



The Role of Digital In the Furniture Shopper Path to Purchase

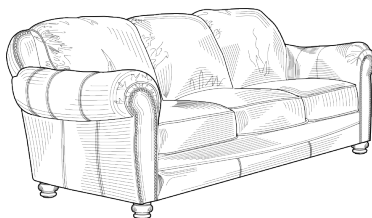
Google/Compete
U.S., November 2012

Overview & methodology

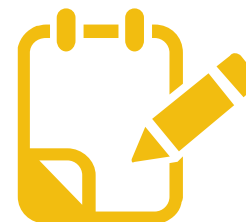
- Better understand how digital drives furniture research and purchases
 - Compete conducted an online survey using panelists who researched or shopped for furniture online within the past six months. Surveys were fielded between May 18th through June 12th 2012 (n=635)
 - Clickstream purchase analysis was run for Q2 2011 through Q2 2012 (aggregated)
-



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



We **analyzed the behavior of furniture purchasers** tracking their behavior backward from the point of purchase.



Surveyed furniture shoppers to understand their shopping behavior.

Executive summary

- 1** **Digital shopping for furniture is on the rise:** nearly all furniture categories grew visitation year-over-year, with online only and dept. stores increasing over 50%.

- 2** **Digital influences offline furniture sales:** 66% of in-store purchasers accessed the internet while looking for information on furniture.

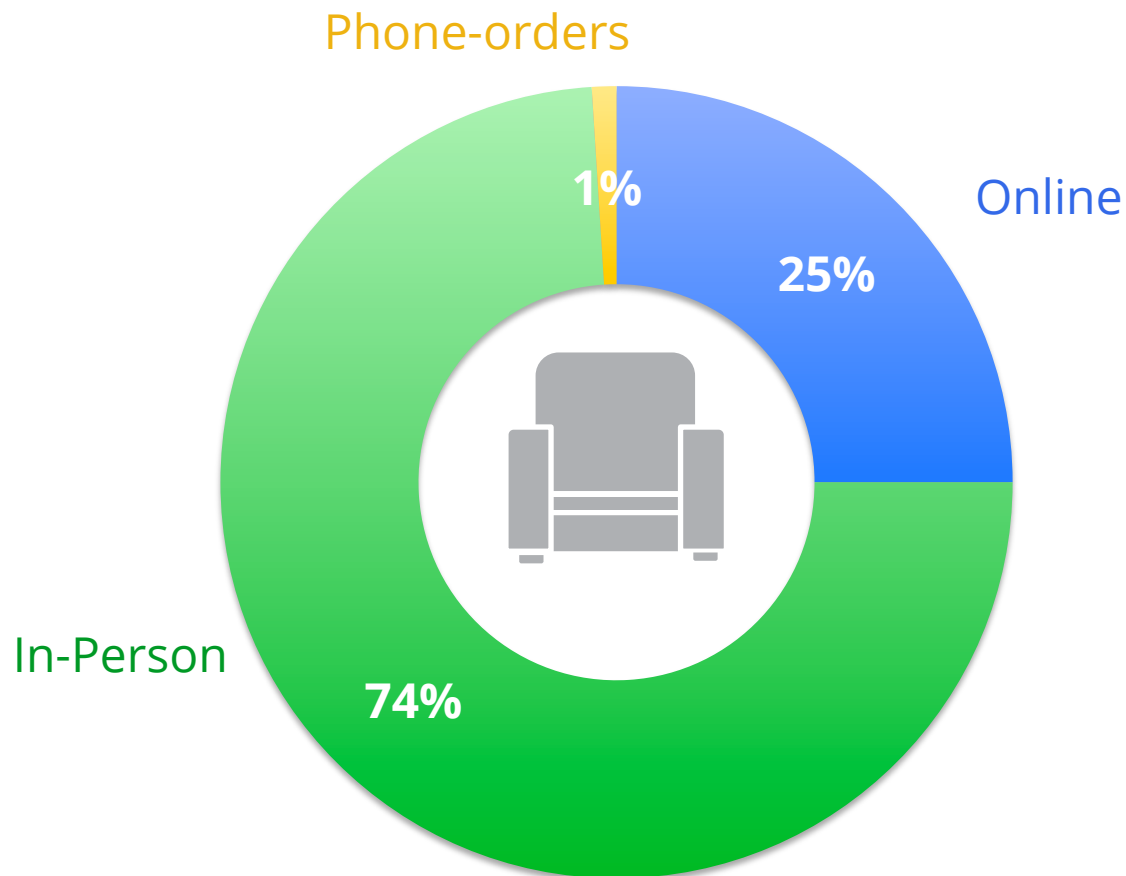
- 3** **Mobile devices aid discovery:** Nearly half of mobile furniture shoppers discover new brands on mobile devices (44%).

- 4** **Online purchasers research often but are quick to decide:** 63% of purchasers visited multiple brand sites, and over half purchased within one week of researching.

- 5** **Non-branded queries are used to support branded research:** half of conversions were assisted by non-branded terms and 27% of converters ended their research process with a non-branded search.

