

FUTURE

OF

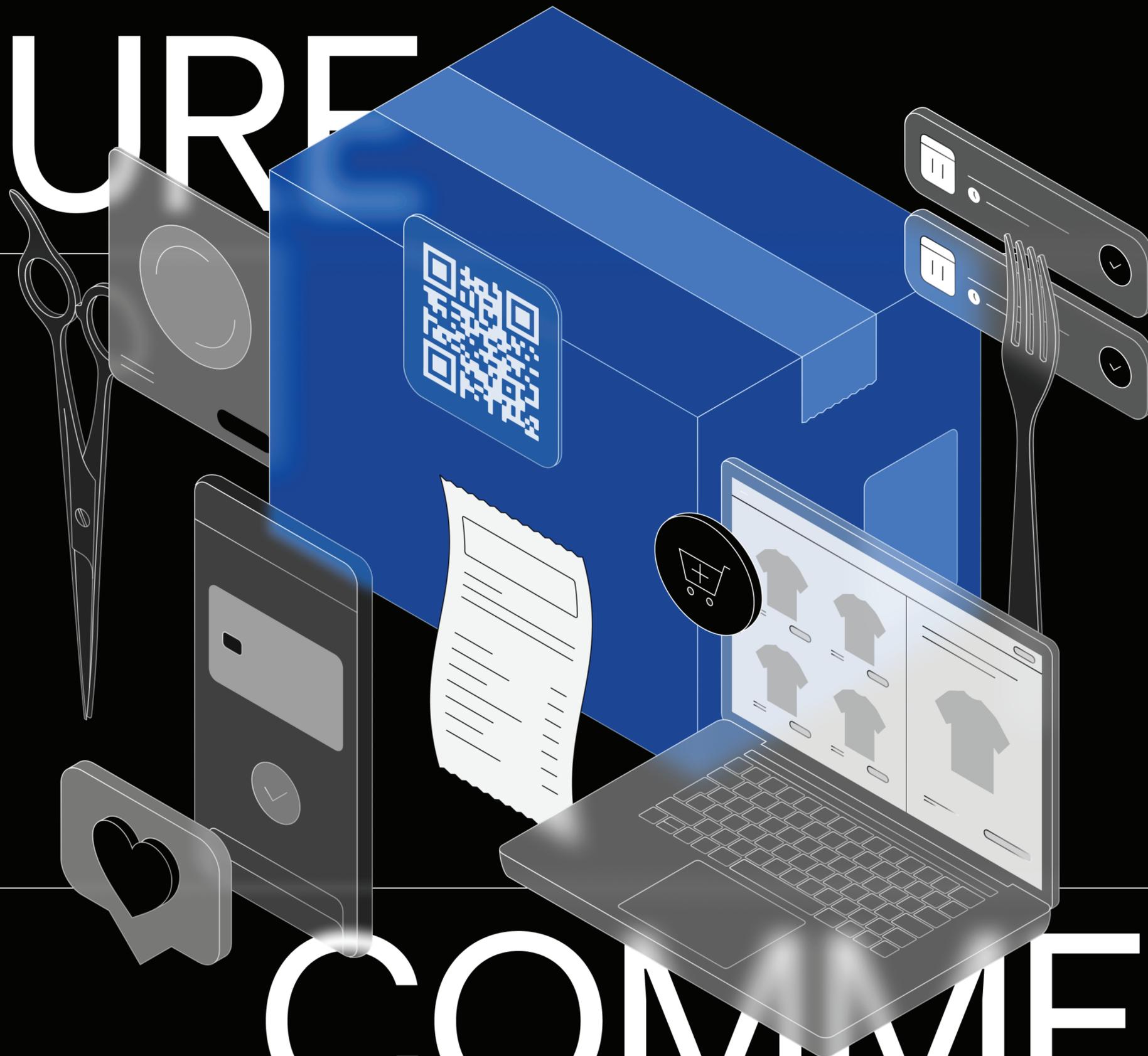
WHAT'S AHEAD
FOR 2022

2022



STATS BOOK

COMMERCE



CONTENTS



03	Introduction →
04	Community →
07	Staffing and automation →
10	Omnichannel →
14	Consumer purchasing and payment habits →
18	Conversational commerce →
21	Business innovation →
25	Methodological notes →

INTRODUCTION

Commerce is constantly evolving. The way people shop, sell, pay, and get paid changed even more rapidly during the pandemic. What we're seeing now is that many of these changes have staying power, and businesses that understand these shifts in customer behavior will reap the benefits, including increased sales, customer engagement, and loyalty.

