

Consumers spend more with digital wallets

Article

The news: Consumers who use digital wallets spend 31% more than non-users across a range of categories, per a PYMNTs and AWS survey of 2,501 US respondents.

- The boost was strongest for restaurant sales: Digital wallet transactions averaged \$44 per ticket, versus \$33 for non-wallet sales—a **33% jump**.
- Retail sales got a 17% bump from wallet users, and digital wallet grocery sales were up 4%.

Digging deeper: Demographic trends played a big role in boosting digital wallet transactions.

- Digital wallet users skew toward the better-off: While only 49.4% of US consumers reported using digital wallets in the survey, **nearly 55% of consumers making more than \$100,000** annually said they used digital wallets.
- That share decreased for each subsequent income bracket: **Just 41.2% of those earning less than \$50,000** said they use digital wallets.

The disparity in wallet use across income brackets suggests that—at least in part—larger digital wallet sales are the product of **digital wallet users having more disposable income** than non-users.

A trend for the ages: Digital wallet use varies even more dynamically across age cohorts, suggesting that digital wallets will continue to attract larger shares of spend.

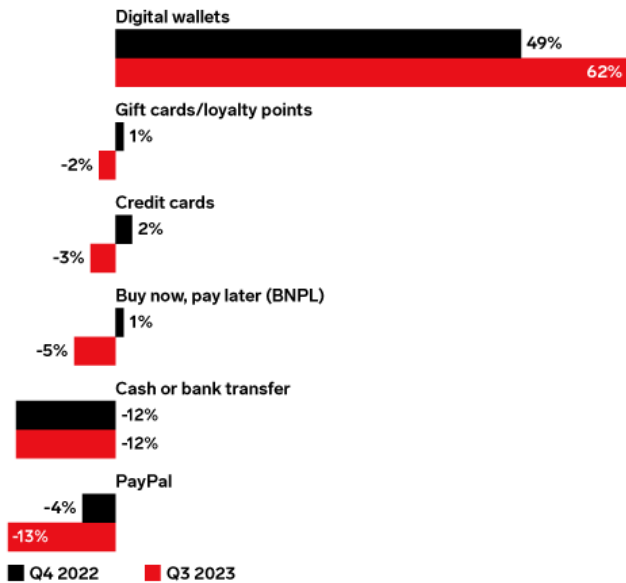
- **Nearly 80% of Gen Z consumers use digital wallets**, according to the study.
- By contrast, that figure was 66% for millennials, 43.7% for Gen Xers, and 25.7% for baby boomers.

What this means for retailers: Which payment methods retailers' biggest spenders—and the shoppers of tomorrow—prefer is integral to increasing sales and reducing cart abandonment.

- **More than 4 in 10 consumers (42%)** said they would give up on their purchase if their preferred payment method wasn't offered at checkout, according to PPRO.
- Digital wallets are also **quickly becoming commerce enablement platforms** through features like digital smart receipts and payment method optimization. These services can boost both user loyalty and purchase conversion.

Payment Type Transaction Growth Worldwide, Q4 2022 & Q3 2023

% change vs. same period of prior year



Note: represents activity tracked by Salesforce; broader industry metrics may vary
Source: Salesforce, "State of Commerce," Jan 9, 2024

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