



The effortless economy.

A new age of retail.

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- 23. • Convenience pushes brands towards 'Total Commerce'

Survey methodology - survey was conducted between Dec 2020 and Jan 2021, with 645 respondents from the US (47% male/53% female) with an average age of 42, and 505 respondents from the UK (45% male/55% female) with an average age of 35.

Total Commerce and the effortless economy.

Shopping used to be a destination - a thing people did. Now with the rise of ecommerce in all forms, as physical retail pivots to online, marketplaces proliferate in size and number, and social commerce becomes frictionless, it is now an 'always-on' experience in which customers are constantly open to shopping offers.

It sounds ideal for retailers but there is a proviso. Consumers are busier than ever and their journeys to purchase can be fragmented across a multitude of channels and sites – be that web, mobile, voice, search, branded retail site, social platforms or online marketplaces.

Research from [Dentsu Aegis](#) lays out the challenge neatly. Shopping journeys now feature 7.6 touch points with a retailer, and yet nine in ten ecommerce marketers admit they struggle to connect three or more channels.

It is hugely important that retailers get it right because 97% of American shoppers have told the [National Research Federation](#) that they have abandoned a purchase over a lack of convenience. This is, no doubt, a reflection of the fact that 83% of shoppers reveal convenience is more important to them in online shopping than it was five years ago.

This growing expectation for convenient shopping experiences is clearly underlined in Linnworks survey of more than 1,000 male and female shoppers across a wide selection of ages in the UK and the US. The overriding take-out is that consumers want seamless, connected shopping experiences. This has become particularly pronounced during a year of COVID-19 restrictions which has prompted many to rely more on ecommerce than before. A key finding reflects a permanent behavior shift - **three in four shoppers reveal they will be shopping online more after the pandemic than before.**



Total Commerce and the effortless economy.

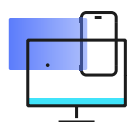
So this is not a passing fad. With the push for convenience set to continue, retailers are required to offer seamless customer journeys that connect platforms and devices to take the friction out of shoppers discovering and then going to purchase and receive goods.

At a glance, Linnworks research findings highlight five significant ecommerce trends that retailers need to know if they want to compete in the new effortless economy:



1. Convenience is king

76% say convenience is their key priority in selecting a retailer and nine in ten will prioritise using a retail site that offers a seamless experience.



2. Convenience means seamless customer journey

81% of shoppers are looking for a frictionless, cross device ecommerce experience. Guest check-out and having shipping details stored are top of shoppers' convenience check lists.



3. Third party selling - social and marketplaces

More than four in five shoppers like shopping on social and more than two in three have made purchases via Facebook. A retail presence in social channels or on marketplaces is key to reaching your customers where they want to shop.



4. Payments

Nearly nine in ten say seamless and flexible payment options speed up their decision making and prompt them to spend more.



5. Delivery

95% of shoppers reveal convenient delivery options are a major factor in the online retailers they use.

Section 1 - Customers expect convenience

Customers tell retailers convenience is king.

Any retail executive intuitively knows through their own online shopping that, while price remains an important factor, consumers now prioritize a convenient online shopping experience. They require retail services to fit around their busy lifestyles and that means, above all else, shopping online has to be effortless.

In fact, the National Retail Federation's Winter 2020 [research](#) into shopper attitude in the United States found that more than nine in ten are likely to pick a retailer based on convenience.

It is an important watchword because purchases now involve multiple screens and platforms as shoppers move beyond search and consideration through to purchase and delivery. According to [Dentsu Aegis Network's "The Total Commerce Playbook"](#) there are now 7.6 touchpoints in the average ecommerce purchase, yet nine in ten retail marketing executives admit they struggle to connect three or more channels in any one journey.

Dentsu research outlines why this makes a central ecommerce platform essential for retailers looking to connect those brand interactions to provide a seamless customer journey no matter which device and channel a customer is using at any one time.

Hence, when Linnworks researched shopper attitudes in the US and UK, it found consumers are now seeking out and staying loyal to retailers who are easy to shop with. While price is still a major factor in any purchasing decision, the research found that nearly one in two ecommerce customers in the US and UK reveal that convenience is now more important in their purchasing decisions than price.

It is a growing trend. Three in four agree they value convenience more than they did a year ago. This uptick is more pronounced in America where consumers are 12% more likely to agree convenience is a higher consideration than a year ago.



Section 1 - Customers expect convenience

What makes convenience?

It will come as little surprise to retailers that consumers expect hassle-free experiences but what do shoppers feel constitutes a seamless service? How do you create a frictionless purchase journey?

Consumers are very clear on their expectations here. According to Linnworks research, the two most equally important features, for just over half the market, are being able to check out of a retailer's website as a guest and being able to shop with a brand across different devices. Consumers want to be able to make a purchase without too much form-filling, and they want to interact on a smartphone, tablet, or computer and still enjoy a relatively uninterrupted journey.