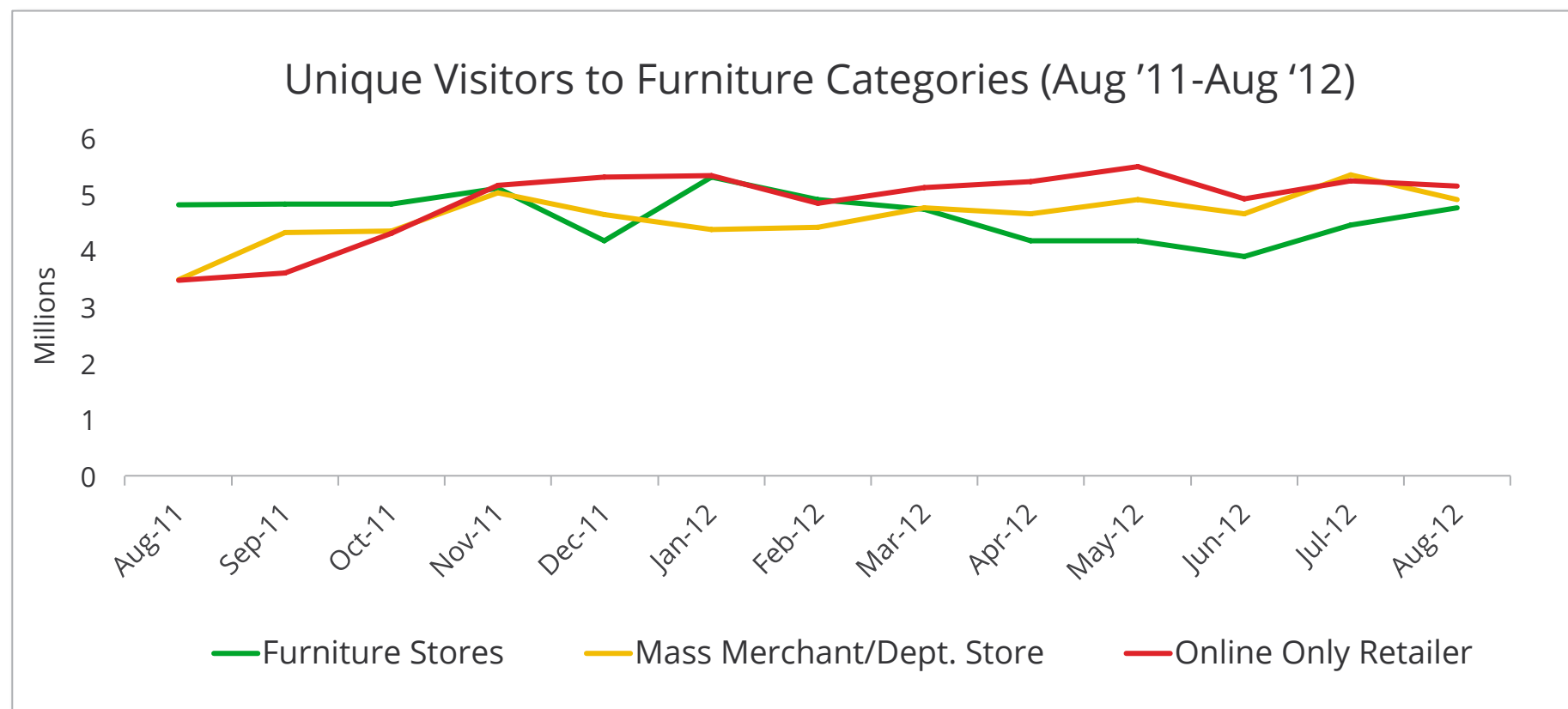
1 in 4 furniture buyers purchase online

Q. Where did you purchase this furniture?

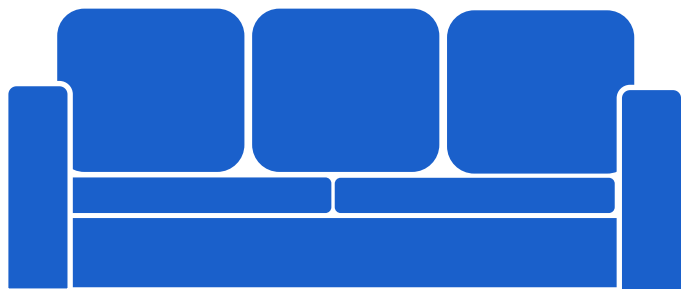


Unique furniture shoppers are up 5% YOY online

The industry averages over 15M furniture online shoppers



Key purchase driver for furniture shoppers is replacing old furniture



45% I am buying a **replacement for worn/old/broken furniture**

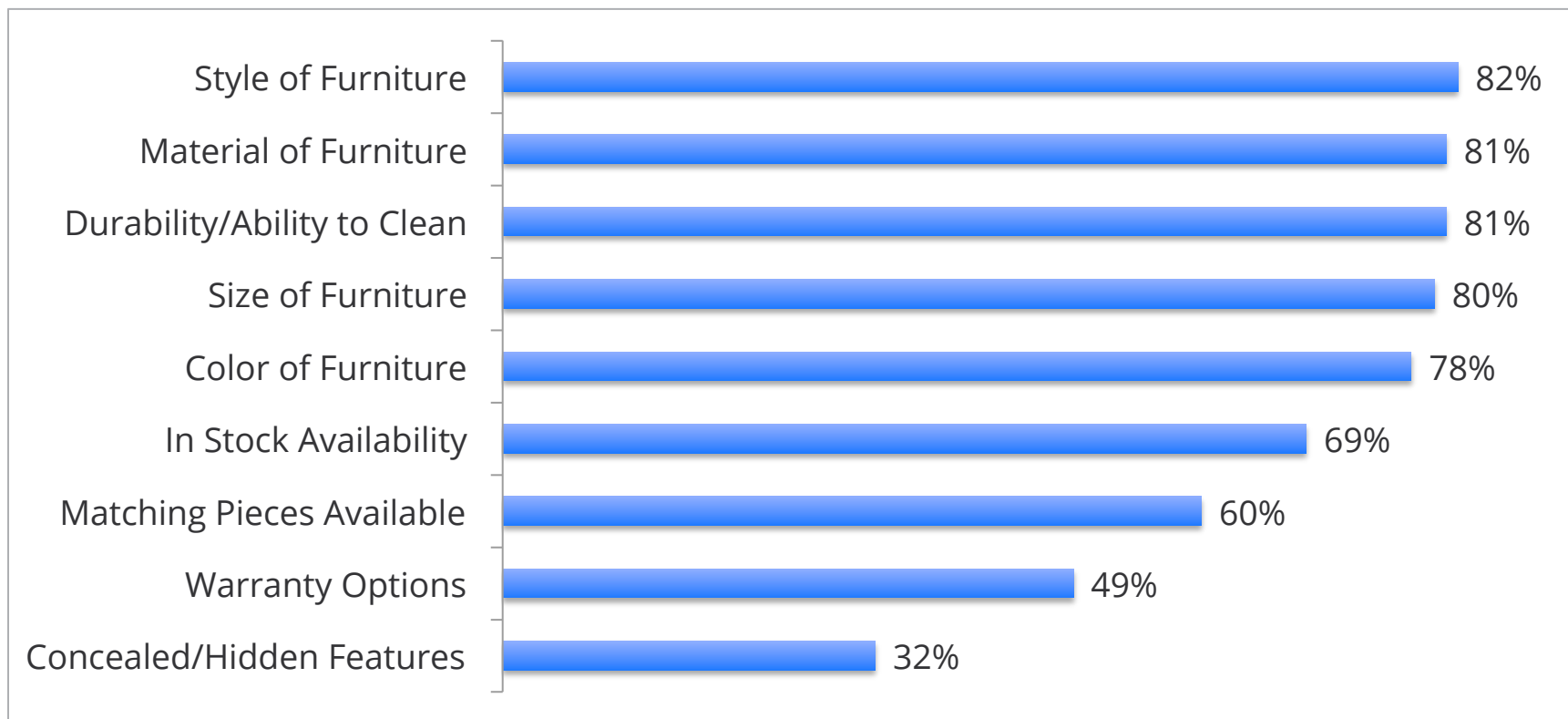
28% I am **upgrading existing furniture**

