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PYMNTS surveyed approximately 2,300 American adults for the 2019 Remote Payments Study, then analyzed the results to gain a firsthand account of how they use technology to make the most of their shopping experiences. The result was important, actionable insights into modern consumers' daily shopping habits.



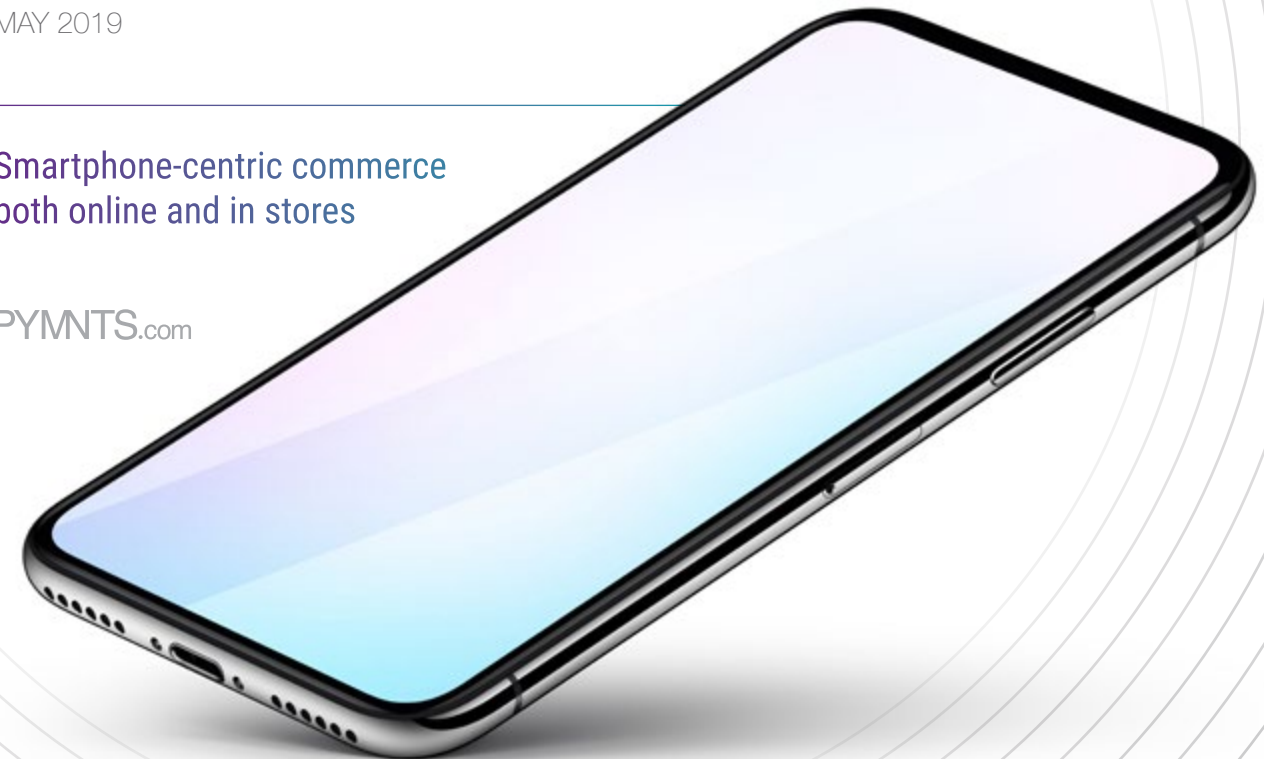
# REMOTE PAYMENTS

MAY 2019

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Smartphone-centric commerce  
both online and in stores

PYMNTS.com



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as well as the methodology and data analysis.

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## INTRODUCTION

# BORDERS BOOKSTORE CLOSED ITS DOORS FOR GOOD IN 2011.

The then-40-years-young national bookseller had not turned a profit since 2006, but was a titan in its day.<sup>1</sup> Its massive brick-and-mortar stores and accompanying shelf selection gave it a competitive advantage back before buying books online became the norm, and it operated as many as 12,000 locations at its peak.<sup>2</sup> Then came the eCommerce revolution, and suddenly big stores with big overhead costs were financial liabilities.

The problem was compounded by Borders' decision to invest heavily in stocking its stores with DVDs and CDs, a move it made just before video and music streaming became mainstream — another ill-timed investment that ended up contributing to its demise.<sup>3</sup>

It would be wrong to blame eCommerce's rise for Borders' collapse, however. Competitor Barnes & Noble has managed to keep from going under in today's connected economy, after all, and once-exclusively eCommerce giant Amazon has managed to successfully open brick-and-mortar Amazon Books bookshops.

These success stories mean it is thus necessary to reframe Borders' end: Investing in brick-and-mortar merchandizing did not kill the bookseller. Failing to invest in digital technology did.

The crux of this lesson is just as important in 2019 as it was at the end of the aughts, with one important addendum: It is no longer just digital technology in which businesses must invest, but also mobile. Those that fail to do so risk losing their competitive edges and going the way of Borders in late 2011.

Smartphones are now the center of most consumers' social and digital lives, and every retailer is expected to take that into account

when forming its business strategies. On a more basic level, the constant connectivity smartphones enable has created a new market standard and reshaped the economy. Consumers now expect their needs to instantaneously be met, whenever and wherever they please.

So, how has the smartphone's ubiquity altered consumers' demands, and how does that relate to what they expect from their payments?

Modern consumers anticipate using smartphones to bolster every part of their shopping experiences. Many begin and end such endeavors on their devices, with 45.3 percent of those who make purchases through smartphones finding their items while browsing on them.

Consumers aren't just tapping smartphones when shopping online, but also to enhance their brick-and-mortar experiences. In fact, 46.8 percent of consumers who use their smartphones to shop in stores use

<sup>1</sup> Noguchi, Y. Why Borders failed while Barnes & Noble survived. NPR. 2011. <https://www.npr.org/2011/07/19/138514209/why-borders-failed-while-barnes-and-noble-survived>. Accessed May 2019.

<sup>2</sup> Osnos, P. The end of Borders and the future of the printed word. The Atlantic. 2011. <https://www.theatlantic.com/business/archive/2011/07/the-end-of-borders-and-the-future-of-the-printed-word/242545/>. Accessed May 2019.

<sup>3</sup> Noguchi, Y. Why Borders failed while Barnes & Noble survived. NPR. 2011. <https://www.npr.org/2011/07/19/138514209/why-borders-failed-while-barnes-and-noble-survived>. Accessed May 2019.





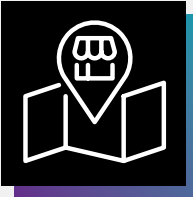
those smartphones to find offers and discounts. Another 43.3 percent use them to look up product information, and 33.6 percent to compare prices at other retailers.

In the 2019 edition of our Remote Payments Study, PYMNTS surveyed more than 2,300 American consumers to learn how they use desktop or laptop computers and smartphones to shop both online and in stores. In follow-up to the 2018 edition, we considered

not only whether consumers had first located their latest purchases online or in stores, but also which digital channels they used when doing either.<sup>4</sup> We tracked where they first discovered products, or if they knew what they wanted before they went shopping. We also analyzed whether they paid for purchases on their phones, desktop or laptop computers, in-store kiosks or with in-store employees, as well as which payment methods they used.

<sup>4</sup> Remote Payments Study. PYMNTS.com. 2018. <https://www.pymnts.com/study/remote-payments-study-2018/>. Accessed May 2019.

Here are the key findings:



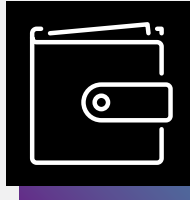
Consumers tend to purchase through the channels on which they shop – with exceptions.

Respondents used a wide array of channels to buy goods, but those who purchased items on smartphones were most likely to have first found them on smartphones. Meanwhile, those who paid for their most recent purchases in stores were most likely to have first found those items in stores. This holds true regardless of the channel used to buy goods and services.

Sixty-three percent of the consumers who first discovered their last retail purchases in physical stores ended up paying in those stores, for example. Just 24.5 percent purchased items they'd found in stores on their smartphones, and 26.2 percent purchased them on their personal computers.

Similarly, 27.2 percent of those who originally found the last food items they purchased while browsing via personal computers paid for them via personal computers. By comparison, only 6.9 percent of those who discovered such items in physical stores ended up paying for them via their personal computers.

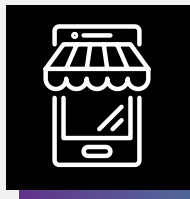




### More consumers are downloading mobile wallets, but they aren't using them to purchase.

The share of consumers who had set up at least one mobile wallet on their smartphones increased by 15.5 percent between Q3 2018 and Q1 2019, rising from 33.5 percent to 38.7 percent. That doesn't mean they are using them to make purchases, however. Just 5.6 percent of those whose last purchases were retail items used mobile wallets to pay for such transactions, as did 4.1 percent who bought food items. In comparison, 27.4 percent of consumers whose last purchases were food paid with credit cards and 39.1 percent with debit.

They also tend to prefer using card-on-file options and credentials stored in browsers when purchasing in apps, on websites and on their devices. While 46.4 percent of consumers who paid via mobile in Q1 2019 used payment information stored on their devices, 26.2 percent did so using that in their web browsers. Another 17.1 percent bought using information stored in apps, and 10.3 percent paid using card-on-file credentials on merchants' websites.



### Consumers are using their smartphones to enhance their in-store shopping experiences.

As much as 46.8 percent of shoppers who used their smartphones while browsing for items at brick-and-mortar locations did so to access merchant discount offerings, 43.3 percent to look up product information on site and another 33.6 percent to compare prices at other retailers.



### Those who use smartphones while shopping in stores more frequently visit brick-and-mortar locations.

Interestingly, and in contrast with the popular narrative that pits eCommerce as physical shops' enemy, consumers who use their smartphones to help them while shopping in stores tend to visit brick-and-mortar locations more often than those who do not. An impressive 81.4 percent of respondents who shop in stores with their smartphones visit physical stores on a weekly or even daily basis, compared to 69.1 percent among those who never do.



