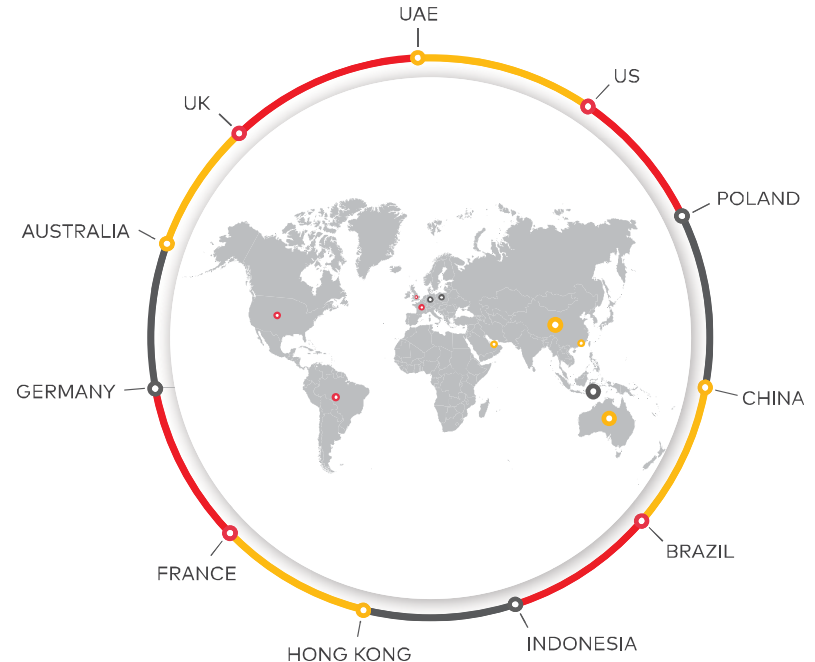# Omnishopper 2017

The Rise Of the Networked Shopper

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Meet the Omnishopper @ 2017

For the second year, Mastercard surveyed more than 12,000 consumers in 11 markets including the UAE, US, Poland, China, Brazil, Indonesia, Hong Kong, France, Germany, Australia and the UK. The questions (delivered and answered via online surveys) were fielded July 15-30, 2016.

The findings are most compelling when considered in the context of the survey. It did not start by qualifying respondents based on device behavior or specific retail affinities. It qualified by general shopping. The questions were asked on the basis of current, objective shopping behavior.

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The Energized Omnishopper

The data does not show dramatic changes in year-over-year shopper behavior, but it does show that the technology and shopping options that are changing retail economics are being embraced by the consumer.

Technology and eCommerce migration may be disrupting retail but they energize consumers.

Omnishoppers are comfortable with technology, obsessed with research, confident, smart and largely satisfied. The next phase of retail development will need to capture and build on this energy.

The changing shopper journey is both the source of disruption to current business models and the key to managing a retail executive's biggest challenge: Change.

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Key Finding # 1: Value drives Omnishopper loyalty

Global shopping satisfaction tops 90 percent for the second year. 70 percent of those surveyed said they would go back to the same merchant. Shoppers go back for value (47 percent) and track record/reputation (36 percent).

Quality	Percentage
Value	47%
Track record	36%
Convenience	32%
Loyalty rewards	28%
Ability to touch and feel product	27%
Easy payment options	22%
Consistency In selection	21%
Always offer something new	19%
Personalized service	17%
Ability to speak to an associate	12%

Question: What qualities cause you to go back to the same merchant?

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Key Finding # 2: Technology breeds comparisons

Omnishopper technology use validates increased and consequential activity. They use PCs, smartphones and tablets to become smarter shoppers. The top two answers to the question "how has technology changed your shopping experience" involve comparison shopping.

Comparing prices more ████████████████ 53%

Comparing across different products more ████████████ 43%

Visit more merchant websites ██████████ 37%

Choosing right product for my needs more often █████████ 33%

Value people's input more ███████ 27%

Buying more from new merchants ████ 19%

More connected to merchants or products ███ 14%

Question: How has technology changed the way you shop?

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Key Finding #3: Research is expanding dramatically

Disseminating information about products, pricing and promotions is critical for capturing the Omnishopper. Sixty-four percent said they were researching purchases more than they did two years ago. That number goes to 74 percent for the all important 18-29 year old segment. Why?

45%	31%	30%
Better information	Better reviews	Better Tools

Question: Why are you doing more research now?

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Key Finding #4: Stock-outs are main obstacle

74 percent of respondents listed inventory as the top frustration when shopping. Inconsistent online and in-store product selection came in second at 65 percent.

74%	65%	60%	59%	55%
Item not in stock	In-store inventory different from online	Security of personal information	Not knowing product details	Shipping and return policies

Question: To what extent are you frustrated about shopping today?

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Key Finding #5: Online shopping driven by convenience

Although economics and comparisons were the biggest reasons the Omnishopper shopped online, convenience (and "easy") were the most important value props.

36%	**41%**	**43%**	**43%**
Easy	Convenient	Easy to compare	Save money

Question: What reasons cause you to choose online shopping over in-store?

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Key Finding #6: In-store is about interactions

Immediate gratification is an obvious preference for in-store shoppers. However, the desire for human interactions, either through other shoppers or salespeople, was significant.

