SATISFACTION IN THE AGE OF

eCommerce

How Trust Helps Online Merchants
Build Customer Loyalty

Satisfaction In The Age Of eCommerce: How
Trust Helps Online Merchants Build Customer
Loyalty, a PYMNTS and Riskified collaboration,
explores actions online merchants can take to help
strengthen and add value to customer relationships.
We surveyed 2,153 U.S. consumers from Jan. 28
to Feb. 8, 2022, about the details of their online
shopping experiences and the features that make
their shopping experiences satisfactory.

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Introduction

In just a few short years, online shopping has redefined commerce. Some lessons from the days of traditional brick-and-mortar retail still resonate, however, and perhaps the most important ones concern customer satisfaction. Online merchants that design their websites and shopping experiences with customer satisfaction in mind are much more likely to keep them coming back and increase the lifetime value of each customer.

Most consumers cite ease and convenience as having the greatest impact on their satisfaction with a given retailer. According to PYMNTS' research, two-thirds of online retail shoppers and 57% of online grocery shoppers say shopping ease is important when picking a digital merchant.[1] This makes facilitating a streamlined, simple shopping experience critical to helping merchants convert customers and keep them coming back.

Once merchants gain a customer, they still have to lock in loyalty by demonstrating the convenience of their shopping experiences. Trust plays a vital role in this process, and merchants must demonstrate their reliability in protecting customers' personal and financial information. In fact, trust is a requirement for all online retailers and even online grocers, as 40% of consumers are very likely to switch merchants if they feel that a retailer is no longer trustworthy.

These are just a few of the findings outlined in Satisfaction In The Age Of eCommerce: How Trust Helps Online Merchants Build Customer Loyalty, a PYMNTS and Riskified collaboration. We surveyed 2,153 U.S. consumers from Jan. 28 to Feb. 8, 2022, about their online shopping experiences, frequency and the merchant features that make shopping a satisfactory experience.

HERE IS WHAT WE LEARNED.

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1 Data in this report separates grocery shopping from general retail shopping. Throughout this report, phrases similar to "retail shoppers" should be understood to exclude grocery shopping, and those relating to "grocery shoppers" should be understood to exclude retail.

Positive and satisfying online experiences are crucial to building customer trust.

Fifty-six percent of online retail shoppers and 58% of online grocery shoppers increased the amount of digital shopping they did in the past 12 months. As customers increase their use of digital shopping, merchants' ability to deliver a satisfying online shopping experience is becoming more critical.

Our data highlights how a customer's satisfaction with a shopping experience is directly related to their trust in the merchant delivering the experience. Ninety percent of the shoppers at online grocers who are "very" or "extremely" satisfied with a merchant, and 85% of those at online retailers who are equally satisfied have a high level of trust with that merchant.

Examining the responses of consumers who are not satisfied or just "slightly" satisfied reveals what is at stake when online merchants fail to satisfy. Fifty-nine percent of online retail shoppers who have had unsatisfactory experiences with a given merchant say they are "slightly" or "not at all likely" to trust that merchant. Likewise, 47% of grocery shoppers who have had unsatisfactory experiences say the same.

FIGURE 1A:

Customers' satisfaction with online shopping experiences
Share of customers who express select levels of satisfaction with a given online grocer, by level of trust

Very or extremely satisfied

0.8%
9.6%
89.6%

Somewhat satisfied

11.2%
63.6%
25.2%

Slightly or not at all satisfied

46.7%
48.7%
4.5%

Source: PYMNTS

■ Not at all trusted
■ Some level of trust
■ High level of trust

FIGURE 1B:

Customers' satisfaction with online shopping experiences
Share of customers who express select levels of satisfaction with a given online retailer, by level of trust

Very or extremely satisfied

2.1%
12.5%
85.4%

Somewhat satisfied

9.8%
59.8%
30.4%

Slightly or not at all satisfied

58.6%
40.8%
39.8%

Source: PYMNTS

■ Not at all trusted
■ Some level of trust
■ High level of trust

Customer satisfaction is closely linked to the features merchants offer alongside their digital shopping experiences. Among online retail shoppers, 66% want an easy and reliable shopping experience, and 27% call this the most important feature an online merchant can offer. Fifty-five percent want product descriptions and reviews, while 54% want to be able to track their shopping history across multiple channels. Consumers' preferences when buying groceries online are somewhat different. Fifty-seven percent of online grocery shoppers say an easy and reliable shopping experience is important to them, and 47% want to be able to use their preferred payment methods.

