Acceptance Solutions

2024

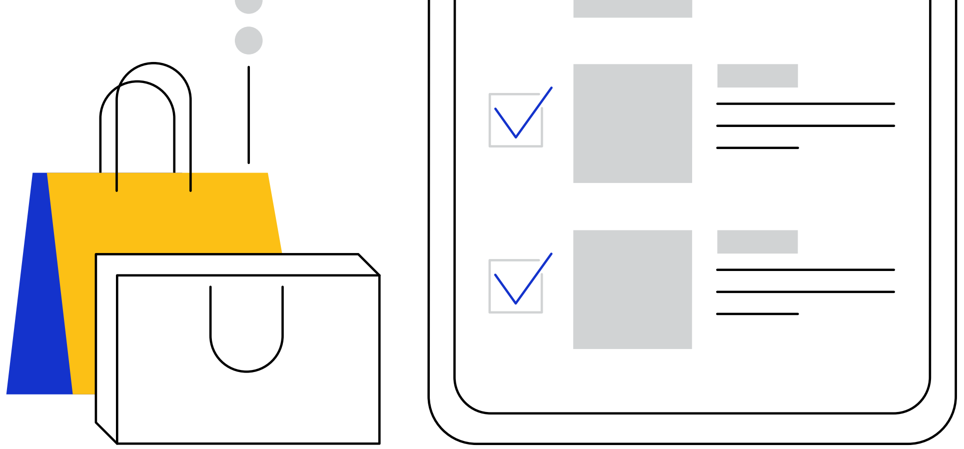
Global Digital Shopping Index

U.S. Edition

The rise of the Click-and-Mortar™ shopper

You'll learn:

- What's at stake
- Key findings
- Actionable insights
- Blueprint for merchants



2024

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What is **Click-and-Mortar™ shopping?**

Click-and-Mortar™ shopping involves both digital tools and physical locations—when a consumer researches a product online, verifies it is available locally, and picks it up in-store that same day, for example. It is replacing the siloed world of online-only or in-store-only shopping.

The full **2024 Global Digital Shopping Index: The rise of the Click-and-Mortar™ shopper and what it means for merchants**

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2024 Global Digital Shopping Index: U.S. Edition was commissioned by Visa Acceptance Solutions, and PYMNTS Intelligence conducted the research and produced the report. • This report draws on insights from a survey of 13,904 consumers and 3,512 merchants across seven countries from Sept. 27, 2023, to Dec. 1, 2023. To learn more about our data, reference the full methodology at the end of this report. • PYMNTS retains full editorial control over the following content, findings, methodology, and data analysis. • Click-and-Mortar™ is a registered trademark of What's Next Media and Analytics.

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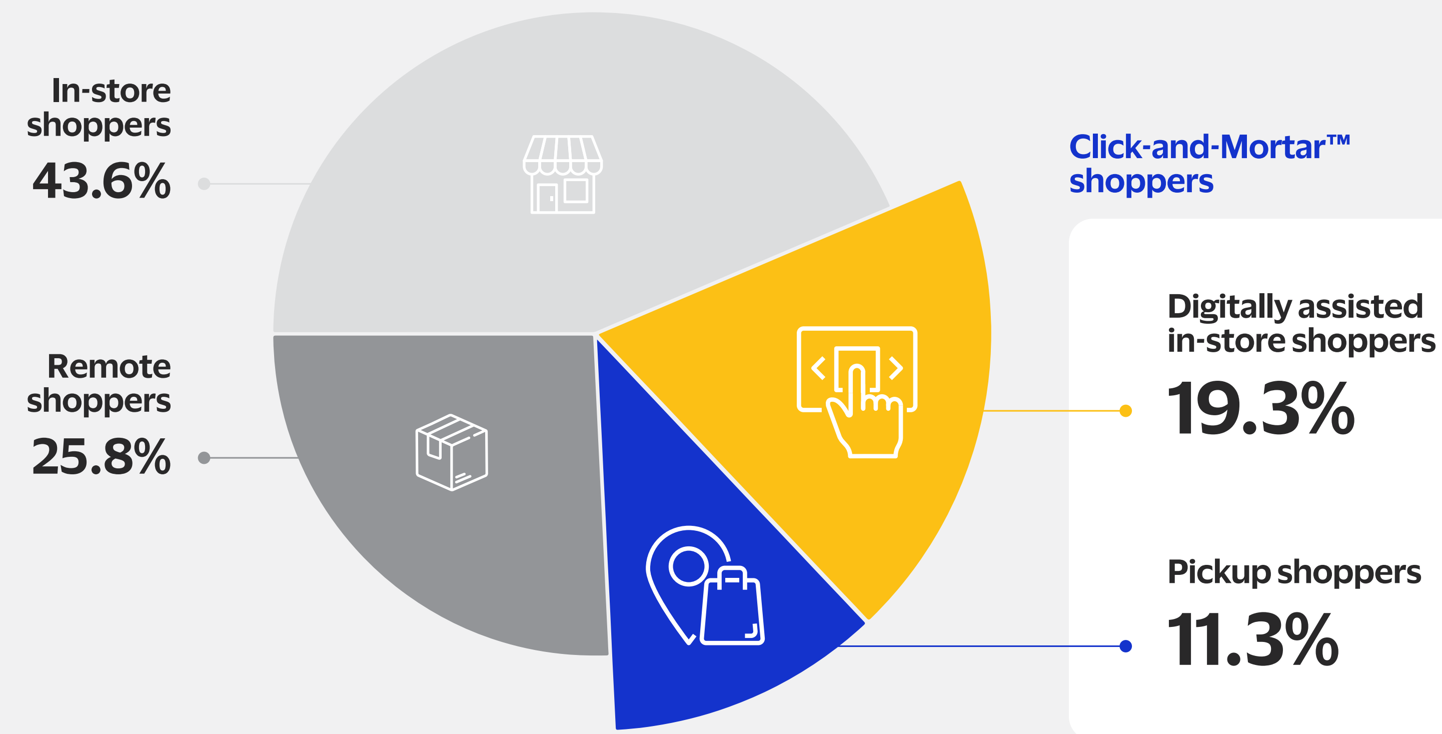
What's **at stake**

For a growing number of consumers in the United States and around the world, the best shopping experiences bridge the boundaries that once separated online and in-store shopping. As brick-and-mortar retailers and eCommerce merchants compete for customers, consumers have found that each channel offers key advantages and features that can make shopping easier—especially when blended. For these Click-and-Mortar™ consumers, modern digital features enable them to have the best of both worlds.