40%
Good customer service overall

41%
Receive good customer service after the sale
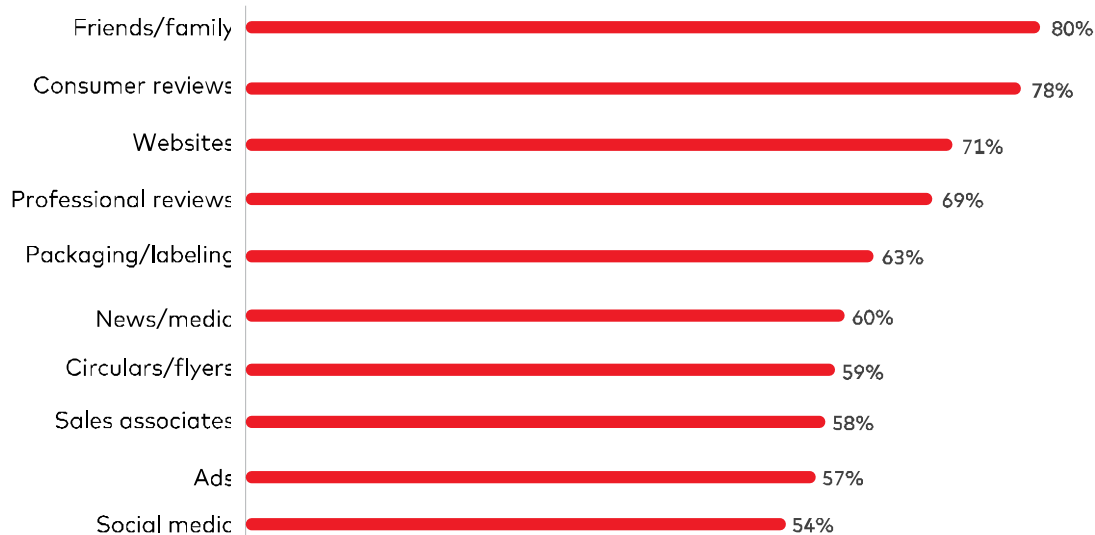
50%
Social experience

57%
Receive the product quickly

Question: What factors cause you to shop in-store rather than online?

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Key Finding # 7: Redefining the meaning of social

Friends and family still rule. When asked "how influential are each of the following sources to you personally?" Friends and family (80 percent) and consumer reviews (78 percent) were the most important. The least important? Social media (54 percent).

Source	Percentage
Friends/family	80%
Consumer reviews	78%
Websites	71%
Professional reviews	69%
Packaging/labeling	63%
News/media	60%
Circulars/flyers	59%
Sales associates	58%
Ads	57%
Social media	54%

Question: How influential are each of the following sources to you personally?

Key Finding # 8: Experiences Over things

The data shows that more than 50 percent of all respondents favor experiences over things. Germany and the US topped 60 percent, with France, China and Hong Kong dragging the overall number down.

Total
51%

Australia
57%

UAE
54%

Germany
66%

Poland
46%

France
31%

Indonesia
58%

UK
53%

39%
Hong Kong

US
64%

40%
China

54%
Brazil
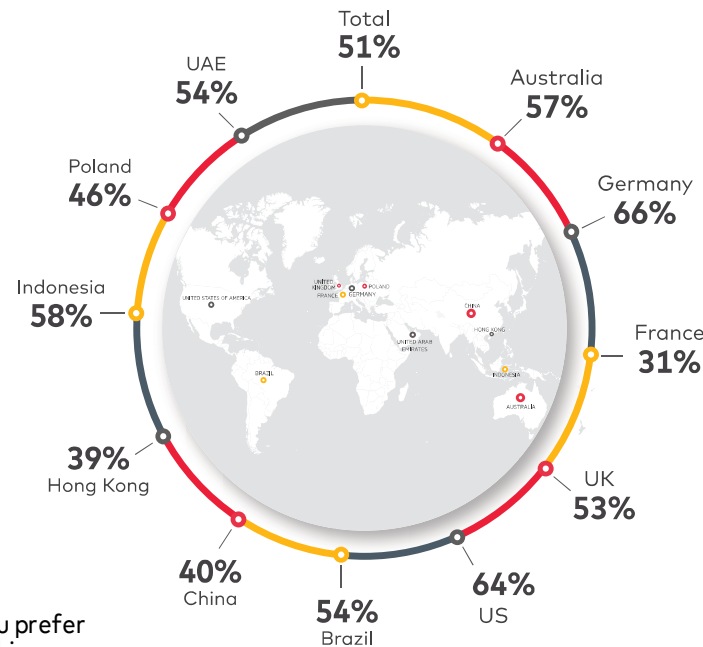
Question: Do you prefer experiences or things when shopping?

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Key Finding #9: Generation gap for technology

Young consumers are consistently higher in their usage of online tools. In fact there is a significant generation gap in whether or not technology makes 50+ shoppers "smarter."

Legend: 18-29 (yellow) · 30-49 (red) · 50+ (grey)