FIGURE 2A:

Customers' preferences for select online shopping features

Share of customers who cite select online features as important when shopping with online grocers, by level of importance
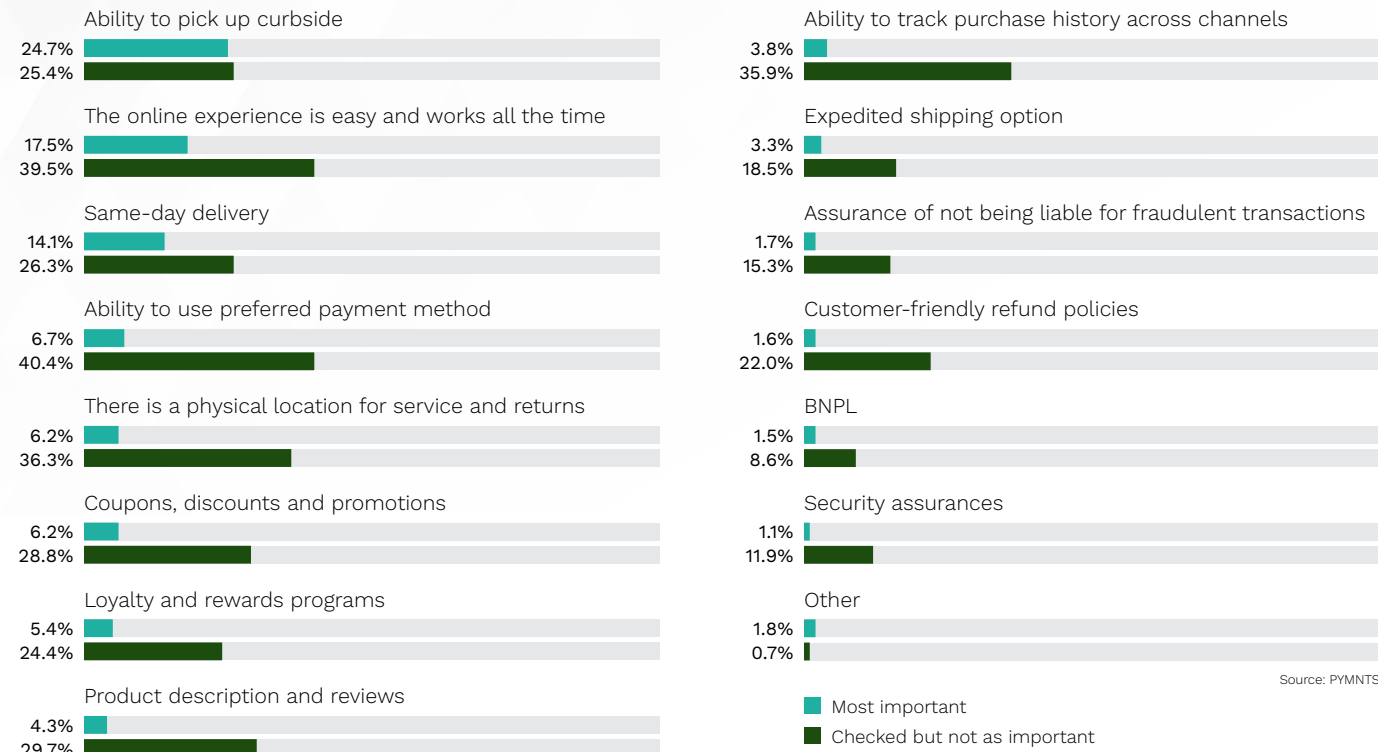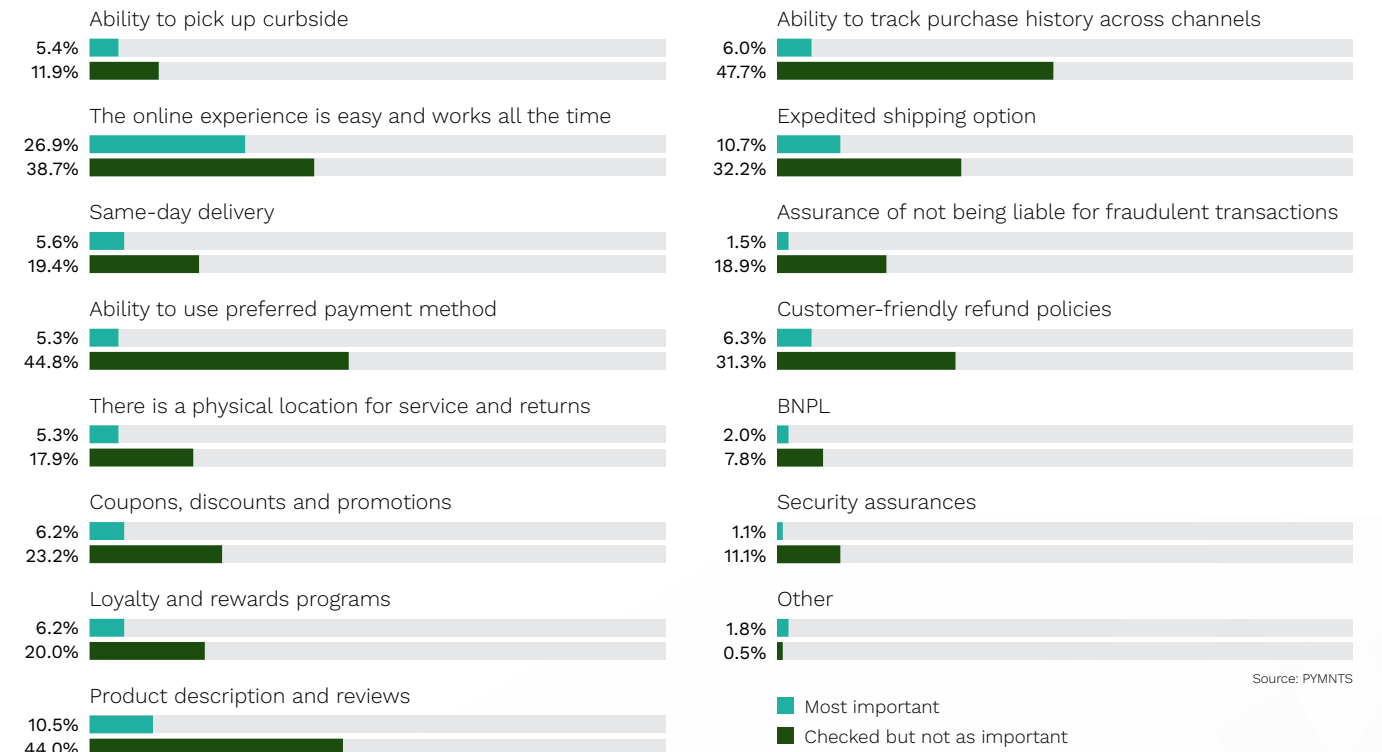
Ability to pick up curbside
24.7%
25.4%

