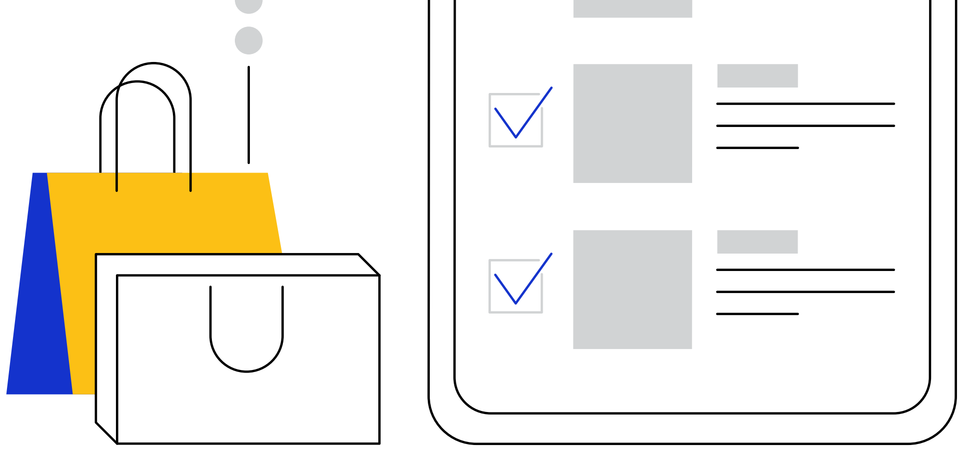
2024

Global Digital Shopping Index

U.K. Edition

VISA Acceptance Solutions



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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.

The full **2024 Global Digital Shopping Index: The rise of the Click-and-Mortar™ shopper and what it means for merchants**

Click here to download

2024 Global Digital Shopping Index: U.K. Edition was commissioned by Visa Acceptance Solutions, and PYMNTS Intelligence conducted the research and produced the report. • This report draws on insights from a survey of 13,904 consumers and 3,512 merchants across seven countries from Sept. 27, 2023, to Dec. 1, 2023. To learn more about our data, reference the full methodology at the end of this report. • PYMNTS retains full editorial control over the following content, findings, methodology, and data analysis. • Click-and-Mortar™ is a registered trademark of What's Next Media and Analytics.

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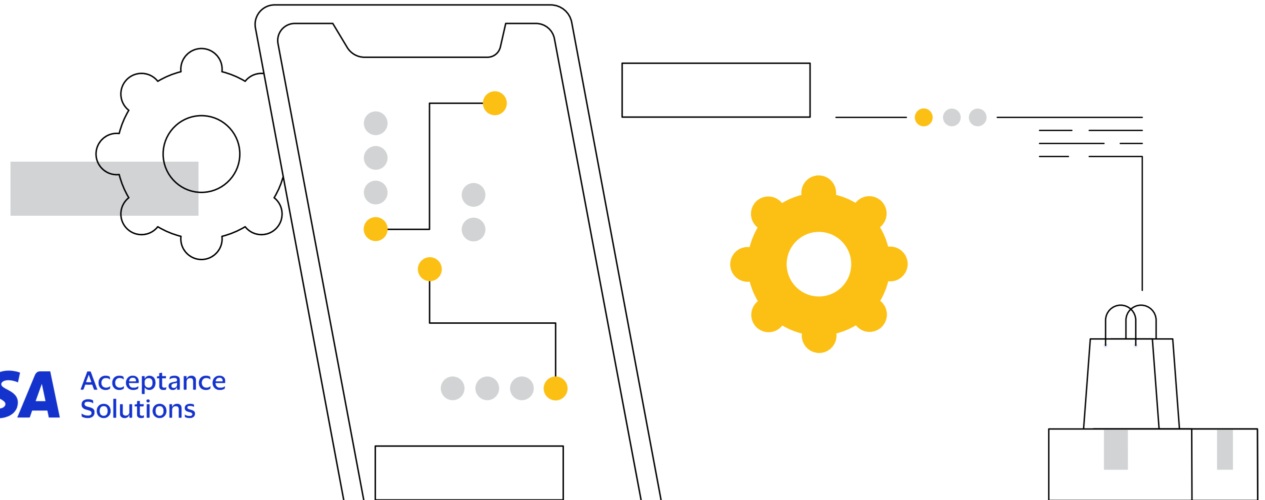
What's **at stake**

The integration of online and in-store shopping is reshaping the consumer experience in the United Kingdom one click at a time. While the U.K. may exhibit a different pattern in the adoption of digital shopping features than other markets, it's important to recognize the U.K.'s distinct consumer behavior and advanced infrastructure. With its strong preference for contactless payments and robust logistics networks, the U.K. market is well-positioned to enhance the shopping experience by integrating digital features more effectively. This integration can not only meet the evolving preferences of U.K. consumers but also leverage the existing strengths of the market.



This presents a valuable opportunity to U.K. retailers for innovation in the Click-and-Mortar™ space. By focusing on the strategic integration of digital tools both online and in-store and raising awareness about these features among consumers, U.K. merchants can capitalize on the unique aspects of the U.K. market. This approach can help bridge any customer satisfaction gaps and potentially transform the shopping experience into a more seamless and customer-friendly journey, utilizing the U.K.'s existing infrastructure, such as its strong delivery network, to leverage consumer trends to their advantage.

