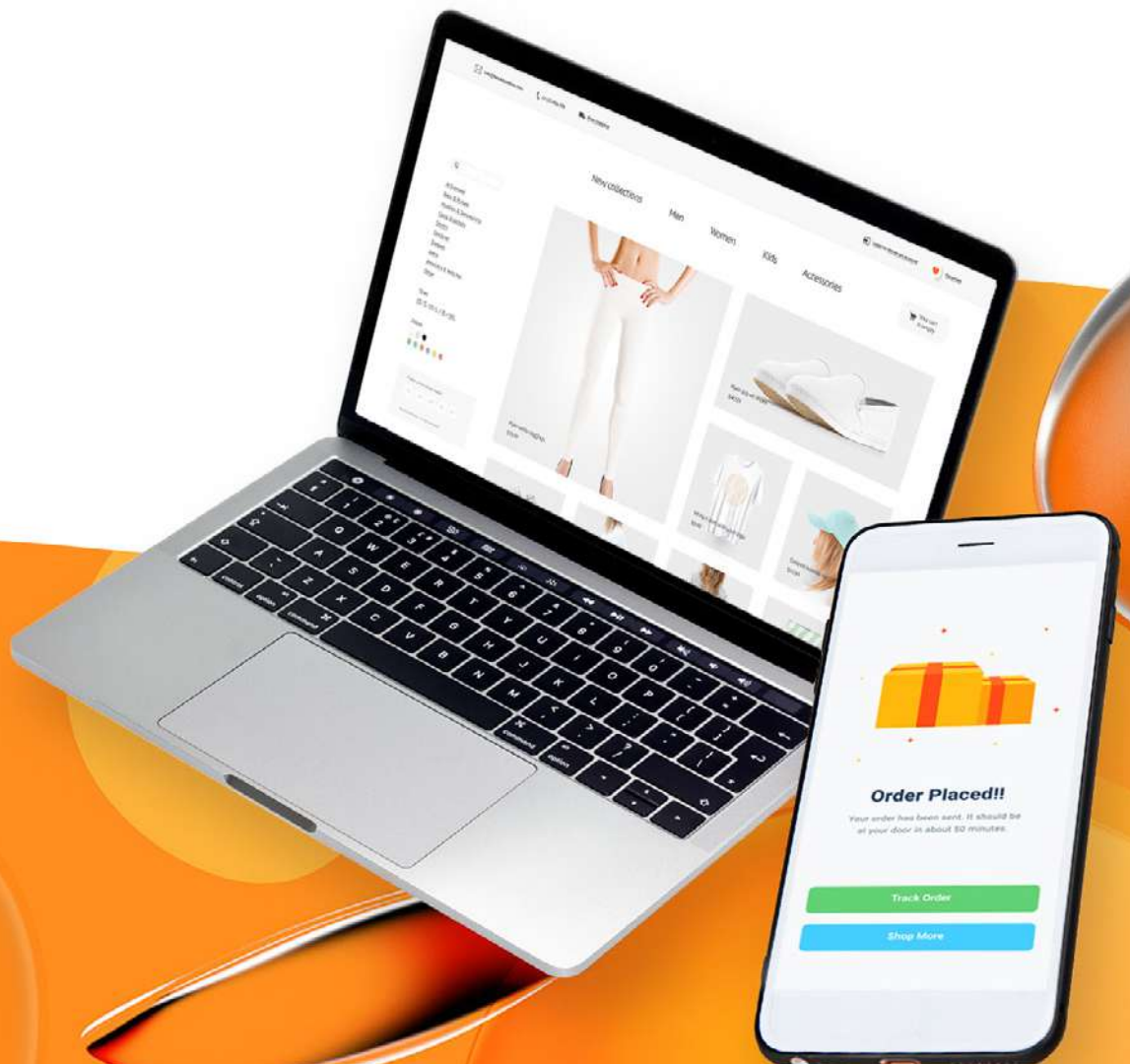



THE SHOP NEVER STOPS: CONSUMER PREFERENCES REPORT

HOW CONSUMER HABITS CHANGED IN 2020
AND WHICH ONES ARE HERE TO STAY





When consumer behaviour changes, it's often by slow degrees. As society adapts to new services or technologies, our preferences and expectations evolve over years or even decades – often with younger generations leading the way.