The online experience is easy and works all the time
17.5%
39.5%

Same-day delivery
14.1%
26.3%

Ability to use preferred payment method
6.7%
40.4%

There is a physical location for service and returns
6.2%
36.3%

Coupons, discounts and promotions
6.2%
28.8%

Loyalty and rewards programs
5.4%
24.4%

Product description and reviews
4.3%
29.7%

Ability to track purchase history across channels
3.8%
35.9%

Expedited shipping option
3.3%
18.5%

Assurance of not being liable for fraudulent transactions
1.7%
15.3%

Customer-friendly refund policies
1.6%
22.0%

BNPL
1.5%
8.6%

Security assurances
1.1%
11.9%

Other
1.8%
0.7%

Source: PYMNTS

■ Most important
■ Checked but not as important

FIGURE 2B:

Customers' preferences for select online shopping features

Share of customers who cite select online features as important when shopping with online retailers, by level of importance

Ability to pick up curbside
5.4%
11.9%

The online experience is easy and works all the time
26.9%
38.7%

Same-day delivery
5.6%
19.4%

Ability to use preferred payment method
5.3%
44.8%

There is a physical location for service and returns
5.3%
17.9%

Coupons, discounts and promotions
6.2%
23.2%

Loyalty and rewards programs
6.2%
20.0%

Product description and reviews
10.5%
44.0%

Ability to track purchase history across channels
6.0%
47.7%

Expedited shipping option
10.7%
32.2%

Assurance of not being liable for fraudulent transactions
1.5%
18.9%

Customer-friendly refund policies
6.3%
31.3%

BNPL
2.0%
7.8%

Security assurances
1.1%
11.1%

Other
1.8%
0.5%

Source: PYMNTS

■ Most important
■ Checked but not as important

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Customer trust leads to greater customer lifetime value. Eighty-four percent of the consumers who highly trust their online merchants have been buying from them for more than a year.

Trust in a merchant also matters for online grocery shoppers. Seventy percent of the consumers who say they highly trust their online grocers have been doing business with these grocers for more than a year. This share includes 49% of customers who have shopped with their grocers for one to five years and 21% who have been customers for more than five years. Among online retail shoppers, 48% of those who highly trust their merchants have been customers for one to five years, and 36% have been customers for more than five years.

Merchants that give customers satisfactory shopping experiences have an opportunity to extend the length of their relationships with them. The risk that arises when a merchant breaks a customer's trust, on the other hand, can limit online merchants' ability to generate extra value from customers. This is especially notable for online grocers. Among customers who trust online grocers "slightly" or "not at all," 66% have been shopping with these grocers for less than a year. This contrasts with our findings for online retail merchants. Sixty-four percent of customers who do not trust or only "slightly" trust an online retail merchant have been customers for at least a year.

