SEPTEMBER 2021

# TODAY'S **SELF-SERVICE** SHOPPING **JOURNEY:**

# THE **NEW** RETAIL **EXPECTATION**


**Today's Self-Service Shopping Journey: The New Retail Expectation,** a PYMNTS and Toshiba collaboration, is based on a census-balanced survey of more than 2,000 United States consumers. The report examines consumers' preferences for certain shopping channels and analyzes their interest in more technology-enabled in-store shopping experiences.

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Today's Self-Service Shopping Journey: The New Retail Expectation was done in collaboration with Toshiba, and PYMNTS is grateful for the company's support and insight.
PYMNTS.com retains full editorial control over the following findings, methodology and data analysis.

# INTRODUCTION

Something new is inside today's retailers: modern, user-friendly, self-service experiences. Self-service options allow consumers to shop when, where and how they want and skip the traditional checkout. They can be placed anywhere in a retail environment, and they are designed to empower consumers and optimize the value of every retailer-consumer interaction with time-saving digital tools. The increased adoption of self-service checkouts, projected to more than double from its current value of $40 billion in consumer spending by 2026, is providing customers with new ways to curate their shopping journeys.[1] Consumers are redefining self-service retail, making the term encompass a series of digitally enabled experiences that help shoppers tailor their journeys to their needs. Many who have not tried self-service are now ready to do so, and their timing could not be better.

The retail industry has come roaring back after a year of disruption, according to data from the United States Census Bureau. In-store spending on groceries from March to May was 36 percent higher than it was during the same period in 2020.[2] In-person food and drink establishments observed a sales increase of 70 percent during this time frame, while clothing and clothing accessories stores fared even better, with a sales gain of 200 percent in May 2021 over May 2020.[3] Self-service kiosks are making consumers' return to retail aisles easier by minimizing the need for extensive employee assistance and allowing shoppers to eliminate tasks that add friction to their experiences.

Retailers also benefit from self-service adoption. Adoption of self-service allows merchants to bolster customer value by strategically deploying staff members to higher-value activities or those that require human intervention. Kiosk adoption rates remain lower than consumers' expressed interest in using them, according to recent PYMNTS research, despite the advantages of kiosk-based self-checkout. Only one-third of consumers prefer traditional checkout lines, while over 80 percent want to try nontraditional checkout alternatives, such as self-service. PYMNTS' research found that customer unfamiliarity with self-service tools and the frequent unavailability of frictionless self-service options were key factors in the low usage rates for self-service kiosks, however, even though consumer demand for better in-store shopping experiences is high. The onus is on retailers to effectively communicate the value of the self-service kiosk and to remove the customer experience barriers impeding its adoption.

In Today's Self-Service Shopping Journey: The New Retail Expectation, a collaboration with Toshiba Global Commerce Solutions, PYMNTS delves into findings from a survey of 2,665 adult consumers representative of the U.S. population to analyze how they use self-service options. Our study examines the motivations behind consumer interest in self-curated shopping experiences using kiosks and the barriers to consumers' adoption of self-service checkout.

[1] Deep Dive: How Self-Service Retail Has Advanced And Helped Consumers Amid The Pandemic. PYMNTS.com. 2021. https://www.pymnts.com/digital-payments/2021/deep-dive-self-service-retail-advanced-helped-consumers-amid-pandemic/. Accessed July 2021.

[2] Author unknown. ADVANCE MONTHLY SALES FOR RETAIL AND FOOD SERVICES, MAY 2021. The U.S. Census Bureau. 2021. https://www.census.gov/retail/marts/www/marts_current.pdf. Accessed July 2021.

[3] Author unknown. ADVANCE MONTHLY SALES FOR RETAIL AND FOOD SERVICES, MAY 2021. The U.S. Census Bureau. 2021. https://www.census.gov/retail/marts/www/marts_current.pdf. Accessed July 2021.



