

2023 Digital Shopper Trends

February 2023

Michelle Evans, Global Lead of Retail and Digital Consumer Insights

Bob Hoyler, Manager, Retail and Digital Consumer Insights

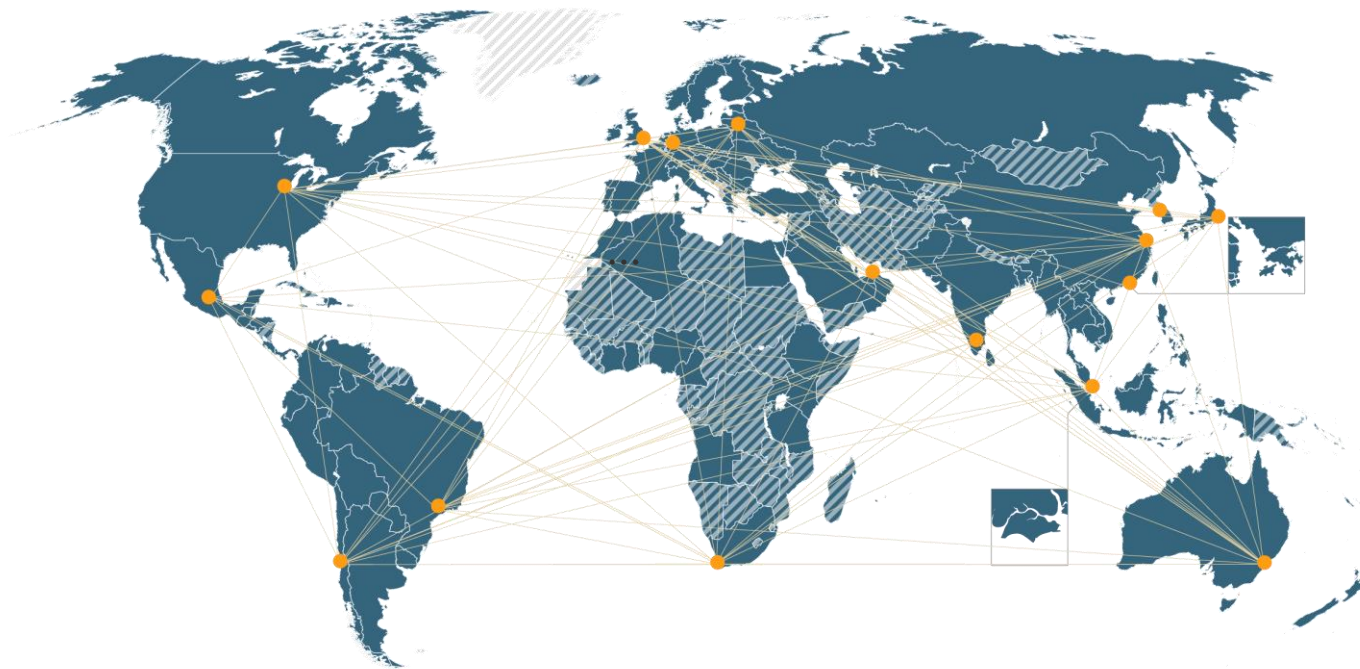
Rocío Franco, Senior Consultant

PowerPoint presentation includes proprietary information from Euromonitor International and cannot be used or stored with the intent of republishing, reprinting, repurposing or redistributing in any form without explicit consent from Euromonitor International.

For usage requests and permission, please contact us
<http://www.euromonitor.com/locations>.

The data included in this report is accurate according to Euromonitor International's market research database, at time of publication: February 2023

Euromonitor International network and coverage



16 OFFICES

London	Tokyo
Chicago	Sydney
Singapore	Bangalore
Shanghai	São Paulo
Vilnius	Hong Kong
Santiago	Seoul
Dubai	Düsseldorf
Cape Town	Mexico City

100 COUNTRIES

in-depth analysis on
consumer goods and
service industries

210 COUNTRIES + AND TERRITORIES

demographic, macro- and
socio-economic data on
consumers and economies

About the speakers



Michelle Evans

Global Lead, Retail and
Digital Consumer Insights
Euromonitor International



Bob Hoyler

Manager, Retail and Digital
Consumer Insights
Euromonitor International



Rocío Franco

Senior Consultant
Euromonitor International



62%

Population using the internet as of 2023, equating to 4.9 billion users.

USD10 tril

Projected online spend for goods and services globally in real terms.

Sources: Passport: Business Dynamics (top); Passport: Digital Consumer (bottom)

The five digital shopper trends that will redefine commerce in 2023



1. Online Savers



2. Crowdsourced Creation



3. E-Customisation



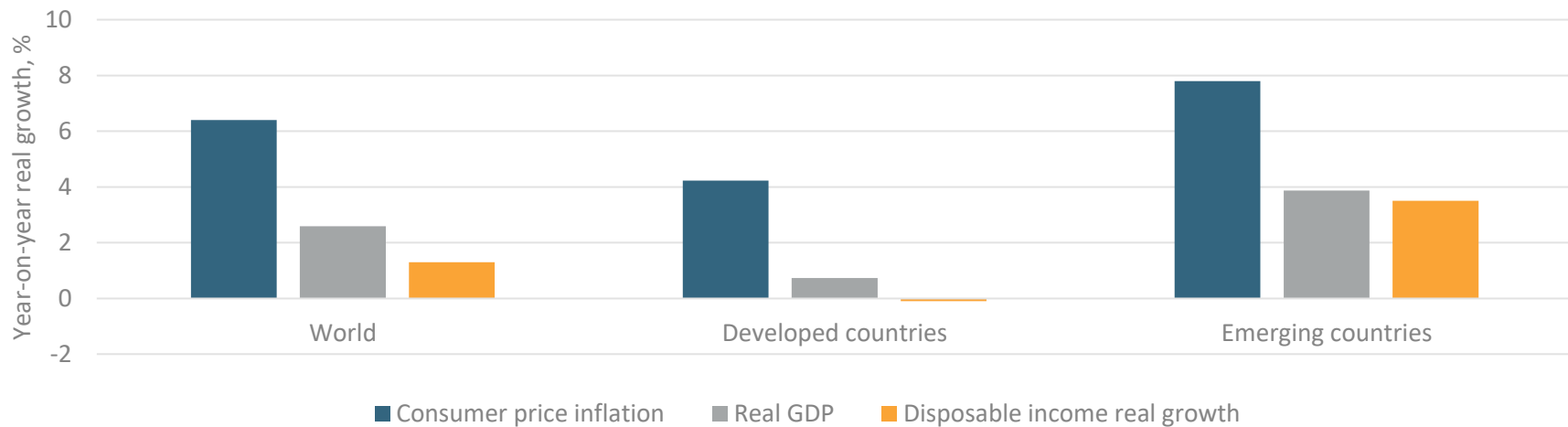
4. Game Changers



5. Sensory Shopping

1. Online Savers

Annual Rates of Inflation and Real GDP and Disposable Income Growth 2023



Source: Euromonitor International Macro Model; national statistics.

