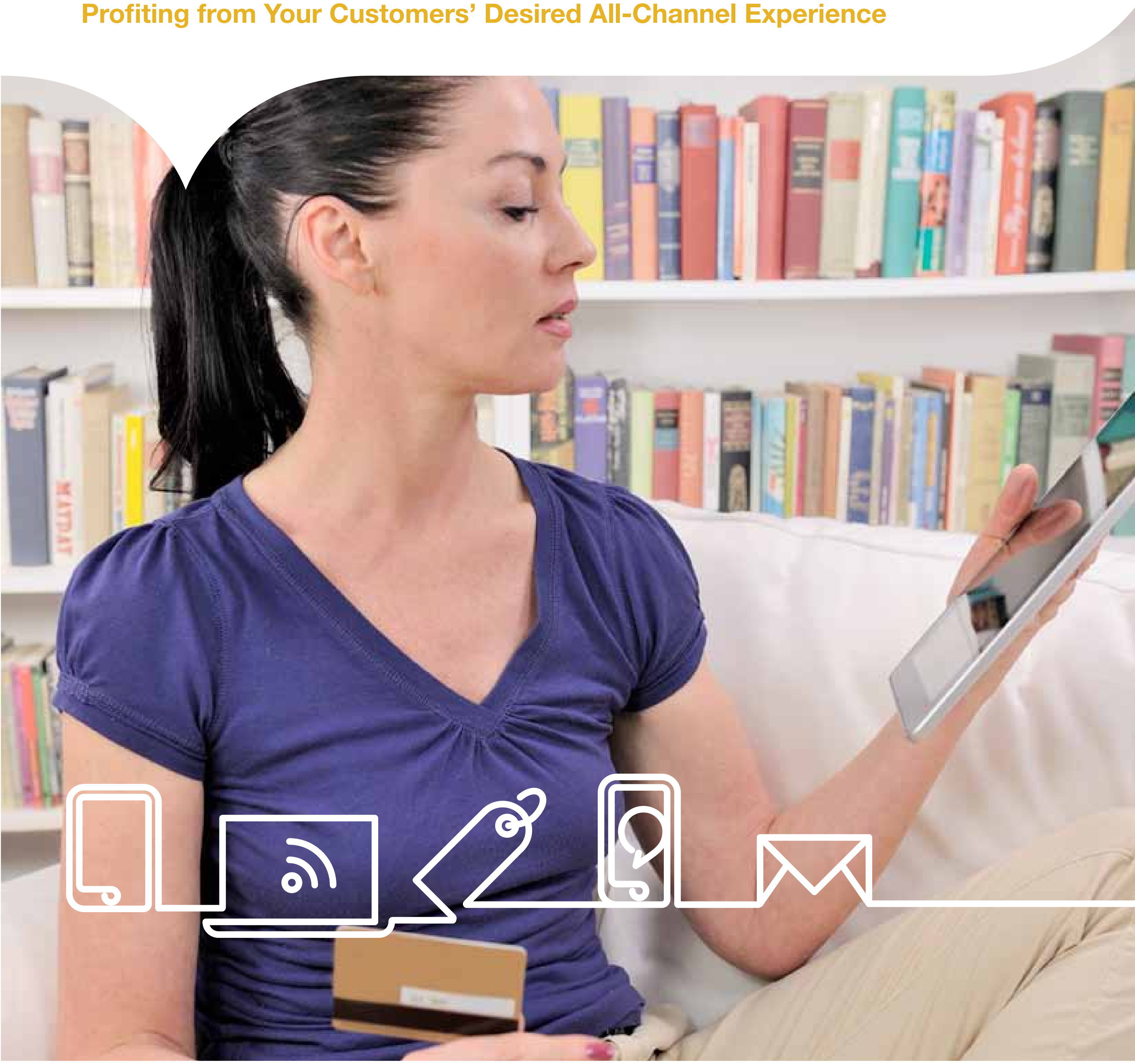
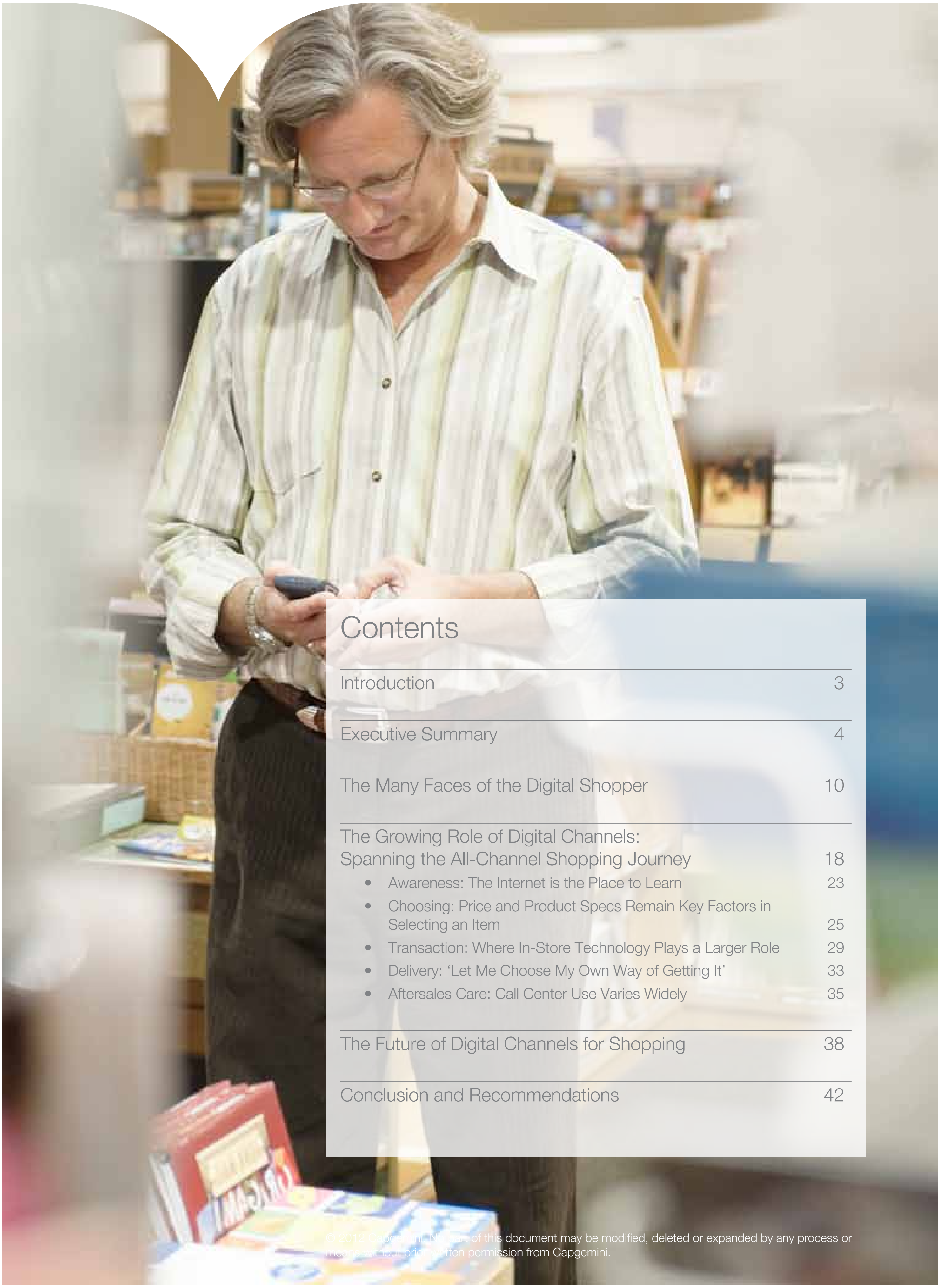
Digital Shopper Relevancy

Profiting from Your Customers' Desired All-Channel Experience



People matter, results count.



Contents

Introduction	3
Executive Summary	4
The Many Faces of the Digital Shopper	10
The Growing Role of Digital Channels: Spanning the All-Channel Shopping Journey	18
• Awareness: The Internet is the Place to Learn	23
• Choosing: Price and Product Specs Remain Key Factors in Selecting an Item	25
• Transaction: Where In-Store Technology Plays a Larger Role	29
• Delivery: 'Let Me Choose My Own Way of Getting It'	33
• Aftersales Care: Call Center Use Varies Widely	35
The Future of Digital Channels for Shopping	38
Conclusion and Recommendations	42

Introduction

16,000
interviews

16
countries

How different is the use of digital channels during the shopping journey in developing countries compared with more mature markets?

Is there a clear segmentation of shoppers based on their shopping behavior and preferences across all channels (for example, taking into account different behavior for women, tech-shy or older people)?

When are retailers and manufacturers relevant to digital shoppers in their all-channel experience, such as with social media and smartphones – and how does this differ depending on the shopper segment?

The answers to these questions and more can be found in Capgemini's new "Digital Shopper Relevancy" research report.

Studying shopping behavior has long been a focus for Capgemini. Over the past decade we have surveyed tens of thousands of consumers around the globe as part of our "Consumer Relevancy" and "Future Consumer" research programs. In these earlier studies, the emphasis was largely on shopping behavior patterns in physical stores.

With our new "Digital Shopper Relevancy" research we have expanded the focus to all channels, including those in the digital realm. Our objective: to understand how a range of channels and devices – from smartphones and mobile apps to websites and in-store kiosks – are used and valued by shoppers during the All-Channel Shopping Journey, and to help retailers and consumer products manufacturers understand how to profit from these insights.

The study focuses on five product categories: food, health and personal care, fashion (clothing, footwear, accessories), do-it-yourself home improvement (DIY) and electronics. The findings are based on 16,000 interviews with people who have used technology during the shopping process across 16 countries, representing developing as well as mature markets: Australia, Brazil, Canada, China, Finland, France, Germany, India, Italy, Mexico, Russia, Spain, Sweden, Turkey, the United Kingdom and the United States.

The research helps uncover the many faces of today's technology-enabled shopper and demonstrates that shoppers are no longer loyal to an individual channel but rather to an experience across all channels. The majority of those surveyed said they expect the seamless integration of the online, physical and mobile shopping experience by 2014.

The executive summary that follows provides an overview of key findings from our "Digital Shopper Relevancy" study. And the ensuing sections offer more in-depth data and analysis of today's digital shopper, their behavior and preferences across the All-Channel Shopping Journey – from Awareness through Aftersales Care – and the changes they envision for shopping channels in the future.

We are confident that the findings of Capgemini's "Digital Shopper Relevancy" study will provide organizations with insights into changing shopper dynamics. We believe that those insights can lead companies to gain a better understanding of how and where to invest in capabilities across all channels.

Executive Summary

Being a shopper today is more exciting than ever. The consumer products and retail industry is undergoing significant transformation largely because of the way that people choose to shop and consume. They are enabled with technology that allows them to approach the shopping process in a different way than they have in the past.

Shoppers expect to find information in multiple sources and formats. They are looking for consistency and convergence among different technologies and channels. And they have no predefined views about what "belongs" in specific channels, but will use whichever channel or device is most relevant.

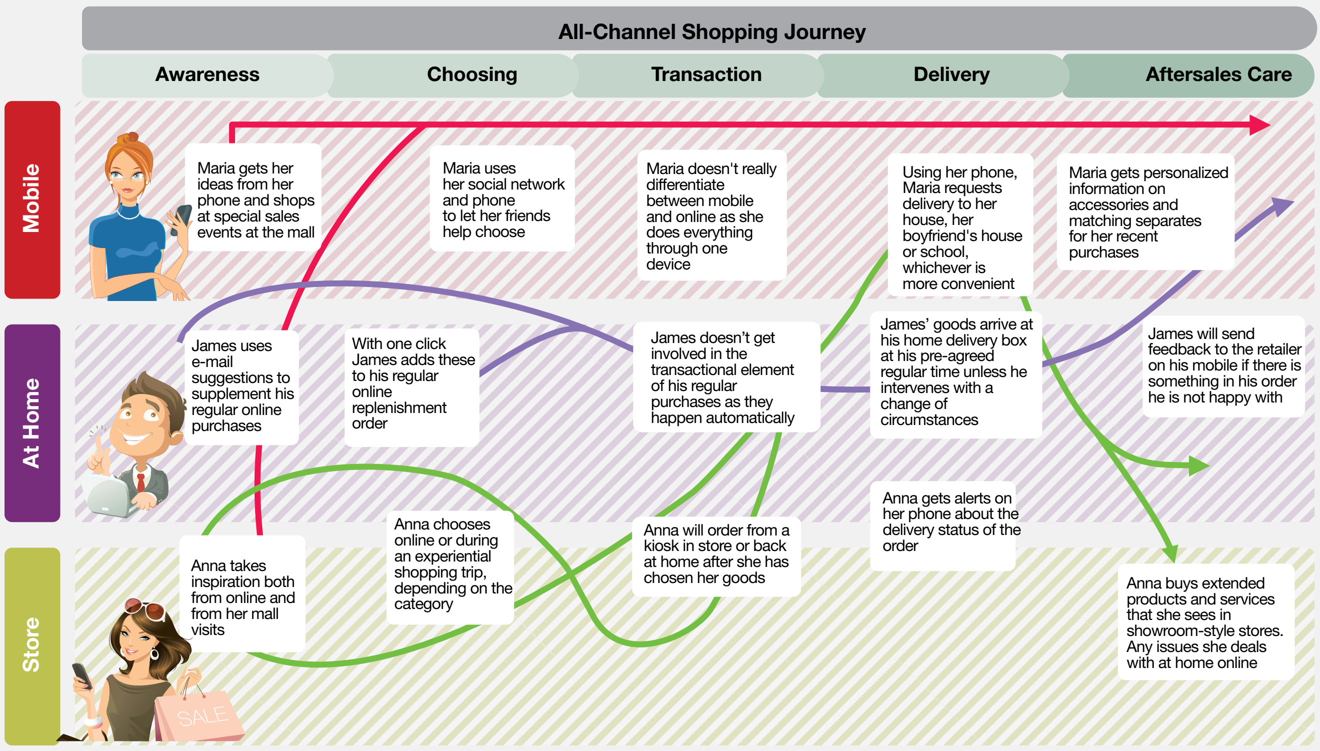
The Journey of the Digital Shopper

Capgemini's "Digital Shopper Relevancy" study provides insight into when, where and how shoppers want to interact with a retailer or consumer products company through various channels and locations across the phases of the All-Channel Shopping Journey: Awareness, Choosing, Transaction, Delivery and Aftersales Care (Figure 1).

