



# High-value consumers' payment preferences unpacked



The post-pandemic shift  
in luxury shoppers' demands

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**INTRODUCTION**

# A foreword from Vyne

It would be an understatement to say that the pandemic has changed the priorities of the modern luxury consumer.

Their mindset and behaviours have transformed. There has been a global culture shift, from working patterns to attitudes towards the way we want to spend free time. In the retail sector, change is everywhere: the way in which consumers are shopping online; what they are purchasing; the methods they are choosing to pay with; and even the expectations they have of their favourite brands.

So how does a luxury brand adapt to these changes and continue to offer the best possible experience for customers in 2022?

In October 2021, we asked 2000+ UK consumers about their payment experiences and preferences to understand how customers are adapting to new ways of purchasing and consuming. We wanted to understand how consumers are accessing online shopping, as well as their pain points and how luxury brands could alleviate them.

Our hope is that luxury brands use this insight to develop or fine-tune their online payment experiences to meet consumer demands, in the name of driving growth, enhancing high value consumer experiences, and improving brand loyalty.

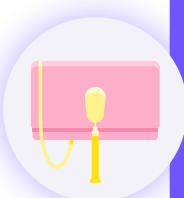
## CHAPTER 01

# How are consumers of luxury goods changing?

Although traditionally a brick-and-mortar experience, more consumers across the globe are purchasing high-value goods online.

£12.27  
billion

2021



The UK has seen an [11.9% growth](#) in 2021 alone in luxury goods, with a total revenue of [12.27bn GBP\\*](#) showing a clear appetite and continued growth despite the pandemic. Consumers are opting to swap the in-store brand experience for online, or at least compliment one with the other. Some may even use brick-and-mortar stores as a showroom, to view or trial luxury products, before making the purchase online at a later time.

64% of respondents who have an annual household income of £75,000+ and shop online made more payments online since the beginning of the pandemic, compared to those from lower income households. The question of whether the fluidity of consumer behaviour will continue to increase or stabilise, is unknown at this point.

Premium brands known for their curated experiences take pride in their exclusivity to create a closer connection with customers. Although traditional consumer habits are changing, this provides an optimal opportunity to create an online destination that replicates the curated experience of a high-end luxury store from the second they land on your homepage to the moment they make a successful purchase. As preferences change, brands will have to adapt further to make the entire shopping experience more immersive.

We discovered 54% of those with a higher household income typically prefer to do their online shopping on a laptop. Of the same group, 53% shop online at work or in their office. 44% of senior management workers shop online while commuting, showing that shopping on the go is becoming more frequent, as luxury shoppers are opting to be productive with their time.

## CHAPTER 02

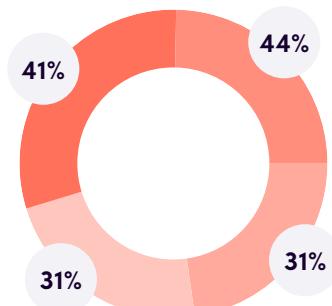
# How are payments impacting the luxury shopping experience?

More than 2 in 5 (41%) respondents with a household income of £75,000+ said if they were buying a high-value item (e.g. exceeding £500) they would typically change their payment method from the one they use most regularly, with most opting to change to a debit or credit card.

However, card payments were identified as a point of frustration for luxury shoppers, suggesting consumers are falling out of love with them. For luxury retailers whose customers are using this method for high value purchases, this presents a challenge when it comes to delivering an experience that meets their (high) expectations.

Of the high-income household respondents we asked, card payment frustrations included:

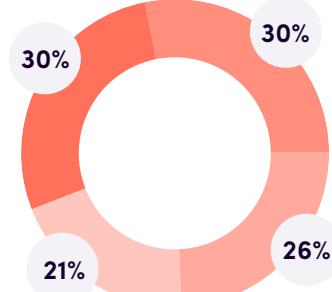
- Takes too long to input card details
- Worried about cards being stored fraudulently
- Time taken to pass authentication checks
- Don't have their card details to hand



These frustrations are having a significant impact on luxury retailers when it comes to basket abandonment. Our research shows that 19% of higher income households had abandoned a basket at checkout in the last week alone.

The reasons for abandoning baskets included:

- Hidden charges occurred
- Taking too long to input details
- Checkout process crashed/failed
- Didn't feel secure



## Luxury consumers demand the best experiences, down to the very last detail, and current online checkout experiences are leaving them less than happy.

