

THE FUTURE SHOPPER REPORT



2019

+ WUNDERMAN
THOMPSON
Commerce



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HELLO

This year's Future Shopper Report looks at the current commerce landscape through the lens of the modern shopping journey. The path to purchase today may be more complicated than ever, but everyone still looks for inspiration for something to buy, searches to find the best option, and chooses a place to purchase. Those three phases form the core elements of this report.

This study reveals that the inspiration phase is truly omnichannel. It's a wide, wide world where discovery comes from all angles. And while it's imperative for marketers to have their products top of mind during this phase, they should also understand where and when brands have the opportunity to make an impact as shoppers transition to search. Once shoppers begin actively searching for specific products, the field narrows into three key areas: retail, brand websites, and online marketplaces like Amazon. No single channel dominates in search, and brands must be present to be in the consideration set. This is where media spend must increase. Then, as consumers move towards the end of the shopping journey, brands need to be laser-focused on providing a gold standard of the right price, product in stock, and speed of delivery.

Of course, today's journeys can be complex and completely unrecognizable from those of even a few years ago. But there are partners at all stages to help you manage the complexity. You may not be able to find great prospects in the digital landscape on your own—but there are those who can.

YOU MAY NOT KNOW HOW TO MAKE YOUR PRODUCT SHOW UP FIRST IN AN AMAZON SEARCH, BUT WE DO. ABOVE ALL, WE CAN HELP YOU UNDERSTAND WHERE PEOPLE ARE SHOPPING, WHAT THEY'RE BUYING, AND HOW YOU CAN ENGAGE WITH THEM.

INTRODUCTION



COMMERCE HAS BECOME IMMEDIATE, UNIVERSAL, AND UBIQUITOUS. WE CAN SHOP ANYWHERE. WE CAN ASSIGN MACHINES THE TASK OF ORDERING. WE CAN ALLOW SOMEONE ELSE TO SELECT THE ITEMS THAT ARE DELIVERED TO OUR HOUSE.

In the first eCommerce revolution, our digital shelves became longer, our shopping options more convenient, and product information much more transparent. People became accustomed to reading peer-to-peer reviews, taking social recommendations from distant friends, and looking to new influencers for information on what to buy. At the end of the day, however, the way we bought was largely the same: a shopping cart.

In the past five years, this has begun to change. Commerce has become immediate, universal, and ubiquitous. We can shop anywhere. We can assign machines the task of ordering—a process known as Programmatic Commerce™. We can allow someone else to select the items that are delivered to our house. And some of us can recite a shopping list to a fictitious AI assistant named Alexa and have it delivered in 24 hours. The act of shopping is fundamentally different from how anyone envisioned it only a few years ago.

Since its inception, The Future Shopper Report has tried to capture the essence of this ongoing revolution. As the pace of change has quickened, the scope of this study has steadily expanded. When we launched the report three years ago, we asked UK shoppers how they felt about Programmatic Commerce™. A year later, we expanded the study to the US and looked at how customer loyalty was shifting away from brand to services. Last year, we saw a tipping point in the US and UK as more than half of all commerce journeys were starting online—with price and convenient delivery becoming the dominant factors in purchasing decisions.

This year, our report goes even further. For the first time, we go beyond the US and UK and examine how commerce is developing in six representative countries in Europe: Spain, France, Belgium, the Netherlands, Germany, and Czechia (the geographic name for the Czech Republic). Overall, this enables us to get a much more nuanced look at how commerce is changing—and what that uneven pace looks like.

Also new in this year's report, we outline differences between the shopping habits of Amazon Prime members and the general population—a division that is stark. As we'll see, Amazon Prime members in all demographics are leading the charge into new kinds of commerce—including social, voice, subscription, and Programmatic Commerce™.

While it's tempting to think of change as linear—with consumers increasingly choosing digital channels over physical—the reality is more complex. People are not simply trading bricks for clicks. Instead, they are undergoing a comprehensive shift in how they engage with commerce.

For example, many of the major marketplaces—Amazon, eBay, and so on—originated in the US and spread to Europe and beyond. As a result, the US and UK, which were the initial points of expansion, have largely homogenized playing fields with relatively few major marketplaces and social networks. That results in a crowded advertising market and a landscape in which brands must make difficult decisions around cooperation or competition with Amazon. By contrast, the Netherlands market has no native Amazon presence, but a healthy native marketplace in Bol.com. This complicates the task of commerce, but opens up opportunities too.

We also see a difference in how people search for products. In countries like the US and Germany, where Amazon has long had a presence, searches begin on that platform 79% of the time. Across all markets, Amazon Prime members are also twice as likely to start their searches on Amazon as those who do not have the service. But in Czechia, where people access Amazon via Germany, the number drops to 4%. This makes a compelling case for brands and retailers in Czechia to improve their services to match the inevitable arrival of the American behemoth.

Overall, we asked 15,188 people in 8 countries how they are shopping today and how they expect to do so tomorrow. We looked at what they rate highly, what they don't care about, and how, of course, they feel about Amazon. The results both confirmed ongoing trends, revealed new insights, and outlined success strategies for a rapidly changing world.

HEADLINE DATA

62% **ARE EXCITED ABOUT ORDERING ALL OF THEIR GOODS THROUGH ONE RETAILER**
(e.g. Amazon, eBay, etc.)

64% **CHECK PRICES ON AMAZON WHILE IN-STORE**

96% **SAY PRICE IS THE MOST IMPORTANT FACTOR IN THEIR PURCHASING DECISIONS**

84% **ARE MOTIVATED BY FASTER DELIVERY**

50% **SAY THEY WISH BRANDS AND RETAILERS WERE MORE INNOVATIVE**

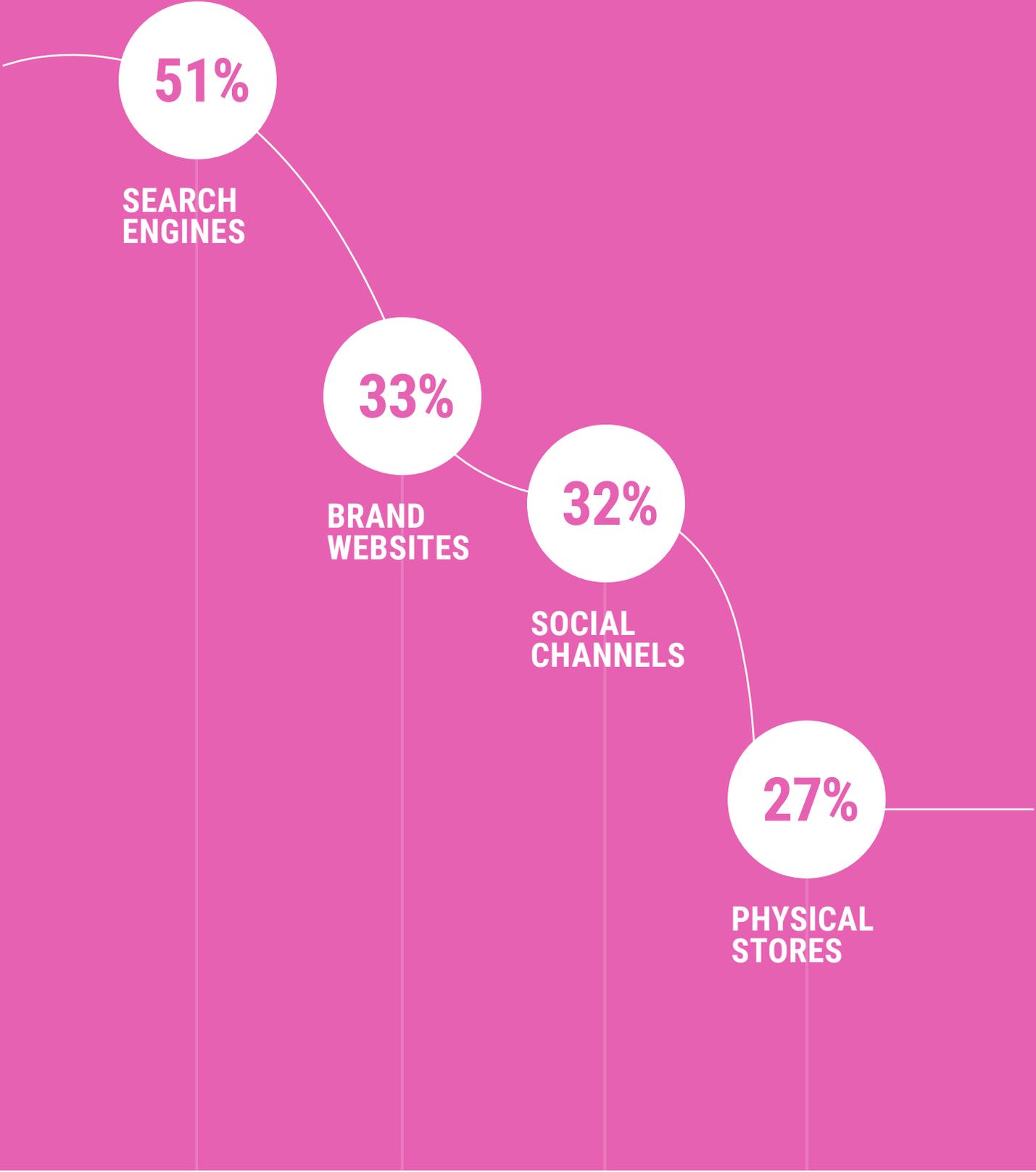


INSPIRATION



KEY STATS

Where do I look for inspiration?

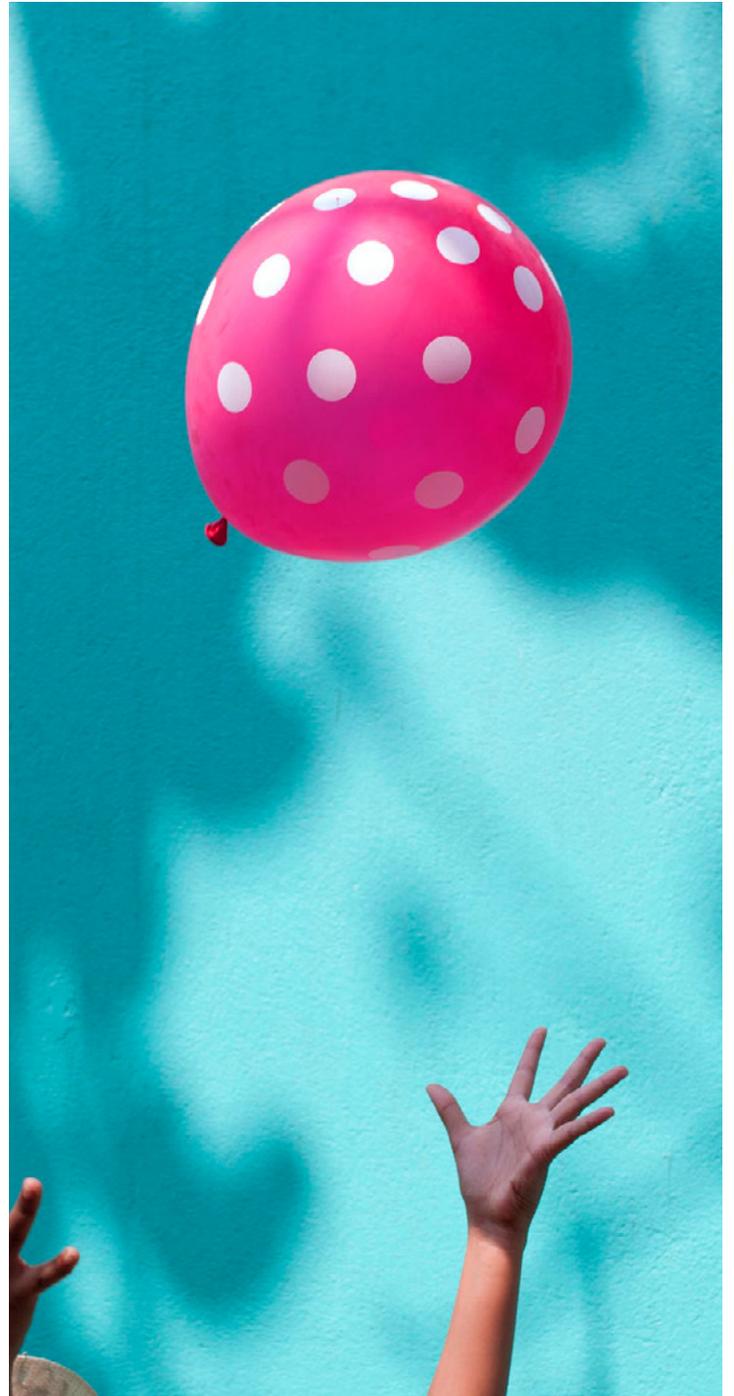


INSPIRATION: THINK OMNICHANNEL

When it comes to shopping, inspiration abounds—from search and social media, to innovation and demographics. In the inspiration phase, shoppers become aware of, and interested in, making a purchase. We tend to think of this in terms of a high-touch process, but it need not be. People are inspired to buy Doritos, just as they are inspired to buy a washing machine. They are inspired to go out to eat, just as they are inspired to buy a car.

No matter what you sell, you need to be visible at this critical point in the shopping journey. If people cannot see your product, and it doesn't show up where they're looking, it's going to miss the consideration set—and might as well not exist.

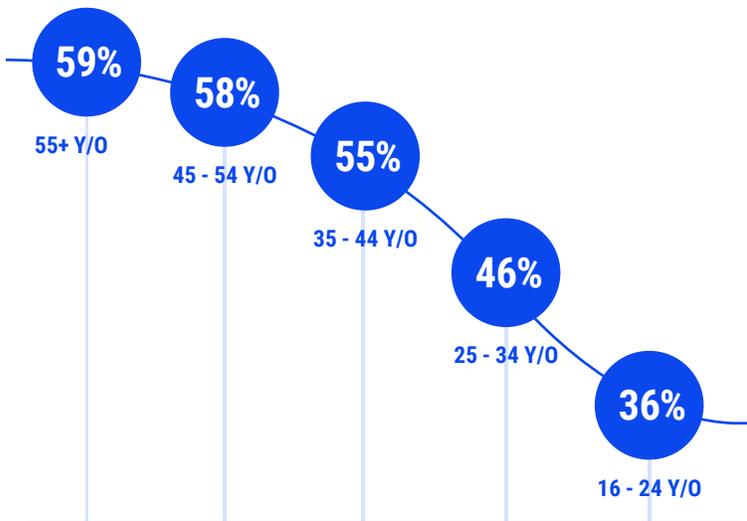
Above all, The Future Shopper data suggests that **while search once dominated inspiration, an omnichannel inspiration strategy will likely serve brands best today. Search engines may still lead in the first mile of shopping, but nearly every channel has enough traction with consumers that none should be ignored.**



THE END OF SEARCH ENGINE DOMINANCE

For years, search engines have been shoppers' go-to for inspiration. While our data shows that Google and its peers are still strong, their traditional dominance is under threat. Their greatest strength comes with older consumers, but age group by age group, their once iron grip on the process slips. By the time we reach Gen Z, only 36% of shoppers use them as a source of inspiration.

