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Digital Receipts and Digital Banking: New Frontiers for Growth

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Summary and Key Findings

Digital receipts have been around for a number of years, yet little is known about merchants' attitudes, perceptions, and behaviors toward them. An intriguing option to drive more value from digital receipts is to make them available within digital banking systems such as online banking and mobile banking apps. There are a multitude of ways in which digital receipts can drive incremental value for both merchants and financial institutions (FIs). However, benefits can directly accrue to consumers as well.

Datos Insights conducted a study of 260 merchants across multiple geographies to learn of their level of support for digital receipts, perceived benefits they provide, and attitudes toward enhanced consumer engagement by having digital receipts available in digital banking systems. The study also explored why FIs and consumers have a vested interest in this capability. The key findings from this report follow:

- **Merchants broadly support digital receipts:** Ninety-two percent of merchants with physical stores offer or have plans to support digital receipts.
- **Digital receipts have nearly the same efficacy as paper receipts:** Eighty to 90% of merchants accept digital receipts for most post-transaction purposes.
- **Merchant perspectives are consistent across geographies:** Merchant perspectives on digital receipts are broadly consistent regardless of the merchant's annual sales or the country where they primarily conduct business. They believe digital receipts provide a positive consumer experience and are eco-friendly.
- **Merchant perspectives diverge based on familiarity with digital receipts:** Merchants that are familiar with digital receipts are more likely to respond favorably to their perceived or realized benefits compared to those merchants with little to no familiarity with them. This speaks to the awareness and education gap that needs to be closed among merchants to drive incremental adoption and fully realize their potential.
- **There is a lack of awareness that digital receipts can be integrated into digital banking systems:** Half of the merchants are unaware that digital receipts can be delivered and accessed via digital banking apps. This lack of awareness directly aligns with merchant interest in sharing data with FIs and knowledge of advanced features available in digital banking systems that can deliver value to merchants.

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- **Merchants believe there are benefits to having digital receipts within digital banking systems, but implementation concerns exist:** There is broad belief in the benefits digital receipts deliver, but concerns exist around implementation and operational efforts. However, two-thirds of merchants that have implemented digital receipts have experienced lower chargeback rates, which should be of interest to merchants and FIs since fewer chargebacks result in labor and cost savings.
- **The benefits of digital receipts in digital banking systems also accrue to consumers and FIs:** A host of new features are possible within digital banking systems that deliver incremental value to consumers. By supporting digital receipts, FIs can realize increased adoption of a low-cost customer service channel and create a competitive differentiator in a highly commoditized industry.

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Datos Insights is an advisory firm providing mission-critical insights on technology, regulations, strategy, and operations to hundreds of banks, insurers, payments providers, and investment firms—as well as the technology and service providers that support them. Comprising former senior technology, strategy, and operations executives as well as experienced researchers and consultants, our experts provide actionable advice to our client base, leveraging deep insights developed via our extensive network of clients and other industry contacts.

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