Click-and-Mortar™ experiences—in which consumers use convenient digital features alongside the advantages of in-store shopping—are driving significant changes in U.S. retail as consumers start to favor merchants who support seamless transitions between digital and in-store experiences. But some merchants have not yet risen to the occasion.

Figure 1:
The types of modern shoppers
Share of U.S. consumers who shop in select ways



Source: PYMNTS Intelligence
2024 Global Digital Shopping Index, February 2024
N = 2,447: Complete U.S. consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023

Though many shoppers want price-matching features, for example, 38% note they cannot find this feature when they look for it, and this trend extends to a wide range of digital features. Retailers will need to adapt, or they will underserve the influential and growing demographic of shoppers seeking Click-and-Mortar™ experiences.

Figure 2:

Shopping experience across demographics

Share of U.S. consumers with select shopping habits, by demographic

	In-store shoppers	Click-and-Mortar™ shoppers: Digitally assisted in-store shoppers	Click-and-Mortar™ shoppers: Pickup shoppers	Remote shoppers
Gender				
• Male	45%	**19%**	**14%**	22%
• Female	43%	**20%**	**9%**	29%
Generation				
• Generation Z	28%	**32%**	**17%**	22%
• Millennials	27%	**23%**	**20%**	30%
• Bridge millennials	30%	**23%**	**18%**	29%
• Generation X	45%	**19%**	**10%**	25%
• Baby boomers and seniors	58%	**14%**	**4%**	24%
Do you have any children under the age of 18 living in your household?				
• Yes	27%	**24%**	**20%**	28%
• No	52%	**17%**	**6%**	24%
Income				
• High	36%	**20%**	**12%**	32%
• Middle	47%	**19%**	**12%**	22%
• Low	52%	**18%**	**10%**	21%

Customer satisfaction rises by 65% for Click-and-Mortar™ shoppers compared to those shopping in-store without digital assistance.

Merchants in the U.S. are well-equipped to meet the demand of crafting quality Click-and-Mortar™ experiences, as they already offer 25 digital features, on average—the second widest range of features offered by any country studied. U.S. consumers are engaging more with digital shopping features and reaping the benefits, with customer satisfaction rising by 65% for those shopping in-store with digital assistance. Despite wider availability, consumers can't find nearly one-quarter of these desired features, meaning they also can't use or appreciate them.

Source: PYMNTS Intelligence
2024 Global Digital Shopping Index, February 2024
N = 2,447: Complete U.S. consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023
* Due to rounding, not all rows sum to 100.

Figure 3:

Unknown features might as well be unavailable features

Sources of digital feature failure rates

Source: PYMNTS Intelligence
2024 Global Digital Shopping Index, February 2024
N = 2,447: Complete U.S. consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023

Average number of digital features consumers use
13

Average number of digital features consumers are aware of but don't use
6
Usage ratio[1]
66%

Average number of digital features consumers aren't aware of and merchants don't provide
7
Overall failure rate
35%

Average number of digital features consumers want but merchants don't provide
3
Provisional failure rate
19%

Average number of digital features consumers want but are unaware of availability
4
Knowledge failure rate
24%

This issue represents an opportunity for U.S. retailers: To reach the growing segment of U.S. consumers seeking Click-and-Mortar™ experiences, retailers must improve their integration of related features and focus on consumer outreach efforts. With the third-lowest failure rate of any country, U.S. retailers are generally doing a better job than most at providing and implementing features. The issue is letting more people know these tools or features are available.

[1] The usage ratio is the share of features consumers use relative to the number they are aware of.

These are just some of the findings detailed in the 2024 Global Digital Shopping Index: U.S. Edition, which was commissioned by Visa Acceptance Solutions; PYMNTS Intelligence conducted the research and produced the report. For this edition, we surveyed 2,447 U.S. consumers and 588 merchants to capture recent trends in consumer behavior and to document the rise of Click-and-Mortar™ shopping experiences in the U.S. The U.S. edition also draws on insights from a larger survey of 13,904 consumers and 3,512 merchants across seven countries conducted from Sept. 27, 2023, to Dec. 1, 2023.

This is what we learned.

Key findings

01
Happy shoppers

Providing a Click-and-Mortar™ experience is one way to raise customer satisfaction.

65% Percent increase in **customer satisfaction** for Click-and-Mortar™ shoppers over those who shop without digital assistance in the U.S.

03
Knowledge failure

Although U.S. merchants offer the digital features shoppers want, customers struggle to find many of them, so education and advertising are key areas for improvement.

24% Portion of digital features that consumers want but fail to find due to **a lack of knowledge**

02
Consequences

If shoppers cannot access the digital features they want, such as the ability to use their preferred payment method or an app to locate items in the store, they may go elsewhere for their shopping needs.

76% Portion of shoppers in the U.S. who want the ability to use their **preferred payment method**

