COUPON FOLLOW

State of Online Shopping & Credit Card Usage Habits In 2019

How Americans’ digital spending is affecting their credit card debt

couponfollow.com/research

INTRODUCTION

Currently, Americans collectively owe just over $1 trillion on revolving credit accounts — most commonly, on credit cards. In fact, the average household owes $5,700 on credit cards.[1]

What impact does online shopping have on consumers' credit card use, debt, and spending habits? A new survey from CouponFollow set out to find the answer. We asked more than 1700 web users about their online-shopping and credit-card habits — and how the two overlap.

METHODOLOGY

For this report, we polled 1,740 consumers from all over the U.S.

Representing a broad economic scope, with an annual household income ranging from $0-200,000+, participation was almost evenly split between respondents who identify as male or female (47.3% and 52.7%, respectively).

The data was collected in May 2019.

Learn more at: couponfollow.com/research

KEY TAKEAWAYS

1

When shopping online, over-spending is the most common bad habit.

Around 42% of people say they exceeded their budget while online shopping in the past 6 months.

Meanwhile, 29% charged an online purchase to a credit card knowing they couldn't repay right away.

2

Online shopping can easily lead to credit card debt.

More than a quarter (28%) say they have racked up more than $1,000 in credit card balances through online shopping in the past.

3

Cash-back credit cards are the most commonly owned and preferred.

Take a peak in consumers' wallets and 43% of the time you'll find a cash back credit card.

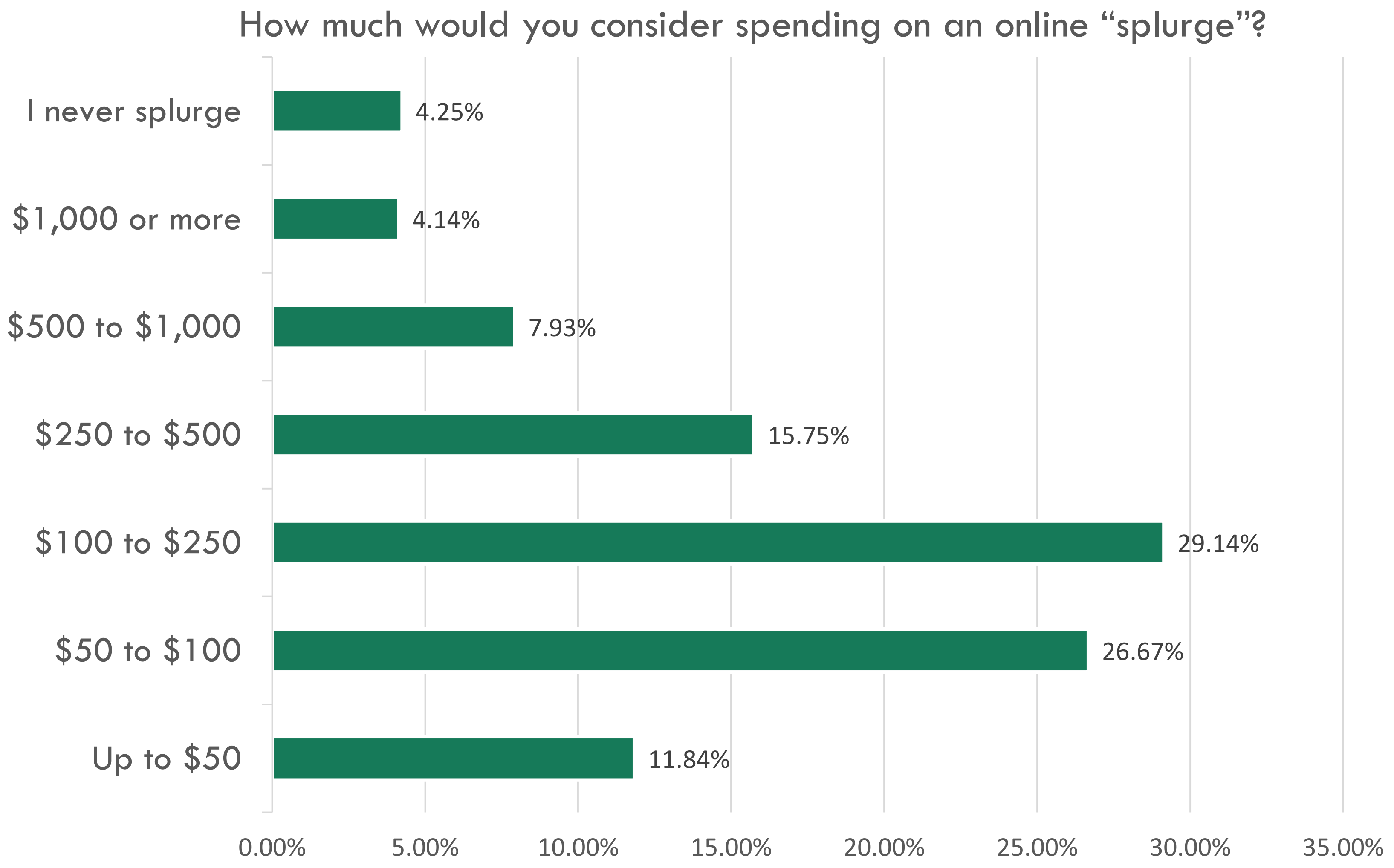
It's also the preferred card for a third (34%) of Americans, followed by low-interest credit cards.

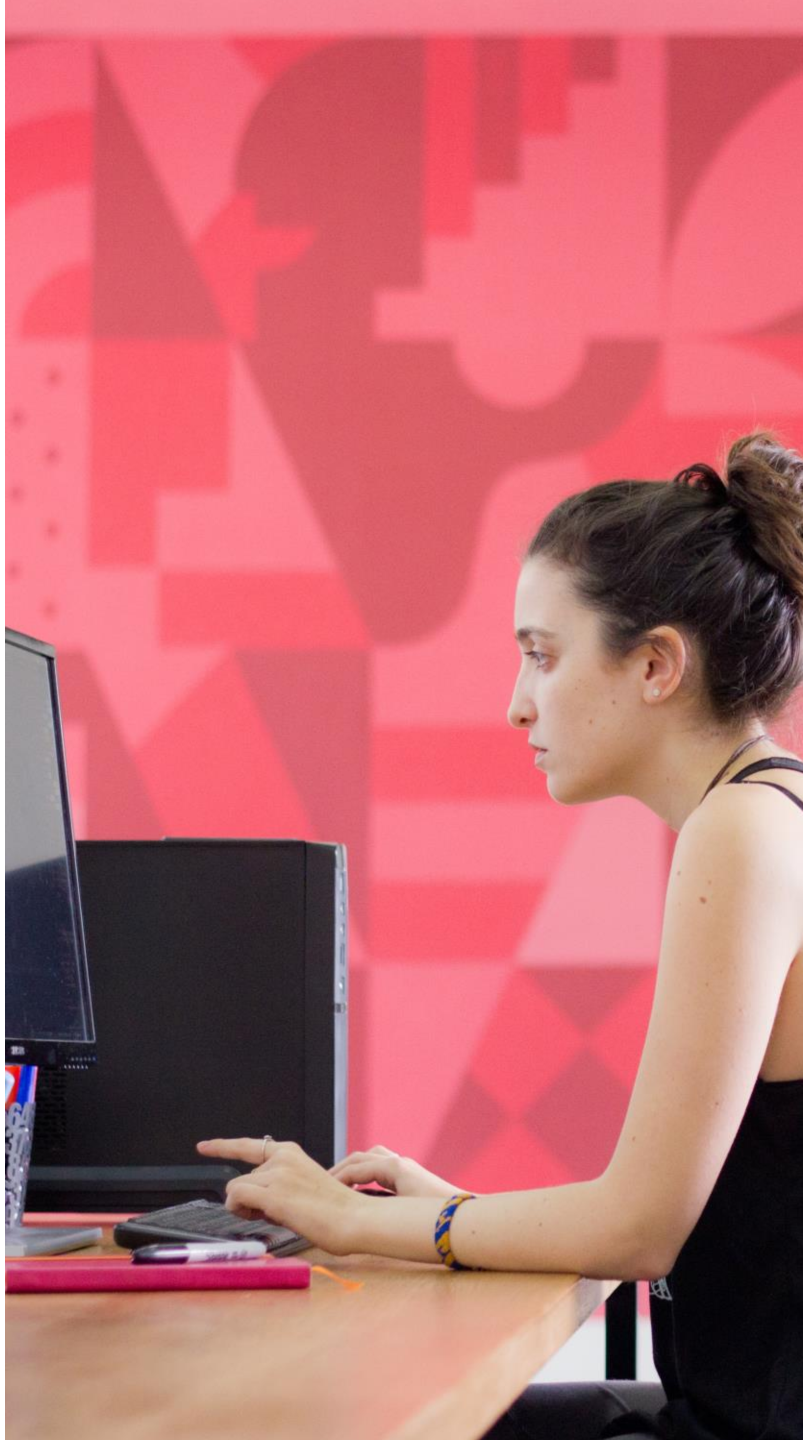
4

Coupons and sales are central to online shopping.

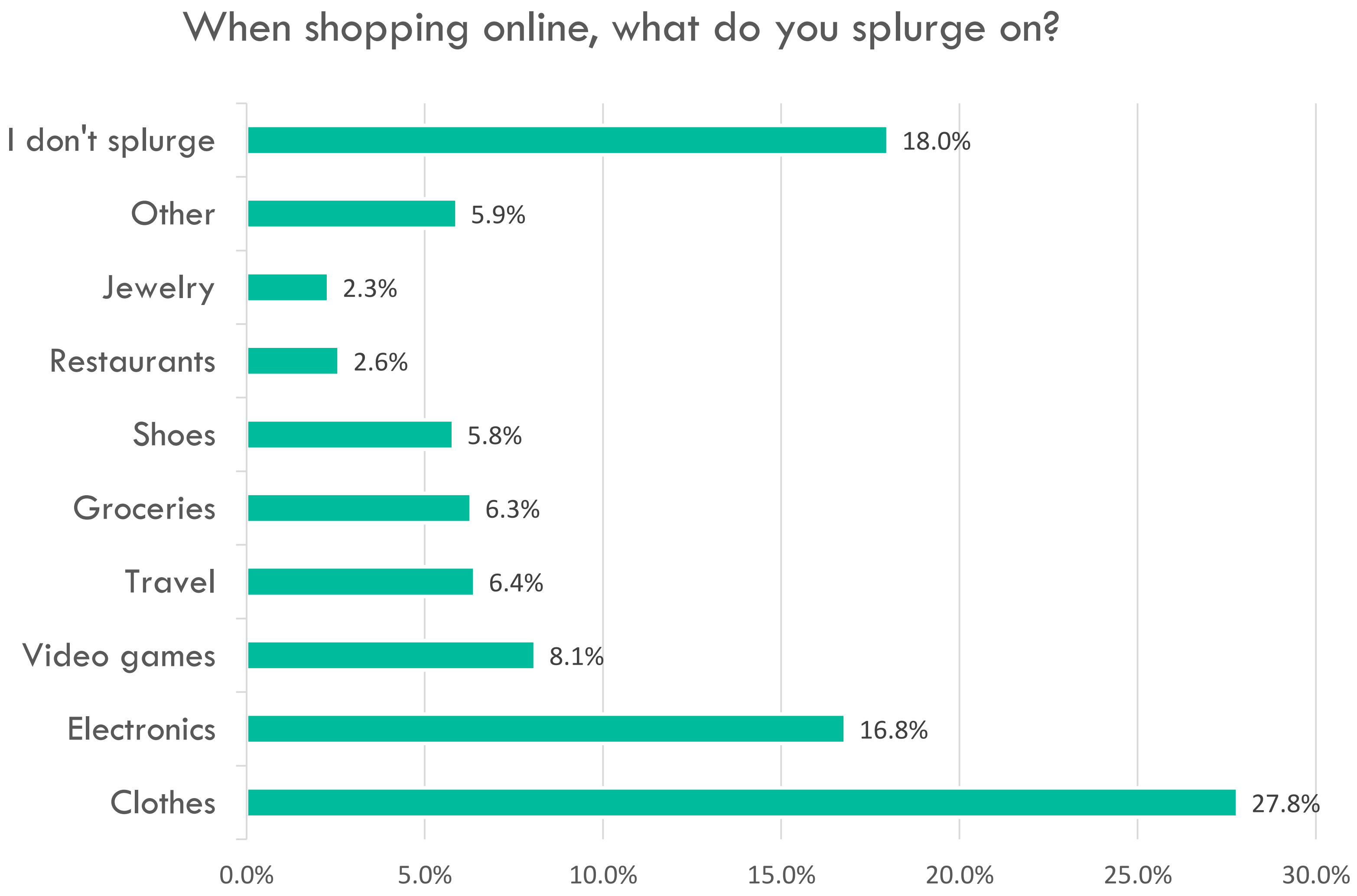
Most American consumers don't spend much time thinking about a purchase decision, but 78% said they're likely to search for coupons or sales while shopping online.