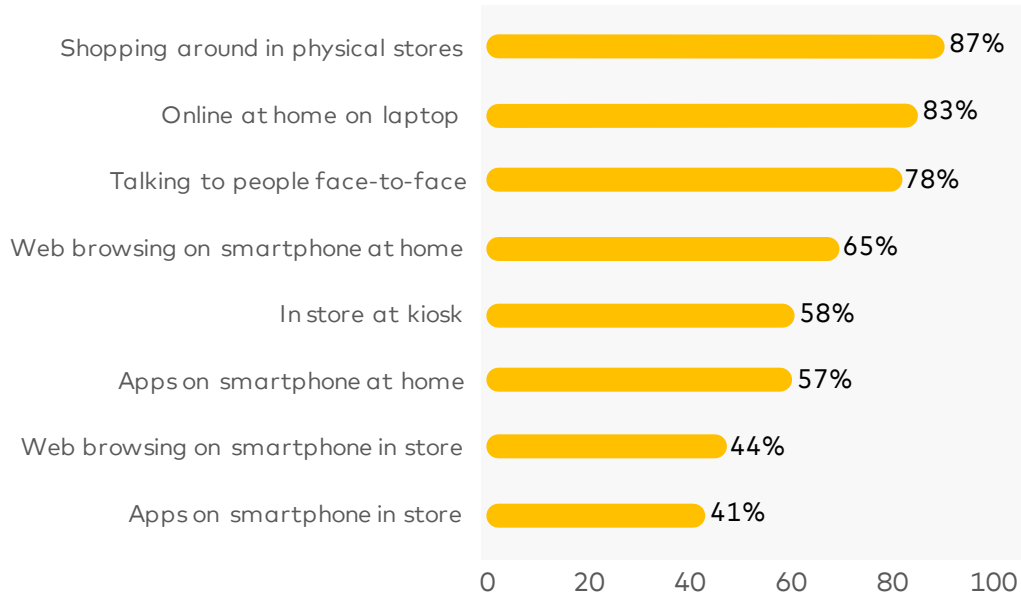| Statement	18-29	30-49	50+
Makes it easier to find products	89	90	80
Love using latest technologies	79	75	51
Too complicated	45	41	39
Gives too much access to personal life	66	70	66
Makes me a smarter shopper	85	84	68
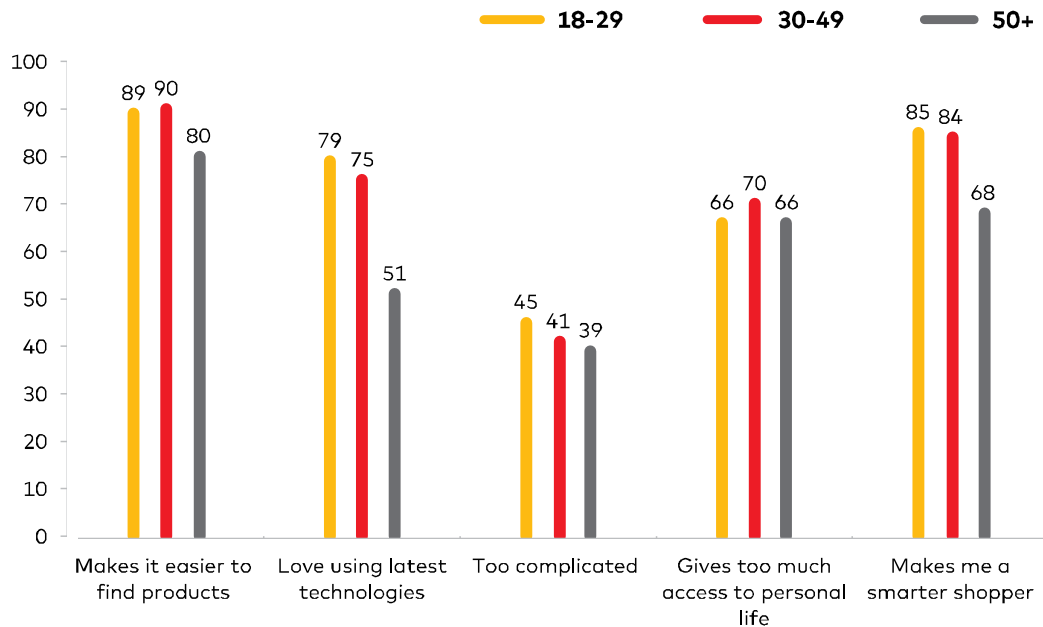
Question: To what extent do you agree or disagree with the following statements about using technology for shopping?

Omnishopper: Technology

Technology is energizing shoppers regardless of the channel. In this section we find that consumers who tend to want to try new merchants (30 percent of all shoppers) have more active shopping lives than "loyalists."

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Omnishopper Tech: Online browsing still dominates

Even though mobile usage has increased dramatically for shopping, the Omnishopper still prefers in-store contact and online research.

Activity	Percentage
Shopping around in physical stores	87%
Online at home on laptop	83%
Talking to people face-to-face	78%
Web browsing on smartphone at home	65%
In store at kiosk	58%
Apps on smartphone at home	57%
Web browsing on smartphone in store	44%
Apps on smartphone in store	41%

Question: To what extent are you shopping in the following ways?

Omnishopper Tech: Introducing "flirts" and "loyalists"

Omnishoppers that will consider trying new retailers ("flirts") are technologically more savvy than the loyalists. The "flirts" are more 'active' shoppers, comparatively.
Flirts and loyalists scores are very similar when 'researching online'
For all other tasks flirts seem to be using technology more, at least directionally.

● LOYALIST

55%	44%	42%	41%	36%
Researching online	Communicating with People	Shopping	Making Purchases	Handling finances

● FLIRT

56%	48%	47%	47%	39%
Researching online	Shopping	Communicating with People	Making Purchases	Handling finances

Question: To what extent do you feel comfortable using technology (for the above mentioned tasks)?

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Omnishopper Tech: Usage frequency on the rise

Combine the top two responses and technology usage is near 80 percent. That's eight out of ten purchases influenced by technology. Again at the top end, the frequency is significantly higher for the flirts.

● LOYALIST

23%	**55%**	**14%**	**7%**
Always	Sometimes	Rarely	Never

● FLIRT

34%	**53%**	**10%**	**4%**
Always	Sometimes	Rarely	Never

Question: How often do you use technology when shopping?

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Omnishopper Tech: Shoppers love devices

For loyalists, 75 percent of respondents enjoy using technology. The "flirts" who stand to look more actively for new retailers enjoy technology even more when the top two answers are considered.

● LOYALIST

26%	**49%**	**17%**	**8%**
A great deal	Somewhat	Not too much	Not at all

● FLIRT

38%	**47%**	**11%**	**4%**
A great deal	Somewhat	Not too much	Not at all

Question: To what extent do you enjoy using technology when shopping?

