

Commerce

GWI's flagship report on the latest trends in commerce

GWI.



In this report

GWl's Commerce flagship report provides the most important insights in the world of commerce, from how economic confidence and spending habits are changing, to the latest figures on consumers' ecommerce habits and preferences.

Click the dots to navigate



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Methodology & definitions

All figures in this report are drawn from GWl's online research among internet users aged 16-64. Our figures are representative of the online populations of each market, not its total population. Note that in many markets in Latin America, the Middle-East and Africa, and the Asia-Pacific region, low internet penetration rates can mean online populations are more young, urban, affluent and educated than the total population.

Each year, GWl interviews over 700,000 internet users aged 16-64 via an online questionnaire for our Core dataset. A proportion of respondents complete a shorter version of this survey via mobile, hence the sample sizes presented in the charts throughout this report may differ as some will include all respondents and

others will include only respondents who completed GWl's Core survey via PC/laptop/tablet.

When reading this report, please note that we focus on data from our ongoing global quarterly research, but also refer to our monthly Zeitgeist studies across 9 markets, and our GWl USA dataset, which surveys over 20,000 internet users in the U.S. aged 16+ each quarter.

Throughout this report, we refer to indexes. Indexes are used to compare any given group against the average (1.00), which unless otherwise stated refers to the global average. For example, an index of "1.20" means that a given group is 20% above the global average, and an index of "0.80" means that an audience is 20% below the global average.

Discover the data on our platform

Each chart from our ongoing global research in this report contains a hyper-link that will bring you straight to the relevant question on our Platform, where you can investigate all data by demographics, over time, and among your own audiences.

Sneak preview of our new platform

The screenshot displays the GWI platform interface. The top navigation bar includes 'Charts', 'Audiences', and 'Crosstabs'. The main area is divided into two panels. The left panel shows a filter configuration for 'New Audience 7 May 2020 12:33' with attributes like 'Gender > Male' and 'Gender > Female'. The right panel shows a data visualization for 'New Chart 6 Feb 2020 12:33' with a table of data points and a bar chart.

Question	Data point %	Universe	Index	Responses	Audience %
Someone in my household has a mental health issue	100	15.7K	84.9M	100	47%
	100	15.7K	84.9M	100	32%
	100	15.7K	84.9M	100	52%
	100	15.7K	84.9M	100	38%
	100	15.7K	84.9M	100	16%

1

Each of the graphs is numbered

More information can be found in the Appendix section at the end of this report



Just click this icon to explore the data on the platform

Source

Information about the source

Base

and base

Key insights

Post-crisis, consumers are feeling the urge to **save more**, but also to indulge.

Across four of the seven countries included in our study, internet users prioritize saving over spending. But many are also keen to treat themselves more than they did pre-crisis. Campaigns that demonstrate ways to regularly pamper oneself on a budget and foster individual talents are primed to succeed.

Consumers plan to **keep shopping online** more than they did pre-pandemic.

Across five markets, over a third of consumers feel their online shopping habits have increased in the past year. More importantly, a fifth feel they're set to increase in the future, which indicates that current behaviors not only have staying power – they're likely to grow.

Buy now, pay later services have reached a new level of maturity.

The business world has seen surging demand for buy now, pay later (BNPL) services. Many offer interest-free options, which are a powerful purchase driver for various groups. But late entrants will need to build on the existing model to stand out. For example, some are looking to introduce longer-term financing for large purchases.

It's time to listen in to what **podcasts** have to offer.

The number who like listening to podcasts has increased by 9% since Q4 2020. With many listening to sponsored versions, and with the number discovering products and services through podcast ads on the up, a big opportunity is to be had for brands bold enough to take the plunge.

Search engines are essential to brand discovery, but see increasing competition.

The brand discovery landscape continues to shift. Since Q2 2020, the power of search engines in a discovery sense declined by 7%; and Q3 2020 saw social media ads surpass search engines among Gen Zs. The latter will have to work harder to command the same level of attention as in the past.

01

The current spending mindset



In a position to spend

The outlook for spending in 2022 depends on consumer confidence; when it's high, shoppers make more purchases, and vice versa. Fortunately, it's nearly recovered back to pre-pandemic levels.

This varies by age. Despite taking more financial hits during the pandemic, younger consumers are generally more optimistic about their bank balance.

The number of Gen Zs who think their finances will improve in the near future is actually double that of baby boomers. And regionally, Latin America has the most ground to make up, so brands marketing to people in this part of the world may need to place more priority on reassuring customers and offering flexibility. But on the whole, things are looking up for consumer confidence.

The number of Gen Zs who think their finances will improve in the near future is double that of baby boomers

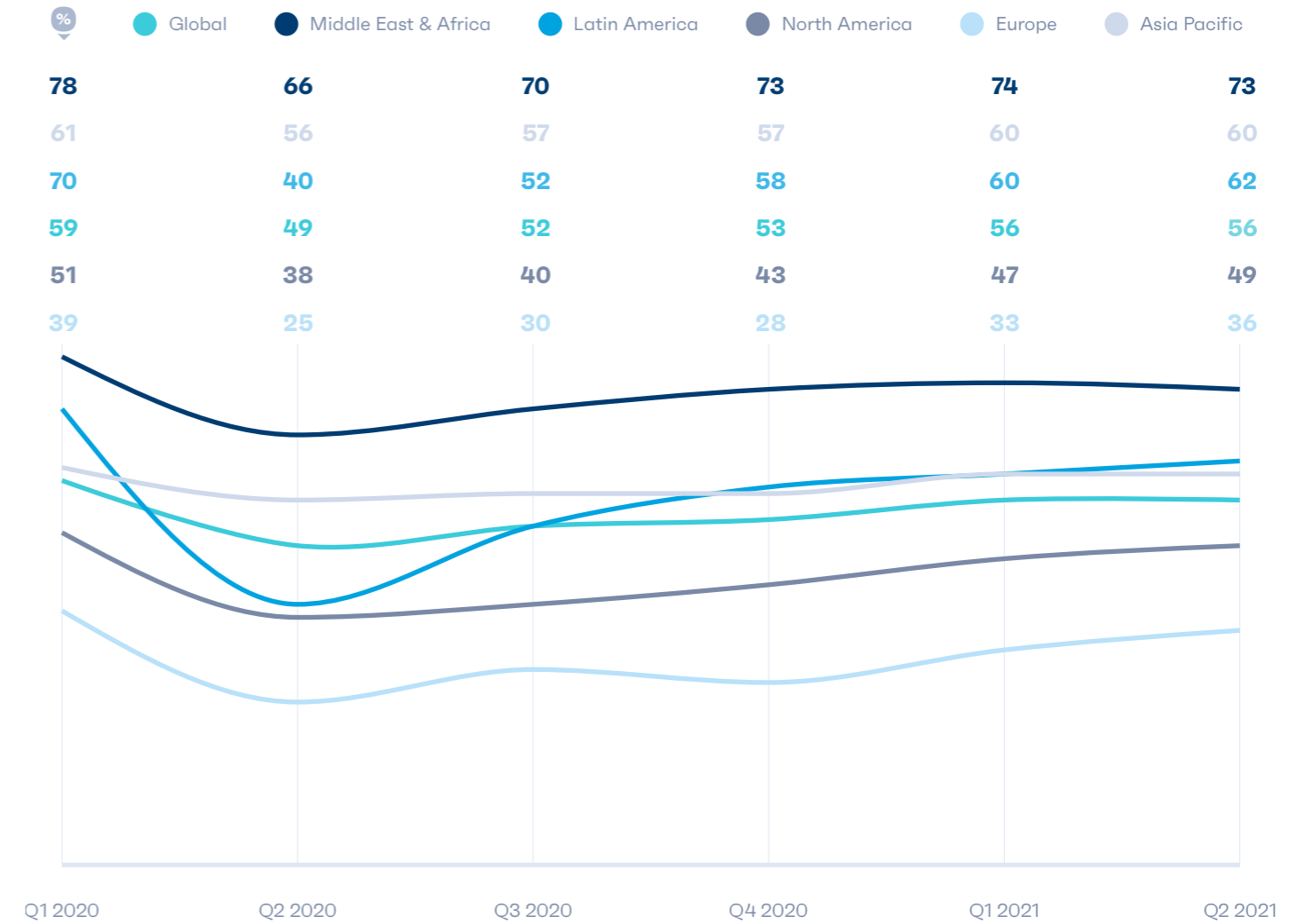
Pent-up demand has supported non-essential spending over the last year, and Deloitte **argues** that supplies might be the biggest roadblock to progress, rather than consumer caution. Retailers in North America were quick to warn this year's Christmas **shoppers** to buy holiday gifts earlier than usual or face empty shelves, and good communication during and after 2021's

golden quarter will help make up for capacity issues, which are inevitable in some **cases**.

Over a third of consumers would be most motivated to promote a brand that provides great customer service, and nailing this quality will earn those who are struggling to adapt their business model in a post-crisis context some extra points.

Economic optimism has bounced back

% of internet users in each region who say their personal finances will *get better* in the next 6 months



GWI Core Q1 2020-Q2 2021 1,082,809 internet users aged 16-64

Saving vs spending

% of internet users in each market who say the following things have become more important to them 2



*Treating myself/indulging when I feel like it

GWI Zeitgeist September 2021
10,348 internet users across 7 markets aged 16-64

It's about getting the balance right

During the pandemic, people have been continuously reminded that life is short; but also, that they need to cover their backs in case the worst should happen. Our research indicates that these two voices have been fighting each other. This is particularly the case among Gen Zs, who over-index on both points. The gap between saving and spending is greatest among younger consumers, which means financial providers need to ensure they're

addressing this groups' unique needs in their saving-based marketing and tools.

Women are 1.3x more likely than men to prioritize treating themselves, and globally, just over half prefer to spend money on an experience than a product. This explains why Wowcher, a deal website with a mostly female audience, went big on half-price discounts for leisure facilities and treatments in the lead-up to Christmas 2021.

WOMEN ARE
1.3x
more likely than men to prioritize treating themselves

As we cover in our [Connecting the dots report](#), people feel more empowered to chase what brings them joy, even if that means sacrificing a degree of financial stability. In America, there's been a drop in consumers describing themselves as "thrifty", and a rise in the number identifying as "creative" and "talented". We're seeing signs of a new "Roaring 20s", but it's not a straightforward case of history repeating itself.

Brands that don't fit into traditional categories

of luxury can tap into today's hedonistic vibe. Compared to a spa day, creator **Annyah** defines **self-care** as eating fruit loops because it reminds her of being young and carefree. Similarly, ice cream company Häagen-Dazs **engaged** artists to explain what luxury means to them and showed that, for some, it's simply having the freedom to express their creativity. Campaigns that demonstrate ways to regularly pamper oneself on a budget and foster individual talents are primed to succeed.

People are setting money aside for the future, but also treating themselves more

- % of U.S. consumers who agree with...
- % of U.S. consumers who are planning to do the following in the next 6 months
- % change since Q2 2020

I'm happy to use credit/loans to buy things I couldn't otherwise afford

+21%

57

17

My future financial security is extremely important to me

+6%

59

Buy a personal effect (e.g. jewelry, wristwatch)

+14%

58

Purchase or renew a type of insurance

+7%

Going out less = spending more

Globally, consumer demand for experiences is starting to pick up again, but still remains below pre-pandemic levels. The U.S. and UK were among the first countries to start vaccinating their adult populations and ease restrictions; and even here, inspiring widespread confidence to travel is going to take some time.

But the good news is that many travelers plan to spend more on their next trip than they would typically. This is a pattern we see across our research: people are generally splashing out a little more when the time comes. For example, 3

in 10 Black Friday shoppers expected to spend more this year, with a smaller group (18%) aiming to spend less.

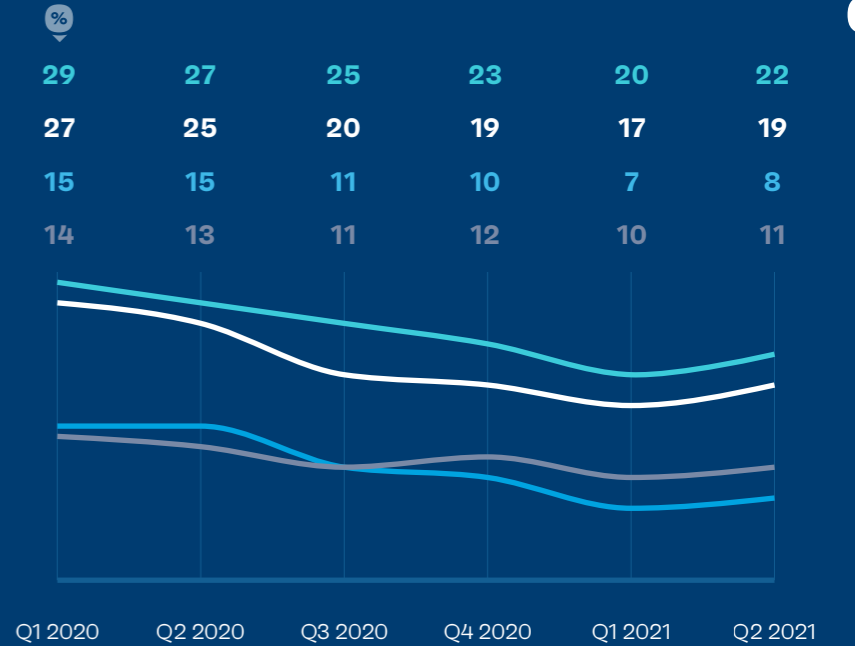
Companies should think about ways to upsell, cross-sell, or add value during B2C interactions, especially if they're happening less frequently. Booking.com, which sells hotel stays online, sees a connected trip strategy as critical for **post-crisis** growth. The Expedia Group is thinking along the same lines. It's created new **packages** that bundle flights, accommodation, and activities together, and include things like upfront total pricing or virtual agents.

