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

| 2,200 consumers | U.S. gen pop | Ages from 18–70+ | Spring 2023 |
Spring 2023 Carat Insights highlights

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

Learn more

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

By segment

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

85% of Gen Zers and 85% of Millennials have used BOPIS

*March 2023
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.

Learn more
Consumers prefer retailer apps over third parties

50% of Americans have ordered ahead directly from a retailer app in the past month*

Drivers for choosing a retailer app over third-party app

<table>
<thead>
<tr>
<th>Feature</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower price</td>
<td>44%</td>
</tr>
<tr>
<td>Delivery</td>
<td>44%</td>
</tr>
<tr>
<td>User experience</td>
<td>43%</td>
</tr>
<tr>
<td>Supporting restaurant</td>
<td>42%</td>
</tr>
</tbody>
</table>

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.

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

*March 2023
Almost half of U.S. consumers say the ability to pay in a retailer 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.

**Top factors**

- Easy to use: 56%
- Easy sign-up: 47%
- Ability to pay: 46%
- Integrated loyalty program: 44%

**Integrated loyalty program preferences**

- 39% of consumers say personalized rewards are important.
- 43% of consumers say access to exclusive app-only discounts is important.

Learn more
Debit outperforms credit in-store and online

**In-store**

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

**Online**

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

**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).

Learn more

In-store usage in the past month*

- 79% of Gen Zers used debit
- 73% of Baby Boomers used credit

*March 2023
Debit drives digital wallet usage, other payment methods remain popular

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.

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

**Most appealing reasons**

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

**Most unappealing reasons**

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

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Find a retailer credit card appealing

- 68% of Millennials
- 66% of Gen Xers
“I want it. And I want it now.”

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

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.

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 process</td>
<td>39%</td>
</tr>
<tr>
<td>Quantity and quality of offers</td>
<td>36%</td>
</tr>
</tbody>
</table>

Most unappealing reasons

<table>
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<tr>
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59% of Millennials find a secured retailer credit card appealing.
For consumers aware of Pay by Bank, there are compelling reasons that drive high usage

**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.

**Most compelling reasons**
- 40% Consumer protections
- 38% Easy to enroll and use

**Most unappealing reasons**
- 39% Have not heard of it
- 23% Do not understand

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

34% of consumers have used Pay by Bank to pay bills, buy goods and services
Thank You

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

Learn more