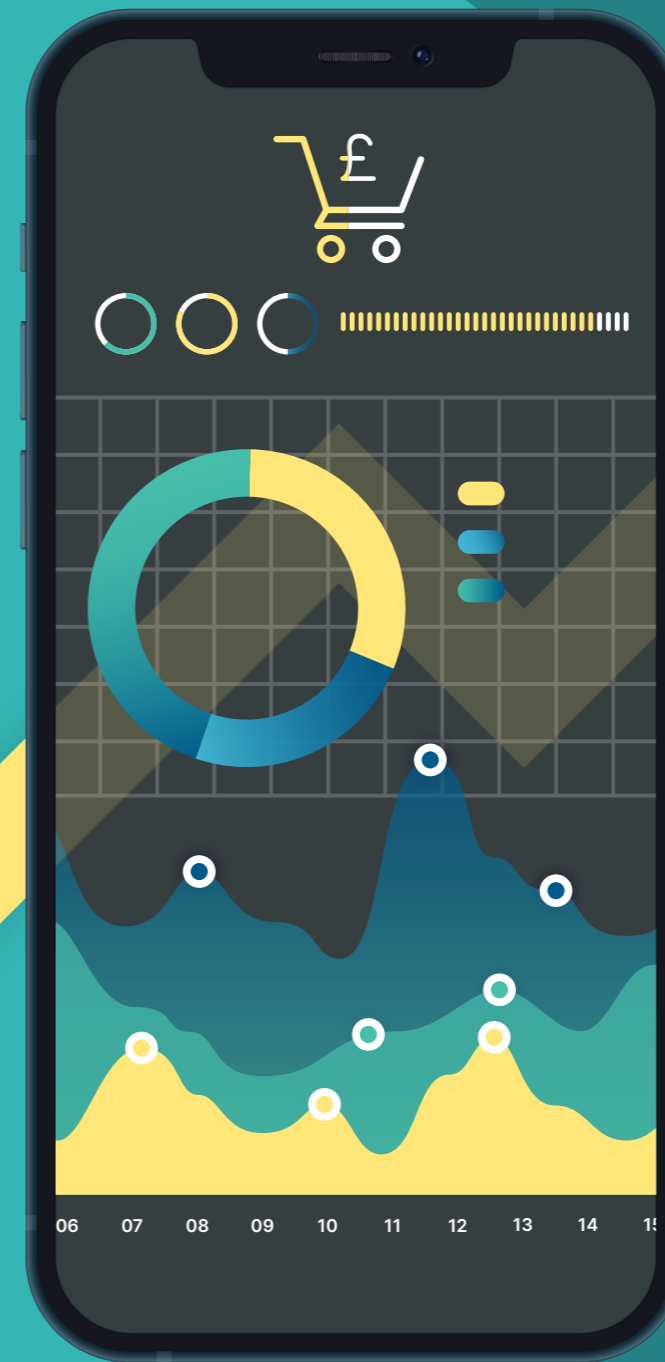


Online Shopping Trends

Report 2022



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Foreword

At Worldline, we are in the fortunate position of being at the nexus of the biggest surge in eCommerce sales in a decade. Companies from every possible industry use our payment solutions every day, and one of my favourite parts of the job is being able to see how the eCommerce ecosystem changes over time.

In my lifetime and yours, we've seen eCommerce go from a niche concern popular only with early adopters to being something that is part of everyone's life, no matter their age, gender or location. We've also seen the boundaries of what can be sold online expand from easily stored and shipped non-perishable items, like books and electronics, to literally anything.

That information gives us the 'what' of eCommerce – how much money is being spent and where. Arguably more important is the why: why do customers choose one site over another? What keeps them coming back to one merchant when there are so many options? Ultimately, how are they making their decisions when shopping?

We've conducted this research in order to build a bridge between customers and merchants and provide the answers to those questions. We want to help our clients succeed in this competitive space, and the best way to do this is to find out exactly what their own customers are looking for when shopping online.

By working together, we can make 2022 one of the most exciting years to be selling online.

Happy reading!

Habib Ansari



Country Head, UK
MS Regional Businesses, Worldline



There's never been a better time to sell online.

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If we look at Europe alone, we can see that the number of online shoppers has increased to 73% of a population of 735 million. Online sales make up 4.6% of the continent's GDP – 5.2% in Western Europe, largely thanks to the UK and France, in which the vast majority of the population are frequent digital shoppers (92% and 79% respectively).

The pandemic accelerated the uptake of online shopping as lockdowns meant that ordering groceries and takeout online was an easier, safer option, but people often overstate how much change it made. In 2022 we are where we would have been in 2025 or 2026 if COVID-19 had never happened for the simple fact that eCommerce solves a lot of the problems that people have. It's far more convenient, often cheaper because of lower overheads and economies, hugely diverse, and the only place to get goods and services ranging from media subscriptions to weekly food boxes.

