

# The Future of Digital Shopping is Here

Mark Roper

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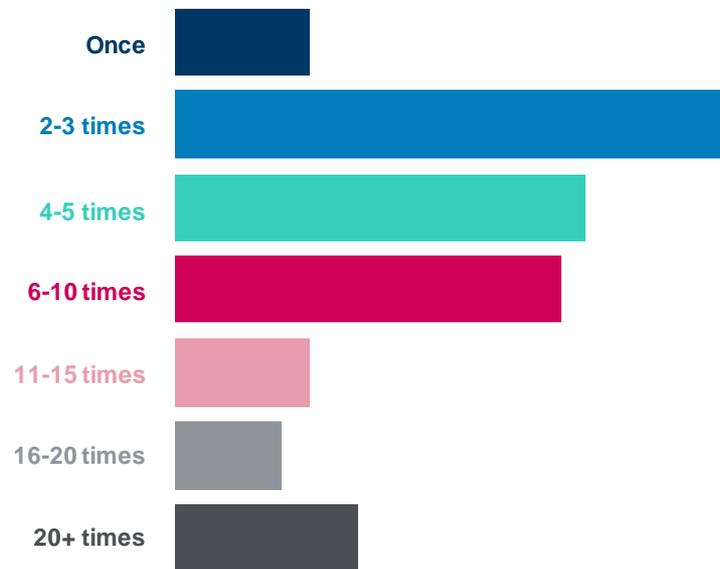
# 2020 shopping – the impact of Covid-19

## Frequency of online shopping over the last three months



In 2020, consumer shopping behaviour was altered by force

- Stay at home orders and non essential shop closures
- All generations impacted
- New online shoppers created
- Modest users shopping more frequently
- Online spending increased overall



# Digital shopping is here to stay

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- 1) **55%** of consumers now shop online more frequently than they did during the pandemic – and for frequent online shoppers, this figure rises to 65%.
- 2) **60%** have seen an increase in their online spending since the Covid-19 outbreak began, increasing to **71%** for frequent users.
- 3) **Over half (54%)** say the pandemic has changed their expectations of online shopping. **52% are more likely to search out for discounts.**
- 4) Easy to find pricing (**66%**), **clearly displayed discounts (63%)** and accurate product descriptions (62%) are the top three things consumers look for from a retailer's website content.
- 5) **Half** of all consumers say an experience without adverts or interruptions would 'stand out', while 35% would say the same about only seeing products and offers relevant to them.
- 6) **44%** say they tend to make at least one unplanned purchase with every online transaction – and 49% will **buy more if products are suggested to them based on their history.**
- 7) **A strong loyalty programme**, a visually appealing website and personalisation are the top three drivers for spending more.
- 8) Consumers are more likely to become a repeat customer if they're offered free delivery (62%), lower comparable prices (53%) and an easy returns process (62%).
- 9) **69%** say it is important or very important that retailers have good environmental credentials – and **49%** will even pay more if a brand is environmentally friendly

# Shoppers' expectations of e-commerce have grown



**Over half (54%)** say that the pandemic has changed their expectations of online shopping – and there are myriad ways their expectations have shifted



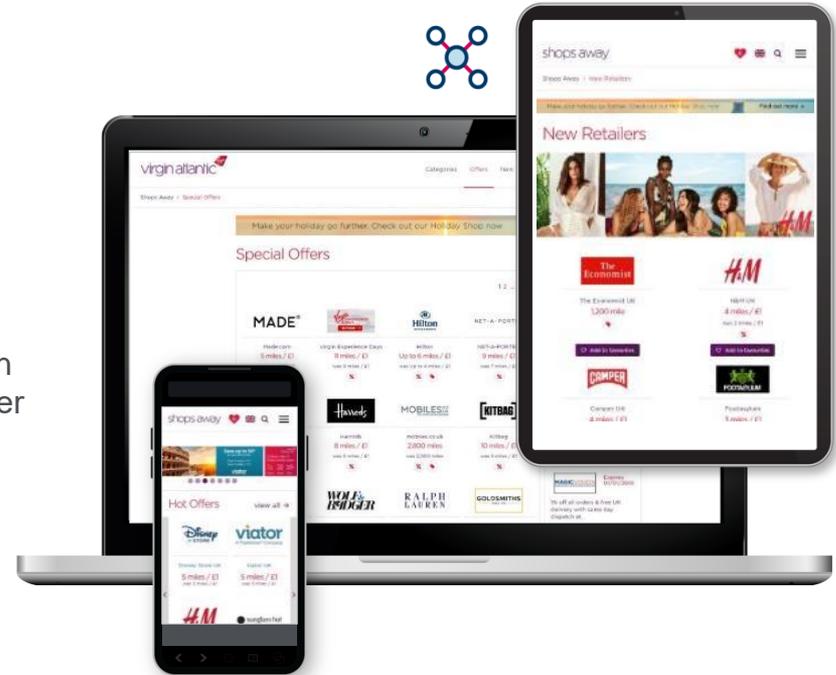
**Seven in ten (70%)** consumers say they are more likely to shop elsewhere if they can't find products quickly on a retailer's website