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# INNOVATION WITH AN ASTERISK

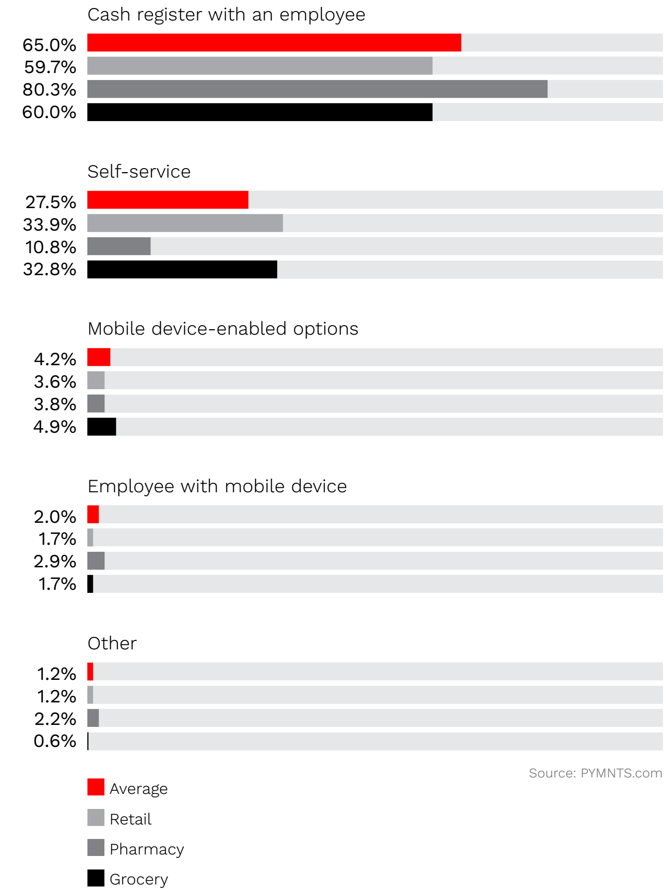
Most consumers are open to innovative ways of checking out and paying at their grocers, pharmacies or other retailers. About 80 percent of in-store shoppers stated that they would like to use nontraditional checkout options, and 66 percent of consumers reported that these checkout experiences are the options that they most want to try.

Consumers who choose to use self-checkout cite customer experience and efficiency as reasons why they prefer a self-managed checkout to traditional checkout options. Grocery customers list the speed of self-service checkouts as the reason why they chose the option (67 percent) in larger shares than retail (65 percent) and pharmacy (62 percent) shoppers. Avoiding waiting in line was cited the most as a reason to choose a self-service kiosk just after speed at checkout, with larger portions of grocery (51 percent) and retail (50 percent) consumers ranking this reason highly in importance. This share was just 37 percent among pharmacy patrons.

**FIGURE 1:**

**Checkout methods**

Share of consumers who used select checkout methods for their most recent in-store purchase, by type of store




