

HOW PREFERRED PAYMENT AVAILABILITY CAN **REDUCE** **CART ABANDONMENT**

February 2024
Report

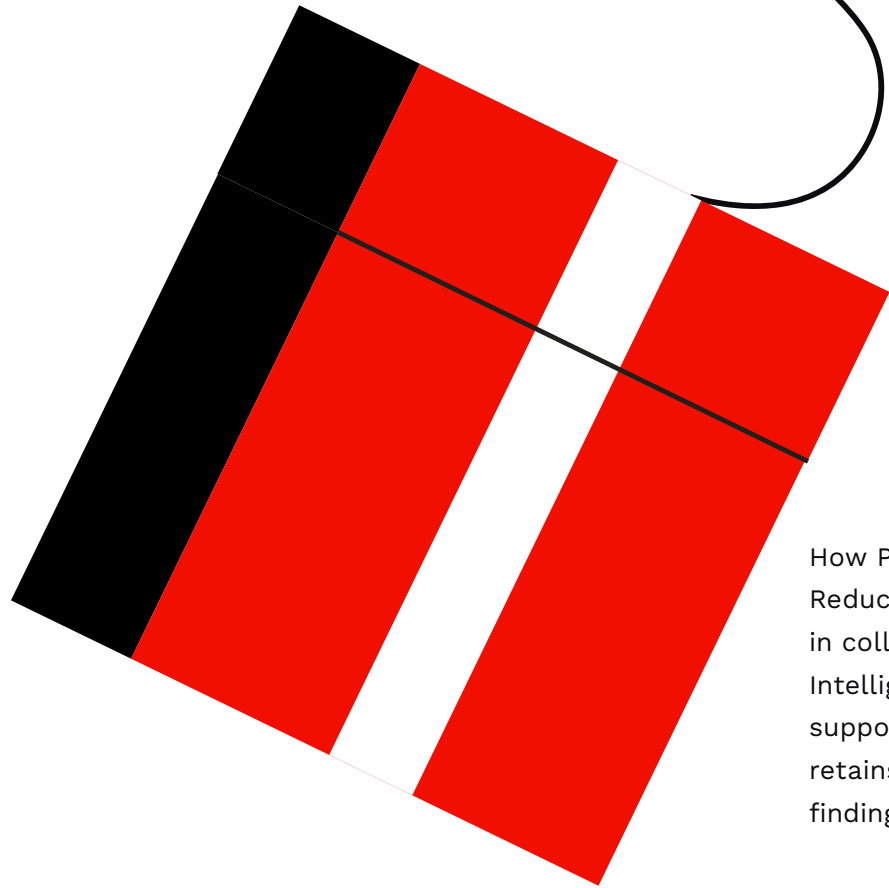
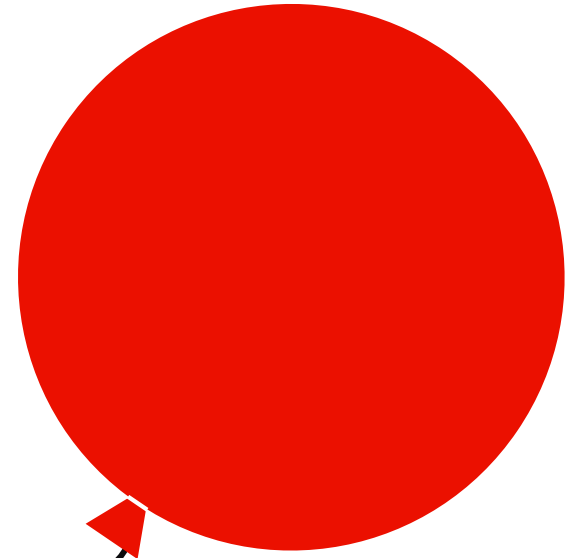
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How Preferred Payment Availability Can Reduce Cart Abandonment was produced in collaboration with Adobe, and PYMNTS Intelligence is grateful for the company's support and insight. [PYMNTS Intelligence](#) retains full editorial control over the following findings, methodology and data analysis.

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WHAT'S AT STAKE

Consumers make many choices when shopping, and perhaps no decision is more important than whether to complete a purchase. Cart abandonment poses a significant challenge for online marketplaces, retailers' sites and brands' sites, especially as budget-conscious shoppers pick up the habit of using carts as wish lists while searching for better deals. Many online businesses resort to sending email reminders or special offers to tempt shoppers to complete the transactions. The answer to boosting conversions could be as simple as offering the right payment options. Today's digital-first consumer tends not to complete a purchase when the payment experience is not seamless. They increasingly expect easy access to their preferred payment method at checkout and may abandon their cart if their preferred payment method is unavailable.

