

ONLINE CONSUMER INSIGHTS REPORT

2021 EDITION

This report includes data on consumer sentiment for ecommerce trends in fulfillment, omnichannel, Amazon and more. Consumer insights into the COVID-19 pandemic are also included.

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An interactive, digital
version of this report
can be found here

KNOW YOUR CUSTOMERS

Throughout the year, Digital Commerce 360 tracks consumer habits, perceptions and preferences for the leading ecommerce topics through a series of detailed surveys. Each survey polled online shoppers. This second edition of the Ecommerce Consumer Insights Report includes a summary of the key findings from these surveys.

Each section of the report includes the most notable insights, analysis and data from several consumer and retailer surveys conducted throughout 2020 on the most important ecommerce topics. This unique combination of consumer and retailer data provides valuable insights into what the current online shopper thinks, and how it applies to retail in 2021.

ABOUT US

Digital Commerce 360 is a leading media and research organization that delivers daily news and competitive data across e-retailing and B2B ecommerce. Building on the reputation of Internet Retailer® which we introduced in 1999, Digital Commerce 360 is an expert in ecommerce best practices and publishes a wide range of products including reports, webinars, and data on thousands of global ecommerce companies.



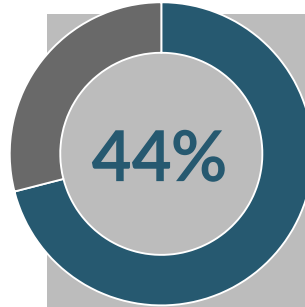
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CONSUMERS & COVID

At the onset of 2020, the coronavirus swept through the United States, closing down stores and pushing consumers to shop online more than ever. While retail sales continued to slow, ecommerce sales took off. For Q1 2020, U.S. consumers spent \$146.47 billion online, up 14.5% from the previous year, according to U.S. Department of Commerce data. It wasn't until Q2 2020 that the full effect of the coronavirus became apparent for the retail industry.



Ecommerce sales soared 44.4% in Q2 2020 this year, likely the result of COVID-19.

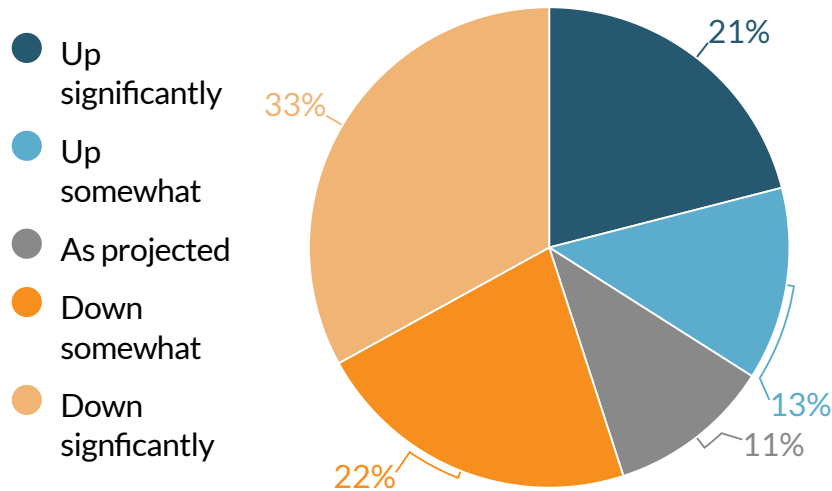
In mid-March 2020, at the end of Q1, physical stores temporarily closed as lockdowns were put into place across the U.S. In Q2 2020 versus the same period in 2019, ecommerce sales soared 44.4%, growing to \$200.72 billion from \$138.96 billion the year previous. Meanwhile, total retail sales only grew 2.2% to \$964.47 billion, according to Digital Commerce 360's analysis of U.S. Department of Commerce data.

"While the pandemic wreaked havoc on retail, there was a new reliance on ecommerce accelerating its growth as retailers met the moment with curbside pickup and same-day delivery, while first-time buyers discovered a new channel they may forever embrace," says Lauren Freedman, senior consumer insights analyst with Digital Commerce 360. "Both ensure future growth."

Digital Commerce 360 conducted two consumer surveys during the onset of the coronavirus pandemic, and continued to ask questions related to COVID-19 within surveys throughout the year as it became clear the pandemic was not slowing. Insights from these survey about the COVID-19 pandemic show that consumers leaned more on online shopping and many avoided physical retail locations.

Retailers see a downturn in sales

What impact have you seen to date on your ecommerce business given the spread of COVID-19?



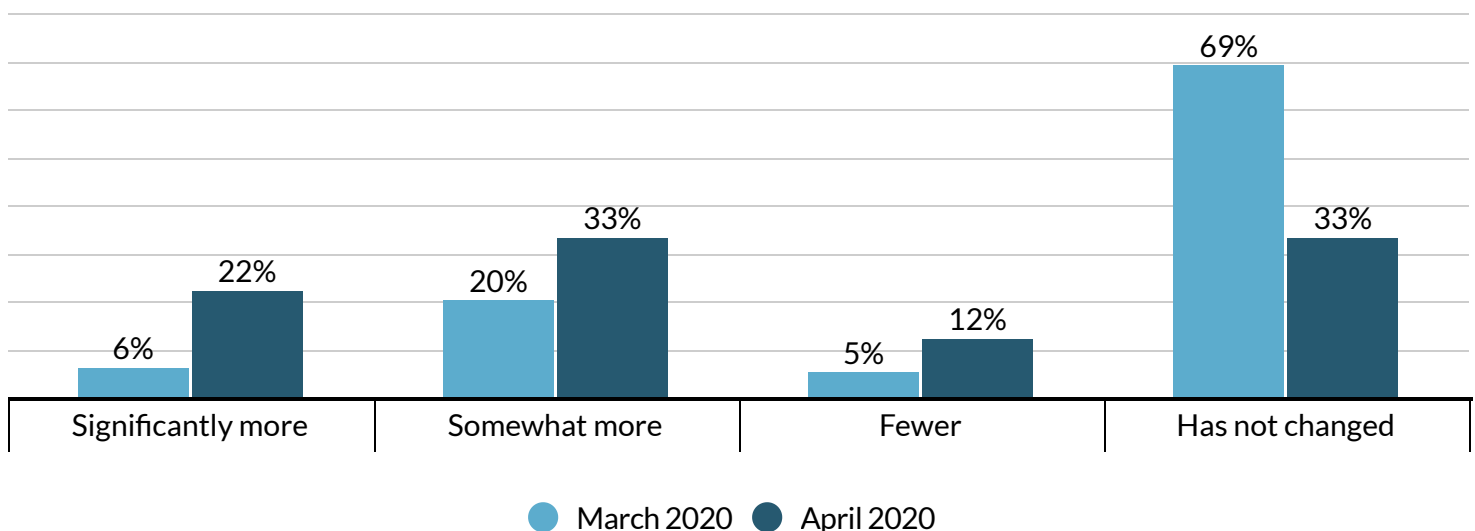
Source: Digital Commerce 360 survey of 107 retailers. April 2020

While a slight majority (55%) of retailers saw a downturn in ecommerce sales because of COVID-19 during April 2020, consumers began to increase their online spending habits.

Month over month, 55% of consumers placed orders online in April, a 29 percentage point increase from March.

Consumers rebound by placing more orders online

How has your online shopping been impacted by the coronavirus in terms of placing orders online?



Source: Digital Commerce 360/Bizrate Insights survey of 1,064 online shoppers in April 2020 and 1,046 online shoppers in April 2020

Shoppers turn to health and beauty products














Six merchandise categories saw double-digit growth in online sales in April compared with March. Health and beauty products, which include a range of items from cosmetics to vitamins, grew the most.

Accessories, shoes and jewelry saw the

least growth, whereas fewer consumers abstained from shopping in April compared with March.

"We have seen women who have never colored their hair at home turn to us now," says a Madison Reed spokesperson.

In what categories have you made purchases online over the past few weeks?
Select all that apply.

	Category	March	April	Change
	Health and beauty	1%	45%	+44
	Pets	2%	28%	+26
	Hardware/home goods/home appliances/garden	5%	24%	+19
	Apparel	13%	30%	+17
	Food/drug	39%	55%	+16
	Toys/games/crafts/musical instruments	3%	17%	+14
	Books/music/videos	11%	20%	+9
	Office supplies	6%	14%	+8
	Computers/electronics/software	4%	12%	+8
	Disease-prevention products	24%	30%	+6
	Sporting goods	3%	8%	+5
	Accessories/shoes/jewelry	13%	14%	+1
	Automotive	NA	8%	NA

**Percentages reflect the percent of consumers surveyed who purchased in the category online in the depicted month.*

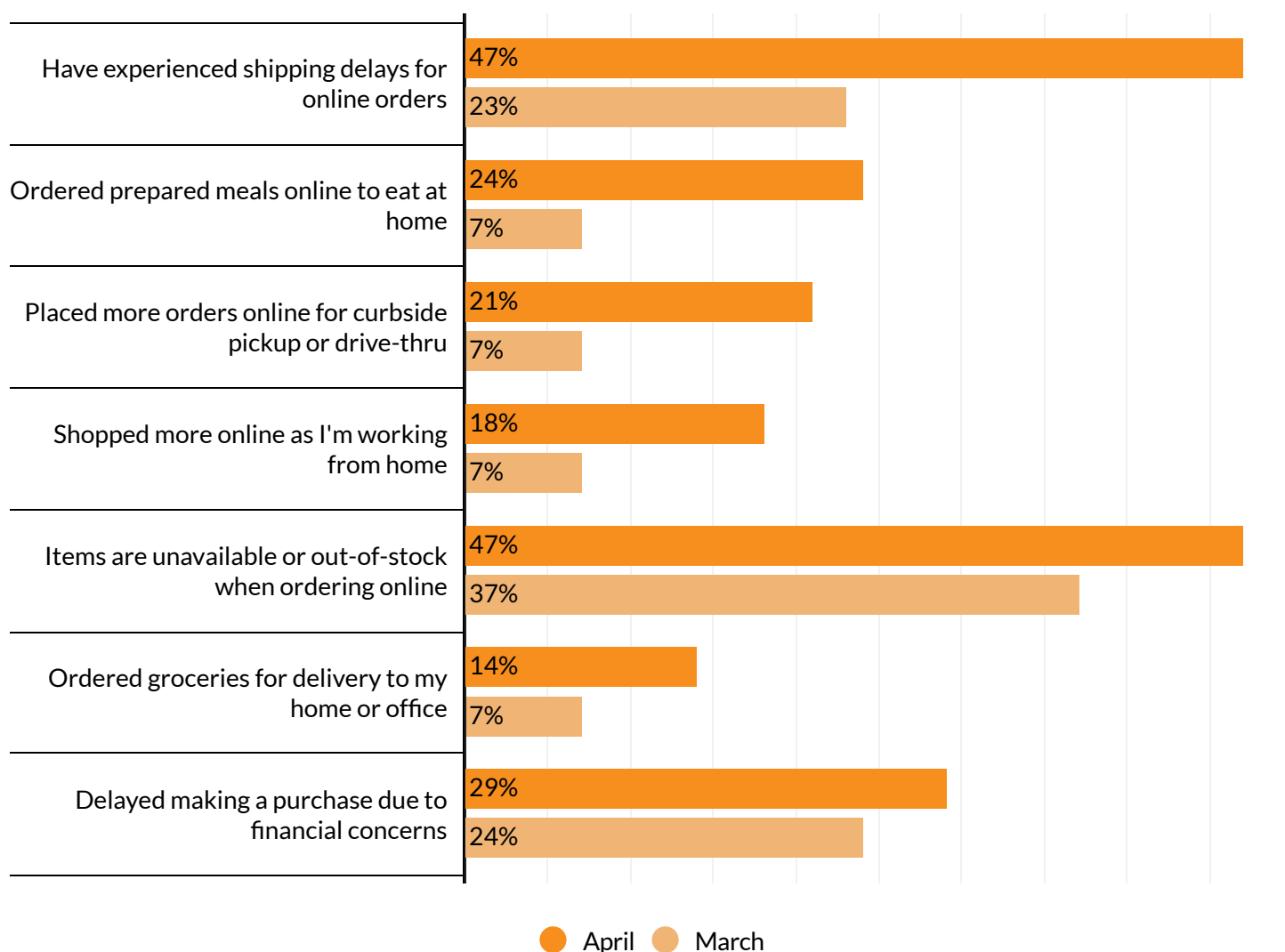
Source: Digital Commerce 360/Bizrate Insights survey of 1,064 online shoppers in April 2020 and 1,046 online shoppers in April 2020

COVID causes consumer behavioral shifts

47%

of online shoppers experienced a shipping delay for online orders in April, compared with 23% in March.

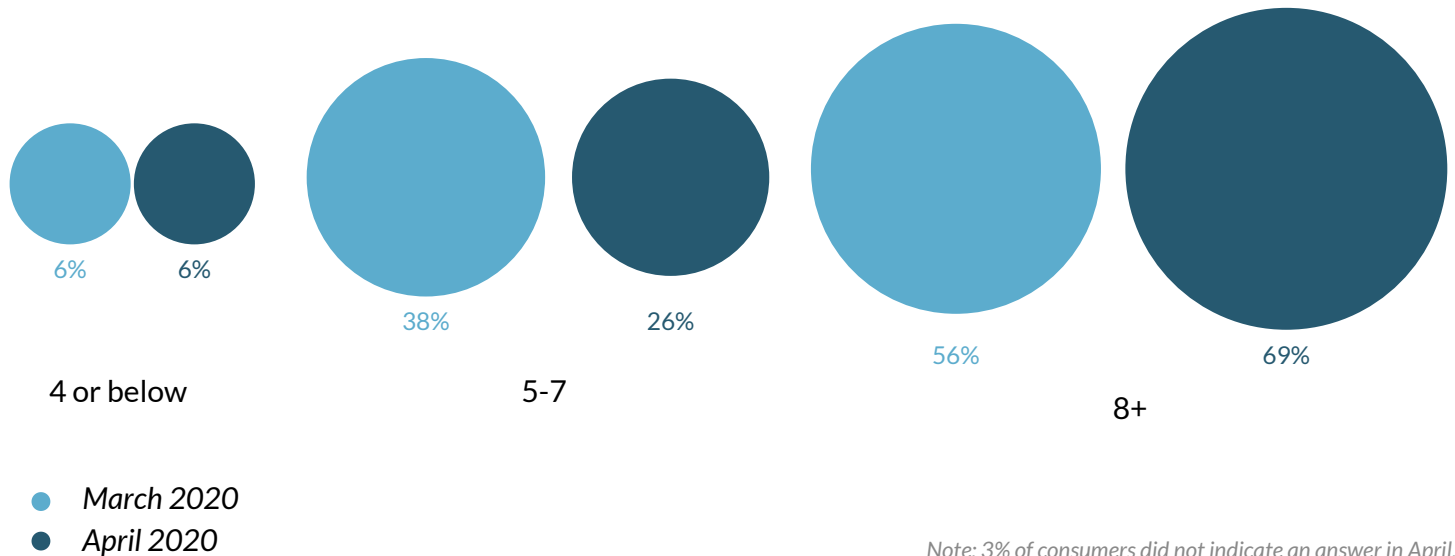
Which of the following activities occurred over the past few weeks relative to the coronavirus?
Select all that apply.



Source: Digital Commerce 360/Bizrate Insights survey of 1,064 online shoppers in April 2020 and 1,046 online shoppers in April 2020

Shoppers rate retailer performance higher in April as retailers adjust to new challenges

How would you rate the performance of retailers during the coronavirus crisis?



Consumers are mixed on future shopping behavior

How do you expect your shopping behavior will change over the next few months as a result of the coronavirus?



Source: Digital Commerce 360/Bizrate Insights survey of 1,064 online shoppers in April 2020 and 1,046 online shoppers in April 2020



An executive conversation with **Prashant Bhatia**, senior vice president, technology services, Radial

QUICKLY ADAPTING TO CONSUMERS' CHANGING DEMANDS IN A POST-COVID ECOMMERCE WORLD

Ecommerce is now the go-to shopping choice for consumers. With more using both on- and offline channels, consumers have come to expect various fulfillment options—such as click-and-collect and contactless delivery—as the new shopping normal. As a result, the lines between physical stores and online stores need to intersect. Digital Commerce 360 spoke with Prashant Bhatia, senior vice president, technology services at Radial, to discuss how succeeding in a post-COVID world means retailers must continue to adapt to change, leverage personalization through customer data and omnichannel technology, and be available for their customers on the channels they prefer.

Why now is personalization so important for retailers to embrace now?

Ecommerce channels ballooned since the start of the pandemic, giving consumers more options than ever. Retailers need to deliver personalized customer experiences seamlessly across all channels to stand out among this fierce competition. Those that embrace personalization by truly understanding the customer journey—the channels in which customers research and purchase—will win. To create a personalized experience, retailers should leverage their customer data, find out what they like and dislike, and what triggers them to purchase.

What do retailers need to do to create great omnichannel experiences?

They need to make sure they understand their customers' wants and needs, have the capabilities to provide fulfillment options—such as buy online, pickup in store (BOPIS), buy online, pickup at curbside (BOPAC) and ship-from-store. They need to create a unified experience across all channels—store, online and social. And all areas of their business need to be optimized—order management, fulfillment, in-store employees, customer service agents, and payments and fraud solutions.

Retailers should start by providing the same experience whether customers are in a physical location or online. They'll need complete visibility for inventory and order management to ensure they aren't overselling or underselling and great communication from fulfillment, inventory and customer service teams. The bar for service expectations

continues to rise, so retailers will need to measure, monitor and improve those interactions to deliver that personalized omnichannel experience.

What technology helps them provide a seamless experience?

Retailers need systems that can efficiently and effectively flow customer, product and order data between channels and teams, so customers have a seamless and enjoyable experience no matter how they engage with the brand.

A robust order management system (OMS), for example, provides intelligent fulfillment capabilities with accurate and quick reporting. This system allows retailers to streamline their order management process by obtaining a single view of orders and inventory across the entire fulfillment network, including brick-and-mortar stores, while enabling customers to order and receive from the channels that are most convenient to them.

How can retailers quickly implement omnichannel technology?

Partnering with a technology provider like Radial is the most efficient way to incorporate omnichannel technology as clients can customize our implementation processes to fit any retail business. Hiring an outsourced customer care provider is also an effective way to keep up with increased customer concerns. This will ensure your social channels are always monitored and have self-service options for customers to find the answers they seek immediately available.

Retailers and brands who can meet the change in consumer demand and purchasing habits when they occur will remain on top—but only if they keep innovating. Omnichannel is no longer an option, but a business continuity strategy.



Radial
a bpost company



Deliver on Brand Promises in 2021

2020 is a year we all want to put behind us, but there's much to learn from the rapidly evolving eCommerce market.

Click-to-Collect Services are Here to Stay: Get ready to make curbside pickup and buy online pickup in-store (BOPIS) permanent offerings. With Radial's robust OMS you can make the configurations necessary for efficient inventory management.

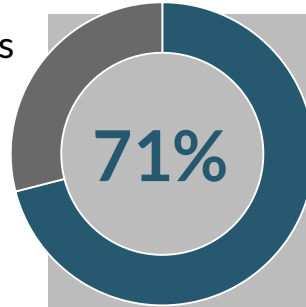
On-Demand Delivery Will Rise: Consumers like the convenience of purchases shipped directly to them. Fully embrace omnichannel strategies to provide flexible shipping options.

As you look ahead, you need a partner you can trust, we're here for you.
radial.com | +1 877 255 2857



PRE-HOLIDAY PLANS & CYBER 5

Consumer sentiment on holiday spending is mixed as some online shoppers struggle with the uncertainty of current events, including the coronavirus pandemic. However, 65% of online shoppers didn't anticipate any change in their spending, despite this uncertainty.

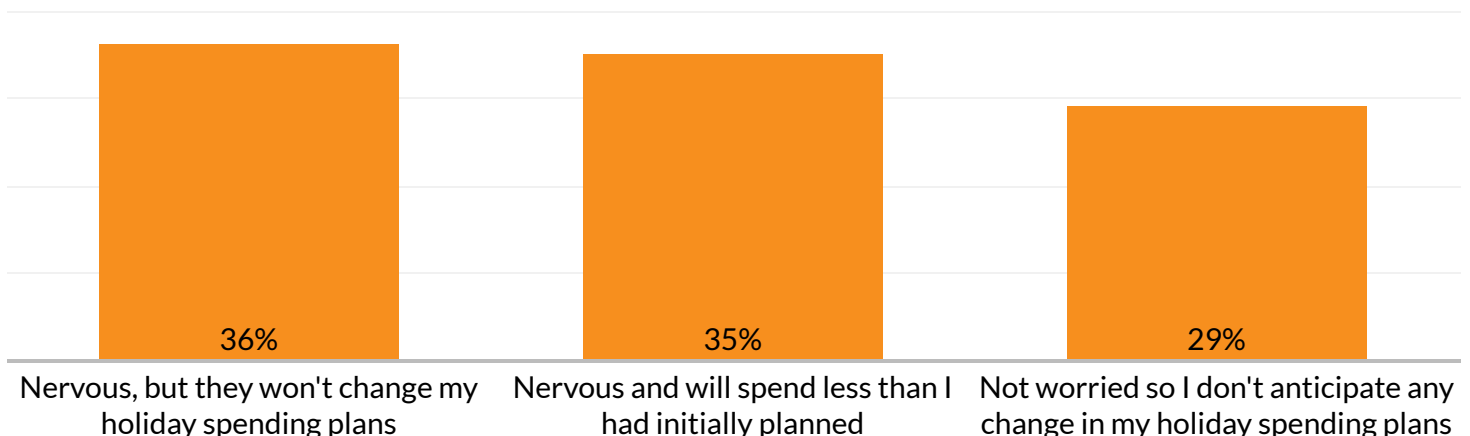


of online shoppers were nervous about the pandemic, election and other current events.

"Retailers will need to be vigilant monitoring delivery and logistics so as not to impact customer satisfaction and financials," says Freedman of Digital Commerce 360. This is a good indication of how consumers shop during high current event periods, including election cycles, holidays and unknown shifts in consumer behavior.

Digital Commerce 360 conducted one pre-holiday survey in September 2020 for the holidays, and one survey concerning the Cyber 5 shopping period in December 2020.

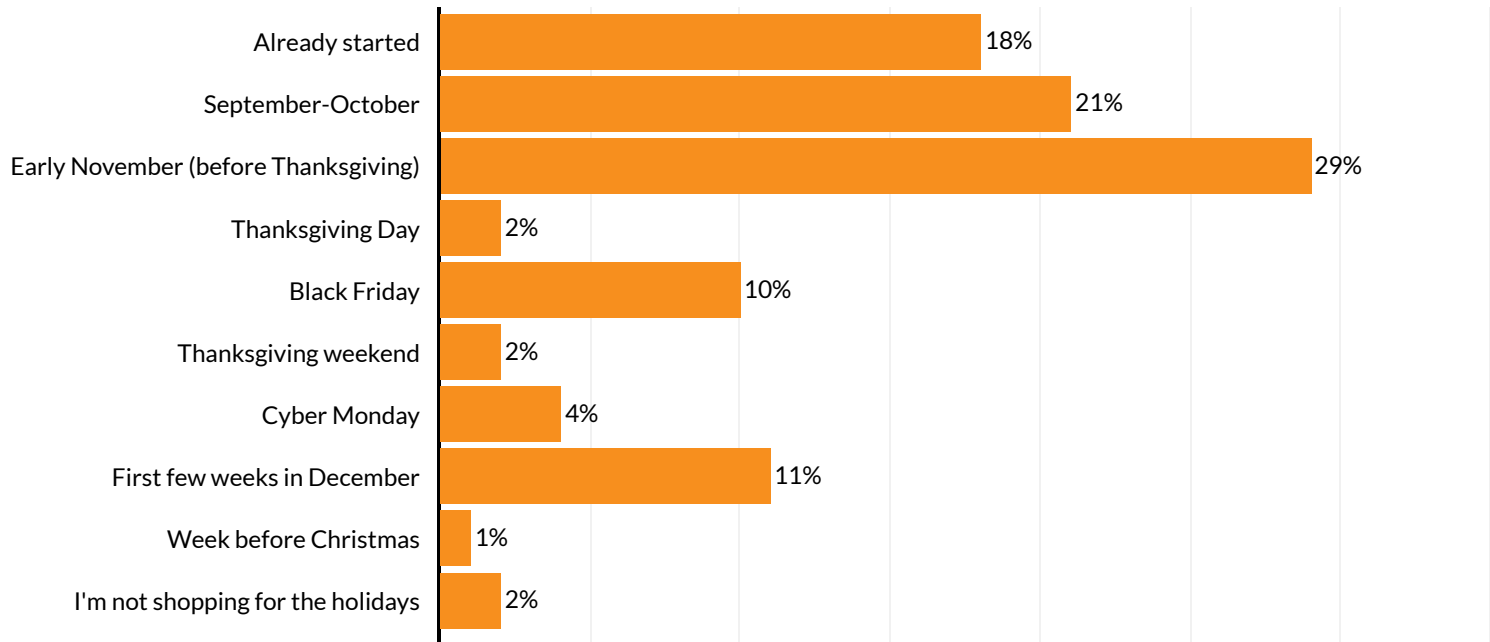
How will your spending for the holiday season be impacted by the election, pandemic and other news stories?



Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in September 2020

Timeframe for holiday shopping starts before Thanksgiving

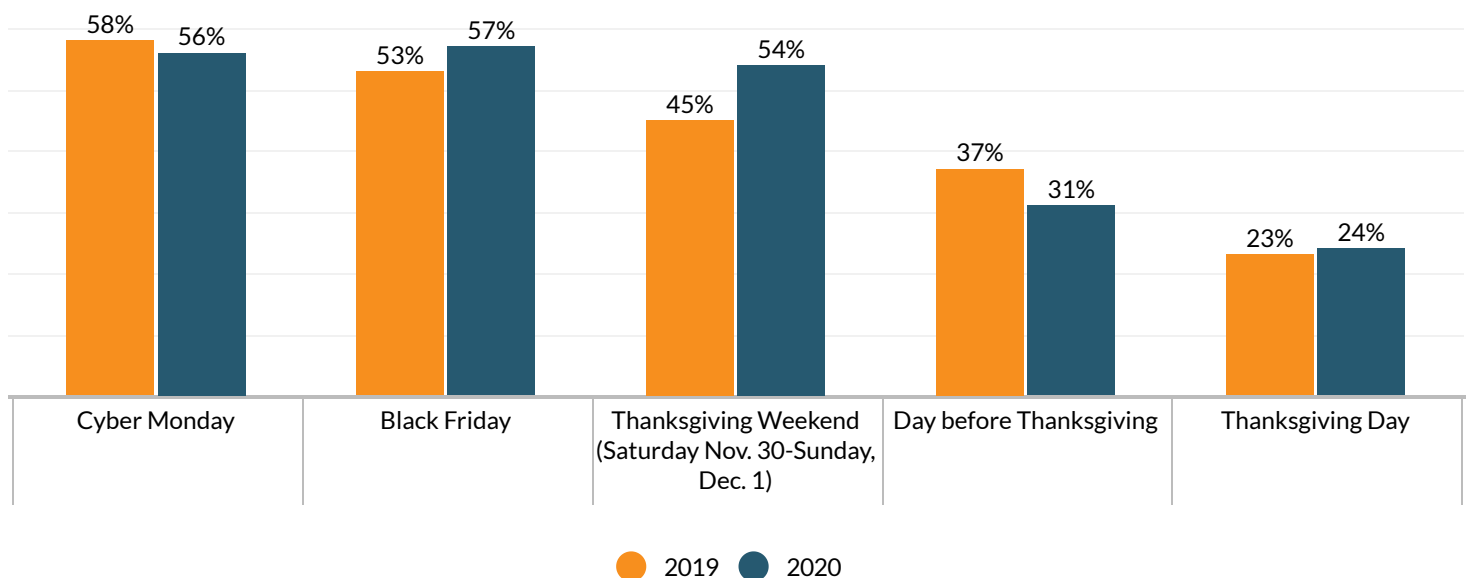
When do you plan to start your holiday shopping this year?



Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in September 2020

Year-over-year Cyber 5 shopping remained relatively consistent

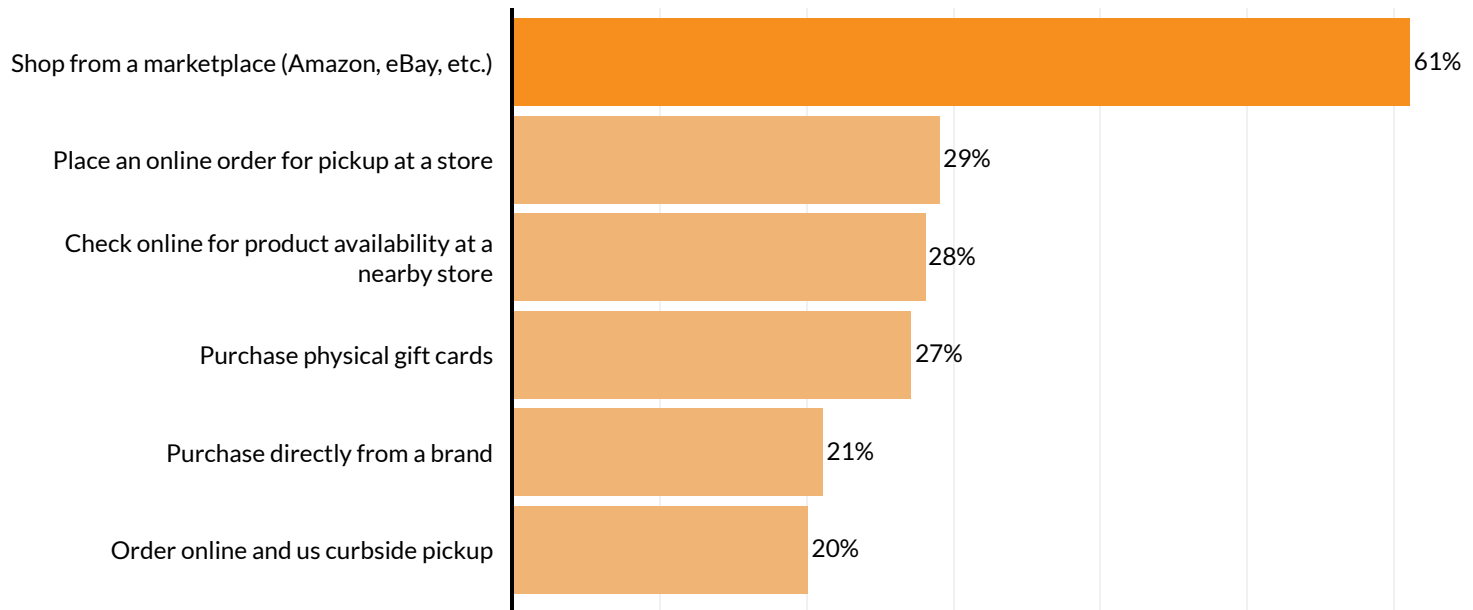
Did you shop online during any of the following times? Select all that apply.



Source: Digital Commerce 360 survey of 1,113 online shoppers in December 2020 and 1,073 online shoppers in December 2019

Marketplaces are an integral part of holiday shopping

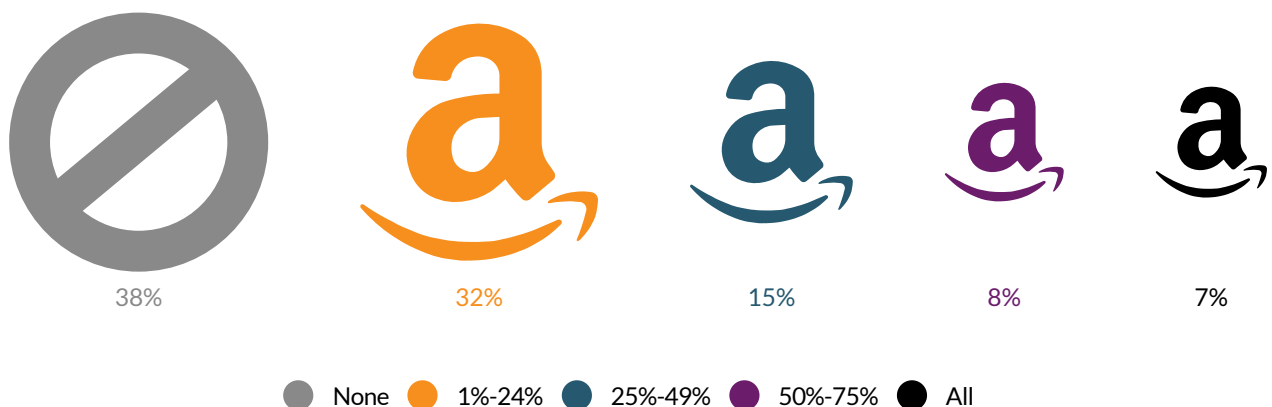
Thinking about the upcoming holidays, which of the following will likely be your online shopping experiences? Select all that apply



Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in September 2020

Half of shoppers purchased gifts on Prime Day this year, which was in October and closer to the holidays than its usual July time slot

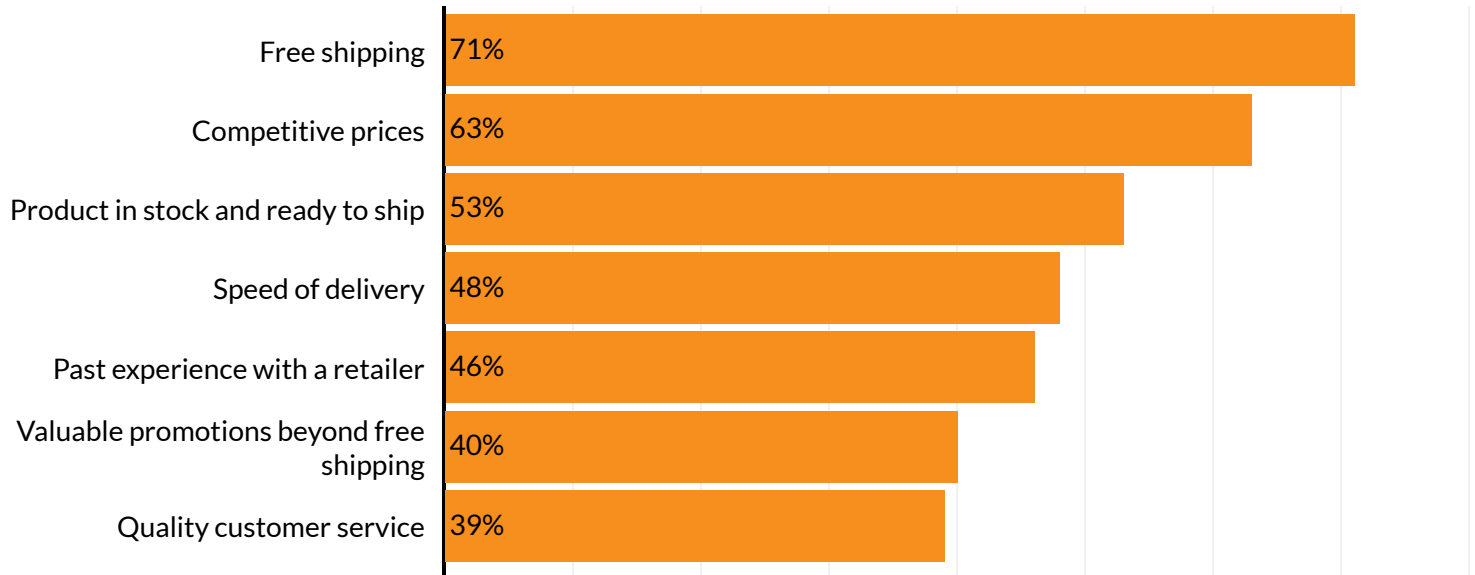
What percentage of your Amazon Prime Day purchases were gifts for the holidays?



Source: Digital Commerce 360 survey of 308 online shoppers in October 2020

Fulfillment and pricing play the biggest role in holiday shopping

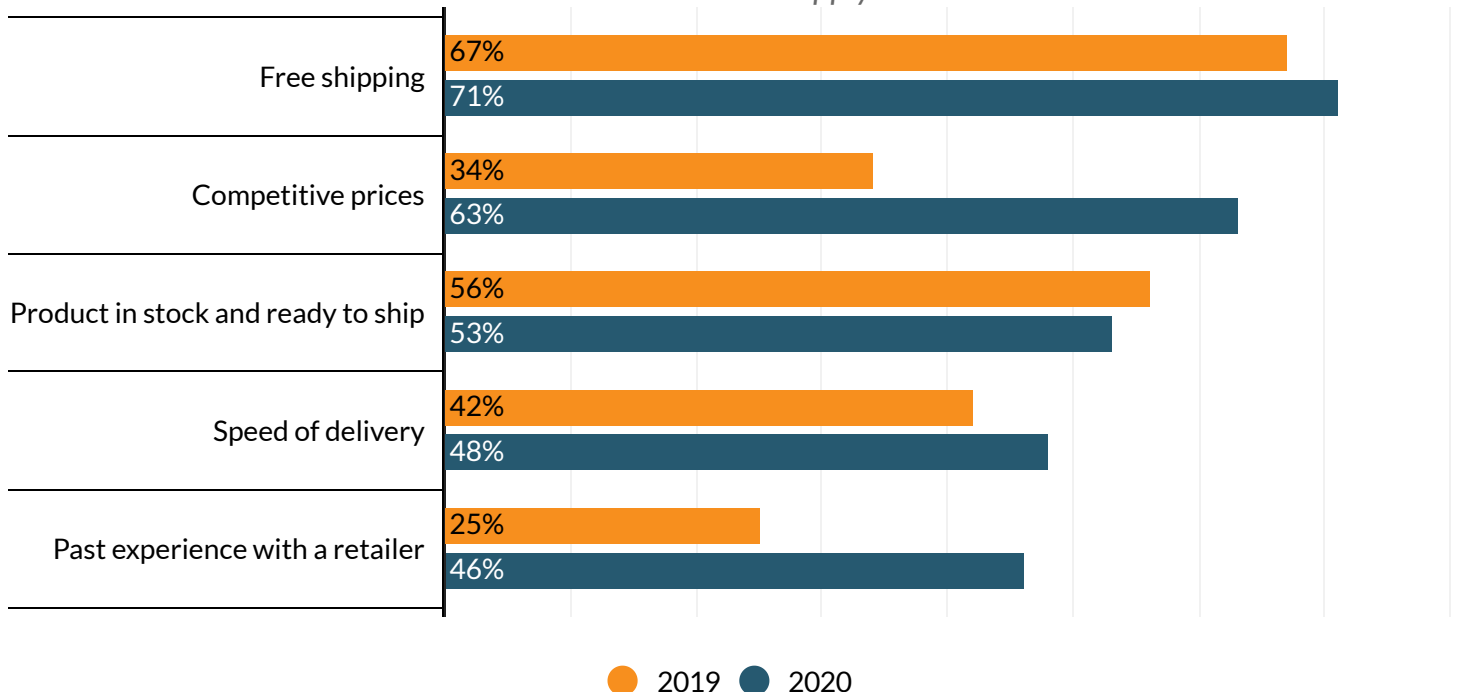
What are the most important factors in choosing an online retailer when shopping for the holidays?
Select all that apply.



Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in September 2020

Shoppers want free shipping and appealing promotions

What made you shop with particular retailers during the Thanksgiving to Cyber Monday time frame?
Select all that apply.

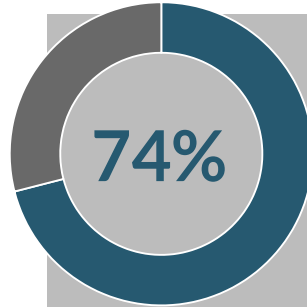


● 2019 ● 2020

Source: Digital Commerce 360 and Bizrate Insights survey of 1,113 online shoppers in December 2020 and 1,073 online shoppers in December 2019

DIGITAL TECHNOLOGY

Retailers will spend on ecommerce technology over the next year, with 74% planning to increase spending. The primary reasons for a bigger investment? To attract new customers, retain existing ones and improve conversion rates retailers say.

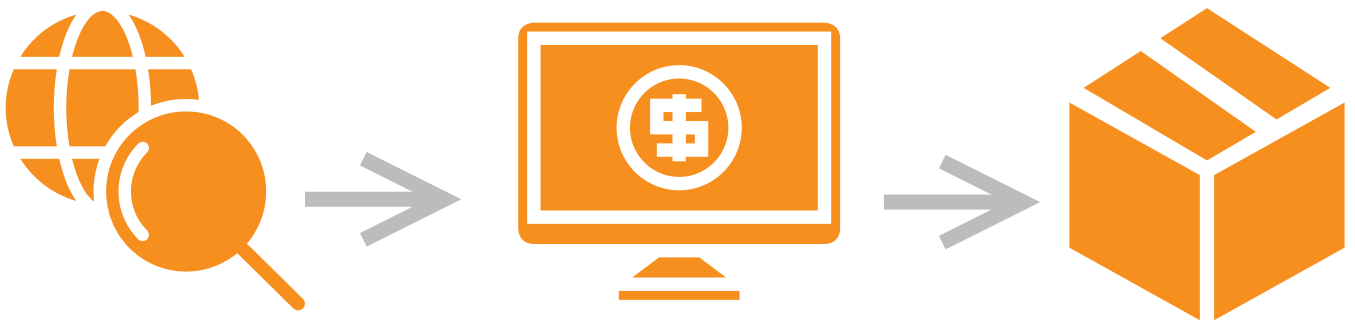


of retailers will increase their digital technology spending over the next year.

When technology isn't implemented correctly though, consumers get frustrated and leave sites. In fact, 24% of online shoppers said they failed to complete a mobile order because of slow load times.

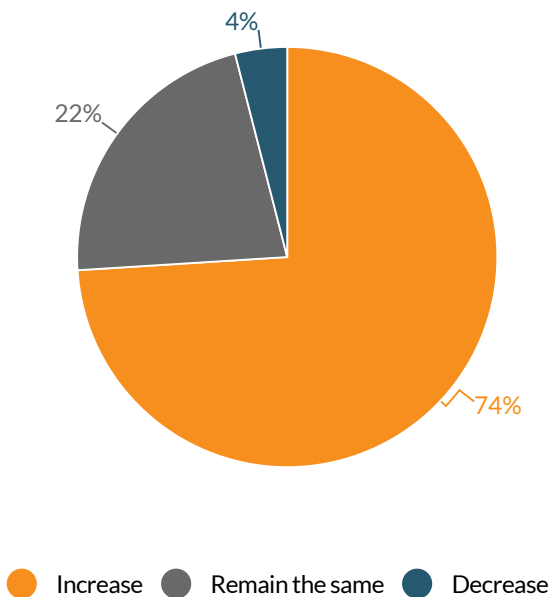
"In today's challenging and fast-moving business environment, every second counts," says Russel P. Reeder, CEO of data protection company Infrascala. "Even if your company was down for a minute, just think of the reputational damage it can cause as well as real costs when data cannot be recovered."

Digital Commerce 360 surveyed 121 retailers in August and September 2020 to find out what their digital technology plans were for the next year. In conjunction with Bizrate Insights, we also surveyed 1,058 online shoppers on what converts them from a browser to a buyer.

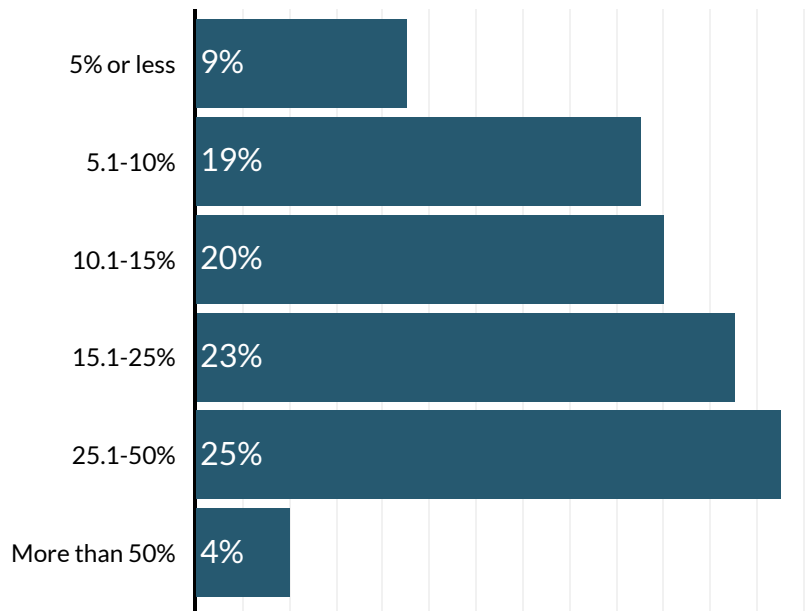


Retailers plan to spend more on ecommerce technology

Will your spending on ecommerce technology and services increase, decrease or remain the same over the next year?



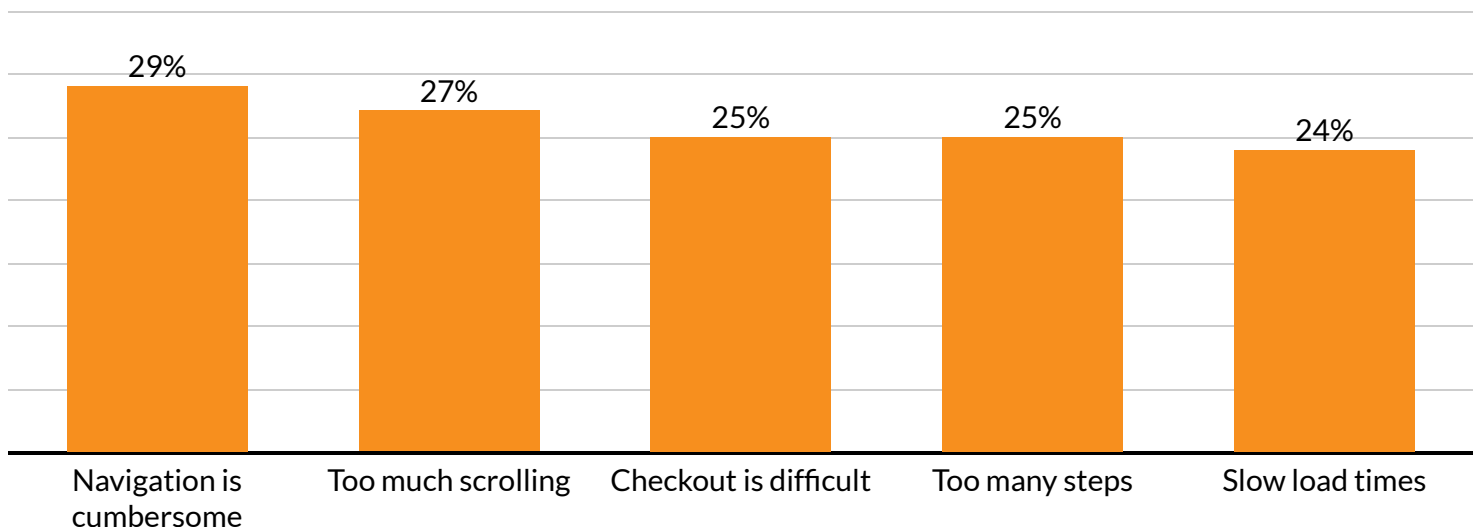
How much of an increase in ecommerce technology spending do you anticipate over the next year?



Source: Digital Commerce 360 survey of 121 retailers in August/September 2020

Consumers rebound by placing more orders online

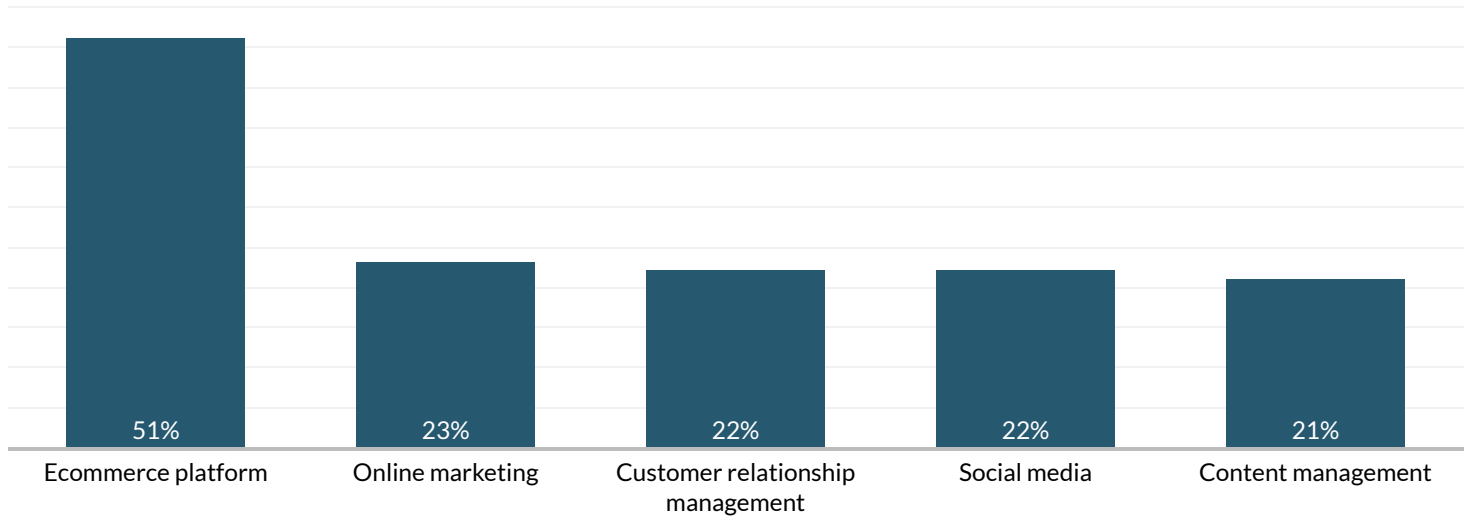
What are some of the things that prevent you from completing an online order using your smartphone?
Select all that apply.



Source: Digital Commerce 360/Bizrate Insights survey of 1,016 online shoppers in January 2020

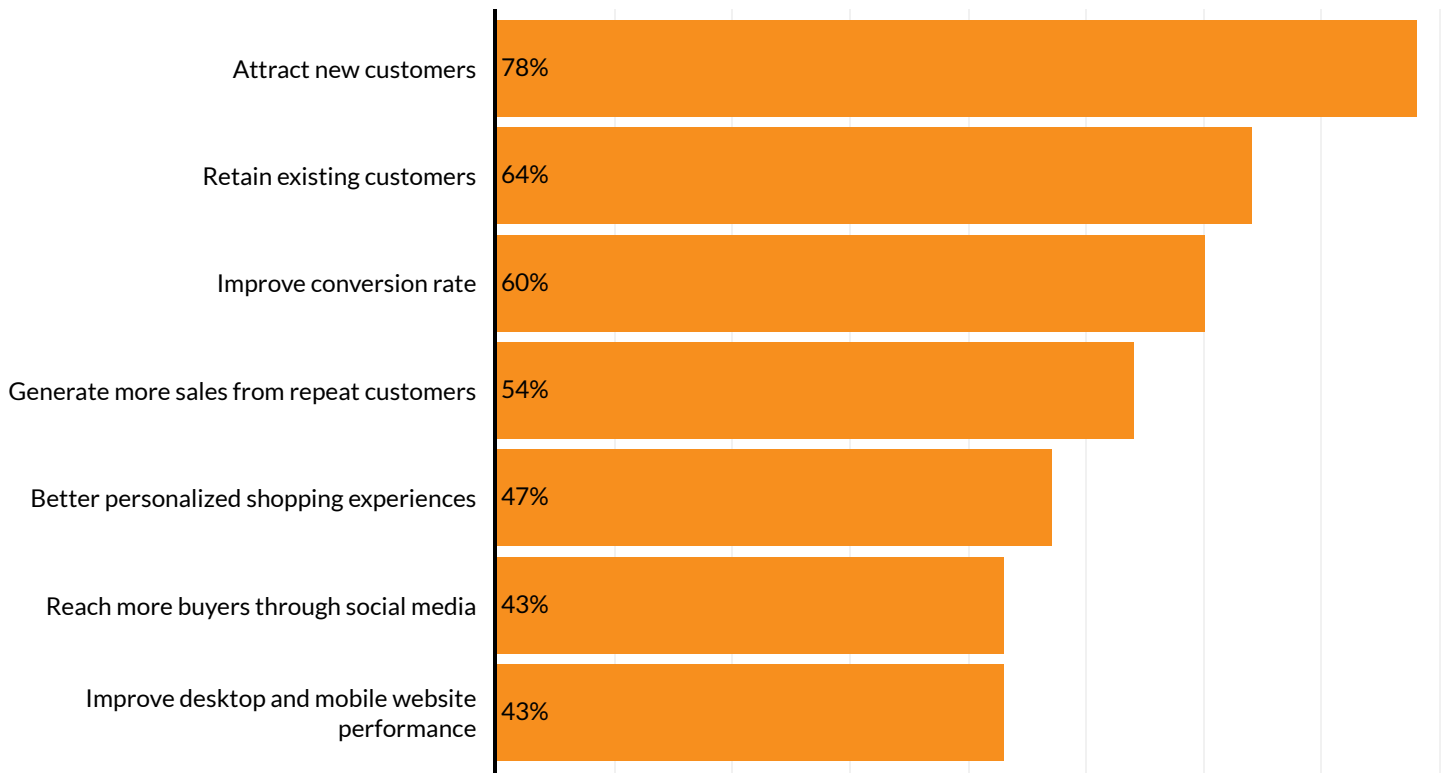
Ecommerce platforms tops the list of technology spending priorities for retailers

What are your top three ecommerce technology budget priorities over the next year?



Retailers want to attract new customers with ecommerce technology

What are the main reasons for spending more on ecommerce technology over the next year?

