The Consumer Decision Journey: Retail

Understanding consumer decision-making along the retail path to purchase

The retail revolution is well underway, but it's not a technology-led transformation; consumers are leading the charge. Microsoft Advertising and Ipsos OTX's the Consumer Decision Journey: Retail places consumers firmly at the center of their own decision journeys in order to reveal the influencers along the retail path to purchase, while revealing new opportunities to provide seamless and personalized retail experiences.

Microsoft

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I. Introduction

A consumer, let's call her Sarah, is preparing for her weekly shopping trip. When she opens her shopping app on her mobile, she gets an alert warning her that based on her usage habits and the data she's chosen to share through the app, she has only enough shampoo to last two more days. At her prompt, this reminder also recommends a new conditioner from the same brand that fits her profile for straight hair. Another swipe of the finger and she sees that both products are available at two retailers near her home and one near her office. Sarah adds the items to her virtual cart.

Sarah stops by the store on her way home from work. The retailer knows her shopping preferences from her interactions on their website and from past purchases in the store. The store automatically sends her two virtual coupons and lets her know where she can pick up a free sample of a new scent of skin cream from a brand she's purchased before. Sarah walks over to a sampling area where she tries the sample and uses a shopping profile on her mobile to call up additional suggestions with advice from experts and consumer reviews—all on a large touchscreen display. Sarah selects one of the creams and checks out using mobile payment right at the shelf. She also selects several additional samples to be delivered to her home so she can try them at her leisure.

When Sarah leaves the store, she's not only picked up what she needs, she's also inspired with new ideas based on her in-store interactions. If she has any questions at home, she can Skype the retailer's in-store dermatologist for advice.

Throughout Sarah's shopping trip, there is no difference between on and offline. In both places, Sarah's experience is efficient, inspired and seamless. And while it may seem futuristic, everything described here is possible today.

Two major themes emerge from The Consumer Decision Journey: Retail study

The **blurring of the digital with the physical retail environment**

While many retailers still separate brick and mortar from online retail channels, consumers see the two as connected and they expect to feel that connection throughout their decision journey.

Accessing circulars online and then bringing deals and coupons into the store, reading consumer reviews while at the shelf, and connecting back with a retailer through online channels if questions arise are all commonplace activities. But they're hardly seamless; consumers want connected experiences and more sophisticated means of moving from online channels into the store and back again.

An **increasing desire for personalization**

Fifty years ago, consumers were able to go to their local grocer, drug and department stores and were known: sales associates would call them by name, inquire about their children, provide personalized assistance and even follow up with thank-you notes after their customers had left the store. Today, only the most high-end apparel shopping services offer anything close to a personalized experience, and even then, any pre-shopping that occurs online isn't carried through to the retail environment.

But while the very concept of 'local' has changed over the past decade, we now have more tools at our disposal than ever before to improve upon even our grandmothers' hyper-local and deeply personalized retail experiences. As an industry, we need to move beyond basic targeting, tracking and demographic segmentation to drive deeper, permissioned engagement with consumers, where we deliver valuable and personal experiences in and out of the store.

II. Approach and Methodology

Microsoft Advertising partnered with Ipsos Media CT and Ipsos OTX to uncover the influencers along the consumer decision journey, as well as the mindsets and motivations driving their retail decisions. We focus on habitual purchases: personal care in Canada, the US and the UK, as well as personal and home care in Brazil and China. We also focus on considered retail purchases: consumer electronics in Canada, the US and the UK.

Online Blogs

We initiated the research with online consumer blogs to explore attitudes and behaviors within the retail category.

In-Depth Interviews

Then, we used a gameified, in-depth interviewing approach to find patterns among consumers along the path to purchase. We conducted 20 qualitative interviews across 5 markets. In the US & UK we asked consumers about personal care & consumer electronics purchasing and in Brazil and China we focused on personal and household care products.

In-Market Questionnaire

We validated our qualitative findings with a quantitative study, where we surveyed 6000 consumers across all five markets. Sample sizes included: Canada: 1000 personal care and 1000 consumer electronics. US: 500 personal care and 500 consumer electronics. UK: 500 personal care and 500 consumer electronics. Brazil: 500 personal care and 500 home cleaning products. China: 500 personal care and 500 home cleaning products.

The Ecosystem of Influence

As each stage of the decision journey, we identify the media, such as TV commercials or email coupons, people, such as kids or partners, or activities, such as visiting one's regular grocery store, that are influencing the consumer's decision.

Ecosystem of Influence

We also place the influencers within the context of the consumer need-state to show what need is fulfilled—or in some cases, where consumers have a need that is not being met.

Personalization

Thinking about what might work and what the product or service would do for me.

How does this product fit into my life?

Information

Getting more information about the product, including its features and benefits.

How do the facts stack up?

Enrichment

Getting a better tactile sense of the product or service I'm considering.

What's the essence or feel of it?

Validation

Gaining support for my choices, preferences and ultimately purchases.

Am I making/have I made the right choice and do others think so, too?

For each stage in the retail consumer decision journey, we will surface any influencer that was selected by 20% or more consumers in our survey, and layer them over the dominant need-state they fulfill. We will also highlight any need-states that are not met by 'lighting up' rows where unfilled need-states, and therefore, potential opportunities, lie.

III. The Five Stages of the Retail Consumer Decision Journey

The Consumer Journey: Retail study reveals five key stages along the path to purchase; digital influencers play a critical role in each stage.

Open to Possibility

Unlike more considered purchase journeys, such as auto shopping, habitual journeys are typically triggered by the need to replenish a specific product or set of products. The 'Open to Possibility' moment comes later in the journey, and can 'slide in' prompted by a coupon, an ad, word-of-mouth or inspiration at the shelf.

For considered purchases, 'Open to Possibility' is a consumer's current state; it contains his or her awareness of electronics products and brands that are available, as well as all the past experiences and associations he or she may have accumulated over time.

Decision to Buy or Change

For habitual purchases in developed markets, the trigger to buy or change a product happens most frequently when a consumer runs out of the existing product; however, in emerging markets, the trigger to buy or change is frequently driven by the desire for a newer item, word-of-mouth or when the consumer has seen an ad.

Considered purchases begin when consumers get the go-ahead from family members or other stakeholders—essentially, permission to make a change and subsequently begin to research a new product. The trigger to get the go-ahead happens either when an existing device is old or underperforming or when exposure to newer and flashier electronics (through advertising or word of mouth) sparks the desire for a more state-of-the-art product.

Evaluating

Habitual consumers spend some time preparing for their trip at this stage; they typically make a list and select the store they will visit, but generally don't complete extensive research before getting into the store.

In the Evaluating stage, considered shoppers leverage their personal worldview as a 'way in' to their decision. This could include a proclivity for more technologically advanced products, for example. They'll get a sense of the marketplace, what's available and how much it will cost. Then, consumers 'hone in' on specifics, focusing on specs and features and narrowing down their brand consideration set. It's notable that at this stage, consumer enjoyment is at an all-time high; in fact, they enjoy this stage even more than the in-store Shopping stage.

Shopping

Most habitual shoppers still prefer to buy items in store. In the retail environment, their decision-making is influenced by deals, packaging and the more tactile attributes of the product at the shelf, such as scent, product look and feel, and in-store samples. Habitual shoppers will typically complete their list and then enjoy a little browsing and 'me time' in-store. This where consumers find the most enjoyment.

By comparison, considered purchaser are much more pragmatic. They have a sense of what they want from the Evaluating stage; now, they want to find the product at the store, do just enough browsing and price checking to validate their decision, and then go through a quick and efficient check-out process.

Experiencing

In the final stage of the journey, habitual shoppers use their products at home, and seek to validate their choice via their own experience with the product, as well as what's fed back to them from others.

Considered shoppers set up their new electronics product and start using it. They may experience some friction if instructions are complicated or absent. Over time, these consumers will also seek validation that they've made a good decision.

IV. Personal Care in Developed Markets

More than 70% of consumers in developed markets embark on a habitual shopping trip because they are running out of their current product but nearly 20% want something new, so despite the pragmatic nature of habitual purchases, there's still room to create 'Open to Possibility' moments.

> "Shopping is my time. It's a stress reliever for me."
>
> **– Robin, US**

Decision to Buy or Change

The trigger moment that leads to a decision to shop.

"[The store of the future will link] my own technology to the purchase I've made and track usage as well, so that when I am ready to reorder, the product can be ordered for me automatically."

– Melvin, US

Opportunities

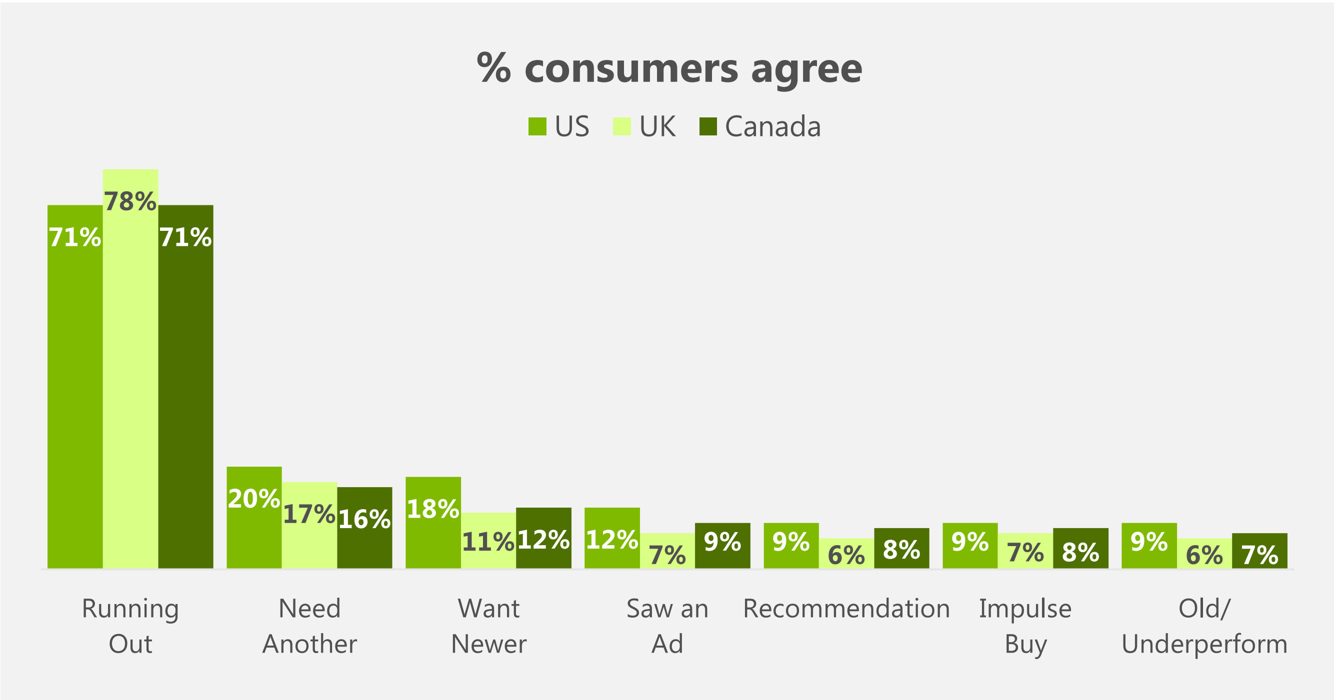
Personalize replenishment needs

Catch consumers when personal care is top of mind. Help her keep track of her replenishment needs with reminders via email and mobile. Drive 'Open to Possibility' moments with suggestions of additional product lines she or her family might be interested in.

Link her need for replenishment to the retail environment and help her anticipate and look forward to her shopping trip with enticing pre-store offers and digital at-home reminders of in-store differentiators, such as enriching sampling areas or in-store expertise.

Span the functional need of replenishment with more emotional content by connecting mobile apps that can be used in-store and on-the-go with richer screens (e.g., Xbox, tablets) in the living room, where she can explore possibilities, watch video and get recommendations from others—all within the recognizable virtual shelves of 'her store.'

Trigger to Buy or Change



Evaluating

Preparing to go to the store or shop online and making a list

Personalization (59%) and Information (47%) are the top two need-states for consumers in developed markets during this stage. Key influencers include product samples, flyers, deal sites and email offers.

More than 10% of consumers make a list using their mobile device, and we expect this number to increase over time. Around 60% of consumers buying personal care products include brand names within their list.

