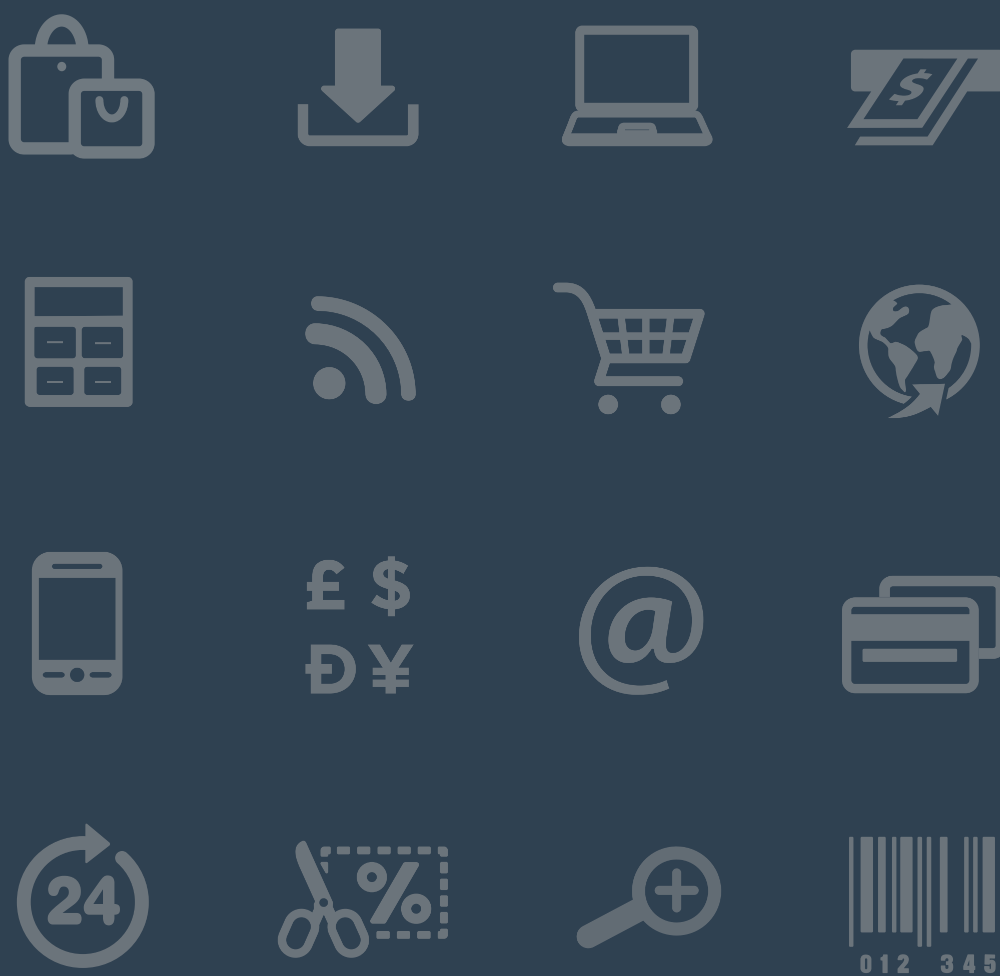
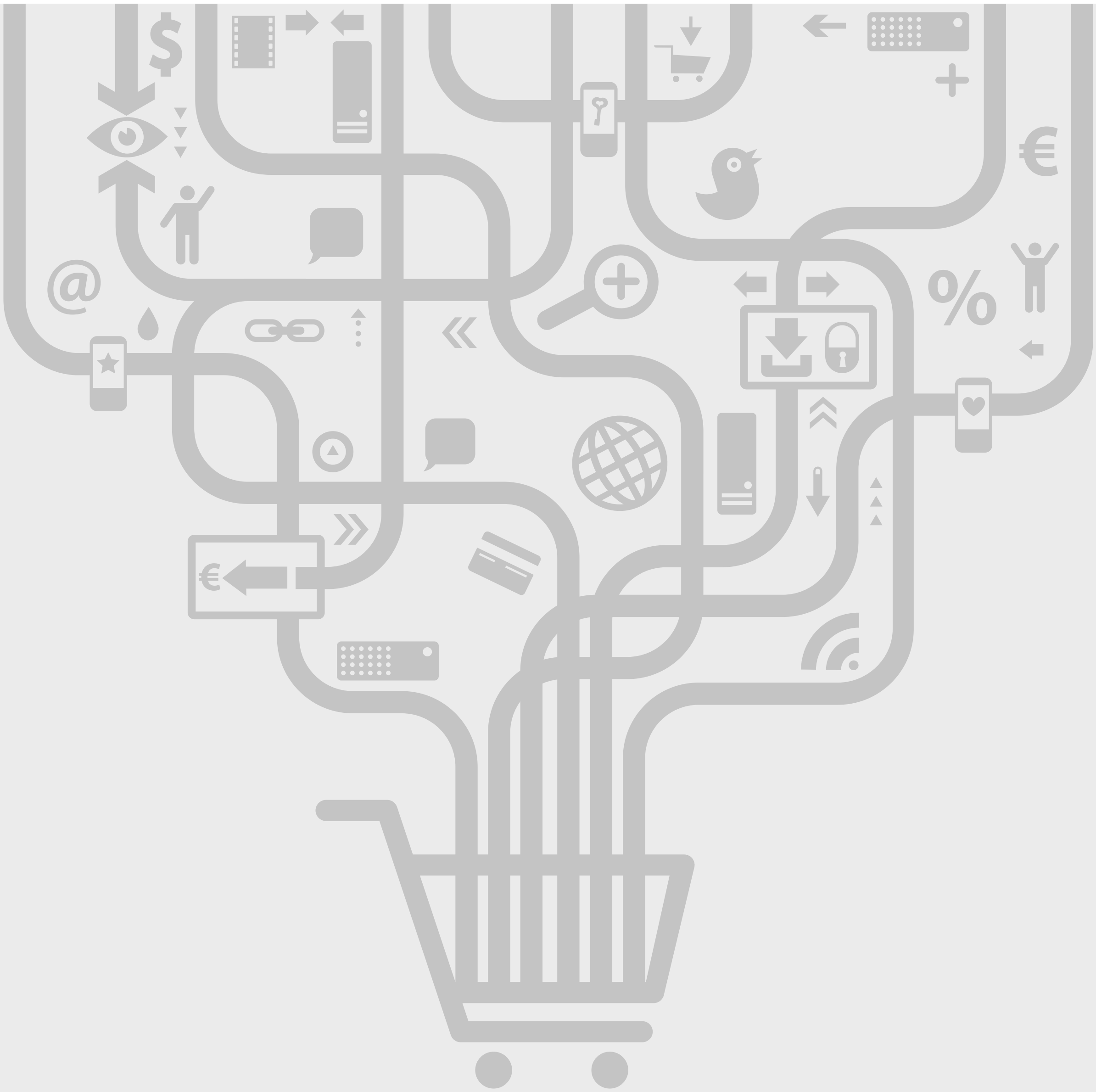
It's not e-shopping it's just me shopping

New global study reveals how digital is impacting
the behaviors and desires of today's shoppers



connected shopper | geometry global



While it is generally accepted that 90% of those connected to the Internet have made online purchases, that's where the generalizations must end. Digital technology has spawned a vast array of options, and shoppers are using these channels differently depending on where they live, how digitally savvy they are, what categories they are shopping, and many other variables.

Our Research

Geometry Global's study "Connected Shopper: A global study analyzing how digital is impacting today's shoppers" offers an unusually rich view of how shoppers are incorporating digital into their shopping habits across a wide variety of categories. It reveals, for instance, that while only 7% of Internet users make online purchases regularly, some 65%, nonetheless, use digital channels to research and browse prior to making a purchase. Accordingly, brands and retailers must think beyond online purchase and consider the role that digital channels play in their categories before, during, and after purchase.

The Connected Shopper, based on research conducted in 12 countries across 4 continents, attempts to understand the role that digital plays at every point along what we call the shopper's Purchase Decision Journey, and to identify both drivers and barriers to purchase that brand marketers and retailers can affect in order to increase sales.

