



The Wirecard Global Consumer Report

Lifting the lid on unified commerce

Technology has and continues to revolutionize the world at an ever-growing pace. From the way people work to how they communicate; it impacts almost every aspect of our lives. That includes the way people shop



Contents

Introduction	4
Key findings	5
Chapter 1: The quest for unified commerce	7
Chapter 2: Future of mobile payments and biometrics	12
Chapter 3: Sustainable shopping	14
Chapter 4: Internationalization	16
Conclusion	18
Methodology	19

How unified commerce is changing the retail landscape

Technology has and continues to revolutionize the world at an ever-growing pace. From the way people work to how they communicate; it impacts almost every aspect of our lives. That includes the way people shop.

Shoppers no longer face the burden of having to go to a brick and mortar store to get what they want, juggling closing times, distances, having cash on hand and the time to do it all. Online shopping means everyone is now all too familiar with having millions of items available only a couple of clicks away. And mobile shopping gives shoppers more freedom to browse on the move too.

Not only has there been a transformation in the way consumers shop, be this online or in-store, but they are now presented with a multitude of payment methods to purchase goods, from clicking a button to scanning various parts of their body.

With variety being the spice of life, this host of payment options provides customers with the gift of convenience and security; something they appreciate and value.

But gone are the days when having a great website was enough. Brands now need to keep up with the evolving shopping trends. With customers spanning the globe, it's pivotal that the experience is universal, available across multiple channels and uses payment methods that are not only trusted and quick to use but also user friendly. The overall customer experience is a key differentiator for brands and getting it wrong when the competition is only a click away could lead to disaster for retailers.



Key findings



While two thirds of shoppers **(67%)** are still choosing to shop at physical retail outlets, advancing technology is inevitably leading to a more complex retail world. With **42%** of shoppers using mobile apps, and over a third **(37%)** making the most of BOPIS (buy online and pickup in-store), the multichannel experience is more prominent than ever



The BOPIS approach seems to be an increasingly popular way to shop, with nearly three quarters **(74%)** of consumers reporting that if a store didn't offer a BOPIS option or similar, it would influence their decision to shop there



Shoppers still love to grab themselves a bargain and are willing to go the extra mile for it. Most shoppers are willing to exchange their personal details for bigger and better discounts, whether shopping in-store **(80%)** or online **(78%)**



Cash is a thing of the past, with the majority of all shoppers **(93%)** opting to use cashless payment methods. Around a third place contactless **(33%)** or mobile wallets **(30%)** within their top three preferred cashless payment methods



When it comes to authorizing cashless payments with biometric data, consumers are willing to spend **\$56** on average

Key findings



Shoppers are becoming increasingly environmentally conscious, with **81%** of consumers worldwide reporting that going plastic-free is influencing the way they shop



Despite being environmentally conscious, shoppers aren't willing to pick up the associated extra costs. **78%** of shoppers agree that the responsibility of being environmentally friendly should fall more to corporations than to consumers



The modern-day shopper is spoilt for choice with the availability of foreign websites to shop from. On average, they're purchasing products from a foreign website or seller just over once a month (**14 times** per year)



Of those who do shop on foreign websites, half (**50%**) say it's because products cost less than in their own country



While better product choice is enticing for shoppers, nearly all online shoppers (**93%**) will only make the most of foreign websites if they are presented with payment methods that are familiar to them; online shopping needs to become a universal experience for shoppers around the globe



Chapter 1: The quest for unified commerce

While technology is shaping the way people shop, it hasn't fully taken over all shopping habits just yet

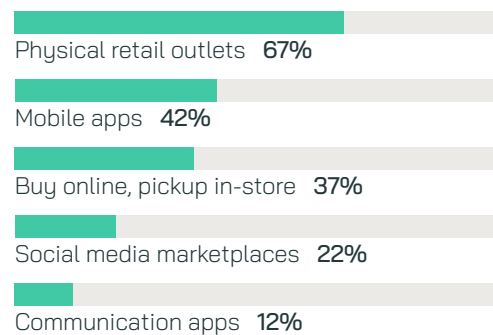
Consumers globally still hold the preference of actually going into a shop, something which is particularly true for certain types of shopping, like grocery. It's clear there's still a lot to be said for seeing the product first-hand before committing to purchase.