Consumers feel efficient during this stage, but unlike considered purchases, there's still very little enjoyment related to anticipating the shopping trip.

Though location is critical, competitive pricing and the availability of good deals drive store choice across markets.

"I think apps on your phone could help you find the right thing. Like if the store or brand had an app where you could choose your requirements from a drop down list and at the end it would tell you the recommended product."

– Karina, US

Evaluating Key Influencers

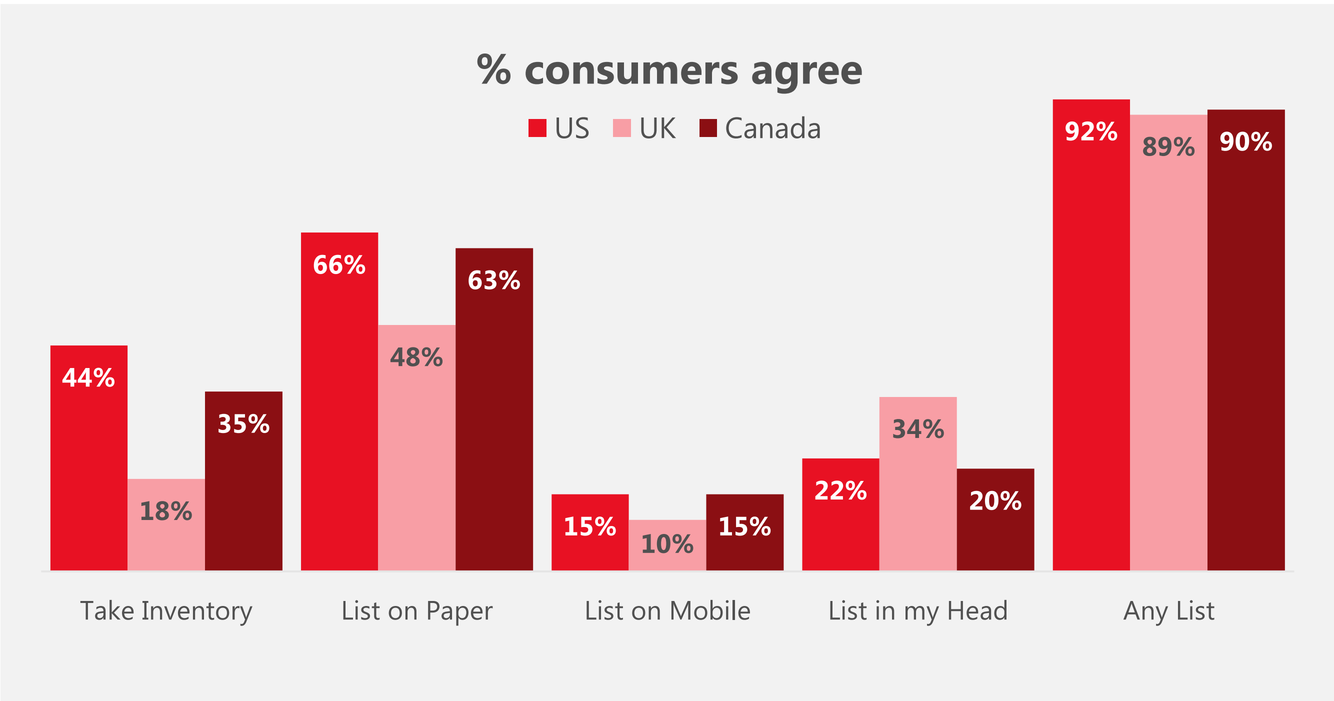
NEED STATES	Media	Word of Mouth	Activities
Personalization	Samples (mags/mail) Deal Sites		
Enrichment	Samples (mags/mail) Samples (mags/mail) Email offer/ad		
Information	Deal Sites Flyers Email offer/ad Deal Sites Flyers		Usual Grocery Store Usual Grocery Store Health/Beauty Specialist
Validation			

A lot of influence

A lot of influence

A lot of influence

List-Making



Opportunities

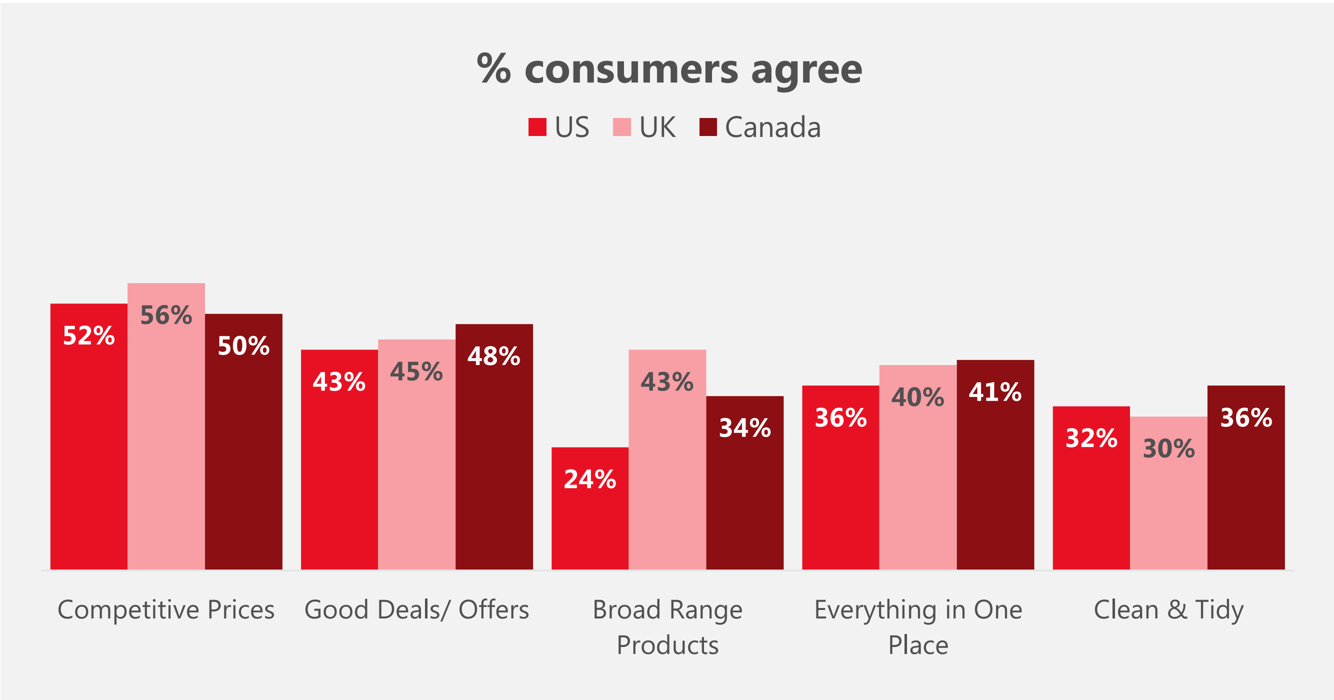
Continue to drive personalization as consumers plan their shopping trip

Connect consumers' lists with their personal shopping cloud. Leverage opt-in methods of acquiring data to offer recommendations based on past purchases and personal preferences.

Personalize sampling by letting consumers choose free samples; this creates more 'Open to Possibility' moments, while satisfying the consumer desire to understand how a product will fit her specifically.

Drive pre-shopping anticipation with rich online experiences that help consumers make their lists, get deals and discover new, fun and differentiated areas (function + serendipity) of the store.

Important Store Characteristics



Shopping

The Shelf, The Product and The Transaction + The In-Store Experience

Consumers in developed markets need Personalization (58%) and Information (47%) during the shopping stage. Key influencers include the scent, touch and feel, and packaging of the product, product labels and flyers, in-store promotions, and deal sites.

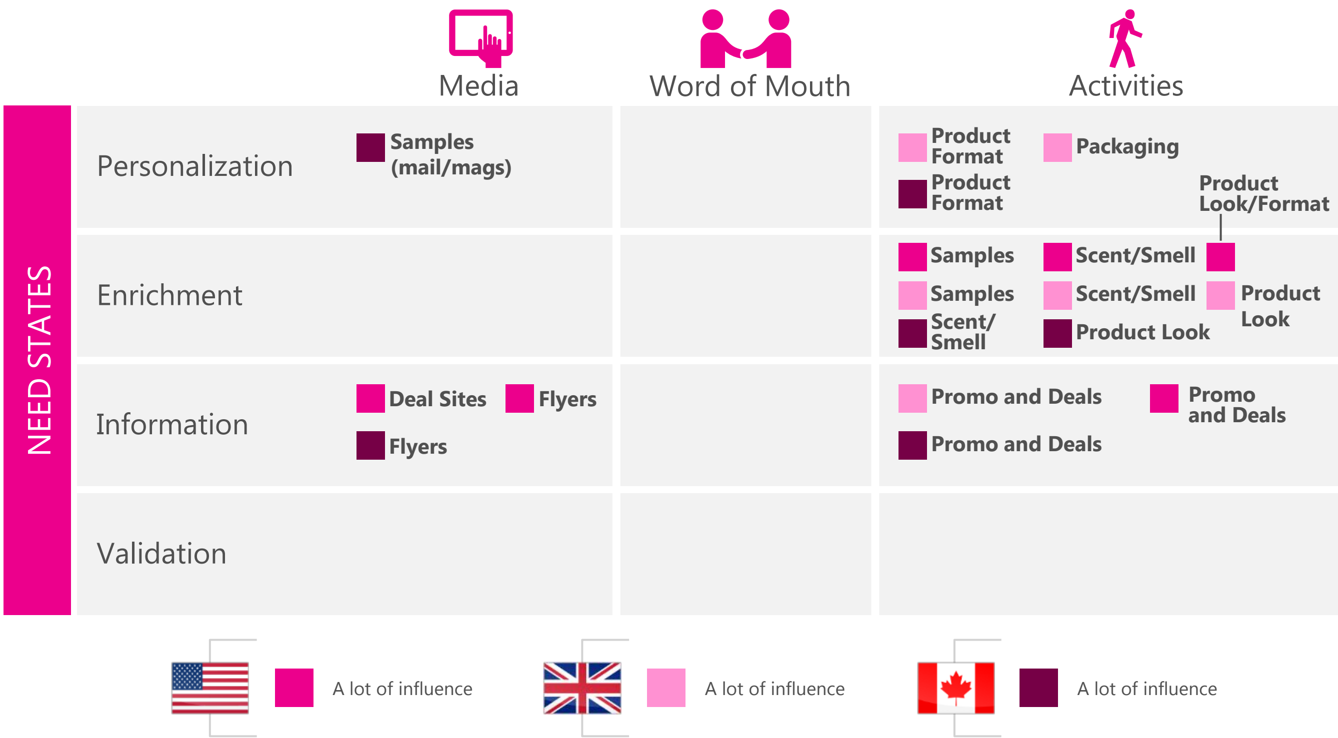
Pain points include keeping track of overall spend, the speed of check-out and forgetting items.

Consumers are more prone to browsing while making habitual purchases; only a third stick to their list.

While very few consumers take part in 'show-rooming' for habitual purchases, about a third of consumers will preview a product from a retailer and ultimately buy from another.

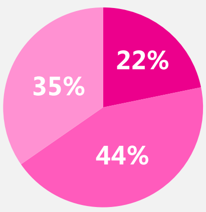
> "The store of the future would be very simple ... taking the feel of internet shopping and using a touch of it in the store makes it seem more practical."
>
> – John, UK

Shopping Key Influencers

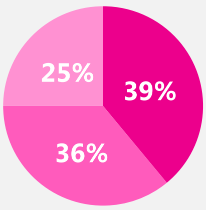


Browsing

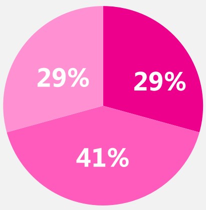
Browse whole store | Visit a few other areas | Only visit Areas needed



US consumers are less likely to browse the entire store than their global counterparts **(31%)**



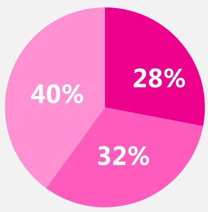
UK consumers browse the whole store more than the average global habitual shopper **(31%)**



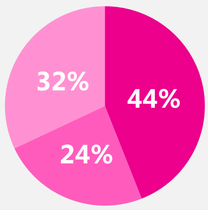
74% of Canadian Consumers will do some browsing around the store – this is on par with the Global Average **(73%)**

List-Making

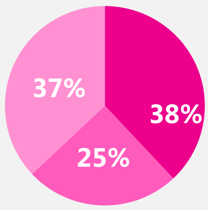
No List | Only items on list | Other items



While **92%** of consumers in the evaluation stage have a list, only a third of them stick rigidly to it



While **89%** of UK consumers in the evaluation stage have a plan, almost half don't bring it with them to the store and only a third of them stick rigidly to it



While **90%** of consumers in the evaluation stage have a list, more than a third don't bring it with them and only a quarter stick rigidly to it.

