

A young woman with long brown hair, wearing a grey knit beanie and a red coat, is smiling while looking at her smartphone. She is holding a white coffee cup in her left hand. The background is a blurred outdoor setting, possibly a city street.

criteoL.

Browsing & Buying Behaviour 2016.

Study: online consumer shopping behaviour revealed

United Kingdom: Q3 2016

Preface

With UK ecommerce sales growing at an annual rate of 15%, according to the Centre for Retail Research, it's more important than ever for marketers and retailers to understand the holistic purchase journey. By looking at the interplay between actual behavioural data and consumer attitudinal research, Criteo presents these valuable insights about the journey from browsing to buying. Criteo, which operates the world's largest ecommerce media exchange, has data on over 90 billion yearly ecommerce searches and £96 billion in ecommerce transactions. The company also has exclusive access to unique and valuable cross-site consumer shopping data that reveals how consumers shop in a multi-tab world.

Key findings



2/3 of shoppers browse online once a month or more



76% of baby care category shoppers purchase online once a month or more



1/3 of online purchases are impulse buys



54% of online purchases are made on a mobile device (excluding tablets)

A woman with short dark hair, wearing a green jacket, is looking down at a tablet computer she is holding with both hands. The background is a blurred city street at night, with lights from buildings and streetlights visible. The overall tone is muted and professional.

1

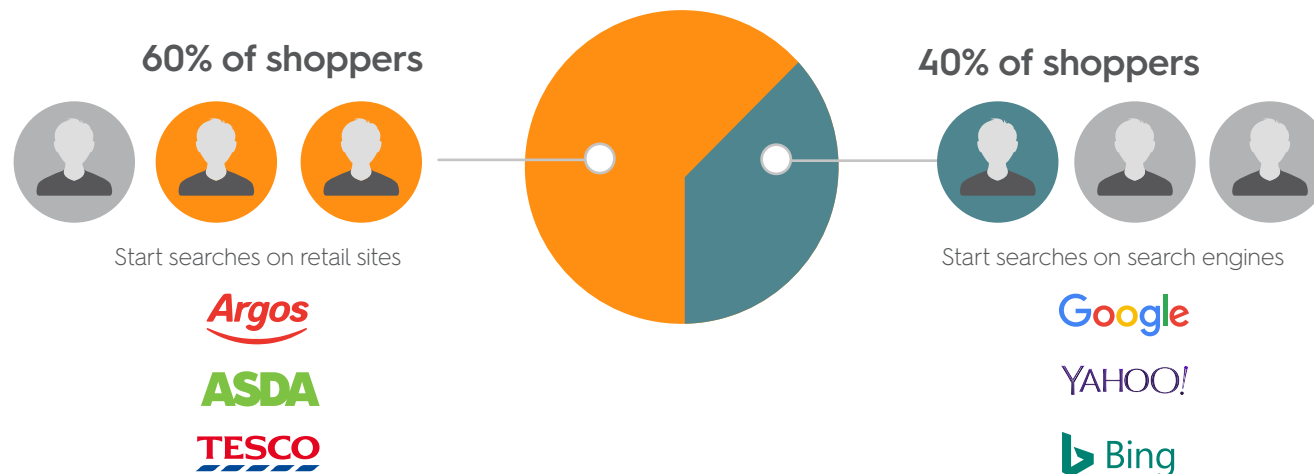
The shopping process begins._____

Shoppers start on retail sites.

In a world where influence on shoppers can come from multiple sources, from traditional media to the amplification of word of mouth that social media provides (and consumers are armed with devices to take action on influence), it's important to look at how the online purchase process begins.

While consumers may use search engines for finding general information, when it comes to purchasing, they say they are most likely to NOT start the process there. Sixty percent of online shoppers surveyed started their shopping on a retail site, not a search engine.

When shopping online, where do you typically look first?





2

Browsing about._____

Browsing habits

According to Criteo data, the number of retail sites shoppers browse is related to the product category. Shoppers look across more sites for Electronics, Home and Furniture. Electronics are high consideration products that also tend to have higher price points, thus more shopping around. Home and Furniture products are often a reflection of personal taste — and many also have higher price points. Health & Beauty and Apparel & Accessories, which typically have high brand intent, tend to be the categories with the most site-loyal browsers.

Comparing habits

Consumers can be segmented by the amount of focus they display regarding their purchases. According to data from the survey, two-thirds of consumers on average (66%) say they have a specific product in mind and look for just that.

