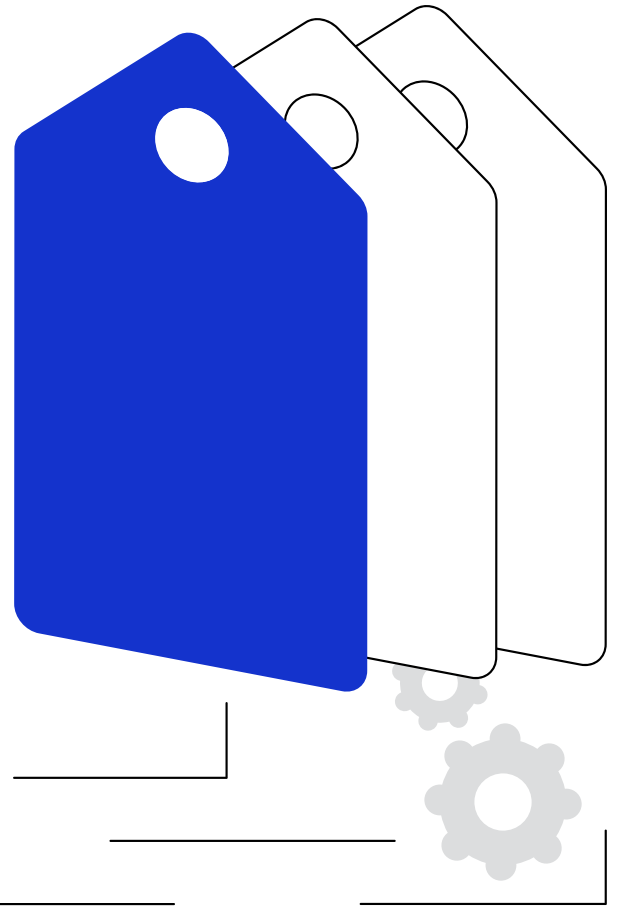
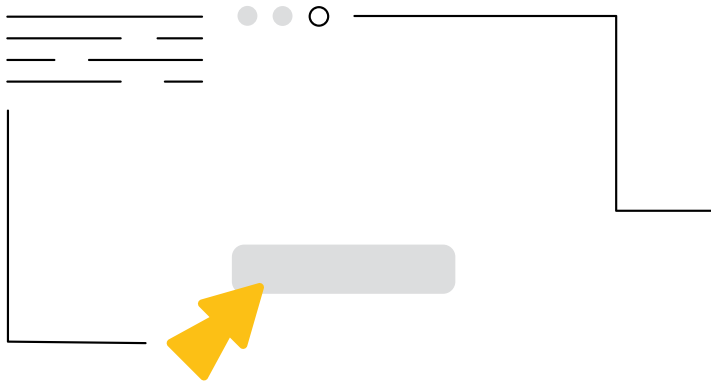
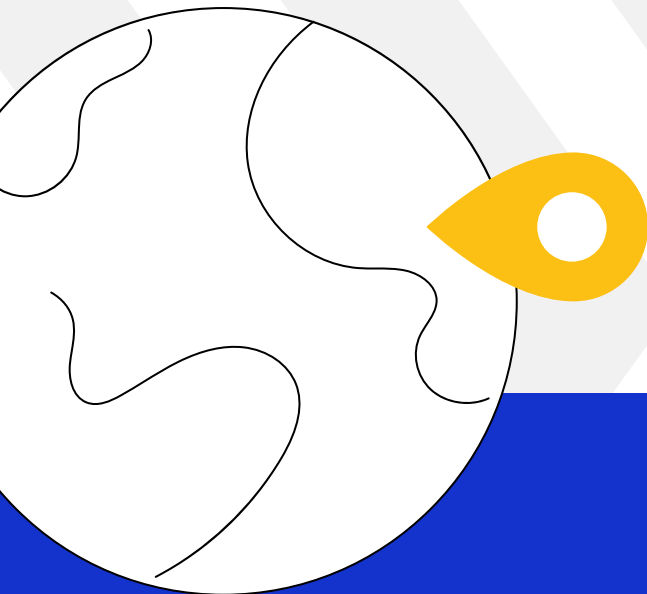


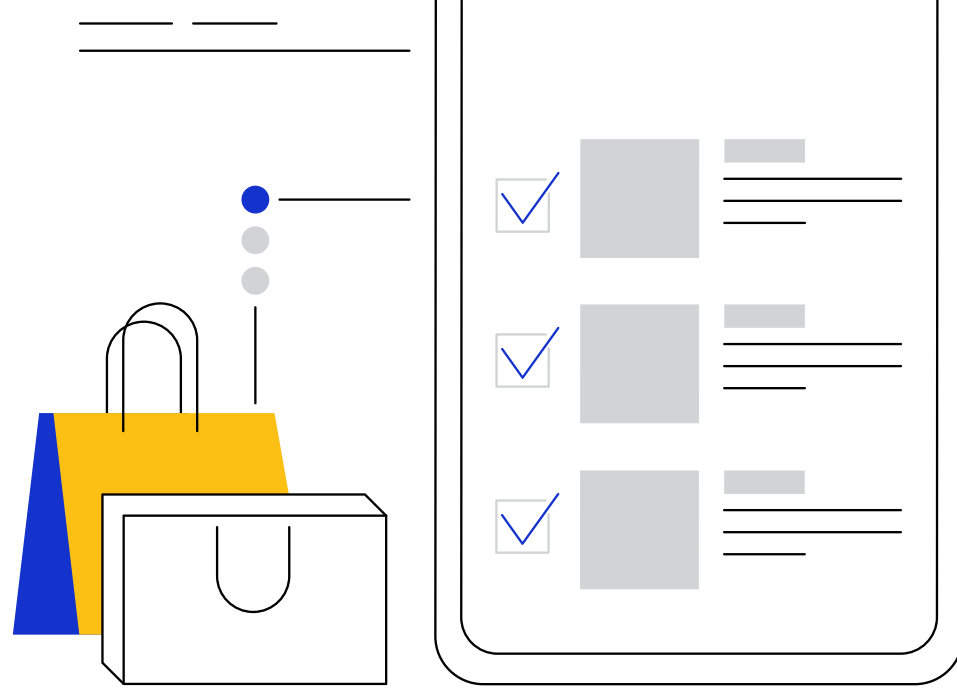
2024

Global Digital Shopping Index



The rise of the Click-and-Mortar™ shopper
and what it means for merchants





What is Click-and-Mortar™ shopping?

Click-and-Mortar™ shopping involves both digital tools and physical locations—when a consumer researches a product online, verifies it is available locally, and picks it up in-store that same day, for example. It is replacing the siloed world of online-only or in-store-only shopping.



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What's at stake

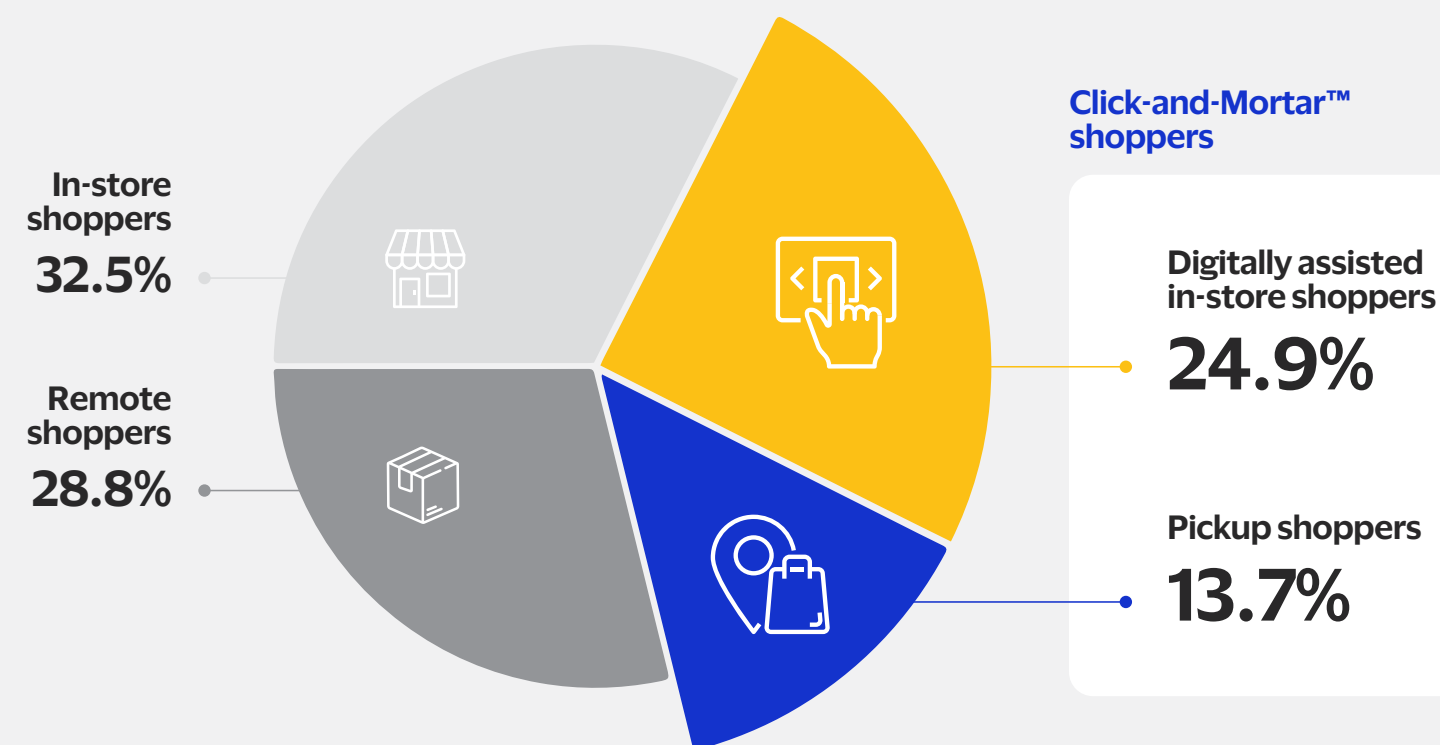
The harsh boundaries between online and in-store shopping have faded, and a new shopping style is transforming the retail landscape: Click-and-Mortar™ shopping. As the name implies, these consumers do not think in terms of shopping online or shopping in the store—they just want shopping made easy. Convenience and consistency of the experience across shopping touchpoints are key with these shoppers, and the share of shoppers with these habits has increased by a combined 38% across Brazil, the United Kingdom, and the United States since 2020.¹ What's more, this study of 13,904 shoppers across seven countries finds that Click-and-Mortar™ shoppers represent a sizable population in markets around the world.

¹ We cite these three countries for long-term comparisons because we have studied these three markets the longest.

Figure 1:

The types of modern shoppers

Share of consumers who shop in select ways across the seven countries studied



Source: PYMNTS Intelligence
2024 Global Digital Shopping Index, February 2024
 N varies by country and represents complete consumer responses,
 fielded Sept. 27, 2023–Dec. 1, 2023

Why stores still matter

Although many consider this the digital era, physical stores remain very relevant: 71% of shoppers find the physical store central to their shopping experience. Despite consumers' overall return to physical stores, just one-third do so without digital support. Today, the physical store's ability to merge shoppers' preferences for digital features with the instant gratification of in-store shopping is crucial.

The brick-and-mortar resurgence has come at the expense of eCommerce, as preferences for using digital-only channels have dropped 24% since 2020 in the U.S., U.K., and Brazil. In 2024, we find that just 29% of consumers across all countries in the study use online channels exclusively, down from a high of 34% in 2020. Interestingly, as digital attributes draw consumers to physical stores, online stores that mirror physical establishments also draw in consumers. Features such as detailed product information, free shipping, and digital try-ons appeal to the same Click-and-Mortar™ base.

**Established markets are slower to adopt
Click-and-Mortar™ shopping styles than emerging markets:**



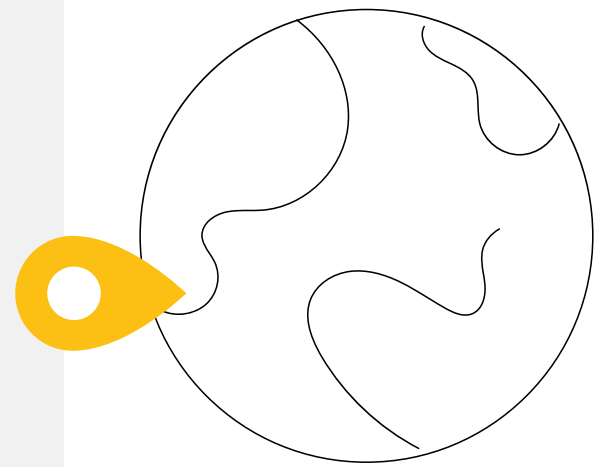
A widespread shift

This hybrid shopping model also signals a habit shift across all demographics, notably among younger, tech-savvy generations. For instance, Generation Z and millennial shoppers lead in Click-and-Mortar™ adoption, and digitally integrated shopping experiences will gain more popularity as younger generations pick up spending power and saturate the market.

Emerging markets have the greatest percentage of Click-and-Mortar™ shoppers, while developed markets with longstanding shopping practices have adopted these changes more slowly. For example, because countries such as Saudi Arabia or the United Arab Emirates were rapidly growing their global market footprint as this shopping technology took root, it was an easier choice to implement digital features from the start. Longstanding markets such as those in the U.S. and U.K., however, have entrenched cultural and business practices that are harder to shake. Though there is a thirst for feature-aided shopping in these markets, data suggests that overhauling a preestablished system will take more time.

The call for merchants

To succeed in today's retail landscape, merchants must embrace the Click-and-Mortar™ approach, now a staple for 39% of consumers. The key to attracting this Click-and-Mortar™ segment lies in integrating digital conveniences such as online inventory checks and in-store digital aids with the tangible benefits of physical shopping, such as immediate product access and the ability to assess quality directly.

