

The way we shop

Consumer trends and merchant priorities in the new retail landscape



COVID-19 has had a major impact on many aspects of daily life, but none more so than consumer shopping habits. Multiple lockdowns, social distancing and ‘COVID-secure’ regulations are all affecting how, where, and when people shop, what they buy and how they pay.

With restrictions lifted, it’s becoming increasingly clear that many habits we have formed over the last two years are here to stay. We are in a new normal where consumers are not only more digitally savvy than ever before, but also know exactly what they want. While some still wish to shop in-store, many people plan to continue shopping online. And how they choose to pay depends largely on the type of product or service they are looking to buy.

For merchants too, the pandemic has forced significant changes to operational focus and strategy. Store closures during lockdown and a general shift to online means they’ve had to completely rethink their approach to POS – while simultaneously upscaling both ecommerce and logistics capabilities – in order to meet new consumer demand.

In such a rapidly evolving landscape, the key to success for many merchants is a tough challenge: meeting consumers in the middle.

In order to support our customers, we have produced a report that not only highlights the key trends shaping the future of shopping, but also serves as a clear action plan for merchants looking to keep pace with ever-changing consumer expectations and needs.

We introduce the preferences of today’s consumers and how they correlate to the services merchants need to offer at the checkout. The report also takes a deep dive into the impact of age on consumer behaviour; and the key lessons merchants can learn from it. Read on to find out more.

01

Methodology

We questioned 2,000 UK consumers about their shopping habits and payment preferences, both online and in-store. The survey was conducted between the 4th-9th February 2022.



02

Key Findings

This report will provide a deeper analysis into some of the key takeaways from the research which show that:



Shopping is evolving: Whilst 60% of consumers intend to go back to shopping in-store for items they need, 29% won't be shopping as much in-store as they did pre-pandemic.



Browsing shops has become a form of entertainment: In a big blow to bricks-and-mortar retailers, two thirds (66%) of consumers said that since the pandemic began they've become more likely to browse items in-store before making their final purchase online, in order to get the best price possible.



A strong refund policy is critical: A third of UK consumers cited a strong refunds policy as a key factor when deciding where and how to shop, implying that they have every intention of using such a policy. Merchants need to have robust and reliable processes in place to deal with the ever-growing volume of returns taking place.



Avoiding debt is also a top priority: Whether it's a product that consumers need (72%) or want (58%), consumers still prefer to pay with money they already have using debit options, rather than credit-based alternatives.



Getting the checkout experience right is essential for merchants: 43% of consumers say that if they are declined they will only try two different payment methods before giving up. In light of the recent introduction of mandatory strong customer authentication (SCA) in the UK, this two-strikes-and-you're-out behaviour is likely to have a significant impact on the end user experience – and ultimately the merchant's conversion.

03

A fundamental shift toward digital

The shift to online shopping, which has already been happening over the last few years, was rapidly accelerated by the pandemic, leading to fundamental behavioural change amongst consumers. Online shopping is not just here to stay: Trustly expects ecommerce to become the main shopping channel for many markets within just five years. Our research found that while 60% of respondents intend to revert back to shopping in-store once restrictions allow them to do so, 29% of those surveyed won't be doing it as much as they did pre-pandemic, which will be a major blow to bricks-and-mortar retailers who do not adapt.

Where do you do most of your shopping? (Choose between: online, in-store, I do not shop this)

Breaking it down by industry, when asked for an estimate on where consumers do most of their shopping, online proved most popular within the following categories:

62% Fashion

63% Technology

50% Books

44% Accessories

36% Toys

44% Hobbies

But, shopping in-store was more popular in the following categories (with some notable differences between age groups).

44% Beauty

53% Home & Garden

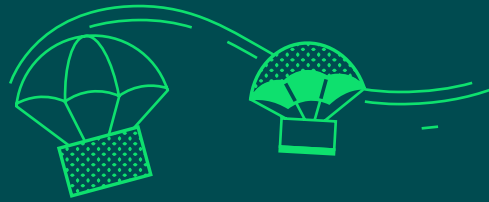
73% Groceries

65% Alcohol



30%

of 25-34 year olds return items at least once a month



Compared to just 12% of 55+ year olds and 18% of 45-54 year olds

33%

of UK consumers aged 16-24 say they often end up keeping items that aren't needed.

A key benefit of in-store shopping is the ability to try before you buy. Online shoppers are unable to do this before having the goods sent home, which has led to returns being a growing concern amongst online retailers. Indeed, one fifth (20%) of UK consumers now say they return items they have bought online at least once a month. Complicated returns processes and/or a lack of time means nearly a fifth (18%) of consumers said they have ended up keeping items they don't need and meant to return. As well as unnecessary expense, this increases waste and reduces sustainability, both of which are significant areas of concern for consumers and businesses alike.

Strong refund policies are now an essential aspect of online shopping

When it comes to item returns, age is a big factor. Our research found that 30% of 25-34 year olds return items at least once a month, compared to just 12% of 55+ year olds and 18% of 45-54 year olds. Interestingly, just 19% of 16-24 year olds questioned do the same, presumably due to lower levels of disposable income when compared with 25-34 year olds.

