

Retail at an Inflection Point

Consumer Research 2021

 US Spotlight

After months of disruption, change has become not only a constant but the norm in retail, with no expectation of slowing down. As we close out 2021, we find ourselves not looking back, nor ahead at the change to come, but at an inflection point—ready to ride the next wave and embrace adaptation.

Through a survey of more than 5,700 global consumers, including 512 in the US, we've identified the curvature of change in consumer behavior and the vectors underpinning the shifts we see in retail to dial in on what is simply a function of change and what is a constant. This consumer research report calculates the sum impact of a retail landscape forever changed by examining the current inflection point, the ensuing supply chain dilemma, and the ultimate shopping effect.

This regional spotlight shines a global lens on how the US fares compared to EMEA and China.



The Retail Inflection Point

In a world turned upside down by a global pandemic, myriad behaviors, habits, and norms are now unrecognizable compared to just a year and a half ago.

Constants

Some things did stay the same. Four out of five (80%) global consumers spent upwards of an hour per week shopping online in the past 12 months, level with 2020 findings (83% of whom spent an hour or more per week shopping online). Yet, perspective may shape opinion, as only 37% say their online shopping and browsing habits have remained unchanged, with the majority (56%) reporting they're spending more time on this habit. In the US, 48% spend more time online now than 12 months prior, compared to 73% in China and 38% in both France and Germany.

Sustainability

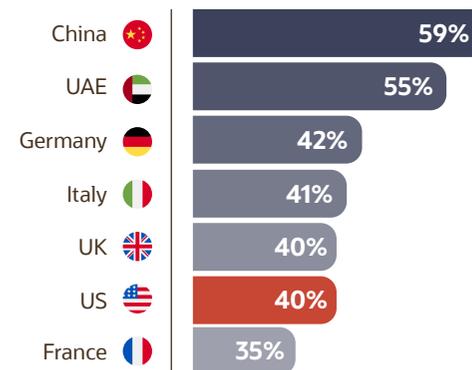
57% of global consumers say it's important that brand values, such as sustainability and ethically sourced materials, align with their own.

Tangents

Quarantine, social distancing, and masks will not be the only hallmarks by which we remember the pandemic. Return concerns hold heavy even as vaccination rates rise and the world reopens; hesitancy remains. One sure sign? Pre-COVID, 77% of shoppers planned to return at least one holiday gift. This year just 42% plan to make at least one gift return—40% of those in both the US and UK while in the UAE (55%) and China (59%).

Thinking about gifts you receive this upcoming holiday season; how many do you anticipate returning for a refund or exchange?

At least one gift returned



How important is it that a retailers' brand values, such as sustainability and ethically sourced materials, are aligned to your own personal values?

Important



The Retail Supply Chain Dilemma

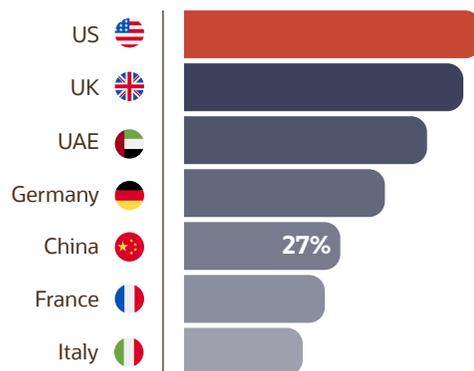
Alongside 'lockdown' and 'social distancing,' 'supply chain' has emerged as a pandemic watchword, calling to mind empty shelves, lengthy backorder delays, and, of course, toilet paper shortages.

Now part of the consumer vernacular, rifts in the retail supply chain are spurring shopper concerns and testing patience.

One-in-three consumers (34%) agree that out-of-stock items constitute a bad shopping experience, and 39% say the same for unexpected delays in receipt of goods or services. While the US weighs (40%) a bad shopping experience when items are out of stock, those in Italy (24%) and France (26%) are more forgiving.

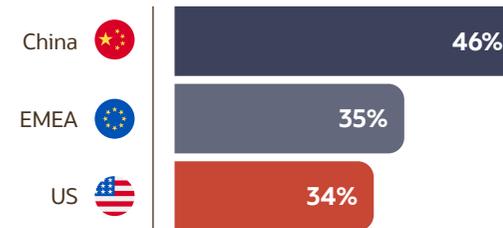
What defines a bad shopping experience for you online or in-store?

Out of stock items



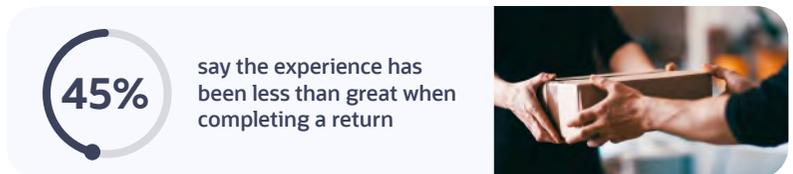
What defines a bad shopping experience for you online or in-store?

