

Adyen Index: Retail 2024

# Balancing customer experience and business efficiency



**adyen**

engineered  
for ambition

# Chapters

[Checkout experience](#)

[Unified Commerce](#)

[Customer data](#)

[Fraud defense](#)

## Methodology

The Adyen Index: Retail Report explores global and local trends impacting businesses around the world. This report combines business and consumer data across 26 countries, coupled with economic commentary

## Business insights

Censuswide polled 13,177 businesses in Australia, Austria, Belgium, Brazil, Canada, China, Denmark, France, Germany, Hong Kong, India, Italy, Japan, Malaysia, Mexico, Netherlands, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, UAE, UK and USA. 500 were polled in each market, and the sample size excluded sole traders with a focus on scaleups and enterprises. Research conducted: 15 January - 1 February 2024

## Consumer insights

Censuswide polled 38,151 consumers in Australia, Austria, Belgium, Brazil, Canada, Denmark, France, Germany, Hong Kong, India, Italy, Japan, Malaysia, Mexico, Netherlands, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, UAE, UK and USA. There are nationally representative sample sizes across countries. Research conducted: 15 January - 29 January 2024.

## Economic insights

The Centre for Economic and Business Research (Cebr) was commissioned to understand the impact of fraud lost across the world.

Financial figures represent survey-implied values for the annual losses caused by fraud. These figures are scaled based on the responses of different demographics to their experiences of fraud and official data on business populations and revenues, including Organisation for Economic Co-operation and Development (OECD) data. Censuswide did not poll sole traders, and the Cebr-modeled data was for businesses with 20 or more employees. Modeling was conducted in February 2024. Data was compared to 2023 surveys where relevant, with Adyen conducting this survey annually.

This report combines insights from consumer and business research and industry experts to uncover how retailers can find the perfect balance between customer experience and business efficiency.

#### We surveyed

<b>38,000</b>	consumers
<b>13,000</b>	businesses
<b>26</b>	countries

## Tipping point

“Retailers are, more than ever, looking to maintain differentiation while ensuring efficiency,” said Alex Rhodes, Global Head of Unified Commerce at Adyen. “They must juggle this in an increasingly complex environment of changing regulations, new payment methods, new technologies like AI, new global competitors, and new business models. On top of that, the surface area they need to manage is expanding, from stores to ecommerce, mobile, and social. Retailers are challenged with connecting and integrating these channels while ensuring a consistent customer experience across each one. All this is within an increasingly global context with quickly evolving consumer demands.”

Retailers have a lot on their plates. But, challenging times often provide the richest growth opportunities. New technology and rising customer expectations are helping to raise the bar across the industry. And the retailers that stay ahead of the curve, will reap the rewards. The key to success is staying on top of customer demands without adding unnecessary complexity to your business, which poses the question:

**How can retailers balance amazing customer experience with operational efficiency?**

## Key findings

**57%**

of consumers will abandon a purchase if they can't pay how they want

**33%**

of consumers feel more unsafe shopping today than they did 10 years ago because of payment fraud



## Make buying easy

**How do you offer a variety of great payment experiences without adding complexity?**

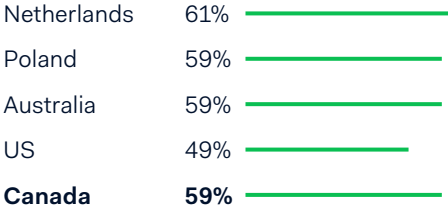
The moment of payment, whether in-person or online, perfectly illustrates the line retailers must walk between efficiency and customer experience.

“When it comes to speed vs customer experience, finding the right balance is crucial. On the one hand, you want to get your customers through the checkout as fast as possible with minimal friction, and on the other hand, you want to sign them up to a loyalty program or have them engage with you in some way,” explains Holly Worst, Vice President of Retail, Adyen.

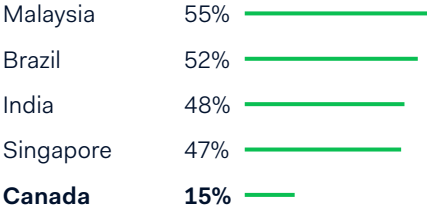
Payment technology can help, both in terms of ensuring a smooth experience and fostering further customer engagement. But, the payment landscape is evolving fast, with new methods and channels being added all the time. The challenge is to provide the best payment method and channel mix for your customers without weighing yourself down with too many complex integrations.