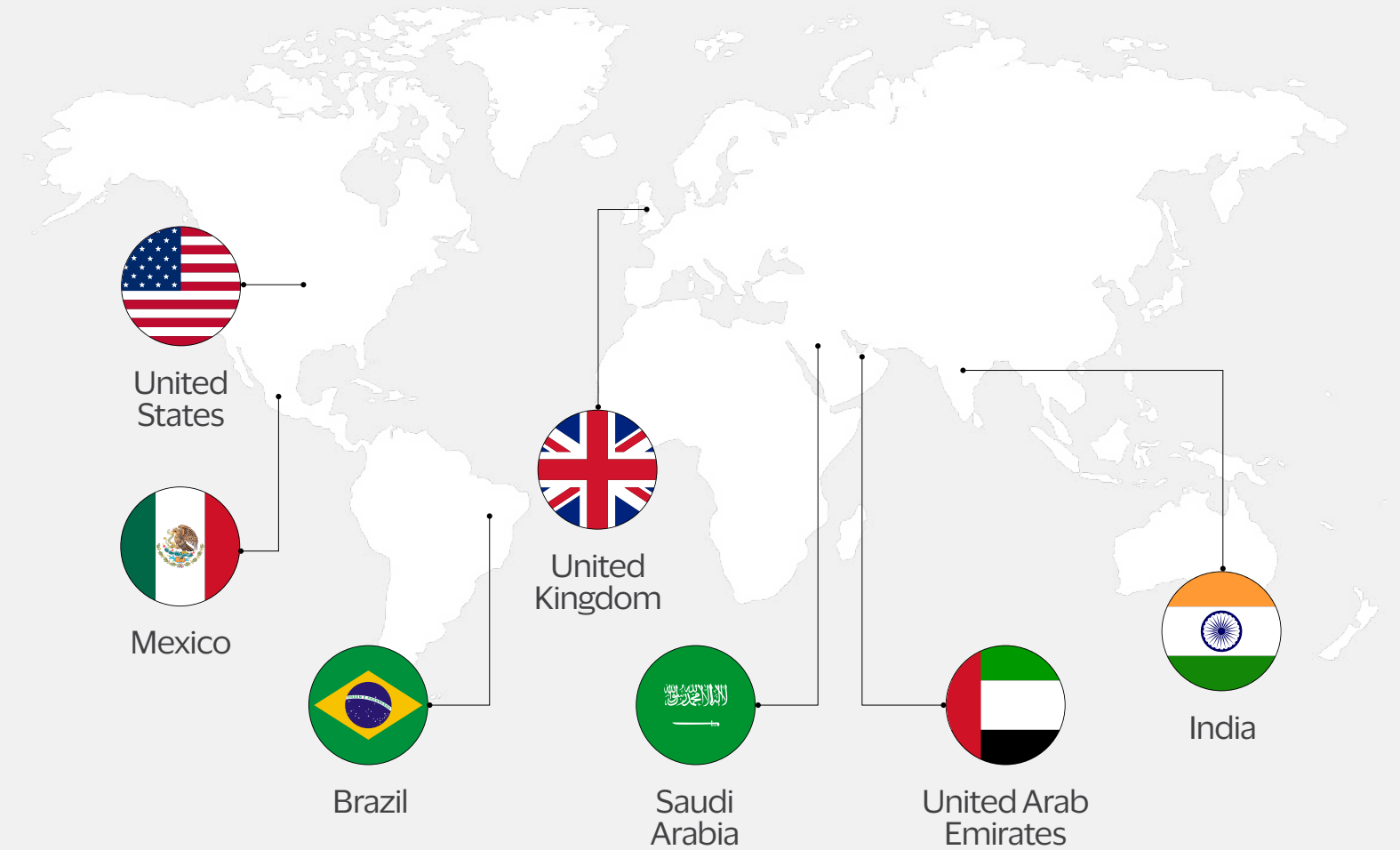


39%

Portion of consumers around the world who are **Click-and-Mortar™ shoppers**



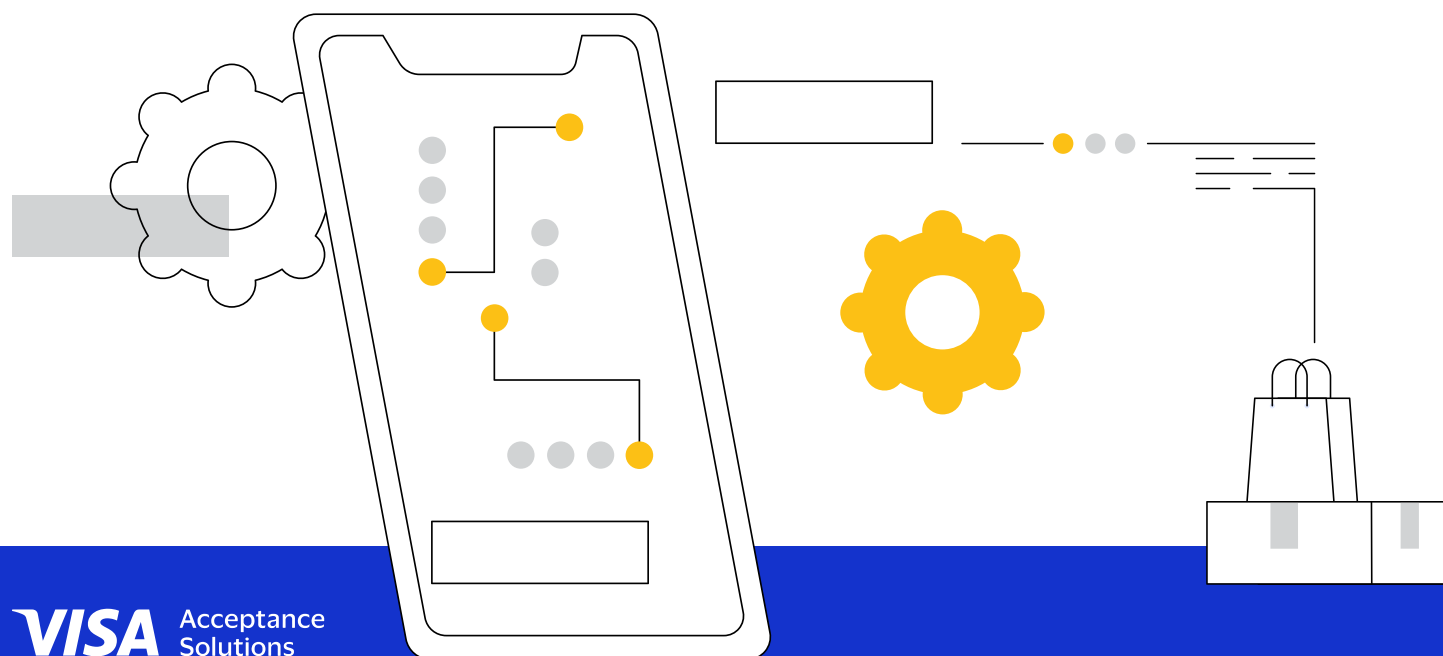
Countries included in our 2024 study:



Why payments matter

The drive for merchants to effectively integrate digital features will increase as more and more consumers come to prefer merchants that bring digital conveniences inside their physical storefronts. Across the seven countries we researched, the average number of digital features merchants provide ranges from 21 to 28. The average consumer uses between 11 and 18 features, meaning consumers use a large share of the features merchants offer.

One feature reigns supreme, however: Consumers universally prioritize the ability to use their preferred payment method when shopping, suggesting that this is the most important feature for merchants to offer. Notably, paying via a preferred payment method matters most for grocery shoppers, indicating that providing diverse payment methods may be especially key for consumers frequently purchasing daily necessities.



3 in 4

consumers across the studied countries
**want to use their preferred
 payment method** when shopping.

Ultimately, retailers that adeptly combine the digital and physical aspects of shopping can best meet their customers' diverse needs with a more seamless, efficient, and satisfying shopping journey. The rise of Click-and-Mortar™ shopping highlights that flexibility and innovation in retail strategies are what you need to reach today's evolving consumer.

These are just some of the findings detailed in the 2024 Global Digital Shopping Index: The Rise of the Click-and-Mortar™ Shopper and What It Means for Merchants, a PYMNTS Intelligence and Visa Acceptance Solutions collaboration. This edition examines recent trends in consumer and merchant behavior to document the rise of Click-and-Mortar™ shopping; it draws on insights from a survey of 13,904 consumers and 3,512 merchants across seven countries conducted from Sept. 27, 2023, to Dec. 1, 2023.

Key findings

01 The shift to clicks in the store

In 2020, digital features were central to navigating the increasingly difficult shopping climate. With stock shortages sweeping the globe, a limited ability to shop in person, and a widely perceived need to get in and out of a store faster than ever before, society's reliance on digital features soared. Now, you can check if your item is in stock before leaving home, swiftly find the right aisle for your items, and pay with a tap of your phone.

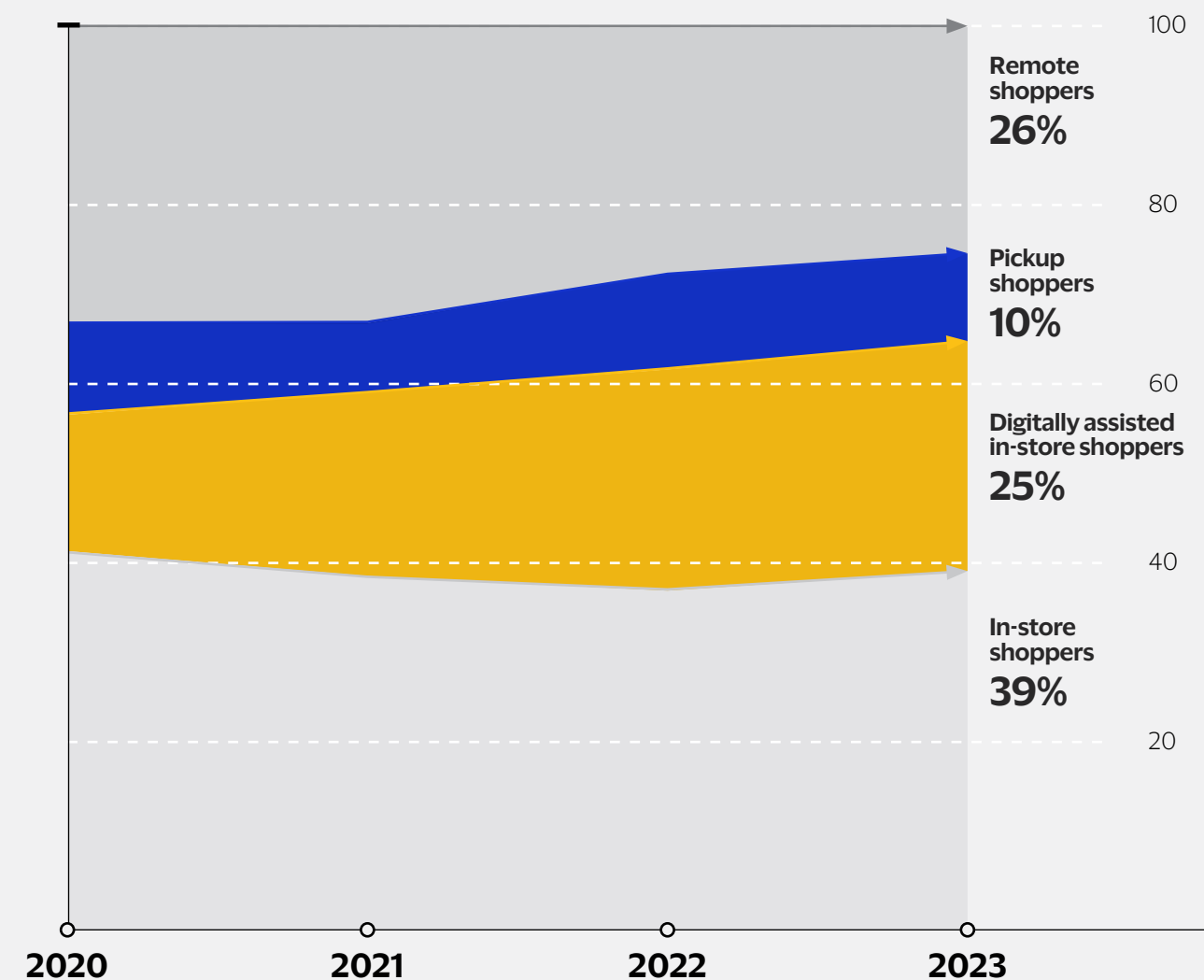
Integrating digital features into daily shopping habits has changed the shopping landscape, and Click-and-Mortar™ shopping is now the new normal.

The fastest growing shopper segment globally, up more than one-third since 2020 in Brazil, the U.K., and the U.S., Click-and-Mortar™ shoppers have shifted shopping patterns by merging the perks of in-store shopping with the support of digital features. Today, 2 in 5 shoppers show Click-and-Mortar™ habits, and there are more of these shoppers around the world than those shopping exclusively online or in-store.

Figure 2:

Rise of the Click-and-Mortar™ shopper

Growth in Click-and-Mortar™ shopping since 2020 in the U.S., U.K., and Brazil



Source: PYMNTS Intelligence

2024 Global Digital Shopping Index, February 2024

N varies by country and represents complete consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023

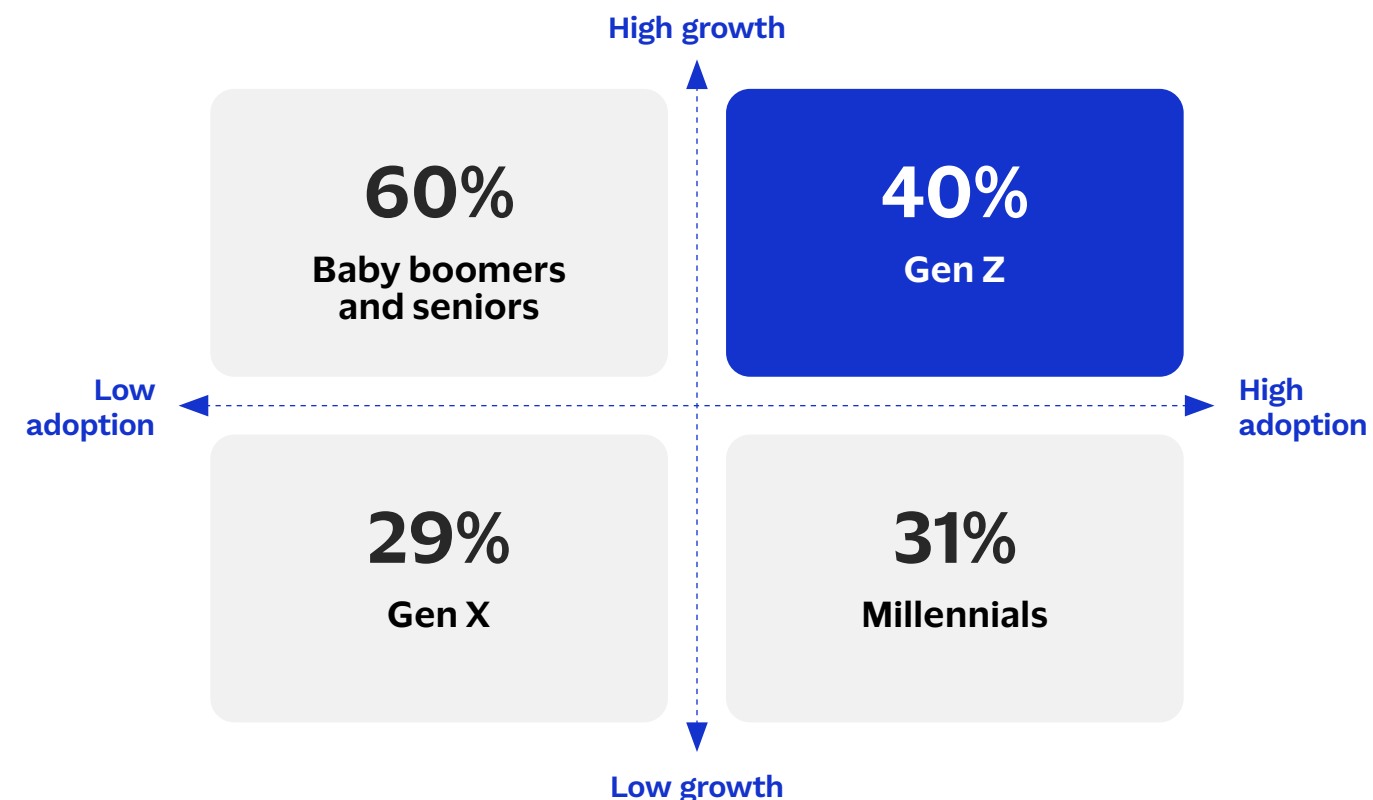
02 Clicks in-store will drive satisfaction and spend

Though Click-and-Mortar™ shopping has swept the globe, young consumers lead the charge.