I look for inspiration on search engines:

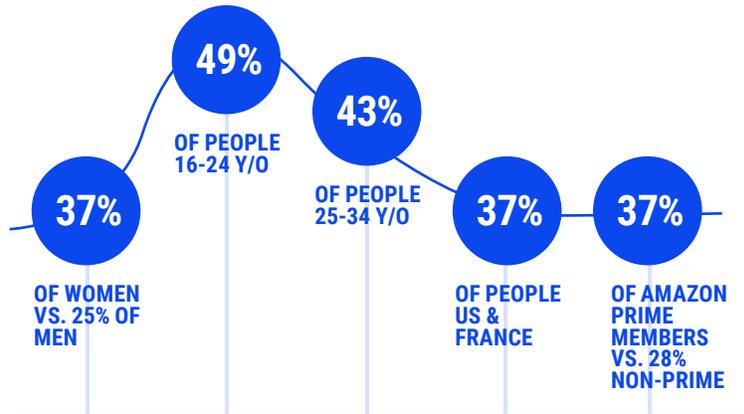


The winner in the game? Social media. Among 16-24-year-olds, it leapfrogs to first place for inspiration with a 49% share. Social largely rises in time with each age group as well. This strongly suggests a global trend away from search and toward social for inspiration—with Gen Z leading the way. The end of search dominance as we know it may be here sooner rather than later.

Brands seeking out younger consumers may need to rethink their long-term media strategies in light of a consumer base that may slowly be shifting away from a crowded traditional media market. The overwhelming preference for search once made it tough and expensive to break through in the inspiration phase. The more balanced mix of options suggest that omnichannel efforts with a strong lean into social may be the better strategy.

SOCIAL SOARING

I find inspiration on social media:



The fastest rising avenue for inspiration today is social media—and it's divided sharply along generational and demographic lines. While half of people aged 16-24 look for inspiration on social, only 12% of people over the age of 55 do so. Women also outpace men on social 37% to 25%. And social is the overwhelming choice for inspiration for the young. This strongly suggests that organizations should start taking it seriously as something other than just a visual marketing tool. First movers in the game are stealing a march on their competitors when it comes to commerce, as well as branding.

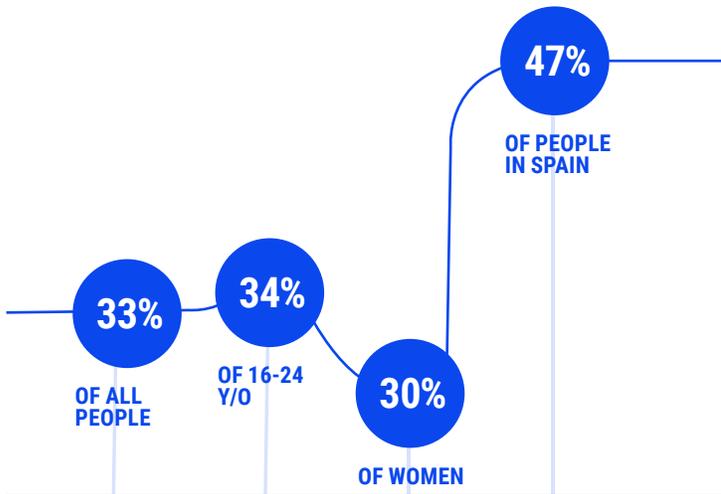
The Future Shopper survey also collected data on consumers who share products on social media and on messaging apps: 38% of consumers said they do this, with the number jumping to 49% of those aged 16-24 and 46% of those aged 25-34. Spain and France led the way with roughly 50% of all people sharing socially, while Amazon Prime members, not surprisingly, outpaced general consumers at 47%.

This only reinforces the fact that brands need to prepare for a world in which media buying strategies must consider the increasing role of social media in finding inspiration—and be sure those efforts move consumers into channels where they're searching for and purchasing products.

BRANDED WEBSITES: A STRONG CASE FOR DTC

Brand websites—especially when coupled with a great direct-to-consumer (DTC) experience—remain a vital part of the mix when consumers are looking for inspiration.

I look for inspiration on brand websites (i.e., Nike, Dyson, Clinique, Apple, etc.):

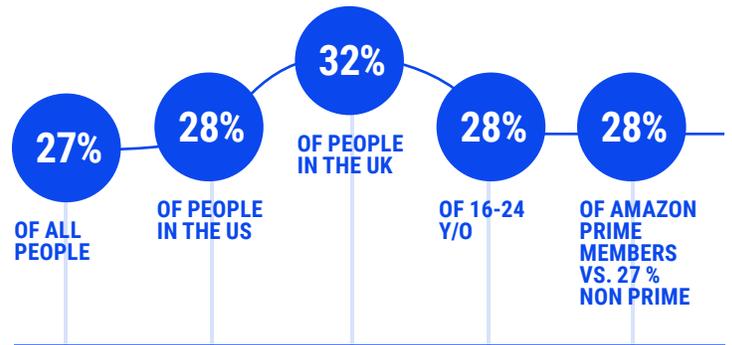


The rise of Amazon and other marketplaces has frequently led many organizations to question why they should bother with direct-to-consumer. The good news is that brands and organizations threatened by the Amazon shopping experience, which is largely transactional and emotion-less, are attracting consumers with a more experiential approach.

THE STORE HAS NOT CLOSED ITS DOORS

You might think that the more digitally-enabled a market is, the less likely people are to find inspiration in a physical store. After all, it's no secret that many well-known, big-box retailers closed their doors in 2018. However, the data shows something different: in the UK and the US, where eCommerce is ahead of the curve, so too is in-store browsing. Thirty-two percent of people in the UK and 28% in the US look for inspiration in a store against a global average of 27%. What's more, 48% of consumers prefer to shop with a brand that has a physical store.

I look for inspiration in-store:



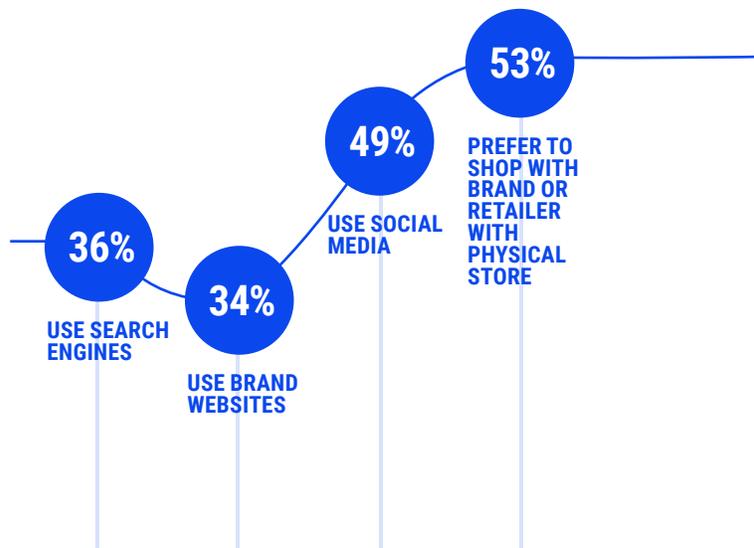
The demise of many large chain stores may not be representative of a shift away from stores in general, but a rejection of approaches to physical retail that no longer match customers' desires. The real question might not be if a brand or retailer should have a store, but rather what kind of store they should have.

Brands, like Sears, that operated largely as they did in the past, with disorganized shelves and scant staff, are being swept away. But Walmart offers a great example of a large retailer that has adapted and innovated to ensure that it remains relevant in a digitally enabled world. Online shopping experiences may score well in terms of convenience, but great store experiences open up ways to provide excellent service, have real conversations with consumers, and amass the first-party data that can be critical to success in every channel.

GEN Z: TAKING SOCIAL BY STORM

For a long time, the tables have seemed stacked in favor of marketplaces, especially Amazon. But the youth movement suggests shoppers may be turning back to traditional branded experiences. Fifty-three percent of people aged 16-24 prefer to shop with a brand or retailer that has a physical store, well above the survey average of 48%.

Gen Z by numbers:



Young people are also more open than most to finding inspiration in social buying and, surprisingly, print publications. They are also most skeptical of Amazon, and most likely to be swayed by ethical and environmental concerns. In other words, cracks are starting to appear in Amazon's offerings, and the WACD (What Amazon Can't Do) movement is in full swing with Gen Z.

KEY TAKEAWAYS

- Search engine dominance is dying in the inspiration phase. Review your media strategy to ensure that you appear where your customers are looking.
- Social inspiration is vital for brands and organizations, especially with the imminent arrival of social commerce.
- Physical stores will not die—so long as they provide an omnichannel data-based experience worth visiting.
- DTC is a vital component of a balanced eCommerce strategy, but brands must work hard to move consumers from inspiration to transaction.

SEARCH

A CHANGE IN FOCUS

As we've seen, when looking for inspiration, consumers take an omnichannel approach. Once they begin to search for products, however, their focus narrows. They stop trying to decide if they want to buy—and start thinking of exactly what and where they will buy. At this point, they increasingly focus on Amazon and search engines at the expense of social media and brand websites.



This is important because more and more organizations are trying to shorten the time frame and activities between search and purchase. Their main challenge, of course, is to ensure that their products and services are visible in the relevant channels and become part of the consideration set.

Our data points to two major opportunities to improve: brand websites and social channels. Many organizations today are creating DTC ecosystems of products and services that encourage customers to stay. **And the advent of social buying on Instagram opens an intriguing new channel for discovery and purchase.**

AMAZON TAKES CHARGE

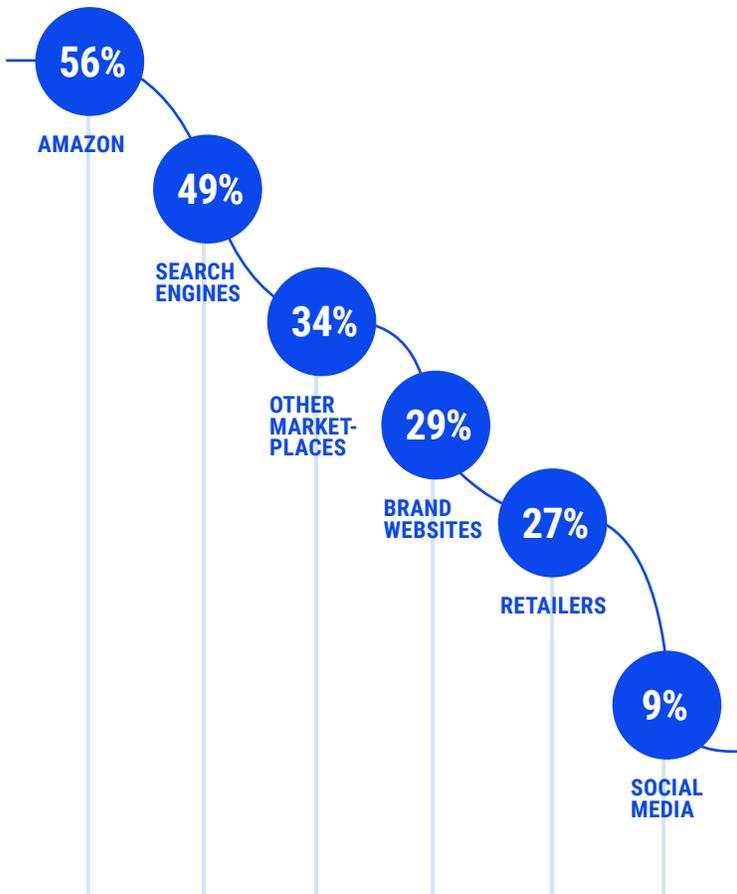
While taken as a whole, product search seems roughly split between Amazon and search engines, the reality is more nuanced. In countries where Amazon has a native presence, it dominates. Consumers in Spain (80%), the US (79%), and Germany (79%) are the most likely to start their search on Amazon, while, perhaps unsurprisingly, it is not popular at all in the Netherlands (13%), and Czechia (4%), both of which order from Amazon through Germany.

This presents brands and retailers with split possibilities. In countries like the Netherlands and Czechia, where Amazon is still relatively weak, it's time to get moving. Amazon has upended search patterns in many countries, and unless you have a strong local competitor offering the same level of selection and service or better—as in China—you have to get ready (See: “What to Do When Amazon Rides into Town,” on page 35).

In other markets, the preference for Amazon necessitates a friend-and-foe strategy. Whether or not to optimize Amazon is no longer a question. The only issue is how brands can start converting their success in the inspiration phase into better search and purchase experiences for consumers.