Opportunities

Bring the best of the online world into the store, blurring the physical and digital

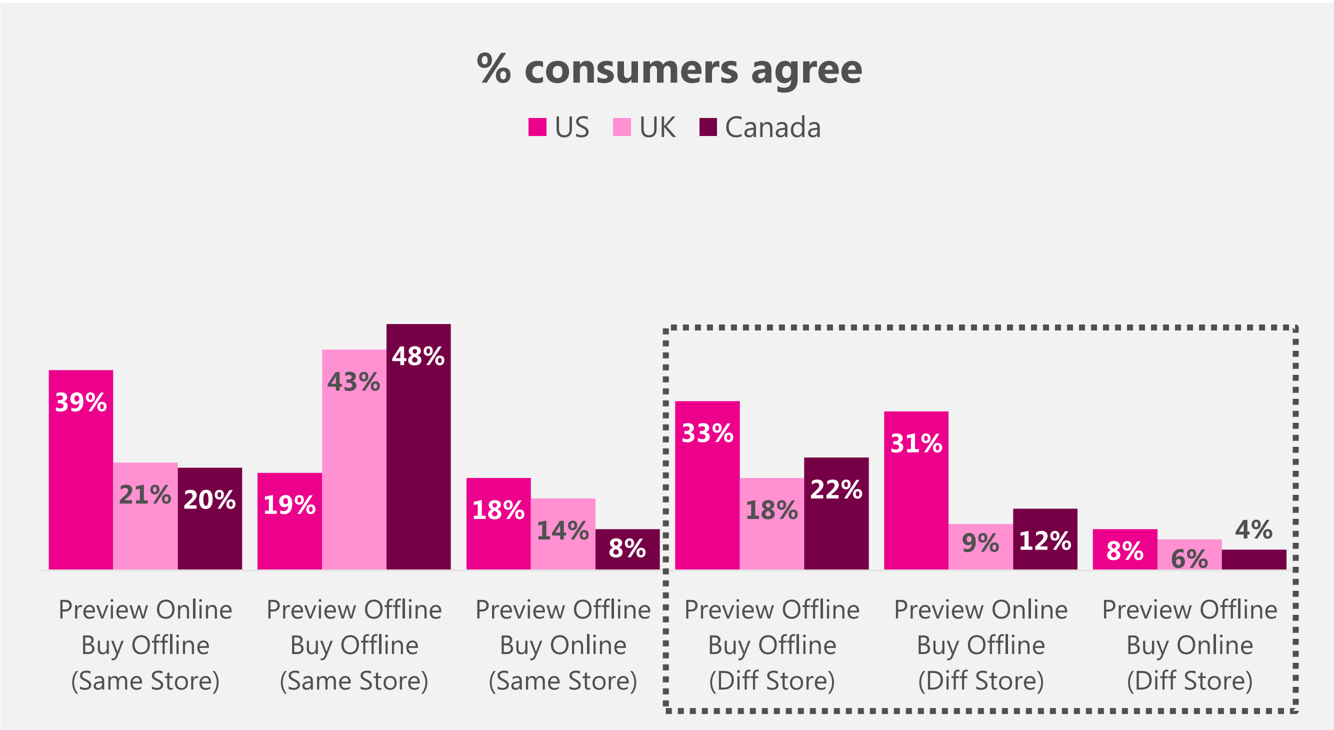
Link label content to rich mobile experiences for better product information at the shelf; drive validation with consumer reviews and expert opinions.

Make it easy for consumers to explore the tactile aspects of the product with special sampling areas; enable personalization through mobile tools that suggest similar products to those she samples or point-of-sale screens that help her explore the more tactile elements of products via curated content (e.g., scan a skin cream she likes in order to discover corresponding products with similar scents).

Encourage browsing and discovery throughout the store with surprise deals and samples she can 'unlock' via mobile and in-store navigation tools.

Drive confidence by providing experiences that connect planning all the way to completion. Use permissioned data to remind shoppers what they may be forgetting, i.e., "the last time you bought shampoo, you also bought conditioner."

'Show-rooming' Trends



Experiencing

Unpacking and storing, then using the products

Key influencers include product performance and validation via media (including social channels and conventional word of mouth).

Consumers are more likely to share opinions and recommendations related to products, rather than the retailer where they purchased them.

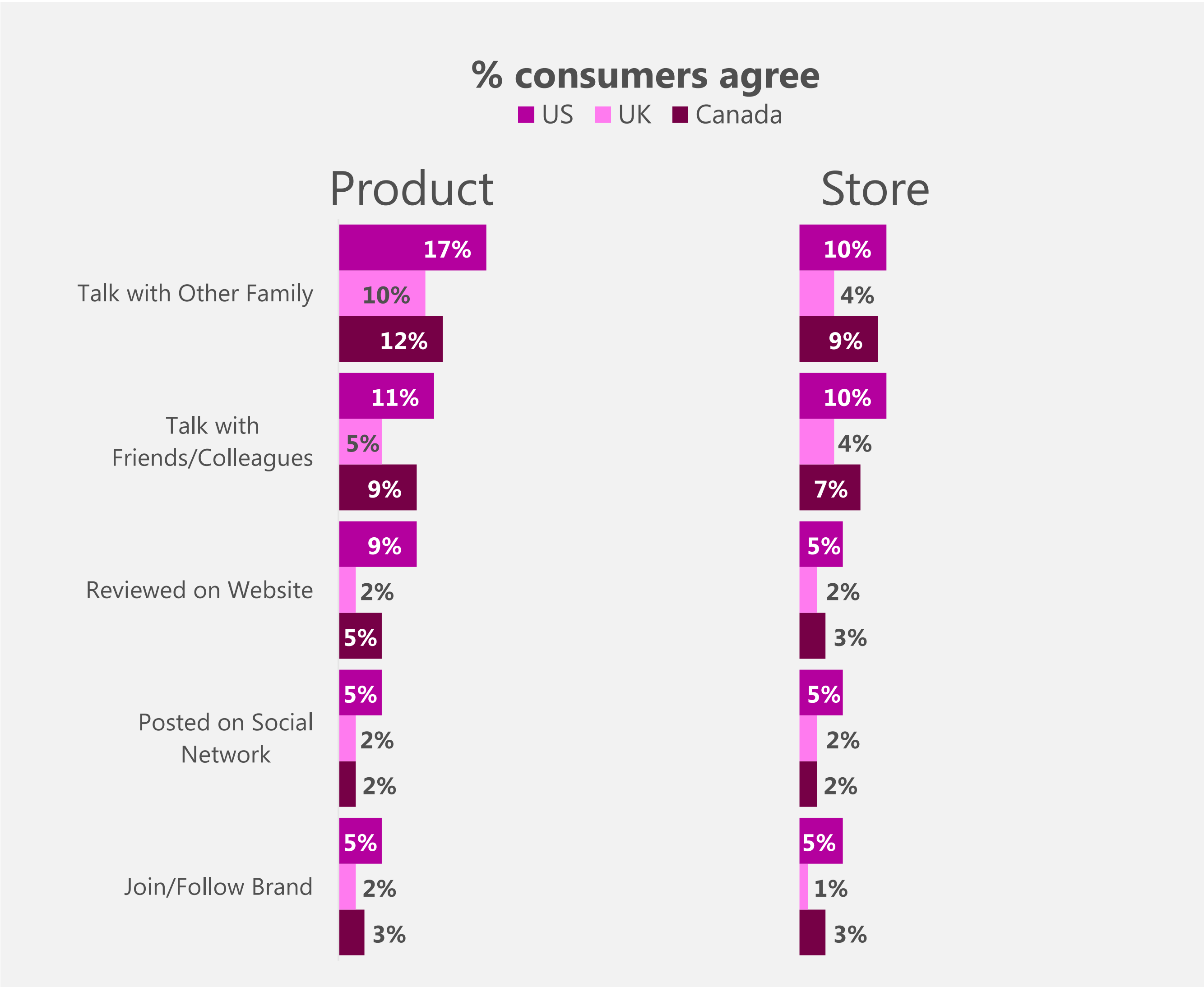
Opportunities

Bring the best of the brick and mortar experience into the home

Validate purchases by encouraging consumers to review products and store experiences in order to reinforce their choice and keep the retailer top of mind.

Close the loop and bring the retail environment into the living room with mobile reminders and rich online experiences, continuing to familiarize the consumer with a consistent, yet serendipitous experience.

Advocacy



V. Consumer Electronics in Developed Markets

In considered journeys, 80% of consumers primarily focus on getting the right product as the most important criteria, while 10% focus on the store experience. The fun in considered purchases typically occurs before the in-store experience: enjoyment is at its highest during the Evaluating stage.

"I don't need a salesman, I just need the information."

– Lisa, US

Open to Possibility

Consumers have a general understanding of what they own and how they might currently like it, but they may not be aware of something new until triggered by advertising or word of mouth.

Approximately 40% of consumers are driven by a desire for something new.

"I get something in my head and think 'I need one of those' and it could be that I've seen it on TV or whilst out shipping somewhere and it will prompt me to research it on the internet."

– Julie, UK

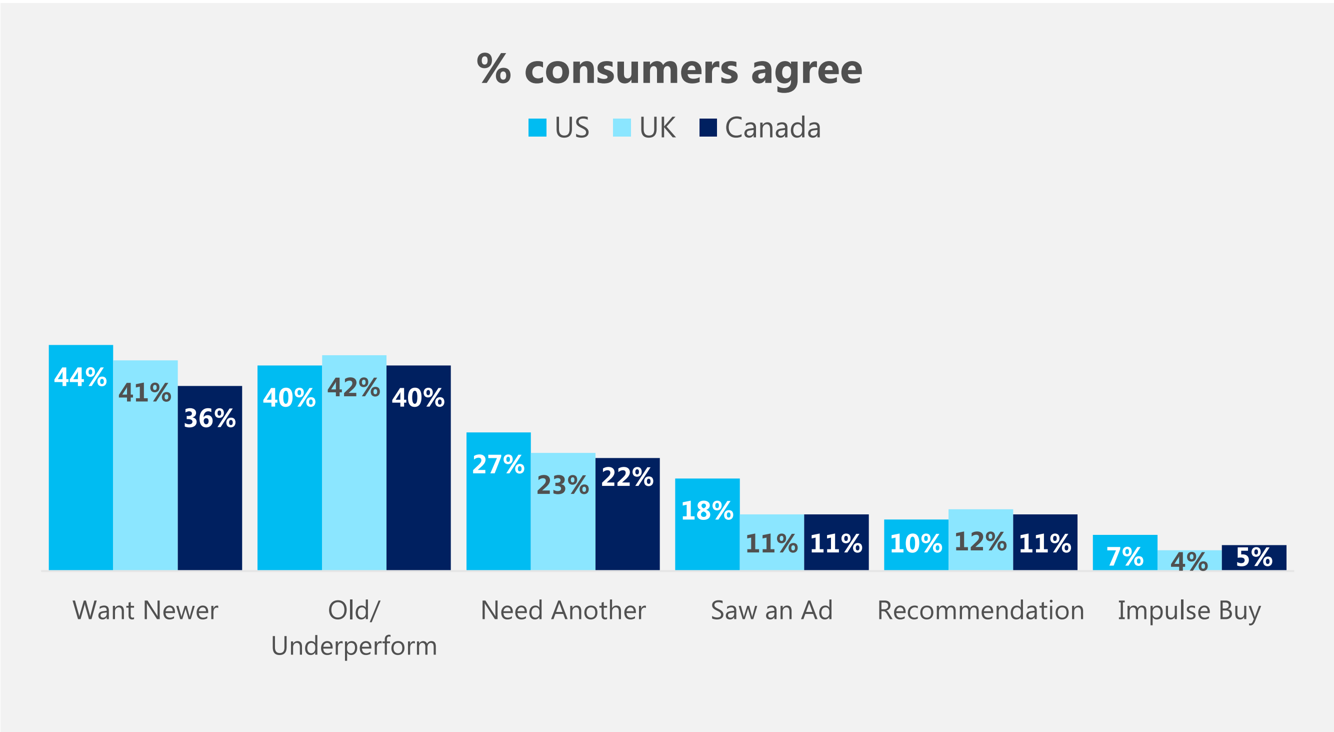
Opportunities

Drive desire with enriching digital content

Validate purchases by encouraging consumers to review products and store experiences to reinforce their choice and keep the retailer top of mind.