Note: Data are forecast. Inflation and GDP data updated on 28 November 2022

2.6%
Global real GDP

6.4%
Estimated inflation globally

\$64 trillion
Disposable income globally

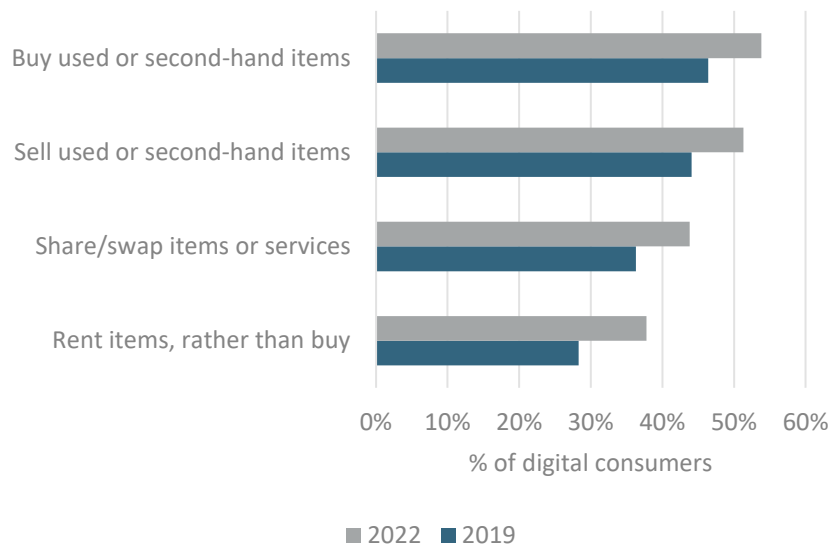
Digital savvy to digital savers

A grayscale photograph of a woman with long hair, wearing a striped shirt, lying on a dark leather couch. She is looking down at a laptop computer resting on her lap. The background is slightly blurred, showing what appears to be a window or a doorway.

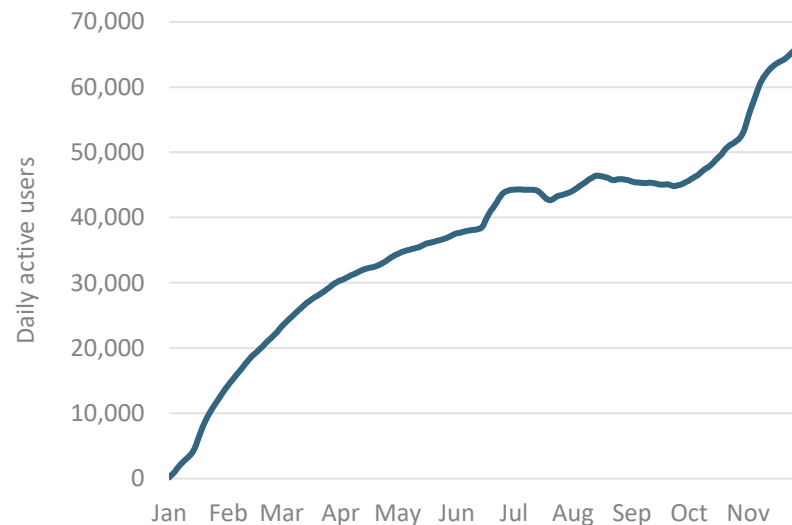
With three times as many consumers being connected, the population has instant access to readily available digital tools to help with navigating the economic downturn.

Companies are investing in digital tools to appeal to budgeteers

Second-Hand Buying and Selling, 2022



SariSuki CL Group-Buying App (Philippines) Daily Active Users, 2022





VENDE
Y COMPRA
DE SEGUNDA MANO

ARRIENDA

REPARA Y
PERSONALIZA

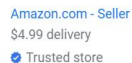
RECICLA

Cencosud launched a sustainability initiative called Moda Circular for its department store brand Paris.

Secondhand products enable shoppers to buy items at lower prices while reducing their carbon footprint.

Image source: Paris Instagram account

- ☐
- Floral



The ability to surface discounts in search will be a welcomed addition by consumers facing economic uncertainty.

What to expect in 2023 and beyond

To foster loyalty,
companies should help
consumers navigate
economic uncertainty

Widespread
connectivity will
provide more digital
tools in the arsenal

Second-hand shopping
will rise off back of
environmental and
economic concerns

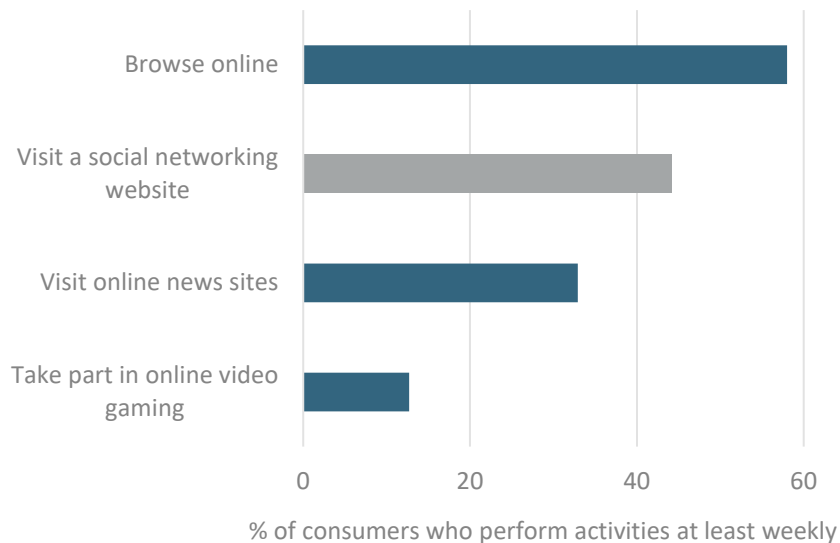
Group-buying services
will find popularity
outside of China due to
cost-of-living crisis



2. Crowdsourced Creation

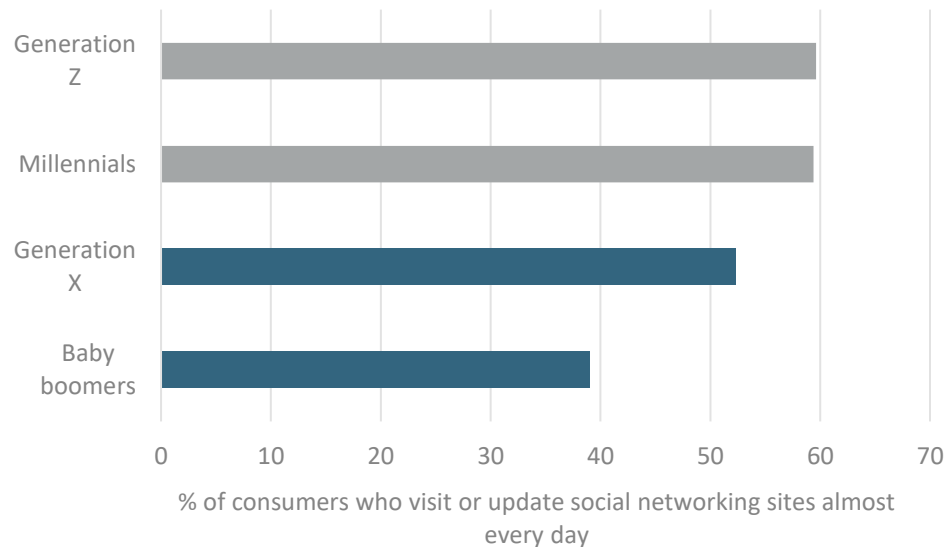
Social networks help brands connect with customers, elevating the co-creation process

Most Popular Online Activities, 2022



Source: Euromonitor International Voice of the Consumer: Lifestyles Survey, fielded January and February 2022

Social Media Engagement, By Generation, 2022



Source: Euromonitor International Voice of the Consumer: Lifestyles Survey, fielded January and February 2022



41%

Global digital consumers
who like to actively engaged
with brands.

