



THE FUTURE SHOPPER REPORT 2023

A global report offering an unparalleled view into the world of online commerce and shopping behavior to help businesses win online, surveying 31,000+ consumers across 18 international markets.

7TH EDITION

31,647 CONSUMERS /// 18 COUNTRIES



INTRODUCTION

Welcome to the 7th edition of our “Future Shopper” report, offering an unparalleled global view into the habits of online shoppers. Like last year, this report covers 18 countries and over 31,000 consumers, giving us a truly global view of online shopping behaviors.

We have now entered an era which we can call “post-COVID-19”, but much of the collateral damage remains, with the scars in retail still present. And while we might have hoped that being post-pandemic would have coincided with a sense of peace and harmony, it feels like the world is in even greater turmoil than before – be that because of the war in Ukraine, other growing geo-political tensions, inflation, or the cost-of-living crisis...

So, how is this all affecting the way consumers shop online, and what does it mean for brands, retailers and marketplaces?

The over-riding aim of our Future Shopper survey is to highlight the trends that businesses need to be strategically planning for, and act upon. And to cut through the opinions and stories to find the facts.

We hope you enjoy this report, and remember, you don’t need to read every page to understand the story, as we’ve packaged up both the headlines, and a condensed version of the report.

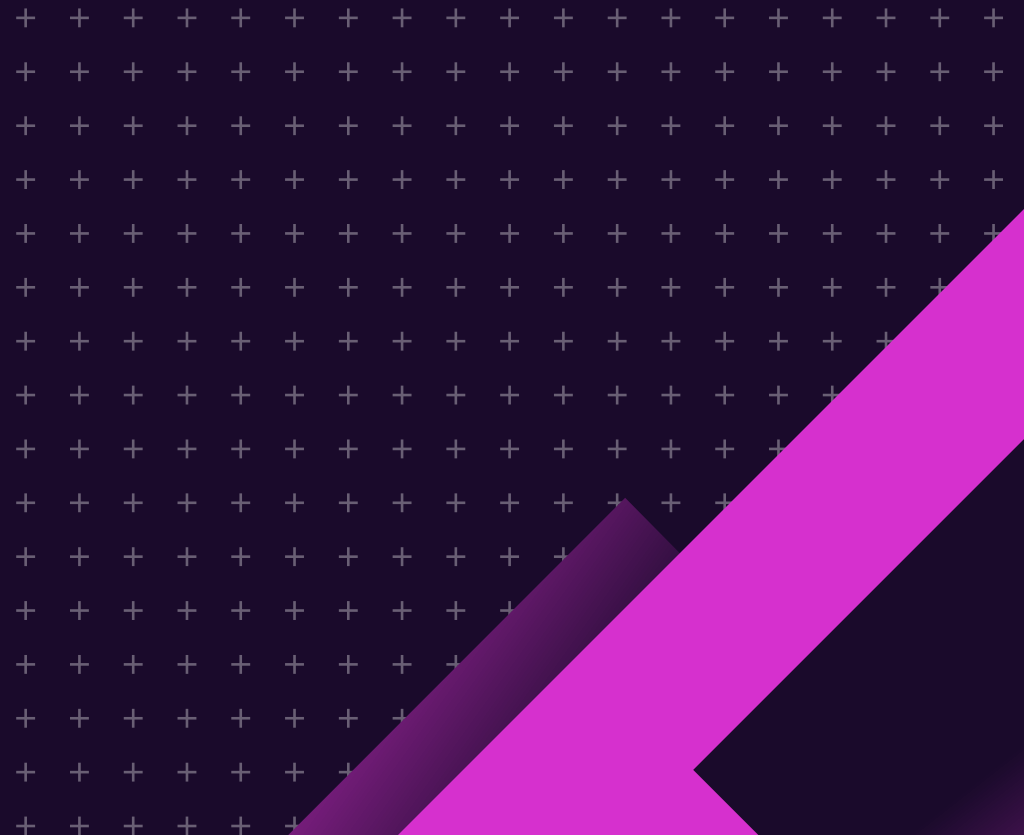


HUGH FLETCHER

GLOBAL MARKETING DIRECTOR AND THOUGHT LEADERSHIP LEAD

METHODOLOGY

The research was conducted by Censuswide, with 31,647 online shoppers who shop online at least once a month in the following markets: UK, US, France, Spain, China, Japan, Australia, Brazil, Argentina, Mexico, Colombia, India, Poland, UAE, Netherlands, Germany, South Africa and Thailand between 06.04.2023 – 20.04.2023. Censuswide abide by and employ members of the Market Research Society which is based on the ESOMAR principles.



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THE B2C FUTURE SHOPPER REPORT 2023: THE HEADLINES YOU NEED TO KNOW



THE HEADLINES YOU NEED TO KNOW...



1. THE ONLINE WORLD AND CONSUMER BEHAVIORS ARE STARTING TO SETTLE FOLLOWING THE PANDEMIC-RELATED DISRUPTION.

One of the key observations this year is a consistency of data with last year. This is striking given the huge year-on-year data changes we have recorded since 2020.

What does this mean for you?

Is your strategy in-line with all current trends, and are you accurately predicting how consumers will engage with you in the future?

2. ONLINE SHOPPING REMAINS STRONG, AND WILL GROW.

...but we have not seen huge YOY growth in online shopping since last year. However, large growth is scheduled over the next 10 years, so businesses must think online-first, and focus on enabling sales across an ever-increasing number of channels.

What does this mean for you?

Is your business planning and acting “digital-first” and changing processes and organizational structures to reflect these trends?

3. NEW WAYS OF WORKING ARE ALSO IMPACTING HOW WE SHOP.

WFH is changing how we research purchases online, the retailers and brands we are loyal to, and where we ultimately spend our money.

What does this mean for you?

Are you clear what impact a new, more online shopper will have on your business, loyalty to your brand or retailer, and the channels through which you sell?

4. WE'VE WELCOMED THE RETURN TO PHYSICAL STORES.

The majority of consumers still favor retailers and brands with physical and digital stores, and in the search and inspiration phase we have seen the re-emergence of physical stores to be key during the purchase process.

What does this mean for you?

Review your balanced channel strategy. Does it allow consumers to seamlessly shift across channels, and across digital and physical?

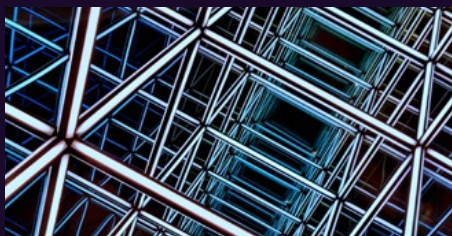


5. MARKETPLACES CONTINUE TO DOMINATE THE CUSTOMER JOURNEY, EXPERIENCE AND SERVICE.

But the share of spend percentages is not growing, and there are signs of recovery for D2C brands, who have addressed their issue of losing consumers during the purchase phase.

What does this mean for you?

Is your marketplace strategy delivering what it needs to? Is your content optimized to make you stand out from the crowd? And how are you remaining connected to your consumers?



THE HEADLINES YOU NEED TO KNOW...



6. RETAILERS AND BRANDS MUST CONTINUE TO IMPROVE THEIR ONLINE EXPERIENCES.

Consumers remain unforgiving of poor online experiences – they demand super-fast delivery, easy and free returns, product availability, and are skeptical that brands and retailers really know and understand the customer journey.

What does this mean for you?

Do you really know the full journey your consumers take to purchase from you? What works? What doesn't? Where are the weaknesses that your competitors can exploit?

7. EXPERIENCE IS KEY BUT THE NUMBER ONE DRIVING FORCE FOR ONLINE DECISION-MAKING IS PRICE.

Online shoppers are price-sensitive when deciding who to purchase from, but not far behind is the need for service; notably around delivery, returns and availability.

What does this mean for you?

How is your pricing strategy affecting your success? And how can you compete using service as a differentiator?

8. SOCIAL COMMERCE HOLDS HUGE FUTURE POTENTIAL.

Consumers consistently tell us they will use it more in future as a purchase channel. This is encouraging, given that many of the friction points, such as in-app purchasing, and full back-end integration, are yet to be completely realized.

What does this mean for you?

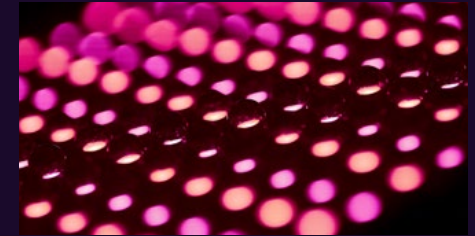
Do you have a social commerce strategy? Are you thinking about technology and integrating your back-end systems?

9. SUSTAINABILITY, ETHICS AND PURPOSE ARE KEY FACTORS IN PURCHASE DECISIONS.

...and consumers are increasingly choosing environmentally friendly options and demanding transparency.

What does this mean for you?

Are you communicating your sustainability credentials and being clear about your practices and environmental impact?

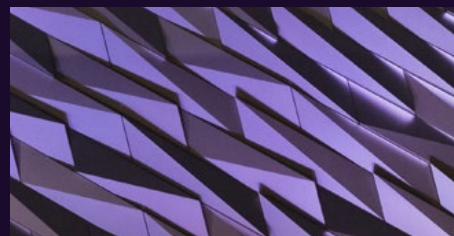


10. THE WORLD IS DIGITIZING, AND WE SHOULD THINK MORE DIGITALLY AND OUTSIDE OF OUR PHYSICAL LIMITATIONS.

...as there are now more digital products, more digital platforms, and more consumers who believe their avatars are just as important as their flesh and blood bodies. The future will be one where physical products and services will be reinvented to work in the digital and physical world.

What does this mean for you?

Are you reviewing your future product and distribution strategy? Are you innovating for the future, or just focused on the present? Don't let consumers' desire to digitize come as a surprise, and too late for your business!



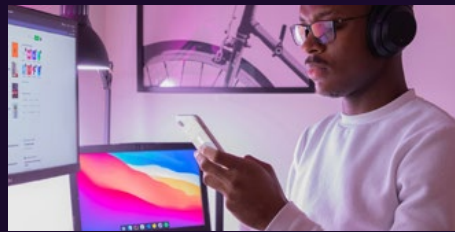
THE FUTURE SHOPPER 2023 CONDENSED

1. ONLINE SHOPPING IS RISING SLOWLY, BUT SHOWS NO SIGNS OF STOPPING.

58% of all consumer spending is now online (vs 57%) last year.

64% of spending will be online in 10 years' time, according to consumer predictions.

68% of global shoppers are now more comfortable with technology than last year.



2. WORKING FROM HOME (WFH) IS CHANGING HOW SHOPPERS BUY.

65% of consumers say they shop online more because of working from home.

66% of global shoppers say they spend more time researching their purchases due to WFH, while 65% say they have discovered new brands and retailers as a consequence of WFH.

66% of consumers want their future working habits to feature more working from home.

3. THERE IS DEMAND FOR OMNI-CHANNEL SHOPPING ACROSS AN EVER-INCREASING SET OF CHANNELS, DEVICES AND ACROSS PHYSICAL AND DIGITAL.

56% of consumers say they want seamless communication across digital and physical channels, and the ability to move between them.

60% of global shoppers prefer to shop with a retailer or brand that has both digital and physical stores.

32% of all online spending globally is done on mobile phones.



4. THE CUSTOMER JOURNEY IS OMNI-CHANNEL AND SEAMLESS, ALBEIT FIRST AND FOREMOST A DIGITAL ONE.

64% of inspiration is gained from online sources.

24% of consumers use in-store browsing as their main source for inspiration.

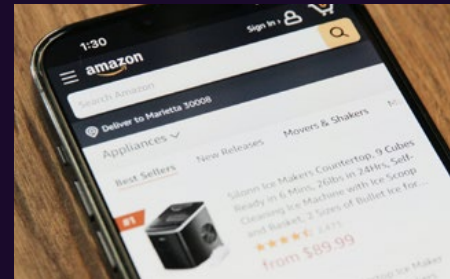
71% of the search process happens online.

5. MARKETPLACES REMAIN THE NUMBER ONE ONLINE CHANNEL.

35% of global shoppers get their inspiration from marketplaces, making it the number one channel for inspiration.

31% of global shoppers search for products on marketplaces, making it the number one channel for search.

35% of all online shopping globally goes via marketplaces (the same percentage as last year).



6. AND DON'T UNDERESTIMATE THE ROLE MARKETPLACES COULD PLAY IN THE FUTURE.

51% of global consumers are open to buying their energy, water and utilities from marketplaces like Amazon, Tmall and Mercado Libre.

42% of global consumers are open to using a dating app provided by marketplaces like Amazon, Alibaba and Mercado Libre.



7. BUT DESPITE THE MARKETPLACE DOMINANCE, THIS YEAR WE SEE A RESURGENCE IN PHYSICAL RETAIL AND D2C BRANDS.

2nd place – consumers identified physical stores as the number two channel for both inspiration and search for their online shopping.

14% – the percentage of online shopping through DTC brand sites, up from 7% last year.

58% of global shoppers say they like buying from branded marketplaces.



THE FUTURE SHOPPER 2023 CONDENSED

8. SOCIAL COMMERCE SHOULD BE IGNORED AT YOUR PERIL.

67% of global shoppers say they have already bought through social media platforms (up 2% on last year).

53% of global consumers say they intend to shop more through social platforms in the future.

39% of global shoppers say social-specific deals and discounts would encourage them to purchase on social media platforms more.

9. PRICE IS NO. 1 WHEN IT COMES TO DECISION-MAKING ONLINE.

56% of global consumers identify price as the most important factor when purchasing online, placing it in first position.

53% of global shoppers say a better price would make them shop directly from a brand, making it the number one reason for switching.

46% of global consumers say they would choose another retailer or brand over a marketplace if their price was cheaper.

\$378 the average that global consumers are happy to spend on one item online, showing that, whilst price is important, big-ticket commerce is clearly here, too!



10. PRICE MIGHT BE KING, BUT SERVICE IS NOT FAR BEHIND IN IMPORTANCE.

The No. 1 thing global consumers would change about online shopping is “faster delivery”.

48% of consumers say that, when it comes to delivery, the number one change would be “faster delivery”, putting it as the number one desired improvement.

2.15 days – the average amount of time global consumers expect to wait for their online orders to arrive. Last year it was 2.36 days.

23% of consumers now expect delivery in less than 2 hours!



11. WHEN THINKING ABOUT SERVICE, MAKE SURE THAT YOU REMEMBER RETURNS!

19% of everything ordered online is returned.

35% of global consumers admit to over-ordering online items, with the intent of returning them.



12. SUSTAINABILITY, PURPOSE AND ETHICS ARE MORE IMPORTANT THAN EVER, BUT NEED TO BE UNDERPINNED BY THE RIGHT PRICE AND SERVICE.

52% of global shoppers claim to have changed their shopping habits due to concerns about global warming and the environment.

59% of consumers believe that companies are not doing enough to offset their impact on the environment.

46% of consumers have used sustainable delivery options when ordering online (up from 43% last year).

13. THE WORLD IS DIGITIZING, AND WE NEED TO REDEFINE OUR VIEW OF “CONSUMERS”.

45% of global shoppers would prefer their products to be digital and instantly downloadable.

37% of everything bought online is a digital product or service, vs 63% that is a physical item.

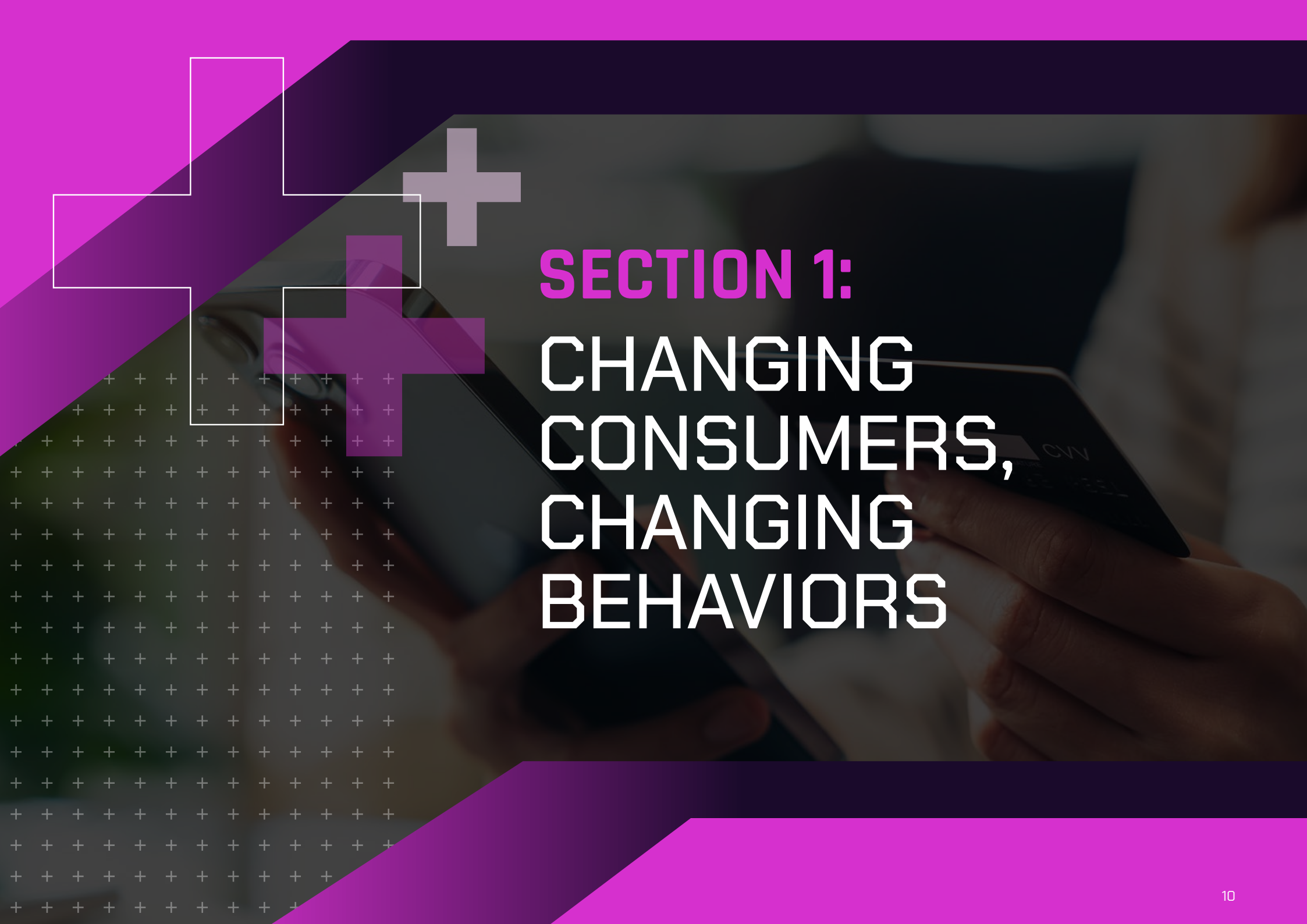
57% of gamers spend money in game.

49% of gamers told us they would be interested in buying real-world items in games.

45% of global consumers signaled their interest in the ability to carry on purchasing after they die. We call this “post-death consumerism”.

23% of global consumers are using, or have used, the metaverse to make purchases online.



The background features a person's hands holding a smartphone. The image is overlaid with a dark, semi-transparent layer. On the left side, there are several decorative elements: a large white outline of a cross, a solid purple cross, and a smaller light purple cross. A grid of small white plus signs is visible in the lower-left quadrant. The overall color palette consists of vibrant magenta, purple, and white against a dark background.

SECTION 1: CHANGING CONSUMERS, CHANGING BEHAVIORS

CHAPTER 1: ONLINE SPENDING CONTINUES TO GROW

Let's start our 2023 report with one of the most important questions: just how much spending is online? Last year, consumers told us that 57% of their spending was online. This year, this figure shows a modest rise to 58%.

58%

OF ALL CONSUMER SPENDING IS NOW ONLINE
(VS 57% LAST YEAR).

And where in the world is online spending highest?

The answer is Mexico, where 69% of all spending occurs online... 3% ahead of second placed Colombia, while bringing up the rear is France (48%). In fact, only two countries, France and Japan, dipped below 50% of spending being online.



CHAPTER 2:

ONLINE SPENDING IS SET TO GROW OVER THE NEXT 10 YEARS

To support both the short- and long-term planning goals of our audience, we don't just want to know what's happening today, but what the future will look like, too.

So, let's look at the rest of 2023 to begin with. 60% of global consumers say online shopping will be more important to them in 2023 than it was in 2022, with Thailand leading the way (81%) and the Netherlands at the foot of the list (40%).

Meanwhile, 61% of consumers globally say they will increase their usage of digital shopping channels in the future. But how does this translate to the level of spend that will be online?

To get a precise figure, we asked consumers to predict how much of their spending would be online in 10 years' time. The answer was 64% – 6% up from the current 58%.

64%

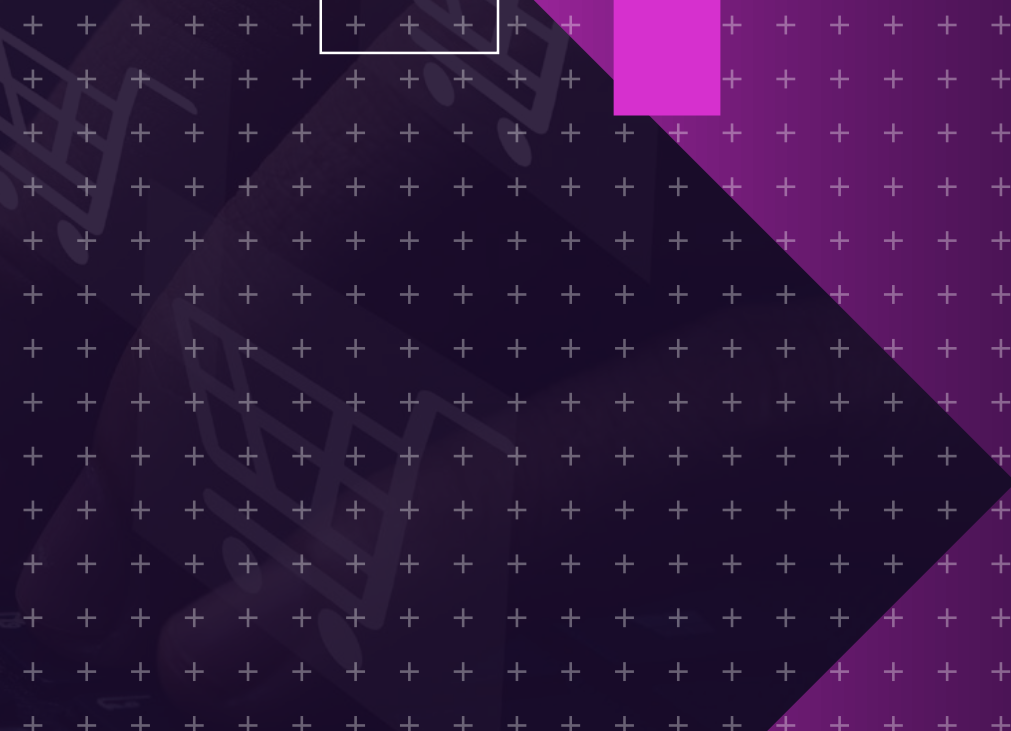
OF SPENDING WILL BE ONLINE IN 10 YEARS' TIME, ACCORDING TO CONSUMER PREDICTIONS.

It is in China that online spending will be greatest according to our audience's projections, with 75% of all spending being online, while it is the French who predict the lowest online percentage of 53%.

And where will the biggest changes occur? The Netherlands, South Africa and Japan look set to experience the biggest change, with consumers in these countries expecting a 12% swing from offline to online over the next 10 years.

We also wanted to understand the influence of consumer age in these percentages, too. Currently, the over-65s spend the smallest percentage online (44%), but this will grow the most over the next 10 years. The 16-24-year-old age group spends the joint highest proportion (with 25-34-year-olds), yet this is set to grow the least in the next decade. The group that will spend the most online in 10 years will be the 25-34-year-olds (67%).

What does this mean? It supports the finding that, at a macro level, everyone is an online shopper, and everyone will be conducting the majority of their purchases online in the future. At the same time, there will clearly be nuances by age group and market – most obviously, as a result of the impact of the cost-of-living crisis on disposable incomes.



PERCENTAGE OF ONLINE SPENDING

	% SPEND CURRENTLY ONLINE	% SPEND PREDICTED TO BE ONLINE IN 10 YEARS' TIME	CHANGE
OVERALL	58%	64%	+6%
MEXICO	69%	68%	-1%
COLOMBIA	66%	67%	+1%
INDIA	64%	64%	0%
CHINA	64%	75%	+11%
ARGENTINA	62%	66%	+4%
BRAZIL	60%	72%	+12%
THAILAND	59%	65%	+6%
UAE	58%	63%	+5%
SOUTH AFRICA	58%	71%	+13%
UK	57%	62%	+5%
NETHERLANDS	56%	68%	+12%
GERMANY	55%	64%	+9%
USA	54%	59%	+5%
SPAIN	54%	55%	+1%
AUSTRALIA	53%	62%	+9%
POLAND	52%	63%	+11%
JAPAN	49%	61%	+12%
FRANCE	48%	53%	+5%



HOW MUCH SPENDING ACROSS AGE GROUPS WILL BE ONLINE IN 10 YEARS' TIME?

AGE	NOW		IN 10 YEARS		CHANGE
16-24	62%		65%		+3%
25-34	62%		67%		+5%
35-44	59%		65%		+6%
45-54	53%		62%		+9%
55-64	49%		59%		+10%
65+	44%		55%		+11%



CHAPTER 3: CONSUMER BEHAVIOR HAS CHANGED FOR GOOD

One of the barriers to online shopping adoption has historically been the level of comfort (or should that be discomfort) with technology. Many consumers' fears of technology were challenged unexpectedly during the pandemic and, since then, we have witnessed increased ease and adoption.

Last year, 72% of consumers said they were more comfortable with technology than the year before. Today, that figure is 68%, so, although not at 2022 levels, it still points to high confidence levels and proof that consumers are increasingly comfortable with technology.

As one might expect, it is the over-65s that reflect the smallest percentage who say they are more comfortable with technology, at just 36%. The 25-34-year-old age group displays the highest confidence levels, scoring 77%.

68%

OF GLOBAL SHOPPERS ARE MORE COMFORTABLE WITH
TECHNOLOGY TODAY THAN A YEAR AGO.



CHAPTER 4: DEVICES USED FOR ONLINE SHOPPING

With more purchasing taking place online, and very little to suggest this trend will stop its advance, we also need to understand which devices are enabling online shopping.

What's clear is that we are living in a mobile-first world, with 32% of all online spending going through mobile phones, followed in second position by laptops (17%) and desktops (16%). However, it's worth pointing out that, when you add these two figures together, you see that computers (laptop and desktop) would take first place.

What does this mean? It means that businesses who want to build the right experiences and conversion opportunities for their consumers should apply a balanced – if not entirely equal – level of focus across mobile web, app, desktop and laptop users, to ensure their journeys are seamless, friction-free and consistent.

32%

OF ALL ONLINE SPENDING GLOBALLY IS DONE ON
MOBILE PHONES.



EXPERT OPINION:

WHY ONLINE COMMERCE NEEDS A MOBILE-FIRST STRATEGY

With 38% of all retail transactions being through a mobile device, including tablet, creating the best possible mobile experience is not simply an option, it is a necessity for retailers. Your customers are demanding that you provide them with a simple, yet highly engaging, mobile experience that makes best use of the hugely powerful technology they have in their hands. Ensuring you have the right strategy for your brand to meet that customer expectation is what will ensure you keep pace with those demands. Putting your mobile experience top of your experience list, ensures you create the best experience for your most active channel.