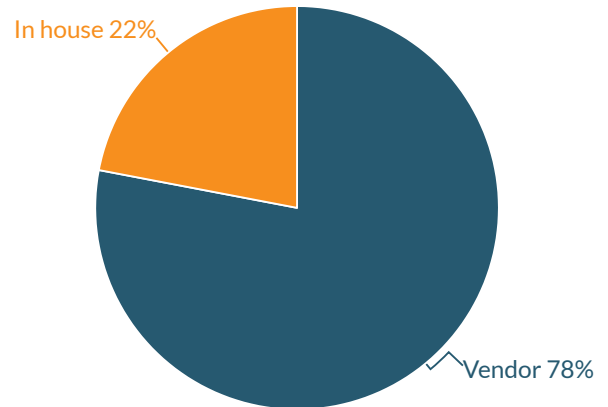


Source: Digital Commerce 360 survey of 121 retailers in August/September 2020

Retailers use vendors when implementing new technology

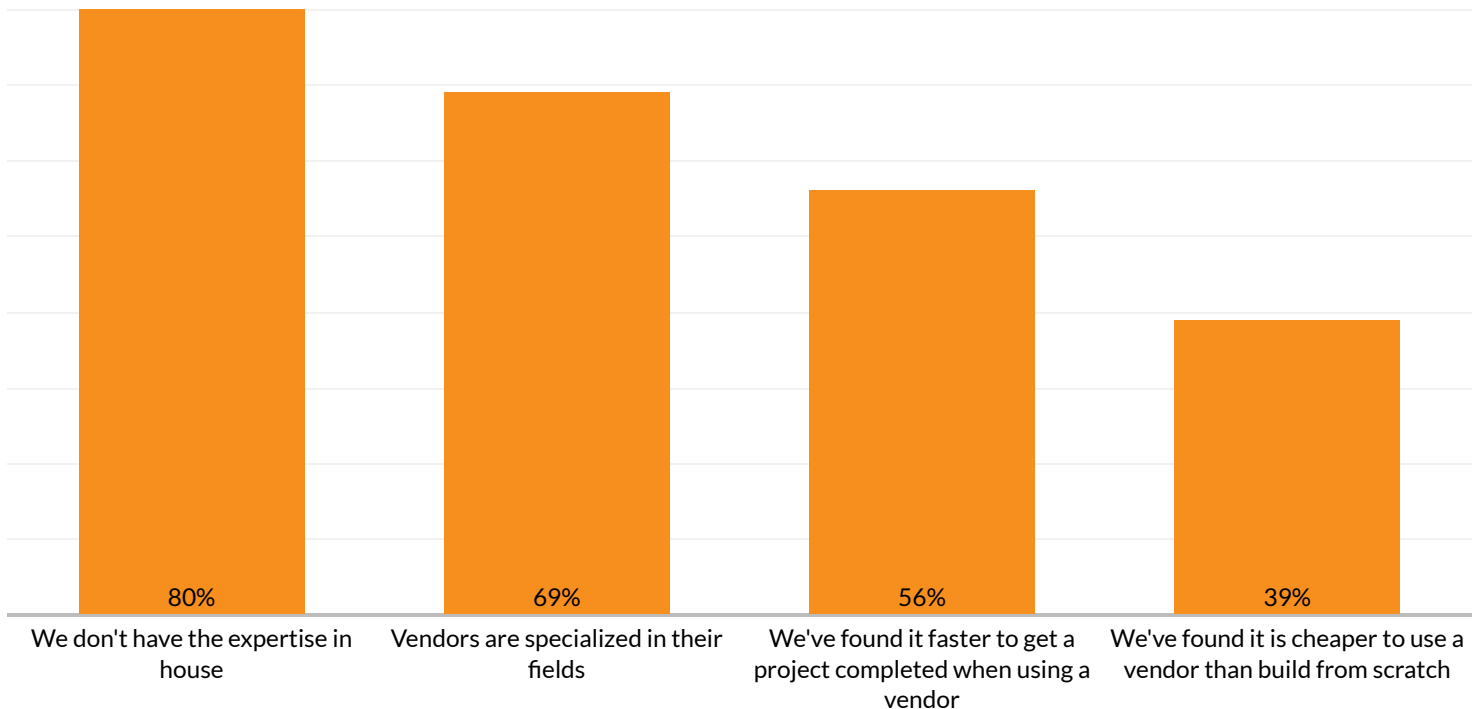
When implementing a new technology, do you typically use a vendor or try to build the technology in house?

More than 75% of retailers use a vendor when they implement a new technology. The majority do so because they don't have in-house expertise. Other retailers do so because vendors are specialized in their fields and because they found it faster to work with a vendor.



Most retailers use a vendor if they don't have in-house expertise

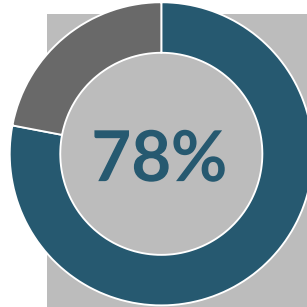
What are your reasons for using a vendor? Select all that apply.



Source: Digital Commerce 360 survey of 121 retailers in August/September 2020

OMNICHANNEL

Shoppers are embracing omnichannel services, with 78% of online consumers indicating that they've used at least one omnichannel offering in the past six months. And the blending of physical and online retail isn't likely to slow as



of online shoppers have used some sort of omnichannel feature in the last 6 months.

81% of online shoppers say they've shopped both online and in physical stores over the past six months, while only 11% solely shopped in stores and only 8% online.

"Early on in ecommerce the role of the store was discounted, but in the past few years, retailers have realized that omnichannel is critical to success," says Freedman of Digital Commerce 360. "Not only do customers embrace a two-channel model, they find its conveniences compelling."

Most consumers shop both online and in a physical store

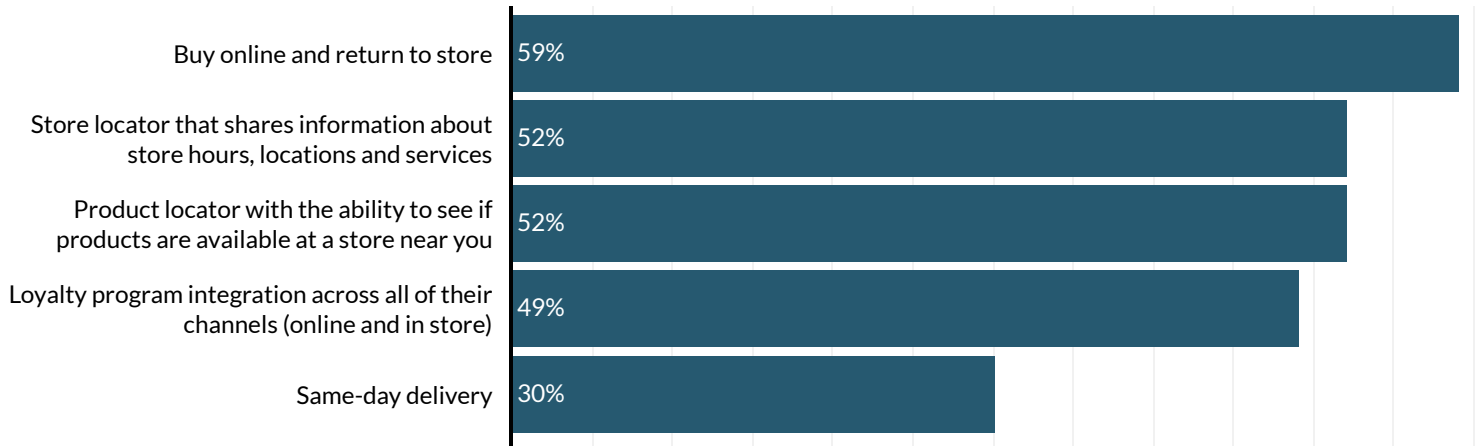
Where have you shopped in the past six months (excluding groceries and services)?



Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in February 2020

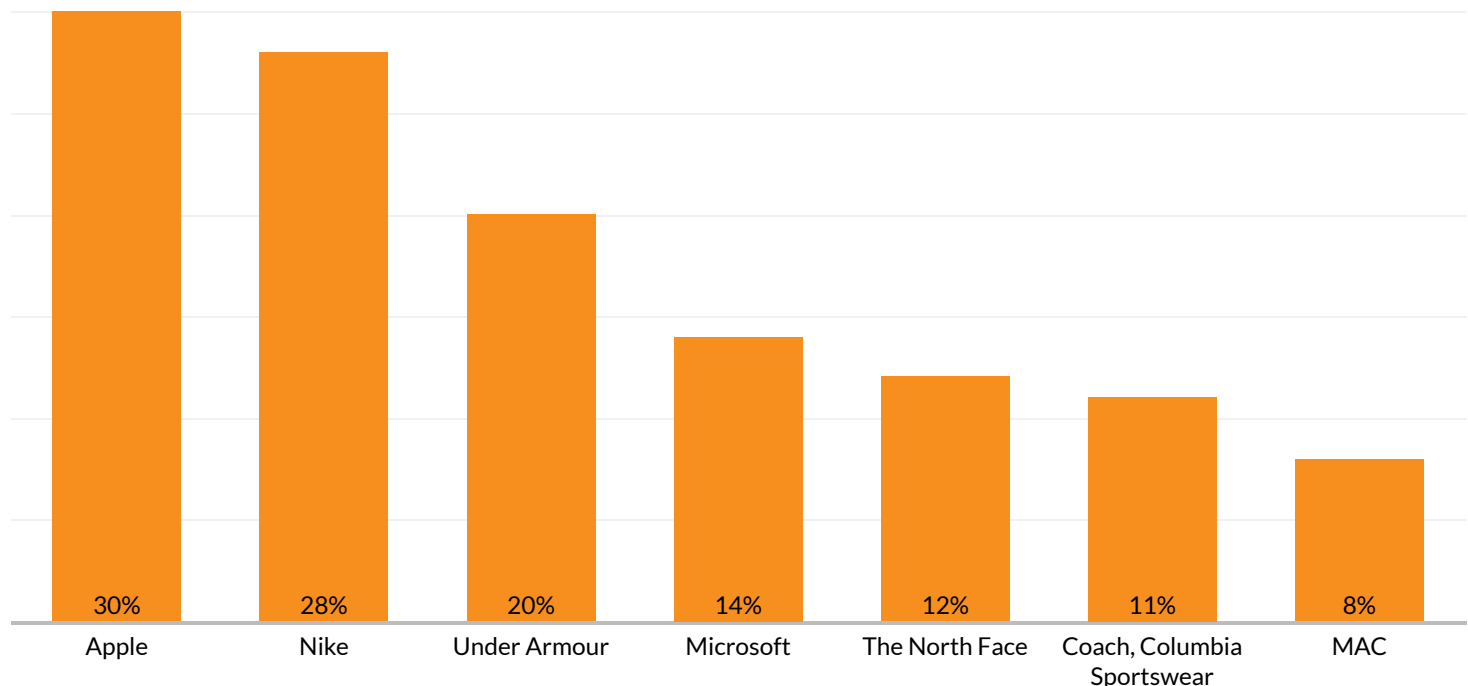
Omnichannel shoppers want to be able to return online products in store

When you think about making purchases from omnichannel companies, what feature do you expect to be part of their online and store-based offerings?



Apple and Nike are among the popular omnichannel retailers

*Please select the consumer brands that you have visited both online and in a physical store.
Select all that apply.*



Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in February 2020

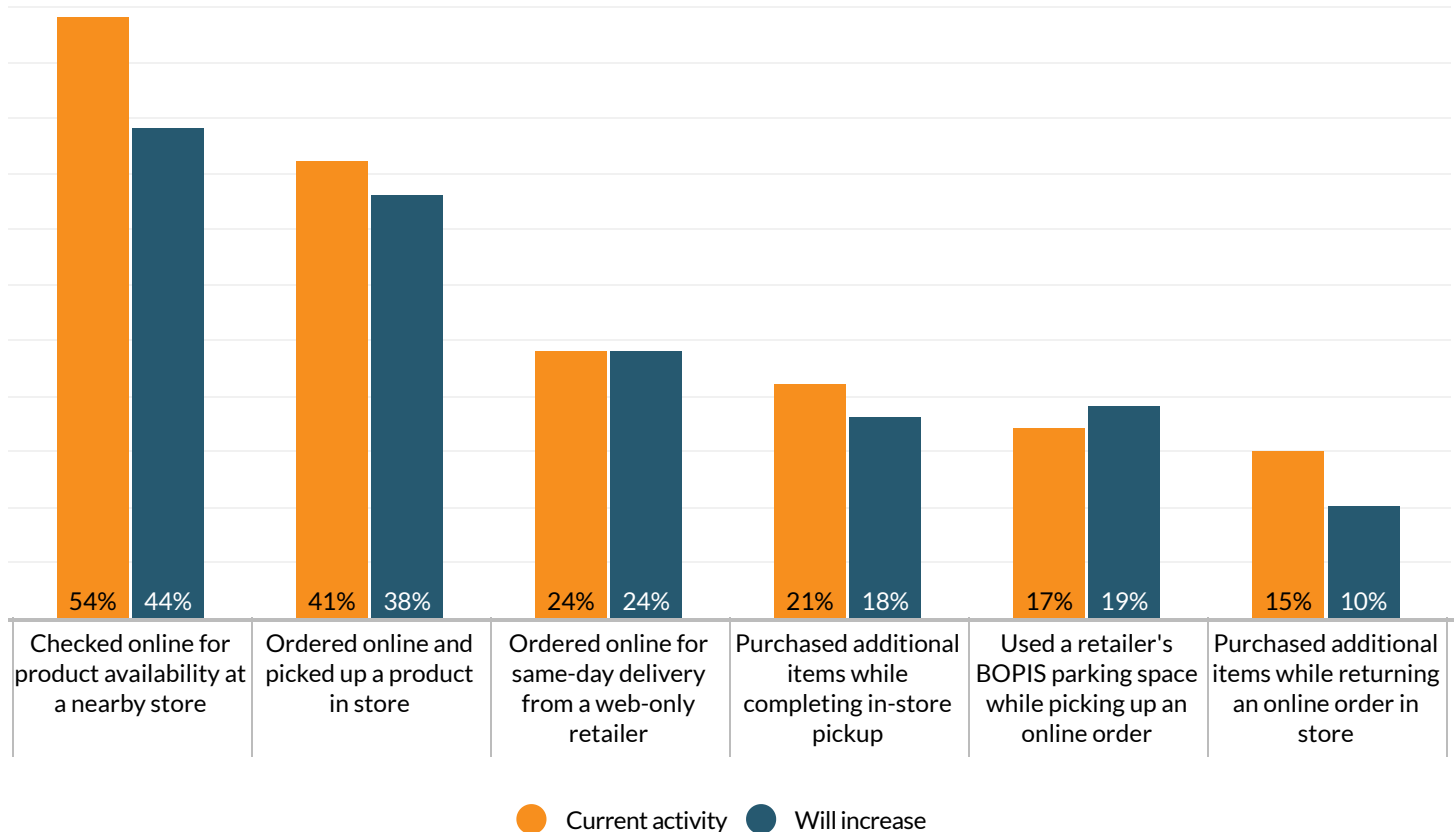
Shoppers will increase omnichannel behavior

In addition to using many omnichannel features now, consumers are planning to increase their habits over time. The most popular omnichannel features consumers will use more often are checking online for product availability (44%) and buying online and picking up in store (38%).

While only 17% said they had used a retailer's buy online pickup in store (BOPIS) parking space in the past, 19% said that they plan to use it more frequently. With COVID-19 affecting consumer behavior, though, these habits are likely to continue evolving over time.

Many omnichannel shoppers check online for in-store product availability

Which of the following activities were part of your shopping behavior/do you plan to do more often over the next six months?



Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in February 2020

Shoppers want price consistency across online and stores

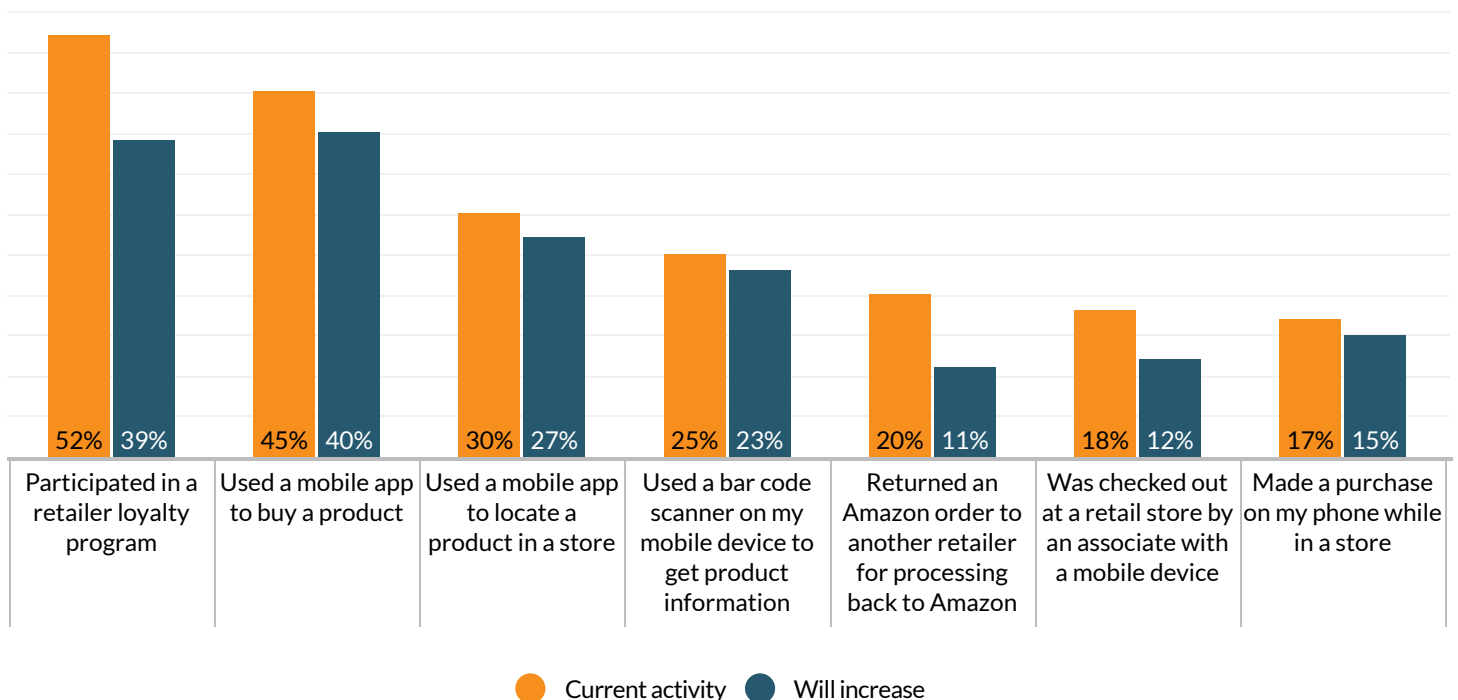
Which of the following do you expect when thinking about stores/brands that sell both online and in store?



Consumers expect price consistency across online channels and in store. Should prices differentiate between channels, retailers should have a policy in place to deal with shoppers. Consumers also expect store associates to access inventory online for other store locations and place online orders in store.

Consumers anticipate more mobile adoption for omnichannel features

Which of the following activities were part of your shopping behavior/do you plan to do more often over the next six months?



Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in February 2020

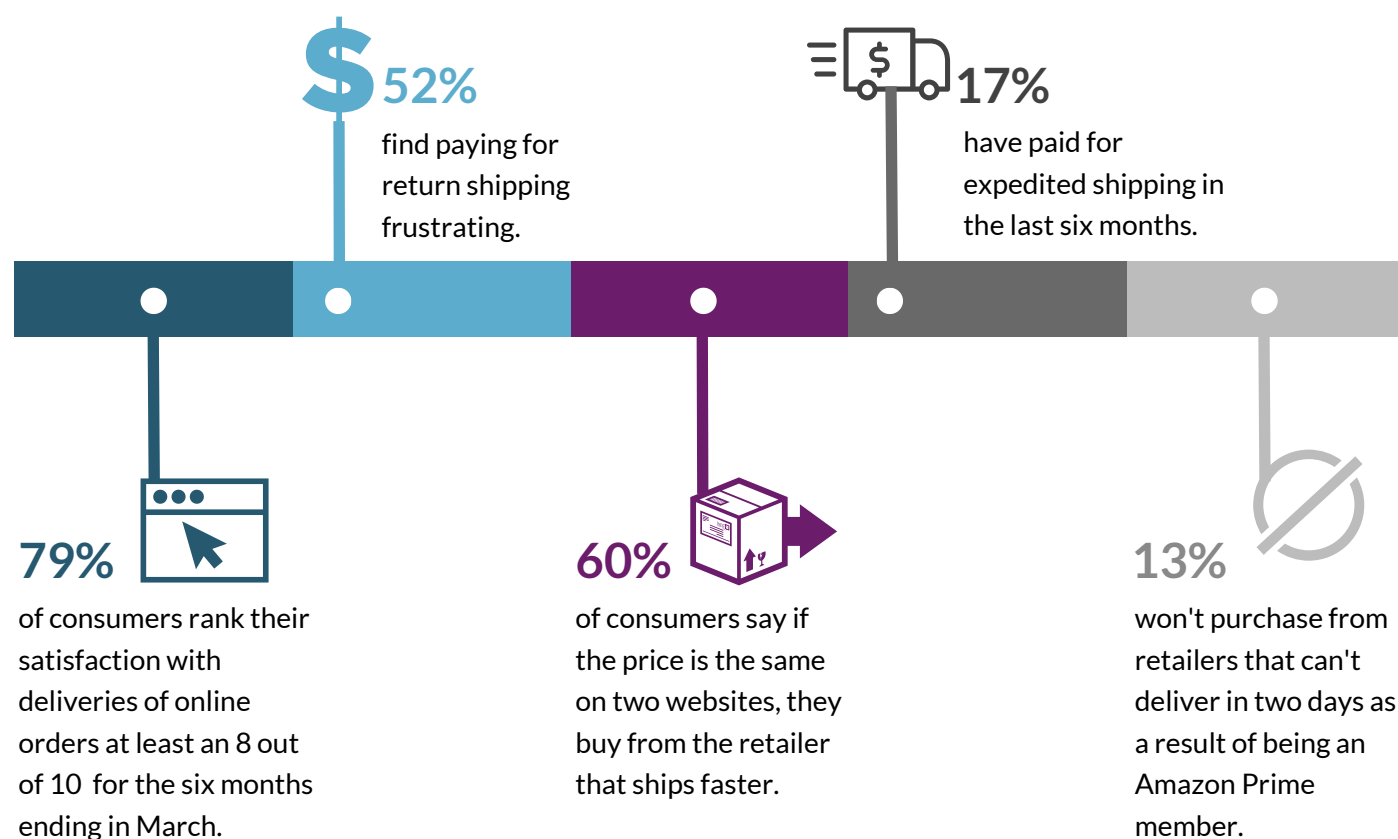
FULFILLMENT

Fulfillment has been in a state of disarray since COVID-19 interrupted traditional supply chains, carriers and shipping companies. But fulfillment is top of mind for consumers, who often look to free shipping as the golden goose of online shopping.

"Retailers must invest in logistics as Amazon continues to gobble up market share."

-Lauren Freedman
senior consumer insights analyst, Digital Commerce 360

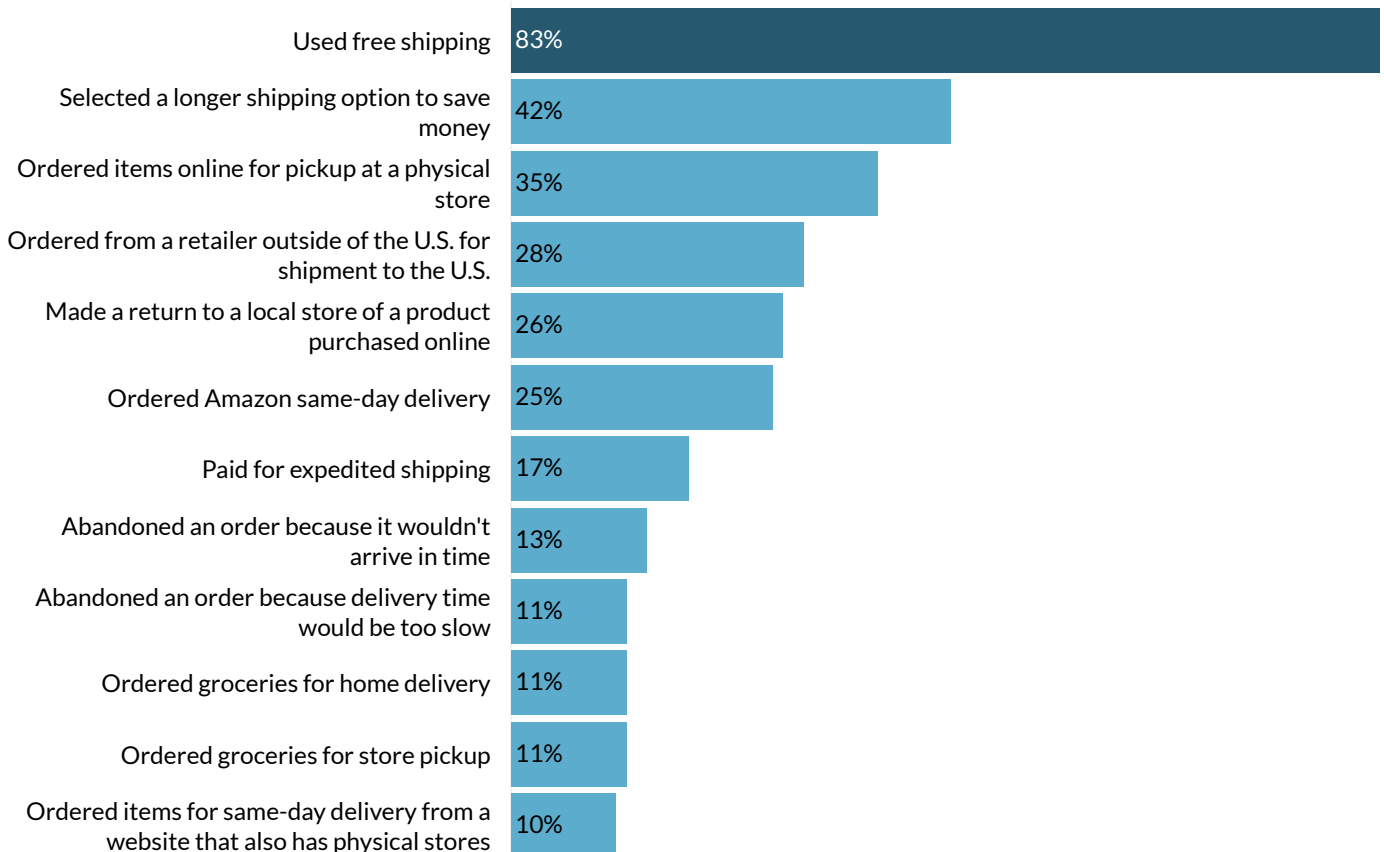
60% of consumers said they buy from a retailer that ships faster if prices are consistent. 58% said they expect products to be shipped for free.