Yet change can also be accelerated. And when a global event like 2020's Covid-19 pandemic comes along; existing or nascent consumer trends can be sped up in a moment along with buyer behaviours and expectations.

But which consumer expectations have now changed for the long haul? What are shoppers now looking for from online shopping experiences? Are there other factors, apart from the pandemic, driving shifts in behaviour? And – crucially for brands looking to boost sales in a difficult economic climate – what will compel consumers to spend more online in the future?



“ To find out, Magento Commerce surveyed global consumers from 13 countries in Europe, the Middle East and Africa. As the results show, the Covid-19 pandemic accelerated trends that were already in play – but also gave rise to new preferences that merchants must quickly adapt to in order to stay competitive. ”

Brian Green
Head of Commercial, Adobe EMEA

Key findings

1

55% of consumers now shop online more frequently than they did during the pandemic – and for frequent online shoppers, this figure rises to 65%.

2

60% have seen an increase in their online spending since the Covid-19 outbreak began, increasing to 71% for frequent users.

3

Over half (54%) say the pandemic has changed their expectations of online shopping. Of this, 70% are more likely to shop elsewhere if they can't find products quickly, while 52% are more likely to look for discounts elsewhere and 38% rank fewer steps in the check-out process as a priority.

4

Easy to find pricing (66%), clearly displayed discounts (63%) and accurate product descriptions (62%) are the top three things consumers look for from a retailer's website content.

5

Half of all consumers say an experience without adverts or interruptions would 'stand out', while 35% would say the same about only seeing products and offers relevant to them.

6

44% say they tend to make at least one unplanned purchase with every online transaction – and 49% will buy more if products are suggested to them based on their history.

7

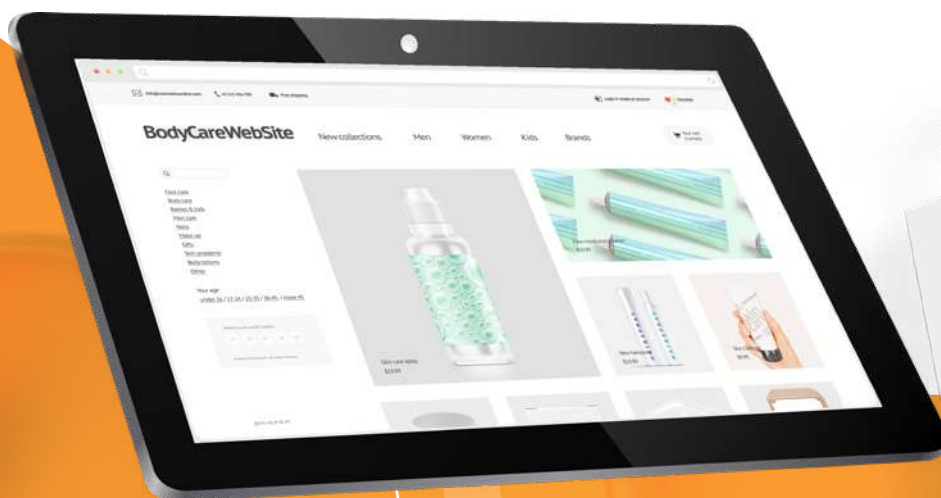
A strong loyalty programme, a visually appealing website and personalisation are the top three drivers for spending more.

8

Consumers are more likely to become a repeat customer if they're offered free delivery (62%), lower comparable prices (53%) and an easy returns process (62%).

9

69% say it is important or very important that retailers have good environmental credentials – and 49% will even pay more if a brand is environmentally friendly.



Executive Summary

Online shopping preferences have changed since the start of the Covid-19 pandemic. A majority of consumers are shopping online more, and they're increasingly likely to compare one merchant's website against another and abandon their carts in search of better deals and an easier buying experience.

Clear pricing, display and descriptions, as well as a fast and simple user experience, are no longer simply nice to have, but essential requirements for consumers. Purchase influencers like free delivery and returns, personalisation, competitive pricing, and an ad-free experience without interruptions' continue to encourage repeat visits and higher spend.