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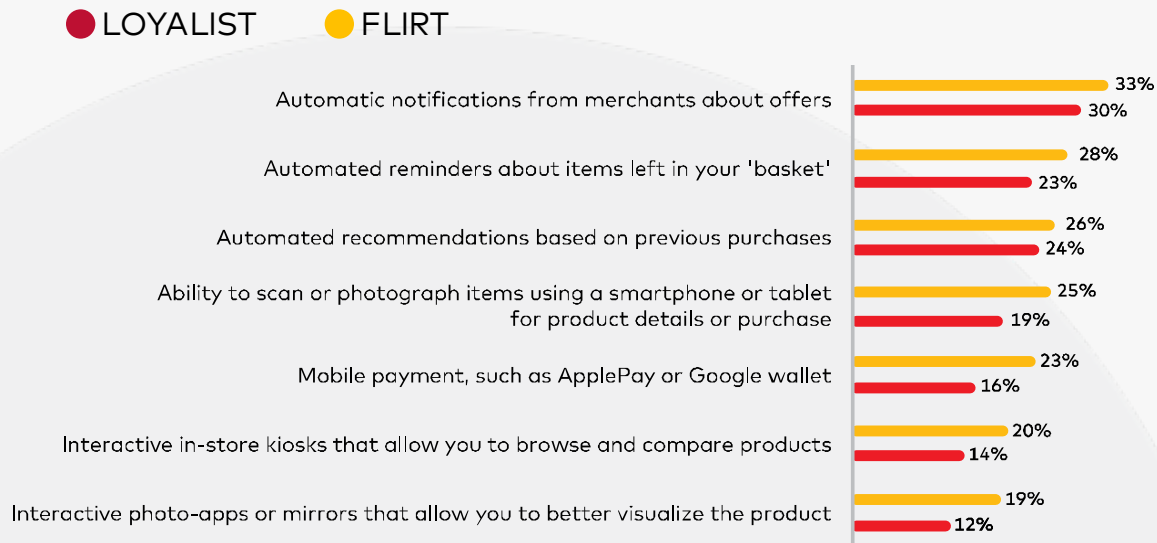# Omnishopper Tech: Comparison shopping dominates

A majority of shoppers say they use technology to compare prices. In fact, the top two results here show the power of comparison. The comparison shopper would seem to be looking for new merchants. As a result "flirts" seem to buy more from merchants they otherwise wouldn't have considered before.

● LOYALIST   ● FLIRT

I am now comparing prices more
- 51%
- 54%

I am now comparing across different products more
- 44%
- 43%

I visit more merchants' websites
- 39%
- 35%

I am now choosing the right product for my needs more often
- 34%
- 33%

I value people's input more (from reviews, comments, talking face-to-face)
- 28%
- 26%

I am buying more from merchants I wouldn't have considered before
- 24%
- 17%
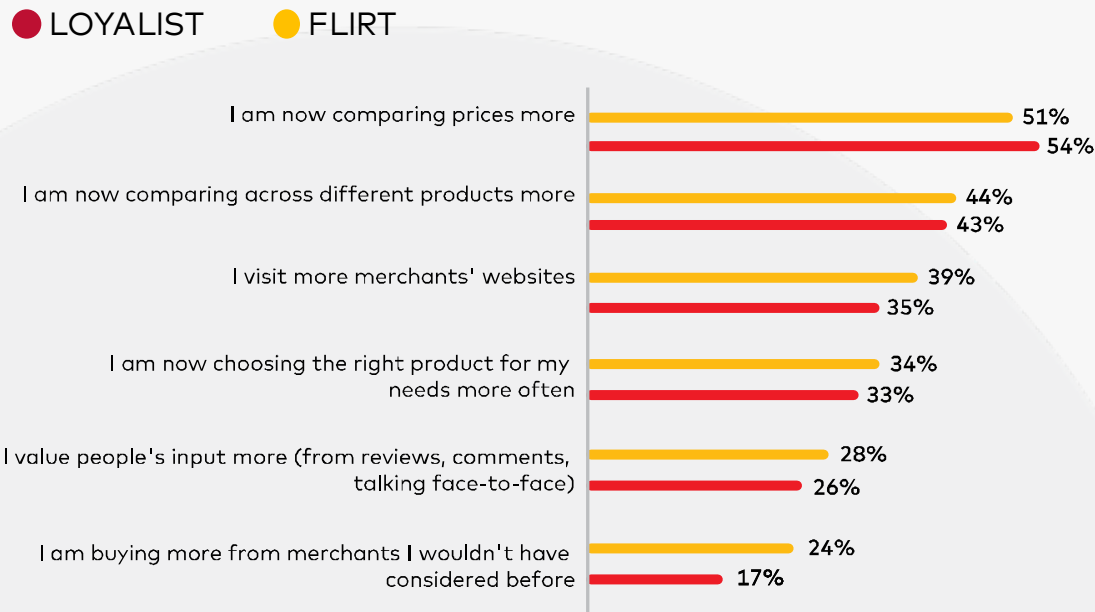
Question: How has technology changed the way people shop?

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Omnishopper Tech: Automation increases engagement

Automatic notifications are preferred by all shoppers, but there is a decided slant toward the "flirts" when it comes to technology services.

● LOYALIST   ● FLIRT

Automatic notifications from merchants about offers
- 33%
- 30%

Automated reminders about items left in your 'basket'
- 28%
- 23%

Automated recommendations based on previous purchases
- 26%
- 24%

Ability to scan or photograph items using a smartphone or tablet for product details or purchase
- 25%
- 19%

Mobile payment, such as ApplePay or Google wallet
- 23%
- 16%

Interactive in-store kiosks that allow you to browse and compare products
- 20%
- 14%

Interactive photo-apps or mirrors that allow you to better visualize the product
- 19%
- 12%

Question: What kind of shopper technology do you use the most often?