The same age divisions are apparent in data related to keeping items that aren't actually needed, rather than returning them. Perhaps unsurprisingly, younger consumers are more likely to do so than their older counterparts. For example, 33% of UK consumers aged 16-24 say they often end up keeping items, compared to just 8% of 55+ year olds.

With younger shoppers regularly returning items bought online, it is perhaps no surprise that fast, convenient refund policies are quickly becoming a critical business tool. In our research, consumers ranked ease of returns third in the list of factors they consider most important when online shopping, with 33% of respondents citing it. Only good overall prices (66%) and fast delivery (58%) were deemed more important.

What it means and why it matters - Tips to merchants

What does this mean for merchants? As more and more sales are made online, there is a greater focus on merchants' refund and return processes. Merchants have legal responsibilities, but it is the translation of these regulations into practice at the checkout which matters to consumers.

Here are a number of actionable tips we recommend for retailers to help them make returns as seamless as possible for consumers.

- Be clear. Ensure you have a dedicated page which explains your refund and returns policy for every country in which you operate. Customers expect to see a link in your page footer.
- Turn your returns and refund policy into a feature. Highlighting your returns and refunds policy on your landing page gives comfort to the 33% of shoppers who view this information as critical.
- Be flexible. Inform customers of your refund rates as they differ by payment method. Don't just tell them they'll get their money back in 5-28 days.
- Be honest: If it takes time to process, explain why. For example if you say "We ensure we rigorously check items returned so customers never receive a damaged item", your customers will understand.

Make sure your operations can handle more online sales, returns and refund processing. As volumes grow, merchants also need to optimise their systems to automatically handle the increased demand for processing and settlement of refunds.

- Review your returns and refund process from end to end, both from your perspective and through the customer. Identify and solve any bottlenecks from receipt to refund.
- Consider refunding low value items or returns from high-values customers immediately, especially if you're dealing with high support rates from other customers chasing refunds.
- Use real feedback from real customers to guide new customers when they are choosing products. More informed customers make better choices, which means fewer refunds and less waste for you.



04

Why people buy – and why they don't

Let's have a look at the motivations for purchasing. Many different factors play into every buying decision, but our research found that three of the most common are:

68%

Needing the specific product

64%

Wanting to take advantage of a good deal

46%

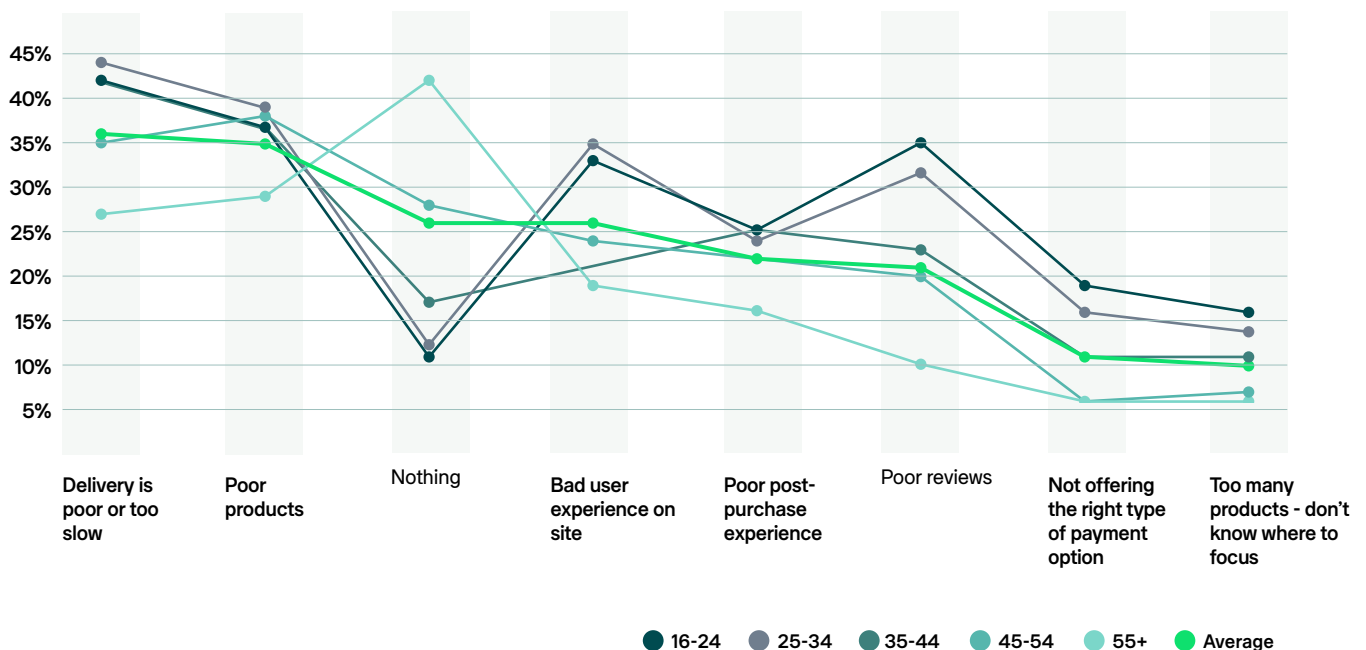
Being swayed by good review

In terms of demographics, over half (54%) of 16-24 year olds will base a buying decision on good reviews, compared to just 39% of 55+ year olds. Impulse buying is also much higher amongst 16-24 year olds (31%), versus 55+ year olds (9%) and 45-55 year olds (13%).