42% of those celebrating the winter holidays plan to buy an experience or vacation as a gift

Consumers are still moving around less

% of consumers in the U.S./UK who have purchased the following in the last 3-6 months

- Vacation (domestic)
- Travel tickets (e.g. a flight)
- Vacation (abroad)
- Experience (e.g. spa trip, day out)



...but they plan to spend more when they do

% of *vacation planners* in the U.S./UK who say they plan to spend the following on their next trip



GW I Core Q1 2020-Q2 2021 & Custom June 2021 Survey
141,130 internet users in the U.S./UK aged 16-64; and 2,566 vacation planners

02

Online and traditional channels

The virtual shopping cart

Globally, 58% of consumers prefer to shop online. This way of shopping reached a whole new level during the pandemic, with stores closed for months over 2020 and 2021. We even saw retailers like Amazon Fresh **waitlisting new customers** to keep up with the sudden surge in demand. Across the five markets included in our July Zeitgeist research, over a third of internet users had shopped online more in the past year. A fifth also feel they will do even more in the future,

with younger generations driving this trend. Mobiles have played an important role, with 31% using this device to shop or browse for products each week.

For many, closed stores as well as concerns for safety over the past year led them to buy more online, with around a fifth still feeling uncomfortable shopping in-store in May. But having relied on it for an extended period of time, many have become accustomed to this level of convenience and see

31%

have used their mobile to shop or browse for products online in the past week



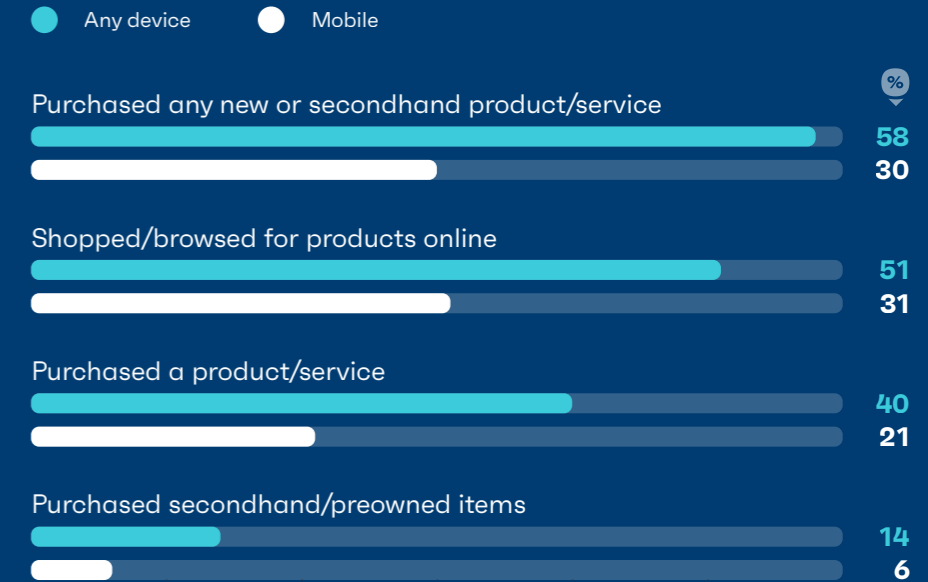
themselves sticking with or increasing this habit. A key part of this trend is grocery shopping – which we'll touch on later in the report.

Mobile shopping has also risen wave-on-wave in our USA research. There's been a 36% increase in the number of Americans doing most of their household or grocery shopping this way, and a 25% increase in those doing at least some of it via mobile. Retailers that don't have a shopping app will benefit from developing one, and those who have should go the extra mile to ensure it's as user-friendly as possible.

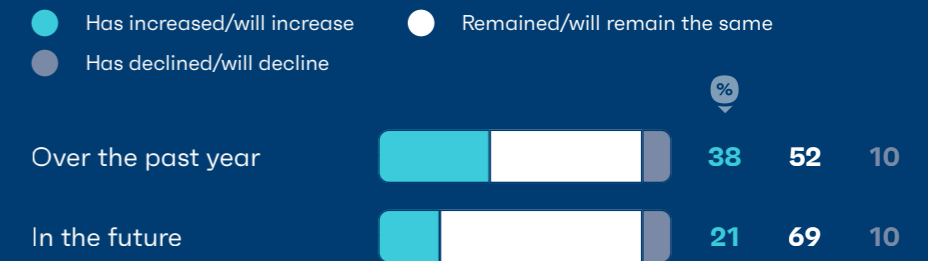
For many, closed stores as well as concerns for safety over the past year led them to buy more online

Mobile makes up a large percentage of online sales

% who have done the following online in the last week on each device



Online shopping is sticking around



GW I Core Q2 2021 & GW I Zeitgeist July 2021

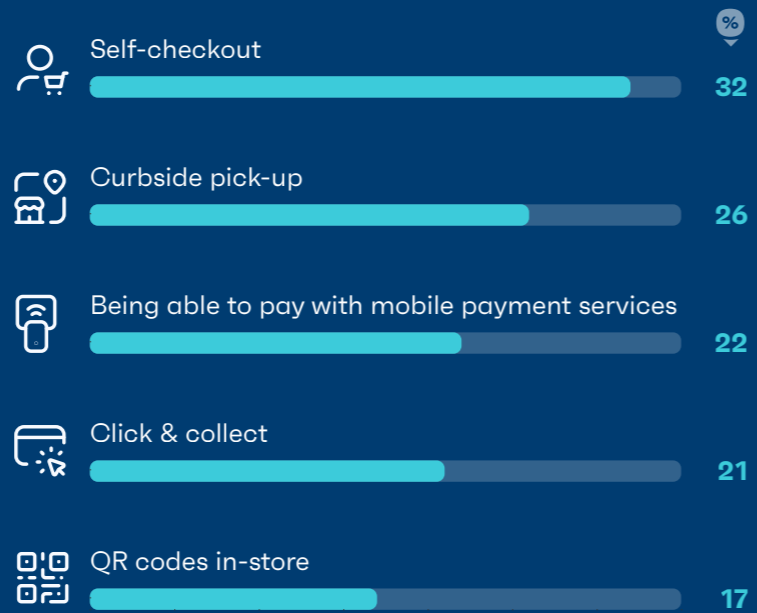
186,925 internet users aged 16-64; 7,087 internet users in France, Germany, Italy, UK and US aged 16-64

Less touching, more tapping



6

% who want to see more stores and retailers offering the following



GWI Zeitgeist May 2021
6,073 internet users in France, Germany, UK and US aged 16-64

Contactless is the future

When shopping in-store, many want contactless service. This could be due to concerns for safety, a desire for convenience – or both. When asked how the in-store experience could be elevated, the most popular choices were a self-checkout option, followed by curbside pickup. Amazon has taken steps to go contactless and opened a **till-free food store**. Customers are sent a QR code which is scanned to start shopping. After walking out, receipts are emailed to shoppers, who are billed via their Amazon account.

The demand for less contact is supported by the rise of mobile payments. During the pandemic, older consumers **saw** the biggest percentage increases in this area. Now, around 1 in 4 Gen X and boomers use a mobile payment service like Apple Pay each month, which is more or less on par with the figure for younger groups. As a result, stores aren't going out of fashion, they're evolving.

MOBILE PAYMENTS

1/4

Gen X and boomers use a mobile payment service like Apple Pay each month

Stores have even been used to supplement online offerings. **Ikea** purchased a spot on London's Oxford Street to create a central base for the brand. This will have a range of display rooms, allowing customers to view products before ordering them. Although many prefer it, online channels don't allow people to see or touch items in the flesh. Ikea's showroom offers the best of both worlds.

To keep customers coming back, stores will need to ensure they're ticking the right boxes. In May, 17% of consumers across 4 countries said they were uncomfortable shopping in-store, with the same number identifying as neutral. Even among those who are comfortable, many say mandatory mask-wearing (46%) would help them feel more at ease, followed by good air ventilation (40%) and the sanitizing of surfaces and products (40%). Taking these steps will get hesitant groups back through the door and earn brands kudos.

Customer service: going above and beyond

As more shop online, they want different things when going into stores. One issue with online shopping is that the experience can be mechanical, with the absence of a friendly face. As such, the desire for good customer service when shopping in-store has grown alongside greater reliance on ecommerce channels – a sign that consumers crave what’s lacking from the virtual experience.

As we’ve already mentioned, self-checkout options are important. But depending on the industry, they’re not always the preferred option. For example, 53% of those who prefer to buy luxury items in-store most expect great customer service from high-end brands. Those making large purchases will want staff to go above and beyond, especially those who shop online each month; this group of shoppers are 10%

more likely to list good customer service as an important in-store influencer.

Moving onto online shopping, customers want a more seamless experience – they want a bug-free website and clear product images or descriptions, allowing them to know exactly what they’re buying.

Interestingly, as people place greater importance on convenience and start to feel more financially confident, money-saving schemes have dipped in popularity across all channels. That’s not to say brands should give up on them, especially in a country like the U.S. where over 2 in 5 say coupons are important for both in-store and online shopping. But it’s a sign they can’t rely on them as much as they used to and therefore need to fine-tune their service.

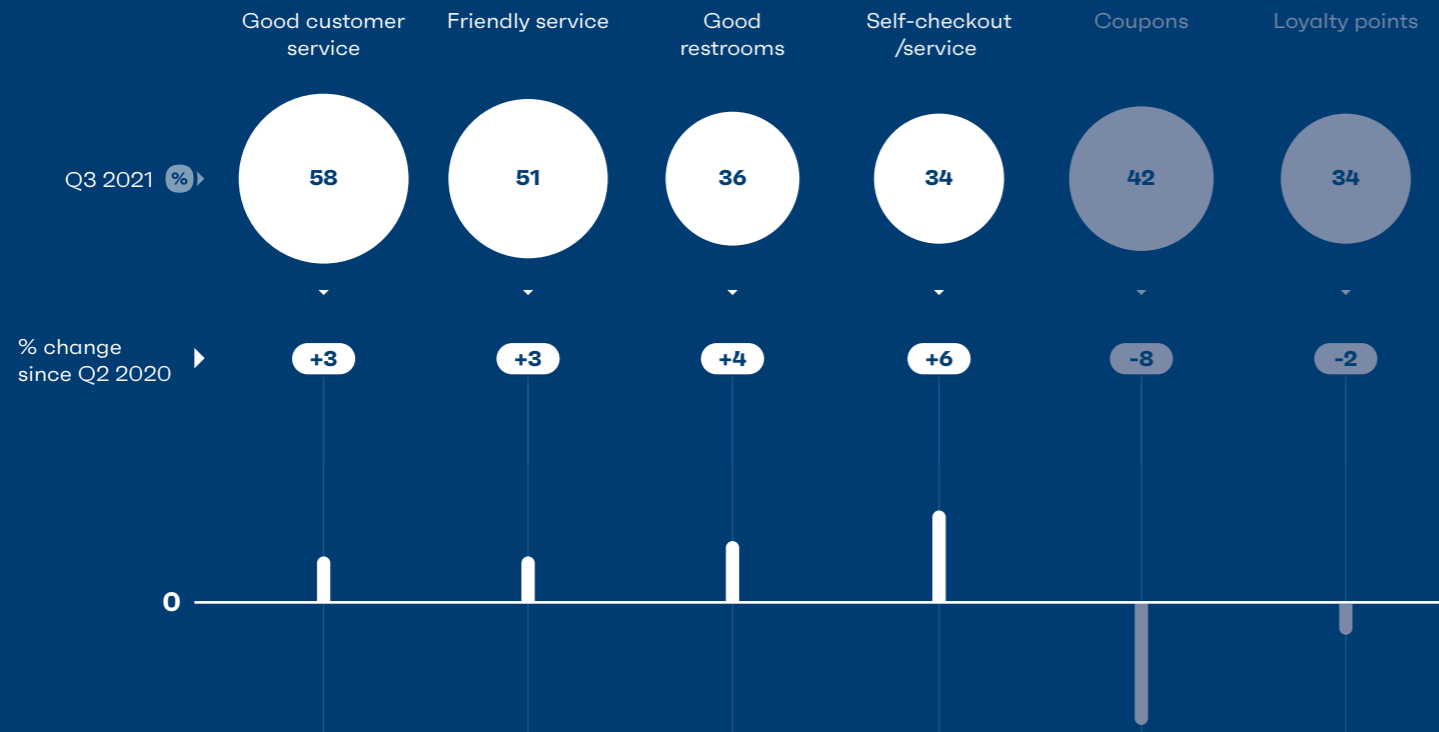




In-store

% of U.S. consumers who feel the following are important to them when shopping in-store

