



Payments Performance:

Shopping Online in a Post-pandemic World

Based on findings from a survey commissioned by One Poll on behalf of Visualsoft and PayPal.



In 2022, consumers are looking for **convenience, reliability and becoming more selective** about the brands they shop with. Customers are demanding more, whilst looking for **recognisable payment providers they can trust** to make spending online as simple as possible.



With lockdown and restrictions becoming a distant memory, shoppers are still favouring the online shop

For many, **COVID-19** has been a major factor in their choice of where to shop, with the majority choosing to spend their hard-earned cash online.

Consumer **confidence** is also being regularly hit by **worldwide economic factors** such as **inflation** and **rising interest rates** that create spending uncertainty.

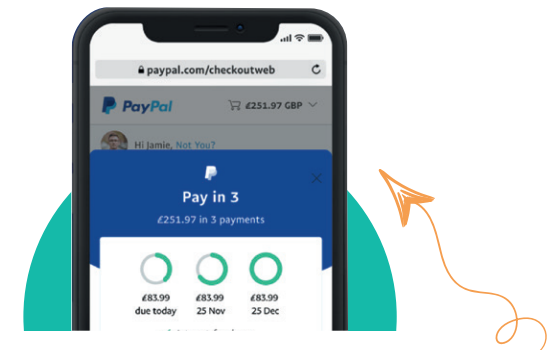
Understanding what is most important to shoppers, whether that be brand loyalty, experience or convenience is instrumental to a retailers' success.



So, as we move into the third quarter of the year, what can retailers do to ensure they are providing customers with the shopping journey they expect and demand?

We wanted to discover, even with the rise in the use of split payment methods:

- ? Are consumers still reliant on interest-bearing credit cards?
- ? Where will customers be spending their money over the coming months online or how is COVID-19 still affecting consumers' choice in where they shop?



Based on this evidence, this study provides **actionable advice** to help you **plan your roadmap** for selecting the right technologies that will allow you to best tailor your online offering for consumers this year.

To help us find out, we undertook a survey of **2000 UK consumers** between **9th-14th March 2022**, to **gain an overall insight on how they want to shop, the payment methods they want to shop with and how this is reshaping retail in 2022 and beyond.**

Convenience and Comfort With Free Shipping and Buyer Protection

For shoppers, both convenience and comfort are at the top of the priority list when it comes to tipping them over the edge of conversion.

52%
of brits

In a world of economic uncertainty, saving a few extra pounds if your purchase isn't quite right is a key consideration for over half of British consumers, with **52% of Brits** saying that [Return Shipping on Us](#) (if ordering online) would make them more likely to purchase from a brand or retailer.

Having the option for [Return Shipping on Us](#), can **eliminate the barrier** caused by these added fees, as well as boosting the incentive to buy knowing their returns (should they need to return an item) should be seamless. This generosity can go a long way in easing the buying process from start to end, encouraging returning customers as well as new ones.

Buyer Protection is another contributing factor to a consumer's likelihood of shopping with a retailer or brand. Buyer Protection gives the consumer peace of mind when making a purchase online, that they are covered in the event of the product arriving in an alternative condition than described or if its delivery has not been timely to when originally specified upon purchase.

Offering buyer protection is putting **40% of shoppers** at ease when spending their hard earned money online, and **increasing market receptivity**.

Both [Return Shipping on Us](#) and **Buyer Protection***, are factors retailers should consider in the next 12 months as consumers become more economically aware and selective on where they shop.

PayPal is one of the world's largest payment providers, delivering secure methods for consumers to pay for their purchases online. Offering **PayPal** as a method of taking payment from your consumer can provide a comforting trust signal in the first instance, and deliver convenience in the second instance.

In addition to being a recognisable payment provider, as part of their core consumer value proposition, PayPal also offers [Return Shipping on Us](#) and **Buyer Protection***.

It's with adding a service like this to their site that retailers and brands can **optimise their customer journey**. From consumer **security** when it comes to making a transaction, to their **convenience**, covering themselves post purchase with the ability to **refund return products** or **claim their money back** in the instance a product is significantly not what was mentioned in its description.



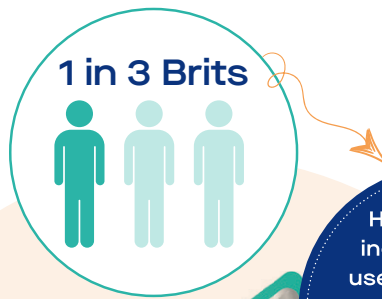
*Available on eligible transactions only. Exclusions apply.



