

Expectations of online shoppers: today, tomorrow and beyond.

European research report

Payments to grow your world



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- El Corte Inglés
- ASOS
- Myprotein
- Probikeshop
- Blokker
- Kréfel

Conclusion. p.37



Unveiling the future of ecommerce: innovation and resilience in an evolving industry.

2023 will be a challenging year for ecommerce. Amidst a changing economic landscape, online businesses are recognising the importance of sustainable growth, not only by meeting consumer demands but also by aligning their focus on modern technologies.



Björn Hoffmeyer
Head of Regional Businesses,
Worldline

At the same time, the world is becoming more connected and digital commerce is continuing to grow, providing opportunities for online businesses to take advantage of consumer demand. For many, it's a case of rethinking strategies and refocusing their offering to align with a changing consumer mindset.

Regardless of the economic environment, consumers will continue to shop. But in challenging financial times, they will adapt their buying habits.

These changing habits and how best to respond to them are at the heart of the report you're about to read. As you leaf through the pages, you will see that 77% of consumers shop online more than once a month and Millennials are the most prolific shoppers, shopping more often and spending more than all other generations. Nonetheless, consumers are more price-sensitive than ever before, across all six countries surveyed (Belgium, France, Portugal, Spain, the Netherlands and the UK).

Based on these findings, the takeaways for any brand selling online are clear. Consumers want companies to show empathy and understanding, by offering fair prices on products, promotions, loyalty programs and free delivery. Put simply, they want rewards in return for their loyalty.

To keep consumers happy in 2023, you'll need to provide a memorable customer experience from start to finish. Personalised experiences are a proven strategy to boost engagement and loyalty.

As shoppers are eager to embrace innovative technologies such as virtual shopping assistants, live shopping and augmented reality, this offers huge opportunities for the ecommerce industry.

On the payment front, flexible payment options with smart checkout are imperative, especially since cross-border online sales now account for 38% of ecommerce sales, 16% higher than 2022's cross-border ecommerce projection. Security and convenience take centre stage as consumers seek frictionless transactions without compromising their card details.

Notably, the past two years have witnessed the widespread adoption of strong customer authentication (SCA), highlighting the evolving nature of online payment systems. At Worldline, we are dedicated to assisting retailers in discovering the perfect blend that resonates with their customers' preferences, ensuring seamless and secure transactions every step of the way.

In conclusion, our survey paints a picture of the future of an ever-evolving industry, where competition is high, and where consumer demand should be considered at every stage of the buyer journey. Retailers that stay ahead of ecommerce trends and provide a personalised customer experience will be well-positioned for success in the years to come.

Happy reading!

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Key findings.



71%

of Millennials regularly shop online cross-border.



58%

of Gen Z consumers prefer to pay by mobile wallet.



56%

of Gen X prioritise security when choosing their payment method.



70%

of Europeans will be tempted to buy if they receive personalised discounts.



72%

of higher income consumers have used Buy Now Pay Later in the past year.



20%

of Europeans plan to subscribe to clothing deliveries.

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Executive summary.

Understanding the customer’s need for value is crucial.

In this report, produced in association with our research partner RetailX, we look at the today, tomorrow and future of retail. Within that scope we’ve assessed customer sentiment and expectations, helping retailers to better meet customer expectations.

By surveying 1,000 consumers in each market of Belgium, France, the Netherlands, Portugal, Spain and the United Kingdom we’ve amassed a huge wealth of knowledge as to how consumers are feeling in the present and what their expectations might be for the future, across the different regions.

We’ve also been able to see how that differs by generation, which provides rich data for your business if you are targeting consumers in any of these age groups or markets.

Today’s reality.

In our first section, we look at how consumers are shopping online and how much they are spending, delving deeper to understand how the rising cost of living has impacted their buying habits.

What the survey results show is that across almost all markets consumers are extremely price sensitive. More than half are buying less than normal and when they are buying, they are prioritising value in their buying decisions.

Price not only emerges as the predominant factor influencing cross-border shopping but also fuels the appetite for discounts and coupons.

As consumers become increasingly mobile in their search for value, retailers must keep up with their demands for how they want to pay. We see a preference for mobile payments, as well as the impact of Buy Now Pay Later schemes.

Prepare for tomorrow.

In our second section, we look at what retailers need to do to stand out and to build customer relationships and loyalty – is it price, longevity or something else that serves as the driving force behind customers’ purchasing decisions?

We see that consumers want the hard work done for them. When asking how they feel about different advertising and promotion tactics, they generally respond well to personalised product suggestions, but they react most strongly to personalised coupons and discounts as they seek the best value. By generation, Millennials are being the most responsive to buying new products in almost all channels.

To engage customers, retailers want to build relationships and deepen involvement with their brand. Subscriptions emerge as a vital tool for this; we look at consumer behaviour across a range of subscription services, spanning from music and video streaming to delivery subscriptions.

Although streaming subscriptions have the greatest share of pocket, others also hold a significant share. While churn is evident in this business model, there are also opportunities for growth, with more than a quarter of Portuguese and Spanish consumers intending to sign up to food box subscriptions, for example.

As the holiday season approaches, retailers must anticipate and meet the expectations of their customers. Our survey reveals key insights

into consumer preferences during this festive period. Exclusive discounts for loyal customers, flexible return policies and responsive customer service will play a key role in creating a memorable shopping experience that meets customer expectations and drives success during the upcoming season.

Embrace the future.

In the third section, we look at the consumer desire for new shopping experiences and the role technology will play in delivering those experiences.

We observe a compelling consumer demand for their favourite brands to offer new shopping experiences, such as augmented reality and virtual shopping assistants that enhance the overall buying experience.

And finally, we examine the consumer awareness and likelihood to engage with the metaverse. Across the countries, awareness is widespread while the level of willingness to engage varies. For instance, awareness is highest in the UK, but consumer interest in using the metaverse is strongest in the Netherlands. Among generations, Millennials show the highest levels of awareness and eagerness to explore this digital frontier.

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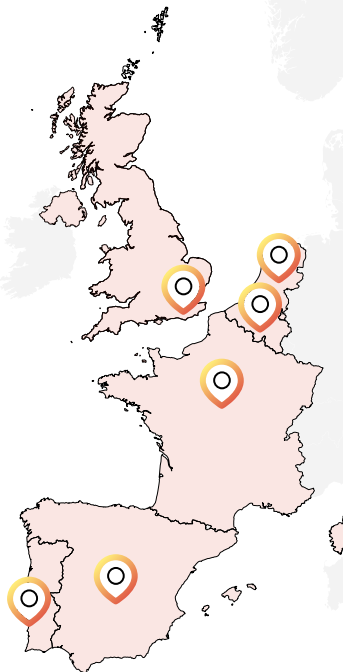
Methodology.

For this report, our research partner RetailX surveyed 6,000 consumers in total across six key European markets. This included 1,000 respondents in each market of Belgium, France, the Netherlands, Portugal, Spain and the UK.

In our report analysis we have examined the data through several lenses to understand the differences in consumer behaviours and needs. These include an overall market view, individual country comparisons, a generational view and analysis by income.

In the case of the generational view, we have grouped respondents as **Gen Z (aged 11-26), Millennials (aged 27-42), Gen X (aged 45-58), Baby Boomers (aged 59-77) and Silent (aged 78-98).**

Where we have examined the data by income, we define lower income shoppers as those earning the equivalent of less than €30,000 a year, medium income shoppers as earning €30,000 to €74,999 a year and higher income shoppers earning more than €75,000 a year.



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Gen Z
(aged 11-26)



Millennials
(aged 27-42)



Gen X
(aged 45-58)



Baby Boomers
(aged 59-77)



Silent
(aged 78-98)



Today's reality.

How consumers buy, their spending patterns and the impact of the rising cost of living.

How rising prices are impacting how consumers buy.

Buying habits are changing as consumers deal with the rising cost of living.

In today's reality, we look at what's happening in the market now. How are people shopping and how has the cost of living increase has impacted their existing behaviours, choice of payment methods and their demand for cross-border commerce?

To understand the impact on consumers, and in turn retailers, we look at the context in which consumers are shopping. As the pandemic impact receded, it had been assumed that consumer spending would return to some sort of normal. But Russia's invasion of Ukraine and the subsequent energy crisis meant that by summer 2022 Europe's cost of living crisis had hit.

The European Central Bank was forced to raise interest rates[1] for the first time in 11 years as it tried to control inflation and rising prices[2].

Frequency of shopping.

When looking at consumer shopping habits, we find prolific online shoppers. More than three-quarters of those surveyed across six markets shop online at least once a month. This trend is most evident in the UK, followed by the Netherlands where a considerable portion of the populations shops online on a daily basis.

By generation, Millennials are the most frequent online shoppers with 83% shopping online at least once a month. Millennials are also most likely to shop online more than once a day, with more than one in ten (12%) doing so.

References

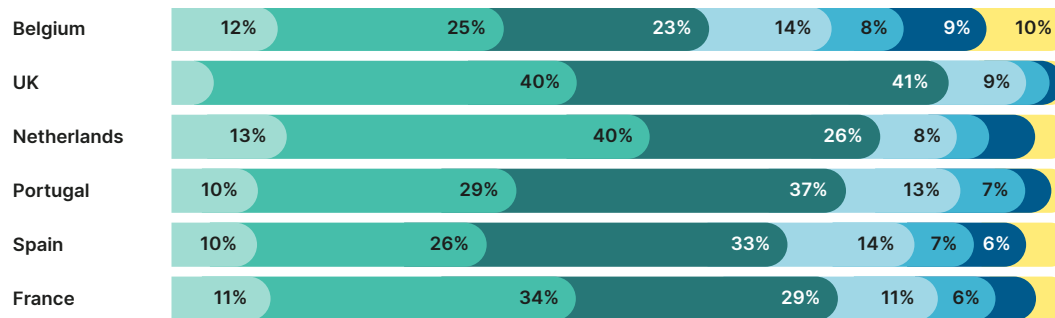
- [1] [euronews.com/my-europe/2022/07/21/ecb-hikes-interest-rates-for-first-time-in-11-years-by-larger-than-expected-amount](https://www.euronews.com/my-europe/2022/07/21/ecb-hikes-interest-rates-for-first-time-in-11-years-by-larger-than-expected-amount)
- [2] [ons.gov.uk/economy/inflationandpriceindices/articles/costofliving/latestinsights](https://www.ons.gov.uk/economy/inflationandpriceindices/articles/costofliving/latestinsights)

Frequency of online purchase.

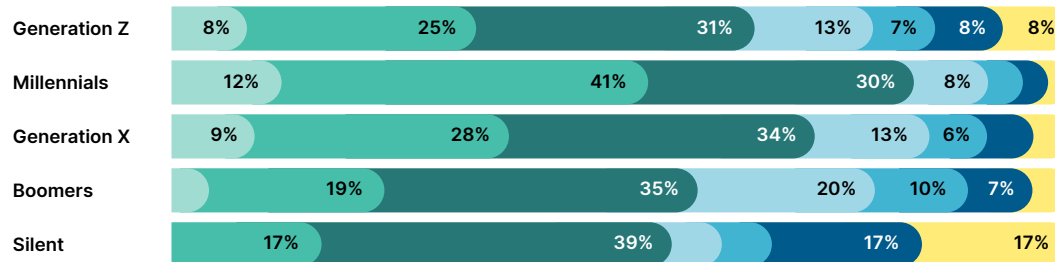
Question: How often do you shop online?



By region



By generation



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Analysis of spending.

The largest majority of consumers (more than a third) across all the markets as a whole spend between €12 and €120 online per month. By country this level of spending is highest in the UK (43%), Portugal (36%) and Spain (33%).

Consumers in the Netherlands and Belgium spend the most online, with 61% and 52% respectively spending more than €300 each month on ecommerce compared to 35% in Portugal.

Millennials are the heaviest spenders by generation with half spending €300 a month or more online.



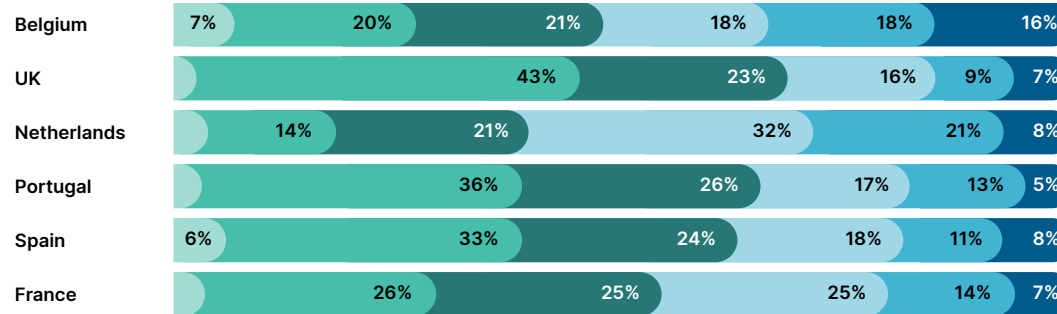
Consumers are most likely to spend between €12 and €120 online per month.