23% I am **redecorating/renovating** a room or my home

19% I am **moving** to a newly purchased/rented home

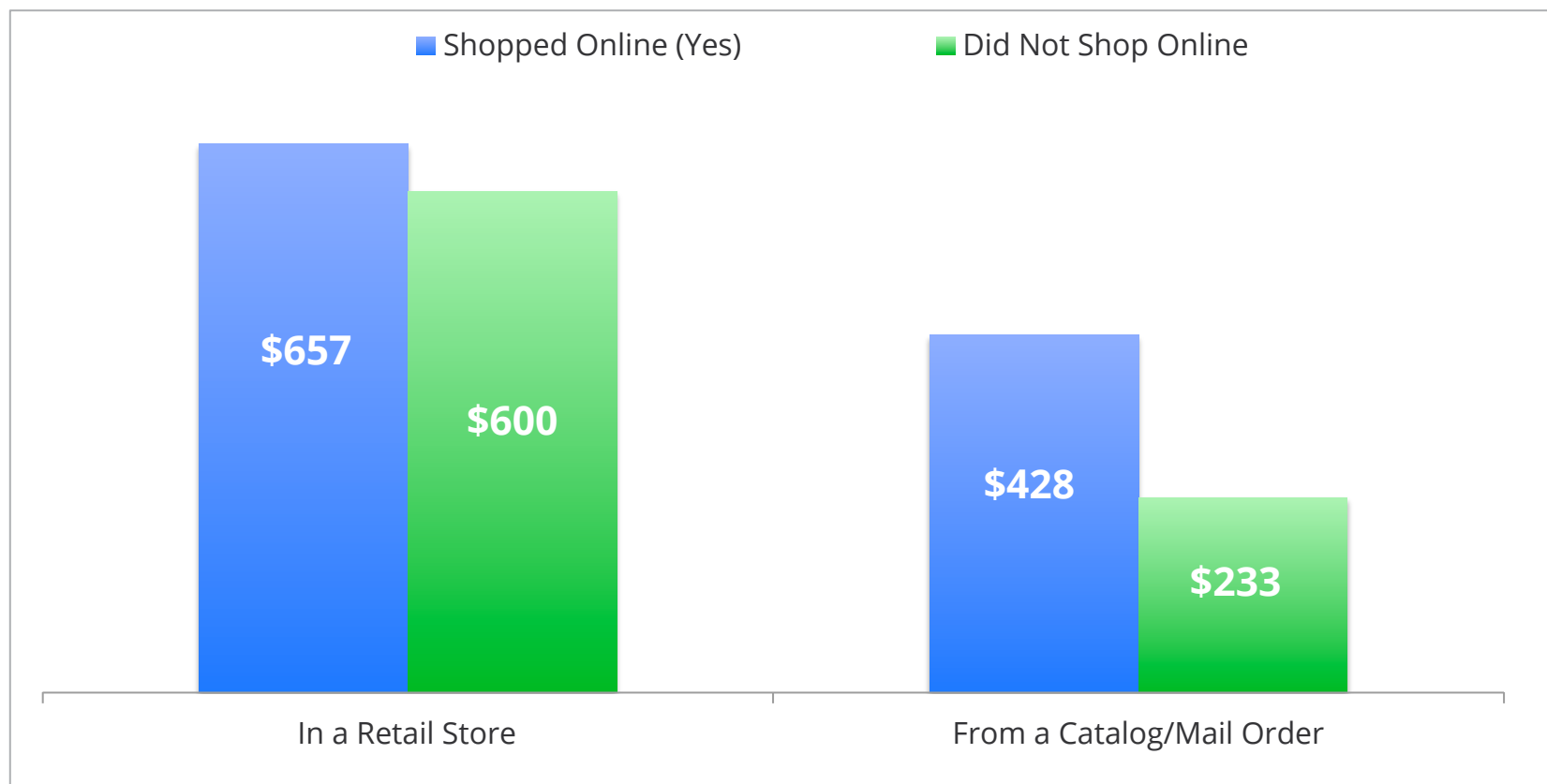
Furniture shoppers prioritize style over in-stock availability or warranty options

Importance of features during the furniture shopping process



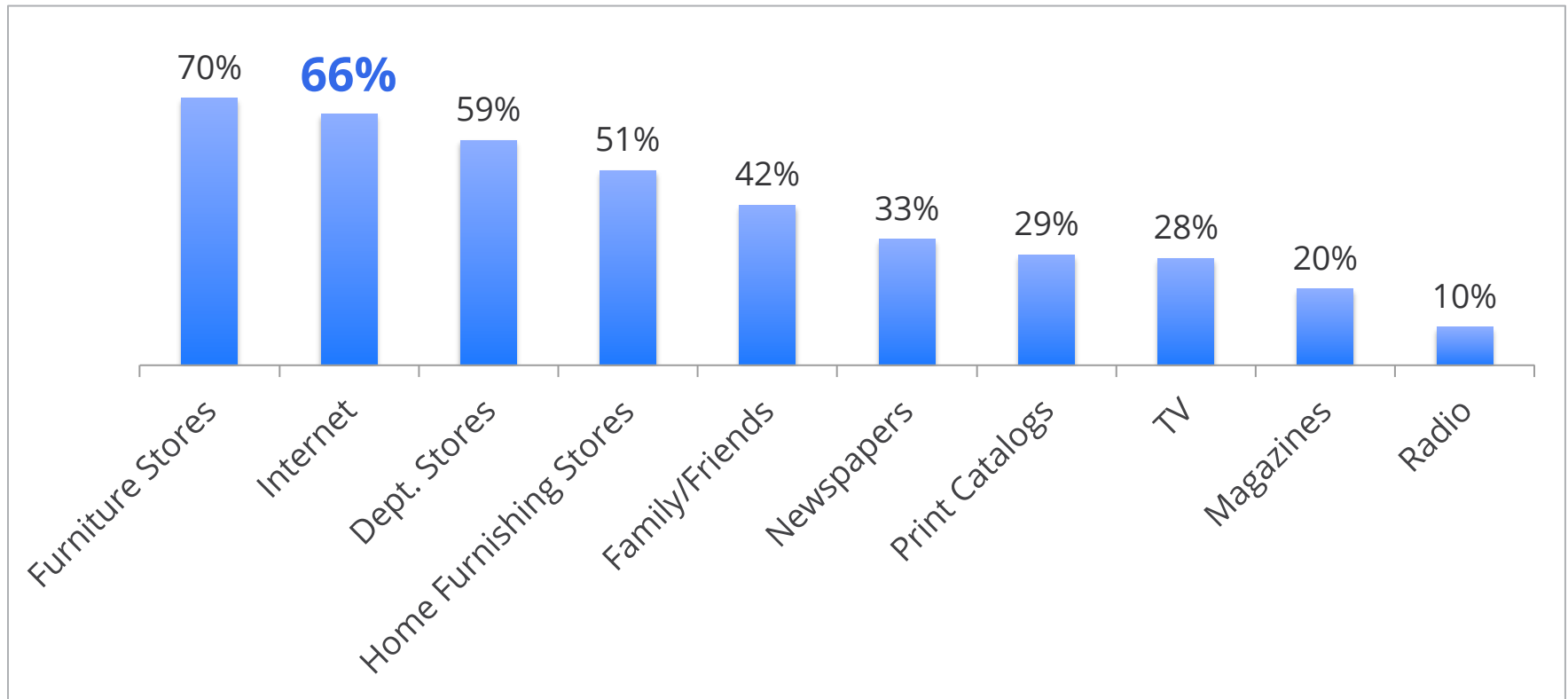
And consumers who shop online tend to spend more *offline* than those who do not