Consumers **abandoned shopping carts** on brands' sites an average of **eight times** in the last 30 days.

Data shows that 70% of consumers consider the availability of their preferred payment method very or extremely influential when choosing which online store to purchase from in the last 30 days. When it comes to offering consumers their preferred payment methods, online marketplaces take the lead, as indicated by 53% of shoppers. Conversely, just 22% of online shoppers hold the same view about brands' websites, potentially explaining the higher rate of cart abandonment. Brands' sites recorded an average of eight cart abandonments in the last 30 days, 20% more than retailers' websites. This underscores the importance of enhancing the payment experience on brands' websites to improve consumer engagement.

FIGURE 1:**How often consumers abandon an online cart**

Online cart abandonment frequency in the last 30 days, by online platform

**Source: PYMNTS Intelligence**

How Preferred Payment Availability Can Reduce Cart Abandonment, February 2024
 N varies by category and represents consumers who purchased select retail products in the last 30 days in select online stores, fielded Oct. 10, 2023 – Oct. 17, 2023

These are some of the key findings detailed in How Preferred Payment Availability Can Reduce Cart Abandonment, a PYMNTS Intelligence and Adobe collaboration. This report explores U.S. consumers' shopping preferences when purchasing online and how these preferences drive customer engagement. We surveyed 3,521 U.S. consumers between Oct. 10, 2023, and Oct. 17, 2023, to examine and analyze their actions, choices and behaviors when shopping online.

This is what we learned.

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KEY FINDINGS

01

OUT OF SIGHT

Brand sites are less likely to offer consumers their preferred payment methods, which might explain why they have 20% more abandoned carts.



22%

Share of consumers saying brand websites are better than retailers' sites or online marketplaces at offering their preferred method

02

BROWSE OR BUY?

Baby boomers come to buy, while millennials come to browse. Millennials abandon seven times more carts than baby boomers and seniors.



5

Average number of carts millennials abandoned in the past 30 days, compared to fewer than 1 for baby boomers and seniors

03

THE RIGHT SPOT

Consumers prefer to shop on platforms where they think they can find better deals, resulting in a lower likelihood of cart abandonment.



48%

Share of consumers who prefer to purchase electronics on online marketplaces, while 44% prefer shopping for groceries on retailers' sites

