

DIGITAL SHOPPING

The Topline on Online

Nikhil Sharma

Vice President, Shopper Insights

Josh Goldman

Global Leader, Digital Measurement

The Nielsen logo is positioned in the bottom right corner of the slide. It consists of the word "nielsen" in a lowercase, sans-serif font, with a horizontal line of seven dots underneath it. The logo is contained within a white circular shape that overlaps the blue background and the grey footer area.

nielsen
.....



Today's presenters



Nikhil Sharma

Vice President,
Shopper Insights



Josh Goldman

Global Leader,
Digital Measurement

Digital Shopping: The Topline on Online

1

Digital influence on shopping



2

Considerations for marketers



3

Guidelines for success



3

Digital influence on shopping



'Digital' is widely pervasive in the United States today

ONLINE



People with Internet Access⁽¹⁾



Average Online Time Per Month⁽¹⁾

MOBILE



93%

Americans with Mobile Phones⁽²⁾



of Mobile Subscribers with Smart Phones / Tablets⁽²⁾

SOCIAL



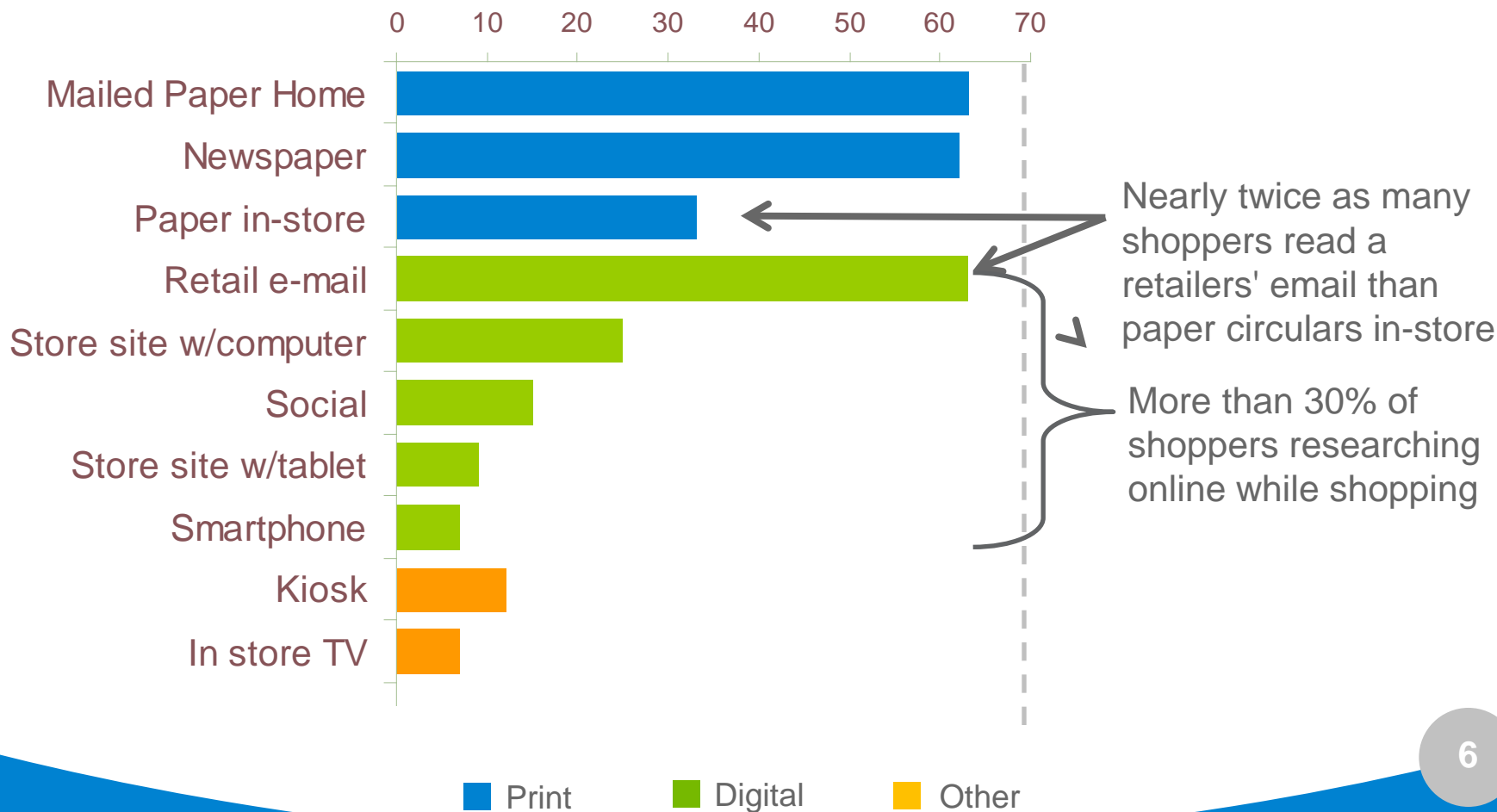
People On Facebook⁽³⁾



Minutes Spent on Social Networks or Blogs⁽¹⁾

While shoppers continue to interact with traditional forms of marketing, many are also digitally engaged while shopping