Unexpected delays of receipt of goods or services



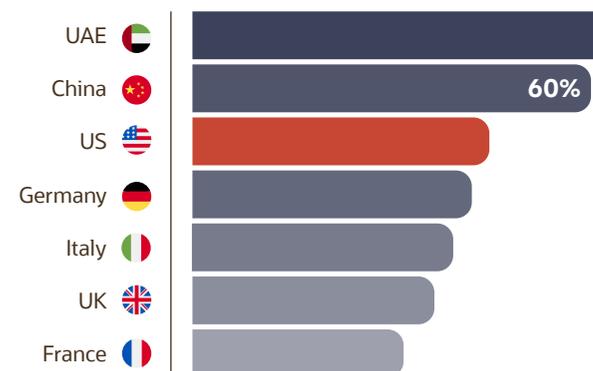
Returns

More than four in five (82%) consumers have completed a return in the past 12 months. Details matter during the returns process, with 42% saying a difficult exchange/return policy is the definition of a bad shopping experience. The return experience may be going downhill: 7% of shoppers said completing a return was 'a nightmare'—more than twice the share in 2020 (3%).



When you completed a return, what has the experience been?

Less than great experience



The Shopping Effect

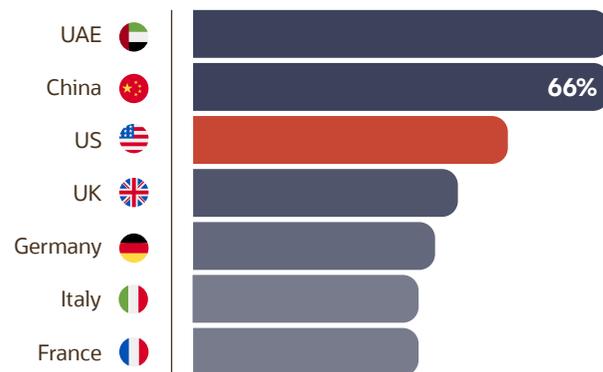
With retail supply chains already under pressure, the 2021 holiday season carries extra stress both for retailers attempting to source goods and consumers gearing up for potential scarcity.

Snooze You Lose

Nearly half (48%) of consumers plan to begin their holiday shopping early this year due to concerns about supply chain issues, including one-fifth of consumers (21%) who had already started shopping when surveyed in September. The US lands in the middle with 52% planning to or have started shopping early, while both Italy and France seem less concerned at 39% compared with 66% of those in both China and UAE.

Are you concerned about product shortages/supply chain issues affecting your holiday shopping this year?

Yes, I have already started holiday shopping to ensure I get the items I want on time

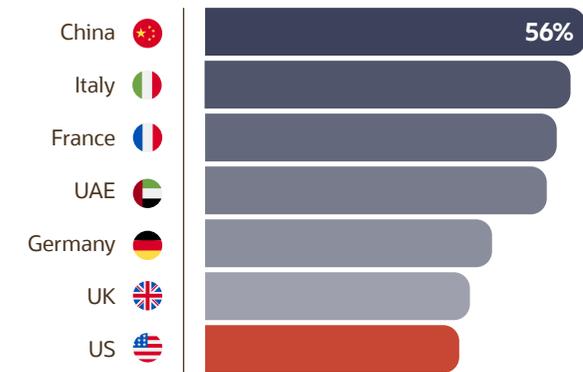


Taking a Hybrid Shopping Approach

Half of shoppers will do a mix of online and in-store holiday shopping, with 38% of those in both the US and China doing the bulk online, compared to 41% in the UK and only 16% in France. Time will be of the essence, as globally, 83% of shoppers say the time it takes to deliver influences their holiday buying decisions.

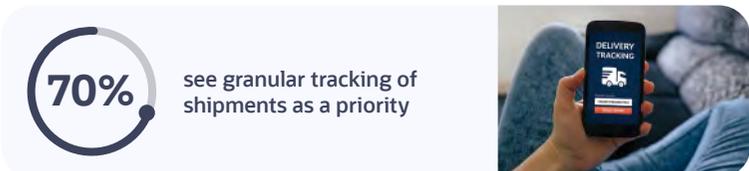
How do you anticipate you will shop this holiday season?

Both online and in-store



Delivery

38% have gotten accustomed to having things delivered and say it's their favorite way to shop—an eight percentage point gain from 2020 shoppers buying non-essential items. Visibility into granular tracking of shipments is a priority for 70% of shoppers—while less of a concern in Germany (50%) compared to 78% in China and 65% in the US.





Conclusion

At an inflection point, what's ahead remains unknown, but the curvature of change continues.

The coming holiday season presents a stress test for retail supply chains already under pressure and a recovering retail sector. At the same time, a tight labor market puts stores and warehouses at war for talent. A world in recovery from a global pandemic, a decade's worth of disruption compressed into a year and a half, and a looming return to life as we know it makes uncertainty the only thing certain. No one can truly see what's to come, but those with the agility and insight to react quickly and move swiftly in response to change will be ahead of the curve.

Access the full report, Retail at an Inflection Point: Consumer Research 2021, for an in-depth analysis.

Source: Retail at an Inflection Point: Consumer Research 2021. 5,728 consumers, 11 countries. The survey was conducted by independent consultancy, Untold Insights.

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