Businesses across industries have had two tumultuous years, and those who've come out on the other side are stronger. But how are entrepreneurs responding to ongoing challenges and opportunities, from staffing to social commerce?

Square partnered with Wakefield Research to survey [1,000 customers](#) along with [1,500 retail owners, restaurant owners, and beauty industry professionals](#) to uncover insights about the commerce landscape for our Future of Commerce reports for 2022. Learn more about new

consumer habits and how business owners around the country are rising to meet current challenges.

In this book, you'll get 75 juicy stats-at-a-glance from across our Future of Retail, Future of Restaurants, and Future of Beauty reports. For more in-depth industry-specific takeaways, [download the individual reports.](#)

Community

Section — 01



→ Across industries, customers have a renewed appreciation for local businesses. But how can businesses continue to leverage this?

68% of retailers have experienced support from their customers throughout 2021, including increased interest from new customers and increased purchases from existing customers.

21% of retailers and **41%** of restaurants added or improved customer loyalty programs and incentives in the past year.

95% of consumers agree it's more important than ever before to shop local and [support local businesses](#).

75% of consumers supported local businesses this past year.

56% of customers found ways to support their local beauty and personal care businesses, even when they couldn't go in for appointments.

39% of retailers worry about remaining competitive against larger stores.



TAKEAWAY

Consumers care about supporting local businesses and they've shown up over the past year. Businesses need to keep this momentum going, compelling customers to come back while turning them into advocates. Despite the fact that **39%** of retailers worry about remaining competitive against larger stores, only **21%** of retailers and **41%** of restaurants added or improved loyalty programs and incentives in the past year, bringing to light a big opportunity to invest in [customer loyalty programs](#).

Staffing and automation

Section — 02



→ Staffing remains an issue across industries, and businesses are looking to automation tools to help.

Restaurants say an average of **21%** of their positions are currently unfilled.

A whopping **98%** of beauty businesses agree that having one integrated application to manage all business functions would free up staff for more important tasks.

41%
of restaurants added or improved customer loyalty and incentives.

90%
of restaurants agree that increased automation for back-of-house operations would allow staff to focus on more important tasks.

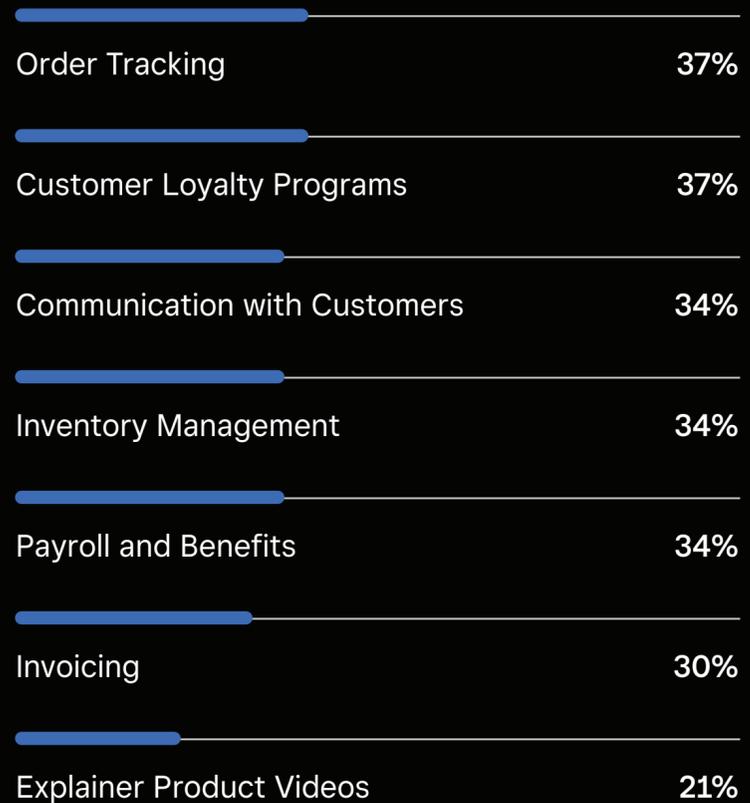
62%
of restaurants say that automation would fill critical gaps in managing orders placed online, at both the restaurant and through delivery apps.

73%
of restaurants say they are experiencing a labor shortage.

31%
of retailers worry about being able to attract and [retain staff](#).

