ShoppingTomorrow 2021

The future of shopping according to consumers

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This GfK report has been created on behalf of ShoppingTomorrow and with the cooperation of the several ShoppingTomorrow expert groups and sector associations.

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Content

Preface

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ShoppingTomorrow: The future of shopping according to consumers

As partner of the ShoppingTomorrow research and action program, GfK conducted a consumer study to gain insights that lead to concrete actions on several key topics, like personalized e-commerce, marketplaces, cross-border shopping and circularity. All these themes are connected by the following central question: *How will the consumer shop in 5 years and what actions should be taken on a national, industry and company level upon that B2C-operating companies can successfully respond to this, both nationally and internationally?*

This study is a co-creation of input, generated by several expert teams, which can be split in 4 key shopper-related themes: *Expected developments in online, mobile & cross-border shopping; Foreseeing the future of shopping; Diving into the purchase journey; Personalized e-commerce and online identification.*

Aftermath COVID-19 outbreak

Where 2020 already was a complex and difficult year to predict the future of shopping due to the COVID-19 outbreak, 2021 until now is also very challenging. Why? The obliged closure of non-essential shops in the first quarter of 2021 increased the actual online shares, a result which is much higher than expected in last year's GfK consumer research. Due to these high actual online shares in the first quarter of 2021, we see lower expected online shares for 2026 for almost all categories. Still the predictions are that 40% of all consumer expenditures will be online in 2026. All in all, we are very curious whether this expected change is a lasting one or induced by COVID-19 or any future pandemic.

Consumer research

GfK interviewed approximately 1.000 Dutch consumers with an online questionnaire, resulting in this extensive report with lots of relevant shopping behavior insights. Sometimes these insights will support your assumptions and sometimes you will notice that your own expectations are way out of line with the consumer's choice. One way or the other, the outcome is another valuable ShoppingTomorrow contribution that helps you to take the most appropriate actions to anticipate on the rapidly changing shopping behavior, now and in 5 years.

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The Future of Shopping

Expected developments in online, mobile & cross-border shopping

Consumers expect that 40% of their spendings will be done online in 2026. This is an increase again, after soms years of virtually the same expectations

(Expected) overall B2C online share in value

Actual online share in spending*

2021 (Q1)

34%

2017	2018	2019	2020
24%	25%	26%	28%

Expected online share in spending**

2026

40%

According to …
Consumers

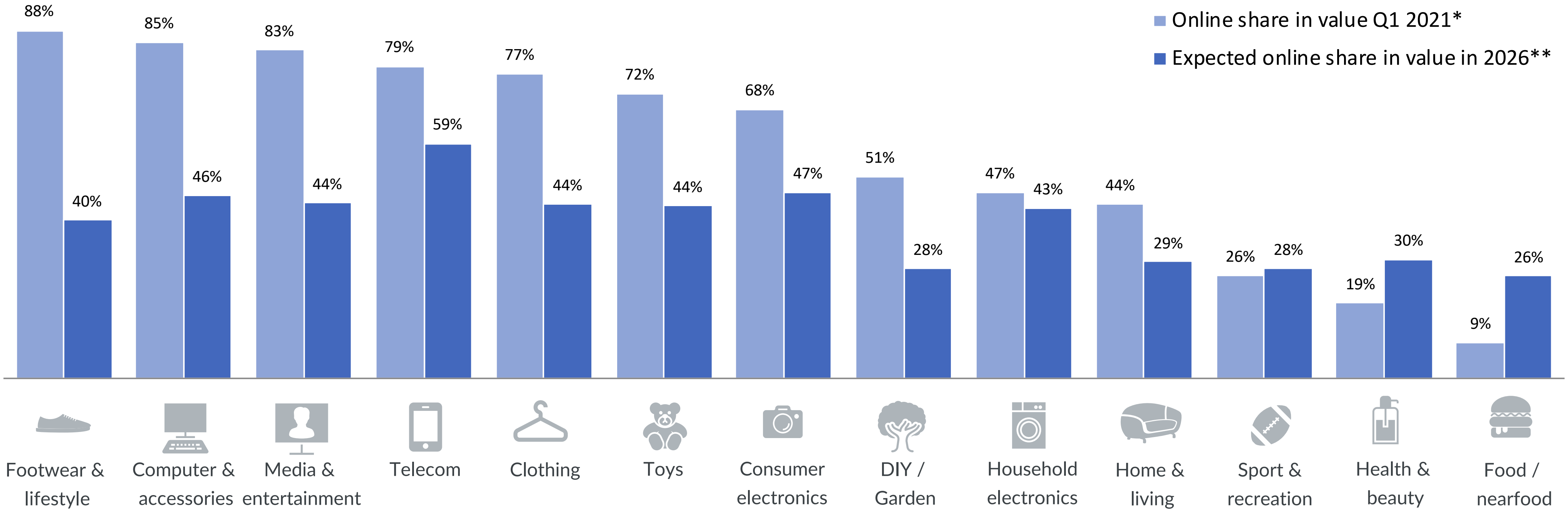
2022	2023	2024	2025
35%	37%	38%	37%

Total B2C online share in value including product and services
* Source: Thuiswinkel Markt Monitor, 2017, 2018, 2019, 2020, Q1 2021
** Source: ShoppingTomorrow Research 2017, 2018, 2019, 2020, 2021

Base: all respondents 2021, n=1.014

Due to the high actual online shares in the first quarter of 2021, we see lower expected online shares for 2026 for almost all categories

Actual and expected online share in value in 2026 per product category - (% of total spendings)

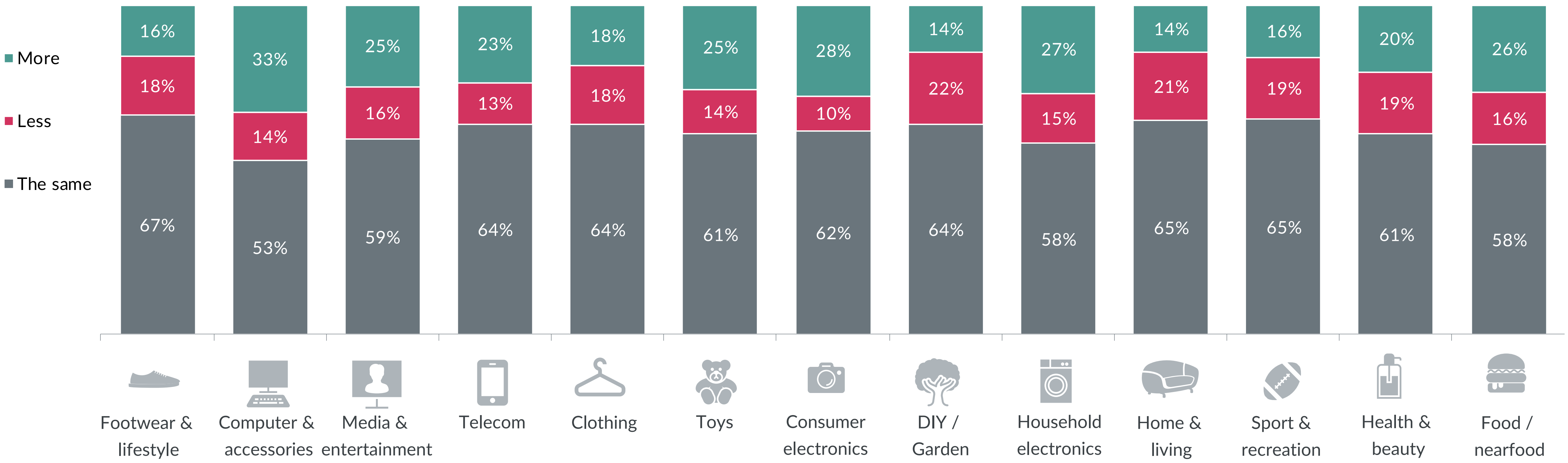


A03: What share of your total spending in product category X do you expect to spend online in 5 years?
* Source: Thuiswinkel Markt Monitor Q1 2021
** Source: GfK ShoppingTomorrow Research 2021

Base: all respondents, n=1.014

One third of consumers expect to spend more online for computers & accessoires in the coming year, while a decrease is expected for DIY/garden and home&living

Expected frequency of online shopping in the coming year

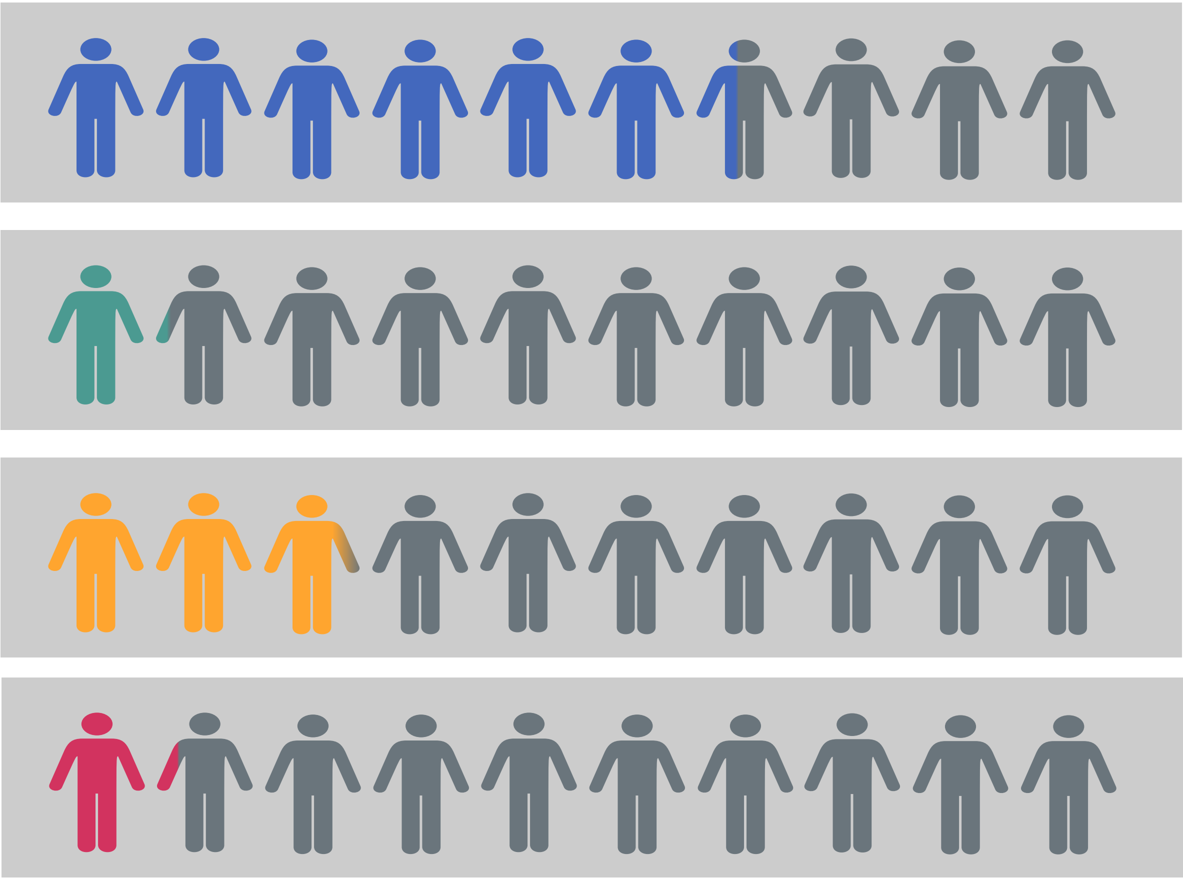


A04: The Corona crisis has meant that more Dutch people have started to shop online. One of the questions is to what extent the Dutch will continue to shop online or eventually choose to go back to shopping in a physical store. In which categories do you plan to continue shopping online more, less or the same amount in the coming year than you do now?

Base: all respondents, n=1.014

Orientation takes place online more often due to the coronavirus pandemic, although purchases, especially products with a higher emotional value, are still made offline more frequently

Statements about orientation and purchase during the coronavirus pandemic



64% — The coronavirus pandemic has meant that the search for a product or service takes place **online**/**digitally** more frequently than in the period before the pandemic.

11% — I now buy products with a higher emotional value (e.g. furniture, expensive clothes or a car) more frequently online.

27% — The coronavirus pandemic has led me to buy my products from the online shop rather than in their physical shops I used to go to

12% — I no longer buy from the shop I used to go to before the coronavirus pandemic because they don't have an online shop.

