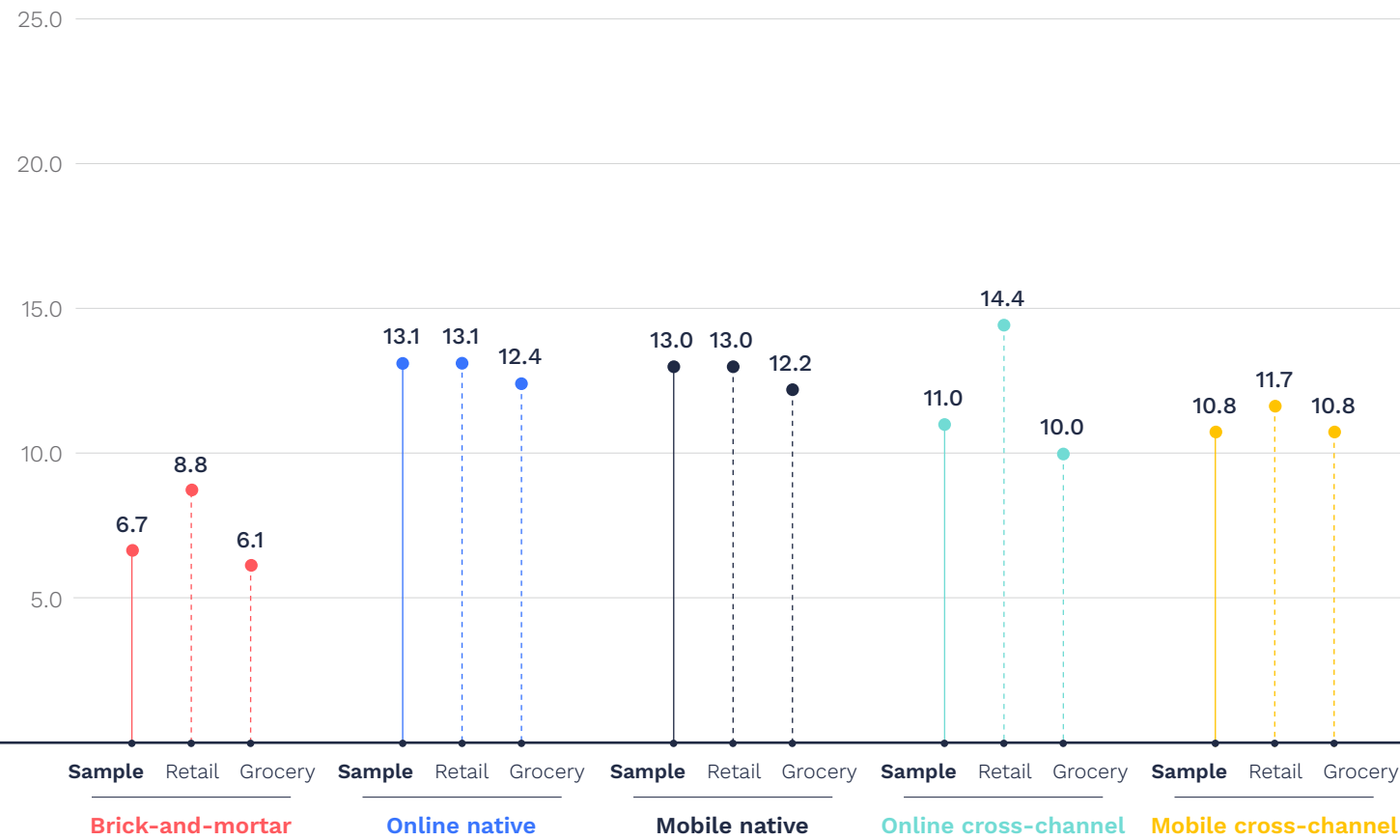
Source: PYMNTS.com

These patterns become clearer when we dig deeper into the specific features consumers use and prefer. We examined 27 distinct features and divided them into five categories:

Know me

features that store profile information to prevent users from having to enter and reenter such details

Value me

features that make shopping more economical, such as rewards and promo codes

Do you have what I want?

features that make it easier for consumers to find what they are looking for

Make it easy for me

features that drive convenience, such as reviews, recommendations and in-store pickup

Protect me

features concerning security, such as data protection, refunds and dispute resolution

The taxonomy of digital features

Know me

- **Profile:** I can set up a digital profile with this retailer.
- **Information sharing (shipping):** The retailer has access to shipping information.
- **Information sharing (history):** The retailer has access to my order history.
- **Information sharing (payments):** The retailer has access to my previous payment methods using stored card credentials.

Value me

- **Rewards:** The retailer has loyalty or reward programs that I can use in the store, online and on my mobile devices.Coupon usage: I can use the same coupons digitally.
- **Recommendations:** I receive suggestions about things that I might like based on past purchases or browsing history.
- **Promo codes:** I receive promo codes targeted to my specific interests.
- **Marketing opt-in:** I can opt into marketing communications targeted to me with special offers.

Do you have what I want?

- **Price matching:** The merchant will match the prices of other merchants selling the same products.
- **Inventory:** The available inventory is updated digitally in real time.

