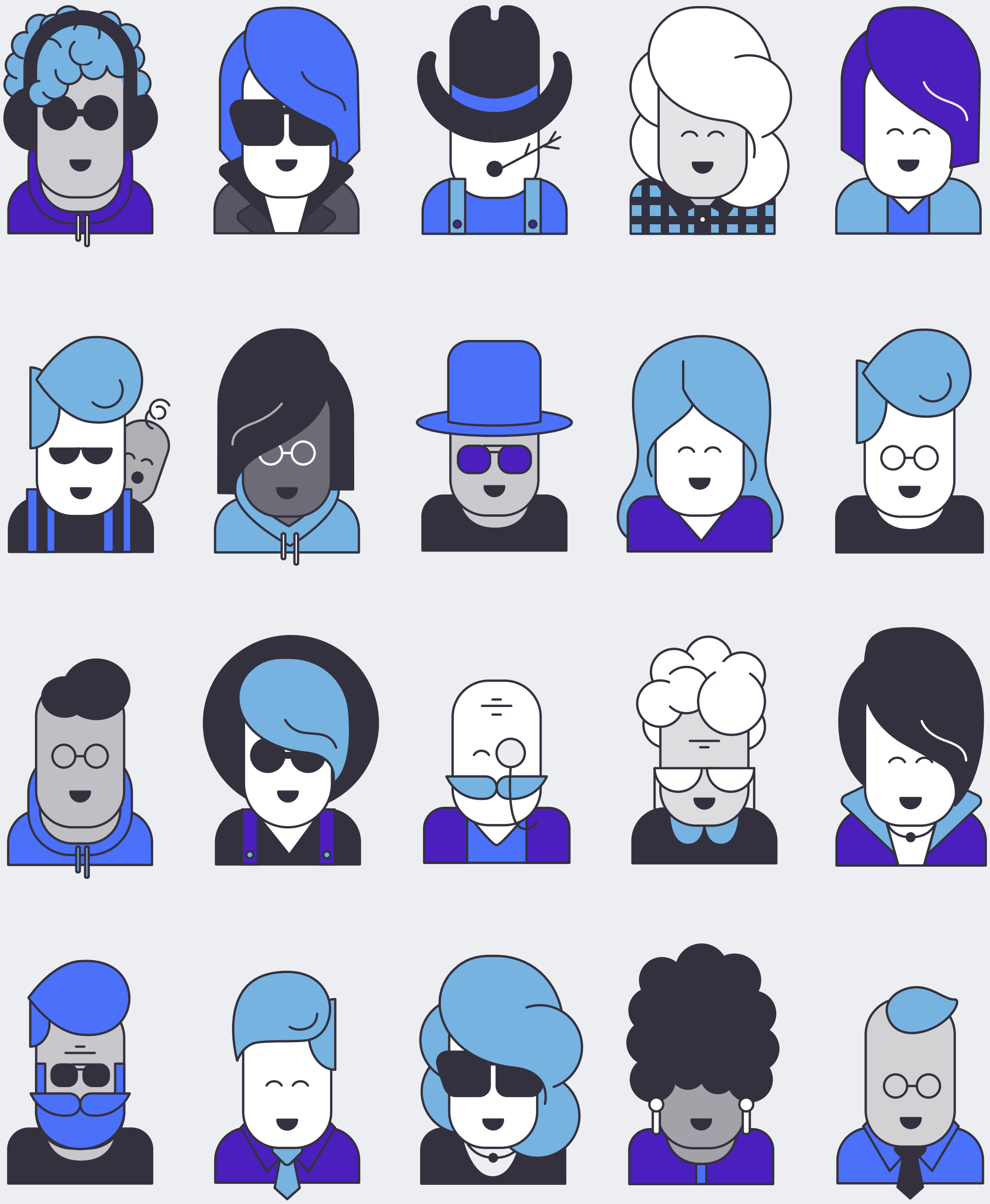
Omni-Channel Retail in 2017

What Brands Need to Know and Modern Consumer Shopping Habits



BIGCOMMERCE | Square

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No single formula, algorithm or crystal ball can tell you for sure when and why each individual customer will make a purchase.

A senior citizen looking to buy a smartwatch might be texted a recommendation by a grandchild, then walk into a physical store to purchase. That same grandchild on the other hand, might spend weeks parsing smartwatch reviews, adding, then abandoning items in their cart on both mobile and desktop, before finally purchasing because of an enticing email offer. It's a complex process, and it's why omni-channel selling is so important.

Both BigCommerce and Square exist to make shopping easier and more enjoyable for both sellers and customers, whatever the platform. There are no crystal balls, but there are strategies, and we've teamed up to bring you the most up-to-date statistics on when and how Americans shop online.

What is Omni-Channel Retail?

- **Square** defines it as: "Meeting people on the channels where they are shopping and buying, whether it's in a physical store or an online store or on social media, and connecting the dots between those channels. The purpose is to keep customers moving around within the brand ecosystem, with each channel working in harmony to nurture more sales and engagement."

- **Hubspot** defines it as: the ability to "deliver a seamless and consistent experience across channels, while factoring in the different devices that consumers are using to interact with your business."

- **Google** defines it as: "ensuring [retailer] marketing strategies are geared toward enabling customers to convert on any channel."

- **At BigCommerce,** we internally define it as: "Stores selling both online and offline — likely also selling through multiple online channels (i.e. on Amazon, eBay, Facebook, B2B). We've also been referencing the importance of listing your product wherever consumers are already spending their time. This is increasingly known as contextual commerce, a more strategic take on the overarching omni-channel term."

Typically, omni-channel retailers aren't startups. They also aren't web-only shops, which means they have the capital to put some feet on the ground. That much is clear. What isn't, is the idea of seamlessness and retailer sophistication. From that perspective, few retailers today are successfully executing on all of their omni-channel initiatives.

This is because with the momentum toward integrating commerce across channels, there's one big piece of the puzzle missing: what the consumer wants [infographic]. Many retailers are just guessing. Sure, they have proprietary data on how consumers are using their own channels, but 'omni' has latin roots in the omniscient realm, meaning perceiving all things — not just what is happening on your own channel.

Omni-channel marketing, then, becomes more about providing an experience — the omni-channel customer experience — transcending any one medium and simply providing shoppers what they want, when they want.

To date, no one has decoded exactly how, when and why the modern American makes a purchase. What we do know though is that nobody today shops exclusively through a single medium. Consumers buy online, in store and on marketplaces, from legacy retailers and independent brands alike.

One consequence of this — albeit a happy one — is that cash flows in from different sources and different devices. That understanding has been crucial to the development of Square for click-and-mortar businesses, including its POS integration with BigCommerce.

With this in mind, we've launched a new study analyzing modern, omni-channel consumer behavior. This data uncovers the details on how, when, where and why Americans buy, educating the entire commerce industry on today's consumer shopping preferences.

You'll see the results of our study in the following chapters and gain insight into:

- How Americans shop across an omni-channel environment: what they buy, how much they spend and what's stopping them from checking out more often
- What products retailers should feature on various channels to maximize sales
- How to increase conversion rates on all your selling channels
- How omni-channel fulfillment is a necessary extension of merging channels
- The ins and outs of your audience and their motivation for purchasing
- Which channels businesses sell through — based on a survey of over 1,100 businesses — and what effect it has on profits

This is what retailers need to know to implement a data-driven, omni-channel strategy today.

First, a quick note from the editor

This information only tells you what the customer is doing. The fundamental mistake to avoid is assuming that we're actually asking the customer, "What do you want?" If you ask a question like this, you can't be surprised by what you'll hear: solutions and convenience. And requests for solutions will almost always be disappointing for companies that are trying to innovate. According to Harvard Business Review:

"Customers only know what they have experienced. They cannot imagine what they don't know about emergent technologies, new materials, and the like. What customer, for example, would have asked for the microwave oven, Velcro or Post-It Notes? At the time the transistor was being developed, radio and television manufacturers were still requesting improved vacuum tubes."