Shopping online has an abundance of advantages, offering people much more convenience in this fast-paced world than visiting a brick-and-mortar store. This is leading consumers to shop across multiple channels; an experience known as unified commerce.

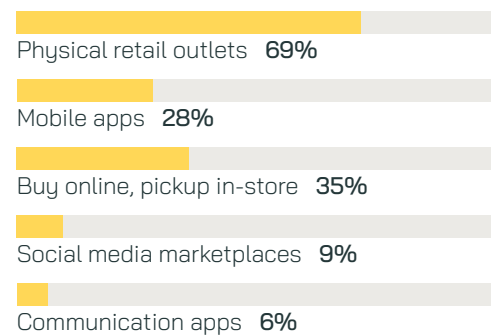
Not only are shoppers utilizing different shopping methods, they're also multi-tasking. They're shopping while relaxing, watching TV or in the comfort of their own bed. Particularly true for the younger consumer, it's even being done at work, on holiday or during their early morning commute.

Where consumers made the majority of their purchases over the last 12 months

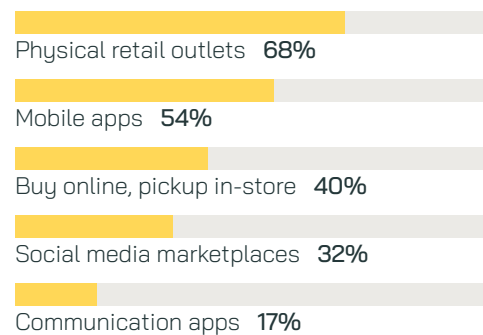
Global



Europe



APAC



How technology can support this quest

Technology presents brands with huge opportunities to engage with their customers wherever they are, and this is something they can take advantage of to enhance the in-store experience too.

In-store touch screens, virtual reality booths or shoppers' own phones gives consumers the chance to browse before they buy, which they are overwhelmingly on board with.

Humans increasingly want all the information they need at the touch of a button; gone are the days of wandering aimlessly around a shop. Brands must make sure they're giving the modern shopper what they need. With multiple channels being used, whether it be in-store or online, the shopping experience must be as unified as possible.

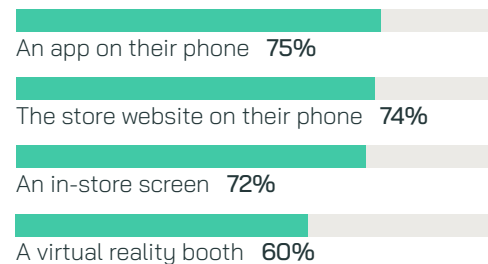


Consumers in Thailand are the most interested in all options:

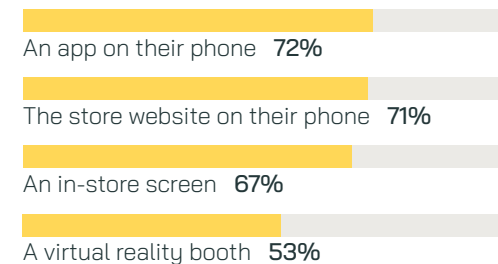
- 94% an app on their phone
- 94% the store website on their phone
- 93% an in-store screen
- 83% a virtual reality booth

How interested would consumers be in using the following in-store to research online before purchasing?