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Omnishopper Tech: Improving the shopper experience

Flirts love to use latest technology for shopping and believe technology makes then a smarter shopper.

Flirts also think that technology makes it easier to find the products that they shop.
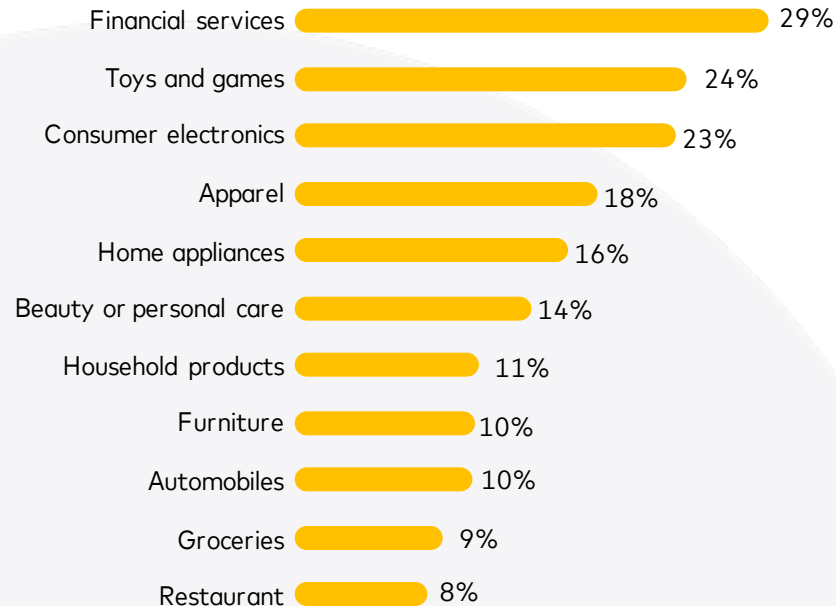
● LOYALIST   ● FLIRT

Technology makes it easier to find the products that I want
44%
37%

Technology makes me a smarter shopper
37%
27%

I love using the latest technologies for shopping
33%
21%

Technology gives merchants too much access to my personal life
23%
19%

Question: Describe your attitude toward shopper technology?

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Omnishopper: Sectors

Retail sectors show significant differences in online preferences, in-store preferences and the development of a new category – "both."

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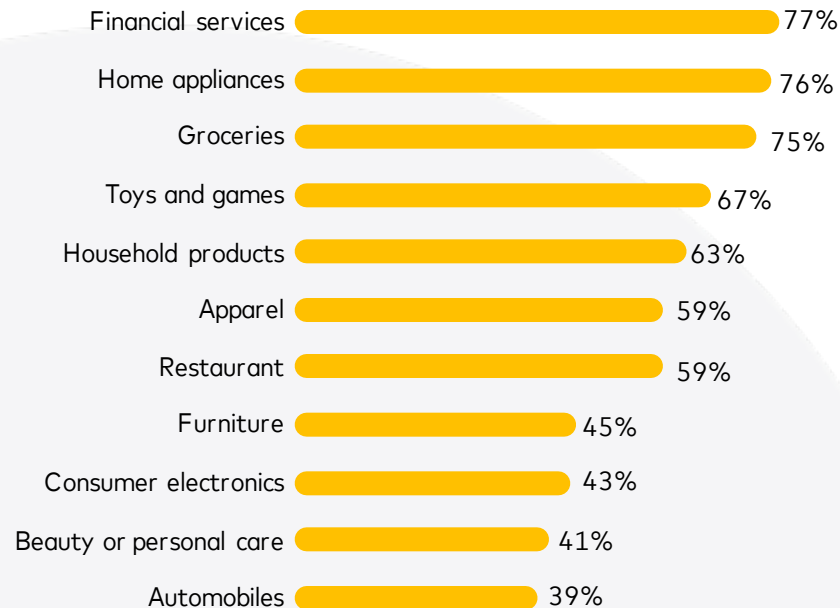# Omnishopper Sectors: Financial services leads online

Although it is not a typical retailing category, financial services leads the way when shoppers identified the sectors they were most likely access by online means only. Consumer electronics is also high for online only shoppers.

Sector	Percentage
Financial services	29%
Toys and games	24%
Consumer electronics	23%
Apparel	18%
Home appliances	16%
Beauty or personal care	14%
Household products	11%
Furniture	10%
Automobiles	10%
Groceries	9%
Restaurant	8%

Question: Please select which categories you shop for mostly online.

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Omnishopper Sectors: Groceries lead the way offline

