DIGITAL & SOCIAL MEDIA
in the Purchase Decision Process

ADVERTISING RESEARCH FOUNDATION

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Today’s Purchase Process Landscape

This paper explores changes in the purchase process for consumer goods (automobiles, electronics, and groceries) brought about by digital and social media. Commissioned by the Advertising Research Foundation; conducted by Communispace, comScore, Converseon, and Firefly Millward Brown; sponsored by General Motors, Google, Kraft, Motorola, and Young & Rubicam; and with guidance from Duke University’s Fuqua School of Business, the qualitative, quantitative, and social-listening research was conducted in 2011.

Findings indicate that digital and social media have empowered consumers, and that brands have an important role in facilitating conversations amongst consumers and themselves, openly sharing the values that will help consumers connect with them and with each other. The research shows that some “shopping” behaviors are taking place outside of consumer consciousness, as digital and social media have infiltrated consumers’ lives and continue to provide them with opportunities to explore, engage, and validate ideas about brands in a medium that puts them more in control. Digital and social media—often thought of as merely information-gathering venues—also drive consumer emotion, albeit in distinctly different ways, by product category; even consumers shopping for groceries online desire an experience that allows them to discover something new.

Clear implications of the research are that new consumer-engagement metrics should be added to the evolving purchase decision model, and that there is a need for marketers to actively participate in simplifying online information for consumers. Marketers also have an opportunity to leverage digital and social media to facilitate conversations about their products and brands.

Project Sponsors

Thanks to the many sponsors of this research project who contributed professional services, financial resources, or both. The collaborative effort of this extended team led to the extensive set of insights summarized in this paper.

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Contents

INTRODUCTION

Digital content, including social media, is pervasive in daily life—its influence on consumers' lives is unquestionable and powerful. Just think about your own day today: How many times have you logged onto Facebook, checked Twitter to see what's new, Googled a topic for answers to a question, or played a game of Words with Friends? Given the relatively nascent state of social media as a phenomenon, and especially that of social media as a marketing opportunity, our researchers set out to investigate some of the basic, foundational areas of interest to brands and marketers.

One key issue for marketers at this point is understanding how digital and social media are used in the purchase decision process. How and when do people turn to social media as a tool for helping them manage their product and service purchases? Do they get purchase ideas from routine online activities? Do they use social media to expand or contract their brand consideration sets? Do they turn to family and friends on social networks to get insights from the post-purchase experience? And how do these answers differ by audience, by purchase category, and by need state?

In terms of the classic "purchase funnel" model, the study underlined that today's consumers don't make decisions in a linear manner, but rather in a way that more closely resembles a trial-and-error approach. Consumers now enter the purchase path at various points, depending on whether they first engage with a brand, research a product, or hear about a product from their social networks. Although this study was not specifically designed to validate hypotheses related to the purchase funnel model, the observations and data suggest that consumer behavior in terms of purchase has in fact changed, and that media plans built around the traditional funnel should be reconsidered.

Finally, it is important from the beginning to understand the culture in which digital and social media exist. Today's consumers are more empowered than ever before; social networking, blogging, and the availability of digital devices—such as tablet computers and smartphones—allow consumers to connect with each other, discuss brands and products, and interact with brands quickly and easily. Moreover, leading online brands have raised expectations that brands are accessible and willing to engage with consumers. Therefore, brands are under increased pressure to leverage social media to keep up with the market, and in fact, brands that use social media strategically have an opportunity to deepen connections with their consumers, building affinity and loyalty. To do this effectively, brands must embrace digital and social media with specific tactics that are relevant to their consumers and that work collaboratively with their more traditional media plans (e.g. TV, print, and out-of-home).

Throughout this paper, we provide suggestions on how to leverage social media in marketing and media plans, with a goal of helping customers navigate the purchase process both efficiently and effectively.

SUMMARY OF KEY IMPLICATIONS

In this section, we highlight a few of the insights from the research. These implications are, in the interest of brevity, common to all product categories that we studied, and selected because of the potential ramifications for the marketing of products to consumers at all stages in the purchase process. But the reader is advised that the study uncovered numerous differences in purchase behavior by product category, and is urged to read the full report to gain an understanding of those differences.

Seven sections are included in the Summary, covering: Always On, Everywhere, The Role of Emotion, Trust Networks, Mobile Devices in the Purchase Process, The Role of Brands, and The Evolving Path to Purchase.

Always On: Both Active and Passive

Our research provided evidence that consumers are, in effect, always on. They are constantly considering potential purchases and evaluating the various providers of goods and services in different markets. Sometimes, in what we have termed passive shopping, the information and advice consumers need to make a purchase comes to them unsolicited, and is absorbed in the normal course of events. This could be in the form of a comment from an acquaintance on a social media site, an advertisement on an evening TV show, visiting the home page of a news site, or an observation by a stranger engaged with a new and novel product, etc. At other times, consumers are in active shopping mode, purposefully seeking assistance so they can make the best purchase decisions with confidence. This could generate a session online with a search engine, a visit to a retail outlet, or a conversation with a close friend (either online or in person).

Importantly, by the time a consumer has moved into an active shopping state, he or she already has a mental model of the market, and highly likely also has a preferred brand or set of brands in mind. This is certainly true for common repeat purchases. The shopping process becomes a series of activities designed to validate (or refute) that initial thinking. And while the most frequent result is that people buy (one of) the brand(s) they had in mind when they started the active shopping process, almost a quarter of shoppers change their minds after gathering input in the active shopping process.

In a world where consumers are empowered and have redefined relationships with their brands, it is evident that consumers need brands. When we think about the consumer who is always on, it's clear that he or she is nearing a threshold of too much information. Consumers today don't need more information; they need help making sense of it all. Brands can play an important facilitative role in this process. And marketers can optimize their brands by engaging with consumers who are in active or passive shopping modes. Then, at the key juncture when a consumer has moved from passive to active shopper (the point that Google researchers have termed the "Zero Moment of Truth," or ZMOT), marketers can: 1) encourage or facilitate the transition, and 2) provide services and support to help newly active shoppers organize their activities.

Everywhere

Today's always-on shopper is ubiquitous. The combination of a proliferation of digital resources to assist in the shopping process and the dramatic boom in mobile devices (including smartphones and tablets) that take advantage of those technologies means shoppers are no longer constrained to certain sources or specific locations while pursuing needed products and services.

Our research showed that shoppers:

- Use multiple overlapping sources for decision-making
- Continue to use both offline and online sources
- Don't adhere to a single uniform path to purchase when "actively" shopping

From the consumer's perspective, the separation between "owned, paid, and earned" is a bit blurry, and digital sources can deliver any of these forms of information without consumers necessarily differentiating between them. Rather than try to force an artificial segregation, brands should strive to provide information as fluidly as consumers like to consume it.

The virtual experience is so much a part of consumers' worlds, it will only become richer and more important as technology advances and access to the Internet increases. Given these varied, numerous touch points, shoppers are most definitely everywhere. No single source is driving the decision, but rather, multiple sources, leading to greater fragmentation on what is the definitive driver of the purchase decision.

The Role of Emotion

A key consumer characteristic we explored in this research focused on consumers' emotional needs during the purchase process. Using Web-listening and qualitative research techniques, we distilled three key emotions that consumers experience. First, they feel imprisoned by the way they have to buy things now; specifically, the sheer amount of information that they have to deal with leads them into a state of analysis paralysis. Second, they feel that it's difficult for them to navigate through all of the available information. And finally, shopping feels like a power struggle, in that brands don't give shoppers all the information they need to succeed.

Additionally, we tried to understand what consumers expect, and hope for, from the changes that digital and social media can make in their shopping experiences. At a broad level, they view these technologies as enabling desired feelings during shopping; that is, wresting the power from the seller and claiming it for the consumer. Specifically, consumers first want to feel relaxed—shopping on their own terms when it comes to time and place. And they want to feel confident that they're in control of the process, equipped with all the information they need to be the seller's equal in the purchase process. **But ultimately, the consumer wants to feel triumphant.** A function of this desire to feel triumphant is how shoppers share their purchase experiences on social networks, documenting their outcomes out of pride in the accomplishment.

One interesting angle to this is a desire on the part of the consumer for the online shopping experience to give them the same types of feelings as they find in brick-and-mortar shopping. Feelings like control, discovery, and magic come into play here, and it's useful for us to think about things from more than just a functional perspective.

It's important to keep in mind that consumers in our research were using digital resources for both informational and emotional needs. And this is very much the case for social media. The interaction between these two types of need—logical and emotional—is also interesting, in that consumers' emotional connection to a brand may influence how they interpret information about that brand. As an example, if we truly trust a brand, then we may accept as fact the statements that brand makes about its products' performance. Essentially, marketers should understand that emotions influence logic.

Marketers should also understand the emotional journey that their customers experience in their quest to acquire the products they need. Using advanced techniques, including emotional and procedural tags, we were able to document the emotional states that shoppers typically experienced in their purchase journeys. This can help brands identify disconnects between their key brand values and the way they're being discussed online. And by looking at the thematic drivers of these emotions, marketers can understand where products and marketing can be optimized, in a potentially more enlightening way than just looking at things in terms of positive or negative valences.

Trust Networks

Social media is expanding the range of people we trust. It's not just about family, friends, and colleagues now—i.e., the relationships that have formed the basis for WOM recommendations for years. It's about a wider circle of people who already are, and can be, connected via social media. So not only do we go to Facebook or Google+ to connect with our friends, family, etc., and not just to ask for information, but we also go to forums, blogs, and myriad other social media sources to gather input for our purchase decisions. We essentially make our decisions regarding how, and whom, we trust in sophisticated ways.

Access to both information and opinions has become readily available, due in large measure to the proliferation of online resources. The shopper has at his fingertips more than he is able (or willing) to absorb. So today's shopper is placing greater value on sources that he trusts. These could be sources he has come to trust personally over time, or sources that are patently unbiased (or transparent). Brands enabling these trust networks will be less likely to be perceived as adversaries, which is something our research underscored as an area of frustration for consumers.

Mobile Devices in the Purchase Process

Much has been written recently about the rapid adoption of mobile devices, both domestically and on a global basis. This proliferation of mobile has manifested itself in numerous ways. Participants in our qualitative research commented on in-store access to information from various online sources—opportunities to improve the shopping process that were previously unavailable.

But we also found that shoppers were using mobile devices for online activities at many other points in the shopping journey. Connecting to social media, for example, was relatively common via mobile, while access to brand and company websites or review sites was much more likely to be accomplished via PCs. Daily deal sites, video websites and blogs were other resources commonly accessed via mobile devices.

As mobile devices continue to show increased adoption rates, particularly for smartphones and tablets, marketers will want to pay close attention to the online shopping resources most likely to be accessed via these devices, and plan their marketing activities accordingly.

The Role of Brands

Another important finding in this research is that digital and social media have prompted consumers to elevate what they expect from brands and has reframed optimal brand experience. Not only must brands be available to consumers when and how they want them, but brands must also embrace conversations about themselves and competitors, and help consumers navigate complex information.

Consumers today are quite empowered by the many networking opportunities that digital and social media present. This period of consumer empowerment can be intimidating for brands, and it can be tempting for brands to discourage free-flowing dialogue so as to not risk damage to their brands. Such a strategy has proven to be problematic, however, as consumers will eventually find a way to connect with each other and discuss the brand, and are suspicious of brands that limit or monitor conversations for signs of negativity. Brands that encourage dialogue among consumers—with each other and with the brand itself—have reaped rewards for the trust this transparency inspires. Our recommendation, therefore, is for brands to encourage dialogue amongst consumers and themselves; to think in terms of facilitating conversations, not disrupting them; and to embrace these conversations wherever, and whenever, they happen to take place.

In our research, we heard much about the abundance of online information. In many cases, too much information is overwhelming and creates a type of analysis in which the consumer simply cannot make a decision. Unpacking key information from that which is available to consumers is an important action brands can take. For instance, concise language, clear visual cues and bullet points, and a conversational level in text can be helpful in guiding consumers to the information they need to make purchase decisions.

The Evolving Path to Purchase

This comprehensive research effort repeatedly found evidence that the storied purchase funnel, which presumed an ordered, linear process—beginning with simple awareness and ending with purchase/loyalty—is no longer an apt description of the manner in which shoppers acquire the goods they seek. There is no consistent first or last source for shoppers in any of our three product categories (grocery, smartphone, automotive). Both online and offline resources are used by shoppers, and at varying times in the process. As consumers begin their active shopping efforts, they often have a brand already in mind, and they often stick with that original choice. Yet some shoppers do, in fact, change brands as a function of the inputs they receive, whether that comes in the form of some new bit of information or simply some emotional support. Shoppers are open to new insights right up to the last minute before they buy. The journey can be quite different from person to person.

The consistent finding that indeed emerged reflects a trial-and-error approach, which shoppers use to constantly update their mental models for the category in question. Consumers have a vision of the category marketplace—the competing brands, and their similarities and differences—and they use information and advice to validate or recast that vision. Some of these inputs come to consumers passively, such as brand-initiated marketing communications, and other inputs are the result of active efforts to gain insights, such as sessions with search engines or through online review sites. Information, opinions, and emotional support can come from friends, family members, experts, and, importantly, the brands themselves, and they can occur at almost any time.

The implication of this evolving path to purchase is that brands need to be both pervasive and flexible. Brands need to be communicating with shoppers and potential shoppers both early and late in the process. And they should be visible in as many of the places of inquiry as possible. But brands should also realize that they need to be flexible, and must respond to shoppers' unique needs in ways considered appropriate at the moment.

METHODS

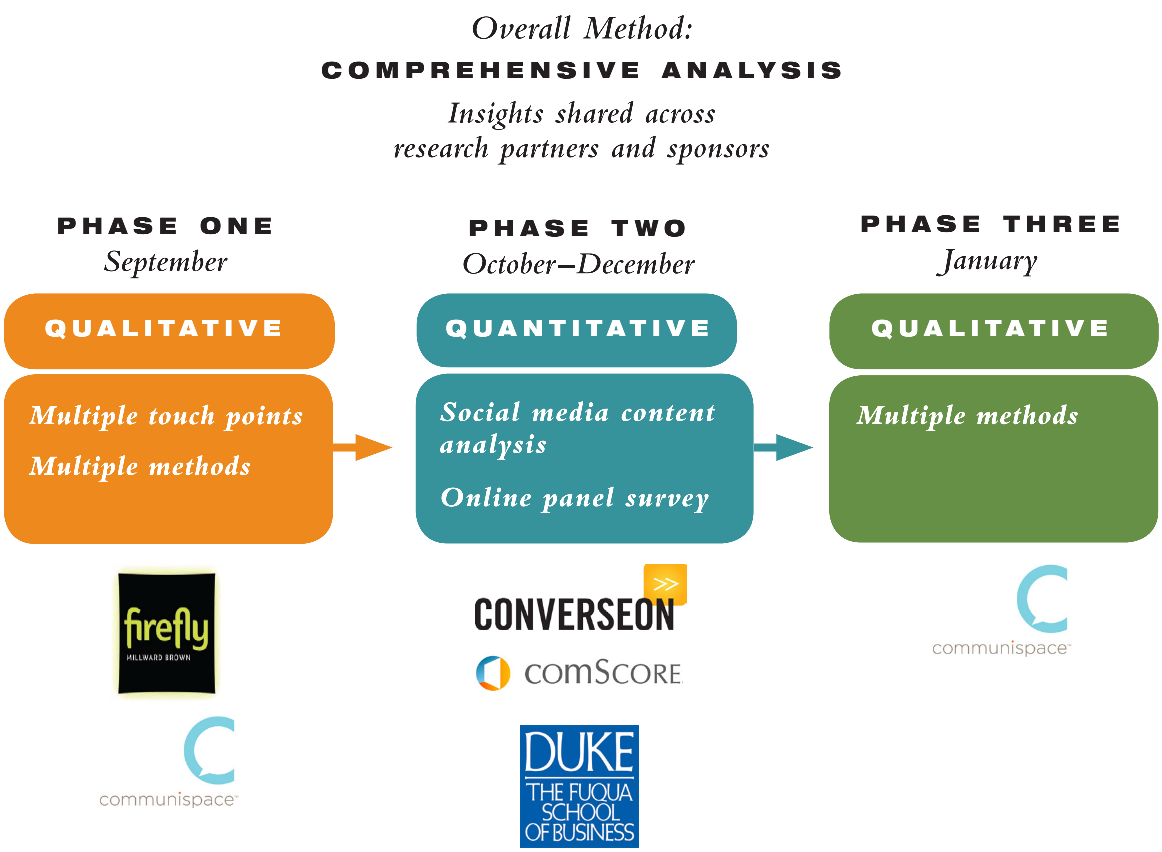


Figure M1

The ARF partnered with both qualitative and quantitative research experts to help tell the complete story of the role social and digital media have in the purchase decision process. While each research partner led specific phases of the research, all were involved throughout the three-phase research process to ensure collaboration and knowledge sharing—ultimately delivering the best thinking, synthesis, and results. **Figure M1** provides a general depiction of the research design. We settled on an approach that would address the challenge of learning about digital and social media influence on the purchase decision process by coming at it from multiple perspectives. This meant using distinctly different research methods at appropriate points to maximize our opportunities, both to test hypotheses we had formed early on and to provide vehicles for discovery.

Member sponsors for the study also brought unique perspectives. Since one of our primary expectations was that shoppers would behave differently when seeking products with relatively short sales cycles than when seeking products with relatively long sales cycles, the team included **Kraft** (who tested packaged meats and cookies at the short-cycle end), **Motorola** (smartphones at the mid-range) and **General Motors** (compact cars at the long-range end). **Google** joined the team, providing their considerable digital expertise. **Young & Rubicam** came onboard as our agency and strategy experts.

Firefly Millward Brown and **Communispace** kicked off the project with a round of qualitative research, gathering insights to ensure both that the study covered the most valuable topics and that the quantitative questionnaire would use the best vernacular. The Firefly team conducted webcam, phone and in-home interviews/observations with a targeted group of 10 technology-savvy consumers (ages 30-45), chosen for their forward-leaning usage of digital and social media. Interview participants worked with Firefly researchers to develop imagery and metaphors to describe their experience with and feelings about digital and social media. Respondents were videotaped, they posted self-created videos online, and some allowed the research team into their homes for ethnographic observation of their usage of social media. Additionally, the interview protocol developed by Firefly was translated into a series of online activities that could be fielded in Communispace's proprietary online communities (e.g. card sorting, Digital Safari, and a questionnaire). All in all, 290 community members participated in the study (ages 19-60), which allowed us to broaden the sample and validate the early qualitative themes on a larger scale.

comScore designed a survey to investigate the role of digital, social media, and other traditional media sources in the buying process for three product categories representing a range of purchase cycles: automotive for a long purchase cycle, smartphones for a medium purchase cycle, and groceries for a short purchase cycle. The questionnaire, informed by the first round of qualitative research, explored 1) the degree to which consumers reported using digital (including social media) in the product research and purchase process, 2) how digital media compared to other offline media, 3) consumers' perceptions about the strengths and weaknesses of digital and offline media as a product research tool, and 4) how shoppers viewed consumer-generated media vs. brand/company-generated media. The survey was fielded to a sample representative of the U.S. Internet population, ages 18 and older (N=2155).

The What:

What touch points are most meaningful to today's consumers?

The How:

How are different shopping sources and activities evolving?

The Why:

Why do consumers shop the way they do— and what motivates or influences this behavior?