Make it easy for me

- **Product details:** Product details are available digitally.
- **Voice:** I am able to order products using my voice-activated device (i.e. Amazon Alexa or Google Home).
- **Product reviews:** Reviews are available digitally.
- **Free shipping:** Free shipping is available for digital orders.
- **Product recommendations:** Recommendations are available digitally.
- **Buy online, pickup in store from a kiosk:** Customers can use an automated method to receive the product.
- The retailer offers a mobile app for me to use to make purchases for delivery or pickup.
- I can use a mobile device to locate a product when in a physical store.
- Customers can buy online, pickup in store from an employee at a customer service desk or have an employee deliver the product to my car.

Protect me

- **Purchase returns:** I can return purchases either by mail or to a store location.
- **Protect data:** Allows me to store my card details on file in a secure manner.
- **Disputes:** It is easy to resolve issues with the merchant.
- **Digital purchase refunds:** Retailer will refund my digital purchases either online or by returning to the store.
- **Fraud purchase refunds:** Retailer will refund fraudulent charges.
- **Live help:** I can get live help (phone, online chat, etc.) when I am not in the store.
- **Online returns:** I can make returns using printable shipping labels for free.

TABLE 3:

Consumer interest in digital features
Share of consumers who currently use or would use select features

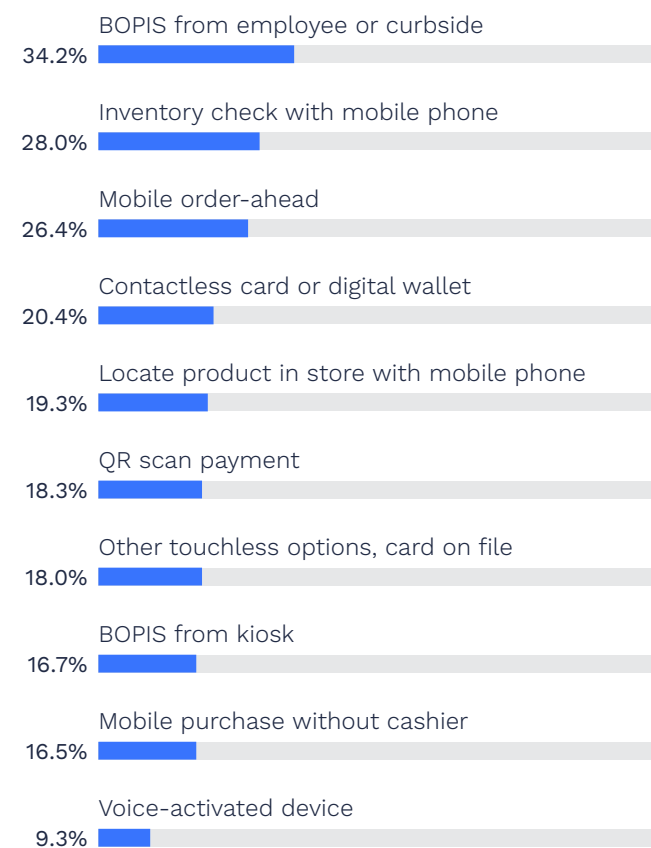|	Have used	Would use
• Profile	34.5%	19.9%
• Information sharing (shipping)	38.5%	17.0%
• Information sharing (history)	42.8%	15.7%
• Information sharing (payments)	38.9%	13.2%
• Rewards	39.8%	28.6%
• Coupon usage	37.2%	30.7%
• Recommendations	37.2%	19.5%
• Promo codes	36.0%	31.6%
• Marketing opt-in	25.6%	24.3%
• Price matching	20.5%	43.3%
• Inventory	36.7%	30.0%
• Product details	51.0%	19.1%
• Voice	12.7%	17.5%
• Product reviews	48.0%	18.9%
• Free shipping availability for digital orders	46.2%	22.0%
• Product recommendations	39.2%	21.2%
• BOPIS from a kiosk	19.2%	23.5%
• Mobile app availability for purchase with delivery/pickup options	33.1%	17.5%
• Locate product in store with mobile phone	22.3%	27.3%
• BOPIS from employee or curbside	30.3%	17.7%
• Purchase returns	41.3%	22.0%
• Protect data	38.1%	19.9%
• Disputes	38.2%	24.8%
• Digital purchase refunds	36.6%	27.1%
• Fraud purchase refunds	26.3%	33.8%
• Live help	31.9%	27.1%
• Online returns	31.7%	26.2%

Source: PYMNTS.com

26%

of shoppers
are paying with
**contactless
cards** more often.

Our research shows that the most popular features are those that make the shopping journey more efficient and rewarding. "Value me" and "make it easy for me" features, such as product details, are among the most commonly used: 51 percent of consumers say they use them, and another 19.1 percent would be interested in doing so. Other popular features include rewards — 39.8 percent use them or would do so — and free shipping for digital purchases, with 46.2 percent using the option and 22 percent having interest.