Forty-one percent of shoppers on average say they tend to browse different products on the same website to compare. A separate 13% on average are putting products into shopping carts without purchasing them right away, which they likely do as some sort of comparison shopping tool.

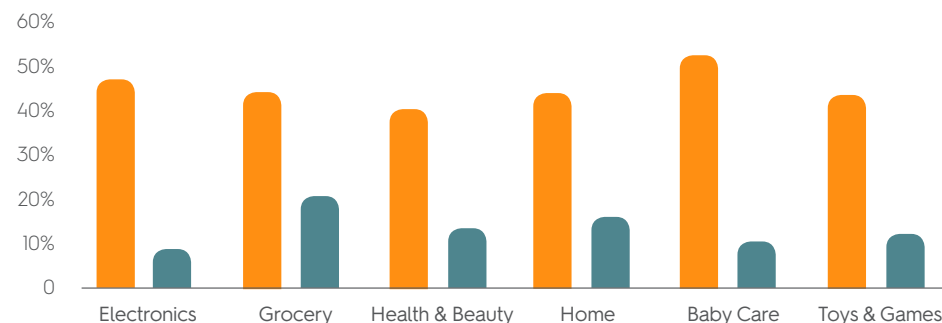
When you break this data down by category, Baby Care shoppers are the ones most likely to browse for multiple products on the same site. The lifestyle of the young family brings many new types of products to households which these shopping patterns attest to. In categories like Food/Grocery, nearly 20% of shoppers report putting products in their shopping carts without purchasing them right away. They are likely building their carts over time for a weekly or bi-weekly purchase.

Browsing habits across websites

Category	% Of users on 2+ retailers	Average retailers visited with 2+ retailers browsed
Electronics	43%	3.0
Home	37%	3.1
Furniture	37%	3.1
Toys & Games	35%	2.8
Baby Care	31%	2.8
Apparel & Accessories	25%	2.6
Health & Beauty	22%	2.6

Source: Criteo network data, March 2016

Browsing habits within websites



When browsing online, which of the following best describe you?

■ "I tend to browse different products on the same site to compare products"

■ "I often put products in my shopping cart without purchasing them right away"

Why browse multiple sites?

Excluding price, better selection is the most common reason at an average of 32%; Home shoppers rated it at 45% while Grocery shoppers said 39%. For Toys & Games and for Health & Beauty, product availability is more significant (27% and 25%, respectively). Product information is the most significant in Electronics (cited by 36%). Consumers here need sufficient details or they move on.

Why shoppers browse multiple sites



UK Criteo Online Shopper Survey, May 2016: Aside from price checking, when shopping online which of the following reasons is most likely to cause you to browse different websites?



Cross-retail site marketing is essential. Given that so many consumers prefer to shop multiple sites when making a decision, brands need to promote their products through broad-reach retail marketing programs like Criteo Sponsored Products.



Cross-sell to drive sales even among loyalists. While a significant percentage of consumers have high intent for specific products, using data to present complementary products will incent impulse even among the most brand loyal.



Show them the product faster. Simplifying their online search process through paid ads on ecommerce sites makes the entire shopping process easier and faster for the consumer.



Get them the product faster. Shoppers are becoming ingrained to fast delivery and making rapid shipping options as clear as possible – and as affordable – is essential.



Retargeting presents a huge opportunity. When asked about various shopping opportunities done in the last six months, 41% of online shoppers said they had added items to their shopping carts for later. Retargeting has proven to be one of the most effective forms of online marketing as it ensures product relevance.

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Browsing to buying.

