



THE  
**new  
face**  
OF MARKETING

Quarterly review  
N°4 — 2022

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FOR TOMORROW

# WHAT MATTERS TO TODAY'S CONSUMER :

2022 CONSUMER BEHAVIOR  
TRACKER FOR THE CONSUMER  
PRODUCTS AND RETAIL INDUSTRIES

Retail is undergoing an incredible shift, driven by changing consumer behaviors and expectations.

Today's consumer is shopping in multiple channels, and their expectations of the in-store experience have evolved. They seek convenience as a non-negotiable standard, with a smooth delivery and fulfillment experience being a top priority.

This report is the first installment of our annual research series to measure the dynamic trends and evolving consumer behaviors. We explore the topic of product versus services. Specifically, we want to investigate how central and significant the product and its characteristics are to the customer's buying decision and how much importance consumers place on the services they are offered and the customer experience they receive when deciding which products to purchase and which retailers to patronize.

Additionally, we explore consumer trends related to delivery and fulfillment and direct-to-consumer models, including buying directly from brands. To address these questions and topics, we surveyed over 10,000 consumers over the age of 18 in 10 countries: Australia, Canada, France, Germany, Italy, Netherlands, Spain, Sweden, the UK, and the US. To qualify for inclusion in the survey, consumers must have made a purchase of groceries, household and toiletries products, and/or health and beauty products in the preceding six months.

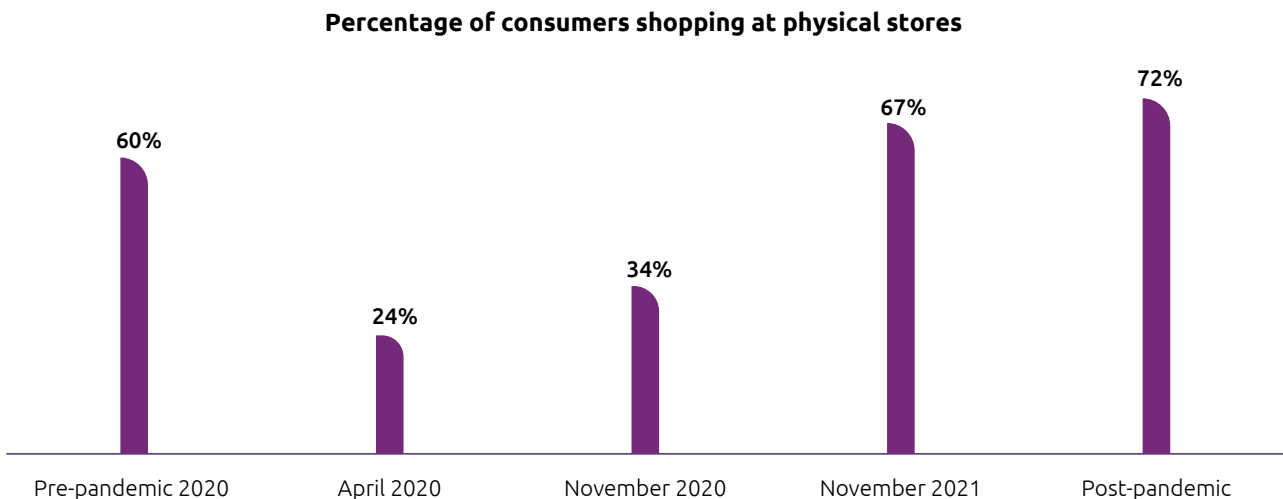
## 1. CONSUMERS RETURN TO IN-STORE SHOPPING, BUT ECOMMERCE REMAINS STRONG

Our research reveals an acceleration in interactions with physical stores as consumers return to traditional channels, even surpassing pre-pandemic levels.

### Consumer preference for in-store shopping surpasses pre-pandemic levels

A majority (72%) of consumers expect to resume significant interactions with physical stores in the longer term after the pandemic subsides. This markedly exceeds the level (60%) of consumers who maintained regular interactions with physical stores before the pandemic (see Figure 12).

