

PAYMENTS TECH DRIVES HOLIDAY SHOPPING

BNPL, digital wallets, and eCommerce rise as consumers fill their carts

TSG and ETA surveyed over 1,000 U.S. consumers in October to understand their spending habits, payment preferences, and opinions on emerging payment technologies this holiday season

The following are three payment technology trends found from our data:



INFLATION CONCERNS MEAN SAVVIER CONSUMERS

While some consumers plan on spending about the same as they did last year, overall sentiment towards holiday spending is down. Compared to 78% in last year's survey, only 60% of consumers said they would match or increase their spending this holiday season.



As of October 18 - 20th, half of the consumers had not yet started their holiday shopping

Seasonally, eCommerce spending typically peaks during the week of Black Friday at roughly **30%**, while in-store spending typically peaks at **80%** the week of Christmas*

Utilizing Buy Now, Pay Later could help consumers manage their budgets

20%

of consumers said they were planning on using BNPL this holiday season; another **20%** were on the fence



Consumers who had tried BNPL previously were **38%** more likely to say there were planning on using BNPL

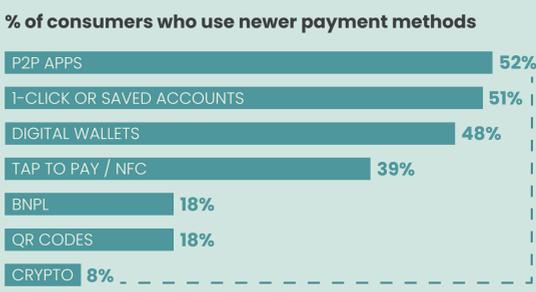
Millennials and Gen Z were more positive towards BNPL as opposed to Baby Boomers who were more likely to have a firm, negative attitude



EASE OF USE CONTINUES TO DRIVE CONSUMER BEHAVIOR & ADOPTION OF PAYMENT TECH

Emerging technologies have gained traction

When deciding which **payment method** to use, consumers are split relatively evenly between the option that's the easiest to use, the one that gives them the best deal, and the most secure one.



Since last year, more consumers have tried these newer payment methods, but the number of frequent users has remained relatively stable, with one exception - **digital wallets**



4 out of **10** digital wallet users said they were at least "somewhat confident" leaving the house without a physical wallet



IN-STORE VS. ONLINE SHOPPING

Generally, consumer behavior remained stable regarding how they do their holiday shopping. Credit and debit cards remain the preferred payment methods, and most consumers plan on shopping online and in-store.



Consumer trips (shopping, going to work, etc.) in CA, TX, and NY were up **2%** for the week of 10/24/22 compared to 2019. Furthermore, total in-person retail spend for the same regions and time period were up **21%** over 2019*

Consumers estimated that **55%** of their shopping would be done online (**61%** for those who make more than \$100k)

According to CLIMATE, powered by TSG, eCommerce spending was up nearly **50 basis points** during the week of Amazon's second Prime Day (compared to 2021), despite general economic declines*



Although consumers are very concerned about affordability and inflation, there are signs they are gaining in confidence when it comes to more recent technologies. However, when it comes to holiday spending, seamlessness is still king for most consumers and drives payment choice at checkout just as much or even more than getting good deals.

TSG and ETA conducted a survey consisting of 1,081 consumers in the U.S., with the goal of understanding how payment preferences and spending trends have shifted this holiday season. The survey was conducted between October 18, 2022 and October 20, 2022. The survey represents consumers across demographics such as state, gender, age, and household income. The margin error is +/- 3.0% at a 95% confidence level

*Data sourced from CLIMATE, powered by TSG. CLIMATE aggregates data from issuers and merchants through TSG's external data partner, Replica. Replica provides detailed, timely data covering mobility, economic activity, demographics, and land use, with nationwide coverage. Email info@thestrategygroup.com to learn more