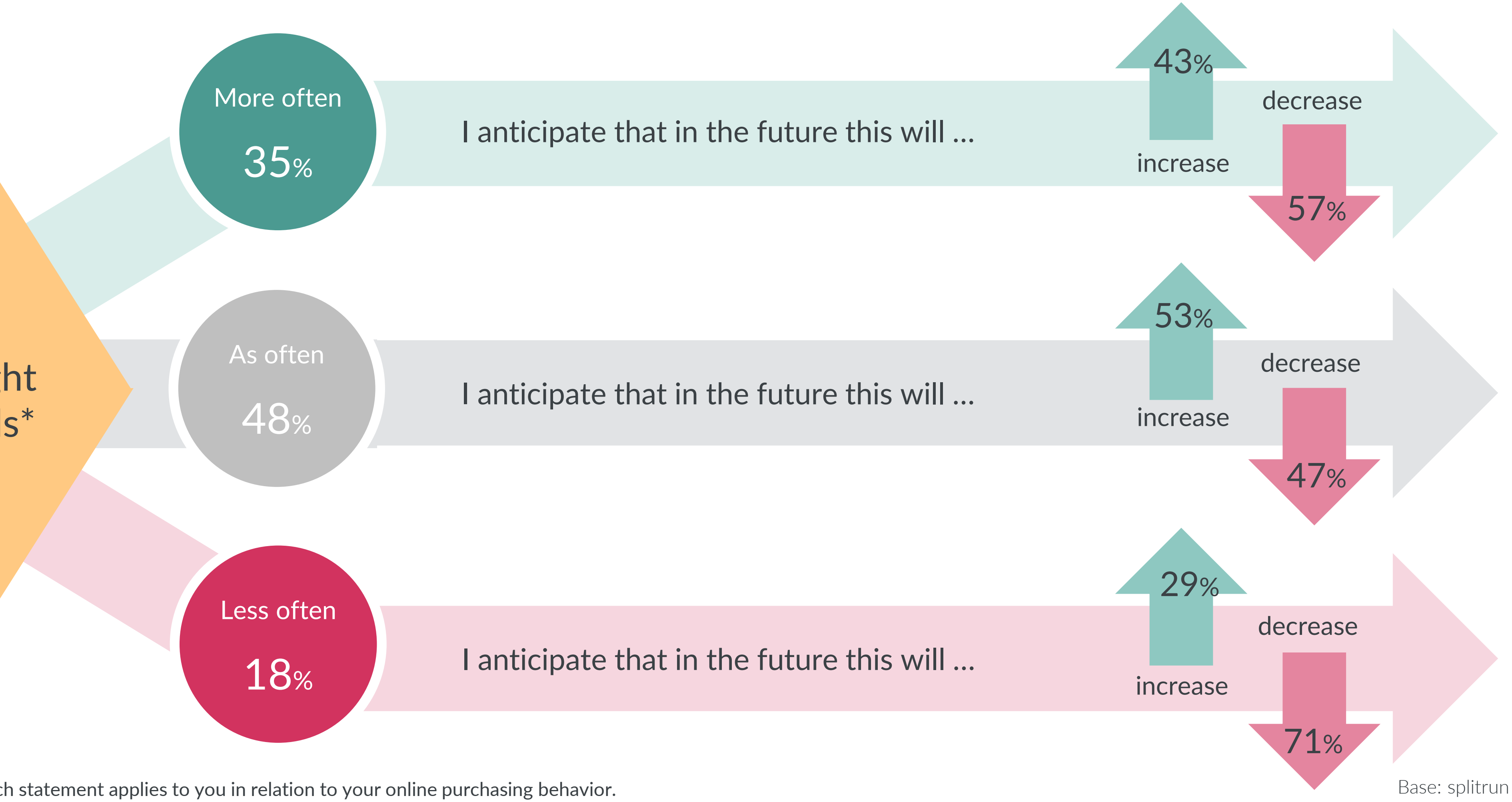
I01_1 & I01_3, & S01_1 & S01_2: To what extent do you agree or disagree with the following statements?

Base: splitrun 1, n=510

During the coronavirus pandemic one third of consumers bought special goods online more often than before

Online purchase behavior of special goods* during and after the coronavirus pandemic

During the coronavirus crisis, I bought special goods* online ..



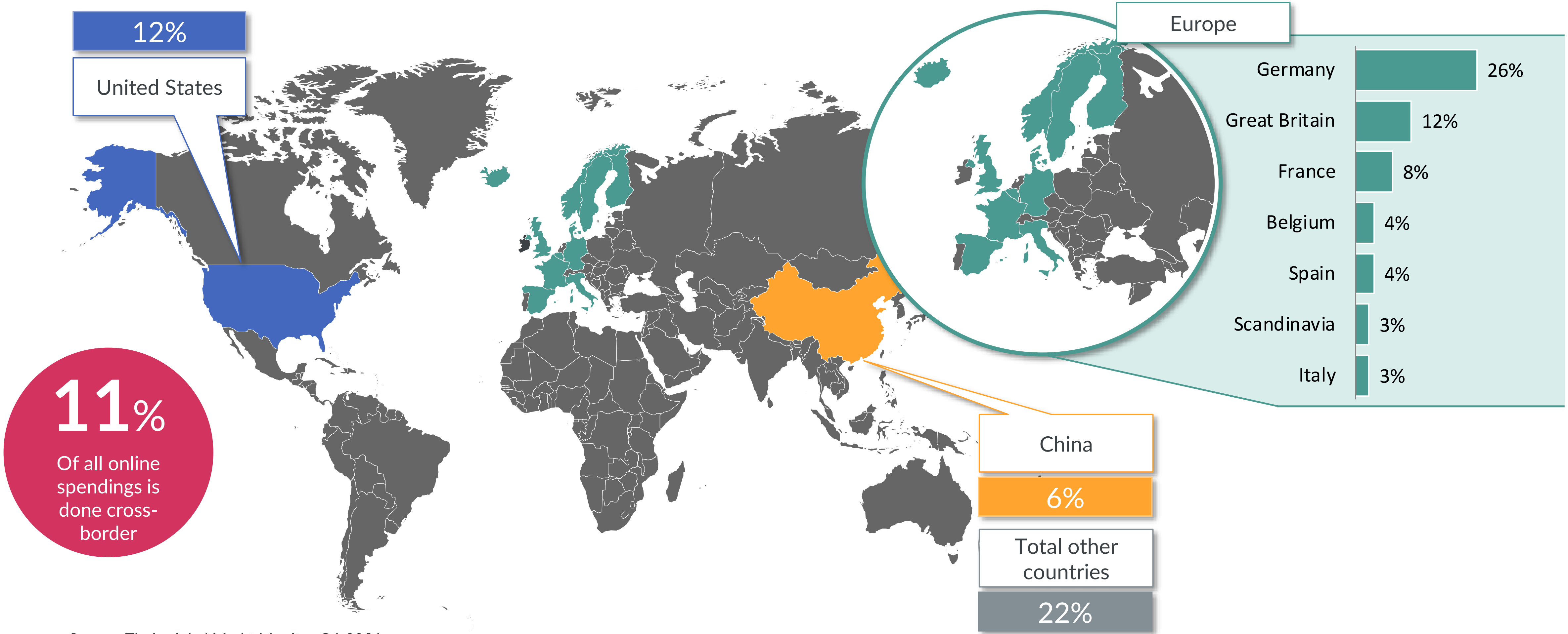
*perishable products (ranging from plants to food), experience-sensitive products (such as furniture, lighting) and products with a high purchase value (such as cars, bikes).

M03: Please indicate which statement applies to you in relation to your online purchasing behavior.

Base: splitrun 1, n=510

Half of all cross-border spending in Q1 2021 comes from websites in Germany, Great Britain and the United States

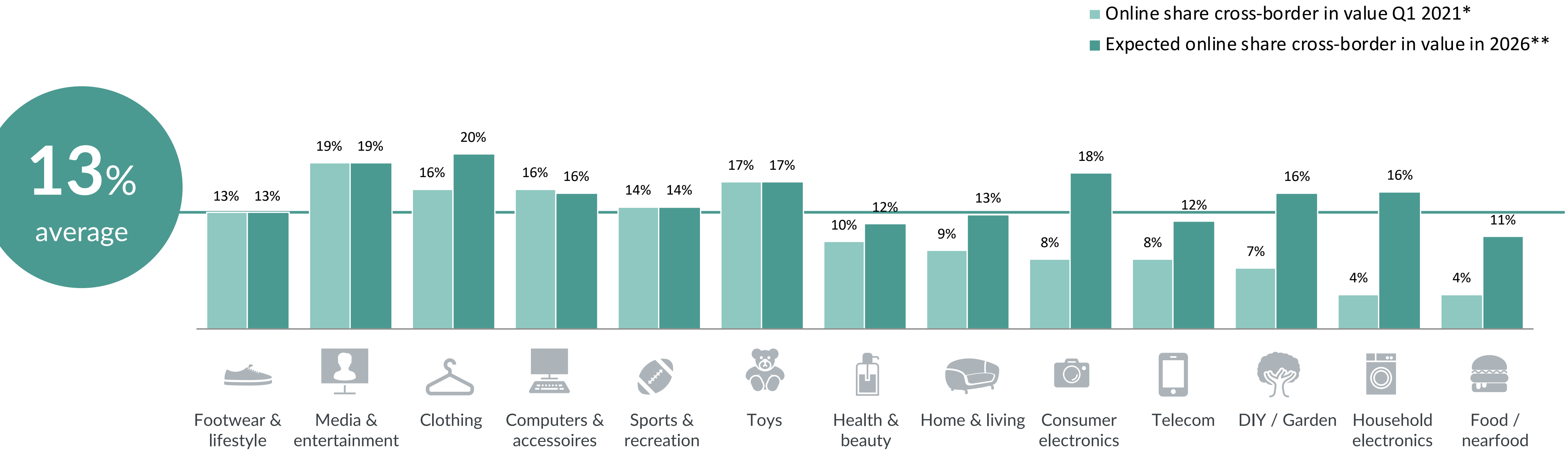
Actual distribution of online cross-border spendings (NL 15+)



Source: Thuiswinkel Markt Monitor Q1 2021

Consumers expect that 13% of their online spending will be done cross-border in 2026

Actual and expected online share cross-border spendings in 2026 per category - (% of total online spendings)



D01: What percentage of your total online spending do you think you will spend over a period of 5 years in foreign online shops?
D02: What percentage of your total online spending on <*category*> do you think that you will spend in foreign online shops in five years' time?
* Source: Thuiswinkel Markt Monitor Q1 2021
** Source: GfK ShoppingTomorrow Research 2021

Base: all respondents, n=1.014

Almost half of all online buyers expect to make the majority of their online purchases by their smartphone in 2026

Online buyers smartphone in five years

WWW

89%

of the **total Dutch population** (15+) **shopped online** past year

59%

of **all online buyers** (15+) **use their mobile phone** to shop online (2020: 66%)

2026

In five years, **48%** of all **online buyers** (15+) expect to make the majority of their online purchases using a smartphone (2020: 46%)

A01: Through which channels did you make your purchases in the last year?
C01: In five years' time, I expect to make the majority of my online purchases using a smartphone (through an app or mobile website)

Base: all respondents purchasing online, n=913

Foreseeing the future of shopping

4 out of 10 consumers like to try a product in store and then order the product online, while about the same number of consumers prefer the other way around (order online and pick up in store)

Appealing store opportunities

	2021	2020	2019
		(very) appealing	
Trying/experiencing a product in a physical store, then ordering the product online in the store and receiving it at home the next day	40%	41%	47%
Viewing and choosing a product online, ordering it and then collecting it from a physical store the next day	37%	36%	42%
Ordering a product online, getting it delivered at home and then going to a physical store for explanation/advice and, if needed, repairs	25%	30%	29%
Receiving advice about a product in a physical store, then trying / trying on / selecting a product online, then having it delivered at home	19%	23%	25%
Getting advice on a product in a physical store, agreeing to a lease agreement in store and taking the product with you or having it delivered to your home	18%	21%	*
Trying/experiencing a product in a physical store, then taking out a subscription to have the product delivered at home regularly	17%	19%	24%

* new in 2020

Base: all respondents, n=1.014

B04: To what extent do you think the following store opportunities are appealing?