In a parallel effort, **Converseon** conducted social research to expand our understanding of online conversations around purchase decisions for items in three categories. Converseon analysis focused on 1) discovering the nature of purchase process-related online conversation, 2) who was taking part in that discussion, and 3) where it was happening. The analyses—based on samples of 500 relevant messages for each of the four sectors covered—were underpinned by psychographic and demographic information, in addition to a range of other metrics based on Converseon's unique blend of technology + human analysis.

The final phase of research was conducted by Communispace via their proprietary online communities. A range of methods was used to clarify quantitative results, allowing the team to understand the why behind the numbers. Community members engaged in a series of interactive and exploratory online facilitated exercises—mobile ethnography, mind mapping, group discussion, and brainstorm sessions—to capture in-the-moment insights into consumers' mobile social media usage, and add important texture and detail (N=290).

Data were collected throughout the fall and winter 2011. As results and insights emerged, they were shared among the research team as well as with the project's corporate sponsors in an ongoing and iterative manner. Findings were synthesized, as well, in a collective effort to maximize and bring to bear the wealth of experience resident in our diverse project team.

The findings, insights and implications that follow shed light on critical aspects of how the consumers' shopping process has evolved with digital and social media. As will be seen, there are multiple facets and nuances that are instructive for researchers, brands and companies; and we have synthesized what we learned into three broad themes: The What, The How, the Why.

WHAT:
What touch points are most meaningful to today's consumers?

Multiple Touch Points for the Always-On Consumer

One of the most important insights generated through this research is that, with the proliferation of digital and social media in daily life, consumers today are always on—being exposed to brands, and even engaging with them, throughout the course of their normal activities. This state of constant interaction with brands through digital and social media has come to challenge the purchase funnel, as we have traditionally understood it. This also challenges the notion that consumers are aware of the influences on their purchase decisions, and that they always make decisions consciously.

► *Consumers most often end up buying the brand they had in mind initially*

Our qualitative research at the outset of this project had suggested that when shoppers started the active shopping process (i.e., once they were intentionally shopping), they had already absorbed information about the brands with offerings in the market, and, in fact, often had an intended brand, or small set of brands, in mind. **Figure 1** below, providing confirmation from our quantitative data, shows that for the most part, one of these brands was the one ultimately purchased. This was true overall, and for each of the product categories tested.

In the words of one online community member:
"First, I check Kelley Blue Book values online for the cars I'm most interested in and to check on trade-in value for my car. Then I go to the dealer's website and check prices locally to decide which dealer to visit in person."

~Justy E., community member

However, it's important to note that we observed a number of behaviors related to shopping (e.g. gathering information about brands and products, validating hypotheses, and connecting with brands) that consumers did not label as "shopping" but we, as marketers, have come to acknowledge as shopping behaviors. In today's media-rich world, consumers simply view these behaviors as connecting with other people, and/or gathering information. This finding suggests that consumers may underreport the amount of time they have been "shopping" for products, or underestimate the number of things that influence their purchase decisions.

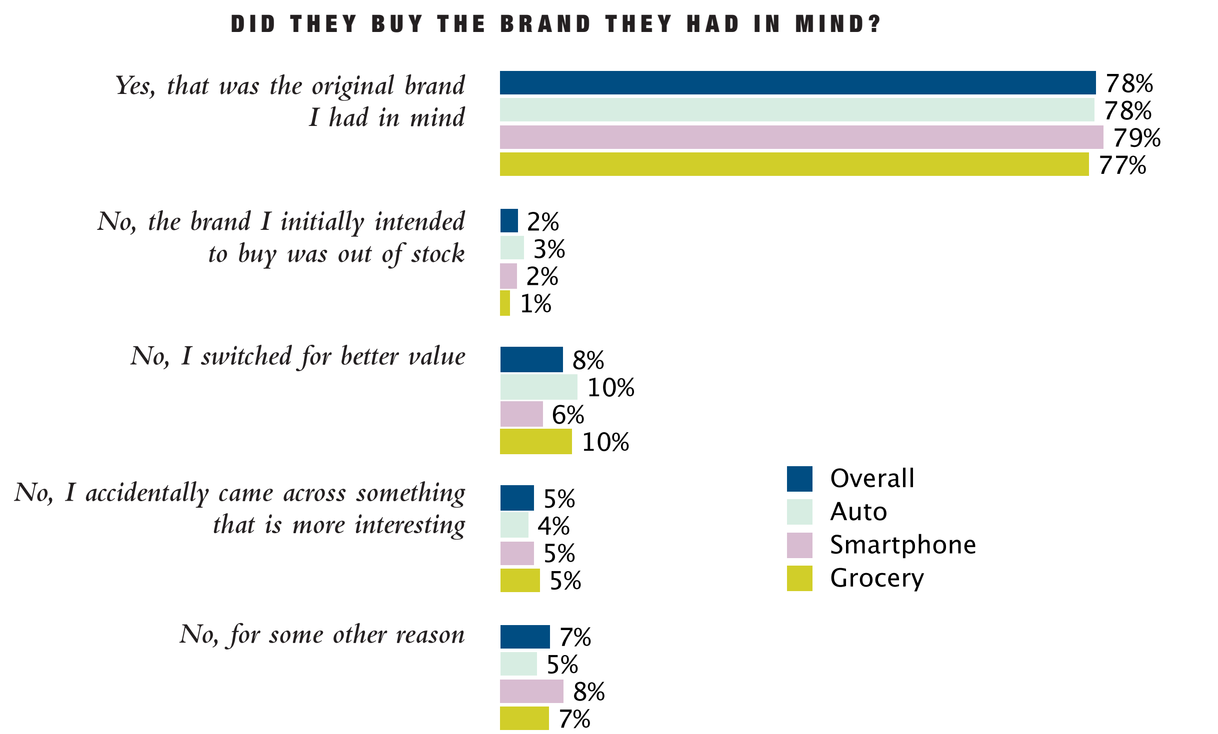


Figure 1

This phenomenon isn't particularly new: Consumers have been inundated with sources of information, as different media have become part of everyday life. However, the proliferation of digital and social media has induced a state of ongoing shopping, both conscious and unconscious, and this has important implications for researching the purchase process. Self-reported research about how long one has been shopping for a product or which shopping behaviors have taken place should be complemented with projective techniques, observation, and neuroscience, along with other non-traditional research methods, in order to fully understand the shopping process from beginning to end.

Most people go online at some point to get help with their shopping decisions. Even for grocery products, in which net online is only 12 percent for any given purchase, one might assume that since people purchase these products repeatedly, at some point they get online help with the process. For smartphones and autos, the numbers are large (net online at 80 percent and 84 percent, respectively). Now, while we see that 78 percent of shoppers buy one of the brands they had in mind originally when they start actively shopping, this means that 22 percent changed their minds. Noting there may be a potential bias in self-reporting, this suggests that perhaps half or more were open to considering other brands; some just decided not to switch. If you are marketing a brand that is not the most common choice, you want to be sure you have messages that resonate with that portion of the audience who might change their mind. Certainly marketers can rely on data from consumers to tell them how firmly they feel about a given preference. But since many decisions take place subconsciously, a better tactic might be to ensure marketing messages and channels that engage with consumers are prolific and easy to find. Marketers need to be in all the "locations" where they are likely to encounter shoppers. Engaging shoppers with information, offers, and relevant content, as well as connecting them with social networks, are strategies to consider. And marketers who enjoy a position as the leading brand need to be there to make sure that customers find them and are reassured about their original choice. Emphasizing the unique characteristics of the brand and the unique value it offers are key strategies for leading brands.

Takeaways:

What's a Brand to Do?

- *Push information you want consumers to know about your brand*
- *Help consumers interact with each other around your brand*
- *Open channels of dialogue between your brand and consumers*

Clearly, consumers are spending more and more time using digital sources for gathering information and making purchase decisions. Even consumers who have a brand in mind often still choose to go online for due diligence—that is, to further narrow down their consideration set or to reaffirm their decision is the right one, in order to be more confident upon purchase. Marketers need to be present and discoverable when this occurs. Whether trying to change minds or validate initial decisions, you have to be engaging with customers who are doing the work to make sure they are choosing wisely.

Your own website is one obvious place for messaging, and our research suggests it is among the first places visited. This is also true of search engines, another common first choice. But your brand also needs to show up on review sites, blogs, etc., pushing information that consumers need in order to make good decisions. In addition, your brand needs to actively engage consumers in your brand experience and help them to connect with other like-minded consumers through conversations within social media. Finally, a two-way dialogue between brand and consumer is facilitated efficiently in social media and can be extremely helpful in identifying consumer wants and needs, engaging an important information source for your brand. It also builds loyalty and affinity for your brand. Engaging your consumers in this manner requires a deep knowledge of their online (and offline) behaviors, media usage and habits. Therefore, conducting consumer research is vital in leveraging digital and social media to deepen connections with your consumers.

► *Digital and social media have expanded the information sources consumers use*

As noted earlier, shoppers tend to use a number of sources—both online and offline—at some point in their purchase journeys. The figure below shows that, in general, survey panel members indicated they used around six sources in total during the shopping process. It is noteworthy, however, that the number of sources differed dramatically by category, as shoppers for more expensive items (autos and smartphones) tended to cite more sources, while shoppers for grocery items reported using fewer sources pre-purchase. (It should be noted that consumers identified a range of pre-purchase inputs when exploratory and projective methods were used.) It is also important to note that for those more expensive categories, the number of online sources accessed was approximately three times that of offline sources. This was not the case with grocery items, in which both offline and online sources were fewer than one, on average.

These data indicate that consumers rely on online sources to research high-ticket purchases that are, in effect, higher risk/reward. When asked, consumers report that for these purchases, "the stakes are higher." The fact that they are relying on digital and social media sources for high-risk/reward purchases indicates a high level of trust and confidence in these online sources.

As online resources for active shoppers have proliferated, consumers have taken advantage of the readily available sources of information and advice. Marketers of higher-end products can leverage these outlets to promote their brands, meeting their prospects at precisely the places they are looking for input. For grocery items, however, most of the influence over the immediate purchase is likely to be in-store; online communications that are focused on the brand are likely to be most effective in driving consumers to the store where POP and in-store digital tools will help to close the sale.

TOTAL NUMBER OF SOURCES USED: ONLINE AND OFFLINE

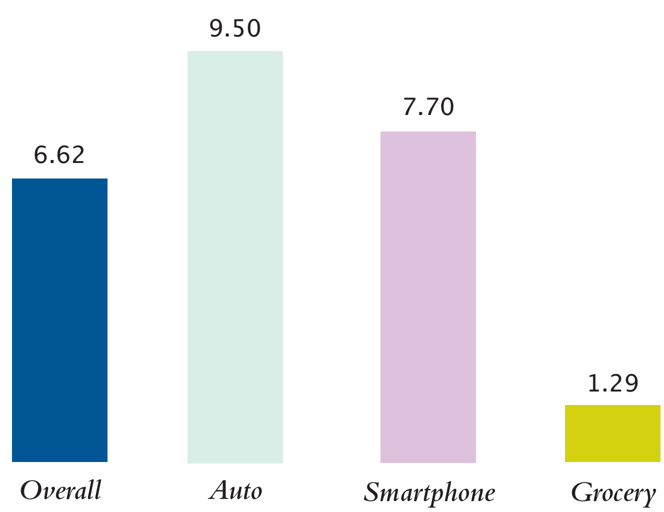


Figure 2

► *Consumers do not distinguish between owned, earned, and paid media*

As part of this study, researchers from Duke University's Fuqua School of Business conducted a series of analyses using the comScore panel data. One such set of analyses is depicted in **Figure 3** below. The chart shows that for those who had a brand in mind, different sources are *useful* at different stages during active shopping. *Useful* here means a positive, significant correlation between usage and stated importance—and that is what the check marks signify. Notice that the different sources measured are listed in the rows, while the columns represent how they come into play at every stage.

We see that social WOM, general WOM and online information are useful to consumers, no matter how close or distant they are to making a final purchase decision. The bottom row of the chart indicates that consumers felt seller-controlled information was a consistent source of useful information. Seller-controlled information includes things like company websites, brand fan pages, paid advertising, brick-and-mortar shops, product placement, store circulars, pre-paid deal sites, etc. This finding indicates that even in an online culture in which other consumers' opinions are sought after for their objectivity, seller-controlled content is still influential in purchase decisions and should not be underestimated. It certainly cannot and should not be replaced solely by consumer-controlled information (blogs, comparison-shopping sites, friends and family, consumer-generated videos, WOM in general, etc.).

For those who had a brand in mind . . .	*Stage 1: Made me initially aware of a brand or product*	*Stage 2: Changed my opinion or helped me decide*	*Stage 3: Critical for my final purchase decision*
Social WOM	✓	✓	✓
General WOM	✓	✓	✓
Online Info	✓	✓	✓
Offline Info		✓	
Online Visit		✓	✓
Offline Visit	✓	✓	✓
Expert	✓		✓
Online Marketing		✓	✓
Offline Marketing		✓	✓
Seller-Controlled	✓	✓	✓

Figure 3. Please see Appendix for complete row and column definitions.

The Traditional, Linear Path to Purchase Is Giving Way to a More Winding, Variable Journey

Our initial qualitative research had indicated that often, shoppers cited a particular location (either online or offline) as the first place they went, once they started the active shopping process. We wondered if there were common sources that were sought out, either first or last, in the shopping steps. We found via quantitative data that not only were the first and last touch point sources varied, they also differed by product category.

► *In general, sources of first and last touch points are varied and fragmented*

. . . consumers are not using sources linearly, nor are they progressing down a purchase path in a uniform fashion . . .

With the possible exception of search engines and brand/company websites, there are no sources that are typically deemed to be a first-place-to-go or a last-place-to-go destination. All of the sources listed on **Figure 4.1** were visited at some point by about one-quarter to one-half of the survey population. First and last visits were spread out across all sources.

This finding supports the conclusion that consumers are not using sources linearly, nor are they progressing down a purchase path in a uniform fashion—i.e., 1) gathering information, 2) making a decision, and 3) making a purchase. Instead, consumers gather information online throughout the purchase cycle and indeed may return to the same source multiple times. As to relative influence, each visit can be just as compelling as another, since in digital media, new information is being added all the time. Additionally, this non-linear progression may speed up or slow down the time it takes to get to a purchase, calling into question consumer-reported purchase intent timeframes.

This finding also calls into question self-reported data from consumers about purchase horizons, and suggests marketers should find other ways to gauge how far away from purchase a consumer is and identify resources to help the consumer move toward purchase. Putting consumers into behavioral buckets such as information gathering, seeking opinions, and engaging with brands, might provide more specific direction for marketing efforts than upper and lower funnel designations. This can be accomplished either by identifying behaviors through observation or by soliciting self-reported information, then bucketing accordingly.

ONLINE SOURCES EVER USED, FIRST USED, LAST USED: OVERALL

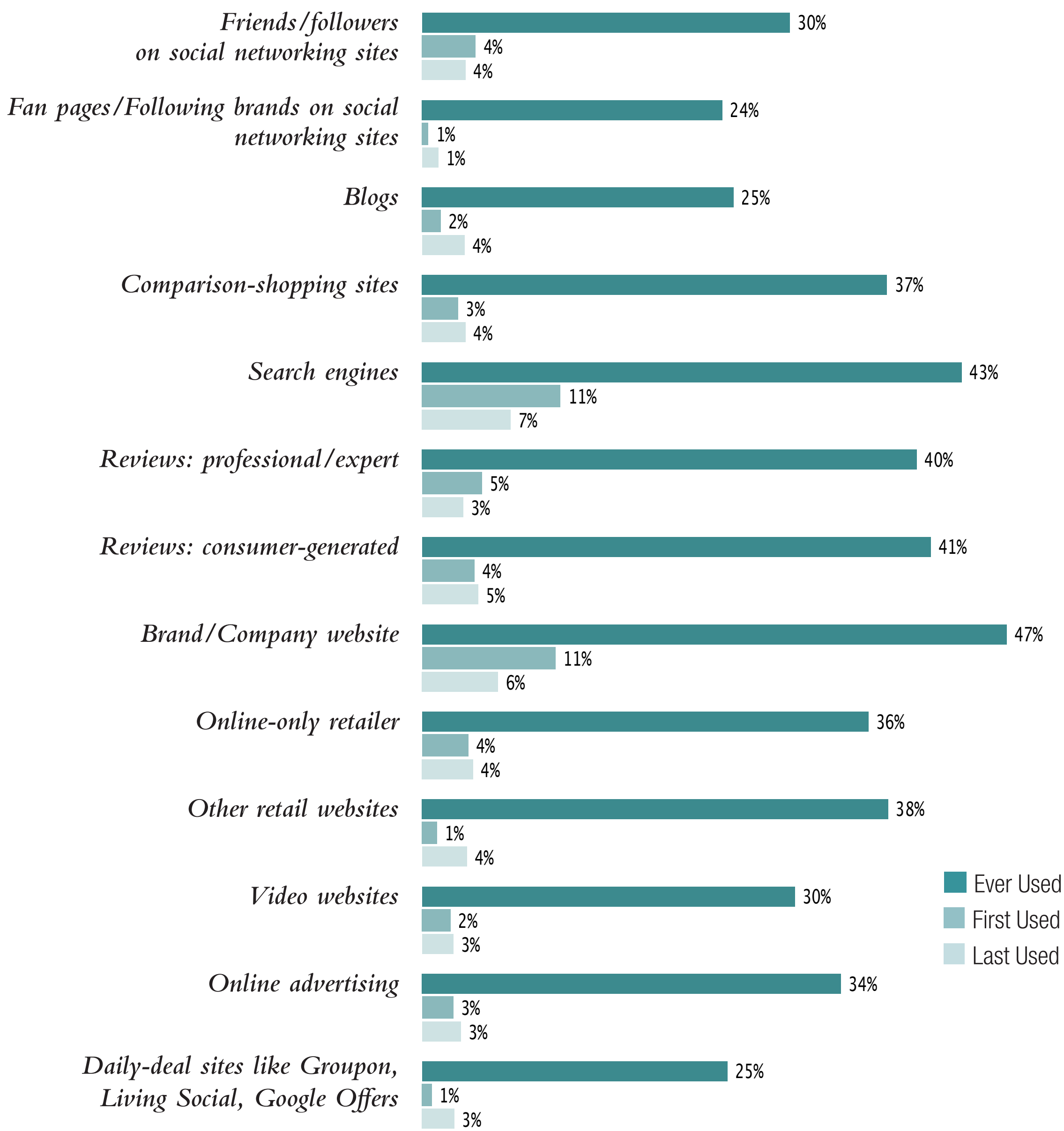


Figure 4.1

► *Consumers' first and last touch points vary by product category*

Two online resources, brand/company websites and search engines, do show up relatively often for selections as a first choice, notably for the higher-priced products we tested (autos and smartphones). As one online community member described, "I like to go online and look at the manufacturers' websites to identify vehicles, to look at their specs, and to figure out what I should go to the dealer to look at/test-drive." But it is important to note that these sites were also cited as last-place choices. The finding indicates a strong feeling of trust in manufacturers' online content and suggests that strong Search Engine Optimization (SEO) and Search Engine Marketing (SEM) strategies, plus a well-thought-out tested and current brand or product website, are key pieces of a brand strategy that should not be overlooked in favor of other flashier elements, such as mobile and social media.

At the brand website, the brand has better control and a better chance to identify more seasoned shoppers, but visitors to search engines, review sites, and the like will be difficult to distinguish. Multiple paths can be presented to consumers at the brand website, allowing them to self-select the path or paths that best meet their needs.

