NOVEMBER 2022

# HOW WE PAY DIGITALLY:

## STORED CREDENTIALS EDITION

**How We Pay Digitally: Stored Credentials Edition,** a PYMNTS and Amazon Web Services collaboration, is based on a census-balanced survey of 2,102 U.S. consumers from Aug. 30 to Sept. 2. to uncover the drivers behind consumers' behavior when using stored credentials, as well as the reasons they use these payment methods for purchases.

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# HOW WE PAY **DIGITALLY:**

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How We Pay Digitally: Stored Credentials Edition was produced in collaboration with Amazon Web Services, and PYMNTS is grateful for the company's support and insight. **PYMNTS** retains full editorial control over the following findings, methodology and data analysis.



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# INTRODUCTION

The rise of online shopping has made inputting and managing sensitive payment information a constant concern for most consumers. For any given transaction, they must choose between using stored payment credentials and entering these details manually, with various perceived trade-offs influencing their decisions.

PYMNTS' latest research reveals that most online shoppers now store their payment information digitally — directly with merchants, within browsers or via digital wallets — for at least some of their transactions, but many still enter their information manually some of the time. Moreover, a sizable share of consumers are considered "holdouts" who manually input all of their payment credentials online. However, merchants are willing to match consumers' perceived risk-taking by offering a one-time marginal discount in exchange for storing their payment information on their sites.

For this month's How We Pay Digitally: Stored Credentials Edition, a PYMNTS and Amazon Web Services collaboration, we surveyed a census-balanced panel of 2,102 United States consumers to understand the state of play for stored payment credentials. We examined the shares of consumers using stored payment credentials and those manually inputting payment information, their reasons for choosing one over the other and how merchants can increase the use of stored credentials by offering incentives.

**This is what we learned.**

# PART I:
# To store or not to store

**Eighty percent of consumers use stored credentials for online transactions.** The most widely used options are storing credentials on merchants' sites or in browsers, followed by having credentials automatically populated by browsers and finally, using digital wallets.

As digital-first consumers grow more discerning about their online shopping experiences, it becomes increasingly crucial for online merchants to minimize friction at checkout. To accomplish this, eTailers must offer safe and convenient options for storing payment credentials. PYMNTS' latest research found that 80% of online shoppers used stored credentials, while just 18% exclusively entered their information manually. Storing payment information on merchants' or marketplaces' websites and apps represents the most popular method, used by 60% of respondents, followed by enabling browsers to store and auto-populate payment fields at 46% and using digital wallets at 39%.

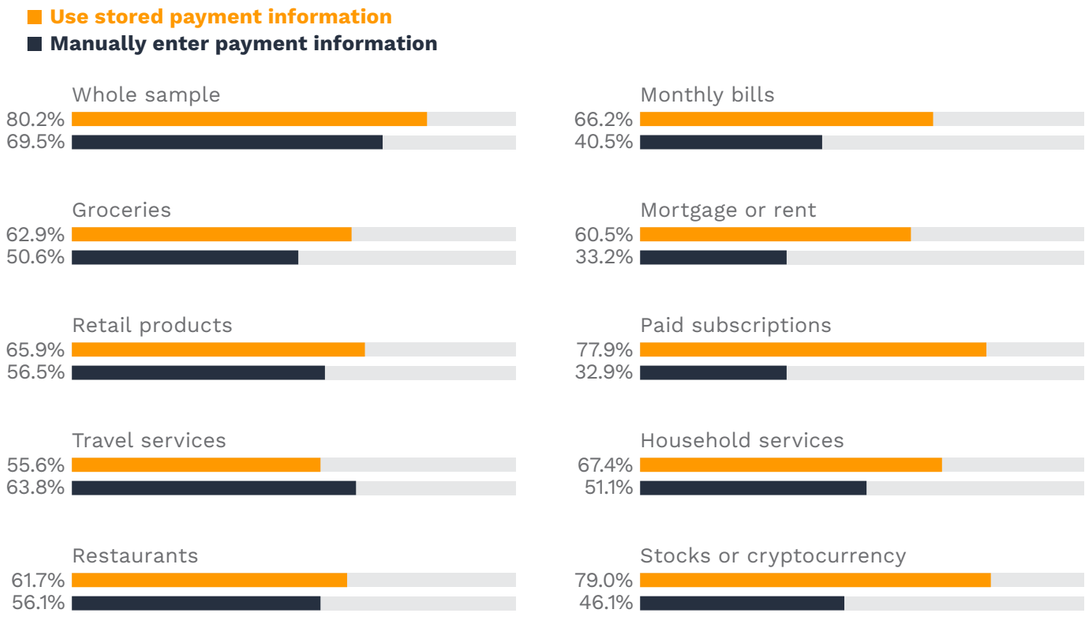
Consumers use stored credentials across a variety of products and services. Stock and cryptocurrency accounts have the highest rate, at 79%, followed by paid subscriptions, for which 78% of online consumers used stored credentials. Most online shoppers also used stored credentials for monthly bills, at 66%, retail products, at 66%, and groceries, at 63%. For all but one segment, higher shares of consumers used stored credentials than manually entered information, although most consumers utilized both.

The only category to buck this trend is travel services, where 64% of respondents manually entered their payment information, and 56% used stored credentials. This could be due to the infrequency of those transactions or because consumers use different sites to book travel. For all other segments covered in our survey, storing payment credentials in merchants' and marketplaces' websites and apps was by far the most-used method.