When shopping online, "splurging" is most commonly defined as spending $100 to $250 (by 29.1%).

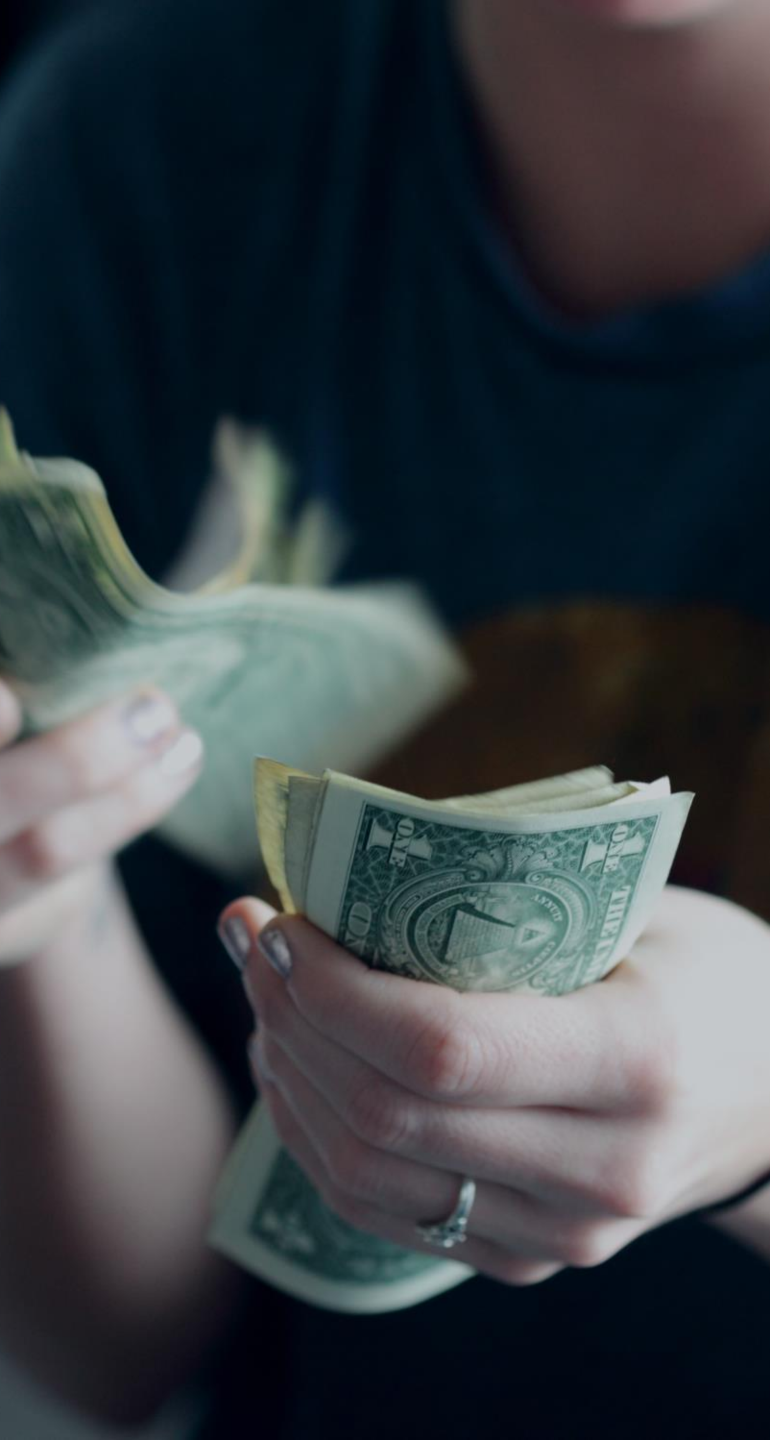




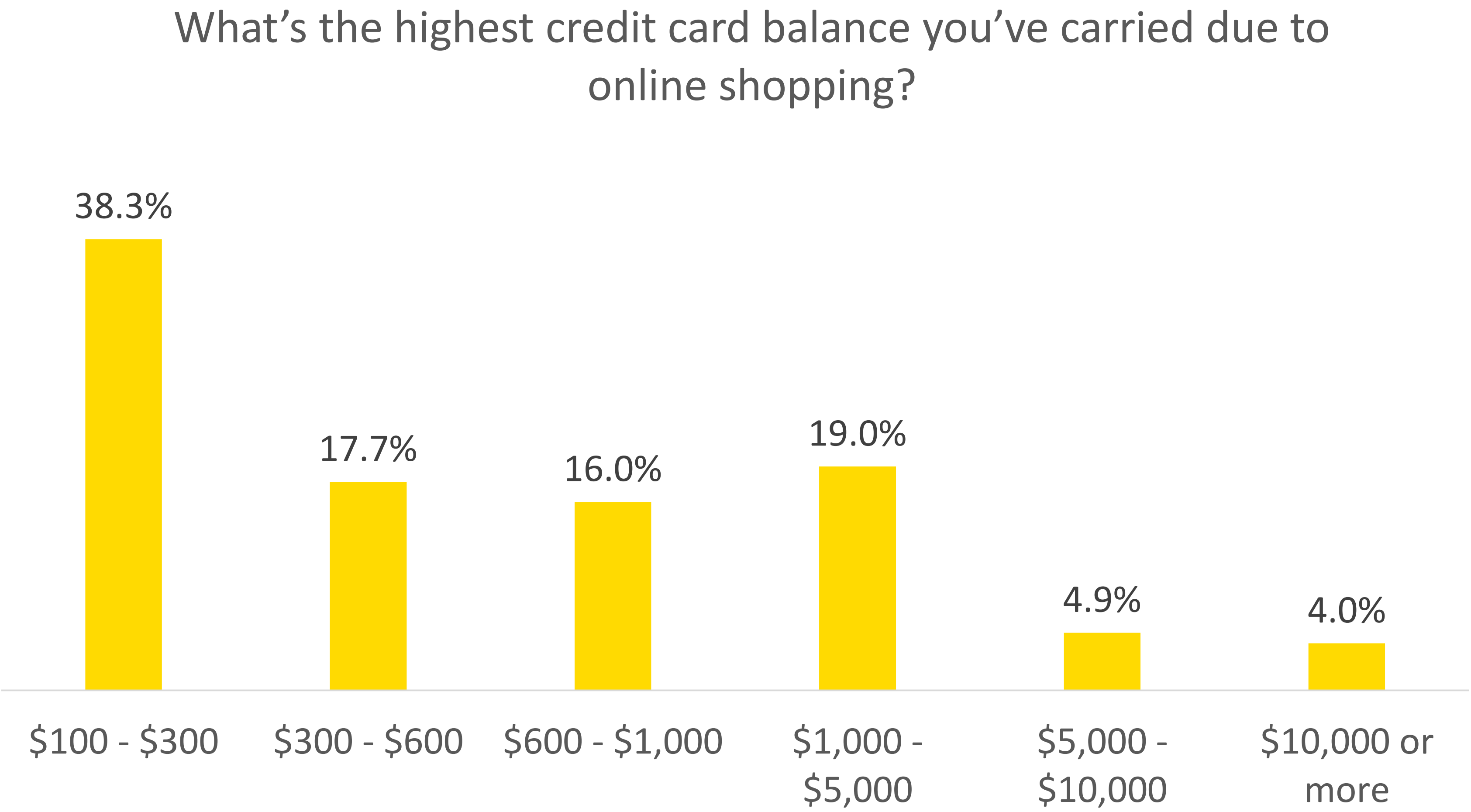
Online shoppers are most likely to splurge on clothes (27.8%), followed by electronics (16.8%). Meanwhile, 18% say they never splurge when shopping online.



About 2 in 5 American consumers (41.6%) admit blowing their budgets when shopping online in the past 6 months. While nearly 3 in 10 (29.1%) have charged an online purchase to a credit card that they couldn’t afford to repay.



Over 1 in 4 (27.9%) American consumers have a carried a credit card balance of $1,000 or more.

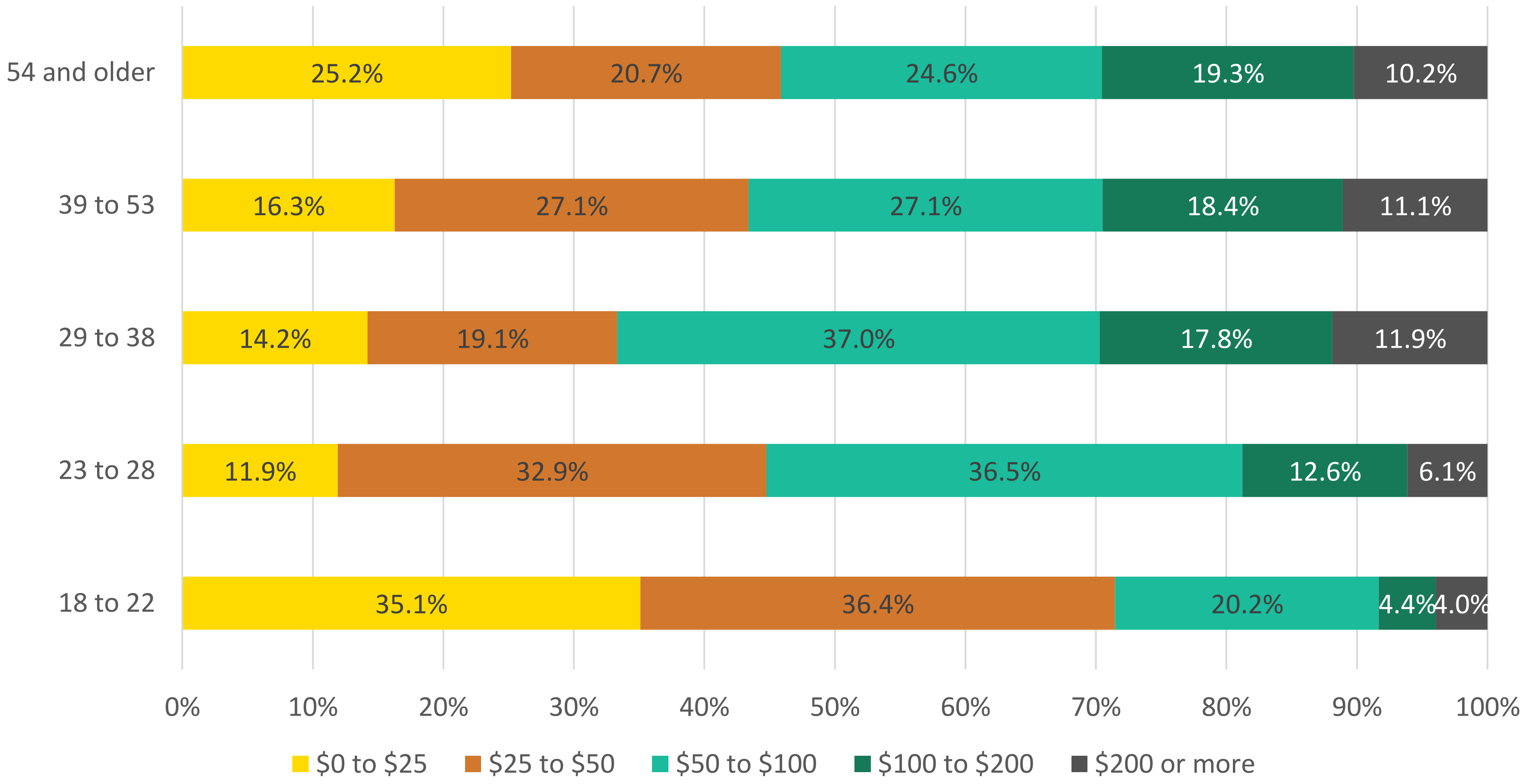



1 IN 4 CONSUMERS TOOK ON MORE THAN
$1,000 IN CREDIT CARD DEBT TO SHOP ONLINE
COUPONFOLLOW

A closer look at online shopping habits by generation reveals some interesting trends.