Conversely, 79% of 55+ year olds buy products primarily because they need them, compared to just 51% of 16-24 year olds and 60% of 24-34 year olds. Looking at these motivations, it's understandable that people turn online to make their purchases – everything is just one tap or click away.

What will put you off returning to a store?

Online customer loyalty is hard to earn and easy to lose



Online shoppers are notoriously fickle: just one poor experience can be all it takes for them to leave and never return. In short, retailers have very little room for error. Across all age groups, slow or poor delivery (36%), poor products (35%), or a bad user experience on a site (26%) were cited as main reasons for not returning to an online store after making a purchase. 11% also said a website not offering the right payment options would be a good enough reason never to return.

Once again, there are clear age-related trends at play within these findings (see diagram above). For instance, older generations appear more forgiving, with 42% of those aged 55+ saying nothing would put them off returning to an online store after making a purchase. Conversely, younger consumers are much more demanding and clearly place a huge premium on speed of delivery, with those aged 16-24 (42%), 25-34 (44%) and 35-44 (42%) all stating that slow or poor delivery would prevent them from returning. Payment options are also a consideration, with 19% of 16-24 year olds and 16% of 25-34 year olds stating this would be enough to make them take their business elsewhere, compared to just 6% of those aged 55+.

What it means and why it matters - Tips to merchants

Looking at why people buy in the first place – and what can put them off returning – can provide merchants with key information to help shape their strategy.

Ace the basics.

Figure out what makes people leave your store, and address these aspects. Consumers have come to expect a certain level of service, and merchants are hard-pressed to keep up. Conduct an honest audit and assess your store's performance on everything from price, information and delivery to the payment method.

Know that younger generations set the future norm.

In much of the research, there are clear differences between age groups. Never again will consumers be as forgiving as the 55+ segment, who say that nothing would put them off returning to an online store. When conducting your audit, you should look to the younger age brackets, who are much harsher in their assessment. Complacency is not an option for the long term.



05

Capturing the conversion when shopping habits are changing

The sheer convenience of online shopping can't be denied, and it's no surprise it is one of the main drivers behind the behavioural shift toward increasing digital purchases. Convenience is the number one reason for choosing it over in-store shopping across all age groups (73%).

A significant factor in this is the ability to have goods delivered – if you have to choose between lugging your shopping bags around or getting them delivered to your front door, which would you pick? Other key reasons for shopping online included more choice (53%), cheaper prices (38%) and local stores not carrying the products consumers want (29%).

Reasons for shopping online

	Average	16-24	25-34	35-44	45-54	55+
Convenience	73%	63%	70%	74%	77%	75%
There's more choice	53%	55%	58%	52%	51%	50%
Cheaper	38%	35%	38%	41%	45%	35%
The local stores don't carry the products I want	29%	35%	26%	29%	24%	32%
The hybrid working model - i.e. less time spent in town	18%	19%	23%	22%	18%	12%
A way to pass the time	15%	26%	23%	17%	11%	8%
It's more tempting	15%	22%	24%	19%	12%	8%

Browse in bricks-and-mortar, buy online

It could be argued that for a growing number of shoppers, going to physical stores and browsing products is now regarded as a fun activity (spending time outside the home is something many of us have missed during extended periods of lockdown), but final purchases are often made online. In fact, two-thirds of those questioned said that since the pandemic, they'd be more likely to browse in a physical store and then make a purchase online in order to secure the best price. Younger consumers are much more likely to browse before buying online than older age groups, at 81% for 16-24% to just 53% for the over-55s.

“ ‘Hitting the high street’ and browsing in physical stores is treated as an activity in itself by younger consumers, who will then often head online to make their final purchase.

If the future of physical retail is more of an experience centre/showroom, it will be increasingly important for merchants to make digital conversion as simple as possible – especially as these transactions will also likely be made on the go.”

Ciaran O'Malley, VP of Ecommerce & Financial Services, Trustly

A great example is Spanish fashion giant Zara, which has introduced QR codes on its price tags to lead in-store customers to the same garment's online product page. From there, the purchase can be completed using payment options that aren't typically available in-store as the customer is moved to the online store. John Lewis offers a similar service, allowing customers to scan barcodes in-store using the John Lewis app to give them the option to buy directly from johnlewis.com.

The ubiquity of smartphones means the majority of consumers now carry a wealth of shopping options in their pockets at all times. In fact, one Trustly merchant in the fashion industry revealed that as many as 80% of purchases were now made from mobile devices.

Another perhaps even more significant trend to emerge from this research is that younger generations appear to be spending time online shopping for entertainment purposes alone. More than a quarter (26%) of those aged 16-24 cited a tendency to shop online simply as a way to pass the time, compared to just 11% of 45-54 year olds and 8% of 55+ year olds. Is online shopping now a substitute for games like Candy Crush? With the data suggesting so, how can merchants capitalise on this behaviour trend?