% of shoppers accessing sources 'Weekly' while shopping



Shoppers are digitally engaged to varying degrees depending on the products that they buy

31%

of ALL purchase decisions involve some online or mobile activity

Non-CPG Categories

67% Consumer Electronics & Technology

38% Entertainment Items & Content

34% Health Supplements and Choices

25%

of all CPG purchase decisions are influenced by some online or mobile activity

CPG Food Categories

34% Non-Alcoholic Beverages

19% Packaged Food

18% Fresh Food

CPG Non-Food Categories

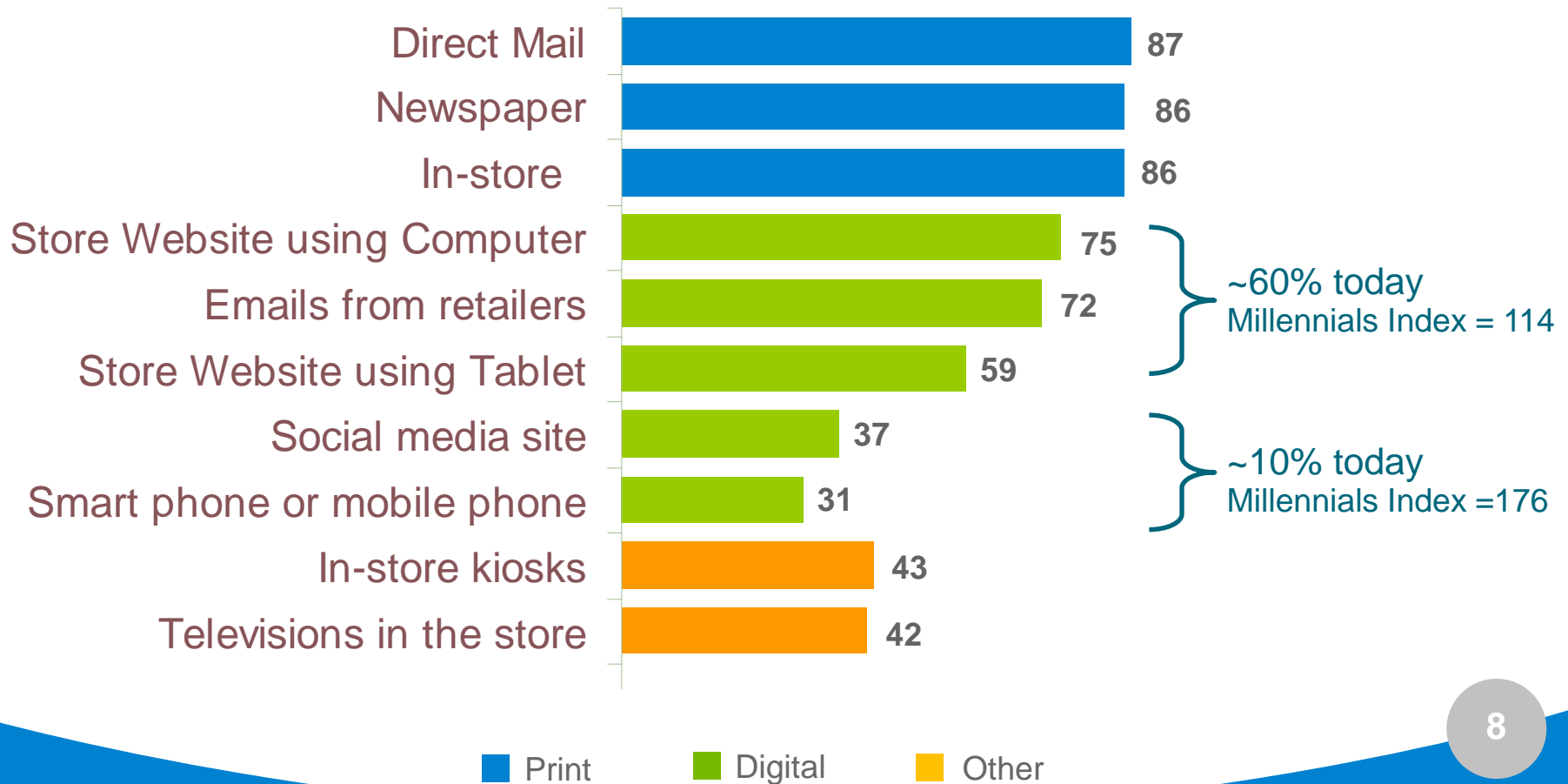
38% Baby & Child Care

26% Beauty & Personal Care

18% HH Cleaning & Detergents

Digital usage in shopping will increase: 70%+ shoppers want to shop with digital engagement in the future