JONATHAN HEAP

CTO

E: JONATHAN.HEAP@WUNDERMANTHOMPSON.COM

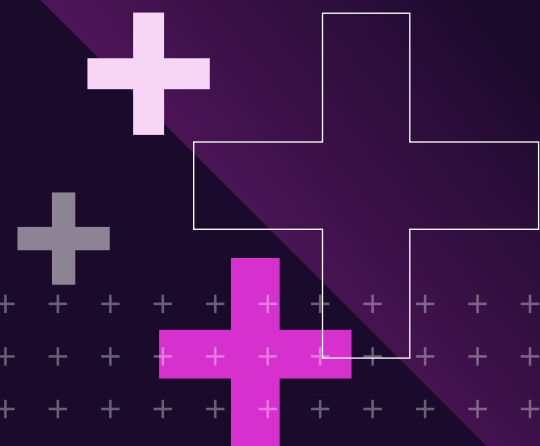


**HOW VML CAN HELP YOU:
MOBILE TECHNOLOGY SERVICES**

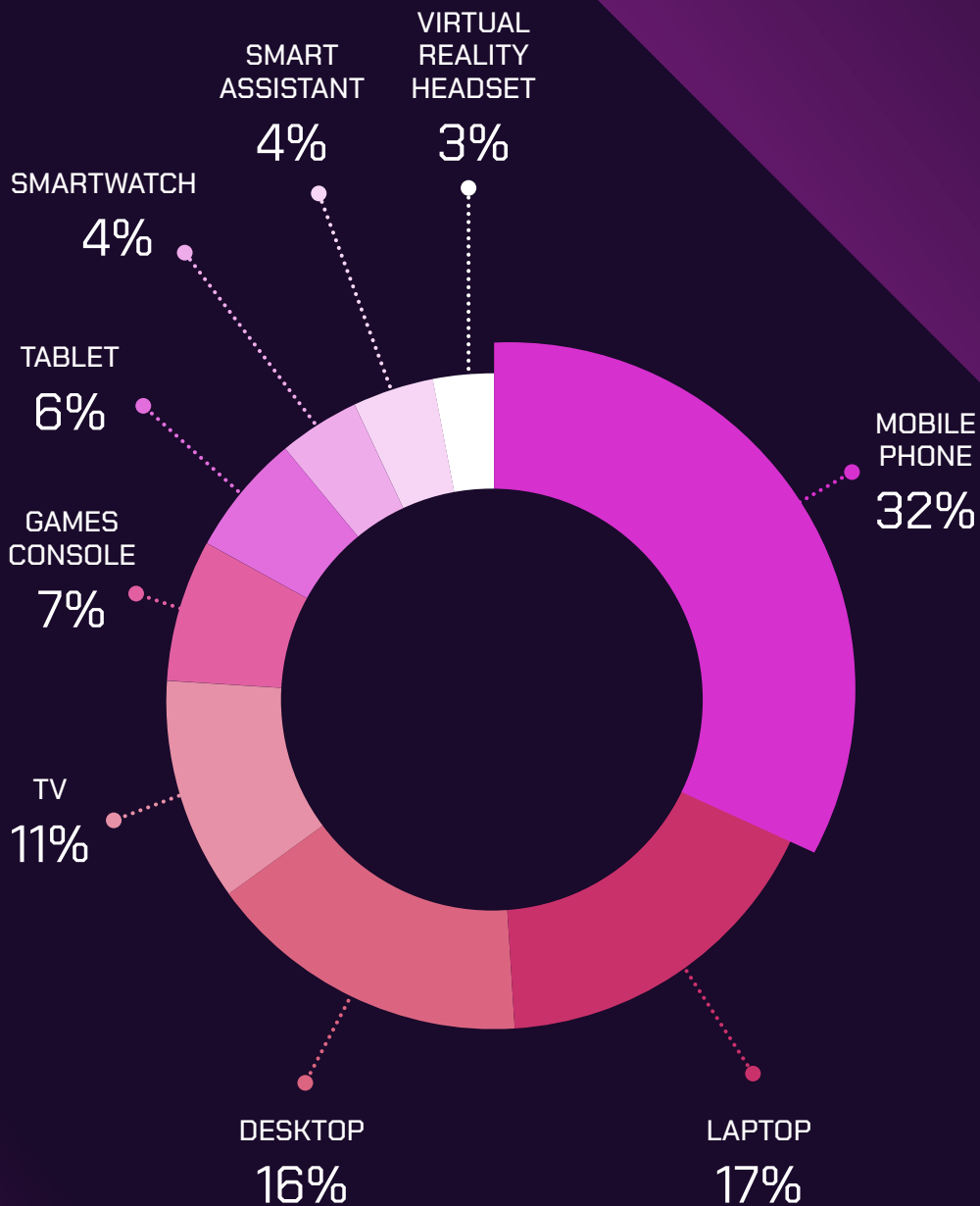
We help some of the most successful commerce brands to build complex and advanced mobile app solutions quickly, seamlessly and always within resource. We're doing this through native apps reimagined, our advanced mobile platform, mobile commerce intelligence, bespoke mobile apps, intricate integration, and connecting customer experiences.

Our mobile app platform is the most advanced in the market, consisting of features and functionality that place our clients far ahead of their competition.

Find out more [here](#).



THROUGH WHICH DEVICES DO CONSUMERS MAKE THEIR PURCHASES?



CHAPTER 5: SHOPPING IS OMNI-CHANNEL

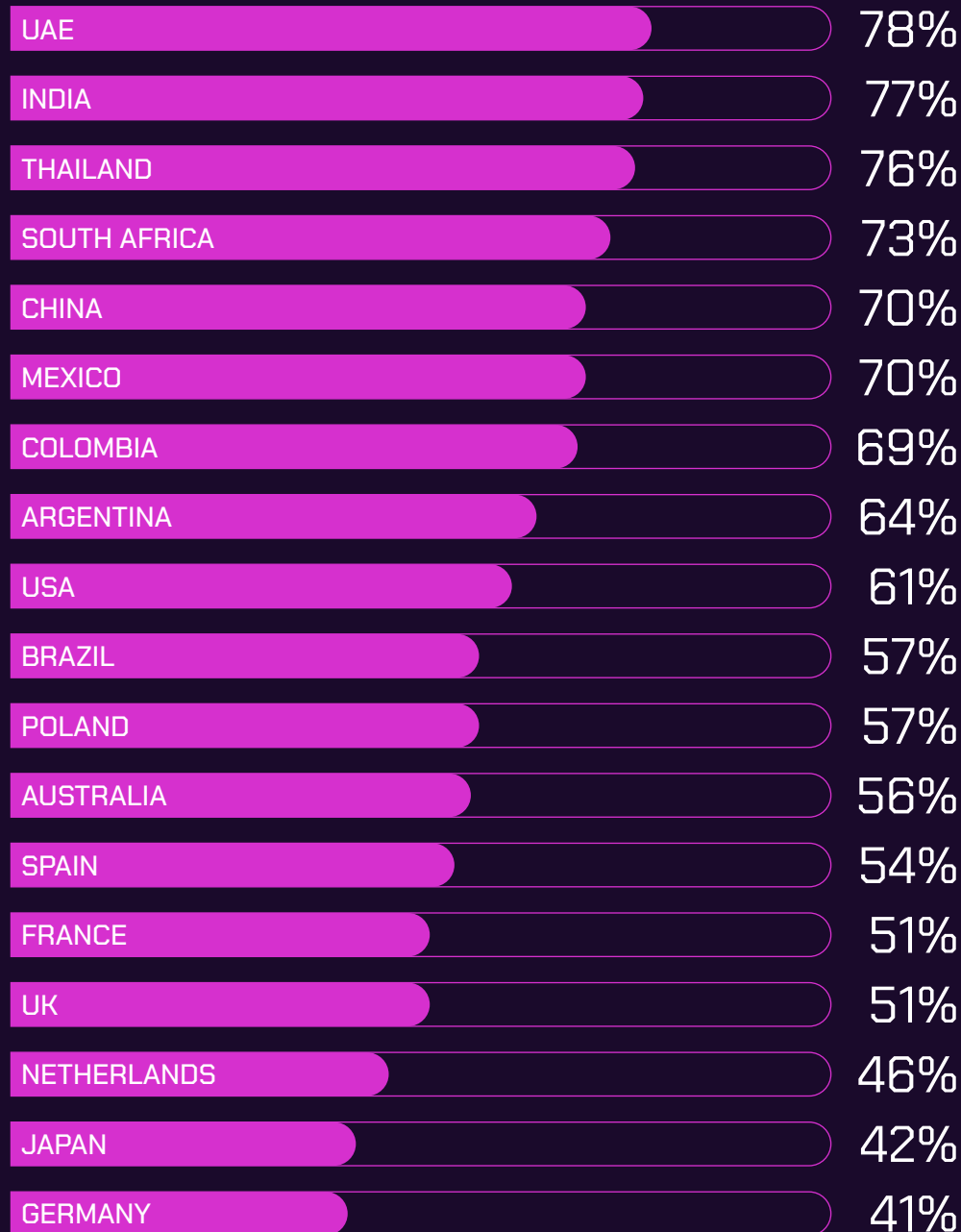
As always, with so much talk about the rise of online spending amid ongoing reports of disappointing high street trading figures and closures, there is a tendency to say that physical shopping is on its last legs, if not dead. But, while we do see challenges for physical retailers, we also get a noticeably clear message from consumers that they would prefer to shop from retailers that have both physical and digital stores.

Last year, 60% of global consumers said they prefer to shop with a retailer or brand that has both digital and physical stores, and that percentage has stayed exactly the same this year. Once again, this is proof that businesses must develop their omni-channel strategies.

This link between physical and digital is most important in the UAE (78%), while German consumers seem far less fussed – albeit, 41% would still prefer digital and physical capabilities.



THE PERCENTAGE OF SHOPPERS WHO WOULD PREFER TO SHOP WITH A BRAND OR RETAILER THAT HAS BOTH A PHYSICAL AND ONLINE STORE.



One thing brands and retailers do need to work on is ensuring there is seamless communication and movement across channels. This is something that 56% of consumers claim is essential, with only 13% saying it is a non-issue. The message is clear – different channels must work in unison to meet consumers’ expectations.

56% OF CONSUMERS SAY THEY WANT SEAMLESS COMMUNICATION ACROSS CHANNELS, AND THE ABILITY TO MOVE FROM DIGITAL TO PHYSICAL, AND VICE VERSA.

This point is proven when we look at how consumers are constantly using both physical and digital channels together. Even if the purchase is ultimately made in-store, we see the contribution of digital, with 72% of consumers saying they research their purchases online before they buy them in-store.





EXPERT OPINION:

WHY A BALANCED OMNI-CHANNEL STRATEGY IS VITAL TO THE SUCCESS OF BRANDS AND RETAILERS

Brands and retailers have had the opportunity to learn so much more about their customer behavior over the last few years than ever before, when digital touchpoints were, at times, the ONLY way customers could interact with brands and retailers.

This means omni-channel strategies are ripe for refreshing, to redefine the future of how organizations engage with their customers, and elevate the experience by maximizing the strengths of each channel. Unifying the customer experience across both owned real estate (e.g. brand.com, apps) and third party properties (e.g. social) is an ongoing challenge, so taking a fresh look at an organization's omni-channel strategy is a great opportunity to evolve the thinking to make it fit for future ambitions.



SHALINA GANATRA

HEAD OF ECOMMERCE CONSULTANCY

E: SHALINA.GANATRA@WUNDERMANTHOMPSON.COM



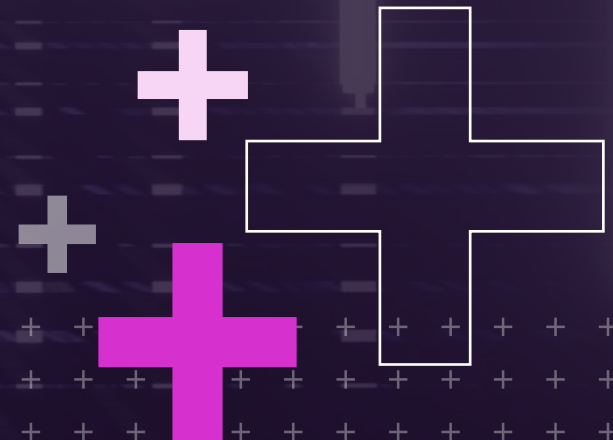
HOW VML CAN HELP YOU: ERETAIL / CONSULTANCY

We help brands execute seamlessly and profitably across all digital channels through specialist eRetail services to help brands win in omni-channel commerce. Our offering comprises 3 core services: Commerce Strategy – Commerce Execution – Commerce Intelligence, and this unique portfolio spans strategy, channel build / develop, marketing execution and proprietary technology across D2C, owned retailers, marketplaces and social commerce.

To help you take the first steps, we offer two introductory services:

- A free Channel Audit to help accelerate your eCommerce performance through an assessment of your channel strategy.
- A free Retail Media audit to identify how to maximize your Return On Ad Spend.

Find out more [here](#).



CHAPTER 6: BIG TICKET RETAIL

What can be sold online?

The answer is pretty much anything! Especially as we see an appetite for spending more online. But, some concerns still exist over whether consumers are comfortable (and no doubt financed in today's challenging economic climate!) to spend big online.

So, just how much are consumers globally happy to outlay on a single item online? A sizable \$378 is the answer.

German consumers are happy to spend the most on one item online – \$749 in fact – averaging twice the mean amount. This is well ahead of the second placed \$646 that Chinese shoppers would be content to spend. And South African consumers are most reticent about spending large online, with an average of \$106.

This tells us that, increasingly, consumers are comfortable and relatively unrestricted in making high value purchases online. And this is supported by our research into B2B markets, too. Almost nothing is exempt from being sold online – or, to put it plainly, every business is an eCommerce business.

\$378

THE AVERAGE THAT GLOBAL CONSUMERS ARE HAPPY TO SPEND UP TO ON ONE ITEM ONLINE.



WHAT IS THE MOST GLOBAL SHOPPERS ARE HAPPY TO SPEND ON A SINGLE PRODUCT ONLINE?

01	GERMANY	\$749
02	CHINA	\$646
03	NETHERLANDS	\$494
04	SPAIN	\$468
05	JAPAN	\$455
06	ARGENTINA	\$402
07	UAE	\$399
08	USA	\$381
09	UK	\$366
10	FRANCE	\$348
11	MEXICO	\$339
12	POLAND	\$339
13	AUSTRALIA	\$306
14	BRAZIL	\$306
15	COLOMBIA	\$262
16	THAILAND	\$219
17	INDIA	\$216
18	SOUTH AFRICA	\$106

CHAPTER 7: DIGITIZING PRODUCTS AND SERVICES

One trend we've been tracking for several years is the move from physical to digital products. We tend to think of buying online as being about physical products being ordered, picked, packed and delivered. In reality, a significant percentage of what is bought online is a digital product or service.

In 2021, this figure was 33%, in 2022 it was 38%, and in 2023 this figure remains relatively stable at 37%. When it comes to age, as one might expect, digital products and services are more of a young person's game, with the percentage of digital items being bought decreasing with each age group.

37%

OF EVERYTHING BOUGHT ONLINE IS A DIGITAL PRODUCT OR SERVICE, VS 63% THAT IS A PHYSICAL ITEM.

So, does this percentage of digital purchasing match the desire for digital products? Almost, but it looks like there is still room for growth, as 45% of global shoppers would prefer their online purchases to be digital and instantly downloadable. Last year this figure was 49%. Could this be an indication that demand for digital products is plateauing, after the pandemic-accelerated digital rush?

You might expect the youngest age group to be driving this. But that's not the case. While 50% do want their purchases to be digital and instantly downloadable, this is the same percentage as the 35-44-year-olds and behind the 54% of 25-34-year-olds. So, this isn't just about the youngest consumers!

45%

OF GLOBAL SHOPPERS WOULD PREFER THEIR PRODUCTS TO BE DIGITAL AND INSTANTLY DOWNLOADABLE.

When it comes to the countries, as with last year, we see India once again at the top of the list, albeit with a slightly lower percentage than last year, and again Japan is at the bottom of the list, with a drop in digital items being bought.

It's worth noting that in the case of India, which leads several of our survey tables, the cost of mobile internet data is among the lowest globally, with Indian consumers benefiting from free trials and massively slashed prices. This has contributed to the widespread adoption of mobile internet services in the country and massive mobile phone penetration across all strata of society and every part of the country.

India is also one of the youngest nations in the world with a median age being around 28 years, and is expected to have one of the youngest populations in the world till 2030.

It's also notable that Japan props up the bottom of many of our survey tables around digital appetite and propensity. We take a closer look in section 6, chapter 10.

THE PERCENTAGE OF DIGITAL PRODUCTS AND SERVICES BOUGHT BY AGE GROUP



WHICH COUNTRY HAS THE HIGHEST PERCENTAGE OF DIGITAL ITEMS BEING BOUGHT ONLINE?

		2023	2022	DIFFERENCE
01	INDIA	45%	47%	-2%
02	UAE	41%	41%	0%
03	USA	41%	43%	-2%
04	AUSTRALIA	41%	40%	+1%
05	ARGENTINA	41%	39%	+2%
06	MEXICO	40%	41%	-1%
07	UK	40%	38%	+2%
08	COLOMBIA	39%	39%	0%
09	NETHERLANDS	38%	44%	-6%
10	BRAZIL	38%	39%	-1%
11	SOUTH AFRICA	37%	37%	0%
12	THAILAND	37%	36%	+1%
13	SPAIN	37%	38%	-1%
14	GERMANY	35%	36%	-1%
15	CHINA	34%	36%	-2%
16	FRANCE	32%	35%	-3%
17	POLAND	31%	NA	NA
18	JAPAN	23%	28%	-5%



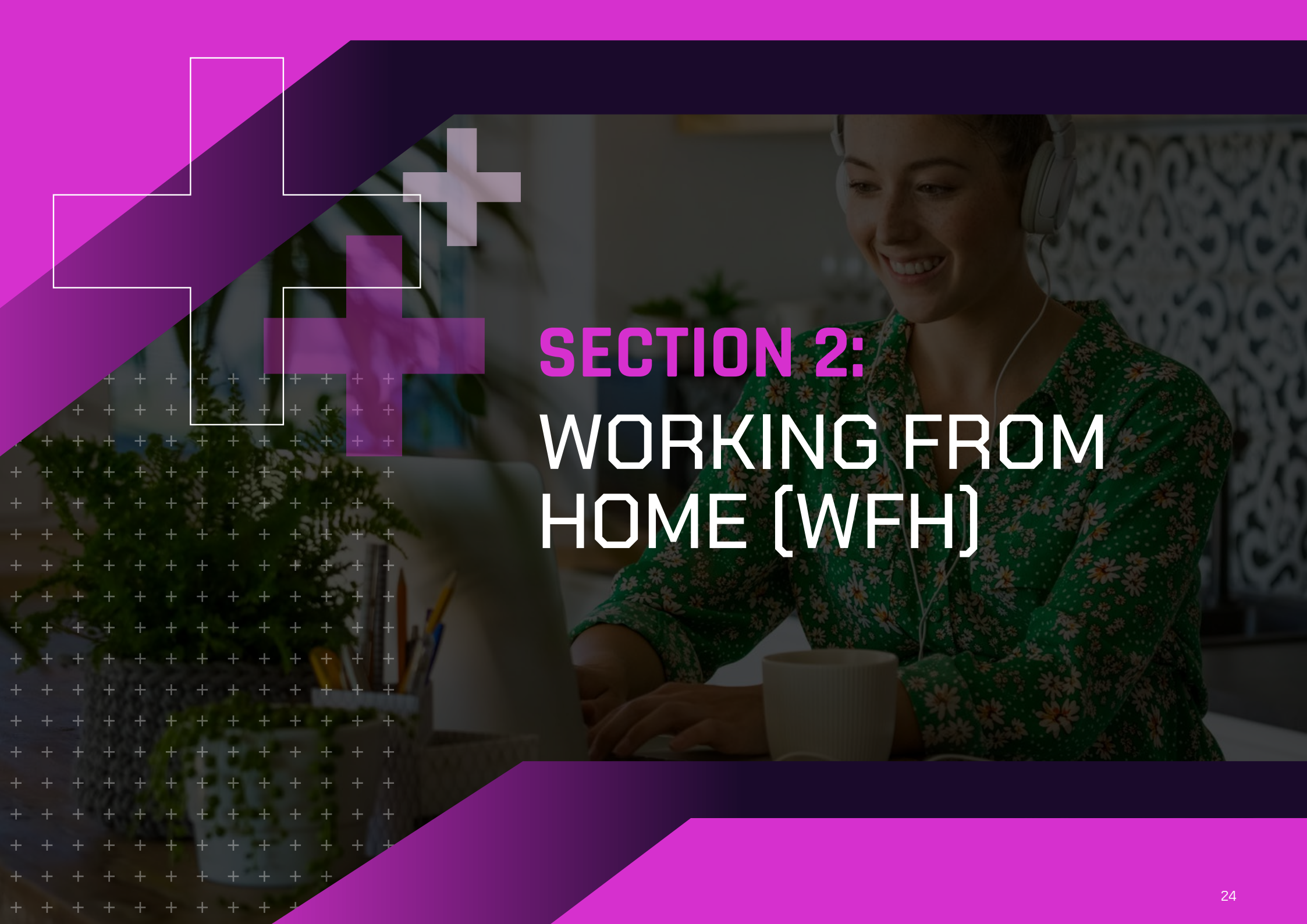


KEY THOUGHTS

- **ONLINE'S RISE CONTINUES, ALBEIT AT A SLOWER PACE, BUT PROJECTIONS FOR 10 YEARS' TIME REINFORCE THAT IT WILL ECLIPSE PHYSICAL SHOPPING.**
 - Businesses that do not have their online commerce strategy in place will find themselves increasingly at competitive risk, and will face difficult times ahead.

- **CONSUMERS WANT OMNI-CHANNEL SHOPPING EXPERIENCES WHICH SPAN PHYSICAL AND DIGITAL.**
 - Get your omni-channel strategy right to ensure consumers can seamlessly move across channels and across physical and digital.

- **EVERY BUSINESS IS AN ECOMMERCE BUSINESS, WITH CONSUMERS HAPPY TO SPEND BIG ONLINE.**
 - Revisit your online product strategy, and consider digitizing your products and services, as a significant proportion of what is bought online is now digital.



SECTION 2: WORKING FROM HOME (WFH)

Pre-2020, it would be hard to imagine that we'd need a section on the effects of working from home (WFH) in our Future Shopper survey. But many things have changed in the ensuing years. Working from home, and our new, hybrid approach to work location continues to divide opinion and elicit emotions. It's something we've been eager to track over the last couple of years. But this report is about shopping behaviors, so what we really want to know is how has working from home influenced shopping behavior?

CHAPTER 1: WFH RIGHT NOW

Before we investigate, let's get the lie of the land. Across the 18 markets we surveyed, the average number of days that consumers work from home per week is 2.77, with only 1 in 5 of us (21%) not working at home at all.

2.77

THE NUMBER OF DAYS, ON AVERAGE, GLOBAL CONSUMERS WORK FROM HOME PER WEEK.

It's interesting to note the group that works from home the least is the over-55s, albeit their average is 2.49 days. The highest percentage is the 25-34-year-old age group (2.9 days).

We also wanted to detect regional variances, too, and found that Brazil has embraced WFH the most, with the average number of days at home being 4.68 days a week. While the lowest are France and Spain each on 1.99 days.





CHAPTER 2: WORKING FROM HOME IN THE FUTURE

That's the here and now, but what exactly is the appetite for working from home in the future?

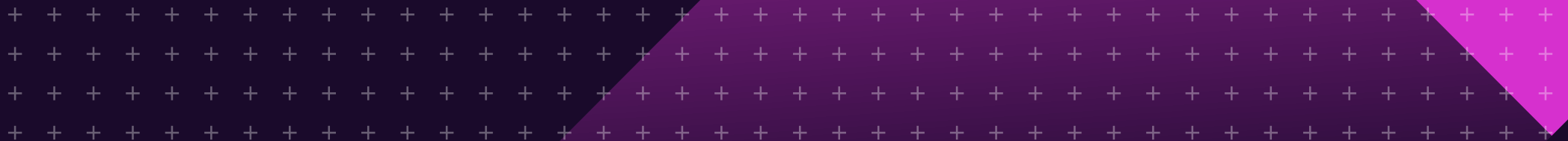
Last year, 3 in 5 consumers (60%) said they wanted their future working habits to feature more working from home. This year, the number has risen to 66%.

So, what do these WFH developments spell for consumer behavior? Let's start by looking at whether WFH has increased online spending. The answer is a resounding "yes", with 65% of consumers saying they shop online more as a result of working from home.

65%

OF CONSUMERS ARE SHOPPING ONLINE MORE AS A RESULT OF WORKING FROM HOME.

We also wanted to examine whether there had been any impact on loyalty due to WFH. Over half of consumers (56%) say their favorite retailers have now changed as a result of WFH, while 57% admit they feel less loyal to physical stores they used to frequent. These indicate a remarkable trend, and one we've seen reflected even further in B2B sectors.





EXPERT OPINION:

WHY BUSINESSES SHOULDN'T DEFAULT TO THE NORMAL RULES OF ENGAGEMENT, WITH MORE OF US WORKING FROM HOME

Convenience is a key factor in our decision making, and where and how we choose to spend our money. And WFH is all about convenience! Experience is clearly vital to the performance of physical stores and online, but convenience is all about the ecosystem being adapted to people's needs. While leaving our homes more and more for your personal life (family, sports, meeting with friends), anything that may support non-specific, added value tasks – and that means shopping! – goes into digital, automated, delivered and convenience choices. And this is what we are seeing firsthand in Brazil today. It's a trend that emphasizes the importance of loyalty programs to enhance the relationships with frequent buyers to increase competitive barriers, and the level of service that any given digital commerce business should deliver.



GLEND A KOK

CHIEF OF TECHNOLOGY BUSINESS LATAM

E: GLEND A.KOK@WUNDERMANTHOMPSON.COM



CHAPTER 3: HOW WFH HAS CHANGED HOW WE SHOP ONLINE

It would certainly appear that WFH has enabled consumers to shop in a slightly different way; 66% say they spend more time researching their purchases online, while 65% say they have discovered new brands and retailers.

66%

OF SHOPPERS SAY THEY SPEND MORE TIME RESEARCHING THEIR PURCHASES DUE TO WFH, WHILE 65% HAVE DISCOVERED NEW BRANDS AND RETAILERS.

It has also changed a number of other things...

For instance, our findings suggest that the majority of consumers (63%) feel they are saving money on discretionary items like coffee and snacks. The flipside of this is that 59% of consumers believe they spend more on themselves through self-gifting, due to the savings they make from commuting less.

And WFH has also increased the importance of delivery, with 69% saying that, due to working from home, delivery has become even more important to them.

But the new WFH dynamics have also signaled notable concerns, too. Over half of consumers globally (51%) conceded that their mental health has suffered due to increased working from home. We can only speculate as to the main reasons here. For instance, with our survey revealing that 63% of consumers are spending more time on social platforms due to WFH, is this heightened social media exposure one of the leading determinants?

51%

OF SHOPPERS ADMIT THEIR MENTAL HEALTH HAS SUFFERED DUE TO MORE WORKING FROM HOME.

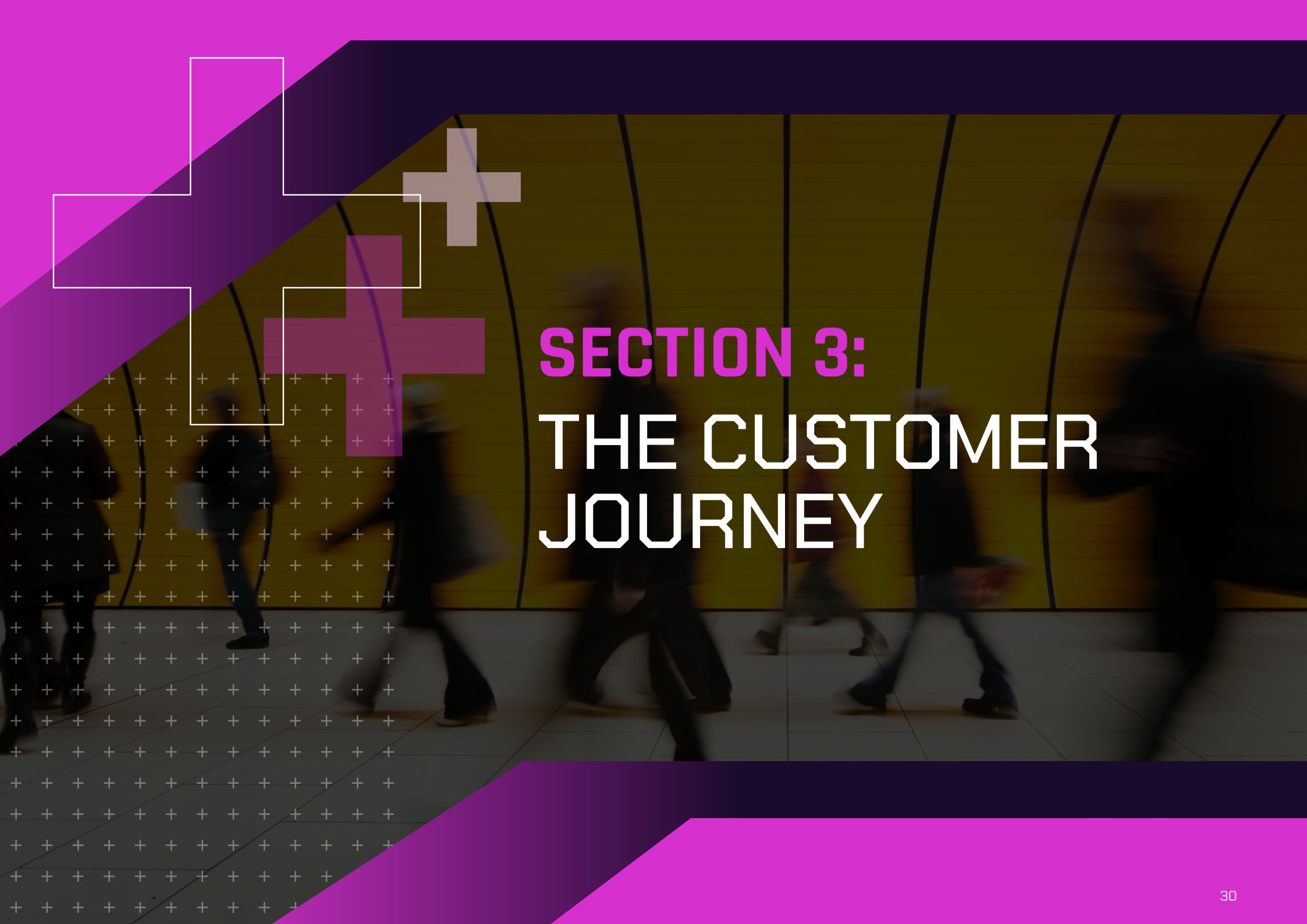
KEY THOUGHTS

→ CONSUMER BEHAVIORS HAVE EVOLVED, AND ONE OF THE AREAS OF CHANGE HAS BEEN DRIVEN BY WFH.

- Think about how more research, and wavering loyalty, can be used to your advantage to drive consumers to your sites to transact.

→ BUSINESSES WHO PREVIOUSLY RELIED ON THE COMMUTING PUBLIC MUST REINVENT WHERE AND WHAT THEY SELL, TO CATER FOR A WORKFORCE THAT IS HUNGRY FOR MORE WFH.

- Consider a full reassessment or at least an update of your future strategy to ensure your business is more prepared to accommodate the worker and consumer of the future.

The background features a blurred crowd of people walking in a modern, brightly lit interior space, possibly a transit hub or office lobby. The scene is overlaid with several geometric elements: a large white outline of a cross on the left, a solid purple cross in the center, and a solid light purple cross above it. A grid of small white plus signs is visible in the lower-left quadrant. The overall color palette consists of vibrant magenta, purple, and white against a dark, blurred background.