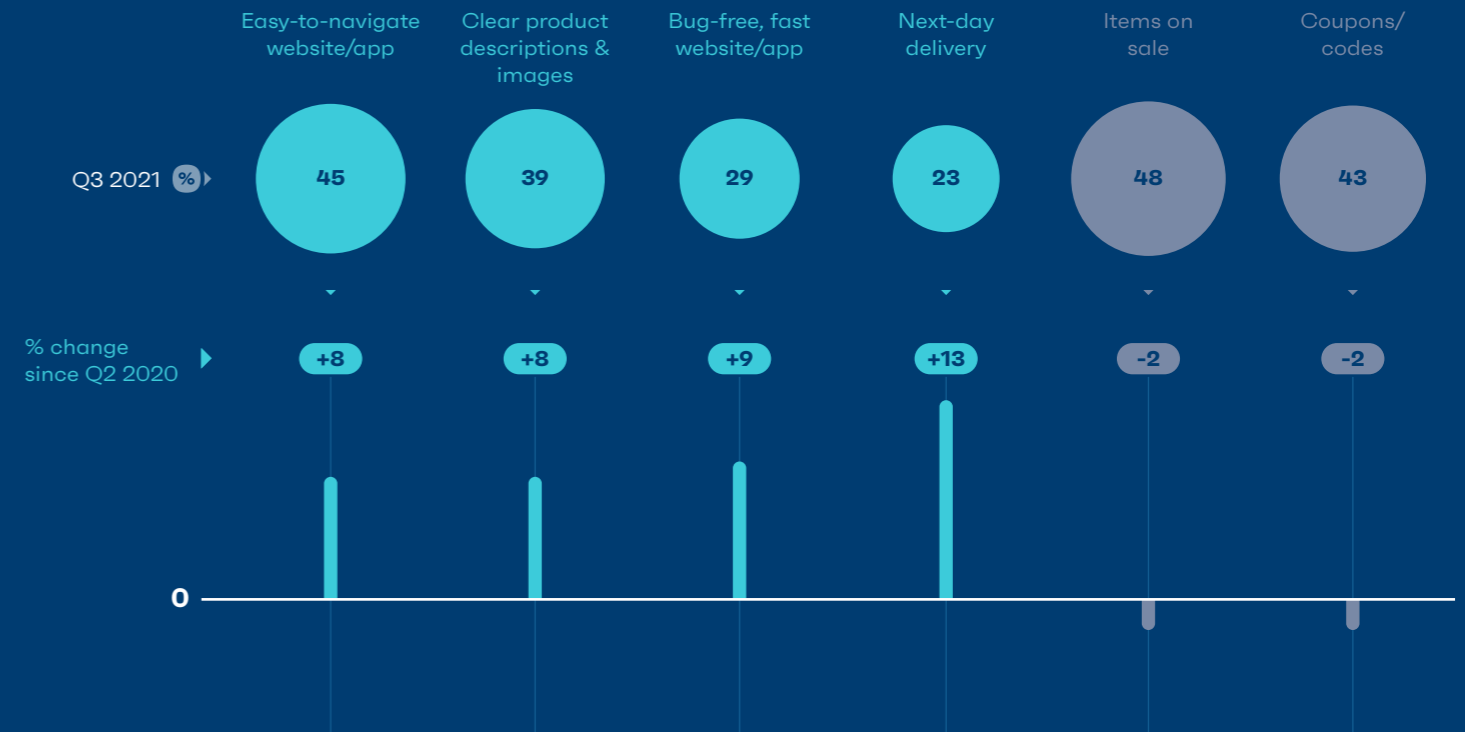
Good customer service over coupons



Online

% of U.S. consumers who feel the following are important to them when shopping online

Online shopping needs to be simple



GW I USA Q2 2020 & Q3 2021 20,992 (Q2 2020) & 20,560 (Q3 2021) internet users in America aged 16+

There's more appetite for online grocery shopping

During the ecommerce boom, some categories accelerated more than others. More are adding items to digital baskets, as we've seen a 8% growth in online grocery shopping since Q1 2020. Any movement in the percentage of grocery items bought virtually is worthy of attention, as the overall global annual spend is immense.

Yet, only 38% of monthly grocery shoppers buy these goods online, so there's still plenty of room for virtual channels to grow and a lot of potential for brands to shake up the industry. For example, the COVID boom inspired **Kroger** to engage in a new partnership and offer grocery delivery within 30 minutes. It's unlikely that most people will ever do all of their grocery shopping online; the big question is what share of total grocery purchases online channels will command in the future.

COVID-19 led people to prioritize their wellbeing. Consequently, many have taken actions to support their health: 40% buy more supplements, for example. And greater numbers are doing this via the internet, with online purchases of healthcare products among boomers increasing by 13% since Q1 2020.

Virtual shopping aside, a number of products have risen to new heights and sustained their spot on the overall leader board. With salons closed for months at a time, consumers applied their own beauty treatments, and demand for moisturizer is climbing still. Home-related purchases like garden furniture and pet insurance also shot up as societies started looking for ways to better their home. And since the end of 2020, there's been further growth in the number of Americans planning to re-decorate their home in the next 6 months.

HEALTH

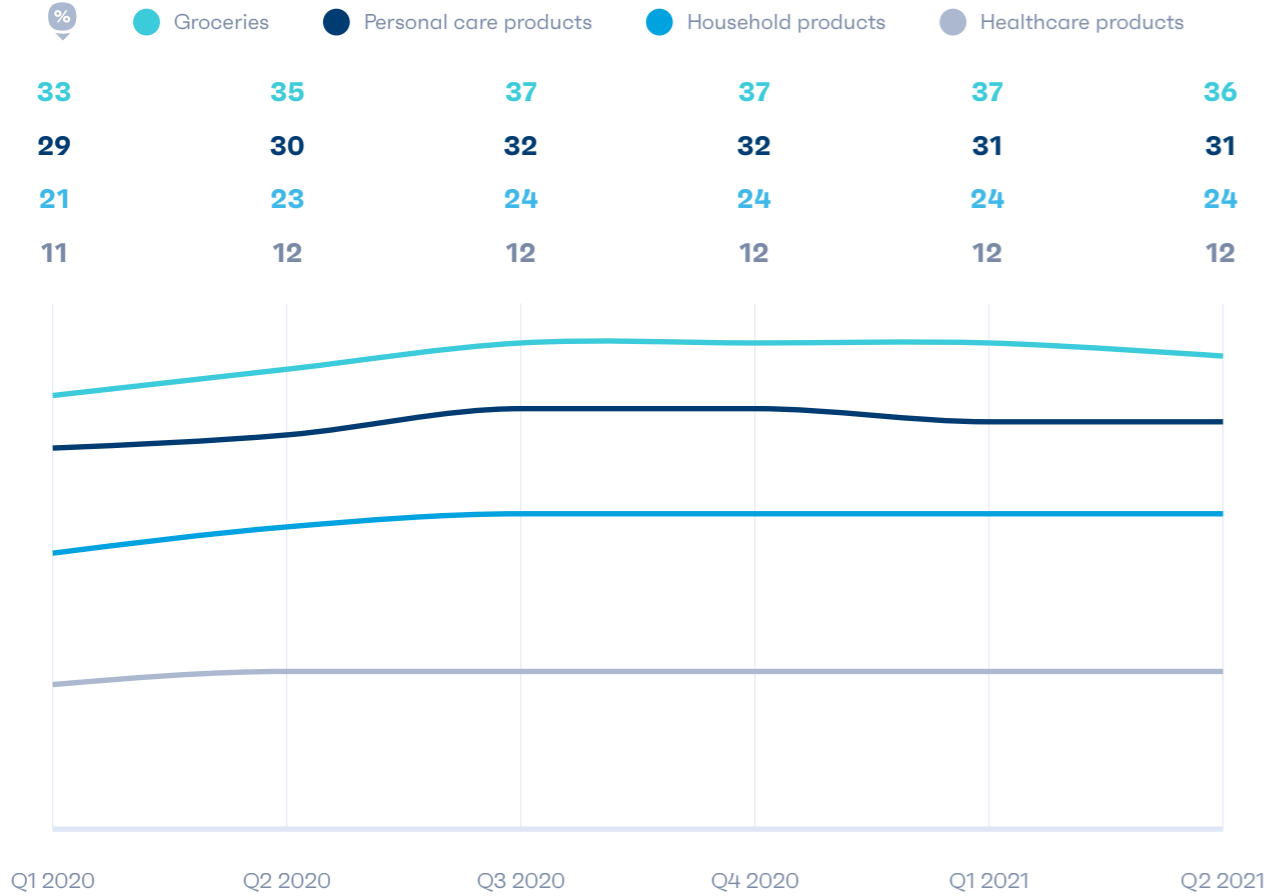
73%

are more conscious of protecting their physical or mental health than before the pandemic



Certain product categories have witnessed significant online growth

% of internet users who have bought the following online in the last month



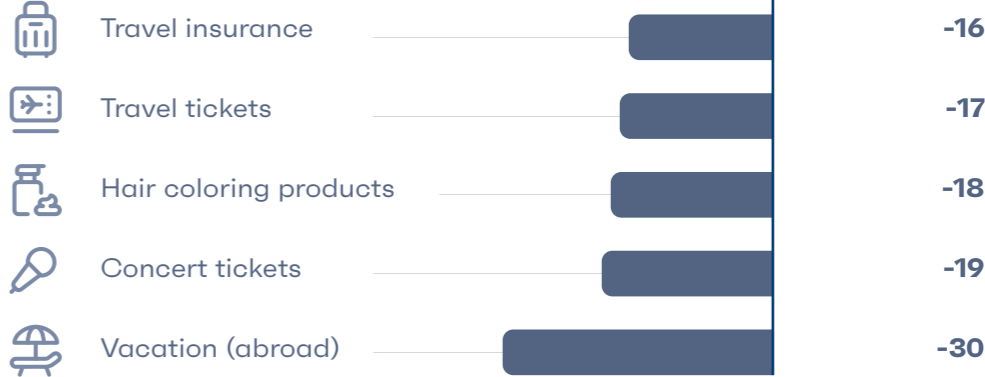
Some of the biggest movers and shakers

% change between 2020-2021, based on the % who have bought these items in the last month/3-6 months

Biggest increases



Biggest decreases



GWI Core Q1 2020-Q2 2021
1,082,809 internet users aged 16-64

Fresh ways to browse, shop, and pay

Is your business on mute?

Many consumer groups are diversifying the way they search, which brings exciting new marketing opportunities to the table. Habits and expectations around the online experience for internet users in fast-growth regions like Latin America and Asia Pacific aren't as entrenched as in mature markets. As a result, they tend to be more open to engaging with digitally-progressive trends like image recognition tools and social commerce.

What's more, while Gen Z represents the largest group of image-based searchers (32%), older groups aren't miles behind; a quarter of Gen X and boomers use this method. And in Latin America, older consumers are actually more involved

in this trend than their younger counterparts.

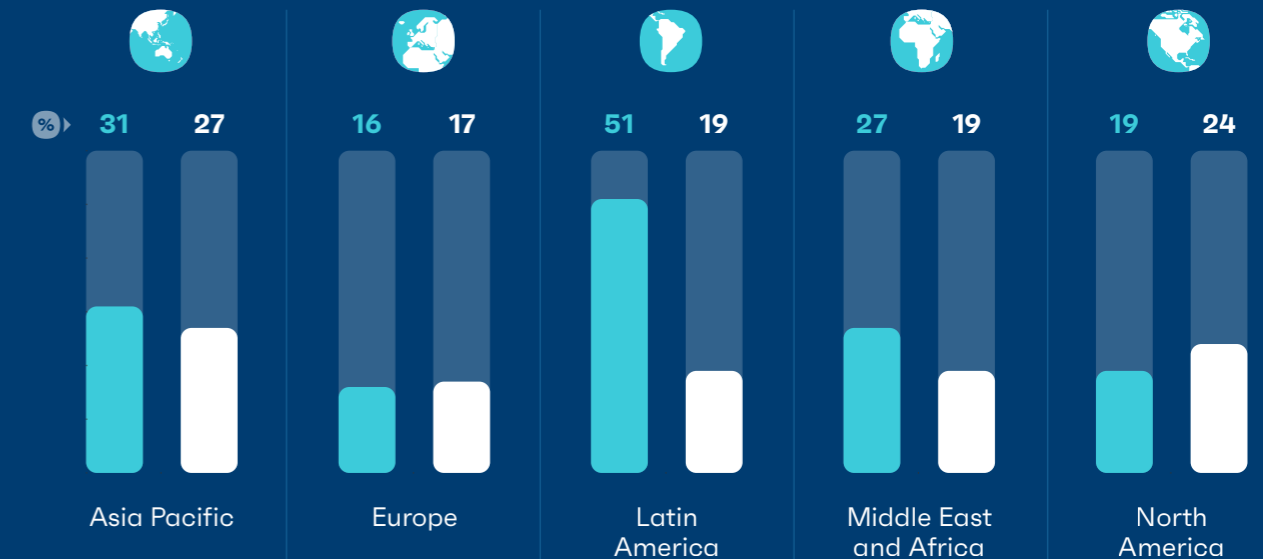
On the other side of the search spectrum, Asian and North American consumers over-index most for using voice assistants to find information. While voice search is primarily a mobile activity, smart home product ownership is relatively widespread in North America. So, it's likely other devices play more of a central part in this region's voice search activities.

Overall, it's by adding layers to their traditional SEO strategies with voice search or image recognition – depending on the audience in question, where they're based, and how they use it – that brands will ensure they don't miss out on a chance to get more traffic.

The world's online search behaviors are very diverse

% in each region who have...

- used an image recognition tool on their mobile in the last month
- used a voice assistant to find information on any device in the last week



New-era AR: bringing stores back

Augmented reality (AR) features are widely used by social networkers around the world. This technology essentially allows users to customize images by transforming the way they look and the world around them.

Various event organizers or sports leagues already use **AR tools** to add to the excitement. The potential benefits for retailers adopting this technology are even greater, as when used effectively, it's a powerful way to drive sales.

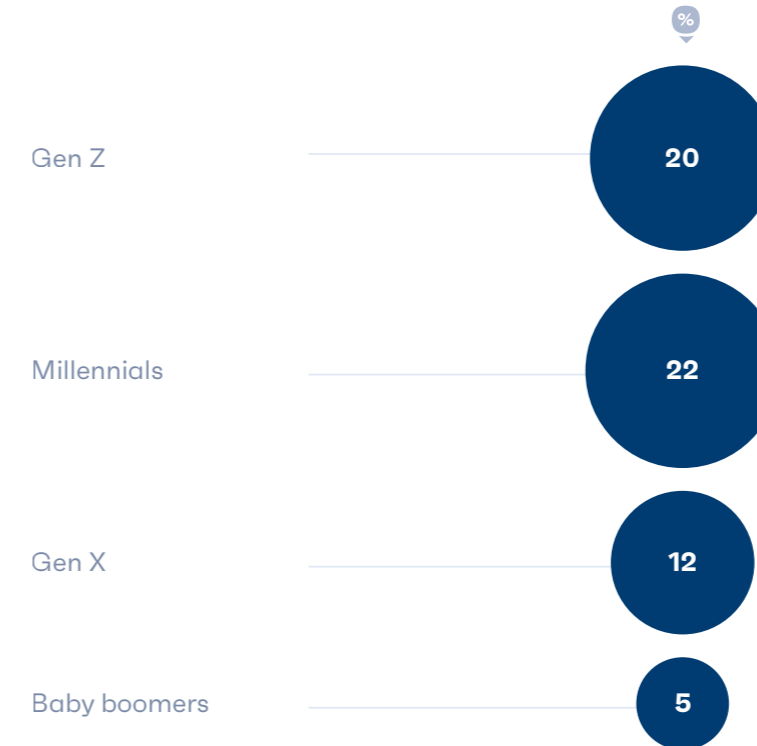
Over a fifth of Gen Z and millennials want to see more retailers offering the ability to try on products digitally, rising to a quarter in the U.S. These tools were used to recreate the in-store shopping

experience during closures. For example, L'Oréal offered a live **try-on** feature on its website and partnered with Facebook to bring virtual makeup to the site.