ONLINE SOURCES EVER USED, FIRST USED, LAST USED: AUTO

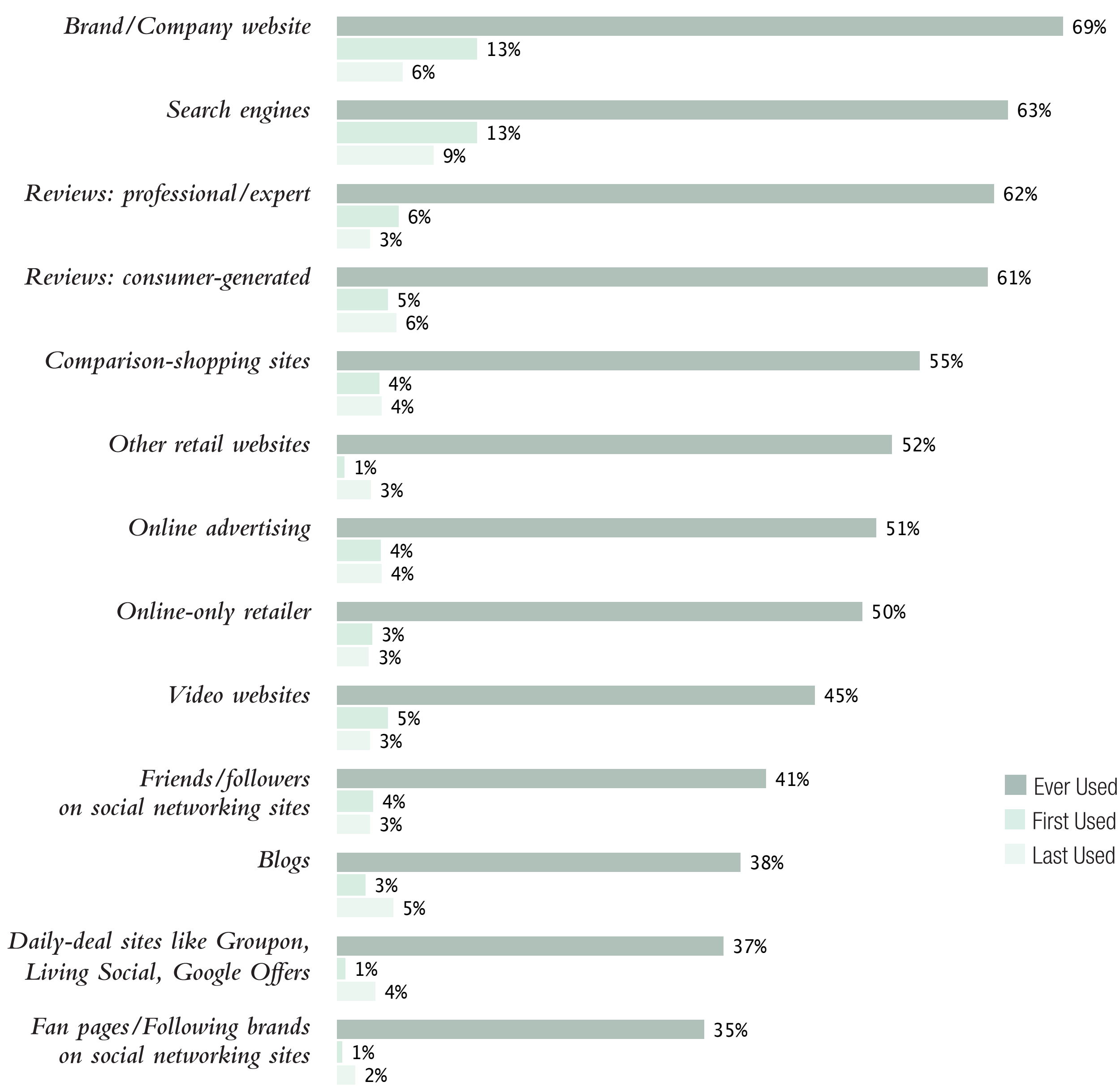


Figure 4.2

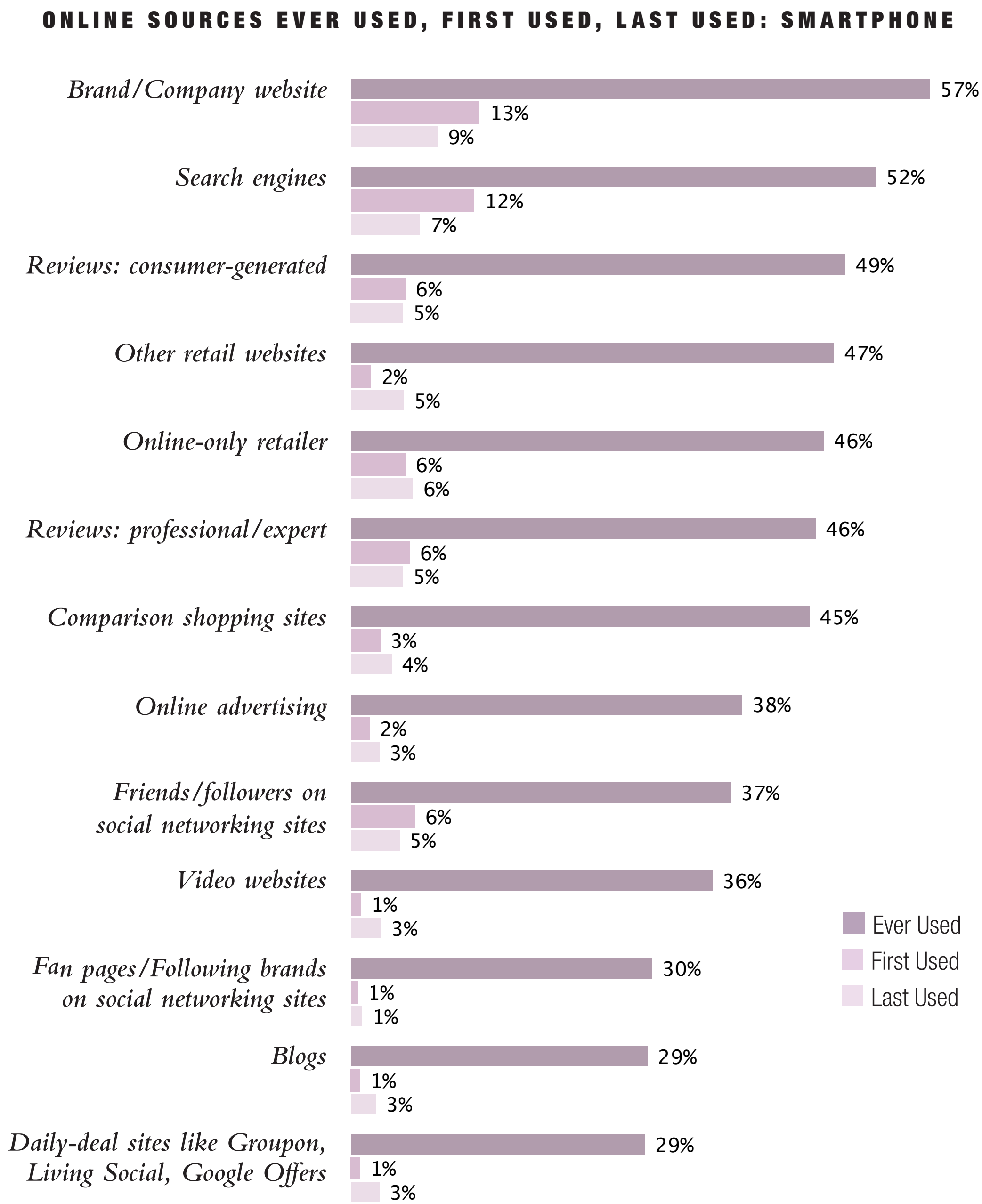

ONLINE SOURCES EVER USED, FIRST USED, LAST USED: SMARTPHONE
Brand/Company website
57%
13%
9%
Search engines
52%
12%
7%
Reviews: consumer-generated
49%
6%
5%
Other retail websites
47%
2%
5%
Online-only retailer
46%
6%
6%
Reviews: professional/expert
46%
6%
5%
Comparison shopping sites
45%
3%
4%
Online advertising
38%
2%
3%
Friends/followers on social networking sites
37%
6%
5%
Video websites
36%
1%
3%
Fan pages/Following brands on social networking sites
30%
1%
1%
Blogs
29%
1%
3%
Daily-deal sites like Groupon, Living Social, Google Offers
29%
1%
3%
Ever Used
First Used
Last Used

Figure 4.3

ONLINE SOURCES EVER USED, FIRST USED, LAST USED: GROCERY

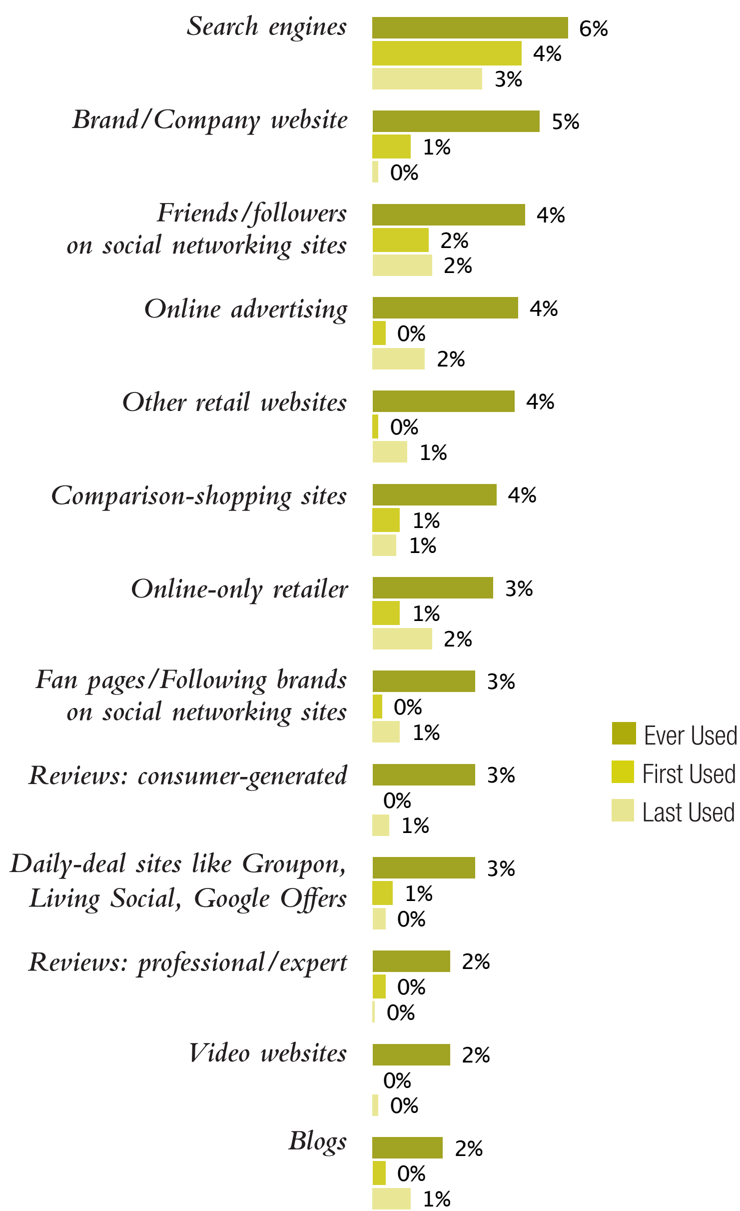


Figure 4.4

► *The purchase process also varies by category*

What becomes immediately apparent when analyzing the above charts is the great percentage of sources that are used in general throughout the purchase process (labeled as Ever Used), as opposed to an initial or final touch point. This suggests that many different sources were important along the way, and they were accessed in differing patterns. We needed to turn to our qualitative data, however, to understand exactly what consumers were doing as they researched and shopped each category.

Trust as an Important Element of the Purchase Process

Thematic analyses of consumers' open-ended responses to discussions and other research activities, as well as Web-listening conversation analyses, suggested a distinct consumer desire to seek sources they trust, relative to the different purchase categories studied.

► **Automotive category:** With regard to this category, which represented the longest purchase cycle, we found that recommendations from a consumer's network played a critical role when facing this financially significant purchase. Listening to online community members, it became clear that trust is a major factor in this purchase decision. Along with test-driving the vehicle, consumers seek advice from family, friends, and other consumers to feel the necessary confidence to make this decision:

"I will use my trusted mechanic, a man I have known for 20 years."
~Diane U., community member

"[I go to] Consumer Reports*, tech magazines, other magazines' websites—to learn what experts say about the product; Facebook, Twitter, email—to know what my friends say about the product, find information about coupons and specials."*
~Marissa A., community member

"I guess conversations with my father have had a big influence. I value his opinions about my car purchases a lot. He has had a lot more experience car shopping than I have had!"
~Sarah K., community member

Sequentially, we saw the highest number of conversations taking place during the pre-purchase period for cars, again underscoring the importance of the high-risk/reward decision and the relative trust placed in social media in this category.

► **Smartphone category:** In this category, which represented a medium-length purchase cycle, we learned that firsthand experience/trial period plays a critical role in consumers' shopping process. We had anticipated that the test drive would factor in to car purchases, but it is just as important for consumers to test-drive new models of phones, usually drawing on their social network to do so vicariously before trying the product themselves.

"Honestly, peer pressure is having a huge impact on my decision. I am a BlackBerry guy and have been for a long time, but I am starting to feel the pressure for an iPhone. I do not like to consider myself mainstream, but I feel like I am starting to miss out."
~David O., community member

"When the iPhone first came out a few years back, I swore that I would never purchase one. I have long nails and I didn't like that the phone would only recognize the touch with skin contact. . . . It made it very difficult to type! . . . I played around with some friends' iPhones and realized that once I got over the typing conflict, they were awesome! And I don't know if I'll ever buy another type of phone again."
~Christina C., community member

Clearly, online conversations taking place around this particular category are powerful and have the ability to influence opinion and change minds.

► **Grocery category:** Cookies and packaged meat represented a short purchase cycle. We learned through Web-listening how the importance of social media varied. In some cases, consumers actively sought information and advice before purchase from sources they trust, such as family, friends and social networks. But in many cases, the online conversation was post-purchase. As the following chart shows, only in the Automotive category did we find a higher percent of social media content in the pre-purchase stages.

It is clear, then, that consumers are using multiple digital and social media sources at multiple points throughout the purchase process for various occasions and needs. And it is similarly clear that consumers' involvement with newly purchased products fuels ongoing conversation. This, in turn, informs future purchases by other consumers connected through social networks or, less immediately, through product review and other websites.

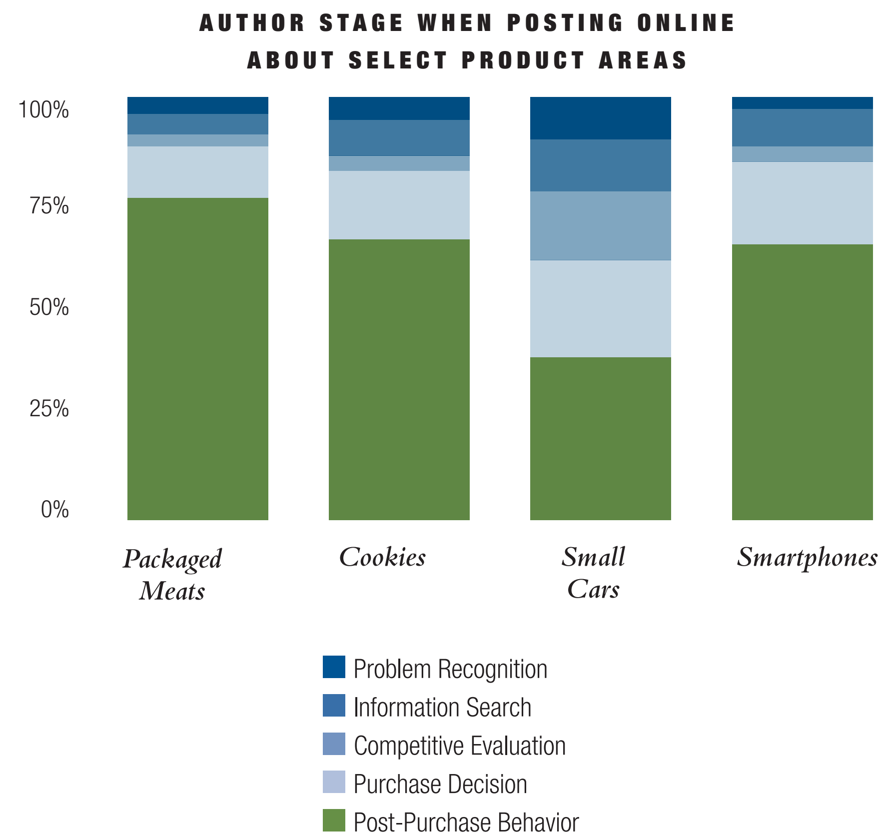


Figure 5

WHAT | What We Learned

Trust in others' opinions factors greatly into high-risk/reward purchases like cars, but is also important in lower-risk/reward purchases like smartphones and groceries. Increasingly, **consumers turn to a wider circle of influence—i.e., their close and extended networks in social media—to help them make purchase decisions.**

For medium-risk/reward purchases, such as smartphones, trial may play a bigger role, though this can come secondhand, as in another consumer's experience—both drivers of trust.

Use of social media differs according to category—e.g. for automotive, the trust network is tapped during pre-purchase (sometimes long before purchase), whereas in groceries, online discussion with networks usually takes place post-purchase. **Since both pre- and post-purchase conversations are influential, brands should encourage dialogue about their products as often as possible.**

Though trust networks are highly influential, brand and manufacturer websites are as well, often cited as both the first and last source consumers visit before making a purchase.
This is particularly true for automotive purchases.

HOW:

How are different shopping sources and activities evolving?

As noted in the previous section, we know much about what shoppers do as they seek to acquire products. They go to multiple sources, both online and offline, to get the information and advice they need to help make their purchase decisions. They visit corporate websites; conduct online searches; pore over product reviews; browse the stores (or dealerships) where these products are offered; and seek input from friends, family members, colleagues, and even complete strangers via social media. Most of their online activity is accomplished using PCs, but mobile devices also play an important role, especially for specific actions. And we observed that shoppers were "always on," absorbing information in both passive and active shopping modes.

But how do shoppers go about these activities? Do they have common, distinct orders for seeking online and offline input? Do they view and approach online resources in the same manner that they do so for traditional offline resources? Do they go about it differently for different categories of products?

In this section, we explore some of the how questions posed in the study. As before, we kept many hypotheses about the topic in mind but let consumers lead us to the insights deemed important by them.

