

Global Path to Purchase Report

How the Modern Path to Purchase Differs Around the World

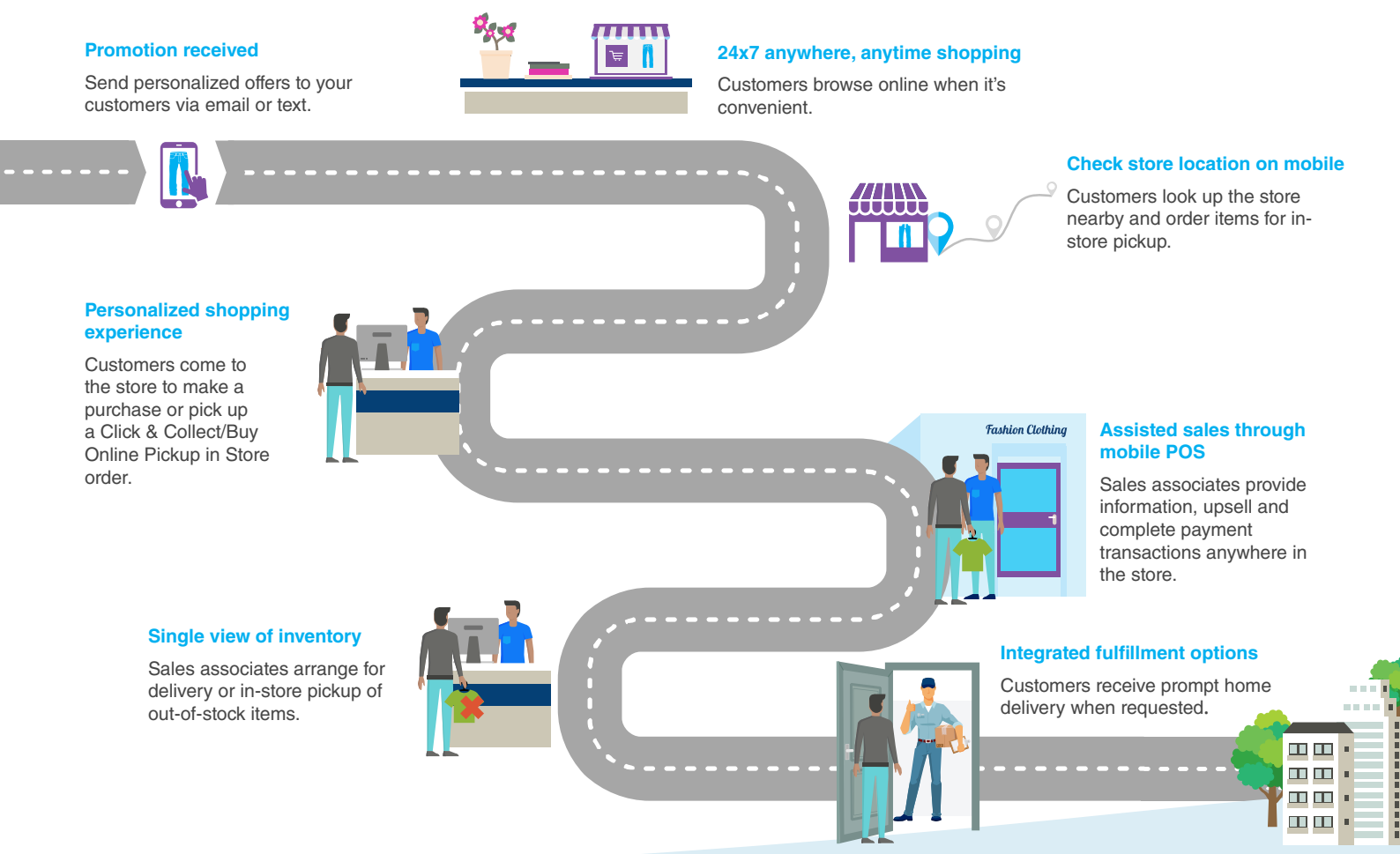
As more retailers expand into global markets, iVend Retail took a global approach to our annual shopper survey this year. By asking consumers around the world about their shopping behaviours and preferences, we found that evolving consumer behaviours driven by technological advancements is truly a worldwide phenomenon and many of the steps in the modern shopper's journey are similar from country to country.

We also found, however, a number of differences in the path to purchase in different parts of the world that reflect various degrees of internet and smartphone service penetration, cultural differences, and how long technology has been a part of the retail landscape.

Understanding your customers and how their habits and preferences may differ depending on geography is key to a successful retail business. Consumers have — and continue to — change the way they shop and the types of shopping experiences they prefer in response to technology that makes connected, omnichannel retail possible.

Virtually every step on the modern path to purchase is linked to technology that makes the shopping experience faster, more accurate and more convenient.