Figure 1:

Digital features improve shopping experiences

Percent increase in shopping satisfaction index scores with digital assistance relative to in-store-only shopping

Source: PYMNTS Intelligence
2024 Global Digital Shopping Index, March 2024
N = 2,232: Complete U.K. consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023

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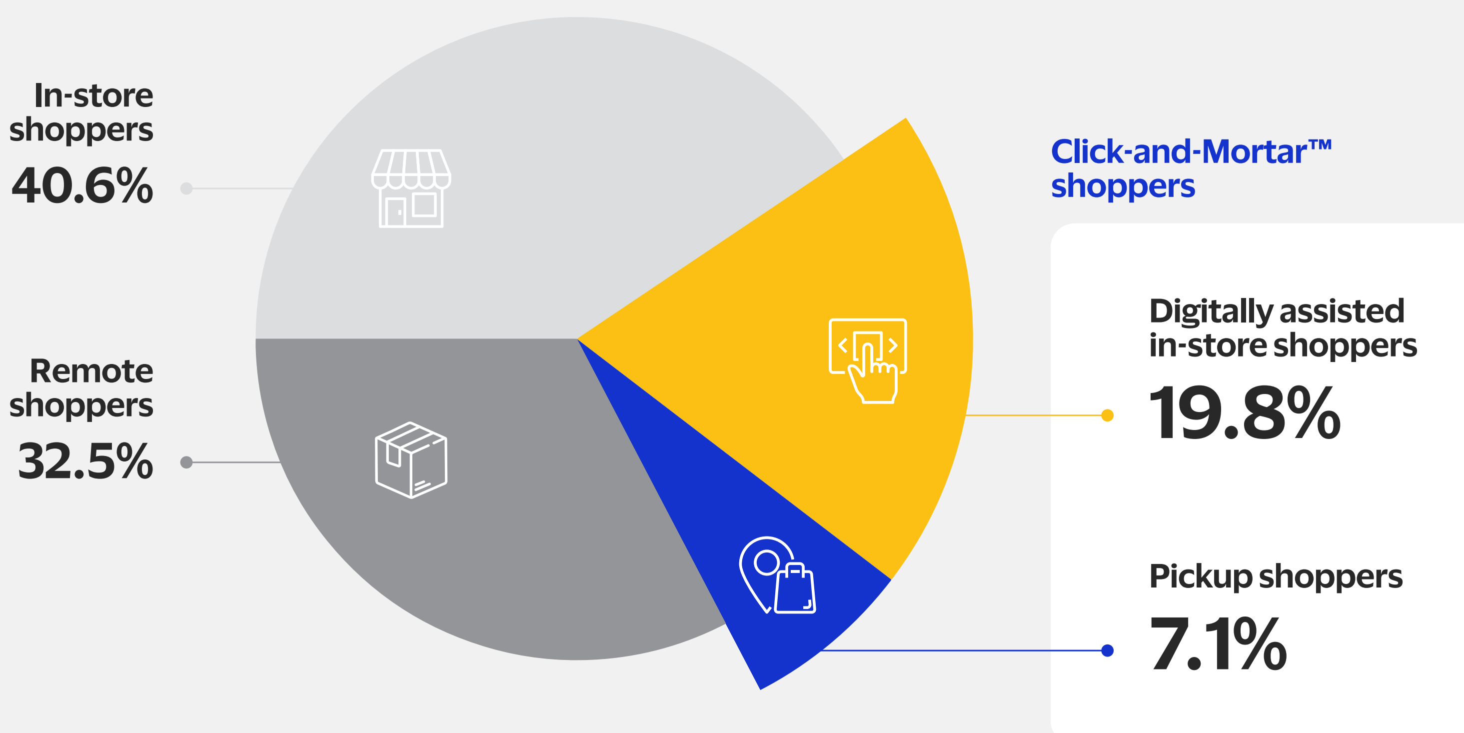
Close analysis of the data reveals that a key task for U.K. retailers is to demystify digital features for the average consumer. U.K. consumers rank alongside those in Mexico and Brazil, reporting the lowest engagement with digital shopping features, averaging only 11 regularly used features—the lowest in the range of 11 to 18 average features used across the seven countries we studied.

Figure 2:

The types of modern shoppers

Share of U.K. consumers who shop in select ways



Source: PYMNTS Intelligence
2024 Global Digital Shopping Index, March 2024
N = 2,232: Complete U.K. consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023

16%

of U.K. merchants offer customers the **option to split a bill,** even though U.K. consumers are the second-most likely to use this feature when it is available to them.

However, enhancing the prominence and usability of consumers' favorite digital offerings like bill-splitting could encourage U.K. consumers to overcome any reticence to use more features. Indeed, the U.K. is the furthest behind in offering split bill solutions, as just 16% of merchants offer them; yet U.K. consumers are the second-most likely to use this feature when available. Such relatively small steps have already locked in a number of incremental gains for retailers. If digital aids such as promo codes, price matching and the ability to pay with preferred payment methods are more visible and intuitive, U.K. merchants can expect a host of benefits from improved customer satisfaction.

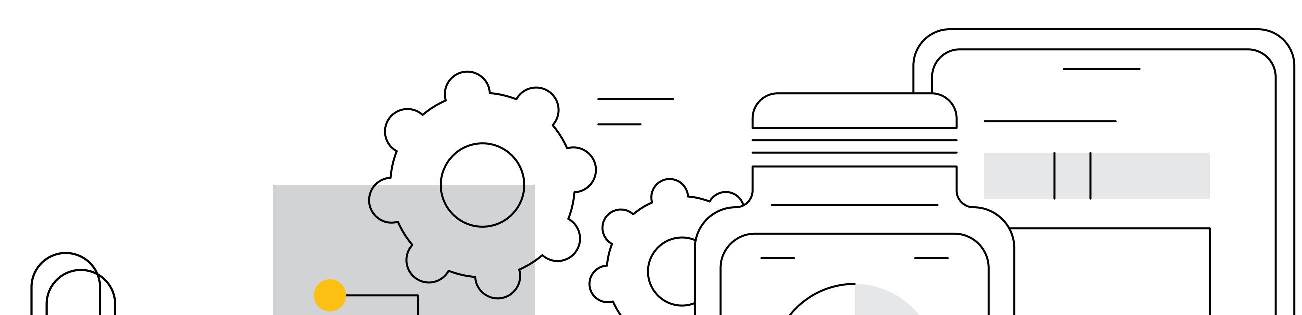


Figure 3:

Shopping experience across demographics
Share of U.K. consumers with select shopping habits, by demographic