FIGURE 3A:

Customers' level of trust in online merchants
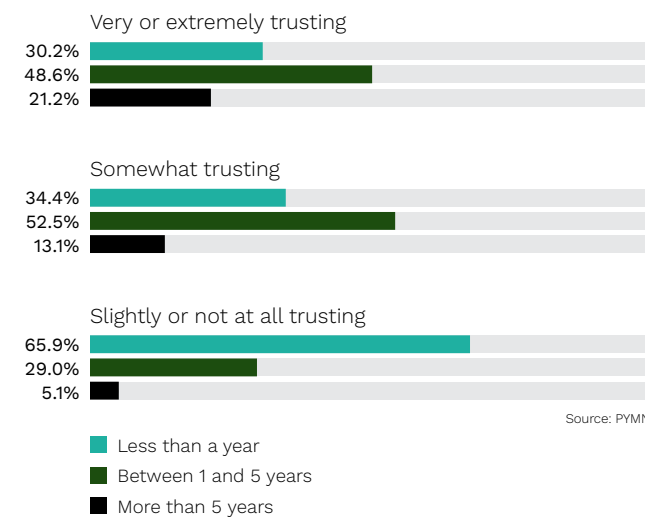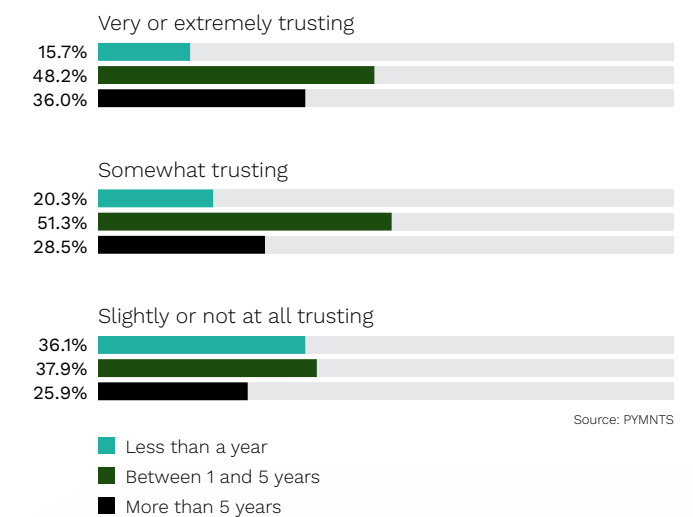Share of customers who cite select levels of trust in online grocers, by length of time as a customer

Very or extremely trusting
- 30.2%
- 48.6%
- 21.2%

Somewhat trusting
- 34.4%
- 52.5%
- 13.1%

Slightly or not at all trusting
- 65.9%
- 29.0%
- 5.1%

Source: PYMNTS

- Less than a year
- Between 1 and 5 years
- More than 5 years

FIGURE 3B:

Customers' level of trust in online merchants
Share of customers who cite select levels of trust in online retailers, by length of time as a customer

Very or extremely trusting
- 15.7%
- 48.2%
- 36.0%

Somewhat trusting
- 20.3%
- 51.3%
- 28.5%

Slightly or not at all trusting
- 36.1%
- 37.9%
- 25.9%

Source: PYMNTS

- Less than a year
- Between 1 and 5 years
- More than 5 years

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Part II: Gaining customers' trust and keeping it

Customers are likely to abandon online merchants they believe are untrustworthy.

Source: PYMNTS

Forty-one percent of online retail shoppers and 40% of online grocery shoppers are "very" or "extremely" likely to switch to a new merchant if they believe the merchant they are using is no longer trustworthy. Forty-eight percent of online retail shoppers and 46% of online grocery shoppers are "somewhat" likely to switch away from a merchant they no longer find trustworthy.

Customers' reaction to a merchant they have lost trust in underscores how critical it is for online retailers and grocers to meet their preferences. These reactions are relatively consistent across demographic groups, but slight differences are evident when considering select factors. Forty-four percent of online grocery shoppers making more than $100,000 a year would leave an online grocer they no longer trusted, whereas 36% of online grocery shoppers making less than $50,000 would do the same. Our data shows that Generation X, bridge millennial and millennial customers are more likely than those from Generation Z and the baby boomer and senior generation to switch away from merchants with which they have lost trust.
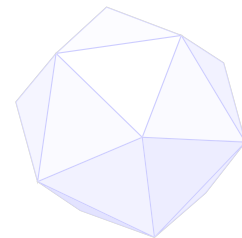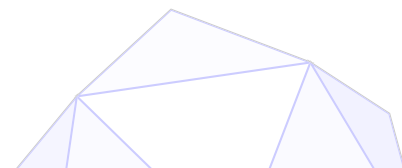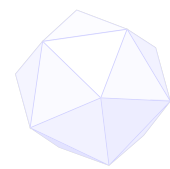
FIGURE 4A:

Likelihood customers will switch to a new merchant after they lose trust
Share of online retail and online grocery customers citing select levels of likelihood of switching from a merchant they no longer trust
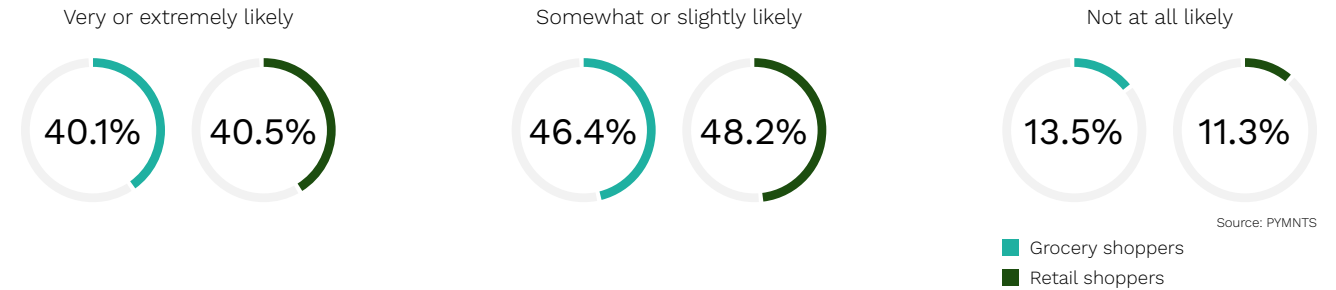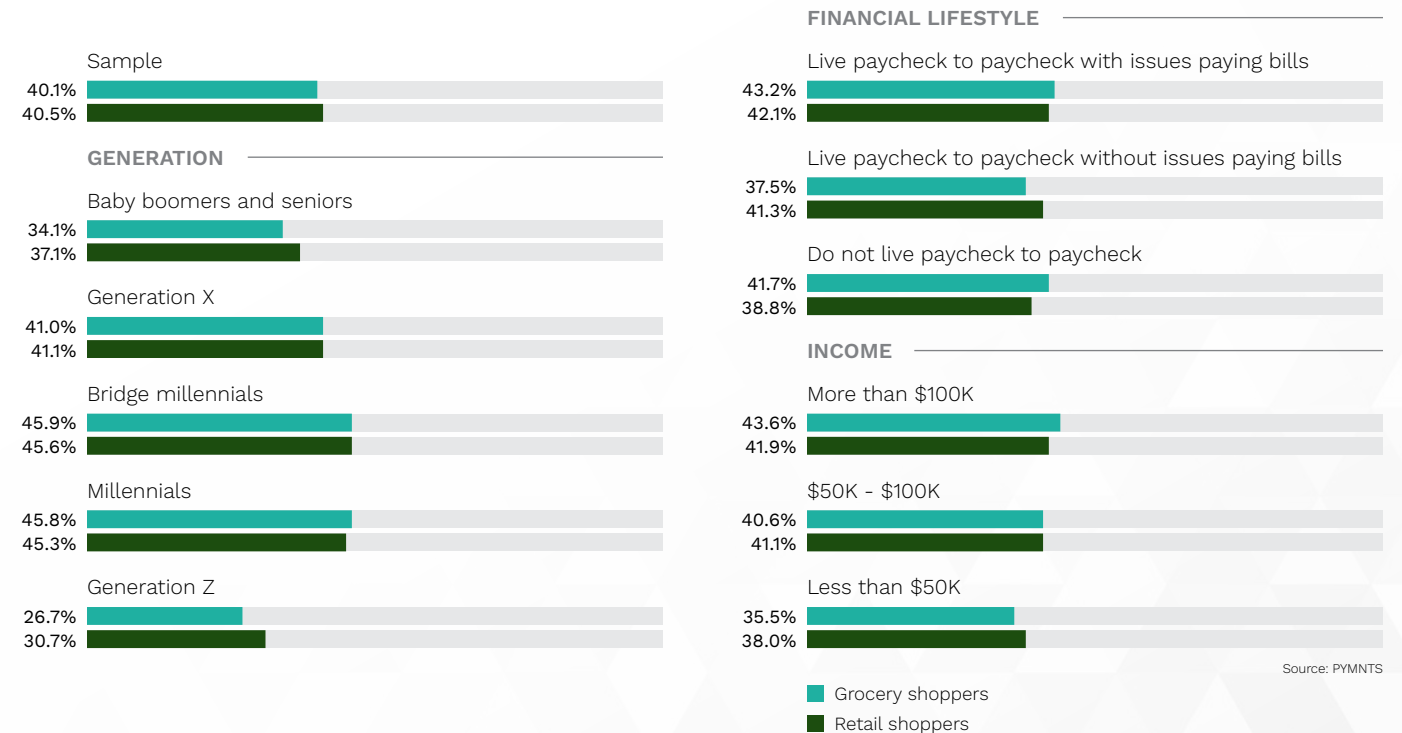
Very or extremely likely	Somewhat or slightly likely	Not at all likely
40.1% 40.5%	46.4% 48.2%	13.5% 11.3%