Consumers are also more concerned about the environmental factors of eCommerce than they were before the pandemic, and many are willing to pay more for something from an environmentally friendly retailer.

Methodology

In October 2020, we carried out interviews with 7,046 global consumers to understand how their online shopping behaviours changed over the past 12 months. This included respondents from 13 regions and a range of age groups.















Age

18-24	1121
25-39	2624
40-54	2081
55-64	669
65+	551

Gender

Male	3607
Female	3381
Other	30
Prefer not to say	28

Region

 Austria	501	 Portugal	535
 France	501	 South Africa	501
 Germany	501	 Spain	500
 Israel	500	 Sweden	501
 Italy	501	 Switzerland	500
 Netherlands	500	 UAE	503
 Poland	502	 UK	500

The 2020 effect: The impact of Covid-19

In 2020, consumer shopping behaviours were altered by force. Stay-at-home orders and non-essential store closures meant those who wanted (and were able) to buy mostly had to do it online. This included older generations, who – considering their increased risk from the virus – had even more reason to shop from home wherever possible, despite historically being less likely to do so.

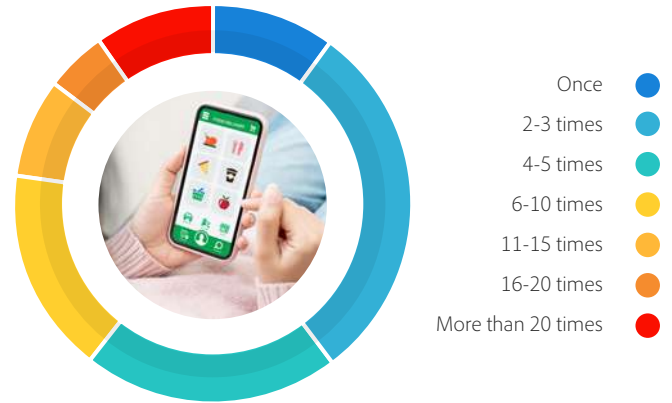
More shopping, greater familiarity, higher spend

The majority (55%) of consumers say they now shop online more frequently than they did before the pandemic.

Those who were already on board with online shopping have accelerated their usage. Six in ten (58%) modest users shop online more frequently, while 65% of frequent users report the same. And as you might expect, this has increased familiarity and comfort. Just under half (49%) say they are more comfortable shopping online in general, rising to 56% for frequent users, while 46% are more reliant on eCommerce than they were before. Finally, over a quarter are now more likely to shop with retailers who offer click and collect.

Many are also spending more online than ever before. Six in ten have seen an increase in their online spending overall, rising to 65% for modest users – while 71% of frequent users report the same.

Frequency of online shopping over past 3 months



Low users: **1-3 times**
 Moderate users: **4-10 times**
 Frequent users: **11+ times**
 Super users: **More than 20 times**

How has Covid-19 changed online shopping expectations?

		Low users	Modest users	Frequent users
I shop online more frequently	55%	46%	58%	65%
I am more likely to look for discounts and offers	52%	49%	51%	57%
I am more comfortable with using online shopping overall	49%	42%	52%	56%
I am more reliant on online shopping than I was 12 months ago	46%	38%	48%	55%
I look for assurance on COVID-19 policies around delivery personnel	35%	33%	36%	37%
I am more likely to choose retailers who offer a click and collect service	27%	25%	28%	29%

Our respondent base included a range of consumers, varying from low users who barely shop online at all to super users that had made more than 20 purchases in the three months previous. We use the tags 'low users', 'modest users' and 'frequent users' throughout this report.

People are spending online more. But what are they looking for while they're doing it? And with pressure on global economies mounting, how can retailers ensure their eCommerce offering drives consumers to keep spending?



60%

have seen an increase in their online spending since the Covid-19 outbreak

Low users
50%

Moderate users
65%

Frequent users
71%

Super users
69%

What shoppers want: Expectations for eCommerce in 2020

Sometimes, when there's no choice about how we do something, our expectations can fall by the wayside. But that certainly hasn't been the case in the world of eCommerce. Consumer expectations are higher than ever – and Covid-19 has had a role to play in reshaping them.

Heightened expectations

Over half (54%) say that the pandemic has changed their expectations of online shopping – and there are myriad ways their expectations have shifted.