	In-store shoppers	Click-and-Mortar™ shoppers: Digitally assisted in-store shoppers	Click-and-Mortar™ shoppers: Pickup shoppers	Remote shoppers
Gender				
• Male	43%	**20%**	**7%**	31%
• Female	39%	**20%**	**7%**	34%
Generation				
• Generation Z	33%	**28%**	**12%**	27%
• Millennials	32%	**28%**	**9%**	31%
• Bridge millennials	32%	**22%**	**10%**	37%
• Generation X	40%	**18%**	**6%**	37%
• Baby boomers and seniors	50%	**14%**	**5%**	31%
Do you have any children under the age of 18 living in your household?				
• Yes	32%	**25%**	**12%**	32%
• No	46%	**17%**	**5%**	33%
Income				
• High (>£40K)	36%	**21%**	**9%**	34%
• Middle (£20K-£40K)	41%	**18%**	**7%**	34%
• Low (<£20K)	46%	**21%**	**5%**	28%

Knowing which features are important to which U.K. consumers can be key. For example, Click-and-Mortar™ shopping is more popular among high-income spenders and grows in popularity for younger generations, suggesting its popularity will only rise. But index scores for Click-and-Mortar™ shoppers in the U.K. are among the lowest of all of the sampled countries.[1] As 27% of merchants do not offer consumer-desired features and 31% offer these features but are difficult for consumers to find, U.K. merchants can significantly improve customer satisfaction and revenue expectations by contending with these highly sought-after features' lack of availability and visibility.

These are just some of the findings detailed in the 2024 Global Digital Shopping Index: U.K. Edition, a PYMNTS Intelligence and Visa Acceptance Solutions collaboration. For this edition, we surveyed 2,232 U.K. consumers and 570 merchants to capture recent trends in U.K. consumer behavior and to document the rise of Click-and-Mortar™ shopping experiences in the U.K. It also draws comparative insights from a larger survey of 13,904 consumers and 3,512 merchants across seven countries conducted from Sept. 27, 2023, to Dec. 1, 2023.

This is what we learned.

[1] Our customer satisfaction index scores capture the experience of making a recent product purchase; as a result, a higher index score represents less friction encountered by the consumer.

Source: PYMNTS Intelligence **2024 Global Digital Shopping Index, March 2024**
N = 2,232: Complete U.K. consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023 *Due to rounding, not all rows sum to 100.

Key findings

01 Chasing leads

U.K. consumers lag in adopting Click-and-Mortar™ shopping experiences, meaning merchants have an opportunity to boost customer satisfaction and stand out from the pack.

27% Share of U.K. consumers who have embraced the **Click-and-Mortar™ shopping experience**, while the average is 39% inclusive of the U.K. in our study

02 Chin up

U.K. merchants are significantly less likely to expect revenue growth than merchants in all other countries, yet offering more digital features improves revenue optimism.

4 Average number of **additional features** U.K. merchants that expect an increase in revenue in the next year offer than those that expect no revenue change

03 Expand offerings

U.K. merchants can improve consumer satisfaction by offering a wider variety of digital features and increasing awareness of currently offered features.

59% Rate in improvement on our shopping satisfaction index for Click-and-Mortar™ shoppers over U.K. consumers who shop **exclusively in-store**

04 Splitting bills

Because the ability to use their preferred payment method is paramount to U.K. consumers, offering desired bill-splitting solutions can set you apart from other merchants.

16% Share of U.K. merchants that offer customers a payment solution to **split a bill** among multiple buyers

The blueprint for merchants

2024

Global Digital Shopping Index

Click-and-Mortar™ shopping is on the rise in the U.K., even as it catches on more slowly than in other countries.

VISA Acceptance Solutions

Patterns across other markets suggest Click-and-Mortar™ experiences will continue to grow more popular in the U.K.

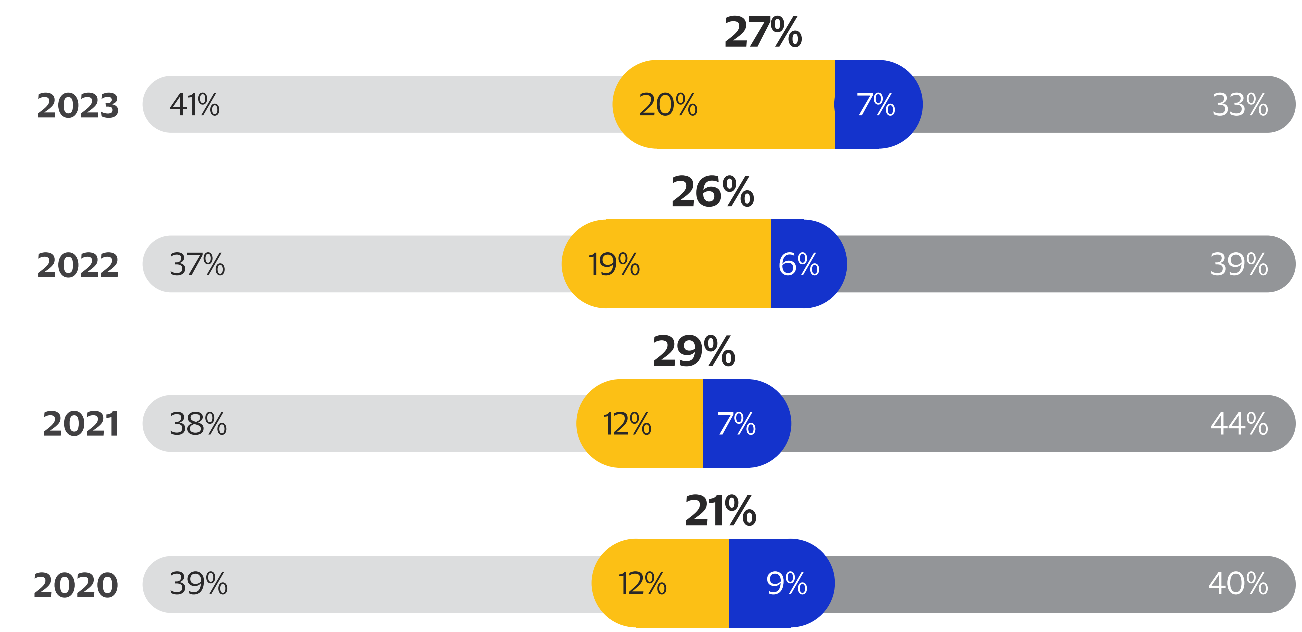
Click-and-Mortar™ shopping, a fusion of digital and in-person shopping experiences, is gaining traction among U.K. consumers. This approach combines the immediate availability of in-store shopping with the convenience of online features, and the portion of U.K. shoppers adopting Click-and-Mortar™ has risen by 29% since 2020. Although significant, this growth in the U.K. is more modest than similar trends in the U.S. and other studied countries.

