



EPSILON®

Digital tools create new shopper journeys

Epsilon digital shopping tool
impact study 2015

The more things change, the more they stay the same. As marketers, you have been focusing on new and fast-changing devices and apps, while trying to remember that you're still communicating to human beings. But building a human-to-human experience can become difficult as consumers are increasingly using digital tools in their shopping experience. It's about the people, not the digital tools, but to be effective, you need to consider both.



Consumers are becoming savvy users of digital tools, and they're using them in more sophisticated ways to enable their own personal shopping needs and preferences. The marketing challenge lies in understanding and responding to these sometimes complex and constantly shifting individual shopping journeys, while at the same time keeping your focus on the humans behind them.

To gain insight into how people are using digital shopping tools in their path to purchase, Epsilon conducted an online study of over 2,800 respondents on 16 digital shopping tools. The survey measured differences in the usage of these tools in 12 channels and 12 product categories. But what made the study unique is the inclusion of a set of questions about the influence of each tool on the shopping trip and its utility in the shopping process. These included:



- It influences my choice of stores
- It influences my choice of brands
- I buy products or brands I have never bought before
- I make more unplanned purchases
- I spend more than initially planned
- I save money
- I feel like a smart shopper
- It makes shopping easier
- It makes shopping faster
- It makes shopping more fun

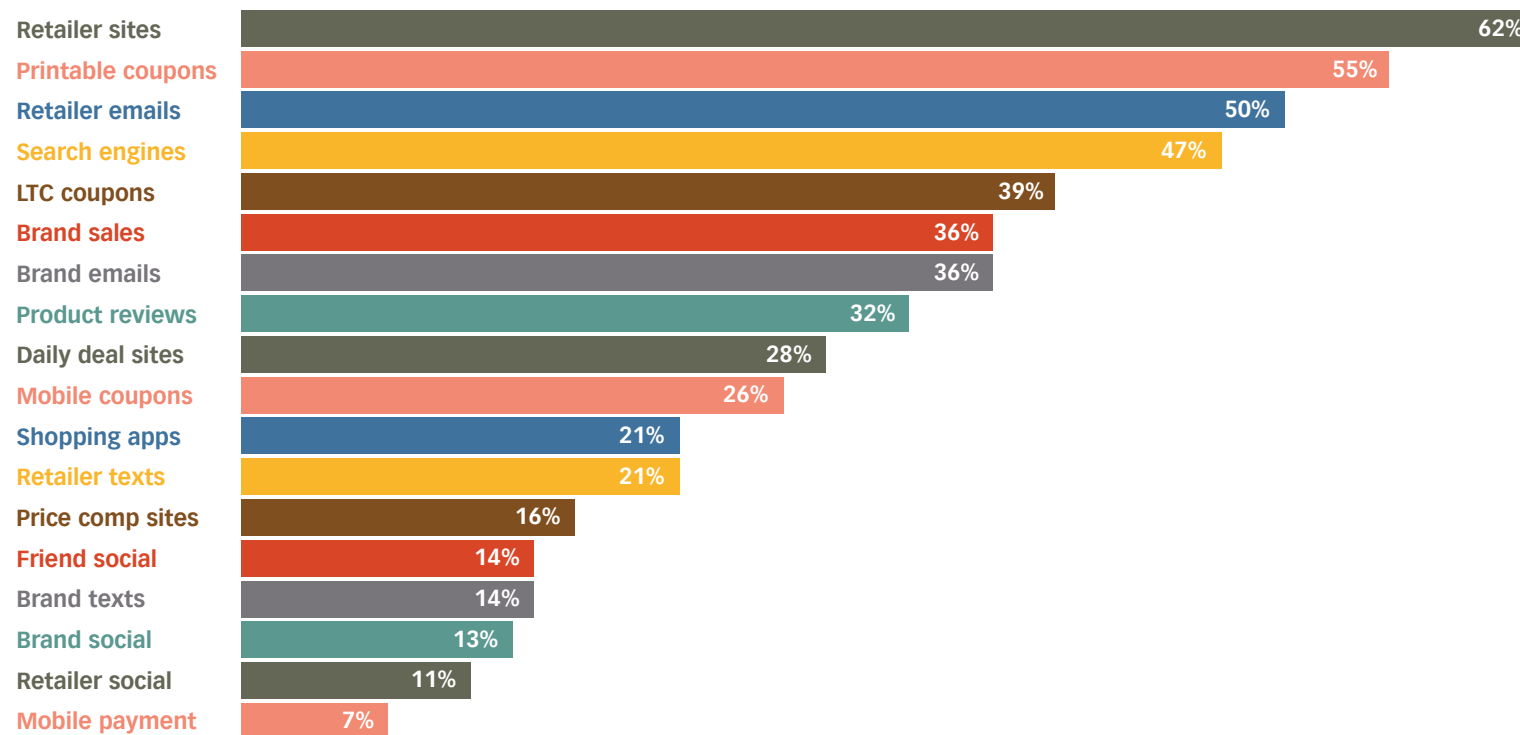
To better understand the strong and rapid growth of social media's influence on the shopping process, this year we also conducted a series of in-depth interviews and discussion boards with over 50 shoppers across a variety of ages, genders and (U.S.) locations. Our exploration centered on the use of social media and its interaction with several other tools, including emails, printable coupons and shopping apps. This data was collected with the intention of helping us see a comprehensive view of the new shopping experience and how to better connect with shoppers.