**Nearly two-thirds (62%)** would abandon a transaction on check-out if they discovered the retailer doesn't offer free returns or free delivery



**52%** say they are more likely to look for discounts and offers than they were before, with this number sitting at **57%** for the frequent shoppers



# Delivering a great online shopping experience



**Over half (55%)** say it is more important that a website is secure and their payment details are kept safe, climbing to 59% for frequent shoppers



**38%** now place more value on having fewer steps in the check-out process, saying they will abandon a cart if the checkout process is slow– rising to **44%** amongst frequent users



Easy to find pricing (66%), clearly displayed discounts (63%) and accurate product descriptions (62%) are all highly valued



**35%** would like to see only products and offers relevant to them





## Creating a repeat shopper

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For long-lasting success in a difficult economic climate, retailers need to ensure they turn as many customers as possible into repeat shoppers.

They also need to take every opportunity to maximise shoppers' basket value.

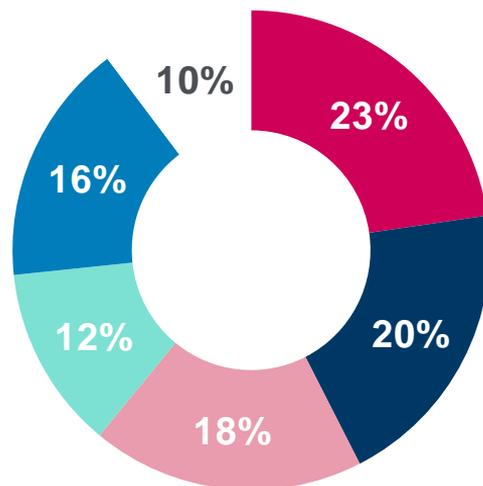
- **44%** of consumers saying they make at least **one unplanned purchase** with every online transaction
- **49%** agree they're more likely to buy if products are suggested based on their previous purchase history

**'Buy more' purchase influencers: include being offered a loyalty programme, and a well-designed, appropriately personalised experience**

# Frequency of purchase rewards offer browsing

Before you shop, what % of the time do you check for merchant cashback offers on your card?

- 100% of the time: "always"
- 80% of the time: "often"
- 60% of the time: "most of the time"
- 40% of the time: "some of the time"
- 20% of the time: "occasionally"
- 0% of the time: "never"

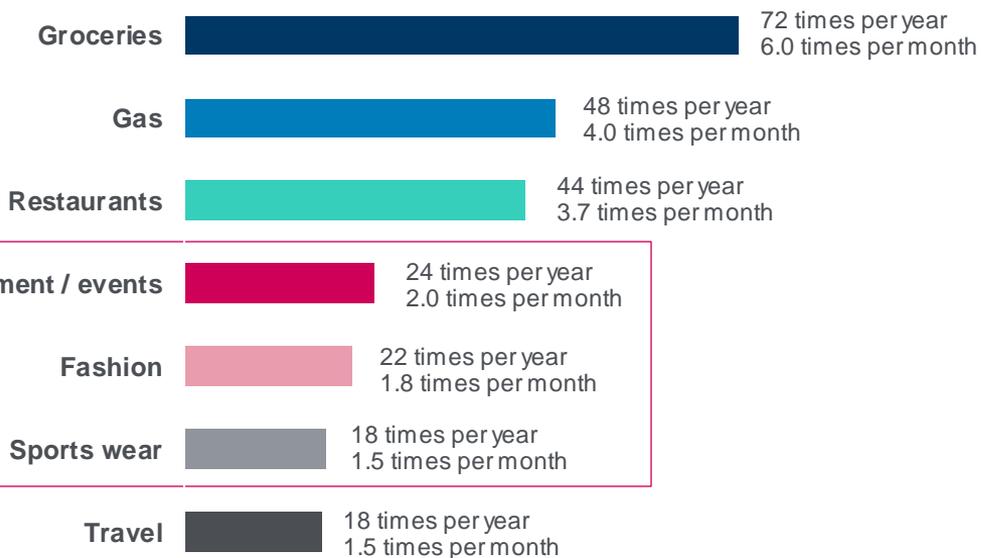


- Of those American consumers that have activated a merchant cashback offer in the last 12 months, 23% will always search for available cashback offers when they shop
- On average, they search for merchant cashback offers 58% of the time; in other words, "most of the time"
- This means the average American consumer that has activated an offer in the last 12 months is more likely than not to check for other available offers each time they shop

