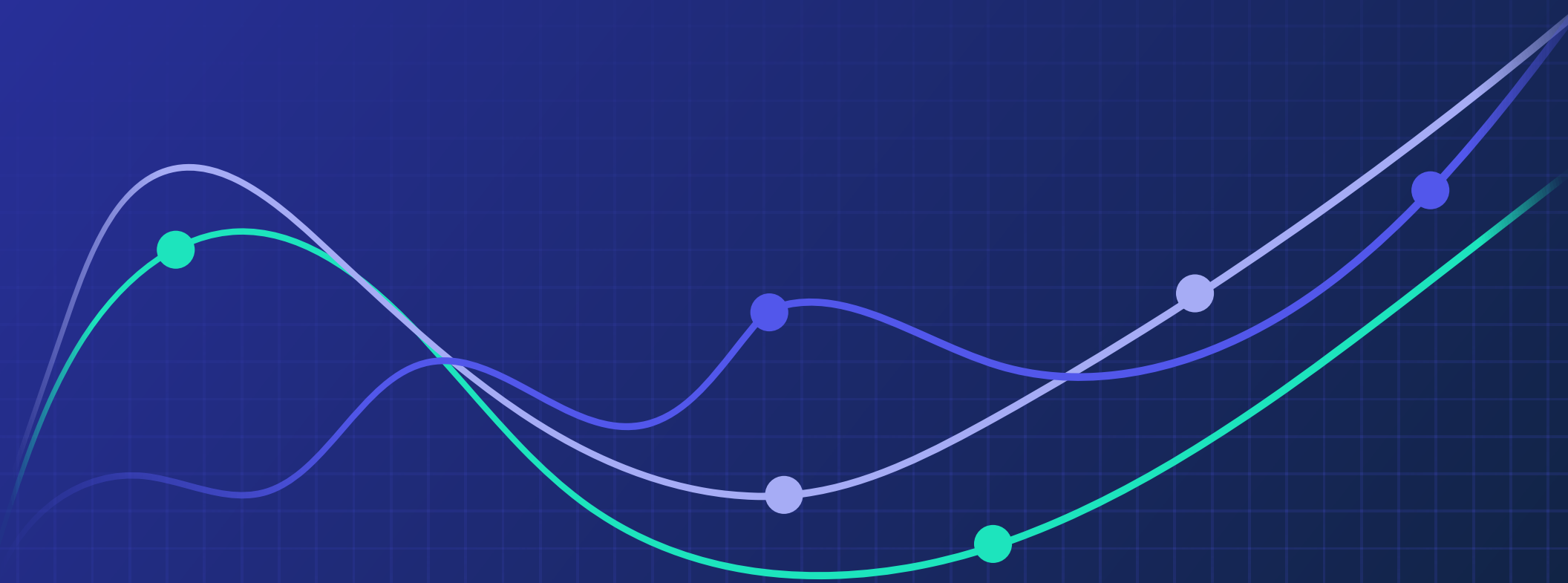


# 2020 CONSUMER SHOPPING SURVEY

A Bread Research Report



November 2020



In the wake of COVID-19, the retail landscape has continued to shift beneath our feet. Amid global change and uncertainty, **ecommerce is, however, continuing to grow.**

[McKinsey has found](#) that most verticals have seen more than 10.0% growth in online users since the start of the pandemic, with [PWC's research](#) showing an average increase in spend of 9.8% across verticals.

This shift online has caused an upheaval in brand loyalty. [Many are looking to buy from new or different retailers](#) than they did pre-COVID, often due to price and convenience. As shoppers change the way they buy, retailers have to adapt. We've surveyed over 600 shoppers in the United States in September, 2020, to learn how their buying behavior has changed during the pandemic and

what factors influence repeat purchases when shopping online. Through our research, we wanted to get answers to the following questions:

- How Has Online Spending Changed, and How Will It Change?
- What's Driving Repeat Purchase Behavior?
- What Do Online Shoppers Value Most?
- How Do Pay-Over-Time Solutions Impact Shopping Behavior?

You can find our in-depth analysis of the results in this report.



