

# The Role of Digital In the Large Appliance Shopper Path to Purchase

Google/Compete  
U.S., May, 2012

# Methodology

- Better understand how the online consumer shops for large appliances as well as any cross-channel implications
- Compete conducted an online survey using panelists who researched or shopped for large appliances online within the past 6 months. Surveys were fielded between March 1<sup>st</sup> through March 19<sup>th</sup> 2012
- Clickstream purchase analysis was run for Q2 and Q3 2011 (aggregated)

We **tracked** consumers online shopping activity to understand shopping and searching patterns.



We **analyzed the behavior of those purchasing large appliances** tracking their behavior backward from the point of purchase.



**Surveyed** large appliance shoppers to understand their shopping behavior.



# Methodology – Large Appliances Industry Definition

## Brands with Actions

Retailers	Manufacturers
Amazon.com	Bosch
Best Buy	Electrolux
Build.com	Frigidaire
HH Greg	GE Appliances
Home Depot	Kenmore
Kmart	Kitchen Aid
Lowes	LG
Sears	Maytag
	Samsung
	Whirlpool

## Brands without Actions

Retailers
appliancesconnection.com
ajmadison.com
atgstores.com
us-appliance.com
number1direct.com

# Executive summary

- 1 Positive outlook for large appliance industry:** Large appliance researchers, housing sales and housing starts on the rise

---

- 2 Digital is core to the purchase process and increasingly important:** Online sources are 20% more likely to be useful than offline sources. Search is used more than circulars throughout research process.

---

- 3 Consumers rely on retail sites when shopping:** Implement digital co-op to influence consumer brand choice

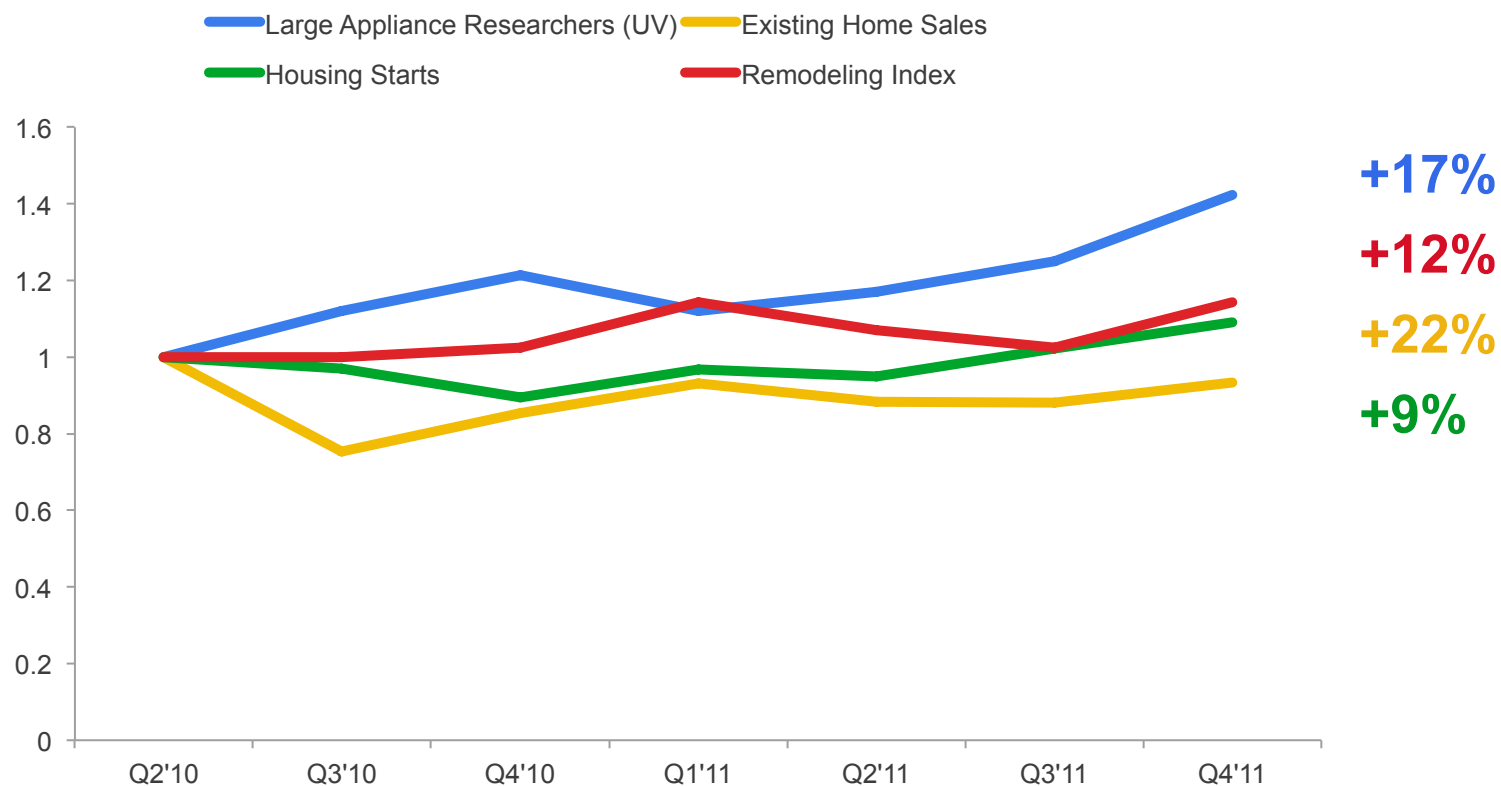
---

- 4 Competition is strong for appliance buyers who shop as many as 5+ sites:** Remarket to customers who don't immediately convert on your site

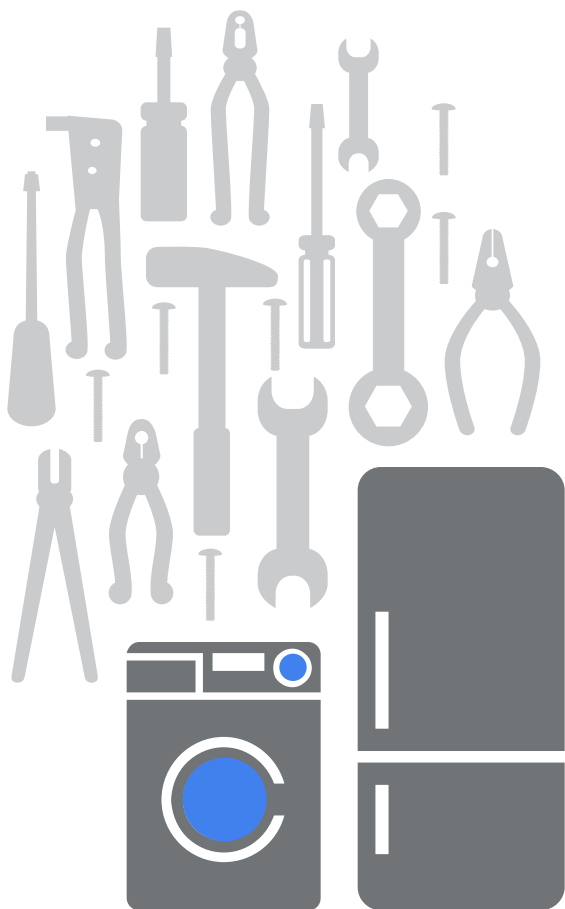
---

- 5 Appliance shoppers rely heavily on category terms which represent 86% of large appliance searches:** Integrate category terms into media mix to reach shoppers throughout the purchase process and influence buyers

