Australian Shopping Behaviour

GfK FutureBuy : H2, 2016 data

Webinar, June 2017

Agenda

1
Channels

2
Devices

3
Touchpoints

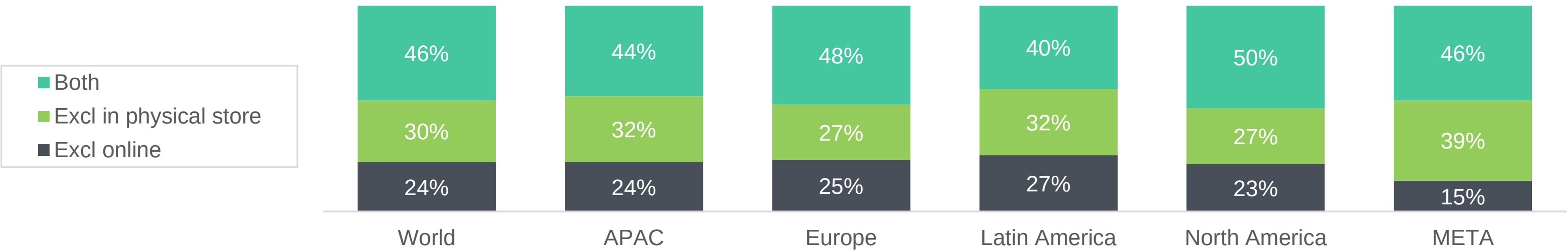
CHANNELS

Online is where the upfront journey stuff happens

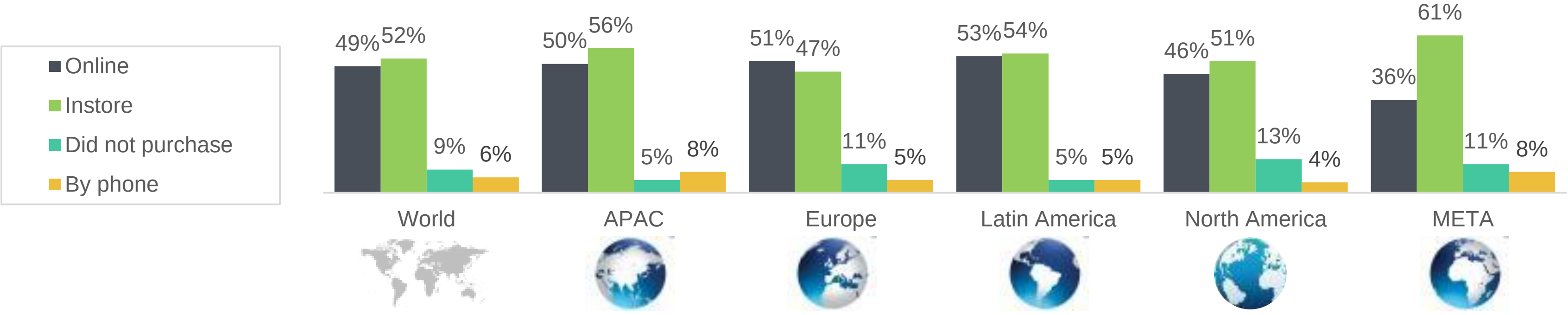
January 2017

Globally, omni-channel shopping predominant method in big ticket consumer electronics category

Channels shopped: Consumer Electronics



Where purchased: Consumer Electronics

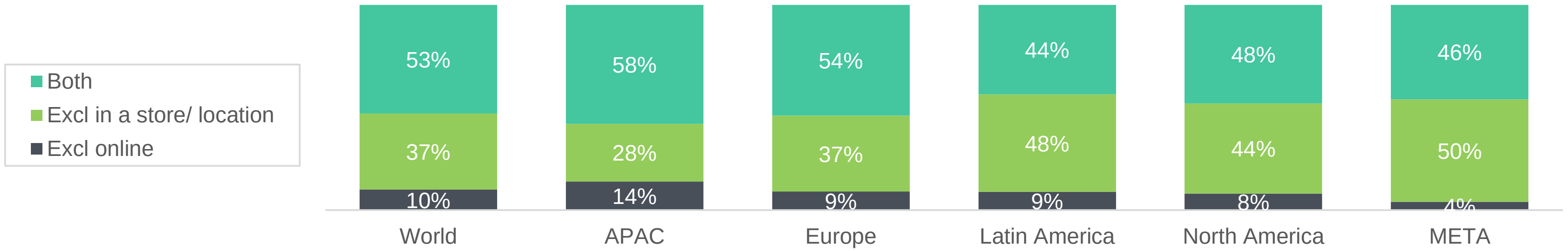


N= *7,484* *2,162* *3,085* *836* *655* *745*

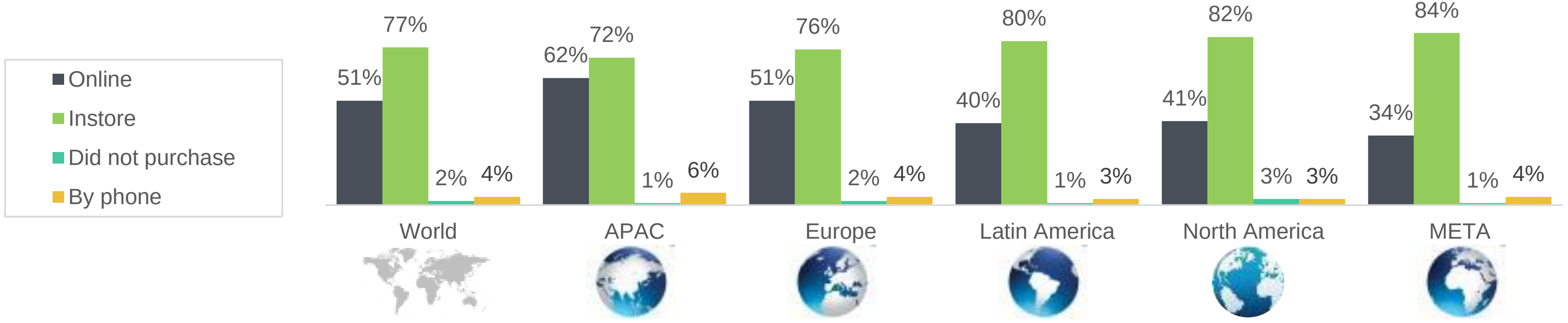
Q2: And have you shopped for each of the below exclusively online, exclusively in a store/physical location or both?

Apparel has higher incidence of omnichannel shopping journeys (than CE) but also higher instore purchase – need to try it on

Channels shopped: clothing & fashion



Where purchased: clothing & fashion

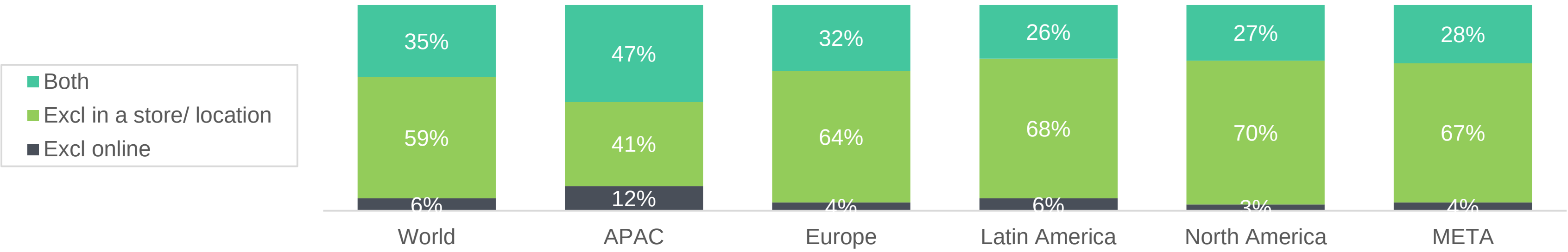


N= 15,374 4,476 6,381 1,539 1,363 1,615

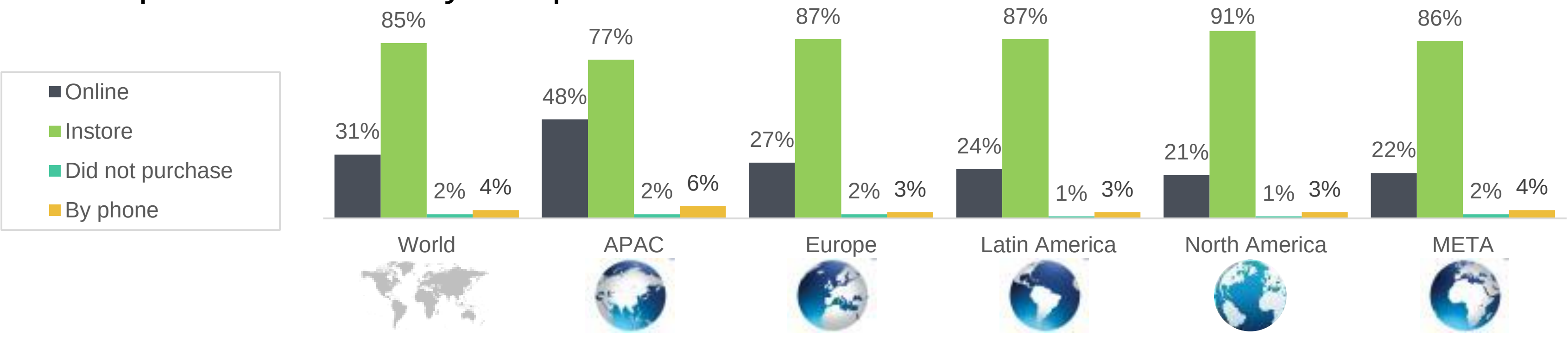
Q2: And have you shopped for each of the below exclusively online, exclusively in a store/physical location or both?

