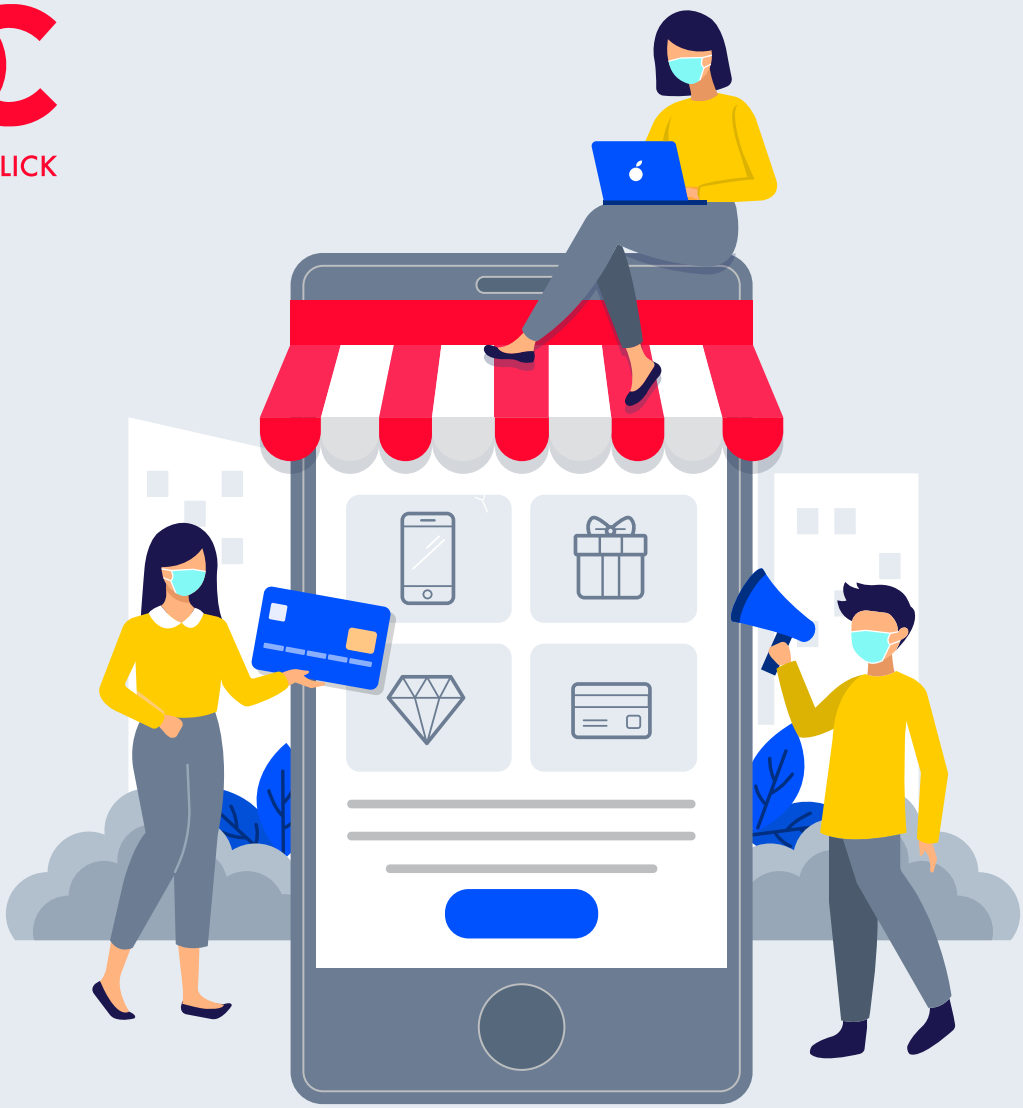
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# The Impact of COVID-19 on E-Commerce

## Key trends for Performance Marketers

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# Introduction

**COVID-19 accelerated ecommerce penetration in retail by almost 10 years. This was a shift that was borne out of necessity and retail marketers were left scrambling to adjust their strategies to cope during the pandemic itself.**

But what does the impact mean for retailers in the medium to long-term, and how do they take advantage of new opportunities while taking into account recent changes in the way that consumers view buying online?