**Popular ways to pay in 2024**

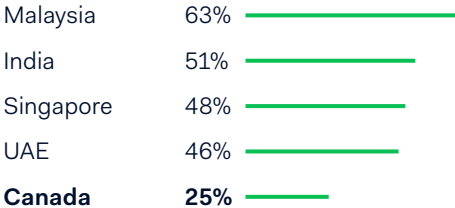
**Self Checkouts**



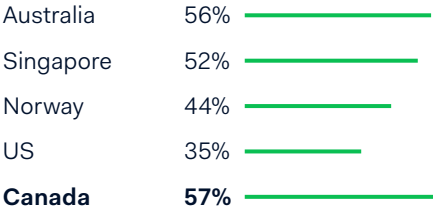
**QR Codes**



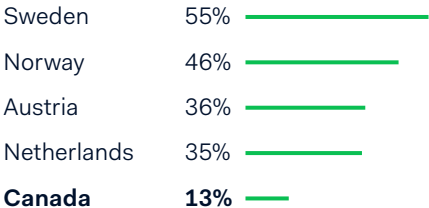
**Mobile wallets**



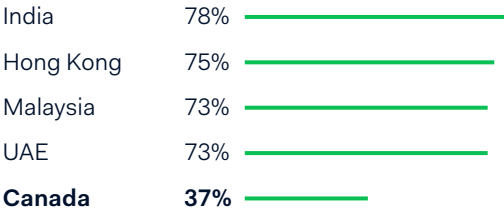
**Tap to Pay**



**Buy Now Pay Later**



**Social Commerce**



## Payment methods, speedy checkouts, new channels

57% of consumers will abandon a purchase if they can't pay how they want. But, with payment preferences evolving fast, it can be hard to keep up. For example, nowadays, it's not just cash that's being cast aside in some markets; physical cards are phasing out too. 23% of consumers don't even carry wallets any more, relying on the ability to tap their phone to pay. QR code payments are also on the rise, growing in popularity by 16% year-on-year.

Given the speed of customer adoption, it's not surprising that businesses continue to play catch-up. Only 27% accept digital wallets and 19% support Buy Now Pay Later (BNPL) online, with just 17% supporting BNPL in-store.

### Buy Now Pay Later

BNPL has had some tough press. But a wave of new regulations is helping to build trust among businesses and consumers. 70% of shoppers that use BNPL do so once a month and the average spend is \$420.06 per person, in Canada. Across Canada, the amount on BNPL annually is up to \$17 billion.

BNPL is also growing in importance for business-to-business transactions. It's increasingly being used as a means of managing cash flow, eliminating payment defaults and fraud risks, and simplifying dunning and collection processes.

[Learn more about BNPL for B2B payments >](#)

Shoppers expect fast and easy checkout experiences, both online and in person. For example, 29% want retailers to use technology to make in-store shopping faster and 59% want to see more self-checkout options for the same reason.

But businesses are falling behind. Only 17% of retailers said they enable shoppers in store to self-checkout – using kiosks, apps etc. 15% said they enable one-click checkouts/purchases online (app and webstore).

**Canadian social commerce is taking off**

79%

of retailers reported revenue growth after enabling social commerce

37%

of consumers used social media to buy in the last 12 months

22%

would be more loyal if they could buy products after viewing them on social media