FIGURE 1:

## Payment methods consumers use to pay for products and services

**Share of consumers who paid for select online products or services in the last 30 days, by how they paid**



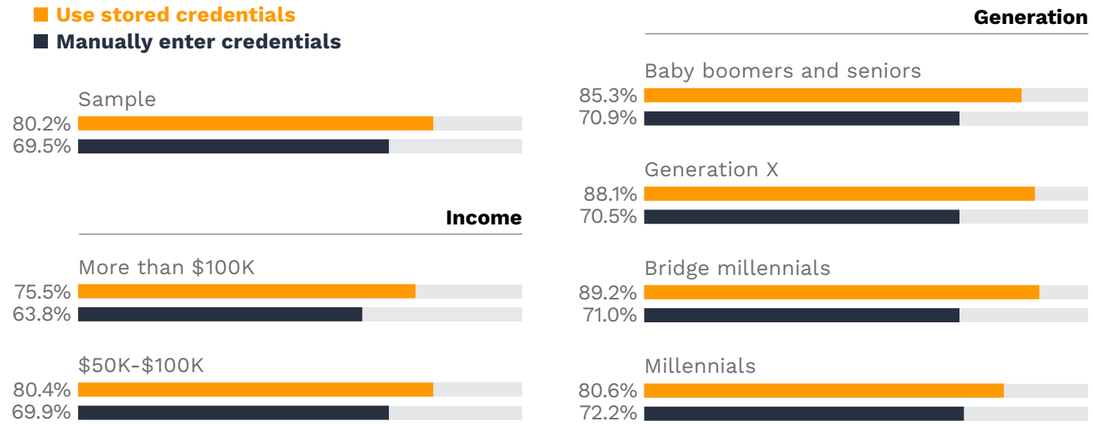

**Source: PYMNTS**
How We Pay Digitally: Stored Credentials Edition, November 2022
N = 2,045: Consumers who used a bank account, debit or credit card to make online payments for select products or services in the last 30 days; N varies based on product or service, fielded Aug. 30, 2022 – Sept. 2, 2022



FIGURE 2:

## How consumers pay online

**Share of consumers who use stored credentials and those who manually enter credentials, by demographics.**




**Source: PYMNTS**
How We Pay Digitally: Stored Credentials Edition, November 2022
N = 2,045: Consumers who used a bank account, debit or credit card to make online payments for selected products or services in the last 30 days, fielded Aug. 30, 2022 – Sept. 2, 2022

Our research also found that across every age band and income bracket, most online consumers opt to store payment data. Nearly nine in 10 bridge millennials and millennials do so, at 89% and 88%, respectively, while baby boomers and seniors use stored credentials least frequently.[1] Similarly, 84% of those earning at least $100,000 per year use this method, as do 80% of online shoppers earning between $50,000 and $100,000 per year. Seventy-six percent of respondents annually earning less than $50,000 store payment credentials, making them the least likely income bracket to adopt this method.

[1] Baby boomers were born between 1946 and 1964. Generation X consumers were born between 1965 and 1980. Bridge millennials were born between 1980 and 1989. Millennials were born between 1981 and 1996. Generation Z consumers were born between 1997 and 2012.

# PART II:
# Stored payment preferences

**Across most purchase types, consumers pay with stored debit and credit cards more frequently than with stored bank accounts.** Payments via stored bank accounts are most popular for mortgages and rent, investment accounts and monthly bills.

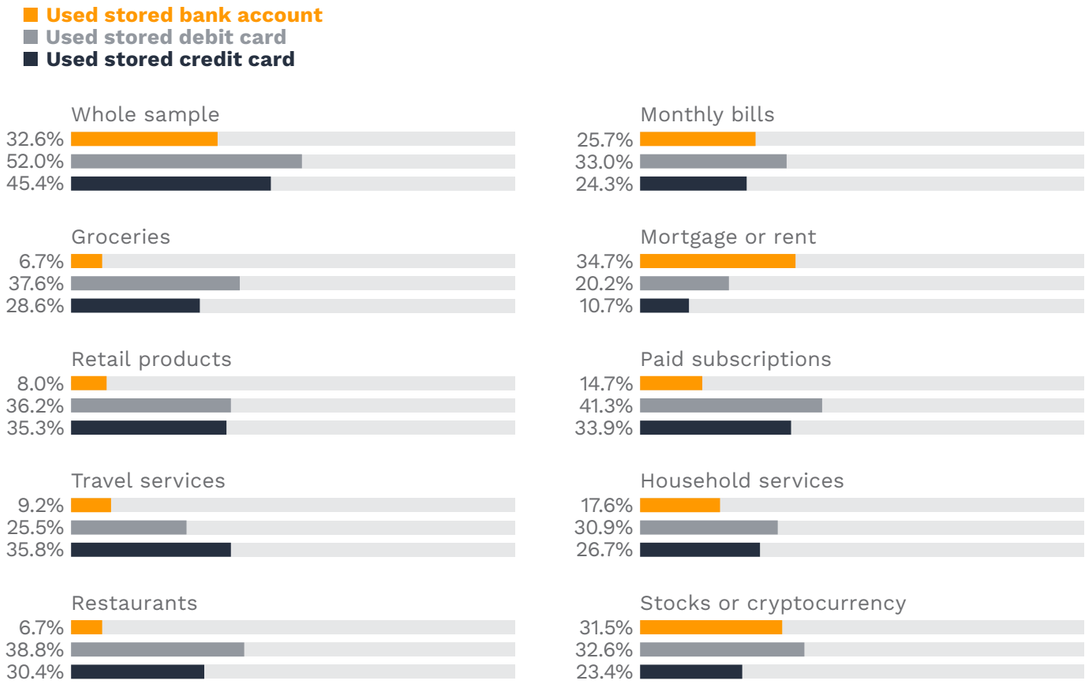
Debit and credit cards enjoy long-term incumbency as the most commonly used type of stored payment credentials. Among consumers who made an online purchase in the last 30 days, 52% paid with a stored debit card at least once and 45% used a stored credit card. Meanwhile, just 33% paid with a stored bank account, making this a common but significantly less popular form of stored-credentials payment.

