



AMER  
EXP

American Express Insights:  
A New Shopping Paradigm





# Consumers Seek Convenience, Choice, and Security

In the digital era of convenience, consumers still want the human touch—but on their own terms, according to insights from an extensive American Express survey of more than 1,000 consumers and 400 businesses. Innovations like mobile payments, speech recognition, and enhanced customer engagement tools are becoming more mainstream, providing consumers not only with new ways to pay, but also new expectations for the type of experience Merchants provide.

Consumers want convenience in both online and brick-and-mortar shopping experiences, but the research shows that the human element remains critical to meeting customer expectations. They are happy with self-service experience but also want assistance from a live person when the situation warrants.



Digital payments\* are used by **half of consumers.** (50%, always/sometimes).

**Over one-in-five** (22%) consumers indicate digital payments\* are the preferred payment method online.

\* including PayPal, digital wallet apps, mobile payment apps, checkout buttons or others.



# Convenience is King

Digital technology is providing Merchants with new and innovative ways to reduce friction in the shopping experience for their customers, including reducing wait times at checkout or eliminating store visits entirely:

- While only 16 percent of consumers reported currently owning a Google Home or Amazon Echo device, 22 percent planned to get one in the next 12 months.



**30 percent of shoppers** choose to purchase products online and pick them up at the store.

**Two-thirds** of these consumers utilize this practice at least once every month.

Self-service options are attractive for picking up perishable goods like medications (53 percent) or a meal (49 percent). Avoiding lines becomes less urgent when purchasing other types of products, such as clothing (44 percent) or books (43 percent).

Consumers said they were more likely to visit a Merchant for big-ticket items that require more visible inspection, like a car (90 percent), engagement ring (88 percent), or mattress (84 percent).

Convenience is also driving interest in voice recognition services:



**49 percent** saw these services as attractive for receiving news alerts; **43 percent** said they would use them to make a phone call.

**24 percent** said they would use a voice recognition service to check their health records; **20 percent** cited them as a suitable tool to access bank account information.



## The Way to Pay

Mobile payment apps continue to gain popularity, particularly among millennials:



**24 percent of consumers** surveyed said they would pay for all purchases using mobile apps if given the option. The figure increases to **37 percent among millennials**. **Twenty-eight percent of millennials** said they don't carry any cash in their wallets.

Mobile Payment solutions offer a diversity of benefits to consumers.



Respondents cite the reduced need to carry many cards in their wallet (**44 percent**), loyalty points tracking (**40 percent**), and expedited checkout (**38 percent**) as key benefits of mobile payment solutions.

## Security is Front and Center

While convenience is important, security and data privacy concerns remain paramount. Consumers expect the Merchants they interact with to implement technologies and policies to guard against data breaches and fraud.



**55 percent of consumers** stated they have been past victims of fraud, credit card theft, or identity theft. **59 percent** said they check their bank and credit card statements on a regular basis.



## Merchants Respond

As consumer expectations evolve, Merchants are becoming more nimble and service-centric to satisfy customer preferences:



**50 percent of U.S. Merchants** surveyed said they allow customers to make online purchases and pick up items at the store. Another **18 percent** planned to adopt this policy in the next year.

- Merchants are investing 39 percent of their IT budgets on average on improving online and mobile shopping experiences.
- 45 percent of Merchants currently offer a subscription service to buy goods and services to consumers. Another twenty-one percent plan to adopt this service within a year.

The survey indicates that consumers want technologies that improve their overall shopping experiences, regardless of in-store, online, or using a mobile device. They seek convenience, personalized service, and efficiency—without comprising safety and security. Savvy Merchants recognize these dynamics and are investing in solutions that will satisfy all these drivers, which they expect will translate into deeper customer relationships and enhanced brand loyalty.

They understand that in the mind of the consumer, the last great experience will become the benchmark for all future services.



# Survey Methodology

The American Express digital payments survey was conducted among U.S. consumers who shop online and Merchants that offer online/mobile payment options to their customers. The consumer portion of the study is based on an overall sample of 1,016 respondents weighted to U.S. census based upon gender, age, education, race and region. Unless otherwise noted, responses among consumers represent those who have made an online purchase three or more times in the past 12 months based on self-report. The anonymous survey was conducted online October 9-11, 2017.

The Merchant portion of the survey was conducted online among a sample of 400 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 sample for the study came from an online panel. Fieldwork was conducted between October 11-16, 2017.