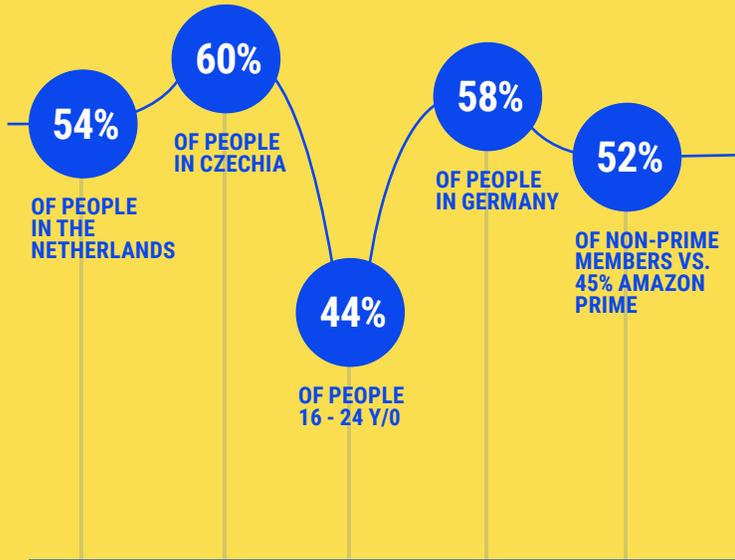


Where I start searching for products:



SEARCHING FOR ANSWERS

I use search engines to search for products:



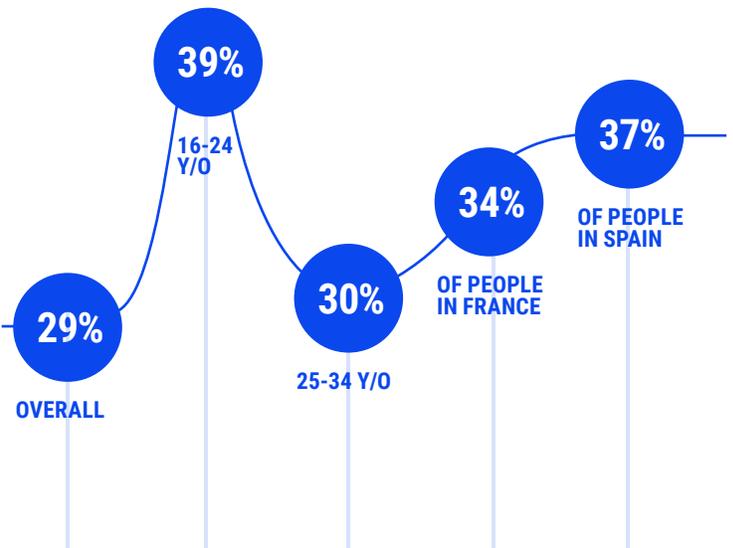
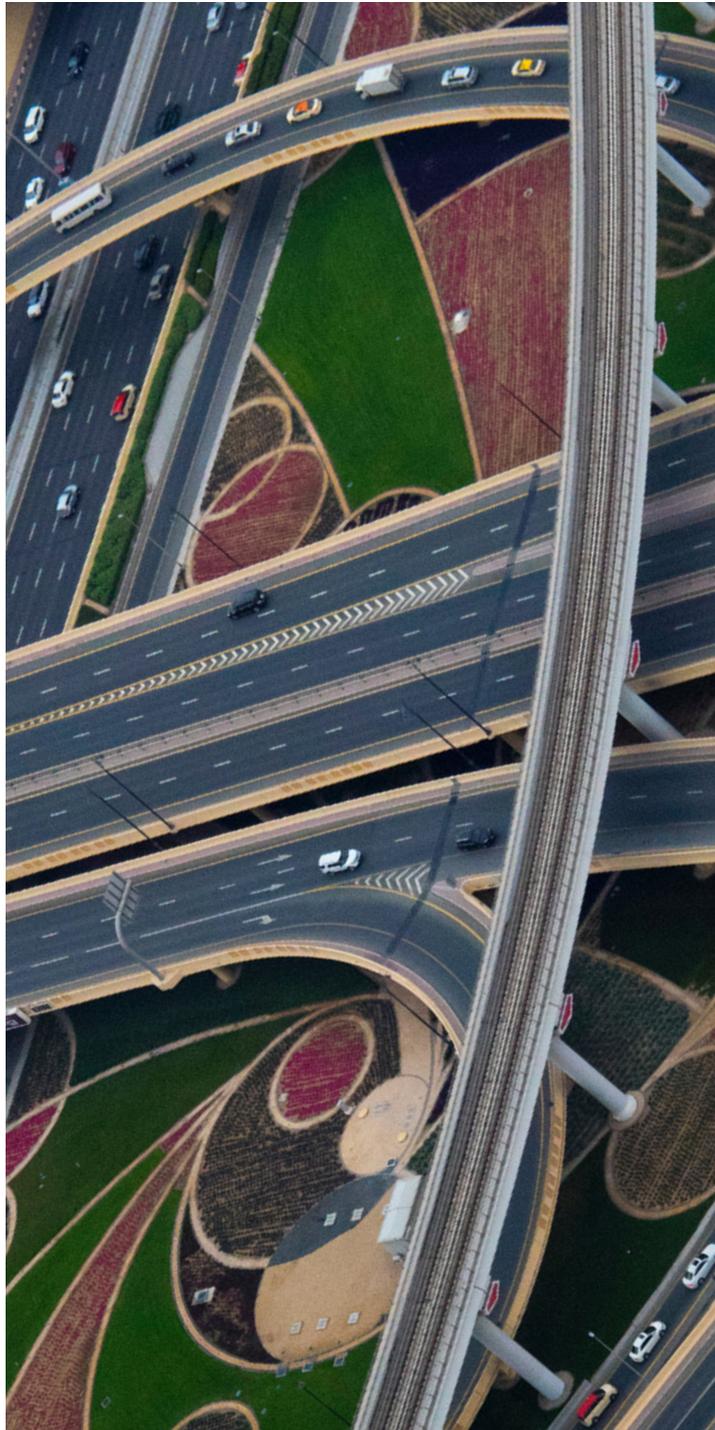
Simply because most consumers start a lot of searches on Amazon does not mean a one-platform-and-done strategy is a good idea. Nearly half of people also begin searches on Google and its peers, a number that rises to 58% in Germany and hovers at 47% in the US. In Czechia—where the numbers resemble those of large European economies from a few years ago—search stands at 60%.

Obviously, search engines remain a vital option for consumers, and making sure your media strategy makes your product highly visible and available remains a key pillar for success.



GOING DIRECT

I search on websites of brands
(e.g. Nike, Dyson, Clinique):



Future Shopper data this year reveals interesting news for brand websites. During the inspiration stage, consumers flock to branded content (33% overall and 47% in Spain). As consumers move to search, however, the numbers drop considerably to 29%, with the fall more precipitous in larger markets. In Germany, for example, brand websites capture 29% of consumers' inspiration, but only 18% for search. In the US, it's 31% to 23%.

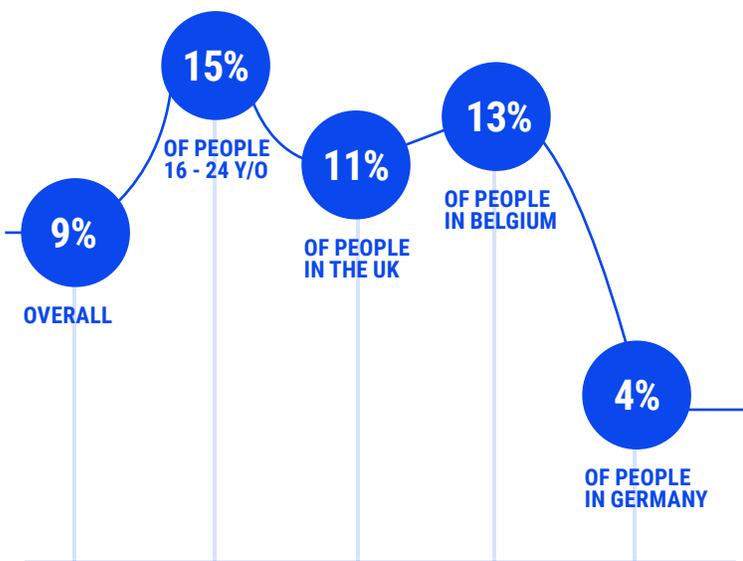
This demonstrates that while branded experiences are capturing customers in the first mile of shopping, they're then losing them in the second. As a result, brands are investing in equity to attract customers and then serving them up on a silver platter to marketplaces like Amazon.

To combat this situation, organizations must up their game in their DTC efforts. Rather than abandoning their customers in search, **they have an opportunity to capture them during inspiration and keep them all the way through purchase—netting not merely a greater part of sales, but of the invaluable data that comes with them.**

SOCIAL: THE NEXT FRONTIER?

The biggest difference between inspiration and search is the disappearing act played by social media. If brand websites falter in search, social falls off a cliff. Only 9% of all searches begin on social media, a number that drops to a paltry 4% in Germany and 5% in the United States.

I search for products on social:

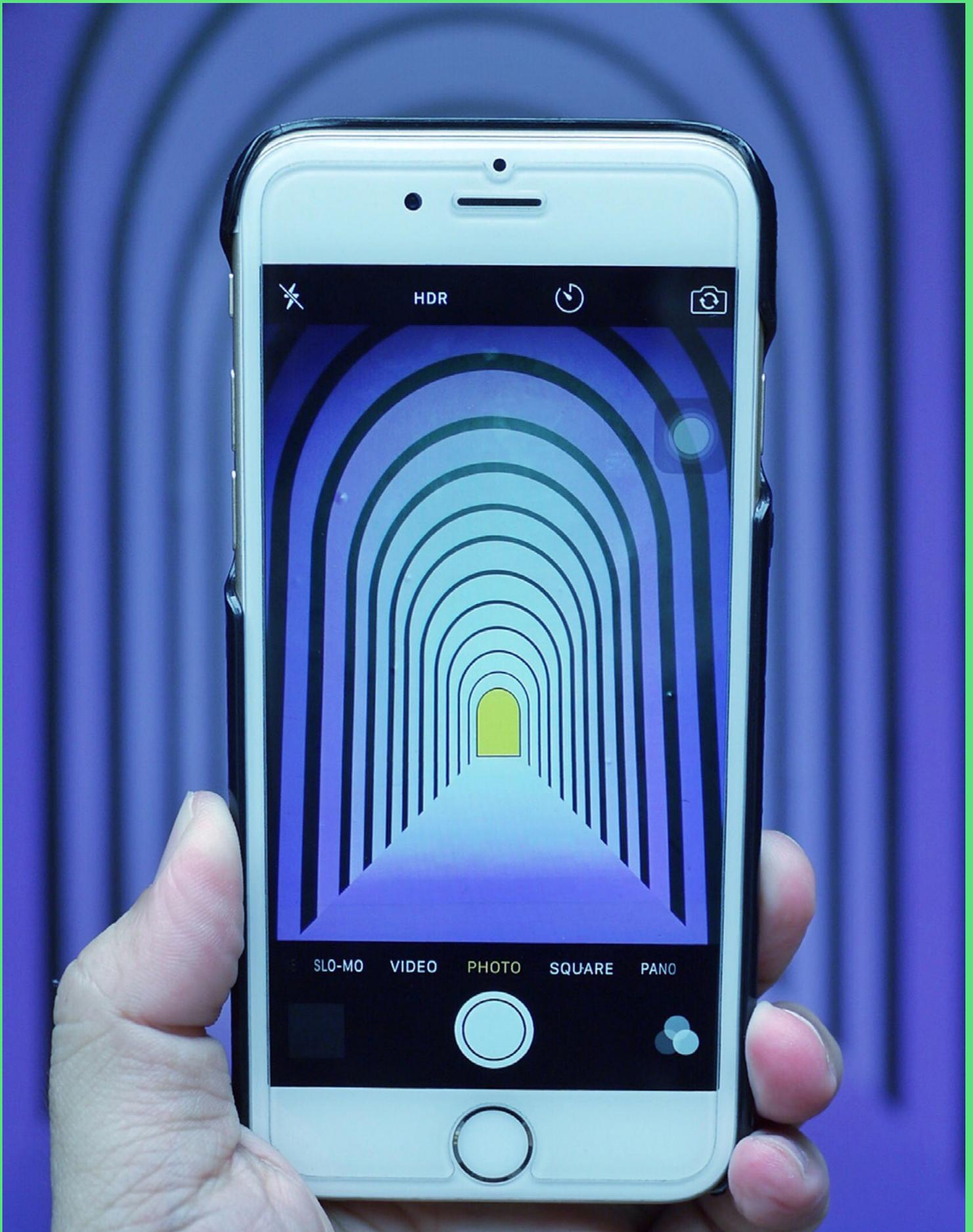


Part of this doubtless reflects the fact that it's difficult to search for products on social—that's not how the platforms are built. But as we saw with inspiration, every successive age group uses social media in this phase more and more as they get younger. Fifteen percent of people aged 16-24 use it for search, while only 4% of people over the age of 55 do so. This strongly suggests a trend towards social commerce that should increase over time. The organizations that are ready for this already stand to benefit from the Gen Z customers who are already there.

In addition to the recent integration of shopping on Instagram, social merge appears to be on the verge of causing disruptive change. **The scary thought for many is that social sites like Instagram, Facebook, and Snapchat have the potential to evolve into the next generation of super retailers.**

KEY TAKEAWAYS

- When it comes to product searches online—Amazon dominates.
- Brands are all too frequently building brand equity and driving customers to their sites, only to offer them an underwhelming experience that encourages them to shop with marketplaces.
- When thinking about search, social media's eCommerce immaturity is apparent—but the step from inspiration to transaction will be rapid. Get ready now.



PURCHASE & LOYALTY

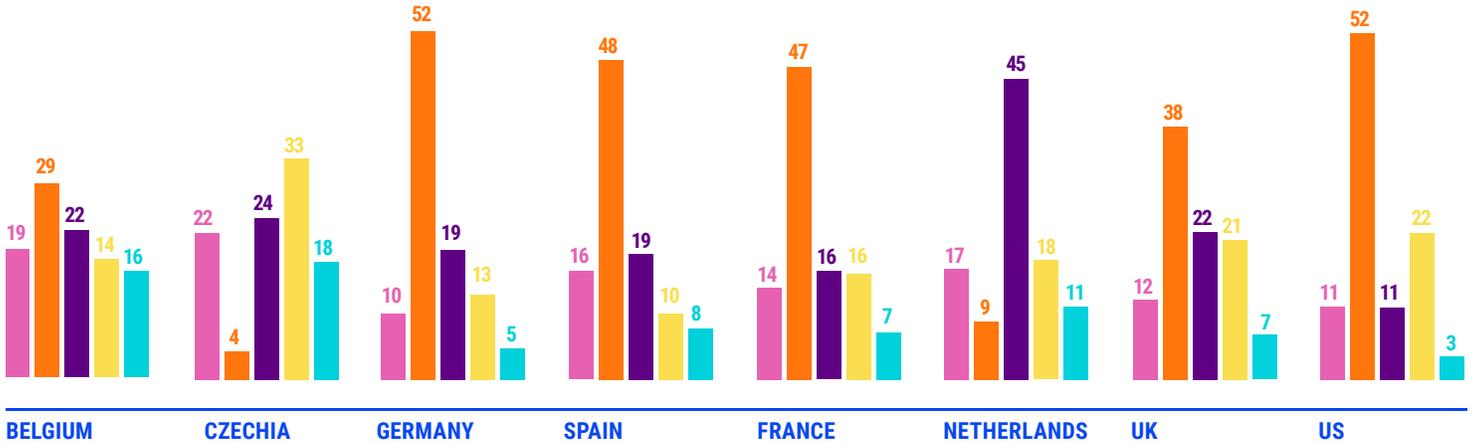


When it comes to where consumers buy, Future Shopper data shows that they want it all: low prices, products in stock, fast delivery, and much more. But together these also show something else: purchasing is on its way to becoming the new phase of loyalty. Consumers expect and reward great service at every point in the process.

Where the purchase used to be a fairly straightforward transaction both online and offline, today, we have purchasing experiences. It's not merely about where we buy and how we buy. Instead, buying runs the wide gamut from delivery and returns to convenience, rewards, and even concerns about the environment. Top brands like Amazon and Uber have set new standards for commerce, and everyone now must embrace them and focus on delivering that same level of service.

