

Consumers navigate different paths towards purchase and engagement with brands. As a research leader in tracking consumer behaviors across PC, smartphone, tablet and in store, we have a rare opportunity to compare and contrast how shoppers behave in diverse product categories. No doubt, every product category is distinct in that there are different influencers on the purchase decision. Also importantly, the timing, sequence of events vary significantly. However, what remains pivotal is the emergence of a set of converging insights that can offer guidance to marketers and researchers regardless of which industry you are working in.

We have picked five overarching trends seen across a multitude of categories to share: automotive, grocery/beverages, computer, beauty, video games and hotel. These trends come from a library of research studies conducted using Luth Research's ZQ Intelligence™ technology. ZQ is a patent pending cross-platform measurement app that, once downloaded onto the individual devices, tracks all aspects of consumers' digital life passively and continuously. It provides visibility into when and what searches are performed, what sites/apps are visited and how, what people do within the sites/apps. Equally important is ZQ can be activated with geo-fencing capabilities to follow the shopper's footprints into a physical store. With this unified approach, we measure the entirety of the shopping journey.

#1: Search, retailer lead the way

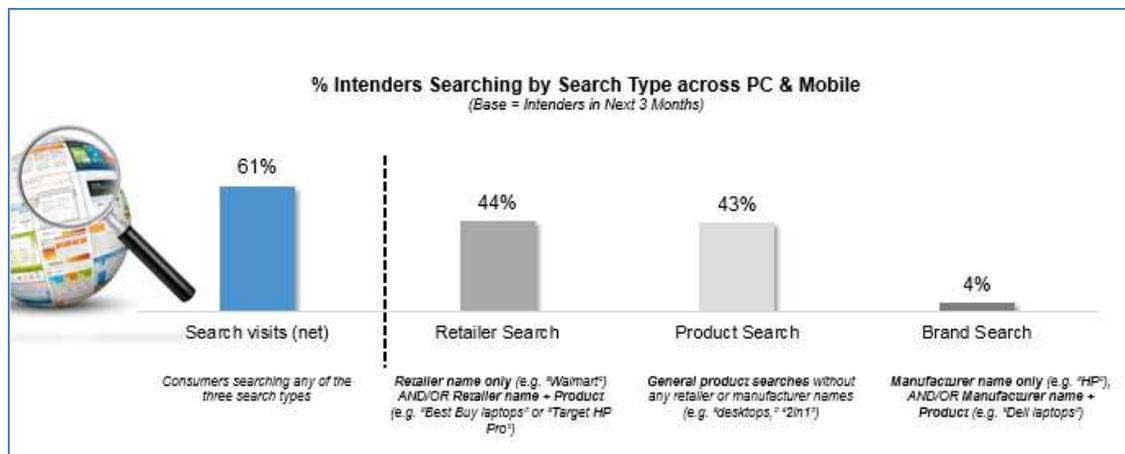
Of the many touch points consumers go through, search and retailer sites/apps stand out as the dominant destinations where consumers start and circle back as they shop. The dominance in itself is not surprising. But it is important to note that search and retailer visitation is generally 5 to 6 times of visitation to other related touch points such as specialized review sites/apps, coupon/deal sites/apps, brand/manufacture sites/apps. The magnitude of difference can inform how to allocate spending on digital touch points.

Figure 1.0 Key Touch Points



When it comes to search, retailer name is commonly present among search terms. Other more frequent search terms center around product names. In comparison, actual brand/manufacturer search terms are accounting for a lower share. These trends are especially notable in computer shopping, beauty and other CPG categories.

Figure 2.0 What Types of Search Terms are Popular



A few product categories have additional nuances and exceptions. For example, when shopping for a car, auto manufacturer sites and dealer sites (dealer sites are the counterpart of retailers in auto) are playing different roles but equally often used. In the hotel industry, the hotel brand sites and the independent online travel agency (e.g. Travelocity.com) sites are similar to the retailers, leading the visitation in the space.

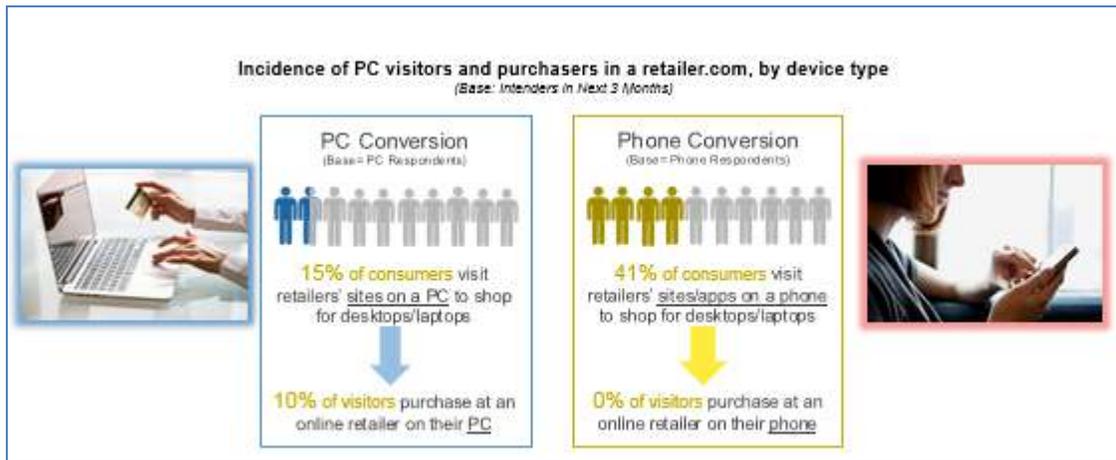
#2: Reliance on Amazon as a reference check