Currently, roughly one-fifth of U.K. shoppers enhance their in-store experience with digital aids, while another 7.1% of consumers initiate their shopping process online but opt for curbside or in-store payment or pickup. Collectively, these segments form the growing Click-and-Mortar™ consumer demographic in the U.K., and this growth occurred largely at the expense of online-only shopping in 2023.

Figure 4:

U.K. transaction share

Share of U.K. consumers completing purchases in select ways, over time



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

Source: PYMNTS Intelligence
2024 Global Digital Shopping Index, March 2024
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* Due to rounding, percent may not equal 100.

29%

Rise in the portion of U.K. shoppers adopting **Click-and-Mortar™ habits** since 2020

64%

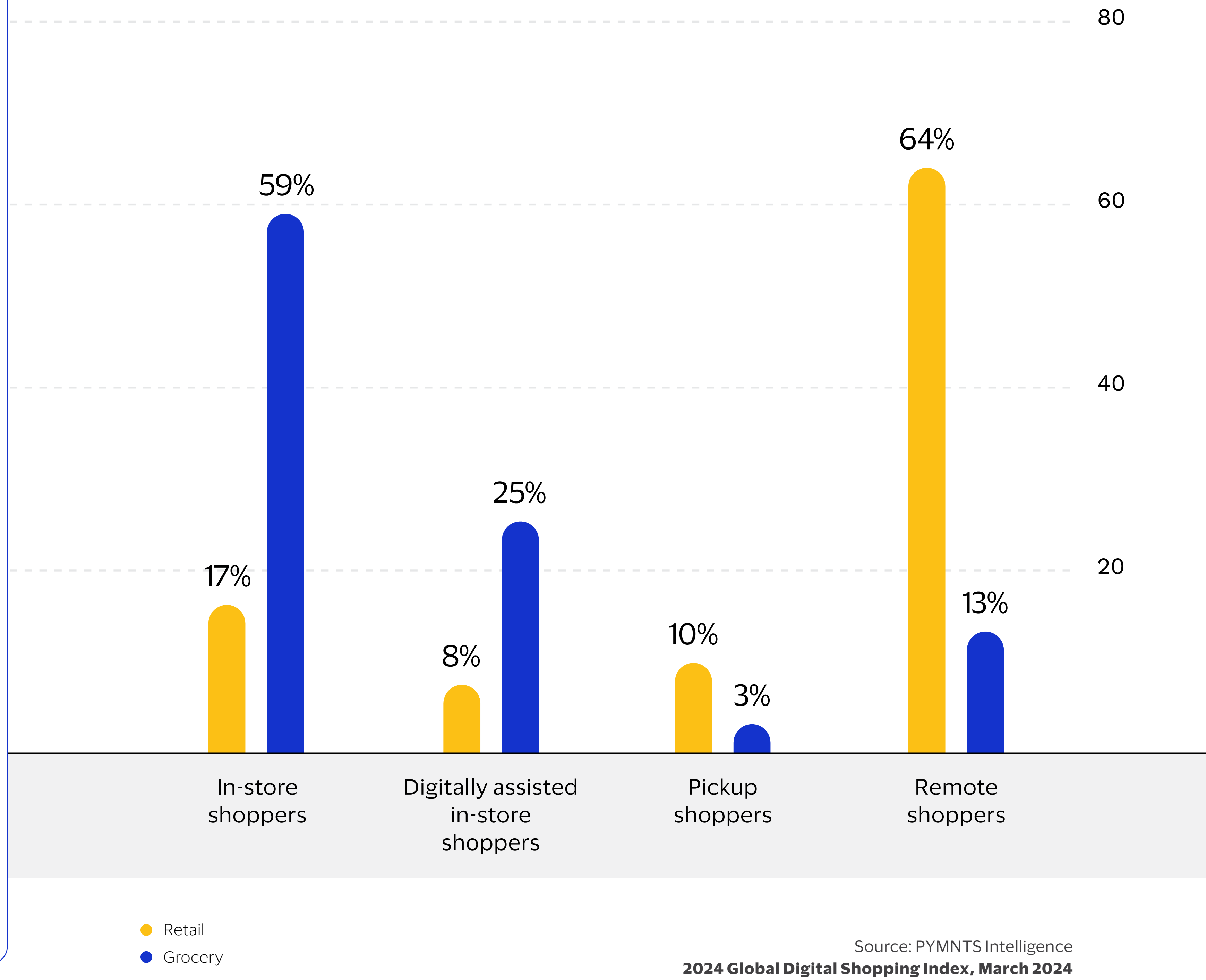
of U.K. consumers **shop entirely online for retail products,** while 59% last shopped in-store for groceries.

The U.K. consumer takes a distinctive approach to shopping, displaying behaviors contributing to a 64% preference for purely online retail shopping and a 59% inclination for in-store grocery purchases. This trend reflects a targeted use of different channels for different needs. Despite being less inclined to buy online and pick up in-store, this behavior underscores the mutually reinforcing strength of the U.K.'s online and delivery infrastructures. Additionally, the U.K.'s third-place ranking in overall in-store shopping enthusiasm, at 41%, behind Mexico and the U.S., indicates a solid foundation in traditional retail which merchants can leverage for future growth in Click-and-Mortar™ experiences.