This paper is the first in a series highlighting specific findings from the Connected Shopper study. It explores shopping trends online and off line and aims to:

- Identify global trends and underscore differences in digital use and shopping habits between countries

- Isolate browsing and shopping activities through digital channels, across product categories and geographies

- Highlight what shoppers want from brands in order to enhance their shopping experience

More specifically, we show that:

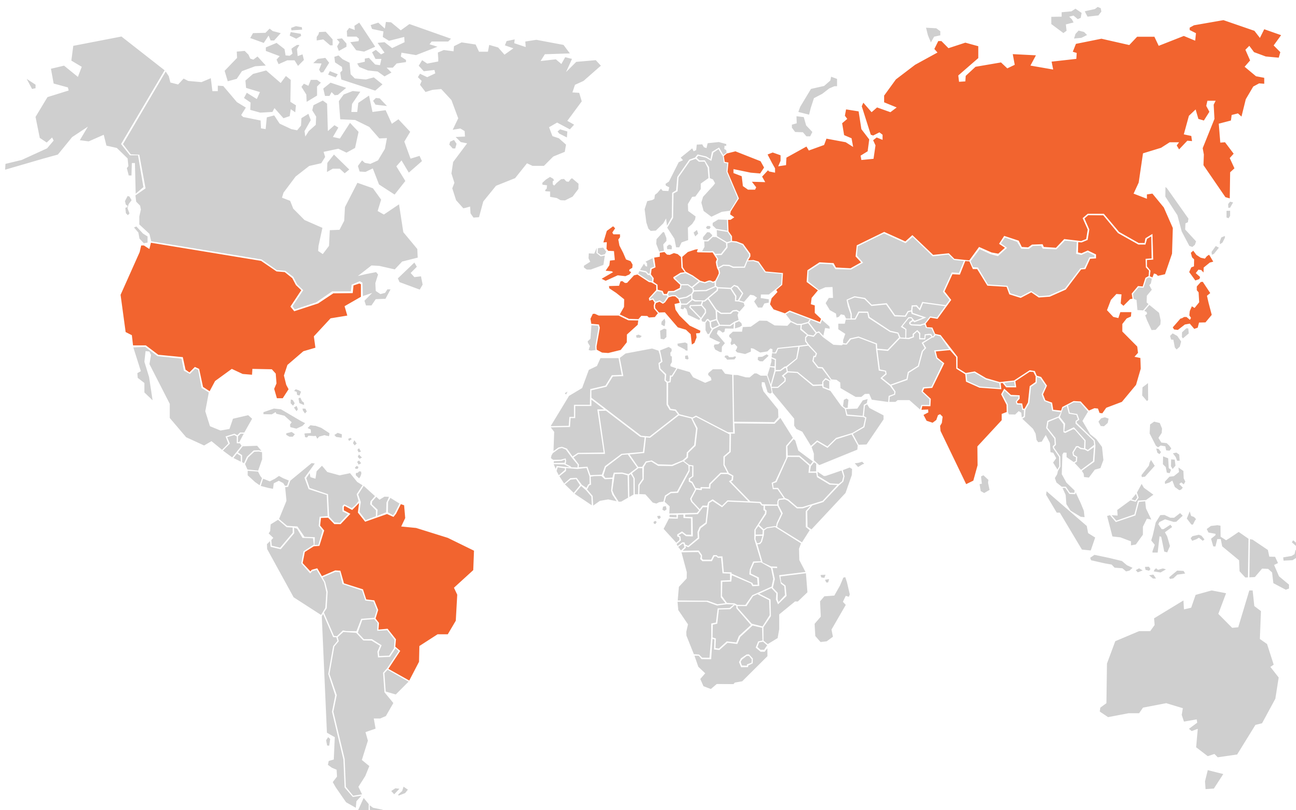
- "Omni-channel shopping" does not mean all channels all the time. It means the ability to choose the single online or off line channel the person wants, when they want it, according to their lifestyle and the category they are shopping

- Decisions throughout the Purchase Decision Journey are being made repeatedly and fluidly across both digital and physical spaces

- There are multiple barriers to eCommerce and mobile shopping, but there is much that brands and retailers can do to address these and provoke more online shopping for business growth

- In many fast-growing markets, shoppers are online more often, making more online purchases, and integrating digital and physical retail more frequently than are shoppers in more mature markets

This paper unveils insights from the Connected Shopper study, which seek to understand the global digital shopper and, ultimately, maximize marketing efficiency and effectiveness in today's rapidly changing shopping landscape.



Participating Countries

Brazil, China, France, Germany, India, Italy, Japan, Poland, Russia, Spain, UK, USA

Methodology

Fieldwork was managed by research house TNS and conducted via online panels using Geometry Global's Purchase Decision Journey research methodology. More than 770 interviews (self-administered, CAWI) were completed by Internet users (above the age of 15) in each of the countries noted above. A total of 9,486 interviews were completed for this comprehensive study.

The research methodology is unique in that it allows particularly nuanced data analysis. Graphic interpretations of a shopper's journey to purchase are generated based on the completed online surveys. Rich with contextual insight, the methodology quantifies the Purchase Decision Journey – the triggers that initiate the buying process, the digital and analog steps taken along the way, and, importantly, the points along that path that are the most critical to the purchase decision and that, if targeted, would yield the greatest impact.

1 Observers

Spectators of digital evolution with real fear of its consequences

2 Functionalists

Those with only the most basic digitization of their lives; oriented toward information management

3 Explorers

Advanced pupils of digital life who are just starting to extract value from digital tools

4 Experimenters

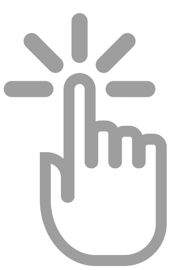
Those adapting to digital life through continuous learning and experimentation

5 Techsters

Converts to the digital revolution, leveraging its possibilities all the time

6 Future Forwards

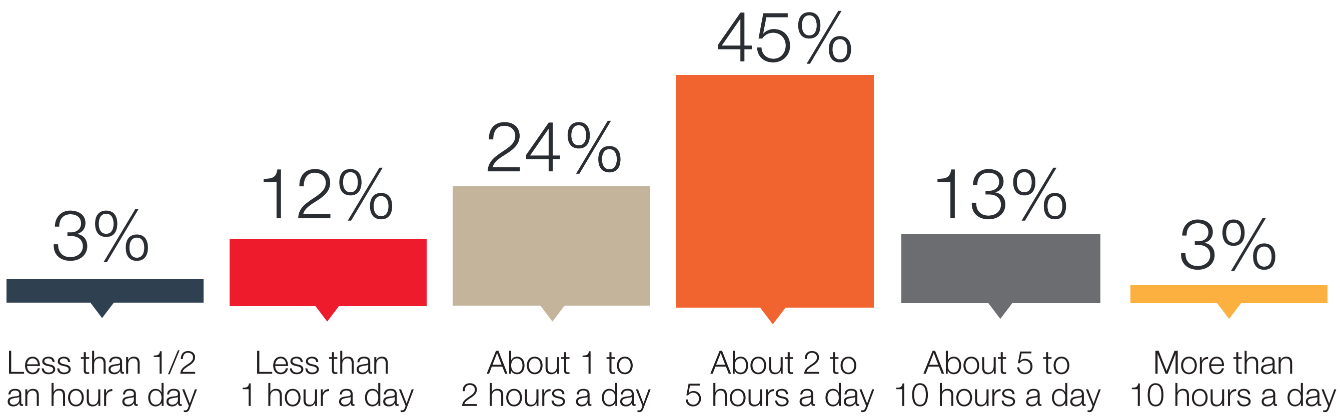
Multi-device multi-taskers, in constant search of novelties



Digital Behavior

Setting the scene: Six types of digital behavior

The degree to which people blend the online and off line worlds for their browsing and shopping depends largely upon how attuned to the Internet they are and to what degree they incorporate it into their lives. It's worth noting that only 40% of current Internet users consider themselves "advanced," while 50% are still in "learning mode." Clearly, omni-channel shoppers require segmented solutions adapted to their digital pace and so, through this research, we identified six distinct behavior patterns that shoppers follow, ranging from least to most digital-savvy.