Average monthly expense online.

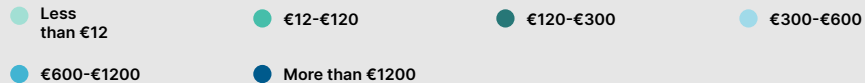
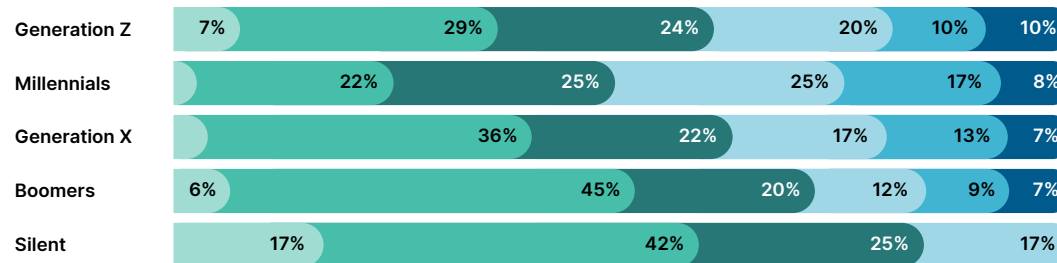
Question: In the last 12 months, how much have you spent on average per month on online shopping?



By region



By generation



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Where they are shopping.

Consumers are most likely to shop from home, with 70% of European consumers usually or always doing so in the past three months. However, a third of consumers have also shopped online while at work, while commuting and in public spaces.

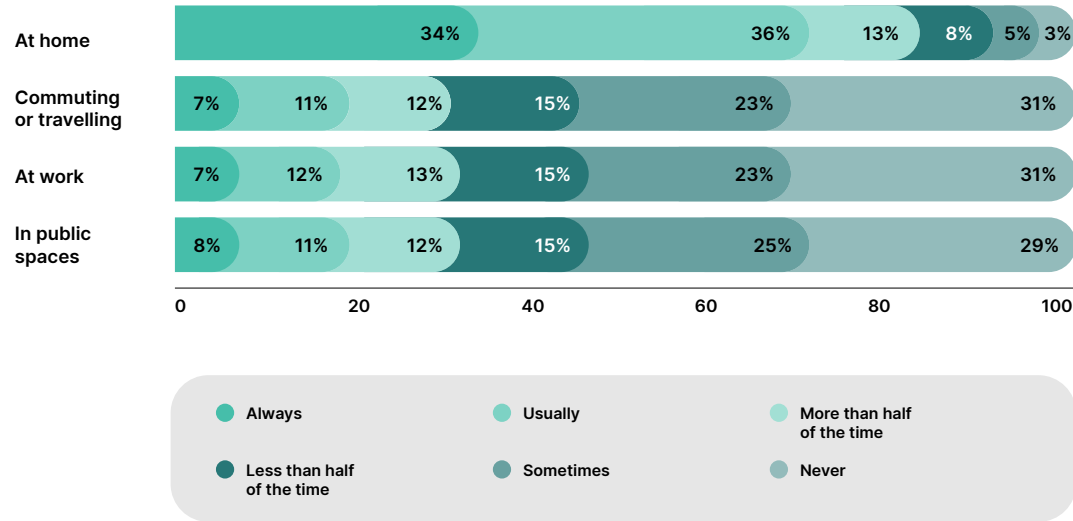
This is reflected in their use of mobile devices. More than half of European consumers (56%) have shopped via a mobile app in the past three months and nearly half (47%) via a mobile phone browser.

Purchasing via mobile app is highest amongst Millennials, with 62% having bought in this way in the past three months.



Distribution of location when shopping online.

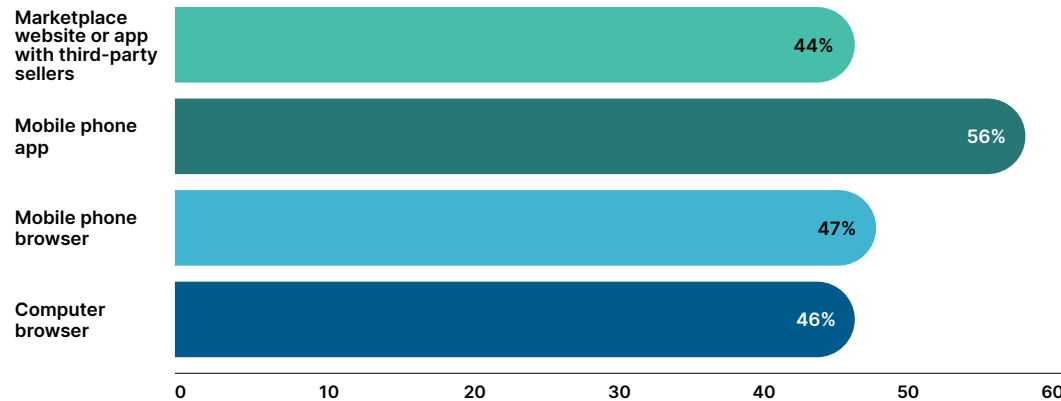
Question: Where are you when you shop online?



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Distribution of device used for online shopping.

Question: How have you shopped online in the past three months?



How consumers are impacted by rising prices.

The increase in the cost of living has hit consumers hard, impacting what and how they buy. We see a price-sensitive consumer more motivated than ever by discounts and promotions that will help them to reduce the cost of their shopping.

Across the six countries we see that more than half of consumers (56%) are buying less than normal. This trend is most evident in the UK where 60% of consumers are buying less than normal and Portugal where, despite the higher average monthly spend, 59% are buying less. Consumers in the Netherlands (38%) and Belgium (36%) are least likely to be buying less.

A desire for value.

Consumers across all markets are becoming more value-driven, as they look for ways to reduce their spending. This behaviour is most evident in Portugal where more than half are using more discounts and coupons than previously.

While some consumers are investing in products that last longer (between 26-31% across the different markets surveyed), others are more concerned with affordability. A similar amount (between 25-30%) are cutting back by buying lower quality products and between 22-27% are buying more second-hand goods.

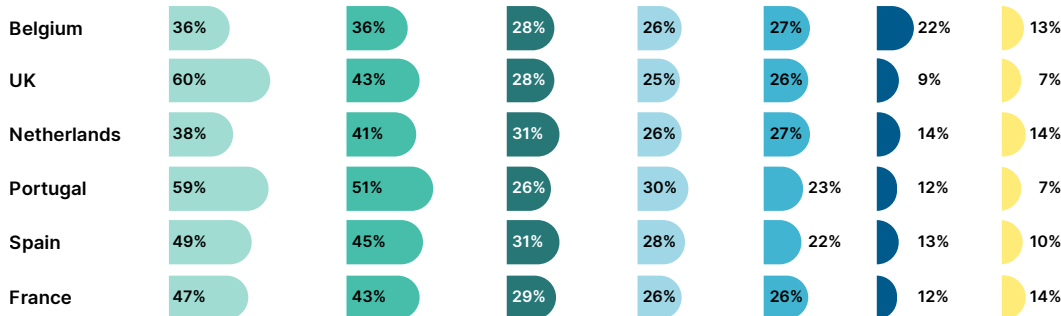
By income, we see that more than half (55%) of lower-income consumers are buying less than normal, compared to only 40% of higher-income consumers. However, we see that higher-income consumers are more likely to be using more discounts and coupons (47%) than lower-income consumers (41%).

Effect of rising prices on online shopping behaviour.

Question: How are rising prices affecting your shopping behaviour?



By region



By income



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More than half of consumers are buying less than normal.

- I'm buying less than normal
- I'm using more discounts and coupons
- I'm buying products that will last longer
- I'm buying products or brands that cost less but are lower quality
- I'm buying products second-hand
- It's affecting my shopping in other ways
- Rising prices haven't affected my shopping behaviour

How the desire for value is driving cross-border shopping.

Consumers are turning to cross-border commerce in the hunt for value, with price the biggest influence for shopping overseas.

The ease of cross-border commerce enables consumers to access brands and retailers once unheard of outside of their own markets. For consumers, that's enabled them greater choice. Retailers have access to a wider customer base, but have to be ready to serve the individual needs of those customers too.



Around half of consumers shop outside of their domestic markets regularly, that is at least several times a year. This behaviour is most prevalent in Portugal (75%) and the Netherlands (70%).

Of these, younger consumers are most likely to be more international in their shopping behaviour with Millennials shopping cross-border most regularly. Nearly three-quarters (71%) do so up to several times a year. This is followed by 60% of Gen Z.

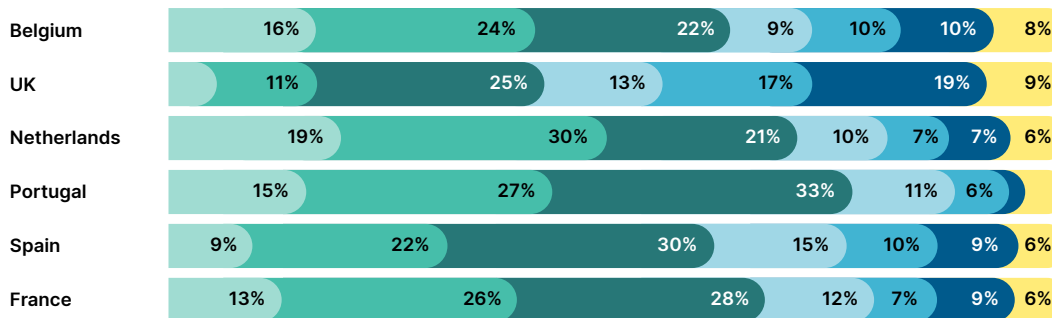
Half of consumers regularly shop cross-border.

Frequency of purchase from foreign retailers.

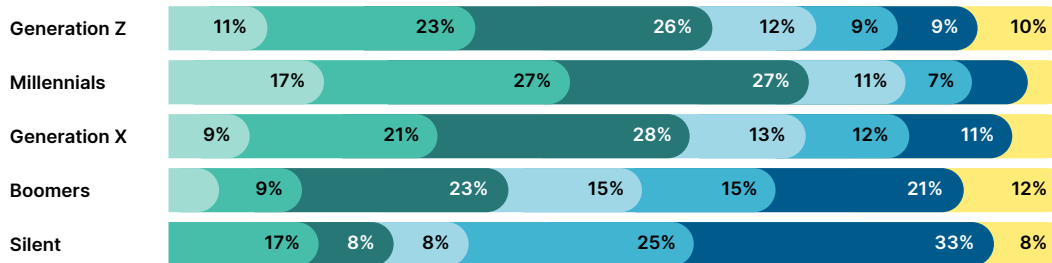
Question: Do you buy products from retailers that are based in or which deliver from another country?
Based on 4525 individuals.



By region



By generation



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The impact of price on the decision to buy internationally.

When we look at what influences this international shopping behaviour, we see that it is most strongly driven by the price-sensitive nature of the consumer as they hunt out the best deals online, rather the consumer looking for products that aren't available in their country.

This search lower prices is strongest for Portuguese consumers. Portugal is also the market where consumers are most likely to shop internationally at least several times a year. Here two-thirds (66%) of those that shop abroad are influenced by price.

This is followed by the UK where, although a lower share shop internationally, 62% of those that do are searching for better value and looking for lower prices.

Just under half of those that shop internationally in each region do so to find goods that are not available in their own market.

How value is even more of a driver for older customers.

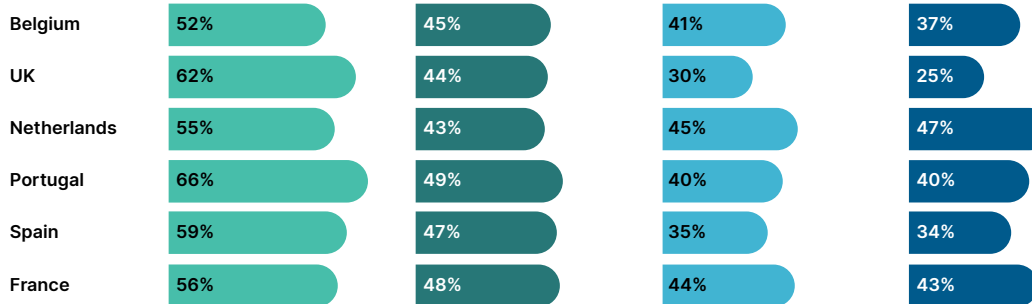
By generation, the desire for lower prices increases by age. The share of those shopping overseas for lower prices steadily rises from 57% of Gen Z consumers to 65% of Boomers.

