The future of commerce

Who is the post-2020 consumer?
2020 dramatically accelerated digital transformation for businesses.

The global pandemic spurred consumers to adopt new online and offline behaviors, try new brands and test new products—opening the door to new preferences and new loyalty opportunities.

97% of enterprise decision makers believe the pandemic sped up their company’s digital transformation.†

† Twilio
Shifting loyalties

Consumer preferences are still fluid. But when the impact of COVID-19 subsides, those preferences will once again begin to solidify, making the months ahead a crucial time for businesses to secure shifting loyalties.

86% of people said that they don’t want the world to return to the way it was before the pandemic.²

1 in 5 consumers (or 20%) say they will probably or definitely change where/how they shop in the COVID-19 era.³

² NCR 2020 Q4 Retail Transformation Consumer Insights Survey
³ NCR Consumer Survey
Digital becomes the norm

Consumers have changed the way they shop, dine, visit, bank and pay. Advances in technology created unparalleled accessibility, convenience and speed in every aspect of consumers’ lives. Digital self-service and personalized, connected interactions have become an expectation, not a luxury—regardless of channel.

80%
A recent survey found that respondents were “three times likelier now than before the [COVID-19] crisis to say that at least 80 percent of their customer interactions are digital in nature.”

4 McKinsey
Digital transformation on hyper speed

Technology alone won’t be enough to meet these growing consumer demands. To survive, businesses must stay aware of developing trends and adopt a consumer-first approach using flexible technology that allows them to rapidly turn on new experiences as preferences shift, and to access real-time visibility into operations and customer behaviors, so they can be bulletproof for tomorrow.

75% of customers expect companies to use new technologies to create better experiences.\(^5\)

COVID-19

“The COVID-19 crisis has accelerated the digitization of customer interactions by several years.”\(^6\)

\(^5\) Salesforce
\(^6\) McKinsey
Who is the post-2020 consumer?

To help businesses keep pace with this rapid acceleration, we turned to our industry experts to provide a look at the most important post-2020 consumer trends that every business should know.
Post-2020 consumer trends

1. Safety
2. Frictionless
3. Seamlessness
4. Transparency
5. Personalization
6. Digital customer support

The future of commerce: Who is the post-2020 consumer?
POST-2020 CONSUMER TRENDS

**Trend 1: Safety**

Increasingly, consumers want more control over their experiences to maintain their personally defined boundaries and their expectations of comfort and safety.

**70%**

of consumers say that they shop in person less frequently now.\(^7\)

**1 in 4**

said this was due to concerns over COVID safety.\(^8\)

**57%**

of US online adults who tried using digital or contactless payments for the first time during COVID-19 expect to continue using them even once the pandemic is over.\(^9\)

**INSIGHTS**

Give customers a choice in how they interact and include low-contact options like touchless interactions, mobile checkout, digital appointment setting and options to skip lines with advanced self-service.

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\(^7\) NCR 2020 Q4 Retail Transformation Consumer Insights Survey

\(^8\) NCR 2020 Q4 Retail Transformation Consumer Insights Survey

“Friction” is anything that interrupts a consumer’s experience. And especially during the pandemic, consumers have become more sensitive to—and less forgiving of—those interruptions, which can include anything from out-of-stocks to order inaccuracy, frontend congestion, long lines, having to re-enter information or self-checkout interventions.

60%
“Contactless payments, or tapping to pay with a contactless card or mobile device, are fast becoming the preferred way to pay globally with nearly 60 percent of Visa transactions outside of the U.S. occurring with a tap.”

INSIGHTS
Use artificial intelligence- and machine learning-enabled solutions to provide predictive interventions and look for opportunities to migrate more transactions to self-service.

Jessica stops by her hotel lobby to withdraw cash from the interactive teller machine (ITM). While there, she has a question about her balance and chats with a live teller through the ITM to quickly clear up the issue.
Once referred to as omni-channel, seamlessness is how you ensure your online brand and consumer experience aligns with your in-person experience. Consider it as the journey moving with the consumer versus the consumer moving with the journey. Product and customer data, brand and in-person experience should all travel together in one experience.