### Consumers who pay remotely tend to earn more than \$50,000 per year and spend more than other consumers.

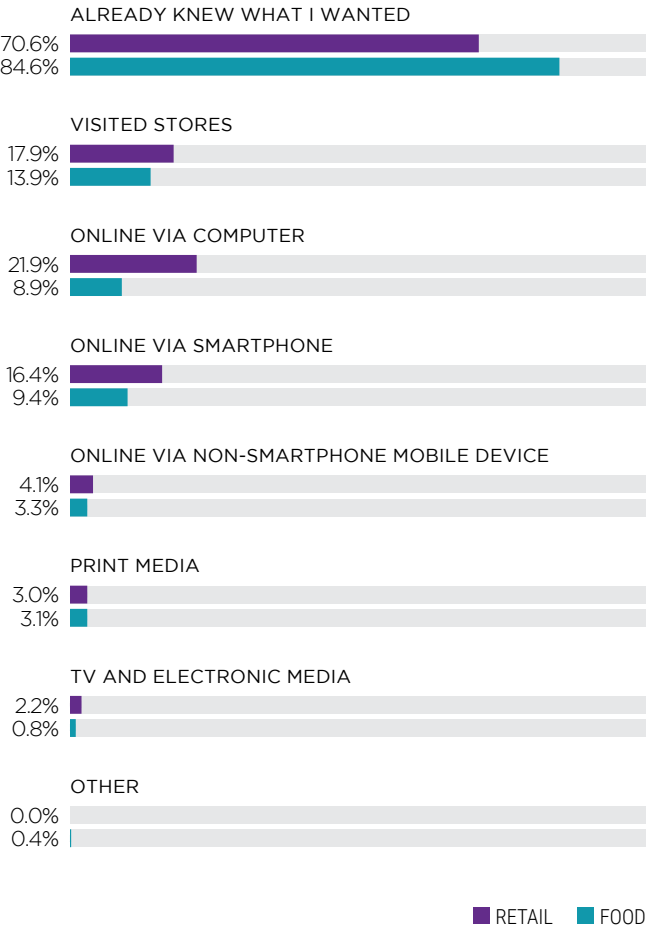
The most ardent remote shoppers earn more than \$100,000 per year and make up 50.5 percent of the consumers whose last retail buys were purchased remotely. Just 39.2 percent of this group earned between \$50,000 and \$100,000 per year, and even fewer — 10.4 percent — earned below \$50,000 per year.

Consumers who earn more than \$100,000 per year also tend to spend more on their remote purchases than those who shop in stores. In fact, 66.7 percent of those who made remote purchases recently spent between \$25 and \$499, while just 50.7 percent of those who paid in stores did the same.

The following pages will detail how consumers use the technology at their disposal to browse items, compare prices, earn rewards or discounts and much more, all while moving seamlessly between brick-and-mortar and online shopping experiences. This report seeks to provide a comprehensive roadmap for the eTailers looking to understand the digital channels in which they should invest, as well as showcase how they can gain a competitive edge in 2019 and beyond.

# PAYING VIA SMARTPHONE, ONLINE AND IN STORES

**FIGURE 1:**  
**Where and how consumers shop for goods and services**  
Share who reported finding their most recent purchases  
online or in stores

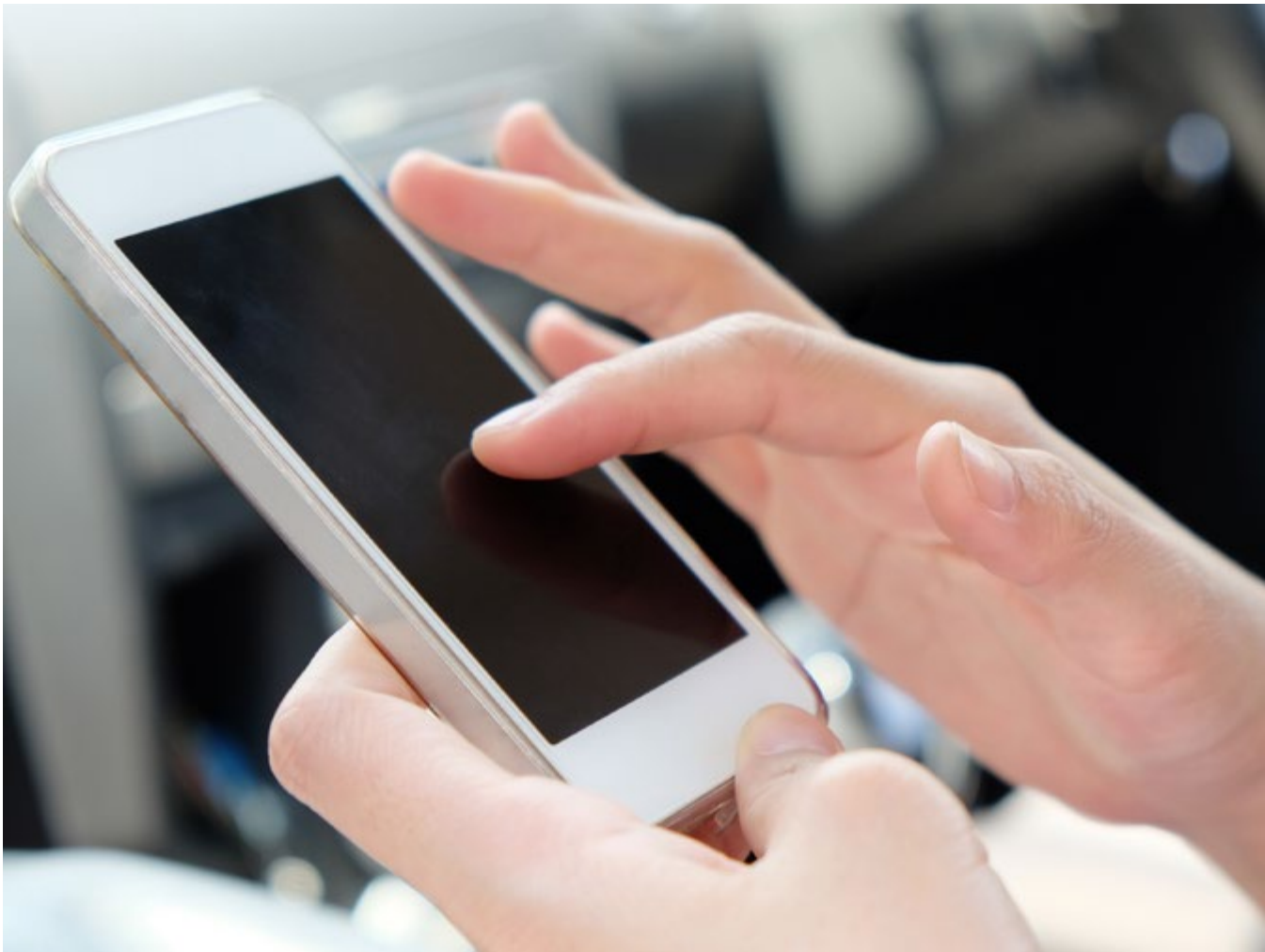


Consumers like browsing for products, but not when making mundane purchases. Shoppers buy essential items like milk, eggs and butter every time they go to grocery stores, while non-essential retail purchases — like computers, suits or briefcases — are generally weighed, considered and compared to others on the market. Shopping for and purchasing these items requires a very different mindset.

We first asked our survey respondents to specify if they knew what they wanted to buy before they went shopping for their most recent purchases, or had simply come across their items while casually browsing online or in stores. Those buying food at restaurants or otherwise were more likely to know what they wanted before shopping, cited by 84.6 percent of the group who last purchased food. Just 70.6 percent of those who last purchased retail goods said the same.

In comparison, retail shoppers were considerably more likely to have found their latest purchases while browsing the web on personal computers, cited by 21.9 percent. Just 8.9 percent whose last purchases were food items said the same.





22.5%  
OF CONSUMERS  
BOUGHT THEIR  
LAST RETAIL  
PURCHASES  
REMOTELY VIA  
SMARTPHONES.

This makes sense. Food purchases are largely premeditated compared to those for retail purchases, and also concern very different products. Consumers would understandably be hesitant to buy fruits and vegetables online, where they are unable to physically inspect the products’ quality. It is far less risky to purchase a shirt that may not fit from a retailer’s website than to buy a potentially rotten tomato from an online grocer.

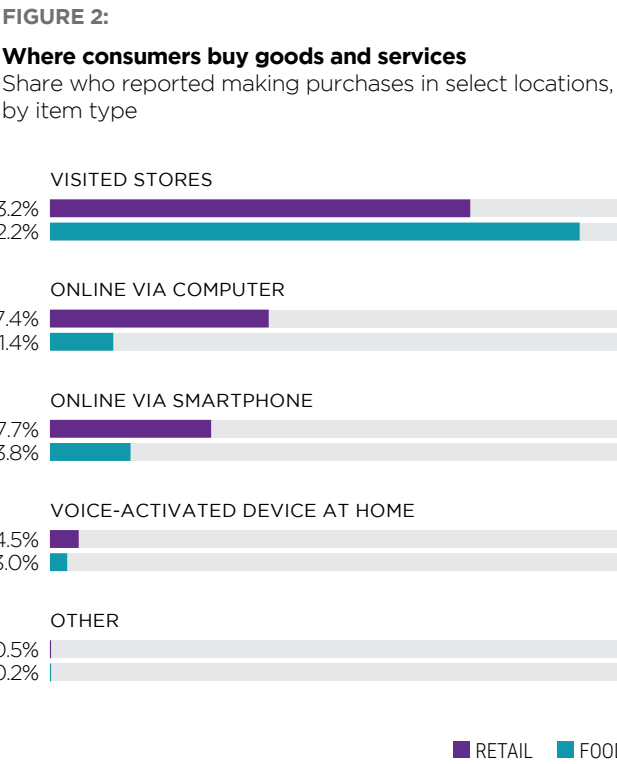
Our data appears to support this hypothesis. As much as 92.2 percent of respondents whose last purchases were food items completed their transactions in physical locations, according to our survey. Just 73.2 percent of those who last bought retail items did the same.

