Reimagining Commerce 2020
Toolkit for Creating Customer-Centric Digital Experiences
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Ever-Evolving E-Commerce

Today’s consumers are online more than ever. A mere click away from a new bluetooth speaker, jumbo package of toilet paper or fresh carton of strawberries—all of which arrive on their doorsteps within 24 hours—modern shoppers have increasingly high expectations of the brands and retailers they do business with.

Reaching customers in a cluttered digital landscape, however, is both mission-critical and frustratingly challenging. To better understand the state of global commerce in 2020, Episerver polled over 4,000 consumers across five key geographies: the U.S., U.K., Australia, Germany and Sweden. The following trends highlight the direction e-commerce is headed in 2020—and how brands and retailers around the world can create experiences that cut through the clutter.
Key Findings

01
76% of consumers would be dissuaded from making a planned purchase if shipping costs were too expensive.

It’s clear the Amazon effect has permeated consumer consciousness. Today’s online shoppers now expect the same perks that once defined Amazon’s services from every brand and retailer.

02
53% of those who said they shop online every day rely on their smartphones. Of the most frequent shoppers (once per day), nearly half (48%) have significantly increased their reliance on their smartphones for shopping in the last year.

Companies, especially those with physical locations, need to invest in omnichannel experiences that travel seamlessly with their users across situations and devices—from mobile to desktop to in-store.

03
Across the board, respondents with children under 18 living at home report more significant usage of online platforms in the healthcare, financial services and high-tech categories.

While many emerging online applications target the young city dweller always on-the-go, busy parents have clearly found convenience in the same services.

<table>
<thead>
<tr>
<th>Category</th>
<th>With children under 18</th>
<th>Without children under 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>30%</td>
<td>20%</td>
</tr>
<tr>
<td>Financial Services</td>
<td>34%</td>
<td>26%</td>
</tr>
<tr>
<td>High Tech</td>
<td>30%</td>
<td>18%</td>
</tr>
</tbody>
</table>

04
Over 80% of consumers in each of the five countries we polled said they’re most likely to be on the couch when shopping online.

Online shopping has become a passive activity for most of the world’s consumers, posing new challenges and unique opportunities for brands and retailers to turn casual browsers into committed buyers.
Key Findings

05

On average, one-fifth of consumers have made purchases directly because of a social media influencer’s product post. But 50% of Gen Z shoppers and 48% of millennials have purchased products either directly by clicking on a post or later on as a result of the influencer’s endorsement.

As shopping via smartphone and social media continues to increase, brands and retailers should look at their influencer marketing partnerships with a more critical eye.

06

Well over half of millennials (58%) default to smartphones when shopping online, followed by Gen Z at 49%, Gen X at 48% and baby boomers at just 18%.

While Gen Z grew up online, many younger members are likely still turning to their parents for most purchases. Many millennials, however, are now making household purchases and likely prioritizing speed and convenience.

07

62% of respondents feel that companies should place the same priority on personalized experiences in 2020 as they did in 2019. At the same time, 25% of consumers feel that brands and retailers should make respecting their anonymity online a higher priority.

Consumers are conflicted in their desire for both personalization and privacy. They’re wary about sharing personal information but also crave relevant digital experiences.
What does it all mean?

The more consumers use their mobile devices and engage in social media activity, the more they’re bombarded with advertisements and marketing messages. Brands and retailers should follow the age-old adage: Less is more. Focus on delivering compelling content when it’s actually relevant. Personalization should not equate to opening Instagram only to see an ad for a product you just mentioned in passing. Rather, personalization should be meaningful and contextual—providing the right content to the right person at the right time. For example, a beauty retailer might send a personalized reminder to order a new product before it runs out based on the date of purchase and estimated usage time.

Year-Over-Year Findings

Consumers are online more than ever.

Direct purchases via social media are on the rise. 21% of consumers made a purchase directly from an ad on social media in 2019. This number rose dramatically to 31% in 2020. Additionally, 16% of consumers made a purchase directly from an influencer’s product post in 2019, compared to 19% in 2020.

Smartphones are increasingly becoming a means of purchase. 16% of consumers said they used their smartphone to complete a purchase multiple times per week in 2019, which rose to 18% in 2020.

But they’re also getting fatigued.

Online shopping frequency has declined. In 2019, 26% of consumers reported that they shopped online at least once a week, compared to 19% of consumers in 2020.

In 2019, 26% of consumers said they wanted brands and retailers to place a higher priority on personalized experiences, compared to just 17% of consumers in 2020.

### Direct purchases via social media ads

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>21%</td>
</tr>
<tr>
<td>2020</td>
<td>31%</td>
</tr>
</tbody>
</table>

### Purchases via smartphone multiple times per week

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>16%</td>
</tr>
<tr>
<td>2020</td>
<td>18%</td>
</tr>
</tbody>
</table>

### Weekly online shopping frequency

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>26%</td>
</tr>
<tr>
<td>2020</td>
<td>17%</td>
</tr>
</tbody>
</table>

### Preference for higher personalization

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>26%</td>
</tr>
<tr>
<td>2020</td>
<td>17%</td>
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</tbody>
</table>
The Privacy/Personalization Balancing Act

Consumers don’t want convenience to come at the expense of privacy and security: if 2019 was the year that data vulnerabilities came into stark focus, 2020 is the year consumers are voicing their dissatisfaction with those vulnerabilities. Nearly half of global consumers said respecting online anonymity needs to be a higher priority for retailers, adding that security concerns are one of the biggest deterrents to using voice-enabled devices like Amazon Alexa to make purchases.