SECTION 3: THE CUSTOMER JOURNEY

In this section, we look at a simplified customer journey across inspiration, search and purchase to identify which channels consumers use – what’s changed, and what this means for the omni-channel strategies of brands and retailers. Of course, journeys are never this linear, but for the purposes of identifying the key channels, we’ve used this approach for clarity.

CHAPTER 1: WHERE ARE ONLINE SHOPPERS FINDING THEIR INSPIRATION?

First, let’s consider the weighting of online versus offline as the source of inspiration.

We found that 64% of inspiration comes via online, and 36% offline, which makes finding inspiration overwhelmingly an online affair.

64%

OF INSPIRATION IS GAINED FROM ONLINE SOURCES.

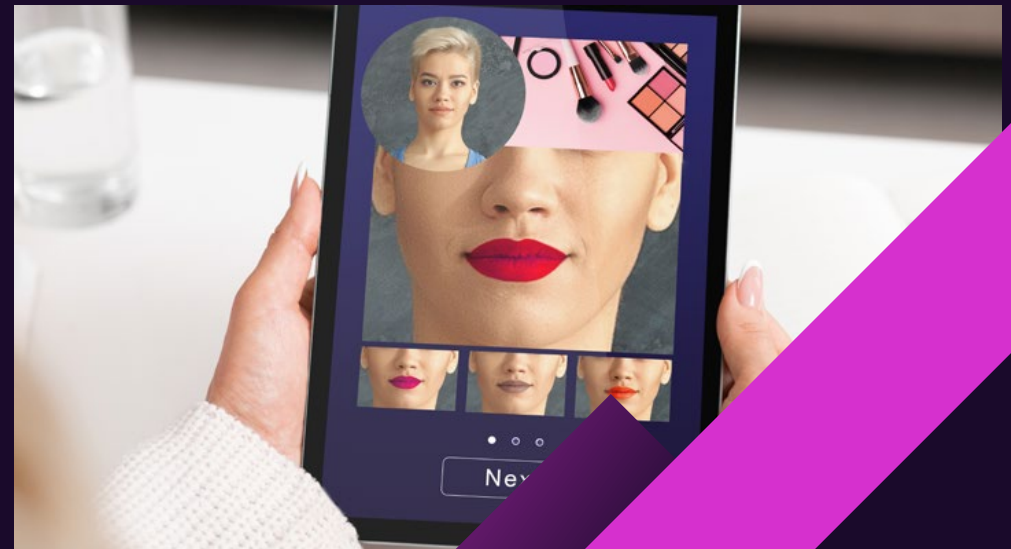


But where exactly do consumers go to get this inspiration?

In 2022, for the first time, we saw marketplaces jump into the number one position when it came to inspiration. At the time, we identified how surprising this was, given that marketplaces are often seen as predominantly rapid, transactional channels, as opposed to being places to spend time gaining inspiration. Yet, once again, we see marketplaces in number one position, increasing by one percent from 34% to 35%.

35%

OF GLOBAL SHOPPERS GET THEIR INSPIRATION FROM
MARKETPLACES, MAKING IT THE NUMBER ONE CHANNEL
FOR INSPIRATION.





THE TOP 5 SOURCES OF INSPIRATION FOR GLOBAL SHOPPERS

		2023	2022	CHANGE
01	MARKETPLACES (E.G. AMAZON, TMALL, MERCADO LIBRE)	35%	34%	1%
02	BROWSING IN-STORE	24%	15%	9%
03	SEARCH ENGINES	15%	31%	-16%
04	BRAND WEBSITES	15%	14%	1%
05	RETAILER SITES	13%	18%	-5%

NB. Percentages do not add up to 100% as consumers were asked to identify their top 3 sources of inspiration.

However, that is where the similarities with last year end.

This year, the big surprise is the re-emergence of physical stores and the decline of search engines and social media channels.

Last year, only 15% of global shoppers got their inspiration from physical stores, whereas this year it has risen to 24%. Could this be the effect of a post-COVID-19 renormalization?

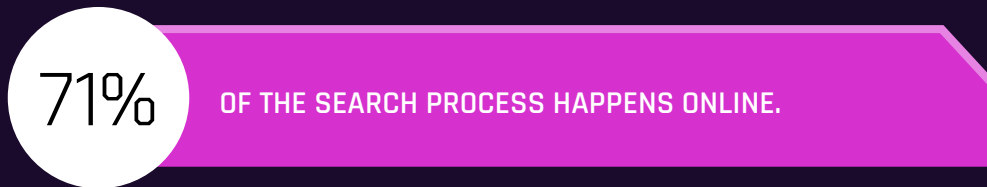
The big losers are search engines, which occupied second position last year, having fallen from 31% to just 15%. While we've seen search engines fall in importance when it comes to inspiration in the past, this year the drop appears significant.

Also, social media channels and YouTube are no longer in the top 5. Social media channels fell from 28% to 10% while YouTube dropped from 25% to 7%. This is a surprising dip, and again may point to a rebalancing following the pandemic, with more consumers returning to physical stores.



CHAPTER 2: WHERE DO ONLINE SHOPPERS SEARCH?

Again, let's start by identifying just how much of the process is done online versus offline. It turns out that search is the most online of the three stages (inspiration, search and purchase), with 71% of product searches taking place online, versus just 29% offline.



Last year, we called out that the big losers, when it came to search, were search engines, falling from first position to second. This year, the fall from grace is even greater – moving into third position, and down by 16%.

But marketplaces, too, have lost some of the dominance when it comes to search, moving from 36% to 31%. The big winner again this year is “in-store”, seeing a 7% increase versus last year.

“IN-STORE BROWSING” HAS SEEN A LARGE INCREASE WHEN IT COMES TO SEARCH, UP 7% IN 2023 VS 2022.

What does this data tell us? It confirms there are more and more channels through which to search, and it tells us that marketplace strategies, tactics and presence need to be readied and executed well. It also shows us that consumers are operating across digital and physical channels when searching for products. All of this highlights that brands and retailers need to get their omni-channel strategies right, with a powerful mix across channels.



THE TOP 5 SEARCH CHANNELS FOR GLOBAL SHOPPERS

		2023	2022	CHANGE
01	MARKETPLACES (E.G. AMAZON, TMALL, MERCADO LIBRE)	31%	36%	-5%
02	BROWSING IN-STORE	18%	11%	+7%
03	SEARCH ENGINES	14%	30%	-16%
04	BRAND WEBSITES	14%	15%	-1%
05	RETAILER SITES	12%	18%	-6%



CHAPTER 3:

WHICH CHANNELS DO GLOBAL SHOPPERS USE TO PURCHASE?

The final stage of the journey is the purchase itself. So, let's examine what percentage of consumer expenditure is spent in which channel online.

As with last year, and without any change in percentage, we see marketplaces at the top, accounting for 35% of all online spending. In second place, we see supermarkets and grocers, with a slight dip from 17% to 15%. While in third place, and the biggest gainer this year, we see branded sites up from 7% to 14%.

35%

OF ALL ONLINE SHOPPING GLOBALLY GOES VIA MARKETPLACES, THE SAME PERCENTAGE AS LAST YEAR.



WHERE DO GLOBAL SHOPPERS SPEND THEIR MONEY ONLINE?

		2023	2022	2021
01	MARKETPLACES	35%	35%	42%
02	SUPERMARKETS AND GROCERS	15%	17%	18%
03	BRANDED WEBSITES (E.G. NIKE, APPLE, DYSON, ETC.)	14%	7%	8%
04	RETAILER SITES (E.G. ASOS, MACY'S, ARGOS, UNIQLO)	13%	12%	12%
05	VIA AN AGGREGATOR / DELIVERY APP (DOORDASH, DELIVEROO)	5%	11%	11%
06	CONVENIENCE STORES (E.G. 7-ELEVEN)	5%	NA	NA
07	SOCIAL – IN-APP PURCHASING (E.G. INSTAGRAM, WEIBO)	5%	14%	7%
08	OTHER	3%	4%	3%
09	GAMING	3%	NA	NA
10	METAVEVERSE	1%	NA	NA

When we investigated the influence of age on where online shoppers purchase, this gives us some very interesting figures.

For instance, when it comes to marketplaces, the percentage of spending increases across each age group (from youngest to oldest), ranging from 16-24-year-olds who spend 28% on marketplaces, to 44% of over-55s. Should this be ringing alarm bells for marketplaces for the future? Or is it a clear opportunity that marketplaces as well as brands and retailers should be exploiting? Whilst it's likely to be a mix of many things, it's worth closer consideration.

For branded sites, the opposite is true. As each age group gets older, a smaller percentage shop from branded websites, from 19% in the 16-24-year-old age group to just 9% in the over-55s.

HOW VML CAN HELP YOU:

DTC AND BRANDS: ADDRESSING ATTRITION AND MAKING A COMEBACK

In last year's report, we called out the issue that direct-to-consumer branded sites were having with attrition. We identified that 14% of shoppers used them for inspiration, 15% for search, but only 7% for purchase. In other words, when push came to shove, users were leaving branded sites and parting with their money on other channels.

This year, however, it would seem that the vital matter of attrition has been addressed, with conversion rates relatively consistent across the journey. Now, 15% of consumers use branded websites for inspiration, 14% for search, and 14% for purchase. This is great news for brands and reflects how hard many have been working on ensuring that their user experience, content and functionality drives consumers to transact on their sites.

KEY THOUGHTS

→ SHOPPING IS VERY MUCH AN ONLINE EXPERIENCE, WITH INSPIRATION AND SEARCH BEING DRIVEN PREDOMINANTLY BY ONLINE EXPERIENCES.

- Is your business offering consumers the inspirational experiences they want online, and are they using your sites to search?

→ MARKETPLACES CONTINUE TO DOMINATE ACROSS INSPIRATION, SEARCH AND PURCHASE.

- What does your marketplace strategy look like? Is it driving the business that you want and need it to? Are you looking beyond Amazon and working with the leading marketplaces in each region? In such a highly competitive market, how can your experience, and your share of wallet, be improved?

→ PHYSICAL STORES HAVE HAD A RESURGENCE WHEN IT COMES TO INSPIRATION AND PURCHASE.

- What does your omni-channel strategy, spanning digital and physical, look like? Can you offer consumers the best of both worlds, whilst maintaining a consistent, seamless brand experience?

→ DTC BRAND SITES HAVE SEEMINGLY OVERCOME THEIR ISSUES OF ATTRITION.

- Now, the challenge is to maintain and augment conversion rates, attracting more consumers at the inspiration and search phases, ensuring they convert on your site.

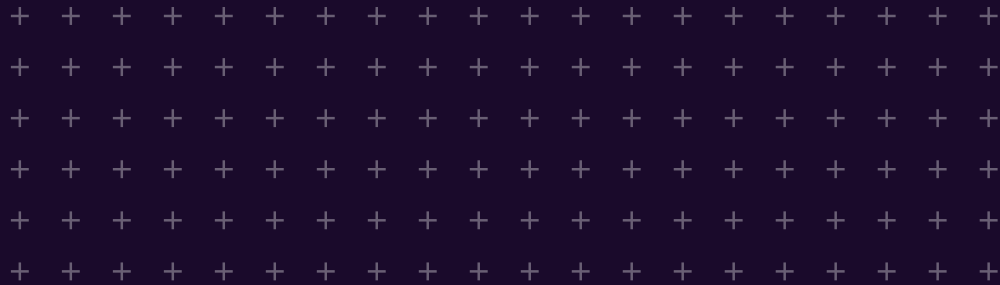


SECTION 4: THE CUSTOMER JOURNEY BY INDUSTRY



A DEEPER DIVE INTO 12 KEY SECTORS

One of the leading challenges that has been posed to us when presenting customer journey data is that, whilst showing a single view on where consumers get inspired about, search for, and purchase “different” products offers a useful high-level view, it misses some telling industry nuances. So, this year we looked into specific sectors, too.





THE TOP 5 SOURCES FOR INSPIRATION, SEARCH AND PURCHASE FOR ALCOHOL ONLINE

INSPIRATION			SEARCH			PURCHASE		
01	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	38%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	33%	SUPERMARKETS AND GROCERS	21%		
02	BROWSING IN-STORE	31%	BROWSING IN-STORE	21%	I NEVER BUY THIS PRODUCT ONLINE	19%		
03	SEARCH ENGINES	17%	SEARCH ENGINES	14%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	13%		
04	BRAND WEBSITES	16%	RETAILER SITES	13%	RETAILER SITES	8%		
05	RETAILER SITES	14%	BRAND WEBSITES	12%	CONVENIENCE STORES	7%		



THE TOP 5 SOURCES FOR INSPIRATION, SEARCH AND PURCHASE FOR AUTOMOTIVE AND ACCESSORIES ONLINE

INSPIRATION			SEARCH			PURCHASE		
01	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	47%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	39%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	34%		
02	BROWSING IN-STORE	20%	SEARCH ENGINES	17%	I NEVER BUY THIS PRODUCT ONLINE	16%		
03	SEARCH ENGINES	20%	BROWSING IN-STORE	16%	OTHER MARKETPLACES	10%		
04	BRAND WEBSITES	15%	BRAND WEBSITES	14%	RETAILER SITES	8%		
05	COMPARISON SITES	15%	COMPARISON SITES	12%	BRANDED WEBSITES	7%		

NB. For inspiration and search, consumers could choose multiple answers, reflecting the multiple sources they use. For purchase, consumers were asked what percentage of their spend on these items they spent in each channel (with the total adding up to 100%).



THE TOP 5 SOURCES FOR INSPIRATION, SEARCH AND PURCHASE FOR BEAUTY PRODUCTS ONLINE

	INSPIRATION		SEARCH		PURCHASE	
01	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	40%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	34%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	27%
02	BROWSING IN-STORE	29%	BROWSING IN-STORE	21%	RETAILER SITES	13%
03	BRAND WEBSITES	18%	BRAND WEBSITES	17%	OTHER MARKETPLACES	11%
04	SOCIAL MEDIA CHANNELS	16%	RETAILER SITES	15%	BRANDED WEBSITES	9%
05	RETAILER SITES	16%	SEARCH ENGINES	14%	SUPERMARKETS AND GROCERS	9%



THE TOP 5 SOURCES FOR INSPIRATION, SEARCH AND PURCHASE FOR CLOTHING AND FASHION ONLINE

	INSPIRATION		SEARCH		PURCHASE	
01	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	39%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	34%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	24%
02	BROWSING IN-STORE	33%	BROWSING IN-STORE	24%	RETAILER SITES	21%
03	BRAND WEBSITES	27%	BRAND WEBSITES	23%	BRANDED WEBSITES	17%
04	RETAILER SITES	21%	RETAILER SITES	16%	OTHER MARKETPLACES	12%
05	OTHER MARKETPLACES	17%	OTHER MARKETPLACES	16%	I NEVER BUY THIS PRODUCT ONLINE	5%

NB. For inspiration and search, consumers could choose multiple answers, reflecting the multiple sources they use. For purchase, consumers were asked what percentage of their spend on these items they spent in each channel (with the total adding up to 100%).



THE TOP 5 SOURCES FOR INSPIRATION, SEARCH AND PURCHASE FOR FINANCIAL PRODUCTS ONLINE

INSPIRATION			SEARCH			PURCHASE		
01	SEARCH ENGINES	25%	SEARCH ENGINES	21%	I NEVER BUY THIS PRODUCT ONLINE	24%		
02	COMPARISON SITES	18%	COMPARISON SITES	16%	OTHER	18%		
03	BRAND WEBSITES	15%	BRAND WEBSITES	15%	BRANDED WEBSITES	10%		
04	FROM TV, EMAILS, ADVERTS	15%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	13%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	9%		
05	I READ NEWSPAPERS AND MAGAZINES ONLINE	14%	FROM TV, EMAILS, ADVERTS	10%	SOCIAL – IN-APP PURCHASING	7%		



THE TOP 5 SOURCES FOR INSPIRATION, SEARCH AND PURCHASE FOR GROCERY PRODUCTS ONLINE

INSPIRATION			SEARCH			PURCHASE		
01	BROWSING IN-STORE	37%	BROWSING IN-STORE	28%	SUPERMARKETS AND GROCERS	31%		
02	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	24%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	23%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	13%		
03	RETAILER SITES	22%	RETAILER SITES	20%	I NEVER BUY THIS PRODUCT ONLINE	10%		
04	CONVENIENCE STORES	15%	OTHER MARKETPLACES	11%	RETAILER SITES	10%		
05	VIA AN AGGREGATOR / DELIVERY APP	12%	CONVENIENCE STORES	11%	VIA AN AGGREGATOR / DELIVERY APP	9%		

NB. For inspiration and search, consumers could choose multiple answers, reflecting the multiple sources they use. For purchase, consumers were asked what percentage of their spend on these items they spent in each channel (with the total adding up to 100%).



THE TOP 5 SOURCES FOR INSPIRATION, SEARCH AND PURCHASE FOR HEALTH AND PHARMACEUTICAL PRODUCTS ONLINE

INSPIRATION			SEARCH			PURCHASE		
01	BROWSING IN-STORE	28%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	26%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	23%		
02	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	26%	BROWSING IN-STORE	22%	I NEVER BUY THIS PRODUCT ONLINE	15%		
03	SEARCH ENGINES	17%	SEARCH ENGINES	15%	SUPERMARKETS AND GROCERS	12%		
04	RETAILER SITES	14%	RETAILER SITES	14%	RETAILER SITES	10%		
05	BRAND WEBSITES	13%	BRAND WEBSITES	12%	OTHER MARKETPLACES	8%		



THE TOP 5 SOURCES FOR INSPIRATION, SEARCH AND PURCHASE FOR HOUSEHOLD PRODUCTS ONLINE

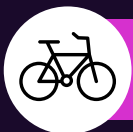
INSPIRATION			SEARCH			PURCHASE		
01	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	46%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	40%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	34%		
02	BROWSING IN-STORE	30%	BROWSING IN-STORE	23%	SUPERMARKETS AND GROCERS	16%		
03	RETAILER SITES	18%	RETAILER SITES	16%	OTHER MARKETPLACES	11%		
04	OTHER MARKETPLACES	16%	OTHER MARKETPLACES	14%	RETAILER SITES	10%		
05	SEARCH ENGINES	13%	SEARCH ENGINES	14%	I NEVER BUY THIS PRODUCT ONLINE	7%		

NB. For inspiration and search, consumers could choose multiple answers, reflecting the multiple sources they use. For purchase, consumers were asked what percentage of their spend on these items they spent in each channel (with the total adding up to 100%).



THE TOP 5 SOURCES FOR INSPIRATION, SEARCH AND PURCHASE FOR LUXURY PRODUCTS ONLINE

INSPIRATION			SEARCH			PURCHASE		
01	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	29%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	27%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	21%		
02	BROWSING IN-STORE	24%	BRAND WEBSITES	20%	BRANDED WEBSITES	18%		
03	BRAND WEBSITES	22%	BROWSING IN-STORE	19%	I NEVER BUY THIS PRODUCT ONLINE	16%		
04	RETAILER SITES	13%	SEARCH ENGINES	12%	RETAILER SITES	12%		
05	SEARCH ENGINES	12%	COMPARISON SITES	11%	OTHER MARKETPLACES	9%		



THE TOP 5 SOURCES FOR INSPIRATION, SEARCH AND PURCHASE FOR SECOND-HAND PRODUCTS ONLINE

INSPIRATION			SEARCH			PURCHASE		
01	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	30%	SECOND-HAND WEBSITES	27%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	23%		
02	SECOND-HAND WEBSITES	29%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	27%	OTHER MARKETPLACES	14%		
03	OTHER MARKETPLACES	14%	OTHER MARKETPLACES	12%	I NEVER BUY THIS PRODUCT ONLINE	13%		
04	SOCIAL MEDIA CHANNELS	13%	SEARCH ENGINES	12%	SOCIAL – IN-APP PURCHASING	12%		
05	BROWSING IN-STORE	13%	BROWSING IN-STORE	11%	OTHER	10%		

NB. For inspiration and search, consumers could choose multiple answers, reflecting the multiple sources they use. For purchase, consumers were asked what percentage of their spend on these items they spent in each channel (with the total adding up to 100%).



THE TOP 5 SOURCES FOR INSPIRATION, SEARCH AND PURCHASE FOR TECHNOLOGY PRODUCTS ONLINE


	INSPIRATION		SEARCH		PURCHASE	
01	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	46%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	41%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	34%
02	BRAND WEBSITES	23%	BRAND WEBSITES	21%	BRANDED WEBSITES	17%
03	BROWSING IN-STORE	22%	BROWSING IN-STORE	17%	OTHER MARKETPLACES	13%
04	SEARCH ENGINES	17%	SEARCH ENGINES	16%	RETAILER SITES	10%
05	COMPARISON SITES	16%	OTHER MARKETPLACES	14%	I NEVER BUY THIS PRODUCT ONLINE	7%



THE TOP 5 SOURCES FOR INSPIRATION, SEARCH AND PURCHASE FOR TOYS ONLINE

	INSPIRATION		SEARCH		PURCHASE	
01	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	45%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	40%	LEADING MARKETPLACE (E.G. AMAZON, TMALL, MERCADO LIBRE)	38%
02	BROWSING IN-STORE	20%	BROWSING IN-STORE	16%	OTHER MARKETPLACES	11%
03	OTHER MARKETPLACES	15%	OTHER MARKETPLACES	13%	I NEVER BUY THIS PRODUCT ONLINE	10%
04	SEARCH ENGINES	12%	SEARCH ENGINES	12%	RETAILER SITES	9%
05	RETAILER SITES	12%	RETAILER SITES	11%	SOCIAL – IN-APP PURCHASING	4%

NB. For inspiration and search, consumers could choose multiple answers, reflecting the multiple sources they use. For purchase, consumers were asked what percentage of their spend on these items they spent in each channel (with the total adding up to 100%).



SECTION 5: ONLINE PURCHASING IN MORE DETAIL

CHAPTER 1:

WHAT'S MOST IMPORTANT TO CONSUMERS WHEN THEY SHOP ONLINE?

We have already highlighted a considerable amount of data and related insights about online shopping in this report. So, let's get to the nub of the purchase decision. What factors are most important to shoppers when shopping online?

As with last year, and the year before that, price is the factor highlighted by most consumers as being important.



THE TOP 10 ASPECTS WHEN PURCHASING A PRODUCT ONLINE

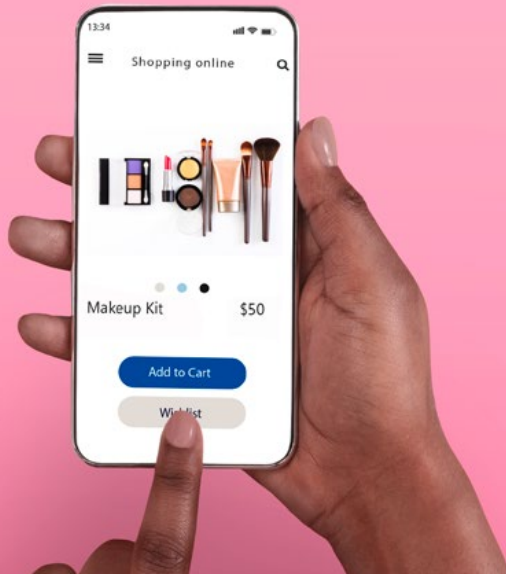
		2022 POSITION
01	PRICE OF THE ITEM	1
02	ACCURATE PRODUCT DESCRIPTIONS	4
03	THE ITEM I WANT IS IN STOCK	2
04	EASY TO FIND THE PRODUCT I AM LOOKING FOR	3
05	STRONG CUSTOMER SERVICE	5
06	CONVENIENT DELIVERY	6
07	EASY RETURNS PROCESS	9
08	SPEED OF DELIVERY	8
09	FREE DELIVERY	7
10	PRODUCT REVIEWS	11

But, once again, we also see elements around product descriptions, availability, content, discoverability, and services – namely delivery and returns. So, whilst price may be the number one factor, alone it is not enough, and brands and retailers must ensure they are getting things right across a number of different factors.

Referencing, again, the point about service, we first identified in 2018 a shift towards “service-led brands”. Simply put, we found that the brand was no longer enough to count on to drive sales, and that it needed to be backed up by great service – ease, speed, convenience, delivery, returns etc. As you can see, brand does not feature in this top 10, and, although it has climbed one space to 16th this year, it is further proof that a strong brand alone is not enough when it comes to online conversion.

So, getting your pricing strategy right is clearly vital, and that means consistency across channels, but supporting it with fantastic service, and the right content should offer up a winning formula. As we saw in the previous sections, marketplaces are very strong across the customer journey, because they have found a formula which brings together all these elements.

PRICE IS THE MOST IMPORTANT FACTOR WHEN DECIDING WHICH CHANNEL TO PURCHASE THROUGH.



CHAPTER 2:

WHAT WOULD ENCOURAGE CONSUMERS TO BUY DIRECTLY FROM BRANDS?

With marketplaces doing so well in terms of owning the customer journey, one of the key questions for brands is how can you encourage consumers to come to you directly, rather than shopping via marketplaces?

53%

OF GLOBAL SHOPPERS SAY A BETTER PRICE WOULD MAKE THEM SHOP DIRECTLY FROM A BRAND, MAKING IT THE NUMBER ONE REASON.

Again, price is the key determinant. In fact, it would seem that not only is price important, but it has become more important since last year. It is also apparent that the service elements around delivery and returns are also vital to get right.



THE TOP 10 FACTORS THAT WOULD ENCOURAGE CONSUMERS TO BUY DIRECTLY FROM BRANDS

		2023	2022
01	BETTER PRICE	53%	49%
02	FREE DELIVERY	49%	47%
03	FAST AND CONVENIENT DELIVERY	36%	34%
04	FREE RETURNS	36%	35%
05	LOYALTY PROGRAM	27%	25%
06	EXCLUSIVE PRODUCTS	22%	23%
07	BETTER INFORMATION ABOUT PRODUCTS	21%	22%
08	ACCESS TO FULL PRODUCT RANGE	21%	22%
09	BUNDLED PRODUCT DEALS	21%	17%
10	PERSONALIZED PRODUCTS	16%	17%

CHAPTER 3:

WHO, OR WHAT, INFLUENCES CONSUMERS?

Finally, rather than where do consumers buy, or why do they buy, we wanted to know who influences them to make their purchase. The data is very consistent with last year, with three key sources of influence standing head and shoulders above the rest: family members, friends and influencers.

Certainly, the role of friends is important, with 54% of global consumers actively recommending products to their friends through tagging them, or direct-messaging them.

When we take a closer look by region, we see a generally uniform picture, with just a few differences, such as APAC's keen appetite for social media and celebrities, with the Middle East not far behind. Notably, Europe appears to be in catch-up mode for social media.

WHO INFLUENCES CONSUMERS ONLINE SPENDING DECISIONS?

	2023	2022	2021	2023 APAC	2023 EU	2023 LATAM	2023 ME	2023 NA	2023 S.AFRICA
FAMILY MEMBERS	20%	20%	21%	17%	20%	22%	18%	21%	18%
FRIENDS	17%	17%	19%	14%	19%	20%	20%	15%	14%
SOCIAL MEDIA INFLUENCERS / BLOGGERS (E.G. INSTAGRAM, YOUTUBE, SNAPCHAT)	16%	15%	14%	21%	10%	16%	21%	13%	25%
IN-STORE SALES ASSISTANTS	6%	6%	5%	6%	5%	8%	6%	5%	9%
CELEBRITIES	5%	5%	5%	7%	4%	4%	9%	5%	8%
STREAMERS	4%	5%	NA	5%	3%	3%	6%	3%	3%
COLLEAGUES	3%	3%	4%	3%	3%	3%	6%	2%	2%
BUSINESS PEOPLE	3%	3%	3%	2%	2%	4%	3%	3%	5%
SPORT STARS AND ATHLETES	3%	3%	3%	3%	2%	3%	4%	2%	2%
JOURNALISTS	1%	2%	2%	1%	2%	1%	2%	1%	0%
POLITICIANS	1%	1%	1%	1%	1%	1%	2%	1%	0%



KEY THOUGHTS

→ **PRICE IS THE NUMBER ONE FACTOR FOR CONSUMERS WHEN CHOOSING WHICH CHANNEL AND RETAILER TO BUY FROM.**


- What is your pricing strategy? Is it consistent across channels and regions? How is this affecting your online performance?

→ **SERVICE ELEMENTS AROUND DELIVERY AND RETURNS, AVAILABILITY AND CUSTOMER SERVICE ARE ALSO IMPORTANT.**

- How do customers view your service? Are these factors helping to inspire more loyalty? Are you hitting the mark on fast delivery and easy returns?

→ **CONTENT MUST ALSO BE ON POINT, WITH IMAGES, DESCRIPTIONS, AND THE ABILITY TO SEARCH ALL FACTORS IN PURCHASE DECISION-MAKING.**

- Do you have a powerful content strategy across all your channels, presenting your products in the best light, and in a way that will maximize your online sales and win the digital shelf?



SECTION 6:
**GETTING THE
EXPERIENCE
RIGHT**



CHAPTER 1: ONLINE VS OFFLINE – WHO’S BETTER AT WHAT?

With online shopping strengthening and set for considerable growth over the next ten years, we should ask ourselves what’s driving this development? One of the main reasons is simply that online is viewed as “better” than offline across many criteria.

As last year, when comparing online and offline across a number of different metrics, online is perceived as better across every single criteria except for two: “the ability to get the right fit” and “consultation with staff”.

One of the surprising areas where online comes out on top is in the “fun of shopping”. There has been much talk about how the experience of physical shopping needs to improve to encourage consumers to visit, but it looks like this will be a hard battle to win as things stand, with the majority of consumers considering online shopping more fun!



ONLINE VS OFFLINE - WHO'S BETTER AT WHAT?