France	Germany	Italy	Spain	UK	Japan	India	USA	Russia	China	Brazil	Poland
2.66	2.87	3.26	3.30	3.33	3.52	3.66	3.80	4.19	4.27	4.69	5.07

Hours online daily, by country breakdown

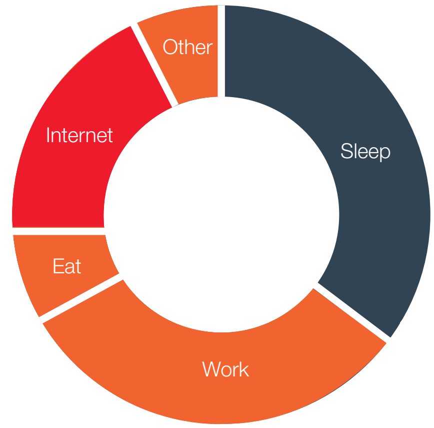
Internet Usage

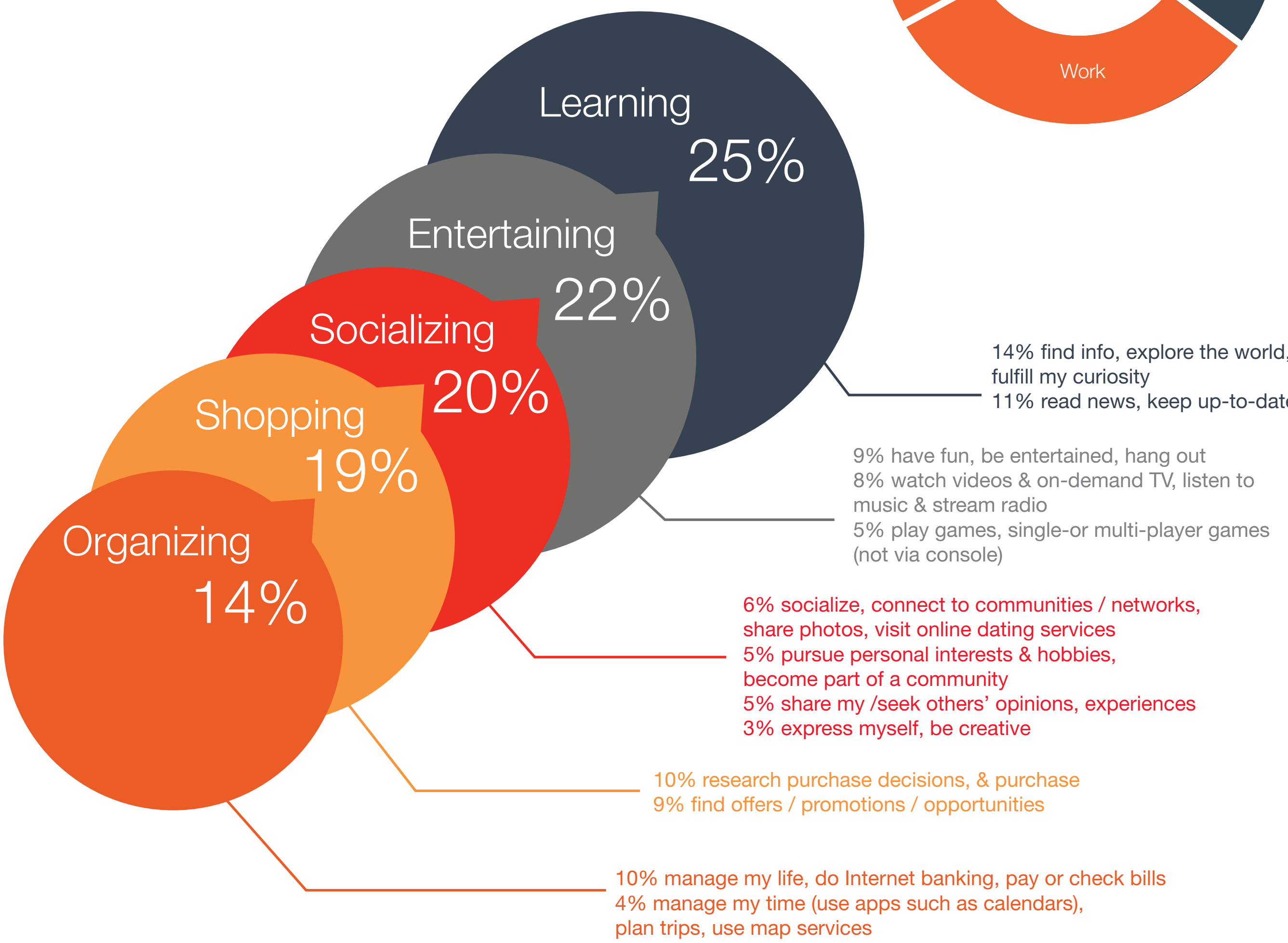
THE INTERNET IN OUR DAILY LIVES – Worldwide, more than half of free time is spent on the Internet

People across the globe are now spending an average of nearly four hours a day actively using the Internet for personal – not work-related – reasons. This accounts for as much as 60% of "free time" when factoring in hours for work and sleep.

Interestingly, people in economically mature markets spend less time online compared with those in emerging markets, including China, Brazil, and Russia. Poland stands out, spending the most time online of all (exceeding five hours a day), while people in France spend the least amount of time online.