**Figure 12. Consumers expect their interactions with physical stores to surpass pre-pandemic level**



Source: Capgemini Research Institute, consumer demand survey, October-November 2021, N=10,179 consumers; Capgemini Research Institute, The great consumer reset: COVID-19 and the consumer products and retail consumer, November 2020.

## Consumer preference for online shopping stabilizes

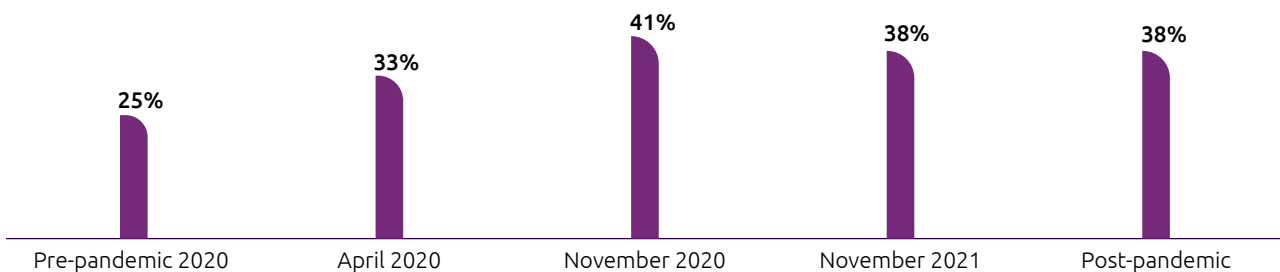
In the longer term, consumers are expected to maintain high level of online interactions, with 38% of consumers saying they expect to have significant interactions with online channels post-pandemic.

- Shoppers with children in their household reveal stronger preference for online interactions (49%) than shoppers without children (33%)
- Millennial shoppers – those aged 25 to 40 – have the strongest preference for online interactions (51%) compared to Boomer shoppers (24%).

High levels of both in-store and online interactions, even compared with pre-pandemic times, indicate that consumers are splitting their purchases across the two channels.

**Figure 13. Consumer preference for online shopping has stabilized since 2021**

### Percentage of consumers shopping online with retailers



Source: Caggemini Research Institute, consumer demand survey, October-November 2021, N=10,179 consumers; Caggemini Research Institute, The great consumer reset: COVID-19 and the consumer products and retail consumer, November 2020.

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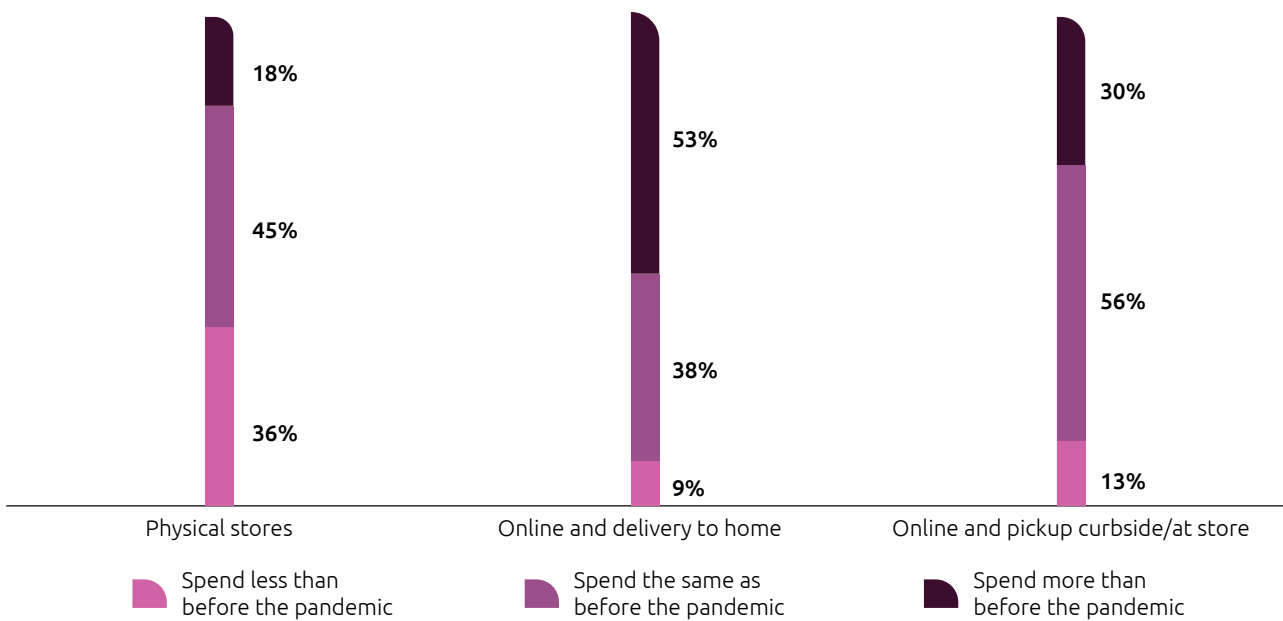
**"Our research reveals an acceleration in interactions with physical stores as consumers return to traditional channels, even surpassing pre-pandemic levels"**