The youngest consumers we surveyed, ages 18 to 22, spent the least shopping online. More than half of shoppers ages 29 and up, however, spend at least $50 per month on online orders.

How much do you spend on online orders in a month?



Millennials are the biggest online shoppers.

These consumers, ages 23 to 38, shop online the most frequently — and spends the most.

3 in 10 (29.9%) Millennials place an online order at least weekly, compared to 23.8% of all American consumers.

Millennials are the most likely to say they've shopped online while drunk in the past six months; **22.9% admitted to doing so** compared to just 14.7% overall.

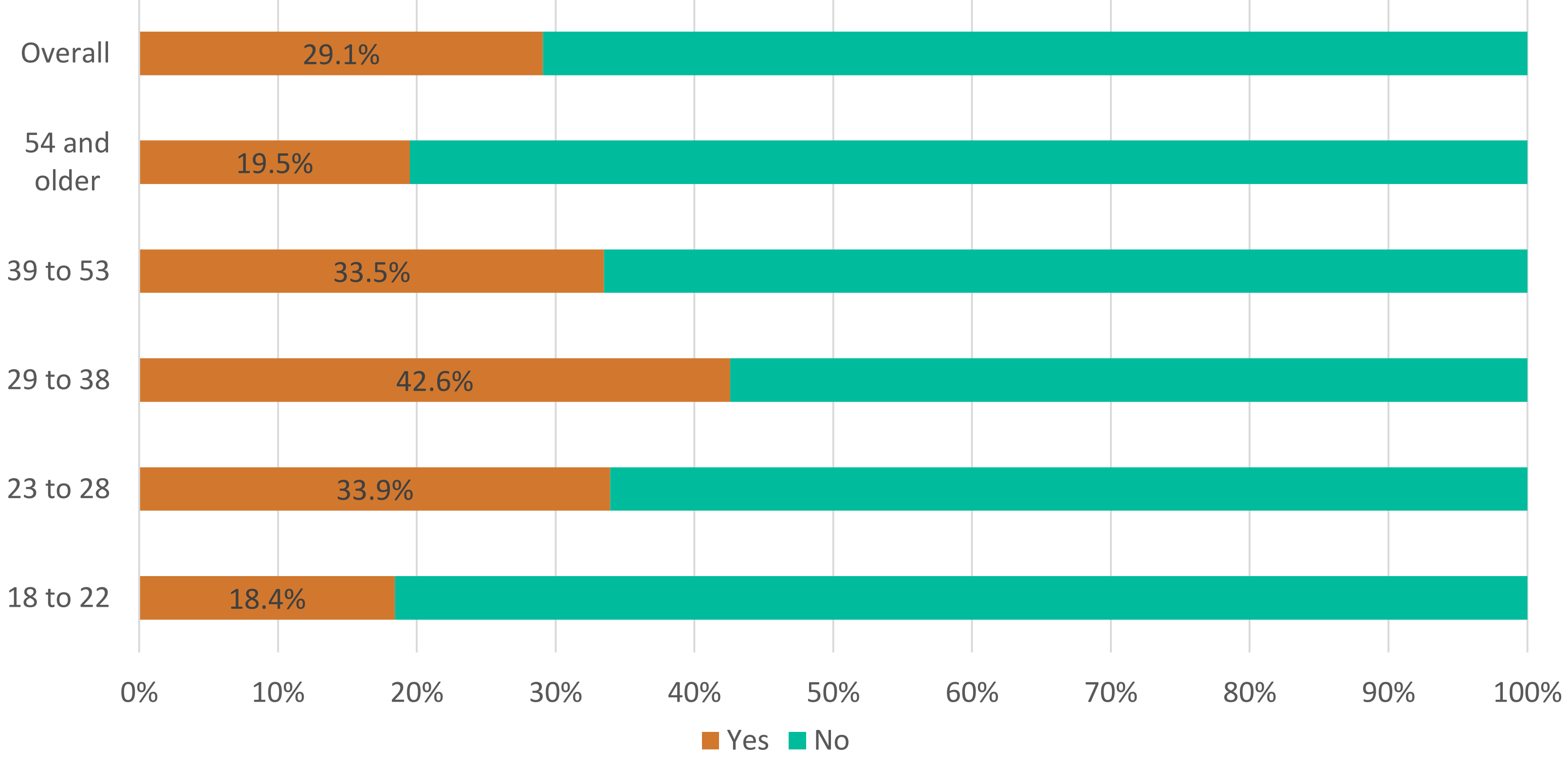
This generation is also most likely to bust their budgets to shop online, with **55.9% of Millennials doing so** in the past 6 months. In contrast, just 21.3% of Baby Boomers (ages 54 and over) did the same.

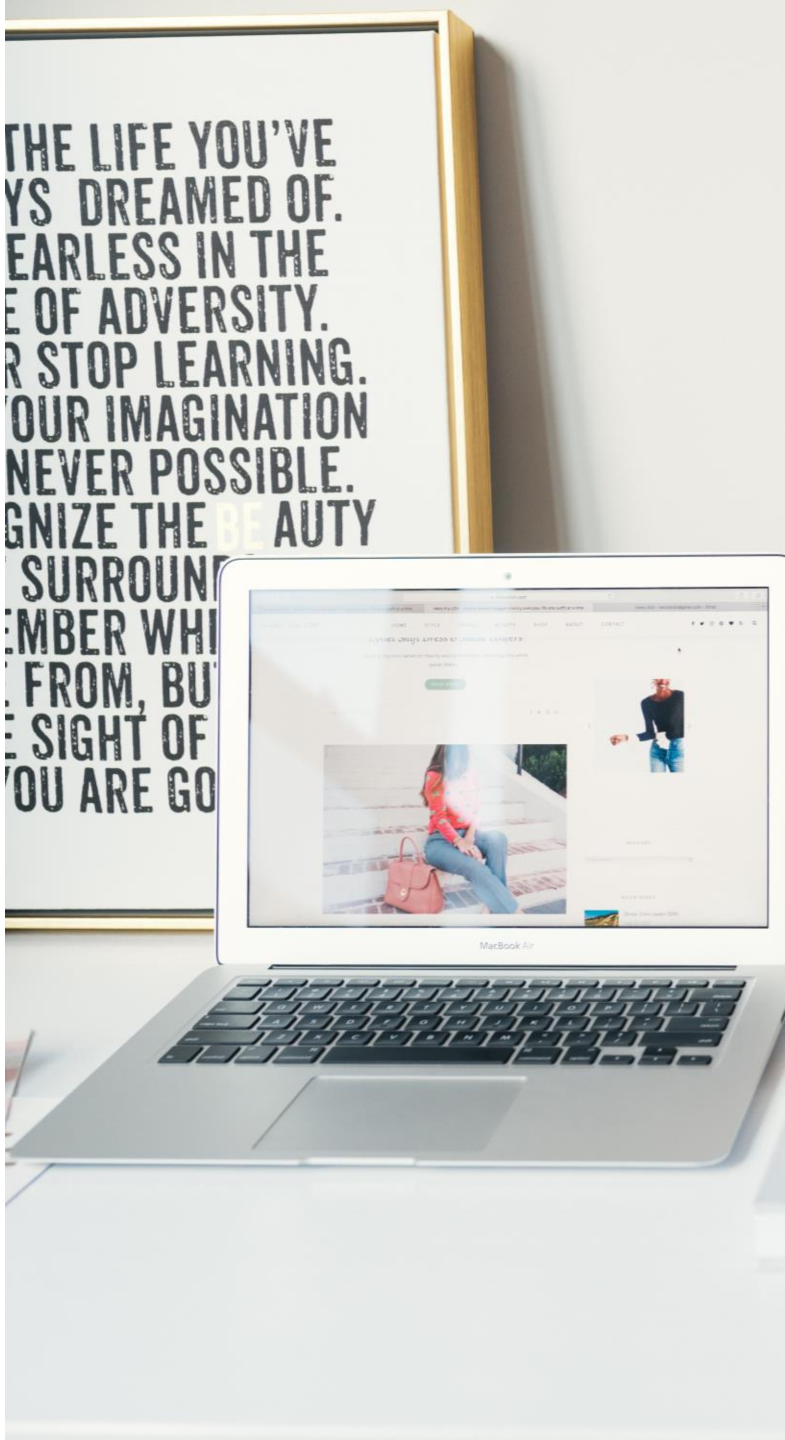
A **third of Millennials ages 29 to 38** have racked up more than $1,000 worth of credit card debt from online shopping, more than any other age group (33.99%).

Older Millennials (ages 29 to 38) were the most likely to have gone into credit card debt while online shopping.

42.6% say they've charged more than they could pay off right away while online shopping in the past 6 months, compared to just 29% of consumers overall.

In the past 6 months, have you charged more to a credit card while shopping online than you could pay off right away?

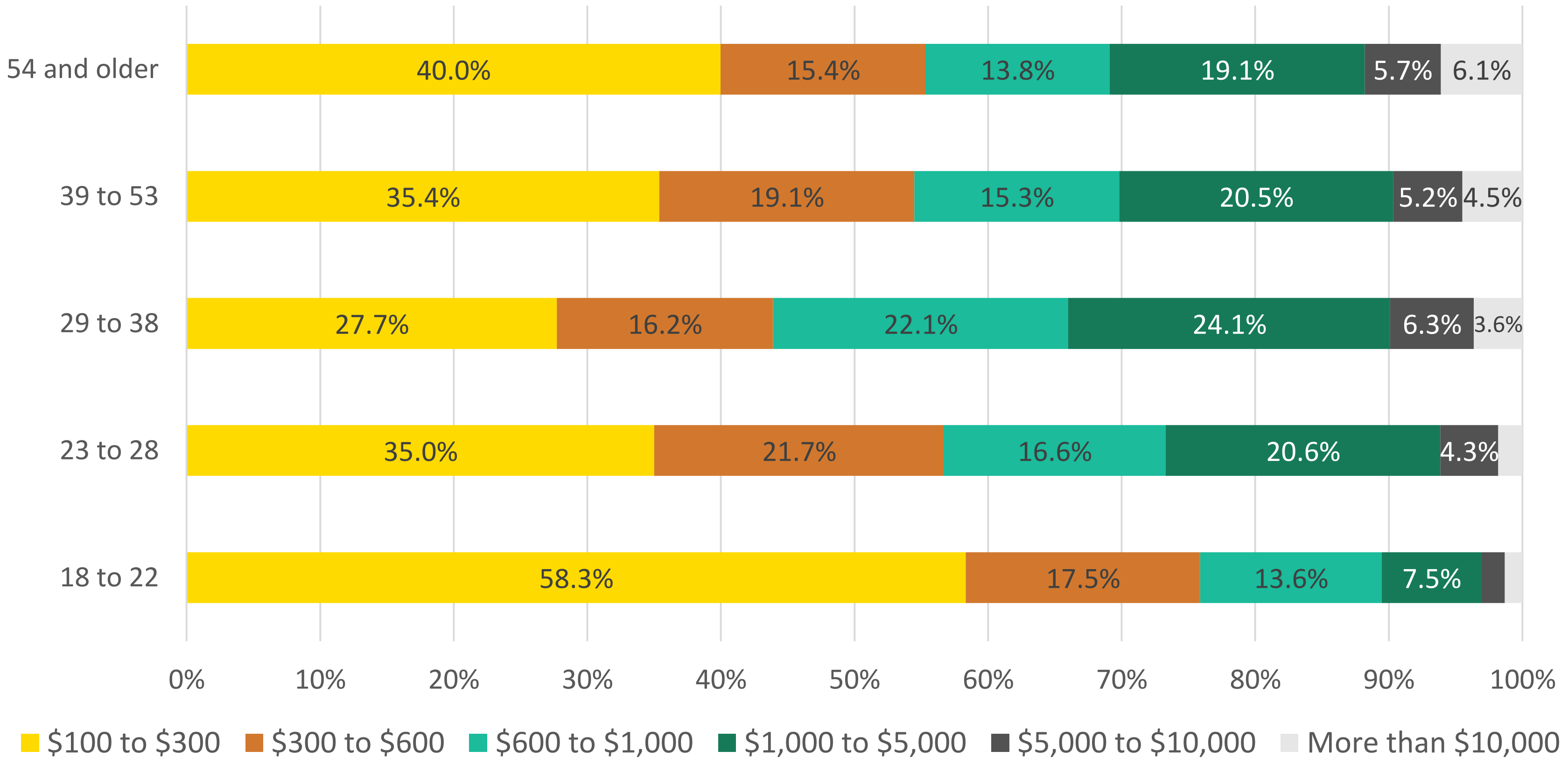




Older consumers are more likely to have had higher credit card balances in the past due to online shopping.