The new, modern, impulsive shopper doesn't tolerate these experiences, with 62% of higher household income respondents opting to shop elsewhere purely down to a poor payment experience.

It's not all about the act of paying, either: refunds are at the top of the list of high value consumers' priorities. Since the pandemic, in the absence of try-before-you-buy, changing rooms, or second opinions, more and more people are electing to make multiple purchases online, knowing that they plan to later return a large number of the items.

 **38%**

of respondents make multiple purchases knowing that they're going to be asking for refunds, such as buying five pairs of shoes online ahead of a wedding, knowing that they will only keep their favourite.

 **23%**

of purchases from higher-income households result in a refund request, regardless of it being a planned return or the result of other factors including faulty products, incorrect sizing and a simple change of heart.

 **31%**

of all respondents who had requested a refund found the process time consuming and frustrating.

 **49%**

of all respondents who weren't satisfied with the refund experience stated it was because it took too long to get the refund.

 **76%**

of respondents in higher income households would be more likely to shop with a luxury brand if they offered instant refunds.

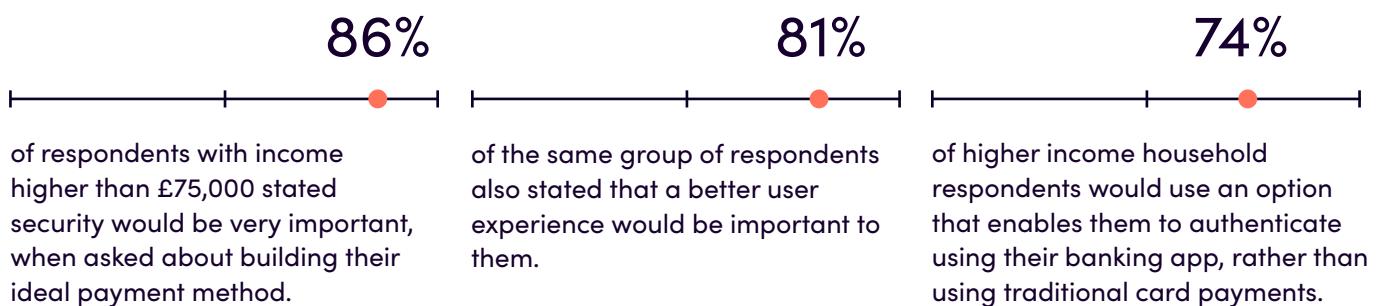
Moreover, if there was a payment method available that enabled instant refunds, almost 4 in 5 would use it over their traditional payment method. This provides an opportunity for luxury brands to present consumers with unique value by offering faster, less time consuming refunds to encourage repeat purchases, and more loyal customers.

## CHAPTER 03

# What do luxury consumers value?

It's clear that consumers are combatting a number of payment pain points.

To better understand what luxury consumers want from an online payment experience we asked about their needs and desires.



## But what about adoption?

Would consumers deviate from tried and tested payment methods? Interestingly, our research demonstrated an overwhelming demand for better options, perhaps a result of the post-pandemic shift.