Figure 5:

How U.K. consumers shop

Share of U.K. consumers who made their most recent purchases in select ways, retail only versus grocery only



Source: PYMNTS Intelligence
2024 Global Digital Shopping Index, March 2024
N = 2,232: Complete U.K. consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023

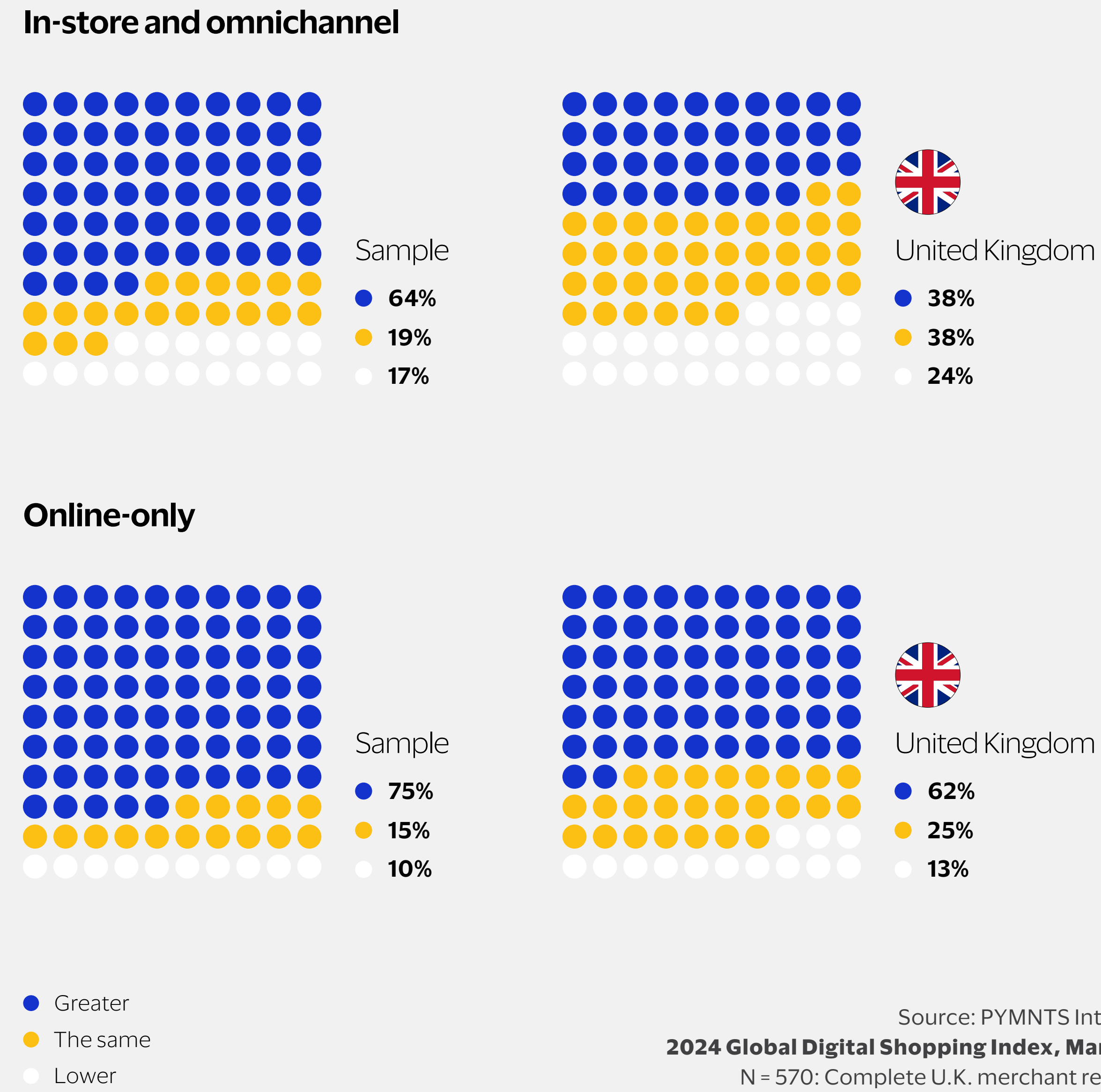
Merchants in the U.K. that offer more features are more likely to expect revenue growth in the next year, with online-only merchants seeing far more revenue optimism than in-store-only or omnichannel merchants.

Many merchants remain cautiously optimistic about revenue growth, showing more reserve than their counterparts in other markets. This sentiment is even more pronounced among in-store only and omnichannel merchants, reflecting a more grounded approach to the U.K. retail market's challenges and opportunities. Aware of the roadblocks to offering digital features and appealing to Click-and-Mortar™ shoppers, U.K. merchants harbor cautious revenue predictions. This caution, reflected in the 38% of in-store and omnichannel merchants expecting increased revenue, contrasts with higher expectations in markets like Saudi Arabia, where 55% of shoppers engage in Click-and-Mortar™ and 79% of merchants with physical locations anticipate growth. Compared to Saudi Arabia's success, the U.K.'s 27% consumer usage of Click-and-Mortar™ strategies suggests potential paths for growth.

Figure 6:

Revenue expectations

Revenue expectations, by sales channel



Source: PYMNTS Intelligence
2024 Global Digital Shopping Index, March 2024
N = 570: Complete U.K. merchant responses, fielded Sept. 27, 2023–Dec. 1, 2023