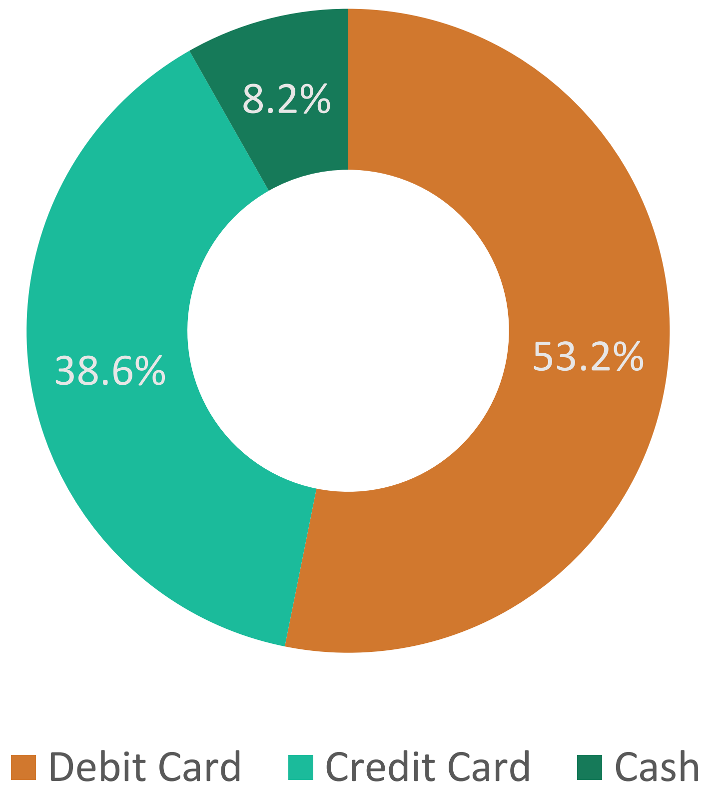
34% of Millennials ages 29 to 38 have had racked up more than $1,000 worth of credit card debt from online shopping, more than any other age group.

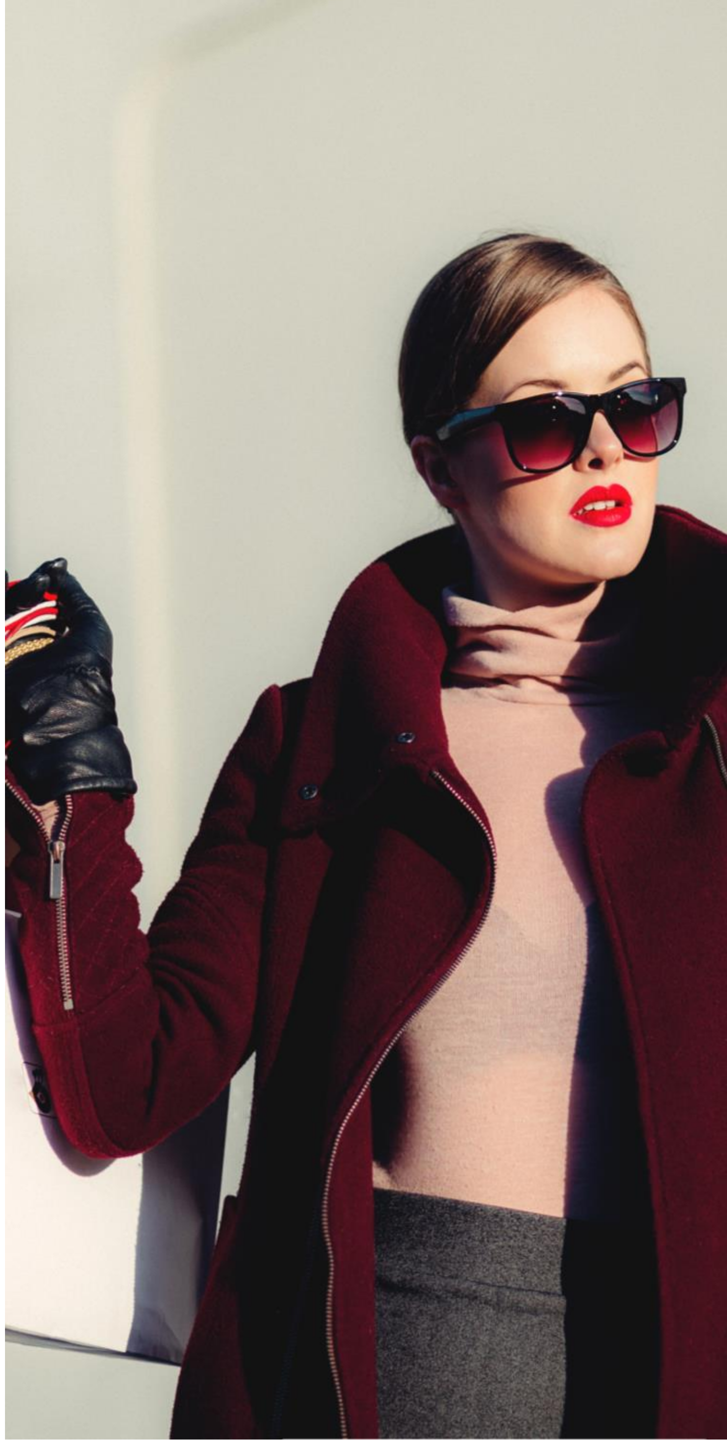
What's the highest credit card balance you've racked up shopping online?

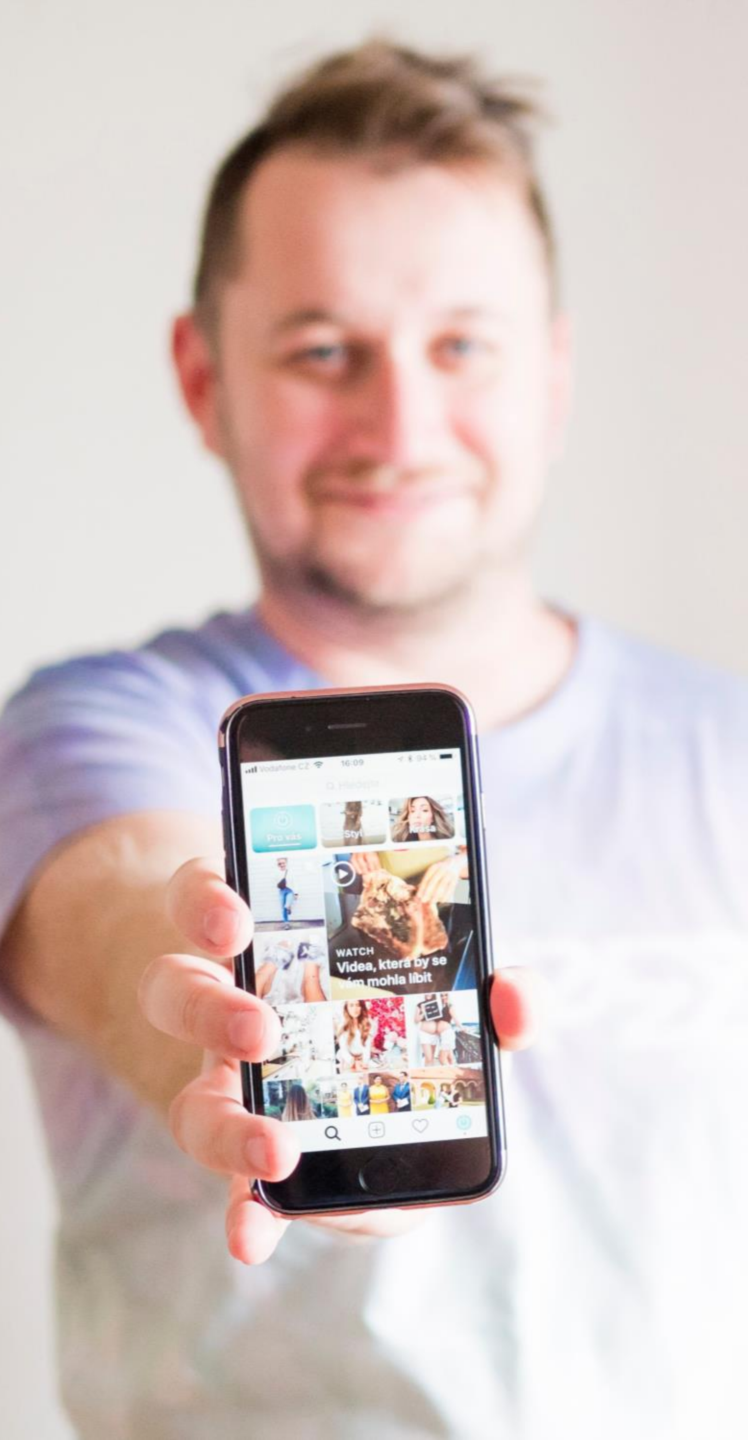


When it comes to payment methods, most American consumers use debit cards. Over half, 53.2%, say they use a debit card most often for purchases.

Which payment method do you use most often?