The pandemic has brought certain features to the fore for consumers, reflecting a desire to have more certainty and efficiency in the shopping experience. The top four features that have seen increased usage since the outbreak include buy online, pickup from a store employee — curbside pickup — with 34.2 percent of consumers using this option more. This is followed by verifying that a product is in stock (at 28 percent), mobile order-ahead (at 26.4 percent) and paying with contactless cards or digital wallets (at 20.4 percent).

All of these features effectively allow the consumer to become the point of sale (POS), eliminating or reducing the need for in-store, person-to-person transactions.

FIGURE 8:

Shift in use of digital features
Share who are using select features more since the pandemic's onset

BOPIS from employee or curbside
34.2%

Inventory check with mobile phone
28.0%

Mobile order-ahead
26.4%

Contactless card or digital wallet
20.4%

Locate product in store with mobile phone
19.3%

QR scan payment
18.3%

Other touchless options, card on file
18.0%

BOPIS from kiosk
16.7%

Mobile purchase without cashier
16.5%

Voice-activated device
9.3%

Source: PYMNTS.com

The most popular digital features are those that make shopping journeys **easier and more valuable** for consumers.
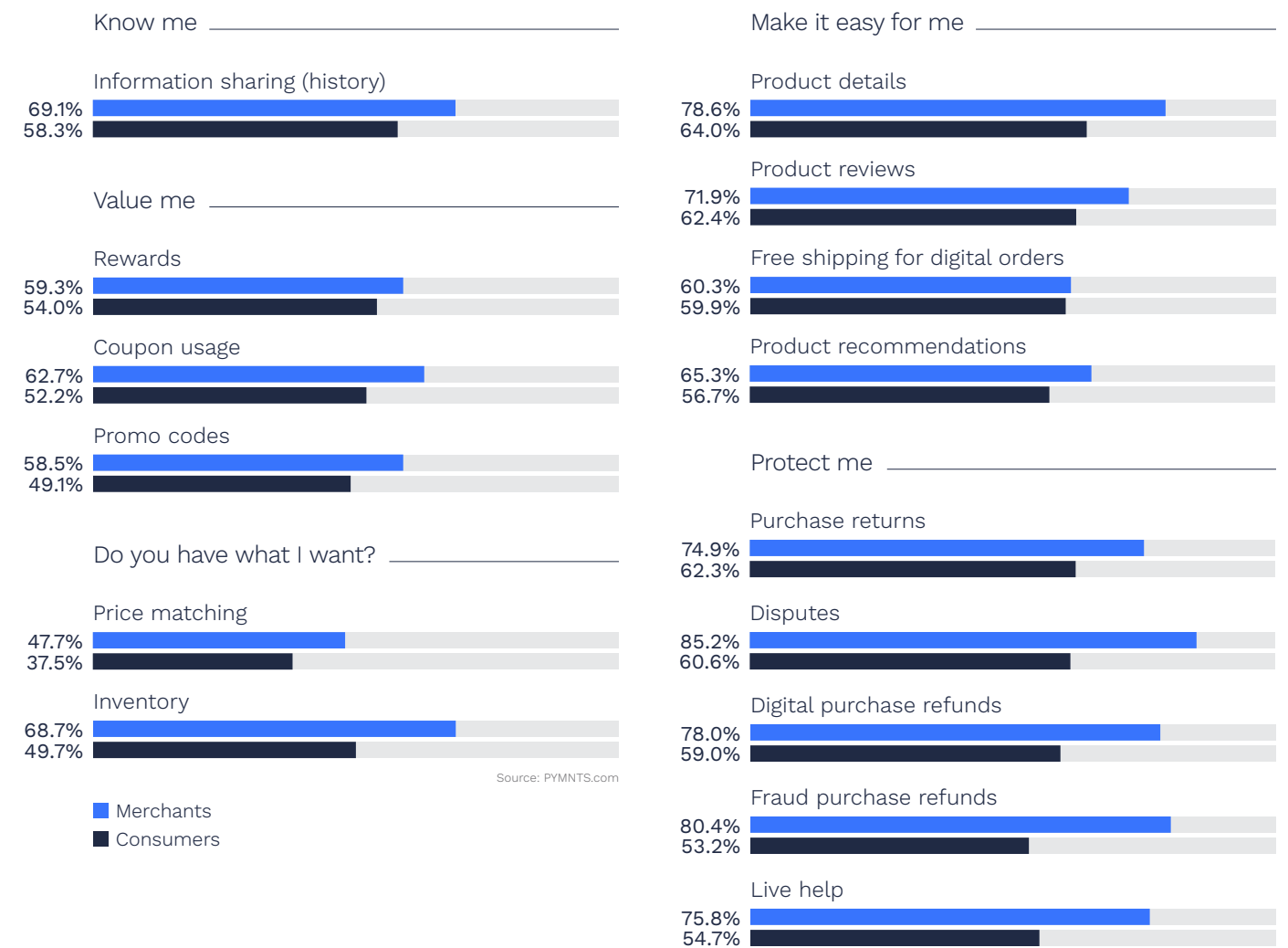
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Many merchants have invested a lot of money in enhancing their digital services in recent years. Our research shows that most businesses offer a range of digital features, including product details and reviews, rewards and curbside pickup, but that the features merchants offer are not always aligned with what consumers want and that merchants may not be doing enough to make consumers aware that certain features are available. There are remarkable gaps between merchant and consumer perceptions in both cases.