# Large appliance researchers growing online



# Key purchase drivers are replacing broken appliances and upgrading



**39%** purchased because **their previous large appliance broke**

**27%** of purchasers wanted to **upgrade**

**25%** purchased a large appliance for **specific features**

**23%** of purchasers **found a deal they couldn't pass up**

**17%** purchased because they **remodeled their homes**

**93%** of shoppers purchased or plan to purchase the appliance they are shopping for

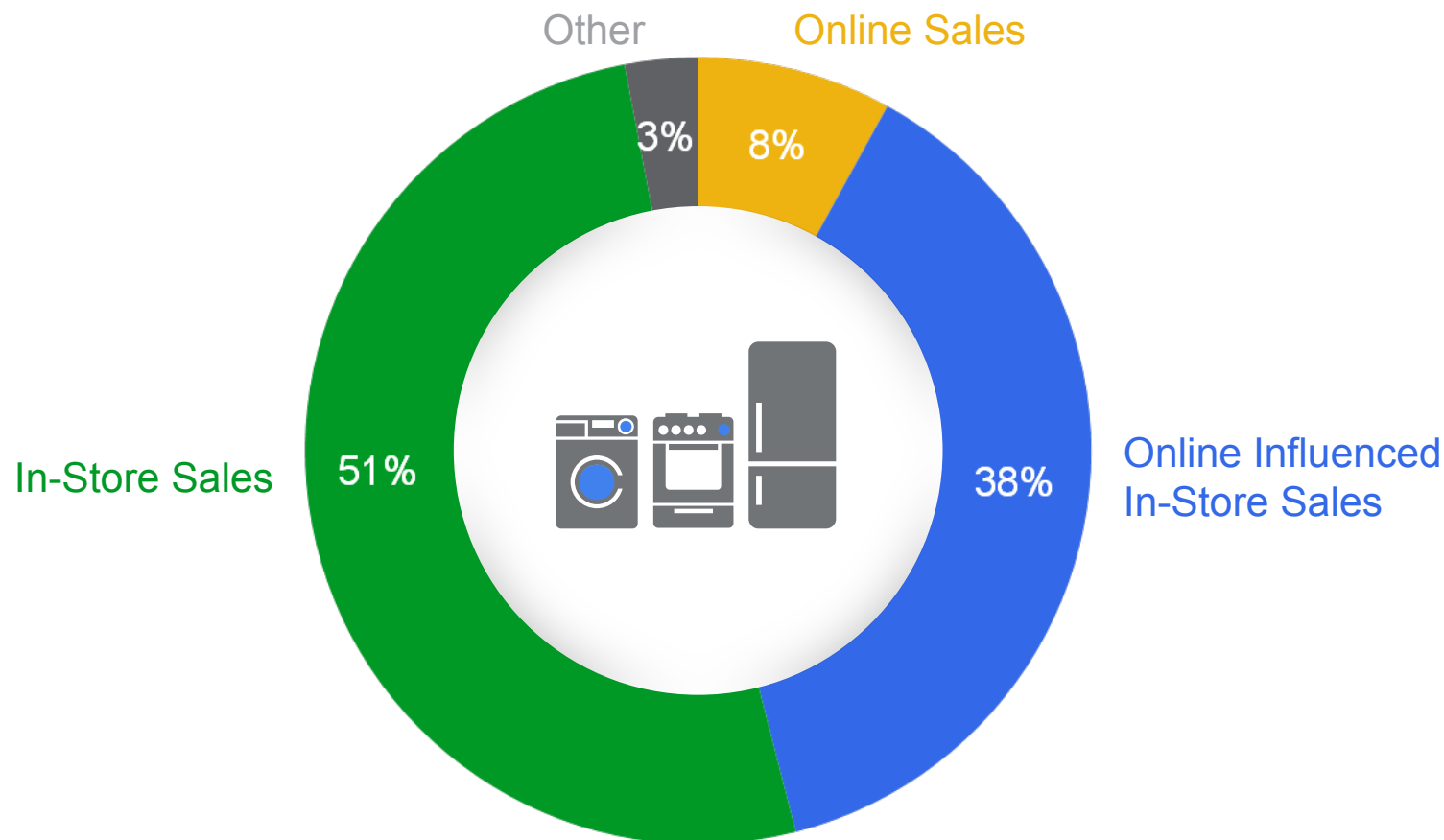
# Large appliance shoppers prioritize size, price and energy star compliance



Shoppers are 51% more likely to prioritize brand over retailer.  
Retailers should focus on digital co-op advertising.