The share of Gen Z consumers who are Click-and-Mortar™ shoppers is double that of baby boomers and seniors. As millennial and Gen Z shoppers grew up in the digital boom, it stands to reason that they aren't just confident in their ability to use digital features: They rely on them. The youngest consumers may have never had an alternate shopping strategy, as they entered a consumer market already rife with helpful features.

Conversely, older generations are used to the classic ways of shopping and can struggle with newer technologies. Even so, 1 in 4 baby boomers and seniors use Click-and-Mortar™ shopping styles, suggesting these features' convenience is enough to win over even the most tech-resistant population. And it is winning over consumers, as the share of

Figure 3:
Generational rise
Percent increase in Click-and-Mortar™ shoppers from 2021 to 2023 in the U.S., the U.K., and Brazil, by generation



Source: PYMNTS Intelligence
2024 Global Digital Shopping Index, February 2024
N varies by country and represents complete consumer responses in the U.S., the U.K., and Brazil, fielded Sept. 27, 2023–Dec. 1, 2023

baby boomers and seniors who are Click-and-Mortar™ shoppers has increased by 60% since 2021. Building on that growth, younger consumers will continue to age into the consumer majority and likely further expand the number of Click-and-Mortar™ shoppers.

03 Consumers think about shopping, not shopping channels

Digital features have become core aspects of a smoother shopping experience and higher consumer satisfaction, regardless of the shopping channel: Two-thirds of shoppers now rely on these features. Consumers are most satisfied with a fully online shopping experience, yet the share of shoppers who complete purchases wholly online has plummeted in recent years. The thought of no shipping costs or waiting, along with the desire for in-person assessments of product quality and suitability, drive consumers to stores.

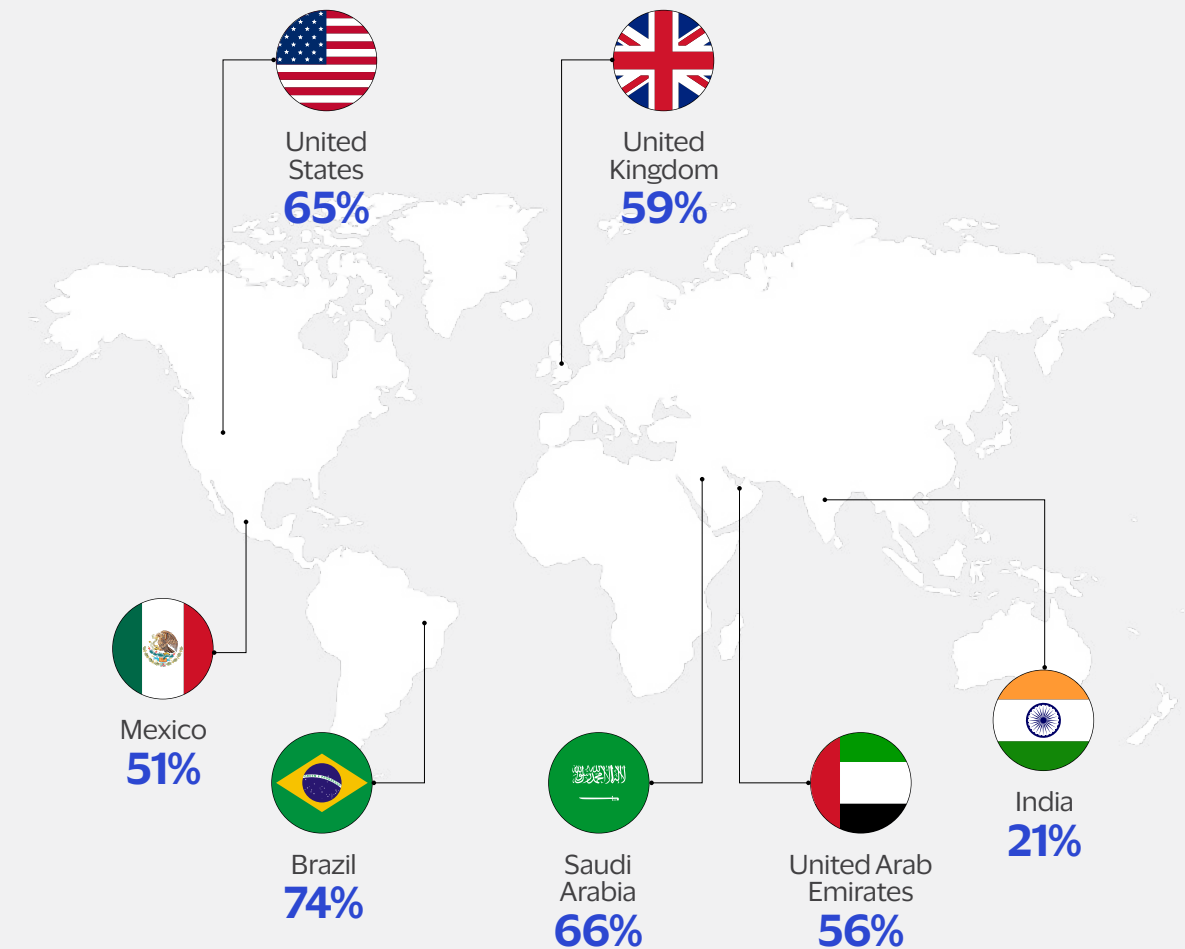
These factors uniquely position in-person merchants to add or innovate digital features that make the physical shopping experience identical or superior to the online one.

The UAE illustrates this practice with equivalent satisfaction scores for Click-and-Mortar™ and online-only shoppers, featuring the highest-graded in-store shopping experience of any country. A deeper dive into consumers' feature preferences illuminates a promising path for

Figure 4:

Digital features improve the shopping experience

Percent increase in shopper satisfaction when using digital assistance



Source: PYMNTS Intelligence

2024 Global Digital Shopping Index, February 2024

N varies by country and represents complete consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023

eCommerce merchants: providing an online shopping experience that takes advantage of the strengths of in-store shopping rather than ignoring them.

04 Payments drive merchant preference

Merchants that fail to offer payment choice and mobile site compatibility risk losing roughly three-quarters of shoppers, indicating that the number of customers these merchants lose to feature failure will rise as the population of Click-and-Mortar™ shoppers grows. Merchants must integrate specific digital features into their retail strategies, such as preferred payment methods, user-friendly online interfaces, and mobile compatibility.

One feature reigns supreme: the ability to use a preferred payment method. This feature was the only one considered as table stakes for all shoppers, suggesting that payments are a priority and merchants can significantly enhance consumer satisfaction by targeting the right features one at a time.

Figure 5:

Table stakes for shoppers

Share of consumers who want the most desirable features across the seven countries studied



Source: PYMNTS Intelligence

2024 Global Digital Shopping Index, February 2024

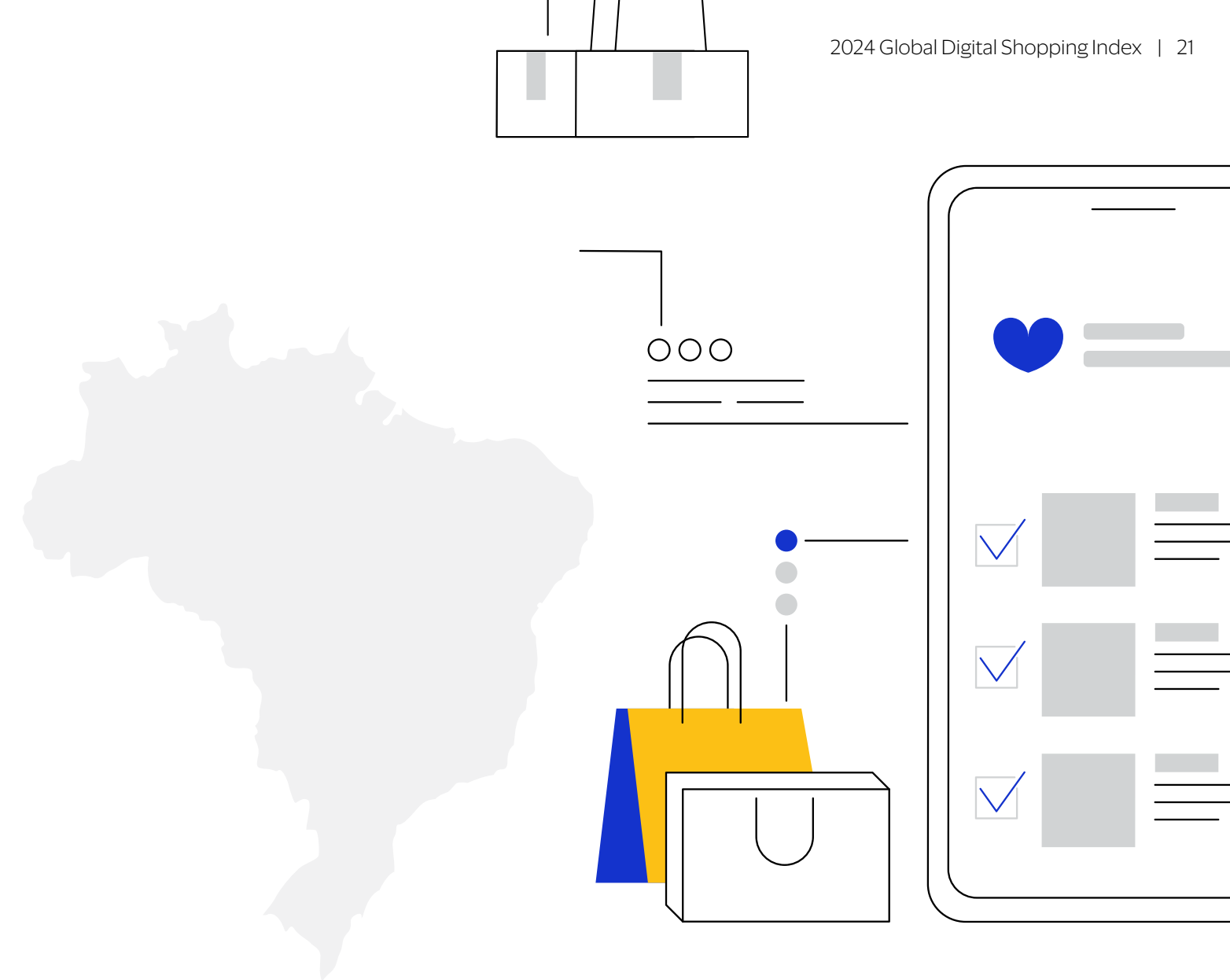
N varies by country and represents complete consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023

05 The 'when' drives the 'how' for shoppers

How consumers approach their shopping experiences varies by what exactly they want to buy. For example, the need to obtain fresh groceries immediately lends well to a primarily in-store experience. In the U.K., consumers complete nearly two-thirds of retail purchases remotely, but most of their grocery shopping is in-store. In India, one-third of consumers exclusively shop for groceries in-store, but just 5% shop in-store for other retail items.

While grocery and retail shopping patterns differ, a strong preference for Click-and-Mortar™ shopping is visible in both sectors. Most retail and grocery shoppers in the U.S. consider the ability to use a preferred payment method table stakes, at 80% and 70%, respectively, and the share of shoppers failing to find this feature is less than 1 in 8, at 9% and 12%, respectively.

The consistent appeal of Click-and-Mortar™ experiences across both sectors highlights hybrid shopping's enduring value and suggests that the benefits of combining digital and physical experiences are fairly universal.



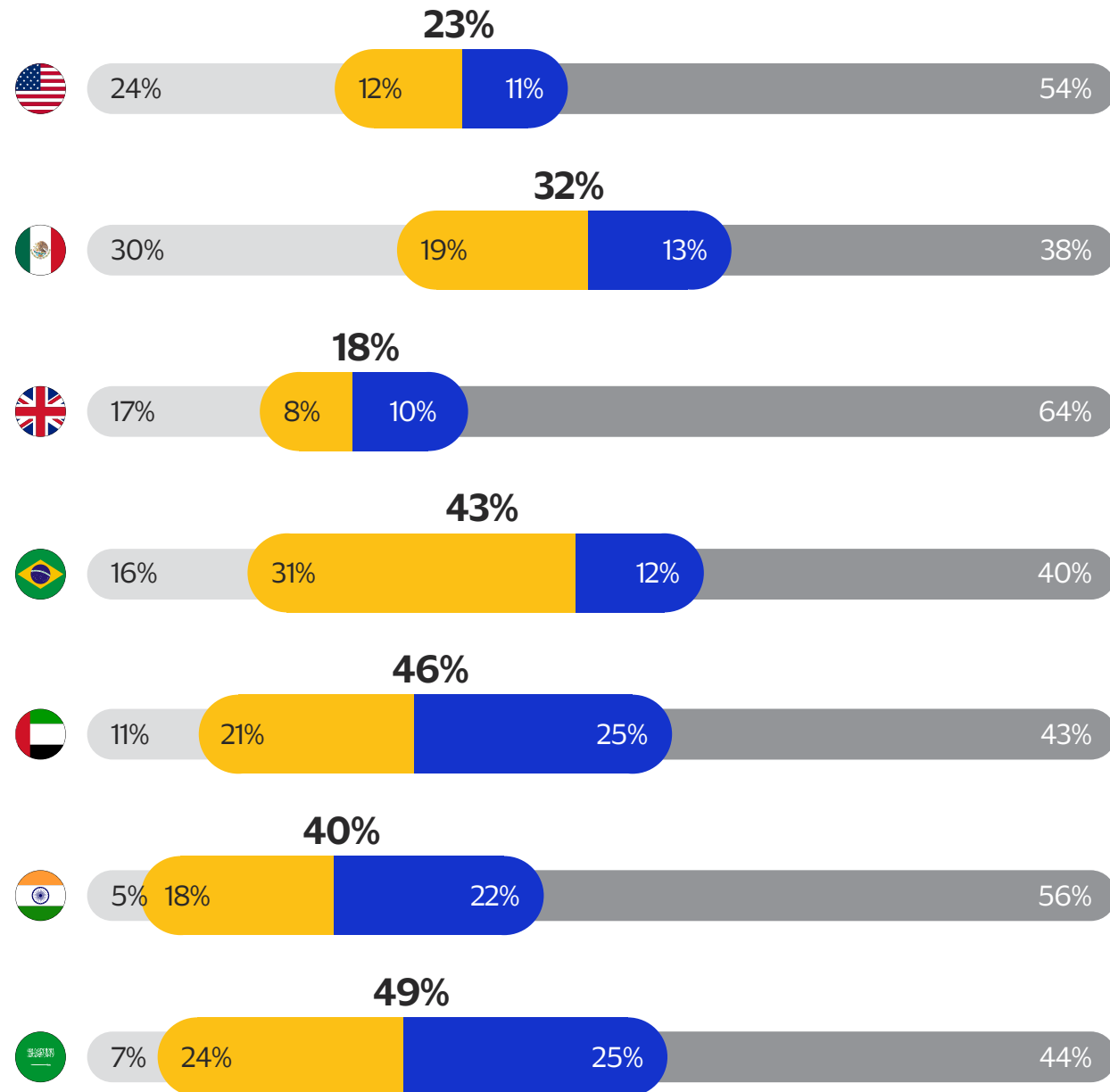
2 in 5

Shoppers in Brazil who are Click-and-Mortar™ shoppers, regardless of product type