PYMNTS IN DEPTH

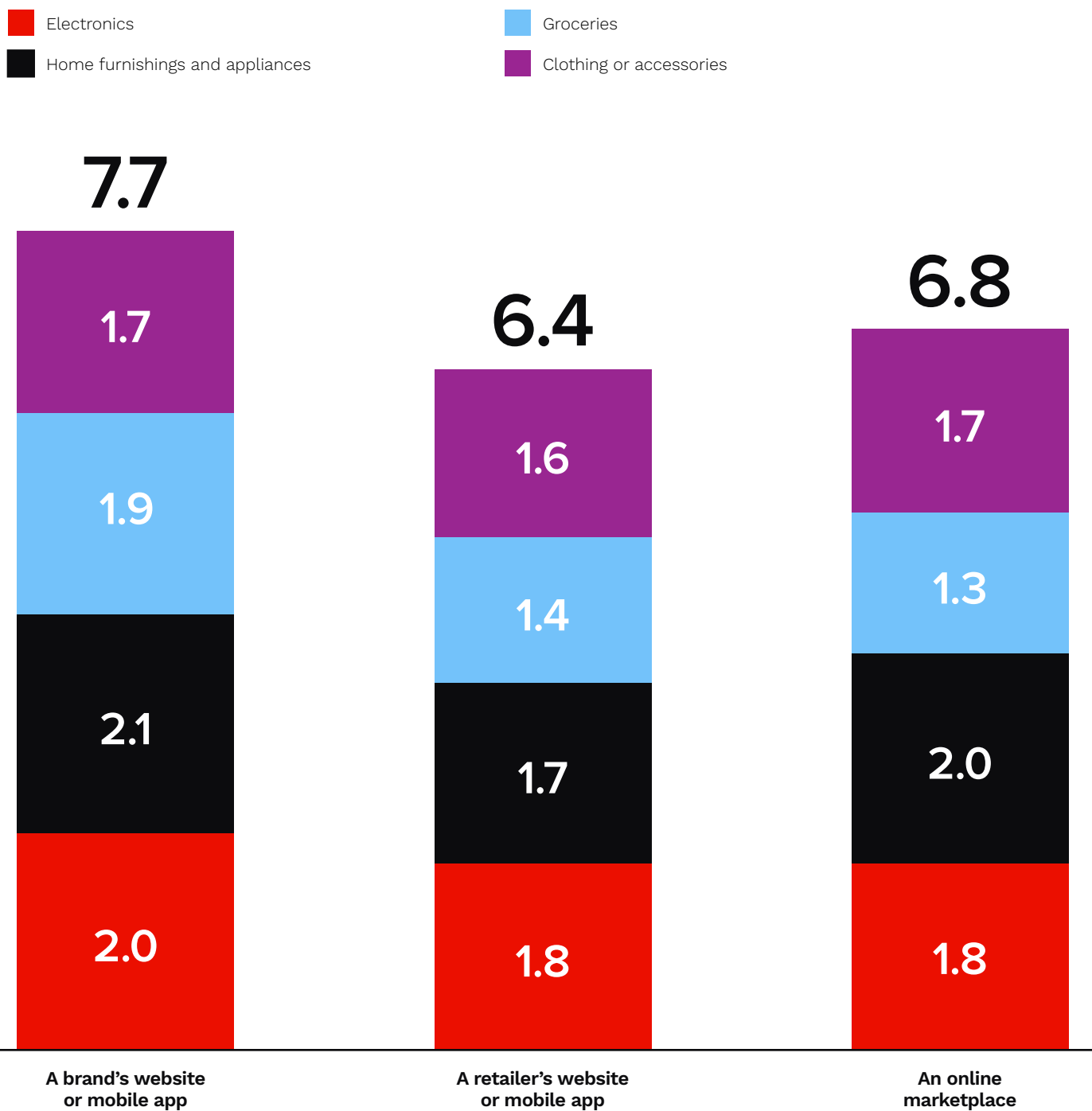
Consumers shopping across all online platforms look for the best deals and a frictionless payment experience.

Brand sites are less likely to offer consumers their preferred payment methods, which might explain why they have 20% more abandoned carts.

Cart abandonment occurs across all types of online merchants, but it is significantly more prevalent on brands' sites. Data shows that consumers abandoned an average of eight carts when shopping on brands' sites in the last 30 days, compared to six on retailers' sites and seven on online marketplaces. This suggests that shoppers may be browsing brands' sites for product information and pricing and may be less ready to purchase there than when they shop on a retailer's site or online marketplace.

FIGURE 2:
Measuring online cart abandonment

Number of online carts consumers abandoned in the last 30 days, by type of online store and product type



Lack of payment options represents another possible cause of cart abandonment. PYMNTS Intelligence found that 70% of consumers report that the availability of their preferred payment method is a significant factor in their store choice, yet just 22% of consumers say brands' websites are better than retailers' sites or online marketplaces when it comes to being able to pay with their preferred method. In contrast, 53% of consumers believe that online marketplaces are the best online option for offering their preferred payment methods as well as providing multiple payment options. This finding underscores that it is not strictly the number of payment methods that matters but rather whether the store supports the consumer's preferred option.

53%

Share of consumers who believe online marketplaces are the **best online option** for offering their preferred payment methods