This insight is crucial for companies to be able to serve these digital shoppers in a relevant manner. This is not just about setting up a commerce website, being active on Facebook or developing a mobile app; this is about addressing the specific needs of shoppers in the context of how they live their daily lives.

(Note: When we talk about "digital shoppers" we mean shoppers who use one or more digital technologies or channels in one or more phases of their shopping journey.)

Figure 1: The All-Channel Shopping Journey



Source: Capgemini
Note: The "Digital Shopper Relevancy" study tracked shopper behavior and attitudes toward the following channels and devices: Internet sites, e-mail (such as newsletters and offers), in-store technology (such as kiosks), social media, smartphones (specific apps) and phone (via call center).

Key Findings

The research uncovered a number of key findings.

> “Online stores need to provide all product information that is available.”
>
> **Digital Shopper from Brazil**

There is no “one” digital shopper.

We identified a variety of different types of digital shoppers, each using channels and devices in different ways during their shopping journeys. Their behavior is impacted by factors such as age, gender, product category, journey phase, market maturity, and attitudes and expectations about technology. We found some overall behavioral differences, for example:

- **Female shoppers:** Women are generally more engaged than men when using digital channels. They are more interested than men in receiving personalized offers, recommendations and information about new products. In addition, women are more interested than men in using digital devices inside the physical store to order products that are not available in the store; they are also more interested in the ability to easily compare different products before making the final purchasing decision, and in being offered visual aids (such as “how-to” videos) to help them choose the most suitable product.
- **Older shoppers:** Not surprisingly, older shoppers place less importance than their younger counterparts on digital channels in general. But this doesn’t mean they don’t see value in these channels. In particular, they are heavy users of Internet sites, especially during the early phases of the shopping journey. Older shoppers are interested in using blogs and social networks to find consumer recommendations and reviews, although they are less likely than younger shoppers to follow retailers on social media. In addition, a surprising number want to receive location-based messages and offers from retailers via digital channels. Overall, shoppers in the older age groups are less interested in using mobile apps, although they do see value in in-store technology such as kiosks and digital devices integrated into shopping carts.

The differences were less pronounced when it came to demographic factors such as education and income levels. However, demographics are only one factor impacting shopping behavior. A detailed segmentation analysis identified six distinct segments of digital shoppers: Techno-Shy Shoppers, Occasional Online Shoppers, Value Seekers, Rational Online Shoppers, Digital Shopaholics and Social Digital Shoppers.

Each segment uses digital channels and devices in different ways during their shopping journeys. For example, Digital Shopaholics are early adopters and experimenters; they use digital channels and devices like smartphone apps and in-store technology very actively throughout the shopping process. In contrast, Value Seekers are price-sensitive shoppers with low interest in digital shopping and new technologies. They shop online primarily to find the best deals on products they know they want and seldom use smartphone apps, social media or in-store technology when shopping.

Significant differences exist between digital shoppers in developing markets and those in mature markets.

The research makes it very clear that digital shoppers rule in developing markets. Digital Shopaholics and Social Digital Shoppers form the majority of digital shoppers in China, India, Brazil, Mexico and Turkey. By comparison, these segments account for a smaller percentage of the total digital shopper population in the other markets. In most of the mature markets, the Rational Online Shoppers are dominant.

Shoppers in developing regions place greater importance on all digital channels, regardless of the phase of the shopping journey. This may be due in part to the lack of traditional retail infrastructure in these markets as well as the tendency in developing markets to "leapfrog" entrenched approaches in favor of the latest tools and formats. For example, 72% of respondents from India and 69% from China said they purchase more products in a single transaction online than in a physical store, compared with just 24% of those from Finland and 31% from the US. And 73% of shoppers from India and 74% of those from China prefer to be offered additional product suggestions online vs. 34% in France and 36% in Australia.

Shoppers in developing markets are also more engaged with retailers and consumer products companies through digital channels. Nearly three-quarters of respondents from India and 68% of those from China said they would like to be able to follow retailers through social media, far more than those in the mature markets.

Interestingly, we found that three countries – Russia, Italy and Spain – often fell somewhere in between the developing and mature markets in terms of their digital shopping behavior. For instance, more than two-thirds of shoppers in the developing markets of India, Mexico, Brazil, China and Turkey said they are interested in finding out about new products through social media and blogs. By comparison, less than half of shoppers in the mature markets of US, Canada, France, Australia, the UK, Germany, Finland and Sweden are interested in this capability. In the middle are Italy, Russia and Spain, where a little over half are interested in using social media and blogs to learn about new products.

Digital shoppers are focused on core functionality like price, product specifications and delivery information.

Digital shoppers, especially those in mature markets, want retailers and consumer products companies to get these basics right before they will be open to engage. When researching, comparing and choosing products through digital channels, half or more of respondents said that factors such as clearly marked product price, availability and delivery charges, and comprehensive product information were extremely important. Of lesser importance to respondents are options such as having content in digital channels tailored to their profile and preferences.

Shoppers also made it clear that they expect online prices to be lower than those in physical stores; this was cited by 73% of all respondents. Digital Shopaholics and Social Digital Shoppers are most likely to think online prices should be lower. More than 80% of these more digital-savvy shoppers said online prices should be lower vs. about 60% of non-digital-savvy respondents.

The Internet remains the primary channel for most digital shoppers.

Across the phases of the shopping journey, Internet sites remain the dominant digital channel in all the product categories studied, followed by e-mail. For example, 79% of electronics shoppers said the Internet is important during the Awareness phase; 74% of DIY shoppers said the same; 73% of

> "I expect discounts and promotions specifically designed for digital channels, clearly differentiated from those available at the traditional store."
>
> **Digital Shopper from Spain**

> “To improve the usage of digital channels in the purchasing process, retailers and manufacturers should provide an integrated experience between physical and digital touchpoints.”
>
> **Digital Shopper from Italy**

fashion shoppers; 70% of health and personal care shoppers; and 59% of food shoppers. Similar results were recorded for the other journey phases.

However, channels such as social media, mobile apps and in-store kiosks are close behind, with their relevancy varying depending on the journey phase and country. Phone (via call center) is the least important channel, except in the Aftersales Care phase.

Proximity matters when it comes to personalization.

Customers appear to be of two mindsets regarding personalization during the All-Channel Shopping Journey. They express an interest in certain types of personalization when shopping online, but are less comfortable being recognized in the physical store. Consider that 61% said they want online stores to remember their personal information and payment methods to speed up the shopping process. But only 41% want to be identified through digital devices (such as their mobile phones) when entering a physical store.

This seemed somewhat counterintuitive given concerns surrounding privacy in digital channels. But the shield of anonymity that exists in the digital world may make shoppers more comfortable sharing personal information online than in the physical store. Respondents in Sweden and Finland are least likely to share information in-store, while shoppers in India are most likely to do so.

Also here we see a significant difference between shoppers in mature vs. developing countries. For example, 80% of shoppers in India and 73% in China said they want to receive personalized offers and recommendations through digital channels. This compares with 35% in Sweden and 38% in Finland.

Separating hype from reality is critical for emerging digital channels like social media and smartphone apps.

Plenty of attention is being paid by retailers, consumer products companies and the media to these new digital channels. And for good reason, given the hype surrounding them. However, it’s important to understand who is really using these channels. Overall, only about half of shoppers expect that the use of social media and mobile apps for shopping will increase in the coming three years. But the number jumps considerably in the developing markets, and among younger shoppers, Digital Shopaholics, Social Digital Shoppers and those shopping for high-end products such as electronics.

Understanding these differences is essential in determining where to make digital investments, particularly in new channels like social media and mobile apps. For example, in mature markets, companies would do better making careful, selective investments in mobile apps and social media at the moment, but in developing markets those channels are more relevant and should be the first priority for a digital strategy and investment.

Loyalty – and Spending – Across All Channels

Our study findings make it clear that shoppers are no longer loyal to an individual channel but rather to an experience across all channels. Consider that the majority of shoppers said they are likely to spend more money at a physical store if they use digital channels to research the product prior to purchase. In addition, they said they will spend more money with a particular retailer if products are available anytime via any channel.

This point was reinforced in the qualitative comments from shoppers across the countries. *“To improve the usage of digital channels in the purchasing process, retailers and* *manufacturers should provide an integrated experience between physical and digital touchpoints,"* said a respondent from Italy.

Being Relevant for Digital Shoppers

Our research demonstrates that shoppers expect an integrated experience across all channels but aren't yet getting it. Nearly 60% of respondents said they expect channel integration to be the norm by 2014, but more than half said that most retailers currently are not consistent in the way they present themselves across channels.

Understanding how shoppers are using channels and devices in the context of their daily lives is a critical starting point to serve them in a relevant manner. But to realize a relevant all-channel experience is no easy task. Providing a seamless interaction across channels is challenging for retailers and consumer products companies and requires considerations that impact the entire enterprise. These include shifting from a product- or feature-focused approach to a consumer- and shopper-focused approach across all channels, and integrating processes such as merchandising, order fulfillment and inventory management by category rather than by individual channel.

We believe the insights contained in this report can help retailers and consumer products manufacturers determine how they can profit from customers' desired all-channel experience. The data we have collected goes far beyond what we have published in this report – the research also includes information on how digital shoppers view the relevance and performance of key retailers and brands in the respective countries. These insights can translate into direct business benefits.

Capgemini has further developed our original "Consumer Relevancy" thought leadership into a "Digital Shopper Relevancy" framework and methodology. With these tools, we can help retailers and consumer products companies make the right decisions to become more relevant for digital shoppers across the phases of their All-Channel Shopping Journey.

About the Study

Capgemini worked with ORC International, a London-based global research firm, to conduct the "Digital Shopper Relevancy" online study. ORC International surveyed more than 16,000 consumers in 16 countries: Australia, Brazil, Canada, China, Finland, France, Germany, India, Italy, Mexico, Russia, Spain, Sweden, Turkey, the United Kingdom and the United States.

The composition of the consumer sample in each country was based on projectable national samples representative of the population from the standpoint of age and gender. Additional demographic factors examined included income, education, employment and marital status. All respondents had used digital channels and/or devices for shopping in the three months prior to taking the survey, and they were asked about their degree of online shopping, use of mobile apps and their technology adoption rate.

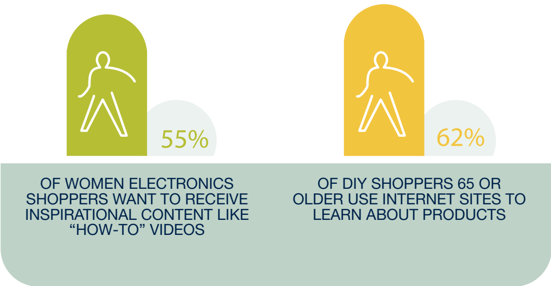
Respondents were asked about their purchase behavior in five product categories: food, health and personal care, fashion (clothing, footwear, accessories), do-it-yourself home improvement (DIY) and electronics. And they were surveyed about their use of numerous channels and devices at each phase of the shopping journey: Awareness, Choosing, Transaction, Delivery and Aftersales Care.

In addition, respondents were asked for their predictions about the role of various digital shopping channels over the coming years and to identify developments they would like to see to improve their shopping experience across channels. Finally, they were asked to rate how important five key shopping attributes will be to them over the next five years in deciding how and where to buy products and services. These attributes are access, experience, price, product and service. Consumers were also asked to rate their top three retailers and brands in the different categories and on these five attributes.

The study's quantitative data was supported by additional qualitative comments from the respondents.

> "I use the Internet mainly to acquire product information, but decide on purchases only after seeing and trying on the product."
>
> **Digital Shopper from Finland**

The Many Faces of the Digital Shopper



Who is today's digital shopper?

