

# Growth mindset merchants

Outmanoeuvring, outcompeting  
and outperforming



**How a growth mindset  
gives e-commerce  
merchants a  
competitive edge**

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# A turbulent year with winners and losers

During 2020, the retail world has been turned upside down. While COVID-19 rapidly accelerated a growing trend towards e-commerce, it's been a challenging time for merchants.

Across Europe, merchants have had to work hard to both create and satisfy demand. In every country and every sector there are winners and losers. Those that have enjoyed exceptional revenue boosts and those that have suffered significant revenue declines. The question merchants should be asking is: how have some retailers grown in challenging times, when their competitors have stood still or gone backwards?

Mollie is a rapidly growing European payments service provider. Mollie believes that every merchant has the opportunity to grow. And that's what Mollie helps its

100,000 customers to do. Mollie believes that there is a fundamental attitude – a 'growth mindset' – within a merchant that gives it a competitive edge.

In this paper, you'll learn about the growth mindset, what growth mindset merchants do differently and how they outperform their competitors. If you are open and willing to take on these learnings, it will give your business a clear competitive edge.

These insights are based on a survey of 2,500 merchants across five European countries and five discrete sectors, and Mollie's proprietary customer e-commerce data. The survey was conducted in October 2020 by independent research consultancy Coleman Parkes on behalf of Mollie (see end for full methodology).

# What is a growth mindset?

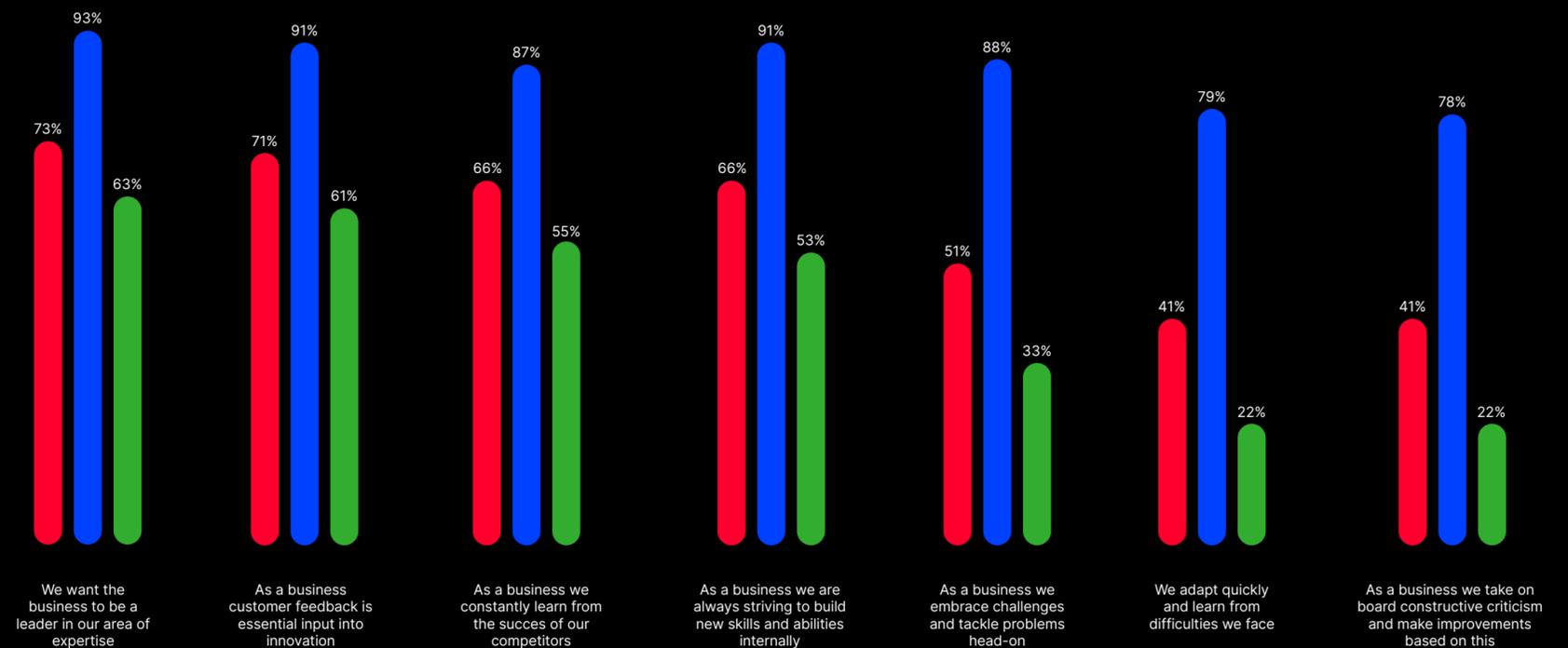


Fig. 1 To what extent do you agree or disagree with the following statements? ● Total ● Has a growth mindset ● Does not have a growth mindset

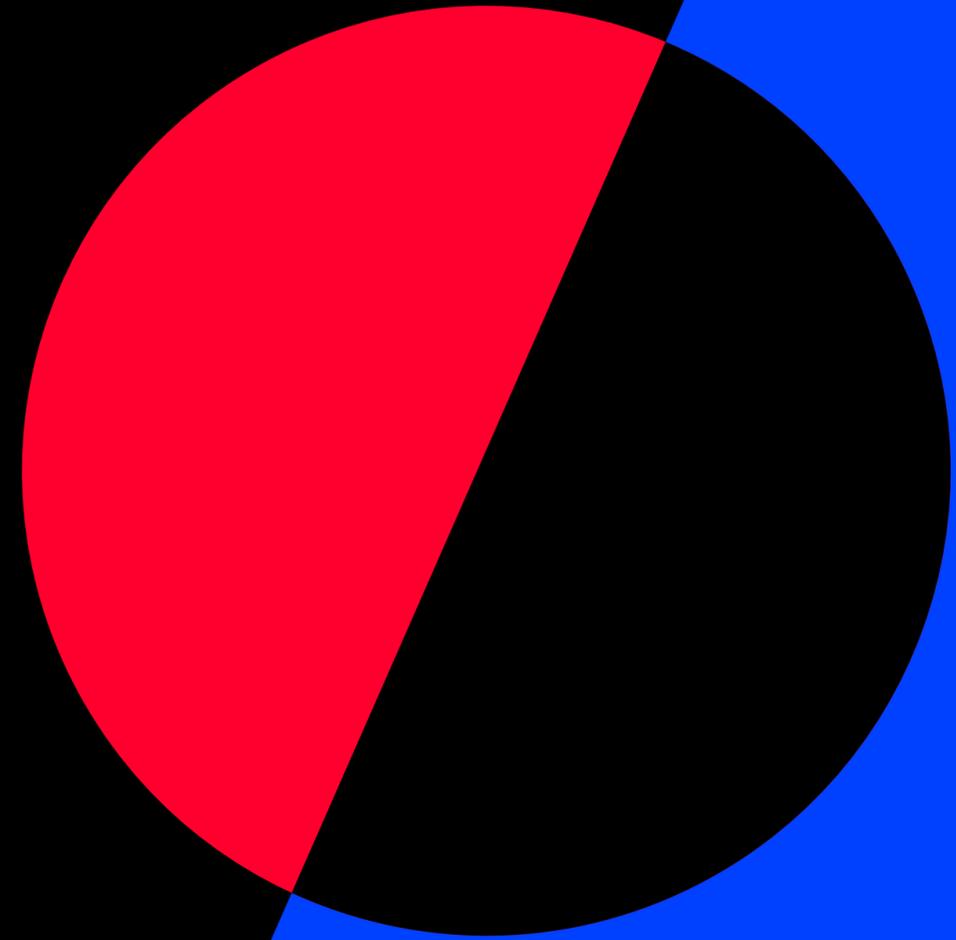
More than 30 years ago Dr. Carol Dweck coined the terms fixed mindset and growth mindset. They describe the underlying beliefs people have about learning and intelligence. Individuals with a growth mindset understand that abilities and intelligence can be developed. They are more likely to take on challenges, learning from the process and furthering their capabilities. As a result, they tend to be more successful than people with a fixed mindset. Could the same be true, at an organisational level, for merchants?

