

'T WAS THE SEASON FOR DIGITAL WALLETS

The past holiday season saw a sharp increase in the use of digital wallets and other alternative payment methods — a shift merchants must bear in mind now and for holiday seasons to come.

Digital wallets became an integral part of the payments mix for consumers during the 2020 holiday season.

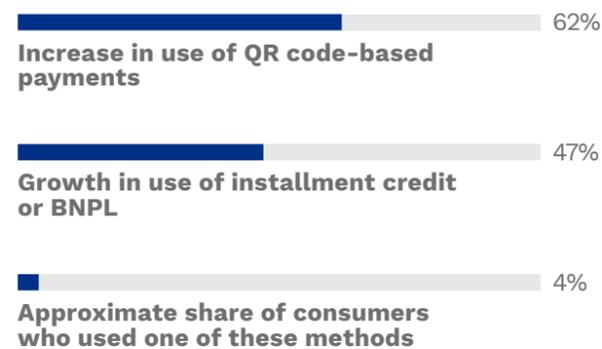


Share of consumers overall who used digital wallets to purchase gifts, making it by far the most common payment method after credit and debit cards



Increase in the use of digital wallets over the 2019 season

Alternative payment forms like QR codes and buy now, pay later (BNPL) also surged in usage, although they remained fractions of the overall mix.



The shift toward digital shopping habits is not just a seasonal phenomenon.

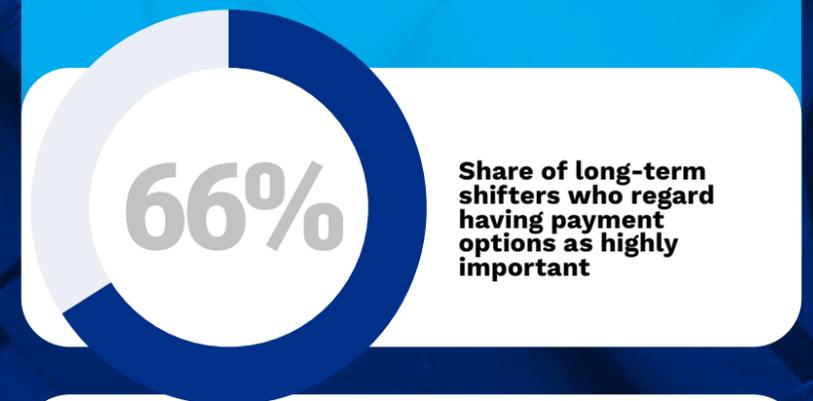


Share of consumers who have shifted to digital shopping channels since the pandemic began



Share of these shifters who intend to maintain these practices after the pandemic eases

Payment option flexibility is not a minor concern for consumers in choosing where to shop — especially for those who plan to maintain their digital shopping habits long-term.



This is comparable to the factors most cited as “very” or “extremely” important in choosing merchants:



The Holiday Shopping Retrospective Report: Merchant Insights For 2021 And Beyond, done in collaboration with and supported by PayPal, is based on a census-balanced survey of 2,070 U.S. consumers. It examines how consumers shopped during the 2020 holiday season and what this portends for merchants in the months ahead.

Download the report to learn more at pymnts.com/study.