

SATISFACTION IN THE AGE OF eCommerce

How Online Merchants Are
Cultivating Long-Term Customer Ties

Satisfaction In The Age Of eCommerce: How Online Merchants Are Cultivating Long-Term Customer Ties, 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 these experiences satisfactory.



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Satisfaction In The Age Of eCommerce: How Online Merchants Are Cultivating Long-Term Customer Ties was produced in collaboration with Riskified, and PYMNTS is grateful for the company’s support and insight. [PYMNTS.com](https://pymnts.com) retains full editorial control over the following findings, methodology and data analysis.

Introduction

Consumers are embracing the digital economy and going online for an increasing number of activities that are part of their everyday lives. Few other areas of the economy exemplify this digital shift more than consumers' growing appetite for shopping online. Gone are the days when consumers needed to rely on a handful of vendors or even a single online marketplace: they now enjoy more shopping options than ever before.

For merchants operating in this competitive environment, cultivating enduring customer relationships and brand loyalty is vital for successful long-term revenue growth. Returning customers spend, on average, 67% more than first-time customers.¹ In such a crowded, competitive space, differentiation can be particularly challenging for merchants.

The solution involves providing a best-in-class customer experience that ensures seamless, friction-free shopping and checkout. Customers want easy, stress-free shopping experiences. They want to be able to trust online retailers, grocers and other merchants they patronize and feel good about the relationships they have with them. They also want to easily navigate merchant websites, return products and access conveniences such as curbside pickup. Not least on that list is feeling secure when making card-not-present transactions and trusting the merchant. PYMNTS data shows that delivering on these expectations builds trust, fosters loyalty and helps mitigate churn.

Satisfaction In The Age Of eCommerce: How Online Merchants Are Cultivating Long-Term Customer Ties explores consumers' preferences when buying from online retailers. We surveyed 2,153 consumers in early 2022 to learn more about their experiences shopping online and what influences their loyalty to and trust in the merchants they frequent.

This is what we learned:

1. Author Unknown. Returning Customers Spend 67% More Than New Customers – Keep Your Customers Coming Back with a Recurring Revenue Sales Model. Business.com. October 2021. <https://www.business.com/articles/returning-customers-spend-67-more-than-new-customers-keep-your%20customers-coming-back-with-a-recurring-revenue-sales-model/>. Accessed May 2022.



01

More than half of consumers who purchased groceries or other retail products online in the past year increased their online purchases.

Forty-six percent of consumers surveyed purchased retail goods, and 31% bought groceries online in the month before the survey. Shopping is increasingly becoming a digital affair, and online shopping is, for many consumers, a necessity of everyday life. Merchants that can quickly identify and respond to customer preferences will position themselves to improve customer satisfaction and loyalty.

02

High levels of customer satisfaction are central to merchants' ability to increase customer trust and retention.

Working to improve customer satisfaction and build trust can put merchants in a position to increase the long-term loyalty and value of their customer bases. Thirty-six percent of customers who say they have a "very" or "extremely" trusting relationship with an online retailer of products other than groceries have been shopping with that merchant for at least five years. Another 48% have been buying from their retailers for one to five years. Eighty-five percent of customers who say they are "very" or "extremely" satisfied with a non-grocery online retailer report having a high level of trust in that merchant.

03

Merchants that invest in the services customers expect, especially those that make shopping easy and convenient, increase the likelihood of their customers coming back for future purchases.

Two-thirds of retail shoppers say an experience that is easy and always goes as expected is important to them, and 27% say this ease and reliability is the most important factor for them when deciding where to shop. Easy-to-navigate websites, the ability to use their preferred payment methods, simple return policies and features such as curbside pickup also increasingly matter to consumers. Online retailers and grocers who meet expectations in these areas are more likely to retain their customers.

04

Merchants can limit the risk of losing business by building trust and reliably meeting customer expectations. Top among those are protecting personal data and limiting the potential for fraud on their websites.

