Exploring online shopping

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Phase 1: Exploratory focus groups

3 grocery and 3 non-grocery

Phase 2: Industry interviews

- Retail and logistic service providers

Phase 3: Household interviews

- Regular and infrequent online shoppers

Phase 4: Questionnaire

- Large UK household representative survey

When, where and the ways in which shopping is conducted today is rapidly changing

Growth in online UK retail has been rapid, sustained and substantial

- Annual: £9b (2007) £50b (2016)
- Online shopping common across age and sex in Great Britain

ONS: % Internet purchasing last 12 months, by age and sex, Great Britain

	2008	2009	2010	2011	2012	2013	2014	2015
All	53%	61%	62%	66%	67%	72%	74%	76%
Men	57%	66%	64%	68%	68%	74%	75%	77%
Women	49%	57%	60%	63%	67%	70%	72%	75%
Age group								
16-24	65%	78%	74%	77%	79%	86%	83%	90%
25-34	72%	82%	79%	88%	87%	92%	90%	90%
35-44	68%	75%	78%	79%	84%	83%	88%	87%
45-54	59%	65%	70%	73%	72%	77%	81%	79%
55-64	45%	52%	58%	59%	61%	67%	70%	69%
65+	16%	20%	22%	27%	32%	36%	40%	42%

Less physical shopping trips?

Preliminary focus groups findings:

- Online (food & non-food) does not substitute for a physical trip to a store
- Expensive/personal/technical products often require physical visit, but are often purchased online
- Irrespective of age, significant variation in types of online purchases

NTS: Shopping trips, per person, per year (England)

19% decrease

27% decrease

	1995/ 97	1998/ 00	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Avg number of trips	238	228	216	209	208	206	219	186	197	191	193	189	187	180	174
Avg distance travelled	893	934	904	888	853	860	904	826	853	801	808	822	816	769	727
Avg miles per shop	3.8	4.1	4.2	4.2	4.1	4.2	4.1	4.4	4.3	4.2	4.2	4.4	4.4	4.3	4.2
Shop % as total trips	22%	21%	21%	20%	20%	20%	21%	19%	20%	20%	20%	20%	20%	20%	19%

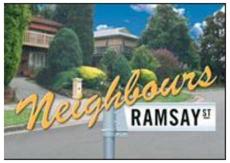
Changes in delivery locations

Secure porch

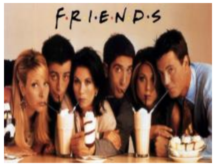
Un-secured porch

All pictures obtained from free media repositories

Neighbours



Friend



Parents

Post sorting office

Household perspective: potentially significant and long-term change

Expectations

- Goods arriving (next day, hour…)

Comparison

- Emerging dedicated websites
- At home, store

Information

- Tailored, instantaneous
- Shift from seasonal catalogues/sales to rapid sales
- Email/Twitter/FB/etc notifications of sales

Goods purchased

- Shift to some goods almost entirely on-line

Click & Collect: Change in retail and logistics

Automated parcel stations: allow people to withdraw packages 24 h a day, Lockers are usually located in shopping centres, gas stations, train stations or on the street

Pickup Points: attended 6 days a week, during the opening hours of their host business (dry cleaners, florists, etc.)

http://retailanalysis.igd.com/Hub.aspx?id=23&tid=3&nid=13797

https://commons.wikimedia.org/wiki/File:Hoylake_Post_Office.JPG

Implications

- Reduction in shopping trips
  - What is a ‘shopping trip’ – categories are challenged
- Extreme and profound change or blended continuum?
  - Online connectivity colonised most products, but to different & varying degrees
  - Likely to continue as industry continues to automate parts of supply chain
- Increased integration of parts of shopping into other aspects of daily life
- Subscriptions
  - Ratcheting up and/or lock-in?
- Fragmentation?
- Death of the ‘high street’ and brick & mortar?
  - Going to town now often seen as experience