Carat insights overview

Purpose and Intent

Carat Insights is a regularly-produced report focused on the latest omnichannel consumer preferences. We conduct extensive consumer surveys and analyze this data to extract valuable insights. The information is then leveraged to help our clients drive more commerce.

Survey Data

<table>
<thead>
<tr>
<th>2,200 Consumers</th>
<th>U.S. Gen Pop</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ages from 18–70+</td>
<td>Spring 2023</td>
</tr>
</tbody>
</table>
Spring 2023 Carat insights highlights

- 44% of consumers say lower price or delivery experience is important for choosing a merchant app.
- 64% of consumers have used digital wallets online; 54% in-store.
- 61% of consumers say a credit card offer with instant approval is appealing.
- 34% of consumers have used Pay by Bank.
- 77% of consumers order food directly from merchant apps.
Consumer demand for omnichannel experiences continues to grow

Takeaway

Delight customers by connecting experiences across devices and channels – meeting them when and where they want to engage.

BOPIS drives foot traffic and bridges the gap between brick-and-mortar and online shopping. Customers can shop from the comfort of their home then go to the store or location once their order is ready.

By segment

- Retail: 47%
- Grocery: 47%
- Restaurant and QSR: 59%

59% of U.S. adults have used buy online, pick-up in-store (BOPIS) in the past month

81% of Gen Zers and 79% of Millennials have used BOPIS

Learn more
Price is the #1 factor for consumers when considering where to shop, regardless of income

Takeaway

Harness the power of data analytics to help maximize the effectiveness of your pricing strategy.

Understand your customers with targeted profiles that consider demographics, socioeconomics and intent, as well as benchmark your performance against competitors.

59% of consumers say lower price is important in deciding which channel to shop

60% of high-income earners say lower price is important versus

58% of low-income earners

Learn more
Consumers prefer merchant apps over third parties

**Takeaway**

The overall cost and delivery experience are important drivers to successful, repeat mobile app ordering. Taking control and optimizing your delivery experience is critical.

Check out our Delivery Optimization service.

**Drivers for choosing a merchant app over third-party app**

- Lower price: 44%
- Delivery: 44%
- User experience: 43%
- Supporting restaurant: 42%

49% of Baby Boomers are more likely to say supporting a restaurant is important compared to 32% of Gen Zers

Learn more
Almost half of U.S. consumers say the ability to pay in a merchant app is important

Takeaway

In today's connected world, delighting customers across the full digital landscape is critical.

Creating frictionless sign-up and innovative payment experiences that are familiar to consumers helps drive repeat usage and revenue growth.

Integrated loyalty program preferences

- 43% of consumers say access to exclusive app-only discounts is important
- 39% of consumers say personalized rewards are important
- 44% of consumers say an integrated loyalty program is important

Top factors

- Easy to use: 56%
- Ability to pay: 46%
- Easy sign-up: 47%

Learn more
Debit outperforms credit in-store and online

Takeaway

Debit continues to widen the lead as the most popular payment method for online transactions so consider solutions that optimize network routing.

Select a provider that can not only lower your debit costs but also enable payments through virtually all channels, devices and cardholder verification methods (CVMs).

In-store

Debit

<table>
<thead>
<tr>
<th>Usage</th>
<th>#1 Preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>80%</td>
<td>71%</td>
</tr>
<tr>
<td>39%</td>
<td>26%</td>
</tr>
</tbody>
</table>

Credit

<table>
<thead>
<tr>
<th>Usage</th>
<th>#1 Preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>71%</td>
<td>26%</td>
</tr>
<tr>
<td>39%</td>
<td>26%</td>
</tr>
</tbody>
</table>

Online

Debit

<table>
<thead>
<tr>
<th>Usage</th>
<th>#1 Preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>79%</td>
<td>72%</td>
</tr>
<tr>
<td>38%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Credit

<table>
<thead>
<tr>
<th>Usage</th>
<th>#1 Preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>72%</td>
<td>31%</td>
</tr>
<tr>
<td>31%</td>
<td>31%</td>
</tr>
</tbody>
</table>

45% of Baby Boomers say debit is their favorite #1 preferred payment method in-store

Learn more
When it comes to preference, debit cards are the top choice, especially for digital wallets.

64% of consumers used digital wallets online in the past month, up 4% YoY.

58% Use debit
25% Use credit

Primary payment method in digital wallets

Takeaway

Offer your customers more options to pay their preferred way, whether it’s through digital wallets or another popular methods.

Offering more choice helps increase customer satisfaction, improve conversion rates and lower cart abandonment.

Learn more
In-store, instant approval for retailer credit cards is widely appealing, especially to Millennials

**Takeaway**

Retailer credit cards can play an important role in consumers’ financial lives and are a popular payment option.

Turning your brand into a fintech by embedding finance can build customer loyalty and encourage repeat business, which helps drive revenue.

61% of consumers say retailer credit cards with instant approval is appealing

**Find a retailer credit card appealing**

- 68% of Millennials
- 66% of Gen Xers

**Most appealing reasons**

- 44% Intro offer
- 42% Easy approval process
- 39% Access to exclusive cardholder only discounts and sales

**Most unappealing reasons**

- 44% Higher interest rates
- 34% Don’t shop at retailer enough
- 33% Already have access to enough credit

Learn more
“I want it. And I want it now.”

Takeaway
Take advantage of next-generation technology to create personalized and/or exclusive offers that engage cardholders and reward them for interacting with your brand.

An immediate discount towards purchase at the time of card sign up ranks highest in terms of importance of Millennials find a secured retailer credit card appealing

Most compelling reasons

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intro offer</td>
<td>41%</td>
</tr>
<tr>
<td>Easy approval</td>
<td>39%</td>
</tr>
<tr>
<td>Quantity and quality of offers</td>
<td>36%</td>
</tr>
</tbody>
</table>

Most unappealing reasons

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher interest rates</td>
<td>42%</td>
</tr>
<tr>
<td>Do not shop at retailer enough</td>
<td>33%</td>
</tr>
<tr>
<td>Already have access to enough credit</td>
<td>31%</td>
</tr>
</tbody>
</table>

52% of consumers say secured retailer credit card/gift card with benefits is appealing

Learn more
For consumers aware of Pay by Bank, there are compelling reasons that drive high usage

46% of high-income earners have used Pay by Bank

Takeaway
Expect Pay by Bank adoption to increase as consumers discover the benefits: user friendly, omnichannel capabilities, loyalty program integration, plus built-in security that helps reduce declines.

Connect customers to bank account payments through apps and digital banking – seamlessly, instantly and at a low cost.

Learn more

<table>
<thead>
<tr>
<th>Most compelling reasons</th>
<th>40%</th>
<th>40%</th>
<th>38%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer protections</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No debt accrued</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Easy to enroll and use</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Most unappealing reasons</th>
<th>39%</th>
<th>23%</th>
<th>17%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have not heard of it</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do not understand</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fear that someone will drain their bank account</td>
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Thank You

Carat is the global commerce platform from Fiserv that orchestrates payments and experiences for the world’s largest businesses.

Learn more