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RETAIL ADAPTATION

How retail adapted during the COVID pandemic

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ACRS conducted research to investigate how retail changed and adapted during the COVID-19 pandemic.

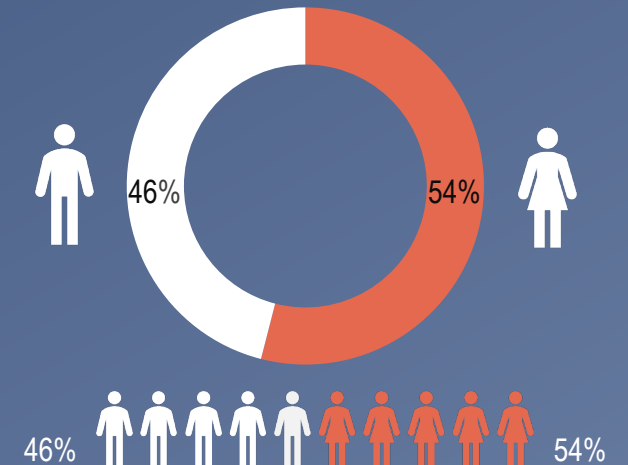
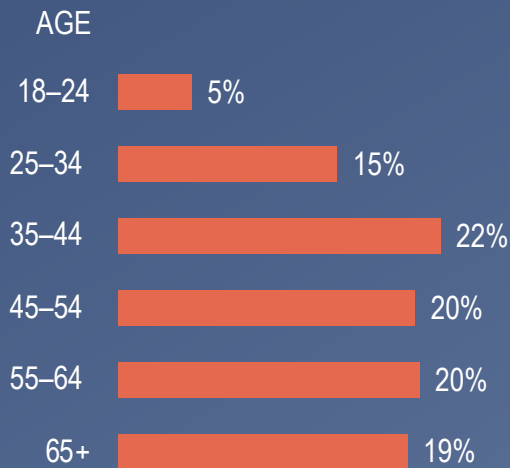
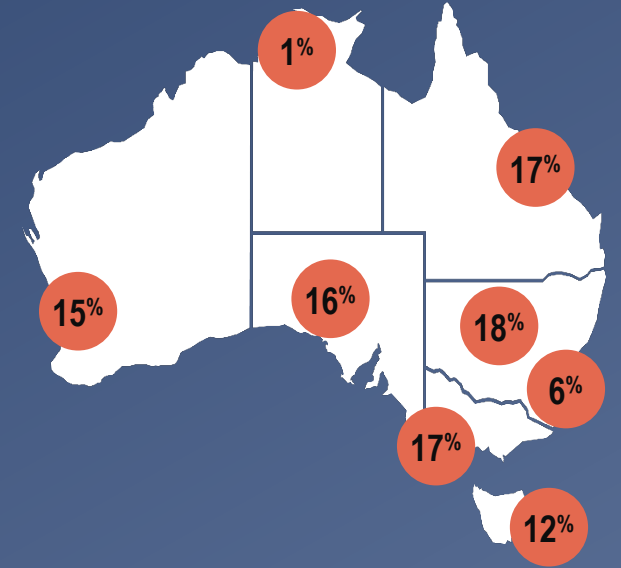
Throughout September 2021 we surveyed 1,609 shoppers from across Australia, the United Kingdom and the United States of America.

This report reflects on shoppers' experiences throughout the COVID-19 pandemic and identifies key changes in consumers' behaviour and attitudes towards retail, with a particular focus on Australian shoppers.

