



# Preparing for an Ever-Evolving Holiday Season

A 2021 Global Consumer Survey Report



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**L**IKE BRANDS, many consumers are finally emerging from lockdown, after more than a year filled with uncertainty, missed family engagements due to social distancing efforts, and perpetual negative news cycles, just to name a few of our recent challenges. Digital commerce exploded as physical stores shuttered, due to shelter-in-place directives, and consumers scrambled to secure all the essentials needed to maintain life at home. Uncertainty undoubtedly still remains due to the ongoing evolution of the pandemic; at this writing, for example, new, more concerning variants continue to emerge, and virus hot spots remain active. Nevertheless, many consumers seem hopeful for a brighter future.

A lot changed for those consumers during lockdown, as we all adapted to daily life lived wholly at home. How consumers shopped, as well as the motives behind their shopping efforts, evolved at an unprecedented pace.

Now that we are more than one year removed from the onset of the global health crisis, we are better poised to reflect on the lessons learned as we look to move forward. It's important for brands not to lose the spirit of innovation that emerged during the pandemic, as digital technologies have been a vital lifeline for so many when we couldn't be together in person. The transformation and agility that was essential to meeting the challenges of the pandemic head on must continue to be harnessed as we face the "next normal." The empathetic tone many brands chose to adopt in their messaging and marketing evoked a feeling of togetherness that transcended a more transactional approach, and that must not disappear. The pandemic also required brands to achieve quick wins in the short term—but now, brands must focus on building relationships, creating exceptional experiences, and meeting rising expectations to win and keep customers long term.





## Survey Methodology

With so much volatility in the retail industry, understanding today's consumer is more important now than ever. Many of the recent shifts in behavior were driven by the pandemic, but there are underlying changes in values and attitudes that brands must also consider. Our latest consumer survey of 1,000 global shoppers spans the regions of North America (Canada and the United States), Europe (Germany, Italy, Spain, and the United Kingdom), and the Middle East (the Kingdom of Saudi Arabia and the United Arab Emirates). Segmented data by country, age\*, and gender are also provided to give additional insight into the changing consumer landscape. We explore shopping behaviors in light of the pandemic and beyond, and what that means for brands ahead of the 2021 holiday season.

\*Generation Z is defined as consumers born between 1997 and 2003; Millennial consumers are those born between 1981 and 1996.

## Key Takeaways

- Loyalty is the top-ranked indicator for shoppers when deciding which brands to shop from during the 2021 holiday season, superseding both price and convenience.
- Global shoppers expect to continue using curbside pickup once the pandemic subsides, indicating an increase in usage from before the pandemic by 32 percent. This correlates with an 8 percent decline in buy online, pick up in store utilization.
- Mandatory shipping fees or expensive shipping costs and uncertainty about personal and payment security are the top reasons 67 percent of global shoppers will abandon a digital site.



# Current Consumer Sentiment

The global economy plunged into a pandemic-induced recession in March 2020. Productivity came to a screeching halt as businesses shuttered, schools closed, and the world stayed home to avoid falling prey to a highly contagious coronavirus. Fast-forward to June 2021: after the production of effective vaccines and their subsequent distribution across various developed regions, the economy is forecast to grow 5.6 percent in 2021. A decline in consumer discretionary spending on items such as travel and apparel over the lockdown periods, coupled with regional government economic stimulus payments, have led to burgeoning financial savings for many. For others, a changing labor market accelerated by the global outbreak has resulted in either a furlough or job loss, a career change, or an exit from the workforce altogether, invoking feelings of job insecurity and financial uncertainty.

Despite this uneven economic recovery, overall global consumer sentiment is hopeful, as more than two-thirds of all shoppers say they feel optimistic about the future. This is in line with the Organisation for Economic Co-operation and Development’s Global Consumer Confidence Index, which hit an all-time high of 108 in the first quarter of 2021 (up from 98 in the fourth quarter of 2020 and 106 in the first quarter of 2020), where a score above 100 is positive. That optimism is clearly tempered by the ongoing health crisis, with 79 percent of all shoppers indicating they still have concerns about the virus (see Table 1). However, as COVID-19 cases trend downward globally, the grim situation in current hot-spot regions is both a stark reminder of the tragic events of 2020 and the fact that the virus has not been fully defeated.

**TABLE 1: Current consumer sentiment regarding the COVID-19 pandemic (average, by region; Strong–Somewhat Agree)**

	Average	North America	Europe	Middle East
Have concerns about the COVID-19 pandemic	<b>79%</b>	<b>77%</b>	<b>80%</b>	<b>81%</b>
Feel optimistic about the future	<b>67%</b>	<b>68%</b>	<b>61%</b>	<b>84%</b>
Feel life is getting back to normal	<b>60%</b>	<b>62%</b>	<b>56%</b>	<b>70%</b>
Feel uncertain about the current situation	<b>54%</b>	<b>54%</b>	<b>56%</b>	<b>49%</b>
Feel recovery efforts are headed in the wrong direction	<b>43%</b>	<b>39%</b>	<b>48%</b>	<b>39%</b>

Another major indicator of shoppers’ renewed positive outlook includes a long-awaited return to partaking in social engagements outside of the home. As rollout of the vaccines accelerates and lockdown restrictions ease, global consumers are making plans to travel, dine out at restaurants, and partake in other activities they have sorely missed while being socially isolated. More than three-fourths of shoppers have either eaten out at a restaurant or plan to in the next six months, after lockdown periods often involving nothing but online grocery delivery and cooking at home (see Table 2). Moreover, 34 percent of global consumers anticipate shopping at a physical store, joining 57 percent who have already done so—making it the top activity on our list as consumers emerge post-lockdown.