# Online influences almost half of all appliance sales

## 2011 Appliance Sales by Channel



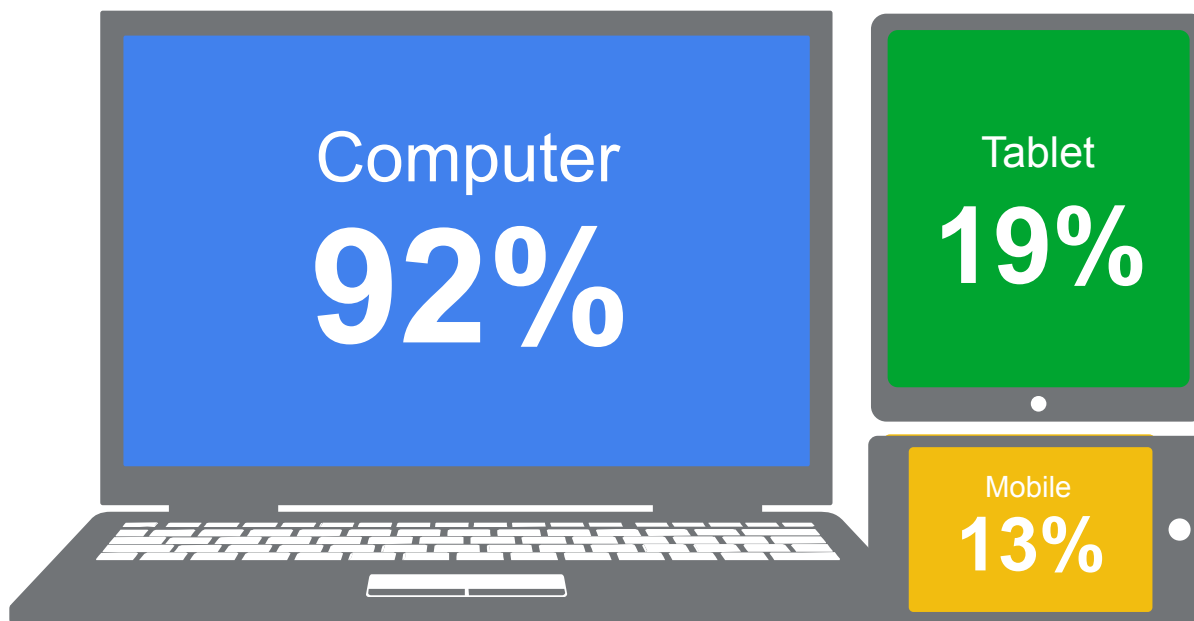


# Appliance shoppers research across devices

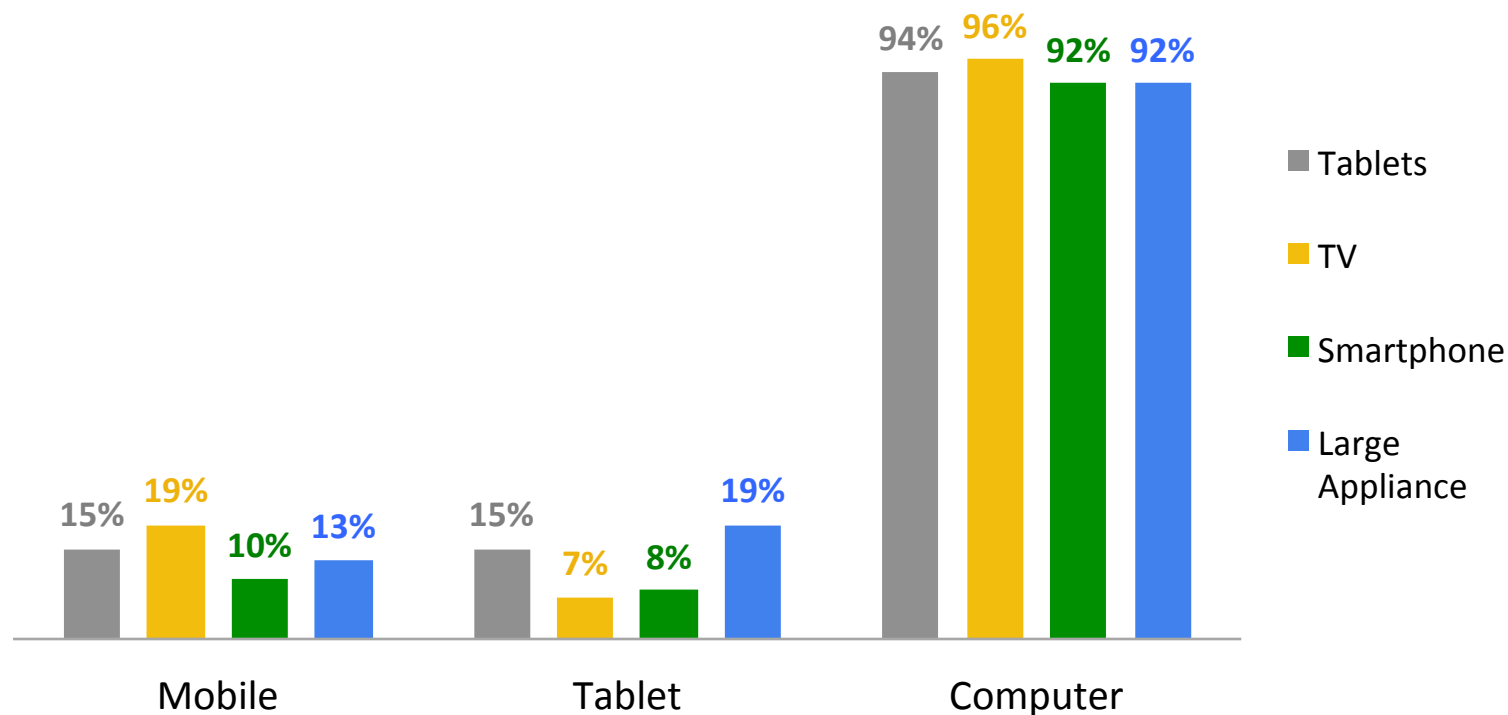
Large appliance shoppers research on their computer, however, mobile and tablet usage is becoming pervasive.

---

**Computers are still the primary source to conduct research...**



# Large appliances shoppers utilize mobile & tablet more than other category shoppers



# Online sources help fuel offline purchases

92% large appliance purchase are made offline and...



**20%**

of large appliance researchers say that online sources are more useful than offline in the purchase process

**45%**

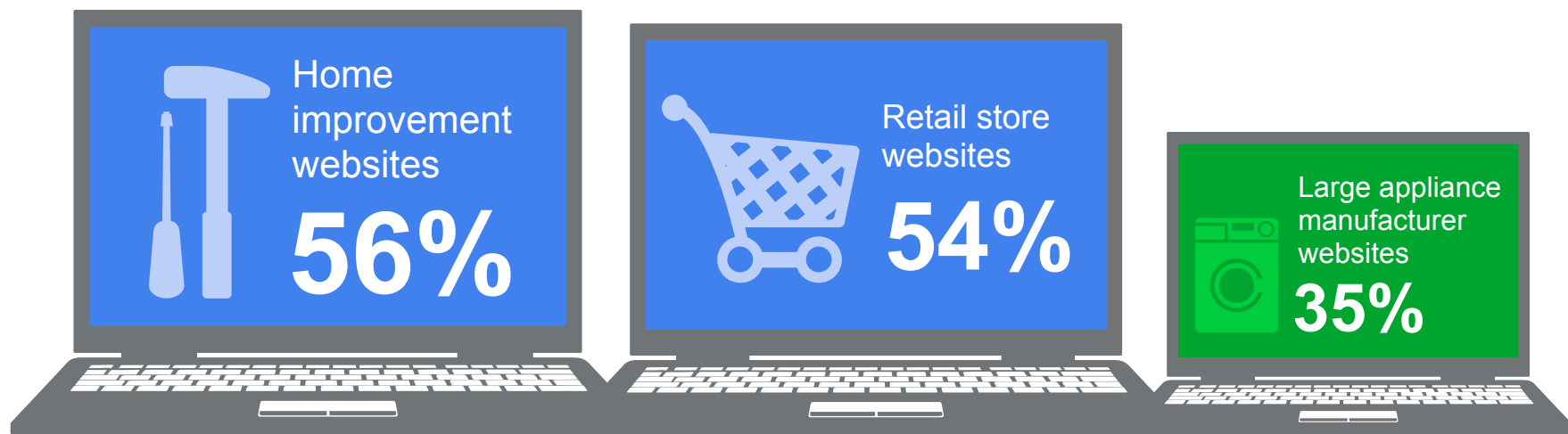
rate search more useful than circulars

Source: Traqline offline sales

Source: 2012 Google/Compete Large Appliances Study, U.S.: RT3. Please indicate how useful each of the following sources were while you researched or shopped for large appliances? n=1,134, Top 2 Box

# Consumers rely on retail sites while shopping

Implement digital co-op to influence consumer brand choice



# Mobile and video researchers are valuable



**72%** of mobile researchers spent **more than \$1,000** on an appliance

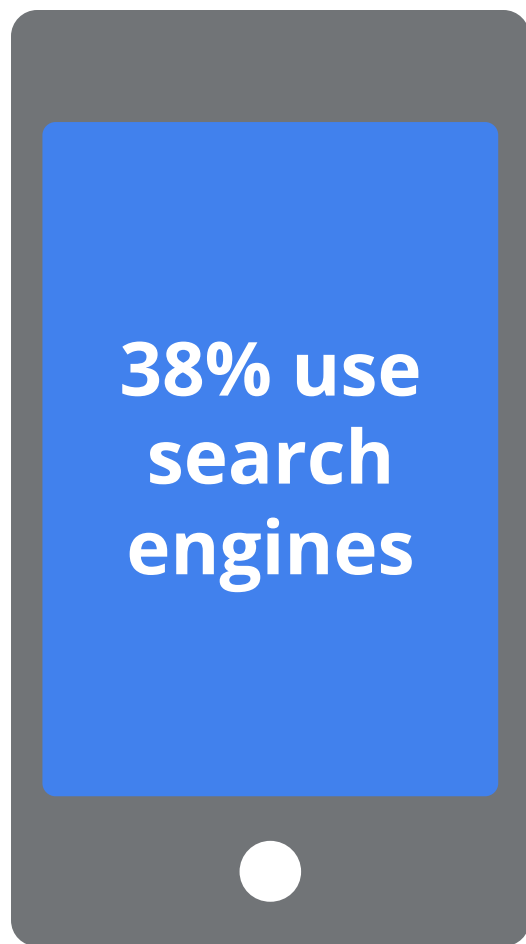
only 36% of non-mobile researchers did



**88%** of video researchers spent **more than \$1,000** on an appliance

only 41% of non-video researchers did

# Large Appliance shoppers use mobile devices to shop



**39%**

Large appliance  
Manufacturer  
websites

**31%**

Retail store  
websites

**26%**

Online only retail  
websites

**24%**

Consumer  
generated online  
reviews

**23%**

Social  
Networking  
websites

**23%**

Video sharing  
websites

# Over 1 in 3 conduct research activities on their device while shopping

Shoppers research on their mobile devices and then...



