



Amex Trendex: Digital Payments Edition Insights Report

Progress at the point of sale.

A look at changing digital payment methods.





Like just about everything else in the world, the way we pay for things is changing. And as the American Express Trendex Digital Payments survey* of U.S. businesses and consumers shows, those changes have been well received.

Consumers have been using a variety of digital ways to pay for the past few years—and merchants have expanded acceptance to keep up—but the big takeaway from 2022 is that the frequency and the variety of ways shoppers are using these digital payments are shifting rapidly.

People are trusting digital payment methods to buy instantly (or pay later) online, as well as other digital payments like peer-to-peer (P2P) to pay rent or to split the check at dinner. Most notably, they're using them more often. For example, usage and frequency of payment types like P2P (such as Venmo and Zelle), mobile wallets (Apple, Google and Samsung Pay), and buy buttons (Click to Pay, Amazon Pay) have increased significantly—some nearly doubling—since 2021. Other emerging payments, such as crypto and social media, are also on the rise.

Businesses are eager to accept these new ways to pay. In spite of a return to in-store shopping, merchants reported a higher increase in online and mobile sales over last year—so they're ramping up budgets in 2023 to improve those digital buying experiences and ensure they're secure, fast and easy to integrate. In short, they're ready to move now on what's next.





The payment options people want.

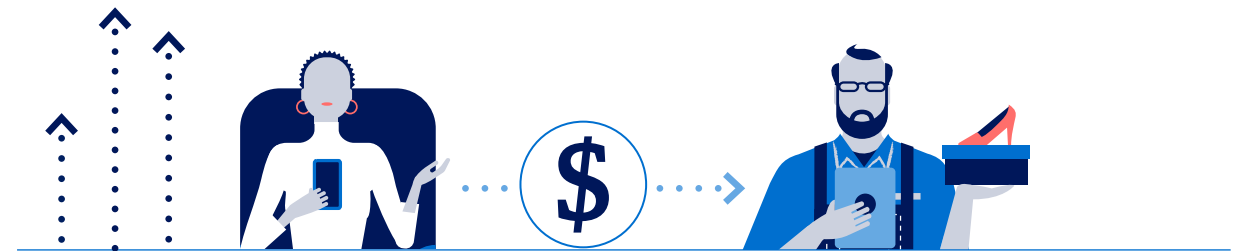
Compared to previous Amex Trendex Digital Payments surveys, merchants generally show a trend towards offering new and more varied digital payment options to address customer needs. Acceptance of P2P, mobile wallets/pays, store-branded payment apps, pay buttons, and social media payments are all on the rise.

Peer-to-Peer (P2P)
payments are the
most prevalent.

80%

of merchants surveyed

currently offer P2P, making it the most
common digital payment option.