Source: PYMNTS Intelligence

How Preferred Payment Availability Can Reduce Cart Abandonment, February 2024

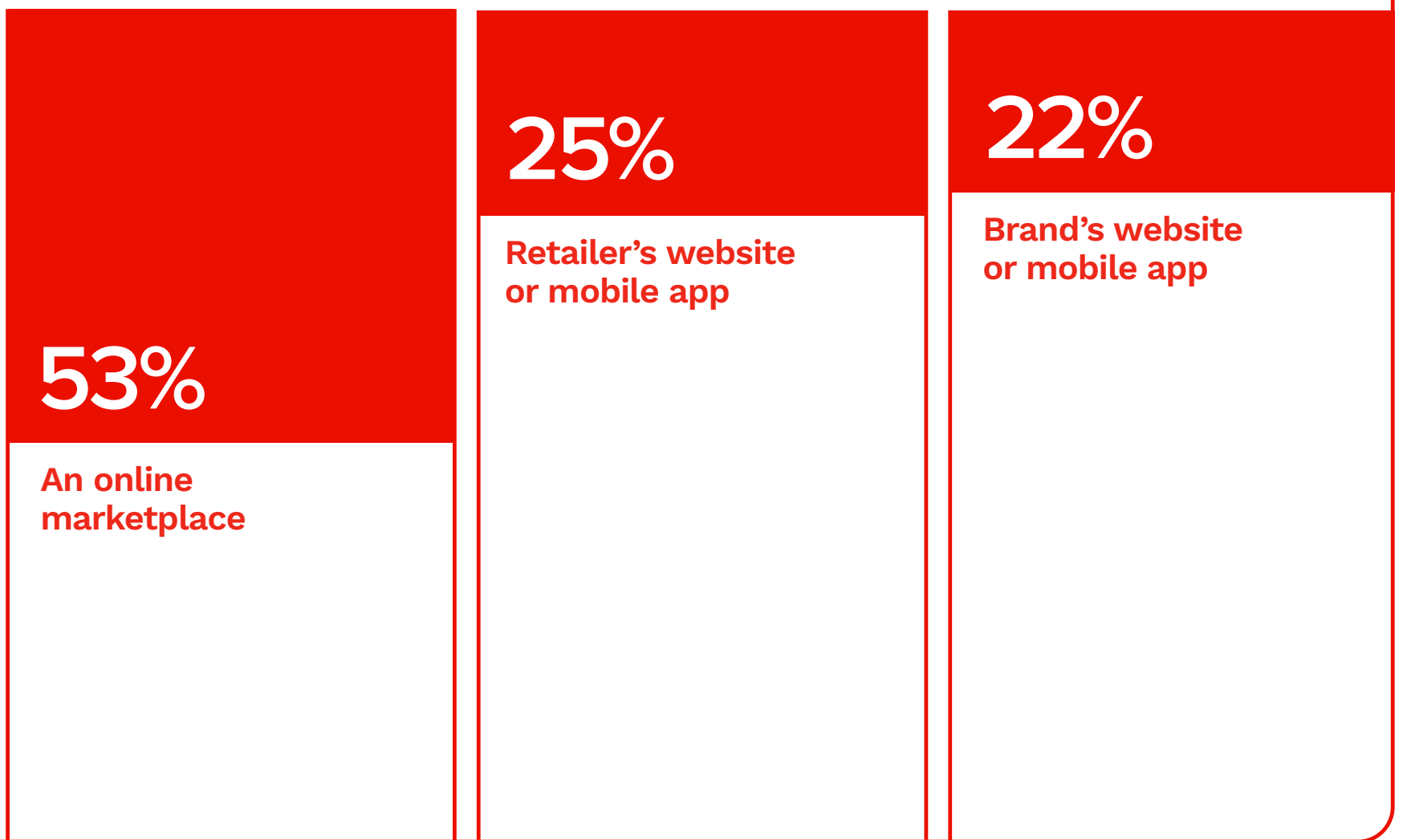
N varies by category and represents consumers who purchased select retail products in the last 30 days from select online stores, fielded Oct. 10, 2023 – Oct. 17, 2023

FIGURE 3:

Consumers' access to preferred payment methods

Share of consumers who believe select online platforms are better than others in terms of the availability of their preferred payment method

Availability of one's preferred payment method



Source: PYMNTS Intelligence

How Preferred Payment Availability Can Reduce Cart Abandonment, February 2024
 N varies by feature and represents consumers who cited select features as somewhat or more influential on their choice of store, fielded Oct. 10, 2023 – Oct. 17, 2023

FIGURE 4:

What payment methods consumers use most

Share of consumers who used select payment methods the most when shopping online for at least one of a select group of products in the last 30 days, by generation



Credit card



Debit card



PayPal



Buy now, pay later



Apple Pay



Google Pay

	Credit card	Debit card	PayPal	Buy now, pay later	Apple Pay	Google Pay
• Baby boomers and seniors	50.5%	26.2%	10.2%	1.6%	0.8%	0.0%
• Generation X	49.7%	32.7%	13.6%	5.4%	1.1%	0.5%
• Millennials	40.6%	41.3%	14.4%	5.1%	4.0%	1.4%
• Generation Z	25.6%	58.1%	14.2%	2.9%	8.8%	0.5%

Source: PYMNTS Intelligence

How Preferred Payment Availability Can Reduce Cart Abandonment, February 2024

N = 858: Consumers who shopped online the most when buying select products in the last 30 days, fielded Oct. 10, 2023 – Oct. 17, 2023

Baby boomers come to buy, while millennials come to browse.