Overall findings

As in years past, our quantitative survey revealed that shoppers use a wide variety of digital tools to help them plan and execute their shopping trips. Familiar tools, such as websites, printable coupons, emails and search engines continue to dominate in terms of the proportion of the population using them, but strong inroads continue to be made by newer, more mobile tools such as texts, mobile payments and shopping apps.



Use of digital shopping tools



Tool usage
index vs. one year ago

 **84**
Search

 **74**
Daily deals

 **86**
Brand & retailer sites

 **131**
Texts

 **130**
Mobile coupons

 **150**
Shopping apps

 **117**
Load to card coupons

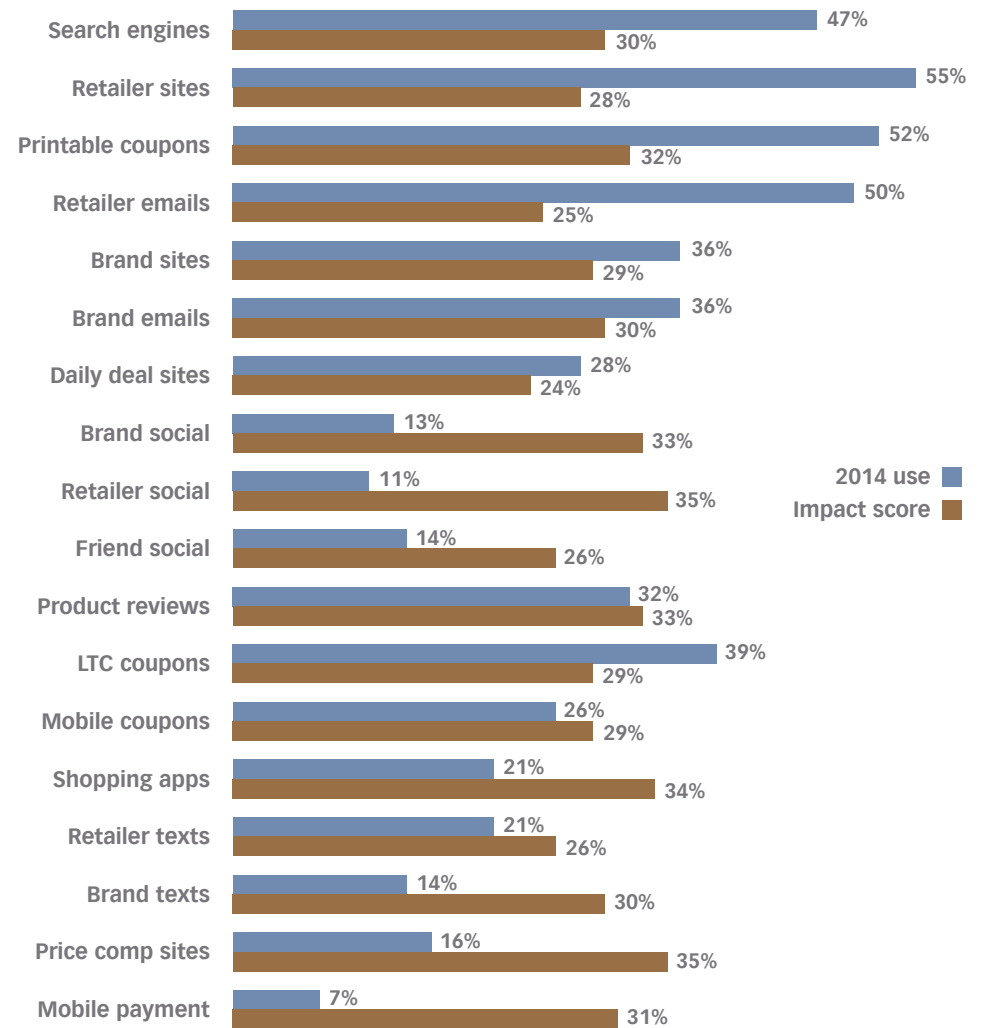
In fact, we see a noticeable shift in penetration toward these more mobile and often more targeted and individualized digital tools. This means consumers are changing the way they shop (and pay) and are going to start expecting you to communicate with them more clearly and directly.

We expect this is a natural consequence of the impact these more mobile tools have on the shopping experience and on shoppers' purchase decisions. As we have seen in past studies, the impact that these tools have on the shopping journey of those who use them is at least as great as the impact on the more widely used and time-tested tools. Simply put, consumers are using mobile and social to guide how, when, where and how often they shop.