That doesn't mean that there's a rising tide that will raise all ships. eCommerce is still a competitive space, with a handful of colossal companies taking the lion's share of consumers and smaller companies struggling to find niches that aren't yet filled.

Retailers need to stand out from their competitors, and the best way to do that is by knowing what their customers want. To this end, we commissioned a survey of online shoppers in the UK, Europe's most developed eCommerce market, with 92% of people buying digitally. The results were remarkably consistent across geographies and age groups, showing that the needs of an overwhelming majority of shoppers are simple to understand.

We will go into detail on each aspect of the survey results, including the factors that consumers look for and are turned off by when choosing where to shop, but there were four results that stood out as actionable insights:

56%

The most important factor for choosing online shopping over buying in-store was convenience – 56.4% of respondents said it was their primary reason.

86%

86% of respondents either started using or continued to use a digital wallet in recent months.

61%

61% of online shoppers need to see security accreditation to feel safe, and 54% like to use strong customer authentication like fingerprints or face ID.

72%

Ethical and lifestyle concerns are vital: 72% of customers would prefer to buy from a small business that uses eco-friendly products and practices.

Based on this and other research we have found, how can companies stand out in an increasingly competitive eCommerce ecosystem? The survey results have shown that they want to shop with companies who put them first. Create a company in which every process and technology revolves around a great customer experience and you will reap the benefits of the current rise in eCommerce.

A digital transformation isn't free of course, but by making savings elsewhere, eCommerce businesses can free up enough capital to invest in customer-first policies. We will be talking about how to do that soon, but first, let's establish the facts about the eCommerce ecosystem in 2022.

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In order to develop this report, we initiated the third-party research house, Censuswide, to survey 2,027 respondents living in major cities throughout the UK, aged 18-65 who shop online at least twice per month. Respondents were given eight questions, three with options for open answers, and given unlimited time to complete the survey.

To help merchants understand different demographic groups, the respondents were categorised by gender and age, with age groups corresponding to roughly ten years. In the report, we may refer to age groups by terms such as 'Gen-Z' (18-24), 'Millennials' (25-34 and 35-44), 'Generation X' (45-54) and 'Baby Boomers' (55-65).

Audience breakdown

Gender

Male	842
Female	1,175
Prefer not to say	10

Age

18-24	44.83%	143
25-34	52.18%	299
35-44	58.35%	283
45-54	64.01%	201
55-65	65.48%	220

Region



East of England	163
Greater London	294
East Midlands	143
West Midlands	208
North East	98
North West	239
Northern Ireland	58
Scotland	132
South East	263
South West	159
Wales	106
Yorkshire and the Humber	164

1 What are people buying?



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In short: everything.

This is one area in which the pandemic made a major, lasting difference. There have always been certain things that were more commonly purchased online: books, digital media, electronics and clothing all did well and created some of the eCommerce giants that we know today. Buying groceries online on the other hand was virtually unheard of until recently. The divide between 'what I buy in stores' and 'what I buy online' has now completely broken down, and there are few products, if any, that ordinary consumers prefer to buy in-store.

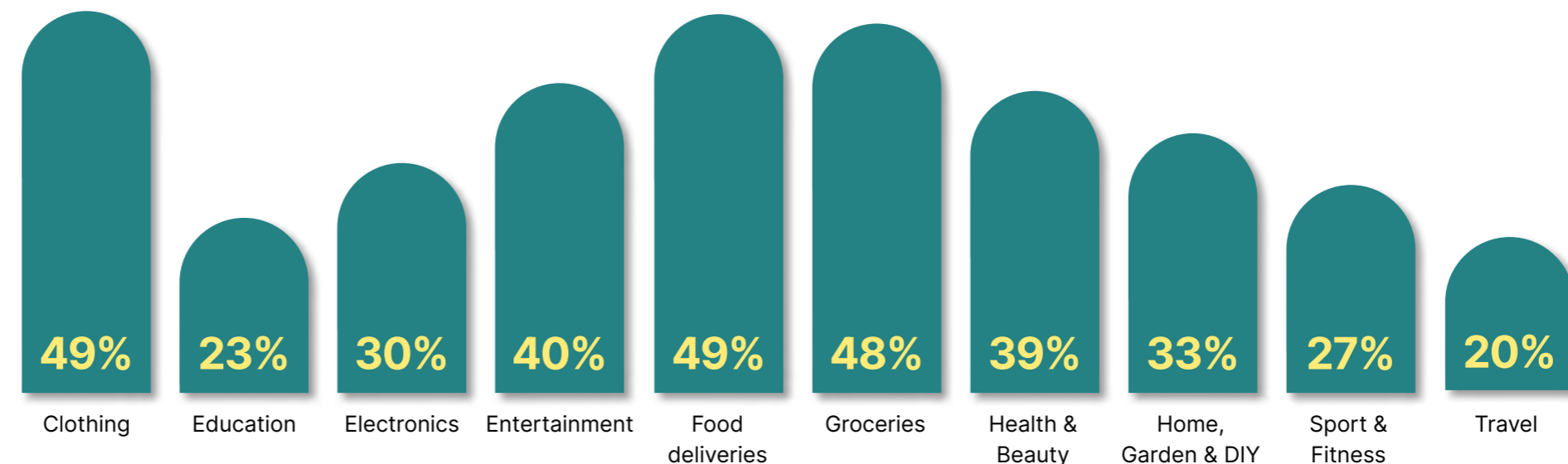
With thousands of customers across every conceivable vertical, we can see how the industry is progressing, and the figures from 2021 have been astounding. Worldline's transaction data supports these findings even more. Home improvement sales went up by 168%, fast food and quick service restaurants by 103%, and books and gifts by 42%. Many other verticals also demonstrated double-digit growth.