What it means and why it matters - Tips to merchants

What are the key takeaways for merchants to act on? For one, shopping is more than buying; as such, merchants need to take all interactions with consumers into account.

Convenience is king.

If shopping in physical stores is more of a social activity before buying online, convenience is a major reason as to why people choose to ultimately convert online. Turn your bricks & mortar store into an experience. Combining the experience of going to a store with online availability and pricing will be key to success going forward.

Be seamless.

By offering streamlined flows with easy checkouts, swift delivery options and convenient returns which meet customer expectations, merchants will be able to grow a loyal customer base. Remember it is the sale itself that counts for merchants, not which revenue centre it is attributed to.

Make shopping in physical stores an experience.

Focus on emotional engagement with your brand. Why do customers choose you over competitors? Does your store show this value? Are you offering comfortable fitting rooms? Do your customers feel valued?

Make in-store a gateway to online.

Use QR codes and tablets to encourage customers to link your in-store experience to their online shopping. Incorporate stock available online into your in-store experience so customers can buy even if you don't have the stock in the store. Use omnichannel or digital checkouts with more than just card and digital receipt options.

Employ strategies to convert the casual shopper.

The fact that a high proportion of the younger generation shop to simply pass the time presents a huge opportunity for merchants. This insight into the younger generation's psyche is worth considering for merchants when setting marketing strategies, and optimising stores for conversion through targeted messages and discounts that make casual browsers feel like they're winning if/when they click 'buy'. Employed correctly, enticing offers, fast deliveries, easy payments, and robust returns policies will all help convert leisure surfers into paying customers and build loyalty over time.

06

Macro effects on buying behaviour

Over the last year, economic factors ranging from supply chain disruption and post-Brexit red tape, to COVID-19 restrictions and Russia's invasion of Ukraine, have all contributed to online price inflation, which hasn't gone unnoticed by consumers. Our research found that nearly three quarters (72%) have seen an increase in the price of goods online, which has profoundly impacted on buying behaviour, particularly among younger generations.

72%

Nearly three quarters have seen an increase in the price of goods online



When prices go up, purchase volumes go down

Consumers are noticing price rises in a range of areas, but some are much more apparent than others. For instance, 73% of respondents have spotted online groceries becoming more expensive, while price increases in fashion products (43%), technology (39%) and alcohol (32%) have also been widely identified.

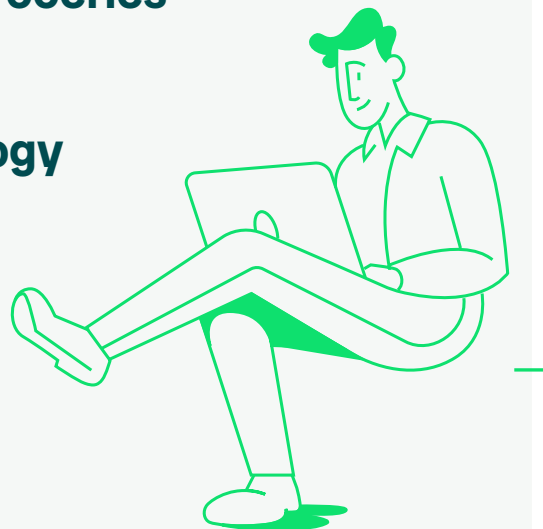
Percentage of people surveyed that have noticed an increase in prices in...

73% Online groceries

43% Fashion

39% Technology

32% Alcohol



Unsurprisingly, almost two thirds (62%) of respondents said these price increases have had an impact on their spending habits (rising to 83% amongst 16-24 year olds), with 29% saying they have reduced the number of goods they are buying online as a result.

That being said, over half of those questioned (52%) said they didn't consider any economic factors when making online purchases, which reflects just how fragmented the marketplace is at the moment. Ultimately, every consumer's economic situation is different. Furthermore, certain 'must have' goods, such as groceries and fuel, still need to be purchased despite the significant price rises that have occurred.

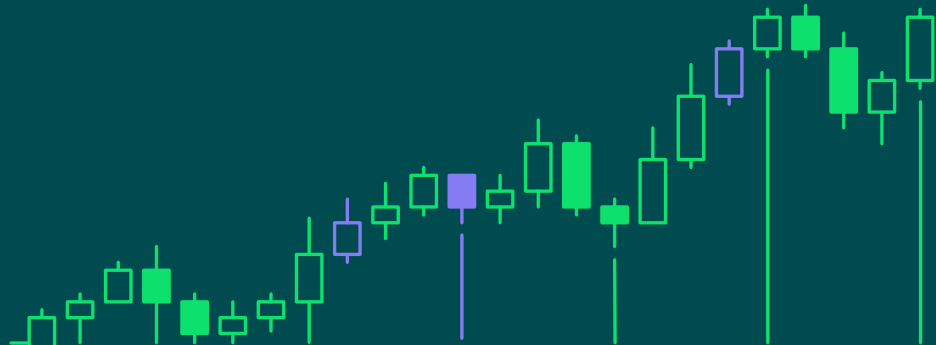
But, some economic factors are taken into account:

28% Inflation

20% Confidence in the economy

10% Stock market levels

7% Level of unemployment



What it means and why it matters - Tips to merchants

In times of financial uncertainty and rising inflation, household purse strings start to tighten, particularly when it comes to non-essential leisure spending. When this happens, consumers retrench and focus more on spending money they actually have rather than borrowing. This means reverting to less risky debit payments and becoming more reluctant to make excessive credit-based purchases, or splitting payments over a long period of time.

