

COVID, COMMERCE AND THE CONSUMER



Data gathered globally during COVID-19 outbreak, giving insight into how the outbreak will affect the future shopper.



UK



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CONSUMERS' HABITS HAVE CHANGED FOR GOOD



15% of shoppers said that their purchasing behaviours will have changed for good as a consequence of COVID-19.

51% said that they would retain some of their new purchasing behaviours as a consequence of COVID-19.

Just **16%** said that they intended to return to their old shopping habits.

38% of consumers say that they are now more comfortable with digital technology than before lockdown.

ONLINE SHOPPING SET TO ACCOUNT FOR OVER HALF OF ALL SPENDING IN FUTURE



62% - the percentage of shopping that was online during lockdown.

51% - the percentage of shopping that consumers expect to spend online post COVID-19.

43% of shoppers now feel more positive about shopping online.

GOVERNMENT PERCEPTION DOWN WHILST NHS PERCEPTION IS UP



The perception of the NHS has increased based on its performance during the COVID-19 outbreak (**+62%**).

The perception of the UK Government has dropped **30%**.

AMAZON IS THE MAJOR RETAIL WINNER FROM LOCKDOWN, AND SEEMINGLY AFTER IT TOO



35% of all online shopping through Amazon during lockdown.

94% of all respondents spent something with Amazon during lockdown.

+25% the increase in positive perception of Amazon following its performance during lockdown.

+20% the intention to increase purchasing with Amazon post COVID-19.

But... **21%** are more worried about Amazon's dominance as a consequence of its performance during the COVID-19 outbreak.



SHOPPERS FEAR SHOPPING IN STORES

48% of shoppers are scared about shopping in-store.

62% of shoppers feel less positive about shopping in-store.



FREE DELIVERY AND AVAILABILITY ARE KEY FACTORS IN ONLINE SUCCESS

61% of shoppers identified free delivery as a key purchase driver for online buying, making it reason number 1. Number 2 was product availability (**57%**).

The number 1 thing that consumers would change about online shopping is “free returns” (**28%**).

38% of consumers said that it was more important to get the product on time than it was to get the brand they preferred.



TESCO WINNING THE BATTLE OF THE GROCERS

+23% - the increase in positive perception of Tesco following its performance during lockdown.

+9% - the intention to increase purchasing with Tesco post COVID-19.

The closest competitors in terms of perception increase were Sainsbury's and Morrisons (**+12%** for perception and **+1%** for intention to increase purchase for both).



CORNER SHOPS HAVE BEEN VITAL IN LOCKDOWN AND MAY SEE A POST COVID BOUNCE

+28% - the increase in perception based on their role during lockdown.

+23% - the intention to increase purchasing with corner shops post COVID-19.



DIGITAL PRODUCTS ARE THE FUTURE

23% of products ordered online during lockdown were digital.

21% of consumers said that they would like more of their products to be digital and instantly downloadable.



ENVIRONMENTAL CONCERNS ARE A GROWING CONSIDERATION IN ONLINE PURCHASING

73% of consumers wish that retailers and brands offered better environmental practices.

55% of consumers say that a company's ethics and morals play an important part in their purchase decisions.

48% actively choose companies and brands that are environmentally responsible.



INTRODUCTION

Welcome to COVID, Commerce and the Consumer.

In this report, we wanted to look into how COVID-19 has changed the face of retail, and just how temporary or enduring we can expect those changes to be.

And what better way to do that than by asking consumers themselves. In this UK-specific report, we asked 2,000 UK consumers their views across a variety of subjects including digital spend, physical shopping and the changing perceptions of retailers.

The results, even for those of us versed in the quickly changing digital commerce world, were both unequivocal and astounding, and prove, if there were any doubt, that this virus is accelerating the appetite for digital, and, in turn, forcing businesses to quickly re-think how they sell and fulfil their products. Businesses must act now or risk being left behind... for good.

However inadequate the language might be for the current circumstances, the destructive toll of the COVID-19 outbreak is inevitably creating winners and losers. So before we proceed, we should pause for a moment and reflect upon the

enormous human and societal damage that this virus has already wreaked. Because while it is important for us to look to the future, and help businesses prepare for a new retail landscape, we should never lose sight of those who have been left devastated and hurting from this deadly disease. If there is one thing that this pandemic has taught us, it is that we are better connected than apart.

METHODOLOGY

Research was conducted by Censuswide, with 2000 consumers who have shopped online in the past month in the UK between the 4th June 2020 and 9th June 2020. Censuswide abide by and employ members of the Market Research Society which is based on the ESOMAR principles.



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Section 1: The Human Impact



CHAPTER 1: PERSONAL EXPERIENCE OF COVID-19

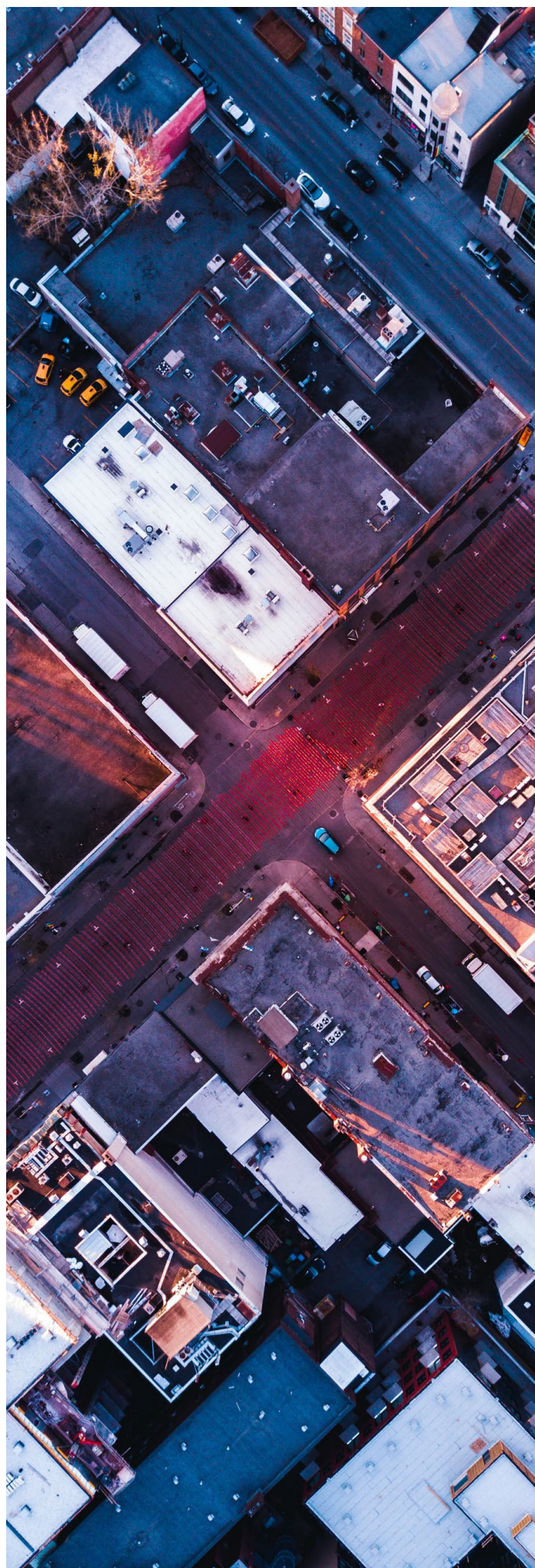
Before we delve into the impact of COVID-19 on commerce, we wanted to first set the scene and in particular, we wanted to start by looking at how COVID-19 has directly affected the respondents in our survey. By sharing this, we can contextualise some of the answers that are provided later by understanding the impact of the virus on shoppers.