We offer these survey results as important data in furthering the understanding of the modern consumer, which can then be used to distill the omni-channel customer experience down to recognizable touchpoints. Providing this experience permeates every aspect of your organization, from inventory management to multi-channel marketing campaigns.

Read about our methodology here. What innovations occur next is up to the retailers.

Without further ado, let's dive into the data.

Who shops online

At a high level, that's an easy question to answer: almost everyone. 96% of Americans with internet access have made an online purchase at some point in their lives, and four in five (80%) have done so in the last month alone.

Online shopping is now just as popular as in-store, with 51% of Americans citing online as their preferred way to shop. This goes hand in hand with data from the National Retail Federation for the 2015 holiday season. For the first time ever, more Americans shopped online for holiday items — but it was a narrow win. The NRF's survey found that an estimated 151 million people shopped either in stores, online or both over the weekend. Of those, 103 million said they shopped online, and nearly 102 million headed to stores.

As you'll see later on, having an online presence on multiple channels can pay off big time profit-wise.

Millennials vs. Gen X vs. Baby Boomers

Americans as a whole are split when it comes to a preference for online or in-store shopping. But when broken out by demographic, it is clear that the younger generations will continue to drive shopping to the digital front. The survey revealed that 67% of Millennials and 56% of Gen Xers prefer to search and purchase on ecommerce sites rather than in store. Only 41% of Baby Boomers and 28% of Seniors will click to purchase.

Given their preference for online shopping, it makes sense that Millennials and Gen Xers would also spend nearly 50% more time shopping online each week (six hours) than their older counterparts (four hours).

REDUCE FEAR FOR ALL BUYER TYPES

"Resistance around purchasing online is often fear-based. A flexible return policy, free return shipping and even a pre-printed return label can work wonders for a store's conversion rate." — Stevie Huval, Solution Engineer at BigCommerce

Parents vs. non-parents

When it comes to shopping, there is one major difference between parents and non-parents: convenience. You'll see this trend pop up throughout the study. Yes, all online shoppers are influenced by the convenience factor, but no group values ease of purchase like parents.

In fact, nearly half (49%) of parents surveyed stated that they couldn't live without online shopping — and they spend 61% more online per year than non-parents ($1,071 vs. $664). Parents also spend more of their budget online in comparison to non-parents (40% vs. 34%), and spend 75% more time shopping online each week (seven hours vs. four hours).

Men vs. Women

This demographic breakdown is nothing revolutionary; American men and women shop rather similarly across all channels. The one key callout is that men reported spending 28% more online than women over the last year.

Metropolitan vs. suburban vs. rural

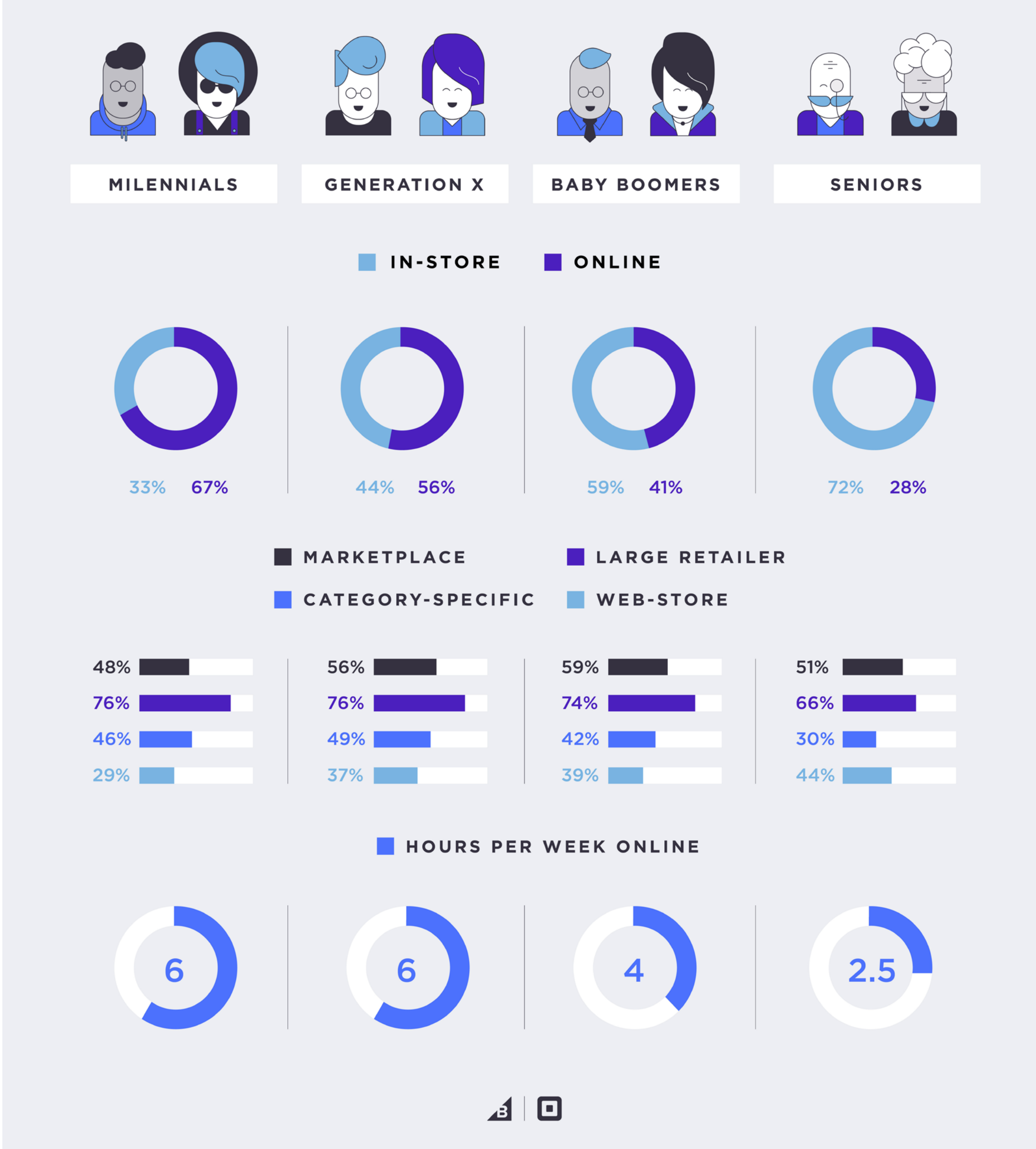
Americans shop differently depending on where they live. For instance, although they have more physical stores nearby, shoppers in metropolitan areas spend more online annually ($853) than suburban shoppers ($768) or those in rural areas ($684). They also spend the most time shopping online out of the three groups.

What's stopping those in suburban or rural areas from shopping or spending more online? More than half (63%) of suburban shoppers cited shipping costs as their least favorite part of online shopping, and 38% of rural shoppers cited strong concerns about online privacy — a concern Square aims to tackle with its PCI-compliant systems.

