

The 2022 Global Digital Shopping Playbook

United Kingdom Edition



The 2022 Global Digital Shopping Playbook, a PYMNTS and Cybersource collaboration, examines the behaviors of 13,114 consumers and 3,100 merchants across Australia, Brazil, Mexico, the UAE, the U.K. and the U.S. This second year of this global study examines the factors that influence how and where consumers shop, how they pay for what they purchase and the features that establish merchant preference.

PYMNTS.com



JULY 2022

The 2022 Global Digital Shopping Playbook

PYMNTS.com



The 2022 Global Digital Shopping Playbook was produced in collaboration with Cybersource, and PYMNTS is grateful for the company's support and insight. **PYMNTS.com** retains full editorial control over the following findings, methodology and data analysis.

Table of contents

Introduction	03
Not-so-mobile	07
Delivery	10
Why U.K. merchants should prioritize innovation	12
The path forward	17
Conclusion	19
Methodology	19

Introduction

Contactless cards made their debut in the United Kingdom all the way back in 2007 with the launch of the “OnePulse” card, which allowed users to pay for transactions valued up to £10.¹ Contactless cards have been particularly common in the country ever since.

The pandemic significantly heightened local demand for contactless cards as shoppers sought payment methods to reduce their exposure to potential pathogens. By the end of 2021, when the spending limit for contactless cards in the U.K. increased to £100, an estimated 135 million such cards were in circulation in the country.²

This unique leadership potentially explains a key behavioral difference for U.K. shoppers, perhaps partly because local

consumers have long used contactless cards; using smartphones to shop never quite caught on in the U.K. as it has elsewhere.

In countries like Australia and the United Arab Emirates, where fewer consumers pay with contactless cards and more pay using digital wallets compared to the U.K., using smartphones to shop is far more common. Brick-and-mortar shoppers use smartphones for in-store navigation apps, real-time price comparisons, checking inventory statuses and more. Fifty-nine percent of UAE consumers use their smartphones to augment shopping, as do 32% of Australian consumers. Even in Brazil and Mexico, where fewer consumers pay in-store using digital wallets, 47% and 41% of consumers used their smartphones to enable their most recent in-store purchases, respectively.

In the U.K., just 24% of consumers used their smartphones in any capacity throughout their most recent in-store retail journeys. Consumers there do not naturally think of using their smartphones when they shop — but that could change.

The U.K. edition of the 2022 Global Digital Shopping Playbook series, a PYMNTS and Cybersource collaboration, provides an in-depth look into how U.K. merchants are embracing — or failing to embrace — digital and cross-channel shopping features and payments innovations to meet local shoppers’ increasing demands for quick, convenient and seamless shopping experiences.

The Playbook builds upon a survey of 3,100 businesses and more than 13,000 consumers across six countries fielded between Sept. 23 and Nov. 7, 2021. We asked consumers where they shopped, how they paid for their purchases and which digital tools — if any — they used to enable those shopping experiences. We then asked mer-

chants across all six countries about the shopping features they provided, which payment methods they accepted and how these offerings have changed over time. By comparing and contrasting what consumers told us about the way they prefer to shop and what merchants told us about the shopping features they provided, we calculated a unique Global Shopping Index for each country. The higher the Index score a country earns, the less friction its customers experience on their shopping journeys.

This U.K. edition takes a closer look at the characteristics of the country’s economy and the unique trends that set the country apart. We specifically sought to understand why shoppers in the U.K. rarely use smartphone-based and other cross-channel shopping tools compared to other countries and whether local shoppers may be interested in using them in the future.

This is what we learned.

¹ Reuters Staff. Barclays plans UK “wave & pay” card by Sept. Reuters, 2007. <https://www.reuters.com/article/idUSL092113920070709>. Accessed July 2022.

² Wells, C. Contactless Card Limit Increases to £100 in Britain. Bloomberg, 2021. <https://www.bloomberg.com/news/articles/2021-10-15/contactless-card-limit-increases-to-100-pounds-in-britain>. Accessed July 2022.

01

U.K. consumers have not yet fully tapped mobile-assisted retail experiences. Local shoppers are 16% less likely than the average to use their smartphones at any time for any reason during their shopping journeys, whether they are shopping online, in-store or a mix of both.

U.K. shoppers deploy their smartphones far less often than consumers in the other countries we studied, underscoring a massive opportunity for business leaders and innovators that can help U.K. consumers discover the transformative potential that smartphones can have on their shopping journeys. Just 24% of British consumers use their smartphones to enhance their in-store shopping experiences, meaning few compare prices in real time, check inventory statuses, search for product reviews or perform other mobile-centric actions in stores. Across all six countries we surveyed, 34% of consumers used smartphones to enable or inform their most recent in-store purchases.

Consumers in the U.K. also use smartphones less than others throughout their retail journeys, whether paying via an app, mobile wallet or otherwise. On average, 42% of consumers throughout the six countries we studied used smartphones at some point throughout their most recent shopping experiences. Among British consumers, however, just 35% used their smartphones this way, and this figure remained relatively unchanged year over year.

U.K. consumer choice is not entirely responsible for their low usage of smartphones. Local merchants do not make these options readily available, and many shoppers do not realize that local merchants offer mobile-centric features. Although 59% of U.K. merchants allow consumers to use mobile devices to locate a product in a physical store, just 27% of U.K. consumers know that the merchants provide these types of in-store navigation apps.

02

U.K. consumers vastly prefer at-home delivery to click-and-collect options. Consumers in the U.K. are eight times more likely to use delivery as in-store pickup.

U.K. consumers clearly prefer to have their eCommerce orders delivered to their homes, a preference becoming more entrenched over time. Our research shows that 78% of eCommerce shoppers in the U.K. had their purchases sent to their homes in 2021, representing a year-over-year increase of 10%. They were also the least likely of all countries we studied to pick up their eCommerce orders in-store: just 10% did so for their most recent eCommerce purchase.

This strong preference for at-home delivery is not the only reason U.K. consumers have low usage of in-store shopping features. Again, feature awareness is a significant issue. Our research shows that 59% of merchants allow consumers to pick up in-store from a kiosk and 55% allow pick up from an employee. Just 39% of consumers know they can pick up orders from an in-store kiosk, and 44% know they can pick up orders from an employee in the store.



03

A lack of digital and cross-channel shopping features adds unnecessary friction to U.K. consumers' shopping experiences. U.K. consumers encounter 11% more shopping friction than the average consumer across the six countries we studied.