	ONLINE IS BETTER	OFFLINE IS BETTER	2022 "ONLINE IS BETTER" SCORES
CRITERIA / FEATURE	45%	22%	—
WIDE VARIETY OF PRODUCTS / ITEMS	61%	10%	61%
REVIEW / EVALUATION OF PRODUCTS	57%	13%	60%
ACCESSIBILITY FOR THOSE WITH DISABILITIES (IF APPLICABLE)	57%	13%	57%
LOW PRICE / COST OF PURCHASE (INCLUDING SHIPPING COST)	56%	14%	56%
COMPARISON OF BRANDS / PRODUCTS	55%	13%	55%
BETTER COMPREHENSION ABOUT BRANDS / PRODUCTS	45%	17%	48%
SPEED OF DELIVERY	43%	30%	44%
FUN OF SHOPPING	42%	22%	44%
RETURN PROCESS	42%	25%	42%
SENSE OF LOYALTY TO A RETAILER OR BRAND	39%	19%	41%
CREDIBILITY OF PRODUCTS / RETAILERS	36%	23%	39%
FRESHNESS OF PRODUCTS	35%	34%	35%
ABILITY TO TRY THE RIGHT PRODUCT OR GET THE RIGHT FIT	34%	41%	36%
GETTING CONSULTATION WITH / ADVICE FROM STORE STAFF	34%	39%	35%

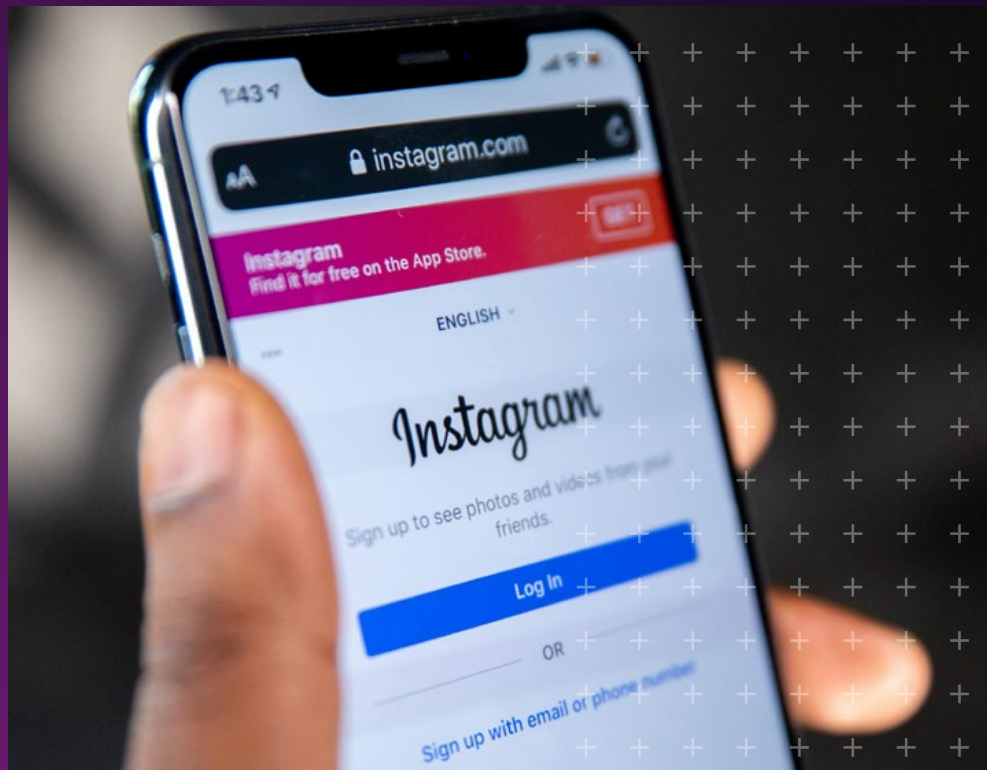
CHAPTER 2: EXPERIENCES AND CHANNELS

So, now we know that, overall, online is better according to consumers globally. But which online channels are the best? And which need to up their game?

Marketplaces are streets ahead of the competition when it comes to best experience, but we are starting to see a trend downwards in the percentage lead.

Retailer sites have slipped slightly, yet branded websites seem to have taken the advice from last year's Future Shopper guidance and started to augment their experience. Could this be one of the reasons why the purchase percentage for brand sites went up this year, too?

It is notable that, in second position, we have the verdict that no channel is better than the rest. In one respect this is a pleasing result, reflecting the suggestion that, in an omni-channel mix, no single channel is superior as part of a balanced channel strategy – a view that we have articulated for several years.



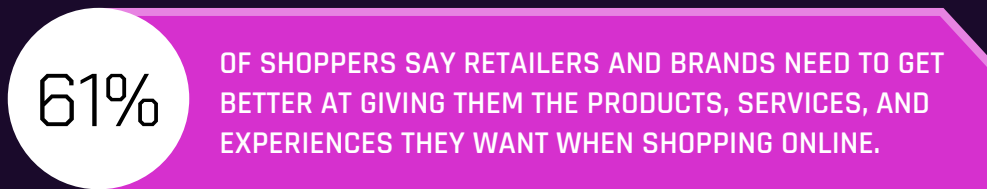
WHICH CHANNELS OFFER THE BEST EXPERIENCE?

		2023	2022	2021
01	MARKETPLACES	51%	55%	60%
02	NONE OF THESE ARE AHEAD OF THE OTHERS	10%	11%	11%
03	RETAILER SITES	10%	12%	11%
04	BRANDED WEBSITES	9%	7%	6%
05	SUPERMARKETS AND GROCERS	5%	NA	NA
06	SOCIAL – IN-APP PURCHASING	5%	3%	4%
07	VIA AN AGGREGATOR / DELIVERY APP	3%	4%	3%
08	METaverse	3%	NA	NA
09	GAMING	3%	NA	NA

CHAPTER 3: ONLINE EXPERIENCES MUST BE MET!

With such a high percentage of shopping now happening online, there is even more pressure to make the experiences good. Shoppers globally will not stand for an experience that is underwhelming, with 51% saying they will not shop with retailers, brands or marketplaces which do not match up to their expectations.

And consumers expect experiences to improve, too... 61% say retailers and brands need to get better at giving them the products, services, and experiences they want when shopping online. But there is an indication of improvement in the area, as last year this figure was 72%.



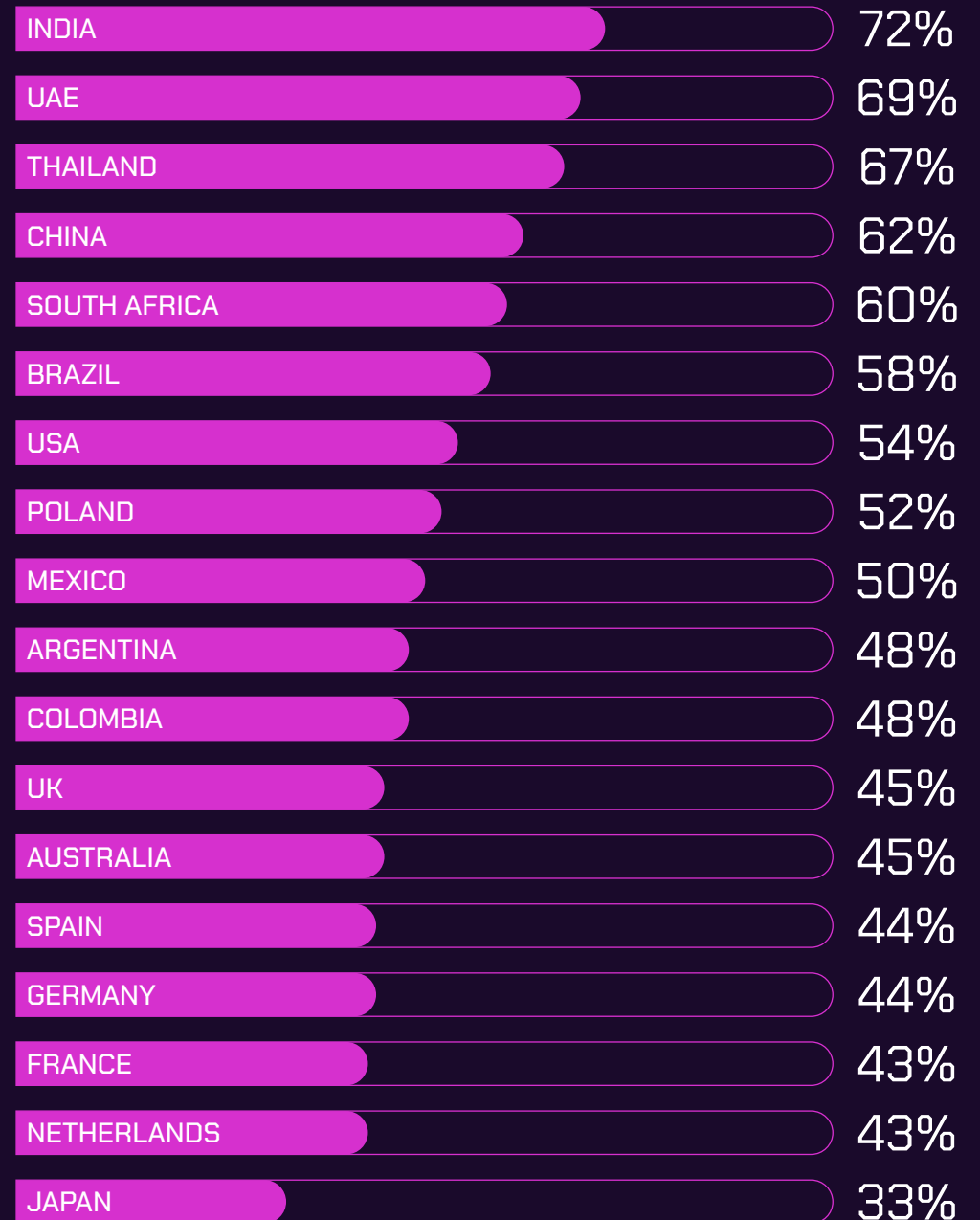
It's not just about functionality either, it's about excitement and engagement – as our earlier point around “fun” suggested. 60% of global consumers wish retailers and brands would make the online shopping experience more entertaining. Another 30% say online shopping is boring. The good news is that this figure was 32% in 2022, so once again there is evidence of progress.

However, when it comes to different countries, there are three where the percentage of consumers who find online shopping boring is high: India (54%), Thailand (51%) and the UAE (50%). Clearly, there is work to be done to improve the online experience in these countries!

Gaining all this insight can be achieved by truly understanding and researching your customers' journeys. Yet, almost half of consumers (49%) think brands and retailers do not understand the steps they take to purchase a product, while 53% say they do not believe brands and retailers grasp all the problems they encounter when purchasing their products online.



PERCENTAGE OF SHOPPERS WHO WILL NOT SHOP WITH RETAILERS, BRANDS OR MARKETPLACES FAILING TO MATCH THEIR EXPECTATIONS IN FUTURE





EXPERT OPINION: WHY MAPPING YOUR CUSTOMERS' JOURNEYS IS VITAL TO STRATEGIC PLANNING

Journey mapping allows you to see how your communications, products and services work together to help your customers achieve their over-arching goal. In visualizing all your customer touchpoints (human, physical and digital), as a series of steps to accomplish a goal, you can identify areas in which your customers' journey becomes more challenging or fails to meet their expectations. Journey maps are a great tool to generate alignment between various departments regarding where the effort should be placed to improve acquisition and retention.



MIKE ROKES

HEAD OF UX & CX CONSULTANCY

E: MICHAEL.ROKES@WUNDERMANTHOMPSON.COM



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CHAPTER 4: WHAT DOES GOOD LOOK LIKE?

So, the experience still needs to improve, even if there are signs that it is getting better. But, as we did last year, we wanted to see exactly what the expectations are around the online experience. After all, understanding this is key to developing a strategic plan to improve the online experience. So, we asked consumers what is the one thing they would change about online shopping.

It's interesting to see that the percentages and positioning of the top 10 answers are almost identical to last year. This is encouraging, as it shows that consumers are consistent in their demands. And it's no surprise that, sitting in first place, significantly ahead of all other factors, is "faster delivery". It's clear, then, that consumers' demand for fast delivery, despite the incredible strides made by online retailers, continues to rise.

THE NO. 1 THING GLOBAL CONSUMERS WOULD CHANGE ABOUT ONLINE SHOPPING IS "FASTER DELIVERY".

What also stands out, as it did last year, is "returns", with "free returns" and "easy returns" once again featuring in the top 5. As we've been saying for several years, consumers want service-led brands and experiences.



WHAT IS THE ONE THING THAT GLOBAL CONSUMERS WOULD CHANGE ABOUT ONLINE SHOPPING?

		2023	2022 % AND POSITION
01	FASTER DELIVERY	12%	13% [1]
02	I WOULD NOT CHANGE ONE THING	8%	7% [3]
03	FREE RETURNS	7%	8% [2]
04	CREDIBLE REVIEWS AND RATINGS THAT I CAN TRUST	6%	5% [6]
05	EASY RETURNS	5%	5% [5]
06	CONVENIENT DELIVERY	5%	6% [4]
07	BETTER PAYMENT OPTIONS	5%	5% [7]
08	FASTER REPLACEMENT OF PRODUCTS THAT ARE OUT OF STOCK	4%	4% [8]
09	BETTER PRODUCT RANGE	4%	4% [11]
10	EASIER TO SEARCH FOR AND FIND PRODUCTS	4%	4% [9]

CHAPTER 5: IMPROVING THE DELIVERY EXPERIENCE

With “faster delivery” being the number one change that consumers would demand to improve online shopping, let’s delve a little deeper into what expectations are, and what good looks like, when it comes to deliveries.

So, what could be done to improve the delivery experience?

Once again, it’s speed of delivery that comes top (48%), followed by making it cheaper (43%). In fact, the percentages are almost identical to last year, indicating that consumers are consistent in their views on the improvements they wish to see.

48%

OF CONSUMERS SAY THAT, WHEN IT COMES TO DELIVERY, THE NUMBER ONE CHANGE FOR IMPROVEMENT WOULD BE “FASTER DELIVERY”.

The one exception to this is “no contact delivery”, which was identified by only 13% of consumers this year, versus 20% last year, indicating once again that the dark days of COVID-19 and the actions necessary for its containment are currently behind us.



WHAT WOULD CONSUMERS CHANGE ABOUT DELIVERY?

		2023	2022 % AND POSITION
01	FASTER DELIVERY	48%	48% [1]
02	IT WOULD BE CHEAPER	43%	41% [2]
03	MORE CLARITY ON EXACT TIMES FOR DELIVERY	39%	39% [3]
04	ABILITY TO DELIVER TO ME WHEREVER I AM	27%	26% [5]
05	BETTER PACKAGING	26%	27% [4]
06	MORE OPTIONS FOR PICK UP	23%	22% [7]
07	IT WOULD CONSIDER THE ENVIRONMENT MORE (E.G. REDUCED CARBON FOOTPRINT OPTIONS, ECO-DELIVERY VEHICLES)	23%	24% [6]
08	ROADSIDE / CURBSIDE ITEM COLLECTION OPTION (NO NEED TO STEP IN-STORE)	15%	15% [9]
09	NO CONTACT DELIVERY (TO MINIMIZE COVID-19 CONCERNS)	13%	20% [8]
10	NOTHING	6%	5% [10]

NB. Consumers were able to choose multiple options, hence why the total does not add up to 100%

CHAPTER 6: SPEED OF DELIVERY

So, what does “faster delivery” mean? Last year, global consumers were happy to wait, on average, 2.36 days for the items they had ordered online to arrive. This year that has dropped to 2.15 days.

2.15
DAYS

THE AVERAGE AMOUNT OF TIME CONSUMERS EXPECT TO WAIT FOR THEIR ONLINE ORDERS TO ARRIVE. LAST YEAR IT WAS 2.36 DAYS.

Of course, the amount of time consumers are happy to wait is really dependent on what they are ordering. As we can see from the table, when it comes to groceries, the expectation is 1.23 days, while in last position is automotive accessories at 2.62 days.

But what about really fast delivery?

Over the last few years, we’ve been tracking the very high percentage of consumers who want their online orders to arrive super-fast, i.e. in less than 2 hours. Last year this figure was 24%, up 4% from the year before. This year, the figure is 23%, slightly down on last year, while 41% of consumers expect delivery within 24 hours. Could it be that consumers’ expectations of fast delivery are starting to level off? In some countries this looks like it might be the case, while in others, the demand for faster delivery has increased significantly.

23%

OF CONSUMERS EXPECT DELIVERY IN LESS THAN 2 HOURS (VS. 24% LAST YEAR).

With fast delivery being so important, it stands to reason that online sellers who get their delivery right (and by right, we predominantly mean fast) stand the best chance of winning versus their competitors. So, who’s out in front?

Unsurprisingly, the leading marketplaces (Amazon, Tmall, Mercado Libre) come in first position, way ahead of their nearest competitors.

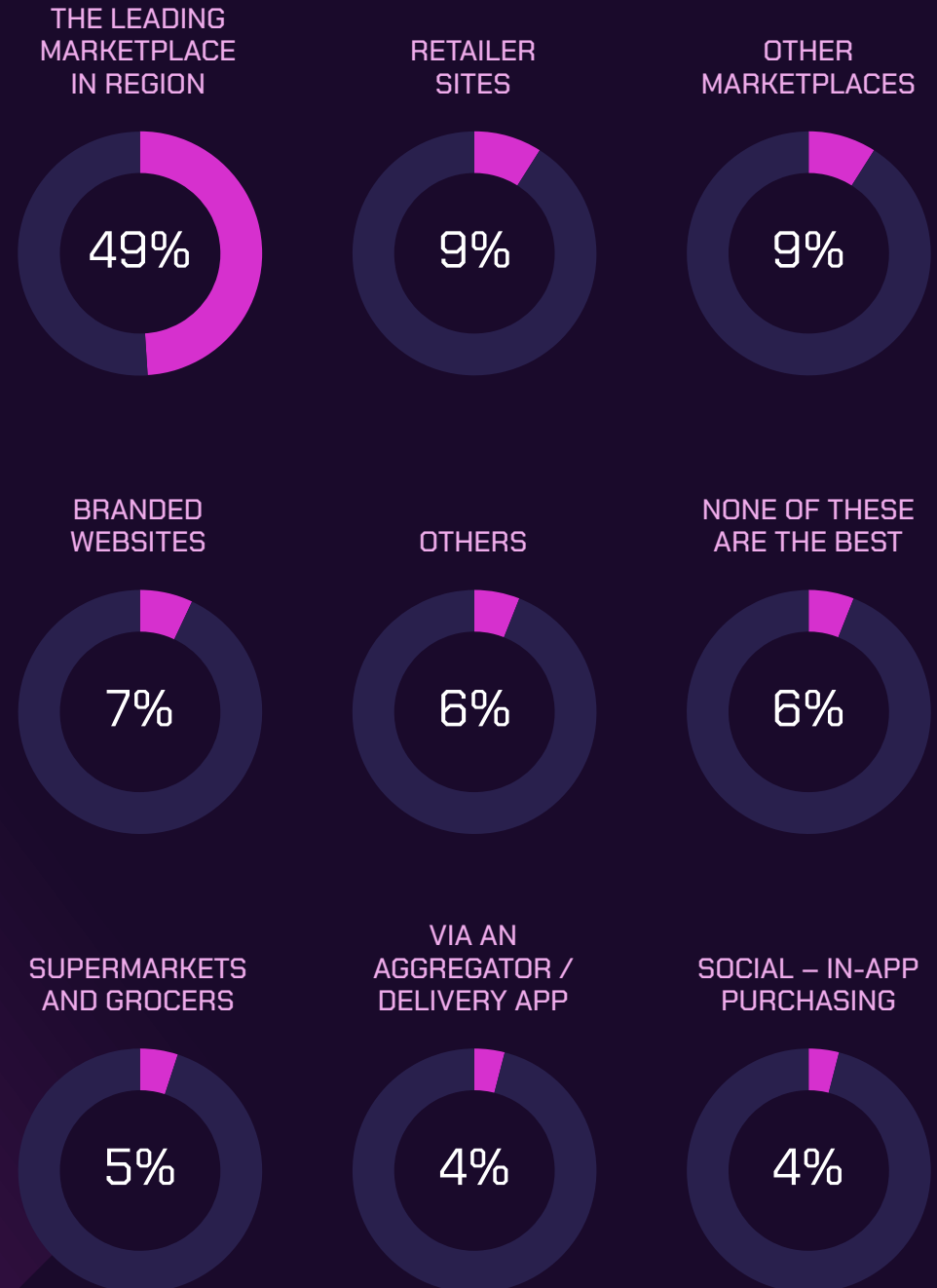
HOW QUICKLY DO CONSUMERS EXPECT DELIVERY OF THEIR ONLINE ORDERS?

	AVERAGE	LESS THAN 2HRS	LESS THAN 24HRS
GROCERY (E.G. FOOD AND DRINK)	1.23	40%	64%
HEALTH AND PHARMACEUTICAL	1.59	34%	53%
ALCOHOL	1.63	32%	49%
FINANCIAL PRODUCTS (E.G. INSURANCE)	1.73	32%	50%
HOUSEHOLD PRODUCTS	2.22	21%	40%
BEAUTY (E.G. HAIRCARE, SKINCARE, MAKEUP)	2.24	20%	38%
TECHNOLOGY (E.G. SMART PHONES, TABLETS, COMPUTERS, HEADPHONES)	2.42	17%	35%
LUXURY (E.G. HIGH-END CLOTHING, WATCHES, JEWELERY, BAGS, ART)	2.53	17%	33%
TOYS (E.G. BOARD GAMES, SOFT TOYS)	2.54	16%	32%
SECOND-HAND PRODUCTS	2.56	17%	33%
CLOTHING AND FASHION (E.G. HIGH-STREET CLOTHING, FOOTWEAR)	2.57	16%	32%
AUTOMOTIVE AND ACCESSORIES (E.G. SEAT COVERS, HUBCAPS, SATNAV)	2.62	16%	32%

WHICH COUNTRIES HAVE THE MOST IMPATIENT ONLINE SHOPPERS?
THE PERCENTAGE OF CONSUMERS WHO EXPECT THEIR DELIVERIES TO
ARRIVE IN LESS THAN 2 HOURS:

	2023	2022	CHANGE
INDIA	38%	46%	-8%
COLOMBIA	36%	27%	+9%
UAE	34%	50%	-16%
MEXICO	31%	20%	+11%
SOUTH AFRICA	31%	25%	+6%
BRAZIL	31%	31%	0
USA	30%	37%	-7%
THAILAND	28%	25%	+3%
CHINA	24%	25%	-1%
ARGENTINA	23%	23%	0
UK	19%	16%	+3%
SPAIN	17%	15%	+2%
NETHERLANDS	16%	13%	+3%
AUSTRALIA	16%	14%	+2%
GERMANY	14%	14%	0
POLAND	14%	NA	NA
FRANCE	14%	18%	-4%
JAPAN	5%	11%	-6%

WHO IS BEST AT SPEEDY DELIVERY?





EXPERT OPINION: HOW AI CAN BE USED TO SPEED UP DELIVERY

Delivery is a constellation of complex, interconnected optimization problems across the end-to-end supply chain – scheduling, routing, inventory management, resource allocation, pricing, etc. Modeling and solving these problems using AI is the first step toward faster and more efficient delivery.

You can still have human domain experts in the loop to validate and tune, but the number of contributing variables and the size of the data have to be crunched by algorithms. Each and every sub-problem that is not supported by an AI-powered solution is a potential efficiency leak (and an opportunity for improvement).

It's not easy for an organization to replace their legacy systems or human-centric processes with AI components. It takes time and cost, and there are serious risks if this replacement is not done properly. A digital twin approach is a way to ameliorate these risks and simulate large changes before actually investing in them. The twin mirrors the organization's physical operations across the supply chain. This enables the simulation of "what if" scenarios that can test different options (strategies, algorithms, market conditions, customer preferences) and identify the best one to implement.



THEODOROS LAPPAS

HEAD OF DATA SCIENCE

E: THEODOROS.LAPPAS@WUNDERMANTHOMPSON.COM

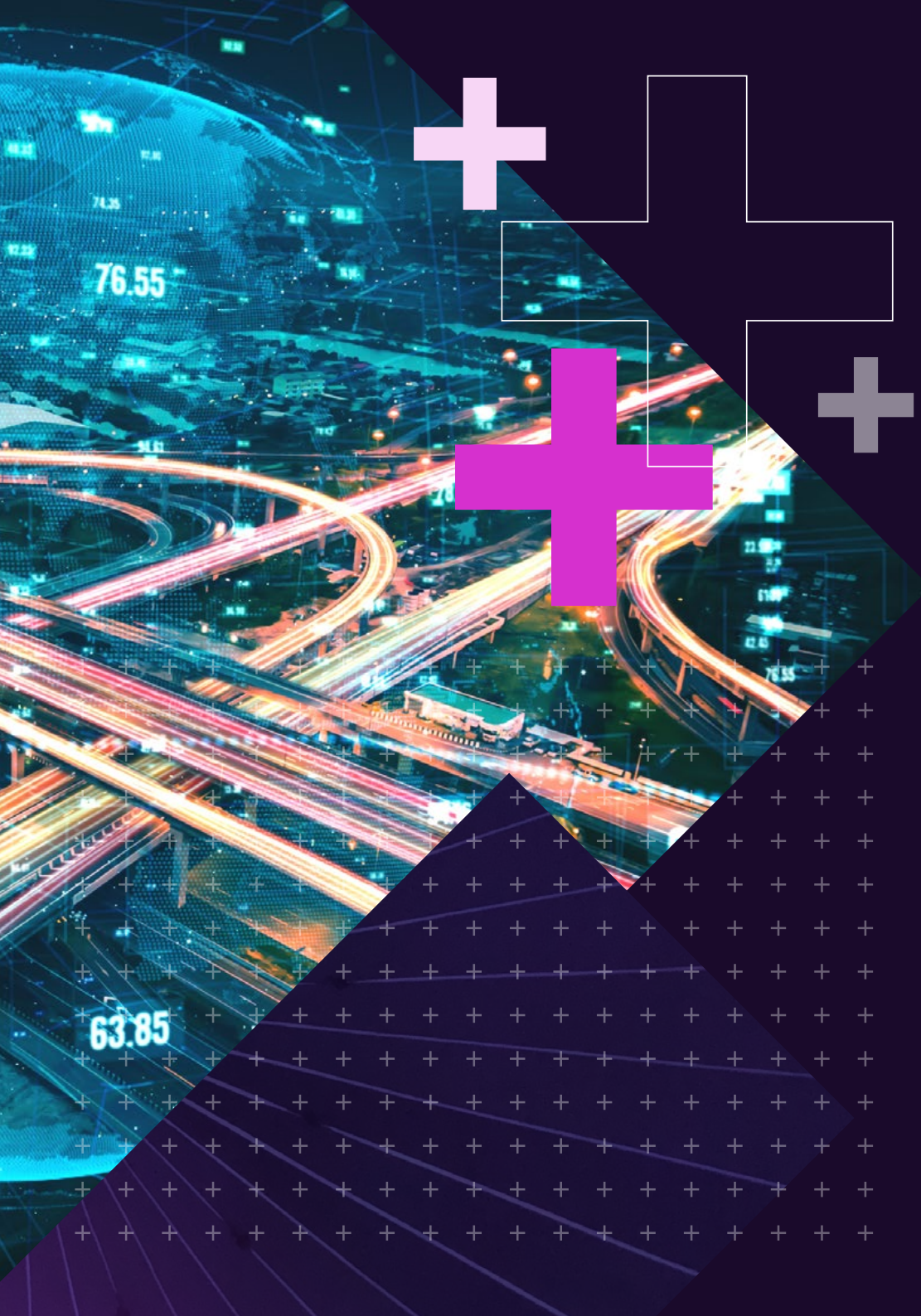


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CHAPTER 7: BUT DELIVERY ISN'T JUST ABOUT SPEED...

As we've seen in the list of things that consumers would change about online shopping, free delivery and convenient delivery are also important. So, who is best at this? Once again, marketplaces stand head-and-shoulders above the rest.

This is a big hurdle for online sellers who want to challenge the might of marketplaces. When they are doing such a great job of delivery, it becomes even harder to stop consumers simply defaulting to them.

WHO IS BEST AT CONVENIENT AND FREE DELIVERY?

	CONVENIENT DELIVERY	FREE DELIVERY
THE LEADING MARKETPLACE IN REGION	48%	48%
RETAILER SITES	9%	9%
OTHER MARKETPLACES	9%	9%
NONE OF THESE ARE THE BEST AT THIS	7%	9%
BRANDED WEBSITES	7%	7%
SUPERMARKETS AND GROCERS	6%	4%
SOCIAL – IN-APP PURCHASING	4%	4%
VIA AN AGGREGATOR / DELIVERY APP	4%	4%
OTHERS	6%	6%

CHAPTER 8: RETURNS

As we've previously mentioned, service is becoming increasingly important when shopping online. And, while delivery is key to this, so too are returns.

So, just how much of what we order online gets returned? The answer is 19%, which is incidentally down from last year's figure of 23%, possibly reflecting the fact that some retailers have made a U-turn on their free returns policy.

19%

OF EVERYTHING ORDERED ONLINE IS RETURNED.



WHO ARE THE HIGHEST AND LOWEST ONLINE RETURNERS BY COUNTRY?