Frequency

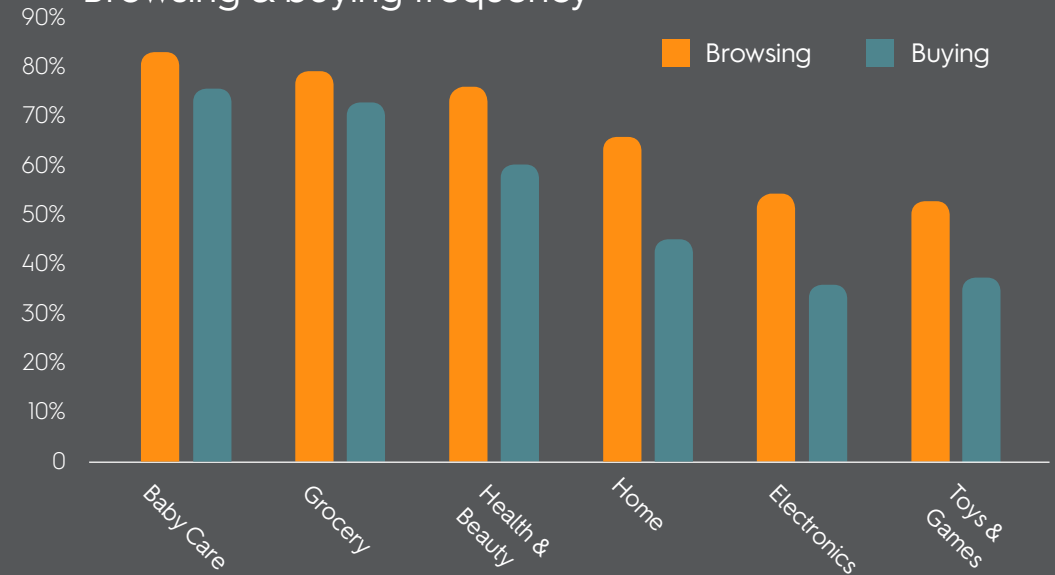
Nearly two-thirds of online shoppers are browsing at least one of the core six categories online once a month or more, typically split between those who browse weekly, monthly and somewhere in between.

On average, nearly half (47%) report purchasing at least once a month. There is significant divergence among the core categories in terms of purchase frequency. Over 76% of shoppers who have purchased a Baby Care item online do so once a month or more while only 36% of Electronics purchasers do. Busy parents likely enjoy the ease of home delivery as they need to purchase frequently, while Electronics are clearly less of a necessity. Grocery is an extremely strong category in the UK and 22% report ordering weekly.

Purchase decision cycle

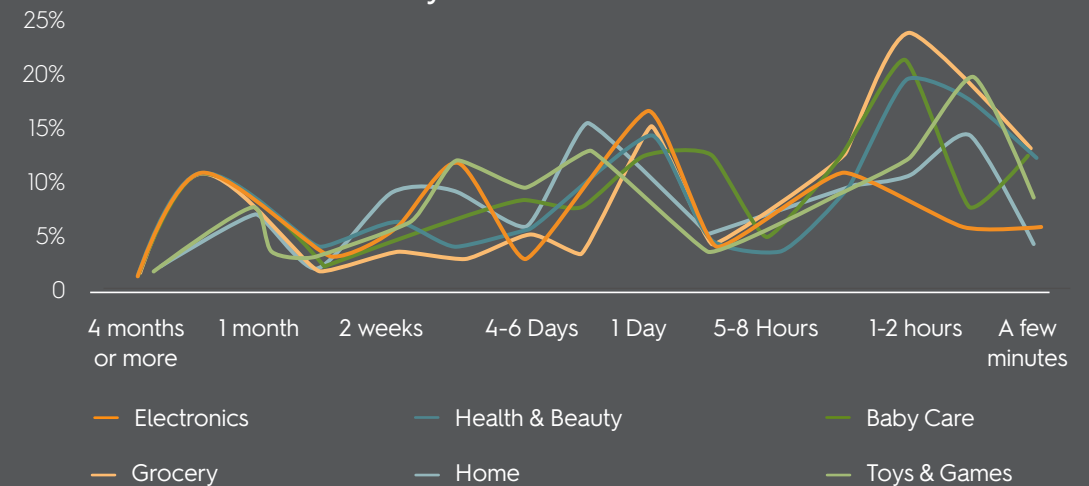
Consumers display differing tendencies in terms of amounts of time thinking about their purchases before actually making them. For most categories, there are two types of decision making processes, the spontaneous purchase decision, 1-2 hours before purchase, and the considered purchase decision, 1-3 days before purchase. However, in categories like Electronics and Home/Home Decor, there is also a higher incidence of extended purchase decision, where consumers start thinking about their purchases weeks or even months beforehand.

Browsing & buying frequency



How often do you typically browse online? How often do you typically purchase online?

Purchase decision cycle



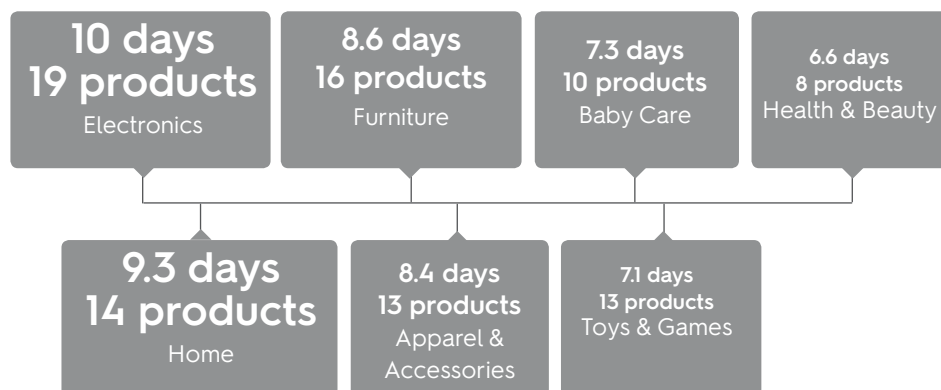
How long were you thinking about purchasing your most recent purchase before you purchased it?