FIGURE 9:

The consumer-merchant perception gap
Share of merchants who offer select digital features and consumers who say select features are offered.

Know me

Information sharing (history)
69.1%
58.3%

Value me

Rewards
59.3%
54.0%

Coupon usage
62.7%
52.2%

Promo codes
58.5%
49.1%

Do you have what I want?

Price matching
47.7%
37.5%

Inventory
68.7%
49.7%

Make it easy for me

Product details
78.6%
64.0%

Product reviews
71.9%
62.4%

Free shipping for digital orders
60.3%
59.9%

Product recommendations
65.3%
56.7%

Protect me

Purchase returns
74.9%
62.3%

Disputes
85.2%
60.6%

Digital purchase refunds
78.0%
59.0%

Fraud purchase refunds
80.4%
53.2%

Live help
75.8%
54.7%

Source: PYMNTS.com

■ Merchants
■ Consumers

Inside the merchant-consumer divide

56%

of consumers consider free shipping for digital orders important.

32%
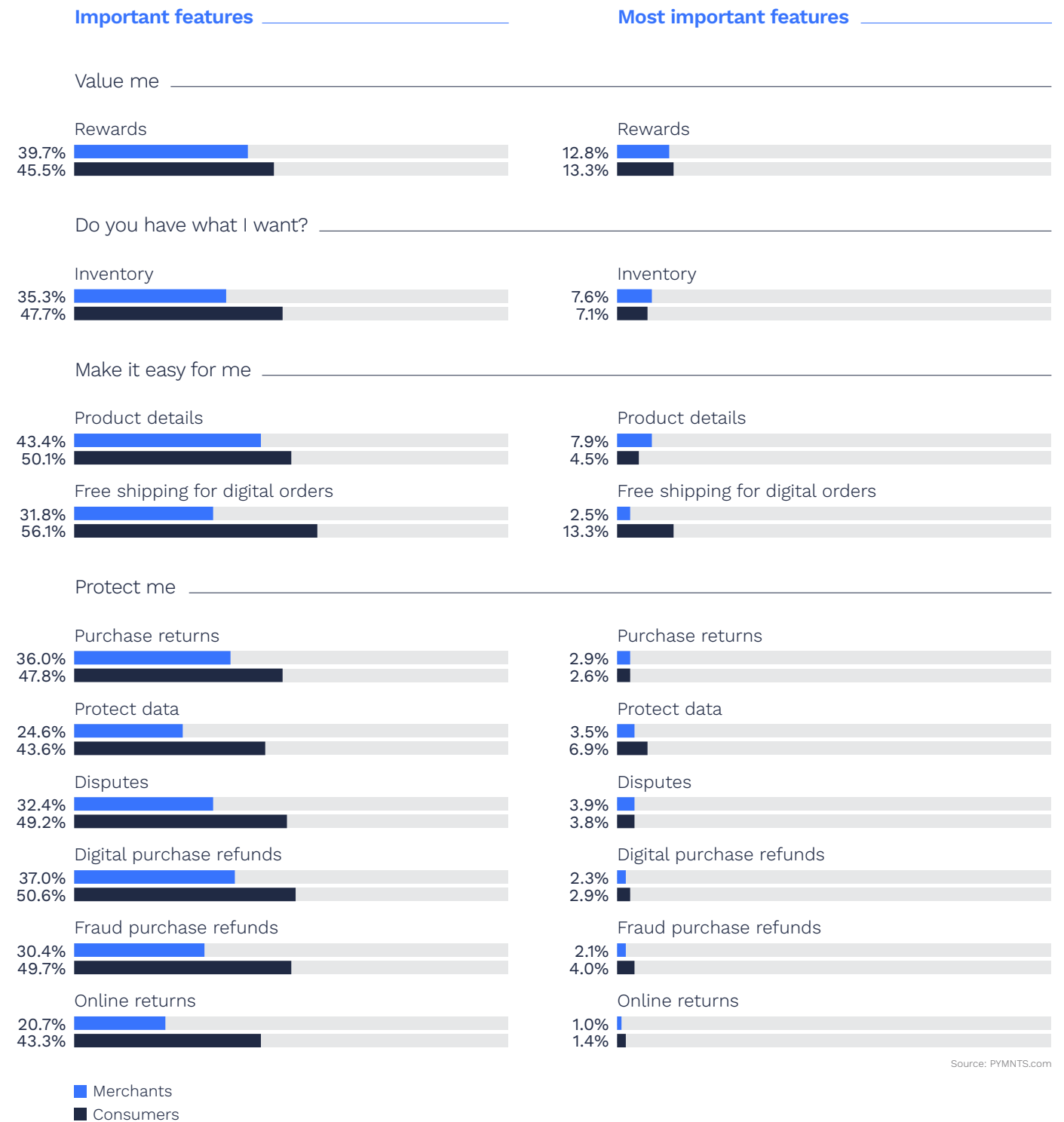
of merchants have this view.