MODERN PATH TO PURCHASE

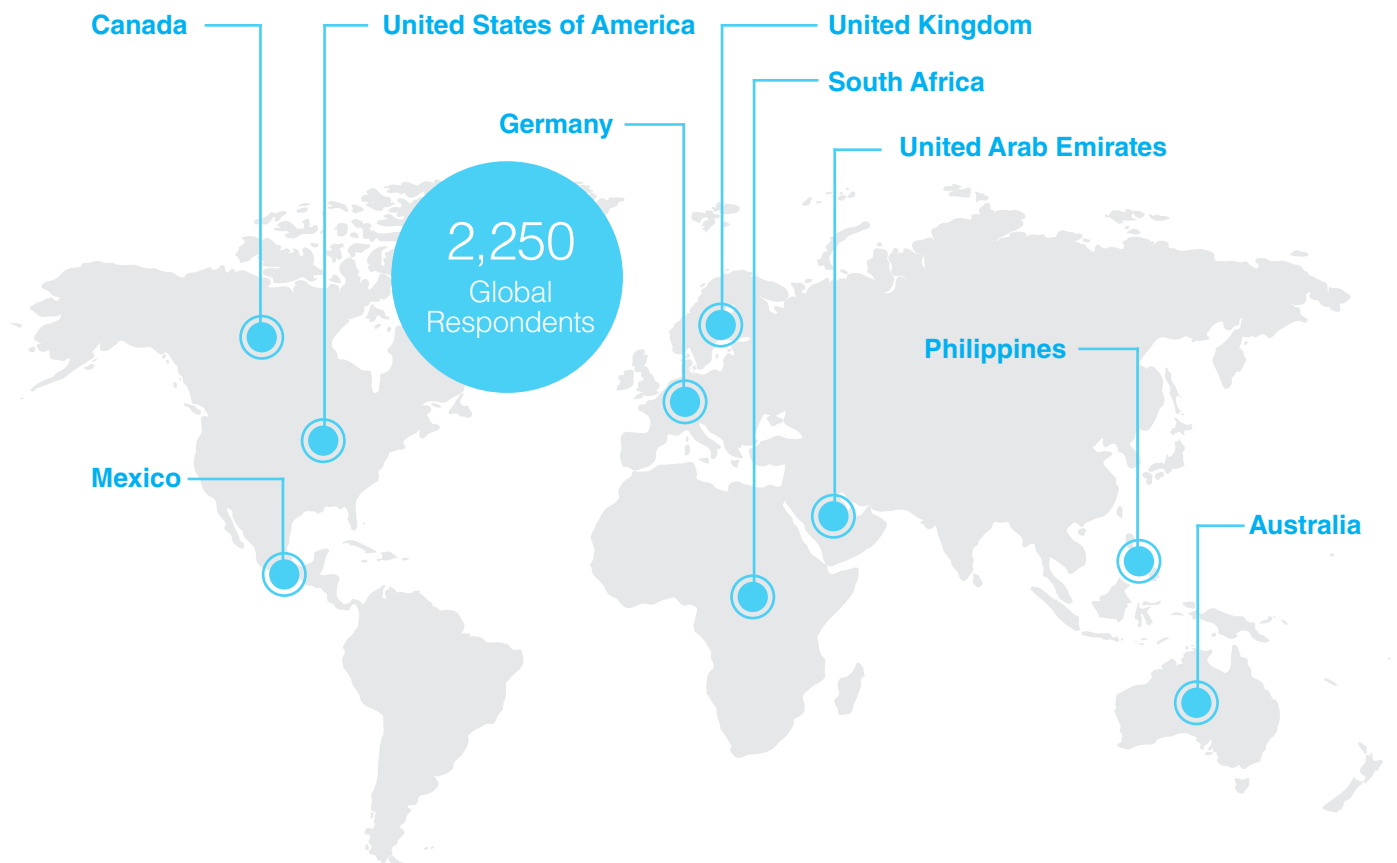


In this report, we go beyond simply tallying how people shop to instead dig deeper into the impetus behind their behaviours. The results of our survey provide actionable insights aimed at helping retailers deliver the conveniences, level of service, and shopping experiences that will increase customer loyalty — as well as sales.

Methodology

The following report draws upon research from iVend Retail's 2018 Global Path to Purchase Survey, examining how consumers from nine different countries make retail-related purchase decisions. As in previous years, iVend Retail partnered with AYTM to leverage their local market expertise.

iVend Retail conducted an online survey in December 18-21 2017, of 2,250 respondents around the world with 250 respondents each from Australia, Canada, Germany Mexico, Philippines, South Africa, United Arab Emirates (UAE), United Kingdom (UK), and United States of America (USA). Survey respondents included both males and females, ages 18+.



Evolving Consumer Behaviours Are Driven By Technological Advancements
Read more to learn how it affects retail:



4 Ways Retailers Can Use Technology to Thrive in the Face of Industry Disruption



The Changing Retail World



Oscar Jacobson

Key Findings

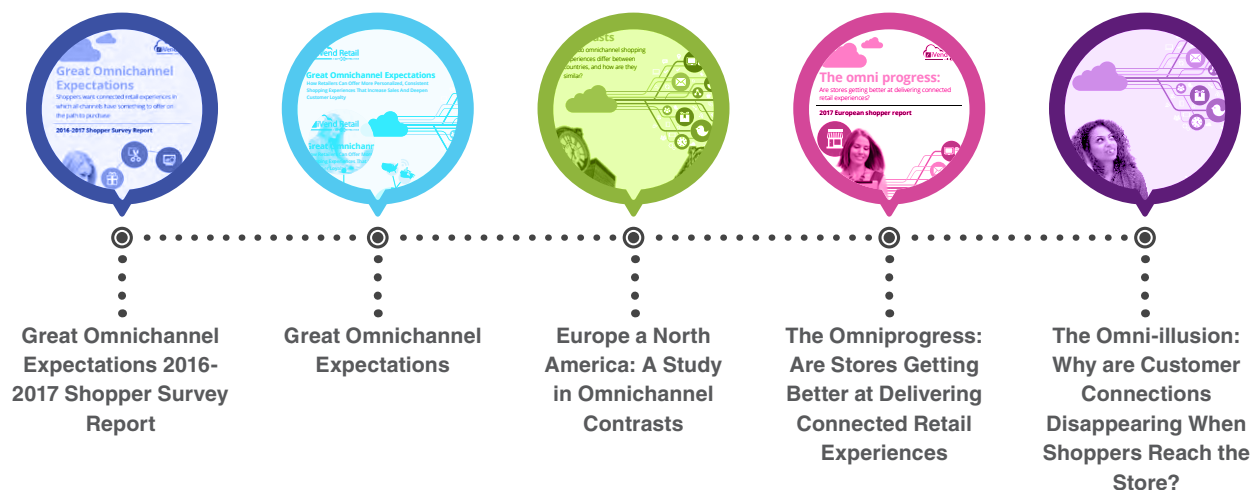
- **91.4%** of shoppers around the world research products online before making purchases in a brick-and-mortar store. The most common reason given is “I can take my time when deciding what to purchase.”
- **83.8%** have browsed in physical stores before making a purchase online.
- About **50%** of shoppers around the world take advantage of Click and & Collect /Buy Online Pickup In Store (BOPIS).
- **71.6%** of consumers say they shop on their smartphones at home, when travelling or during free time.
- **60.1%** of shoppers use their smartphones in physical stores, most responding that their motivation is to research the best price.
- Reasons given for leaving a store empty-handed: inability to find what they're looking for (**67.3%**), didn't have what I wanted (**66.3%**) and lines were too long **51.3%**.
- The top reason given for why consumers abandon items in an online shopping cart: “I only use it as a wish list” (**34.5%**).
- **53.6%** of global consumers click on retargeting ads.
- **68.2%** of global shoppers have responded to an ad made through social media.
- **32.9%** of shoppers would like to see automatic payment via digital shopping carts in the future — but **36.1%** say they don't want to use new technologies when they shop.

Details and additional insights from our survey of global consumers follow in this report, with notations that indicate when the responses from shoppers from particular countries differed significantly from global averages.



Annual Shopper Research Reports

iVend Retail has been conducting omnichannel shopper surveys for three years. View our past research to uncover how the retail landscape has changed from the perspective of the shopper.



Blurred Lines Between Online and Brick-and-Mortar Retail

Without a doubt, shoppers around the world are using both digital and physical channels on a single path to purchase.

An overwhelming majority of shoppers around the world, 91.4%, browse online before intending to make in-store purchases, a behaviour known as “webrooming.” Retailers need to understand they are no longer providing goods and services to either an “online shopper” or an “in-store shopper.” The path to purchase has evolved into using a combination of channels the vast majority of times to research products, compare prices, and see, feel and try products in person.

The most common reason among global respondents (53.9%) for webrooming is “I can take my time when deciding what to purchase.” This was also the top response in eight of the nine individual countries we surveyed, but a majority of shoppers in the Philippines (67.6%) cited “convenience” as their top motivator for browsing online prior to making an in-store purchase.

Convenience ranked much lower among Mexican consumers (28%), but they ranked looking for the best price/taking advantage of in-store deals that are not available online ranked second at 58.8%. The results of this portion of our survey are a good reminder to pay attention to the specific behaviours within the countries where you do business. For example, emphasising how your business makes shopping convenient on all channels may help build loyalty in the Philippines or ensuring price consistency and competitiveness may win customers in Mexico.

Similarly, our survey revealed a decisive majority, 83.8%, exhibit the opposite behaviour, wherein they browse in stores before making purchases online. This behaviour, known as “showrooming,” varied more widely than webrooming. Of the shoppers we surveyed, 97.2% of Mexican respondents and 94.8% of Filipino respondents engaged in this practice. However, the practice is less prevalent among shoppers in the United Kingdom (UK), Australia, and Canada (75.2%, 77.2%, and 77.6%, respectively).

REASONS FOR WEBROOMING



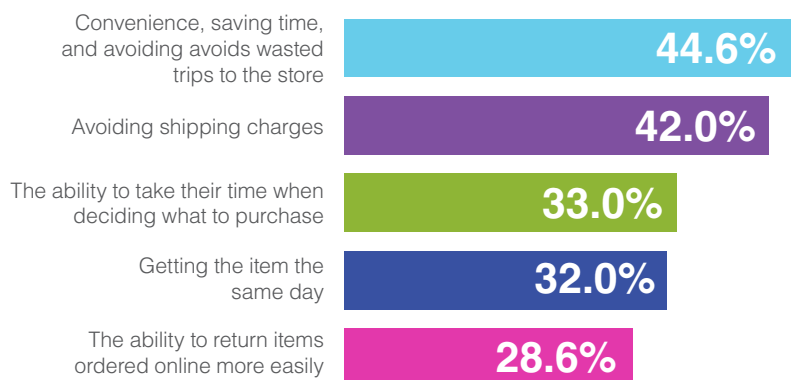
The top reason among global shoppers (51.2%) is “I can see items before deciding what to purchase,” with that sentiment as high as 62% among Mexican shoppers.