 n=1,002 Australian shoppers

 n=301 United Kingdom shoppers

 n=306 United States shoppers



THE RETAIL INDUSTRY FACED A NUMBER OF CHALLENGES DURING THE PANDEMIC



Short- and long-term **snap lockdowns** varying across states



Physical compliance for the health and safety of staff and public



Domestic and international **supply chain disruption**



Quality **staff retention and acquisition**, as well as training

WITH CONSUMERS SPENDING MORE TIME AT HOME, ECOMMERCE BOOMED DURING THE PANDEMIC

Retail spend in 2020¹

\$310.29B

Up 9.7% YoY

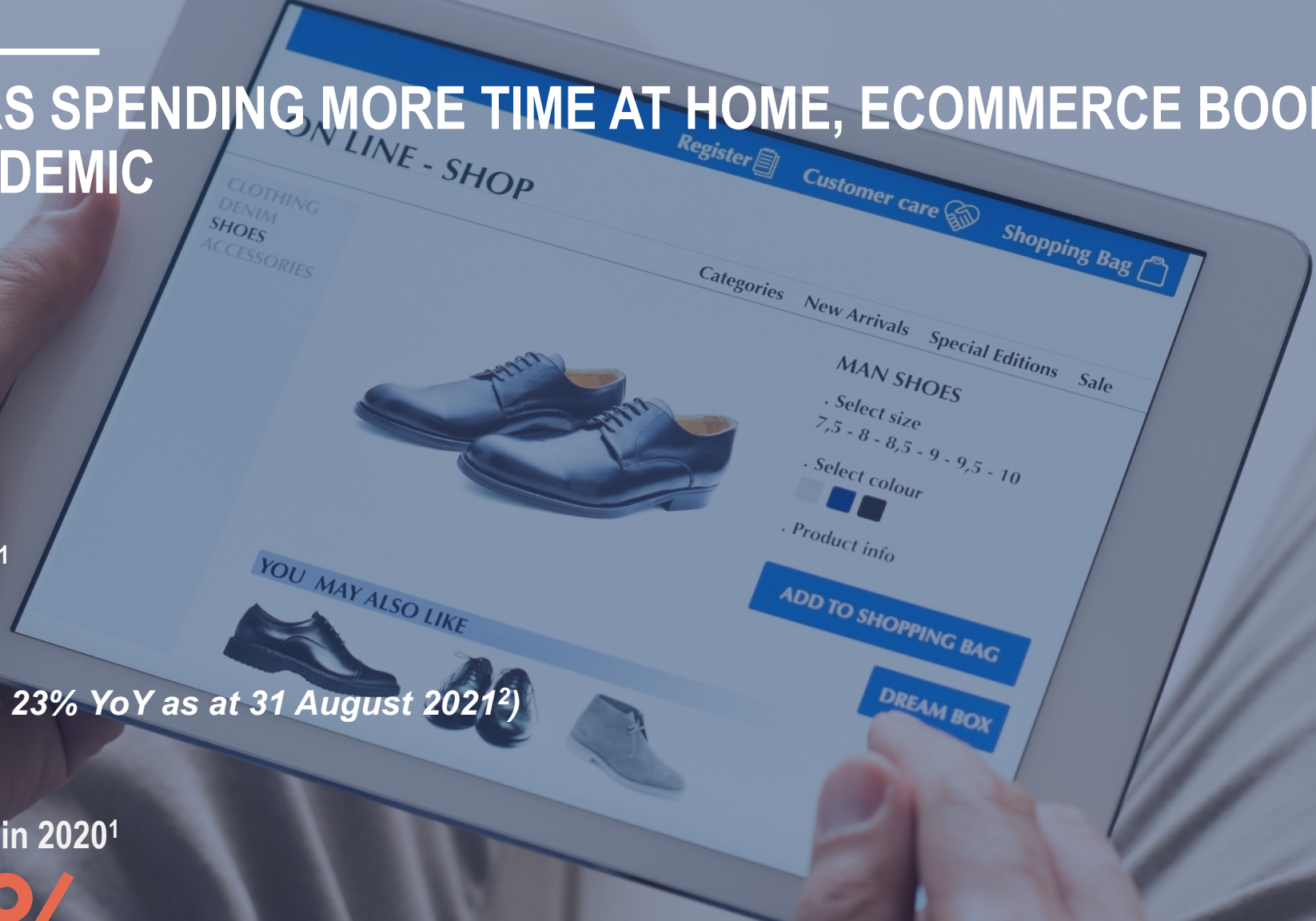
Online goods spend in 2020¹

\$50.46B

Up 57% YoY (Up 23% YoY as at 31 August 2021²)

Online share of retail spend in 2020¹

16.3%



MAJORITY OF AUSTRALIANS MADE AN ONLINE PURCHASE IN THE LAST THREE MONTHS, WITH OVER A THIRD MAKING WEEKLY PURCHASES



84%

of Australians made an online purchase in the last three months

Online shoppers who made a purchase at least weekly



37%



54%



53%

Compared to...