Merchants are more likely than consumers across the board to report the availability of digital features, with some particularly notable gaps in the case of "protect me" features like refunds and disputes — 20 percentage points separate merchants and consumers regarding the availability of these features. These perception gaps may have to do with the nature of such features, as consumers typically only become aware of them when there is a problem to address.

There is more to this disconnect between merchant and consumer perceptions, however. The former does not always appear to fully grasp the value consumers place on certain features. Consumers consider a broader range of specific features as important than do merchants, and that gap is particularly wide for key offerings like shipping, refunds and data protection. Our research found that 56.1 percent of consumers view free shipping for digital orders as an important feature — a number that is just 31.8 percent for merchants. The case is similar for data protection: 43.6 percent of consumers view this as important — close to twice the share of merchants who believe their customers have this view.

The consumer–merchant perception gap
Share of merchants and consumers who say select features are important and the most important

Important features   **Most important features**

Value me

Rewards		Rewards	
39.7%		12.8%	
45.5%		13.3%	

Do you have what I want?

Inventory		Inventory	
35.3%		7.6%	
47.7%		7.1%	

Make it easy for me

Product details		Product details	
43.4%		7.9%	
50.1%		4.5%	

Free shipping for digital orders		Free shipping for digital orders	
31.8%		2.5%	
56.1%		13.3%	

Protect me

Purchase returns		Purchase returns	
36.0%		2.9%	
47.8%		2.6%	

Protect data		Protect data	
24.6%		3.5%	
43.6%		6.9%	

Disputes		Disputes	
32.4%		3.9%	
49.2%		3.8%	

Digital purchase refunds		Digital purchase refunds	
37.0%		2.3%	
50.6%		2.9%	

Fraud purchase refunds		Fraud purchase refunds	
30.4%		2.1%	
49.7%		4.0%	

Online returns		Online returns	
20.7%		1.0%	
43.3%		1.4%	

Source: PYMNTS.com

■ Merchants
■ Consumers

Large gaps are also found when we assess the features regarded as most important. Merchants believe the features consumers consider most important are curbside pickup and live help, cited by 9.5 percent and 7.2 percent of merchants, respectively. A minority of consumers think these features are the most important, however, and they were cited by only 3.6 percent and 1.9 percent, respectively.

There is one notable point of alignment between merchants and consumers, however: rewards. Approximately 13 percent of both groups consider this the most important digital feature.

10%

of merchants believe that consumers consider **curbside pickup** as the most important feature.

The perceptual differences between merchants and consumers are understandable in some ways. Economics drives merchants' perceptions of what consumers want and like. Offering BOPIS is a good way to get consumers into the store and to increase the likelihood that they will make other purchases while there. Consumers in today's social and economic climate have heightened interest in features that deliver greater value, convenience and control over their shopping experiences. The customer may not always be right, but merchants with digital marketplaces need to be mindful that it is a lot easier for shoppers to vote with their fingertips regarding where and how to shop.

The top undervalued digital features

All of the following features are more popular with consumers than merchants realize — in some cases by significant degrees.

Rewards

Data protection

Inventory checking

Dispute resolution and refunds

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The roadmap toward a more integrated shopping journey

Consumers have clearly shown strong preferences for digital shopping journeys. The current socioeconomic climate could make it seem as though getting consumers back in stores is a lost cause, but our research reveals that physical shopping options remain integral to consumer satisfaction. Top-performing merchants do not just sell online, according to our Index — they are omnichannel. Consumers still value in-store shopping, but they would like it to offer more of the fluidity and convenience found in digital channels.

Our Index shows that merchants with the highest scores offer a balance of online and in-store sales. We find that more than 42 percent of top performing merchants do 50 percent to 75 percent of their sales in-store, nearly triple the share that only sell in-store and roughly twice the share that make less than 50 percent of their sales in-store.

Merchant ranking and omnichannel commerce
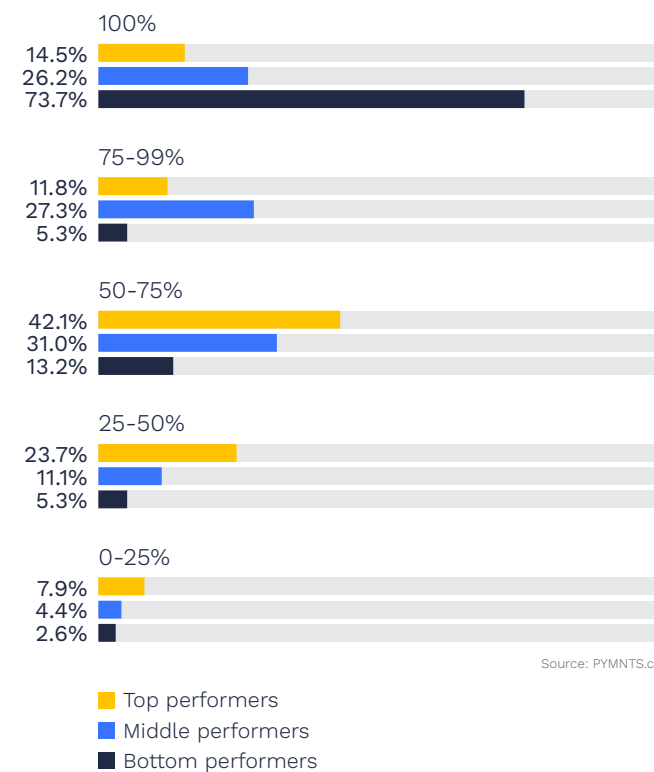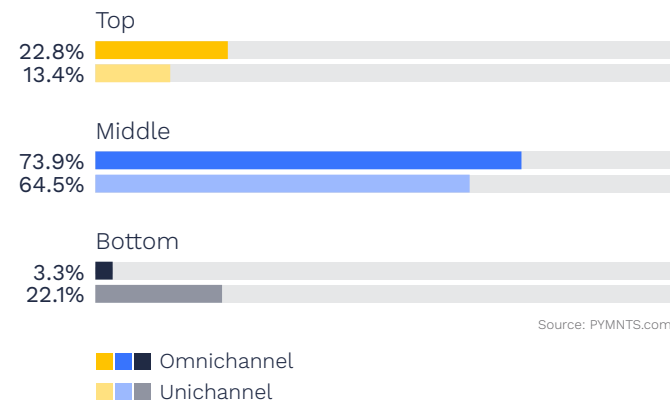Distribution of merchant ranking groups, by share of in-store sales