The chart to the right depicts the relationship between penetration (percent of population using a tool) and impact of that tool (average of the percent of users of the tool who say it has influenced them across the 10 areas measured). We can see, for instance, that retailer social, or the social media activity of a retailer, has a greater reported impact on shoppers than retailer websites. While a great website is still necessary, it's increasingly important to put resources toward updating your social accounts, responding to customers and engaging with your network.

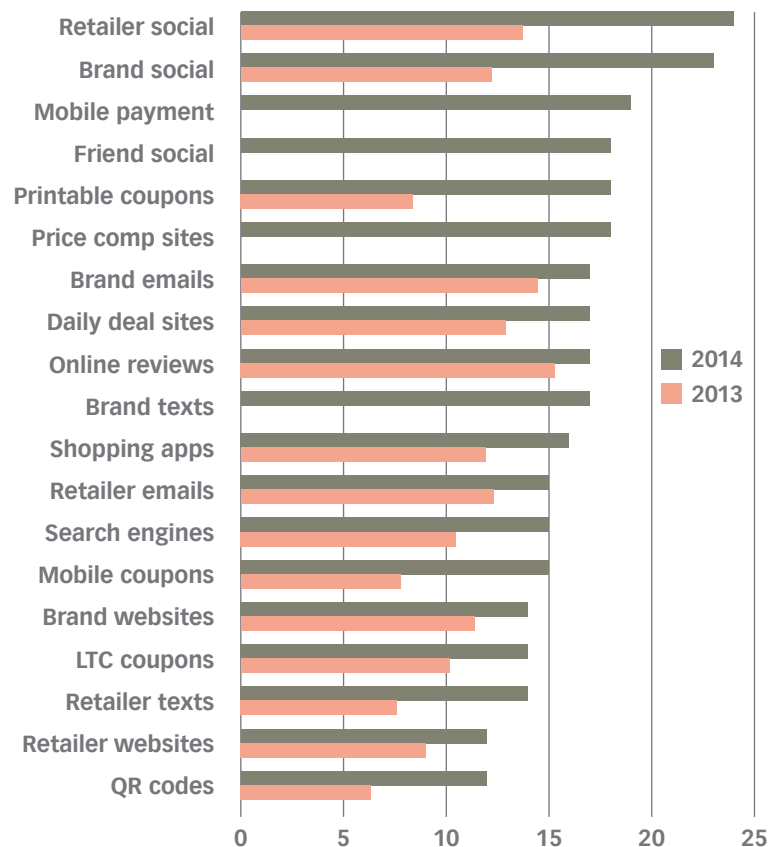
Likewise, users of mobile payment, the lowest penetration tool at present, report that it has a stronger influence on their shopping than, for example, search engines or retailer emails. Investments in enabling fast, convenient, and secure options for customers to pay with their smartphones will go a long way toward increasing loyalty and impulse purchasing.