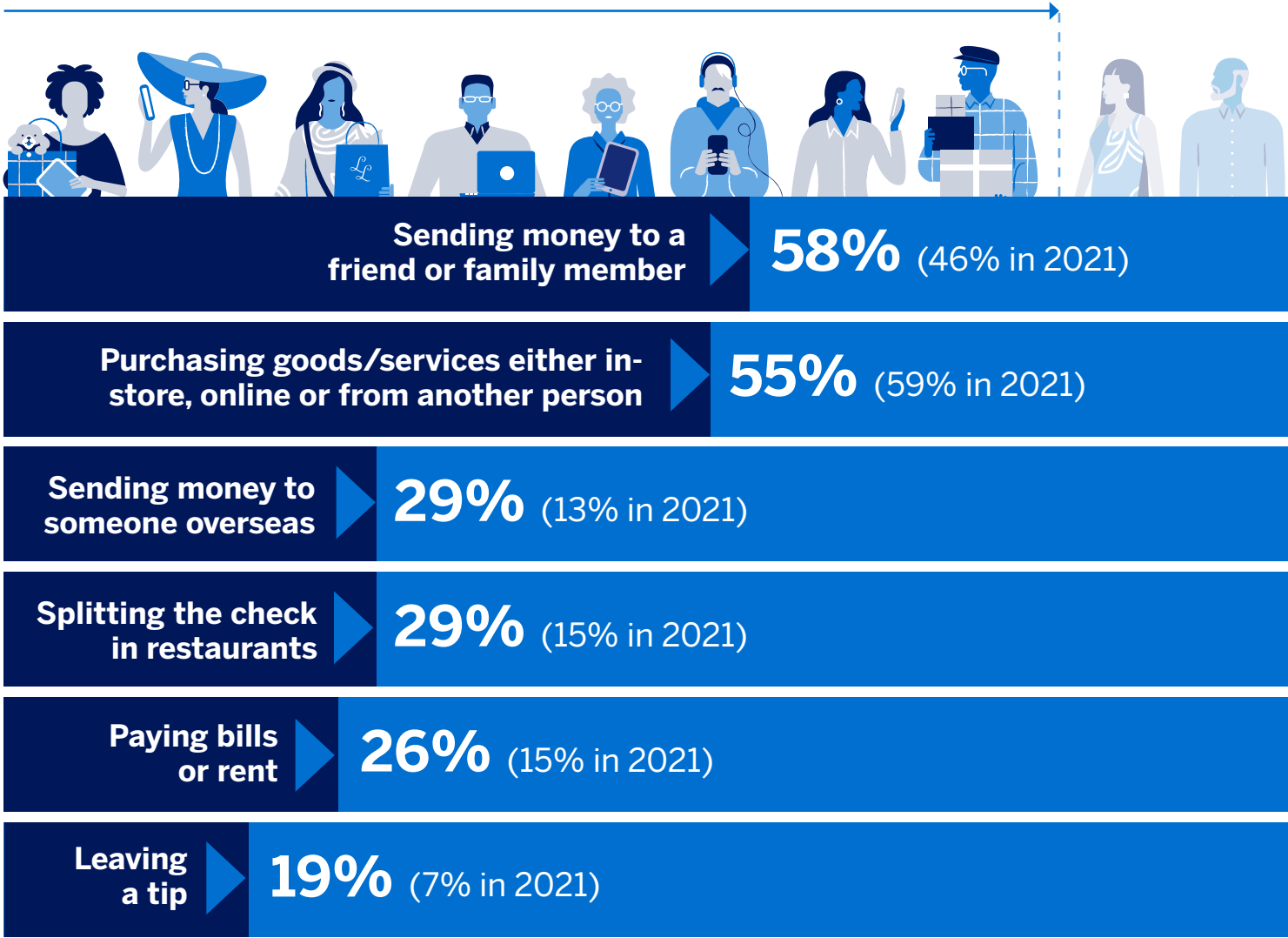


... **63% of merchants who offer P2P**, or are considering doing
so, say that they like the flexibility it gives their customers.

..... **64%** like the fact that it is relatively easy to set up and use.
Additionally, **56%** of merchants surveyed said their customers
ask for it. ...

A large majority of merchants are already accepting either
PayPal (**72%**) or Venmo/Zelle/Other P2P (**69%** up from
56% in 2021). The consumer survey also showed an increase
in these payment applications, as well, with Venmo at **38%**,
compared 30% in 2021. Zelle was up from 24% in 2021
to **34%** today.

In fact, **eight-in-ten consumers (81%)** say they use P2P payments, and while this is in line with 2021 (78%), consumers are using P2P payments in a greater variety of situations other than just paying merchants—such as sending money to someone overseas, splitting the check at restaurants, and leaving a tip.



Why do consumers use P2P?

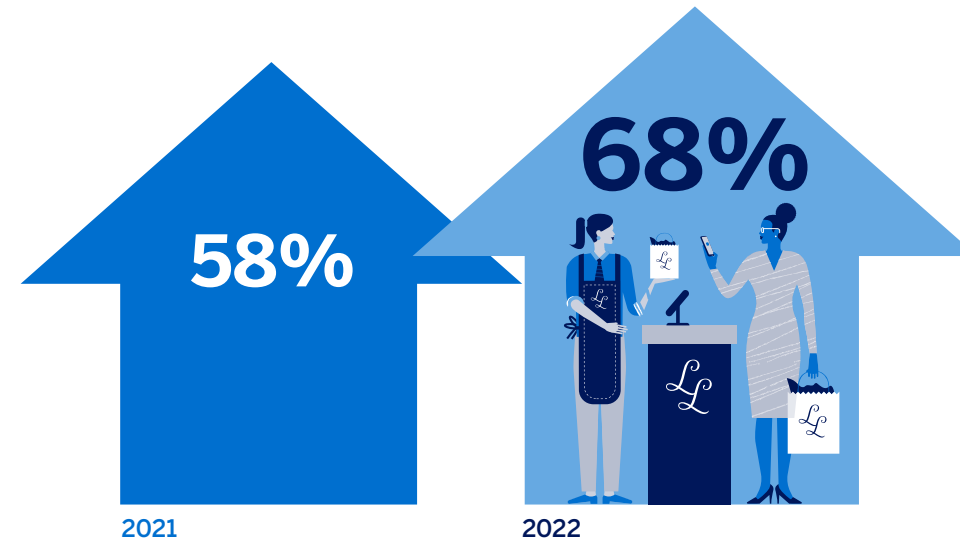
Convenience:
61%

Speed of Transfer:
61%

Friends/Family Use It:
55%

Mobile Payment Apps pick up popularity.