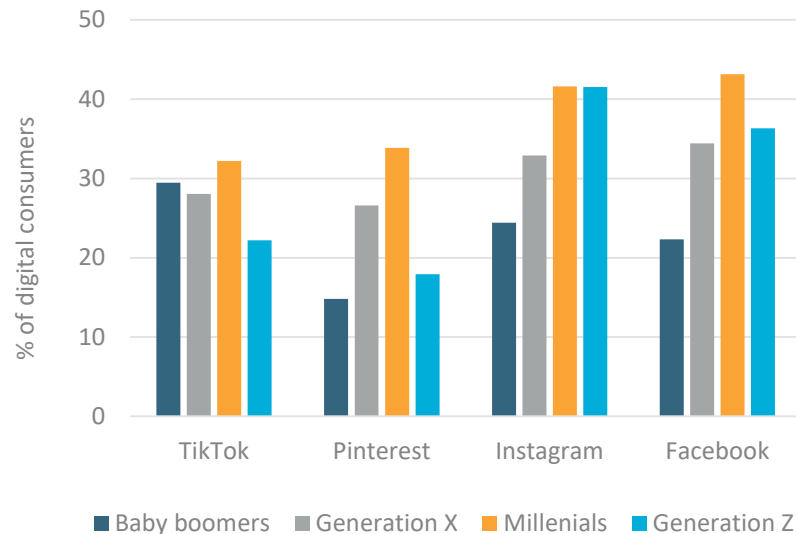
55%

Millennials who want to
engage with brands to
influence product innovation –
the highest of any generation.

*Sources: Euromonitor Voice of the Consumer: Lifestyles Survey,
fielded January to February 2022*

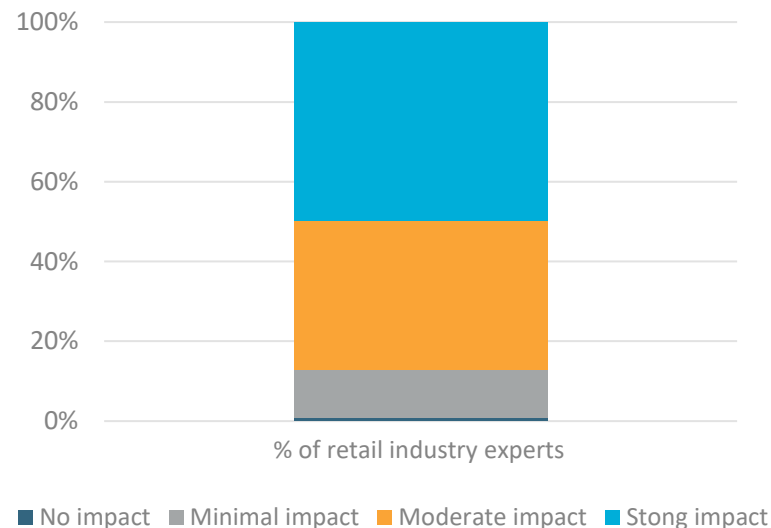
Brands can assure satisfaction by creating customer-centric products and services

Engage With a Company or Brand About a Product or Service, By Generation and By Platform, 2022



Source: Voice of the Consumer: Digital Survey, fielded March 2022

Impact of More Personalised Shopper Experiences in the Next Five Years - Use of Data, Creating More Meaningful Moments, 2022



Source: Voice of the Industry: Retail Survey, fielded June 2022

.SWOOSH IS SHAPING THE FUTURE OF NIKE. JOIN US.

01

Sign in to your Nike account and enter your access code.

02

Claim your handle and design your .SWOOSH ID.

03

Join the conversation with our .SWOOSH community.

SIGN IN TO NIKE ↗

.SWOOSH IS CURRENTLY IN BETA. IF YOU
DON'T HAVE AN ACCESS CODE, YOU CAN JOIN
OUR WAITLIST AFTER SIGNING IN.

Nike's .Swoosh is a web 3.0 platform where users can co-create a virtual product line and earn royalties.

Virtual co-creations can help brands obtain insights about its digital popularity before transitioning towards a physical product.

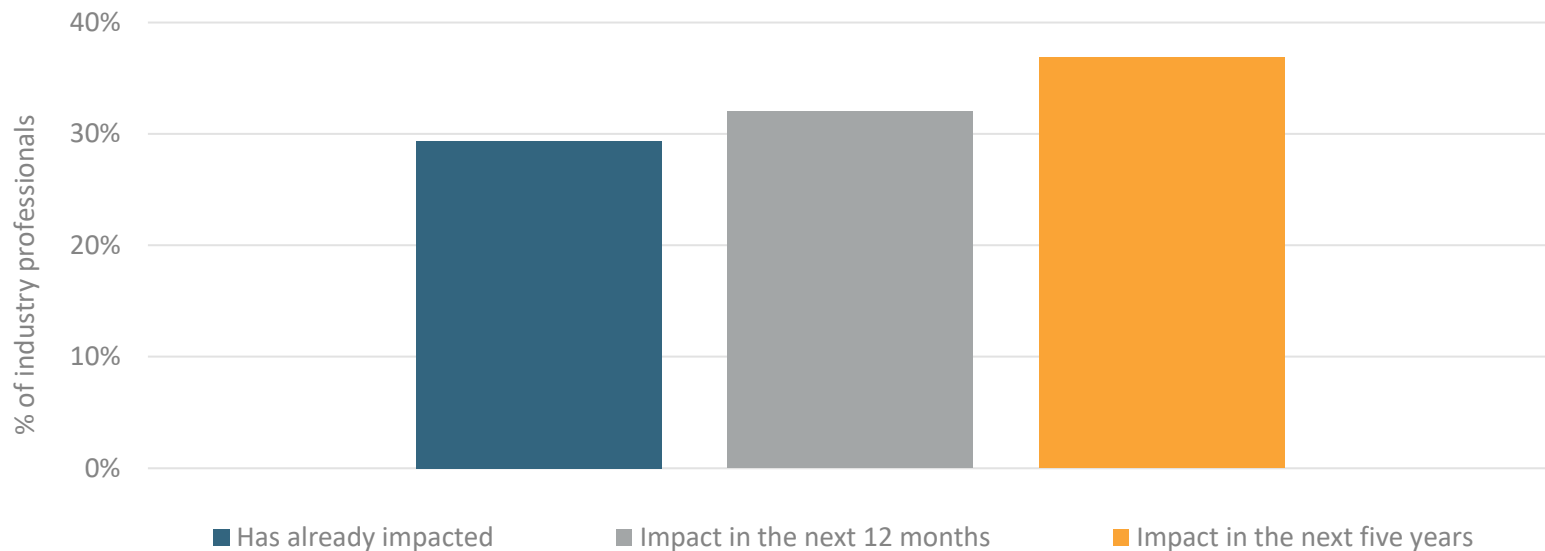


Ikea Shanghai opened a store that includes a “maker hub” where customers, employees and experts can co-create projects.