Build trust.

Clearly communicating available payment options and reassuring customers that their current purchase won't come with unforeseen side-effects down the line, helps build trust. If you sell items with a high transaction value and feel the effects that macro events have on consumer spending, help your customers be smart about their purchases and make conscious, well-informed decisions.

“With prices increasing, people reevaluate their spending habits. Merchants must ensure customers are both delighted with their purchase but don’t have buyers remorse from overspending. Offering customers to pay with money they have and enabling them to check if they can afford a purchase may drive long-term loyalty.”

Alexander Makowski, Head of Vertical Growth - Ecommerce, Trustly



07

Debit vs Credit Payments – Buying intent and choice of payment method

Overall, the research shows that consumers have a clear preference for debit payments. While a preference in general, it is further strengthened by a desire to avoid unnecessary debt at such an uncertain time. However, this isn't the whole story, as consumers prefer different payment options depending on why, and what, they buy.

Paying now

Our findings suggest that consumers want to avoid getting into debt

Whether it's a product that consumers need (72%) or a product they want (58%), consumers would still prefer to pay with the money they have using debit options



Paying later



When it comes to paying later, we saw fewer consumers take this option. Some 21% said they would prefer to pay later for a product that they need. This number increases slightly, to 27% for products that consumers want.

Is it easier to get yourselves into debt by shopping for things you don't really need?

Interestingly, when the product in question is something the consumer needs, 72% prefer to pay for it immediately using a debit option. However, when the product is something the consumer wants but doesn't necessarily need, there's some increase in the percentage of people willing to use credit to pay (21% for a product that they need, vs 27% for a product that they want).

Consumer payment choice remains key

Consumers are gravitating toward debit payments for a variety of goods. This includes:

73% Clothes

77% Subscriptions

66% Technology

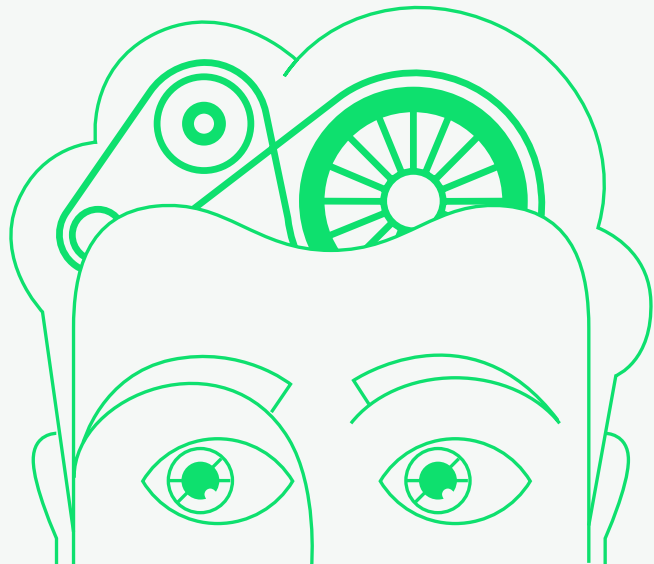
74% Entertainment

72% Home & garden

77% Beauty

73% Sports & leisure

74% Hobbies



But even in such uncertain times, our data shows that ultimately, there's no one one-size-fits-all solution to payments. When looking into online payment methods amongst UK consumers, there's a diverse mix of preferences. Just over two thirds (68%) have used debit cards, 45% have used credit cards, 41% have used e-wallets like PayPal, Amazon Pay and Apple Pay, and 22% have used online bank transfer payments, while 19% have used buy now pay later options.

Previously alternative payment methods become mainstream

From a consumer point of view, the research makes it clear that people use different payment options depending on why and what they buy. Cards have reigned supreme for decades, but with alternative payment methods becoming increasingly mainstream, there's a clear and growing demand for payment options that better fit today's way of life.

Buy now, pay later solutions have received a lot of attention over the past few years, rebranding from an "invoice" solution to "BNPL". However, it is not the only hot payment option on people's lips. With the EU's second payments directive

(commonly known as PSD2), simple account to account payment solutions powered by Open Banking are now possible. OBIE recently released new data showing that the number of open banking payments have increased by 500% over the past 12 months in the UK.

Just as BNPL improved the user experience of credit, open banking is improving debit experience. By removing the friction of card payments, using biometric security and offering instant refunds, we are making it easier for customers to pay with their money.

In Sweden in 2020, new regulations came into force stipulating that a direct payment option has to be first in the list of available checkout methods online, relegating credit-based alternatives to lower positions.