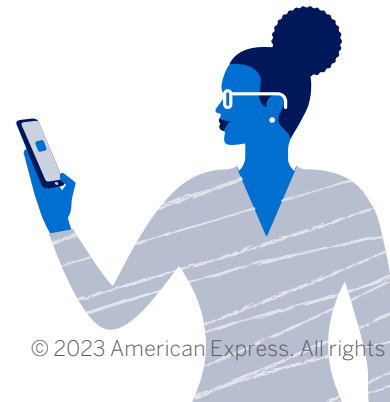
The acceptance and usage of mobile payment applications has grown, as well.



More than 2/3 (68%) of merchants offer apps like Apple Pay, Google Pay or Samsung Pay, up from 58% in 2021.



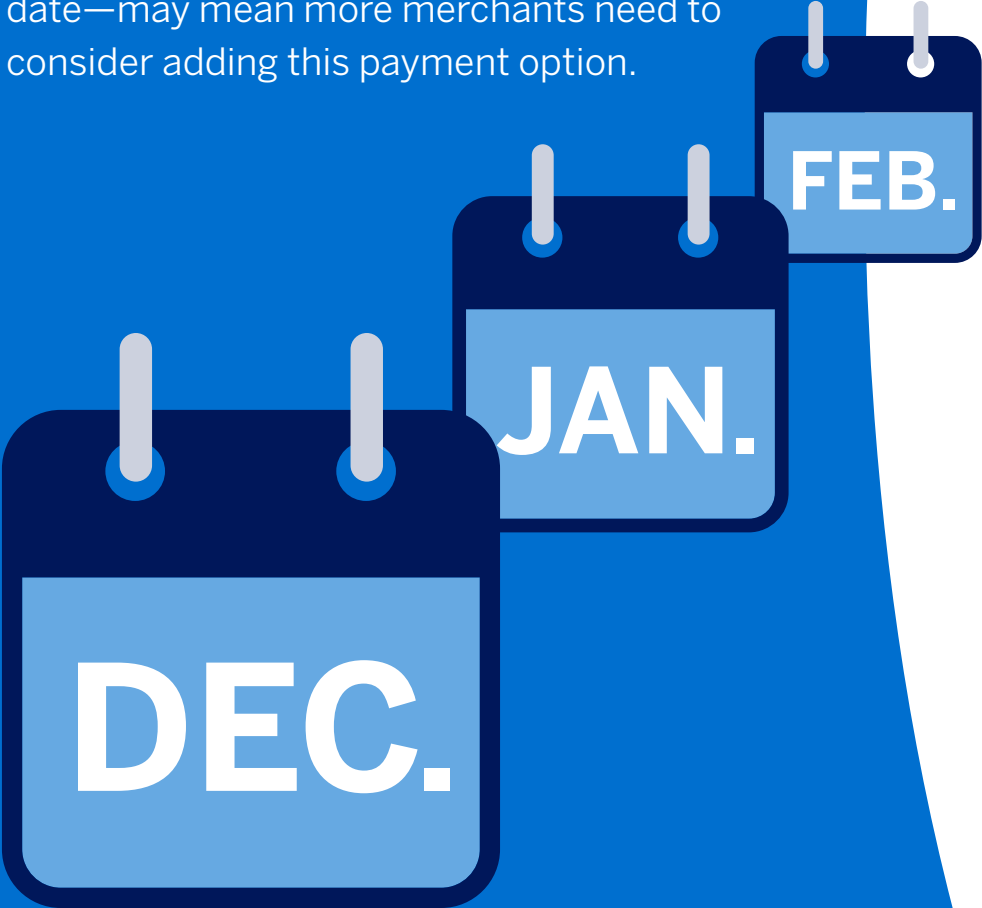
40% offer their own branded payment app for customers, up from 29% in 2021.