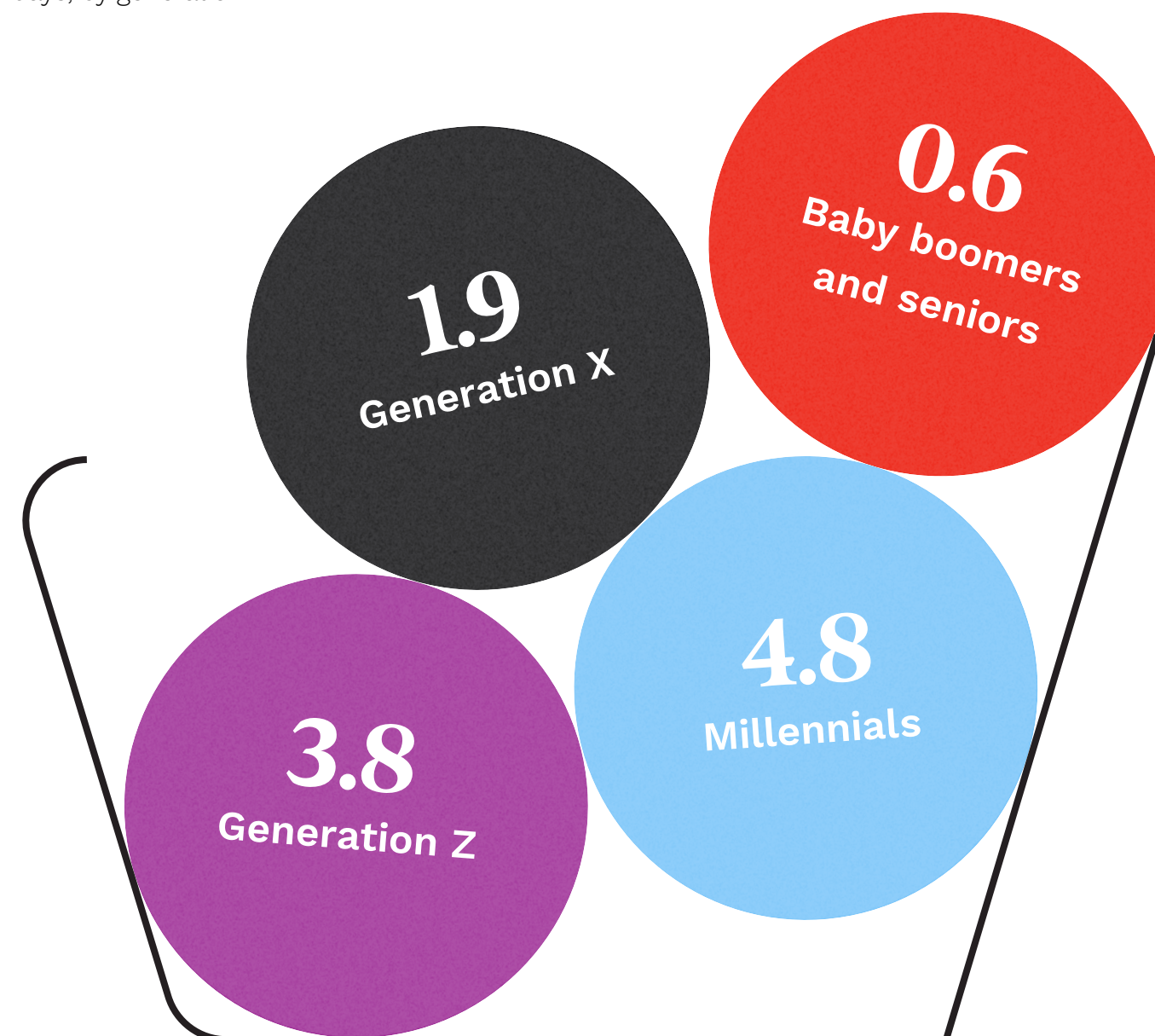
Millennials abandon seven times more carts than baby boomers and seniors.