With the UK Government estimating that as of June 2020, around 7% of the population had contracted COVID-19, of our respondents, only 4% had personally contracted COVID-19, with 19% knowing someone close to them who has suffered. This leaves 72% of the respondents who have had no personal affliction of this virus.

While this virus is often associated with an older demographic, just over a fifth (22%) of respondents aged 25-34 said someone close to them had contracted it since February 2020, whilst just over 1 in 7 (15%) respondents aged 55+ said the same.

And at the time that the research went out into the field, the place where most shoppers had personally experienced COVID-19, be that themselves or via those close to them, was Greater London, with 60% having had no personal experience.

I HAVE HAD NO PERSONAL EXPERIENCE OF COVID-19	72%
SOMEONE CLOSE TO ME HAS CONTRACTED COVID-19	19%
OTHER	6%
I HAVE CONTRACTED THE COVID-19 VIRUS SINCE FEBRUARY 2020	4%
PREFER NOT TO SAY	1%





CHAPTER 2: OUTLOOK FOR THE FUTURE

One of the impacts of COVID-19, or more accurately the effects of its associated lockdown, working from home, furloughing, and general uncertainty, has been a huge toll on many people's mental health. Although not strictly related to consumer buying behaviours, we wanted to see the impact on consumers. And the outlook is one of despondency for many of us...

A total of 48% of consumers felt less positive about the future, a percentage that matched exactly those that also felt less positive about their finances, and which closely tallies with the 39% who feel less positive about their jobs.

Mental health too has been badly affected, as one might expect from this outbreak, with 42% of shoppers feeling less positive about their mental health.

And with a virus that targets those with underlying health conditions more ferociously, it is also understandable that there is concern about physical health, with 31% of shoppers feeling less positive about their physical health.

COVID-19'S IMPACT ON SHOPPERS' GENERAL OUTLOOK



Section 2: Online Shopping



CHAPTER 1: THE GENERAL OUTLOOK TOWARDS FUTURE SHOPPING

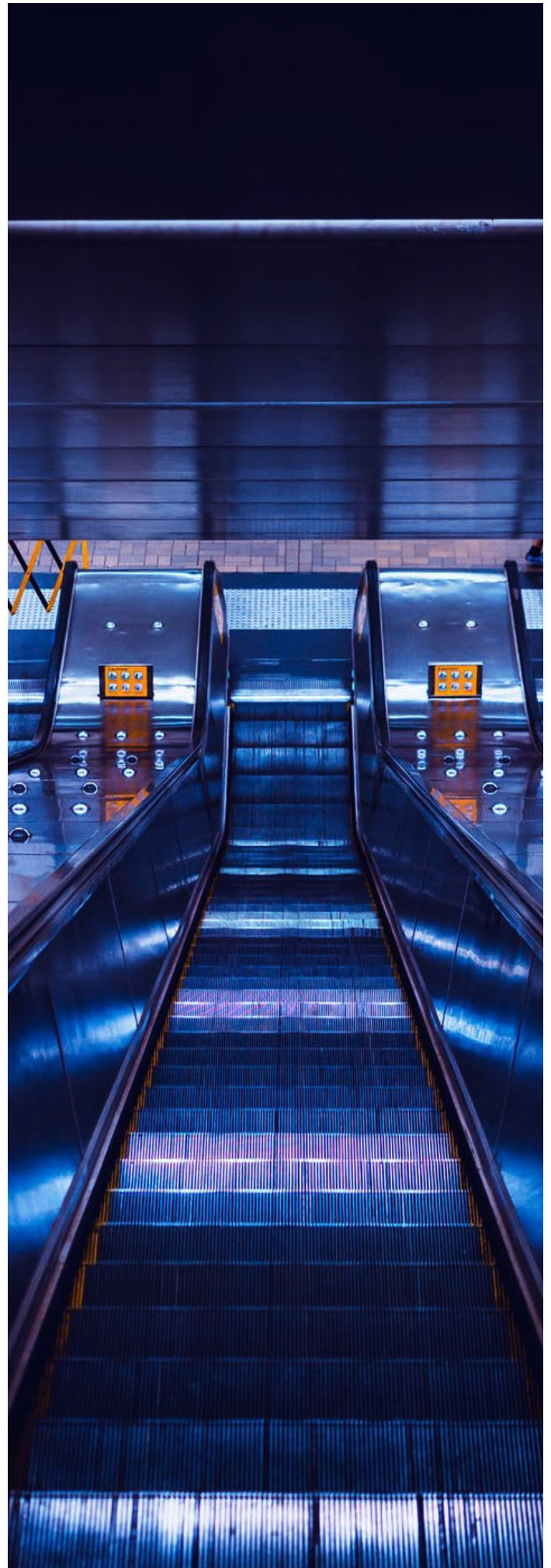
As well as gaining an insight into consumers' outlook into the future, we also wanted to know what their outlook was, specifically around the future of shopping.

The big impact, as you might expect, was on in-store shopping, with an overwhelming 62% of consumers feeling less positive about shopping in-store.

62% of shoppers feel less positive about shopping in-store.

On the flipside, 43% of shoppers now feel more positive about online shopping, pointing towards a future where digital commerce will become an even more important force.

43% of shoppers now feel more positive about online shopping.





66% of consumers said that some or all of their purchase behaviours have changed for good.

CHAPTER 2: THE EFFECTS OF COVID-19 ON ONLINE BUYING HABITS

So, armed with this view of physical and digital retailing, we wanted to find out what effect COVID-19 had had on online shopping habits during lockdown. To understand this increase, we needed to create a baseline of pre-COVID online activity.

Amongst our respondents, before the outbreak of COVID-19, 43% of their spend - was online. Yet during lockdown, this rose to 62%.

With online now accounting for a larger percentage of retail spend, one question that needs to be asked is "are these changes in purchasing habits temporary, or representative of a longer term shift, and permanent change in behaviour?"

15% of shoppers said that their purchasing behaviours will have changed for good, 51% said that they would retain some of their purchasing behaviours, while just 16% said that they intended to return to their old shopping habits. So, in the words of our government, it appears we will now

enter into a "new normal" when it comes to the online channels through which we shop.

And in future, might we look back on COVID-19 as a consumer tipping point? Imagining a world post-COVID-19, our shopper audience told us that 51% of their shopping would be online in the future, vs 49% physically.

43% - the percentage of shopping that was online pre-COVID-19 outbreak.

62% - the percentage of shopping that was online during lockdown.

51% - the percentage of shopping that consumers expect to spend online post COVID-19.