Three quarter of consumers expect cross-border e-commerce to increase in the next five years

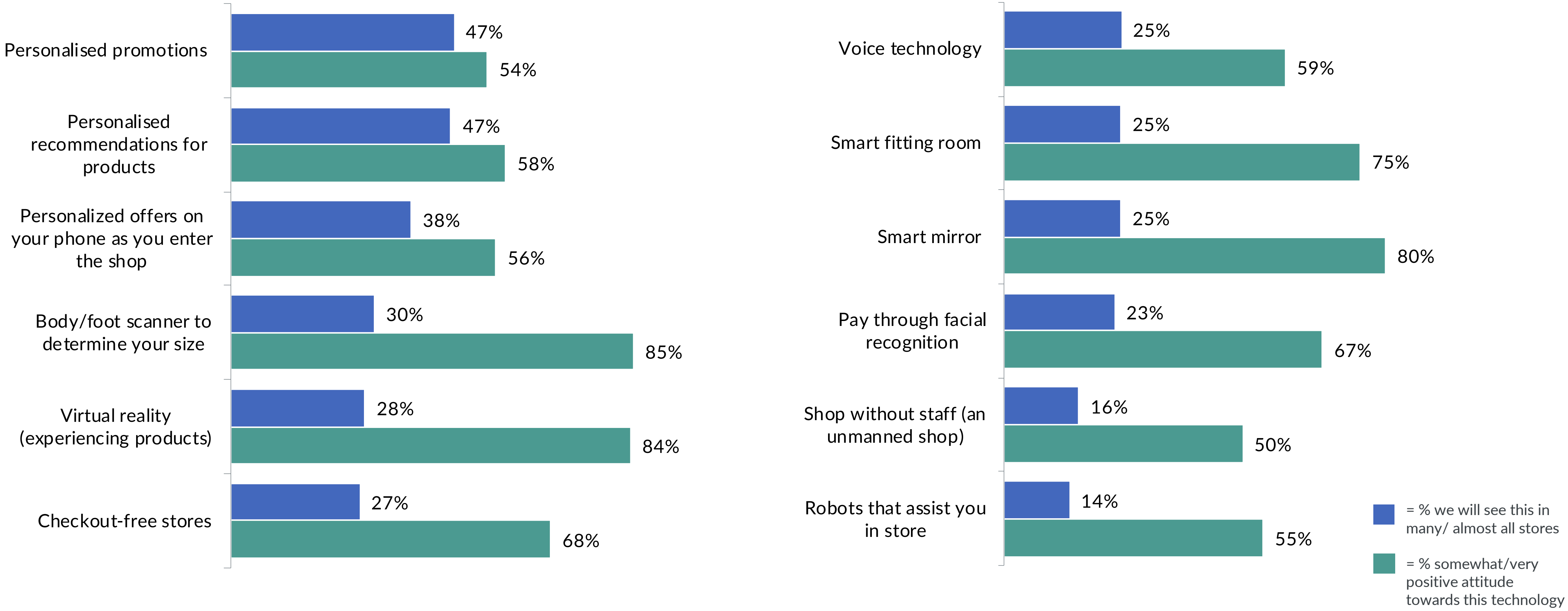
Likeliness of the following scenarios in 2026

B01: To what extent do you consider each of the following scenarios (un)likely in 2026?
* Top 2 on a 4-point scale

* new in 2020
Base: all respondents, n=1.014

Although consumers think that the adoption of new technologies will take a while, they have a positive view of these technologies

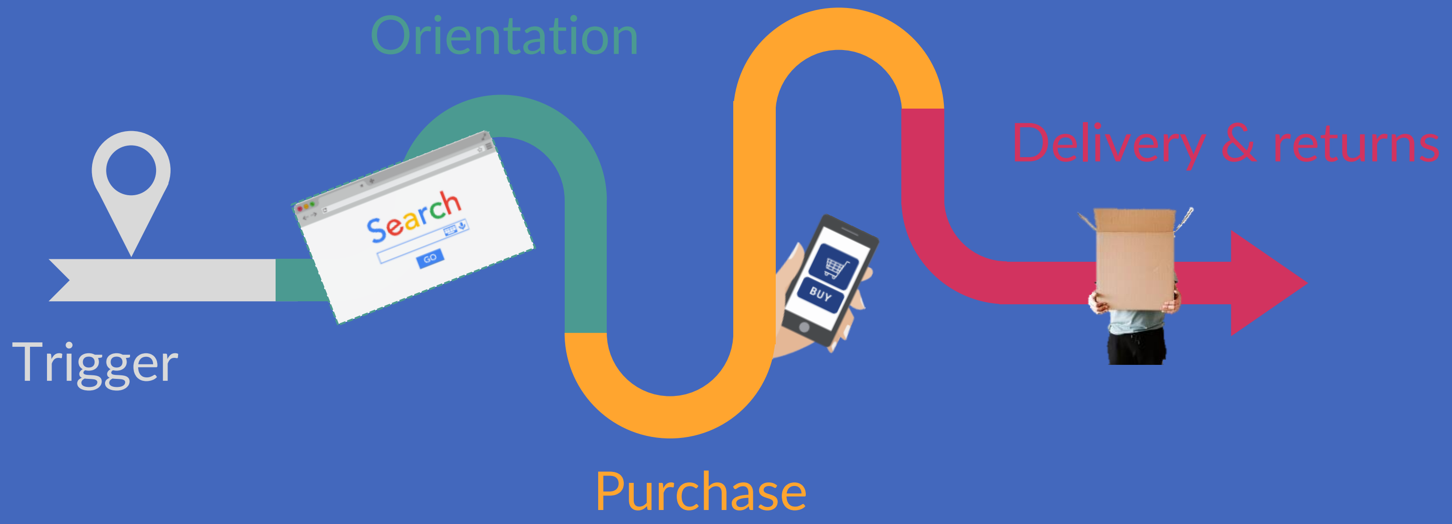
Availability in 2026 and attitude toward the use of new technologies in stores



B02: To what extent do you think that we will see each of the following technologies in the Dutch retail landscape in 2026?
B03: To what extent would you have a positive or negative attitude toward the use of the following technologies in a physical store?

Base: all respondents, n=1.014

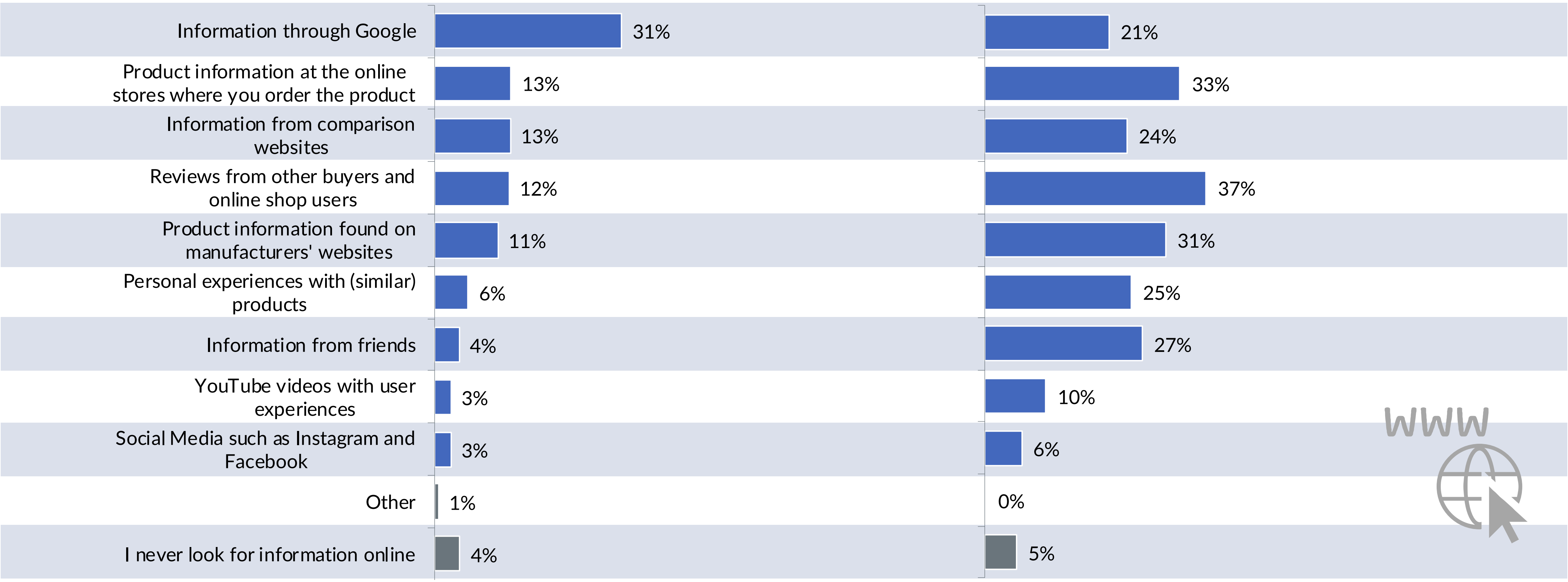
Diving into the purchase journey



Most consumers start their orientation at a search engine like Google. In addition, they mainly use reviews or product information

Orientation

Starting point of search when orientating online | Other used sources of information



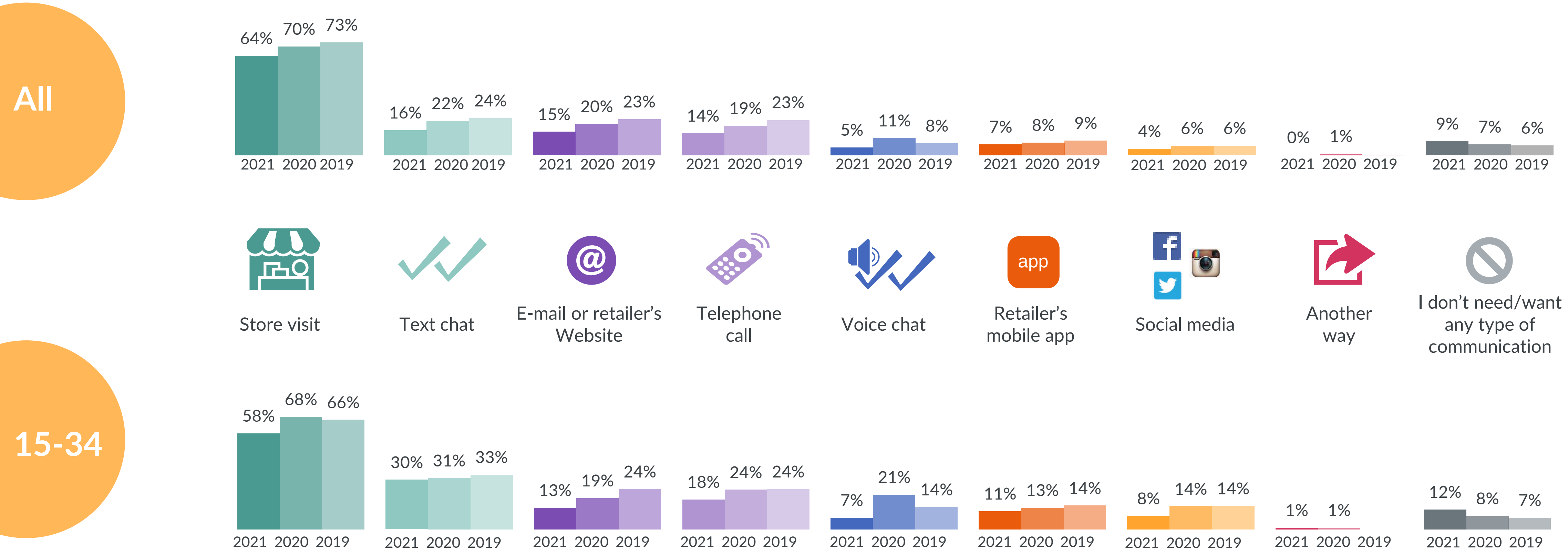
E01a: When looking online for something to buy, which information source is often the starting point of your search?
E01b: What other sources of information do you use when looking online for something to buy?

Base E01: all respondents n=1.014
Base E01b: looks for information online n=959

A store visit is still the most preferred mode of contact with retailers when needing advice, although preference is decreasing the past years

Orientation

Preferred mode of contact with retailers in case of need for information or advice

