Behavior that sticks:

Understanding the long-term shopping trends driven by COVID-19

bazaarvoice™

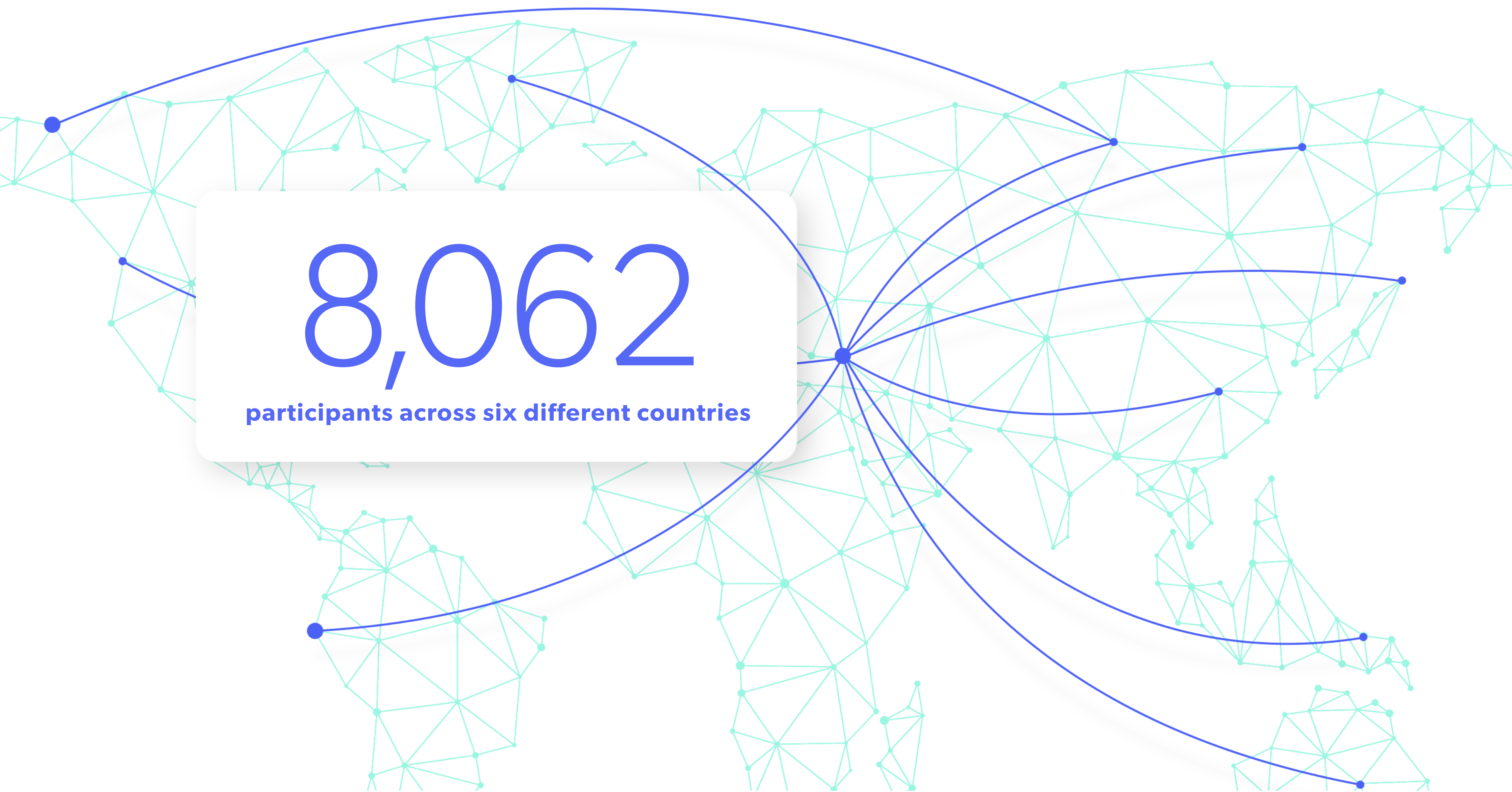
Introduction

IT'S CLEAR SHOPPING TRENDS WILL CONTINUE TO EVOLVE AS CONSUMERS ADAPT TO THE IMPACT THE PANDEMIC HAS HAD ON ALL AREAS OF THEIR PERSONAL AND PROFESSIONAL LIVES.