Source: PYMNTS.com

**Most consumers who select self-service checkout do so because they believe it is**

**faster than traditional checkout methods.**



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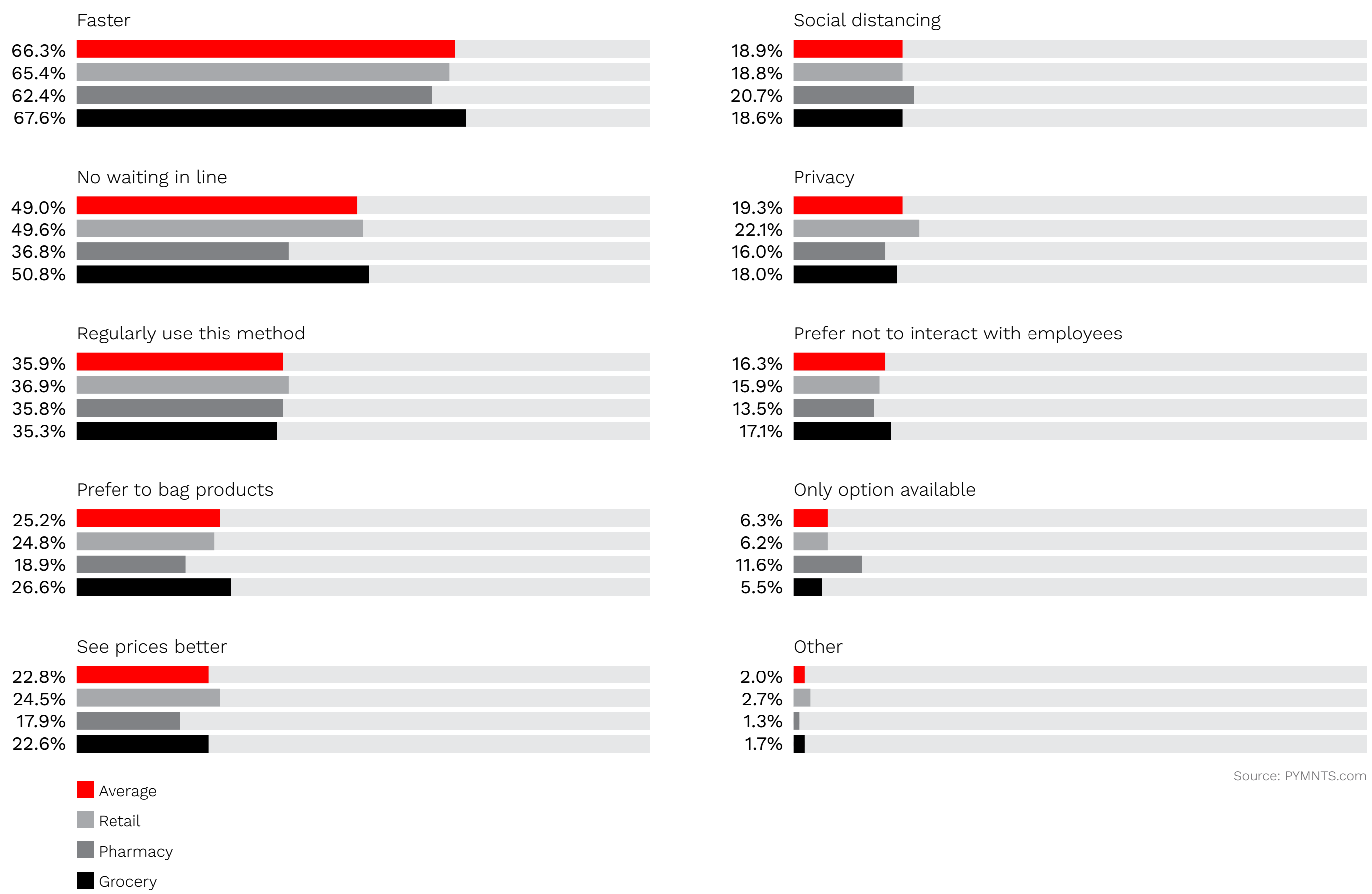
**FIGURE 2:**

**Reasons for using self-service checkouts[4]**

Share of self-service checkout users citing select reasons for using this method, by type of store




Source: PYMNTS.com


Share of self-service checkout out users who report the option is faster than the alternative

PYMNTS' research found that the gap between consumers' interest in non-traditional checkout experiences and consumers' use of these options may be due to misconceptions about the efficiency of self-service kiosks and the kiosks' lack of availability.

[4] The reasons for consumer use of self-service checkout are not strictly related to the pandemic (such as "social distancing", cited by only 19 percent of users). The most cited reasons are those that go beyond the pandemic, which are related to ease and convenience ("faster" and "no waiting in line"). This indicates that investing in this technology has long-term value.



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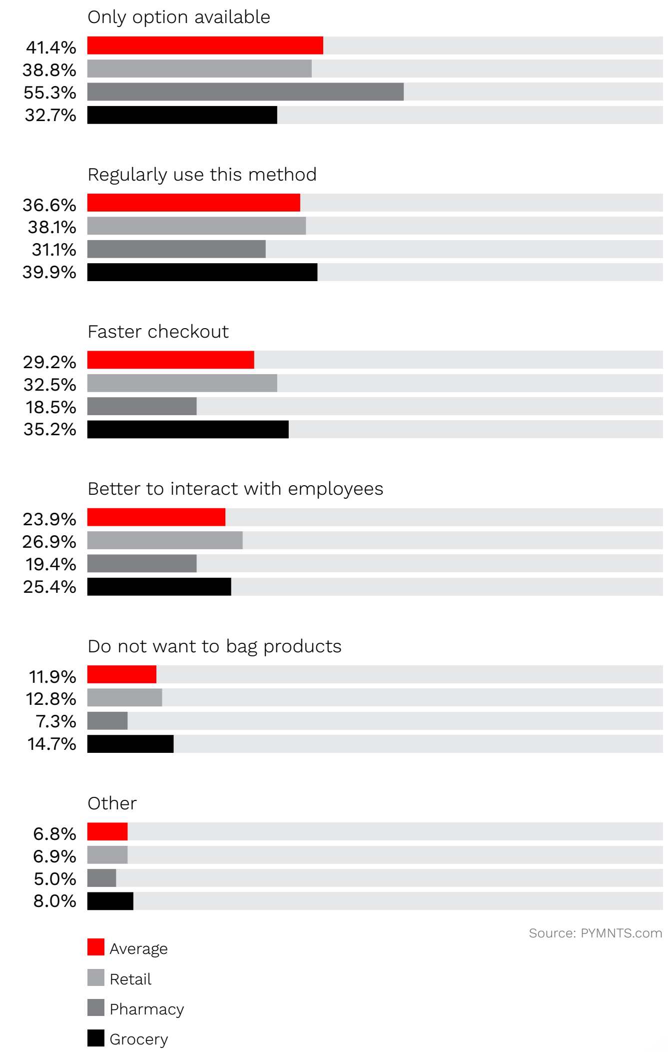
# SELF-SERVICE'S AVAILABILITY PROBLEM