But with the focus generally on using AR to fill in the gap left when restrictions were in place, many companies are yet to explore new ways of using it to enhance the in-person shopping experience. Some are ahead of the curve, relying on AR to drive **footfall** recovery. Beauty brand **Sephora** uses in-store AR to help consumers pick out the perfect shade of foundation. The power of these tactics shouldn't be underestimated, especially as there's more demand for AR among in-store shopping enthusiasts.

There's significant demand for AR tools among younger consumers

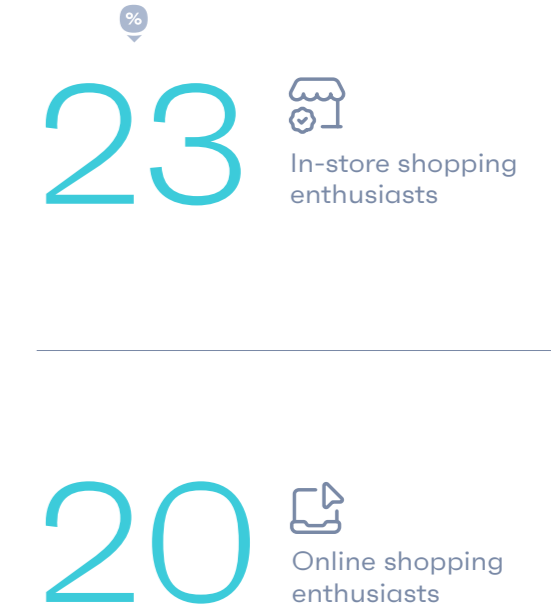
% in each generation who say they want more retailers to offer the ability to "try on" products digitally



GWl Zeitgeist May 2021 6,073 internet users in France, Germany, UK and USA aged 16-64

AR isn't just for online stores

% of Gen Z and millennials in each group* who say they want more retailers to offer the ability to "try on" products digitally



*In-store/online shoppers are defined as those who say they typically prefer to shop in-store/online



This should have been a video

Chinese online retail giant Alibaba has long been the global frontrunner in live-stream marketing due to the success of its Taobao Live platform. But today, many are rushing to grab a slice of the action. The figure for weekly livestreaming does vary by region and generation, but doesn't drop below 1 in 5 in either case. This shows that there's already a large and diverse audience for "shoppertainment".

Despite drawing in a large crowd, livestream shopping is taking off slower in the West. Here, livestream viewers are less likely to say they tend to buy brands they've seen advertised, and to trust what online reviews say about products and services. **Studies** have shown that too many perfect scores on a review can actually do more harm than good, and highlighted the damage that censoring can do. When working to

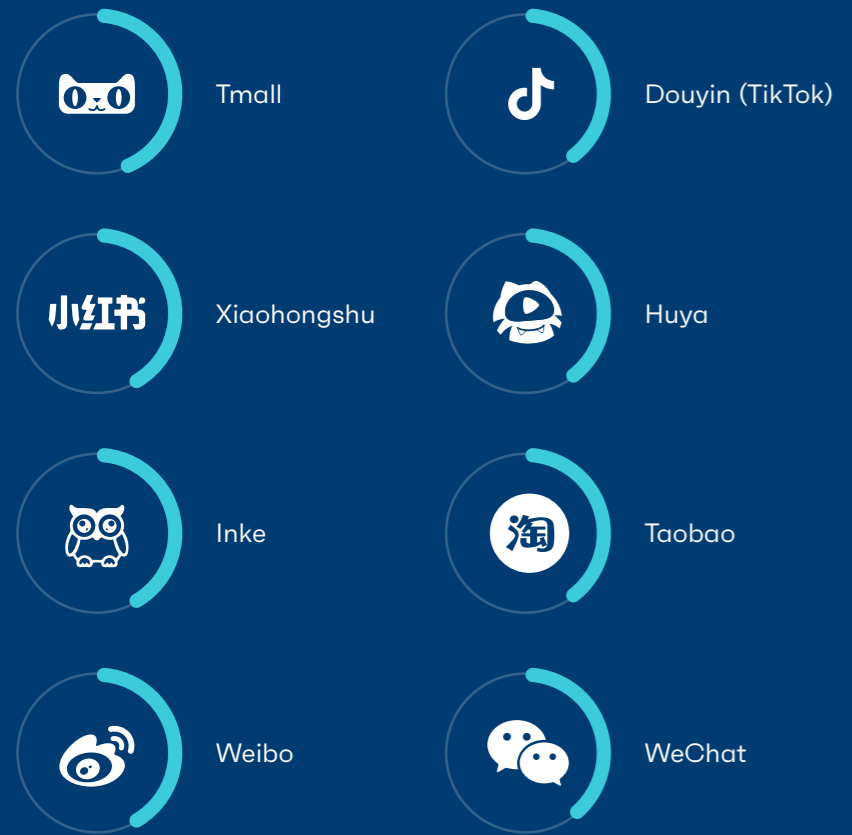
overcome the trust barrier, brands and their ambassadors might benefit from ensuring influencer reviews are balanced, as well as addressing negative feedback.

Overall though, livestream viewers are a highly influential group and a great source of earned media. They buy products to participate in online communities, spread the word to peers, and share branded posts on social media much more than the average. It makes sense that video sites outside China are starting to hone in on this audience. Influenced by ecommerce holidays like Single's Day, which had its most successful year to date, **YouTube** has invested in a live shopping platform – hosting a week-long event called "YouTube Holiday Stream and Shop". This is an encouraging sign for those hopeful about livestreaming in the West.

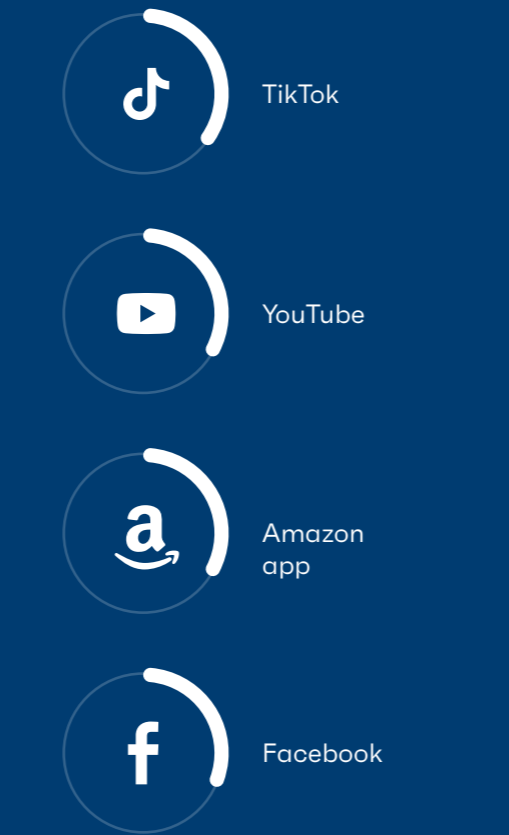
Chinese platform users crave livestreams

% of users of the following platforms who have watched or listened to a livestream online in the last week

China



Globally (excluding China)



Livestream viewers should be on your radar

% of livestream viewers who say the following describe them



GWJ Core Q2 2021
 186,925 internet users and 50,579 livestream viewers aged 16-64

Riding the “buy now, pay later” wave

The business world has seen surging **demand** for buy now, pay later (BNPL) services like Klarna, Afterpay, and Affirm. In October, London-based start-up **Zilch** raised \$110 million in a round of funding that valued it at \$2 billion, four times what it was worth several months ago. These kinds of headlines are pretty common right now, with this payment method even earning spotlights in the **B2B arena**.

BNPL schemes are most popular among consumers in Asia Pacific and those looking to buy inexpensive items like clothes, shoes, and accessories. That being

said, Klarna Bank is looking to introduce longer-term **financing** for larger purchases. Soon, experiences like holidays could be on the cards. BNPL schemes account for an increasingly greater share of **ecommerce** transactions, and brands hoping to gain a stronger foothold in this space should keep a few things in mind.

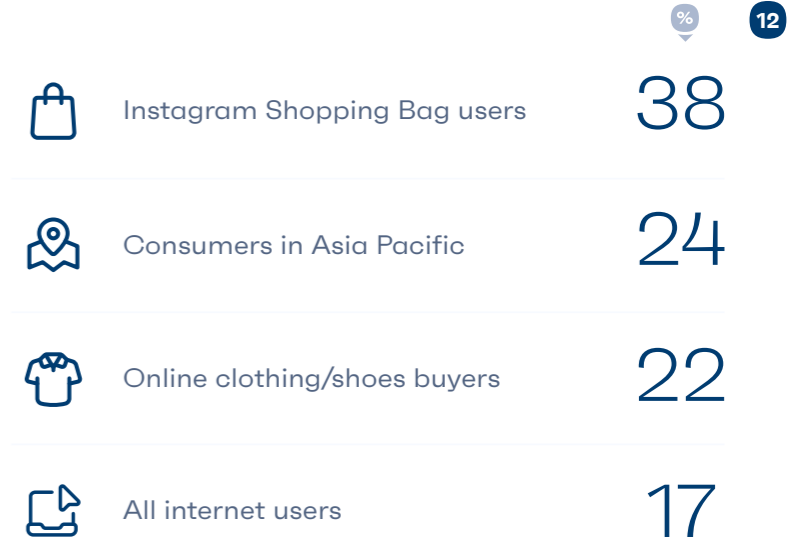
Regulators have been closing in on this payment method in recent years, due to its growing popularity and concerns about consumer welfare. This will probably mean more legislation, and some countries have already **followed**

through. So, brands will benefit from getting ahead of the regulation game. Klarna is a good example; the company is doing more thorough **checks** on how much users can afford to borrow and using clearer language during checkouts.

Many services offer interest-free options, which are a powerful purchase driver across various groups. But late entrants will need to build on the existing model to stand out. For example, BNPL services typically include their checkout option on select retailers' websites, while Zilch can be used to pay any merchant that accepts Mastercard.

Buy now, pay later schemes are popular among various audiences

% in each group who have used a buy now, pay later service in the last week



The ability to spread payments over time without added interest would induce me to buy a product online

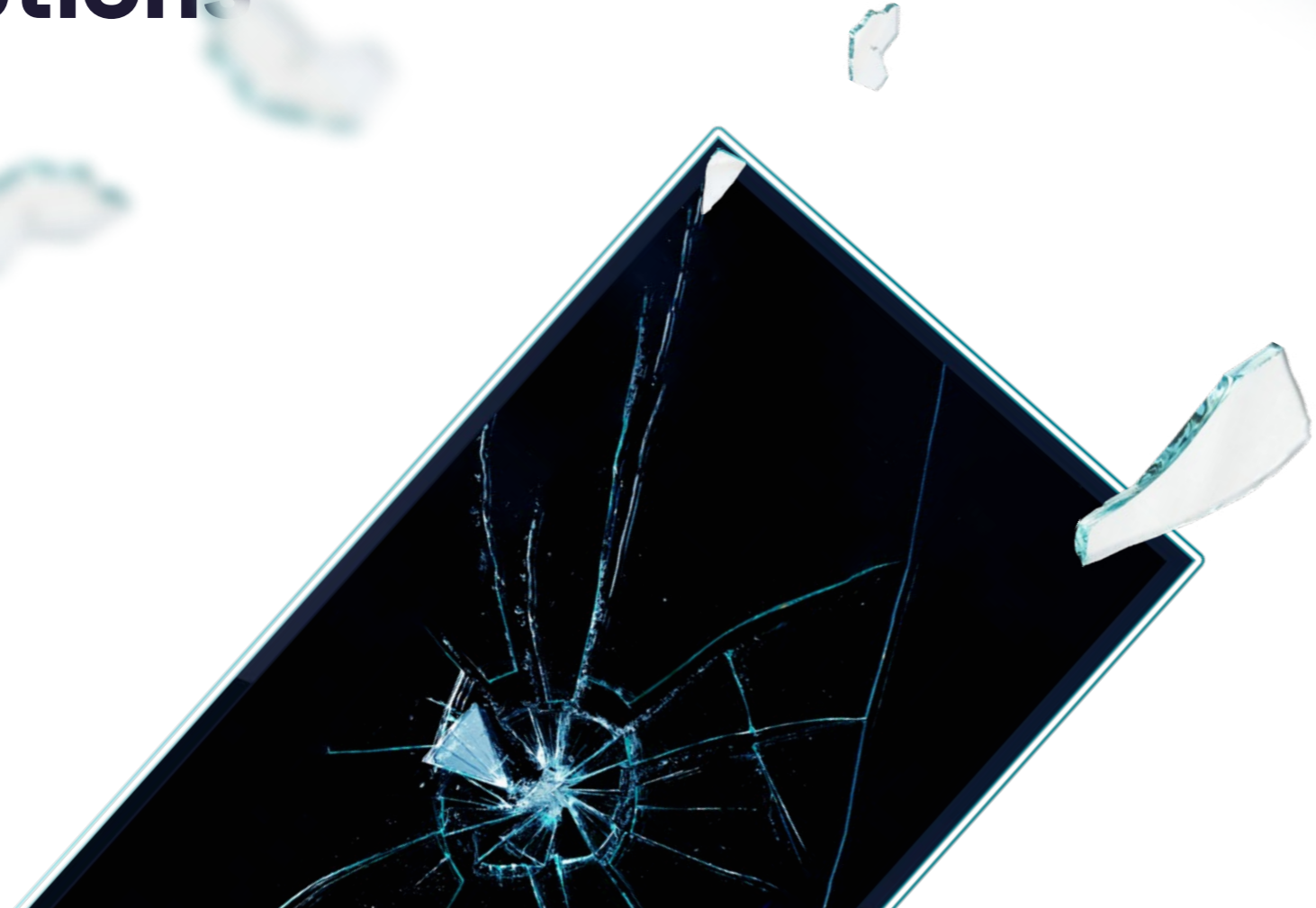
% in each group who agree with the above statement



GW I Core Q2 2021 186,925 internet users aged 16-64

04

Digital goods and subscriptions



Are consumers growing tired of TV?