Average Price Paid by Furniture Purchasers, Q3 2012



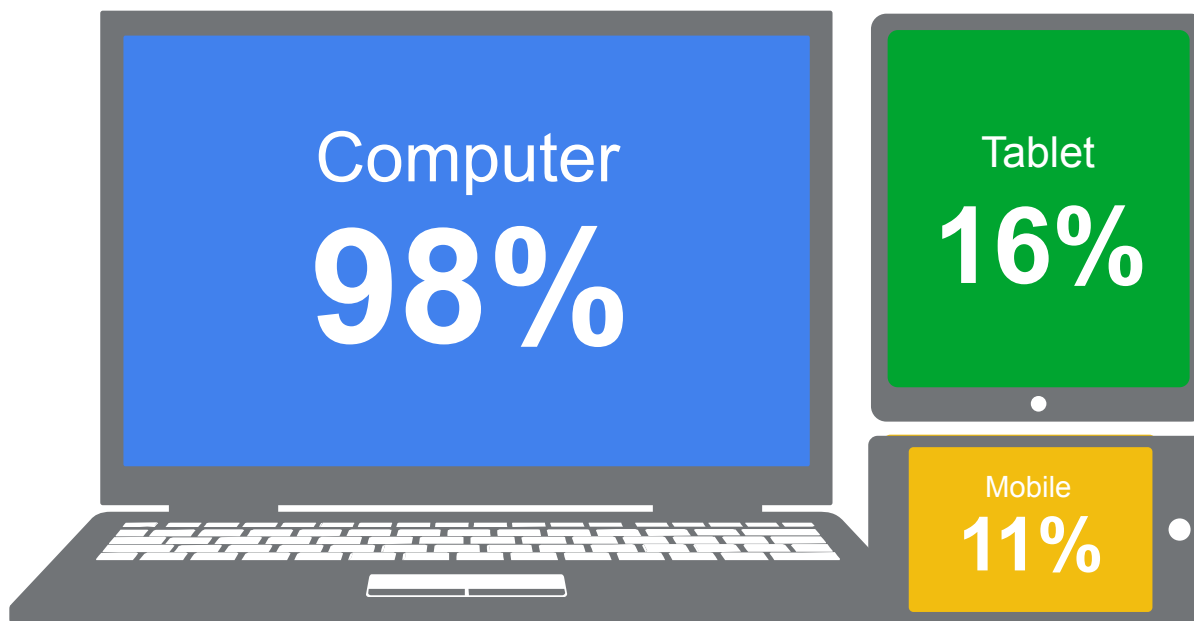
Two-thirds of buyers who purchase in-store access the internet for furniture information

Sources used to look for information on furniture while shopping:



Web-influenced store buyers research across devices

When shopping online, in-store purchasers used multiple devices:



In-store buyers rely heavily on retail sites while shopping

Online sources accessed by furniture buyers who purchased in-store:



And search is a key resource for web-influenced store buyers

70%

of web-influenced purchasers use search, and over half of searchers use it “throughout” the entire research process

28%

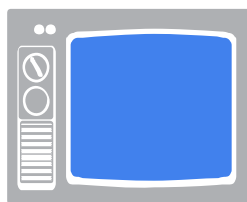
Discover a furniture brand they were not previously aware of while using search



Nearly 3 in 4 consumers exposed to traditional advertisements later look up the advertiser online

Types of ads and actions taken following exposure

TV



Newspaper



Magazine



Direct Mail



Looked up advertiser on computer

49%

41%

48%

53%

Prompted me to search

18%

23%

30%

24%

Prompted me to visit advertiser's website

26%

15%

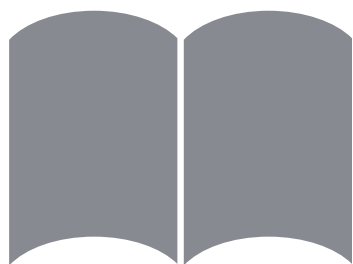
21%

21%

Half of catalog-users are interested in receiving digital catalogs in place of hard-copy

34%

of furniture shoppers
use catalogs



50%

of furniture shoppers who use hard-copy catalogs to shop are **interested in receiving digital catalogs online rather than hard-copy in the mail**



For mobile/tablet shoppers, search aids brand discovery: 44% of mobile furniture shoppers discover brands via search

Search allows furniture shoppers to...