Our research found that inaccurate perceptions of self-service checkout tools' value, a reluctance to change old shopping habits and a lack of access to self-service choices may be hindering greater adoption of nontraditional checkout offerings. PYMNTS found that 41 percent of consumers who do not use nontraditional checkout options do not use them because they were not offered as an alternative to a staffed checkout at the point of sale. Thirty-seven percent of consumers reported that they do not use self-service options because they are used to traditional checkouts. Another significant factor was poor consumer understanding of self-service checkout benefits, as 29 percent of consumers believe that self-service checkout would be slower than traditional checkout. Thirty-five percent of consumers who prefer traditional checkouts to self-service believe that self-service will not be convenient for purchasing produce, 15 percent say the kiosks will likely make mistakes when processing their orders and 14 percent believe that self-service checkouts are difficult to use.

**FIGURE 3:**

**Reasons for using traditional checkout lines**
Share of traditional checkout users citing select reasons for using this method, by type of store




**Just over 40 percent of consumers who used a traditional checkout method did so because it was**

**the only option available.**



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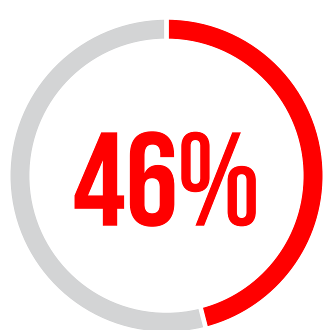
**TABLE 1:**

**Reasons for using traditional checkout lines**
Share of traditional checkout users citing select reasons for using this method, by generation

| | Generation Z | Millennials | Bridge millennials | Generation X | Baby boomers and seniors |
|---|---|---|---|---|---|
| **Only option available** | 46.5% | 45.5% | 44.7% | 41.5% | 38.3% |
| **Regularly use this method** | 25.5% | 29.1% | 28.8% | 33.9% | 44.3% |
| **Faster checkout** | 30.0% | 29.2% | 27.3% | 26.4% | 30.8% |
| **Better to interact with employees** | 19.4% | 21.6% | 18.6% | 21.5% | 27.4% |
| **Do not want to bag products** | 10.4% | 14.3% | 11.8% | 10.4% | 11.7% |
| **Other** | 3.2% | 6.2% | 8.8% | 8.1% | 6.9% |

Source: PYMNTS.com




Share of millennial traditional checkout users who chose this method because it was the only option provided

While most respondents consider self-service faster, some shoppers still prefer traditional checkouts. A larger share of baby boomers and seniors showed more emotional attachment to traditional checkouts than any other demographic (44 percent), yet all generations surveyed showed similar perceptions about traditional checkouts being faster than self-service checkouts (27 percent to 30 percent of traditional checkout users).





# THE DIY CUSTOMER EXPERIENCE

Most consumers expressed interest in trying nontraditional checkout options but may require specific improvements to the user experience to do so.

**USER EXPERIENCE IS A BARRIER FOR CONSUMERS USING SELF-SERVICE FOR LARGE BASKETS (MORE THAN 10 ITEMS), FRESH PRODUCE OR AGE-RESTRICTED ITEMS.**

Our researchers found that 65 percent of consumers on average said they would be more likely to use self-service checkout when purchasing fewer than 10 items. We also discovered that 60 percent would be less likely to use it when purchasing more than 25 items. Consumers purchasing fresh produce (52 percent) or age-restricted items (50 percent) are also less likely to use self-service, given today's experiences.