72% of retailers use or plan to use automation to decrease staff members' hands-on time:

Q: In which of the following areas, if any, are you using or planning to use technology or automation to decrease staff member's hands-on time for these functions?



TAKEAWAY

The labor shortage is an ongoing reality that business owners need to face head on, with a plan. In the past, automation may have felt like a bad word — one that conjured up the idea of robots taking over jobs. Now, automation is crucial, not only to ensure staffing gaps are filled, but to enable staff to take on more important, impactful work that advances the business and their careers.

Omnichannel

Section — 03



→ Omnichannel selling is now table stakes — no matter what industry you're in.

20% of beauty businesses say half or more of their business comes from online and social media sales.

37% of beauty businesses say they allow for booking via social media.

49% of restaurants say they plan to offer first-party delivery even after COVID-19, while **62%** say they plan to offer third-party delivery.

69% of restaurants say they plan to offer online ordering even after COVID-19 subsidies.

Restaurants that offer online ordering say an average of **34%** of their revenue currently comes from those channels.

Retailers say an average of **58%** of their revenue currently comes from online sales.

24%

of retailers believe their customers wouldn't be interested in buying goods on additional channels.

32%

of retailers say that not knowing enough about technology options/ platforms keeps them from selling goods through newer online or social channels.

47%

of retailers offer buy online, [pick up in-store \(BOPIS\)](#).

Among retailers who sell on social media, the percentage of revenue that comes from each channel is as follows:

Facebook 31%

Instagram 32%

Twitter 31%

TikTok 30%



TAKEAWAY

Providing a seamless experience while [selling on multiple channels](#) is now the norm — and businesses that do so may see a revenue impact. To stay competitive and keep customers interested, businesses can invest in an [omnichannel strategy](#) and a [unified set of tools](#) that will help them bring that strategy to life.

Purchasing and payment habits

Section — 05



→ Meanwhile, customers like options for how they buy ...

19%

of customers booked personal care appointments via social media.

70% of consumers bought retail from salons in person, likely as an add-on to their service. Online channels are also popular places to purchase salon retail items, with **37%** of consumers saying they purchased through a website, **30%** from marketing emails, and **28%** from social media.

68%

of customers prefer ordering delivery through a restaurant's own website or app.

79% of customers say they'd prefer to order food and drinks via self-serve kiosks rather than directly through staff — and not just fast food; **45%** prefer it when eating at a fast-casual restaurant and **21%** even prefer it for fine dining.

64%

prefer items delivered to their door, but **26%** prefer to order online and pick up in-store.

Consumers say **37%** of their monthly retail purchases are done online.

11%

of consumers prefer curbside pickup; that jumps to **17%** for Gen Z consumers. But, across the board, consumers still want the option:

39%

say they want curbside pickup to stick around even after COVID-19 variants subside.

... and how they pay

31%

of consumers want [contactless payments](#) to stick around even after the pandemic.

While **42%** of shoppers prefer making traditional credit card payments, **36%** prefer a contactless option like [touchless card payments](#) (**16%**) or mobile wallet apps (**9%**).

23%

of consumers prefer tableside payments at restaurants.

Notably, **21%** of Gen Z consumers prefer mobile wallet apps, just behind the **24%** of that age group who prefer making traditional card payments.



TAKEAWAY

Many consumers are now used to buying on a variety of channels and would like for that seamless experience to continue. Shoppers, diners, and clients are browsing online and picking up in-store, buying on social and returning in-store, booking a hair appointment on social media, or ordering food and stopping by for curbside pickup while their kids are in the car. That desire for convenience also extends to how consumers expect to pay, with younger consumers moving to contactless options like [mobile wallet apps](#). Customers may find that businesses that offer more ways to shop and pay offer extra value.

Conversational commerce

Section — 06



→ Conversational commerce provides further opportunities for businesses to meet customers where they are.

STATS AT A GLANCE

18%

of retail customers say they are interested in shopping through text or chat.

42%

of retailers say they currently or plan to implement selling via text or chat.

34%

of retailers currently or plan to automate communication with customers.

In the beauty industry, it's even more prevalent:

31% of consumers say they bought products from text messages sent by beauty businesses.

20% of customers booked appointments via text message or chat.