Figure 6A:

Shoppers' retail experience

Share of shoppers pursuing remote, Click-and-Mortar™, and in-store experiences, by country (excluding groceries)



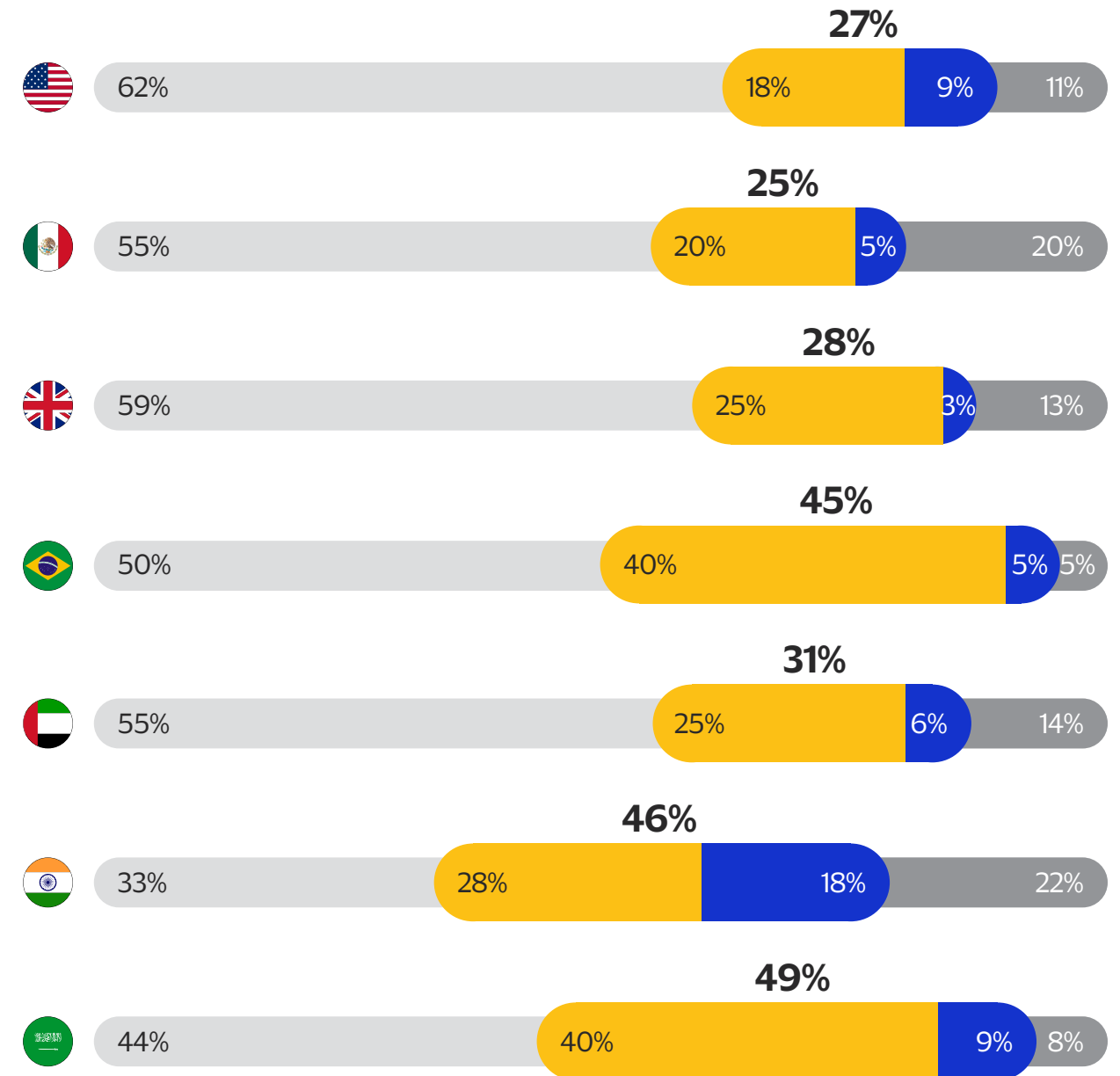
- Digitally assisted in-store shoppers
- Pickup shoppers
- In-store shoppers
- Remote shoppers

Source: PYMNTS Intelligence
2024 Global Digital Shopping Index, February 2024
 N varies by country and represents complete consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023

Figure 6B:

Shoppers' retail experience

Share of consumers with select shopping footprints for groceries, by country



- Digitally assisted in-store shoppers
- Pickup shoppers
- In-store shoppers
- Remote shoppers

Source: PYMNTS Intelligence
2024 Global Digital Shopping Index, February 2024
 N varies by country and represents complete consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023

06 To the feature-rich merchants go the sales

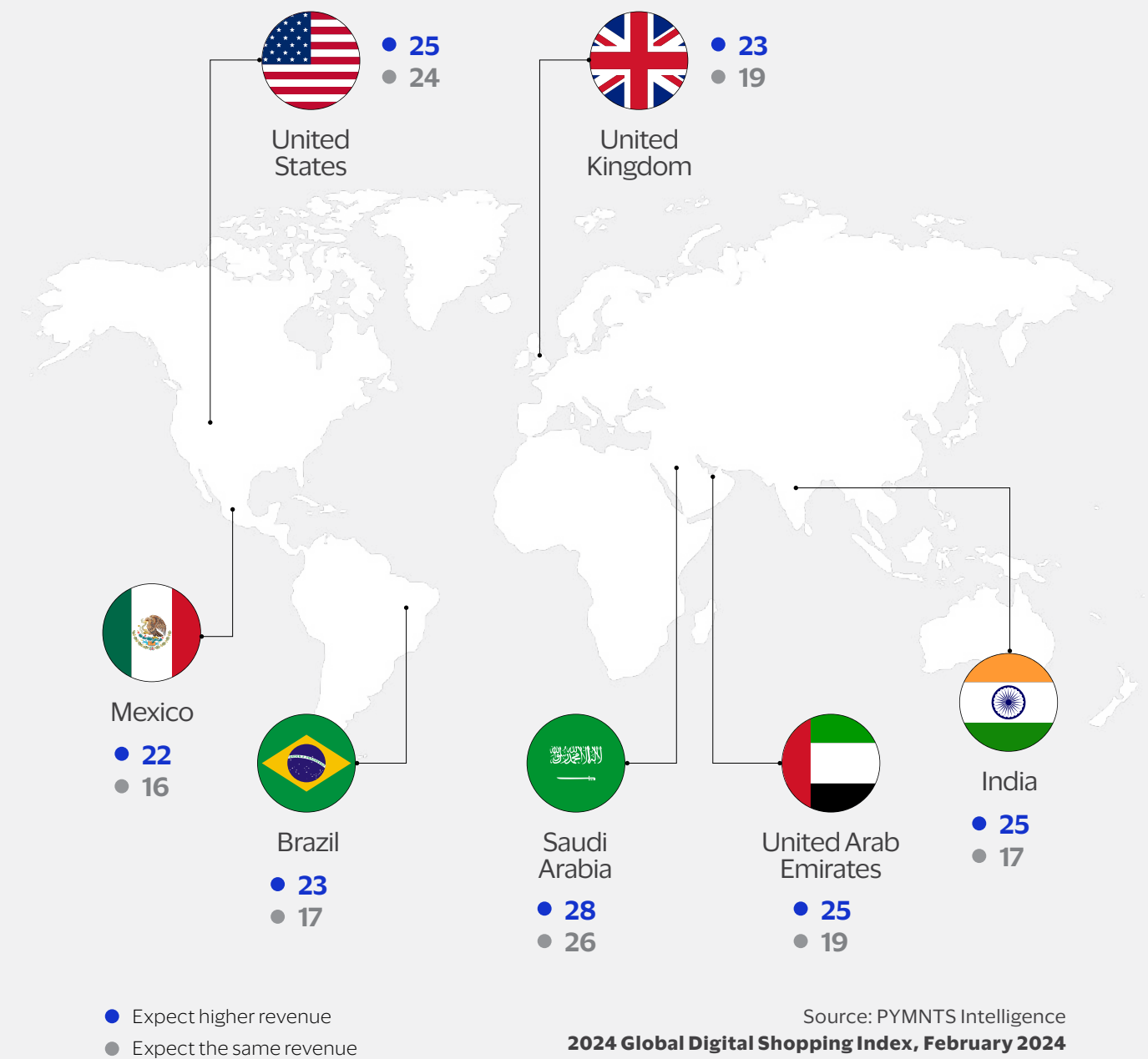
Click-and-Mortar™ shoppers with higher incomes expect a comprehensive suite of features, and savvy merchants recognize the return on investment (ROI) of offering a wider variety of features to serve these consumers. This reveals a correlation between future outlook and feature offerings, **as merchants that are more optimistic about revenue growth offer nearly five more features.** For instance, in India, merchants expecting revenue growth offer 47% more digital features than those foreseeing stable revenue, and this trend extends to other emerging markets.

In the U.S., there is less variation in the number of features merchants with differing revenue expectations offer, as the U.S. market already provides a broad spectrum of features, and retailers in the U.S. plan to implement all digital features consumers seek in the near future. Merchants have historically underserved digital features to consumers in emerging Click-and-Mortar™ markets, which means merchants may have more to gain by offering them.

Figure 7:

Features improve revenue expectations

Number of features offered by merchants that anticipate revenue growth in the next year relative to those that expect no change



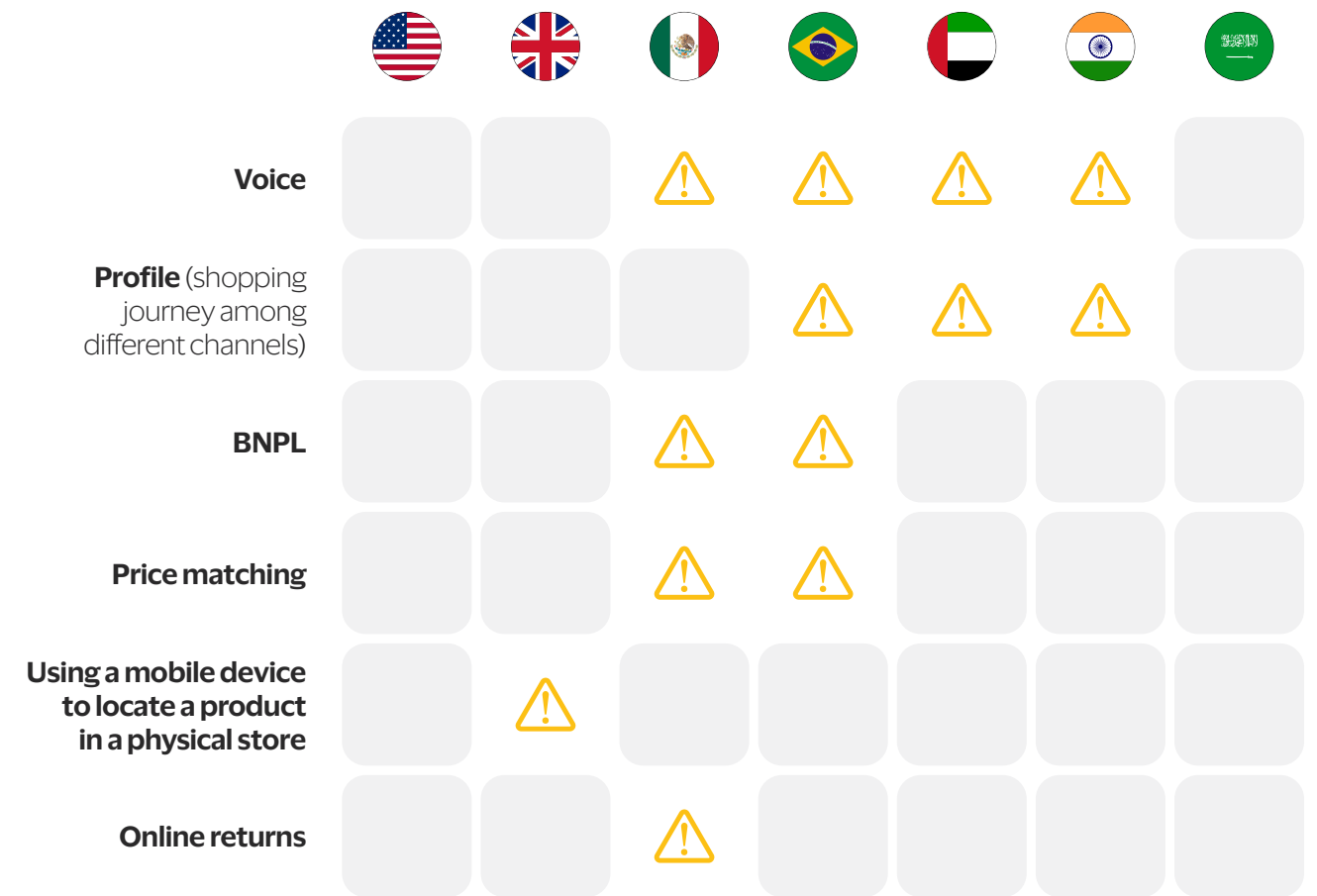
Source: PYMNTS Intelligence
2024 Global Digital Shopping Index, February 2024
 N varies by country and represents complete consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023

07 Shoppers want more digital features than merchants offer

Retailers fail to provide between one-quarter and one-half of the digital features consumers want, with features such as voice-assisted shopping and digital profiles among those that retailers consistently miss. Whether retailers do not provide a feature or consumers cannot find it varies by country. India has the smallest gap, at 25%, while Brazil and Mexico have the highest, with a 50% discrepancy between the features consumers want and those successfully offered. The U.K. also faces a notable gap, failing to provide 45% of the desired features for a Click-and-Mortar™ experience.

This mismatch adversely affects the Click-and-Mortar™ experience and is further compounded by “knowledge failure,” a term for when consumers are unaware of available features and thus do not gain any value from them. The U.K. is most susceptible to knowledge failure, at 31%, with Saudi Arabia close behind; India has a lower rate of 10%.