## A large share of consumers are spending more online

We asked consumers how their current spending on groceries in an average week compares to their pre-pandemic. Over half of grocery shoppers (53%) in our survey say they are spending more on groceries online with home delivery.

**Figure 14. Many grocery shoppers are spending more online today than pre-pandemic**

**Percentage of grocery shoppers spending more, the same, or less than before the pandemic by channel**



Source: Capgemini Research Institute, consumer demand follow-up survey, November 2021, N=979 consumers.

## 2. DELIVERY AND FULFILLMENT SERVICES GAIN IMPORTANCE

We gauged the importance of specific attributes related to delivery and fulfillment and in-store experiences with respondents shopping for groceries and health and beauty products

### Grocery shoppers place greater importance on delivery and fulfillment

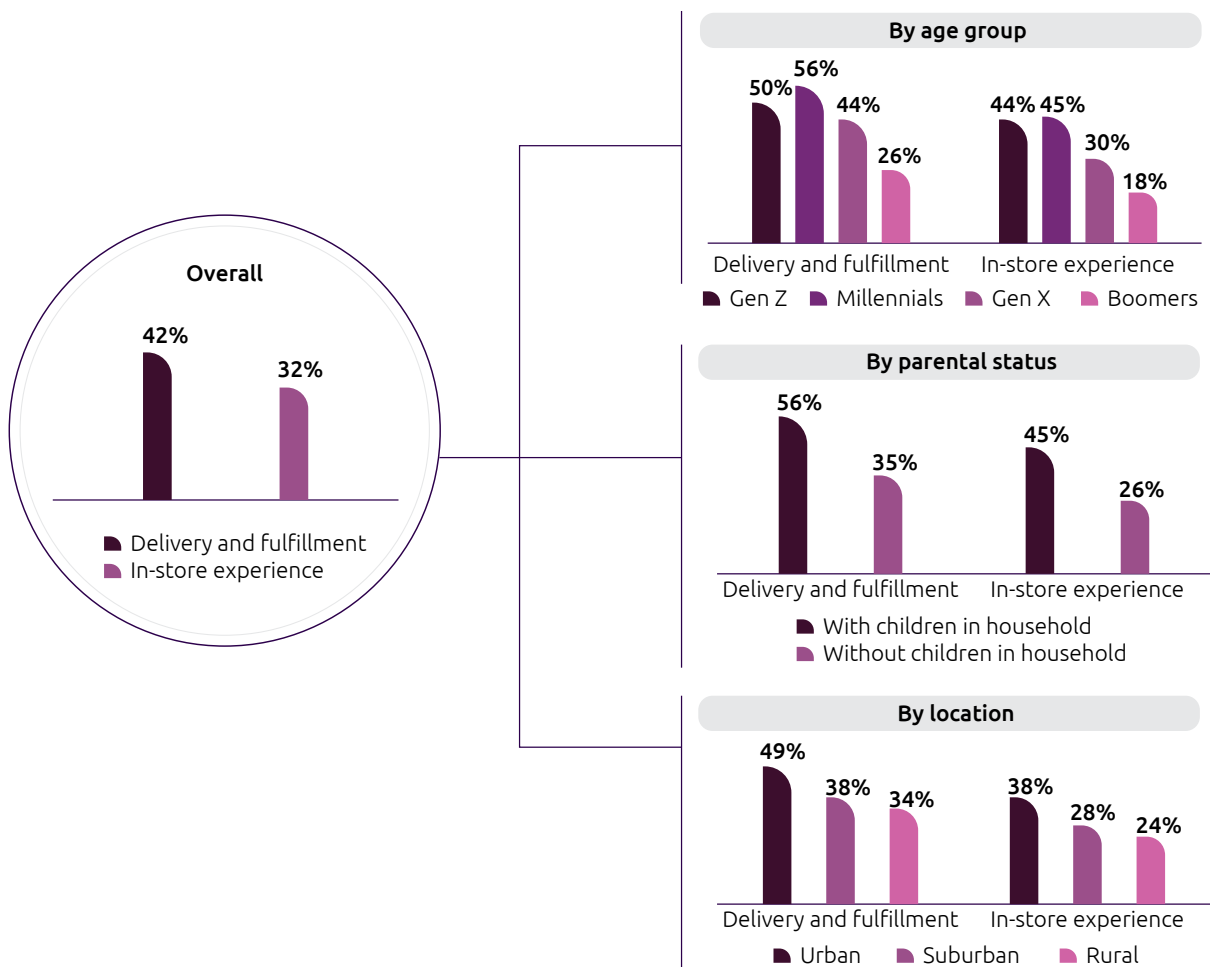
Our data shows that both delivery and fulfillment and in-store services and experiences are most important to Millennials and least important to Boomers. Shoppers with children in their household place greater importance on both delivery and fulfillment and in-store services than their counterparts.

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**Our data shows that both delivery and fulfillment and in-store services and experiences are most important to Millennials and least important to Boomers.”**

**Figure 15. Grocery shoppers across age groups, parental status, and location place greater importance on delivery and fulfillment-related services than in-store experiences**

**Percentage of shoppers who say services related to delivery and fulfillment and the in-store experience are important when shopping for groceries**



Source: Capgemini Research Institute, consumer demand survey, October-November 2021, N=10,179 consumers; N=6,829 grocery shoppers.