Purchases of digital content vary by region. For example, Latin and North America take the top spots for streaming. Whereas, Asia Pacific and MEA lead the way with downloads.

The number paying for movie or TV streaming services shot up in Q2 2020, as lockdowns were introduced throughout the world. Streaming has remained steady since, as has the

number paying for a TV subscription service.

However, 1 in 4 streamers across 4 countries have already canceled one or more subscription services or are considering doing so.

As it costs **5 times more** to acquire new customers than retain existing ones, streaming companies need to work hard to keep customers on board. But what's the best way?

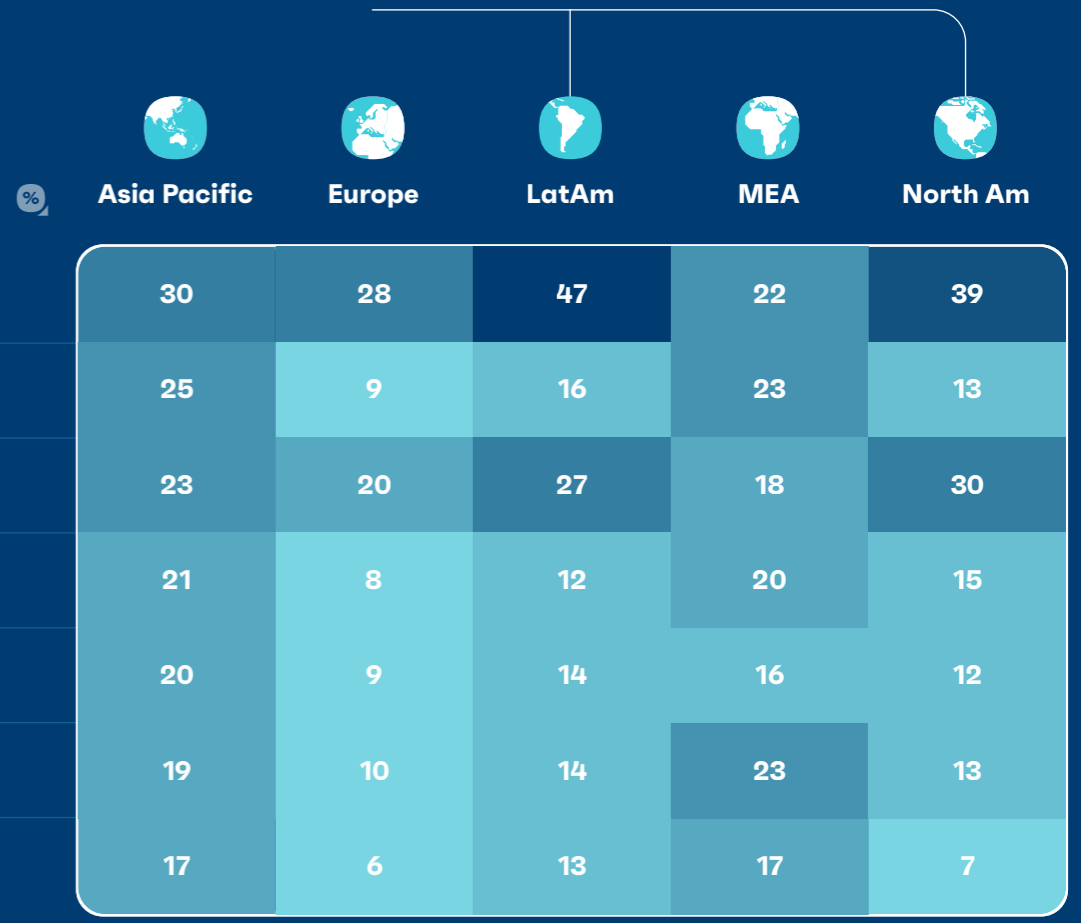
The Americas are leading the way with TV streaming

1 in 4 streamers plan to or already have canceled their subscription

When asked, price came out on top for almost two-thirds of streaming service users. This was closely followed by having a large amount of content, and new content being added regularly. **Salesforce** also cites a refreshed and expanding content catalog as a key way to keep consumers on side.

Online learning is also worth a special mention. Helped by school closures and hybrid working, it's made some great strides, with overall purchases having increased by 15% since Q1 2020. Like streaming services, players should prioritize developing strong customer retention programs to keep the trend going.

% who have paid for the following types of digital content in the last month



GWII Core Q2 2021 186,925 internet users aged 16-64

Top ways to boost news sales

A lot has changed in the way we consume media. The number who pay for a movie or TV streaming service each month has increased by 145% since 2011, and the story is similar for music streaming services. However, the relative figure for news services has only increased by 3% within the same decade.

But there's hope for publishers. Consumers, especially younger ones, feel that good quality news is worth paying for. In fact, 2 in 5 would be motivated to purchase a news subscription if it met this standard. Newsletter start-up **substack** recently hit 1 million

paying subscribers, which it put down to people being willing to pay for writers they trust. Overall, consumers aren't against adding news to their list of subscriptions – 70% say that one of the factors in our chart would motivate them to purchase one, rising to nearly 4 in 5 for Gen Z and millennials.

A possible reason for hesitancy across all age groups is media burnout – people feeling there's too much negativity in the news. In September, around 1 in 5 internet users said they'd been spending less time reading or watching the news to protect their mental wellbeing, which

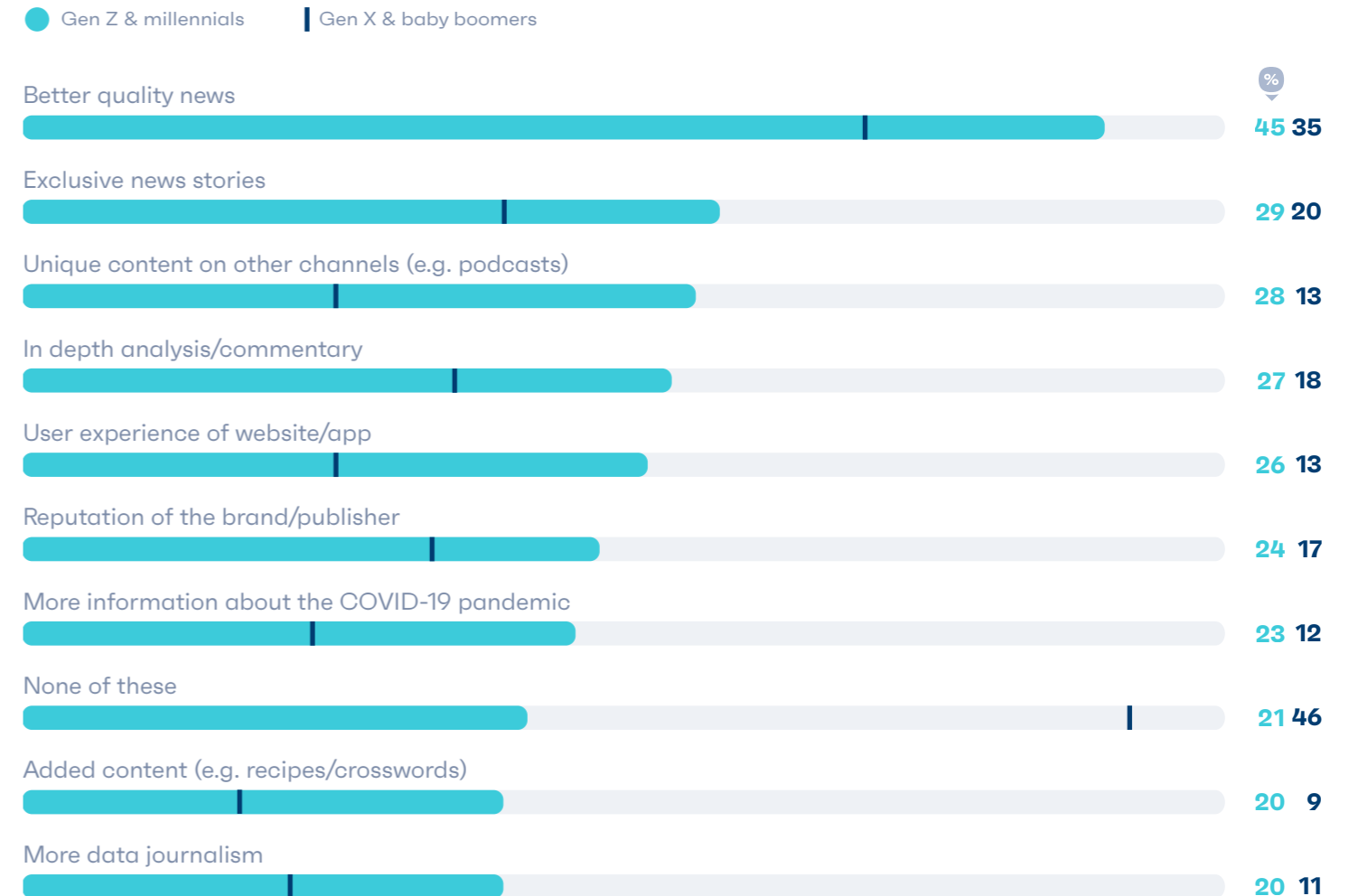
speaks to the impact COVID-related content is having on impressions of the news media.

If publishers or broadcasters are to grow their subscriber base, they need to invest in quality control. They can do this by building or refining a checklist that clearly sets out their standards, and by doing more thorough checks to ensure any work sent out under their name meets these expectations. They can also inject more positivity into stories through a **solutions-based approach**, which takes a look at possible responses to a problem, rather than just naming it.

Quality and exclusivity are gold for news publishers

14

% who say the following would motivate them to purchase a news subscription



GWI Zeitgeist September 2021 10,522 internet users in Brazil, France, Germany, India, Italy, UK, USA



The subscription economy has infiltrated various industries

The pandemic stripped consumers of regular hobbies, outings, and plans, so they had to find replacements in the home. Subscriptions helped people make up for what they were missing, and this payment mode has picked up in a number of industries. In the U.S., the number of fashion and beauty subscribers has grown by 17% since Q2 2020.

The gaming industry saw more subscriptions to cloud gaming platforms and subscription services. Although it's mainly Gen Z and millennials paying for them, growth during the pandemic is mainly owed to older groups: the number of Gen X and boomers using cloud gaming platforms has risen by 19% since Q2 2020, alongside the number using subscription services like XBOX LIVE (15%).


In the U.S., food box services like Blue Apron are popular, with just under a quarter in this part of the world using them. This kind of subscription has also seen a 19% increase since the end of 2020, and more competition calls for more innovation. Food box users in the U.S. are much more likely to say they enjoy entertaining guests at home and usually need help organizing things, which means services can stand out by ticking these extra boxes.

Hello Fresh, for example, has a blog on things like nailing perfect garden party and al fresco dining. Now the world's opened up, subscription services need to remember why consumers took to them in the first place; buyers craved convenience and the opportunity to enrich their lifestyles.

Food and fashion-related subscriptions


% of consumers in the U.S. who pay for the following


 A food box/kit subscription service

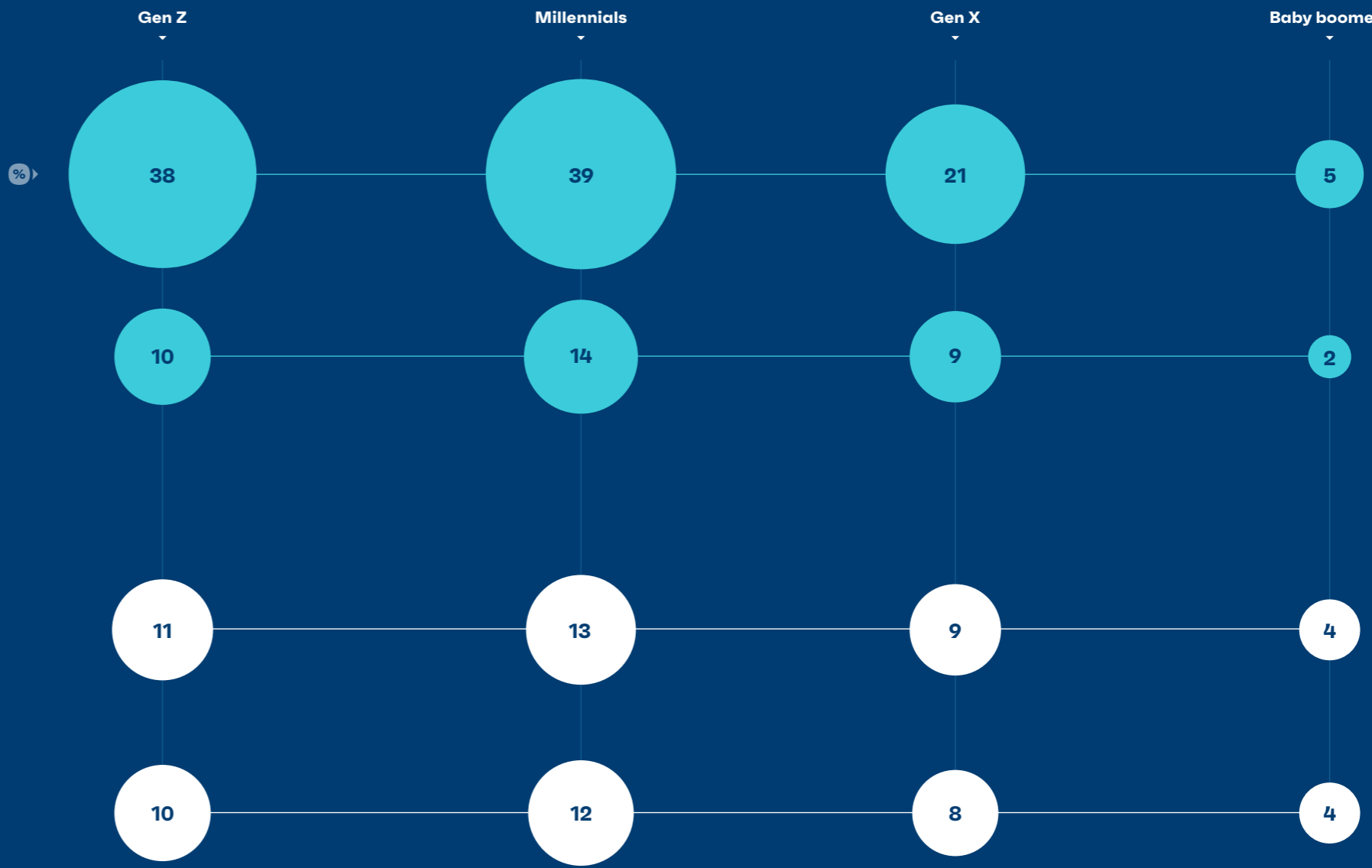
 Beauty/fashion-related subscriptions




Gaming-based subscriptions

% of global gamers who have done the following in the last month

 Played a game using a cloud gaming platform/streaming service

 Used a subscription service such as XBOX LIVE or PlayStation Plus



  GWI Core Q2 2021 & GWI USA Q3 2021
  20,560 internet users in America aged 16+; and 186,925 global internet users aged 16-64

