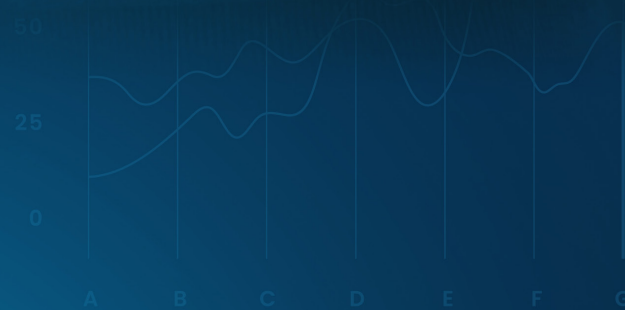


Consumer Preferences in the Digital-First Economy

The State of Online Marketplace Adoption by Mirakl

January 2023 Release | Global Consumer Survey



Consumer Preferences in the Digital-First Economy

Spotlight on U.S. Consumers¹

Facing inflation and an uncertain economy, U.S. businesses and consumers alike are making tough decisions – choosing what to prioritize in a shrinking budget, and looking for new strategies to make their money go further. Mirakl's 2023 *State of Online Marketplace Adoption* found that U.S. consumers are taking specific actions as they seek to find more value as they shop, giving brands a roadmap to survive and thrive during a potential downturn and beyond.

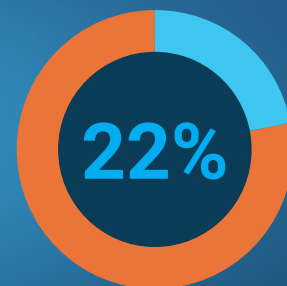
According to the survey, 86% of U.S. consumers are looking for better value when shopping as a result of inflation, and for the most part, they're finding that value online. **More than half (53%) of U.S. respondents say that shopping online has delivered better value during times of high inflation, and 71% expect to increase their spending online over the next 12 months as a result.**

Whether for greater value, wider selection or a better experience, it's clear that in 2023, consumers will, it's clear that consumers will increase their focus on the digital economy. Here are three key takeaways that define U.S. consumer perspectives on commerce as they navigate this period of transition.



Rising prices reshape U.S. consumer spending behavior

American shoppers are taking a variety of approaches to lessen the sting of rising costs. Four in 10 (40%) respondents say they focus on which brand offers the best deal, and **only 22% say they continue to shop with the brands they trust, regardless of price.** Three in 10 (29%) U.S. consumers say they seek generic/lower-cost brands only, further demonstrating how brand loyalty is eroding as a result of reduced purchasing power.



of U.S. consumers say they've continued to shop only with brands they trust, regardless of price.

¹ The *State of Online Marketplace Adoption* surveyed 1,000 U.S. consumers on their shopping habits and preferences. The survey was conducted by Schlesinger Group, an independent research company.

Better product availability drives shoppers online

Both on a U.S. and global level, supply chain challenges and difficulties predicting what customers want have left businesses struggling to keep their most popular products on the shelves, and shoppers are changing how they buy as a result. *The State of Online Marketplace Adoption* found that **53% of U.S. consumers are shopping online more frequently due to out-of-stock products in stores**. More than half (52%) of consumers say they'll look for an item online often or very often if they can't find it in-store. If they find it, 71% are more likely to look online for it the next time they need that product.

About five in 10

U.S. consumers are shopping online more frequently due to out-of-stock products



American consumers prefer marketplaces

The new report also found marketplaces at the center of U.S. consumers shift towards online shopping. Consumers reported using marketplaces for 46% of their overall online shopping, and **39% reported shopping on marketplaces once a week or more — compared to 28% of overall global respondents**.

Marketplaces prove to be a differentiating factor for American shoppers. Three in five (60%) respondents say they prefer eCommerce sites that include an online marketplace to those that do not. When asked why, more than half (55%) of respondents cited both the better prices and selection offered by marketplaces. **Driven by value, a majority (51%) of U.S. consumers say they wish more of their favorite retailers had online marketplaces.**

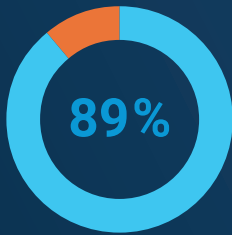


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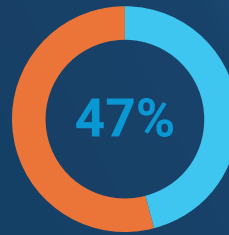
Read on to discover additional insights on global behaviors and perceptions of online marketplaces in *The State of Online Marketplace Adoption*.