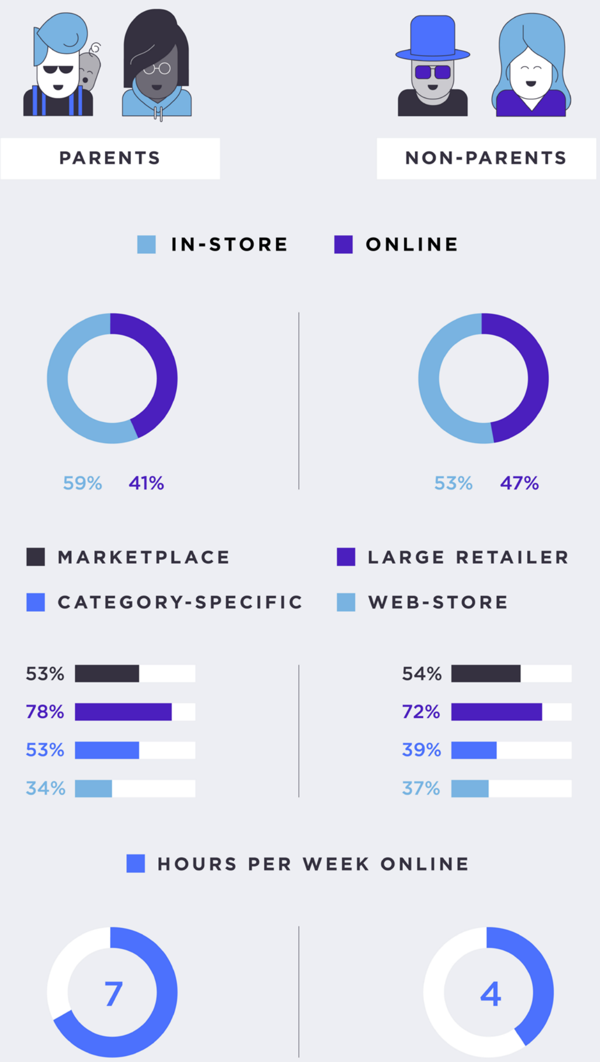
SERVE COUPONS TO DISCOUNT-HUNGRY CONSUMERS

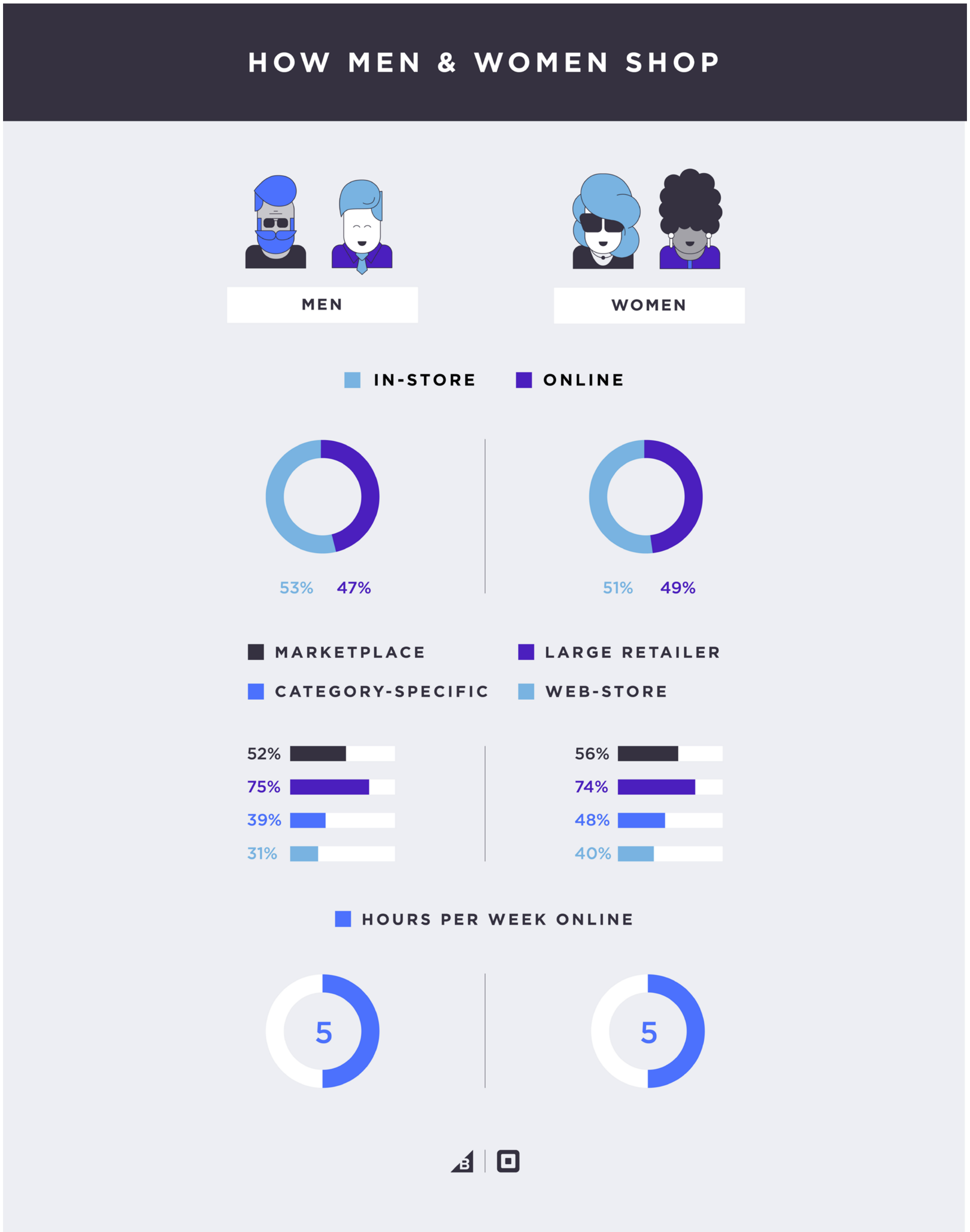
Suburban and rural shoppers are extremely price senstive and look for coupon and discounts more so than metropolitan shoppers. To better encourage them to purchase, use IP address mapping to intelligently serve discount to visitors coming from suburban or rural locations. — BigCommerce Support Team

HOW THE GENERATIONS SHOP

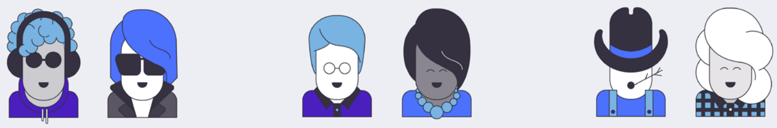


HOW PARENTS & NON-PARENTS SHOP




HOW MEN & WOMEN SHOP
MEN
WOMEN
IN-STORE
ONLINE
53%
47%
51%
49%
MARKETPLACE
LARGE RETAILER
CATEGORY-SPECIFIC
WEB-STORE
52%
75%
39%
31%
56%
74%
48%
40%
HOURS PER WEEK ONLINE
5
5

HOW CITY SIZES SHOP



	METROPOLITAN	SUBURBAN	RURAL
IN-STORE	47%	51%	52%
ONLINE	53%	49%	48%
MARKETPLACE	49%	60%	58%
LARGE RETAILER	76%	73%	71%
CATEGORY-SPECIFIC	45%	44%	39%
WEB-STORE	30%	42%	40%
HOURS PER WEEK ONLINE	4.5	5	5

Where Americans spend online

Shopping online has never been easier or more omnipresent in America. Yet according to the U.S. Census Bureau, ecommerce accounted for only 7.5% of total retail sales in the fourth quarter of 2015. Our data shows a similar, though significantly higher, trend: Online shoppers spend 64% of their shopping budget in store, and 36% online.

These numbers, though, are expected to increase. Between Q3 and Q4 of 2015, ecommerce sales grew 32%. In total, 2015 ecommerce sales were 14% higher than in 2014. Experts have predicted that by 2020, ecommerce sales will hit $523 billion — a 56% increase from the $335 billion achieved in 2015. In order for those predictions to come true, ecommerce sales need only increase 9.32% annually. If last year's numbers are any indication, we are well on our way to surpassing the estimates.

NAB SALES BACK FROM BRICK-AND-MORTAR COMPETITORS

"Consider offering an expedited shipping option. People are often willing to pay extra for convenience and a merchant can expect to capture more purchases that would otherwise be lost to a local brick-and-mortar." — Stevie Huval, Solution Engineer at BigCommerce

Of course, Americans aren't shopping at all online retailers in the same way. The majority begin a search for items on marketplaces, while some go to their tried-and-true local boutique's website, and others look for traditional brand name stores. There are multiple factors that contribute to a final purchasing decision, much of which will be covered later. Below you will find data on exactly where Americans are spending their money.

