



 BIGCOMMERCE

2020 State of Ecommerce

Accelerators, Challenges
and Expectations for ANZ

- ▶ GROWTH ACCELERATORS
- ▶ CHALLENGES AND PITFALLS
- ▶ AUTOMATED CUSTOMER SUPPORT

INTRODUCTION

BACKGROUND

It's no secret that modern retail is evolving faster than ever and that online retail that is at the forefront. This evolution is driven by multiple factors including the globalisation of trade, technology and changing consumer behaviour. Shoppers are becoming increasingly savvy and sophisticated, and their rapid adaptation to the global COVID-19 pandemic demonstrates how quickly the retail landscape can change.

Now, more than ever, it's imperative that retailers build robust strategies to grow, to pivot as required, and to operate as cost-effectively as possible.

Leveraging the most up-to-date and comprehensive data on the Australian online shopper and the Top 500 Australian retailers, this report supports retailers with actionable findings and recommendations. Three key themes are explored: Growth Accelerators, Challenges and Pitfalls, and winning with Automated Customer Support. With each of these themes, specific components of the online customer journey have been explored in detail.

All of the topics addressed in this report highlight the eternal business challenge of managing sales and costs, against customer satisfaction and competitive advantage. We believe that the factual data and our analysis will help you successfully navigate these choices.

TOPICS ADDRESSED IN THIS REPORT

In the past, most retailers and shoppers viewed payments as a straightforward process that offered little room for value-add and differentiation. In just the last three years, this situation has radically changed with the skyrocketing growth of Buy Now, Pay Later and recently, the promotion of payment options like ApplePay. Suddenly, offering the 'right' payment options has delivered growth in the number and value of sales.

Australian retailers anticipated many changes with the entry of Amazon Australia, one of which being an increased focus on delivery timing. Every retailer is aware of the significant cost increases typically associated with reducing delivery times, but they are ALSO aware that super fast delivery sounds impressive. The search for the optimal delivery timing is explored in detail in this report.

Retail operates on slim margins that offer no room for error. Every retailer seeks those little opportunities to charge the customer a little more, and sometimes it works. Delivery fees have traditionally been one of these areas, and the data shows that top retailers typically charge less for delivery. But how much will customers pay for their choice of delivery options, and does this vary between target markets?

Other current challenges and pitfalls with the high cost of business implications include cart abandonment, free returns and whether or not to offer Click & Collect.

Methodology

In May 2020, Power Retail conducted an online survey consisting of 3444 Australian online shoppers. The respondents were selected from Power Retail's exclusive panel and all had purchased a brand new item online within the last six months.

Customer reviews particularly when broadcast on social media, can have a rapid and dramatic impact on sales. Yet again, retailers need to understand both the reality of customers' expectations and what shopper expectations the top retailers are setting on these elements.

Every consumer complains about the amount of unnecessary advertising and messaging they receive from retailers, but they also complain when they can't get information on the status of their order. Email updates have been widely used for years now but with smartphones in the hands of every shopper, there is also the potential to offer automated text-based updates or more expensive online tracking.

Bushfires and pandemics have raised the profile of social benefit/charity support as a brand-building activity. Again, these efforts can be costly, but even worse, supporting the "wrong" initiative or the failure of support not being noticed are real dangers.

The final hot topic explored in this report are the opportunities presented by leading-edge technologies to provide shoppers with unique and desirable personalisation options. In recent times, personalisation has developed from simply presenting customers with recommendations based on their purchase history, to virtual reality, artificial intelligence-driven recommendations and the convenience of a single login.

GROWTH ACCELERATORS

Retail has always been a competitive industry, and the current landscape has only added fuel to the fire. In a world surrounded by a myriad of payment platforms and delivery opportunities, businesses are required to secure them as growth accelerators.

When categorising areas of retail for payment platforms such as Buy Now, Pay Later (BNPL), it's essential to take demographics into consideration. While a younger shopper may use BNPL for an impulse purchase, this platform may not appeal to a more affluent or older shopper.

As technology continues to advance, customer expectations adapt alongside them. Offering various payment options is a necessary step to expedite business expansion and offer stability. Adjusting to the rapidly transforming landscape is an essential step to accelerate growth.

INSIGHTS

- OFFERING AT LEAST SIX PAYMENT OPTIONS IS A COMPETITIVE NECESSITY
- PAYMENT OPTIONS SHOULD HIGHLIGHT PAYPAL, PARTICULARLY THOSE SELLING THROUGH MARKETPLACES
- OFFERING MORE BNPL OPTIONS IS ASSOCIATED WITH TOP RETAILERS
- BNPL APPEALS TO A WIDE RANGE OF SHOPPERS AND SHOULD BE OFFERED WHEREVER POSSIBLE
- CREDIT CARDS ARE PARTICULARLY IMPORTANT TO AFFLUENT SHOPPERS
- BNPL HAS LESS APPEAL TO OLDER SHOPPERS
- ONLINE SHOPPERS IN GENERAL RESPOND POSITIVELY TO HAVING BNPL OPTIONS
- BNPL IS NOT A NECESSITY WHEN TARGETING OLDER SHOPPERS
- BNPL IS NOT A NECESSITY WHEN TARGETING AFFLUENT SHOPPERS
- BNPL SHOULD BE PUSHED FOR IMPULSE PURCHASE CATEGORIES
- BNPL USAGE IS IN TRANSITION AND ITS CONTINUED APPEAL TO CERTAIN SEGMENTS SHOULD BE MONITORED
- THE OPTIMAL DELIVERY TIME OPTIONS ARE BETWEEN ONE AND FIVE BUSINESS DAYS
- OFFERING FAST DELIVERY TIMES CAN INFLUENCE 76% OF ONLINE SHOPPERS TO SWITCH RETAILERS

Payment Options

INSIGHT:

OFFERING AT LEAST SIX PAYMENT OPTIONS IS A COMPETITIVE NECESSITY

Online shoppers love having multiple payment options. They will use different forms of payment depending on the type of item purchased.

Leading online retailers recognise this and typically provide online shoppers with an average of 6.6 different payment options. In the vast majority of cases these include Visa, MasterCard, Amex, PayPal. Other payment options offered by various retailers including Gift Cards, EFT, and Apple or Google Pay. In most cases these retailers also provide one to three BNPL options though some retailers offer four or more.

In contrast, online retailers outside of the top 100 only offer an average of 5.3 payment options.

Average number of online shopping payment options provided



INSIGHT:

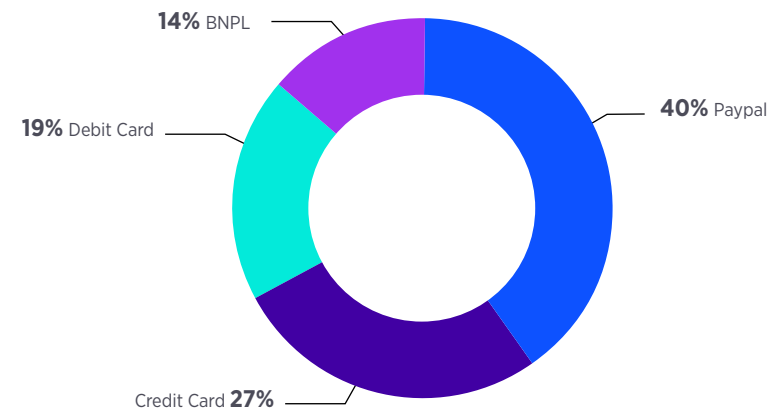
PAYMENT OPTIONS SHOULD HIGHLIGHT PAYPAL

PayPal is the dominant online shopping payment method though it should be remembered that most shoppers flip between payment options and relatively few use one type exclusively.