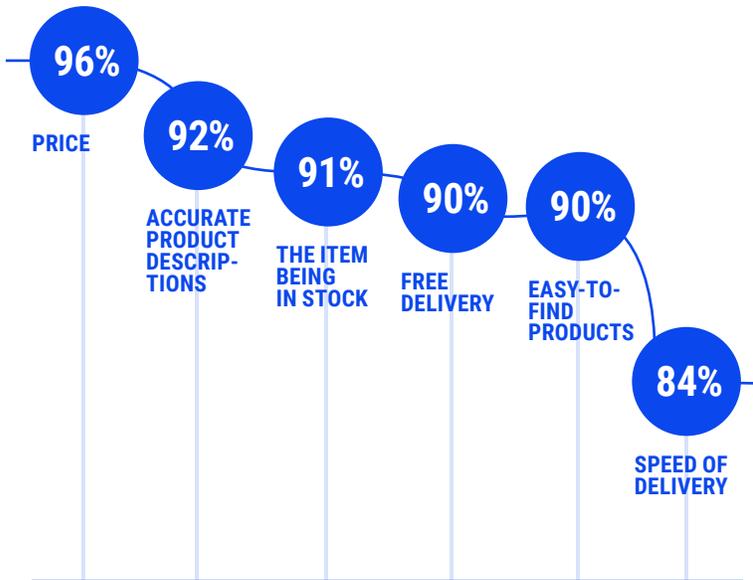
WHERE DO CUSTOMERS SPEND THEIR ONLINE DOLLARS BY PERCENTAGE?

When it comes to online purchasing, the trends we saw in search carry over. Customers narrow the playing field to just a few players: Amazon, brand websites, and online sites of retailers:



WHAT PEOPLE WANT: THE IMPORTANCE OF PERFECTION

I am motivated by:

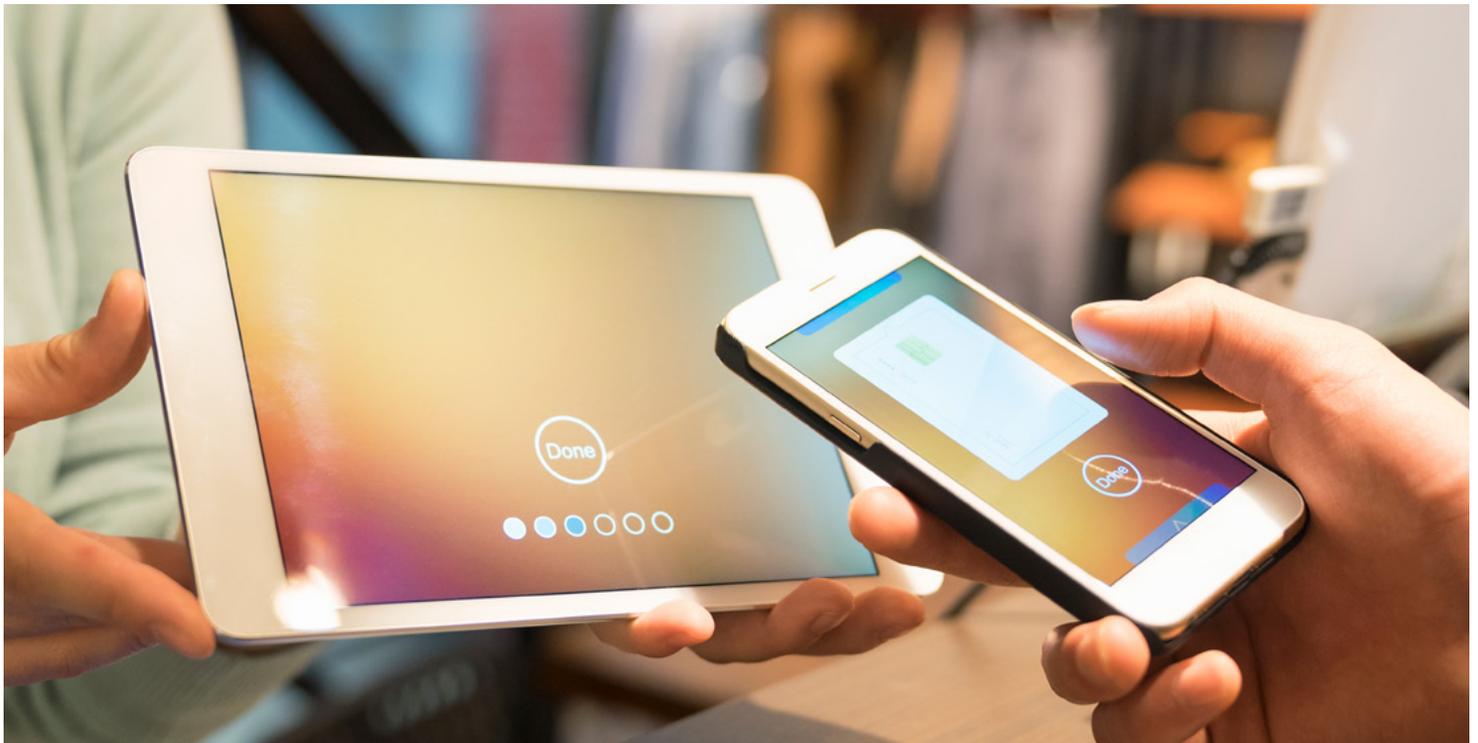


What do people want from a purchase?

Unsurprisingly, price was the number-one concern for consumers, with 96% saying it was most important in their purchase decisions. But other elements of the shopping experience were also strongly important: speed, selection, availability, and accuracy of product description.

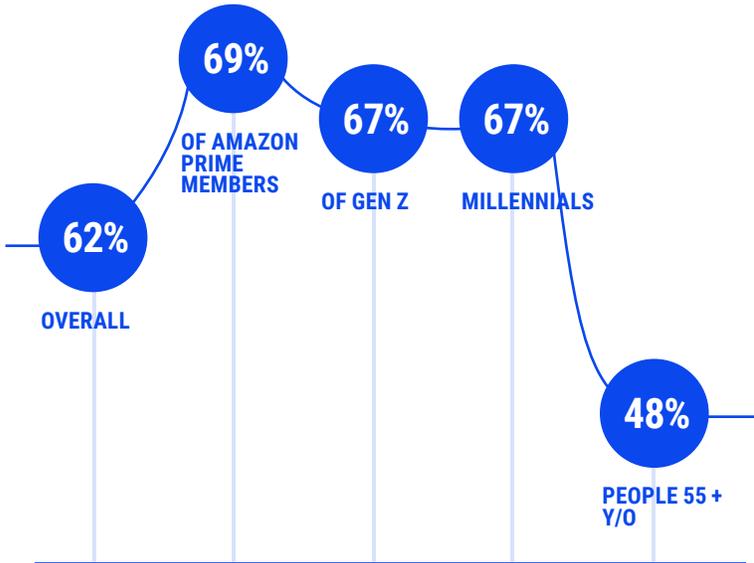
In other words, consumers want everything. It's not enough to have a great product anymore. Online shoppers are using many different criteria to make informed decisions. Companies may invest in creating positive equity around their brands, only to lose out with poor data, bad content, and a lack of the right content to convert.

These areas, as we'll see, also open up opportunities for brands. For example, 61% of consumers would shift purchases away from Amazon if a price was lower, and 23% if it had better delivery options—an interesting data point considering that Amazon is setting a gold standard for service in most geographies. As a result, brands have two tasks in front of them: They must balance lower price strategies with the needs of their channel partners. And they must implement efficient fulfillment and delivery capabilities that may require significant organizational change.



WHERE TO GO BUT UP?

I will increase my use of digital shopping channels in 2019:

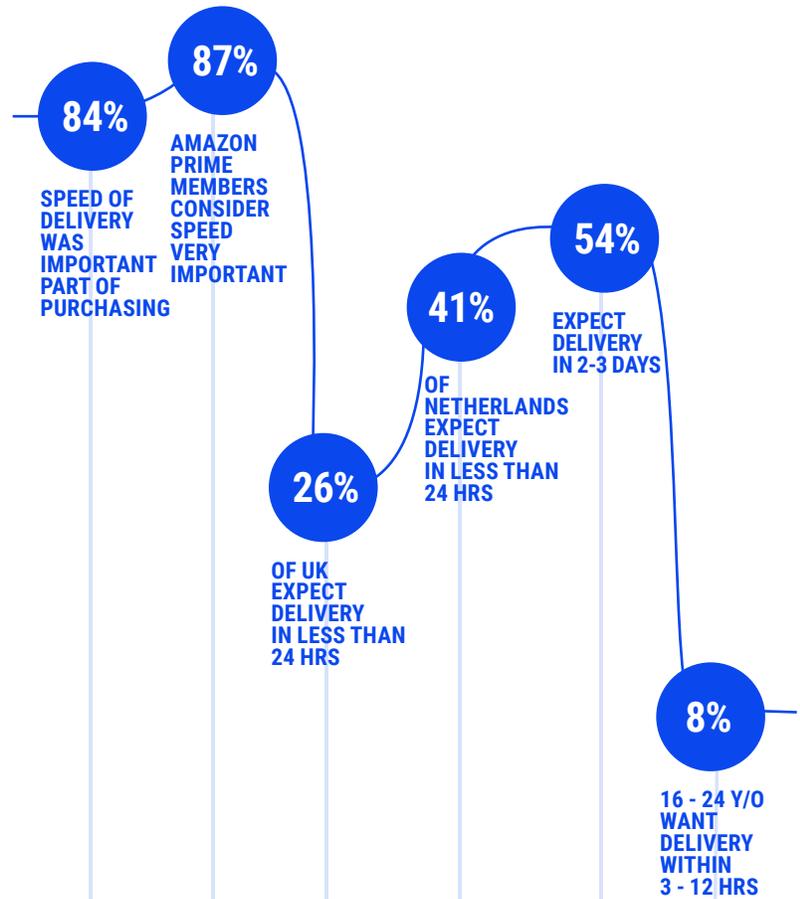


Not surprisingly, consumers are set to increase their digital spending and are revved up about its potential. The ones most likely to up their spending? Younger people and those with Amazon Prime. As a result, we are seeing Amazon invest heavily to extend its Prime service with attractive new offerings, such as original content, free books, in-car delivery, and more.

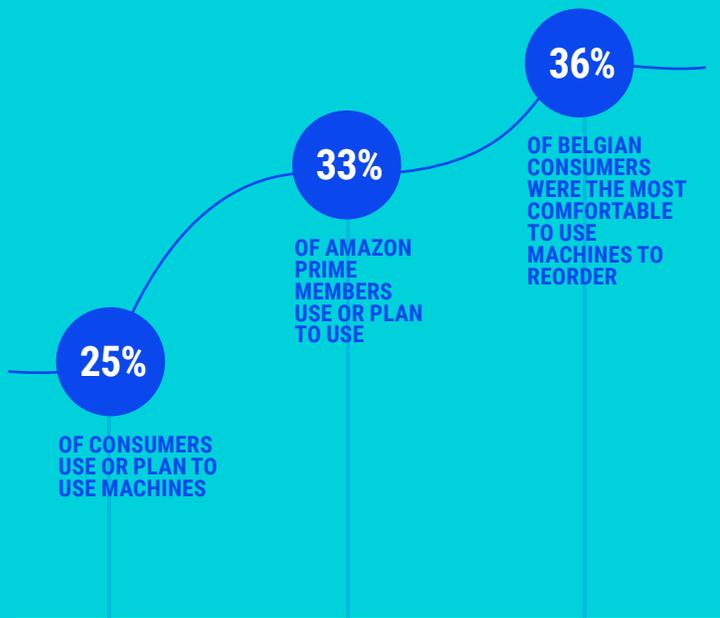


DELIVERY

A big part of how you buy is how the product reaches you. In an era defined by an increasing pace of life, an impatient consumer is the norm. This year's shopper report shows that consumers are not letting retailers off the hook when it comes to getting goods fast. Instead, time is their new currency.



REPLENISHMENT ON THE RISE

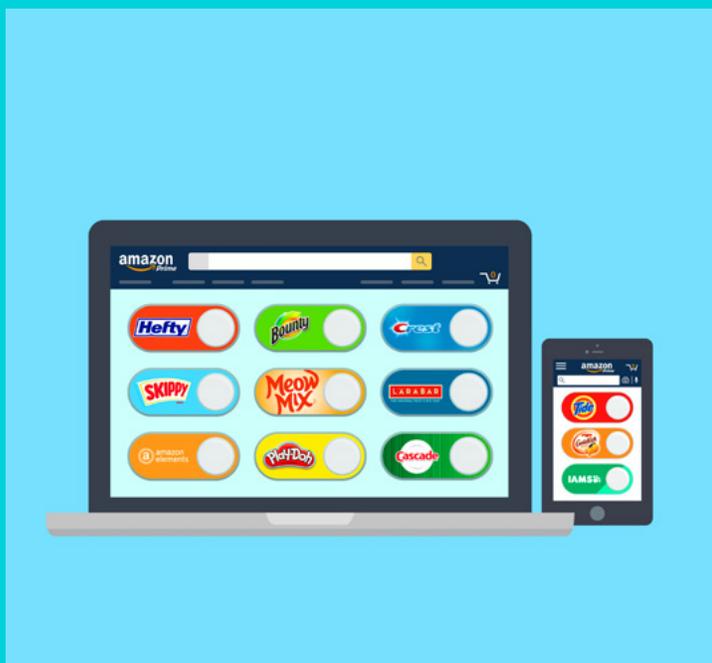


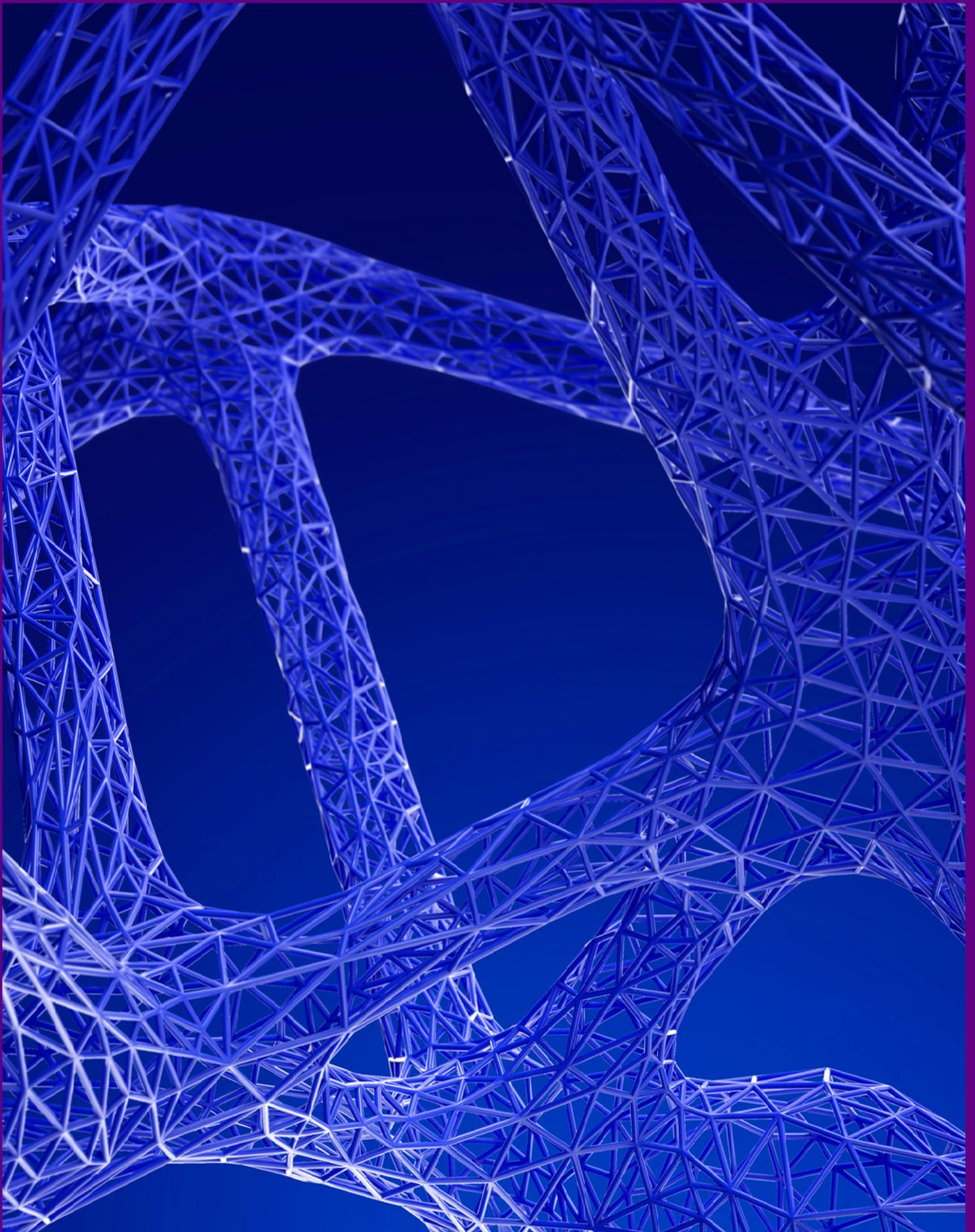
Customers are also excited about subscription and Programmatic Commerce™—both of which enable the automatic ordering and replenishment of goods. Many have been introduced to subscription through niche retailers such as the Dollar Shave Club or Nespresso, where it removed a considerable pain point in the buying process.

