

While consumers still have an appetite for experiences and other discretionary spending, the current economic uncertainty is influencing their buying behaviour.

Most consumers are streamlining their budgets and rethinking when and how they should spend. As a result, their priorities and preferences have shifted in two important ways. First, they're increasingly on the lookout for deals. And second, they're switching to payment methods that give them more control.

2.1 Looking out for a bargain

Two-thirds of respondents (67%) told us they're more likely to make purchases during Black Friday and other seasonal sales or discounting events, where they have a greater chance of getting a better deal.

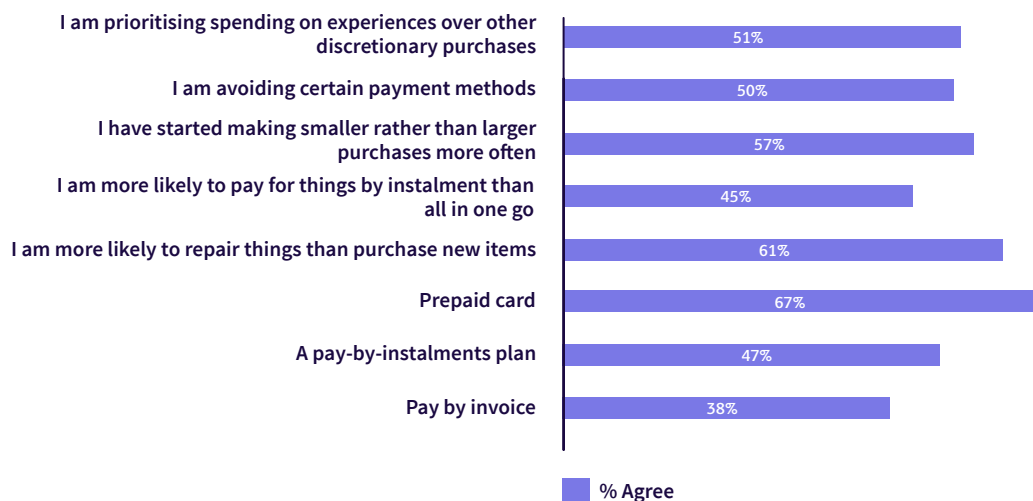
Customers are also more mindful of whether they should shop at all. 61% are more likely to repair an item than replace it with a new one, while 47% report having had second thoughts and abandoning their carts due to budget constraints.

These findings are a strong indicator that compelling promotions will likely be hugely important for incentivising more customers to buy moving forward.

Equally, the need to streamline the checkout experience is more pressing than ever.

Consumers were already comfortable abandoning their carts before the cost-of-living crisis hit. Now that they have the additional concern of tight budgets on their minds, they'll be even more likely to do so if they're hit with surprise shipping fees, can't use their preferred payment methods, or encounter other friction points at the checkout.

Consumers' agreement with the following statements



2.2 Understanding consumers' online payment preferences

As in 2022, debit cards are the most popular online payment method. 70% of respondents who have used debit cards for online purchases in the last year say it's their preferred way to pay online. 53% of credit card users rank this as their most popular payment method, followed by 41% of digital wallet users saying this is their preferred way to pay, making these the second and third most popular payment methods.