Based on its experience, Mollie saw that merchants with a growth mindset believe their capabilities can be developed

through dedication and hard work to drive success. By reflecting on the process of each learning curve, responding with optimism, resilience and adapting, growth merchants develop a competitive edge over their fixed mindset rivals.

The survey asked respondents to rate their business on a scale of 1-5 against seven statements that are at the core of the growth mindset (fig. 1). If respondents scored more than 28 points (from a possible 35), their businesses were deemed to exhibit a growth mindset. Across Europe a third (33%) of respondents were classified as growth mindset merchants, two thirds (67%) as fixed mindset merchants.

**What do  
growth mindset  
merchants do  
differently?**



# Growth mindset merchants have a wider field of view

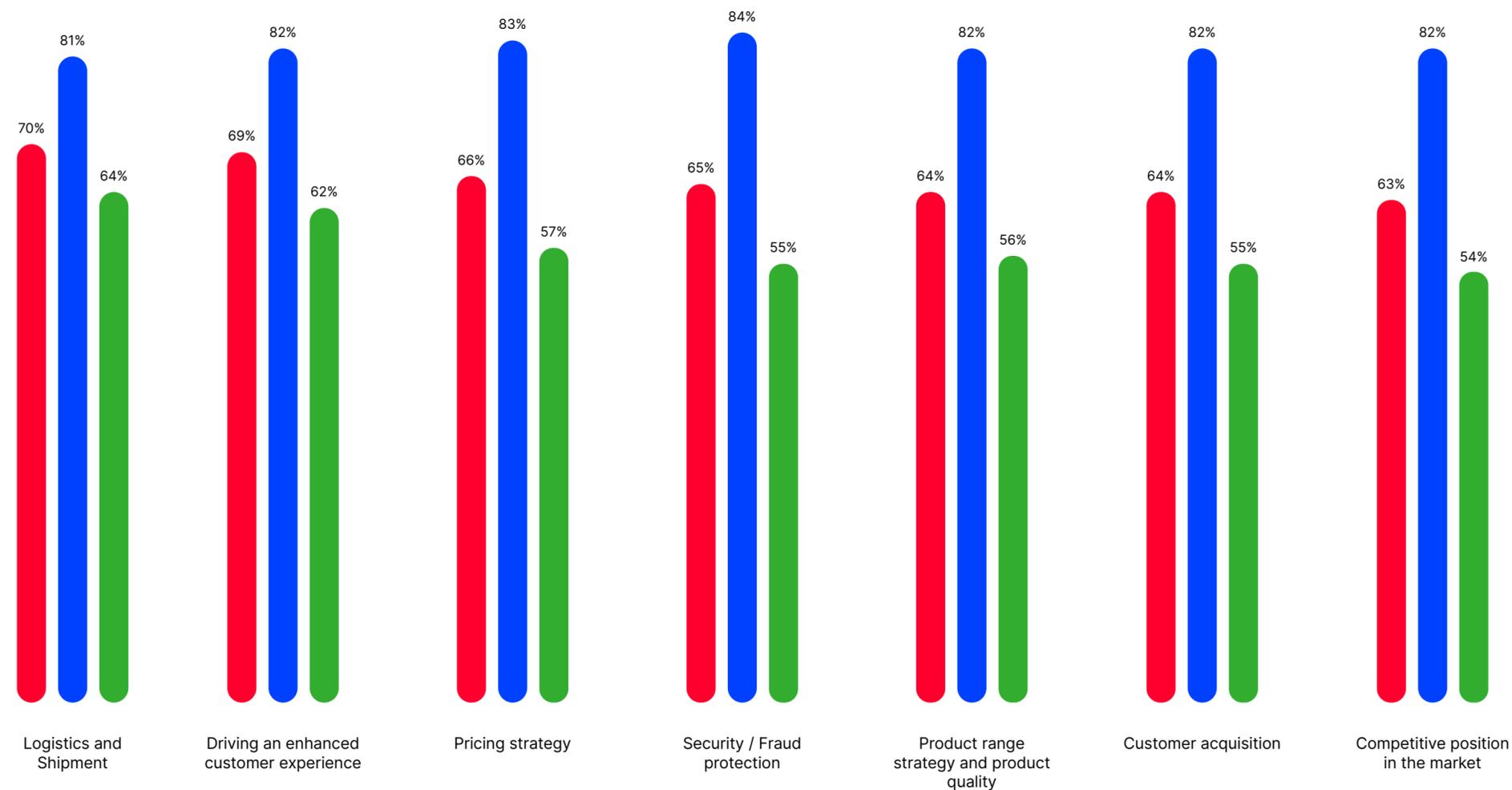


Fig. 2 Which of the following are the most important factors for growth when trading online? ● Total ● Has a growth mindset ● Does not have a growth mindset

Regardless of whether a merchant has a growth or fixed mindset, they're managing a huge variety of growth factors (fig. 2).

What the data suggests here is that growth mindset merchants have a significantly wider field of view than fixed mindset merchants. They have their fingers on more pulses and are more active in improving their online businesses.

Rather than addressing each factor, what's important here is the level of importance that growth mindset merchants attach to each issue affecting their online operations. To these merchants, growth factors don't just represent challenges to overcome – they are areas in which to consistently build capabilities in order to drive growth.