Does Your Checkout Have Something for Everyone?

Consumers are still opting for traditional methods of payment despite having more flexible options when it comes to online purchases.

In the last 12 months 1 in 3 Brits (32%) have seen an increase in their use of paying via credit card. Even with the rise of Buy Now, Pay Later, consumers are still opting for interest bearing credit cards to make their online purchases.

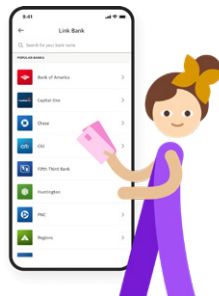


Have seen an increase in the use of paying via credit card

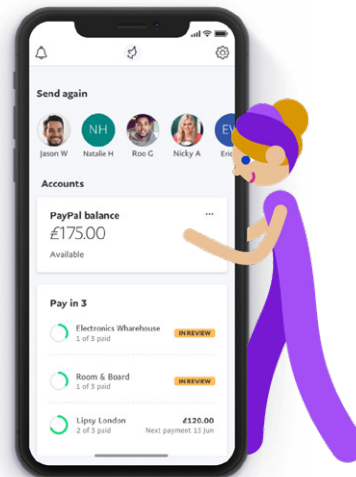
Even with the rise of Buy Now, Pay Later

Whether it's because they are sticking with what they know and staying in their comfort zones where payments are concerned, or because not all retailers have adopted more flexible methods to their checkouts, this more traditional way of payment is still in demand amongst consumers.

When coupled with the knowledge that 31% of shoppers choose credit cards as their preferred payment method, this could present retailers with an opportunity to offer interest free options for their customers.



This is followed by 1 in 4 people choosing PayPal as their preferred choice for online purchases. The convenience of PayPal Checkouts is resonating with many, and is a chance for retailers to incorporate into their payment providers to help enhance brand loyalty. PayPal connects you with 32.5M active consumer and merchant accounts in the UK.



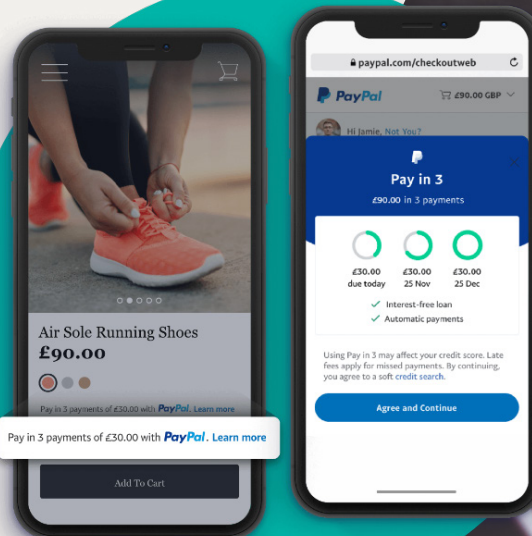
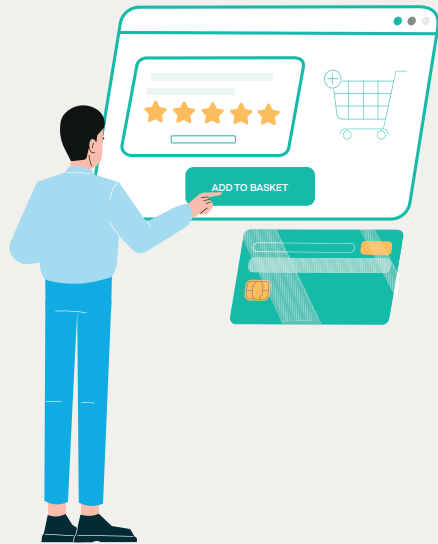
Dean Benson, Founder of Visualsoft commented:

Visualsoft serves over 1000 retailers and merchants through our all-in-one eCommerce platform solution. We also cultivate relationships with best-in-class technologies that our retailers can benefit from and excel their journey to eCommerce success. Working with industry experts like PayPal means the brands we work with can elevate their checkout experience. Over 800 of our retailers are actively using PayPal wallet on their sites through quick and easy integration. PayPal's reputation for convenience and reliability, resonates with both brands and consumers and adds a layer of confidence when it comes to making a purchase which ultimately can help drive conversions.