Criteo data reveals the average number of products browsed by category along with the average purchase cycle from first browse to actual purchase for the month of March. Electronics rises to the top as the highest-consideration category: there are typically 10 days between a first browse and the ultimate purchase. In that time, an average of 19 products are browsed. In Health & Beauty, a highly brand loyal and lower consideration product category, on average there are 6.6 days between first browse to purchase and 8 products viewed.

Our survey reveals that for purchasing, consumers can be broken down into the highly-focused who make up on average 50% and the 38% who may add on additional products that catch their attention. By category, Food/Grocery is the most likely to be adding on additional products to the purchase, with Electronics being the least likely to.

Average purchase cycle and number of products viewed

From first browse to purchase



Source: Criteo network data, March 2016

Purchasing habits across websites



When purchasing, which of the following best describes you?

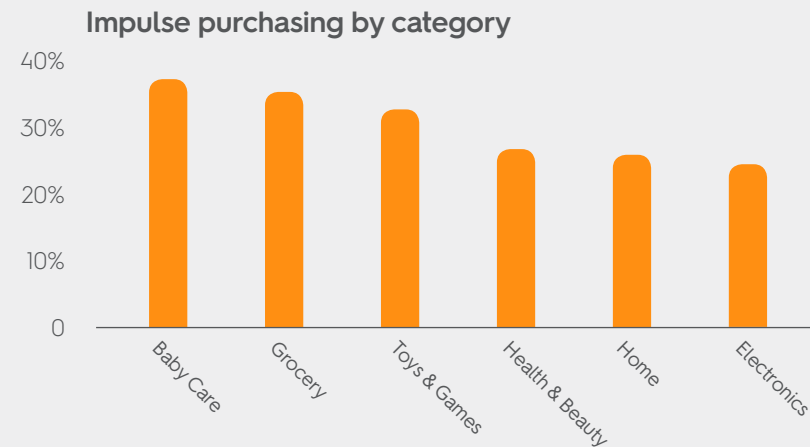
Source: UK Criteo Online Shopper Survey, May 2016

Purchasing on impulse

When asked to rank the top factors that influence the actual purchase, not surprisingly, price is highest with 83% of consumers saying it has the most influence. This is followed by product description at 59% and product ratings/reviews at 49%.

How often do shoppers purchase on impulse?

Consumers were asked what percent of the time they purchased an item on impulse, one they did not intend to: on average it was 28% of the time. That represents a massive marketing opportunity. The incidence of this sort of impulse shopping is significantly higher in the Baby Care category, where nearly 38% identify with this qualification. Electronics purchasers are least likely to be impulse shoppers – only 25% are – likely due to higher price points and the longer consideration cycle this category shows. Grocery and Toys & Games rank nearly as high, as Baby Care for impulse purchasing.



What percentage of the time do you purchase an item you did not intend to purchase when you began shopping?

Tips to win

- **Native is your best chance to be seen on mobile.** Consumers are increasingly blind to banners and rejecting them – especially on mobile devices. Native product ads built off consumer relevance data are your best opportunity for driving sales and enticing consumers with a format that engages rather than annoys.
- **Products descriptions and reviews are key.** Brands should ensure that product descriptions in terms of dimensions, fabrications, usage and care are as complete as possible. Retailers should encourage their most loyal customers to write reviews and make them as visible as possible.

4

Buying snapshots by category.



Spending across categories



Electronics

£687 spent in the last 3 months

53% browse monthly or more often

35% purchase monthly

25% of purchases are impulse



Grocery

£647 spent in the last 3 months

70% browse monthly or more often

60% purchase monthly

36% of purchases are impulse



Health & Beauty

£663 spent in the last 3 months

75% browse monthly
or more often

60% purchase monthly

27% of purchases are impulse



Baby Care

£880 spent in the last 3 months

83% browse monthly
or more often

79% purchase monthly

38% of purchases are impulse



Home

£693 spent in the last 3 months

65% browse monthly or more often

44% purchase monthly

26% of purchases are impulse



Toys & Games

£641 spent in the last 3 months

52% browse monthly or more often

38% purchase monthly

34% of purchases are impulse

A smiling man with short dark hair and a light beard, wearing a light grey blazer over a dark grey V-neck sweater, is looking down at a smartphone with a light-colored, textured case. He is holding the phone with both hands. The background is a blurred outdoor scene with many people walking, suggesting a busy public space like a shopping mall or a city street. The overall tone is warm and positive.