Factors influencing the decision to shop from foreign online retailers.

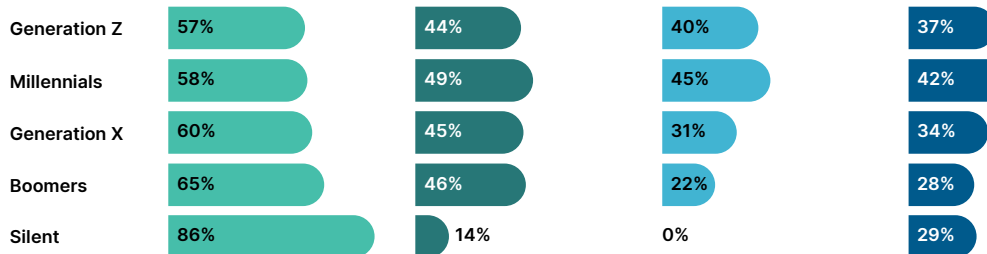
Question: Which factors influence your decision to shop from online retailers based in other countries?



By region



By generation



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Lower prices are the biggest driver for cross-border commerce.

- Lower prices
- Products not available in my country
- Better quality products or services
- Better selection of products or services

How payment methods are changing as consumer habits evolve.

As consumers shopping behaviours change, it is important that retailers keep up to date with consumers' payment preferences.

As the hunt for value drives cross-border commerce, it is leading to more consumers shopping with unfamiliar retailers and in new territories. The payment options available to both domestic and international customers become more central to their buying decisions.

The bank card continues to dominate preference in markets such as France (72%) and the UK (70%) with mobile apps and wallets a close second. However, in other markets mobile apps and wallets are the strongest preference for consumers. In Portugal, 66% of consumers prefer mobile apps or wallets compared to 59% who prefer bank cards.

In the Netherlands, 61% prefer to pay via mobile and just over a third (36%) with a bank card. Instead, Buy Now Pay Later is the second preferred method for 43% of consumers, the largest proportion of the six markets studied.

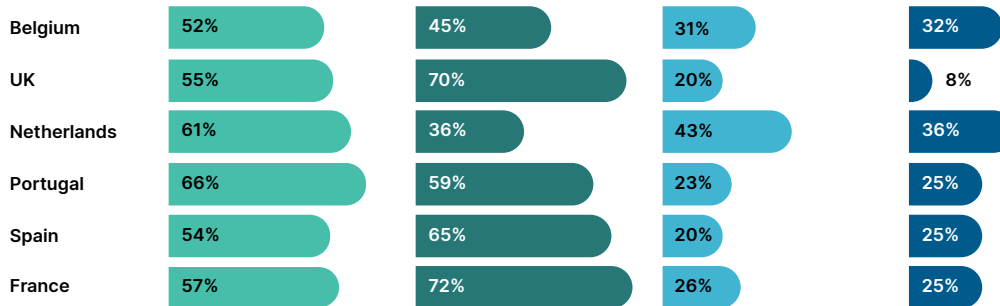
The preference for mobile payments is strongest amongst Millennials (64%) and Gen Z (58%) who have been brought up with such payments. For older generations there remains a preference for the bank card.

Online payment methods preferences.

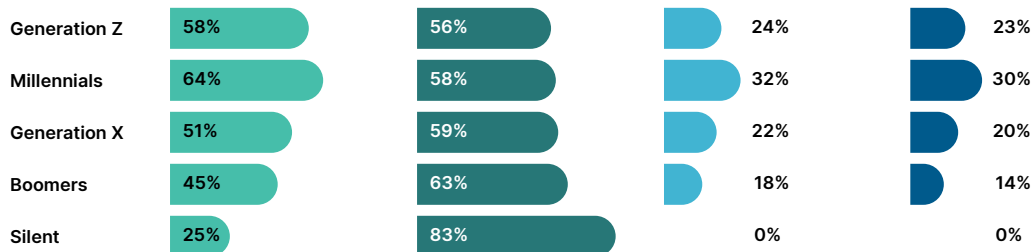
Question: When shopping online, how do you prefer to pay?



By region



By generation



Mobile payments are preferred by more than half of consumers.

● Mobile app/wallet ● Bank card ● Buy Now Pay Later ● Cash on delivery

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Convenience and trust drive mobile and Buy Now Pay Later adoption.

Across generations we see that security, trust and convenience are key reasons for consumers choosing to use mobile payments.

Amongst Gen Z and Millennials, habit scores highly, with half of consumers in these generation brackets choosing it as a key reason.

A similar picture emerges when we look at the reasons for using Buy Now Pay Later services. Convenience drives adoption for all, although the share is highest for Gen Z (50%) and Millennials (51%). Security and trust of Buy Now Pay Later is highest for Millennials at 53%.

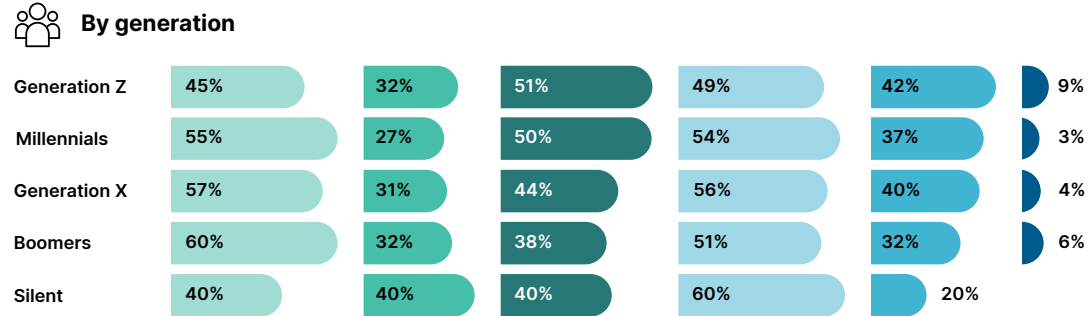
Around a third of consumers across generations like to use mobile payments to make it easier to keep track of their spending, but a lower proportion use Buy Now Pay Later for the same reason.



Consumers wanting to keep track of their spending prefer mobile payments over Buy Now Pay Later.

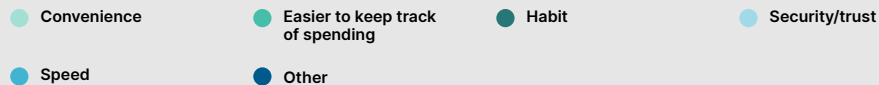
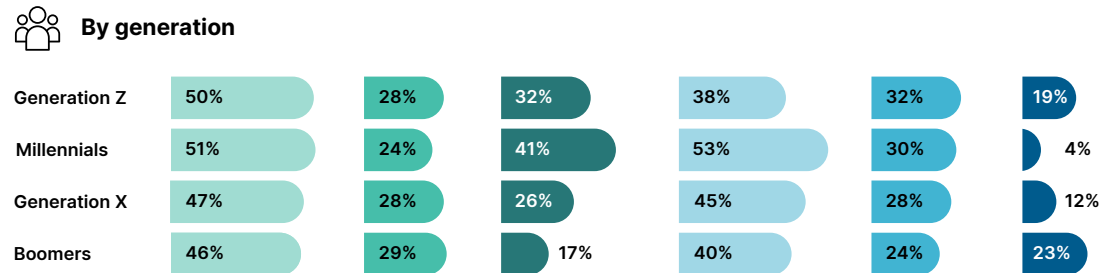
Reasons to use mobile apps and wallets as a payment method.

Question: Why do you use the following? **Mobile app/wallet**
Based on 3089 individuals



Reasons for using Buy Now Pay Later services.

Question: Why do you use the following? **Buy Now Pay Later**
Based on 1427 individuals



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The growing impact of Buy Now Pay Later.

Although consumers may prefer mobile payments over Buy Now Pay Later to keep track of their spending, Buy Now Pay Later has an important role to play in helping consumers to manage their finances, especially in the current climate.

Across the different countries, between a third and two-thirds of consumers have used Buy Now Pay Later in the past year. This ranges from 37% of consumers in Portugal and Spain, to 50% in France, and more than two-thirds (67%) in the Netherlands.

Millennials are the most common users with more than half (57%) having paid via Buy Now Pay Later services in the last twelve months compared to only one in five (20%) of Boomers.

A prevalence among higher-income consumers.

The research shows that consumers are being responsible in their use of Buy Now Pay Later, which is essentially a credit option. More than twice the number of higher-income consumers have used Buy Now Pay Later when compared to lower-income consumers (73% versus 32%).



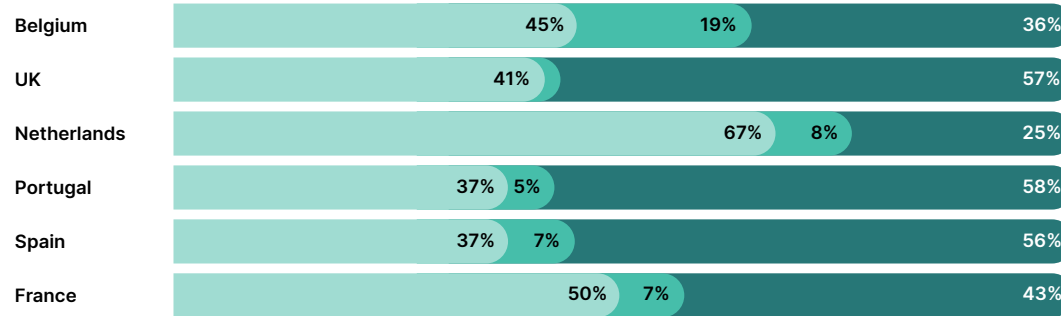
Higher-income consumers are twice as likely to have used Buy Now Pay Later in the last 12 months.

Share of individuals who used Buy Now Pay Later in the past year.

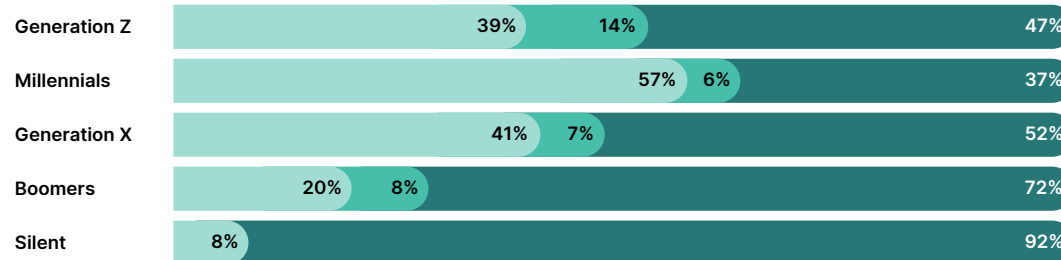
Question: In the past 12 months, have you used a Buy Now Pay Later service?



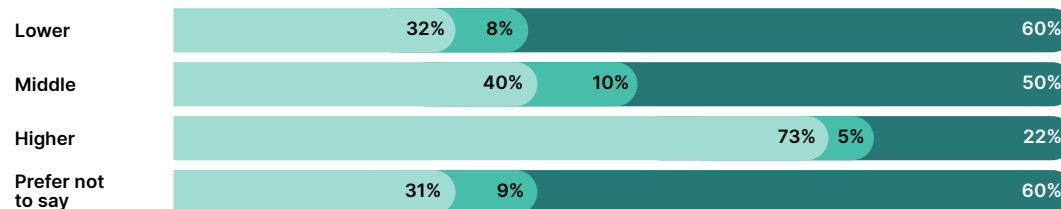
By region



By generation



By income



● Yes ● Not sure ● No

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Prepare for tomorrow.

The most effective ways of engaging consumers to ensure their continued loyalty and spend including personalisation, advertising expectations and the role of subscriptions.

The impact of personalisation and how best to attract customers to buy new products.

Value and personalisation are the key drivers to attracting new customers.

The impact of personalisation.

Personalisation is a powerful tool for driving sales, but consumer acceptance of it can vary. Some consumers find it powerful; others can find it a little overbearing. It is up to retailers to understand the balance required for their particular customer base.



In our research we see that the preference for personalised products based on viewing history or previous purchases is strongest for consumers in the Netherlands, Portugal and Spain.