HIGHEST RETURNERS

	COUNTRY	% RETURNED	% RETURNED AND POSITION IN 2022
01	UAE	40%	34% [2]
02	INDIA	37%	44% [1]
03	THAILAND	34%	30% [3]
04	NETHERLANDS	26%	32% [4]
05	USA	25%	34% [2]

LOWEST RETURNERS

	COUNTRY	% RETURNED	% RETURNED AND POSITION IN 2022
01	JAPAN	8%	13% [1]
02	ARGENTINA	11.5%	15% [2]
03	COLOMBIA	12%	16% [3]
04	MEXICO	14%	16% [4]
05	AUSTRALIA	16%	17% [5]

And, as we've identified before, returning items isn't just about ordering the wrong item, or finding out that it doesn't fit, or isn't fit for purpose. No, over-ordering is a deliberate strategy that a significant proportion of shoppers pursue. In fact, the exact percentage is 35%. Again, this figure is slightly down on last year's 39% which again may reflect some retailers renegeing on their free returns policies.

35%

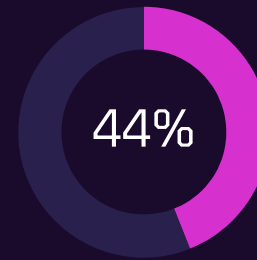
OF GLOBAL CONSUMERS ADMIT TO OVER-ORDERING ONLINE ITEMS, WITH THE INTENT OF RETURNING THEM.

This leads us to ask the question, who offers the easiest returns process? Once again, it's the leading marketplaces that dominate this part of the experience.

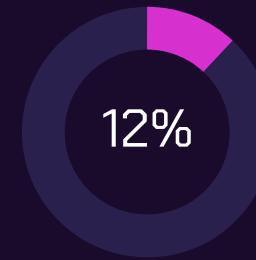


WHO OFFERS THE EASIEST RETURNS PROCESS?

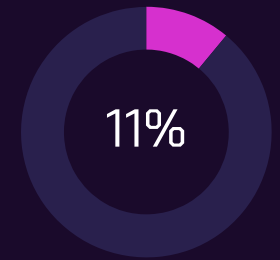
LEADING MARKETPLACE



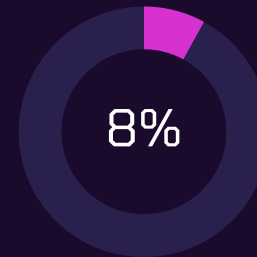
NONE OF THESE ARE THE BEST



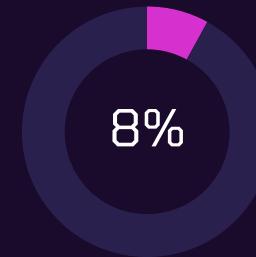
RETAILER SITES



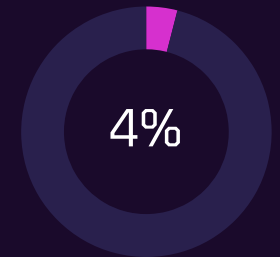
BRANDED WEBSITES



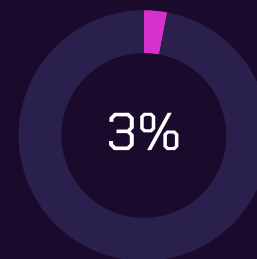
OTHER MARKETPLACES



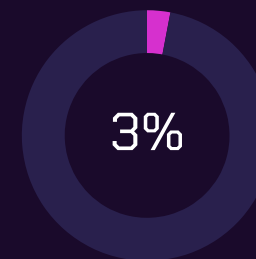
SUPERMARKETS AND GROCERS



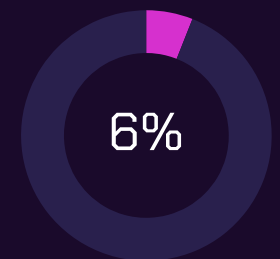
SOCIAL – IN-APP PURCHASING



VIA AN AGGREGATOR / DELIVERY APP



OTHERS



CHAPTER 9: CONTENT

As well as the overall experience, the content that shoppers encounter when they shop online influences their purchase decisions. But what content exactly is most important?

It is interesting that “accurate product descriptions” comes in first place, and by quite some distance. In joint second position, we have high quality images followed by the brand.

Brand is an interesting factor, given that elsewhere in this research we’ve found that brand takes a back seat to service. However, it appears that, when it comes to content, brand plays a bigger and more important role. Colombian and South African consumers value brand in their content most (41%), while consumers in the Netherlands (24%), the UK (23%) and Japan (19%) value it the least.

46%

OF GLOBAL SHOPPERS SAY ACCURATE PRODUCT DESCRIPTIONS ARE IMPORTANT, MAKING IT THE MOST IMPORTANT FACTOR FOR CONTENT.

Let’s consider some other regional differences. Chinese consumers value accurate product descriptions the most (61%), while in Thailand, being easily able to read content is more important than anywhere else (36%). In Poland, fast checkout is more important than any other country (37%).

WHAT CONTENT INFLUENCES GLOBAL SHOPPERS MOST WHEN SHOPPING ONLINE?

ACCURATE PRODUCT DESCRIPTIONS	46%
HIGH QUALITY IMAGES	32%
THE BRAND	32%
EASY TO READ CONTENT	23%
A GOOD-LOOKING SITE	20%
VIDEO CONTENT	20%
SPEED OF CHECKOUT	18%
BLOG POSTS AND NEWS ON THE SITE	10%
NO CONTENT INFLUENCES ME THE MOST WHEN BUYING A PRODUCT ONLINE	8%



EXPERT OPINION:

WHY GETTING YOUR CONTENT RIGHT IS VITAL TO ENSURING THAT SHOPPERS TRANSACT ON YOUR SITE

Online shopping has broken through in terms of enjoyment, but who wants to return a product that isn't right? Shoppers value the psychological reassurance that the product is of the quality level they expect, and that it will meet their needs – if there are clear omissions, repetitions or obfuscations, then the shopper will start to question their potential purchase and hesitate to commit. While we see regional differences in the stated preference of shoppers (text vs. brand vs. imagery), all seek the clarity that will give them the confidence to buy.

Product content will typically touch on a number of systems. It is imperative that the information from all contributing technical capabilities forms a cohesive whole that is complete and unambiguous to the customer. Product attributes, content modeling, and the operations that deliver them, need to be completely in lockstep, or your customers will notice.



MARK DEAL

TECHNOLOGY STRATEGY DIRECTOR

E: MARK.DEAL@WUNDERMANTHOMPSON.COM



HOW VML CAN HELP YOU:

BRAND GUARDIAN AND CURATIVE AI

Brand Guardian is an off-the-shelf AI product that performs quality checks on your marketing assets from various angles, in effect mitigating the risk of unwanted publications and ensuring high standards of marketing assets that represent the audience.

It powerfully builds on the rise of Curative AI, a subfield of AI that focuses on the validation and curation of content. And it acts as a quality gate that intercepts and flags off-brand and non-compliant content in real time, allowing humans to make the final decision before a publication is made. It can also scan for published content, protecting your brand around the clock. It can scale across all brands and teams globally, making your content flawless, every single time!

Find out more [here](#).

CHAPTER 10: “COMPRESSED COMMERCE”

Finally, one key element of experience is speed, or, more specifically, getting from inspiration to purchase as quickly as possible. We call this “compressed commerce”. This is why owning the inspiration phase is so vital; if you can grab the consumer at the inspiration phase, you have a greater chance of ensuring they convert and purchase on your channel.

So, how important is “compressed commerce” to consumers? The answer is that it’s essential, with 61% of global shoppers wanting to get from inspiration to purchase as quickly as possible.

However, it’s worth saying that in 2022 and 2021, this figure was a mighty 80%. When we look at the sources of inspiration, search and purchase, could it mean that, with more channels in play, more consumers are happier to accept a slightly longer process? We’ll have to watch this space to see how this develops.

61%

OF GLOBAL SHOPPERS WANT TO GET FROM INSPIRATION TO PURCHASE AS QUICKLY AS POSSIBLE. WE CALL THIS “COMPRESSED COMMERCE”.

Let’s take a closer look at Japan to explain why it consistently appears at or near the bottom of most of our survey tables.

The first thing to note is that most Japanese consumers are not dissatisfied with the online shopping experience. However, they very much enjoy shopping offline, and want a mix of both. Its offline retail market is very well developed, largely due to it being a densely populated country. It also has a relatively balanced mix of supermarkets, convenience stores, and drugstores, with consumers shopping at these outlets every 1-3 days.

And if Japanese shoppers need items in a hurry, it is much quicker to buy them at the convenience store near home rather than using an online shopping delivery service. As for the drop in the rate of “compressed commerce,” inflation and rising prices of goods have made its consumers more cautious in their decision making, to avoid unnecessary purchases.

THE PERCENTAGE OF ONLINE SHOPPERS WHO WANT TO GET FROM INSPIRATION TO PURCHASE AS QUICKLY AS POSSIBLE

		2023	2022
01	INDIA	80%	88%
02	UAE	77%	88%
03	THAILAND	76%	95%
04	SOUTH AFRICA	74%	87%
05	CHINA	72%	86%
06	MEXICO	69%	85%
07	BRAZIL	68%	90%
08	COLOMBIA	67%	86%
09	POLAND	60%	NA
10	USA	60%	77%
11	UK	57%	74%
12	ARGENTINA	56%	78%
13	FRANCE	55%	69%
14	AUSTRALIA	55%	72%
15	SPAIN	53%	76%
16	GERMANY	50%	75%
17	NETHERLANDS	44%	62%
18	JAPAN	38%	66%

KEY THOUGHTS

→ CONSUMERS CURRENTLY SEE ONLINE AS OFFERING THE BEST EXPERIENCE, WITH MARKETPLACES BEING THE CHANNEL THAT PROVIDES THE BEST EXPERIENCE OVERALL.

- What can be learnt from the marketplace experience and put to powerful use in your other channels?
- Online trumps offline in most areas we surveyed, including Accessibility. With new Accessibility legislation on the horizon, is it a key part of your online planning?

→ CONSUMERS WANT SUPER-FAST DELIVERY, ALTHOUGH THERE ARE INDICATIONS THAT THEIR EXPECTATIONS APPEAR TO BE RECEDING SLIGHTLY.

- How can super-fast delivery be achieved to ensure consumer expectations are being met?

→ OTHER ELEMENTS SUCH AS AVAILABILITY AND RETURNS ARE ALSO IMPORTANT.

- Can your organization, whether as a brand or retailer, offer pricing that appeals to consumers, supported by the services they demand?





SECTION 7: MARKETPLACES

CHAPTER 1: BEATING THE MARKETPLACES

With marketplaces still dominant across the three stages of the customer journey, retailers and brands must find ways to compete and fight back against marketplaces. So, we asked our global audience of consumers what the reasons would be for choosing another retailer over the big marketplaces like Amazon, Tmall and Mercado Libre.

The answers given are challenging for brands and retailers, to say the least.

In first place, by quite some distance, and as per last year, comes “cheaper pricing”. Given the scale, breadth and value of the offering on marketplaces, beating them on price is going to be quite some challenge.

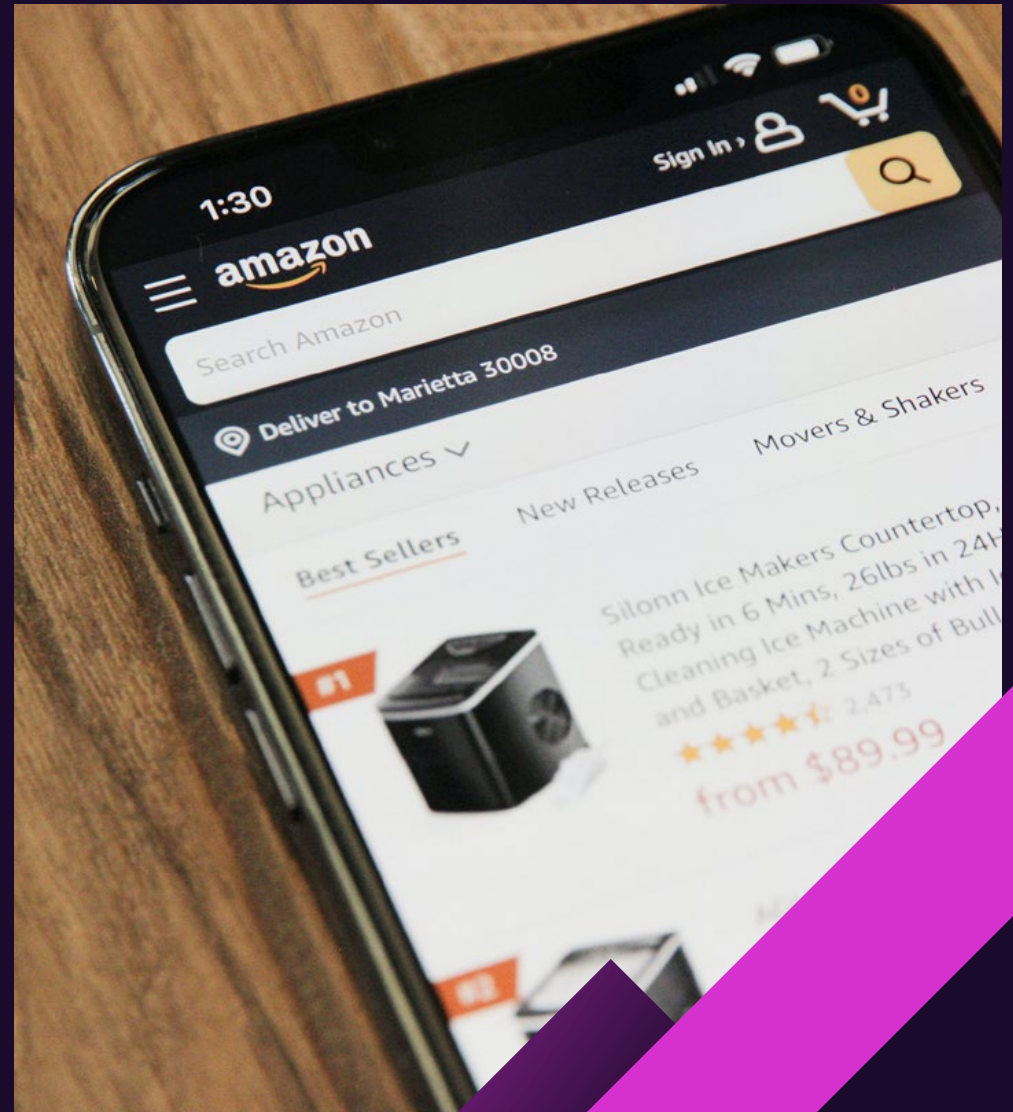
46%

OF CONSUMERS GLOBALLY WOULD CHOOSE ANOTHER RETAILER OR BRAND OVER A MARKETPLACE IF THE PRICE WAS CHEAPER.

The second reason could also prove a major hurdle: “more convenient delivery options”. Once again, given the infrastructural and organizational investments of the big marketplaces in their delivery options, there doesn’t seem to be a huge window of opportunity for retailers and brands.

Finally, in third position and beyond, come a few welcome rays of light for marketplace challengers: physical stores, more attractive loyalty programs, better and more specialized product ranges, better environmental practices, better personalization, and better ethics.... These are all areas where marketplaces can be beaten.

However, the truth remains that consumers are first and foremost price-sensitive, and this is a theme we have seen throughout this year’s research.



THE TOP 10 REASONS GLOBAL CONSUMERS WOULD CHOOSE ANOTHER RETAILER OR BRAND OVER A MARKETPLACE

		2023	2022	2021
01	CHEAPER PRICING	46%	42%	46%
02	MORE CONVENIENT DELIVERY OPTIONS	21%	20%	20%
03	EXISTENCE OF PHYSICAL STORES	20%	18%	16%
04	MORE ATTRACTIVE LOYALTY PROGRAMS	18%	15%	19%
05	BETTER / MORE SPECIALIZED PRODUCT RANGE	17%	17%	19%
06	BETTER ENVIRONMENTAL PRACTICES (E.G. LESS PACKAGING, REDUCED CARBON FOOTPRINT, ECO-DELIVERY VEHICLES)	13%	14%	14%
07	BETTER PERSONALIZATION SO THEY KNOW AND TREAT ME BETTER AS AN INDIVIDUAL	12%	14%	12%
08	BETTER BRAND ETHICS	12%	12%	13%
09	I PREFER TO SUPPORT OTHER INDEPENDENT RETAILERS	11%	13%	13%
10	BETTER-LOOKING WEBSITE	10%	11%	12%

NB. Consumers were able to choose multiple options, so the totals do not add up to 100%

And if it's so hard to beat marketplaces, could you "join" them? Or, at the very least, build a marketplace of your own? This is a trend we've witnessed much more in the last few years, of brands and retailers creating marketplaces where they curate and sell their own products alongside their competitors.

Is this something global shoppers are up for? Absolutely! In 2022, 54% of shoppers said they like buying from branded marketplaces, whereas in 2023, this figure has risen to 58%.



CHAPTER 2: SUGGESTED PRODUCTS

Marketplaces are often commended for helping consumers make the right decisions. For instance, 54% of global consumers say a marketplace's recommended products do influence their purchases (vs. just 16% who say they don't).



In addition, 53% say that products labeled "climate friendly" also impact what they buy.

But this type of product labeling isn't always welcomed, particularly when it comes to sponsored items, with 55% of shoppers claiming that sponsored items get in the way of what they're looking for, and 53% questioning the credibility of these sponsored items. Quite clearly there is still some work to be done by marketplaces to get the user experience right.



EXPERT OPINION:

WHY BRANDED MARKETPLACES COULD ALLOW RETAILERS AND BRANDS TO GIVE CONSUMERS THE BEST OF BOTH WORLDS

We talk a lot about how to beat marketplaces, however, as we can see from our consumer research, this is no easy matter. Through lower prices, faster and more convenient delivery options and broader assortment, marketplaces have established a strong foothold with consumers. So, if it's difficult to beat marketplaces at their own game, one approach is to set up your own marketplace. This will deliver several benefits for your business and customers, such as:

- Access to valuable data and analytics to gain insight to user behavior and identify growth opportunities
- Developing direct relationships with consumers using first party data
- Additional revenue streams through marketing and advertising programs
- Driving scalability and growth by attracting a broad selection of buyers and sellers

Overall, there are many benefits to establishing your own marketplace, with significant potential to reach new consumers, increase overall revenue and build a platform for growth.



RAGHBIR RANA

MARKETPLACES CONSULTANT

E: RAGHBIR.RANA@WUNDERMANTHOMPSON.COM



HOW VML CAN HELP YOU: MARKETPLACE SERVICES

We are a leading provider of global eCommerce marketplace services and the founding partner of the WPP Amazon Center of Excellence.

We run the largest global consultancy helping brands succeed on Amazon, Tmall and other marketplaces. We do this by building solutions through Audit Services, Content Services and Media Services, to enable our customers to drive results globally on marketplaces and e-retailers at scale.

Find out more [here](#).

CHAPTER 3: LOYALTY AND MARKETPLACES

Another area where marketplaces are very strong is loyalty. This may be down to the price, it may be the ease, the speed and the convenience – but there’s more to it than that.

A huge percentage of consumers see loyalty schemes like Amazon Prime as the benchmark, with 69% wishing more retailers and brands offered similar services.

69%

OF GLOBAL CONSUMERS WISH RETAILERS AND BRANDS OFFERED SIMILAR SERVICES TO AMAZON PRIME.

Despite this figure, supermarkets and grocers, not marketplaces, rule the roost when it comes to loyalty schemes. 47% of global shoppers say they are members of a supermarket loyalty program, while 37% say they are a member of a marketplace loyalty program.

THE TOP 5 LOYALTY SCHEMES GLOBALLY

01	SUPERMARKET (E.G. NECTAR, TESCO CLUBCARD, MYWAITROSE CARD)	47%
02	LEADING MARKETPLACE	37%
03	HEALTH AND BEAUTY (E.G. BOOTS ADVANTAGE CARD, SUPERDRUG HEALTH & BEAUTY CARD)	30%
04	DEPARTMENT STORES (E.G. MY JOHN LEWIS)	21%
05	FASHION (E.G. ASOS PREMIER, H&M CLUB)	21%

LOYALTY SCHEME ADOPTION BY REGION

	APAC	EU	LATAM	ME	NA	S.AFRICA
SUPERMARKET (E.G. NECTAR, TESCO CLUBCARD, MYWAITROSE CARD)	48%	50%	39%	32%	40%	77%
LEADING MARKETPLACE	36%	38%	29%	48%	54%	11%
HEALTH AND BEAUTY (E.G. BOOTS ADVANTAGE CARD, SUPERDRUG HEALTH & BEAUTY CARD)	28%	32%	23%	30%	35%	67%
FASHION (E.G. ASOS PREMIER, H&M CLUB)	20%	23%	17%	27%	17%	50%
DEPARTMENT STORES (E.G. MY JOHN LEWIS)	28%	17%	16%	24%	29%	46%
I'M NOT A MEMBER OF ANY OF THESE	14%	15%	18%	13%	11%	7%
CONSUMER ELECTRONICS (E.G. CURRY'S PC WORLD, AO.COM)	25%	13%	14%	17%	12%	12%
TRAVEL (E.G. AVIOS)	22%	11%	18%	16%	16%	13%
WHOLESALE (E.G. COSTCO, MAKRO)	20%	11%	19%	12%	27%	36%
AGGREGATOR SITES	10%	5%	7%	12%	17%	31%
MERCADO LIBRE	0%	0%	46%	0%	0%	0%
JD VIP	4%	0%	0%	0%	0%	0%

CHAPTER 4: REVIEWS, COUNTERFEITS AND CONCERNS

While the reasons to buy from channels other than marketplaces may not offer retailers and brands a high level of opportunity, it doesn't mean that everything is rosy for marketplaces; there are also some negatives we uncovered.

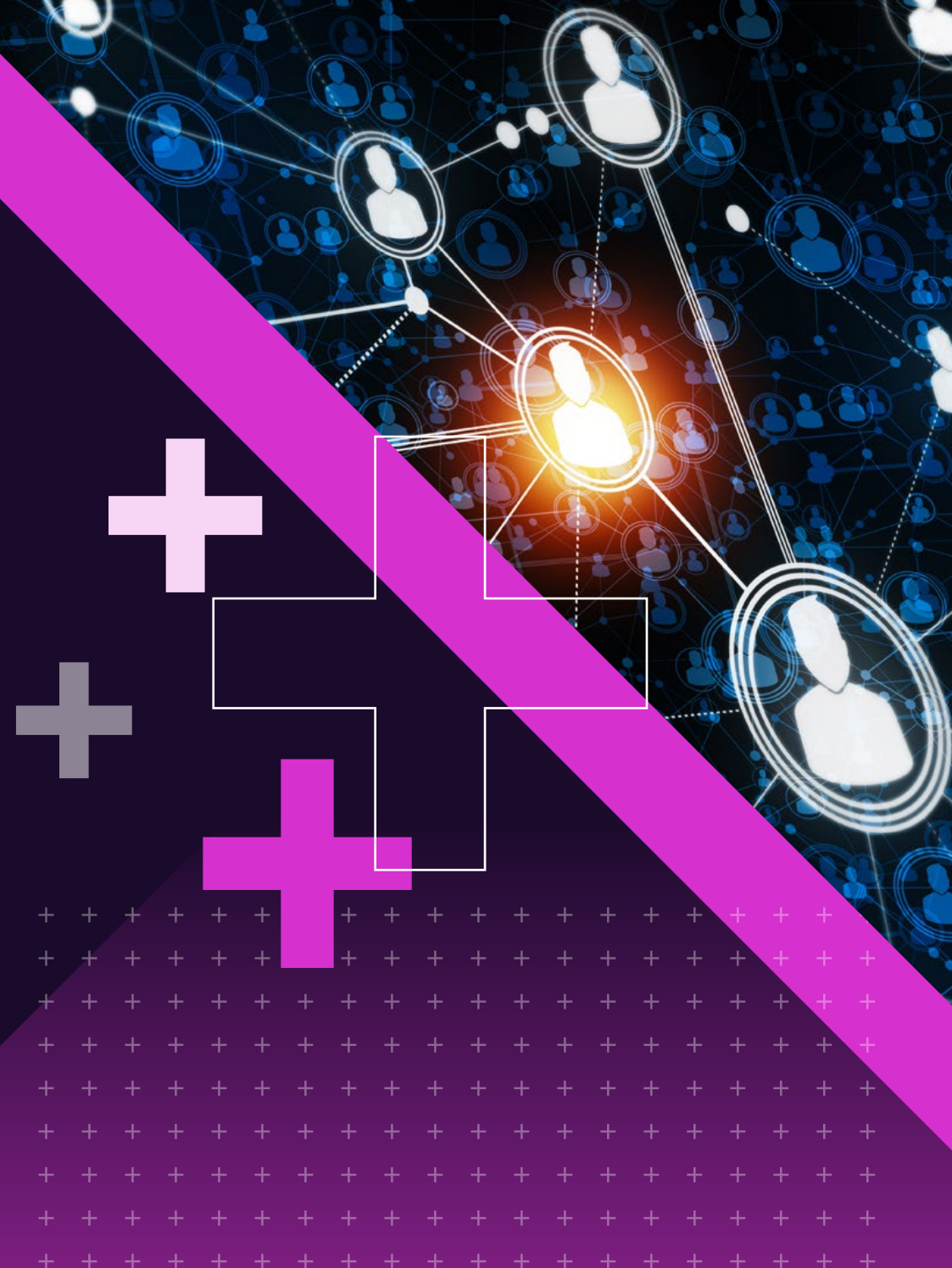
For instance, 58% of consumers believe big tech companies (like Amazon) should be paying more taxes, and we'll mention later in this report the importance of ethics.

We also found that 58% of global consumers have encountered reviews on a marketplace they believe are fake, and 52% have encountered a product they suspect may be counterfeit. This figure around counterfeit products is markedly up from 19% last year!

We should further qualify this claim, however, with our finding that two-thirds of consumers (67%) do trust products to be what they say they are, with 64% claiming they trust reviews.

52%

OF GLOBAL SHOPPERS HAVE ENCOUNTERED A PRODUCT ON A MARKETPLACE THEY SUSPECT MAY BE COUNTERFEIT (UP FROM 19% LAST YEAR).





CHAPTER 5: EXPANDING MARKETPLACE SERVICES

The reach and remit of marketplaces has long been talked about, so what appetite is there for expansion?

One of the areas that we looked into during the last few years of our survey was banking and financial products. 48% of consumers say they would be open to banking and purchasing financial products through marketplaces like Amazon; this percentage has remained a relatively consistent percentage over the last 3 years.

In addition to this, marketplaces should, if they don't already, look into the services and utilities they could provide their customers. Why? Because 51% of global consumers would be open to buying their energy, water and utilities from marketplaces like Amazon.

And what about mobile phone plans? 53% of shoppers agreed they would be up for buying their plans via marketplaces.

With this in mind, we wanted to test just how far consumers would interact with marketplaces, so we asked them if they would welcome the likes of Amazon setting up dating services. After all, with so much data about consumers, surely creating the perfect match wouldn't be that hard. And we could be onto something here – with 42% of global consumers saying they would be open to using a dating app provided by a marketplace. Although, to further qualify this response, we should also reveal that 31% of consumers were against the idea! Amazon has always said it wanted to sell everything from A-Z, so why not love?

42%

OF GLOBAL CONSUMERS WOULD BE OPEN TO USING A DATING APP PROVIDED BY MARKETPLACES LIKE AMAZON, ALIBABA AND MERCADO LIBRE.

WHAT PERCENTAGE OF CONSUMERS WOULD WELCOME THE LIKES OF AMAZON DATING SERVICES?

DATING	ALL	MALE	FEMALE
AGREE	42%	49%	37%
NEITHER AGREE NOR DISAGREE	26%	28%	25%
DISAGREE	31%	23%	38%

TOP 5 COUNTRIES WHO WOULD BE OPEN TO MARKETPLACE DATING SERVICES

DATING	AGREE
01 INDIA	68%
02 UAE	65%
03 THAILAND	65%
04 CHINA	61%
05 COLOMBIA	53%

KEY THOUGHTS

→ MARKETPLACES ARE WINNING WHEN IT COMES TO SHARE OF ATTENTION AND WALLET ACROSS THE 3 PHASES OF INSPIRATION, SEARCH AND PURCHASE, BUT THERE ARE AREAS THEY NEED TO IMPROVE ON, E.G. PERCEPTIONS ON REVIEWS AND COUNTERFEITS.

- When it comes to your marketplace strategy, what can you do to allay consumer fears about authentic products and reviews?

→ BEATING MARKETPLACES IS GOING TO BE CHALLENGING, ESPECIALLY AS CONSUMERS ARE PRICE-DRIVEN, BUT THERE IS HOPE AS CONSUMERS CAN BE SWAYED BY OTHER PARTS OF THE EXPERIENCE.

- How could your channel strategy, or your specialization, work to your advantage? How do you execute it efficiently?
- We uncovered several opportunities where you could gain the upper hand over marketplaces. Which ones are commercially viable for development, and how do you translate the plan into action?

→ MARKETPLACES ARE ALSO DOING A GREAT JOB WHEN IT COMES TO LOYALTY, ALBEIT SUPERMARKET LOYALTY PROGRAMS ARE MORE USED.

- What can your organization learn and replicate from these programs?

The background features a dark, blurred image of a smartphone screen with social media icons for Instagram, Facebook, and Twitter. Overlaid on the left side is a grid of small white plus signs. Three larger plus signs are also present: a white outline, a solid purple, and a solid grey. The text 'SECTION 8: SOCIAL COMMERCE' is centered in a bold, white, sans-serif font.

SECTION 8: SOCIAL COMMERCE

Social commerce has long been touted as the next new big channel. In 2019, research we conducted of digital commerce leaders showed they believed that social commerce would be the number one sales channel by the end of the decade. So, how close are we to this vision coming true?

CHAPTER 1: BUYING THROUGH SOCIAL COMMERCE

Let's start by first investigating the adoption and usage of social media platforms as commerce channels.

In total, 67% of global consumers have bought through social commerce, up from 65% in 2022, and 44% in 2021. Clearly this suggests a channel on the rise!