The relative popularity of payments by stored debit cards, credit cards and bank accounts varies widely across purchase types, however. Stored bank accounts see high rates of use in several categories and very little use in others. Among consumers who made an online purchase in the last 30 days, 35% used stored bank account credentials to pay for their mortgage or rent, more than those who did so with stored debit or credit cards, at 20% and 11%, respectively. Consumers also heavily use stored bank accounts to make payments for other monthly bills and for stock and cryptocurrency accounts. On the other hand, less than 10% of consumers pay for groceries, restaurants, retail products or travel services using stored bank accounts, versus between 26% and 39% for debit and credit cards, respectively, depending on the category.

FIGURE 3:

## Stored payments by type of purchase

**Share of consumers who used select stored payment methods for online purchases in the last 30 days, by purchase types**




**Source: PYMNTS**
How We Pay Digitally: Stored Credentials Edition, November 2022
N = 2,102: Consumers who paid for the following products online in the last 30 days; N varies based on product type, fielded Aug. 30, 2022 – Sept. 2, 2022

Turning to key demographic categories, we observe wider differences among income brackets than across age groups. Consumers earning more than $100,000 per year paid with stored credit cards much more frequently than their counterparts in the middle- and lower-income brackets, though in all cases, consumers used stored bank accounts less commonly than credit or debit cards.

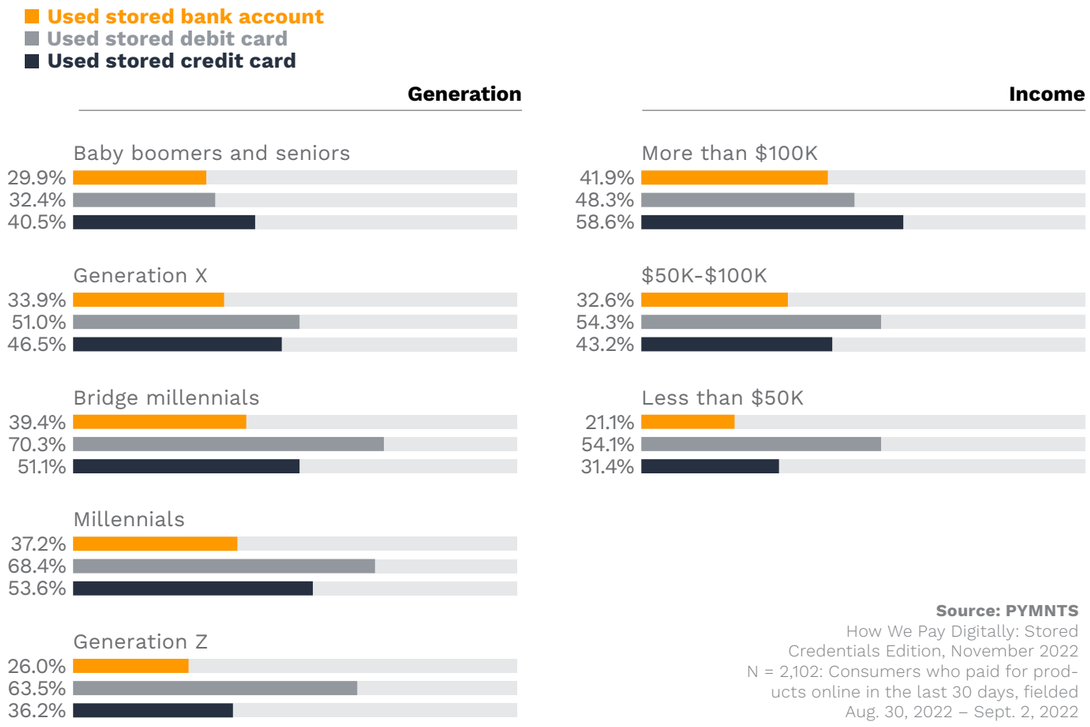


We measured less overall variation in the relative popularity of the three stored payment methods across age groups, with the exception of baby boomers and seniors. For consumers in the other age brackets, debit cards were the most commonly used form of stored payments, followed by credit cards and bank accounts. Baby boomers tended to use credit cards significantly more often than debit cards, though they used bank accounts the least.

FIGURE 4:

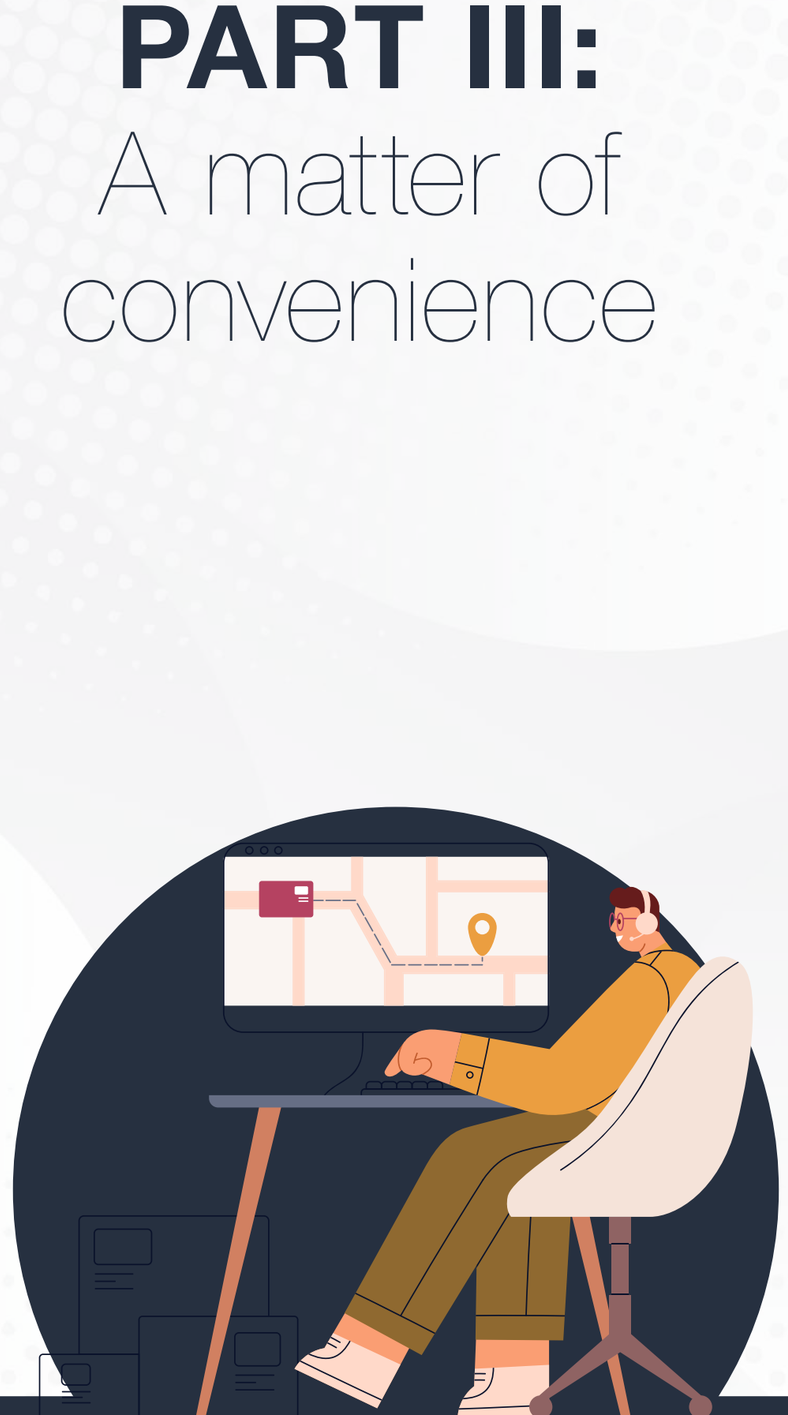
## Use of stored payments among key demographic groups

**Share of consumers who used selected stored payment methods for online purchases in the last 30 days, by demographic groups**




**Source: PYMNTS**
How We Pay Digitally: Stored Credentials Edition, November 2022
N = 2,102: Consumers who paid for products online in the last 30 days, fielded Aug. 30, 2022 – Sept. 2, 2022

# PART III:
# A matter of convenience



**Convenience drives consumers' use of stored payment credentials.** Security concerns represent the top reason that shoppers enter their payment information manually.

PYMNTS' data shows that consumers primarily choose to store their payment information because this facilitates a convenient checkout experience. Specifically, 56% of consumers opted to store their payment data because it provides an easier checkout process, given that it is more convenient than manually entering information. A higher share of respondents who use a merchant's website or app to store credentials cited convenience as a reason, compared to those who use browsers or digital wallets.

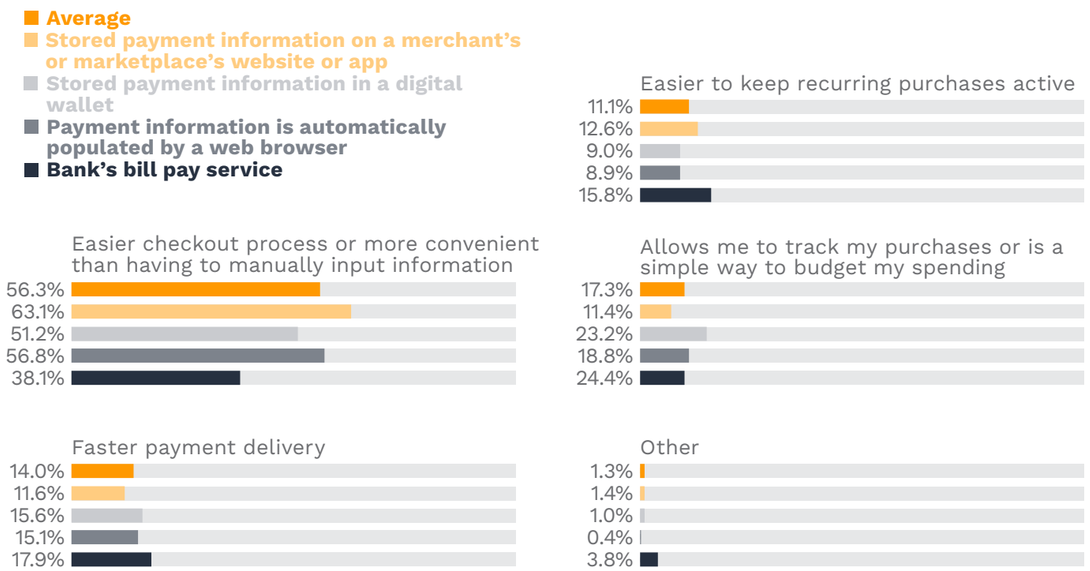
**56%**

OF CONSUMERS PREFER TO **STORE THEIR PAYMENT DATA** BECAUSE IT PROVIDES AN EASIER CHECKOUT PROCESS.

FIGURE 5:

## Reasons for storing payment credentials

**Share of consumers citing select reasons for storing their payment information, by storage method**




**Source: PYMNTS**
How We Pay Digitally: Stored Credentials Edition, November 2022
N = 1,430: Consumers who stored payment information on a website or app; N = 858: Consumers who stored payment information in a digital wallet; N = 803: Consumers who stored payment information in a browser, fielded Aug. 30, 2022 – Sept. 2, 2022

Despite the power of stored credentials to minimize checkout friction, many online consumers at least occasionally choose to enter their payment information manually, mainly due to security concerns or personal preferences. Among respondents who had manually entered payment information at least once in the last 30 days, 45% cited security concerns as the most important reason for doing so. Forty-eight percent of respondents cited theft or stolen personal data as a concern, and 8% cited a lack of trust in merchant security practices. A sizable portion of respondents found it easier to enter the information themselves or simply prefer to manually enter it, with 46% naming this as a key factor and 19% citing it as a reason for not storing their payment credentials.