Of course, there are still consumers who will remain cautious, at least for the duration of the outbreak. Even as the threat of the virus begins to subside in many regions and public spaces reopen, some consumers still feel uncertain about many basic activities, evidenced by 12 percent of all consumers saying they are still unsure about gathering with family and friends. This uncertainty is visible in all areas of life as the world begins to rebound from the crisis, and it underscores the fact that brands must help reassure consumers. **Continued messaging regarding updates to in-store safety protocols, facial mask requirements, and employee shortages can help to quell shopper uncertainty and frustration this upcoming holiday season.**

**TABLE 2: Consumer engagement/planned engagement with the following activities (average)**

	Have done in the past six months	Plan to do in the next six months	Unsure
Make a purchase in a physical store	57%	34%	8%
Purchase non-essential items	45%	35%	14%
Gather in-person with family and/or friends	42%	42%	12%
Go back to work outside of their home	37%	32%	13%
Dine at a restaurant	36%	43%	17%
Go/send their children back to in-person learning	28%	28%	12%
Travel/go on vacation	21%	44%	27%
Attend a public event	16%	38%	32%
Go to a physical gym	19%	31%	23%

**Transcend the transaction.** Astound Commerce works with the world's most innovative and recognized retailers, creating solutions that nurture today's most valuable asset: the customer. Discover how we can help you build meaningful customer relationships, create exceptional brand experiences, and meet rising shopper expectations to win and keep customers long-term. *It's time to transcend. Get in touch today.*





## Ecommerce in 2020

Aside from the significant mortality rate and impact on the health and livelihoods of our global population, the COVID-19 outbreak of 2020 caused a maelstrom of events that generally impacted all sectors—but has presented many challenges and accelerated structural shifts unique to retail in particular. Mandated non-essential store closures, supply chain disruptions, and employee furloughs were some of the most dramatic top-line consequences brands endured. At home, consumers flocked to digital channels, all on a quest to procure hand sanitizer, face masks, and other essential items typically purchased in-store—snacks, wine, fitness equipment, and more—effectively anything needed to make life easier and more comfortable while at home during quarantine. The pandemic-induced mass pivot to online naturally resulted in an ecommerce boom. **Digital Commerce 360 estimates that ecommerce sales skyrocketed to US\$4.29 trillion worldwide in 2020, up more than 24 percent from 2019.**

## Looking Ahead to Holiday 2021

As for the upcoming holiday season, nearly a quarter of consumers across the globe predict they will spend more on gifts in 2021, in contrast to their holiday spending in 2020. When asked about the rationale behind this projected increase, the top two reasons were to make up for missed holidays in 2020 (52 percent), followed by an improved financial situation (34 percent). These two factors will most likely be recurring themes, as they point to a level of pent-up consumer demand due to extended lockdown periods with limited social gatherings and travel. As we proceed into the holiday spending season, **we are currently on the cusp of a period where consumers may “revenge-spend” to compensate for a time when essential items were their priority and discretionary purchases were delayed or canceled.** Brands can capitalize on this momentum to better prepare for peak holiday spending.



### INSIGHT

Although global shoppers indicate they are disinclined to shop in malls and shopping centers, one-third intend to shop more often in physical stores.



## Brand Choice

For consumers, the global health crisis and other unrelated yet significant events of 2020 (for example, devastating wildfires in the US and Australia; Brexit becoming official in the UK; persistent humanitarian protests in Colombia; calls for social justice climaxing in the US after a series of tragic events, sparking protest marches around the world) underscored what really matters. The initial shock of the outbreak brought to the fore the need for empathetic messaging, as consumers anxiously faced a new world. The contraction of the global economy drove consumers to shop more mindfully, as many consumers faced concerns about job security amid rising unemployment. The outbreak created an accelerated consumer focus on both physical and mental health, as shoppers sharply pivoted to contactless purchasing and pickup methods to effectuate social distancing and curb viral transmission.

But when asked which aspect of shopping with a particular brand would have the most influence for where consumers would shop, the answer was loyalty (see Table 3). A comparison of the fundamental shopping drivers shows that above all else, a sense of loyalty to a brand will most influence where shoppers will make a purchase this upcoming holiday season.

Arguably, one could deduce that all other attributes are simply complements of or contributors to loyalty. Whichever is the case, we can reasonably conclude that if you aren't winning customers' loyalty, all other efforts are essentially futile.

**TABLE 3: Factors that will determine which brands consumers will shop with during the 2021 holiday season (ranked; by region)**

	North America	Europe	Middle East
Brands I am loyal to	1	1	1
Brands with the lowest prices	2	5	5
Brands with the best quality/selection of products	3	2	2
Brands with the most convenient shopping options	4	6	4
Local small businesses	5	4	6
Brands whose values align with my own	6	3	3



# Consumer Channel Preferences

The number of touchpoints a consumer engages with before making a purchase continues to increase—a 2020 *State of the Connected Customer* report from Salesforce indicates that nearly 75 percent of shoppers have used multiple channels over the course of one transaction. The lines of demarcation between channels have blurred—where one channel ends, the next one begins. Services such as buy online, pick up in store (BOPIS), and mobile wallets have eroded those lines between channels. From the customers’ point of view, their journey is channel-agnostic—the brand experience is essentially an aggregated set of experiences. However, **brands must recognize a shopper’s propensity toward one channel over another and the rationale behind that tendency, in order to provide a unified, seamless experience.**

A look at channel preference for typical holiday purchase behaviors illustrates the true nature of the global omnichannel consumer. Regional comparisons show shoppers in North America prefer a dual-channel model, while European and Middle Eastern consumers lean heavily toward one channel (desktop and mobile web, respectively). Shoppers in both regions are inclined to use their preferred channel for all activities except when it comes to making a purchase. As Table 4 suggests, shoppers in both regions will likely begin their journey in one channel and end it another.

**TABLE 4: Consumer channel preference for the following shopping behaviors during the 2021 holiday season (by region)**

	North America	Europe	Middle East
Get inspiration and discover gift ideas	Physical store	Desktop	Mobile web
Make a purchase	Physical store	Physical store	Mobile app
Obtain customer service assistance	Physical store	Desktop	Mobile web
Research a specific product	Desktop	Desktop	Mobile web
Engage with a brand	Desktop	Desktop	Mobile web
Share/view a wish list or gift registry	Desktop	Desktop	Mobile web
Purchase a gift card (physical or digital)	Physical store	Desktop	Mobile web

**Get ahead of the holiday season.** When it comes to brand choice, loyalty—above all else—will influence where shoppers make a purchase this holiday season. Astound helps you prepare for peak holiday spending by honing your brand’s multi-channel capabilities, creating a seamless, unified shopping experience that compels shoppers to choose your brand over and over again. **We’d love to help you get ahead—ask us how.**





**INSIGHT**

German shoppers are most inclined to use the desktop channel for all holiday shopping activities. As such, nearly half say they typically shop online for gifts and expect to do so this upcoming holiday.