**37%**

Check prices for large household appliances at other locations while in a store

**36%**

Compare Prices

**34%**

Compare features

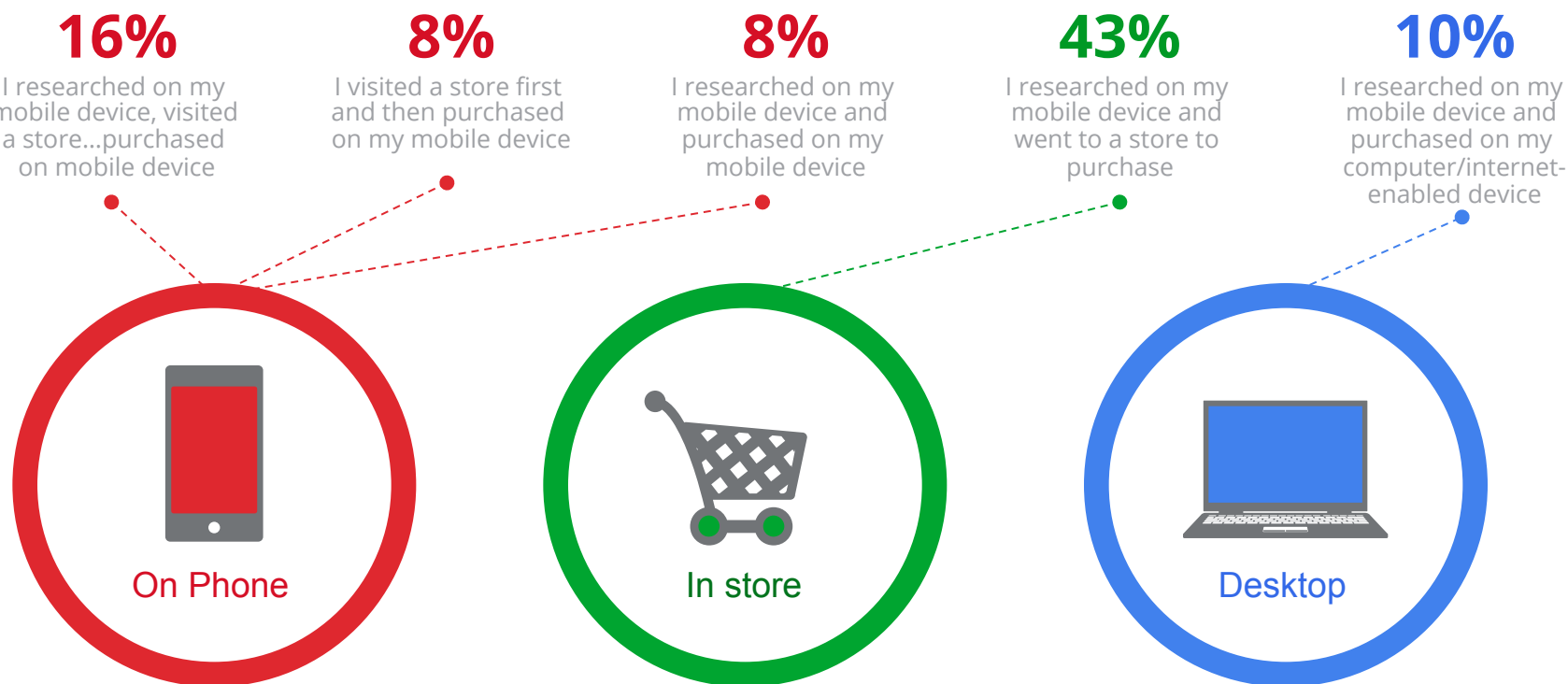
**32%**

Contact a retailer, Manufacturer or business other than by calling

**30%**

Read reviews

# After researching on a mobile device, 32% ultimately purchased via mobile device





# Video aids large appliances shoppers during the purchase process

Large appliances shoppers use videos to...



**46%**

watch customer testimonials

**46%**

compare features

**43%**

obtain general information

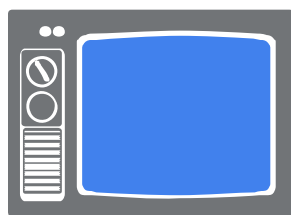
**41%**

decide which company to purchase from

# More than 3 in 4 TV and newspapers ad viewers research online within 2 weeks of exposure

Types of ads

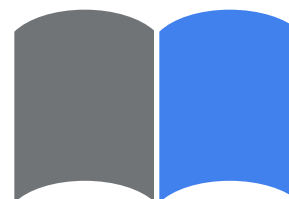
**TV**



**Newspaper**



**Magazine**



**Billboard**



<1 week	32%	38%	22%	18%
1-2 weeks	36%	26%	33%	30%
Within 24 hours	11%	15%	12%	16%

# Key Takeaways: Digital is Core to the Purchase Process

- 1 Online influences more than 1 in 3 appliance sales:** Incorporate search, video, display and mobile into all of your large appliance campaigns

---

- 2 Large appliance shoppers use search more than circulars throughout purchase process:** Implement search coverage throughout buying process

---

- 3 32% of appliance shoppers purchased via mobile phone:** Reach appliance shoppers via mobile throughout their research process

---

- 4 Nearly half of appliance shoppers who viewed video say videos helped them decide where to purchase from:** Leverage video to influence appliance shoppers

---

- 5 More than 3 in 4 TV and newspapers ad viewers research online within two weeks of exposure:** Ensure digital media strategy aligns with offline campaigns

---

## Opportunity to influence: Large appliance shoppers unsure of what brand and where to buy

I wasn't sure what retailer I would purchase from and I wasn't sure what brand/manufacturer I would purchase

44%

I knew what retailer I would purchase from, but wasn't sure what brand/manufacturer I would purchase

22%

I knew what retailer I would purchase from and was sure what brand/manufacturer I would purchase

18%

I wasn't sure what retailer I would purchase from, but was sure what brand/manufacturer I would purchase

