



# Do Retailers Really Know What Digital Shoppers Want?

**Drive competitive advantage by investing in the customer and payment experience areas that shoppers want.**

RESEARCH BY:



**Leslie Hand**  
Vice President,  
IDC Retail Insights, IDC



**Aaron Press**  
Research Director,  
Worldwide Payment Strategies, IDC



**Margot Juros**  
Research Manager,  
Retail Technology Strategies, IDC



# Navigating this InfoBrief

Click on titles or page numbers to navigate to each section.

In This InfoBrief .....	3
Essential Features for Shoppers .....	4
From Global to Local, Retailers Must Understand Shopper Expectations .....	5
Top Frustrations for Shoppers .....	6
Zooming into Digital Commerce: Understanding Shopper Frustrations .....	7
Common Priorities Among Retailers and Shoppers .....	8
Regional Differences in Trust .....	9
Retail Areas for Improvement .....	10

Opportunities to Distinguish Your Brand .....	11
Build Trust with Online Shoppers .....	12
Understand Payment Preferences .....	13
Generational Differences of Note .....	14
Essential Guidance .....	15
About the Analysts .....	16
Message from the Sponsor .....	17

# In This InfoBrief

Customers don't all agree on what's most important to the shopping experience.

To get ahead of competition, retailers need to know their customers well enough to meet their individual preferences throughout the shopping journey.

**By tuning into the unique needs and nuances of smaller but meaningful segments of customers, businesses can identify incremental improvements and capitalize on marginal gains.**

**An IDC survey conducted on behalf of PayPal looked at shopping priorities and preferences among large enterprises and consumers in five markets: the US, UK, Australia, Germany and France. Key survey findings include:**



**Globally, shoppers share many of the same priorities as retailers about what's essential for a better shopping experience: product catalog, customer experience, security and trust, and flexible payment choices top the list.** However, there are some critical areas where there is a disconnect, leaving opportunity for businesses to improve competitive positioning by addressing these needs.



**Some of shoppers' biggest frustrations and concerns may be surprising to retailers.** Businesses should know the most critical pain points to identify areas of investment to improve the experience.



**Customer preferences are niche and varied, and what one shopper considers essential might not matter to another.** Retailers can identify incremental improvements by understanding the needs of smaller, but significant, groups of consumers.

# Essential Features for Shoppers

Globally, most shoppers agree that **payment choice/flexibility** and **free shipping on returns** are the most essential features, while the ability to use rewards points, buy online pick up in store (BOPIS)/click and collect top the “nice to have” list.

■ Essential      ■ Nice to Have



Source: IDC's PayPal Digital Payments Customer Experience Survey, January 2022



# From Global to Local, Retailers Must Understand Shopper Expectations

Over 55% of shoppers globally consider **preferred payment method essential or will not shop there** — this is strongest for:



**Free shipping for returns** ranked #3 with shoppers across markets rating it as an essential feature.

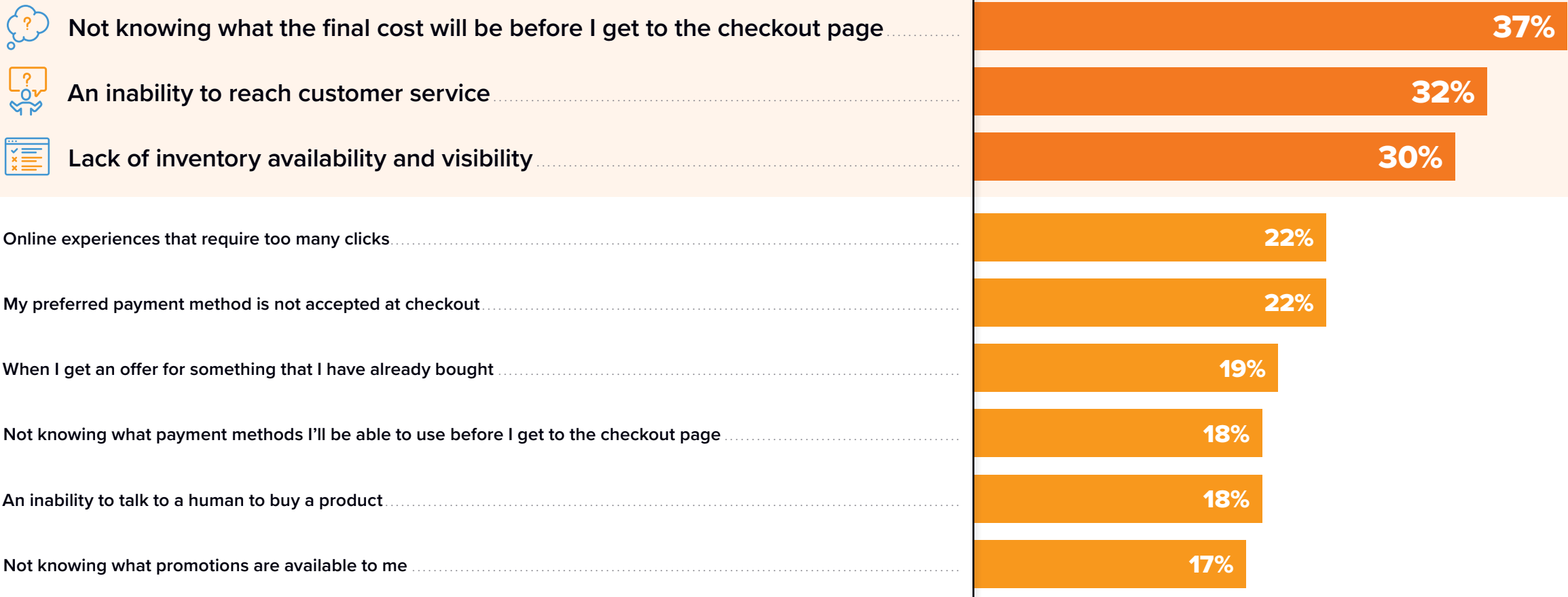


**Having all payment methods clearly visible** is important in all countries, with Germany ranking the highest:



# Top Frustrations for Shoppers

Shoppers globally also share similar frustrations with their ecommerce experience.  
**Top ranked frustration: not knowing the final cost before getting to the checkout page.**



(% of respondents)  
Source: IDC's PayPal Digital Payments Customer Experience Survey, January 2022

# Zooming into Digital Commerce: Understanding Shopper Frustrations

## Not knowing the final cost before getting to checkout page.



## Lack of inventory visibility.



## Preferred payment method not available.



These frustrations can ultimately lead to abandoned carts and lost sales. A frictionless/integrated checkout flow is key to address these frustrations.



# Common Priorities Among Retailers and Shoppers

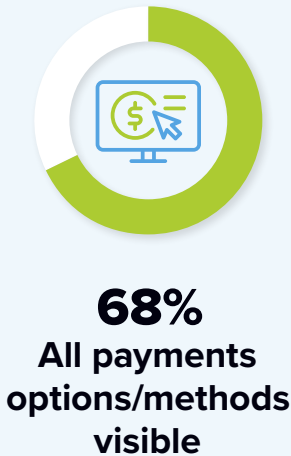
Retailers and shoppers share the same priorities for an enhanced shopping experience: variety of payment types, security and trust.

## Security of payment data

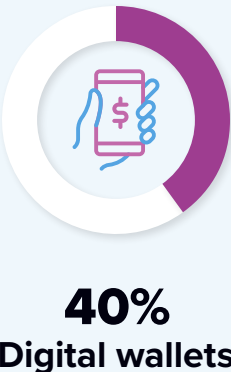
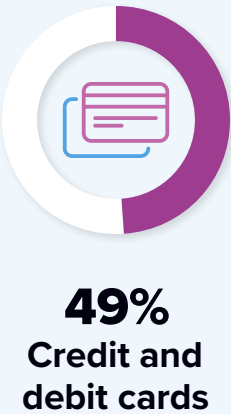


## Payment choice or multiple payment options at checkout

Majority of consumers globally say this is essential or they will not shop there if retailer does not offer payment choice



## Most trusted payment methods

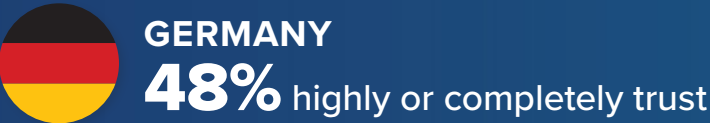


Source: IDC's PayPal Digital Payments Customer Experience Survey, January 2022



# Regional Differences in Trust

## Level of trust in digital wallets:



Consider investing in offering a variety of payment methods and prioritizing payment security to bolster your competitive position.



