



The Shopper Story 2017

A global study of the changing nature of retail from the viewpoint of nearly 10,000 shoppers

criteo.

What is The Shopper Story?

Criteo surveyed nearly 10,000 omnichannel shoppers across the globe to find out not **what** they shop for, but what do they **think** about shopping?



Key Insights

- Omnishopping is ubiquitous – and multi-directional
- Retail and brand websites drive awareness as well as consideration
- Search engines are not the shopping starting point for the majority
- Shopping between sites is the norm
- Impulse purchases are almost as prevalent online as in-store
- The empowered shopper demands relevance and respect



What is an Omnishopper?

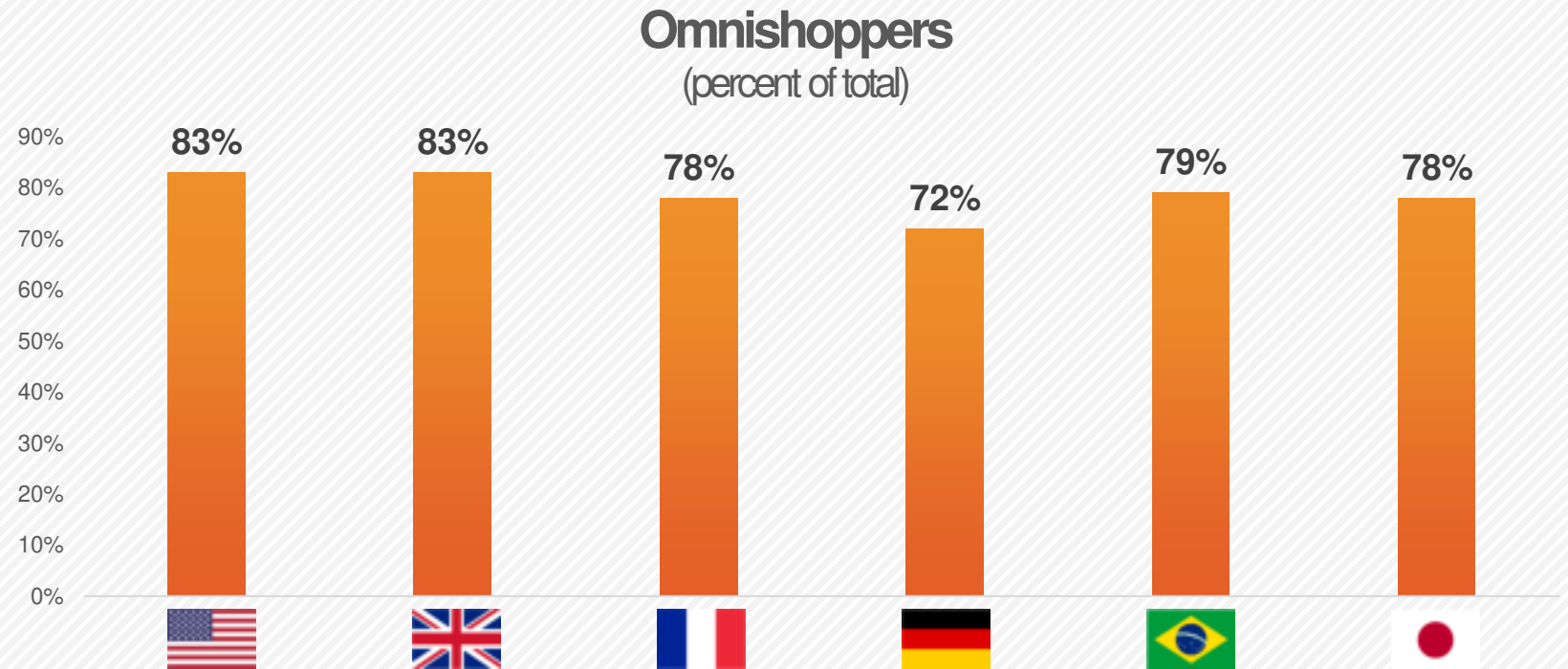
Shoppers who use a variety of devices, channels, and platforms to browse and buy products.