53%

Obtain general information

44%

Discover brands they were unaware of

33%

Compare prices across brands

25%

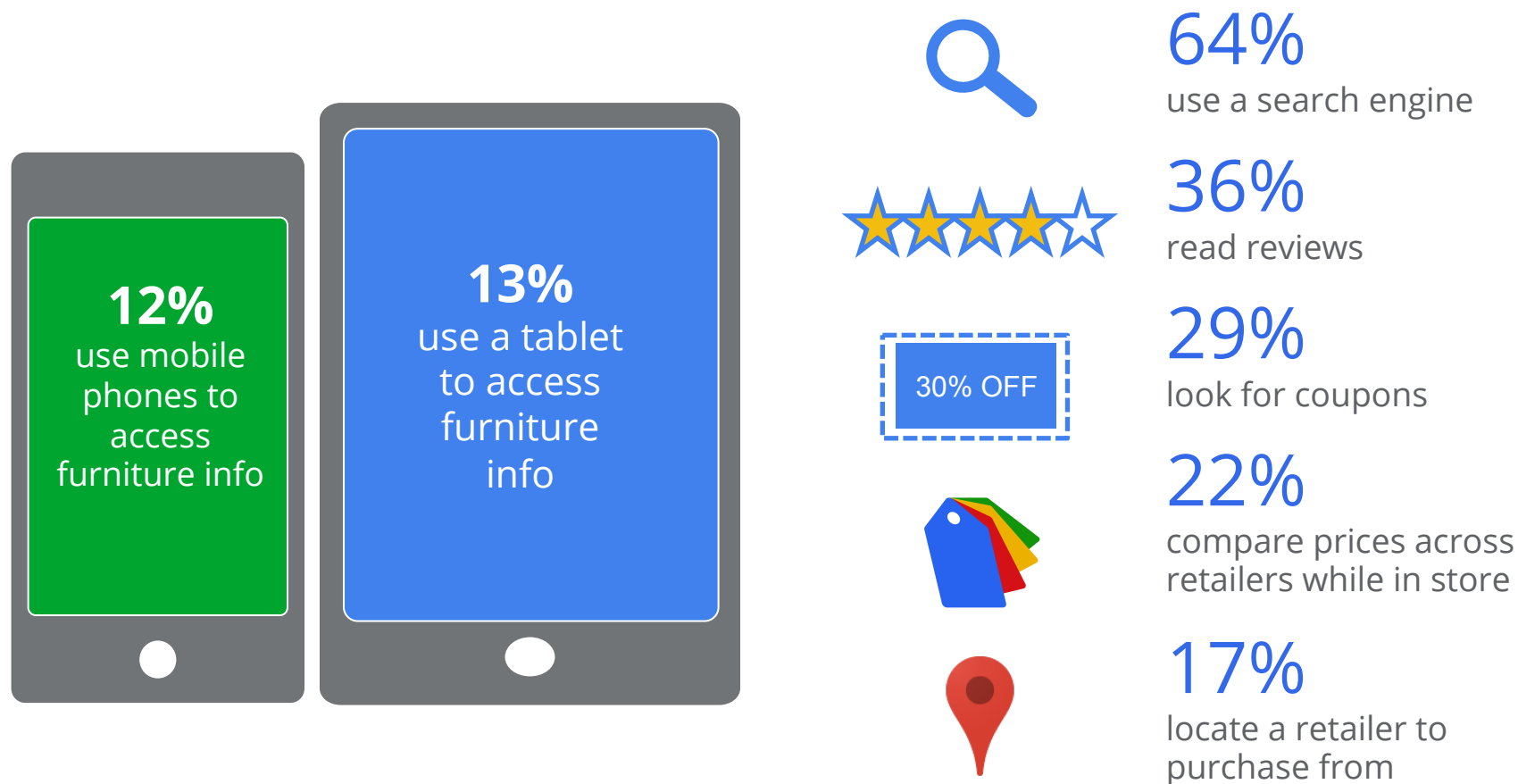
Understand specific features

18%

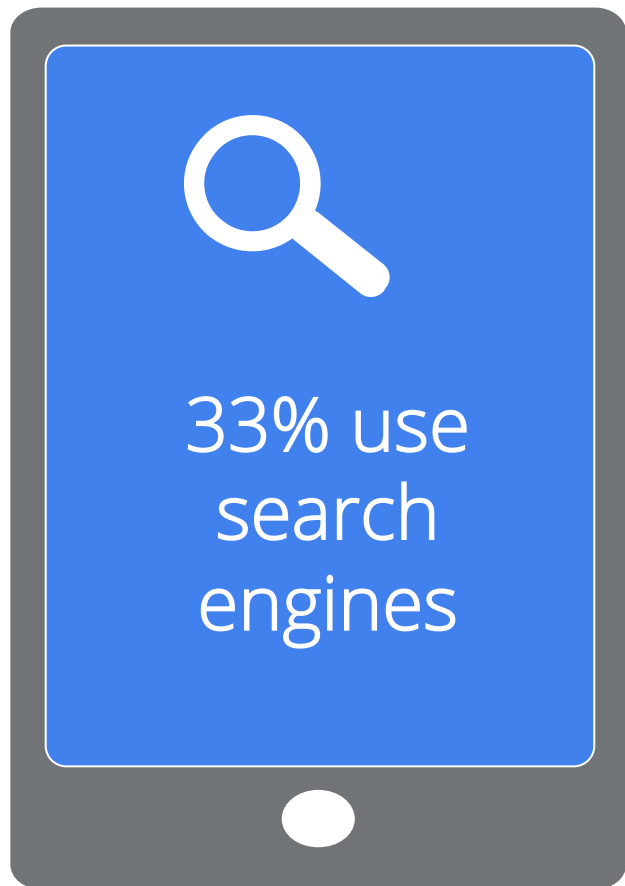
Compare feature across retailers



Mobile & tablet are increasingly important sources for online furniture shoppers



One third of tablet furniture shoppers turn to search, and a higher percentage visit retail sites



44%

Dept. store websites

41%

Online only retail websites

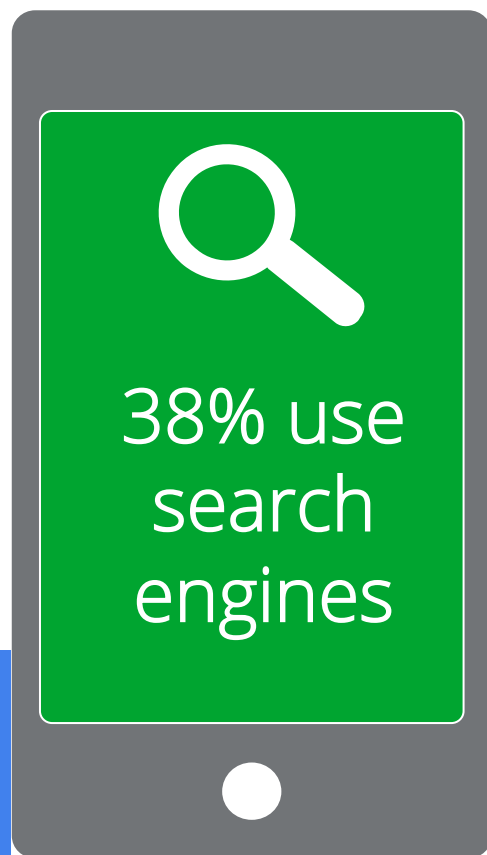
40%

Home Furnishing Sites

39%

Furniture-only Retail Sites

Mobile shoppers turn to search most of all,
followed by auction sites and online-only retailers



28%

Online-only
retail sites

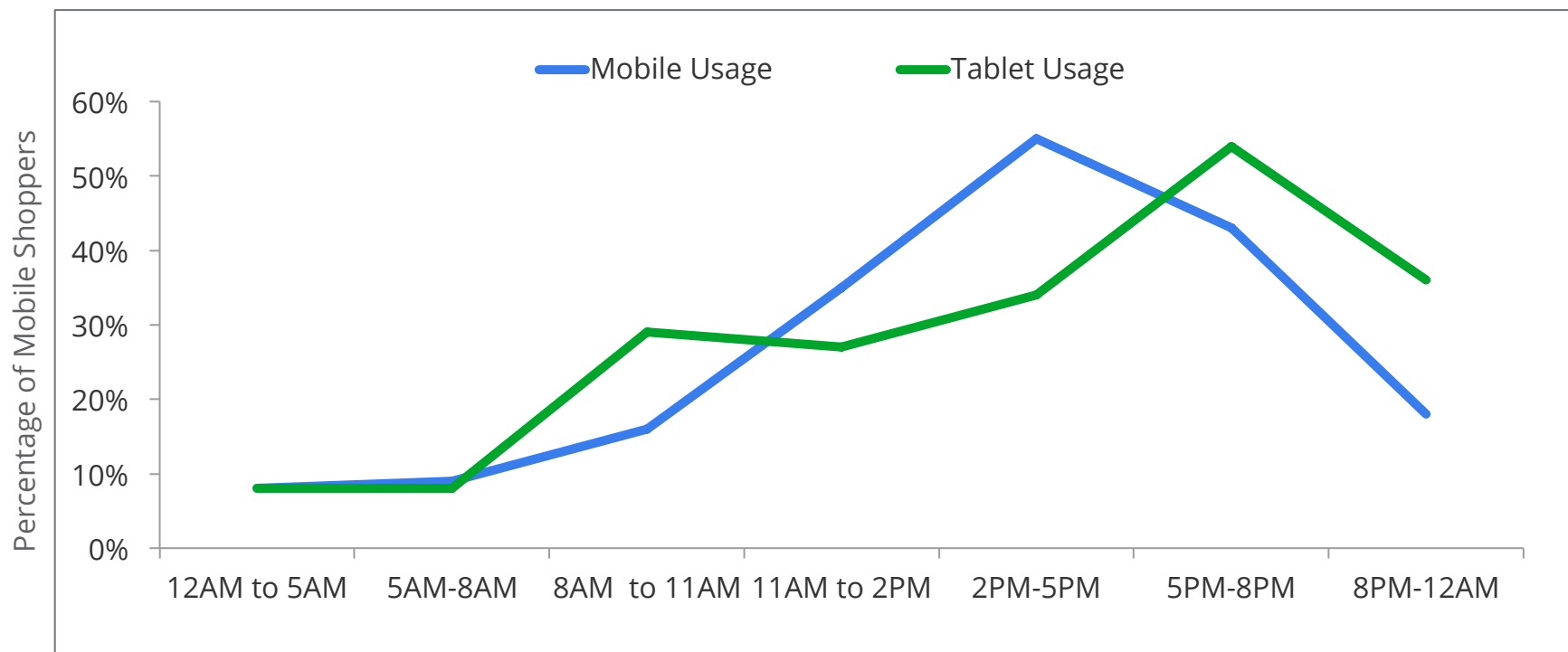
24%

Auction/
classified sites

High visitation to auction and online-only sites
from mobile devices could indicate price-comparison
shopping behavior