With PayPal, checkouts are easy with a single global payments platform that lets your customers pay the way they want to, without leaving your website. It's no surprise then that consumers are opting for safe, convenient payment options like PayPal when the option is there at the checkout.

British consumers have also seen an increase in paying via debit card (30%), PayPal* (28%), and Buy Now, Pay Later instalments (14%)

Whilst consumers definitely have their preferences when it comes to making a purchase, there are significant increases in multiple payment options suggesting that retailers and brands could benefit from offering a range of payment options to suit nearly everyone. Whether it's traditional convenience such as credit cards, or more modern choices such as Buy Now, Pay Later instalments, these survey findings suggest that having a diverse option of payment methods could attract and cater to more customers, increasing the opportunity for conversion.



*Includes use of credit card as funding instrument in wallet.



Is the Consumer Shift to Online Here to Stay?

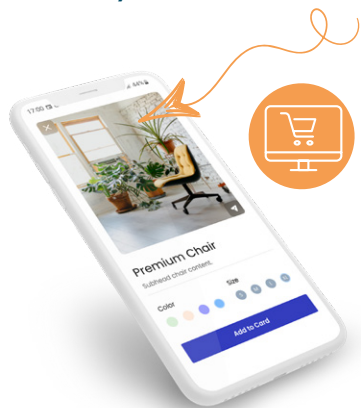
COVID-19 has largely impacted the behaviours of consumers and their shopping habits forcing more shoppers online.



For most brands and retailers there has been a noticeable shift online due to a forced change in the way customers shopped as a consequence of the **COVID-19 pandemic**. Keeping businesses alive, and feeding consumer demand meant that around **85,000 businesses in the UK launched an online store or joined marketplaces during the pandemic** (Growth Intelligence, 2020). **But is this shift here to stay, or are consumers wanting to go back to hitting the highstreets?**

According to [Brandambassador.com](https://www.brandambassador.com) the future of eCommerce sees 'people are going to matter more'. In simple terms, retailers and brands need to recognise the value of their consumers, listen, and **personalise their journey** to meet consumer expectation, if they want to stay ahead of the game.

With that being said, with the knowledge of a **large volume of consumers** favouring online shopping, this could be something for retailers to keep in mind when prioritising investing between their online stores or their traditional brick and mortar stores.



When considering their shopping experience over the **last 6 months**, including peak shopping periods such as Black Friday and the Christmas period, **35% of respondents say they preferred shopping online, rather than in-store**, with **32% of respondents saying that COVID-19 has been a big factor in their decision to shop online more**.

So whilst **convenience** will play a large factor in shoppers sticking to their devices to purchase their goods, the ability to shop online over the last **6 months** adds an **extra incentive** due to some people possibly still feeling uncomfortable with the uncertainty left around the pandemic.

As a result of **COVID-19**, and a shift from both consumers to purchase goods, and retailers to feed the demand, retailers and brands are heavily investing in providing an improved shopping experience for their consumers to prevent getting lost in the crowd of online businesses.

85,000 UK businesses

launched an online store or joined marketplaces





Dean Benson, Founder of Visualsoft commented:



The shift to online doesn't seem to be departing any time soon and as more brands and retailers head online to **meet the preferences of their consumers**, listening to your customers to encourage them to stay on your site, from browsing to conversion, **is vital** in standing out among the thousands of businesses that have joined the online realm as well as the existing retailer sites. If you're not already online, now is the time to act so you don't get left behind.



Earlier in the survey we discovered that payments are a touch point that your customers do in fact have preferences around.

This can be personalised to meet your consumers demands around convenience, reliability and a perk to continue shopping online with your brand.

It is evident that our findings have seen a **diverse range of payment options that resonate with consumers**.

PayPal is not only reliable and offers secure transactions, but they are also a full-stack payment provider who offer your consumers an easy checkout with a single global payments platform that, **most importantly**, lets your customers pay the way they want to, without leaving your website. This could be a great way to meet customer demands around their checkout preferences relating to convenience and reliability.

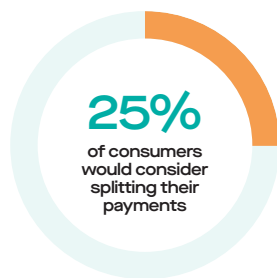


Should You Be Giving Consumers the Option to Pay in Instalments?

On average, consumers want to use instalments for larger purchases, but there is a significant number of users willing to pay in instalments for smaller purchases too.