# Card Linked Offers work

- **Online deal hunting is changing.** Blanket cash back offers replaced by merchant specific offers
- **29%** of consumers who prefer exclusive merchant offers spend to earn cashback much more frequently
- On average, the number of times they shop non-essentials such as fashion, sports wear or entertainment is 8 times a month – 3x more than consumers that prefer the other cashback forms

## How frequently do you earn cashback by spending on the following?

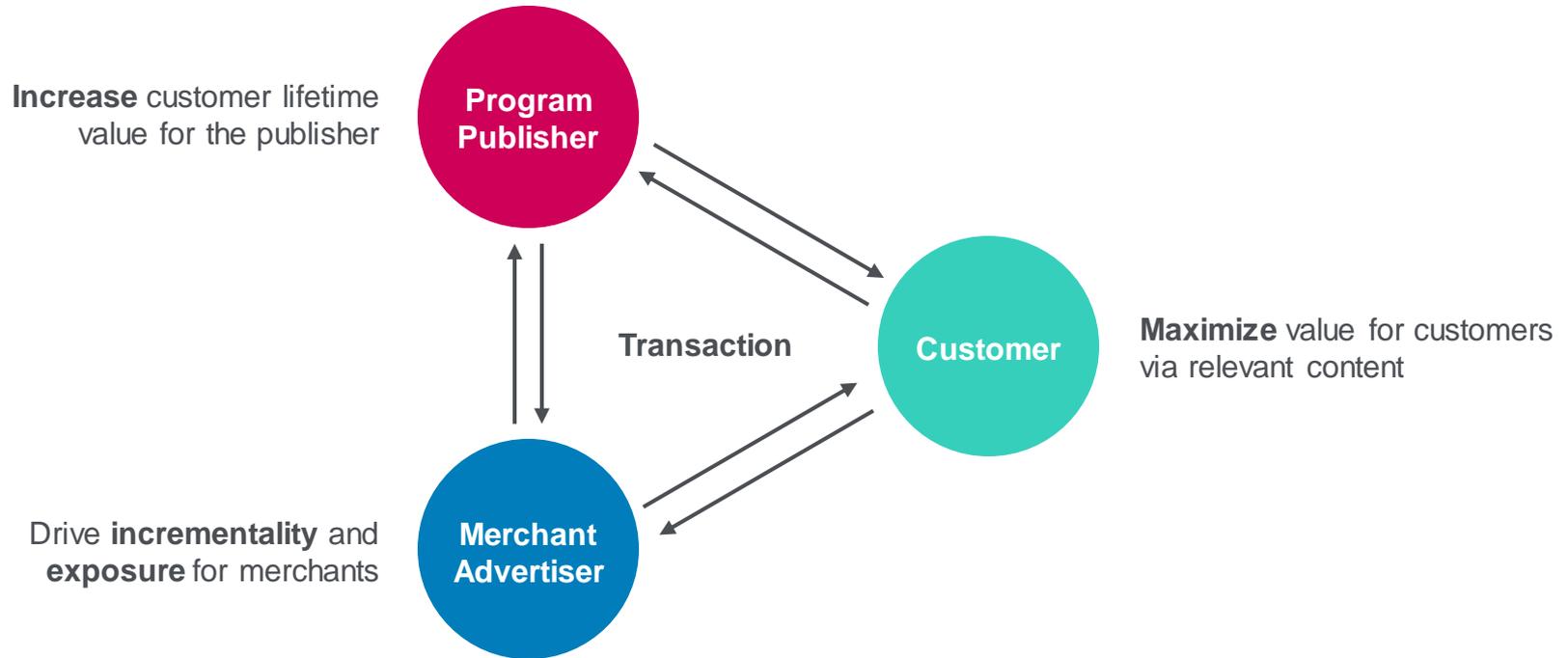


# The Valuedynamx approach

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# Building a dynamic value exchange

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# Converging digital commerce solutions

We provide products and rewards that enable our client brands to more frequently engage their customers, leading to more profitable and long-term relationships

- **Right audience:** 39 client deployments, 300m+ audience
- **Right offers:** network of 50,000+ retail partners
- **Right information:** Data driven targeting & card linking capabilities driving future acceleration



# Actionable data insights across our ecosystem

## The Value Exchange : Purchase data and Behavioural data

### Consumers

Machine learning models will be used to **Target & Personalise**. Identify preferences to predict and target **best offer** at the **optimal conversion rate** at the **best time** across the combined product propositions.