There are multiple Buy Now, Pay Later (BNPL) providers in the market and collectively they account for 14 percent of all online transactions however this proportion varies significantly across categories.

For example, 19 percent of all online beauty product purchases and 18 percent of all online fashion purchases were made via BNPL. This drops to 10 percent for online food and drink purchases.

Most frequently used online shopping payment methods



Payment Options

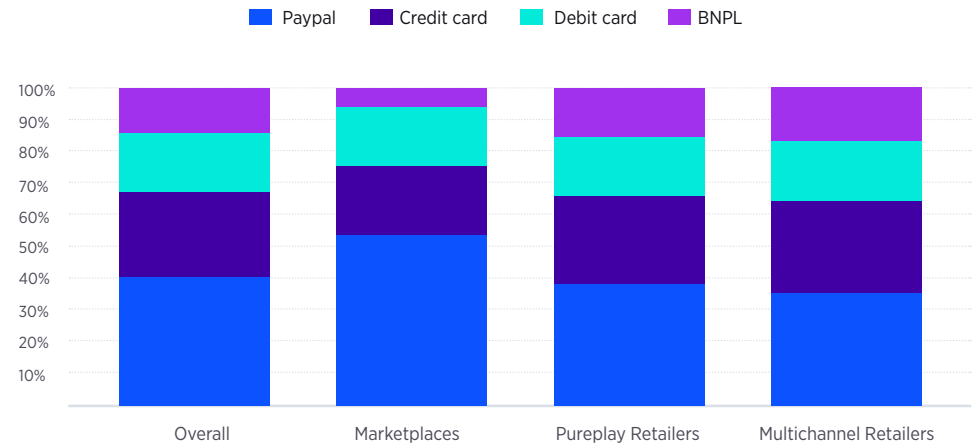
INSIGHT:

ONLINE RETAIL MARKETPLACES SHOULD STRONGLY HIGHLIGHT PAYPAL

Along with the age of the online shopper, where they shop also influences the choice of payment method. While pureplay and multichannel online retailers have similar payment option profiles marketplaces are a different story with PayPal accounting for 54 percent of online purchases.

In the marketplace environment, online shoppers have a strong preference for PayPal, because it is generally viewed by shoppers as a secure payment option and has a good track record with chargebacks. BNPL is less utilised in marketplaces, and that is likely due to the lower average purchase value made in marketplaces.

Most frequently used online shopping payment methods



INSIGHT:

OFFERING MORE BNPL OPTIONS IS ASSOCIATED WITH TOP RETAILERS

As previously noted, 14 percent of all online transactions now involve BNPL.

Top online retailers have responded to this need and on average provide their customers with 1.6 BNPL options.

Online retailers outside of the Top 100 typically only offer a single (1.1 average) BNPL option.

Average number of BNPL online shopping payment options provided

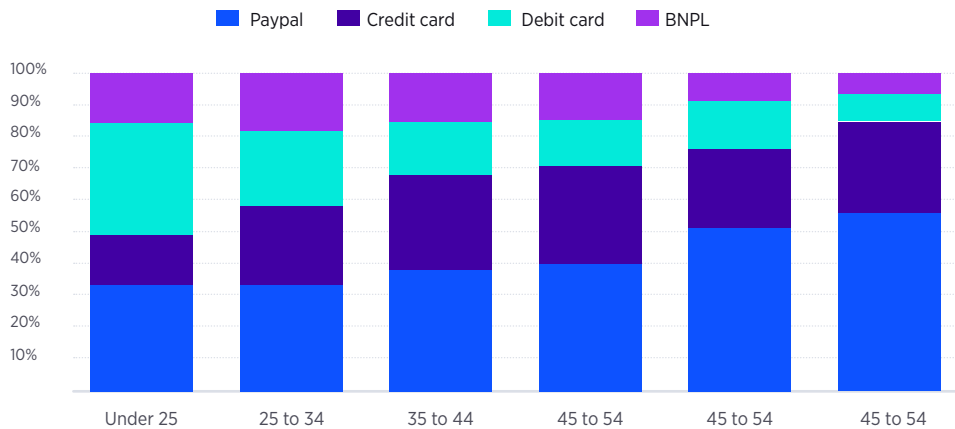


Payment Options

INSIGHT:

BNPL APPEALS TO A WIDE RANGE OF SHOPPERS AND SHOULD BE OFFERED WHEREVER POSSIBLE

Most frequently used online shopping payment methods



Age has a large impact on the type of online payment method chosen. For the online retailer, the two most important age driven variations are around the use of PayPal and BNPL.

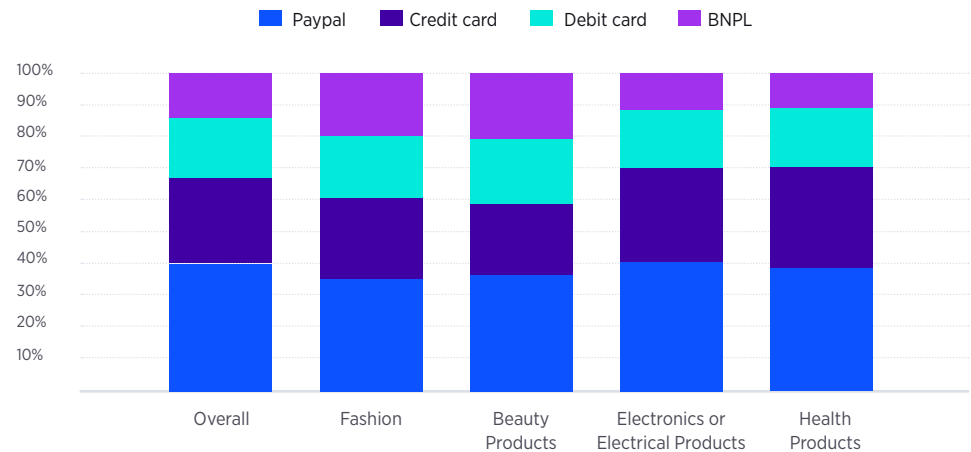
Overall, PayPal accounts for 40 percent of all transactions, however this rises to over half (56%) for older shoppers and is a 'must have' for online retailers targeting this segment.

In contrast, BNPL has strong appeal for the young adult market (25 to 34-year-olds) but is less appealing for older shoppers.

INSIGHT:

BNPL SHOULD BE PUSHED FOR IMPULSE PURCHASE CATEGORIES

Most frequently used online shopping payment methods



The relative usage of different payment methods also varies significantly between purchase categories. BNPL is over-represented in the traditional 'impulse' purchase categories of fashion and beauty products, possibly due to a lack of available funds.