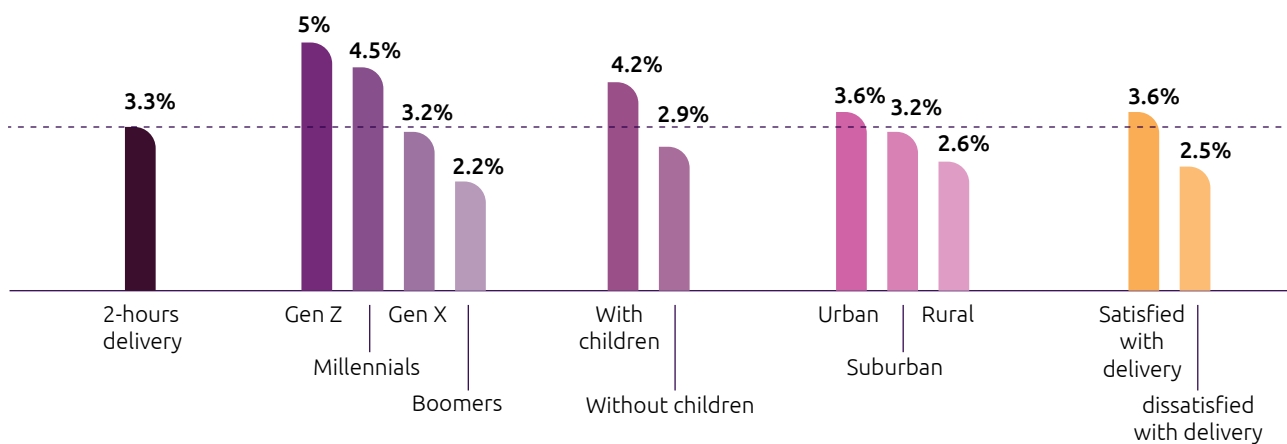


## Many shopper segments are willing to pay a premium for certain delivery services

Shoppers were asked what percentage of their order value they would be willing to pay for certain delivery speeds and services, assuming an average order size of \$30. Across all shoppers, 3.3% is the average they would be willing to pay for two-hour delivery, down from an average of 4.6% among all consumers in our 2019 research (see figure 16).

Figure 16. Shopper willingness to pay for fast delivery, across demographics

Average percentage of order value shoppers are willing to pay for fast delivery



Source: Capgemini Research Institute, consumer demand survey, October-November 2021, N=7,685 consumers.



**Shoppers living with children are more likely to have purchased from brands (58%) compared to shoppers without children in their household (33%)"**

### 3. SHOPPERS ARE HAPPY TO ORDER DIRECT FROM BRANDS

While D2C purchases are only expected to account for 2.5% of total retail sales in 2022, brands selling D2C are disrupting the traditional retail model by providing a different type of consumer experience.