# Retail Areas for Improvement

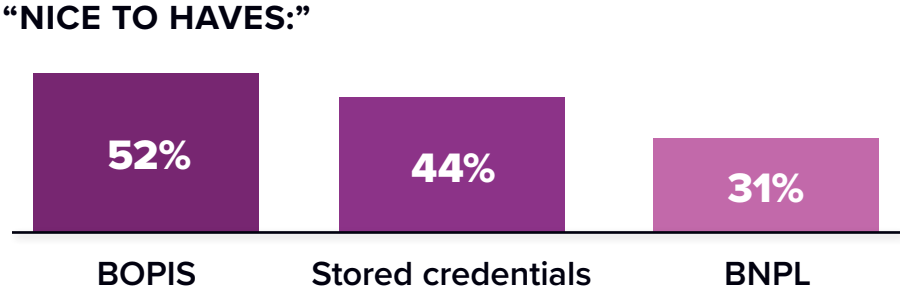


Many retailers don't realize that one of **shopper's biggest barriers** to an optimal ecommerce experience **is not knowing the final cost prior to checkout.**



Most retailers believe Buy Now, Pay Later (BNPL), stored credentials, and Buy Online, Pickup In Store (BOPIS) are important to consumer experience.

Consumers do agree, but currently rate these at the top of the “nice to have” list rather than an essential feature.



Retailers should not only focus on the essentials but should also consider the “nice to have” in order to capture a wider market share and offer choice.



Globally, **30% of retailers are committed to leveraging customer data to learn more about shopping interests** in order to improve the experience for shoppers.

# Opportunities to Distinguish Your Brand

UNDERSTAND THE GAPS IN OPINION ON PAYMENTS AND TRUST.

There are gaps in what shoppers find most important shopping online with regards to security and trust (site is safe and secure) and retailers' confidence in that ability.

**Most retailers feel they have done enough to build trust among shoppers and that their ecommerce site feels safe and secure.**

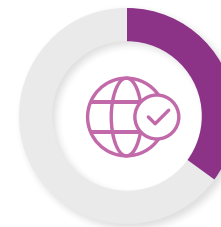
While consumers agree the most important concern shopping online is the security of the site, less than half of consumers trust ecommerce sites to store their payment data.



**82% of merchants** are somewhat or very confident that they have ensured that their ecommerce site is safe and secure



**But only 40% of consumers trust the ecommerce sites** where they shop to keep their payment data safe



**Over 35% of merchants consider the security of their payment data to be an online investment priority** — and using a trusted digital payment partner will only gain importance for customers

n = 505 for merchants, n = 10,054 for consumers, Source: IDC's PayPal Digital Payments Customer Experience Survey, January 2022

# Build Trust with Online Shoppers

Nearly **40%** of shoppers overall trust that their favorite ecommerce providers only share data with their permission.

  **US SHOPPERS ARE LESS SURE:**  
**30%** are neither sure or unsure

  **UK SHOPPERS ARE MOST SURE:**  
**51%** are somewhat/very sure



An awareness of how customers view payments and trust issues can highlight opportunities for retailers to differentiate themselves from other brands.



# Understand Payment Preferences

While many shoppers agree on what’s important, preferences for both online and in-store payments vary by market.



**BNPL is considered one of the top “nice to haves” among shoppers globally.**

Australian consumers value BNPL the most:



Capitalize on incremental gains by knowing the small, but meaningful preferences of your shoppers.

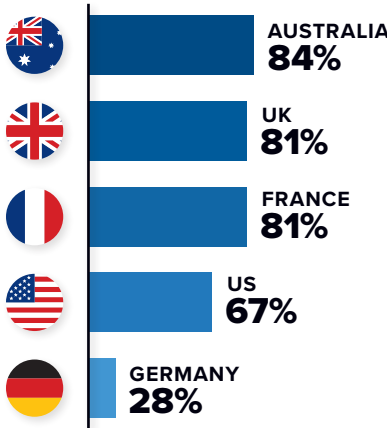


## IN-STORE SHOPPING EXPERIENCE

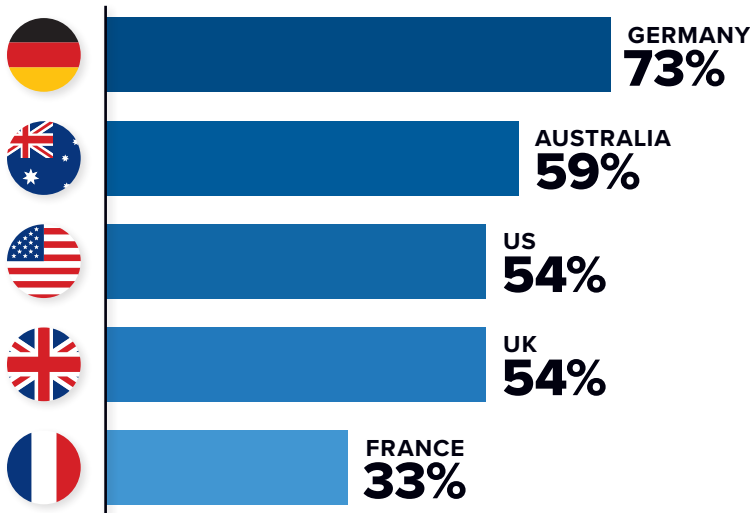
Tap to pay with credit/debit card and PayPal are the top 2 contactless payment methods that shoppers are comfortable with across all geos.