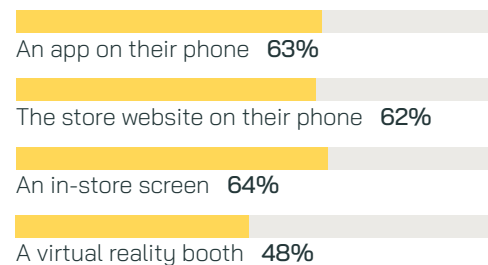
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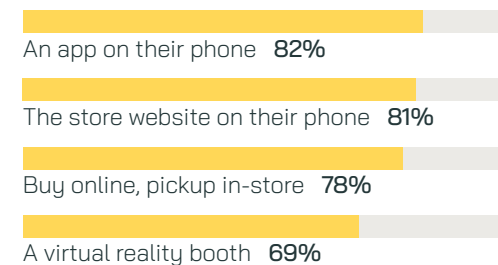
Americas



Europe



APAC





Unified commerce – online and in-store working together

Unified commerce isn't just changing where and when consumers shop, it's changing how they shop too.

Shoppers are attracted by the buy online, pickup in-store (BOPIS) offering, appreciating its flexible and leisurely approach. In fact, most shoppers would feel more encouraged to shop in stores that offer BOPIS than stores that do not. Shopping has become more than just a chore; it's become a leisure activity that's done when it suits the consumer and BOPIS, as well as similar cross-channel options, offers this.

They also favor the option to research a product in-store before buying online; something that most consumers at some point have done. Shoppers are even doing the reverse – researching online before buying in-store.

Regardless of how they shop, they want to engage across multiple channels, something that brands must be ready for. It highlights how essential it is for brands to have the same offerings both online and in-store. Consumers want to be able to look online at products and then go to the store and buy them, and vice versa. In this day and age, the competition is just one click away so failure to do this could impact retailers greatly.

50%

of consumers in **Hong Kong** have made the majority of their purchases using the buy online, pickup in-store (BOPIS) method over the last 12 months

23%

In comparison, far fewer consumers in **Germany** report doing the same over that time period

Why has the popularity of unified commerce skyrocketed?

With consumer shopping habits changing, retailers must be prepared to put in the work to ensure they're keeping up to date. The power now lies with the consumer; they're now fully in control of where, when and how they shop.

Unified commerce is creating a much more educated shopper. They're able to research the right products for them before hunting down the best deals.

And it's clear deals and discounts are important; retailers should jump on this if they want to further entice their customers. In fact, if it got them a bigger discount, shoppers would be willing to trade their personal details with retailers for this, be it online or in-store.

This is not to be misjudged though. Consumers don't want brands taking liberties with their data.

Most consumers worldwide are at least somewhat willing to give a retailer their personal information in exchange for bigger or better discounts:



78%

in an online store



80%

in a physical store



Chapter 2: Future of mobile payments and biometrics

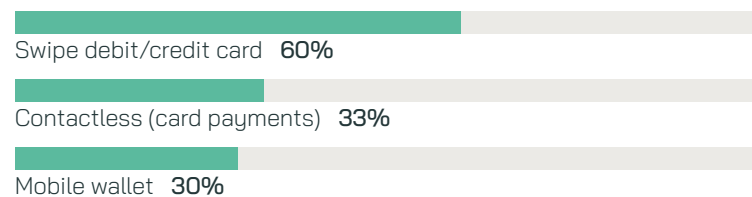
“Can I pay by card?” or “can I pay with contactless?” are questions we’re all much too familiar with.

Despite some still clinging to cash, over the past decade, shoppers have become increasingly comfortable paying with cashless methods. These go beyond card payments, with mobile wallets and even social media platforms being used more and more.

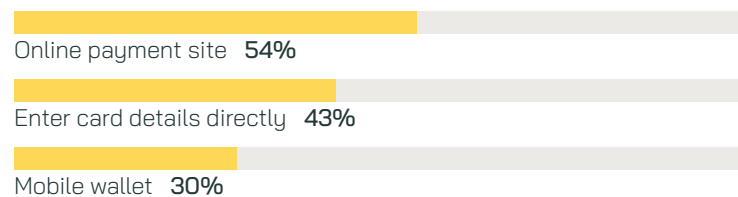
When it comes to online shopping, online payment sites are the favored approach. They offer the consumer a more secure way to shop versus other methods like mobile wallets or sites where they need to enter their card details directly.