REASONS FOR SHOWROOMING

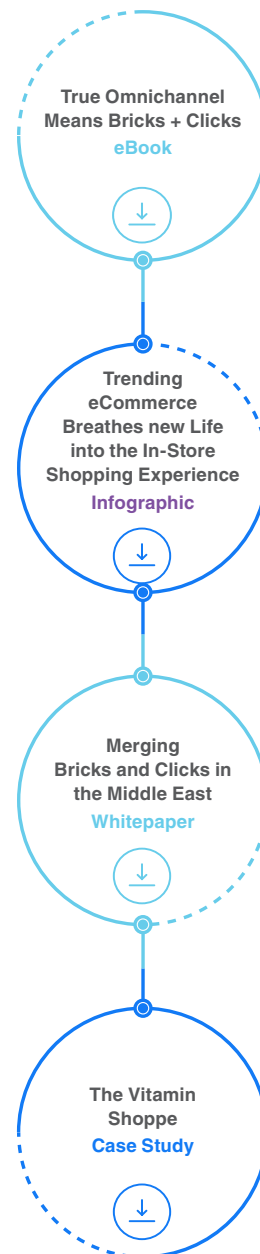


We also asked global consumers if they begin their shopping journeys online and end it in-store with “Click & Collect” or “Buy Online Pickup in Store (BOPIS).” About 50% of global shoppers take advantage of this offering, and among those that do, top motivators are:

MOTIVATORS FOR CLICK & COLLECT/BOPIS



Read more for best practices in harmonizing your physical and digital store environments:



What can ruin a sale?

Silo shopping experiences on different channels

Ensure your brand provides shoppers with the information and experiences they need to make their decisions, regardless of where the final purchase takes place —and ensure that decision is to buy from your store by offering flexibility for customers to seamlessly jump from one channel to the next and encounter the same products and offers.

Shopping via Smartphone

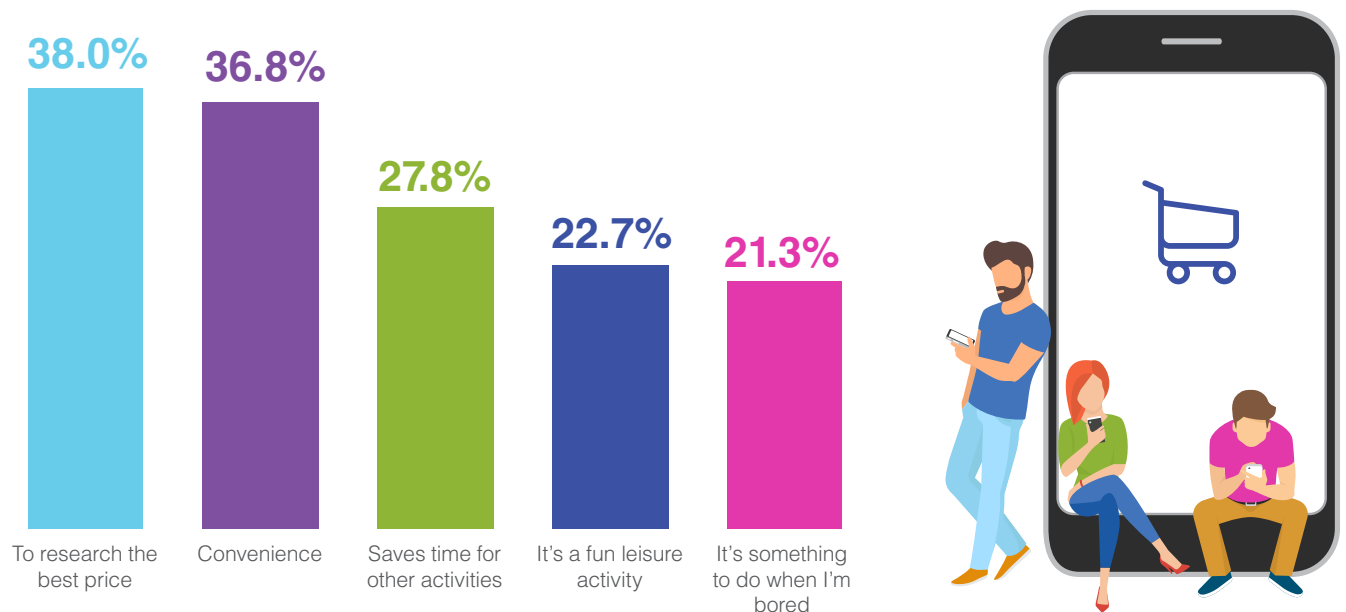
Smartphones are enabling the majority of shoppers around the world to shop when and where it's convenient and to stay connected to the brands they love.

For global retailers, it has never been more important to fully understand smartphone penetration and how consumers use smartphones in the countries where you do business. For some consumers, smart devices are their sole connection to the internet and to online shopping. In other regions, customers may be more prone to using their smartphones to gather information as they shop in your brick-and-mortar stores. Still, other consumers may see smartphone use as a means of communicating with you, receiving offers, and helping them to make buying decisions.