Personal time spent online everyday

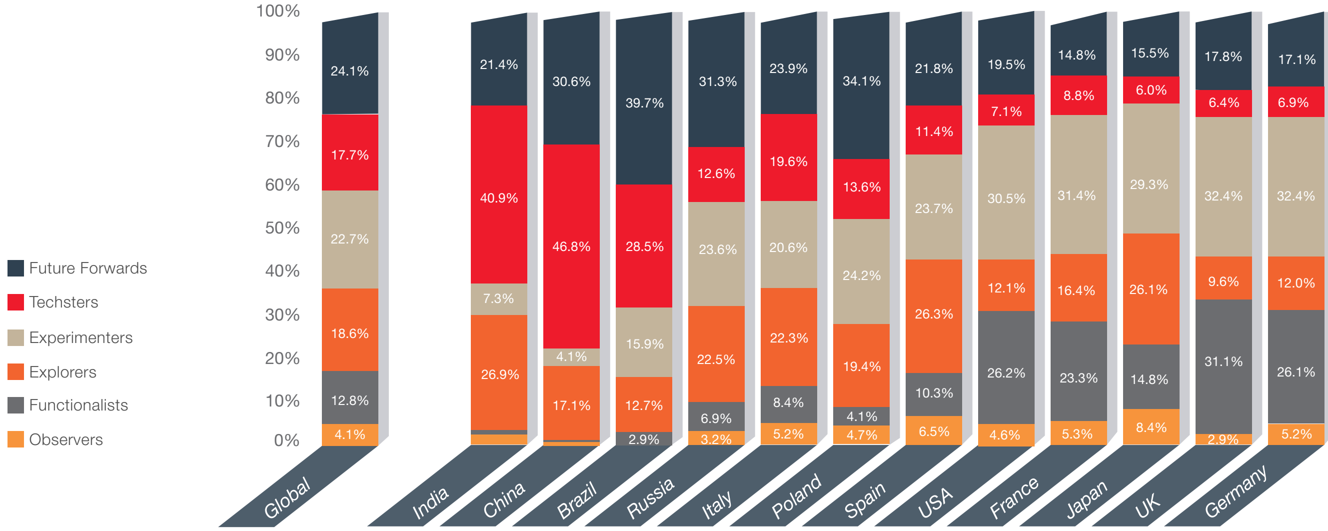




Browsing & Shopping

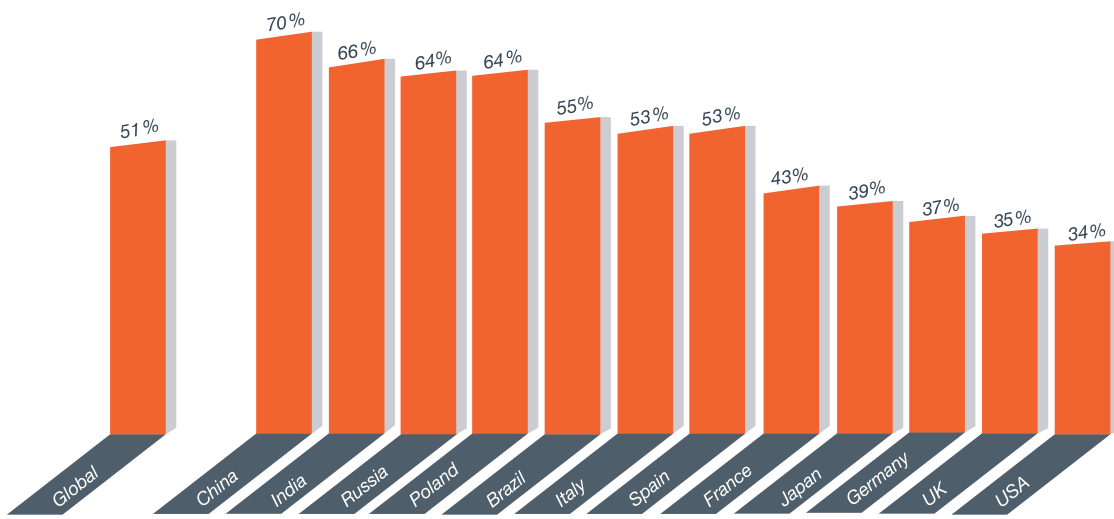
Browsing and shopping account for 19% of global online activity

Time online is devoted to five main activities: socializing, entertainment, organizing, knowledge gathering, and shopping. Nineteen percent of time spent online is used for browsing and shopping, including researching product information, comparing prices, looking for promotions, and making online purchases.



Mix of digital behavior types, by country

Countries with lower Internet penetration have more advanced digital users.



Usage, motivations, & relevance of the Internet

"It is essential for me to have access, all the time, everywhere." % Strongly agree + agree

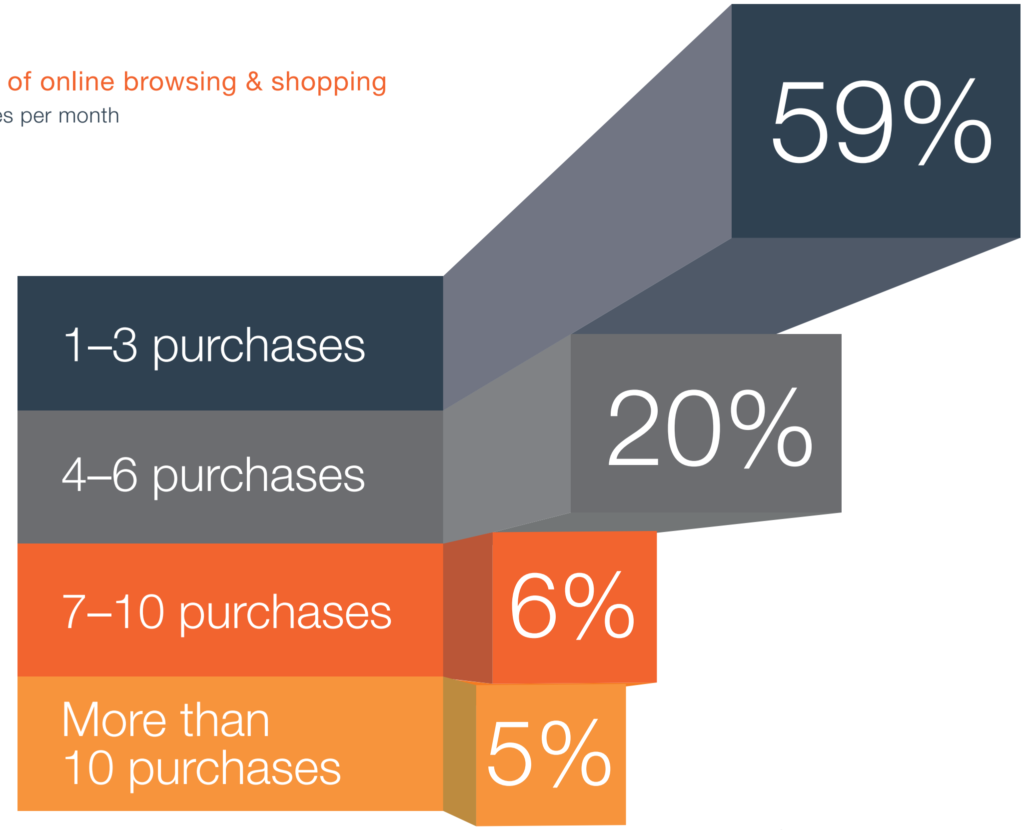
Growing Economies

Fast-growing economies are future forward

Fast-growing markets may have lower Internet penetration due to their relatively large population bases, but those who are online in those markets are more digitally savvy and express a far higher need to have Internet access at all times. In other words, more people fall into the "tech savvy" online shopping behavior categories in these countries. This has implications for brands, not only as an indicator of growth trends, but also in terms of how brands should be designing programs right now – especially for brands in product categories that attract a lot of online browsing and purchase.

Increasing relevance of online browsing & shopping

Number of online purchases per month



On average, Internet users make 3.25 online purchases per month.

Spain	France	Russia	Italy	USA	Japan	Brazil	Poland	Germany	UK	India	China
2.17	2.40	2.42	2.45	2.60	2.66	3.16	3.67	3.73	3.75	3.79	5.88

Globally, 79% of Internet users make 1 to 6 online purchases a month.

Shoppers in China

Shoppers in China make twice as many purchases

Eight out of ten people who use the Internet make at least one online purchase per month, and the global average is three online purchases a month. Several fast-growing markets exceed the global average, but China's Internet users really stand out, making nearly twice as many online purchases every month. This is likely related to the fact that the online population is highly evolved digitally, as stated above. Another driver in China could be the relatively sophisticated shopping portals that offer high value, flexibility in payment options, and an efficient delivery system.

Importantly, 68% of people across the globe "strongly agree" or "agree" that online shopping will represent an increasing share of their total shopping in the coming years.

Usage, motivations & relevance of the Internet

Device penetration by country

	INDIA	CHINA	BRAZIL	RUSSIA	ITALY	POLAND	SPAIN	USA	FRANCE	JAPAN	UK	GERMANY
Laptop	76%	78%	66%	69%	76%	84%	72%	64%	67%	72%	71%	75%
Desktop	65%	80%	80%	72%	59%	62%	69%	69%	68%	52%	69%	63%
Smartphone	55%	86%	53%	40%	54%	42%	52%	44%	42%	33%	45%	53%
Tablet	24%	46%	31%	23%	27%	17%	24%	26%	22%	14%	31%	22%

Activities performed per device

Bold indicates top two activities performed on this device

	LAPTOP	DESKTOP	SMARTPHONE	TABLET	MOBILE PHONE	TV	GAME CONSOLE	eBOOK	iPOD
Find information	**61%**	64%	18%	28%	**13%**	16%	3%	**22%**	16%
Express myself	14%	13%	10%	8%	9%	2%	2%	3%	8%
Share my / seek others opinions	23%	20%	14%	12%	13%	4%	3%	4%	3%
Have fun	33%	29%	**30%**	**30%**	18%	19%	**34%**	**31%**	**23%**
Find offers	41%	41%	19%	19%	12%	6%	3%	8%	8%
Socialize	24%	20%	24%	16%	14%	2%	7%	6%	10%
Get news	42%	44%	**33%**	**30%**	**22%**	**36%**	4%	10%	18%
Watch videos	34%	32%	13%	26%	9%	**42%**	14%	10%	**26%**
Manage my life	44%	46%	12%	13%	9%	3%	2%	3%	10%
Inform purchase decisions	**47%**	**48%**	9%	18%	10%	2%	1%	7%	11%
Manage my time	14%	13%	21%	13%	12%	1%	0.6%	-	10%
Pursue hobbies	23%	21%	11%	12%	8%	3%	4%	11%	10%
Play games	18%	23.2%	10%	17%	8%	4%	**46%**	15%	13%

Base: Desktop (5,069), laptop (5,575), smartphone (3,103), mobile phone (426), tablet (1,437), ipod (101), tv (360), game console (180), eBook (72)

Online Activities

SHOPPING BEHAVIORS – The path to purchase is a tangled web

Browsing done at home

Globally, laptops and desktops are still the most popular ways to access the Internet. Mobile devices – smartphones, tablets, and mobile phones – make up the balance. Again, China stands out with its very high penetration of smartphones among Internet users, which, at 86%, is nearly 30 points higher than India, at 55%, and 50 points higher than Japan, the country with the lowest penetration, at 33%.