Source: Digital Commerce 360/Bizrate Insights survey of 596 online shoppers in March 2020

Shoppers are price sensitive, seeking free shipping options when available

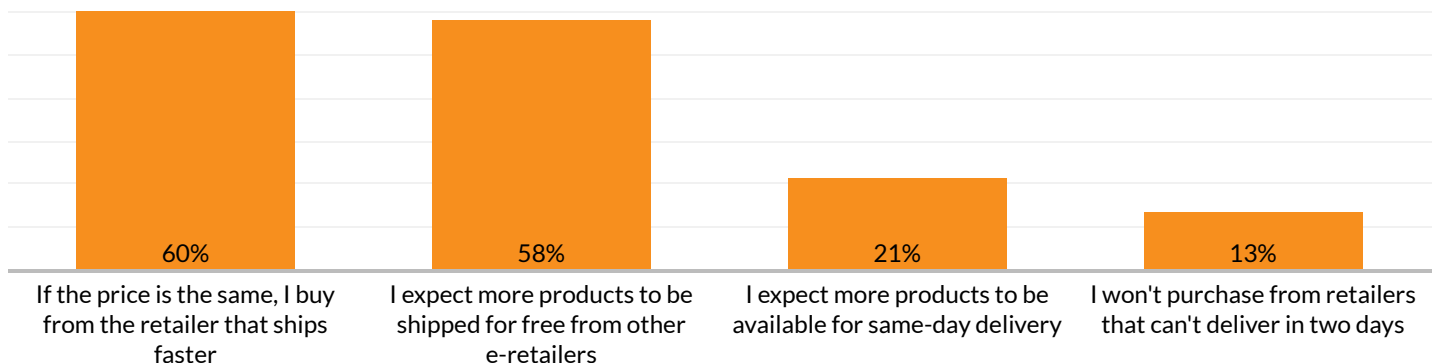
Which of the following have been part of your online order experiences in the past six months?



Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in March 2020

Consumers expect faster shipping because of Amazon

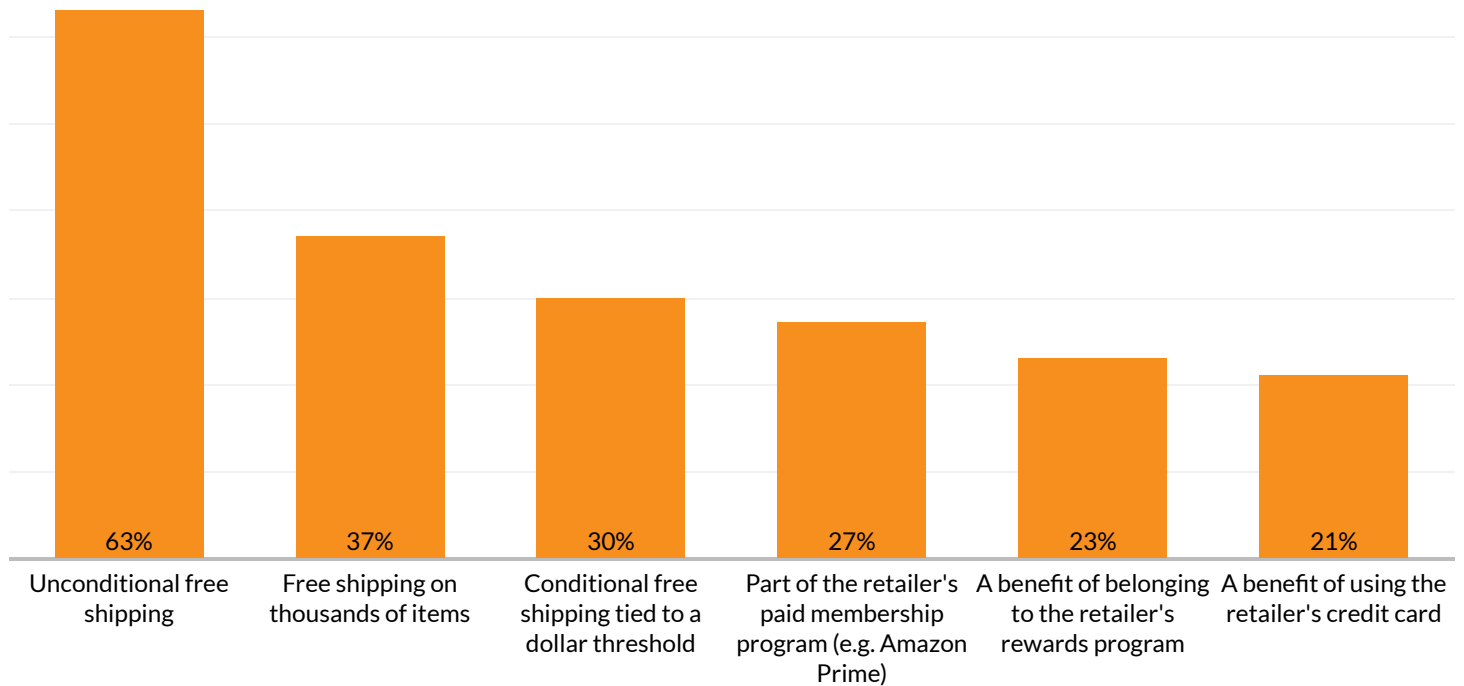
How has being an Amazon Prime member influenced your perception/expectations for online delivery?



Source: Digital Commerce 360/Bizrate Insights survey of 596 online shoppers in March 2020

Unconditional free shipping is the obvious choice for consumers

Rank your preference of free shipping options from online retailers.



Nearly all shoppers received free shipping on some online orders

What percentage of your online orders over the past six months included free shipping, outside of those placed on Amazon.com?

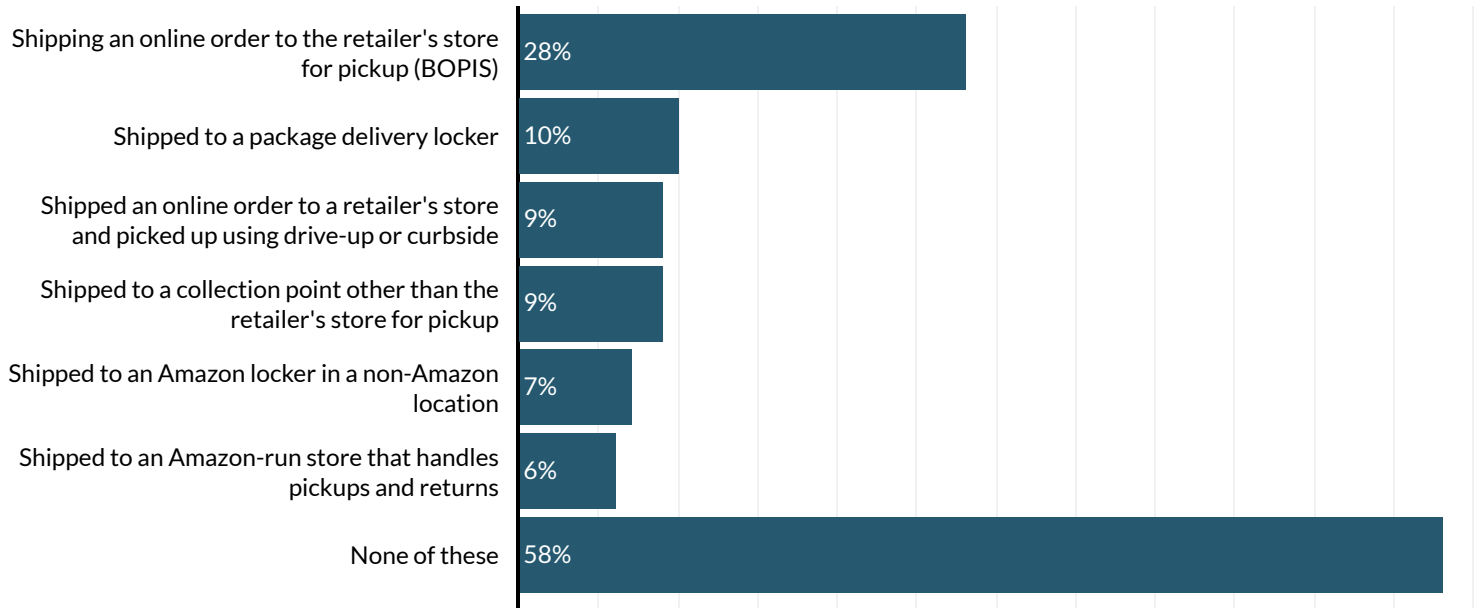


The majority of online shoppers received free shipping on 50-99% of their online orders over the past six months. A lucky 17% received free shipping on all of their online orders, and only 7% received absolutely no free shipping.

Source: Digital Commerce 360/Bizrate Insights survey of 989 online shoppers in March 2020

Beyond BOPIS, alternative delivery options have limited traction

Which of the following shipping scenarios have been part of your online shopping experiences in the past six months? Select all that apply.



Late arrivals and the lack of free shipping concern shoppers

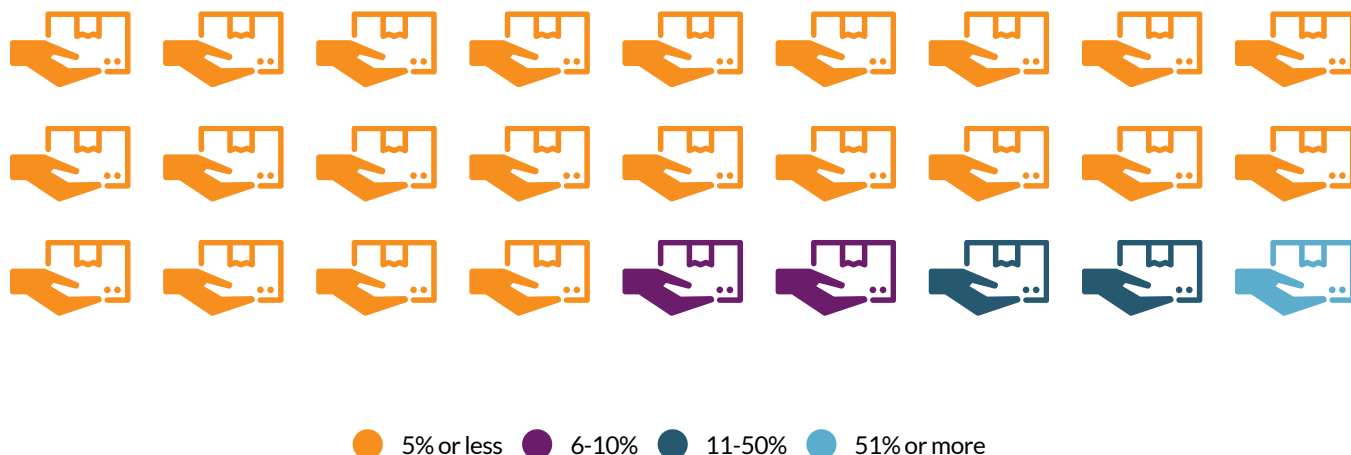
What are your biggest concerns around shipping and delivery? Select all that apply.



Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in March 2020

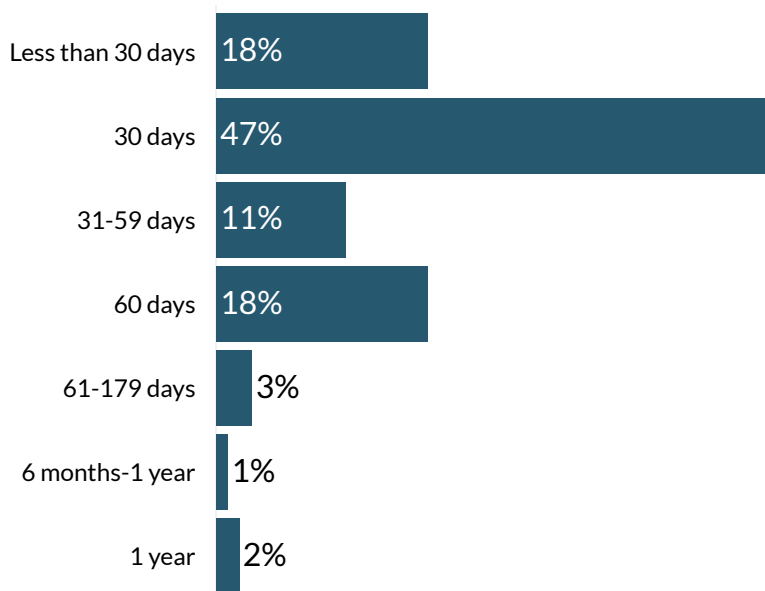
Most shoppers return 5% or less of other online purchases

Thinking about everything you purchase online in a given year, what percent of all of your purchases do you typically return?

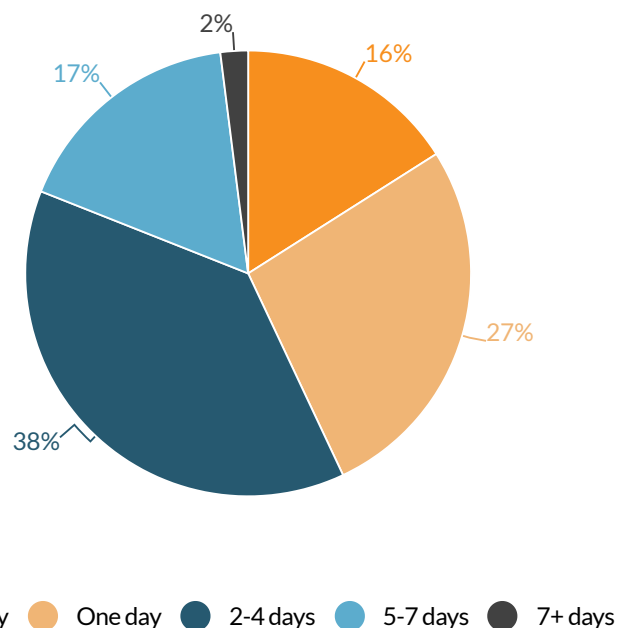


Shoppers want at least 30 days to return a product, and their credit refunded quickly

How long should you have to return an item that was ordered online?



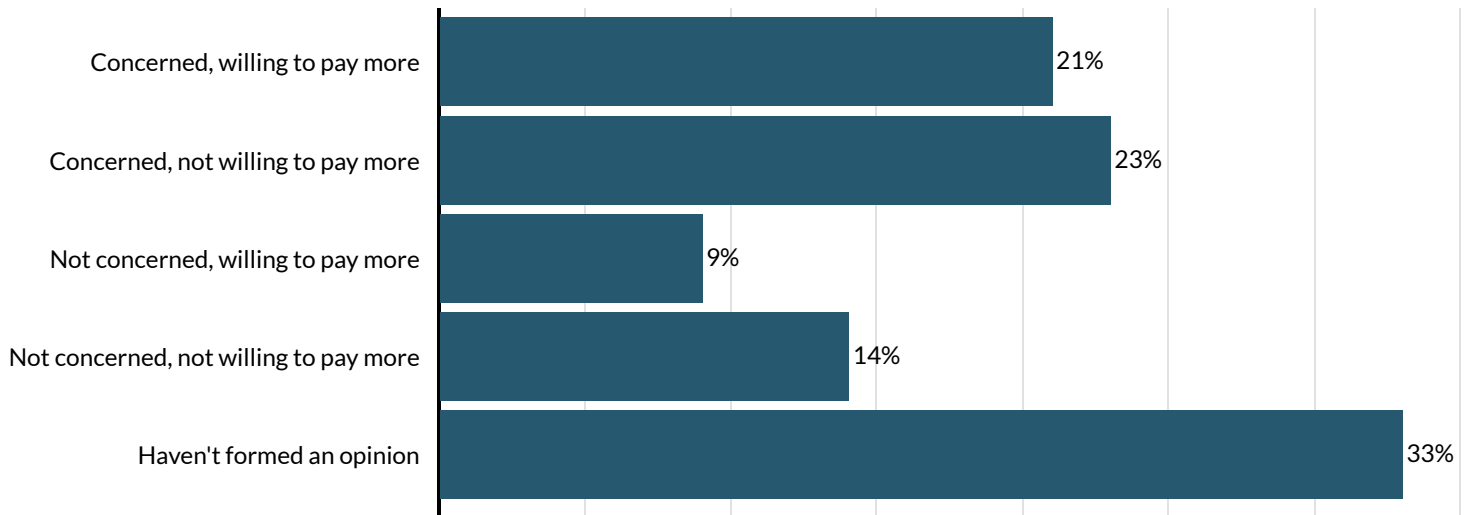
Once a retailer receives your return, how long should it take for you to see the credit?



Source: Digital Commerce 360/Bizrate Insights survey of 1,052 online shoppers in March 2020

Though 44% of online shoppers have environmental concerns relative to shipping, only 21% would pay more for eco-friendly policies

Which of the following best describes your sentiments about environmental concerns when it comes to shipping practices, and are you willing to pay more?



Shopper comfort level with non-traditional delivery experiences are low

*How comfortable are you with the following types of delivery experiences in 2020?
(10-point scale where 10 is extremely comfortable)*



6.48



4.48



4.36



4.18



4.10

- Package receptacles in the front of the house
- In-home delivery
- In-garage delivery/package receptacles
- Drone delivery
- Self-driving vehicle delivery

Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in March 2020

DIGITAL MARKETING

Despite being one of the oldest digital marketing platforms, email still remains one of the most effective tools retailers use for customer acquisition. 53% of the 105 retailers surveyed said that email was the most successful marketing tactic for customer acquisition.

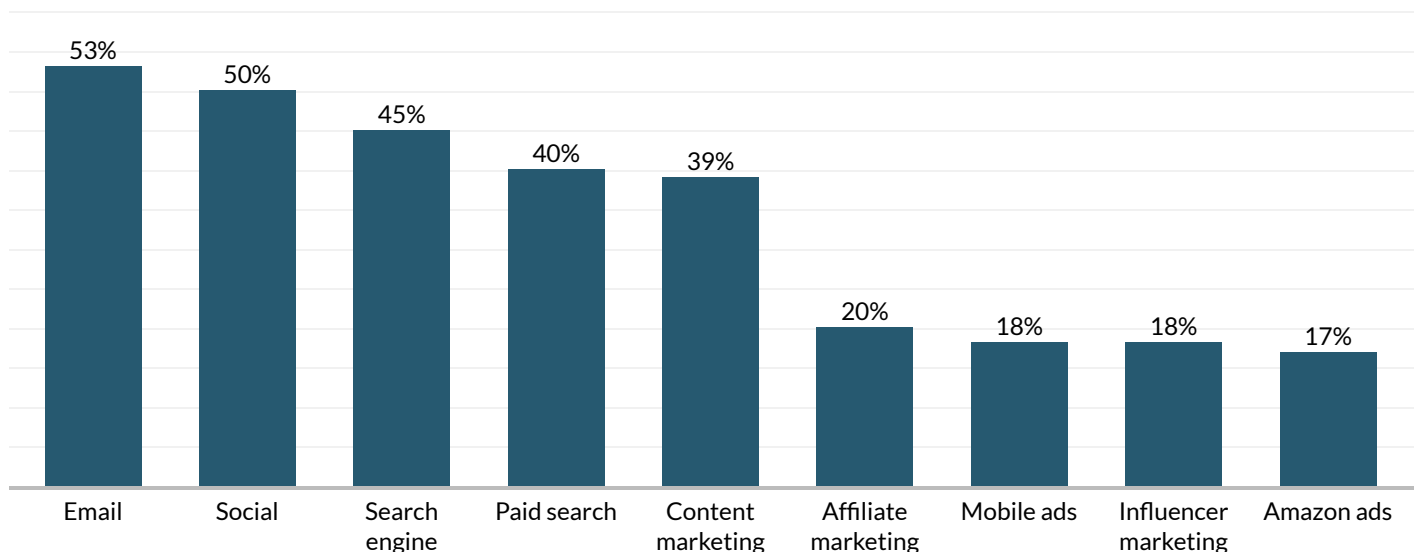


"Marketing is not just about solving customer engagement problems, but it's about overall company growth," says Pete Hayes, chief marketing officer and principal of marketing consultation company Chief Outsiders.

Digital marketing insights come from a variety of consumer and retailer surveys Digital Commerce 360 conducted throughout 2020.

Email and social media drive customer acquisition

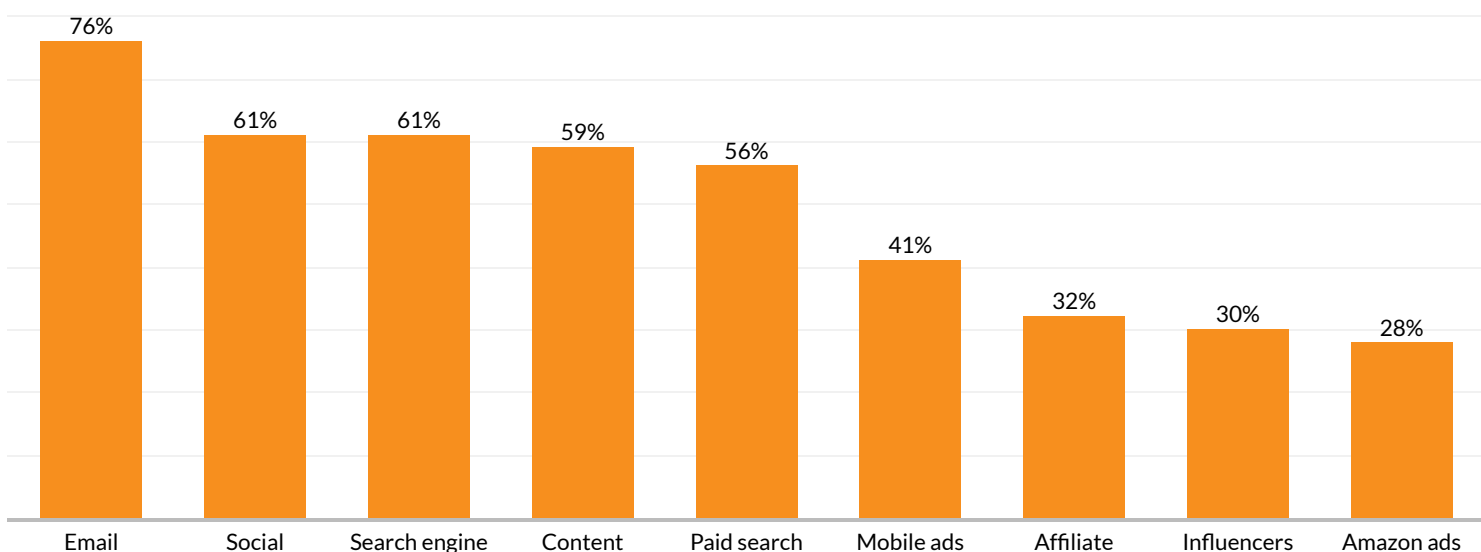
Which marketing tactics have been most successful for driving customer acquisition? Select your top three.



Source: Digital Commerce 360 survey of 105 retailers in May and June 2020

How retailers rank marketing channels

How effective have each of the following marketing channels been in 2020?



Beyond email and paid search, most digital marketing tactics are deemed as somewhat effective

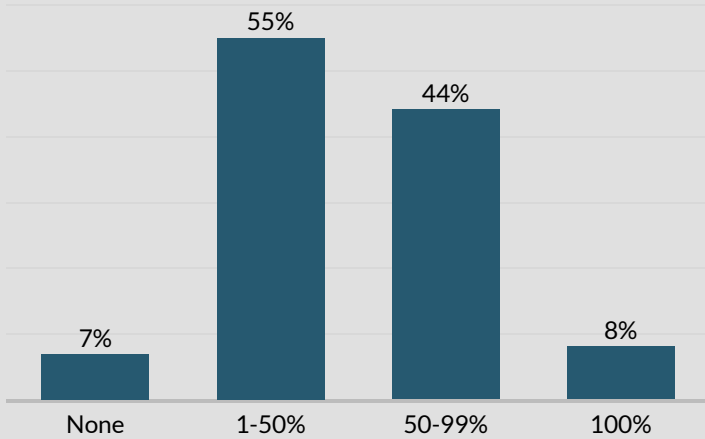
Thinking about your entire range of digital marketing, how effective have each of the following been in 2020?

Marketing Platform	Very effective	Somewhat effective	Neither effective nor ineffective	Somewhat ineffective	Very ineffective	NA
Search engine	19%	42%	14%	3%	5%	17%
Social media	19%	42%	14%	10%	3%	12%
Content marketing	18%	41%	13%	6%	3%	19%
Email	37%	39%	10%	3%	1%	10%
Paid search	25%	31%	9%	5%	5%	25%
Mobile ads	12%	29%	12%	10%	3%	34%
Affiliate marketing	8%	24%	10%	6%	6%	46%
Influencer marketing	9%	21%	11%	11%	12%	36%
Amazon ads	10%	18%	5%	10%	5%	52%

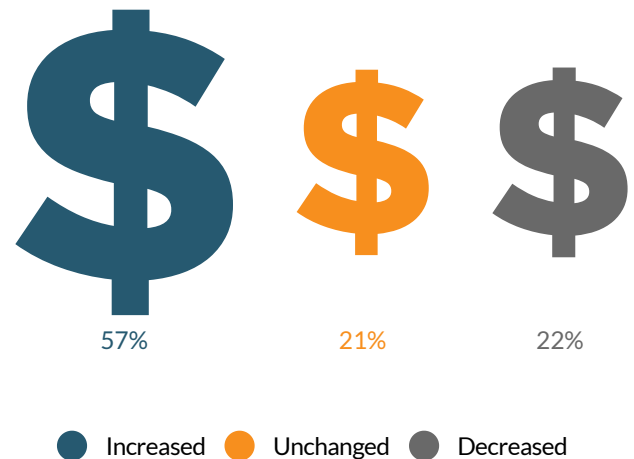
Source: Digital Commerce 360 survey of 105 retailers in May and June 2020

Marketing budgets are split between digital and offline channels, and digital ad spend has increased since 2019

What percentage of your overall marketing budget is dedicated to digital vs. offline advertising?