U.K. merchants are not providing customers the cross-channel and digital shopping features that can make their shopping experiences faster and more convenient. Just 56% of U.K. merchants allow customers to set up cross-channel-capable digital profiles, for example — 12% less than the average across the six countries in our study. U.K. merchants also make it difficult for consumers to know whether a product is available, as 17% less than average offer real-time inventory status. Even regarding incentives, U.K. merchants lag those from other countries. Just 50% offer free shipping for digital orders, the least across all six countries.

Failing to provide these features and others has a very real impact on shopping friction. U.K. merchants earn an average Index score of 89.4 points, 11% less than the average Index score earned across all six countries. U.K. merchants offer consumers a more friction-laden online shopping experience — regardless of whether they are shopping on their computers or phones — than any of the other countries in our study. Although U.K. consumers underutilize smartphones in their in-store shopping, locals who shop entirely on their smartphones or computers are also impacted. They experience 16% more shopping friction than the average consumer in our study. Australia is the only country where consumers shopping on their computers encounter more shopping friction.

04

U.K. merchants that integrated digital features into their brick-and-mortar stores provide a more seamless experience than competitors. Nevertheless, these merchants still offer a far more friction-laden shopping experience than corresponding merchants in other countries.

Many U.K. eCommerce shoppers are unaware that in-store pickup options are available, but the few who know that these options exist and use them report experiencing far less shopping friction than most other local shoppers. U.K. consumers who order online and pick up in-store experience 10% less shopping friction than the average U.K. consumer. Similarly, U.K. consumers who use their smartphones to enhance their in-store shopping journeys experience 41% less friction than those who do not use their smartphones in this way. It is therefore clear that adopting digital shopping features like these can help U.K. merchants deliver the type of seamless shopping experiences they need to drive sales.

Even cross-channel shopping features like in-store pickup and smartphone-assisted brick-and-mortar shopping are not enough to help U.K. merchants compensate for lacking features like cross-channel capable digital profiles that can streamline those experiences. U.K. shoppers who pick up their online eCommerce purchases in-store or curbside still experience 19% more friction than consumers in other countries who do the same. Similarly, U.K. consumers who use their smartphones while shopping in-store experience 21% more shopping friction than consumers in other countries who use their smartphones that way.

Contactless cards — not digital wallets — reign supreme in the U.K.

Our study of 2,268 consumers and 620 merchants from across the U.K. was fielded between September and November 2021. It therefore coincided with the country's second wave of national-level lockdowns — an event that dramatically impacted consumer behavior. At that time, 17% of U.K. consumers reported making their most recent in-store purchase using a contactless debit card, and 13% did so with a contactless credit card, more than in any other country we studied. By contrast, an average of just 5% of consumers across the six countries we studied paid for their most recent in-store purchase using a contactless debit card and just 4% paid via credit card.

Usage of mobile wallets in-store has remained low in the U.K., however, with just 5% of local consumers paying for their most recent purchase with a mobile wallet and a slim 1% doing so via PayPal.

Because of the strong hold of contactless cards on the U.K. market, convincing local consumers to adopt in-store mobile payments technology has been historically difficult. Millennials and Generation Z consumers are beginning to change that, though. Gen Z is three times more likely than the average U.K. consumer to pay using mobile wallets, in fact, and millennial consumers are twice as likely as the average U.K. consumer to pay via mobile wallet. This strongly suggests that mobile card payments will grow more common in the U.K. going forward.

Shopping from home

U.K. shoppers were the most likely of all to shop from the comfort of their homes — and among the least likely to use integrated shopping experiences.

- **78%** of eCommerce shoppers in the U.K. had their most recent purchase **sent directly to their homes**.
- **Only 24%** of in-store shoppers in the U.K. **use their smartphones** to enhance their in-store shopping experiences.
- **Only 10%** of eCommerce shoppers in the U.K. use **click and collect**.

The 2022
Global
Digital
Shopping
Playbook

³ Institute For Government. Timeline of UK government coronavirus lockdowns and restrictions. 2022. <https://www.instituteforgovernment.org.uk/charts/uk-government-coronavirus-lockdowns>. Accessed July 2022.

United Kingdom Edition

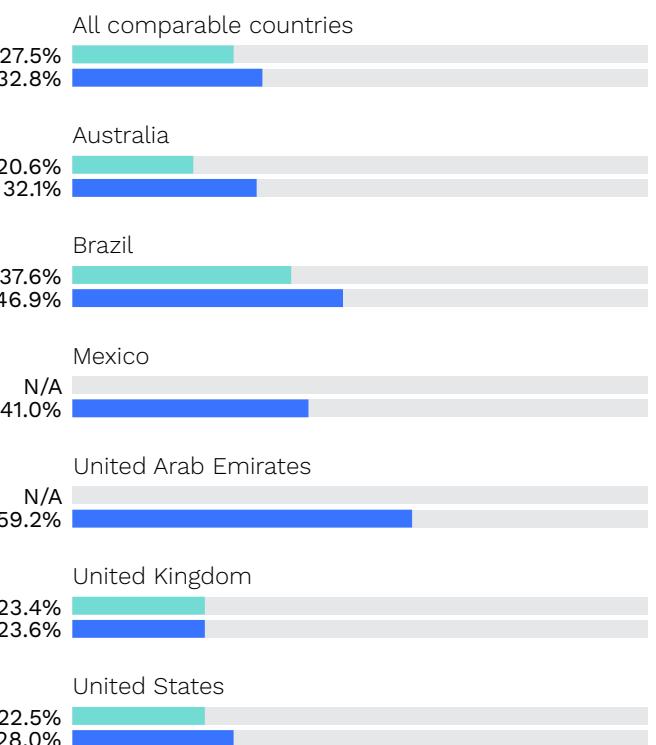


The 2022 Global Digital Shopping Playbook

Not-so-mobile: U.K. shoppers underutilize smartphones

FIGURE 1:
Consumers' smartphone usage while shopping in stores

Average share of in-store shoppers using smartphones to assist their in-store shopping experiences, by year



Source: PYMNTS.com
■ 2020 The 2022 Global Digital Shopping Playbook, July 2022
■ 2021 N = 7,871: Consumers who paid for their last purchases in-store, fielded Sept. 23, 2021 - Nov. 7, 2021

Smartphone-enhanced brick-and-mortar shopping, where consumers use their smartphones to inform or empower in-store purchases, is growing more popular among many of the world's major economies, but not in the U.K. Just 24% of British consumers — approximately 3.7 million people — use their smartphones this way, comparing prices in real time, checking inventory statuses, searching for product reviews or otherwise. Across all six countries in our study, 34% of consumers use their smartphones to augment in-store shopping.

The U.K. is also the only country in our study where our researchers saw no substantial year-over-year growth in smartphone-enhanced brick-and-mortar shopping. The share of U.K. shoppers using their smartphones in this manner remained flat between 2020 and 2021, a stark contrast from the 19% increase seen across all six countries. In Australia and Brazil, for example, the use of smartphones in-store increased by 56% and 25%, respectively.