04
Feature usage

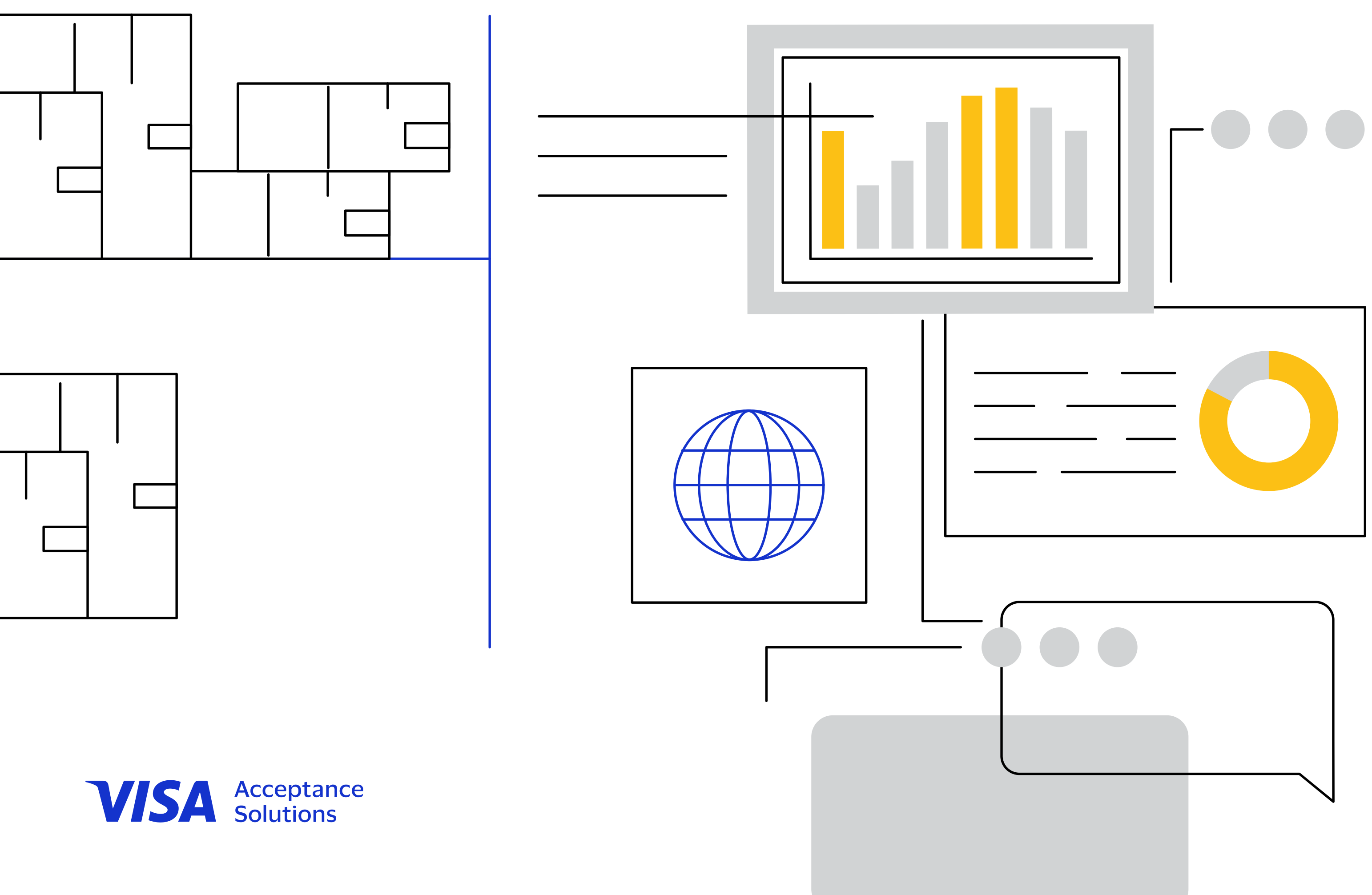
Retail and grocery shoppers seek similar digital features in the U.S., but consumers engaged in Click-and-Mortar™ retail experiences use a broader array of features and use them more frequently.

10% Share of U.S. retail shoppers who are more likely than grocery shoppers to want to use their **preferred payment method**

The blueprint for merchants

2024

Global Digital Shopping Index



Click-and-Mortar™ shoppers are the fastest-growing shopper segment globally, having risen 35% since 2020 in the U.S. alone.

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Click-and-Mortar™ experiences account for a significant increase in customer satisfaction compared to legacy in-store shopping. Allowing your customers to shop this way gives them both the large inventory of an online marketplace and the speed of shopping at a local store.

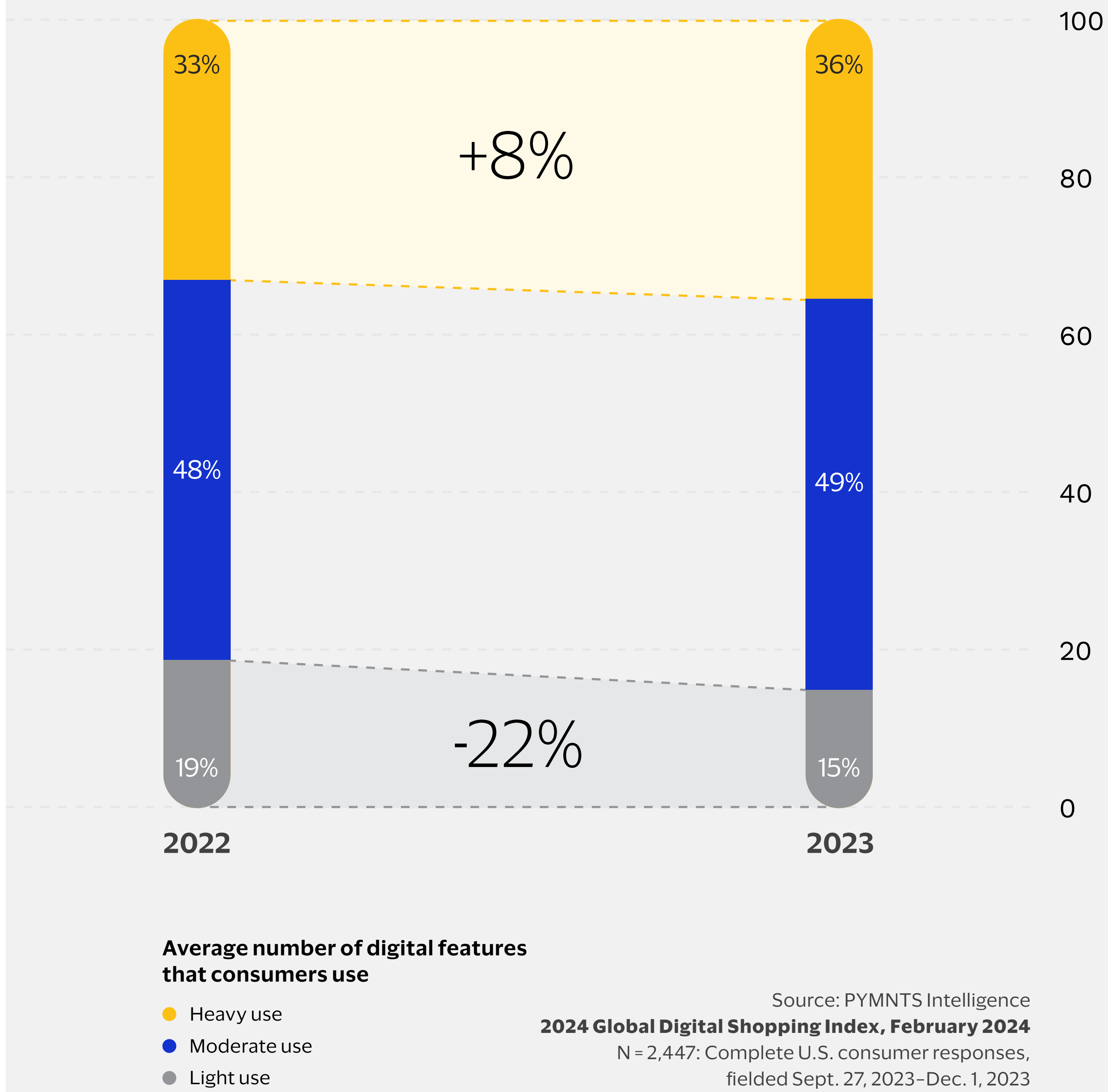
The U.S. consumer ecosystem has long been a hotbed for innovation in digital solutions and mobile applications. U.S. consumers rely highly on a broad range of digital features, with 85% using multiple features regularly. This reliance has risen to 8% since 2022. A little more than one-third of U.S. consumers now leverage most of the available digital features, outpacing feature usage levels in many of the other studied regions.[2] Demand in the U.S. for user-friendly online shopping interfaces and streamlined digital carts, for example, has jumped by 48% since 2022, highlighting consumers' shift in expectations that retailers will work to improve Click-and-Mortar™ experiences. Merchants that align their features with these newer expectations can meaningfully boost customer satisfaction.