Forty-one percent of online retail shoppers and 40% of online grocery customers would be "very" or "extremely" likely to switch vendors if they felt they could no longer trust their preferred merchants. Another 48% of online retail shoppers and 46% of online grocery shoppers would be "somewhat" or "slightly" likely to switch under such circumstances. Among the issues that could negatively impact comfort and trust in a merchant, consumers chose an inability to protect their data and prevent fraud-related loss as the two most important: Each was cited by 47% of consumers.



Growing customer relationships by exceeding expectations

Most consumers trust online retailers, with 85% of consumers saying that they trust their favorite retailers “very much” or “extremely.” Two-thirds of consumers say they have purchased grocery or retail products from an online retailer in the last month. Millennials, in particular, tend to be avid eCommerce shoppers, with 78% of millennial respondents having purchased a retail good or groceries online in the month before the survey.

Fifty-eight percent of grocery shoppers and 56% of retail shoppers report increasing their digital purchases in the last year. The highest increase in online grocery shopping was found among millennials, 64% of whom stepped up their online purchases in the last year, followed by 61% of bridge millennials. The highest increase in retail shopping is among Gen Z consumers, 61% of whom increased their online retail shopping.

Merchants who meet customer preferences quickly will find themselves better placed to improve customer satisfaction and loyalty, leading to greater lifetime customer value.



FIGURE 1:
Consumers’ relationships with online shopping
Share of consumers who have purchased products, by purchasing channel

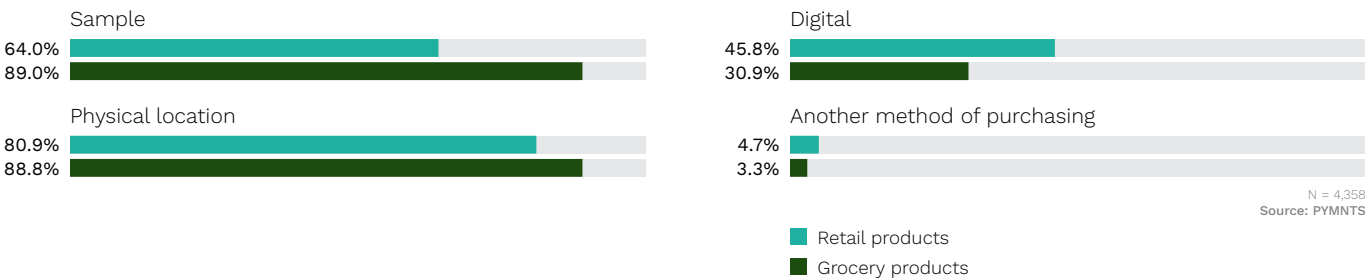


TABLE 1:
Consumers’ relationships with online shopping
Share of respondents who increased their number of online purchases during the past 12 months, by generation

	BABY BOOMERS AND SENIORS	GENERATION X	BRIDGE MILLENNIALS	MILLENNIALS	GENERATION Z
• Retail products	51.0%	58.8%	57.3%	56.7%	61.1%
• Grocery products	47.5%	60.4%	61.3%	64.1%	52.1%

N = 4,358
Source: PYMNTS

Unlocking **consumer loyalty** with trust

Repeat customers are crucial for any business, and enhancing customer satisfaction and trust puts merchants in a position to increase long-term loyalty and customer value. Among consumers who say they have high trust in an online grocer, 21% have used that grocer for at least five years, and 49% have used their services for one to five years.

This trust level remains true across generations. More than 80% of most generational cohorts say they have high trust in their online grocers, and approximately 85% of most generational cohorts say the same for online retailers. This trend holds with baby boomers, Generation X and millennials. Generation Z consumers are the exception, with 60% saying they highly trust their online grocers and 78% reporting such a relationship with online retailers. While this number is still relatively high, our data reveals room for improvement.