94%

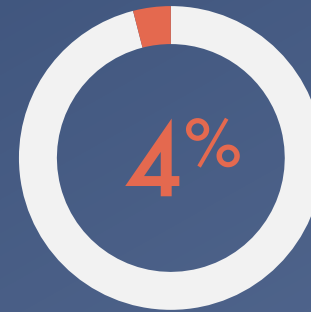


84%

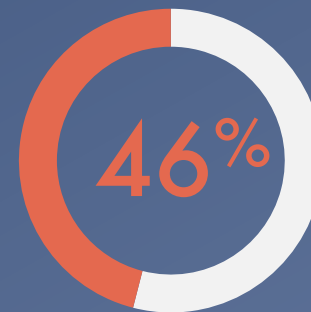
INDEED, HALF OF AUSTRALIANS SHOPPED MORE ONLINE THAN PRIOR TO THE PANDEMIC, WHILE ONLY A SMALL PROPORTION SHOPPED LESS



50%



Only 4% of Australian shoppers made *less* online purchases during the pandemic



Almost half of Australians made *about the same* amount of online purchases during the pandemic

of Australians made *more* online purchases during the pandemic (i.e., since March 2020) compared to prior to the pandemic

Compared to...



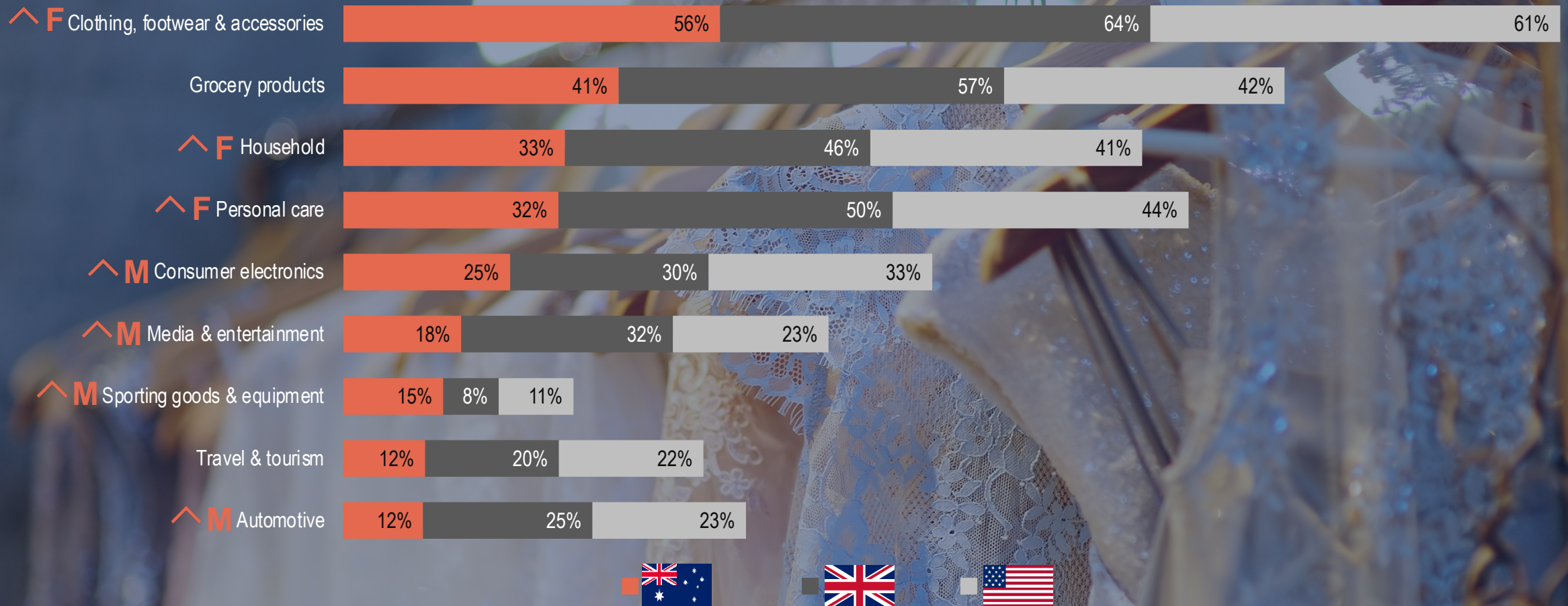
62%



59%

CLOTHING, FOOTWEAR & ACCESSORIES AND GROCERY PRODUCTS WERE THE MOST PURCHASED GOODS ONLINE

Products purchased online



Note: ^F=Females purchased significantly more than males; ^M=Males purchased significantly more than females.

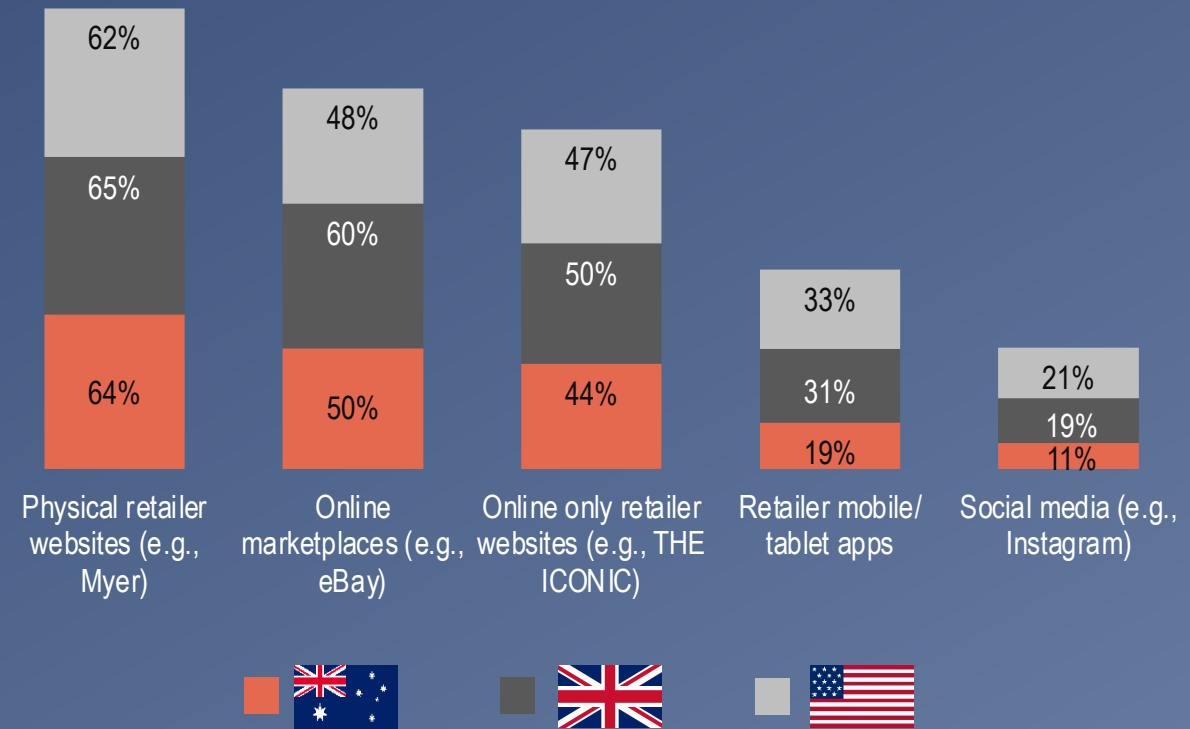
PHYSICAL RETAILER WEBSITES WAS THE MOST FREQUENTLY USED ONLINE CHANNEL TO PURCHASE RETAIL GOODS FROM