APAC shift to omni and online shopping particularly evident in beauty and personal care

Channels shopped: beauty and personal care



Where purchased: beauty and personal care

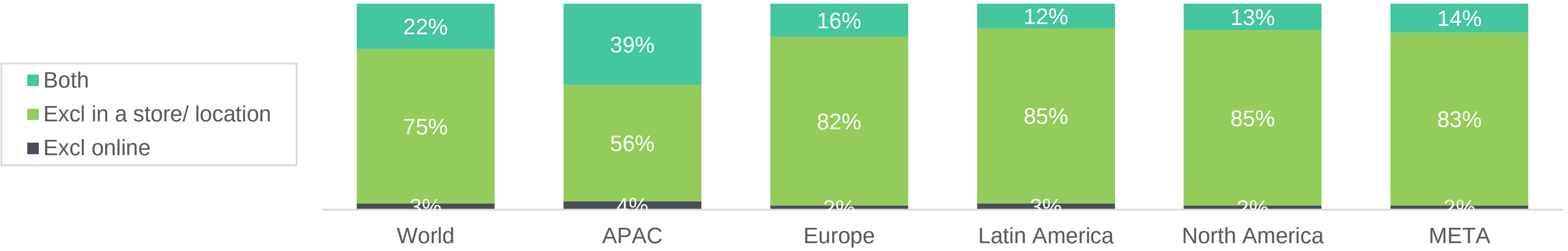


N= *14,433* *3,887* *6,073* *1,556* *1,415* *1,502*

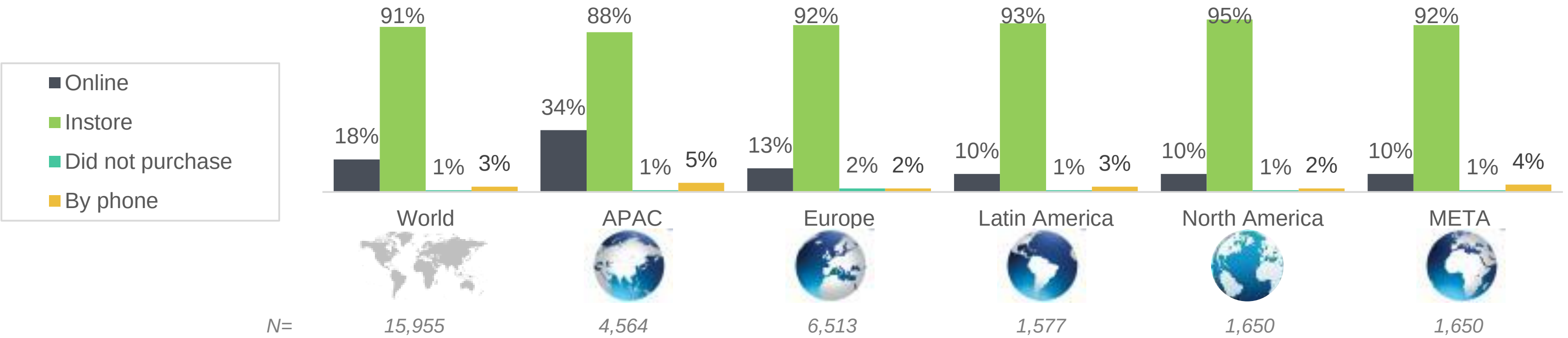
Q2: And have you shopped for each of the below exclusively online, exclusively in a store/physical location or both?

Even FMCG has a 1 in 5 incidence of omnichannel journeys. Online purchase for grocery channels led by China and Korea

Channels shopped: packaged food and beverage

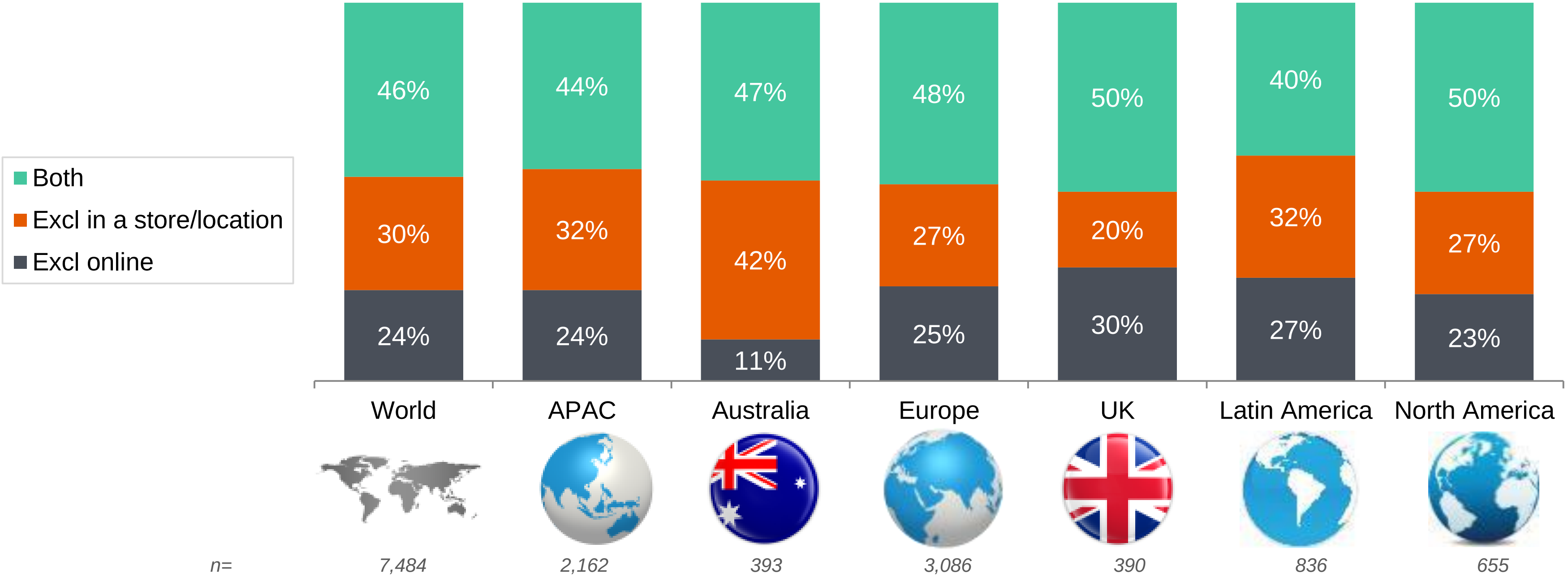


Where purchased: packaged food and beverage



Q2: And have you shopped for each of the below exclusively online, exclusively in a store/physical location or both?

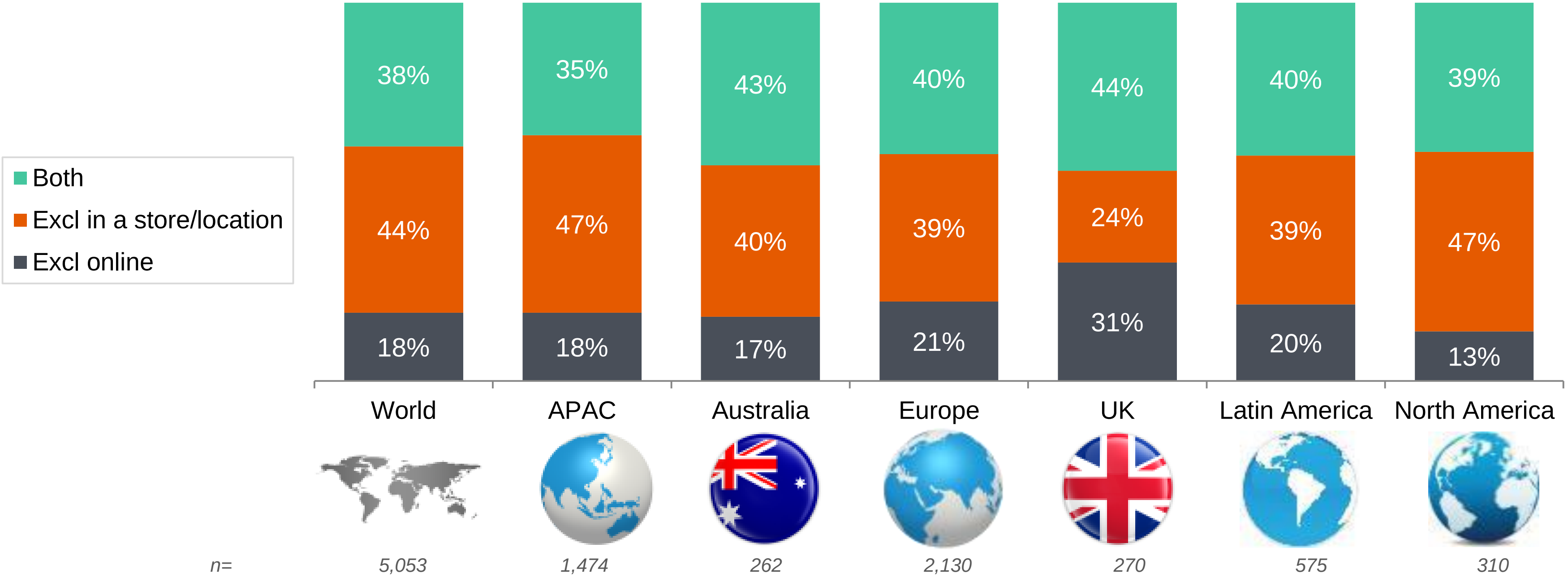
Australia more likely exclusively physical store and less likely exclusively online for CE shopping journeys than other markets However, omnichannel (ie webrooming) equal to other markets



Channels shopped (whole purchase journey) - consumer electronics

Q2: And have you shopped for each of the below exclusively online, exclusively in a store/physical location or both?