### Tap to pay



**PayPal** is by far the top pick for Germans over tap to pay. Shoppers in these markets are most comfortable using PayPal:









Source: IDC's PayPal Digital Payments Customer Experience Survey, January 2022



# Generational Differences of Note

There are generational differences in terms of trust of payment types that can offer meaningful gains for businesses.

	 BABY BOOMERS	 MILLENNIALS	 GEN Z
 <b>QR codes</b>	9%	21%	22%
 <b>Crypto</b>	2%	16%	20%
 <b>Digital wallets</b> Largely trusted by 40% of shoppers	35%	46%	48%

  
Enterprise businesses can no longer rely on a single “great” experience — they need to know their customers well enough to adapt to their individual checkout preferences and translate that into their ideal checkout experience every time.

# Essential Guidance



**Understand the top frustrations people experience when shopping online.**



**Understand where your business is getting it right to ensure your payments, security, and trust priorities align with customer priorities and understand the gaps too.** Assess the key gaps in beliefs between customers and your business and determine how your organization can differentiate itself by lessening that gap.



**Looking to the future, consider the priority areas, such as inventory visibility, ensuring all preferred payment types are available, and showing the final cost before checkout,** to help boost the bottom line and ensure competitive differentiation. Make sure to prioritize areas that are important to younger demographic groups that will be increasing their buying power.



**Consider the areas where there is incremental opportunity, such as alternative payment options (crypto, QR codes) and personalization.** Your business must tune into the needs of consumers with niche and varied preferences and translate those into the ideal checkout experience every time. By focusing on these small but meaningful marginal gains, enterprises can tap into new audiences, increase conversions, and boost their bottom line.

# About the Analysts



**Leslie Hand**  
Vice President,  
IDC Retail Insights, IDC

As Vice President for IDC Retail Insights, Leslie Hand is responsible for the research direction for IDC Retail Insights, and leads research related to the digital transformation of retail omnichannel operations. Hand works with retailers and technology providers on developing best practices and strategies, aligned with where they are, and where they want to go, leveraging IDC quantitative and qualitative data sets. Leslie’s specific research includes a particular emphasis on mobile, IoT and augmented/virtual reality technologies and the threats and opportunities now facing the entire retail ecosystem from evolving consumer behaviors. Leslie likes to say that she will always be a retailer through and through, but in her current role she now has the opportunity to work for many top retailers and the technology providers that serve them.

[More about Leslie Hand](#)



**Aaron Press**  
Research Director, Worldwide  
Payment Strategies, IDC

Aaron Press is Research Director for IDC Insights responsible for the Worldwide Payments practice. Aaron’s core research coverage includes bank, corporate, and merchant challenges around the evolution of payment networks, systems, and technology, fraud and security risks, and legal and regulatory issues.

[More about Aaron Press](#)



**Margot Juros**  
Research Manager,  
Retail Technology Strategies, IDC

Margot Juros is a Research Manager for IDC Retail Insights responsible for the Retail Technology Strategies research program. Margot’s core research focuses on best practices, trends, market conditions, business concerns, and vendor offerings to provide authoritative advice on investment, life-cycle management and the use of technologies for modern IT infrastructure. Margot’s research will cover key technologies in retail transformation, including IT modernization, cloud/edge/5G, security, payments, mobile platforms, and network management.

[More about Margot Juros](#)

# Message from the Sponsor



Beyond offering one of the world's most popular digital wallets, PayPal provides end-to-end payments services that enable digital and in person payments on behalf of consumers and merchants worldwide. Through a combination of consumer engagement tools, innovation, and strategic partnerships, our platform creates better ways to manage and move money, and offers flexibility with modular, enterprise-grade solutions.

PayPal is committed to democratizing financial services and empowering people and businesses to join and thrive in the global economy. Available in more than 200 markets and in 100 currencies around the world, no other payments partner can match PayPal's global scale, reliability, and innovation.

**Put the world of PayPal to work for you.**

## IDC Custom Solutions

This publication was produced by IDC Custom Solutions. As a premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets, IDC's Custom Solutions group helps clients plan, market, sell and succeed in the global marketplace. We create actionable market intelligence and influential content marketing programs that yield measurable results.



 @idc

 @idc

[idc.com](https://www.idc.com)

© 2022 IDC Research, Inc. IDC materials are licensed [for external use](#), and in no way does the use or publication of IDC research indicate IDC's endorsement of the sponsor's or licensee's products or strategies.

[Privacy Policy](#) | [CCPA](#)