Co-creation can happen across the customer journey with brands driving loyalty and foot traffic by providing spaces that enable creativity.

Artificial intelligence will narrow the gap between consumers and brands in the co-creation process

Impact of Artificial Intelligence on Digital Testing and Product Development, 2022



What to expect in 2023 and beyond

Consumers will value brands that value their opinion

Creating a co-creation process will be critical for reaching Gen Z

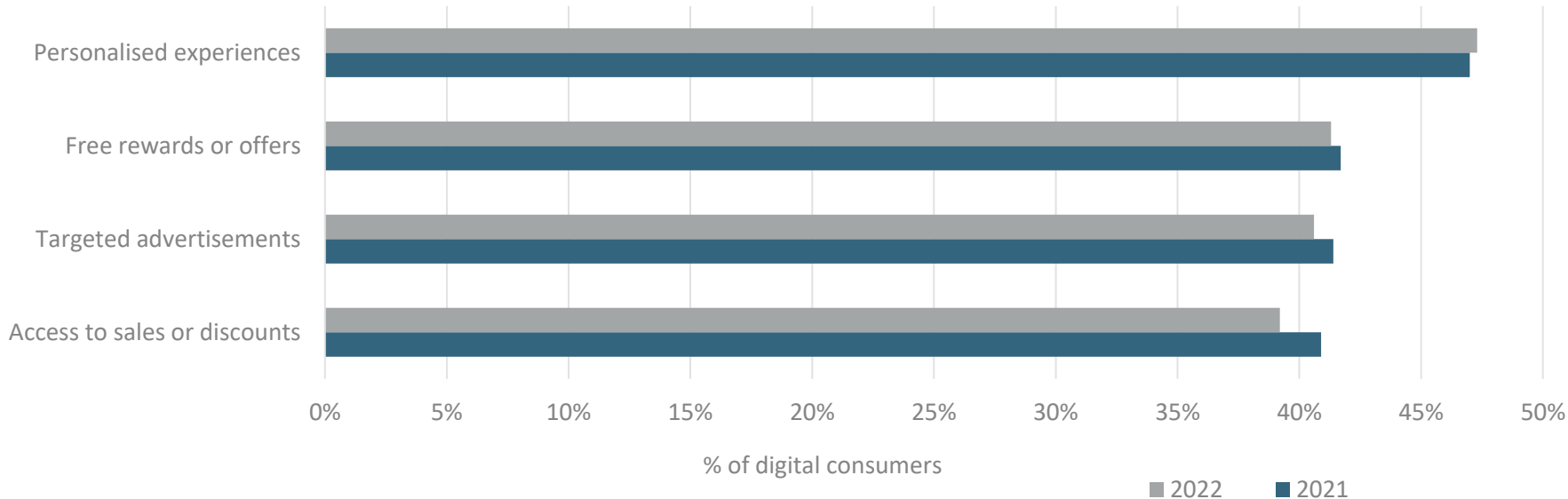
Varied customer needs will allow brands to design for different subsets

AI will enable brands to more quickly leverage insights in product development

3. E-Customisation

Consumers are increasingly looking to brands to provide customisation options on digital orders

Expected Incentives for Sharing Personal Preferences with Brands Online, 2021/2022





34%

Global digital consumers aged 15-29 who report buying an item or service online at least weekly.

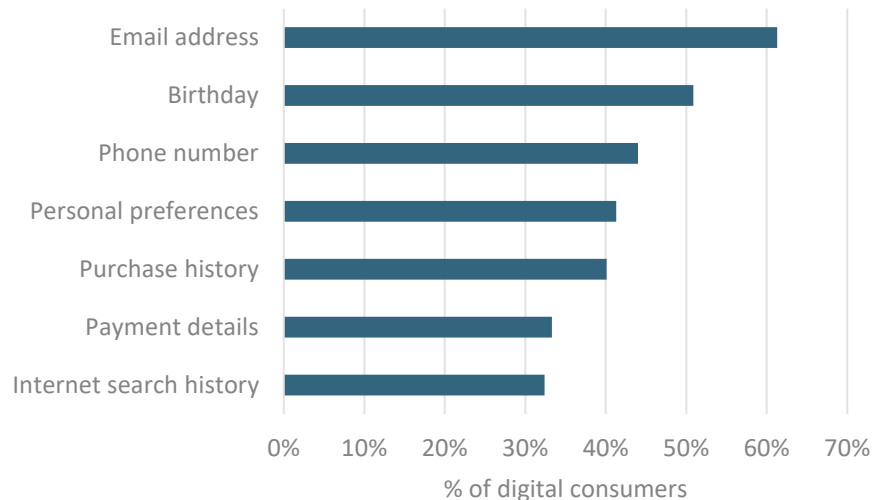
49%

Global digital consumers aged 15-29 who will share personal preferences with brands online.

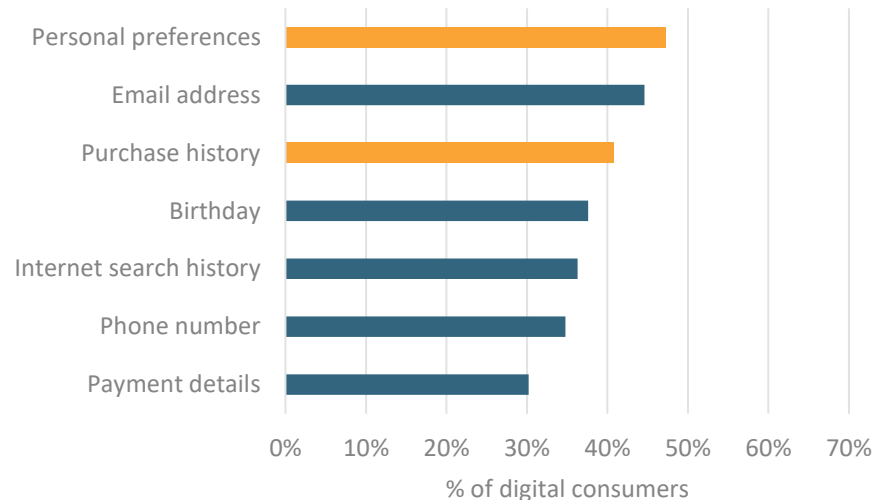
Sources: Euromonitor International Voice of the Consumer: Lifestyles Survey, fielded in January and February 2022 (top); Euromonitor International Voice of the Consumer: Digital Survey, fielded in March 2022 (bottom)

Offering e-customisation helps brands overcome consumer reluctance to share information

Willingness to Share Data for Free Rewards, Offers, or Experiences 2022



Willingness to Share Data for Personalised Experiences 2022





Starbucks has set the gold standard for customisation with its mobile app, which allows users to choose from over 170,000 options on drink orders.