16%

51%

of searchers

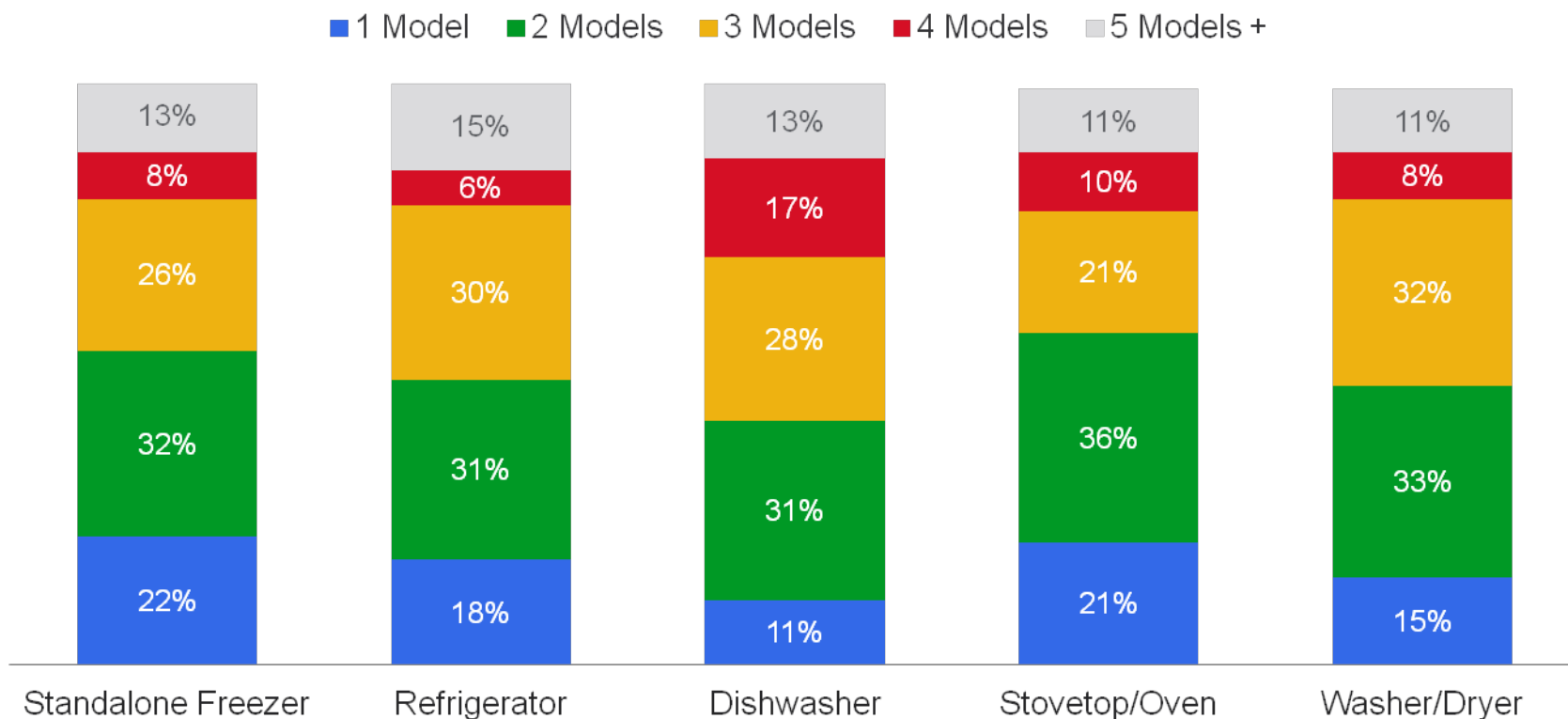
VS.

39%

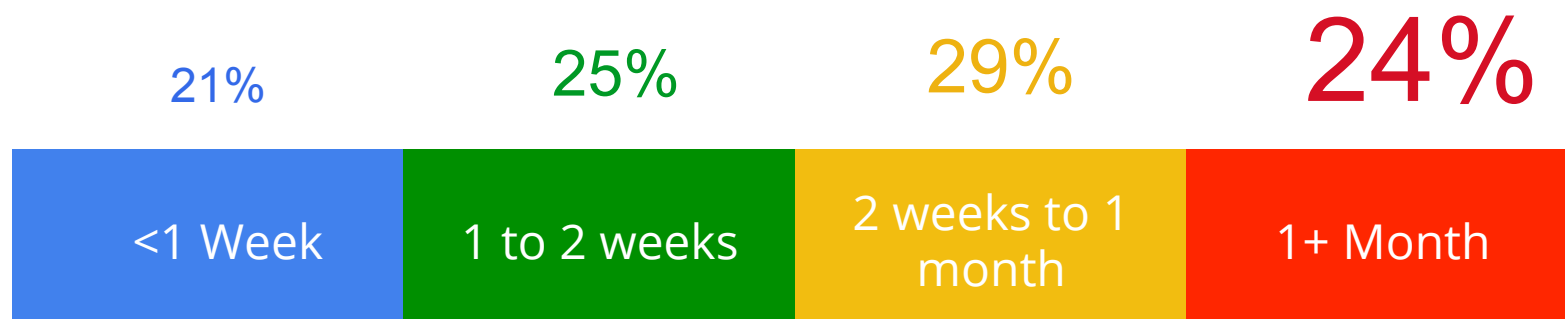
of non-searchers

are unsure of both what brand or retailer to purchase from

# 83% Shop multiple models

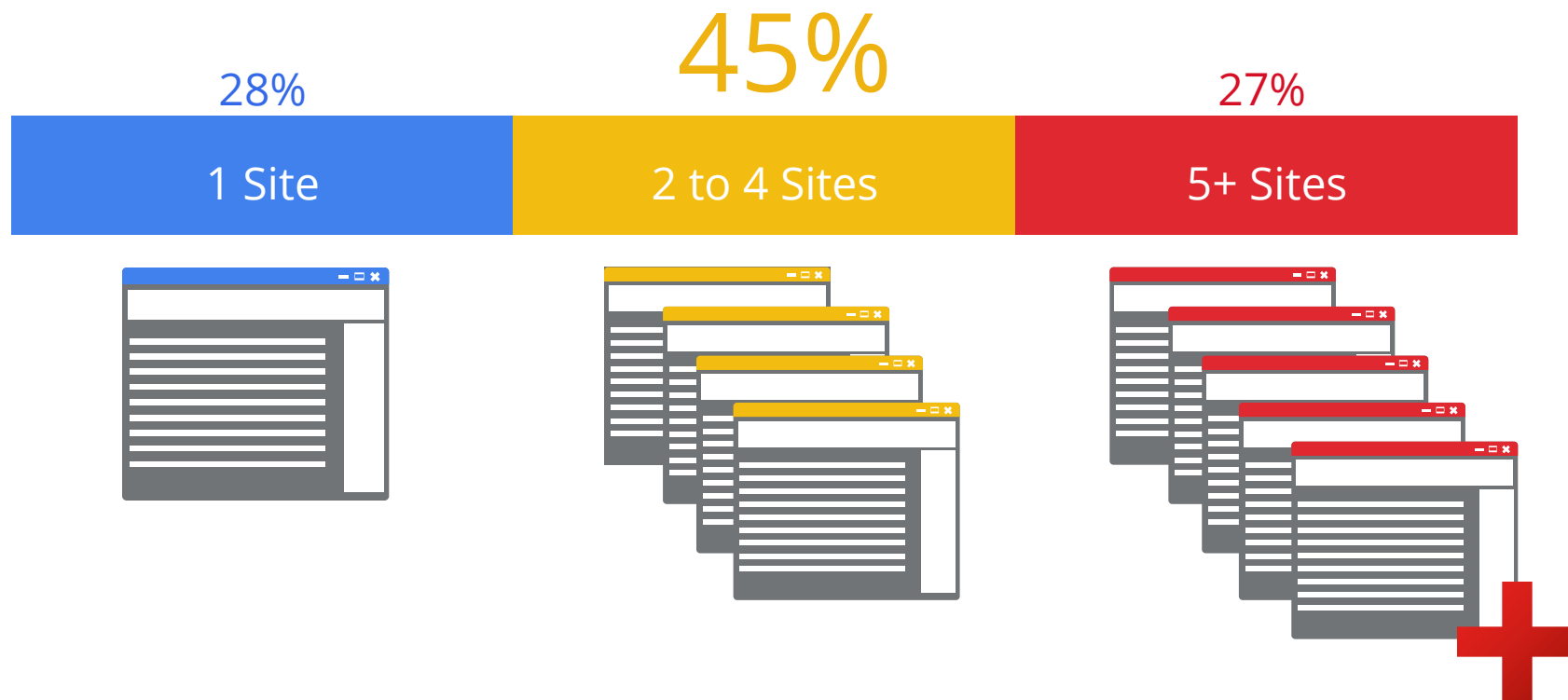


46% of large appliance shoppers research and purchase in less than 2 weeks however 1 in 4 take their time