[2] The countries in this study are Brazil, India, Mexico, Saudi Arabia, the United Arab Emirates, the United Kingdom, and the United States.

Figure 4:

Digital features on the rise

Change in the portion of consumers who rely heavily on digital features, over time



Source: PYMNTS Intelligence
2024 Global Digital Shopping Index, February 2024
N = 2,447: Complete U.S. consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023

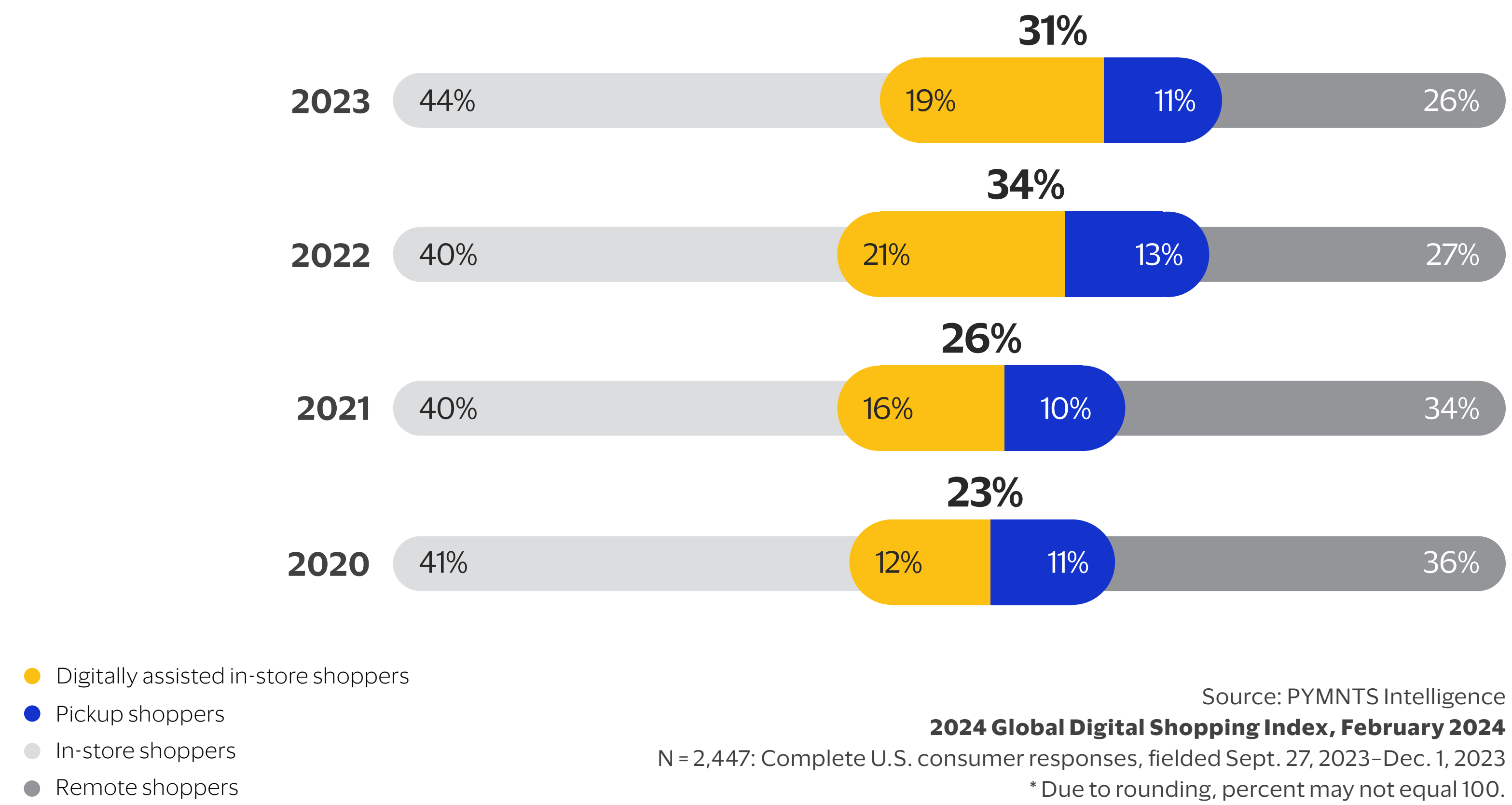
Click-and-Mortar™ shopping is on the rise in the U.S., but it is still launching. Don't ignore it, as patterns in other countries suggest Click-and-Mortar™ shopping will continue to gain popularity.