Online vs. in store

The in-store draw is still an important one for many merchants. In fact, many of the most successful retailers are omni-channel commerce businesses, meaning they have both online and brick-and-mortar stores.

Americans are almost evenly split on which channel they prefer: 51% think shopping online is best, while 49% prefer shopping in store. There's a more distinct difference in how much they spend on each channel, though: those surveyed spent 64% of their shopping budget in store, and 36% online.

Even if you prefer online shopping, chances are you'll spend more when you buy in store. Of course, this changes based on your demographics. See the breakout below on how Americans in various demographic groups spend online vs. in store.

Note: Everyone reports spending *more* in brick-and-mortars.

BE RECOGNIZABLE. BE CONSISTENT.

"A great omni-channel experience feels familiar to the customer, regardless of the channel. Inject your brand's voice into every communication, and be consistent with pricing policies, offers and rules so that potential buyers don't get confused." — Christina Dam, Product Marketing Lead, Square

Webstore vs. large retailer vs. marketplace

There are thousands of online shopping options for consumers, and few shoppers are loyal to just one. Survey data revealed that 74% of Americans have shopped at large retailers, 54% on ecommerce marketplaces, 44% at webstores and 36% at category-specific online retailers.

This modern consumer behavior has led to a rise in two industry terms: multi-channel and omni-channel.

Multi-channel retailing means a company sells in multiple online channels (e.g., a web store, marketplaces and social media). *Omni-channel* refers to retailers with both a physical and digital presence.

Retailers can be both or neither, though the most successful merchants are typically multi-channel and growing to become omni in the near future. That's because consumers generally shop wherever is the most convenient.

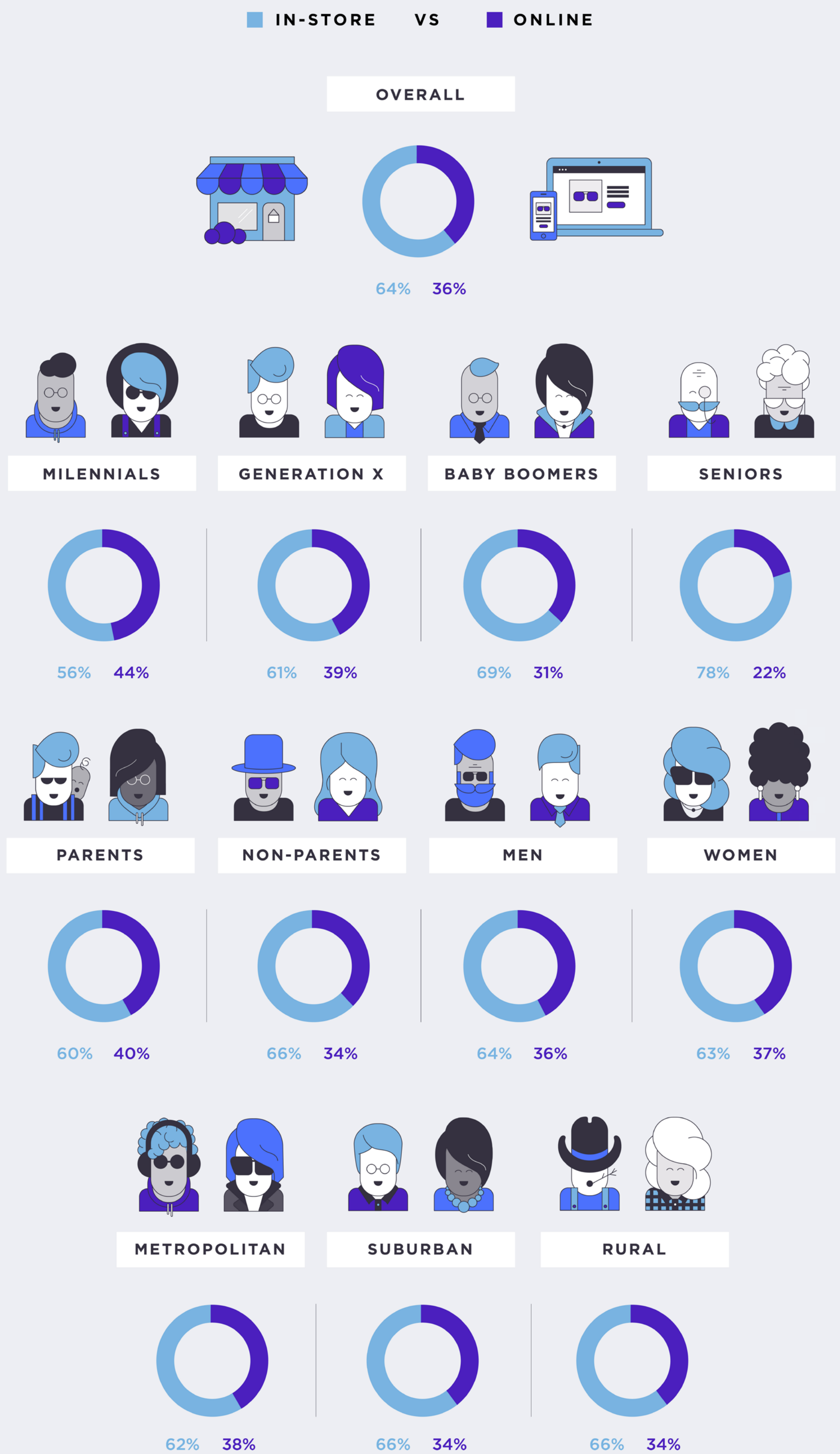
Nearly half of all online product searches (48%) begin on marketplaces like Amazon, for instance. In comparison, 31% of Americans first turn to larger retailers, 12% to category-specific retailers, and 7% to webstores. If you sell through a webstore without using Amazon as part of a multi-channel strategy, you're missing out on a huge amount of searches and potential conversions.*

In fact, in the last year, shoppers have spent the most with ecommerce marketplaces ($488), closely followed by large retailers such as Nordstrom or Best Buy ($409).