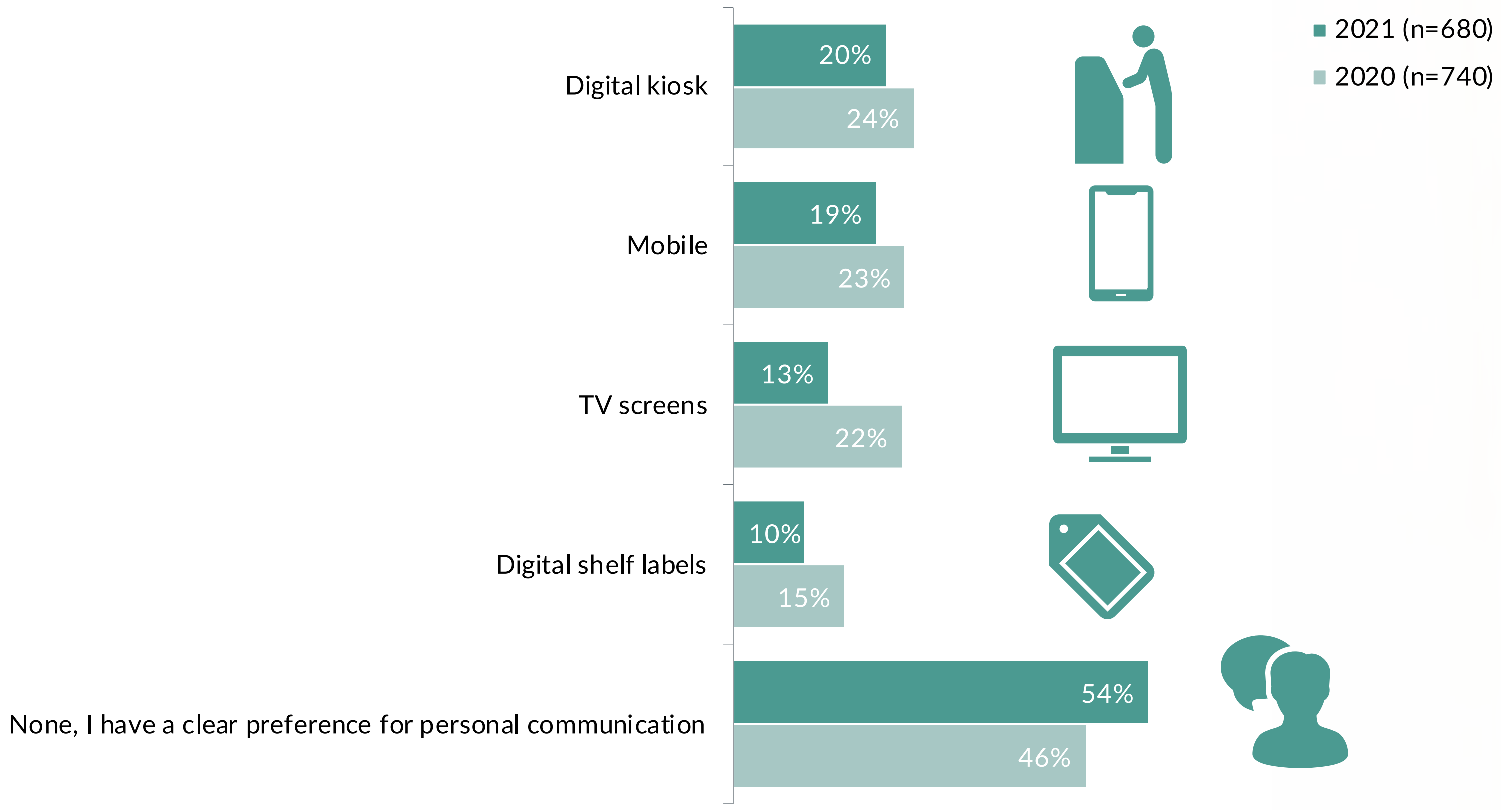


F01: Imagine you want to buy a product or service and you need advice. Think of clothing, a desk lamp, a sleeping bag or a camera. What type of communication would you prefer to have with the provider?

Base: all respondents
2021: n=1.014, 2020: n=1.026, 2019: n=1.003

More than half of consumers prefer personal communication in store above all kinds of in-store media

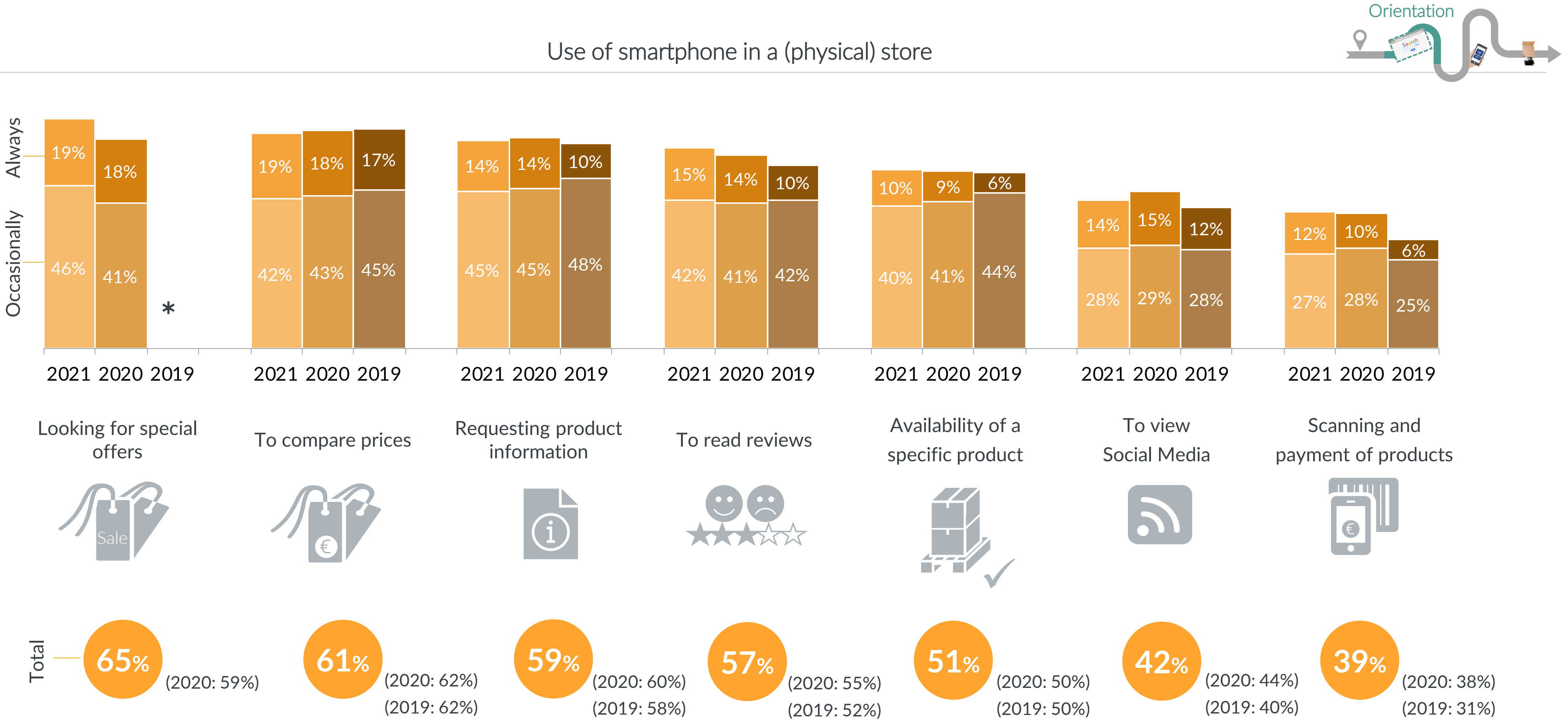
Preferred in-store media



F02: Which in-store media do you prefer for receiving additional information and services when visiting a store or service provider?

Base: all respondents, n=1.014

A smartphone is used in store most often to look for special offers and to compare prices

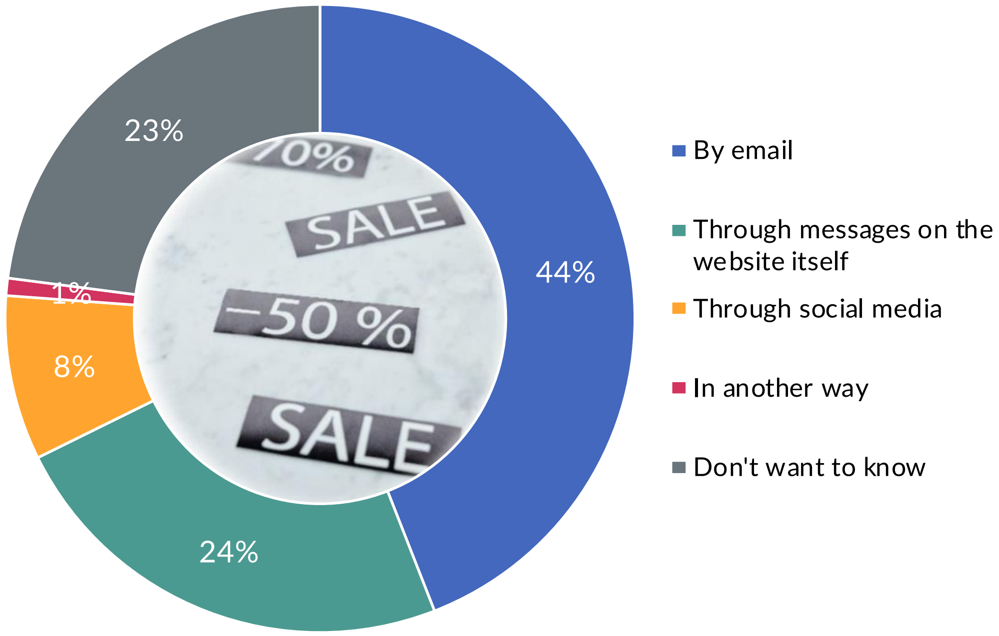


* new in 2020
Base: all respondents
2021: n=1.014, 2020: n=1.026, 2019: n=1.003

C04: Do you use your smartphone in a (physical) store for the following purposes?

Email is the most preferred way of learning about promotions.
1 out of 3 consumers isn't aware of advertisements in online shops

Preferred way of learning about promotions



Awareness advertising in online shops

H01: What is your preferred way of learning about an online shop's promotions/offers?
H02: Some online shops allow brands to advertise in their online shop, by, for example, placing a product higher in the search results. Have you ever noticed this?

Base: splitrun 1, n=510

More than 40% of consumers don’t like to be proactively approached when visiting a website

Orientation

Statements about interaction with a company/member of staff during the (online) purchase process

% (Strongly) disagree	Statement	% (Strongly) agree
37%	I like being proactively helped by a member of staff when buying online so that I can make the right choices	29%
38%	My online purchase takes less time when I can interact with a member of staff during the purchase process	25%
44%	I like being proactively approached by a company when visiting a website so that they may help me with a service query	20%

= % (Strongly) agree

= % (Strongly) disagree

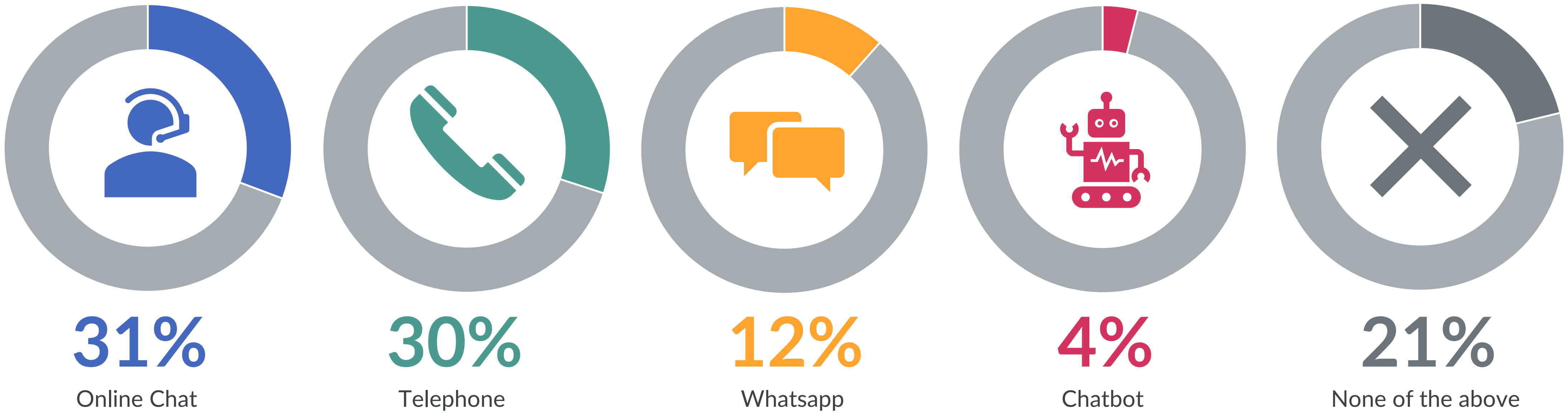
G02: The following statements refer to the interaction with a member of staff during or after an online purchase. Please indicate to what extent you agree or disagree with these statements.