% of shoppers accessing sources 'A Lot' or 'Somewhat' in Future

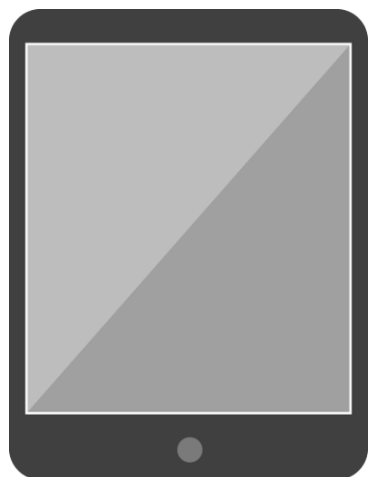


Mobile shopping is also increasing, and shopping apps are among the fastest growing categories of mobile apps

Number of People Engaged In Mobile Shopping

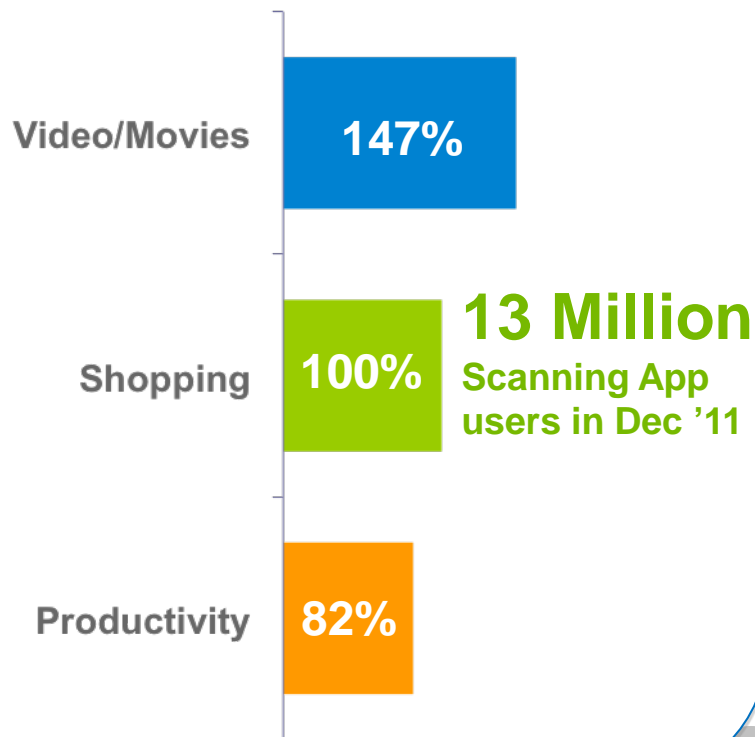


23 Million
Smart Phone
Users



5 Million
Tablet Users

Fastest Growing App Categories (Q3 2010 – Q3 2011)