We asked shoppers which goods and services they were more likely to buy online since the start of the pandemic:

The biggest gains were amongst women aged 25 to 44, but even those from the 55-65 demographic reported significant increases in buying goods that were previously deemed to be in-store only, like groceries and home improvement goods. This shows that now people have seen how much easier it is to order their weekly shopping online, a significant number of them aren't going back to in-store. Travel was the only category where a large number of people (34%) said that they were buying less, likely because the travel and tourism industry is one of the few verticals still affected by the pandemic.

This shows that the eCommerce ecosystem can support a greater range of companies than in previous years and that the industries that are new to the online space, like groceries, food deliveries and health and beauty, still have room for significant growth.

Most likely goods and services purchased online since the start of the pandemic



2 What matters most to shoppers?



What matters most to shoppers?

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When looking at people's reasons for buying online, a major theme emerged:

Convenience is by far the most important factor, and it increased in importance for higher age demographics, with 65% of respondents aged 55 and up saying that it was one of the three main reasons that they shopped online.

After years of innovation in eCommerce, it seems that shoppers have been exposed to enough types of technology, and understand the speed, simplicity and convenience that come with eCommerce. Today, there are few things they consider inessential. In short, eCommerce customers in 2022 want it all, and there are plenty of companies willing to give it to them.

Although it may seem that at 22%, few respondents consider payment methods to be important, results from elsewhere in the survey show that it shouldn't be discounted.

When we asked shoppers what features attract them to a particular website, mobile wallets and BNPL were very popular answers. The latter is particularly important: the Buy Now, Pay Later industry is growing rapidly, with projected global transaction volume of \$680 billion in 2025. Having this as an option will allow customers who might not be able to buy from you due to higher value items, giving a clear boost to revenue.

The long-term effects of the pandemic

Although only 4% of respondents entered their own answer, the overwhelming majority mentioned that concerns around hygiene and safety were their primary reason for shopping online.

The reasons for shopping online



3 What puts off shoppers?



What puts off shoppers?

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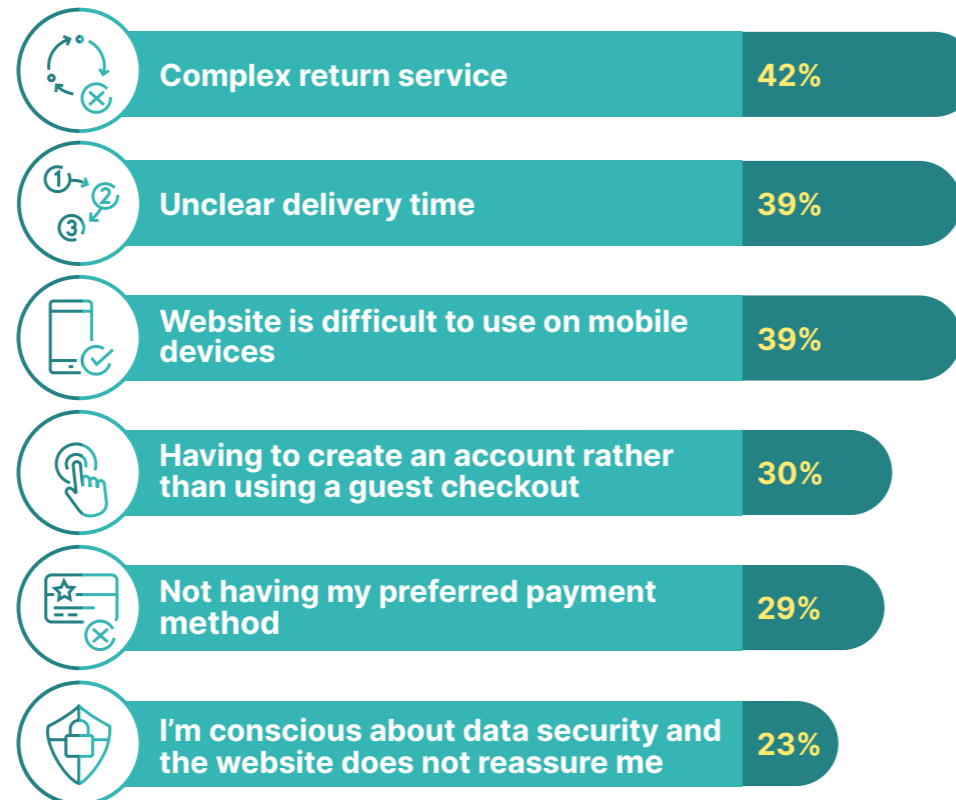
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Online retailers invest heavily in marketing and user-experience which will work to drive sales – but only to a certain extent. Even if you manage to attract a customer to your website, studies have shown that the average cart abandonment rate is as high as 69%, and possibly as high as 85% for mobile .