Nearly one-third of U.S. consumers are now actively engaging with Click-and-Mortar™ experiences. Since 2020, there has been a 35% rise in U.S. shoppers benefiting from the combination of online and in-store shopping. Currently, one in five U.S. consumers prefer in-store shopping with digital aids, while an additional 11% initiate their shopping journey online but conclude it with in-store pickup. These are healthy numbers, but worldwide trends suggest ample room for growth.

Figure 5:

U.S. transaction share

Share of U.S. consumers completing purchases in select ways, over time



Source: PYMNTS Intelligence
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N = 2,447: Complete U.S. consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023
* Due to rounding, percent may not equal 100.

The U.S. still has the second-lowest rate of Click-and-Mortar™ shopping among the seven countries surveyed, with a significant number of shoppers not utilizing the digital aids available to them in-store. Why? One explanation is that the U.S. is one of the most established markets studied, and consumers and merchants have longstanding habits and norms. Though old habits can be hard to kick, the heightened digital enthusiasm of American consumers indicates that once they turn to and fully understand the Click-and-Mortar™ shopping experience, new habits may follow. Outreach operations around the Click-and-Mortar™ experiences available to your customers will thus be crucial in establishing these new habits.

Merchants in the U.S. should prioritize features that merge the online and in-store shopping experiences, as shoppers' strong desire for these features means they may switch to a competitor—or from a competitor—to use them.

Consumers want shopping to happen on their terms, and the ability to use a preferred payment method, easy-to-navigate online stores, mobile-compatible sites, product details, and stored order history are the core digital features they want. The stakes are high, as your customers may quickly become your competitors' customers if switching means they gain access to these features.

80%

Share of U.S. retail shoppers who want to use their **preferred payment method**

In 2023, U.S. consumers showed a clear preference for consistency across their shopping experiences, expecting to use their favorite payment methods every time they shop, wherever they shop. For instance, 4 in 5 U.S. shoppers want to use their preferred payment method with retailers. Likewise, depending on the feature, between 64% and 67% of U.S. shoppers want to eliminate the separation between in-store and online shopping through digital features such as easy-to-navigate online stores and shopping carts. Essentially, U.S. shoppers just want to shop and do not want significant differences between shopping online and in a physical store.

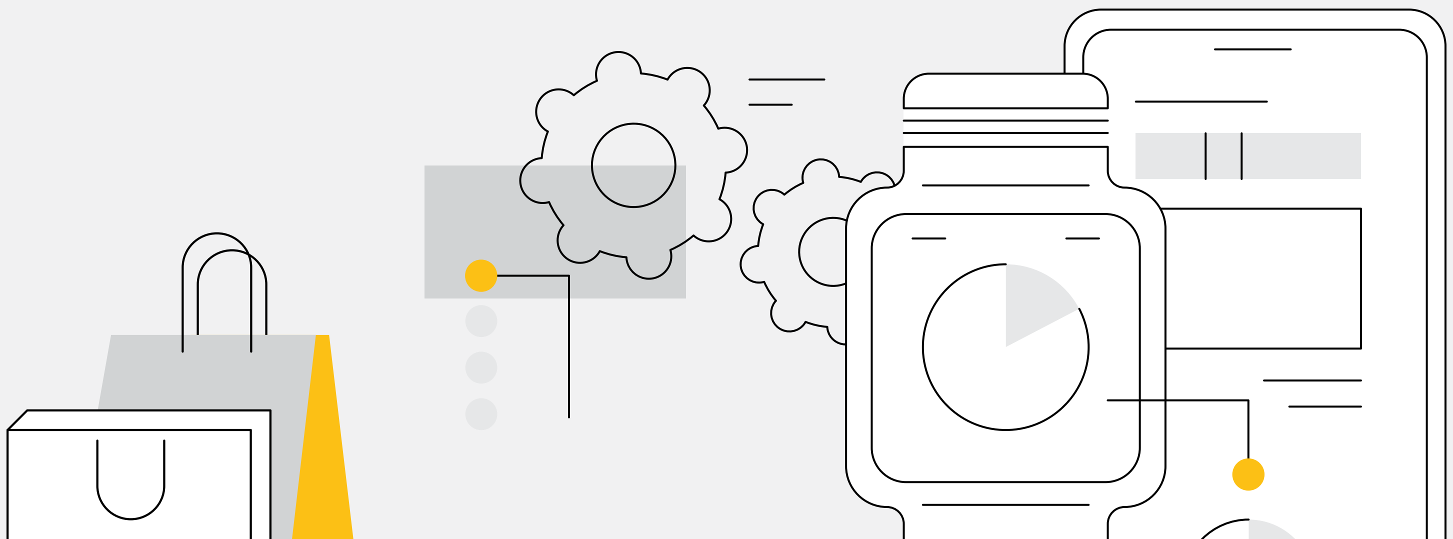
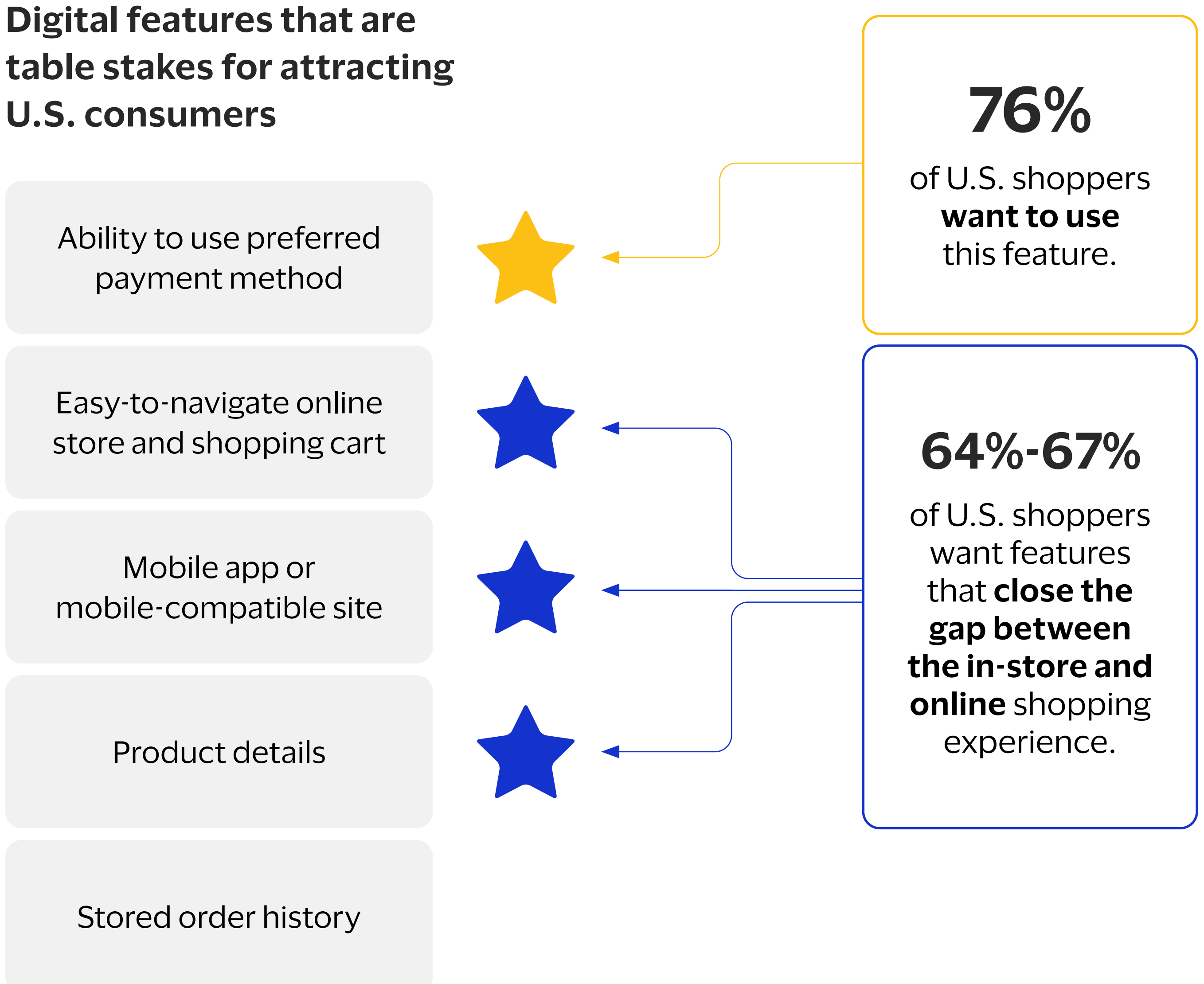