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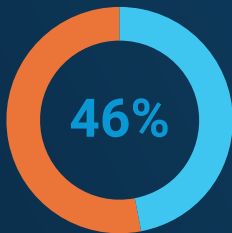
Key Takeaways



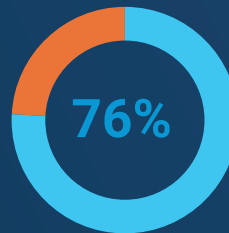
Value is playing a bigger role than ever in commerce, with **89% of consumers** saying inflation has made them look for better value



Inflation is the leading concern of consumers when shopping today, **cited by 47% of respondents**



Consumers globally conduct **46% of their online shopping** (on average) through marketplaces, a 10% increase year-over-year from 2021



When a product consumers typically purchase in store is out of stock, **76% of respondents** look for the same product online

One year ago, Mirakl published the first edition of *The State of Online Marketplace Adoption*. Collected in the midst of a strong economy, the survey data demonstrated remarkable consumer confidence and momentum for eCommerce, as well as growing adoption of online marketplaces. Building off the rapid acceleration for online shopping from the Covid-19 pandemic, brands made big bets on eCommerce and digital advertising strategies — expecting high-frequency power shoppers to drive increased revenues for years to come.

But one year later, the economic picture has changed. Consumers throughout the world are concerned about the rising costs of everything from housing and fuel to food and basic necessities. Companies that made big bets during the economic boom find themselves prioritizing margins

and profitability first. Above all else, consumer decisions are now driven by value — making the most out of their diminished purchasing power while simultaneously preparing for an uncertain economic future.

The second edition of Mirakl's consumer survey reveals current consumer attitudes about online shopping, the economy as a whole, and platform models including drop ship and enterprise marketplaces. The data shows consumers in a period of transition: brand loyalty is falling away as consumers prioritize value and reliability; online shopping is playing a significant, and growing, role in people's lives; and consumers are adopting new behaviors, pointing to a future in which they spend more of their time and money online.



The State of Online Marketplace Adoption surveyed 9,600 global consumers from 16 countries on their shopping habits and preferences.¹ The survey was conducted by Schlesinger Group, an independent research company.



Brand loyalty fades as inflation pushes consumers to seek out deals

Across retail verticals, whether online, in-store, or both, consumers will develop close relationships with the brands they love and trust. Enhancing the shopping experience to better meet the expectations of high-frequency shoppers – profiled in the previous edition of this survey as “power shoppers” – offers an opportunity for retailers to capture a greater share of spend and drive bottom-line growth.

But while this year’s survey confirmed that convenient shipping options, product assortment, and other strategies to drive customer experience are still highly valued, especially for high-frequency shoppers, rising prices have brought a new and critical factor to shopper preferences across the board. When shopping today, consumers now cite inflation as their top concern, with 89% of survey respondents saying inflation has made them look for better value when shopping.

As a result, shoppers are less likely to prioritize brand loyalty over prices.

According to the 2023 *State of Online Marketplace Adoption*, **43% of**

respondents stopped shopping with specific retailers because of rising prices. While power shoppers remain an important demographic, retailers must also understand how best to appeal to consumers whose top priority is getting what they need at the best price – while also meeting expectations for quality, selection, and convenience.



The value shopper becomes the defining persona for global retailers

The impact of inflation is already having an impact on consumer behaviors across the commerce landscape. Beyond seeking deals, **nearly three-quarters (72%) of respondents to this year’s survey held off on making a purchase in the last 12 months due to higher prices.** They’re increasingly turning to eCommerce to find the best value on the purchases that they do need to make, with nearly half (49%) of consumers saying they are more likely to shop online during times of high inflation.



If 2022 was the year of the power shopper, 2023 is the year of the value shopper in eCommerce. As consumers focus on saving money and stretching their budget, they’re raising the bar on what they expect from the brands that they value. When asked how rising prices have impacted their online purchasing behaviors, **just 17% of respondents continue to shop with the brands they trust, regardless of price. 43% have reduced their overall spending, and four in 10 respondents (41%) say they search for alternative products at a lower price.**

The rise of the value shopper will likely lead to a change in strategy from brands, especially retailers that have relied on driving as much revenue as possible from their best and most loyal customers for growth. In 2023, retailers will succeed in acquiring new customers and maintaining loyalty of their existing base if they are able to maintain a wide and agile product offering, ensuring they can make competitive offers at a variety of price points.



Consumers turn to eCommerce for the value and reliability they need

While consumers are reconsidering which brands they patronize, they are making a conscious decision to spend more on eCommerce sites. **Three-quarters (75%) of global survey respondents expect to increase their spending online over the next 12 months as a result of finding better value.** However, physical stores still play a vital role in brands' omnichannel strategies, as consumers still do slightly more of their shopping in-store than they do online.

Barring major shifts in retail strategy, we should expect this shift towards online shopping to continue for the duration of the economic downturn and beyond. More than half (54%) of consumers say they are finding better value online than in-store, and **51% say they are likely or very likely to do the majority of their shopping online in 2023.** These divided figures should provide a clear message to consumer brands: a winning strategy in 2023 and beyond will require an integrated omnichannel approach, delivering value to customers regardless of whether they're shopping in-store or online.