Both Online and Offline Sources Are Important

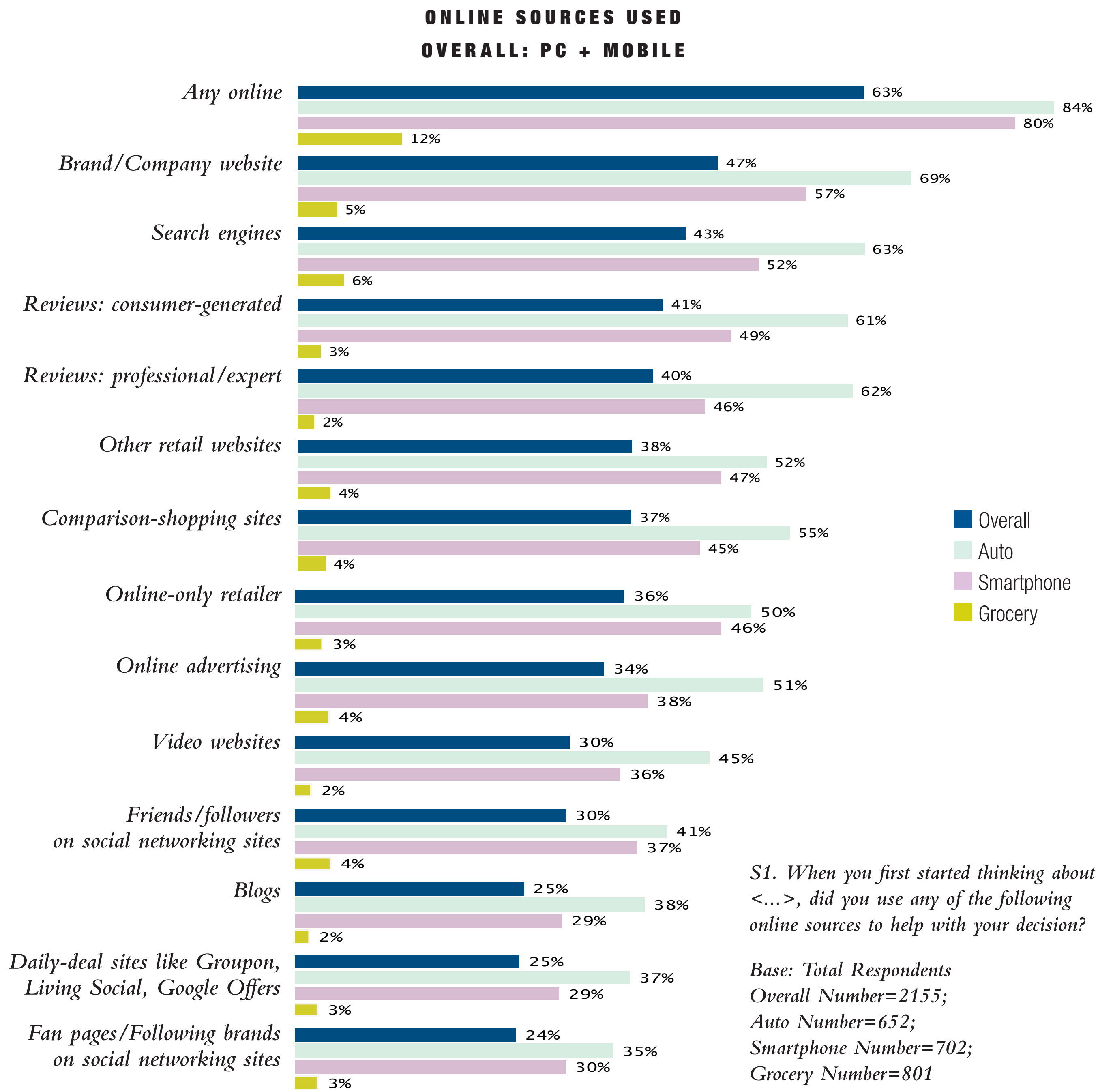
Although online sources and activities are valuable in the purchase process, offline activities are still extremely important to consumers. The fact is, we are living in both an offline and online world, and though we use social and digital frequently, we have not stopped paying attention to TV, radio, subway signs, and the like. Rather than replacing traditional media, consumers are using social and digital to expand available resources and influences we use in making decisions today.

► *Online sources play a critical role in how consumers shop*

In our panel survey, we asked about resources—both online and traditional offline—that shoppers use in their quests to acquire certain products. **Figure 6** shows the general propensity of our survey respondents to use various online sources during the purchase process. Two things stand out: First, we can see that shoppers use numerous sources in their quest to find the best product for their needs. In fact, each of the top 12 sources cited by shoppers had visits from a quarter or more of the shoppers overall, indicating simultaneous usage of more than one source. Second, it is apparent from the figure that overall use of online sources differs dramatically by category. For instance, Grocery shoppers are much less likely to seek input from online sources during their shorter purchase cycle journeys, while Automotive shoppers are more likely to seek out advice, opinions, and information online.

The top online sources are company websites (of the brands in the given product category), search engines, and review sites. This is consistent across categories, but other sources are also popular. In the Automotive and Smartphone categories, for instance, more than one-third of shoppers visit retail websites, comparison shopping sites, video websites, or view online ads and connect with others via social media.

This learning clearly underscores a be-everywhere strategy for marketers. Marketers must have a presence in multiple locations online, and not simply focus on one or two properties, such as company sites or review sites. It is important that the shopper encounter the brand on search engines, at comparison sites, in social media discussions, etc. In generating the appropriate frequency and reach of exposure for shoppers online, a reasonable strategy would be to seek multiple exposures from multiple sites, rather than multiple exposures from a single site.



S1. When you first started thinking about <...>, did you use any of the following online sources to help with your decision?

Base: Total Respondents
Overall Number=2155;
Auto Number=652;
Smartphone Number=702;
Grocery Number=801

Figure 6

Figure 6.1 below shows the usage of online sources in the purchase process broken out by access vehicle: PC or mobile device. It is apparent from the figure that PCs dominate mobile as access devices. In general, survey respondents were more than twice as likely to uses their PCs to get online information than their mobile devices. But **Figure 6.1** also reveals that consumers are using their mobile devices to access certain resources more often than others.

The most common source of online information or advice accessed via PCs was "Brand/Company websites," at 41 percent. But only 10 percent of survey respondents accessed these sites via their mobile devices. This represents a ratio of more than 4:1 for PC over mobile. By comparison, a relatively small percentage of consumers access "Friends/followers on social networking sites" via PCs (22 percent), but more than half that number accessed these resources via mobile (12 percent). Similar ratios for all of the online sources are shown in **Table 1**, opposite.

As mobile devices continue to show increased adoption rates, particularly for smartphones and tablets, marketers will want to pay close attention to the online shopping resources most likely to be accessed via these devices, and plan their marketing activities accordingly.

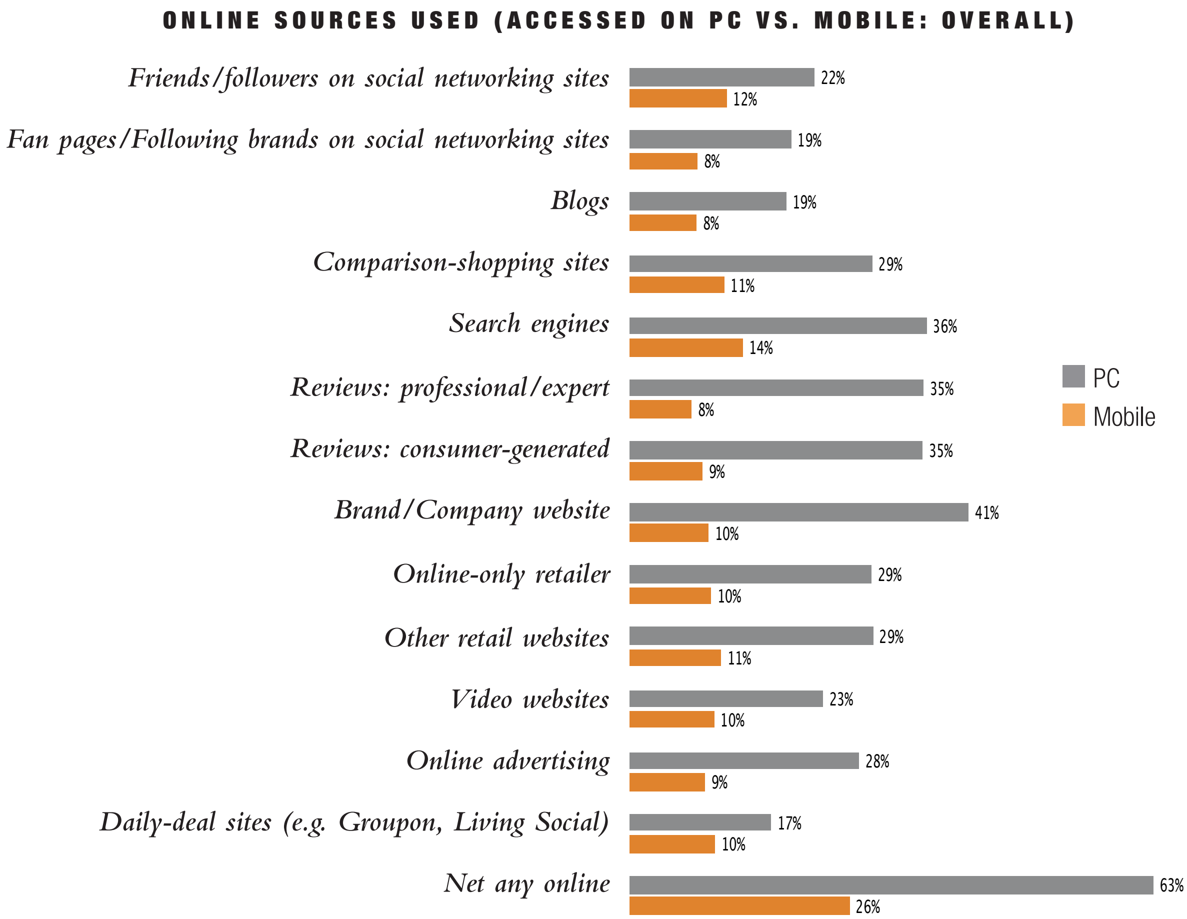


Figure 6.1

Offline sources continue to be important

Our panelists indicated continued use of non-Internet, or offline, resources when shopping for autos, smartphones, and grocery items. In fact, overall, shoppers in our study were more likely to report usage of offline sources during their experience than online (73 percent vs. 63 percent, respectively). But as can be seen in **Figure 7** opposite, the top offline sources were not cited at nearly the frequency of the top online sources. As reported earlier, the top online sources were accessed by 50 percent or more of category shoppers overall. But there were *no* offline sources that enjoyed 30 percent usage, and all but one (friends, family, or colleagues) were under 20 percent in usage.

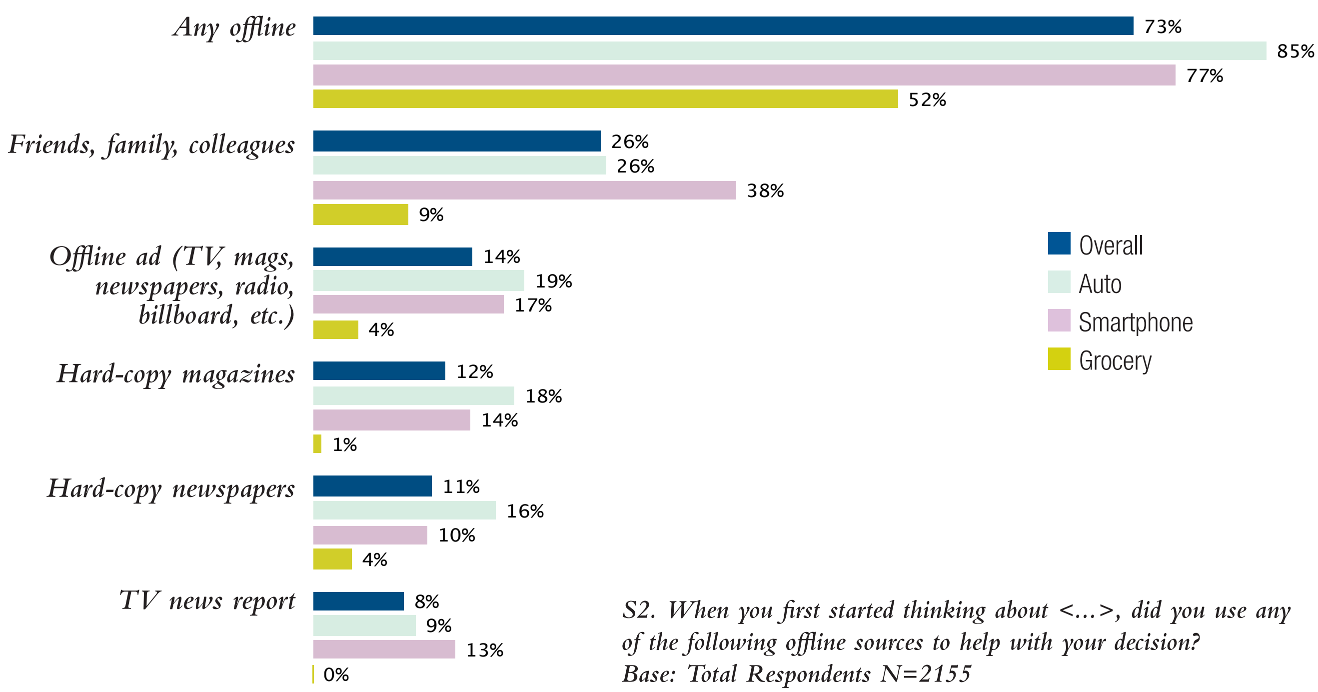
TABLE 1

	PC	Mobile	PC/Mabile Ratio
Friends/followers on social networking sites	22%	12%	1.8
Fan pages/Following brands on social networking sites	19%	8%	2.4
Blogs	19%	8%	2.4
Comparison-shopping sites	29%	11%	2.6
Search engines	36%	14%	2.6
Reviews: professional/expert	35%	8%	4.4
Reviews: consumer-generated	35%	9%	3.9
Brand/Company website	41%	10%	4.1
Online-only retailer	29%	10%	2.9
Other retail websites	29%	11%	2.6
Video websites	23%	10%	2.3
Online advertising	28%	9%	3.1
Daily-deal sites like Groupon, Living Social, Google Offers	17%	10%	1.7
Any online	63%	26%	2.4

These two charts, taken together, suggest that online sources are more likely to be used concurrently. For offline sources, usage is much more widely dispersed. While 73 percent report *any* kind of offline source, usage within each source is unique; therefore, offline usage is more widespread among consumers, expanding reach in its own way.

These findings stress the importance of *both* online and offline sources. Although there is a slight indication that the "always on" consumer moves through the offline world in a targeted way, it appears that each offline source serves a unique subset of the population, mostly category-driven (i.e., whether they are shopping for autos, smartphones, or groceries). Given this fragmentation, marketers will need to be judicious in the selection of offline sources as vehicles for promoting their products. And, as subsequent analyses will show, there are also opportunities for the offline and online worlds to influence each other and work together to support shoppers' needs within a product category.

OFFLINE SOURCES USED: NON–CATEGORY-SPECIFIC



S2. When you first started thinking about <...>, did you use any of the following offline sources to help with your decision?
Base: Total Respondents N=2155

Figure 7

The Shopping Journey Differs by Category

We asked consumers to describe the sources they used for the three product categories we studied. We examined both online and offline sources, and found that offline sources, in particular, showed some of the greatest variability. As well, the offline portion of the journey often involves a direct, tangible interaction with the product under investigation—at retail, at the dealership, etc. This objective is necessarily accomplished differently for the three categories we tested (e.g. visiting a car dealership, borrowing a friend's cell phone, and browsing store circulars), and so the consumer's journey must be understood at this level of detail.

► *The online purchase process is also different by category*

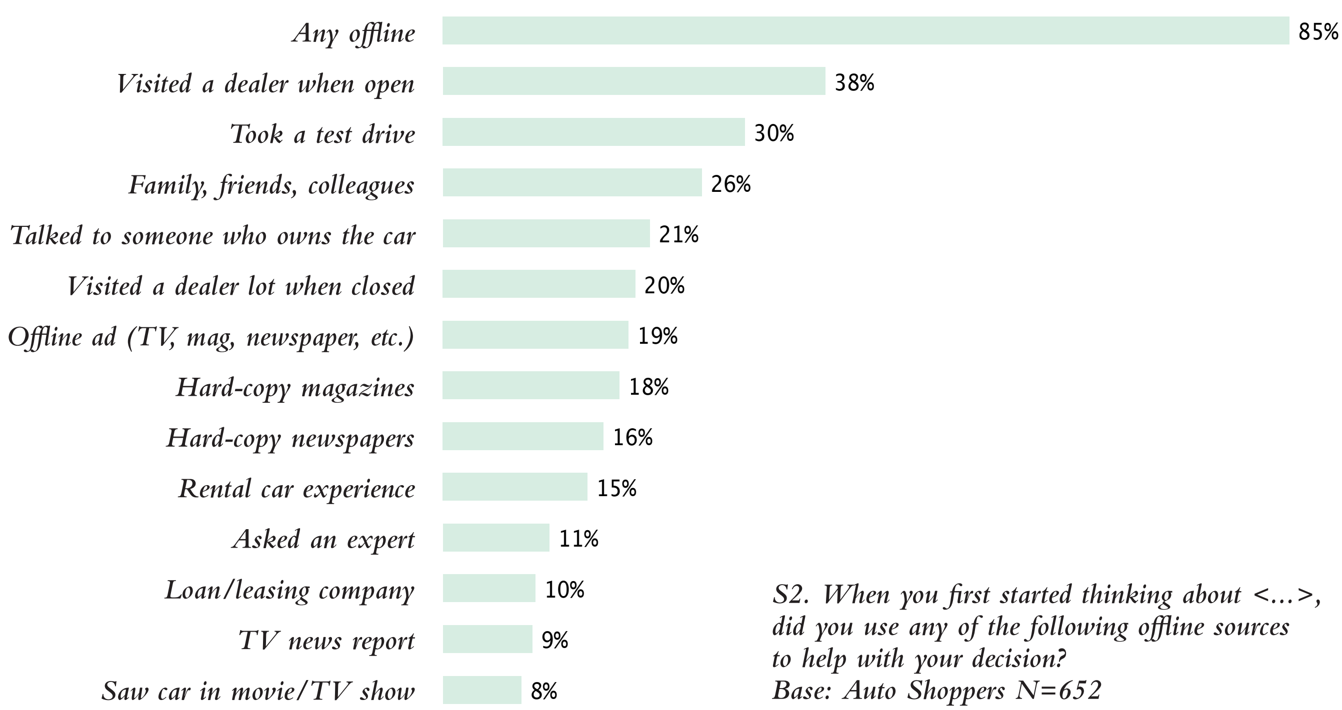
Earlier (**Figures 4.2-4.4**), we saw that the usage of online sources was split by category: Auto, Smartphone, and Grocery. In many ways, the individual category results mirror the overall findings. In general, consumers are using online sites during the purchase decision process more for automotive and smartphones than they are for groceries.

Also notable is the fact that purchasers of automobiles and smartphones turn to each manufacturer's own website in high numbers, indicating that there is trust in this source. This is also true of search engines. Review sites—both professional and consumer-generated—are also popular for car and phone shoppers. Friends and followers on social networking sites are also quite influential across product categories, but the percentage of shoppers reporting online sources for grocery shoppers is too low to be considered reliable.

► *The use of offline sources in the purchase process differs across product categories*

Offline resources used in the shopping process were quite different by category as well. Notably, the retail environment was seen to have substantial influence on purchase decisions. **Figures 8.1, 8.2, and 8.3** show the sources reported for shoppers of automobiles, smartphones, and grocery items, respectively. The most commonly reported offline resource was associated with the "store"—e.g. dealerships, mobile phone stores, grocery stores, etc. This finding validates the importance of the retail environment in driving interest, affinity and purchase, as well as a place in which consumers can tangibly engage with the brand. In-store merchandising remains a key tactic, even in a world where digital and social media factors so prominently into buying behavior.