FIGURE 2A:

Trends around highly trusting online merchants

How consumers describe their trust levels with online grocery merchants, by relationship length

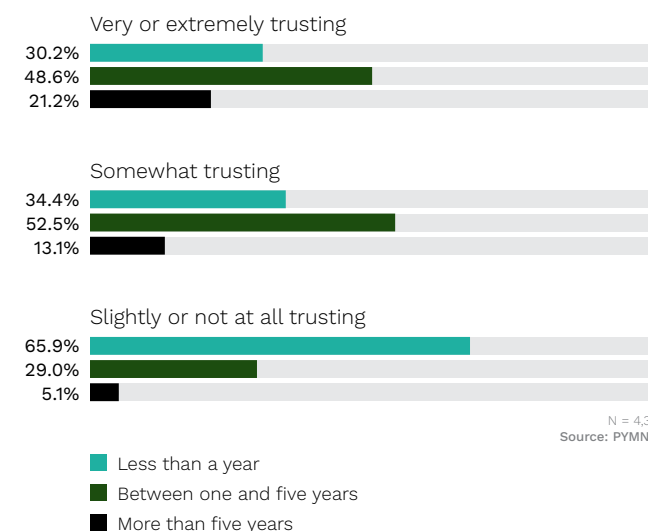


FIGURE 2B:

Trends around highly trusting online merchants

How consumers describe their trust levels with online retail merchants, by relationship length

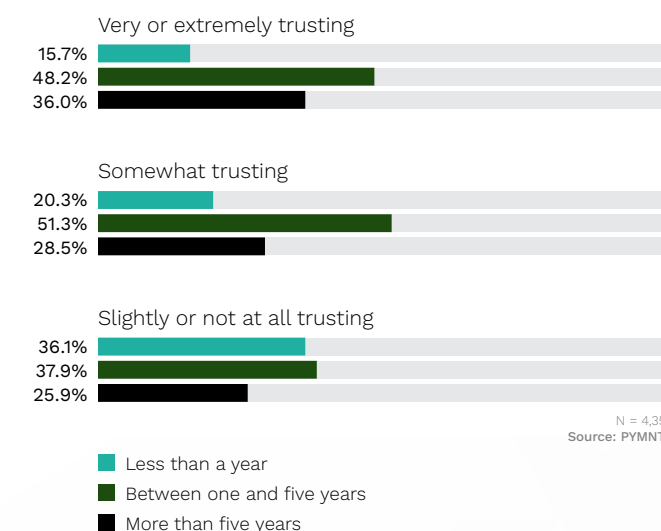







TABLE 2:

Trends around highly trusting online merchants

Share of respondents who say they have a “very” or “extremely” trusting relationship with their online grocers or retailers, by generation

						
	SAMPLE	BABY BOOMERS AND SENIORS	GENERATION X	BRIDGE MILLENNIALS	MILLENNIALS	GENERATION Z
• Retail products	80.5%	80.8%	82.5%	82.4%	82.3%	59.7%
• Grocery products	84.6%	85.9%	85.4%	85.4%	84.1%	77.7%

N = 4,3
Source: PYMNI

Satisfying customers with easy shopping experiences

PYMNTS' research shows that making shopping easy and convenient is critical to retaining customers in an increasingly competitive market. Doing so will sharply increase the odds that consumers will remain loyal. Fifty-seven percent of grocery shoppers say it is important for them to shop with online grocers who make the shopping experience easy and reliable. Approximately half of online shoppers indicated they want to use their preferred payment methods, be it credit card, debit card or virtual wallet.

The convenience of curbside pickup is particularly important for online grocery shoppers. Of the respondents who order groceries online, 50% say curbside pickup is an important feature, and 25% say it is the most important feature when deciding where to shop. In comparison, just 17% of online retail shoppers say that curbside pickup is important when deciding where to shop, with just 5% citing it as the most important factor. The ability to easily return items is important, too, with 66% of grocery shoppers and 67% of retail shoppers saying return policies are a consideration when selecting merchants.

Finally, 55% of online retail shoppers want to be able to review online product descriptions and reviews while browsing, with 11% saying this is the most important feature an online retailer can offer. Product descriptions and reviews are less important to online grocery shoppers: Thirty-four percent cite descriptions and reviews as important, but just 4% say these are the most important feature.

