

Nearly three-quarters of consumers won't feel comfortable shopping on the high street until the Covid crisis is better controlled — new research

27% will not feel comfortable on their local high street until vaccines are more widely available, while 16% will wait for government to end social distancing

- **55% expect life in 2021 to be more or less the same as life in 2020, or even more restricted, according to new .IE Tipping Point report**
- **Fewer consumers than last year anticipate doing the bulk of their shopping in bricks-and-mortar stores over the coming twelve months**
- **Majority of online spending is with international retailers (51%), a swing back from Irish SMEs in the opening months of the pandemic**
- **Nearly 80% of Irish SMEs say they are as busy as or busier than before the pandemic because of their investment in online services**
- **.IE CEO: “Behaviours and ways of working that boost sales, cut costs, or increase convenience are likely to become permanently ingrained.”**

Nearly three-quarters (71%) of consumers say they will not feel comfortable shopping on their local high street until a number of conditions are met, according to a new research report published today by .IE, the company that manages Ireland's country domain .ie, in partnership with Digital Business Ireland.

The 2021 .IE Tipping Point report, *'Irish e-commerce and digital business in the Covid vaccine era'*, the second in a series of reports analysing consumer and SME behaviour and attitudes since the pandemic, shows that **just 23% of consumers are currently fully comfortable shopping on their local high street.**

28% will not feel comfortable until Covid **cases are much lower than they are now** and 27% not until **vaccines are available to the general adult population**, not just at-risk groups. 16% would prefer to wait until the government declares that **social distancing and masks are no longer required**, while 6% say they will never feel comfortable shopping in-store on their local high street ever again.

Overall, just 45% believe that life will return close or completely to pre-Covid normality by the end of 2021. The other **55% believe that life this year will be more or less the same as life in 2020, or even more restricted.**

“While vaccines offer Ireland a way out of lockdown, until a critical mass is reached and the population is immunised, our economy and society are set to remain in a state of flux,” **said David Curtin, Chief Executive of .IE.** “This flux is accelerating major trends in how consumers spend and how SMEs sell their goods and services.”

The Covid consumer

68% of consumers reported spending more online in 2020 than they did in 2019. Looking ahead, **58% will prioritise online shopping over in-store shopping in 2021, up from 52% last year.** 42% of consumers said they will do most of their shopping in bricks-and-mortar stores this year, down from 48% in 2020.

Among consumers who say they will do most of their shopping in physical stores in 2021, 61% said it is more convenient. **39% said they will shop mostly in physical stores because it is a chance for social interaction and to go outside**; interestingly, this figure has dropped from 55% in 2020, presumably as cases have increased since Christmas.

For those consumers who said they would do most of their shopping online, social interaction had the exact opposite effect: **66% said shopping online is safer and means less social interaction**. 52% say it is more convenient and 46% say it saves them time.

The 2020 .IE Tipping Point report, published last summer, showed that **53% of consumers reported doing the majority of their online shopping with Irish SMEs** since the start of the pandemic, compared to 47% from international retailers. The 2021 report shows that this figure has now **swung back to international retailers**: 49% now say they have done the majority of their shopping with Irish SMEs since the start of the pandemic, 51% with international retailers.

“Irish consumers want to support local businesses through a difficult period, but SMEs can’t expect that goodwill to last forever. A stable, long-term e-commerce strategy cannot be built on crisis solidarity alone,” **said Mr Curtin**. “Irish SMEs have a number of unique, competitive advantages that consumers recognise and value, namely trustworthiness, reliability, and delivery speed. SMEs need to focus on these factors, on honing the customer experience online and off, rather than trying to undercut overseas retailers on price and range.”

The Covid SME

Almost a third (30%) of SMEs now claim to sell a product online in some way (either through a website or third-party platform), up from 25% in 2020. **Almost 9 in 10 of that group say they have noticed an increase in their online sales numbers since the Covid pandemic began.**

The number of SMEs that have invested in their online presence has increased dramatically since last year. Now more than half (55%, up from 21% in 2020) claim to have spent money on improving their digital platforms, with most either launching or improving their website. 78% of SMEs say that they are **busier than or as busy as before the pandemic** because of their online investment, up from 46% in 2020.

61% of SMEs say their online services will be **more important to their business in 2021** than they were in 2020, and 79% will **continue to invest** in them this year. It is clear that a greater number of Irish businesses accept that their business model is likely to be permanently changed by the pandemic.

“A growing number of Irish SMEs recognise that having an online presence is absolutely crucial to their business’s survival. Compared to last year, more businesses anticipate that consumers will spend online as well as offline, and that fewer will do most of their shopping in bricks-and-mortar stores. This knowledge of consumer trends is positive news for these businesses and for the Irish economy overall,” **said Mr Curtin**.

Further insight

Mr Curtin said it was crucial that local and national decision-makers consider shifts in consumer and SME behaviour during the pandemic when planning digital policy for the country’s post-Covid economy.

“The pandemic is a continuum, not a standalone event. Shifts in consumer and SME behaviour are still occurring, some now at a faster rate, others slower. From a digital perspective, it is clear that the pandemic is having an accelerant effect,” he said.

“Behaviours and ways of working that boost sales, cut costs, or increase convenience are likely to become permanently ingrained. Policymakers must consider these factors if their digital development plans are to be effective in the Covid vaccine and post-Covid eras.”

Lorraine Higgins, Secretary General of Digital Business Ireland, a .IE Tipping Point report partner, said: “Unquestionably, the future of business is ‘omni-channel’, with a physical and digital footprint. It is important to stress that these concepts are not mutually exclusive; what’s bad for one permeates the other. Therefore, adequate policy responses are needed to ensure a robust shopping landscape where online and bricks-and-mortar co-exist.”

ENDS

→ [Read the 2021 .IE Tipping Point report in full.](#)

The .IE Tipping Point report was commissioned by .IE, in partnership with Digital Business Ireland, and carried out by Core Research.

Research was carried out from 11–27 January 2021. A total of 1,000 consumers aged 18+ were surveyed via online questionnaire. A total of 500 SMEs in the retail and customer-facing professional services sectors were interviewed via telephone.

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About .IE

.IE is the national registry for .ie domain names and the trusted and progressive guardian of Ireland’s unique online .ie address. Our purpose is to enable and empower people, communities and businesses across Ireland to thrive online.

We operate the domain name system ([DNS](#)) for the .ie namespace, facilitate an [independent dispute resolution service](#), and operate a public [WHOIS](#) lookup service for .ie domains.

In cooperation with our Registrars, technical partners and stakeholders, we help advance Ireland’s internet ecosystem. Good governance is evidenced in our [policy development process](#) for the .ie namespace, which follows a bottom-up, consensus-driven approach through a multi-stakeholder Policy Advisory Committee.

At .IE we are committed to digital advocacy for SMEs and for local communities. Through stakeholder engagement initiatives such as [.IE Digital Town](#), we work with and support SMEs organisations to improve their members’ online presence and e-commerce capabilities so they can unlock the power of the internet to boost sales to local consumers.

We also produce fact-based research for the business community and policymakers, such as the [.IE Domain Profile Report](#) and the [.IE Digital Health Index](#), charting the attitudes to digital of Irish SMEs and consumers.

There are over 315,000 .ie domain names registered. Since March 2018, it is easier and faster to register a .ie domain. As part of the domain registration process, every applicant must provide tangible evidence of a connection to Ireland.

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