64%

of Australian shoppers purchased online goods from physical retailer websites in the past three months

Channels used for online shopping across categories



AUSTRALIAN SHOPPERS WERE HIGHLY SATISFIED WITH ONLINE CHANNELS OVERALL AND USED THESE FOR A RANGE OF REASONS



Australian shoppers' primary reason for channel use aside from purchasing & level of satisfaction

Physical retailer websites



most frequently used for
product information

4.2 /5

Online marketplaces



most frequently used for
price comparisons

4.1 /5

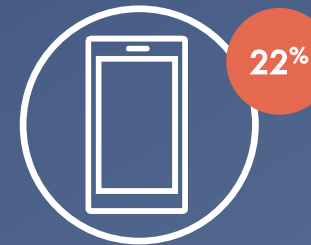
Online only retailers



most frequently used for
price comparisons

4.1 /5

Retailer mobile/tablet apps



most frequently used for
seeking out promotions

4.2 /5

Social media



most frequently used for
inspiration for future
purchases

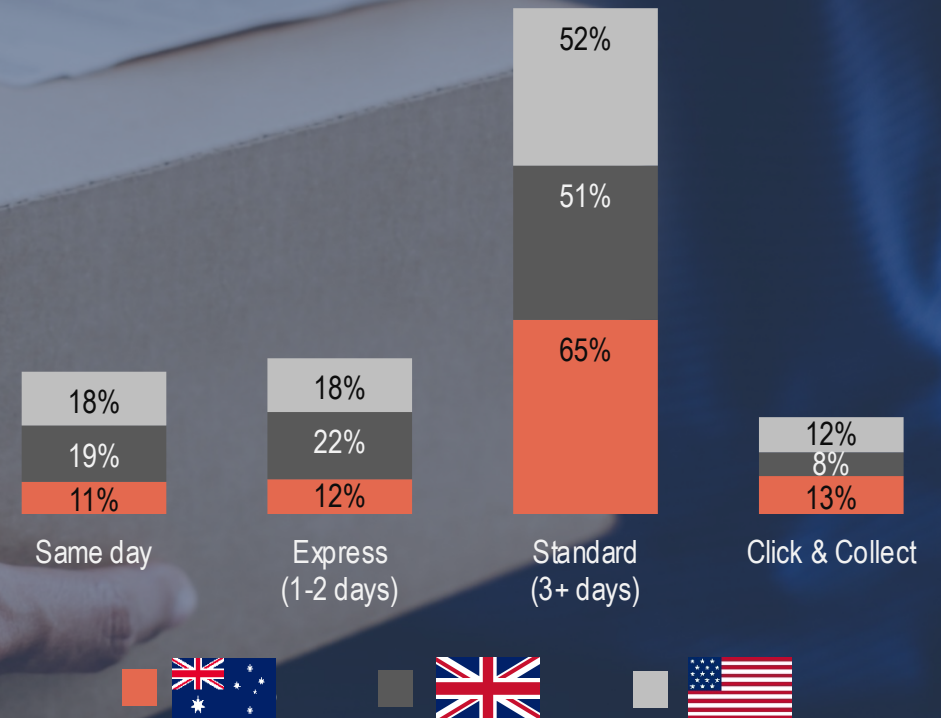
4.1 /5

STANDARD DELIVERY WAS BY FAR THE MOST FREQUENTLY USED METHOD TO DELIVER ONLINE PURCHASES

Delivery option most frequently selected across categories