Providing a frictionless payment experience certainly helps increase the likelihood that online shoppers will complete their purchases. In addition, merchants need to be aware of generational differences in cart abandonment rates. For instance, millennials lead in cart abandonment, abandoning an average of five carts in the past 30 days, followed by Gen Z consumers at four. In contrast, baby boomers and seniors averaged fewer than one cart abandonment in the past 30 days, suggesting they go online specifically looking to complete a purchase. On the other hand, younger consumers' behavior might be linked to the ease of browsing and the abundance of available choices. They may hold items in their charts while searching for better deals. Online shopping platforms can significantly influence consumer decisions and foster greater loyalty by streamlining the checkout process and providing the payment options consumers want to use.

FIGURE 5:

How often consumers abandon an online cart

Average number of carts abandoned in the last 30 days, by generation



Source: PYMNTS Intelligence

How Preferred Payment Availability Can Reduce Cart Abandonment, February 2024

N = 2,063: Complete responses, fielded Oct. 10, 2023 – Oct. 17, 2023

The highest rate of cart abandonment is in the clothing and accessories category, where both millennials and Gen Z consumers abandoned an average of two carts in the last 30 days — five times more than baby boomers and seniors. In contrast, cart abandonment is less common when shopping for essentials such as groceries and big-ticket items such as electronics or home furnishings and appliances. We found, at most, one cart abandonment among these categories across all generations. Streamlining the payment experience — thus reducing shoppers’ drive to look elsewhere — could be a key strategy for reducing cart abandonment and building loyalty among younger consumers.

FIGURE 6:
Where consumers abandon carts
 Online cart abandonment frequency in the last 30 days, by generation and product type

	Generation Z	Millennials	Generation X	Baby boomers and seniors
• Electronics	0.7	1.1	0.3	0.1
• Home furnishings and appliances	0.6	0.9	0.14	0.1
• Groceries	0.6	1.1	0.3	0.1
• Clothing or accessories	1.9	1.7	0.9	0.3

Source: PYMNTS Intelligence
 How Preferred Payment Availability Can Reduce Cart Abandonment, February 2024
 N = 2,063: Complete responses, fielded Oct. 10, 2023 – Oct. 17, 2023



25%

Share of consumers who cited **better prices** as the most **influential factor** in their store choice

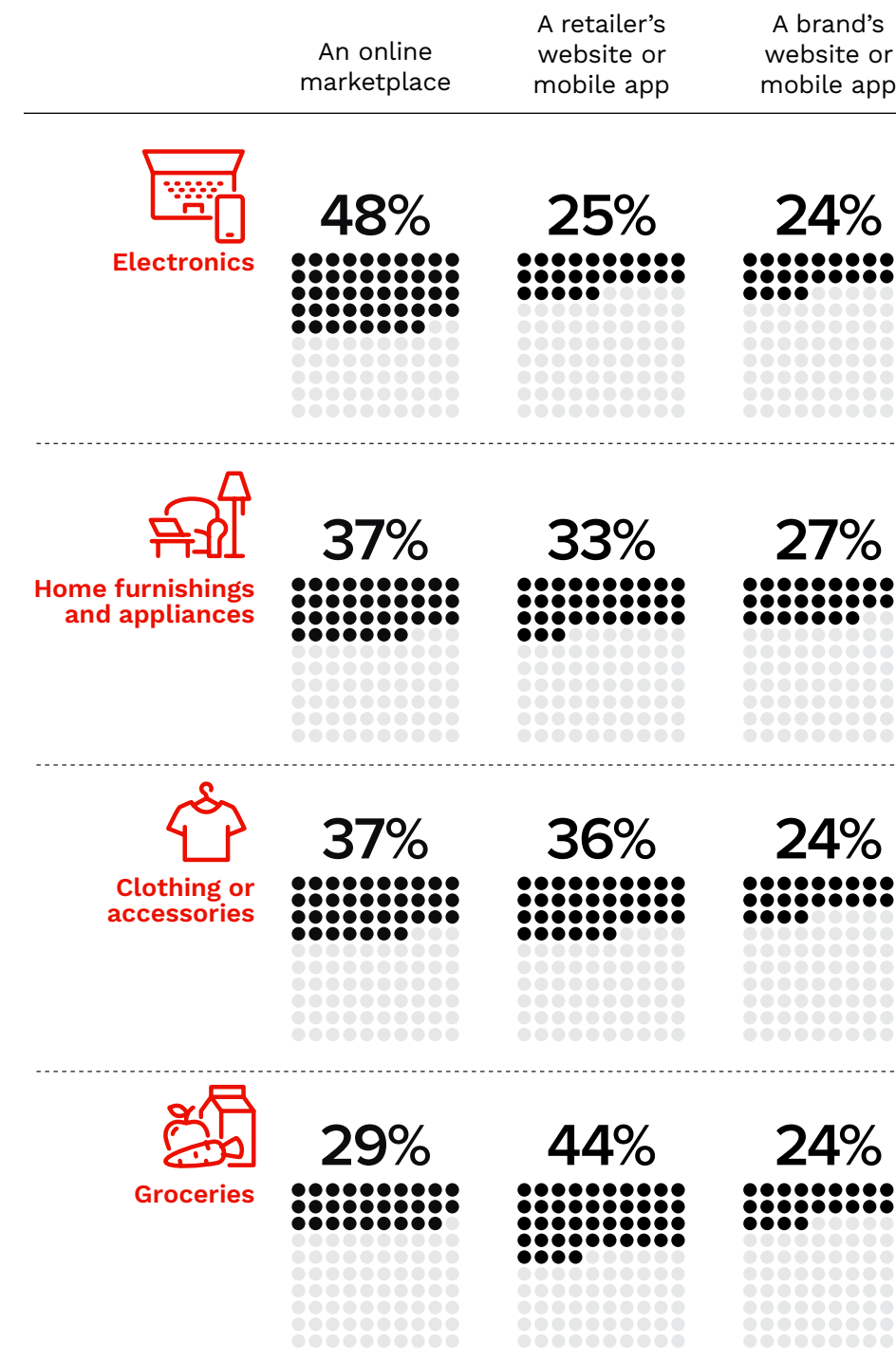
The right spot for the right price: Consumers' online shopping preferences suggest they shop where they think they can find favorable deals.