This has powered sales growth for the company, with app-enabled US sales expanding over 400% from 2017 to 2022.

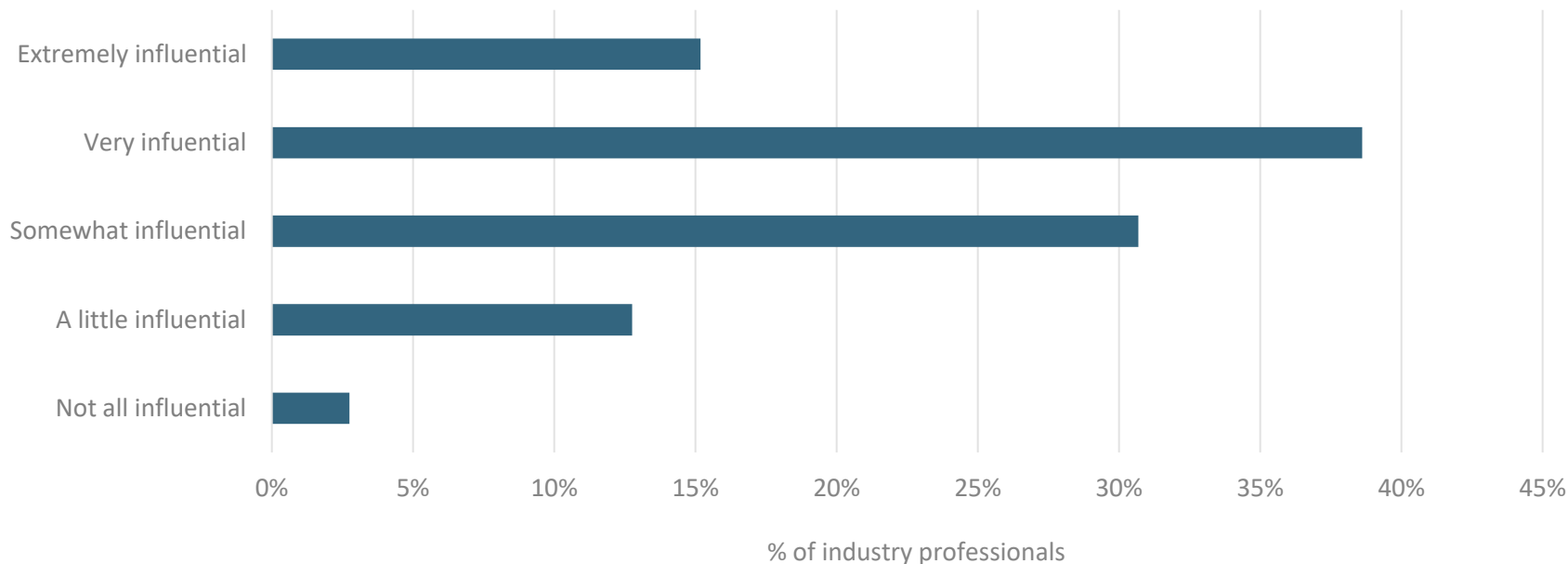


Samsung's Bespoke Design Studio allows consumers to order appliances customised to their individual specs.

In 2022, Samsung added the ability for shoppers to incorporate artwork – and even their own photographs – into design elements.

Enhanced customisation is not suited for every brand, but it is a sound strategy for many

Influence of Personalisation on Business Strategy Next Year, 2022



What to expect in 2023 and beyond

Across most industries,
an increased appetite
for customisation is
inevitable

Offering bespoke
options will become
more common for big-
ticket goods

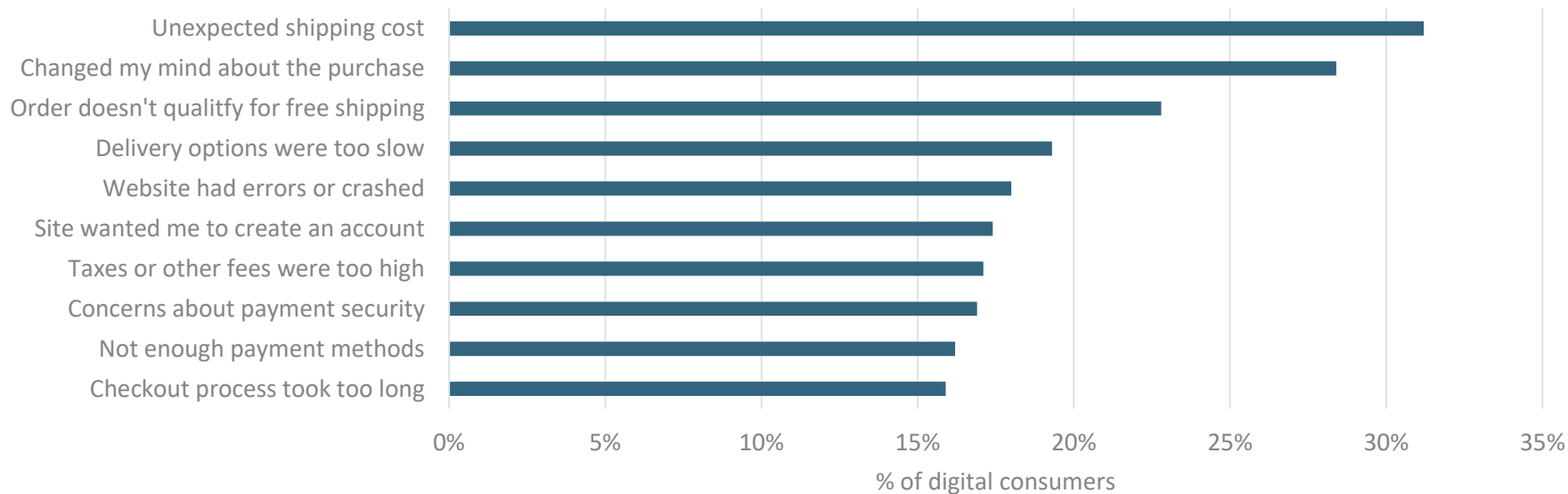
Consumer demand for
enhanced
customisation will grow
in emerging markets

Advancements in AI
will revolutionise and
redefine customisation
in the digital realm

4. Game Changers

E-commerce companies are gamifying websites to battle low conversion rates and collect user data

Top Reasons for Shopping Cart Abandonment, 2022





55%

Digital consumers who use their phone to play video games at least weekly in 2022.

33%

Digital consumers who like to browse in stores even if they do not need to buy anything as of 2022.

Sources: Euromonitor International Voice of the Consumer: Lifestyles Survey, fielded in January and February 2022

More companies are replicating China's gamification approach to boost app engagement, drive revenues

Entertain app users

- Give users a thrill; make the app experience more enjoyable

Drive app engagement

- Mimic gaming features to encourage repetitive behaviour

Add value to relationship

- Reward with discounts or loyalty points; build a more impactful loyalty scheme

Convey greater meaning

- Educate about brand positioning; create a community



Shopee's loyalty program revolves around in-app games where users can win Shopee coins when completing daily tasks like watering a virtual tree.