Of course, each device has its capabilities and people use them for different purposes. Desktops and laptops appear to be useful for finding information and offers; life management; and informing purchase decisions, while smartphones are called upon for news and entertainment, socializing, and managing time.

Channels used "a lot" to seek information about brands and their related products

	GLOBAL	INDIA	CHINA	BRAZIL	RUSSIA	ITALY	POLAND	SPAIN	USA	FRANCE	JAPAN	UK	GERMANY
Brand official websites	26%	27%	40%	40%	26%	26%	35%	24%	13%	12%	13%	13%	36%
Independent websites about the brand	18%	24%	34%	25%	18%	18%	29%	16%	10%	8%	4%	10%	12%
Discount pages, such as Groupon	14%	19%	19%	22%	8%	8%	23%	13%	6%	11%	4%	7%	9%
Branded forums / Blogs	11%	16%	28%	17%	12%	12%	15%	9%	2%	4%	2%	2%	4%
Shopping apps	11%	14%	31%	15%	14%	14%	12%	6%	5%	5%	4%	5%	4%
Online advertising	9%	19%	20%	19%	10%	10%	10%	4%	3%	2%	2%	2%	2%
Social brand communities	9%	18%	26%	16%	8%	8%	10%	7%	2%	3%	1%	2%	3%
Direct messages with information	9%	15%	25%	12%	11%	11%	12%	5%	2%	4%	3%	2%	3%
Branded apps	8%	14%	20%	13%	15%	15%	11%	5%	3%	3%	2%	2%	2%
Direct response messages	7%	14%	20%	12%	8%	8%	10%	4%	2%	2%	1%	3%	2%
Geolocation promotions	6%	12%	16%	10%	7%	7%	8%	3%	2%	2%	1%	1%	2%
QR codes	6%	10%	22%	8%	4%	4%	5%	4%	1%	2%	1%	1%	2%
Direct calls	6%	13%	15%	9%	5%	5%	8%	4%	1%	2%	1%	1%	2%
Bluetooth posts	4%	9%	10%	7%	4%	4%	5%	2%	1%	2%	1%	1%	2%

Brand Websites

Brand websites remain popular

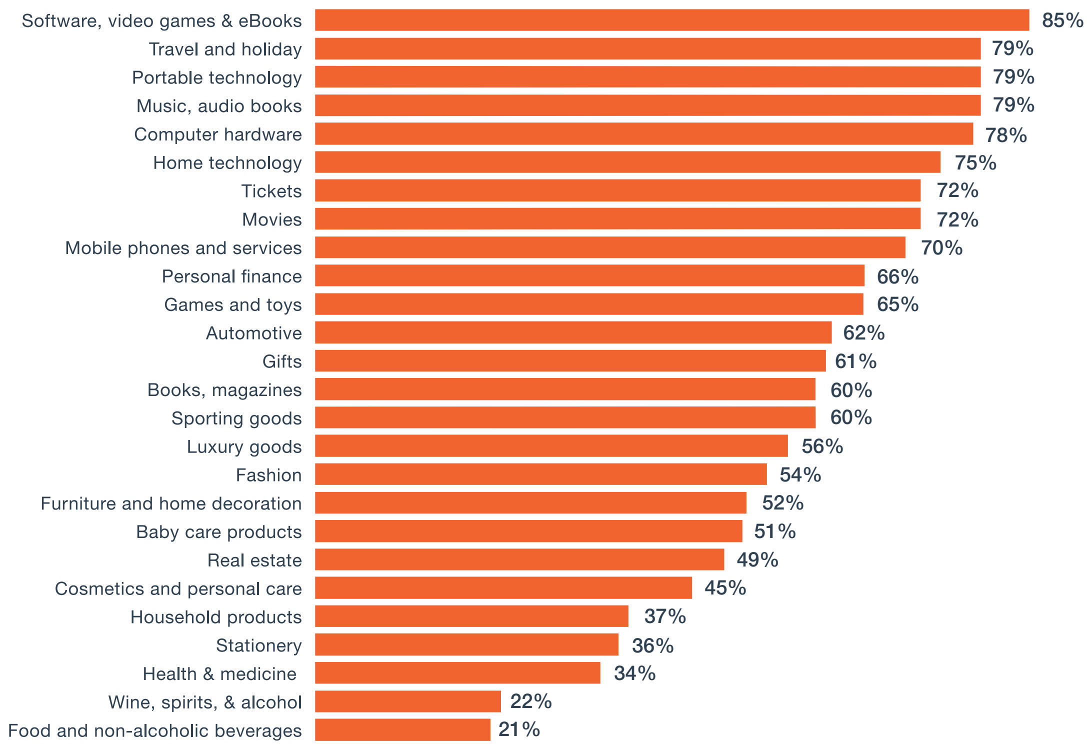
When Internet users seek information online about brands and their associated products, 62% say they use the official brand website, with 26% saying they use them "a lot." In addition, 50% turn to independent websites that feature the brand and 42% turn to discount pages. Shopping apps (34%), branded forums (36%), and online advertising (32%) round out the list. The upshot: Brands have a clear opportunity to own their narrative online, and there may be a need for better and more convenient shopping apps.

The practice of visiting official brand sites for product information is noticeably more prevalent in China, Brazil, and Poland, whereas relatively low numbers of people visit these sites – or, in fact, any online channels – in mature markets like the USA, UK, Japan, and France. Germany is an exception this time with brand websites ranking high, while all other channels show little or no popularity.

The message for global brands is that browsing online for product information is becoming increasingly complex and diverse in some countries, while it flattens out in others, suggesting a localized (country-level) approach to information seeding.

Increasing relevance of online browsing

Categories in which people perform 50% or more of their browsing online



Browsing & Purchasing

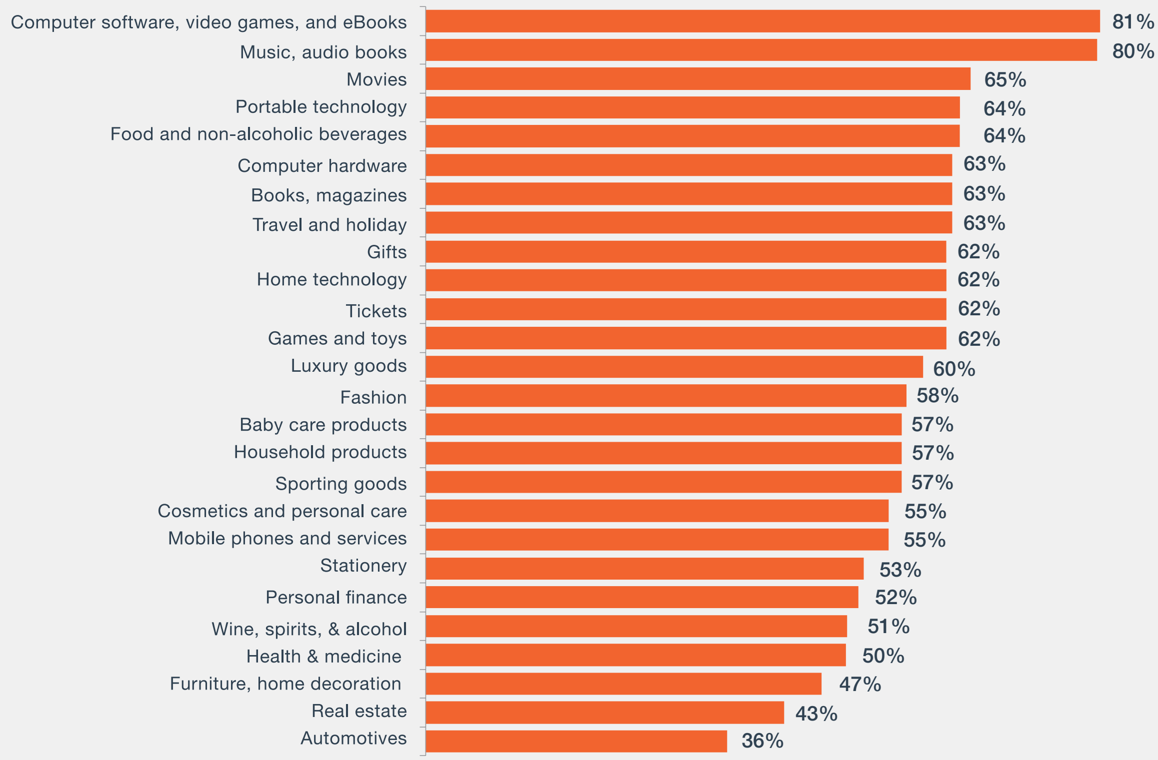
Product category determines browsing and purchasing habits

The amount of time people spend browsing online varies by product category. At the high end of the spectrum are computer software, video games, eBooks, travel, and music; at the low end, food, alcoholic and non-alcoholic beverages, and health and medicine.