We put this guide together to provide our thoughts on where the market is – and where it will go.

Hope you find it useful.

**Scott Donnelly**
Digital Strategy Director
QueryClick



# COVID-19 has forced many more retail buys online

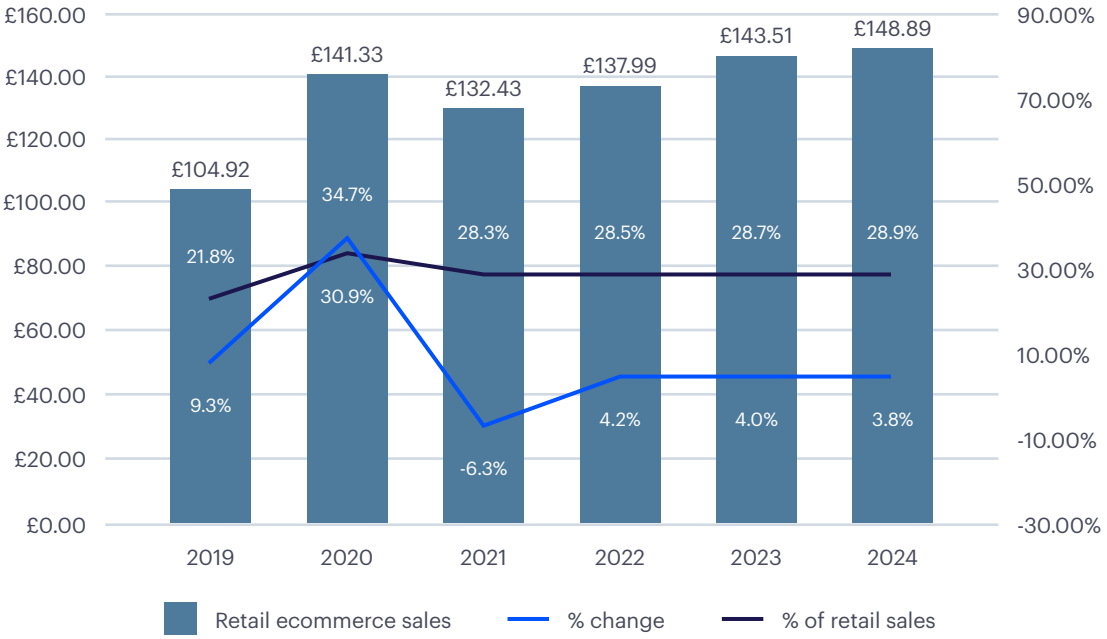
**COVID-19 accelerated consumer shifts to retail ecommerce by almost 10 years.**

The reality is that shopping habits changed almost overnight. Whether it was down to panic buying, the need for health-related essentials - like protective masks - or the increased trend to ordering takeaway for home delivery, the shifts have been truly seismic.

Not to mention the emergence of buyers who previously would not have been comfortable buying online – but have been forced to do so.

**UK Retail Ecommerce Sales, 2019-2024**

billion of £, % change and % of retail sales




Figures from emarketer show how ecommerce sales jumped up **by 34% or £36bn year on year** between 2019 and 2020, and despite a slight predicted fall in 2021, as offline retail opens up, how sales will continue to grow.

# Customers began to purchase new product types online vs. pre-pandemic



And what consumers bought online has changed during the period.

In fact, according to The Shape of Retail: Consumers and the new normal report **38% of customers said that they had bought a product online that they would not have purchased pre-pandemic.**

With the following sectors benefiting in particular:

**Health**

**Hygiene**

**Home Essentials**

**Food & Beverage**

For example, the UK online food and grocery retail market has seen huge growth with Tesco doubling its capacity to meet home delivery orders in response to the increase in demand.

Although many will continue to buy in this way, there is also likely to be a shift back to offline as things open up.



## There is evidence that many customers will shop online more frequently

Data from the Global Web Index suggests that 49% of UK customers intend to shop online more often in the aftermath of the pandemic.