Our research demonstrates that there is no "one" digital shopper. The requirements and needs of digital shoppers are difficult to untangle but distinct segments are emerging, each using digital channels in different ways during their shopping journeys. Key factors influencing the experience and requirements of digital shoppers include age, gender, product category, journey phase, market maturity, and attitudes and expectations about technology.

Demographics Matter

Gender plays a role in shopping behavior, with women generally more engaged than men when using digital channels. For example, they are more interested than men in receiving personalized offers and recommendations; this is the case across all countries but particularly in India, Russia and Finland. And women are also more likely than men to be interested in receiving inspirational content from retailers through digital channels (such as "how-to" videos). In the electronics category 55% of women shoppers would like to receive this kind of content when learning about products, compared with 44% of men.

Women are also more interested than men in finding out about new products through blogs; receiving messages and offers from retailers based on location; and in participating in online communities provided by retailers. In addition, women are more interested than men in using digital devices inside the physical store to order products that are not available in the store; they are also more interested in the ability to easily compare different products before making the final purchasing decision and being offered visual aids to help them choose the most suitable product.

Not surprisingly, older shoppers place less importance than their younger counterparts on digital channels in general. But this doesn't mean they don't see value in these channels. In particular, they are heavy users of Internet sites, especially during the early phases of the shopping journey: Awareness and Choosing. For example, 72% of DIY shoppers aged 55 to 64 and 62% of those over 65 use the Internet to learn about products and promotions. Similarly, 78% of electronics shoppers in the 55 to 64 age group and 69% in the 65-plus group use Internet sites during the Awareness phase.

Older shoppers are somewhat less inclined to use digital channels in the later phases of the shopping journey. Noted a respondent from Canada: *"I'm 65 years of age and retired. I do shop and compare online, but when it comes to purchasing, I still prefer to see the goods, purchase them and tote them home."*

While they are less likely than younger shoppers to follow retailers on social media, older shoppers are interested in using blogs and social networks to find consumer recommendations and reviews. In addition, a surprising number want to receive location-based messages and offers from retailers via digital channels: 49% of respondents in the 55 to 64 age group and 38% of those 65 and older expressed an interest in location-based offers when learning about products. Overall, shoppers in the older age groups are less interested in using mobile apps but they do see value in in-store technology such as kiosks and digital devices integrated into shopping carts.

How Digitally Savvy are Shoppers?

We found varying levels of digital sophistication among shoppers: 55% of all respondents agree that they are frequent and confident shoppers online; 34% regularly use apps and services on their mobile phones to research and/or purchase products; and 35% said they are early adopters of the latest electronic and technology equipment. In all cases, respondents in China and India were the most likely to see themselves as digital-savvy shoppers.

Digital-savvy shoppers demonstrate certain behavior patterns that distinguish them from other shoppers. For example:

- They are most likely to use technology to learn about products and promotions and to search for information to compare and choose a product.
- Internet sites are particularly important for digital-savvy shoppers

> "As a senior citizen having watched how this electronic age has developed over the years what I thought would not be possible a few years ago now is. All I can say is 'surprise me.'"
>
> **Digital Shopper from Australia**

> “I’m 65 years of age and retired. I do shop and compare online, but when it comes to purchasing, I still prefer to see the goods, purchase them and tote them home.”
>
> **Digital Shopper from Canada**

to purchase and pay for products.

- Frequent and consistent online shoppers are most likely to agree that the use of digital channels will increase over the next three years.
- Early adopters of technology prefer to be offered additional product suggestions online (cited by 85% of early adopters).
- Digital-savvy shoppers are most likely to think online prices should be lower (cited by more than 80% of digital-savvy shoppers vs. about 60% of non-digital-savvy respondents).

Segmenting the Digital Shopper

Demographics and technological sophistication are only two factors impacting shopping behavior. A detailed segmentation analysis led us to uncover six distinct digital shopper segments[1]: Techno-Shy Shoppers, Occasional Online Shoppers, Value Seekers, Rational Online Shoppers, Digital Shopaholics and Social Digital Shoppers. Each segment uses digital channels and devices in different ways during their shopping journeys.

10 Years + 34,000 Consumers + 18 Countries = Countless Insights Into Shopping Behavior

Our “Digital Shopper Relevancy” study is the latest in Capgemini’s series of consumer research programs focused on addressing changing dynamics in the consumer products and retail industry.

A decade ago we launched our “Consumer Relevancy” research to help businesses understand the new language of consumers. We surveyed 16,000 consumers in the United States and nine European countries about their shopping experiences and their relationships with business.

The research demonstrated that companies needn’t – and, in fact, shouldn’t – try to be great at everything. Rather than striving for universal excellence, companies should consider the five basic shopping attributes present in any commercial transaction – access, experience, price, product and service – and select one on which to dominate and one on which to differentiate themselves, while ensuring they are at par or meeting the market on the remaining three.

This research was followed by our “Future Consumer” program, which involved more than 2,000 consumer interviews in four countries: France, the Netherlands, the United Kingdom and the United States. The research explored the importance of topics such as health and wellness, product traceability, environmental issues and the use of new/emerging technologies, and how these issues may impact the way consumers buy, receive and use products and services in the future.

Our new “Digital Shopper Relevancy” research, involving 16,000 consumers in 16 countries, picks up where the earlier studies left off: by focusing on how, when and where shoppers use a wide range of channels and devices – from smartphones and mobile apps to websites and in-store kiosks.

The sum total of these consumer research programs: 10 years, 34,000 consumer interviews, 18 countries studied – and countless insights into shopping behavior.

1 Capgemini segmented the respondent base using more than 60 behavioral variables. Methods included factor analysis and k-means clustering.

Techno-Shy Shoppers

Techno-Shy Shoppers (13.3% of the respondents) are not interested in new technologies and do not consider digital channels or devices important during any phase of the shopping journey. They are not frequent or confident online shoppers and rarely use smartphone apps. They demonstrate the lowest rate of online shopping of all the segments across all product categories.

Techno-Shy Shoppers show some slight interest in social media but prefer personal contact via phone/call centers. And they have very little interest in future digital developments.

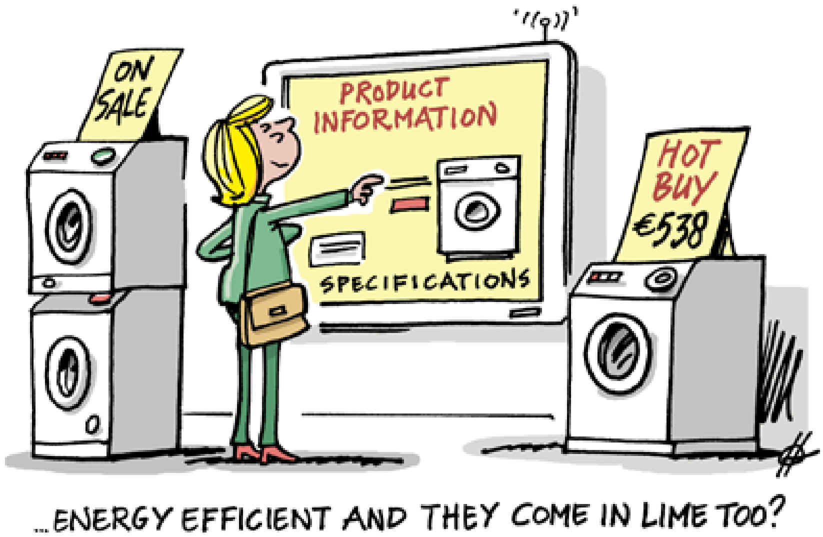
These shoppers include both young students and older consumers and many of them come from Continental Europe.

Occasional Online Shoppers

Occasional Online Shoppers (16.1% of the respondents) shop online infrequently, with low usage across all product categories. They buy significantly less online compared with all segments except the Techno-Shy. When they do use digital channels, they prefer the Internet, e-mail and in-store technology, but they rarely use smartphone apps or social media during the shopping process.

These shoppers use digital channels primarily for choosing and comparing products and tracking deliveries. They expect digital channels to be in their native language. Occasional Online Shoppers value flexible return options, availability of product information and customer service.

These shoppers are slightly more likely to be women than men and also are likely to be high school and college graduates; 56% of Occasional Online Shoppers are older than 45.



Value Seekers

Value Seekers (accounting for 13.5% of the total respondent base) are price-sensitive shoppers with relatively little interest in digital shopping and new technologies. They shop online primarily to find the best deals on products they know they want. Smartphone apps, social media and in-store technology play almost no role in their shopping process.

Their typical online purchases include fashion and personal healthcare items. Value Seekers want an easy shopping process with clearly marked product information and prices, and convenient return policies.

They are more likely to be women (63%) than men, and are also somewhat more likely to be retired than their counterparts in the other segments. Sixty percent of Value Seekers are over the age of 45.

Rational Online Shoppers

Rational Online Shoppers (14.7% of the respondents) are relatively confident online shoppers buying mostly fashion products and electronics. Overall, they are the second most active online shopper segment (after the Digital Shopaholics). The Internet is their preferred channel throughout the shopping journey but they have little interest in using social media and mobile apps for shopping.

They know what they want and they use the Internet to find the most optimal solution. Rational Online Shoppers value well-functioning online stores with clearly marked product information, pricing and delivery charges, as well as reliable delivery processes. They do not trust reviews in retailer-hosted consumer communities and do not regard as important giving feedback and receiving help through digital channels.

Rational Online Shoppers are equally divided between men and women and 25% of them are retired. They are particularly prevalent in Finland and the UK.

Digital Shopaholics

Digital Shopaholics (17.6% of the respondents) are early adopters and experimenters and are prevalent among the digital-savvy shoppers; they use digital channels and devices like smartphone apps and in-store technology very actively throughout the shopping journey. These consumers are true digital shoppers and have a higher-than-average rate of online purchases across all product categories. They place considerable emphasis on the shopping experience.

They prefer to communicate with retailers online and are active users of social media and other peer-to-peer networks to share their opinions about products and services. Digital Shopaholics expect the full integration of the physical, online and mobile shopping experience by 2014, and a vast majority anticipate that physical retail stores will ultimately become mainly showrooms.

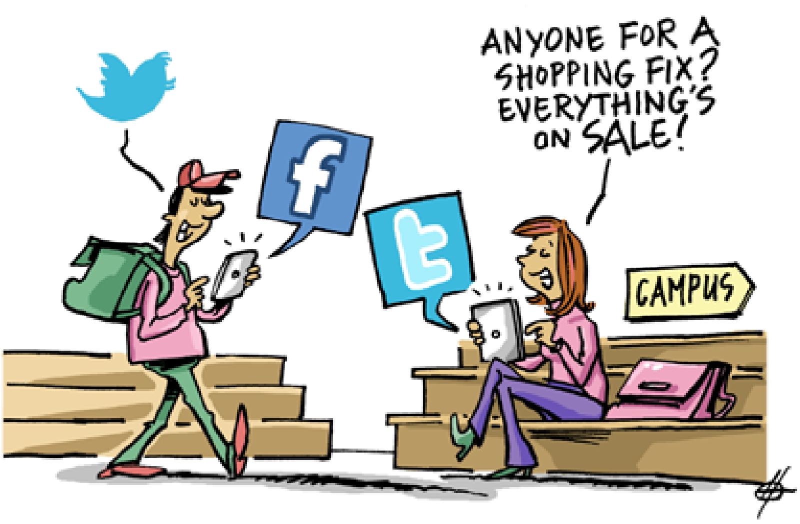
Digital Shopaholics are more likely to be men than women and they work full time; 60% have a college degree or higher.

Social Digital Shoppers

Social Digital Shoppers (24.8% of the respondents) are very optimistic about the use of all digital technology and the vast majority consider digital channels and devices to be important in all phases of the shopping journey. They tend to be digitally savvy and describe themselves as frequent and confident online shoppers; however, they purchase less online than the average in all retail segments except electronics, likely due to the fact that they tend to be younger shoppers and have not yet reached their peak buying power.

They are heavy users of social media and want to share opinions and experiences through digital channels and are active users of mobile applications and services. Social Digital Shoppers trust mobile devices for paying for products, locating items and identifying themselves.

These shoppers are more likely to be under the age of 35 (45%) and 11% are students. Social Digital Shoppers are especially prevalent in developing markets such as India, China and Mexico.



> “Keep it simple and easy to buy for non-tech-savvy, non-Facebook, non-social-media consumers.”
>
> **Digital Shopper from Germany**

Segments Display Similarities and Differences

We found both similarities and differences among the six segments. For example, all segments value the Internet as the key channel at each phase of the shopping journey. However, Digital Shopaholics and Social Digital Shoppers use a wider range of channels than do the other segments.

In addition, among all segments price is the primary attribute impacting purchase decisions, followed by product. Value Seekers and Occasional Online Shoppers put the greatest emphasis on price, while Digital Shopaholics and Social Digital Shoppers demand high standards from digital channels across all five attributes: access, experience, price, product and service. Rational Online Shoppers will settle for lower experience levels if they get the right product at the right price.