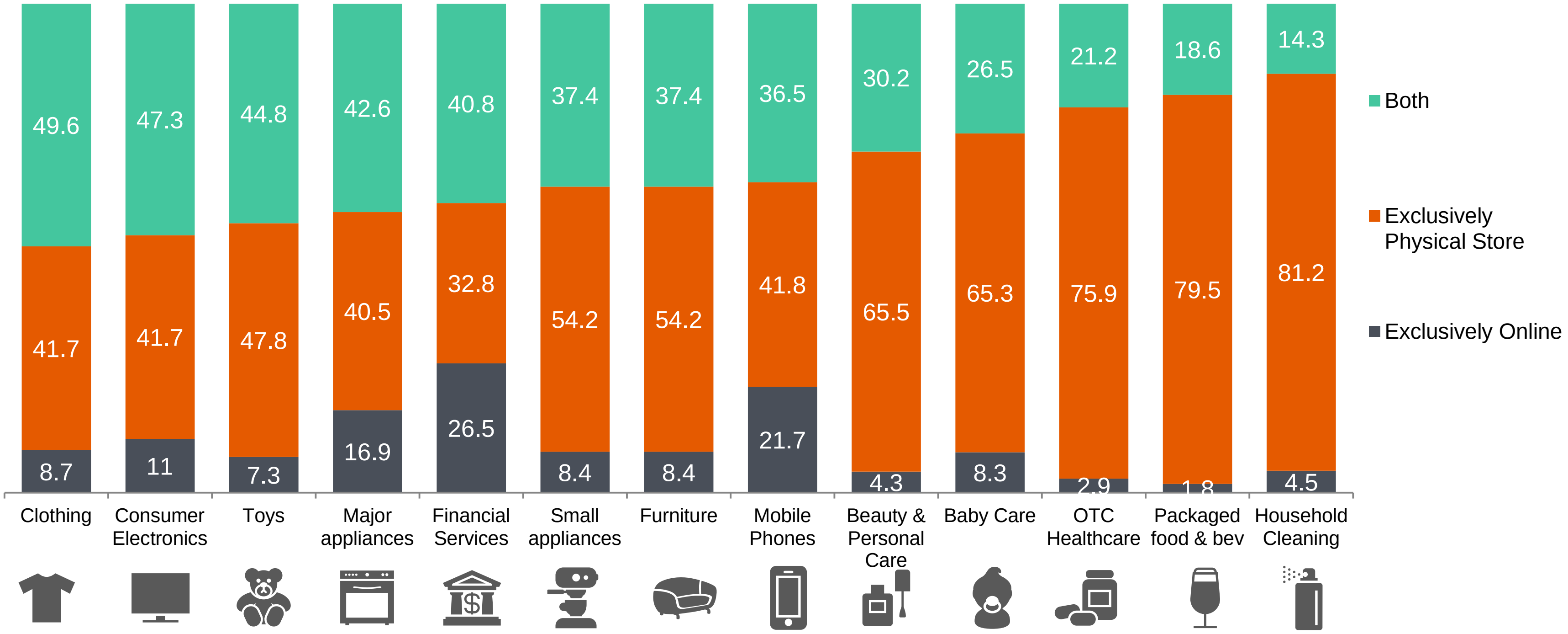
MDA has more omnichannel shopping than SDA
And for Australia, higher exclusively online journeys than for CE



Channels shopped (whole purchase journey) - MDA

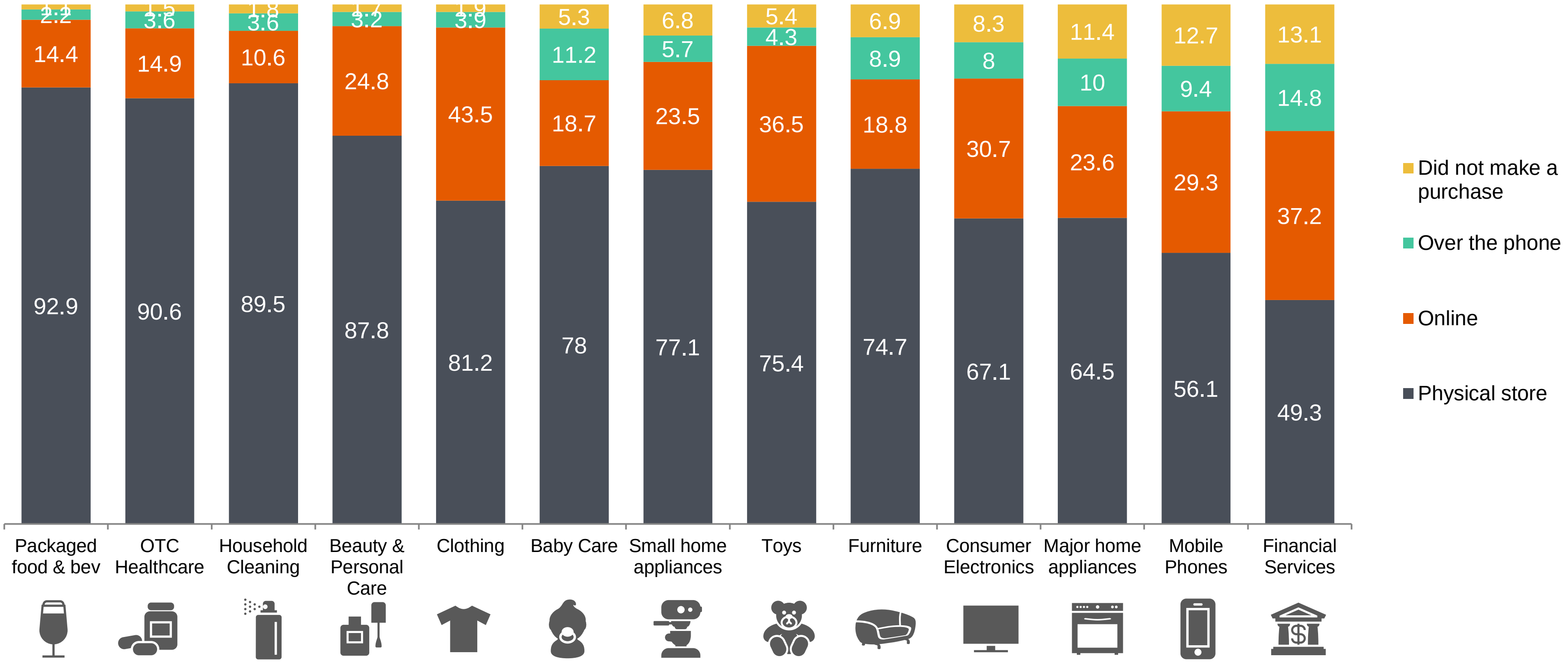
Q2: And have you shopped for each of the below exclusively online, exclusively in a store/physical location or both?

Omnichannel journeys are increasing across the board, even in the lower involvement categories



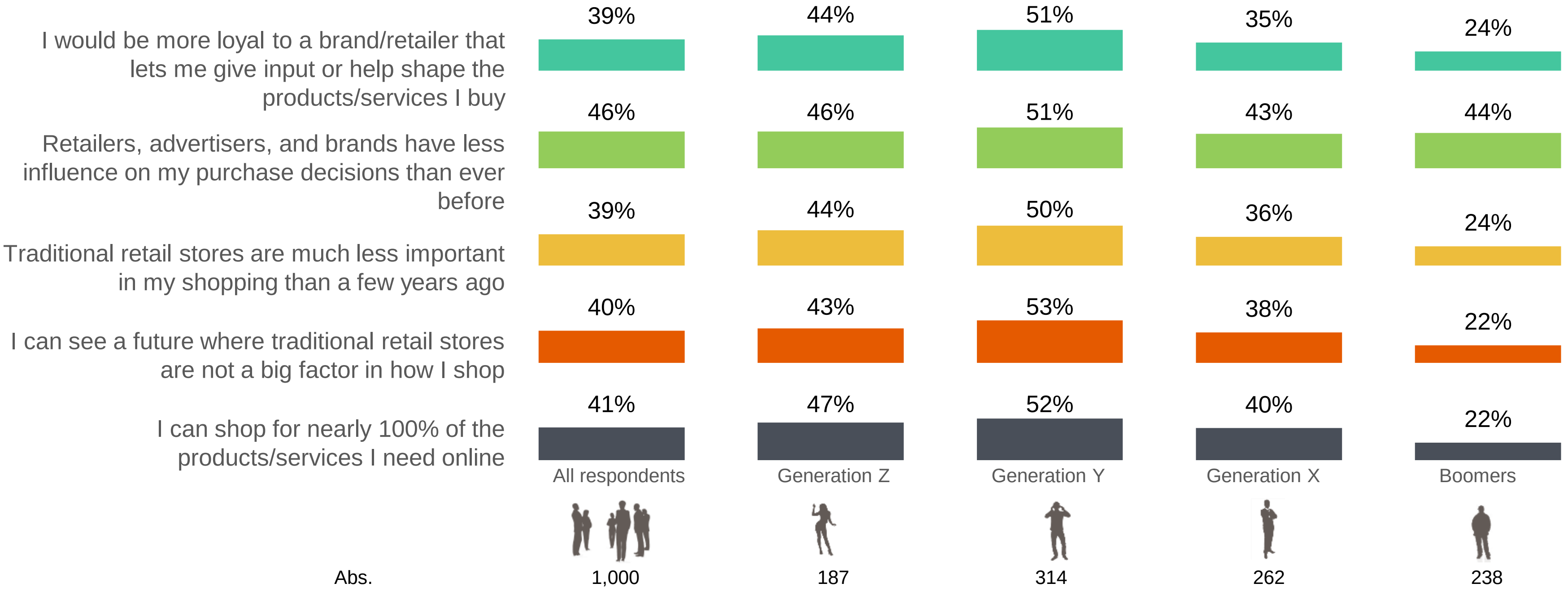
Q2: And have you shopped for each of the below exclusively online, exclusively in a store/physical location or both? (P6M) %

Online purchases still highest for higher involvement categories, but increasing across the board



Q2a: And when you shopped for [category], did you make a purchase? (P6M) %

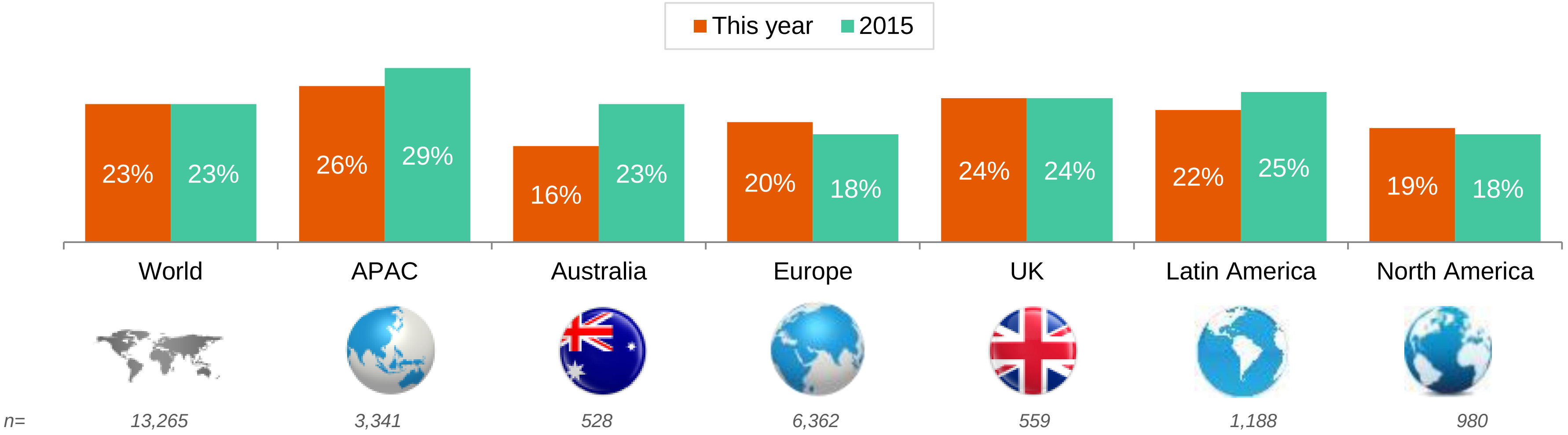
Around 4 in 10 show a desire to move most purchasing online



Q3A. Below are different statements about shopping. Please indicate how much you agree or disagree with each statement as it relates to your shopping experiences in general across the many different kinds of products and services you shop for. By “shopping” we mean the process of browsing, comparison shopping, information gathering, or the actual purchase of products and services.