However, it's moved into mainstream with things like meal kits, clothing boxes, auto ordering of print cartridges, and so on. Programmatic Commerce™, in which machines use data and AI to automatically order and send products, is also moving mainstream (See: The Rise of Programmatic Commerce™, page 38).

KEY TAKEAWAYS

- The US and UK markets may be reaching Amazon maturity. Amazon's dominance in these key eCommerce markets remains strong—but the US has remained static since last year, and the UK increased by only 2%.
- ECommerce cannot rely on digital alone. Success requires the full support of the business in order to give consumers the end-to-end experience they demand, supported by the data needed to make the best decisions.
- Fast delivery is key to a successful eCommerce experience.





THE AMAZON EFFECT

The Future Shopper is one of the few international studies to capture the online shopping preferences of Amazon Prime customers and non-Prime customers. We measured the differences in attitude between those two groups on a wide range of issues—and the results were stark. Across nearly every question, Amazon Prime members showed themselves as more technologically savvy, more open to different kinds of commerce, more willing to try new platforms, and more excited about the things Amazon does best.

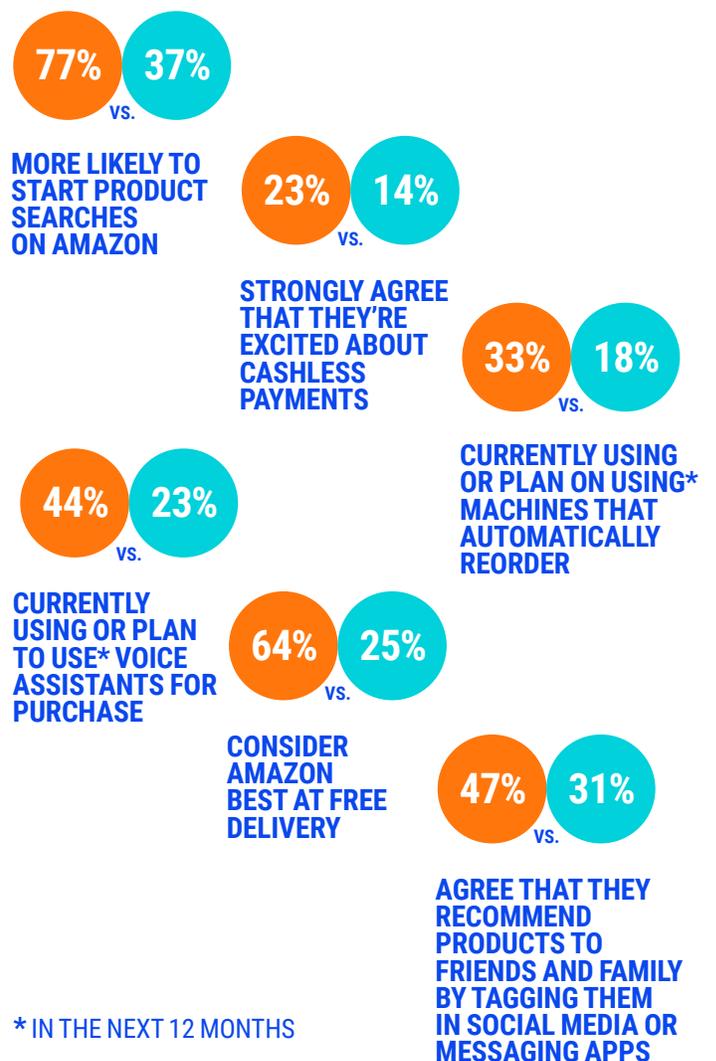
This is somewhat surprising given how deeply Amazon Prime reaches into the customer base of most countries. **Their customers are not early adopters, nor do they skew particularly young. Rather, their experience with Amazon Prime is shaping their expectations and openness to the future. They are the ultimate commerce beta testers.**



THE AMAZON PRIME MULTIPLE

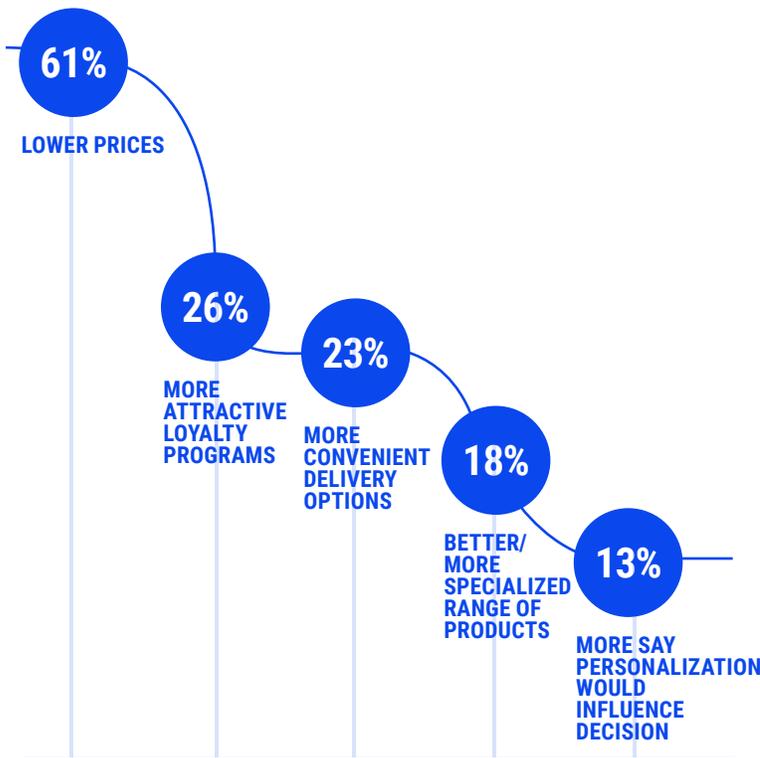
Amazon Prime changes people's ideas and expectations around everything from price to delivery. But the attitudes even spread into cashless payments and social behavior, which have little to do with Amazon itself. In other words, Amazon is using the service as a beachhead for its newer offerings, like voice ordering and Programmatic Commerce™. **It is training its best customers to step into the newer realms of commerce and new kinds of digital experiences, while socializing these new ideas to friends and family. This creates a vanguard mentality which is pushing the entire market forward.**

Amazon Prime vs. Non-Prime members:



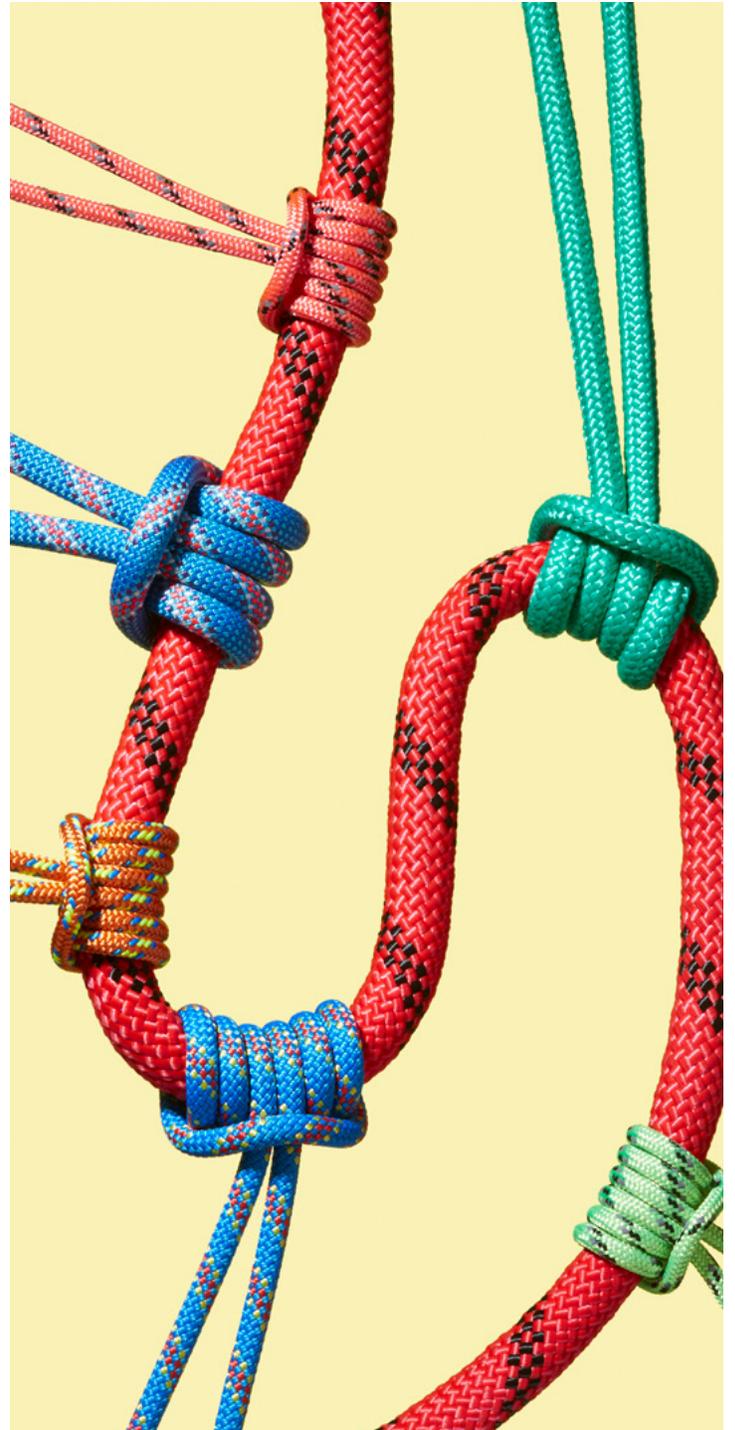
WORKING WITH AND AGAINST AMAZON

While Amazon may be huge, brands, retailers, and other marketplaces have opportunities to attract more consumer spending. According to the Future Shopper data, top motivators that would influence consumers to buy from another retailer over Amazon include:



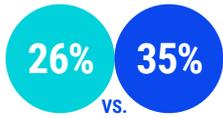
Digging in, US shoppers were the most likely to be swayed by a low price point (74%) than shoppers in other countries, perhaps reflecting the squeeze on personal finances in a country beset by rising healthcare, education, and housing costs. Spanish consumers took the lead in wanting a more personalized shopping experience (21%), while German shoppers voted for more convenient delivery options (30%). All of these show that while the specific opportunities are different (and emphasize the need for a deep dive into country-specific data), overall, Amazon may be big, but it's also beatable.

The rise of the eCommerce giant may also be doing it more harm than good, with 47% of consumers saying they were worried about the likes of Amazon dominating the online shopping market, which surprisingly grew to 53% for Amazon Prime members. They take the lead, it seems, in everything.

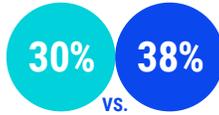


POSSIBLE ENTRY POINT: THE YOUTH MOVEMENT

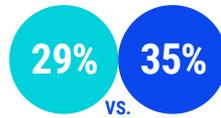
Under 25s vs. all consumers:



SAY AMAZON IS BEST AT HAVING THE BRANDS THEY WANT



SAY AMAZON IS BEST FOR EASY RETURNS



SAY AMAZON IS BEST AT CUSTOMER SERVICE

Amazon may dominate the online shopping experience for most shoppers, but there is an opportunity for brands and retailers to tap into the younger market (16- to 24-year-olds).

On a range of issues, these consumers are bucking the trends that attracted previous generations. They are more social, less search-oriented, and less excited about Amazon. They also crave more options in the marketplace, including brand websites and DTC experiences. Businesses that can tap into this generational angst may be able to retain these customers as they grow older, influencing their older friends and relatives and becoming more valuable consumers themselves.

Amazon, of course, is trying to counter this trend, not least by beefing up its entertainment and other services (the Twitch purchase comes to mind) to capture the imagination of younger generations. Still, if you're looking for an opening with the American giant, you could have worse ideas than starting with Gen Z.



WHERE I BUY WHEN I'M NOT BUYING ON AMAZON

Not every category has fallen under the spell of Amazon. Whether a product requires a high-touch sale or a mindless drop into a shopping cart, consumers simply don't like to buy some items on Amazon. Those in these lucky categories would do well not to rest on their laurels and assume the future will look like the past. After all, at one point, every category was undisrupted by Amazon, and now most have been disrupted.

I buy at Amazon:



21%

HEALTH & BEAUTY PRODUCTS

Consumers are most likely to buy via online retailers (24%), with US consumers particularly likely to shop for these products with them (32%).



16%

LUXURY PRODUCTS

Overall, these are popular items for offline purchases, with 30% of consumers saying they never buy these products online. Those who do prefer to go through brand websites (21%).



17%

CLOTHING AND FASHION

Amazon has made a big push into fashion, but consumers are still most likely to purchase these products from retailers (26%), followed by directly from the brand website (22%). However, Amazon Prime members are most likely to head to Amazon to purchase clothing and fashion (26%), followed closely by retailers (25%).