Which cashless payment methods do consumers prefer to use when shopping...

...in-store?



...online?



Looking to the future, consumers are showing much more interest in embracing the use of biometric data, both online and in-store now than a year ago.

With technology constantly evolving, it begs the question if there will even be a need for a physical payment card in the future? As virtual assistants like Amazon Alexa and Google Home become more popular in the household, the possibilities for payment methods are endless.

Several regional differences are evident when it comes to payment preferences in-store or online:

41% of consumers from **APAC** place mobile wallet in their top three in-store payment methods versus only **16%** in **Europe**

59% from **Europe** place online payment sites within their top three versus **46%** in the **Americas**

52% of consumers from **Hong Kong** placed mobile wallet in their top three versus only **13%** in **Germany**



Chapter 3: Sustainable shopping

Plastic waste has quickly become a widely recognized problem.

Gaining traction across the globe, unsurprisingly “plastic pollution” is impacting retail and how consumers shop.

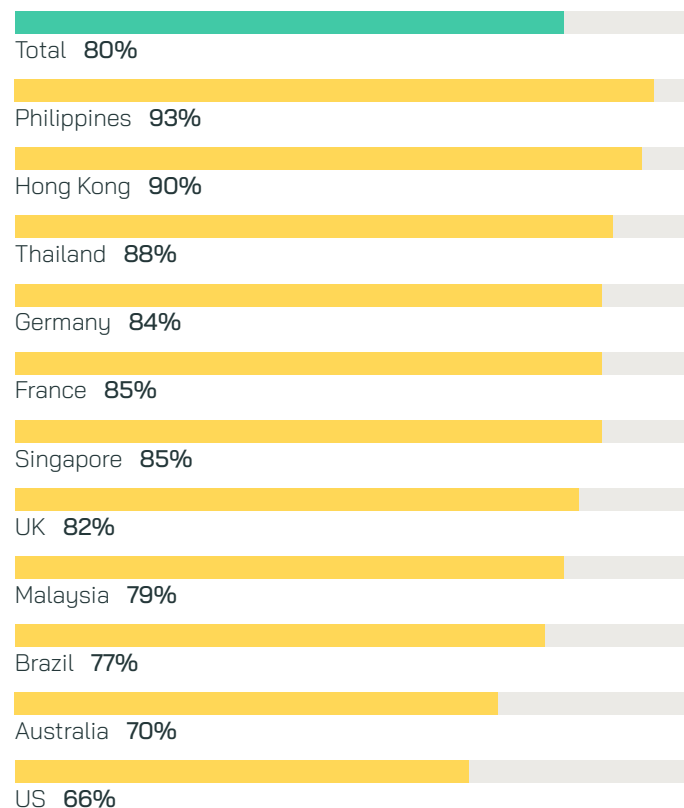
While moving to a “plastic-free” environment is impacting how consumers shop, this doesn’t mean that they’re happy to front the cost. They’re unlikely to be willing to pay more for products without plastic wrapping or that have been produced in an environmentally friendly way.

This could be more detrimental to brands than they might first realize, particularly as the majority of shoppers agree that the corporations should be shouldering the environmentally focused responsibilities. If a retailer isn’t seen to be focused on doing so, shoppers admit it would impact their prospect of buying from them.

Retailers should act fast and showcase their efforts to be environmentally friendly to their consumers transparently; after all, retailers who aren’t will be painted in a negative light by shoppers.

78% agree that the responsibility of being environmentally friendly should fall more to corporations than to consumers

To what extent is going “plastic-free” influencing the way consumers shop?





Chapter 4: Internationalization

It's no secret that both shoppers and retailers have benefited from the boom in online shopping, one which both can exploit is the ability to shop internationally.

Global e-commerce has introduced shoppers to a whole variety of new products that aren't available to them locally. Not only can they buy things they haven't been able to before, these products are often found at a cheaper price.