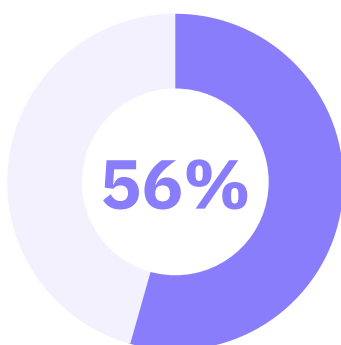
The third of the top three criteria is consumers' expectations that their shipping details are remembered for future purchases. This may sound contradictory, when checking out as a guest is a top priority. However, consumers are revealing they want to be in control of how much time they devote to signing up and handing over their personal information.

If consumers have time, and the shopping experience is good enough to expect they will place orders in the future, they may choose to be remembered. If they are time-pushed and just want the items without the form-filling, then they want to move through the checkout as a guest. Consumers expect the choice to be theirs, rather than a decision forced on them through a lack of options.

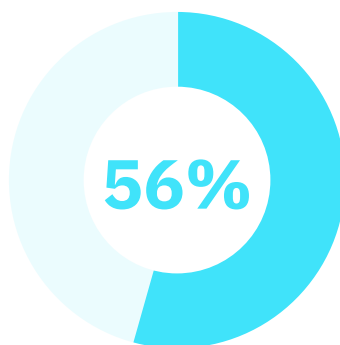
Interestingly, American shoppers are 17% more likely to cite being able to have their shipping information stored by a retailer as a major consideration in receiving a faster and more personalized experience.



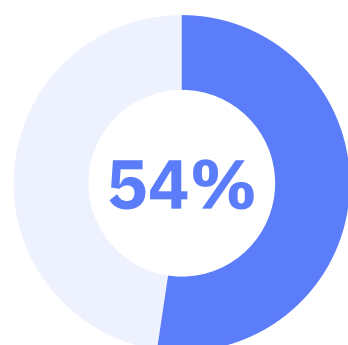
'Consumers' top three convenience criteria



Guest check out option



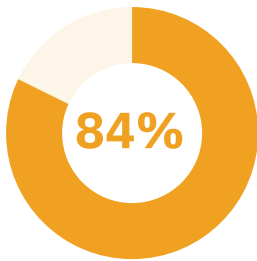
Cross-device seamless shopping.



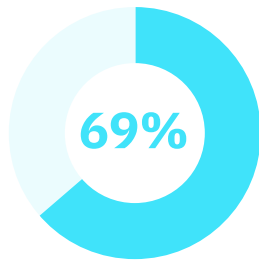
Shipping information stored for future visits

Section 1 - Customers expect convenience

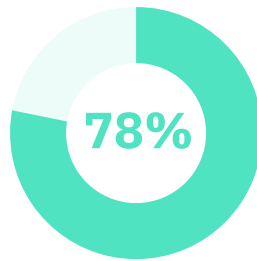
Lockdown has sped up demand for convenience.



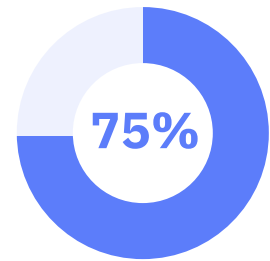
84% shopped online more in 2020 than previously



69% say social distancing and lockdown behind ecommerce shift



78% now value convenience in ecommerce more than a year ago



3 in 4 will make more online purchases after the pandemic than before

The switch to online shopping during the pandemic needs no introduction. With physical stores shut for long periods and people asked to work from home, many consumers came to rely on ecommerce for essential items on a regular basis. These are consumers who had less time than before with a third (35%) finding themselves juggling working from home with home schooling and childcare.

This has meant that although three in four shoppers are making more online purchases than before the pandemic, nearly a third (30%) reveal they now have less time to search online for goods.

The result? Nearly two in three are looking for a faster route to what they need and more convenience.

As with most of the digital trends associated with the pandemic, the demand for simplified shopping experiences has accelerated. Consumers have been looking for simpler ways to shop online for years. However, with physical stores shut and new time pressures placed on consumers, convenience has been propelled to a top priority.

As three in four consumers reveal they will make more online purchases after the pandemic than before, retailers need to bear in mind that this is not a fad that will pass, and to remain competitive the consumer experience will need to be a core consideration of their online strategy.