19%

MOTORS AND ACCESSORIES

Not surprisingly, the auto market struggles online, with 40% of consumers saying they never buy these products online.



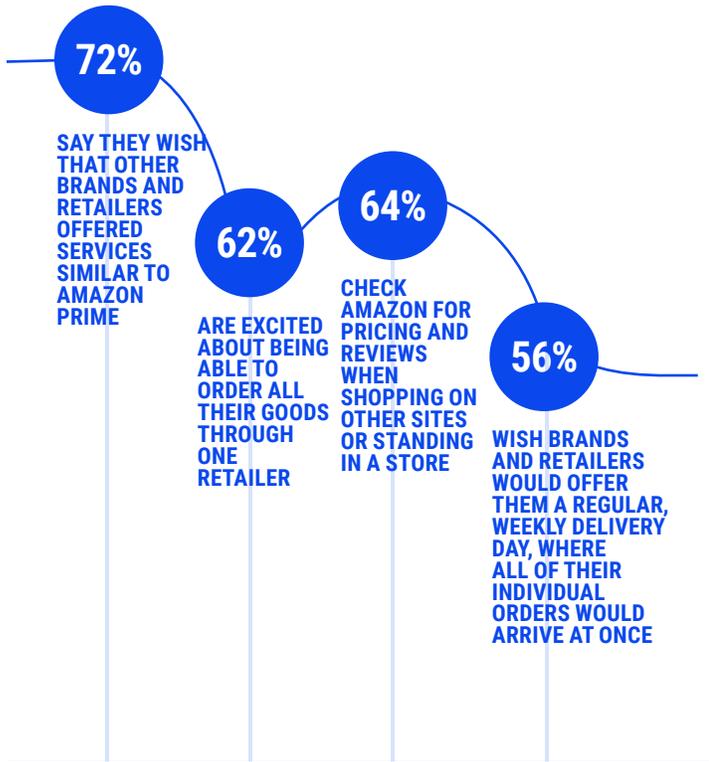
11%

GROCERY

Food is another product category where people say they never buy online (40%), but when they do, they are more likely to shop on retailer sites (27%).

SETTING THE BAR HIGH

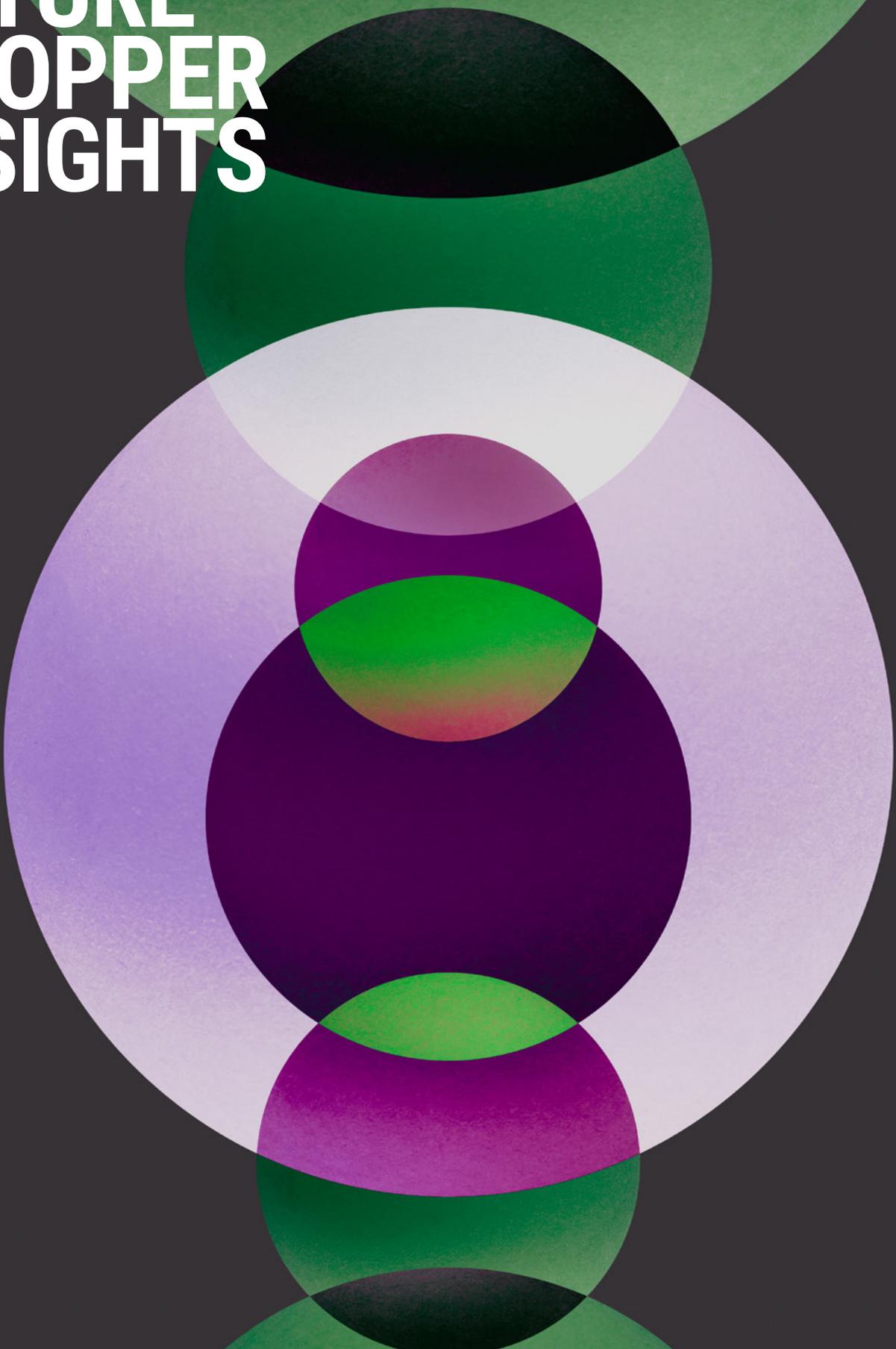
Regardless, the bar has been set, and Amazon Prime is showing notable strength, as consumers enjoy the convenience and ease of the subscription and wish other retailers and brands offered similar experiences.



KEY TAKEAWAYS

- Amazon Prime is the world's most advanced loyalty program; it changes customers' expectations of what good looks like, and sets the standards for all other eCommerce and omnichannel operators.
- Brands and organizations should focus on "What Amazon Can't Do" (WACD), as cracks are appearing in their dominance, most notably with Gen Z.
- A number of industries still resist Amazon's control, which may be seen as good news, but may also be a catalyst for further Amazon expansion in the future.

FUTURE SHOPPER INSIGHTS



1. VOICE IS HERE, AND IT'S GETTING LOUDER

The first instance of the coming wave of Zero UI—or faceless interfaces for brands—is voice. Our survey shows that 33% percent of respondents already use voice assistants, or plan to in the next 12 months, compared to 44% of Amazon Prime members. Spanish consumers are most likely to use voice assistants in the next 12 months (46%), followed by France (38%).

Brands should take notice. As adoption increases, voice commerce will not be far behind. The first products sold through it will likely be essentials, purchased often in the same brand and size, and easily forgotten in a store. As a result, we are likely looking at home staples: milk, bread, rice, batteries, toothpaste, light bulbs, and so on. Once those gateway products are being ordered by voice, more are sure to follow.

At Wunderman Thompson Commerce, we advise a number of steps to get ready for voice purchasing:

- **Think long term, not 3-5 years but 10-15 years.** The big players are planning for the long haul, you should too.
- **Make your Zero UI brand guidelines now.** Figure out what your brand will need to sound like to succeed.
- **Go beyond skills or apps.** Zero UI is not a one-and-done task. Stay ready by keeping your finger on the pulse of what's happening.
- **Learn how voice commerce will work.** If you don't have an Echo or Google Home device, get one today.
- **Think omnichannel.** Avoid turning voice into a silo. Make sure that the experience you are providing slots in nicely with the rest of the business, elevating the entire experience of shopping with your brand.

2. WHAT TO DO WHEN AMAZON RIDES INTO TOWN

This year's Future Shopper Report pulls data from three countries that do not yet have a native Amazon presence. People in Belgium access Amazon through France, while those in Czechia and the Netherlands do so through Germany. The experience is a mixed bag. Each has a native language interface, free shipping on core items, and even the ability to open a Prime account. However, not all items ship in two days and not all items that are shown are available without substantial shipping costs.

Jeff Bezos once said that Amazon loses when it loses on service. Our report reflects that. People in these countries were substantially less likely to say Amazon is best at price, access to brands, easy returns, and so on. In Czechia, less than 5% of consumers rate Amazon best at anything. In the Netherlands, 20% of respondents were Prime members, though given the tepid response of Dutch consumers to Amazon's service, that likely highlights its popular entertainment line-up in the country more than anything else.

Out of sight should not be out of mind. In countries with a native Amazon presence, Amazon tends to slowly take a stranglehold on consumer imagination. In the US and Germany, for example, Amazon is rated best by consumers for everything from price and speed of delivery, to returns and customer service. Once Amazon rides into town, things change.

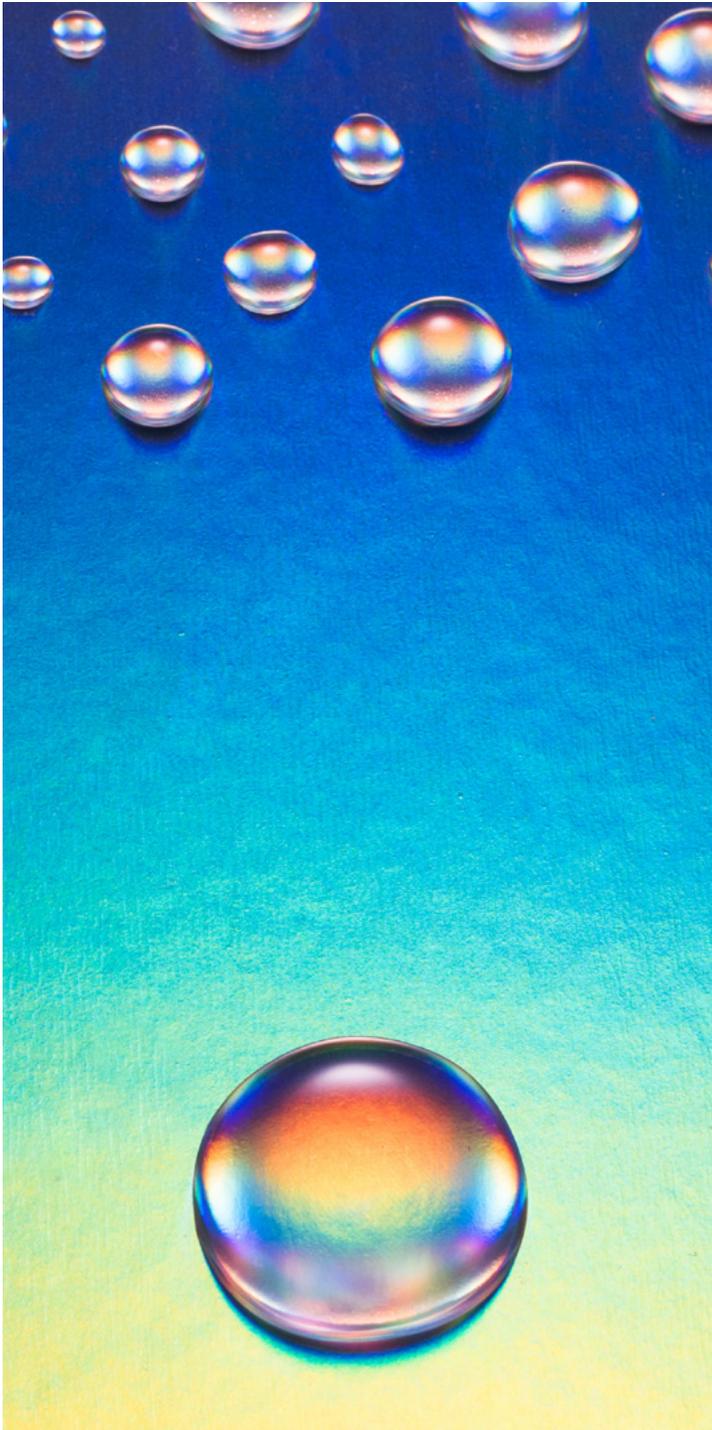
That's why it's extremely important for brands and retailers in every geography to prepare for Amazon's arrival. Their markets are where the UK and France once were—with multiple options and competing players. The task before them is crystal clear: They need to get ahead of the curve and start providing the fast, transparent, and hassle-free service that Amazon does. That way, when the retail giant arrives, consumers will be much less impressed than they were in other markets. Like it or not, Amazon is coming, and the time to get ready is now.

3. A UNIVERSAL INTERFACE FOR COMMERCE?

A standout data point in this year's report is that twice as many Amazon Prime members—77%—start their searches on Amazon as do non-Prime members at 37%. This points to an increasing trend in the online marketplace: interface imperialism, or the attempt to dominate the shopping interface. Across the globe, major commerce players are trying to sew up all the interfaces customers use—whether it's search, mobile, app, or TV—and in so doing become the default experience for consumers.