Seven in ten consumers say they are more likely to shop elsewhere if they can't find products quickly on a retailer's website. And almost two-thirds (62%) would abandon a transaction on check-out if they discovered the retailer doesn't offer free returns or free delivery. Consumers expect experiences to be smooth, friction-free and without additional costs or inconveniences.

While they might not be able to abandon a basket to head to a shopping centre – they can and will find competitors online, should the experience they receive fail to meet expectations. Retailers should also be aware that consumers are more prepared to shop around; 52% say they are more likely to look for discounts and offers than they were before, with this number sitting at 57% for the frequent shoppers. Consumers won't settle just for convenience, and will invest time to ensure they're getting a good deal.

So, despite an increased number of online shoppers, brands can't afford to sit back and wait for shoppers to come to them. They need to ensure they're offering the right products, at the right prices – and of course, delivering the right experiences to compel shoppers to hit buy now.



What do great shopping experiences look like?

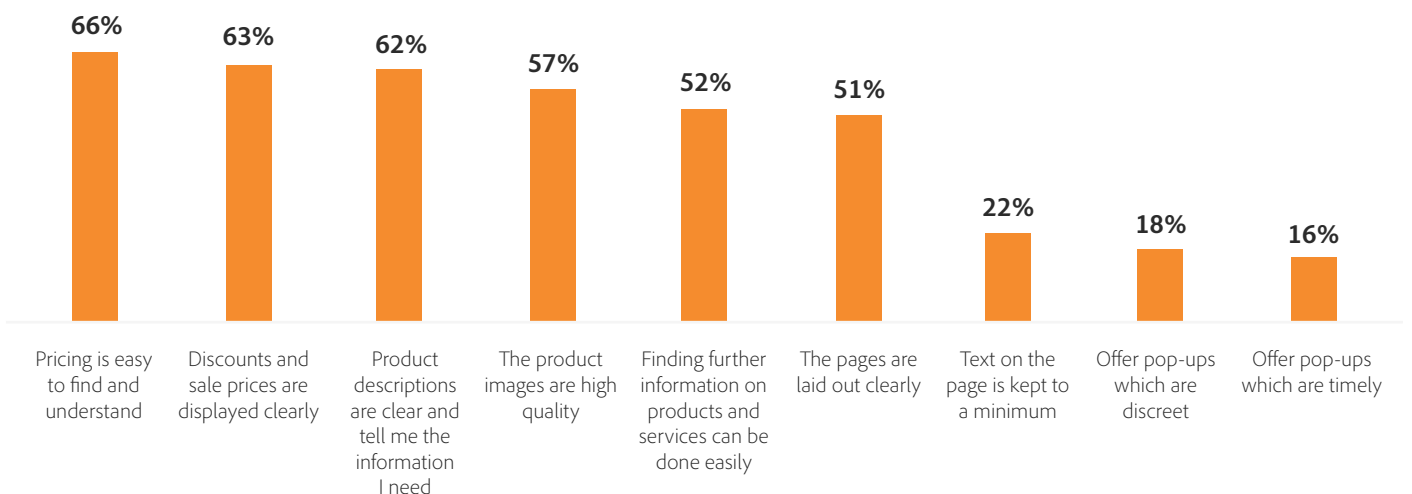
Consumers are more aware of their online security than ever before. Over half (55%) say it is more important that a website is secure and their payment details are kept safe, climbing to 59% for frequent shoppers.

However, 38% now place more value on having fewer steps in the check-out process, saying they will abandon a cart if the checkout process is slow– rising to 44% amongst frequent users. This can be a difficult balancing act for retailers, given that boosting security often involves additional authentication steps. Brands should aim to minimise complexity from the user's perspective at every stage of the journey, perhaps by helping consumers navigate to their desired purchases with ease, and by integrating secure payment services.

Ultimately, streamlined experiences are key. When asked what matters in terms of retailers' content, consumers have a variety of expectations.