Conversely, consumers whose last purchases were retail items were far more likely to have completed those transactions using

personal computers (37.4 percent) or smartphones (27.7 percent) than those who last made food purchases (11.4 percent and 13.8 percent, respectively). Just because a consumer buys an item in a physical store does not necessarily mean he originally found it there, however. He could just as easily have seen it on his favorite merchant’s website and gone to the nearest store to obtain it.


We also observed an apparent connection between how consumers browse and shop for goods or services and the ways they choose to pay for them. Those who found goods and services in stores or online tended to purchase in the same places, but this varied by degree and whether they were using smartphones, laptops or other connected devices at the time.

When shopping for food items, for example, consumers were most likely to pay employees at physical locations when they knew what they wanted before shopping or had seen their items in television commercials or heard about them from friends.<sup>5</sup> As much as 67.4 percent and 67.2 percent of those who discovered their items in this manner reported doing so, respectively.



<sup>5</sup> Both of these would constitute examples classified in the “Other” category in Table 1.

**TABLE 1:**  
**How consumers browsed and paid for goods and services**  
The ways consumers reported finding and paying for their latest purchases, by channel

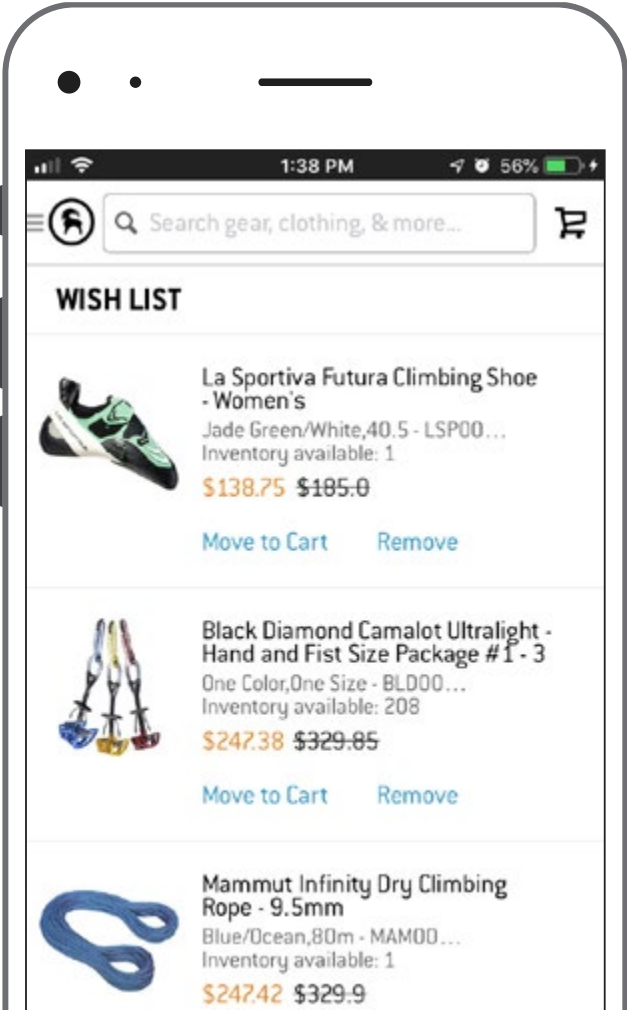
 CHANNEL	Already knew what I wanted	Online via computer	Online via smartphone	Visited stores	Other method
RETAIL					
Employee in store	42.1%	6.6%	11.3%	43.6%	3.6%
Online via computer	21.1%	76.8%	21.0%	25.6%	53.7%
Online via smartphone	19.9%	13.7%	54.7%	22.2%	42.6%
Kiosk in store	14.9%	2.2%	13.0%	8.1%	0.0%
Other	2.0%	0.7%	0.0%	0.5%	0.0%
FOOD					
Employee in store	67.4%	24.5%	26.2%	63.0%	67.2%
Online via computer	6.3%	27.2%	11.5%	6.9%	15.6%
Online via smartphone	11.0%	39.6%	49.0%	13.7%	6.4%
Kiosk in store	13.3%	6.0%	10.7%	13.9%	10.7%
Other	2.0%	2.1%	2.7%	2.6%	0.0%

The story was similar for consumers whose most recent purchases were in retail, including clothing, books, games, cosmetics, health-related goods and more. Consumers who first found their latest purchases in stores were also more likely to pay with

in-store employees, but far less likely to do so than those whose latest purchases were food items: 42.1 percent of consumers who knew what they wanted before they set out to shop ended up paying with employees in stores.

In the same vein, digital browsing appears to beget digital purchasing. Consumers who discovered their most recent purchases via desktop or laptop computers were most likely to have paid for their purchases on desktop or laptop computers. This was the case for as much as 76.8 percent of them. Similarly, 54.7 percent of those who discovered their last retail purchases using their mobile phones ended up paying with their mobile phones.

This was also true when it came to buying food. Forty-nine percent of the respondents who discovered their most recent food pur-



76.8%  
OF CONSUMERS  
WHO DISCOVERED  
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PURCHASES ON  
THEIR COMPUTERS  
PAID REMOTELY  
VIA PERSONAL  
COMPUTERS.

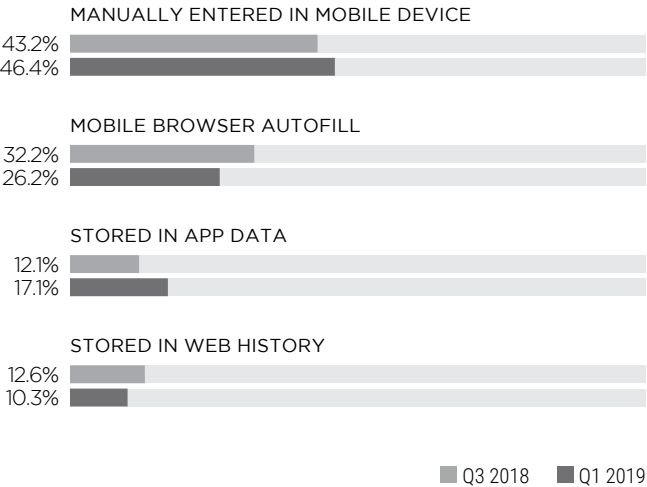
chases while browsing on mobile phones paid with mobile phones, for example, and 39.6 of those who discovered the items via computers paid using mobile phones. In addition, 27.2 percent of respondents who discovered their items using personal computers paid with personal computers, and 11.5 percent of those who did so using smartphones paid with personal computers.

In an environment in which consumers' physical store and online interactions are interwoven, mobile phones appear to be increasingly important in bridging the two.

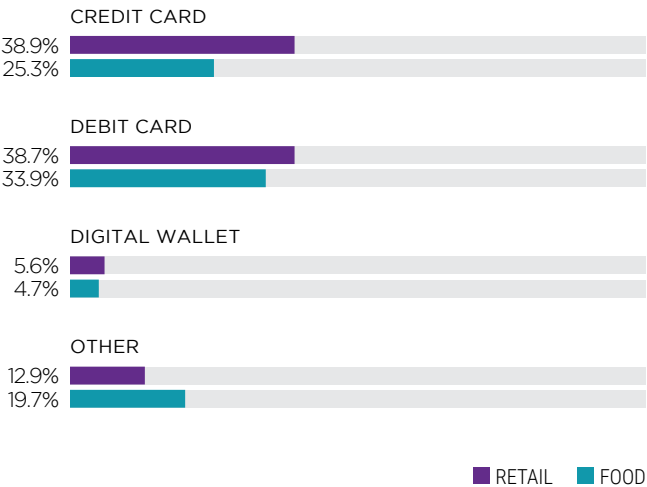


# MOBILE PAYMENTS, UNDER THE MICROSCOPE

**FIGURE 3:**  
**How consumers pay for goods and services with their smartphones**  
Share whose payment information was entered into payment systems in select ways, by method



**FIGURE 4:**  
**How consumers pay for goods and services with their smartphones**  
Share who used select payment methods to pay via mobile, by purchase type



Whether shopping online or in stores, consumers appear to want to pay for their purchases in the fastest and most efficient ways possible. Our Q1 2019 report found that 16.4 percent of all respondents completed their most recent purchases through their smartphones, either paying with them in stores at points of sale or remotely on couches, public transit rides or elsewhere.

Perhaps even more interesting is consumers' choice of payment methods when using those phones, as debit and credit cards rule. This is because users often store payment information in their browsers, mobile apps and on websites. Merchants like this, too, prompting consumers to store their credentials after their first purchases to encourage easy, repeat business.

The most common way consumers made purchases in Q1 2019 was using payment information they entered manually through their mobile devices, though. This was the case for 46.4 percent of survey respondents, an increase from the 43.2 percent noted in Q3 2018.

Meanwhile, 26.2 percent of our Q1 2019 respondents reported using payment information stored in their browsers, 17.1 percent

paid with that stored in merchants’ mobile apps and 10.3 percent used information stored on merchants’ websites. These figures were 32.2 percent, 12.1 percent and 12.6 percent in Q3 2018, respectively.

In other words, consumers more commonly made purchases using information they entered manually on their mobile devices and stored in mobile apps between Q3 2018 and Q1 2019, and less commonly used that stored in their mobile browsers and on merchants’ websites. This could signal an increase in overall usage of mobile apps and mobile for retail and food purchases that could go beyond Q1 2019.

Consumers were also more likely to have paid with smartphones using stored credit card information if their last purchases were retail items. As much as 38.9 percent of those whose last purchases were retail products used credit and paid via smartphones, while just 25.3 percent of those who last purchased food did the same.