# 01

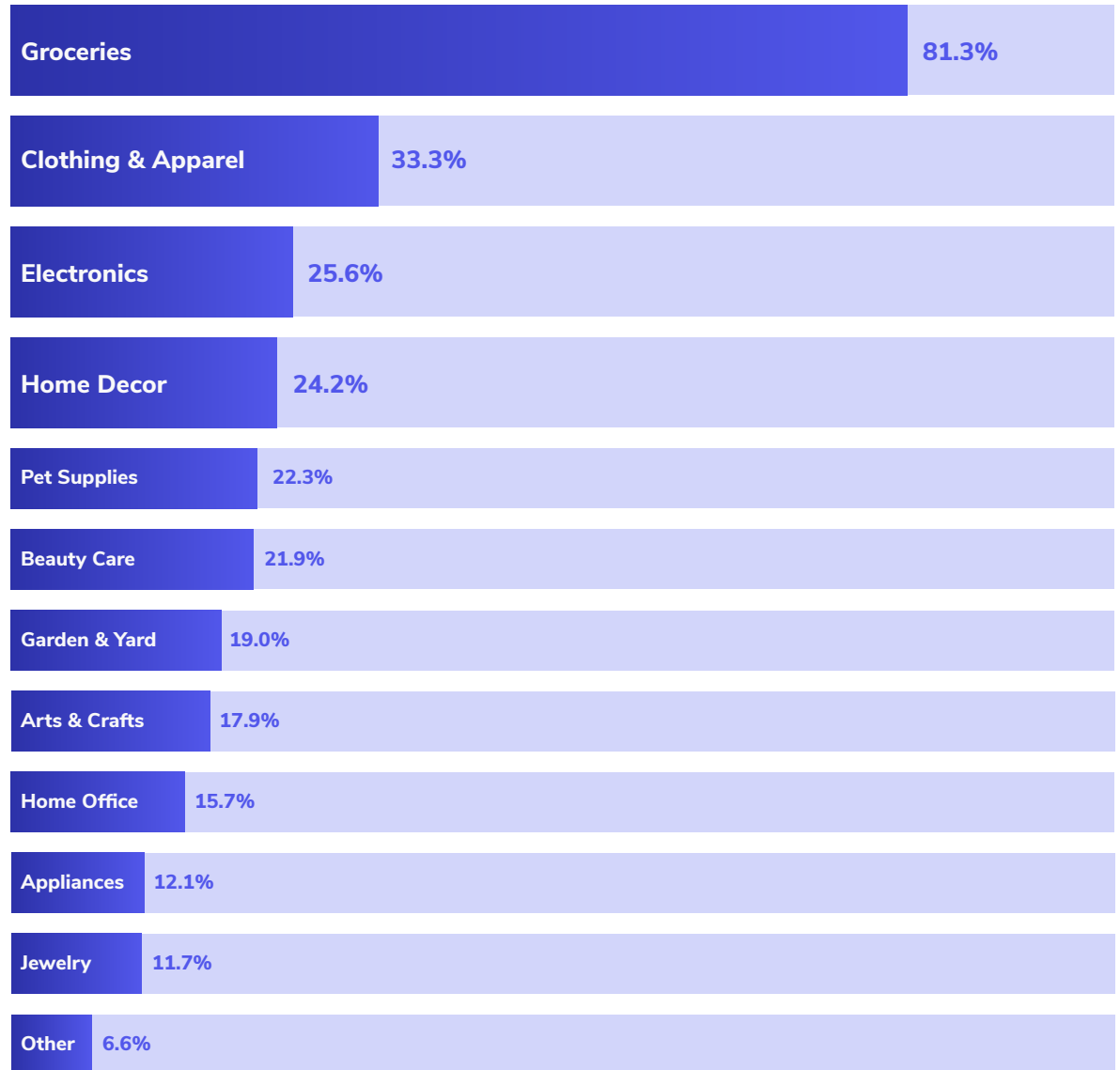
## How Has Online Spending Changed, And How Will It Change?

Bread's research follows the trend towards an increase in online shopping. Based on our survey, 51.2% of shoppers are spending more online now compared to three months ago.

It looks like this trend will continue upwards, as 47.2% of customers expect to spend more on online shopping next year compared to this year.