4 x month

is the average number of times people shop on social media

\$214.18

is the average amount spent

**Consumers who shopped on social media in 2023**



61%

Gen Z - 16% first time buyers



48%

Millennials - 9% first time buyers



35%

Gen X - 10% first time buyers



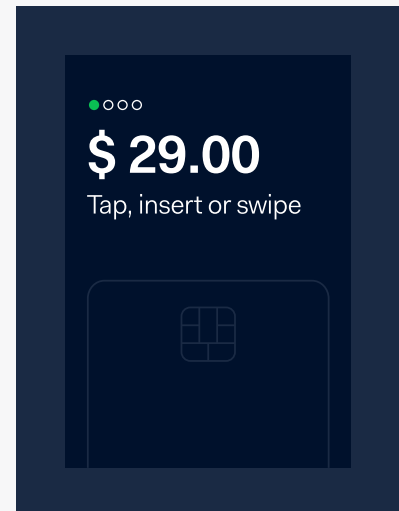
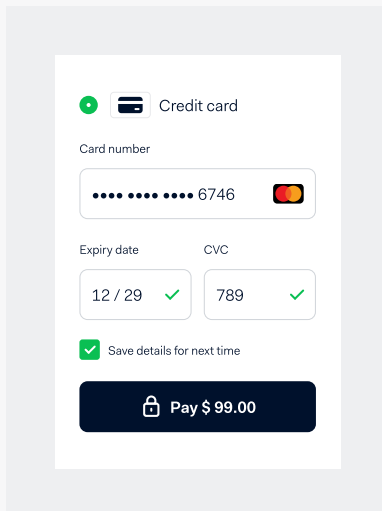
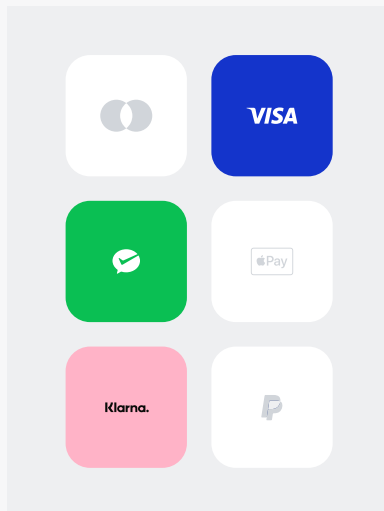
16%

Boomers - 4% first time buyers

## Adding a touch of 'wow' to your checkout

Before you consider adding new bells and whistles to your checkout experience, your payments need to run smoothly. To achieve this, you need to ask yourself:

- Are we offering the right payment methods? Are we catering to the right age groups and nationalities?
- Is our online checkout optimized for conversion? Do we use encrypted embedded payment fields or are we still redirecting to a third-party-hosted payment page?
- Are our in-person terminals integrated with our POS system?



Once you've got the basics right, you can turn your attention to adding the 'wow' to your customer experience. Critically, these are also important efficiency drivers.

- Introduce mPOS and take payment from anywhere on the shop floor. Help reduce long lines and empower staff to sell proactively. Example: high-end clothing brand, R.M. Williams, is moving away from the countertop checkout experience and embracing mobile. This is an important trend for luxury brands where up to 75% of transactions are processed via Tap to Pay on iPhone.
- Use network tokenization to improve card authorization rates for return shoppers. Note: If you get this right, you'll be ahead of the game; currently only 14% of businesses do this.
- Use smart optimization tools to intelligently route payments via the network that delivers the lowest cost and the highest approval rates.



- Use payment data to reward online shoppers for their in-store purchasing behavior.
- Transform the self-checkout experience with next-gen in-store kiosks (see [Uniqlo's gold standard self-checkout](#), powered by Adyen).



## An eye on the future

Of course, the real wow factor comes from checkout experiences that are so efficient they feel futuristic. Our VP of Retail, Holly Worst, provided some insight into the innovations taking customer experience and efficiency to the next level.

“AmazonGo's "just walk out" grocery experience was one of the pioneers, but we are witnessing expansion into new categories beyond groceries. Sports stadiums are adopting the technology for soft goods like t-shirts and foam fingers. It's still magical when done well, as evidenced by [these happy football fans](#).

“Social commerce remains one to watch. Its conversion rates in some regions, like Asia, are high. Whereas, in Western markets, social media is still predominantly a traffic driver rather than a sales channel. That said, the [launch of TikTok shop](#) at the end of 2023 might change this.

“Another trend to keep an eye on is metaverse payments. Already, 11% of consumers want more purchases to be made possible in the metaverse. We expect this to become more prevalent as innovations like the Apple Vision Pro become more mainstream.”

“We quickly learned as we expanded our brick-and-mortar stores across geos that it was not scalable and we would need to find a better solution. With that, we listened to our customers' feedback. They were seeking a more seamless payment experience when they were transacting in person.”