Close the loop and bring the retail environment into the living room with mobile reminders and rich online experiences, continuing to familiarize the consumer with a consistent, yet serendipitous experience.

Trigger to Buy or Change



Decision to Buy or Change

Getting the go-ahead

For electronics, consumers are primarily buying for their family, so they start by consulting with their stakeholders to get permission or the 'go-ahead.'

Consumers in developed markets need Enrichment (53%) and Information (46%) at this stage. Validation is at its highest, however, as consumers need to validate their need or desire for something new in order to take the next step. Key influencers include tech sites, online retailer sites, search, price comparison sites, plus kids, partners, word-of-mouth at work and tech and consumer electronic stores (though the latter has less impact).

At this stage, competitive pricing is important, but this diminishes slightly as consumers learn more about the product in later stages.

"I wanted a tablet to watch sports on sky go when my wife was watching TV. Apparently going out of the room to watch football in another room is unsociable, so it was a happy medium."

– David, UK

Opportunities

Store reputation is a critical part of the Decision to Buy or Change stage

Associate quality and store reputation with curated product choices tailored to consumer needs.

Make it easy for consumers to consult family members and other influencers with shared decision-making tools that can be accessed via any device in the cloud.

Drive consumers into the store with personalized offers and opportunities to bring families in to experience the products within the retail environment.

Decision to Buy or Change Key Influencers

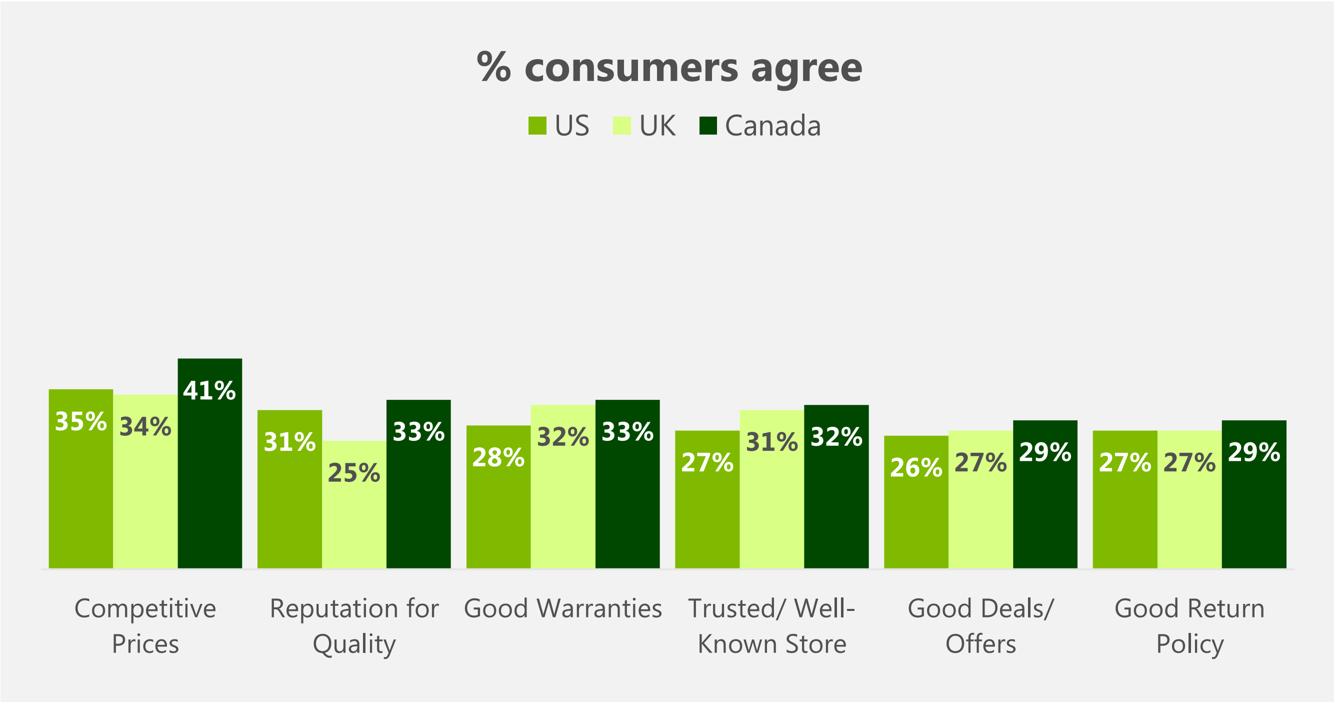
NEED STATES	Media	Word of Mouth	Activities
Personalization			
Enrichment	Tech Sites, Online Retailer Site, Price Comp Sites, Tech Sites, Cons. Ops Site	Kids, Partner, Partner	
Information	Cons. Ops Site, Tech Sites, Cons. Ops Site		
Validation		Partner	

A lot of influence

A lot of influence

A lot of influence

Store Considerations



Evaluating

Worldview and Honing in

In this stage, consumers are getting a sense of available options and whittling down their list. This is typically when consumers choose their retailer.

Consumers need Enrichment (56%) and Information (53%) while Evaluating. Key influencers include consumer opinion sites, brand and or product sites, tech sites and online retailers. Again, some consumers conduct research in brick and mortar electronic stores, but these have less impact on final decisions than online sites. Search, price comparison, physical flyers and word of mouth also play a lesser role here.

Personalization is not well-served as a need-state in this stage.

As they are 'honing in', consumers are still focused on the price of the product, but quality and the return policy of the store start to come in as well.

> "I love to read reviews online to determine what the best quality products are, or best for my needs. It also helps me check best prices, availability, best places to buy."
>
> – Elizabeth, UK

Opportunities

Find ways to curate information via personalization

This is where consumers rank the highest on enjoyment: make online research fun and easy by bringing together consumer reviews, expert opinions with enriching, personal digital experiences.

Emphasize the immediate, as well as warranty and easy return policies.

Evaluating Key Influencers

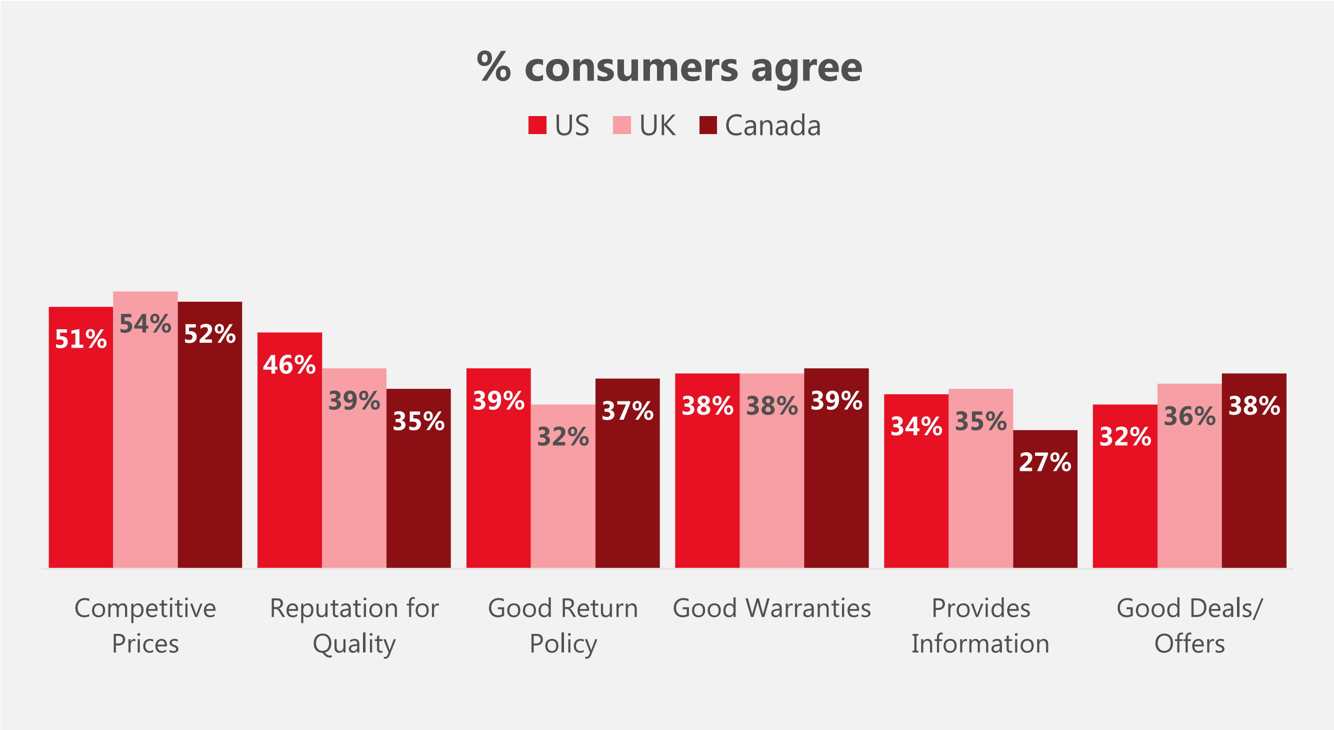
NEED STATES	Media	Word of Mouth	Activities
Personalization	Physical Retailer Site	Partner	
Enrichment	Online Retailer Site, Tech Sites, Tech Sites, Price Comp Site, Consumer Ops Site	Friends	Tech/Elec Store
Information	Price Comp Site, Search		
Validation	Consumer Ops Site	Partner	

A lot of influence

A lot of influence

A lot of influence

Important Store Characteristics



Shopping

Getting the right product

At this stage, consumers move in store and often do a last-minute check through the available options in-store and on their mobile phones to make sure they're getting the best deal.

Consumers need Information (53%), Enrichment (51%) and Personalization (49%) in the Shopping stage, but very little serves the consumer within the personalization need-state. For enrichment and information, top influencers include tech and deal sites, handheld scanners, the product format and in-store promotions and deals.

Consumers tend to be more focused on specific areas of the store than when they shop for habitual products: Fewer than 15% browse the whole store.

More brick and mortar shoppers than online shoppers browse and make additional purchases; this presents a unique opportunity for brick and mortars to capitalize on browsing behavior and encourage additional purchasing via mobile suggestions in-store. The challenge for store websites is in providing enough digital enrichment to encourage the serendipity of browsing for online shoppers.

Finally, while approximately 66% of consumers will purchase the product from the same retailer they used to investigate it, consumers are used to fluidity between online and offline channels, and retailers should expect they will continue to explore multiple options.

