Harris Interactive

Evolving the Prototypical Path to Purchase

Ever-Changing Brand and Channel Choices Fuel Shift in Consumer Shopping Attitudes and Behavior

A recent survey reveals the impact of **online and traditional shopping channels** on consumer purchase behavior for age, gender, and income segments.

What's New

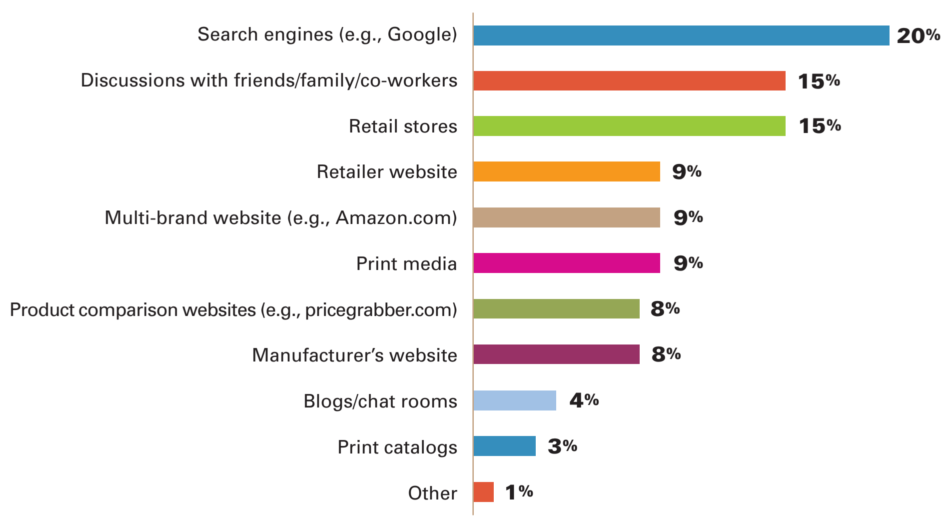
The recent Harris Interactive retail study shows that consumers are now utilizing a steady mix of traditional and web-based resources in their path to purchase – eliminating retailers' ability to solely rely on physical channels in reaching consumers. Preference patterns uncovered by respondent feedback reveal that older (aged 55+) and less affluent (income <$35,000) consumer segments favor more traditional retail resources, while younger (aged 18-34) and more affluent (income $75,000+) groups prefer online tools. According to study results, gender is not a huge determinant in path to purchase, although females tend to be slightly more traditional – utilizing discussions with friends/family/co-workers (17%) and print catalogs (4%) more than males as their initial shopping point. Based on study results, preference for digital channels is only expected to escalate as the younger demographic carries this trend forward.

What Did the Study Find?

The study shows that consumers utilize an average of four shopping resources on their path to purchase when asked to specify their choices. Search engines rank as the number one resource where shopping begins for 20 percent of respondents, followed by discussion with friends/family/co-workers (15%) and retail stores (15%) as the starting point. Elaborating on the evolution of their path to purchase, older participants, 55+, name the retail store itself (20%), print media (17%), and search engines (16%) as their top tools for beginning shopping research. Those aged 18-34, on the other hand, report discussions with friends/family/co-workers (23%), search engines (19%), and multi-brand websites (12%) as their preferred picks.

WHERE SHOPPING BEGINS

Search Engines Rank #1



Q1210 You indicated that you use the following resources when you are considering purchasing a product. Which one of these resources do you usually go to first?
Base: Selected At Least One Resource (n=2,181)

Web-based channels continue to differentiate shopping behavior with regard to income segments: Affluent respondents are more likely to use search engines (26% vs. 13% less-affluent) and online product comparison websites (10% vs. 7% less-affluent) – while less affluent participants more frequently name the retail store (20% vs. 11% affluent) and discussion with friends/family/co-workers (17% vs. 10% affluent) as their top choices.