The impact of digital tools

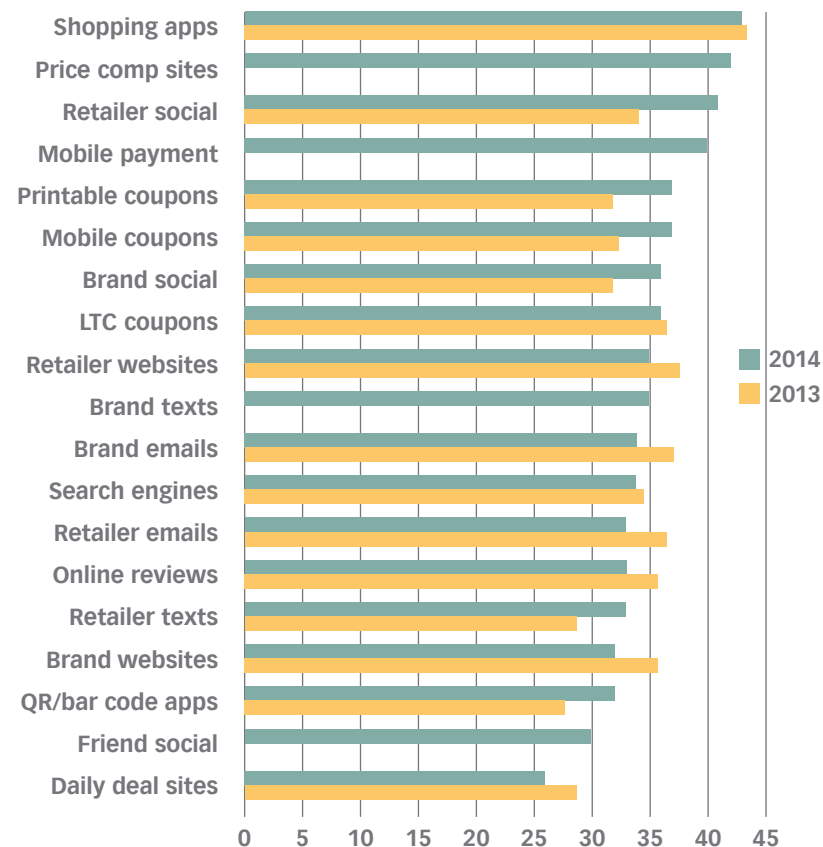


Influence vs. utility

Tool average influence

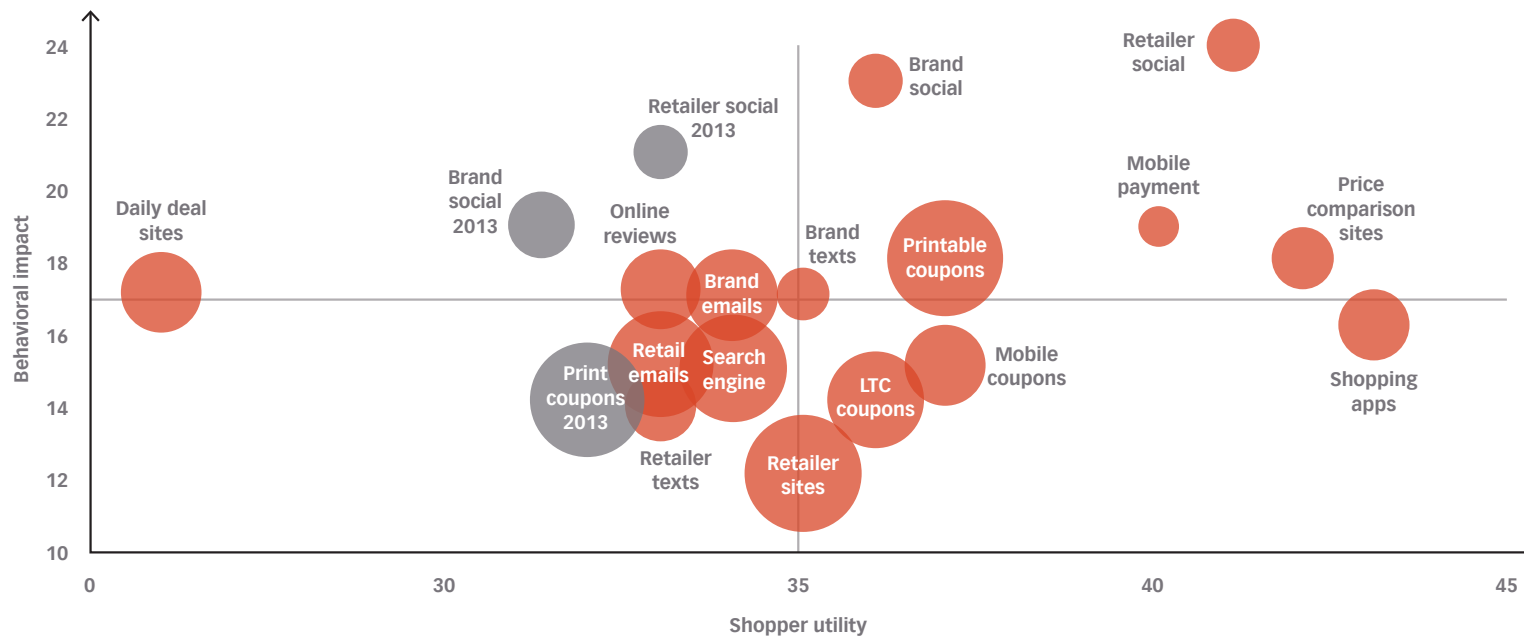


Tool average utility



Despite the fact that there are differences in the level of impact from tool to tool, this year's respondents report that these levels have increased across the board compared to last year, as depicted above. This is particularly the case with "influence scores"—the degree to which respondents indicate that the tools have influenced their shopping and decision-making behavior. The degree to which the tools improve the shopping experience, or the "utility score," has more or less remained stable. But this was already higher than the influence score.

Digital tool impact matrix



The dramatic change in influence levels of brand social and retailer social, as well as printable coupons, can also be seen above. The upper right hand (traditionally the “star” quadrant) contains the tools most likely to influence shopping behaviors and improve the shopping experience for consumers.

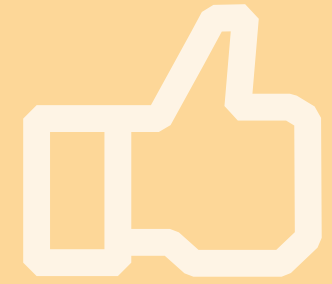
This year, social media and printable coupons moved into the star quadrant. Two tools measured for the first time this year—mobile payment and price comparison sites—also appear in this position.

Since these tools effectively pushed brand and retailer emails and shopping apps into adjacent quadrants¹, we decided to explore them further qualitatively in order to better understand the relationship between them.

Digital tools create new shopper journeys: Epsilon digital shopping tool impact study 2015

¹ Recall that none of the tools have actually declined in overall impact; however, since they appear on the matrix in positions relative to each other, they may move in and out of specific quadrants, while still growing in influence and/or utility.

