

The State of the eCommerce Industry - Canada - 2022

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This report looks at the following areas:

- Who is shopping online? How are they shopping?
- What are the top priorities of online shoppers?
- What loyalty or discount programs do online shoppers use?
- How has COVID-19 impacted online shopping?

Over the past two years, ecommerce has become an integral part of the lives of most Canadian consumers. The primary driver behind the change in behaviour was the COVID-19 pandemic. While the virus had a chilling effect on overall retail sales, online sales increased tremendously, spiking in the months immediately preceding the virus and rising at a steady rate since then. What's interesting about this shift was that it wasn't being driven by new online shoppers, but the shifting behaviours of people who were already shopping online. Younger consumers had already developed regular or semi-regular shopping patterns, but older consumers who may have only gone online occasionally for items that they could not find in stores were now shopping online much more regularly. Pandemic restrictions on non-essential shopping and dining meant that people had to go online to buy new clothes or electronics, or order their favourite foods from restaurants, forcing them to become more comfortable with the idea of online shopping.

Brands reacted to in-store restrictions by implementing new pick-up options that meant customers did not have to shop in-store, attempting to bypass restrictions and also accommodate consumers who wanted to limit in-person contact. One of the biggest developments over the past 22 months was the widespread adoption and implementation of curb-side pick-up; non-essential sellers and even essential retailers like grocery stores either improved upon or fast-tracked their implementation of the service to varying degrees of success, and most of these options will be here to stay even as we navigate into a post-pandemic world (which unfortunately doesn't look to be any time soon).



"The Canadian ecommerce industry has seen unprecedented growth over the past few years, spiking after the onset of the pandemic, but continuing to maintain steady growth after that initial surge. Consumers had drastically changed their shopping habits, migrating online more frequently to purchase both essentials and non-essentials."

Michael Lloy, Senior Tech & Media Analyst

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Unsurprisingly, cost remains the ultimate driving factor behind eCommerce sales. Consumers are willing to go to great lengths to avoid any shipping costs on top of the marked sale price and many are willing to utilize (or already using) apps to browse SKUs at competitor retailers when shopping in-store. In fact, nearly three in four consumers have cancelled transactions once they realized there were shipping costs. Obviously, this extends to fees for curbside pick-up, so retailers charging fees for this should be wary about losing business to competitors that do not. The good news for online retailers is that they can mute the pain point of shipping costs by offering a subscription service, like Amazon Prime or InstaCart, where consumers can feel like they aren't paying a premium on every transaction (but they are).

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