MEJURI









**Kari Beiswanger**  
Product Manager, Mejuri

This quote was taken from our Mejuri customer story.  
[View the full story here.](#)

### **How we help deliver amazing payment experiences**

Adyen allows you to deliver frictionless payment experiences to your customers in an efficient way. Just one integration gives you end-to-end processing and global acquiring that deliver the highest possible authorization rates. New payment methods can be added with the flick of a switch and our unified commerce platform makes it simple to connect new channels as needed. Critically, our customers are always ahead of the curve. We were an Apple Pay launch partner back in 2015 and today, we're leading the way with [our Tap to Pay integration](#).



	Rue Saint-Paul - Quebec	 •••• 2342	\$ 99.95
	mystore.com	 •••• 2393	\$ 124.95
	Houston Street - NYC	 •••• 2342	\$ 23.99
	mystore.com	 •••• 0994	\$ 19.00



# Get connected

## How do you achieve unified commerce in practice?

Unified commerce is the next step beyond omnichannel. Where omnichannel uses different systems to connect various business components, unified commerce uses a single, integrated platform to connect everything in one place. In the context of retail payments, that means all your payments, from all your channels and regions, feeding into the same, unified system.

This has some natural advantages, as Holly Worst explained: "The future success of retail will be driven by those who use data the best. A unified commerce offering can help accomplish that with a streamlined and connected system."

This is simple (at least in theory). Connected sales channels lead to connected data, which in turn unlocks unified commerce allowing for greater operational efficiency and amazing customer experiences. But, in reality, our research shows that many retailers are still struggling to achieve this.

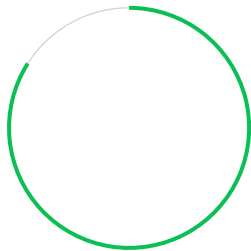
## Canadian customer demand outstrips retail readiness

### Consumers

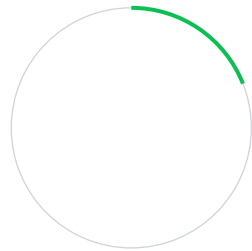
**54%** say they prefer to shop in-store

**55%** of consumers polled said they would be more loyal to a retailer that lets them buy things online and return in store

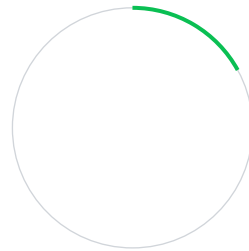
### Businesses



**84%**  
don't enable customers to shop easily across channels



**19%**  
treat online sales channels and physical stores as separate entities



**17%**  
support cross-channel returns

## Unlocking unified commerce

“Retail is a complex space. It’s often multi-channel and multi-regional. Many systems need to work in harmony to deliver on customer experiences. And, as the rate of change accelerates, retailers are in a constant race to modernize their systems to stay ahead of consumer expectations,” says Alex Rhodes, Global Head of Unified Commerce, Adyen.

The breaking down of organizational and data silos can be a daunting prospect. But our research reveals that it’s well worth it.

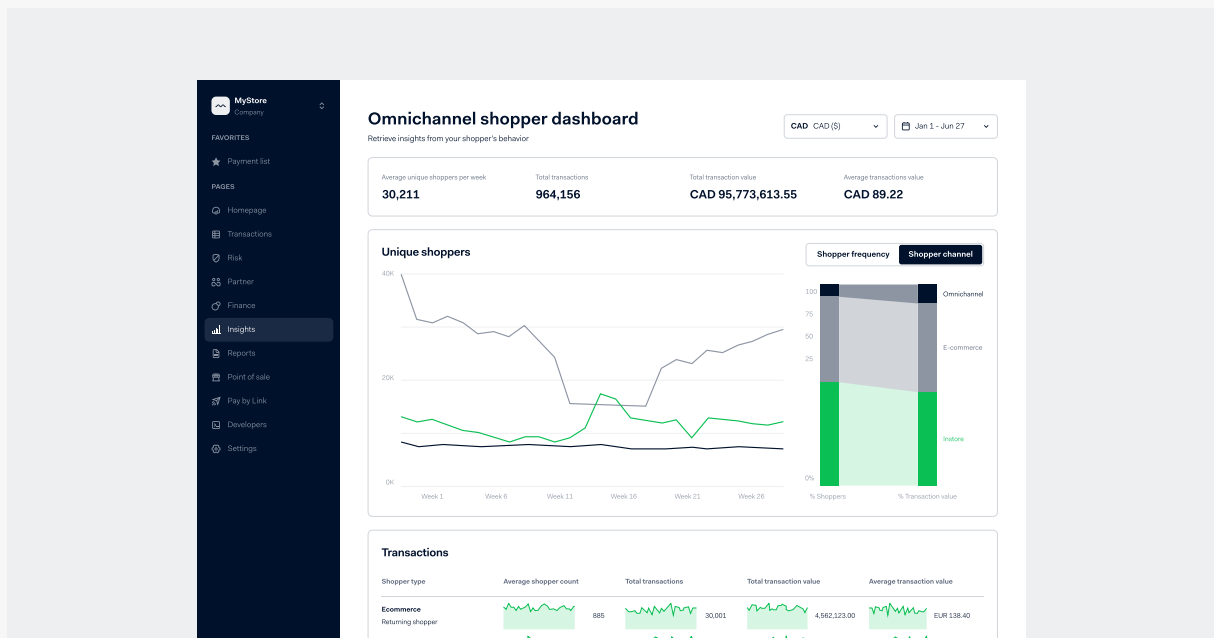
### Businesses that embraced unified commerce last year

