



The  
**Adyen Retail  
Therapy**  
report

The UK's love-hate relationship  
with shopping, and why consumers  
and retailers may be a little less  
British than we thought

**adyen**

# #AdyenRetailTherapy

is our mission to explore what UK shoppers really want, and the practical steps retailers can take to meet these expectations.

This research is just the beginning of our campaign to marry the needs of the British customer with the emerging innovations in retail.

We hope you enjoy it.

# Shopping by numbers



## Shoppers

**57%** of consumers say queuing is their biggest frustration with the in-store experience, yet **only 2%** would go to a different shop with a shorter line

**Only 3%** of Brits say they no longer shop in-store **but 69%** love shopping online to compare prices and find bargains

**73%** of shoppers have abandoned an online transaction because the delivery cost is too high



## Retailers

**Over half** of medium and large retailers claim in-store experience is their strongest retail platform

**Less than 4%** of all retailers are satisfied with their apps

**Less than 15%** of large retailers believe they have a strong online shopping experience

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# Executive summary

It has been said that even if he is alone, an Englishman forms an orderly queue of one. We have also been described as a nation of shopkeepers – by the French, no less. The experience of shopping and the culture of selling are at the heart of what makes us, us. But do the stereotypes of the British shopper hold true in the modern world of multichannel retailing, where the customer has the power?

We wanted to find out, so here at Adyen we commissioned research into the attitudes of retailers and shoppers about today's retail experience. And, the results are rather surprising: we still queue, but secretly we hate it; the online revolution

has not killed off the high street – not by a long chalk; the biggest retailers have the smallest confidence in their online customer experience; and chaps are just as likely to enjoy a group shopping trip.

This report presents the realities of today's retail experience squarely in the shop window. And, yes, you would expect us to say that technology has a rather important part to play in keeping the shopper happy and the retailer profitable, but it's true.

Myles Dawson,  
UK Country Manager, Adyen

# What's in-store?

Our attitudes to the  
traditional, physical and  
sociable shopping experience





Despite the best efforts of doom-mongers and naysayers, the British high street is very much alive and well. Large retailers trust their in-store experience to deliver the goods and we still have a deep love of browsing. It's just a shame about the queues.



We are more likely to complete a purchase in store than online



We love browsing, but hate talking to in-store staff

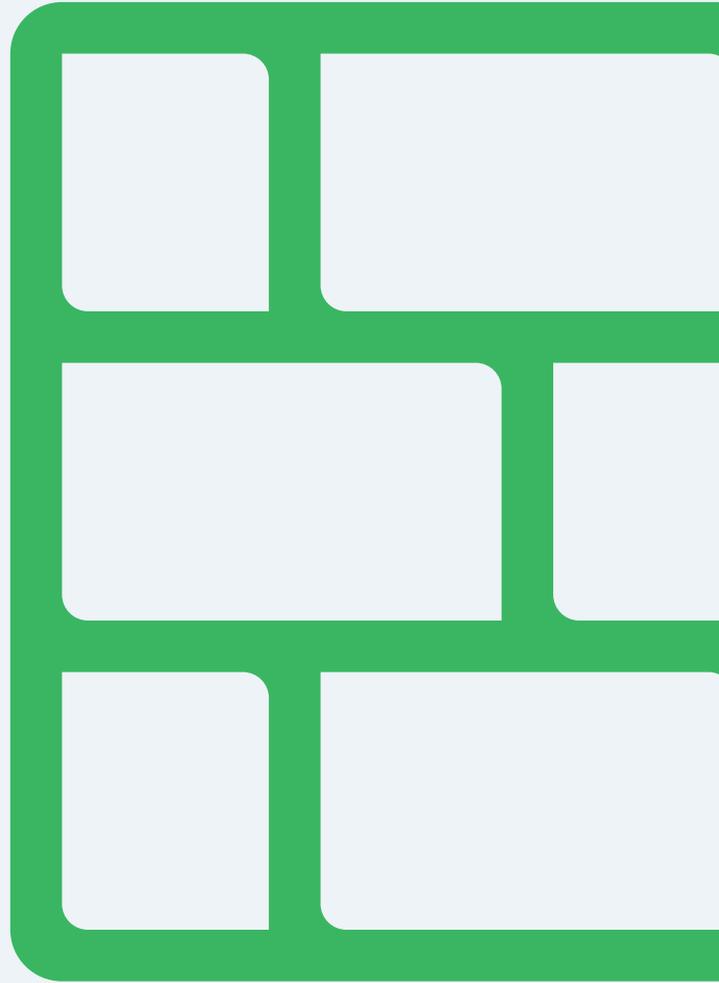


The bigger the retailer, the more faith they have in their in-store experience vs online



We hate queuing – and we'll walk if we have to wait too long... especially if we spot a bargain elsewhere

# Bricks-it Britain



The high street is not dead. It's not even resting.  
In fact, only 3% of Britons say they no longer shop in-store.

This doesn't mean that consumers dislike making purchases using technology – far from it – instead, people shop in ways that suit them. It seems that shopping in-store is preferred due to the experience and sociable aspects. 64% of people enjoy browsing and for 75% it is important to see, sample, touch and try on items. How else are you going to test the ripeness of a mango or the fit of a pair of jeans.

It's perhaps no surprise then, that half of medium and large retailer claim their in-store experience is their strongest retail platform. But the in-store experience has its limitations. Namely the 9-to-5. Almost a quarter of retailers (24%) believe limited opening times are the biggest frustration for a nation of consumers whose lives have become busier and so they need the ability to buy whenever suits. This is where online channels can really help retailers extend the shopping experience.

# What do we prefer to buy in-store?

For many products the split is almost 50/50, so retailers must provide an excellent service across all channels.





**Will personalised  
in-store offers  
make you more  
likely to spend  
more time in store  
or buy more?**

# Queue tips

We've established that the British have a thing for bricks and mortar, but what puts us off our lazy Saturday browse or our post-work dash to buy the groceries? You guessed it: queuing. Over half (57%) of consumers named standing in line as their biggest frustration with the in-store shopping experience.



