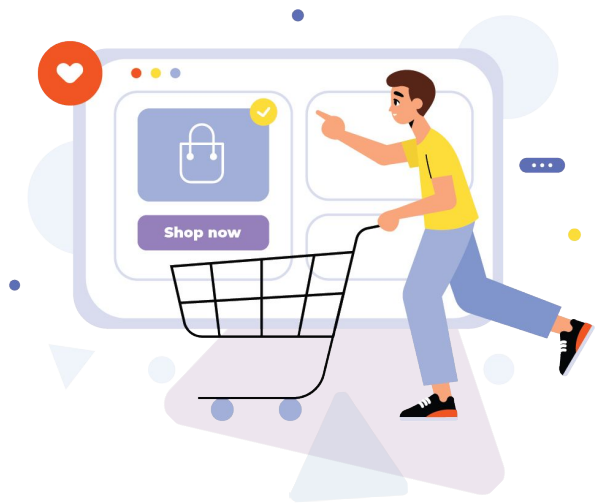ViSENZE

Visual Shopping Trends Report, 2020 (US, UK)

Covid-19 has changed the way consumers shop online and offline
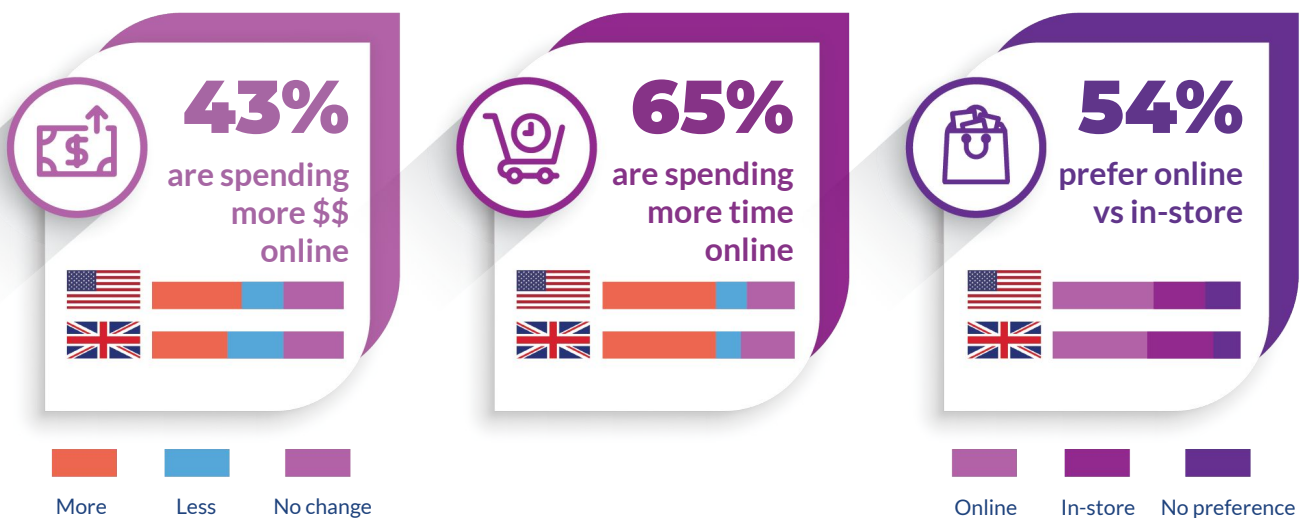
How have consumers' shopping habits changed due to COVID-19? What role does technology play in managing the change in consumers' shopping behavior and expectations? How have these new behaviors contributed to the biggest festive shopping season of 2020?

In our 4th Annual Shopping Survey, we surveyed over 1,500 consumers from the US and the UK to find out how Covid-19 has impacted their shopping behavior for non-essentials, such as fashion items, and what they expect from their shopping experiences. We also sought to better understand how consumers get inspired, discover, search, and buy products online and offline.

The survey results have been correlated with our Visual Shopping Network's (VSN) visual search data in the United States & Europe regions, during the festive shopping season from September to November 2020.