78% value convenience more than before the pandemic



38% now expect convenience as standard (US shoppers are 25% more likely to expect this than shoppers in the UK)

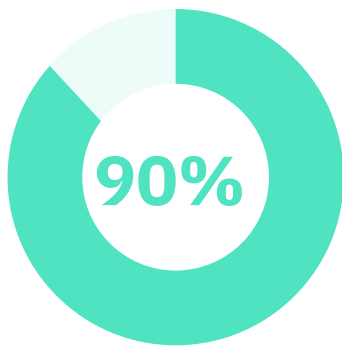


46% will sacrifice cost savings for convenience (US shoppers are 30% more likely to agree)

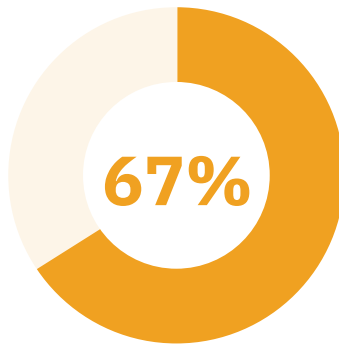
Warning shots fired on failing brands.

With nine in ten shoppers using convenience as a filter for selecting where to spend their money online, it's clearly not just a nice-to-have feature for retailers. A frictionless purchase journey is now expected as standard and those retailers who do not ensure they are easy to shop with are starting to pay the price.

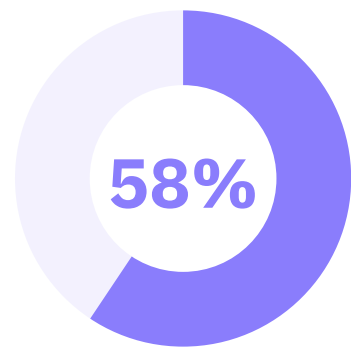
Many online stores are falling at the most basic hurdles with two in three shoppers revealing they have given up on a purchase if the search or check out process is too complicated. Retailers should be aware that it is not just individual purchases consumers are walking away from. More than half of the shopping public have dropped retailers entirely because they are too complicated to use.



90% will prioritize using a convenient online store



67% have abandoned purchases over complicated check-outs (74% in UK)



58% have dropped ecommerce stores that are burdensome to use

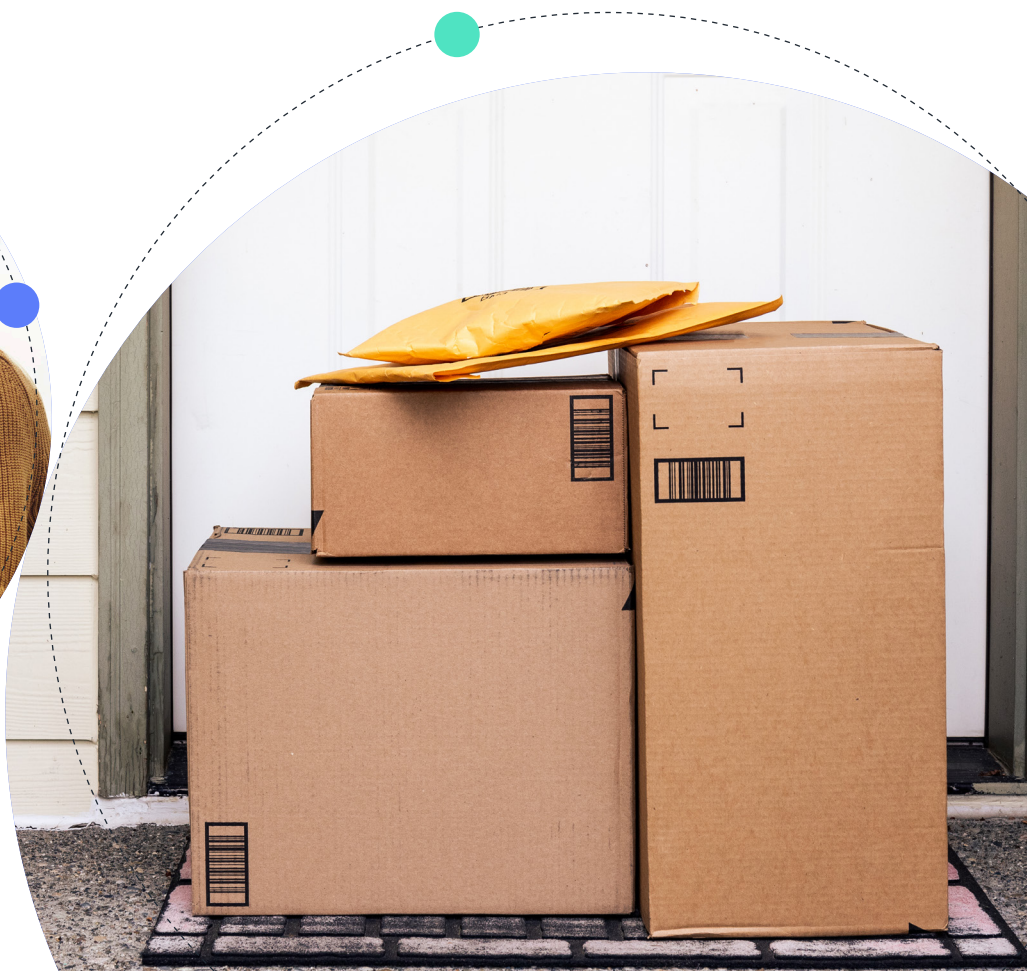
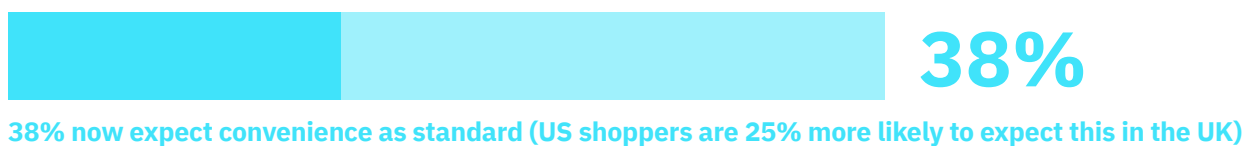