The top performing digital tools



Social media

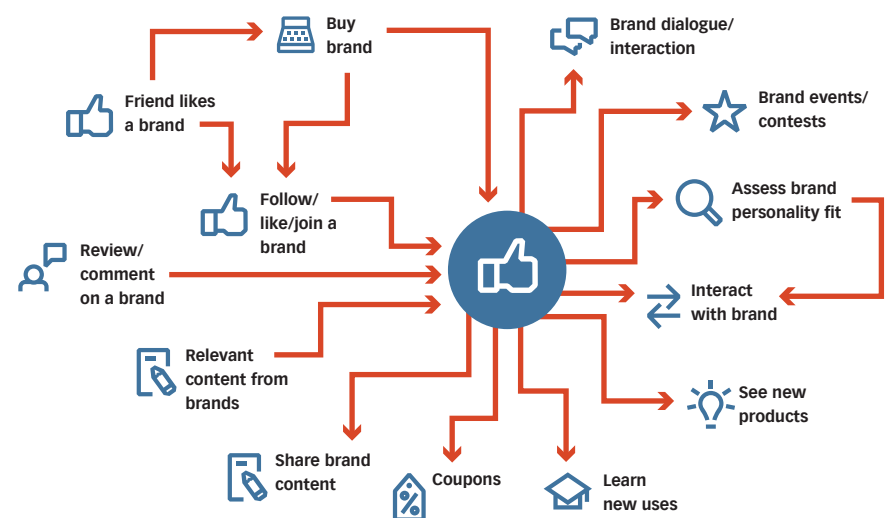
Social media would not, at first glance, appear to be as useful a shopping tool as some of the others. Far from being focused on facilitating shopping and moving shoppers along the path to purchase, social media, by its nature, involves distraction and nonlinear interaction. As a result, it's unpredictable, both for marketers and shoppers. But it's that very "element of surprise"—that ability to insert itself into non-shopping life and friendly conversations—that makes it so influential. People who incorporate social media into their shopping journeys truly rely on it both to improve their experience and to inform their purchase decisions.

Social media exposes people to new things and new ideas, which they are then more probable to like because their friends do (or people with similar passions). The illustrations below depict the many ways shoppers in the qualitative study told us they interact with brand and retailer social media. What stands out is that social media is useful and influential precisely *because* there are so many ways to interact with it.