When considering shopping trends for essential versus discretionary items, consumers seem to flock to online platforms where they believe they can find the most favorable deals. For instance, 48% of consumers prefer to purchase electronics on online marketplaces, a share significantly higher than seen among other channels, and 37% prefer online marketplaces when shopping for home furnishings and appliances. Consumers' store preferences are more evenly distributed when shopping for clothing and accessories: 37% prefer online marketplaces, 36% prefer retailers' websites or apps and 24% prefer brands' websites or apps. This suggests consumers turn to platforms they think may offer better discounts or checkout experiences.

FIGURE 7:

Where consumers buy retail products

Share of consumers citing the type of online store where they would purchase select retail products



Source: PYMNTS Intelligence

How Preferred Payment Availability Can Reduce Cart Abandonment, February 2024
 N = 2,063: Complete responses, fielded Oct. 10, 2023 – Oct. 17, 2023

ACTIONABLE INSIGHTS



01

Cart abandonment is an issue across all online shopping platforms, and lack of payment options is often the culprit. Having access to their preferred payment method is a significant factor in consumers' choice of online store. Platforms looking to minimize cart abandonment should set their sights on providing a seamless and convenient payment process. However, managing multiple payment options can be complex and requires a technology solution to simplify that complexity to drive business growth and profitability.



02

On average, millennials and Gen Z consumers abandon a shopping cart five times as often as baby boomers and seniors when shopping for clothes and accessories, an indication that they tend to put purchases on hold while they comparison shop across online merchants. This suggests that simplifying the payment process could be a key strategy for reducing cart abandonment among younger consumers. By prioritizing user-friendly, efficient checkouts, online shopping platforms can significantly influence consumer decisions and foster greater loyalty.



03

Consumers turn more to online marketplaces when purchasing discretionary items and retailers' sites for essentials such as groceries. They appear to frequent particular platforms because they believe they can find the most favorable deals or better checkout experiences. This suggests these platforms likely offer their preferred payment methods, lowering their risk of cart abandonment.

METHODOLOGY

How Preferred Payment Availability Can Reduce Cart Abandonment, a PYMNTS Intelligence and Adobe collaboration, explores U.S. consumers' shopping preferences when completing purchases online. We surveyed 3,521 U.S. consumers between Oct. 10, 2023, and Oct. 17, 2023, to examine and analyze their actions, choices and behaviors when shopping online. Our sample was balanced to match the U.S. adult population in a set of key demographic variables: 60% of respondents identified as female, 36% were college-educated and 41% declared incomes of more than \$100,000 per year.

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ABOUT

PYMNTS INTELLIGENCE

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