And despite the British stiff upper lip, 64% of UK consumers have abandoned purchases or left a shop because of long queues. Does that mean 36% of us are still happy to wait in line? Perhaps, but we are certainly more inclined to walk away than the British stereotype might suggest.

This is especially true if there is a bargain to be had. When it comes to price we don't sit on the fence: 68% of Britons would jump ship if they spotted a better deal in another shop.

# Queuing is by far and away the biggest in-store turn-off of the British public

Why have you left a store or decided not to buy an item?

Queues are too long



Payment card terminal temporarily out of order / cash-only option available



Poorly functioning self-service checkout



Lack of card payment option at checkout (credit/debit)



Lack of self-service option to checkout



Lack of contactless card payment options at checkout



Lack of option to pay directly with a floating sales assistant (a member of staff with a mobile-payment terminal)

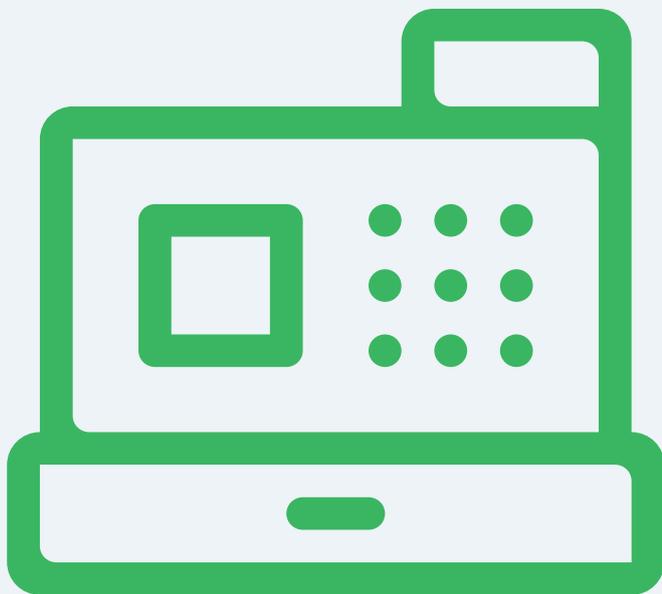


None of the above



# The “Hi” street

Retailers have to tread a fine balance between talking with British customers directly to meet their needs and understanding the fact that we can be a reserved bunch who would rather not be spoken to unless it is on our terms.



Take in-store staff, for example. Nearly half (48%) of shoppers prefer to deal with a person – rather than a machine. However only 25% feel we have to actually talk at the checkout, with only 10% really enjoying the experience.

We might not want to talk to strangers, but we like them to be there.

# 48%



Percentage of people who prefer to deal with a person rather than a machine when paying

# 10%



Percentage of people who really relish chatting to in-store associates



# Hook, online and sinker

Is online shopping  
the irresistible force  
it promised to be?

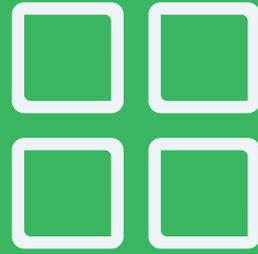
Our love of a physical shopping trip doesn't mean that we always prefer to shop in-store. In fact, 95% of us shop online too – although we are slightly more sniffy about in-app shopping or buying things through social media.

In general, it's the smaller retailers that are taking advantage of online, but a word of warning: if we have to pay through the nose for postage and packaging, forget it!





A third of small businesses believe their best shopping experience is online. Larger retailers still prefer their bricks and mortar



One in five retailers offer no ability to purchase online. And, apps appear to be the channel that retailers and consumers pay the least attention to



Most of us shop online because we can get goods delivered to us. We just don't want to pay for the convenience



The solution the British shopper is looking for is one that blends the best of online and offline

# Open all hours

We Brits are pretty flexible when it comes to when and where we like to shop.



And it seems that in many cases (95% of them, to be exact), the online shopping experience suits the British consumer to a T. For example, 69% of bargain-hungry Brits shop online as it lets them compare prices across different retailers and source the best offer or price. And 70% of us love the convenience of having goods delivered to our doorstep. We can be a bit impatient, too, with 63% of us liking retailers to have our contact details saved, meaning we can pay more quickly. So no more of those uncomfortable conversations with staff, not to mention the time and money saved.

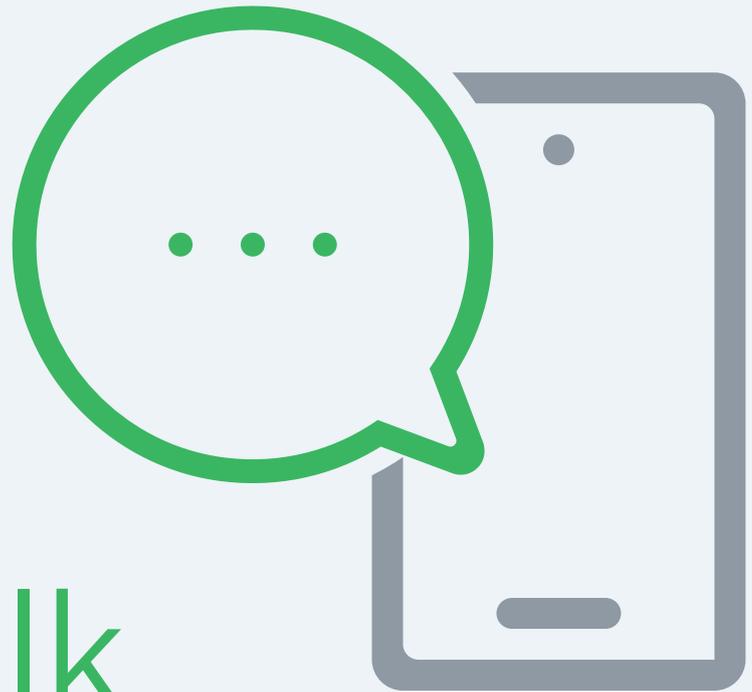
But many retailers aren't cottoning on to our changing habits. Only 13% of large retailers (those with 500+ staff) believe their best shopping experience is online, compared with 25% of medium businesses (100-499) and 33% of small retailers (1-99).