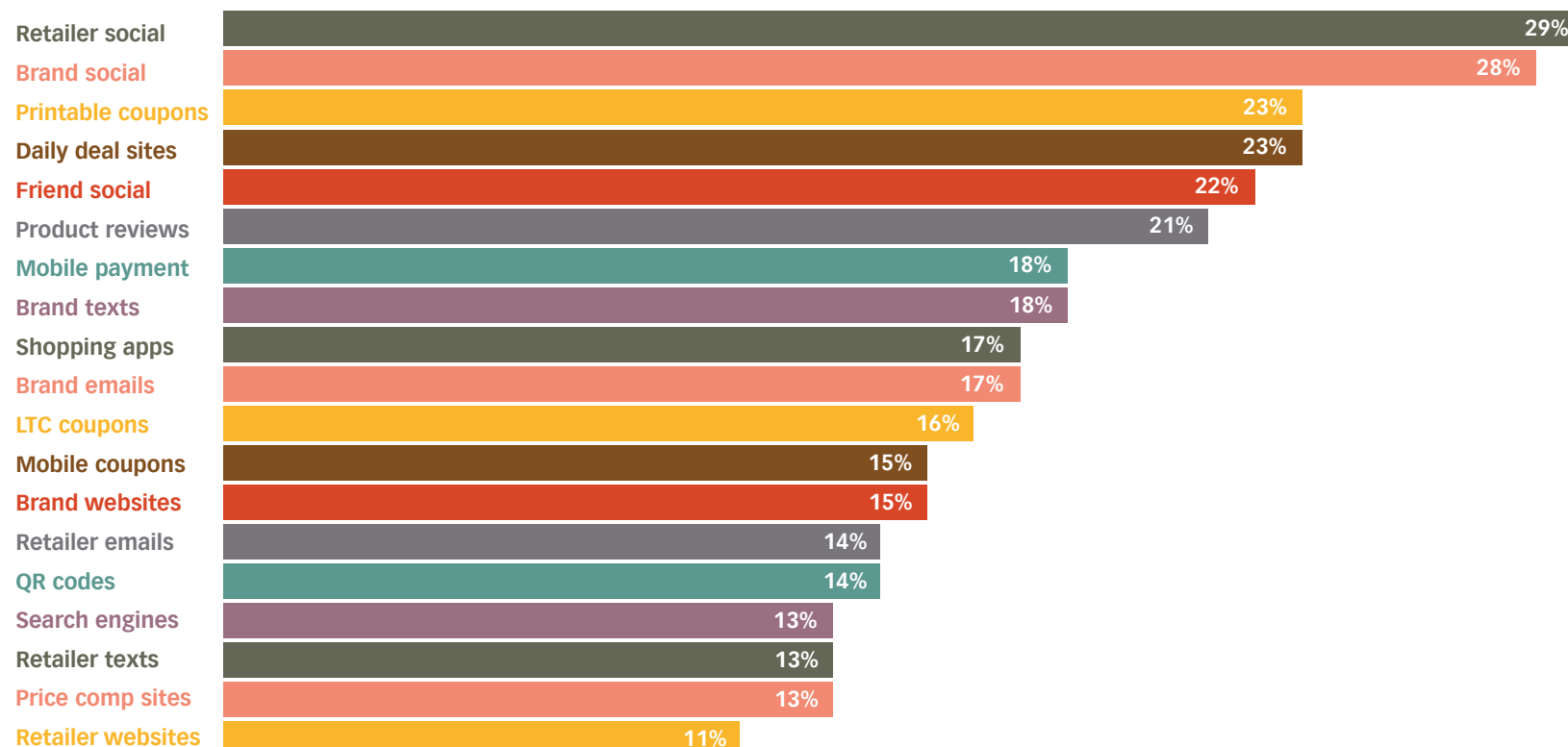
Retailer social media



Brand social media



How the digital tool influences your shopping (% saying “I try new brands and products”)



In fact, the quantitative data shows that one of social media’s key strengths is its ability to influence trial of new products and brands. The chart here shows how social media-based tools comprise three of the top five digital tools influencing trial of new brands and products (with retailer and brand social activity ranking No.1 and No. 2).

Trying a new product is risky business for shoppers. It can involve wasted money and disappointed family members, among other things. Being able to get positive feedback about a new product from like-minded social media contacts greatly mitigates that risk—and can even build the initial awareness of a new product.

Retailer social media comments



Brand social media comments



In our conversations, we found that shoppers use social media pages and updates from retailers somewhat differently from the same pages and updates from brands. Their comments, depicted in these word clouds, tell us that retailer social is at least a bit more focused on deals and functional issues. While both types of social media are used to purchase products, at least in relation to their use as shopping tools, “purchase” comments figure more heavily in retailer social discussion, along with mentions of sales, coupons, deals and promotions.

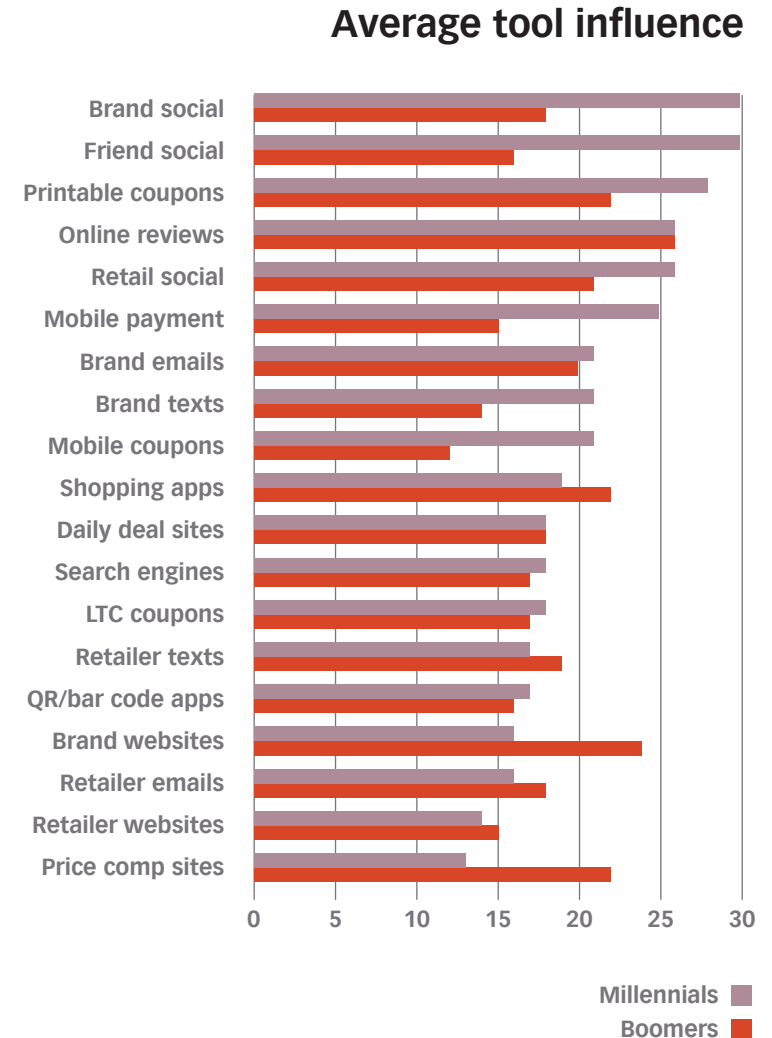
On the other hand, in discussions about brand social, mentions of product clearly dominate, and there is more commentary about identifying, relating and discovering. In both cases, shoppers repeatedly told us that they went to these pages or followed the sponsors in order to receive news.