Our survey revealed that, globally, 71.6% of consumers shop on a smartphone at home, when travelling or during free time. This number drops to between 50% and 60% for consumers in Australia, Canada and the UK and increases to more than 90% for shoppers in the Philippines where the vast number of consumers access the internet through mobile phones.

The top motivators among global consumers for shopping via smartphone outside of a physical store:

MOTIVATORS FOR SMARTPHONE SHOPPING OUTSIDE OF A STORE



Our survey also found 60.1% of shoppers around the globe are using their smartphones in stores, with motivators including researching the best price (38.3%), led again, by cost-conscious Mexican (48%) and Filipino (58.8%) shoppers, and to look up product information (33.2%).

With the surge in shopping via mobile phone, we wanted to delve deeper into how consumers responded to retail offers sent directly to their smartphones in-store, however, 43% of the consumers we surveyed had never received an offer in this manner. (In the USA, 48.8%.)

Of the remaining consumers in the survey, about 54% chose to shop with retailers who delivered offers in-store via smartphone because they wanted offers the moment they are shopping. This number is higher in the Philippines (90%) and in Mexico (82%), but lower in Canada (47%) and Germany (42%).

“Receiving personalised service the minute I walk into a store” followed as the second most popular response, among 38% of global shoppers who had received an offer sent directly to their smartphones in-store.



What can ruin a sale?

Ignoring your eCommerce site as a potential in-store and mobile sales tool

To accommodate mobile shoppers a mobile-friendly website is a must and a user-friendly shopping app may increase your revenues. While many retailers assume shoppers are already inundated with technology that sends an in-store offer to a consumer's smartphone, there is still opportunity to reach shoppers with novelty geomarketing tactics without being perceived as invasive.



Read more on leveraging your eCommerce site as an in-store and mobile sales tool:



In-Store Shopping Attitudes and Behaviours

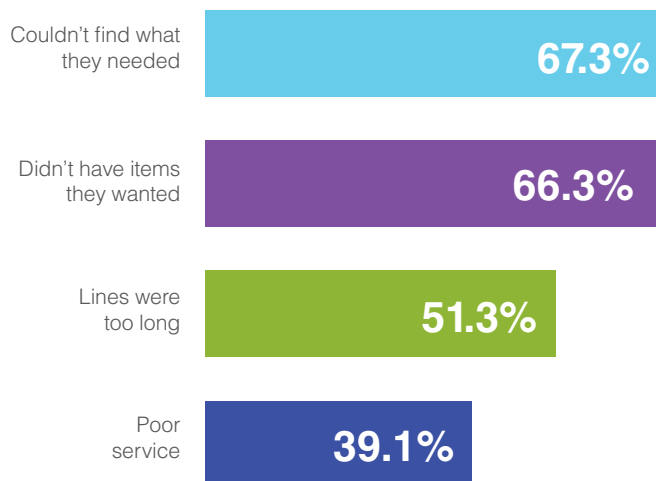
Global consumers value convenience when they shop and are willing to use technology to find what they need and make their shopping experiences easier and faster.

For global consumers, good in-store shopping experiences seem to depend on convenience and quick service. Moreover, the majority of shoppers around the world are open to using kiosks and to receiving service from sales associates using tablets or mobile point of sale (POS) devices for greater convenience and to save time.

Our survey revealed that only 4% of global shoppers had never left a store without making a purchase, so we looked into the reasons the other 96% say they left empty-handed:

The top response globally (67.3%) was that they couldn't find what they needed, with this number significantly higher in Canada (75.6%), South Africa (73.6%), Germany (73.2%) and the USA (72.8%). This response was followed closely by "Didn't have the items I wanted" at 66.3%, with higher responses among Canadian (76.8%), USA (70.4%) and South African (70%) shoppers.

REASONS FOR LEAVING EMPTY HANDED



Learn how these three retailers improved the in-store customer experience:



Evergreen
Case Study



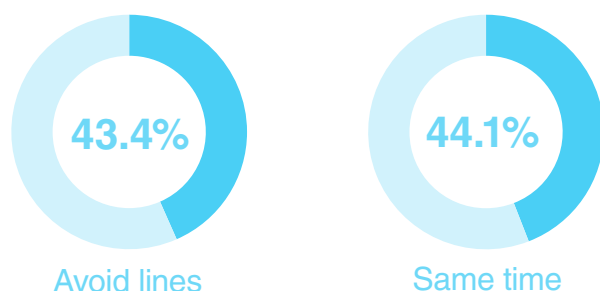
Château D'Ivoire
Case Study



Young at Heart Toys
Case Study

Our survey also asked about shoppers' in-store use of technology, revealing 62.2% of global consumers use self-serve kiosks, primarily to:

REASONS FOR USING SELF-SERVE KIOSKS



The majority of global consumers (52.8%) will also look for sales associates with tablets for a variety of reasons including:

REASONS SHOPPERS WANT STORE ASSOCIATES TO USE TABLETS



Consumers in South Africa (73.6%) and UAE (72.2%) were more likely than the global average to have used kiosks and shoppers in UAE cited the ability to look up inventory as the top reason to seek out a sales associate with a tablet.



What can ruin a sale?