Across the five geographies we surveyed, consumers are generally happy with the level of personalization brands and retailers currently provide. Most respondents feel that companies should place the same priority on personalized experiences in 2020 as they did in 2019.

Germany and Sweden, however, are notable for having the largest percentage of consumers who feel brands and retailers should emphasize personalization less in 2020. Both countries made updates to their data privacy laws over the last couple years, so it’s likely consumers are...
hyper-sensitive to marketing efforts that involve their data. The U.K.’s withdrawal from the European Union could help explain why U.K. consumers more closely mirror those in the U.S. and Australia than their German and Swedish EU counterparts.

Additionally, what people “think” tends to conflict with what they “do.” Consumers think they want anonymity, but they act on digital experiences that are not anonymous. In reality, most consumers want more personalized content, but they’re wary of brands and retailers that overstep boundaries and misuse their data.

The notable majority of all generations also feel that companies should place the same priority on personalization in their future marketing efforts. It’s worth noting that a quarter of Gen Z respondents feel brands should place more of a priority on personalization in future efforts. This finding makes sense given that Gen Z consumers are the first true digital natives, having grown up with some measure of personalization integrated into most retail experiences.

While global consumers feel strongly about brands continuing to prioritize personalization in 2020, they’re also very protective of their privacy. Most consumers across the five countries we surveyed said brands should place the same or more of a priority on respecting shoppers’ online anonymity in 2020.

Across the countries surveyed, the largest percentage of consumers that said brands should place more, rather than the same, priority on respecting anonymity was in the U.S (53%). When viewed in the context of highly publicized data breaches and evolving online privacy legislation in the U.S. in 2019, this finding comes as no surprise.

Compared to 2019, how much of a priority should it be for brands and retailers to offer personalized experiences online in 2020?

- Less of a priority
- The same priority
- More of a priority

Gen Z
18-23
- 23%
- 52%
- 25%

Millennials
24-38
- 20%
- 59%
- 21%

Gen X
39-53
- 14%
- 64%
- 22%

Baby Boomers
54-72
- 14%
- 69%
- 17%

Compared to 2019, how much of a priority should it be for brands and retailers to respect your anonymity online in 2020?

- Less of a priority
- The same priority
- More of a priority

United States
- 6%
- 41%
- 53%

Australia
- 5%
- 44%
- 51%

United Kingdom
- 6%
- 46%
- 49%

Germany
- 17%
- 50%
- 33%

Sweden
- 14%
- 42%
- 45%
Of the geographies surveyed, the U.S. is the only country without a national data protection law, and American consumers are clearly expressing a desire to get on the same page as their global counterparts. California’s passage of the Consumer Privacy Act of 2018 — which will have a national business impact — signals a key legislative step forward in terms of regulating privacy in the U.S. The CPA has already triggered additional data privacy measures around the nation, as seen with the Washington Privacy Act, and could influence data laws at the federal level in the future.

In contrast to the youngest consumers — who feel brands should increase their personalization efforts — the oldest consumers support greater prioritization of anonymity online. Younger generations have come to expect content that’s tailored to their needs and preferences, and they understand companies need access to relevant information to provide these experiences.

Additionally, voice commerce, often predicted to radically disrupt e-commerce, actually declined year over year. Last year’s Reimagining Commerce report found that 17% of respondents used voice-assisted devices to complete a purchase multiple times a month, versus just 7% this year. Also in our 2019 report, 22% of respondents used voice-assisted devices to research a product or service multiple times a month; that figure dropped to just 8% in 2020.

Declining voice commerce could be attributed to the reality that these devices are simply better-suited for other tasks, like listening to music, making calls or managing shopping lists, but there’s also a privacy component. One-third of respondents reported that a lack of security features will stop them from making more purchases via voice-enabled devices like Amazon Alexa and Google Home. That’s significantly higher than more practical hindrances like lack of product images (22%), difficulty researching products (21%) and difficulty comparing products (20%).

Compared to 2019, how much of a priority should it be for brands and retailers to respect your anonymity online in 2020?

<table>
<thead>
<tr>
<th>Segment</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gen Z (18-23)</td>
<td>16%</td>
<td>39%</td>
</tr>
<tr>
<td>Millennials (24-38)</td>
<td>14%</td>
<td>40%</td>
</tr>
<tr>
<td>Gen X (39-53)</td>
<td>7%</td>
<td>46%</td>
</tr>
<tr>
<td>Baby Boomers (54-72)</td>
<td>3%</td>
<td>56%</td>
</tr>
</tbody>
</table>

Episerver’s Take

Consumers are willing to share their data, if they receive something of value in return. They’re worried about companies like Facebook misusing their data and retailers like Target getting hacked. But they also want content that’s tailored to their needs and preferences (which, of course, requires their data). Striking the right balance between privacy and personalization requires true transparency and consumer permission, as well as a deft content strategy that prioritizes the demands of the customer. Most importantly, it’s an ongoing process that must be frequently reviewed and updated.
Reaching Customers at the Right Time

Over 770,000 unique users visit the White Company’s website each month. Not all of these visitors make purchases, but the home retailer noticed that many of them were close. The White Company used an abandoned cart email strategy to turn 270,000 qualified browsers into buyers. But instead of sending emails in batches, the White Company turned to an AI-powered messaging platform to trigger individual email sends at the best possible time, based on user behavior.

