Objectives

How is **shopper behavior** changing in a digitally powered world?

What **role** do **new media** like social & mobile in shopping?

How are shoppers’ expectations of the **physical retail store** changing?

How does **pre-shopping** change actual purchasing?

Source: Google/Shopper Sciences, Zero Moment of Macro Study, Apr 2011
N = 5,000
www.google.com/think/insights
Methodology

A quantitative review of decision making behavior across shopping, services and voting.

Online shopper surveys with interactive game-like construct

Fielded in March 2011 in the US

Connect as close to purchase decision as possible

N=5,000 Shoppers:

- 500 each in Auto, Tech, Travel, Voters, Restaurant, OTC Health, CPG Grocery, CPG Beauty/Personal Care
- 250 each in Credit Cards, Banking, Insurance, Investments

Source: Google/Shopper Sciences, Zero Moment of Macro Study, Apr 2011
N = 5,000
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Summary

• The length of the shopper’s purchase journey varies greatly by category. But even within a spontaneous category like restaurants, we see thoughtful behavior of several hours to several days leading up to decision.

• The number of sources used by any shopper for any average shopping occasion has almost doubled, from 5.2 to 10.4 sources used.

• 84% of all shoppers use ZMOT sources in the path to purchase (f. ZMOT is a critical part of any shopper’s purchase journey and is as important, if not more, than stimulus and FMOT.

• Searching online is at the same level or eclipsing friends and family as a source used in the purchase process, which is a first.

• While overall usage of online social and mobile sources are lower than other sources, they are on the rise. Among the group who use online social and mobile sources, they rank the mobile information as highly influential in shaping their ultimate purchase decisions.
Traditional 3-Step Mental Model of Marketing

Source: Google/Shopper Sciences, Zero Moment of Macro Study, Apr 2011
N = 5,000
www.google.com/think/insights
The New Mental Model of Marketing

First Moment of Truth

Pre-shopping | In-store | In-home

Second Moment of Truth

At shelf
In-store

Experience

Source: Google/Shopper Sciences, Zero Moment of Macro Study, Apr 2011
N = 5,000
www.google.com/think/insights
We asked shoppers 4 key questions:

**When?** Purchase Timeline
How far in advance do shoppers start thinking about their purchase?

**What?** Source Usage
What traditional and new media sources did shoppers use to help them decide on their purchases?

**Why?** Information-Seeking
Why did shoppers consult the internet? What information were they looking for?

**How much?** Influence
How influential were each of the sources in the ultimate decision making?

Source: Google/Shopper Sciences, Zero Moment of Macro Study, Apr 2011
N = 5,000
www.google.com/think/insights
The length of a purchase cycle varies

The longest purchase cycles belong to Travel, Voters, Auto & Tech while the most “spontaneous” category is Restaurants. But even within Restaurants, a majority of shoppers still take several hours to several days to make that decision.

Source: Google/Shopper Sciences, Zero Moment of Macro Study, Apr 2011
N = 5,000
www.google.com/think/insights
Shoppers today are able to process an enormous amount of information

Shoppers today use twice as many sources to arrive at a decision and use each source almost twice as heavily as in the past

Q2 When you were considering purchasing [PRODUCT], what sources of information did you seek out to help with your decision?
Base: N=5,003

Source: Google/Shopper Sciences, Zero Moment of Macro Study, Apr 2011
www.google.com/think/insights
Shoppers use a range of sources, depending on type of decision

Shoppers can range from using an average of 5.8 sources when choosing a Restaurant to a high of 18.2 sources used by Automobile shoppers.

Average # of Sources Used by Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Sources Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurant</td>
<td>5.8</td>
</tr>
<tr>
<td>CPG Health/Beauty</td>
<td>7</td>
</tr>
<tr>
<td>CPG Grocery</td>
<td>7.3</td>
</tr>
<tr>
<td>OTC Health</td>
<td>9.8</td>
</tr>
<tr>
<td>Credit Card</td>
<td>8.6</td>
</tr>
<tr>
<td>Investment</td>
<td>8.9</td>
</tr>
<tr>
<td>Travel</td>
<td>10.2</td>
</tr>
<tr>
<td>Banking</td>
<td>10.8</td>
</tr>
<tr>
<td>Insurance</td>
<td>11.7</td>
</tr>
<tr>
<td>Tech</td>
<td>14.8</td>
</tr>
<tr>
<td>Automotive</td>
<td>18.2</td>
</tr>
<tr>
<td>Voters</td>
<td>14.7</td>
</tr>
</tbody>
</table>

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www.google.com/think/insights
ZMOT sources are equally important, if not more important, than Stimulus and FMOT

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Base: N=5,003

Source: Google/Shopper Sciences, Zero Moment of Macro Study, Apr 2011

www.google.com/think/insights
Overall, shoppers are using more ZMOT sources in 2011 than in 2010

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Base: N=5,003

Source: Google/Shopper Sciences, Zero Moment of Macro Study, Apr 2011

www.google.com/think/insights
Shoppers turn to the Internet mostly for location based information. Social and mobile are at its infancy but growing.