Different patterns of online shopping and technology adoption were apparent among the segments. Value Seekers and Rational Online Shoppers shop fairly often online but tend not to be up to date on the latest technology. In contrast, Digital Shopaholics and Social Digital Shoppers are heavy users of the latest technology. Techno-Shy Shoppers and Occasional Online Shoppers are cautious online shoppers and their use of the latest technology is limited. For these shoppers, simplicity and visibility of information through digital channels is key. Said a shopper from Germany: *“Keep it simple and easy to buy for non-tech-savvy, non-Facebook, non-social-media consumers.”*

The buying behavior of Digital Shopaholics and Social Digital Shoppers is especially affected by the presence of multiple channels. These two segments will spend more money with a retailer if products are available at any time via any channel. They will spend more money at a physical store if they have used digital channels to research products before going to the store, and are also more likely to purchase more products in a single transaction online than in a physical store.

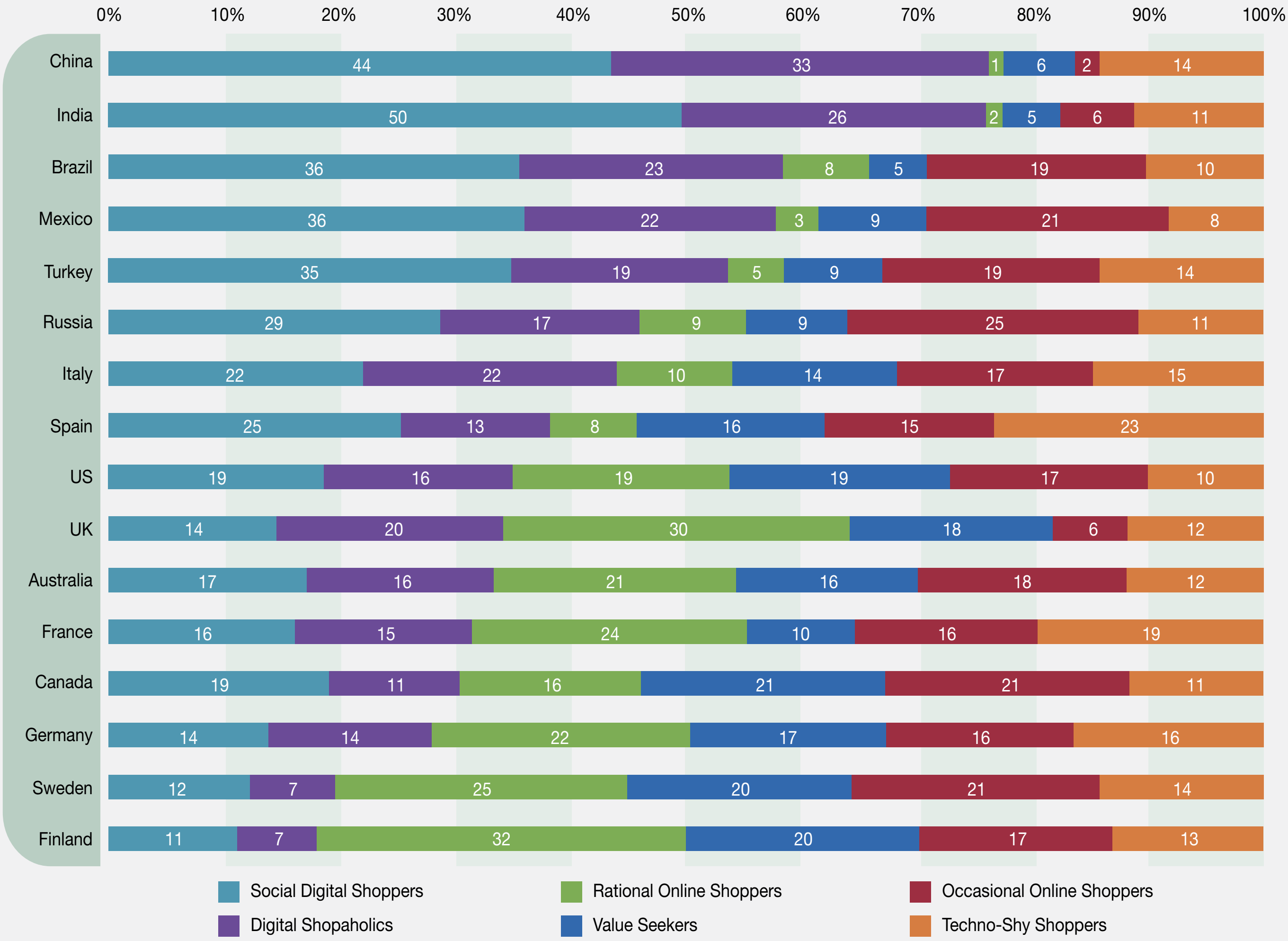
Digital Shoppers Dominate in Developing Markets

The research makes it very clear that digital-savvy shoppers rule in developing markets. Digital Shopaholics and Social Digital Shoppers form the majority of digital shoppers in China, India, Brazil, Mexico and Turkey. By comparison, these segments account for a smaller percentage of the total digital shopper population in the other markets (Figure 2). In most of the mature markets, the Rational Online Shoppers are dominant. Around the world, the percentage of Techno-Shy Shoppers is similar, except in France and Spain, where it is higher.

Shoppers in developing regions place greater importance on all digital channels, regardless of the phase of the shopping journey. This may be due in part to the lack of traditional retail infrastructure in these markets as well as the tendency in developing markets to "leapfrog" existing approaches in favor of the latest tools and formats. Shoppers in developing markets are also more engaged with retailers and consumer products companies through digital channels. Nearly three-quarters of respondents from India and 68% of those from China said they would like to be able to follow retailers through social media, far more than those in the mature markets.

Now that we have a view of who the digital shoppers are, let's look at how, where and when they use digital channels and devices during their shopping journeys.

Figure 2: A View of Digital Shopper Segments by Country (Ranked by Social Digital Shoppers/Digital Shopaholics)



Source: Capgemini
Note: Results are rounded and hence not all bars equal 100%.

The Growing Role of Digital Channels: Spanning the All-Channel Shopping Journey

56%

OF SHOPPERS SAID THEY WERE LIKELY TO SPEND MORE MONEY AT A PHYSICAL STORE IF THEY HAD USED DIGITAL CHANNELS TO RESEARCH PRIOR TO PURCHASE

58%

OF DIY SHOPPERS SAID IN-STORE TECHNOLOGY IS PARTICULARLY IMPORTANT IN THE TRANSACTION PHASE

Meet two of today's digital shoppers.

Marc, a Digital Shopaholic, uses his local supermarket's shopping app to browse recipe suggestions, read special offers and compile his weekly shopping list. Once in store, the app guides him to each item. He scans barcodes for important product information beyond what's on the label. At the checkout Marc pays with his smartphone and the total is automatically deducted from his account, the receipt appearing in his store app.

Sandra, a Social Digital Shopper, is shopping online for shoes. She identifies a pair she's considering so that her friends in her social network can give her advice. As well as various comments, they also send her links to alternative options from the same retailer. The nearest store to Sandra is alerted to the online conversation and a representative offers to help her find the right shoe at the right size. Sandra visits the store the next day, where her personal shopping assistant has picked out several pairs for her to try.

Like Marc and Sandra, people today seamlessly integrate the use of all types of technologies in their lives, including the way they shop – at any time, at any location. As a result, they are more informed and selective about the products and services they want and use, and are more empowered toward the industries that serve them.

"I would like to see a comparison of prices and quality among the same types of products."

Digital Shopper from Mexico

Engaging with these technology-enabled customers begins with understanding the All-Channel Shopping Journey across five phases:

- **Awareness**: learning about products and promotions
- **Choosing**: searching for specific information, comparing and choosing a product
- **Transaction**: purchasing and paying for the product
- **Delivery**: tracking product delivery and related information
- **Aftersales Care**: providing feedback and receiving help after purchasing a product, including returns

The Internet Still Rules

Across all these phases, Internet sites remain the dominant digital channel in all the product categories studied, followed by e-mail. For example, 79% of electronics shoppers said the Internet is important during the Awareness phase; 74% of DIY shoppers said the same; 73% of fashion shoppers; 70% of health and personal care shoppers; and 59% of food shoppers. Similar results were recorded for the other journey phases. However, channels such as in-store technology, social media and smartphone apps are not far behind (Figure 3).

Figure 3: Importance of Digital Channels Across the Customer Shopping Journey

	Awareness	Choice	Transaction	Delivery	Aftersales Care
Internet site	3.94	3.92	3.80	3.92	3.94
E-mail (such as newsletters, offers)	3.56	3.47	3.34	3.71	3.79
In-store technology (such as kiosks)	3.31	3.33	3.41	3.25	3.28
Social media	3.09	2.99	*	*	2.99
Smartphones (specific apps)	2.88	2.82	2.81	2.93	2.91
Phone (via call center)	2.67	2.63	2.70	2.87	3.08

Source: Capgemini
Ranked on a scale of 1 to 5 where 1 = not at all important and 5 = extremely important
* While the study shows a low acceptance of social media in the Transaction and Delivery phases of the shopping journey, the study did reveal that shoppers increasingly prefer to journey through these phases via Internet sites, and many of the sites that consumers use include a "social" component.

The lines blur when consumers think about social media and transacting online. Social commerce is the blending of social media sites with e-commerce and is growing rapidly. Social commerce is expanding to include a range of social media tools and content used in the context of e-commerce. Examples of social commerce include customer ratings and reviews, user recommendations and referrals, social shopping tools, forums and communities. Shoppers are increasingly willing to transact via sites such as Facebook (F-commerce) and conversely socialize their thoughts on traditional commerce sites.

The research uncovered some differences depending on the journey phase. For example, e-mail was deemed more important during the Aftersales phase than in the earlier phases. In-store technology was ranked higher during Transaction, and social media was somewhat more important during the Awareness phase.

While the study shows a low acceptance of social media in the Transaction and Delivery phases of the shopping journey, the study did reveal that shoppers increasingly prefer to journey through these phases via Internet sites, and many of the sites that consumers use include a "social" component. The lines blur when shoppers think about social media and transacting online. Social commerce is the blending of social media sites with e-commerce and is growing rapidly. Social commerce is expanding to include a range of social media tools and content used in the context of e-commerce. Examples of social commerce include customer ratings and reviews, user recommendations and referrals, social shopping tools, forums and communities. Shoppers are increasingly willing to transact via sites such as Facebook (F-commerce) and conversely socialize their thoughts on traditional commerce sites.

Phone (via call center) was considered the least important channel overall, except for Aftersales Care, where its ranking went up considerably. In addition, call centers were considered more important in the developing markets than in mature countries.

The importance of the Internet was particularly pronounced in the developing markets, with respondents in most of these countries awarding it an importance ranking above 4 across all journey phases (Figure 4).[2]

Figure 4: Importance of the Internet Ranks Especially High in Developing Markets

	Internet Sites				
	Awareness	Choosing	Transaction	Delivery	Aftersales Care
Australia	3.81	3.80	3.59	3.78	3.80
Canada	3.82	3.79	3.42	3.72	3.77
Finland	3.68	3.70	3.45	3.60	3.73
France	3.76	3.69	3.63	3.80	3.77
Germany	3.48	3.44	3.35	3.42	3.35
Italy	3.93	3.94	3.79	3.94	3.92
Spain	3.72	3.68	3.60	3.71	3.73
Sweden	3.61	3.52	3.34	3.41	3.51
UK	3.93	3.89	3.86	3.96	3.85
US	3.92	3.93	3.81	3.93	3.98
Brazil	4.30	4.32	4.32	4.43	4.41
China	4.22	4.19	4.13	4.16	4.17
India	4.38	4.35	4.30	4.31	4.33
Mexico	4.22	4.23	4.17	4.31	4.37
Russia	3.96	3.94	3.84	3.97	4.01
Turkey	4.27	4.26	4.25	4.30	4.36

Mean score: <2.0= 2.0-4.0= >4=

Source: Capgemini
Ranked on a scale of 1 to 5 where 1 = not at all important and 5 = extremely important
Note: The data above demonstrates that the Internet is typically less important in the Transaction phase, suggesting that it is an important tool for supporting buying in physical stores, not just for buying online.

Influence of Digital Channels on Spending Patterns

A key question is how the use of digital channels may impact consumer spending. Our research found some interesting correlations. For example, 56% of respondents said they were likely to spend more money at a physical store if they had used digital channels to research the product prior to purchase. And 55% said they were more likely to spend more money with a particular retailer if products were available anytime via any channel.

Some respondents suggested incenting shoppers to use multiple channels. Not surprisingly, lower prices was identified as the incentive of choice, but a few respondents offered alternative ideas. Said a shopper from the UK: *"I'd like to see a wider range of loyalty points given for shopping in different channels."*

These highlights provide an overview of how digital channels are being used by consumers. In the sections that follow we take a closer look at the use of digital channels in each of the phases of the shopping journey.

2 Ranked on a scale of 1 to 5 where 1 = not at all important and 5 = extremely important.

"I'd like to see a wider range of loyalty points given for shopping in different channels."

Digital Shopper from UK

What Makes Categories Similar – and Different

In the five product categories that were studied (food, health and personal care, fashion, DIY/do-it-yourself home improvement and electronics) we saw some similarities in how shoppers use and value digital channels and devices. For example, across all phases of the shopping journey, Internet sites remain the dominant digital channel in all the categories, followed by e-mail.

