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NEW RESEARCH ON B2C COMMERCE:

Brands say they deliver great shopping experiences. Consumers deliver a reality check.

January 2024

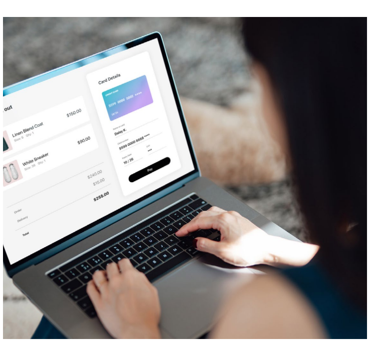
In late 2023, Deloitte Digital surveyed hundreds of consumers and business-to-consumer companies in the United States to understand what people value most in their B2C commerce experiences and how well brands are delivering on those expectations. We found that nearly **eight in 10 B2C brands believe consumers are impressed by the online shopping experiences they provide. Yet fewer than half of consumers actually are.** And when it comes to in-store shopping experiences, the divide between brand and consumer perceptions is even wider—by 12 percentage points.

Narrowing this gap and improving commerce experiences poses certain challenges, but the payoff is substantial. Our research showed that **customers spend 37% more with brands they find deliver consistent and positive commerce experiences**.

Surveyed brand leaders cited plans to increase their B2C commerce investments by 12% over the next year. Our analysis uncovered where those dollars could have the biggest positive impact on commerce experiences—and thereby the biggest impact on the bottom line.

Nail the basics. Then perfect them. Repeat.

Our research sheds light on why brands and consumers have a perception rift when it comes to the commerce experience. Brands are lauding themselves for acing some of the essentials, such as product search, real-time inventory, easy checkout and delivery updates—but consumers aren't as wowed. The hitch may be in brands treating these as set-and-forget capabilities. By contrast, consumers continuously recalibrate their expectations, drawing from their latest and most exceptional experiences across diverse brands, industries and commerce channels.



Brands also overestimate their ability to quickly respond to shifts in consumer purchasing behaviors and expectations. Almost 60% of brands believe they're keeping up, but only 42% of consumers agree. To bridge this divide brands need to refrain from complacency and *continually refine* their capabilities to align with what consumers now consider standard.

Percentage of brands that rate their abilities as good or excellent, compared to percentage of customers:

Clear inventory availability	Easy returns / exchanges	Proactive delivery updates	Accurate search and discovery
Brands: 77%	**Brands:** 80%	**Brands:** 78%	**Brands:** 79%
Consumers: 54%	**Consumers:** 59%	**Consumers:** 59%	**Consumers:** 63%

Moreover, most brands aren't providing tools and capabilities that consumers increasingly view as table stakes. For example, 58% of consumers say that an easy checkout option influences their purchasing decisions, but only 36% of brands say they do an excellent job of providing easy checkouts.

Among all brands, only ...

28% offer very easy filtering and sorting functions for product searches.

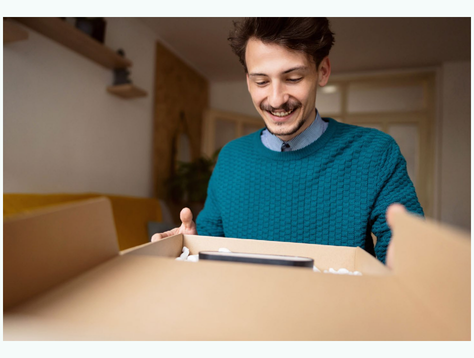
15% offer site search that produces extremely accurate results.

37% send real-time notifications to customers across all delivery stages.

