



Digital Convenience Is Here to Stay



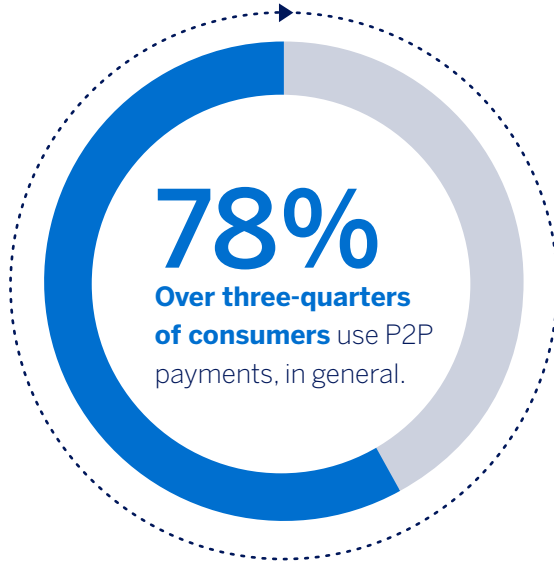
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Consumer behavior and preferences are constantly changing. But which changes will last? The COVID-19 pandemic inspired significant shifts faster than ever before, and it seems some of these trends are here to stay.

The most recent **American Express Digital Payments Trendex research reveals consumers are growing consistently more comfortable with digital payments**, opting for what's most convenient and trusting merchants to protect their information. Merchants are quickly adapting to these preferences, adding new options for payment methods and enhanced security features for data protection.



Consumers and merchants discovered and adopted new ways to pay.



Convenience (73%) tops the list of reasons why consumers choose to pay using peer-to-peer payments (P2P). **Over half of users** cite the speed of money transfer **(54%)**.



Merchants see offering P2P as an easy way to meet customer demand for payment options.

Customer demand (54%) and **ease of set-up (58%)** are cited as the most common reasons to offer P2P.

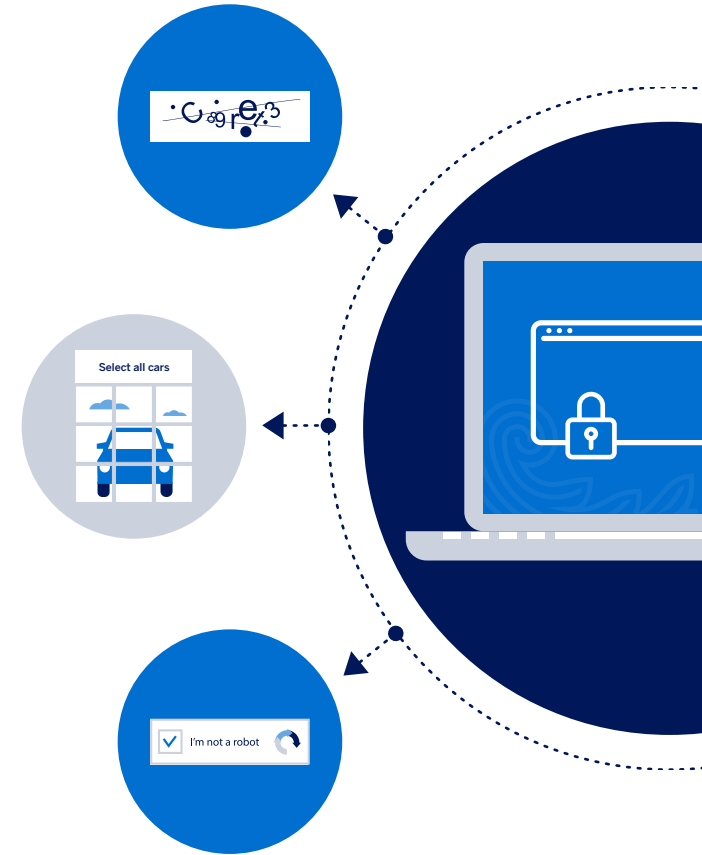
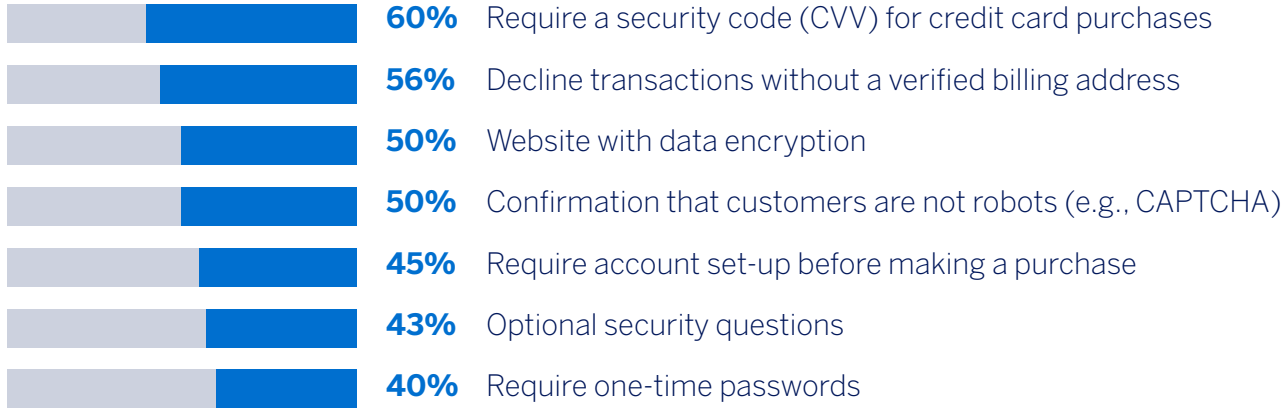
Consumers and merchants look for the right balance of payment security and convenience.