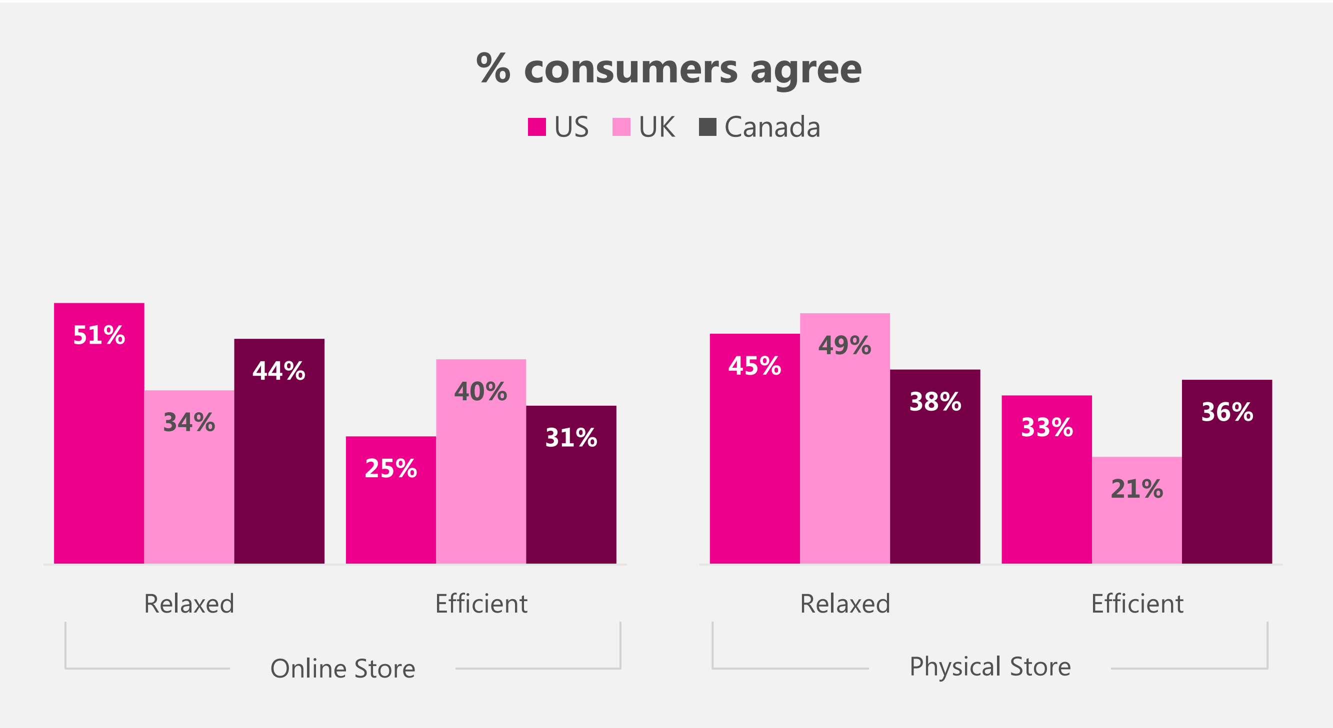
> "The store of the future would feel pressure free. You have done most of the research and now it's just down to the final decision… The research could be done right there in the store while looking at a product if you had a tablet … all of the information at your fingertips."
>
> – Mark, US

Shopping Key Influencers

NEED STATES	Media	Word of Mouth	Activities
Personalization			Product Look; Product Look
Enrichment	Tech Sites; Price Comp Sites; Tech Sites; Consumer Ops Sites	Partner	Tech/ Elec Store; Product Format; Receipt; Product Specs; QR Code; Product Format; Tech/Elec Store; Promo and Deal; Product Format
Information	Handheld Scanner; Consumer Ops Sites		
Validation	Deal Sites		Promo and Deal; Promo and Deal; Receipt

A lot of influence | A lot of influence | A lot of influence

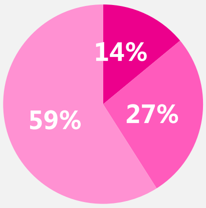
Mood – Online vs. Offline Shopping



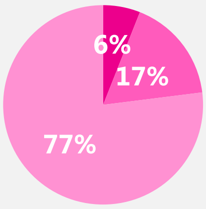
Most consumers buy only the desired product and visit only the areas needed

Browsing

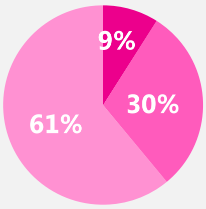
Browse whole store | Visit a few other areas | Only visit Areas needed



US Consumers are slightly more likely to browse the whole store when they shop for electronics vs. Global **(10%)**



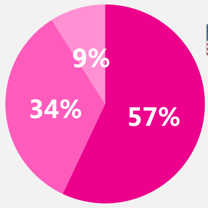
UK Consumers are much more likely than their global counterparts to only visit the areas needed **(10%)**



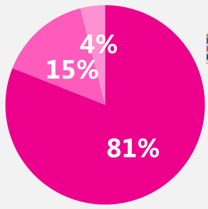
Canadian consumers buy only the desired product, and only visit the areas needed to get it.

Additional Purchase

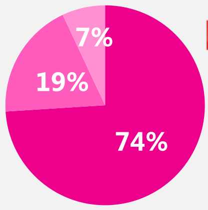
Only the Electronics | Related Electronics | Other



US Consumers are much more likely to buy related electronics vs. Global **(19%)**



UK Consumers are more likely to buy only the electronic compared to Global **(73%)**



Canadian consumers buy only the desired product, and only visit the areas needed to get it.

Opportunities

Bring the best of the online world into the store

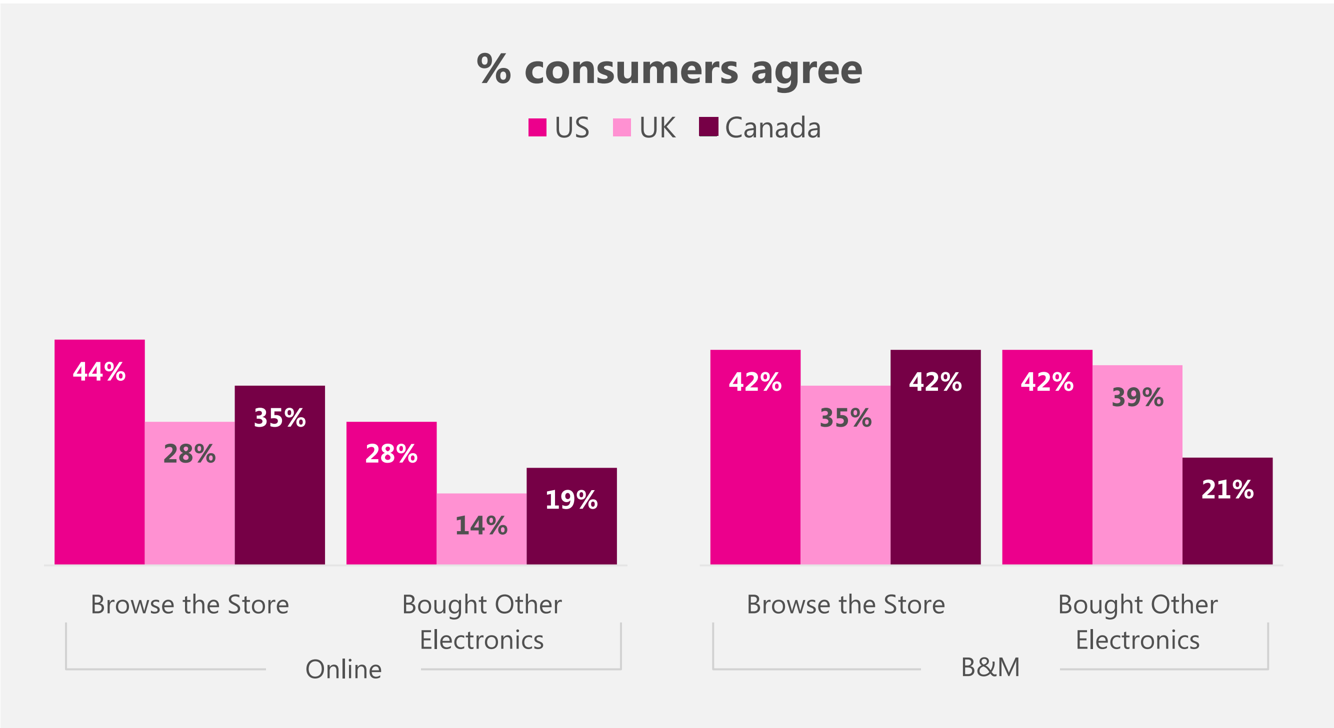
Enable consumer reviews, expert opinions and rich product demos via mobile and point-of-sale touch screens.

Replace silo-ed coupons and reward cards by creating brand currency, where consumers can combine rewards, gift cards and coupons linked up to their opt-in preferences and shopping habits for more personalized and seamless incentives tied directly to the retailer.

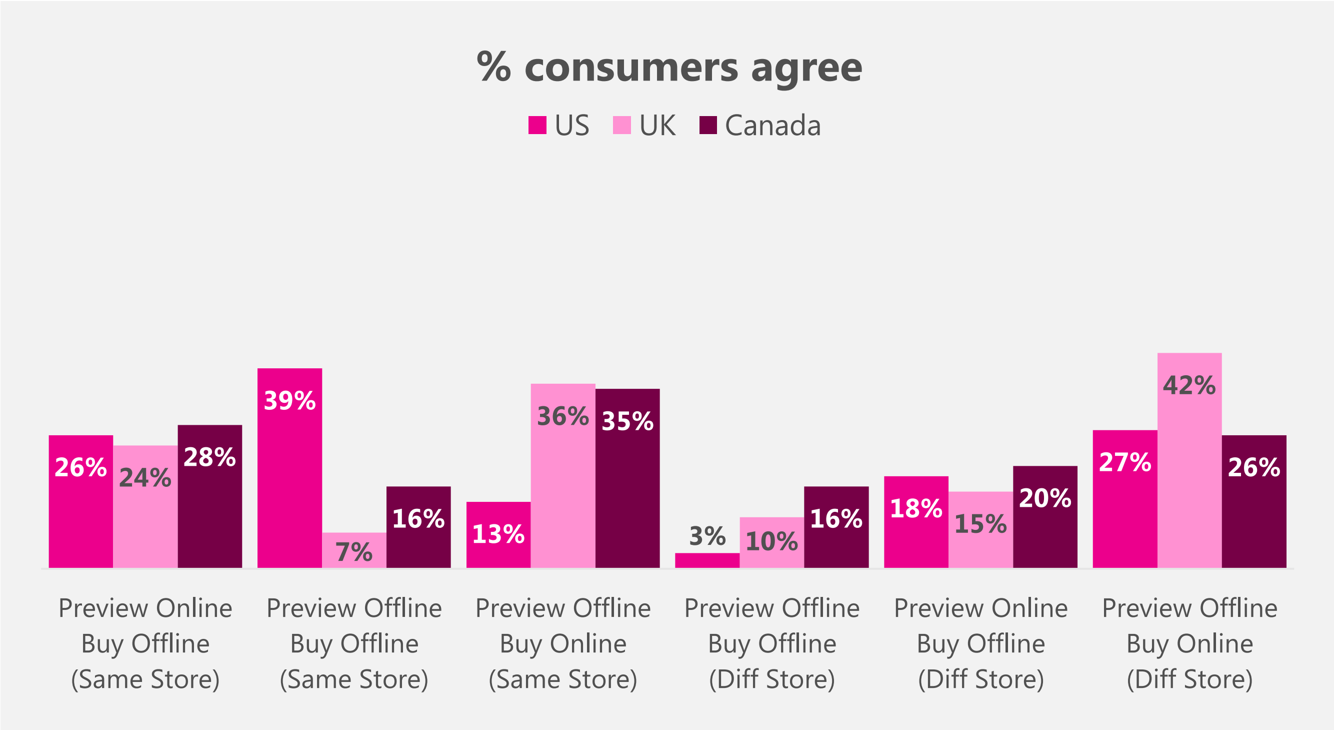
Empower sales people to facilitate transactions and make the shopping experience easier with tools that allow them to find products, check inventory and consult, rather than 'sell.'

For shoppers who buy offline, promotions and 'the look' of a product is key, while online buyers cite product specs and customer reviews as more influential. Brick and mortars can enhance the shopping experience by bringing richer product information and customer reviews into the physical store via mobile and digital touch screens; store websites can enhance the online shopping experience by bringing the best of the physical store (tactile features of the product and helpful sales support) into the online shopping experience via interactive IMs and video.

Preview and Purchase Trends



'Show-rooming' Trends



Experiencing

Home

Consumers bring their new purchase home, set it up and try it out.

Consumers need Personalization (46%) and Enrichment (44%) in this stage. Influencers are light on personalization and enrichment, but the retailer website still plays an educational role here.

Sharing is very low, with less than 10% of consumers writing reviews of the retailer.

Experiencing Key Influencers

NEED STATES	Media		Word of Mouth	Activities
Personalization			**Partner**	
Enrichment		**Brand/Product Site**	**Partner**	
Information				
Validation				

US: A lot of influence

UK: A lot of influence

Canada: A lot of influence

"The thing big box stores have is instant gratification. In other words, you can walk out with the product in your hand and take it home, no waiting. They never play to that and that is their edge."