While the most heavily browsed categories are often the ones with the highest rates of purchase, this is not always the case. For instance, only 21% of the browsing for food and alcoholic beverages is done online, but, at 64% it is the fourth-highest category for online purchase. By examining a category's "buying spread" – the negative or positive difference between the intensity of browsing versus purchasing – marketers can plan accordingly. Brands in categories with negative buying spreads (such as automotive, technology, real estate, and furniture) should focus on helping people find product information, reviews, and external endorsements online. Brands in categories with positive buying spreads should focus more on helping people purchase online through promotions, loyalty clubs, or flexible payment options.

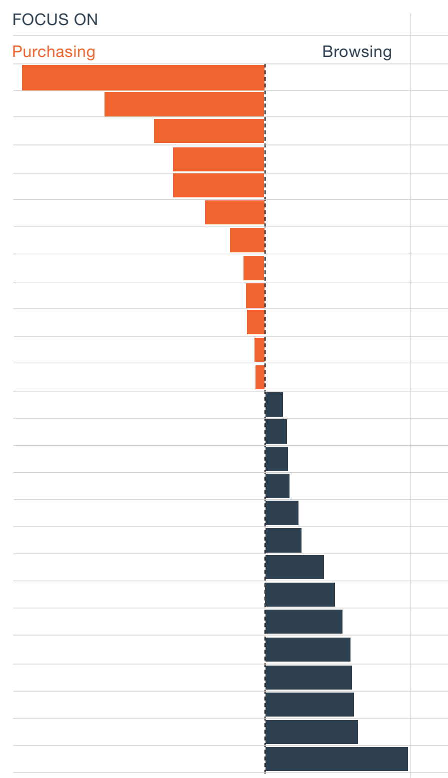
Online shopping

% of online purchases by category



Browsing versus purchasing online

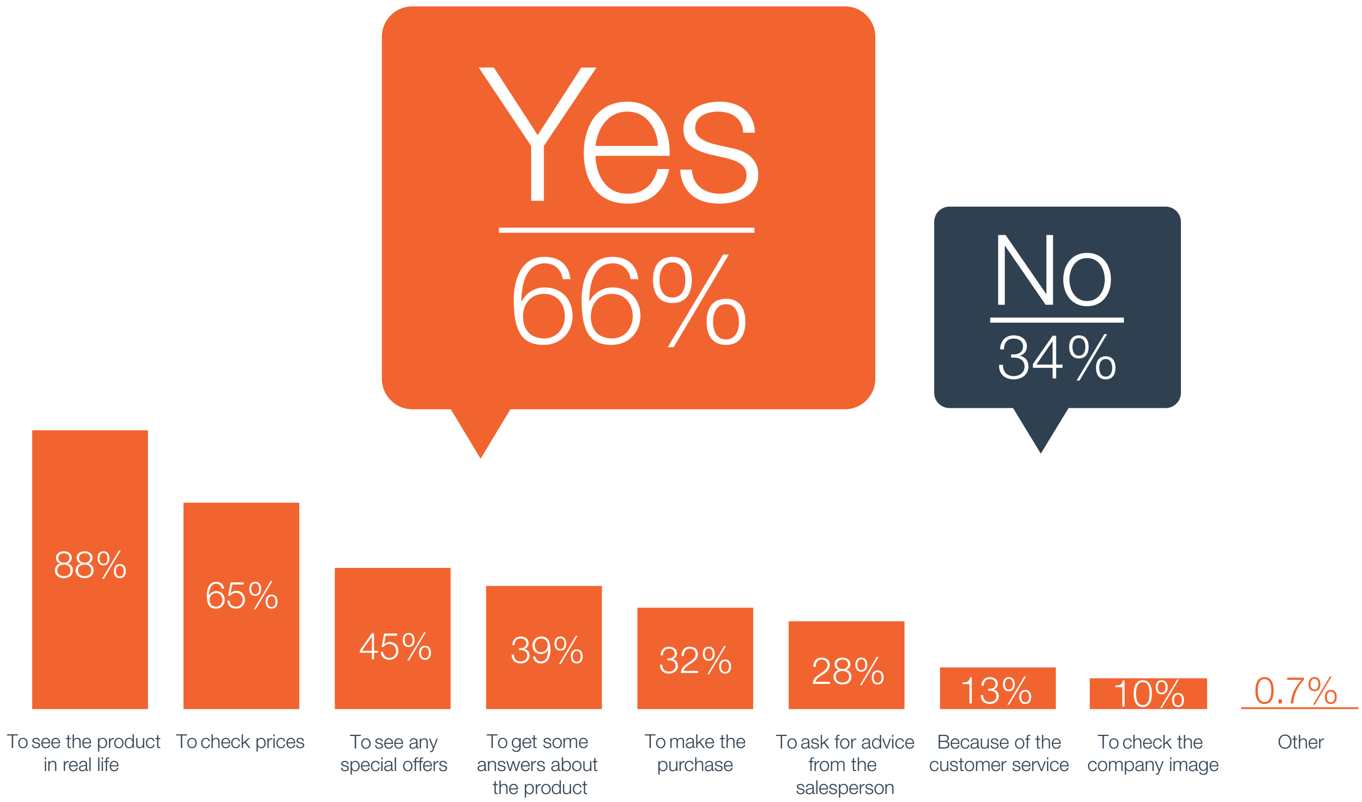
ONLINE BEHAVIOR	Browsing (*)	Purchasing
Food and non-alcoholic beverages	21%	64%
Wine, spirits, & alcohol	22%	51%
Household products	37%	57%
Stationery	36%	52%
Health & medicine	34%	50%
Cosmetics and personal care	45%	55%
Baby care products	51%	57%
Fashion	54%	58%
Books, magazines	60%	63%
Luxury goods	56%	60%
Music, audio books	79%	80%
Gifts	61%	62%
Sporting goods	60%	57%
Games and toys	65%	62%
Furniture and home decoration	51%	47%
Software, video games & eBooks	85%	81%
Real estate	49%	43%
Movies	72%	65%
Tickets	72%	62%
Home technology	75%	62%
Personal finance	66%	52%
Portable technology	79%	64%
Computer hardware	78%	63%
Mobile phones and services	70%	55%
Travel and holiday	79%	63%
Automotive	62%	36%



*Perform 50% or more of browsing online

Percent of Internet users who visit physical stores to inform their purchase

Physical stores are still relevant



Retail Lives On

Physical stores remain at the heart of the shopper's journey

Some 65% of Internet users surveyed say they visit physical stores to inform their purchases. "Seeing the product in real life" is the primary reason (88%), with "checking prices" being the secondary reason (65%).

But even in-store, digital's convenience, ease of use, and broad offering play a critical role: six out of ten people use mobile phones or tablets while visiting physical outlets, mostly to compare prices, look for product information, and take photos of the product.

Globally, 60% use their mobile phone / tablet while visiting physical stores to.

