Shopping Experience Index and how it relates to Art Materials - Bazaarvoice

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Earlier this year Bazaarvoice surveyed 6000 shoppers globally and published an article 'Shopper Experience Index - Rethinking the approach to retail' that looked at how shopper trends had evolved post Covid 19. We thought it would be good to see how these applied to Art Materials and a more involved shopper.

Online - the geographic divide

It's been well accepted that 2020 led to the exponential growth of on-line sales. Bazaarvoice claims the level of digital take up differs by market as does the key influence for buying, with the UK having the most on-line ready consumer.

From an art materials' perspective our consumers seem more tactile and want to interact more, so we would expect higher in-store shopping, with click and collect becoming more popular. Interestingly the benefits of in-store shopping are being recognized by online retailers with Amazon expanding its bricks and mortarfootprint beyond Whole Foods and starting to set up dedicated stores, the latest one being in Ealing, UK.

The pandemic has served as an accelerant to many industries, pushing them years ahead of where their natural growth would have otherwise taken them. Online shopping benefitted from this trend, as consumers faced stay-at-home orders, nonessential retailers closed their doors and in-person shopping was replaced with online commerce for many consumers.

Many leading brands and retailers had to adapt and make swift changes in response to this change in consumer behaviour. Retailers quickly began to focus on omnichannel efforts such as click and collect and invested more in their ecommerce initiatives as their stores were forced to close. Brands had to press forward and adapt to manufacturing constraints and how to make their products accessible to consumers who traditionally purchased in-store.

Global online shopping...

UK - 55%

49% buy from retail websites that offer reviews and delivery

France - 52%

Price is the biggest reason to switch brands and buy private label

US - 51%

75% read reviews online

Canada - 49%

Like to shop in-store but 47% want stores to be safe (masks/sanitization/social distancing)

Australia - 36%

Has the most normal shopping experience with User Generated Content being the key influencer as to product choice

Germany - 33%

Tend to read 11-20 detailed reviews before making a purchase choice

Spain - 45%

Had the least product shortages (53% could get what they want)

Mexico - 80%

Have said reading reviews has become more popular than before the pandemic

Online - the geographic divide

So, will consumers flock to stores or continue to prefer to shop online as restrictions ease around the world?
Prior to Covid-19, approximately 20% of our brands' sales were transacted online (marketplaces such as Amazon, retailer websites, and our own brand.com websites). As lockdowns came into force in March/April 2020, we started to see our online sales mix increase to 45% - 50% of total sales and since September 2020 our online sales have been approximately 30% of total sales.

In the Bazaarvoice study, 60% of global shoppers have adjusted how often they are shopping in-store, reporting reduced in-store trips, or only going in-store if it is an emergency. In some countries, such as the US and the UK, as well as a number of European countries, as cases continued to rise and lockdowns were implemented many times, shoppers were more likely to avoid going in-store at all.

Our online sales mix in 2021, suggests that, even as lockdowns ease and vaccine rollouts are expanded, consumer behaviour has forever been altered with consumers wanting to balance the convenience, ease, and quick shipping available online, with the social interaction and instant fulfillment of in-store.

Again the Bazaarvoice study found that over 45 year olds preferred in-store, whilst the under 44s preferred online. It will be important for colart to be mindful of this split and continue to cater for this in the future.

In a recent study by Adobe, it was found that both in-store and curbside pickup services in the US had grown in adoption by 67% year over year (February 2021 data). Consumers seem very receptive to this hybrid model of shopping, with the study also finding that 30% of US consumers preferring pickup over standard delivery.

Private Label choice is not an accident

Private label is becoming a more active choice, especially in Europe. Bazaarvoice found that positive reviews heavily influence product choice and this benefits retailers who have a strong PL offering and trusted reviews. The top reason for buying private label is liking the product (56%), with price second (52%) suggesting that the PL products are no longer seen as cheaper and low-quality.