Big is not necessarily beautiful, when it comes to online.

# 37% of consumers

have gone into a store to look at a product but then purchased the product online from the same retailer.





# Appy talk

While retailer websites are our preferred method of shopping when, where and how we want, it seems that retailers aren't putting their whole weight behind the complete online experience. For example, 21% of the industry is still not offering the ability to buy online. Social is another overlooked channel, with nearly half (47%) of retailers lacking the capability to let their customers buy through it. When this is considered alongside the fact that "Customer Experience" was found to be the number one priority for retailers surveyed across the UK, there is a divide between belief and action.

It's not that consumer demand is always strong. Specifically, 40% of people have never shopped in an app and 75% have never purchased an item through social media. It is likely that as more and more functionality is provided, the British consumer will adopt these channels, just as they have adopted web-based shopping. So the opportunity for first-mover advantage is strong.

Of course, the biggest opportunities come from connected channels — linking online with in-store for a seamless experience. One example being

"endless aisle", where retailers can seamlessly fulfil orders via their online inventory if they don't have a specific item available in-store. We found that 41% of consumers are still demanding the option to pay in-store for items they want to purchase – but are not in stock – and have it delivered to their home. On top of this, 81% want to be able to check if items are available before going to a store.

**Connectivity is king.**

# Do you plan to enable shoppers to purchase from you via any of the channels below?

Facebook (via Facebook ad)

30%

Twitter (in-tweet purchased via a buy button)

17%

Instagram (via ad or link from other shoppers)

15%

Messaging platform via adverts (LINE, WhatsApp, Facebook Messenger, WeChat, Skype etc.)

14%

Snapchat

13%

YouTube (via link from a video)

11%

Messaging platform via recommendations (LINE, WhatsApp, Facebook Messenger, WeChat, Skype etc.)

10%

Pinterest (via user or promoted pin)

10%

News or magazine apps

8%

Celebrity apps

5%

None of the above

50%



**50%**

**of retailers**

aren't planning on offering purchasing through social media. But 30% are planning to enable buying through Facebook



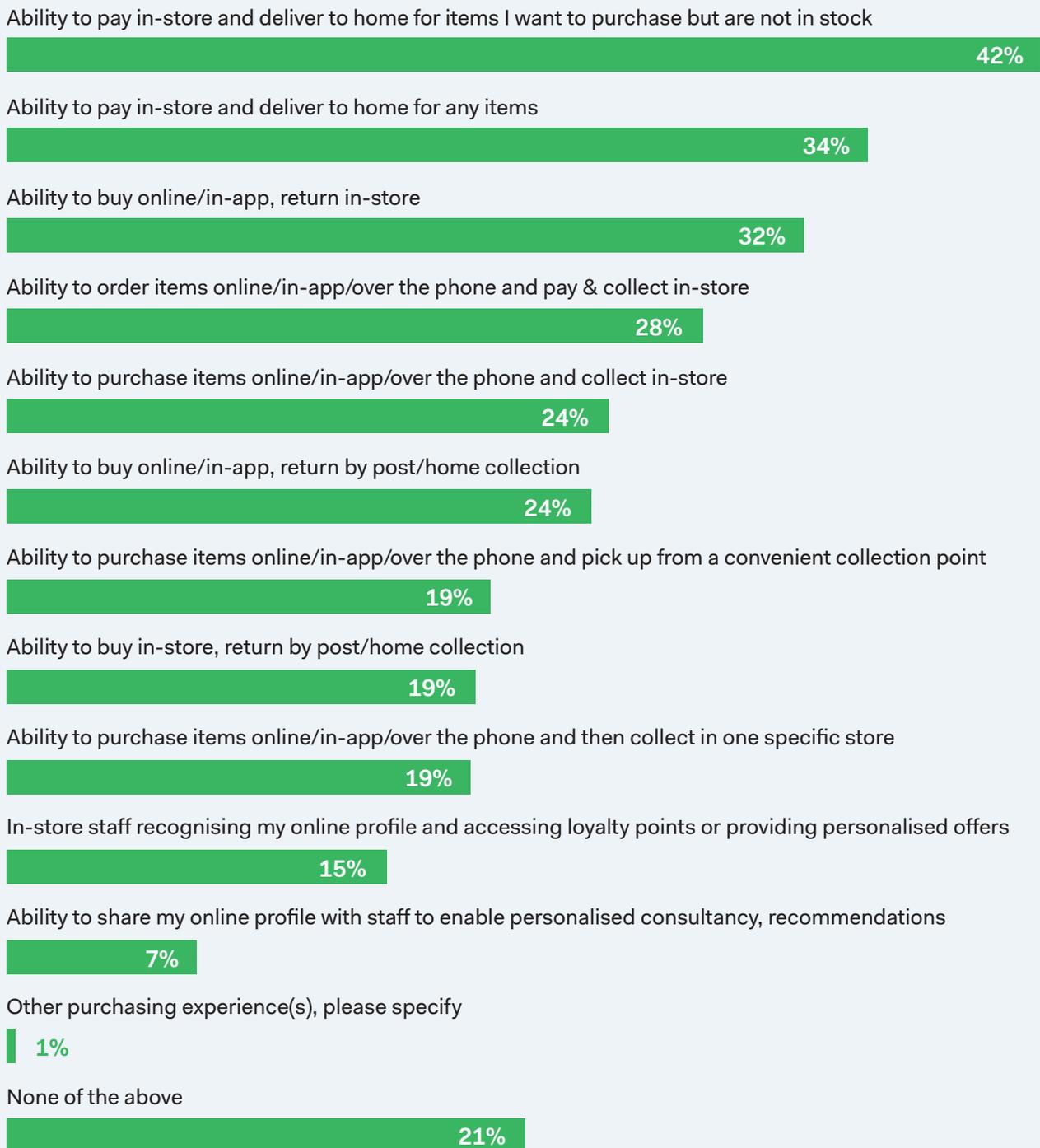
**42%**

**of consumers**

would like the ability to pay in-store for out-of-stock items and have them delivered to their home

# Multichannel is key. One in three of us would like the ability to buy goods online, but return them in-store

Thinking about your interaction with a retailer online and in-store, what purchasing experiences would you like to be made available?