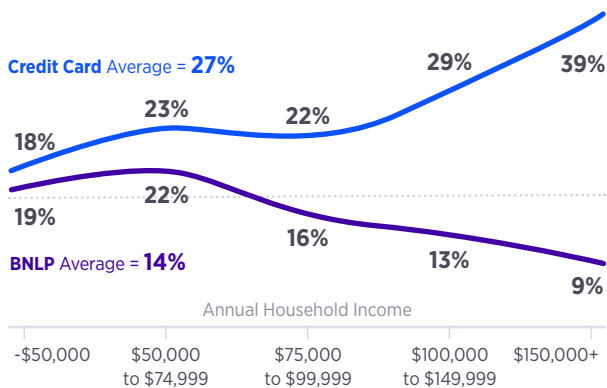
In contrast, categories in which online shoppers are more likely to make considered purchases, such as electronics or electrical products, and health products, are less likely to be made using BNPL.

Payment Options

INSIGHT:

CREDIT CARDS ARE PARTICULARLY IMPORTANT TO AFFLUENT SHOPPERS

Most frequently used online shopping payment methods



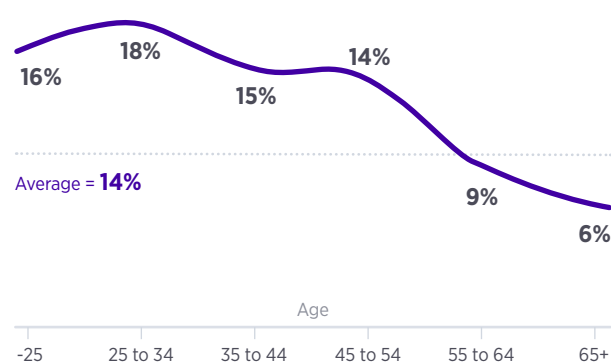
For online retailers considering various payment options to offer their customers, the most significant variable is annual household income. Compared to low income households, higher income households are twice as likely to use credit cards. They are, however, only half as likely to use BNPL.

— Credit Card
— BNPL

INSIGHT:

BNPL IS UNLIKELY TO ATTRACT OLDER ONLINE SHOPPERS

Proportion of online shopping transactions using BNPL

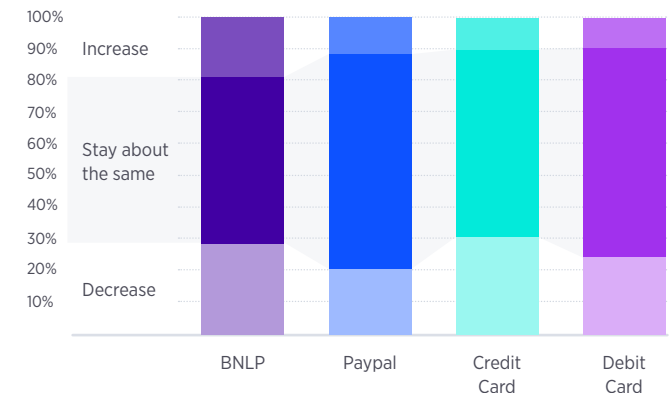


More impulsive behaviour is most-commonly associated with younger online shoppers. This could account for clear correlation between increasing age and declining usage of BNPL.

INSIGHT:

BNPL USAGE IS IN TRANSITION AND ITS APPEAL TO CERTAIN SEGMENTS SHOULD BE MONITORED

Intended use of online shopping payment methods



Over the last two years, online shoppers have embraced BNPL. This trend is set to continue with BNPL, and the opinion is that it's mostly likely to grow, probably at the expense of credit cards.

However, the BNPL market also appears to be polarising, and with this also recording a high proportion of shoppers who plan to decrease their use of this payment option. This divergence in the market warrants careful observation by online retailers.

Delivery Timing

INSIGHT:

THE OPTIMAL DELIVERY TIME OPTIONS ARE BETWEEN ONE AND FIVE BUSINESS DAYS

Top online retailers have realised the impact that delivery times can have on shoppers and generally offer shorter delivery times than less successful retailers.

For example, while 15 percent of Top 100 retailers offer same day delivery, it is only offered by 10 percent of retailers outside the top 100. A similar discrepancy exists for one and two delivery options with greater proportions of Top 100 retailers offering both of these options.

The pattern of delivery time options highlights that only 4 percent of top retailers have a minimum delivery time of five days or more, but that same day delivery is not necessarily vital to success.

Minimum delivery time offered to online shopper



INSIGHT:

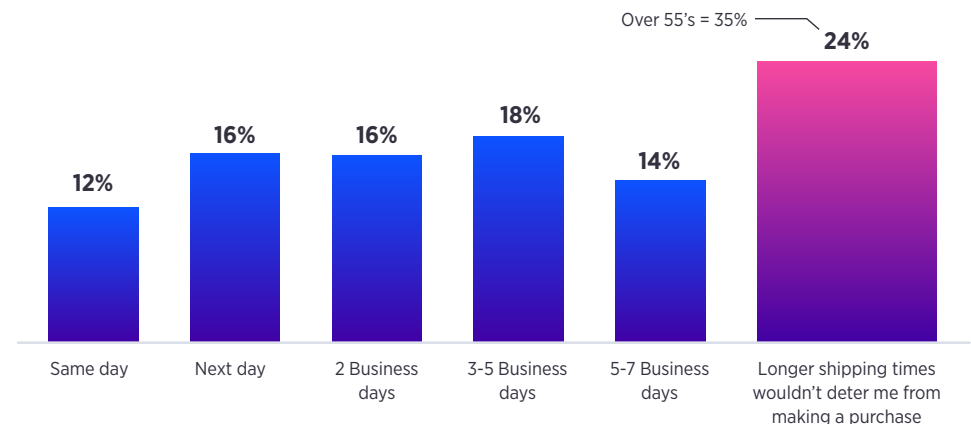
OFFERING FAST DELIVERY TIMES CAN INFLUENCE 76% OF ONLINE SHOPPERS TO SWITCH RETAILERS

The decision by top online retailers to focus on shorter delivery times fits with shoppers' own behaviour.

Over three quarters (76%) of shoppers will switch online retailers if they are offered a faster delivery option.

This doesn't mean that every online retailer must offer same day or next day delivery, as this is only likely to impact around one in four (28%) online shoppers. The majority of online shoppers (48%) are actually only seeking a delivery period of between two and seven business days.

Will switch online retailer for a specific delivery timing



CHALLENGES AND PITFALLS

Modern retail has evolved rapidly in the last few years. The landscape is more competitive than ever, and there is no better time to evaluate the offering for consumers to build a robust and sustainable future.

Taking into consideration the age, location and demographic of the consumer can instantly alter the perceptions and importance of payment options and deliveries. While the older shopper may not wish to pay extra for extradited shipping, younger shoppers understand that if they want an item faster, they'll have to pay for that service.

While staying up to date with the latest technological advances and trends, it's essential to remember the changes in consumer behaviour. Evaluating the actions and needs of customers can dramatically affect delivery options, payments and the future of retail. Taking the right steps to assess these changes can all present its own challenges and pitfalls.

