

Key findings

The 2021 .IE Tipping Point report survey, carried out in January, assessed the attitudes and responses to the Covid-19 pandemic of 1,000 Irish consumers and 500 retail and consumer-facing professional services SMEs.

For some questions, respondents were asked to compare their current situation or opinion to 2019, pre-Covid, and to anticipate their future behaviour post-Covid. To record shifts in behaviours and attitudes in the last six months, 2021 data is compared, where relevant, with data from the 2020 report survey, which was carried out in June and July 2020.

These eight key findings provide an overview of some of the most important Covid 'vaccine era' trends in Irish SME e-commerce, digitalisation and consumer behaviour.

CONSUMER FINDINGS

- 55% of consumers believe that life in 2021 will be more or less the same as life in 2020, or even more restricted. **Few think that life will return to normal this year.**
- Despite a surge of patriotism in the initial six months of the pandemic, the majority of online shoppers have swung back from Irish SMEs to international retailers. **In 2021, 49% said they have mostly purchased from Irish SMEs since the Covid crisis compared to 53% in 2020.**
- Consumers view international retailers as more competitive on price, range and online experience, but they view Irish SMEs as more reliable and trustworthy. **Irish SMEs should focus their digital investment in these areas of competitive advantage.**
- Only 23% of consumers currently feel fully comfortable shopping in physical stores on their high street. **Most would prefer to wait until restrictions are lifted or vaccines are more generally available.**

SME FINDINGS

- The number of SMEs that have invested in their online presence has increased massively, from 21% in 2020 to 55% in 2021. **The majority recognise that the future of their business depends on adding some kind of digital offering.**
- 30% of SMEs sell a physical product via an online store, up from 25% in 2020. **Of these, the vast majority—almost 9 in 10—have noticed an increase in their sales numbers since the Covid crisis began.**
- 78% of SMEs that have invested in their online services say they are busier than or as busy as before the Covid crisis, up from 46% in 2020. **SMEs opinions on consumer purchasing habits are changing; more believe that consumers will do the majority of their shopping online.**
- 61% of SMEs said online services will be more important to their business in 2021 than they were in 2020. **A greater number of SMEs now accept that their business model is likely to be permanently changed by the pandemic.**

