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Global Digital Shopping Index Charting The Digital Shift

A PYMNTS.com and Cybersource collaboration

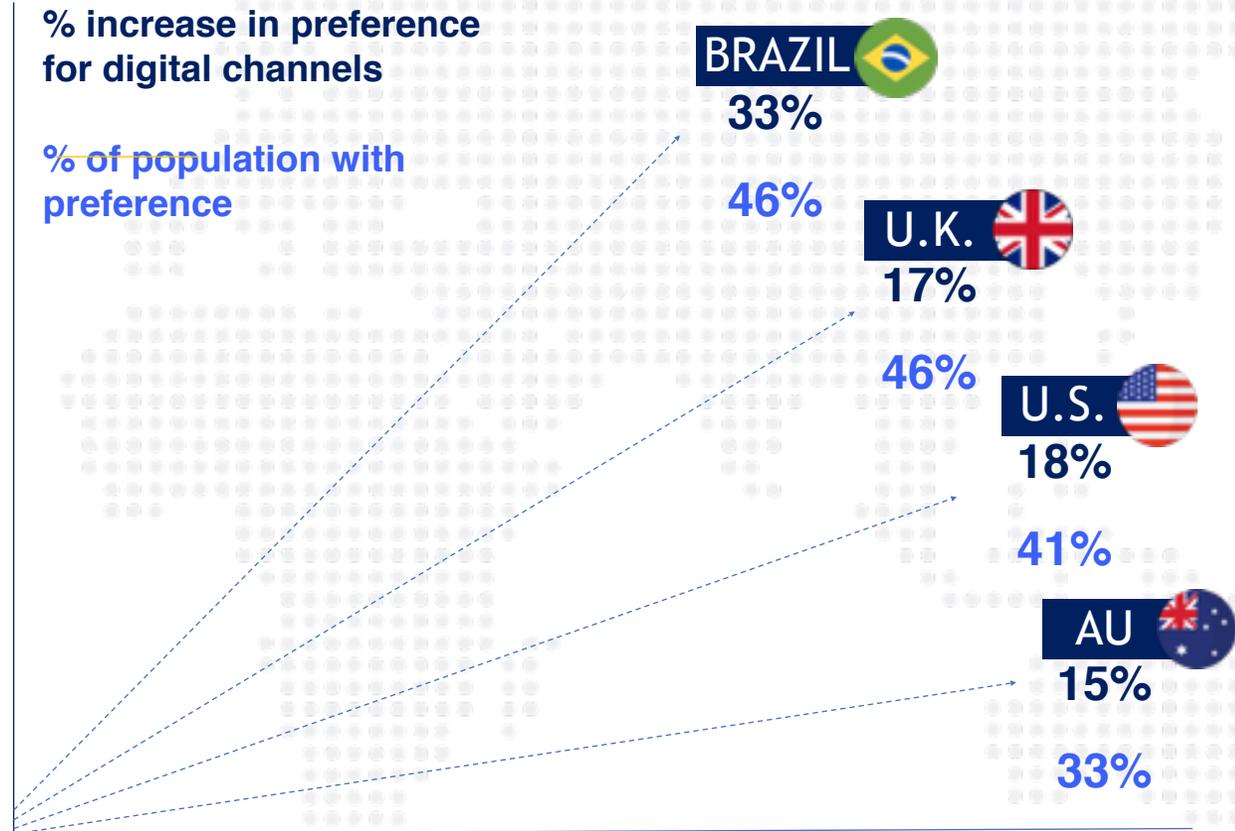
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The pandemic has triggered a global shift toward digital shopping channels.

PYMNTS set out to document how this shift played in four key markets – the United States, United Kingdom, Australia and Brazil – by surveying more than 8,200 and 2,100 merchants. Here's what we found.

- More than 40 percent of consumers in the United States, United Kingdom and Brazil now prefer digital channels over brick-and-mortar shopping channels.
- Brazil stands out for the scale of its shift: the share of shoppers preferring digital channels surged by 33 percent.
- The shift was more muted in Australia, a circumstance that likely reflects the pandemic's less severe impact there.