96% of Americans shop online, with 20 percent of those consumers shopping from their car and 43 percent of them from their bed.11

55% of the consumers surveyed want to reserve something online for an in-store, same-day pickup, 56 percent want self-checkout options and 60 percent want to check out on their mobile device.12

INSIGHTS

While consumers still value brick-and-mortar experiences, businesses must enable and replicate the in-person experience and functionality online, like self-service returns, curbside pickup and digital chat, or consumers may choose someone else.

11 BigCommerce
12 Oracle

Terry searches for a highly rated Thai restaurant near her home. She views the hours of operation, checks out the menu, orders and pays online and selects curbside pickup from a single application.
Trend 4: Transparency

The errors associated with a lack of transparency have a huge impact on whether or not a customer will return or change loyalties. Consumers want to know that a business will keep them on a level playing field, placing transparency above tricks for profits and ensuring confidence that they will be well-cared-for by a business that knows what it’s doing.

INSIGHTS

Know your customer’s preferences and implement better error handling that includes honest and open communications. Provide transparency through price and product comparisons. Identify when products or services are unavailable and seek to provide alternatives that suit the customer. Predict, meet and communicate alternatives.

Lori shops online at her favorite store. When Lori goes to checkout online, she is alerted that several of her items are now unavailable due to shortages. She’s provided with the option to wait for the estimated date her products will arrive, or to choose from suggested suitable replacements that align with her preferences.
Trend 5: Personalization

Personalization amounts to caring about the customer by knowing your customer’s preferences, creating connections and a feeling of one-to-one experience both online and offline. In this way, personalization takes the form of individualized consumer journeys versus touchpoints.

75% of respondents said they are more likely to buy from a business that does at least one of three things: “recognizes them by name, recommends options based on past purchases, knows their purchase history.”

INSIGHTS

Prepare individually tailored experiences. Provide suggestions and solutions that save the customer time and money. Use data analytics to build a dynamic profile for a deeper understanding of your customer.

Coryn visits her favorite clothing store online and is greeted with suggestions for sales items based on her most recent purchases, as well as suggestions on ways to reach member loyalty milestones.
Trend 6: Digital customer support

Especially amid COVID-19, consumers today expect to have their customer support needs met digitally, on-demand—no matter when, where or how they demand it. That means businesses are increasingly enabling new methods of digital support.

1 in 3
Of the 43% of customers who previously mainly used in-person channels to contact brands for support, 1 in 3 (33 percent) have now switched to digital channels as their main channel.

45% of customers predict digital channels will be their main way of contacting brands in the future.¹⁴

Look to advanced technology that can deliver interactive, digital support experiences on demand, whether via artificial intelligence-enabled chat and chatbots, digital self-service or other digitally-enabled support. Couple artificial intelligence, machine learning and automation for greater efficiency.

Terrel begins to enroll in digital banking, but he’s concerned about a question on the application. A chatbot asks him if he needs help and guides him through a series of Q&A to help him complete the form.

¹⁴ KPMG survey, Nov 2020
Tips for becoming a consumer-first business

1. **Think more about the customer** than the technology.

2. **Ditch the silos between your internal teams** to ensure a consumer-first mindset is woven into your business DNA.

3. **Look for technologies** that can help you rapidly adapt with **real-time visibility** into operations and customer behaviors.

4. **Shift from building brand touchpoints** to creating **end-to-end brand experiences** that seamlessly adapt to customer preferences.

5. **Give your customers the sense of control and security** they desire with traffic insights, hands-free, digital-only and curbside options.

6. **Use data analytics** to build a dynamic profile for a deeper understanding of your customer.

7. **Use this time to invest in flexible technologies** that will help you drive larger market share.

8. **Once you have the technology, be purposeful.** The difference is how you execute.

9. **Leverage automation and AI** to make the most of your technology assets.

10. **Ensure that every part of the journey feels like your brand and business**, no matter how small the journey.
Simple, made possible

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