The Results

By personalizing email send times, the White Company was able to engage with users when they wanted to be reached, rather than interrupting them at inconvenient times. With this strategy, 16% of abandoned cart users clicked through the email and went on to complete their purchase.
Beyond Retail

Online transactions are quickly becoming the norm for consumers in industries beyond retail, including healthcare (prescription refill, appointment scheduling, etc.), financial services (mobile check deposits, Venmo, etc.) and high tech (Uber, Apple, etc.). As our reliance on mobile devices increases, there are more opportunities for new apps and platforms than ever.

Tech-savvy younger generations report more frequent usage of online platforms in industries beyond retail. Gen Z uses high tech services like Uber and Apple Pay significantly more than their generational counterparts, but we can expect their usage of healthcare and financial services applications to rise as they continue to enter the workforce. Millennials and members of Gen X, on the other hand, represent the inverse, reporting higher usage of healthcare and financial online platforms and lower usage of high-tech services.

Not surprisingly, baby boomers report the lowest usage of emerging apps and services across these categories. However, nearly half of boomers (43%) say they use financial services platforms to carry out activities like mobile check deposits and money transfers significantly or somewhat. As their generation continues to age into retirement, discerning healthcare providers should take note of the financial industry’s online platforms in order to better reach an audience already—or soon to be—in need of more frequent health services.

“Nearly half of boomers (43%) say they use financial services platforms to carry out activities like mobile check deposits and money transfers significantly or somewhat.”
To what extent do you use online platforms to carry out transactions in the following categories?

- Not At All
- Not Very Much
- Somewhat
- Significant

<table>
<thead>
<tr>
<th>Category</th>
<th>Gen Z 18-23</th>
<th>Millennials 24-38</th>
<th>Gex X 39-53</th>
<th>Baby Boomers 54-72</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td><img src="image" alt="Healthcare_GenZ" /></td>
<td><img src="image" alt="Healthcare_Millennials" /></td>
<td><img src="image" alt="Healthcare_GexX" /></td>
<td><img src="image" alt="Healthcare_BabyBoomers" /></td>
</tr>
<tr>
<td>Financial Services</td>
<td><img src="image" alt="Financial_Services_GenZ" /></td>
<td><img src="image" alt="Financial_Services_Millennials" /></td>
<td><img src="image" alt="Financial_Services_GexX" /></td>
<td><img src="image" alt="Financial_Services_BabyBoomers" /></td>
</tr>
</tbody>
</table>

Across the board, respondents with children under 18 living at home report more significant usage of online platforms in the healthcare, financial services and high-tech categories. While many emerging online applications are targeted at the young city dweller always on-the-go, busy parents have clearly found convenience in the same services. Brands, retailers and service providers would be wise to better engage with this audience in 2020 and beyond.

“While many emerging online applications are targeted at the young city dweller always on-the-go, busy parents have clearly found convenience in the same services.”
As user adoption across emerging online platforms continues to increase, healthcare, financial and high-tech service providers should take cues from those brands and retailers that have already found success in the digital space. Companies that have cracked the digital code include online medical care appointment booking service Zocdoc, peer-to-peer renters and homeowners insurance provider Lemonade and enterprise cloud video conferencing provider Zoom. These service providers have all figured out a core truth of doing business today: A seamless user experience, especially on mobile, is make or break for new players in the emerging tech space.
In Real Life

**Metro Bank:** Retail and Commercial Bank

**Consumer Banking Disruptor**

While Metro Bank provides personal, commercial, business and private banking services, the U.K.-based company recognized that consumer banking demands more digital finesse. Today’s personal banking customers want easy online transactions that work seamlessly across devices. The first new High Street bank in more than 150 years, Metro Bank built their digital properties to ensure a fully responsive, device-agnostic mobile experience.

“Metro Bank delivers personalized content based on unique user location, all while following strict security and compliance standards.”

**The Results**

With stronger content management capabilities, the internal team at Metro Bank can now create more customer-centric experiences that provide real value. For example, Metro Bank delivers personalized content based on unique user location, all while following strict security and compliance standards.

Read the full case study here.
Mobile First

Now more than ever, consumers are reaching for their smartphones before their computers and tablets as the default means of shopping online. More user-friendly apps and useful features like one-click checkout have certainly influenced the shift toward mobile.

Twenty-five percent of consumers use their smartphones to research a specific product or service multiple times per week, and 18% use them to complete a transaction multiple times per week. That’s a slight increase compared to 23% and 16%, respectively, in our 2019 report.

