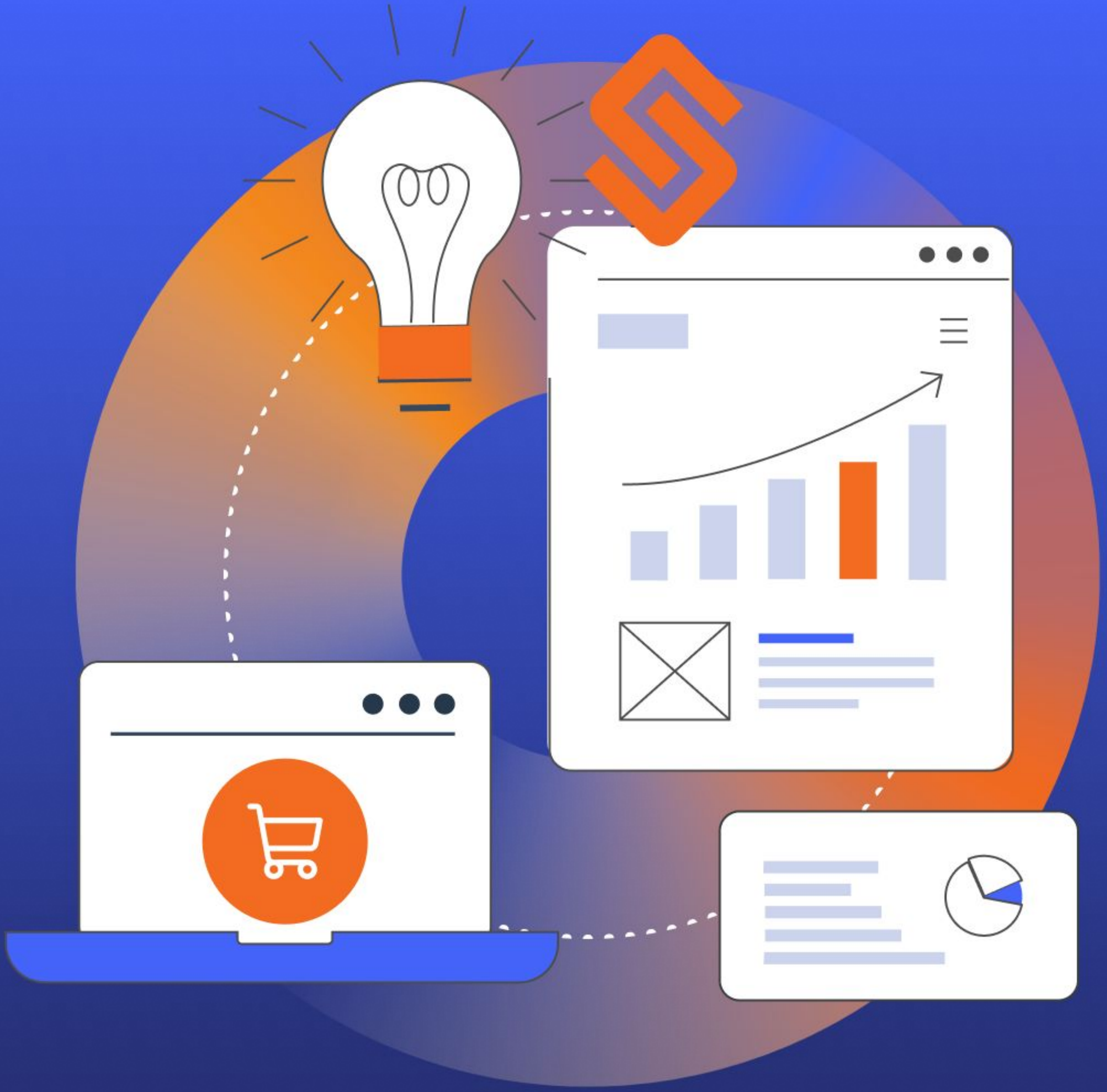
CPG eCommerce & Promotions SmartReport

March 2024



2024 CPG eCommerce & Promotions SmartReport

We regularly assess the landscape of ecommerce and promotional trends to track changes in consumer shopping behaviors. There are usually some interesting insights that come out of the survey, and this year was no different!