A similar look at channel preference by age reveals that Generation Z shoppers also exhibit a preference for distributing their holiday shopping behaviors across multiple channels. It is interesting to note that along digital channel lines, the Gen Z cohort generally opts for the desktop over mobile web, contrary to their Millennial counterparts. When it comes to making a purchase and seeking customer service, both age groups are inclined to visit the physical store for in-person service.

**Regardless of channel choice, brands must be ready with an experience that will surprise and delight customers this holiday season.**

**TABLE 5: Consumer channel preference for the following shopping behaviors during the 2021 holiday season (by age)**

	Generation Z	Millennials
Get inspiration and discover gift ideas	Desktop	Physical store
Make a purchase	Physical store	Physical store
Obtain customer service assistance	Physical store	Physical store
Research a specific product	Desktop and mobile web	Mobile web
Engage with a brand	Desktop	Mobile web
Share/view a wish list or gift registry	Desktop	Mobile web
Purchase a gift card (physical or digital)	Physical store	Physical store

From Our Partner

Last year, no one knew what to expect when it came time for holiday shopping. What unfolded was a massive increase in online traffic (300 percent) during the pandemic, which leveled off at a more than 50 percent increase consistently. Many brands are still experiencing these levels today. We also saw mobile traffic reach record levels at 65.5 percent during the Cyber 5 shopping period. With such high levels of traffic across channels, every second of page load time counts.

According to the new Site Speed Standard, every second that brands can shave off their page load times yields 5.7 percent conversion lift on mobile (3.3 percent on desktop), 12.2 percent bounce reduction across channels, and .38 more pages per session on mobile (.52 on desktop). Since every second lost impacts revenue, we recommend brands evaluate their current page load times and optimize their sites for the holiday season, focusing on a fast and consistent shopper experience across all channels.

—Beth Moriarty, VP of Product & Corporate Marketing, Yottaa



## Behavioral Changes

Live-stream shopping, contactless payments, and curbside pickup are just a small sampling of shopping behaviors consumers engaged in more frequently over the course of the pandemic. And there has been much prognostication regarding which of these will stick and which will fade away. According to a study published in the *European Journal of Social Psychology* in 2009, it takes an average of 18 to 254 days for a person to form a new habit. There are several variables that factor into this time span—the frequency by which the habit is performed, the amount of effort one must expend to achieve the desired outcome, and the reward obtained at the conclusion of the activity among them. As such, the periods of lockdown orders provided consumers with more than enough time to develop and sustain these new and already occurring shopping behaviors.

That said, the likelihood of these behaviors sticking also largely depends on how well a brand executes on these initiatives. For example, a negative grocery delivery experience will likely drive a consumer back to shopping in-store, perhaps with a competitor, with little desire to try grocery delivery again anytime soon. The key takeaway is that brands play a large role in the probability of these new consumer behaviors becoming permanent. The pandemic necessitated the pivot to many of these behaviors, while in other instances it accelerated their eventual adoption, but after more than a year of execution, **brands must now hone these capabilities to deliver the experiences that shoppers have come to expect ahead of the holiday season.**

**Close the loyalty loop.** Astound works with search and discovery platform Algolia and acceleration and optimization platform Yottaa to help brands like yours close the loyalty loop by integrating seamless, engaging search experiences. We are thrilled that our implementation of Yottaa and Algolia contributed to the recent first place win of our client Carter's in the Newsweek 2021 Best Online Shops award in the Toy & Baby category. What would accelerated search and discovery do for your customer retention strategy? [Get in touch today.](#)



The following chart shows how global consumers expect their engagement in the following activities to progress once the pandemic is over. On average, curbside pickup is the activity with the greatest upswing in expected usage from before and after the pandemic, at 32 percent. Usage of this omnichannel service exploded by 159 percent during the pandemic, as consumers opted for the contactless and speedy nature of curbside pickup to obtain their online orders. A correlated drop-off in buy online, pickup in store usage is seen as a result, with global shoppers predicting usage of this service to decline by 8 percent post-pandemic, especially in Europe and the Middle East. All consumers also see the ability to make installment payments, or buy now, pay later (BNPL) for their purchases as an enduring part of their shopping behavior, led by more than half of Middle Eastern shoppers. Outside of Europe, consumers on average don't foresee a return to shopping in crowded spaces once the pandemic is over.

**TABLE 6: Expected change in behavior/usage of the following services/technologies from before to after the pandemic (average, by region)**

	Average	North America	Europe	Middle East
Curbside pickup	32%	47%	7%	35%
Buy now, pay later	29%	29%	21%	52%
Contactless payment methods	22%	22%	15%	50%
Make a purchase via a mobile app	9%	19%	1%	-7%
Make a purchase via a mobile site	8%	8%	7%	11%
Make a purchase via social media	7%	12%	-2%	17%
Shop via live-stream	6%	4%	8%	7%
Shop via smart speaker	0%	10%	-11%	0%
Shop at a mall/shopping center	-1%	-2%	4%	-13%
Buy online, pickup in store	-8%	8%	-27%	-5%

A comparison of pre- and post-pandemic behavioral changes by age reveals that younger cohorts also expect a decline in usage of BOPIS in favor of curbside pickup. Contactless payment methods will remain key for both age groups, while BNPL payment models will be more important to Millennial shoppers after the pandemic. Consumers welcome the ability to receive their order upfront while making deferred payment within an established timeframe, as many shun credit card usage due to unwanted interest fees and potential debt.

**TABLE 7: Expected change in behavior/usage of the following services/technologies from before to after the pandemic (by age)**

	Generation Z	Millennials
Contactless payment methods	24%	22%
Make a purchase via social media	24%	-5%
Curbside pickup	18%	9%
Make a purchase via a mobile site	13%	0%
Buy now, pay later	7%	27%
Make a purchase via a mobile app	-3%	15%
Shop at a mall/shopping center	-5%	-7%
Shop via live-stream	-15%	-12%
Buy online, pickup in store	-26%	-13%
Shop via smart speaker	-34%	2%



For added context, a view of how global consumers shopped during the pandemic versus before is presented in Table 8. Again, curbside pickup saw the greatest penetration of all global shoppers at nearly 160 percent usage. On average, mobile shopping via either an app or the web has seen positive new gains in usage during this time period of nearly 50 percent, due largely to Middle Eastern consumers and their propensity for using the mobile channel. Notably, as ecommerce growth soars, it's important to keep in mind that **mobile commerce is forecast to surpass US\$3 trillion in 2021, according to eMarketer, underscoring the importance of a seamless mobile shopping experience.**

76 percent of shoppers adopted live-stream shopping over the course of 2020, as retailers looked to creative ways to provide personal interactions with consumers in lieu of the in-person experience. Despite an expected decrease in consumer usage of live-stream shopping post-pandemic, the shift toward a hybrid of online and offline life, as businesses, schools, and the world writ large safely reopens could mean live-stream shopping may endure. More than two-thirds of global consumers report an increase in using a smart speaker for shopping purposes, such as reordering or searching for product, a shopping habit that will likely revert to pre-pandemic levels post outbreak as shoppers start to gradually spend more time out of the home. Unsurprisingly, shopping in crowded spaces such as malls and shopping centers declined by nearly 25 percent from before to during the outbreak, an activity that was on a negative trajectory well before the crisis began.