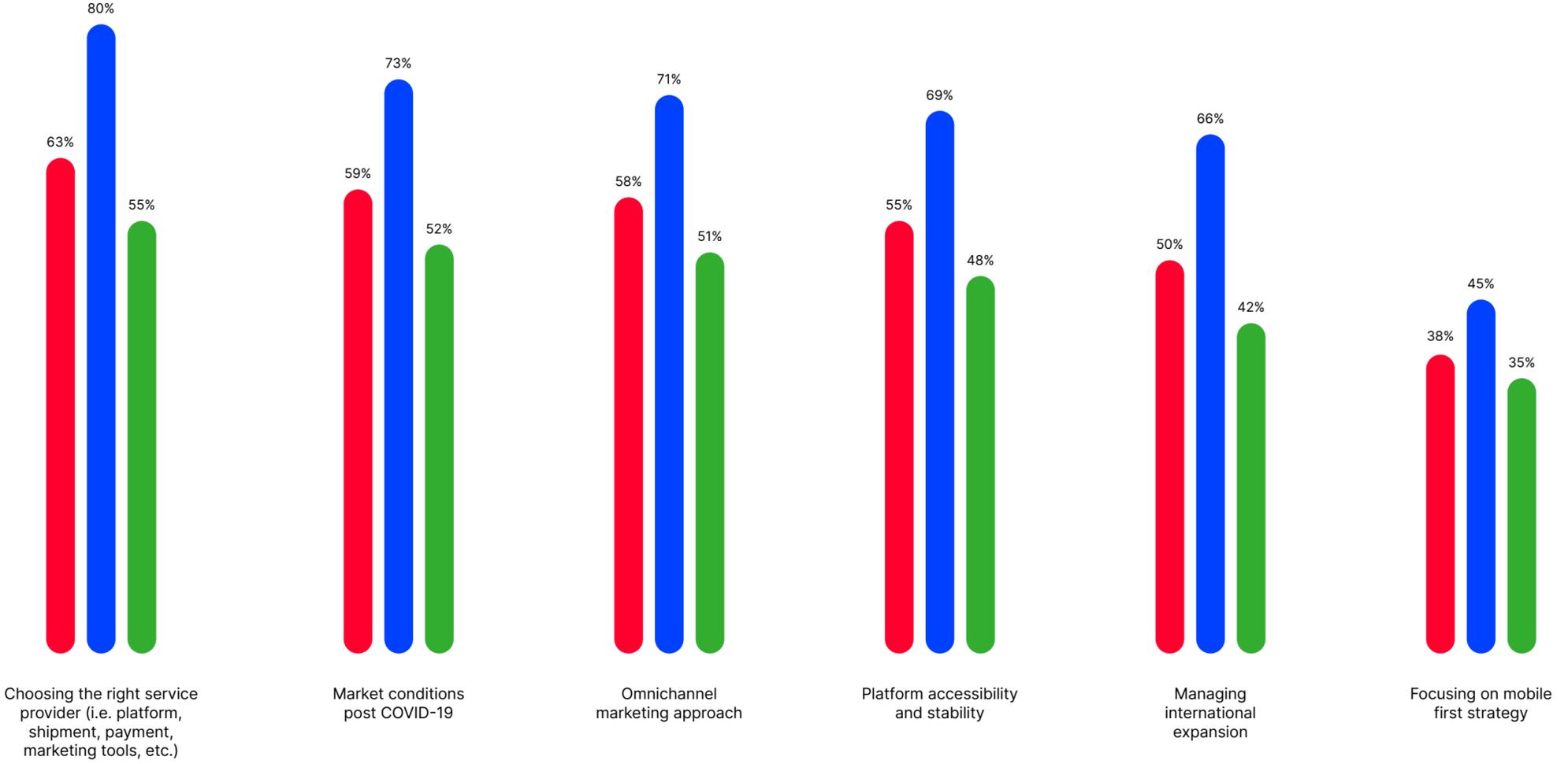


Fig. 2 Which of the following are the most important factors for growth when trading online? ● Total ● Has a growth mindset ● Does not have a growth mindset

# Growth mindset merchants are more international

Growth mindset merchants are more likely to be more internationally-focused. 46% of fixed mindset merchants are focused purely domestically, compared to 38% of growth mindset merchants (fig. 3). Growth mindset merchants are almost twice as likely to sell online globally than their fixed mindset counterparts.

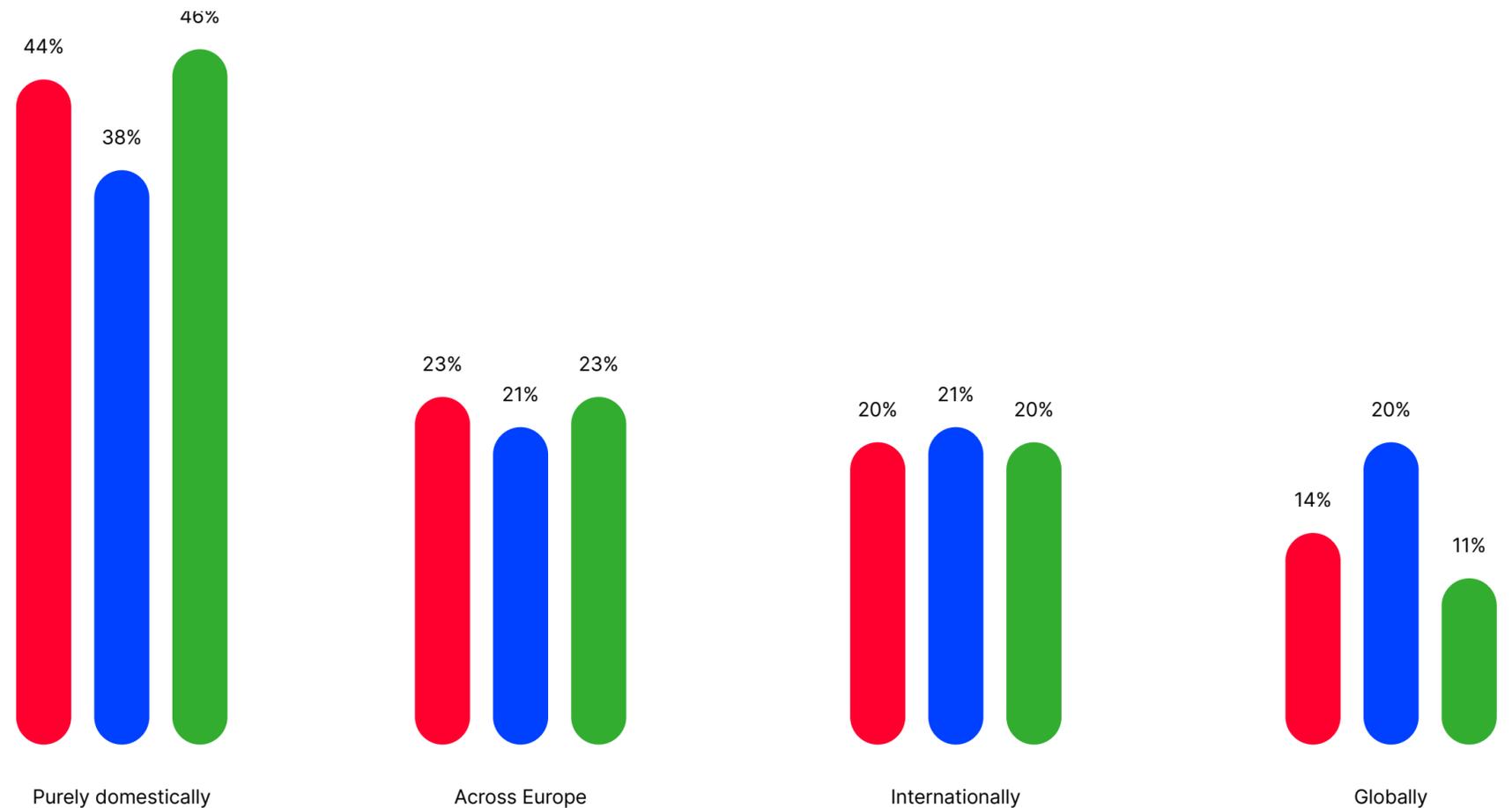


Fig. 3 Do you sell online...

● Total ● Has a growth mindset ● Does not have a growth mindset

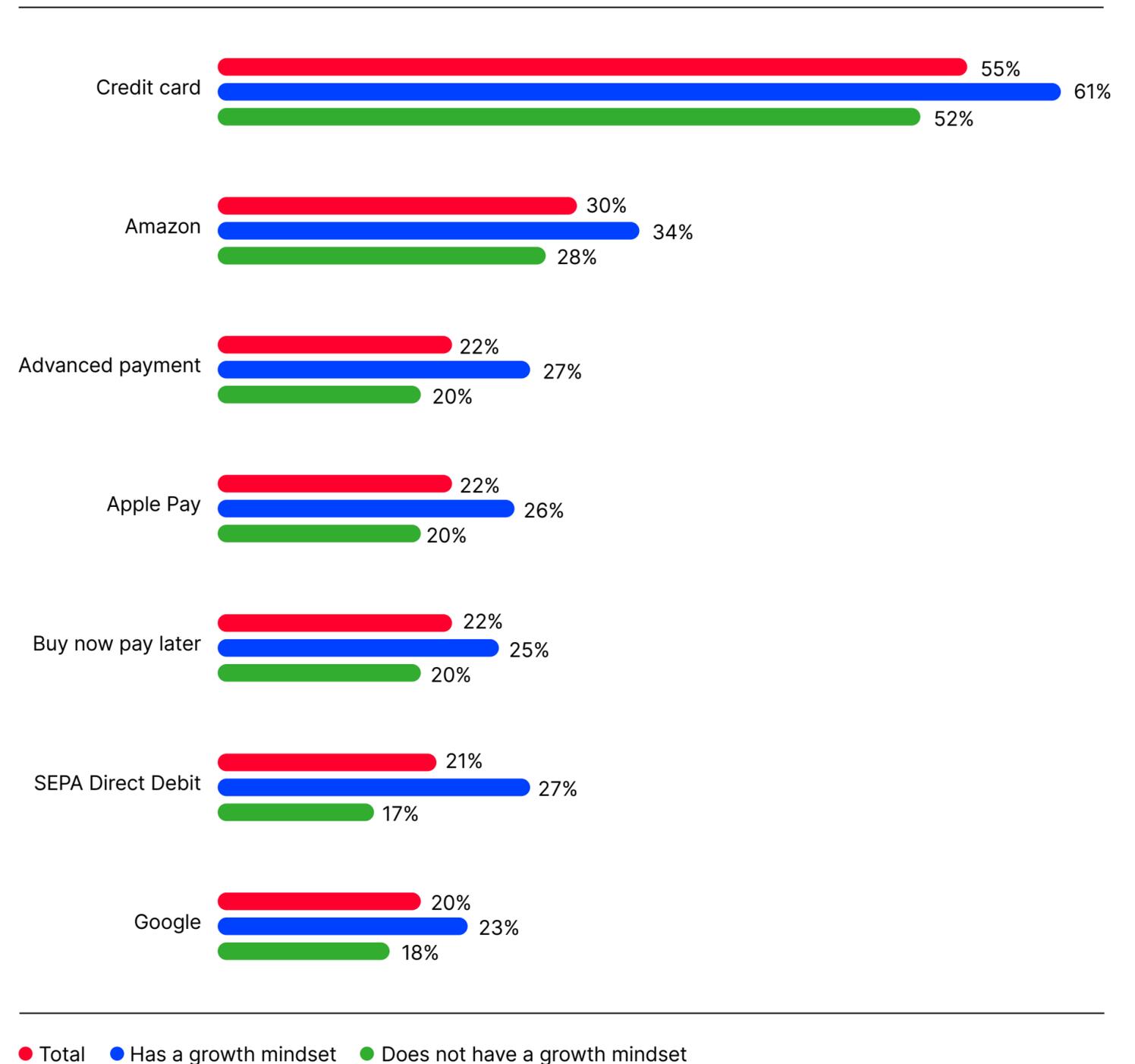
# Growth mindset merchants offer more ways to pay