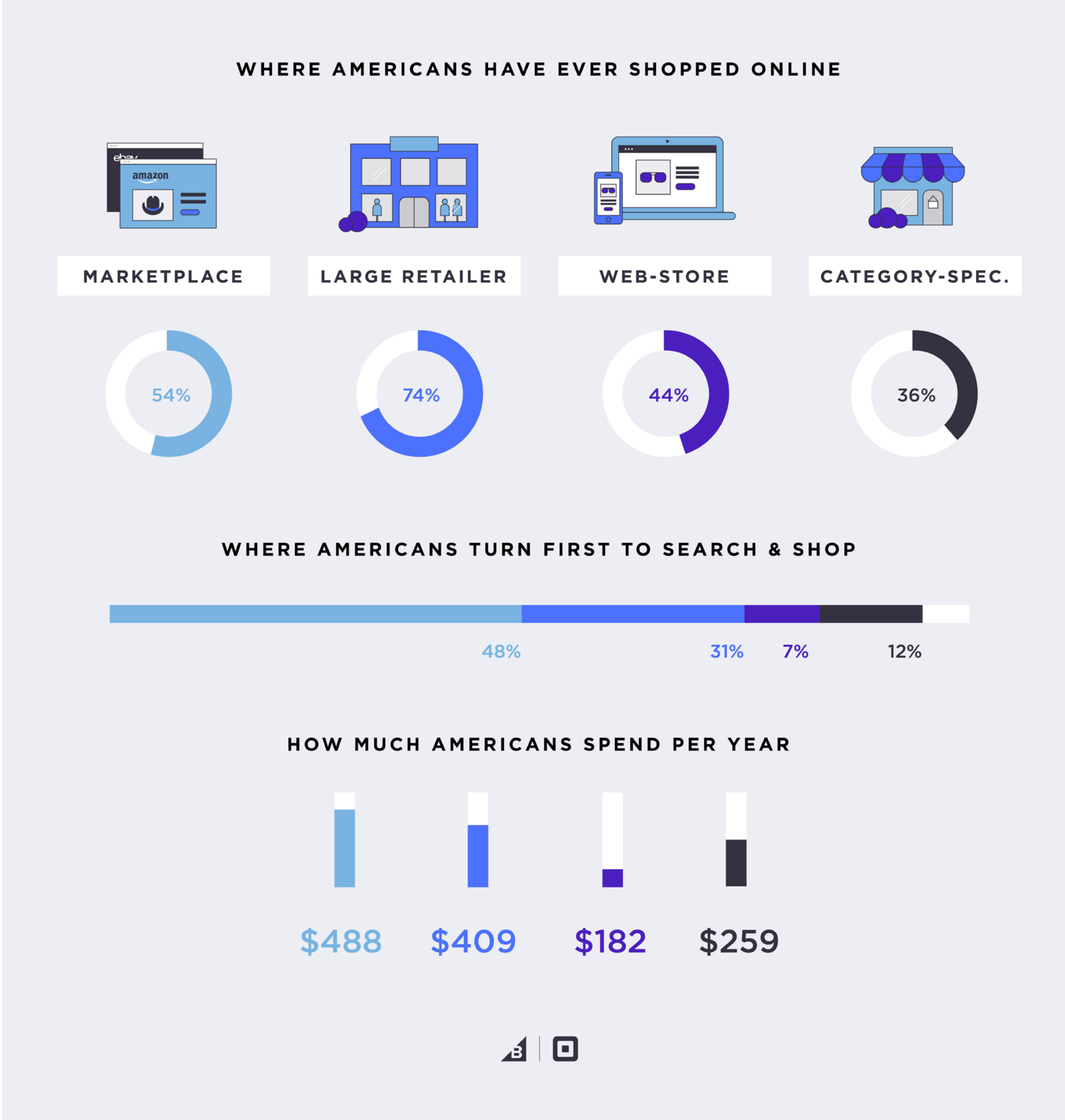
Product discoverability is the name of the game for online retailers, even big brands. Here's how each retailer type fares in consumer visibility and conversion.

**Square's 2017 survey of over 1,100 business owners revealed that just 16% were selling via Amazon. For more stats from this survey, read on.*

PERCENTAGE OF BUDGET SPENT



WHERE AMERICANS SHOP ONLINE



When Americans spend online

Now that mobile devices are always on hand, there is no limit to where and when people shop online. And they do so frequently, with 80% making purchases at least once a month — and 30% purchasing at least once per week.

The infographics on page 18 and 19 detail exactly how often different demographics are clicking the buy button, and from where they are doing it.

Online shopping frequency

Shopping online is now almost ubiquitous, with 93% of Americans having done so in the last year. For many, online shopping has become habitual: 80% cite purchasing something online monthly, 30% weekly and 5% daily.

Online shopping takes up a good chunk of our time, too. Respondents spend five hours per week on average shopping online, and those with kids spend an additional two per week.

Let's put that in terms of dollars. Using the current federal minimum wage of $7.25 an hour, Americans could make an additional $36 a week putting those hours toward income generation. That's more than $1,500 a year on minimum wage alone. For those in states making a $15 hourly minimum wage, that's $3,600 a year spent online shopping.

ENGAGE BUYERS WITH CONTENT

"Most of the visitors to your site are not immediately ready to purchase. Pre-transactional conversion opportunities let you trade something site visitors find valuable (content like a style guide or recipe book) for something you find valuable (their contact information and interests). It's an opportunity to gather contact information from a prospective buyer on your site so you can engage with them in a thoughtful and valuable way." — Susannah Morris, Ecommerce Marketing Manager at HubSpot

Purchase location and time

So we know Americans shop online often, but let's drill down another layer. During which times and from which locations do they find it most convenient to do so? You might be surprised.

A 2015 InReality study found that 75% of shoppers have used their mobile device while in a physical store. Our survey took things even further, confirming that 25% of Americans have actually made an online purchase while standing in a brick-and-mortar store.

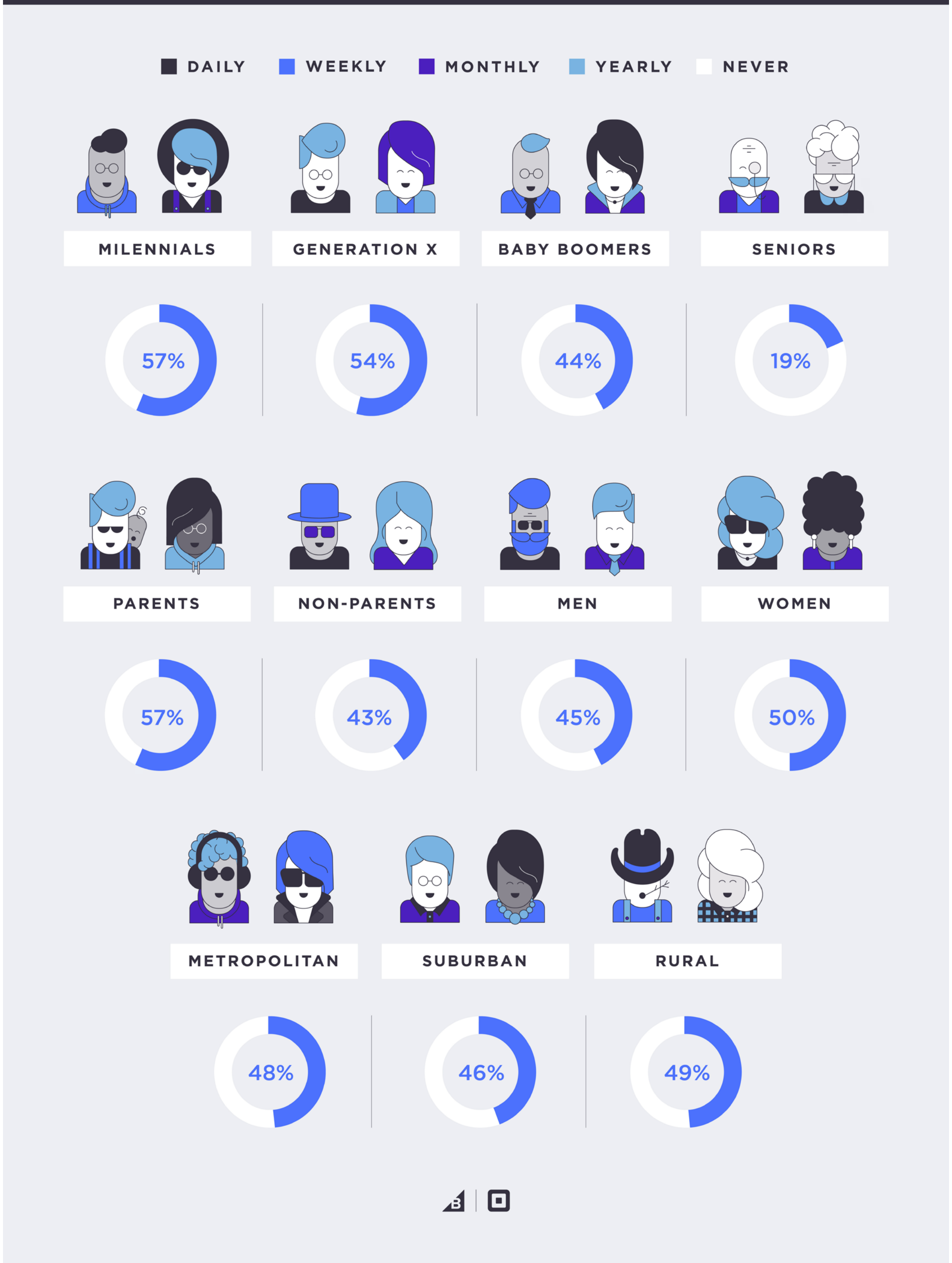
Consumers do their online shopping from a variety of locations — wherever it's most convenient. Almost half (43%) of Americans who have shopped online have made a purchase from bed; Millennials and Gen Xers are 3x more likely to do so than Baby Boomers and Seniors (59% vs. 21%).