As the world continues to adjust to a new way of living with COVID-19, experts are assessing its impact on the world of retail and trying to understand how the pandemic will cause permanent changes in shopping behavior.

As the pandemic hit and forced global lockdowns, we saw some rapid initial changes. The shopping data from the Bazaarvoice Network of over 6,200 brand and retailer sites reflects how consumers reclassified the meaning of essential items, with face masks, entertainment, and online groceries topping the list to reflect a new stay and work from home reality. Later purchasing habits would change to include more of a focus on gardening and wellbeing.[1]

As trends shift, insight into which will play out in the long term and stick, and those trends which may be fleeting, will be necessary for brands and retailers to act with agility and adapt their business models and services accordingly.



That’s why Bazaarvoice carried out a global survey of 8,062 participants from six different countries about their motivators and barriers to purchase – the United Kingdom, Australia, Canada, France, Germany, and the United States. The survey results reflect on shopping behavior when the regional lockdowns started, when lockdown eased, and finally, respondents provide insights into what the future may hold.

FOUR KEY BEHAVIORS

which we will delve into in this report, stood out as likely to be long-lasting beyond lockdown:

1. The acceleration of e-commerce
2. Appetite for quality and convenience drives a leap in subscriptions
3. Adventurous shoppers want to try out new brands
4. A rise in digital retail does not spell the end of the in-store experience

1. The acceleration of e-commerce

Coronavirus has caused one of the largest booms in online retail ever, with brands and retailers across the world experiencing a surge in online orders. In fact, almost a third (30%) of global respondents say that they shop online once, or more than once, a week, even now that lockdown has lifted in many places.

Being able to shop online remains important too – when asked about the most influential factor in helping to decide on product purchases in the next three months, the most popular answer (19%) remained the ability to buy a product online,[2] followed by (13%) saying positive reviews and ratings from other customers were most important.[2]

The nature of online retail means shoppers want to read product information and understand recommendations before making a purchase. Many consumers, according to our survey, are sourcing this information through their own social networks or are looking for product inspiration in different places than they may have done before. In fact, 29% of respondents have sourced product recommendations through Facebook[2] and 23% disclosed that they have also been watching influencer unboxing videos.[2]

The acceleration of e-commerce has also provided brands with an opportunity to better engage with customers, as 21% said they had connected with a branded app for additional experiences or benefits.[2] New devices, new formats, and new ways of discovering products are shaping the 'new normal' shopping experience.

That said, while some consumers are embracing new shopping habits, the global survey data also shows that a small proportion of customers (12%) still feel either very uncomfortable or uncomfortable with online shopping.[2] These customers specifically may need some reassurance during their purchase journey.

To establish a longer-term relationship with both sets of customers – those who are finding new ways of buying online and those who are perhaps a little more conservative in their purchasing behaviors – a relationship needs to be built across different touchpoints, over time. This could range from the brand helping the customer to decipher the quality of the product through ratings and reviews, to ensuring that free deliveries and returns afford them ease and convenience.

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2. Appetite for quality and convenience drives a leap in subscriptions

Key deciding factors to keep subscriptions post lockdown

43% Convenience[2]

44% Quality of the product[2]

35% Reliable delivery[2]

Ensuring that that the shopping experience is delivered in a convenient way is key for consumers now, evidenced through the uptake in subscription models. Not only has this been beneficial for consumers, but brands and retailers get the benefit of locking in repeat revenue.