Growth mindset merchants are more likely to offer their customers more ways to pay (fig. 4). Not only does it allow these merchants to do business with a much broader customer set, it also means that they offer the most locally-relevant payment methods – often showing local payment methods first, in the correct language. In Mollie's experience, this creates more optimised and successful conversion.

**Growth mindset merchants offer an average of 4.2 payment methods, compared to 3.5 from fixed mindset merchants.**

In particular, growth mindset merchants have embraced new innovations like 'buy now, pay later'. They are 20% more likely to offer these options than fixed mindset merchants.

Fig. 4 Which payment methods do you offer across the channels used?



# Growth mindset merchants perceive more challenges

Despite their success, growth mindset merchants don't rest on their laurels (fig. 5). Growth mindset merchants are more likely to report a wider number of challenges to online revenue generation than their fixed mindset competitors. They are more focused on:

- Reducing complexity in customer experience – from conversion and payments experience, to checkout and mobile experience.
- Marketing – driving the right traffic and creating returning customers.
- Reporting – both tracking performance and generating customer insights to drive revenue.

All of these things are proven to drive growth amongst e-commerce merchants. Again, this is indicative of the continual striving of growth mindset merchants to embrace challenges, build abilities and persevere in the face of failure.

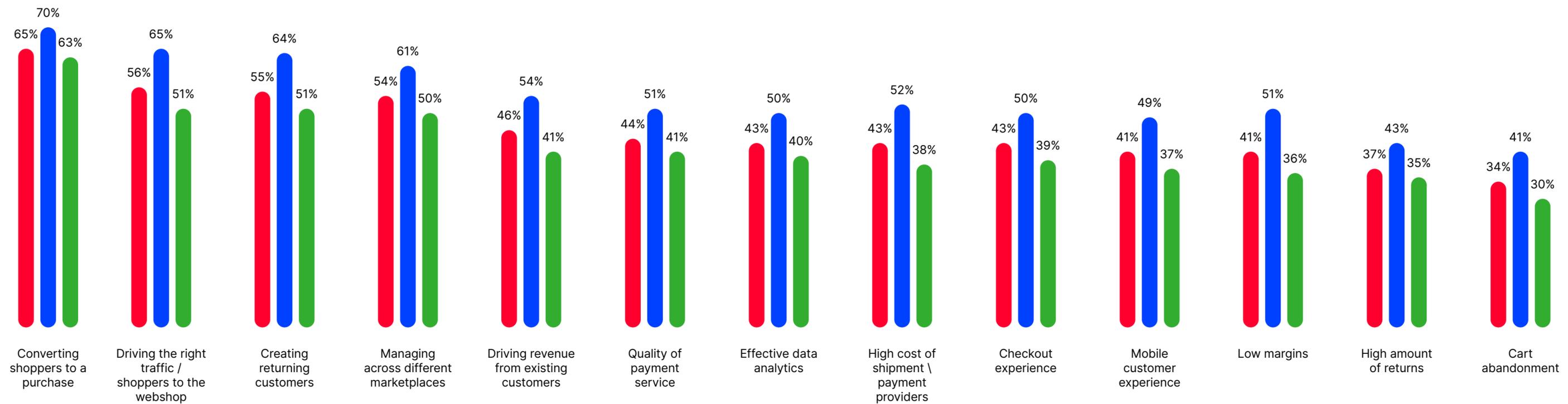


Fig. 5 Please rate the following challenges you face with online revenue generation?

● Total ● Has a growth mindset ● Does not have a growth mindset

# Growth mindset merchants experience lower cart abandonment

The causes of abandoned carts are relatively consistent, though the data suggests growth mindset merchants have developed a slight competitive advantage around reducing the complexity of the checkout and the speed and ease of authorisation.

For example, many growth mindset merchants present customers with professional, on-brand experiences across devices. They allow shoppers to complete purchases on the merchant's webshop, without a redirect, which Mollie has seen leads to an average of +7% conversion rate optimization. Put another way, fixed mindset merchants could expect a reduction in cart abandonment from 9.4% to 8.7% if they implemented similar tactics. Growth mindset merchants show local payment methods first, ensure the right language is served and offer safe storage of payment details to reduce friction for returning shoppers. This is a result of continually and consistently embracing challenges, building abilities and persevering in the face of failure.