Valued in retailer's content

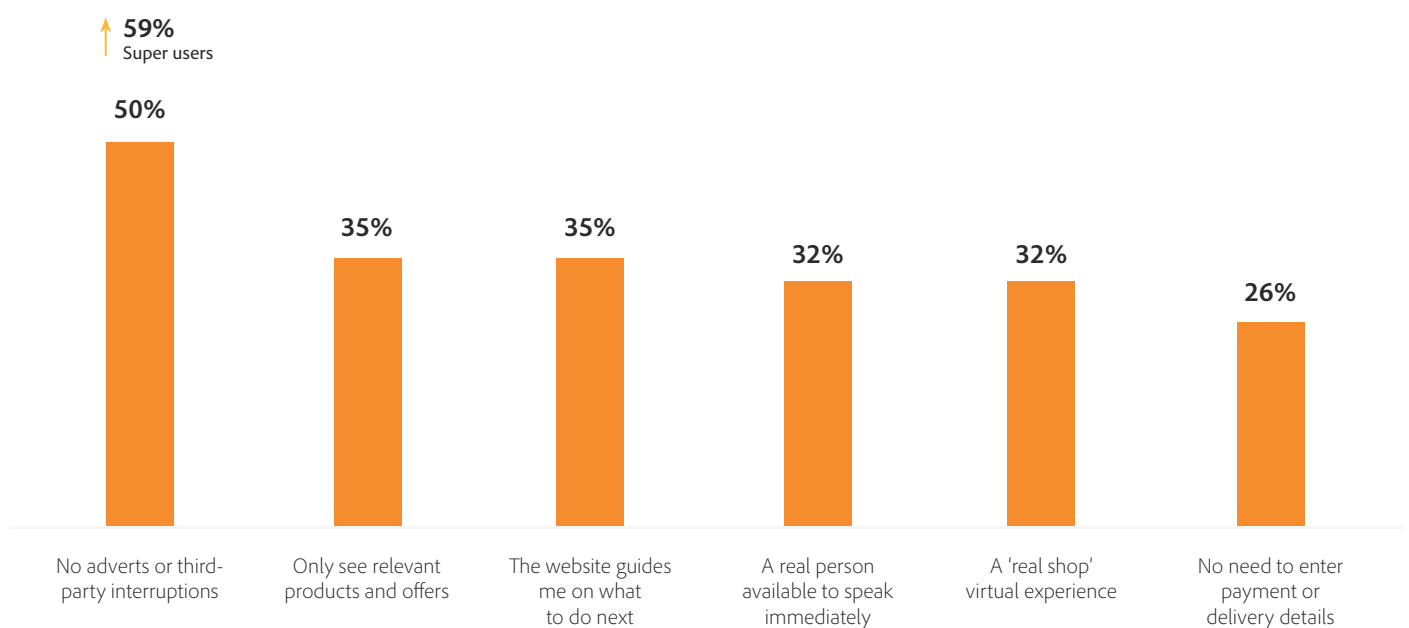


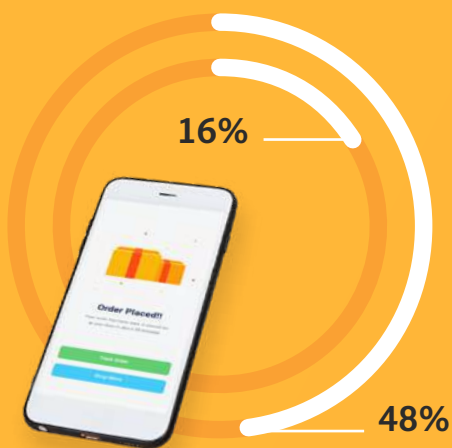


Easy to find pricing (66%), clearly displayed discounts (63%) and accurate product descriptions (62%) are all highly valued. Consumers also want high quality product images (57%), the ability to find further information on products and services quickly and easily (52%) and clearly laid out pages (51%).

Meanwhile, when it comes to delivering 'stand out' experiences, unnecessary distractions and noise should be avoided. Half want experiences without adverts or interruptions from third parties, while 35% would like to see only products and offers relevant to them. The same percentage would like to see eCommerce websites that guide their next step, while almost a third would be impressed if virtual reality was used effectively to make them feel like they were in a 'real' shop.

Features of a 'stand out' online experience





Age plays a significant role in device preferences when it comes to shopping. 48% of 18-24 year olds said they were more likely to use a smartphone when shopping online, falling to just 16% of 55-84 year olds.