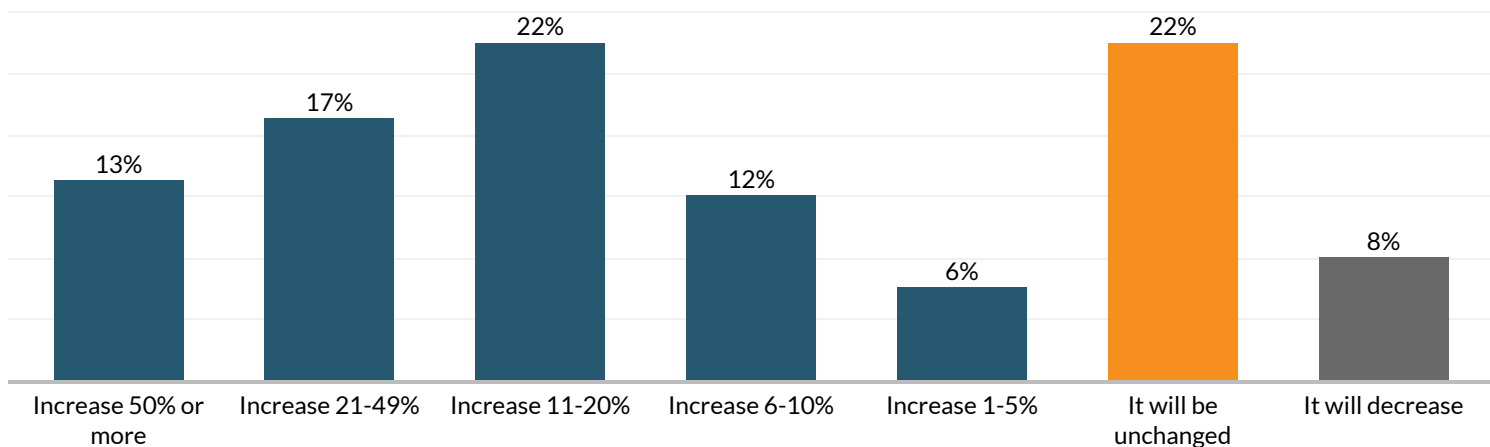


How has your digital marketing budget changed compared to 2019, including COVID-19 changes?



Digital advertising spend is projected to increase in 2021

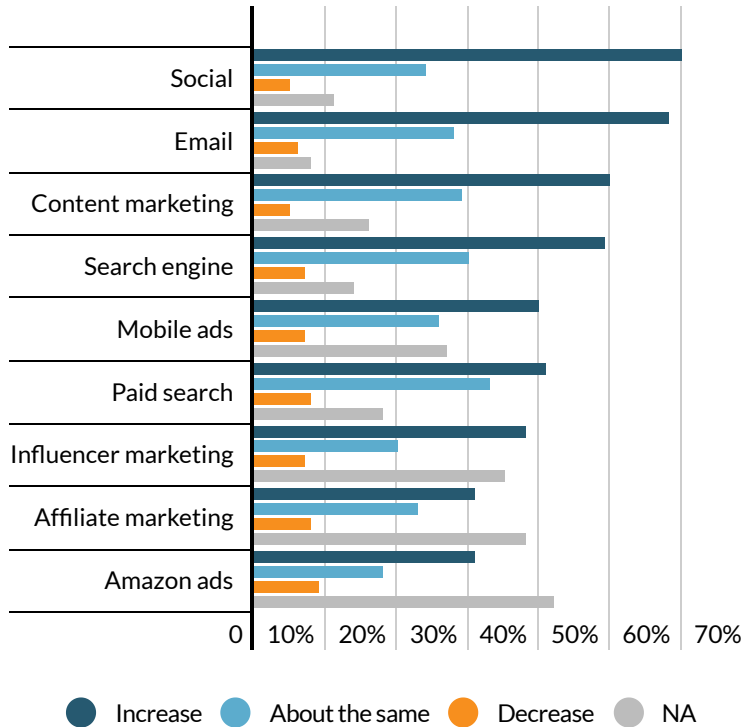
How much do you expect your digital ad spending to change in 2021?



Source: Digital Commerce 360 survey of 105 retailers in May and June 2020

Social media advertising will see the greatest year-over-year budget increases along with email marketing

Thinking about your entire range of digital marketing, where do you project your ad spend will change in 2021?



When asked where ad spend will fluctuate across channels, most retailers say it will increase on three platforms.



Social media marketing spend to increase for 60% of retailers, decrease for 5%.



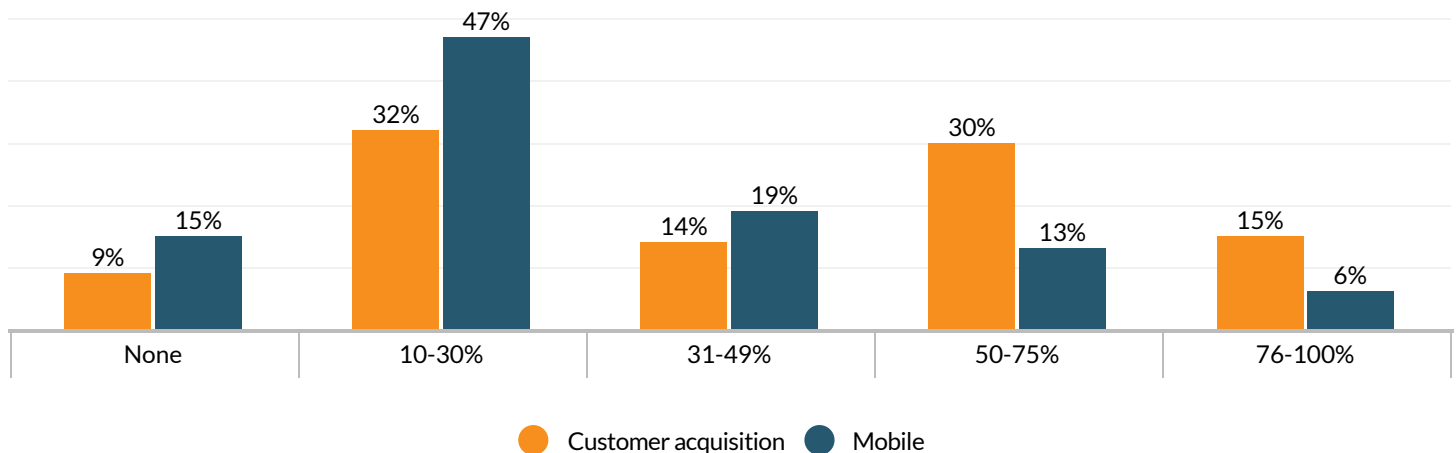
Email marketing spend to increase for 58%, decrease for 6%.



Content marketing to increase for 50%, decrease for 5%.

Marketing for mobile is evenly split across retailers, but focus on customer acquisition is priority for most

What percentage of your overall digital marketing budget is focused on customer acquisition? On mobile?

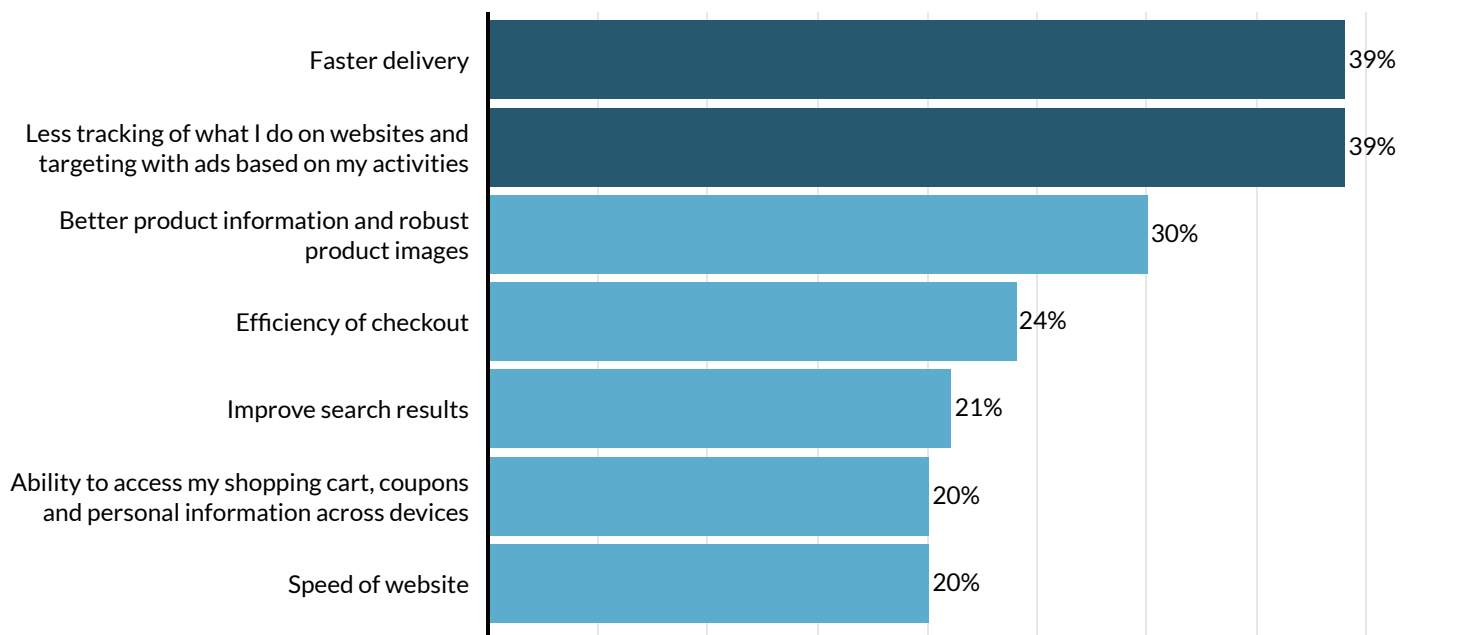


Source: Digital Commerce 360 survey of 105 retailers in May and June 2020

Shoppers want to be tracked online less

What could online retailers do better that would lead you to buy even more online?

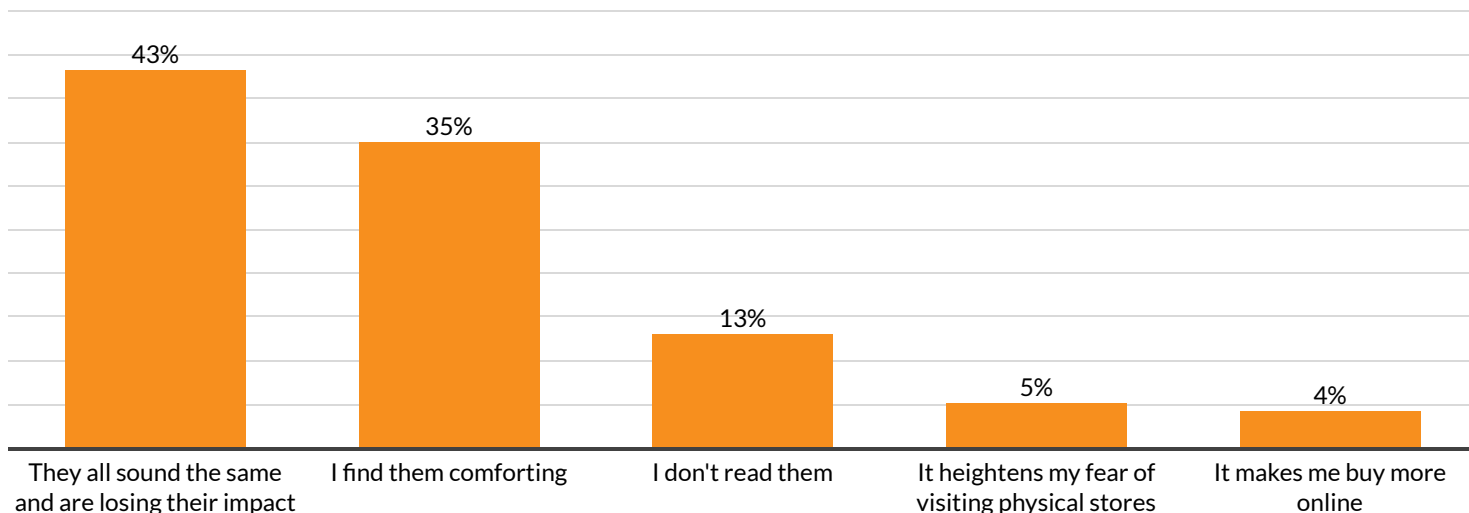
Select all that apply.



Source: Digital Commerce 360/Bizrate Insights survey of 4,369 online shoppers in January 2020

Retailer communication around COVID-19 is losing its impact

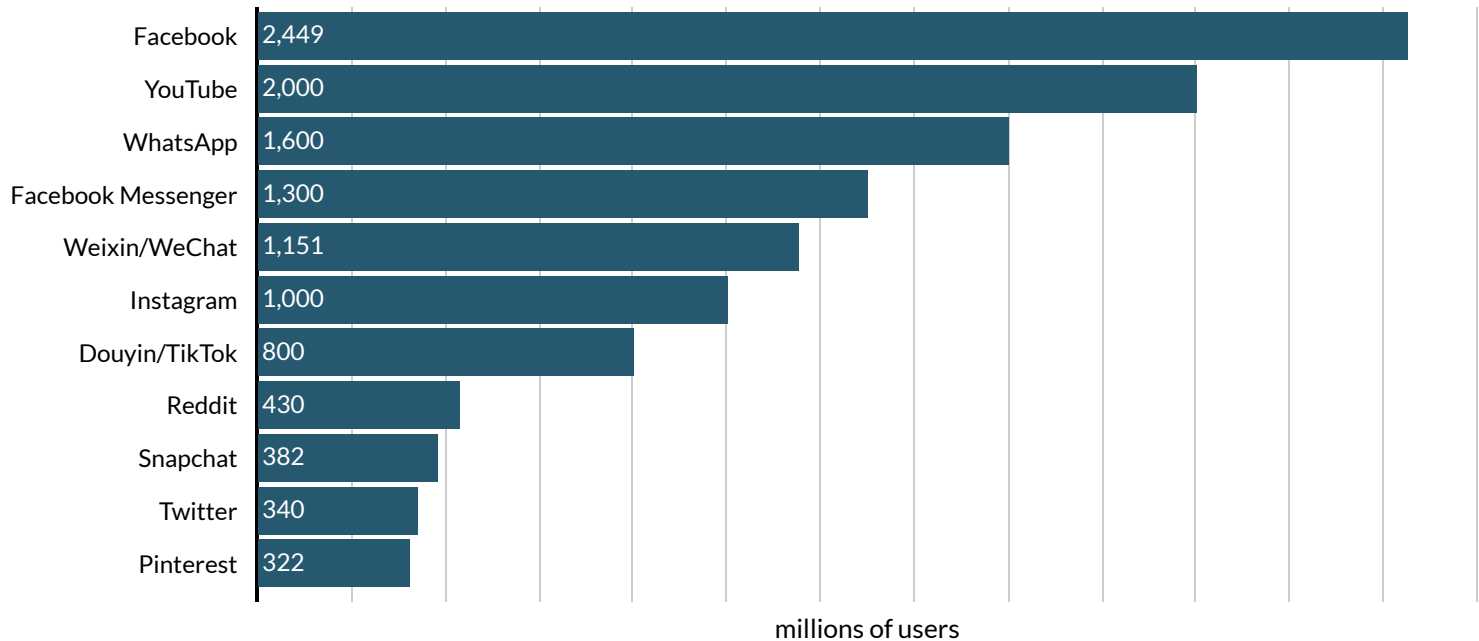
Many retailers are being proactive about their communication with shoppers. What do you think about the messaging you are receiving?



Source: Digital Commerce 360/Bizrate Insights survey of 1,046 online shoppers in March 16-18, 2020

Facebook and YouTube are the world's most-used social platforms

Based on monthly active users, accounts, advertising audiences or unique monthly visitors



WhatsApp, Facebook Messenger, and Instagram have not published updated figures in the 12 months prior to data collection.

Source: We are Social & Hootsuite. Data as of January 25, 2020.

Facebook is the most used social media channel for retailer advertising

Which social networks do you advertise on? Select all that apply.



82%



60%



43%



35%



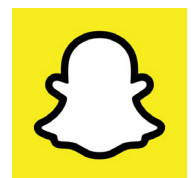
31%



28%



5%



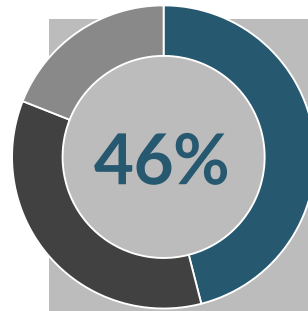
4%

Source: Digital Commerce 360 survey of 105 retailers in May and June 2020

ONLINE MARKETPLACES

Online marketplaces allow shoppers to explore a variety of products and brands all on one site. 46% of consumers surveyed said they would purchase from a seller or brand they were unfamiliar with while shopping on an

online marketplace, making marketplaces a lucrative discovery channel for many retailers. And when it comes to marketplaces, there's more than just Amazon to consider.



of consumers would buy from unknown brands on marketplaces, while 35% were uncertain if they would.

"The growth of marketplace ecommerce sales is a reason many large retailers, including Target Corp., are launching their own marketplaces," says Fareeha Ali, director of research and editorial at Digital Commerce 360.

Insights into online marketplaces come from a Digital Commerce 360 survey of 118 retailers conducted in May 2020, and a Digital Commerce 360 and Bizrate Insights survey of 1,000 online shoppers also from May 2020.

Shoppers are willing to try unknown brands on marketplaces

Would you buy from marketplace brands or sellers that you've never heard of?



46%



35%



19%

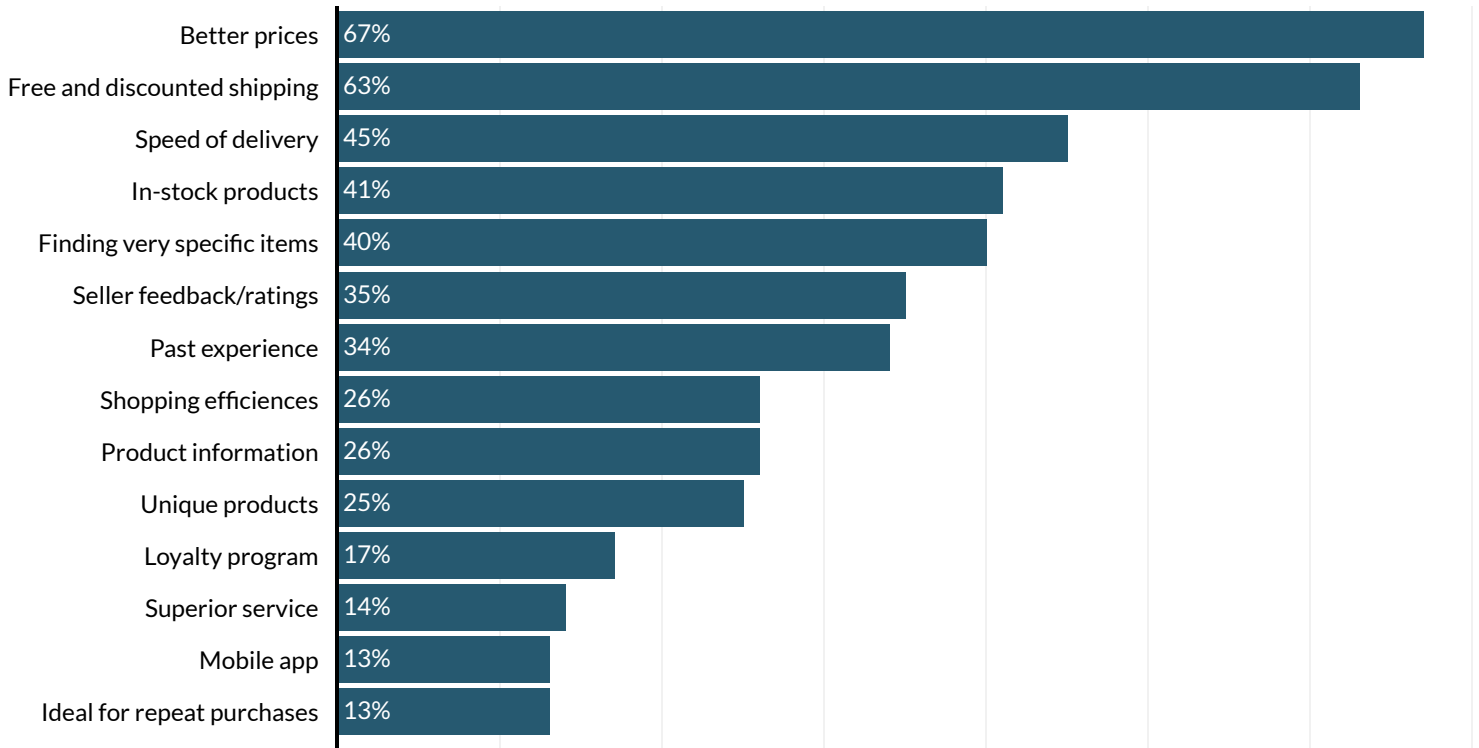
● Yes ● Uncertain ● No

Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in May 2020

Price is top of mind for marketplace shoppers

What makes you decide to make a purchase from a marketplace versus directly from a retailer?

Select all that apply.



Retailers can obtain direct sales to their own sites by selling on marketplaces

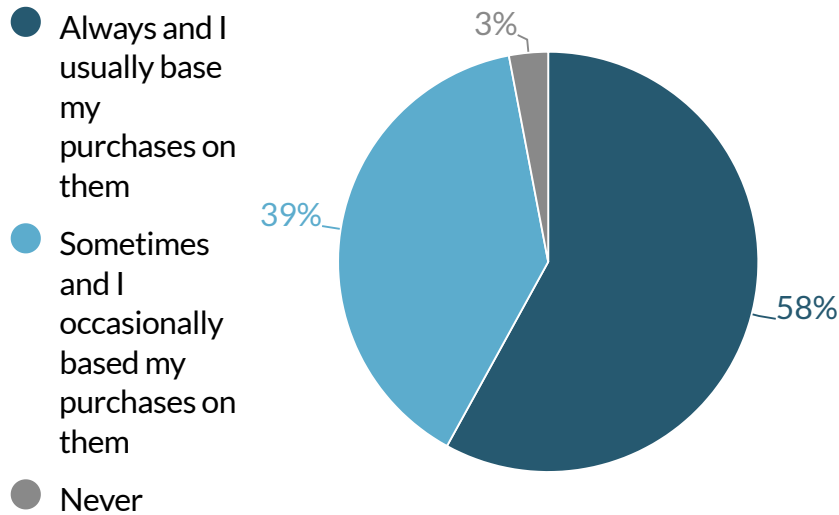
Have you ever purchased a product from a seller's website after first finding their products on a marketplace?



Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in May 2020

Reviews are vitally important for marketplace shoppers

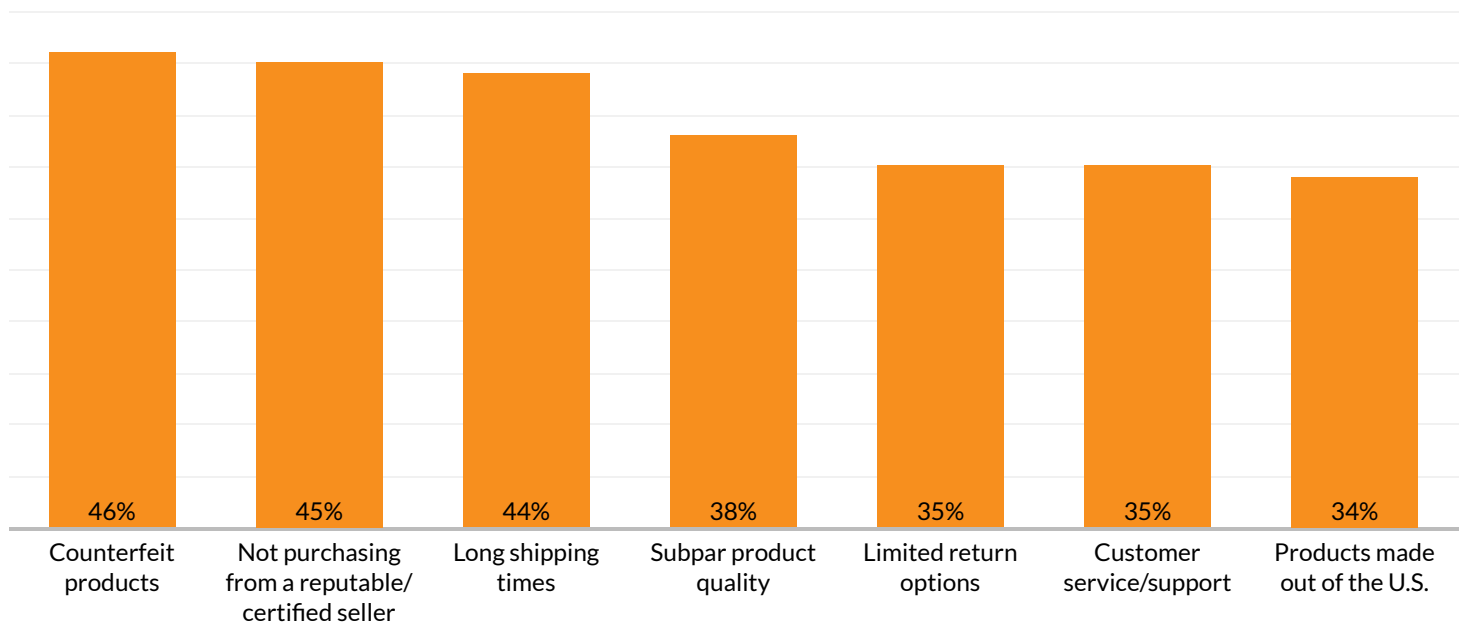
How often do you read marketplace reviews/ratings, and do you make purchase decisions based on them?



Marketplace sellers and brands should take note: Reviews are extremely important to online shoppers. **Nearly all (97%) of marketplace shoppers read reviews** and consider them when determining whether or not they will make a purchase.

Consumers are concerned about counterfeit products

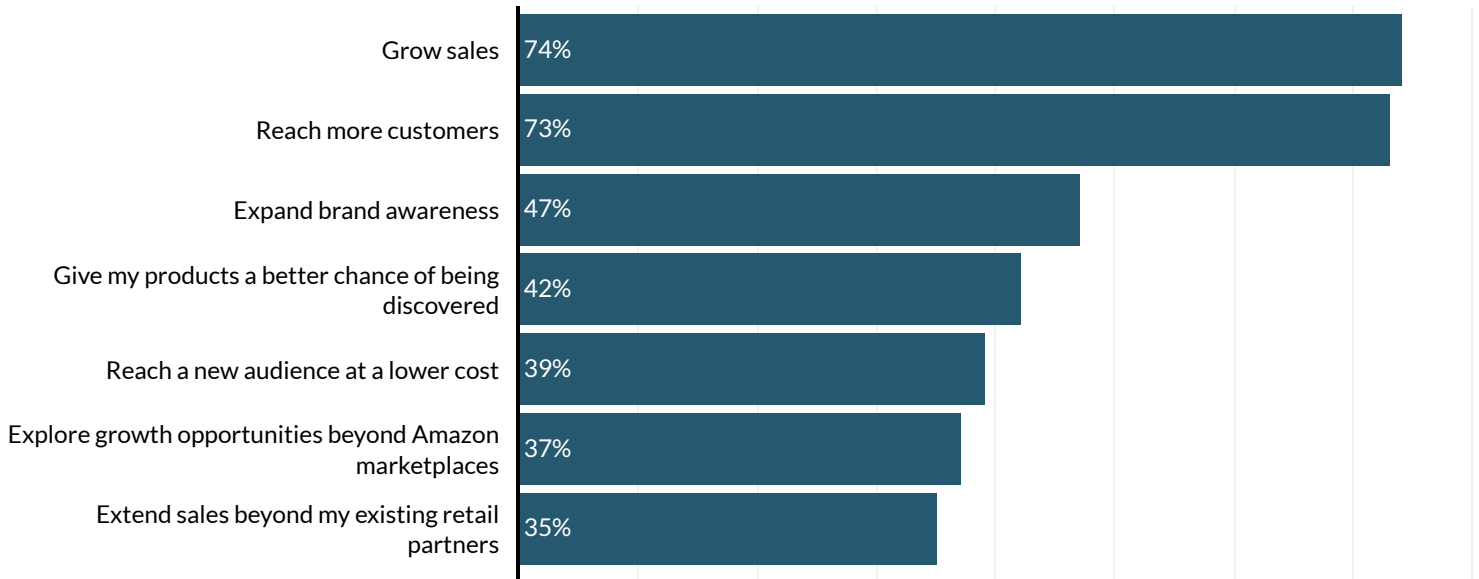
Do you have any concerns when purchasing from a marketplace?



Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in May 2020

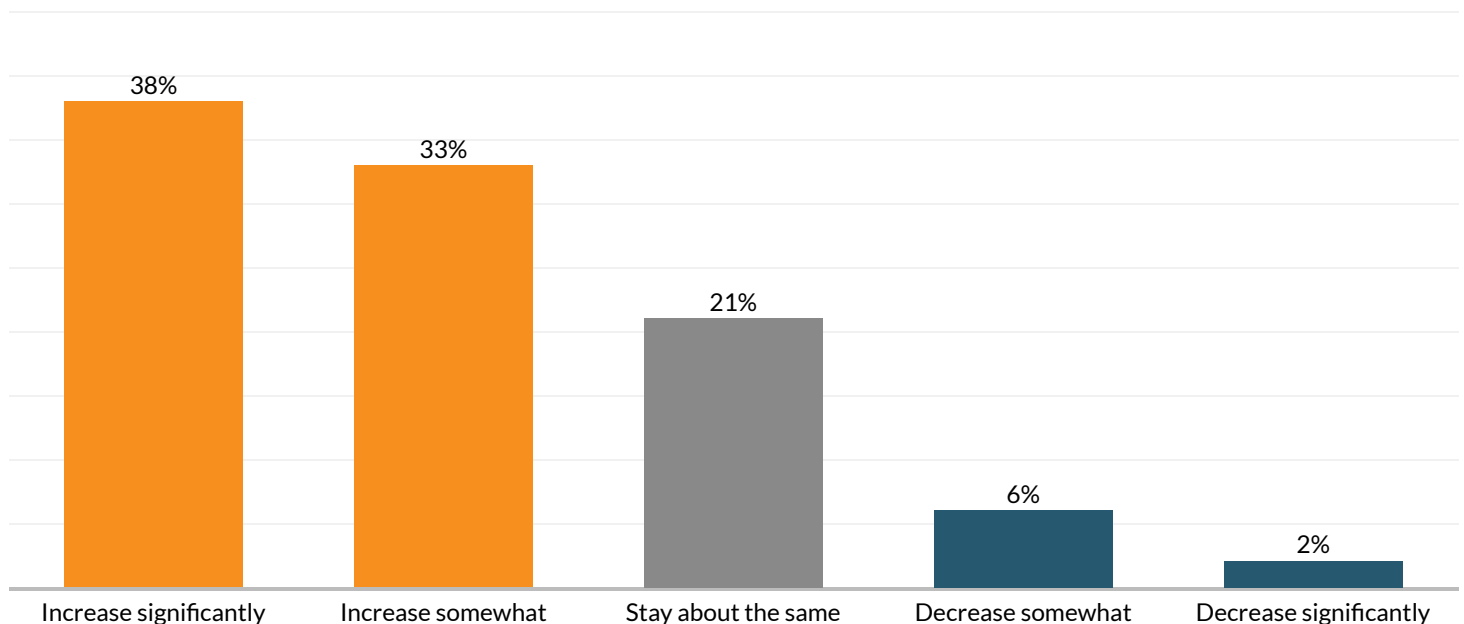
Retailers sell on marketplaces to grow sales and reach more customers

Which of the following are reasons you choose to sell on marketplaces?



Marketplace sellers expect business to increase

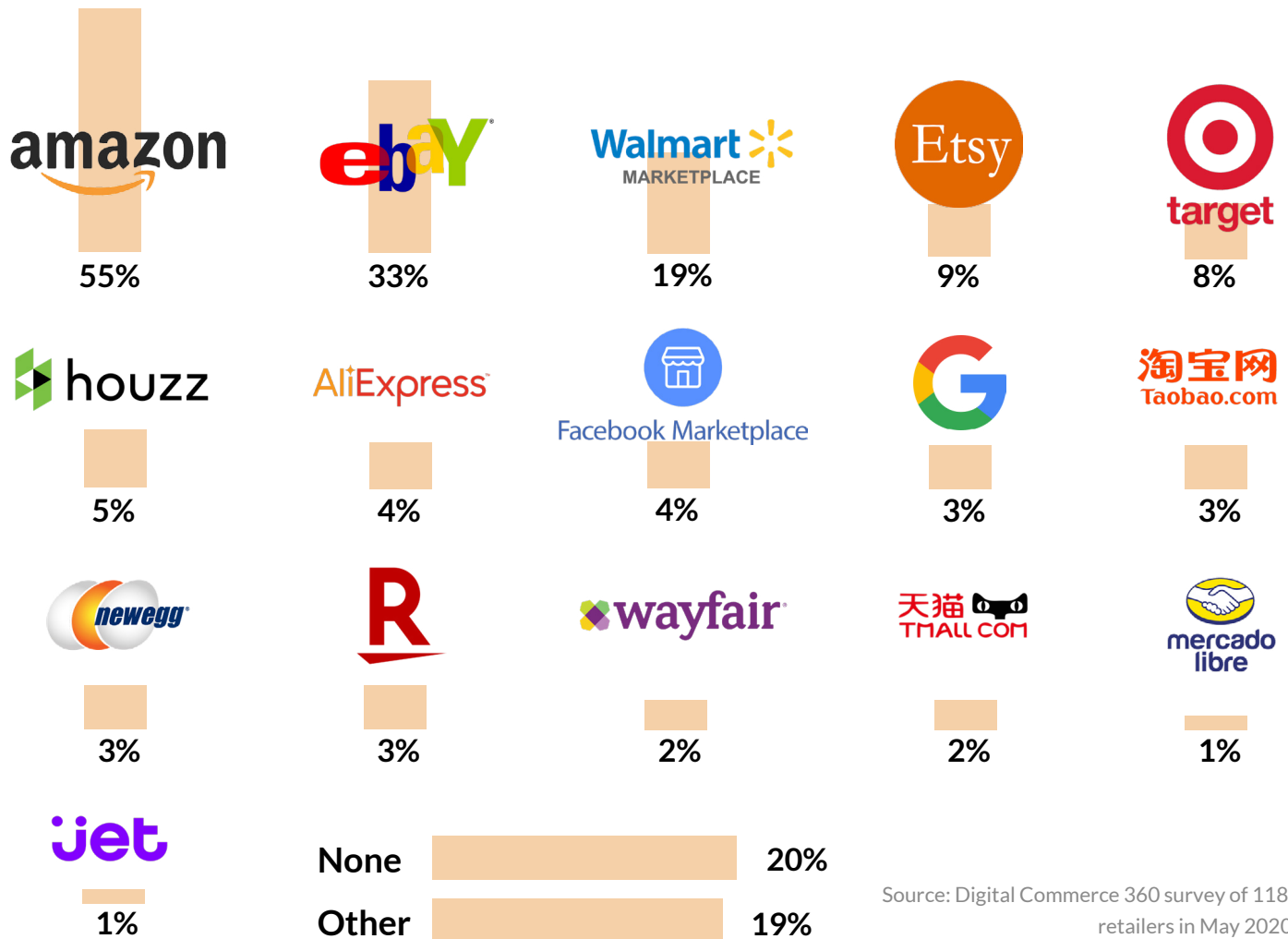
How much do you expect your marketplace business to change in the coming year?



Source: Digital Commerce 360 survey of 118 online retailers in May 2020

Over half of retailers are selling on Amazon, a third on eBay

On which of the following marketplaces are you currently selling?



Source: Digital Commerce 360 survey of 118 retailers in May 2020

Marketplace business is mostly growing for retailers

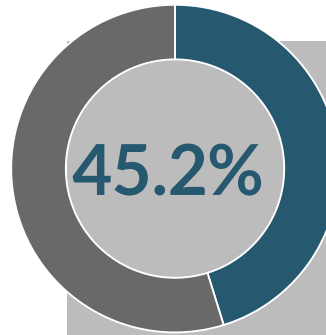
Thinking about the following marketplaces, how would you describe the state of your business?

Marketplace	Growing	Flat	Declining
Amazon	41%	10%	8%
eBay	19%	14%	5%
Walmart	17%	5%	2%
Target	9%	2%	1%
Etsy	8%	4%	2%

Source: Digital Commerce 360 survey of 118 online retailers in May 2020

AMAZON

Amazon's influence on ecommerce cannot be ignored. The online retailer accounts for more than 37% of U.S. ecommerce sales, up from 7.7% in 2010.



Prime Day 2020 reached \$10.40 billion in sales, up 45.2% from last year, Digital Commerce 360 estimates.

It says a lot about Amazon's power that it can make up a sale event and establish it as a recognized part of the retail calendar in just a few years. And that's what Amazon has done with its annual Prime Day sale. In the two-day event in October 2020, the ecommerce behemoth sold more than \$10 billion, Digital Commerce 360 estimates. The growth of Prime Day is in line with the success of Amazon's Prime membership.

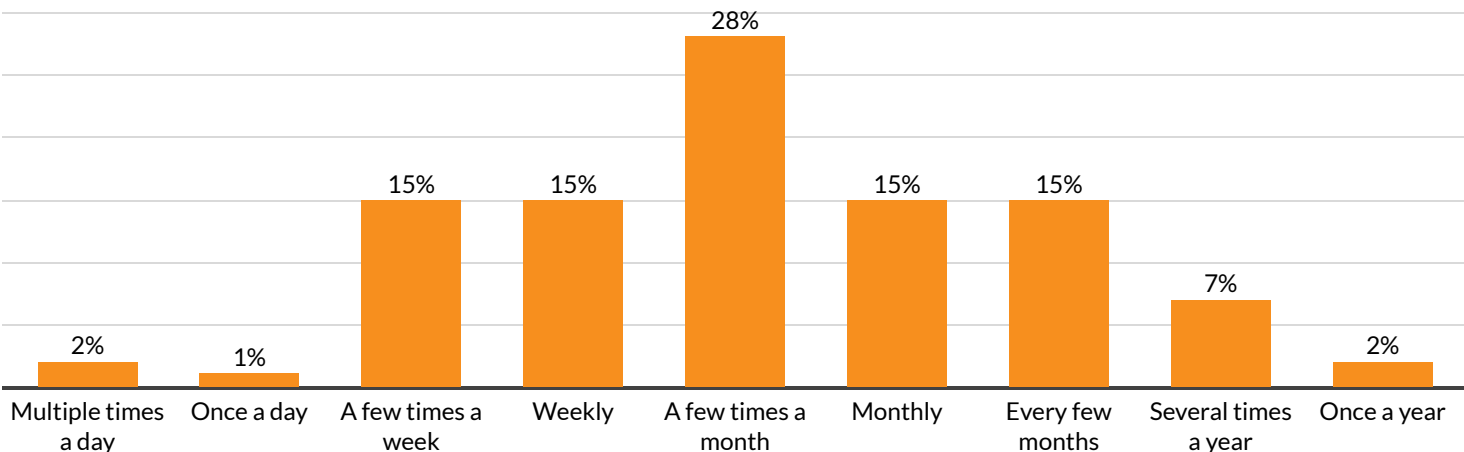
And Amazon's aspirations go beyond retail. Advertising, web services, and now even the fulfillment of its own and other companies' products are all part of Amazon's growth.

What's more, Amazon has become a lucrative sales channel for retailers and brands. Third-party sellers accounted for roughly 61% of Amazon's sales in 2019, up from 31% a decade earlier. More merchants on its site means more products sold on Amazon.com. And the more products that are available on its site, the more attractive it is to consumers.

Insights into Amazon in this section are from a June 2020 Digital Commerce 360 and Bizrate Insights survey of 1,000 online shoppers devoted to the topic of Amazon, as well as an October 2020 Digital Commerce 360 survey of 530 online shoppers concerning Prime Day.

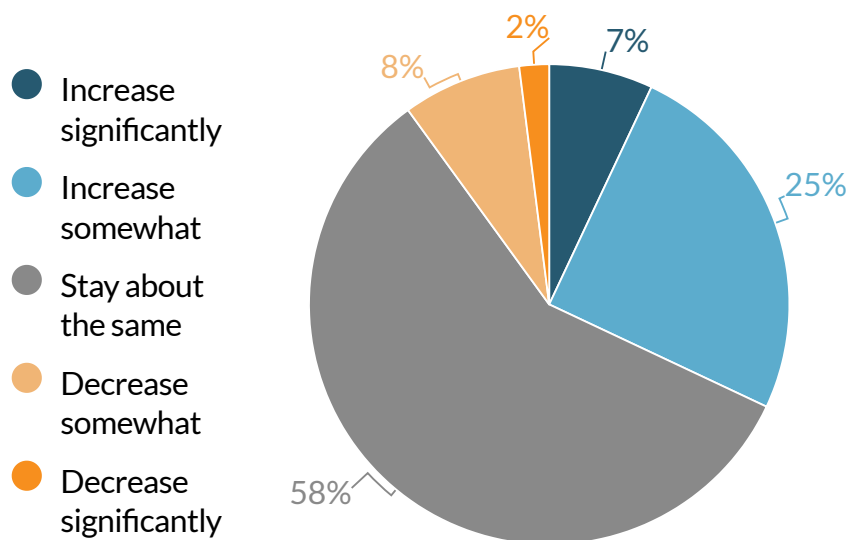
1 in 3 Amazon shoppers makes a purchase at least weekly

How often do you purchase from Amazon over the course of a year?



Only a third of Amazon shoppers expect to increase spending

Thinking about your overall spending with Amazon in 2020, how do you expect it to change for the rest of the year?

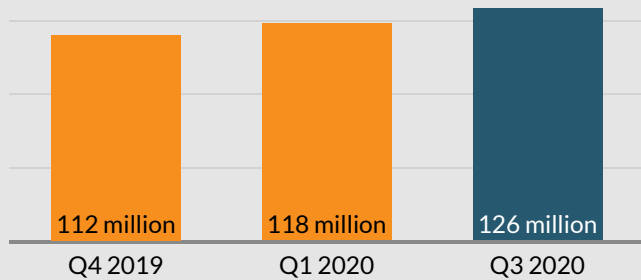


The pandemic undoubtedly pushed more consumers online, and a third of Amazon shoppers will spend more with the retailer. However, not all additional COVID-related traffic is going to Amazon, as 10% say they're decreasing their Amazon spend.

Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in June 2020

Amazon Prime has 126 million US members

U.S. Prime members by quarter

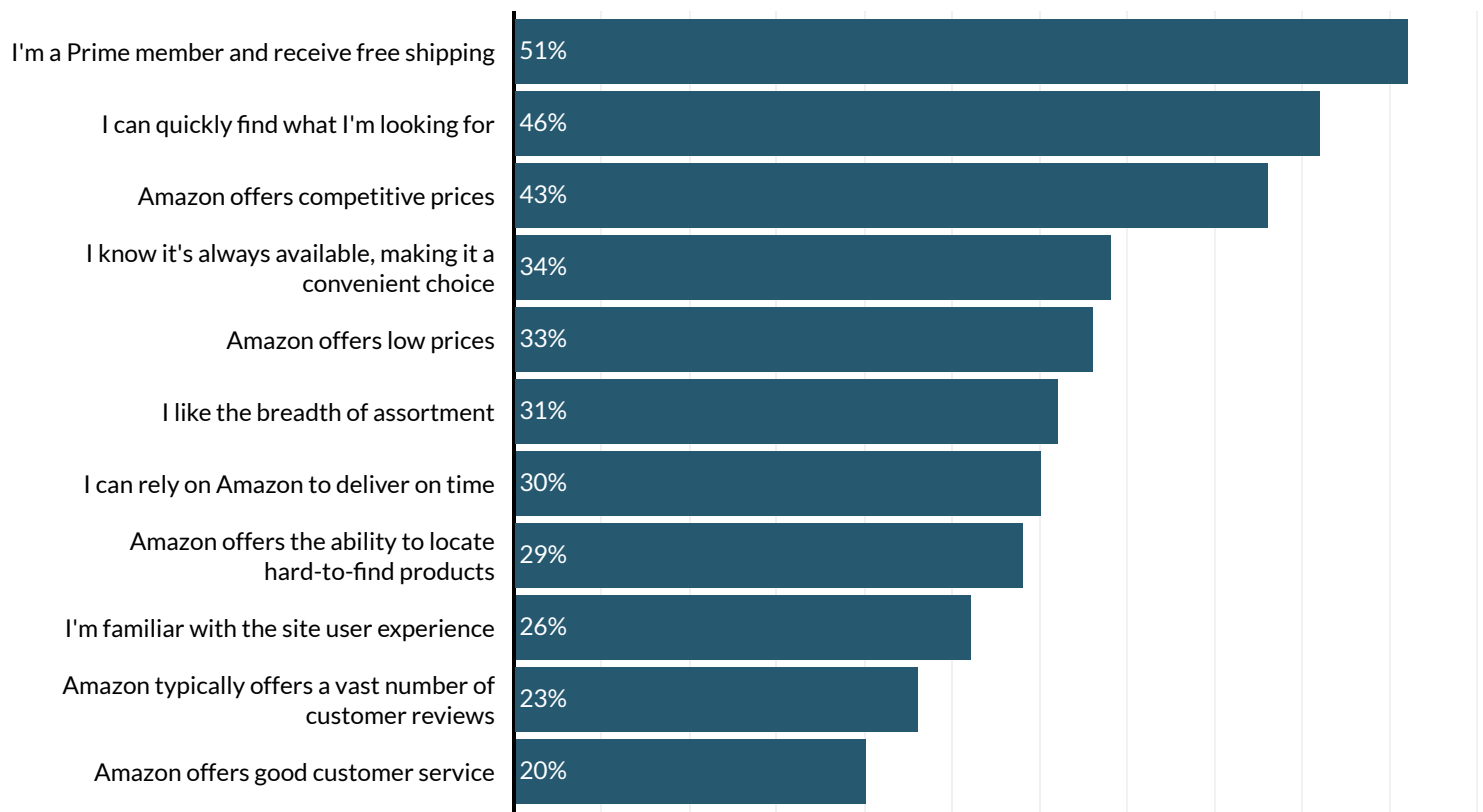


Amazon has 126 million members in its Prime loyalty program in the United States as of September 2020, according to Consumer Intelligence Research Partners (CIRP). Prime members account for roughly 65% of Amazon shoppers in the most recent quarter.

Source: Consumer intelligence Research Partners LLC

A Prime membership is the main driver to shop on Amazon

What are the top 5 reasons you purchase from Amazon?

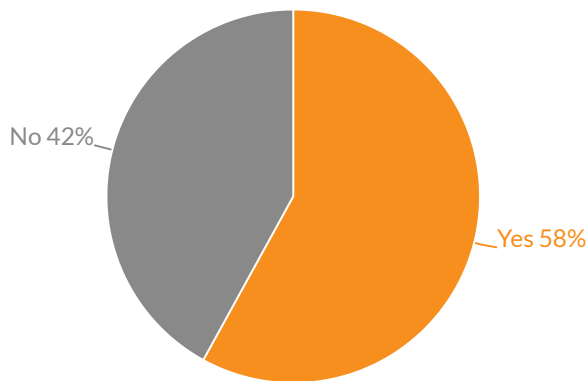


Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in June 2020

COVID-19 caused Prime Day to shift to October

Most shoppers made an Amazon purchase on Prime Day

Did you make purchases during the Amazon Prime Day sales event on Amazon?



Most consumers already had a membership prior to Prime Day

Which of the following describes your Amazon Prime member status?



73%

Prime member
prior to Prime Day



9%

Joined on Prime
Day

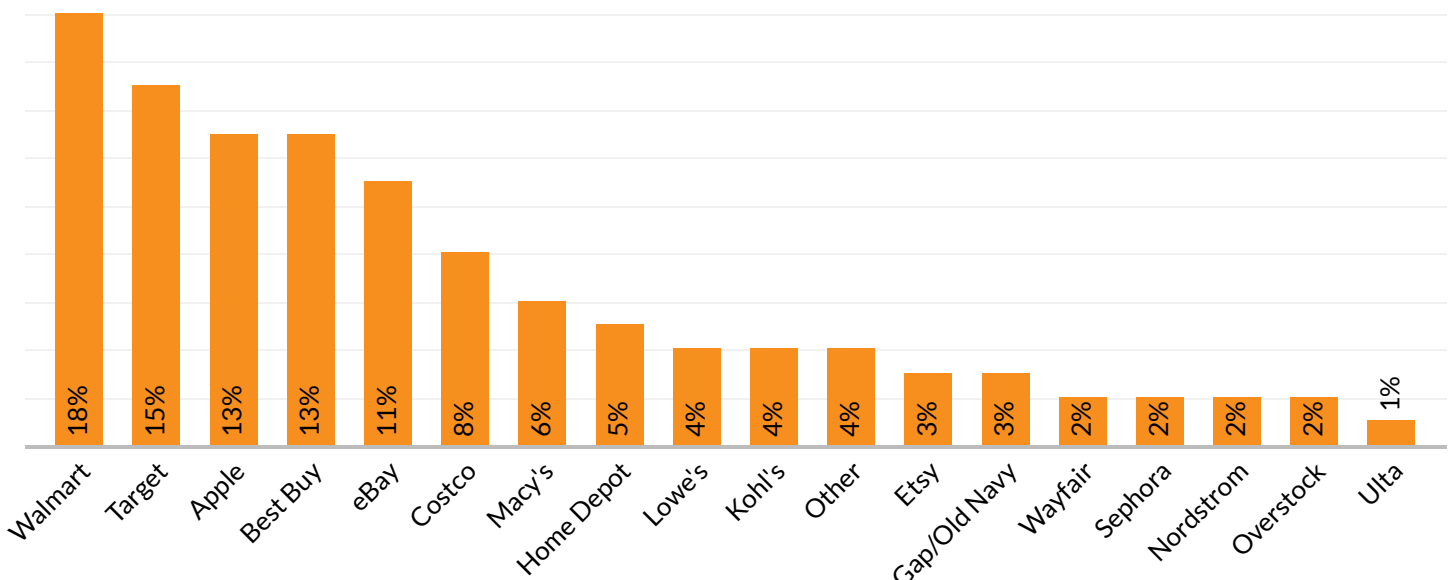


18%

Not a member

Mass merchants and consumer electronics retailers benefit from Prime Day

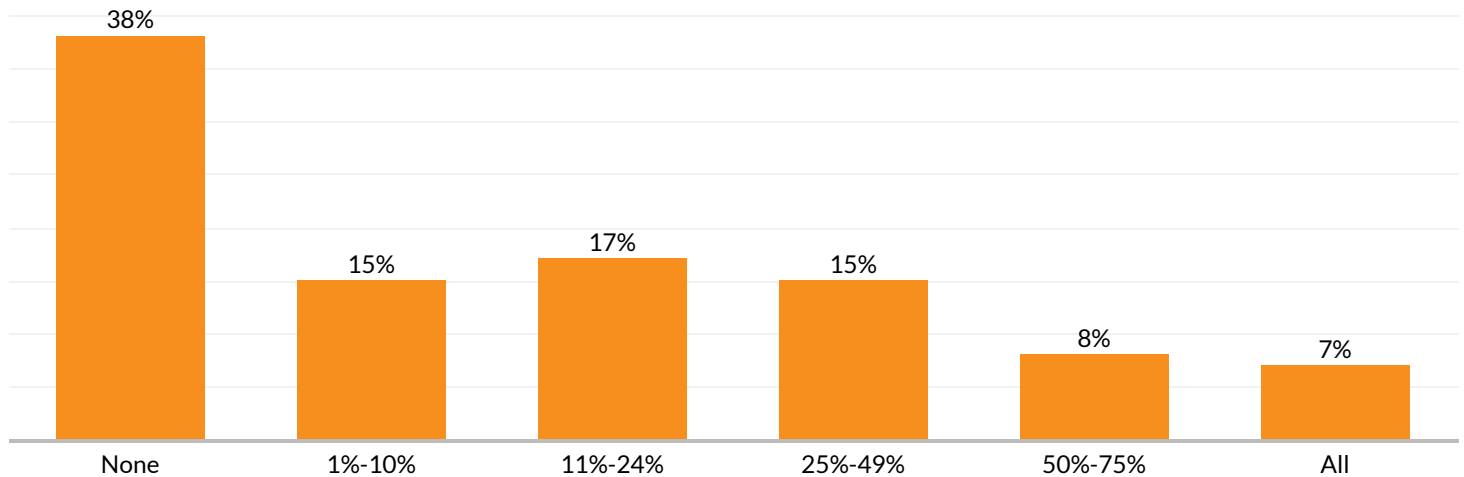
Other than Amazon, which retailers did you purchase from on Prime Day?



Source: Digital Commerce 360 survey of 530 online shoppers in October 2020

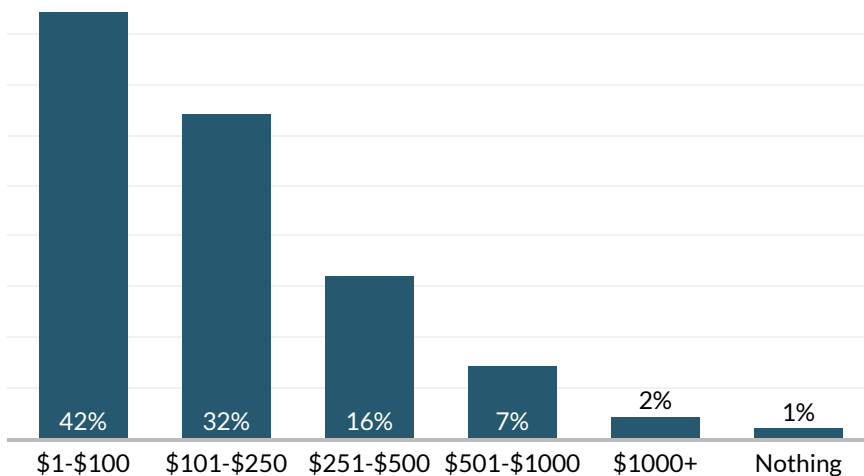
62% of shoppers purchased a holiday gift during Prime Day

What percentage of your Amazon Prime Day purchases were gifts for the upcoming holidays?