Figure 8:
Future feature failures
 Features consumers desire that the average merchant has no plans to implement



Source: PYMNTS Intelligence
2024 Global Digital Shopping Index, February 2024
 N varies by country and represents complete consumer and merchant responses, fielded Sept. 27, 2023–Dec. 1, 2023

Addressing knowledge failure requires merchants to expand their digital offerings and actively educate consumers about these features; by enhancing visibility, they improve ROI and better provide Click-and-Mortar™ experiences.

The blueprint for merchants



Click-and-Mortar™ shoppers are the fastest-growing shopper segment globally, having risen 35% since 2020 in the U.S. alone.

Make physical an extension of digital.

Click-and-Mortar™ shoppers tap the convenience and ease of digital features without forgoing the benefits of in-store shopping, and merchants supporting this enable them to have a better experience than only using one channel can provide.

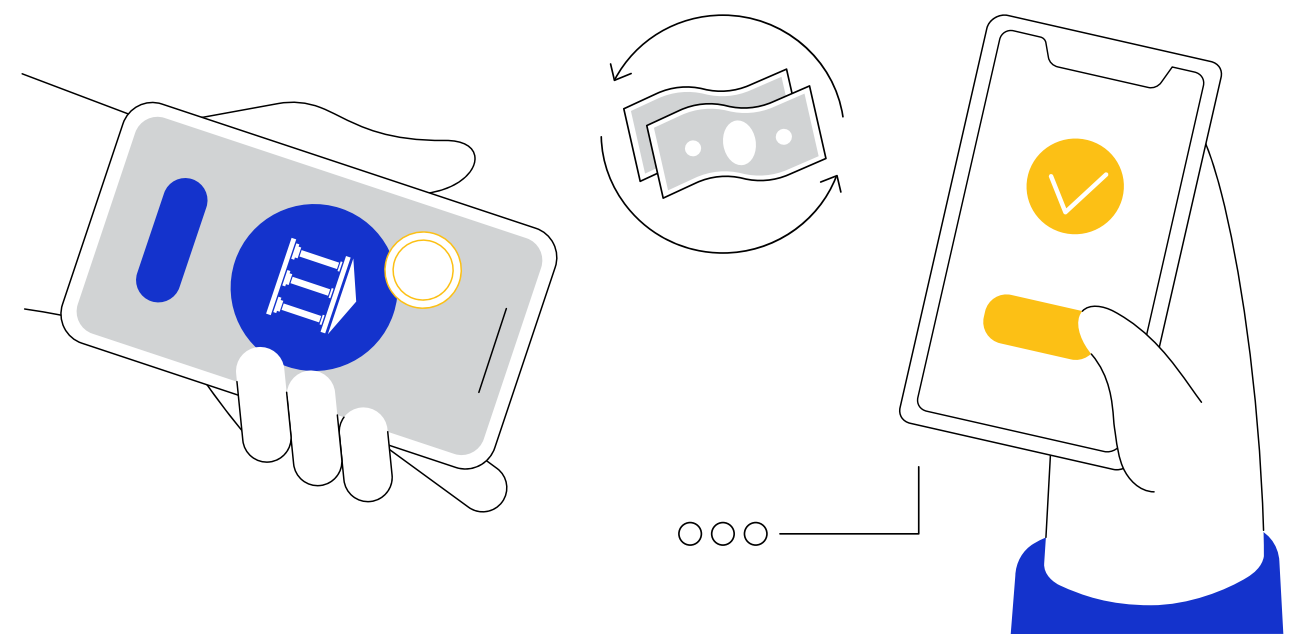
What does this new paradigm look like in practice? In one example, a Click-and-Mortar™ shopper might first verify online if their desired item is available at a local store, travel to that location, and employ an in-store app to quickly locate the product in its aisle or access a digital coupon before completing the purchase and taking the item home.

Going to a physical store allows Click-and-Mortar™ shoppers to receive perks that online options cannot offer, such as testing product quality and fit in real time and having immediate access to customer service and speedier resolutions should they hit a snag. This blended approach lets shoppers get what they need cost-effectively and quickly, combining the advantages of online and in-store shopping—but only if merchants hold up their end of the bargain and make it possible.

Just 33%

of consumers shop in physical stores **without digital assistance.**

Ignoring these features means ignoring the majority of potential customers. Data shows that 71% of consumers still frequent brick-and-mortar stores, but just one-third do so without digital aids. The brick-and-mortar store is not dying but remains as crucial as ever—if merchants enable Click-and-Mortar™ shopping experiences. By integrating digital features effectively into the brick-and-mortar experience, you cater to the 39% of consumers who turn to these tools for better in-person shopping journeys.

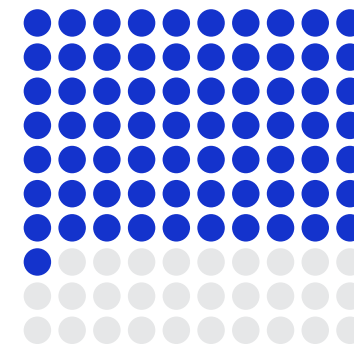


Click-and-Mortar™ shopping styles mean brick-and-mortar locations remain crucial in finalizing purchases and enhancing customer satisfaction. A significant segment of global consumers, roughly 1 in 4, prefer to leverage the added advantages of digital features while shopping in-store. For them, brick-and-mortar locations remain valuable by serving as both shopping locations and local pickup depots.

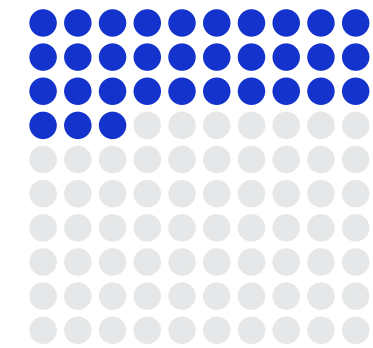
Consumers are illustrating this by returning to physical stores: Data shows a notable rise in in-store pickups, especially among U.S. consumers who often check product availability online for instant in-store pickup. Specifically, 14% of shoppers initiate their journey online but opt for in-store payment or pickup; add in the 25% of in-store shoppers who use digital assistance, and the population of Click-and-Mortar™ shoppers exceeds one-third of consumers.



“ Brick-and-mortar locations remain valuable by **servicing as both shopping locations and local pickup depots.** ”

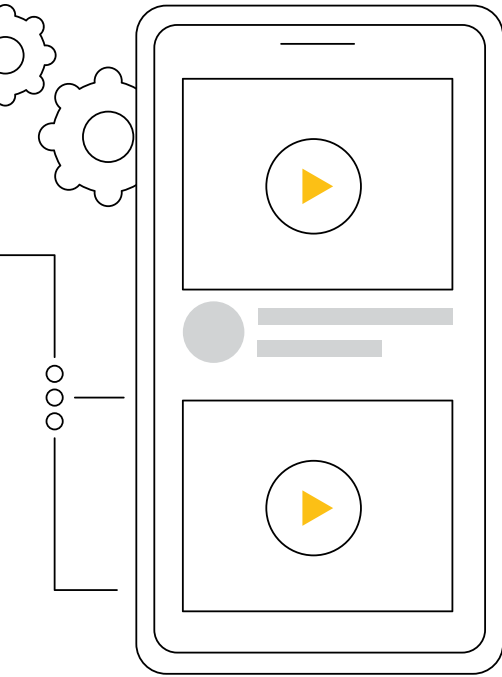


71%
of consumers frequent
physical stores, yet...



...just **33%**
use no digital aids.

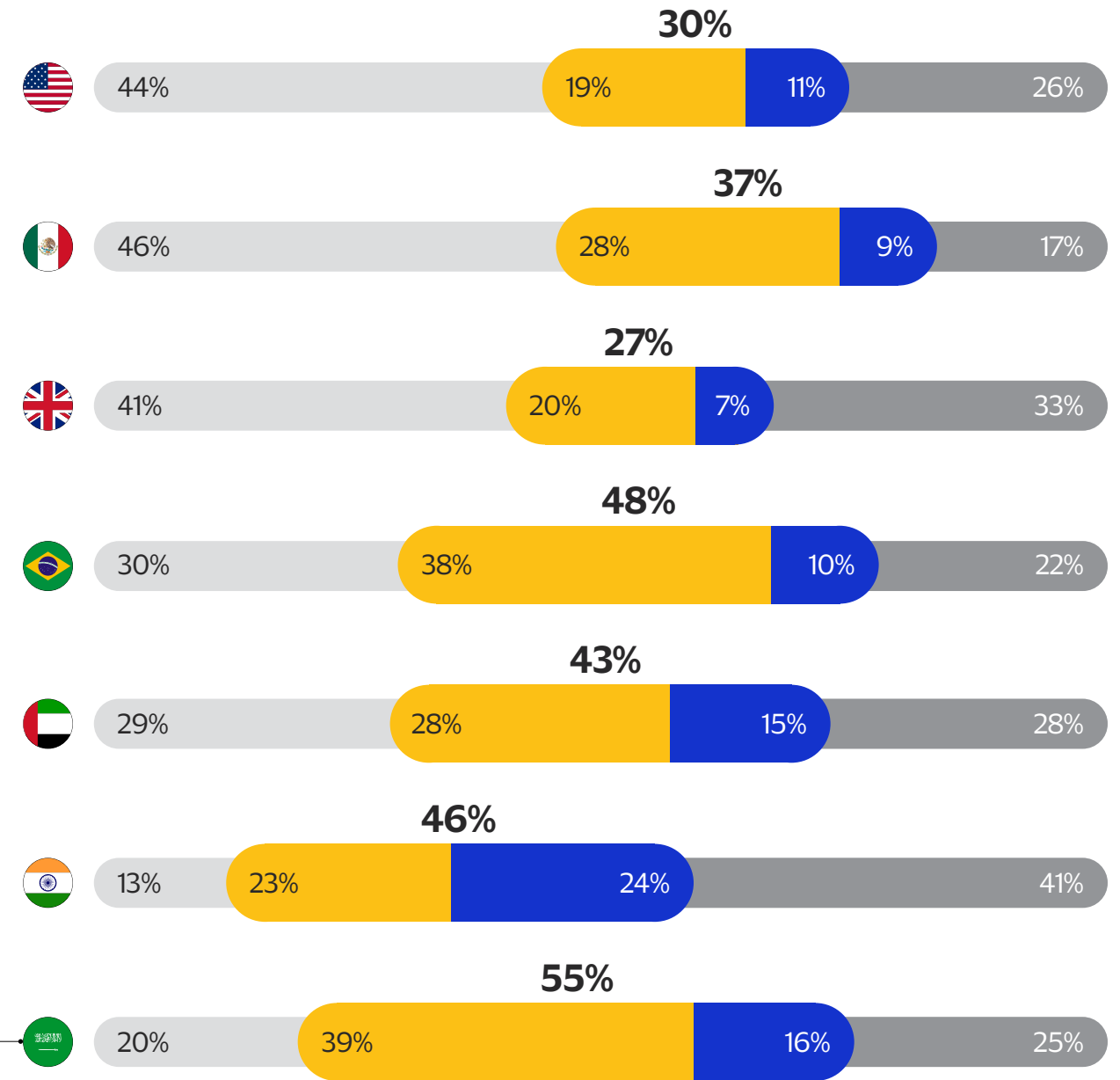
The preference for merging in-store shopping with digital shopping ranges from roughly one-quarter of consumers to a slim majority, depending on the country. Saudi Arabia leads with 55% adoption of Click-and-Mortar™ shopping habits, with Brazil and India close behind. Lower adoption in developed markets mirrors this high adoption in emerging markets; for example, just 27% of shoppers in the U.K. and 30% in the U.S. adopt the Click-and-Mortar™ model.



55%
Share of consumers in Saudi Arabia pursuing Click-and-Mortar™ shopping experiences; **16% greater than the global rate**

To adapt to Click-and-Mortar™ trends, prioritize fostering a core set of early adopters, particularly in established markets. Early adopters often serve as trendsetters and validators for new technologies, and Click-and-Mortar™ shopping is no different. Making inroads with this base can help bridge the gap between innovation and wider acceptance in the market. This approach to cultivating the Click-and-Mortar™ shopping experiences consumers want can help build loyalty in emerging markets while introducing new shopping experiences to traditional shoppers.

Figure 9:
Where Click-and-Mortar™ shoppers are located
Share of consumers who shop in select ways, by country



- Digitally assisted in-store shoppers
- Pickup shoppers
- In-store shoppers
- Remote shoppers

Source: PYMNTS Intelligence
2024 Global Digital Shopping Index, February 2024
N varies by country and represents complete consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023

Click-and-Mortar™ shoppers bridge all demographics, but parents and young consumers are super-users.

Being on top of this developing trend is especially important for merchants targeting younger families. Parents with young children in the home are twice as likely to embrace the Click-and-Mortar™ shopping experience. The high cost of providing for a larger family on top of personal expenses leads parents with children under their care to be a top spending demographic, and their use of Click-and-Mortar™ shopping is up 29% since 2021. An improved shopping experience is meaningful for this busy consumer segment, and as a result, 57% of parents are now pursuing Click-and-Mortar™ shopping experiences—the largest share by demographic in our study.

Source: PYMNTS Intelligence
2024 Global Digital Shopping Index, February 2024
 N varies by country and represents complete consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023

Figure 10:

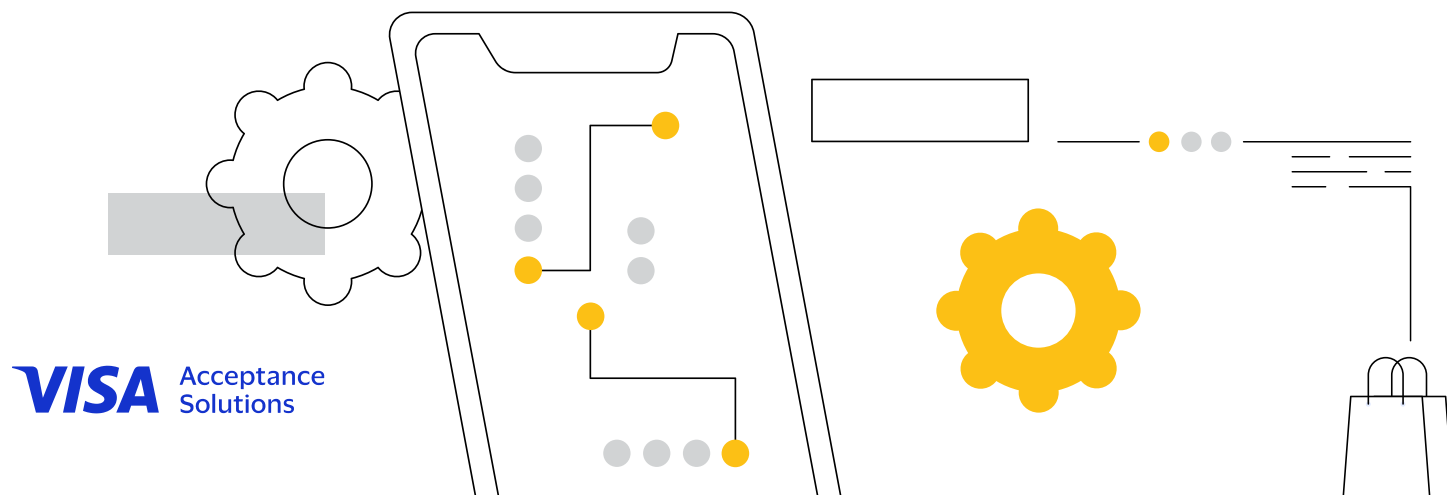
Shopping experience across demographics

Share of consumers with select shopping habits, by demographic

	In-store shoppers	Click-and-Mortar™ shoppers		
		Digitally assisted in-store shoppers	Pickup shoppers	Remote shoppers
Gender				
• Male	30%	26%	15%	29%
• Female	35%	24%	13%	28%
Generation				
• Generation Z	18%	31%	19%	32%
• Millennials	24%	28%	17%	31%
• Bridge millennials	28%	30%	14%	28%
• Generation X	36%	24%	12%	28%
• Baby boomers and seniors	49%	17%	8%	25%
Do you have any children under the age of 18 living in your household?				
• Yes	21%	33%	24%	21%
• No	42%	22%	8%	28%
Income				
• High	31%	23%	12%	34%
• Middle	36%	26%	11%	28%
• Low	31%	26%	18%	25%

Why parents? From online support groups to parent-teacher associations, parents are well-networked and regularly check with others for strategies on optimizing their household processes. Our data over time supports this, as parents were already 75% more likely to be Click-and-Mortar™ shoppers than non-parents in 2021. All in all, the speed and convenience of Click-and-Mortar™ digital features seem to provide significant value for this busy consumer demographic—and merchants should keep this in mind.