Meanwhile only 33% of 18-24 year olds said they were more likely to use a laptop or tablet to shop online, compared to 87% of 55-84 year olds.

Spend more – spend again

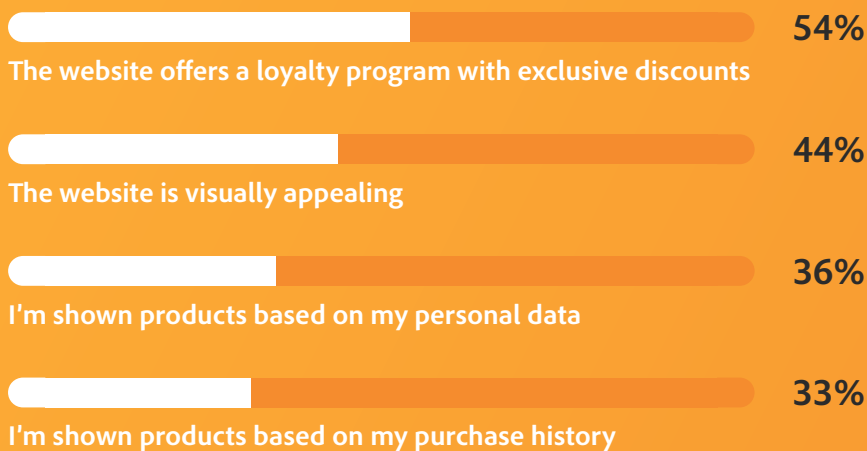
Delivering a strong experience once is one thing. But for long-lasting success in a difficult economic climate, retailers need to ensure they turn as many customers as possible into repeat shoppers. And they also need to take every opportunity to maximise shoppers' basket value.

Fortunately, with 44% of consumers saying they make at least one unplanned purchase with every online transaction – and 49% agreeing they're more likely to buy if products are suggested based on their previous purchase history – there are plenty of opportunities to boost transaction value.



Key drivers of higher spend include a strong loyalty programme (54%), a visually appealing website (44%), and personalisation such as being shown products in the right size (36%), or based on shopping history (33%).

I tend to shop online more if...



As for becoming a repeat customer, consumers are driven by a varied range of factors. Some are practical, like free delivery (62%), lower comparable prices (53%), and a free and easy returns policy (52%). Other influences include a fast, easy to navigate website (43%), a loyalty scheme (41%), positive reviews (37%) and speed of purchasing (37%).

Behaviours in brief

User experiences: should be safe, fast and simple

On-site content: should have clear pricing, be displayed well, and have accurate descriptions

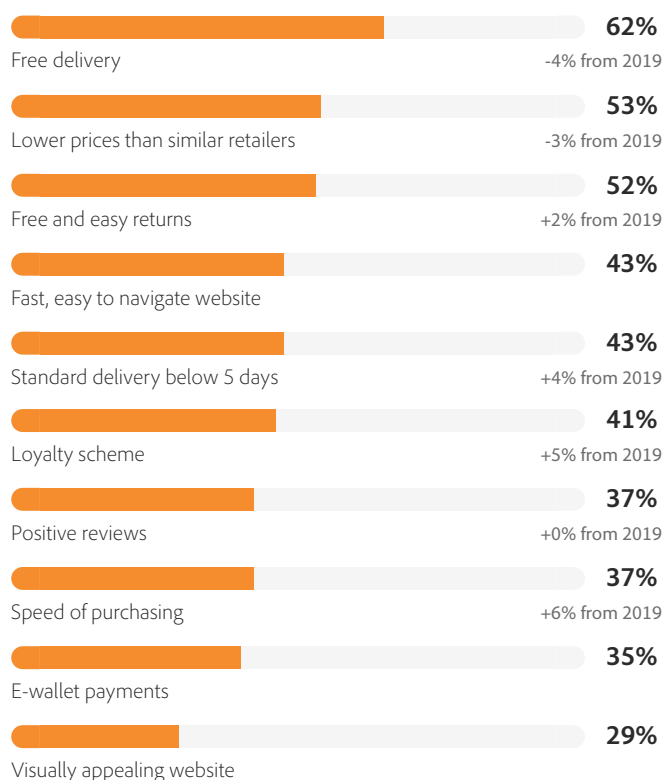
'Return purchase' influencers: include free delivery, competitive pricing, and easy returns

'Buy more' purchase influencers: include being offered a loyalty programme, and a well-designed, appropriately personalised experience

Habits: Consumers are more likely to...