INSIGHTS

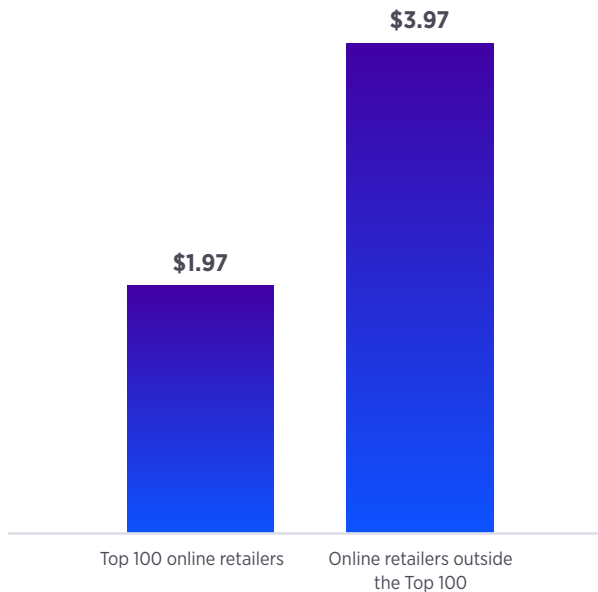
- OFFERING DELIVERY FEE OPTIONS AS LOW AS \$2 SHOULD BE EVALUATED
- OFFERING FREE DELIVERY SHOULD NOT BE CONSIDERED A MANDATORY OPTION
- MILLENNIALS WILL PAY HANDSOMELY FOR THEIR CHOSEN DELIVERY OPTION
- ADDRESSING SIGNIFICANT LEVELS OF CART ABANDONMENT IS A GIVEN FOR ONLINE RETAILERS
- CART ABANDONMENT MINIMISATION IS PARTICULARLY IMPORTANT WITH YOUNGER SHOPPERS
- OFFERING FREE RETURNS IS LIKELY TO BECOME AN ONLINE RETAIL REQUIREMENT
- HOME DELIVERY SHOULD BE THE FIRST OPTION OFFERED TO ONLINE SHOPPERS
- CLICK & COLLECT MAY GROW IN APPEAL AND DEMAND FOR IT SHOULD BE MONITORED
- PUREPLAY ONLINE RETAILERS SHOULD CONSIDER WAYS TO DELIVER CLICK & COLLECT OPTIONS
- PROVIDING PRODUCT REVIEWS MUST BE A STANDARD FEATURE FOR ONLINE RETAILERS
- KEEPING UP TO DATE IN MANAGING PRODUCT REVIEWS IS CRITICAL
- RETAILER REVIEWS NEED TO BE ACTIVELY MANAGED

Delivery Fees

INSIGHT:

OFFERING DELIVERY FEE OPTIONS AS LOW AS \$2 SHOULD BE EVALUATED

Average minimum delivery fee



Just as the top online retailers generally offer a range of shorter delivery options, they generally offer cheaper delivery fee options.

The average of \$1.97 for the Top 100 retailers is skewed as by the 79 percent who offer free delivery.

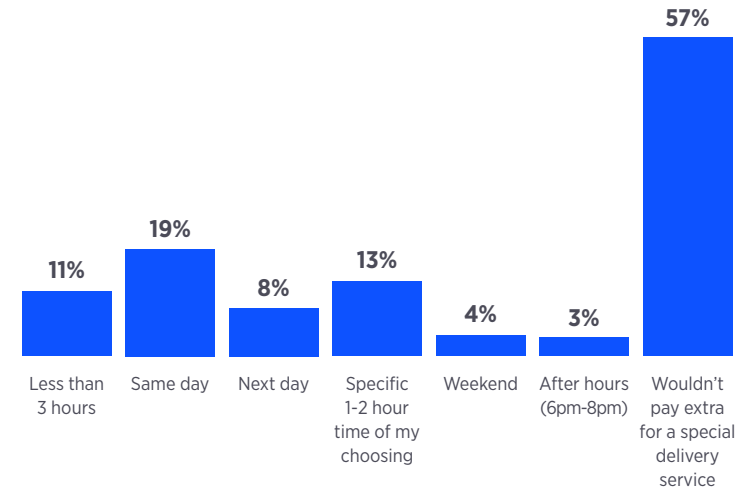
INSIGHT:

OFFERING FREE DELIVERY DOES NOT NEED TO BE CONSIDERED AS MANDATORY

Free delivery has become a more common offering in online retail; however, 43 percent of online shoppers are still prepared to pay up to \$20 for their preferred delivery option.

Same day delivery is the single most appealing option (19%) and this may increase as more people continue working from home.

Online shopping delivery option worth \$20



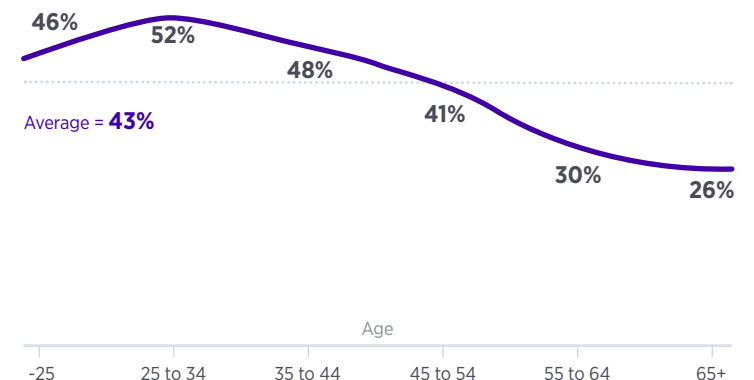
INSIGHT:

MILLENNIALS WILL PAY HANDSOMELY FOR THEIR CHOSEN DELIVERY OPTION

The age of your target market should always be a key consideration in the design of online shopping services.

For example, the propensity to pay a significant fee (\$20) for a delivery option falls from a high of 52% among 25 to 34-year old's to only 26 percent among shoppers aged 65 and over.

Would pay \$20 for any shopping delivery option



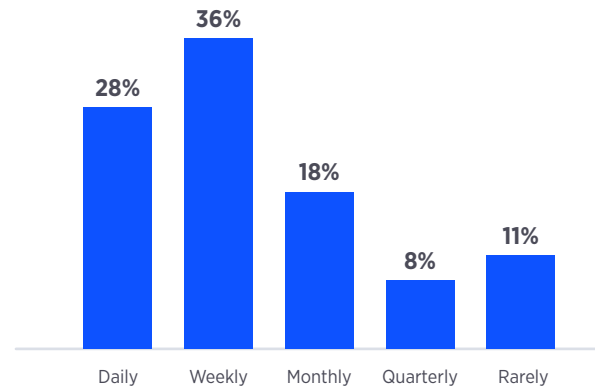
Cart Abandonment

INSIGHT:

ADDRESSING SIGNIFICANT LEVELS OF CART ABANDONMENT IS A GIVEN FOR ONLINE RETAILERS

Well over half (64%) of online shoppers abandon a shopping cart at least once a week.

Frequency of online shopping cart abandonment



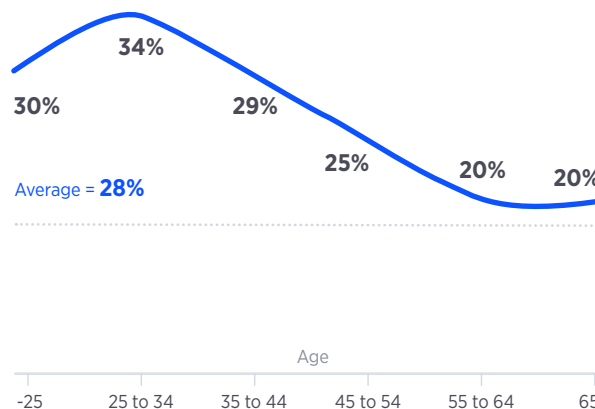
INSIGHT:

CART ABANDONMENT MINIMISATION IS PARTICULARLY IMPORTANT WITH YOUNGER SHOPPERS

Daily online shopping cart abandonment is prevalent right across the market.