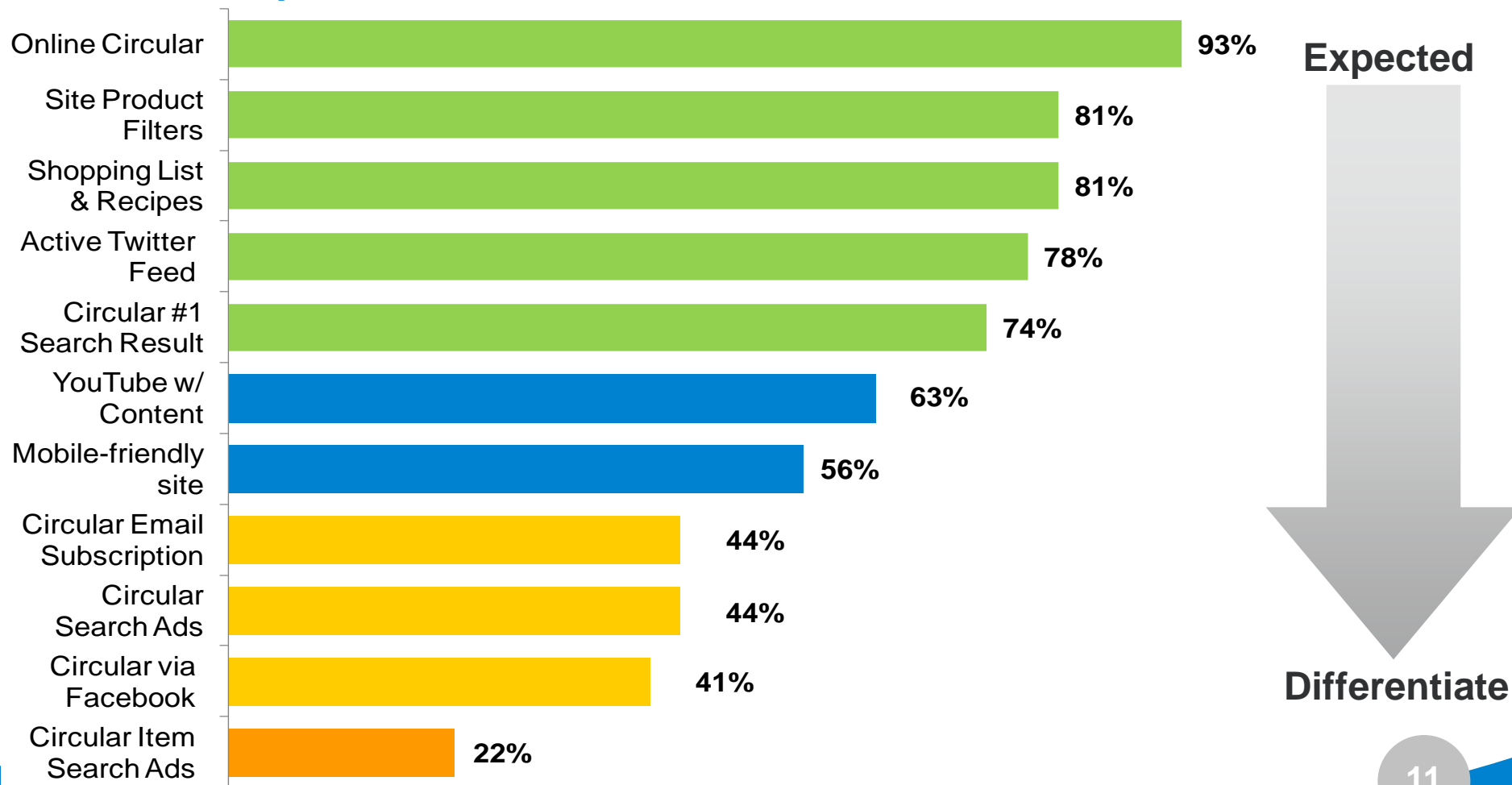


Is impulse purchasing declining? No...but new tactics required to influence shoppers

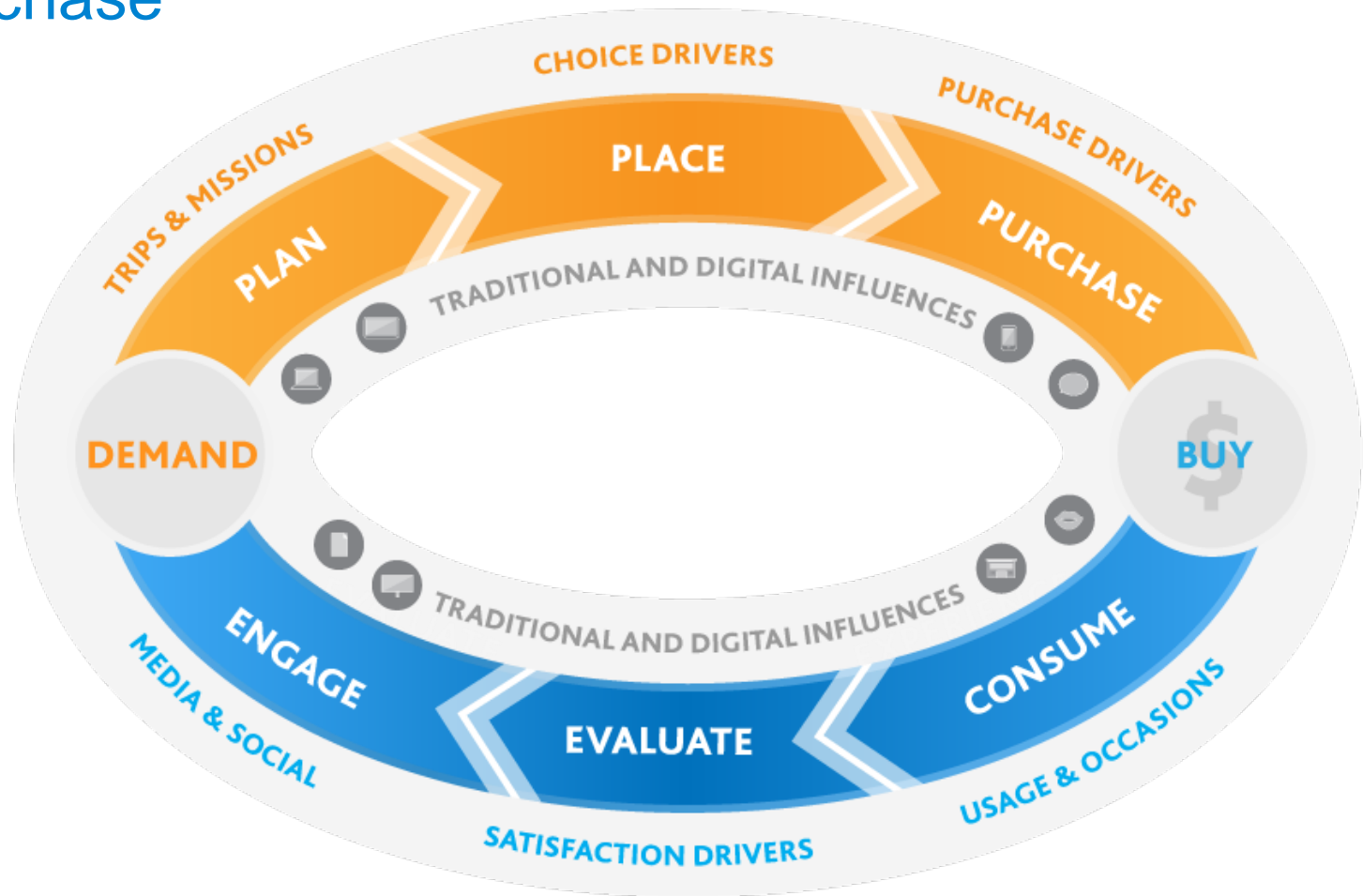
Q: What are top ways you use information?