Mobile phone usage peaks in late afternoon while tablets are used most after dinner hours

Q. When during the day did you use your mobile device to find information on furniture?



Opportunity to influence: the majority of furniture shoppers are undecided on brand and retailer

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

65%

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

18%

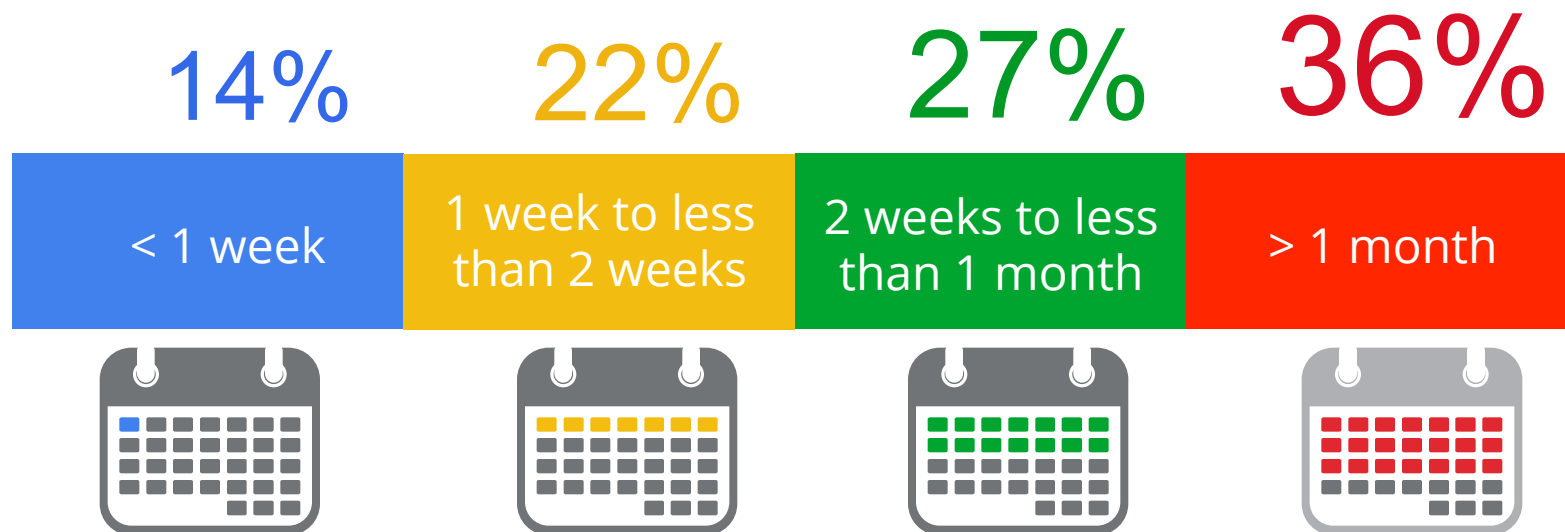
I knew what retailer I would purchase from and was sure what brand/manufacturer I would purchase

9%

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

8%

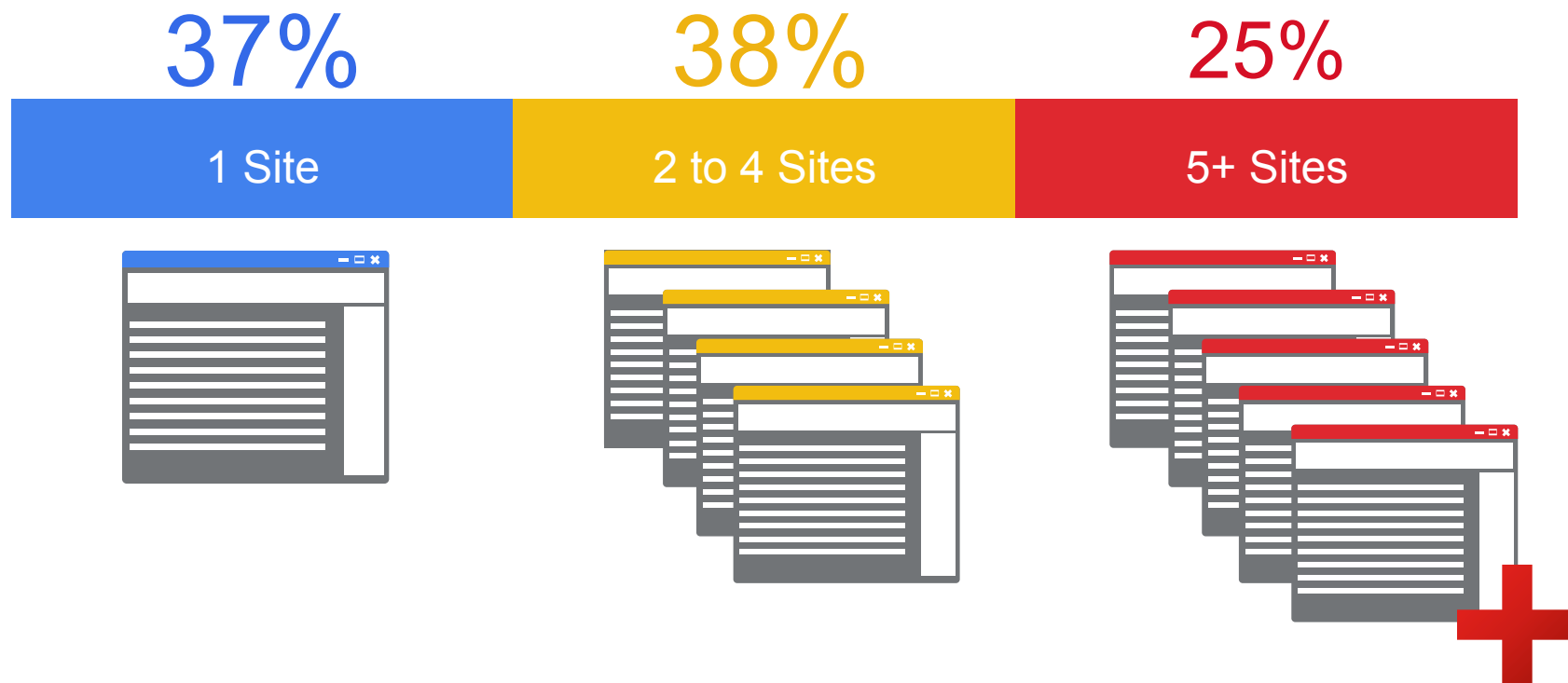
1 in 3 furniture shoppers researches and purchases within 2 weeks, however, the majority take their time