But differences also stood out, including the following:

Electronics: Leading the Digital Parade
Shoppers are more inclined to use digital channels and devices across the full journey when shopping for high-value electronics than for other categories. Across the countries, 54% of respondents had bought electronics online in the prior six months. The highest rates were in Brazil, China and Mexico. The electronics category is dominated by Digital Shopaholics and Social Digital Shoppers, and 59% of digital shoppers in this category are men.

Compared to the average, electronics digital shoppers consider themselves to be technologically sophisticated, they use mobile apps at every step of the shopping journey and would also like to use mobile apps in physical stores to gain the optimal all-channel experience. Social media channels are very relevant in the electronics category, particularly in the Awareness and Choosing phases

Fashion: Social Media Rules
About half of shoppers had purchased fashion products online in the prior six months, making it the second most popular category after electronics. The highest rates were in China, France and Germany. Although the shopper base in the fashion category was quite heterogeneous, Digital Shopaholics and Social Digital Shoppers are important segments. Younger consumers are particularly likely to buy fashion through digital channels.

Social media is used in the fashion category more than in any other product category, particularly in the Awareness and Choosing phases. Mobile apps are also popular in this category for making transactions and tracking delivery of orders.

Compared to the average, fashion digital shoppers will purchase more products in a single transaction online than in physical stores and are interested in shopping online together with friends.

Health and Personal Care: All Shopper Segments Well Represented
Across the countries, 42% of respondents had purchased products online in the prior six months. The highest rates were in China, Turkey and Brazil. Although women dominate in this category, 41% of health and personal care digital shoppers are men. The health and personal care category has a heterogeneous digital shopper base, with all segments fairly evenly represented. All age groups are also represented in this category.

Compared to the average, health and personal care digital shoppers use smartphone apps to gain additional information throughout the shopping journey. They will turn to social media in search of product information and promotions and are also likely to buy food and DIY products online, providing opportunities for cross-selling.

Food: Online Buying Remains Low
Online grocery shopping is still relatively marginal and practiced especially by digitally active consumers such as Digital Shopaholics and Social Digital Shoppers. Across the countries, 29% of respondents had purchased food online during the prior six months. Of those, 54% are under 34 years old. The highest rates of online food purchases were in China, India and the UK.

Compared to the average, food digital shoppers use a wider range of channels during their digital shopping journey and have a higher usage rate of mobile apps in all phases of the journey. They also do not hesitate to contact call centers to gain additional information and are active digital consumers in other retail segments.

DIY: Buying Still Done In Physical Stores
Across the countries, 21% of shoppers had purchased DIY products online in the prior six months. Among those, Digital Shopaholics are the largest segment. Not surprisingly, the category is dominated by men (57% of the respondents), but women also shop online for DIY products. The highest rates of online DIY purchases were in China, the UK and Italy.

Compared to the average, DIY digital shoppers consider themselves to be digitally sophisticated and use mobile apps to search for information. However, in-store technology is also important in this category, particularly in the Transaction phase, confirming that much of DIY buying is still done in physical stores.

“I expect a more integrated usage of web, mobile and social networks to provide a real-time, top-level experience.”

Digital Shopper from Italy

Awareness: The Internet is the Place to Learn

Where and how shoppers engage with retailers via multiple touchpoints and with other shoppers means fundamentally rethinking the model by which organizations communicate. Retailers need to focus on achieving a full and continual integrated conversation with shoppers to develop awareness via all channels. However, some digital channels are more relevant than others in this first phase of the shopping journey.

Today Internet sites are the most important digital channel for learning about products and promotions, as cited by 72% of respondents across all countries (Figure 5). This is particularly true for high-value categories such as DIY and electronics. E-mail (newsletters and offers) is the second channel of choice during the Awareness phase in most countries, named by 58% of consumers overall.

However, there are variations by country, and understanding these differences is essential when deciding on a global digital strategy and investment. For example, in Finland and France in-store technology is the number two channel during the first phase of the shopping journey. And in the developing markets, especially China and India, smartphone apps are ranked higher in importance.

One factor driving the interest in mobile apps in developing regions may be the smartphone penetration rates, which are growing rapidly in markets such as India.

“The moment new fashion comes out, people should be informed by various means and channels.”

Digital Shopper from India

Social media is also a more relevant channel in the developing markets during this first phase. More than two-thirds of shoppers in India, Mexico, Brazil, China and Turkey said they are interested in finding out about new products through social media and blogs. Said a respondent from Mexico: *“There should be more communications about new products in different channels.”* By comparison, less than half of shoppers in the US, Canada, France, Australia, the UK, Germany, Finland and Sweden are interested in this capability. In the middle are Italy, Russia and Spain, where a little over half are interested in using social media and blogs to learn about new products.

What Matters Most: Personalized and Location-Based Offers

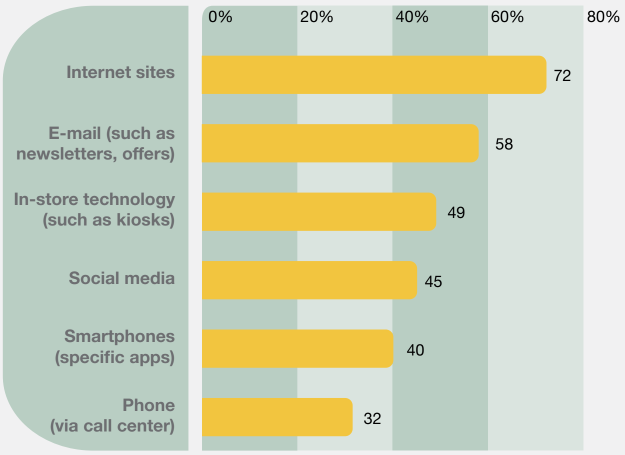
During the Awareness phase, shoppers are interested in receiving personalized offers and recommendations through digital channels, as well as messages and offers based on location (Figure 6). Said a shopper from the US: *“I like the idea of smartphones tracking which stores I’m in and offering deals that my history tells them I would be interested in.”*

Developing markets show particular interest in receiving personalized

“I like the idea of smartphones tracking which stores I’m in and offering deals that my history tells them I would be interested in.”

Digital Shopper from the US

Figure 5: Digital Channels of Choice to Learn About Products
% of consumers saying “important/extremely important”



Source: Capgemini

Figure 6: Awareness – Criteria that Matter Most

Options via Digital Channels	% of Consumers Saying "Appealing/ Extremely Appealing"
Personalized offers and recommendations through digital channels	55%
Messages and offers based on location	53%
Find out about new products via blogs, reviews and social media	53%
Receive inspirational content (e.g., how-to videos, recipes)	50%
Similar advertisement on both digital and non-digital channels	49%
Use in-store digital device (e.g., kiosks, PDAs in shopping carts)	48%
Mobile app to support in-store shopping (e.g., store map, special promotions)	44%
Follow the retailer through social media	41%

Source: Capgemini

"I would like to have more information about the product's environmental impact and its components."

Digital Shopper from France

communications. At the high end are India, where 80% of shoppers said they want to receive personalized offers and recommendations through digital channels, and China with 73%. This compares with 35% in Sweden and 38% in Finland.

Interest in receiving personalized offers and recommendations varies somewhat by product category and is highest for fashion, cited as appealing by 58% of respondents, compared with 49% of food shoppers. This was supported by a number of qualitative comments, such as this one from a shopper in India: *"The moment new fashion comes out, people should be informed by various means and channels."*

Shoppers are less interested in following retailers through social media or using a mobile app to support in-store shopping. In a familiar pattern, the interest is higher in developing markets, particularly India, China and Turkey.

In the qualitative comments, shoppers noted additional types of information they would like to find via digital channels when they are learning about products. Said a respondent from France, echoing similar comments from around the globe: *"I would like to have more information about the product's environmental impact and its components."*

A shopper from Sweden agreed: *"I would like to see more fair-trade and ecological information, and information about the way a product is produced should be displayed."*

Shopper Segment Snapshot: Awareness

Digital Shopaholics and **Social Digital Shoppers** consider digital channels very important to learn about products during the Awareness phase. They are particularly interested in receiving personalized offers.

Occasional Online Shoppers and **Rational Online Shoppers** are less interested in digital channels to learn about products or to follow retailers through social media. However, Occasional Online Shoppers are open to receiving inspirational content such as how-to videos.

Value Seekers are less interested in smartphone apps during the Awareness phase.

Techno-Shy Shoppers are the least interested in using digital channels to learn about products.

Choosing: Price and Product Specs Remain Key Factors in Selecting an Item

The Choosing phase is a critical point in the shopping journey as customers narrow down their consideration set. For many retailers, the lack of consistently high-quality price and product information across channels diminishes the shopper experience during this phase, potentially impacting sales. Companies are at risk of losing customers to a competitor that can demonstrate greater integration among its channels.

Understanding what digital shoppers are looking for in this phase and providing the right information is key to improving channel integration. The behavior patterns of digital shoppers during the Choosing phase are similar to those in the Awareness phase. Internet sites are by far the most important digital channel for searching for information, comparing and choosing products, particularly in the developing countries, followed by e-mail (newsletters and offers). Overall, 71% of shoppers named Internet sites as the most important channel during the Choosing phase (Figure 7). That figure jumped to 80% or higher in most of the developing markets.

The use of Internet sites when choosing products was higher than average for categories such as DIY and electronics (73% and 78%, respectively), compared with food (60%).

Some shoppers expressed frustration with the lack of consistent availability of stock across channels during the Choosing phase. Said a respondent from the US: *"I find that often for clothing the online store has different products than in-store. Sometimes a product in-store is sold out but is available online. And sometimes a product is sold out online but is still available in store, but I have to go to the store to find out. Stores should have all in-store and online stock available to view online or via a phone app."*

Range of products was identified as important by many respondents when comparing and choosing items through digital channels. Said a shopper from Sweden: *"The whole range should be*

Shopper Segment Snapshot: Choosing

Digital Shopaholics and **Social Digital Shoppers** consider digital channels very important during the Choosing phase. They want to see product price, availability, comprehensive information and delivery charges clearly marked.

Value Seekers want an easy shopping process with clearly marked product information and are not interested in using smartphone apps during the Choosing phase.

Occasional Online Shoppers value digital channels especially when choosing and comparing products and prices to find the most optimal solution. They too want to see price, availability and delivery charges clearly marked.

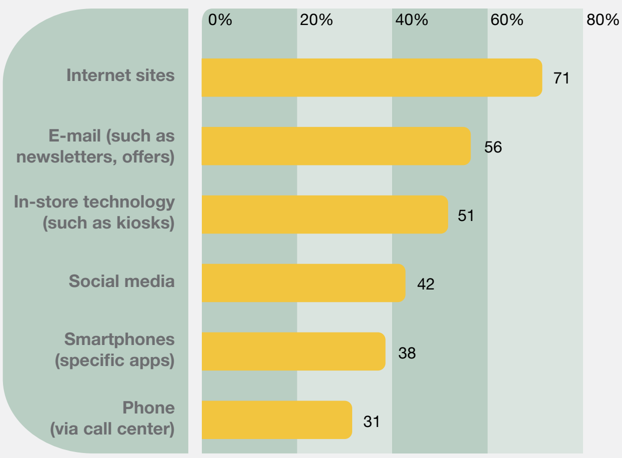
Rational Online Shoppers value comprehensive product information and clearly marked prices during the Choosing phase. They also want to be able to easily contact a retailer.

Techno-Shy Shoppers are the least interested in digital channels during the Choosing phase. However, when they do use digital channels they want to easily find product price, availability and delivery charges.

"The whole range should be represented with inspirational pictures, and I want to easily see if a product is available in a store nearby."

Digital Shopper from Sweden

Figure 7: Digital Channels of Choice When Choosing Products
% of consumers saying "important/extremely important"



Source: Capgemini

> Stores should have all in-store and online stock available to view online or via a phone app."
>
> **Digital Shopper from the US**

represented with inspirational pictures, and I want to easily see if a product is available in a store nearby."

In-store technology was cited as important when searching for and comparing products by 51% of respondents overall, and was ranked as the number two channel in Canada, Finland, France and Germany. It was less important in the developing markets, particularly China and India.

Some differences were also apparent by category. For example, 56% of DIY shoppers said in-store technology was important, compared with 46% of food shoppers. Use of in-store technology was quite consistent across age groups, except for the 65-plus shoppers, where only 33% said it was important.

Use of Apps and Social Media is Highest in Developing Markets

Overall, less emphasis is placed on smartphone apps during the Choosing phase, with 38% of consumers citing this channel as important. However, variations were quite pronounced depending on the country. For example, 73% of shoppers in India and 70% of those in China view mobile apps as important, compared with just 12% of respondents in Finland and 19% in Sweden.

The qualitative comments did indicate some interest in apps for product comparisons. For example, a shopper from Australia noted that they would like to have *"an iPhone app that can display detailed product information and price at various outlets for comparison."* And this from a respondent in Canada: *"I would like an app that compares weekly fliers to show the cheapest price for an item and recommends substitutes."*

Not surprisingly, age also plays a role. Smartphone apps are most popular among shoppers aged 25 to 34, with 48% citing the channel as important during the Choosing phase vs. 28% of shoppers aged 55 to 64 and 12% of those 65 or older.