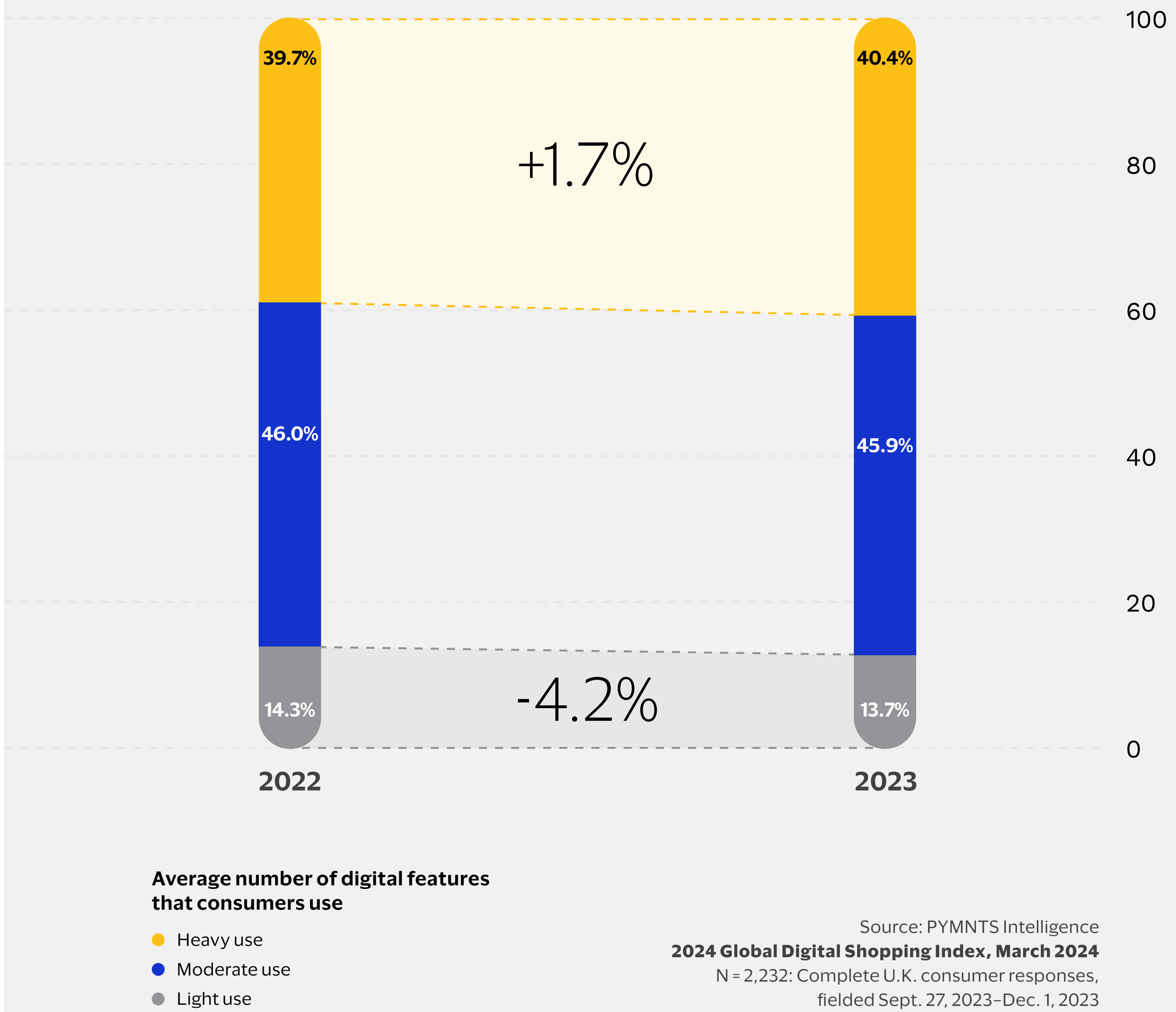
U.K. retailers face challenges in meeting the rising demand for quality Click-and-Mortar™ experiences. Their U.S. counterparts offer an average of 25 digital features, but U.K. merchants provide an average of 22. As a likely consequence, consumers report significantly lower engagement with digital features in their shopping experiences. This is reflected in the fact that, at only 11 features, U.K. consumers rank alongside Mexico and Brazil for the lowest average feature use when shopping. Even the most tech-savvy U.K. consumers regularly use just 16 digital features, a stark contrast to the 21 to 26 features consumers used during Click-and-Mortar™ experiences in other developed markets.

In short, the central issue for U.K. merchants may be the visibility and availability of these features. The merchants that consumers frequent do not provide more than one-quarter of the features consumers want, and nearly one-third of the features merchants offer are difficult for shoppers to locate. This lack of awareness and accessibility means that many of the digital features that merchants do provide might just as well not exist for a significant portion of U.K. consumers. Thus, a key way to improve as a U.K. merchant is to enhance the visibility and user-friendliness of your current digital features while ensuring your future plans for adding features align with consumer needs and are easily accessible.

Figure 7:

Stagnating feature usage

Share of consumers who exhibited select digital feature use patterns in the U.K., over time



Source: PYMNTS Intelligence
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U.K. consumers most use and want features that allow them to use their preferred payment method and receive loyalty rewards.

In the U.K., the most desired feature is the ability to use a preferred payment method, deemed most important by 11% of U.K. shoppers. Offering consumers their preferred payment method represents the digital feature that is most highly prized across all markets studied. Likewise, the nearly universal appeal of rewards program offerings is clear. Nearly 80% of U.K. consumers consider loyalty schemes a benchmark feature. Consumers seek features that not only mirror the seamlessness of online shopping in their in-store experiences but also reward them for frequenting a particular retailer. To tap into this trend, U.K. merchants should ensure they currently offer these features. This strategy will not only enhance the satisfaction of those U.K. consumers actively seeking these features from their Click-and-Mortar™ experiences but will also support merchant-led efforts at creating marketwide awareness of their available digital shopping tools.

Figure 8:

What U.K. consumers want
Benchmark features needed for U.K. shoppers

Most wanted feature	All U.K. consumers	Click-and-Mortar™ shoppers
Ability to use preferred payment method	77%	78%
Loyalty or rewards program		78%
Targeted promo codes		74%
Coupons for digital and in-store usage		73%
Mobile app or mobile-specific site		71%
Digitally available product details		70%
Easy-to-navigate online store	66%	70%
Stored shipping information	63%	
Stored order history	63%	

Source: PYMNTS Intelligence **2024 Global Digital Shopping Index, March 2024**
N = 2,232: Complete U.K. consumer responses, fielded Sept. 27, 2023–Dec. 1, 2023

In the U.K., more than one-third of consumers face challenges when trying to find their most desired shopping features. Minding this gap represents an opportunity for differentiation in the market. Highly sought-after yet often unavailable digital features like split-payment options are a key area where U.K. merchants lag other markets, with only 34% offering this capability while 91% of merchants in Saudi Arabia offer split payments. In a split payment, a customer might put £50 on a card and pay £10 in cash to cover a total purchase of £60 or two customers might each contribute £30 apiece, ensuring equitable and flexible transactions. We highlight this discrepancy because U.K. consumers are second only to those in Saudi Arabia in showing a strong preference for splitting payments.