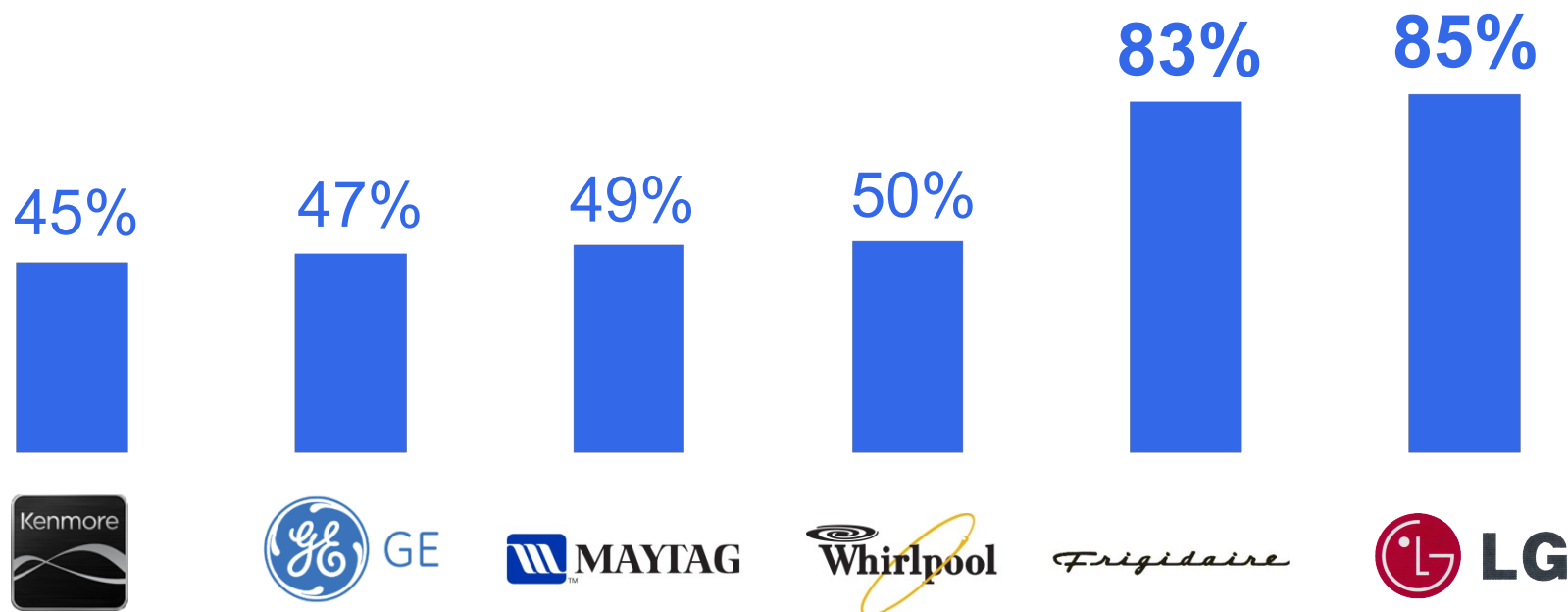
**Consider widening attribution window for those who take longer to purchase**

# Majority of online converters shop 2 – 4 brands



**Converters have a wider consideration set...remarket to potential buyers who are shopping around**

Acquire new customers online: 66% of first time purchasers purchased online for the first time





Search behavior also shows that Sears is most commonly shopped along with Lowe's and Home Depot



# Key Takeaways: Competing for Large Appliance Shoppers

- 1** **51% of searchers are undecided on what brand/manfuacturer to purchase from:** Drive demand for your brand through branded search, display and video across devices

---
- 2** **Research begins four weeks prior to purchase:** Ensure your attribution window accounts for researchers

---
- 2** **66% of first time large appliance shoppers purchased online:** Use digital as a new customer acquisition tool

---
- 3** **Large appliance buyers shop around:** Remarket to customers who don't immediately convert on your site