Base G02: splitrun 1, n=510;
Base S01_3: split run 2, n=508

Most consumers prefer to interact by phone or online chat while making an online purchase

Purchase

Preferred medium to interact with a company during an online purchase



Other 3%

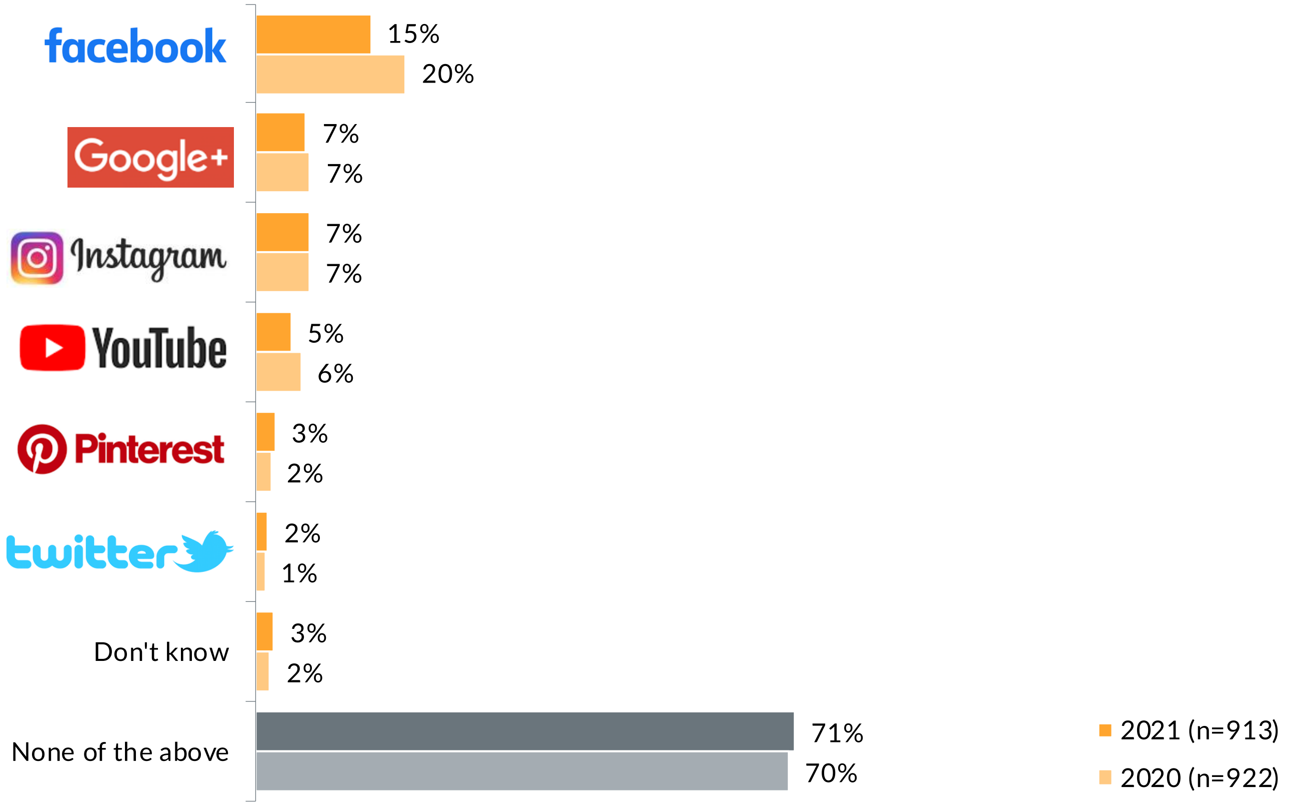
G01: Through which medium prefer to interact with a company during an online purchase?

Base: splitrun 1, n=510

Most consumers still don’t make a purchase via social media. Facebook is most used

Purchase

Purchases through social media



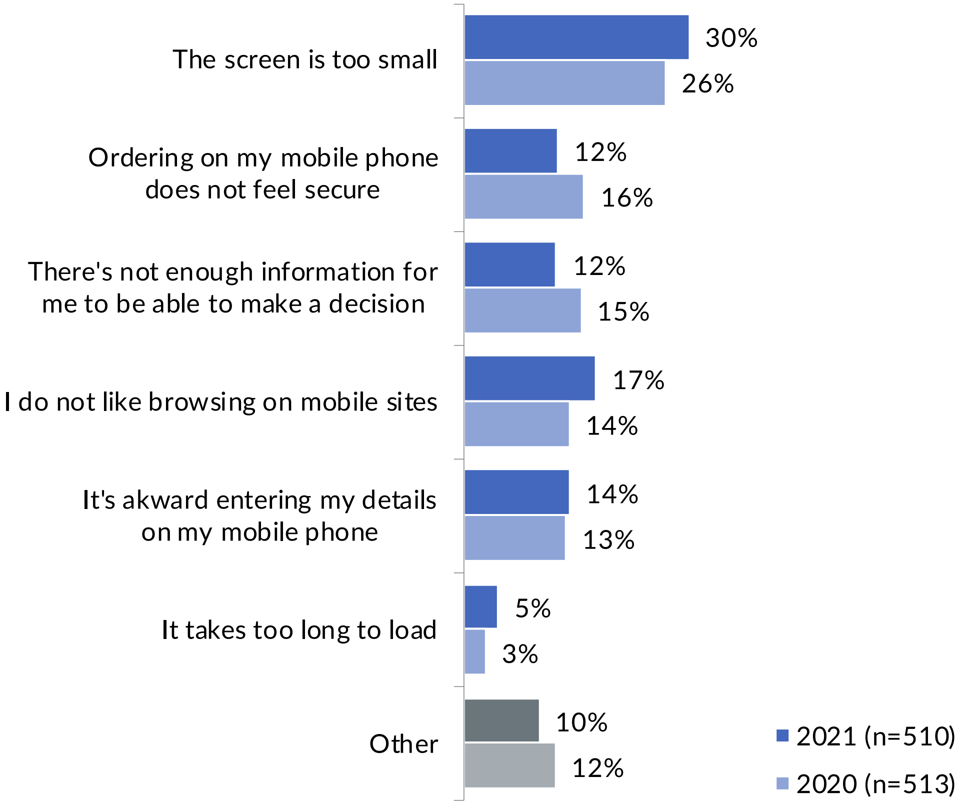
E02: Through which social media have you made purchases in the past?

Base: all respondents that purchased online

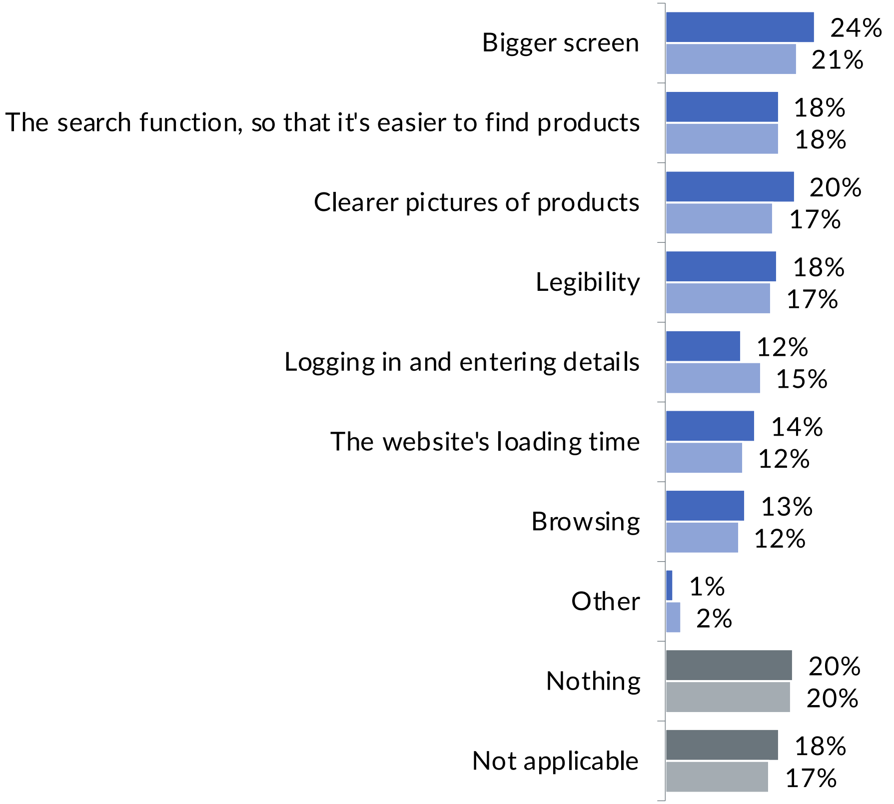
Small screen size is the most mentioned reason why consumers do not make purchases on a mobile website, so the most desired improvement is a bigger screen

Purchase

Reason not make purchase on website at smartphone



Improvements for online shopping at smartphone



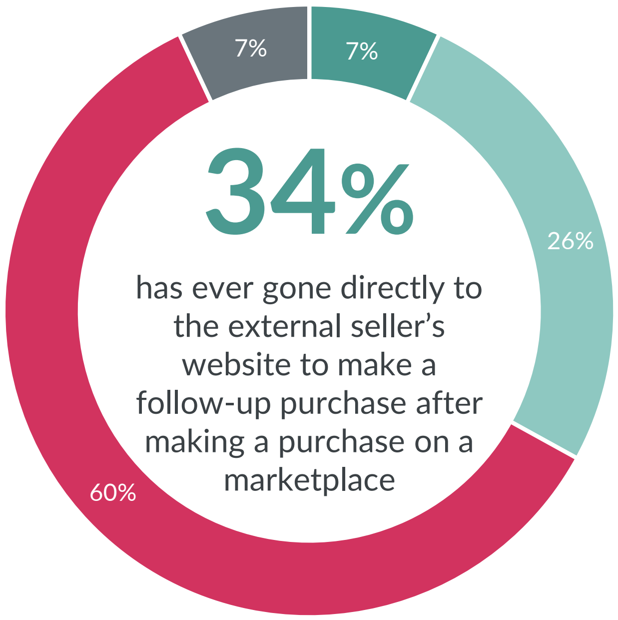
N01: What is the most important reason for you not to make an online purchase on a mobile website (no app) with your smartphone?
N02: What could be improved in terms of online shopping when using your smartphone?

Base: splitrun 1, n=510

Consumers are aware of external sellers at marketplaces. One third of consumers has ever gone directly to their website for a follow-up purchase

Purchase

Statements about marketplaces



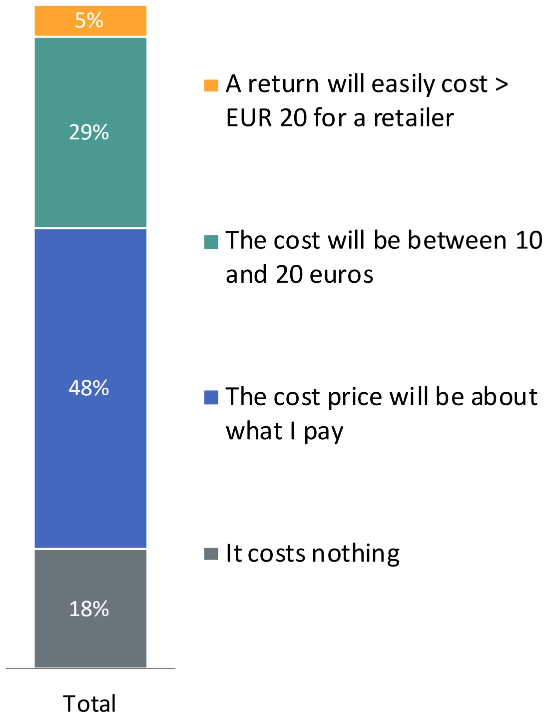
J01: Are you aware that, in purchasing from a marketplace such as bol.com, Zalando etc., you may have been served by an external seller or by the manufacturer itself?
J02: After making a purchase on marketplaces such as bol.com or Zalando, have you ever gone directly to the external seller's website to make a follow-up purchase?

Base: splitrun 1, n=510

Half of consumers expect the cost price of a return shipment will be about what they pay. They think a returned item will be re-sold at full price

Delivery & returns

Expected average costs of a return shipment for an online retailer



What will happen with a returned item when sent back

P01: Returning a parcel is free of charge with some online retailers, other retailers charge a small fee for shipping. What do you think a return shipment costs on average for the online retailer (i.e. the cost price for a retailer)?
P02: What do you think happens to a returned item when you send it back to the retailer?

Base: splitrun 2, n=508

Personalized e-commerce and online identification

Collection of personal data is seen as a necessary evil. Less then 10% experience benefits from it

Collection of personal data and usage by companies you buy from online

54%
I see it as a necessary evil

38%
I have little or no interest

9%
I see and experience the benefits

Information helping in final decision

29%

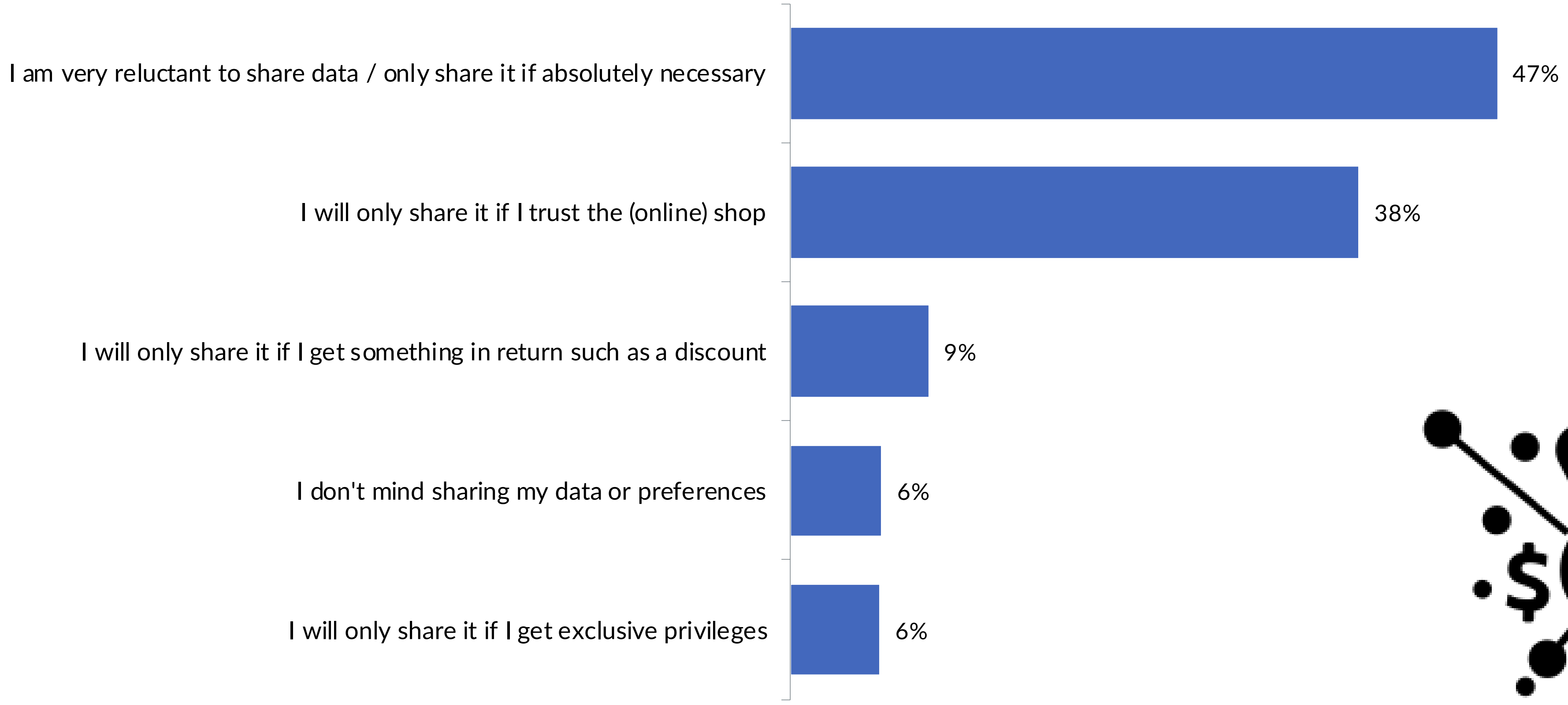
"Information on the order in which products are displayed helps me in making the final decision about a product."