Examining the demographic data, we discovered that Generation X consumers were most likely to cite security concerns as a reason for manually entering their payment information, at 54%, and that Generation Z respondents were least likely, at 37%. Baby boomers followed closely at 48%, whereas 41% of bridge millennials and 38% of millennials said the same. However, we found that improving security measures is a top motivator for 37% of consumers to increase their number of stored payment credentials. For 5% of them, this is the primary reason to start storing their payment credentials.

FIGURE 6A:

## Reasons consumers opt to enter payment details manually

**Share of consumers citing select reasons to enter payment information manually**

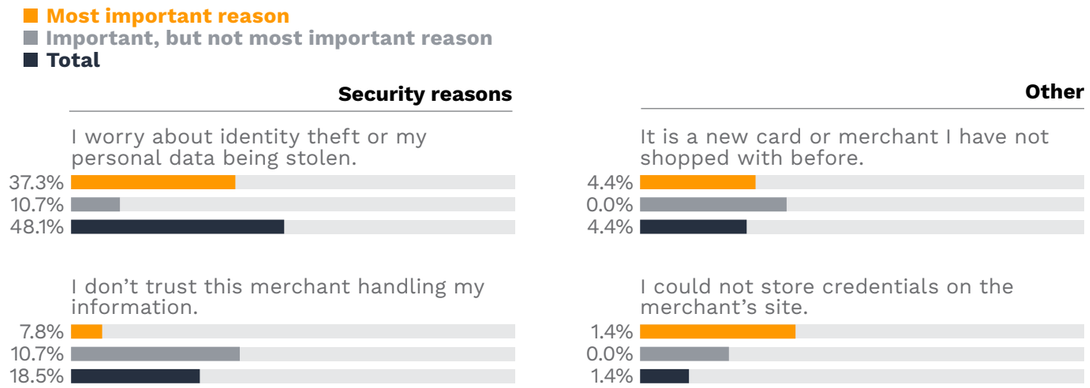
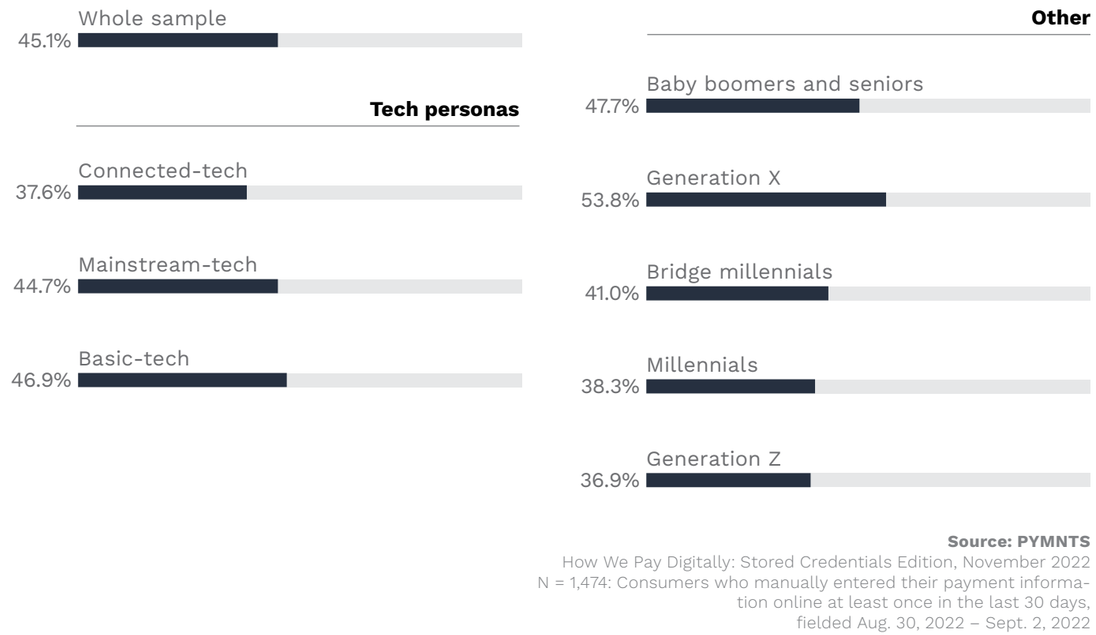



FIGURE 6B:

## Reasons consumers opt to enter payment details manually

**Share of consumers citing security concerns as the most important reason to enter payment information manually, by demographic**




**Source: PYMNTS**

How We Pay Digitally: Stored Credentials Edition, November 2022
N = 1,474: Consumers who manually entered their payment information online at least once in the last 30 days, fielded Aug. 30, 2022 – Sept. 2, 2022

# PART IV:
# Winning over the holdouts

**Merchants can use incentives to encourage the use of stored payment credentials.** Fifty-seven percent of consumers who manually enter payment information are highly interested in storing credentials with a merchant if offered a one-time discount.

PYMNTS' research pinpoints that one-time discounts allow merchants to increase consumer use of stored payment credentials. If merchants offered a one-time discount, 41% of online shoppers who manually inputted payment information at least once in the last 30 days said they would be very or extremely interested in storing their credit card data and 40% said the same for storing their debit card data. Similarly, 35% indicated being very or extremely interested in storing bank account information for a one-time discount.

Bridge millennials and millennials show the highest interest in storing payment credentials in exchange for a discount. Fifty-three percent of bridge millennials who manually entered payment information at least once in the preceding 30 days said they were very or extremely interested in storing their bank account information in exchange for a one-time discount, followed by 46% of millennials. Just 21% of baby boomers and seniors indicated the same.