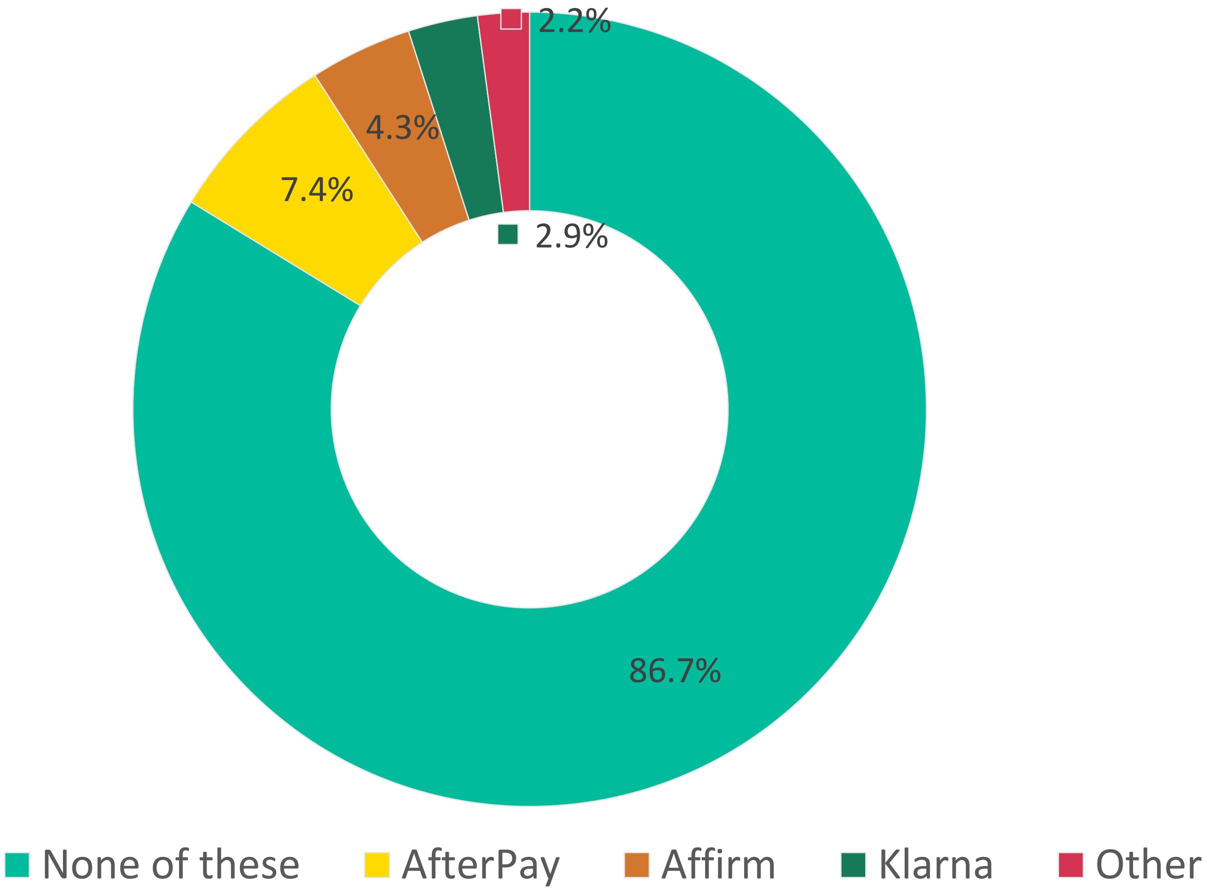




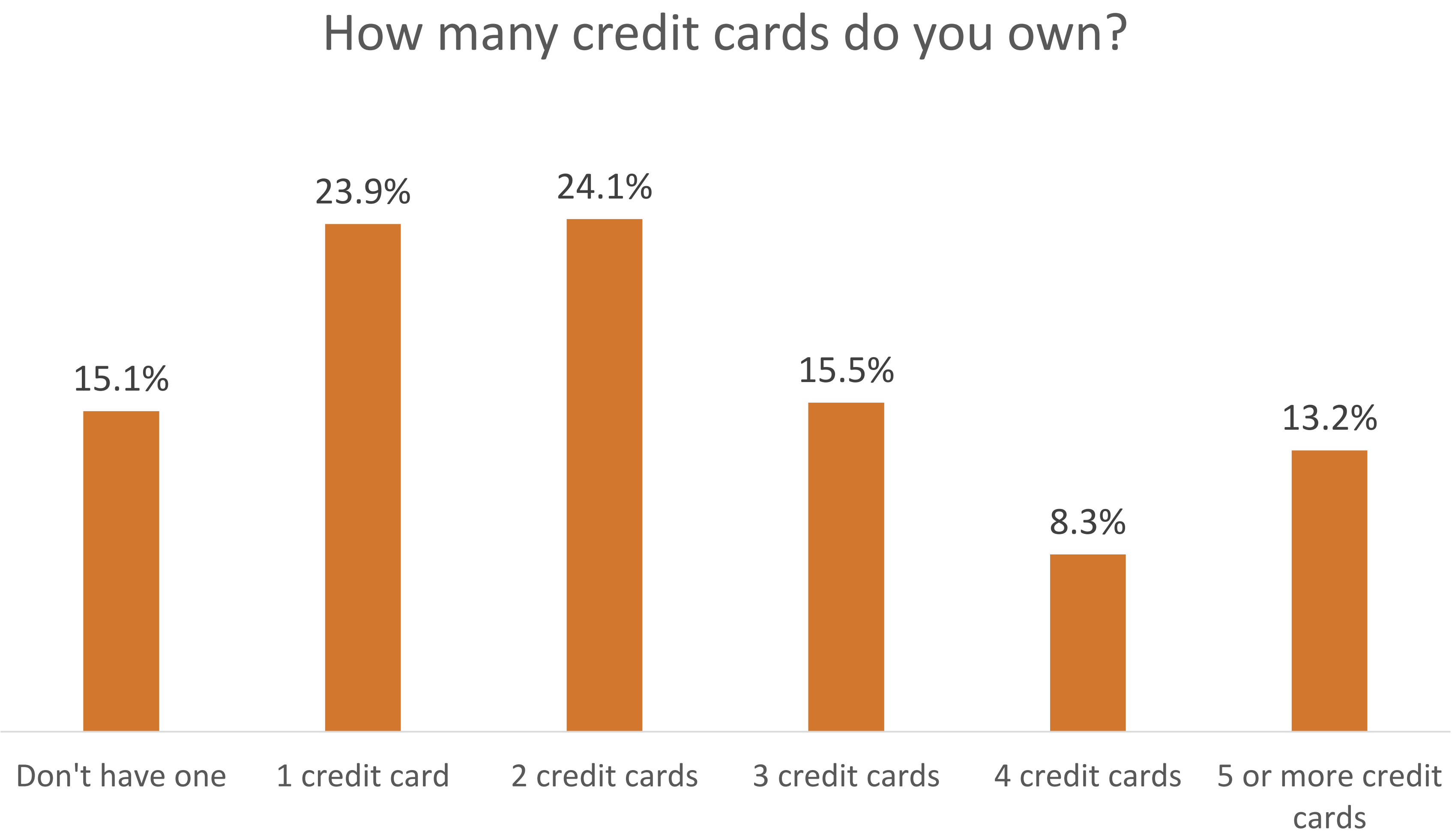


Most American consumers have not yet used an online payment split service. Of people who have used such a service, AfterPay is the most popular, followed by Affirm.

Have you used an online payment split service?

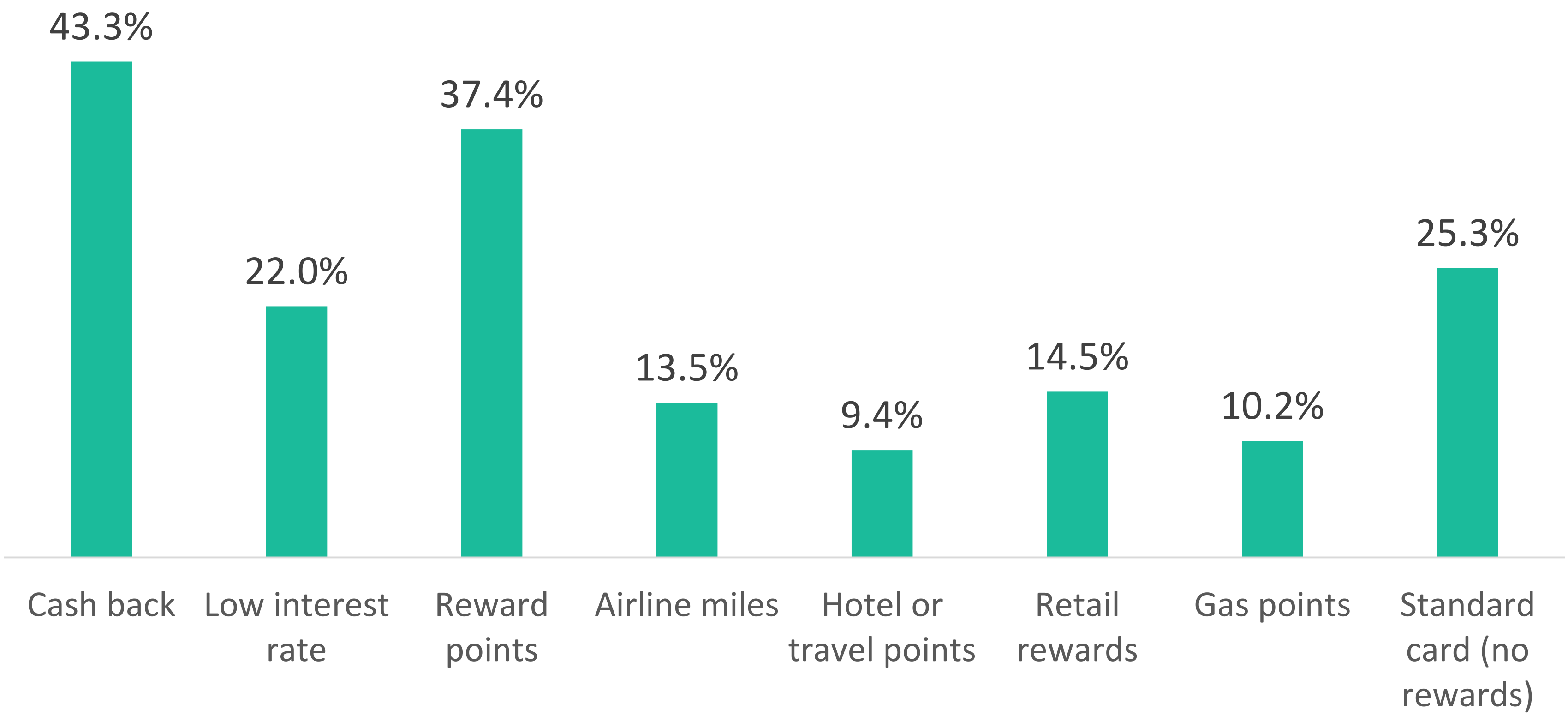


Nearly two-thirds (63%) of American consumers own two or fewer credit cards. There are more people without credit cards than those who have five or more.



More than half (57.%) of American consumers own at least one store specific credit card. A quarter (24.7%) of all shoppers hold an Amazon credit card.

Which types of credit cards do you own?*

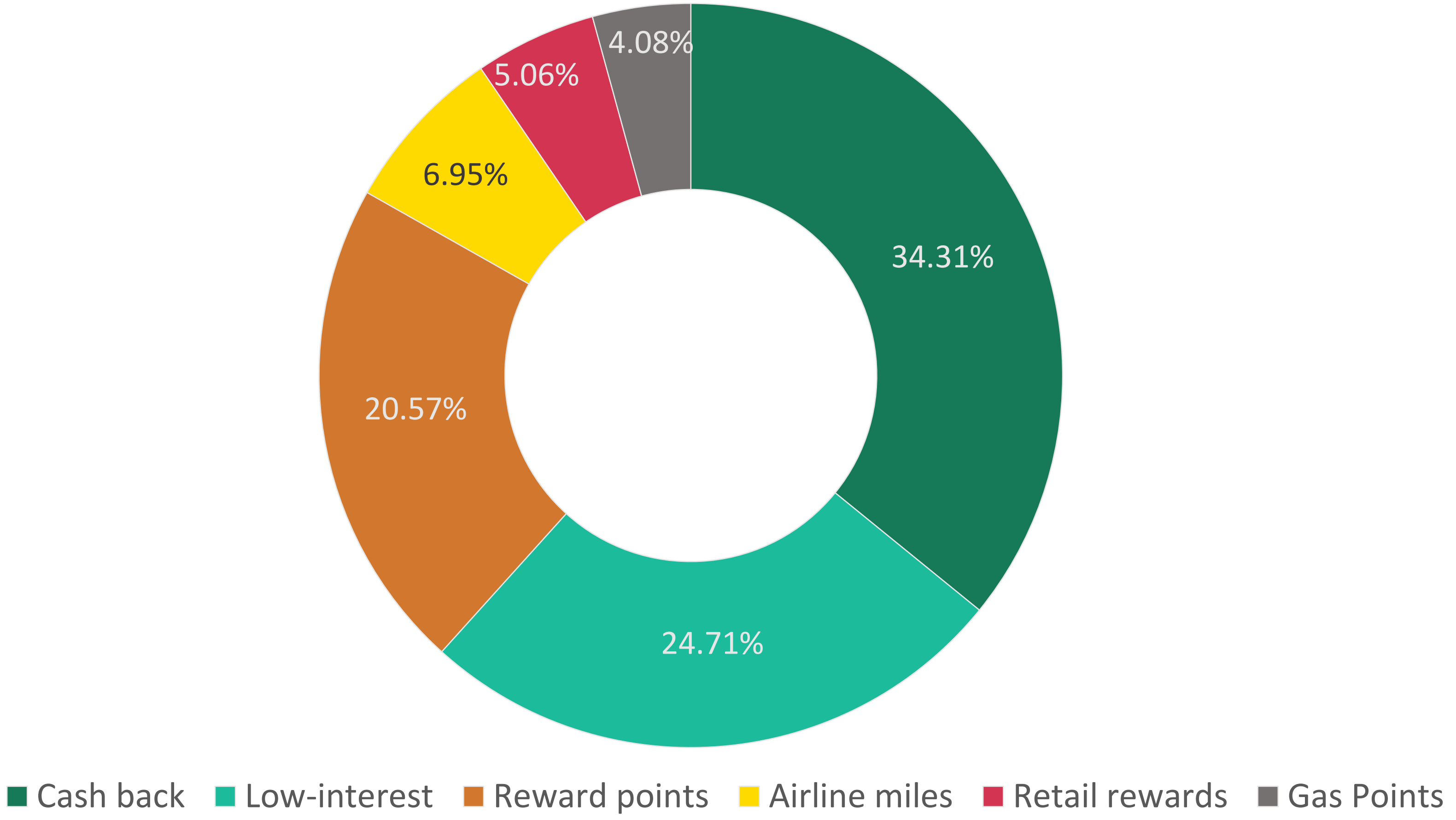


For those who own a credit card, a cash-back card is the most popular option — 43.3% of people have such a card in their wallets. The next-most popular are rewards cards and standard cards with no rewards.