M02: What is your stance on the personal data collected and used by the companies you buy from online?
R01: A website provides information on the order in which products are displayed. Does this information help in making the final decision about a product?

Base M02: splitrun 1, n=510
Base R01: splitrun 2, n=508

Consumers are reluctant to share their personal data or preferences. They need to trust a shop and only share if it is absolutely necessary

When would you be willing to share your personal data and/or personal preferences with an (online) shop

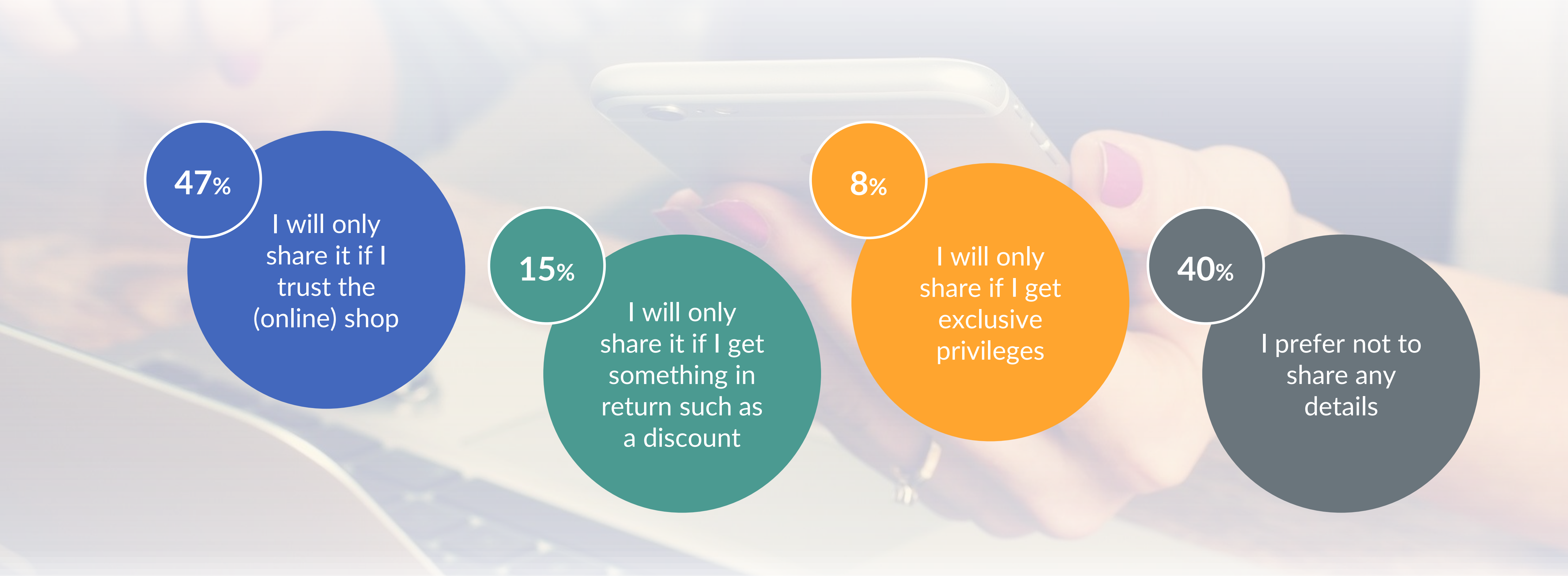


U03: When would you, as a consumer, be willing to share your personal data and/or personal preferences with an (online) shop (such as your size, brand preferences, gender, etc)

Base: splitrun 2, n=508

Also for creating an account or cookie consent, 4 out of 10 consumers prefer not to share their data. If they do so, they will only share data when they trust the (online) shop

When would you be willing to share your data with an (online) shop?



S02: When would you, as a consumer, be willing to share your data with an (online) shop (such as creating an account, signing up for the newsletter, cookie consent)?

Base: splitrun 2, n=508

Consumers don’t think they make better online purchases when they are advised based on data from similar consumers

Statement about advise based on other consumers behavior

“I feel that I make a better online purchase when I am advised based on data from similar consumers rather than the salesperson's experience”

Yes 23%

No 40%

37% Don’t know

M01: Do you feel that you make a better online purchase when you are advised based on data from similar consumers rather than the salesperson's experience?

Base: splitrun 1, n=510

4 out of 10 consumers value personal acquaintance more than the lowest price

Statements about customer needs

38%

The retail chains that have both a physical shop and an online shop are well equipped to tailor customer communication (physically in-store, digital ads, email) to my specific customer needs

39%

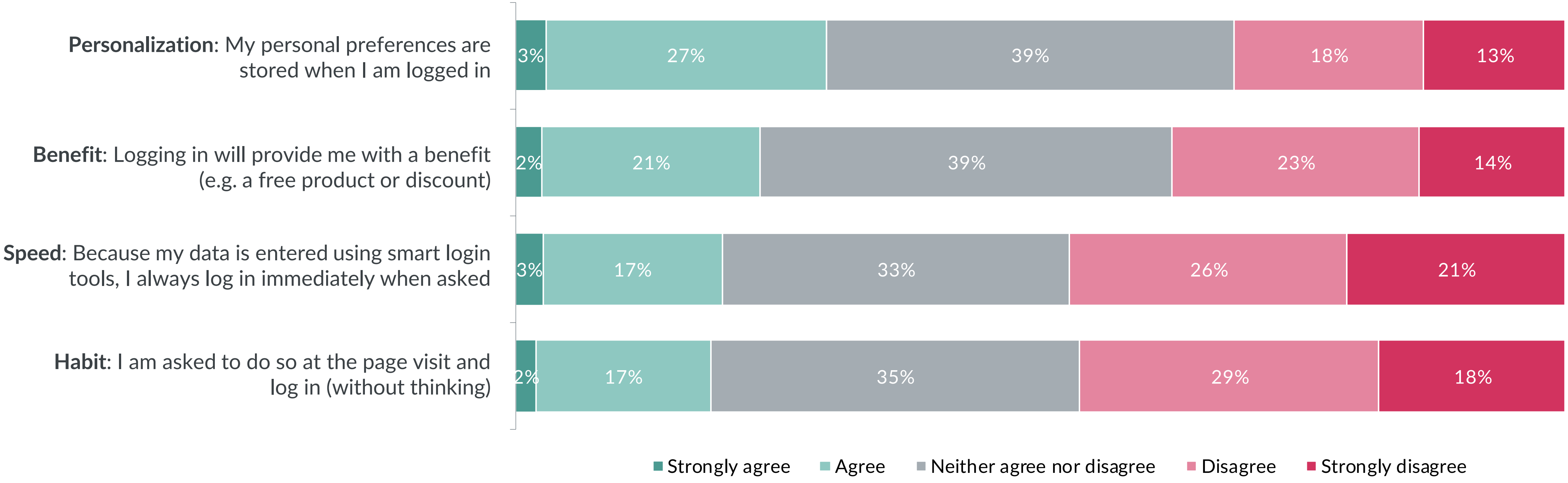
I value service and personal acquaintance/familiarity more than the lowest price.

S01_3 & S01_4: To what extent do you agree or disagree with the following statements?

Base: splitrun 2, n=508

Speed and habit aren't a reason to log in when visiting a webshop. 3 out of 10 consumers log in for personalization

Reasons for logging in when visiting an online shop

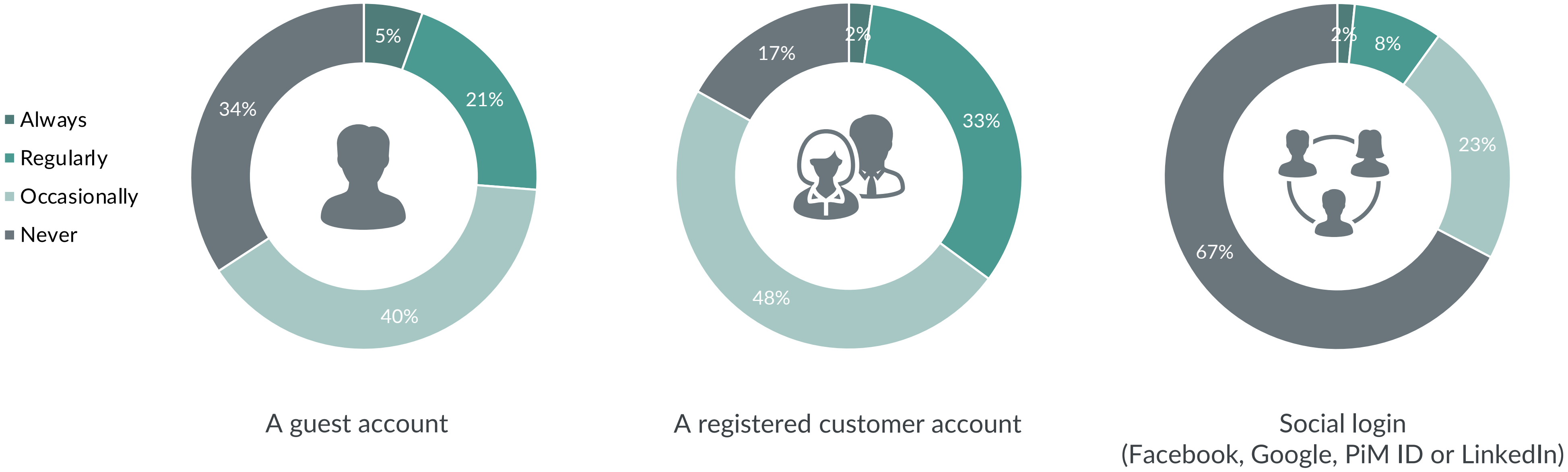


T02: What are your reasons for logging in on the first page when visiting an online shop?