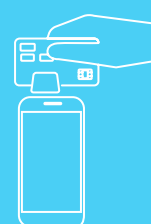
Not giving shoppers quick access to information in-store.

Evaluate your in-store operations to ensure you are providing the most convenience and fastest service to your customers. mPOS can do double duty, not only to enable store associates to provide service and product look up in-store, but to also serve as an extra register when needed for line busting.



Mobile POS Buyer's Guide

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eCommerce Shopping Attitudes and Behaviours

Tech savvy shoppers using online shopping carts as “wish lists” may explain some cart abandonment percentages.

Insights from our survey into online shopping cart abandonment and reasons for clicking retargeting ads are added reinforcement that shoppers are most likely to do what's most convenient for them.

Online shopping cart abandonment continues to be a widespread challenge across eCommerce sites. Our survey revealed something quite interesting about online shoppers' use of the cart: the most prevalent reason the consumers in our survey gave (34.5%) for putting items in their online shopping carts and then abandoning them is shoppers “only use the shopping cart as a ‘wish list.’” This number is even higher in the Philippines (41.6%), Mexico (41.2%), Canada (40.4%) and Germany (40.4%). The least likely shoppers to use the online cart as an online shopping workaround instead of its intended function are UK consumers (17.2%).

REASONS FOR CART ABANDONMENT

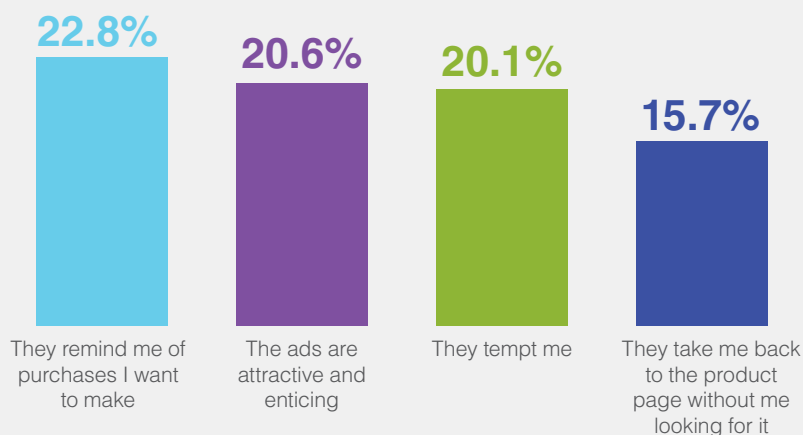


Read more about how the right solutions can help you grow online sales:



We found that in some regions particularly, retargeting ads can be an effective way to increase online conversations since the majority of consumers will click on an ad. Globally, less than half, 46.4%, of consumers said they don't click on retargeting ads, but that number is significantly lower in Mexico (8.4%).

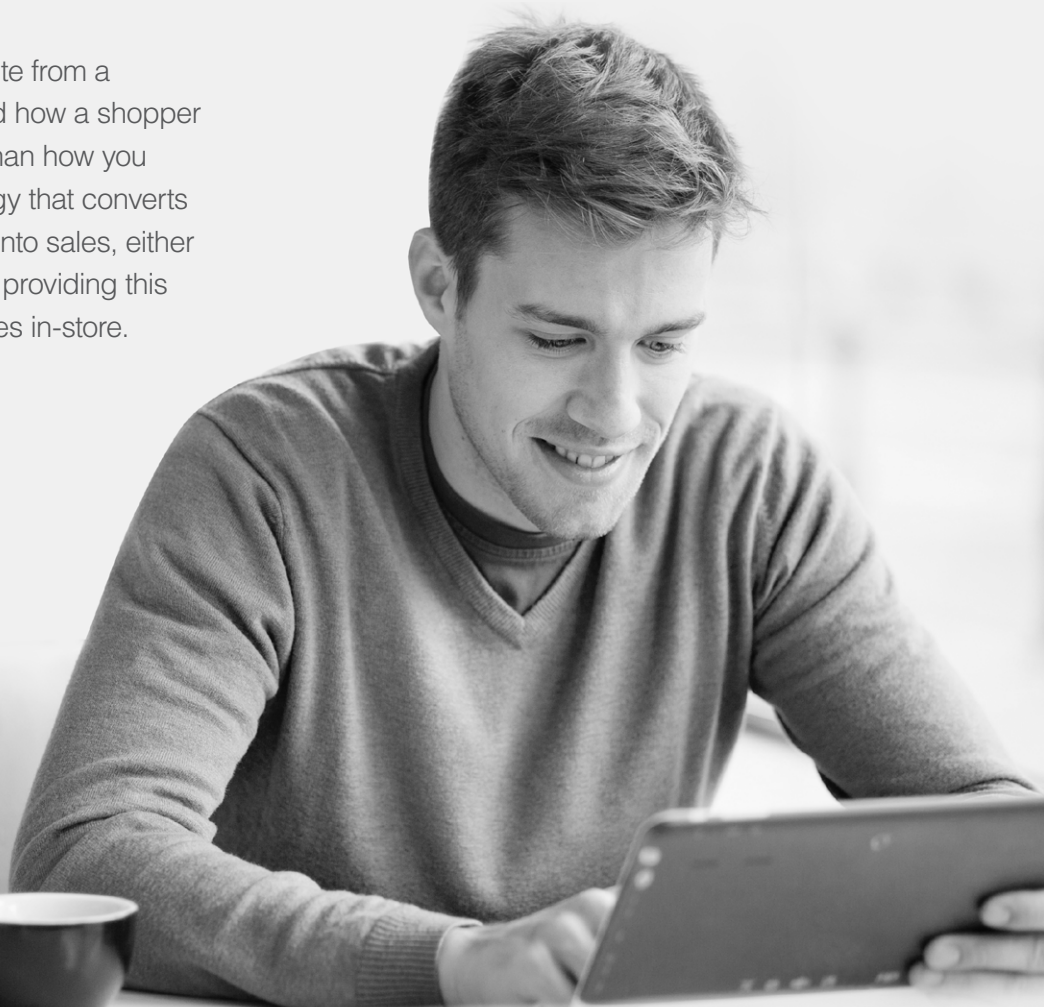
REASONS SHOPPERS CLICK ON RETARGETING ADS