9.2%
of
brick-and-mortar
shoppers in the U.K
use their phones
to enhance their
in-store shopping
journeys.

TABLE 1:

Consumers' in-store smartphone usage

Share of in-store shoppers in select countries using their smartphones at brick-and-mortar stores, by function

	ALL COUNTRIES	Australia	Brazil	Mexico	UAE	U.K.	U.S.
• Compare prices	14.7%	9.3%	24.1%	24.2%	24.7%	5.9%	9.0%
• Search for offers and discounts	14.1%	6.6%	22.7%	11.9%	19.9%	8.0%	12.2%
• Find product information	14.0%	10.3%	20.3%	21.1%	24.8%	5.7%	10.2%
• Read product reviews	10.0%	5.2%	9.7%	14.0%	17.3%	4.9%	9.8%
• Locate product in-store	8.2%	4.8%	9.0%	9.0%	12.0%	2.5%	8.7%
• Confirm product is in stock	8.1%	9.1%	6.7%	11.5%	17.4%	4.6%	8.1%
• Build loyalty credit	7.9%	10.9%	12.4%	2.3%	20.7%	9.2%	7.1%
• Look up product ratings	7.4%	5.8%	8.3%	8.7%	16.5%	4.0%	7.0%
• Other	2.1%	3.9%	2.2%	1.4%	5.3%	2.3%	2.1%

Source: PYMNTS.com

The 2022 Global Digital Shopping Playbook, July 2022

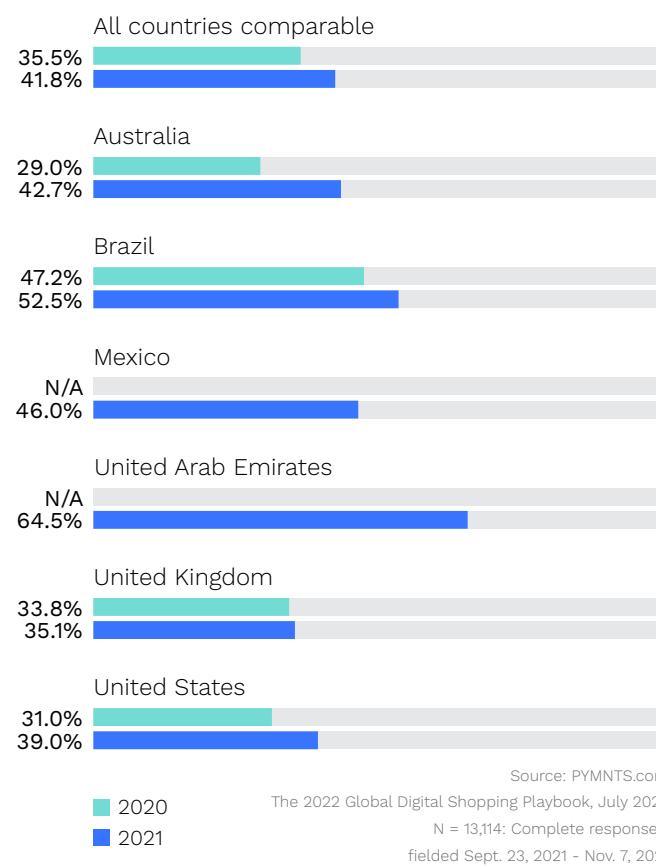
N = 3,115: Consumers who used mobile devices to aid their in-store shopping experiences, fielded Sept. 23, 2021 - Nov. 7, 2021

A closer look reveals that there is no single activity for which U.K. consumers use their smartphones as much as their peers in other countries. These consumers are the least likely among all we studied to use their smartphones to price shop in real time, search for product information, ratings and reviews, check inventory statuses and use in-store navigation apps to locate the products they wish to purchase.

U.K. consumers do not rank last in just two smartphone-enabled shopping activities: searching for online coupons and discounts and using loyalty and rewards programs. Even then, usage is still low: 8% of U.K. shoppers use their smartphones to find coupons and discounts, and 9% access loyalty and rewards programs in-store.

FIGURE 2:
Consumers' usage of smartphones to assist some aspects of their retail journeys

Share of consumers in different countries who used smartphones at least once during their shopping journeys, by year



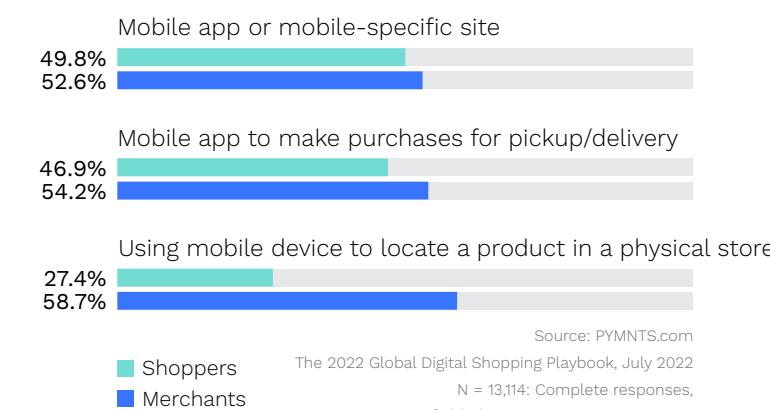
U.K. consumers' low smartphone usage is not limited to the store. The data implies that they have not found an intuitive connection between smartphones and shopping. This is evident as just 35% of U.K. consumers used smartphones in any capacity during their most recent shopping journeys, whether making a retail purchase on a mobile eCommerce site, using an app to track an eCommerce delivery, paying in-store using a digital wallet or otherwise.

The average share of consumers using their smartphones in at least one capacity while shopping is 42%. In the UAE, the most mobile-centric country of all, 65% of consumers use their smartphones while shopping.

We are also witnessing a shift toward increased mobile-enabled shopping in the U.K., albeit a small one. U.K. consumers' smartphone usage increased 4% year over year in 2021. Overall, smartphone usage across all four countries in our study increased by 18% in that time.

FIGURE 3:
Awareness and availability of key features in the U.K.

Share of U.K. eCommerce shoppers who are aware of select features and share of merchants offering said features



59%
of U.K. merchants provide **in-store navigation apps**, but only 27% of local shoppers realize these options are available.

One possible reason that U.K. shoppers have shown less interest in tapping the full power of their smartphones is that many are unaware that smartphone-based features are even available. This lack of knowledge is undoubtedly the case with in-store navigation apps. Our research shows that although 60% of U.K. merchants allow consumers to use mobile devices to locate a product while in a physical store, just 27% of U.K. consumers are aware that local merchants provide these types of apps.