ONLINE CHANNEL	% PRE-COVID	% DURING LOCKDOWN	ESTIMATED % POST COVID-19
GROCERY	13%	18%	16%
AMAZON	30%	35%	31%
OTHER MARKETPLACES	12%	11%	11%
BRANDED WEBSITES	4%	3%	3%
ONLINE RETAILERS	8%	6%	7%
BOUTIQUE ONLINE RETAILERS	4%	3%	4%
HIGH STREET RETAILER SITES ONLINE	12%	7%	10%
GAMING	3%	3%	3%
ONLINE ENTERTAINMENT SUBSCRIPTION SERVICES	8%	9%	9%
OTHER	5%	5%	5%

CHAPTER 3: WITH WHOM ARE SHOPPERS SHOPPING ONLINE?

Did the channels through which consumers shop differ pre and during the lockdown? And perhaps more importantly, what will the split across the channels be when (and if) COVID-19 is eventually overcome?

The two main winners during lockdown are clearly the grocers and Amazon, whose percentage of shoppers' online wallets both rose 5%. Most of the other channels saw small percentage decreases, with the largest decrease coming from the high street retailers online (-5%). Clearly there is work for them to do to address this slump.

But who will online consumers be shopping with, once COVID-19 is defeated? Broadly speaking, and perhaps surprisingly, they intend to revert to fairly similar pre-COVID-19 shopping levels, with only small percentage differences – albeit a 3% increase in online grocery shopping is not insignificant. Shopping on Amazon and online entertainment subscriptions are also set to see a 1% increase. So, while the percentage of spend online will rise, consumers are seemingly happy with the division of that online spend between channels.

While the percentage of shoppers using boutique online retailers and gaming sites will remain the same, there will be small decreases across “other marketplaces” (-1%), “branded websites” (-1%) and “online retailers” (-1%) with the biggest drop predicted to be high street retailers online (-2%).

CHAPTER 4: WHAT DROVE CONSUMERS' ONLINE SPENDING DECISIONS IN LOCKDOWN?

Across all the independent research programmes that Wunderman Thompson Commerce has conducted in 2020, two clear drivers in decision-making scream out, namely delivery and availability. In a locked-down world, where shops are closed and liberties are curtailed, getting products delivered was hard, but finding them was often even harder.

It's no surprise, therefore, that the number 1 decision factor when purchasing online during lockdown was free delivery, cited by 61% of online shoppers. In addition, other delivery elements making the top 5 included "fast delivery" (49%) and "convenient delivery" (47%). This emphasises just how important it is that businesses operating online ensure that their delivery is in line with their customers' expectations.

THE TOP 5 REASONS THAT ENCOURAGE CONSUMERS TO PURCHASE ONLINE THROUGH ONE PARTICULAR RETAILER VS ANOTHER

61% Free delivery

57% Availability

53% Better price

49% Fast delivery

47% Convenient delivery

70% of consumers said they expected products that they ordered online to take longer to arrive during lockdown.

In second place overall was availability (57%), while the traditional key driver of purchase decisions online, i.e. price (53%), came in third position. Clearly, in a world of scarcity, availability and delivery trump price.

Despite this desire for fast delivery, in general, consumers were understanding about the effects of COVID-19 on delivery timescales, with 70% saying that they expected the products that they ordered online to take longer to arrive during lockdown.

What's interesting to note is that 38% of shoppers agreed that it was more important to get the product on time, than it was to get their preferred brand. This offers further proof that consumers are increasingly becoming loyal to service rather than to brand. And this should be a key consideration for those businesses transitioning into eCommerce, or setting up a direct-to-consumer (D2C) offering. It shows that their brand and product must be underpinned by excellent service, particularly when it comes to delivery, to stand a chance of creating customer loyalty and long-term survival.

While delivery was evidently important, only 26% of shoppers said that they would be happy to pay a premium for on-time / faster delivery, with 57% saying that they would categorically not do so. Making deliveries "free", or at least appear "free" is therefore vital.

When it came to availability too, it seems that this is what consumers expect, and not what they are happy to pay a premium for. Less than a quarter (24%) said that they would pay a premium for the availability of a product that they specifically wanted, while 62% said that they would not be happy paying a surcharge at all.

CHAPTER 5: PROVENANCE AND CHINA

Not making the top 5 decision drivers list, but a key take-out from the research is provenance. US President Donald Trump has controversially referred to COVID-19 as the “China virus” and accused China of covering up the outbreak. With this claim in mind, could we see the associated xenophobia play a part in purchase decision-making?

From the answers about decision drivers in online spend, it would seem unlikely, given that only 14% of consumers said that their online purchasing decisions were driven by where the product was delivered from, and only 1 in 10 conceded that where the product was made was of importance.

However, we also asked consumers if they would avoid or boycott anyone or anything in future, and 8% admitted that they would seek to boycott China and its products.



CHAPTER 6: WHAT WOULD CONSUMERS CHANGE ABOUT ONLINE SHOPPING?

The next question to ask, and a question which should help drive businesses' strategic decision making when it comes to selling online, is what would consumers change about online purchasing, given their experience during the COVID-19 outbreak?

The answers include factors that mirror the issues being faced – limited availability and shop closures necessitating home delivery. However, the first two changes suggested were those related to returns – “free returns” (28%) and “easy returns” (25%). Returns is a challenge with online shopping without the spectre of a global pandemic, and one made significantly more complicated as a consequence of its arrival.

With this in mind, businesses that wish to flourish online in the near future, must address how they handle returns, and how they can make them free and convenient for shoppers who may no longer be so willing to pay a visit to the post office.

Interestingly, 1 in 5 (21%) consumers seem content with how online commerce has dealt with the COVID-19 crisis, saying that they would not change anything about online shopping as a consequence of their experience during the COVID-19 outbreak.

THE TOP 6 THINGS THAT SHOPPERS WOULD CHANGE ABOUT ONLINE SHOPPING



28% of consumers said they wanted “free returns” – the most cited change to online shopping that consumers wanted.



Section 3: Winners and Losers



CHAPTER 1: THE OVERALL PICTURE

What's been clear since the outbreak is that some businesses, organisations, retailers and public entities have flourished, while others have not. Sometimes this has been by luck, sometimes by design, and sometimes through seizing the opportunity as it presented itself. Unsurprisingly in most cases the winners have been, quite simply, those organisations which already had a mature digital presence heading into the crisis, and who have therefore been able to scale up and adapt to new demands quickest.

To get a closer view, we wanted to see how certain brands, organisations, retailers and public entities had fared in terms of shoppers' perceptions. Using a range of selected organisations from across industries we asked consumers if their performance during lockdown engendered improvements or declines in their perception.

With our focus primarily on commerce, we also wanted to see if this change of perception was going to lead to increased spending with those organisations.

Let's start by looking at perception.

Before that a caveat; our research has focused on determining consumer sentiment in terms of perception and intention, so the organisations and associations tagged as "winners" or "losers" should be seen just in this respect. The truth will out as they say...

CHAPTER 2: PERCEPTION OF WINNERS AND LOSERS

Unsurprisingly, the NHS and its workers, with their valiant efforts to manage, to a large extent, the COVID-19 health crisis, have experienced the biggest perception increase.

Perhaps more of a surprise was the Royal Mail coming second, followed by local corner shops. Next up were the digital leaders, with Amazon and Netflix. These results are surely reflective of the businesses and organisations that consumers came to rely on during lockdown; those that continued to offer a level of service - one of entertainment, engagement, connection and "essentials" - through the outbreak of the pandemic.