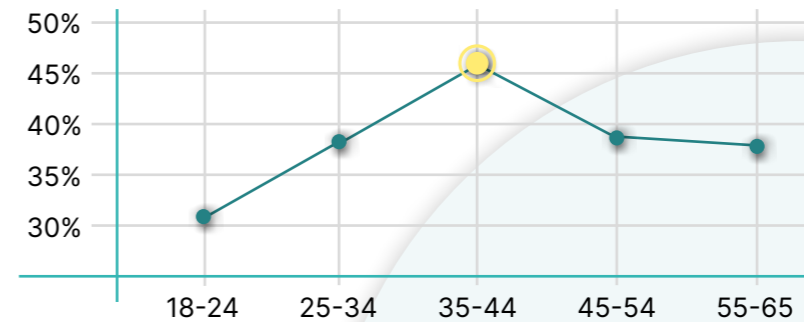
Clearly a significant number of merchants are losing customers at the final stage of their checkout journey, so it is important to know what causes shoppers to avoid buying from an eCommerce merchant.

Top factors for not shopping online



These results are much closer together than the positive features, with only 20% separating the top and bottom answers. However, the same story emerges: customers want merchants to put their needs first, make complex processes simple, pay however they choose and a smooth shopping experience on mobile devices.

I will not buy from an online retailer if their website is difficult to use on mobile devices



One stand-out statistic was the 15% difference between 35-44-year-olds and 18-24-year-olds when it comes to using mobiles. While most people would expect that younger shoppers are more enthusiastic about mobile shopping, this survey, in line with several others, has found that preference for mobile shopping peaks between the ages of 25 and 44 before tailing off.

There's also a marked difference between men and women. From our data, men seem to place less importance on returns, delivery times and mobile device usage, although over a third of them would still not use an eCommerce site if it had a difficult return service.

Male and Female - eCommerce preferences

	Male	Female
Complex return service	38%	45%
Unclear delivery time	34%	43%

Overall, 23% said that data privacy and security concerns would cause them to not buy from an online retailer. Considering how important security is, we dedicated an entire question to it.

4. <https://baymard.com/lists/cart-abandonment-rate>

4 Security and safety



Security and safety

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Digital fraud is growing as quickly as eCommerce. The annual cost of all cybercrime in the EU was estimated to be €5.5 trillion by 2021. In the UK it fell by 7%, but that still meant that €452 million was lost to fraud that year. According to the European Payments Council, social engineering attacks and phishing attempts are increasing across the continent and 'advanced persistent threats' that target particular merchants are growing.

For customers, knowing that their payment details and personal information are safe with a company is important, and we have seen from the survey that 22% of customers would not use a site if they thought it was unsafe. So, how can merchants reassure customers about the security of their data?

The top safety indicators on an eCommerce site

The two main ways in which customers feel safe when shopping online is closely related to the Payment Services Directive 2 (PSD2) regulations that all EU merchants have had to adopt in the past few years, and which the UK implemented in 2018.

Strong Customer Authentication (SCA) is a cornerstone of this new regulatory regime. Despite many deadline extensions in various European markets, the final deadline for SCA implementation in the UK is 14 March 2022. Therefore, customers may start seeing more requests for login via text or fingerprint ID on their mobile devices. As the survey shows, having security and data protection accreditation visible on a merchant's site, and especially around payments pages, goes a long way in reassuring customers about the safety of their data.

54% of customers feel confident to approve payments with SCA. The most popular way to implement SCA is the 3D Secure protocol, and in its latest version (3D Secure 2.0) it comes with a host of features that allow for safe transactions that also have virtually no friction.

The 'frictionless flow' system allows transactions to be sent to issuers with extra information, allowing for transactions to be approved without extra checks. The protocols also allow for SCA to enable biometric verification through an eWallet, which we have seen popular with consumers.