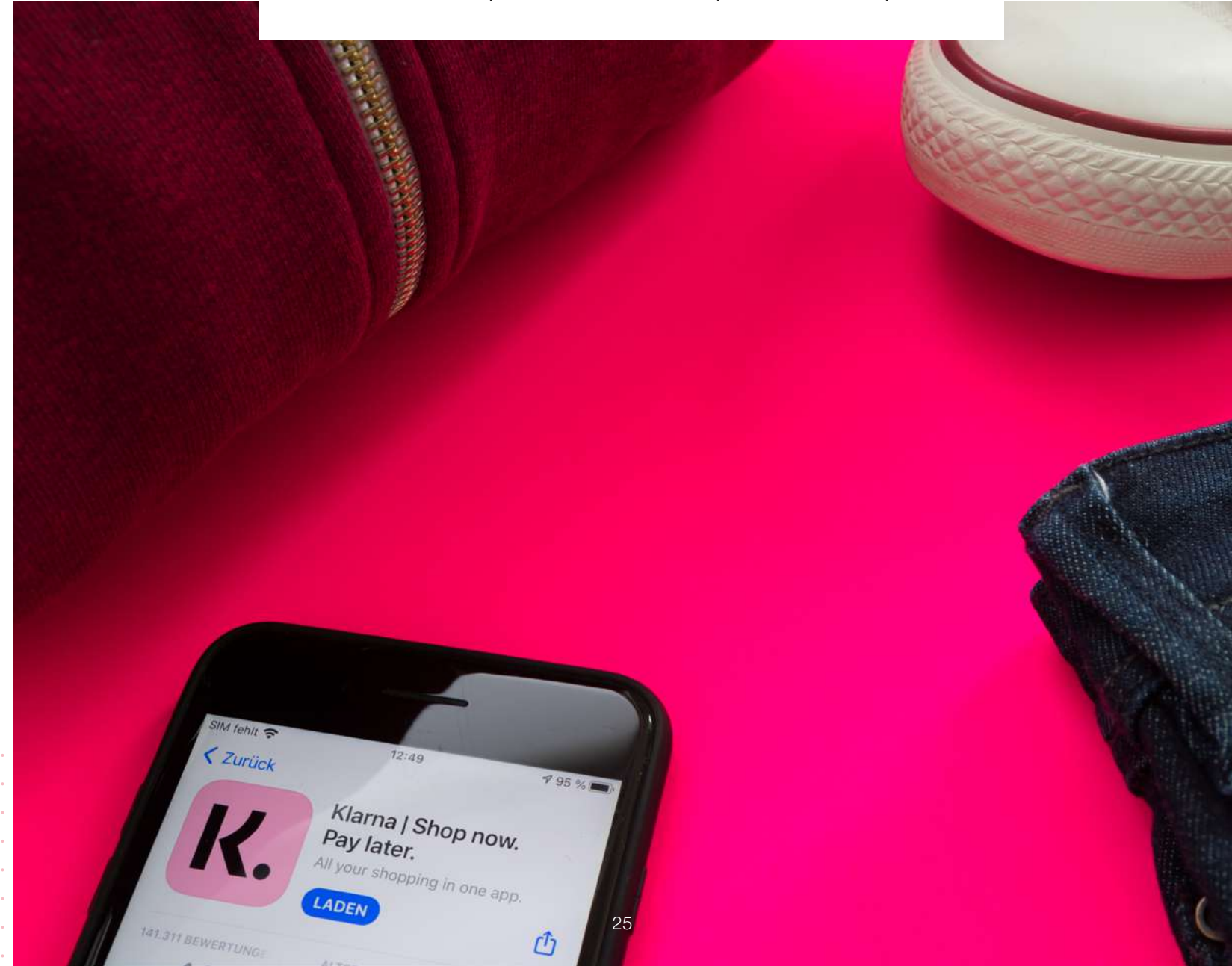
**TABLE 8: Actual change in behavior/usage of the following services/technologies from before to during the pandemic (average, by region)**

	Average	North America	Europe	Middle East
Curbside pickup	159%	190%	139%	81%
Buy now, pay later	85%	72%	86%	120%
Shop via live-stream	76%	68%	86%	76%
Shop via smart speaker	69%	72%	64%	73%
Make a purchase via social media	68%	68%	59%	93%
Contactless payment methods	64%	64%	57%	98%
Buy online, pickup in store	58%	70%	57%	13%
Make a purchase via a mobile site	48%	34%	62%	89%
Make a purchase via a mobile app	45%	35%	47%	88%
Shop at a mall/ shopping center	-23%	-16%	-19%	-6%

**Klarna.**

**From Our Partner** “ Shoppers are more mindful of budgets than ever and are also increasingly moving away from traditional forms of credit toward more flexible, transparent spending options, especially young shoppers. These preferences have created a huge appetite for platforms like Klarna, and as the holidays approach, offering flexible payment options will be essential in order to provide shoppers with a stand-out online and in-store shopping experience.

—Matthew Suraci, Head of Commercial, North America, Klarna





## A Return to High Streets

Physical retail has been devastated for much of the last decade, as a consumer migration toward digital commerce began to naturally take hold. Once the crisis hit, the mandated closure of non-essential physical stores reignited discussion around the fundamental role of the physical store within the commerce ecosystem, as well as how to improve and maximize operational efficiency at the physical store level. In lieu of completely shutting down, some store locations were converted to “dark stores,” or micro-fulfillment centers, in an effort to speed up last-mile delivery efforts and facilitate online pick-up of orders.