Well over half of millennials (58%) default to smartphones when shopping online. No other generation broke the 50% mark when it comes to primary reliance on their smartphones. Gen Z followed millennials at 49%, a surprising metric for a group that was born into an age of mobile device reliance. College-aged Gen Z consumers likely have their laptops on hand most of the day and younger members likely still rely on their parents to make most of their purchases. Meanwhile, baby boomers are significantly lagging in the smartphone shopping realm. Fewer than one in five (18%) choose to shop on their smartphones over other devices.

“Twenty-five percent of consumers use their smartphones to research a specific product or service multiple times per week, and 18% use them to complete a transaction multiple times per week.”
When online shopping, I will start by using...

- Desktop
- Laptop
- Smartphone
- Tablet
- Smartwatch

<table>
<thead>
<tr>
<th>Generation</th>
<th>Desktop</th>
<th>Laptop</th>
<th>Smartphone</th>
<th>Tablet</th>
<th>Smartwatch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gen Z 18-23</td>
<td>15%</td>
<td>30%</td>
<td>49%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Millennials 24-38</td>
<td>14%</td>
<td>21%</td>
<td>58%</td>
<td>6%</td>
<td>1%</td>
</tr>
<tr>
<td>Gex X 39-53</td>
<td>17%</td>
<td>24%</td>
<td>48%</td>
<td>10%</td>
<td>2%</td>
</tr>
<tr>
<td>Baby Boomers 54-72</td>
<td>31%</td>
<td>37%</td>
<td>18%</td>
<td>14%</td>
<td>1%</td>
</tr>
</tbody>
</table>
The most frequent online shoppers turn to their smartphones more than any other device combined. 53% of those who said they shop online every day rely on their smartphones, but even those who rarely shop online still choose their smartphones most often over other devices. For those who shopped once a year on average, more than one-third (36%) tend to use their smartphones, with laptops as the second most common choice at 31%.

The U.S. is on the forefront of the mobile-first trend when it comes to online shopping, but other countries like the U.K. and Sweden aren't far behind. Australians are most comfortable shopping on the computer, whether that's desktop or laptop, compared to other countries. Tablet shopping and smartwatch shopping especially fail to achieve traction across all countries surveyed.

“53% of those who said they shop online every day rely on their smartphones, but even those who rarely shop online still choose their smartphones most often over other devices.”
When online shopping, I will start by using...

- Desktop
- Laptop
- Smartphone
- Tablet
- Smartwatch

<table>
<thead>
<tr>
<th>Country</th>
<th>Desktop</th>
<th>Laptop</th>
<th>Smartphone</th>
<th>Tablet</th>
<th>Smartwatch</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>19%</td>
<td>24%</td>
<td>49%</td>
<td>8%</td>
<td>1%</td>
</tr>
<tr>
<td>Australia</td>
<td>25%</td>
<td>30%</td>
<td>37%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>16%</td>
<td>29%</td>
<td>45%</td>
<td>10%</td>
<td>1%</td>
</tr>
<tr>
<td>Germany</td>
<td>22%</td>
<td>28%</td>
<td>38%</td>
<td>11%</td>
<td>2%</td>
</tr>
<tr>
<td>Sweden</td>
<td>20%</td>
<td>27%</td>
<td>43%</td>
<td>7%</td>
<td>2%</td>
</tr>
</tbody>
</table>
Of the most frequent shoppers (once per day), nearly half (48%) have significantly increased their reliance on their phones for shopping in the last year. This finding suggests brands are taking mobile seriously and putting effort and resources into creating a better mobile experience.

These numbers are consistent with our B2C Retail Benchmark Report, Q1 2020, which found that mobile share of traffic consistently exceeded 50% every month in 2019. For retailers and brands Episerver tracks, desktop traffic has not exceeded 43% since the summer of 2018, meaning mobile is the new normal.

Over the past 12 months, the number of times I’ve reached for my mobile device to shop online instead of my computer has ...

- **Significantly increased:** 39%
- **Somewhat increased:** 27%
- **Stayed the same:** 29%
- **Somewhat decreased:** 2%
- **Significantly decreased:** 3%

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Significantly increased</th>
<th>Somewhat increased</th>
<th>Stayed the same</th>
<th>Somewhat decreased</th>
<th>Significantly decreased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Once/year</td>
<td>39%</td>
<td>27%</td>
<td>29%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Twice/year</td>
<td>22%</td>
<td>28%</td>
<td>44%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Every three months</td>
<td>19%</td>
<td>21%</td>
<td>54%</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Once/month</td>
<td>25%</td>
<td>26%</td>
<td>44%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Once/week</td>
<td>38%</td>
<td>26%</td>
<td>31%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Once/day</td>
<td>48%</td>
<td>24%</td>
<td>23%</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

**Episerver’s Take**

Despite website sessions on mobile devices trending upward over the past three years, conversions are still lower (2%) on mobile compared to desktop (3%). While brands and retailers should continue to make mobile-first campaigns a priority, they should do so with a big picture perspective. Companies, especially those with physical locations, need to invest in omnichannel experiences that travel seamlessly with their users across situations and devices—from mobile to desktop to in store. Remember: Consumers are using their devices in stores, too. The most successful brands will integrate these physical and digital experiences.
In Real Life

Living Spaces: Furniture Store

Meeting Consumers Where They Are

Equipped with 10 years’ experience operating an online store, Living Spaces already had a keen understanding of the modern consumer when it decided to adopt an entirely mobile-first approach to their digital offerings.