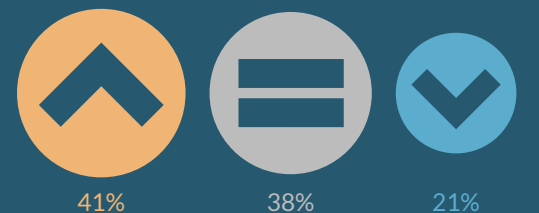
3 in 4 online shoppers spent up to \$250 on Amazon during Prime Day

How much did you spend during the Prime Day sales event on Amazon?



Most shoppers spent the same or more this year

Thinking about your Amazon Prime Day purchases in 2020 vs. 2019, how would they compare?

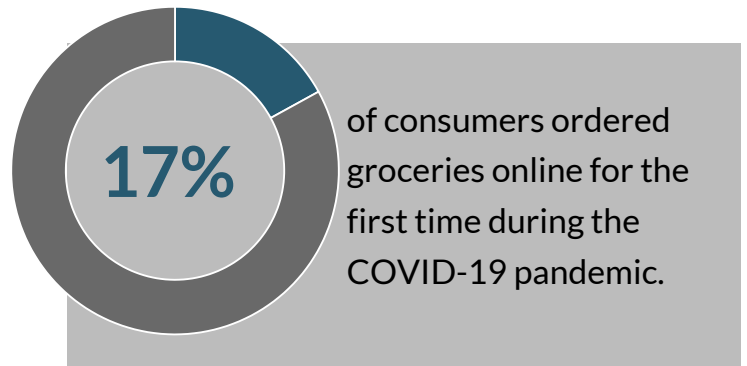


● Spent more in 2020
 ● Spent about the same
 ● Spent less in 2020

Source: Digital Commerce 360 survey of 530 online shoppers in October 2020

ONLINE FOOD

Panic buying in early 2020 wiped out inventory faster than employees could restock shelves. This mixed with lock-down orders because of the coronavirus pandemic caused shoppers to turn to ecommerce to fulfill their food and grocery needs. 17% of shoppers ordered groceries for the first time during the pandemic. However, online grocery still has room to grow as 53% still haven't turned to digital orders of food quite yet.

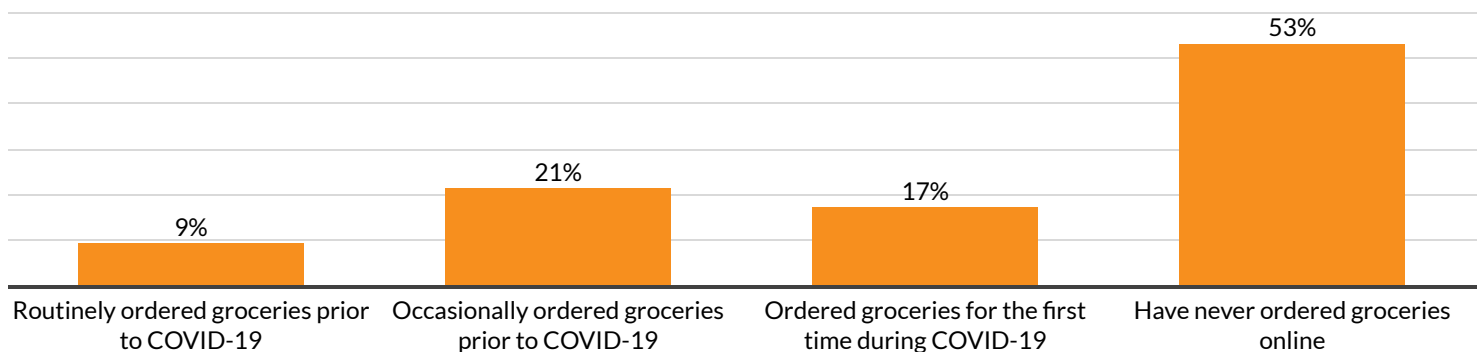


"COVID-19 has accelerated online grocery adoption at a rate the industry hadn't expected to see for years," says Sylvain Perrier, president and CEO of Mercatus, a data management platform. "The online surge may level off slightly as various states strive to return to 'normal.' However, what has changed in shoppers' eyes is the realization of the immediate benefits of online grocery shopping."

Consumer insights into online food and grocery are from a May 2020 Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers.

Most shoppers never ordered groceries online prior to COVID

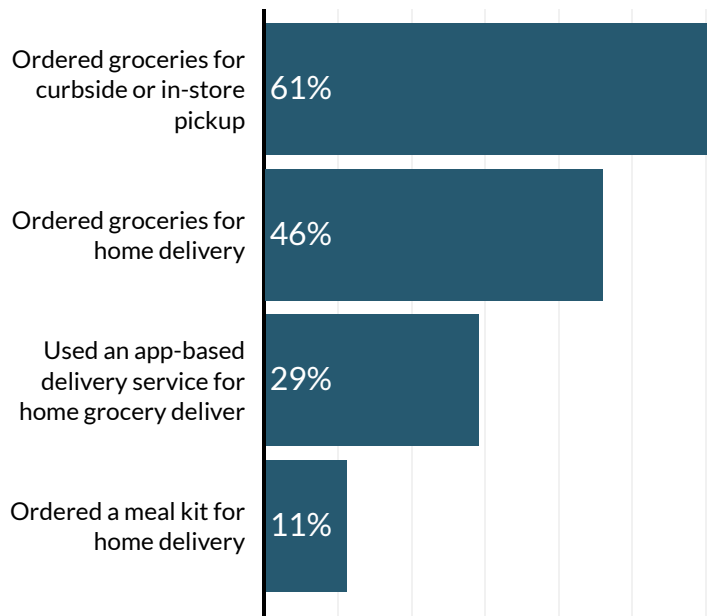
Which of the following best describes your experiences ordering fresh groceries online prior to/during COVID-19?



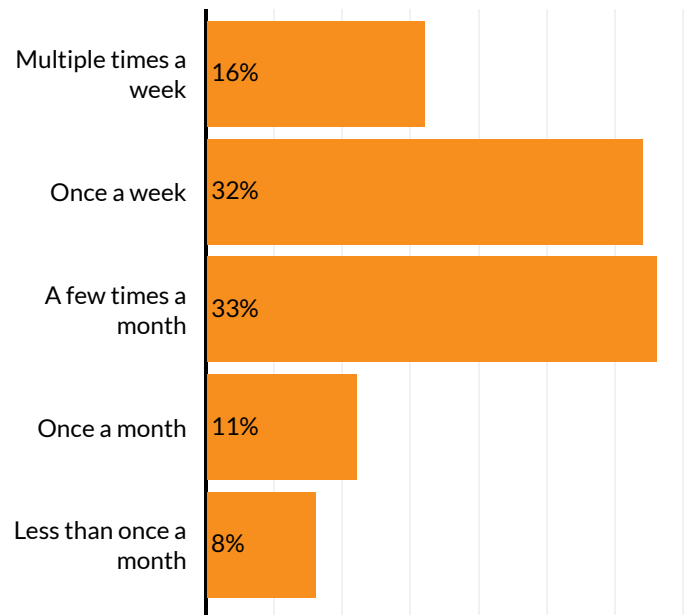
Source: Digital Commerce 360/Bizrate Insights of 1,000 online shoppers in May 2020

Online grocery ordering is gaining popularity

Which of the following types of grocery ordering have you done over the past few months?



How often have you ordered groceries online over the past few months?

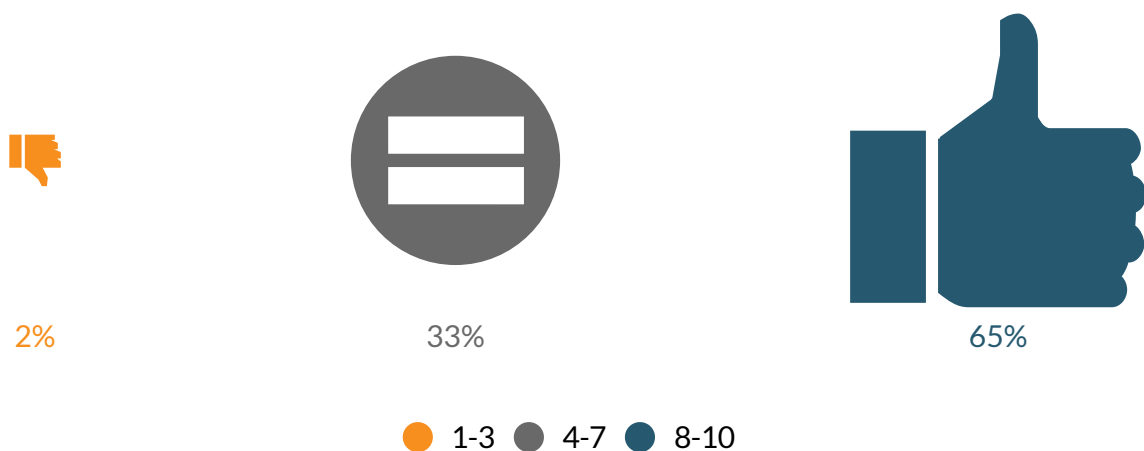


Source: Digital Commerce 360 survey of 436 online shoppers in May 2020

Source: Digital Commerce 360 survey of 185 first-time grocery buyers in May 2020

Shoppers are pleased with online grocery experience

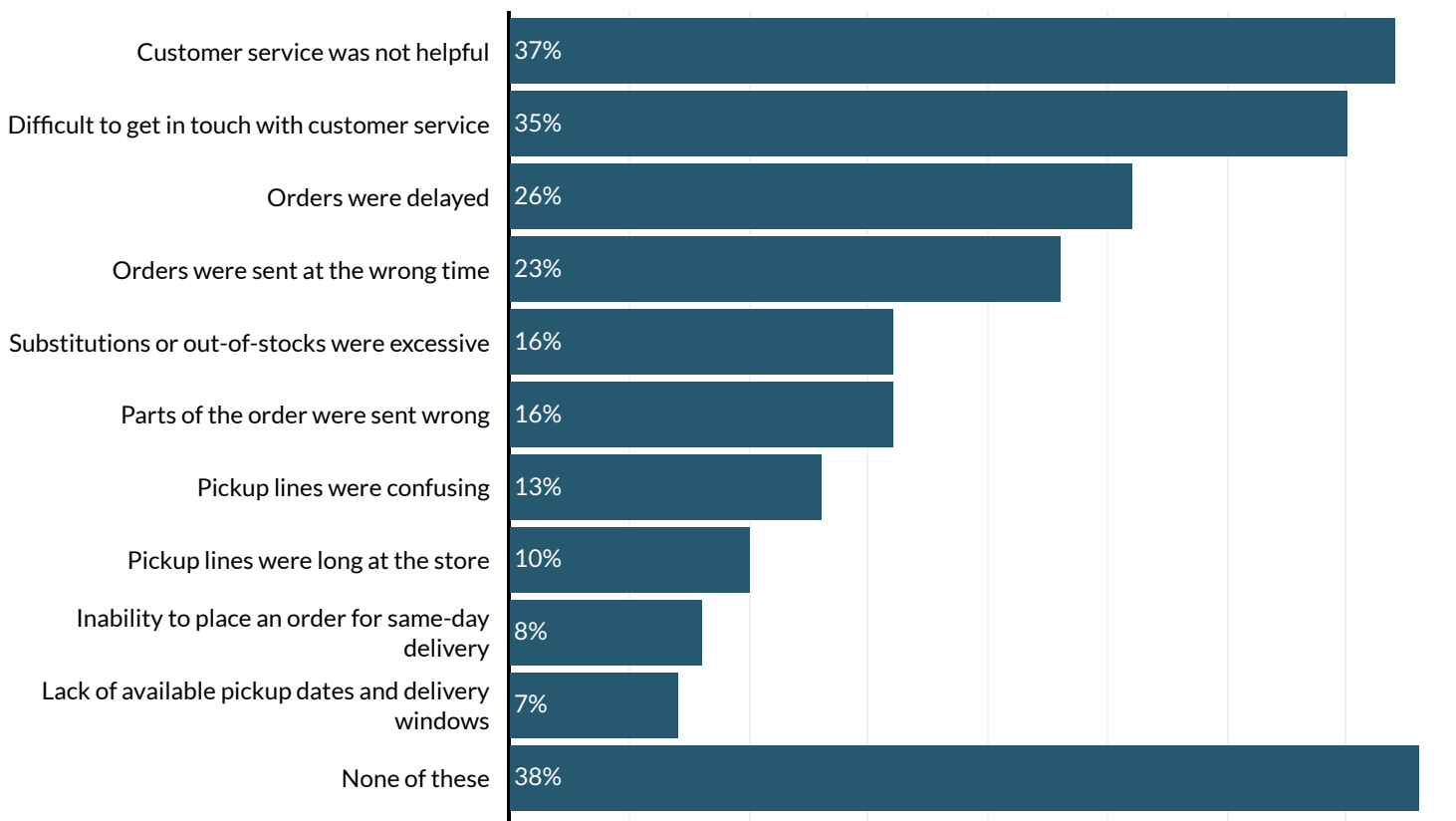
How would you rate the overall quality of the online grocery shopping experience?



Source: Digital Commerce 360/Bizrate Insights. survey of 436 online shoppers in May 2020

Poor customer service was part of online grocery shopping

Which of the following were part of your online grocery shopping experience? Select all that apply.



Online grocery shoppers gravitate toward mass merchants

From what type of stores have you ordered groceries online? Select all that apply.



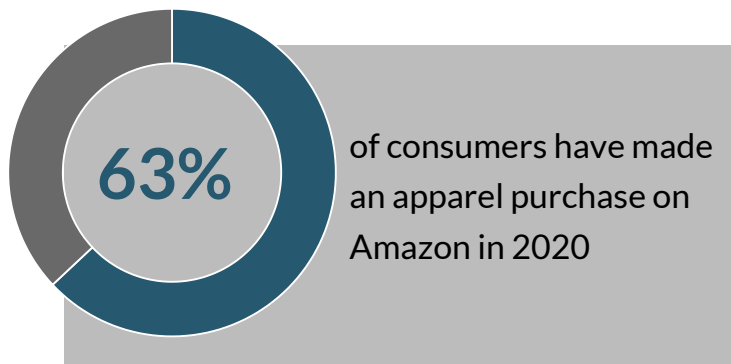
Source: Digital Commerce 360/Bizrate Insights survey of 436 online shoppers in May 2020

APPAREL

Online apparel sales grew 33.8% in 2020, according to Digital Commerce 360 predictions, more than double the ecommerce growth of apparel merchants the previous year.

Like other product categories, apparel shoppers turn to Amazon occasionally.

63% of those surveyed indicated that they have bought apparel on Amazon over the course of 2020.

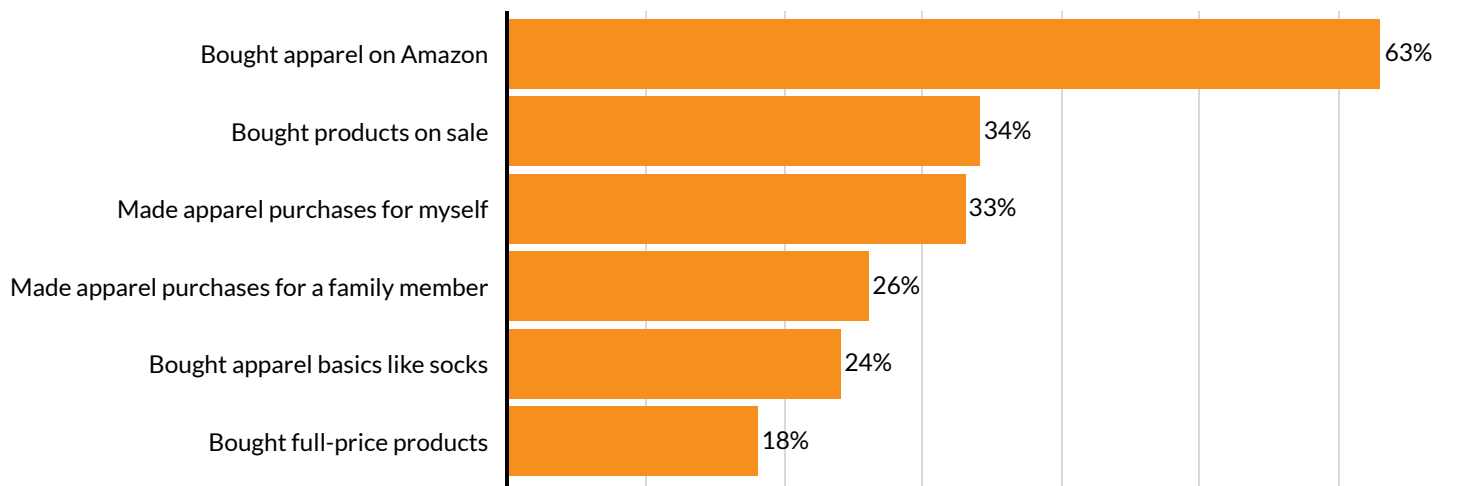


"Allow Amazon to be a discovery channel," says Marie Driscoll, managing director of luxury and fashion with Coresight Research. "Get discovered, be relevant, and then bring the shopper somewhere else."

Consumer insights into online apparel are from a Digital Commerce 360 and Bizrate Insights survey of 1,000 online shoppers from June 2020.

Online apparel shoppers turn to Amazon for fast fashion needs

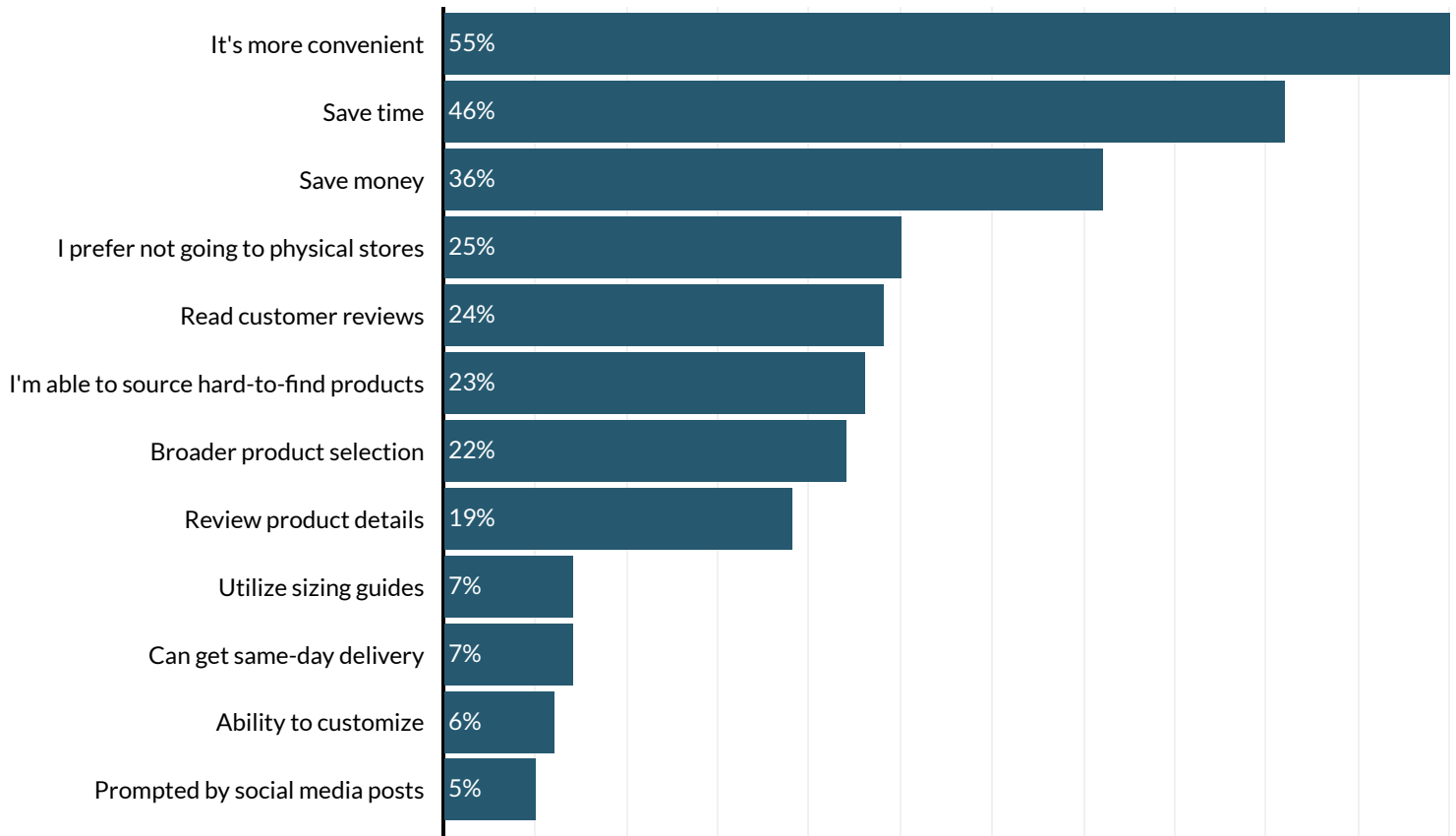
Thinking only about your purchases for apparel, accessories and shoes online at Amazon, which of the following have you done over the course of the year?



Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in June 2020

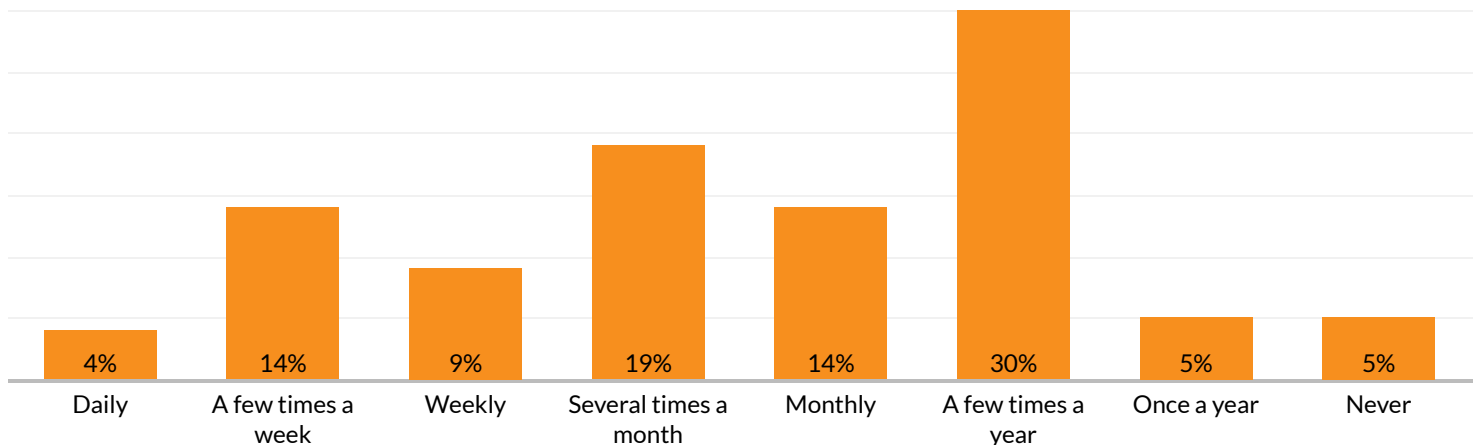
Convenience dominates the reason shoppers buy apparel online

Which of the following are reasons you purchase apparel and accessories online instead of at a store?



Most online apparel shoppers are active in purchasing frequency

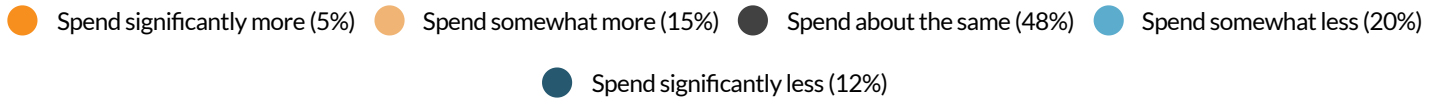
How often do you shop for apparel, accessories or shoes online?



Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in June 2020

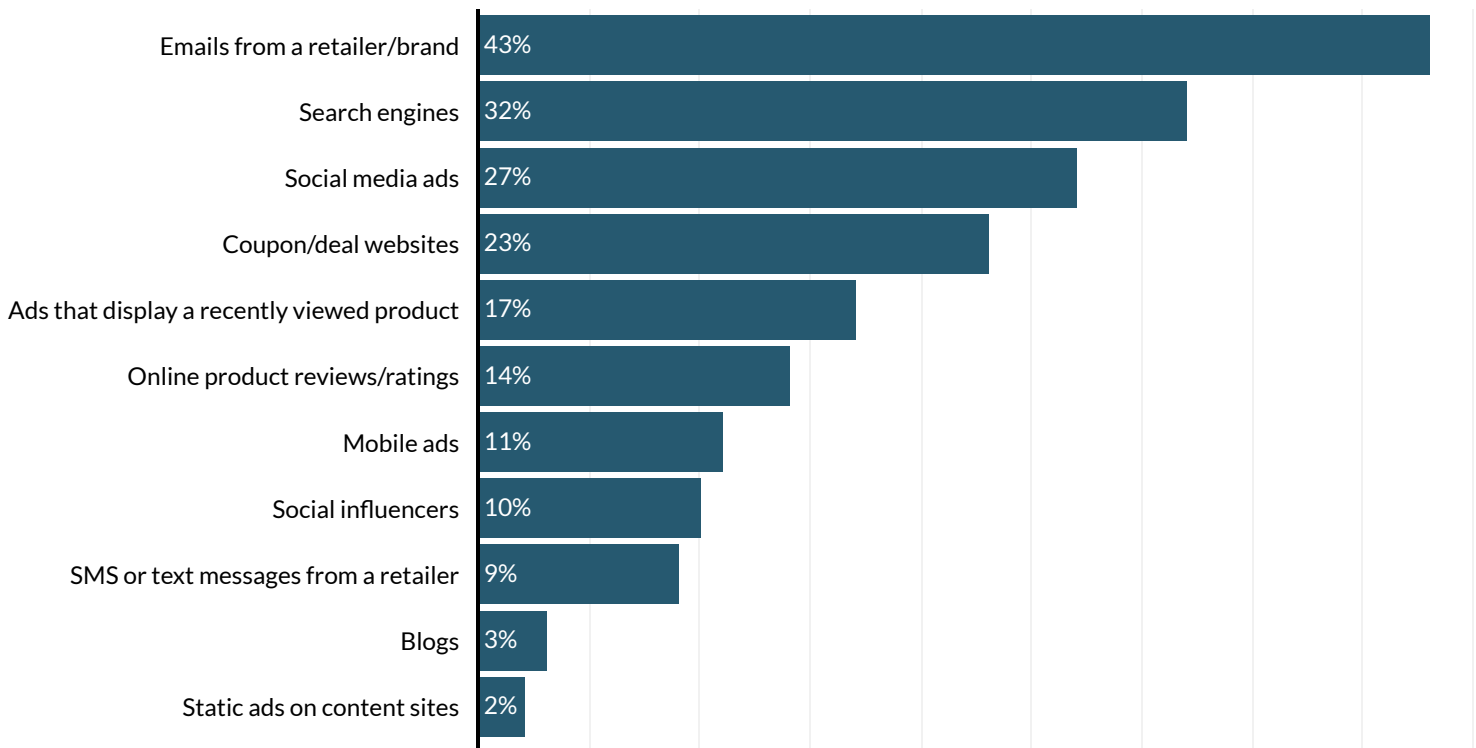
Nearly half of shoppers don't expect their online apparel purchasing to change throughout the year

How do you think your online spending will change in this category for the remainder of 2020?