# Return to sender



With the array of gripes levelled at in-store shopping by the British public, one would assume that online – with its lack of long queues and pushy assistants – would be the perfect all-round solution.

## Unfortunately not.

In our research, we discovered that 73% of shoppers have abandoned an online transaction if they believed the delivery cost to be too high. But, when we asked the retailers, only 36% of them say delivery charges are a reason for abandoned carts – creating an awareness gap that needs addressing. On top of this, a quarter of us will only buy something online if it is sent to us for free. As much as we dislike queuing, we find delivery charges just as off-putting.

The figures are backed up by retailers, with 42% of them believing that more than one in ten customers abandon carts at checkout online. The reasons for this range from the inconvenience of having to enter payment details, the aforementioned costs of P&P and voucher code issues. There is a real opportunity to better understand your customers behaviour here and make simple improvements to increase conversion.

## According to retailers 39% of consumers

who abandon their baskets at the payment stage do so because of having to fill in payment card details



# In your experience, why do shoppers abandon baskets?



39%

Having to fill in payment card details



36%

Delivery costs considered too high



29%

Lack of relevant payment options (e.g. PayPal)



28%

Lengthy online payment process



27%

Voucher code is not applicable



25%

Concerns over security of online payment



18%

Cumbersome online payment process



16%

Unexpected fees added to chosen payment method



15%

Unable to find a suitable delivery slot (e.g. no weekend/evening delivery)



15%

Lack of local currency payment options



7%

Don't know



# I shop, therefore I am

How attitudes to shopping  
differ between genders,  
groups and individuals

# Blokes don't like shopping, right?

## Wrong.

Men and women are equally likely to love a shopping experience with mates. We also find out what Brits are demanding in terms of in-store technology, why we think we know more than the people serving us and our curious habit of buying things we don't need.

Perhaps it's all about not making a fuss

# - how very "us"!



We want more personalised offers by location and more in-store gadgets



We know what we like and we like what we know



More than half of men like shopping because it is a social experience - and you thought they just went along to hold the bags and read the magazines



Mobile payment terminals, it seems, may be the ultimate cure for our hatred of queues and a happy ending to our ideal shopping experience

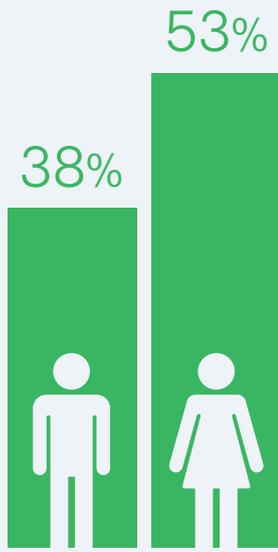
# Suits you, sir... and madam

We generalise at our peril. But, when it comes to shopping, there is a divide in popular culture between male and female attitudes. A 'girl's day out', for instance, is embedded in our national psyche, but our research shows men are just as likely to enjoy a 'boy's day out'. 56% of men enjoy in-store shopping due to its sociable nature, while almost half of them view the experience as a day-out, rather than just fulfilling a need.

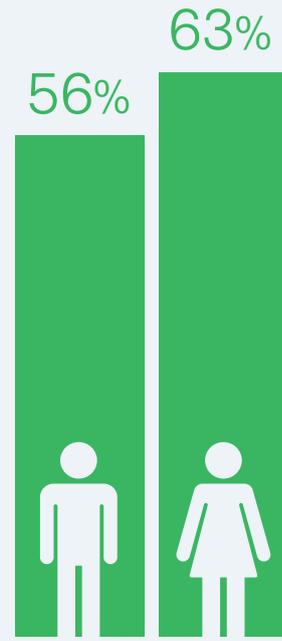
Attitudes to innovation and technology also buck popular thought, with more women than men interested in improving the shopping experience through more advanced technology. This includes wanting personalised offers near a store (66% of women to 55% of men), smart mirrors (56% to 45%), virtual reality (45% to 41%) and self service kiosks (69% to 64%). Even so, the divide is not that big, as it seems that the shopping experience is becoming more accessible, equal and full of potential for innovation.



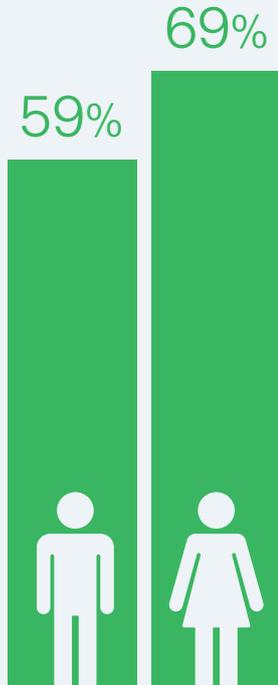
Finally, it seems a third of us are up for an in-store haggle. But men are slightly more likely to be vocal to get a deal than women.



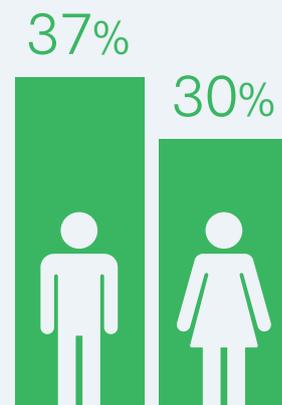
The percentage of people who have abandoned an online purchase because they considered delivery costs too high



I enjoy in-store shopping because it's sociable, I can shop with friends and family