*Respondents could select all answers that applied

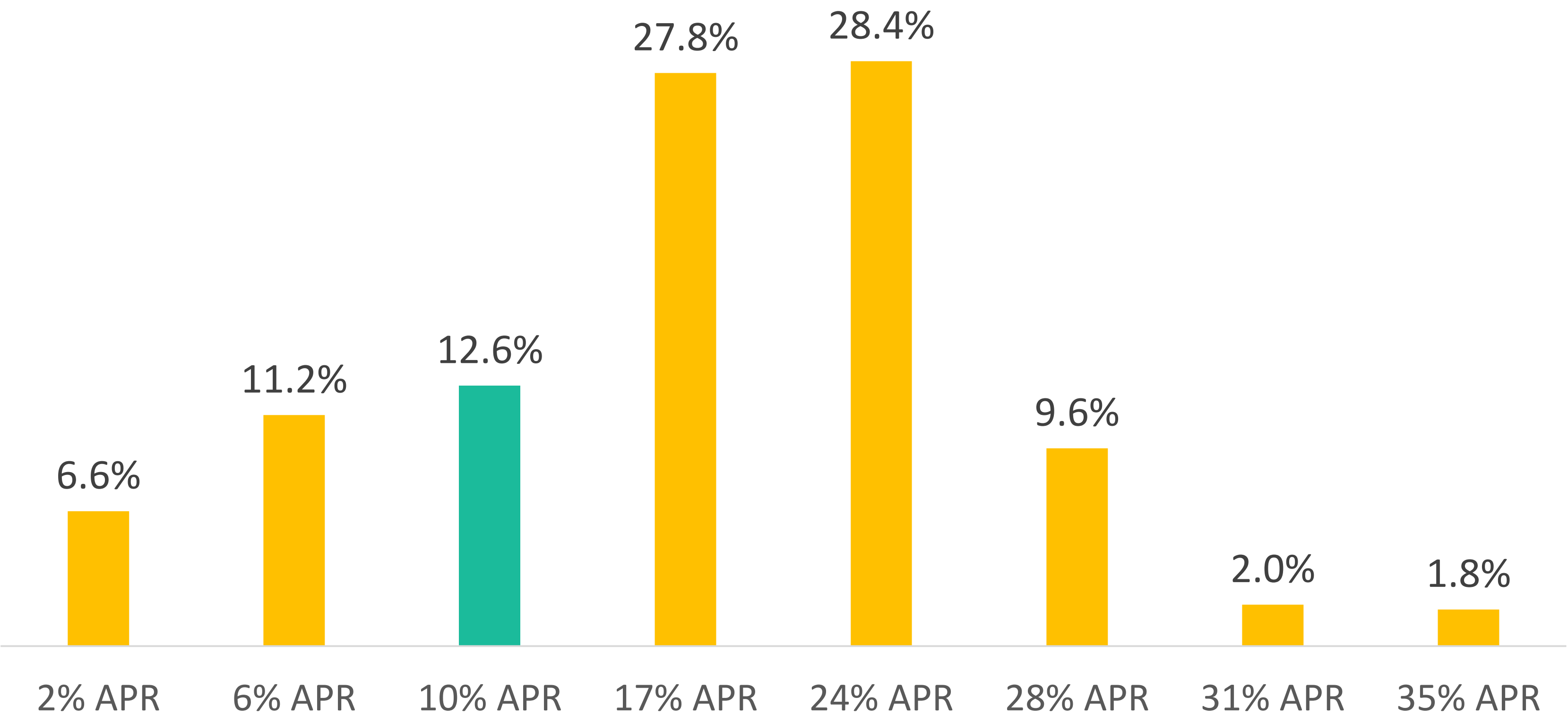
Cash back cards are also the most preferred by American consumers at about 1 in 3 (34.3%). After cash back cards, shoppers say they prefer low-interest cards (24.7%) and rewards cards (20.6%).

Which type of credit card do you prefer?



3 of 4 American consumers could not correctly identify the average APR for credit cards. About 1 in 4 (23.8%) thought it was lower, while 42% thought it was higher. Just over 1 in 4 (27.8%) got it right.

What do you think the national average credit card APR is?



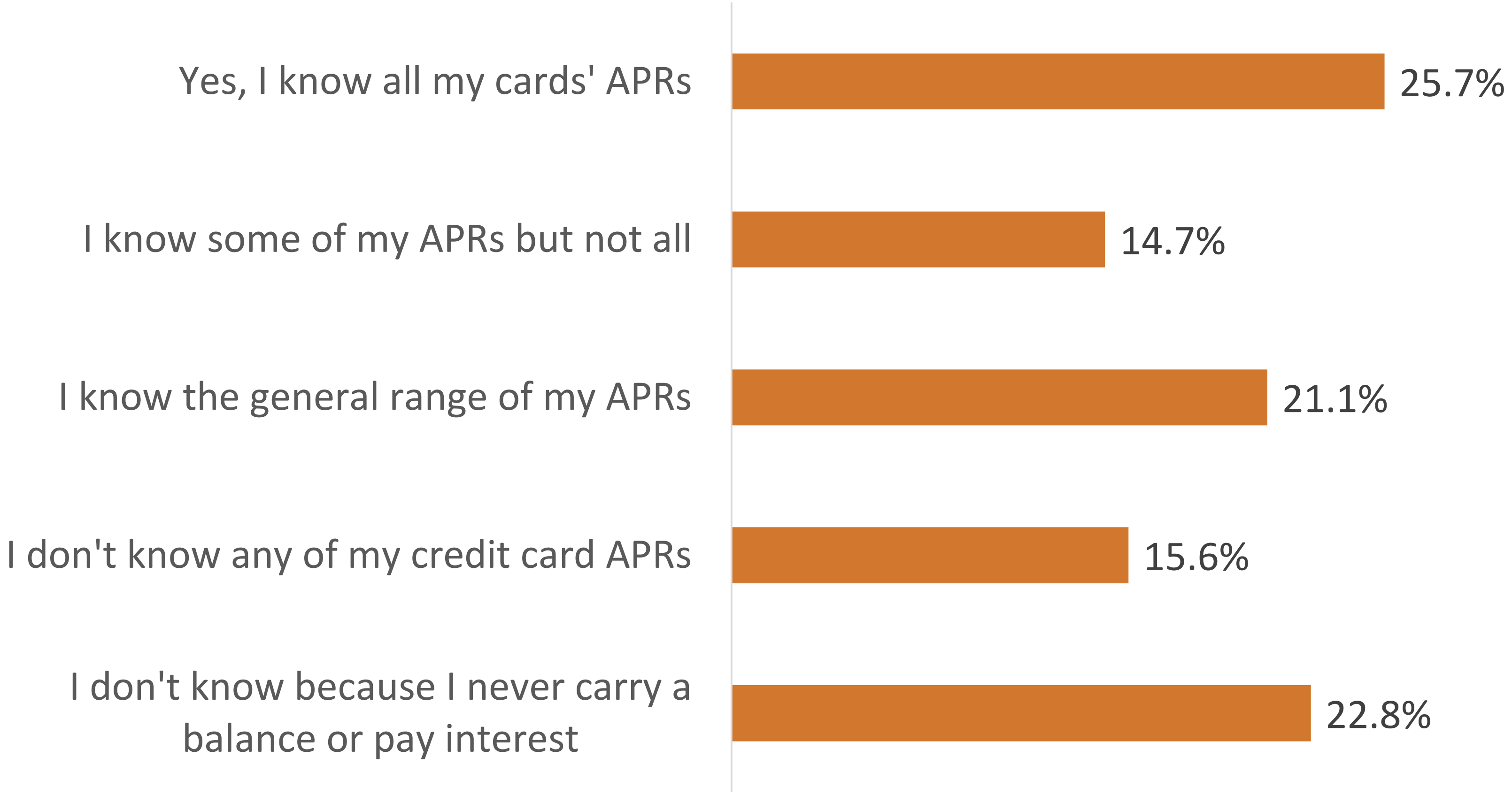
The average interest rate for credit card accounts that were assessed interest was **16.9%** in February 2019[2].

- **29% OF SHOPPERS CONSIDERED SPENDING BETWEEN $100-250 "SPLURGING"**
- **ONLINE SHOPPERS ARE MOST LIKELY TO SPLURGE ON CLOTHING AND ELECTRONICS**

What about their *own* credit card APRs?

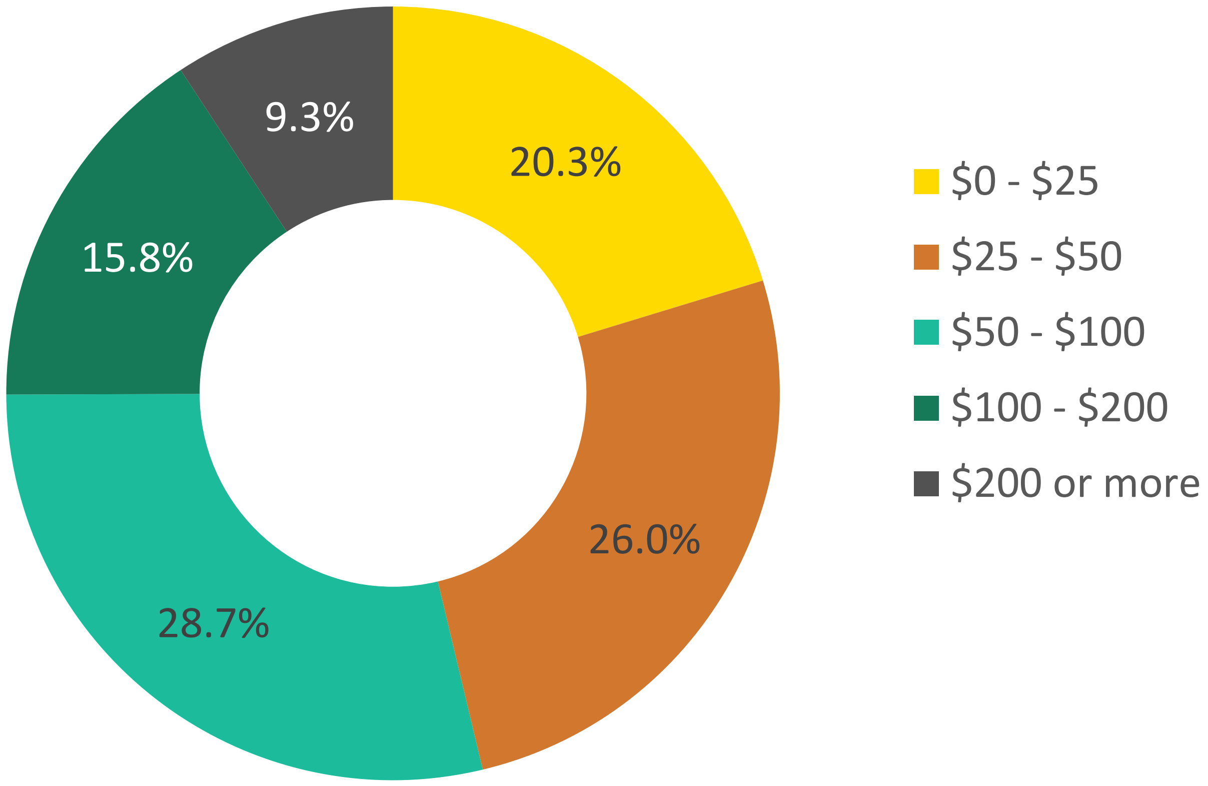
About 2 in 5 people (38.4%) don’t know their credit card APRs; that includes 22.8% who don’t know about their rates because they don’t carry a balance or pay interest, as well as 15.6% who are simply clueless.