What it means and why it matters - Tips to merchants

For merchants, consumers' differing payment method preference depending on what they are buying underlines the need to offer a range of payment options.

Offer a metaphorical "buffet table".

A diverse payment mix including both direct payment and pay later options. By dividing payment options by credit and debit and explaining the relative merits to the consumer, you can promote informed consumer choice, increasing the likelihood of consumers completing purchases. Making the checkout process as painless as possible is key.



What are currently the main payment preferences amongst consumers?

- Can the checkout be adapted quickly to incorporate future payment trends? What are the direct and indirect costs of the payment methods you have chosen?
- Do you offer the right number of options, both for you and your customers?



Remember, a healthy mix is unique to each merchant. But bear in mind that:

- If you offer too many checkout options some won't be used, particularly if they're below the fold
- If you offer few checkout options you may become over-reliant on a small number of providers

08

The checkout – a green light or a stop sign for conversion?

The checkout is where your business actually happens: it's where you learn if all your efforts have paid off. Ideally, your customer will breeze through checkout and barely even notice it. But at worst, it can be a total roadblock. Merchants must offer what their customers expect from a payment provider and understand what potholes they should avoid. Let's dig into what customers expect at the end of the road.



Security must not be compromised

Our research shows security is unequivocally the number one priority when choosing how to pay, as cited by 50% of respondents. The importance of security is consistent across all ages, but increases with age (Security: 16-24: 40% - 55+: 58%). Conversely, “accessibility” (having everything you need to pay close at hand) is the second-highest priority for the younger group, falling steadily to fifth place by a margin for the 55+ group. Interestingly, people don’t think an option’s placement at the top of checkout greatly influences their payment method choice. Other factors, it seems, are more important.

What determines a consumer’s choice of payment method?

	All	16-24	25-34	35-44	45-54	55+
Security	50%	40%	43%	49%	49%	58%
Buyer protection	37%	26%	30%	32%	35%	48%
Benefits (e.g. rewards, cash back or loyalty points)	31%	25%	32%	32%	24%	34%
If I have used it before or not	28%	30%	26%	27%	28%	28%
Accessibility	24%	36%	26%	23%	27%	17%
Top of the checkout	11%	19%	14%	10%	15%	6%
The choice recommended by the retailer	10%	18%	10%	11%	8%	8%

Payment frustrations can (and do) cost sales

The survey also examined some of the biggest frustrations consumers face with online payment processes, which is potentially costing merchants sales at the very last moment. While the perennial problem of remembering passwords was top of the list (37%), inputting card details (33%) came in a close second. Having to complete too many steps in the payment process was another big issue (25%), indicating that while consumers want robust security from their payment provider, they don't want security concerns to add too much friction at the checkout. Other top frustrations included declined payments when the consumer knows they have available funds (23%), and waiting a long time for a payment to go through (18%).

The introduction of SCA in March 2022 raises the security level on CNP (Card Not Present) purchases. It also adds multiple layers of friction to the buying experience. In other words, limiting accessibility risks causing more declined purchases. Digitally native solutions with built-in security, such as face-ID or fingerprint, look to benefit from this. Open Banking solutions have a high level of security as they operate in unison with the customer's bank and are not impacted by new SCA steps as SCA is seamlessly integrated into the user experience.

No third time lucky - Merchants only have two shots to get a sale through!

43% of consumers would try two payment methods before giving up if the payment method was declined

33%

would give up after 1 attempt

10%

Only 10% would try 3 times

Last year, a quarter of UK consumers had their payment method declined up to 5 times, when they had available funds

