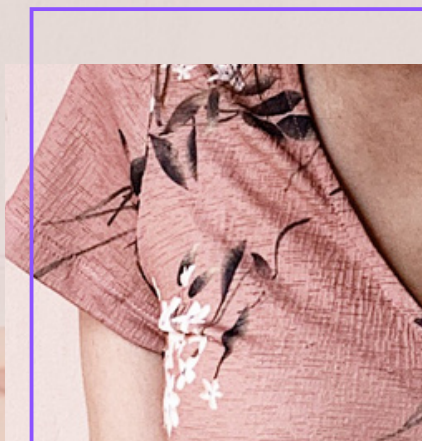


# CONSUMER BEHAVIOR TRENDS 2021-2022

FROOMLE



Dress

## INTRODUCTION

It would be an understatement to say that throughout 2020, there have been numerous and massive changes across almost all industries, for good or bad.

For retail of all kinds, the shift of consumers to digital platforms was out of necessity, but different behaviors have been created or modified and will shape consumer behavior long into the future.

In this report, we will summarize key consumer behaviors that became prominent in 2020 and are expected to remain throughout 2021 & into 2022.



# 6 Consumer Behavior Trends To Keep Top Of Mind In 2021/2022

As an eCommerce business, you need to understand how consumers are buying, what they are buying, and why they decide to purchase.

There has been no better time to ensure that your consumers see the most relevant and personalized content in real-time, helping to add to all of the mentioned trends.

In combination with the report published by FUTR Group and our first hand experience with our customers, we identified six key points that should be considered when creating or adapting your eCommerce business.

## 01

### VALUE (PERCEIVED VS. REAL)

Consumers are buying less and aiming for better quality when they do shop. Other consumers are more price-sensitive and are more likely to buy their favorite items wherever it is being offered at the lowest price. This price sensitivity also lends itself to consumers being more willing to try different products to save money, leading to a rise in private label products.

## 02

### THE OLDER DEMOGRAPHICS

Partly due to Covid accelerating initial adoption, consumers of all ages are experiencing the convenience of online shopping and will continue to shop online in years to come. This has created opportunities for retailers to capitalize on this new digital market by creating customer experiences and marketing directly aimed at them.



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## 03

### **HYPERLOCAL AND ON-DEMAND PURCHASING**

With small businesses being forced to close, there was an increase in the priority to shop local for two reasons. Firstly, communities wanted to help support their local businesses and economies where they can.

Secondly, with global supply chains being strained, buying locally can be a faster option. Consumers are shifting to purchasing from wherever will allow for the quickest access, causing businesses, big and small, to reevaluate their supply chains and business models.

## 04

### **BIG BRANDS VS. DIRECT TO CONSUMER**

Up until now, DTC was considered disruptive to well known big brands. However, big retailers began to invest in their own version of the DTC model prior to the pandemic. This is expected to accelerate even faster due to the increased market demand for on-demand products.

Existing DTC brands that were thriving before the pandemic will continue to thrive, whereas those that were struggling might not. Collaboration between DTC brands to expand their audience will be crucial to survival.

## 05

### **LIVE STREAMS & SOCIAL COMMERCE**

Having started primarily in China, there was an increase in brands doing live streaming across different platforms, be it a fashion show or product launch. Influencers have also used live streaming to advertise and promote different products giving the consumer a different experience and interacting with user-generated content.

Social commerce has allowed full transactions to be completed within the chosen social media application, making the experience convenient for consumers.

## 06

### **OMNI-CHANNEL**

Larger eCommerce players have begun moving away from siloing online and offline experiences, making it hyper-connected via smartphones and physical stores. We also see that some retailers are redesigning their brick and mortar stores to be in line with Covid restrictions, but these redesigns are also being done to support the omnichannel experience moving beyond the pandemic.



# 5 Key Trends In eCommerce Personalization



01

## INTEGRATE YOUR ONLINE & OFFLINE CHANNELS

Consumers expect a seamless experience from channel to channel. Ensuring all your data is adequately integrated from offline and online channels will produce even more relevant and personalized content and products for your customers.

02

## USE RECOMMENDER SYSTEMS TO SHOW RELEVANT PROMOTIONS

Typically, banner advertisements or promotions are static, the same for every user. Through AI-based personalization, numerous banners can be created and shown to the relevant consumer, becoming more dynamic.

03

## ALLOW CUSTOMERS TO CONTINUE SHOPPING WHERE THEY LEFT OFF

Allowing customers to continue shopping where they left off, similar to picking up on their favorite TV show, allows for previously viewed items combined with relevant and complementary products to be shown on the homepage for a streamlined experience.

In the current E-Commerce landscape, personalization has come to be expected to some degree as more people are shifting their behaviors to shop through digital channels.