As **nine in 10** consumers feel their personal and payment account information is secure online, they show limited patience for increased security measures. **38% of consumers feel that security features** such as passwords, PINs, and verifications that are required when shopping online **make the checkout process confusing and cumbersome** – up from **32%** in 2019.

Meanwhile merchants are taking steps to reduce their vulnerability and keep their customers safe. **58% of merchants offer enhanced security requirements at checkout** to help protect customer card information. Another **21%** plan to adopt more enhanced requirements in the next 12 months.



The security measures that merchants use most frequently on their websites include:



Consumers are looking for convenient ways to pay outside of just P2P.

30%

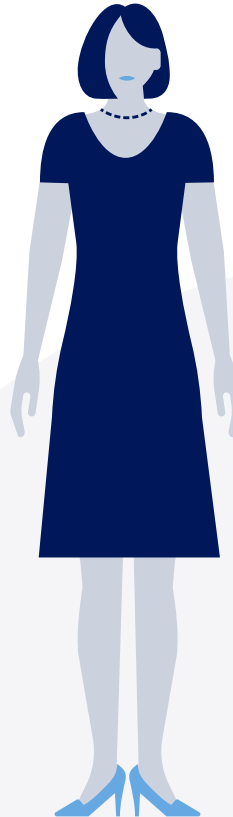
have used payment features on a social media platform to make a purchase or send a payment to another user.

Facebook Pay is the most frequently used, cited by 21% of consumers, while 15% use Instagram.

Currently just 26% of merchants offer payment via social media. However, 18% say they plan to adopt this method in the next 12 months.

19%

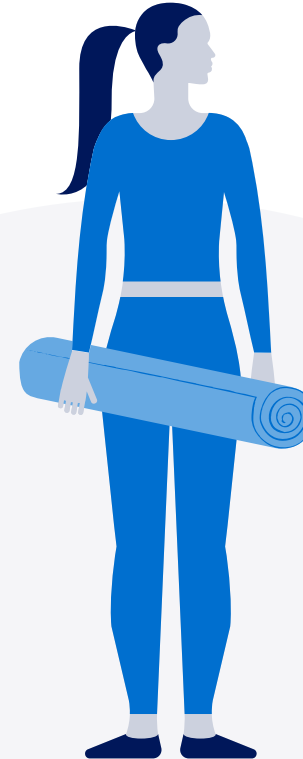
GEN X



39%

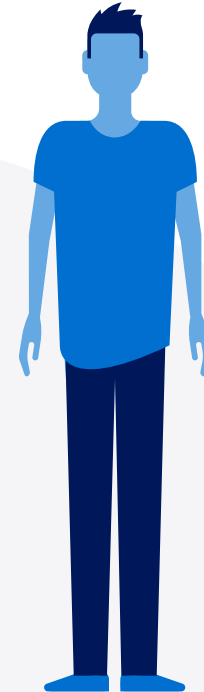
MILLENNIALS

are twice as likely to use Facebook Pay as Gen Z or Gen X.