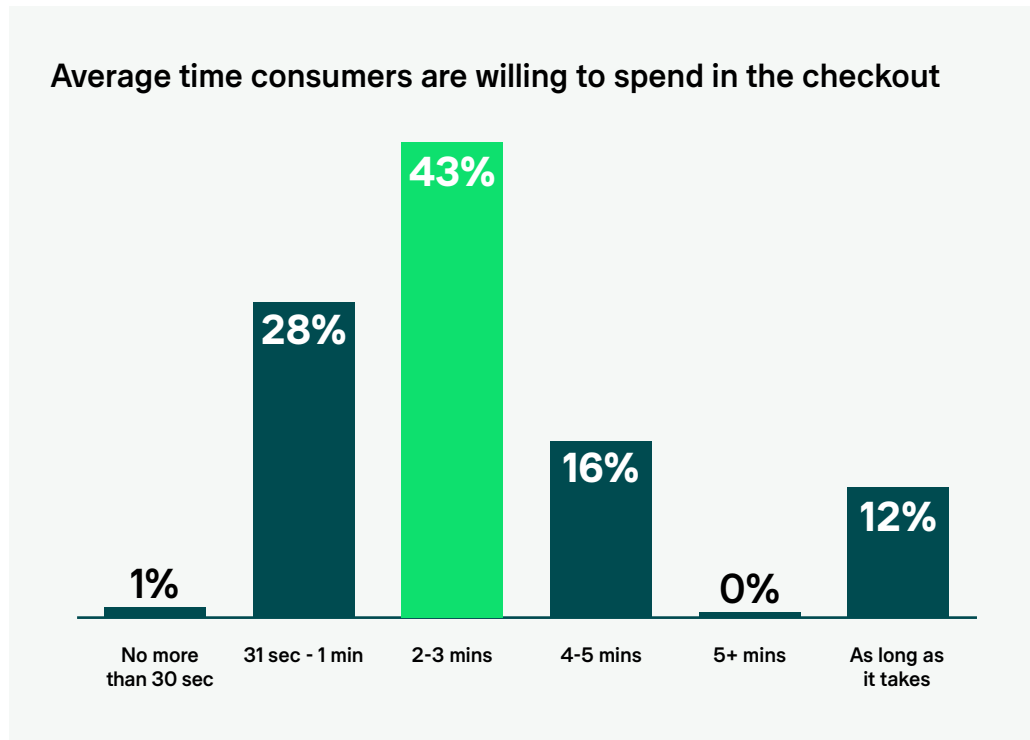
27%

More than a quarter (27%) had it declined 6-10 times

The average Brit had a card declined more than once last year

Every second counts at the checkout

43% of UK consumers are only prepared to spend a maximum of three minutes on the online checkout process before abandoning their cart, while just under a third (28%) only allow one minute. In short, every second really does count.



“Unsurprisingly, frustrations caused by problematic payment processes have an adverse effect on conversion, and risk having a negative spillover effect on the merchant’s brand. Our data shows that consumers are prone to associate the payment process with the merchant.

Partnering with an innovative payments provider enables merchants to secure a reliable and future-proof payment solution, so that they can focus on other aspects of the business – like getting people to the checkout in the first place.”

What it means and why it matters - Tips to merchants

It goes without saying that a customer-centric approach is vital for merchants who wish to succeed, and the culmination of this centrality is at the checkout, the point where the final buying decision is made. Today, in e-commerce more than anywhere else, time is money; there are very few second chances. Identifying consumers' key concerns and frustrations helps merchants address them, laying the foundations for a seamless checkout experience. Conversely, merchants who fail to do so will quickly find themselves abandoned by consumers in favour of faster, more convenient alternatives.

So what does the research tell merchants about the checkout?

Security rules.

Security is the key concern for consumers, so merchants should help them shop with confidence. The fact that you have vetted a payment solution means that your customers trust your judgement, and if something goes wrong, this is likely to have a negative spillover effect on your brand. New payment methods for the digital era will rely more on biometrics, raising the security level while simultaneously enabling a seamless payment flow.

Every second counts.

The less time people allow at the checkout, the easier it needs to be, and the more you will be rewarded for saving people time. Make sure you have retargeting efforts or abandoned cart emails in place to bring a temporarily lost customer back to where they left off, so they can complete their purchase.

But, compromising security for simplicity isn't an option.

Nobody likes friction when shopping – and as a merchant, you certainly shouldn't make things difficult, especially when consumers know they can have it both ways. Accessibility will grow in importance as evidenced by the weight younger generations place on this aspect, but you cannot trade simplicity for security.

Fallbacks.

Two strikes and you're out. Two is the number of times a person will attempt to make a purchase before giving up. There may be multiple reasons why a purchase doesn't go through, and it's important to remember that while a rejected payment could be a 'bad' customer who doesn't pass the risk assessment, it could equally be someone who makes an error inputting their details.

If a customer usually pays by card, take the opportunity to push them to open banking payment if their card payment fails, but make sure you explain the new payment method first.

Offering a varied set of payment options will enable you to process payments from the "god" customers you have worked so hard to attract. Even if they fail on one method, they can try another equally secure payment method and ultimately convert.