Omnishopping is ubiquitous

The US & the UK are the most omnichannel, Germany has less online/offline connection

More than **3/4**

of shoppers globally engage in online to offline and offline to online shopping



Source: Criteo Shopper Story, US, UK, FR, DE, JP, BR 2017 | n = 9033

Omnishoppers are more valuable to marketers

(increase in spend)



+23% online
+36% offline



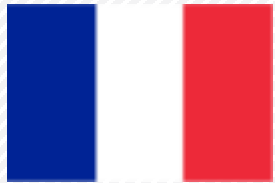
+14% online
+47% offline



+13% online
+31% offline



+7% online
+44% offline



+27% online
+28% offline



+4% online
+6% offline

Source: Criteo Shopper Story, US, UK, FR, DE, JP, BR 2017

Omnishopping takes many forms

It's all about enabling the shoppers to buy and get the product whenever, wherever they want.



Showrooming

See in a store, buy from that retailer's site



Webrooming

Research online, buy in store



Click & Collect

Buy online, pick up at a store or kiosk



Scan & Scram

See in store buy it from another retailer online

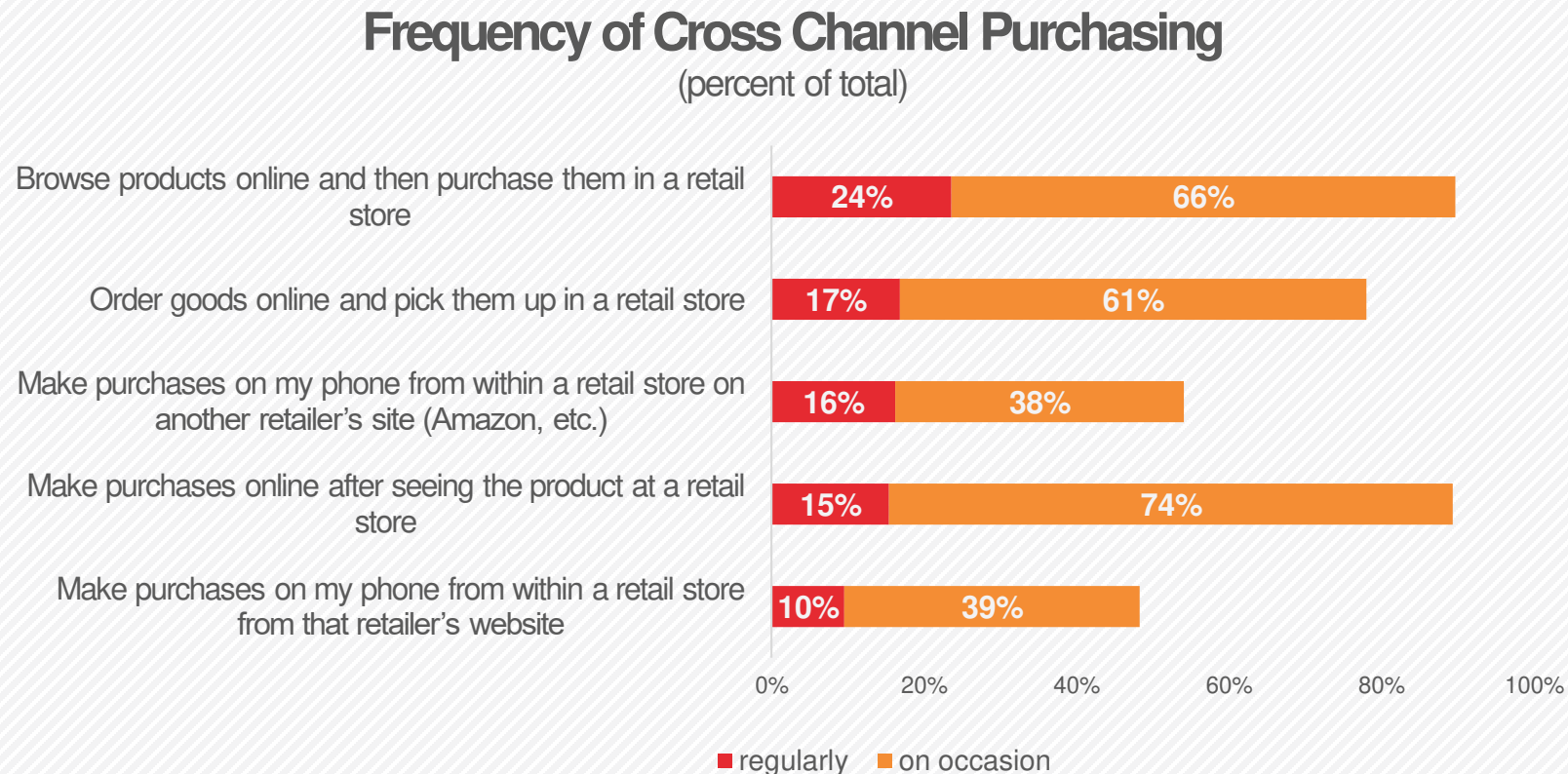


Click & Ship

See in a store but buy on your phone for convenience

Webrooming and Showrooming are the most common