FIGURE 3A:

Features that influence consumers' decisions when shopping online

Share of respondents who say each feature would encourage them to shop with an online grocer

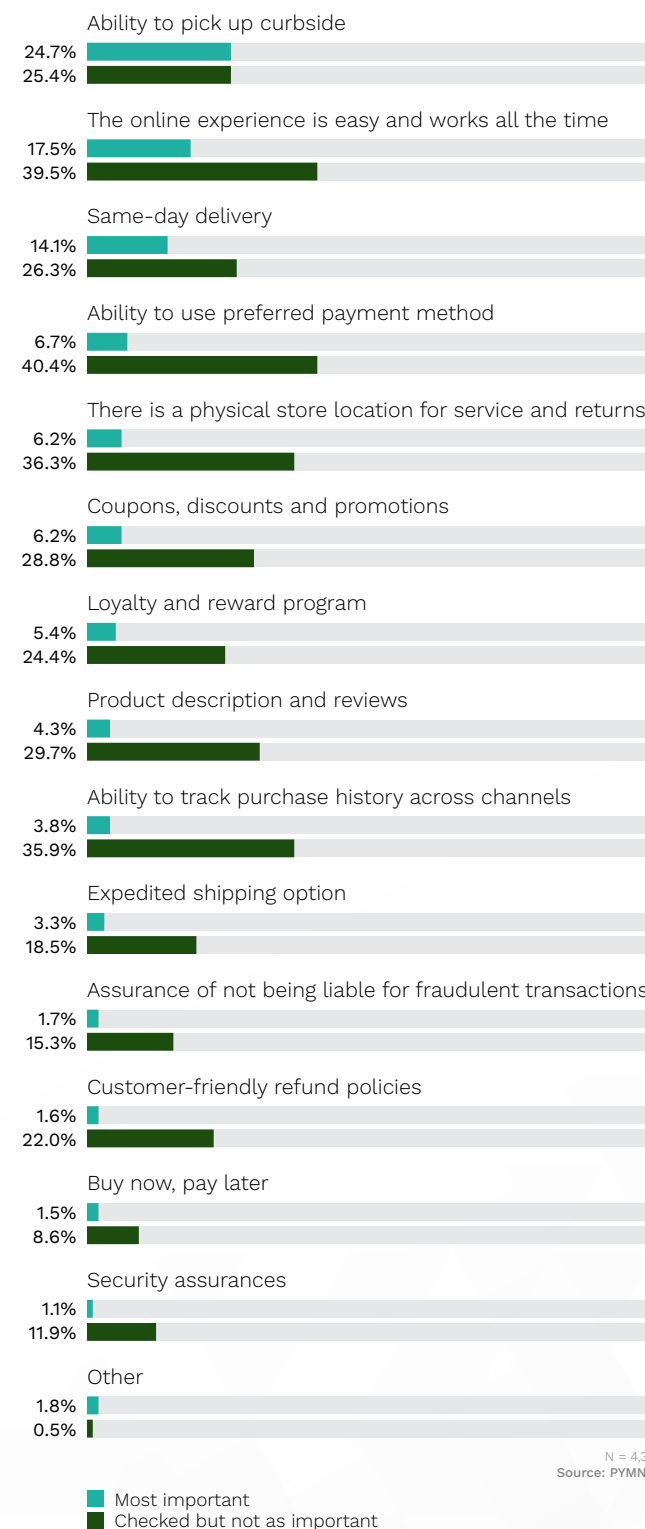
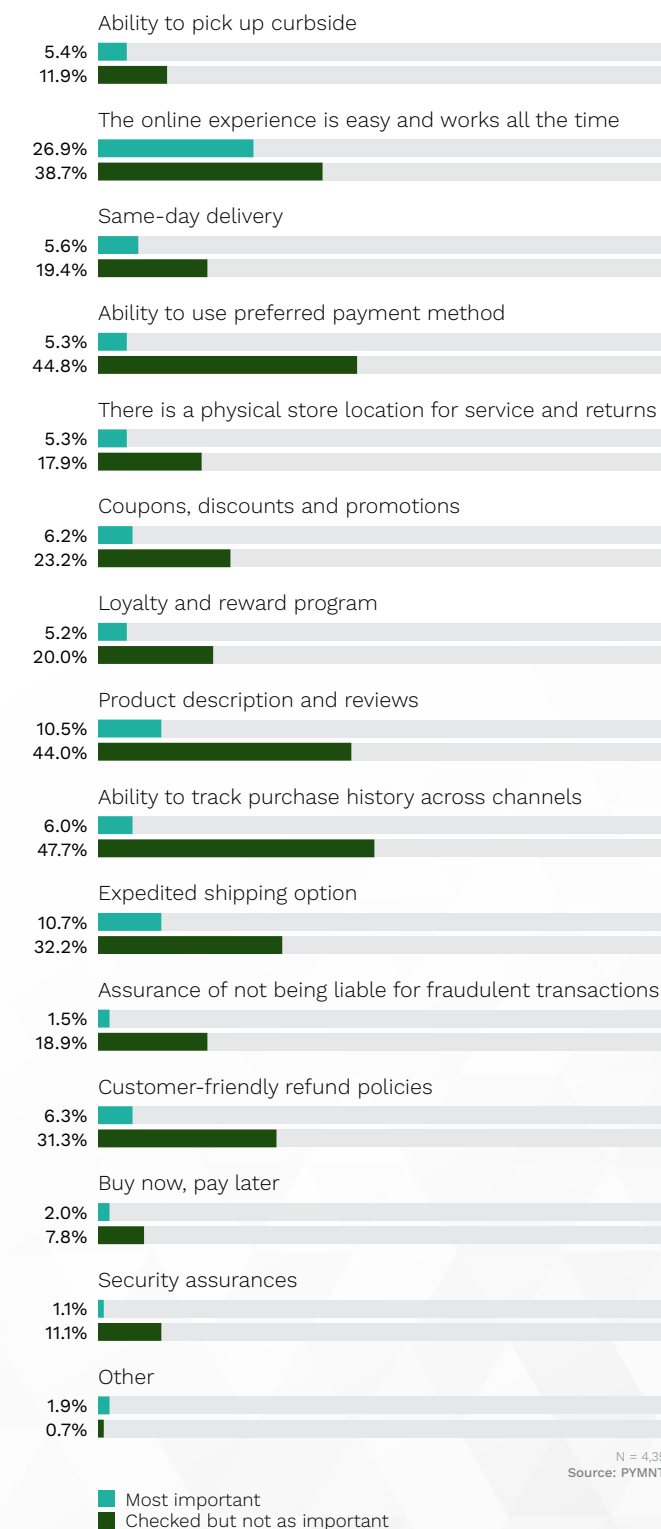