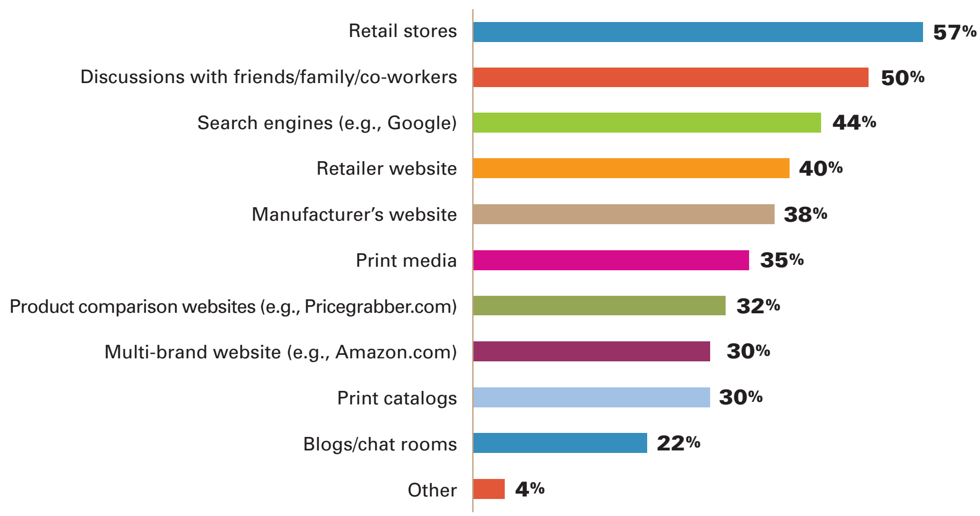
Respondent feedback for males and females reveals similar frequency of usage for most shopping resources; however, men are much more likely to name search engines as their top pick than women (25% men compared to 15% women).

Shopping: Beyond the Search Engine

Mid-way along the shopping experience, the study shows retail stores (57%), discussions with friends/family/co-workers (50%), and search engines (44%) as the top three resources for continuing the path to purchase after initial research is completed. Survey data reveals that retail stores are used almost uniformly across age, gender, and income segments unlike the other two resources.

THE PATH TO PURCHASE

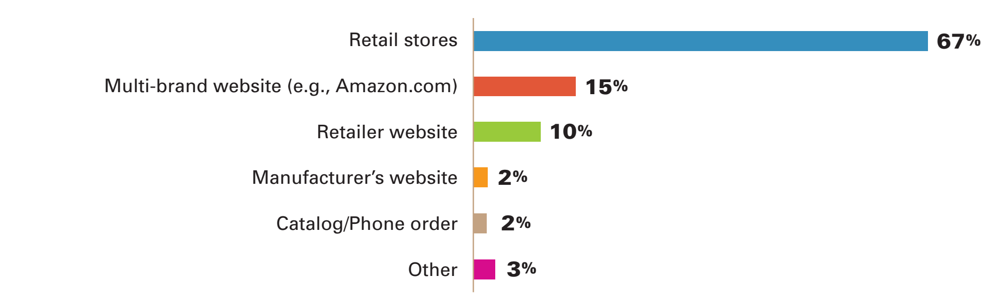
Where does shopping continue?



Q1205 When you are considering purchasing a product (excluding groceries) which of the following resources do you use to evaluate product brands, features, pricing, etc.?
Base: All Respondents (n=2,376)

According to the study, the majority of actual purchases (67%) are still made in-store, but 46 percent of those in-store purchases begin with shopping research on the Internet, compared to the mere 21 percent that start at the store itself. Additionally, 28 percent of respondents choose to make their purchase online, while only 2 percent purchase via catalog or phone.