Source: PYMNTS

■ Grocery shoppers
■ Retail shoppers

FIGURE 4B:

Likelihood customers will switch to a new merchant after they lose trust
Share of online shoppers who are likely to switch from a merchant they no longer trust, by demographic

Sample
40.1%
40.5%

GENERATION

Baby boomers and seniors
34.1%
37.1%

Generation X
41.0%
41.1%

Bridge millennials
45.9%
45.6%

Millennials
45.8%
45.3%

Generation Z
26.7%
30.7%

FINANCIAL LIFESTYLE

Live paycheck to paycheck with issues paying bills
43.2%
42.1%

Live paycheck to paycheck without issues paying bills
37.5%
41.3%

Do not live paycheck to paycheck
41.7%
38.8%

INCOME

More than $100K
43.6%
41.9%

$50K - $100K
40.6%
41.1%

Less than $50K
35.5%
38.0%

Source: PYMNTS

■ Grocery shoppers
■ Retail shoppers

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Merchants that do not address security issues lose customers' trust.

Our data shows that 47% of consumers say fears regarding the theft of personal data due to fraud could hurt their trust in digital merchants, and 23% cite the possible theft of personal information as their greatest concern. In addition, 47% say they are concerned that their money could be stolen via online fraud, and 21% call this risk their top concern. These findings underscore how crucial it is for merchants to sustain customer trust once they have established it.

Other potential sources of damage to customer relationships may be less severe than theft of personal data or money, but they still pose risks for merchants. Thirty-eight percent of all consumers say a product delivery that takes too long could hurt their perception of a merchant, and 33% say receiving a product that does not match the merchant's description would do so.

Securing customer data and funds is a vital piece of the customer trust puzzle, as even one data breach can erase all the work merchants have put into creating long-lasting customer relationships. Among the consumers who would be inclined to switch if they lost confidence in a digital merchant, 24% of online grocery shoppers and 30% of online retail shoppers say fears of personal data theft could hurt their trust in a merchant.

FIGURE 5A:

How certain problems affect customers' trust and comfort with merchants
Share of customers who say select issues are likely to negatively affect their trust and comfort with a given merchant, by level of importance
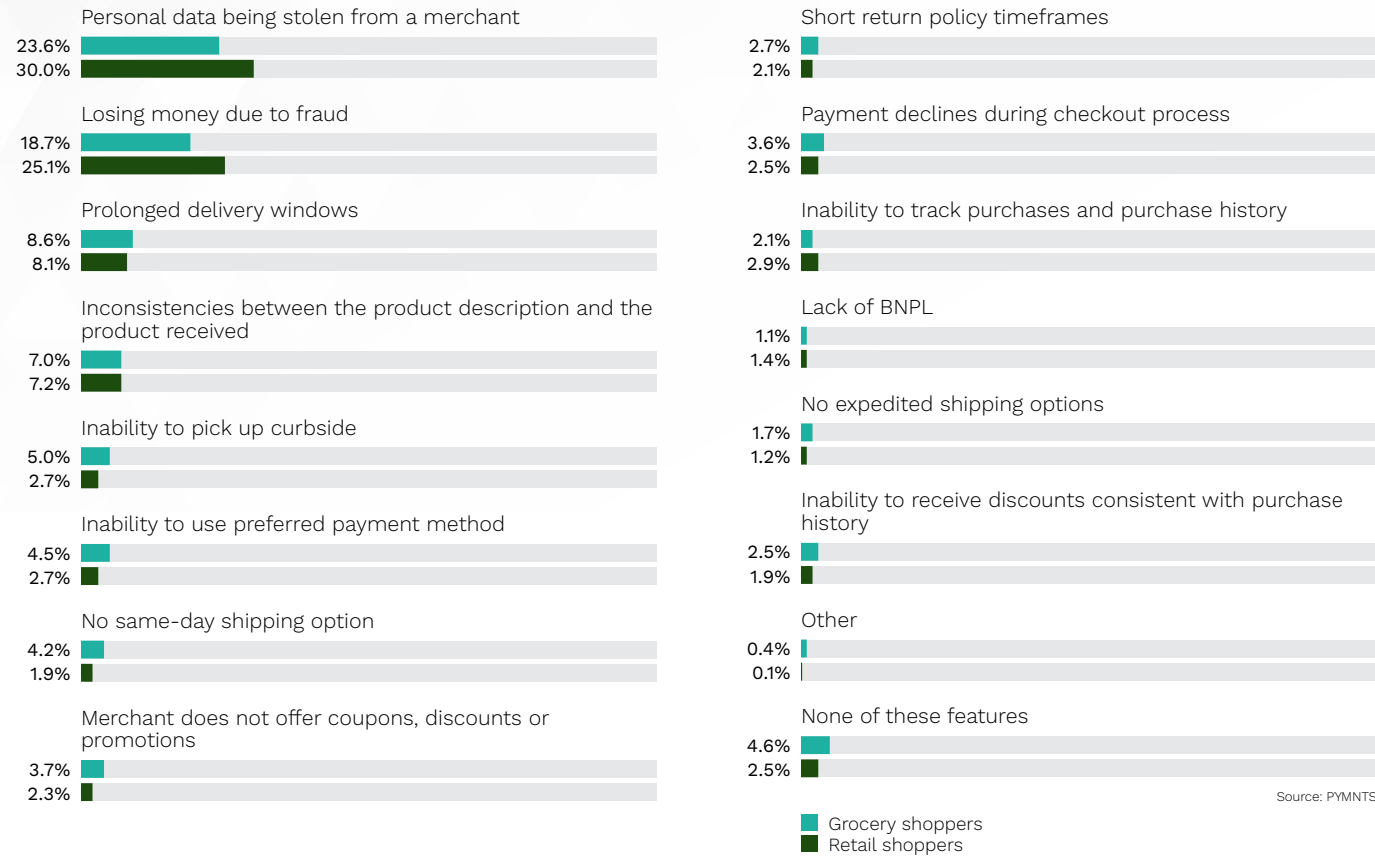
Personal data being stolen from a merchant
23.3%
24.0%