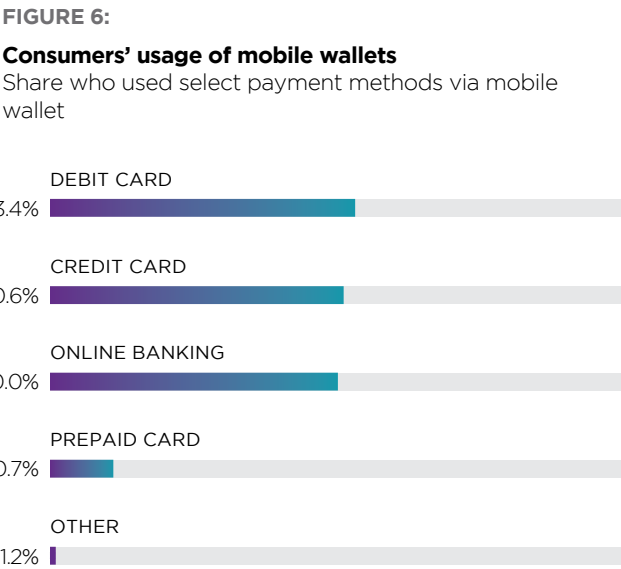
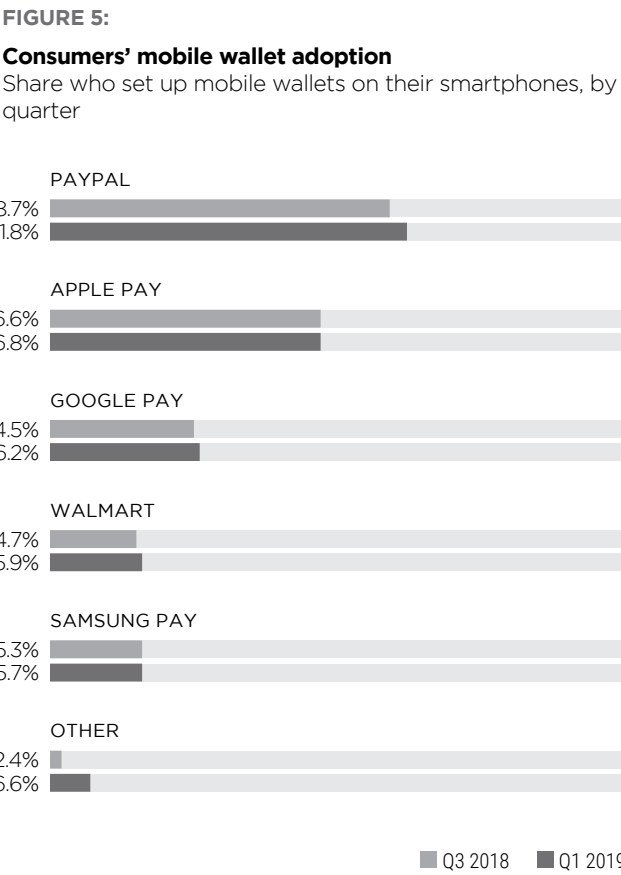
Debit cards were the second-most popular method of paying for retail items with smartphones, but the most popular way to pay for retail products when doing so via phone calls. According to our findings, 38.7 percent of consumers whose last purchases were

retail products used debit to pay via smartphones, as did 33.9 percent of those who purchased food items.

Mobile wallets were barely in the picture, however. Just 5.6 percent of consumers whose last purchases were retail items and 4.7 percent of those whose last purchased food paid with them. Consumers are downloading more mobile wallets than ever – including Apple Pay, Google Pay, PayPal and Walmart Pay, among others – but are just are not using them to buy.

The share of consumers who had connected PayPal accounts to their smartphones increased from 58.7 percent to 61.8 percent between Q3 2018 and Q1 2019, and those for Apple Pay and Google Pay increased from 46.6 percent and 24.5 percent to 46.8 percent and 26.2 percent, respectively, during the same period. These were the three most-downloaded mobile wallets.

Interestingly, the two most popular ways to pay via mobile wallet – debit and credit cards – also power most mobile payments. As much as 53.4 percent of consumers who use mobile wallets do so to pay with their debit card information and 50.6 percent to pay with that for their credit cards. Fifty per-



61.8%  
OF CONSUMERS  
WHO HAVE  
MOBILE WALLETS  
HAD SET PAYPAL  
UP ON THEIR  
SMARTPHONES  
IN Q1 2019.

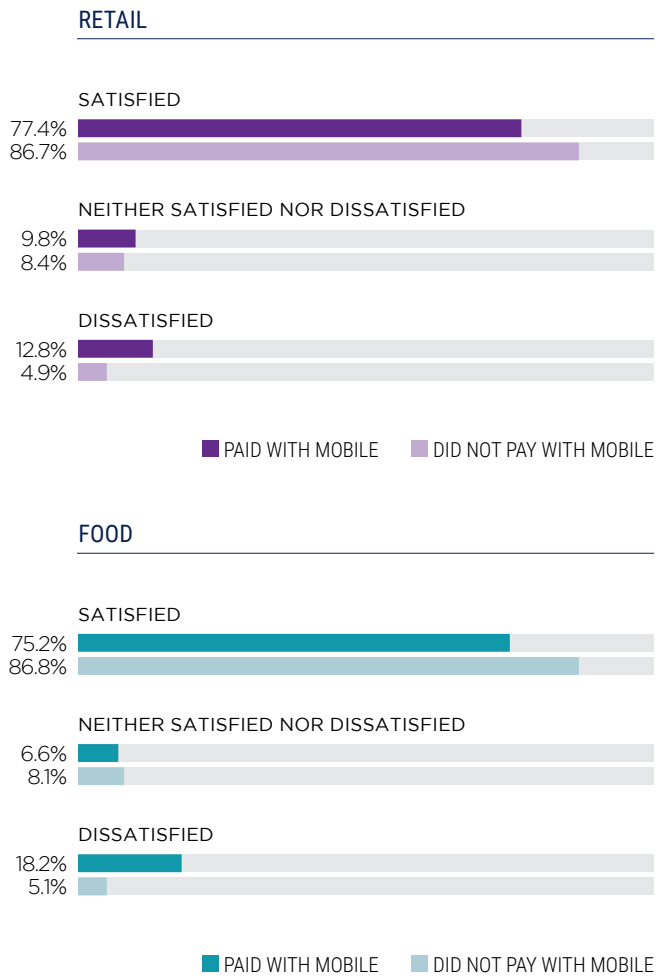
cent connect their mobile wallets directly to their bank accounts.

That said, mobile wallet adoption is still a work in progress. As few as 5.6 percent of consumers used one to make their last retail purchases, and just 4.7 percent did so to complete their most recent food transactions. It is also important to remember that as popular as mobile payments became in Q1 2019, they are still considerably less so than more traditional payment options. This is in part because consumers are simply more satisfied with non-mobile payments.



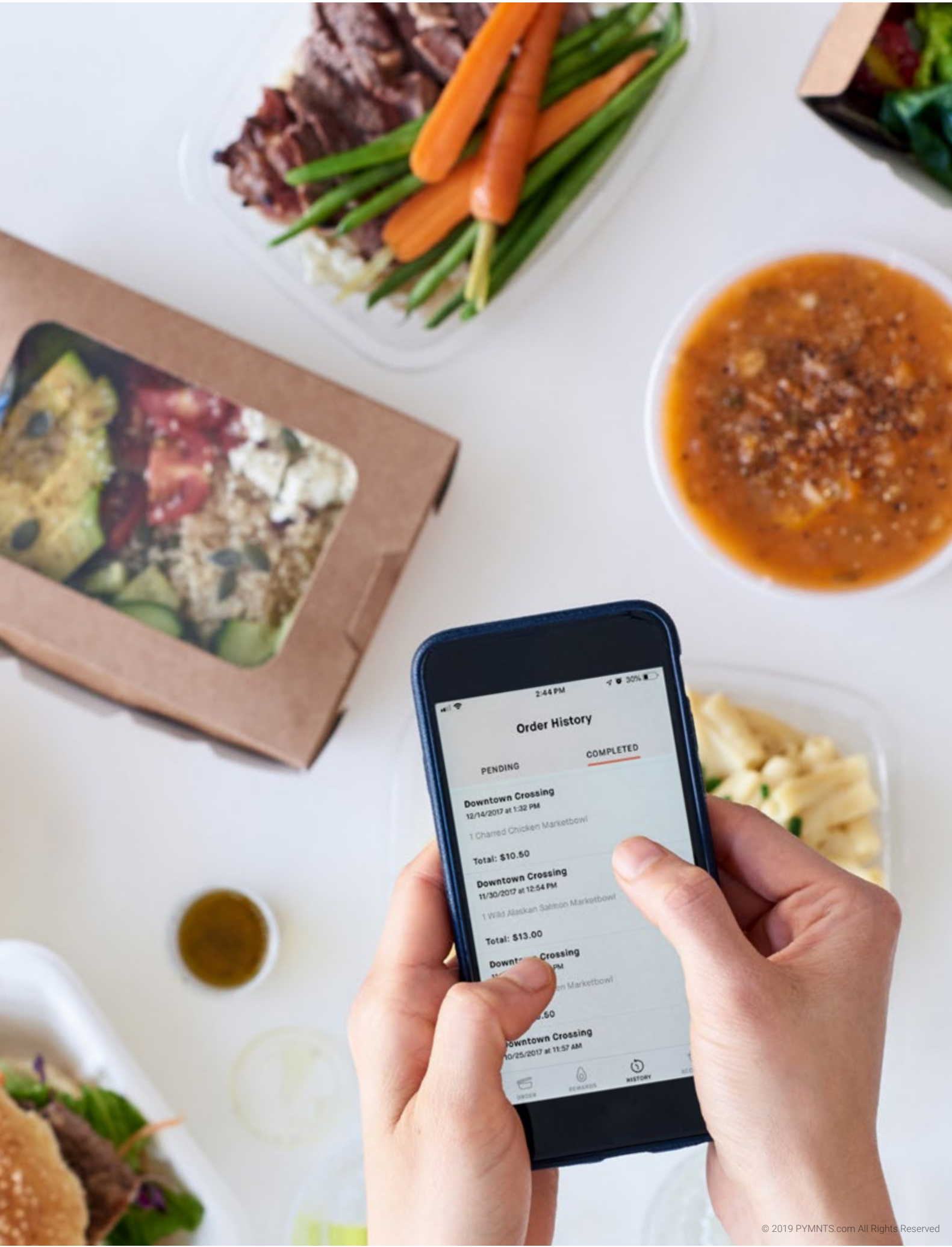


**FIGURE 7:**  
**Consumers' satisfaction with mobile and non-mobile payments**  
Share who reported varying satisfaction levels with payment methods, by mobile device usage



That’s not to say the consumers who make mobile payments are unsatisfied, as 77.4 percent of those whose latest purchase were retail products and who used smartphones to pay report being “somewhat” to “extremely” pleased with them. This is slightly more than the 75.2 percent whose last purchases were food items. The share of consumers who said they were “dissatisfied” with mobile payments is also lower among those whose last purchases were retail items: 12.8 percent versus 18.2 percent.