A similar pattern was visible regarding the use of social media when choosing products. Developing countries are far more interested in using social media during this phase: 79% of respondents in India and 69% of those China cited social media as important. By comparison, only 24% of those in France named it as important and 28% in Australia. Reflecting a pattern seen

> When collections change, we see differences in sizes, which is difficult for those who buy online. There should be standardization of sizes."
>
> **Digital Shopper from Brazil**

in other areas, the importance of social media fell into a middle range in Russia (cited by 46% of shoppers), Italy (42%) and Spain (41%). Social media was more likely to be used in the fashion category during this phase than in other product categories.

Choosing Products: Key Criteria are Price and Product Info

When researching, comparing and choosing products, shoppers primarily look for core factors such as product price, delivery charges and comprehensive product information (Figure 8). More than half of respondents said it was extremely important that the product price and availability as well as delivery charges be clearly marked, indicating that these are the table stakes for digital channels.

In the fashion category, detailed product information is particularly important. Said a shopper from Brazil: *"When collections change, we see differences in sizes, which is difficult for those who buy online. There should be standardization of sizes."*

If product information isn't visible, some shoppers will look for additional digital functionality that can assist them. Said a respondent from China: *"I would like to learn more detailed technical information about a product via online chatting."*

The quantitative data was supported by a number of qualitative comments expressing frustration at the inability to find basic price and product information. Consider this comment from a respondent in Australia: *"Many sites currently don't offer access to specifications of the product. Access to the user manual would help in the selection of products. Also, more pictures of the product (front, side, back). And stop using pictures with the phrase 'actual product may differ from product shown.' I need to know the color and style of my product – it's why I am buying it!!"*

A shopper from France agreed, noting that retailers should *"provide dynamic and up-to-date stock availability and delivery deadline information on their websites."*

Figure 8: Choosing – Criteria that Matter Most …

Options via Digital Channels	% of Consumers Saying "Extremely Important"
The product price and availability are clearly marked	58%
Product delivery charges are clearly marked up front	55%
There is comprehensive product information available	48%
Ability to easily contact the retailer or manufacturer to obtain additional product information	45%
Easily compare different products before making decision (through comparison or filter options)	39%
Digital channels are used to find the lowest price for a product from a wide selection of retailers	36%
Offered visual aids to help choose most suitable product (e.g., 3D, zoom, videos and augmented reality)	35%

… And Those that Matter Less

Options via Digital Channels	% of Consumers Saying "Extremely Important"
The content in the digital channels is tailored to your profile and preferences	26%
Digital devices in-store to help the shopping process (e.g., kiosk or tablet device provides product information)	25%
Use digital devices inside the physical store to order products that are not available in the store	24%
Scan the product barcode using your mobile phone to obtain product information	23%
Shop with your friends online – looking and selecting together, although physically apart	20%

Source: Capgemini

"There should be upfront pricing including taxes, no gimmicks and real product information like the average battery life, not the maximum that you would never achieve."

Digital Shopper from Canada

How to Enhance the Online Shopper Experience with Improved Digital Product Data

Our "Digital Shopper Relevancy" research demonstrates that the Internet remains the key digital channel and that core functionalities like price and product specifications are essential for today's digital shoppers across the globe. But how effective are retailers and consumer products companies in providing this information to shoppers? Noted a respondent from Finland: *"Finnish websites still lag behind in terms of price visibility. Showing the list of the brands is not sufficient."*

To evaluate the visibility of digital product data, Capgemini conducted a global study involving 62 leading retail and consumer products companies in the grocery category. The companies' online sites were assessed across 13 product data attributes: Product Name/Brand, Specifications, Ingredients/Features, Manufacturer, Packaging, Visual, Search Attributes, Usage Instructions, Certifications/Standards, Language, Price, Product Availability and Customer Rating.

The following are among the key conclusions of our "Digital Product Data" research:

- Only a few leading retailers and consumer products companies score well in many different areas of product data visibility. All companies have opportunities for improvement.
- The most significant differences between retailers' and consumer products companies' scores are found in presenting: 1) the product name/brand, 2) usage instructions, 3) manufacturer information and 4) ingredients/features.
- Manufacturers can help retailers in providing shoppers with compelling, interactive multimedia and visuals about products; most of this already exists.
- Storytelling about products and their usage is a key capability that retailers need to enhance, in many markets and in multiple languages.
- Most markets are still in an early maturity phase and can learn from the UK, which has best-practice retailers in terms of digital product data, and is already driving significant business in online grocery operations.

"Enable customers to choose the right product through services such as sending samples, 3D visuals online and a free return option."

Digital Shopper from France

Non-core factors such as shopping with friends online (looking and selecting together, although physically apart) offer less appeal, particularly in mature markets. This factor was cited as extremely important by just 20% overall, but that figure was impacted by the higher rankings in India (named as extremely important by 40%), Turkey (36%) and China (35%). By comparison, in Finland this factor was considered extremely important by just 8% and in Sweden by 9%.

The research provided some indication of the convergence of the physical and digital world in the Choosing phase. About one-quarter of respondents cited as important the use of digital devices like kiosks, tablets and mobile phones in-store to aid in the shopping process, to order products not available in the store, or to scan product barcodes to obtain product information. While the rankings for these factors was much lower than for price, product and delivery factors, they may reflect an emerging interest in using digital technologies during physical shopping.

Some respondents also indicated an interest in visual aids to help them choose products. Said a shopper from Spain: *"When I buy online, I expect to find extensive information about the product (ingredients, nutritional facts, traceability, assembly instructions, etc.) and other visual aids such as 3D images or videos that help me to better understand the benefits of the product."*

Gender differences were not particularly apparent during the Choosing phase of the shopping journey. However, women are more likely than men to consider two key factors to be more important: product and price availability clearly marked and delivery charges clearly marked upfront.

Transaction: Where In-Store Technology Plays a Larger Role

Behavior patterns change for many digital shoppers when they reach the Transaction phase, with some moving to the physical store to purchase a product. Many respondents noted that they want face-to-face interaction at this phase. *"Shopping should be people interacting with people...not people interacting with electronics,"* said a respondent from the US.

A shopper from Sweden agreed: *"I don't think that the digital channel ever will match the experience in face-to-face shopping when it comes to more high-quality products where service is a key differentiator."*

Overall, Internet sites remain the primary digital channel to purchase and pay for products, named as important by two-thirds of consumers. The Internet is particularly relevant in the electronics category; 54% of shoppers said they had purchased electronics online in the last six months, while only 21% of respondents had purchased DIY products online (Figure 9).

Some respondents proposed specific applications that might encourage them to purchase more online. Said a shopper from Spain: *"I would like to find online-adapted products (e.g., special packages) or being able to order discontinued products."*

In-store technology such as kiosks and integrated devices on shopping carts is the second channel of choice in the Transaction phase (cited as important by 54% of respondents, Figure 10). In-store technology can be an important consideration as retailers look to make their physical stores a destination of choice by offering experiences shoppers can't have in the digital space.

Shoppers want in-store technology that can help them find products, track spending and pay for products. Said a shopper from the US: *"I would like to see smart shopping carts that can ring up your stuff as you go or barcode scanners on phones that will tell you item prices as you shop if the price is not displayed properly."* A similar sentiment was expressed by a respondent from Australia: *"I would like access to in-store PDAs that allow you to scan products you're buying and keep a price tally so you can track your spending."* In-store technology is particularly important for shoppers in developing markets and for those purchasing DIY products.

The Role of Smartphones in the Transaction Phase

Only 38% of respondents see smartphones as an important digital channel during the Transaction phase. However, as in the other phases of the shopping journey respondents in developing markets are significantly more interested in using a mobile phone application to pay for in-store products. In India, 71% of respondents said apps were important when purchasing a

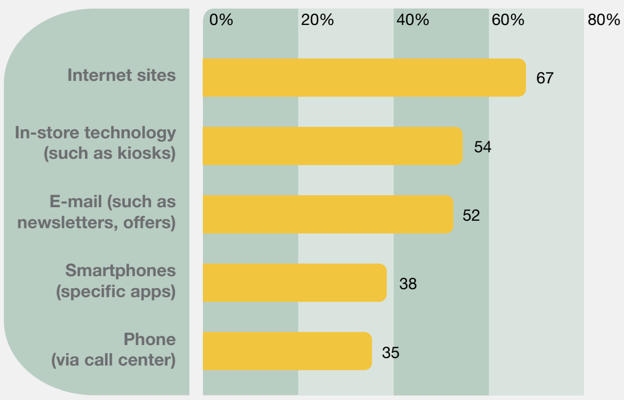
> "I would like to see the introduction of digital membership cards for usage via smartphones instead of physical cards."
>
> **Digital Shopper from India**

Figure 9: Electronics Category Leads Online Purchases

Category	% of consumers purchasing products online in the last 6 months
Electronics	54%
Fashion	52%
Health	42%
Food	29%
DIY	21%
None of these	15%

Source: Capgemini

Figure 10: Digital Channels of Choice to Purchase and Pay for Products
% of consumers saying "important/extremely important"



Source: Capgemini

“I would like to see smart shopping carts that can ring up your stuff as you go or barcode scanners on phones that will tell you item prices as you shop if the price is not displayed properly.”

Digital Shopper from the US

product and in China the figure was 69%, compared with 11% in Finland and 19% in Sweden.

Younger shoppers, particularly those aged 25 to 34, as well as technology early adopters are more interested in using smartphone apps to buy products. Smartphone purchases are also most likely to be made for fashion, DIY and electronics products.

In their qualitative comments, shoppers suggested a number of uses they envisioned for smartphone apps during the Transaction phase, including the ability to check stock availability while walking around the store; receiving real-time, location-based offers while in-store; and the ability to scan barcodes for prices in order to keep a running tally while shopping.

Shopper Segment Snapshot: Transaction

Digital Shopaholics and **Social Digital Shoppers** are very interested in using digital channels during the Transaction phase, especially mobile phones for paying and identification. They want to be able to choose from several payment options and be able to easily access and update their personal information.

Value Seekers are less interested in smartphone apps and barcode scanning during the Transaction phase, and they find the use of mobile devices as a payment method or identifier for a loyalty program to be less appealing. They do want flexible payment options and they want online stores to remember their personal information and payment method.

Occasional Online Shoppers and **Rational Online Shoppers** are less interested in leveraging digital channels for purchasing and paying. When they do use digital channels during the Transaction phase, they want the ability to choose from several payment options.

Techno-Shy Shoppers are the least interested in digital channels during the Transaction phase. Like all other segments, however, they value multiple payment options when they do choose to buy via digital channels.

Payment Methods and Personalization Impact the Transaction Process

Payment methods are clearly top of mind for shoppers during the Transaction phase. Nearly three-quarters of respondents, particularly those purchasing high-value electronics products, want the option to choose from a variety of payment options such as online banking, credit cards and PayPal. In fact, the ability to pay via PayPal came up often in the qualitative responses across most countries. Increasingly, PayPal is being implemented by retailers for in-store payments as well as online transactions.

Customers appear to be of two mindsets regarding personalization during the All-Channel Shopping Journey, especially at the Transaction phase. They express an interest in certain types of personalization when shopping online, but are less comfortable being recognized in the physical store. For example, 61% said they want online stores to remember their personal information and payment methods to speed up the shopping process. But only 41% want to be identified through digital devices (such as their mobile phones) when entering a physical store (Figure 11).

This seemed somewhat counterintuitive given concerns surrounding privacy in digital channels. But the shield of anonymity that exists in the digital world may make shoppers more comfortable sharing personal information online. Respondents in Sweden and Finland are least likely to share information in-store, while shoppers in India are most likely to do so.

"The idea of integrating mobile devices into a physical shopping experience would be fantastic. I would like to see mobile phone numbers or ID numbers associated with retail accounts to simplify the access to data."

Digital Shopper from Canada

Figure 11: Transaction – Criteria that Matter Most

Options via Digital Channels	% of Consumers Saying "Appealing/ Extremely Appealing"
Choose from several payment options (e.g., online banking, credit card, PayPal)	73%
Ability to easily access and update your personal information	62%
Online store remembers your personal information and payment methods to speed up the shopping process	61%
Ability to easily access and update your preferences regarding communication channels and topics	57%
Ability to obtain an electronic receipt (via e-mail) from an in-store purchase instead of a paper receipt	54%
Use your mobile as identification for the retailer loyalty program	46%
Use a mobile application to pay for in-store products rather than a till/register	43%
Be identified through digital devices when entering a physical store (e.g., through your mobile phone)	41%

Source: Capgemini

“I don’t think that the digital channel ever will match the experience in face-to-face shopping when it comes to more high-quality products where service is a key differentiator.”