It's not just about parents, though. Click-and-Mortar™ shopping habits are growing in each subsequent generation, indicating the population of Click-and-Mortar™ shoppers only stands to increase over time. Gen Z consumers lead Click-and-Mortar™ adoption, with 50% adopting this hybrid shopping model. The millennial age cohort is right behind, at 45%. These consumers grew up with the internet and mobile technology, and they may be your customers of the future.



Across every country studied,
at least 1 in 3
high-income consumers
 embrace the Click-and-Mortar™
 shopping experience.

The trend also extends to older generations: 25% of baby boomers and seniors use Click-and-Mortar™ features, showcasing their potential for even broader appeal across age groups. This widespread acceptance highlights the growing importance of integrating digital and physical retail aspects for a better customer experience—and, likely, increased spending across consumer segments.

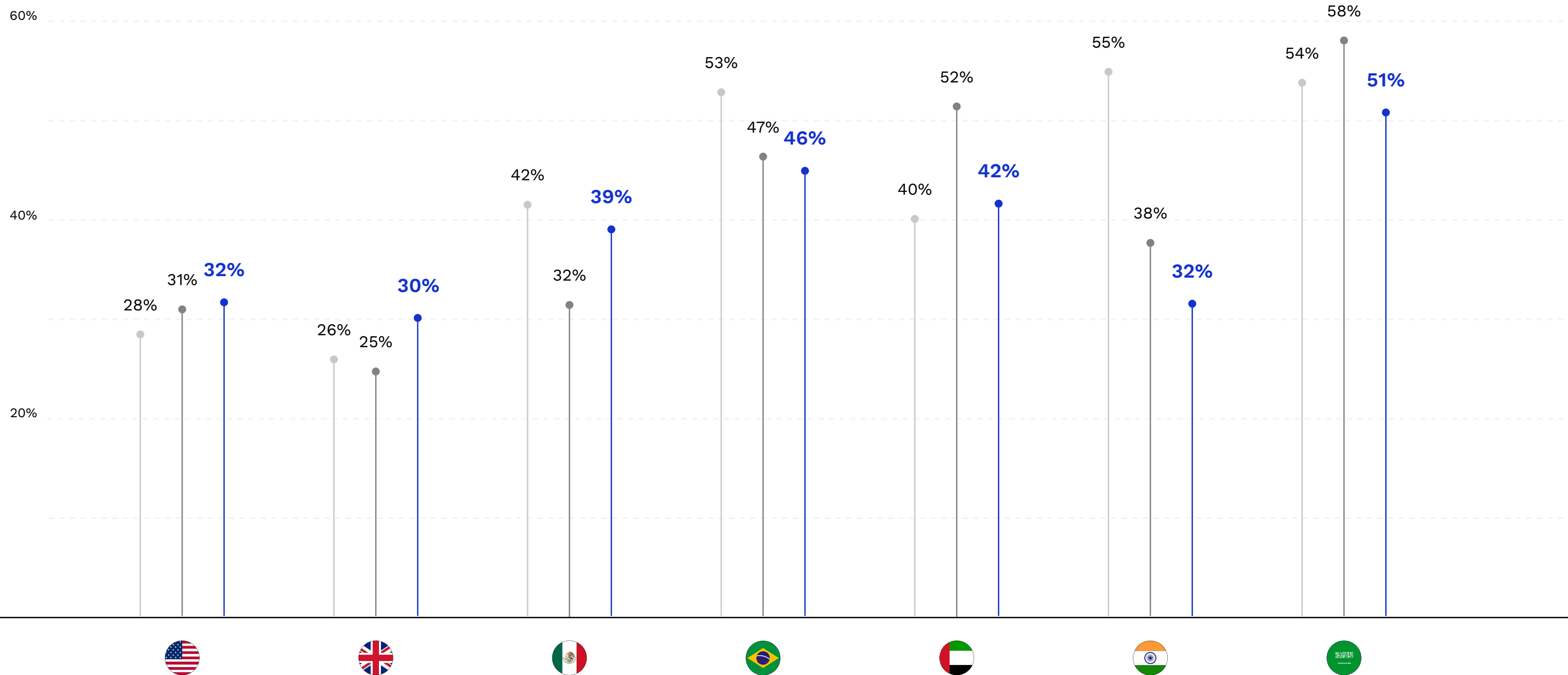
High-income consumers in the U.K. and the U.S. lead the local charges in Click-and-Mortar™ shopping at 30% and 32%, respectively. But taking a step back, across every country studied, at least 1 in 3 high-income consumers are embracing the Click-and-Mortar™ shopping experience, reaching as high as 51% in Saudi Arabia.

This usage suggests that affluent shoppers are increasingly seeking a hybrid shopping experience that combines the convenience of casual online browsing with the tangibility of in-store shopping. In short, different countries are seeing new shopping habits take shape partly because of what people need and can afford.

Figure 11:
Income and Click-and-Mortar™ shopping
 Share of consumers in each country who are Click-and-Mortar™ shoppers, by income

Source: PYMNTS Intelligence
2024 Global Digital Shopping Index, February 2024
 N varies by country and represents complete consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023

- High
- Middle
- Low



Build a wide-ranging portfolio of Click-and-Mortar™ features to power easy shopping experiences that satisfy customers around the world.

Since 2020, digital features for in-store and online shopping experiences have become popular, and two-thirds of consumers now use digital features to shop. Integrating digital shopping features has become a cornerstone of the modern shopping experience, and you should not leave these customers behind.

That means implementing a variety of features, as the average consumer uses between 11 and 18 different digital shopping support features, depending on their country of residence, and more than 80% of consumers surveyed in each country now use several digital tools when shopping.

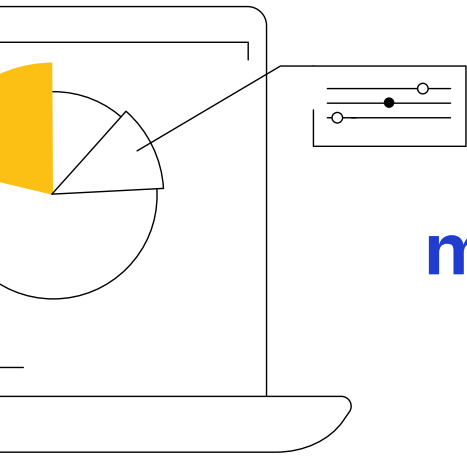
What are these features you must adopt? Detailed product information that provides sizing recommendations and fabric details are online features simulating in-store shopping, for example, empowering digital customers to judge how clothes might fit without visiting a store. Likewise, real-time inventory checks and online reservations for in-store pickup grant your customers the online certainty of an item's availability with the efficiency of shopping directly from physical shelves.

Consumers in every country who use mobile assistance while shopping in a physical store report higher satisfaction, and transactions involving the store have increased by 15%, from 64% in 2020 to 74% in 2023. Altogether, this suggests that the availability of digital features in-store improves the user experience and drives further use of Click-and-Mortar™ shopping tools.

10%

Average share of consumers across all surveyed countries who cite **the ability to use their preferred payment method as the most important feature** supporting their overall shopping experience

Click-and-Mortar™ shoppers
 exhibit **56%**
 more consumer satisfaction
 than in-store-only shoppers.



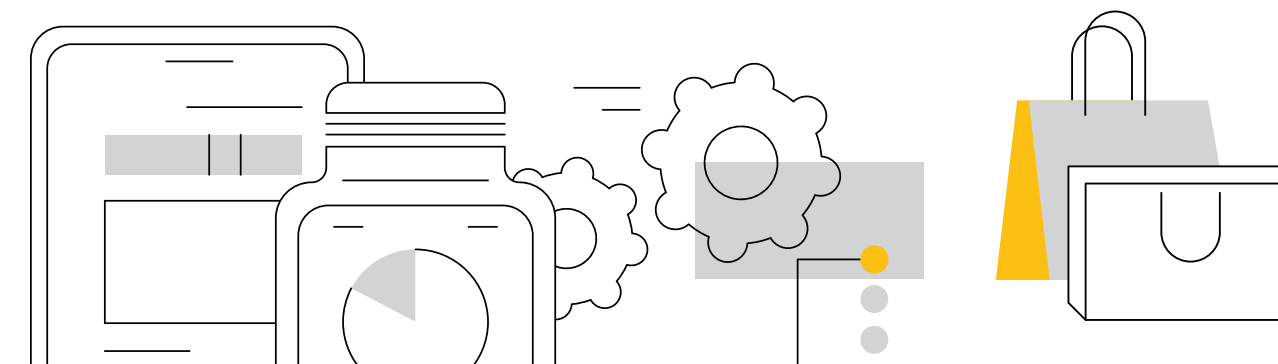
Of course, you want your customers to be satisfied, and Click-and-Mortar™ shoppers have reported a 56% higher satisfaction rate with their shopping experience than those who shop in-store only. This greater satisfaction is strongest in Brazil, where we determined a 74% increase in consumer shopping index scores from in-store shopping alone to using Click-and-Mortar™ strategies. Increases also followed in the U.S., at 65%, and Saudi Arabia, at 66%.

A key factor driving this trend is the desire for immediacy. Roughly 20% of U.S. consumers, for example, seek in-store availability for immediate pickup online, contributing to an increase in pickup orders in 2023. For merchants, this raises the stakes of integrating digital features into physical stores—particularly those focusing on immediacy and a seamless shopping journey.

Make payments choice a priority.

Certain digital features have become table stakes, or basic expectations, for consumers. Chief is payment flexibility, as consumer's ability to use their preferred payment method is the most widely available digital feature they desire most. Lacking diverse payment options can drive away 75% of prospective customers. You cannot treat payment flexibility as optional, even as that can include split-payment options such as BNPL.

Retailers offering a variety of payment methods, including digital wallets, mobile payments, and installment payment plans, can reach the broadest audience, stockpiling customer satisfaction and loyalty. This approach is especially important in markets where digital transactions are becoming the norm, and consumers may expect all their favorite digital options to be available.



Similarly, merchants that fail to provide easy-to-navigate online stores and shopping carts, mobile site compatibility, and digitally available product details risk losing a substantial customer base in most countries. Other table stakes features are more custom to country-level consumer preferences, with Saudi Arabia having the most unique preferences. In a landscape where a merchant’s limited payment options could deter so many consumers, the need for retailers to diversify and improve their digital features becomes clear. This approach helps retain customers, expands market reach, and adapts to emerging consumer trends, all essential aspects of staying competitive.

“ Certain digital features have become table stakes, or basic expectations, for consumers —chiefly payment flexibility.”

Figure 12:
Digital features that are table stakes for attracting Click-and-Mortar™ consumers
 Top five digital shopping features consumers expect in each country



Source: PYMNTS Intelligence

2024 Global Digital Shopping Index, February 2024

N varies by country and represents complete consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023

Know your customers: what they want to buy and the core features they expect.

Buying groceries is not always the same as buying retail products, but the share of Click-and-Mortar™ shoppers remains relatively consistent across the two, suggesting that merchants in either category are likely to benefit from catering to the Click-and-Mortar™ shopper. Click-and-Mortar™ shoppers only substantially change their shopping experience depending on what they buy in the U.K. and UAE. In the U.K., for example, 10% more consumers use digital tools for buying groceries than other items. Conversely, in the UAE, 15% more shoppers use digital features for retail shopping.



Figure 13:
Table stakes for merchants selling grocery products
 Features that most Click-and-Mortar™ consumers want to use for grocery purchases



Source: PYMNTS Intelligence
2024 Global Digital Shopping Index, February 2024
 N varies by country and represents complete consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023

“ Just three features are table stakes for grocers in Brazil and the UAE, yet grocery shoppers in **Saudi Arabia and India expect merchants to provide seven core features.** ”

Grocery merchants should prioritize different features than retail merchants for maximum impact. For merchants that provide groceries, consumers desire the use of their preferred payment method most of all. The next most valued features are rewards, as grocery shoppers want to earn discounts for their loyalty, and digitally available product details (each serving as table stakes in six countries). Consumers in five countries want digitally available coupons that are usable both in-store and online.

Other mandatory or table stakes features for grocers vary by country, likely because of the local population's specific needs, and the number of table stakes for merchants that offer groceries also changes across countries, implying that some consumer bases tend to have higher standards for their merchants. Brazil and the UAE only have three features that are table stakes, yet merchants in Saudi Arabia and India have seven.

Retail consumers desire more features across the board, with the number of core offerings ranging from five in Mexico and Brazil to eight in Saudi Arabia and India. This suggests that consumers may need more assistance shopping with merchants they frequent less regularly, as they are likely more familiar with their neighborhood grocer than any given retail merchant. Retailers need to ensure their in-store assistance features are up to snuff.

Retail table stakes also differ from what grocery shoppers want, with six countries reporting mobile app compatibility, stored order history, digitally available product details, product recommendations and price matching as table stakes features for retailers. For retail, supporting a preferred payment method is considered table stakes in five countries, indicating that while using a preferred payment method is still highly desirable, it matters most for grocery merchants and everyday purchases.

“ Consumers may need more assistance shopping with merchants they frequent less regularly, as they are likely **more familiar with their neighborhood grocer than any given retail merchant.** ”

Although consumers universally expect more features from retail merchants across all countries, grocers cannot rest on their laurels. Similarly, consumers do expect less in Brazil and Mexico, but data suggests this is because these countries underprovide features more than any others, likely driving down local consumers’ expectations and awareness of potential features.