WHERE CONSUMERS PURCHASE



Q1215 After you have finished your evaluation process, where do you usually make the actual purchase?
Base: All Respondents (n=2,376)

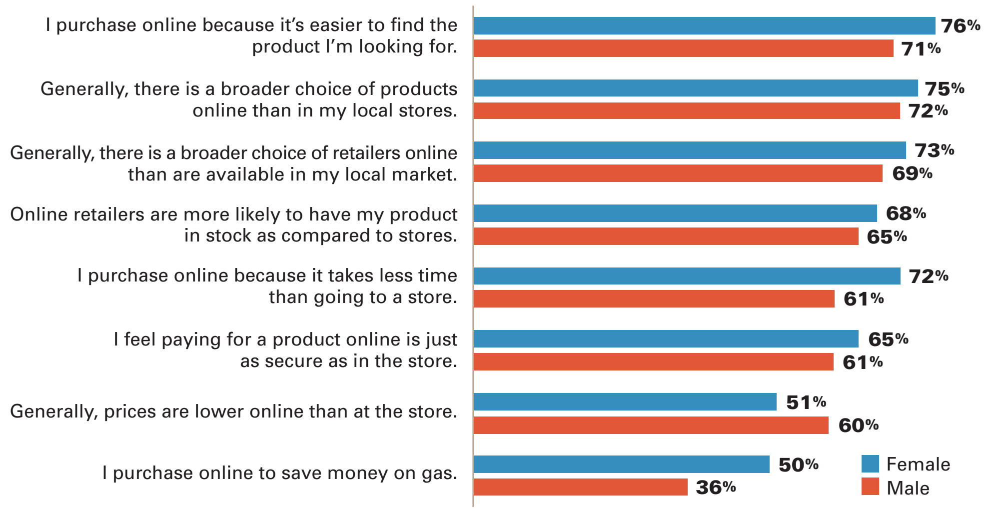
Types of Shoppers and Where they Conduct Research

Where Purchase is Taking Place	Where Shopping Research Begins *Single response*	Shopping Research Favorites *Multiple response*
In-Store Purchasers *67% of respondents claim to usually make their purchase in an in-store location*	**Internet (Net) 46%** Search Engine **16%** Retailer Website **9%** Comparison Website **8%** Manufacturer's Website **7%** Multi-Brand Retailer Website **4%** Consumer Blog/Chat Room **2%** **Retail Store 21%** **Discussion with Friends and Family 20%** **Printed Catalogs/Ads 13%**	Retail Store **69%** Discussion with Friends and Family **56%** Printed Ads **42%** Search Engine **40%** Retailer Website **37%** Manufacturer's Website **33%** Comparison Website **30%** Printed Catalogs **29%** Consumer Blog/Chat Room **19%** Multi-Brand Retailer Website **23%**
Online Purchasers *28% of total respondents claim to usually make their purchase online among the following: multi-brand sites, manufacturer's sites and retail websites* Among online purchasers: **54%** purchase at multi-brand websites **37%** purchase at retail websites **9%** purchase at manufacturer's websites	**Internet (Net) 87%** Search Engine **29%** Multi-Brand Retailer Website **23%** Retailer Website **11%** Comparison Website **9%** Consumer Blog/Chat Room **8%** **Manufacturer's Website 7%** **Discussion with Friends and Family 6%** **Printed Catalogs/Ads 4%** **Retail Store 2%**	Search Engine **68%** Manufacturer's Website **61%** Retailer Website **60%** Multi-Brand Retailer Website **58%** Discussion with Friends and Family **54%** Retail Store **48%** Comparison Website **48%** Printed Catalogs **38%** Consumer Blog/Chat Room **35%** Printed Ads **31%**
Catalog/Phone Purchasers *Only 2% of total respondents claim to usually purchase via catalog/phone*	**Printed Catalogs/Ads 50%** **Internet (Net) 45%** Search Engine **21%** Manufacturer's Website **15%** Consumer Blog/Chat Room **0%** Retailer Website **4%** Comparison Website **2%** Multi-Brand Retailer Website **3%** **Discussion with Friends and Family 4%** **Retail Store 1%**	Printed Catalogs **70%** Discussion with Friends and Family **58%** Manufacturer's Website **51%** Retail Store **49%** Search Engine **45%** Comparison Website **42%** Printed Ads **39%** Retailer Website **27%** Multi-Brand Retailer Website **24%** Consumer Blog/Chat Room **12%**