For home appliances and groceries shopping is almost exclusively in-store. Apparel is surprisingly low at 60 percent is-store.
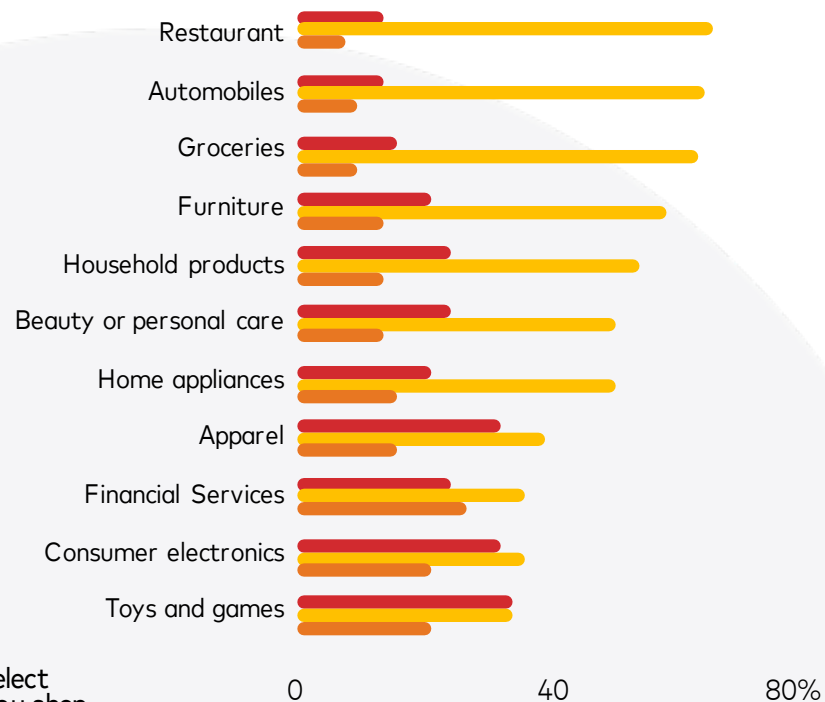
Financial services — 77%
Home appliances — 76%
Groceries — 75%
Toys and games — 67%
Household products — 63%
Apparel — 59%
Restaurant — 59%
Furniture — 45%
Consumer electronics — 43%
Beauty or personal care — 41%
Automobiles — 39%

Question: Please select which categories you shop for mostly offline.

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Omnishopper Sectors: Blended approach for toys

When stacked across online, offline and "both" as the preference choices, toys and games goes to the top of the list. Restaurants retain a decided advantage for offline and consumer electronics for online.
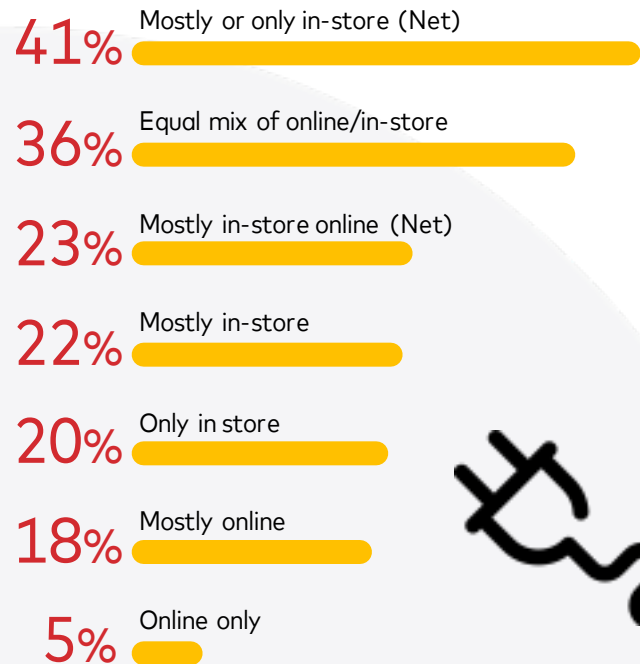

Legend:
- Both
- Offline
- Online

Categories (top to bottom):
- Restaurant
- Automobiles
- Groceries
- Furniture
- Household products
- Beauty or personal care
- Home appliances
- Apparel
- Financial Services
- Consumer electronics
- Toys and games

X-axis: 0, 40, 80%

Question: Please select which categories you shop both online and offline.

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Omnishopper Sectors: Consumer electronics

Consumer Electronics shoppers are the most likely to research their purchase, particularly using technology 35% more likely to use the internet on a computer or laptop out of the store most of the time 23% more likely to use mobiles either on an app or web browser outside of the store most of the time.

41% Mostly or only in-store (Net)

36% Equal mix of online/in-store

23% Mostly in-store online (Net)

22% Mostly in-store

20% Only in store

18% Mostly online

5% Online only

Question: How do you shop for consumer electronics?

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Omnishopper sectors: Grocery

Grocery shoppers are diverse in their shopping habits. They are the least likely to research using tech, however are the highest users of traditional media

29%
Less likely to use the internet on a computer or laptop most of the time

25%
More likely than other sectors to use store catalogues and mailings most of the time

17%
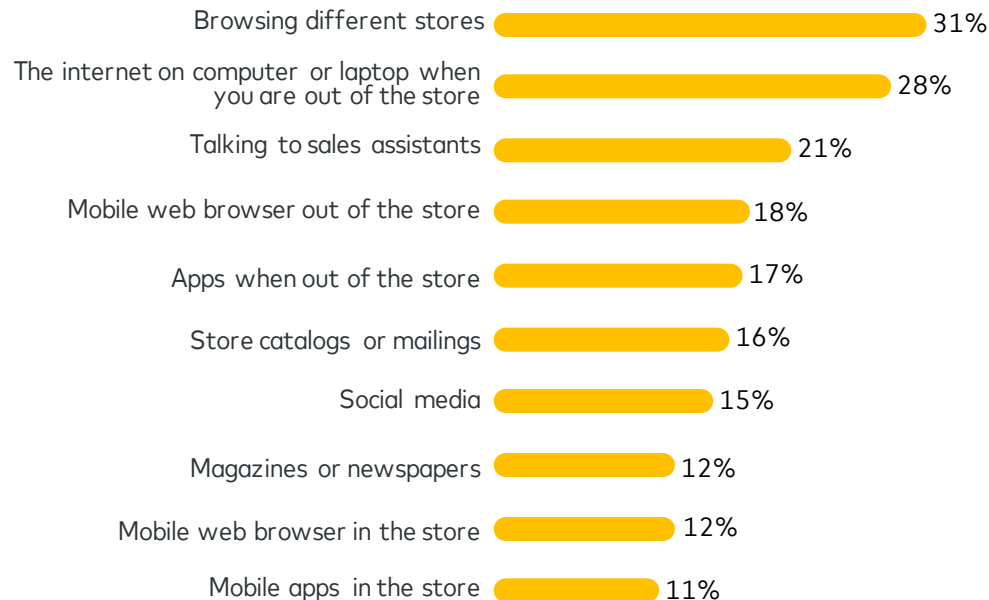More likely to use magazines or newspapers most of the time

Question: How do you shop for grocery?