100%
14.5%
26.2%
73.7%

75-99%
11.8%
27.3%
5.3%

50-75%
42.1%
31.0%
13.2%

25-50%
23.7%
11.1%
5.3%

0-25%
7.9%
4.4%
2.6%

Source: PYMNTS.com

🟨 Top performers
🟦 Middle performers
⬛ Bottom performers

FIGURE 12:

Merchant ranking and omnichannel commerce
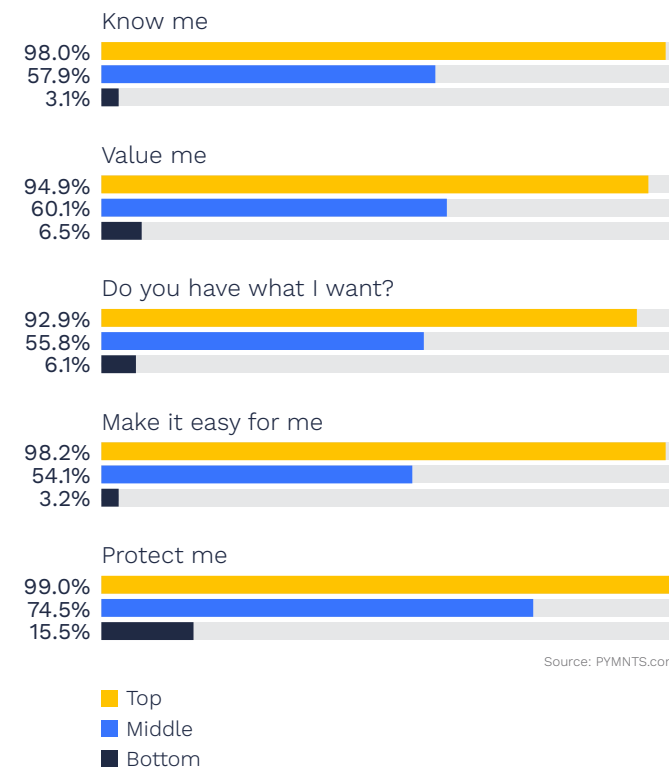Share of omnichannel and single-channel commerce merchants in ranking groups

Top
22.8%
13.4%

Middle
73.9%
64.5%

Bottom
3.3%
22.1%

Source: PYMNTS.com

- Omnichannel
- Unichannel

98%
of top performers offer
the full spectrum of **features that
make it easy for consumers.**

FIGURE 13:

Feature adoption and Index ranking
Share of merchant ranking groups that offer select categories of features

Know me
98.0%
57.9%
3.1%

Value me
94.9%
60.1%
6.5%

Do you have what I want?
92.9%
55.8%
6.1%

Make it easy for me
98.2%
54.1%
3.2%

Protect me
99.0%
74.5%
15.5%

Source: PYMNTS.com

- Top
- Middle
- Bottom

Top-ranked merchants are particularly mindful of "protect me" features. All of them offer five out of seven features in this area, including data protection, live help and refunds for digital purchases and fraudulent charges. No more than 16 percent of bottom performers offer any one of these features.

Certain features deserve particular attention for being priorities among top-performing merchants as well as consumers. Top-ranked merchants are mindful of "protect me" features. All of them offer five out of seven features in this area, including data protections: 100 percent of top performers say they offer this important function, while just 62.4 percent of middle performers do the same.

Multichannel commerce is associated with higher satisfaction than single-channel commerce, whether it takes place all in-store or all online. Our research shows that 23 percent of omnichannel merchants are top-ranked compared to 13 percent of single-channel ones. Just 3 percent of omnichannel merchants are bottom-ranked compared to 22 percent of single-channel ones.

This seems to suggest that the experience of selling online has a carryover effect for merchants, leading to greater satisfaction with the omnichannel experiences they provide.