When it comes to consumers, 24% use mobile applications like Apple Pay, Google Pay or Samsung Pay always or almost every time they shop online, which is up from 14% last year.

Buy Now Pay Later (BNPL) options see significant growth now.

Ongoing and considerable consumer demand for BNPL—which allows consumers to make a purchase now and pay over time or at a later date—may mean more merchants need to consider adding this payment option.



Increased consumer usage of BNPL:

Online:



In-Store:



The proportion of **merchants offering a BNPL option (31%)** doubled since last year (14% in 2021), and another **50%** plan to adopt or are considering adopting these installment plans. This is tremendous growth, and it could present an uncommon opportunity.

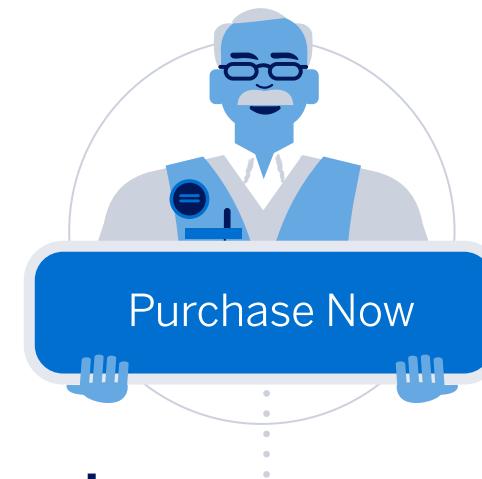


“Buy Buttons” or “Pay Buttons” are bigger than ever.

They’re simple to use, and more people are using them.



Buy Now



40% of merchants

offer customers pay buttons such as Click to Pay, Amazon Pay or Shop Pay, up from 29% in 2021.

Consumers are clicking to buy, as well, with **23%** using buy buttons always or almost every time—up nearly **double** from 12% in 2021.

What to expect next.

While the consumers surveyed may still be somewhat skeptical about the security and reliability of certain emerging payment methods, merchants are poised to take action on what's coming.

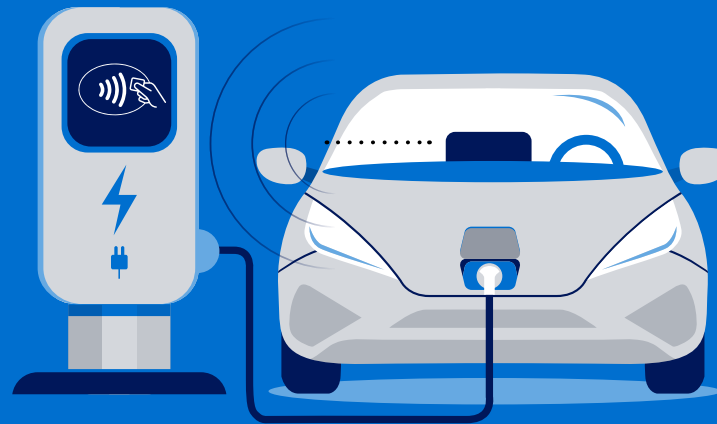
Crypto



Only 11% of consumers said they'd like the option to pay with crypto currency, while 81% have never or almost never used it.

But, merchants are preparing for varying ways to pay. **21% of merchants** currently accept crypto currency, **up from 14%** in 2021.

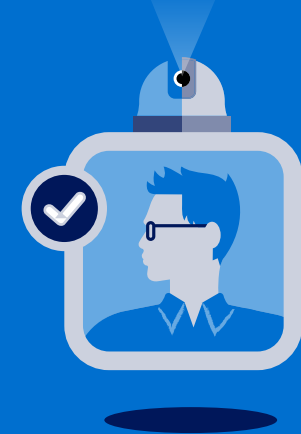
Car



47% of consumers say they would be likely to consider using a connected car to make payments.

50% of merchants who accept payments at the point of sale say they are planning to implement or would consider implementing connected car payments sometime in the future.

Biometrics



46% of consumers would likely consider biometric payments (palm scan, retinal scan or similar).

55% of merchants are planning to or would consider implementing biometric payments.

More merchants are making the most of the customer experience.

Although merchants report that consumers are returning to in-person shopping (compared to 2021), online and mobile sales are on the rise. This means those experiences matter more than ever.