The most successful merchants will understand several key variables: countrywide preferences, the unique feature needs of their customers, and the table stake features for Click-and-Mortar™ consumers buying from a given item category, to name a few. After all, digital features are central to the Click-and-Mortar™ shopper, regardless of what they are shopping for.

Figure 14:
Table stakes for merchants selling retail products
 Features that most Click-and-Mortar™ consumers want to use for retail purchases



Source: PYMNTS Intelligence
 2024 Global Digital Shopping Index, February 2024
 N varies by country and represents complete consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023

Follow revenue leaders by providing more Click-and-Mortar™ features.

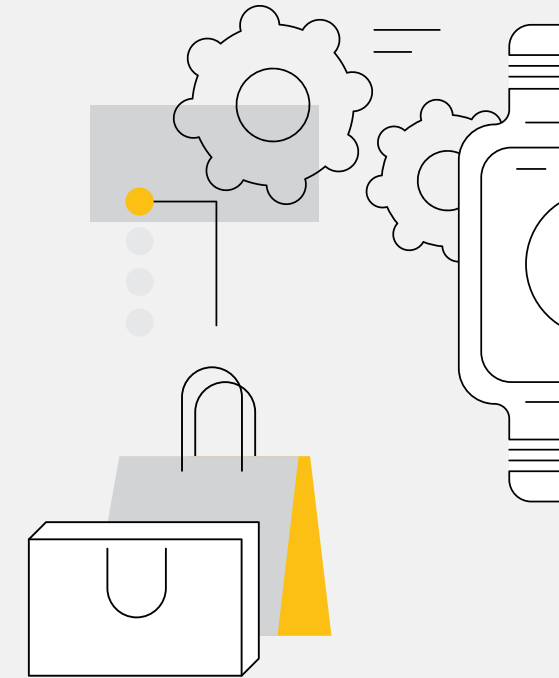
Merchants that are optimistic about their revenue growth tend to offer a wider array of digital features, averaging nearly five more than those expecting no change in revenue. Given that Click-and-Mortar™ shoppers expect an extensive range of features, it makes sense that feature offerings could link to success.

The correlation between the variety of digital features offered and increased revenue optimism is significant. In India, for example, merchants with growth expectations provide 47% more digital features compared to those that expect no change in revenue. Thus, investing in a wider array of digital shopping features to meet the growing desire for Click-and-Mortar™ experiences may help stores earn more.

Merchants that expect an increase in revenue are

35%

more likely to offer rewards-based features than those that expect no revenue change.



The data PYMNTS Intelligence collected and analyzed uncovers a direct link between digital feature offerings and revenue expectations: Merchants that expect higher revenues in the coming year are notably more likely to offer rewards. Free shipping, BNPL, mobile apps, and information sharing with payment providers are also concentrated among merchants that expect growth. This dynamic, in which higher revenue expectations link to greater digital feature offerings, spans all feature types and suggests that these optimistic merchants understand that this preference for digital features is how consumers now approach shopping—and that embracing this change supports their higher revenue expectations.

By investing in expanding these digital features, you not only cater to consumer preferences but also position yourself to capitalize on the potential for increased revenue.

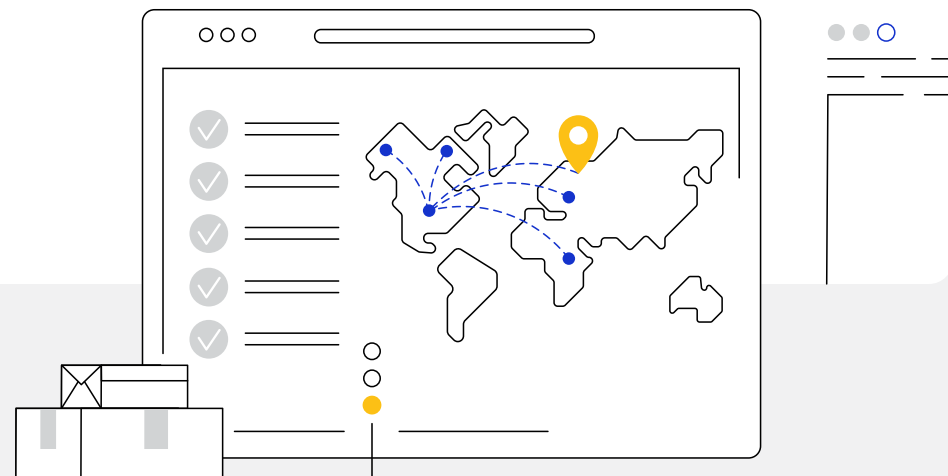


Figure 15:

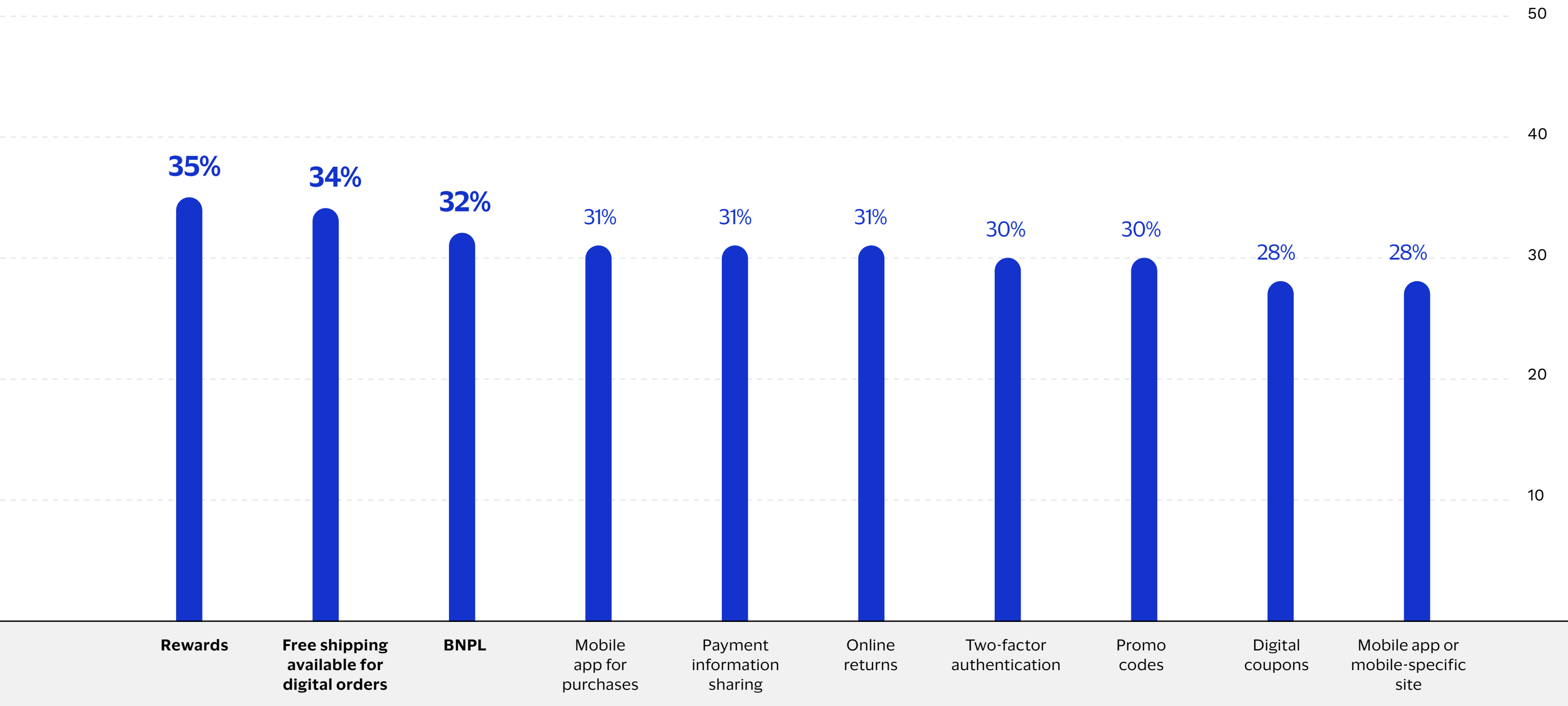
Revenue expectations and feature offerings

How much more likely merchants that expect increased revenues are to offer features relative to those that expect no revenue change

Source: PYMNTS Intelligence

2024 Global Digital Shopping Index, February 2024

N varies by country and represents complete consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023

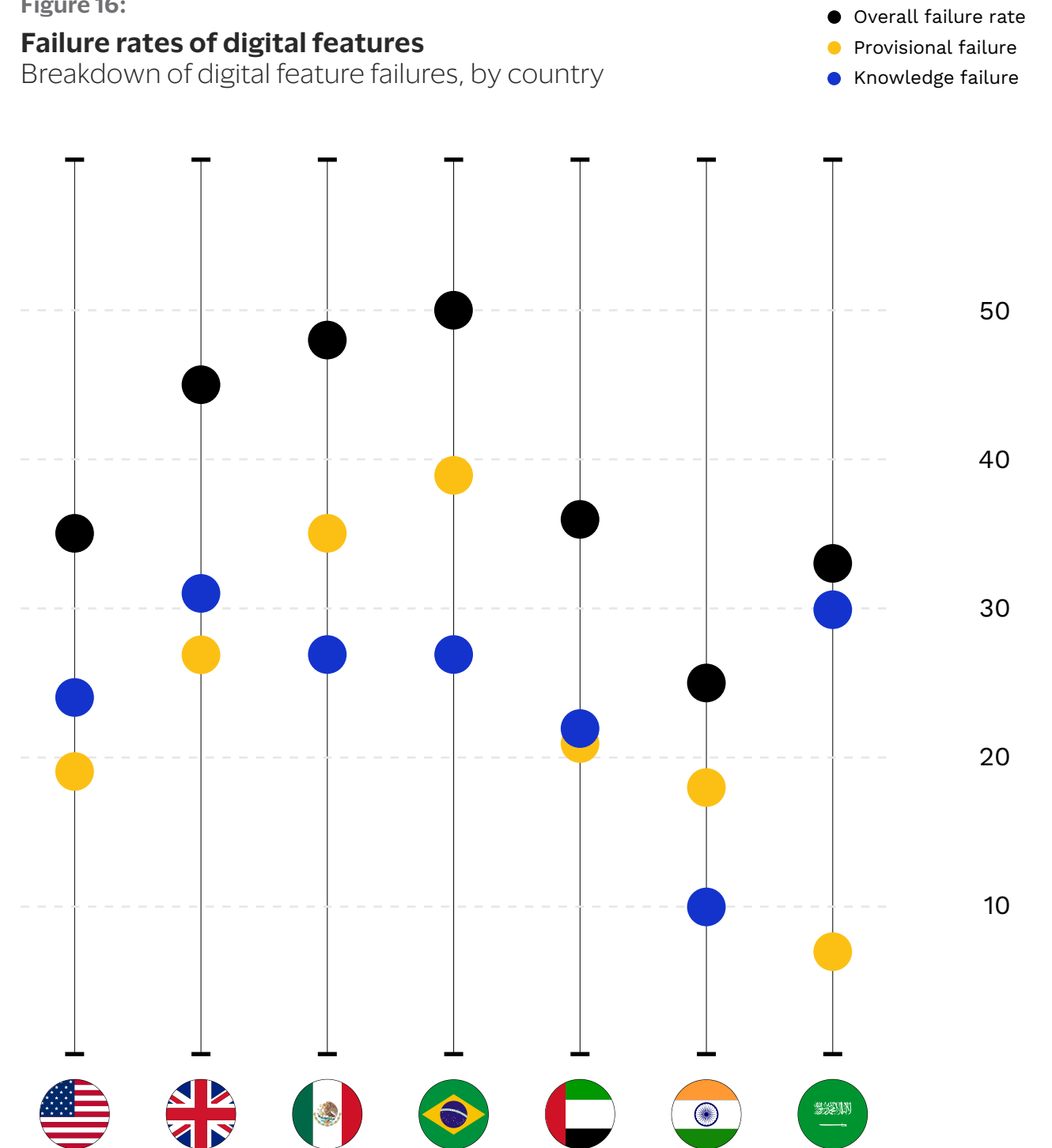


Don't make shoppers work to find digital features.

Merchants across countries fail to provide between 25% and 50% of the features customers want, such as price matching, using discount codes, and having extra security with two-factor authentication. Merchants in India are the most successful, as the gap between the number of features consumers want and those that merchants offer is the smallest, at 25%. Merchants in Brazil and Mexico face the highest discrepancy, with local customers not finding half the features they want to see. The U.K. also has a fairly large gap, with merchants failing to provide 45% of consumers' desired features. The uneven availability (or, in some cases, obscurity) of digital feature offerings negatively impacts the Click-and-Mortar™ experience. Bridging this gap means enhancing the visibility and availability of these features.

Features need to be available and obvious, as consumers commonly lament the absence of features merchants already offer. We call not offering the right features a "provisional failure" in this study, but retailers can also fail by not making a feature they do provide readily apparent, a phenomenon we call "knowledge failure." Simply put, you must implement features well to gain value from them—and that includes customer education.

