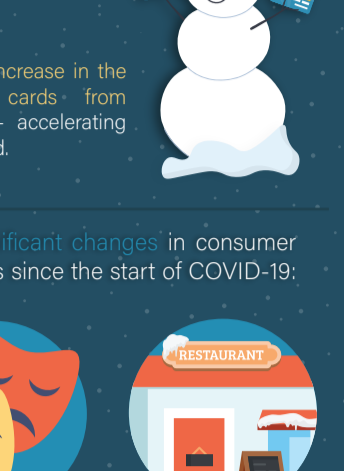
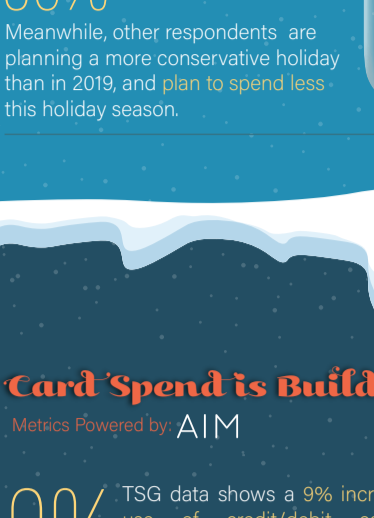


# Home (shopping) for the Holidays

The Strawhecker Group (TSG) and the Electronic Transactions Association (ETA) surveyed nearly 1,000 U.S. consumers in November to understand spending habits, payments preferences, and opinions on emerging payments technologies this holiday season.

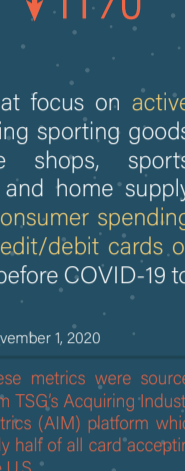


## Consumers are still planning to spend this holiday season



## Card Spend is Building

Metrics Powered by: AIM



Specific areas have seen significant changes in consumer spending on credit/debit cards since the start of COVID-19:



Active Lifestyle Spending ↑ 30%

Retail stores that focus on active lifestyles including sporting goods stores, bicycle shops, sports apparel stores, and home supply stores all had consumer spending increases on credit/debit cards of over 30% from before COVID-19 to present\*.

\*February 1, 2020 to November 1, 2020

AIM These metrics were sourced from TSG's Acquiring Industry Metrics (AIM) platform which is comprised of nearly half of all card-accepting merchants within the U.S.

## What's influencing shoppers this year?

- Variety**  
Consumers have more payment options than ever before and are expressing an interest in trying new methods.
- Familiarity**  
Some consumers feel that newer payment options can be difficult to use. There is a need for increased education around how to use new payments options, both on the consumer side and merchant side.
- Comfort**  
Consumers still trust the tried and true payment methods, with most respondents indicating they still prefer to use traditional credit/debit options when making in-store and online purchases.



## This season, consumers have more payment methods to choose from than ever before

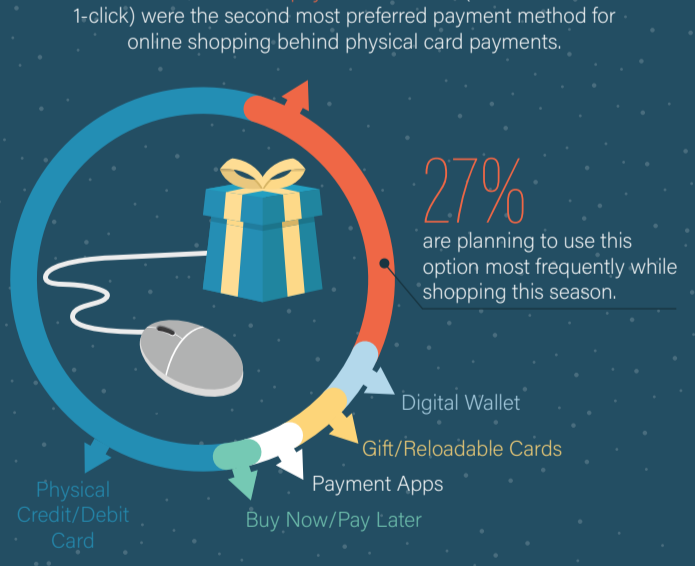
When asked which payment methods they plan to use while holiday shopping, most respondents said they plan to use multiple options.



Most are planning on using their credit or debit card to shop this year, 6% of which plan to use mobile QR codes during their holiday shopping.