Section 2 - What does convenience mean for retail brands?

Sales lifts for convenient retailers.

With every warning, there is usually an upside too. Shoppers expecting a seamless omnichannel experience as standard may sound like an additional 'ask' of retailers. However, there is a lot more carrot than stick here because brands that do get the experience right can expect to discover several benefits.

Offer a seamless, easy-to-use omnichannel service and shoppers will reward a retailer by spending more, increasing average basket values typically on unplanned purchases.



Age and location influence device preference.

Being able to start a shopping journey on one device and complete the purchase on another reflects the 'always-on' shopping mode of today's consumer. Location and age impacts on how consumers like to shop, but as Linnworks research shows, being able to switch devices and still complete a purchase is expected by most consumers.

British consumers are more likely to start a purchase journey on a mobile. In the United States, laptops and desktops are preferred for both starting and, particularly, completing a purchase.

Millennials and Gen Z show an additional skew towards starting and finishing purchases on mobile.

On average.

49% of customer journeys begin on computer,
47% on smartphones

57% are completed on computers

Gen Z and millennials are more mobile.

91% more likely to start purchases on mobile

92% more likely than older consumers to complete on a mobile

Non-millennials, **68%** more likely to start purchases on a computer

New channels emerge, particularly in the US.

51% of shoppers have made a purchase via a computer game

33% US shoppers have made a purchase via VR, **46%** are willing to

17% UK shoppers have made a purchase via VR, **31%** are willing to

UK more mobile than US.

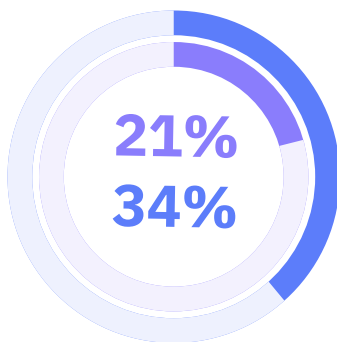
63% UK purchases start on mobile, **33%** in the US

43% UK purchases are completed on a computer, **67%** in the US

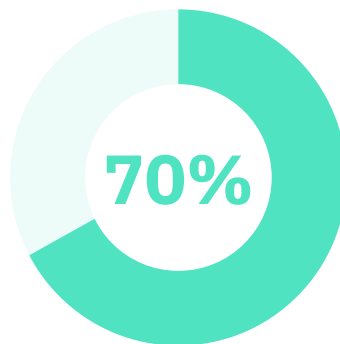
Social commerce accelerates with 'on-the-go' lifestyles.

Shopping used to be a solo task, something people got done. Today, it's quite often something we do while engaging in other activities, often when we were not even intending to discover new products.

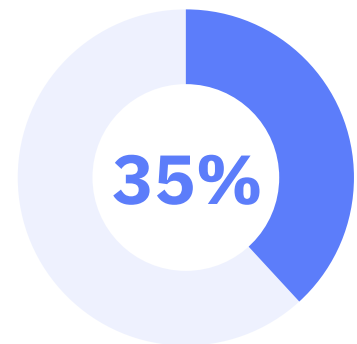
Shopping integrated with other activities



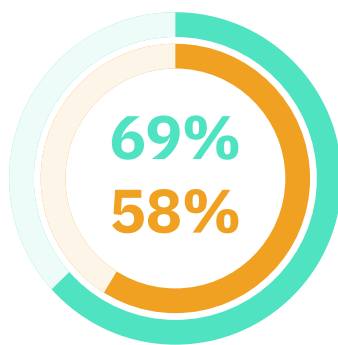
34% US and 21% UK consumers shop 'one the go'