While there is undeniable room for expansion and growth in this area of the U.K. eCommerce market, it is clear that innovators and business leaders looking to drive conversion via smartphones in this market have work to do.

The 2022 Global Digital Shopping Playbook

Delivery: The star of U.K. eCommerce

Among all the consumers in our study, those in the U.K. show the strongest preference for having their eCommerce orders shipped directly to their homes. That preference is growing stronger with time. Seventy-eight percent of U.K. eCommerce shoppers had their purchases sent straight to their homes in 2021, whereas the average across all six countries is 71%. The U.K. figure also marks a year-over-year increase of 10%, clearly illustrating rising demand.

U.K. shoppers' preference for at-home delivery is **10% stronger than average.**

TABLE 2:

How consumers acquire their online purchases

Share of consumers who received their most recent orders in select ways, by country

	Deliver to home	Pick up in-store	Ship to a location to pick up	Pick up curbside
ALL COUNTRIES	71.2%	13.7%	7.6%	7.4%
• Australia	60.6%	24.2%	8.1%	7.1%
• Brazil	74.8%	17.4%	7.2%	0.6%
• Mexico	73.8%	17.8%	5.5%	2.9%
• United Arab Emirates	55.6%	24.8%	12.0%	7.7%
• United Kingdom	78.4%	10.4%	7.6%	3.6%
• United States	69.0%	12.3%	7.9%	10.8%

Source: PYMNTS.com

The 2022 Global Digital Shopping Playbook, July 2022

N = 5,243; Respondents who purchased online or via mobile, fielded Sept. 23, 2021 - Nov. 7, 2021

U.K. consumers are also the least likely to go into a store to pick up their eCommerce purchases: just 10% have picked up their most recent eCommerce purchases in-store. This method — which local shoppers call “click and collect” — may be well known in the U.K., but it is not as popular as elsewhere. We found that U.K. consumers were 24% less likely than the average consumer in all six countries to pick up their eCommerce purchases in-store.

A key motivation for using home delivery in recent years has been government mandates. U.K. lawmakers instituted a series of movement restrictions during the latter half of 2020 and the earlier part of 2021 to mitigate the spread of COVID-19, meaning many U.K. consumers spent much of this time at home.⁴

U.K. merchants' feature offerings — or lack thereof — may be another reason for local shoppers' strong preference for at-home delivery. Our research shows that U.K. merchants also offer far fewer features than merchants in other countries we studied, suggesting that the low usage

rate could stem from a lack of availability. Just 54% of the merchants offer a mobile app for delivery or pickup, 7% below the sample average and slightly exceeding last-ranking Australia.

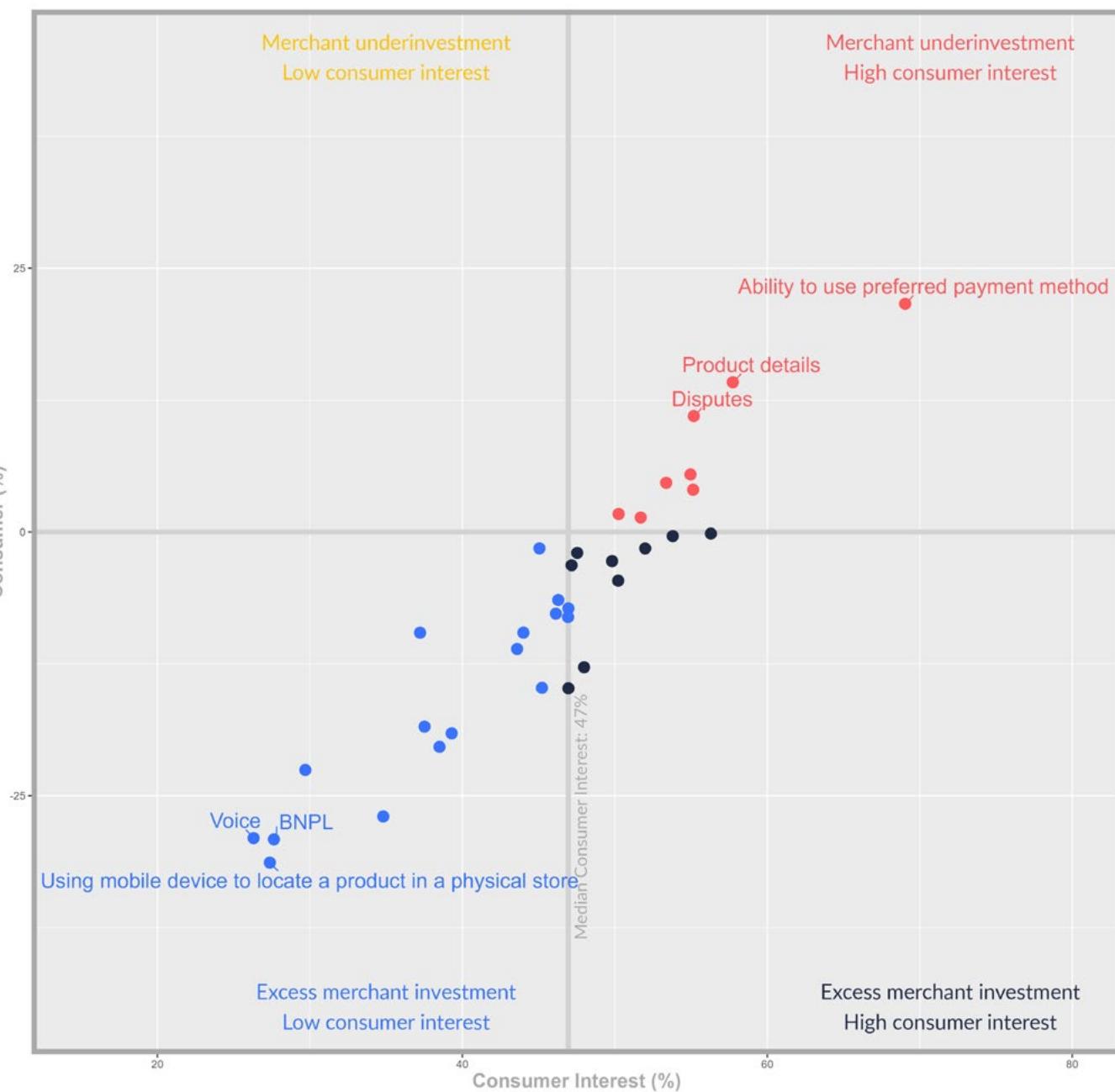
Even when U.K. merchants provide features that can support cross-channel shopping experiences, their customers often do not realize these features are available. For example, 59% of U.K. merchants allow consumers to pick up the product in-store from a kiosk, and 55% allow for employee pickup. Nevertheless, just 39% of consumers are aware they can pick up orders from an in-store kiosk, and just 44% know they can pick up from an employee in-store.