Let's start with what stayed the same: using an online cart as a shopping list is still very much a thing, and consumers continue to build these lists predominantly on mobile. Inflation and out-of-stocks are still heavily influencing behavior and purchase decisions. And social is where it's all happening when it comes to product discovery, with Facebook still being the go-to when you look across the board.

So, what's changed? When you break down social influence by age, things get way different (i.e. it's not all about Facebook). Fulfillment is seriously in flux, and one thing is for sure – shoppers want options (hello, omnicommerce!). And there's been a significant increase in people shopping from their PC/laptop, likely due to many returning to the office post-Covid.

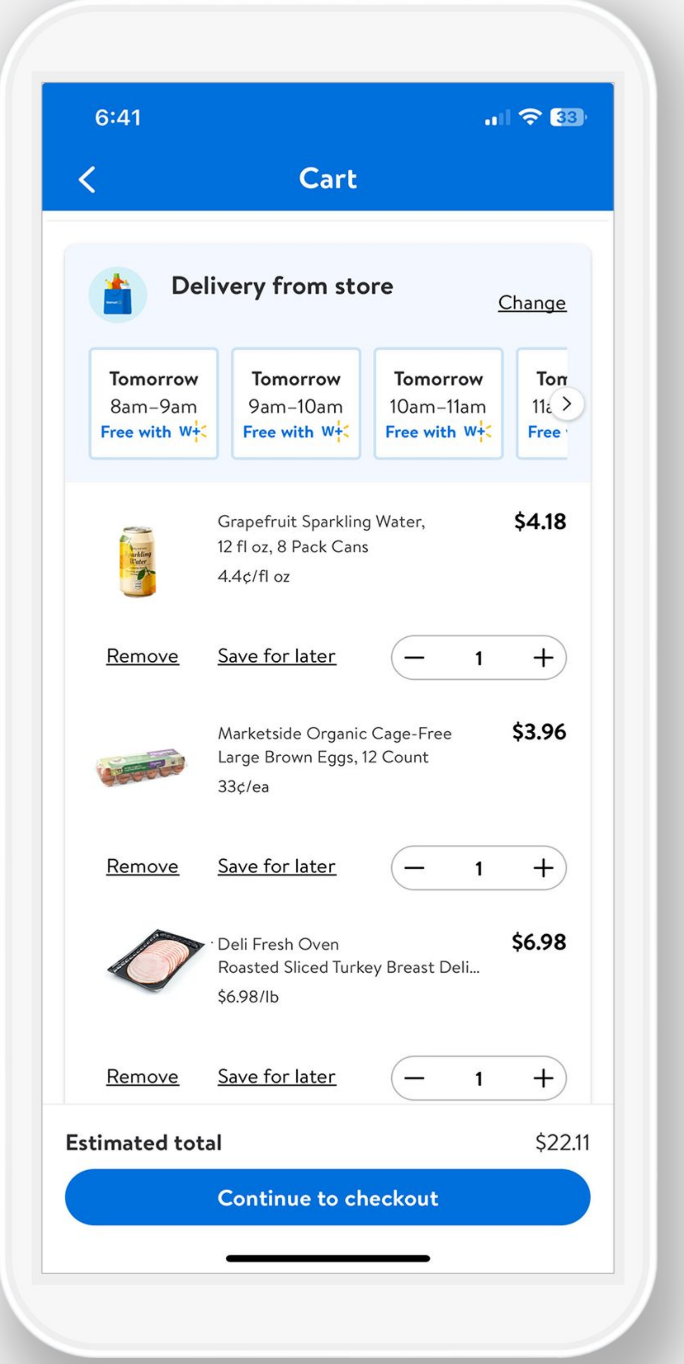
Read on for all the in-depth stats and insights.

Add to cart, add to list

It's pretty much the same thing!

