The Consumer Habits Reshaping eCommerce

An Ascendant Network Benchmark Survey

Susan MacDermid, CEO + Founder,
in conversation with:

Courtney Graybill,
VP Personalization & Marketing Technology,
Kohl's

Tasha Blackman,
VP, Marketing,
Francesca's

Rich Johnson,
VP Enterprise Sales U.S.,
RTB House

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About the **research**

In May 2021, Ascendant Network surveyed its marketing and eCommerce VPs and Directors to assess their performance over the past year and to share what they see ahead.

**Some of North America's most successful retailers took the survey.**

Most respondents are at **companies with $1-5 B in annual revenues.**

Most respondents are responsible for **the digital side of their business,** including eCommerce, website, search, social, email, video, mobile app, display, and omni-channel presence.

There was a relatively even spread of companies **from under 1,000 employees to over 10,000.**
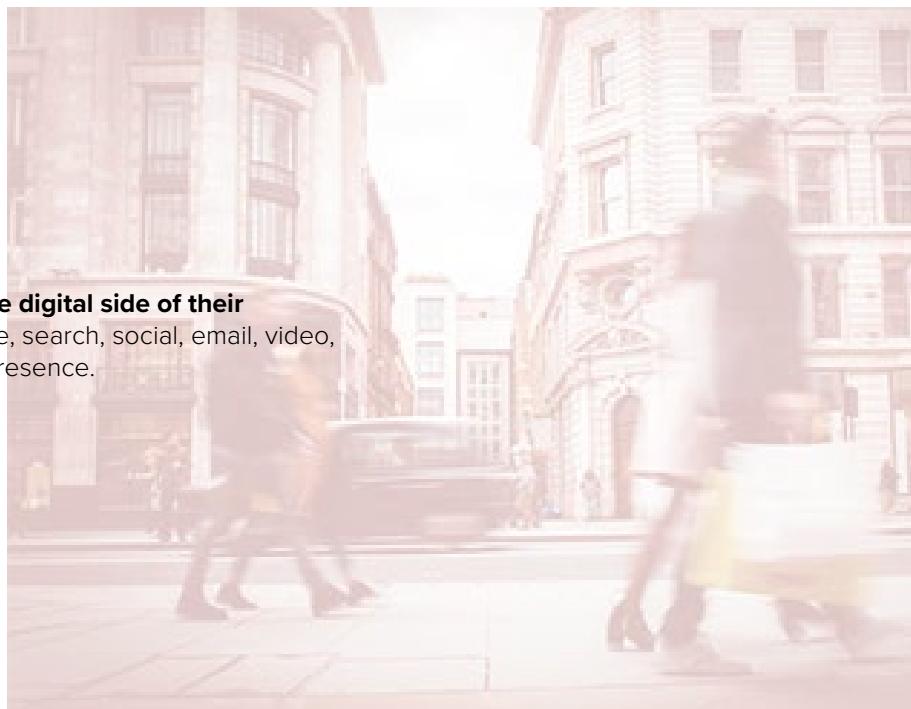
Top selling product categories for 2020:

"sneakers and slippers"

For many retailers, the top selling categories for 2020 were **household goods and well-being.** It was a year of slippers and sneakers.

○ Home office furniture, headphones

○ Streaming site subscriptions

○ Sweaters, loungewear, pants

○ Bikes, fishing gear, hiking boots, sneakers

○ Detergents, cleaning agents, personal care products

○ Healthy food, wellbeing products, grocery delivery, subscription meal delivery

No surprise!

Product categories that didn't perform well in 2020:

Dress up and travel

As one expert said, a category that struggled was "appearance given lack of social interaction". Travel was also low on the list.

- Heels and wedges
- Travel accessories
- Airline travel and hotel bookings
- Blazers, dress pants, wear-to-work blouses, suits, skirts, dresses
- Car seats, booster seats, stroller

No surprise!

> *2020 was the year of loungewear. As a brand, at Francesca's, we were able to pivot really quickly and can bring to market and distort a category that previously wasn't as large for us.*
>
> *2021 will be the year of the do-over. Special occasions are coming back so we're seeing dresses as a category, and it's surging in a big way.*

Tasha Blackman,
VP, Marketing, Francesca's

> *Being customer-centric, that's something that we're focusing on at Kohl's and i think it just **accelerated in 2021.***
>
> *In 2021, we will see a resurgence of products that were purchased in the past.*

Courtney Graybill,
VP Personalization & Marketing Technology, Kohl's

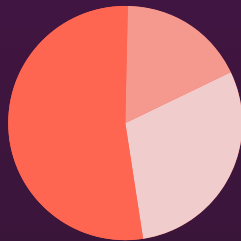# First-time online shopper sessions **were longer**

76%

of first-time online shoppers visited sites for **3-5 minutes**

Makes sense, right?