I enjoy the browsing experience in-store



The ability to negotiate discounts from sales people in-store is important to me



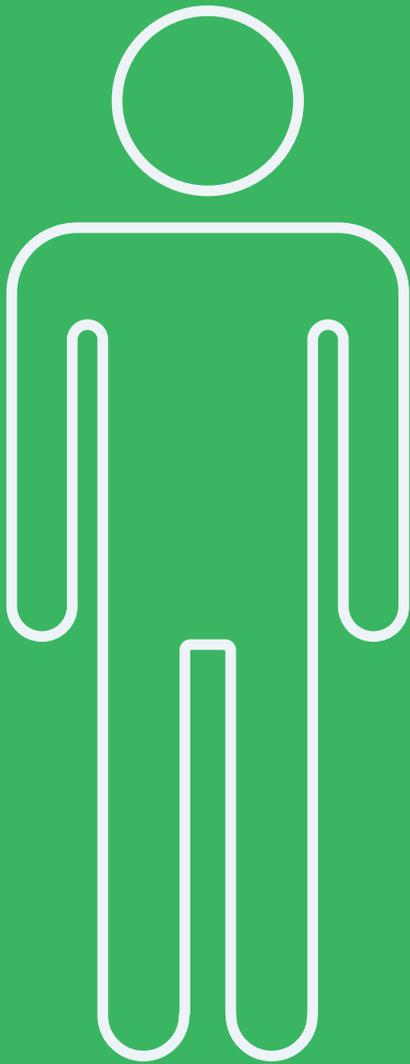
# The customer is always right

...or, at least, the customer thinks they are.

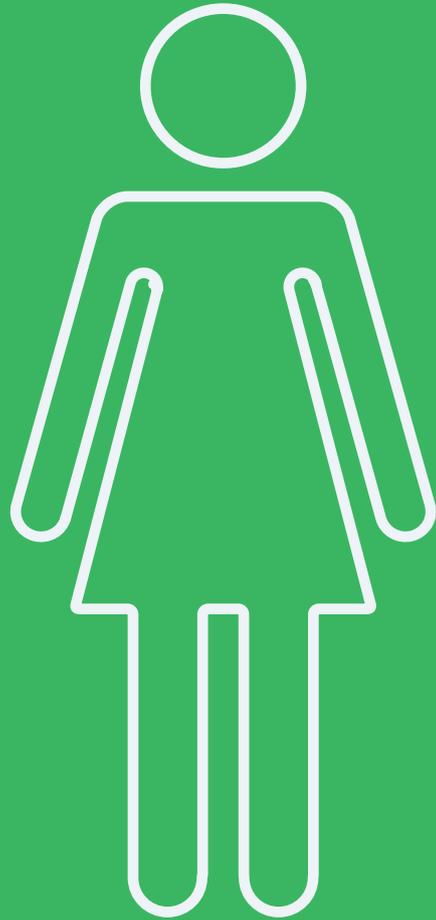
Another side effect of the internet is our ability as customers to know everything about the goods we are buying: from how much they cost, to who has the widest stock, to promotions and offers. Pity, then, the poor in-store sales associates who have to keep pace with the majority of UK shoppers (62%) who believe they know more than those serving them.

Retailers feel this customer empowerment acutely, with 76% saying they have noticed shoppers being more knowledgeable. Or at least feeling they are more knowledgeable. No one is claiming we are drunk on power, but our confidence to research, speak up and demand better service is one of the things that is the hallmark of today's consumer.

Of course, you can't eradicate our particular British traits completely. Brits of all ages find the concept of money slightly uncomfortable, with over 80% saying they would rather not use cash to buy purchases at all. And, on average, one in ten people have bought a poor substitute for an item they wanted, only to never actually use it.