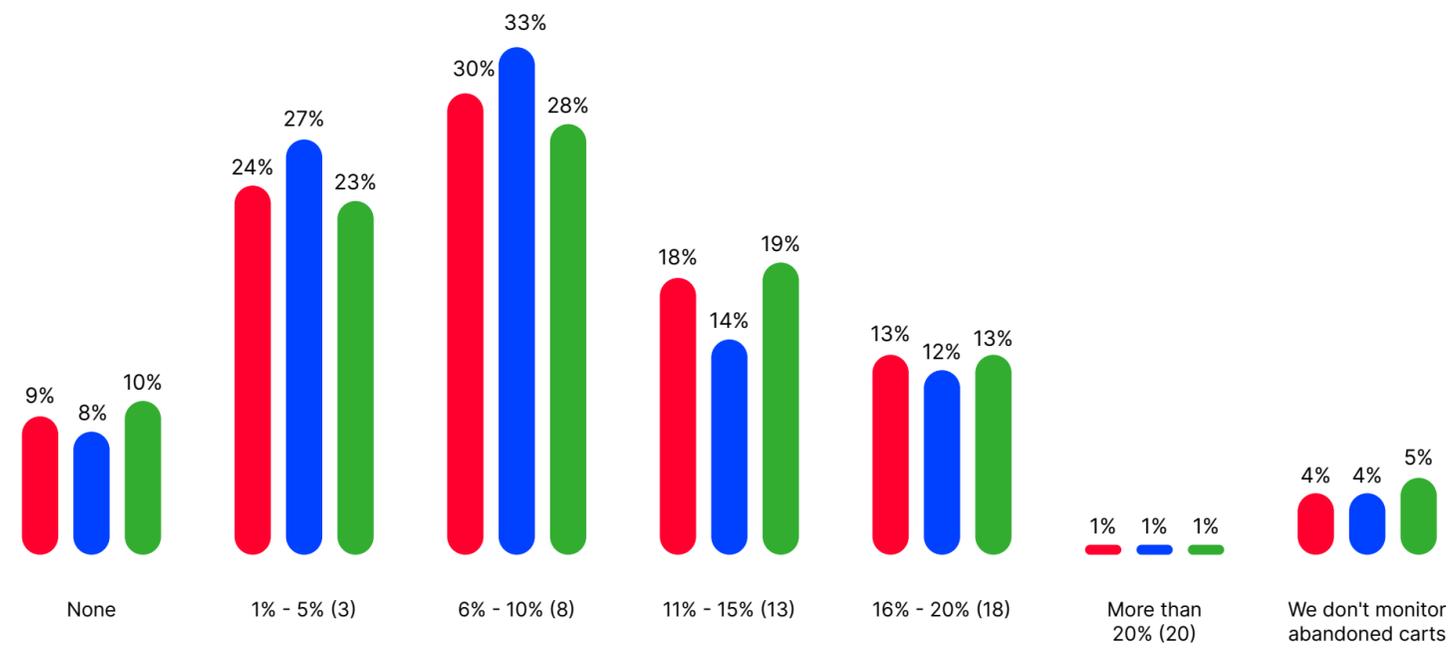


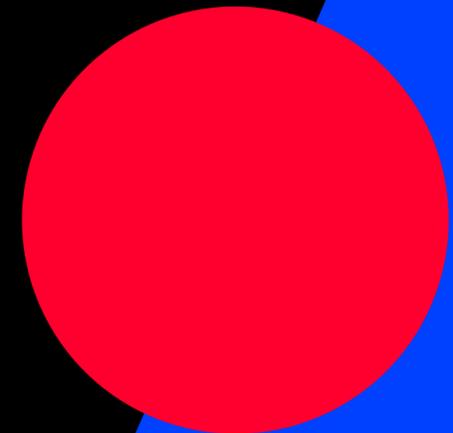
Fig. 6 Approximately what proportion of carts are abandoned on your webshop?

● Total ● Has a growth mindset ● Does not have a growth mindset

On average, merchants report that 9.2% of carts are abandoned in their webshops (fig. 6). The trend is higher for fixed mindset merchants, 9.4%, and lower for growth mindset merchants at 8.8%. Why? Because growth mindset merchants are both more likely to track cart abandonment and develop their abilities to address the root causes.

Conversion optimisation is important from a commercial perspective. While a difference in cart abandonment of 0.6% doesn't sound like much, for the average-sized growth mindset merchant this is worth 65,000 Euros per year.

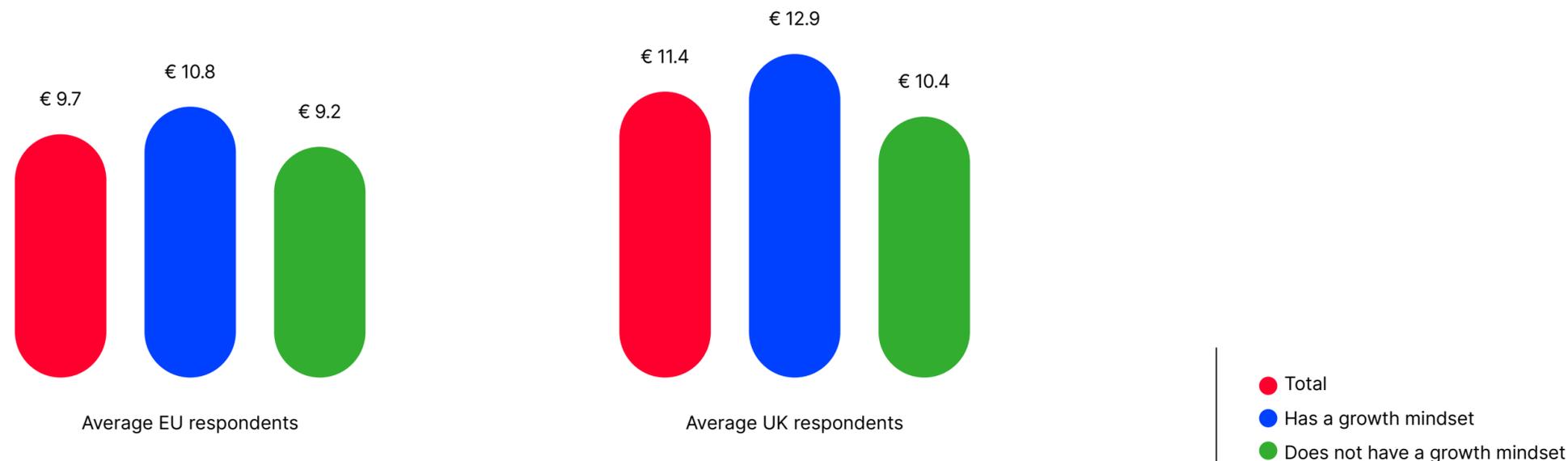
**How well do growth  
mindset merchants  
outperform fixed  
mindset merchants?**



# Growth mindset merchants generate more annual revenue from e-commerce

Across the European countries surveyed (Germany, France, Belgium and the Netherlands), growth mindset merchants generate an average of 10.77 million Euro from e-commerce activities, vs. 9.21 million Euro for fixed mindset merchants (fig. 7). This equates to a 17% difference.

In the UK, this difference is even more pronounced (fig. 8). British growth mindset merchants generate nearly a quarter (24%) more revenue from e-commerce than their fixed mindset competitors.



**Fig. 7**  
What was your annual revenue from purely e-commerce activity in the last financial year?

**Fig. 8**  
What was your annual revenue from purely e-commerce activity in the last financial year?

# Growth mindset merchants increased sales more and suffered lower revenue declines during the first wave of COVID-19

During the first wave of the COVID-19 pandemic, merchants with a growth mindset increased sales more, and suffered lower decreases in sales, than fixed mindset merchants compared to the same months in 2019.

28% of growth mindset merchants reported an increase in monthly sales during the pandemic vs. 21% of fixed mindset merchants. However, at the same time, growth mindset merchants were more likely to experience decreases in sales – 51% vs. 43% of their fixed mindset competitors (fig. 9). Though, as the data demonstrates, they were not as hard hit as fixed mindset merchants (fig. 11).