**39%** more revenue growth was recorded in 2023, over the annual average

**43%** reported a better understanding of customer behavior for targeting and marketing

**38%** reported increased customer loyalty

**10%** more revenue growth globally in 2023



Unified commerce can also help improve operational efficiency. Reconciliation, for example, is much faster since all payment data feeds into the same back office.

Unified commerce is a marathon. It involves the bringing together of departments, and connecting systems, not to mention extensive change management. A good place to start is payments. By connecting all your payments across all channels and regions into a single back office you'll not only make things easier for your finance team, but you'll unlock data insights that will help you know your customers better.

"We needed an omnichannel solution that would cover all our international bases, bypassing the need to integrate anything specific. Now, with Adyen, we're ready."



**Chloée Daullé**  
Group Treasure, Christian Louboutin

This quote was taken from our Christian Louboutin customer story. [View the full story here.](#)

### **How we can help you achieve unified commerce**

Adyen's platform was designed to enable unified commerce. All payments, whether online, in-app, in-person, via social, or even in the metaverse, are all connected in the same system. This not only improves your business efficiency, it also enables more shopper journeys, giving your customers the freedom to choose how, where, and when they buy from you.



## Make everyone a VIP

**How can you efficiently capture and leverage data to improve customer experience?**

Highly personalized experiences used to be reserved for luxury retail. Long-serving sales assistants would keep a 'black book' of loyal customers, including personal details and preferences, tucked behind the counter. Now, thanks to technology, retailers can capture data and deliver tailored experiences efficiently and at scale.

"Retailers are investing significantly in their customer data infrastructure, including tooling and loyalty programs, as well as strategies to capture more data in-store. The ultimate goal is to better understand customer behavior so they can deliver personalization and improve customer lifetime value," explains Philip Ladiges, Unified Commerce Strategy Manager, Adyen.

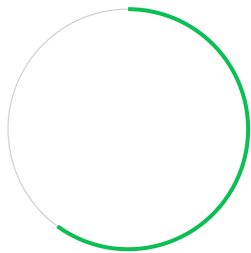
Of course, there are still plenty of challenges associated with using customer data in a meaningful way. Our research finds that retailers are still struggling to get it right.

## The retail data vortex

26% of businesses say they lack customer data and the technology infrastructure to truly understand their customers. And just 25% of businesses know the majority of their customers well enough to personalize items.

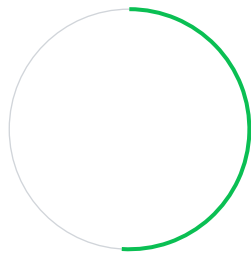
When it comes to loyalty programs, retailers' faith seems to be wavering, with 23% halting their investment in loyalty over the past 12 months.