Nearly three out of four global shoppers indicate they missed the ability to shop in store during the stay-at-home restrictions. Perhaps unsurprisingly, as non-essential stores reopened, consumers flocked to physical stores in droves. According to physical retail store analytics firm Springboard Research Inc., the UK saw non-essential retail foot traffic surge nearly 88 percent week-over-week, as shops reopened their doors the week of April 11. In the US, in-store shopping has been steadily rising since the beginning of 2021, with 65 percent of Americans saying they have made a purchase in a physical store in the last six months.

The ability to discover new brands and/or products was the top experience shoppers say they missed the most about the lack of in-store shopping. Consumers in the Middle East regard the social aspect of shopping as the trait they missed the most during store closures. **Physical store brands must optimize these integral aspects of the customer journey within the in-store experience to keep customers engaged and eager to return.**

**TABLE 9: Attributes of the in-store experience consumers missed the most during mandated non-essential store closures (ranked; by region)**

	North America	Europe	Middle East
Browsing and discovery	1	1	3
Touch and feel of products	2	2	2
Obtain items quickly	3	4	5
Social aspect	4	3	1
Personalized service	5	5	4
Immersive, entertaining experiences	6	7	7
Using in-store services	7	6	6

This tracks generationally as well. Perhaps more revealing from an age perspective is that, less than browsing and discovery, Gen Z shoppers missed the social aspect of the physical store experience—while Millennials missed the ability to interact with products in real life. Younger shoppers are typically identified as digital natives, having grown up in an age of rapid digital transformation and disruption, and it will be at a brand’s peril to take these shoppers for granted. Gen Z shoppers in particular crave a sense of community, authenticity, and loyalty, attributes that can often be elusive in a digital world. The in-store experience can accommodate both their innate affinity for digital but also facilitate the shared experiences they desire.

**TABLE 10: Attributes of the in-store experience consumers missed the most during mandated non-essential store closures (ranked; by age)**

	Generation Z	Millennials
Browsing and discovery	1	1
Social aspect	2	4
Touch and feel of products	3	2
Personalized service	4	5
Obtaining items quickly	5	3
Using in-store services	6	7
Immersive, entertaining experiences	7	6

**Give them what they want.** Astound has helped clients including [Revolution Beauty](#), [Lovehoney](#), [TOMS](#), and [SoulCycle](#) drive customer loyalty by implementing flexible and contactless payment solutions from top providers including Adyen, Affirm, Amazon Payments, Clearpay/Afterpay, Klarna, PayBright, and PayPal. Would you benefit from our expertise in this area? Let us discover and implement the payment experience that’s right for your brand. [Talk with an expert today.](#)





## Store Capabilities

As shoppers embrace a return to the physical store, brands must aim to leverage those capabilities that will improve the in-store experience. Shoppers have become acclimated to the benefits of digital shopping over the past year—innovation, convenience, personalization, and abundant choices, just to name a few. And of course, the physical store affords shoppers unique benefits as well that can't be easily replicated online. **Enhancing the physical store by implementing innovative digital technologies will assist in providing shoppers with a seamless, synergistic experience, giving them the best of what both channels offer.**

The top three in-store capabilities global shoppers would most likely utilize are digital in nature, further driving the need for brands to implement technologies to strengthen the in-store customer experience as digital becomes increasingly expected. Contactless payment methods continue their rise in adoption, naturally fueled by pandemic-related safety concerns. More than a quarter of global shoppers expect to continue to use some form of contactless payments once the pandemic ends—31 percent of shoppers in the Middle East are likely to continue to utilize this payment feature post-pandemic.





The increasing influence of digital on the physical store channel means a heightened expectation for innovation in the areas of payment, self-checkout, and assortment availability in particular. Global consumers enjoy the “endless aisle” feature of online shopping, in contrast to the reality of limited in-store inventory. The potential to lose a sale is high when shoppers are armed with their smartphones, providing them with easy access to competitive brands and products via a quick search. Physical store brands must innovate in order to facilitate an experience that can provide shoppers the capability to use their smartphones in tandem with the in-store channel. Integrating online inventory access in the physical store through endless aisle technology and self-checkout functionality can give shoppers the more abundant choices and efficiency they expect to ensure a positive experience.

**TABLE 11: Likelihood by which consumers would use the following capabilities in store this holiday season (average, by region; Highly-Somewhat Likely)**

	Average	North America	Europe	Middle East
Contactless payment methods	61%	60%	59%	76%
Self-checkout via a kiosk or mobile device	61%	63%	57%	70%
Endless aisles	55%	57%	49%	71%
Gift services	49%	43%	52%	69%
QR codes to access additional information	47%	41%	48%	71%
Personal appointment with an associate	46%	38%	52%	67%
Digital fitting rooms	46%	38%	49%	68%

**Loyalty long-game.** Whether your organization is new to digital commerce or simply looking to fortify your ecommerce strategy, Astound’s experts can help your brand capitalize on the momentum of recent rapid global digital adoption by creating seamless online customer experiences that will keep them coming back for more. [Want to learn more? Reach out today.](#)



## The Role of Social

Social media became a much-needed outlet for consumers to stay connected during the isolating months of the shelter-in-place orders. The platforms have long offered consumers a sense of community and a place to engage with peers and brands. In 2020, consumers spent an average of two hours and 23 minutes on social media platforms daily. Imagine 4 billion consumers across the globe (the current number of people who engage with social media) spending two hours and 23 minutes in a store but being unable to purchase from your brand—an enormous missed opportunity.

The social channel has typically been relegated to a place for shoppers to discover new brands. But the convergence of content and commerce makes social media a critical emerging channel for purchasing as well. And consumers are on board—nearly a quarter of global shoppers say they will shop via a social media site more often this 2021 holiday season compared to 2020.