THE TOP 5 "WINNERS" WHEN IT CAME TO PERCEPTIONS OF LOCKDOWN PERFORMANCE

ORGANISATION	PERCEPTION INCREASE %
1 NHS	+62%
2 ROYAL MAIL	+36%
3 LOCAL CORNER SHOP	+27%
4 AMAZON	+25%
5 NETFLIX	+24%

THE TOP 4 "LOSERS" WHEN IT CAME TO PERCEPTIONS OF LOCKDOWN PERFORMANCE

ORGANISATION	PERCEPTION INCREASE %
1 THE GOVERNMENT (THE CONSERVATIVES)	-30%
2 FACEBOOK	-7%
3 KFC	-1%
4 OCADO	-1%

(Worked out using the percentage of consumers whose perception of the organisation had improved versus the percentage of consumers whose perception had declined. Numbers have been rounded.)



CHAPTER 3: INTENTION TO PURCHASE IN THE FUTURE: WINNERS AND LOSERS

But perception is one thing. With whom will consumers spend more of their money in the future?

THE TOP 5 "WINNERS" WHEN IT CAME TO INTENTION TO PURCHASE IN THE FUTURE	
ORGANISATION	PURCHASE INTENT INCREASE %
1 LOCAL CORNER SHOP	+23%
2 AMAZON	+20%
3 EBAY	+11%
4 ROYAL MAIL	+11%
5 NETFLIX	+10%

THE TOP 5 "LOSERS" WHEN IT CAME TO INTENTION TO PURCHASE IN THE FUTURE	
ORGANISATION	PURCHASE INTENT INCREASE %
1 PELOTON	-11%
2 OCADO	-10%
3 MCDONALD'S	-9%
4 KFC	-9%
5 NEXT	-8%

(Worked out using the percentage of consumers who intended to increase their spend in the future versus the percentage of consumers who intended to decrease their spend in the future. Numbers have been rounded.)



CHAPTER 4: COMPARING LIKE WITH LIKE

Let's now delve deeper into the results, and split these organisations into different sectors - after all, it is unfair to compare an online marketplace with a political party...

As well as its perception increasing by 25% points, Amazon's stranglehold on online spending is also clear, with 35% of online spend with Amazon during lockdown, and consumers intending to commit 31% of their online spend with Amazon post lockdown.

Yet it's not all good news for the Seattle retail giant. Over 1 in 5 consumers (21%) are more worried about Amazon's dominance as a consequence of its performance during the COVID-19 outbreak.

To get a deeper level of understanding when it came to Amazon, we also asked about some of its component parts. We found that, for instance, a quarter of consumers said that their perception of Amazon Prime had improved and 6% said that their perception of Prime Now had been enhanced too.

MARKETPLACES

MARKETPLACE	PERCEPTION IMPROVED (%)	PERCEPTION DECLINED (%)	PERCEPTION NET CHANGE	% WHO INTEND TO SPEND MORE	% WHO INTEND TO SPEND LESS	SPEND INTENTION DIFFERENCE
AMAZON	34%	9%	+25%	29%	9%	+20%
EBAY	15%	5%	+10%	19%	9%	+10%
ETSY	7%	3%	+4%	15%	10%	+5%





THE BATTLE OF THE GROCERS

SUPERMARKET	PERCEPTION IMPROVED (%)	PERCEPTION DECLINED (%)	PERCEPTION NET CHANGE	% WHO INTEND TO SPEND MORE	% WHO INTEND TO SPEND LESS	SPEND INTENTION DIFFERENCE
SAINSBURY'S	22%	10%	+12%	14%	13%	+1%
TESCO	33%	10%	+23%	20%	11%	+9%
MORRISONS	18%	6%	+12%	12%	11%	+1%
WAITROSE	10%	4%	+6%	9%	11%	-2%
ASDA	20%	9%	+11%	14%	12%	+2%
OCADO	5%	6%	-1%	5%	15%	-10%

For our UK consumers, right now, one grocer stands above the others; Tesco. In terms of both perception and intention to spend, it outperformed its rivals.

By contrast, Ocado suffered both in terms of its perception and in consumers' intentions to spend with them in the future. We can only guess at the exact reasons for this, but it could be to do with new customers' inability to sign up, or existing customers' inability to get slots.

In general, one of the major challenges experienced with supermarkets and groceries was the ability to order online. As lockdown hit, and queues started to form, more consumers

attempted to book slots for online delivery and for click and collect. At the same time, slots were being rightly reserved for those shielding. So, what was the experience of shoppers? The answer is mixed.

While 13% of shoppers could always book online slots, 23% could never get one, with 32% securing a delivery slot sometimes. A further 33% never even checked.

And what about click and collect? Just 8% could always book click and collect slots with their supermarket, 20% could sometimes book, and 22% could never get a click and collect slot.



THE DIGITAL SERVICE PROVIDERS

ORGANISATION	PERCEPTION IMPROVED (%)	PERCEPTION DECLINED (%)	PERCEPTION NET CHANGE	% WHO INTEND TO SPEND MORE	% WHO INTEND TO SPEND LESS	SPEND INTENTION DIFFERENCE
NETFLIX	27%	3%	+24%	16%	6%	+10%
PELTON	3%	3%	0%	6%	17%	-11%

Both Netflix and Peloton have been held up as consumer favourites during lockdown. Indeed, Netflix has provided some of the period's most talked about viewing, firstly with "Tiger King", and then with the Michael Jordan documentary "The Last Dance". With many workers furloughed, filling time with quality content was a welcome distraction, and as a consequence, Netflix's perception rose. It looks like this perception improvement is something that Netflix can build on too, with a 10% net increase in consumers' intention to spend in the future.

The results for Peloton were surprising though. Despite its increase in sales and subscriptions, according to our respondents, there was no increase (or decrease for that matter) in perception, and in fact, the future looks to be tougher if our consumers are to be believed, with the net intention to purchase down by 11%. This could well be a reflection of the fact that many consumers invested in their own exercise equipment during lockdown, and most notably bikes for the open road!



ENTITIES

ORGANISATION	PERCEPTION IMPROVED (%)	PERCEPTION DECLINED (%)	PERCEPTION NET CHANGE
WHO	24%	22%	+2%
NHS	67%	4%	+62%
JOE WICKS	24%	4%	+20%

ORGANISATION	PERCEPTION IMPROVED (%)	PERCEPTION DECLINED (%)	PERCEPTION NET CHANGE	% WHO INTEND TO SPEND MORE	% WHO INTEND TO SPEND LESS	SPEND INTENTION DIFFERENCE
ROYAL MAIL	43%	7%	+36%	18%	7%	+11%

With such a great deal of polarised opinion on the NHS, and a widely held view of disparity between their value and their pay, we asked our shoppers if they would be happy to pay a modest surcharge for certain products to support the NHS. 44% answered that they would be happy to do this, while 38% said no. Either way, the likelihood is that we will all be paying more tax in this post lockdown world. One can only hope that those that have worked hardest and been put at most risk are also those that are able to benefit from any increased taxation.

Despite America's view of the World Health Organisation, in the UK its perception increased by 2% points.

Another winner from the lockdown was Joe Wicks, whose PE for kids was one of the bright sparks in the darkness of the early days of lockdown, experiencing a perception rise by 20%.