Since visible security accreditation is so valuable, small to medium online retailers should consider using hosted checkout pages. Since they are hosted and operated by major payment processors, including Worldline, they will have the highest level of Payment Card Industry Data Safety Standards (PCI DSS) when storing cardholder details and highly visible accreditation signs.

Visible security and data protection accreditation ('Payment secured by;')

61%

Strong authentication (approve payment through a text message, fingerprint or face ID)

54%

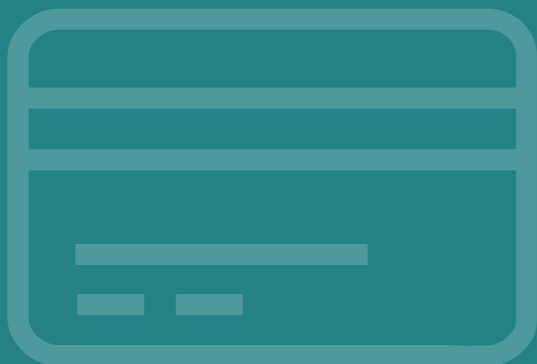
The web-shop has a link to their reviews on Trustpilot or Google

41%

Nothing gives me a sense of security when shopping online

8%

5 How do people pay?



How do people pay?

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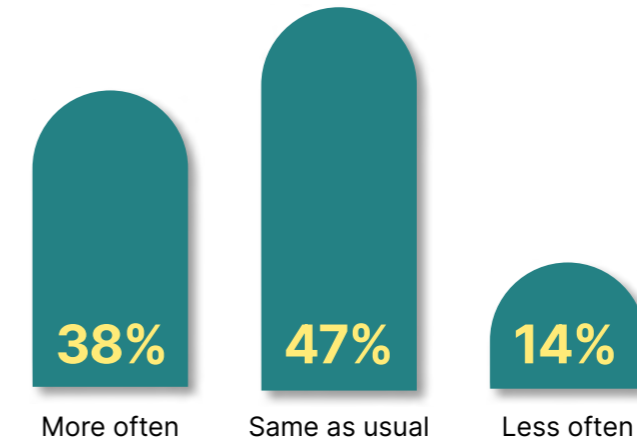
The way that customers pay is also moving with the times, as consumers embrace new technologies that make payments quicker and easier. Paying by debit and credit cards is still the most common way to pay, with only 6% of respondents saying that they expect to use them less. eWallets such as Apple Pay and Google Pay are growing, as are Buy Now, Pay Later and even contactless-enabled wearable technology.

The rising popularity of eWallets

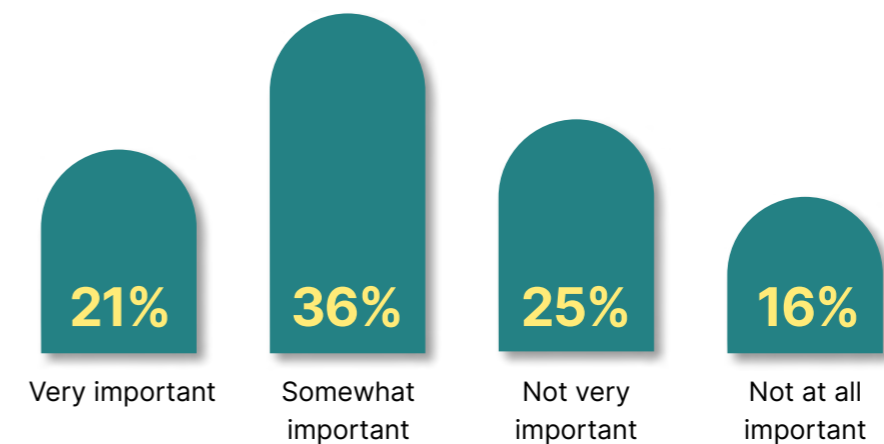
Of our survey respondents, 38% believed that they will use eWallets more, and 55% said that they were either very or somewhat important in choosing where to shop. This is backed up by the findings of another of Worldline's studies, which shows that while use of other payment types is growing, mobile and digital wallets are growing much quicker – 57% of respondents used mobile or digital wallets more in the previous year.

This growth in eWallet use even held across generations. Although younger demographics were still much more likely to use them (42% of both 18-24-year-olds and 25-34-year-olds said that they expect to use them more in future), boomers were still 26% likely to use them more, which is not insignificant. There was virtually no gender gap in eWallet use.

How important is it that you can pay online with an eWallet?



How important is it that a merchant offers eWallet payments when you are choosing where to shop online?