When looking by generation, personalisation is most embraced by Millennials and Gen X consumers. More than one in five Millennials say they love to receive a personalised product suggestion based on their purchase or browsing history.

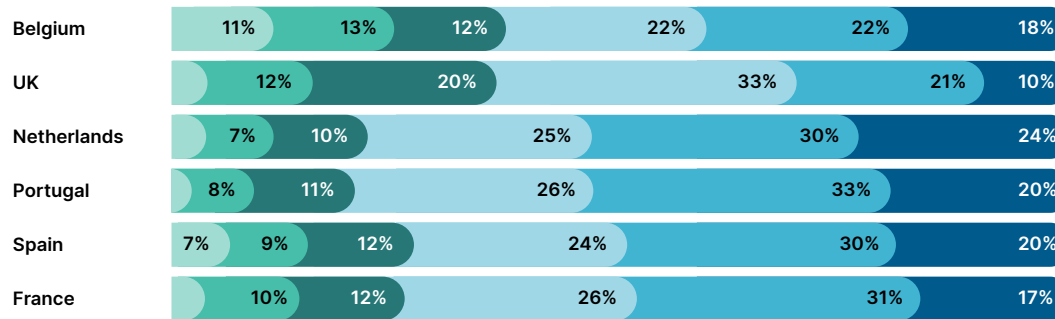
One in five Millennials love personalised product suggestions.

Individual preference for personalised product suggestions.

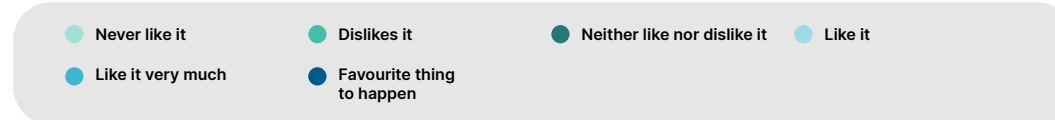
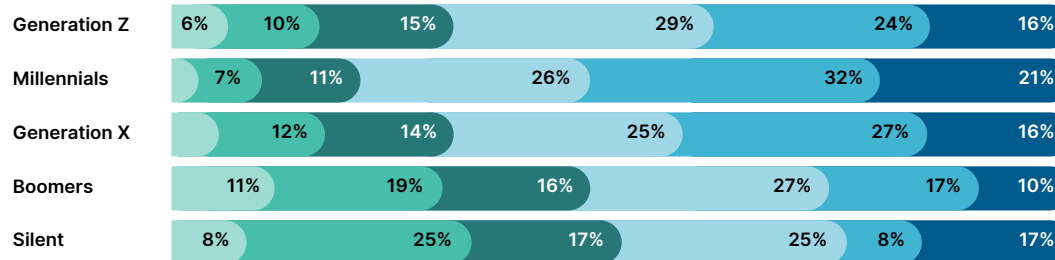
Question: How much do you like it when retailers suggest products to you based on your browsing history or previous purchases? (5 means it's your favourite thing, whereas 0 means you never like it)



By region



By generation



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Customer responsiveness to marketing channels.

In today's marketing landscape, the selection of appropriate channels to engage with customers and promote products and services is crucial. Understanding customer responsiveness to different marketing channels has become imperative. The power of personalisation leads us to consider how likely consumers are to buy new products according to where they see them being advertised.

We see the desire for cost-saving opportunities here too. Coupons and discounts are most likely to persuade consumers to buy new products across all the six countries surveyed.

When such coupons and discounts are personalised to the consumer, however, then the willingness to buy increases further, although only marginally. This is also the case by generation, although the power of personalisation is strongest for Gen X consumers.

Social media posts are most likely to convert Millennials (61%) compared to Boomers (25%). The same is true of paid influencers on social media which will convert 49% of Millennials compared to only 14% of Boomers.

The power of traditional marketing methods is weaker for younger consumers.

Traditional methods of marketing, such as printed adverts and newsletters, are the least likely to convert Gen Z consumers, with only a third likely to buy new products seen via these channels. By contrast, 49% of Boomers will buy products seen in email newsletters and 41% products discovered in printed adverts.

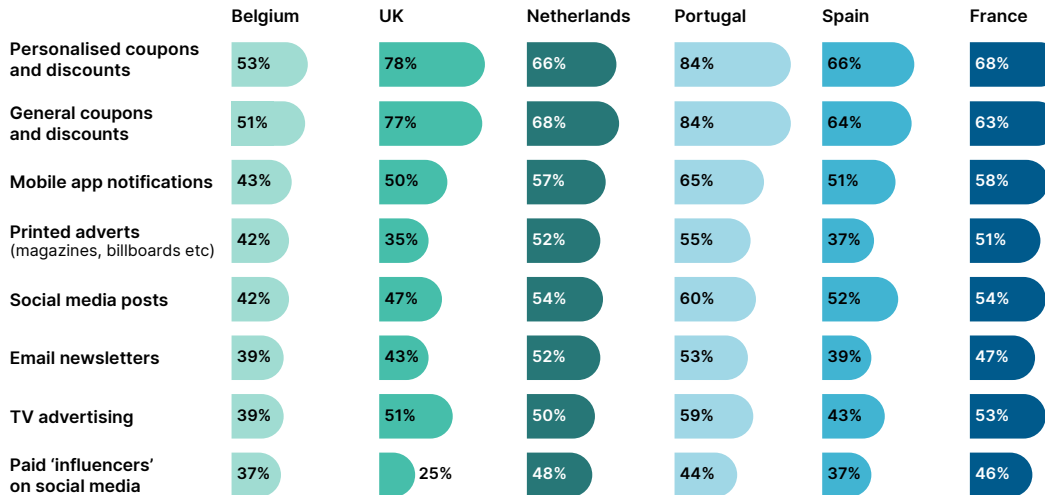
Personalised discounts are most powerful to persuade shoppers to buy new products.

Share of consumers likely to buy new products if they see them in a channel.

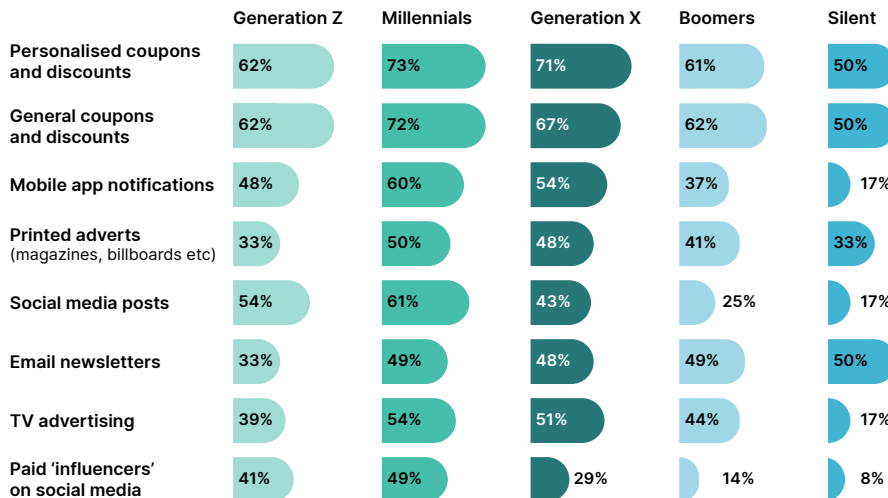
Question: I will buy new products if I see them in:



By region



By generation



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Understanding customer loyalty drivers and using subscriptions to strengthen loyalty.

Price and convenience are the key reasons why consumers stay loyal to retailers.

Successful retailers have loyalty at the heart of their business and understand the value of building long-term relationships with existing customers, rather than simply chasing new ones. They appreciate that building loyalty not only reduces customer acquisition costs, but also becomes a way to win business in itself through word-of-mouth referrals – one of the most powerful marketing tools of all.

Many will invest heavily in loyalty schemes to build these relationships. But as we examine other drivers of customers loyalty, we find that in all markets and across all generations price is the most powerful.

Price as a driver of customer loyalty ranges from just over half (51%) of consumers in Belgium to more than three-quarters (78%) in the UK. By generation, the power of price is strongest for Boomers and the Silent Generation at 67%, compared to 59% of Gen Z.

Around 40% say that the discounts and promotions offered are important reasons why they continue to shop with the same retailer. Convenience comes a close second to value, such as the ability to have delivery options that suit the customer.

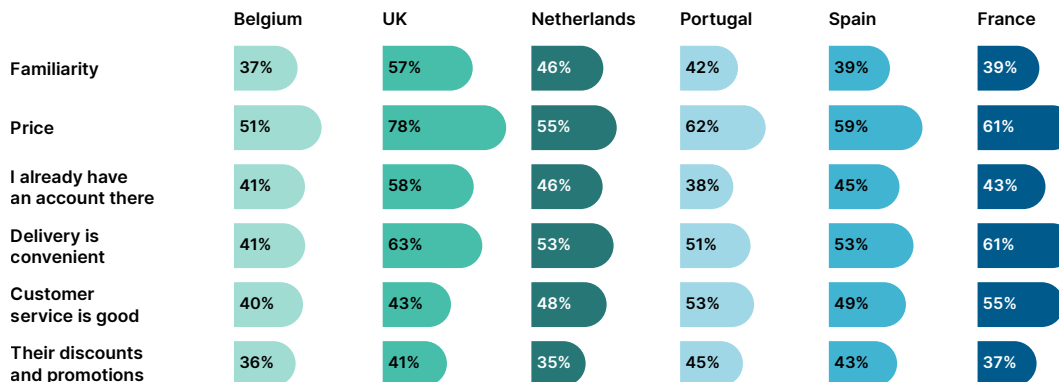


Drivers of customer loyalty.

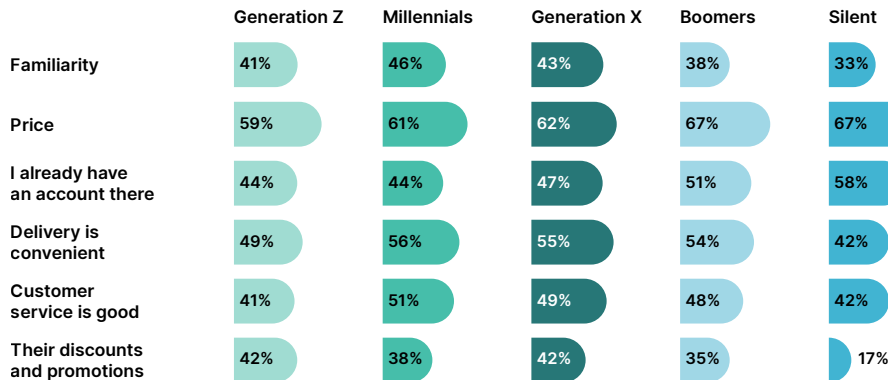
Question: Why do you keep shopping with the same retailers?



By region



By generation



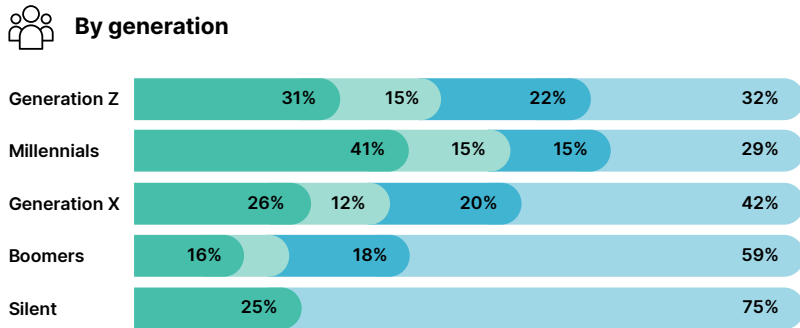
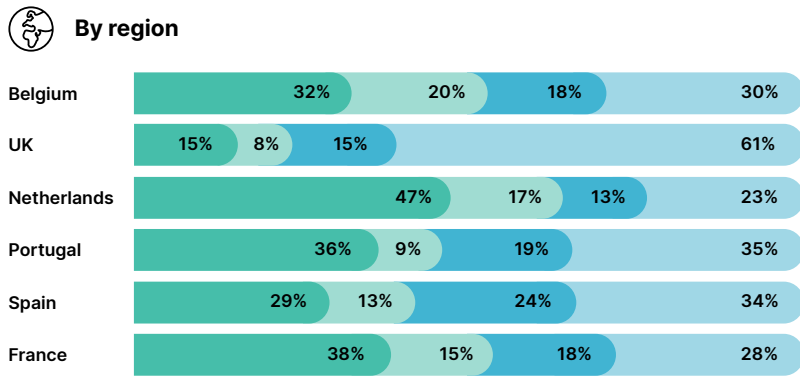
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How subscriptions help to build loyalty.