And a surprise winner was the Royal Mail, presumably due to its continued service throughout the most challenging of environments. There is also a clear intention to increase usage of the Royal Mail post COVID-19.



SOCIAL MEDIA

PLATFORM	PERCEPTION IMPROVED (%)	PERCEPTION DECLINED (%)	PERCEPTION NET CHANGE
INSTAGRAM	11%	6%	+5%
TIKTOK	13%	9%	+4%
FACEBOOK	9%	16%	-7%

With little human contact, the social media platforms performed a key role during lockdown. TikTok seems to have been a success story, breaking away from its Generation Z roots and welcoming more Millennials and Gen Xers. Instagram too, saw a positive perception rise.

However, in contrast, Facebook's perception took a tumble. Challenges of misinformation and "fake news" could well have been decisive factors.

With the exception of Next, which saw no change in perception, all of the omni-channel high street retailers experienced small increases in perception.

However, in a worrying sign, when it came to intention to spend, right across the board, consumers intend to spend less with these retailers online. This is a trend that these retailers must work hard to prevent. Areas to focus on should revolve around enhancing the user experience, with delivery service options, stock availability (and clarity), and website ease-of-use, the prominent areas to look at.

OMNI-CHANNEL HIGH STREET RETAILERS						
RETAILER	PERCEPTION IMPROVED (%)	PERCEPTION DECLINED (%)	PERCEPTION NET CHANGE	% WHO INTEND TO SPEND MORE	% WHO INTEND TO SPEND LESS	SPEND INTENTION DIFFERENCE
NEXT	6%	6%	0%	6%	14%	-8%
JOHN LEWIS	8%	4%	+4%	8%	11%	-3%
THE WORKS	4%	3%	+1%	7%	12%	-5%
B&Q	10%	8%	+2%	8%	12%	-4%
CURRY'S PC WORLD	7%	5%	+2%	7%	11%	-4%





FOOD AND DELIVERY

RETAILER	PERCEPTION IMPROVED (%)	PERCEPTION DECLINED (%)	PERCEPTION NET CHANGE	% WHO INTEND TO SPEND MORE	% WHO INTEND TO SPEND LESS	SPEND INTENTION DIFFERENCE
DELIVEROO	14%	5%	+9%	14%	14%	0%
JUST EAT	17%	5%	+12%	14%	15%	-1%
MCDONALD'S	12%	11%	+1%	10%	19%	-9%
KFC	8%	9%	-1%	8%	17%	-9%
LAITHWAITE'S WINE	3%	3%	0%	8%	14%	-6%

Food delivery services performed a vital role during lockdown, keeping spirits high with food delivered to the door. This improved perception does not equate to more intended spend though, perhaps because consumers' expenditure on these delivery services was higher than normal anyway, or possibly because consumers are thinking more about their long-term health.

The fast food outlets suffered significantly, with intention to purchase declining in the future. The negative scores in future spend intent for

both fast food and food delivery services may also reflect the contentment of many consumers with a newfound frugality, married to much improved cooking skills!

Finally, Laithwaite's Wine, an organisation that saw a significant spike in demand during lockdown, and that, due to its owned infrastructure, was able to satisfy this when others could not, did not see the rewards for this in our survey. While its perception remained the same, consumers' intention to purchase in the future dropped by 6%.

ONLINE-ONLY FASHION

RETAILER	PERCEPTION IMPROVED (%)	PERCEPTION DECLINED (%)	PERCEPTION NET CHANGE	% WHO INTEND TO SPEND MORE	% WHO INTEND TO SPEND LESS	SPEND INTENTION DIFFERENCE
BOOHOO	5%	4%	+1%	8%	13%	-5%
ASOS	6%	4%	+2%	10%	12%	-2%

One would expect that the online-only fashion retailers would have fared relatively well during the lockdown, given their innate ability to offer online buying and delivery. However, while both Boohoo and ASOS saw small increases in perception, consumer intent to spend more with them post lockdown looks set to falter.

POLITICAL SENTIMENT

PARTY	PERCEPTION IMPROVED (%)	PERCEPTION DECLINED (%)	PERCEPTION NET CHANGE
GOVERNMENT (CONSERVATIVE PARTY)	15%	45%	-30%
OPPOSITION (LABOUR PARTY)	23%	18%	+5%

Finally, onto the often divisive world of politics. Without doubt, the biggest losers in terms of perception was the UK Government. Admittedly, the task they faced was unprecedented, but the view from our shoppers was that their actions simply didn't cut the mustard. On the flipside of the coin, the introduction of Sir Keir Starmer saw overall perception increase by 5% points for the Opposition.



UNPRECEDENTED TIMES

While we can all agree that what 2020 has brought us, at least in its first half, was universally unexpected, clearly we did not always think that all retailers handled it as well as they could. And almost 9 in every 10 consumers (87%) said that they expected online retailers to be better prepared if there was ever a “next time” when it came to a global pandemic or lockdown.

87% of consumers expect online retailers to be better prepared if there is ever another lockdown.

LOYALTY

So now we know who the biggest winners and losers were, and are likely to be, thanks to the impact of COVID-19. But what about loyalty, or more particularly, loyalty schemes? If we consider online shoppers, as a consequence of the outbreak of COVID-19, 13% signed up to Amazon Prime, while 11% signed up to a supermarket loyalty scheme.

Section 4: What About Physical Stores?



CHAPTER 1: CONSUMERS ARE FRIGHTENED

As lockdown eases and shops re-open, we have seen consumers queueing to get their physical retail hit. But don't be too fooled by these overt signs of confidence.

48% of shoppers surveyed told us they are frightened about shopping in-store vs 44% who said they were not.

48% of shoppers are scared to shop in-store.

CHAPTER 2: SCARED OR NOT, WE MISS PHYSICAL SHOPPING

We wanted to know what factors, in particular, consumers missed about shopping in-store. It is telling that of the top 6 reasons, only 2 really reference specific attributes of physical shopping, namely "the ability to sense products" (44%) and "spontaneous purchasing" (40%).

The other factors all refer to the experience, the social side of shopping, and the importance of getting out of the house. It is this point of differentiation where omni-channel retailers should focus their strategies in the future. A shop which sells products is no longer enough! Consumers seek experience-driven shopping irrespective of the channel.

Online wins in terms of range, ease, speed and convenience, but where it cannot compete so well is in making shopping a social and enjoyable event.

The benefit of having sales staff present was only missed by 9% of respondents, while 11% of consumers missed nothing at all!

WHAT DID CONSUMERS IN LOCKDOWN MISS ABOUT PHYSICAL SHOPPING?





55% of consumers said that they would welcome the ability to book time-slots for physical shops rather than queue.

CHAPTER 3: QUEUEING AND SLOT BOOKING

In the 8 weeks prior to the research going into field in early June, we asked consumers how many times they had needed to queue for entry into a shop. The answer was, on average, 7 times - although it's important to remember that, at that stage, it was only "essential" shops that were open in UK.

The average queue time was 13 minutes. All things considered, that may not seem too unreasonable, but it still means that on average, since lockdown, consumers have wasted 1.5 hours standing in a queue.