As they look for some of the key benefits of this type of shopping including:

- Direct to home delivery
- Better value and in particular cheaper prices than offline
- More convenience
- 24/7 access and availability

## Local and altruistic behaviour matter

There are also two additional trends that are important for retail marketers to take into account as they craft their strategies for online:

- **Local matters** – there has been a genuine move to consumers taking a very caring attitude to local business and trying to help them through a difficult time and ensuring they keep their doors open. In fact, research by payments provider Adyen highlighted that 63% of consumers took this approach. And 73% would continue to support businesses that they relied on during the pandemic
- **Social conscience also has an impact** – with 59% indicating that they would go out of their way to support brands that had showed a social or charitable focus during the pandemic

# Key retail ecommerce drivers for 2021 and beyond

So, the changes in online retail represent a significant opportunity for retailers.

But what are some of the other trends that are shaping the market right now. And how do you ensure that you are in the best possible situation to exploit this to the full?

## Speed and experience are key as the market changes

We think there are 3 key areas that you need to focus on:



### Optimise Page Speed

Ensure that your site complies with best practices **to load fast and perform smoothly** for customers. As **53% will abandon a site** that takes more than 3 seconds to load.



### Upgrade Checkout Experience

**Remove friction** from the checkout process in order to increase conversions. One-tap checkouts or allowing direct purchases without AtB stages.



### Automate Promotions

**Auto-add promotions** as users add products to their basket/checkout. This helps to remove friction of adding codes at the conversion point.



And all of this is even more important on mobile devices – with Google switching to mobile first indexing in March 2021 **mobile ecommerce accounting for 92%** of total ecommerce growth even before COVID-19.

# Focusing on page speed can transform results for retailers

Fundamentally, page speed really matters and, as we covered in a recent masterclass workshop, has a significant impact on ROI.

## But why is it important in the first place? Essentially for 2 reasons:

### Google's Algorithm

Mobile page speed is already vital to SEO and is used by Google's algorithm as an important signal for search result rankings. If your website fails to meet Google's mobile page loading benchmarks you can expect to drop out of top rankings for competitive keywords in place of faster-loading competitors. You'll also find it difficult to see ranking improvements from additional SEO work if you have slower loading times than the current top results

### User experience

It isn't just Google's algorithm you need to consider. Page speed is also vital to user experience, with slower-loading pages showing higher bounce rates and lower average time spent on-page. In short, page speed must be at the top of the development list for every retail brand with a stake in web performance



**0.1s** improvement can increase revenue by up to **18%**

And the stats here are the really eye-opening aspect of this. As Deloitte pointed out in their research on luxury retail and travel sector websites an **improvement of just 0.1s can increase revenue by up to 18%.**

But page speed does not only improve organic performance, it also greatly impacts conversion – a fast website and better conversion are tightly linked. And improving the on-site experience is key to getting new customers to spend with your brand.

# What are Google's mobile page speed benchmarks and how do you compare?

**Google's current benchmarks for mobile page speed are:**

**1.3**

1.3 seconds for Time to First Byte (the speed and responsiveness of a mobile web server)

**3**

3 seconds for Speed Index (how quickly the mobile page displays content to users)

**500**

Less than 500KB in 'page weight' (the total size of a mobile webpage in bytes)