Consider widening attribution window for those who take longer to purchase

Consumers cast a wide net while shopping online

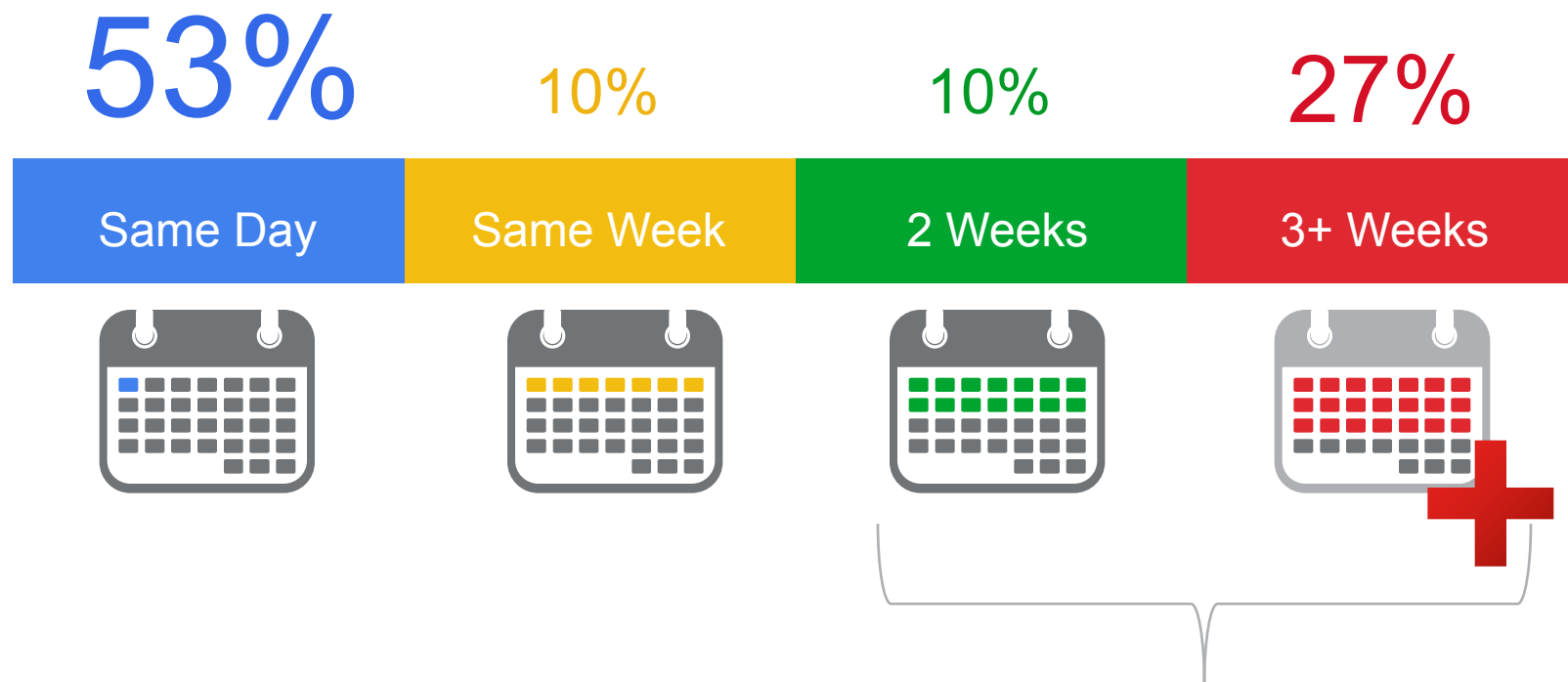
63% of purchasers visited multiple furniture brand sites prior to purchase



Remarket to potential buyers who don't immediately convert on your site.

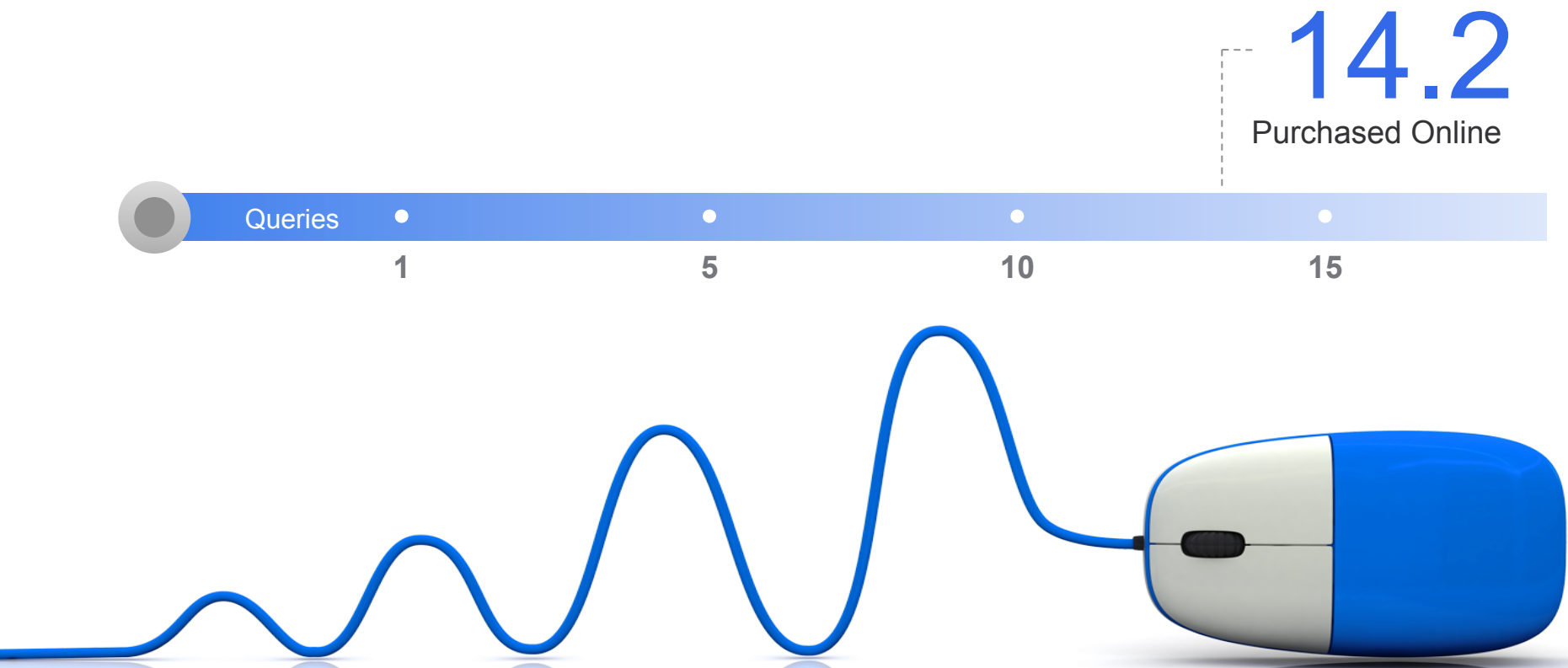
But online purchasers are quick to decide