Our findings showed that the average **minimum spend of £487.48** would have respondents considering **interest free instalment plans** such as **PayPal Pay in 3**, showing there is **definitely an appeal for this method of pay for larger value purchases.**



25% of consumers would consider splitting their payments for purchases between **£0-200**. The extra **convenience** of the availability to manage costs seems to be attracting buyers, even with those smaller value purchases.

With **worldwide economic factors** such as **inflation** and **rising interest rates** creating spending uncertainty, this could be an opportunity for retailers to provide more **convenience** and **flexibility** to their customers and offer **interest free instalments** regardless of the size of purchase.

Integrating payment providers such as PayPal who offer Pay in 3 as part of their PayPal wallet, means you can empower your customers to take control of the flexible payment and availability of managing their money, whilst retailers and brands can see higher conversions and repeat custom.



Dean Benson, Founder of Visualsoft added:



With **450 of our retailers** actively using PayPal Pay in 3, we are already seeing a large volume adopting the split payment methods and offering this **flexibility to their customers.**

This gives more opportunity to convert those who do wish to take advantage of alternative ways of managing their spends. Visualsoft's all-in-one eCommerce platform solution is home to over 1000 retailers and merchants who have the ability to benefit from best-in-class technologies such as PayPal, who can optimise your checkout process and influence your sales.



Shop your way with Pay in 3.



It's an interest free loan.



Get a decision in seconds.



It's backed by PayPal.



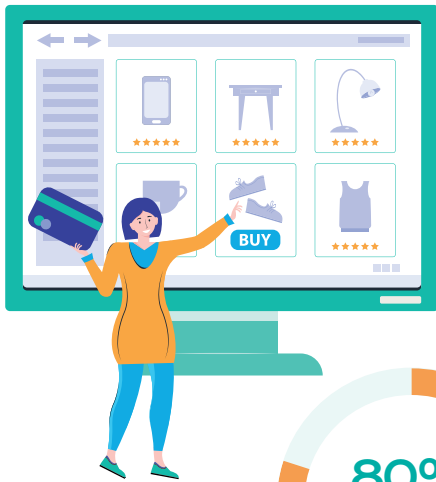
Used by millions of merchants online.

* Pay in 3 is a form of credit and is not available to all merchant sectors. Pay in 3 use is subject to approval and can impact customers' credit scores.

Be Transparent: What Payment Options Does Your Consumer Have?

Transparency around payment methods is a key component to conversions, with shoppers wanting to know how they can pay pre-checkout.

Of those who buy online, 80% would be more likely to complete an online purchase if they are aware of what payment methods are available when they're browsing the site prior to checking out.



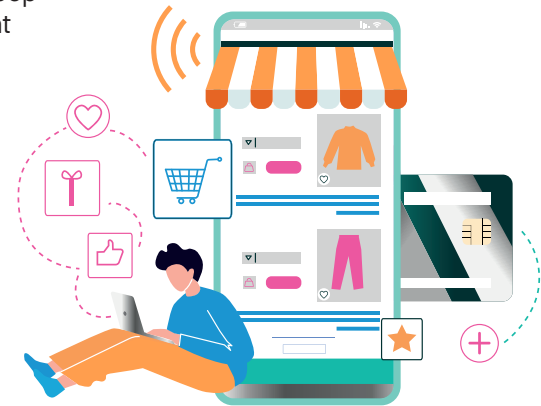
Payment providers can be part of **building trust** and **nurturing reliability** between you and your customer. If they are seeing recognisable payment providers such as **PayPal**, this can add comfort and allow the user to know they're shopping with security and legitimate sites.

Not only does knowing your payment options add **confidence** and **security** to your consumer but it can also allow them to know their limits as well as budgets if options such as **PayPal Pay in 3** is available, or can deliver **flexibility** if traditional methods such as **credit cards** are an option for them too.



Giving your customer signals of available payment methods as soon as they land on your site means that a user is able to shop around knowing their ability to make a purchase. This in turn **enhances the consumer experience**, and helps prevent **abandoned carts** as a result of reaching the checkout and finding there is no option that **best suits their needs**. In this instance, they may not return due to the lack of transparency. Whereas having a site that is transparent with indicators of payment options such as PayPal for instance, shoppers may be more inclined to complete a purchase.