	Shop Their List				Impulse			
	Coupons	'My' items Sales	'My' item info	Any sale	Browse	New item info	Compare Store Prices	Other
Newspaper	✓	✓		✓				
Paper at home	✓	✓		✓				
Retailer email	✓			✓		✓		
Store site (computer)			✓	✓			✓	
Store site (tablet)				✓	✓			✓
Social					✓	✓		✓
Kiosk					✓	✓		✓

What services are expected; where can you stand apart?



To develop an effective digital strategy, marketers must influence decisions along the entire ‘path to purchase’





Considerations for Marketers





Shopper marketing tactics changing



CUSTOMIZATION



**AUTHENTIC
ENGAGEMENT**



**PRECISE
SEGMENTATION**



LOWER COST

Retailers like Safeway are personalizing and integrating value-added content leveraging their 'just for u' platform

It's all about *me*



Brands can add value to existing purchase journeys and drive pre-store choices in their favor by leveraging digital



Brands can also trigger new purchase journeys

Chicago Tribune
FOOD & DINING

Sign In or Sign Up

Home News Business Sports A&E Travel Health Opinion Real Estate Cars Jobs Shopping WEEKLY AD

Mobile Alerts Trib Nation TribU Weather Obits Horoscopes Ask Amy Columns Photos Video Advertise Subscribe Help

Winn-Dixie

Sale! Milk - 1/2 Gallon \$1.49 [Add to List](#)

+ Cereal \$1.49 [Add to List](#)

Go To Full Shopping List
Weekly Special Items
(partial shopping list below)

Kellogg's Pop-Tarts [remove](#)

General Mills cereal [remove](#)

Kellogg's or Post cereal [remove](#)

Enter additional items here:

[Add Item](#)