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Omnishopper Sectors: Apparel

Apparel shoppers are most likely to research by browsing different stores slightly ahead of tech usage

16% more likely to browse different stores most of the time than other sectors

Slightly more likely to use tablets and apps but generally in line with the sector average on tech usage

Browsing different stores	31%
The internet on computer or laptop when you are out of the store	28%
Talking to sales assistants	21%
Mobile web browser out of the store	18%
Apps when out of the store	17%
Store catalogs or mailings	16%
Social media	15%
Magazines or newspapers	12%
Mobile web browser in the store	12%
Mobile apps in the store	11%

Question: How do you shop for apparel?

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Omnishopper: Loyalty

The data shows a satisfied, value-driven shopper that likes their current roster of retailers.

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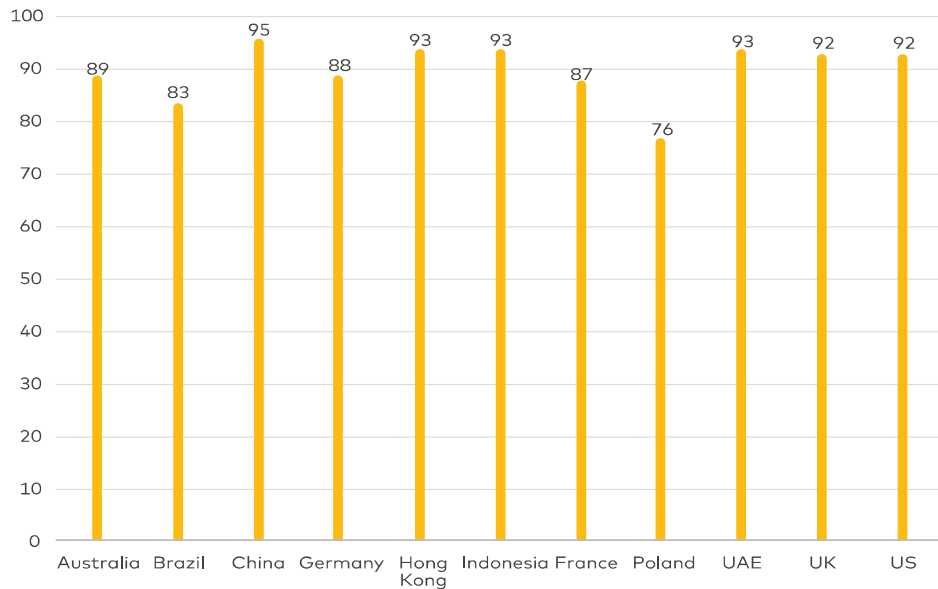# Loyalty: Customer satisfaction tops 90 percent

90% Overall 90% of customers agree that they are generally satisfied with their shopping experience

86% 86% agree with the statement "There's nothing better in life than finding the right thing at the right price"

82% 82% agree with the statement "I'm a much smarter shopper than I was just a few years ago"

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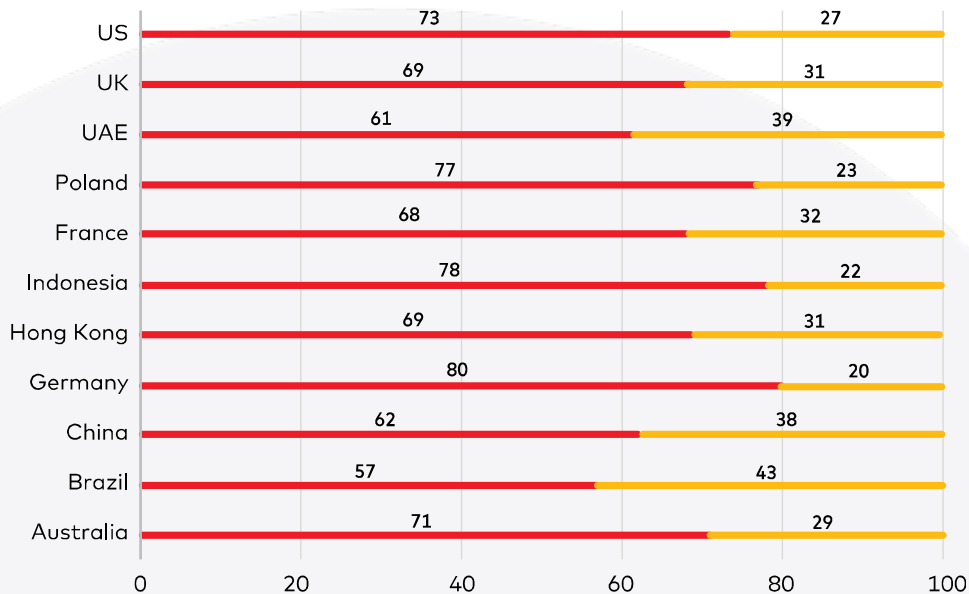| Country	Value
Australia	89
Brazil	83
China	95
Germany	88
Hong Kong	93
Indonesia	93
France	87
Poland	76
UAE	93
UK	92
US	92

Question: How satisfied are you with your general shopping experience?

