

RETAIL

UK consumers spending more on fewer shopping trips: Kantar

September 9, 2021



U.K. shoppers are slowly returning to stores. Image credit: Harrods

By SARAH RAMIREZ

As British retailers look to recover from the whiplash of the last 18 months, brands should be mindful of improving the customer experience to encourage consumer spending.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

According to panelists at a Sept. 7 webinar hosted by [Kantar](#), shopper recommendations will also play an important role in the retail recovery. Even as vaccination rates in the United Kingdom improve, retailers continue to see mixed signals from consumers.

"We are still shopping very differently than we did before," said Fraser McKeivitt, head of retail consumer insight at Kantar, London.

The webinar was based on Kantar data from several consumer panels, with a primary focus on general merchandise.

Shopper shifts

During the early days of the pandemic and widespread lockdowns, in-store shopping trips were severely limited with the share of online shopping rapidly increasing.

Now that COVID-19 restrictions have mostly eased in the U.K., however, the retail recovery has not been as smooth as one may have expected.

We each made 2 fewer online trips over the last 12 weeks, driving online sales down by £1.3bn
12 w/e 08 Aug 2021 vs 12 w/e 16th May 2021



KANTAR

Workpanel Plus - Omnichannel buyers.

CHANGING CONSUMER CHOICES

Overall, online spending has declined in the U.K. Image credit: Kantar

With consumers returning to in-store shopping, ecommerce initially saw traffic decline. Nonetheless even as vaccination rates have increased and earlier pandemic-era behavioral changes have begun to reverse the average in-store trip spend remains higher than 2019 figures while trip frequency has declined.

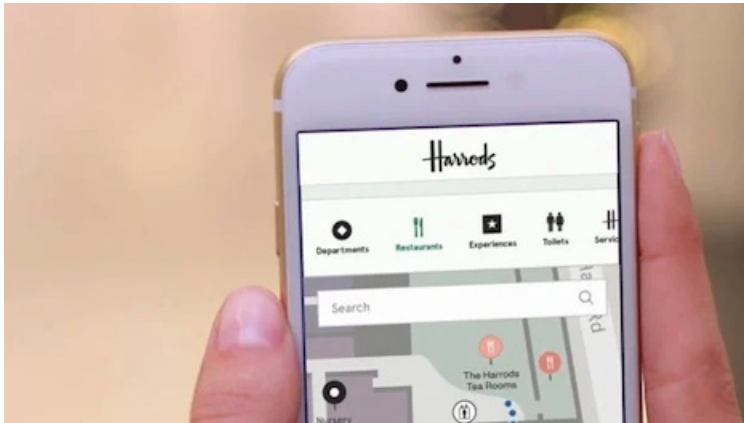
Fewer opportunities to interact with shoppers can have large implications for retailers.

According to Mr. McKeivitt, retailers' priority should be getting consumers inside stores.

Since less frequent shopping trips have become more valuable to businesses, both in terms of spend and opportunity, it is important for retailers to build customer loyalty and improve the customer experience. Essentially, retailers should "make it easy" for shoppers to spend money once they have made a trip.

By providing positive experiences, retailers can increase their customer acquisition, explained Mark Smithson, expert solution director at Kantar, London.

This is particularly important among occasional shoppers, who may still be forming their opinions about a retailer. Kantar data shows that positive recommendations from this cohort drives more customer acquisition than positive recommendations from frequent shoppers of the same retailer.



Shoppers are seeking more streamlined omnichannel experiences. Image credit: Harrods

Regardless of if weak or negative shopper recommendations came from occasional or frequent shoppers, this type of word-of-mouth feedback damaged customer acquisition overall.

Retailers should also keep in mind that shoppers are less enthusiastic about recommending retailers during the pandemic's low points, such as periodic shutdowns.

Department store disruptions

Across different retail sectors, department stores were among the retailers that saw customer experience most dramatically disrupted by COVID-19.

Mr. Smithson cited a variety of contributing factors for department stores' struggles.

Primarily, department stores such as Harrods and Selfridges are more closely associated with discretionary spending and older shoppers. This sector may also be poised for enhanced online experiences.

There are reasons for optimism, as in-store and online shopping has increased from May to August among

omnichannel buyers in the U.K. Older shoppers have dramatically increased their trips to bricks-and-mortar stores, including a 23.5 percent boost among consumers 65 and older.

Department stores and clothing specialists also saw modest uplifts in foot traffic on "Freedom Day" this July, when all COVID-19 restrictions were lifted in Britain, according to Sally Ball, ecommerce offer lead at Kantar, Bristol.

Footfall continues to fluctuate across retail sectors, but apparel retailers and department stores experienced higher increases during the holiday shopping season than Freedom Day a trend that may repeat this year.

Ms. Ball also noted that U.S. ecommerce giant Amazon continues to dominate the online market and sales keep climbing.

According to a 2020 survey conducted by Tinniti, 44 percent of shoppers planned take care of at least some of their holiday shopping during that fall's Prime Day, while 17.5 percent say they would finish their lists. Furthermore, of the consumers who plan to do all of their holiday shopping on Prime Day, 36 percent are "super spenders" with budgets of more than \$500 ([see story](#)).

Last year, luxury brands saw revenue growth of more than 50 percent during a record-breaking online shopping weekend, according to data from software platform Qubit.

Along with luxury, the general retail and beauty verticals also saw increases in the number of sessions, visitors and revenues during the Black Friday and Cyber Monday weekend compared to 2019 numbers ([see story](#)).

As luxury retailers look to the holiday shopping season, replicating an elevated customer experience on online channels should be top of mind, according to the panelists.

"Customer experience matters even more now," Kantar's Mr. Smithson said. "So the pandemic has really shaken everything up; it continues to shake things up.

"It has disrupted experiences, it's pushed different retailers to the top or to the bottom of the pack and a universal recovery is not guaranteed."

© 2021 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.