OFFLINE SOURCES USED: AUTO



S2. When you first started thinking about <...>, did you use any of the following offline sources to help with your decision?
Base: Auto Shoppers N=652

Figure 8.1

OFFLINE SOURCES USED: SMARTPHONE

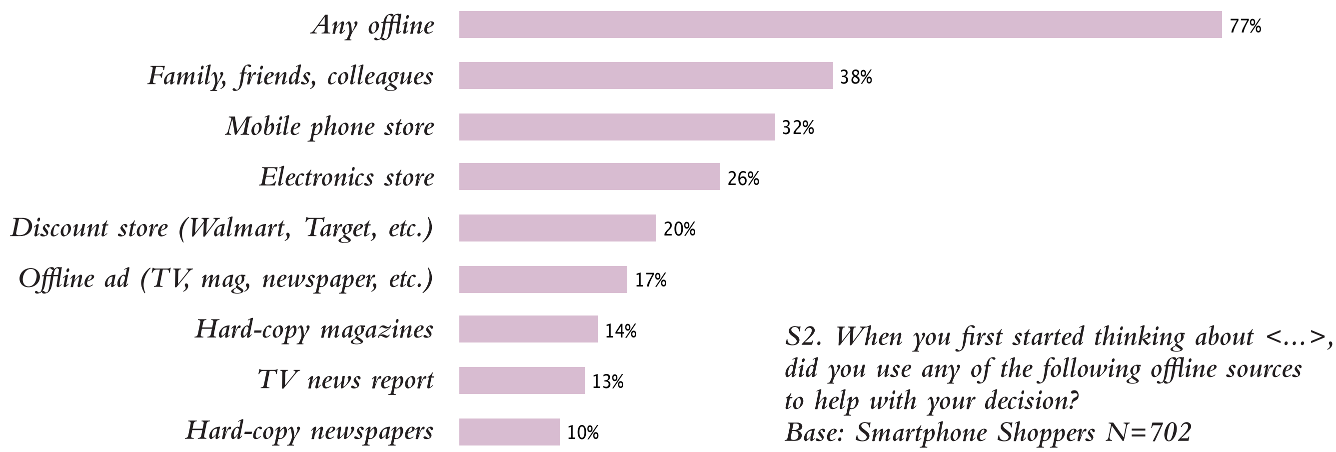


Figure 8.2

OFFLINE SOURCES USED: GROCERY

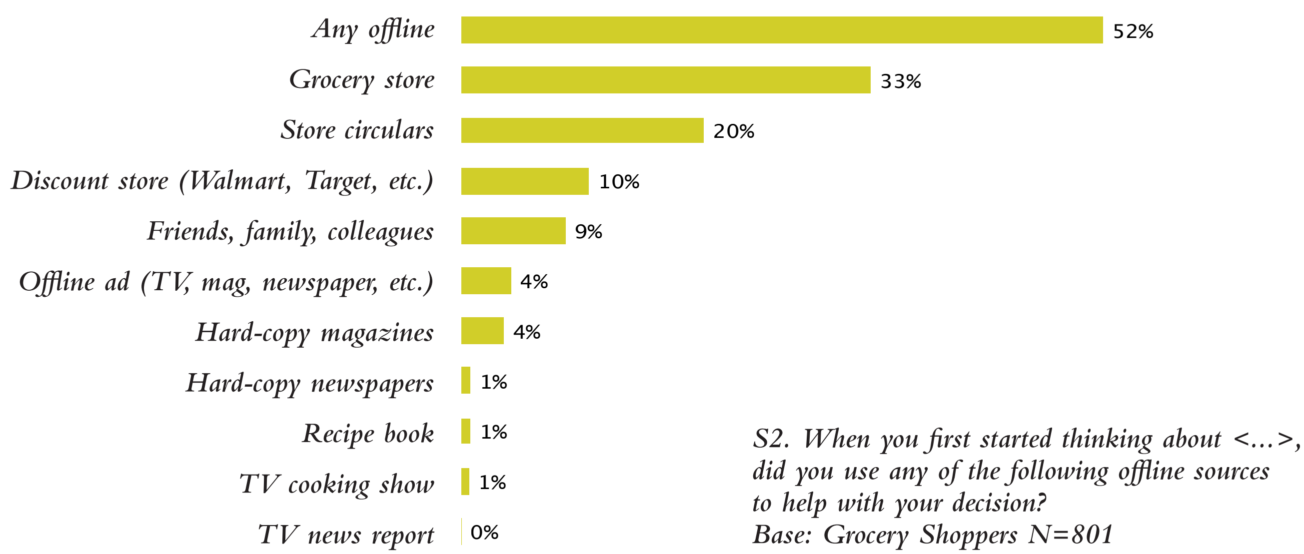


Figure 8.3

While **Automotive shoppers** were extremely likely to use an offline source in their shopping journeys (85 percent overall), the choice of sources was quite fragmented. In fact, no single source was used by more than 40 percent of our sample (see above). The most frequently cited source was at dealerships, where automotive shoppers browsed vehicles and took test drives or walked the lot when the dealerships were closed. Word-of-mouth sources were cited by more than one-quarter of the automotive shopper sample (26 percent), as people reached out to their friends, family, colleagues, and others within or outside of their social networks for input. It is interesting to note that offline WOM usage was the same or slightly lower than online social media (30 percent). Traditional media—TV, magazines, billboards, and newspapers—were sources of input for automotive shoppers at rates ranging from 16 to 19 percent.

For **Smartphone shoppers**, connecting with friends, family, or colleagues emerged as the most popular offline source of influence in the purchase process, at 38 percent (see above). But smartphone shoppers also visited retail outlets (mobile, electronics, and discount stores) at relatively high rates, presumably to interact with the product prior to purchase. Interestingly, offline advertising, such as TV and magazine advertising, was cited as a source for smartphone shoppers at a rate equal to or greater than that for magazine or newspaper articles or TV news reports—indicating that traditional, seller-controlled advertising can contribute as part of an integrated media strategy.

Given the importance of personal connections in smartphone shopping, marketers may want to consider programs to leverage their recent buyers. Especially with "excited" and "joyous" buyers, these customers could be very influential with smartphone prospects, and connecting them to those engaged in the information-seeking mode could be an effective strategy.

Grocery Stores (including discount grocery outlets) and their associated circulars dominated the offline sources used by grocery shoppers in our study. About 1 in 10 grocery shopping journeys are influenced directly (offline) by friends, family members, or colleagues. As one online community member explained:

"…If my family or friends try something that they really love, we are always talking about new products."

~Mar D., community member

The highly repetitive nature of grocery shopping means that individual trips often do not involve inputs from any sources at all. Net combined online sources totaled only 11 percent, and while offline net combined sources were 52 percent, most of this input occurred at the stores. Still, this same repetitive feature of grocery shopping means that the relatively rare—but influential—source could have impact across multiple shopping trips, in effect, driving repeat purchase. In essence, a shopper who is delighted by the discovery of a new product or brand is likely to purchase it repeatedly, and also tell friends and family about it.

► *Different sources are used by category, and in different order*

The summary of offline sources used in the purchase process, shown below, does not include retail outlets, since these were unique sources for each category (Automotive, Smartphone, and Groceries). Of these common response categories, only "friends, family, or colleagues" was cited by one-quarter or more of sampled panelists. Interestingly, aside from this word-of-mouth response, the other common categories were all related to alternative (offline) media.

OFFLINE SOURCES EVER USED, FIRST USED, LAST USED: OVERALL

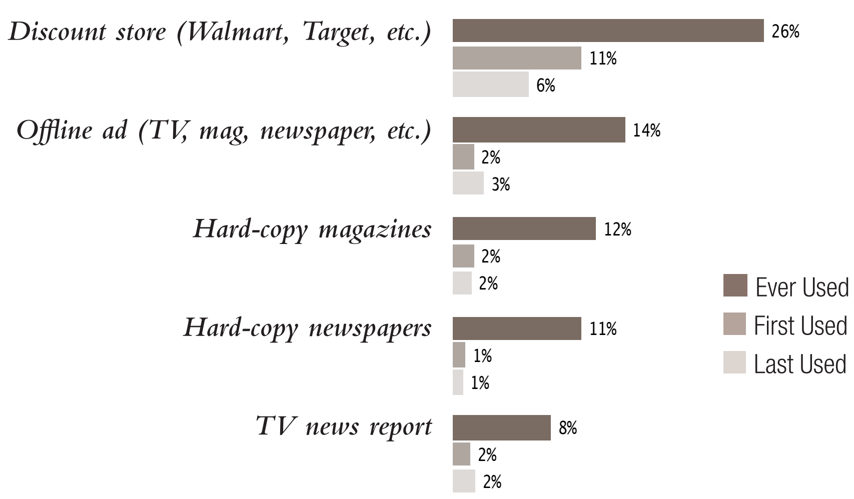


Figure 9.1

Figure 9.2 shows the first, last, and ever-used offline sources cited by our Automotive shoppers. Visits to the auto dealer, including test drives and visits after hours were by far the most common offline source of input in the purchase process for car shoppers. In fact, the dealership was the most likely first choice and last choice. Still, it is important to recall that there were four online sources that were cited by more than 60 percent of our auto shoppers, so the offline sources noted in this figure were not as common. Offline media sources as a group—magazine, newspaper, and TV articles and reports—lagged dealership visits and interactions with other people, in general.

We turned to our online community members to understand more fully how consumers shopped for cars offline (and how they incorporated online sources into their process). Not surprisingly, when we analyzed community members' conversations about shopping in the automotive category, we heard that consumers saw the test drive and other firsthand experiences as some of the most influential components of their purchase decision:

"I think just seeing the car in person and test driving made the biggest impact. I liked the car's features, but if it doesn't actually feel right, I won't go through with the purchase."

~Jon G., community member

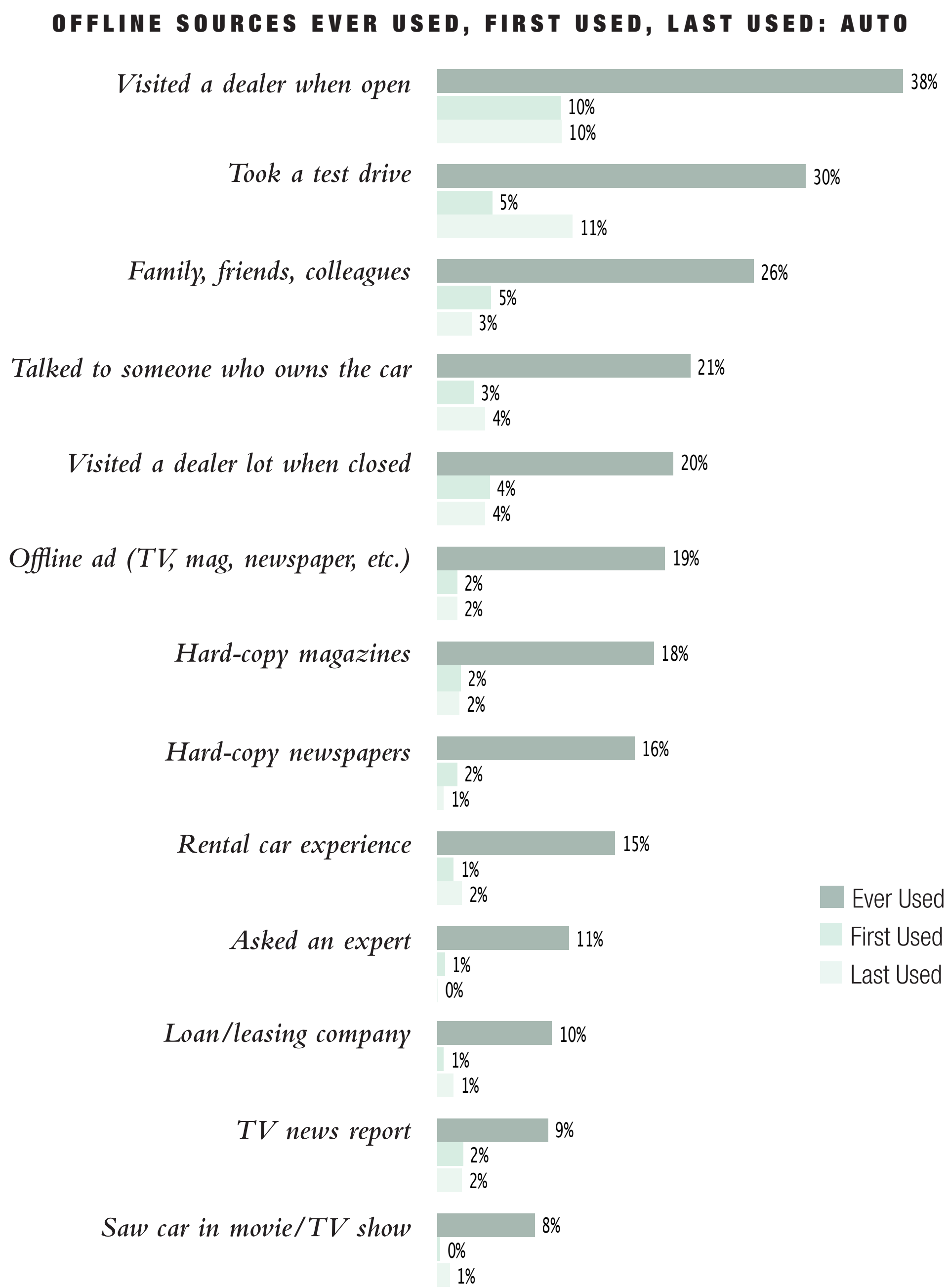


Figure 9.2

Firsthand experience is critical for this category because of the high-priced nature of the investment, which represents a high risk to the consumer. Unlike grocery items, a poor choice of a car purchase cannot be easily reconciled in the consumer's mind (or wallet). In our observation of online community members actively engaged in car shopping, the sites used most frequently include Cars.com, Edmunds.com, Kelley Blue Book, *Car and Driver*, and AutoTrader.com (not necessarily in that order). In our observations, we noted several consumers were unaware of which sites they were using, having arrived at them via searching for keywords and following links across a number of websites. Shoppers became so engrossed in the task, they became oblivious to the names of the sites on which they landed.

Our analyses of open-ended responses suggest that consumers turned to the Internet early on when shopping for cars. Community members reported using manufacturers' sites to research specifics on vehicles, determine trade-in value of their current vehicles, and search local dealerships' sites before deciding where to shop:

"I use Cars.com, Consumer Reports, Edmunds.com, Kelley Blue Book, and other car review sites to get information about features, pricing, and comparison information. I also use dealer websites to get information about features before I actually visit the dealer."

~Jeffrey G., community member

The all-important test drive validated the car shopping experience once they had narrowed down their choices online. Of equal importance to the test drive was the influence and support of spouses or other family members, who serve as partners when researching and purchasing a new vehicle. Because they were making such a big-ticket purchase, members valued the advice and emotional support they received from friends or family:

"Conversation, with my wife over what we should get. We looked at automakers' websites to narrow down our options."

~Kole B., community member

Finally, consumers underscored the importance being well prepared for a visit to a dealership in order to have an informed discussion with the dealer:

"Information is my secret weapon … it makes me pre-savvy to go into the dealership."

~Qualitative research phase

Figure 9.3 shows offline sources used in the purchase process by Smartphone shoppers. While brick-and-mortar stores were clearly an important offline source for these shoppers, connecting with friends, family, or colleagues was the single highest-cited destination. And, as with Automotive offline shopping, media sources were less prevalent. There is some evidence of price-shopping or even show-rooming (i.e., the consumer finds the product in the most shopping-friendly place like a website or big box store and then uses that experience to leverage a better deal), and once a brand has been selected, discount stores saw a bump in selection for the last place visited.

Experience with devices is critical when shopping for smartphones—even when the experience comes second hand, from family and friends. By turning to tech-savvy acquaintances, consumers can test-drive devices before heading online or into their carriers' stores. As one community member described, "Friends had iPhones, so I got to use them a bit before deciding to purchase my own." It is worth noting, however, that community members also noted the importance of online sources when shopping for phones. Nearly all community members turned to online resources to further inform their sense of which mobile devices were newly available, and how other consumers have rated them (with some common sites mentioned being CNET, carriers' websites, and Amazon.com). For smartphone shoppers, connecting offline with friends, family, or colleagues was often selected as a first step.

OFFLINE SOURCES EVER USED, FIRST USED, LAST USED: SMARTPHONE

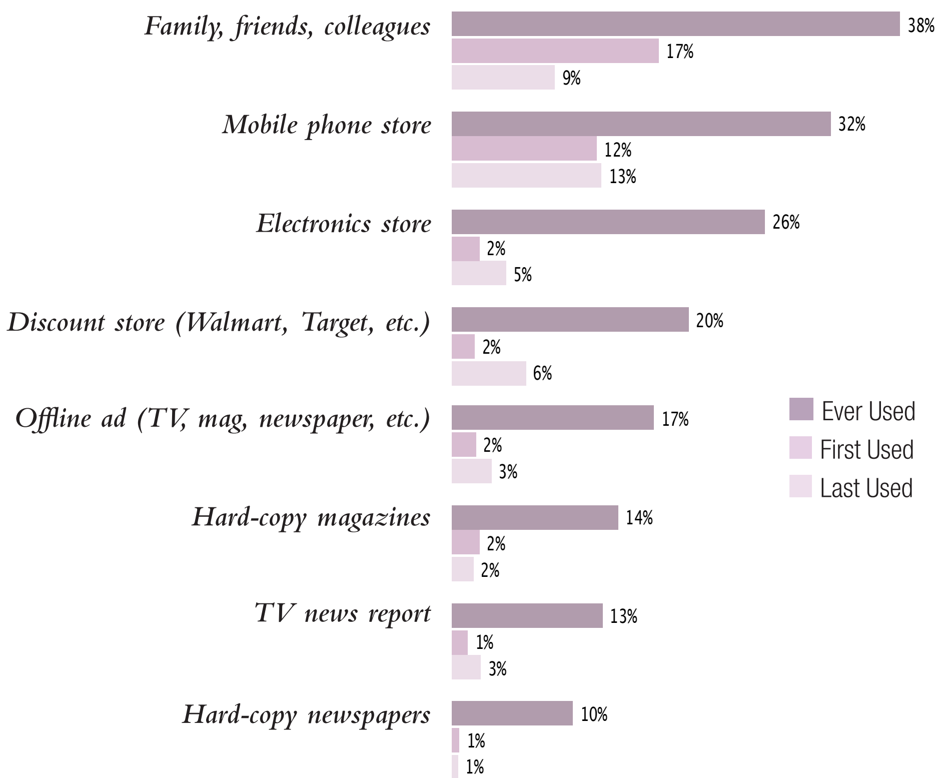


Figure 9.3

As **Figure 9.4** below indicates, Grocery stores and their associated circulars dominate as the most common offline source in the purchase process. About one in 10 shopping occasions involves input from others (friends, family, or colleagues) at some point. This compares favorably with online sources, where the highest-cited source (search engines) saw 6 percent overall visits.

Our conversations with online community members indicated that, of the three categories we explored, grocery purchases were least likely to invoke online activity. In explanation, many said that they viewed grocery shopping as routine, requiring less pre-purchase research. So of all three categories, then, offline activities and sources may play the strongest role in grocery.

Yet there was a strong minority of community members who did describe using online sources to plan grocery shopping, and of these nearly all used couponing sites. In particular, people most commonly cited local retailers' and manufacturers' sites as the most influential over their ultimate purchase decisions.