This is something retailers should keep in mind when prioritising the content on their site. Transparency of their payment methods prior to checking out is something a large percentage of their consumers are looking for pre-purchase and meeting this expectation could in turn result in more time spent on site, more conversions and repeat custom.



What Does Your Consumer Value the Most?

Retailers and brands can improve the shopping experience they provide their consumers through elements they value as most important when choosing who to shop with.



When asked to rate on a scale of 0 to 10 how important or unimportant the following is to them, the top 3 that respondents came back with was:



Offering me discounts



6.57
average

1

Where shoppers are now being more cautious on their spends due to cost of living increases, **offering discounts** may be a prime strategy to **drive conversions** from **economically conscious** shoppers by taking away some of the burden of cost.

Personalising my experience



4.92
average

2

'Personalising my experience' is **second on the list** of what's important for consumers when choosing to shop with a brand. This is when retailers use data to **tailor a customer's journey** depending on factors such as interests, purchase history, shopping preferences and geographic location.

Personalisation is definitely on the rise in the world of eCommerce, and with these findings, rightly so. Having preferred payment options for your consumers can also be a way to personalise and improve the experience for your customer.

Being able to split my payments into instalments



3.65
average

3

Third in the list of important factors to consider when choosing to shop with a brand or retailer was having **the option to split payments into instalments**.

Whether consumers are using it or not, the added **flexibility** of being able to pay in multiple instalments should they need it, is proving to be something consumers are finding improves their experience and that they see as important.

Buy Now, Pay Later options such as [PayPal Pay in 3](#) could help increase customer purchasing power and could be a great solution for helping customers to effectively budget.

So, retailers can enhance their consumers' buying journey by introducing options such as **PayPal, Pay in 3** to their checkouts according to what their consumers are valuing most when selecting who they should spend their hard earned money with.

Where Are Consumers Spending Their Money in the Next 12 Months?

Have economic factors meant a change in the way consumers see themselves spending their money?

Over the next 12 months, 42% of Brits see themselves spending most money in the **grocery sector**. This could be due to the current state of the economy with the rising cost of living, groceries are everyday essentials which is why the expectation of household funds being spent in this sector is most likely an anticipated prioritisation.

For those in the grocery sector, this is an opportunity to provide the most **seamless** and **efficient** experience both **offline** and **online** for your consumer to prevent losing them to competitors.



When navigating the ever changing eCommerce landscape in particular, for those in the grocery sector this could be a great chance to improve your **online** experience for shoppers.



How?

Personalising experiences, offering discounts, loyalty schemes, or improving your checkout and delivery experience are all ways you can enhance the customer journey.

With many consumers tightening their wallets to ensure they have budgets for such essentials, every penny spent will be more carefully considered when making most purchases. This means retailers should be doing their utmost to ensure the experience is the best they can offer for their returning customers.

18% of consumers see themselves spending in the **homeware and furniture sector** in the next 12 months. However, we see smaller percentages of consumers predicting to spend in the hotel, restaurant and airline sector. Again, current economical factors could be the effect of this.

Many households are prioritising essential outgoings because of current economical factors affecting cost of living.

Where splitting payments are concerned, **24%** of consumers said they are most likely to **split their payments into instalments** when shopping for **electricals**, with **24%** of shoppers saying **homeware**.

These industries can offer high value items, so it is not too much of a surprise that consumers would opt for flexible payments to better manage their spending when shopping in these sectors.

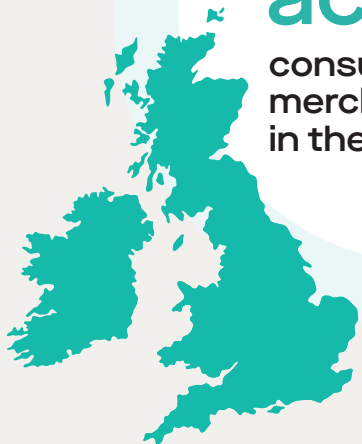
Payment providers like PayPal who have options to split payments, operate across a range of sectors and industries enabling **32.5M active consumer and merchant accounts in the UK to connect**. This means retailers in these sectors can offer these split payments to encourage conversion when shoppers land on their sites.

All in all, it is clear to see that current economical elements such as **inflation** and **rising interest rates**, mean that shoppers are becoming more selective of where they spend their money, as well as how.

It is now that retailers and merchants should be making active changes to fit the needs, and empathise with their customers who may need the added flexibility of payment methods such as Buy Now, Pay Later.