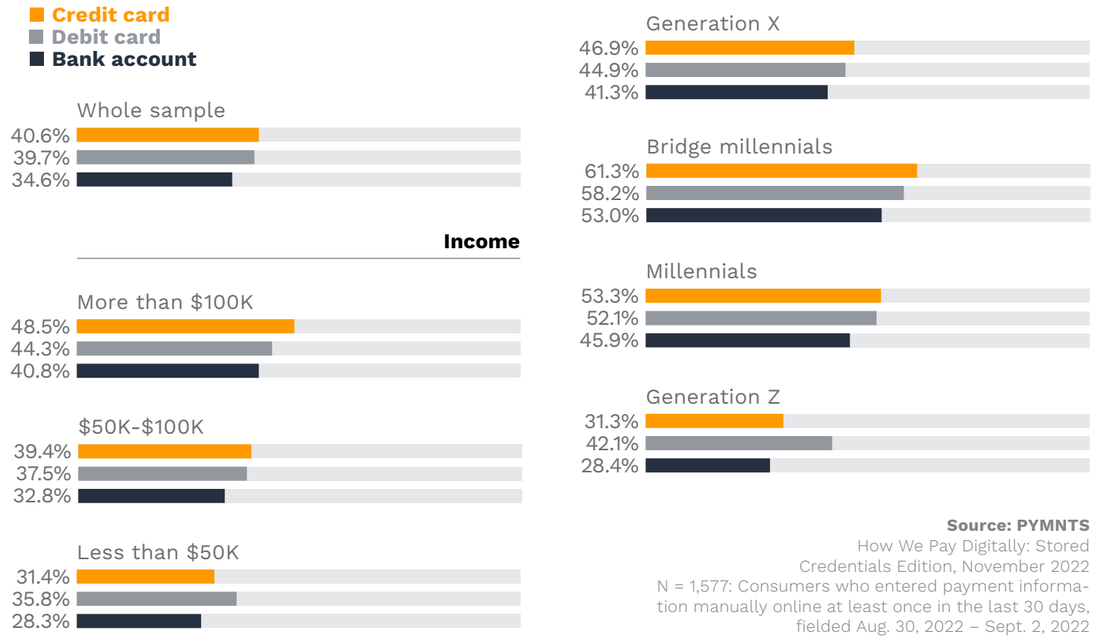
High-income consumers showed more interest in storing payment credentials than their low-income counterparts. Forty-one percent of those earning more than $100,000 per year were very or extremely interested, versus just 28% of those earning less than $50,000 per year. With a few exceptions, consumers across age and income groups were somewhat more likely to indicate strong interest in storing credit or debit card information if offered a discount than storing bank information, though the trends were similar.

Importantly, our data show that even relatively small one-time discounts can spur consumers to store payment credentials. Forty-eight percent of the respondents who had manually entered payment information at least once in the last 30 days said they were very or extremely likely to store payment credentials with a merchant that offers a one-time 5% discount, which increases to 54% if the discount is 10%.

FIGURE 7:

## Merchants can incentivize consumers to store payment credentials

**Share of consumers who manually entered payment information at least once in the last 30 days and are very or extremely interested in storing payment information in exchange for a discount, by payment method and demographic**




**Source: PYMNTS**
How We Pay Digitally: Stored Credentials Edition, November 2022
N = 1,577: Consumers who entered payment information manually online at least once in the last 30 days, fielded Aug. 30, 2022 – Sept. 2, 2022

# 84%

## OF CONNECTED-TECH CONSUMERS WOULD **STORE PAYMENT CREDENTIALS** INSTEAD OF ENTERING THEM MANUALLY IF OFFERED A 10% DISCOUNT.

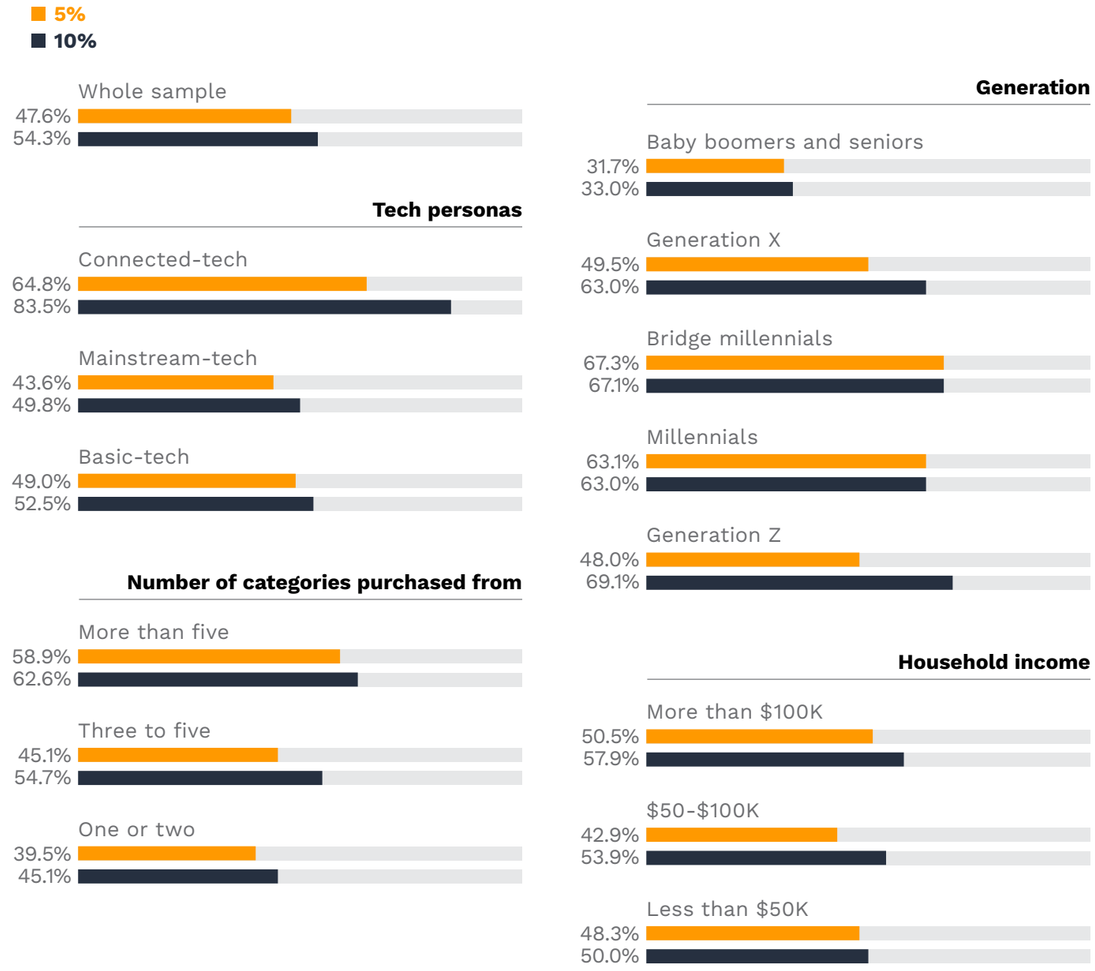
We observed that higher discounts disproportionately impacted interest in storing payment data among the lucrative connected-tech, younger and high-income segments.[2] Connected-tech consumers showed the biggest jump, with 65% declaring a very or extremely strong interest in storing payment information if offered a 5% discount versus 84% for a 10% discount. Among consumers who had entered payment information manually in the last 30 days, 48% of Gen Z respondents were very or extremely interested in storing payment credentials for a 5% discount, but this swelled to 69% with a 10% discount. Half of their high-income counterparts expressed strong interest in storing their payment data for a 5% discount, which climbed to 58% for a 10% discount.