Podcast sponsorship: go big or go home

Many brands haven't tested the waters of the podcasting space, but there's a clear business case for doing so. For starters, our coronavirus **research** showed greater uptake during lockdowns, and the number of consumers who like to listen to podcasts has increased by 9% globally since the end of 2020 - continuing to make steady progress. The fact that this format became more popular when many weren't commuting regularly shines a light on the industry's potential, by showing that podcasts have various use cases. For example, an article published by **The Manual**, a lifestyle blog for men, lists great workout podcasts to listen to.

Consumers either listen to podcasts through an ad-free

or sponsored medium. The great news for brands looking to invest is that 75% of podcast listeners in the U.S. engage with either sponsored versions or a combination of the two, which means plenty of opportunities for brand discovery.

In terms of genre, comedy is most popular among listeners, with news & politics and true crime not far behind. There's no genre that dominates by a large margin, which makes a good case for sponsoring a diverse range of podcasts. Research by **WARC** supports this as it shows that sponsoring a mixture ensures a variety of audiences are exposed to an ad, which covers more ground and leads to better ROI.

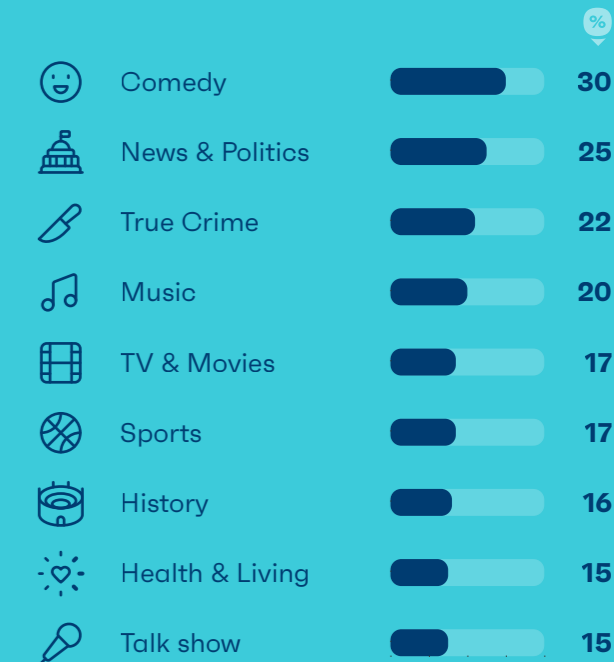
Podcast engagement in the U.S. has increased by 21% since Q2 2020



There's great opportunities to monetize podcast content

16

% of sponsored podcast listeners who engage with the following genres



GWK USA Q3 2021

4,440 podcast listeners in the U.S. who listen to sponsored podcasts or a mix of sponsored/ad-free ones, aged 16+

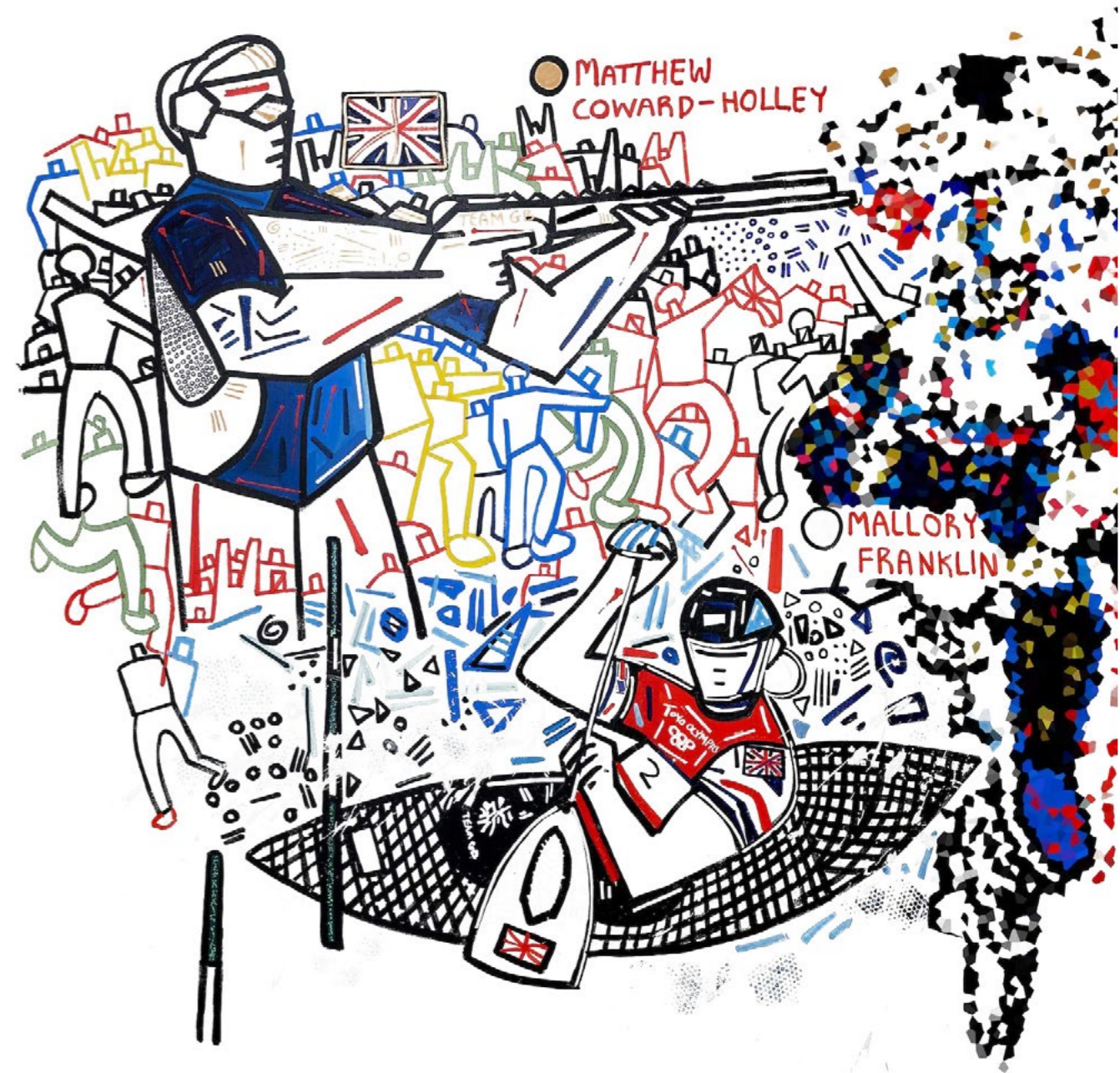
NFTs: what's behind the trend?

Non-fungible tokens (NFTs) have exploded this year, with half of consumers having heard of them. Major brands like Nike and Coca-Cola have thrown their hats in the ring, with Coca-Cola's first ever NFT collectibles earning \$575,883.61 in an online auction. But why are NFTs gaining so much traction?

It's all about money and exclusivity. Among those who have heard of NFTs, the majority feel that buying and selling them can make them a lot of money (42%), closely followed by feeling that it's an opportunity to own exclusive content (37%). Although we can

only speak for early adopters at this point, those who have heard of NFTs are 33% more likely to purchase a product online if they receive exclusive content or services in return. They're also 18% more likely to advocate a brand when they feel involved.

The Great British Olympic team covered these bases when they released an official NFT collection, including unique murals highlighting the team's history. This collection gave buyers the chance to be part of the story and connect with the team when traveling to Tokyo wasn't on the cards.



05

The purchase journey

Catering to the omnibrowser

Influenced by changing online habits during the pandemic, the way consumers discover brands has shifted. As we mentioned earlier, more people listen to podcasts today than in the past. Unsurprisingly then, there's been a 9% rise in the number finding new brands through podcast ads. Now, over 1 in 5 podcast listeners make discoveries while tuned in.

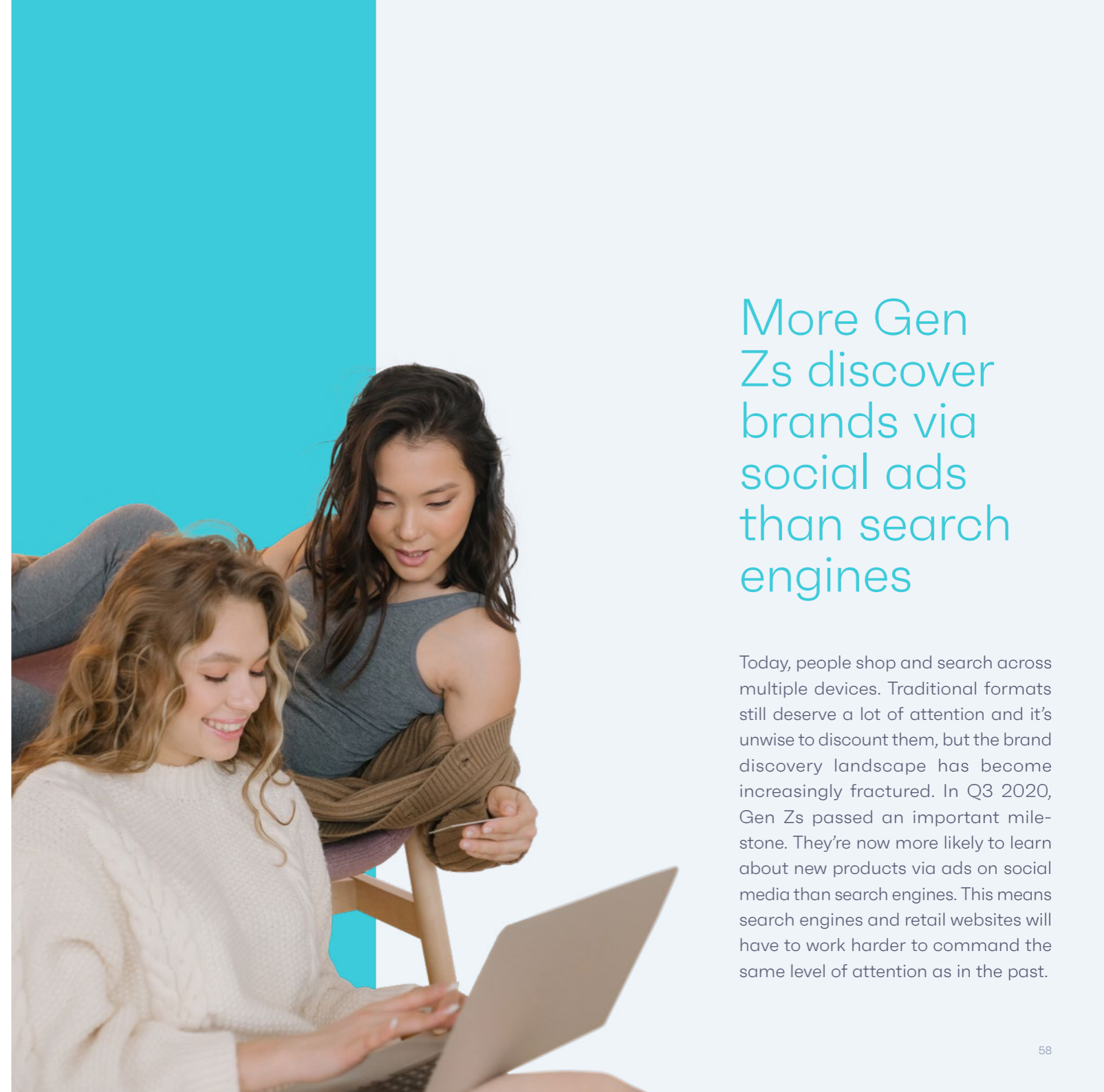
Reach and impact aren't the same thing. While people use and discover brands via traditional mediums like search engines more often, audio builds strong connections between hosts and listeners. Given consumers are also more likely to buy from or promote

brands that offer insider knowledge and are relevant to their interests, the business world should take advantage of the intimacy this format creates.

Spotify has seen a 13% increase in engagement since the end of 2020, and 3 in 5 users have a free, ad-supported account. In light of this, it **reported** a growth in advertising revenue, helped by podcasts, in its third quarter. The company is in the process of **expanding** its Spotify Audience Network – the audio advertising marketplace it introduced last winter. This is yet another sign the audio ad space is growing. For many businesses, placing ads here could be a worthwhile investment.

