

Wrapping up: How will customers' payment preferences impact the experience economy in 2023 and beyond?

The digitalisation of commerce and payments upended the balance of power between merchants and consumers firmly in the latter's favour a long time ago. That's not news.

But the challenges brought on by the turbulent 2020s — specifically the COVID-19 pandemic, followed by the cost-of-living crisis and ensuing economic uncertainty — have arguably entrenched consumers' dominant position once and for all.

Today's customer is more knowledgeable, informed, and discerning than ever before. They have extremely clear priorities and expectations when it comes to buying and paying online, and they won't think twice about walking out of a merchant's virtual doors if the payment experience doesn't meet those priorities and expectations.

So what does this mean for the future of the experience economy and, more specifically, for merchants?

The results of our research are unequivocal.

Consumers want value for money.

They want secure, reliable, and frictionless payment experiences.

Most important of all, they want to feel in control. Which means being able to pay using their method of choice, whether that's a debit card, a credit card, or, increasingly, a mobile wallet, a digital wallet, or eCash.

That's not to say that, once consumers have decided how they like to pay, their preferences are set in stone.

At one point, for instance, mobile wallets were new and untested technologies, but their use is now so widespread most consumers believe they'll replace cards within the next ten years. Similarly, in the case of AR and VR-driven payments, our research clearly shows consumers do have open minds.

What's becoming more clear, though, is that merchants, payment service providers, and other industry stakeholders can't expect an open mind to turn into enthusiasm for a technology on its own.

Whether consumers use a payment method and, indeed, purchase from a particular merchant depends a lot on trust. So, regardless of the economic outlook or any other challenges the coming years will bring, educating consumers about the benefits of new technologies and tackling their concerns head-on is absolutely critical to success.

Survey methodology

This report forms part of our annual Lost In Transaction consumer research series, which we've released every year since 2017. We conducted this year's research in conjunction with Sapio Research in April 2023, using an email invitation and online survey.

In total, Sapio Research interviewed 14,500 consumers in the US, UK, Canada, Germany, Austria, Italy, Bulgaria, Mexico, Colombia, Argentina, Peru, Ecuador, Chile, and Brazil. The participants were split into representative samples by age and gender.

The results are accurate to $\pm 0.8\%$ at 95% confidence limits. This means that, had we interviewed every single person on Earth in every group represented in our research, there'd be a 95% chance that the results wouldn't vary by more than 0.8%.