Comparison shopping is a widely expected consumer behavior. Amazon has made comparison shopping super easy, and become the go-to place for checking prices and reviews, even if the consumer ends up making the purchase elsewhere. In a typical month, three fourths of online shoppers visit Amazon on a computer, but only low double digit percent of visitors make a purchase on the site. That means more than half of the visitors are primarily browsing on the massive shopping portal. Another indication of this reference check behavior stems from the online activities immediately preceding consumers' trip to a physical store. For example, before going into Walmart stores to look at computers, 40% have visited Amazon. Furthermore, when we look at the correlations between various retailers, Amazon overwhelmingly shows up as one of the sites almost all other retailers (whether or not they are mass merchandisers like Walmart or specialty shops) are adjacent to in terms of visitation.

#3: Mobile is where extensive research takes place

With m-commerce still in its nascence, mobile is maturing and ready to take its central place as a research platform before purchase. PC is favored by its larger screen and convenience for doing more concentrated research and information seeking. With more than half of the purchases being planned (rather than impulse) across most categories, a computer is often used for planned purchases. On the other hand, mobile nicely fits in when consumers have pockets of time, not sitting in front of a desk or when they are on the go. In-store mobile usage is climbing up over the years and across product categories, ranging from the relatively lower double digit % of shoppers in grocery to nearly half in shopping for a computer. In some categories such as shopping for a computer, the usage of mobile for research purpose has already exceeded the usage of PC.

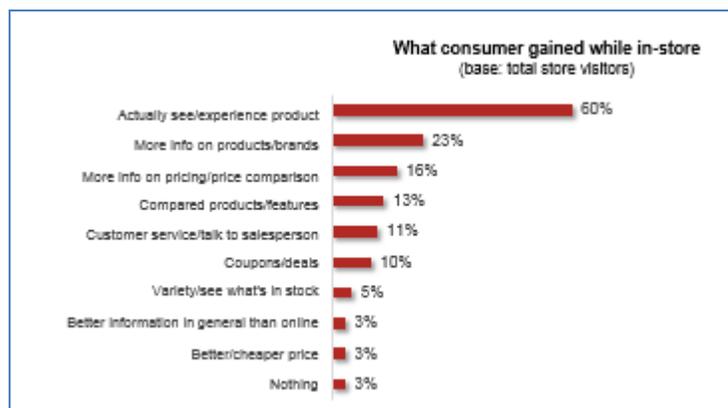
Figure 3.0 Usage of PC vs. Mobile Phone for Shopping for A Computer



#4: Store wins by providing a compelling interactive experience

Digital channels are at their all time hype, and not going to slow down in any foreseeable future. Yet, more than 90% of the overall consumer spending remains in the brick-n-mortar sector. How can the physical store function effectively in the omni-channel ecosystem? In our observation, people make an average of four in-person trips to a physical store when shopping for a computer. The leading reason is to look at the actual products. When shopping for grocery, in-store displays and promotions have frequently come up as an equally important influence on purchase decisions. The fundamental desire to see, touch and feel the products in person remains strong and has a catalyst effect on choosing a brand and closing the final step of purchase. By creating a shopping environment to facilitate this desire is paramount in developing a successful store front strategy.

Figure 4.0 Why Visiting Stores



#5: Brands: When Direct to Consumer strategies make sense

Across the majority of the product categories, consumers are taking a retailer-centric (vs. brand centric) approach in shopping, which is reflected in the sheer number of hours they spend on retailer sites/apps. Brand is an important factor. But it is usually “bundled” together with the retailer. The chances for consumers to specifically seek out information for brands without first going to a retailer are relatively low except for automotive or the brand’s core fans. Within a retailer’s site or app, most people start with the home page or category page even when they may already have a particular product in mind. It is habitual, difficult to alter. For brands to make a purposeful impact, occupying the home page or other prominent places on the retailer’s digital real estate is a worthwhile effort. Direct to consumer strategies warrant careful thinking through. Is your product category particularly prone to consumers’ affinity with retailers? If so, it might be more effective to conform to how people naturally shop by leveraging a close partnership with retailers.