Click & Collect and Click & Ship are also on the rise.



Source: Criteo Shopper Story, US 2017 | n = 2435

What is the Role of Real World Retail?

Both retail and digital shopping valued across markets

Digital and real-world retail both have their place globally. In today's busy world, omnishoppers may prefer all shopping online, but they like shopping in stores **when they have time.**



Source: Criteo Shopper Story, US, UK, FR, DE, JP, BR 2017 | n= 9033

Real-world retail is about the experience and discovery

74%

I look forward to shopping in stores when I have the time.

I prefer to do as much online shopping as possible.

69%

62%

I use my phone while in-store to research products online.

I like to try new retail stores.

72%

63%

I enjoy shopping in stores to understand what is in style.

I like to shop online at new websites.

63%



Source: Criteo Shopper Story, US 2017 | n=2435

What Influences the Shopper Journey?

Contrary to the old model, digital channels drive awareness across categories

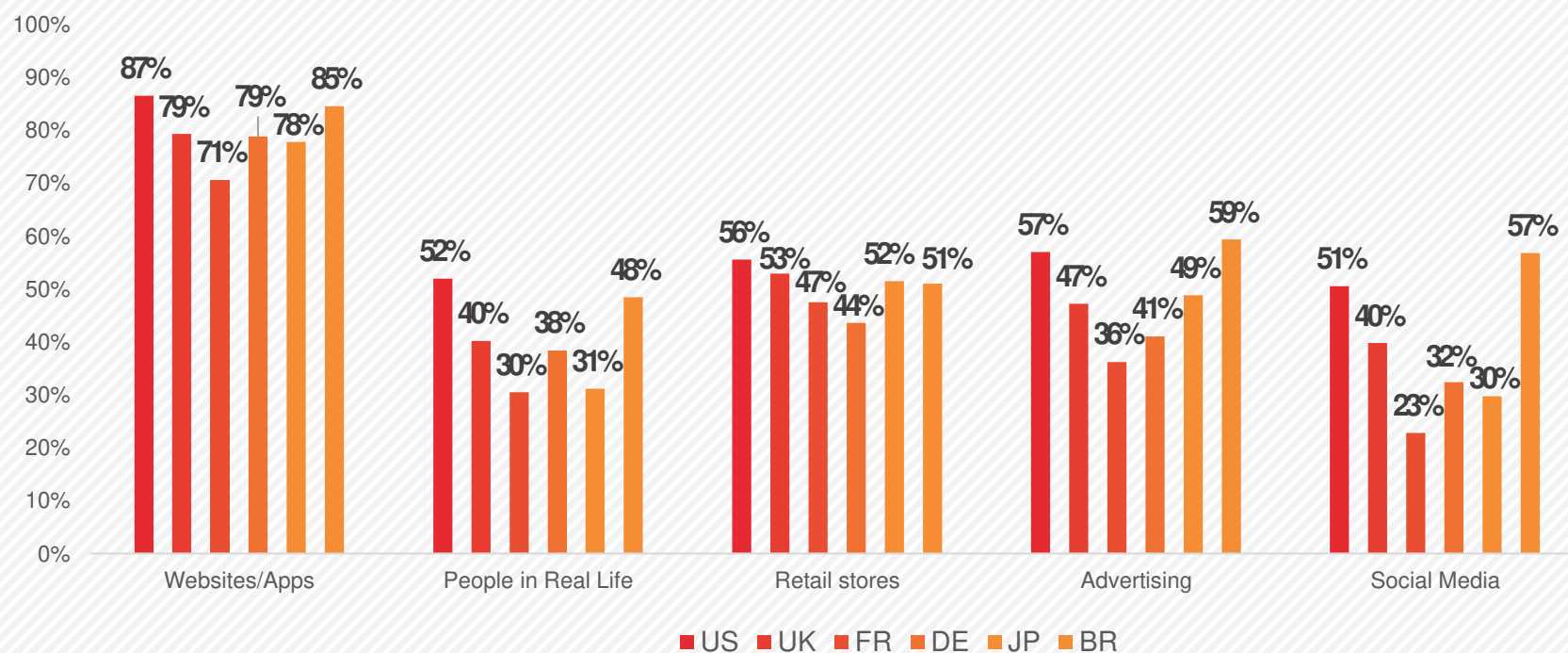
Digital has more impact than word of mouth and retail stores, but TV still scoops up ad spend.