The online experience from Shopee increases a user's time in the app, driving consumer spending.



Gucci is engaging with younger consumers by piloting different game-like environments in the metaverse.

Virtual reality allows to create immersive experiences and interact with brands which consumers have a connection within the real world.



What to expect in 2023 and beyond

Increasing revenue of the online channel will remain a strategic priority

Companies need to boost online engagement, improve channel's profitability

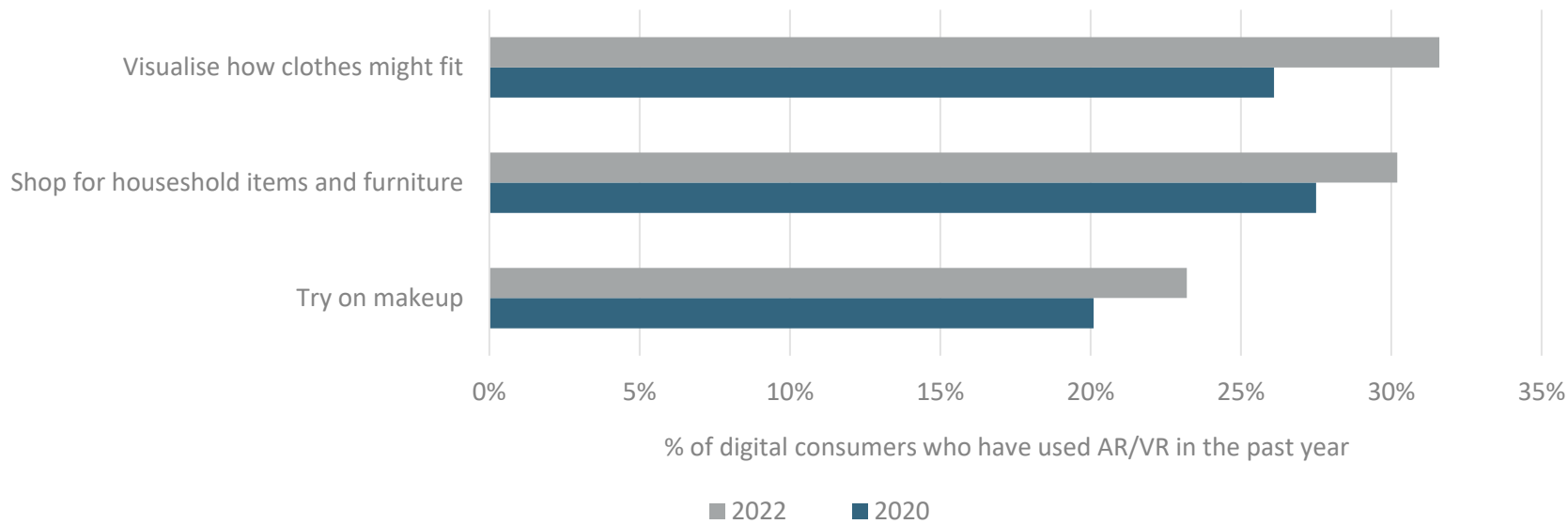
Gaming mechanics can be used to improve loyalty schemes, enrich long-term engagement

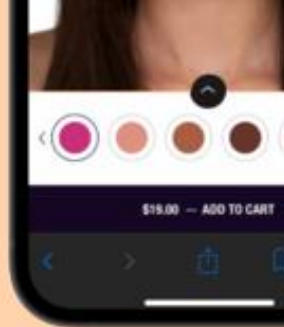
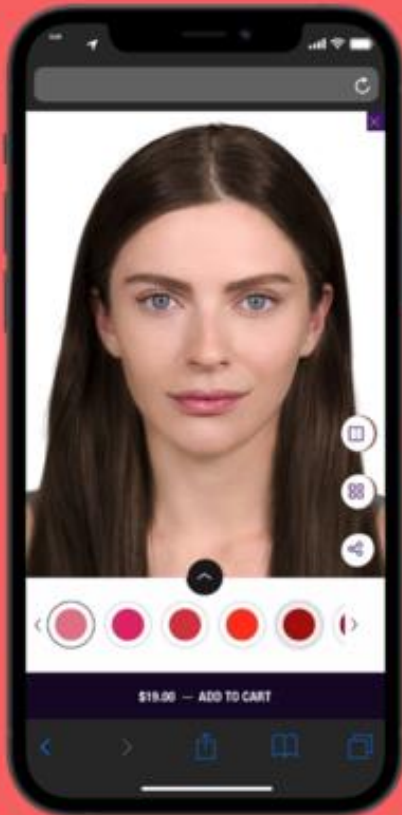
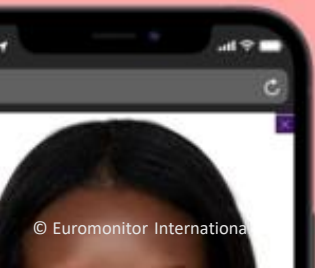
Gamifying commerce experience enables brands to collect first-party data

5. Sensory Shopping

Consumers hungry for more immersive shopping experiences are shepherding in the multi-sensory era of e-commerce

Typical AR/VR Activities (Selected)





29%

Global digital consumers who report using a beauty app for a virtual makeover or product trial before purchase.