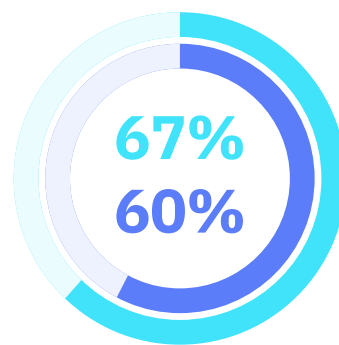
7 in 10 shop while multitasking



35% have purchased through social media



69% shop while watching a movie
58% shop while listening to audio



60% US and 67% UK consumers admit shopping while working

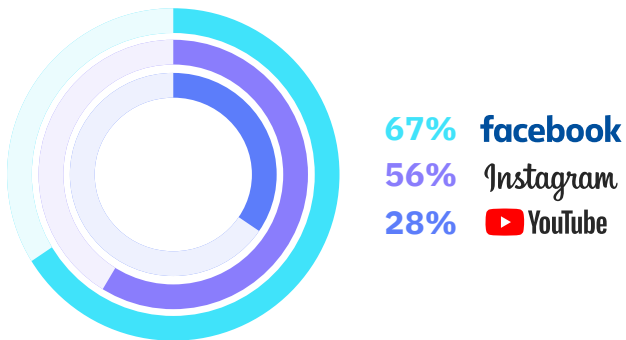
Section 2 - What does convenience mean for retail brands?

Facebook leads in social commerce.

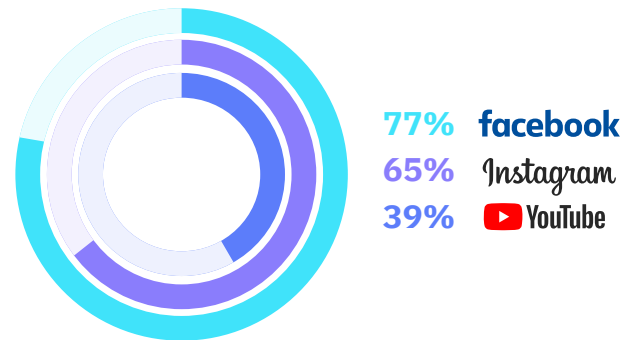
This openness to shopping while not actively searching for products means more than one in three, 35%, have now bought items while on social media. Of those who have not, more than one in four, 27%, are open to the idea. Not surprisingly, millennials and Gen Z shoppers show a (39%) uptick in being comfortable to make purchases direct from social media sites.

Of those who have made social purchases, Facebook stands out as the leading channel, almost certainly because it is the most trusted of the social media channels for nearly two in three shoppers.

Purchases made



Products discovered



"Businesses can no longer wait for people to actively shop and search for them. Ecommerce has been about connecting the right person to the right product. Now it's about connecting the right product to the right person. It's not just about meeting demand, it's about creating it. Facebook is accelerating its work to enable every business to sell online by doubling down on commerce. We're weaving shopping into each of our apps to help people discover and buy the products they like in a simpler, more intuitive way."

Dani Cook, Commerce partnerships EMEA, Facebook

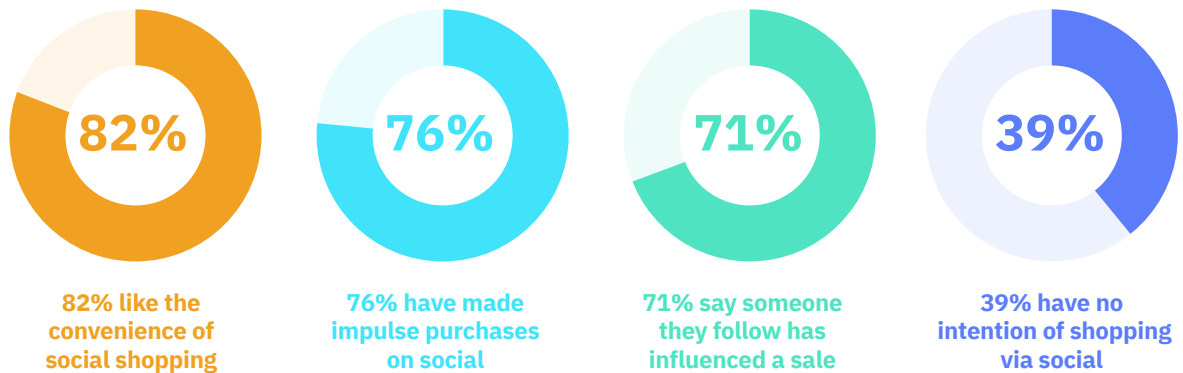


Speaking at Linn Academy 2020

Section 2 - What does convenience mean for retail brands?

Facebook leads in social commerce.

The rise of social commerce is not purely about attention, although the channels have plenty of eyeballs. Four in five shoppers reveal the reason the sites are converting people checking out their feeds into shoppers is again, convenience.



That is not to say retailers need only post a picture of a product, no matter how appealing, and it will sell. Convenience underpins modern ecommerce and shoppers are very clear that they want to discover products on social media sites as well as complete transactions within the platform. Three in four shoppers expect a brand to offer the option of a checkout integrated into their social channel. Being redirected to a retailer's site is not only distracting, it moves the consumer away from a site they trust to one they do not know so well.