### Customers on loyalty



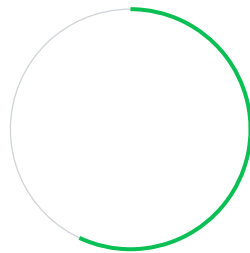
**60%**

of customers want retailers to improve the ways they reward them



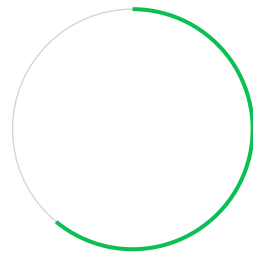
**51%**

of consumers are happy to provide data to get discounts



**57%**

of consumers download apps to get better rewards



**61%**

want personalized discounts from their favorite retailers

### Popular loyalty programs in Canada

**41%**

Payment-linked loyalty (where rewards are linked to payment activity)

**24%**

Loyalty app

**7%**

Exclusive offers or events for high-value customers

**8%**

Private label credit card



## The power of payment data

“Payments are a source of high-quality first-party data, which can be used to fill the gaps within loyalty programs and better understand marketing attribution,” explains Philip Ladiges, Unified Commerce Strategy Manager, Adyen.

More and more retailers are waking up to the potential offered by payment data and using it to great effect. For example, one sporting goods retailer uses payment data to personalize its homepage for 50% of visitors. The result is a 10% increase in sales for those visitors, translating into a significant revenue boost for the business.



## Payment-linked loyalty

Payment data can also be used to power your loyalty program. Instead of furnishing customers with yet another physical loyalty card, or prompting them to download your app, rewards are linked to your customer's payment method. This method of loyalty is gaining in popularity. 44% of retailers said their loyalty program was enabled by their payments provider and 32% of customers prefer this form of loyalty.

"We are currently conducting a pilot with Adyen in which we use payment data to obtain new shopper insights and that changes a lot. We are looking at how we can link online and offline data so that we can enrich individual customer profiles and improve the customer journey."

**G-STAR RAW**

**Arn Knol**

Commercial Director E-Commerce, G-Star Raw

This quote was taken from our G-Star Raw customer story.  
[View the full story here.](#)

### How we can help you get the best from your payments data

Each transaction contains information such as the time, date, location, and value of the payment, plus the chosen channel, payment method, and device used. This information helps you build a picture of your customers: where they shop, how much they spend, and how often. And, if the data is also linked to your inventory, you'll see what they're buying so you can trigger bespoke recommendations.



# Reduce fraud and friction

**How do you ensure watertight fraud defense without creating additional friction for your customers?**

Fraud is the enemy of efficiency and customer experience, eating away at both profit margins and consumer confidence. Today, retailers are battling a surge in fraudulent returns while customers are losing hundreds of dollars to scammers every year.

Consumer/retailer trust is at a premium. Customers need to feel secure enough to share payment details; they need to trust a retailer not to inundate them with unsolicited emails; and no one wants to wake up to the headline that a retailer with whom they've shared details has just suffered a massive data breach. By creating a safe space for customers to interact with your brand, you'll foster a relationship of trust.

## The specter at the feast

Fraud casts an unsettling shadow on what should be an enjoyable pastime. In 2023, consumers were scammed out of 217% more money than the previous year, losing an average of CA\$829.35 each time. Not surprisingly, they are wary, especially when it comes to shopping online.

### Canadian consumer security concerns



**15%**

regularly leave online stores without purchasing because of security concerns



**33%**

feel more unsafe shopping today than they did 10 years ago because of payment fraud



**21%**

choose to shop at stores with higher security measures



**22%**

like it when retailers ask them to prove their identity

Meanwhile, analysis by the Centre for Economics and Business Research (CEBR) found that payment fraud cost the Canadian retail industry \$14.7 billion last year. To help combat this, retailers need to stay on top of security mandates and make use of strong customer authentication (SCA) methods. In doing so, they'll not only ensure a better, safer shopping experience, they'll protect their business from fraud liabilities.

The good news is that many businesses are succeeding in their fight against fraud. 71% believe their fraud prevention systems are effective, which is up by 26% from last year. The challenge, of course, is to ensure that fraud defense doesn't come at the cost of conversion.

## Chargebacks

In an effort to improve online conversion rates, many retailers have opted for more lenient online returns policies. Unfortunately, this comes at a price, with many now battling high rates of chargeback fraud.