Interestingly, it peaks among the same demographic of 25 to 34-year olds who are the most inclined to pay a significant amount for their chosen delivery option.

Abandon an online shopping cart daily

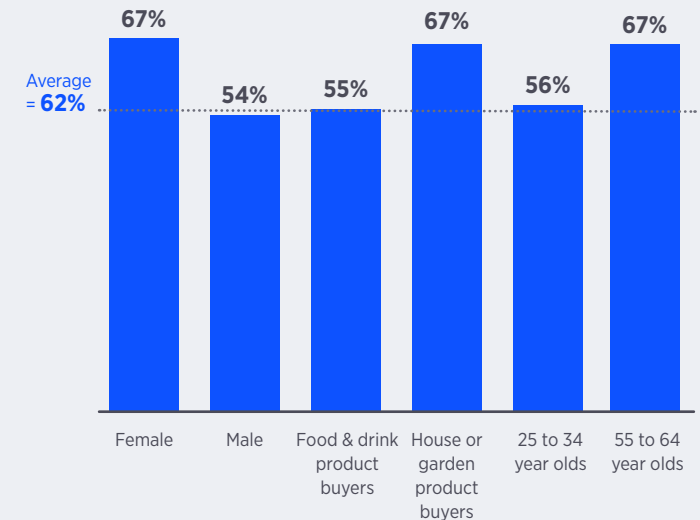


Free Returns

INSIGHT:

OFFERING FREE RETURNS IS LIKELY TO BECOME AN ONLINE RETAIL REQUIREMENT

Would switch online retailer for free returns



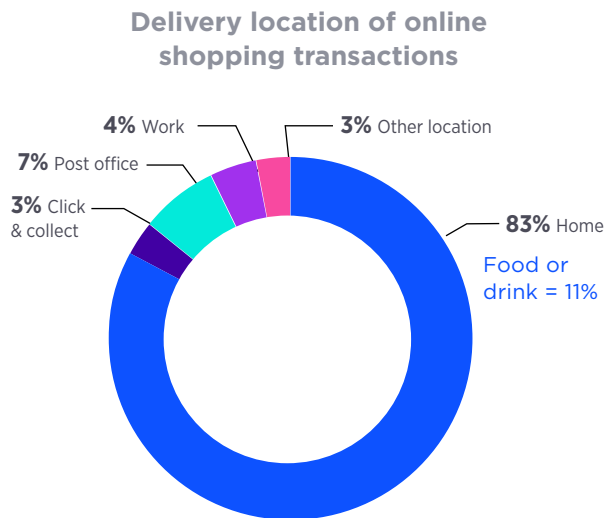
Online shoppers have embraced free returns with 62 percent prepared to switch online retailers to have this as an option.

While there are some variations in its appeal between different demographics and segments, the bottom line is that every online retailer must carefully examine the potential impact if they choose not to offer free returns.

Click & Collect

INSIGHT:

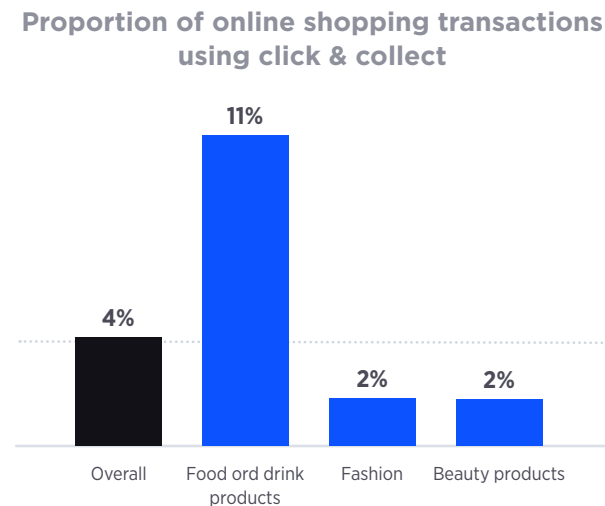
HOME DELIVERY SHOULD BE THE FIRST OPTION OFFERED TO ONLINE SHOPPERS



Home delivery is by far the most popular delivery location with only four percent of transactions involving Click & Collect.

INSIGHT:

CLICK & COLLECT MAY GROW IN APPEAL, AND DEMAND FOR IT SHOULD BE MONITORED



Food and drink shoppers are the most likely to use Click & Collect. Given that food and drink shopping is central to every household, it is likely to grow as an online shopping category resulting in a commensurate increase in the use of Click & Collect. This in turn may lead to a general increase in the appeal of Click & Collect for other categories. However, fashion and beauty products may be the last to utilise this service.

INSIGHT:

PUREPLAY ONLINE RETAILERS SHOULD CONSIDER WAYS TO DELIVER CLICK & COLLECT STYLE OPTIONS



One of the key impacts of over half (52%) of successful online retailers offering Click & Collect options is in setting shopper expectations for this service from all online retailers. This means that even pureplay retailers may benefit from offering some form of Click & Collect, even if only from local stores.

Product Reviews

INSIGHT:

PROVIDING PRODUCT REVIEWS IS A STANDARD REQUIREMENT FOR ONLINE RETAILERS

Provide product reviews



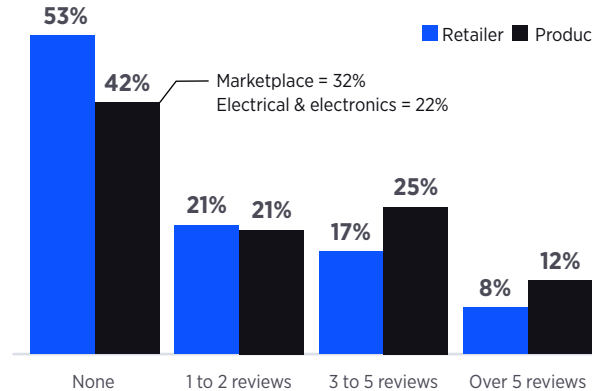
Many online retailers consider offering product reviews with some trepidation. Not only can they expose the retailer to negative criticism, but they also require constant management and the application of clear customer communication protocols and messaging.

However, the provision of product reviews is one of the most significant correlations with online retail success. With nearly nine in 10 top retailers offering product reviews it can be considered a mandatory for all online retailers.

INSIGHT:

STAYING UP TO DATE IN MANAGING PRODUCT REVIEWS IS CRITICAL

Number of reviews read prior to online purchase



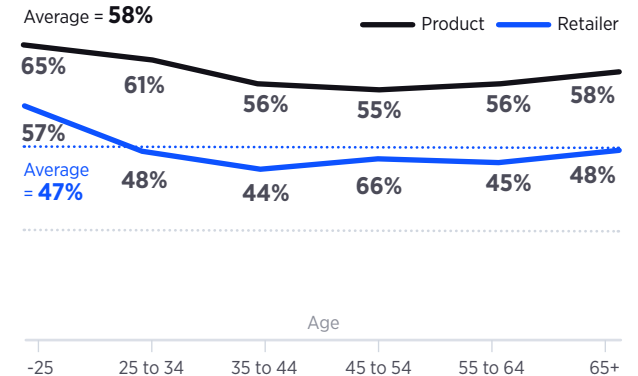
Shopping online for high consideration shopping categories such as electrical and electronic products more likely involves the reading of product reviews.