Linnworks' findings have been supported by research published in [The Drum magazine](#). It found that 'closing the loop' by empowering sales to be made without leaving a platform would prompt three in four 21- to 34-year-olds to make purchases via social media.

Section 3 - Action points for retailers to win at convenience

Frictionless, flexible payments.

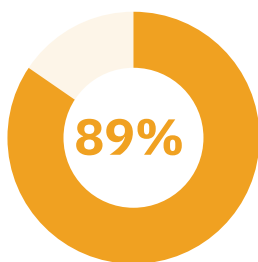
Convenient shopping experiences go beyond making it easy for consumers to discover and select products on whatever device suits at a particular time. It extends right through the checkout process and includes how customers are allowed to pay for items.

The flexibility of buy now, pay later is very popular among the 28% of shoppers who have used it and the 24% who are open to the idea.

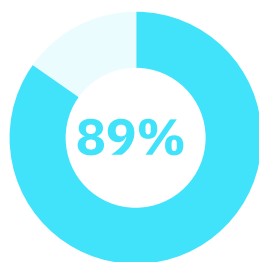
Being able to buy now, pay later, at the press of a button and across multiple sites, is being heralded as an important option in avoiding losing sales at the last click. **Shopify** estimates 7% of all digital transactions, worth \$34bn, are lost through cart abandonment. It maintains that as the global economy recovers from the pandemic, consumer's incomes will continue to be strained and flexible payments will be popular. It quotes one flexible payments provider, Klarna, as claiming the it boosts check out completion rates by 30%.

As with any credit facility, though, there is a note of hesitation in the market, particularly with shoppers older than the Gen Z and millennial age bracket. This does little to dampen demand for flexible payment options, though, with nearly four in five shoppers now expecting brands to offer buy now and pay later options as standard, and on everyday purchases like clothing.

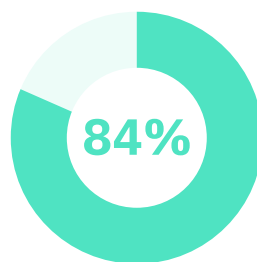
The good news for retailers is that when they do offer flexible payments.



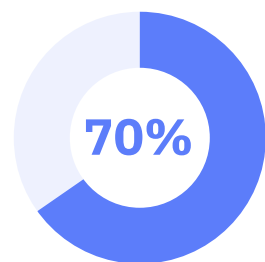
89% shoppers are more likely to make larger purchases



89% say it makes buying decisions faster and easier



84% more willing to make big ticket items



70% have made impulse purchases

Frictionless, flexible payments.

"The last two decades have seen perhaps the most significant evolution of the payments ecosystem. Beginning with changes in payment models, everything that we have known about payments has changed and is continuing to change. This trend, combined with the switch to subscription models in entertainment and gaming, has led to transactions becoming 'digital wallet-centric'. Standardization, the API economy and availability of lower cost compute on the Cloud have fueled this growth.

The upcoming months and years will see some permanent shifts in this realm. The pandemic has further intensified these shifts given the increased need for remote payments and even more so the need for contactless payments."

CP Jois, Global CTO, Fulcrum Digital.



Section 3 - Action points for retailers to win at convenience

Delivery on the customer's terms.

The ultimate freedom of ecommerce is to choose to have products delivered to the door, or if the customer prefers, picked up at a store.

In fact, nearly all, 95%, of consumers say delivery is a consideration they factor into purchases. They are just as clear about what options they expect to see.

Nine in ten want free delivery, even if it means a longer wait



61% prioritise brands offering next day delivery



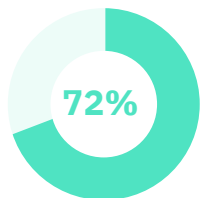
43% favour brands who offer BOPUS options

Getting delivery right is so important for a retailer. The options on offer, and how well the delivery process goes, affects more than a single purchase. It has a massive impact on loyalty, and the best way to secure repeat custom is to be transparent and communicative both during the checkout process and while the purchase is in transit to the customer. In fact, 62% of consumers say they are more loyal to a retailer who is open and honest about delivery costs and timing (56%).

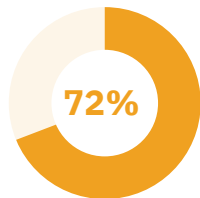


Delivery on the customer's terms.

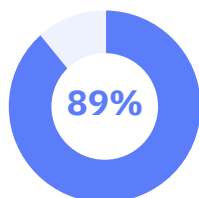
Delivery is only one half of the fulfilment equation. To win in online retail, brands have to get their returns policy right too. Here again, convenience and transparency are essential.