Another way retailers are building longer-term relationships is through subscriptions where consumers pay or commit in advance to receive something – whether it's free delivery or a food box. The market saw particular growth during the pandemic and according to RetailX's SubX Subscriptions Report 2023, one in five retailers now offer a subscription programme. These pre-paid models are helping to reduce customer churn, build loyalty and allow retailers better visibility of future income too.

Share of consumers with apparel subscriptions.

Question: Do you have any of the following subscriptions?
Clothing/apparel boxes/deliveries.



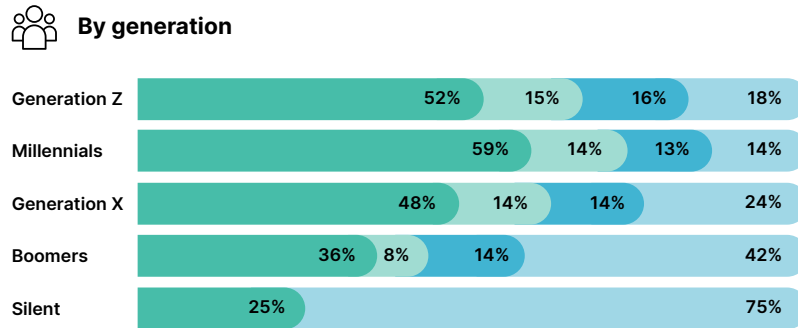
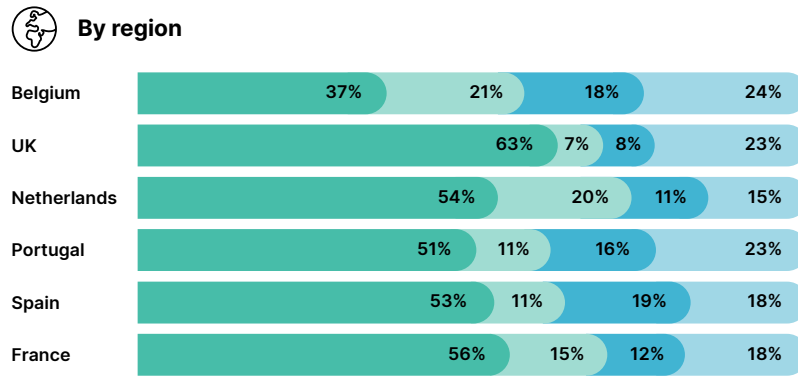
● Have it, and will keep it
 ● Have it, but will cancel it
 ● Don't have it, but intend to get it
 ● Don't have it, and don't intend to get it

Music or video streaming subscriptions have the deepest penetration, with around half of consumers in most markets currently subscribed to such a service and intending to stay subscribed.

The share of those wanting to continue with a streaming subscription is highest in the UK at 63% and lowest in Belgium. Although 58% of Belgians currently have a music or video streaming subscription, one in five (21%) say they are intending to get rid of it. By generation, uptake of this type of subscription is highest for Millennials (59%) and Gen Z (52%).

Share of consumers with music or video streaming subscriptions.

Question: Do you have any of the following subscriptions?
Music or video streaming.



● Have it, and will keep it
 ● Have it, but will cancel it
 ● Don't have it, but intend to get it
 ● Don't have it, and don't intend to get it

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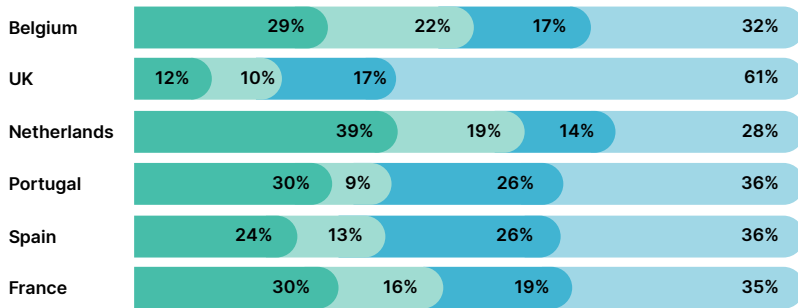
Free or inexpensive delivery subscriptions also prove popular with shares of between 34% (Portugal) to 46% (France and the Netherlands) of consumers currently signed up and intending to continue their subscriptions. Although there is some churn, there is also high intended uptake with between 13% to 24% across the different markets intending to start a subscription providing inexpensive or free deliveries.

Spanish and Portuguese consumers are the most likely to want to sign up to a subscription.

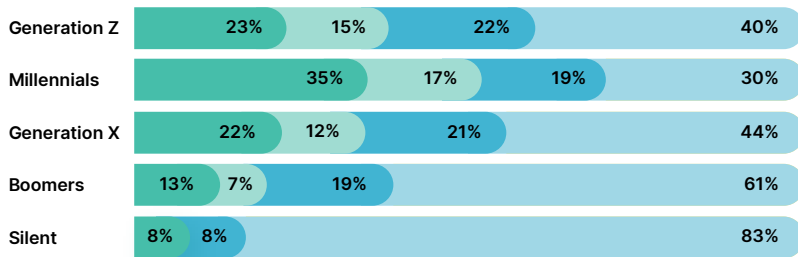
Share of consumers with food subscriptions.

Question: Do you have any of the following subscriptions?
Food subscription boxes.

By region



By generation

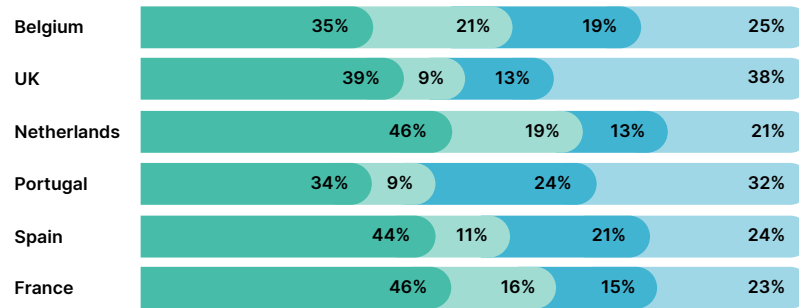


● Have it, and will keep it ● Have it, but will cancel it ● Don't have it, but intend to get it ● Don't have it, and don't intend to get it

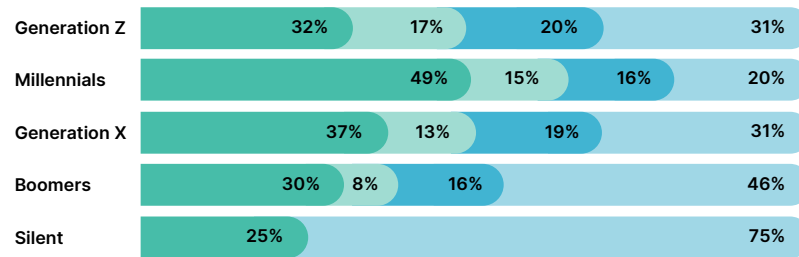
Share of consumers with free or inexpensive delivery subscriptions.

Question: Do you have any of the following subscriptions?
Annual payment for free or inexpensive deliveries.

By region



By generation



● Have it, and will keep it ● Have it, but will cancel it ● Don't have it, but intend to get it ● Don't have it, and don't intend to get it

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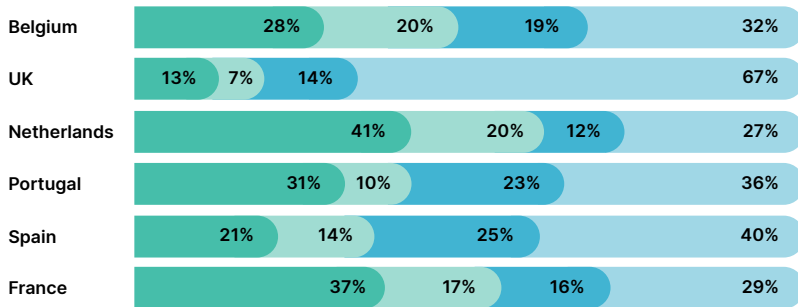
Both food box and clothing box deliveries have significant potential growth. In Spain and Portugal, for example, 26% of customers don't currently have a food box subscription but want to start one and in Spain 24% of consumers are looking to sign up to a clothing box subscription.

Over a third of French consumers opt for accessories subscriptions, highlighting a significant interest in curated accessories and convenient deliveries.

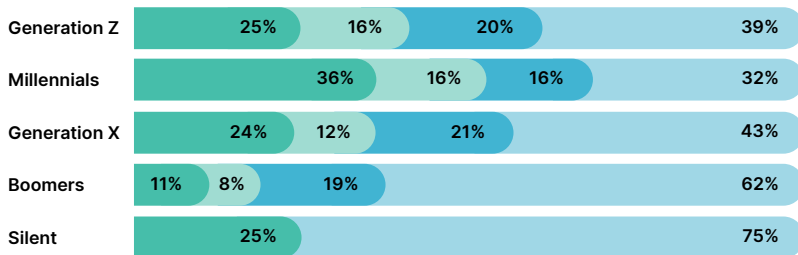
Share of consumers with accessories subscriptions.

Question: Do you have any of the following subscriptions?
Accessories boxes/deliveries.

By region



By generation



● Have it, and will keep it
 ● Have it, but will cancel it
 ● Don't have it, but intend to get it
 ● Don't have it, and don't intend to get it



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Understanding consumer expectations during peak season.

Stand out from the crowd with exclusive discounts to your loyal clients and responsive customer service.

Retailers are gearing up to capture consumers' attention and purchasing power as the peak season approaches. In the first part of our report, we looked at how price sensitivity influences consumer behaviour and product choices in an online shopping environment. Although their expectations continue to be shaped by price perception, retailers need to deepen their understanding of what motivates their customers to shop with them beyond lower prices.

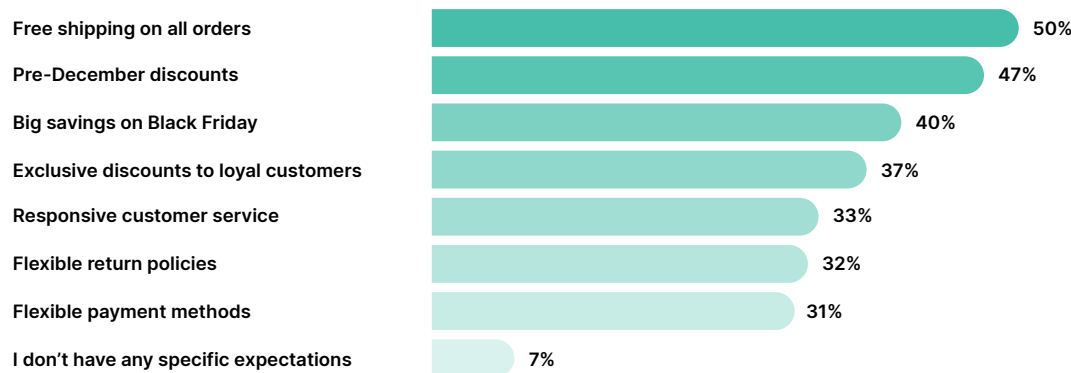
Half expect free shipping on all orders, and a similar amount (47%) expect pre-December discounts and big savings on Black Friday (40%). But the ability for retailers to compete on price alone is limited. Knowing what else motivates consumers to buy is vital in preparing for the peak season.

In this section, we examine the small changes that retailers can implement to increase sales and loyalty in the near-term, including the impact of personalisation and the consumer response to sales-boosting techniques and subscriptions.

Exclusive discounts peaked the highest among Millennials (41%). It's worth noting that retaining existing customers is five times more cost-effective than acquiring new ones. However, there are additional factors to consider, such as the administrative workload associated with managing customer sign-ups.

Consumer expectations from retailers during the busy peak season.

Question: As you plan your spending for end of year/Christmas season, which of the following will you expect from the retailers you offer?



Consumer preferences for service attributes across generations.



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Embrace the future.

The consumer desire to engage
with new ways of shopping.

The consumer hunger for new technologies and experiences.

As technology brings new shopping experiences to the fore, consumers expect their favourite retailers to keep up.

As we look to the future of retail in this final section, there is a need to understand evolving consumer expectations around online shopping, and the areas retailers should be investing in to further drive customer engagement.