Base: splitrun 2, n=508

Social login isn't used that often, most consumers make use of a registered customer account or a guest account

When ordering a product and/or service, I use:



T03: When ordering a product and/or service online, I use:

Base: splitrun 2, n=508

Most mentioned reasons for not creating an account are privacy reasons and not experiencing any benefits

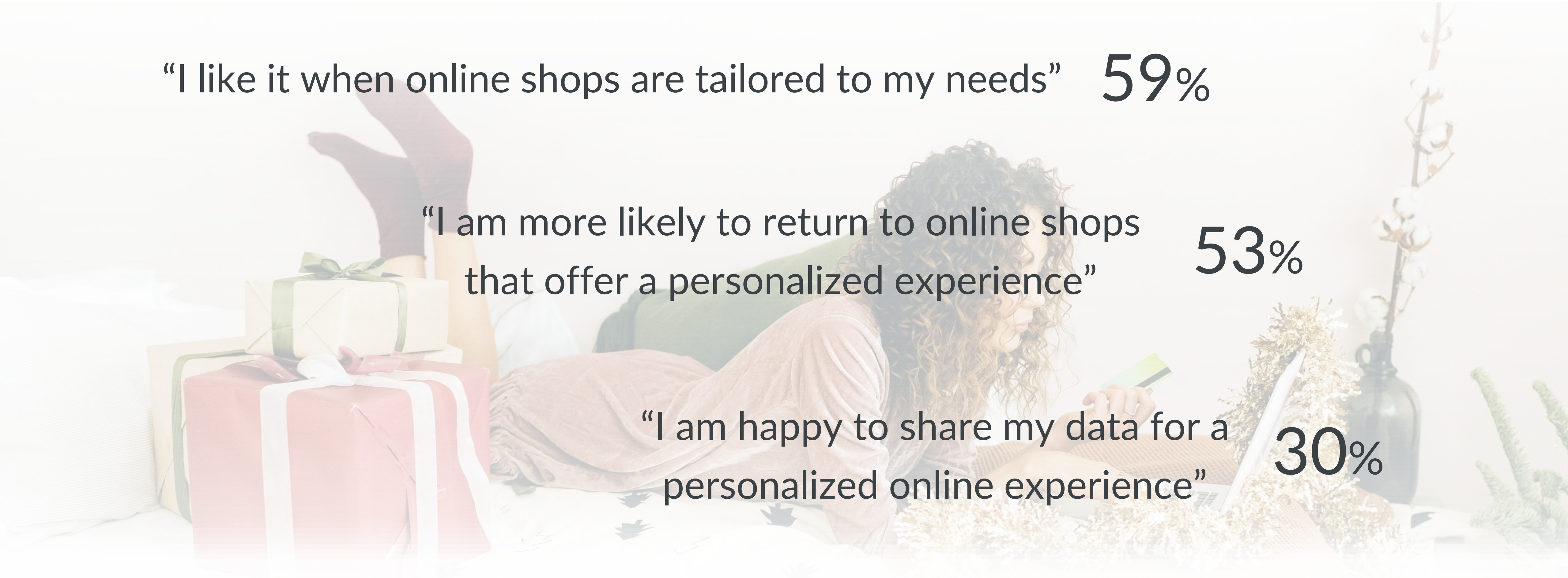
Reasons for not creating an account with an online shop

T01: What are your reasons for not creating an account with an online shop?

Base: splitrun 2, n=508

A personalized experience is appreciated and makes more than half of consumers coming back to an online shop

Statements about personalization



"I like it when online shops are tailored to my needs" **59%**

"I am more likely to return to online shops that offer a personalized experience" **53%**

"I am happy to share my data for a personalized online experience" **30%**

L01: Please indicate which of these is applicable

Base: splitrun 1, n=510

Appendix

Half of consumers prefer a Dutch or European shop instead of a large international platform, even if the prices are more expensive

Concerns about the dominance of large international platforms such as AliExpress and Amazon

21%

I feel very concerned about it. Given the choice of online shops, I would prefer a Dutch or European shop, even if the price are more expensive.

29%

I am concerned about it. Given the choice of online shops, I would prefer a Dutch or European shop, even if the prices are more expensive.

35%

I am not worried about it at all. I don't mind where my product ordered online comes from, as long as it's good value for money.

14%

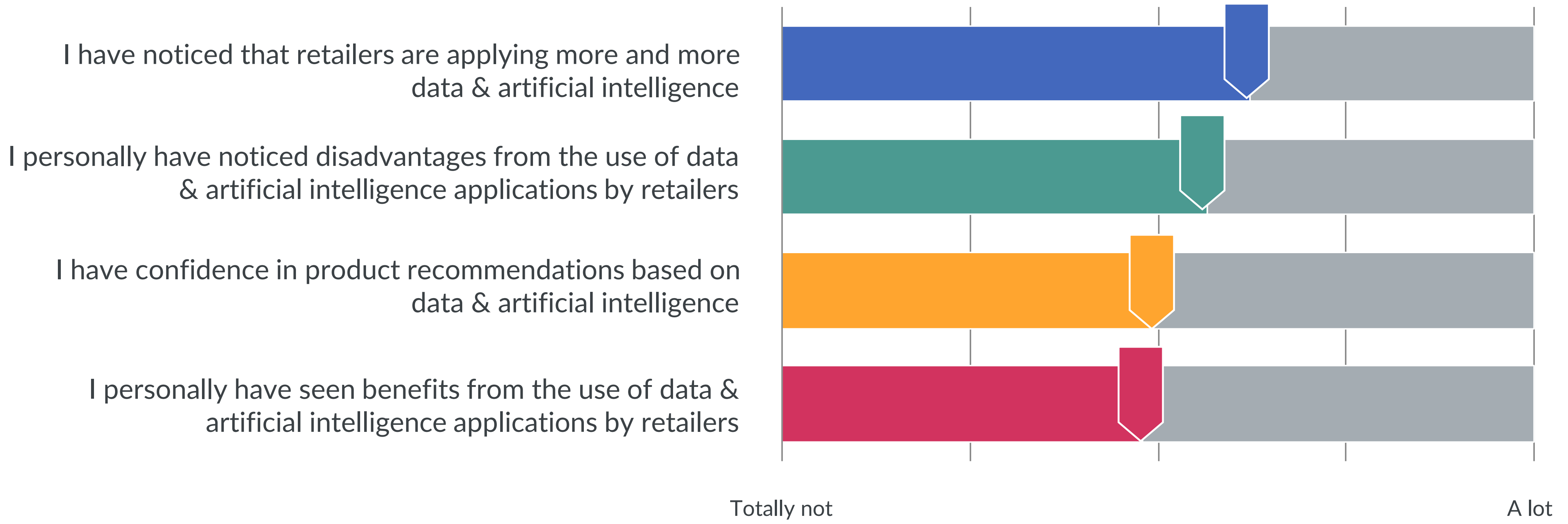
I am not worried about it at all. I do not buy from large international platforms as a matter of principle.

U02: To what extent are you concerned about the dominance of large international platforms such as AliExpress and Amazon?

Base: split run 2, n=508

Most consumers have noticed that data & AI applications are applied more often, resulting in both benefits, but also disadvantages

Statements about usage of data and artificial intelligence



K01: Please indicate which is most applicable to you

Base: splitrun 1, n=510

Most consumers are aware of and okay with influencing techniques as long as they can make their own decisions

Statements about influencing techniques used by online shops

% (Strongly) disagree	Statement	% (Strongly) agree
13%	Sometimes choice options are ticked by default in forms. The online shop actually wants you to choose those options. As long as I can change this option, I'm okay with it.	57%
10%	Online shops test the performance of a website by showing different customers variants of the same website page. They then choose the page that generates the most revenue. It seems logical to me that online shops do this.	51%
19%	I am conscious of the fact that I am sometimes enticed to make purchases on the Internet. Although I am influenced, I ultimately make my own decisions, so I don't mind.	47%
33%	I see the display of complementary or alternative items with a product as helpful and not as a way for the online shop to persuade me to buy more.	24%
26%	Companies are better able to recognise a customer and offer the same personal service both in-store and online.	21%

= % (Strongly) agree

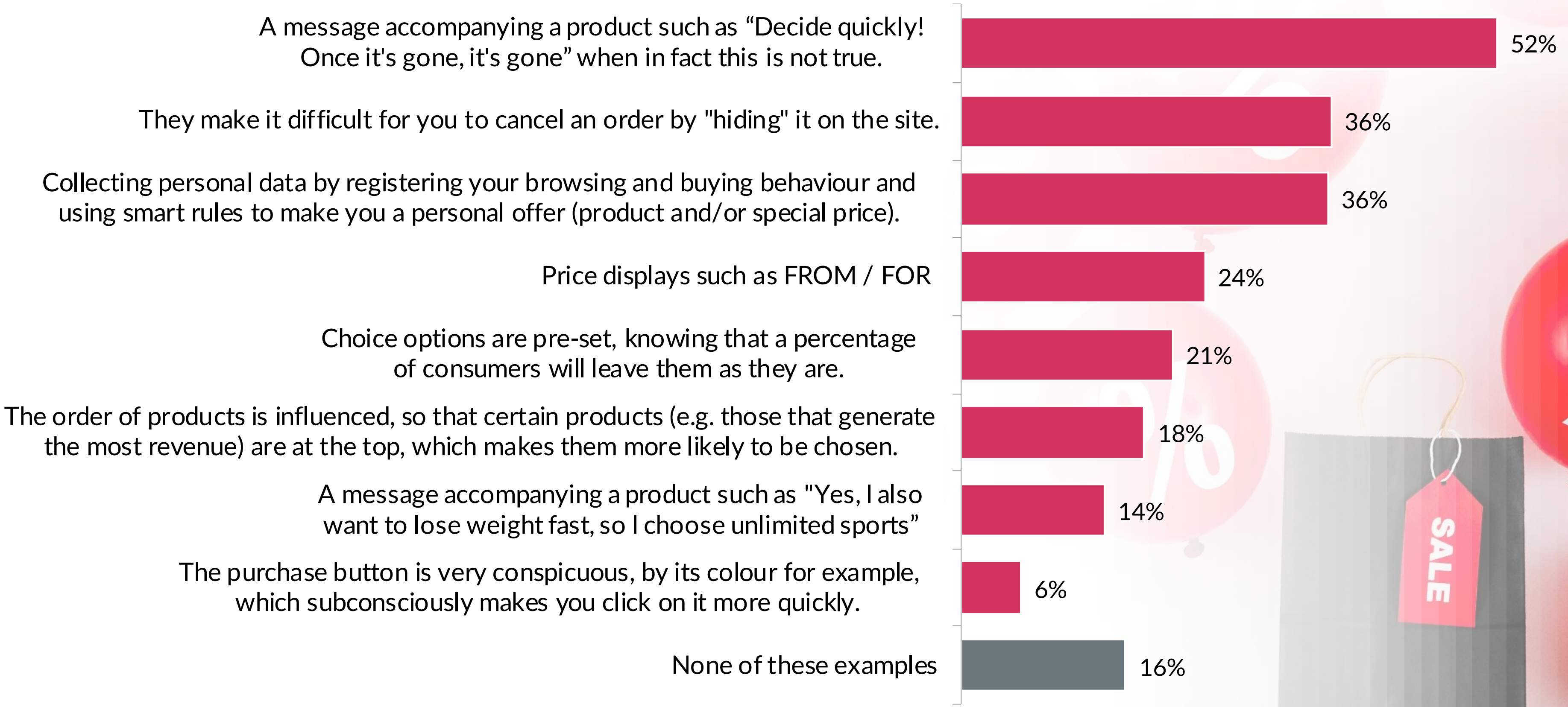
= % (Strongly) disagree

I01_2 & R02: Please indicate whether you agree or disagree with the following statements

Base: splitrun 2, n=508

Consumers think a message like 'Buy now, once it's gone, it's gone' goes too far when this is not true

Tactics used on the internet that goes too far



R03: There are tactics on the internet that influence you to make a purchase.
In which of the following examples do you feel that this influence goes too far?

Base: splitrun 2, n=508

Almost three quarter of consumers didn't use a voice assistant in the last 6 months. Google assistant is still the most used voice assistant

Voice assistant(s) used in last 6 months

- Google Assistant: 16% (2020: 16%)
- Siri: 9% (2020: 13%)
- Bixby: 5% (2020: 2%)

34% of the users had a (very) posititve experience

73% did not use a voice assistant in the last 6 months

% = 2020

Future of voice assistants

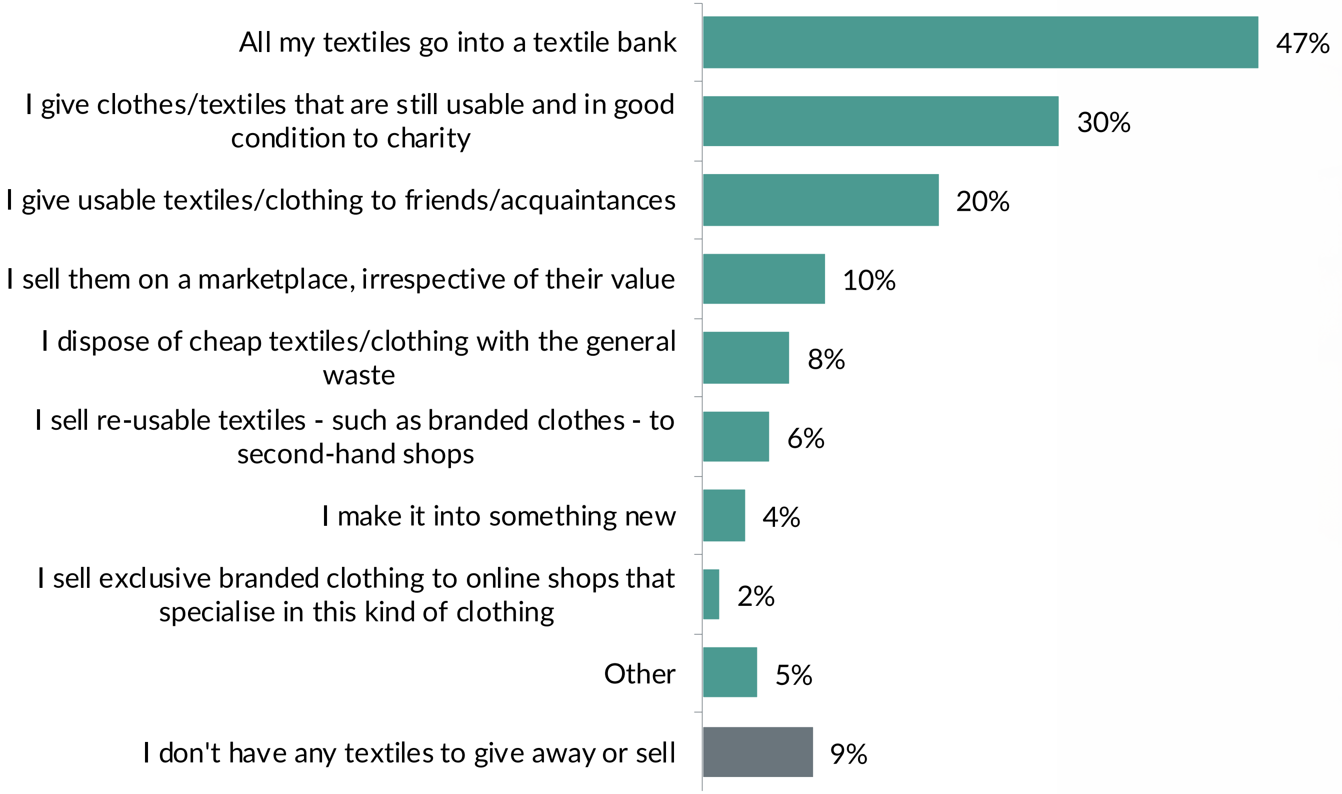
- If the technology improves, I will use voice (more often): 26%
- I expect to use voice (more often) in the future: 23%
- I expect to use voice as easily as I'm using websites right now: 17%

O01: Which voice assistant(s) have you used in the last 6 months?
O02: How would you rate the experience with the voice assistant(s)?
O03: How do you foresee the use of voice assistants developing?