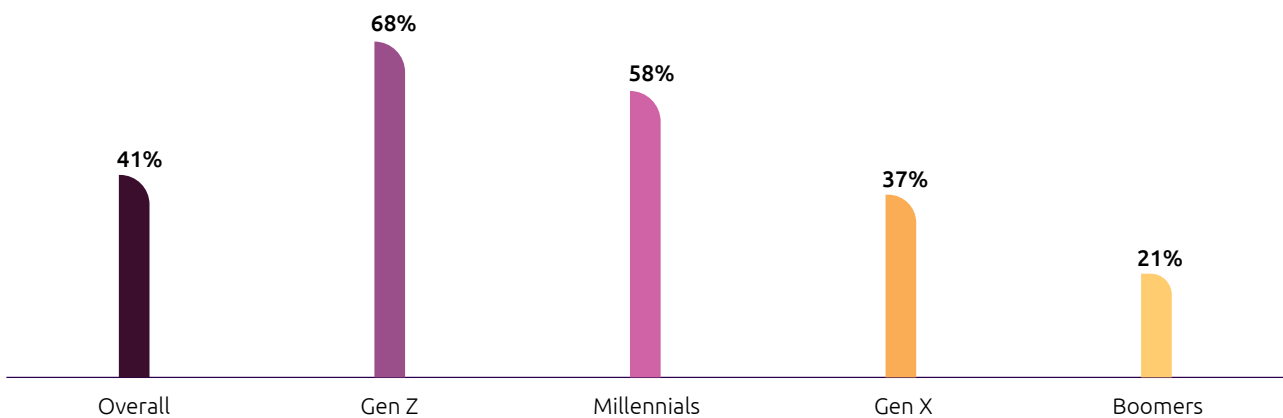
#### Nearly half of shoppers have ordered directly from brands, rather than retailers

Gen Z shoppers, followed by Millennials are the most likely to have ordered direct from brands. Boomers are the least likely to have done so (see Figure 17).

By household, shoppers living with children are more likely to have purchased from brands (58%) compared to shoppers without children in their household (33%). By location, urban shoppers are more likely to have purchased directly from brands (49%) compared to suburban (36%) and rural (30%) shoppers.

Figure 17. Shoppers across all age groups are ordering directly from brands

Percentage of shoppers who have ordered directly from a brand over the past six months by age group



Source: Capgemini Research Institute, consumer demand survey, October-November 2021, N=10,179 consumers; N=1,014 Gen Z shoppers; N=2,911 Millennial shoppers; N=2,804 Gen X shoppers; N=3,450 Boomer shoppers.