However, what these shoppers are spending more on has changed. Shoppers are more focused on everyday essentials and basic necessities, as well as products they can use as they spend more time at home.

### What are shoppers spending more on right now?



## 02

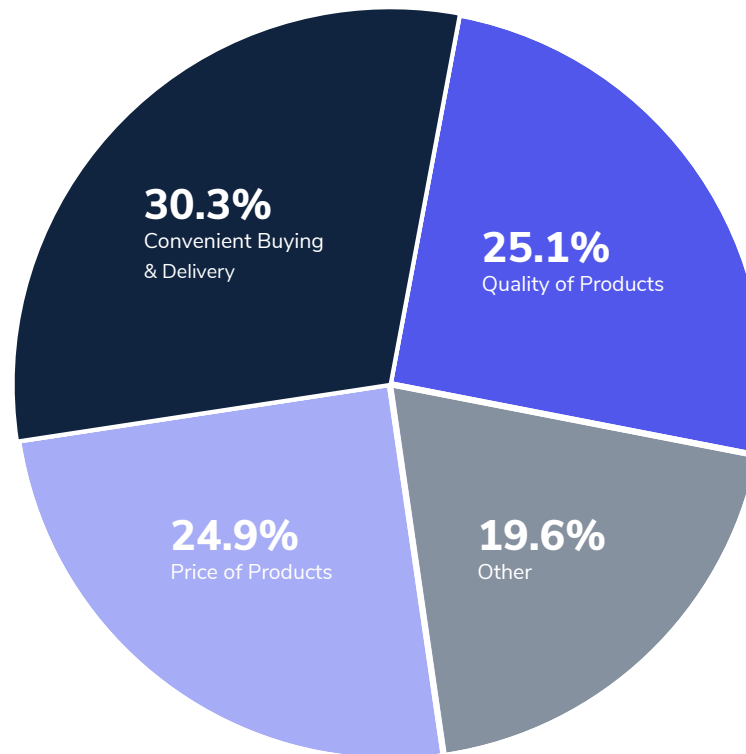
# What Drives Repeat Purchase Behavior?

We began our deep dive into online buying behavior by investigating what drives shoppers to come back to some brands and buy multiple times while neglecting others. The results were surprising: the shopping and checkout experience drives more repeat purchases than quality or price.

To start, we took a look at how often shoppers actually make repeat purchases. Our results show that the majority of shoppers do buy from the same retailer with relative frequency.

Online shoppers are driven by convenience. From the findings, it's clear that a simple and seamless payment method is a major factor in the overall convenience of the purchase experience, and can directly influence shopper loyalty.

### What is the primary reason shoppers make repeat purchases from an online retailer?



## 69.0%

of shoppers made a repeat purchase in the last 30 days.



## 65.5%

of shoppers will make a repeat purchase in the next 30 days.



## 63.1%

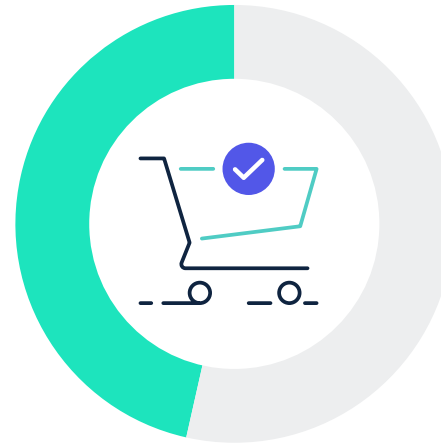
of shoppers say ease of payment influences their repeat purchases.

## 03

# What Do Online Shoppers Value Most?

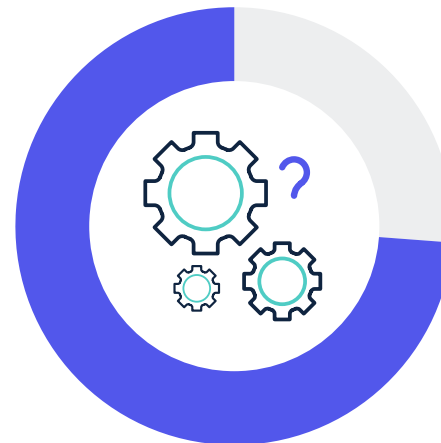
As shoppers move online, ecommerce brands need to offer a deeper connection that drives lifetime value, not just points and discounts. What are online shoppers looking for from the brands they return to again and again?