Showrooming rates appear to be dropping in APAC, LATAM and META – and particularly Australia

% of shoppers reporting showrooming on mobile device (any category)



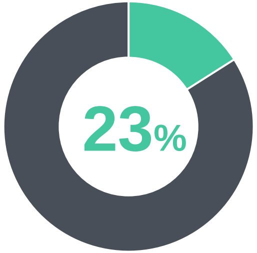
In Oz, showroomers much more likely to be LECs (30% showroomers) rather than non LECs (12% showroomers) due to LEC comfort with purchasing via mobile device.

Q17: During any of your shopping occasions over past 6 months have you used your smartphone or tablet to see a product in the store and then purchase it on your device from another retailer or online competitor?

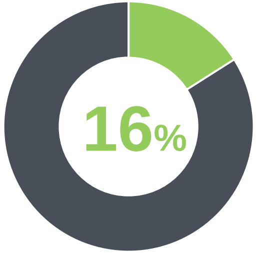
Webrooming incidence is more than double that of showrooming – the dominant behaviour, and growing

Hostile Showrooming
(saw product in-store then purchased online elsewhere)

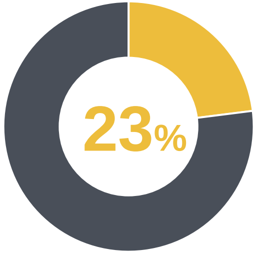
Webrooming
(saw product on device and later went to physical store to purchase)



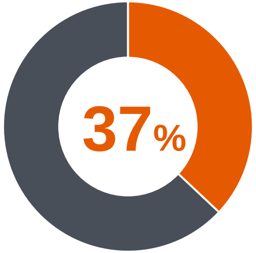
2014



2016



2014



2016

LECs also more likely to Webroom (50%) versus non LECs (34%) but gap is not as great as for showrooming.

Source: GfK FutureBuy

Q17 During any of your shopping occasions over the past 6 months, have you used your (device) for any of the following?

Top 5 reasons for buying in physical stores versus online stores: Physical stores about tangibility; online about money, range, ease

n=1,000	Store All Categories	CE	SDA	MDA
See product before buy	48%	44	42	39
Get products sooner	33%	31	31	26
Routinely shopping	31%	2	30	25
Hassle-free return	27%	30	32	27
Save money	26%	27	-	25

n=1,000	Online All Categories	CE	SDA	MDA
Save Money	56%	56	53	51
Shopping is easier	30%	33	30	28
Better selection	27%	29	25	-
Shopping is faster	23%	27	24	22
Better information	22%	29	27	28

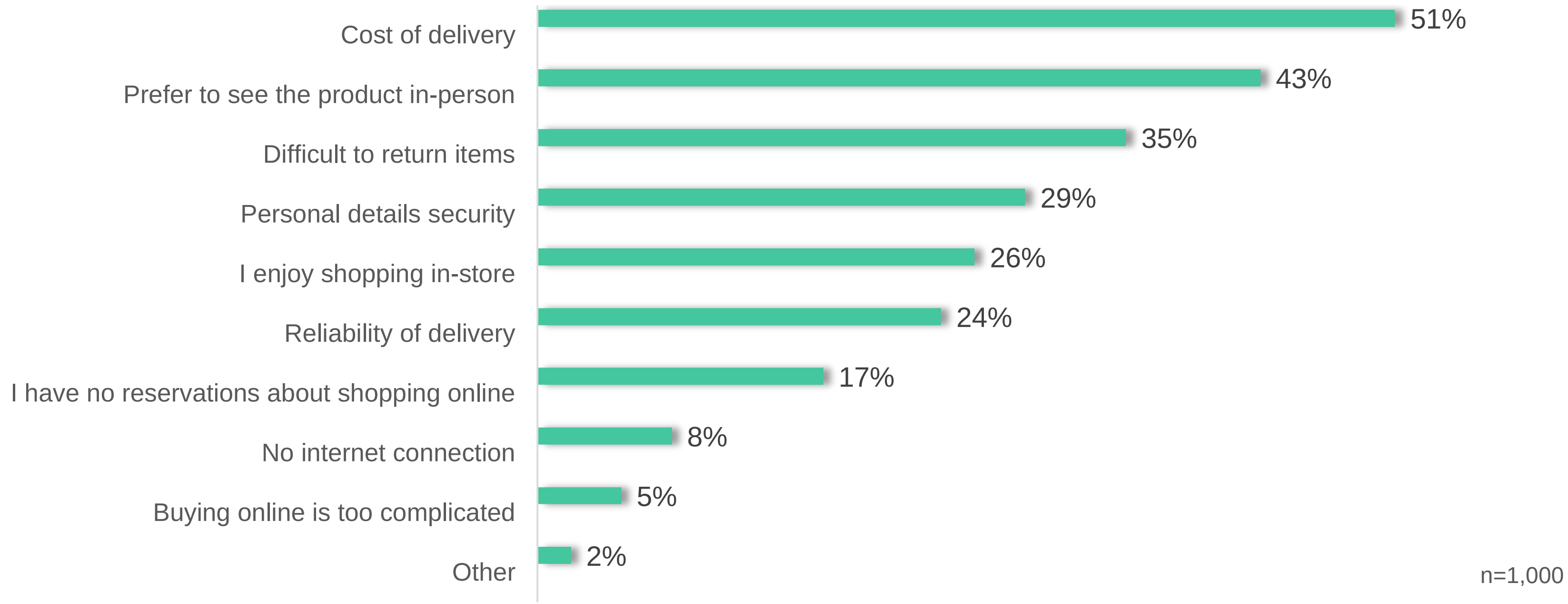
Faster and better info online for tech categories.

Q4. Thinking about the last time you were deciding whether to purchase something online versus in a store, and decided to purchase in a store/online, what factors were most important in driving your choice to purchase there? Source: GfK FutureBuy

Free delivery still the top reason to buy more online next year

Q19: How important would each of the following factors be in getting you to make more online purchases in the next year?

…therefore the biggest barrier to online shopping is still the cost of delivery



Q19C: Thinking about buying and paying for items online, why would you not buy online?

Key takeouts for omnichannel shopping

1

Omnichannel journeys are increasing, particularly search stages

Online is where the upfront journey stages happen, even if they still buy in a physical store

Increasing importance of SEO, 24/7 availability online, retailer and manufacturer website product descriptions and third party reviews

2

The **physical store is** not going away – it's about tangibility and experience

Make instore experiential and curated

3

Online stores are about price, range, information and convenience

Role for third party reviews and product information

Make it one tap, 1 touch, 1 click and max 3 screens to reach – particularly for mobile

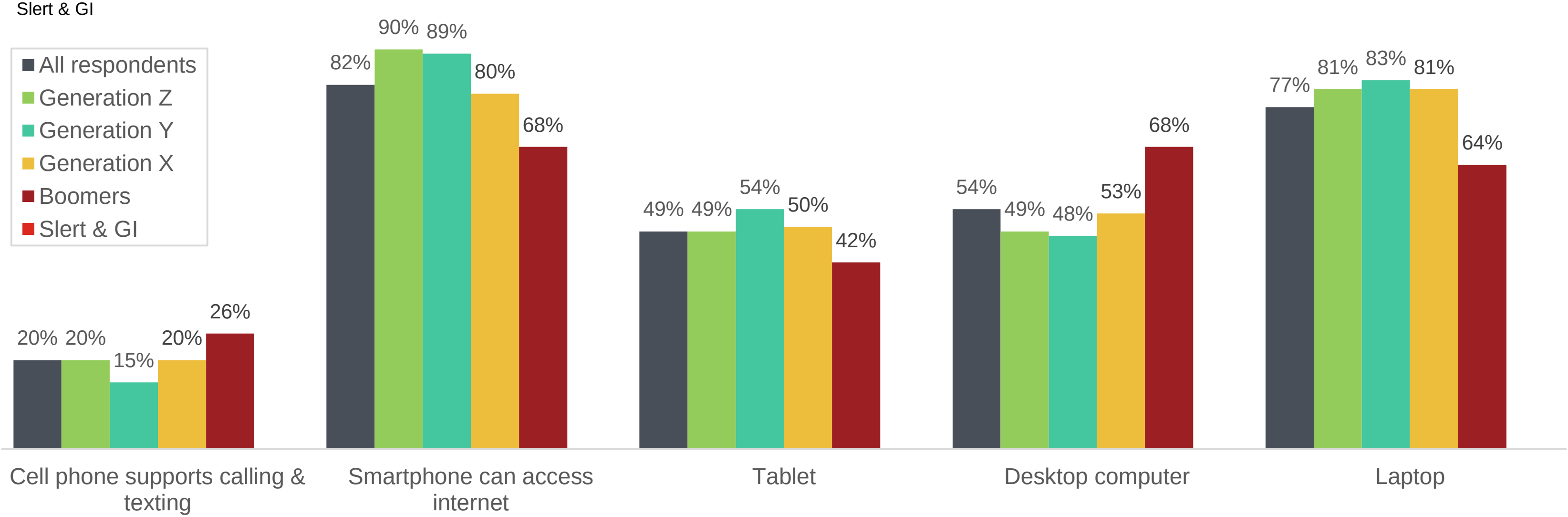
DEVICES, AND HOW THEY ARE BEING USED

Search on mobile, buy on PC

JANUARY 2017

Smartphone penetration rivals that of laptop ownership incidence, and doesn't vary much among generations X, Y and Z