In fact, almost a fifth (19%) of all global respondents confirmed that they had signed up to a subscription service during the pandemic.[2] And, it appears that this on-demand payment model will become a long-term change to behavior as 83% of those respondents are willing to continue to pay for their subscriptions.[2]

Almost half (43%) of respondents who will keep their subscriptions post lockdown claimed that convenience – "It's easy" – is a deciding factor to continuing to purchase from the same brand.[12]

Another key reason is the quality of the product; almost half (44%) of those who said they would continue to pay for their subscription service claimed that was the deciding factor as to whether they would still need to use the service.[2] For the brands who did not manage to capture the hearts of their consumer for the long term, proving the quality of products and services will be necessary for getting one step ahead of their competitors.

The survey data found other top considerations for continuing with a subscription service included regular and reliable delivery (35%)[2] and good value compared to equivalent in-store products (31%).[2]

Subscription models are a different way of engaging with customers. Rather than a one-off purchase and short-term relationship, brands need to ensure the consumer continues to find value in the product for the long term. Customer purchase data and user-generated content can give brands an advantage here; insights from both can help them tailor and personalize their services from delivery to discounts.

3. Adventurous shoppers want to try out new brands

Over a third (39%) of global respondents purchased from different brands than usual and brands they hadn't heard of before during lockdown.[2] There is huge opportunity for brands to influence preference and consideration by ensuring they are discoverable during the customer journey – especially pertinent now that online shoppers have become seemingly more experimental and willing to increase brand variety.

Yet global data also exposed a stark generational gap between those who were most willing to try a new brand, with 55% of 18-24-year-olds purchasing from a different or previously unknown brand,[2] compared to only 27% of those aged between 55-64-years-old.[2]

The good news is that 83% of shoppers will continue to buy from a newly discovered brand.[2] This shows that brands found in the pandemic could become new favorites for shoppers.

Independent retailers will also benefit from this trend, with 72% of respondents saying that they are likely or very likely to continue to shop at independent stores either locally or online above larger retailers such as Amazon.[2]

For those consumers who did not try out new brands, barriers to purchase centred on whether they could trust the quality of the product, with the majority of respondents expressing uncertainty over quality as their largest concern.

Brand reviews, which accurately depict the quality and provide a description of the product by existing customers, offer trusted information which can instil confidence in potential buyers. Brands can make the most of these product reviews by scaling them across the network of retailers who sell their products, making it easier for new customers to discover services. The global study supports this, revealing that more than a fifth of people (22%) found that a review or recommendation, either from influencers, friends on social, or Amazon reviews, convinced them to purchase a product during lockdown.[2]

83%

of shoppers will continue to buy from a newly discovered brand[2]

72%

of respondents say they are likely or very likely to continue to shop at independent stores either locally or online[2]

4. A rise in digital retail does not spell the end of the in-store experience

63%

of consumers are researching online before entering a store[2]

Pre-COVID-19 data[3] suggests that people enjoyed browsing in-store – shoppers much preferred the ability to see, touch, feel and try out items over shopping online. The lines outside of Primark, a popular affordable fashion brand in London, the first day it reopened after lockdown are testament to the fact that some people will always want an in-store experience.

However, social distancing has changed store visits. It will be important for retailers to adopt new digital formats that help to alleviate social distancing 'pains,' such as queuing. 37% of global respondents said that they would continue to use mobile self-checkouts when in-store.[2]

40% of the survey respondents answered that they would be comfortable or very comfortable visiting a non-essential store in the next three months.[2] Instead of eradicating this physical experience, social distancing limitations have just accelerated a pre-COVID-19 trend we had started to see called 'Research Online, Buy Offline' (ROBO). People are possibly now researching more online in order to limit the time spent in physical stores. According to separate data from the British Retail Consortium, 63% of consumers are researching online before entering a store.[4]

Ensuring that information about products and services is easily available online so people can research and browse before they buy – whether in-store or online – is crucial. User-generated content is playing a central part in buying decisions so reviews must be discoverable to help drive conversion from browsing to purchase.