What can ruin a sale?

Not interacting with customers online with reminders that items are in shopping carts or other types of retargeting.

Evaluate your eCommerce site from a consumer's point of view and how a shopper may use the site differently than how you intended. Formulate a strategy that converts shoppers' online "wish lists" into sales, either through retargeting online or providing this information to sales associates in-store.



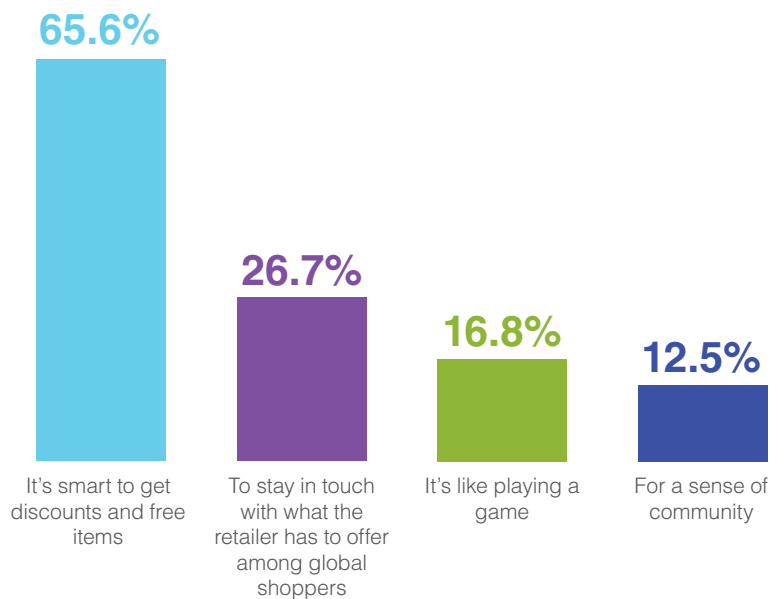
Loyalty Programs and Social Shopping

Gamification and community can motivate shoppers to participate and redeem program points.

Your loyalty program keeps customers coming back to shop in your stores or on your website, but it's wise to also use it to your advantage when engaging with customers in other ways, such as building a community or gamifying the program to make it more engaging. Also test whether social sharing and building a community on social site can benefit your business.

It came as no surprise that the majority of global consumers (65.6%) participate in retail loyalty programs because they think it's smart to get discounts and free items. In fact, about 83% of shoppers in our survey factor loyalty programs into their decision where to shop.

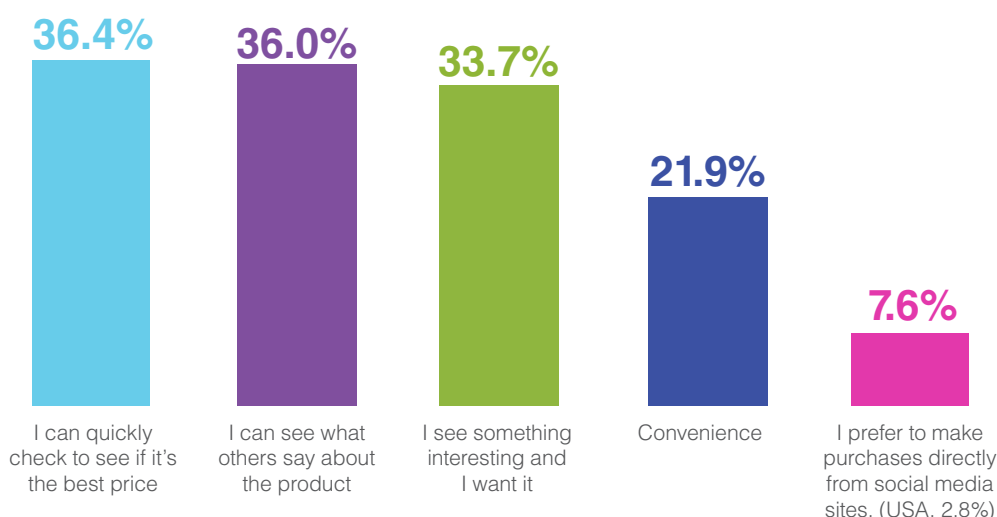
REASONS FOR JOINING A LOYALTY PROGRAM



- It's smart to get discounts and free items, 65.6%
- To stay in touch with what the retailer has to offer: 26.7% among global shoppers (Highest result 38.4% among Filipino shoppers; lowest result 21.6% among German shoppers)
- It's like playing a game; it's fun: 16.8% (Country with the greatest difference from the global average is Germany at 25.2%)
- For a sense of community: 12.5% global average; (Highest result 23.6%, Mexico; lowest result 6.4%, Germany)

We also asked shoppers about social shopping: Globally, 68.2% of consumers have responded to offers made through social media. (Consumers in UK, Canada, and Australia were least likely at 58%, 46%, and 42%, respectively.)