TAKEAWAY

Further illustrating the [importance of omnichannel](#), conversational commerce — where sales and customer service are conducted via text or chat — [is becoming more common](#). Customers are responding, and when the right message is sent at the right time, some are buying items and booking appointments. The number goes up for younger consumers: [25%](#) of Gen Z consumers and [27%](#) of Gen X consumers are interested in shopping through chat or text messages. Businesses that understand how and when to use these channels may unlock more revenue and meaningful customer connections.

Business innovation

Section — 06



→ Businesses across industries are finding exciting new ways to connect with customers. And they are adding new revenue streams in the process.

51% of beauty businesses say they'll continue offering online tutorials post-pandemic, and **52%** say the same for virtual classes and **41%** for livestream tutorials.

34%

of retailers surveyed are interested in implementing livestream shopping where a host demonstrates a product in a live online video

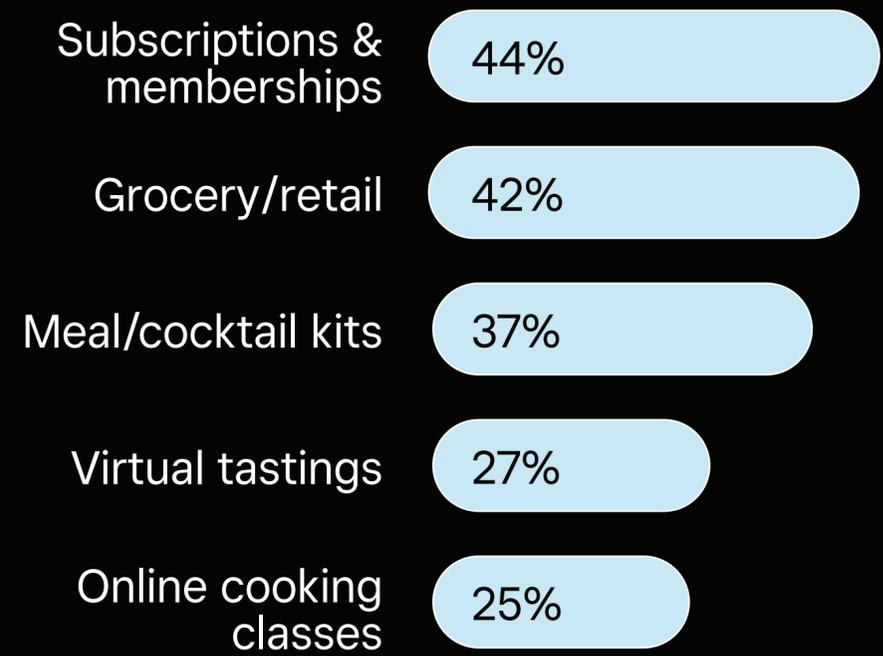
30%

of retailers surveyed say they are interested in implementing [virtual reality technology](#) for customers. to experience products in a digital shop.

61%

of consumers bought a retail item from a restaurant this past year.

75% of restaurants say that pandemic-inspired services or products are here to stay, including:



TAKEAWAY

Stores, salons, and restaurants are no longer confined to a single vertical. What started as a way to survive the pandemic has ignited the creativity of business owners, who are finding new ways to enter consumers' homes and hearts. Restaurants are selling retail items and cooking classes. Retailers are adding food subscriptions and livestream shopping. Beauty industry businesses are planning to continue virtual classes and curated at-home boxes. Flexible tech solutions can help these businesses integrate these new revenue streams with their core businesses.

[→ Learn more about how Square can support your business](#)

FOR MORE INSIGHTS

BY INDUSTRY

Read the full reports for 2022

[The Future of Retail](#)

[The Future of Restaurants](#)

[The Future of Beauty](#)



METHODOLOGICAL NOTES

The Square Consumer Survey was conducted by [Wakefield Research](#) among 1,000 nationally representative U.S. adults ages 18+, between October 6th and October 17th, 2021, using an email invitation and an online survey. The data was weighted to ensure reliable and accurate representation of the U.S. adult population, ages 18+.

The Square Retail Survey was conducted by Wakefield Research among 500 U.S. retail owners and managers, between October 6th and October 17th, 2021, using an email invitation and an online survey.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of

the percentages expressing the results. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 3.1 percentage points for the consumer audience, and 4.4 percentage points for the spa and salon owners/managers audiences, from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

About Square

Where others see challenges, business owners see possibilities. Square builds tools that let businesses bring those possibilities to life by enabling them to reach customers online and in-person, manage their front- and back-of-house operations, and access financing. Square can help your business succeed — on your own terms.

[Learn more at Square.com.](#)