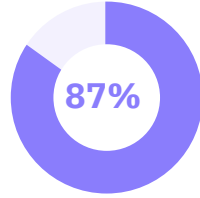
72% have abandoned a purchase over shipping transparency



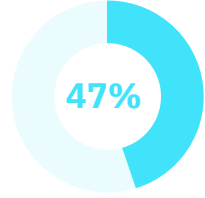
72% are influenced by returns policy



89% want returns to NOT involve customer service assistance



87% expect a pre-paid return label



47% more likely to shop with brands offering self-service returns

“Cross-border e-commerce is a growth area that should be top of mind for European SMEs given tremendous shift from traditional channels to online sales witnessed throughout the pandemic. More than ever, consumers are looking across borders for both lower prices and unique goods not found in their home markets. The key to success when going cross-border is having the right logistics provider to help you along the way. Successful ecommerce businesses offer their shoppers a wide range of delivery options including express and economy services, convenient delivery options including safe deliveries at the door, and access to retail pickups when consumers can't be home. Shoppers should be able to select a delivery option that fits their schedule – not yours or mine. At FedEx, we understand these needs and that's why more and more businesses are coming to us to support them on their journey into cross-border e-commerce shipping”.

Chris Hodge, Manager e-Commerce Marketing,
FedEx Express Europe



Winning with both marketplaces and direct-to-consumer.

With time-pushed consumers searching less for products, it will come as little surprise that more than nine in ten reveal they start looking for items on online marketplaces. The reasons are very clear, with these shoppers revealing they enjoy the convenience of being able to shop for multiple products from a wide variety of retailers on one platform.

McKinsey research backs up the importance of marketplaces which, it estimates, accounted for around half of all global ecommerce sales before the pandemic hit. The research reminds retailers that marketplace strategy has to factor in possible downward pressure on prices as well as the potential to lose a little control over how their brand is displayed.

Despite their importance and wide reach, the growth of online marketplaces does not mean branded retail sites do not have their place - far from it. Linnworks research clearly shows that consumers still enjoy shopping for products directly with brands, as well as through marketplaces, as long as retailer sites offer the same level of convenience.



If a brand can offer the same seamless browsing experience and flexible payment options as an online marketplace, then:



76% would prefer to shop on a branded site



85% are more likely to shop direct

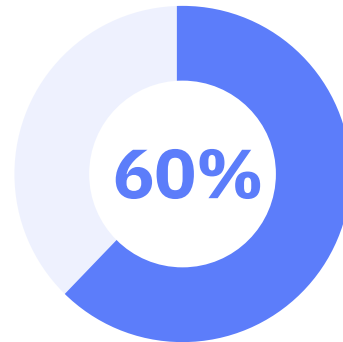


82% would be more likely to be loyal

The findings are good news for retailers who are dedicated to optimizing customer journeys on their own sites. This desire to go direct is clear in the rise of direct 2 consumer (D2C) sales growth. Nearly half of consumers, 49%, reveal they have used D2C sites in the last six months because, as the same proportion of shoppers say, is faster and easier.

Winning with both marketplaces and direct-to-consumer.

As with many new developments in ecommerce, Gen Z and millennials are slightly ahead of the curve with 60% saying they made more D2C purchases in 2020 than previous years.



“Consumers are now seeing marketplaces as operating more like a department store. They view them as a place to find a variety of products, often with wider ranges, better payment methods and better content than their retail counterparts. As a result the consumer is placing less emphasis on whether they are buying from a retailer or a marketplace, since they trust both. The consumers don’t make the distinctions that maybe we make in the industry. What we are going to find over time is a retailer is going to want to do everything a marketplace does and a marketplace is going to want to look to retailers and do everything that they do. Success will depend on who gets the customers eyeballs first.”

Ian Jindal, Editor-in-Chief, Internet Retailing



Speaking at Linn Academy 2020



Section 3 - Action points for retailers to win at convenience

Seamless journeys.

With the rise of social, the dominance of marketplaces and still the desire for customers to go direct to brands, ecommerce now feels like it is more ingrained in everyday life for nearly four in five, 79%, of shoppers. Little wonder then that nearly three in four, 74%, report they are now shopping throughout the day more than they did just a year ago, making it a part of their daily routine for two in three, 67%, of shoppers.

Retailers need to be aware that people want an end to friction - these touchpoints that crop up throughout the day to encourage shoppers to convert need to require a minimum of effort. They may well start a search on one device, with a second device used to add items to cart, before taking time to make a final choice and pay on a third device.

Moving seamlessly throughout the day between devices and being able to pick up where they left off is hugely important to customers. In fact, more than four in five (81%) expect retailers to offer such frictionless journeys and more than half have abandoned a purchase because they have had to start the process again on a new device.



The rewards for retailers who offer a seamless experience:



81%

expect frictionless, cross-device retail experiences

68%

expect seamless payment services across all a retailer's owned brands

76%

more likely to shop with seamless retailers

51%

have ditched purchases because of starting again on a new device

76%

more likely to shop with seamless retailers

Section 3 - Action points for retailers to win at convenience

The trade-off with privacy and security.