---

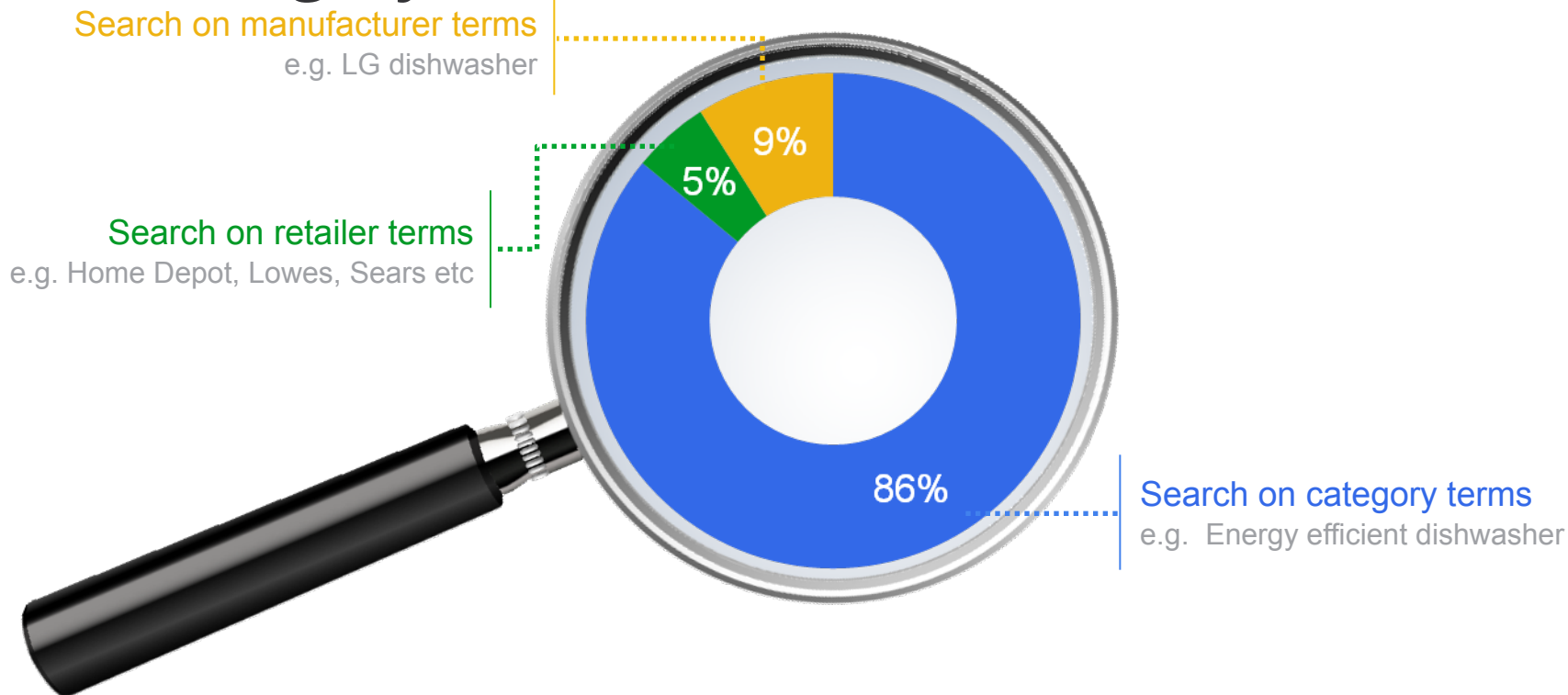


Search referrals to  
large appliance  
retailers &  
manufacturers are up

**50%**

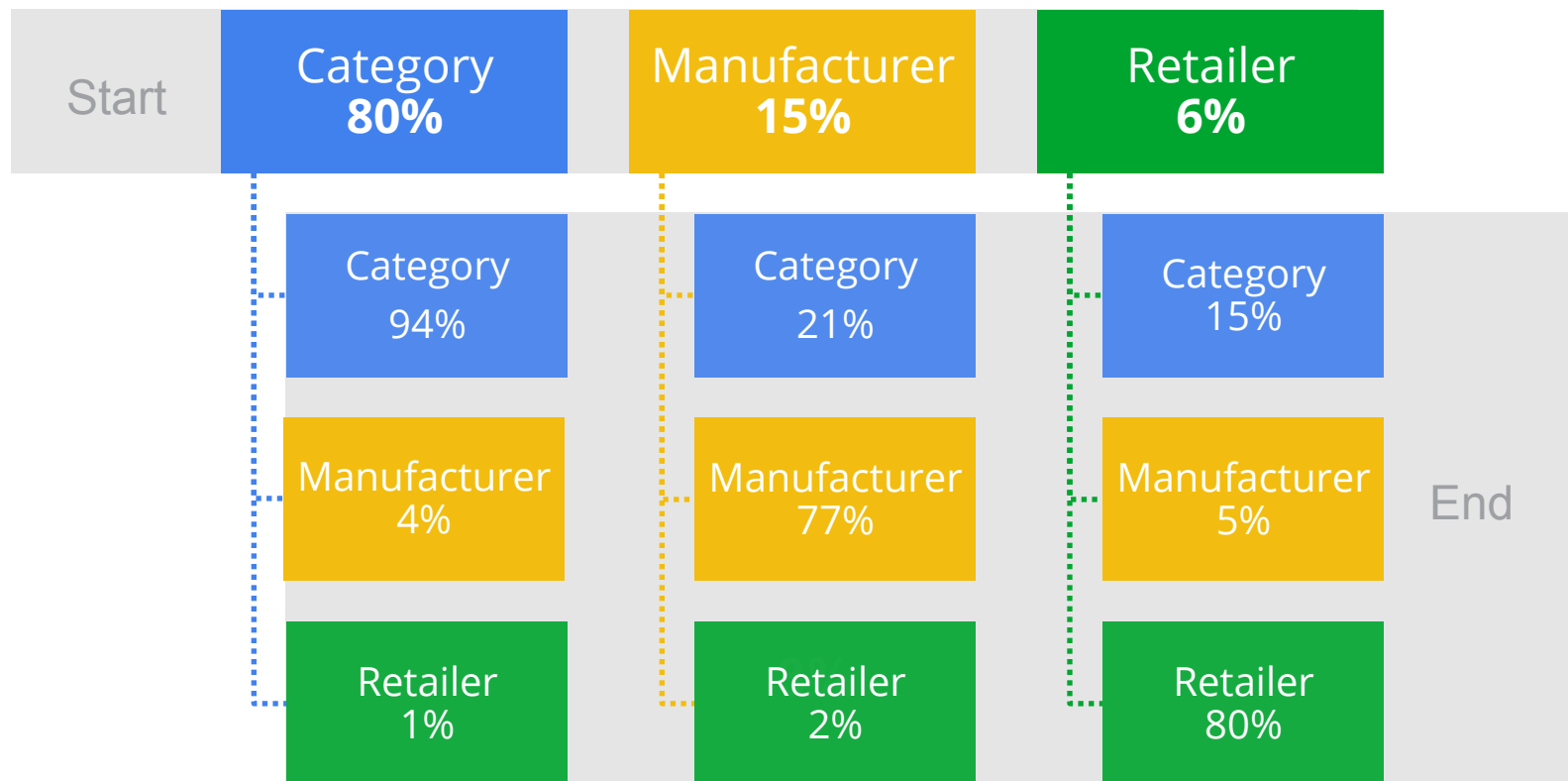


# Searches are distributed across categories but category searches are most common



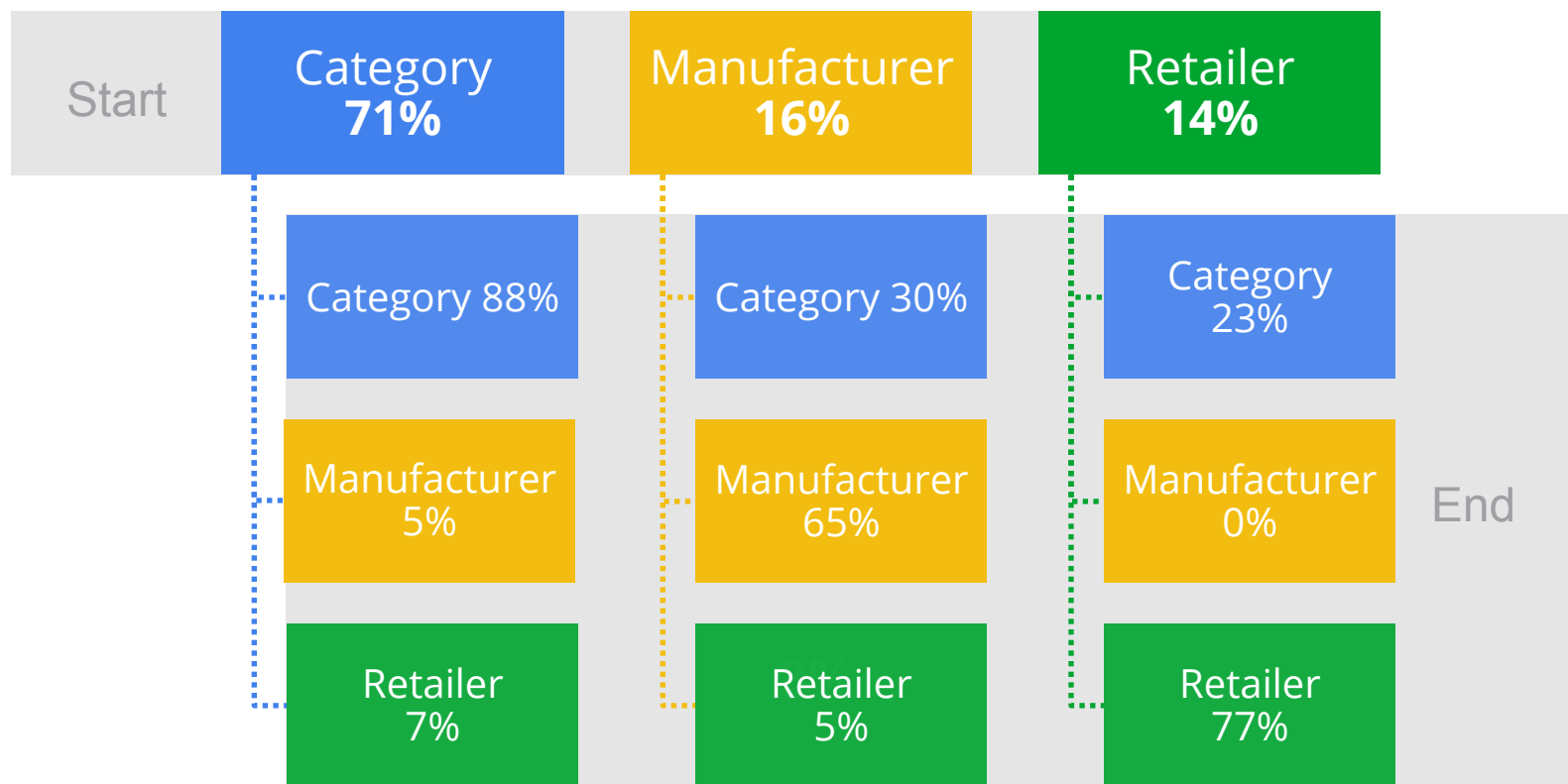
Implement comprehensive search strategy to reach all in-market consumers