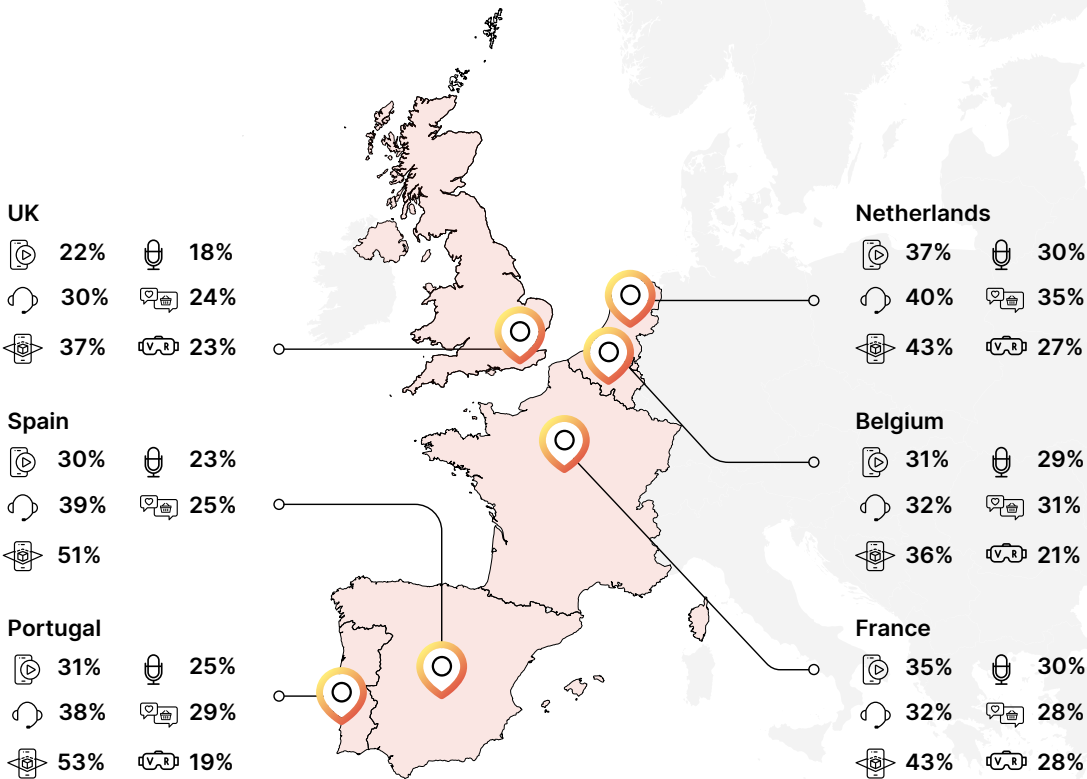
Technology is helping to reshape the customer experience, not only offering greater assistance during the buying journey, but also making it more convenient and informative. New or enhanced experiences help to build deeper relationships and loyalty, resulting in increased conversion and spend.

 Live shopping	 Voice shopping
 Virtual shopping assistants	 Social commerce
 Augmented reality	 Metaverse



Share of consumers expecting their favourite brands to offer new shopping experiences in the future.

Question: Which of the following online shopping experiences would you expect your favourite brands to offer in the future?



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Varying expectations around live shopping and voice shopping.

Around a third of consumers in almost all markets expect their favourite brands to offer live shopping, allowing them to buy products while watching a live stream from a brand or influencer. The number is lower in the UK, however, where less than a quarter (22%) expect it to be offered.

A similar pattern emerges around voice shopping which enables customers to make purchases using voice commands through smart devices such as Amazon Echo and Google Home. Although 30% of consumers in France and the Netherlands are expecting voice shopping, the figure drops to 18% in the UK.

Demand for live and voice shopping is highest among Millennials, followed by Gen Z consumers. These younger generations exhibit a higher inclination towards these shopping experiences as they are embracing the evolution of new technology.

Strong demand for virtual shopping assistants.

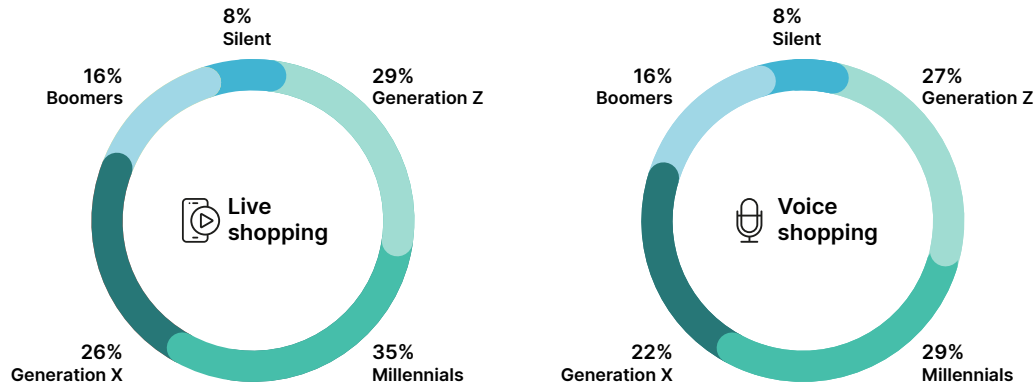
One of the biggest areas of future expectations is the use of virtual shopping assistants, such as chatbots to help shoppers in choosing products online. Over a third of European consumers expect their favourite brands to offer virtual shopping assistants in the future. This functionality is especially favoured by Millennials, with 42% expecting retailers to offer it.

Demand for social commerce is highest among Millennials at 35%, closely followed by Gen Z at 32%.

Virtual shopping assistants are anticipated by around four in ten consumers in the Netherlands, Portugal and Spain.

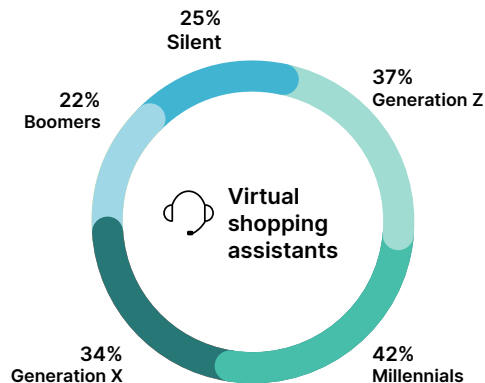
Share of consumers expecting their favourite brands to offer live shopping and voice shopping in the future.

Question: Which of the following online shopping experiences would you expect your favourite brands to offer in the future?



Share of consumers expecting their favourite brands to offer virtual shopping assistants in the future.

Question: Which of the following online shopping experiences would you expect your favourite brands to offer in the future?



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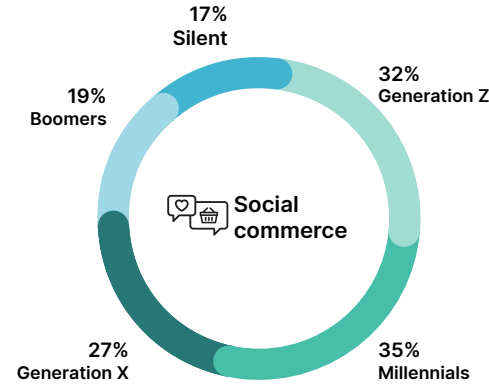
Social commerce is expected by between a quarter and a third of consumers.

Social commerce is emerging as a growing channel as retailers look to monetise social media engagement. Looking ahead, just under a quarter (24%) of UK consumers expect retailers to be offer social commerce, compared to more than a third (35%) of consumers in the Netherlands.

Demand for social commerce is highest among Millennials at 35%, closely followed by Gen Z at 32%.

Share of consumers expecting their favourite brands to offer social commerce in the future.

Question: Which of the following online shopping experiences would you expect your favourite brands to offer in the future?



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Augmented reality is another highly anticipated technology.

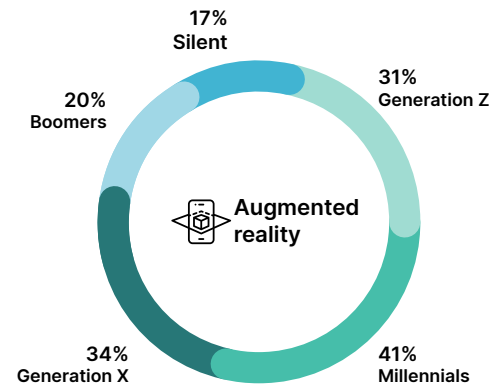
As with virtual shopping assistants, augmented reality (AR) is also changing how consumers shop. By enabling customers to see products a real-world context such as wearing a garment or previewing the placement of a sofa in a living room, online retailers can avoid additional shipping costs from returns.

More than half of Portuguese (53%) and Spanish (51%) consumers anticipate brands to provide AR features to improve their buying experience. Expectation is lowest in Belgium where only just over a third (36%) expect AR to be offered.

Half of consumers in Portugal and Spain expect augmented reality to be offered.

Share of consumers expecting their favourite brands to offer augmented reality in the future.

Question: Which of the following online shopping experiences would you expect your favourite brands to offer in the future?



Around a quarter of consumers want to shop in the metaverse.

Built on the foundations of enhancing user experience and engagement, the metaverse sets the stage for a new era in ecommerce. Anchored in immersive and interactive experiences, this digital realm holds immense promise, particularly with the integration of sought-after technologies like augmented reality.

Our survey reveals that around a quarter of consumers in most markets expect to shop in the metaverse in the future. Among the surveyed countries, the highest interest is shared in France (28%) and the Netherlands (27%). By generation, demand is highest amongst Millennials at 28% and lowest for Boomers (19%) and Silent Generation (8%).

Understanding metaverse adoption.

In our survey, we have dived deeper into the hype to understand how aware of the metaverse consumers are, and their interest in using it.

As retailers define, build and evolve their metaverse offerings, it's only natural that there is some hesitation to use it. By contrast, technologies such as augmented reality and virtual shopping assistants, are already being used by consumers.

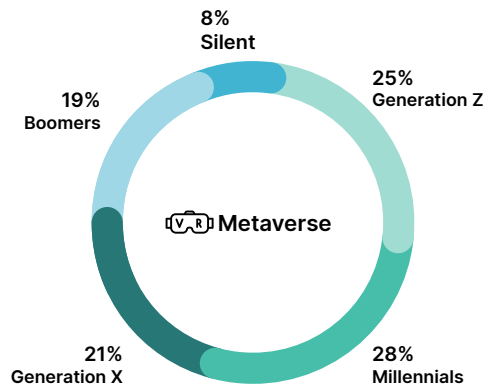
Awareness of the metaverse was highest in the UK with more than three-quarters (75%) having heard of it. However of this number, only 25% are interested in using it and 50% don't want to use it.

This is in stark contrast to markets such as Portugal and Spain which have a similar level of metaverse awareness (75% and 77% respectively) but have a higher share of consumers expressing a desire to use it (45% and 43% respectively).

Perhaps surprisingly when looking by generation, although awareness is high, around a third of Gen Z (35%) and Millennials (29%) say they aren't interested in using the technology, but half (49%) of Millennials show an interest.

Share of consumers expecting their favourite brands to offer metaverse shopping in the future.

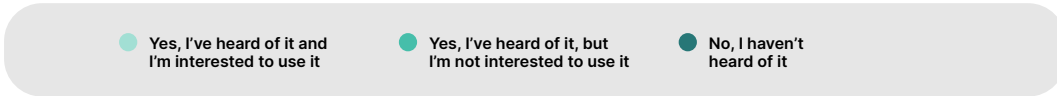
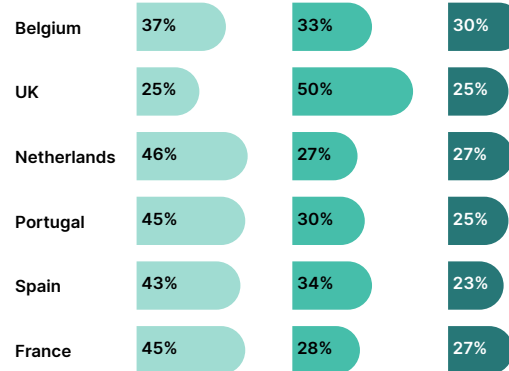
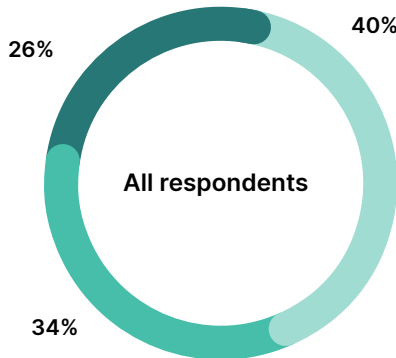
Question: Which of the following online shopping experiences would you expect your favourite brands to offer in the future?



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Metaverse awareness.

Question: Have you heard about the metaverse?



Profiles of leading brands.