Of those surveyed, 23% have made a purchase from work; 29% of Millennials and Gen Xers have done so, and 15% of Baby Boomers and Seniors.

Another 20% admit to purchasing from the bathroom or while in the car. Millennials and Gen Xers report the highest incidences of bathroom shopping; they're 5x more likely to have made an online purchase from the bathroom than Baby Boomers or Seniors (31% vs. 6%).

It's not just where Americans are shopping, though, that's of interest. It's also in what state of mind. One in ten shoppers admitted to buying something online after drinking alcohol. Men are more than twice as likely to drink and shop compared with women (14% to 6%), and younger generations are 5x more likely to do so than older (15% to 3%). Parents are over two times more likely than non-parents to have made an online purchase after drinking (15% vs. 7%). It will be very interesting to see how marketers incorporate this insight into their omni-channel strategy!

HOW OFTEN AMERICAN SHOP ONLINE



WHEN & WHERE AMERICANS SHOP ONLINE

IN BED

43%

67%	MILLENNIALS
50%	GENERATION X
28%	BABY BOOMERS
4%	SENIORS
56%	PARENTS
37%	NON-PARENTS
39%	MEN
46%	WOMEN
46%	METRO
41%	SUBURBAN
38%	RURAL

IN THE OFFICE

23%

26%	MILLENNIALS
31%	GENERATION X
19%	BABY BOOMERS
5%	SENIORS
32%	PARENTS
18%	NON-PARENTS
26%	MEN
20%	WOMEN
24%	METRO
24%	SUBURBAN
17%	RURAL

IN A RETAIL STORE

25%

31%	MILLENNIALS
33%	GENERATION X
20%	BABY BOOMERS
8%	SENIORS
35%	PARENTS
21%	NON-PARENTS
29%	MEN
22%	WOMEN
29%	METRO
22%	SUBURBAN
21%	RURAL

IN A BATHROOM

20%

33%	MILLENNIALS
27%	GENERATION X
8%	BABY BOOMERS
2%	SENIORS
32%	PARENTS
15%	NON-PARENTS
22%	MEN
18%	WOMEN
22%	METRO
18%	SUBURBAN
14%	RURAL

IN THE CAR

20%

32%	MILLENNIALS
27%	GENERATION X
10%	BABY BOOMERS
2%	SENIORS
32%	PARENTS
15%	NON-PARENTS
21%	MEN
9%	WOMEN
23%	METRO
17%	SUBURBAN
18%	RURAL

UNDER THE INFLUENCE

10%

13%	MILLENNIALS
17%	GENERATION X
4%	BABY BOOMERS
2%	SENIORS
15%	PARENTS
7%	NON-PARENTS
14%	MEN
6%	WOMEN
11%	METRO
11%	SUBURBAN
4%	RURAL

What Americans are buying

It's clear that American are shopping both online and in store. Yet what they buy at each type of retailer varies — and also overlaps. Our study further proves that the modern buyer journey is multi-channel. Few Americans have bought items only through one or even two channels. Most purchase items through a variety of retailer types, likely whichever is the most convenient or cost-effective at the time of purchase.

See the infographic on the following page for a more thorough breakdown of which items consumers are buying at which retailers. Here are a few takeaways:

- **Clothing, shoes and accessories:** 44% of shoppers have purchased from marketplaces (e.g. Amazon, eBay, Etsy), 47% from large retailers (e.g. Walmart, CostCo), 27% from webstores (e.g. TJ Maxx) and 30% from category-specific online stores (e.g. Apple, Timberland)
- **Electronics:** 34% of shoppers have purchased from marketplaces, 32% from large retailers, 10% from webstores and 19% from category-specific online stores
- **Beauty and personal care items:** 29% of shoppers have purchased from marketplaces, 24% from large retailers, 18% from webstores and 17% from category-specific online stores
- **Books, music and movies:** 44% of shoppers bought from marketplaces, 28% from large retailers, 15% from webstores and 21% from category-specific online stores
- **Flowers and gifts:** 14% of consumers bought on marketplaces, 14% from large retailers, 15% from webstores and 19% from category-specific online stores.

UPSELL AND CROSS-SELL WITH PRODUCT RECOMMENDATIONS

"Leverage dynamic product recommendations to upsell and cross-sell, on-site and in marketing emails. Use the information you have about buyers to personalize your outreach to fit their interests." — Morgan Jacobson, Ecommerce Sales Manager at HubSpot

WHAT AMERICANS ARE BUYING

MARKETPLACE

29% HEALTH & BEAUTY
34% ELECTRONICS
43% APPAREL
44% ENTERTAINMENT

LARGE RETAILER

24% HEALTH & BEAUTY
32% ELECTRONICS
47% APPAREL
28% ENTERTAINMENT

WEB-STORE

18% HEALTH & BEAUTY
15% FLOWERS & GIFTS
27% APPAREL
15% ENTERTAINMENT

CATEGORY-SPEC.

19% ELECTRONICS
F19% LOWERS & GIFTS
30% APPAREL
21% ENTERTAINMENT

What influences the American shopper to purchase

Convenience and price are the two most important influences on a purchasing decision. Have a low enough price, though, and convenience takes a back seat.

Likely as a result of the recent recession and slower-than-expected return to stability, Americans are most persuaded to buy when the price is right. But price comes into play in multiple ways. Shipping, taxes, fees, returns, coupons, discounts and giveaways all matter to consumers. For retailers, especially independent boutiques and webstores, perks like "free shipping" are being more frequently offered and considered a marketing expense. For larger chains like Amazon, the net loss is worth the increase in brand reputation. Either way, most retailers are struggling to keep up.

Price, however, is not the only factor that can sway a consumer to purchase. In this section, we'll explore what exactly closes the deal for today's shopper.

Most important influencing factors

The top three factors Americans rank as "very" or "extremely" influential in determining where they shop are price (87%), shipping cost and speed (80%), and discount offers (71%). Seniors are an outlier to the pricing trifecta, as they are less influenced by discount offers than other generations (47% to 74%).

Almost a quarter of online shoppers (23%) are influenced by social media recommendations, and 42% find recommendations from friends and family influential — twice the number who cite advertisements as influential. Interestingly, younger generations self-report as more receptive to advertising; Millennials and Gen Xers are nearly twice as likely as older generations to find advertising influential.

Surprised? We'll dive into that in more detail later.

PRICE IS JUST PART OF THE EQUATION

"Customers place more value in the overall experience they have with your brand, than in merely getting the lowest price. Service, shipping, convenience and ease-of-use, are all essential to turning customers into repeat customers." — Christina Dam, Product Marketing Lead at Square

Reviews vs. advertisements vs. friends and family

There is something shifting among generations as to how reviews, advertisements, and friends and family influence a purchasing decision.

In general, 42% of online shoppers find recommendations from friends and family influential, 23% are influenced by social media recommendations and reviews, and 21% cite advertisements as influential.

Although advertisements were rated the least influential purchasing factor, the data showed that younger generations are more receptive to advertising than older ones. Millennials and Gen Xers fare nearly twice as likely as Baby Boomers and Seniors to find ads influential (27% vs. 14%). This may be due to the constantly shifting nature of online advertising.

Conversion killers and online pain points — what makes consumers abandon cart

At the end of the day, it doesn't matter how much traffic an online store receives — if no one actually buys, the business will perish.