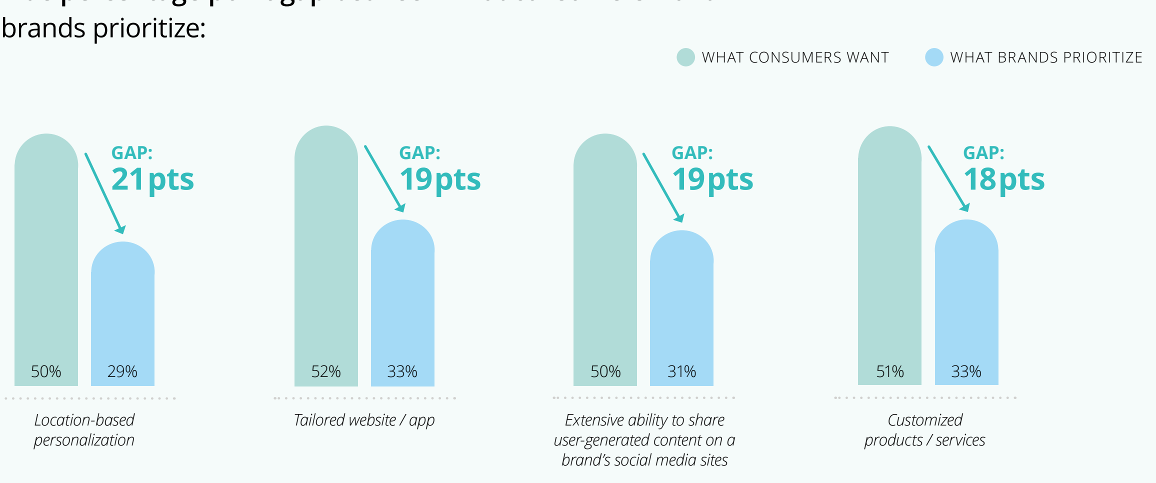
Executing the basics can be deceptively challenging—often trickier than simply adding flashy new features. Case in point: brands are 7x as likely as consumers to believe that augmented reality (AR) / virtual reality (VR) are important purchase drivers. Yet our research underscores a critical truth: customers remain unimpressed by additional functionality if your foundational capabilities aren't top-notch. That's why brands need to marshal their resources toward finessing the basics before introducing shiny new objects.

Make it personal—and social.

Without the essential commerce gears turning smoothly, brands tend to deliver a one-size-fits-all experience for customers. Many brands have not made the most of their presence on social platforms, with less than half of consumers describing brand content on social media as very or extremely engaging. Nor have they prioritized personalization tools for commerce. That's a problem in today's competitive environment. Another recent Deloitte Digital study showed that 69% of surveyed consumers are more likely to purchase from a brand that personalizes experiences.[1]



There's a wide **percentage point gap** between what consumers want and what brands prioritize:



Connecting in a meaningful way with target customers also means being attuned to generational preferences—and prioritizing features accordingly. While the majority of surveyed consumers want detailed content about products and services, each generation wants it served up in unique ways.

3 in 4 **Gen Xs and baby boomers** say zooming in on a product or reading a detailed description is important.

2X **Gen Zers and millennials** are twice as likely as older generations to say viewing the product using augmented reality is valuable.

Get a return on returns.

Thirty percent of consumers said they return products more now than they did a year ago, with millennials and Gen Zers driving this trend. Brands said the elevated rate of returns is taking a toll on their business, but consumers appear reluctant to curb their habits. **In fact, one in three said they quit a brand in the last year because they didn't like the brand's return policy.**

Among consumers:

64% say a brand's return policy is very or extremely important to their purchasing decision.

78% want free shipping on returns.

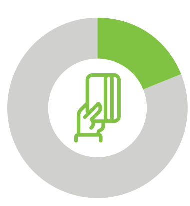
75% want immediate refunds.

Brands would do well to flip the script on returns by leveraging consumers' behaviors to work in their favor. **For example, over half of consumers say they'll enlist in a loyalty program to receive free return shipping. Additionally, one in four will wield the brand's credit card for the same perk.** Higher participation in loyalty programs and branded credit cards can in turn foster deeper bonds *and* drive new revenue streams.

Easy does it for loyalty programs.

As loyalty offerings proliferate and evolve, some brands have overcomplicated their programs. Meanwhile, consumers are all about simplicity. They say they prioritize loyalty programs that are a breeze to understand and offer easy-to-redeem rewards. Our survey analysis showed that consumer goods brands are more likely to find this balance *and* offer easy-to-understand programs, while telecom brand loyalty programs tend to include unwanted intricacies.

61% of consumers want simple cash-back loyalty programs.