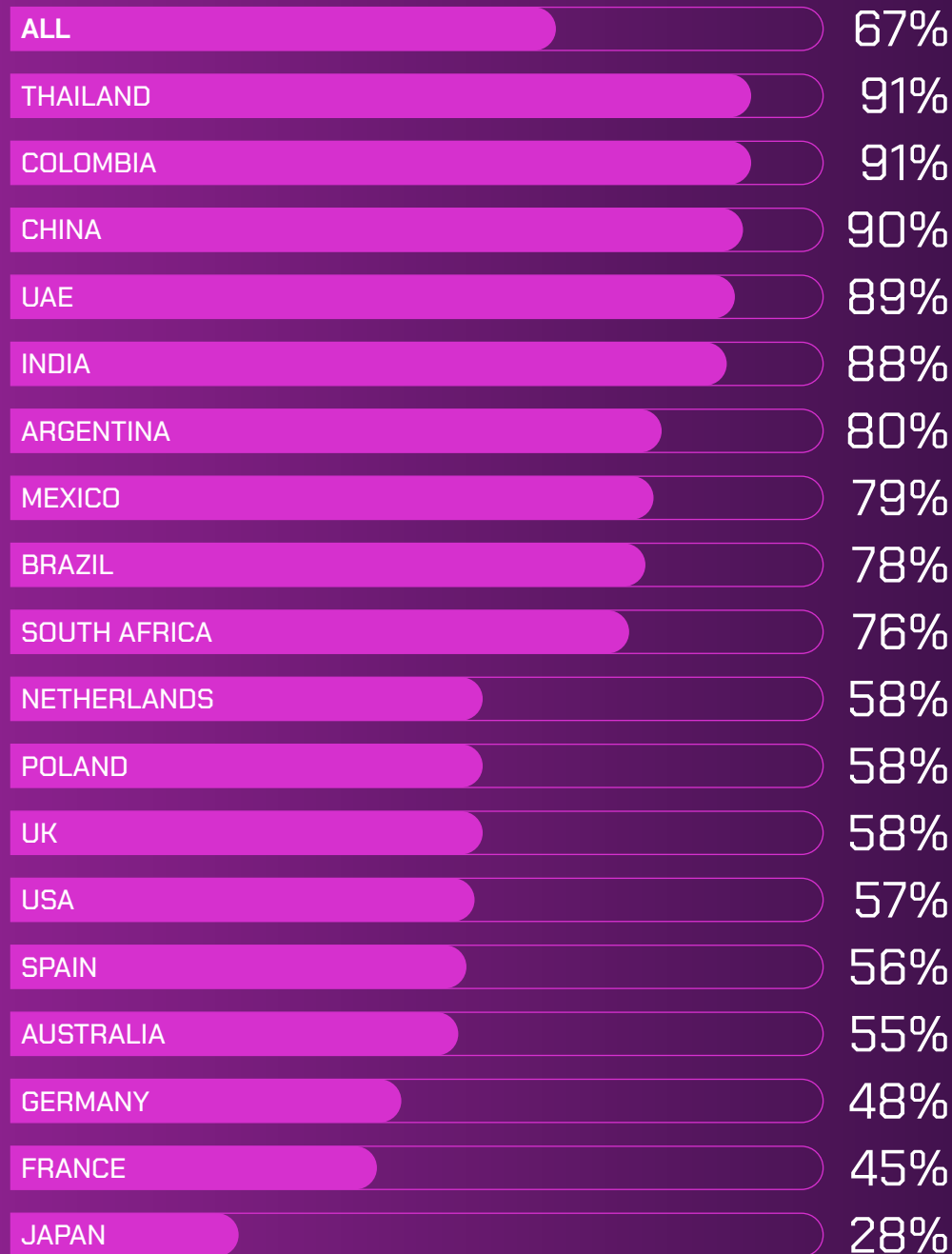
67%

OF GLOBAL SHOPPERS HAVE ALREADY BOUGHT THROUGH SOCIAL MEDIA PLATFORMS.

As one might expect, the younger the consumer, the more likely they are to have purchased via social channels, going from 83% amongst 16-24-year-olds, to 33% amongst the over-55s.



WHAT PERCENTAGE OF CONSUMERS HAVE ALREADY USED SOCIAL COMMERCE TO MAKE PURCHASES ONLINE?



We also wanted to know how they had bought on those social platforms – for instance, had they transacted in-app or “on” the platform, or had they followed a link to a retailer or brand site? The results were quite surprising: 49% of all shoppers say they have purchased “on platform”, while 26% of all shoppers have followed the links off the platform.*

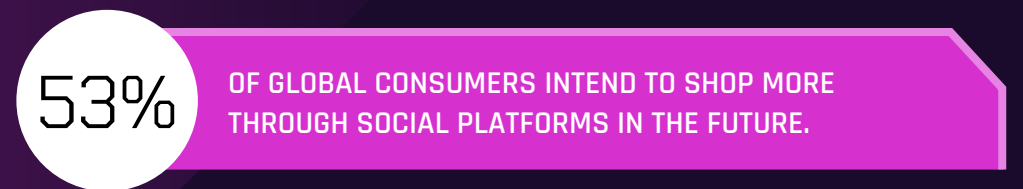
Taken at face value, this is great news, because over half of global consumers (53%) want to buy from within social apps, and don’t want to be redirected elsewhere. But the truth is that buying “on-platform” is in its early stages, and not available across all countries, so we should view this data with a degree of caution.

*Consumers could select both options “buying on platform” and “buying off platform”, hence why the figure does not add up to 67%.



CHAPTER 2: INCREASING SOCIAL COMMERCE PURCHASING

It’s impressive that 67% of consumers have already bought through social media platforms, but will this percentage continue to grow, and will the volume bought through social platforms rise, too? Yes, it would seem, as 53% of consumers intend to spend more through social media platforms in the future.



Consumers in Colombia take number one spot here, with 85% intending to shop more through social media in the future, which is closely followed by Indian and Thai consumers (both at 82%). While Japanese consumers appear the most reticent, with just 15% saying they will shop more through social in the future.

CHAPTER 3: WHICH SOCIAL PLATFORMS?

With an eye on the future, we asked consumers which social platform they would be most likely to purchase from. As with last year, the number one platform was Facebook, albeit the percentage has dropped since last year. As you might expect, we found some regional differences.



WHICH SOCIAL MEDIA PLATFORM WOULD YOU BE MOST LIKELY TO PURCHASE FROM?

	APAC	EU	LATAM	ME	NA	S.AFRICA
FACEBOOK	18%	24%	39%	28%	29%	38%
INSTAGRAM	15%	16%	29%	26%	12%	20%
THERE IS NO PLATFORM I WOULD BE MOST LIKELY TO PURCHASE FROM	18%	30%	6%	5%	26%	7%
YOUTUBE	10%	7%	5%	11%	10%	6%
TIKTOK	17%	6%	2%	6%	6%	6%
WHATSAPP	3%	5%	14%	12%	3%	14%
PINTEREST	1%	3%	1%	2%	4%	4%
TELEGRAM	3%	1%	1%	3%	1%	1%
TWITTER	2%	2%	1%	1%	3%	2%
LINE	4%	1%	0%	0%	1%	0%
OTHER	1%	2%	1%	1%	2%	2%
WECHAT	3%	1%	0%	1%	1%	0%
SNAPCHAT	1%	1%	0%	2%	2%	0%
SIGNAL	2%	1%	0%	1%	0%	0%
SHARECHAT	1%	0%	0%	1%	0%	0%

WHICH SOCIAL PLATFORMS ARE SHOPPERS MOST LIKELY TO SHOP FROM AND WHICH CURRENTLY OFFER THE BEST EXPERIENCE?

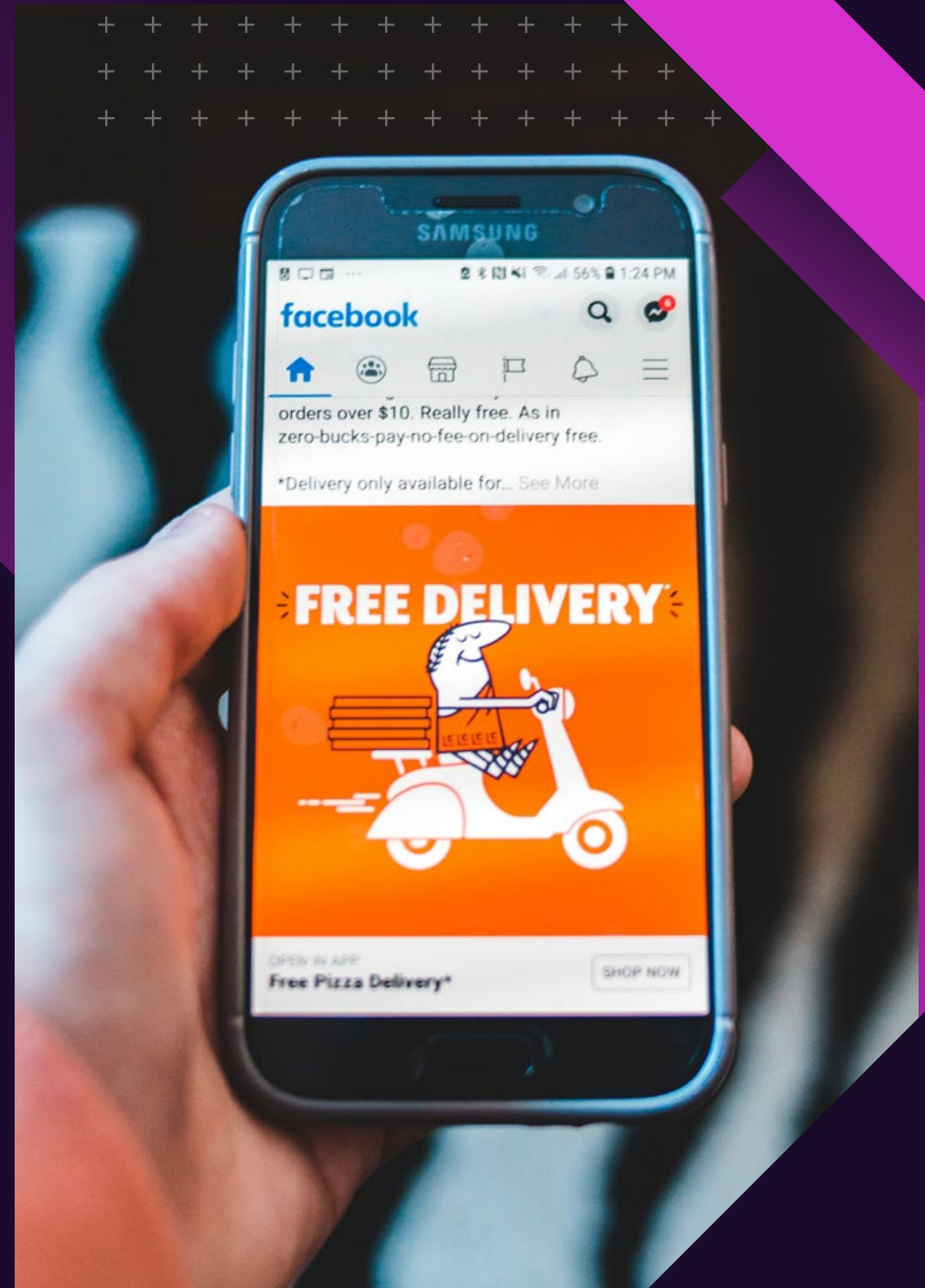
	WHICH PLATFORM ARE CONSUMERS MOST LIKELY TO SHOP FROM?	WHICH PLATFORM OFFERS THE BEST SOCIAL COMMERCE EXPERIENCE IN 2023?
FACEBOOK	27%	23%
INSTAGRAM	20%	18%
YOUTUBE	8%	8%
TIKTOK	8%	8%
WHATSAPP	7%	7%
PINTEREST	2%	2%
TELEGRAM	2%	2%
TWITTER	2%	2%
LINE	1%	1%
WECHAT	1%	1%
SNAPCHAT	1%	1%
SIGNAL	1%	1%
SHARECHAT	0%	1%

We can see a correlation between where consumers are likely to purchase, and which platform currently offers the best experience – in first place is Facebook (23%), followed by Instagram (18%), and then YouTube (8%). It should come as a surprise to no one that the likelihood to purchase, and the best experience, are linked.



WHICH PLATFORM OFFERS THE BEST SOCIAL COMMERCE EXPERIENCE?

	APAC	EU	LATAM	ME	NA	S.AFRICA
NONE OF THESE ARE BEST AT THIS / I DON'T KNOW	23%	37%	9%	5%	32%	10%
FACEBOOK	16%	18%	35%	25%	24%	33%
INSTAGRAM	13%	14%	28%	24%	11%	20%
YOUTUBE	11%	7%	6%	14%	9%	7%
TIKTOK	17%	7%	3%	8%	6%	7%
WHATSAPP	3%	5%	13%	12%	3%	14%
TELEGRAM	3%	2%	1%	3%	2%	1%
TWITTER	2%	2%	1%	2%	3%	2%
LINE	3%	1%	0%	1%	1%	0%
WECHAT	3%	1%	0%	1%	1%	0%
PINTEREST	1%	3%	1%	2%	4%	4%
SNAPCHAT	1%	1%	0%	2%	2%	0%
OTHER	1%	1%	1%	1%	1%	1%
SIGNAL	2%	1%	0%	1%	1%	0%
SHARECHAT	1%	1%	1%	1%	1%	0%



CHAPTER 4: BUYING MORE THROUGH SOCIAL COMMERCE

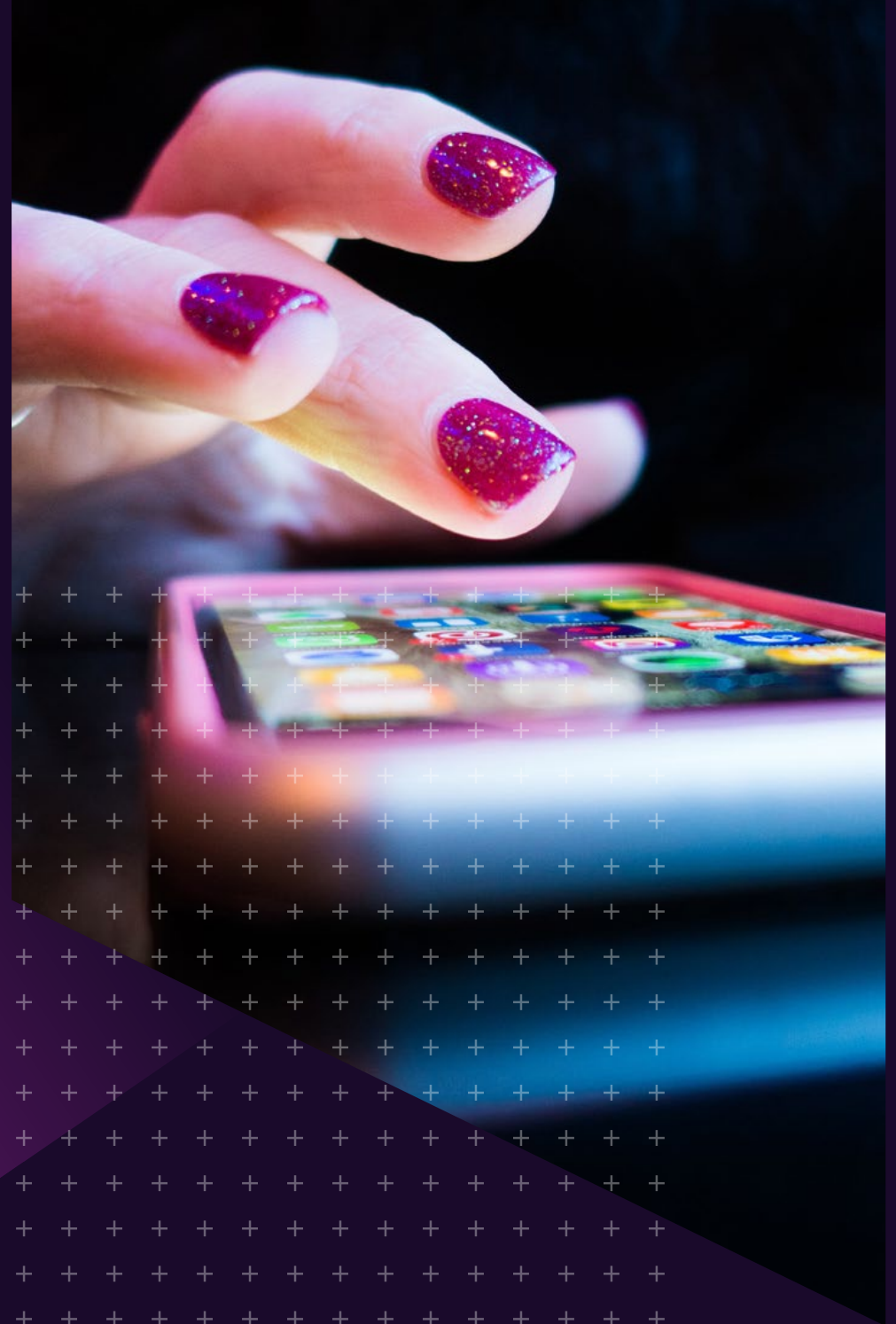
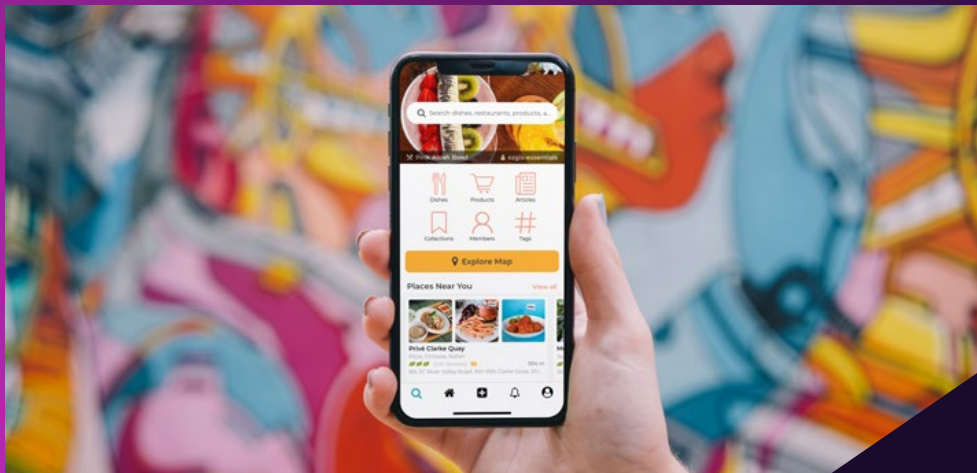
With social commerce on the rise, once again we looked at what would encourage consumers to spend more through social platforms. As in 2022, the top four factors remained exactly the same, albeit with some small changes in percentage figures.

Seemingly the ability to grab deals, discounts and offers via social is important. Could this be because of the spontaneity of purchasing? And could this mean that businesses should be creating bespoke discounts via their social channels to entice consumers to purchase there and then? Remember, as we mentioned in the context of compressed commerce, 61% of consumers want to get from inspiration to purchase as quickly as possible, so creating these spontaneous sales moments could amount to a viable and lucrative strategy.

39%

OF GLOBAL SHOPPERS SAY SOCIAL-SPECIFIC DEALS AND DISCOUNTS WOULD ENCOURAGE THEM TO PURCHASE ON SOCIAL MEDIA PLATFORMS MORE.

But we also see the importance of making the actual purchase easy. At present, many of the social platforms have not taken full advantage of in-app purchasing, and this holds the key to unlocking social commerce as a channel of significant scale.



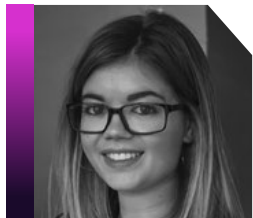


EXPERT OPINION:

WHY IN-APP PURCHASING AND CONNECTING THE FRONT- AND BACK-END HOLD THE KEY TO THE FUTURE OF SOCIAL COMMERCE

Social media has played such a critical role in the compression of the traditional marketing funnel, where the points of inspiration and purchase have converged. With 67% of consumers already saying they have bought through social commerce, a further increase on the last two years, social media is now offering up a vast number of commerce opportunities directly into our hands. To make this even more seamless for consumers, brands must think about removing unnecessary friction from the journey – and there is one over-riding way to do this; by introducing in-app purchasing.

Customers are craving it, brands are wanting to implement it, but it's largely dependent on the social platforms themselves, with many yet to take full advantage of the technical developments. But that is not to say brands cannot get ready, priming their tech stacks to seamlessly connect with the back-end of a social native checkout. We are already enabling this today via our Social Connector, a platform-agnostic integrator. Investing in the infrastructure to support this ever-growing channel is paramount – so don't risk slipping behind.



CHLOE COX

HEAD OF SOCIAL

E: CHLOE.COX@WUNDERMANTHOMPSON.COM

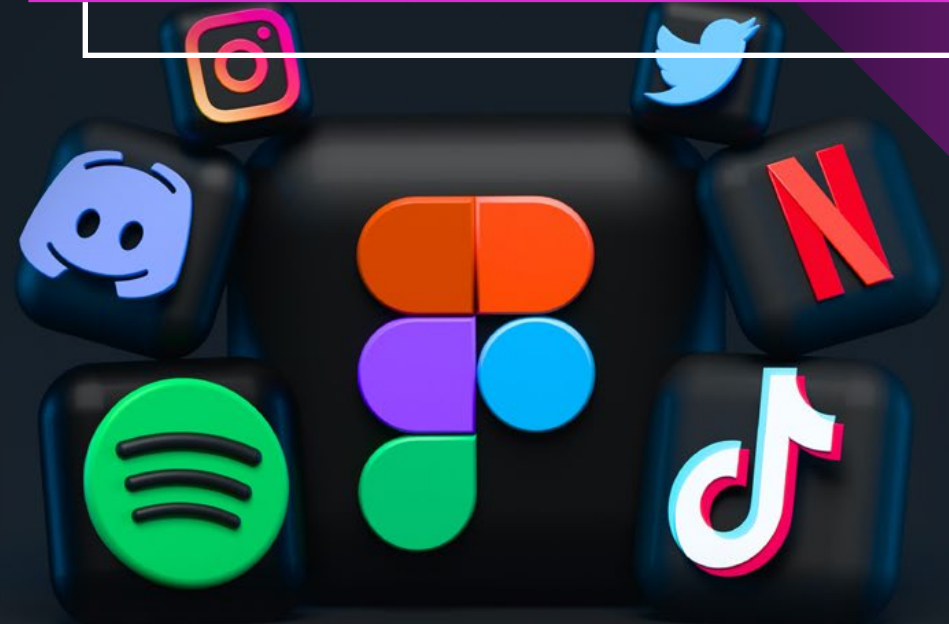


HOW VML CAN HELP YOU: SOCIAL COMMERCE SERVICES

Through our global Social Commerce practice, we're helping brands nail their end-to-end social presence. Our practice supports a brand's entire social experience, focusing on five key capability areas to offer a best-in-class approach to social commerce: Strategy, Content, Product & Data, Technology, and Implementation & Reporting.

What's more, as part of our Technology capability, we have created The Social Connector – a platform-agnostic integrator that connects a brand's commerce stack with native checkout, to support in-app, on-platform purchasing.

Find out more [here](#).



WHAT WOULD ENCOURAGE GLOBAL CONSUMERS TO SHOP MORE THROUGH SOCIAL PLATFORMS IN THE FUTURE?

	2023	2022	2021
DEALS AND DISCOUNTS	39%	36%	37%
EASE OF PURCHASE	33%	32%	31%
EXCLUSIVE OFFERS	28%	27%	27%
MORE CUSTOMER REVIEWS	24%	24%	24%
SEEING THE PRODUCTS ON REAL CUSTOMERS	23%	21%	23%
GREATER PRODUCT AVAILABILITY	22%	22%	20%
FASTER PAYMENT / MORE SEAMLESS PAYMENTS	19%	20%	18%
SERVICE / DELIVERY UPDATES	18%	18%	17%
EARLY ACCESS TO PRODUCTS	16%	16%	14%
NOTHING	15%	14%	19%
EXCLUSIVE RANGES	14%	16%	14%
LIVESTREAM COMMERCE (VIDEO CALLS WITH SALES ASSISTANTS AND OR INFLUENCERS)	12%	13%	11%
ENDORSEMENTS / INFLUENCERS	10%	14%	9%



CHAPTER 5: LIVESTREAM COMMERCE

A trend we've had our eye on for some time is livestream commerce. While it's a phenomenon in APAC, in Europe and America it has faced challenges in getting off the ground, with several trials rolled out and then canceled.

But first, let's take a global look. What percentage of consumers have ever purchased something, having watched a live shopping event on a social media app? Last year this figure was 46%, and this year it is exactly the same.

46%

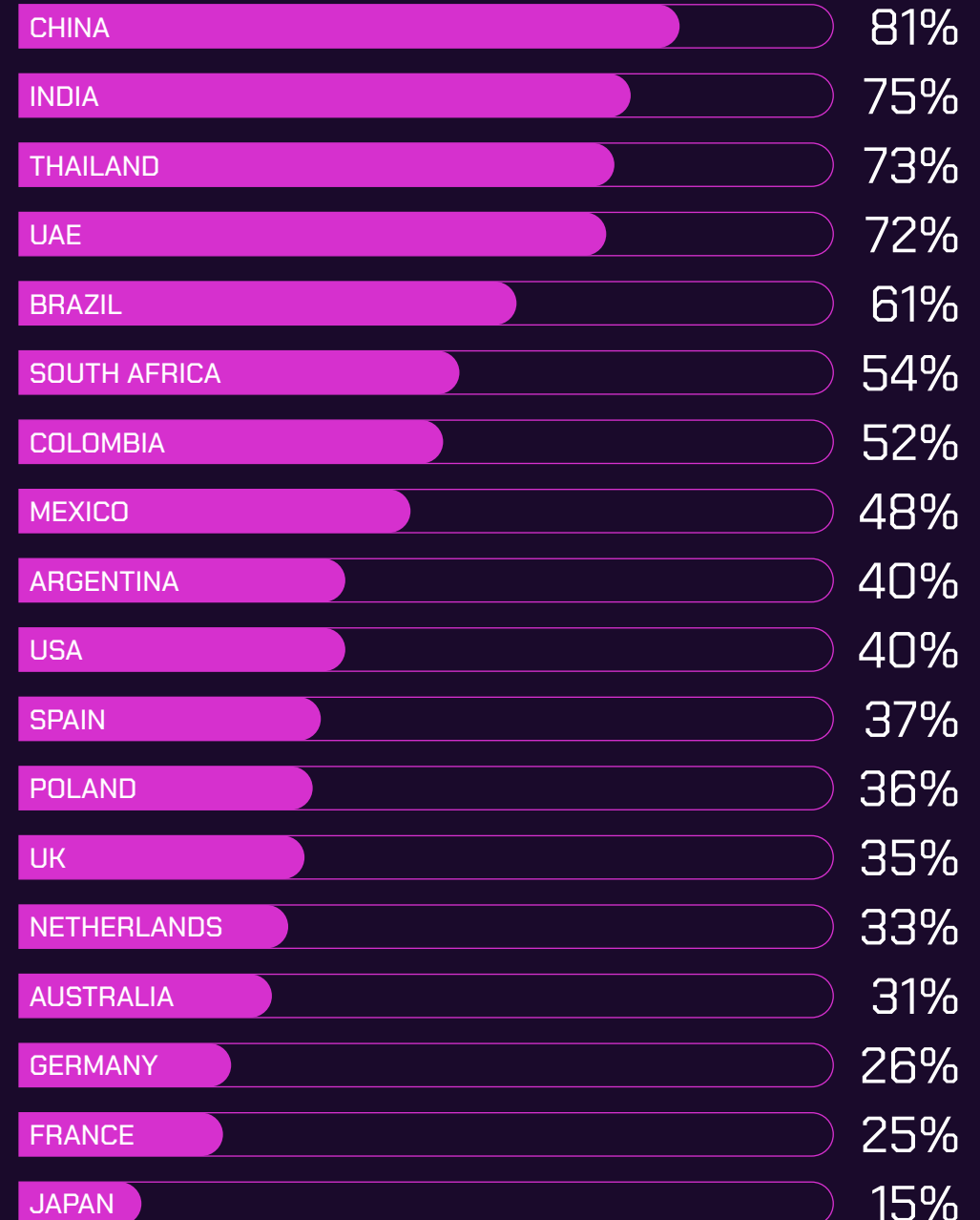
OF GLOBAL SHOPPERS HAVE MADE A PURCHASE BASED ON WATCHING A LIVE SHOPPING EVENT.

As one might expect, livestream commerce has been used as a purchase channel by a higher percentage of young consumers than older ones – 60% of 16-24-year-olds have made a purchase having engaged with livestream commerce versus 14% of over-55s.

When we look at regional differences, it is no surprise that China comes top of the list, with 81% of shoppers having purchased following a livestream.



WHAT PERCENTAGE OF SHOPPERS HAVE ALREADY USED LIVESTREAM COMMERCE TO PURCHASE AN ITEM ONLINE?





EXPERT OPINION:

WHAT CAN EVERYONE LEARN FROM CHINA WHEN IT COMES TO LIVESTREAM COMMERCE?

Live commerce in China often utilizes a variety of tactics to create excitement, entertainment & engagement, such as showcasing new products, providing interactive features like polls and quizzes, and inviting celebrity guests to participate. These tactics help to create a sense of urgency and scarcity, which can encourage consumers to make purchases even if the prices are not always the lowest available.