	INDIA	CHINA	BRAZIL	RUSSIA	ITALY	POLAND	SPAIN	USA	FRANCE	JAPAN	UK	GERMANY
% Use mobile / tablet at the store	87%	94%	70%	74%	60%	73%	42%	35%	45%	40%	31%	46%
Compare / check prices	58%	66%	43%	47%	30%	36%	24%	22%	20%	27%	18%	27%
Look for information regarding the product	45%	57%	35%	33%	24%	22%	19%	14%	10%	16%	10%	19%
Look for information regarding the store	32%	42%	18%	15%	11%	11%	6%	4%	4%	6%	4%	6%
Look for ideas	38%	31%	15%	9%	14%	13%	11%	9%	8%	8%	9%	11%
Check availability in other stores	43%	35%	26%	27%	13%	21%	10%	12%	8%	4%	10%	11%
Ask for advice / opinion of others	30%	36%	17%	20%	12%	20%	10%	3%	9%	5%	5%	8%
Ask for advice / opinion of experts	30%	26%	10%	11%	11%	10%	10%	5%	3%	3%	4%	6%
See if it is easy to find online	38%	44%	25%	19%	15%	14%	10%	8%	7%	14%	10%	18%
Take photos of the product	37%	39%	26%	33%	19%	33%	23%	14%	21%	8%	10%	15%
See demos or comparisons	34%	41%	25%	8%	8%	9%	7%	5%	4%	6%	4%	6%
Validate choice with peers	26%	31%	12%	18%	8%	35%	5%	3%	15%	4%	3%	4%
None of the above	13%	6%	31%	26%	40%	27%	51%	66%	56%	61%	70%	54%

Mobile phone usage in-store by country

As we have noted, many fast-growing markets display very digitally savvy shopping behaviors. For example, the use of mobile phones in the physical store is highest in China (94%), India (87%), and Russia (74%), while the UK (31%) and USA (35%) are at the opposite end of the spectrum. The typical Internet user in an emerging market is therefore a more versatile shopper, more adept at blending the online and off line retail worlds. Marketers looking for increased sales need to go deep to understand the browsing and shopping habits of their target consumers and know that these will vary according to geography and product category.

Social Influence

The power of social influence – amateurs are experts

This study shows that social networking continues to increase, with one out of every three Internet users expecting to devote more time to it in the future. However, it also shows that 40% see little reason to “like” a brand online.

Nevertheless, the role of social media cannot be underestimated as an influencer along the path to purchase. Consider, for instance, that 100% of first-time buyers seek endorsements, both online and off line, prior to purchase. Even more telling is that while physical stores still have a key role to play in many categories, 60% of shoppers WILL buy things online without ever having seen them in real life.

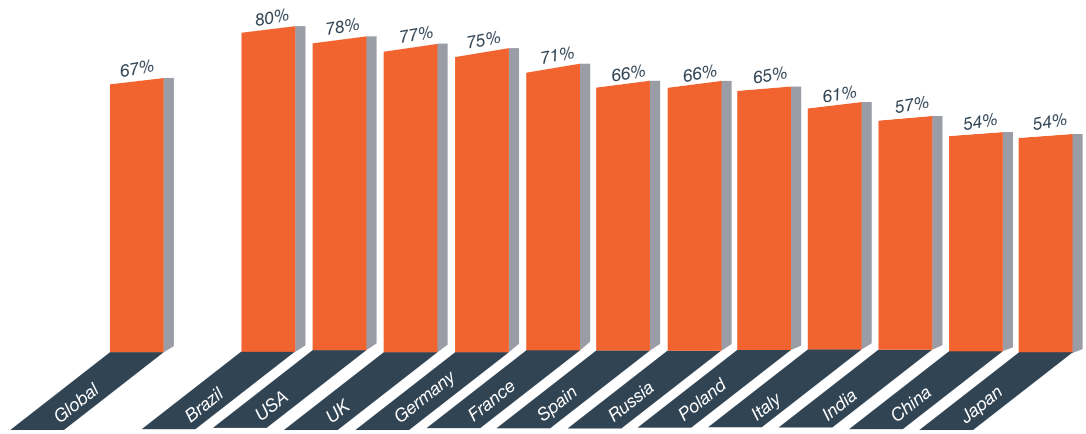
The role played by non expert advisors is critical and brands should pay more attention to leveraging and promoting positive opinions online as a way of influencing purchase.

WHAT CONSUMERS WANT – Convenience and options (as long as privacy is respected)

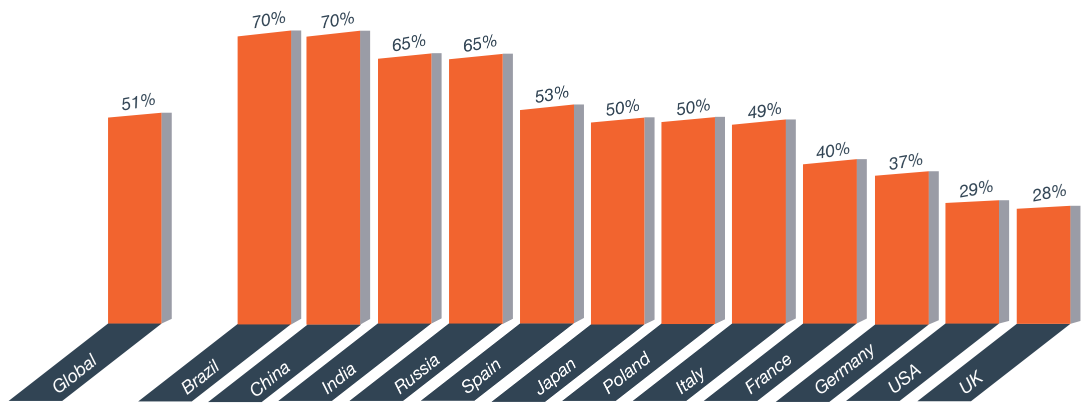
While trust in online payment options has increased over the years, widespread distrust remains regarding the secure use of data and personal information. Only two out of five people feel sufficiently in control of their data trail and only 26% are willing to trade off a degree of privacy in order to enjoy the benefits of online purchase. Notably, Brazil joins the more mature economies in its concern over privacy, breaking from its typical grouping with fast-growing peers.

The great majority (75%) of shoppers worldwide expect companies to be responsible for handling their data securely.

Privacy will remain an important issue as big data grows, and brands and retailers must take it seriously. That said, the research seems to indicate that convenience is a stronger driver than privacy concerns are a barrier. Shoppers revealed multiple areas of frustration in the buying process, and these should all be seen as opportunities for brands and retailers to reach out to shoppers.



"It's important to me that brands respect my privacy and my personal space & information."



"I appreciate it when info or ads show up, as long as they are related to my search."

% Strongly agree + agree

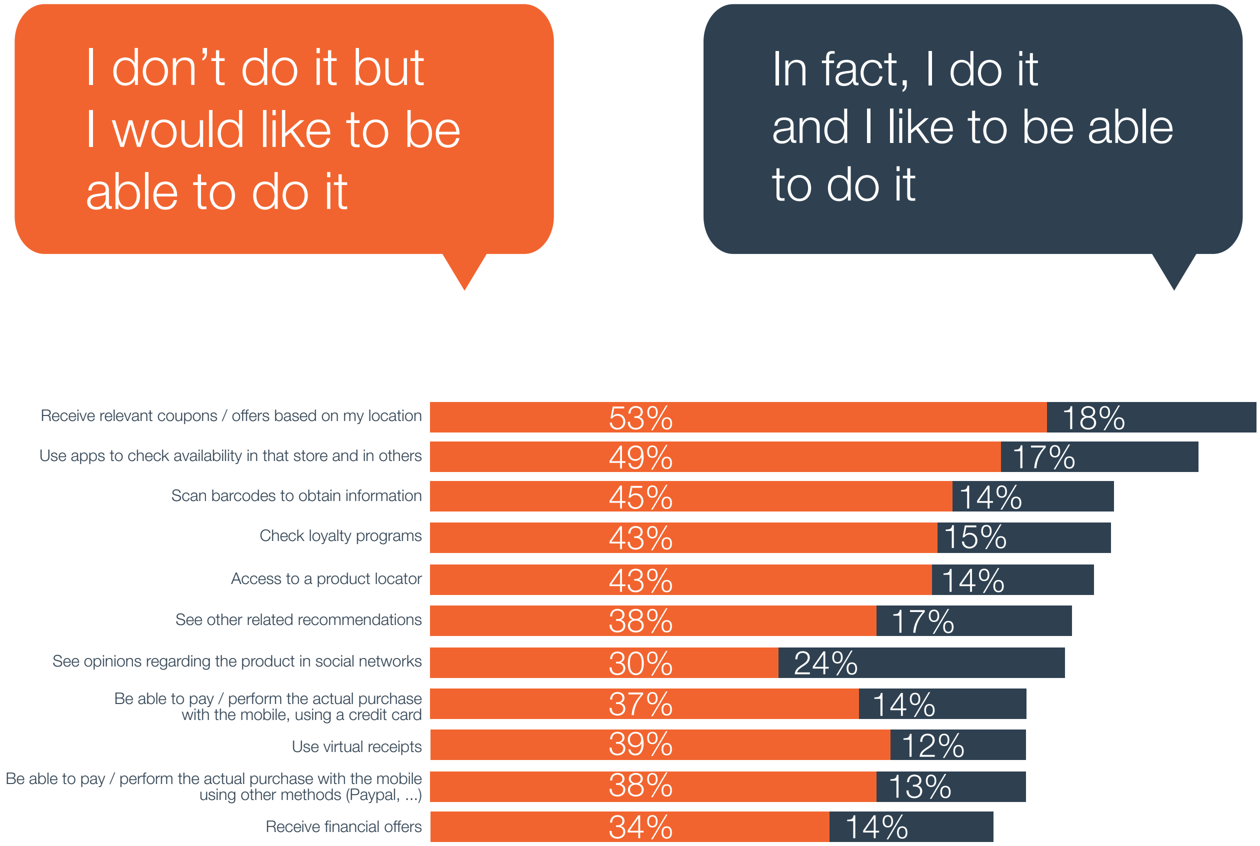
Relevance: Give me what I want, when I want it