Figure 16:
Failure rates of digital features
 Breakdown of digital feature failures, by country



Source: PYMNTS Intelligence
2024 Global Digital Shopping Index, February 2024
 N varies by country and represents complete consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023

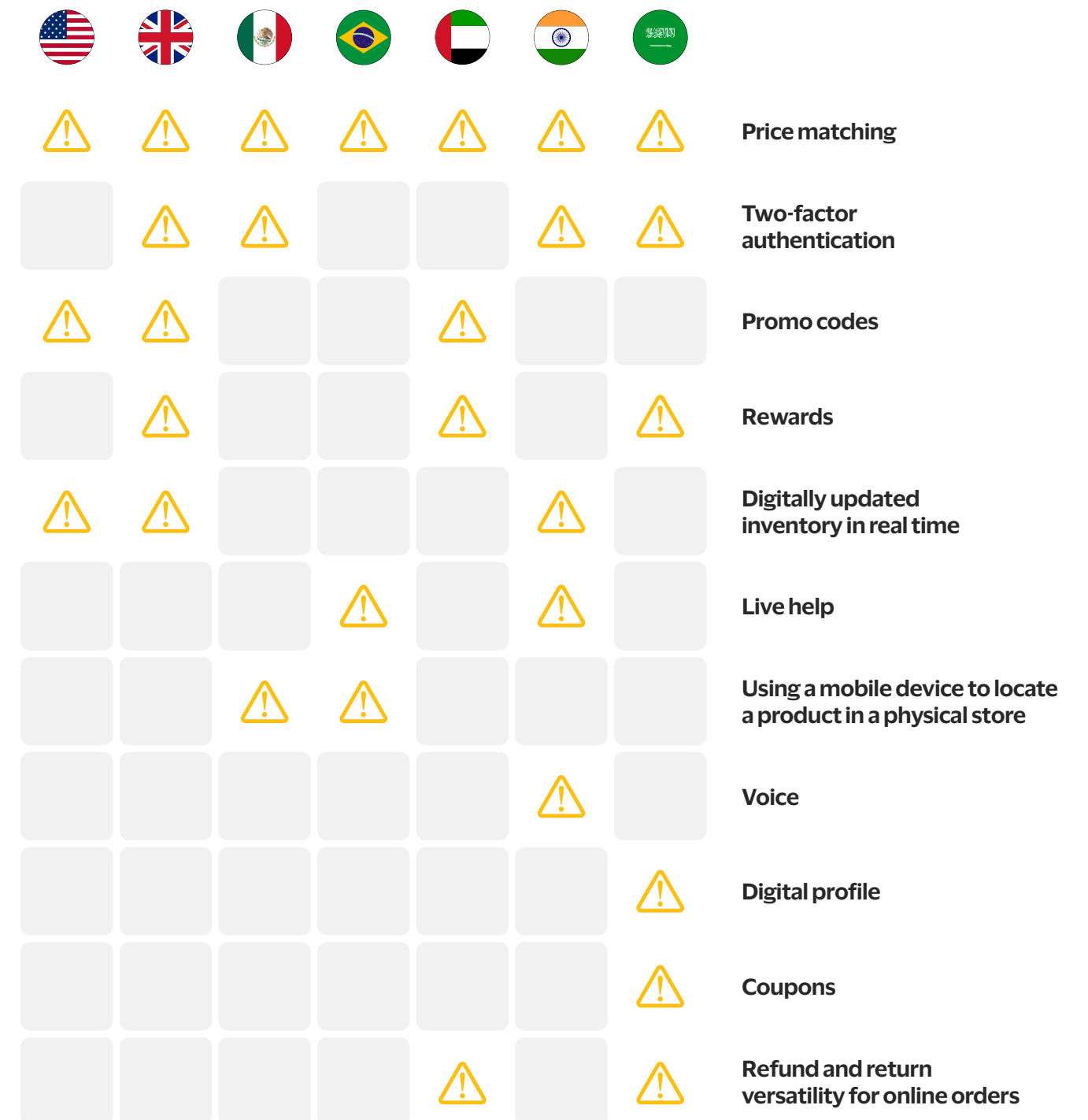
Consumers in the U.K. struggle most to find provided features, with 31% suffering from knowledge failure. Saudi Arabia is not far behind, at 30%. Merchants in India fare far better, as the knowledge failure rate is just 10%. Merchants can battle knowledge failure with better promotion and customer education regarding feature availability, however. Merchants implementing these features should ensure they get the word out to customers. Doing so will likely improve your ROI by better satisfying Click-and-Mortar™ shoppers.

You must be proactive about future feature implementation, as failing to offer essentials such as price matching can deter potential customers. Importantly, merchants in most countries don't plan to offer some features consumers want to use, such as price matching, voice-assisted shopping, a digital profile that stores shopper information across channels, or BNPL. While some countries lag in adopting these features, the U.S. and Saudi Arabia are taking the lead, with retailers planning to introduce all key features customers are looking for, potentially setting a standard for retail markets worldwide. This cohesive strategy aligns with consumer demands and could serve as a blueprint for merchants looking to provide a high-quality Click-and-Mortar™ shopping experience.

Figure 17:

Digital features consumers want that merchants fail to deliver

Digital shopping features consumers want that merchants most commonly fail to provide, by country



Source: PYMNTS Intelligence

2024 Global Digital Shopping Index, February 2024

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Actionable insights



01

Globally, two in three consumers use digital features when shopping, and the barriers between types of shopping are melding, with features used in-store taking advantage of online perks and vice versa. Consumers are more satisfied with their shopping experience when they use digital features and have a variety to choose from. The more you can provide, the happier your customers will be.



02

Certain features have become basic expectations for consumers, and to maintain your customers' loyalty, you need to offer these table stakes features. While some feature requirements vary by country, offering preferred payment methods, easy-to-navigate online stores, digitally available product details, and mobile compatibility are universally desired. Before building out your feature offerings, make sure you are meeting your country's feature benchmarks.



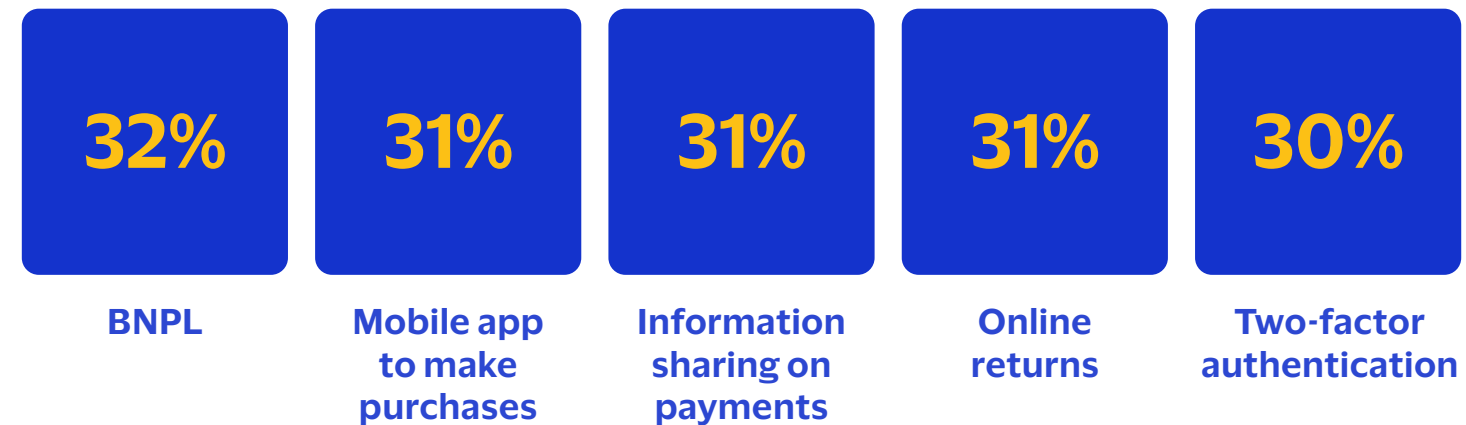
03

One-size-fits-all solutions will not work for every consumer. Though consumers want some features, such as preferred payment methods, across all product types, grocery shoppers have different feature needs than retail shoppers. Likewise, retail shoppers need a larger variety of features. When building a strategy around which features to implement first, consider your customer demographics to guide you to the most advantageous features.



04

With retailers anticipating revenue growth offering, on average, 4.7 more digital features than those that do not, it seems that the more features you can offer, the happier your customers will be. However, it's unlikely you can add a windfall of features at once. To get the most bang for your buck, in addition to table stakes features, consider implementing the features most strongly linked to revenue optimism. These include:





05

Though adding extra features beyond table stakes can be tempting, each must be visible to consumers and easy to use. An overlooked or under-the-radar feature might as well not exist, and it won't have the same impact as a well-promoted feature. In markets like the U.K. or Saudi Arabia, where there is a higher knowledge failure rate, additional advertising and education could be necessary, yet in more mature Click-and-Mortar™ markets such as India or the UAE, where consumers are more attuned to digital shopping offerings, better focus may be on scaling advanced, personalized features.



06

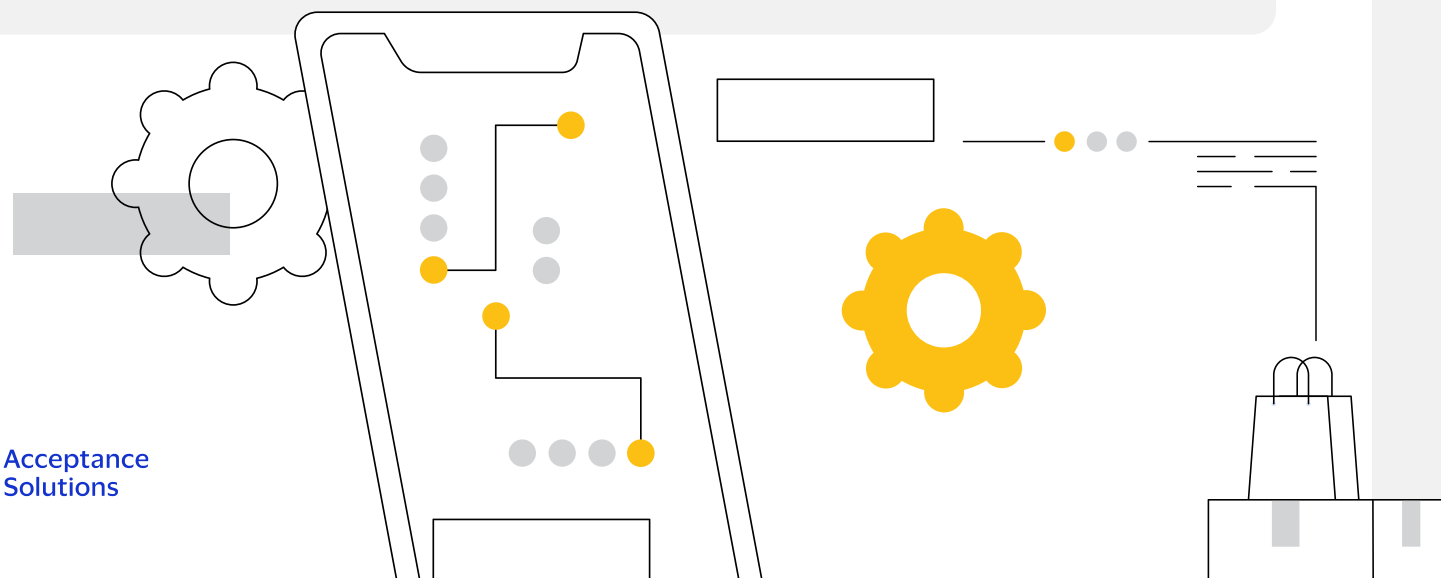
Looking at the gap between the number of features offered and the amount consumers desire, merchants in Mexico and Brazil are at the back of the pack.

Because merchants in these areas are missing the mark on consumer satisfaction, those focusing on digital feature offerings may be particularly well-positioned to rise above competitors.



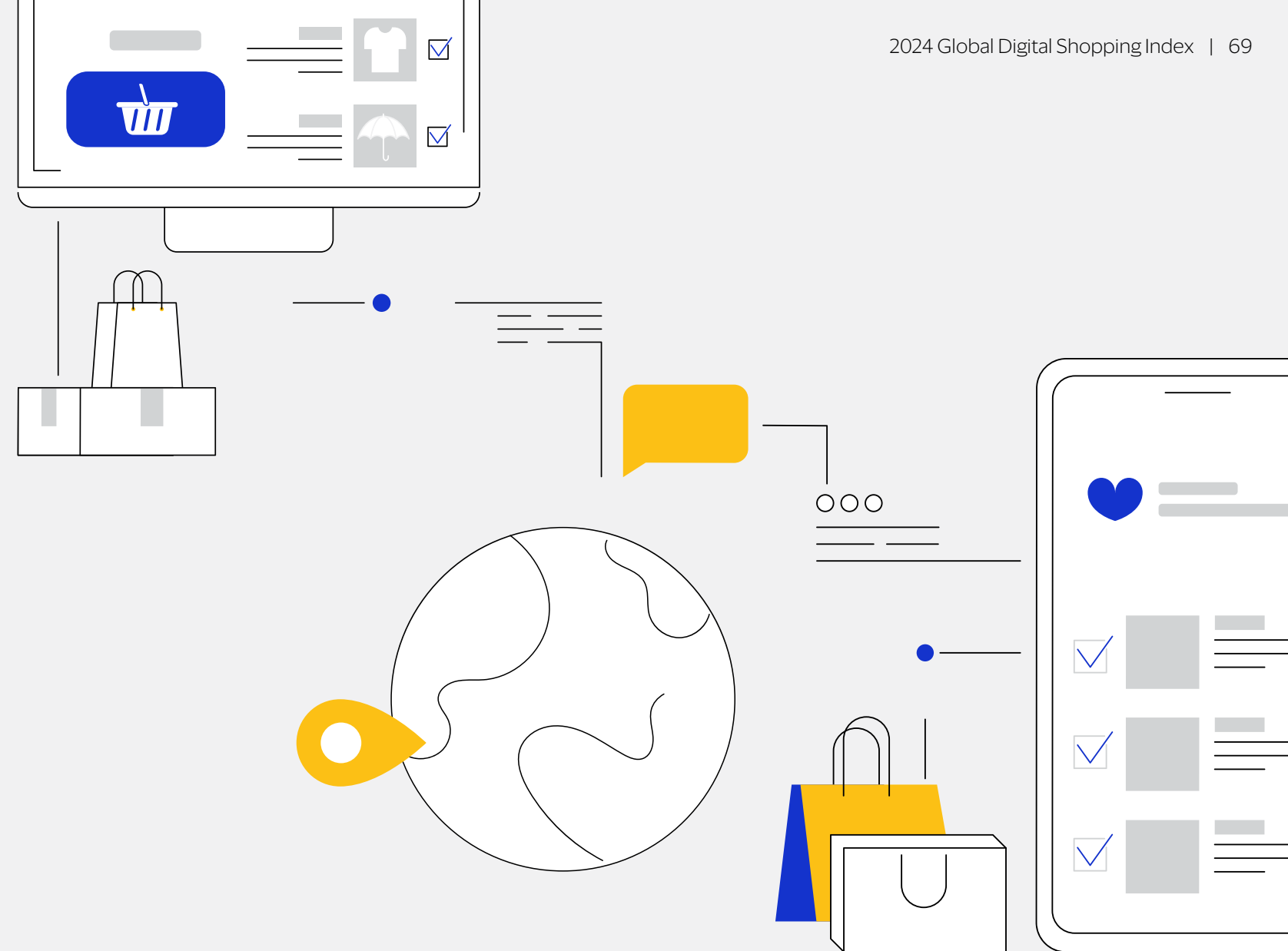
07

In developed markets such as the U.S. and the U.K., entrenched shopping habits have contributed to low shares of Click-and-Mortar™ shoppers, 30% and 27%, respectively. Merchants in these regions would benefit from encouraging consumers to adopt Click-and-Mortar™ shopping habits, and because shoppers who have not yet adopted these experiences are far more vulnerable to knowledge failure, marketing and promotion will be key to setting the stage for steady growth.



Methodology

The 2024 Global Digital Shopping Index: The Rise of the Click-and-Mortar™ Shopper and What It Means for Merchants, a PYMNTS Intelligence and Visa Acceptance Solutions collaboration, examines recent trends in consumer shopping behavior to document the rise of Click-and-Mortar™ shopping. It draws on insights from a survey of 13,904 consumers and 3,512 merchants across seven countries conducted from Sept. 27, 2023, to Dec. 1, 2023. The balance of our sample varied by country, with the youngest average age of respondents in Saudi Arabia, at 34.7, and the oldest average age of respondents in the U.S., at 50.6.



The PYMNTS Intelligence team that produced this report

Karen Webster
CEO

Scott Murray
SVP and Head of Analytics

Story Edison, PhD
Senior Analyst

Adam Putz, PhD
Senior Writer



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