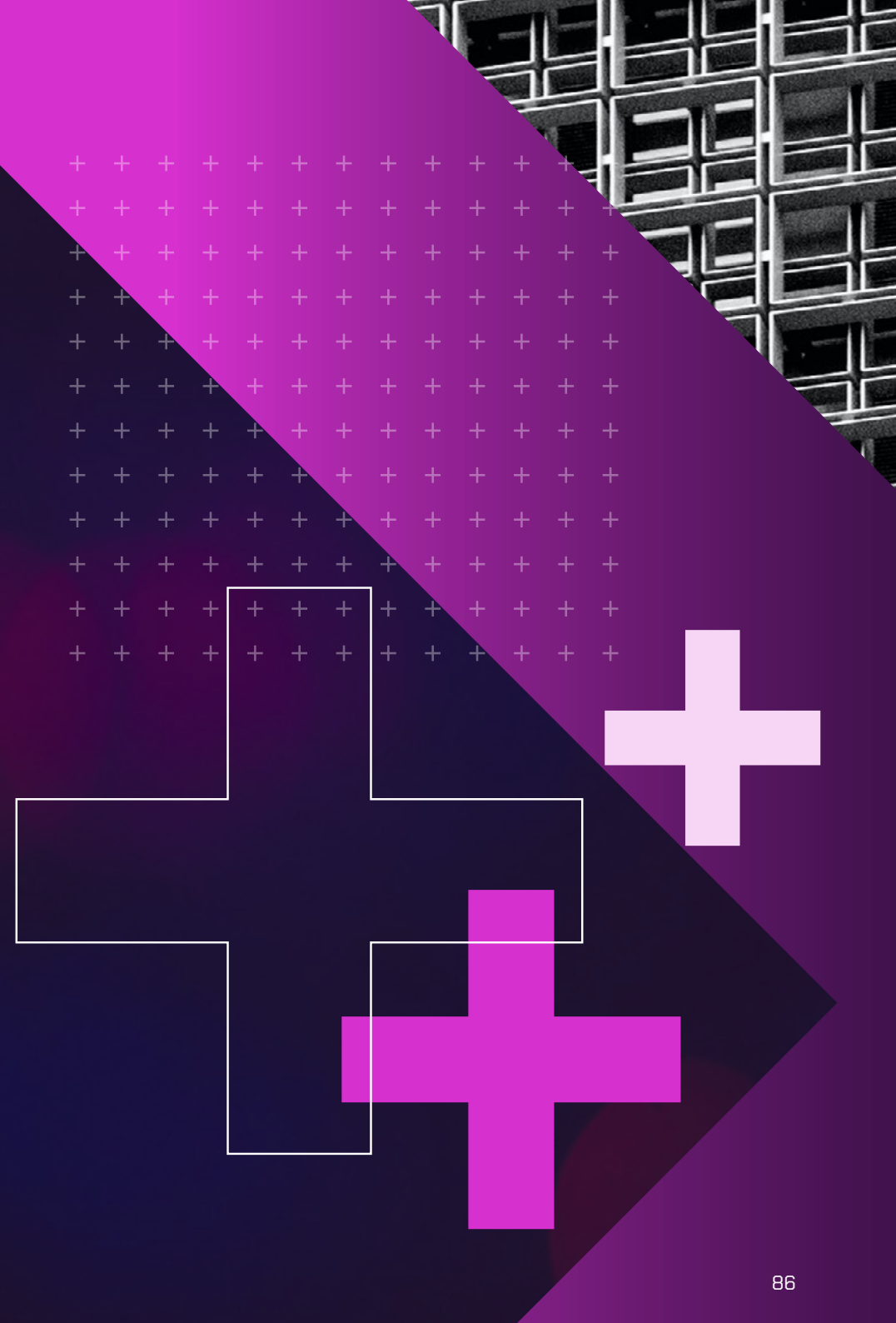
That being said, price competitiveness is still a key consideration for live commerce in China, as consumers have become accustomed to looking for the best offers on livestreams. However, rather than relying solely on low prices, many live commerce platforms differentiate themselves by offering unique products or exclusive deals that are not available elsewhere.



JAMES BAY

CHIEF COMMERCE OFFICER, CHINA

E: JAMES.BAY@WUNDERMANTHOMPSON.COM






KEY THOUGHTS

→ A LARGE PERCENTAGE OF CONSUMERS CLAIM TO ALREADY HAVE USED SOCIAL COMMERCE TO PURCHASE ONLINE, AND SAY THEY WILL USE IT MORE IN THE FUTURE

- Is your business ready for the impact and opportunity that social commerce will realize?
- Are you testing the technology available to support on-platform purchasing such as our Social Connector?

→ CONSUMERS USING SOCIAL PLATFORMS TO MAKE PURCHASES WOULD WELCOME SOCIAL-SPECIFIC DEALS AND OFFERS.

- How could this desire be integrated into your social media and social commerce strategy?



SECTION 9: SUSTAINABILITY

Sustainability and the environment have never been far from the news agenda in 2022 and 2023, with freak weather events happening the world over, be that flash floods, heatwaves or storms. But, what effect – if any – is all this having on consumers and their shopping preferences?

CHAPTER 1: THE DEMAND FOR SUSTAINABILITY

Let's be clear, the matter of sustainability and the environment is impacting consumers' behavior. 52% of shoppers claim to have changed their shopping habits due to concerns about global warming and the environment.

Thailand and India (77%) lead the way in this regard, while once again Japanese consumers occupy last position (21%).

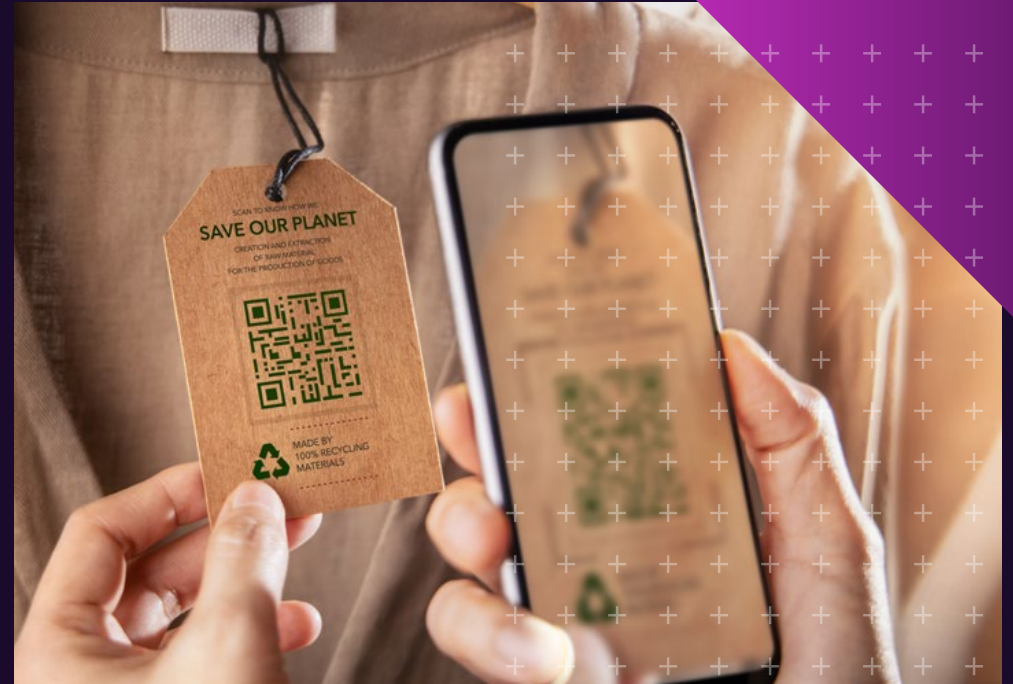
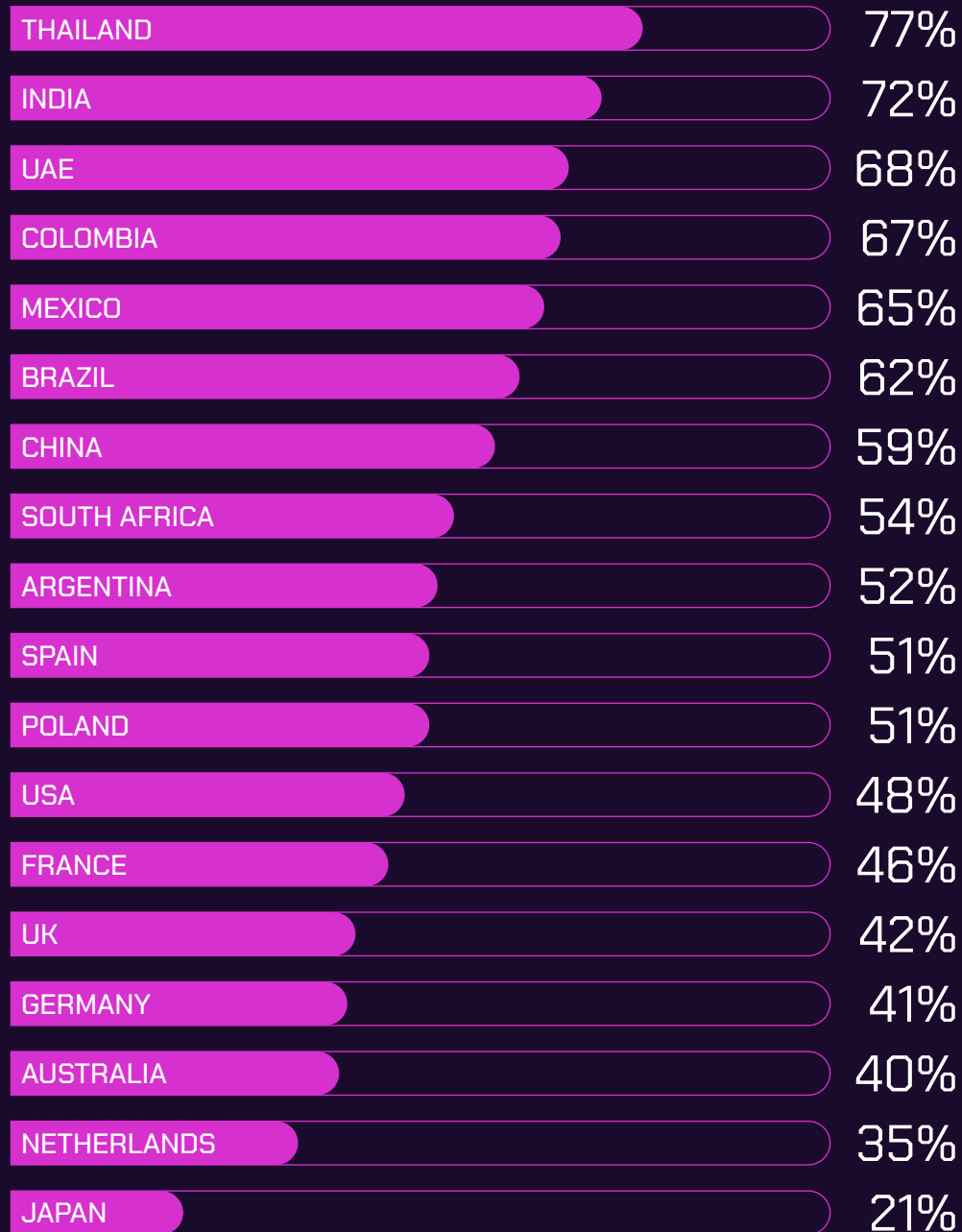
52%

OF GLOBAL SHOPPERS CLAIM TO HAVE CHANGED THEIR SHOPPING HABITS DUE TO CONCERNS ABOUT GLOBAL WARMING AND THE ENVIRONMENT.

We also see sustainability and ethics forming part of the decision-making process in other ways, with 59% of shoppers claiming to try to purchase from brands with ethical labor practices, 56% trying to buy organic and fair-trade products or materials, and 60% favoring companies that have supply chain transparency.



PERCENTAGE OF CONSUMERS WHO HAVE CHANGED SHOPPING HABITS DUE TO CONCERNS AROUND GLOBAL WARMING AND THE ENVIRONMENT



CHAPTER 2: CONSUMERS WANT BETTER PRACTICES

So, what behaviors do consumers want to see?

This year, 66% of consumers wish retailers and brands offered better environmental practices. However, this is a slight dip from 68% last year and 71% the year before that. These are small margins, and it's perhaps too early to suggest that inflation, the cost-of-living crisis and the aftermath of the COVID-19 pandemic have taken the edge off the environment agenda from a consumer perspective just yet. Let's look at some of the other findings.

Again this year, we asked consumers about packaging, with 69% wishing online orders used less packaging, this is a 1% increase from last year.

It would also seem that consumers are eager for the opportunity to buy more second-hand products, with 63% wishing brands offered a resale or second-hand area on their sites, a 1% rise on last year's figure. With demand for "pre-loved" goods surging as the cost-of-living crisis bites in many countries, there is a clear owned marketplace opportunity for many businesses prepared to take this route.

CHAPTER 3: A PURPOSE BEYOND SELLING

When it comes to consumers preferring to buy from retailers and brands who have a purpose that goes beyond simply selling products and services, we recorded a very minor fall, from 61% in 2022 to 60% this year.

A similar percentage (59%) say they are more likely to buy from a company that speaks and acts positively about diversity and social issues.

59%

OF CONSUMERS ARE MORE LIKELY TO BUY FROM A COMPANY THAT SPEAKS AND ACTS POSITIVELY ABOUT DIVERSITY AND SOCIAL ISSUES.

These strong figures suggest that brands and retailers that have purpose and ethics at their core, and articulate these values authentically, are more likely to appeal to a growing consumer base.



CHAPTER 4: CONSUMERS WANT BUSINESSES TO DO MORE

Despite all this change, and all these demands, a majority of global consumers believe businesses are not doing enough, and that consumers are picking up the slack.

For example, 59% of shoppers believe companies are not doing enough to offset their impact on the environment, and 58% believe that too much responsibility is being placed on consumers rather than businesses when it comes to sustainability. With the tools, tech and services available, businesses have every opportunity to take responsible action, promoting sustainable business practices, rather than passing the cost (in its broadest sense) onto consumers.

59%

OF CONSUMERS BELIEVE COMPANIES ARE NOT DOING ENOUGH TO OFFSET THEIR IMPACT ON THE ENVIRONMENT.

EXPERT OPINION:

WHY IS “SUSTAINABILITY” MUCH MORE THAN A BUZZWORD FOR BUSINESSES TODAY?

Since the industrial revolution, we've been driving innovation and manufacturing forward at an incredible rate, only to realize that we are now facing the repercussions of how our activities are affecting our environment and our health.

The retail industry makes up roughly 25% of total greenhouse gas emissions, and businesses are falling significantly behind in hitting their reduction targets. Most can attribute this to not having their business, communication and sustainability goals in alignment, but rather in competition. With new technology solutions like AI, powering operations and driving efficiencies through optimization strategies, brands can now drive profitability whilst reducing their carbon footprint. Impending legislation is being put into effect that will combat greenwashing schemes, ensuring businesses are transparent to their consumers.

Retailers are facing many challenges in the wake of sustainability, but it does not have to be at a loss to their business, but rather a moment for transformation. Waiting to act could result in loss of customers, suppliers and legislation penalties, or, worse of all, the deterioration of our health and environment.

The pressure is on for brands, businesses, and consumers alike to work together as we find new solutions for a more sustainable, healthier, and equitable future.



SHALINA GANATRA

HEAD OF ECOMMERCE CONSULTANCY

E: SHALINA.GANATRA@WUNDERMANTHOMPSON.COM



HOW VML CAN HELP YOU: SUSTAINABLE COMMERCE

VML is on a mission to help brands reduce, optimize, and drive efficiencies to transition to sustainable business practices. We've built an end-to-end Sustainable Commerce program that helps brands realize their targets and goals. By leveraging our deep expertise in retail and commerce, combined with our key partnerships (Vaayu Tech, Easycom) we're changing the way brands do business.

Find out more [here](#).



CHAPTER 5: SUSTAINABLE DELIVERY OPTIONS

With so much talk about sustainability, we wanted to know exactly how many consumers had used sustainable delivery options. It's encouraging that we recorded an increase to 46%, up from 43% in 2022, and 34% in 2021.

46%

OF CONSUMERS HAVE USED SUSTAINABLE DELIVERY OPTIONS WHEN ORDERING ONLINE (UP FROM 43% LAST YEAR).

Thailand's consumers (82%) were the leading users of sustainable delivery options, while Australian consumers indicated the least usage (25%).

When we examine the influence of age, the 25–34-year-olds were the highest users (55%), with the 16–24-year-olds a close second (53%), and the over-55s (at 24%) who showed the least usage.

Notably, 12% did not know what sustainable delivery options were, and 42% had never used them, so there is clearly work to be done, as well as a commercial opportunity.



KEY THOUGHTS

→ **DESIRE FOR SUSTAINABLE OPTIONS, ETHICS AND PURPOSE IS RISING, AND EACH ARE KEY FACTORS IN THE DECISION-MAKING PROCESS.**

- How can your policies and practices in these areas be developed and integrated into your online offering?
- With clear appetite for pre-loved items, could this support the development of your owned marketplace?

→ **INCREASINGLY, MORE CONSUMERS ARE SELECTING SUSTAINABLE OPTIONS WHEN GIVEN THE CHOICE, BUT THEY'RE ALSO FRUSTRATED THAT BUSINESSES AREN'T DOING ENOUGH.**

- What sustainable options are you offering online shoppers?
- How are you demonstrating the actions you are taking to make your offering more environmentally friendly? As point of proof, can you share the developments you're making?

→ **AS ALWAYS, SUSTAINABLE OPTIONS, ETHICS AND PURPOSE, MUST BE UNDERPINNED BY THE RIGHT PRICING AND SERVICE STRATEGY.**

- How does your product or service measure up as a powerful value proposition?



SECTION 10:
NEW CHANNELS,
TECHNOLOGIES,
AND THE FUTURE

CHAPTER 1: CONSUMERS CRAVE DIGITAL INNOVATION

With so many technologies, and their introduction and adoption speeding up, it can sometimes leave you wondering whether consumers actually want innovation in their shopping experiences, or do they hanker after the old days?

The answer is clear; 61% wish brands and retailers would be more innovative in how they use digital technology to improve their shopping experiences.

And it would seem they don't want innovation for innovation's sake, but because it will encourage them to purchase – 57% of global shoppers say if a brand is digitally innovative, they are more likely to purchase from them.

57%

OF ONLINE SHOPPERS SAY IF A BRAND OR RETAILER IS DIGITALLY INNOVATIVE, THEY ARE MORE LIKELY TO BUY FROM THEM.

However, it's evident that brands, retailers and marketplaces have a little way to go to hit the mark, with 50% of global shoppers feeling more digitally advanced than many of the retailers they use.



CHAPTER 2: SMART ASSISTANTS AND VOICE COMMERCE

For a long time, we've been tracking the evolution of voice commerce. For many critics, the uptake has been slow, and our data proves that it has yet to become a significant commerce channel. However, what we can say, is that the infrastructure is there for it to take off should consumers embrace it. Why? Because globally 46% of consumers already own a smart assistant.

46%

OF GLOBAL CONSUMERS OWN A SMART ASSISTANT.

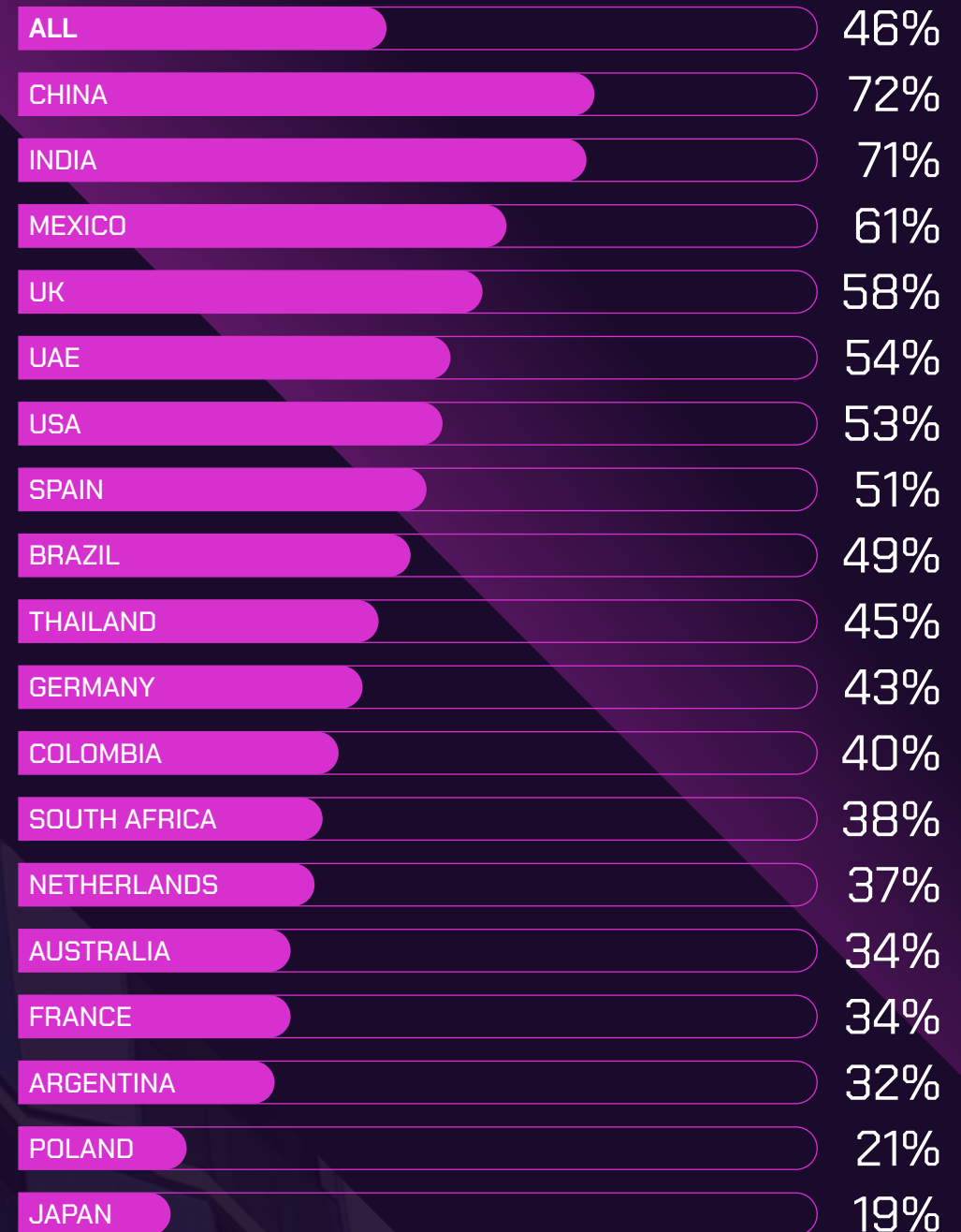
But it's a notable spread of adoption – from 19% up to 72% – across the markets we surveyed. China leads the way, with 72% of shoppers owning such a device, closely followed by India (71%). Once again, Japan is in last place, with just 19% of consumers owning a smart assistant.

Overall, 22% of consumers claim to have used voice commerce to buy a product, while 24% say they have never used it for this purpose, and never intend to in the future. These figures are consistent with last year's numbers, suggesting that voice's penetration as a viable commerce channel has started to slow. And it's also notable and probably related that Amazon appears to have scaled back its efforts (and workforce) significantly around Amazon Alexa.

Interestingly, when it comes to current consumers who order via voice, it is the 25-34-year-old group who order the most (28%).



THE PERCENTAGE OF GLOBAL SHOPPERS THAT OWN A SMART ASSISTANT



CHAPTER 3: THE FUTURE OF PAYMENTS

What about how we pay?

Let's start by considering the here and now rather than the future.

What do consumers think about "Buy Now Pay Later" payment services, like Klarna?

Over half (51%) of global consumers find these helpful in being able to buy the products they want, when they want them. Clearly this works in both the interest of the retailer, and the consumer, and so should be a consideration for any online check-out. Of course, part of the conversation should also be around managing the risks of consumers using credit to over-extend themselves.

A significant change over the last 5 years has been our usage of money, and exactly what we use to make payments. It would seem that consumers have embraced this, too, and 56% told us they were excited about a future of cashless payments, albeit this is down 2% on last year.

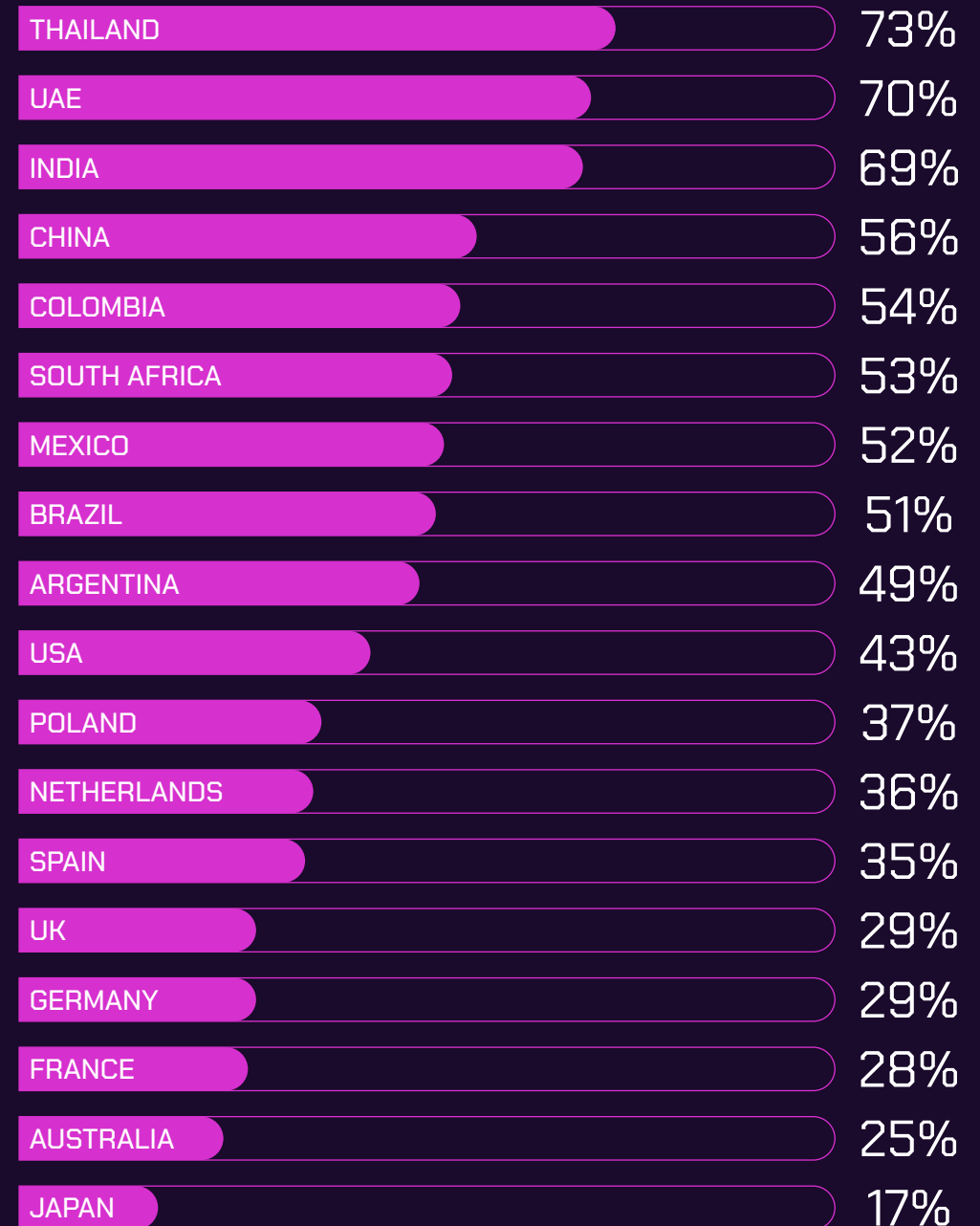
When it comes to cashless stores, and new ways of paying, like Amazon Go for instance, again we see very little change from last year. An overwhelming 63% of consumers are excited about stores where you don't have to queue, but last year this figure was 64%.

So, how about innovative ways of paying, via biometrics for example – in other words, using body parts for automated recognition? Last year, 50% of shoppers told us they liked the idea of using their face, palms, or eyes to pay, while this year that figure has fallen slightly to 47%.

And what's the current view around cryptocurrencies? For many, cryptocurrencies are still confusing and come with high risk; others have embraced them as investments and forms of payment. So, what is the appetite for using crypto to pay for products online? It would seem there is a clear demand to use crypto, with, on average, 44% of shoppers globally saying they wished more online businesses accepted cryptocurrencies as a payment method. Let's take a closer, per country view on consumer attitudes to crypto in the following chart.



THE PERCENTAGE OF CONSUMERS WHO WISH THAT MORE ONLINE BUSINESS ACCEPTED CRYPTOCURRENCIES AS A PAYMENT METHOD



CHAPTER 4: REDEFINING THE CONSUMER – THE METAVERSE AND BUYING FROM BEYOND THE GRAVE

What exactly is a consumer? Flesh and blood? Someone using their phone to order? A bot? An AI?

One of the major opportunities for commerce development in the future lies in our ability to reimagine the consumer outside of human physical limitations. To a degree, buying online has already done this, but what are the next steps?

How about the much-heralded metaverse?

Using an avatar, the metaverse holds many possibilities for us, including commercial opportunities. But what's the current lie of the land? Already 11% of global shoppers claim to be actively using the metaverse to make purchases, while a further 12% have used the metaverse to purchase in the past. This is exactly the same percentage as last year. Nonetheless, it is still higher than one might expect given the present lack of commerce opportunities in the metaverse. Yet, the fact that this hasn't grown in the last year also suggests that the metaverse is not maturing as rapidly as a commerce channel as reporting and projections might suggest.

23%

OF GLOBAL CONSUMERS ARE USING, OR HAVE USED,
THE METAVERSE TO MAKE PURCHASES ONLINE.