Nevertheless, that future is still a long way off. Mobile payments may be gaining popularity, but are still far from the most popular method available.

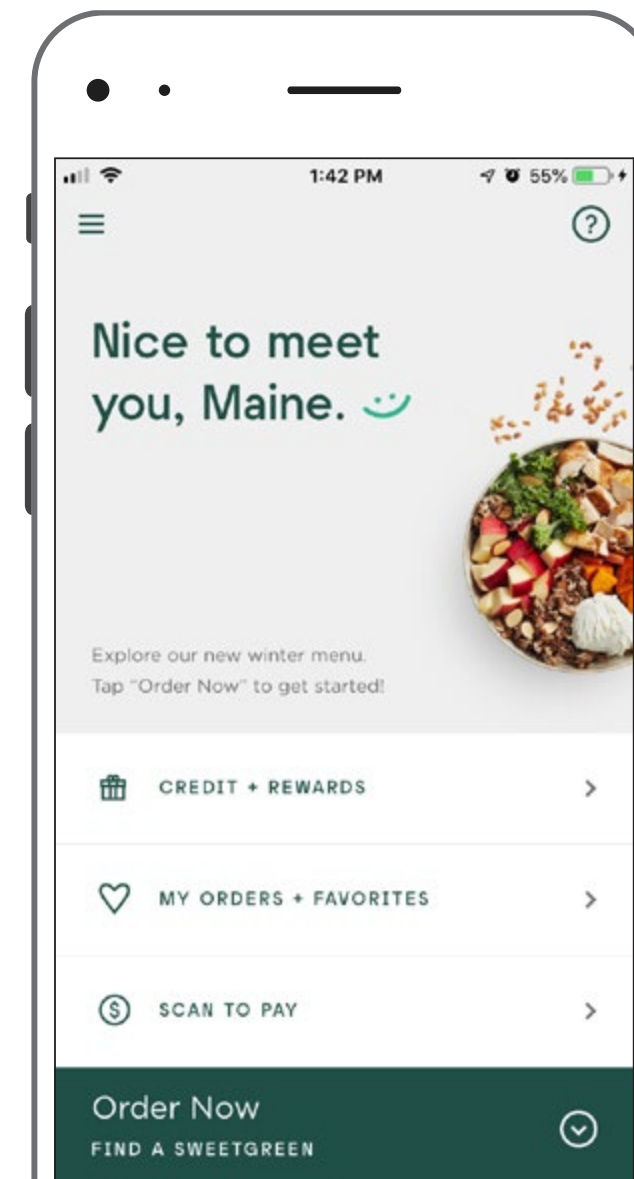




# BRINGING BRICK AND MORTAR BACK: SMARTPHONES AS IN-STORE FEATURES

Many have predicted that eCom-  
merce and smartphone shopping's  
rise will eventually lead to tradition-  
al stores' end, with physical retailers forced to  
compete and fail against eTailers whose met-  
aphorical doors are always open. The results  
from our survey refute the popular narrative  
pitting eCommerce as brick-and-mortar re-  
tail's enemy, however, and instead suggest  
quite the opposite: that smartphones can ac-  
tually increase brick-and-mortar foot traffic.

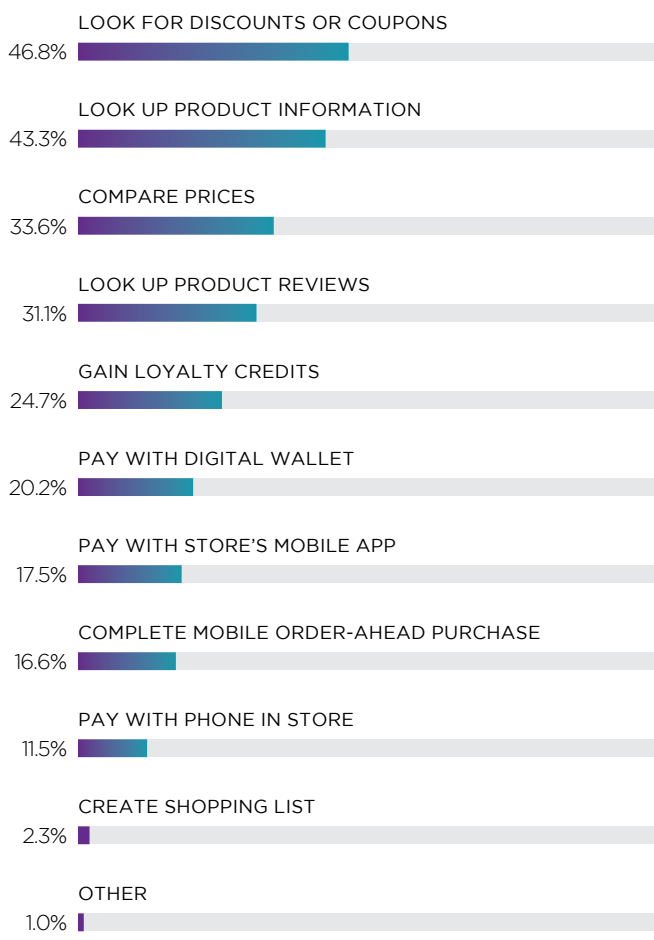
48%  
OF CONSUMERS  
WHO OWN  
SMARTPHONES  
USE THEM  
WHILE SHOPPING  
IN STORES.



Not only did our respondents use smart-  
phones to enhance their in-store shopping  
experiences, but those who browsed mer-  
chants' inventories and apps remotely via  
smartphones also tend to visit their phys-  
ical stores more frequently than those who  
did not. Of the 85.5 percent of our respon-  
dents who reported having smartphones,  
48 percent say they use them to help when  
shopping at brick-and-mortar stores.

There is no shortage of ways in which con-  
sumers use smartphones while in physical  
shops, either. Looking for discounts was the  
most common while shoppers browsed for

**FIGURE 8:**  
**What consumers mean when they say they use their phones to shop**  
Share who use their smartphones for select purposes while shopping and/or buying in stores

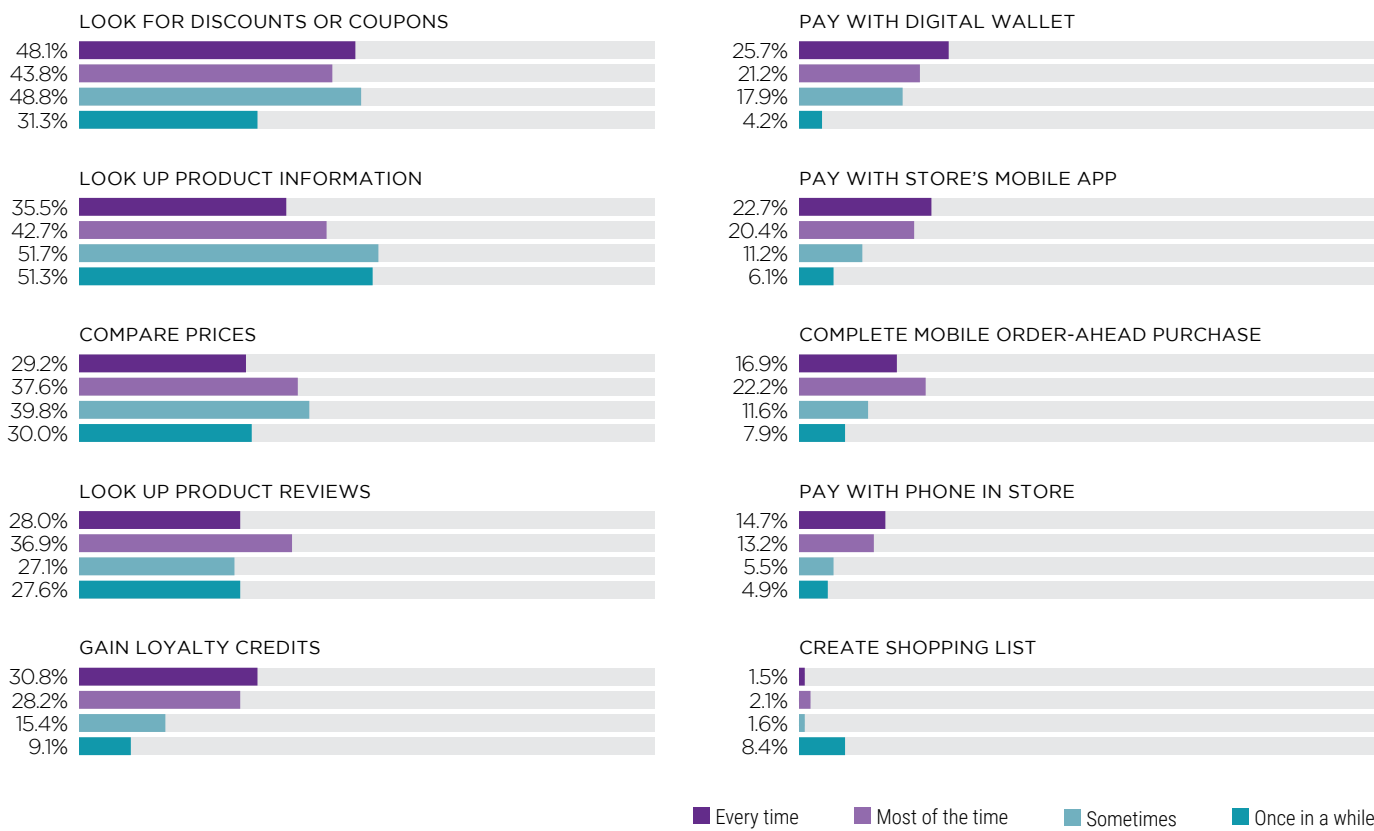


or bought goods at brick-and-mortar locations, cited by 46.8 percent of all consumers who use smartphones while shopping in stores. This was followed by the 43.3 percent who look up product information, 33.6 percent who compare prices at other retailers and 31.3 percent who look up product reviews.