REASONS FOR RESPONDING TO OFFERS THROUGH SOCIAL MEDIA



Consumers from South Africa, at 79.2% were among the most likely to engage in social shopping, chose “I can see what others are saying about the product” (50.8%) as their top reason to respond to offers made through this channel.



What can ruin a sale?

Persisting with a loyalty program or campaign that doesn't resonate with customers.

As with all steps of the shopper's journey, evaluate your loyalty and social strategies with regard to the segments of your customer base by geography and tailor the program to be most effective in those segments.



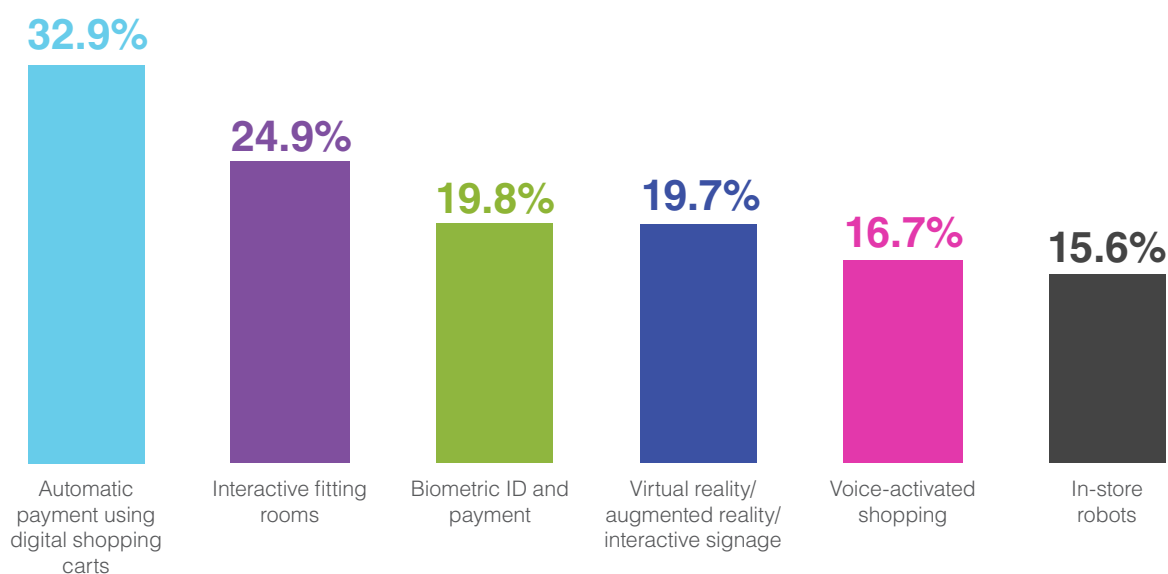
Interested in developing a loyalty program with rewards that resonate? Read more:



Shopper's Sentiments Toward Emerging and Future Technologies

Automatic payment tops shoppers' wish lists for future technologies.

Retailers are exploring the value of incorporating a variety of new technologies into their operations, but are shoppers ready for them? Our survey also asked consumers to indicate which technologies they'd like to see their favourite retail brands use in the future. Their responses ranked emerging and future technologies in this order:



It's also worth noting that 36.1% of consumers around the world said they didn't want to use new technologies when they shop, a greater sentiment in the UK, Canada, Australia and USA (56.4%, 52.4%, 51.6%, and 46%, respectively) than in Mexico and the Philippines (6.8% and 10.4%, respectively).



What can ruin a sale?

Have a retail management system that doesn't allow for future innovation with a modular and open platform design.

Are You In Tune with Your Customers?

Without a comprehensive, state-of-the-art retail management suite, your business will be unable to compete when it comes to meeting shoppers' expectations.

To learn more about how iVend Retail can help you get to know your customers better — and help you deliver the shopping experiences they are looking for visit www.ivend.com **or contact our retail experts today.**

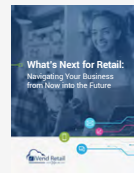


Referenced Research and Assets



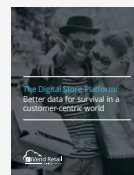
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What's Next for Retail: Navigating Your Business From Now into the Future

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The Digital Store Platform: Better data for survival in a customer-centric world

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About iVend Retail

iVend Retail is an integrated Omnichannel retail management solution by CitiXsys that helps retailers to optimize business operations to gain more time to focus on what really matters – cultivating customer engagement and capitalizing on retail trends. iVend Retail is the chosen retail management platform for thousands of retailers in over 85 countries. Our high quality and cost-effective integrated retail solutions help retailers increase revenue, build customer loyalty, reach new customers and lower their operating costs.

For more information about iVend Retail, visit www.ivend.com or email us at contact@citixsys.com.



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