Loyalty: Shoppers stick with their current set

The chart shows the respondents that like to buy from merchants they know (red) and respondents that like to try new merchants.
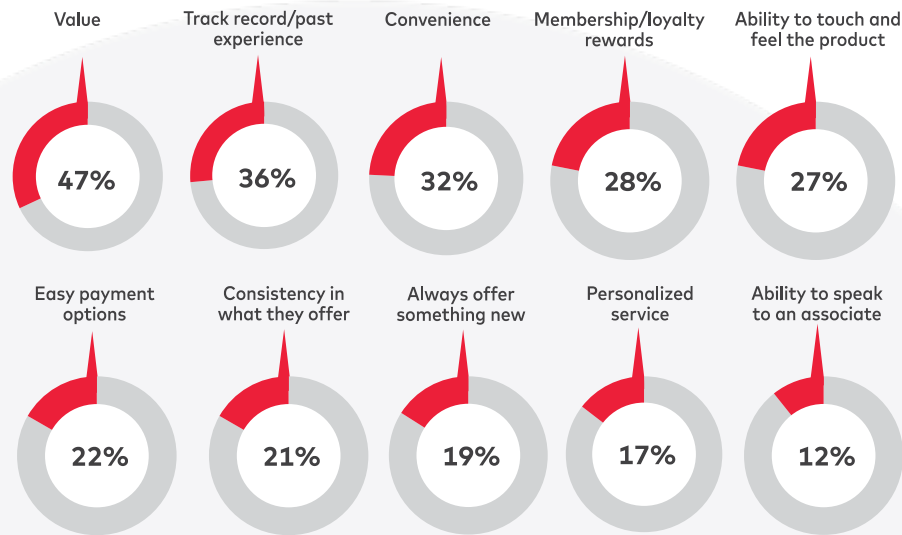
70% agree with the statement that they "like to buy from merchants you know and have bought from before".

Country	Red	Yellow
US	73	27
UK	69	31
UAE	61	39
Poland	77	23
France	68	32
Indonesia	78	22
Hong Kong	69	31
Germany	80	20
China	62	38
Brazil	57	43
Australia	71	29

Question: In general do you like to buy from merchants you know, or try new merchants?

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Loyalty Factors: Reputation Wins

On a general level, a strong track record, convenience and rewards are key drivers of loyalty. Loyalty programs rank fourth at 28 percent . Note that "the lowest price" does not appear when shoppers are asked about loyalty.

Value
47%

Track record/past experience
36%

Convenience
32%

Membership/loyalty rewards
28%

Ability to touch and feel the product
27%

Easy payment options
22%

Consistency in what they offer
21%

Always offer something new
19%

Personalized service
17%

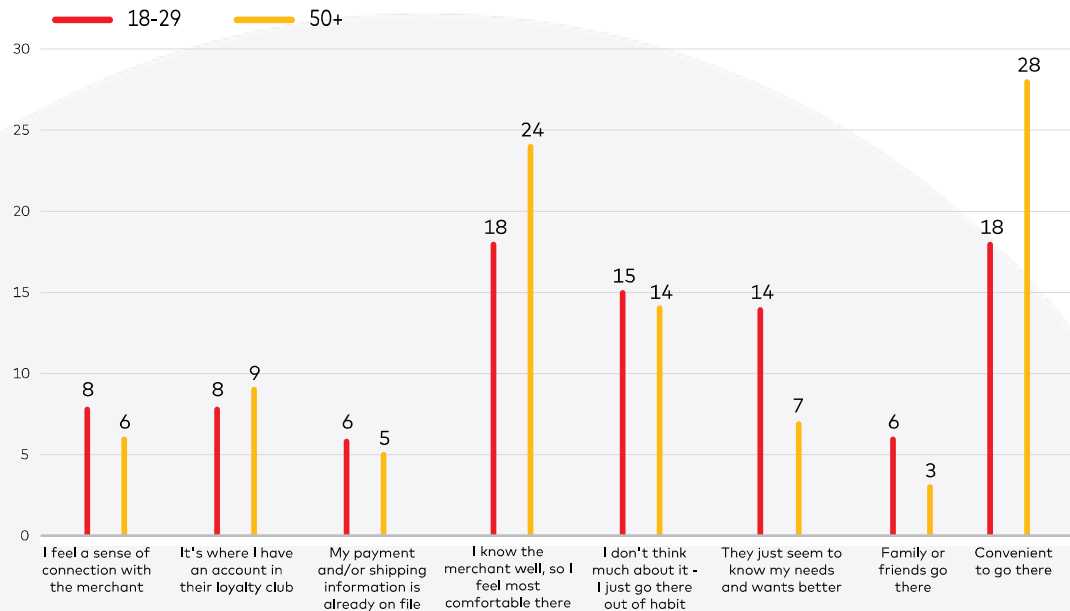**Ability to speak to an associate**
12%

Question: What factors drive you to continue to do business with a retailer?

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Loyalty Segmentation: Key Differences

Loyalty drivers differ by age group therefore understanding different customer motivation is key

Young shoppers are twice as likely as over 50s to agree with the statement, "They just seem to know my needs and wants better."

Older shoppers (50+) are driven by convenience and familiarity

18-29 **50+**

	I feel a sense of connection with the merchant	It's where I have an account in their loyalty club	My payment and/or shipping information is already on file	I know the merchant well, so I feel most comfortable there	I don't think much about it - I just go there out of habit	They just seem to know my needs and wants better	Family or friends go there	Convenient to go there
18-29	8	8	6	18	15	14	6	18
50+	6	9	5	24	14	7	3	28

Question: What factors drive you to continue to do business with a retailer?

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Omnishopper 2017

Check back for frequent updates and new reports. For further information email

john.gaffney@mastercard.com.

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