### Merchant Partners

Enhanced data will improve **ROI reporting**, merchant reach and sharing actionable insights to increase offer conversion.

### Program Partners

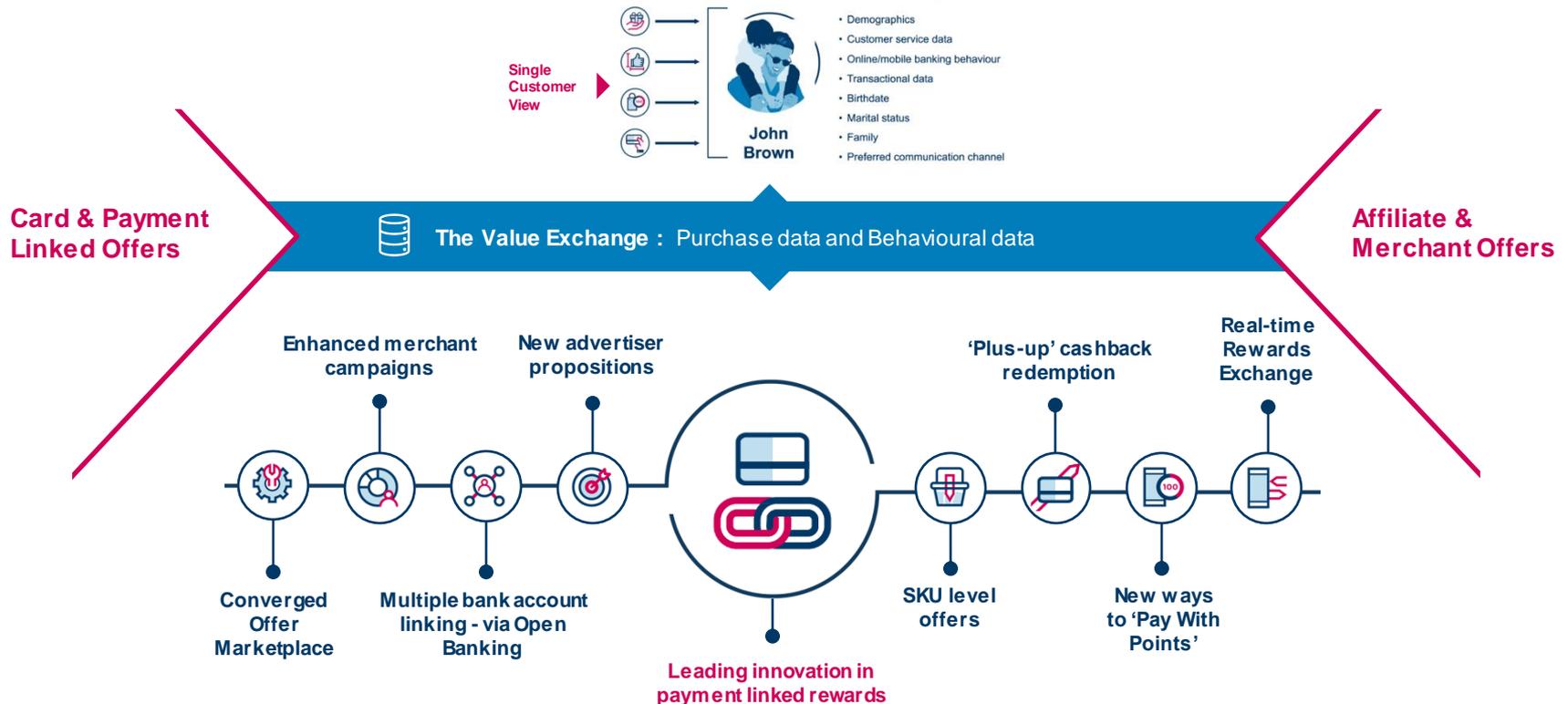
Higher ROI across all exposure channels supported by personalised marketing, content and customer journeys.

Single  
Customer  
View



- Demographics
- Customer service data
- Online/mobile banking behaviour
- Transactional data
- Birthdate
- Marital status
- Family
- Preferred communication channel

# Delivering on the digital agenda



# Questions?

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