Simply providing the right features is often not enough. Merchants must also ensure that those features are integrated into broader user experiences, making them readily available and easy to use. Merchants that fail to do so may not be able to enjoy full returns on their feature investments.

FIGURE 4:

The consumer usage gap: U.K.

Share of U.K. consumers who are aware that select features are available (x-axis) versus the scale of the awareness gap (y-axis)



³ Author unknown. Timeline of UK government coronavirus lockdowns and restrictions. Institute for Government. 2022. <https://www.instituteforgovernment.org.uk/charts/uk-government-coronavirus-lockdowns>. Accessed July 2022.

Source: PYMNTS.com

The 2022 Global Digital Shopping Playbook, July 2022

N = 13,114: Complete responses,

fielded Sept. 23, 2021 - Nov. 7, 2021

Why U.K. merchants should prioritize innovation

The overall quality and usability of the digital shopping features that U.K. merchants offer is one matter but not the root cause of our findings. The more fundamental issue is that U.K. merchants are underinvesting in the digital features they need to drive conversion. As a whole, U.K. merchants are yet to offer the digital and cross-channel shopping features consumers want or the incentives that move the needle on shopper preference.

One example is the lack of availability of cross-channel-capable digital profiles. Our research shows that 56% of U.K. merchants offer shoppers digital profiles that store their personal and payment information and that users can access across several shopping channels at any given time. Although that is more than half of merchants, it means U.K. merchants are 12% less likely to offer such profiles than merchants broadly across the six countries we studied.

56%
of U.K. merchants
provide **digital
profiles** that
can be accessed
across shopping
channels.



The taxonomy of digital features

We examined consumers' use of and interest in nearly three dozen digital shopping features, which can be categorized into five groups.



Know me

Features that allow merchants to determine customers' preferences regardless of whether they are shopping in-store, online or over the phone, including cross-channel-capable digital profiles and access to users' shipping histories



Value me

Features that enable merchants to offer information, rewards or coupons to loyal customers, including promotional codes, coupons, rewards and suggestions based on users' browsing histories



Do you have what I want?

Features that allow merchants to provide the products consumers want at the prices they want, including real-time inventory status updates and price matching guarantees



Make it easy for me

Features that enable merchants to provide information and easy purchasing across orders made in-store, online and over the phone, including free shipping and curbside and in-store pickup options



Protect me

Features that relate to how well merchants address purchase issues and how well they secure consumers' personal and payments-related data, including guaranteed refunds for fraudulent charges and secure payment storage



Know me

- Profile:** I can set up a digital profile with this retailer.
- Information sharing (shipping):** The retailer has access to my shipping information.
- Information sharing (history):** The retailer has access to my order history.



Value me

- Marketing opt-in:** I can opt-in to personalized marketing communications with special offers.
- Rewards, coupons and promos:** The retailer has reward programs or coupons that I can use in the store, online and on my mobile devices or sends me promo codes targeted to my specific interests.
- Recommendations:** I receive suggestions about things that I might like based on past purchases or my browsing history.



Do you have what I want?

- Inventory:** The available inventory is updated digitally in real time.
- Price matching:** The merchant will match the prices of other merchants selling the same products.



Make it easy for me

- Product details:** Product details are available digitally.
- Product reviews:** Reviews are available digitally.
- Product recommendations:** Recommendations are available digitally.
- Free shipping:** Free shipping is available for digital orders.
- Buy online, pickup in-store:** I can buy online and pick up my purchase in-store from an employee at a customer service desk or have an employee deliver the product to my car.
- Buy online, pickup from a kiosk:** I can use an automated method to receive the product.
- Mobile order-ahead:** The retailer offers a mobile app I can use to make purchases for delivery or pickup.
- Mobile product finding:** I can use a mobile device to locate a product when in a physical store.



Protect me

- Disputes:** It is easy to resolve issues with the merchant.
- Fraud purchase refunds:** The retailer will refund fraudulent charges.
- Digital purchase refunds:** The retailer will refund my digital purchases either online or at the store.
- Protect data:** I am able to securely store my card details.
- Purchase returns:** I can return purchases either by mail or to a store location.
- Online returns:** I can make free returns using printable shipping labels.
- Live help:** I can get live help via a phone call, online chat or another method when I am not in the store.

Glossary: Shopping features that improve the user experience

TABLE 3:

Merchant feature offerings

Share of merchants offering select features, U.K. versus sample average

	AVERAGE		U.K.	
	2020	2021	2020	2021
• Profile	51.5%	59.5%	47.6%	56.0%
• Information sharing (shipping)	66.4%	54.7%	68.4%	60.8%
• Information sharing (history)	69.1%	45.1%	67.9%	48.5%
• Marketing opt-in	67.0%	57.2%	70.9%	52.7%
• Rewards, coupons and promos	44.8%	86.2%	44.4%	88.7%
• Recommendations	67.1%	48.4%	66.7%	53.5%
• Inventory	65.7%	48.4%	68.6%	46.8%
• Price matching	55.1%	64.5%	53.1%	61.8%
• Product details	79.5%	44.1%	80.7%	43.5%
• Product reviews	72.2%	54.8%	76.1%	56.5%
• Product recommendations	69.0%	47.4%	70.9%	54.2%
• Free shipping	63.8%	54.2%	64.0%	50.3%
• Buy online, pickup in-store	68.0%	58.0%	64.0%	54.7%
• Buy online, pickup from a kiosk	49.8%	58.9%	51.3%	58.9%
• Mobile order-ahead	60.0%	57.4%	57.8%	54.2%
• Mobile product finding	50.3%	55.6%	44.2%	58.7%
• Disputes	82.1%	42.4%	78.4%	44.2%
• Fraud purchase refunds	81.1%	44.7%	80.7%	60.0%
• Digital purchase refunds	77.5%	44.7%	78.8%	48.7%
• Protect data	64.8%	49.2%	61.9%	50.3%
• Purchase returns	76.9%	44.9%	78.1%	51.1%
• Online returns	58.3%	55.5%	61.3%	53.9%
• Live help	75.2%	48.2%	72.5%	53.5%