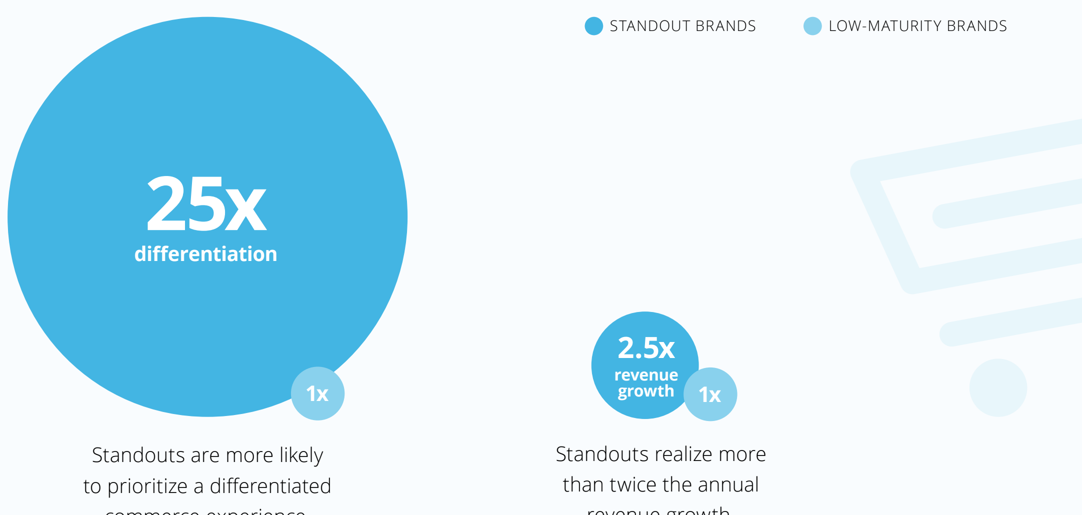
Only **19% of brands** describe their own loyalty programs as very **easy to understand**.

Only a few brands stand above.

Today's B2C leaders demonstrate that commerce is about getting the basics right first and then focusing on elements like personalization, loyalty programs and social commerce. But currently, these standouts are few and far between.

We analyzed the self-reported capabilities of B2C brands and then compared the performance of the most advanced respondents to the performance of companies with lower commerce maturity. **Only one in five B2C brands could be described as a commerce standout** in terms of having mature, agile and effective commerce capabilities. These leaders were faster than low-maturity brands to respond to shifts and consumer preferences—with 89% saying they can quickly respond, compared to just 33% of low-maturity brands. Not surprisingly, they were more likely to provide differentiated commerce experiences that not only delivered on customer expectations but were consistent with that brand's mission and personality.

Compared to brands with low commerce maturity:



Standouts are more likely to prioritize a differentiated commerce experience.

Standouts realize more than twice the annual revenue growth.

As heightened competition for talent, rising returns and other challenges likely persist into 2024, mastering commerce will be crucial for B2C brands' sustained growth. **Here are some questions to ask on your brand's way to mastery:**

1. Do you truly understand your target customer and what motivates them?
2. Are your technology investments in line with the capabilities that will improve your target customer's experience and drive sales?
3. Is your data in position to shape and deliver personalized, generationally attuned experiences?
4. Does your loyalty program provide easy-to-redeem cash-equivalent rewards for customers?

Get in touch

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About the research.

The research was conducted by Lawless Research on behalf of Deloitte Digital from September 14 to October 19, 2023. The brand survey was based on the blind responses of 550 leaders in a commerce-related role at US-based business-to-consumer companies with 1,000 or more employees and revenues of $100 million or more. The maturity model identified standout (top 18%), medium-maturity (middle 63%) and low-maturity brands (bottom 19%) based on analysis of seven areas of self-reported commerce capabilities and effectiveness. The consumer survey was based on the blind responses of 1,000 US-based consumers who had purchased a product or service online in the past 60 days, with a representative distribution across generation, gender, race and ethnicity, and household income.

Sources

1. Deloitte Digital, *Embrace meaningful personalization to maximize growth*, July 2022, p. 2, https://www.deloittedigital.com/content/dam/deloittedigital/us/documents/offerings/offering-20220713-personalization-pov.pdf, accessed December 1, 2023.