Covid-19 impact on online shopping

43% are spending more $$ online

65% are spending more time online

54% prefer online vs in-store

🇺🇸
🇬🇧

More | Less | No change

Online | In-store | No preference

Lockdowns took different forms around the world, but their impact on consumer behavior was universal. In both the US and the UK, 65% of people are now spending more time shopping online than they did before. It's a natural progression since malls and shops were closed and curfews were imposed in some countries. The increase in time spent online also led to more money being spent (on non-essential items). 47% and 39% of consumers in the US and UK respectively saw themselves increasing their spending online in 2020.
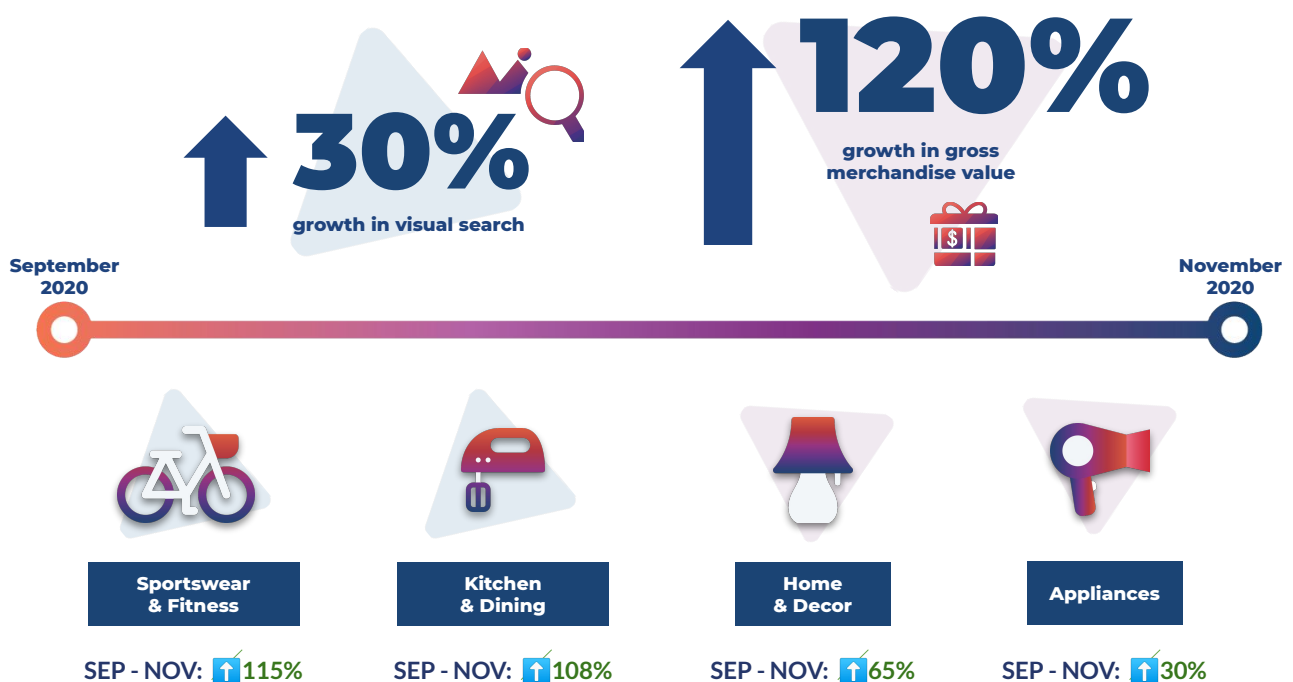
We saw increased spend in sportswear and fitness products given the boom in LIVE workout sessions through social media platforms to stay healthy at home.

Other notable purchases included home and kitchenware as consumers had to set up offices at home due to work-from-home arrangements, and were also cooking and baking more as evident across all social media platforms.

Big sale events were even bigger this year

The ecommerce boom during the early stage of COVID-19 outbreak continued into the pre-holiday season of 2020. From September 11th to November 15th 2020, our Visenze Shopping Network (VSN) recorded more than 30% growth in average visual product searches in the United States & Europe, compared to the same period in 2019. Even more impressively, within the same period, average daily gross merchandise value (GMV) went up by more than 120% in 2020, compared to 2019.

30% growth in visual search

120% growth in gross merchandise value

September 2020

November 2020

Sportswear & Fitness	Kitchen & Dining	Home & Decor	Appliances
SEP - NOV: ↑115%	SEP - NOV: ↑108%	SEP - NOV: ↑65%	SEP - NOV: ↑30%

By categories, for the three months from September to November, highest growth in search traffic came from sportswear and fitness (up 115% against 2019), then kitchen and dining (up 108% against 2019), followed by home decor (up 65% against 2019), and appliances (up 30% against 2019). In the meantime, non-essential categories such as clothing & apparel saw a slight dip (down by 10% against 2019).

This trend of strong growth in stay-at-home-essential (fitness, kitchen & appliances & home decor) products has been observed since the start of the pandemic (ViSenze Covid-19 Impact Report).