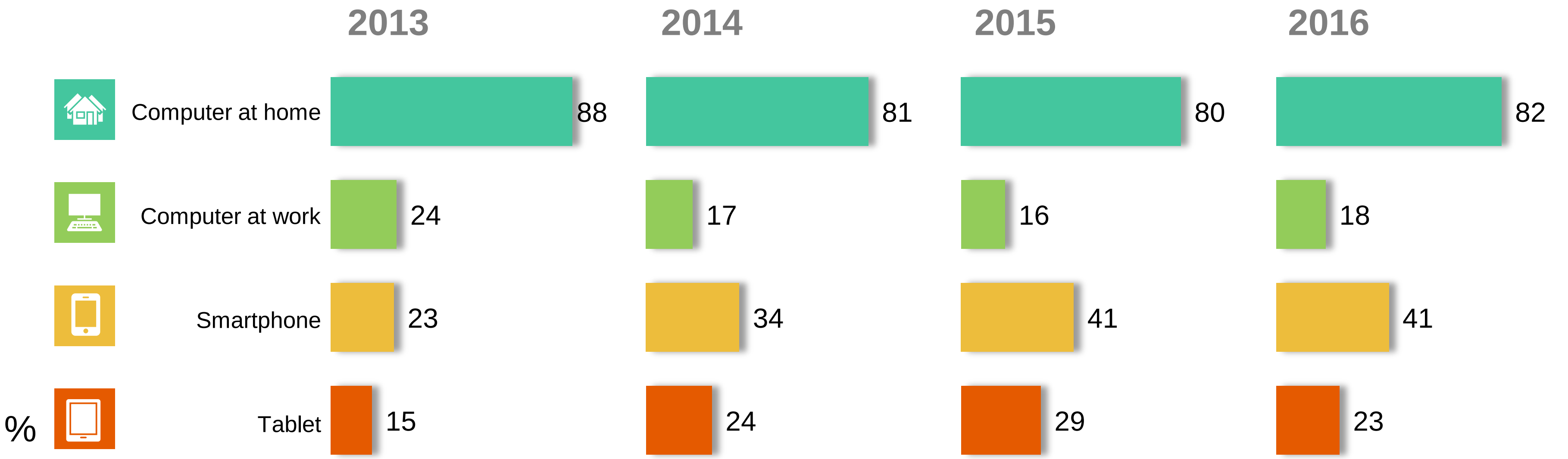
	n=
All respondents	1,000
Generation Z	187
Generation Y	314
Generation X	262
Boomers	238
Slert & GI	



Q9: Do you personally own any of the following devices? (Select all that apply)

The continued growth of shopping via mobile devices is at the expense of PCs. Gens Y and Z higher on smartphones.

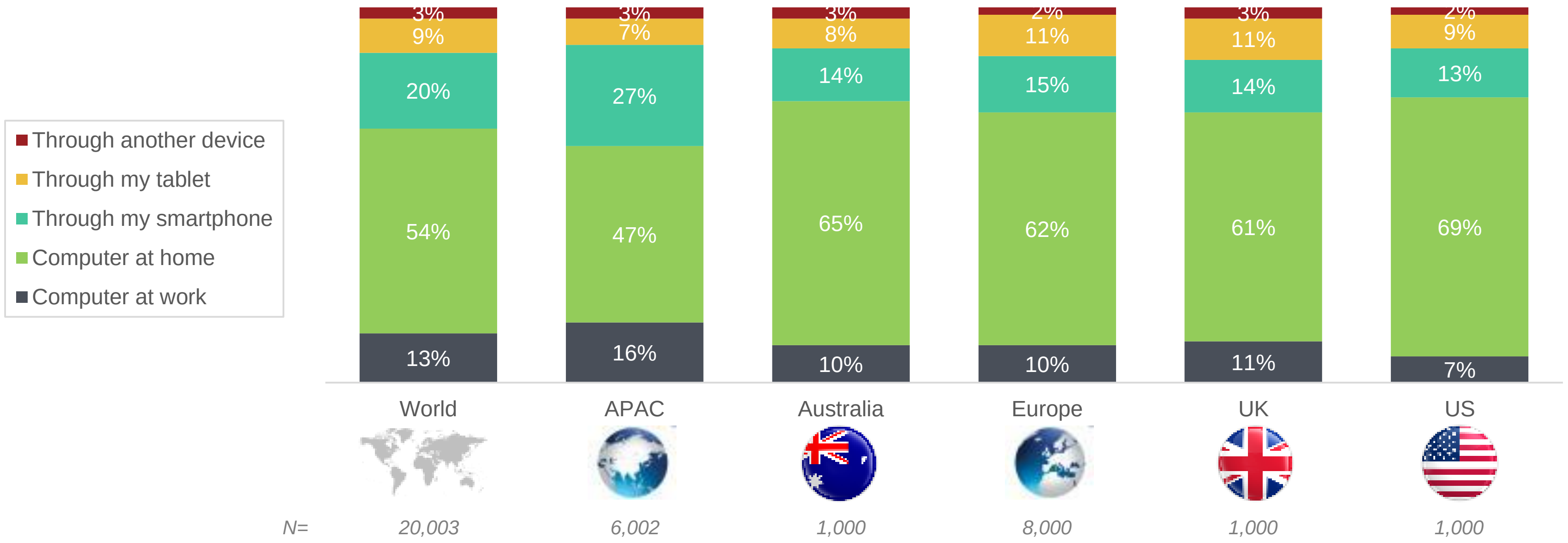
Tablets for shopping are slowing as their growth slows.



Q12 Which of the following devices have you used to help you shop for a product in the past 6 months?

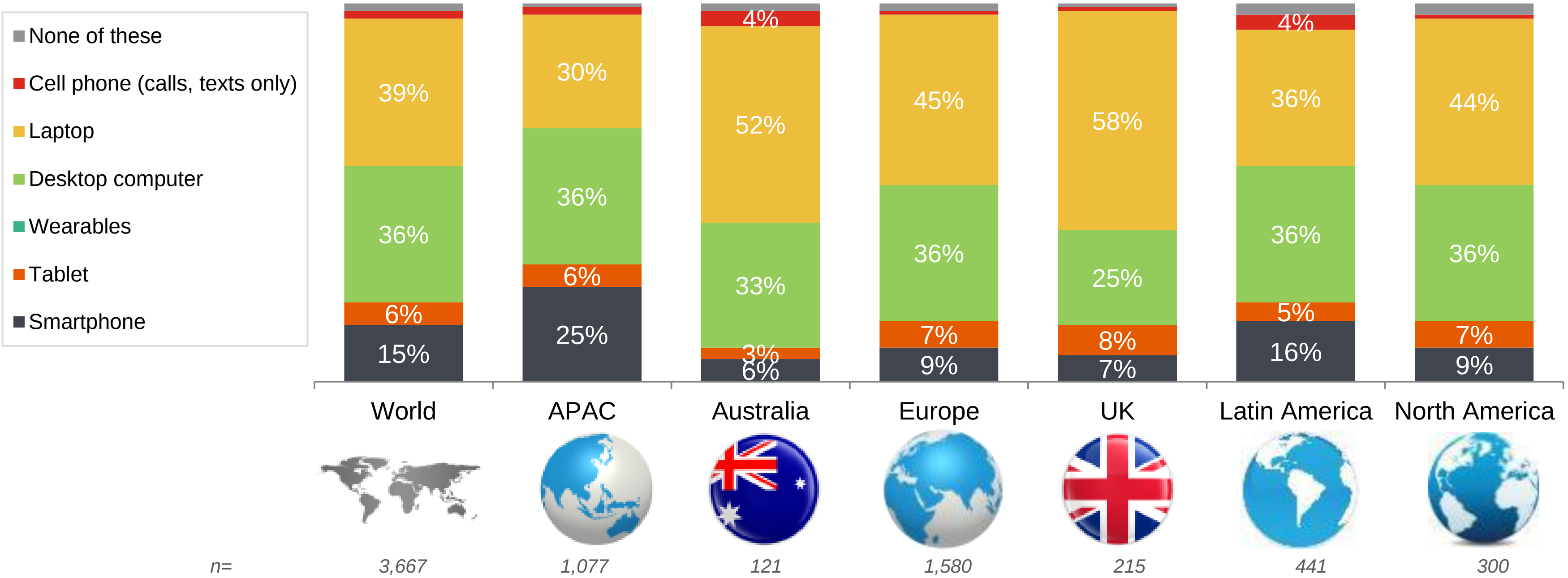
Two thirds of Australians’ shopping time on devices is on a computer at home, but smartphones are rising as a % of shopping time

Share of total online shopping time spent on device



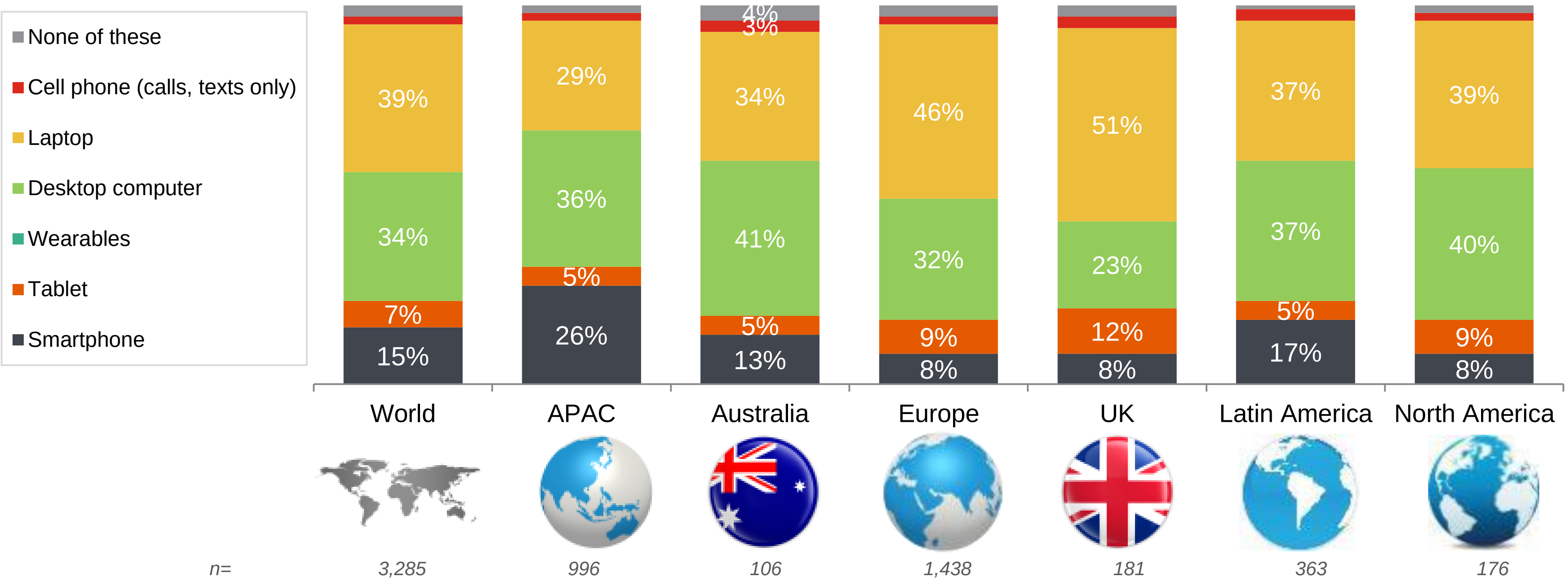
Q11: What percent of your total time spent shopping over the internet is represented by each of the following? By ‘shop” we mean the process of browsing, comparison shopping, information gathering, or the actual purchase of products and services. Your responses must be sum of 100%

In consumer electronics, laptops are bigger than desktop PCs for online purchasing in western markets. Developing markets more smartphone based.