Retail exemplars across Belgium, France, Spain, the Netherlands and the UK, ranked by the Value Chain Index, as defined by RetailX.

RetailX uses more than 300 metrics to assess the performance of retailers, brands and marketplaces selling direct to consumers. These metrics assess how retailers invest in their businesses through the Customer, Product, Operations and Capital Value Chains. The Total Index Value (TIV) represents the sum of each retailer's results across all metrics, with a higher TIV indicating a stronger performance across the Value Chains than other retailers in that year's performance ranking.



Company at a glance

Company: El Corte Inglés
Website: www.elcorteingles.es
HQ: Spain
Founded: 1935

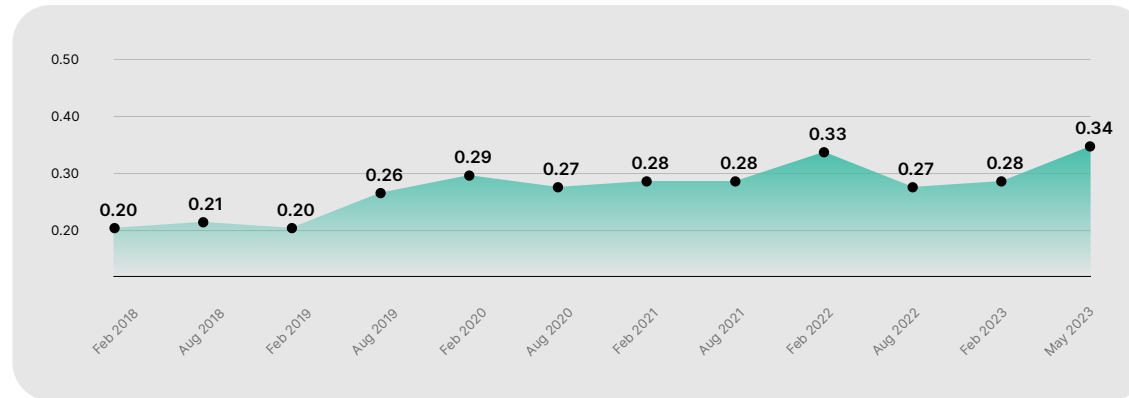
With a focus on digitisation, Spain's department store El Corte Inglés is truly becoming an omnichannel giant.

Spanish department store giant El Corte Inglés is part of the wider El Corte Inglés group. It operates 81 El Corte Inglés department stores but the group also includes 37 Hipercor hypermarkets, nearly 200 Supercor Supermarkets, a travel business and insurance division, as well as 500 own stores and international franchise stores operating under the Sfera fashion brand which became part of the El Corte Inglés Group in 2020.

The group employs almost 80,000 staff and has more than 767 million visits to its websites and apps a year. In 2021 it generated a revenue of Euros 12.6 billion.

El Corte Inglés originally took its name from a small tailor's shop founded in 1890 in Spain which was in 1935 by Ramón Areces Rodríguez, backed by his uncle, César Rodríguez. Additional space was added over the next few years, as the department store business evolved. By the 1960s El Corte Inglés had also opened stores in cities including Barcelona, Seville and Bilbao and continued its expansion until the mid-90s[1].

Overall index value, El Corte Inglés (%), 2018-2023



The company has a strong omnichannel approach, having focused on the digitisation of the business as it looks to boost its share of online sales. The core El Corte Inglés website offers a wide range of fashion, homewares, technology or sports.

A mobile app launched in September 2020, providing access to more than 1.7 million SKUs across all departments as well as special offers and personalised content tailored to the shopper. Customers can search for items in forums or by scanning bar codes and can pay using the ECI store card from the app in one click or by scanning a QR code. While shopping instore customers can also use the app to require home delivery, pay for parking or request appointments.

El Corte Inglés has tracked fairly consistently on the overall index. In May 2023 it was 0.34. Its consistency is impressive, showing that they have maintained performance even as others have improved around them.

The company is a well – established retail giant that knows how to do the basics well – from customer service to delivery.

Fast delivery has always been a key focus. It launched a Click&Express feature in 2015 which allowed customers to buy online and receive the order in under two hours, or the time slot they'd chosen.

In 2020 the retailer launched the El Corte Inglés Plus flat fee, allowing customers to pay a flat fee of Euros 19.90 for year-round home deliveries.

Today it offers same-day delivery within two hours or at the selected time for more than 300,000 SKUs in 54 cities in Spain. It also offers Click&Car, allowing curbside pickup at the store chosen by the customer, and traditional instore pick-up.

References

[1] elcorteingles.es/informacioncorporativa/en/about-us/history-of-the-group/history/

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Company at a glance

Company: ASOS

Website: www.asos.com

HQ: UK

Founded: 2000

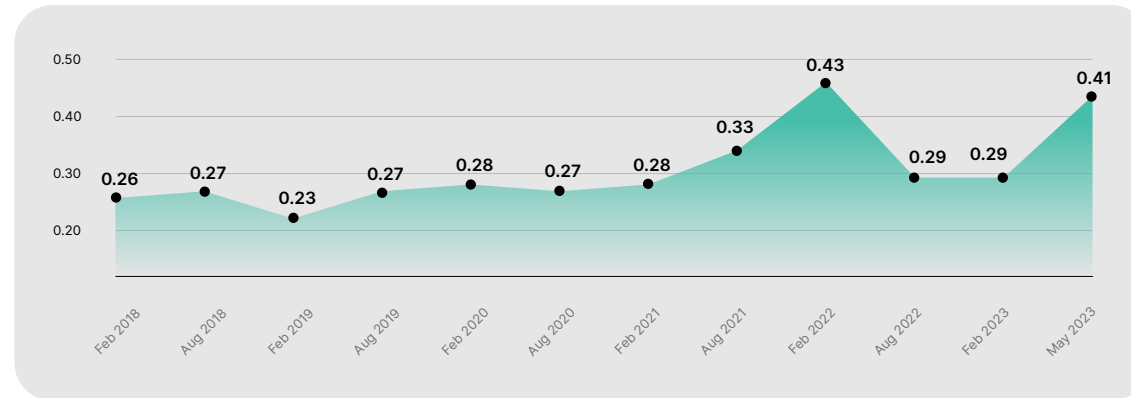
From its TV-inspired beginnings ASOS has since grown into an international fashion giant for 20-something fashion lovers.

British clothing giant ASOS originally launched with the name As Seen on Screen in 2000, at that time selling goods and fashion seen on films and TV.

It became known as the shortened ASOS in 2002 and has since grown into a fashion powerhouse and home to multiple iconic brands. Its presence allows shoppers from almost any country in the world to shop from more than 70,000 products. Its app and website are available in ten languages and more than 200 markets.

The ASOS mission is to become the world's number-one destination for fashion-loving 20-somethings but to do so with a focus on what it calls "fashion democracy". It claims it exists "to give you the confidence to be whoever you want to be". This means a focus on body positivity with its ASOS Brands – created by its London design team and which include ASOS Design, ASOS Edition, ASOS collabs and ASOS 4505 – offered in more than 30 sizes to ensure a fit for all at the same price. ASOS also owns brands such as Topshop and Miss Selfridge after buying them from Arcadia in 2021[1].

Overall index value, ASOS (%), 2018-2023



ASOS works with more than 200 models to represent its wide audience and says that it never digitally alters their appearance by reshaping or removing stretch marks, for example.

It also pledges to operate an 'always in beta' philosophy. In reality, this means a desire to push boundaries. As well as free delivery and returns it embraces new technologies – such as its visual search technology which allows customers to snap or upload an image of something they've seen that inspires them.

Using the ASOS Style Match functionality, for example, customers can search the ASOS range to show the closest matches to the item they have seen.

Other helpful technologies include the Fit Assistant, designed to offer a personalized size recommendation based on similar shoppers and bespoke measurements.

As well as traditional payment methods, customers can also pay for goods via Buy Now Pay Later options through Klarna and Clearpay. The business is supported by state-of-the-art fulfilment centres in the UK, US and Germany.

At ASOS we see an overall upward trend on its overall index value, hitting 0.41 in May 2023 and making it the best performer of the six retailers we've analysed in this section of the report. ASOS is working hard to turn around business and boost customer spend, and its score is reflective of such moves.

The company is currently in the midst of a cost-cutting programme after being impacted by consumers in their target markets reducing spending as a result of the cost-of-living crisis.

References

[1] www.theguardian.com/business/2021/feb/01/asos-buys-topshop-topman-miss-selfridge-arcadia

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MYPROTEIN

Company at a glance

Company: MyProtein
Website: www.myprotein.com
HQ: UK
Founded: 2004

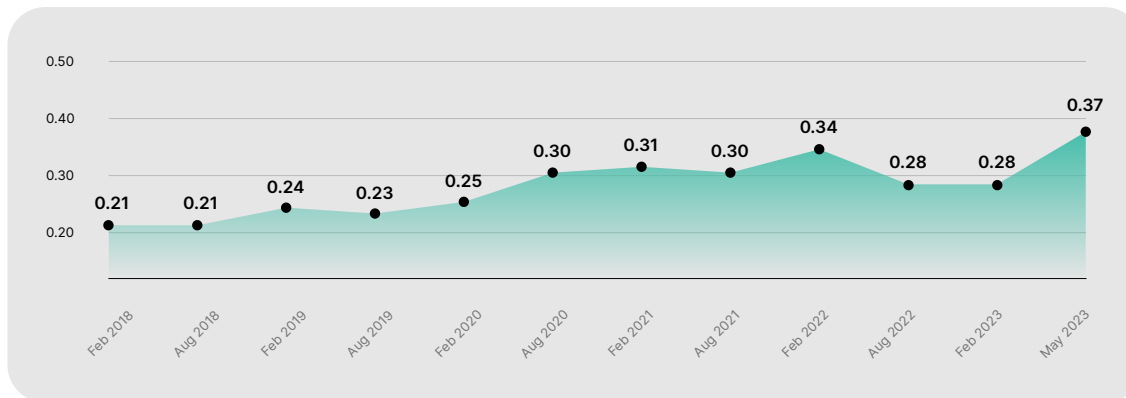
Online sports nutrition brand Myprotein is attracting investor interest as companies look to redefine their nutrition offerings.

Myprotein is an online sports nutrition brand founded in 2004. Today it is part of THG (formerly the Hut Group). Myprotein sells a range of sports nutrition products, including protein powder, vitamins and minerals, high-protein foods, snack alternatives and performance clothing.

Myprotein claims to be Europe's number one in the sector, operating in 70 countries based out of offices in Manchester in the UK. The company's rapid growth has caught the attention of investors. In April[1] investor Kelso Group increased its stake in THG – after first investing in January – and called on THG to consider the spinout of the Myprotein business. Kelso Group believes that the company could ultimately end up being owned by one of the large global food and beverage companies as they look to improve and widen their nutritional and wellness offers.

All Myprotein goods are produced in-house, which the company says allows it to cut third-party costs and deliver great prices and quality. Quality assurance comes from advanced testing measures delivered through its state-of-the-art production facilities, allowing Myprotein to deliver on purity promises, the company claims.

Overall index value, MyProtein (%), 2018-2023



But developing its customer community is also important for the Myprotein brand. As well as its nutrition and performance fabric sportswear ranges, Myprotein also offers a range of educational content, such as nutritional know-how, recipes, workouts and more across the company's blog and social media to support customers on their fitness journeys.

To further improve customer engagement with the brand Myprotein offers a range of additional benefits to customers. Its subscribe & gain feature allows customers to save up to 50% on their favourite products. Meanwhile, through its train & gain programme customers can refer a friend and earn additional credit to spend online.

As part of the THG group, Myprotein says it has an unparalleled fraud team and technologies in place, including adaptive behavioural analytics. When suspicious orders are identified they are reviewed by a team of fraud and cyber investigators who will decide on their authenticity.

Delivery prices start from £3.99 for standard delivery (or free on orders over £45) and £5.99 for the premium service (or free on orders over £65). Myprotein's overall index value hit 0.37 in May 2023, its highest in the five years we have tracked its progress. With its strong focus on content, customer engagement and a powerful grip of its operations the retailer has seen consistent growth on within the index and it's likely to be a continuing trend.

Myprotein also offers a new Eco Delivery[2] service where available, in which the last mile of the delivery journey is completed sustainably either by foot, bike or electric vehicle.