## CONCLUSION

# It's time for a change

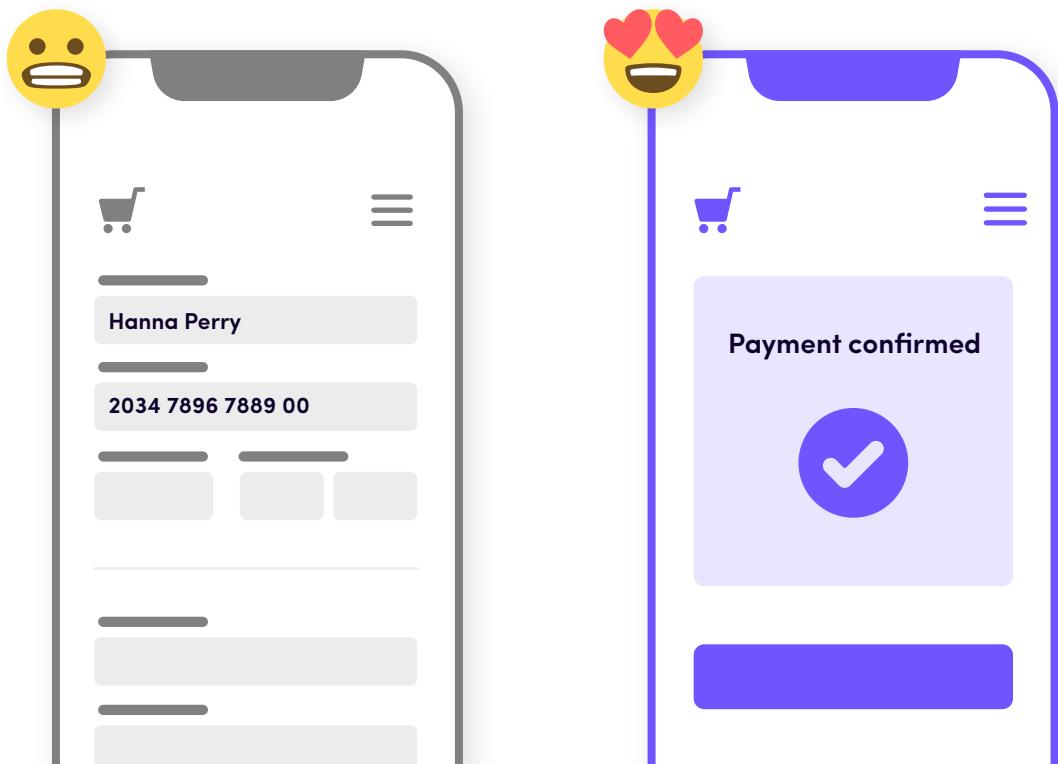


Traditional payment methods, which were not built for the digital world we live in today, are negatively affecting consumer brand sentiment and driving away potential sales.

High value customers demand a cohesive experience that includes a checkout journey or refund experience that isn't outdated, inefficient or slow. They demand a journey that reflects the luxury in-store experience.

Open Banking offers a more modern, transparent and seamless approach that benefits both buyers and sellers in a transaction. Indeed, consumers are crying out for the benefits it offers – from stronger security and better UX to instant refunds.

The onus is now on luxury retailers to recognise the importance of the payments process in building a loyal customer base and implement solutions fit for the modern luxury consumer. First movers will pave the way for industry change and be the leaders of the next generation of luxury shopping experiences.



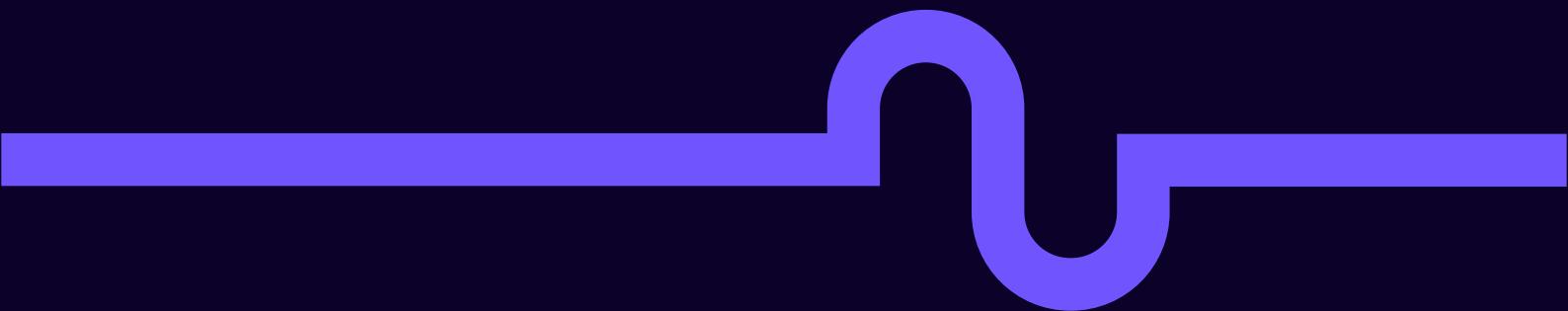
Add seamless, secure payment experiences to your checkout with Open Banking powered account-to-account payments.

Customers move money in real-time by paying directly from their bank account and payments are completed in seconds, bypassing expensive and slow traditional methods.

Founded by true payments experts, Vyne's innovative technology and solutions bring together decades of combined industry experience to ensure direct, secure, faster payments.

Vyne Technologies Ltd is authorised and regulated by the Financial Conduct Authority (FCA) as an Authorised Payment Institution.

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