"I'll drive across town if what I want is on sale at another store."
~Qualitative research phase

We also noted the use of mobile apps in-store to conduct in-the-moment price comparisons.

"In my life, the biggest resource when it comes to grocery shopping is apps. While I was at the grocery store on Friday night, I noticed how much I use my phone. ***It was fun to go around the store scanning my purchases with my phone to see if I could find a better deal somewhere else.*** *I believe that smartphone apps can save you a lot of money when it comes to shopping."*
~Qualitative research phase

OFFLINE SOURCES EVER USED, FIRST USED, LAST USED: GROCERY

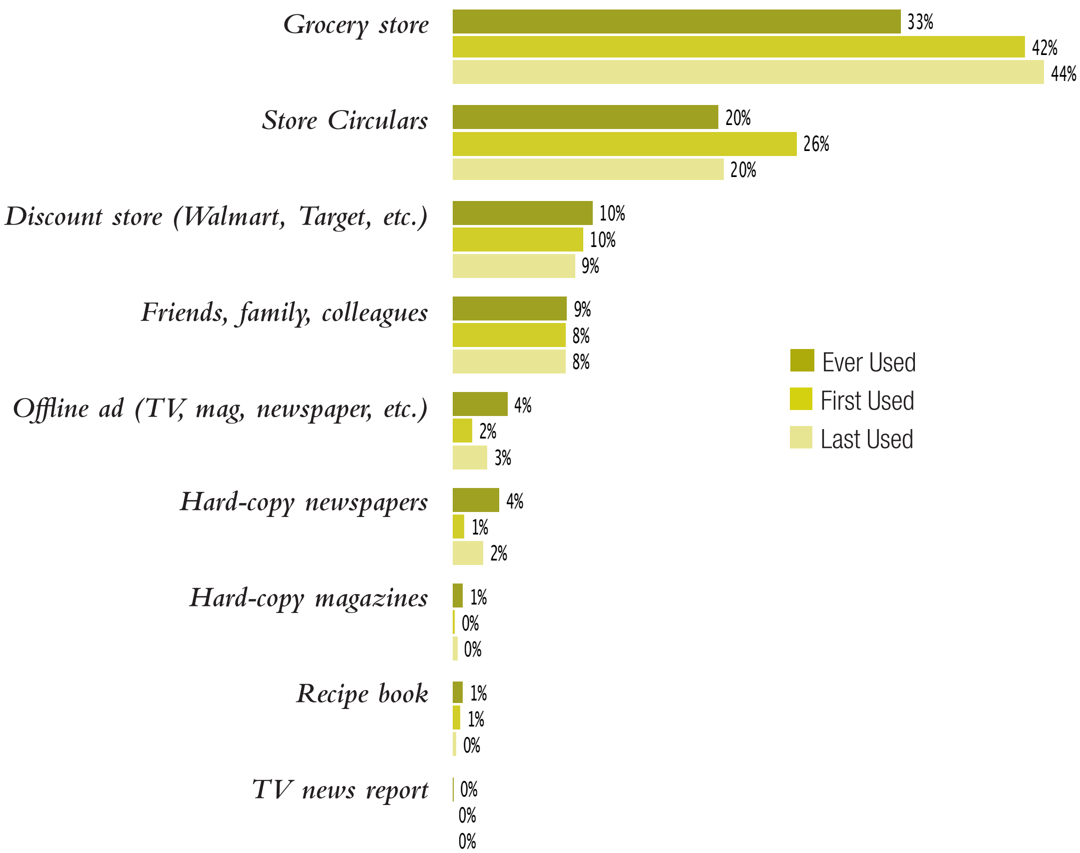


Figure 9.4

Barcode scanning, UPC matching, and competitive retailer sites were among the most highly used mobile applications for this group (although, with users of online sources, app users were also a minority).

Among offline shopping resources, “the store”—whether that means the grocery store, the phone/electronics store, or the auto dealership—is a popular first source for shoppers. And given that stores are also places where purchases can be completed, they are positioned to influence purchase decisions at various times.

While online sources are not frequently used for grocery shopping, responses from communities indicate a buzz around either an emerging segment of grocery shoppers who use online to search for coupons and deals, or an emerging trend toward using online sources for this category as well. Keeping abreast of these differences and changes in preference is a must for marketers.

► *Both online and offline sources are important*

We asked our surveyed shoppers to indicate the importance of both online and offline sources in making their purchase decisions. **Figures 10.1 and 10.2** show the top two box ratings of *online* sources overall, and for Automotive, Smartphone and Grocery purchases, respectively.

For the most part, people rated all of the sources as relatively important. Only among Grocery shoppers did we find substantial differences in the importance ratings of the online sources.

For example, among Smartphone shoppers, the lowest-rated source (daily deal sites) scored a top 2 box rating of 54 percent, while the top-rated source (brand/company websites) scored 76 percent. For Automotive shoppers, the ratings were even more constricted. In fact, 12 of the 13 sources rated received top 2 box scores within 11 percentage points of each other. Grocery shoppers ranked the importance of online sources lower, in general, compared to Automotive and Smartphone shoppers. And they gave relatively more varied ratings across the sources.

IMPORTANCE OF EACH ONLINE SOURCE: OVERALL (SOMEWHAT/VERY IMPORTANT)

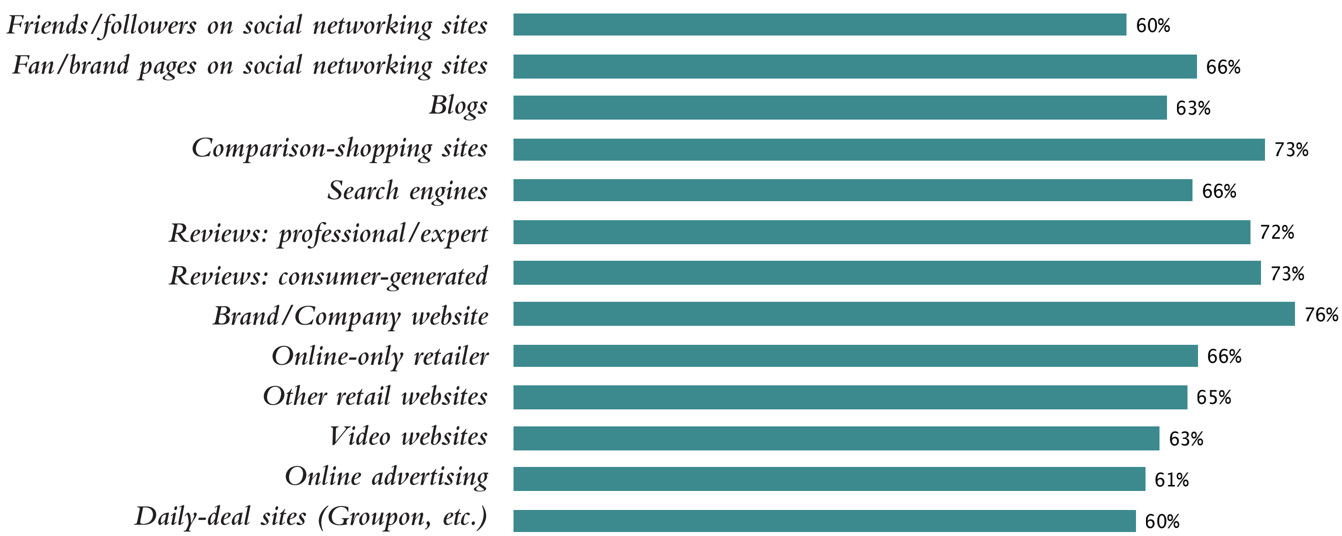


Figure 10.1

IMPORTANCE OF EACH ONLINE SOURCE: BY CATEGORY (SOMEWHAT/VERY IMPORTANT)

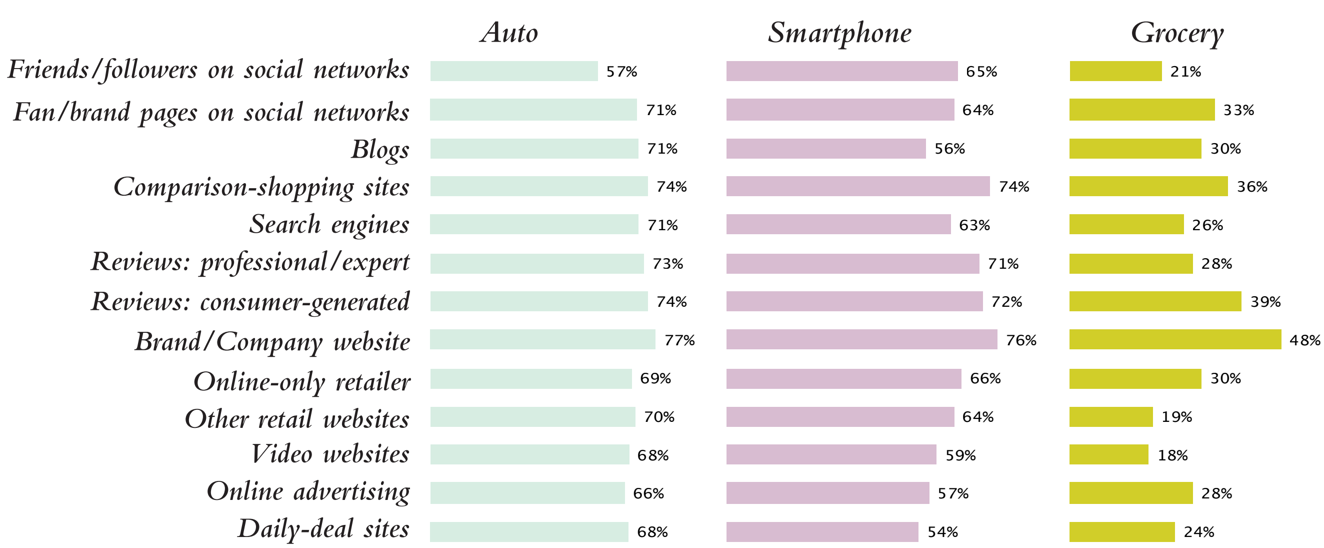
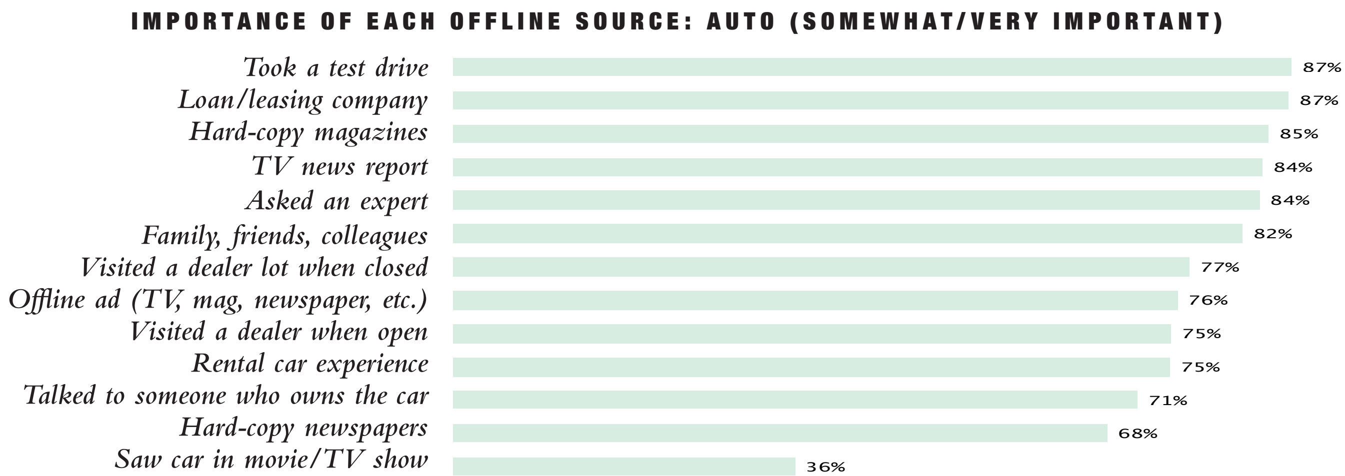
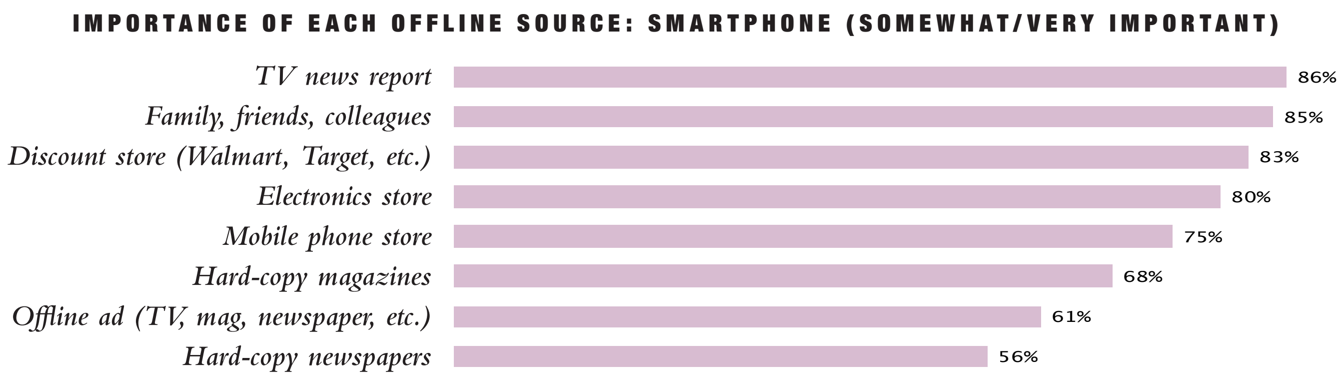


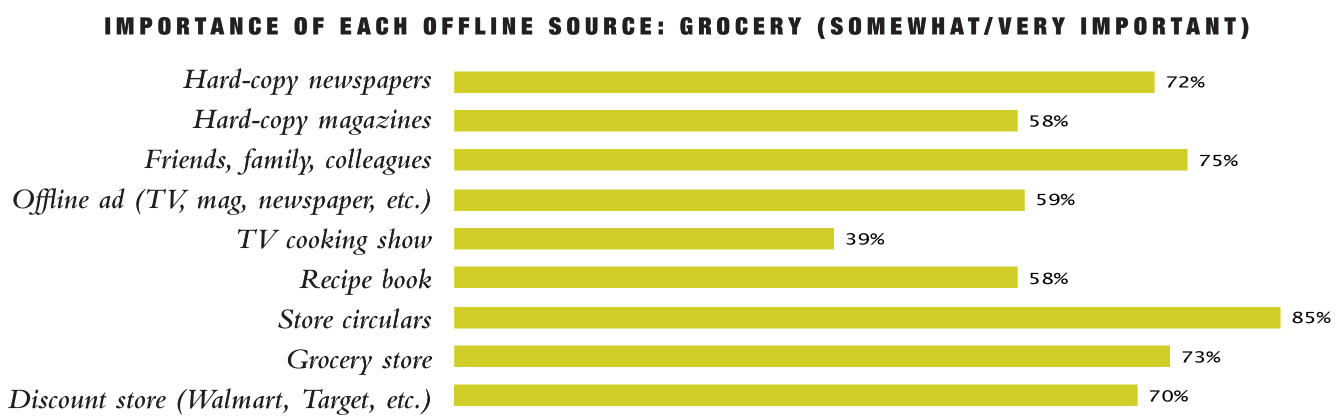
Figure 10.2

Importance of *offline* sources in the purchase process is given in **Figures 11.1, 11.2, and 11.3**. For Automotive shoppers, most of the sources were deemed important, with only "saw car in movie/TV show" getting top 2 box importance ratings from less than two-thirds of the sample. Six of the sources were given top 2 box ratings by more than 80 percent of the sample. Similarly, Smartphone shoppers rated many of the sources as relatively important. In particular, stores of all types were deemed important, as were personal contacts and, interestingly, TV news reports. Newspapers and advertising received less support. Grocery shoppers, as might be expected, rated grocery and discount stores, and their associated circulars, as important offline sources. But they also gave relatively high ratings to personal contacts and hard-copy newspapers

Sources used are generally considered to be important to surveyed users. For example, of the 14 percent who use hard-copy magazines, that particular source was rated as important for more than two-thirds of them. The message for marketers is that a low reach in usage for a given shopping event is not the end. Repeat-purchase items, pre-purchase inputs, and other influences can mean that these sources are quite influential.







Figures 11.1, 11.2, 11.3

Consumers Live in Intertwined Worlds

Consumers using social and digital media today habitually navigate multiple intertwined worlds. Their shopping activities, such as seeking product recommendations, looking for deals, or sharing information about recent purchases, can and do occur both on- and offline. The distinction marketers and market researchers make between online versus offline activities, researching versus socializing, and consumer- versus seller-controlled information are not necessarily relevant ones for consumers who view their lives and activities in both worlds as interconnected. Indeed, living online and offline has simply become a way of life for the consumer in 2012.

Shoppers, even if they don't feel like they are actively shopping, are performing many behaviors on- and offline that we, as researchers, would classify as shopping-related.

► *Consumers are shopping, even when not aware of it*

In our research, we found the majority of consumers (78 percent overall) actually purchased the brand they initially had in mind when they began the active shopping process, while a lesser percentage changed their mind and bought something else. We then turned to qualitative research to understand more about this, and were surprised to find that often, the first thing consumers did was research their short lists. So, how did they arrive at these short lists?

For many, if not most shoppers, the period of time that precedes active shopping (and research) is punctuated with various inputs about categories of products that they may want to purchase at some time. So Smartphone shoppers who decide that they are, in fact, ready to begin shopping for a new phone have already been exposed to information and experiences with phones as well as have a mental image of the marketplace and the key competitors in the space. Some of this passive absorption of information is happening online through social media (e.g. as consumers get input from their colleagues on social media sites), and, as previously stated, the consumer is unaware of the processes taking place. While this is not a new phenomenon—indeed, much advertising reaches and influences consumers under their radar—these new channels provide opportunities for consumers to absorb much more information than ever before, and to engage in shopping behaviors almost unbeknownst to them.