## 04 PERSONALIZE PUSH NOTIFICATIONS, EMAIL AND COMMUNITY CONTENT

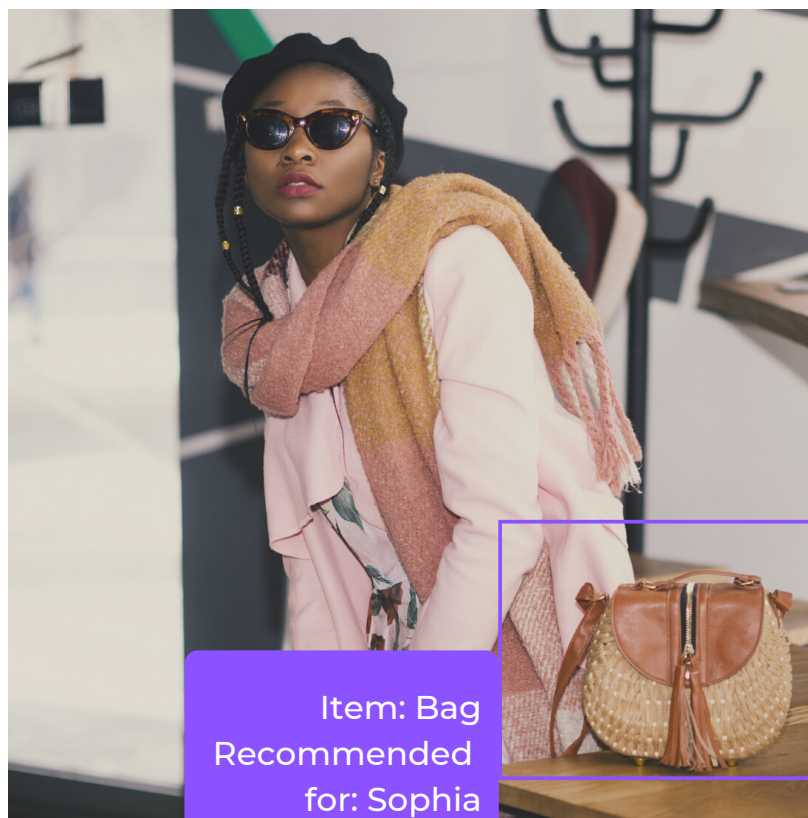
Partly due to Covid, there has been an increase in mobile shopping behavior by consumers. Using personalized push notifications, emails, and community content can increase your brand's relevance to that consumer.

## 05 USE REAL-TIME INDIVIDUALIZED RECOMMENDATIONS

In order to go one step further in your personalization strategy, incorporating AI/machine learning recommender systems will provide relevant and real-time individualized recommendations.

## CONCLUSION

All of these ideas will no doubt create impact once implemented on your E-commerce channels. However, implementing them all at once can be costly and time consuming. Be sure to look at your own values and customers behaviors to make sure you implement in the most relevant way possible.



Item: Bag  
Recommended  
for: Sophia



By building a community of brand ambassadors through shared experiences or content, brands can keep themselves relevant to their audience. However, going one step further to deliver personalized content can link members together faster and more frequently, helping to increase brand loyalty even more.



# Retail communities: how to engage your brand ambassadors

When you hear the word “community”, what comes to mind? Perhaps it’s a community you belong to, or maybe you imagine the television show with the same name.

These communities go beyond just social media but manage to foster feelings of inclusion and the urge to live the brand’s core beliefs. By first understanding how these communities are built and function, and learning how personalization can help further grow engagement will become clear.

Two e-commerce companies that are the perfect examples of how to build a strong community are Lululemon & Gymshark. The members of these communities are invested beyond just the product, essentially becoming brand ambassadors. At the core, you need to understand what is important to your consumers and how they interact with your brand.

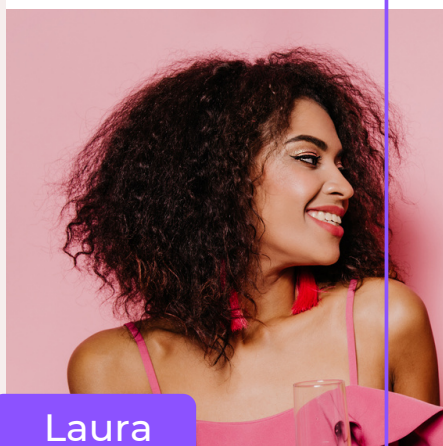
On top of that, to create a successful community, these three steps need to be considered:

1. Have a captivating reason to join;
2. Make it worth their time to engage;
3. Make it easy and valuable to share your community with others.

The first example to consider is Lululemon. Their community functions on working with authentic influencers for their brand so that consumers can interact with the brand in a relatable way. They first created an internal community within their company values and their employees to then reflect within their respective communities. The employees are then able to communicate about their brand to their external brand ambassadors, typically local athletes, creating a Lululemon ecosystem.

They also created a significant focus on the offline experiences for their community to grow and connect. This takes shape as yoga classes, pop-up shops, or booths at relevant events and festivals. However, with the recent changes in how we live our daily lives, the online community has become more and more important for brands to cultivate this culture.