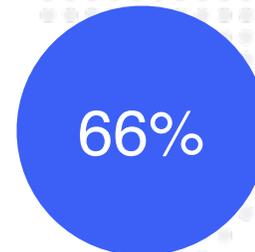
A new shopping persona has emerged: the digital shifter.

Digital shifters are consumers who are doing less shopping in physical channels since the pandemic and more shopping in digital channels. They may still shop in physical stores, but they do so less often — and thus have “shifted.”

- Digital shifters in most markets are more likely to be more than 40 years old and middle-income or low-income — in contrast to the typical profile of digital-first consumers.
- Shifters are more likely to be female across all four markets. They make up 69 percent and 68 percent of shifters in the U.S. and Brazil, for example, respectively.



Digital shifter key stats:



are female.



have college degrees.



are middle-income.



average age

Digital shifters' paths to purchase vary in every market.

Digital shifters are taking different approaches to fulfilling their shopping “journeys.”

- Online native journeys — in which purchases are made on computers and delivered — are the most common in the four markets.
- Each market has unique distinctions: In the U.S., online cross-channel journeys — in which purchases are picked up at the store via services like curbside pickup — are notably popular.
- Mobile-facilitated journeys stand out in Brazil.



Online native

62%



Online cross-channel

41%



Mobile native

17%



Mobile cross-channel

5%

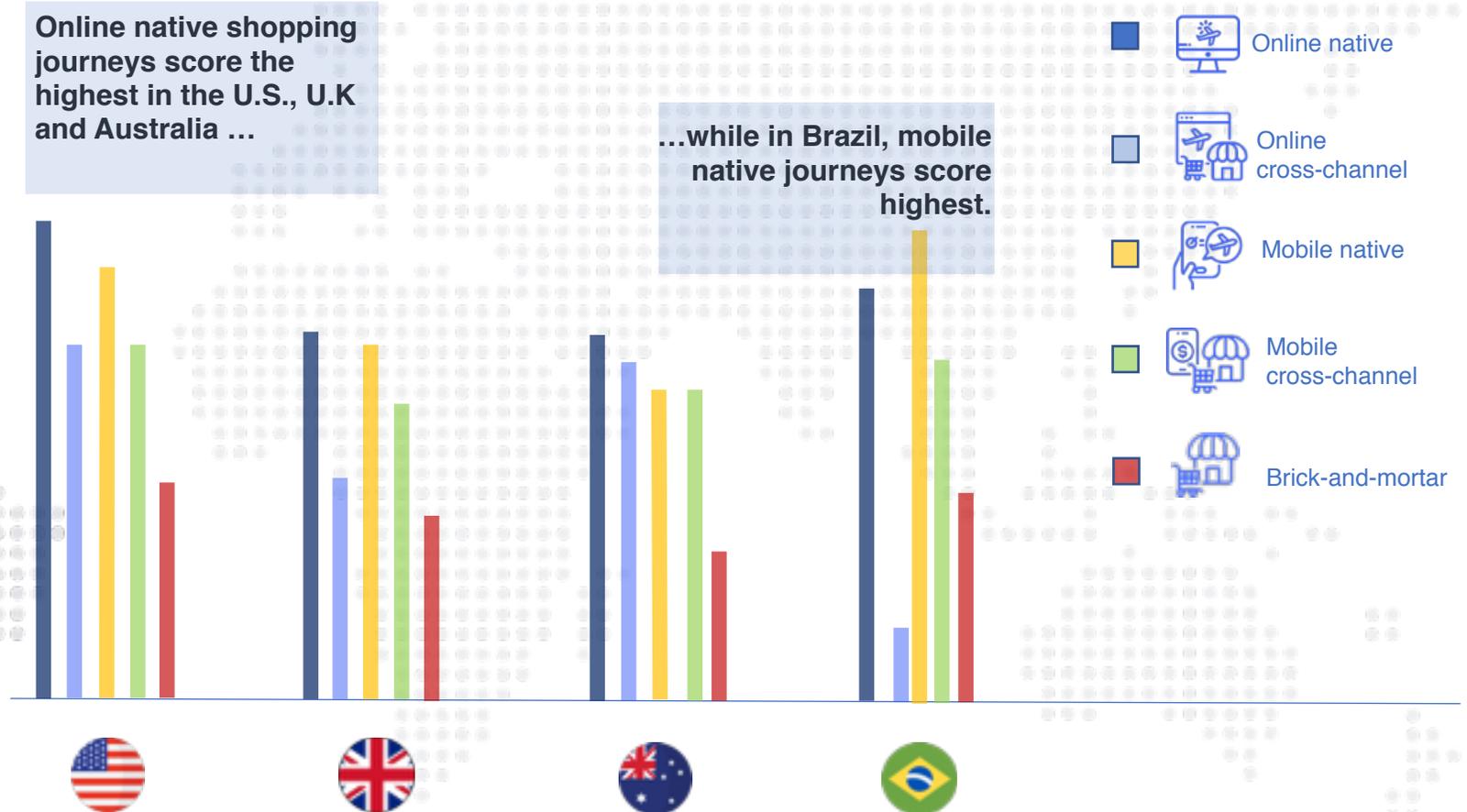


Consumers are flocking to digital channels because they find many aspects of brick-and-mortar shopping dissatisfying.

Our Consumer Satisfaction Index measures the degree to which shoppers encounter frictions with various aspects of the experience: the higher the score, the lower the friction.

Across all markets, brick-and-mortar shopping scores the lowest, while digital native journeys score the highest. The appeal of various channels varies by geography, however.

In the U.S., online native shopping scores 159, nearly double that of brick-and-mortar. In Brazil, mobile native shopping is considered the most satisfying.