Shoppers are finding better value online



54%

of consumers find better value online than in-store



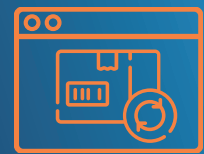
51%

expect to do the majority of their shopping online in 2023



55%

of products have been out of stock more frequently in stores



75%

of shoppers will shop products online the next time they need them

Of course, value isn't the only benefit of online shopping. Product availability is now a significant differentiator, with frequent out-of-stock notices leading to long-term changes in customer behavior. More than half (55%) of consumers agree that the products they need have been out of stock more frequently in stores in the last six months. **When a product they normally purchase in store is out of stock, 50% of shoppers say they then try to find it online often or very often. And when they find it online, the behavior sticks: 75% say they will shop for it online the next time they need it.**



Marketplace use continues to grow

Over the past two years, marketplaces have grown at twice the overall rate of eCommerce. In previous surveys, marketplace operators and consumers alike cited a combination of convenience (shipping times, wider assortment, and product availability) and value (lower prices) when explaining this increase in adoption. We can expect value to play a more significant role in this trend moving forward as both businesses and consumers react to the downturn.

The 2023 *State of Online Marketplace Adoption* found that marketplace use grew steadily year-over-year, including a significant increase among older shoppers. **Consumers globally conduct an average of 46% of their online shopping through marketplaces** – eCommerce sites that bring together inventory from many different sellers in one place. This represents a 10% year-over-year increase from 2021, when consumers conducted 42% of their online shopping through marketplaces. Notably, baby boomers reported conducting 40% of their online shopping through marketplaces, representing a 16% increase year-over-year from 2021.

While consumers are taking more of their spending online in general, they're drawn in particular to online marketplaces due to a superior customer experience. Two-thirds (66%) of respondents say the variety of reasonably priced offers and organization of items on marketplaces give them the shopping experience they crave. Convenience is at the center of this exceptional shopping experience: **77% of consumers continue to believe marketplaces are the most convenient way to shop online, a 10% increase year-over-year.**

As the conventional understanding of customer loyalty evolves, brands may need to rely more on marketplaces to maintain customer trust. Two-thirds (66%) of survey respondents say they're more likely to trust the online marketplaces of brands they know and trust, while **60% wish more of their favorite retailers had online marketplaces.** Brands are fighting to hold onto their best customers; marketplaces offer one of the best tools to do so.

Marketplace use grew steadily year-over-year



+10% YoY

Consumers globally conduct an average of 46% of their online shopping through marketplaces, +10% year-over-year

Marketplaces are #1 for convenience

77% of consumers continue to believe marketplaces are the most convenient way to shop online, a 10% increase year-over-year





Looking to the future of eCommerce and marketplaces

The past two years paint a clear picture for consumer brands: in both boom and bust, an agile eCommerce strategy is essential for survival. With shoppers spending more time and money online, brands must focus on a true omnichannel approach and recognize the ways in which they can stand out from the competition. One potential path to differentiation? Tailored recommendations. More than half (56%) of consumers say they're more likely to shop on marketplaces or websites that can offer personalized recommendations.

We should expect marketplaces to become even more vital in an uncertain economic environment. **Nearly all (94%) of consumers expect to use marketplaces about the same or more in the future**, consistent with the findings in last year's survey. And among those who said they expect to use marketplaces more, 86% expect to increase their spending online over the next 12 months. The digital-first economy is growing – marketplaces are a big reason why.



What do consumers want in the marketplaces of the future?

When asked what they would like to see in "marketplaces of the future," consumers identified a range of features, but unsurprisingly, the top feature is driven by value. Among the most popular responses: loyalty and membership programs (41%); in-store pop-ups that show marketplace products in person (28%); purchasing integration with the latest social media apps (20%); and a handpicked selection from influencers they follow (19%).

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Regardless of what the next 12 months look like, the long-term trends are clear: **consumers are looking for value, reliability, and a great experience, and they're finding it online.**

¹ The 2023 State of Online Marketplace Adoption surveyed 1,000 consumers each from France and the United States; 750 consumers each from Australia, Brazil, Germany, Italy, Japan, Singapore, Spain, and the United Kingdom; and 400 consumers each from the Netherlands, Poland, Turkey, and the Nordic region (Denmark, Finland, Iceland, Norway and Sweden)



ABOUT MIRAKL

Mirakl offers the industry's first and most advanced enterprise marketplace SaaS platform. With Mirakl, organizations across B2B and B2C industries can launch marketplaces faster, grow bigger, and operate with confidence as they exceed rising customer expectations. Platforms are the new competitive advantage in eCommerce, and the world's most trusted brands choose Mirakl for its comprehensive solution of technology, expertise, and ecosystem that together unlock the power of the platform business model.

As a result, companies like ABB, Astore by AccorHotels, Best Buy Canada, Carrefour, Catch Group, Changi Airport, Darty, The Kroger Co., Leroy Merlin, Maisons du Monde, Metro, and Toyota Material Handling gain the speed, scale and agility to win in the changing eCommerce landscape.

For more information: www.mirakl.com.