**CONSUMERS WHO DO NOT PREFER SELF-SERVICE SEE INCENTIVES SUCH AS DISCOUNTS, REWARDS AND IMPROVED CUSTOMER EXPERIENCES AS MEANINGFUL MOTIVATORS.**

Consumers who do not prefer self-service checkouts cited rewards (24 percent), easier experiences (14 percent) and access to employees to help them when needed (13 percent) as potentially significant motivators for self-service checkout adoption.

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# INTRODUCING GENERATION CLICK-FOR-EVERYTHING

Digital natives and adults with children far outpace older adults in self-service checkout interest and adoption for retail, grocery and pharmacy purchases. Eighty-six percent of Gen Z consumers report that the checkout experience in which they were most interested was nontraditional, with 78 percent and 80 percent of bridge millennials and millennials, respectively, echoing this sentiment. Half of baby boomers and seniors were interested in nontraditional checkout options.

Our research also discovered that consumers living with children are eager to try new checkout experiences as well, with 76 percent and 80 percent of consumers living with children (married and not, respectively) saying that the checkout experience they wanted the most from their merchant was a nontraditional one, such as self-service checkout. Fifty-seven percent of nonmarried parents with children and 49 percent of married parents with children prefer self-service checkout over traditional options.

**TABLE 2:**

**Desired checkout experiences**

Most wanted checkout experiences, by generation and type of household

| GENERATION | Generation Z | Millennials | Bridge millennials | Generation X | Baby boomers and seniors |
|---|---|---|---|---|---|
| **TRADITIONAL** | **14.1%** | **20.3%** | **22.4%** | **29.2%** | **50.2%** |
| **NONTRADITIONAL** | **85.9%** | **79.7%** | **77.6%** | **70.8%** | **49.8%** |
| • Self-service scanning/bagging | 19.6% | 17.0% | 16.3% | 14.8% | 15.6% |
| • Smart shopping cart | 15.3% | 15.2% | 15.7% | 14.2% | 10.8% |
| • Scanning/paying with phone | 12.3% | 11.8% | 12.1% | 11.3% | 5.7% |
| • No checkout in store | 11.8% | 11.6% | 9.7% | 9.4% | 5.0% |
| • Self-service with bag assistance | 8.8% | 6.7% | 6.2% | 5.8% | 4.6% |
| • Scan/pay with store's device at checkout | 6.2% | 5.8% | 4.7% | 4.0% | 2.8% |
| • Phone scan/pay at checkout | 4.3% | 5.8% | 6.7% | 6.2% | 1.9% |
| • Scan/pay with store's device | 7.5% | 5.4% | 5.9% | 4.3% | 2.4% |
| • Other | 0.0% | 0.3% | 0.3% | 0.8% | 1.0% |

| TYPE OF HOUSEHOLD | Married with children | Unmarried with children | Married without children | Unmarried without children |
|---|---|---|---|---|
| **TRADITIONAL** | **24.5%** | **19.8%** | **45.5%** | **32.2%** |
| **NONTRADITIONAL** | **75.5%** | **80.2%** | **54.5%** | **67.8%** |
| • Self-service scanning/bagging | 15.9% | 20.1% | 14.7% | 16.8% |
| • Smart shopping cart | 13.4% | 14.8% | 12.9% | 12.8% |
| • Scanning/paying with phone | 13.7% | 7.6% | 6.3% | 9.9% |
| • No checkout in store | 9.9% | 10.6% | 6.3% | 9.3% |
| • Self-service with bag assistance | 6.6% | 8.7% | 4.3% | 6.1% |
| • Scan/pay with store's device at checkout | 5.3% | 6.4% | 3.0% | 3.8% |
| • Phone scan/pay at checkout | 5.9% | 6.3% | 2.9% | 3.5% |
| • Scan/pay with store's device | 4.2% | 5.4% | 3.1% | 5.0% |
| • Other | 0.6% | 0.3% | 0.9% | 0.7% |