When analyzing the most in-demand and under-provided features, a trend emerges. U.K. consumers lean into features that replicate their favorite shopping experiences across settings. They value detailed product descriptions for thorough prepurchase evaluation, the convenience of free shipping and easy access to refunds for fraudulent charges. These preferences align with the U.K. consumer's strong inclination to shop online and suggest that providing highly prized digital features would improve Click-and-Mortar™ experiences for retailers that also maintain a brick-and-mortar presence on the high street. After all, just 17% of U.K. consumers made their most recent retail purchases in-store.

Figure 9:

Feature availability

Share of U.K. shoppers with select experiences regarding features

Most failed feature	Want to use feature	Can't find feature
Promo codes	68%	32%
Price-matching	66%	35%
Free shipping	66%	38%
Two-factor authentication	62%	38%
Retailer will refund fraudulent charges	61%	45%

Source: PYMNTS Intelligence
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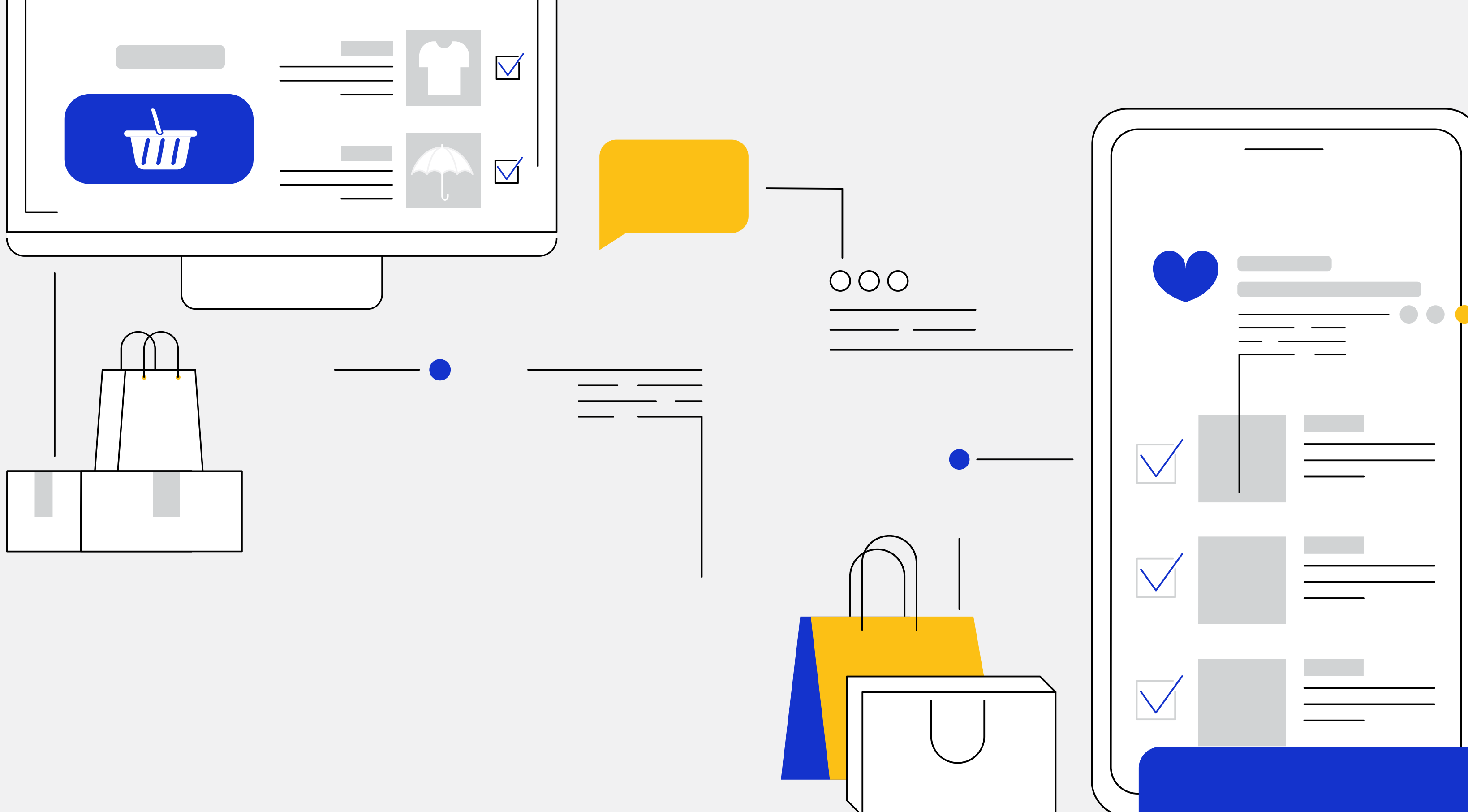
Actionable **insights**

01

Promoting Click-and-Mortar™ experiences is a key way to improve in-store shopping to the net benefit of the country's main high streets. With U.K. consumers showing a strong preference for online shopping, particularly in retail, merchants should use digital tools that mirror the online experience in-store. Pair detailed product descriptions and in-store pickup, for example, so your customers get both the convenience of online shopping and the immediacy of in-store purchases.

02

Merchants can seize the opportunity to improve shopping experiences by focusing on enhancing the user-friendliness and visibility of digital features. U.K. consumers currently engage with an average of 11 digital shopping features, a number with significant room for growth compared to other markets. Such improvements can tap into the potential for a 59% increase in consumer satisfaction that Click-and-Mortar™ shopping provides over traditional in-store experiences, effectively elevating the overall shopping journey in the U.K. market.