### The impact of chargebacks

**31%** of fraud attributed to chargebacks

**62%** of businesses said that fraudulent transactions and chargebacks are a significant cost to their business

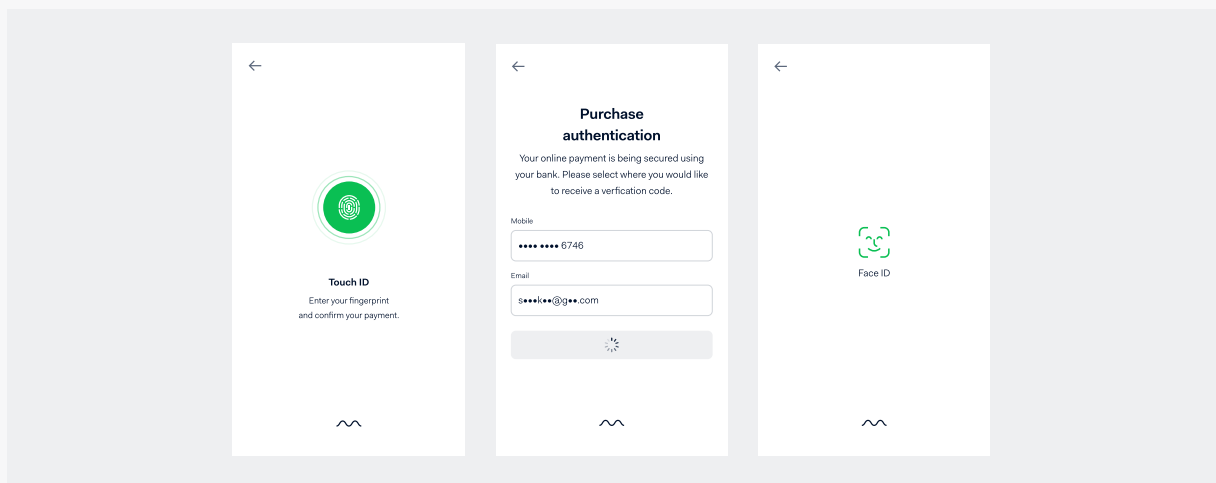
**68%** are considering working with a payments provider that offers a chargeback liability guarantee

**68%** use chargeback management software (74% increase year-on-year)

### Balancing fraud defense and customer experience

Fraud defense is another important frontier between business efficiency and customer experience. Ramping up your risk settings might be an efficient way of blocking bad actors, but it also creates additional friction for your customers.

Despite security concerns, customers still expect the buying process to be easy; 24% want to complete a transaction within a few clicks and by entering as little information as possible. Retailers must find the sweet spot between security and conversion. Risk settings need to be optimized using smart tools and fraud trend data. In this way, it's possible to spot and stop fraud before it occurs, while known customers can shop uninterrupted.



**Strong customer authentication (SCA)**

SCA has come a long way from the traditional redirect to Mastercard SecureCode or Visa Secure where a customer had to enter a password they'd probably forgotten. Mobile banking and biometrics make authentication much faster, easier, and more secure. Plus, smart risk management solutions will only trigger this authentication for 'in-scope' transactions.

[Learn more >](#)

“Regional payment behavior is individual, just like fraud patterns we are confronted with on a daily basis. In Adyen, we have a strong partner who supports our growth with a full-stack solution. Their tools help us develop tailor-made solutions that make payment transactions efficient and successful. We share a common goal of high authorization rates and low fraud rates.”



**Dario Beffa**  
DTC Payments & Credit Risk Lead, On

This quote was taken from our On customer story.  
[View the full story here.](#)

**How we can help you block fraudsters, not shoppers**

Adyen's built-in risk management solution is a dynamic program that uses the platform's transaction data to inform its machine-learning models, responding to risks in real time. Additionally, teams of risk specialists help ensure your settings are always optimized for the best possible results.

[Learn more about Adyen RevenueProtect >](#)

# Unlock your growth with Adyen

## Where experience and efficiency can uncover new opportunities

Customer experience and business efficiency are often seen as opposing forces. However, our research finds that combining the two can unlock exciting growth opportunities. In the context of payments, this translates into more choice and flexibility for the customer and improved loyalty, connected data, and streamlined systems for the retailer.

We're proud to work with leading retailers such as Levis, Superdry, LUSH, and L'Occitane.

[Discover Adyen for Retail >](#)

## Ready to take the next step?

Get in touch >

**adyen**