Source: PYMNTS.com



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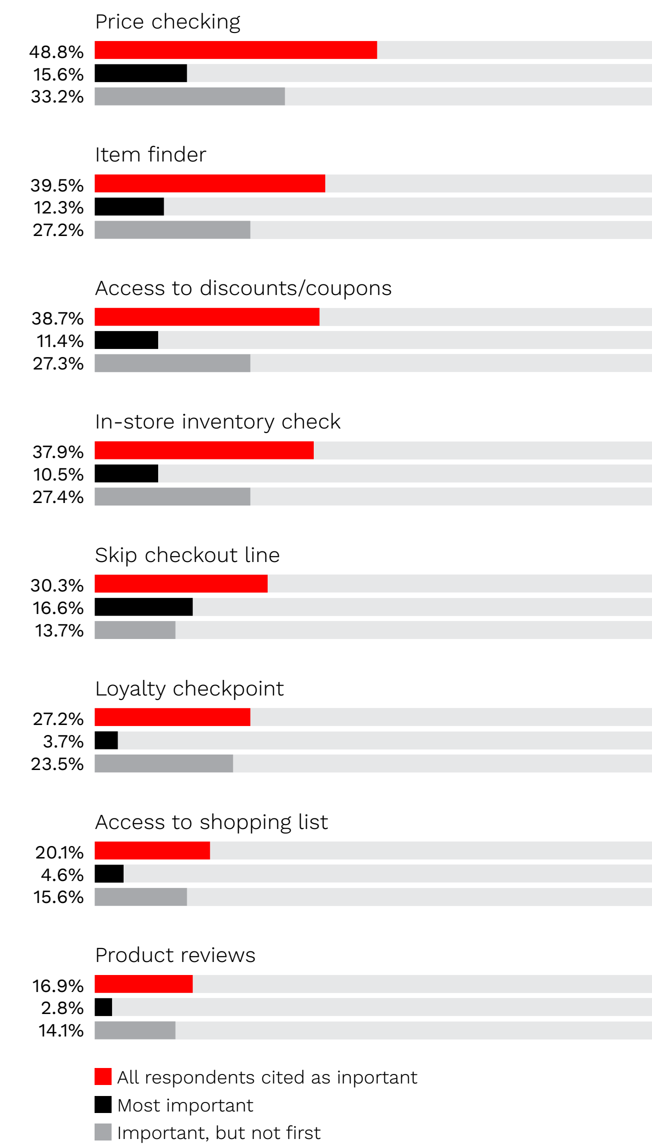
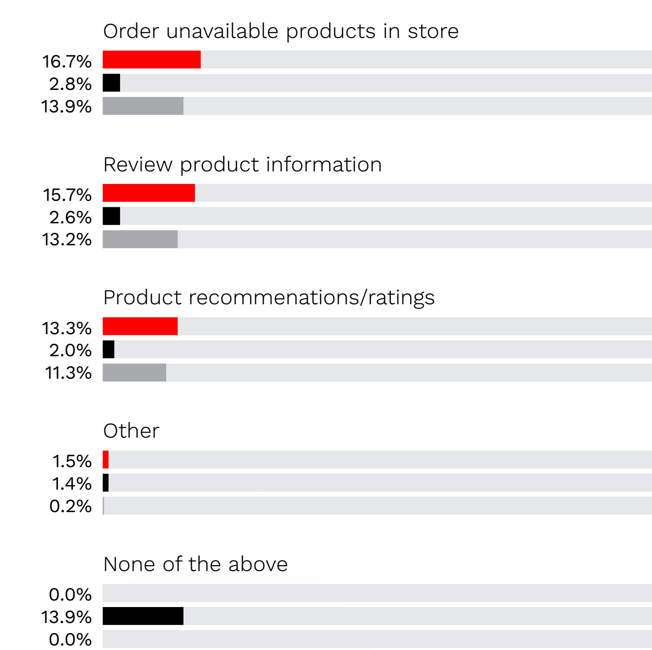
# THE GOLD STANDARD IS NOW DIGITAL

PYMNTS' research found that customer experience features inspired by eCommerce are important to consumers shopping in physical stores. Most want digital features to enhance their overall in-store shopping experiences when they shop using mobile or other smart devices. Today's consumers are using everything from smart shopping carts to apps that allow them to check prices and inventory and check out at their leisure. Our research on device-enabled shopping features revealed that, while 51 percent of consumers still want access to traditional checkout, skipping the checkout line ranks first as the most important device-enabled in-store shopping feature (selected by 17 percent of in-store shoppers). Approximately 30 percent of in-store shoppers mentioned it as a desired option.