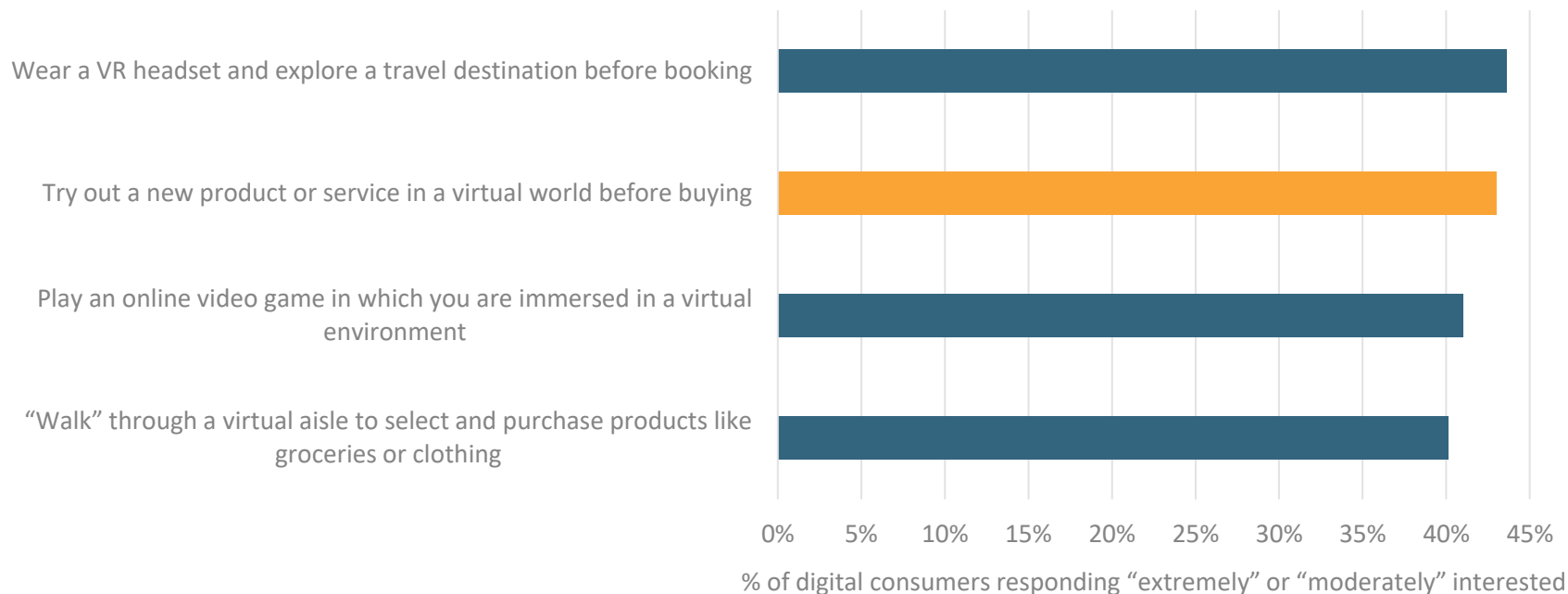
42%

Projected growth in online beauty and personal care sales, in absolute dollar terms, from 2021 to 2026.

Sources: Euromonitor International Voice of the Consumer: Beauty Survey, fielded in June and July 2022 (top); Euromonitor International Passport Beauty and Personal Care, 2022 edition (bottom)

Increasing comfort with Web 3.0 is stoking consumer appetite for sensory shopping

Consumer Interest in Selected Virtual Activities, 2022

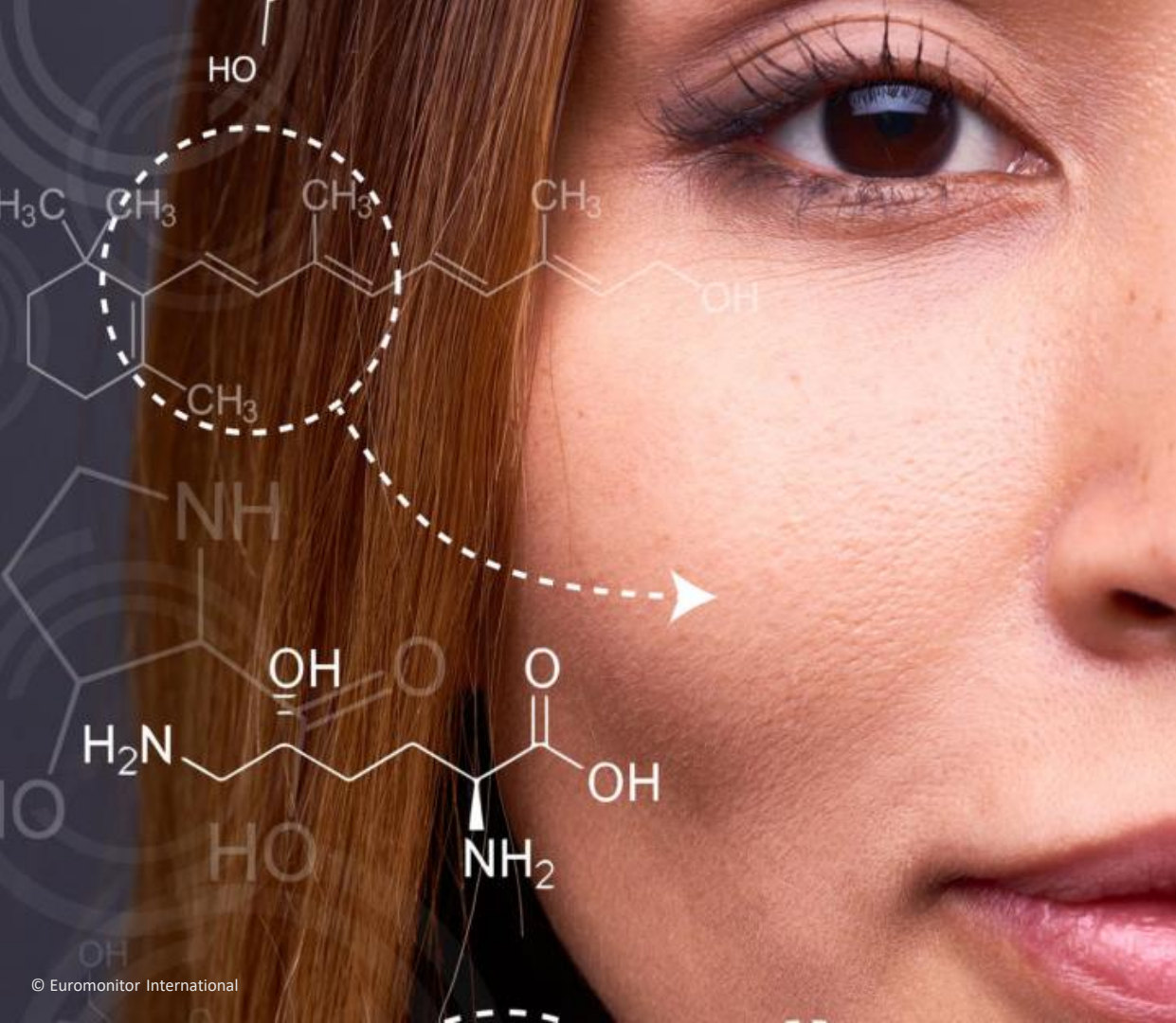




In October 2021, Viktor&Rolf launched “the world’s first digital perfume sample” for its Spicebomb Infrared fragrance for men.

To accomplish this feat, Viktor&Rolf unveiled a palette of sounds on its site designed to invoke the sensation of smelling Spicebomb.

Image source: Viktor&Rolf (a L’Oréal Groupe subsidiary)