**32.5m
active**

**consumer and
merchant accounts
in the UK to connect**



So What Do Retailers Need to Consider About Consumer Behaviours?

As we stated at the beginning of this report, we wanted to discover current economic factors and if this has been a catalyst for changes in buyer behaviour.



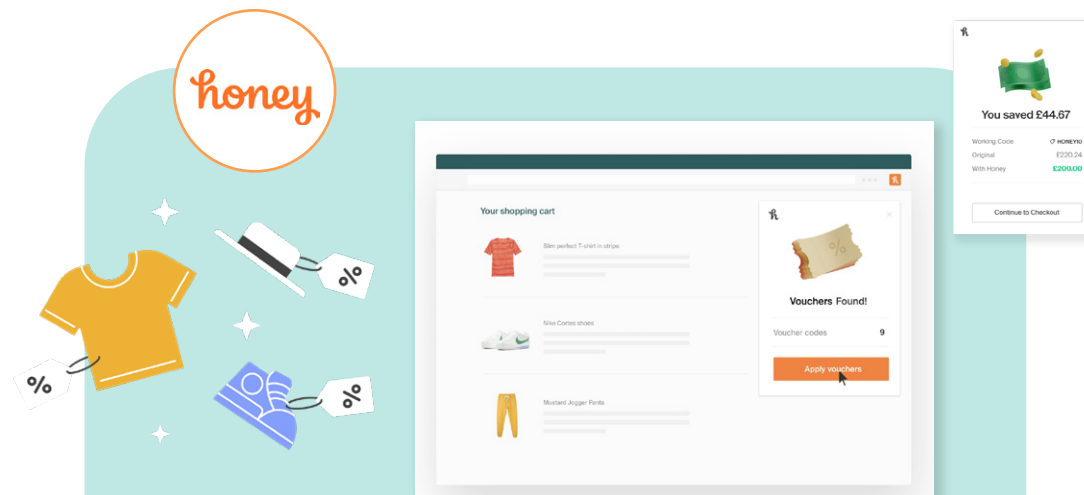
Even with the rise in the use of split payment methods, are consumers still reliant on interest-bearing credit cards? Where will customers be spending their money over the coming months online or how is COVID-19 still affecting consumers' choice in where they shop, and how the findings of this can be used to help retailers and brands action next steps to meet consumer demand and better navigate the current world of eCommerce.

What we found was that buyers tend to be more receptive to conversions when they feel comfortable shopping with a retailer or brand online. Given the impact of economic factors such as inflation, and increased interest rates, empathising with your consumer and being a little more generous could go a long way.

Offering discounts is an impactful way to relieve some of the financial burden of these effects and is something that retailers should take into consideration when wanting consumers to shop with them.

Many retailers could potentially see a decline in the purchasing of more 'materialistic' items in the next 12 months due to the cost of living rising amongst Brits.

To help continue to boost sales, offer discounts to your customers to give them a helping hand so they don't have to stretch their wallet or leave a purchase they were considering. PayPal offers a free service called [Honey](#) that finds discounts at over 30,000 retailers online (globally). [Find out more](#) about Honey to see how you can go the extra mile for your consumers and provide more incentive to buy.



The element of comfort can also come in the form of trust signals. Something consumers are consciously looking out for when browsing eCommerce sites online is Buyer Protection*, and Return Shipping on Us. Both of which are offered as part of PayPal's wallet integration.

Having the ability to be reimbursed for returned products (on eligible transactions) that may arrive in a significantly alternative condition to what was described upon purchase, as well as having the added security of buyer protection, can alleviate any extra financial concerns or concerns of confidence a buyer may have when choosing whether or not to convert.

Opting for a renowned payment provider such as PayPal who offers both of these services means as a retailer, you can serve the methods of payment and services shoppers feel most comfortable with.

*Available on eligible transactions only. Exclusions apply.

When looking into the preferences of consumer payment methods over the last 12 months, many Brits saw a rise in their use of paying via credit card. Even with the rise of Buy Now, Pay Later, consumers are still opting for interest bearing credit cards to make their online purchases.

But whilst shoppers definitely have their preferences, this is not to discount more flexible methods such as PayPal Pay in 3, as these methods have also seen a rise too.

In fact, the lesson learnt from **online shopping behaviours in the last 12 months** is that retailers and brands should definitely look to offer something for nearly everyone. Whilst there has been a rise in more traditional methods, there is still a demand for more modern ways of pay, and is an opportunity for brands to invest in a **diverse option of payment methods** to attract and cater to more customers, increasing the opportunity for conversion.