Consumers who use their smartphones more often when shopping in stores are also more likely to use them for pretty much everything else. Those who use theirs every time they browse or buy at physical stores are the most likely to search for coupons and discounts, for example, cited by 48.1 percent. By comparison, just 43.8 percent of those who use their smartphones during most of their trips to physical stores said the same.



**FIGURE 9:**  
**How consumers use their phones to shop**  
Share who use smartphones for select purposes while shopping in stores, by usage frequency



In a similar vein, 24.7 percent of respondents who use smartphones while shopping in stores say they do so to gain loyalty credits when purchasing, and 20.2 percent use them to pay with digital wallets. Among consumers who used smartphones in stores most of the time, these figures were 28.2 percent and 21.2 percent, respectively.

Three functions tend to be tapped more often among consumers who less frequently use their smartphones when shopping in stores: looking up product information, comparing prices and viewing or making shopping lists.

In-store smartphone usage also seems to impact brick-and-mortar foot traffic, as consumers who frequently use them while

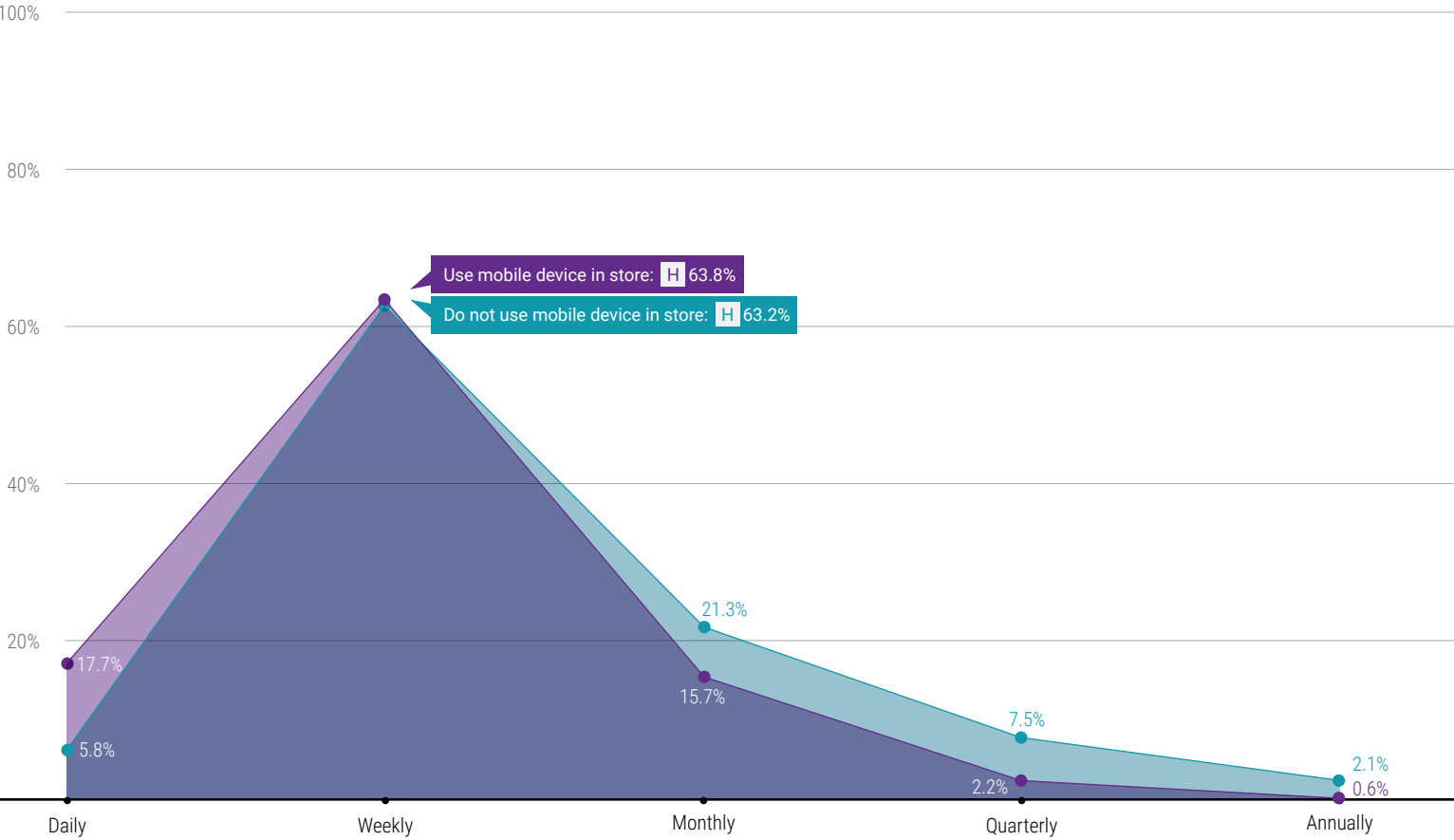
shopping at such locations visit stores more often than those who do not. When asked how often they visit brick-and-mortar shops, 17.7 percent of consumers who used smartphones in stores said they do so daily. This is a considerably higher share than the 5.8 percent registered among those who do not use smartphones in stores.

In-store smartphone users are less likely to frequent brick-and-mortar shops monthly,

quarterly or annually, too: 15.7 percent go to physical locations monthly, compared to the 21.3 percent of those who never use smartphones in stores who said the same. Another 2.2 percent of in-store smartphone users visit brick-and-mortar shops quarterly, and 0.6 percent do so yearly.

Thus, the key to reviving the brick-and-mortar retail market just might lie in enhancing mobile shopping experiences.

**FIGURE 10:**  
**How in-store smartphone usage relates to consumers' shopping habits**  
Share who visited brick-and-mortar locations, by in-store smartphone usage





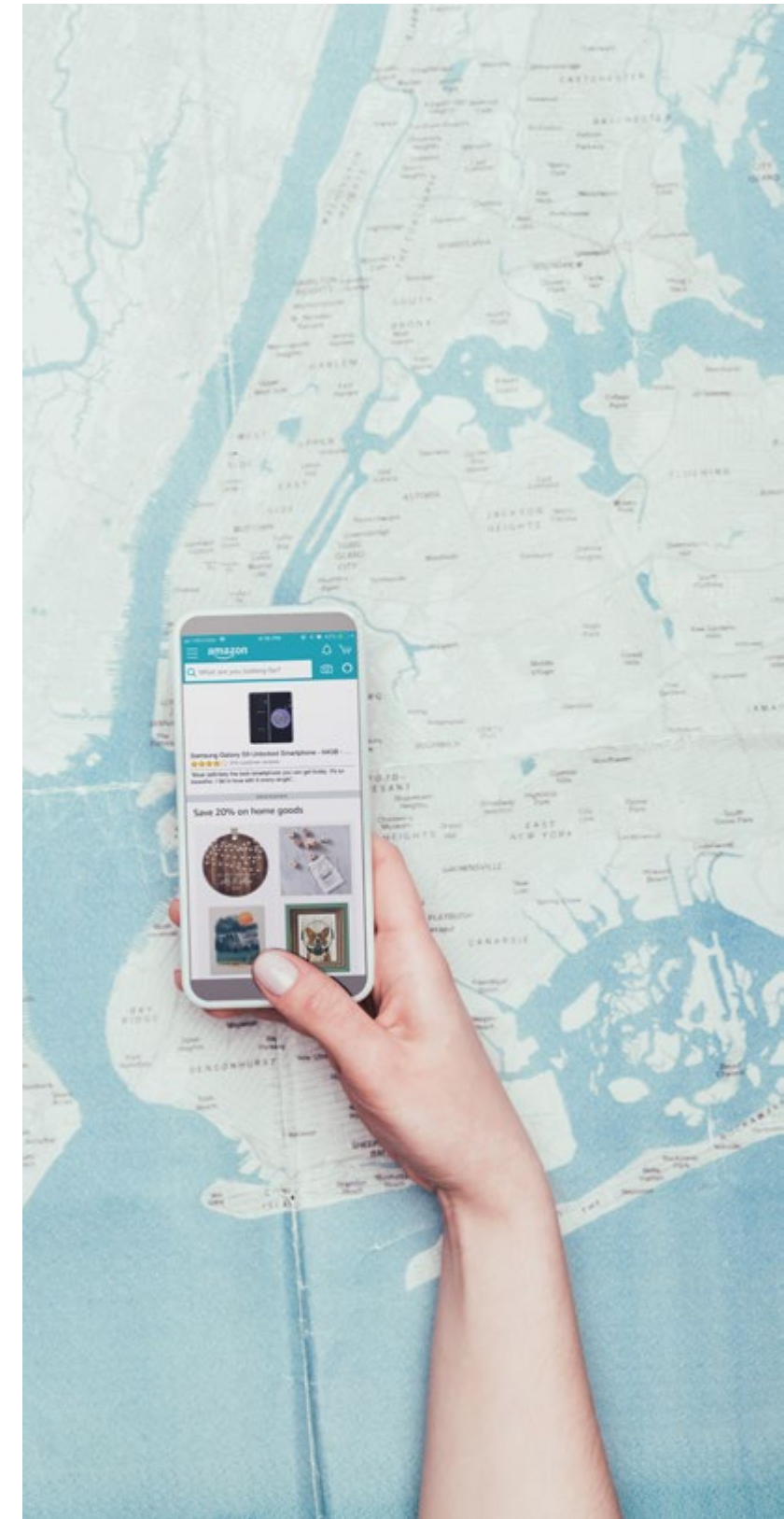
# DEEP DIVE: BROWSING, SHOPPING AND BUYING REMOTELY