The majority of consumers now use online carts to build their shopping lists over time **(60%)**. While the online cart is often used to checkout online, it's also a tool consumers are using when they are in-store.

It's clear they are relying heavily on the cart as a tool to help them shop whenever and however they'd like.



90%

Opting For Online

90% of consumers report they now shop online for groceries, personal care, and home care items, with only **10%** saying they never purchase these items online.

Varied Paths, Varied Preferences

Both men and women cart-build over time, but when it comes to completing the purchase, **women** are more likely to do it online; whereas, **men** are more likely to blend how they complete their purchase, mixing both in-store and online.

Mobile game is still strong.

But not quite as strong as it was last year. There's been an uptick in laptop/PC use to build their shopping lists (our hunch: this is likely due to people returning to the office post-Covid).

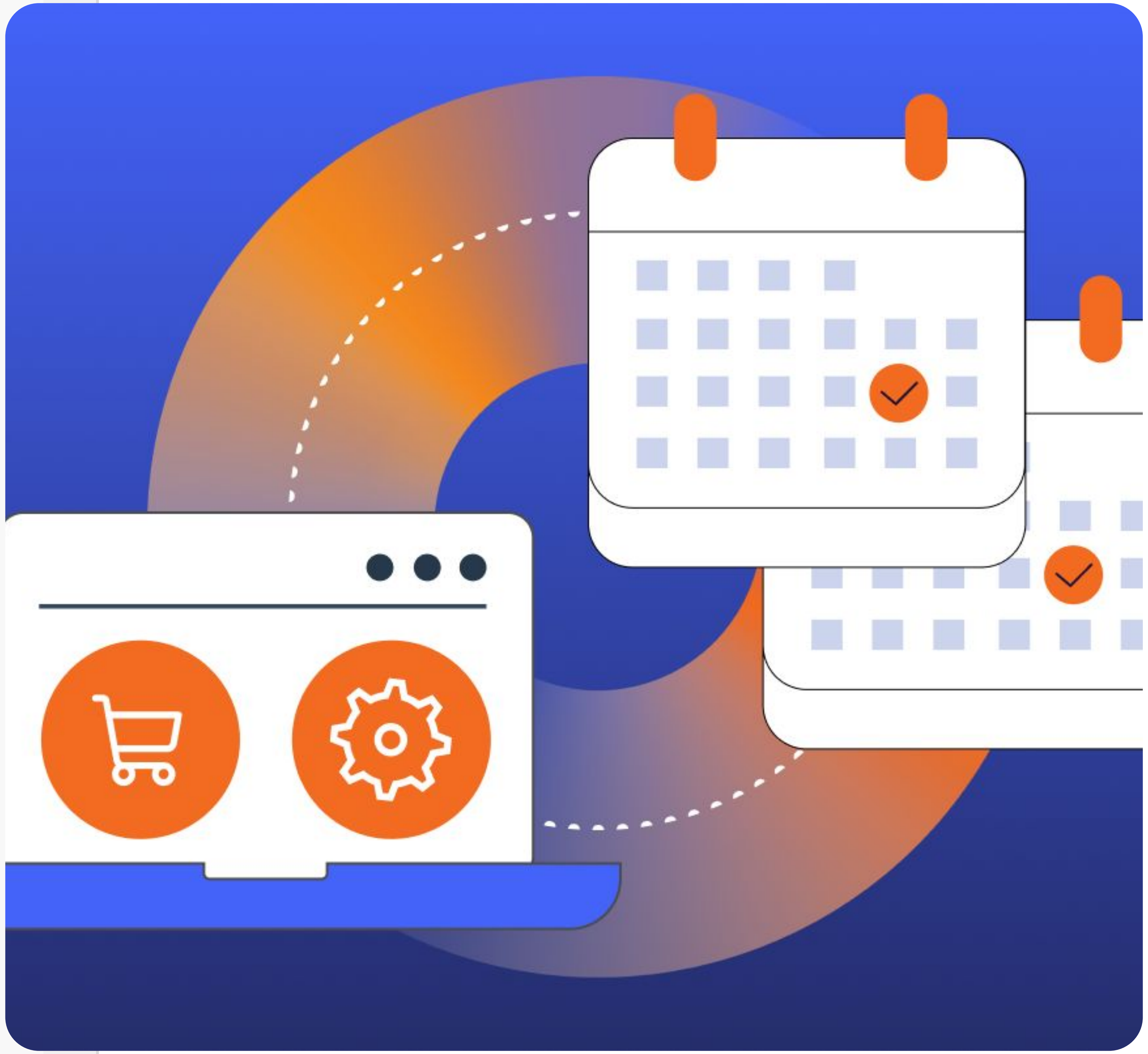
A Bump In Laptop Use

When it comes to the device consumers use to **build their list**, mobile is still what the majority uses (65%), but that's down from last year's 80%. There's been a doubling (!!) in the use of **PC/laptops** (from 11% to 21%) year over year, driven primarily by consumers in the 35+ age range.

And the device consumers are using to **complete their purchase** has shifted a bit as well. This year, 55% used mobile to check out (also down from 69% last year) and 18% used a PC/laptop (up from 9% last year). Meanwhile, despite reports to the contrary, the increase in those going in-store was only 3%.

Subscriptions aren't for everyone.

The more income a consumer has, the more likely they are to sign up for subscriptions. And most are keeping it to a few key items (1–3), rather than putting a bunch of items on auto-replenish.



Subscription adoption varies by income and age

When it comes to subscriptions, things have stayed steady YOY, with **2 out of 5** shoppers signed up for them. Income plays a key role here: **55%** of households with income >$100K are enrolled, but only **31%** of households with income <$100K use them.

There's been a **significant increase** in subscriptions for the **35–44 age** group (jumping from 40% to 55%) and a **significant decrease for shoppers under 25** years old (going from 53% to 41%).

Inflation & OOS Issues

Inflation continues to greatly affect consumer behavior.

Inflation continues to keep consumers focused on savings. And in terms of savings tactics, things haven't changed much year-over-year.

Saving Strategies

Coupons are the go-to way to save (21%), with simply buying fewer items being a close second (20%). Tied for third place: buying in bulk (17%), opting for different brands (17%), and shopping at different stores (17%).

There's an interesting differential when it comes to making changes to store choice in an effort to save money: It's the men making changes (30% tried new stores, 29% increased online shopping), while the women were not as open to switching retailers.