**67%**

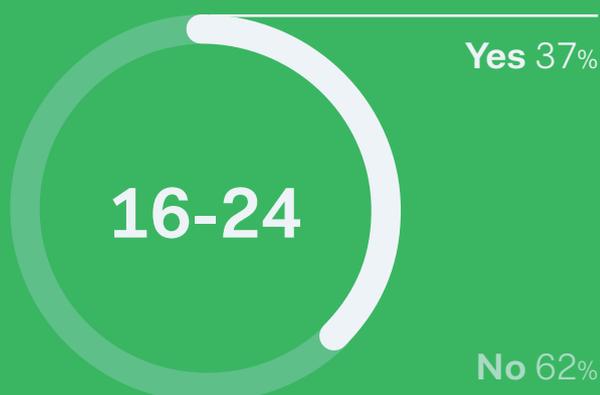


**58%**

**Percentage of consumers who believe they sometimes know more about products than sales associates**

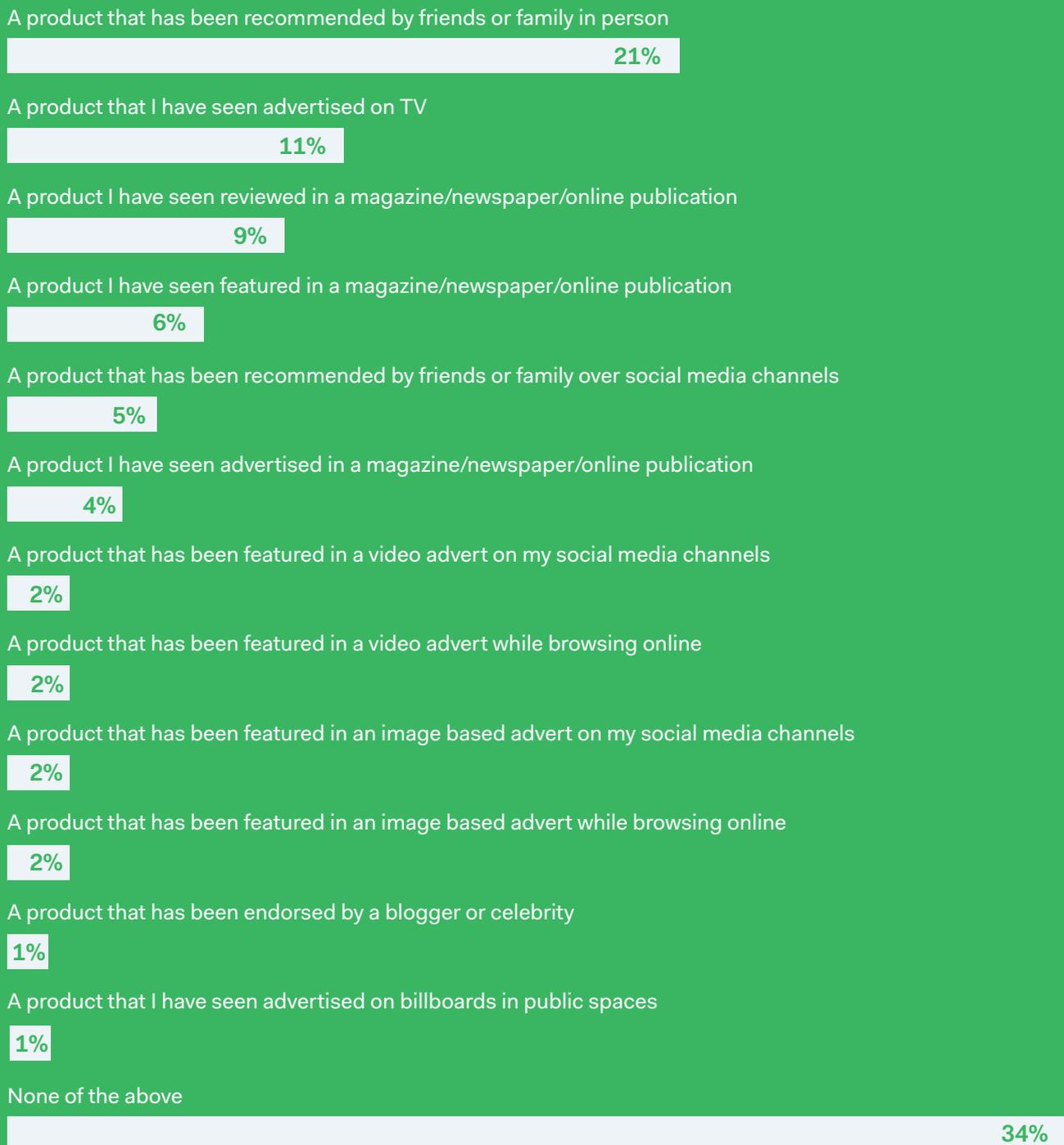
# Have you ever purchased something in-store or online that you don't want because you don't want to leave empty handed?

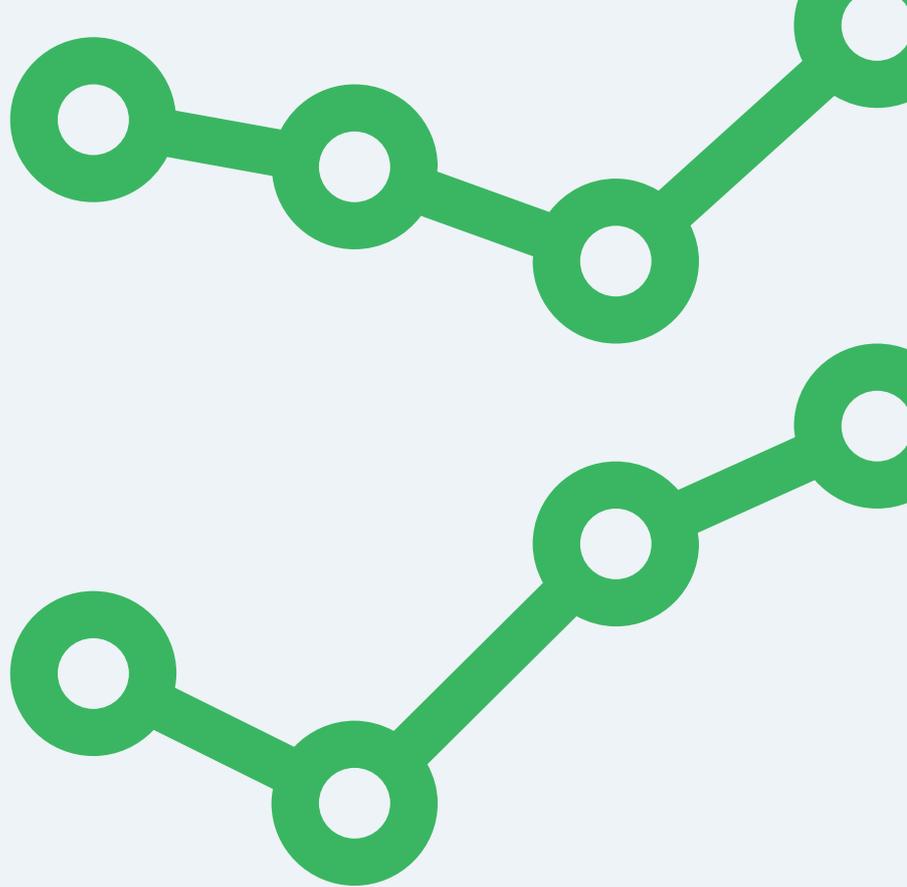
By age group:



Young people are much more likely to buy something they don't want than older people. Do us Brits get wiser and more patient as we get older or is the culture of instant gratification the dominating force for the Millennial generation?