Convenience drives the shift towards online

We asked consumers to rank what they liked about shopping online and in-store, and below are our findings & suggestions on what online stores should have to attract customers & capture the growing share of the ecommerce pie.

1. **Online Stores should be straightforward and easy for customers to discover products quickly**
   For online shopping, consumers were all about convenience- to be able to find products quickly and easily, and to be able to shop from anywhere and anytime. While convenience is a big factor, having a wide range of products to choose from on a single platform was also a big draw when it came to shopping online given there is no space constraint for product display.

1st	2nd	3rd	4th	5th	6th
Finding items quickly	Do it from anywhere, anytime	Better choice of products	Finding the best price	Recommendations and reviews	No need to carry shopping bags

2. **Digital enablement via smartphones elevates the in-store shopping experience**
   For in-store shopping, the ability to touch and feel a product before an actual purchase is consumers' top preference. Ranking number two on what they like about shopping in-store is the ease of being able to browse products. While being online gives a consumer access to a wide range of products and information at their fingertips, being in-store literally puts the products in their hands.

1st	2nd	3rd	4th
Trying products before buying	Easy to browse	Inspired from what's in the mall	Assistance from store staff

Challenges for physical retail merchants are: How to still allow the benefits of in-store shopping such as Touch, Feel & Browsing of product information but still ensure consumers' safety first?

The top consumer preferences for offline and online shopping find a way to complement each other through omni-channel or harmonized retail. More and more brands and retailers are merging these two worlds to allow consumers more flexibility in how they shop; browse and try in-store, purchase their products online from within the store, have products delivered to their homes. Findings from The Global Digital Shopping Index (November 2020) showed that "16% consumers who shop digitally are now using curbside pickup (up from 10 .8 percent in March)". This growth in the preference for curbside pickup reinforces a COVID-19 impact, whereby many consumers prefer to avoid entering stores, a situation that such flexibility of shopping services provides for.

3. **Consumers want visual search and digital experiences, driven via smartphones**
   We asked consumers to rank what they want to see in-store and online. The top two asks on consumers' wishlist in both regions are convenience and ease of product search (visual search and finding product information on mobile). However, for in-store, being able to buy a product at the best price and to buy it online if it is out-of-stock is what consumers are looking for.

1st	2nd	3rd	4th / 5th	5th / 4th	6th
Visual Search	**Best price recommendations**	**Smarter recommendations**	**Size and fit recommendations**	**Voice search**	**AR and VR**

As this survey shows, we know that it's not about 'Offline' versus 'Online', rather how the two channels complement each other to give the consumer the best shopping experience that leads to conversion.

A major global sportswear brand uses ViSenze's visual AI technology in their stores to enable a digital concierge experience to simplify the shopping process and increase sales. With this feature, shoppers can scan any shoe on display to get product information and size availability directly on their phone, and request a trial. The store associate then brings the shoe out to try on.
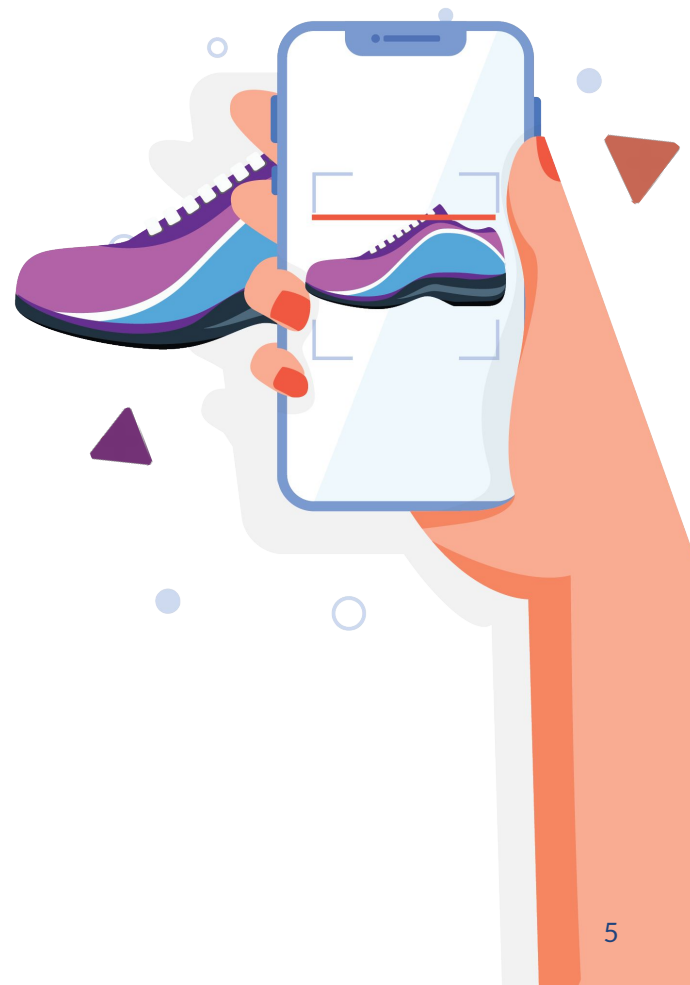
Social media is the biggest source of shopping inspiration