Winn-Dixie

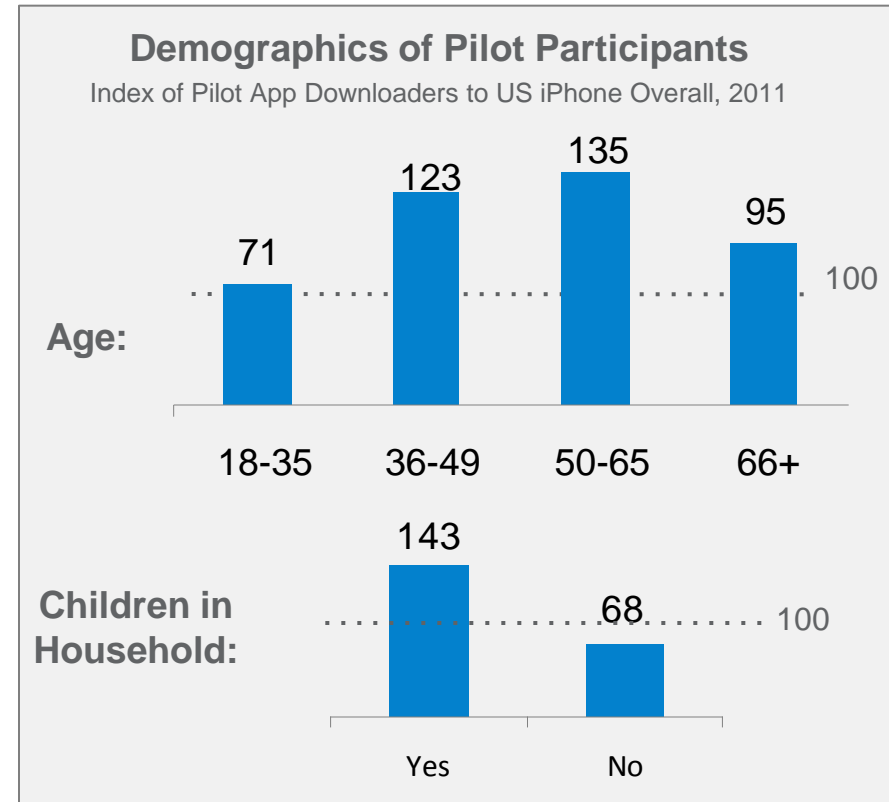
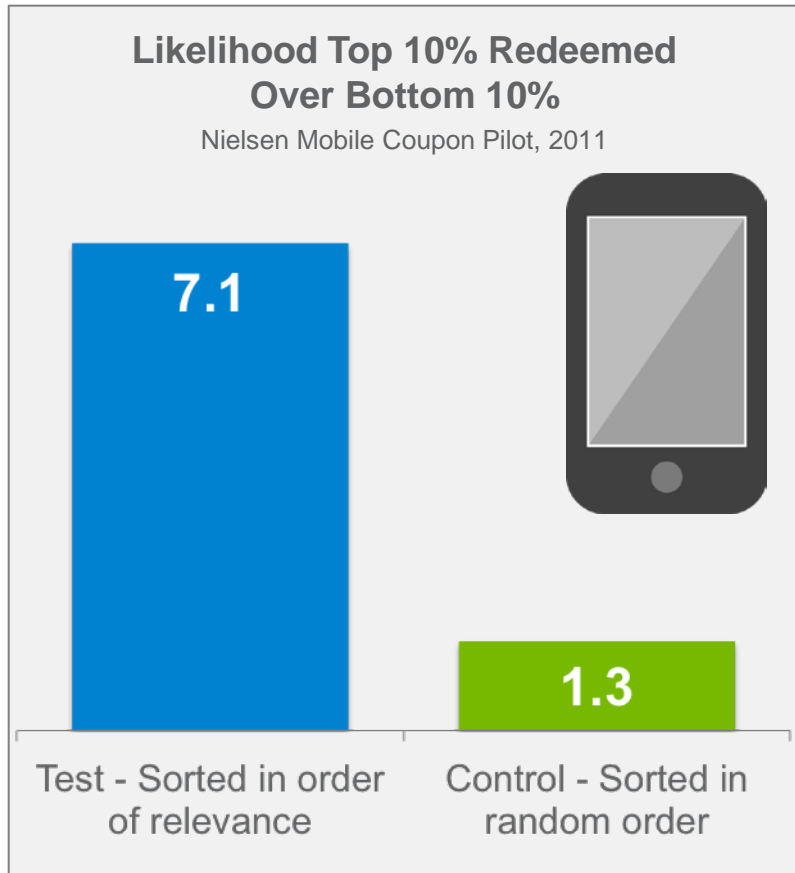
How much will you save on groceries?

Winn-Dixie

+50% higher click-through rate for brand search campaigns using 'on sale' messaging in their ad.

1 out of 7 Shoppers who reached the Lightbox added a brand product to their online shopping list

Mobile devices enable personalization by delivering digital content consistent with shoppers' preferences



Social media and consumer reviews 'level the field' for smaller brands

Impact of Ratings & Friends



Click for larger image and other views

Earth's Best Organic 1st Fruit Starter Kit, 2.5 Ounce Jars (Pack of 12)
 by [Earth's Best](#)
[Nutrition Facts](#) | ★★★★★ (43 customer reviews) | Like (18)
 List Price: ~~\$40.99~~
 Price: **\$9.72** (\$0.32 / oz) Prime
 You Save: **\$1.27** (12%)

Customer Reviews
[Earth's Best Organic 1st Fruit Starter Kit, 2.5 Ounce Jars \(Pack of 12\)](#)



Search Customer Reviews

Only search this product's reviews

Brand Advocacy

The most helpful favorable review	The most helpful critical review
<p>16 of 17 people found the following review helpful:</p> <p>★★★★★ Stop Freaking Out Over BPA</p> <p>Okay. Im a very cautious parent, but the fact that there is BPA in the lids doesnt affect the food or the quality of it. BPA is an element in plastics that is excess estrogen and its recently become known that its not beneficial to let it enter our bodies. However, BPA is only activated once its been heated and since you arent heating the metal lid, the BPA never enters...</p> <p>Read the full review ></p> <p>Published 9 months ago by Karlyn Holmes</p> <p>> See more 5 star, 4 star reviews</p>	<p>27 of 35 people found the following review helpful:</p> <p>★☆☆☆☆ DO NOT BUY---HAS BPA IN LIDS!!</p> <p>I absolutely LOVED EB food...as did my baby. That is, until I read that EB uses BPA in the sealing of their lids!!!! How in the world does a company who cares about organic, gluten free, kosher, and products free of being genetically modified think that it is okay to use BPA?!?!? I called EB to verify this information and the lady admitted it. (But they are "looking...")</p> <p>Read the full review ></p> <p>Published 11 months ago by Denise Fletcher</p> <p>> See more 3 star, 2 star, 1 star reviews</p>