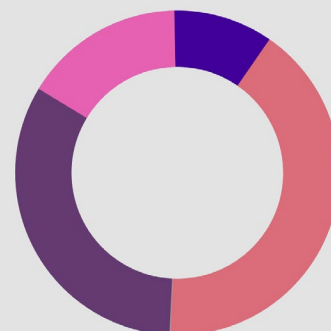
But us Brits are a stoic lot, with 49% of shoppers saying that they did not find queueing frustrating. Some of us were less tolerant though, with 41% saying that they were slightly frustrated, and 10% saying that they were extremely frustrated!

However frustrated UK consumers may be, queueing looks like it's here to stay, at least for the time being, so it's surprising that more retailers

are not booking slots for in-store shopping, instead relying on old school, basic queueing methods. And what do consumers think of this? Well, 55% said that they would welcome the possibility to book slots for physical shopping.

HOW DID CONSUMERS FEEL ABOUT QUEUEING?

- Extremely frustrated (10%)
- Slightly frustrated (41%)
- Not frustrated (33%)
- Not frustrated at all (16%)



CHAPTER 4: WHAT WOULD ENCOURAGE SHOPPERS TO SHOP IN-STORE?

Of the top 5 factors given that would encourage consumers to shop in physical stores, 3 referred to more user-friendly queueing: “improved queueing system” (46%), “more tills open to reduce queueing” (45%) and “controlled footfall” (45%).

The number 1 factor was hygiene stations (51%) followed by contactless payments (49%), both key factors in fighting the spread of COVID-19.

WHAT WOULD ENCOURAGE SHOPPERS TO SHOP IN PHYSICAL STORES?





CHAPTER 5: IN-STORE INNOVATION

Consumers have long been screaming out for physical retailers to be more innovative and to embrace digital. As we move towards a “new normal”, now is the ideal time for retailers with physical stores to think about how they can do this.

This is essential given that 67% of consumers now expect brands and retailers to be more innovative in the way that they use digital technology to enhance experiences and their safety.

One example of this is the Amazon Go concept, the technology for which Amazon has just started to white-label for third party stores. 15% of shoppers said that they were excited about stores where you don't have to queue to pay, like Amazon Go, while a further 32% were “quite excited”.



	PERCEPTION IMPROVED (%)	PERCEPTION DECLINED (%)	PERCEPTION NET CHANGE	% WHO INTEND TO SPEND MORE	% WHO INTEND TO SPEND LESS	SPEND INTENTION DIFFERENCE
CORNER SHOP	33%	6%	+27%	31%	8%	+23%

CHAPTER 6: THE ROLE OF THE LOCAL CORNER SHOP

As we saw in the winners and losers section, the UK lockdown measures seriously improved the perception of the local corner shop with consumers desperate to get their hands on necessities, and realising that other shops were closed, or that queues for supermarkets would be extensive.

However, it wasn't just perception that improved. In fact, nearly a third of shoppers (31%) said that they were intending to spend more with their local corner shop, even when COVID-19 was overcome.

Yet despite this positivity, there is clearly some work for corner shops to do around pricing (49%), better range of products (38%), and fighting the perception that perhaps they are taking advantage of the COVID-19 situation with higher prices (34%).

Looking to the future of convenience stores, we see that 16% of consumers want to order from them online, and 16% of consumers would appreciate a delivery service.

WHAT WOULD INCREASE CONSUMERS' USAGE OF CORNER SHOPS?

If they offered better pricing 49%

If they offered a better range of products 38%

If they stopped exploiting the situation by charging higher prices 34%

If they practiced better hygiene and distancing practices 26%

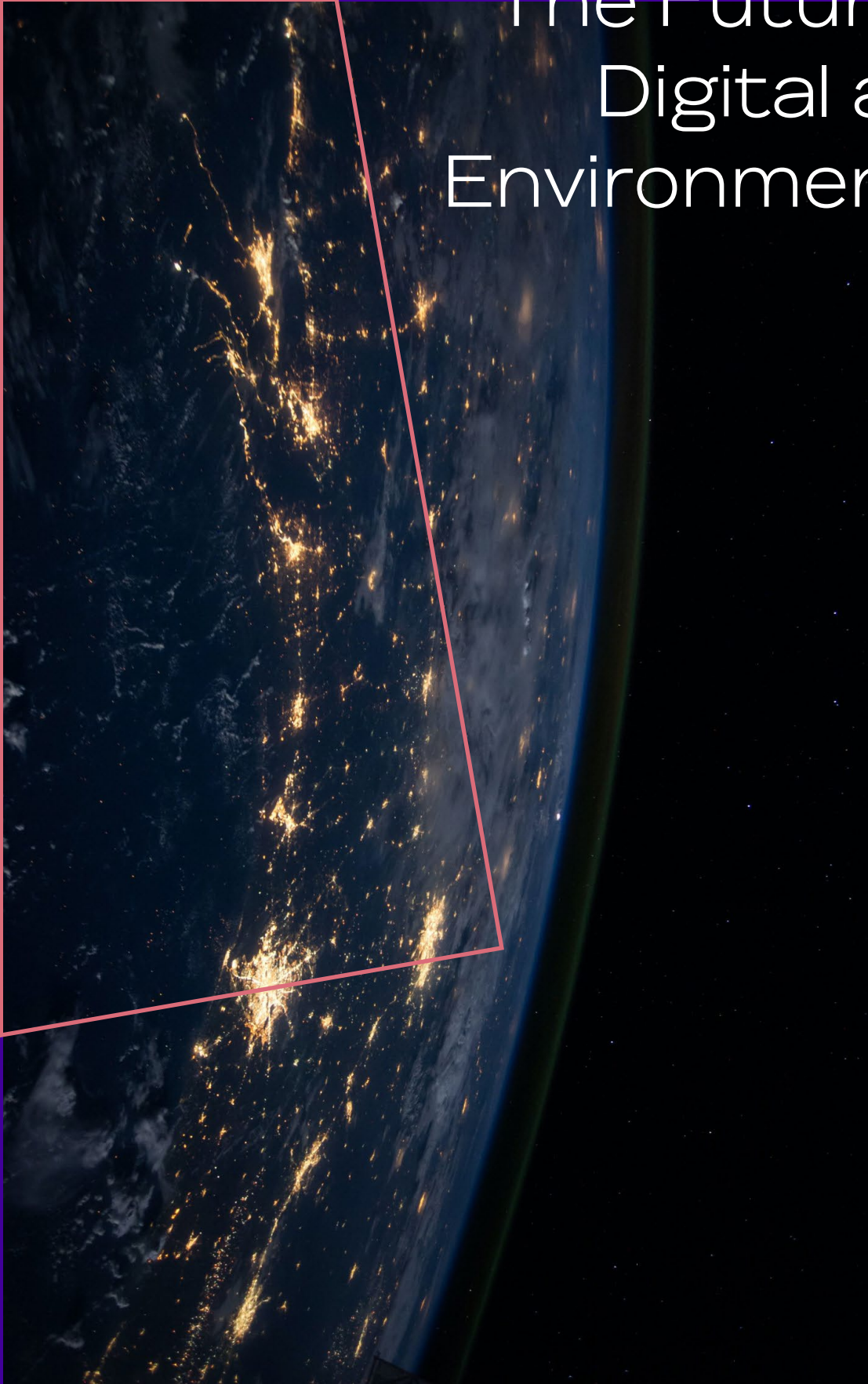
There are no factors that would increase my use of convenience stores after the pandemic 20%

If I could order from them online 16%

If they offered a delivery service 16%

Other 2%

Section 5: The Future is Digital and Environmental



CHAPTER 1: COMFORT WITH TECHNOLOGY

The move to working from home, and the lack of physical contact has forced us all to embrace technology more in the home. Many children receiving home-schooling or talking to friends and family are now experts in video-conferencing tools. Grandparents who were previously scared of technology have now had to embrace it to retain contact with their grandkids.