Figure 6:

Core digital features
The basic digital features that U.S. consumers want when Click-and-Mortar™ shopping



Source: PYMNTS Intelligence
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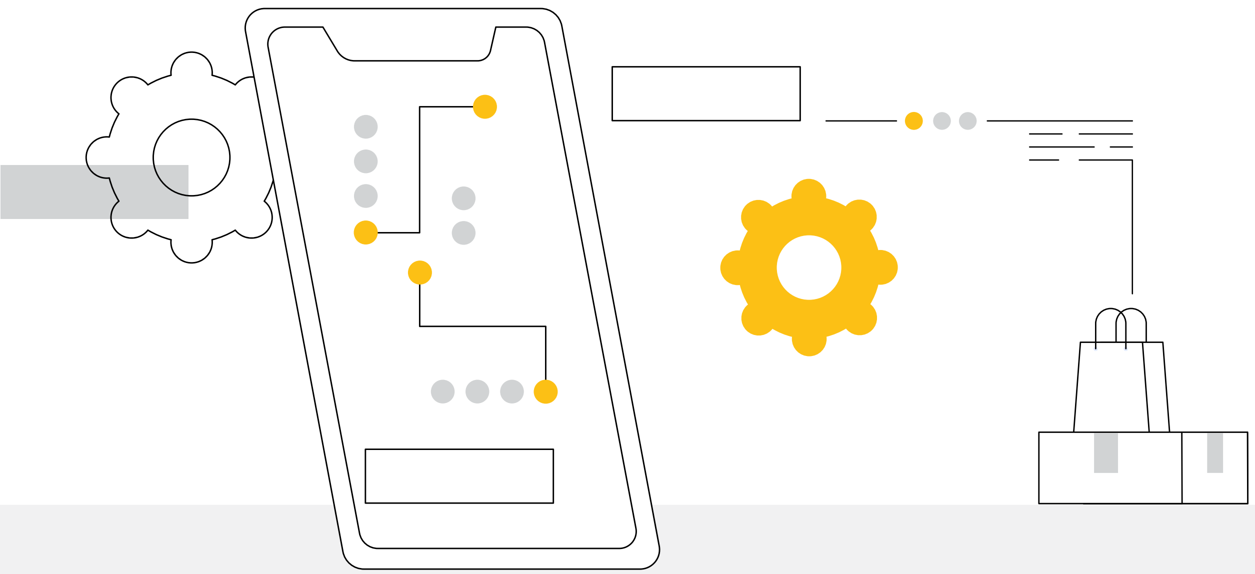
Retail and grocery shoppers in the U.S. generally seek similar digital features when shopping, yet the average grocery shopper uses fewer features. Click-and-Mortar™ shoppers, however, use the same number of core features regardless of what they are shopping for. Feature availability data suggests that knowledge of, or the availability to find the feature, may cause the difference in grocery versus retail feature usage more than the actual offering of the features.

Shoppers actively select merchants where the full array of features they desire are available and apparent. Which specific features are critical and how critical they are can vary between retail and grocery, however. Retail shoppers tend to be more likely to value the ability to use specific payment methods than their grocery counterparts, for example, at 80% and 70%, respectively. Still, the reality that each figure is high helps highlight that payment choice is universally important.

> “U.S. shoppers just want to shop and **do not want major differences** between shopping online and in a physical store.”



The most significant feature difference in the U.S. is that retail shoppers want digitally available product details far more than grocery shoppers. Of course, retail purchases are often less frequent and can be higher stakes than purchases of, say, last week's box of cereal again this week, where the details do not matter as much. Retail shoppers regard stored order history as a basic feature for a similar reason. Recalling one-off retail purchases compared to routine grocery items represents a very different thought process for consumers, one they would love to offload to digital surrogates.

Merchants should strive to provide all benchmark features listed in their shopping category, but those new to feature implementation should start by adding the features that most of their customers demand.