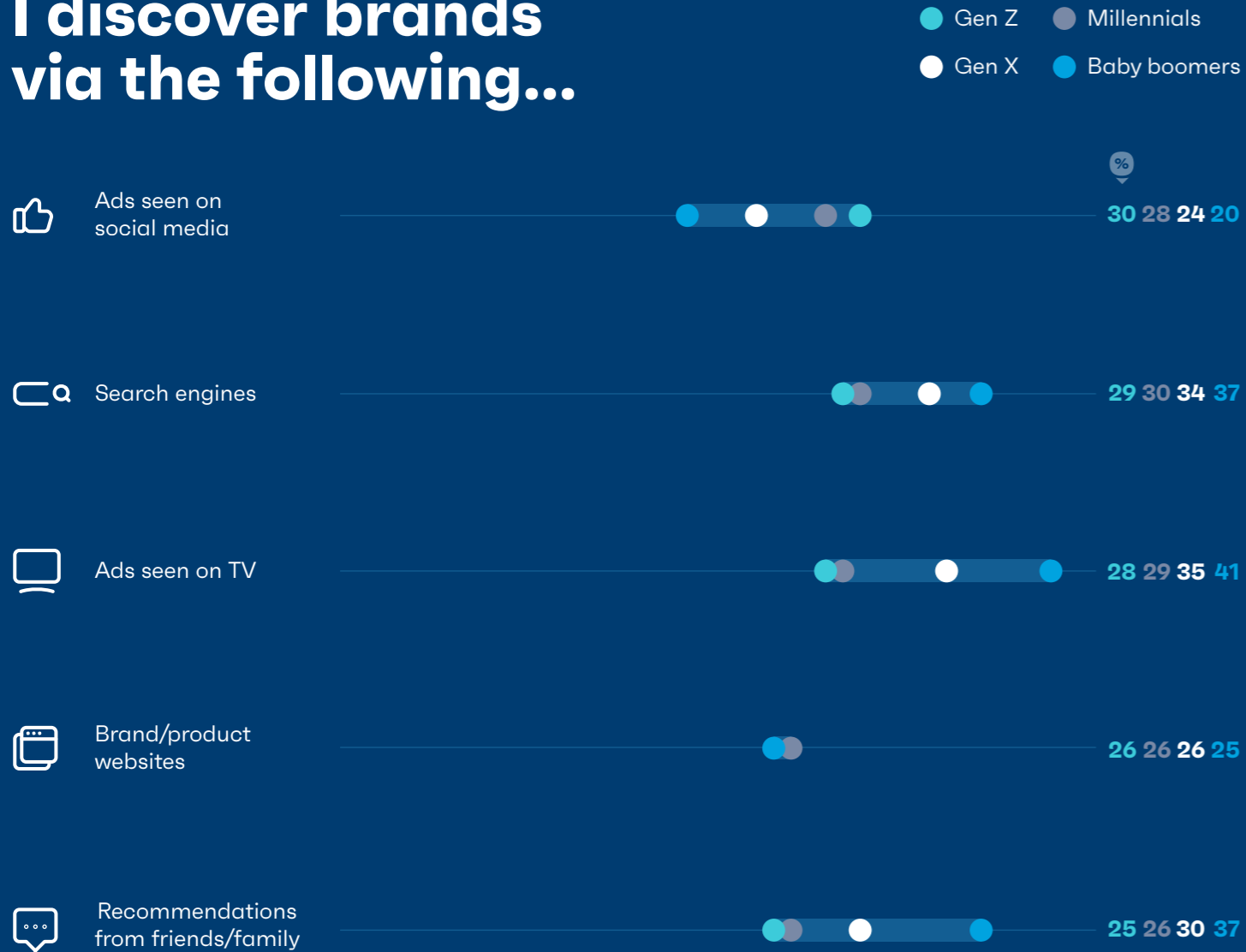
More Gen Zs discover brands via social ads than search engines

Today, people shop and search across multiple devices. Traditional formats still deserve a lot of attention and it's unwise to discount them, but the brand discovery landscape has become increasingly fractured. In Q3 2020, Gen Zs passed an important milestone. They're now more likely to learn about new products via ads on social media than search engines. This means search engines and retail websites will have to work harder to command the same level of attention as in the past.



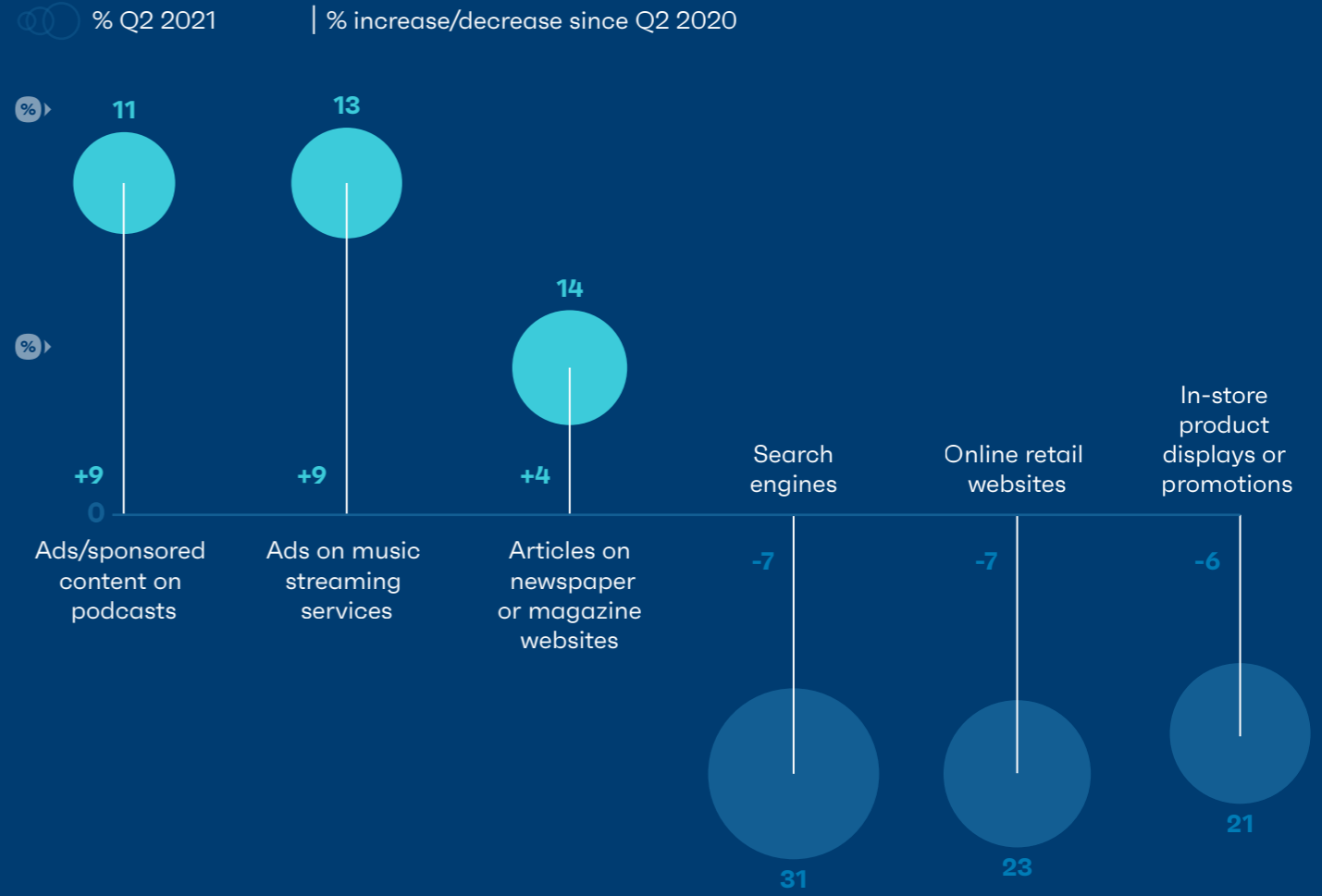


I discover brands via the following...



The top increases/decreases in online discovery

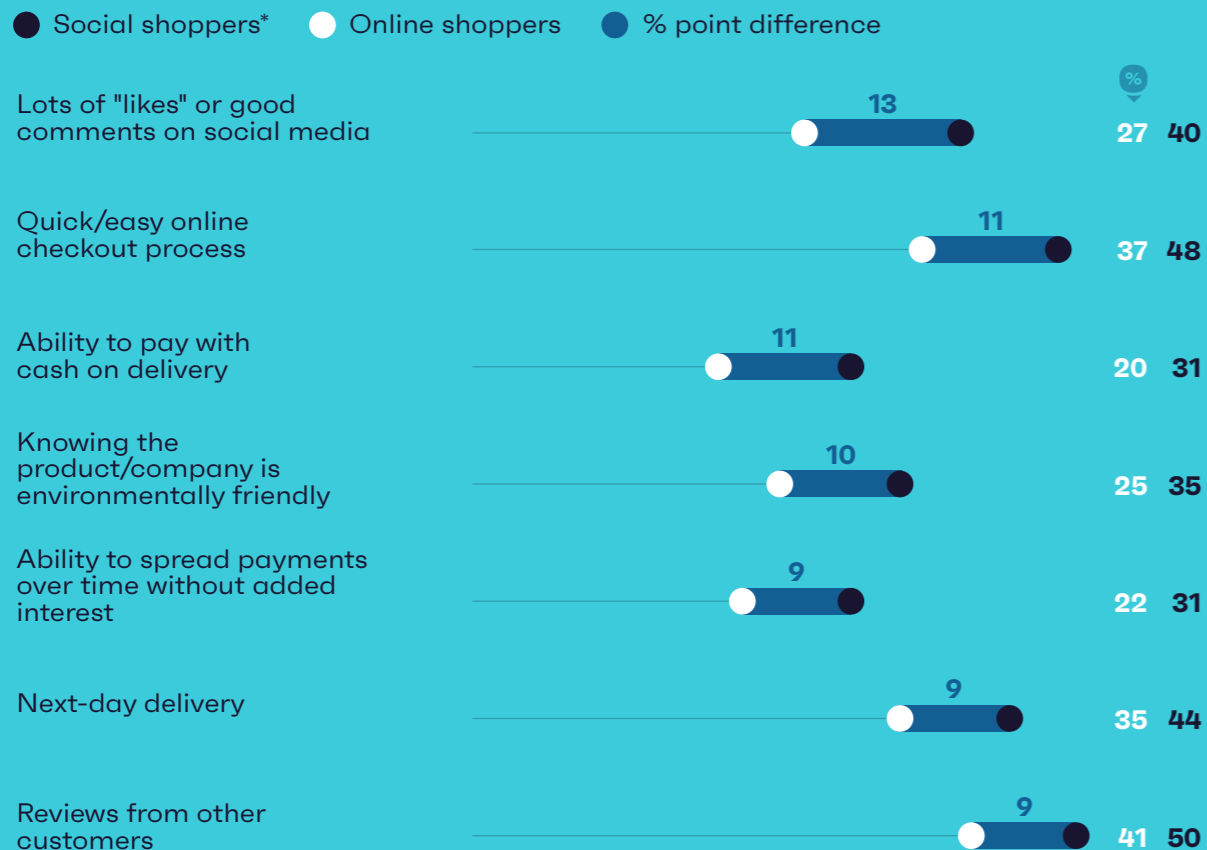
% of internet users who discover brands via the following (sorted by % change)



GWJ Core Q2 2021 186,925 internet users aged 16-64

The main differences between social and online shoppers

% of social/online shoppers who say the following would most motivate them to buy a product online (sorted by percentage point difference)



*Internet users who use social media to find products to purchase, and say at least one of the following is a key part of their path to purchase: social networks, microblogs, or online pinboards.

GWJ Core Q2 2021
76,307 online shoppers and 31,190 social shoppers aged 16-64

Catering to social shoppers

A top challenge for brands is converting online visitors or viewers into buyers. The main reasons for purchasing a product on the internet haven't changed much over time, but there are some demographic and audience differences worth considering.

Financial drivers like free delivery and discounts are most persuasive among older consumers, whereas Gen Z places above-average value in next-day delivery and a product having lots of "likes" or good comments on social media. Speed and reputation matter more to the latter, while price and practicality take center stage among baby boomers.

Compared to online shoppers in general, those who browse and buy on

social media are more likely to be tempted by all the offerings on our list. This makes sense, as those who end up buying on these channels often won't have product research or shopping in mind when they log on. If they're going to give in to an impulsive buy, they want the checkout process to be quick and easy, and the option to pay in the way that best suits them.

On top of a smooth payment process, this group of shoppers is also more conscious of the environmental impact of these purchases. This explains Shopify's decision to expand **Shop Pay** to its merchants selling on Facebook and Instagram. This method promises to offset the carbon produced by shoppers' deliveries by planting trees.

Buying into the green agenda

Globally, consumers highlight being eco-friendly as the most important quality a brand can have, which means they need to do their bit to create a sustainable world. Americans now care more about companies being socially responsible and reducing their environmental impact than improving their personal status and making them feel valued.

What's more, our October Zeitgeist research found that most consumers look for eco-friendly versions of products when they shop online; only 14% say they don't or are unsure. It's also interesting that the gap between groceries and clothes is less than 10 percentage points, as when the sustainable movement first started out, it was generally **centered** around the former. But times have changed. Right

SUSTAINABLE FASHION

58%

are willing to pay more for sustainable fashion items

now, 58% are willing to pay more for sustainable fashion items. There's also no generational preference in the things consumers want fashion brands to do – top of the list is reducing negative impact on the environment (53%), above other elements like having reliable ecommerce channels. Clearly, the greener, the better.

Ethical fashion brand **Lucy and Yak** states that almost 100% of its garments are either organic or recycled. Its postage materials are sustainable too, as it offers 100% recycled paper bags or biodegradable mailing bags. The company's goal is to completely eradicate plastic from the production and distribution of its goods. Brands like these are setting the tone for others, who can win big by following suit.