Our findings show that the online shopping and checkout experience itself is one of the most crucial factors for repeat customers. It's essential that browsing and buying is as easy as possible.



# 55.4%

of shoppers decide where they shop based on the checkout process.



# 73.8%

of shoppers aren't sure they would shop at a retailer with a difficult checkout process.

## 04

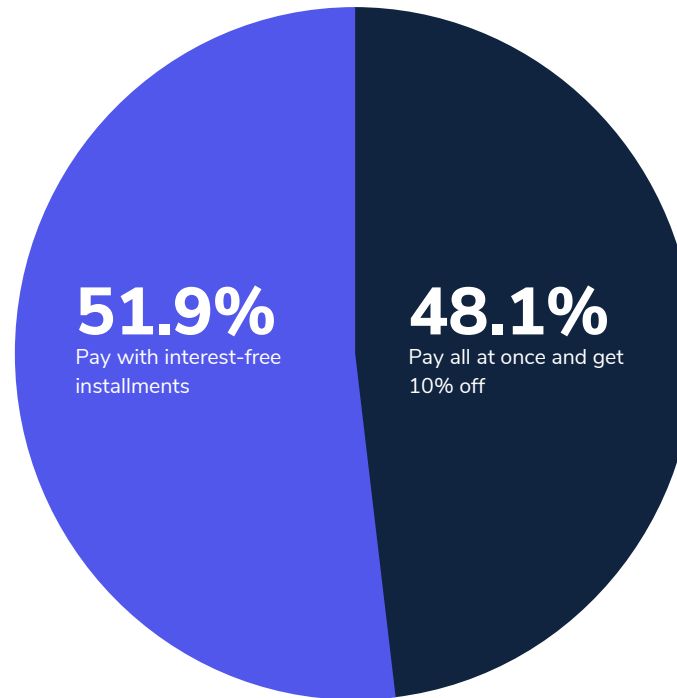
# How Does Pay Over Time Solutions Impact Shopping Behavior?

Our research shows that having a pay-over-time option has a demonstrable effect on shoppers' loyalty and willingness to make a repeat purchase.

A pay-over-time option can have a massive impact on your customers' behavior in terms of repeat purchases and cart size, and have major effects on your bottom line in the form of fewer returned products.

Shoppers even prefer the option to pay over time over a discount—for many, the chance to use interest-free financing is more valuable than even 10% off their total purchase price.

How shoppers would prefer to pay for a purchase over \$1,000:



How shopper purchase behavior would change with a pay-over-time option:



**51.3%**

would make larger purchases.



**41.9%**

would make more repeat purchases.



**40.3%**

would be less likely to return a purchase.



# Looking Towards the Future of Ecommerce and Loyalty

Here's a recap of our findings so far:

- Shoppers anticipate spending more online in the next six months and beyond.
- These online shoppers are more influenced by convenience than brand name and quality.
- To capture the attention of these shoppers and to encourage them to make repeat purchases, you need to deliver a seamless shopping and payment experience.
- Shoppers will spend more, buy more frequently, and return fewer items when purchasing products using financing.

As ecommerce becomes the primary channel for your shoppers, your approach to fostering repeat purchases and a lasting relationship needs to evolve. Points and rewards systems are no longer enough to meaningfully change their behavior.

A point-of-sale financing solution provides a faster and more convenient checkout and payment experience, makes your offerings more affordable, and encourages shoppers to make larger, repeat purchases. The fast-evolving world of ecommerce requires a reimagining of what shoppers want, especially during these unusual times.

The ecommerce brands that will succeed in the months and years to come are already doing just that—and a buy now, pay later option is just the start.



Bread is a full-funnel, white labeled solution that help merchants reach more customers by allowing them to offer financing online. Retailers partner with Bread to transform the shopping journey by offering financing and marketing solutions that boosts sales, increases AOV, and improves conversions.

For more information about this report or about Bread, please email us at [sales@breadpayments.com](mailto:sales@breadpayments.com).