< Previous | 1 | 2 ... 5 | Next > [Most Helpful First](#) | [Newest First](#)

★★★★★ **Easy To Eat Without Choking**, February 5, 2012

Marketers need to focus on the 'right shoppers'

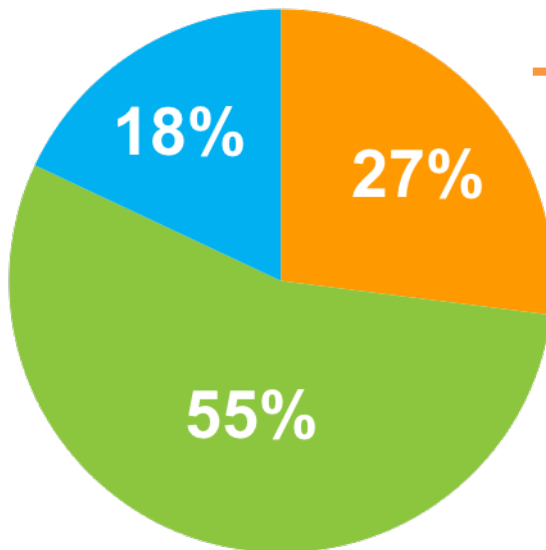
Shopper Segments Based On Attitudes Toward Experimentation

SATISFIED & SEDENTARY

Don't generally waste their time trying to keep up with new things...Know what they like, and don't have to keep trying everything

Demographic Skews

- 60+
- Live Alone
- Less Affluent



TRENDSETTERS

Love to keep ahead of what's happening...Love trying new things...Often tell others about them

Demographic Skews

- 25-49
- Children/Teenagers in Household
- More Affluent

OCCASIONAL TRIALISTS

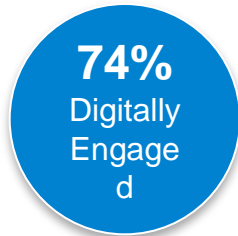
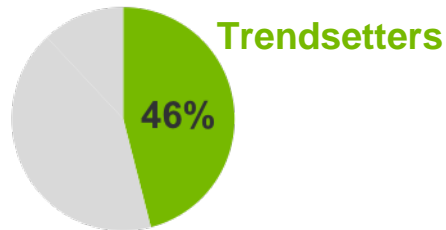
Usually keep up with what's happening...
Don't go out of their way to try every new thing

Demographic Skews

- 50-59
- Live With Spouse/Partner
- Middle Class

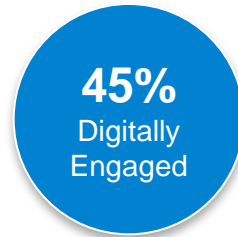
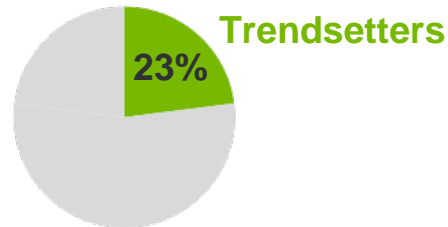
... engage shoppers with the 'right message'

Diapers



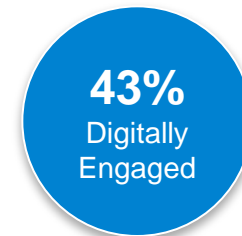
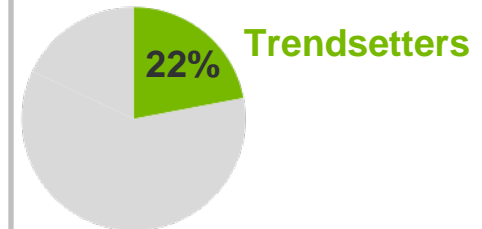
- 1 Searching for Coupons
- 2 Reading a Flyer/Circular
- 3 Looking for Deals

Coffee



- 1 Browsing Online
- 2 Looking for Deals
- 3 Searching for Coupons

Laundry Detergent



- 1 Searching for Coupons
- 2 Comparing Prices
- 3 Reading a Circular/Flyer

...via the 'right medium'