The furniture retailer knew a better mobile experience was the best way to maintain growth, stay ahead of the competition and, most importantly, meet the diverse needs of their digitally savvy customers.

The Results

Living Spaces’ new website provided a more straightforward user experience and room to grow through a simple API integration platform. With increases in average order value, conversion rate and net new users, it’s clear the mobile-first strategy paid off.

Read the full case study here.
The Rise of the Influencer Class

Rising mobile usage goes hand-in-hand with the increasing popularity of social media platforms. The percentage of consumers who have made a purchase directly from a social media ad rose a full 10% since our 2019 report (21% to 31%).

Most consumers follow social media influencers to some degree and one-fifth of consumers have made a purchase directly because of an influencer’s product post.

As expected, members of Gen Z and millennials are most likely to interact with and be persuaded by influencer product posts. Fifty percent of Gen Z shoppers and 48% of millennials have purchased products either directly by clicking on a post or later on as a result of the influencer’s endorsement. Influencer engagement does have a negative correlation with age: Just 8% of boomers have made a purchase directly from a product post, and half (49%) don’t follow any influencers on social media.

Influencer marketing has made its way into the mainstream—in some countries. One-quarter of respondents from the U.K. said they’ve made purchases directly by clicking on an influencer’s post, and another 30% said influencers have convinced them to ultimately purchase a product.

“Fifty percent of Gen Z shoppers and 48% of millennials have purchased products either directly by clicking on a post or later on as a result of the influencer’s endorsement.”
Meanwhile, influencers are slower to permeate Australian, German and Swedish marketing efforts: Nearly 30% of respondents in these countries say that they don’t even follow influencers on social media. Given that influencers have been increasingly lucrative in U.K. and U.S. markets, brands and retailers in other countries should get ahead of the curve now by committing more time and resources into capitalizing on trusted sources that encourage consumer spending.

Despite the popularity of social media, brands and retailers that engage in influencer marketing need to be strategic about their partnerships. According to research from Sprout Social, 51% of consumers unfollow brands that post irrelevant content and another 43% unfollow brands with too many ads. As digital spaces become more cluttered, customers don’t have the time or patience to interact with social media accounts that feel misleading or inauthentic.

Which of the following statements best describes your relationship with product posts from influencers?

- **Gen Z (18-23)**
- **Millennials (24-38)**
- **Gex X (39-53)**
- **Baby Boomers (54-72)**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Gen Z (18-23)</th>
<th>Millennials (24-38)</th>
<th>Gex X (39-53)</th>
<th>Baby Boomers (54-72)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I clicked on an influencer’s product post and made a purchase directly from it</td>
<td>24%</td>
<td>25%</td>
<td>17%</td>
<td>8%</td>
</tr>
<tr>
<td>I have not clicked on an influencer’s product post, but did ultimately purchase the product because of the influencer’s endorsement</td>
<td>26%</td>
<td>23%</td>
<td>15%</td>
<td>8%</td>
</tr>
<tr>
<td>I have clicked on an influencer’s product post, but never made a purchase directly as a result of clicking</td>
<td>24%</td>
<td>22%</td>
<td>19%</td>
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<tr>
<td>I have never clicked on an influencer’s product post</td>
<td>13%</td>
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</tr>
<tr>
<td>I don’t follow influencers on social media</td>
<td>13%</td>
<td>18%</td>
<td>30%</td>
<td>49%</td>
</tr>
</tbody>
</table>
The lines between content, social media and influencer marketing are becoming increasingly blurry. The reality is that all three should be part of a unified approach to digital marketing. In the past, many influencer campaigns have missed the mark because they didn’t resonate with the brand or its target audience. Consumers are smart and quick to call out content that appears “fake.” Companies should focus on partnering with influencers who share the same core values and beliefs as their organization.

<table>
<thead>
<tr>
<th>Statement</th>
<th>United States</th>
<th>United Kingdom</th>
<th>Australia</th>
<th>Germany</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>I clicked on an influencer’s product post and made a purchase directly from it</td>
<td>21%</td>
<td>25%</td>
<td>17%</td>
<td>20%</td>
<td>19%</td>
</tr>
<tr>
<td>I have not clicked on an influencer’s product post, but did ultimately purchase the product because of the influencer’s endorsement</td>
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<td>30%</td>
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<td>20%</td>
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<td>31%</td>
<td>28%</td>
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</tr>
</tbody>
</table>
In Real Life

**NA-KD: Women’s Fashion Retailer**

Influencer Marketing With a Purpose

After five years of continuous growth, digitally native women’s fashion brand NA-KD wanted to find new ways to connect with its target audience over shared values. The Gothenburg-based retailer unveiled several changes to its business model that reflect its commitment to sustainability.

NA-KD’s green initiatives include a carbon offsetting scheme, free climate compensated shipping and returns, more recyclable packaging and sustainable clothing collections with influencers.