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Company at a glance

Company: Probikeshop
Website: www.probikeshop.fr
HQ: France
Founded: 2005

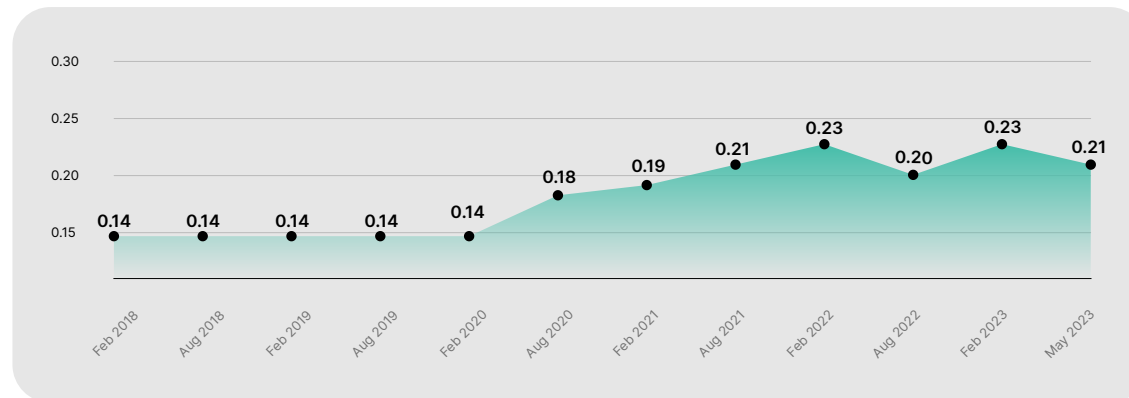
Specialist retailer Probikeshop serves the needs of all cyclists whatever their ability may be.

Probikeshop is a French specialist bike and biking goods retailer. It operates online websites in France, Spain, Italy, Portugal, Switzerland, Germany and Belgium and claims to be the leading bike retailer in Southern Europe and France.

Since its launch in 2005, Probikeshop has served the needs of all riders, pledging to welcome all abilities – whether it's an Olympic downhill champion or a novice cyclist who is looking for advice. Probikeshop says that it prides itself on its ability to offer expert advice, guidance and products for every bike discipline – from road to mountain bikes and urban to electric bikes - supported by a passionate riding team of consultants and cycle technicians.

Probikeshop was bought by bicycle and outdoor ecommerce company Internetstores Holding GmbH, owned by Signa Retail, which is based in Berlin in Germany, at the beginning of 2017. The Signa Sports Group[1] was formed as a subsidiary of Signa Retail shortly after, with more than two

Overall index value, Probikeshop (%), 2018-2023



million customers visiting the brick-and-mortar stores in the group at the time and more than eight million online visitors surfing the company's websites each month.

Probikeshop now falls under the remit of Signa Sports United[2], which is listed on the New York stock exchange and owns more than 80 online stores, including cycle fellow retailers Wiggle and Chain Reaction Cycles acquired in 2021 and Bikester.

Probikeshop's rise up the index tracks fairly closely to market trends. So while its score lingered at 0.14 until February 2020, we then see it starting to peak just as bicycle lockdown fever hit and around the same time as its parent company bought other cycle retailers and began to consolidate learnings from the different brands.

The retailer offers more than 350 brands across bikes, cycling clothing and equipment and bike parts and promises that all products are in stock. It offers free shipping at home delivery for purchases above Euros99 in many of its markets, as well as a 30-day returns period.

Customers can pay via several methods including credit and debit cards such as Visa, Mastercard and American Express and PayPal. It also offers the option of paying by bank transfer within four days of ordering in markets except for Switzerland and Greece.

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Company at a glance

Company: Blokker
Website: www.blokker.nl
HQ: Amsterdam
Founded: 1896

With more than 100 years of heritage Blokker is now part of the Mirage Retail Group.

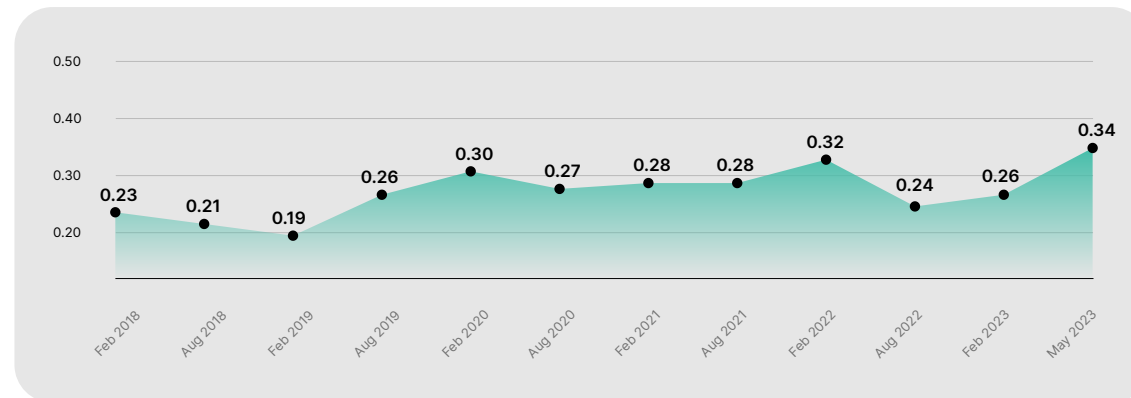
Blokker is a Netherlands-based homewares retailer with more than 400 company-owned and franchise stores. The ecommerce side of the business also sells items from a wider range available from more than 300 external sellers through the Blokker Connect! closed marketplace platform.

Blokker was originally founded by Jacob Blokker and his wife Saapke in 1896 with their first store opening in Hoorn. In the 1930s the product focus shifted to household goods and stores opened in the Randstad under the name Gebroeders Blokker. National expansion followed soon after.

The online business and stores are served by a largely automated 120,000 sq m distribution centre in Geldermalsen staffed by more than 400 employees. Its online and store distribution centres were amalgamated into the Geldermalsen depot in the summer of 2019[1] after management of the online and offline operations moved to the same head office in Amsterdam in January of that year.

Blokker is part of Mirage Retail Group (MRG), one of the largest retail companies in the Netherlands which comprises Blokker, BCC,

Overall index value, Blokker (%), 2018-2023



Intertoys and Miniso and employs more than 8,000 staff in total. At the end of 2021[2] it was revealed that Mirage was postponing a planned IPO which had previously been announced in 2019, after uncertainty caused by the pandemic. In March 2023[3] the group announced it was cancelling the IPO completely after rising costs meant that it wouldn't hit its financial targets.

Blokker has an expanding partnership with Ochama, a subsidiary of Chinese retail giant JD.com which was the first physical retail store from the JD giant in Europe. Ochama sells food as well as part of Blokker's complementary cookware range to customers via its app and now also has Ochama Pickup Go points in four Blokker stores, including Amstelveen, The Hague, Zoetermeer and Rotterdam.

Our analysis covers the 2019 period that the retailer consolidated its store and ecommerce operations and we see an upward curve of improvement since then, finishing with a 0.34

overall index score as of May 2023. Initiatives such as the delivery trials show a constant hunger for innovation from the brand which helps to ensure it stands out from competitors.

Blokker also has various ongoing delivery trials. In Leeuwarden Blokker employees are using electric tricycles to deliver packages to customers picked from the store warehouse to deliver on the same day. In Rotterdam, meanwhile, the company is offering the Blokker range on the Thuisbezorgd.nl platform to allow customers to receive their goods within two hours.

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Company at a glance

Company: Krëfel
Website: www.krefel.be
HQ: Belgium
Founded: 1958

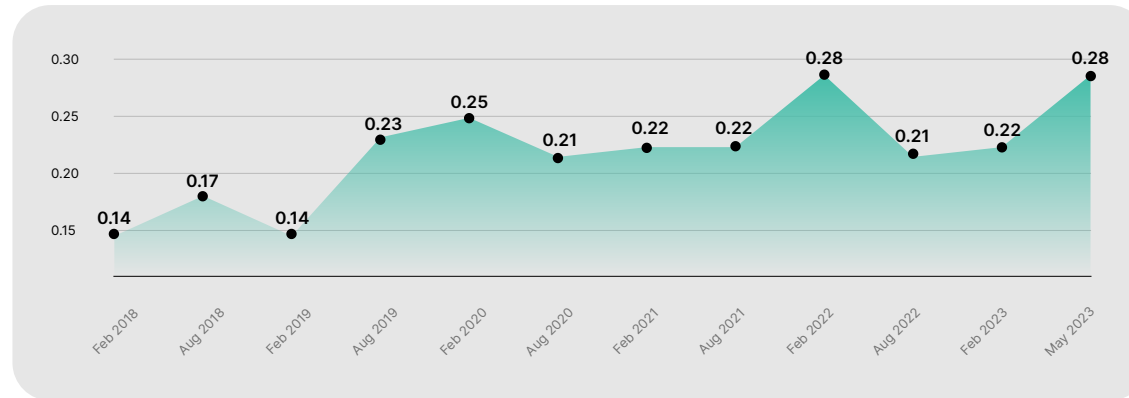
Since its 1950s formation Krëfel has grown to become an electronics specialist showcasing the latest technology.

Krëfel is a domestic and electrical appliances retailer with stores in more than 75 towns and cities in Belgium. The company was originally founded in 1958 by Auguste Marcel Poulet, who saw a gap in the market for a mail-order business selling domestic appliances. Since German-sounding household appliances had a good reputation Poulet decided to name the company after a German town called Krefeld. The brand Krëfel was born.

During the '60s Poulet built the business and extended his product range to include TVs, washing machines, fridges and ovens. In 1965 he opened his first store, located in Schaerbeek. The early stores were less than 60 sq m in size.

By the 1980s the business had expanded to around 30 stores, including its first 1,000 sq m store. It opened its first 4,000 sq m megastore in Anderlecht in 2006. Today the company's 75 state-of-the-art showrooms average around 3,000 sq m in size, showcasing the latest in electronics and domestic appliances as well as its own range of kitchen items.

Overall index value, Krëfel (%), 2018-2023



The company's headquarters in Humbeek, Belgium, meanwhile now cover 45,000 sq m and recently saw the installation of 2,200 solar panels on the roofs of its offices and depots on the site to help improve the company's ecological footprint.

In 2019[1] the company was bought by its French-owned competitor Boulanger, for an undisclosed sum although the Krëfel brand and business model has remained. One of the key intentions[2] of the Boulanger takeover was to help Krëfel to build its omnichannel business using Boulanger's app and website knowledge.

Krëfel's overall index value has doubled during the five-year analysis our chart covers, rising from 0.14 in February 2018 to 0.28 in May 2023. The growth is indicative of the work of its owners Boulanger and its ambition to share the learnings of its own business with Krëfel.

Online Krëfel offers payments via a range of methods including Bancontact, Mastercard, Visa, PayPal, American Express and Klarna. Customers can also pay for more than 1,700 eco products via EcoCheques[3], a tax-free green employee vouchers scheme launched in 2009 that allows Belgium consumers to use the vouchers to buy products which reduce their energy consumption. Customers can also use the Krëfel Budget Card Maestro to pay by instalment, either online or instore.

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Conclusion.

Predicting the future of retail is never easy, especially when customer sentiment and behaviour can turn on a whim. And that's before the influence of the macroeconomic factors which, in the current climate, are having a very big impact on how consumers think, feel and spend.



With a comprehensive consumer survey in six major European markets, we've sought to help you better understand consumer needs today, tomorrow and in the future. What we have seen, unsurprisingly, is a price-sensitive consumer who is looking for value at all levels. This report determines not only consumer spending patterns but their hunt for offers as it remains one of the main reasons why they stay loyal to certain retailers.

Sophisticated marketing strategies have their place, as consumers want the hard work done for them. They expect their favourite brands to offer personalised discounts that help them to cope with the inflationary environment.

They aren't the only ones facing the ravages of inflation – retailers are too. This means that brands can't chase price alone. Instead, they need wider, comprehensive strategies that are focused on offering the best customer experience – even if their clients might not always be particularly vocal about such needs.

This report encompasses everything from the best ways to capture customers' attention when it comes to tempting them to buy new products, to offering simple cross-border commerce for the shoppers that want it.

With the current challenges that consumers face, the focus on price is obvious, but it doesn't excuse poor retail. Customers still want a frictionless experience that makes their online shopping journey easier, quicker and more of a delight. That means an intense focus on every part of the process - from ensuring seamless payments, including local payment methods in the target markets, to offering the latest shopping experiences that your customers expect, such as live shopping or the metaverse.

While the road ahead may be challenging, it also presents exciting opportunities. The ecommerce industry is undergoing significant transformation, driven by cutting-edge technology and consumer demands. But armed with the right knowledge you can prepare for tomorrow and, most importantly, embrace the future.

There are exciting times ahead for brands that are ready to take up the challenge and shape the future of retail.

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