## A jolly surprise! New payment methods are on the rise

Many respondents said they frequently use less traditional methods like digital buy now pay later and contactless digital wallets.

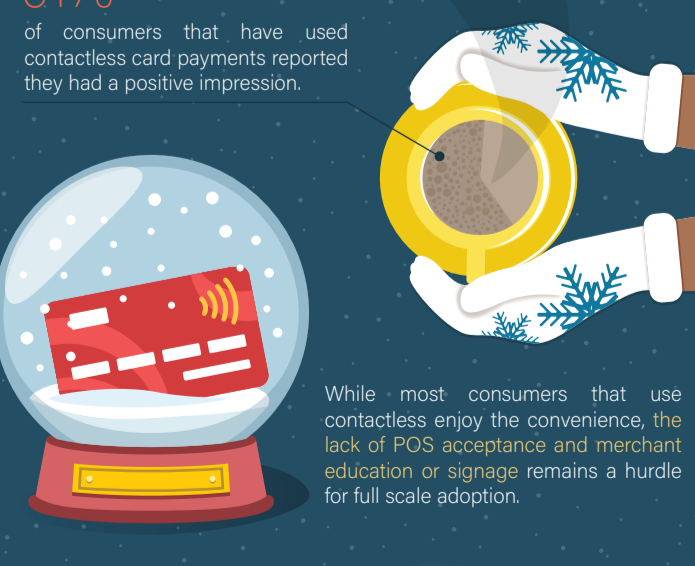


QR codes are a more popular payment method choice than digital buy now, pay later methods, though both of these options tended to be consumers' fifth, six, or seventh choice for payments.

## Consumers still love the tried and true, when shopping in person, and digitally too

When asked which payment method consumers most prefer, credit and debit card payments are still the number one choice this holiday season, no matter where shoppers are checking out.

## In-Store Shopping Preferences



## Online Shopping Preferences

1-click or saved account payment shortcuts (such as Amazon 1-click) were the second most preferred payment method for online shopping behind physical card payments.



## Consumers are choosing their payments with care

Sentiment around digital buy now, pay later (BNPL) options was mixed. Many consumers expressed an interest in trying digital BNPL this holiday season, but others reported being apprehensive, particularly when used online, as opposed to other payment methods. There was a particular mistrust of digital BNPL, as opposed to other payment methods.



## Consumers are warming up to contactless payments

61% of consumers that have used contactless card payments reported they had a positive impression.



While most consumers that use contactless enjoy the convenience, the lack of POS acceptance and merchant education or signage remains a hurdle for full scale adoption.

## Which new payment methods will you unwrap this holiday season?

The survey results indicated that not only has the COVID-19 outbreak accelerated the already growing trend of online shopping and contactless payments (and the general shift from physical to digital payments), it has encouraged experimentation, coaxing consumers to explore different ways to access products and services and reinforced certain behaviors that have long been simmering in the background.



The Strawhecker Group (TSG) is the largest analytics and consulting firm focused on the payments acceptance industry. TSG serves the entire payments ecosystem and has experience in working on large-scale projects for the world's biggest payment players. The firm has worked with all card networks, nine of the top ten merchant acquirers in the U.S., as well as leading private equity firms and investment banks. The firm's 50-person workforce is primarily in Omaha with satellite offices in Sacramento, Denver, and London. For more information please visit [www.TheStrawGroup.com](http://www.TheStrawGroup.com).

The Electronic Transactions Association (ETA) is the leading trade association for the payments industry, representing nearly 550 companies worldwide involved in electronic transaction processing products and services. The purpose of ETA is to influence, monitor, and shape the payments industry by providing leadership through education, advocacy, and the exchange of information.

This report is based upon information we consider reliable, but its accuracy and completeness cannot be guaranteed. Information provided is not all inclusive. All information listed is as available. For internal use only. Reproducing or allowing reproduction or dissemination of any portion of this report externally for any purpose, without expressed written consent of TSG, is strictly prohibited and may violate the intellectual property rights of The Strawhecker Group. © Copyright 2020. Survey methodology: TSG and the ETA conducted a survey consisting of 963 consumers in the U.S. with the goal of understanding payments preferences and spending trends this holiday season. The survey was conducted between November 9, 2020 and November 11, 2020. All results are from the perspective of the consumer. The survey represents consumers across various U.S. regions and industries. The margin of error is +/- 4.2% at a 99% confidence level.