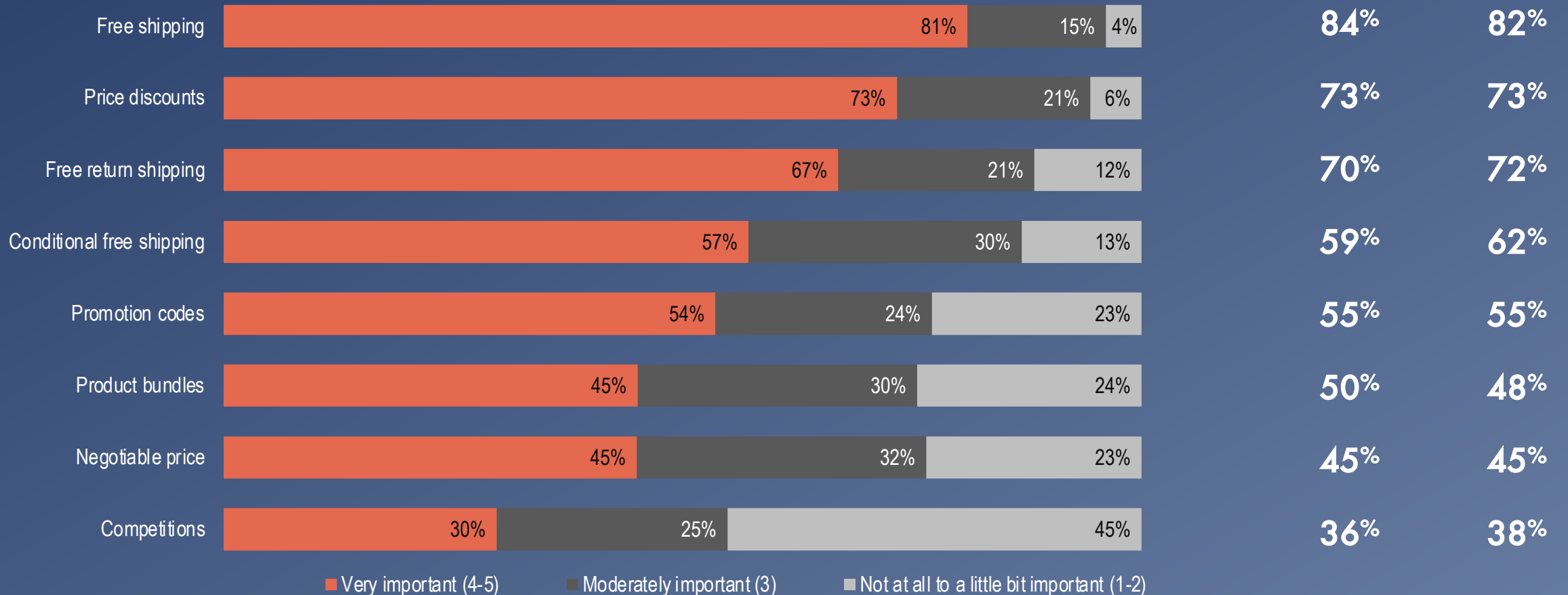
 **65%**

of Australian shoppers most frequently used standard delivery (3+ days) to deliver their online goods



SHIPPING RELATED PROMOTIONS WERE AMONGST THE MOST IMPORTANT PROMOTIONS WHEN DECIDING TO MAKE AN ONLINE PURCHASE

Incentives/ promotions important to online purchase decision



THE PHYSICAL STORE, AND THE ABILITY TO SEE AND TRIAL PRODUCTS, WAS THE MOST INFLUENTIAL SOURCE FOR PURCHASE DECISIONS OVERALL

Most influential sources on purchase decisions overall



1st

Physical store (e.g., ability to see/ trial)

2nd 1st

2nd

Retailer websites

1st 3rd

3rd

Internet searches

3rd 4th



Promotions	4th	4th	2nd
Family, friends & colleagues	5th	5th	5th
Email marketing	6th	7th	10th
Online reviews & blogs	7th	6th	8th
Television	8th	8th	6th
Mail catalogues	9th	14th	12th
Social media	10th	9th	7th
Online advertising	11th	10th	9th
Direct mail	12th	11th	11th
Print media	13th	12th	13th
Sales person	14th	13th	14th
Cinema	15th	15th	15th
Outdoor advertising	16th	16th	16th