When it comes to offering your customers a diverse range of payment options, **PayPal** is an ideal fit to help cater to nearly everyone. Integrating PayPal into your checkout services means your customers **pay the way they want to**, without leaving your website, **adding convenience and flexibility to your checkout**.

The consumer shift online has been great for accelerating the world of eCommerce, but as **COVID-19 pushed consumers online** and with lockdown and restrictions becoming a distant memory, **shoppers are still favouring the online shop**.



With lockdown and restrictions becoming a distant memory, shoppers are still favouring the online shop



The convenience of online has shoppers hooked, meaning the retailers who continue to serve the online demand that consumers are craving will thrive. The longer brands leave the leap to online, the harder eCommerce success will get. Current eCommerce stores will seek to evolve their offerings, further fulfilling their consumer needs, and likely driving a reduction in highstreet footfall.

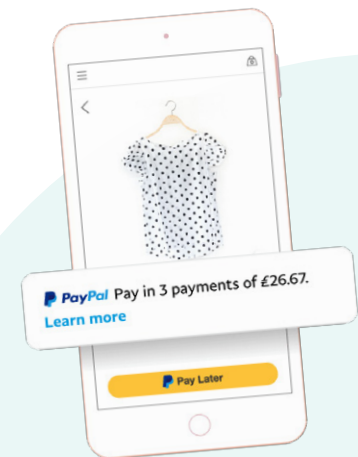
For retailers who still haven't taken the jump to launching their eCommerce store, or who invest more in their traditional brick and mortar stores, **now is the time to transition to online**.

Dean Benson, Founder of Visualsoft.



Where instalment plans are concerned, consumers are **considering using instalment plans regardless of the size of the purchase**. Having this added flexibility of **Buy Now, Pay Later** is helping to empower customers and offering flexibility to manage their payments the way they feel most comfortable. This could be a chance for retailers to **offer their customers the flexibility** they may be looking for when making a purchase.

With **PayPal Pay in 3***, retailers can start offering Buy Now, Pay Later quickly as Pay in 3 is included in PayPal wallet with no additional integration needed and no extra cost to the business.



(Pay in 3 is a form of credit and is not available to all merchant sectors. Pay in 3 use is subject to approval and can impact customer credit scores.)

And if your online site isn't a glass window for **transparency of payment options**, then now's the time to shout about how your customers can pay, before they actually reach the checkout and find there's no option to fit their needs.

Shoppers want to know what their payment options are before they go through the process of browsing, choosing and purchasing. Retailers could potentially **decrease the abandoned carts**, and **increase conversions** if a consumer is aware of their options prior to checkout. This warrants an advertisement for how your consumer can pay throughout their journey on your site.

Finally, **consumers are prioritising their spending following worldwide economic factors** resulting in cost of living increases. If you want your consumer to continue to spend with you, brand loyalty just isn't enough at this point.

Listening to your consumer and offering flexible payment options like PayPal could be a major factor in keeping those conversions coming.

Taking away the key points from these findings could help **improve your customer experience** and **excel your conversions** by meeting consumer preference and demand to navigate your way through the world of eCommerce.



If you need help or advice growing your eCommerce business, we have an amazing team specialised in building, growing and scaling online businesses. Through the power of our innovative eCommerce platform, our own industry experts and marketing solutions tailored to you, we can help with your online journey.

Get intouch today

Listening to your consumer and offering flexible payment options like PayPal could be a major factor in keeping those conversions coming.



If you need help or information on integrating PayPal Wallet into your Visualsoft site, get in touch with your Account Director who can advise on how to use the power of PayPal to improve your checkout experience.

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Think bigger



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For over two decades Visualsoft has been home to over a thousand of the industry's leading online retailers and its team of more than 360 creative visionaries, ahead-of-the-curve developers and expert digital marketers across three UK locations.

Through consistent R&D and re-investment, we've created the industry's most trusted, comprehensive and frictionless all-in-one eCommerce ecosystem.

When applied with our eCommerce 'Steps to Success' and integrated digital marketing toolkit it enables you to streamline your eCommerce and digital marketing operations, expand into new markets and grow sales - all from a single centralised platform, avoiding the need for multiple 3rd party relationships.

A smarter way to manage your eCommerce needs.