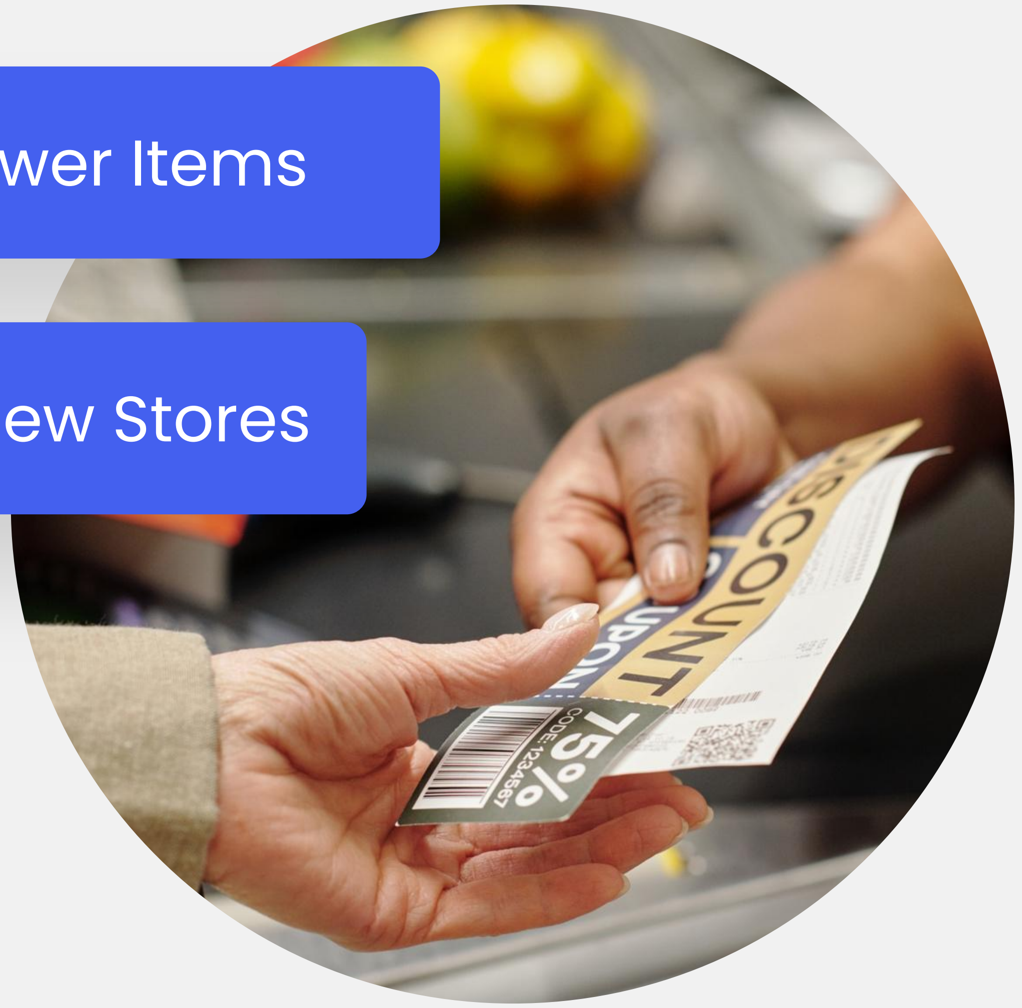
21% Using Coupons

20% Buying Fewer Items

17% Buying In Bulk

17% Trying New Stores

17% Trying Different Brands



OOS continues to be an issue.

We are several years post-Covid, and, out-of-stock items are still a big issue, putting brands and retailers at risk of losing sales without a substitution plan.

OOS Woes Continue

67% of consumers said that they had found grocery, personal care, and home care products/brands they were shopping for OOS in the last two weeks. Consumers further noted that when facing an OOS situation, **54%** are most likely to substitute with another brand (vs. waiting or substituting with private label).

Loyalty Lines Blur

So who are the most brand-loyal shoppers? Men and women are neck-in-neck in this category, and it's the **55+** age group that's most willing to wait for an item to come back in stock.

Marinate on This

SmartSubstitutions ensure you don't miss out on a sale when an item is OOS. Request a demo below to see how it works!