61%

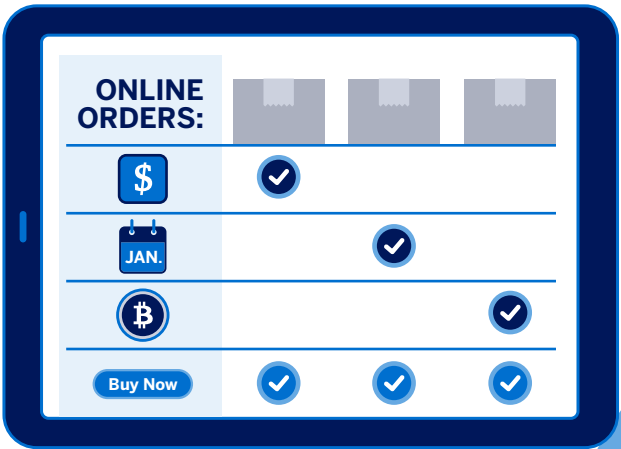
of merchants saw an increase in sales that generate online, compared to 2021



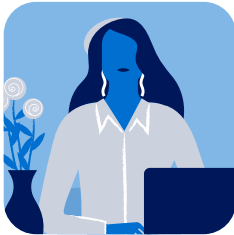
71%

of merchants saw an increase in sales that generate via mobile app, compared to 2021

After a year of holding the line on investing in the online experience (due to the pandemic and overall uncertainty), an impressive **70% of merchants** say investments in improving their customers' online shopping experience are likely to increase in 2023. This demonstrates a significant (and significantly positive) change, year over year, and shows how merchants value the ease with which their customers can pay.



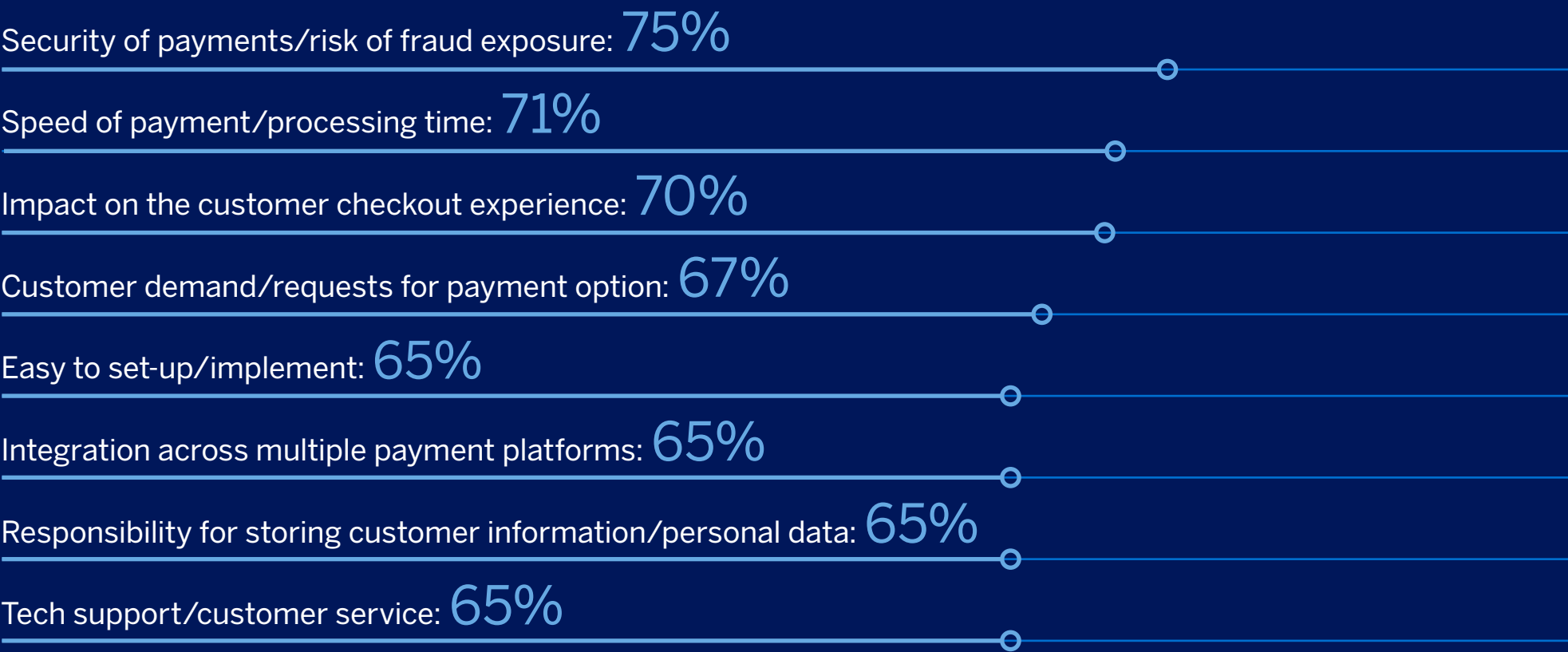
What will these online investments include?