With a clear sense that the potential of the metaverse is still very much at an early stage, we wanted to get the future view from consumers. A further 22% say they have not used the metaverse to purchase products, but intend to in the future; this would take our audience user base up to a significant 45%. On the flipside, 34% say they have never used it and do not intend to in the future!

One of the areas we've been tracking for a number of years, is the concept of being able to carry on purchasing from beyond the grave, or "post-death consumerism" as we've termed it. What might have been seen as macabre pie in the sky in the past, has, with the arrival of AI and the huge amounts of data now collected on individuals, become possible. But is it widely desirable?

Last year, 47% of global shoppers said they would be interested in buying from beyond the grave. While this year we have seen a slight drop to 45%, it is still an arresting finding that so many consumers are interested.

45%

OF GLOBAL CONSUMERS ARE INTERESTED IN THE ABILITY
TO CARRY ON AFTER THEY HAD DIED. WE CALL THIS
"POST-DEATH CONSUMERISM".

There has also been talk about the ability to upload "personalities" to the cloud, something that would certainly enable buying from beyond the grave, and could also support the ability of being "brought back to life" virtually, via an avatar. Are consumers interested in this? The answer is mixed, with 42% saying "yes" and 32% saying "no".



THE PERCENTAGE OF CONSUMERS WHO WOULD BE INTERESTED IN THE ABILITY TO BUY FROM BEYOND THE GRAVE

	2023	2022
INDIA	72%	72%
UAE	72%	70%
THAILAND	71%	78%
CHINA	61%	50%
SOUTH AFRICA	54%	60%
MEXICO	52%	50%
COLOMBIA	50%	51%
BRAZIL	45%	47%
USA	45%	50%
ARGENTINA	39%	36%
NETHERLANDS	39%	41%
POLAND	36%	NA
UK	36%	31%
FRANCE	36%	33%
SPAIN	35%	38%
GERMANY	33%	32%
AUSTRALIA	30%	31%
JAPAN	21%	33%



EXPERT OPINION:
OPENAI'S CHATGPT OFFERS A SUMMARY

In the dynamic realm of retail, innovation becomes the catalyst for extraordinary transformations. By embracing smart assistants, voice commerce, cashless payments, and cryptocurrencies, brands unlock the gateway to a future where consumer desires are fulfilled seamlessly. Amidst the vast possibilities of the metaverse, a new frontier beckons. Subscription services forge unbreakable bonds, captivating the hearts of a tech-driven generation. Let us rise to the challenge, envisioning and delivering unforgettable shopping experiences that ignite inspiration and spark delight. Together, we shall pioneer the extraordinary, reshaping the retail landscape with relentless innovation.



CHAPTER 5: SUBSCRIPTIONS, AUTOMATED ORDERING AND AI

The success of subscriptions is constantly up for debate, so, for a number of years we have been tracking sign-ups to subscriptions.

This year, 56% of global shoppers told us they have a subscription, a fall of 1% versus last year, but still well up on the 44% who had a subscription back in 2021. And, on average, consumers globally each have 1.24 subscriptions. It's important to note that these subscriptions exclude the likes of Netflix and Sky.

56%

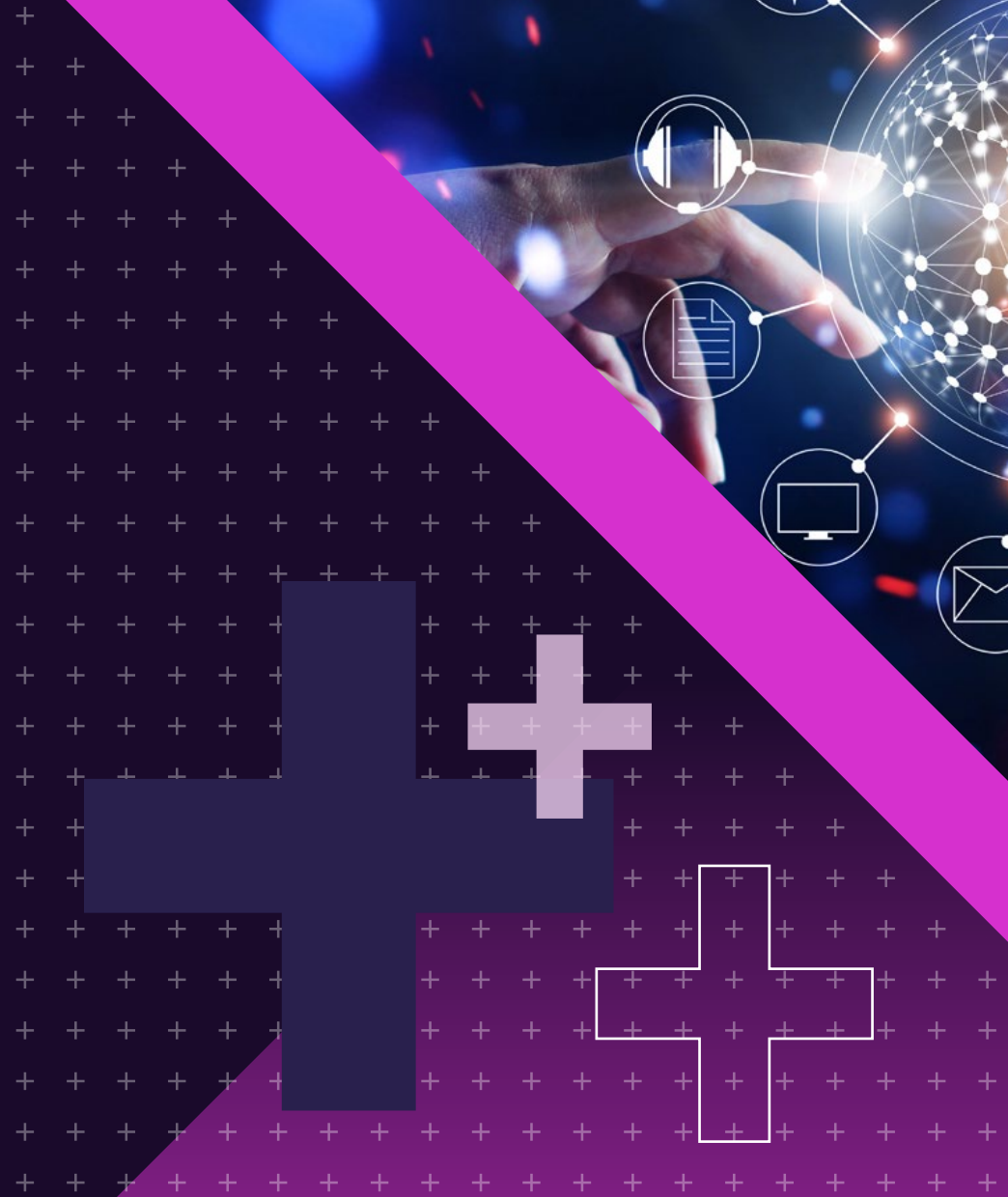
OF SHOPPERS GLOBALLY HAVE A SUBSCRIPTION.

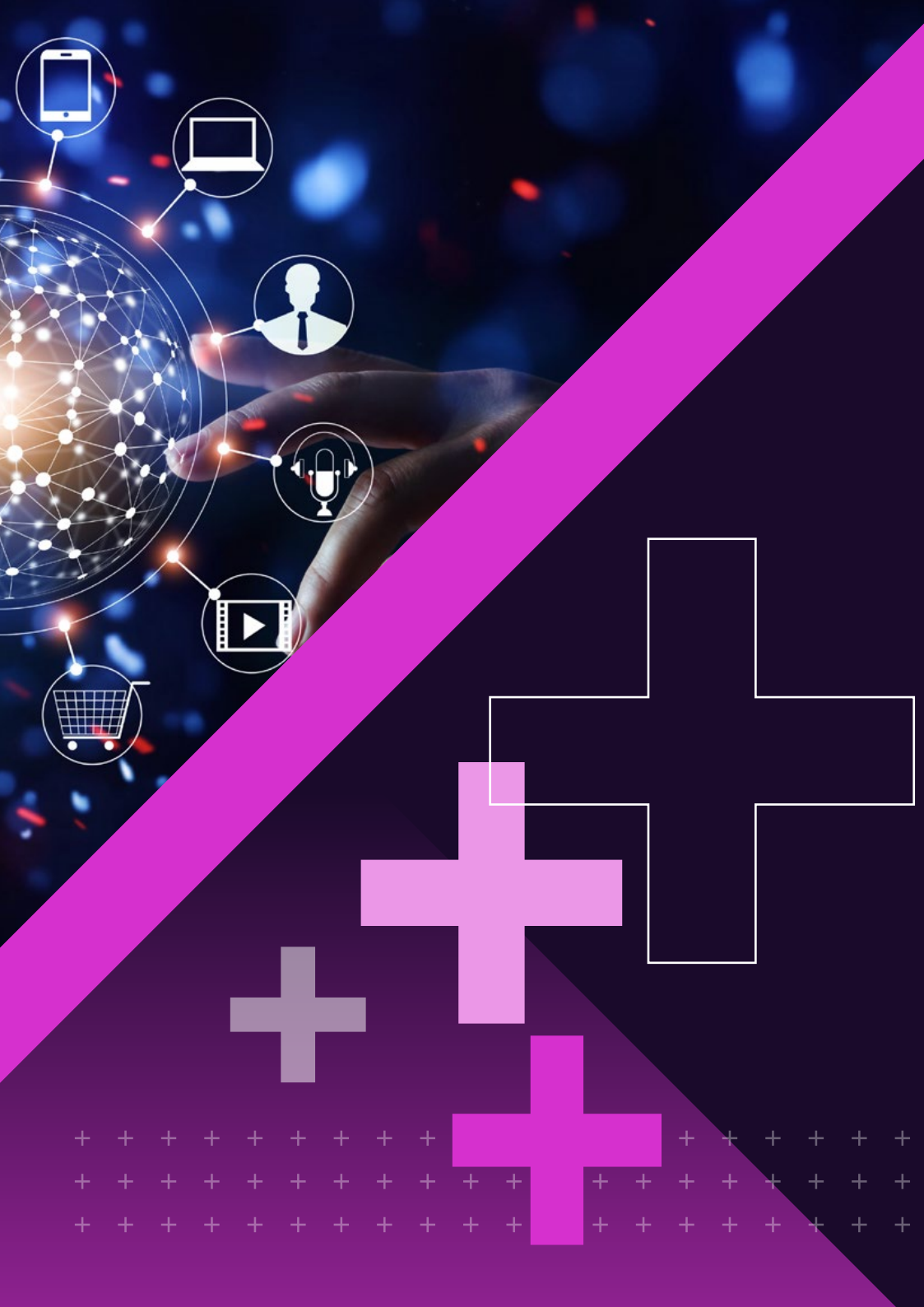
The UAE leads the pack, with 75% of consumers having a subscription (slightly down on last year's 79%) and averaging 1.65 subscriptions per consumer. And, when it comes to age, it appears that the younger the consumer, the more likely they are to have a subscription.

So, what can we take away from this? Subscriptions have their place, but it would seem that the number of subscriptions is relatively low on a per-consumer basis, and clearly this is a competitive market to be getting into.

In the past, we have talked about more intelligent ways of re-ordering, or subscribing. In fact, we've been talking about machines re-ordering on behalf of consumers (aka Programmatic Commerce™) for almost a decade. Despite its benefits, the numbers remain low, and it appears that consumer apathy, coupled with limited development of the hardware, means that Programmatic Commerce is yet to be embraced at scale. Nonetheless, 14% of global consumers say they are currently using it to support their purchases, while 15% say they have used it in the past. However, a significant 31% say they have never used in the past and never will.

Could it be that consumers are waiting for more intelligent technology to help them with automated replenishment purchasing? And, if so, does AI hold the key? It's interesting to see in our data that 29% of consumers have never used, and do not intend to use, AI in their online purchasing in the future. The reality is somewhat different; many of our recommendation services are using AI already, and in practice, this isn't really a choice that consumers, knowingly, can – or will – be able to make.





KEY THOUGHTS

→ CONSUMERS WANT DIGITAL INNOVATION

- Embracing new and more seamless ways of engaging with consumers when they purchase will differentiate you from your competitors. So don't be afraid to try something new, especially when it comes to payments.

→ VOICE COMMERCE STANDS ON A PRECIPICE - WITH HARDWARE PENETRATION HIGH BUT COMMERCE USAGE LOW

- Be prepared for what could happen with voice – an explosion of voice-driven purchasing in the future is a real possibility and shouldn't catch retailers and brands cold.

→ WHEN YOU THINK OF CONSUMERS, DON'T JUST THINK PHYSICAL

- The rise of new digital platforms like gaming and the metaverse, which incorporate the ability to purchase, means that businesses should reimagine their products in digital format.
- Businesses should also prepare for the commercial potential of consumers who are no longer shackled by their physical bodies.



SECTION 11: GAMING COMMERCE

CHAPTER 1: GAMING IS SET TO GROW AND GROW AS A CHANNEL

What we already know is that 1 in 25 global shoppers (4%) get inspiration for their online purchases through gaming, while the same percentage use gaming to search for products. When it comes to purchasing, 3% of online shopping happens “in-game”.

Whilst this may not seem like a particularly significant percentage today, we believe there is huge potential in this channel.

To understand why, it's important to identify just how many consumers play games. The answer is a huge 85% (albeit this was one percent down on last year's figure). As one might expect, the age group with the highest percentage of gamers was the 16-24-year-olds, with 94% of them gaming, with a still sizable 60% of over-55s also gaming.

Leading the way are consumers in India, UAE and Thailand, each registering a massive 96% who play games. Once again, consumers in Japan registered the lowest percentage, although 61% is clearly the majority.

But where and how are consumers playing games? As with last year, two-thirds (66%) are using their phones to play games, while less than half (44%) are using a computer (either a desktop or laptop). It's interesting to note there has been a dip in the percentage of console gamers, and a 3% drop for VR headset users, too. It would seem that the hype of VR and its capability hasn't quite caught fire with gamers just yet.



WHERE DO CONSUMERS PLAY THEIR VIDEO GAMES?

	2023	2022
TOTAL GAMERS	85%	86%
COMPUTER (DESKTOP AND LAPTOP)	44%	45%
CONSOLE	32%	34%
MOBILE PHONE	66%	66%
VIRTUAL REALITY HEADSETS	9%	12%
NONE OF THE ABOVE	2%	2%



Of course, what we are really interested in, is the commercial opportunity afforded by gaming, not just entertainment. So, we wanted to know what percentage of consumers spent money on these games. The answer was 57%.

Brands particularly should take note. Could gaming be an untapped sales channel for you?

57%

OF GAMERS SAY THEY SPEND MONEY ON GAMING.

THE PERCENTAGE OF CONSUMERS THAT SPEND MONEY ON GAMING

ALL	57%
CHINA	78%
THAILAND	75%
INDIA	72%
MEXICO	71%
UAE	70%
BRAZIL	61%
USA	59%
NETHERLANDS	58%
COLOMBIA	57%
SOUTH AFRICA	55%
GERMANY	53%
UK	52%
POLAND	50%
ARGENTINA	50%
AUSTRALIA	48%
SPAIN	48%
FRANCE	36%
JAPAN	33%

CHAPTER 2: WHO ARE WE? THE CROSSOVER BETWEEN DIGITAL AND PHYSICAL

One of the big changes in commerce over the last few years has been the increase in the purchase of digital items. As identified earlier, almost half of everything we buy online is digital.

But what about selling to digital consumers, rather than physical ones? Increasingly, we see that, with the rise of gaming and the metaverse, creating avatars is becoming more important to consumers. (And that's before we mention the ability to create avatars on video-conferencing platforms).

To clarify why this is important, we wanted to understand the blurred lines between physical consumers and their digital alter-egos. Take "looking good" for example. Almost half (49%) of all global consumers who play games told us that looking good in-game was just as important as looking good in real-life.

49%

OF GAMERS SAY THAT LOOKING GOOD "IN-GAME" IS
JUST AS IMPORTANT AS LOOKING GOOD IN REAL LIFE.

It would certainly seem that this blurring of the lines will result in more time spent within games engaging in non-game related activities, for instance watching concerts, and attending social events. This is something 51% of gamers say they will be doing more in the future.



THE PERCENTAGE OF GAME-PLAYING CONSUMERS, WHO BELIEVE THAT LOOKING GOOD "IN GAME" IS AS IMPORTANT AS LOOKING GOOD IN REAL LIFE



CHAPTER 3: GAMING, BRANDS AND THE SALES OPPORTUNITY

With more time spent within games, there will be more opportunities to sell to consumers, both in digital and physical format. For instance, 49% of gamers are interested in buying real-world items in games, while the same percentage would like their in-game avatar's items (such as skins) to be available in real life.

So how does this appetite for in-game purchasing affect brands? The answer is that it is an opportunity – an opportunity to sell, to influence, and to raise awareness. Almost half (45%) of gamers are more likely to purchase from a brand they see advertising in games.

And, when it comes to NFTs in games, 48% of gamers love the idea of games including ownable digital items which could be bought from brands. What's more, 45% of consumers believe NFTs will be important to future online loyalty.



KEY THOUGHTS

→ GAMING IS A HUGE GROWTH OPPORTUNITY FOR ONLINE SALES.

- Have you strategically considered what role gaming could play in your business's future?

→ CONSUMERS INCREASINGLY THINK OF THEMSELVES IN BOTH PHYSICAL AND DIGITAL TERMS.

- Are you, or could you, cater for the digital version of your consumers? Which of your products and services are designed for their avatars, and which for their physical selves?

→ BRANDS ARE BEING SEEN AND JUDGED BY THEIR PHYSICAL AND DIGITAL PRESENCE.

- Are you clear what role gaming could play in the positioning and value of your brand?



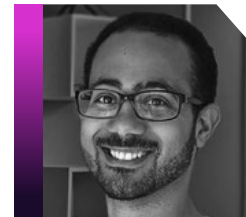
EXPERT OPINION: THE POTENTIAL OF GAMING COMMERCE FOR BRANDS

Personally, I see significant potential in the convergence of gaming and online purchases. With 85% of online consumers actively engaged in video games, there is a vast audience waiting to be tapped into.

The impact of gaming goes beyond mere entertainment, as gamers are willing to invest money in their gaming experiences. This presents a lucrative commercial opportunity for brands to capitalize on the gaming industry, driving sales and revenue growth. While we await platform updates to facilitate such advancements, it is certain that gaming will become another prominent channel.

Furthermore, the boundary between physical and digital realms continues to blur, particularly evident in the importance gamers place on avatars and virtual appearances. Many gamers consider looking good in-game to be equally as important as looking good in real life. This creates avenues for brands to offer real-world items within games, catering to gamers' preferences and aspirations.

I firmly believe that the integration of gaming into the commerce landscape holds immense potential for businesses to boost sales and create captivating immersive digital experiences.



NAJI EL-ARIFI

HEAD OF INNOVATION

E: NAJI.EL-ARIFI@WUNDERMANTHOMPSON.COM





CONCLUSION

So there you have it; an in-depth, global view of the current trends and the future shopper.

While the market may be stabilizing after the pandemic-enforced disruption, there is plenty to keep brands, retailers and marketplaces on their toes.

It's vital to keep an eye on the numerous, and ever-growing number of channels that consumers are demanding to be able to purchase through. Effectively managing all these channels, and delivering a demonstrable return on investment, will be the major challenge for retailers and brands in the coming years.

It's important, too, to ensure that online experience hits the mark with expectant consumers who will quickly and easily turn their back on retailers who aren't giving them what they want. And what is it that they want? Products and services at the right price, easily available, that are quick to deliver and easy to return.

And it's crucial that in this challenging environment retailers and brands aren't just focusing on selling in the here and now, but planning for the future too. This will enable them to build strategies around the digitization of products, the digitizing consumer and new channels like gaming and the metaverse.

It's clear that the future of retail will be complicated to manage effectively, and it will become harder and harder to satisfy consumers. But satisfied they must be!

Now is the time to prepare for the Future Shopper!

HOW WE CAN HELP YOU

1. DO YOU NEED GUIDANCE ON YOUR ECOMMERCE STRATEGY?

As a growth partner, we help retailers and brands strategize for high-performance eCommerce through a suite of proven end-to-end services. We enable them to transact more business online by designing and implementing high-performance, future-ready digital strategies. This starts with defining a balanced multichannel strategy, aligned to your vision, and the planning of high-performance, integrated eCommerce solutions to support your growth ambitions and customer journeys.

[Read more](#)



Connect with our Group Strategy Officer in Europe, **Krantik Das** or our CEO in North America, **Adam Brown**

2. WOULD YOU LIKE YOUR EXPERIENCE TO HAVE THE X FACTOR?

Day in, day out, we create customer and employee experiences that engage and convert. In putting the customer at the heart of every journey touchpoint, we design frictionless customer experiences that drive engagement, action and transaction. We understand the value of employee experience in driving the right experience for customers, and design the processes and digital interfaces to enable and empower them.

[Read more](#)



Connect with our Head of Commerce CX, **Stephen Moody**

3. DO YOU NEED HELP DEVELOPING YOUR ECOMMERCE SITES?

Through our experience of inspiring powerful online CX and industry-leading websites, we see the combination of creative inspiration with frictionless CX as the critical agent of change. We combine qualitative & quantitative insights to create interfaces that exceed expectations. We create design systems for consistency, speed-to-market and best practice governance; and pixel perfect visual designs to front-end build, including websites, mobile sites, app and more. [Read more](#)



Connect with our Head of UX & CX Consultancy, **Mike Rokes** or our Head of UI, **Tom Lancaster**

4. DO YOU NEED SPECIALIST SUPPORT TO DELIVER A POWERFUL MOBILE EXPERIENCE?

Our mobile technology specialists “NN4M” develop bespoke native applications for commerce. Clients win by leveraging the most advanced mobile app platform to seamlessly build solutions that enhance their online and in-store offerings. This means maximizing the opportunity to increase revenue, customer engagement and loyalty at every touchpoint. [Read more](#)



Connect with NN4M CTO, **Jonathan Heap**

HOW WE CAN HELP YOU

5. DO YOU NEED HELP UNDERSTANDING YOUR USERS SO YOU CAN SERVE THEM BETTER?

We offer deep experience in applying technology to lay the foundations for growth. We implement world-leading campaigning and CRM technologies to identify new audiences then build and retain long-term relationships at scale. Our experts have in-depth knowledge of the leading content and experience management tools and have created our own tools to give greater agility. [Read more](#)



Connect with our Strategy and Consulting Director, **Herb van der Raad**

6. DO YOU NEED HELP GETTING YOUR CONTENT RIGHT?

We offer a full service to businesses looking for best-in-class product content organization, including delivery of the best PXM solutions, such as “Shelfmaster”, to help brands push the limits of their digital shelf. We partner with brands, retailers and distributors to help them improve their customer experience, product content processes and organizational needs to help them win on the digital shelf. [Read more](#)



Connect with our PIM/PXM Lead, **Dennis Peek**

7. DO YOU REQUIRE EXPERT HELP TO MAXIMIZE YOUR PERFORMANCE ON MARKETPLACES?

We support and advise brands on how to increase results globally, at scale, on Amazon, Tmall, eBay and other online marketplaces. We are the leading provider of global eCommerce marketplace services and the founding partner of the WPP ACE, a Center of Excellence for Amazon. Today, we’re supporting more than 150 brands, and generating more than \$11bn annually for clients on marketplaces. We can also help you develop and implement your own marketplace. [Read more](#)

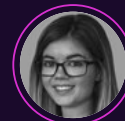


Connect with the Head of WPP’s Center of Excellence for Amazon, **Helmut Rieder**

8. DO YOU REQUIRE SUPPORT IN NAILING AND IMPLEMENTING YOUR SOCIAL STRATEGY?

Through our global social commerce capability, we’re helping businesses nail their end-to-end social presence via social commerce. Social platforms have evolved and consumers can now buy through the likes of Instagram and Facebook, so brands and retailers need to master their social commerce journeys to win over their audience on this vital channel. Our service supports your business’s end-to-end social commerce experience, and covers everything you need to nail your social presence, comprising 5 key capabilities areas to offer a best-in-class approach to social commerce.

[Read more](#)



Connect with our Head of Social, **Chloe Cox**

HOW WE CAN HELP YOU

9. HAVE YOU QUANTIFIED YOUR IMPACT ON THE ENVIRONMENT?

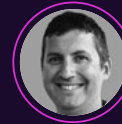
Our global Sustainable Commerce Practice is designed specifically to drive responsible consumption across digital commerce channels, providing organizations with tangible opportunities to deliver against their environmental commitments. It offers a platform to measure and meet these commitments, enabled by an automated system and CO2 calculator that can track and reduce emissions in real time. [Read more](#)



Connect with our Head of eCommerce Consultancy, **Shalina Ganatra**

10. IS YOUR COMMERCE PLATFORM STILL FIT FOR PURPOSE?

We deploy and integrate best-in-class technology, with specialists supporting all major eCommerce platforms and unbeatable experience in modern technologies such as SPA/PWA, headless commerce, microservices, cloud and serverless architectures. Our tech-agnostic approach means that clients get the right solutions to address their requirements. We've been doing this for more than 30 years – with 600+ successful eCommerce implementations to our name for leading brands and retailers across the world. [Read more](#)



Connect with our Global CTO, **Glen Burson**

11. ARE YOU EXECUTING SEAMLESSLY AND PROFITABLY ACROSS ALL DIGITAL CHANNELS?

eRetail is a unique portfolio of services and products spanning strategy, channel build / develop, marketing execution and proprietary technology across D2C, owned retailers, marketplaces and social commerce. It is designed to help brands win in omni-channel commerce, maximizing performance and ROI across channels.

[Read more](#)



Connect with our Director of eRetail & Marketplaces, **Ken Platt**

12. WOULD YOU LIKE TO EXPLORE INNOVATIVE DIGITAL EXPERIENCES AND TECHNOLOGIES?

We review, test, and deploy innovative technologies and solutions to keep businesses ahead and future-ready. We explore, recommend and implement workable innovation, testing ideas, methodologies and leading-edge technologies to help businesses shape their own future and stay ahead. After all, how can you navigate the future of eCommerce without an understanding of the tech and trends shaping it?

[Read more](#)



Connect with our Head of Innovation, **Naji El-Arifi**

HOW WE CAN HELP YOU

13. AI IS MAKING A BIG IMPACT IN B2B. WOULD YOU LIKE TO EXPLORE THE POSSIBILITIES FOR YOUR BUSINESS?

For more than 12 years, our AI specialists “Satalia” have been building enterprise AI technologies for some of the world’s best known organizations. They are one of a select few companies combining machine learning with optimization to build decision making systems that radically improve operational efficiency.

Satalia is also one of the few companies globally with the expertise to engineer adaptive (AI) systems that combine both, driving enormous value for the clients we work with. [Read more](#)



Connect with Satalia founder-CEO, [Daniel Hulme](#)

14. DOES YOUR BUSINESS HAVE THE SUPPORT IT NEEDS TO MAINTAIN SITE PERFORMANCE?

Our managed services and applications are tailored specifically to client requirements and budgets, so they can concentrate on their core business, assured of powerful eCommerce performance through the support of highly experienced teams, including commerce architects and software engineers. A key service is our peak operations capability. As one of the leading authorities on peak selling, we support many of the biggest retailers through the Black Friday and holiday sales periods. [Read more](#)



Connect with our Chief Delivery Officer, [Jason Franklin](#)

15. DO YOU NEED HELP GENERATING REAL ACTIONABLE INSIGHTS FROM YOUR DATA?

Our data intelligence practice generates insight-driven change to help your business excel in the age of the customer. Led by an expert team of implementation, data science and optimization analysts, we help multichannel organizations manage and interpret their data in order to support insight driven change. We also work with businesses to develop the tools and processes needed to become a data-led organization that gets results. [Read more](#)



Connect with our Head of Data Analytics and Strategy, [Adonis Themistokleous](#)

16. ARE YOU CREATING SEAMLESS CONSUMER EXPERIENCES TO DRIVE COMMERCE ACROSS ALL INTERACTIONS?

We foster trust and drive commerce between brands and shoppers by creating seamless consumer experiences across physical and digital retail. We enable organizations to forge lasting bonds with shoppers, earning their trust and loyalty through seamless experiences and meaningful connections across physical and digital retail environments, supported by specialized services. We empower brands to deliver seamless and connected shopping experiences, focusing on the consumer journey rather than individual channels. [Read more](#)



Connect with our Senior Group Director, Commerce & Shopper, [Todd Hudgens](#)



ABOUT VML

VML is a leading creative company that combines brand experience, customer experience, and commerce to create connected brands and drive growth. VML is celebrated for its innovative and award-winning work for blue chip client partners including AstraZeneca, Colgate-Palmolive, Dell, Ford, Intel, Microsoft, Nestlé, The Coca-Cola Company, and Wendy's. The agency is recognized by the Forrester Wave™ Reports, which name WPP as a “Leader” in Commerce Services, Global Digital Experience Services, Global Marketing Services and, most recently, Marketing Measurement & Optimization. As the world's most advanced and largest creative company, VML's global network is powered by 30,000 talented people across 60-plus markets, with principal offices in Kansas City, New York, Detroit, London, São Paulo, Shanghai, Singapore, and Sydney.

VML is a WPP agency (NYSE: WPP). For more information, please visit www.vml.com, and follow along on [Instagram](#), [LinkedIn](#), and [X](#). [#VMLconnected](#)

For UK sales inquiries:

+44 (0)20 3858 0061

wtc.salesuk@wundermanthompson.com

For European sales inquiries:

wtc.commerceEU@wundermanthompson.com

For North America sales inquiries:

206-641-7220

For Asia Pacific sales inquiries:

aadit.bimbhet@wundermanthompson.com

For Latin America sales inquiries:

glenda.kok@wundermanthompson.com

For Middle East sales inquiries:

+971 (04) 4507200