Advertising is alive and well, as long as it is relevant: 51% of global consumers appreciate ads as long as they relate to their search, with China having the highest level of engagement (70%). The United States and the United Kingdom have the lowest tolerance for online advertising, with only 29% and 28%, respectively, saying they appreciate ads, even when relevant to their search.

Geolocalized ads and promotions received via mobile are welcomed, with over 70% of shoppers worldwide expressing a desire for them in the future; with 6 out of 10 shoppers using their phones in-store, this is a significant opportunity.

Relevance is key: find shoppers when they are looking for you and give them information that is appropriate for the product category and the country they are living in.

What people do with their mobile phones

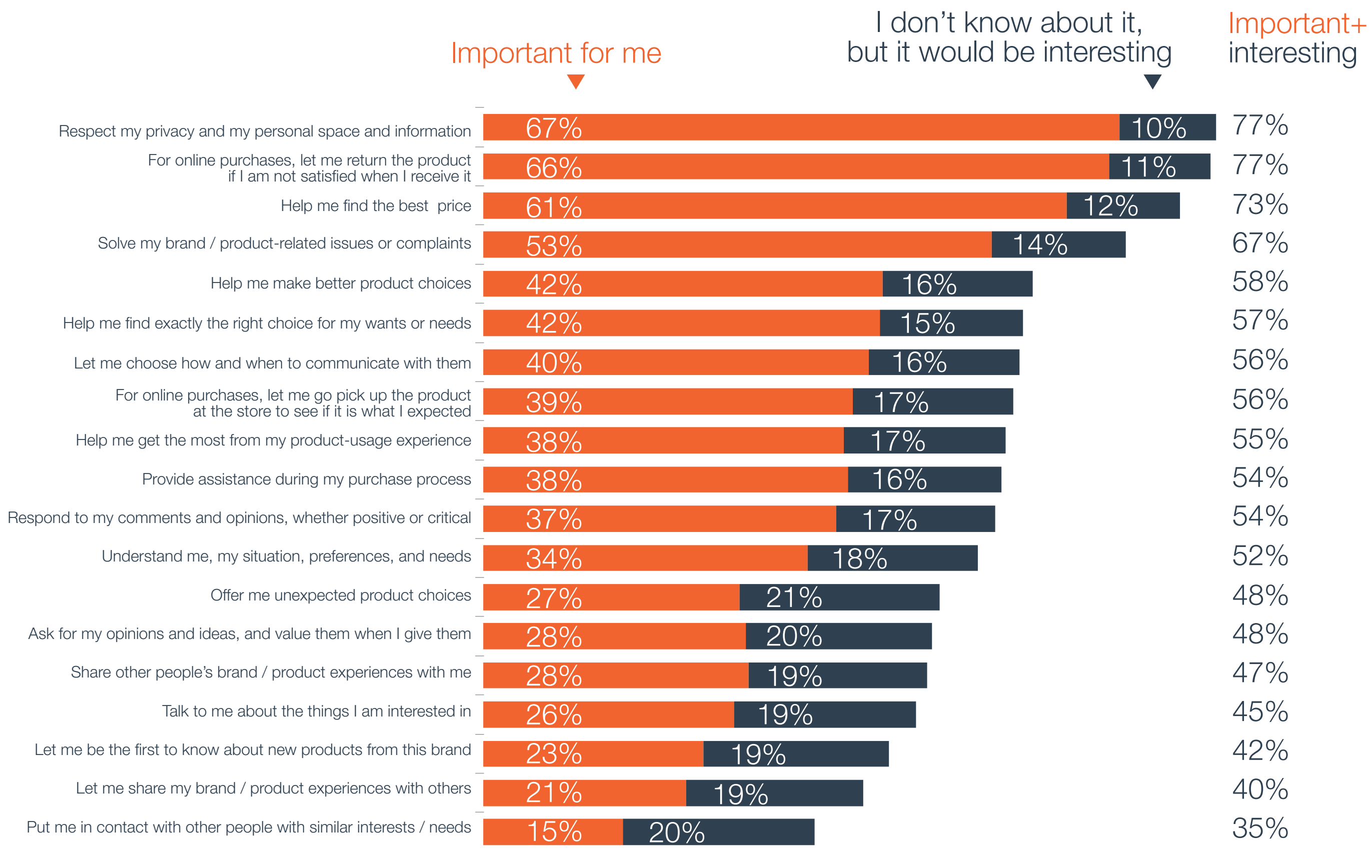


Mobile: Help me save time and money

Two out of five consumers reported not being impressed by the offers they received via mobile, especially in the highly digitized markets; there is a huge opportunity to reach and impact shoppers in this area.

Basically, shoppers want help shopping. They are interested in better ways to check product availability, get in-depth product information, search for product reviews and endorsements, or purchase the product. Their smartphone should be their personal shopper with better mobile apps and geo-appropriate promotions that help them save time and money at the moment it is convenient for them. Physical and online retail spaces should complement each other and make the browsing and shopping experience as smooth as possible, irrespective of whether the product is bought online or off line.

What people want from brands



Service: Listen to me and treat me well

Regardless of how digitized society becomes, research revealed a constant across cultures: everyone wants a more personal touch to enhance the shopping experience. Active listening and advising, as well as flexibility and problem solving, are dimensions people want to experience at all digital and retail windows. 66% demand flexible return policies, 61% want help to find the best prices, and 53% want issue resolution.

This is one area where social media can prove its value, as it is ideal for fostering the human touch that people want. Dealing with product complaints, providing advice on product use, and rewarding people for their loyalty are all areas that social media programs can support. Winning brands will extend this personal touch to physical retail, telephone hotlines, mobile apps, and so on.

Across the globe, people are increasingly integrating the online and off line worlds while they shop, but they are doing it differently depending on their life-style, what they are shopping for, and the country they live in. The path to purchase is complex, as people gather information and opinions repeatedly and fluidly in both digital and physical retail spaces.

The connected shopper wants access to all shopping channels – but not all at once. Only the right channel at the most convenient time for them. It is therefore critical to understand the variety of shopping behaviors and the touch points that impact each step. Brands and retailers have a huge opportunity to champion platforms for smart shopping, to leverage smartphones as allies, to provide personal and value-added services at the point of sale, and to create programs that facilitate the communication and opinion-seeking among peers.

The Connected Shopper, based on research conducted in 12 countries across 4 continents, attempts to understand the role that digital plays at every point along what we call the shopper's Purchase Decision Journey, and to identify both drivers and barriers to purchase that brand marketers and retailers can affect in order to increase sales.

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