An increasing complex landscape provides consumers with a wide array of choices

Example is illustrative



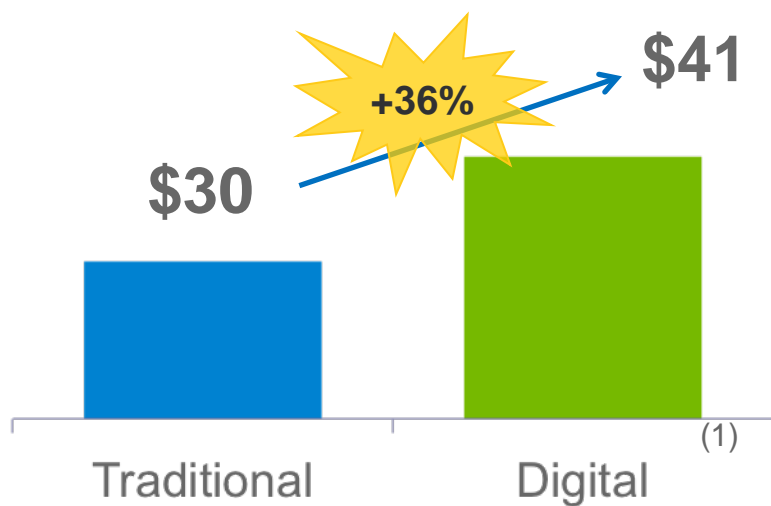
	ONLINE					MOBILE			SOCIAL		IN-STORE		
	Website	E-Circular	Emails	Printable Coupons	Digital Magazines	Search/Display Ads	Mobile Coupon	Text Message	Mobile Apps	Reviews	Social Media	Kiosks	QR / Bar Codes
1 Searching for Coupons		✓	✓	✓		✓	✓	✓	✓		✓	✓	
2 Reading a Flyer/Circular	✓	✓	✓								✓	✓	
3 Looking for Deals	✓	✓	✓	✓		✓	✓	✓	✓			✓	✓

Weigh **IMPACT** vs. **FEASIBILITY** of above tactics to optimize digital platform

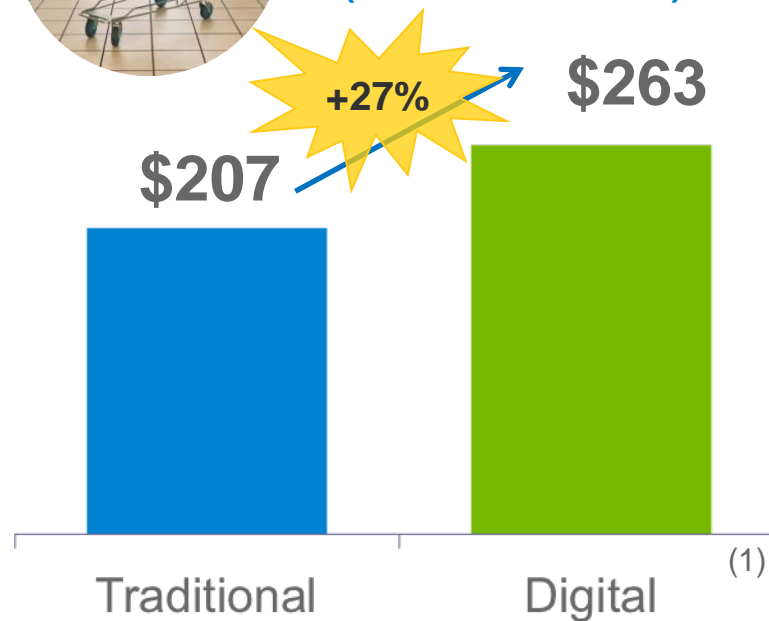
Digitally engaged shoppers can be very rewarding - both for manufacturers and retailers



Average Category Spending
(Per Household - \$)



Average Trip Spending
(Per Household - \$)



Guidelines for success





Winning principles for digital shopper marketing

1

Discriminating tastes

2

The digital 'new math'... $1 + 1 = 3$

3

A new 'digital shelf' emerges

4

Create advocates, not mercenaries

Roadmap for success

ORGANIZE TO SUCCEED

Build a Dedicated Shopper Insights Team

Develop Flexible and Efficient Frameworks

BUILD FOUNDATIONAL INSIGHTS

Choose Where to Win and Understand Decisions on 'Path to Purchase'

Learn From Shoppers at Every Opportunity

COLLABORATE & ACTIVATE

Proactively Tackle Retailers' Most Difficult Issues

Add Category Depth to Retailers' Broad Knowledge

MEASURE IMPACT

Clearly Define Success Metrics and KPIs

Measure Effectiveness with Shoppers and Retail Partners



What now?

- 1 Action over perfection
- 2 Find your shopper first
- 3 Identify a decision to influence
- 4 Experiment across platforms



Q&A

Thank you for attending

- If you have follow-up questions or want more information, please contact your Nielsen Professional Services Representative.
- If you are not a current Nielsen client, please contact us by phone or email:

Phone: 800-553-3727

email: CPGSolutions@nielsen.com

OR if you have any questions regarding the content of this webinar, you can also contact:

Nikhil Sharma, email: nikhil.sharma@nielsen.com

Josh Goldman, email: josh.goldman@nielsen.com