## Many shoppers believe they receive a better customer experience when buying direct from brand

Of those shoppers who have ordered directly from brands, 60% say they get a better buying experience than when buying in-store and 59% say they get access to brand-loyalty programs (see figure 18).

**Figure 18. Buying direct from brands offers a better shopping experience**

**Percentage of shoppers that agree with the statement: "I will purchase products from brands directly instead of buying from retailers because..."**



Source: Capgemini Research Institute, consumer demand survey, October-November 2021, N=4,154 consumers who have ordered products directly from brands and not from retailers in the last six months.

## 4. CONSUMERS' TOP PRIORITIES ARE HEALTHY, SUSTAINABLE LIVING – AND MAKING PURCHASES THAT REFLECT THIS

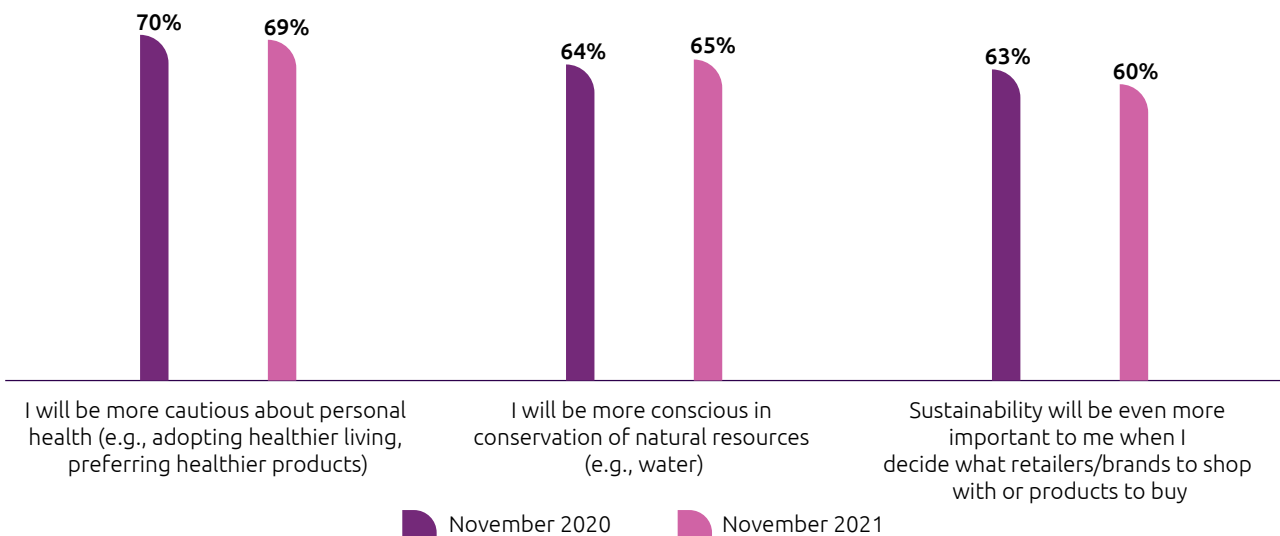
Growing concern about environmental challenges and the need to conserve natural resources – as well as greater stakeholder expectations around societal issues – have brought sustainability into the mainstream.

### Health and sustainability are top priorities for most consumers

In November 2020, 70% of consumers agreed that post pandemic, they will be more careful in terms of maintaining and protecting their personal health; one year later, this number has remained stable, with 69% of all shoppers agreeing in our November 2021 research. (see Figure 19).

**Figure 19. Shoppers are concerned about health, conservation, and sustainability**

Percentage of shoppers that agree with the statement: "Once the pandemic is over..."