The gap between food and other categories is quite slim

% of online shoppers who look for eco-friendly versions in these product categories



Environmental factors outweigh cost

% of online shoppers who look for eco-friendly/sustainable versions of products and say the following are most important when deciding



GWJ Zeitgeist October 2021 3,416 online shoppers in Brazil, China, France, Germany, India, Italy, Japan, UK, USA aged 16-64; and 2,815 who look for sustainable versions of products



After tying the knot

Overall, the top reasons for brand advocacy are high quality products, rewards, and good customer service. But companies need to tweak what they prioritize next depending on the age of their target audience.

Motivations to promote brands differ greatly by generation. Gen Zs are especially driven by exclusive content or services, while millennials are more likely to want a product that enhances their online reputation or status. Both generations are also more willing to promote a brand online out of love for it or because a company has made them feel involved. This points to how younger consumers look for mutually beneficial relationships with brands – they’re ready to engage with them, but want something priceless in return.

American restaurant **Chipotle** is a shining example. At the end of last year, the chain ran a “Chipotle Royalty” challenge, giving TikTokers the chance to win \$10,000 for creating a video persuading others that their personal order is the best combination. The three winning entries also became an official menu item for a month. This was a clever move, as by offering fans a stake in their business, the company created buzz around its food and inspired intimacy between brand and customer.

Companies will need to take different steps to appeal to Gen X and baby boomers, who are more concerned with brands nailing the basics. They’re more likely to advocate a brand online if they’ve received great customer service, rewards, or a high-quality product.

Making each generation your brand advocate

20

% in each generation who say the following would most motivate them to promote their favorite brand online (sorted by over-index)

Gen Z

	%	IDX
Access to exclusive content or services	22	1.14
Love for the brand	38	1.14
The feeling of taking part /being involved	24	1.10

Millennials

	%	IDX
When something enhances my online status	18	1.13
Access to exclusive content or services	21	1.09
Insider knowledge about the brand or its products	22	1.05

Gen X

	%	IDX
Great customer service	35	1.03
Rewards (e.g. discounts, free gifts, etc)	40	1.02
High-quality products	47	1.01

Baby boomers

	%	IDX
Great customer service	41	1.21
Rewards (e.g. discounts, free gifts, etc)	44	1.11
High-quality products	50	1.07

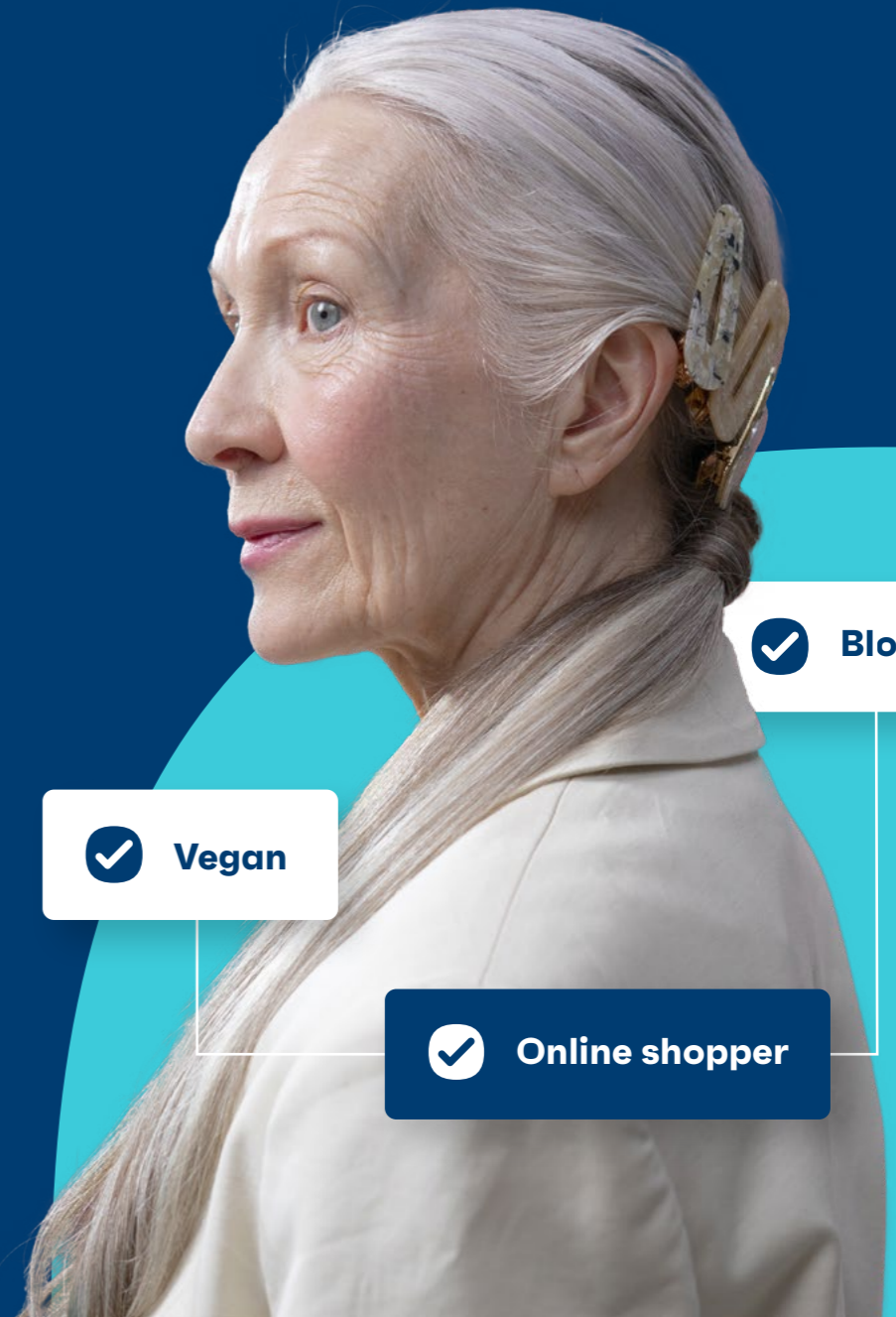
Half of boomers would advocate a brand if they received a high-quality product

This is an online shopper

Things are not always what they seem. Our custom research gives you the power to ask whoever you want, whatever you want



[Find out more](#)



Vegan

Online shopper

Blogger

Appendix

1 In the next 6 months, how do you think your personal finances will change? (Get better)

2 In the past year, which of these things have become more important to you?

3 Which of these statements do you agree with? • Which of these are you planning to do in the next six months?

4 Which of these products have you or your household purchased in the last 3-6 months? • Compared to your last vacation, how much do you intend to spend on vacation travel this year?

5 In the last week, which of these have you watched, listened to, or done online? • Compared to 12 months ago my online shopping behaviour has generally... • Thinking about the future,

I think my online shopping behaviour will generally...

6 Which of these features, if any, do you want to see more stores and retailers offering?

7 When shopping in-store, which of these things are important to you? • When shopping online, which of these things are important to you?

8 Which of these products have you or your household purchased in the last 3-6 months? • In the last month, which of these have you or your household purchased?

9 In the last month, which of these activities have you done on your mobile? (Used an image recognition tool (e.g. Pinterest Lens)) • In the last week, which of these have you watched, listened

to, or done online? (Used a voice assistant (e.g. Siri, Alexa) to find information)

10 Which of these features, if any, do you want to see more stores and retailers offering? (Being able to “try on” products digitally (through an app, virtual reality, etc.))

11 In the last week, which of these have you watched or listened to online? (Live video stream) • Which of the following do you feel describes you?

12 In the last week, which of these have you watched, listened to, or done online? (Used a buy now, pay later service (e.g. Klarna, LazyPlus, Addi, Fen Fu)) • When shopping online, which of these features would most increase your likelihood of buying a product? (Ability to spread payments over time without added interest)

13 In the last month, which of these have you paid for?

14 Which of the following, if any, would motivate you to purchase a news subscription?

15 Which of the following food box services do you use? • Do you subscribe to any services that send boxes of clothing, accessories, cosmetics, etc. in the mail? • Thinking about gaming, which of these things have you done? (In the last month)

16 Do you listen to ad-free or ad-sponsored podcasts? • Which types of podcast do you listen to?

17 How do you typically find out about new brands and products?

18 When shopping online, which of these features would most increase

your likelihood of buying a product?

19 For which of these categories, if any, do you look for eco-friendly/sustainable versions of products? • Which of the following factors are most important when deciding to purchase eco-friendly/sustainable versions of products?

20 What would most motivate you to promote your favorite brand online?

Notes on methodology

Introduction

All figures in this report are drawn from GWI's online research among internet users aged 16-64. Please note that we only interview respondents aged 16-64 and our figures are representative of the online populations of each market, not its total population.

Our research

Each year, GWI interviews over 700,000 internet users aged 16-64 across 47 markets. Respondents complete an online questionnaire that asks them a wide range of questions about their lives, lifestyles and digital behaviors. We source these respondents in partnership with a number of industry-leading panel providers.

Each respondent who takes a GWI survey is assigned a unique and persistent identifier regardless of the site/panel to which they belong and no respondent can participate in our survey more than once a year (with the exception of internet users in Egypt, Saudi Arabia and the UAE, where respondents are allowed to complete the survey at 6-month intervals).

Our quotas

To ensure that our research is reflective of the online population in each market, we set appropriate quotas on age, gender and education – meaning that we interview representative numbers of men vs women, of 16-24s, 25-34s, 35-44s, 45-54s and 55-64s, and of people with secondary vs tertiary education.

To do this, we conduct research across a range of international and national sources, including the World Bank, the ITU, the International Labour Organization, the CIA Factbook, Eurostat, the US Bureau of Labor Statistics as well as a range of national statistics sources, government departments and other credible and robust third-party sources.

This research is also used to calculate the “weight” of each respondent; that is, approximately how many people (of the same gender, age and educational attainment) are represented by their responses.

Sample size by market

This report draws insights from GWI's Q2 2021 wave of research across 47 countries, with a global sample of 186,925 respondents.

	Argentina	1,492		Morocco	980
	Australia	4,276		Netherlands	1,287
	Austria	1,294		New Zealand	1,276
	Belgium	1,289		Nigeria	991
	Brazil	5,797		Philippines	3,132
	Canada	4,851		Poland	2,100
	China	25,167		Portugal	1,297
	Colombia	2,551		Romania	1,277
	Denmark	1,494		Russia	4,337
	Egypt	1,853		Saudi Arabia	1,527
	France	5,067		Singapore	3,041
	Germany	5,041		South Africa	1,578
	Ghana	970		South Korea	1,927
	Greece	1,244		Spain	5,114
	Hong Kong	1,785		Sweden	2,525
	India	13,538		Switzerland	1,485
	Indonesia	5,189		Taiwan	2,273
	Ireland	1,280		Thailand	3,808
	Israel	1,488		Turkey	2,099
	Italy	5,256		UAE	1,731
	Japan	5,283		UK	10,430
	Kenya	1,028		U.S.A.	24,783
	Malaysia	3,837		Vietnam	2,599
	Mexico	4,258			

Mobile survey respondents

From Q1 2017 on, GWI has offered our Core survey on mobile. This allows us to survey internet users who prefer using a mobile or are mobile-only (who use a mobile to get online but do not use or own any other device). Mobile respondents complete a shorter version of our Core survey, answering 50 questions, all carefully adapted to be compatible with mobile screens.

Please note that the sample sizes presented in the charts throughout this report may differ as some will include both mobile and PC/laptop/tablet respondents and others will include only respondents who completed GWI's

Core survey via PC/laptop/tablet. For more details on our methodology for mobile surveys and the questions asked to mobile respondents, please download this [document](#).

Internet penetration rates: GWI versus ITU figures

As GWI's Core Research is conducted among 16-64 year-olds, we supplement the internet penetration forecasts for a country's total population (reproduced right) with internet penetration forecasts for 16-64s specifically. Forecasts for 16-64s will be higher than our forecasts for total population, since 16-64s are the most likely age groups to be using the internet.

Internet penetration rates across GWI's markets
















































Because internet penetration rates can vary significantly between countries (from a high of 90%+ in parts of Europe and North America to lows of around 20% in parts of APAC), the nature of our samples is impacted accordingly.

Where a market has a high internet penetration rate, its online population will be relatively similar to its total population and hence we will see good representation across all age, gender and education breaks. This is typically the case in North America, much of Europe and places in APAC such as Japan and Australia.

Where a market has a medium to low internet penetration, its online population can be very different to its total population; broadly speaking, the lower the country's overall internet penetration rate, the more likely it is that its internet users will be young, urban, affluent and educated. In some Middle Eastern, African and Asian countries (e.g. India, Indonesia), we would also expect a gender-based skew towards males. Generally, younger internet users are more active and engaged with a lot of the behaviors and services tracked by GWI, which means % scores will typically be higher in low-to medium-penetration markets.

Internet Penetration Rates (GWI's Forecasts for 2020 based on ITU 2017 and 2018 data)

The table here refers to the total population in each market.

		%			
	Argentina	83		Morocco	74
	Australia	91		Netherlands	96
	Austria	91		New Zealand	94
	Belgium	92		Nigeria	51
	Brazil	77		Philippines	68
	Canada	95		Poland	83
	China	66		Portugal	79
	Colombia	69		Romania	78
	Denmark	98		Russia	89
	Egypt	59		Saudi Arabia	93
	France	87		Singapore	91
	Germany	93		South Africa	64
	Ghana	51		South Korea	98
	Greece	80		Spain	93
	Hong Kong	93		Sweden	96
	India	47		Switzerland	96
	Indonesia	49		Taiwan	91
	Ireland	88		Thailand	63
	Israel	90		Turkey	80
	Italy	79		UAE	99
	Japan	94		UK	97
	Kenya	42		U.S.A.	92
	Malaysia	86		Vietnam	73
	Mexico	74			

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