The average ecommerce conversion rate for a U.S. online store is between 2–3%. So, for every 100 visitors a site receives, less than four people will purchase an item. This creates an ROI issue. Advertising is expensive, and so is creating a quality customer experience that generates reviews or word of mouth to drive more sales.

Abandoned carts continue to be an issue for retailers of all sizes, with the average abandoned cart rate at 69%. What's stopping consumers from buying once they add to cart? Cost is a big issue. Our data shows that 66% of Americans have decided not to buy an item because of shipping costs: that's 72% of women and 59% of men.

After cost, the natural limitations of buying online are the leading causes of abandoned carts. Nearly half of respondents (49%) cited not being able to touch, feel or try a product as one of their least favorite aspects of online shopping. Another 34% said difficult-to-return items and long delivery estimates were also a pain.

Finally, site design also matters: 21% of Americans state that unattractive or hard-to-navigate websites are frustrating when buying online. A well-designed store is essential to decreasing abandonment and increasing sales.

What Americans want more of from online stores

Shoppers appreciate stores that recreate the in-person buying experience using images (78%), reviews (69%), comparisons (46%), testimonials (42%) or video (30%). These immersive features help alleviate the fact that 49% of online shoppers dislike not being able to touch, feel or try out a product.

Here is what Americans would like to see more of from online stores.

IT PAYS TO GET REVIEWS

"Not being able to interact with a product before buying can be a turn-off. Encourage customers who have bought to post reviews. Few tactics are more effective than social proof." — Christina Dam, Product Marketing Lead at Square

WHAT INFLUENCES EACH DEMOGRAPHIC

	REVIEWS	ADS	FRIENDS & FAMILY
MILENNIALS	78%	25%	50%
GENERATION X	76%	29%	53%
BABY BOOMERS	59%	16%	32%
SENIORS	48%	7%	19%
PARENTS	75%	30%	55%
NON-PARENTS	65%	17%	36%
MEN	66%	25%	43%
WOMEN	70%	18%	40%
METROPOLITAN	71%	25%	46%
SUBURBAN	69%	20%	39%
RURAL	61%	15%	36%


WHAT INFLUENCES SHOPPERS TO BUY
PRICE 87%
SHIPPING COST AND SPEED 80%
DISCOUNT OFFERS 71%
VARIETY OF OPTIONS IN STOCK 71%
TRUSTWORTHY REVIEWS 68%
FLEXIBLE OR FREE RETURNS 68%
BRAND REPUTATION 67%
SIMPLE SITE NAVIGATION 64%
TAILORED SELECTION OF PRODUCTS 53%
MOBILE-FRIENDLY WEBPAGE 46%
LOYALTY/REWARDS PROGRAM 45%
FRIEND AND FAMILY 42%
TOP SEARCH ENGINE RESULTS 39%
SOCIAL MEDIA RECOMMENDATIONS 23%
ADVERTISMENTS 21%


WHAT SHOPPERS HATE
PAYING FOR SHIPPING 58%
NOT BEING ABLE TRY OUT A PRODUCT FIRST 49%
DIFFICULT TO RETURN ITEMS 34%
WAITING FOR DELIVERY 34%
CONCERNS ABOUT PRIVACY 29%
UNATTRACTIVE OR HARD-TO-NAVIGATE SITES 21%
ENTERING PAYMENT INFO 19%
OVERWHELMING AMOUNT OF PRODUCTS 10%
NOT KNOWING WHERE TO SEARCH FOR A PRODUCT 9%

How Americans feel about online shopping

Online shopping is more convenient than ever, and many Americans admit to purchasing from absolutely anywhere — and occasionally in an altered state of mind. So it stands to reason that not all purchases are home runs.

In our study, 42% of online shoppers said they've made a purchase they later regret, and 21% have accidentally bought something they didn't want.

Shopping regret

As mentioned above, 42% of Americans have made a purchase they later regret. Millennials are the most likely to experience buyer's regret than any other generation (51% vs. 37%). Here's how it breaks down.

REGRET AND RETURNS GO HAND-IN-HAND, SO MAKE THE EXPERIENCE POSITIVE

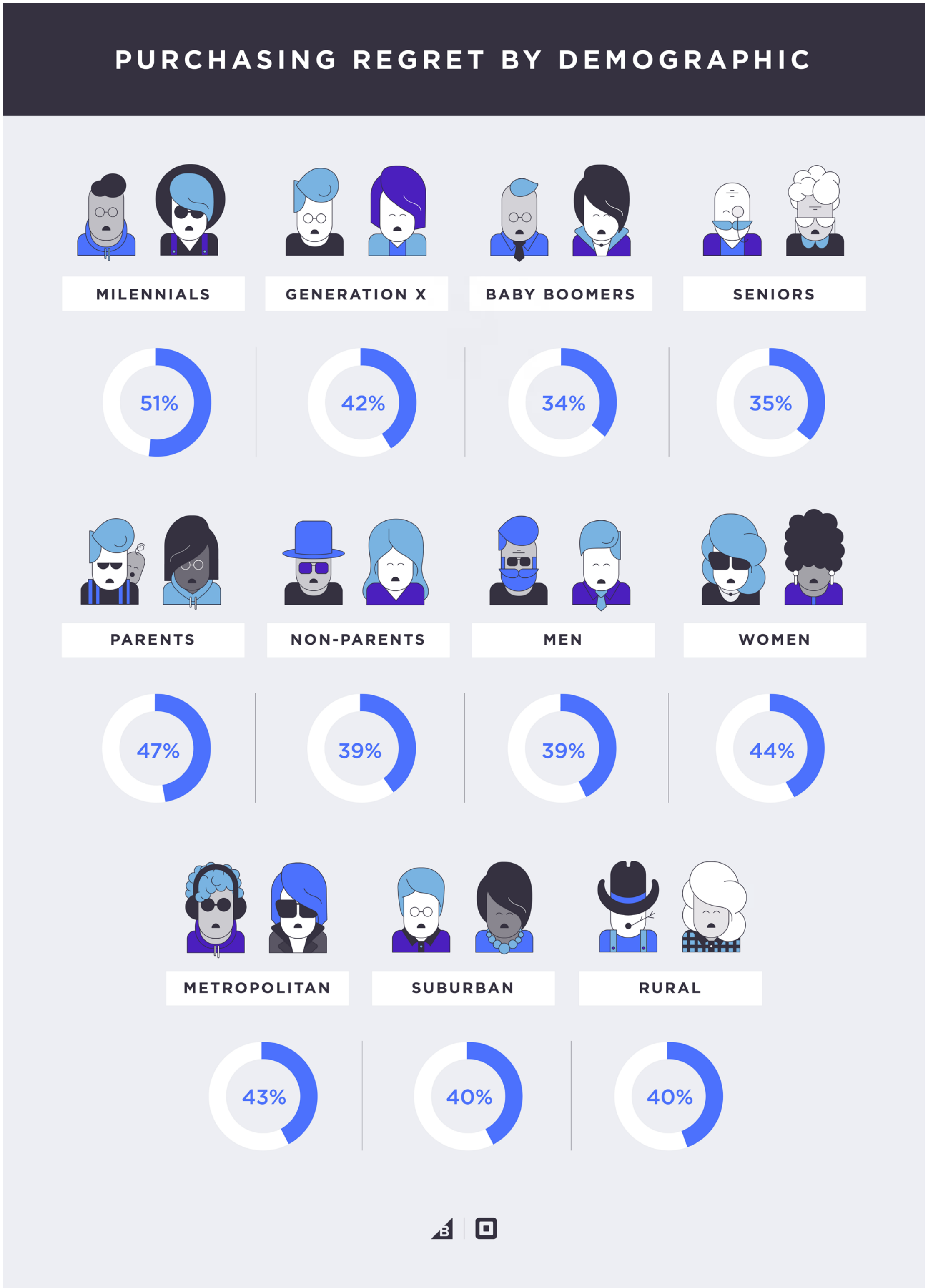
"A clear returns policy helps instill trust in your brand. Offer money back if you can, or store credit if you want to retain the revenue. Either way, make the return process as easy as possible for the consumer. A regretted purchase doesn't have to be a point of contention between your brand and a potential repeat customer." — BigCommerce Support Team

Overspending

Nearly half of online shoppers (48%) reported overspending on a purchase. Millennials and Gen Xers lead overspending at 55%, followed by 38% of Baby Boomers and Seniors.