Losing money due to fraud
21.1%
25.6%

Prolonged delivery windows
6.9%
31.3%

Inconsistencies between the product description and the product
6.3%
26.4%

Inability to make in-store returns or receive refunds easily
6.0%
23.0%

Inability to use preferred payment method
3.7%
28.6%

Inability to track purchases and purchase history
3.5%
29.4%

Inability to pick up curbside
3.5%
8.9%

No same-day shipping option
3.1%
9.4%

Short return policy timeframes
2.9%
15.3%

Merchant does not offer coupons, discounts or promotions
2.7%
12.5%

Payment declines during checkout process
2.7%
21.3%

No expedited shipping options
2.0%
12.1%

Lack of BNPL
2.0%
5.5%

Inability to receive discounts consistent with purchase history
1.9%
13.7%

Other
0.3%
0.2%

None of these features
8.0%
0.0%

Source: PYMNTS

■ Most important
■ Checked but not as important

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FIGURE 5B:

How certain problems affect customers' trust and comfort with merchants
Share of customers likely to switch merchants who say select issues would negatively affect their trust and comfort with a given merchant

Personal data being stolen from a merchant
23.6%
30.0%

Losing money due to fraud
18.7%
25.1%

Prolonged delivery windows
8.6%
8.1%

Inconsistencies between the product description and the product received
7.0%
7.2%

Inability to pick up curbside
5.0%
2.7%

Inability to use preferred payment method
4.5%
2.7%

No same-day shipping option
4.2%
1.9%

Merchant does not offer coupons, discounts or promotions
3.7%
2.3%

Short return policy timeframes
2.7%
2.1%

Payment declines during checkout process
3.6%
2.5%

Inability to track purchases and purchase history
2.1%
2.9%

Lack of BNPL
1.1%
1.4%

No expedited shipping options
1.7%
1.2%

Inability to receive discounts consistent with purchase history
2.5%
1.9%

Other
0.4%
0.1%

None of these features
4.6%
2.5%

Source: PYMNTS

■ Grocery shoppers
■ Retail shoppers

The effects of returns and refund policies on customer behavior

As digital merchants work to build customers' trust and gain loyalty, they cannot afford to overlook return and refund policies. PYMNTS' research found that roughly two-thirds of online shoppers say retailers' and grocers' return and refund policies are important in deciding where to shop. In contrast, just 12% of online retail customers and 13% of online grocery customers do not consider return and refund policies important when choosing a merchant.

Return and refund policies can also have a bearing on customer behavior during their online shopping experiences — especially when it comes to conversion. Roughly one-third of online customers have abandoned purchases before checkout after determining that they are dissatisfied with the merchant's policies. This research illustrates that merchants must carefully consider their policies and their ability to encourage customer satisfaction in the long haul.