Request a Demo

Social Commerce

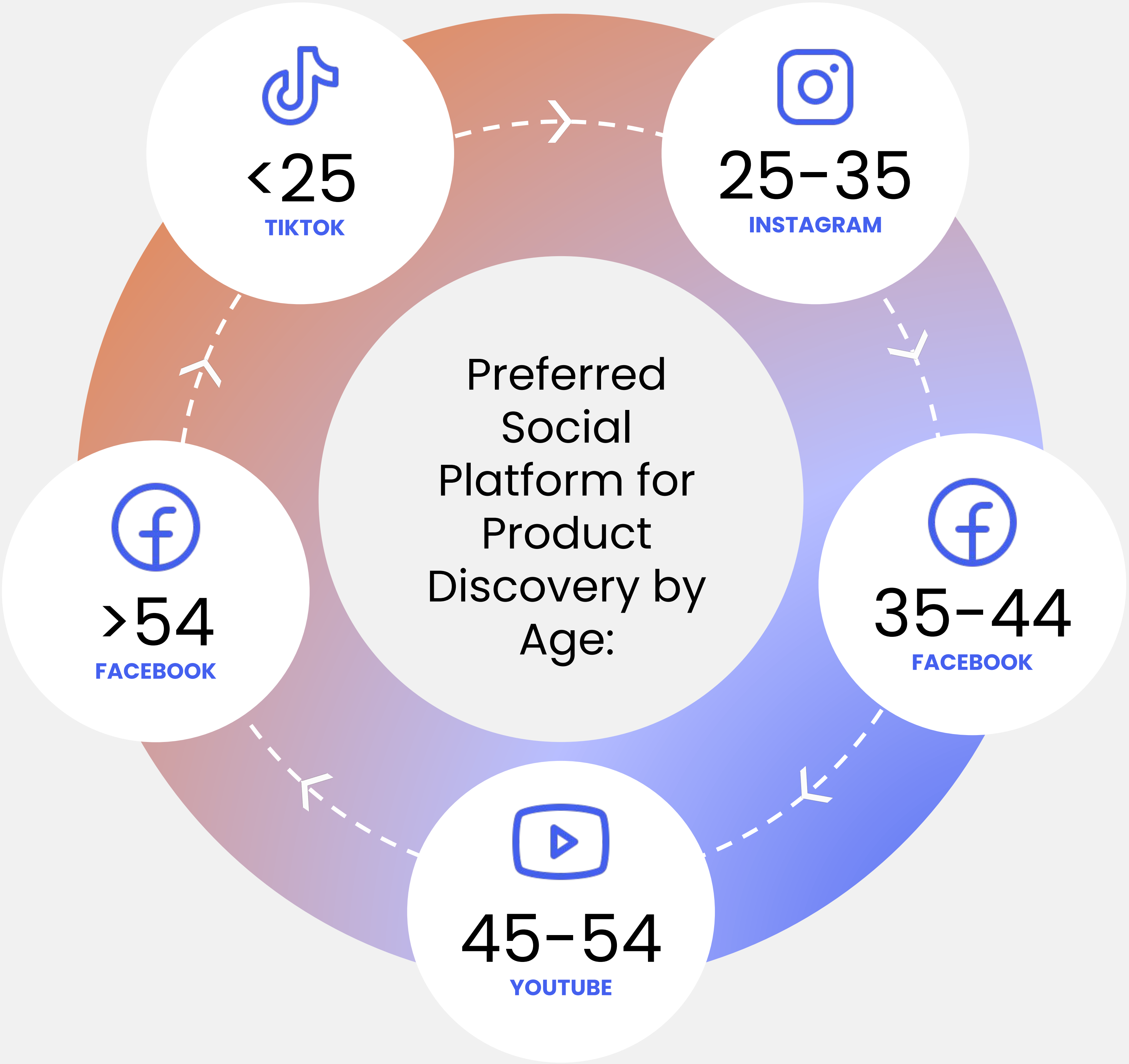
Social media's got the product discovery power.

It's not news that the majority of product discovery is happening on social media, and Facebook still reigns king when you look across all age groups.

Social Studies

While Facebook still has a slight advantage broadly, when you look by age group, there are no go-all-in winners. This means it's important to spread your sponsored posts among multiple platforms, based on your key demographics.

Additionally, when you look at the shopping influence of social by gender, **YouTube** tops the list for men, while **Facebook** is where the women report being most heavily influenced.



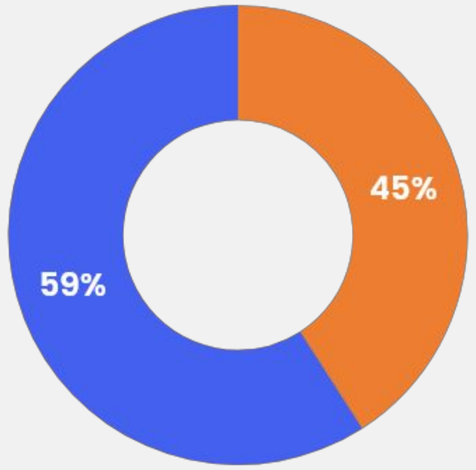
Social Commerce

Social shoppers are likely to purchase.