One of the hallmarks of top-performing merchants is that they offer a robust range of digital features while prioritizing customers' convenience, certainty and security. At least 90 percent of leading merchants offer nearly every one of the 27 digital features we examined. Gaps between top performers and middling ones are particularly wide when it comes to "make it easy for me" features, such as mobile app ordering and curbside pickup. Approximately 98 percent of top performers offer the full spectrum of these convenience-focused features, while middle performers offer approximately half as many features in this category.

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Share of features offered by top merchants
Share of merchant ranking groups that offer specific features

	Top	Middle	Bottom
• Profile	**100.0%**	45.2%	4.1%
• Information sharing (shipping)	**100.0%**	62.1%	2.0%
• Information sharing (history)	98.0%	70.3%	2.0%
• Information sharing (payments)	93.9%	54.0%	4.1%
• Rewards	93.9%	56.8%	8.2%
• Coupon usage	92.9%	62.1%	6.1%
• Recommendations	99.0%	61.3%	4.1%
• Promo codes	92.9%	57.1%	0.0%
• Marketing opt-in	95.9%	63.3%	14.3%
• Price matching	85.7%	42.9%	6.1%
• Inventory	**100.0%**	68.6%	6.1%
• Product details	**100.0%**	82.2%	10.2%
• Voice	87.8%	27.7%	0.0%
• Product reviews	**100.0%**	73.7%	2.0%
• Free shipping availability for digital orders	**100.0%**	56.8%	6.1%
• Product recommendations	**100.0%**	64.7%	0.0%
• BOPIS from a kiosk	**100.0%**	26.6%	0.0%
• Mobile app availability for purchase with delivery/pickup options	**100.0%**	55.9%	4.1%
• Locate product in store with mobile phone	95.9%	37.3%	2.0%
• BOPIS from employee or curbside	**100.0%**	62.4%	4.1%
• Purchase returns	99.0%	76.3%	16.3%
• Protect data	**100.0%**	62.4%	2.0%
• Disputes	**100.0%**	88.4%	32.7%
• Digital purchase refunds	**100.0%**	80.2%	18.4%
• Fraud purchase refunds	**100.0%**	83.6%	18.4%
• Live help	**100.0%**	77.7%	14.3%
• Online returns	93.9%	52.8%	6.1%

Source: PYMNTS.com

Large and notable gaps also exist when it comes to offering mobile app purchasing capabilities: All top performers offer this, compared to just 55.9 percent of middle performers. The gaps are particularly important in the realm of "value me" features, considering the importance consumers place on rewards and coupons. Our research shows that 93.9 percent of top performers offer rewards, one-third more than middle performers and 10 times the share of bottom performers.

It bears noting that running a rewards program in a digital environment is more complex than offering stamp cards at a cash register. A robust rewards program system has to be integrated at the POS and into payments and marketing operations.

Only **56%** of middle-performers offer **mobile app purchasing capabilities.**

Segment breakdown of top performing merchants

Only certain merchants selling specific kinds of goods, such as computers and electronics, were known for their strong omnichannel performance. Our latest research shows that industry segment is not deterministic, however. Top performers today can be found in nearly every segment, including building supplies and auto parts — industries not historically known for their digital prowess. It appears the omnichannel strategies that companies like Home Depot and Auto Zone have adopted are changing perceptions.

The data also shows that, while the majority of grocery sellers are middle performers at best, more than 25 percent are top performers. There are merchants who are getting digital right, even in industries with uniquely demanding supply chains and customers.

75%

of **health and beauty merchants** are middle performers.

Feature adoption and Index ranking
Share of merchant ranking groups that offer select categories of features