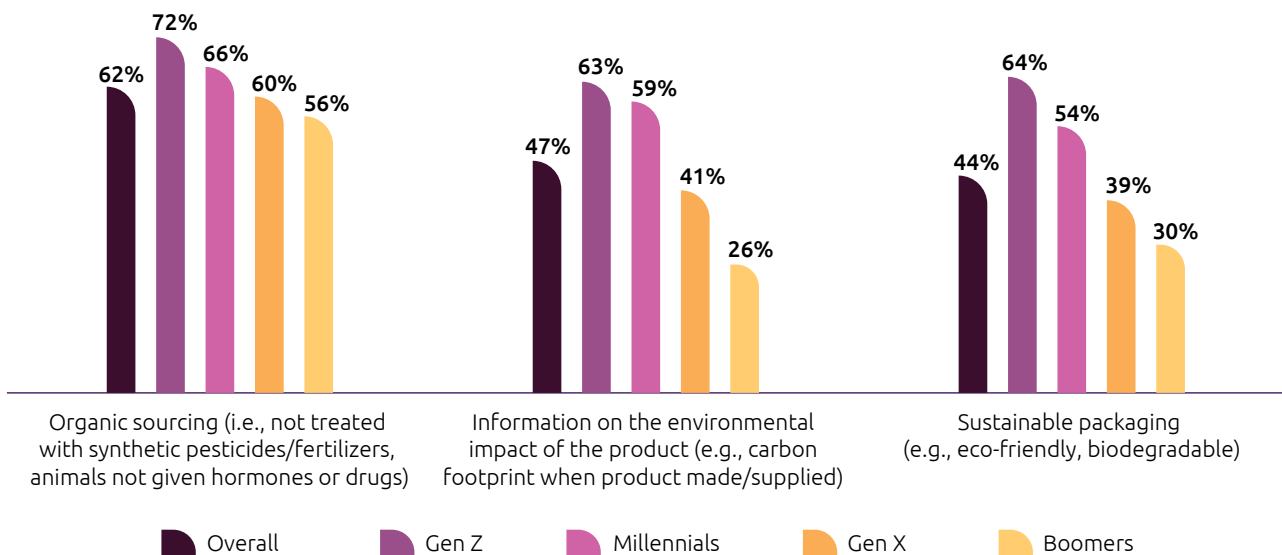
Source: Capgemini Research Institute, consumer demand survey, October-November 2021, N=10,179 consumers; Capgemini Research Institute, "The great consumer reset: COVID-19 and the consumer products and retail consumer," November 2020

## Consumers are willing to pay a premium for products they perceive as sustainable. Consumers are willing to pay a premium for products they perceive as sustainable, but not for the long-term "

Consumers are pivoting towards more sustainable products, and many are willing to pay a premium for them. Gen Z and Millennials lead all other age groups in this respect (see figure 20). However, many shoppers do not expect sustainability to come at a high price indefinitely. Seventy-two percent of shoppers said that sustainable products should not be more expensive than similar products that are non-sustainable.

Figure 20. The younger generations are most conscious of sustainability

Percentage of grocery shoppers by age group who prefer these attributes and who have actually paid a higher price\*