MIND MAP OF TOUCH POINTS INFLUENCING PURCHASE

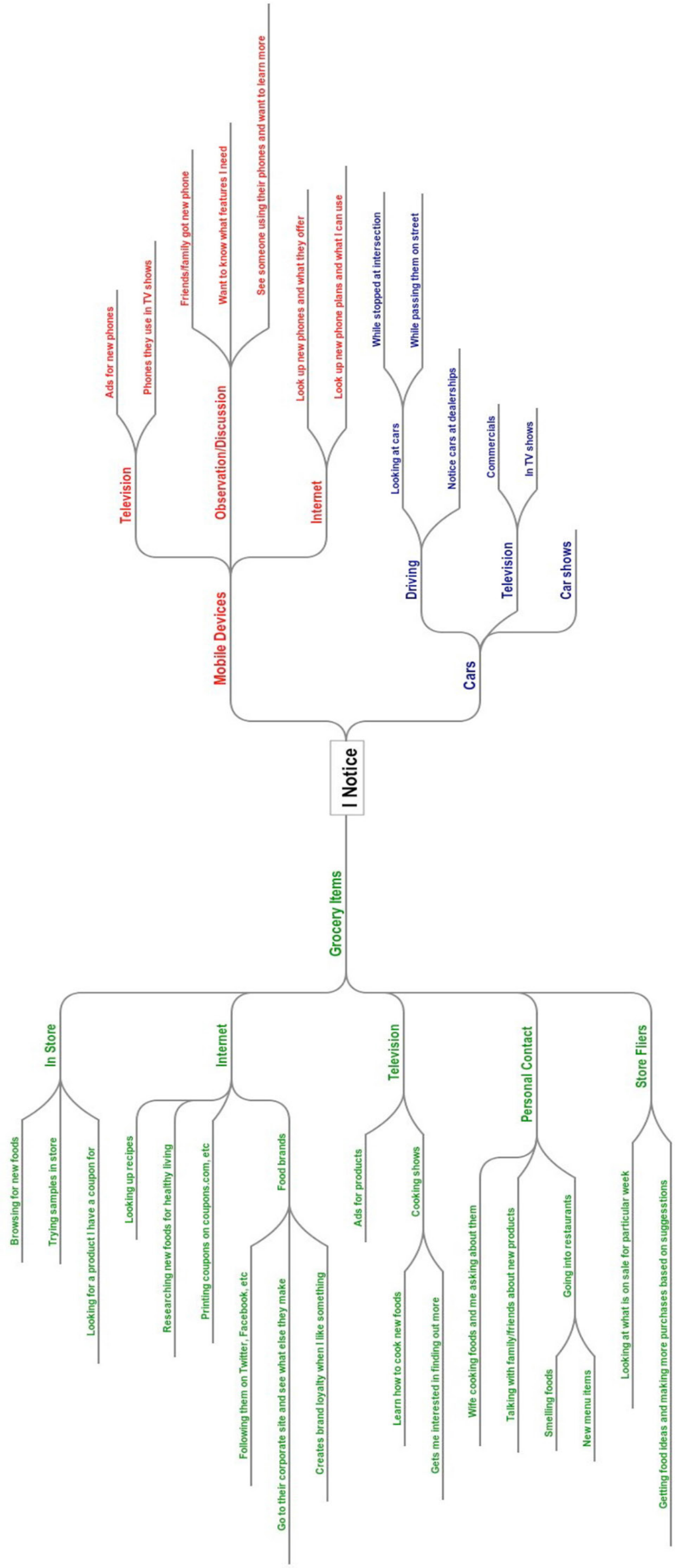


Figure 12

Once into active shopping mode, consumers remain open to the same messaging they were receiving previously, but they now begin reaching out to both online and offline sources for information and advice. **Figure 12** shows a mind map that was developed by a participant in our qualitative research with online community members, reflecting the many touch-points that influenced purchases for this respondent. This indicates shoppers are both passively and actively shopping, incorporating digital and social media sources, along with offline sources, of information available to them.

So consumers' engagement with shopping can occur at numerous touch points. This was one of the macro themes that emerged from our analysis of qualitative and quantitative data: Shoppers, even if they don't feel like they are actively shopping, are performing many behaviors on- and offline that we, as researchers, would classify as shopping-related. Three of these commonly observed were that a) consumers actively sought information and advice on the products they were considering, b) they validated (or refuted) assumptions they had made about those products, and c) they engaged with brands and other consumers to solidify their thinking. Once more, consumers moved from state to state, and came in and out of the process in a non-linear and iterative way. This kind of movement may be more truly descriptive of a non-linear purchase process than the traditional "funnel," in which consumers are presumed to move in a logical order.

The examples in **Figure 13** are from three different consumers searching for a new mobile phone. Here you can observe how different the path to purchase really is from person to person, and you can also see that consumers seek, validate, and engage brands at various points throughout the journey.

TAKE THE SEARCH FOR A NEW MOBILE PHONE . . .

DEEPTHI P.

- *Search for the best-rated phone on the market.*
- *Take reviews from friends and family.*
- *Check out the best price for the product.*
- *Analyze the price for my old phone.*

MAR D.

- *Make sure my current phone no longer fits my needs.*
- *Research the models currently available for quality, reliability, and functionality.*
- *Perform price comparisons and contract requirements to make sure I am getting the best deal that fits my needs.*

JEFFREY H.

- *Check out reviews on the brand of phone and look at customer complaints about the item (on review sites or other message boards talking about the phone).*
- *Go to a store to look at the phone and hold it for myself.*
- *Talk to salespeople about the phone.*
- *Go home and think about the purchase. It might take me a few days (or weeks, depending on the costs involved).*
- *Look for the best deal (free phone for lowest contract time, etc.) and see what I can get out of the deal.*

Figure 13

The lines are blurred between fun and functional, friend and stranger, and what consumers expect from brands online and offline

There are many ways that digital and social media are creating blurred or hybrid experiences for consumers: Consumers go onto Facebook to check in and find a recommendation for a new recording artist or cookie recipe; they search for manufacturer details to inform their next big purchase and find a forum where everyday consumers are discussing the pros and cons of the latest model. What is research and what is social is not a meaningful distinction anymore.

In both our Web-listening research and our research activities with online community members, we heard that digital and social media ran the gamut from fun to functional, addressing multiple social, rational and emotional needs throughout the shopping process.

In **Figure 14**, we see how online community members classified various digital and social media sources. While some were clearly more fun or more functional, many consumers found entertainment value on research sites and learned important information on social sites, refuting the assumption that specific sources are used to meet specific, identified consumer needs.

Social media is expanding the range of people we trust. It's not just about family, friends and colleagues now (the relationships that have formed the basis for WOM recommendations for years), but also about a wider circle of people we are connected via social media. So not only do we go to Facebook to connect with our friends, family, colleagues, etc.—and not only do we go there to ask them for information—we also go to forums, blogs and myriad other social media sources to gather input for our purchase decisions. For example, a consumer in the market for a car 10 years ago may have reached out to his immediate circle of influence, numbering a few people.

FUN VS. FUNCTIONAL

Some members found certain activities to be both fun and functional, depending on the particular site

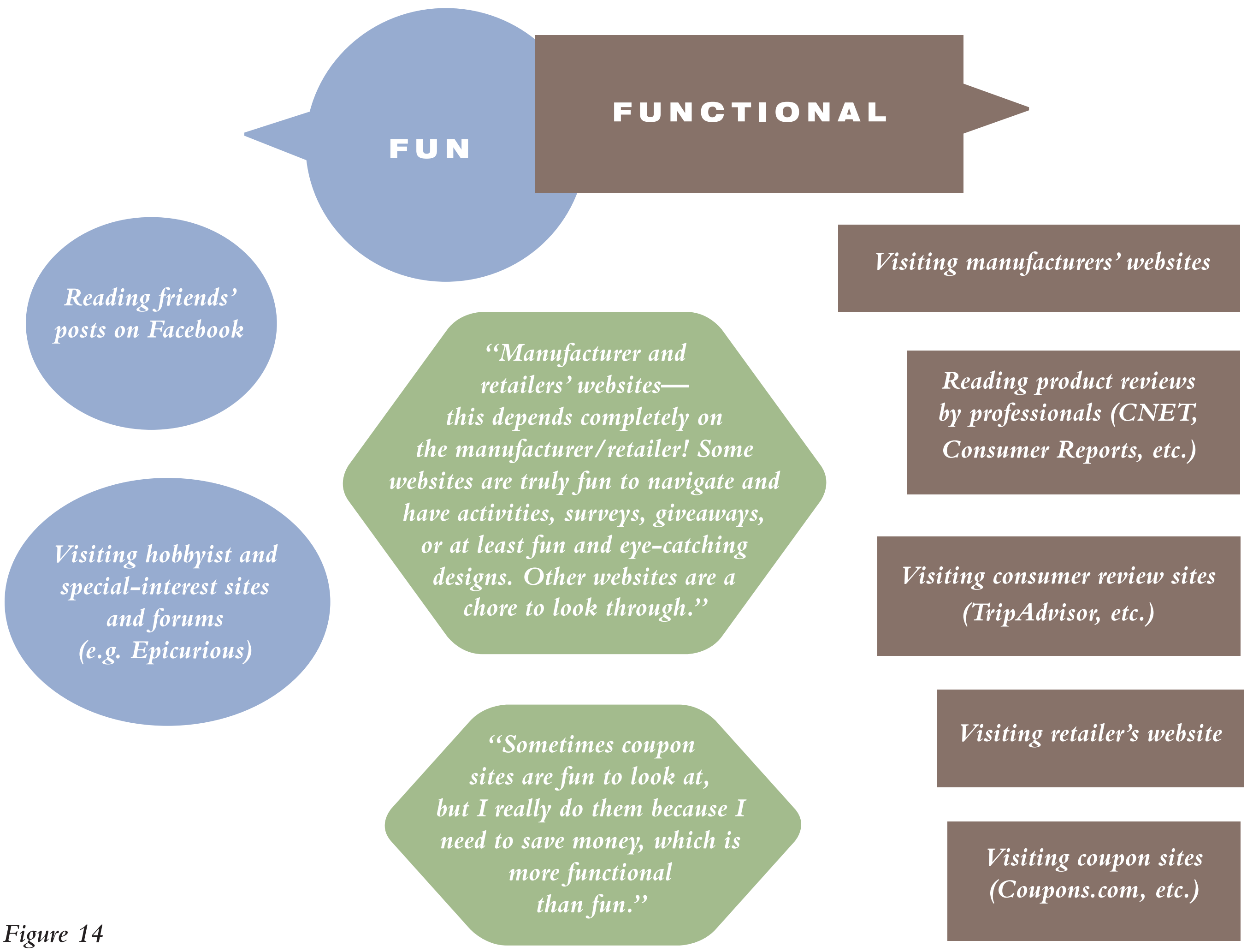


Figure 14

Today, that circle of influence can number dozens, hundreds, and even thousands of people, and input can be collected quite quickly. The sources may be the same, but the number of people and their availability has far exceeded influence circles of the recent past.

In addition, we make our decisions regarding how, and whom, we trust in sophisticated ways. One interesting angle on this is a desire on the part of the consumer for the online shopping experience to replicate some of the experiences they find in brick-and-mortar stores. We asked people to tell us what they would ask of brands, and their responses indicate that the advances and conveniences of shopping using digital media have shifted what consumers expect:

"If Amazon can give me 1-click ordering, ***why can't you?****"*
"If Zappos can send me my purchase in a day, for free, ***why can't you?****"*
"If eBay can ensure the lowest price available, ***why can't you?****"*

Feelings like control, discovery, and wonder come into play, and it's useful for us to think of the shopping experience in less of a functional process and more of a journey of discovery and inspiration. The challenge is for marketers to incorporate those elements into a medium and a process typically thought of as functional and rational, in order to deliver to consumers the emotional benefits of offline shopping.

SOCIAL MEDIA EXPANDS A CONSUMER'S "TRUST NETWORK"

facebook

"im thinking I need a new car if these situations keep happening. Does anyone have any advice? Im looking at the Ford Fiesta."

"anyone know anything about the LG ALLY smartphone? im not sure which kind i want . . . anyone have any ideas on a good kind to get?"

forum

"Hi guys, I know there has been many similar topics but here my catch. I need a car, auto transmission. Sub 90k. New car. I don't care about brands, don't care about maintenance, don't care about 2nd hand value. Just want something fun to drive, and most bang for the buck. Please recommend, thank you."

"I really am looking for, something with a really good, perhaps the highest megapixels. Touch screen. Wifi and mp3 player with a capable of playing good quality videos. Please can anyone help me decide?"

Figure 15

HOW | What We Learned

Digital and social facilitate a state of almost constant shopping, so that consumers are shopping even when they aren't aware of it. This points to increased opportunities for marketers to market—but consumer empowerment demands marketers exist in the online world as a collaborator, not a disruptor, of consumer experiences.

In all categories, the brick-and-mortar retail environment was seen to have substantial influence on purchase decisions; this is particularly true of Automotive, where visiting the brick-and-mortar store is mandatory for purchase. Pre-visit, consumers use digital and social sources to research and validate information, and they use the retail environment to gain firsthand experience with products and brands.

Of the three categories we explored, Grocery purchases were least likely to invoke pre-purchase online activity. Therefore, of all three categories, offline activities and mobile sources may play the strongest role in Grocery.

Impact of the retail environment, whether a car dealership, grocery store, or branded electronics store, cannot be underestimated. Providing just as high-quality an experience in-store as online—perhaps even higher, by adding information and content to the purchase decision process—is paramount for sales.

WHY:
Why do consumers shop the way they do, and what motivates or influences this behavior?

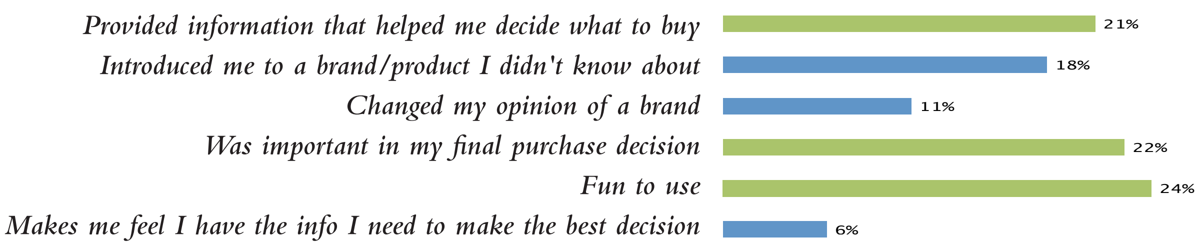
With an improved sense of which touch points shoppers are using in the purchase process, and how they are using these touch points, we now turn to the question of why—and what are the motivations that lead to the activities we have documented?

Shopping—Even Passively—Is an Emotional Experience

► *Consumers do not separate their emotional and logical needs when shopping*

What is social media's role in terms of consumer needs? The following figure shows panel survey data side by side with Web-listening data. Our key finding here was that the consumer doesn't make any distinction between media in terms of the nature of the purpose they serve, meaning the consumer's logical and emotional needs are served by a mixture of different channels. People don't go to social media just for the fuzzy stuff; they go there and get information about a potential purchase (21 percent of those who used social media at all), to get introduced to new products, and to have their mind changed about a brand. In addition to serving these more logical needs, social media also meets emotional needs for attachment and engagement with the consumer's friends and family—as well as with highly informed strangers.

ROLES OF SOCIAL MEDIA



"Reading a book on my iPad and having some delicious Pepperidge Farm Monaco cookies. #latenightmunchies http://twitpic.com/5vz9dr"

"My new ride! Nissan Versa hatchback. http://t.co/ZGeogIC"

"must-make list: preserved lemons, eggplant bacon (!) and @ food52\'s crunchy, SAVOURY, fried french toast bit.ly/kCzv1D"

Figure 16. *Source: comScore Survey Research, Respondents using Social Media in the Shopping Process.*

► *Emotional experience is a fundamental aspect of shopping*

In many regards, the emotional aspects of the shopping experience are positive ones. For example, **Figure 17** shows the proportion of respondents who indicated they were excited about making the purchase they had in mind. The higher-ticket items, smartphones and automobiles, clearly generated much more excitement among shoppers than did grocery items.

EXCITEMENT ABOUT THE PURCHASE: SOMEWHAT/VERY EXCITED

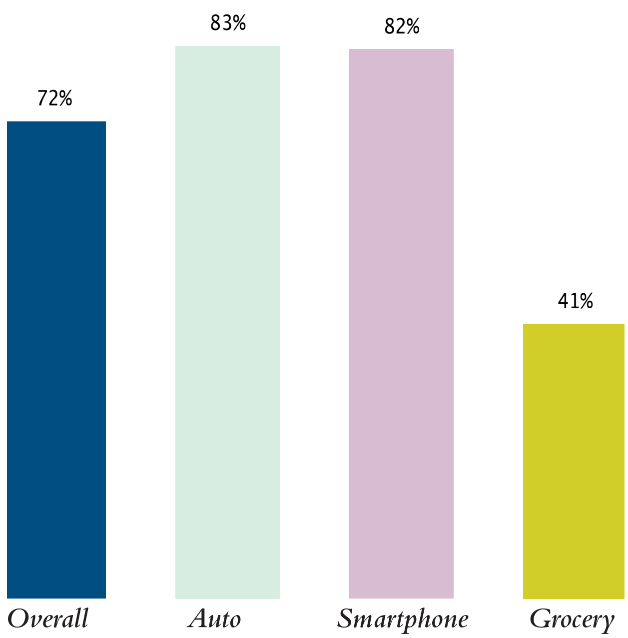


Figure 17

Additionally, we found that consumers' excitement:

► Led to the use of more sources in shopping (an average of 8.9 sources used vs. 6.1 among those not excited)

► Made people take other factors besides price into consideration, including product info, brand, and comparison shopping

► Encouraged mobile usage, or a continuation of the shopping research process via mobile

But not all emotions associated with the shopping experience are positive. In order to understand the potential that digital and social media have for changing consumer perception of the purchase process, we used qualitative techniques to uncover how they felt about the process as it currently stands.

We tried to understand what consumers expect, and hope for, in terms of the changes that digital and social media can make to the shopping process. We worked with consumers to develop imagery and metaphors via qualitative projective techniques (see below) that captured how they felt about shopping using digital media. We identified three negative emotions that consumers felt about the purchase process across categories, all of which are related to the amount or quality of information available to them today.

First, they feel *imprisoned* by the way they have to buy things now. Specifically, they are led to a state of analysis paralysis with the sheer amount of information they have to deal with. Second, they feel as if it's *difficult for them to navigate* all this information. Third, shopping feels like a *power struggle*, in that brands don't give them all they need to succeed. There is a great opportunity for brands to provide quality information and help consumers navigate information sources more easily.

CONSUMER METAPHORS (NEGATIVE EMOTIONS)

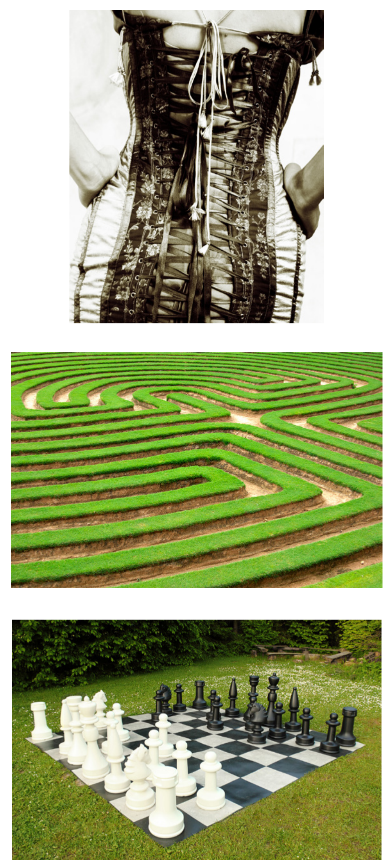


Figure 18

► *Consumers' emotional experiences vary depending on the purchase stage*

It is possible to get even more granular with emotions, however, and look at changes by specific purchase stage (see **Figure 19** below). Here we see the emotions reflected in social media postings at various points in the purchase process. Moving from anticipation to joy seems natural, as a consumer's shopping experience becomes more crystallized. At other stages in the process, however, there can be learning opportunities for brands, such as the existing sadness at the information search stage, possibly driven by price frustration in some categories. Also note the annoyance at the competitive evaluation stage.

Though not illustrated here, our research also found interesting differences between the categories in terms of emotions throughout the process. In the smartphone category, emotions bifurcate in the post-purchase stage, to joy vs. anger. This may be a reflection of high expectations and difficulty operating new high-tech devices.