Digital features reduce frictions by making shopping more efficient, economical and secure in whichever channel it occurs.

- Driving satisfaction in all markets are “make it easy for me” digital features — those that make the shopping experience more convenient — and “value me” features, which make shopping more economical.
- The features that digital shifters consider most important reflect these larger interests. Free shipping, data protection and rewards are, on average, the most cited important features.



Make it easy for me	Value me	Protect me	Know me	Do you have what I want
Examples: <ul style="list-style-type: none"> • Buy online, pickup in-store • Free shipping 	<ul style="list-style-type: none"> • Rewards • Promo codes 	<ul style="list-style-type: none"> • Data protection • Digital purchase refunds 	<ul style="list-style-type: none"> • Profiles • Information storage 	<ul style="list-style-type: none"> • Price matching • Inventory checking

Share of digital shifters that view these features as the most important:



 Free shipping



 Data protection

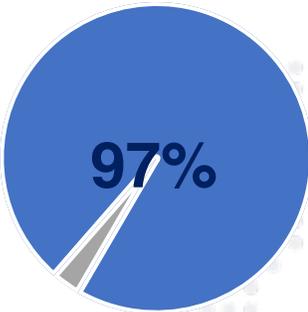


 Rewards

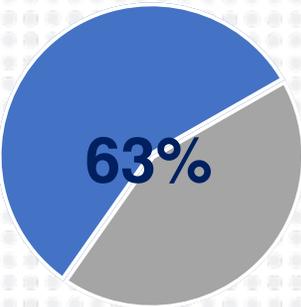
Top-performing merchants offer the digital features and capabilities that drive satisfaction.

The merchants that rank highest in our Consumer Satisfaction Index offer robust digital features, including those most highly valued by consumers.

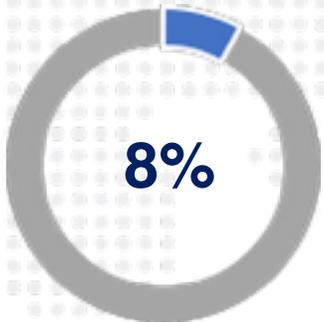
Merchants must also be strategic in the features they offer. Many merchants are not well aligned with customers when it comes to features they deem most important.



Share of digital features offered by top-performing merchants



Share of digital features offered by middle-performing merchants



Share of digital features offered by bottom-performing merchants



Free shipping



14% of consumers see this feature as most important
10% of merchants see this feature as most important



Data protection



12% of consumers see this feature as most important
4% of merchants see this feature as most important



Rewards



7% of consumers see this feature as most important
3% of merchants see this feature as most important