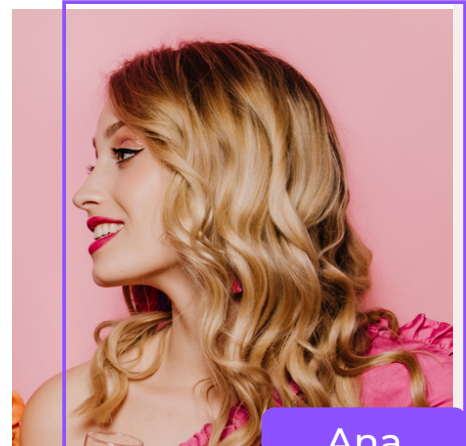
Look personalized for



Laura



Chris



Ana

The second company is Gymshark, an athleisure brand founded in the UK. Their community is primarily focused on their blog. They create content focused on healthy nutrition, be it workouts for the gym or healthy recipes. Similar to Lululemon, when it comes to brand ambassadors, they also focus on using local athletes representing their own community to create and spread their own content. They also have an offline presence where they combine online engagement with in-person pop-up experiences to help grow the community.

One aspect we found interesting is how they were able to adapt to their consumer needs throughout the pandemic. After collecting user feedback on what is most important to their clients in the current climate, they adapted their content to match this. For example, the switch on at the gym workouts to at-home workouts. By being adaptable and communicating, they ensure their ambassadors still see it worth their time to engage.

# How to put this into practice for your business

As the pandemic shifted our everyday lifestyle to be focused on staying home, limiting social contacts, and increasing our digital behaviors, there has never been a more important time for these communities to be created and utilized.

However, the switch from an offline to an online focus can be challenging for some brands. First, building up the right kind of content for your consumers can be time-consuming, let alone making sure it is relevant and engaging. AI-based personalization will help ease some of that burden by curating the most relevant content to that individual consumer in real-time. By personalizing content, you help to link to other members who share similar interests quickly, and you can also link this content to relevant products. This kind of engagement allows your ambassador to interact with the most valuable content and makes it easy for them to spend the time engaging.

This kind of personalization can also be applied to any channel to ensure you can reach your consumers in a way that makes the most sense to them. Keeping consumers engaged and interacting is key to making these communities function in the way they have to use it.



# Personalize Your Loyalty Program In 2 Steps

An eCommerce loyalty program is an important customer retention tool geared towards keeping and engaging your existing customers, so they will buy in higher quantities, shop more often, and interact with your brand more frequently. The best next-gen loyalty programs are not made of deep discounts but of fun and rewarding loyalty programs, which create an entire community around your brand.

Let's walk through the 2 steps to achieving loyalty program personalization, and it all revolves around data.

## 01 OBTAIN THE DATA

In addition to the basics name and email address, all further data points need to be carefully throughout.

Ensure that you're asking for information relevant to your product offerings and customer segments and developing a plan for how each data point will be leveraged. Finding out what additional information you need is based on the following 2 questions:

- > How do I want to segment my customers?
- > What do I know is an indicator of a high-value customer?



*On average, loyalty program members generate 12-18% more revenue per year than non-members. For Amazon Prime, shoppers spend a whopping 133% more per year.*

## 02 TRACK THE DATA

Some basics include:

- > Purchase History, for example, includes how long a person has been a customer, how many days since the last purchase, and what their previous purchase was.





# MIX & MATCH MODULES THAT BEST SUIT YOUR SHOP

Froomle has developed a series of modules specialized in eCommerce needs. By reading this report, you might find interesting this module combination.

## ➤ Personal Shopper

Take your visitors on a personalized journey to find the perfect item in your webshop. [See more...](#)

## ➤ Product Discovery

Personalize Product Discovery for your customers, enabling an individually relevant browsing experience. [See more...](#)

## ➤ Basket Pop Up

Use the intent to purchase a product as an opportunity to capture the attention of your customer. [See more...](#)

Personalized Parcel

Personalized Search

Loyalty Program

Omnichannel Offer

High Impact Category Ordering

Email Communication

Influencer Boosted Items

Complete the Purchase

VIEW ALL  
MODULES



# ABOUT FROOMLE

Froomle is the leading provider of AI-first recommender systems specially built for the newsrooms. Based on its self-learning technology, Froomle enables newsrooms to automatically recommend the relevant article for every consumer at the best moment, using the most suitable channel in real-time.

The Froomle Recommender System personalizes your customer experience, backed by data-driven science and academic research.

Brands like Veepee, ZEB, Colruyt Group, and Torfs partner up with Froomle to help them learn and personalize their customer's experiences.

**For more information, visit us on:**  
[www.froomle.ai](http://www.froomle.ai)

## WHAT'S NEXT?

- Let us show you how Froomle can help you show relevant products
- Forward this report to your colleagues
- Become a guest of our eCommerce personalization podcast and share your learnings with forward-thinking eCommerce and retail leaders