- Compare prices at different retailers
- Use third party payments providers
- Abandon their baskets

What drives repeat custom?



The other (big) issue: The environment

In a year like 2020, it's easy to focus on Covid-19 and nothing else. But for retailers, there's another significant external influence shaping how and why people buy: the environment. And it's important that brands understand why and how this issue is driving consumer action.

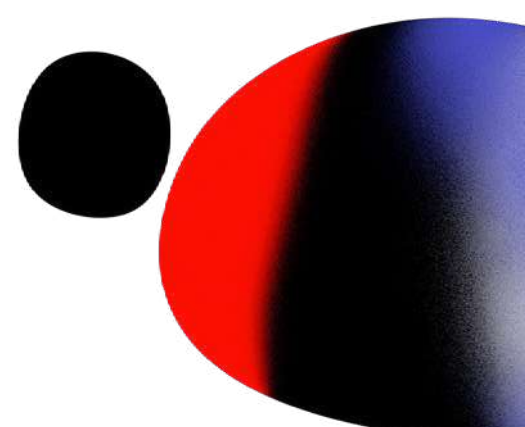
Green focus

Seven in ten consumers (69%) say it is important or very important that retailers have good environmental credentials. Half (49%) even say they are willing to pay more for a product if the retailer is more environmentally friendly than another.

And this trend is only set to continue, given how the issue has gained real prominence in consumers' minds over the last year specifically. Charted against our findings from 2019, consumers are more likely to be motivated by a whole range of environmental concerns.

- Over half (51%) now say they would be more likely to buy from a retailer that is transparent about where its products are sourced from, up from 44% in 2019
- Almost as many (48%, up from 40%) would be swayed by a retailer that minimises its use of packaging materials like plastic, polystyrene and bubble wrap

These are straightforward enough changes, but could have a huge impact. Considering the direction of travel for consumer motivation, it's well worth investing in sustainable practices now.

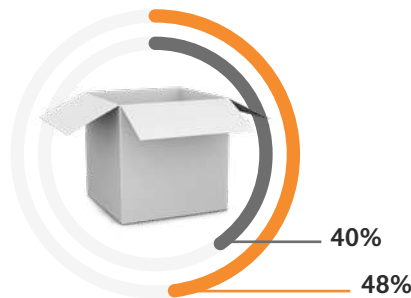


Environmental policies that drive consumers to purchase from a retailer

2020 Data ● 2019 Data ●



The retailer is transparent about where its products are sourced from



The retailer minimises its use of packaging materials (e.g. plastic, polystyrene, bubble wrap etc.)



The retailer evaluates its supply chain to minimise overall emissions (i.e. from production, transport, etc.)

Almost all (94%) of the 18-24-year-olds we surveyed selected at least one of the options in the graph above, compared to 78% in the 65+ group. As younger buyers age, environmental friendliness will become non-negotiable.

Environmental commitment varies across regions. In South Africa and the UAE, almost half (46% and 45% respectively) say it is very important that a retailer has good environmental credentials – but this drops to 21% in the Netherlands. Interestingly, the percentage of consumers who are willing to pay more for a product if it is environmentally friendly sits around 40-50% across the board.



Knowledge is power

If we've learnt anything in 2020, it's that the world is an unpredictable place. There's no telling when an event will come along that rapidly accelerates the consumer trends we still thought we had time to adjust to.

What we do know is that understanding consumer intentions – and shaping eCommerce offerings accordingly – gives retailers the best possible chance of success. With consumers of all ages shopping more online (and becoming savvier about seeking out the best deals), brands need to go beyond simply thinking about price and into building online stores that compel shoppers to purchase more and keep coming back.

Because whether it's streamlined, personalised experiences, an easy-to-navigate website, or even strong environmental credentials on show, consumers of all ages know what they want – and will be loyal to the brands who deliver it.





Magento Commerce



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Adobe Commerce Cloud

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