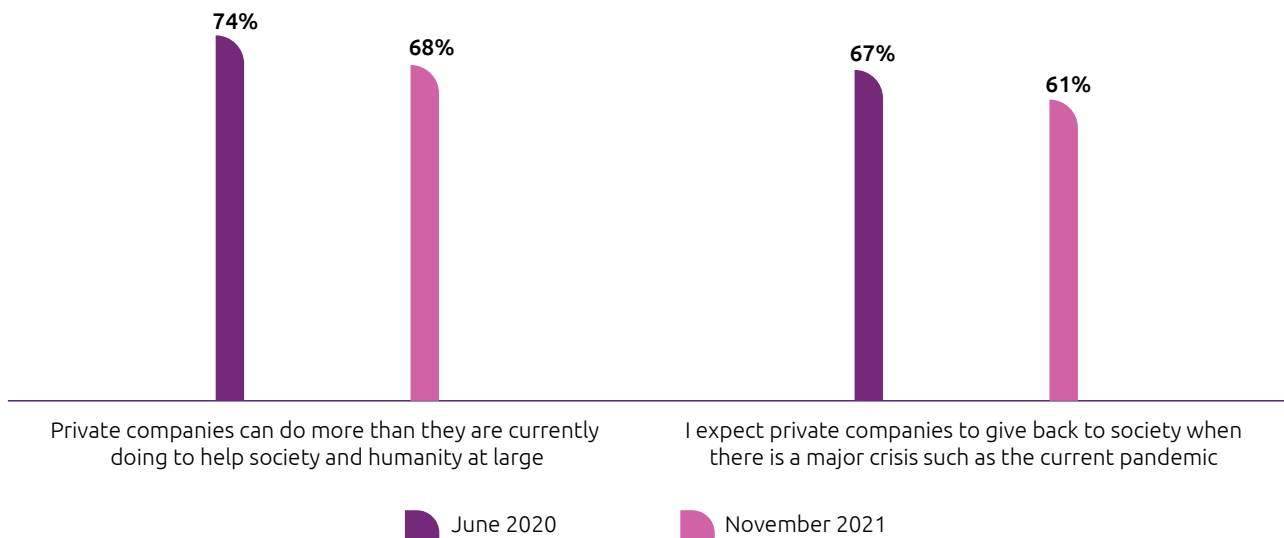
Source: Capgemini Research Institute, consumer demand survey, October-November 2021, N=2,347 shoppers willing to pay a higher price for organic sourcing; N=915 "  
\*Shoppers paid a higher price the last time they were shopping for groceries. "  
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## Consumers maintain their expectations for companies to be purpose-led

Consumers increasingly want to hold companies accountable for doing the right thing, from taking a stand on climate change to driving workforce diversity. Our research suggests that consumers not only want companies to embody a sense of purpose (i.e., acting beyond their own self-interest), they actually think that companies could be doing more for society.

**Figure 21. Consumers want to see companies contributing to society**

Percentage of shoppers who agree with the statements below

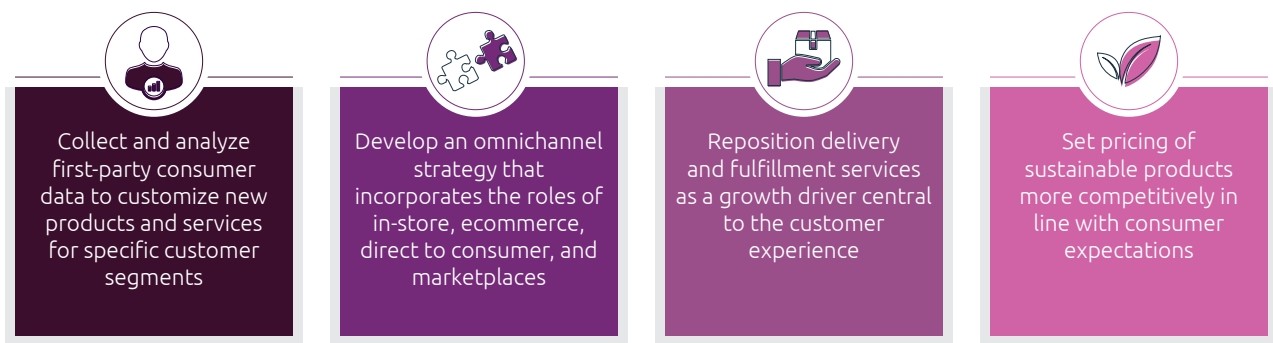


Source: Capgemini Research Institute, consumer demand survey, October-November 2021, N=10,179 consumers; Capgemini Research Institute, why purpose-led organizations are winning consumers' hearts, June 2020.

## 5. HOW BRANDS AND RETAILERS CAN CAPITALIZE ON EVOLVING CONSUMER TASTES

Based on our research, we have identified four key actions that brands, and retailers need to take in order to meet the evolving needs of today’s omnichannel consumer (see figure 22).

Figure 22. Four key actions for brands and retailers



Source: Capgemini Research Institute analysis.

For details on the research methodology and to read the full report, please visit:

<https://www.capgemini.com/research/what-matters-to-the-consumer/>