63% of research sessions occur within a week of conversion

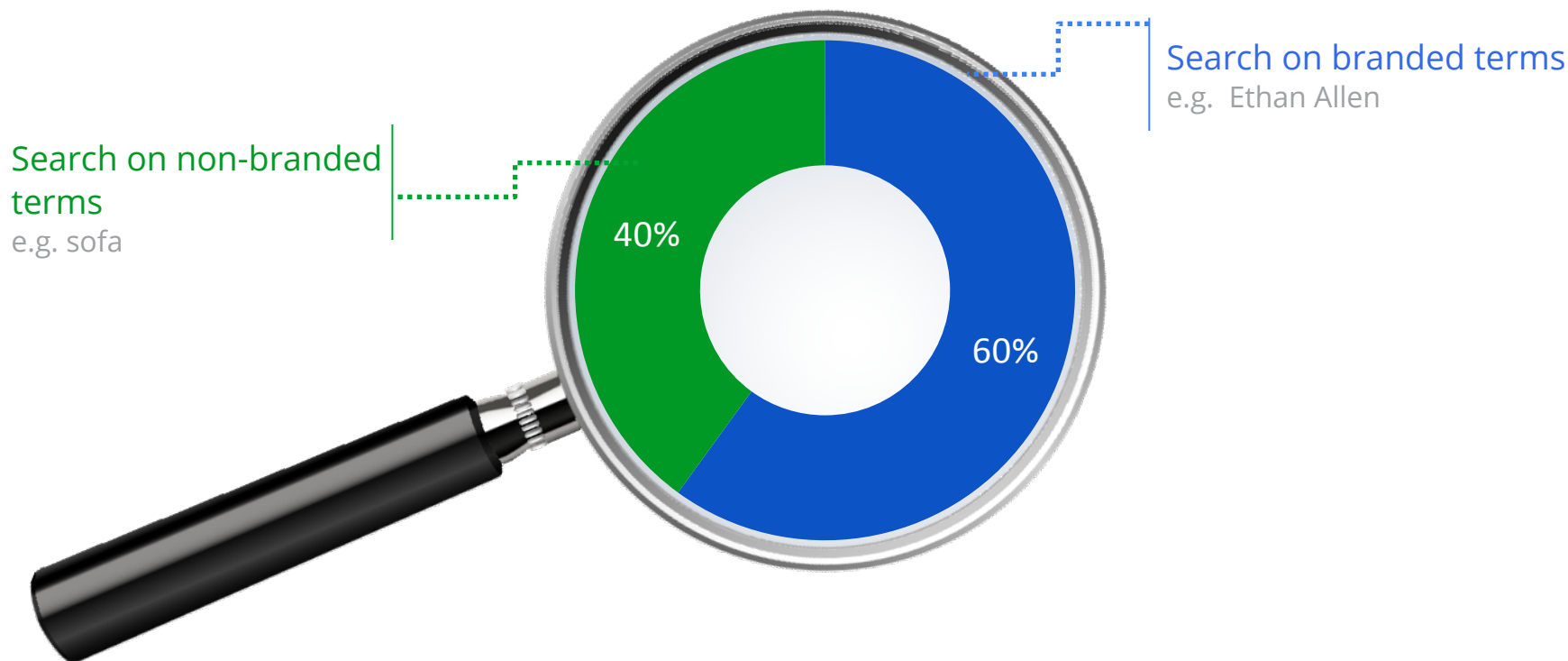


Search provides multiple opportunities for retailers to reach prospective online buyers

On average, online furniture purchasers searched 14.2 times



Online furniture purchasers search across a mix of brand and non-brand categories



Consumers search for furniture in over 5,400 unique query paths-
Implement comprehensive search strategy to reach every shopper.

Half of furniture query paths contain non-brand terms

Start with a Non-Brand Search
but End with a Brand Search

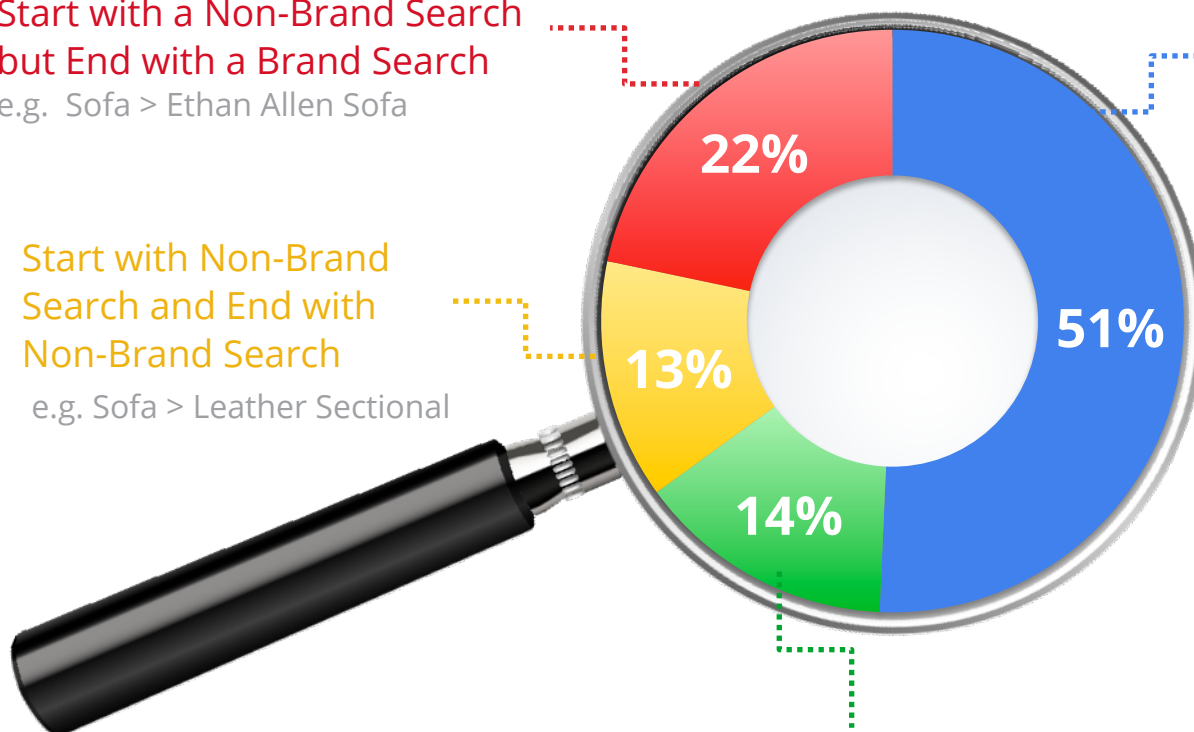
e.g. Sofa > Ethan Allen Sofa

Start with Non-Brand
Search and End with
Non-Brand Search

e.g. Sofa > Leather Sectional

Start with a Brand Search and
End with a Brand Search

e.g. Ethan Allen > Ethan Allen Sofa



49% of online furniture purchases followed a non-branded query

Start with Brand Search but End
with Non-Brand Search

e.g. Ethan Allen > Leather Sectional

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