SEEKING SALES/ SPECIAL DEALS AND SHOPPING FOR LOCALLY PRODUCED PRODUCTS WAS IMPORTANT TO AUSTRALIAN SHOPPERS

Important to shoppers following their pandemic retail experiences



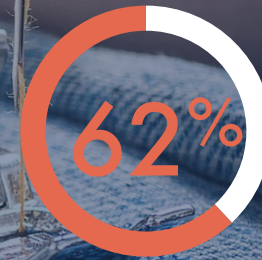
Seek out sales and/ or special deals

🇬🇧 66% 🇺🇸 66%



Shop for products that are locally produced

🇬🇧 58% 🇺🇸 48%



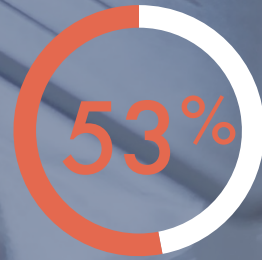
Shop for quality products (versus fast and disposable goods)

🇬🇧 65% 🇺🇸 62%



Be frugal with spending

🇬🇧 61% 🇺🇸 67%

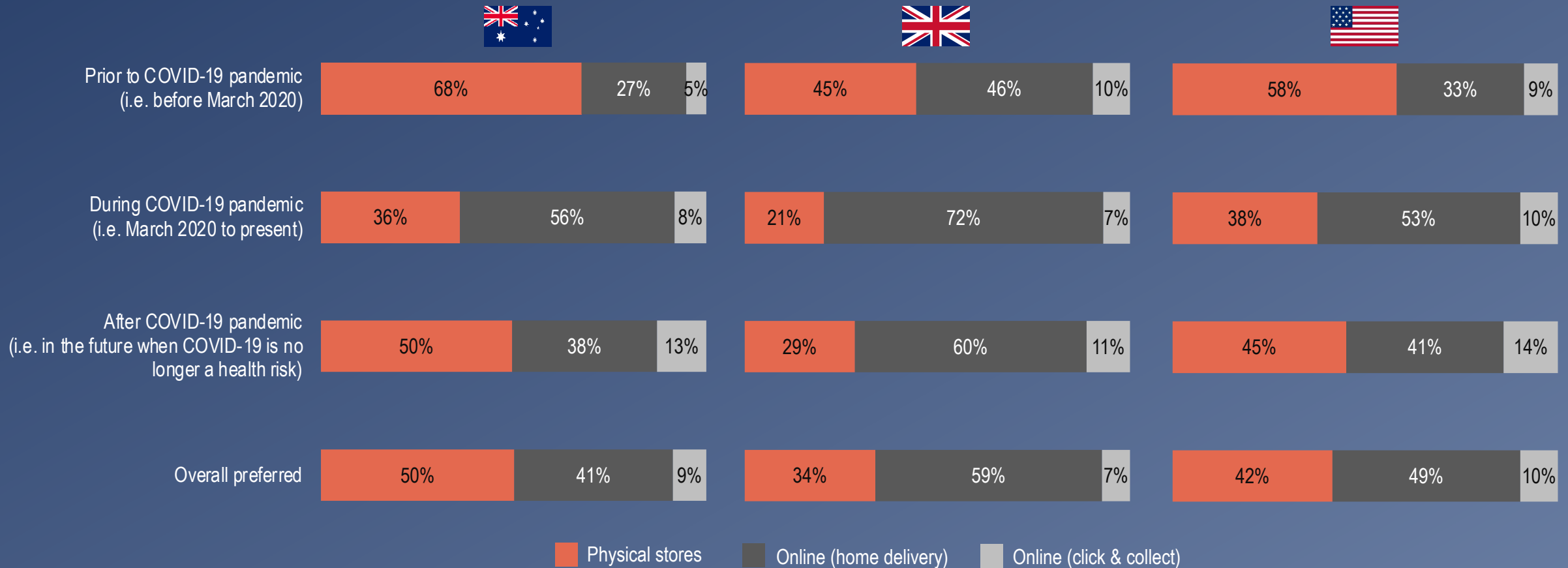


Shop for environmentally friendly/ sustainable products

🇬🇧 60% 🇺🇸 51%

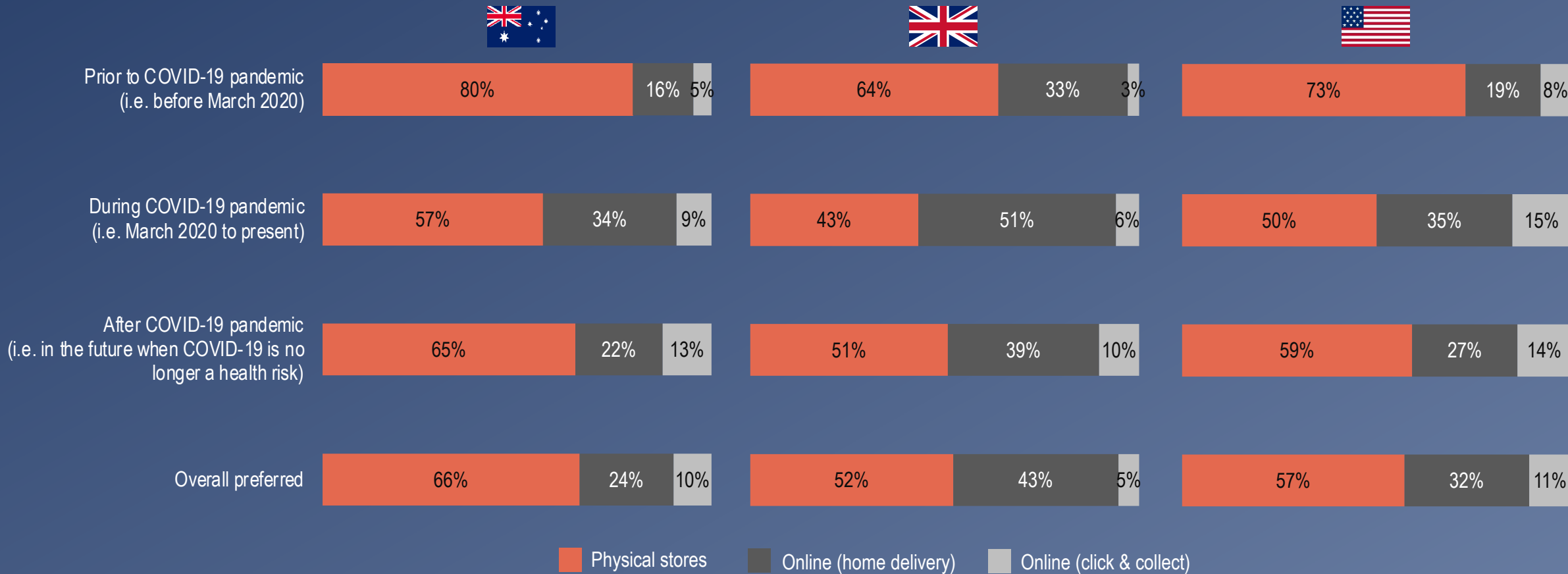
ONLINE BECAME THE MAIN CHANNEL FOR NON-GROCERY RETAIL GOODS DURING THE PANDEMIC AND MANY PLAN TO CONTINUE USING THIS CHANNEL

Main channel – NON-GROCERY



PHYSICAL STORES REMAINED THE MAIN CHANNEL FOR GROCERY GOODS IN AUSTRALIA, BUT THERE HAS BEEN A SHIFT IN PREFERENCE TOWARDS ONLINE SINCE THE BEGINNING OF THE PANDEMIC

Main channel – GROCERY



LESSONS LEARNED AND PRIORITIES FOR THE FUTURE



Add **humanised touches** to online channels to show customers you care



Strive for **seamless omnichannel experiences** to meet increasing online expectations



Invest in the **digital shopfront** to attract customers and compete for screen time



Reflect and review **plans and processes** to increase efficiencies in operations



Engage and **target locally** by connecting with online communities

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