Consumers welcome cross-border shopping with open arms, and as a result, retailers have been presented with a golden opportunity to cash in on a potentially untapped revenue source.

Given that shoppers are embracing the unified commerce approach, and for cross-border shopping to really flourish, it's essential that retailers give them an enhanced global online shopping experience too, integrating payment methods that their customers are familiar with.

If they don't, consumers admit this will have an impact on whether they choose to shop with them or not.

So, if retailers want to truly unlock the potential of cross-border shopping, they should ensure that they have a familiar and trusted payment method on offer.

14

Average number of times per year that consumers purchase products from a foreign website or seller

93%

of shoppers worldwide say that their decision to order products from a foreign website/seller would be influenced if they didn't offer a familiar payment method

Why do you choose to order products from a foreign website/seller?

I can purchase products that aren't available in my own country 58%

They are cheaper than in my own country 50%

It's almost impossible for consumers to miss the rise of technology and the internet when it comes to shopping.

Whether they're watching TV (47%), lying in bed (39%) or even sitting on the toilet (13%), customers are being presented with a multitude of options of where and how to shop. They're taking full advantage of unified commerce and are utilizing a range of channels to aide multiple parts of their shopping experiences; from being able to buy online and pick up in-store, to physically visiting a retail outlet to try out a product before buying online later.

Unified commerce has been welcomed by shoppers with open arms, but only if they're presented with similar experiences across different channels. Retailers must ensure that their online and in-store offerings are aligned; that includes payment methods too. The introduction of new technology such as mobile wallets and mobile payment means cashless payments have skyrocketed and they're not showing signs of slowing down. Retailers must be ready to meet demand. If they do, they'll reap the reward of attracting new customers from less traditional sources.

Not only are retailers facing pressure to react to this new dynamic retail world, they also face the responsibility of acting in a way to support the global issue of plastic pollution, and this has had a knock-on effect on consumers' shopping habits too. Paper bags are replacing plastic ones, recycling labels are being improved on packaging and plastic straws are now becoming a thing of the past. But while customers are becoming more environmentally conscious, even to the extent of this impacting where they choose to shop, they aren't willing to cover the cost of saving the planet. The financial burden of this should lie with the corporations, in consumers' eyes.

The world is constantly changing, and retailers must be prepared to respond and adapt to ensure they stay attractive to customers. From providing a multichannel experience to reducing their plastic waste, it doesn't look like the pressures being faced by retailers are going to disappear anytime soon.



Methodology

Wirecard commissioned independent market research company Vanson Bourne to conduct a quantitative research study with 6,000 consumers in October, November and December 2019. Participants were from the US (1,000), Brazil (500), the UK (500), France (500), Germany (500), Singapore, (500), Hong Kong (500), Australia (500), Philippines (500), Thailand (500) and Malaysia (500).

All interviews were conducted using a rigorous multi-level screening process to ensure that only suitable candidates were given the opportunity to participate.

6,000

consumers interviewed
in October, November
and December 2019

11

countries across the
Americas, Europe
and APAC

About Vanson Bourne

Vanson Bourne is an independent specialist in market research for the technology sector. Our reputation for robust and credible research-based analysis is founded upon rigorous research principles and our ability to seek the opinions of senior decision makers across technical and business functions, in all business sectors and all major markets.

For more information, visit www.vansonbourne.com

About Wirecard

Wirecard (GER:WDI) is one of the world's fastest growing digital platforms in the area of financial commerce. We provide both business customers and consumers with a constantly expanding ecosystem of real-time value-added services built around innovative digital payments by using an integrated B2B2C approach. This ecosystem concentrates on the areas payment & risk, retail & transaction banking, loyalty & couponing, data analytics & conversion rate enhancement in all sales channels (online, mobile, ePOS). Wirecard operates regulated financial institutions in several key markets and holds issuing and acquiring licenses from all major payment and card networks. Wirecard AG is listed on the Frankfurt Stock Exchange (DAX and TecDAX, ISIN DE0007472060).

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