Digital Shopper from Sweden

Engaging with Technology-Enabled Shoppers In-Store

A growing number of digital channels, from apps to kiosks to the web, are replacing elements of the shopping experience that would previously have occurred in a physical space, calling for the store environment to evolve. This shift requires retailers to think differently about the shopper experience and service model across all channels and touchpoints, including physical stores. Powerful digital tools can be applied in a wide range of ways in a retail environment to provide a more dynamic in-store experience:

Smartphones allow retailers to interact with customers at every step of their shopping journey. Before the actual in-store experience, shoppers can use their smartphones to access a store locator, search for product availability, and access price and promotional coupons via location-based services. During the in-store shopping experience, smartphones can be used to scan a barcode or run a price comparison, access product information, check customer reviews and ratings, and get quick in-store/aisle navigation. After the shopping experience, customers may use their phones to track and trace a product delivery from the store.

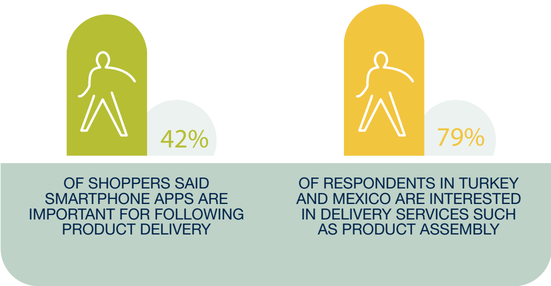
Surface computing and multi-touch devices add a new dimension to interactive shopper engagement. These touch-based graphical interactive devices allow people to interact with content and information on their own or collaboratively with their friends and families. With multi-touch devices, in-store shoppers can locate and select products on touchscreens at an interactive station, download product information on a mobile device or locate items in-store. Tablets can be used for checkouts by applying finger signatures. These devices can also issue SMS or e-mail receipts, thus enabling faster checkout.

Augmented reality applications can improve in-store communications and enhance the overall shopping experience. While still in an early phase, augmented reality has the potential to make a great impact on the retail industry for both shoppers and retailers. In-store touchpoints like interactive kiosks can be used to enhance real-world data or images with computer-generated input such as images, graphics or data. In addition, apps based on augmented reality using object recognition and GPS can help shoppers locate and find their way to or through a store.

Point-of-sale technology is moving from traditional to advanced systems, keeping in mind the changing customer. POS applications have the potential to move beyond transaction-only devices to become the primary medium to deliver customer-centric retailing. New applications provide the opportunity to improve the in-store experience by reducing checkout times and abandon rates. For example, “line-busting” applications use wireless devices to emulate the cash register and give credit card shoppers the chance to skip checkout lines.

Mobile payments is a growing area for retailers and is gaining importance due to the rise in smartphone adoption by customers. Retail applications offer the potential to improve the shopping experience and increase efficiency. Mobile payment methods include proximity payment approaches like Near-Field Communication (NFC), barcodes and numeric codes, as well as remote methods like message-based, browser-based and application-based payments.

For more details, see All-Channel Experience: Engaging with Technology-Enabled Shoppers In-Store.



Delivery: 'Let Me Choose My Own Way of Getting It'

Consistent with the other phases of the shopping journey, Internet sites are the most important method for the majority of shoppers in the Delivery phase (Figure 12), followed by e-mail. However, smartphone apps are more relevant in this phase than in any other, with 42% of shoppers saying they are important for following product delivery and finding related information.

Developing markets are particularly interested in using apps during the Delivery phase, as cited by 72% of shoppers in India and 71% in China. Younger shoppers and those buying electronics were also more likely to want to use mobile apps to track product delivery.

Core Services Matter Most in Delivery Phase

A key capability for retailers operating a range of channels is delivery flexibility – delivering to wherever best suits the shopper. This came through clearly in the research. Said a respondent from China, *"I expect variable delivery methods with reasonable prices."*

Basic services such as having products delivered to a chosen location and tracking the delivery of products are appealing to the vast majority of consumers. A shopper from Germany agreed: *"Products should be able to be delivered at a predetermined time when somebody is at home."*

While developing the capability to provide delivery flexibility can be challenging for retailers, the benefits can be significant. Delivery services such as "click-and-collect" provide convenience for shoppers and incremental sales for retailers from additional store visits. Leading retailers offer home delivery, collection from the store or a convenient pick-up point. Some provide the capability to specify the day of delivery including next-day delivery, or even a specified time slot. Other enablers may include delivery tracking and proactive recovery of failed delivery. A respondent from Mexico noted that delivery should *"be more flexible, allowing consumers to join different products in one shipment."*

> "I would like to see quicker delivery options – three to five working days is very old-fashioned; why can't it be done in two days max?"
>
> **Digital Shopper from the UK**

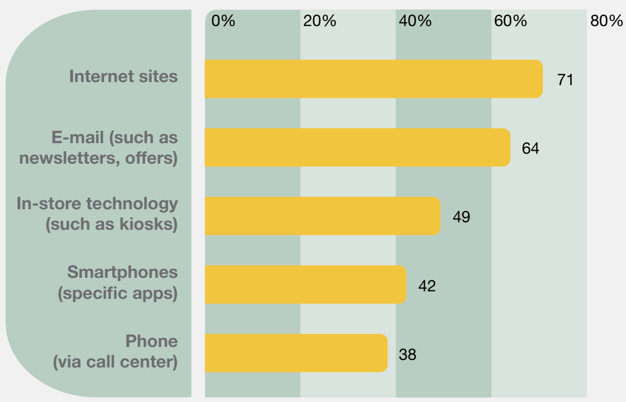
Shopper Segment Snapshot: Delivery

Digital Shopaholics, Social Digital Shoppers, Occasional Online Shoppers and **Rational Online Shoppers** all consider digital channels important when tracking the delivery of products purchased. All of these segments particularly value the ability to have products delivered to their chosen location.

Value Seekers are less interested in using digital channels in the Delivery phase. However, when they do, they want flexible delivery locations and the ability to easily track products purchased.

Techno-Shy Shoppers are the least interested in using digital channels to track the delivery of products purchased.

Figure 12: Digital Channels of Choice to Track Product Delivery
% of consumers saying "important/extremely important"



Source: Capgemini

Shoppers were less interested in non-essential delivery options such as product assembly (Figure 13). However, these options are more appealing to certain shoppers, such as those in Turkey and Mexico (cited as appealing by 79% of respondents). Shoppers aged 25 to 44 are also interested in these types of services, as are women (59% vs. 53% of men).

In their qualitative comments, a number of shoppers identified additional delivery issues of importance, with speed of delivery chief among them. Said a respondent from the UK, *"I would like to see quicker delivery options – three to five working days is very old-fashioned; why can't it be done in two days max?"*

Figure 13: Delivery – Criteria that Matter Most

Options via Digital Channels	% of Consumers Saying "Appealing/ Extremely Appealing"
Have products delivered to your chosen location	79%
Track the delivery of a product you have purchased	75%
Pick up your order at location you have chosen	71%
Choose from several delivery options with different price points	69%
Order special services around the delivery (e.g., assembling services)	57%

Source: Capgemini

"Products should be able to be delivered at a predetermined time when somebody is at home."

Digital Shopper from Germany

Aftersales Care: Call Center Use Varies Widely

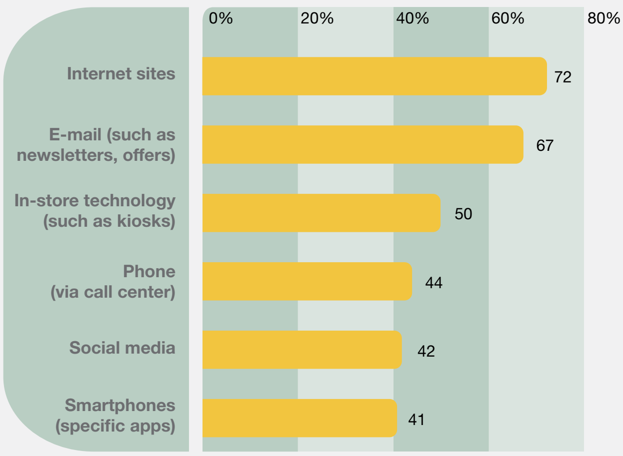
Internet sites are the most important way for shoppers to give feedback and receive help after purchases, followed by e-mail (Figure 14). However, traditional call centers continue to play a role for digital shoppers in the Aftersales phase, although usage varies widely depending on the country.

Overall, 44% of respondents see call centers as an important channel following a purchase. That number jumps considerably among shoppers in developing regions: 72% of respondents from India and 63% from China said call centers are important. Noted a respondent from China: *"There should be a specific customer service center for companies to learn about the opinions and suggestions from consumers and to let consumers feel they are being paid attention to."*

Interest in call centers drops significantly in mature markets, with almost half of shoppers from Sweden and Germany indicating that call centers are not at all important during the Aftersales phase.

Smartphone apps and social media are of somewhat lesser interest in the Aftersales phase, although again developing markets and younger shoppers are most likely to identify these channels as important.

Figure 14: Digital Channels of Choice for Aftersales Care
% of consumers saying "important/extremely important"



Source: Capgemini

> "Products that are bought online should be able to be returned in a physical store within one week after buying."
>
> **Digital Shopper from Brazil**

“Reviews are increasingly important to me shopping online. They should be used on all sites for all products to help people determine the quality and value of products.”

Digital Shopper from the US

Figure 15: Aftersales Care – Criteria that Matter Most ...

Options via Digital Channels	% of Consumers Saying “Extremely Important”
Easily return products that you are not satisfied with using digital channels regardless of where purchased	50%
Choose from several different return options	49%
Reach customer service 24/7 through any channel you like	45%
Read other consumers’ reviews about product in retailer digital channels	34%

... And Those that Matter Less

Options via Digital Channels	% of Consumers Saying “Extremely Important”
Share your comments about the product with the retailer (e.g., social media)	28%
Share your reviews about the product with other consumers through digital channels	28%
Get immediate service via online chat rooms	27%
Participate in online customer communities provided by the retailer	24%
Create public shopper profile visible to other shoppers in retailer digital channel	20%

Source: Capgemini

“Response should be faster when things go wrong and consumers should not be left waiting for e-mails to be answered.”

Digital Shopper from the UK

Basic Features are Critical for Aftersales Care

Core services are essential during the Aftersales phase, particularly the ability to easily return a product using digital channels regardless of where the item was purchased (cited as extremely important by 50% of respondents), to choose from several different return options (49%), and to reach customer service 24/7 through the preferred channel (45%) (Figure 15).

Shoppers must feel they are dealing with a single company, not multiple departments. Staff must know service-recovery procedures (for example, compensation for non-delivery) for all channels, not just their own.

In the Aftersales phase, retailers must enable the shopper to return a product in-store that was purchased in another channel and vice versa. Said a shopper from Brazil: *“Products that are bought online should be able to be returned in* *a physical store within one week after buying."* Companies may also offer collection from the shopper's home or a convenient pick-up point such as the workplace, and even offer specific time windows for collecting returns.

Speed of response also came through in the qualitative comments as an important factor during this phase. Said a respondent from the UK, *"Response should be faster when things go wrong and consumers should not be left waiting for e-mails to be answered."* A shopper from Finland agreed, noting: *"I would like faster delivery of feedback on questions and orders, as well as more channels for customer feedback."*

Shoppers are also interested in the ability to read other consumers' reviews about a product in retailer digital channels. More than half of respondents in mature markets indicated interest in reading reviews. Said a shopper from the US: *"Reviews are increasingly important to me shopping online. They should be used on all sites for all products to help people determine the quality and value of products."* Interestingly, however, only 45% of respondents say they trust the peer reviews hosted in retailer digital channels.

Shoppers are less interested in writing their own reviews. Respondents in mature countries were considerably less likely than their counterparts in developing markets to write reviews through digital channels.

Shoppers are also less interested in being able to create a public shopper profile visible to other shoppers in retailer digital channels; this is particularly the case in the mature markets. Younger shoppers find this capability most appealing, with interest decreasing with age. Respondents in mature markets are also not interested in participating in online communities provided by the retailers; this is particularly true for older shoppers. However, more than 70% of shoppers in India, China, Mexico and Brazil are interested in such communities.

Shopper Segment Snapshot: Aftersales Care

Social Digital Shoppers are the most interested in using social media and sharing opinions with other consumers through digital channels during the Aftersales phase. And they want to be able to reach customer service 24/7 through their preferred channel.

Digital Shopaholics consider digital channels very important in the Aftersales phase; they are interested in sharing opinions with other consumers through digital channels. They also want the ability to choose from several return options.

Value Seekers appreciate easy and flexible product returns during the Aftersales phase.

Occasional Online Shoppers value easy return options, the ability to reach customer service 24/7, and the ability to read consumer reviews about the product through digital channels.

Rational Online Shoppers are not interested in sharing reviews post-sale with other consumers through digital channels, but they do want easy, flexible return options.

Techno-Shy Shoppers are the least interested in using digital channels during the Aftersales phase. When they do use digital channels post-sale, they value easy, flexible return options and the ability to reach customer service 24/7 through their preferred channel.

> "There should be a specific customer service center for companies to learn about the opinions and suggestions from consumers and to let consumers feel they are being paid attention to."
>
> **Digital Shopper from China**

The Future of Digital Channels for Shopping

Our "Digital Shopper Relevancy" research provides a robust picture of how shoppers are currently using digital channels and devices, but we also wanted to get their views on the future. More than half of all digital shoppers expect to see major changes in the all-channel experience in the coming years. When shoppers were asked about the specific changes they anticipate in digital channels in the next three years, several points stood out.