The most important finding for online retailers is that very few online shoppers read more than five reviews. This suggests that online retailers need to focus on managing new reviews as they emerge, as these will most likely be read by shoppers.

INSIGHT:

RETAILER REVIEWS ALSO NEED TO BE ACTIVELY MANAGED

Reviewed prior to online shopping purchase



The correlation in the reading of product and retailer reviews indicates that both are important to online shoppers; particularly for younger target markets.

AUTOMATED CUSTOMER SUPPORT

The modern age is adapting faster than ever, and with such competitive edges across all aspects of business, staying in the loop is a wise approach for remaining sustainable. Businesses that understand these technological changes and evaluate their importance based on consumers' needs can support the perception of a leading retailer.

Despite the urge to adapt to every possible technological advancement out there, retailers should evaluate the importance of each platform and how it will impact the consumer directly. Chatbots and live delivery tracking may work for a segmented demographic, but may not apply to the majority of target markets.

Traditional methods of communication may soon become outdated, but there are a myriad of essential platforms that retailers should consider to stay ahead in such a competitive market. In order to build a robust and forward-presenting image, retailers should evaluate the importance of each advancement to their consumers.

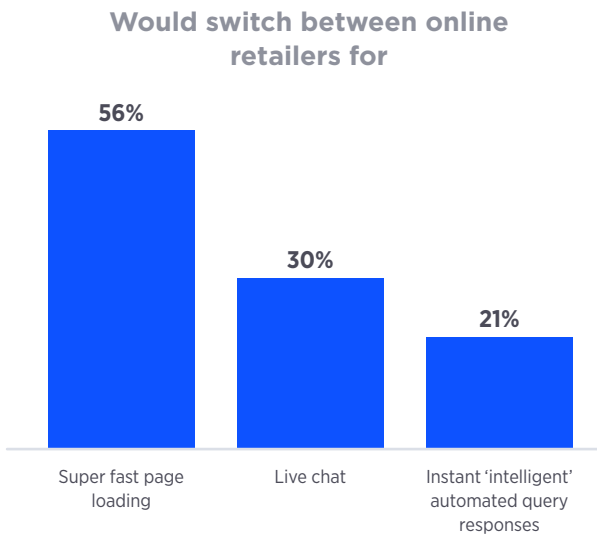
INSIGHTS

- RESOURCES ARE MORE EFFECTIVE WHEN ALLOCATED TO PAGE LOADING SPEED THAN LIVE CHAT
- OFFERING LIVE CHAT SUPPORTS THE PERCEPTION OF BEING A LEADING RETAILER
- AUTOMATED QUERY RESPONSES ARE REALLY ONLY A COMPETITIVE ADVANTAGE AMONG OLDER SHOPPERS
- CATEGORY SHOULD BE TAKEN INTO CONSIDERATION WHEN ALLOCATING RESOURCES TO DIFFERENT CUSTOMER SUPPORT OPTIONS
- LUXURY BRAND RETAILERS NEED TO DELIVER ON FAST PAGE LOADING
- PROVIDING LIVE DELIVERY TRACKING APPS IS NOT MANDATORY
- OFFERING BOTH TEXT AND EMAIL DELIVERY UPDATE OPTIONS WILL ADDRESS THE MAJORITY OF TARGET MARKETS
- SUPPORTING CHARITIES CAN BE A STRONG COMPETITIVE ADVANTAGE BUT IT REQUIRES CAREFUL CONSIDERATION AND MANAGEMENT
- PROVIDING PRODUCT RECOMMENDATIONS OFFERS LIMITED COMPETITIVE ADVANTAGE
- MANY ONLINE SHOPPERS FIND VIRTUAL REALITY FEATURES APPEALING
- VIRTUAL REALITY AND SINGLE SIGN-ON INCREASE IN DESIRABILITY WITH AGE
- VIRTUAL REALITY IS POTENTIALLY A STRONG COMPETITIVE ADVANTAGE
- CATEGORY SHOULD BE TAKEN INTO ACCOUNT WHEN CONSIDERING OFFERING VIRTUAL REALITY

Customer Support Features

INSIGHT:

RESOURCES ARE MORE EFFECTIVE WHEN ALLOCATED TO PAGE LOADING SPEED THAN LIVE CHAT



The high cost of providing live chat is a deterrent for many online retailers.

When compared against other potential customer experience features, live chat clearly has less “pull” than super fast page loading but is more appealing than automated query responses.

INSIGHT:

OFFERING LIVE CHAT SUPPORTS THE PERCEPTION OF BEING A LEADING RETAILER

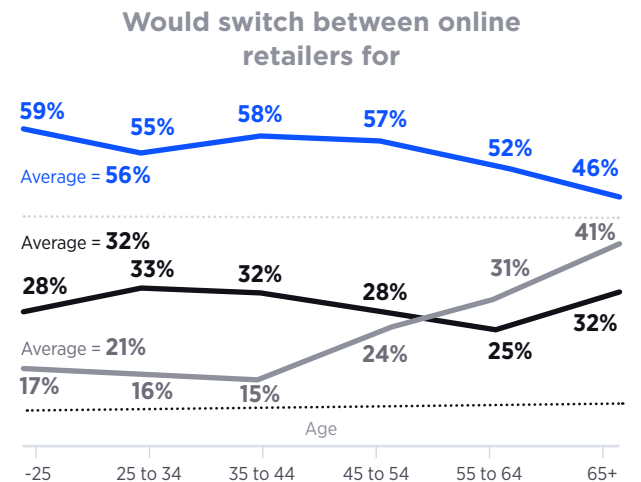


Though less effective in gaining customers than fast page loading, live chat is offered by just over half (51%) of the top online retailers.

Given this situation, it is imperative that those online retailers seeking to leverage super fast page loading instead of offering live chat do actually deliver a superior customer experience.

INSIGHT:

AUTOMATED QUERY RESPONSES ARE ONLY A COMPETITIVE ADVANTAGE AMONG OLDER SHOPPERS



— Super fast page loading — Live chat — Instant 'intelligent' automated query responses