# Shoppers start and end with same query type



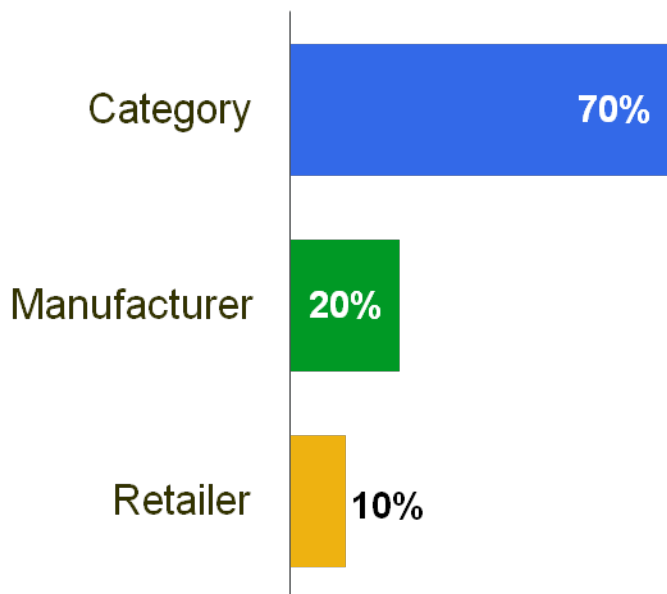
Likelihood to shift term sets when starting with category terms is low so investment in category terms throughout is crucial

# Converters are more likely to search on retailer terms than non-converters

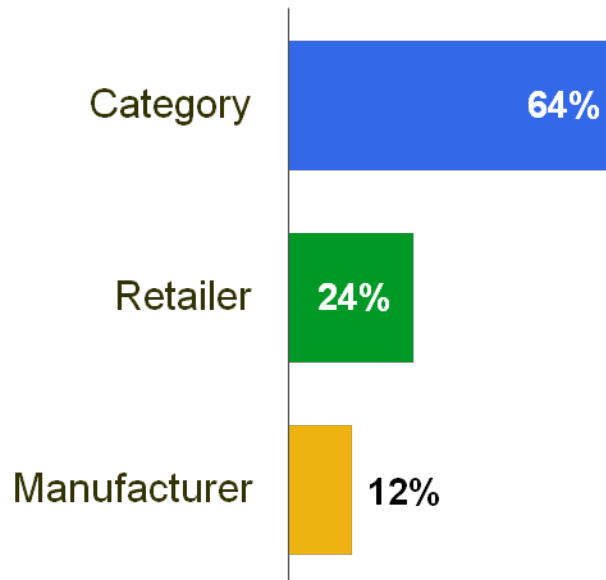


# Category terms also prevalent at the end of the purchase process

## Assisting Queries

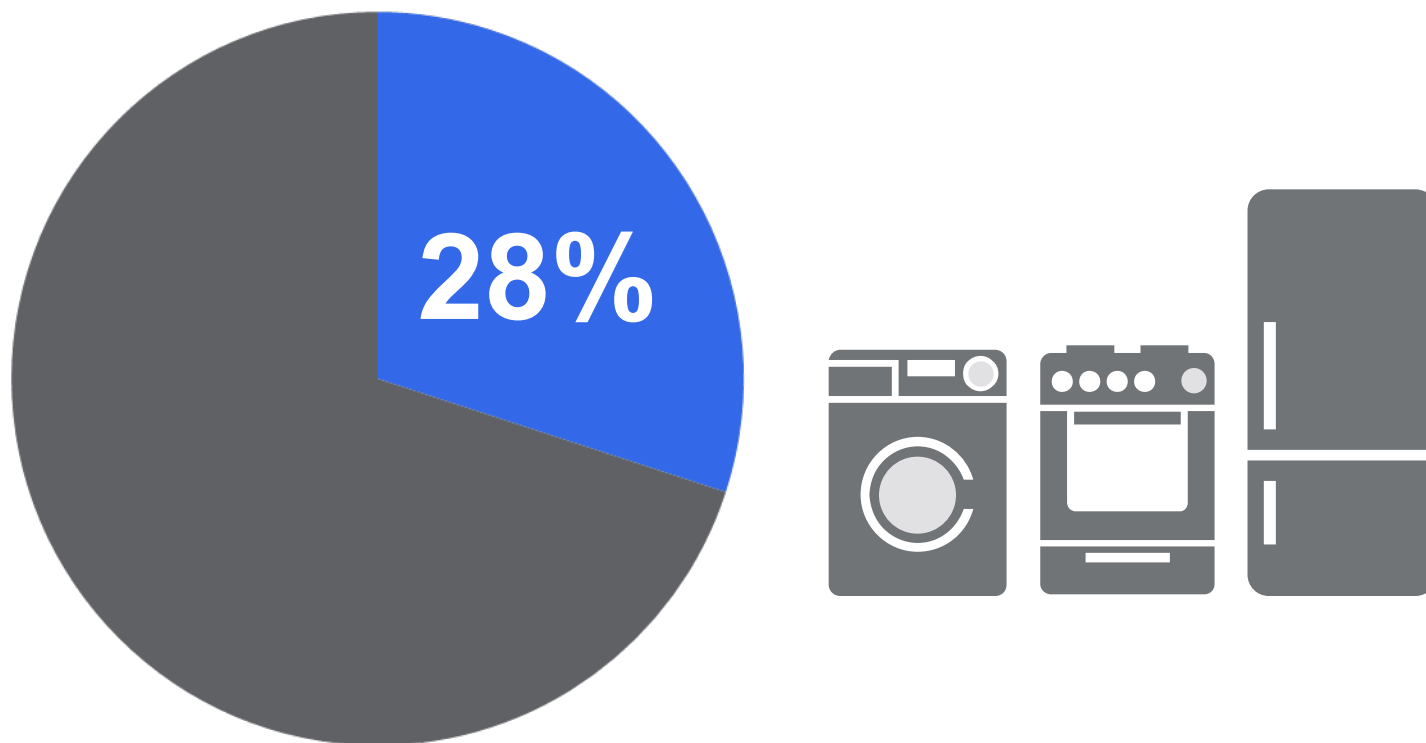


## Last Query



# Paid search drives qualified large appliance shoppers

Advertisers relying solely on organic search miss 1 in 3 converters





# Large appliance converters search more

On average, converters are over two times as likely to search



# Key Takeaways: How Shoppers Search for Large Appliances

- 1** **86% of researchers search on category terms & 70% of conversions are assisted by category terms :** Influence open minded researchers through investment in category terms

---
- 2** **28% of search conversions come from clicks on paid search ads:** Optimize text ads to drive immediate sales

---
- 3** **Converters are more likely to search on retailer terms than non-converters:** Integrate digital co-op into your media mix to increase consideration for those loyal to specific retailers

# Key Recommendations

- 1 66% of first time large appliance shoppers purchased online:** Use digital as a new customer acquisition tool
- 2 Implement search as a core marketing vehicle throughout purchase process:** 45% rate search more useful than circulars
- 3 51% of consumers are undecided; more than 8 in 10 search on category terms:** Influence undecided shoppers through display, video and search category terms
- 4 Consumers research extensively:** Extend attribution window & remarket to comparison shoppers
- 5 Consumers rely on retailer sites & converters are more likely to search on retailer terms:** Integrate digital co-op into your media mix