Higher
Lower

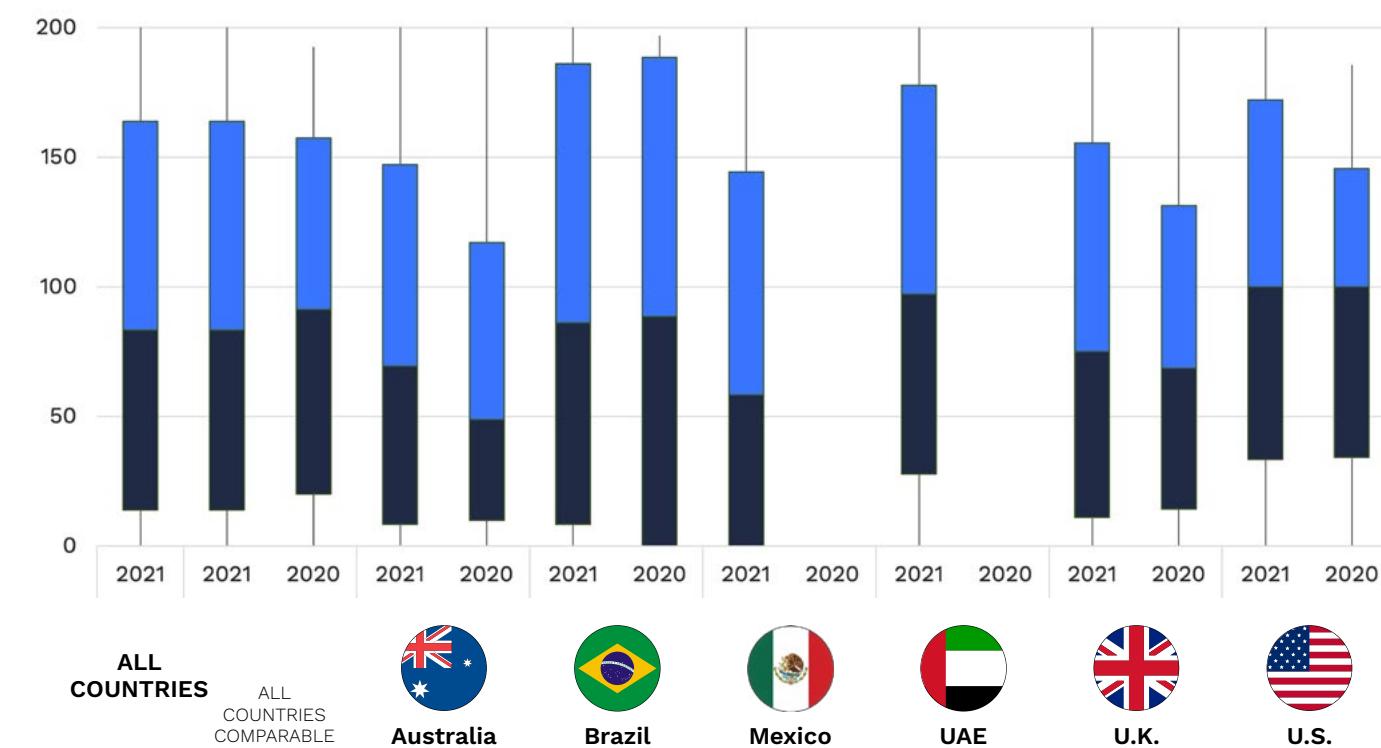
U.K. merchants are also less likely than others to provide real-time updates on inventory statuses, making it difficult for consumers to know whether a product is available. Forty-seven percent of U.K. merchants offer real-time inventory status updates — 17% below the average across all six countries we studied.

Even when providing financial incentives — including sales and loyalty programs — there is an opportunity for U.K. merchants to improve. For example, just 50% offer free shipping for digital orders, which is less than the sample average.

FIGURE 5:

How Index scores compare across countries

Median Index score and distribution of merchants' overall shopping experiences, by country



Source: PYMNTS.com

The 2022 Global Digital Shopping Playbook, July 2022

N = 3,100: Complete merchant responses, fielded Sept. 23, 2021 - Nov. 7, 2021

Source: PYMNTS.com

The 2022 Global Digital Shopping Playbook, July 2022

N = 13,114: Complete responses, fielded Sept. 23, 2021 - Nov. 7, 2021

This lack of digital and cross-channel shopping features adds unnecessary friction to U.K. consumers' shopping experiences and potentially deters would-be customers. U.K. merchants earn an average Index score of 89.4 points, meaning that U.K. consumers face 11% more shopping friction than our sample average. The only countries where consumers encounter more shopping friction are Australia and Mexico, whose merchants earn average Index scores of 81.1 and 83.0, respectively.

This friction affects nearly all U.K. merchants' shopping channels. In fact, U.K. merchants provide more friction-laden shopping experiences than any other country in our study, whether consumers are shopping on their computers or phones.

U.K. merchants' Index scores for their mobile and desktop shopping channels signify that local consumers who shop entirely on their smartphones or computers experience 16% more shopping friction than the average consumer in our study. Once again, Australia is the only country where consumers shopping on their computers experience more friction than online shoppers in the U.K.

U.K. consumers who shop online and pick up their purchases in-store or shop via voice assistant also face more shopping friction than other countries. Local merchants earn Index scores of just 98.5 for their click-and-collect channel and 81.3 for their voice-enabled shopping channel, meaning these customers' shopping experiences have 19% and 40% more friction than average, respectively.

U.K. consumers encounter **11%** more shopping friction than the average across all 6 countries in our study.

TABLE 5:
How merchants' Index scores vary across channels
Average Index scores merchants earned, by channel

	ALL COUNTRIES	Australia	Brazil	Mexico	UAE	U.K.	U.S.
• Online native	146.8	120.8	157.2	123.9	138.6	122.7	154.5
• Mobile native	152.1	127.5	159.5	141.1	135.1	127.1	157.7
• Brick-and-mortar mobile-assisted	107.5	82.5	108.5	101.9	97.9	84.5	114.5
• Brick-and-mortar	73.0	56.1	75.5	70.3	88.8	60.0	75.5
• Online cross-channel	120.9	98.8	113.4	135.9	106.7	98.5	126.9
• Mobile cross-channel	129.0	115.8	125.9	109.4	83.4	89.1	139.1
• Voice	135.8	144.1	138.1	119.6	124.2	81.3	142.6

Source: PYMNTS.com

The 2022 Global Digital Shopping Playbook, July 2022

N = 13,114: Complete responses, fielded Sept. 23, 2021 - Nov. 7, 2021

Strong Customer Authentication takes effect in the U.K.

March 14, 2022, marked the deadline for full Strong Customer Authentication (SCA) enforcement in the United Kingdom. Designed to protect consumers from the rising threat of cyber-crime, SCA must be applied to electronic payments within the European Economic Area (EEA) and U.K. unless the payment is out of scope or an SCA exemption applies.⁵

SCA requires that, for qualifying transactions, banks use two authentication elements to verify the payer (also known as two-factor authentication). It is critical for merchants to support the SCA mandate, while also keeping the risk of added friction low and minimizing the chance of cart abandonment. Smartphones pres-

ent a great opportunity to streamline the online authentication process — with features like fingerprint sensors, face scanning capabilities and a microphone to support voice recognition — all built in.