This helps explain why companies as diverse as Google, Apple, Facebook and Microsoft are competing in such far-flung ways across gaming, VR, AR, voice, and entertainment. Commerce, of course, is one aspect of the ongoing interface struggle, and understanding the larger picture is key to unlocking the future of shopping. Brands, retailers, and marketplaces alike need to be cognizant of how they can fit into and thrive with the many players trying to shut them out. Here's how:

- **Know what interfaces your customers use to buy your product. Do you own them, or is it a third party?**
- **Don't give up your interfaces – even if it seems easier in the short term.**
- **Identify what interfaces you could own and invest in these.**



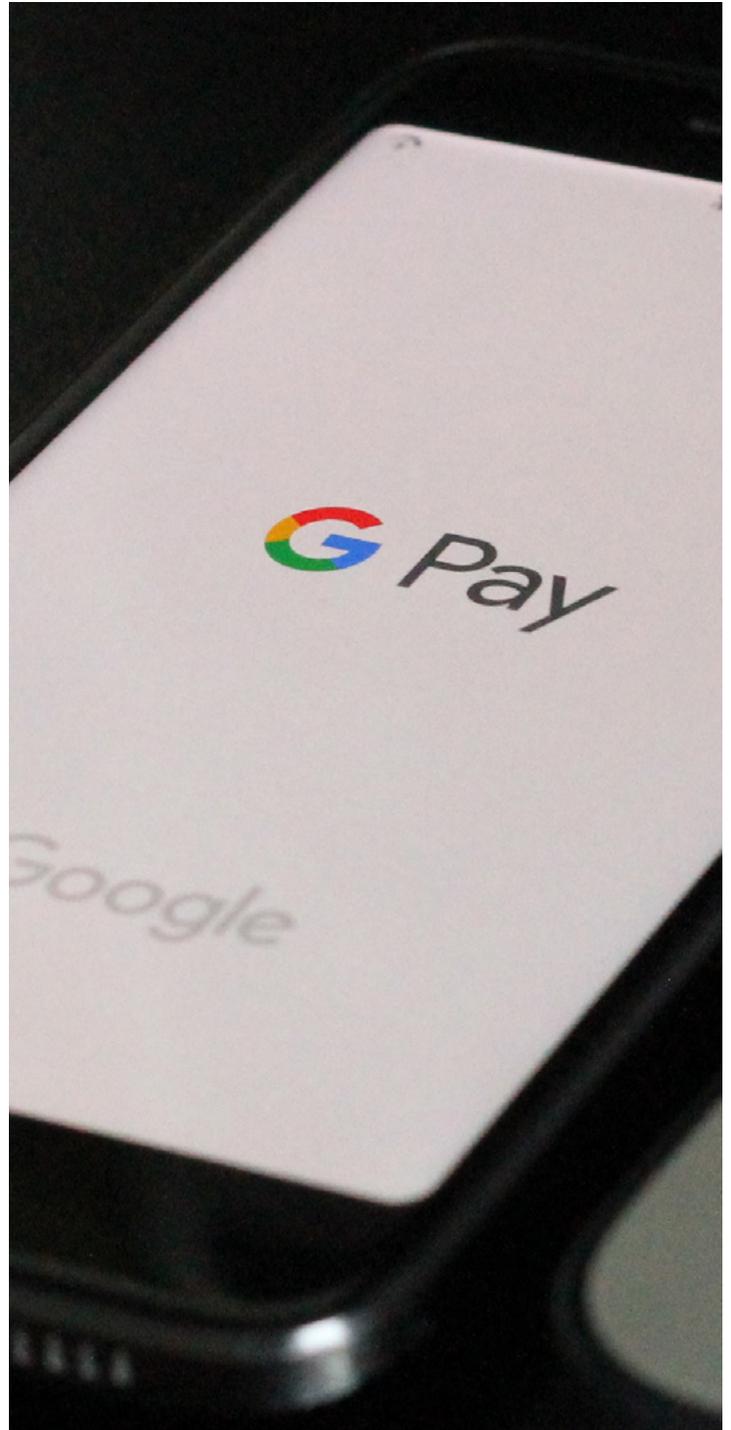
4. CASHLESS MAY BE KING, BUT IT'S NO ABSOLUTE MONARCH

Future Shopper data shows great enthusiasm for cashless payments this year. Overall, 47% of consumers are excited about the prospect of a cashless world, while 39% are excited about the possibility of checkout-free stores like Amazon Go. However, there are some snags that will likely keep a truly cashless society from emerging.

First, cashless is not necessarily about the consumer. Retailers claim they are going cashless primarily for customer convenience and retailer security, but their altruism is questionable. For one, studies have shown that consumers are more likely to overspend when paying with credit than cash. This has an obvious upside for retailers even when factoring in payment processing fees.

When it comes to security, yes, more stores will be robbed for cash rather than credit, but in the age of the data breach—cue the laundry list of hacked retailers—every cashless transaction is another opportunity for a consumer's financial data to be compromised.

Finally, many lower income people and those with poor credit rely almost exclusively on cash. Those who do have access to prepaid debit cards face predatory financial practices that make the fees for loading and using these kinds of financial instruments punitive. Put simply, those who can least afford cashless payments are charged more for them. That's why, in March 2019, the city of Philadelphia demanded that all local businesses accept cash for payments, and we can expect others to follow suit. While cash may no longer be king, it's likely that cash will be in healthy circulation for years to come.



5. THE RISE OF PROGRAMMATIC COMMERCE™

Whichever way you look at it, the way we are purchasing has been changing for some time. Up until now, the change has involved new channels and new interfaces, but the decision-maker has remained the same: you.

The ground on that is about to shift, however. Brita, for example, has come up with a smart pitcher that has an Infinity filter that automatically orders itself when it senses that you need it.

While Brita requires a physical device, increasingly, with the rise of data and AI, many more consumer decision-makers will be replaced by computers that buy everything from toothpaste to toilet paper. This is Programmatic Commerce™—where consumers will no longer make decisions on what to buy. Instead, the right brand will come to their homes at the right price, automatically.

A number of factors are pushing us towards this future. First, most organizations understand the importance of data, and are increasingly using it to profile their customers' buying habits. With access to individualized third-party data, they can gain substantial insight into what, and when, you buy online. Amazon, for instance has long used data for its "anticipatory package shipping" operations, which move inventory around warehouse locations according to expected orders.

Second, more and more consumers are buying by subscription. This shows that they are increasingly happy to enter into ongoing relationships with brands and let the purchase decisions take care of themselves. In fact, the model is so attractive in certain categories that Unilever bought Dollar Shave Club for \$1bn. And the only real difference between subscription and programmatic is that the former is not smart or connected.

Research also tells us that consumers are more ready for it than you might think. In 2016, 10% of customers surveyed said that they would be interested in a Programmatic Commerce™ relationship with a brand or retailer. By 2018, this figure was 57%—a significant increase in just two years.

Make no mistake. If customers are letting companies use their data and are happy to enter into ongoing buying relationships with brands and retailers, it should be no surprise that in the future, they'll leave ordering to computers as well.



6. THE CURIOUS CASE OF SOCIAL

While Future Shopper data seems to indicate that social is not a big player in search or purchasing, this may be very misleading. To make the most obvious point, you cannot product-search in social, and at the time our data was gathered, Instagram had not yet announced in-app buying. As a result, only 9% of people report searching for products on social, although 15% of people aged 16-24 do.

Still, more and more people are discovering and finding products on social—and for the youngest demographic, it is the most important channel by far. Forty-nine percent of people aged 16-24 use social at that point in the journey, more than the 32% who use search engines.

Besides, social purchasing tends to be immediate and impulsive—shortcutting both the search phase with a quick trip to the shopping cart. Given that more people are spending more time on social, this makes it a vital avenue for brands not merely to connect with their customers, but to sell to them too. Not surprisingly, forward-thinking brands such as Nike and adidas have strong social commerce programs that will likely expand over time.

At Wunderman Thompson Commerce, we typically advise four steps to good social commerce:

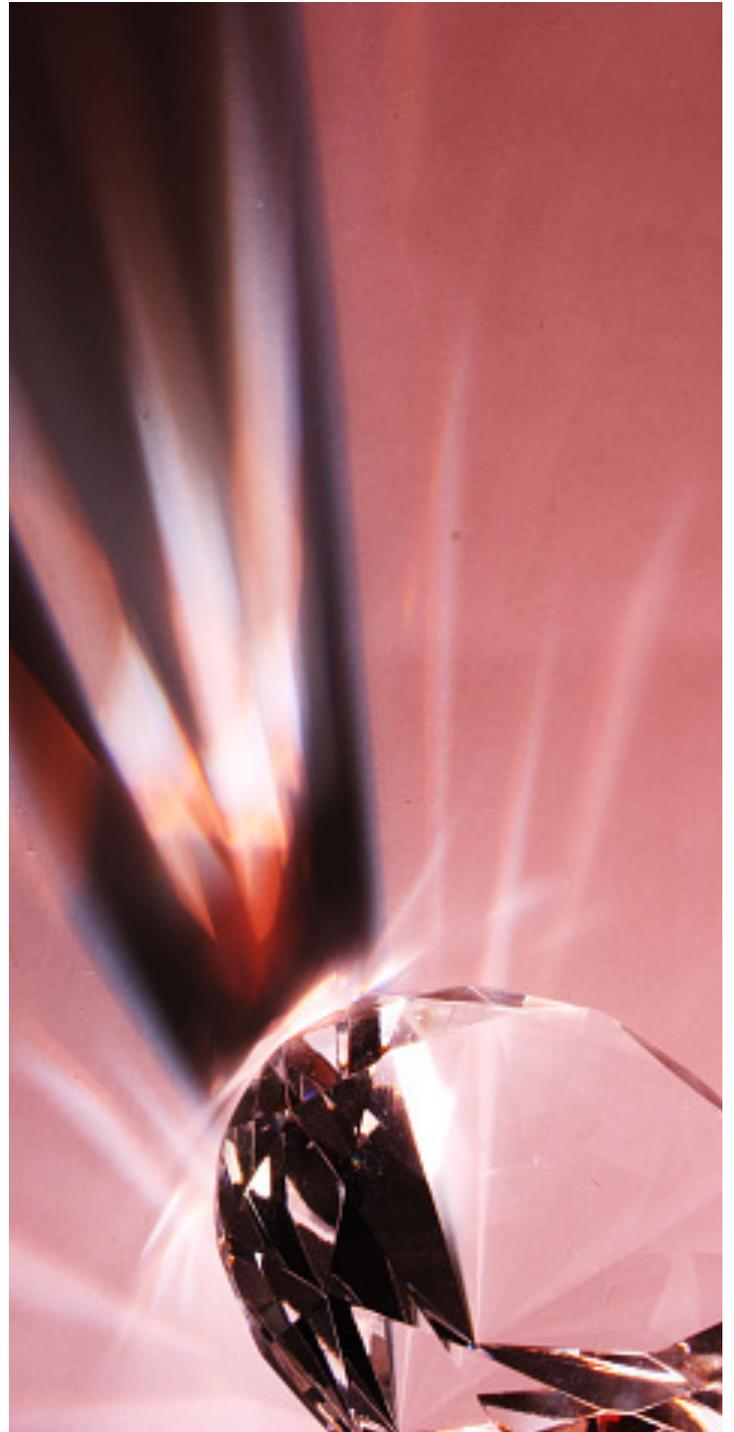
- **Use influencers for aspiration.** Choosing the right partner with the right positioning on the right platform will help accelerate brand awareness within social commerce.
- **Unleash user generated content (UGC).** UGC is a goldmine for brands. Harnessing its power aids community collaboration and encourages peer feedback, helping to engage customers and supercharge purchasing.
- **Provide shoppable content.** This should be obvious: have to give people something to buy. Even if most social networks do not yet offer true social commerce, brands and retailers should be diving in headfirst with products people can click to buy.
- **Take a platform-specific approach.** You need to optimize content for different platforms with differentiated yet consistent messaging if you want to capture the attention of your audience.



TODAY'S SHOPPER

LOOKING FOR SOMETHING MORE FROM RETAILERS

Are shoppers more demanding these days? Not surprisingly, yes. A range of demands from ethics to free samples show that consumers are expecting companies to do more for them—and the world—before they are ready to buy.



69% RESEARCH PURCHASES ONLINE BEFORE BUYING THEM IN-STORE

70% WOULD BE HAPPY TO RECEIVE FREE SAMPLES FROM ONLINE RETAILERS TO TRY, BASED ON PURCHASE HISTORY AND PREFERENCES

40% FEEL MORE DIGITALLY ADVANCED THAN SOME OF THE RETAILERS AND COMMERCE SERVICES THAT THEY USE

43% ARE MORE LIKELY TO PURCHASE FROM DIGITALLY INNOVATIVE BRANDS

55% SAY A COMPANY'S ETHICS AND MORALS PLAY AN IMPORTANT PART OF PURCHASING DECISIONS, INCLUDING 58% OF 35-44 YR OLDS

45% ACTIVELY CHOOSE COMPANIES / BRANDS THAT ARE ENVIRONMENTALLY RESPONSIBLE

COUNTRY COMPARISONS

COUNTRY

BELGIUM

As in a lot of studies, Belgium is a special case. In fact, there is not one Belgian shopper type. Big differences are shown through regional influences. Flanders is clearly an avid follower of the northern part of Europe and Wallonia of the southern. The Future Shopper Report gives us a unique insight in the impact of Amazon, emerging technologies and future preferences. And as the marketplace is global, Belgium is truly a case for local influence on adoption of brands and shopping preferences.

CZECHIA

Compared to the other countries surveyed, the Czech online retail market is arguably the most open of all. Retailer sites, DTC brand sites and marketplaces other than Amazon are used by Czech shoppers for product inspiration and search comparatively more than in most of the countries we surveyed. As a result, these channels get a greater share of total online spend. This perhaps has a lot to do with the lack of penetration Amazon has made into the Czech market so far. As a consequence, Czechia is a rare example of where Amazon doesn't dominate online spending in a domestic market, and this means there are also good opportunities for brand websites.

FRANCE

French digital shoppers are ready adopters of new technology, with a high proportion saying they currently use or have used innovative purchasing options like smart assistants. Amazon is the dominant presence in the digital retail market, and French consumers are more loyal than most to the marketplace giant. And when it comes to starting their shopping journeys, a higher proportion of French consumers turn to social media for inspiration than the average in our report.

GERMANY

Germany is an Amazon success story. The company commands a larger share of German online spend than it enjoys in its native USA and, compared to the other seven countries we surveyed, a higher proportion of German shoppers buy goods from Amazon in every single retail category. Compared to places like the UK, US, and Spain, fewer Germans will tolerate delivery times for online purchases of more than three days, the highest of any country. One in five expect delivery within 24 hours. This could be that the level of Amazon Prime membership in Germany is the third highest of the markets we surveyed, behind the US and Spain.

NL

Dutch people are searching and buying more with marketplaces like Bol.com and even Amazon via Germany. Marketplaces dominate the Dutch digital retail market, although, unlike in other countries, Amazon is just one of the crowd, not the dominant player. Social commerce is up-and-coming and, increasingly, inspiring both women and Millennials to purchase through social platforms such as Instagram. We've seen Dutch shoppers shift sales channels, become more tech savvy, and demand additional services like returning purchased items—which became nearly as important as price and delivery.

SPAIN

Amazon dominates the Spanish digital retail market. But this year's Future Shopper study highlights the evolution of the country's eCommerce space and reveals opportunities for brands in the months and years ahead. So, although a large portion of Spanish consumers say they search for products on Amazon and are Amazon Prime members, young people (aged 16 to 24) rate their experience with the eCommerce giant far below the other age groups. Over half of respondents acknowledge they will complete their purchase elsewhere if they find a better price. Information like this gives a clear indication to brands about how to lure Spanish shoppers away from Amazon.

UK

Out of all the markets we looked at in our survey, the UK was the one where consumers still show the strongest preference for the old ways. Shopping in store remains popular even amongst regular online consumers, while fewer UK shoppers said they expected to increase their use of digital commerce than anywhere else. UK shoppers are also less likely than their counterparts in other countries to use social media to find inspiration for new purchases—just one in four said they did, compared to an average of one in three. British men are particularly reluctant to use social media for shopping, and even younger shoppers were well below the average.