The crux of modern ecommerce comes down to a simple question. Consumers want seamless journeys across sites on multiple devices and they want their shipping information stored to save time on ordering. Does that mean, then, that they are willing to share their personal information? What do they get in the value exchange of sharing data with a retailer?

The resounding answer is that six in ten consumers do, with a notable uptick for the two in three younger Gen Z and millennial shoppers who are willing to share personal information for an effortless ecommerce experience.

Around four in five, depending on age and market, are concerned about the security and privacy implications of sharing their personal details with a retailer. However, more than half think the risk is worth taking in return for a better shopping experience.

The personal information they are happiest sharing, in order, are name, email and gender.

Drilling down into why consumers are happy to overcome their background security concerns and share personal information, it becomes clear they have a very clear understanding of the value exchange involved.



60% say sharing personal information makes shopping more convenient



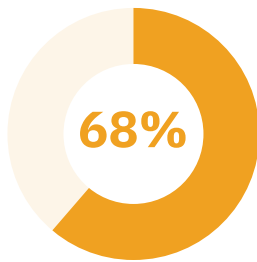
51% enjoy the personalization sharing data brings



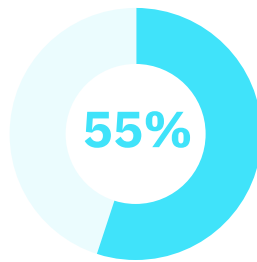
40% reveal it speeds up ecommerce purchases

The trade-off with privacy and security.

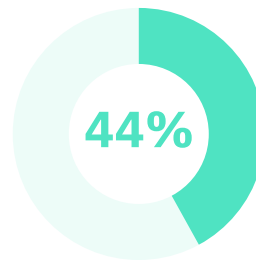
This belief in sharing data to make a more seamless experience stretched to payment information.



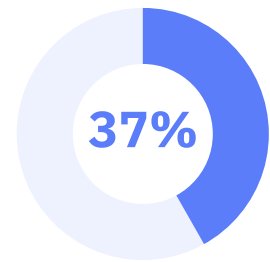
68% have shared payment details on an online marketplace



55% on a brand's own website



44% have shared on a marketplace's app



37% on a brand's own app

The findings chime perfectly with McKinsey research which found that four in five shoppers want personalized experiences with the reward for retailers being at least a 1-2% lift in sales. Often, the researchers claim, the biggest return for retailers is a 10% to 20% reduction in marketing and sales costs. Customers become much more loyal when offered a personalised service and return of their own accord without the expense of needing to be advertised to.

"In today's world of hyper connectivity every customer touchpoint is an opportunity to collect valuable data and insights, deliver an engaging message and elevate the consumer experience. It's about creating an emotional connection with a customer in a direct one-to-one relationship with those individuals and creating a point of difference in a very crowded marketplace. This is the moment to double down on building direct relationships with customers and sustaining that over time. It's not just about the transaction, it's building the brand and relationships that create long term loyalty value and growth for the brand."

Darin Rabb, Senior vice president global brand experience at Lululemon



Speaking at Linn Academy 2020

Conclusion

Convenience pushes brands to 'Total Commerce'.

Modern customers are a moving target – literally. Journeys now start and stop on various devices and arrive either directly or via marketplaces. Increasingly, they are now arriving via social platforms too.

Consumers are crystal clear on what they expect. Retailers who are convenient to deal with will be prioritized over those who are not. Brands that are easy to shop with will win a greater share of wallet as customers spend more and make impulse purchases.

The concept of 'Total Commerce' sums up what it takes for brands to win at convenience. Retailers need to connect with and inspire busy customers across their own, and third-party properties, by providing a seamless omnichannel journey. They also need to compete favorably on the last mile of delivery and optimize the lifetime value of consumers by building loyal customers who become brand advocates.

The key is to have a 360-degree view of the customer to connect the dots between channels, platforms and devices so they are offered an experience that delights. Here the top priority is fast becoming convenience. Winning retail brands offer customers a joined-up journey in which goods are simple to discover, select, order, pay for and arrange to be delivered or picked up. Those which do not step up to the plate will be left behind in this age of convenience.

About Linnworks

Linnworks is a leading commerce automation platform that works with the world's major marketplaces and sales channels.

Linnworks enables businesses to manage their multi-channel inventory, orders and fulfillment from a single dashboard and provides deep insights across sales channels and operations. By equipping brands and retailers to conduct commerce wherever their customers are, Linnworks powers businesses to drive growth and boost brand success. As both Amazon and eBay's largest European commerce partner, Linnworks processes \$8bn+ GMV each year globally, and serves some of the world's biggest brands.

Find out how Linnworks can grow your business.

Book a demo at www.linnworks.com/demo