Most importantly, shoppers made it clear that they expect a seamless, integrated experience across all channels. Nearly 60% of all respondents said they expect this to be the norm by 2014. The expectations were highest in the developing markets, where three-quarters of respondents anticipate a seamless experience, and among Digital Shopaholics and Social Digital Shoppers, with almost 80% expecting a seamless experience.

From a digital channel perspective, 67% of all respondents said they expect to see an increase in online ordering directly from manufacturers (Figure 16). This was even more pronounced in the developing markets, where almost 80% of respondents expect this channel to grow.

Consumer products companies are increasingly moving to direct-to-consumer selling. Motivations include recovery of margin share, increased brand visibility and control, shopper experience control, and improved price and promotions control.

In determining whether to go direct, consumer products manufacturers need to consider the type of proposition they currently offer and whether moving downstream can help them protect and improve it. As a rule of thumb, those products or categories that rely on a level of pre-/post-purchase service, and

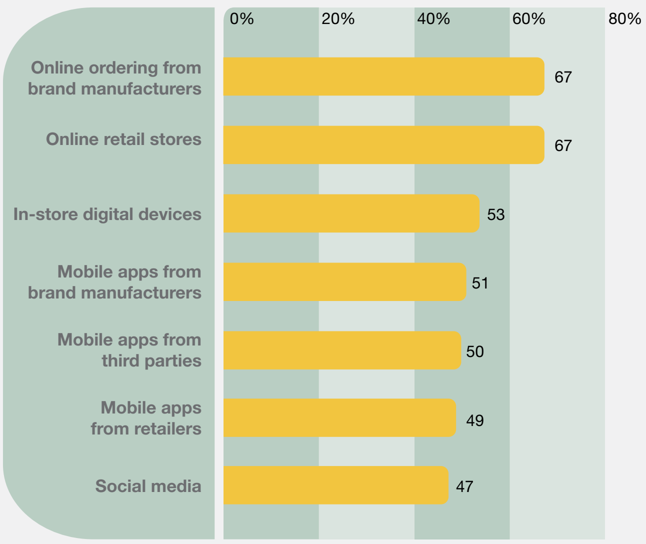
"I'd like less hype and more value for money."

Digital Shopper from Australia

"I would like to be able to chat online with the salesperson."

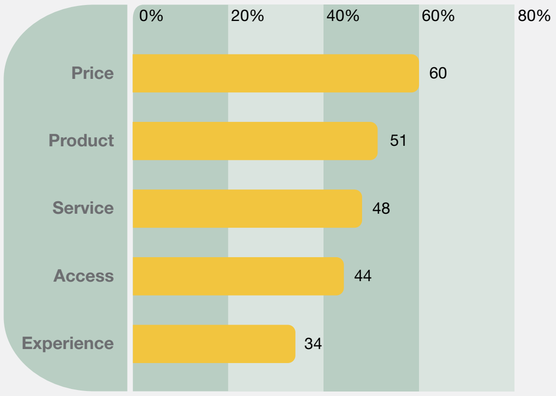
Digital Shopper from Spain

Figure 16: Expectations for Future Growth of Digital Channels
% of consumers saying "increase/increase considerably"



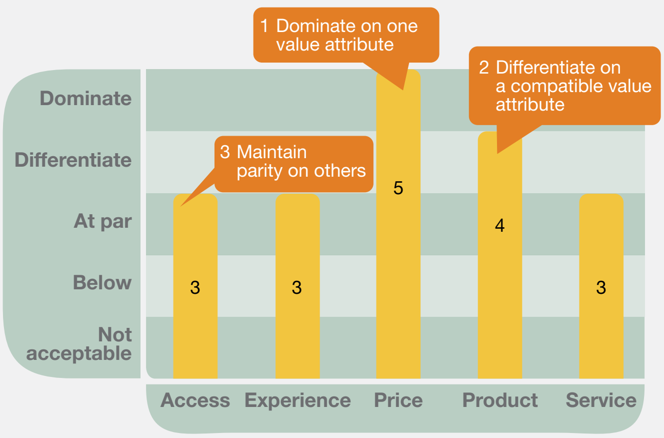
Source: Capgemini

Figure 17: Future Criteria for Retailers and Brands
% of consumers saying "extremely important" over the next five years



Source: Capgemini

Figure 18: Consumer Relevancy Framework



Source: Capgemini
Capgemini's Consumer Relevancy framework is based on the belief that companies needn't – and, in fact, shouldn't – try to be great at everything. Rather than striving for universal excellence, companies should consider the five basic shopping attributes present in any commercial transaction – access, experience, price, product and service – and select one on which to dominate and one on which to differentiate themselves, while ensuring they are at par or meeting the market on the remaining three.

> "I am not Steve Jobs so I don't know what will change."
>
> **Digital Shopper from the US**

whereby the physical product is but one element of the overall proposition, are most suitable to a shift downstream. Conversely, if a manufacturer's proposition is primarily access- or price-centric, then it may be best to rely on existing indirect retail channels.

Although overall only about half of respondents expect that the use of social media and mobile apps for shopping will increase in the coming three years, the picture looks quite different in the developing markets. Approximately two-thirds or more of respondents from countries such as Brazil, China, India, Mexico and Turkey expect to see an increase in the use of social media during shopping, as well as mobile apps from retailers, brand manufacturers and third parties.

One finding may be of concern to any company that operates or sells through a physical store: 51% of respondents said they expect that by 2020 more physical stores will just be showrooms to select and order products. The numbers were more pronounced in the developing markets; however, one-third or more of respondents in the mature markets also agreed with this prediction.

Price and Product Will Continue to Reign Supreme

Looking at all channels, shoppers expect that price and product will be the most important factors in deciding how and where they will buy products and services over the next five years (Figure 17). All aspects of the shopping process (access, experience, price, product and service; Figure 18, Consumer Relevancy Framework) will be relatively important, although experience will be the least important factor. This finding was consistent across all countries. Said a shopper from Australia: *"I'd like less hype and more value for money."*

In the qualitative comments, we found that many shoppers hesitated to make predictions about the future, noting that the rapid pace of change made it difficult to know what would happen next. Said a shopper from the US: *"I am not Steve Jobs so I don't know what will change."*

Relevant Retailers for Digital Shoppers

Which retailers score highest among digital shoppers? We asked respondents to identify their top retailer across the different product categories. Some of the results were expected but a few may come as a surprise.

Figure 19: Top-Rated Retailers

	Food	Health and Personal Care	Fashion	DIY	Electronics
Australia	Coles	Priceline	Target	Bunnings	Dick Smith
Brazil	Extra	Boticário	C&A	Leroy Merlin	Casas Bahia
Canada	Loblaw	Shoppers Drug Mart	Sears	Home Depot	Best Buy
China	Carrefour	Watson’s	Anta	B&Q	Gome
Finland	S-ryhmä	Yliopiston Apteekki	H&M	K-rauta	Gigantti
France	Carrefour	Yves Rocher	Decathlon	Castorama	c Discount
Germany	Rewe	Rossmann	C&A	Praktiker	Media Markt
India	Big Bazaar	Bharati-Walmart	Shoppers Stop	N/A	e-Zone
Italy	Coop	Bottega Verde	Zara	Bricocenter	MediaWorld
Mexico	Walmart	Walmart	Liverpool	Home Depot	Sony
Russia	Pyaterochka	L’Etoile	Podium	OBI	M. Video
Spain	Mercadona	El Corte Inglés	Zara	Leroy Merlin	Media Markt
Sweden	ICA	Apoteket	H&M	Byggmax	Elgiganten
Turkey	Migros	Migros	LC Waikiki	Koçtas	Teknosa
United Kingdom	Tesco	Boots	Debenhams	B&Q	Amazon
United States	Walmart	Walmart	Kohl’s	Home Depot	Apple Stores

Source: Capgemini
N/A = Not asked

Conclusion and Recommendations

What do these findings tell us about today's – and tomorrow's – digital shoppers?

First and foremost, shoppers expect an integrated experience across all channels but aren't yet getting it. Nearly 60% of respondents said they expect channel integration to be the norm by 2014, but more than half said that most retailers currently are not consistent in the way they present themselves across channels.

Second, the many differences that digital shoppers demonstrate across countries, journey phases, product categories, demographics and segments make it clear that there can be no one-size-fits-all approach to a digital strategy. To be relevant to the digital shopper, organizations must understand the most important needs and demands of their particular target segments at different phases of the journey. Prioritizing investments where they matter most to the shopper will benefit both the organization and the shopper.

We believe the insights contained in this report can help retailers and consumer products manufacturers determine how they can profit from their customers' desired all-channel experience. The data we have collected goes far beyond what we have published in this report – the research also includes information on how digital shoppers view the relevance and performance of key retailers and brands in the respective countries. These insights can translate into direct business benefits.

The Starting Point: All-Channel Shopper Diagnostic

How can companies become more relevant to digital shoppers? It's not just a matter of setting up straightforward Internet-commerce sites, mobile apps, Facebook campaigns and in-store technology initiatives. Many companies think they understand what their consumers and shoppers really want, but we find that's rarely the case, especially for digital shoppers. For this reason we suggest beginning with an All-Channel Shopper Diagnostic that leverages Capgemini's Digital Shopper Relevancy framework.

This framework is an update of our practice-proven original Consumer Relevancy framework, which helps retailers and consumer goods companies meet consumers' changed expectations regarding the key attributes that matter in their All-Channel Shopping Journeys: access, experience, price, product and service.

Our All-Channel Shopper Diagnostic approach starts with understanding the different shopper segments and their behaviors, and maps this with your current positioning and digital performance (using our All-Channel Benchmark framework). Based on these insights we qualify whether your current positioning needs to be refined considering the needs of the relevant digital shopper segments. We can subsequently define and visualize real-life shopper journeys – in order to understand how their all-channel experience needs can be serviced – and the opportunities this provides. The resulting suggested initiatives are assessed and prioritized into a transformation roadmap, with a clear and coherent growth path to success (including quick wins).

This approach will help companies identify the mission-critical capabilities needed to deliver a seamless and relevant all-channel experience. Capgemini can provide the support to build these capabilities, including organizational transformation and IT platform enablement.

Our approach is designed to provide rapid results to maximize investments in the all-channel experience:

- A prioritized list of initiatives to transform your business into an integrated all-channel experience
- A "Day-in-the-Life" description of potential future scenarios based on digital shopper segments
- A competitive analysis comparison of key initiatives
- Identification of sponsors: roles, responsibilities and communications plan
- A summary of anticipated ROI, costs and savings
- A list of "quick hits" for immediate benefit realization

With our Digital Shopper Relevancy approach, retailers and consumer goods companies will be able to provide the difference that matters to consumers and shoppers.

How Capgemini Can Help: Leverage Our All-Channel Experience Approach

Capgemini's All-Channel Experience approach helps retailers and consumer products manufacturers transform their businesses to engage with technology-enabled consumers. Our All-Channel Experience solutions cover the initial strategic roadmap all the way through to the underlying technology and business processes in three distinct areas:

- **Digital Strategy and Transformation:** Assisting retailers and consumer products companies with the development of a digital strategy and roadmap and the subsequent transformation of their overall digital capabilities
- **All-Channel Commerce:** Integrating the commercial activities of retailers and consumer products companies in all relevant physical and digital channels
- **Consumer Dialogue:** Managing the relevant personal interactions with shoppers and consumers via social media channels, mobile applications and location-based services

In this context, Capgemini is working with a number of retailers and consumer products manufacturers to help them become more relevant to their shoppers across all channels. For example:

- We are helping an iconic global luxury brand achieve its vision of becoming an end-to-end digital enterprise, providing its customers with an inspiring and consistent experience from any device, anywhere.
- We are working with a global consumer products manufacturer to design its digital strategy, which includes an online channel that connects the company directly to its consumers.
- We are a strategic partner with a grocery retailer in helping create a business that will sell both food and non-food items online and provide significant growth and transformation to the business.
- We helped a home goods manufacturer enter the direct-to-consumer business by designing and implementing its e-commerce operation.

For more information about our "Digital Shopper Relevancy" study and how Capgemini can help you apply the findings to your own organization, please contact:

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Visit www.capgemini.com/DigitalShopperRelevancy

The "Digital Shopper Relevancy" study in Turkey was funded by Microsoft.

About Capgemini's Consumer Products & Retail Practice
Capgemini's global Consumer Products and Retail practice works with a majority of the world's largest retail and consumer products companies plus hundreds more. A team of approximately 10,000 consultants and technologists throughout the world helps these clients reap the benefits of industry-specific solutions such as All-Channel Experience, Demand-Driven Supply Chain, Business Information Management and Global ERP Integration. More information is available at www.capgemini.com/products and www.capgemini.com/retail.

About Capgemini

With more than 120,000 people in 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2011 global revenues of EUR 9.7 billion

Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want.

A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

Learn more about us at

www.capgemini.com/DigitalShopperRelevancy

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People matter, results count.