Ultimately, brands and retailers should spend time studying shopper data to inform themselves on their specific customer journey, and different online and offline touchpoints as they evolve during this period. Only by taking an agile and creative approach will brands be able to cater to customers' needs while working within the pandemic restraints. Delivering inspiring experiences, no matter where browsing begins will be key to maintaining customer loyalty.

Understanding local and global differences

Global retailers need to follow both the global and localized customer trends. While many of the trends can be applied broadly globally, regional differences do exist, most specifically due to varied regional lockdown dates, severity of lockdown, and demographic differences in each country.

THREE KEY DIFFERENCES TO NOTE INCLUDE:

1. Not all regions have jumped on the subscription bandwagon in the same way: More than a quarter of respondents (28%)[2] from the U.S. revealed that they had signed up for a subscription service during lockdown as opposed to only 15%[2] of French respondents. This trend may point to a continued or sustained lockdown where subscriptions play a larger role in the U.S. than a shorter lockdown period for France.

2. Germany and France rate convenience as a purchase decision driver: As mentioned above, product quality is one of the deciding factors for whether to continue paying for a subscription service, when looking at the data from a global perspective. Interestingly, Canada, Australia, UK, and U.S. all had a higher percentage of respondents confirm this as a deciding factor (54%, 48%, 52%, 48%)[2] while this percentage for France and Germany was decidedly lower (29% and 33%)[2]. Instead, both countries rated convenience (35% and 40%)[2] as a more important purchase decision factor when continuing subscription services.

3. Brits are more nervous about shopping in-store: Almost a third (32%)[2] of Brits claim they feel very uncomfortable or uncomfortable shopping in-store, compared with just (21%)[2] of Australians saying the same. This could point to regional differences in the severity of COVID-19 and a more conservative British nature.

Looking to the future

The opportunity is ripe for brands and retailers to truly understand shopping habits, adapt to consumers' new ways of buying and instil trust to create long lasting relationships. As customer behaviors change with comfort levels of using new platforms and technologies, there will be a greater dependence on informed multichannel strategies and the ability to communicate value of products and services across priority touchpoints.

Many brands will have seen an online opportunity during the pandemic to access new customers. Now is the time to provide exceptional experiences and inspire loyalty to ensure these customers purchase again. The key to retaining them is with reassurance and transparency into product information so that they can make informed and confident purchases. By using the customer community to provide the right information at different stages of the journey or by asking them to share their experiences of in-store safety, retailers and brands can provide reassurance to potential customers.

If retailers and brands use their community of new and existing customers to communicate the value of their products and services on their behalf, this will better set them up for improved loyalty, no matter what lies ahead. Those who have already been able to do so have created a permanent link with their customers, mixing customer reviews with insights gathered from their community to deliver more personalised and relevant interactions.

Insights into the current shopping behaviors that are likely to become long term habits, from developing subscription models to meet an on-demand shopping habit to creating loyalty from a new customer base, will enable brands and retailers to build valuable customer relationships and thrive in the new normal.

Want to connect with your customers and strengthen your relationships? Learn more here.

Methodology

This survey was undertaken between July 24th and July 30th, 2020, across six markets including US, Canada, UK, France, Germany, and Australia.

The number of respondents in each market include US (1,533), Canada (1,008), UK (1,505), France (1,508), Germany (1,507), and Australia (1,501).

Respondents were invited to participate in an online survey via Savanta's international panel access. Verified, double opt-in respondents registered to online consumer opinion panels receive an email asking them take part in a survey to ask them about their attitudes to shopping during lockdown, as restrictions lifted and how they expect to shop in the future.

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About us

Each month in the Bazaarvoice Network, more than a billion consumers create, view, and share authentic user-generated content including reviews, questions and answers, and social photos across more than 6,200 global brand and retailer websites. From search and discovery to purchase and advocacy, Bazaarvoice's solutions help brands and retailers reach in-market shoppers, personalize their experiences, and give them the confidence to buy.

Founded in 2005, Bazaarvoice is headquartered in Austin, Texas, with offices in North America, Europe, Asia, and Australia.

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