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Roughly 40% of consumers who trust the top three U.S. online retail brands — Amazon, Target and Walmart — would likely switch if they lost trust in their merchant.

Thirty-nine percent of Amazon's most loyal retail customers would be "very" or "extremely" likely to switch to another merchant if they lost trust in the retail giant, and 33% would be "somewhat" likely. Thirty-six percent of Walmart's most loyal customers say they would be highly likely to shop elsewhere, and 29% would be "somewhat" likely.
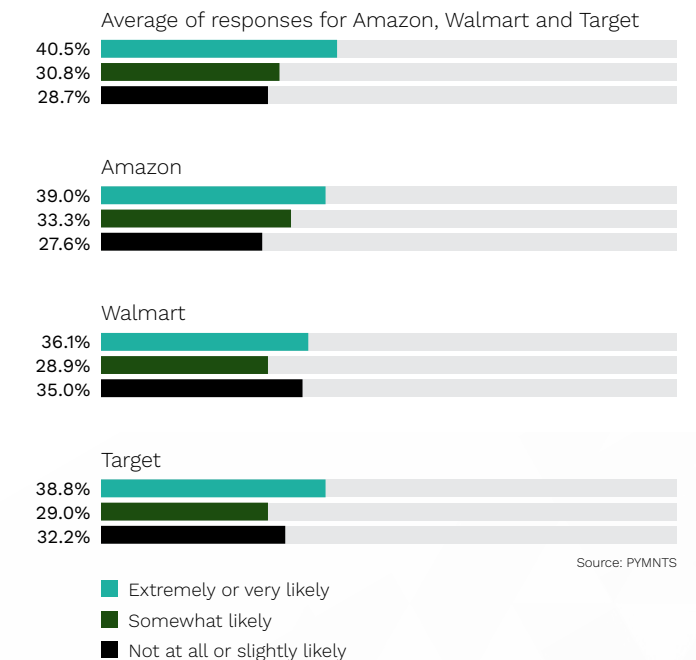
The findings underscore the risk that all merchants, even the best-known names, face if they fail to sufficiently tend to customer relationships.

The risks merchants face are even greater for online grocery customers. Forty-five percent of Amazon's online grocery customers would shop somewhere else if they lost trust in the company, and 41% of Walmart's online grocery customers would find another online merchant to shop with after losing trust.

FIGURE 6:

How losing trust in a merchant impacts customers' likelihood of switching
Share of consumers citing the likelihood they would switch merchants if select merchant lost their trust

Average of responses for Amazon, Walmart and Target
- 40.5%
- 30.8%
- 28.7%

Amazon
- 39.0%
- 33.3%
- 27.6%

Walmart
- 36.1%
- 28.9%
- 35.0%

Target
- 38.8%
- 29.0%
- 32.2%

Source: PYMNTS

- Extremely or very likely
- Somewhat likely
- Not at all or slightly likely

40%

OF CONSUMERS WHO TRUST THE TOP THREE U.S. ONLINE RETAIL BRANDS — AMAZON, TARGET AND WALMART — **WOULD LIKELY SWITCH IF THEY LOST TRUST IN THEIR MERCHANT.**

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Conclusion

The power of digital commerce allows online grocers and retailers to reach and convert customers at any hour of the day or night, and it enables them to offer an unparalleled level of ease and convenience. Digital commerce also requires grocers and other online retailers to tend to customers' needs and concerns, especially when protecting personal and financial information. One breach of a customer's personal data can shatter the trust a merchant spent years carefully nurturing. Customers have the power to switch merchants with the click of a mouse, and they have demonstrated how ready they are to use that power when an online merchant disappoints them. Offering ease and convenience and focusing on security will be critical for keeping even longstanding digital customers engaged for years to come.

Methodology

Satisfaction In The Age Of eCommerce: How Trust Helps Online Merchants Build Customer Loyalty is based on a census-balanced survey conducted from Jan. 28 to Feb. 8, 2022, of 2,153 U.S. consumers who have shopped online. Respondents were 47 years old on average, and 52% were female. Thirty-two percent of respondents have a college degree, and 36% of respondents declared an annual income of more than $100,000. The report distinguishes between online retail shoppers (those purchasing products online other than groceries) and shoppers who are buying groceries online.

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About

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.

riskified

Riskified is on a mission to empower businesses to realize the full potential of eCommerce by making it safe, accessible and frictionless. We have built a next-generation platform that allows online merchants to create trusted relationships with their consumers. Leveraging machine learning that benefits from a global merchant network, our platform identifies the individual behind each online interaction, helping merchants — our customers — eliminate risk and uncertainty from their business. We drive higher sales and reduce fraud and other operating costs for our merchants and provide superior consumer experiences, as compared to our merchants' performance prior to onboarding us.