[2] Connected-tech consumers have, on average, between 10 and 12 smart connected devices, which cover all the basic technological devices (e.g., smartphones, laptops) while also incorporating smart home and activity tracking devices.

FIGURE 8:

## Size of discounts impacts consumers' decisions on storing payment credentials

**Share of consumers very or extremely likely to store payment credentials instead of entering them manually, by discount level offered and demographics**




**Source: PYMNTS**
How We Pay Digitally: Stored Credentials Edition, November 2022
N = 1,577: Consumers who entered payment information manually online at least once in the last 30 days, fielded Aug. 30, 2022 – Sept. 2, 2022

# PART V:
# The appeal of discounts for storing a bank account

**Forty-three percent of consumers who pay merchants using stored credit or debit cards would consider storing their bank account information if offered a one-time discount.** Sixty-two percent of connected-tech consumers and 56% of bridge millennials are highly interested in doing so.

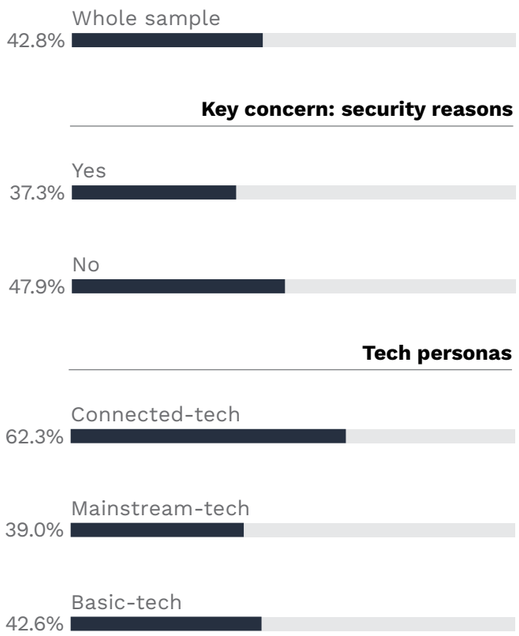
Discounts can also incentivize consumers to change what type of payment method they store on merchants' and marketplaces' apps and websites. Our research discovered that among consumers who currently store credit and debit cards, 43% are very or extremely interested in saving their bank account credentials if merchants offer a discount for making the switch.

Digging into the data, we identified three key consumer segments showing a much greater likelihood of making an incentivized switch from storing credentials for credit or debit cards to storing banking details. The lucrative connected-tech segment again leads the pack, with 62% very or extremely interested in switching from storing cards to storing bank account information for a discount. Bridge millennials follow at 56% and high-income earners at 50%.

FIGURE 9:

## Consumers motivated to change payment methods

**Share of consumers very or extremely interested in storing bank account information instead of cards, by demographic**




**Source: PYMNTS**
How We Pay Digitally: Stored Credentials Edition, November 2022
N = 1,700: Consumers interested in storing bank account information, fielded August 30, 2022 – September 2, 2022