- 31%** plan to adopt the capability to log in using an existing profile (Facebook/Google) in the next 12 months
- 32%** plan to adopt Click to Pay or Secure Remote Commerce (SRC), allowing customers to select from a list of personal payment methods instead of keying in payment information every time
- 25%** plan to implement a guest checkout option on their website
- 23%** have plans to enhance their website's payment security features

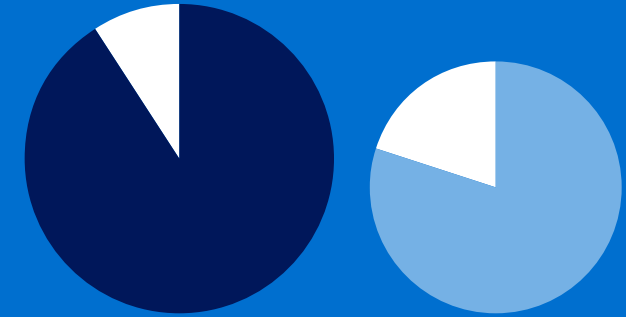
How do merchants make the choice?

When selecting a new payment option to offer their customers, merchants rank the following as very important:



Contactless payments can't be touched.

The majority of merchants say the benefits of contactless payments outweigh the cost of implementation—**87% agree it is a minor expense** when considering the rewards.



Perhaps that's why **91% of merchants** implemented new contactless payment options to continue to serve customers during the pandemic. And why **80% of merchants** who accept payments at the point of sale are accepting contactless via cards or wearables. This is a significant increase over 2019, when only 48% accepted contactless payments.

And consumers love it.



35% of consumers have made a contactless payment in the past week—tripling the number from 2019 (11%).

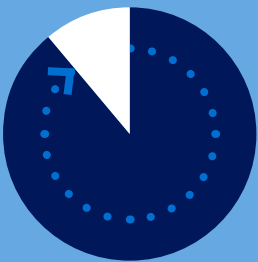
Merchants see and agree on the value of contactless.

86% agree their customers have requested to pay via tap-and-go or mobile app.

87% of merchants agree contactless is easy to implement, and **88%** agree it's easily integrated with loyalty programs and location-based marketing.

74% agree that very little employee training is required for implementation.

Contactless payments are widely used and rapidly gaining popularity.



89% of merchants say their customers are familiar with contactless payments.

However, there's an opportunity to drive further adoption by educating consumers.



48% of consumers who never or almost never use contactless payments cite knowledge gaps, like not knowing where or how to use it or whether their device has that capability.

Almost a third
29% cite security and reliability as hurdles to using contactless payments. Informing and building confidence in these consumers will play a significant role in the continued growth of these types of payments.

Consumers want choices. So what are the options?

Customers want to pay as quickly and conveniently as possible in the places they shop most—grocery and retail stores, restaurants, convenience stores and gas stations. And in our survey, merchants told us they're investing in 2023 to meet those demands. But as digital and emerging payments continue to grow and more and more options enter the marketplace, the need for educating consumers will expand.

The Amex Trendex shows there's still an opportunity for the businesses and the payments industry to work together to educate customers on where, how and why to use digital payments.



*Research Methodology

The Amex Trendex 2022 Digital Payments Edition is based on a sample of 1,011 respondents weighted to U.S. census based upon gender, age, education, race and region. Unless otherwise noted, responses among consumers represent U.S. adults 18+ who have made an online purchase three or more times in the 12 months prior to the survey, based on self-report. The anonymous survey was conducted using an online panel, with fieldwork conducted September 14–16, 2022.

The business survey is based on a sample of 418 business leaders in the U.S. who have responsibility for making decisions regarding customer payment options, IT/data security, or online sales strategy and planning. Respondent companies must offer credit/debit card or digital payment options to their customers in addition to online/mobile payment. The anonymous survey was conducted using an online panel with fieldwork conducted September 13–21, 2022.

The Contactless Symbol is a trademark owned by and used with permission of EMVCo, LLC.