The importance of Buy Now, Pay Later services

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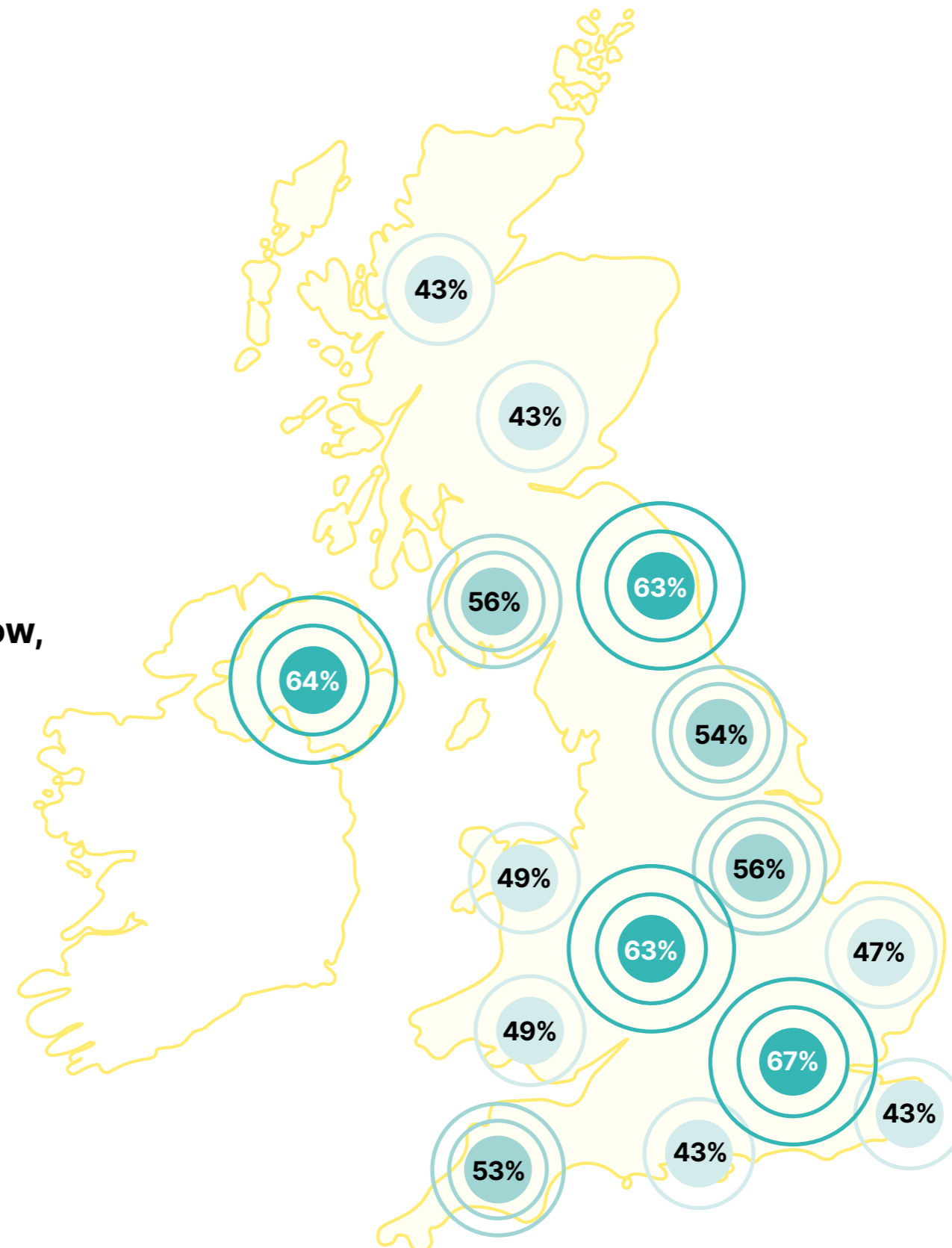
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The only significant gap between men and women when it came to new payment technologies was in Buy Now, Pay Later services. 23% of men said that they tend to use BNPL more, compared to 27% of women.

We can also see strong regional differences in the use of Buy Now, Pay Later – Londoners seem to be very enthusiastic about it, while in Brighton the majority did not consider it important at all. This could be directly affected by the cost of living. It is well known that in larger cities the living costs are much higher, therefore consumers tend to use BNPL more frequently.

The importance of Buy Now, Pay Later by region

-  61-70% consider it very important
-  51-60% consider it very important
-  41-50% consider it very important



6 Ethical considerations



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Although cost and convenience are important to consumers, ethical and lifestyle considerations matter as well. Studies have shown that consumers make their decisions, at least in part, on whether they agree with the values of a company, and this is especially the case with younger consumers.

Our own results echoed this: the importance of most ethical considerations peaked in the age group of 25-34, remained strong in the higher age brackets then dropped dramatically in the 55-65 age group.