Coincidentally, given the rise in social engagement in 2020, many of the major platforms—Facebook, Instagram, Pinterest, Snapchat, and TikTok among them—have been diving further into the ecommerce realm, through various implementations, acquisitions, and partnerships, to essentially enable brands with improved commerce functionality. A major issue for consumers regarding purchasing on these platforms has been the seamlessness of checkout. To that end, TikTok, on the heels of a successful holiday 2020 live-stream shopping event coproduced with Walmart, is integrating in-app shopping features that will streamline commerce functionality on its platform. Brands must seize this opportunity, as **social commerce is expected to grow at a compound annual growth rate of 31.4 percent from 2020 to 2027, reaching US\$604.5 billion by 2027.**

Presumably due to its maturity and familiarity, Facebook remains the primary go-to social media platform for all shopping behaviors by global consumers. Facebook is also heavily favored with older generations, while Gen Z shoppers gravitate to the visually pleasing nature of Instagram. Instagram recently launched a feature entitled “Drops” that allows brands to highlight and generate buzz around new and limited-edition products. These tools will allow brands to move beyond thinking of social as only beneficial for discovery, but rather as an extension of the complete brand experience.





**TABLE 12: Consumers' top social media platform preference for the following activities (average, by age)**

	Average	Generation Z	Millennials
Stay current with trends	Facebook	Instagram	Facebook
Discover new brands/products	Facebook	Instagram	Facebook
Follow an influencer	Facebook	Instagram	Instagram
Read content/watch videos	Facebook	Instagram	Facebook
Make a purchase	Facebook	Instagram	Facebook
Share product links	Facebook	Instagram	Facebook
Attend a live-streamed event	Facebook	Instagram	Facebook



**INSIGHT**

Women generally prefer to follow an influencer on Instagram, while men prefer Facebook.

## Online Discovery

61 percent of global consumers are shopping online at least weekly, led by 74 percent of Britons. While shoppers are eager to return to social settings, including the physical store, digital commerce shows no indication of slowing down. As such, 40 percent of global consumers say they intend to shop online for gifts this year, a slight edge over the 38 percent that expect to shop in store.

Having a digital presence is no longer simply a nice-to-have—it is a shopping imperative. 2020 was a turning point for many brands, where digital optimization and innovation became top priorities. When we asked shoppers about their method of online discovery, executing a search on Google was the primary vehicle for finding both new products and brands, indicating that **if your brand's offerings can't be easily found by a Google search, it's highly likely you won't be found at all.**

**Estate planning.** Is your technology estate where it needs to be to support peak holiday trading volumes? Astound works with leading content management platforms including Ampliance, CoreMedia, and Cloudinary to create agile and responsive sites that will accommodate changing market conditions, consumer preferences, product rollouts, and more. **Let us implement the content management solution that's right for your brand. Speak with our experts today.**



## Essential Digital Site Features

The percentage differences are marginal, but free shipping, delivery speed, and flexible returns are top-of-mind for online shoppers (Table 13). These features are essential drivers of loyalty—shoppers will seek out these coveted online features upon determining whether to shop with a brand for the first time—and whether they will come back.

**TABLE 13: Importance of the following digital site features (average, by region; Very–Somewhat Important)**

	Average	North America	Europe	Middle East
Free/conditional free shipping	78%	81%	73%	83%
Speed of delivery	77%	81%	72%	80%
Free returns	76%	77%	71%	87%
Flexible return policy	74%	75%	68%	86%
Back-in-stock notification sign-up	62%	62%	58%	80%
Mobile wallet	61%	58%	62%	71%
One-click/express checkout	54%	53%	49%	74%

Global shoppers further express their distaste for paying for shipping, along with apprehension around the security of one's personal information and payment details, as both topped the list of motives for abandoning a site by 67 percent of all consumers (see Table 14).

**TABLE 14: Likelihood by which the following factors would cause shoppers to abandon a digital site (average, by region; Highly–Somewhat Likely)**

	Average	North America	Europe	Middle East
Mandatory shipping fee/shipping fees too costly	67%	71%	62%	65%
Unsure personal information/personal details are secure	67%	73%	62%	57%
Not enough product information available	64%	66%	60%	68%
Product won't be delivered in time	63%	66%	58%	65%
Unable to find item(s) via search	62%	66%	57%	65%
Product out of stock	61%	59%	60%	71%
Preferred payment not available	59%	63%	55%	58%
Site loads too slowly/poor site experience	57%	70%	62%	68%
Lengthy checkout process	55%	57%	50%	60%

As an online brand, it's important to facilitate the shopper's ability to get what they want as easily as possible. The forced pivot to digital due to the pandemic has made consumers more comfortable with and knowledgeable about online shopping, thereby raising the bar on what an online experience should entail. Basic ability to search and find products, obtain product information, and an efficient checkout process is non-negotiable. And for 67 percent of global consumers, feeling unsure about their personal information and/or payment details while shopping online is reason enough to leave a brand's site, a potential pitfall brands must prevent ahead of the holiday season.



## Delivery Expectations

Another major implication of the pandemic on retailers was supply chain disruption, causing severe order delays and out-of-stock issues for consumers. The impact was critical, as the effect has been a test to consumers' trust and loyalty in brands, with many shoppers trying new brands as a consequence. 51 percent of consumers worldwide have experienced a delay in receiving their online order in the past 12 months, down 22 percent from May 2020. To that end, nearly one in three expect their online orders to be delayed during the upcoming holiday season, led by 35 percent of UK shoppers.

Consumers' delivery expectations have been steadily rising, with demands for next-day and same-day delivery constantly increasing. Blame it in part on the "Amazon effect," as Prime members can receive same-day shipping on eligible items. Or perhaps the influence of streaming services that deliver entertainment and content on demand has played a role in heightening shoppers' expectations of order fulfillment as well. Regardless of the rationale, as consumers return to life post lockdown, **brands must provide quicker, more convenient delivery options that will fit into the consumer's expectations and schedule.**