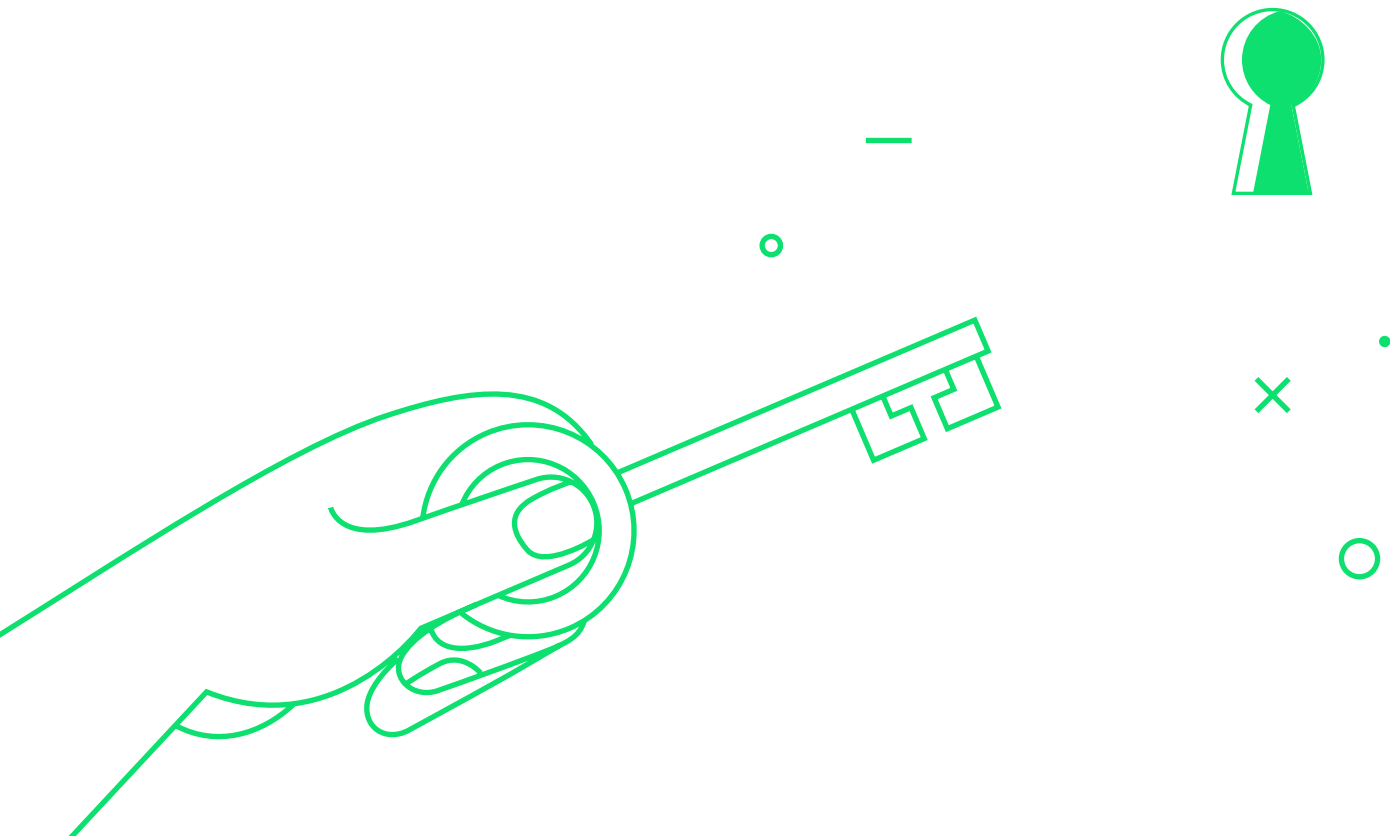
PS! Customer centricity is key at all stages of the shopping journey, but ensuring your customers can make a purchase is a matter of priority. Seamless, diversified checkout experiences are the key to successful sales and long term business prosperity.

09

Summary and key takeaways for merchants

The fundamental shift towards online shopping that's taken place over the last two years is not only here to stay, but will continue to accelerate in the months and years to come. As part of this, the way consumers shop, and what they shop for, is also changing. The speed with which this shift is taking place means that there is no time for merchants to be complacent.

Naturally, while the analysis presented in this report is aimed at helping you assess your own payment and checkout situation, we hope it has also given you insights into other parts of your operations.



29%

of consumers say they won't go back to physical stores to the same extent as they did before the pandemic, and 9% said they won't go back at all.



Why do people shop online?

Convenience. People expect a high level of service, and this is a factor that needs to be considered regardless of the industry you're in, the service you're offering, or the products you're selling.

Security is the most important aspect for any buyer at the checkout, and this must not be compromised at any cost.



More sales online = more returns and refunds. Clear policies, systems and processes need to be in place to handle the growth.

A tighter sync between in-store and online is required as more and more consumers see browsing in physical stores as an activity before purchasing online.



Look to the youth. We have seen stark behavioural differences between older and younger generations. This places high demands on merchants for the future, because never again will their customers expect so little. As younger generations increase their buying power, merchants will need to be meticulous with their services, because this audience wants it all, and can abandon carts for any reason.

Online shopping has become a way to pass the time. More people than ever people scroll online stores for entertainment. They're not intending to buy anything, but they're there nonetheless. Review your strategy to capture the casual customer and capitalise on these visits.



Aim to offer a healthy checkout mix. Digital is the future – these payment methods develop rapidly, and consumer habits with them. Legacy payment methods born in the last century need to be adapted and new regulations need to come into effect for them to meet security requirements befitting society today.

Debit reigns supreme – when given the choice, people prefer paying now instead of delaying the inevitable. They will need to part with their money, and regardless of whether it's an item they need or something they want, the majority want to get the transaction over and done with.



A poor checkout experience impacts not only the payment provider, but builds frustration with your brand. Ensure there are fallbacks in place.

[Get in touch](#)

About Trustly

Founded in 2008, Trustly is the global leader in Online Banking Payments. Our account-to-account network bypasses the card networks, letting consumers make fast, simple and secure payments to merchants directly from their online banking accounts. With support for more than 6,000 banks, roughly 600 million consumers across Europe and North America can pay with Trustly. We serve many of the world's most prominent merchants within e-commerce, financial services, gaming, media, telecom and travel, which all benefit from increased consumer conversion and reduced operations, fraud and chargeback costs.

Trustly has 600 employees across Europe, the US and Latin America. We are a licensed Payment Institution under the second payment services directive (PSD2) and operate under the supervision of the Swedish Financial Supervisory Authority in Europe. In the US, we are state regulated as required to serve our target markets.