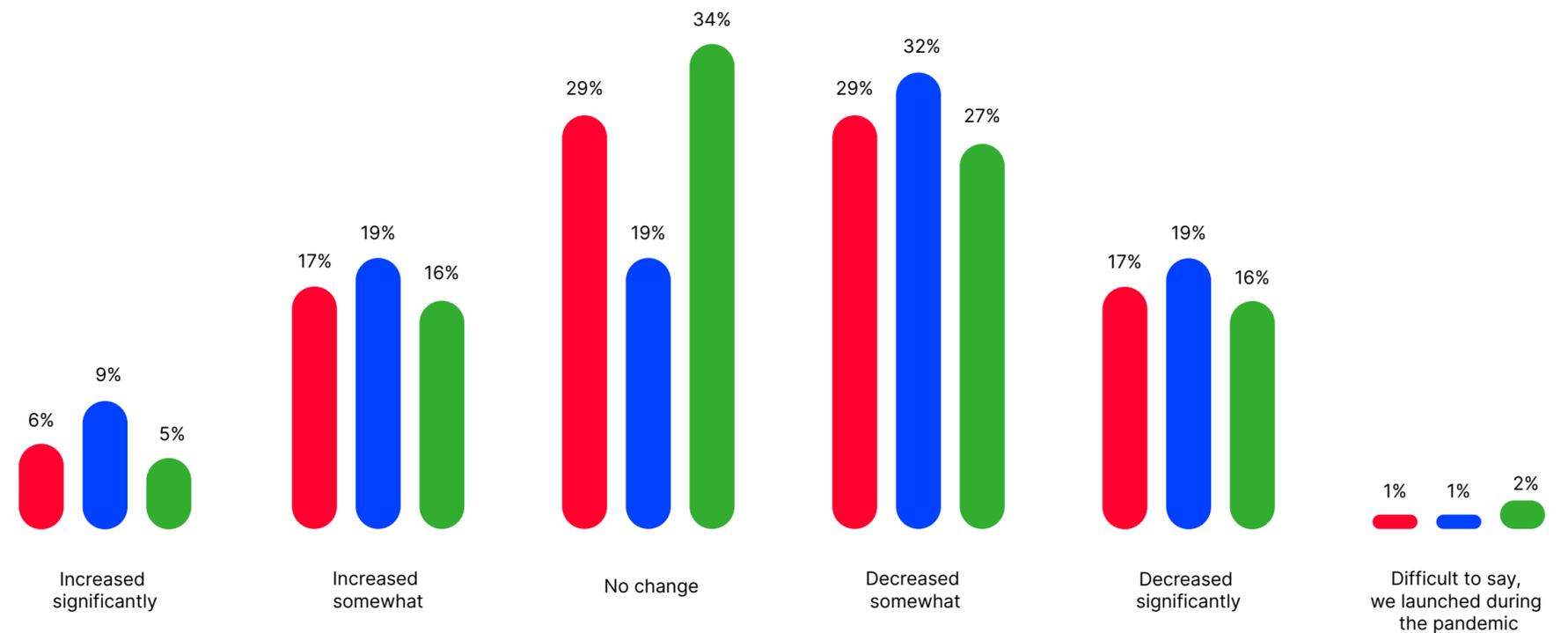
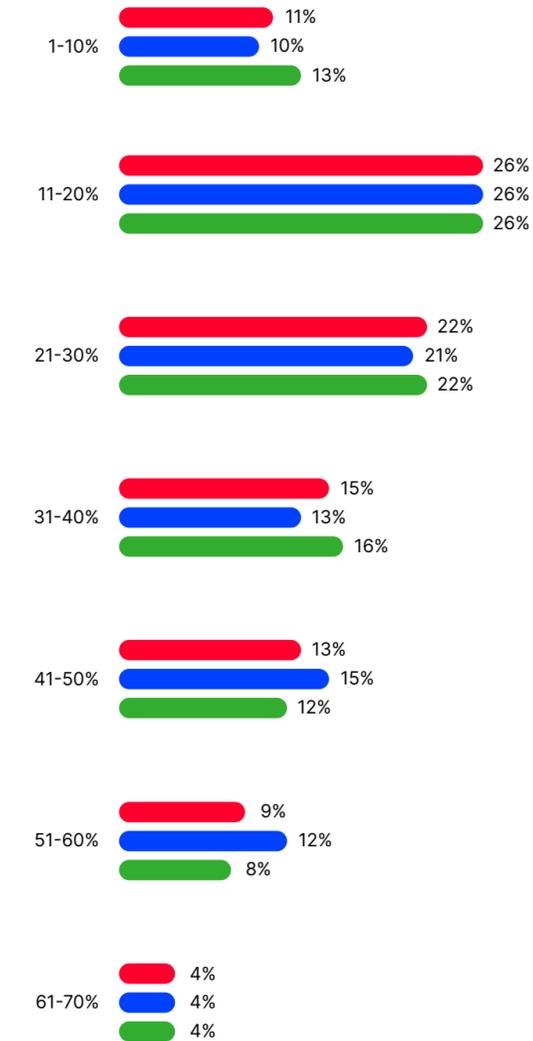


Fig. 9 How did your average monthly sales change during the COVID-19 pandemic?  
● Total ● Has a growth mindset ● Does not have a growth mindset

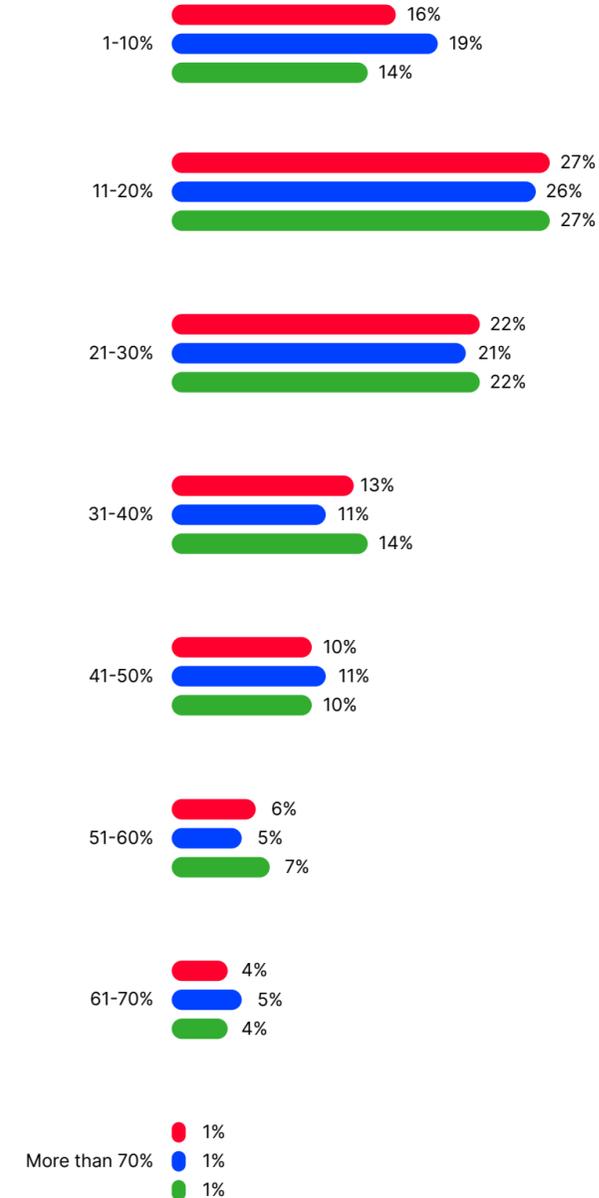
Looking solely at merchants who reported an increase in sales during the first phase of the pandemic, 77% of fixed mindset merchants saw increases of below 40% - compared to just 70% of growth mindset merchants. 31% of growth mindset merchants enjoyed a 40%+ increase in sales during the period compared to just 24% of fixed mindset merchants (fig. 10). More growth mindset merchants saw an increase in sales during this challenging time than fixed mindset merchants, and growth mindset merchants also tended to see bigger increases in sales.

More growth mindset merchants suffered a decline in sales than fixed mindset merchants—but the declines for growth mindset merchants were less severe. Two thirds (66%) of growth mindset merchants that experienced a decline saw reductions of less than 30%, compared to 63% of fixed mindset merchants. However, 36% of fixed mindset merchants had to contend with a decline of more than 31%, compared to just 33% of growth mindset merchants (fig. 11).

**Fig. 10**  
By approximately what proportion did the average monthly sales increase by?



**Fig. 11**  
By approximately what proportion did the average monthly sales decrease by?



● Total ● Has a growth mindset ● Does not have a growth mindset

# Growth mindset merchants are more optimistic about revenue growth in the next 12 months

When it comes to the future, growth mindset merchants are more optimistic and ambitious. 93% said they are expecting to grow online revenues in the next 12 months, compared to 83% of fixed mindset merchants (fig. 12).