Q2B For each of your online purchases you mentioned, which device did you use to make that purchase?

Where in SDA, interestingly in Oz desktops are still bigger for online purchases. For MDA, the global and Oz pattern is very similar to this.



Q2B For each of your online purchases you mentioned, which device did you use to make that purchase?

Millennials and shopping behaviour

Millennials are **1.5x more likely to use their smartphone** for shopping than other generations

And their **time spent shopping on smartphones** versus other devices is also 1.5x that of other generations

Millennials vs. Aus Average

+17

My **social networks have become as important as other information sources** for me to make the best product choices

+13

My **mobile device is quickly becoming my most important shopping tool**

+12

I **look forward** to being able **to pay for more and more transactions from my mobile device**

+10

I like it when a website **keeps track of my visits** and then **recommends things** to me

But what shoppers say they are doing more of is the same across the generations

And the % of 'more' behaviours is starting to plateau YOY.

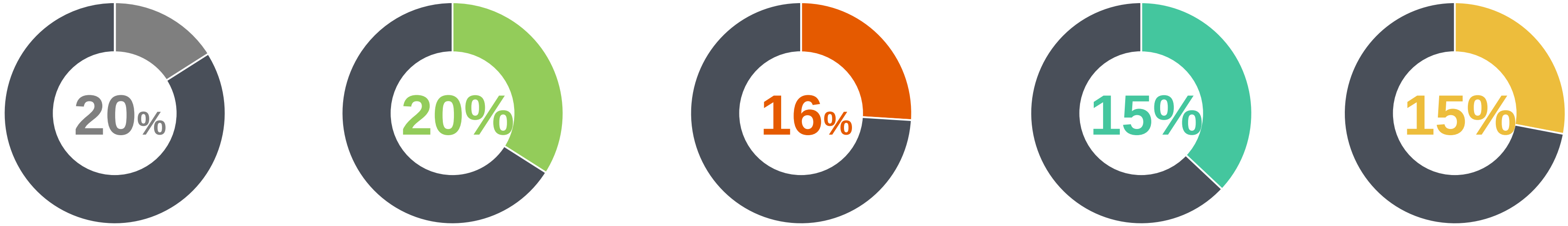
	ALL	Z	Y	X	Boomer
1	Researching products on Internet	=	Finding products on Net	=	=
2	Finding products on internet	=	Research on Net	=	=
3	Price comparisons	=	Google search	=	=
4	Using Internet to purchase	=	Price comparisons	=	=
5	Google search	=	Net Purchase	=	=

Source: GFK FutureBuy 2016

Q. Compared to a year ago, would you say that you are doing more, less or about the same of each activity as it relates to your shopping experiences in general across the many different kinds of products and services you shop for

Mobiles are used to make the purchase journey easier – to minimise 'running around' physical stores

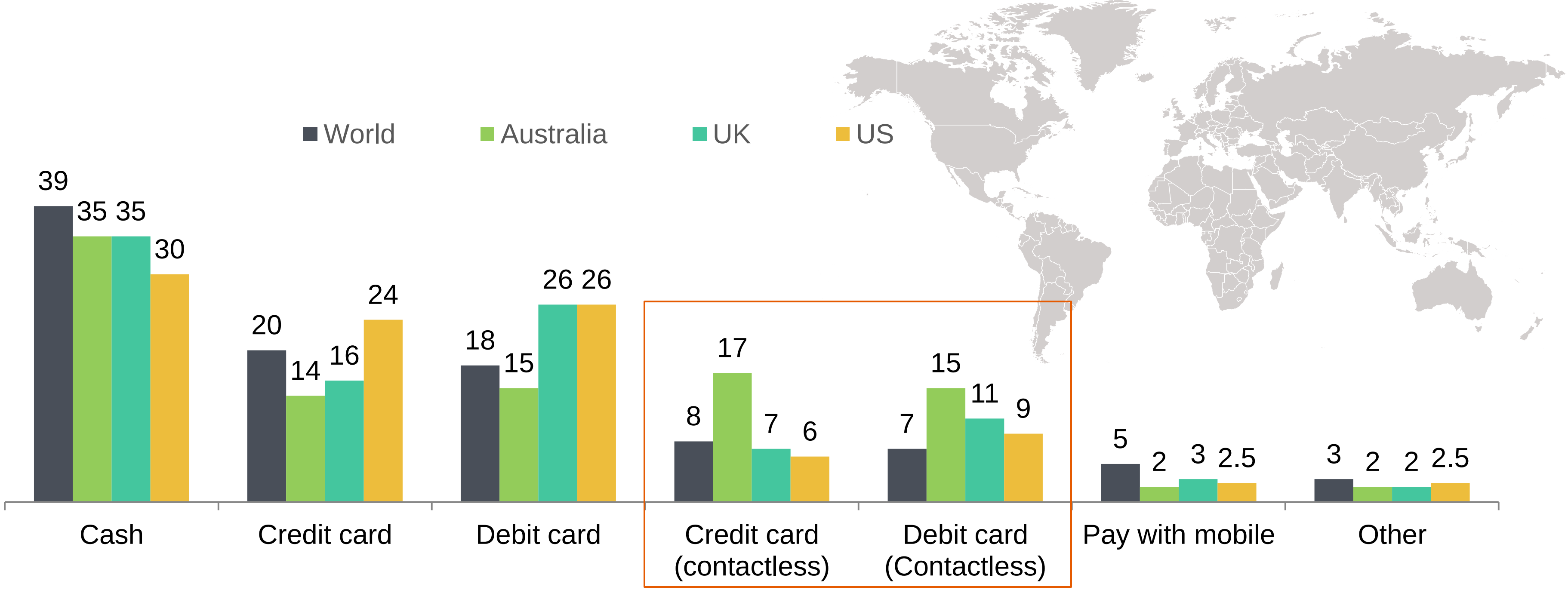
Top ways of using smartphones when shopping (all categories)



Compare prices	Gather information about the product/ service	Locate a store	Check availability in store	Check reviews of the product/service
20%	20%	16%	15%	15%
Tablets 22%	16%	19%	17%	16%

Source: GfK FutureBuy – Q16. Let's focus on the last time you used your device to help you shop. In which of the following ways did you use your device when you were shopping

Australia's love affair with one-tap payment methods leads the world (albeit contactless credit cards, not yet mobile payment platforms): no major shift to paying with mobile device yet



Source: GfK FutureBuy

Q. Thinking about all of the products and services you buy on a regular basis, what percentage of transactions do you estimate you pay for using each method below?

Key takeouts for devices

- Use of mobile devices for shopping in Australia has doubled in the past 3 years, at the expense of laptops and desktop PCs
- The top shopping tasks on devices are functional – what, where, how much, is it available
- Australia leads the world in contactless credit card payments

THIS MEANS YOU NEED TO:

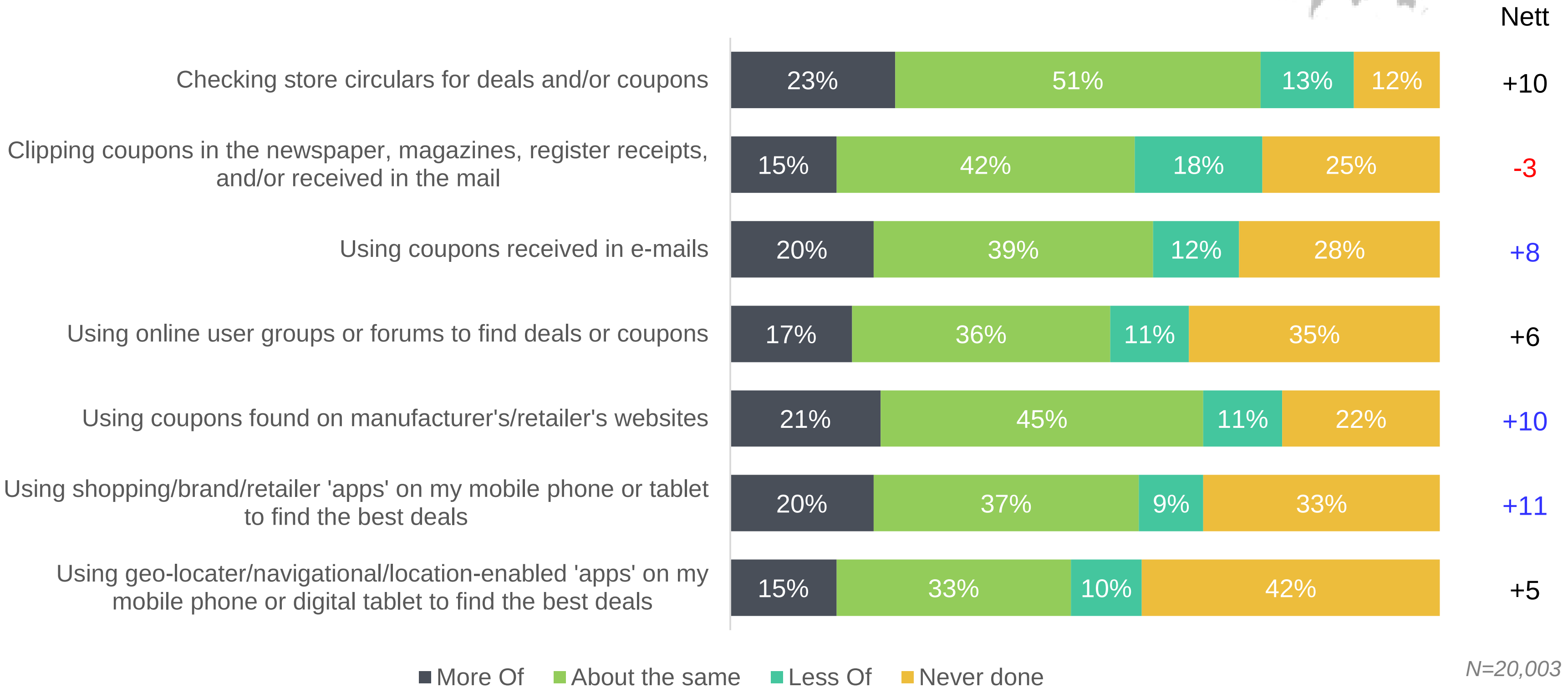
- Ensure your mobile optimisation includes the most-performed searches and tasks – and include payments
- Collapse stages of the purchase journey and reduce customers' need to 'run around' by optimising mobile search