Figure 7:

Features that shoppers expect
Core digital features for creating Click-and-Mortar™ experiences

Most expected features for U.S. shoppers	Retail shoppers	Grocery shoppers
Preferred payment method	80%	70%
Refunds for fraudulent charges	75%	55%
Rewards or loyalty program		54%
Digital coupons available for both in-store and online shopping	75%	
Relevant promo codes	74%	
Digitally updated inventory in real-time	73%	

Source: PYMNTS Intelligence
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Merchants in the U.S. often provide the features consumers want, but consumers cannot find 1 in 4 of these features. Therefore, increasing knowledge of features is a key area of improvement for U.S. merchants.

U.S. consumers use features at a rate only topped by India. The most tech-savvy consumers find and use the features they want, leading to higher shopping satisfaction from Click-and-Mortar™ experiences, but data shows that the general consumer can struggle to find features. Thus, increased transparency on how to locate features would likely help more shoppers adopt Click-and-Mortar™ habits in the U.S.

Blindly adding more features is not the answer. Although U.S. merchants typically offer a broad spectrum of 25 digital features, on average, they still fail to provide nearly one-fifth of the features consumers look for. Consumers struggle to find 1 in every 4 features available, meaning the greatest opportunity for U.S. retailers lies in improving how they inform customers about the digital features they provide.

The top three failed features U.S. consumers value most

- **Price matching**
- **Promo codes**
- **Real-time inventory updates**

Although the types of features consumers desire remain largely the same across retail and grocery merchants, retail shoppers simply use more features—though with some disappointment. There is a high demand for price-matching features among grocery shoppers, for example, yet 37% of consumers do not see this feature when they look for it. For grocery shoppers, refunds are also an issue: 38% of consumers note they want refunds on fraudulent charges but don't think this feature is available, and 28% want to be able to receive refunds for digital purchases in-store but don't find that ability.

Retail shoppers would like to see relevant promo codes, digitally available coupons, and reward or loyalty programs as part of their Click-and-Mortar™ experience. However, in both sectors, nearly one-third of consumers cannot find the feature when they look for it.

All merchants in the U.S. would benefit from adding or publicizing features that provide digitally updated inventory in real time, the ability to return digital purchases in-store, rewards programs, and refunds for fraudulent charges. Retail merchants can set themselves apart most by offering relevant promo codes, followed by digitally available coupons and rewards programs. Grocers would benefit from allowing online purchases to be returned directly in-store.

> “Although U.S. merchants typically offer a broad spectrum of 25 digital features, on average, **they still fail to provide nearly one-fifth of the features consumers are looking for.**”

Figure 8:

Features merchants fail to provide
Merchants’ most failed features for retail and grocery shoppers

Most failed feature	Retail shoppers	Grocery shoppers
Price matching		37%
Refunds for fraudulent charges		38%
Rewards or loyalty program	28%	26%
Digital coupons available for both in-store and online shopping	28%	
Relevant promo codes	30%	31%
Digitally updated inventory in real time		27%
Refunds of digital purchases can be done in-store or online		28%
Online purchases can be returned directly in-store		26%

Source: PYMNTS Intelligence
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Actionable **insights**

01

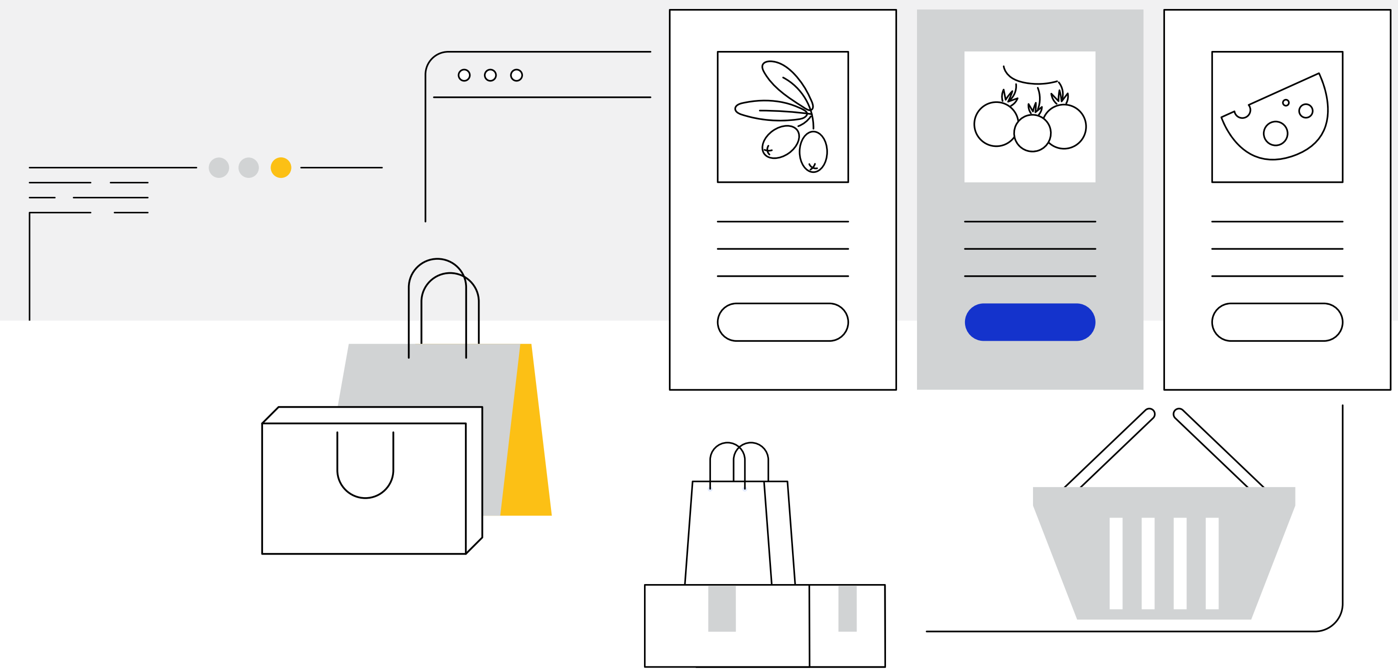
U.S. retailers should enhance the visibility of the digital features available when in their stores. The data PYMNTS Intelligence collected and analyzed reveals that, despite high consumer demand for the feature, 37% of grocery shoppers are unable to find price-matching features when they look for them. U.S. merchants must close this visibility gap to enhance the Click-and-Mortar™ adoption by, for example, using in-store signage and digital alerts to highlight the availability and location of coupons.