EMOTIONS AT EACH PURCHASE STAGE

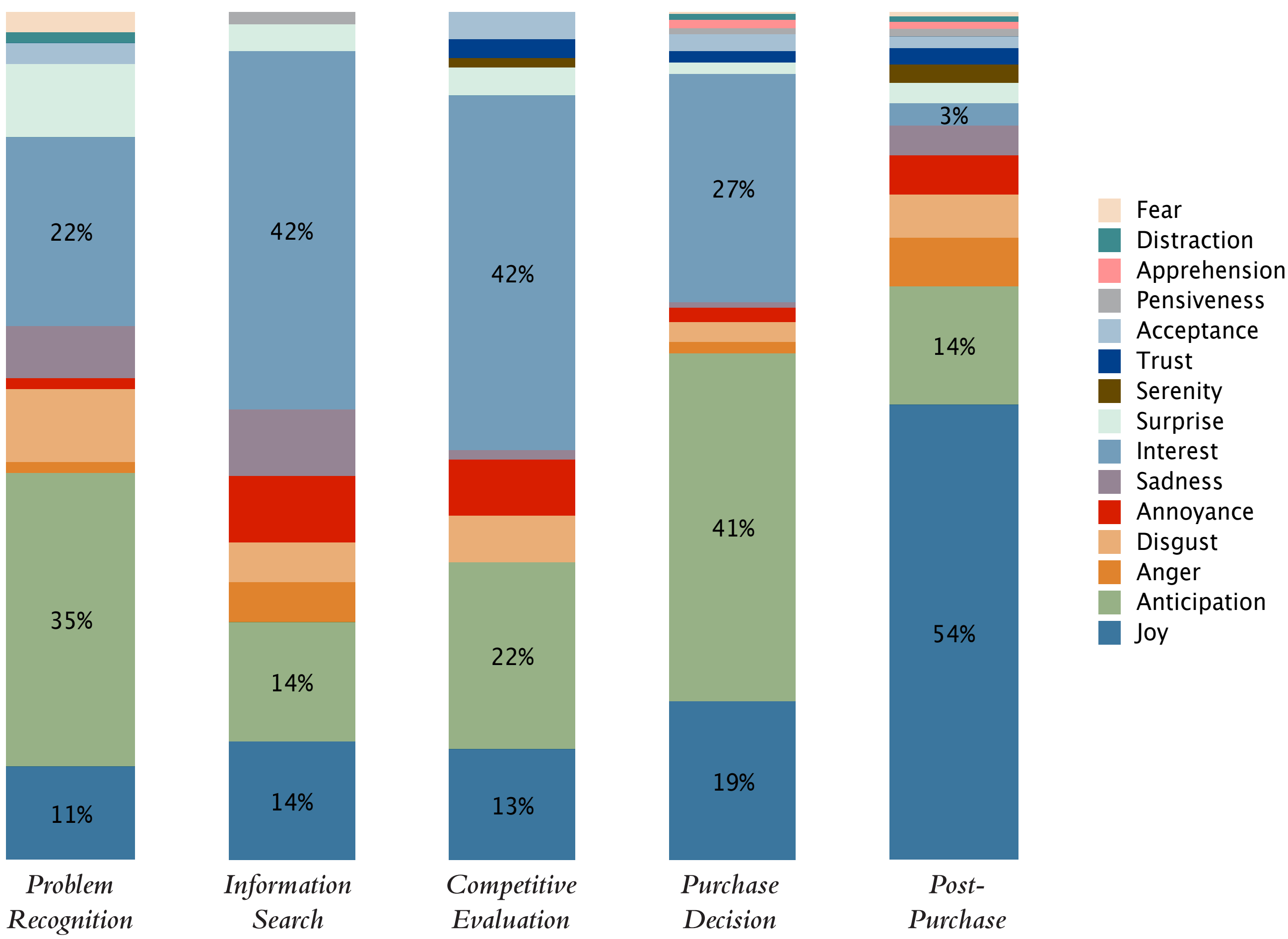


Figure 19

Shopping Meets a Range of Consumers' Emotional Needs

In our research, we found that shoppers have needs for information to assist in the purchase process, and that they frequently look to social media and other digital sources to meet those needs. But we also found that shoppers have many emotional needs, such as discovering something new, making an identity statement, providing a distraction in their lives, and engaging emotionally during the online shopping process, just as they do during offline shopping.

► *Consumers love freedom—especially perceived freedom from emerging shopping sources, such as digital and social media*

Similar to the process of surfacing negative emotions about the shopping process, we also worked with consumers to develop metaphors that described their ideal feelings about shopping using digital media. At a broad level, they viewed these technologies as enabling them to feel how they want about shopping; that is, wresting the power from the seller and claiming it for the consumer.

In terms of specific emotions, consumers first wanted to feel *relaxed*—shopping on their own terms when it comes to time and place. Second, they wanted to feel *confident*—that they're in control of the process and equipped with all the information they need to be at least the seller's equal in the purchase. Finally, consumers wanted to feel triumphant. This desire to feel *triumphant* is supported by findings from our Web-listening work, as we've noted more chatter at the post-purchase stage, which is likely reflective of consumers' pride in their purchases on a number of levels (for those who made a successful purchase).

CONSUMER METAPHORS (POSITIVE EMOTIONS)

Figure 20

► *Consumers indeed reveal subtle emotional states online*

From a marketer's perspective, social media has also introduced the possibility of understanding the consumers' emotional states and needs. We've all seen the potential social media has for letting brands understand product and brand perception at a simple sentiment level; looking at these messages, it's fairly straightforward to classify them as being positive or negative. Marketers can then act on this information, either at an individual message level (e.g. by responding to a negative customer service-focused tweet) or at an aggregate level (e.g. by identifying a positive response to a new product that until now had a non-targeted consumer segment), and then taking that insight and triangulating it with additional research.

It is also possible, however, to classify these messages in terms of specific emotions, even taking short pieces of Twitter content and tagging them. (See **Figure 21.**)

So how can brands use this emotion-focused view of messages? The first step is to aggregate the messages that are tagged. The taxonomy used here is based on the work of Robert Plutchik, a professor emeritus at the Albert Einstein College of Medicine who developed what he called a "Wheel of Emotions" in 1980. For this study, a subset of his taxonomy was taken, and the messages analyzed were tagged and related to the categories we focused on.

TWITTER EXCERPTS, TAGGED WITH EMOTION

JOY
"love my new ride :) 2010 hyundai accent. yesssss."

ANTICIPATION
"Work tomorrow then going to test drive ford fiesta after work :) Never thought id buy a ford but they look cute ☺"

FRUSTRATION
"Why is it that smart phones seem to have so many problems? Urrrg!"

SADNESS
"R.I.P. Hyundai Accent, you will be forever missed"

ANTICIPATION
"GETTING READY TO COOK CHEESE BURGERS WITH BACON!! YUMMY"

DISGUST
"WhoNu nastiest cookie ever just throw me a Oreo and I'm all good!"

JOY
"Momz just cooked my favorite (eggz n bacon) it was sooo good! Thanx Ma, I LOVE YOU!"

Figure 21

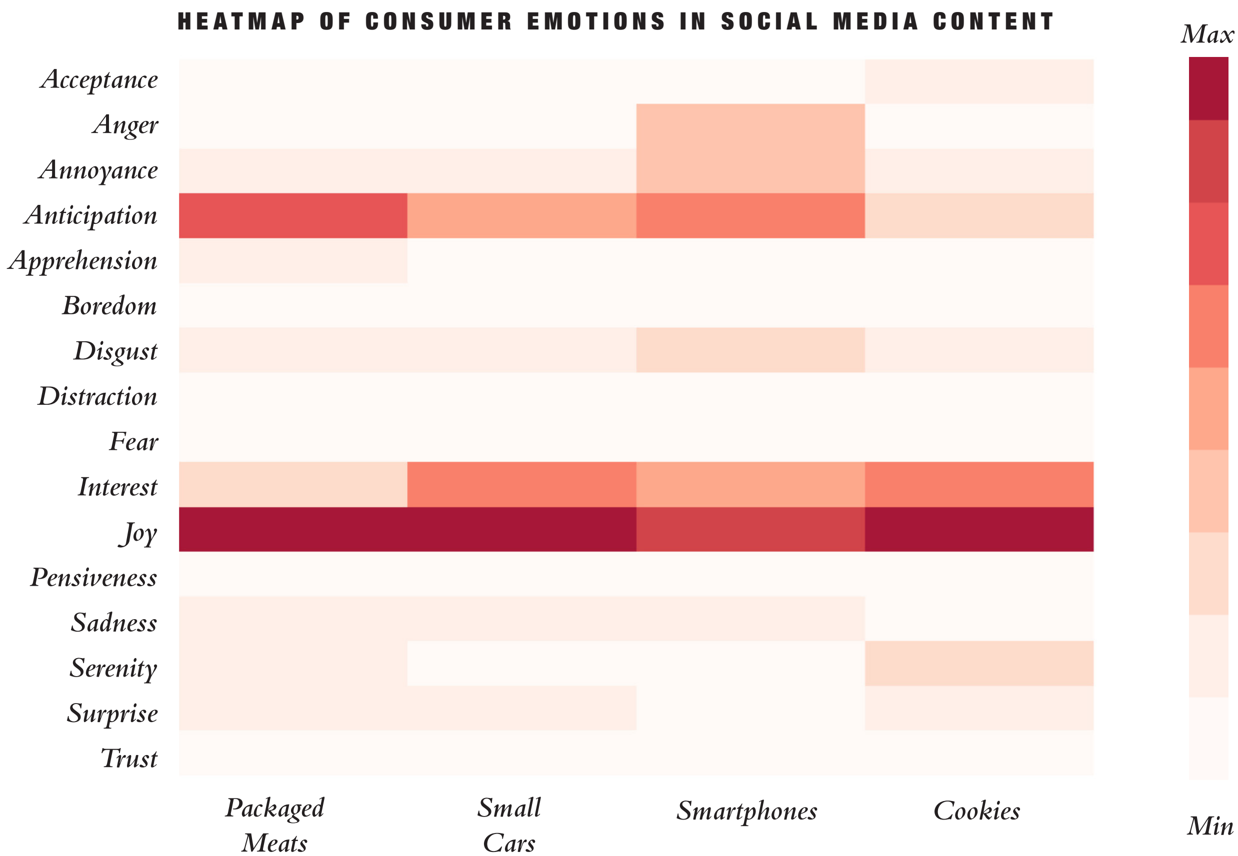


Figure 22

► *The emotional journey varies by product category*

The same emotion-tagging method can also be used to understand how the emotional journey will differ according to product category. **Figure 22** provides an emotional "heat map" associated with the purchase process for the categories in our study (Note: The darker the color, the more prevalent the emotion). We observe that where an emotion is expressed in social media messages—1,513 times in our research—*joy* stands out as the predominant emotion across all the categories. This makes sense, in that for general post-purchase messages that are shared—in our triumphant mood, as we discussed earlier—many are expressions of joy.

Differences between categories become more evident here. For example, some of the more negative emotions, such as anger and annoyance, are more prevalent in the Smartphone category, reflecting some of the frustrations consumers have with phones not working as they had anticipated. The other side of that coin, however, is that anticipation is a strong emotion in the Smartphone category.

Brands therefore need to deliver on promises made prior to sale, or risk a potentially disproportionate amount of disappointment when they don't. For many brands, this means they can begin to identify disconnects between their key brand values and the way they're being discussed online. Second, by looking at the thematic drivers of these emotions, brands can understand where products and marketing can be optimized, in a potentially more subtle way than just looking at things in terms of positive or negative.

There is also an indication that smartphone brands may be setting unrealistic expectations for their products. Thus, online strategies involving clear-cut features and benefits comparisons, along with access to other pre- and post-purchase consumers to discuss expectations, may be a useful strategy to increase consumer satisfaction in this category.

► *The emotional journey is actually a cycle—post-purchase triumphs lead to smarter shopping for everyone*

For consumers, having access to increased information provided in social and digital spaces comes with the promise they'll make smarter decisions. When that occurs, it's natural for consumers to want to tout their effectiveness as a shopper to the world. Marketers can leverage this desire by providing forums for consumers to share their stories with others, effectively providing a testimonial for the brand as they toot their own horn: a win-win for brand and consumer.

The following chart, based on our Web-listening analyses, illustrates how much online activity actually occurs after products are purchased.

More comments fell into the post-purchase/positive category than into any other classification. This again provides an opportunity for the brand to develop a dialogue with consumers, engaging in "Glad you liked it—What else can we do to make you happy?" kind of discussions, deepening loyalty as intimacy and affinity are developed.

The importance of consumers being able to share their experiences online post-purchase fuels the seek-validate-engage process we touched on briefly earlier. It is this plethora of commentary from real people that consumers 1) seek out (online and offline), 2) use to confirm or refute their own experience, and 3) read and respond to, as part of ongoing conversation. It is critical, then, that brands monitor these conversations. But it is equally critical that they find ways to take part in these conversations, and to facilitate them as well.

PURCHASE DECISION STAGE AND SENTIMENT FOR ALL OBSERVED PRODUCT CATEGORIES

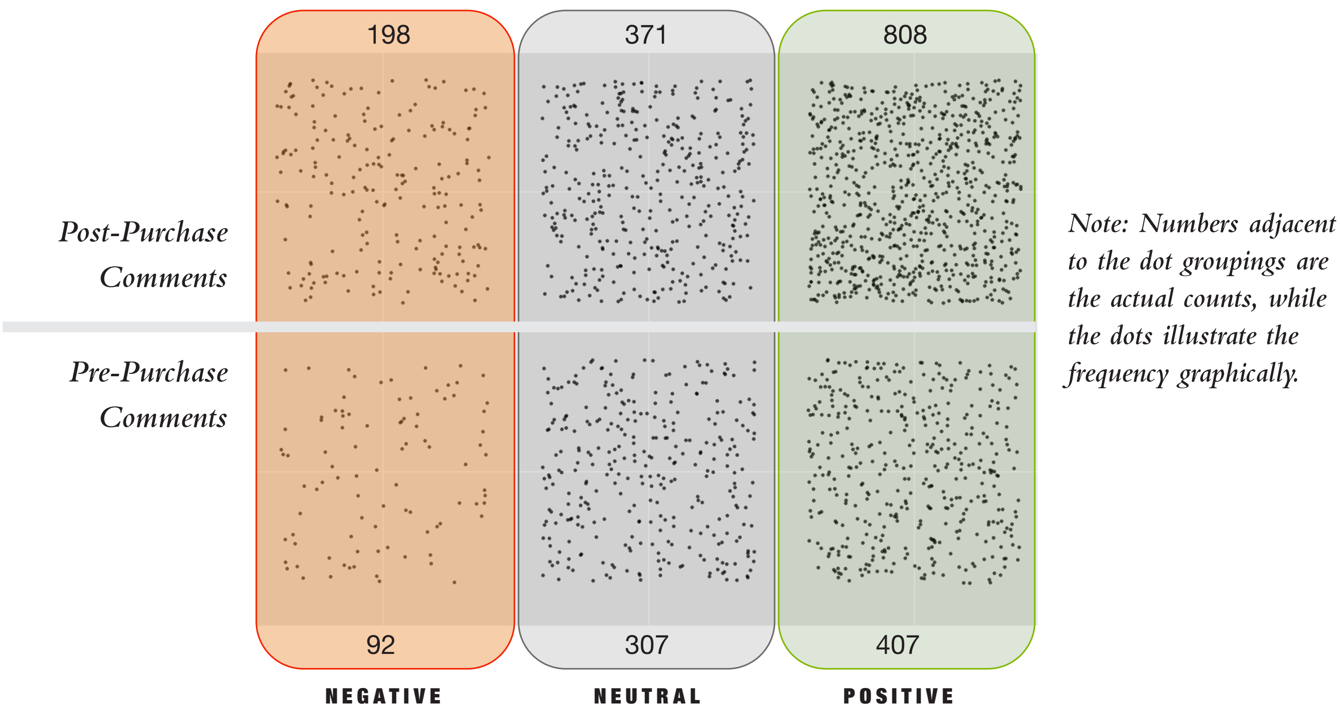


Figure 23

WHY | What We Learned

Today's consumer lives life online and offline, so **no single source of information is more important on the whole**. The more digitally connected consumers are online so much that they see some shopping behaviors as normal everyday social activity, rather than part of what they would define as shopping.

Digital and social have clearly raised the bar for today's shoppers; they expect an experience that gives them freedom and empowerment and makes them feel like an equal player in the process.

However, shoppers often feel imprisoned—not liberated—by all the information brands give them online. **It's imperative that brands make shopping easier and simpler for consumers.**

The purchase journey varies by product category: longer cycles (e.g. an automotive purchase) with higher-risk/reward look different than shorter cycles with lower-risk/reward (e.g. grocery purchases). Research indicates that brand perceptions and offline advertising continue to drive consideration throughout the cycles and are important components of the media mix.

Joy is the predominant emotion expressed socially for all categories post-purchase in sentiment analysis. Consumers want to share the joy of making a great purchase. Conversely, negative experiences are also shared socially, especially those that are the result of a product failing to meet consumer expectations.

Key Takeaways:

- *Marketers need to meet consumers where they are, and when they are likely to be there.*
- *Marketers must be accessible and discoverable 24/7, and as responsive as consumers themselves are in social environments.*
- *Digital and social spaces put marketers under pressure to continually improve service and product and to make customer relationships a priority.*

APPENDIX

The rows of Figure 3 on page 15 are classified based on items listed in Questions S1-S6 of the comScore questionnaire.

Source category	Sources
Social WOM	*1: Friends/followers on social networking sites (e.g. Facebook, Twitter, LinkedIn, etc.)* *2: Fan pages/Following brands on social networking sites (Facebook, Twitter, LinkedIn, etc.)* *3: Blogs*
General WOM	*7: Reviews: consumer-generated* *22: Friends, family, or colleagues* *35: Talked to someone who owned the car*
Online Info	*4: Comparison-shopping sites* *5: Search engines* *11: Video websites*
Offline Info	*20: Hard-copy newspapers* *21: Hard-copy magazines* *23: TV news report* *50: TV cooking show* *51: Recipe book*
Online Visit	*8: Brand/Company website* *9: Online-only retailer* *10: Other retail websites*
Offline Visit	*30: Visited a dealer when they were open* *31: Took a test drive* *32: Loan/Leasing company* *33: Rental car experience* *37: Visited a dealer lot when they were closed* *40: Mobile phone store* *41: Electronics store* *53: Grocery store* *60: Discount store (e.g. Walmart, Target)*

Source category	Sources
Expert	*6: Reviews: professional/expert* *36: Asked an expert*
Online Marketing	*12: Online advertising* *13: Prepaid deal sites like Groupon, Living Social, or Google Offers*
Offline Marketing	*24: Offline advertising (TV, magazine, newspaper, radio, billboard, etc.)* *34: Saw car in movie/TV show* *52: Store circulars*
Seller-Controlled	*2: Fan pages/Following brands on social networking sites (Facebook, Twitter, LinkedIn, etc.)* *8: Brand/Company website* *9: Online-only retailer* *12: Online advertising* *13: Prepaid deal sites like Groupon, Living Social, or Google Offers* *20: Hard-copy newspapers* *21: Hard-copy magazines* *24: Offline advertising (TV, magazine, newspaper, radio, billboard, etc.)* *30: Visited a dealer when they were open* *31: Took a test drive* *32: Loan/Leasing company* *33: Rental car experience* *34: Saw car in movie/TV show* *40: Mobile phone store* *41: Electronics store* *52: Store circulars* *53: Grocery store* *60: Discount store (e.g. Walmart, Target)*

The columns are calculated based on items listed in Question S4 of the comScore questionnaire.