Would it be fair, therefore, to say that comfort with digital has increased? The data would seem to support this hypothesis with 38% of consumers confirming that they were now more comfortable with digital technology.

38% of consumers said that they were now more comfortable with digital technology.

CHAPTER 2: PHYSICAL VS DIGITAL ORDERING IN LOCKDOWN

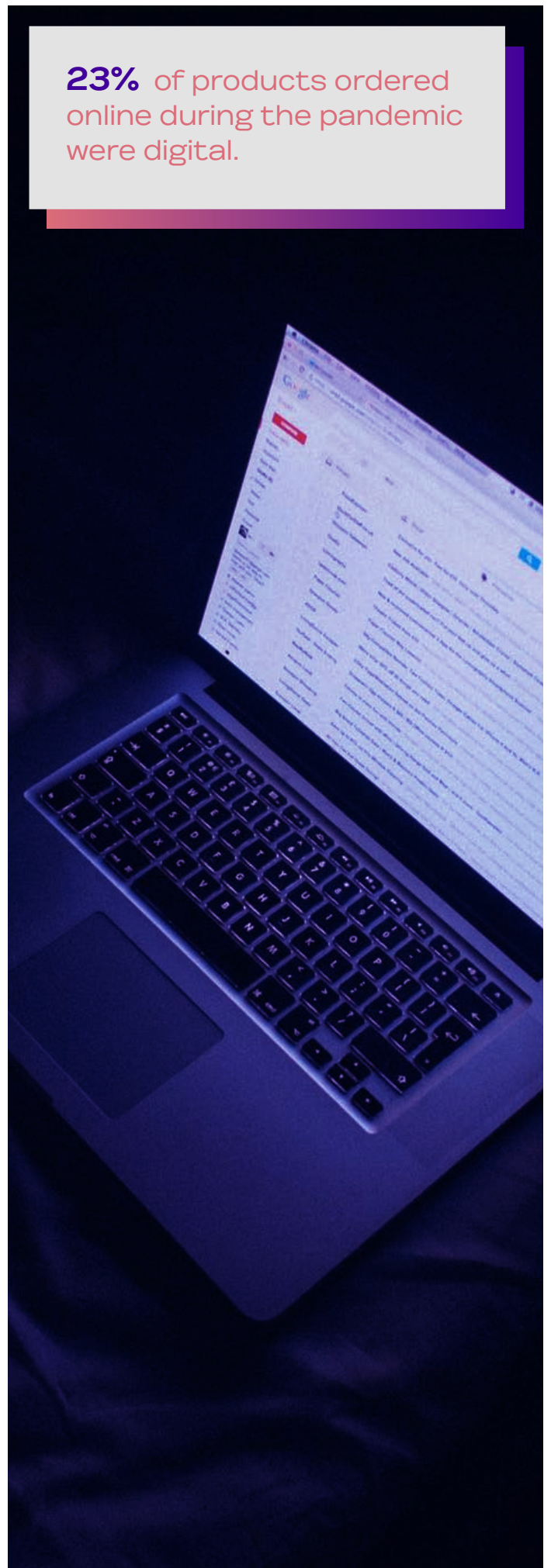
But will this comfort with technology lead to a change in what we buy and consume? We think it might...

One trend that we've been keeping our eye on in the last few years is the move towards more digital purchasing – shifting away from the order of physical products online towards digital products that are downloadable or streamable.

This trend was thrust into the spotlight with lockdown measures, and, as a consequence, we asked consumers what proportion of products ordered online was physical vs digital during lockdown. We found that 77% of products ordered were physical, while a significant 23% of products ordered were digital.

And with such a meaningful proportion of online purchases being digital, the obvious question to ask shoppers was; as a consequence of COVID-19, would you prefer more or less of your online purchases to be digital and instantly downloadable? 21% said that they would like more of their products to be digital and instantly downloadable, while 33% said they wanted the same level.

23% of products ordered online during the pandemic were digital.



CHAPTER 3: BUT WE'RE NOT ALL ABOUT DIGITAL

Although the provenance of COVID-19 is still yet to be confirmed, human's effects and incursions on the natural world almost certainly have had some role to play. There was already increased awareness of the negative effects of our consumption and behaviour on the planet, so it's not surprising that 73% of consumers wish that retailers and brands offered better environmental practices.

But wishing for change is one thing. Does it actually affect consumer behaviour? In a world of commerce heavily driven by range, ease, speed, convenience, and increasingly availability, what roles do environmental factors have in purchasing?

More than half of consumers (55%) say that a company's ethics and morals play an important part in their purchase decisions, while 48% actively choose companies and brands that are environmentally responsible. Irrespective of the science, many views have been expressed on how COVID-19 appears to have emerged as our planet's 'just' response to our sustained exploitation of its resources and disregard for its fragility, so it is laudable that this appears to be translating into the intent for more eco-conscious shopping.

48% of consumers actively choose companies and brands that are environmentally responsible.



Conclusion



CONCLUSION

So, while this data is undoubtedly compelling, what does it mean for businesses and organisations looking to future-proof themselves and react to the changes in consumers that have been thrust upon them as a consequence of COVID-19? Cascading the new insight that this research has given us into the findings from the other consumer focused surveys we have undertaken in recent months, including The Future Shopper, this is what we would advise:

- 1. Know your customers, understand their journeys, and build your future strategy around this.** Accept that this experience has changed their shopping habits for good. Those businesses thinking that this is a temporary blip are mistaken, and a change in business model is vital for survival.
- 2. Online became the number 1 shopping channel during lockdown and will remain the number 1 channel post COVID-19.** It's time to get your digital commerce offering up to speed or risk losing shoppers for good.
- 3. In a world of reduced shopping options, online availability is king.** Online sellers must review and manage their supply chain as never before; and they need to communicate stock levels clearly to consumers to minimise frustration (and attrition), and focus on reliable, resilient stock replenishment.
- 4. Digital commerce isn't just about the online experience - delivery and returns are vital parts of the customer experience and drive the purchase decision.** Working out how to offer "free" delivery and "free" returns is important to gaining and retaining customers.
- 5. Amazon's lockdown performance has enabled it to gain even more commercial traction at the expense of both online and physical retail.** Ensuring that your Amazon strategy is on point is vital!
- 6. Whilst consumers predict that 31% of their online spend post COVID-19 will be with Amazon, this leaves 69% still up for grabs.** Retailers and brands must work hard to ensure that a balanced strategy affords consumers the ability to purchase via these channels too.