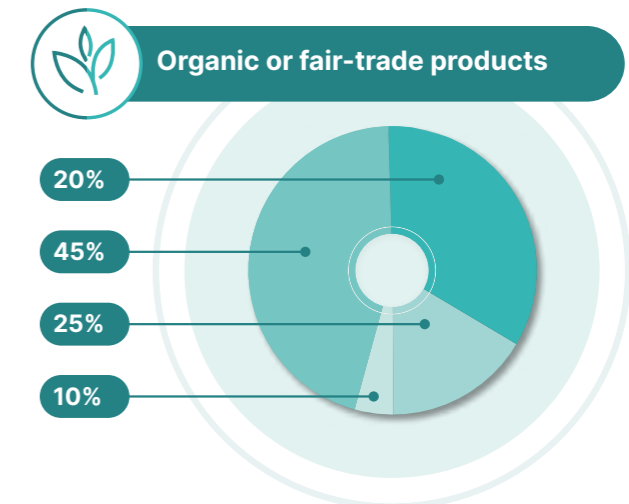
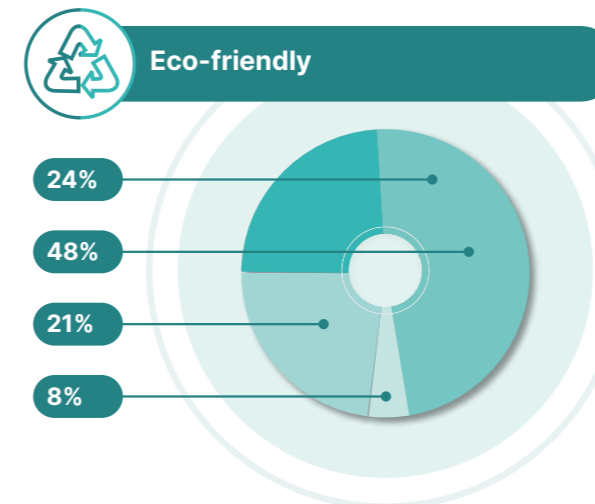
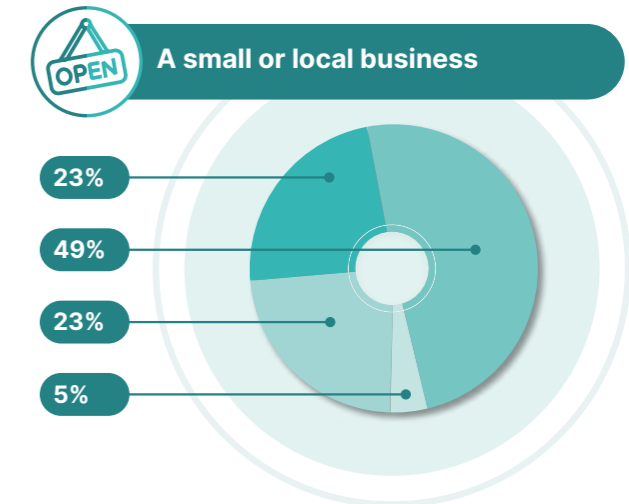
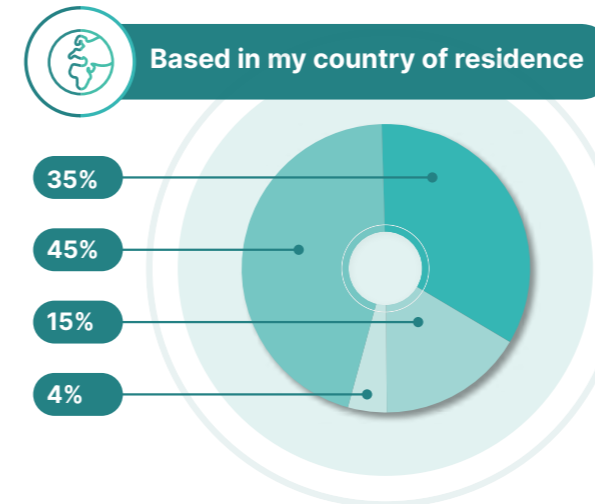
Most consumers that we surveyed about ethical concerns showed roughly the same results: around 20% believed that they were very important and 40-45% believed that they were somewhat important. From this we can see that consumers who support brands, that stand up for good causes and ensure ethical supply chains, are in the majority.

More widely, between 2014 and 2019 the number of vegans in the UK more than quadrupled from 0.25% to 1.16% of the population, signalling a wider embrace of ethical values. Moreover, in our study those suggesting that ethical concerns were not at all important were in the single digits.

This shows that almost two-thirds of eCommerce consumers consider ethics to be a significant factor when shopping online, and of those who don't, the majority don't feel strongly about it. Where possible, merchants should therefore put their ethical commitments front and centre.

Consumers' ethical considerations when shopping online

● Very important
 ● Somewhat important
 ● Not very important
 ● Not at all important



7. <https://www.forbes.com/>

8. <https://thegoodnessproject.co.uk/blog/vegan-statistics>

7 What can eCommerce companies do?



What can eCommerce companies do?