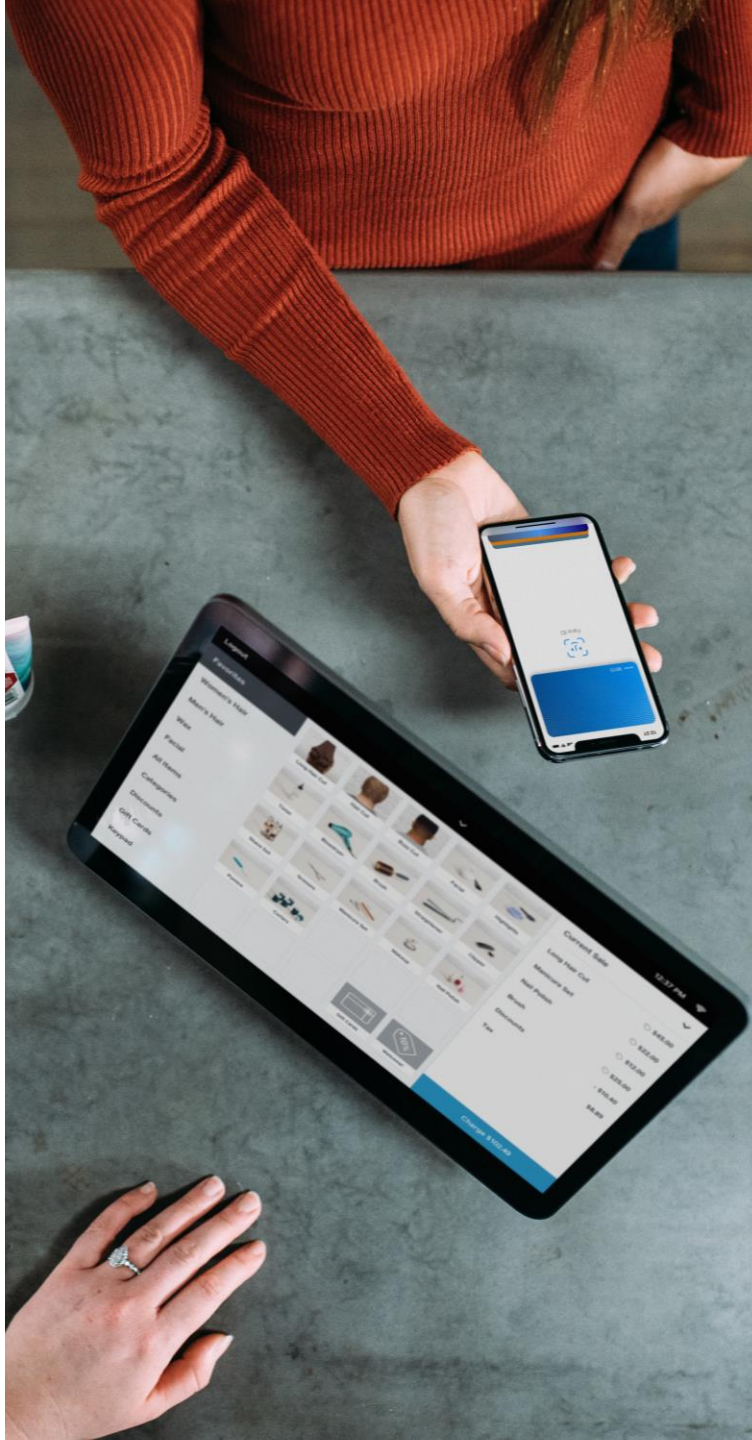
Do you know the APRs of your credit cards?



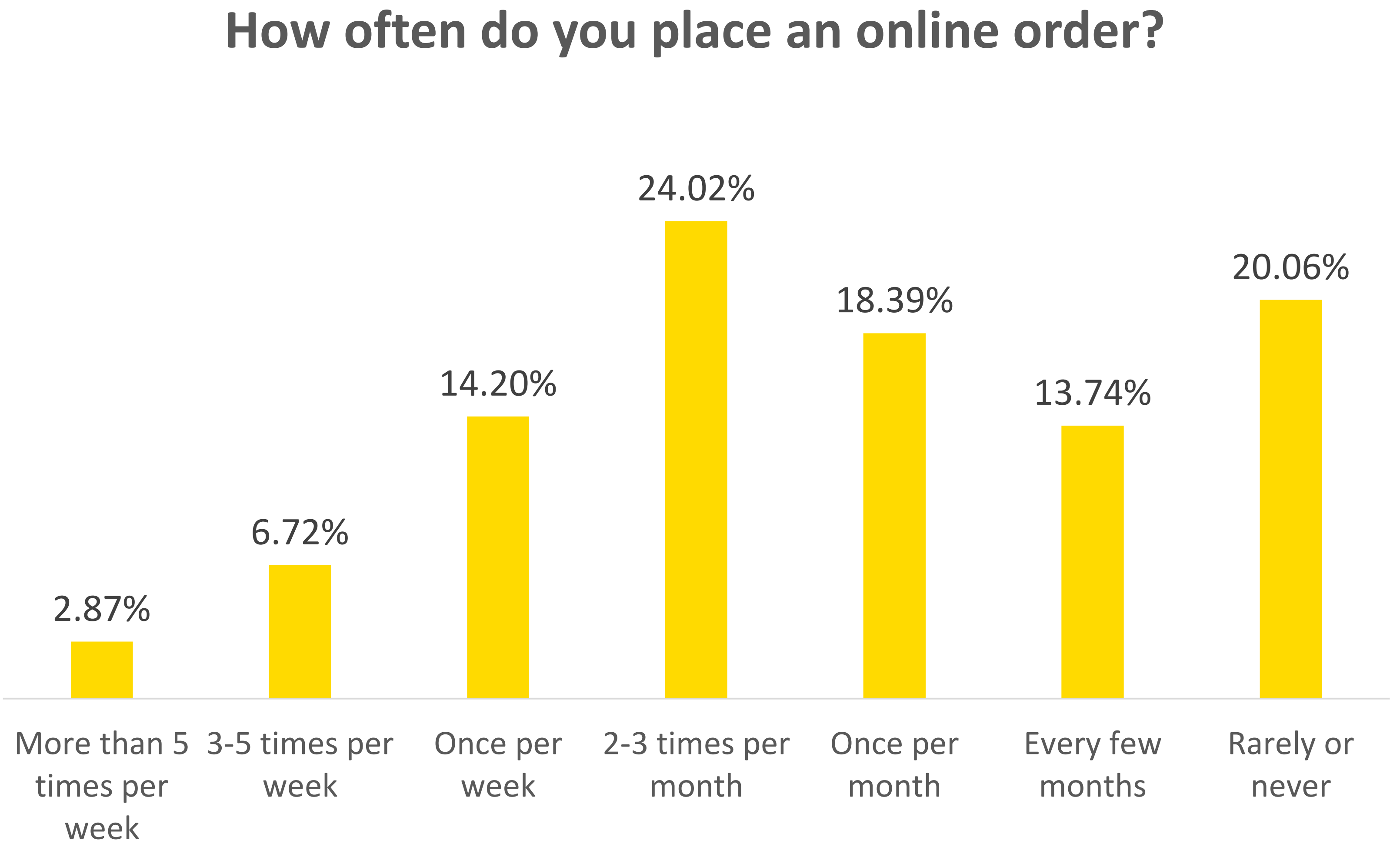
About 1 in 4 American consumers spends $100 or more on online purchases each month. While most people (54.7%) spend $25 to $100 per month.

How much do you typically spend on online shopping each month?



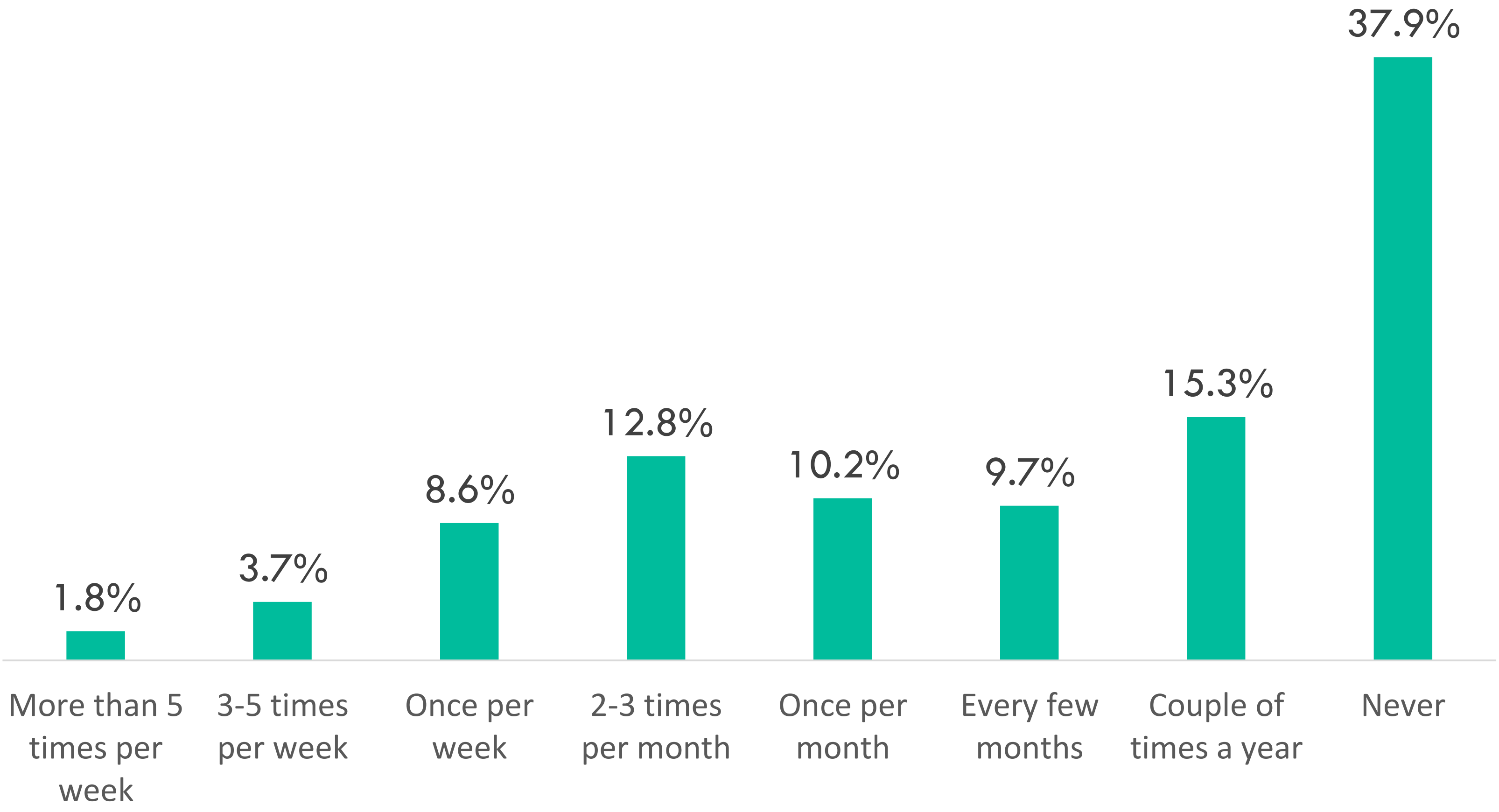


2 in 3 (66.2%) American consumers place an online order at least once a month. This includes nearly 1 in 4 (23.8%) who order items for home delivery once a week or more.