With brand social, they’re primarily looking for news about new products and uses. In the case of retailer social, they’re seeking new in-store activities. As marketers are beginning to learn, a constant source of news and compelling content is required to stay top of mind within the world of social media.

This finding is the driving force behind the constant pressure on marketers to develop and distribute new content. In a perfect world, marketers would be able to curate and present completely personalized, highly relevant content to each target consumer. Even in the age of big data, this is something marketers are still struggling with.

However, by providing an abundance of information via social media, we can enable target consumers' friends and followers to increase brand awareness through social sharing. In the course of their posting, pinning and tweeting to like-minded people, they create a highly individualized stream of content for their fellow consumers. This only works if marketers are continuously adding lots of diverse fuel to the fire.

This need for content fuel becomes even more important when we add in the effect of demographics. Social media is even more influential with Millennials than it is with Boomers, so effectively targeting younger consumers and shoppers requires even more skillful and committed deployment of content-rich digital channels such as social media.



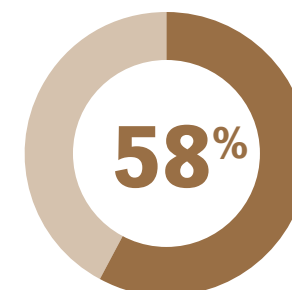
Shopping apps

Two things stand out about shopping apps. The first is that these are very versatile tools. When shoppers speak about how they use shopping apps, their comments include creating their shopping list, looking for coupons, checking inventory in-store, checking competitive pricing and reading product reviews. These tools, designed to enhance the shopping experience, are clearly able to do just that.

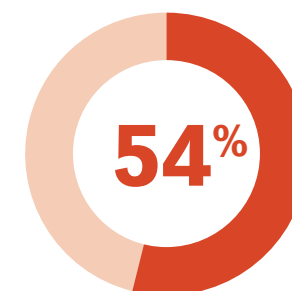
Second, shopping apps have become the bridge between the virtual and real worlds of shopping. More than any other tool, when shoppers talk about using shopping apps, they talk about going to the store, or being at the store. They are building a list, then going to the store; they are at the store and checking for a coupon; they are checking if their desired product is in stock, then heading to the store. It is not surprising to see, then, as shown here, that the shopping apps most often used by consumers are those that belong to a specific retailer.



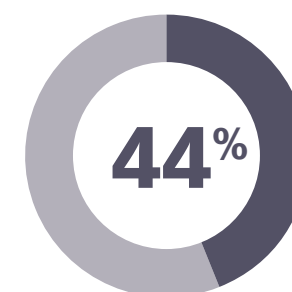
Shopping apps used by consumers



Retailer app



Groupon app



Retailmenot app

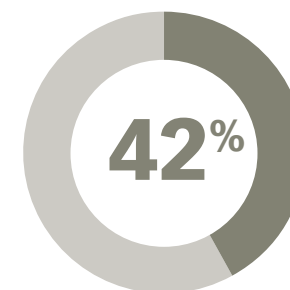
Printable coupons

Despite the growth in usage and influence of mobile digital tools, it was somewhat surprising to learn that downloading and printing coupons is still a fairly universal phenomenon—and one that shoppers continue to find rewarding and influential. In fact, although they underindex on printable coupon usage, the study found that a full 42% of Millennials reported using these “old school” coupons, compared to 60% of Boomers. And, of those shoppers using printable coupons, Millennials were even more likely than Boomers to say the coupons influenced them to buy products they hadn’t planned, to try new products, and to choose one store over another.

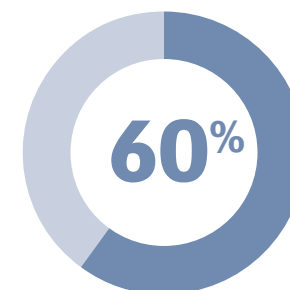
We also learned that shoppers do not necessarily distinguish between different types of coupons in the same way the industry does. For example, in qualitative, we found that many of the people who said they use downloadable or printable coupons cited examples of mobile or load-to-card coupons when asked to elaborate on their experience. Clearly, downloadable/printable coupons continue to have a valuable role for shoppers, even as more convenient mobile coupons gain ground.

In fact, digital coupons of all kinds are creating a completely new shopping behavior for this generation. In most of the Millennial shopper journeys we explored, the shopper first found the item they wanted to buy, and then searched to find a specific coupon to apply to the purchase. Over and over again in qualitative, we heard shoppers tell us “I don’t buy anything unless I can find a coupon for it,” or “I saw something I liked on Pinterest so I went looking for a coupon and then I bought it.” Rather than being spurred to action by a lucky encounter with a coupon as was the case for previous generations, shoppers today take for granted that they can search for whatever they want and, when they find it, they will also find a coupon. This is a new level and type of shopper control than most imagined when digital coupons were first introduced. It is one more way that digital shopping tools are changing the way brands interact with shoppers and the way shoppers make their decisions.