The Results

When it comes to the fashion world, finding influencers isn’t difficult. Yet NA-KD took its influencer marketing strategy to the next level, tying it in with the company’s core values and helping shoppers find meaning in their purchases. These efforts helped fuel massive growth: NA-KD’s Black Friday week sales grew 125% year over year, and the retailer reached a daily new visitor record of over 1.67 million visits.
As more companies offer features like free shipping, the more consumers have come to assume these services are a given. Consumers listed “expensive shipping costs” as the biggest deterrent to carrying out a planned purchase, ahead of bad product descriptions and slow website load times.

Not only would expensive shipping costs discourage the majority of today’s consumers from making a purchase, but most online shoppers have also come to expect free shipping, free returns and the ability to track shipments.

If brands and retailers want to differentiate in the age of Amazon, free shipping and related capabilities won’t cut it. Instead, they’ll need to find other competitive advantages, whether it’s lowest prices, bespoke offerings or other benefits.

% of consumers who would be dissuaded from making a planned purchase, by factor:

- Shipping was too expensive: 76%
- Bad product descriptions: 52%
- Slow website load times: 57%
Which of the following capabilities/services do you expect brands and retailers to offer? Selected all that apply.

- Free Standard Shipping
- Ability to Track Shipments
- Free Returns

**United States**
- Free Standard Shipping: 82%
- Ability to Track Shipments: 51%
- Free Returns: 55%

**United Kingdom**
- Free Standard Shipping: 78%
- Ability to Track Shipments: 46%
- Free Returns: 56%

**Australia**
- Free Standard Shipping: 80%
- Ability to Track Shipments: 53%
- Free Returns: 54%

**Germany**
- Free Standard Shipping: 66%
- Ability to Track Shipments: 48%
- Free Returns: 45%

**Sweden**
- Free Standard Shipping: 66%
- Ability to Track Shipments: 45%
- Free Returns: 45%

**Episerver’s Take**

It’s clear the Amazon effect has permeated consumer consciousness. Today’s online shoppers expect the same perks that once defined Amazon’s services—from every brand and retailer. More importantly, consumers are likely to abandon planned purchases if they encounter companies that don’t offer free shipping and returns, the ability to track shipments and, increasingly, other conveniences like two-day shipping and buy online, pick up in store.
Competing With Giants

Like many traditional booksellers, Dublin-based Eason & Son felt immense pressure from large online competitors. With conveniences like free shipping and click-and-collect becoming standard, Eason knew it had to differentiate in other ways. The Irish book retailer set out to create a seamless omnichannel experience for its in-store and online customers, with an emphasis on personalization.

The Results

Eason used a digital experience platform to craft deft, data-driven personalized experiences for its customers. The result was a new digital environment that included fresh marketing content tailored to each individual user. After launch, Eason saw revenue uplifts of 60% over Black Friday weekend, 49% over the holiday season and a whopping 75% through January sales.

Read the full case study here.
Of all the trends we identified in this year’s report, the passivity of shopping online today is the most ubiquitous. As mobile devices become more advanced and easier to use, we spend more time engaging with them during the static moments in our lives—and therefore more time engaging with digital advertisements, social media platforms, influencers and emerging apps and services. That means consumers now expect many of the perks popularized by e-commerce giants from every brand and retailer. At the same time, they’re also thinking about the dichotomy between privacy and personalization that comes with being increasingly online.

While consumers across the five geographies we surveyed have different feelings about the substance of online shopping, like their favorite platforms and feelings toward personalization/targeted ads, they’re united by where they do it. Across the world, the e-commerce journey begins on the couch.

Over 80% of consumers in each of the five countries we polled said they’re most likely to be on the couch when shopping online.

Percent of consumers whose e-commerce journey starts on the couch, by country:

- United States: 85%
- United Kingdom: 87%
- Australia: 84%
- Germany: 86%
- Sweden: 81%
There’s a correlation between age and couch shopping: The older you get, the more likely you are to shop from the couch (versus other options like work, waiting rooms, taxis, airports, etc.). This relationship is expected given that many baby boomers have reached retirement age and are likely spending more time at home than consumers who are still part of the workforce.

“Over 80% of consumers in each of the five countries we polled said they’re most likely to be on the couch when shopping online.”

Interestingly, a quarter of respondents said they’ve returned to a retail website to make a purchase after being retargeted with ads because the ads reminded them of what they wanted to buy. While retargeting ads with promotional codes still yield more purchases (35%), brands and retailers could improve their bottom lines by saving discounts as a last resort for purchase incentivization. Since the majority of online shopping is done from the couch, where people are frequently participating in other activities like watching TV, talking with relatives or scrolling through social media, many absent-minded consumers simply need a nudge to jog their memory.

Percent of consumers whose e-commerce journey starts on the couch, by generation:

- Gen Z: 81%
- Millennials: 86%
- Gen X: 91%
- Baby Boomers: 91%
- Over 80% of consumers in each of the five countries we polled said they’re most likely to be on the couch when shopping online.

Episerver’s Take

Brands and retailers are tasked with turning passive couch surfers into active buyers into passionate brand advocates. As consumers increasingly discover new products and services through swiping, not searching, companies must inspire shoppers through more strategic initiatives that truly resonate with their audiences. Relevant post-click experiences, immersive omnichannel shopping opportunities, meaningful influencer marketing and thoughtful personalization can all help convert today’s casual swipers.
In Real Life

Hawes & Curtis: Luxury Shirtmaker

Turning Bouncers into Buyers

Hawes & Curtis, a longstanding luxury shirtmaker with more than 20 stores across the U.K., already recognized the value of Google Shopping campaigns that drive traffic to its website. But the British retailer wanted to further improve the customer experience, decrease its bounce rate and increase conversions. So, Hawes & Curtis set up a dynamic widget that provides site visitors with recommendations based on their individual behavior and preferences.