**FIGURE 4:**

**Device-enabled shopping capabilities**
Share of consumers who believe that select device-enabled shopping capabilities would improve their overall in-store experiences, ranked




Source: PYMNTS.com

The ability to check the price of an item was the most cited device-enabled capability that would improve the in-store shopping experience (49 percent). Sixteen percent reported that this was the most important feature. Other desirable device-enabled capabilities included item finders (39 percent), easier access to discounts and coupons (39 percent) and inventory checks (38 percent).



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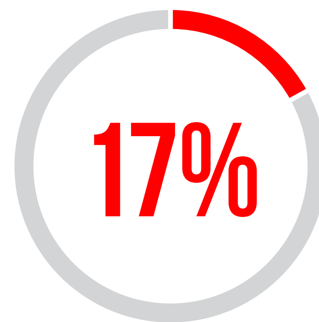
Consumers who are married and living with children exhibit some of the highest levels of interest in being able to skip the checkout line using a nontraditional checkout method (20 percent). About 15 percent of Gen Z shoppers cited the ability to check in-store inventory in real time as the most important feature.




Share of baby boomers and seniors citing price checking as the most important device-enabled shopping capability that would improve the overall in-store experience

**TABLE 3:**

**Device-enabled shopping capabilities**

Most important device-enabled shopping capabilities that would improve the overall in-store experience, by generation

| | Generation Z | Millennials | Bridge millennials | Generation X | Baby boomers and seniors |
|---|---|---|---|---|---|
| Price checking | 12.8% | 13.4% | 14.1% | 16.5% | **17.2%** |
| Item finder | 13.8% | 12.4% | 12.4% | 10.5% | 13.2% |
| Access to discounts/coupons | 7.6% | 10.7% | 11.2% | 11.9% | 12.3% |
| In-store inventory check | **15.3%** | 11.7% | 11.5% | 10.5% | 8.5% |
| Skip checkout line | 14.9% | **18.1%** | **17.6%** | **19.9%** | 13.6% |
| Loyalty checkpoint | 4.9% | 4.5% | 4.3% | 3.6% | 3.0% |
| Access to shopping list | 4.8% | 6.4% | 6.7% | 5.2% | 2.8% |
| Product reviews | 6.7% | 4.6% | 4.4% | 2.6% | 0.8% |
| Order unavailable products in store | 6.9% | 3.8% | 3.7% | 2.3% | 1.6% |
| Review product information | 4.7% | 3.6% | 3.0% | 2.4% | 1.5% |
| Product recommendations/ratings | 2.6% | 2.9% | 2.6% | 2.2% | 1.1% |
| Other | 0.3% | 0.9% | 0.9% | 0.8% | 2.3% |
| None of the above | 4.9% | 6.8% | 7.7% | 11.6% | 22.2% |

Source: PYMNTS.com



**TABLE 4:**

**Device-enabled shopping capabilities**

Most important device-enabled shopping capabilities that would improve the overall in-store experience, by type of household

| | Married with children | Unmarried with children | Married without children | Unmarried without children |
|---|---|---|---|---|
| Price checking | 14.6% | **16.6%** | 15.8% | **16.0%** |
| Item finder | 11.8% | 6.5% | 13.5% | 13.7% |
| Access to discounts/coupons | 11.3% | 8.8% | 14.0% | 8.7% |
| In-store inventory check | 9.5% | 16.4% | 8.6% | 11.7% |
| Skip checkout line | **20.3%** | 12.8% | 16.0% | 15.1% |
| Loyalty checkpoint | 4.6% | 4.4% | 2.7% | 4.0% |
| Access to shopping list | 5.1% | 7.9% | 3.9% | 3.6% |
| Product reviews | 3.9% | 6.9% | 1.0% | 2.4% |
| Order unavailable products in store | 3.2% | 4.0% | 1.6% | 3.6% |
| Review product information | 4.0% | 3.5% | 1.3% | 2.4% |
| Product recommendations/ratings | 2.7% | 4.0% | 1.3% | 1.3% |
| Other | 0.4% | 0.6% | 1.8% | 2.0% |
| None of the above | 8.5% | 7.5% | **18.4%** | 15.6% |

Source: PYMNTS.com

**Married consumers with children**

**were highly interested in skipping the checkout line as the most important device-enabled shopping capability that would improve the overall in-store experience.**