<table>
<thead>
<tr>
<th>Categories of Internet Behaviors</th>
<th>% of shoppers that engage in the behavior</th>
<th>Tactical behaviors within the category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>41%</td>
<td>Got maps / directions to the store</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Got information on a particular store (hours, parking, etc.)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Read reviews on a particular store</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Found locations of the store</td>
</tr>
<tr>
<td>In-Store Information</td>
<td>30%</td>
<td>Checked availability of the item in the store</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Looked for information on upcoming sales at the store</td>
</tr>
<tr>
<td>Call to Action</td>
<td>29%</td>
<td>Set price alerts to be notified</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Added sale date information to your calendar</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Held or reserved an item in the store</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Called a store from phone number provided online</td>
</tr>
<tr>
<td>Took to Store</td>
<td>26%</td>
<td>Printed out information to take to the store</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Looked for online coupons that you can use in the store</td>
</tr>
<tr>
<td>Additional Media</td>
<td>25%</td>
<td>Looked up Rewards Programs / Points programs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Looked at newspaper inserts / coupons online</td>
</tr>
<tr>
<td>Compared to Other Media</td>
<td>19%</td>
<td>Compared to information found in newspapers or magazines</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Compared to information found in the yellow pages</td>
</tr>
<tr>
<td>Sharing/Social</td>
<td>19%</td>
<td>Read my friend’s reviews on a product or look at their likes / fan pages</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Saw what others who viewed the item actually purchased</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sent a link to someone else for their input</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recommended a site or product to my friends on a social networking site</td>
</tr>
<tr>
<td>Mobile</td>
<td>14%</td>
<td>“Checked in” to a location with your mobile phone</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Used mobile phone to find directions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Used mobile phone to find the best prices</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Used search engine on my mobile phone</td>
</tr>
</tbody>
</table>

Q8 Below are some ways that other people say they use the Internet when researching a purchase decision. Which of the following things did you do during your recent purchase? You may select as many as apply. Base N=5003

Source: Google/Shopper Sciences, Zero Moment of Macro Study, Apr 2011

www.google.com/think/insights
Comparison shopping online and searching online rank high among what influences the shopper’s ultimate decision

Net Influence – Top Sources Above Average

- Looked at the product package in the store: 58%
- Talked with a salesperson or associate in the store: 57%
- Comparison shopped products online: 54%
- Talked with friends / family about the product: 51%
- Searched online with a search engine: 50%
- Sought info on a brand/manufacturer website: 40%
- Read brochure about the product in the store: 37%
- Read product reviews or endorsements online: 37%
- Looked at display about the product in the store: 33%
- Read newspaper articles/reviews/information: 32%
- Read magazine articles /reviews/information: 30%
- Saw an ad in a newspaper / newspaper insert: 27%
- Received direct mail from a brand / manufacturer: 22%
- Saw advertisements on television: 16%

Traditional media influence drops off strongly in comparison to retail, search and word-of-mouth.

Q5 We’d like you to tell us how influential each of these sources of information was to you at the time. Please select a number from 1-10 for each of the sources below where 1 is “least influential” and 10 is “most influential.” You may select any number in between 1 and 10.

Source: Google/Shopper Sciences, Zero Moment of Macro Study, Apr 2011
www.google.com/think/insights
Social and mobile are growing significantly in influence compared to year ago

<table>
<thead>
<tr>
<th>Source</th>
<th>2010 Macro Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offline Social</td>
<td>56%</td>
</tr>
<tr>
<td>Retail</td>
<td>51%</td>
</tr>
<tr>
<td>Online General</td>
<td>39%</td>
</tr>
<tr>
<td>Online Social</td>
<td>37%</td>
</tr>
<tr>
<td>Mobile</td>
<td>34%</td>
</tr>
<tr>
<td>Direct/Event</td>
<td>32%</td>
</tr>
<tr>
<td>TV/Radio</td>
<td>27%</td>
</tr>
<tr>
<td>Print/Outdoor</td>
<td>24%</td>
</tr>
</tbody>
</table>

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Post Purchase Behavior

Almost 1 in 4 are sharing digitally, but this is not a mainstream behavior, yet.

Q7 After buying [PRODUCT], which of the following activities did you do to share your experience?

Base: N=5,003

- Mentioned it to friends/family: 50%
- Mentioned it to a co-worker: 21%
- Took a survey: 13%
- Wrote about it on a Facebook page: 10%
- Wrote a customer review on a website: 6%
- Wrote about it in a blog: 4%
- Posted Tweets about it: 4%
- None of the above: 41%

24% of shopper engage in some digital SMOT behavior

Source: Google/Shopper Sciences, Zero Moment of Macro Study, Apr 2011
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