TOUCHPOINTS

We’re all influencers and deal-seekers now

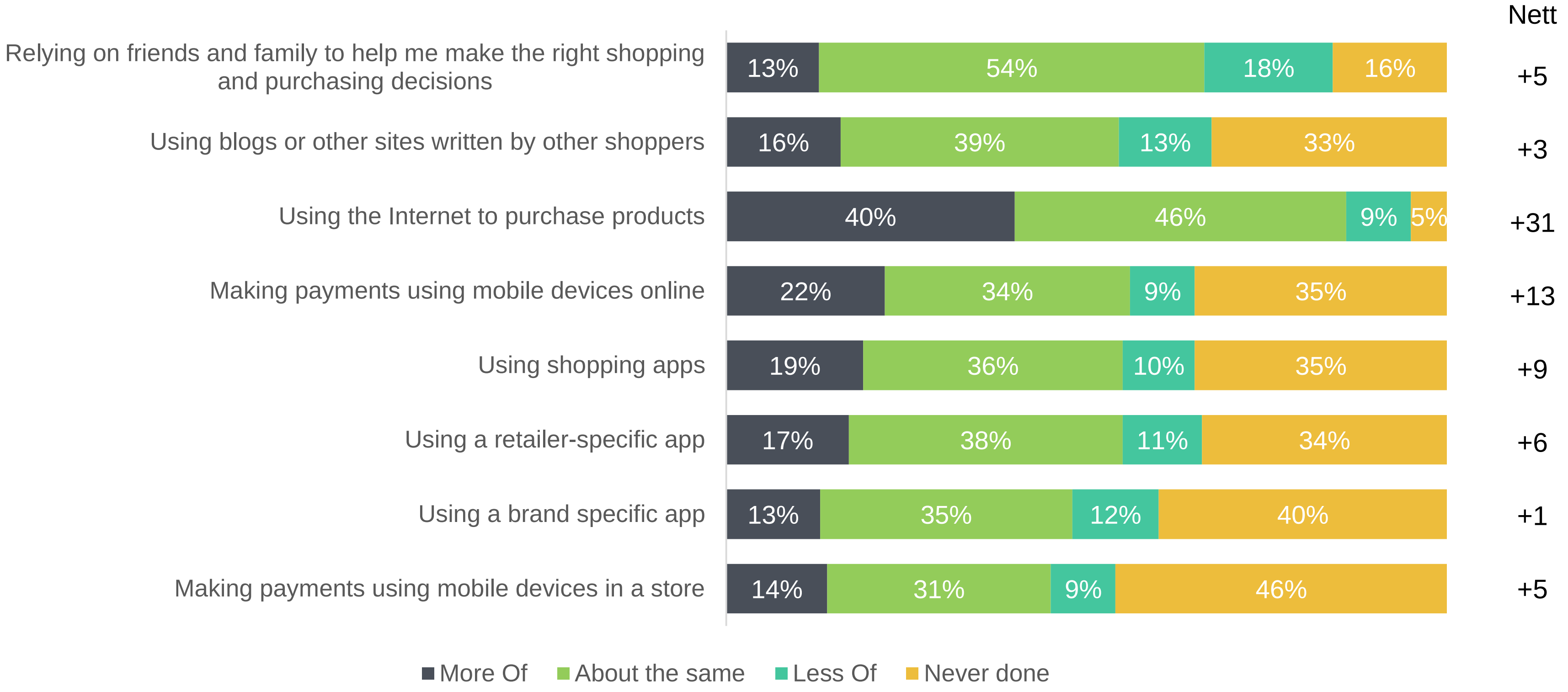
January 2017

Globally, deal seeking behaviours are increasing overall, and shifting from paper based (coupons) to electronic



Q7. Compared to a year ago, would you say that you are doing more, less or about the same of each activity as it relates to your shopping experiences in general?

Usage of shopping apps and online purchase is increasing rapidly



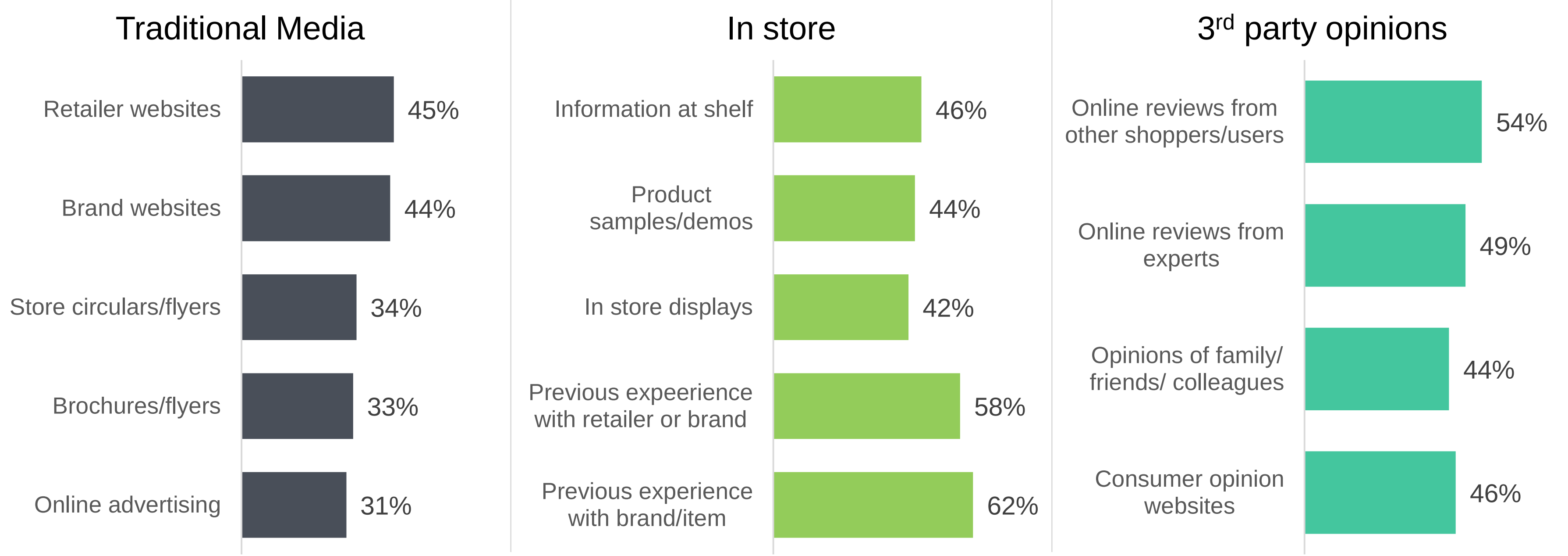
Q7. Compared to a year ago, would you say that you are doing more, less or about the same of each activity as it relates to your shopping experiences in general?

In Australia, shoppers are doing and using more of Google, coupons, and various deal–seeking tools. Degree of planning has been increasing

Q7. Compared to a year ago, would you say that you are doing more, less or about the same of each activity as it relates to your shopping experiences in general?

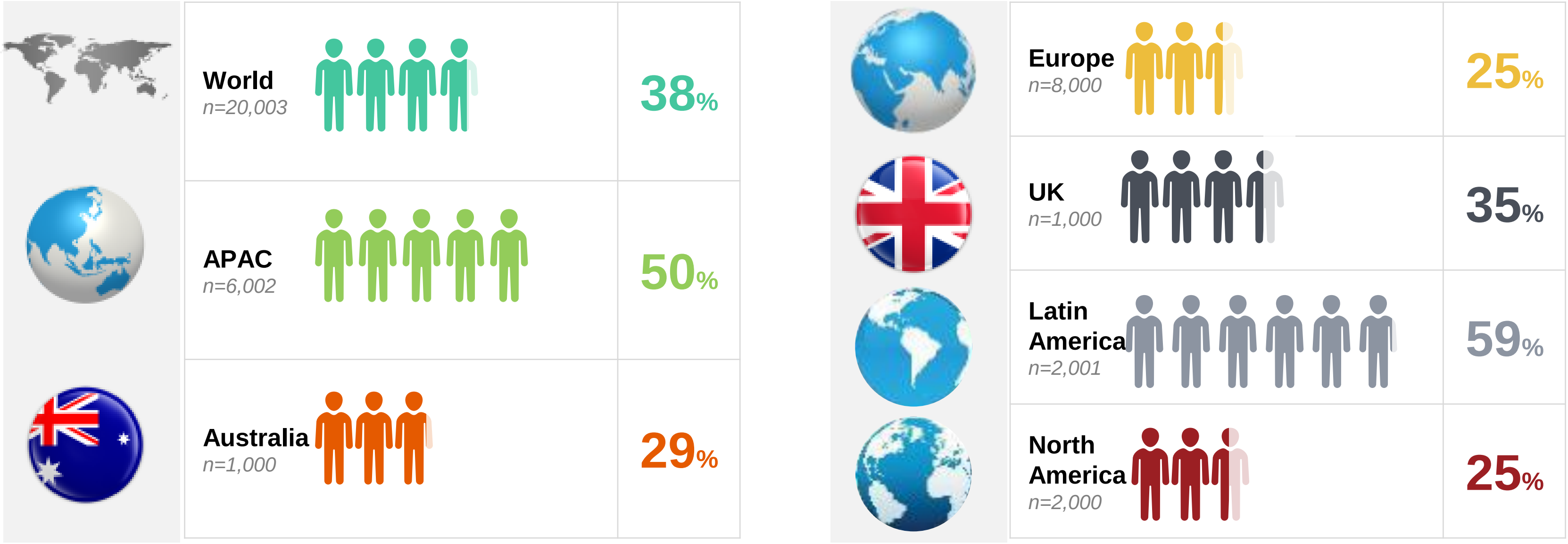
Role of touchpoints in decision making: 3rd party opinions in some categories stronger than traditional media and equal to instore

Consumer electronics



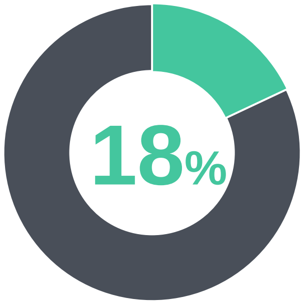
Reliance on social networks to inform shopping decisions highest in APAC and LATAM