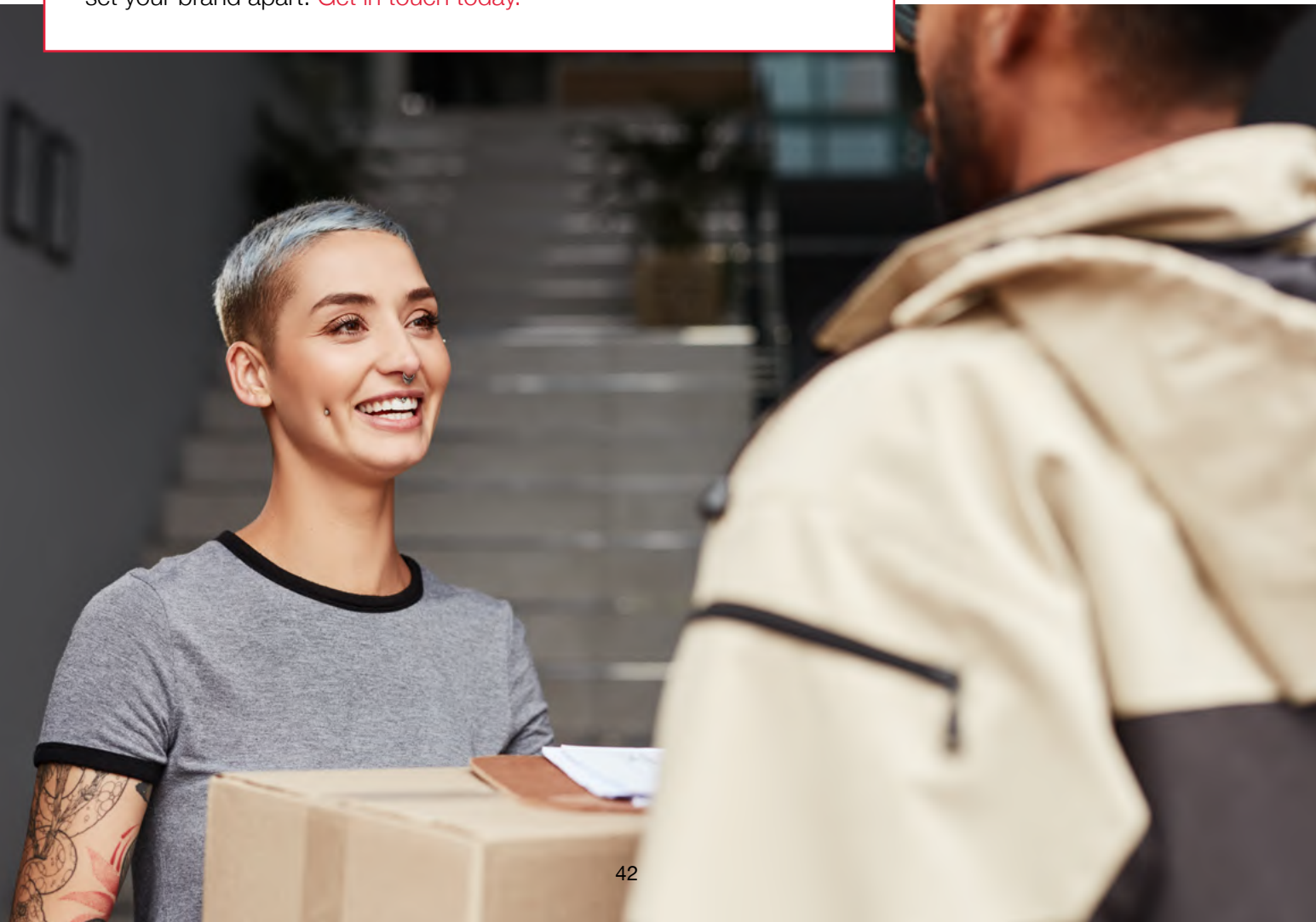


**From Our Partner** “Now more than ever, delivery experience is key to the success of brands and retailers. Recent MetaPack research highlights that nearly 40 percent of consumers said they would not return to a retailer following a bad delivery experience. As more people have turned to online shopping and new demographics of consumers have entered the ecommerce space and become frequent users, their expectations have changed. From convenient options at checkout to dependable timeframes, easy tracking, and convenient returns, consumers expect retailers to provide them with frictionless delivery experiences. The retailers and brands that invest into the infrastructure and technology needed to deliver those experiences will not only retain customers, but they'll also create new ones.

—Duncan Licence, Vice President of Global Product, **MetaPack Group**

Similar to the speed of delivery, global consumer appetite for forward-thinking delivery methods has also grown. Table 15 shows the growth of consumers' comfort level with each stated distribution method, from January 2020 to May 2021, with order delivery by a store associate as most preferred. Delivery by a third-party service provider, such as Shipt or Instacart, garnered 30 percent of collective consumers rating it as "very comfortable." Presumably, these two delivery types may be of the most comfort to consumers, as they are mainstream delivery efforts used for other services such as grocery and restaurant delivery, both of which spiked during the pandemic. **Brands must use this momentum in consumer delivery adoption to gain a competitive advantage in fulfillment.**

**Delivering the key to success.** When it comes to order fulfillment, the post-purchase experience is just as critical as making the sale. With certified professionals in Salesforce OMS, B2C Commerce, Service Cloud, and many other products, Astound creates scalable order and fulfillment solutions that drive customer retention and feed customer loyalty. Let us create the frictionless post-purchase experiences that will set your brand apart. [Get in touch today.](#)



**TABLE 15: Growth in consumers' comfort with the following delivery methods from January 2020 to May 2021 (average; Very Comfortable)**

	January 2020	May 2021	% Change
Delivery by a store associate	22%	35%	56%
Delivery to an automated pickup locker	20%	22%	12%
In-home/in-garage delivery	17%	22%	26%
Delivery by a driverless car	16%	22%	39%
Delivery by a drone	16%	21%	30%
Delivery by a third-party service provider	N/A*	30%	N/A

\*No historical data available



**From Our Partner** **From Our Partner:** Shoppers will be looking not just for the free shipping they've come to expect but also guarantees they will get their products on time. Merchants have to be faster and think local, especially in urban areas. Vacant offices and smaller warehouses are now being eyed vigorously to be repurposed into micro-fulfillment centers. Merchants should be mining their data to predict order patterns for their shoppers so they can get the right products to the right warehouse for that buyer. Brands that really stand out will be able to fulfill within the day or even within hours by using those micro-warehouses in more-urban locations.

Merchants also need to have a final-mile delivery plan that has a strategy for unexpected delays. Offering choice is important for shoppers, whether it be home delivery or picking up curbside or at a locker. For returns as well, from free shipping to returning in store, omnichannel will continue to be very popular in 2021. Amazing brands will have a true customer focus, adding value for shoppers with localized payments and a superior customer experience, while at the same time managing their supply chain like never before.