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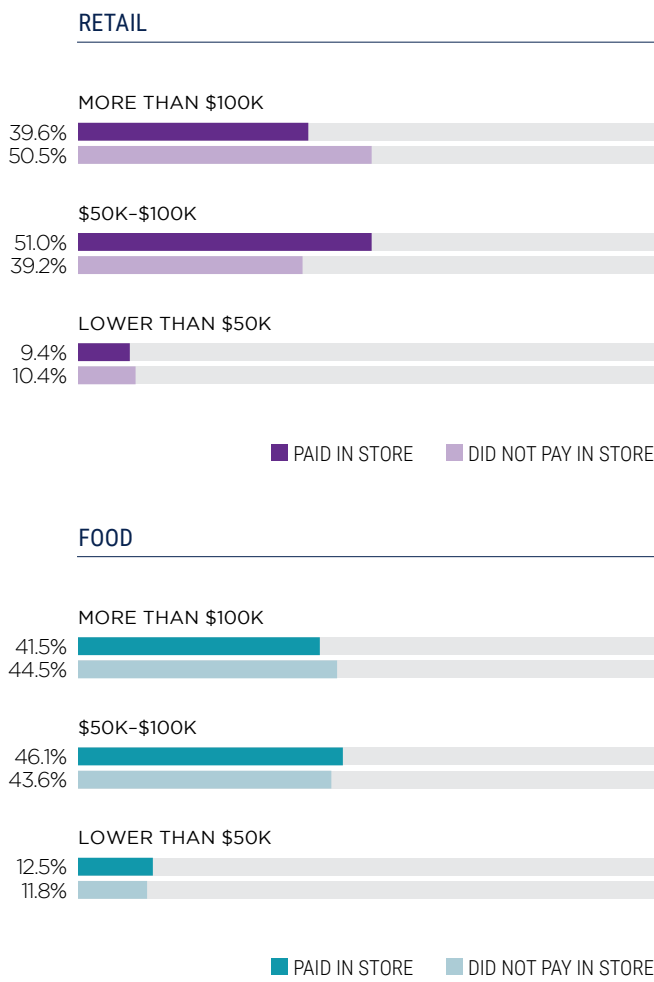
Our research has shown that the line between brick-and-mortar and digital retail is a thing of the past. Consumers regularly use multiple devices — from laptops and smartphones to voice-activated speakers — to browse for and purchase every type of product available, regardless of whether they do so in stores or online. These connected devices do not harm merchants, but rather often help keep their brick-and-mortar stores in business.

Some portion of these consumers ultimately choose to buy goods online and therefore never visit physical locations, however. Many believe their shopping habits represent the future of retail, with the entire process initiated and completed remotely. We looked at the demographic distributions of respondents who reported purchasing their most recent items outside of brick-and-mortar locations, then sorted them by generation, income and education to provide a comprehensive overview of to whom remote shopping holds the greatest appeal.

First, we found that remote shoppers are more likely to have paid for their latest purchases using smartphones over other channels, including desktop or laptop computers, tablets, in-person payments, voice assistants and phone calls. Those with an-



**FIGURE 11:**  
**Annual earnings of consumers who paid remotely versus in store**  
Share who paid remotely for their most recent purchases, by income



nual incomes exceeding \$100,000 appear to be particularly enthusiastic remote shoppers in both food and retail, too, at 44.5 percent and 50.5 percent, respectively.

By comparison, just 39.2 percent of consumers whose last remote purchases were retail items and 43.6 percent whose last remote purchases were food items earned between \$50,000 and \$100,000 per year. These percentages were even lower among those who earned less than \$50,000 per annum, at 10.4 percent and 11.8 percent, respectively.

We also found that consumers who purchased online tended to buy more expensive items than those who paid in stores. This is an understandable outcome, given remote shoppers’ relatively high income levels, that consumers with greater earnings tend to have more disposable cash to spend on eCommerce purchases and that high-earners are more likely to shop online. Just 3.1 percent of all consumers who did not pay for their last purchases in stores spent more than \$500 on those purchases, and no consumers who paid in stores reported spending this amount.

Similarly, 66.7 percent of respondents whose latest purchases were made remotely spent \$25 to \$499 on the items in question. Just 50.7 percent of those who paid on-site did the same.

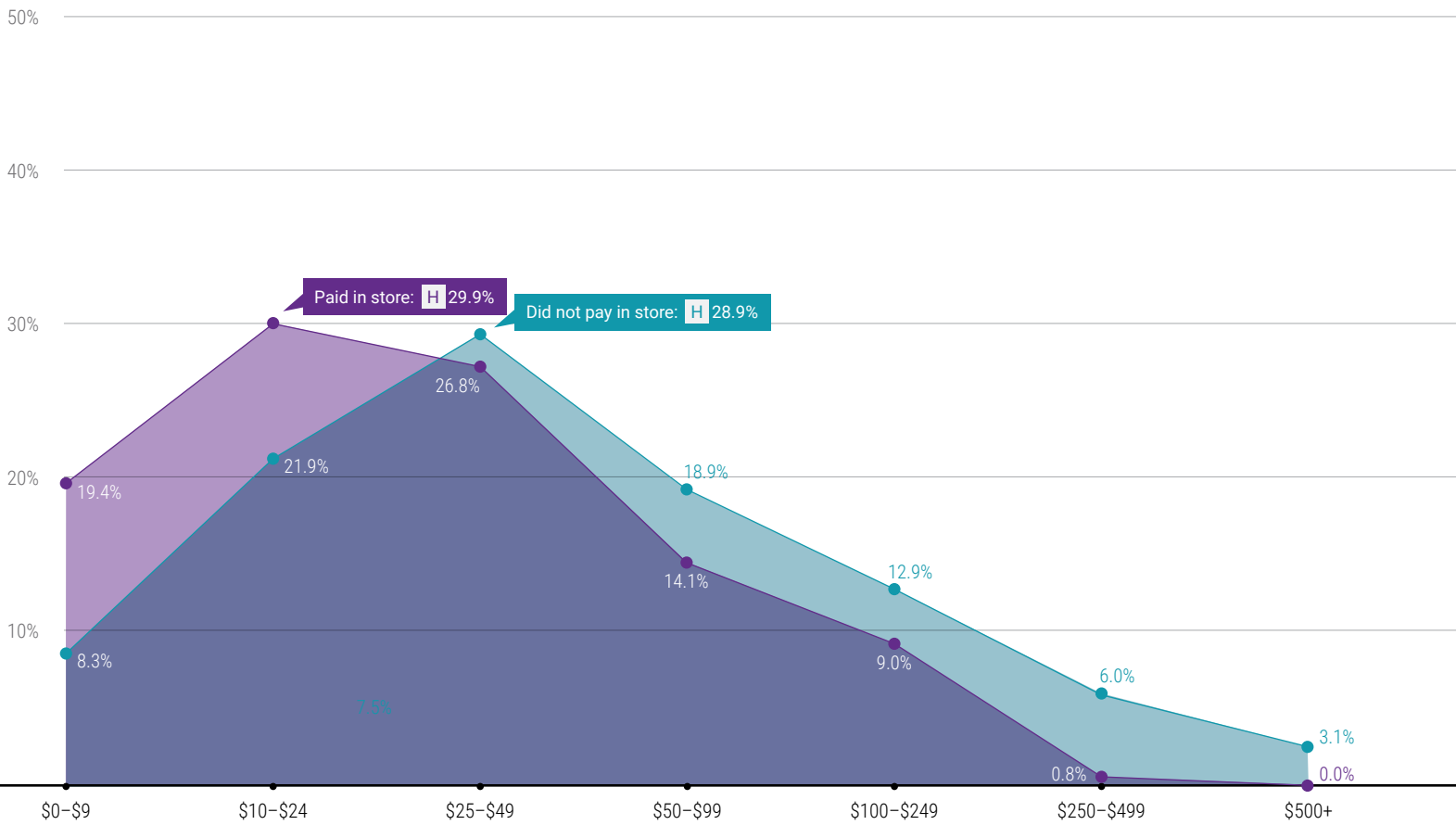
It is easy to see how those with higher incomes and more spending power might use mobile devices to make purchases more often than those with lower incomes. Consumers with higher annual earnings need

not be quite as careful with their money, and might thus purchase goods and services online with greater frequency than others. This means such consumers might represent an ideal target market for eTailers seeking to boost their numbers.