21%

GEN Z



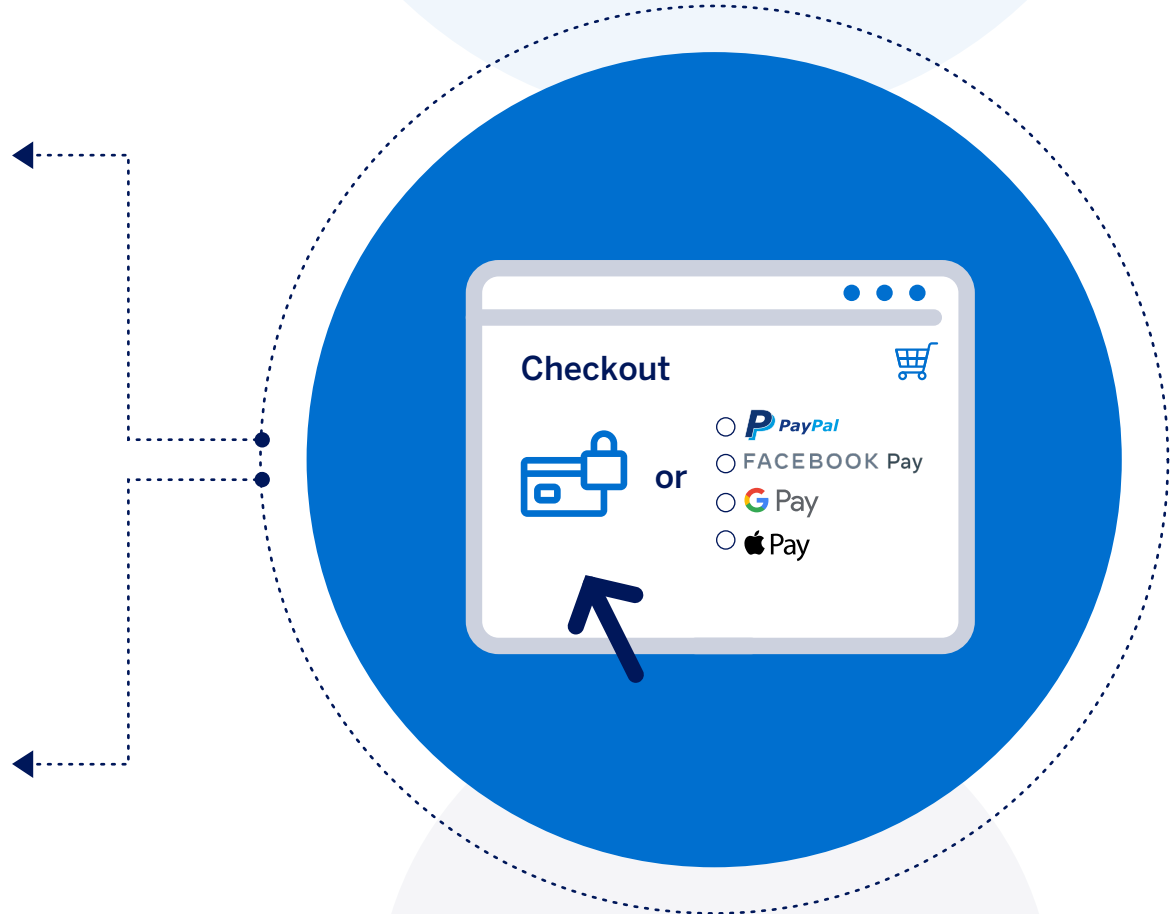
Customers continue to opt for consistent and easy payment methods.

70%

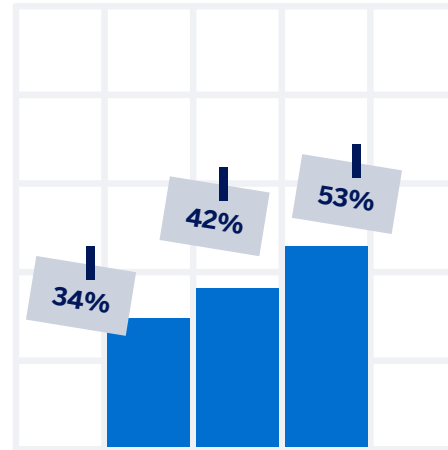
of consumers would **prefer the convenience of selecting from a list of existing personal payment methods** instead of entering their payment information every time – **an increase from 62% in 2019 and 61% in 2018.**

50%

say they **prefer to log in to a site using an existing profile (such as Facebook or Google)** instead of creating a new account with a business.



Inspired by missed sales,
merchants are following suit
and offering easy checkout.



Merchants estimate that

34%

of their **online sales transactions**
were abandoned in the past year.

42%

of merchants currently **offer the**
ability for customers to make
a purchase using an existing profile
(such as Facebook or Google)
instead of creating a new account with
the business. Another **22%** **plan to**
adopt this practice in the next year.

53%

provide the **convenience of a guest**
checkout option for customers.

Consumers are getting more and more comfortable with card on file.

Over half of consumers say they are comfortable storing credit card information online (“card on file”) with businesses for ongoing payments or future purchases, up from **43%** in 2019.

Notably, consumer level of comfort varies based on the type of business keeping their card on file.

Merchants across industries still agree – card on file is worth it.



61%

Six in 10 say they are comfortable trusting businesses where they have recurring payments, such as online streaming services or memberships, with keeping their credit card information on file.



42%

While almost half are still comfortable trusting other types of businesses, including maintenance services for car repair, cleaning, or salons.



74%

Three in four merchants currently store customer profiles and card payment information for future purchases or are planning to in the next 12 months.



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Despite economic uncertainty during the pandemic, consumers continued to shop. In fact, they found new ways to pay as the way they lived and worked evolved. Merchants were quickly able to adapt to these new habits. **Consumers and merchants can always seem to agree on one thing – convenient, safe payments are a priority.**



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Research Method: The Amex Trendex: 2021 Digital Payments Edition is based on a sample of 1,002 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 12 months prior to the anonymous survey, based on self-report. Generations are defined as follows: Gen Z (18–24), Millennials (25–40), Gen X (41–56), Baby Boomers (57–75). The anonymous survey was conducted online May 21–23, 2021. The business survey is based on 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 anonymous survey was conducted using an online panel July 16–21, 2021.