Building supplies
- 42.6%
- 55.6%
- 1.9%

Auto parts
- 41.5%
- 56.1%
- 2.4%

Electronics and appliances
- 30.2%
- 65.9%
- 3.9%

Sporting goods
- 29.2%
- 67.9%
- 2.8%

Furniture and home furnishing
- 27.2%
- 68.4%
- 4.4%

Groceries
- 26.6%
- 66.5%
- 6.9%

Beverages and liquor
- 25.2%
- 66.4%
- 8.4%

Gas and convenience
- 24.5%
- 65.3%
- 10.2%

Clothing and accessories
- 22.2%
- 71.8%
- 6.0%

Hobbies, games and books
- 21.7%
- 71.7%
- 6.6%

Health and beauty
- 19.0%
- 74.8%
- 6.1%

Source: PYMNTS.com

■ Top performers
■ Middle performers
■ Bottom performers
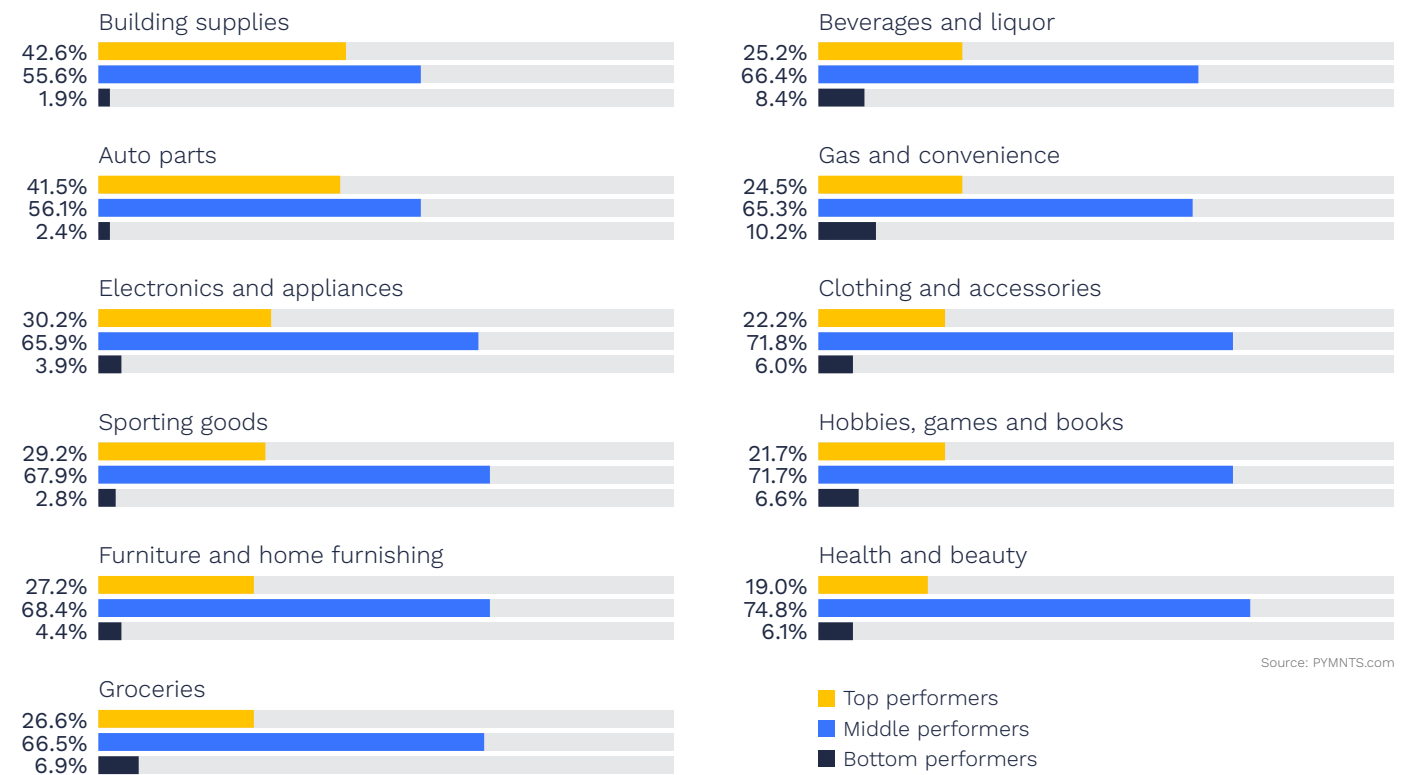
Conclusion

Consumer shopping has evolved dramatically over the course of the past year. Shoppers have turned to online channels en masse since the start of the pandemic, and they intend to maintain many of the digital shopping habits they have adopted as the economy recovers. Consumers today view the frictions associated with in-store shopping not merely as inconveniences but as real safety concerns.

These realities present established merchants with challenges and opportunities. Online and mobile features are a key differentiator for top-performing merchants in this environment, but today's consumers want more than bells and whistles. They want digital features that make their shopping journeys easier, safer and more rewarding, including services like curbside pickup, mobile inventory checking capabilities and contactless payments.

It is incumbent on merchants to ensure that consumers' shopping journeys are seamless, safe and efficient, regardless of whether they begin online or in the store. Payments have also taken on singular importance amid greatly diminished foot traffic and heightened anxiety: Robust and integrated systems may not only ensure that customers have smoother shopping journeys but could also be the key that keeps them coming back.

The Global Digital Shopping Index

United States Edition ◼

Methodology

The Global Digital Shopping Index: United States Edition is based on surveys of 2,171 consumers in the United States and 501 U.S. merchants. The survey samples were balanced to roughly match the demographics of the U.S. Census. The consumer survey consisted of 38 questions, and the merchant survey had 30 questions. They were conducted between July 13 and July 26, 2020. Parts of the study concerning consumer attitudes at the beginning of the pandemic were based on a survey conducted on March 17.

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About

PYMNTS.com is where the best minds and the best content meet on the web to learn about "What's Next" in payments and commerce. Our interactive platform is reinventing the way in which companies in payments share relevant information about the initiatives that shape the future of this dynamic sector and make news. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovation that is at the cutting edge of this new world.

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At Cybersource, we know payments. We helped kick start the eCommerce revolution in 1994 and haven't looked back since. Through global reach, modern capabilities, and commerce insights, we create flexible, creative commerce solutions for everyday life — experiences that delight your customers and spur growth globally, all through the ease and simplicity of one digital platform to manage all your payment types, fraud strategies and more. Knowing we are part of Visa and their security-obsessed standards, you can trust that your business is well taken care of — wherever it may go.

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