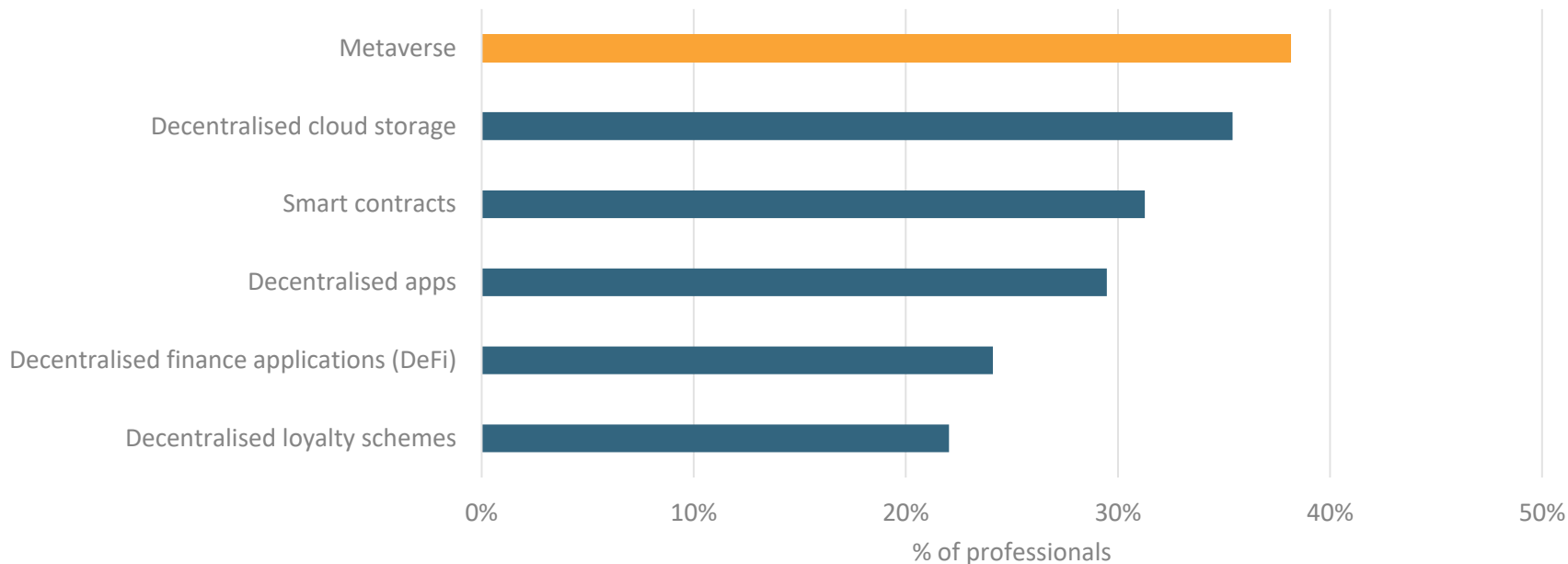
In August, Amorepacific and MIT unveiled a wearable chip-less and wireless skin measuring device, which monitors a user's skin and provides digital feedback.

If Amorepacific and MIT's wearable tech proves scalable, brands will be able to incorporate tactile feedback into the online shopping experience.

Image source: personalinsights.com

For brands, sensory shopping is the next frontier of Web 3.0

Most Promising Web 3.0 Applications, 2022



What to expect in 2023 and beyond

Consumers will demand even more immersive online shopping experiences

Further tech advances will make multi-sensory e-commerce a tangible reality

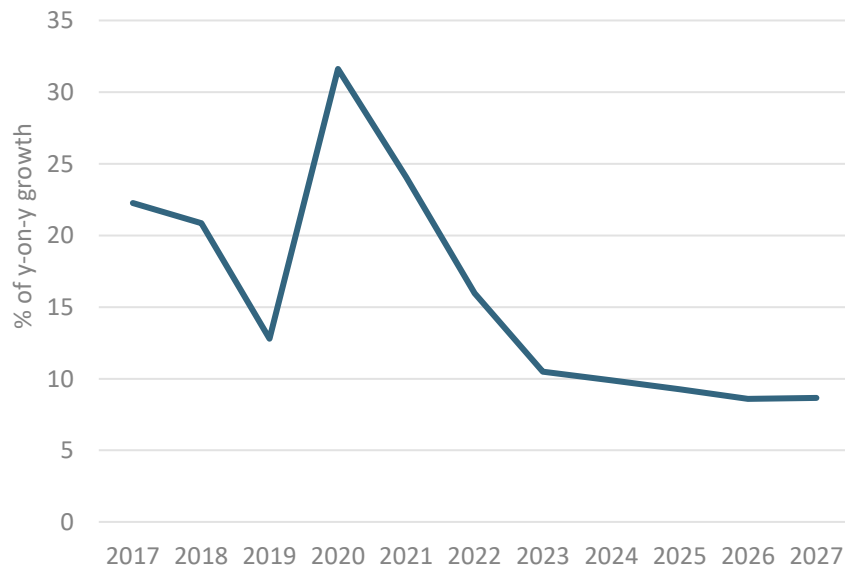
More mass market brands will embrace sensory shopping

Brands will begin to integrate sensory immersion into their metaverse platforms

Key Takeaways

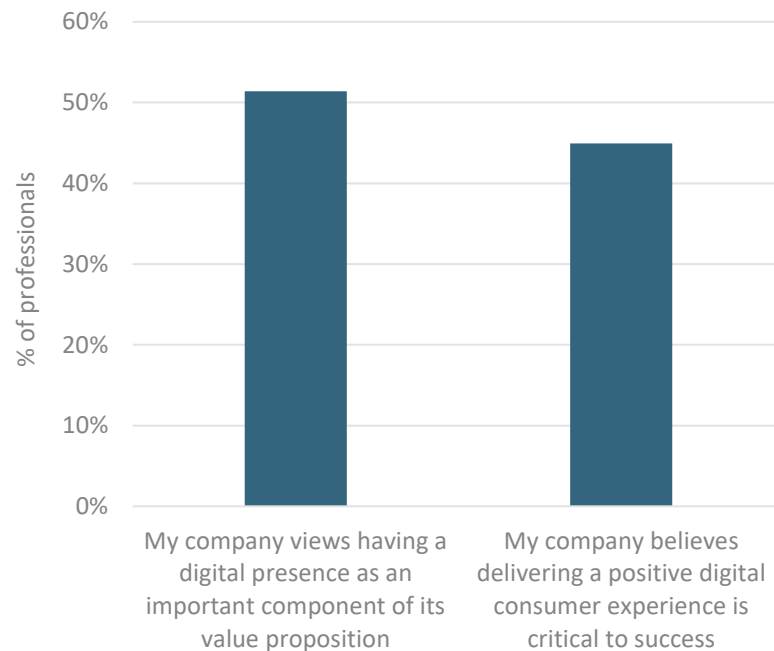
Ever-evolving consumer demands push companies to innovate on digital solutions to secure online growth

Global Retail E-Commerce Growth,
2017 to 2027



Source: Euromonitor International Passport: Digital Consumer 2023

Views on Digitalisation, 2022



Source: Voice of the Industry: Digital Survey, fielded November and December 2022

Online Savers

As consumers remain wary of their spending, digital platforms that can help them budget, save or earn income will continue to grow in the economic climate.

Crowdsourced Creation

Companies should leverage new technologies to better integrate shoppers into the innovation process, giving way to more customer-centric products.

E-Customisation

Enhanced online customisation will help retailers and hospitality operators retain online customers and create new revenue streams.

Game Changers

Gamifying the e-commerce experience through rewards and competition will boost app engagement, loyalty and sales.

Sensory Shopping

Tech advancements and Web 3.0 will push brands to find ways to engage all senses, creating a multi-sensory digital experience.

Thank you!



Michelle Evans, Global Lead, Retail and Digital Consumer Insights

✉ michelle.evans@euromonitor.com

in www.linkedin.com/in/michelleevansdigital/

tw twitter.com/mevans14

fb www.forbes.com/sites/michelleevans1



Bob Hoyer, Manager, Retail and Digital Consumer Insights

✉ bob.hoyer@euromonitor.com

in www.linkedin.com/in/bobhoyer



Rocío Franco, Senior Consultant

✉ rocio.franco@euromonitor.com

in www.linkedin.com/in/rocio-franco-guzman/