– Craig, US

Opportunities

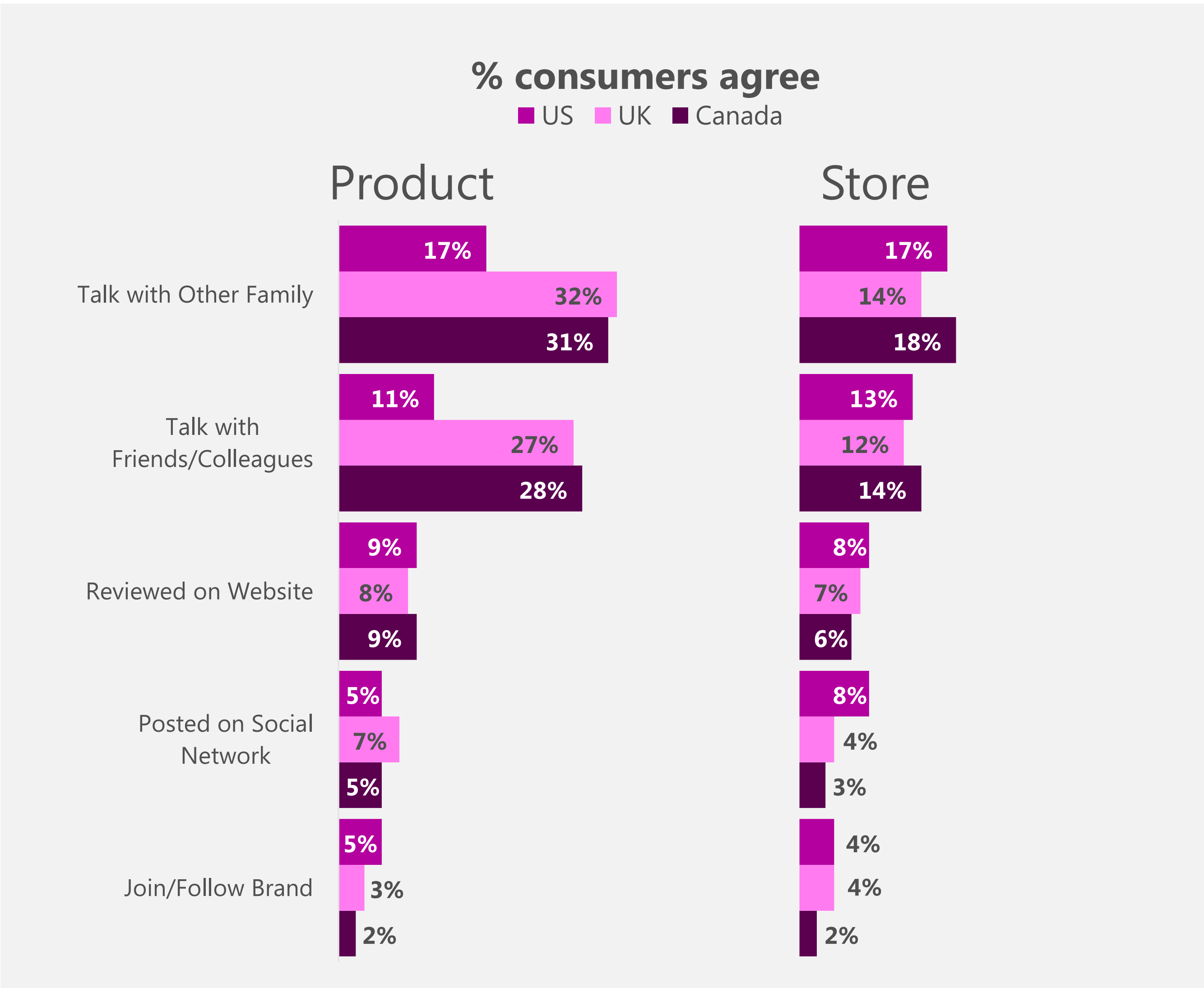
Personalize the in-home experience with set-up help and validate the decision with consumer reviews

Enable set-up help and product education so consumers can take full advantage of their new purchase via video chatting services on the web (Skype) featuring experts from your retail store (e.g., Geek Squad comes to your living room).

Give consumers incentives to share their experience with the retailer among other consumers via Branded Currency incentives directly related to their purchase (discounts on accessories or related products).

Keep them inspired and close the loop with personalized offers that excite them about new possibilities, driving more 'Open to Possibility' moments.

Advocacy



VI. Personal Care and Home Care in Emerging Markets

In emerging markets, consumers are driven by need, but desire still plays a big role, especially as it relates to social engagement and personal recommendations.

> "Shopping at the supermarket is stressful: queues, parking, finding a trolley."
>
> – Marley, Brazil

Open to Possibility

Consumers in China are more likely to enjoy the shopping process, even in the pragmatic home care category. Enjoyment peaks pre-store with 60% of consumer saying they enjoy the pre-store planning.

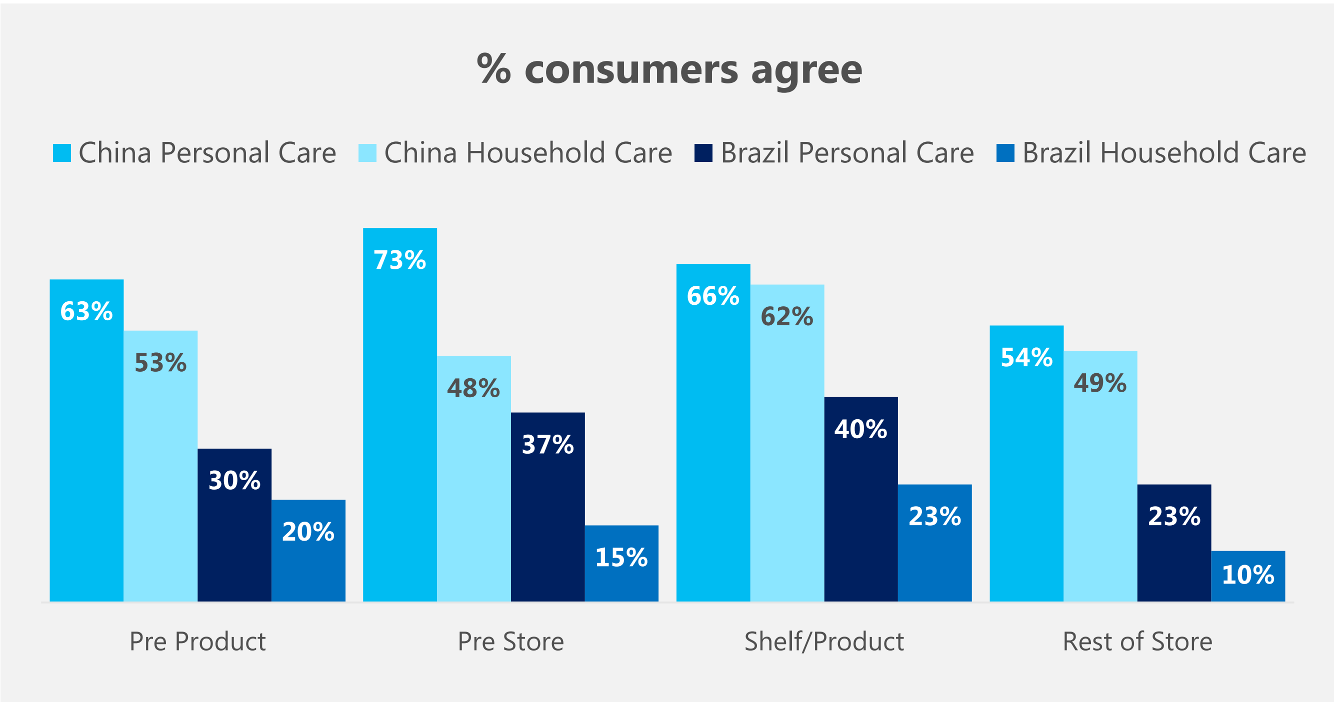
Brazil, by contrast, contains a more stressful shopping environment with only 25% of consumers feeling enjoyment pre-store and 24% in the store.

Opportunities

Drive anticipation and eliminate stress

In both China and Brazil, seed anticipation for the store visit by emphasizing the fun and social aspects of the in-store environment.

Enjoyment Throughout Habitual Journey



Decision to Buy or Change

Running Out, Wanting Something Newer, or Seeing an Ad

Unlike in developed markets, seeing advertising is one of the most dominant reasons for consumers in emerging markets to change products.

Chinese consumers seek relaxed and leisurely shopping trips more than consumers in developed markets. In Brazil, consumers seek efficiency above all else.

"Future stores should be simple, convenient, fast. Shopping there will make me relaxed and happy."

– Huang Wei, China

Opportunities

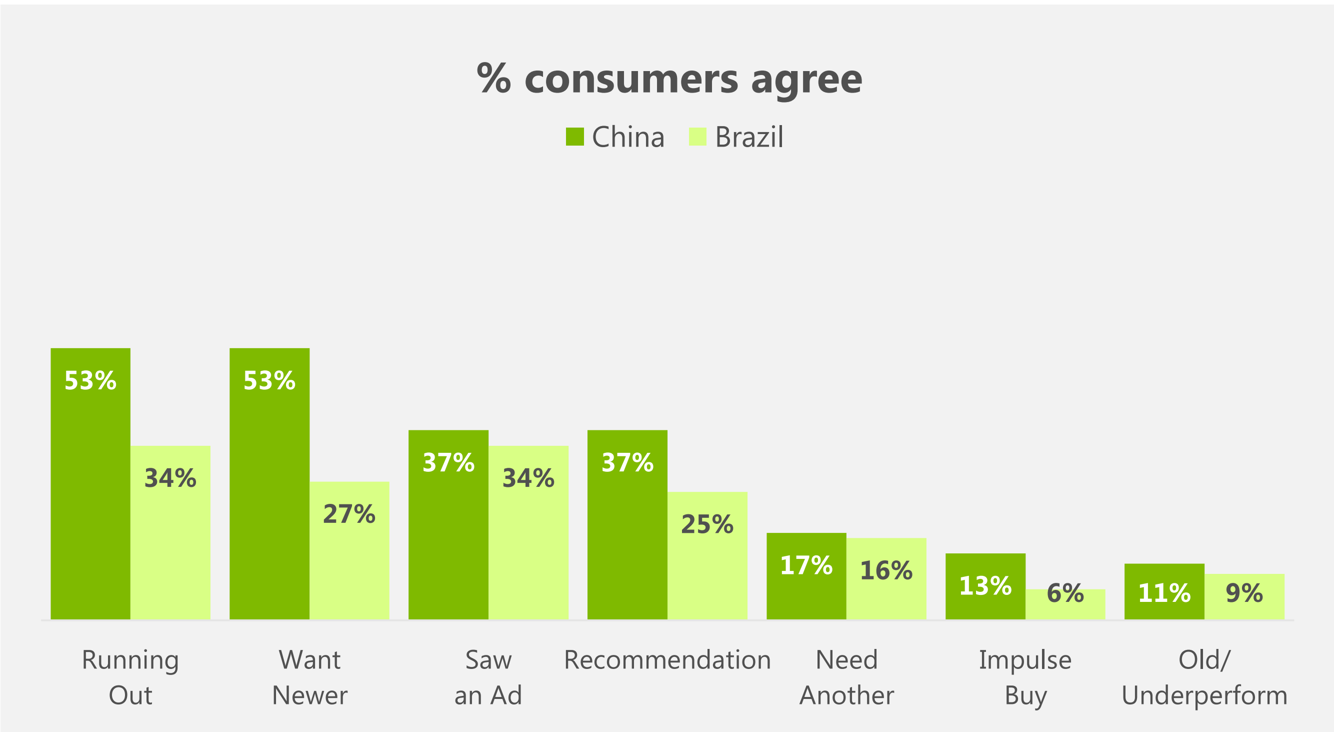
Combine the efficiency of online with the tactile in-store environment

Spark the ‘Open to Possibility’ moment via offers, deals, and advertising to create a desire for something new; leverage social networks to harness the power of word-of-mouth and get consumers talking to their family and friends about your brand.

Link her need for replenishment to the retail environment and help her anticipate and look forward to her shopping trip with enticing pre-store offers and digital at-home reminders of in-store differentiators (e.g. Video Chat/Skype in-store to foster the social experience that consumers in emerging markets are seeking).