Social commerce isn't confined to a channel – the new path to purchase

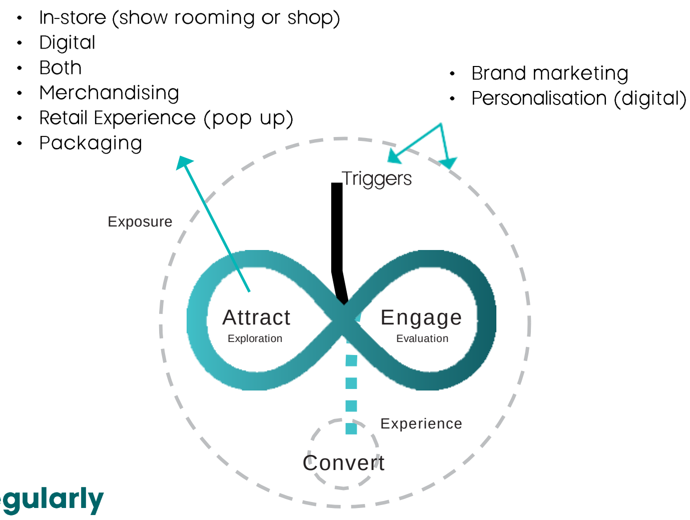
From a social media perspective our social listening partner Pulsar has seen more live work being recorded by professionals on YouTube, as well as more virtual community collaborations on Instagram involving artists from different parts of the world– often based on a theme e.g. Autumn. Channel Advisor's report 'Social Commerce and Marketplaces' shows that 20% of L'Oreal's total revenue now comes from marketplaces with 'in the moment' targeting being key to sales. In another example, a fashion retailer's site increased conversations by 59% through better social targeting. Channel Advisor claims that TikTok reached 13 million adults in a single month. With 83% of consumers claiming convenience is more important than 5 years ago, understanding the new path to purchase is key for the future.

According to Bazaarvoice about 1 in 3 shoppers globally have made a purchase on social media in the past year. However, when you break it down by age, that number climbs to 43% of 18-24 year-olds and 47% of 25-34 year-olds. While less common with shoppers 35 and older, buying on social media has become as common as "liking" a post online. Bazaarvoice found that YouTube is the most active channel (82%), closely followed by Facebook Messenger (74%), Instagram (69%) and WhatsApp (69%).

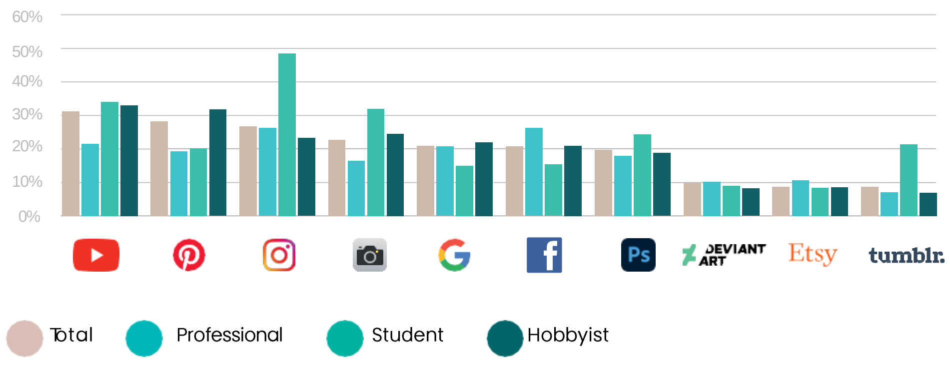
From an art materials' perspective we have found the more visual channels to be the most impactful, with some regional differences (e.g. North American artists prefer Instagram, whilst European artists prefer YouTube).

Google has done some research on all of its platforms to understand the new path to purchase in light of the rise in social media and their Explore/Evaluate/Convert model fits colart's Attract/Engage/Convert model very well. It allows everyone to have a different path to purchase,but nearly all shoppers seem to fit the model.