“Their personalized recommendations resulted in a 10% drop in bounce rate, 26% increase in conversion rate and 32% increase in revenue per session.”

The Results

Hawes & Curtis found a way to pique the interest of today’s passive browsers, converting them into passionate buyers. Their personalized recommendations resulted in a 10% drop in bounce rate, 26% increase in conversion rate and 32% increase in revenue per session.

Read the full case study.
1. Balance personalization and privacy. Be transparent about how and why you’re using consumer data — and make it worth sharing with content that resonates.

2. Take cues from new players in emerging online spaces. These digitally native apps and service providers in the healthcare, financial and tech industries have found deeper, more direct ways to connect with consumers.

3. Design for mobile first, seriously. Testing on mobile is simply not enough. Every campaign should be designed as a mobile-first omnichannel experience, from the ground up.

4. Invest in social, but choose your influencer partnerships wisely. Purchases through social media ads and influencer posts are on the rise, but consumers are quick to rebuff inauthenticity.

5. Amazon-ify your shipping practices. Shoppers no longer consider free shipping to be a nice bonus. If you don’t offer it, they’ll shop elsewhere.

6. Give couch surfers a personalized nudge. The overwhelming amount of online shopping is done from a state of repose. Yet content remains king, and the best way to turn passive browsers into impassioned purchasers is by personalizing content.

Guidelines for Going Beyond

So, what do all of these findings actually mean for brands and retailers? To stay ahead in the ever-evolving world of e-commerce, companies need to unify their content strategy and technological capabilities. The following guidelines will get you started:
Methodology

For this year’s Reimagining Commerce report, we surveyed 4,050 online shoppers across the globe with the goal of uncovering the shared behaviors and common trends shaping the future of e-commerce. Respondents are broken down as follows:

**Geography**
- United States: 25%
- Australia: 19%
- United Kingdom: 25%
- Germany: 25%
- Sweden: 10%

**Age**
- 18-23: 13%
- 24-38: 33%
- 39-53: 27%
- 54-72: 24%
- 72+: 4%

**Gender**
- Male: 50%
- Female: 49%
- Other: <1%

Graphs included throughout this report may not add up to 100 percent since exact percentages were rounded to whole numbers.
United States
Early Adopters

Americans have embraced online consumption across many areas of their lives. Of all the geographies we surveyed, U.S. consumers reported the highest usage of emerging apps and platforms across various industries, including healthcare, banking and technology.

Americans make purchases online often, second only to the U.K. in their weekly frequency. More than a quarter of consumers (27%) make online purchases at least once a week.

As fast, free shipping continues to become the norm across other platforms, Americans now expect those features — and then some. 83% of Americans expect free shipping and over a quarter (26%) now expect free same-day delivery from brands and retailers.

“83% of Americans expect free shipping”

As the e-commerce experience increasingly extends into other sectors, many Americans have become early adopters of new platforms and services.

Beyond retail, Americans said they use online platforms “significantly” to carry out transactions for healthcare (29%), financial services (36%) and high tech (24%).

With the ease, convenience and speed most companies now offer online shoppers, U.S. consumers have embraced digital commerce as part of their regular lives — and they’re eager for more services that can provide the same benefits. The only question is, who will win the race to market?

Frequency of online shopping

- At least once a week
  - 27%

- At least once a month
  - 39%

- At least once a year
  - 8%

Top 3 places Americans start their online purchasing journey when they already have a specific product in mind for purchase

- Amazon
  - 48%

- Google
  - 39%

- Brand website
  - 9%
United Kingdom

Convenience Shoppers

Of all the geographies we surveyed, U.K. consumers reported the highest weekly online shopping frequency. Coupled with their high expectations that companies offer free shipping and returns, among other features, U.K. shoppers prioritize convenience above all else.

Consumers in the U.K. have very similar online shopping habits to those in the U.S. Like Americans, U.K. consumers shop online frequently, actually making slightly more online purchases than Americans (31% say at least once a week, compared to 27% in the U.S.).

U.K. consumers have grown accustomed to the conveniences introduced by Amazon and now expect most brands and retailers to offer free standard shipping (76%) and free returns (56%). But they’re also beginning to expect other conveniences, including a website that works well on mobile (35%) and one-click checkout (31%).

Like their U.S. counterparts, online shoppers in the U.K. want a personalized experience, but they’re concerned about anonymity and security. 49% of U.K. members think brands and retailers should make respecting consumer anonymity more of a priority in 2020. And 30% report a lack of security features as a primary factor stopping them from making more purchases via voice-enabled devices in 2020.

Compared to 2019, how much of a priority should it be for brands and retailers to respect your anonymity online in 2020?
• 49% more of a priority
• 46% the same priority
• 6% less of a priority

U.K. consumers are likely to respond well to useful personalized experiences, like suggestions based on past shopping behavior, context-triggered offers and gamified rewards apps, but companies need to mind GDPR regulations to ensure privacy and transparency.