There are further opportunities when shopping in-store — for example, in helping alleviate friction for consumers who may be required to authenticate when making contactless card payments. Digital wallets already build in much of this authentication, reducing the number of additional steps. Thus, SCA may encourage more contactless card users to adopt digital wallets and use their smartphones while shopping — to facilitate a smoother, faster and more secure shopping experience.

A cross-channel shopping checklist for U.K. merchants

There is no one-size-fits-all approach to providing a perfect shopping experience, but there are several key steps that U.K. merchants can take to streamline their customers' retail journeys.

Give consumers shopping features they can use across all shopping channels, including:

- Real-time inventory updates
- Digital product descriptions
- Custom suggestions based on browsing history

Integrate digital tools into the brick-and-mortar shopping journey, including:

- In-store navigation apps
- Cross-channel-capable digital profiles
- In-store mobile wallets payments

Provide a wide selection of fulfillment options, including:

- At-home delivery
- Click and collect
- In-store kiosks

Offer financial incentives, including:

- Promo codes, sales and discounts
- Loyalty and rewards programs
- Free shipping and returns

Accept a range of quick, secure and seamless payment options that can be used across retail channels, including:

- Contactless payments
- Digital wallets
- QR codes

⁵ Merchants Risk Losing Customers as New UK SCA Rules Kick Off. PYMNTS. 2022. <https://www.pymnts.com/authentication/2022/merchants-risk-losing-customers-as-new-uk-sca-rules-kick-off/>. Accessed July 2022

The 2022 Global Digital Shopping Playbook

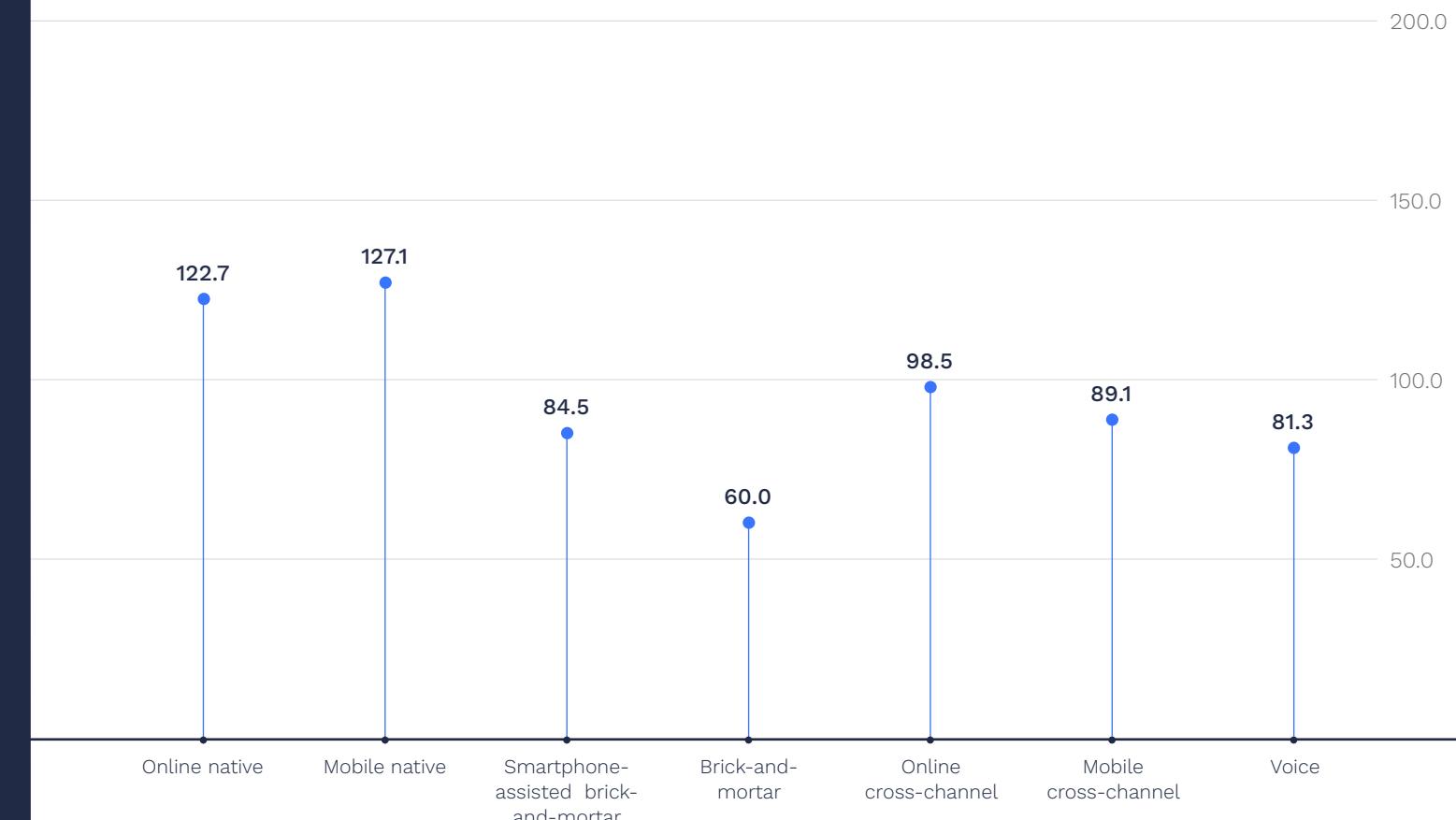
The path forward: The power of digitally integrated shopping

Consumers in the U.K. deal with some of the more friction-laden shopping experiences in our study, but local merchants have a tremendous opportunity to change that. Merchants that have adopted the integrated shop-

ping features customers want most have demonstrably boosted their chances for conversion. We know this because U.K. consumers who use cross-channel shopping features report facing far less shopping friction than those who do not.

FIGURE 6:
U.K. merchants' Index scores

Average Index scores of U.K. merchants, by shopping channel



Source: PYMNTS.com

The 2022 Global Digital Shopping Playbook, July 2022

N = 13,114: Complete responses, fielded Sept. 23, 2021 - Nov. 7, 2021

Brick-and-mortar shoppers in the U.K. face more shopping friction, for example. U.K. merchants earn an average Index score of 60 points for their brick-and-mortar shopping channels, meaning that local brick-and-mortar shoppers encounter more than twice as much friction as local mobile shoppers.