The google model highlights that brands need to create the triggers and exposure so that consumers can find them when they have 'jobs to be done'. This starts the shopping process, where consumers loop between exploration to find techniques and brands and then evaluation of these brands until the consumers turn in to shoppers and purchase from wherever they are - be it Amazon, retailer sites or Instagram. They then experience the brand and the Attract and Engage (Exploration and Evaluation) phase is shortened as brand loyalty builds and combats the rise of private label.



What are the top art-related apps you use regularly



Digital and bricks-and-mortar must work together

All of this leads us to look at how bricks and mortar and digital can work together. Bazaarvoice claims that 47% of shoppers prefer to browse and buy in-store, whilst 43% browse and buy online. When we looked at art materials pre-pandemic the split was 47% in-store, 19% online and 34% for both. Whilst we are unlikely to see the Bazaarvoice type of sales transfer, it would be entirely feasible for online only sales of art materials to reach 30%.

As we saw from the Bazaarvoice research, reviews are key to purchase in the wider market and the importance of influencers is also growing in terms of its impact on the purchase of art materials.

Of course the store will always have a place, as Bazaarvoice claim that 27% of shoppers want the instant gratification of in-store and half of shoppers say that seeing and interacting with the brand in-store is how they feel most connected. Hence, if we want to differentiate ourselves even more from private label, then the in-store environment is a key opportunity for us to do this.

Get creative to build awareness and relationship building

We also need to recognize that there will be less footfall in-store so we need to connect through other means. A Bazaarvoices Influenster Community ROI poll found that 88% of shoppers like the idea of receiving free samples, with 60% saying they have gone on to purchase the product. This then leads to further sales with 97% saying that they've bought another product from the range.

We need to put all of these together to create the stongest connection with our consumers and shoppers and to aid this we've developed a 6 step process to making the most of campaigns linked to in-store events.

1. Identify the opportunity
2. Define your proposition
3. Consider Brand and retail guidelines
4. Choose your location
5. Form partnerships
6. Create a communications plan

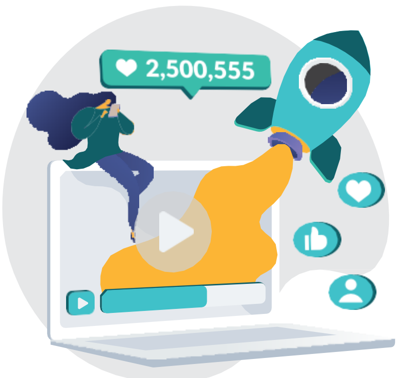
We will have to be mindful, however, that the economic uncertainty due to the pandemic will have an impact on brand loyalty as McKinsey believe 36% of consumers have recently tried a new brand. We therefore need to continue to impress upon the consumer the premium quality of our brands and ensure availability to meet demand.

colart

Bazaarvoice closed with 5 conclusions and whilst the world of art materials is different to grocery, these probably hold true for us too :

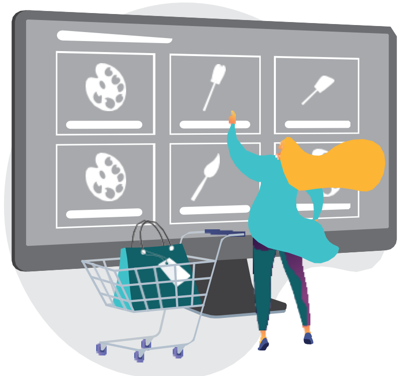
Know your audience

There is a geographic & artist level-based divide in commerce: learn our audience. Know our audience. Provide for our audience.



Build connections as a brand

Private Label is an active choice, not an accidental purchase



Hand in hand with shops

Digital and bricks-and-mortar must work together: Double down on digital but don't write off in-store shopping.

Shoppers want relationships

Get creative to build awareness and relationship building: Shoppers want to build relationships and we need to lay the building blocks.

Wider social commerce

Social commerce isn't confined to a channel: Let social content work for us everywhere our consumers are when they are ready to purchase.