% agreeing - my social networks have become as important as other information sources for me to make best product choices - (top 2 box)



Q3A: Below are different statements about shopping. Please indicate how much you agree or disagree with each statement as it relates to your shopping experience in general across the many different kinds of products and services you shop for. By "shopping" we mean the process of browsing, comparison shopping, information gathering, or the actual purchase of products and services. (Base = all shoppers)

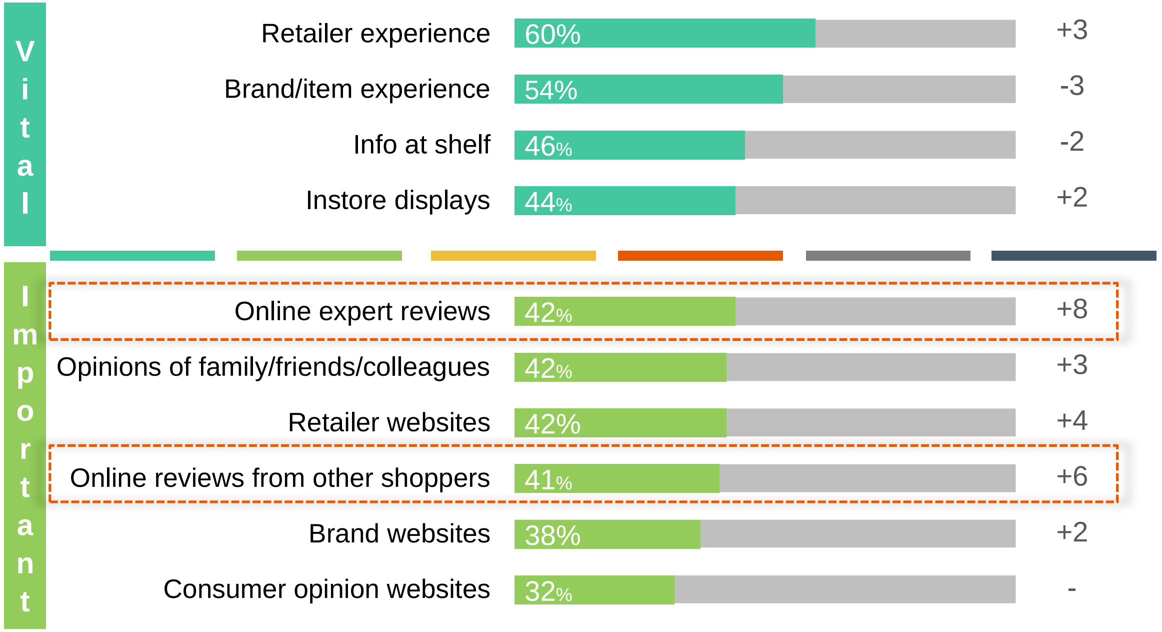
Reviews for everyone: The increasing importance of reviews and ratings!



18% say they **go out of their way to tell other people about products and services they really like**. This increases to nearly 1 in 4 amongst Millennials.

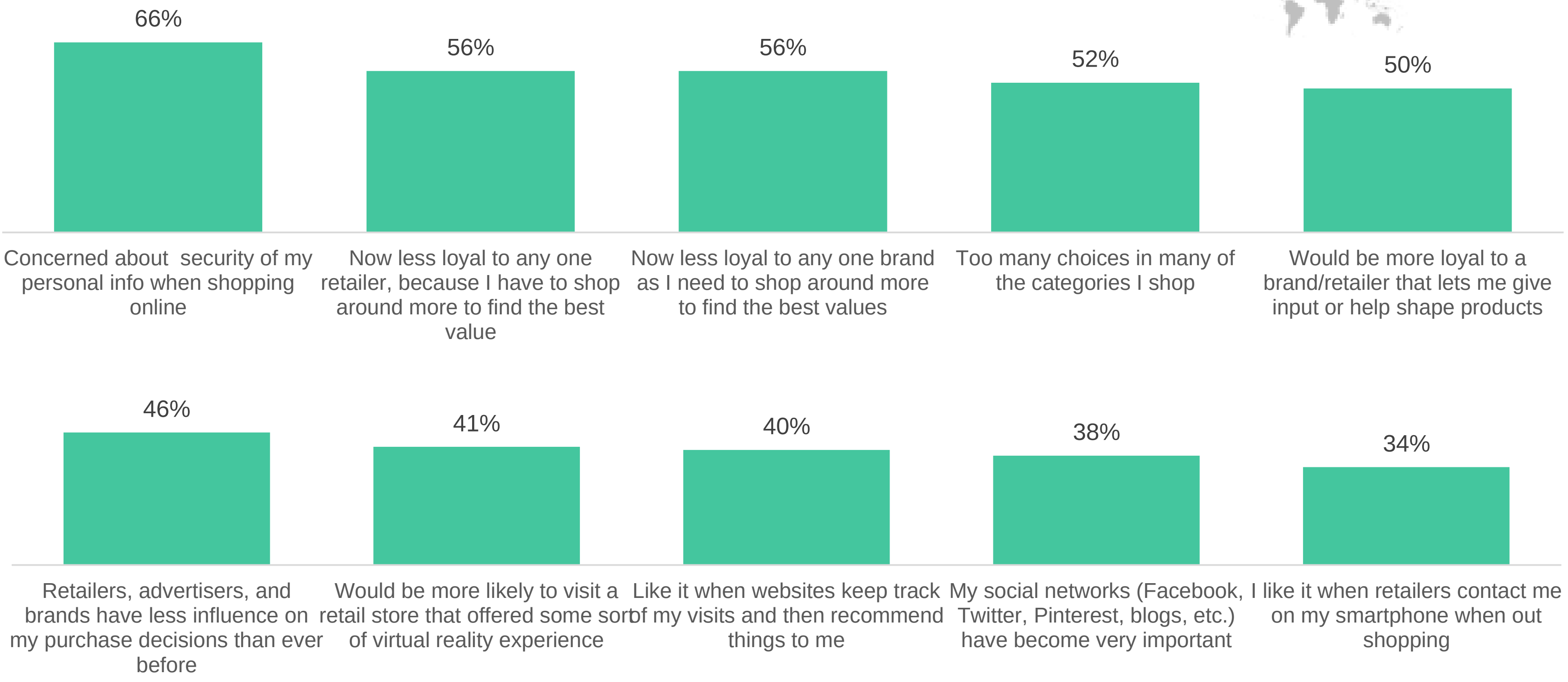
Source: GfK ConsumerLIfe

GfK FutureBuy: Important shopping touch points (all categories)



Source: GfK FutureBuy 2016
Q. When shopping for [category] how important was each of the following factors in your shopping decisions? Top 2 Box, average across categories

Loyalty comes from experiences and input into products and services. Deal seeking behaviour is decreasing loyalty to brands and retailers



Q16. Let's focus on the last time you used your device to help you shop. In which of the following ways did you use your device when you were shopping
Source: GfK FutureBuy

Key Takeouts - Touchpoints

Deal seeking behaviours are increasing

However, deal seeking is decreasing loyalty to retailers and brands. Loyalty comes from co-creation

Third Party reviews and opinions are increasingly influential

THIS MEANS YOU NEED TO:

- Be continuously available 24/7 online from moment of trigger, at all stages of the journey
- Social listening is a must
- Harness positive word of mouth – create offers around customer advocacy programs, publish and leverage reviews
- Encourage sharing
- Be where the deal-seeking is

ABOUT GfK FUTUREBUY

JUNE 2017

GfK FutureBuy®: A window on tomorrow's shoppers – How they buy today and what they expect of retail tomorrow

Running since 2009 … in Australia since 2013

20+ Countries…

- **Australia**
- Belgium
- Brazil
- Canada
- **China**
- France
- Germany

- **Indonesia**
- **India**
- Italy
- **Japan**
- Mexico
- Netherlands
- Poland

- Russia
- South Africa
- **South Korea**
- Turkey
- UK
- US

20 min Online Survey
N=1,000 per country (18+)
20,000 shoppers!

16 Categories…

FMCG
Beauty and Personal Care
Packaged Food/Bev
Household Washing & Cleaning
OTC Healthcare
Baby Care*
Shaving*

Services
Financial Services
Food & Beverage
Out-of-Home

Consumer Durables
Consumer Electronics
Mobile Phones
Small Home Appliances
Major Home Appliances

Other
Toys
Apparel
Car and Truck Tires*
Furniture & Furnishings

*New category 2016

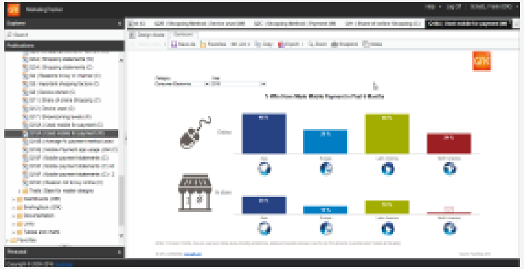
Benefits of GfK FutureBuy® insights

More Bang for Buck	Know Before You Go	Turbo-Charge Your Shopper Marketing	A Look Over Horizon	A Smart Starting Point
Help to focus resources against the shopper touchpoints that are most important in shoppers' decision processes	Provide immediate shopper landscape perspective in new geographies or new product spaces your business is considering expanding into	Profiles the preferred shopping modalities of your target to ensure your shopper marketing programs "connect" and "convince"	Early visibility to the emerging trends that are reshaping shopping Leading edge consumers and early adopting geographies can preview what's coming	Enables you to develop informed hypotheses to pipe into other custom studies you run Ensures you are asking all the right questions and makes all your other studies more impactful

GfK FutureBuy® 2016 offerings and pricing (ex GST)

Data Portal Access

- Live interface access to all FutureBuy® survey data spanning 20 countries and 16 categories
- Includes 2016 and 2015 data



Global Access	
1 year portal access to all countries/categories for 2016 and 2015, includes: ▪ Webinar training session on portal navigation ▪ Activation of up to 5 users at single site	$30,000
Regional Access	
▪ Asia Pacific ($18,000) ▪ North American ($11,000) ▪ Latin America ($11,000) ▪ Europe ($20,000)	Varies by region
Individual Market Access	
▪ Varies by market	$6,000
All Access Packages Include:	
▪ Webinar training session on portal navigation ▪ Up to 5 users at single client site	

Custom Presentations

Fully prepared, custom category and/or market-specific insights presentations	
Customized findings report (30-35 page report)	$4,500+
▪ Pre-pared category specific or country specific report	$3,500
▪ Half day client workshop of findings	$3,750

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norrelle.goldring@gfk.com

Thank you!

Questions?

June 2017