Email marketing has encouraged shoppers to buy online

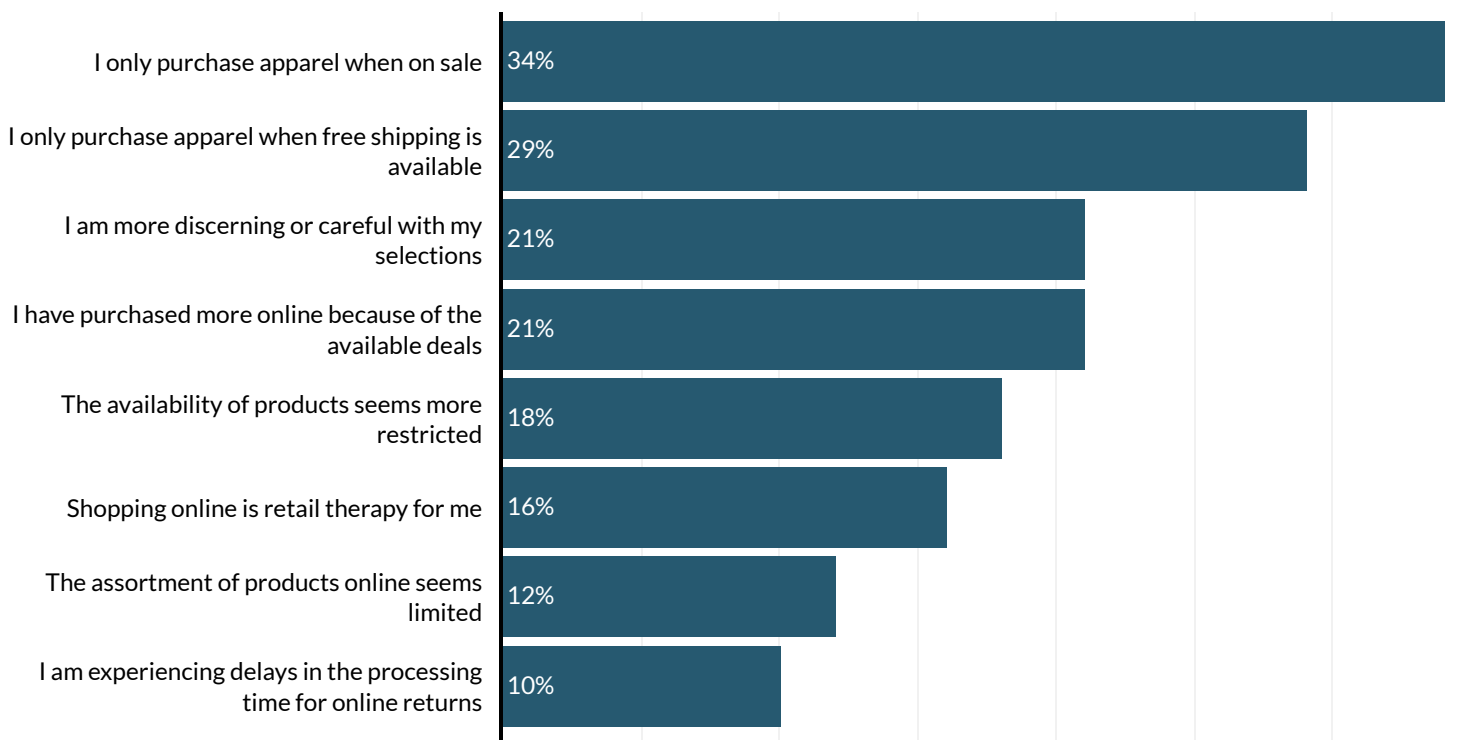
Which of the following have been influential in prompting you to visit or purchase from an online apparel retailer over the past few months?



Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in June 2020

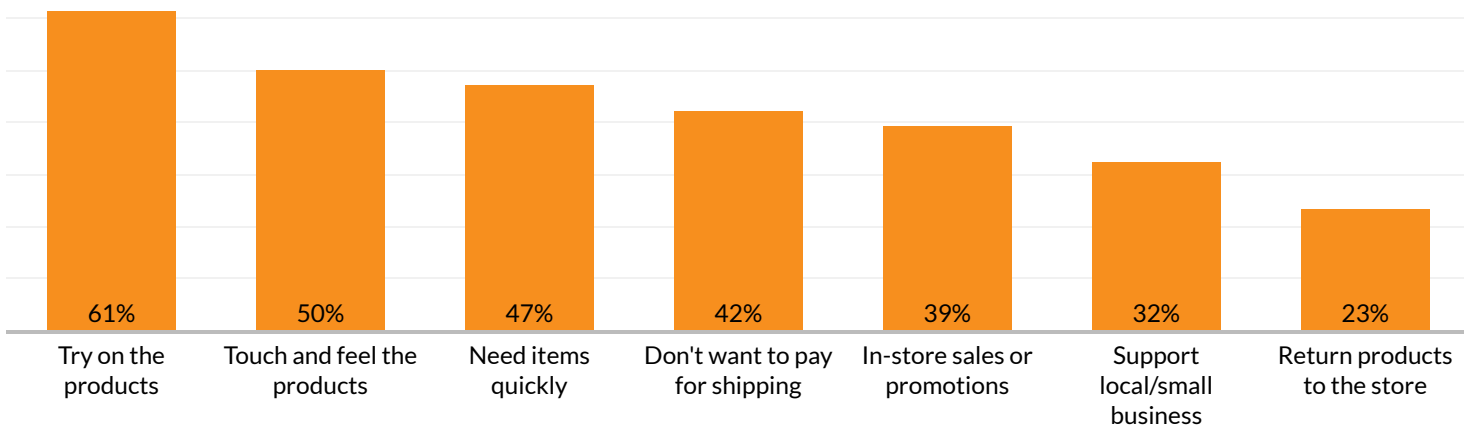
Apparel purchasing revolves around price during COVID-19

Given the circumstances of COVID-19, have any of these behaviors been part of your online apparel, accessory or shoe buying behavior?



In-store shopping is still a draw for consumers wanting to try on products

Which of the following are reasons for choosing to visit a physical store when shopping for apparel?

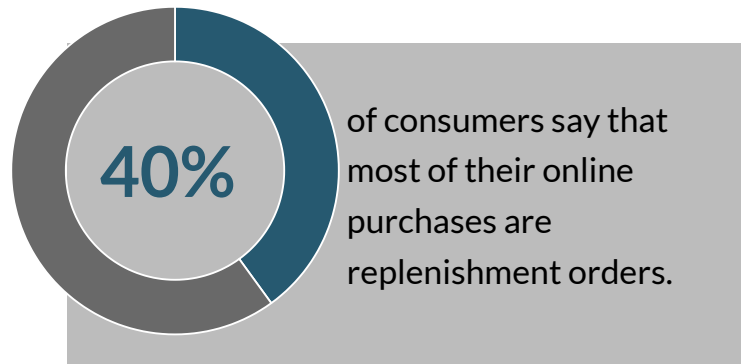


Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in June 2020

COSMETICS

The prominent cosmetics, skin and hair care category has seen a continued uptick in online sales as consumers are becoming more comfortable with online shopping. While online penetration of cosmetics was only 9.3% in 2019, that's up from the 6.1% in 2017. Repeat

purchases are popular for consumers, as 40% indicated that most of their online cosmetic purchases fall within this category, but it was really COVID-19 that has driven cosmetic shoppers online.



"The past few months changed the industry landscape for the long term," says Oran Holtzman, CEO of Il Makiage, a cosmetics retailer. "Many consumers discovered the comfort of shopping beauty online, and I don't think it's going to pass."

Consumer insights into online cosmetics are from an August 2020 Digital Commerce 360 and Bizrate Insights survey of 1,000 online shoppers.

Replenishment and loyalty drive online beauty buying

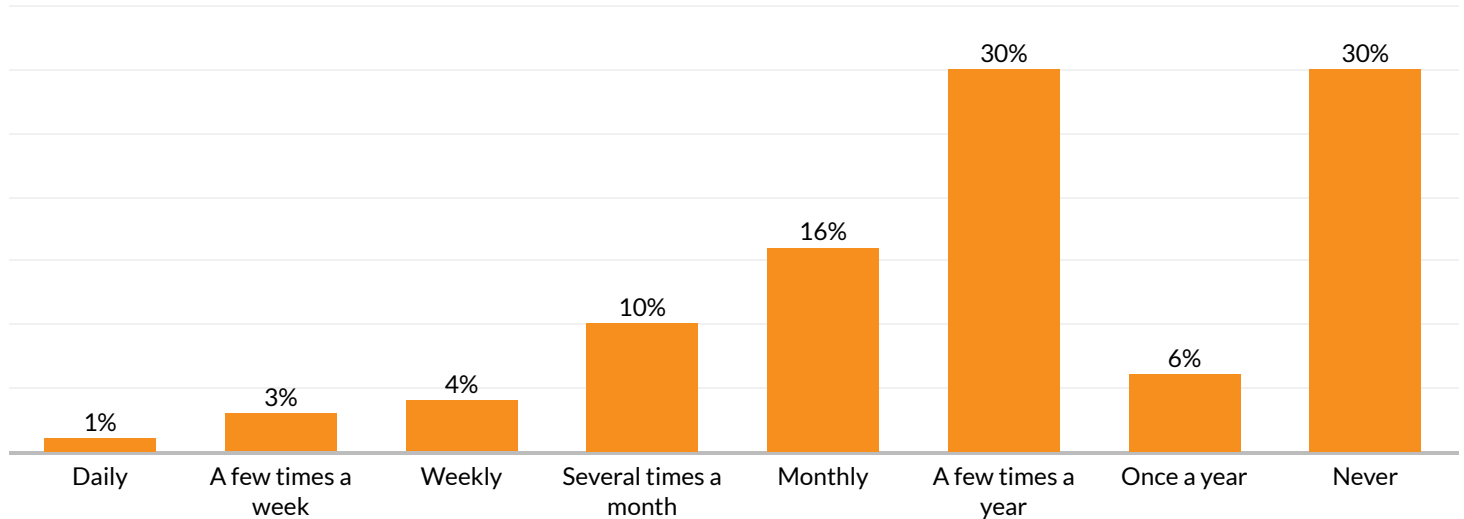
How would you describe your approach to beauty buying online? Select all that apply.



Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in August 2020

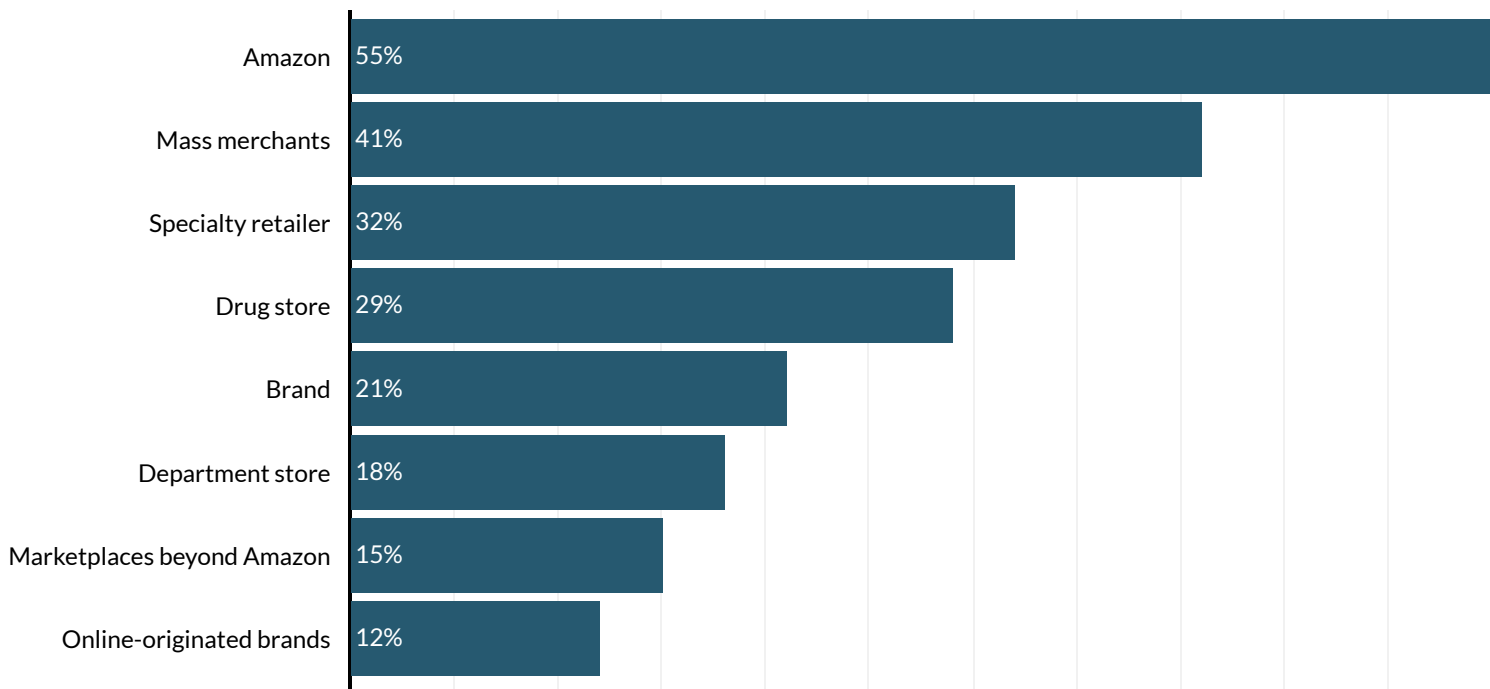
A third of shoppers buy beauty products online at least monthly

How often do you buy beauty products online?



Most shoppers have purchased beauty products on Amazon online

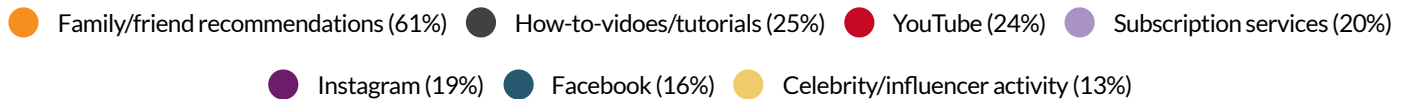
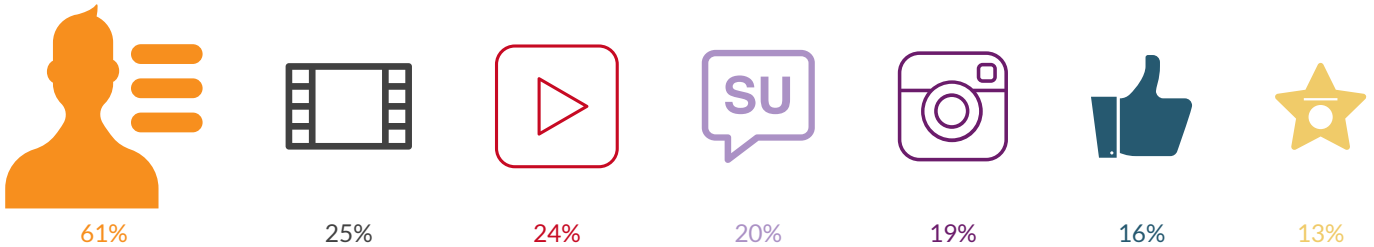
From which of the following types of retailers have you purchased beauty products online?



Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in August 2020

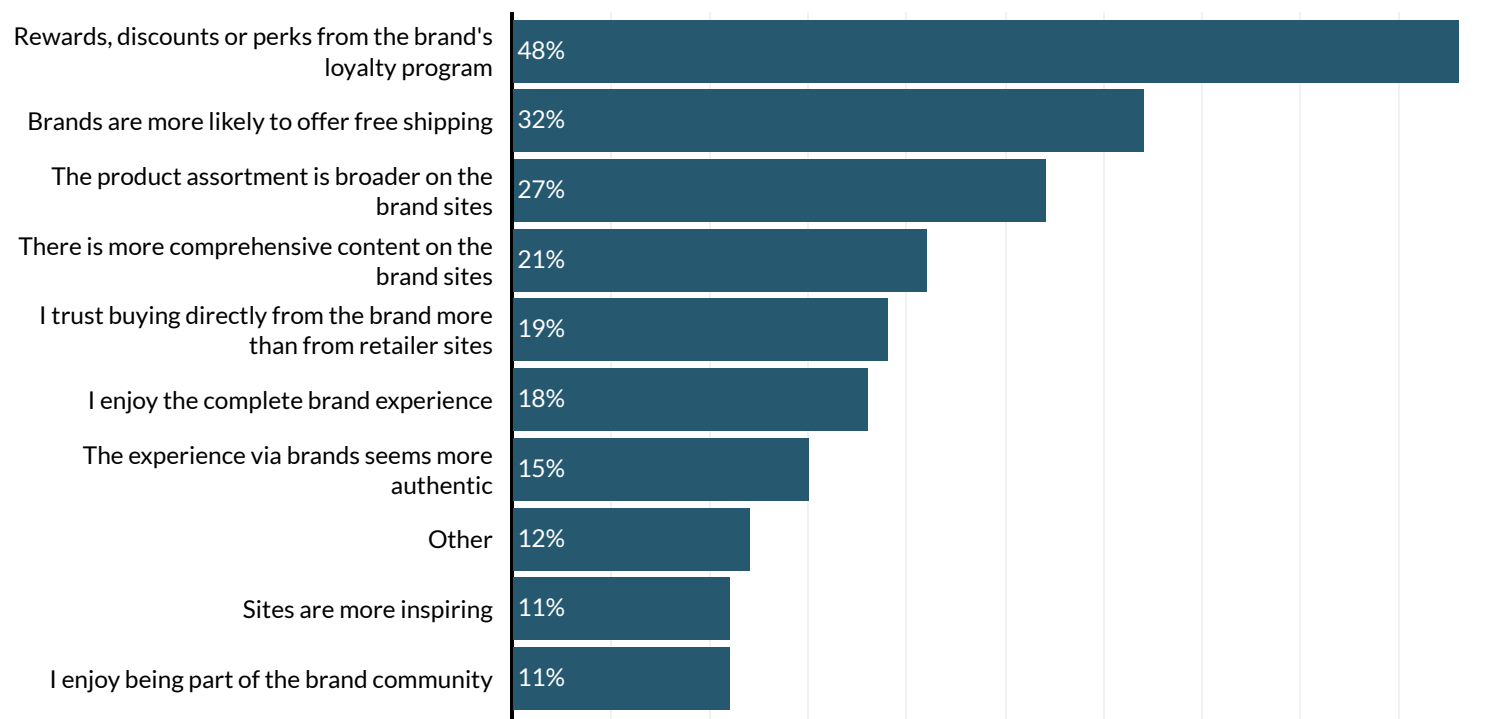
Family and friend recommendations influence online beauty buying

Which of the following have influenced your selection of beauty products online?



Loyalty perks entice consumers to buy directly from cosmetics brands

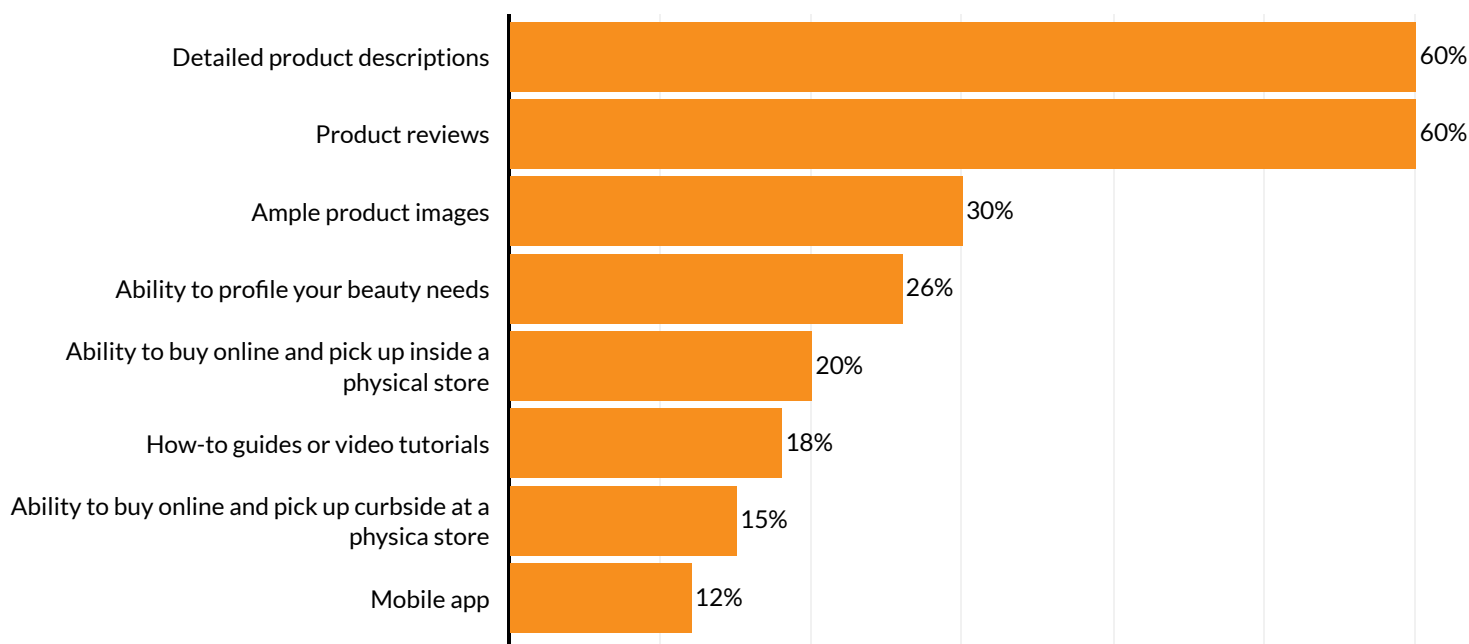
Which of the following are reasons that you choose to shop directly from a brand rather than purchase from a retailer that sells multiple brands under one umbrella?



Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in August 2020

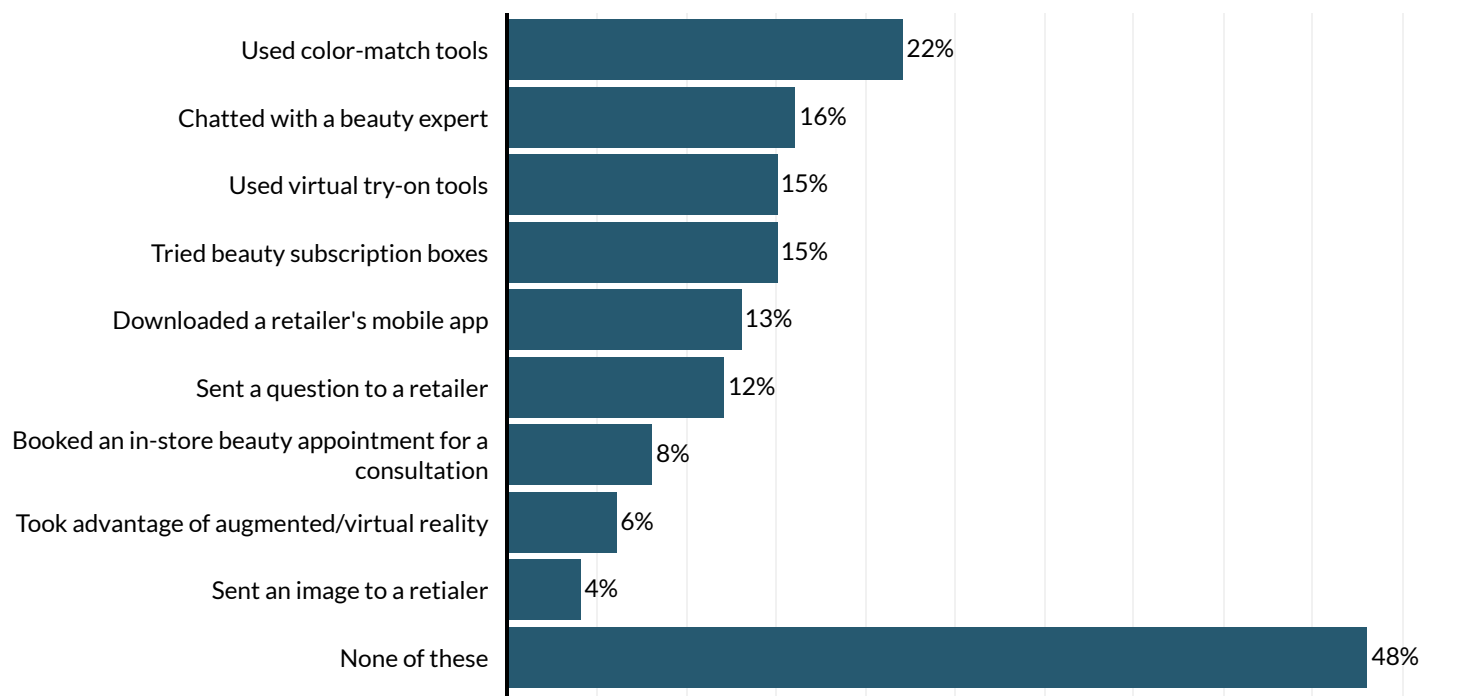
Online beauty shoppers want detailed product information

Which of the following online features are important when selecting beauty products online?



Shoppers are taking advantage of website features

Which of the following have you taken advantage of when attempting to make the right beauty product selection for you on a retailer's site?

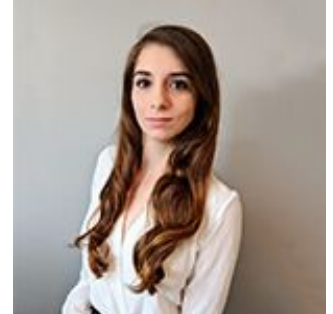


Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers in August 2020

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ABOUT DIGITAL COMMERCE 360 RESEARCH

At Digital Commerce 360 Research, our goal is to provide data and information about ecommerce that helps retail companies, investors and technology providers prosper.

The team tracks hundreds of metrics on thousands of online retail companies around the world, including such sought-after data points as web sales and traffic, conversion rates, average order value and key technology partners used to power their ecommerce businesses. We sell this data in its raw format in our multiple online databases, and we dig deeply into these numbers to help inform our 30+ exclusive analysis reports we publish each year on key ecommerce topics, including online marketplaces, cross-border ecommerce and omnichannel retailing. In-depth, data-focused reports are also available on key categories of online retail like apparel, housewares, food and luxury. We also have a robust custom research department, which provides tailored research products—in-depth reports, exclusive surveys, raw data pulls and other products—for top retail companies, consultants, financial analysts and technology companies.

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