—Laura Lough, Director of Partnership, Fulfillment, and Logistics, **Digital River**

# The Returns Experience

Sir Isaac Newton’s third law of motion is typically summed up as follows: For every action, there is an equal and opposite reaction. A perfect manifestation of this was the boom in ecommerce sales in 2020 due to the necessary pivot to online shopping, resulting in an equal and opposite—and undesirable—boom in returns. The National Retail Federation (NRF) reported returns reached a colossal US\$428 billion in 2020 in the US alone. The staggering valuation of the retail returns market was already on an unsustainable trajectory. The pandemic has forced many brands to reassess their reverse supply chain logistics to establish innovative ways to efficiently process their massive intake of returns.

It is no surprise that shoppers across the globe are more inclined to facilitate the return of their online orders via that same channel, as opposed to returning the order in store, by a three to two margin. Consumers in the Middle East over-indexed on this metric, with 79 percent of shoppers in that region favoring the ability to begin the returns process via the online channel. Shoppers in North America were split 50/50 on their channel preference for online returns, with 52 percent of US shoppers favoring in-store returns.

Citing a litany of factors that merit the need to return their online order, both improper fit and size (36 percent and 30 percent, respectively) remain principal issues for global shoppers. Nearly one in four consumers claim that a misrepresentation of a product online and/or the product appearing differently in real life compared to the online depiction have caused them to subsequently return their order.

**Thwarting returns at the product page level is the first line of defense against gratuitous returns for online brands.** Improving product information and images topped the list of preventative measures brands could take that would help global consumers mitigate the need for a return, also helping to address the issue of misrepresentation of online products (Table 16). Similarly, 40 percent of global shoppers say providing product ratings/reviews can help them reduce the need to make a return, as product insights can be further gleaned from peers. Arming shoppers with all the necessary information they need to make an informed decision is paramount in discouraging returns.

**TABLE 16: Digital site features that can mitigate the need to make a return (average, by region)**

	Average	North America	Europe	Middle East
More-detailed product information/ images	55%	55%	54%	65%
Ratings/reviews	40%	42%	34%	51%
Real-time assistance via chat or text	32%	32%	28%	43%
Product videos	27%	29%	22%	39%
Size guides	27%	31%	20%	29%
Virtual try-on/see it in your space	26%	26%	23%	40%



**INSIGHT**

35 percent of Gen Z shoppers say AR/VR tools would help them select the right product and thereby mitigate the need to make a return.

Our consumer survey deployed in May 2020 found that just over one-third of global consumers felt they could not return their online orders, citing a reluctance to risk their health as the primary factor. Although COVID-19 was an extenuating circumstance, this trend illustrates a critical need for brands to establish a more convenient, omnichannel approach to returns, one that parallels the delivery experience. Particularly as digital commerce sales continue to grow and sustainability issues related to the retail industry as a whole reach critical mass, rethinking the returns experience should be a top priority for online brands. Brands must fiercely compete to win shoppers beyond the sale, and post-purchase touchpoints such as returns provide new opportunities to further customer engagement and foster brand loyalty.

**Continuing the conversation.** Astound works with post-purchase engagement platforms Narvar, Hellodone, and Signifyd to create engaging post-purchase experiences. Deliveries, returns, and order tracking provide additional opportunities for brands to connect with customers and drive engagement. *Let us help implement the post-purchase engagement solution that's right for you. Connect with us today.*



Including a return label within the shopper's online order package is most important for nearly 50 percent of consumers (see Table 17), led by 75 percent of Canadian shoppers, thus placing the onus back onto brands in terms of retrieving the product. Once the shopper has determined they no longer intend to keep the product, their mindset has shifted—for example, they may now need to search for a replacement product, thus starting their journey all over again. Waiting in line at a third-party shipper will create frustration that by association can directly impact your brand. As such, any effort the shopper deems extraneous to return the product will negatively impact the customer's experience and, consequently, your brand.

**TABLE 17: Capabilities that would create an easier return process (average, by region)**

	Average	North America	Europe	Middle East
Include a return label with original order	49%	57%	38%	51%
Ability to return and exchange order with the same process online	39%	40%	33%	58%
Provide return tracking	37%	37%	34%	51%
Ability to schedule a courier service to pick up the return	35%	35%	33%	44%
Allow for a longer return timeframe	24%	24%	21%	34%
Offer curbside returns at physical store	24%	27%	20%	30%
Ability to begin the return process online	17%	21%	10%	27%
Ability to return order by scanning a QR code in lieu of return label at drop-off site	14%	13%	13%	27%



**INSIGHT**

On average, once the need to return their online order has been determined, 47 percent of global consumers make that return within one week, while 28 percent return within two days.



Each holiday season, the stakes heighten for brands. The 2020 holiday season was the biggest on record for online shopping, with Salesforce reporting ecommerce sales catapulting to US\$1.1 trillion worldwide. While this was due to the pandemic-induced pivot to digital, and a potential stabilization may occur resulting from an increase in offline sales with the reopening of brick-and-mortar stores, consumers are unlikely to ever fully revert back to the customer journey of the past.

A fundamental shift has happened—consumers have wholly adopted digital commerce into their lives and shopping habits. But in-store shopping is still important, providing shoppers the social aspect and discovery capability they enjoy from this channel. Thus an antiquated approach consisting of a single, cookie-cutter view of the shopper will no longer work for today’s customer journey. Consumers shop across multiple channels, at any time, and for however long their journey takes. They demand a baseline digital experience that will achieve their desired outcomes—but exceeding their expectations is what wins their loyalty. In order to succeed today and beyond, brands must prepare now.





## About Astound

Astound Commerce is your mission-critical partner in digital commerce, maximizing the brand and business value of every consumer touchpoint. With a strong global presence, 20 years' experience, and a team of 1,400 deeply passionate experts in the areas of experience, design, demand, and technology, we've had the opportunity to partner with visionary brands such as L'Oréal, Boohoo, Halfords, FLOR, TOMS, and Crocs.

Born in Silicon Valley during the digital revolution, we know how to align business values with the latest technologies, personalized digital experiences, and the demands of mobile and socially connected consumers. We create unique and compelling experiences for customers across all channels and drive sustained business growth for our clients.

Learn more: [astoundcommerce.com](https://astoundcommerce.com)

3,000+

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20+

Years of Experience

1,400+

Ecommerce Specialists

One goal:

Add Business Value

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- Vertical Strategy & Solutions
- Solution Design & Definition
- Digital Commerce Transformation

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- Optimization & Analytics
- Relationship Management
- Sales Enablement



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- User Experience Design
- Visual Design
- Branding & Content Development
- Prototyping, Testing & Optimization

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