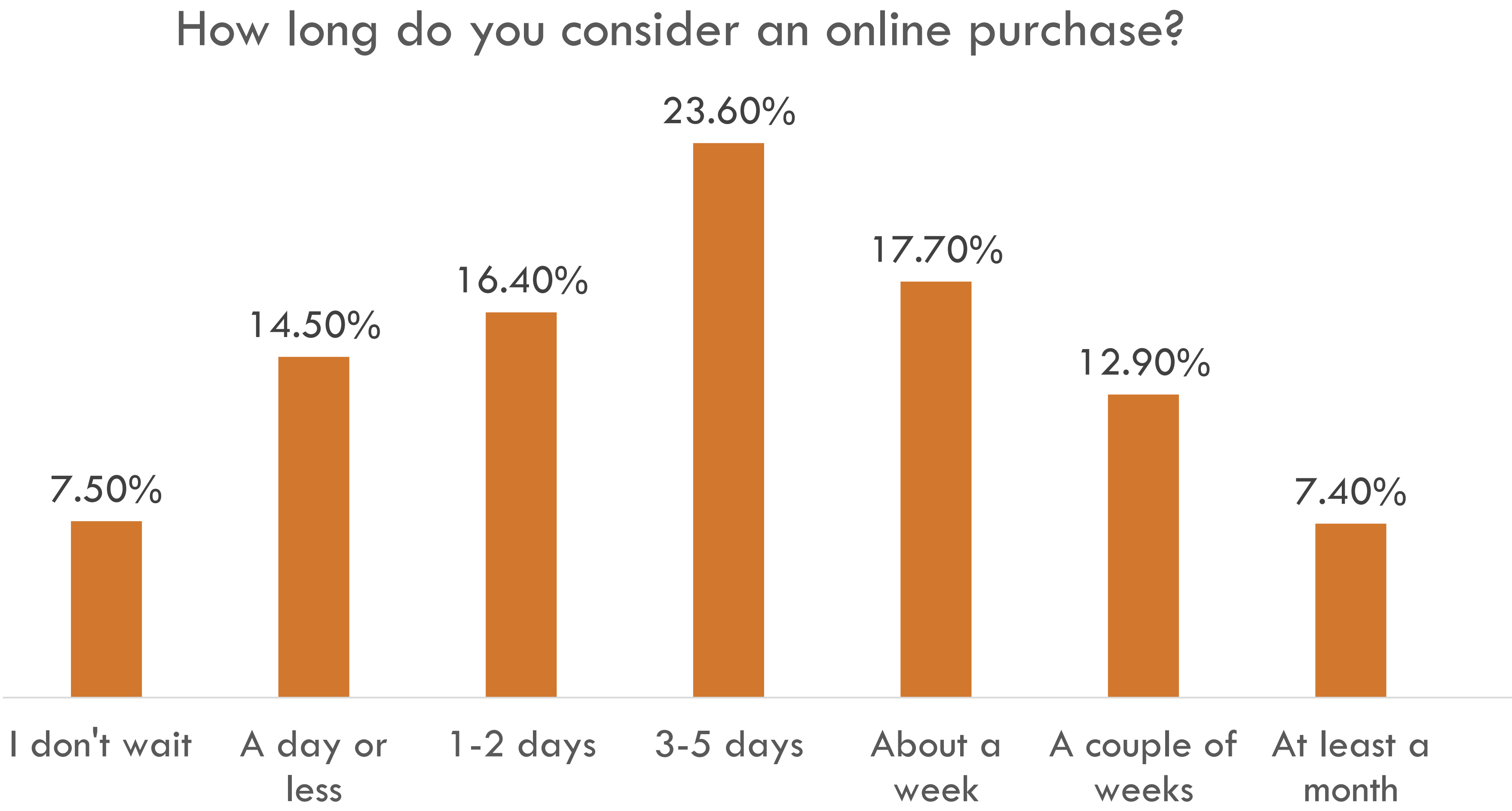


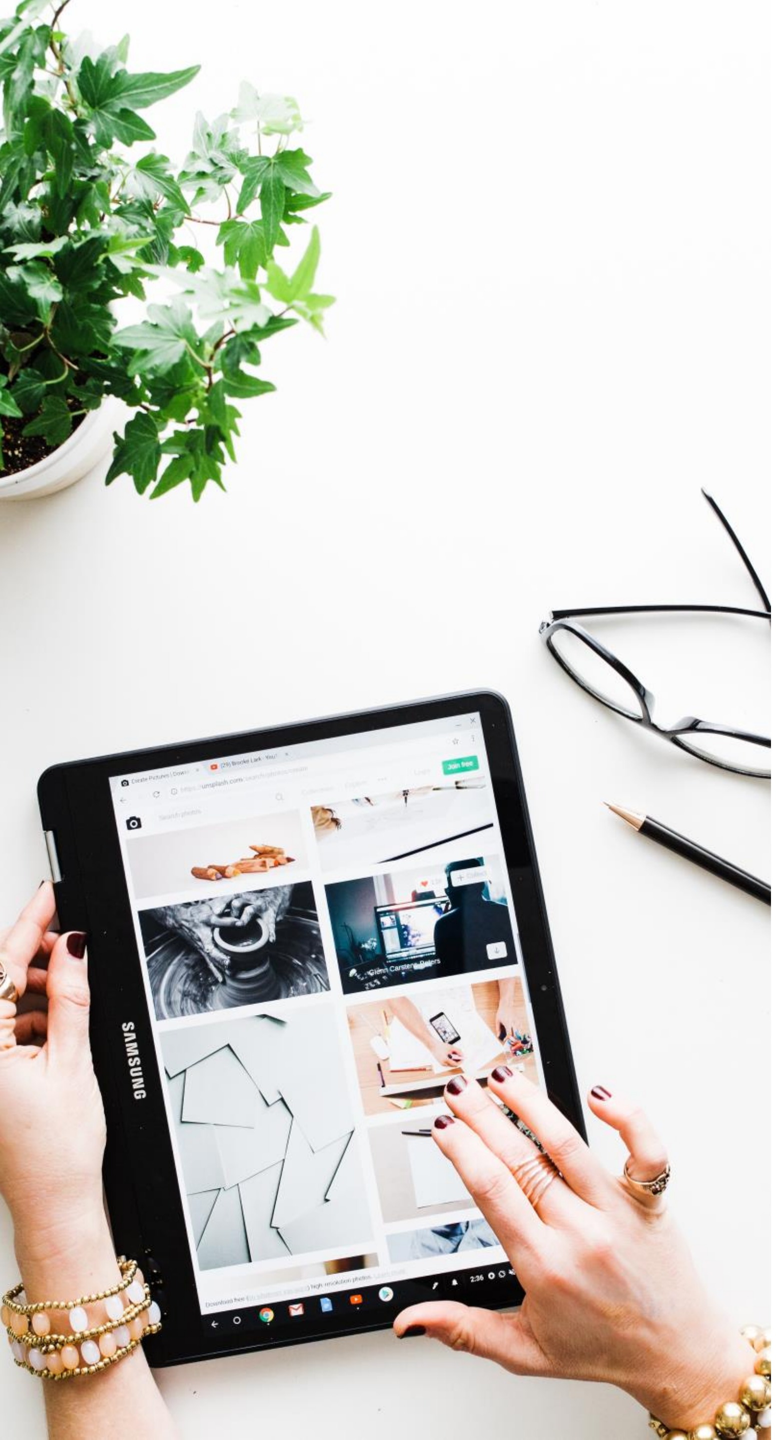
1 in 3 American consumers (37.1%) place an online food order at least once per month, through a restaurant's site or through apps such as Seamless or Uber Eats.

How often do you order food online or from an app?



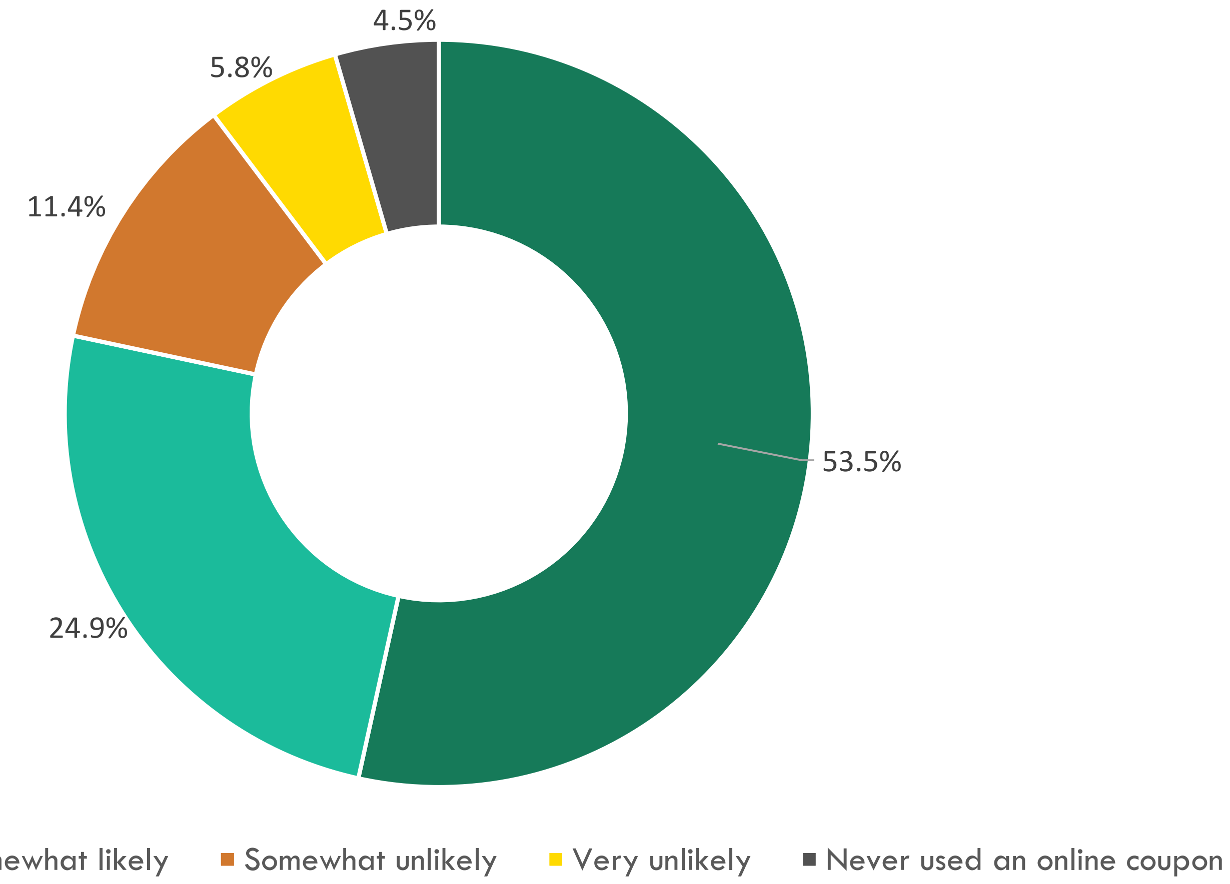
The ideal timeline for online shopping is about 3 to 5 days; About 62% of people say they spend that 5 days or less when considering their online purchases. Just 38% of people consider an online order for a week or more.





The vast majority of American consumers – 78.3% – say they're likely to look for coupons or sales before shopping online.

How likely are you to check for coupon codes or sales before shopping online?



- 62% OF PEOPLE CONSIDER ONLINE PURCHASES FOR 5 DAYS OR LESS
- 78% SAY THEY'RE LIKELY TO LOOK FOR ONLINE COUPONS OR SALES

COUPON FOLLOW

FINAL THOUGHTS

Our Online Shopping & Credit Cards report reveals that while shoppers weren't afraid to take on some debt to get what they wanted online, they're still savvy.

Even though 40% of those polled made a purchase they knew they couldn't afford, an overwhelming majority (78%) say they use coupons while shopping online.

More shoppers prefer debit to credit, and the majority either knew the APRs of all their cards or paid their balances in full each month.

COUPON FOLLOW

SOURCES

1. Average Credit Card Debt In America: May 2019 – ValuePenguin

2. The Federal Reserve Consumer Credit Report: February 2019 – Federal Reserve

COUPON FOLLOW

COUPON FOLLOW

CouponFollow is a real-time coupon code search engine and directory that helps millions of consumers save money each month.

Started in 2009 by Marc Mezzacca, CouponFollow scours the Internet for the latest discounts and offers, delivering them to a global audience of engaged shoppers on the web and through their browser extension Cently.

Learn more at: www.couponfollow.com

TEAM

Marc Mezzacca

Founder

A trailblazer in the online coupon space, Marc has been helping consumers save money for over a decade.

Michael Parrish DuDell

Chief Strategy Officer

Named "one of nation's leading Millennial voices" by IBM, Michael is a noted industry expert and media commentator.

Pierre Wooldridge

Head of Product

Recognized for his ability to design and build celebrated products, Pierre's work has garnered international praise.

COUPON FOLLOW

State of Online Shopping & Credit Card Usage Habits In 2019

couponfollow.com/research