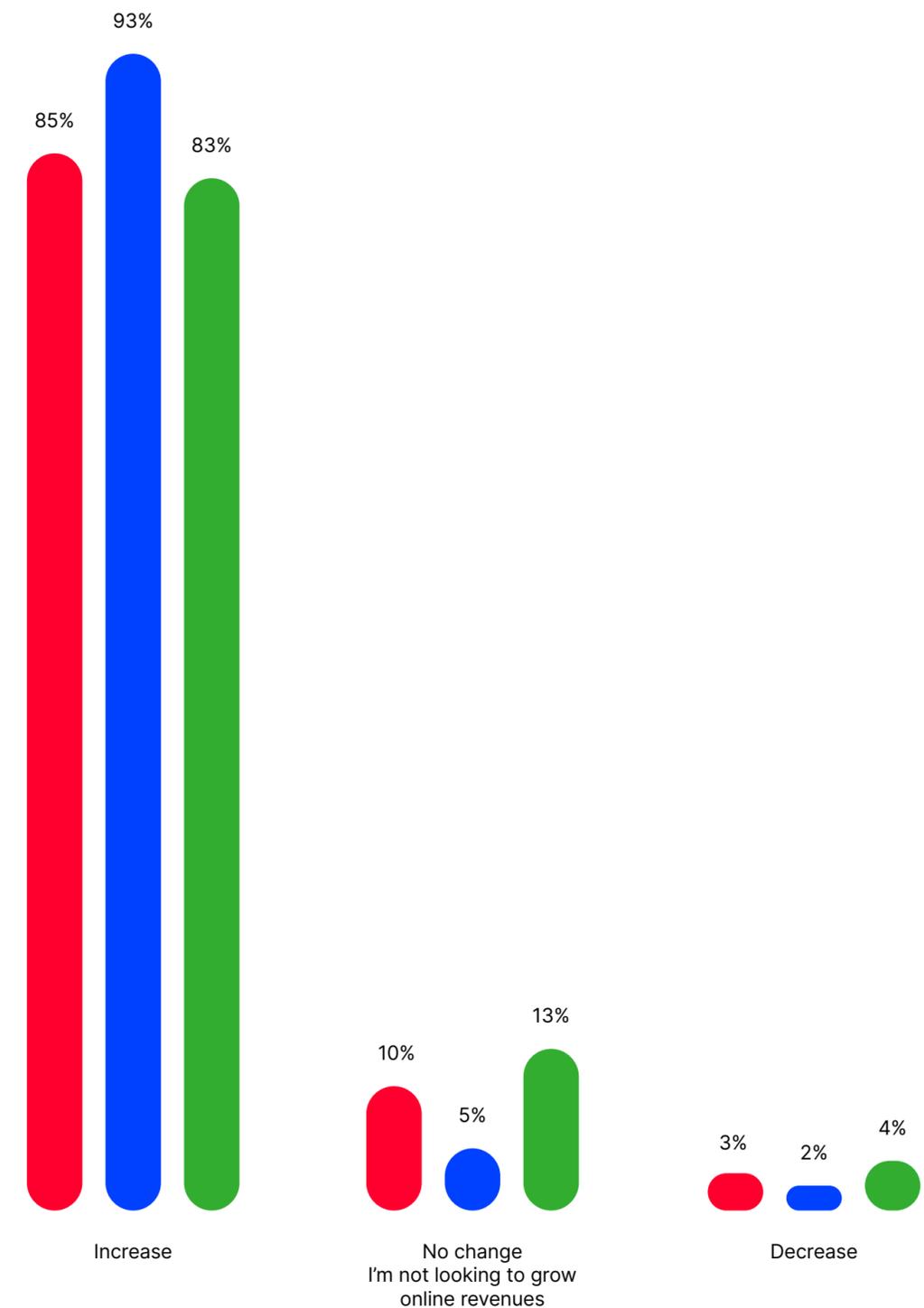


Fig. 12 By what rate are you looking to grow online revenues over the coming 12 months?

● Total ● Has a growth mindset ● Does not have a growth mindset

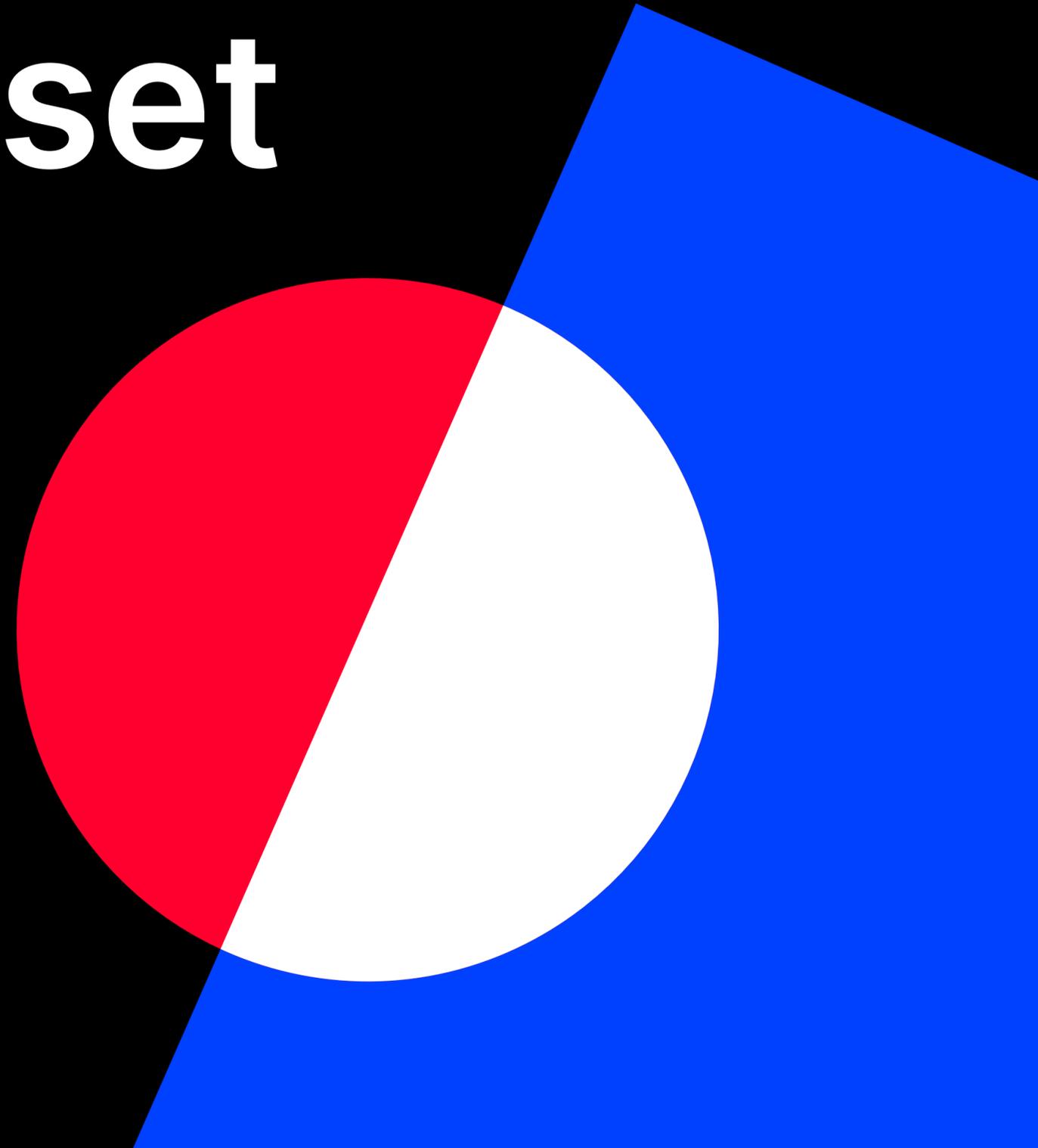
# Growth mindset merchants have a competitive edge

In summary, growth mindset merchants generate substantially more revenue from e-commerce than fixed mindset merchants. During the first wave of the pandemic they were more likely to grow sales vs. the same period last

year and boost sales more than their fixed mindset counterparts. And while growth mindset merchants were more likely to experience decreased sales levels, that decrease was shallower than fixed mindset merchants contended with.

Looking forward, growth mindset merchants expect to grow online revenues substantially more than their fixed mindset competitors. It's clear that a growth mindset attitude gives merchants a competitive edge.

**Mollie: the home  
of growth mindset  
merchants**



# How Mollie customers perform against growth mindset and fixed mindset merchants

Having analysed its own proprietary data across its client base, Mollie's merchant customers outperform both the fixed mindset and growth mindset merchants that were surveyed.

Mollie's customers offer 6.2 payment methods on average (vs. 3.5 for fixed mindset merchants and 4.2 for growth mindset merchants surveyed – fig. 13). This increased range of payment methods is one of a number of factors that leads to impressive revenue growth amongst Mollie's customer base.