Average Order Value **increased**

53%

AOV **increased** in 2020

17.5%

AOV **the same** as previous years

29.5%

AOV **dropped**

Great news!

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Retailers implemented best practices **to drive AOV up**

1 Personalized offers based on order history

2 Free shipping with minimum order

3 Discount or reward for joining a loyalty program

4 Discount over a certain threshold

5 High-value bundles

> *A lot of retailers were playing with complementary products and personalized offers. There was also a natural shift into higher price point products.*

Courtney Graybill,
VP Personalization & Marketing Technology, Kohl's

Majority were able to increase AOV

RTBHOUSE

Repeat purchase drivers **were diverse**

- Marketing communications that combined education and incentives

- Membership and loyalty benefits

- Marketing communications that incentivized a second purchase

- Subscription service offers

- Personalized emails for parts or accessories for previously purchased products

- Personalized content

- Predictive modeling

There's many ways to drive a repeat purchase

How to shift offline customers **to online?**

1 Messaging about convenience, speed, and safety during the pandemic

2 Special deals for first-time online purchases, then an enhanced and personalized experience

3 Opt-in to continued marketing outreach

4 Shifting online and offline channels to shared KPIs and joint advertising

5 Same day free shipping, easy return, and great customer service

6 Loyalty rewards

Let's start the discussion with a comment from a respondent:
Not all businesses see the value of encouraging people to move from traditional stores to digital channels.

Is shifting customers over to e-commerce the best play for every business?

A 360 degree view of what customers are searching for and what they desire is and will continue to strengthen our ability to personalize and meet consumers wherever they are.

Courtney Graybill,
VP Personalization & Marketing Technology, Kohl's

Leveraging personalization into search and on-site data is helping drive purchase, and a lot of retailers are starting to move more mid-funnel to bring in users through personalization and video in order to increase brand awareness and drive purchase consideration.

**Rich Johnson,**
VP of Sales, RTB House

Based on the campaigns we run for large **brands** and **multi-channel retailers** in the US, here's a couple of data points that you might find informative...

When people shop...

Shopping hours

It's not just **how** people make purchases that changed as a result of the pandemic

- In general, shopping happened about 1-hour later, as people go to bed and get up later than before the pandemic

- It's **when** - fashion retailers are experiencing new peaks at **11 am and 9 pm**

- Will the mid-morning **"retail therapy break"** continue in 2021 and should you optimize for it?
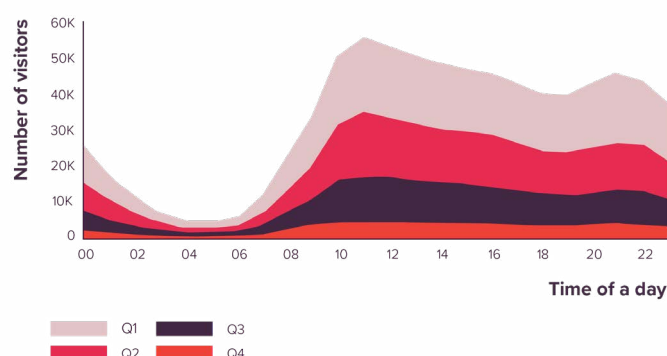
How long users spend on sites...

Visit Duration

- The average duration of visits to online fashion and apparel stores rose since April 2020

- Interestingly, visitors are visiting fewer pages and spending more time on them

- Great news -- make sure you have a compelling, good-looking, and information-rich online product catalog
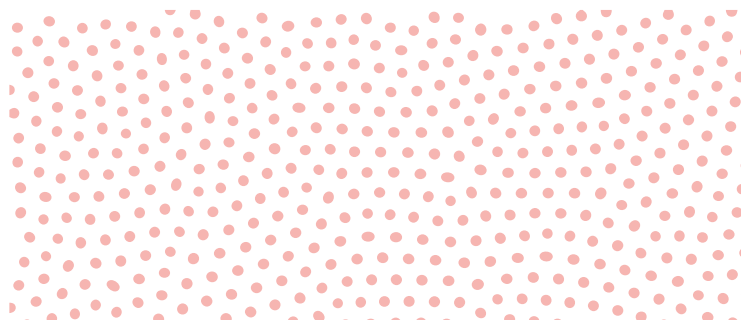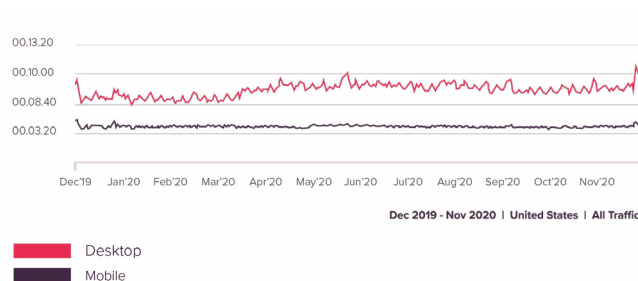
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