03

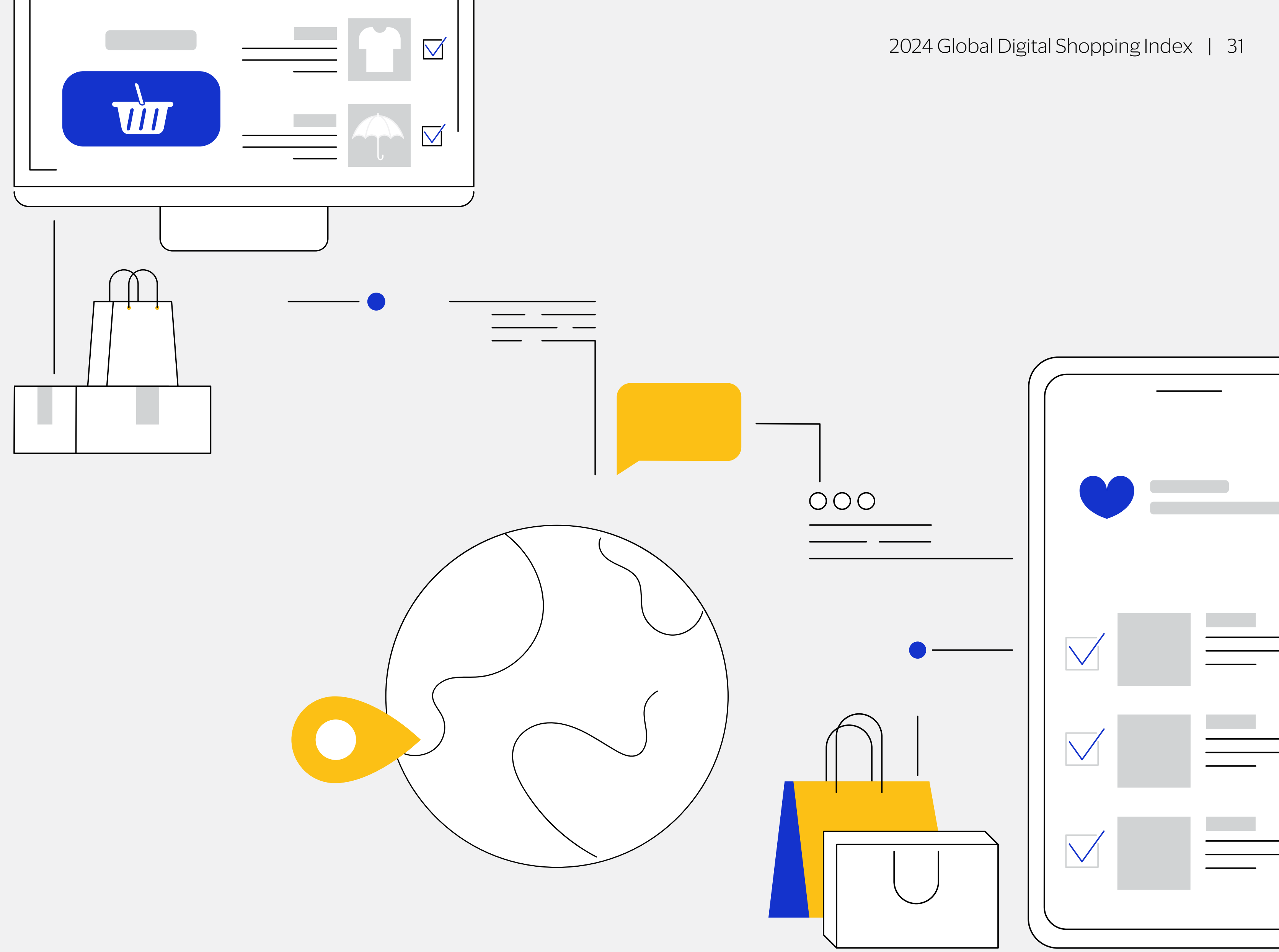
U.K. merchants must mind the gap between the digital features that consumers desire and those that are available: 27% of sought-after features are not offered, and 31% are hard to find. Retailers should identify their missing features first, particularly those that enhance payment methods and loyalty programs, to cater to the 3 in 4 U.K. consumers who prioritize these offerings while conducting deeper research on their existing offerings to identify those features their customers find tough to locate.

04

Finally, U.K. merchants have a great opportunity to enhance customer satisfaction by focusing on the most sought-after digital feature: preferred payment methods. With 11% of consumers ranking this as their top priority, introducing a variety of payment options, particularly contactless and split-payment methods, can significantly boost the shopping experience. This change not only caters to a key consumer preference but also positions U.K. retailers at the forefront of offering flexible and customer-centric payment solutions.

Methodology

The 2024 Global Digital Shopping Index: U.K. Edition, a PYMNTS Intelligence report commissioned by Visa Acceptance Solutions, was developed from a survey of 2,232 U.K. consumers and 570 merchants to capture recent trends in U.K. consumer behavior and to document the rise of Click-and-Mortar™ shopping experiences in the U.K. It also draws comparative insights from a larger survey of 13,904 consumers and 3,512 merchants across seven countries conducted from Sept. 27, 2023, to Dec. 1, 2023.



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About

Visa Inc. (NYSE: V) is a world leader in digital payments. Our mission is to connect the world through the most innovative, reliable and secure payment network — enabling individuals, businesses and economies to thrive. Our advanced global processing network, VisaNet, provides secure and reliable payments around the world and is capable of handling more than 65,000 transaction messages a second. The company's relentless focus on innovation is a catalyst for the rapid growth of digital commerce on any device, for everyone, everywhere. As the world moves from analog to digital, Visa is applying our brand, products, people, network and scale to reshape the future of commerce. For more information, visit www.visa.com, https://usa.visa.com/solutions/visa-business-solutions.html and Visa Commercial Solutions: Overview | LinkedIn.

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