US

The US is often viewed as Amazon country, the birthplace of the marketplace giant, the country where most of its key innovations in digital commerce are first tried and tested. But although Amazon remains by far and away the dominant presence in US online retail, our survey interestingly revealed that US consumers are less enthused than most by all the things that supposedly make Amazon such a draw for consumers, including super-quick order fulfilment and digital innovation.

prime MEMBERS

37%

5%

51%

61%

20%

68%

49%

68%

PRODUCT SEARCH

I start searching for products:

44% AMAZON
27% OTHER MARKETPLACES
42% SEARCH ENGINES
32% BRANDED WEBSITES
21% RETAILERS
13% SOCIAL MEDIA

4% AMAZON
37% OTHER MARKETPLACES
60% SEARCH ENGINES
43% BRANDED WEBSITES
46% RETAILERS
11% SOCIAL MEDIA

68% AMAZON
21% OTHER MARKETPLACES
47% SEARCH ENGINES
34% BRANDED WEBSITES
19% RETAILERS
9% SOCIAL MEDIA

79% AMAZON
35% OTHER MARKETPLACES
58% SEARCH ENGINES
18% BRANDED WEBSITES
16% RETAILERS
4% SOCIAL MEDIA

13% AMAZON
61% OTHER MARKETPLACES
54% SEARCH ENGINES
30% BRANDED WEBSITES
29% RETAILERS
9% SOCIAL MEDIA

80% AMAZON
35% OTHER MARKETPLACES
47% SEARCH ENGINES
37% BRANDED WEBSITES
17% RETAILERS
10% SOCIAL MEDIA

62% AMAZON
39% OTHER MARKETPLACES
39% SEARCH ENGINES
18% BRANDED WEBSITES
34% RETAILERS
11% SOCIAL MEDIA

79% AMAZON
18% OTHER MARKETPLACES
47% SEARCH ENGINES
23% BRANDED WEBSITES
40% RETAILERS
5% SOCIAL MEDIA

INSPIRATION

38% SEARCH ENGINES
31% BRANDED WEBSITES
26% SOCIAL MEDIA
23% IN-STORE

54% SEARCH ENGINES
26% BRANDED WEBSITES
34% SOCIAL MEDIA
20% IN-STORE

47% SEARCH ENGINES
38% BRANDED WEBSITES
37% SOCIAL MEDIA
25% IN-STORE

54% SEARCH ENGINES
29% BRANDED WEBSITES
32% SOCIAL MEDIA
26% IN-STORE

45% SEARCH ENGINES
34% BRANDED WEBSITES
27% SOCIAL MEDIA
26% IN-STORE

54% SEARCH ENGINES
47% BRANDED WEBSITES
37% SOCIAL MEDIA
33% IN-STORE

51% SEARCH ENGINES
25% BRANDED WEBSITES
25% SOCIAL MEDIA
32% IN-STORE

59% SEARCH ENGINES
31% BRANDED WEBSITES
37% SOCIAL MEDIA
28% IN-STORE

EXPECT DELIVERY

42% 2-3 DAYS
36% 1 DAY

64% 2-3 DAYS
21% 1 DAY

50% 2-3 DAYS
37% 1 DAY

70% 2-3 DAYS
20% 1 DAY

47% 2-3 DAYS
41% 1 DAY

46% 2-3 DAYS
24% 1 DAY

55% 2-3 DAYS
26% 1 DAY

61% 2-3 DAYS
7% 1 DAY

LOYALTY

I would choose another retailer over Amazon because of:

47% LOW PRICE
16% DELIVERY
17% PRODUCT RANGE
22% LOYALTY PROGRAM
16% BRAND ETHICS

70% LOW PRICE
25% DELIVERY
16% PRODUCT RANGE
30% LOYALTY PROGRAM
9% BRAND ETHICS

54% LOW PRICE
21% DELIVERY
18% PRODUCT RANGE
32% LOYALTY PROGRAM
17% BRAND ETHICS

67% LOW PRICE
30% DELIVERY
14% PRODUCT RANGE
30% LOYALTY PROGRAM
12% BRAND ETHICS

56% LOW PRICE
18% DELIVERY
23% PRODUCT RANGE
15% LOYALTY PROGRAM
11% BRAND ETHICS

62% LOW PRICE
22% DELIVERY
24% PRODUCT RANGE
34% LOYALTY PROGRAM
16% BRAND ETHICS

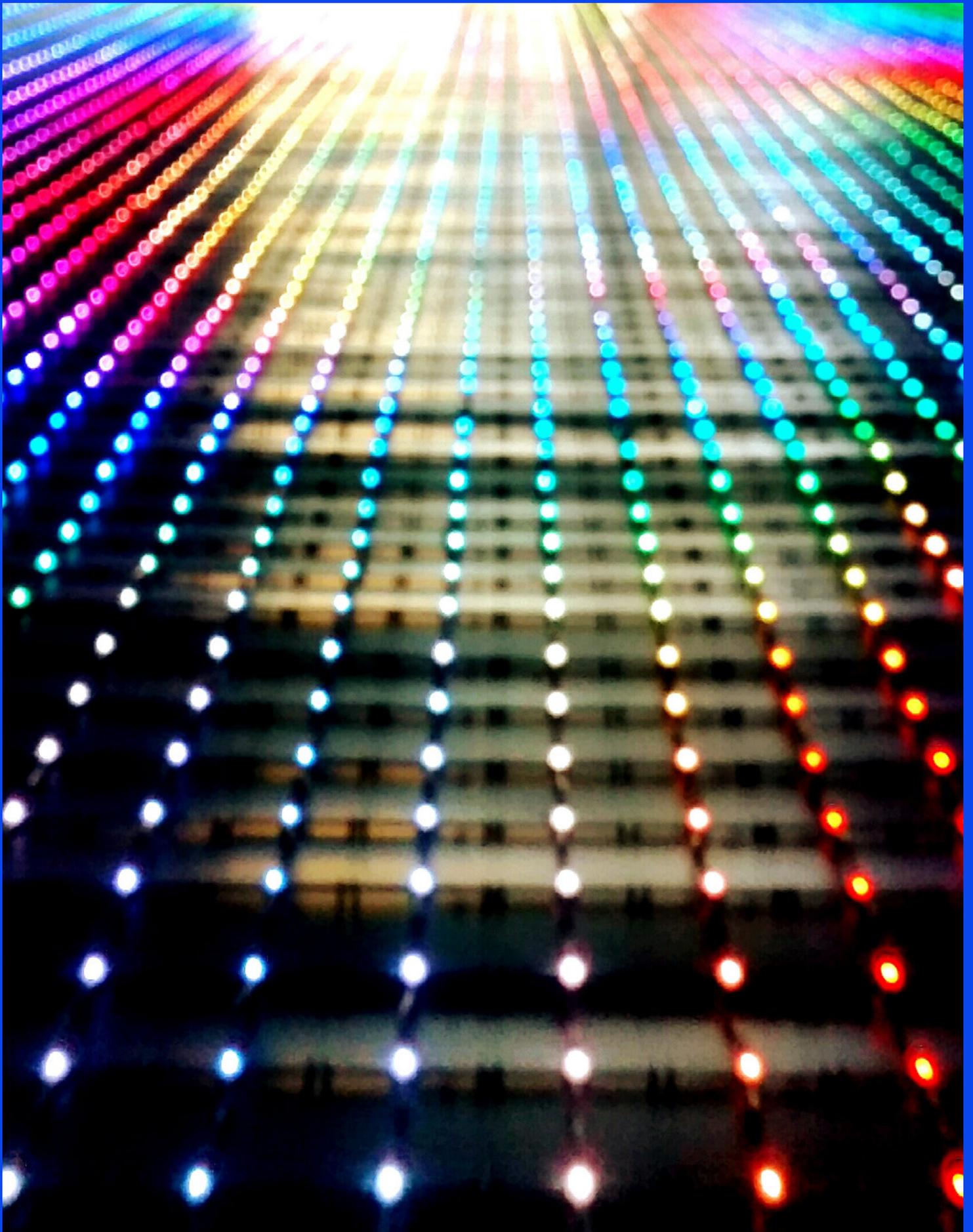
53% LOW PRICE
23% DELIVERY
16% PRODUCT RANGE
17% LOYALTY PROGRAM
12% BRAND ETHICS

74% LOW PRICE
25% DELIVERY
15% PRODUCT RANGE
28% LOYALTY PROGRAM
9% BRAND ETHICS



METHODOLOGY

Research for this report was conducted by independent research consultancy Censuswide. A total of 15,188 consumers, who shop online at least once a month, were interviewed online during January and February 2019; 2,019 from the UK, 2,099 from the US, 2,006 from France, 2,015 from Germany, 2,008 from the Netherlands, 2,001 from Spain, 1,507 from Belgium, and 1,533 from Czechia.



ABOUT WUNDERMAN THOMPSON COMMERCE

Wunderman Thompson Commerce is a global eCommerce consultancy that brings strategic clarity, technical know-how and creative inspiration to help retailers, manufacturers, and brands deliver winning commerce capabilities across all major digital commerce channels: marketplaces (including Amazon), online retailers, and DTC.

Our end-to-end offer includes strategy, people and technology enablement, plus channel execution. With over 1,500 commerce experts, and key strategic partnerships with Adobe, SAP, Salesforce and IBM, we help global organizations deliver capability, platforms, and sales.

Wunderman Thompson Commerce is a WPP company. We are part of Wunderman Thompson, a creative, data, and technology agency built to inspire growth for its clients. Wunderman Thompson brings together over 20,000 creatives, data scientists, strategists and technologists in 90 markets.

Clients include American Hotel Register Company, AkzoNobel, DFS, Halfords, Jumbo, Sainsbury's, Selfridges, Specialized, Ted Baker, Tempur, Xerox, and YOOX NET-A-PORTER GROUP.

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For **NA** sales enquiries: +1 (0)20 6641 7220



SERVICES TO SUPPORT BRANDS & RETAILERS

ECOMMERCE STRATEGY

We help retailers and brands strategize for high-performance eCommerce through a suite of proven services.

We help enterprise-level organizations transact more business online by designing and implementing high-performance, future-ready digital strategies. This starts with defining a balanced multichannel strategy, aligned to your vision, and the planning of high-performance solutions to support your ambition. [READ MORE](#)



How can we help you? [Connect](#) with our Head of Strategy in Europe, Krantik Daz or our Chief Strategy Officer in North America, Adam Brown.

MARKETPLACE STRATEGY AND MANAGEMENT

We help brands increase results globally, at scale, on Amazon, Tmall, and other online marketplaces.

Wunderman Thompson Commerce is the leading provider of global eCommerce marketplace services and the founding partner of the WPP ACE, a Center of Excellence for Amazon.

We run the largest global consultancy helping brands succeed on Amazon, Tmall, and other marketplaces. We have helped 550 brands excel on Amazon over the last decade and our 100+ experts across 25 nationalities are helping clients drive annual online revenue of more than \$2bn on Amazon's marketplace alone. We have the people, processes, and tools to deliver industry leading performance for our clients. [READ MORE](#)



How can we help you? [Connect](#) with Helmut Rieder, our Head of WPP's Center of Excellence for Amazon in Europe, or Eric Heller, Chief Knowledge Officer, WPP Center of Excellence for Amazon in North America.

PRODUCT INFORMATION MANAGEMENT

Creating the best customer experience across all touchpoints, promoting the best sales catalogue for every device.

We can help your business implement a PIM system by recognizing what your customers are looking for when they buy online. We offer deep knowledge of PIM strategy, solutions design, integration, and implementation. We partner with retailers, manufacturers, and distributors to help them improve their customer experience, product data, operational processes, and profitability. [READ MORE](#)



How can we help you? [Connect](#) with our Global PIM consultant, Deniël Vijverberg.



How can we help you? [Connect](#) with our Global CTO, Glen Burson.

ECOMMERCE PLATFORM TECHNOLOGY

Deploying and integrating best-in-class technology to support your eCommerce operations.

Through the implementation of world-leading commerce platforms underpinned by future-ready technologies, we're able to support the most ambitious client strategies. We've been doing this for more than 30 years—with hundreds of successful eCommerce platform implementations to our name, including the world's largest Fashion and B2B platforms and grocery replatform. [READ MORE](#)

CUSTOMER EXPERIENCE

Inspiring transactions across the journey.

In putting the customer at the heart of every journey touchpoint, customer experience must not only work, but be outstanding—and inspire transaction. Our ability to create and support these customer journeys is born of science and commercially driven—we create optimized, multichannel customer journeys that drive engagement and transaction at every point. Key to this is our unique methodology known as “Commerce Experience Design” that exploits the synergies between Interface Design, User Experience Design, and Service Design. [READ MORE](#)



How can we help you? [Connect](#) with our Director of Customer Experience, Rachel Smith.

CREATIVE SERVICES INC. DESIGN & BUILD

Inspiring powerful online customer experiences and stunning websites.

We see creative inspiration as the critical agent of change, actions and transactions across stunning customer journeys time and time again. And drawing on the arguably unparalleled creative heritage of our parent Wunderman Thompson, we're uniquely able to do this, applying our multiple award-winning creative credentials to front-end build, including websites, mobile sites, app builds, and more. [READ MORE](#)



How can we help you? [Connect](#) with Mike Rokes, Head of Experience Design.

MANAGED SERVICES INCLUDING PEAK SELLING SUPPORT

Protecting your most important business asset—your eCommerce website—so you can focus on what you're great at!

Our managed services and applications are tailored specifically to client requirements and budgets, so they can concentrate on their core business, assured of powerful eCommerce performance through the support of highly experienced teams, including commerce architects and software engineers. A key service is our peak operations support. As one of the leading authorities on peak selling, we set up the UK's first dedicated peak support center and continue to support many of the biggest retailers through the Black Friday and Holiday sales periods. [READ MORE](#)



How can we help you? [Connect](#) with our Head of Managed Services, James Webster.

SOCIAL COMMERCE

Introducing a new revenue stream by helping brands capture and sell to new audiences through social media.

Social platforms have evolved and selling has become an active function in order to capture shoppers—particularly Millennials. Consumers can now buy through the likes of Instagram, Facebook, and Pinterest. Wunderman Thompson Commerce is working with leading retailers and brands to optimize engagement and trigger transactions on these social channels. [READ MORE](#)



How can we help you? [Connect](#) with our Social Commerce Consultant, Chloe Cox.

DIGITAL INTELLIGENCE

Delivering insight-driven change to help your business excel in the age of the customer.

Led by an expert team of implementation, data science and optimization analysts, we help multichannel organizations manage and interpret their data in order to support insight-driven change. We also work with businesses to develop the tools and processes needed to become a data-led organization that gets results. [READ MORE](#)



How can we help you? [Connect](#) with our Head of Digital Intelligence, Chris Longman.

INNOVATION AND FUTURE-READY TECHNOLOGY

Reviewing, testing, and deploying innovative technologies and solutions to keep businesses ahead and future-ready.

We explore, recommend and implement workable innovation, testing ideas, methodologies and leading edge technologies to help businesses shape their own future and stay ahead. After all, how can you navigate the future of eCommerce without an understanding of the tech and trends shaping it? [READ MORE](#)



How can we help you? [Connect](#) with our Head of Innovation, Naji El-Arifi.

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Commerce