Create opportunities for more enjoyment by connecting mobile apps that can be used in-store and on-the-go with richer screens in the living room (e.g., Xbox, tablets), where she can explore possibilities, watch video and get recommendations from friends and family.

Trigger to Buy or Change



Evaluating

Making the List and Choosing the Store

Consumers in Emerging markets need Enrichment (56%), Personalization (55%) and Information (54%) at this stage. Key influencers during the Evaluating stage include friends' social network pages, samples, price comparison sites, brand sites and moms.

Finding trusted brands is a significant consideration in China, while Brazil is consistent with developed markets in that they seek retailers with competitive pricing.

"The internet provides a basis for a timely, complete decision and plays a decisive role in whether or not I should make the purchase."

– Dong Shuling, China

Evaluating Key Influencers Personal Care

NEED STATES	Media	Word of Mouth	Activities
Personalization			Usual Grocery Store
Enrichment	Friends' Social Network Pages; Samples (From Mags/Mail); Samples (From Mags/Mail)		
Information	Price Comp. Site		
Validation			

A lot of influence

A lot of influence

Evaluating Key Influencers Household Care

NEED STATES	Media	Word of Mouth	Activities
Personalization			Usual Grocery Store
Enrichment	Price Comparison Site; Samples (From Mags/Mail)	Mom	
Information	Brand/Product Site		
Validation	Samples (From Mags/Mail)		

A lot of influence

A lot of influence

Opportunities

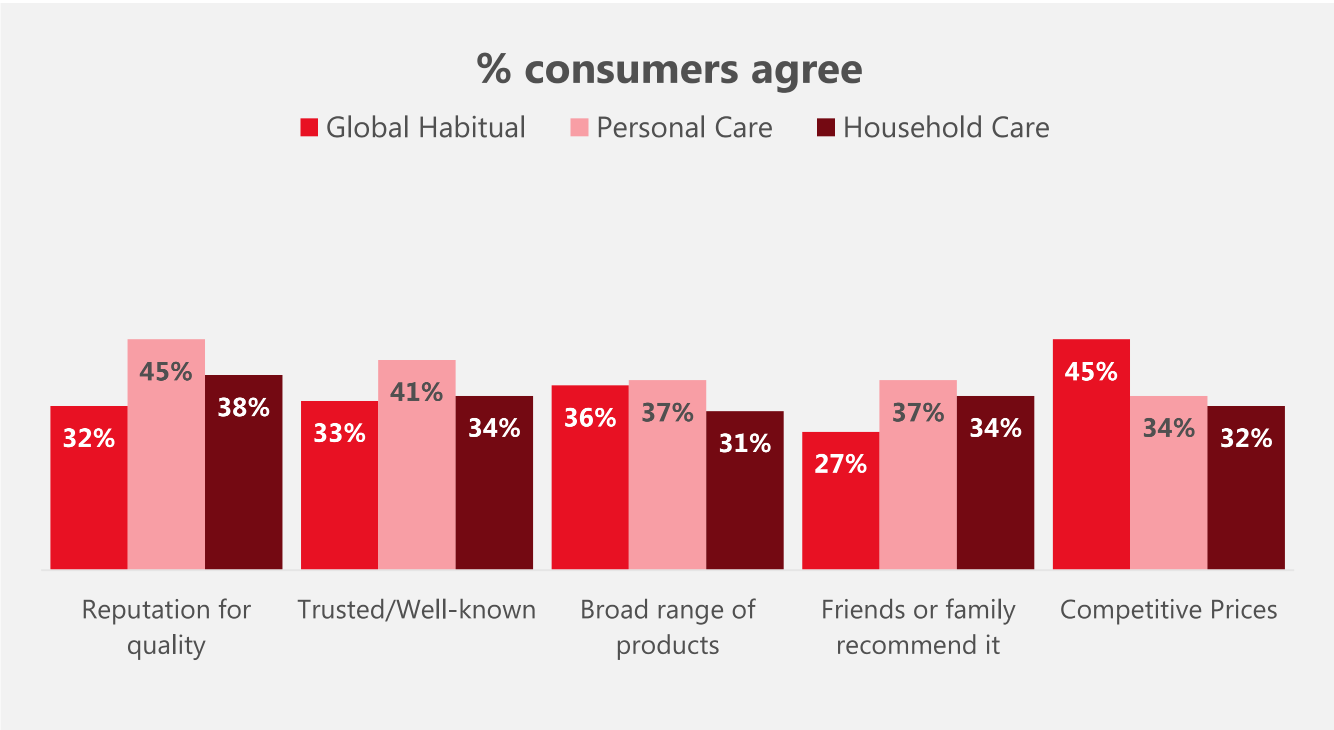
Personalize the Evaluating stage through relevant offers and easy list-making tools

Build trust through social networks as a 'way in' in emerging markets, providing enriching and informative experiences via mobile and other screens (e.g. Xbox, tablets) in the home to allow Chinese consumers to build familiarity and trust with the retail brand.

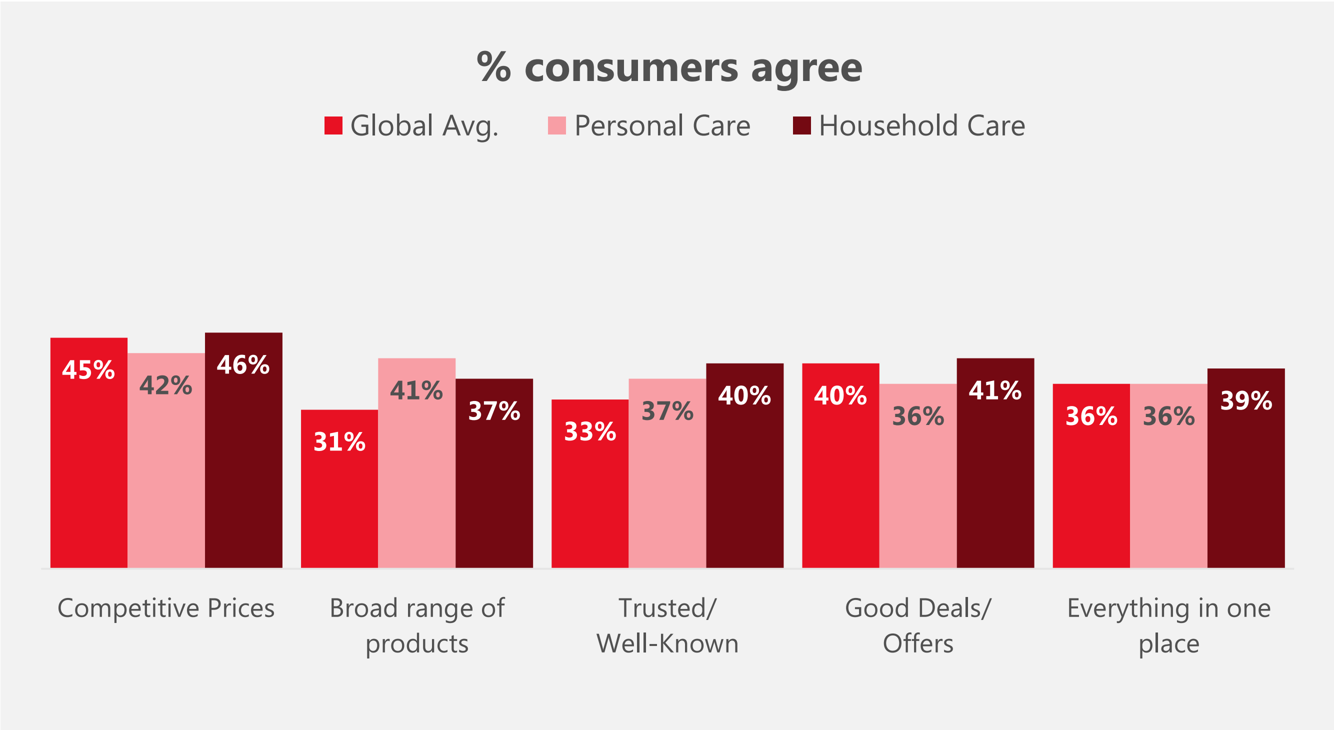
Give Brazilian consumers informative online experiences in the home; send personalized deals and offers to drive 'Open to Possibility' moments.

In both markets, leverage deals via social networks that will get consumers talking with their friends and families about your store as they build anticipation for the shopping trip.

Important Store Characteristics – China



Store Characteristics – Brazil



Shopping

Getting the right product

Consumers in Emerging markets need Enrichment (55%) and Personalization (52%) during the Shopping stage. Top influencers include samples, promotions and deals, friends and partners, brands and product sites, plus in-store tactile attributes such as scent and touch and feel.

Promotions and deals are the top influencer at the shelf, though in the Shopping stage, packaging, scent and the format of the product are more influential than ever.

More than 70% of consumers will buy the product from the retailer they used to investigate it.

> "Using my smartphone to scan barcodes and then pay would make the checkout process so much easier."
>
> – Kelly, Brazil

Shopping Key Influencers Personal Care

NEED STATES	Media	Word of Mouth	Activities
Personalization			Grocery Store, Product Format, Touch/ Feel, Scent/Smell
Enrichment	Samples, Samples (Mags/Mail)	Partner	Scent/ Smell, Touch/ Feel, Samples, Packaging, Samples (In-Store)
Information	Samples (Mags)		
Validation	Promo and Deal	Friends	

A lot of influence

A lot of influence

Shopping Key Influencers Household Care

NEED STATES	Media	Word of Mouth	Activities
Personalization			Malls
Enrichment	Brand/Product Site, Samples (Mail/Mags)		Scent/ Smell, Samples, Grocery Store, Scent/ Smell, Promo and Deal, Samples (In-Store)
Information			
Validation	Promo and Deal	Partner	

A lot of influence

A lot of influence

Opportunities

Enrich the in-store experience with digital tools

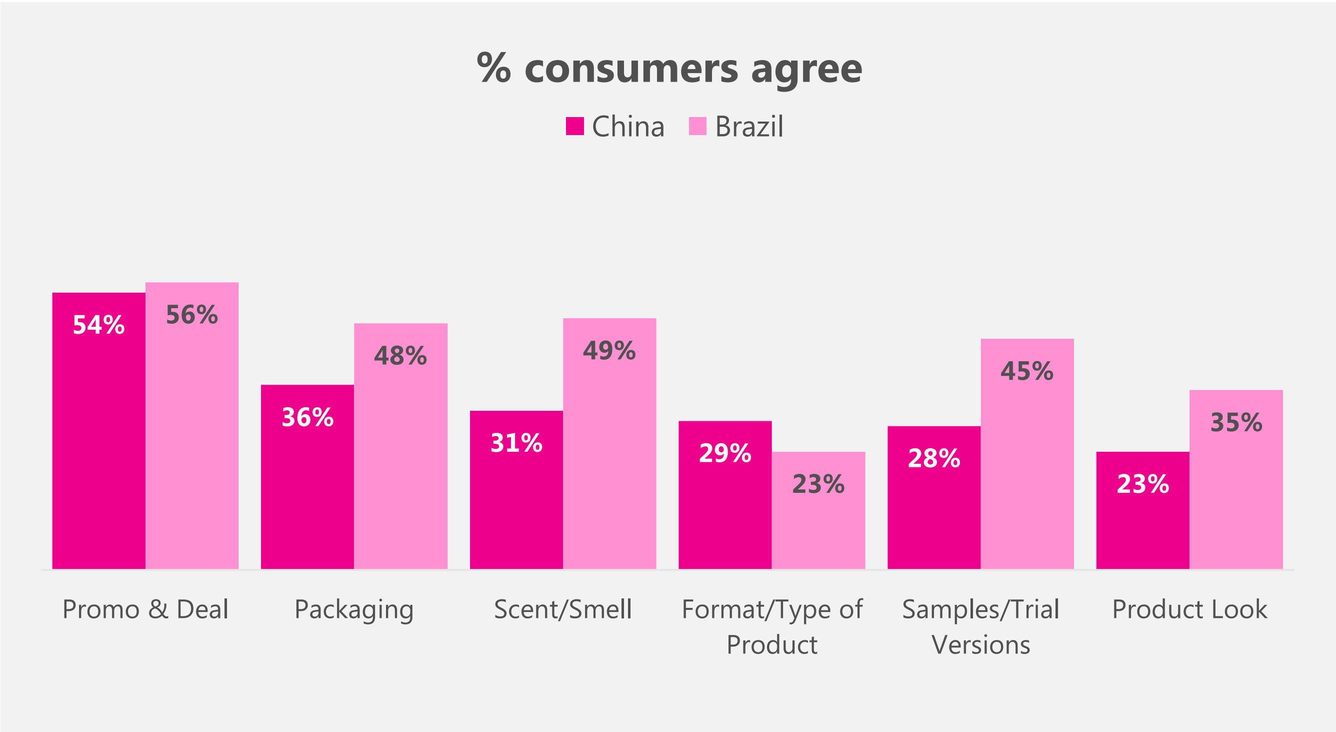
Link label content to rich mobile experiences for better product information at the shelf; drive validation with consumer reviews and expert opinions.