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Based on the research, what should eCommerce companies do to increase their sales in 2022 and onwards? What matters most to customers can be broken down into these three pillars:

The three pillars of modern eCommerce



We can identify four 'must-haves' for online retailers that are both popular amongst customers and necessary for merchants to adapt to a changing eCommerce landscape:



Security

Visible security accreditation will go a long way in reassuring customers. Strong Customer Authentication just became mandatory, but we strongly advise merchants to utilise additional fraud prevention services in order to keep their customers safe.



Incentives

Incentives such as free shipping and simple returns are important, but not always enough. To boost customer retention, merchants should consider loyalty schemes, birthday discounts and other incentives which are placing the customer the heart of their business.



Subscriptions and recurring payments

Subscription-based business models are becoming more popular amongst consumers. To reduce churn and create a steady of income, eCommerce players should take advantage of the new powerful and flexible subscription management platforms suitable for any size.



Ethics

We see that over 70% of customers prefer companies that align with their ethical beliefs. We advise merchants to develop a set of ethical principles and make them as visible as possible.

9. <https://baymard.com/lists/cart-abandonment-rate>

8 Paving the way for the next eCommerce generation



Paving the way for the next eCommerce generation

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Players in the eCommerce space are prospering and based on the results of our survey, there are various practical ways to attract, convert and retain customers.

Customers have undergone a digital transformation, not just in the past two years but throughout their lives. They understand what is available and expect more from the brands they buy from. Giving them the features they need is a sure-fire way to boost revenue and use technology to appeal to a wider audience. Undergoing your own digital transformation isn't free, but the long-term rewards in terms of lifetime customer value, increased spending and future-proof agility will be priceless.

Luckily, there are places where your company can reduce losses, and in doing so free up working capital to invest in customer-first technology. These will vary from company to company, but there are three that stand out – all of which Worldline can help with.



Cart abandonment

The first and most costly cause of lost revenue is cart abandonment. Based on data taken from 46 different studies, the average rate of cart abandonment in eCommerce is estimated to be around 69.82% , meaning that merchants could potentially be earning three times what they currently do.

The various causes of cart abandonment are still an ongoing debate among merchants. But we recognise that overly long and complicated buying journeys and card declines are major factors that can be solved with a frictionless checkout process.



Making sure your customers can pay

We've learnt that eWallets and other alternative payment methods are becoming more popular especially among younger demographics. As consumers are embracing new technologies that place payment methods at their fingertips, merchants must adapt quickly.

Catering to international consumers using methods like Bizum, Carte Bancaire or Alipay is equally significant. Since overseas payments are much more likely to be declined, we recommend businesses to work with a payment processor that has global acquiring capabilities.



Stopping fraud and chargebacks

The cases of fraud are growing exponentially, but one type that is particularly damaging and doesn't get enough attention is 'friendly fraud'. This is when customers initiate a chargeback when they shouldn't. In 2020, friendly fraud cost businesses worldwide over \$32 billion or 7.1 cents per \$100 of orders. This might seem insignificant, but it can quickly add up.

Fraud is an ever-present issue, and your last chance to catch fraudulent activity before it harms your company is at the payment stage. SCA is vital here since it can shift the liability for fraud to the issuers. We advise merchants to invest in advanced machine learning-enabled anti-fraud systems that look for the tell-tale signs of fraud and can quickly detect emerging threats.

Putting the customer first in a digital economy

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As you are aware, there are huge opportunities for growth in eCommerce. The surge of new users during the pandemic has meant that people who never thought about using their phone or computer to order groceries or buy an outfit has grown dramatically. These new tech-savvy shoppers could be your customers, so it is important to make sure your business is set up to cater for their needs.

We also have seen that consumers' expectations are higher than ever before. 91% of online shoppers say that they will be less likely to buy from a company if they don't offer free shipping. Similarly, when 38% say that they expect to use eWallets more in the future, it should indicate that you will be missing out by not offering them as payment options.

A staggering 62% of customers consider themselves conscious about data security. With a major change to eCommerce security in the form of SCA requirements has been recently launched, merchants should know that security has become a top priority.

Only a limited number of companies will be able to effect a digital transformation alone. This is why Worldline is an ideal partner to support merchants regardless of their size or industry. We share a customer-first approach and online players can leverage our technology and experience to succeed in their eCommerce strategy.



Energising eCommerce with advanced payment solutions



Conversion & Buyer Experience



Ease of integration



Compliance & Fraud Protection



Stability & Reliability



uk.worldline.com



About Worldline

Worldline [Euronext: WLN] is a global leader in the payments industry and the technology partner of choice for merchants, banks and acquirers. Powered by 20,000 employees in more than 50 countries, Worldline provides its clients with sustainable, trusted and innovative solutions fostering their growth. Services offered by Worldline include instore and online commercial acquiring, highly secure payment transaction processing and numerous digital services. In 2021 Worldline generated a proforma revenue close to 4 billion euros.

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