In further analyzing these behavior patterns, respondents report broad choice of products and brands and ease of search as the top three motivators for using an online purchase channel. On the other hand, the ability to touch/test/try the product and avoidance of shipping costs are the primary motivators revealed by the survey for the in-store channel.

PURCHASE CHANNEL – ONLINE

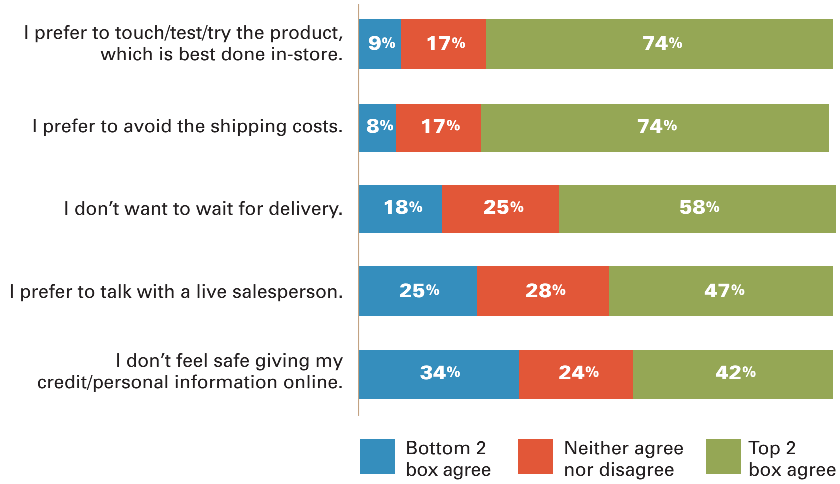
Gender differences



Q1225 Please read the following statements, and indicate your level of agreement for each one as they generally apply to the reason you purchase online rather than in a store.
Base: Made Online Purchase In Last Month (n=1,409)

PURCHASE CHANNEL – IN-STORE

Many still want to touch/test/try products



Q1230 Please read the following statements, and indicate your level of agreement for each one as they generally apply to the reason you purchase in stores rather than online.
Base: All Respondents (n=2,376)

What Does the Study Mean for Retailers and Marketers?

The cross-channel trends outlined in this Harris Interactive research study position the retail paradigm as shifting to merge the online with the traditional. Although different segments favor different resources, search engines are still ranked number one and included as a top three preferred resource for *every* segment studied. This finding speaks to the direction of retail transformation toward more web-based tools and digital technology moving forward, with pace of change only expected to escalate with the imminent growth of mobile commerce. Retailers need to be aware of how to leverage both channels in delivering the expected customer experience to each segment, while marketers can utilize this information to skew their communications toward a more new-age or traditional focus depending on their target market.

Ultimately, retailers and marketers need to be aware of the continual, gradual changes to customer expectations and consumption patterns to deliver the optimal customer experience routinely, which can be accomplished through Harris Interactive's new highly collaborative retail research approach.

Methodology

This survey was conducted online by Harris Interactive between October 28-30, 2008 among 2,376 U.S. adults aged 18 years and older. Results were weighted as needed for region, age within gender, education, household income, and race/ethnicity. Propensity score weighting was also used to adjust for respondents' propensity to be online. A full methodology is available upon request.

About Harris Interactive

Harris Interactive is a global leader in custom market research. With a long and rich history in multimodal research, powered by innovative science and technology, we assist clients in achieving top quality business results. Harris Interactive serves clients globally through our North American, European, and Asian offices and a network of independent market research firms.

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