BE OPEN ABOUT COSTS, PROVIDE OPTIONS

"Include additional costs such as shipping and taxes upfront, throughout the buying process, to reduce cart abandonment. And offer options — while some customers prefer to wait and save a few dollars, others will happily pay for faster delivery." — Christina Dam, Product Marketing Lead at Square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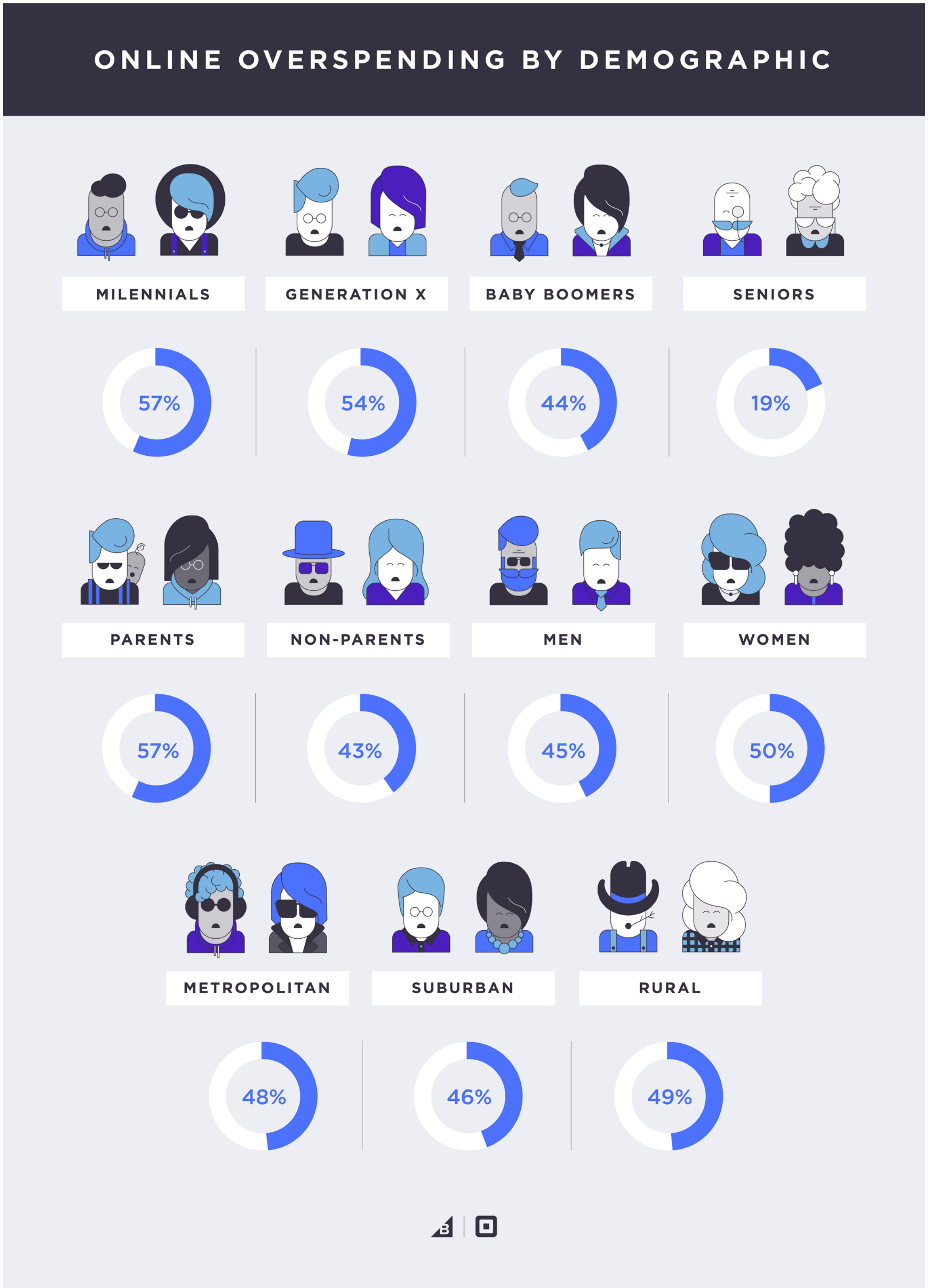
ONLINE OVERSPENDING BY DEMOGRAPHIC
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57%
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METROPOLITAN
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SUBURBAN
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49%

How important is online shopping?

For many Americans, online shopping is an indispensable part of life. In fact, 40% of those surveyed said they couldn't live without it. Seniors are the least digital-dependent among us; Millennials, Gen Xers and Baby Boomers were more than twice as likely to say they couldn't live without online shopping (43% to 20%).

What would consumers give up before online shopping? Turns out, quite a bit!

Respondents were nearly twice as likely to say they could not live without online shopping compared to streaming music (40% to 21%). And they were 8x as likely to say they could not live without online shopping compared to dating apps (40% to 5%).

When it comes to priorities, Americans favor shopping over first dates and music.

Where do retailers fit into this equation?

Running alongside the study you've been reading about, was another study of 1,164 U.S. business owners conducted by Square and Mercury Analytics. They wanted to know which channels businesses sell through, to determine how many of them were either multi-channel or omni-channel sellers.

Of those surveyed, 56% had a physical store, while 21% have either a pop-up store, or do pop-up stalls at events. Only 34% sold through their own website (using a website building platform), 25% through Facebook (40% on social media as a whole, including Instagram and Pinterest). One of the most shocking stats, however, is that just 16% of those surveyed sold through Amazon — not great considering how almost half of purchases begin on these kind of platforms.

With reference to how customers prefer to pay, 76% of respondents accept credit cards in person, while only 42% accept them online (a statistic could become a non-issue with the implementation of Square).

What does this mean for merchants in terms of profits? The average annual processing volume for Square eCommerce merchants is 47% higher than the average annual processing volume for Square merchants who don't use Square's eCommerce API.

How do all of these statistics relate?

In short: Retailers need to be doing more to meet the needs and behaviors of customers wherever they are, be that on mobile, desktop, in-store while browsing or within apps and on social. The buying habits of individuals are somewhat fickle, but they are not impossible to influence.

Setting up an online store and then waiting for the money to roll in simply won't work like you think. Omni-channel selling is about being proactive in getting in front of customers when and where they're likely to make a purchase. If you want that money, then like sales pros of old, you'd better be willing to go where the customer is.

What else does this mean for U.S. retailers? (Developing your omni-channel strategy)

Technology has wholly disrupted the retail industry. Consumers are no longer loyal to a single brand or type of shopping. They now shop in an omni-channel fashion, sometimes buying on a mobile device while in a brick-and-mortar store, or browsing a marketplace before heading to a category-specific site.

It's imperative for brands to truly understand their target customer, then dig deep on how that persona purchases. For instance, webstores and category-specific online stores have a leg up on selling gifts and flowers. However, if you're a webstore selling clothing, shoes and accessories, you'll also want to list on a marketplace or go the wholesale route to get your items in a large retailer like Nordstrom. After all, most consumers looking for those items begin their search on and eventually purchase from one of those platforms. If you aren't there, they won't be buying from you.

We'll be following up over the next few weeks with additional deep dives into various aspects of the data and trends uncovered by our study. Stay tuned!

Thanks!