I typically find out about something new when I see it online.



First Learn About New Products

(weighted average by country)



Source: Criteo Shopper Story, US, UK, FR, DE, JP, BR 2017 | n=9033

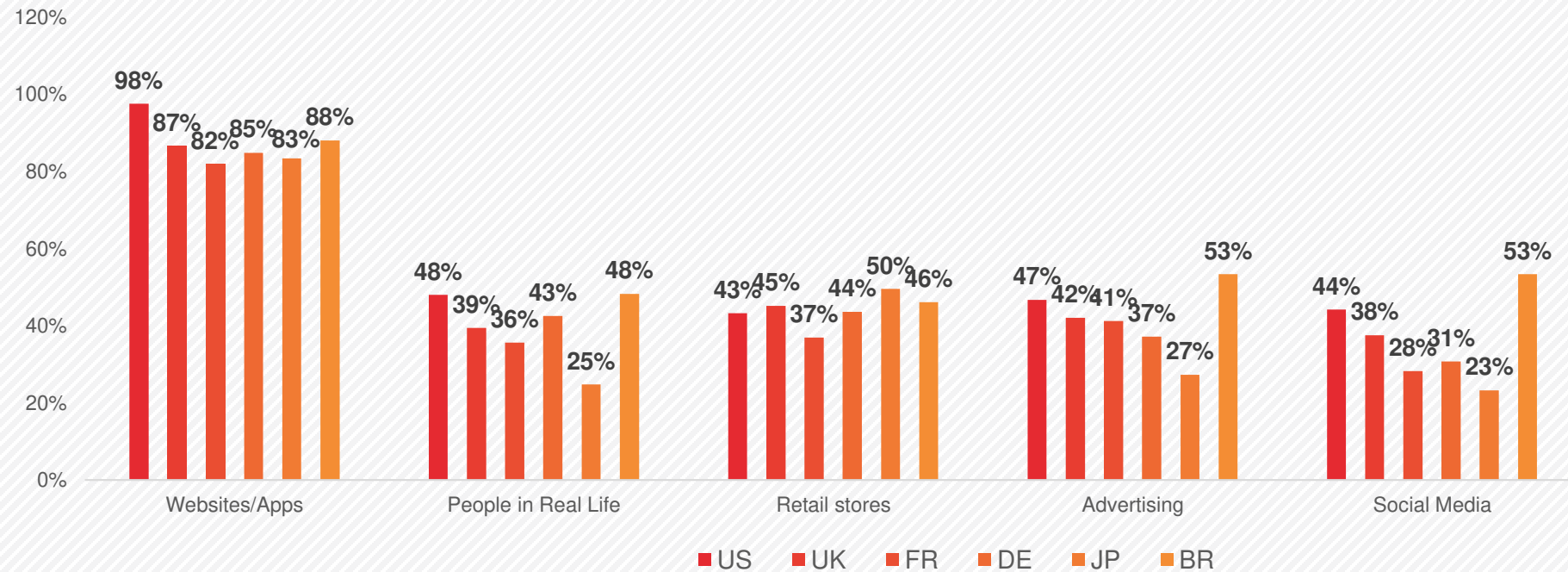
Digital drives product consideration

Omnishoppers are eager for information about products. They use websites to get the information to make product decisions.

When I'm deciding