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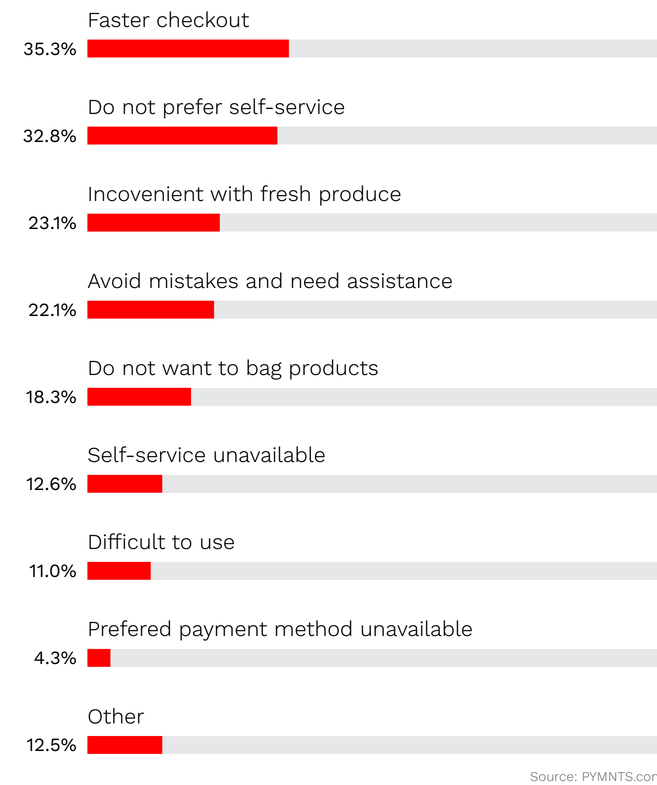
**FIGURE 5:**

**Likelihood of using self-service checkouts**
Change in likelihood of using self-service checkout under different conditions


**FIGURE 6:**

**Reasons for avoiding self-service checkouts**
Share of consumers who cite select reasons for not choosing self-service checkout




Although consumer interest in time-saving digital tools and a simplified checkout experience is strong, consumers who purposely do not choose to use self-service have a range of complaints about the way self-service options are implemented in their favorite stores. Some consumer statements are a matter of personal preference — 33 percent of these consumers "do not like" self-service checkout — yet other reasons illustrate a distinct need for a specific customer experience or digital user experience. Twenty-three percent of these shoppers found self-service inconvenient to use for produce, for example. Many of these issues could be solved by improving the way these options are presented and managed from a technical and user-experience perspective. More user-friendly software, a simple onboarding process for customers at the point of sale or improved access to self-service options may improve consumer adoption rates.



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# CONCLUSION

Improving the customer experience is key to driving self-service adoption for retailers. Sixty-five percent of consumers on average said they would be more likely to use self-service checkout when purchasing fewer than 10 items, and 49 percent of consumers would be more likely to use self-service checkout at times when the store is more crowded. This means that consumers with more than 10 items in their carts are experiencing some form of friction at checkout and find self-service checkout use more formidable for larger orders. Consumers were less likely to use self-service checkout when buying age-restricted products, such as alcoholic beverages, and when buying fresh produce or meat in grocery stores. Consumers are much more likely to use self-service checkout when shopping for sensitive personal items, however, like hygiene products.

Consumers who favor self-service options see them as a fast and efficient alternative to the traditional checkout process. Merchants that want to improve self-service consumer experiences should work toward removing friction for shoppers who find self-service kiosks hard to use for larger orders. This may require an efficient onboarding plan to help consumers navigate potential barriers to an efficient payment experience or adopting a more user-friendly self-service experience. Retailers that are executing self-service strategies aligned to their customers' expectations are excelling. Are you ready for what's next?

### METHODOLOGY

PYMNTS surveyed more than 2,000 U.S. consumers between May 15 and May 17 regarding their past, current and planned shopping behaviors at grocery stores, pharmacies and other retail stores — both online and in store.

# ABOUT

PYMNTS.com is where the best minds and the best content meet on the web to learn about "What's Next" in payments and commerce. Our interactive platform is reinventing the way in which companies in payments share relevant information about the initiatives that shape the future of this dynamic sector and make news. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovation that is at the cutting edge of this new world.

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