Base: splitrun 2, n=508

Textiles that are no longer worn or used go into a textile bank or were given away to charity or friends/acquaintances

Where to take textiles that are no longer worn/used

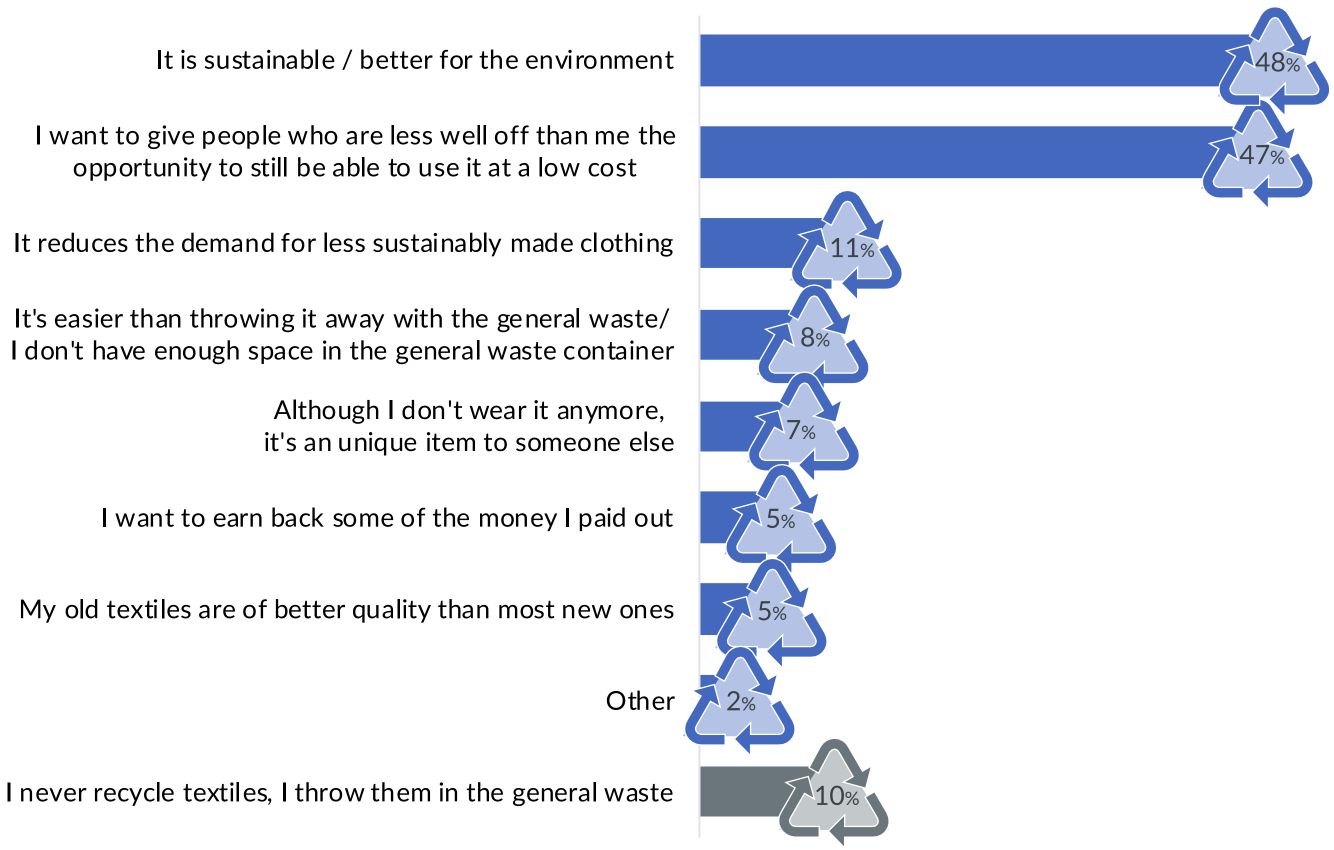


Q02: Where do you take textiles that you no longer wear/use?

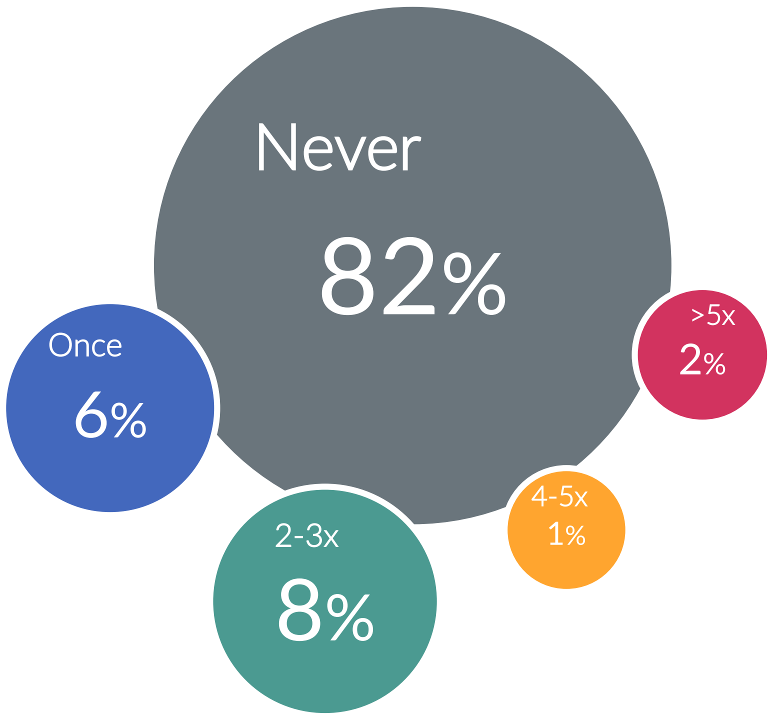
Base: splitrun 2, n=508

Main reasons for recycling or giving away used textiles has to do with the environment and helping people who are less well off

Main reasons for giving away or recycling used textiles



Frequency of selling used textiles/ second-hand clothes

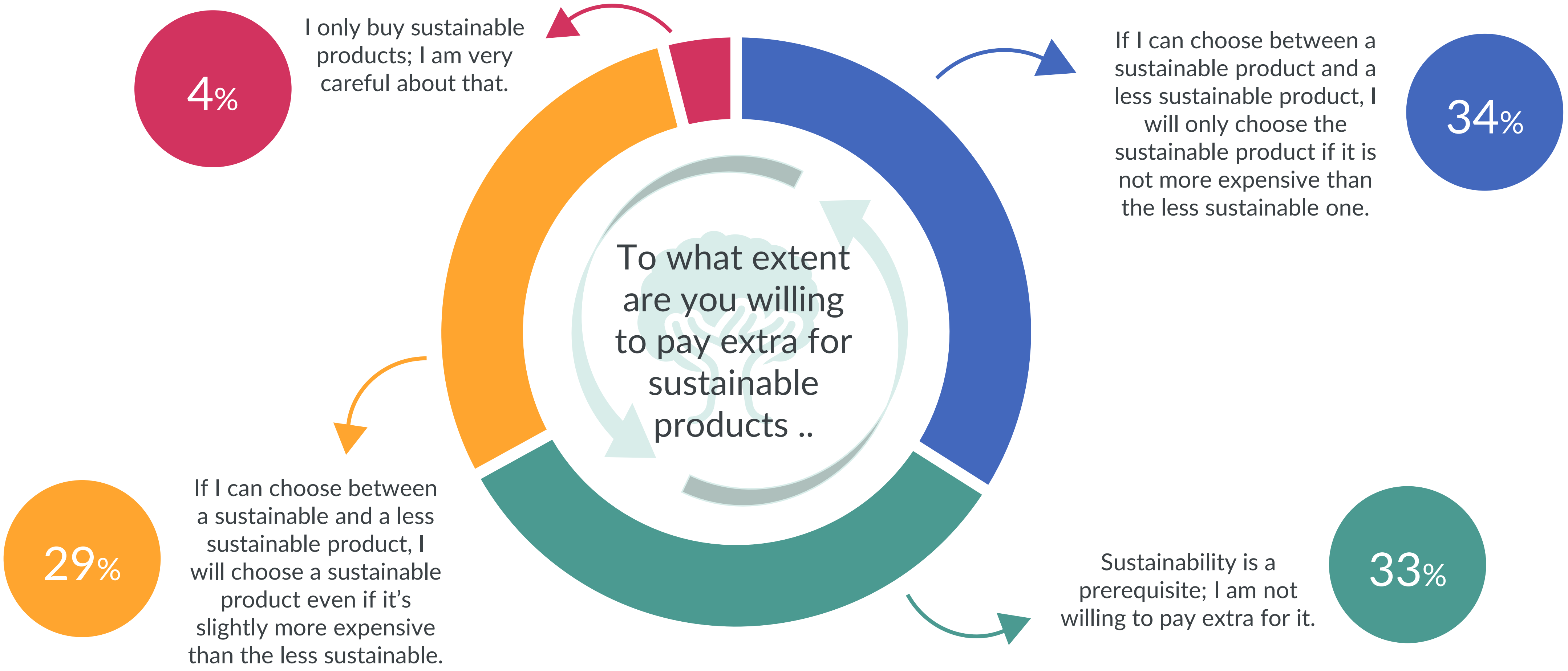


Q03: If you give away or recycle used textiles, what is the main reason in doing so?
Q01: In the past 3 months, how often have you **sold** used textiles/ second-hand clothes?

Base: splitrun 2, n=508

The extent to which consumers are willing to pay extra for sustainable products varies. About one third is willing to pay for it

To what extent are you prepared to pay extra for sustainable products



U01: To what extent are you prepared to pay extra for sustainable products?

Base: splitrun 2, n=508

Research design

Research method

Quantitative online research (CAWI)

Survey consisted of 45 questions (questionnaire was split into two parts, respondents answered only half of the questionnaire)

Topics covered in the survey: future buying behavior, crossborder shopping, delivery and return, privacy

Fieldwork

July, 30th, 2021 – August, 2nd, 2021

Net sample: n = 1.014 respondents

Sample

GfK Online Panel

Dutch persons of 15 years and older.

The net sample is representative for the total Dutch population of 15 years and older, on the profile characteristics gender, age group, education and district.

GfK Quality assurance

- GfK offers high-quality products and services in the field of market research, based on techniques from the social sciences, both in qualitative and quantitative nature. The quality is also guaranteed by external regulators.

- The study was conducted in accordance with GfK's quality system that is certified according to the standard of
  - ISO 9001:2015 (Standard for requirement for a quality management system)
  - ISO 20252:2012 (Standard for requirements for conducting market research) and
  - ISO 23632:2009 (Standard for access panels)
- On international level GfK is member of ICC/ESOMAR and endorses by the code of conduct of ESOMAR (European Society for Opinion and Market Research), see revised ICC/ESOMAR Code http://www.esomar.org/index.php/codes-guidelines.html.
- On local level GfK is member of MOA (Center for Information Based Decision Making & Marketing Research) and thus abides by the delivery and payment conditions of this professional organization. An outline of these MOA conditions is available on http://www.moaweb.nl.
- GfK follows the Code of conduct for market research and statistics, strictly acts in accordance with the law for the protection of personal information and is registered at the Autoriteit Persoonsgegevens (AP).

Do you have any questions?

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