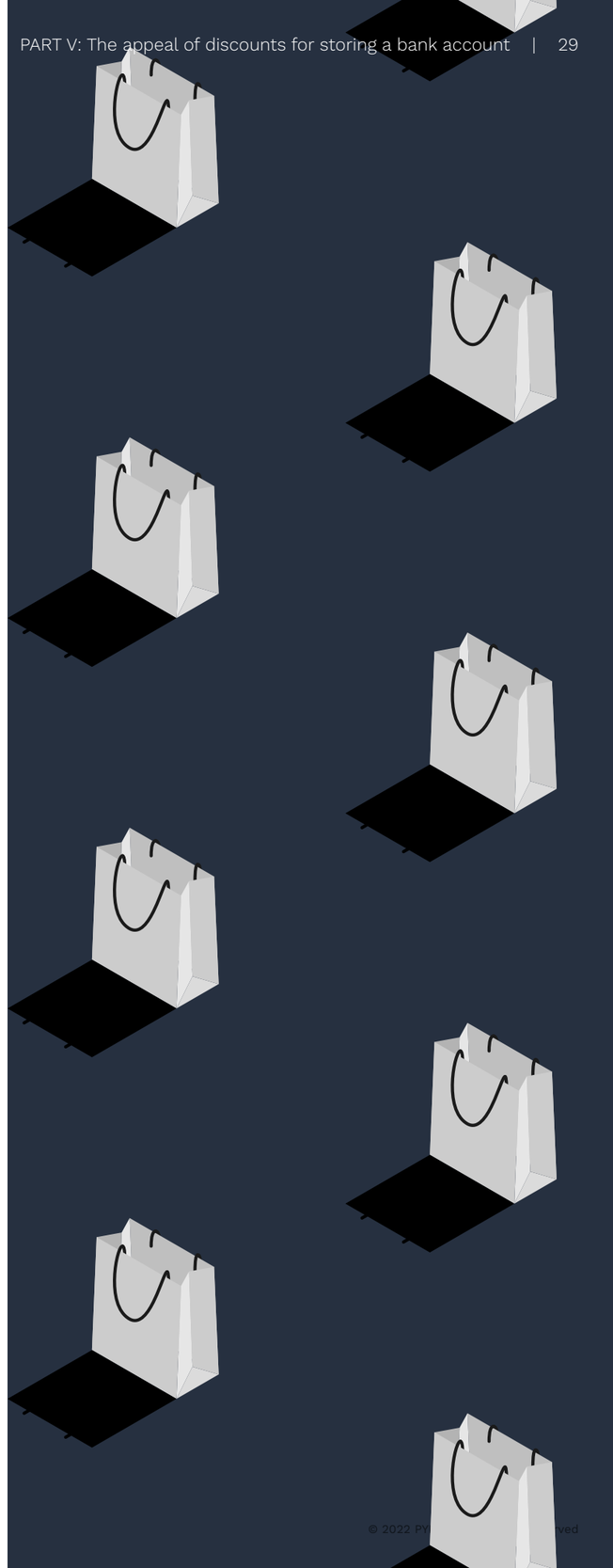


TABLE 1:

## Size of discount encourages switch to storing bank account information

**Share of consumers interested in storing bank account information instead of cards, by percentage of discount offered and demographic**

| | 1%, 3% or 5% discount | 10% or 25% discount | Total |
|---|---|---|---|
| Whole sample | 41.0% | +4.6% | 45.6% |
| Household income | | | |
| • Less than $50K | 32.6% | +4.9% | 37.5% |
| • $50K-$100K | 37.6% | +7.0% | 44.6% |
| • More than $100K | 48.9% | +3.6% | 52.5% |
| Generation | | | |
| • Generation Z | 31.3% | +15.6% | 46.9% |
| • Millennials | 52.9% | 0.0% | 52.9% |
| • Bridge millennials | 57.0% | 0.0% | 57.0% |
| • Generation X | 41.7% | +12.3% | 54.0% |
| • Baby boomers and seniors | 29.1% | +1.5% | 30.6% |
| Financial lifestyle | | | |
| • Living paycheck to paycheck with issues paying bills | 43.1% | +8.9% | 52.0% |
| • Living paycheck to paycheck without issues paying bills | 42.4% | +2.4% | 44.8% |
| • Not living paycheck to paycheck | 36.8% | +3.0% | 39.8% |
| Number of categories purchased | | | |
| • One or two | 35.8% | 0.0% | 35.8% |
| • Three to five | 37.8% | +8.0% | 45.8% |
| • More than five | 50.3% | +4.1% | 54.4% |
| Tech personas | | | |
| • Basic-tech | 40.5% | +5.4% | 45.9% |
| • Mainstream-tech | 38.0% | +2.4% | 40.4% |
| • Connected-tech | 57.4% | +12.7% | 70.1% |
| Security concerns | | | |
| • No | 47.2% | +1.9% | 49.1% |
| • Yes | 37.0% | +0.6% | 37.6% |

**Source: PYMNTS**
How We Pay Digitally: Stored Credentials Edition, November 2022
N = Varies based on whether consumers are interested in using real-time payments or storing bank account information, fielded Aug. 30, 2022 – Sept. 2, 2022

**38%**

OF CONSUMERS **CONCERNED WITH SECURITY ISSUES** WOULD STORE THEIR BANK INFORMATION INSTEAD OF CARD INFORMATION IF OFFERED AT LEAST A 10% DISCOUNT.

Among consumers storing their credit or debit cards, connected-tech consumers, bridge millennials and high-income online shoppers demonstrate stronger-than-average openness to switching their stored credentials to bank accounts. Fifty-seven percent of connected-tech respondents were very or extremely likely to store their bank account information if offered a 5% discount. This share rose to 70% when offered a 10% or 25% discount. Fifty-seven percent of bridge millennials and 53% of high-income consumers would store their bank account information if offered a 10% or 25% discount.

# CONCLUSION

Most digital consumers already store payment credentials on at least some merchant or marketplace apps and websites. Convenience is the primary driving force behind their decisions to do so, particularly for paying recurring bills. Despite the inherent advantages of storing payment information, a sizable share of online shoppers still enters payment information manually at least some of the time, and a smaller percentage remain "holdouts" who always enter payment information manually. However, consumers broadly indicate an openness to greater use of stored credentials, providing merchants with a strategic opportunity to incentivize this change for just a small price.



## METHODOLOGY

**How We Pay Digitally: Stored Credentials Edition, a PYMNTS and Amazon Web Services collaboration, seeks to uncover the drivers behind consumers' behavior when using stored credentials, as well as the reasons they use these payment methods for purchases. We conducted a consumer-based survey of 2,102 U.S. consumers from Aug. 30 to Sept. 2. The randomly drawn sample is representative of the U.S. population with respect to age, gender, education and income.**

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# ABOUT

PYMNTS 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.

Amazon Web Services (AWS) is the world’s most comprehensive and broadly adopted cloud platform, offering more than 200 fully featured services from data centers globally. Millions of customers — including the fastest-growing startups, largest enterprises and leading government agencies — are using AWS to lower costs, become more agile and innovate faster.

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