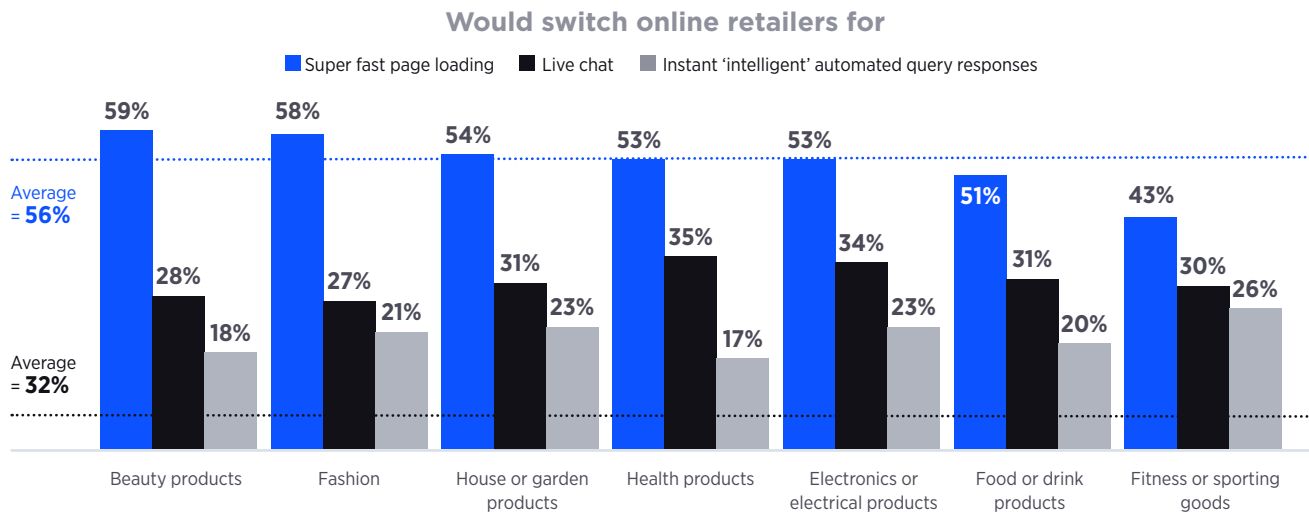
The age of the online shopper has a major impact of the influence of different site features.

The most notable of these relates to the provision of automated query responses. Overall, it is only considered a valuable feature by 17 percent of shoppers. However, this rises to 41 percent for shoppers over 65.

Customer Support Features

INSIGHT:

CATEGORY SHOULD BE TAKEN INTO CONSIDERATION WHEN ALLOCATING RESOURCES TO DIFFERENT CUSTOMER SUPPORT OPTIONS



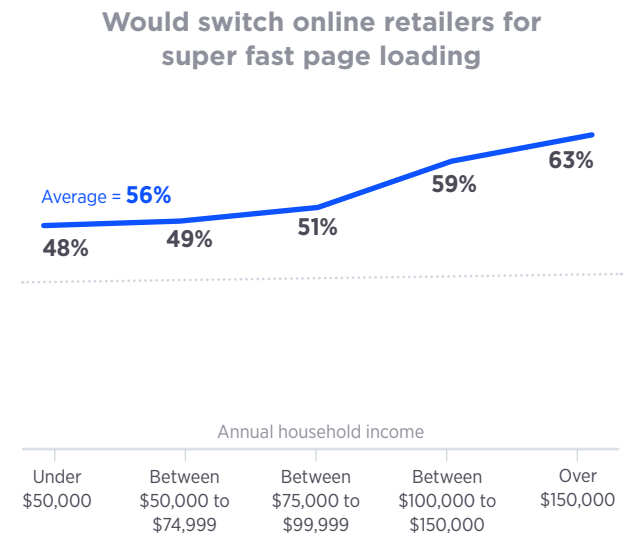
The appeal of different site features also varies according to the category being shopped.

Super fast page loading is great for beauty and fashion categories but is much less appealing when shoppers are seeking fitness or sporting goods. Those shoppers are interested in automated query responses.

Online shoppers in the market for health and/or electronics type products are both interested in online chat - probably as their questions are more specific to their particular requirements.

INSIGHT:

LUXURY BRAND RETAILERS NEED TO DELIVER ON FAST PAGE LOADING



A final consideration around customer support mechanisms is the affluence of your target market.

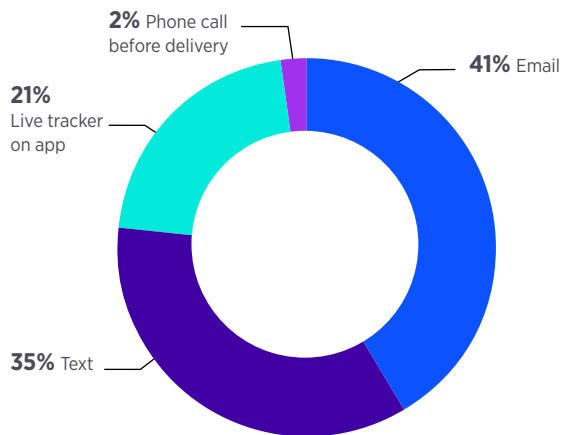
It appears that the more affluent the shopper, the less patience they have with slow page loading.

Delivery Updates

INSIGHT:

PROVIDING LIVE DELIVERY TRACKING APPS IS NOT MANDATORY

Online shopping delivery update preferences



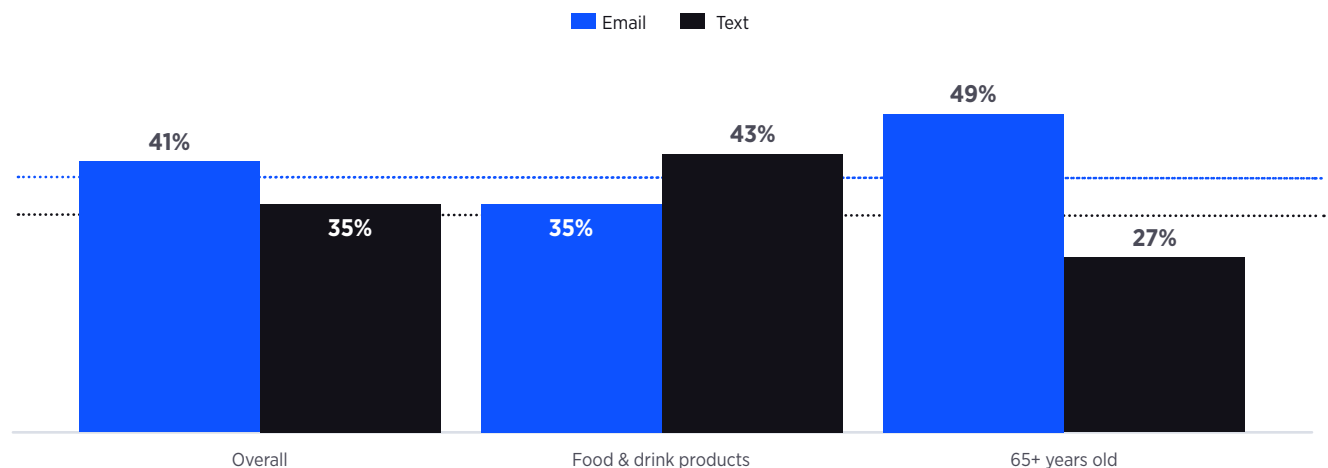
Online shoppers are now accustomed to receiving either text or email updates on the status of their deliveries.

Live tracking apps are less appealing. This is probably because time sensitive delivery periods such as same day that would benefit from an app are much less commonly used and not particularly important to customers.

INSIGHT:

OFFERING BOTH TEXT AND EMAIL DELIVERY UPDATE OPTIONS WILL ADDRESS THE MAJORITY OF TARGET MARKETS

Preferred method of receiving online shopping delivery updates



Older online shoppers have a clear preference for emailed delivery updates (49%). While food and drink products have a higher likelihood of perishing, email is still an effective strategy for this category.