# When it comes to inspiration for purchases you want to make, which of the following are you most likely to purchase:





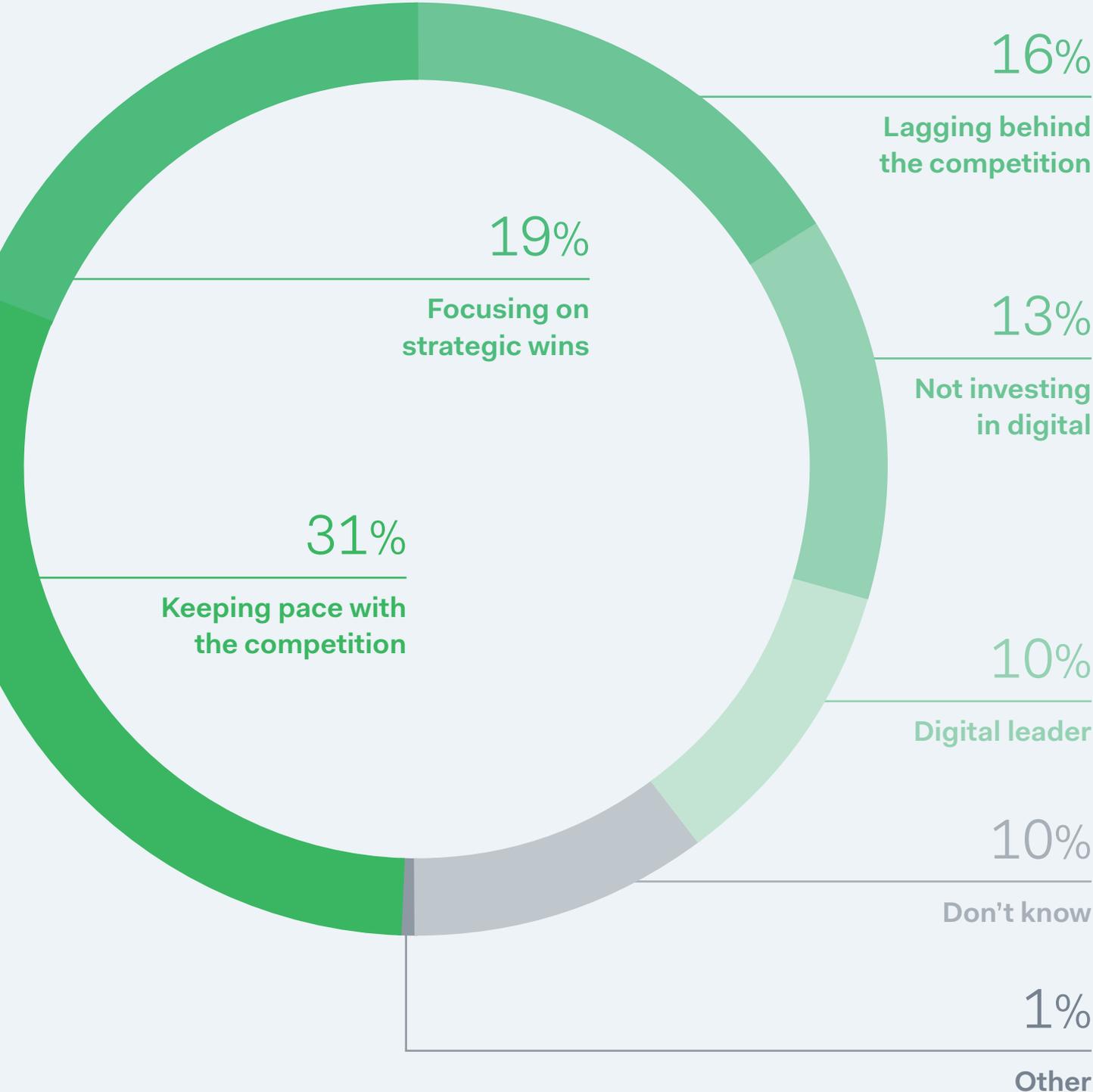
# Tech it or leave it

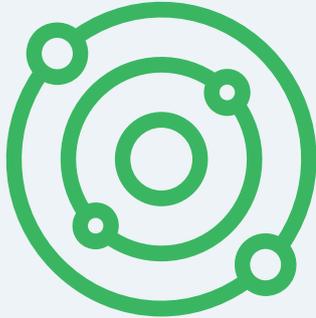
Technology, as we have seen, is a bit of a must-have for consumers looking to improve their in-store experience. Top of the wish-list is mobile payment terminals, with 61% of consumers looking for a way to avoid queuing. However, only 18% of retailers are planning to invest in mobile payment technology.

Some retailers are making strides in technology investment, with 30% confident that they are keeping strong pace with their competitors in the digital revolution. On the other hand, 16% feel they are falling badly behind, with many different levels of innovation in between. With integrated channel strategies, future success for retailers is going to depend on technology integration, improvement and making the whole in-store experience more convenient and inspiring.

Those retailers unifying their sales channels will have the advantage. Just like the 20% of retailers that are actively exploring how to enable in-store purchases to influence online recommendations. This is true omnichannel and it's what the British consumer wants. For the 29% of retailers who are not planning to invest in digital channels or are feeling that they are lagging the competition, their future success may depend on a change of direction.

# Which of the following statements best describes your business when it comes to digital innovation?

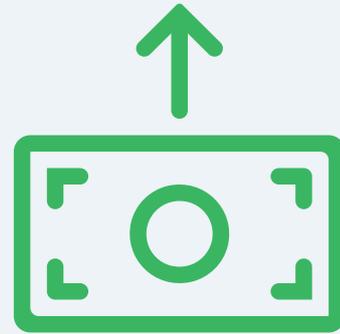




# 16%

**of retailers**

feel they are lagging behind their competitors when it comes to digital innovation



# 20%

**of retailers**

are planning to add the ability to pay in store and deliver to home for any items in the next year



# Contactless

and mobile payment terminals are key priority technology investment areas for retailers

# What in-store payment methods do you intend to invest in?

My company is not planning to invest in any in-store payment methods

28%

Contactless card payment at checkout

24%

Card payment at checkout

21%

Cash payment at checkout

21%

Card payment directly with a floating sales assistant (a member of staff with a mobile-payment terminal)

18%

Cash payment directly with a floating sales assistant

16%

Contactless card payment at self service kiosk

16%

Don't know

15%

Card payment at self service kiosk

13%

Contactless card payment directly with a floating sales assistant

13%

Cash payment at self service kiosk

13%

Mobile wallets at checkout (e.g. Apple Pay, Android Pay, PayPal)

7%

Mobile wallet at self-service kiosk (e.g. Apple Pay, Android Pay, PayPal)

3%

Mobile wallet directly with a floating sales assistant (e.g. Apple Pay, Android Pay, PayPal)

3%

# Which of the below experiences are you planning to roll out over the next year?

My company is not planning to invest in any in-store payment methods

39%

Contactless card payment at checkout

20%

Card payment at checkout

20%

Cash payment at checkout

18%

Card payment directly with a floating sales assistant (a member of staff with a mobile-payment terminal)

16%

Cash payment directly with a floating sales assistant

15%

Contactless card payment at self service kiosk

13%

Card payment at self service kiosk

12%

Contactless card payment directly with a floating sales assistant

12%

Cash payment at self service kiosk

11%

12.60%

Mobile wallets at checkout (e.g. Apple Pay, Android Pay, PayPal)

11%

Mobile wallet directly with a floating sales assistant (e.g. Apple Pay, Android Pay, PayPal)

9%



# Conclusion

The research is clear: Brits have likes and dislikes about both online and in-store. So what should you do about it?