CONCLUSION

- 7. Businesses and organisations who kept on servicing their clients through lockdown have engendered an enormous amount of goodwill, and most likely increased loyalty.** For the others, consumers will not be as forgiving next time. While peak preparation was standard for Black Friday, online businesses must now be sure to be prepared for any unexpected peaks. That means assessing supply chains, testing operations and improving resilience across the business.
- 8. Seek to digitise your products and services wherever possible.** In a world where availability and delivery are key, these are challenges that have already been overcome by digitised products. Consumers will increasingly turn to downloadable or streamable consumption, and businesses must ask themselves what parts of their product or service portfolio can be digitised.
- 9. Those still operating physical stores must address consumer fear and frustration,** notably around key friction points in the customer journey – store queueing being a prime example.
- 10. The environment is now a major factor in purchase decisions, with the morals, ethics and provenance associated with products becoming increasingly important to consumers.** Businesses must look at their supply chains, their production processes, their carbon footprint, their sustainability agenda and the organisations and people they partner with, as well communicating their environmental practices to consumers clearly and with authenticity.

ABOUT WUNDERMAN THOMPSON COMMERCE

Wunderman Thompson Commerce is a global eCommerce consultancy of 1500+ commerce experts across more than 20 offices, united in helping clients win through eCommerce.

We define and deliver digital growth for ambitious brands, retailers and manufacturers. The cornerstone is inspiration – and we seek and promote it in all that we do.

Our global eCommerce consultancy offers strategic clarity, technology enablement and creative insight and delivers winning commerce capabilities across all major channels: marketplaces (including Amazon), online retailers, D2C and social commerce.

We help brands increase results at scale on Amazon, deliver eCommerce strategy and optimise multichannel journeys. We inspire customer engagement and transactions at every touchpoint, while deploying and integrating world class technology from key strategic partners including Adobe, SAP, Salesforce, HCL and IBM.

Clients include AkzoNobel, DFS, Halfords, Jumbo, RXBAR, Sainsbury's, Selfridges, Specialized, Tempur and Tiffany & Co.

We are part of Wunderman Thompson, a WPP agency which is part creative agency, part consultancy and part technology company, and whose experts provide end-to-end capabilities at a global scale, to deliver inspiration across the entire brand and customer experience.

Wunderman Thompson is a WPP Agency (NYSE: WPP).

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SERVICES TO SUPPORT BRANDS AND RETAILERS

CUSTOMER EXPERIENCE

Inspiring transactions across the journey.

In putting the customer at the heart of every journey touchpoint, customer experience must not only work, but inspire both action and transaction. Our ability to create and support these customer journeys is born of science and commercially driven – we create optimised, multichannel customer journeys that drive engagement and transaction at every point. Key to this is our unique methodology known as “Commerce Experience Design” that exploits the synergies between Interface Design, User Experience Design and Service Design. [READ MORE](#)



[Connect](#) with our Director of Customer Experience, Rachel Smith.

ECOMMERCE STRATEGY

As a growth partner, we help retailers and brands strategise for high-performance eCommerce through a suite of proven end-to-end services.

We help enterprise-level organisations 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 eCommerce solutions to support your growth ambitions and customer journeys. [READ MORE](#)



[Connect](#) with our Strategy Director in Europe, Krantik Das or our Chief Strategy Officer in North America, Adam Brown.

MARKETPLACE STRATEGY AND MANAGEMENT

Supporting and advising brands on how to increase results globally, at scale, on Amazon, Tmall and other online marketplaces.

Wunderman Thompson Commerce is the leading provider of global eCommerce marketplace services and the founding partner of the WPP ACE, a Center of Excellence for Amazon. We run the largest global consultancy helping brands succeed on Amazon, Tmall and other marketplaces. We have helped 550 brands excel on Amazon over the last decade and our 100+ experts across 25 nationalities are helping clients drive annual online revenue of more than \$2bn on Amazon's marketplace alone. We have the people, processes and tools to deliver industry leading performance for our clients. [READ MORE](#)



[Connect](#) with the Head of WPP's Center of Excellence for Amazon in Europe, Helmut Rieder or our Chief Knowledge Officer, WPP Center of Excellence for Amazon in North America, Eric Heller.

MANAGED SERVICES: PEAK SELLING SUPPORT

Protecting your most important business asset – your eCommerce website – so you can focus on what you're best at.

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 support. 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](#)



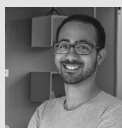
[Connect](#) with our Head of Service Operations, Mario D'Cruz.

SERVICES TO SUPPORT BRANDS AND RETAILERS

INNOVATION AND FUTURE-READY TECHNOLOGY

Reviewing, testing, and deploying 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](#)



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Through the implementation of world-leading commerce platforms underpinned by future-ready technologies, we're able to support the most ambitious client strategies. We've been doing this for more than 30 years – with hundreds of successful eCommerce implementations to our name, including the world's largest fashion and B2B platforms and grocery replatform. [READ MORE](#)



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Delivering insight-driven change to help your business excel in the age of the customer.

Led by an expert team of implementation, data science and optimisation analysts, we help multichannel organisations 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 organisation that gets results. [READ MORE](#)



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Helping consumers buy what they want, where they want it.

We acquire, optimise and redistribute product data to create data-driven solutions to assist consumers and businesses. Feed Management and BuyNow connect consumers to retailers' and brands' products, on any channel, to maximise sales. Our technology enables performance monitoring, benchmarking globally to deliver insight. [READ MORE](#)

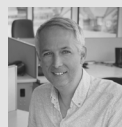


[Connect](#) with our Head of Commerce Data Management, Dwayne Manzano.

CREATIVE SERVICES INC. DESIGN & BUILD

Inspiring powerful online CX and industry-leading websites.

We see creative inspiration as the critical agent of change, actions and transactions across stunning customer journeys time and time again. And drawing on the arguably unparalleled creative heritage of Wunderman Thompson, we're uniquely able to do this, applying our multiple award-winning creative credentials to front-end build, including websites, mobile sites, app builds and more. [READ MORE](#)



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SOCIAL COMMERCE

Introducing a new revenue stream by helping brands capture and sell to new audiences through social media.

Social platforms have evolved and selling has become an active function in order to capture shoppers – particularly Gen Z and Generation Alpha. Consumers can now buy through the likes of Instagram, Facebook and Pinterest. Wunderman Thompson Commerce is working with leading retailers and brands to optimise engagement and trigger transactions on these social channels. [READ MORE](#)



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SERVICES TO SUPPORT BRANDS AND RETAILERS

PRODUCT INFORMATION MANAGEMENT

Creating the best CX across all touchpoints, promoting the best sales catalogue for every device.

We can help your business implement a PIM system by recognising what your customers are looking for when they buy online. We offer deep knowledge of PIM strategy, solutions design, integration and implementation. We partner with retailers, manufacturers and distributors to help them improve their customer experience, product data, operational processes and profitability. [READ MORE](#)



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DIGITAL TRANSFORMATION AND TRADING

Delivering digital commerce excellence for brands and manufacturers, through business transformative change and trading optimisation.

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ENGINEERING

Our engineering practice underpins all of our technology solutions. We have specialists supporting all of the major ecommerce platforms as well as unbeatable experience in modern technologies such as SPA/PWA, headless commerce, microservices, cloud and serverless architectures. By choosing the technology solution that works best for you and keeping a laser focus on quality, we deliver beautiful, well engineered solutions that will meet your needs both now and in the future. [READ MORE](#)



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