Shoppers who use
printable coupons



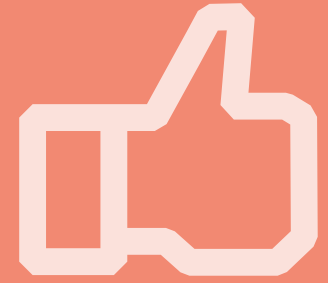
of Millennials



of Boomers

What does it all mean?

It is clear that shoppers are increasingly relying on digital tools and using them in ways marketers never expected. After absorbing the learning from this study of the evolving impact of these tools on shopper behavior, we believe it points to 6 key imperatives for marketers at both brands and retailers.



Imperative 1

Be there when and where the shopper shops

Over the last several years, the shopper has assumed ever greater control of the shopping experience. Price-comparison websites and online reviews are empowering shoppers to make educated decisions on what and where to buy. However, now the shopper is in charge of the shopping process itself. Consumers are purchasing on their own timetable. They might be shopping while they're waiting for their oil to be changed or during their favorite television show. They may be on their computer, their smartphone or their smart TV.

The shopping experience is no longer happening in the store or at the mall Monday through Saturday, 10:00 am to 9:00 pm, and marketers must rely on their digital "salespeople" to respond to shopper needs 24/7. It is critical to deploy all the digital tools your budget can afford and to think strategically about the role of each in the shopper's decision-making process for your category. Don't think about these tools as shopper tools, or promotional tools. They are the new means for you to find a way to communicate with your customers "just in time."

Imperative 2

Treat shopping as an individual journey

The new shopper journey is an extremely complex, flexible and individual process. To be most effective, you will need to increasingly market to not just individual transactions, but also to individual journeys. When we began our qualitative exploration, we focused on the impact of social media on the buying process. However, it quickly became apparent that social is just one part of a shopping and decision-making process that involves multiple tools, with information from one tool feeding into another. It is more and more difficult for marketers to map out a series of touchpoints and to accurately predict which one will come first or last in a particular shopper's journey. The buying journey has evolved to become just that much more complex. Focus on a multichannel approach that honors the complexity of the personalized shopper journey.

Imperative 3

Give shoppers something to share

Brands are using social sites such as Instagram, Pinterest and Tumblr more than ever to create content and images that people want to share with their friends. This is a key way to influence the impulse shopping that can occur in short periods of downtime—and it can lead directly to purchase. To be most effective, it is important to understand how social sharing overlaps with your other digital tools, recognizing that this will vary by category, product and even shopper. Taking the time to think this through, though, will get you started on a much more effective approach which can be further tweaked as you learn more based on the results of your digital activities.

Imperative 4

Create a plan by channel and target audience

Although it is still difficult to measure consistently, social media and email (among other digital tools) are driving in-store consideration and purchases. But because the shopping journey has become increasingly less linear, it's important to deploy multiple digital shopping tools in multiple channels, varying by your target audience. You must create a new strategy to bring these tools and channels together to connect virtual and real worlds in an experience that is centered on your shopper.

Imperative 5

Create harmony

Now that you have created your strategy with multiple digital shopping tools and channels, it's essential to ensure the tools are all working together. With so many ways to interact with your shopper, it's easy for your message to become fragmented. Ask yourself:

Is the creative consistent?

Is the message complementary?

Is each tool doing what it was designed to do?

Make sure all of your tools are working together to create the best experience for your consumer that will lead to the highest likelihood of conversion.

Imperative 6

Exploit the new “chunked” shopping behavior

Digital tools have changed, and continue to change, the ways we shop. Mobile tools, in particular, break shopping into manageable “chunks” that are accomplished during a series of short downtime periods—sometimes occurring over an extended span of time. This can open up new sales opportunities to reach shoppers with the right offer at the right time.

For instance, even if a shopper didn’t follow through on your email immediately, she may have saved it and will come back to it days or even weeks later when something else prompts her to make that purchase. But it can also create gaps where competitors have a chance to steal away the sale. He may leave that new lawn trimmer in the cart and then, when he gets another chunk of time to complete the sale, he may find a better-priced one at another retailer. To remain competitive, marketers will need to find ways to manage the chunked-up shopping journey.

Conclusion

With the steady and wide-spread growth of mobile, social and digital tools, the way people interact with products and brands isn't as predictable as it used to be. The shopper journey is becoming individualized. To stay relevant and successful, brands need to change too. Rather than one-way communication, digital tools are opening up a two-way dialog, with targeted communications at the forefront. This is a time of innovation, where leaders will thrive and followers will struggle.

About Epsilon

Epsilon is the global leader in creating connections between people and brands. An all-encompassing global marketing company, we harness the power of rich data, groundbreaking technologies, engaging creative and transformative ideas to get the results our clients require. Recognized by Ad Age as the No.1 World CRM/ Direct Marketing Network and No.1 U.S. Agency from All Disciplines, Epsilon employs over 7,000 associates in 70 offices worldwide. Epsilon is an Alliance Data company.

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