## **In-store innovation**

Brits still love the traditional elements of the high street. They like to touch and try on items. And both men and women enjoy the social aspect.

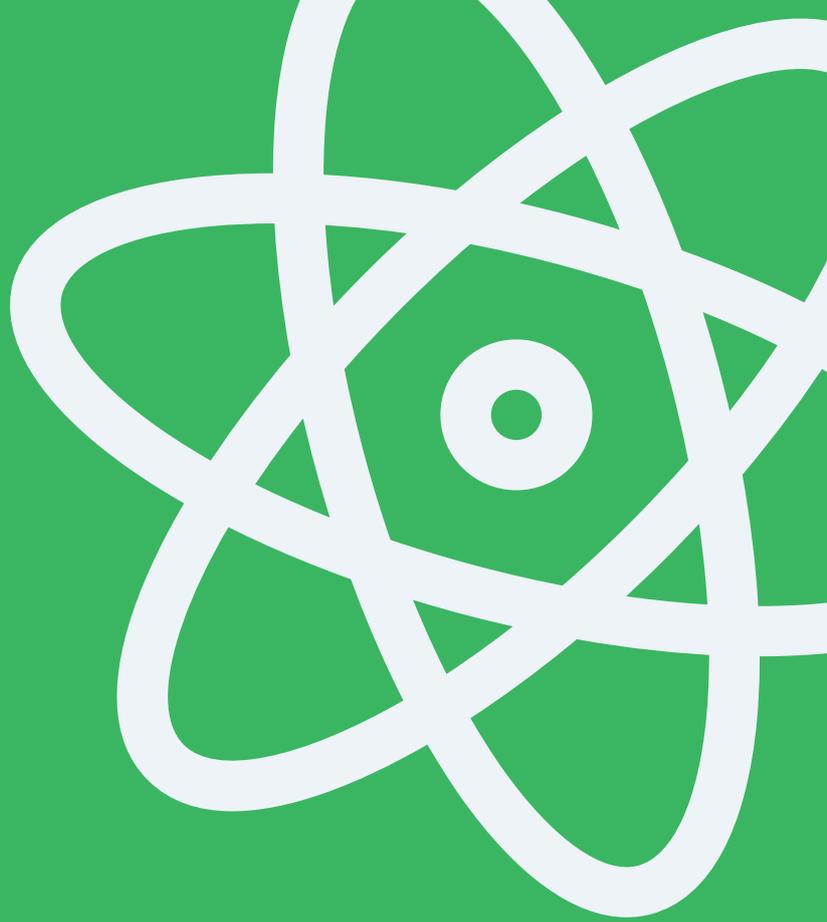
So retailers should focus on creating a great sensory experience in-store. Originally online retailers, Bonobos and Sonos have opened stores purely to showcase items, which are then ordered online. And The Cambridge Satchel Company used pop-up shops and endless aisles to grow Black Friday sales by 124%.

This provides retailers with a powerful way to connect with shoppers, and then continue to nurture the relationship across sales channels afterwards.

Where possible, make the store a place your shoppers want to hang out. Nike's New York store experience includes a basketball court. And H&M's new ARKET flagship serves coffee.

Retailers should harness technology to tackle turn offs like queuing. Mobile point of sale terminals let the shopper pay from anywhere in the store. And endless aisles eliminate out-of-stock frustrations by giving the shopper access to the online inventory.

Checkout solutions like self-service kiosks, and contactless and mobile payments, will help remove friction still further.



## Online optimization

Since many UK retailers lack confidence in their online and in-app experiences, retailers that get it right will enjoy a competitive edge.

Crucially the payment flow must be easy.

Tokenization technology can help by securely storing shopper details, so they can pay with a single click. And mobile methods like Apple Pay make it easier than ever.

Delivery charges are a huge turn-off for shoppers. But free delivery can be crippling for low-margin retailers. A good solution is to offer click and collect. This has the added benefit that 32% of shoppers buy more once in-store.

It is early days for social commerce. But we expect this to grow. Facebook has invested heavily its chatbot API to make it easy for retailers to process payments from inside Facebook Messenger. So watch this space.

## Unified commerce

The real wins are to be had by linking online with in-store and providing a unified experience across both.

And the good news is that unified commerce is closer than you think. Consolidating your payments across channels not only streamlines your business, but gives you access to a wealth of cross-channel data – helping you understand and serve your shoppers better.

Ultimately it is important to remember that shoppers connect with brands not channels and they want a seamless experience wherever, and however they choose to interact with you.

# A note about this research...



## and a little bit about Adyen

### Methodology.

Adyen commissioned a survey with a national sample of 2,224 UK consumers – from the ages of 16 and above – and 500 UK retailers – all management level and above – to understand perceptions of shopping and payment experiences currently and in the future. This involved an equal split of genders, ages, earnings, professions and locations. Both bits of research were conducted by Censuswide. The consumer survey was carried out between 19-24th April 2017, while the retailer research took place between 19-20th April 2017.

### Let's bring the joy back to shopping.

Adyen is the technology company reinventing payments for the global economy. We are also passionate about using technology to improve the customer experience for shoppers. The only provider of a modern end-to-end infrastructure connecting directly to Visa, MasterCard, and consumers' globally preferred payment methods, we deliver frictionless payments across online, mobile, and in-store. With offices all around the world, we serve more than 4,500 businesses, including Facebook, Uber, Netflix, Spotify, L'Oreal, River Island and Superdry.

## Fancy a chat?

For more information about this report, to hear more about attending our events or to have a chat about how we can help your business, please drop us a line:

[uk@adyen.com](mailto:uk@adyen.com) +44 (0)20 3026 0066