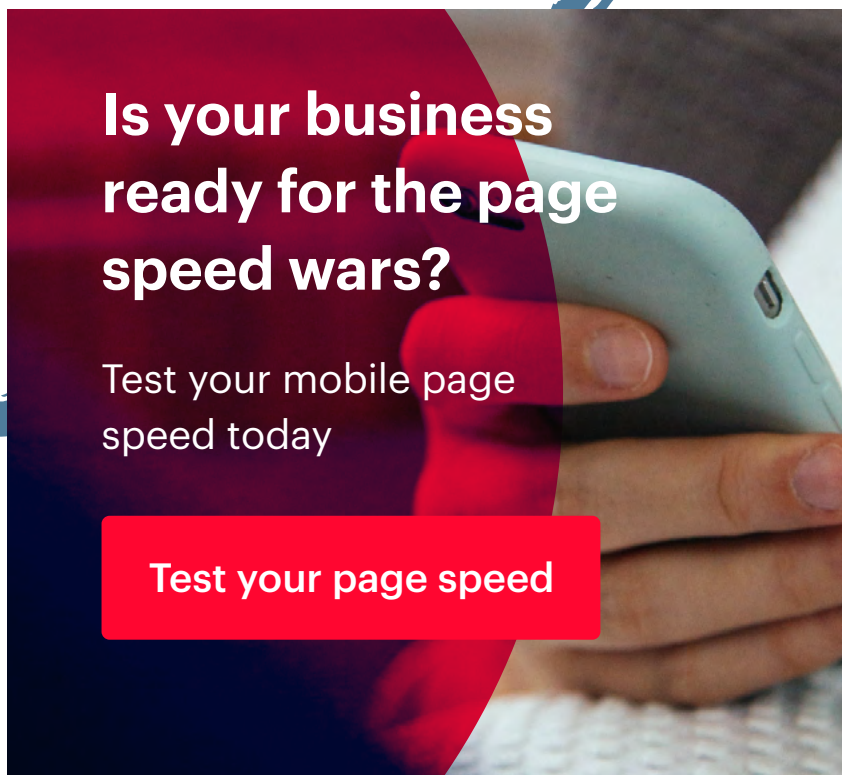
**50**

Fewer than 50 'requests' per page (the number of individual pieces of content needed to display the entire mobile page)

**90**

90 out of 100 for Google's Mobile Page Speed Score

**Ideally, a website should take less than 3 seconds to fully load and be interactive by users.**



# Some additional considerations - retention and loyalty vs full out acquisition

**In addition to some of the considerations above retail marketers also have to take account of the fact that:**



### Paid media costs have increased

especially via Facebook and Paid Search. Partly due to increased ad spend during the pandemic and increased competition for digital space



### The advent of iOS 14 and 3rd party cookies

is going to transform the way that retail marketers prospect for new customers. And there will be opportunities and challenges around that

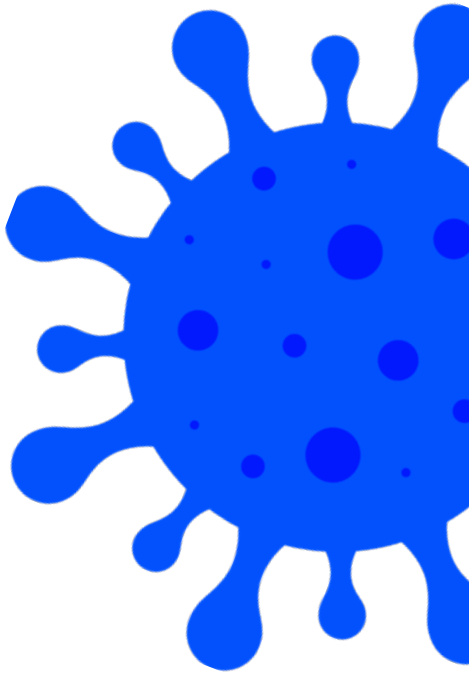


### Leveraging your own 1st party data

will be key in all of this for customer acquisition (via 'lookalike' audiences) and to drive retention and loyalty which is going to be pivotal for retail ecommerce brands

So, there is very little doubt that COVID-19 has had an unprecedented impact on the ecommerce retail market from the huge boost in revenues as a direct result of customers being 'locked' down for long periods to shifts in the types of products and services they buy online.

The key to take advantage of this new market potential is to focus on site speed and ensuring a frictionless customer experience that enables you to boost revenues. And keep your eyes on the prize – research by Statista shows that the market in the US alone with be worth **$348bn** sales in 2023 – up from **$808m** in 2014.



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# Talk to us

Founded in 2008, QueryClick is an independent digital marketing agency focused on data-driven insights and pioneering in-house technology.

With offices in London and Edinburgh, we deliver multi-channel insights and strategic consultancy to a wide range of retail clients including Otty, QUIZ, Tesco and B&Q.

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