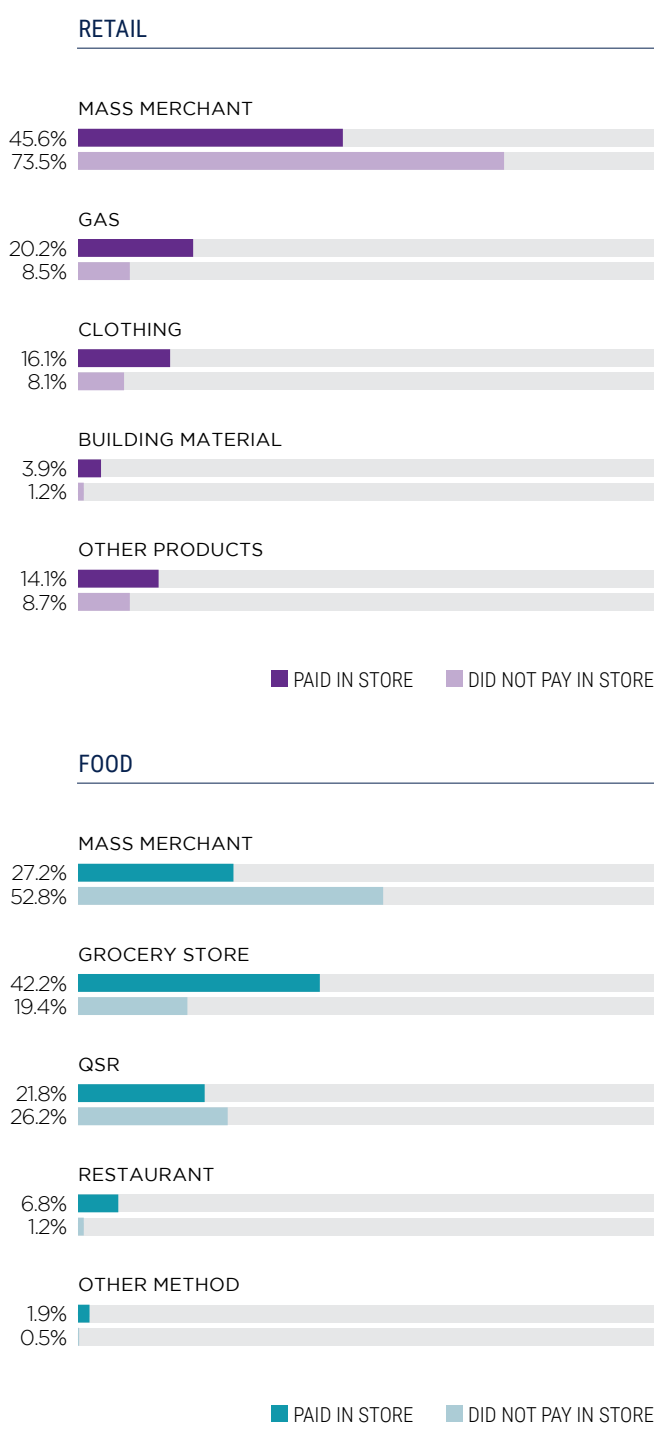
What are these big spenders buying, though?

We subdivided each of our food and retail categories into five separate subgroups to find out. Food was broken down into grocer-

**FIGURE 12:**  
**How much consumers spend on goods and services purchased remotely**  
Share who made their latest purchases in select locations, by how products were first identified



**FIGURE 13:**  
**Types of food and retail purchases and where they were made**  
Share who made their latest purchases in select locations, by product



ies, mass merchant, foodstuffs, QSR orders, restaurant food and others.<sup>6</sup> Retail was divided into mass merchant retail items, gas, clothing, building materials and other retail products.

The results showed that mass merchant purchases make up most of our sample’s remote transactions, regardless of whether the consumers purchased food or retail items. In fact, 52.8 percent of those whose most recent remote purchases were in food bought from mass merchants, as did 73.5 percent of consumers whose most recent were retail items.

That said, mass merchants do not appear to enjoy the same remote retail market share as seen in remote food. Just over half of our consumers whose last purchases were in remote food bought their items from mass merchants, 26.2 percent from QSRs and 19.4 percent from grocers’ websites.

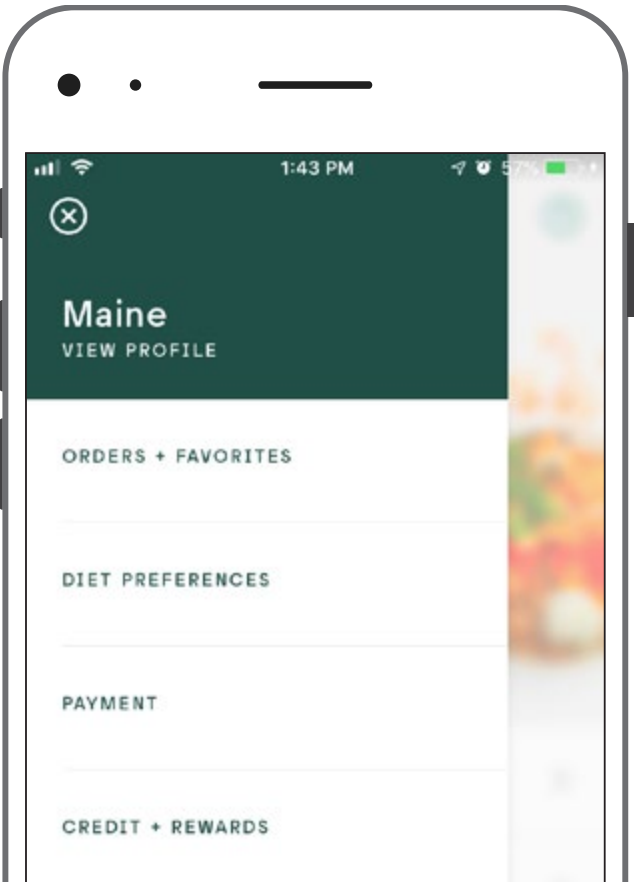
The second- and third-most purchased products in retail were miscellaneous and clothing, with 8.7 percent and 8.5 percent of consumers who paid remotely purchas-

ing one of these types, respectively. In short, the difference between the most- and least-popular products was greater in retail than in food.

Aside from their incomes and what they bought, chances are good that consumers paid for their most recent remote purchases via smartphones. Remote shoppers are actually more likely to have paid via smartphones than any other method at 47.5 percent, compared to desktop or laptop computers (38.7 percent), other mobile devices (7.0 percent), paying delivery persons (3.6 percent), voice assistants (0.6 percent) and old-school phone calls on non-internet connected devices (0.3 percent).

We also found that smartphone usage tends to transcend generational differences, and that consumers in all groups had high smartphone usage rates — though some were more ardent users than others. Generation X, Bridge Millennial, millennial and Generation Z consumers all tended to prefer paying via smartphones over doing so on their laptop or desktop computers. The opposite is true among baby boomers and their elder counterparts, however.

At 52.9 percent, Bridge Millennials were the most likely to have paid for their recent remote purchases via smartphones. Millennials and Generation Z rounded out the top three most-enthusiastic mobile payment-



73.5%  
**OF CONSUMERS’  
MOST RECENT MASS  
MERCHANT RETAIL  
PURCHASES WERE  
MADE REMOTELY.**

<sup>6</sup> In this survey, the term “mass merchant” may refer to any of a number of large-scale retailers, usually with a national reach. These might include Amazon.com, Best Buy, Costco, Dollar Stores, Dollar General, eBay, Macy’s, Meijer’s, Kohls, JC Penney, Sam’s Club, Sears, Target, Walmart and Wish.com, among others.



TABLE 2:  
Consumers who browse and shop remotely  
Share who shop remotely, by channel, generation and income

DEMOGRAPHICS	Smartphone	Computer	Mobile	Delivery person	Voice	Telephone	Other
Average	47.5%	38.7%	7.0%	3.6%	0.6%	0.3%	2.3%
GENERATION							
Generation Z	59.7%	31.6%	3.9%	4.5%	0.0%	0.0%	0.3%
Millennials	51.5%	37.3%	9.0%	1.1%	0.2%	0.2%	0.8%
Bridge Millennials	52.9%	38.3%	6.5%	0.3%	0.7%	0.3%	1.0%
Generation X	47.3%	41.6%	4.0%	4.1%	1.0%	0.3%	1.6%
Baby Boomers	32.5%	39.8%	7.4%	10.0%	1.8%	0.3%	8.2%
Seniors	0.0%	71.1%	6.9%	4.9%	0.0%	3.1%	14.0%
INCOME							
Lower than \$50K	31.5%	45.0%	11.2%	6.1%	0.0%	1.8%	4.4%
\$50K-\$100K	54.5%	34.6%	4.2%	3.0%	0.8%	0.0%	2.9%
More than \$100K	45.0%	40.9%	8.5%	3.6%	0.5%	0.2%	1.3%

using generations, with 51.5 percent of the former and 59.7 percent of the latter reporting having done so. Just 32.5 percent of baby boomers said the same.

Interestingly, it appears consumers’ propensity to shop remotely and the type of device they use to complete transactions are both affected by their income levels. Those earning between \$50,000 and \$100,000 per annum are the most enthusiastic, with 54.5 percent saying they paid for their most recent purchases remotely via smartphone. Just 45 percent of those earning more

than \$100,000 and 31.5 percent of those earning less than \$50,000 said the same.

Payments made via personal computers are most popular among consumers earning less than \$50,000 per year, with 45 percent of those in this income bracket reporting paying this way. The same figure was 40.9 percent among those earning more than \$100,000 per year and just 34.6 for those earning between \$50,000 and \$100,000 per year.

This suggests that consumers with higher incomes are more likely to purchase retail goods remotely via smartphones or using other connected devices, and that those with lower incomes are more likely to make their purchases in stores. This is true regard-

less of age bracket: The only discernable difference between connected consumers of different generations appears to be the connected device types they use to finalize those transactions.

Thus, a consumer’s choice to purchase retail goods and services online or in a store appears to depend on the type and price of the good she intends to buy, her familiarity and comfort with connected devices and the income at her disposal. At this time, high-income consumers with the spending power to purchase whichever goods they please currently use their smartphones – the most ubiquitous and convenient tools they have – to complete those transactions.

54.5%  
OF THE CONSUMERS WHO EARNED  
BETWEEN \$50,000 AND \$100,000 PER YEAR  
AND MADE THEIR LAST PURCHASES  
REMOTELY PAID VIA SMARTPHONES.



## ■ CONCLUSION

**C**onsumers are finding new ways to use their smartphones to meet their demands for in-store or remote shopping experiences, and even using said devices to find a few new ones.

Whether looking up product information, browsing reviews or comparing prices at competing retailers, shoppers can now use their smartphones to inform their buying decisions with just a fraction of the effort and time it would have taken a century or decade ago. Thus, 2019's mobile-driven economy can be likened to a competitive market on steroids: Only the strongest, most technologically versatile retailers appear to stand a chance of survival.



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