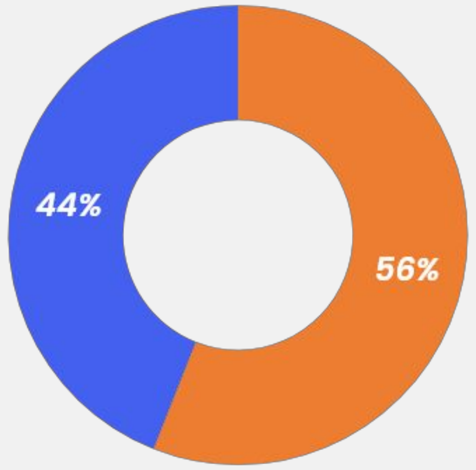
Not only are consumers discovering products on social media, but they're also purchasing these items a lot of the time. So cue those sponsored social posts!

Social Shopping Insights

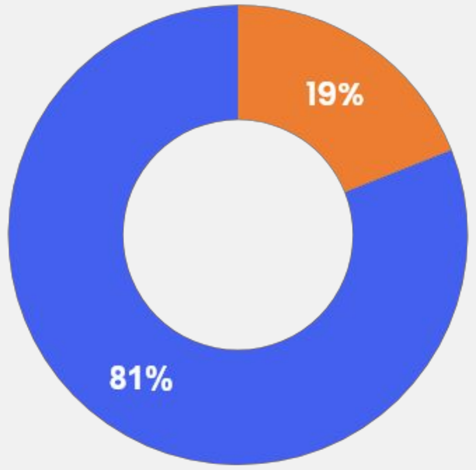
Of course, things get more interesting when you hone in on who's actually shopping from social media across age demos. While, an impressive **33% of consumers** have purchased items they found on social in the last month (and another 15% say they are planning a purchase soon), the 35-44 year old demo leads the way. Check out the breakdown by age group below.



45%
Under Age Of 45



56%
Ages 35-44



19%
Over 45

Now for a Real Surprise!
Men are way more easily influenced, as 45% have purchased something they saw on social media in the last month vs just 24% of women.

Social Shopping Category Winners

Personal care and beauty rank high among the most-discovered products on social… but there are success stories across CPG categories!

The Category Breakdown

So, what types of products are consumers discovering and buying the most on social media?

- **45%** Personal Care
- **36%** Beauty
- **33%** Homecare + Laundry
- **31%** Frozen + Packaged Goods
- **27%** Beverages
- **25%** Fresh Fruits + Vegetables
- **21%** Beer, Wine + Spirits

Fulfillment & Logistics

Fulfillment method fluctuations are aplenty.

Options, options, options is what consumers want when it comes to fulfillment – a mix of in-store, online, delivery, and curbside pickup. So give the people the omnicommerce experience they want!

Fulfillment Trends

Consumers have significantly shifted their fulfillment habits, **with 1:3 shoppers changing shopping behaviors up in the last 6 months**. Of those who have changed, here's what they say they are doing now…

33% have started buying more online than they used to.

31% have started going in-store more often, and the majority said it's because it's easier and faster to just shop themselves.
Note: For those consumers that are going in-store more often, 58% also said it was for inspiration and because they love finding new things, so hint, hint: spark more inspiration online!

31% are doing more blending of delivery, pickup, and shipping.

The Key Takeaway for 2024?

Adaptive retail is the path to success. As Walmart Global Chief Technology, Suresh Kumar said, "Omnichannel retail has been around for decades, this new type of retail – adaptive retail – takes it a step further. It's retail that is not only ecommerce or in-store, but a single, unified retail experience that seamlessly blends the best aspects of all channels."

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eCommerce & Promotions Survey Methodology:
Sample size: 600, United States

Age: 18+
Female: 56.00%
Male: 44.00%
Survey period: February 15, 2024

Note: Responses were collected through a polling software that works within a network of apps to offer appropriate non-cash incentives in exchange for response to the survey. The panel may be more likely to engage with online tactics since the survey was completed through an app network.

Want to know more? Want to add questions to the next survey?

Get in touch with us:
sales@smartcommerce.com