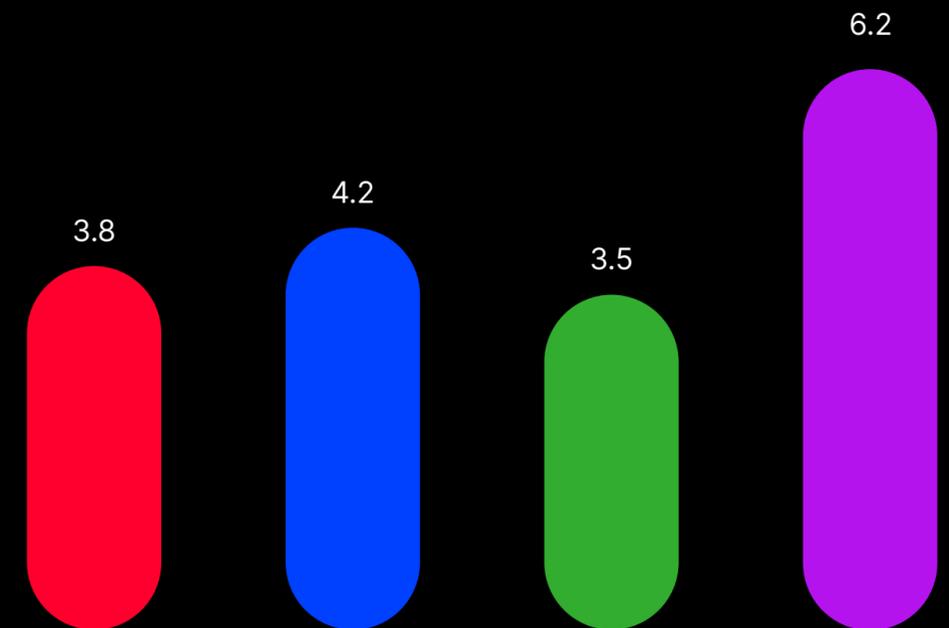


Fig. 13 Which payment methods do you offer across the channels used?

● Total ● Has a growth mindset ● Does not have a growth mindset ● Mollie merchants

During the initial lockdown period for most of Europe (March – June 2020), Mollie’s customers enjoyed a 42% increase in sales compared to the same period in 2019 (the same customer cohort was tracked across 12 months). During the longer COVID-19 period (March – October 2020), Mollie’s customers experienced a 39.63% increase in sales compared to the same period in 2019. This comfortably outperforms the average growth reported by growth mindset merchants (average 30%) and fixed mindset merchants (average 28%) in the survey (fig. 14).

Taking a longer-term view, merchants that worked with Mollie between the beginning of 2017 and the end of 2019 experienced a 63% growth in online revenues. Those merchants that started working with Mollie in early 2018 experienced a 58% growth in online revenues by the end of 2019.

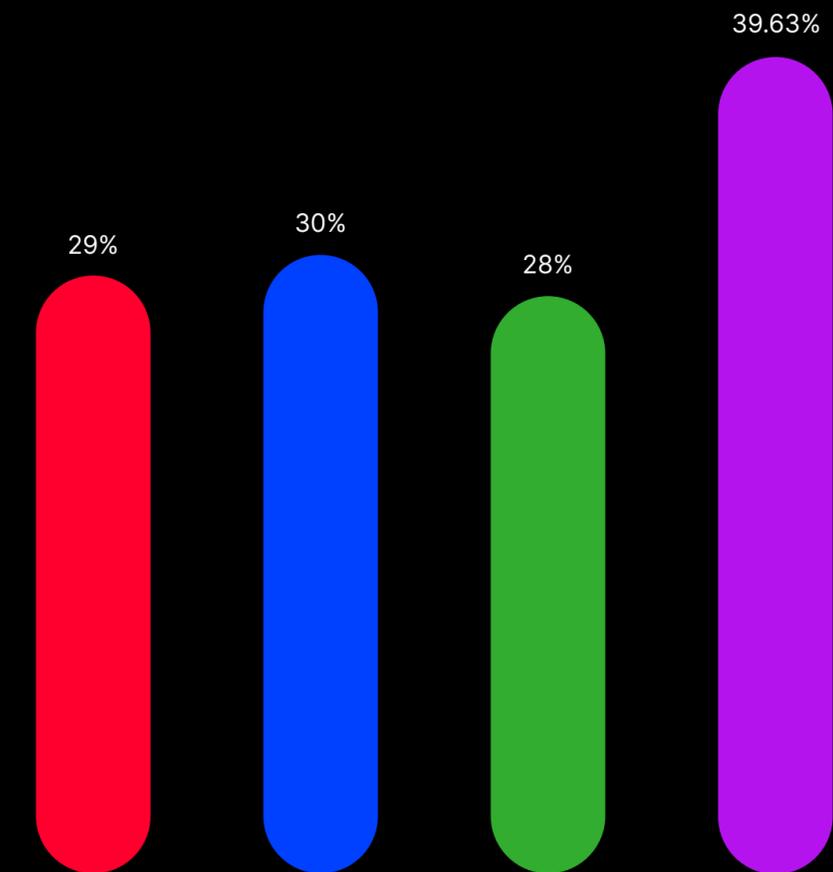


Fig. 14 By approximately what proportion did the average monthly sales increase by?  
● Total ● Has a growth mindset ● Does not have a growth mindset ● Mollie merchants

# How Mollie helps

In order to adopt and evolve an organisational growth mindset, Mollie advises that merchants should:

- Recognise existing and emerging challenges, embrace them, learn about them and address them
- Operationalise learning across their organisations to ensure they continually build new abilities
- Accept that some failures are inevitable, but learn from them and come back stronger

Importantly, Mollie is here to help practically.

Mollie is a rapidly growing challenger brand and believes that everybody should have the opportunity to grow. It helps its customers develop the new capabilities they need to grow – such as the ability to accept a wide variety of existing and emerging payment options, conversion optimisation and improving the check-out experience. Mollie pushes industries forward through transparent, effortless and flexible payment services.

Mollie's community of over 100,000 merchants are embracing new challenges every day and sharing them with its customer support and success teams. Mollie shares these challenges with its community – researching them, explaining them and offering tried and tested ways to overcome them to inspire other customers through, for example, Mollie's 'Moment of Growth' podcast. Its Shopsystem guide compares a wide variety of online shop solutions on the market, helping merchants identify the best option for their needs. Furthermore Mollie shares insights and knowledge regarding conversion optimisation for example in this article. Mollie is also looking to the future, investing in research to help build industry knowledge of the challenges facing merchants both today and tomorrow, helping its customers stay ahead.

Mollie constantly iterates and evolves its services and support capabilities. Making optimisations and continually testing and learning allow Mollie to develop better products and help its merchants navigate the changing e-commerce landscape. Mollie encourages its people to take smart risks and embrace possible failures. This lets Mollie build world-class products that simplify complex financial services.

To find out more about Mollie and how it can help your organisation develop a competitive edge, please visit [mollie.com](https://mollie.com).



## Shopsystem-Guide 2020 — Überblick & Markt-Insights

Auf dem Markt tummeln sich zahlreiche Anbieter für die unterschiedlichsten Online-Shop-Lösungen. Wer einen Online-Shop erstellen möchte, hat also die Qual der Wahl. Welches System passt für Ihr Unternehmen am besten?

- ✓ Welches ist das beste Shopsystem?
- ✓ Welche Arten von Shopsystemen gibt es?
- ✓ Das passende Shopsystem finden - die Kriterien

A grid of logos for various e-commerce platforms, including odoo, ecwid, JIMDO, shopify, shopware, lightspeed, PrestaShop, Magento, BIGCOMMERCE, OXID eshop, and WOO COMMERCE.

# About Mollie

Mollie is a pioneer in the payment industry. The company is also one of the fastest growing payment processors within Europe. Mollie facilitates companies of all sizes to scale and grow by using different payment methods. With the help of a simple and clear payments-API Mollie can offer multiple payment methods in a uniform way. Mollie is there to simplify complex financial services.

Mollie has more than 100,000 customers in Europe and its mission is to become the most loved PSP in Europe. Mollie comprises an international team of more than 330 professionals, has its headquarters in Amsterdam and offices in four other locations across Europe.

# Methodology

The survey was commissioned by Mollie and undertaken by Coleman Parkes. Fieldwork was completed in October 2020. The sample was 2,500 merchants across five European countries – 500 from Belgium, France, Germany, the Netherlands and the United Kingdom. Within each of these countries, 100 were drawn from each of the following sectors: groceries/FMCG, hospitality/food delivery, home/hobbies/lifestyle, clothing and apparel and consumer electronics. Across Europe, 500 merchants were surveyed in each sector.