Frequency of online shopping

- At least once a week ........................................ 31%
- At least once a month .......................................... 39%
- At least once a year ............................................ 6%

Top 3 places U.K. consumers start their online purchasing journey when they already have a specific product in mind for purchase
Australia

Digital Opportunities

Australia may be catching up in the e-commerce world, but many consumers’ online habits still lag those in other countries. The ubiquity of digital commerce giants like Amazon in the U.S. and U.K., which have a significantly smaller footprint in Australia, plays a huge role in these behavioral differences.

Australians rely on e-commerce far less than consumers in other countries. While last year’s report found that 58% of Australians shop online at least monthly, that number fell this year to just 39% in 2020.

When asked where they usually start their online holiday shopping journey, 20% of Australian consumers said they don’t even shop for the holidays online.

Compared to other countries, Australians are the least affected by the push for mobile shopping. That could be because Australians are most comfortable shopping on the computer, whether that’s desktop or laptop, compared to other countries. Australians are also the least likely to engage with influencers online, with 31% reporting that they don’t even follow influencers on social media.

“Australians are also the least likely to engage with influencers online, with 31% reporting that they don’t even follow influencers on social media.”

Australians’ relative youth when it comes to digital commerce is actually a boon for companies looking to break into the market. Whereas Amazon has pushed many of the smaller players out in the U.S. and U.K., these companies could find success in Australia.
Germany
Quintessential Customers

In many regards, German consumers reflect today’s quintessential shopper—stuck trying to strike a balance between personalization, privacy and meaningful engagement with brands and retailers.

German online shoppers want less personalization compared to shoppers in other countries we surveyed. Only 8% of Germans believe brands and retailers should make personalization a higher priority in 2020, and 28% of them believe it should be a lower priority this year. In contrast, 28% of Americans believe brands and retailers should make personalization a higher priority in 2020, followed by 26% of Australians, 22% of U.K. members and 17% of Swedes.

At the same time, Germans place less priority on the protection of their online anonymity. Only 33% believe that brands and retailers should place a higher priority on respecting their anonymity online in 2020, compared to 53% of Americans, 51% of Australians, 49% of U.K. members and 45% of Swedes. That said, Germany has historically enforced stricter data protection and privacy laws than the rest of the world—and passed a second data protection act in 2019. So many Germans likely feel that their online anonymity is already sufficiently protected.

Interestingly, 65% of Germans who saw a targeted ad about a product they previously viewed or added to a cart were then compelled to purchase it. Consumers in America (55%), the U.K. (48%) and Australia (45%), on the other hand, are less likely to make a purchase after seeing a targeted ad.

Altogether, these findings suggest Germans are largely happy with the level of personalization and privacy companies are currently providing, as indicated by their higher engagement with targeted ads.

As stricter data protection laws become more widespread throughout the world, companies should look at the behavior of German shoppers as a baseline for understanding evolving consumer preferences. Consumers will engage more with those companies that have found the right balance between personalization and privacy.

Compared to 2019, how much of a priority should it be for brands and retailers to offer personalized experiences online in 2020?

<table>
<thead>
<tr>
<th>Priority</th>
<th>2020 Percentage</th>
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<tbody>
<tr>
<td>More of a priority</td>
<td>8%</td>
</tr>
<tr>
<td>The same priority</td>
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</tr>
<tr>
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Swedish consumers shop online far less frequently than those in the U.S., U.K. and Australia. Only 14% of Swedish consumers and 15% of German consumers shop online at least once a week, compared to 20% of Australians, 27% of Americans and 31% of U.K. members.

When they do make online purchases, Swedes place a higher priority on customer testimonials than other countries, which they rated as one of the top three capabilities/services they expect from retailers. (Customer testimonials didn’t make the top three for any other country we surveyed.) 41% of Swedes list customer testimonials as a capability/service they expect from retailers, compared to 30% of Americans, 29% of U.K. members, 28% of Australians and 29% of Germans.

It’s worth noting, however, that while Swedish consumers may shop online less frequently than those in the other countries we surveyed, their average spend per online transaction is significantly higher. On average, Swedes spend more than €200 per e-commerce transaction (~$222), compared to $81 in the U.S. and just $67 in the U.K.

Without many of the conveniences and choices more readily available online in other countries, Swedish consumers have become more conscientious with their purchases. They tend to make fewer online purchases—but when they do, they buy a lot—indicating impulse-buy strategies are unlikely to succeed here.

“41% of Swedes list customer testimonials as a capability/service they expect from retailers, compared to 30% of Americans, 29% of U.K. members, 28% of Australians and 29% of Germans.”
About Episerver

Episerver empowers businesses to scale through the most customer-centric approach to digital experiences. Its Customer-Centric Digital Experience Platform™ features best-in-class content management, robust commerce, and intuitive data and personalization solutions. The platform has consistently earned industry, analyst and media recognition for its vision, capabilities and customer commitment. Episerver’s 900+ partners and 825+ employees in offices around the globe are proud to help more than 8,000 customers enrich their customer lifetime value, increase revenue and grow their brands.

Learn more at www.episerver.com.