4

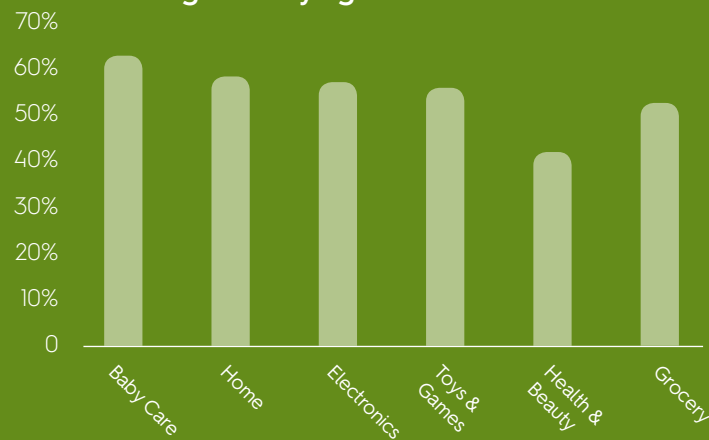
Mobile & shopper empowerment.

Places shoppers browse or buy on mobile In the past 12 months



Please indicate where, if at all, you have done each of the following activities in the past 12 months.

Shoppers who report cross-device browsing and buying



Have you ever researched a product on one device and then purchased it on another?

Source: UK Criteo Online Shopper Survey, May 2016



54% of online shoppers report purchasing from a **mobile device**.



Mobile is proving to be the ultimate commerce device: used for connecting with retailers, researching, and now purchasing via the device, which 54% of respondents say they do. These behaviours are going on both at home and in store and even on the go. Over half (55%) research from home on mobile, while 20% do so in-store.

The in-store activity is not just price checking (which is done by 30%). More than one-quarter look up product details (26%) while 22% look at reviews. Marketers need to make sure their mobile optimised sites and their apps help them navigate to this kind of information quickly.

Mobile is bringing ecommerce into places that have great implications for marketers. Over half research from home (55%), while 20% do so in store. At home, the phone can be an activation device for TV advertising, while in store, consumers can be incented to get more information through QR codes or enable the retail app to trigger offers from beacons.

When you look at the statistics for cross-device shopping, it becomes even clearer that marketers need a holistic strategy to truly capture purchase activity. Over 50% of shoppers in each of our categories reported some level of researching on one device and completing the purchase on another.



Best practices for an omnichannel world

Mobilise your in-store experience

Shoppers are checking prices but also product detail and reviews: are these easy to get to experiences on your mobile app or site? Have you tried using beacon technology to trigger relevant push notifications to your loyal customers?

Omnichannel is the reality: Embrace it

Shoppers move back and forth from devices and online to offline shopping, holistic marketing should not be on the marketing timeline but an immediate reality. Investigate some of the many new ways to connect desktop and mobile device data and offline to online data to make sure you capture all sales activity.

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Conclusions.

Brands and retailers need to use all possible cues to understand the ever-more complex path to purchase. Data from online shopping – and increasingly from activity in bricks and mortar retailing – can be used to go from notions of segment specific to the ultimate personalised marketing. What's most important is for marketers to move quickly as consumers are always one click away from another site or product.

Criteo can help brands dramatically increase consideration of their products across the largest network of retail sites. Our native product listing ads, Criteo Sponsored Products, allow you to reach in-market shoppers, drive them to product detail pages, and attribute resulting sales at the SKU level.

Non-linear path to purchase

Brands

Retailers



About Criteo

Criteo (NASDAQ: CRTO) delivers personalised performance marketing at an extensive scale. Measuring return on post-click sales, Criteo makes ROI transparent and easy to measure. Criteo has 2,000 employees in 31 offices across the Americas, Europe and Asia-Pacific, serving 13,000 advertisers worldwide with direct relationships with 17,500 publishers. for more information, please visit Criteo.com.

Criteo ads reach over 1.2 billion unique Internet users (comScore, January 2016).

This and future whitepapers may be found at:

www.criteo.com/resources