However, brick-and-mortar shoppers who use their smartphones while shopping in-store encounter considerably less friction. U.K. merchants whose customers utilize smartphone-enhanced brick-and-mortar shopping earn an Index score 41% higher than U.K. merchants whose in-store shoppers do not use their smartphones. Smartphone-assisted shopping has great potential to improve the shopping experience, reduce friction and drive conversion.

Using smartphones in stores
cuts in-store shopping friction by
41%.

Click and collect also illustrates the transformative potential of integrated cross-channel shopping. U.K. consumers who select the click-and-collect option when shopping on their desktop computers face 10% less shopping friction than the average U.K. consumer.

Even lower-performing cross-channel features make a noticeable difference. U.K. consumers who shop via voice assistant may encounter 9% more shopping friction than the average U.K. shopper, but their shopping experiences are still 36% smoother than those who shop in brick-and-mortar stores without mobile assistance.

Investing in the merchant-shopper relationship

Providing shoppers a wealth of shopping, payment and fulfillment options is often not enough to ensure they have the best possible retail experience.

Merchants must also take active communication measures with their customers so they are fully aware of the range of features that can optimize their experience.

- **Prominently display all available payment and fulfillment options** at the digital and brick-and-mortar points of sale.
- **Update consumers on available promotions, sales and discounts** with emails or text messages.
- **Have employees provide shoppers with information about promotions**, such as loyalty and rewards programs.

**The 2022
Global
Digital
Shopping
Playbook**

United Kingdom Edition



Conclusion

Merchants in the U.K. have much work to do to streamline their consumers' shopping experiences. They provide fewer digital shopping features than their counterparts in other countries, and many struggle to make their customers aware of the full range of features they provide. Local shoppers often do not realize how valuable smartphones can be in informing and enabling seamless, integrated shopping experiences.

Nevertheless, there is hope — and great opportunity. Our research shows that merchants adopting digital-first and cross-channel shopping features can demonstrably improve their customers' shopping journeys. The trick is providing shoppers the features they want most and then integrating those features to make them easy to locate and use. Only then can U.K. merchants expect to reap the full benefits of their investments in digital shopping innovation.

The 2022 Global Digital Shopping Playbook

Methodology

The Global Digital Shopping Playbook is based on census-balanced surveys of 13,114 consumers, with more than 2,000 consumers surveyed in each of the studied markets — Australia, Brazil, Mexico, the United Arab Emirates, the United Kingdom and the United States. It is also based on surveys of merchants from each of the markets — 3,100 merchants in total.

We collected data on merchants generating annual revenues of less than \$1 million, between \$1 million and \$50 million, between \$50 million

and \$1 billion and \$1 billion or more, and asked them about the digital methods and capabilities they use and offer. To evaluate consumers, we collected the names of the stores at which consumers most recently made purchases and manually reviewed every response to determine those that had large national footprints. The rest were defined as small to mid-sized businesses.

The consumer surveys consisted of 38 questions, and the merchant surveys had 28 questions. They were conducted between September 2021 and November 2021.

About

[Disclaimer](#) 

PYMNTS.com

PYMNTS.com is where the best minds and the best content meet on the web to learn about “What’s Next” in payments and commerce. Our interactive platform is reinventing the way in which companies in payments share relevant information about the initiatives that shape the future of this dynamic sector and make news. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovation that is at the cutting edge of this new world.



At [Cybersource](#), we know payments. We helped kick start the eCommerce revolution in 1994 and haven't looked back since. Through global reach, modern capabilities, and commerce insights, we create flexible, creative commerce solutions for everyday life — experiences that delight your customers and spur growth globally, all through the ease and simplicity of one digital platform to manage all your payment types, fraud strategies and more. Knowing we are part of Visa and their security-obsessed standards, you can trust that your business is well taken care of — wherever it may go.

We are interested in your feedback on this report. If you have questions, comments or would like to subscribe, please email us at feedback@pymnts.com.

The 2022 Global Digital Shopping Playbook may be updated periodically. While reasonable efforts are made to keep the content accurate and up to date, PYMNTS.COM: MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, REGARDING THE CORRECTNESS, ACCURACY, COMPLETENESS, ADEQUACY, OR RELIABILITY OF OR THE USE OF OR RESULTS THAT MAY BE GENERATED FROM THE USE OF THE INFORMATION OR THAT THE CONTENT WILL SATISFY YOUR REQUIREMENTS OR EXPECTATIONS. THE CONTENT IS PROVIDED “AS IS” AND ON AN “AS AVAILABLE” BASIS. YOU EXPRESSLY AGREE THAT YOUR USE OF THE CONTENT IS AT YOUR SOLE RISK. PYMNTS.COM SHALL HAVE NO LIABILITY FOR ANY INTERRUPTIONS IN THE CONTENT THAT IS PROVIDED AND DISCLAIMS ALL WARRANTIES WITH REGARD TO THE CONTENT, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT AND TITLE. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF CERTAIN WARRANTIES, AND, IN SUCH CASES, THE STATED EXCLUSIONS DO NOT APPLY. PYMNTS.COM RESERVES THE RIGHT AND SHOULD NOT BE LIABLE SHOULD IT EXERCISE ITS RIGHT TO MODIFY, INTERRUPT, OR DISCONTINUE THE AVAILABILITY OF THE CONTENT OR ANY COMPONENT OF IT WITH OR WITHOUT NOTICE.

PYMNTS.COM SHALL NOT BE LIABLE FOR ANY DAMAGES WHATSOEVER, AND, IN PARTICULAR, SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR INCIDENTAL DAMAGES, OR DAMAGES FOR LOST PROFITS, LOSS OF REVENUE, OR LOSS OF USE, ARISING OUT OF OR RELATED TO THE CONTENT, WHETHER SUCH DAMAGES ARISE IN CONTRACT, NEGLIGENCE, TORT, UNDER STATUTE, IN EQUITY, AT LAW, OR OTHERWISE, EVEN IF PYMNTS.COM HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

SOME JURISDICTIONS DO NOT ALLOW FOR THE LIMITATION OR EXCLUSION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, AND IN SUCH CASES SOME OF THE ABOVE LIMITATIONS DO NOT APPLY. THE ABOVE DISCLAIMERS AND LIMITATIONS ARE PROVIDED BY PYMNTS.COM AND ITS PARENTS, AFFILIATED AND RELATED COMPANIES, CONTRACTORS, AND SPONSORS, AND EACH OF ITS RESPECTIVE DIRECTORS, OFFICERS, MEMBERS, EMPLOYEES, AGENTS, CONTENT COMPONENT PROVIDERS, LICENSORS, AND ADVISERS.

Components of the content original to and the compilation produced by PYMNTS.COM is the property of PYMNTS.COM and cannot be reproduced without its prior written permission.