Make it easy for her to explore the tactile aspects of the product with special sampling areas; enable personalization through mobile tools that suggest similar products to those she samples or point-of-sale screens that help her explore the more tactile elements of products with her friends and loved ones (via Skype in-store).

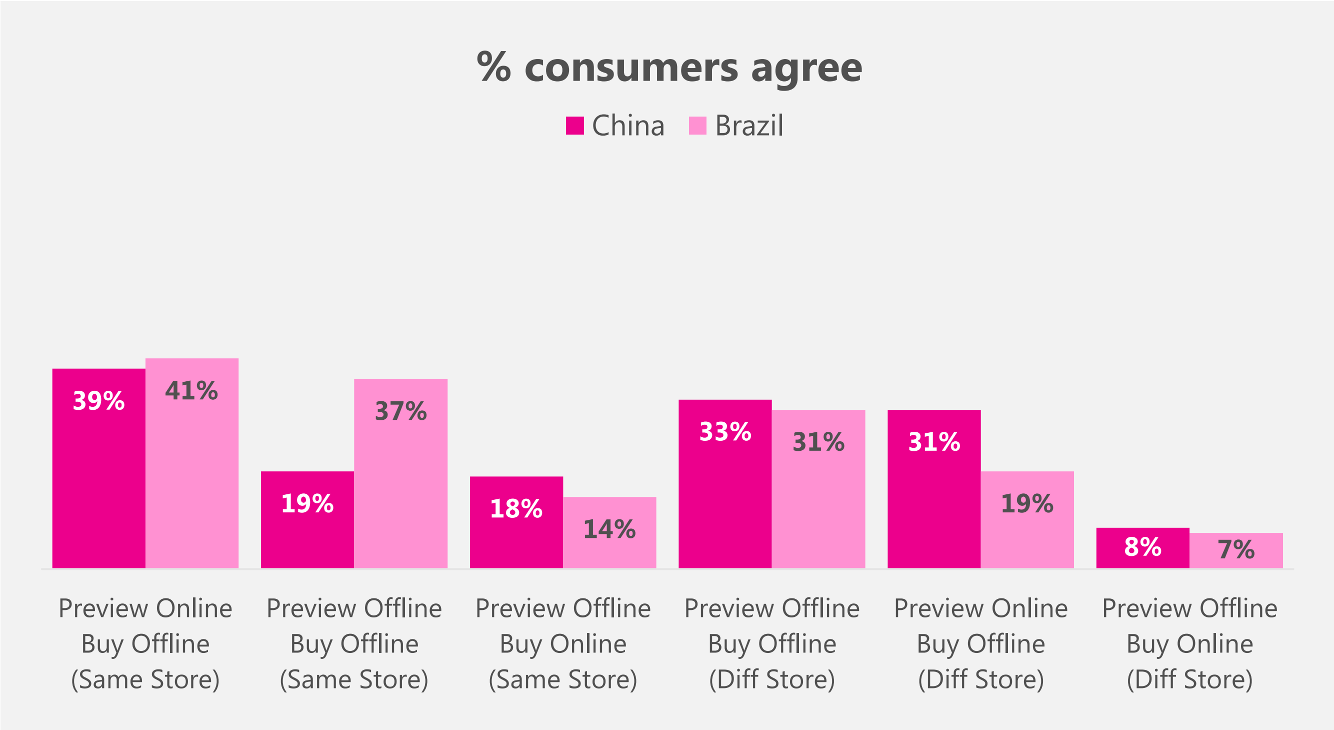
Encourage browsing and discovery throughout the store with surprise deals and samples she can 'unlock' via mobile and in-store navigation tools that help her find what she needs and then enjoy browsing.

Drive confidence by providing experiences that connect planning all the way to completion. Use permissioned data to remind shoppers what they may be forgetting, i.e., "the last time you bought shampoo, you also bought conditioner."

In-Store Influencers



'Show-rooming' Trends



Experiencing

Home

Both Brazilian and Chinese consumers are more likely to share experiences after they shop than their developed market counterparts.

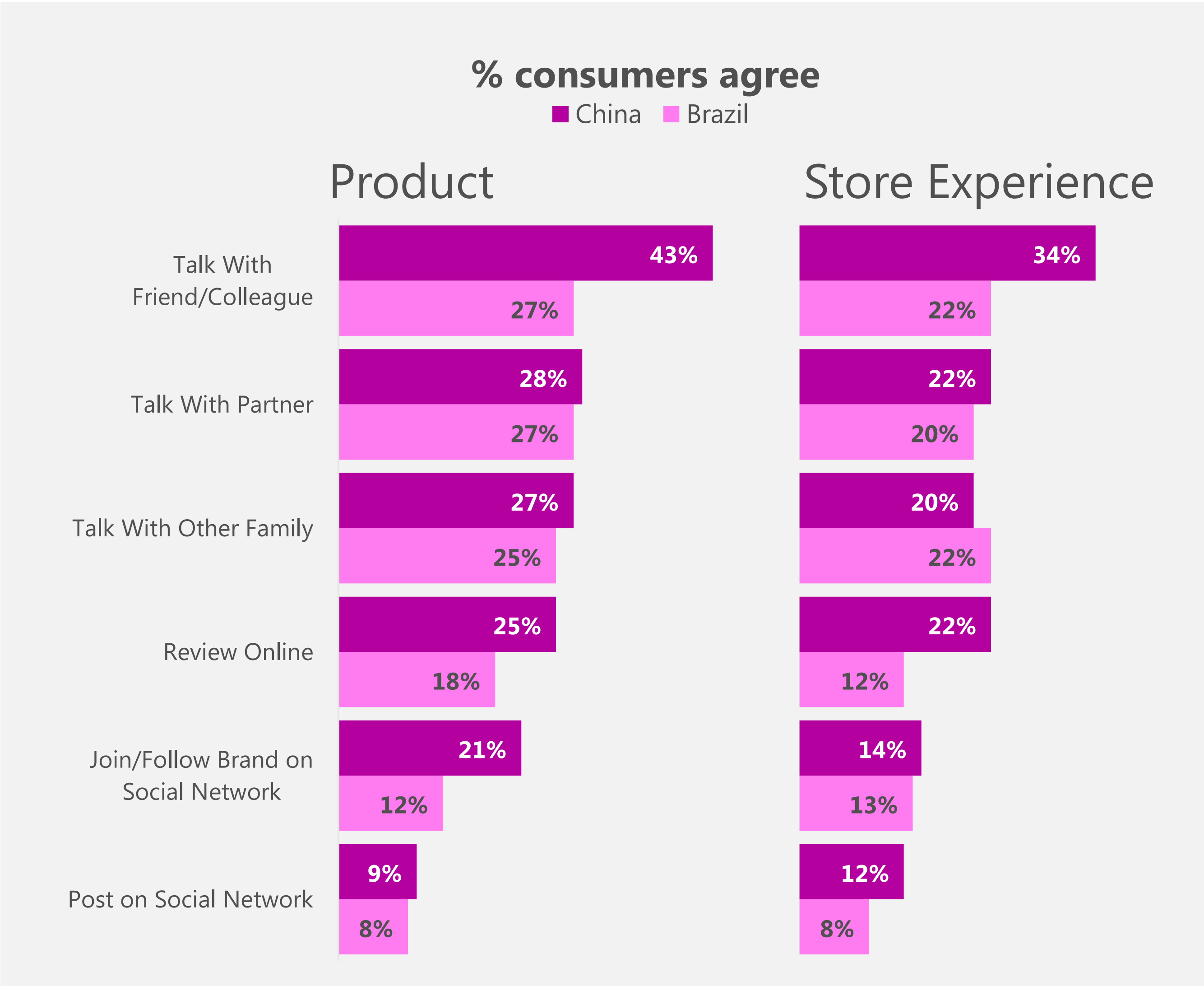
Opportunities

Personalize at-home experiences by creating incentives to share

Leverage the social nature of emerging markets to create opportunities that drive word-of-mouth around the shopping experience.

Close the loop and bring the retail environment into the living room through enriching digital experience on screens such as tablets and Xbox, continuing to familiarize the consumer with a consistent, yet serendipitous experience.

Validation



VII. Marketer Implications

Our key themes, the blending of the digital and physical, as well as the need for deep personalization, are pulled through 5 calls-to-action for marketers.

1. Embrace 'Show-rooming'
2. Let consumers invite you in
3. Mind the gaps
4. Curate in-store experiences
5. Make pricing fluid

Blurred Lines

1 Embrace 'Show-rooming'

It's a natural extension of the blending of the digital and physical worlds.

- Combat price wars and a 'race to the bottom' via value add-services and digital experiences that drive differentiation.
- Make it easy for consumers to see value beyond price with side-by-side comparisons of product features that enable consumers to easily compare and eliminate what doesn't fit.
- Help them purchase for their families (habitual) or get the 'go-ahead' (considered) with cloud-based list and image sharing functionality they can pull down from any device.
- Alongside price and product information, provide reviews, expert opinions and employee perspectives to deepen enrichment and move beyond function.
- Take the 'show-room' beyond the walls of the store by making both functional information and more emotional experiences accessible on-the-go.

2 Let consumers invite you in

Drive enrichment within digital environments through sight, sound and motion and natural user-interfaces across every screen.

- Provide set-up help and education for considered purchases and bespoke reminders for habitual purchases.
- Leverage the social nature of emerging markets Brazil and China by building communities of retail brand advocates that will evangelize the store experience and create 'Open to Possibility' moments with their social contacts.

3 Mind the gaps

Don't lose the consumer in the hand-off from the digital to the physical worlds.

- Capture consumer habits and preferences online through functional tools that offer a clear value for consumers. Then, leverage permissioned data to deliver personal experiences at each step of the journey.
- Digitize your sales force. While it's even more important that customer service and sales associates in store provide inventory assistance, they can be doing more. Technologies such as Skype, can help consumers engage sales associates for basic questions before and after going into the store, while relevant experts such as nutritionists, pediatricians and fitness and tech experts for big box retailers can offer advice on behalf of your store to provide enrichment and personalization.

4 Curate in-store experiences

Pull brand expression into the store with more interactive experiences. Set up areas where consumers can test and experience products outside of the packaging. Encourage them to interact through in-store touch screens that amplify the product features and benefits.

- Displays are no longer static, so enable mobile and in-store technology to bring at-the-self personalization, where consumers can pull in accessories or other products that complement one another, i.e., mix and match computer monitors alongside expert recommendations.
- Include access to reviews, expert ratings and in-store recommendations at every point in the process, both on large screens and via mobile technology. And let the screens interact through technology such as Xbox SmartGlass, so consumers can seamlessly move what they may have saved to their mobile phone during their Evaluating stage to a bigger screen in-store during the Shopping stage.

5 Make Pricing Fluid

Transform silo-ed reward cards, coupons and gift cards into integrated branded currency.

- Pricing should be fluid; promotions should be contextually relevant and personal, so consumers can combine, keep track and use them at the time and place that makes sense for them.
- Then, drive even deeper personalization through store branded currency with customized offers based on consumer behavior. The more consumers shop, the more and better information you get to make that exchange even richer and more useful for the consumer.
- Make the point of transaction easy with tablets throughout the store; arm sales associates with easy and mobile payment methods.

Microsoft Advertising Consumer Insights

While many tech and media companies conduct market research that describes what consumers are doing, the Microsoft Advertising Consumer Insights team believes innovation stems from getting to the *why*. As a result, we take a consumer-centric approach. We go beyond behavior to focus on why consumers do what they do—whether that's choosing one brand over another, or exhibiting a preference for a specific platform. Our goal is to humanize digital behavior and motivation, enabling brands and agencies to put consumer needs at the center their marketing strategies.

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