02

Businesses should align their online and physical stores, and most importantly, 76% of shoppers in the U.S. like to use their preferred payment methods across shopping experiences. When merchants fail to serve their customers with this and similar features, they risk losing these customers to competitors who get the experience right.

03

The Click-and-Mortar™ shopping experience appeals broadly across the consumer spectrum in the U.S. and reflects a general shift in consumer behavior toward prioritizing ease and flexibility. Although browsing has its appeal, no one loves spending their free time stalking the aisles, trying to find a specific item—especially one that was never there. Efficiency-enhancing features such as streamlined payment processes, real-time inventory, and easy-to-navigate online stores can help busy customers make the most of their day.



04

That said, an approach to digital features that is too universal may not be ideal, as the needs of grocery and retail shoppers differ in materially significant ways. Retail consumers often seek a broader range of digital features, whereas shoppers buying groceries may lean more on routine. Therefore, when strategizing which features to prioritize, it's crucial to analyze your customer demographics by segment so you can give your customers exactly what they want.

Methodology

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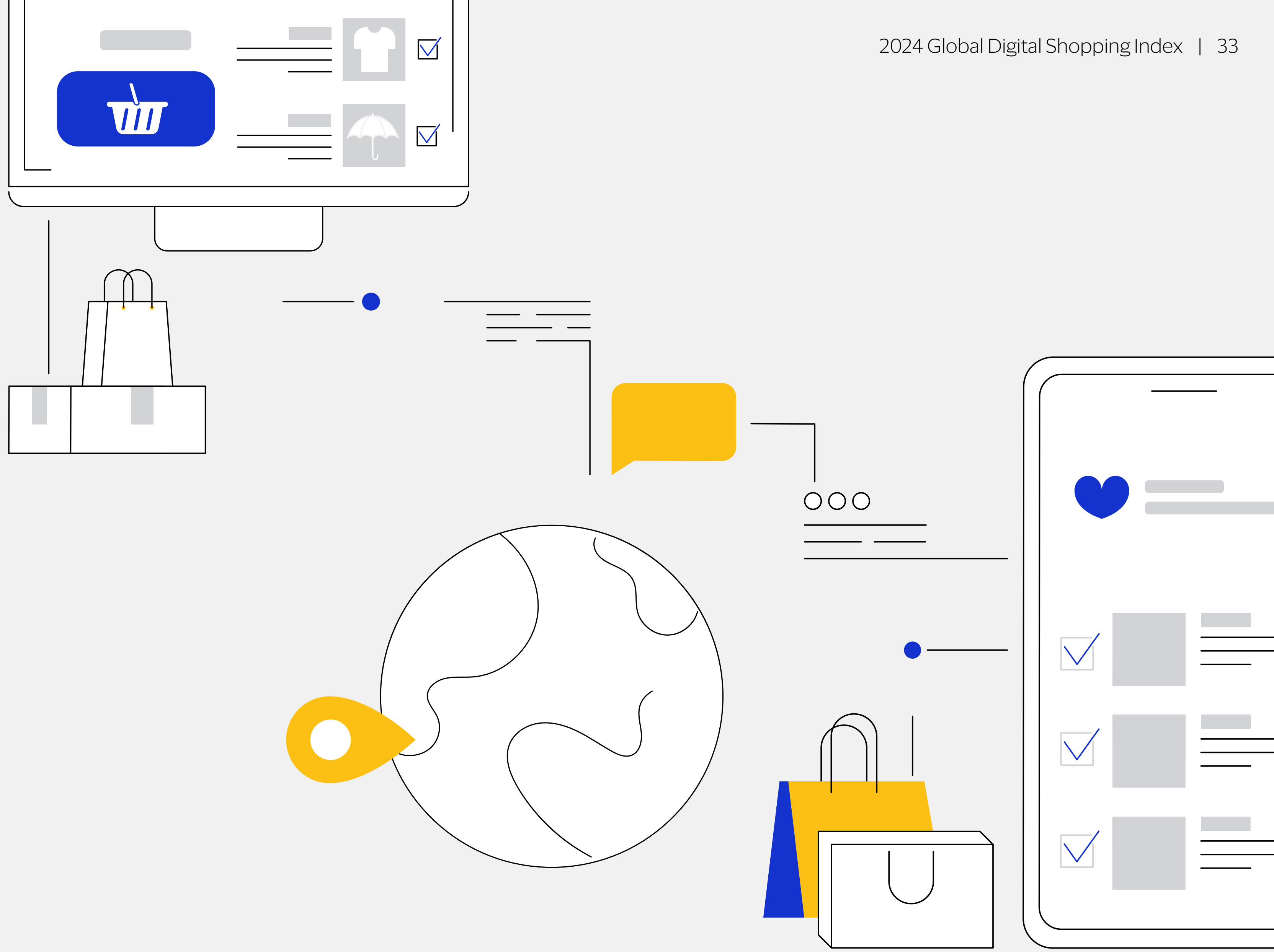

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About

Visa Inc. (NYSE: V) is the world's leader in digital payments. Our mission is to connect the world through the most innovative, reliable and secure payment network — enabling individuals, businesses and economies to thrive. Our advanced global processing network, VisaNet, provides secure and reliable payments around the world and is capable of handling more than 65,000 transaction messages a second. The company's relentless focus on innovation is a catalyst for the rapid growth of digital commerce on any device, for everyone, everywhere. As the world moves from analog to digital, Visa is applying our brand, products, people, network and scale to reshape the future of commerce. For more information, visit www.visa.com, https://usa.visa.com/solutions/visa-business-solutions.html and Visa Commercial Solutions: Overview | LinkedIn.

PYMNTS Intelligence is a leading global data and analytics platform that uses proprietary data and methods to provide actionable insights on what's now and what's next in payments, commerce and the digital economy. Its team of data scientists include leading economists, econometricians, survey experts, financial analysts, and marketing scientists with deep experience in the application of data to the issues that define the future of the digital transformation of the global economy. This multi-lingual team has conducted original data collection and analysis in more than three dozen global markets for some of the world's leading publicly traded and privately held firms.

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