FIGURE 3B:

Features that influence consumers' decisions when shopping online

Share of respondents who say each feature would encourage them to shop with an online retailer



Building relationships through security

Our data shows that there is no faster way for online merchants to lose customers than to neglect data security. A lack of attention to this matter is often a dealbreaker for many consumers. Twenty-three percent of all consumers who purchased groceries or retail products digitally in the past month say fear of fraudsters stealing their personal data is the biggest issue impacting their trust and comfort with the online merchants they patronize or would like to patronize, and 21% say the same about their fear of losing money to fraud.

Loss of trust directly correlates to customer churn. Forty-one percent of online retail customers and 40% of online grocery customers say they would be “very” or “extremely” likely to switch merchants if they felt they could no longer trust them. Forty-eight percent of online retail customers and 46% of online grocery customers would be “somewhat” or “slightly” likely to switch for the same reason.

FIGURE 4A:

Features that negatively impact consumer trust

Share of consumers who say a specific issue would negatively impact their trust in an online merchant

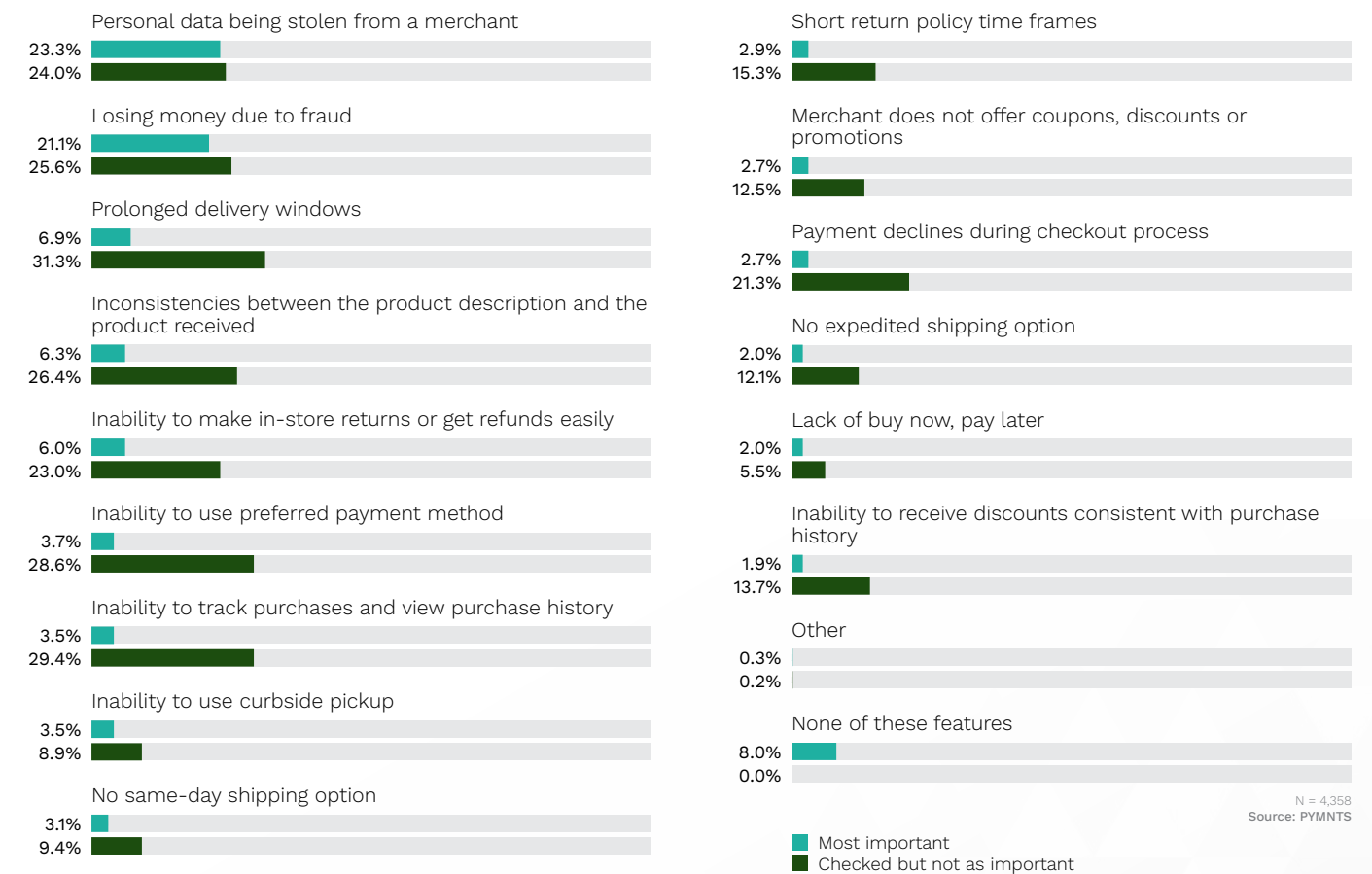
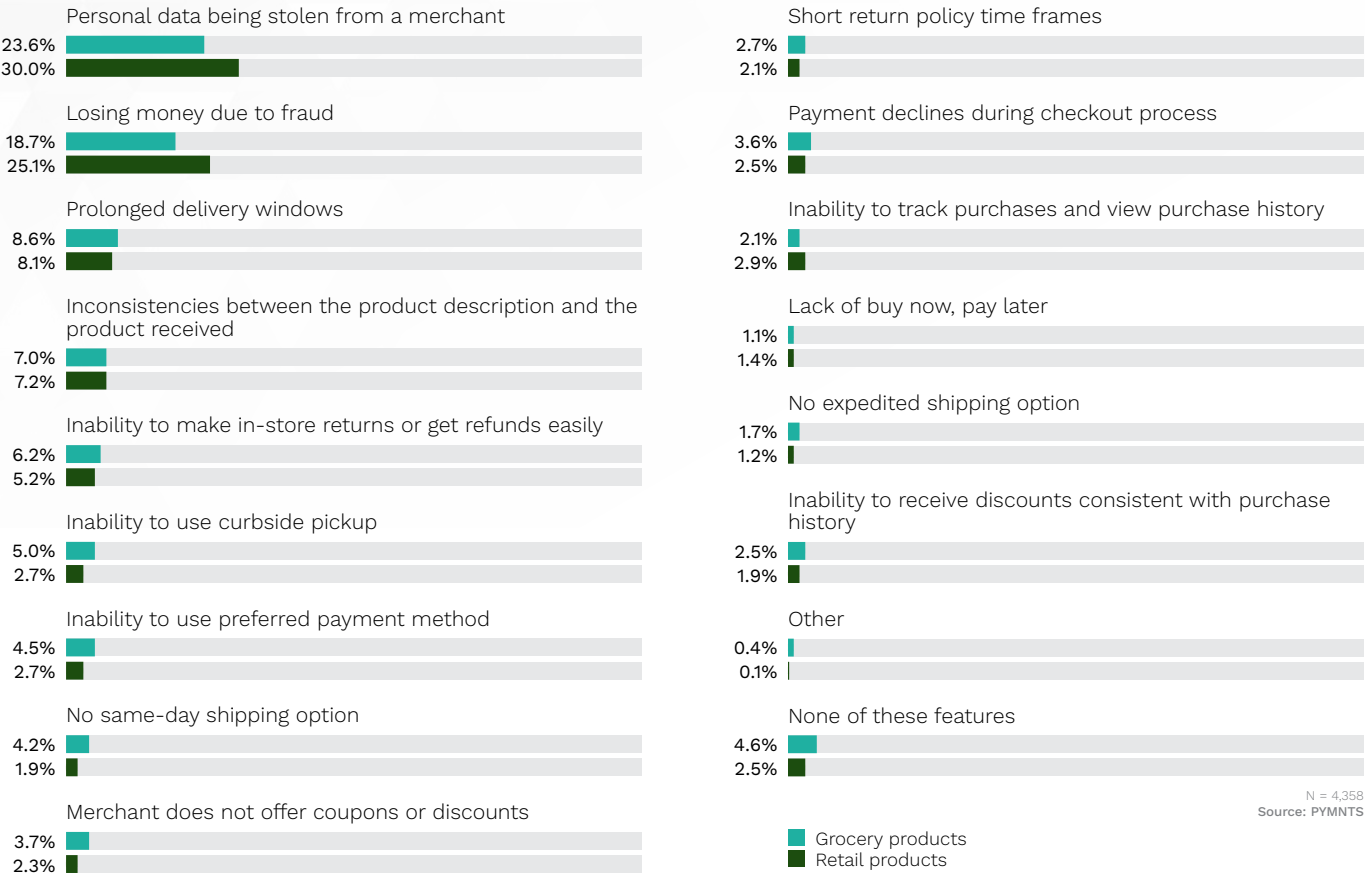


FIGURE 4B:

Features that negatively impact consumer trust

Share of consumers who say a specific issue would negatively impact their trust in an online merchant



Conclusion

The days of in-person-only shopping continue to fade as commerce increasingly moves online. Connected consumers demand seamless, secure shopping experiences with merchants they feel have earned their trust, whether they are shopping for their weekly groceries or ordering a gift for that special someone. Merchants need to ensure that everything their customers want to do goes off without a hitch. Excellent customer service is a great start, but the real differentiator is being a merchant that customers feel they can rely on, not just for great consumer experiences but also for the security of their personal data. An online merchant that can meet the rising expectations of today's consumers will pave the way for profitable customer relationships for years to come.

Methodology

Commerce And Customer Value: How Online Merchants Are Cultivating Long-Term Customer Ties draws from a PYMNTS survey of 5,731 American consumers who were asked about their experiences with online merchants and preferences regarding these experiences. We discarded 1,373 responses due to incompleteness, inaccuracies or because they declined our confidentiality agreement. This left us with 4,358 responses, of which 2,153 were from respondents who had shopped with online merchants in the last 12 months. Our analysis considered the response data from this group, and our weighted sample was then census-balanced in terms of age, education, gender and income.

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About

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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.

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