Charity Support

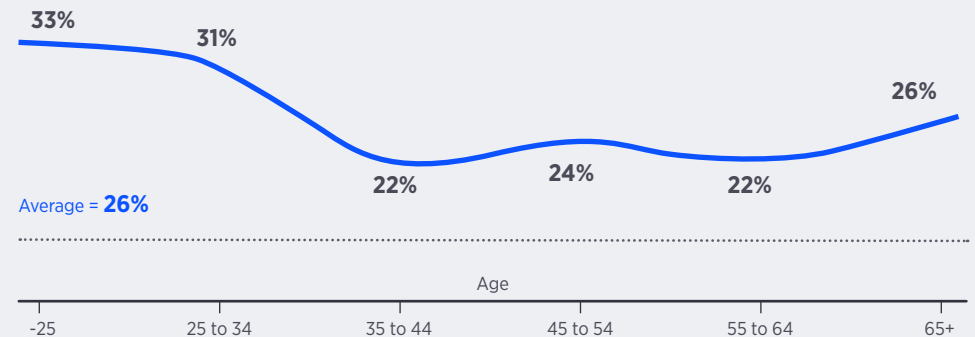
INSIGHT:

SUPPORTING CHARITIES CAN HAVE A STRONG COMPETITIVE ADVANTAGE BUT REQUIRES CAREFUL CONSIDERATION AND MANAGEMENT

Many high-profile organisations, including online retailers publicly support charities and worthy causes. In most cases, however, it is difficult to quantify the return on investment of this support.

What is clear is that supporting charities is appealing to one in four online shoppers (26%) rising to over 30 percent among younger shoppers. Of course, the actual impact in sales will depend on the nature and extent of the support, and the appeal of the charities or worthy causes selected.

Would switch online retailers for their support of charities



Automated Personalisation Options

INSIGHT:

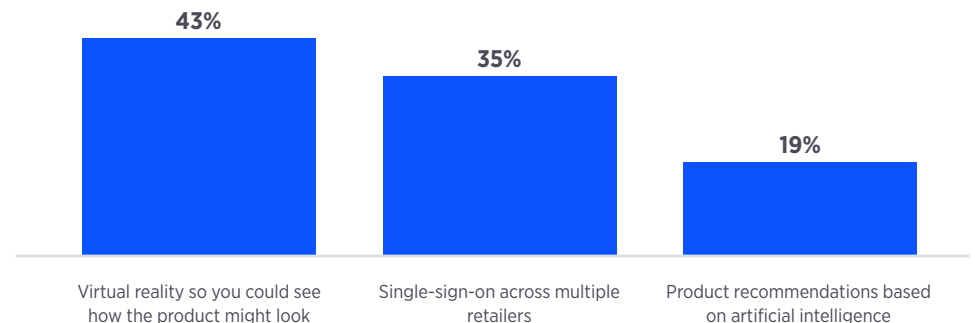
MANY ONLINE SHOPPERS FIND VIRTUAL REALITY FEATURES APPEALING

Personalisation is a hot topic in online retail with a wide variety of different technology alternatives available.

Not surprisingly, as smartphone apps featuring versions of virtual reality have become commonplace, it has become a potentially strong competitive advantage.

It is important to note that the 19 percent column is for “Production recommendations based on Artificial Intelligence” and does not relate to those made by other shoppers. Recommendations that shoppers believe come from other shoppers like themselves can have strong impact on choice of retailer.

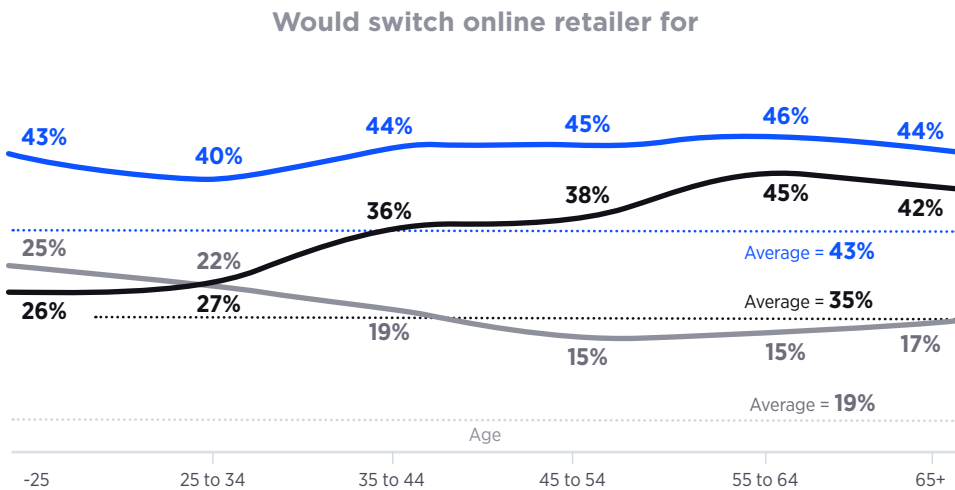
Would switch online retailer for



Automated Personalisation Options

INSIGHT:

VIRTUAL REALITY AND SINGLE SIGN-ON INCREASE IN DESIRABILITY WITH AGE

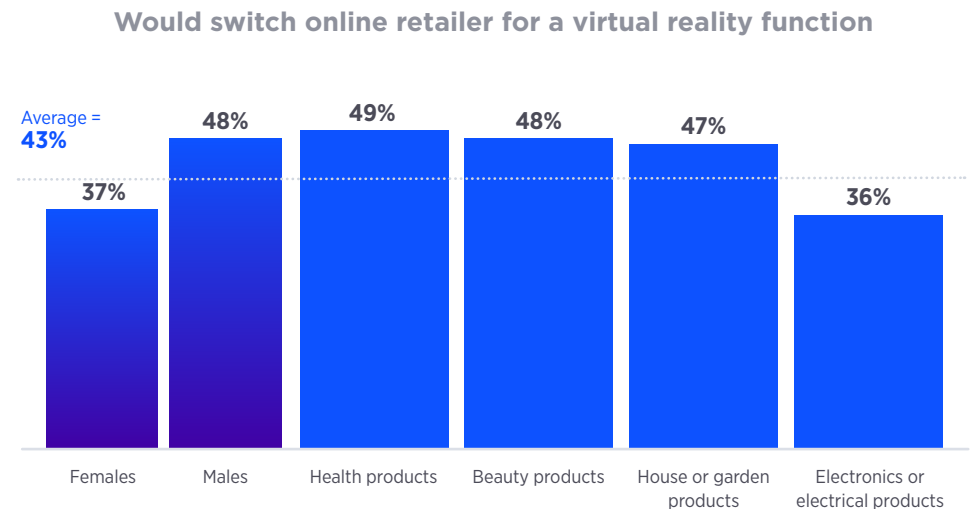


Virtual reality features have strong appeal across the spectrum of customers. Single sign-on across multiple retailers is desirable among all age groups but increasingly so with older demographics.

However, AI-driven product recommendations decline in desirability with age, perhaps due to concerns over potential invasion of privacy, where under 35s tend more towards allowing AI to deliver personalised experiences.

INSIGHT:

CATEGORY SHOULD BE TAKEN INTO ACCOUNT WHEN CONSIDERING OFFERING VIRTUAL REALITY



- Virtual reality so you could see how the product might look in your home or on yourself
- Single sign-on across multiple retailers
- Product recommendations based on artificial intelligence

While broad based, the appeal of virtual reality does differ depending on gender and category.

THANK YOU

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