The more notable social media platforms (Facebook, Tik Tok, Instagram, YouTube), increasingly provide inspiration for many consumers in terms of what they shop for. Following close behind are 'Outdoor Inspiration' - what they see when they are out and about on the streets, and then friend's recommendations and styles.

Just as when we shop what we see in physical stores, imagery (video and images) is important to the online product discovery process and it's a clear reason why social commerce has grown in the minds of consumers and brands. With consumers spending more time on social media platforms and influencers establishing stronger connections with brands through endorsements, social e-commerce has grown and will continue to increase over the coming years. IG Shops and Facebook Stores are increasing all over the world, whilst start-ups like Verishop in the US are successfully tapping into the Social Commerce trend. In Asia, this is evidenced through the growth in live steamers selling curated goods to larger and larger audiences, a phenomenon taking off in China in particular.

1st	2nd	3rd	4th	5th
Social Media	Outdoor inspiration	Friends' style and recommendations	TV shows/ movies	Print (Magazines, Newspapers, Posters)

Product recommendations remain the most influential way consumers discover and purchase products

When consumers see something they like, they want to get it. 85% of consumers said that if a product was out of stock, they would like to see visually similar product recommendations. With 70% of consumers buying using product recommendations, out of stock doesn't lead to a lost sale.

Another popular recommendation is 'Complementary'. Aside from buying what they initially intended to, consumers are inspired to discover new products that are complementary to what they are browsing. Recommendations such as 'Style it with' or 'Complete the look' allow brands and retailers to personalise shopping experience and cross sell other product categories.

In order not to lose a sale opportunity or to increase the likelihood of a consumer buying a recommended product, brands need to make sure their product catalog data is enriched and well tagged so that relevant alternative and complementary product recommendations can be made.

1st
Visually similar recommendations

2nd
Complementary recommendations

3rd
Style recommendations

4th
Others who also brought this

5th
What's trending

Text search alone is not enough for product discovery

One of the biggest challenges to conversion is the difficulty in finding the right product. Poor and inaccurate search experience remains one of the top frustrations that consumers have when shopping online.

When we discuss how consumers find a product they are looking for, the modus operandi is to try to find it by describing it with text.

US and UK consumers also shared their struggles with using text search to find the actual product. Being unable to describe a product accurately results in too many search results which can be frustrating to filter through. This inevitably leads to drop offs. There are also those who may have started off the search journey with text but ultimately resorted to image search results instead.

Text search must be specific

Get too many search results

Often leads to images anyway

Less accurate results

These challenges have led consumers to embrace Visual Search as a better way to find products more easily. Leading brands and retailers are already embracing visual AI because of its growing popularity and effectiveness.

Top 3 ways Visual AI enables product discovery

Search by image on retailer website

Directly buy from social media

Search by image on smartphone

US and UK consumers also shared their struggles with using text search to get to the actual product they were looking for. Being unable to describe a product accurately that would return a refined search result meant that they are often inundated with too many search results which can be frustrating to filter through. This inevitably leads to drop offs. There are also those who may have started off the search journey with text but ultimately resorted to image search results instead. Describing a product with great detail and accuracy is not something every consumer is capable of.

As evident with the brands that ViSenze works with and according to our 2019 survey results, this has led consumers to begin to embrace Visual Search as a key product finding method for them. Brands and retailers need to get ready to ride the wave before it hits them, and they can look to how the evolution of shopping has unraveled and flourished so quickly in China.

Conclusion

Covid-19 accelerated changes in consumer behavior, and it's clear that online is witnessing a significant shift in adoption - a shift that is likely to be permanent. That being said, offline shopping is still a dominant segment and will continue to play an important role in consumers' buying journeys. But it is technologies such as Visual AI that is proving adept at helping retailers address the changing expectations and demands of consumers and delivering convenience, flexibility and a seamless experience to them, whenever, wherever and however they shop.

Running Shoe Upper

Brand

Running Shoe Sole

To find out more about how visual AI can help your business

Reach out to us