between coffee makers,
I go online to compare.



Learn More About New Product (weighted average by country)



Source: Criteo Shopper Story, US, UK, FR, DE, JP, BR 2017 | n=9033

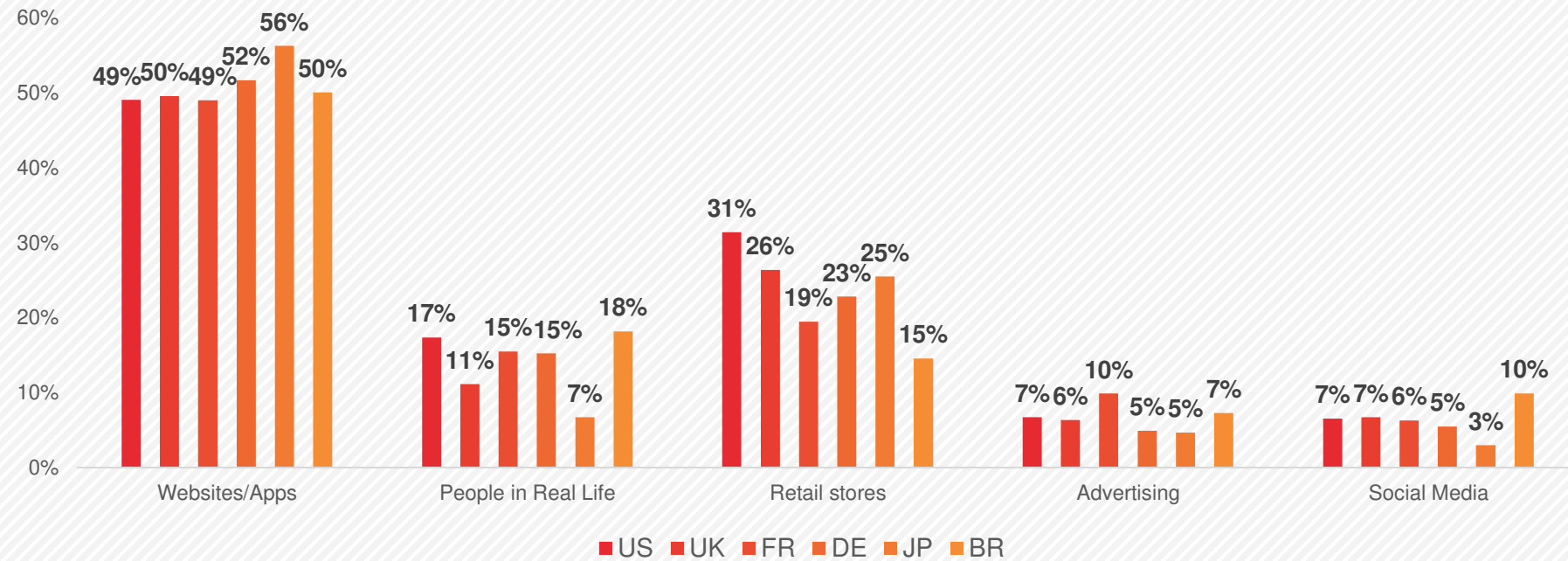
Digital is also a point of purchase driver, regardless of where the purchase is made

I saw an offer on a retail site for just what I wanted.



Last Influenced About New Product

(weighted average by country)



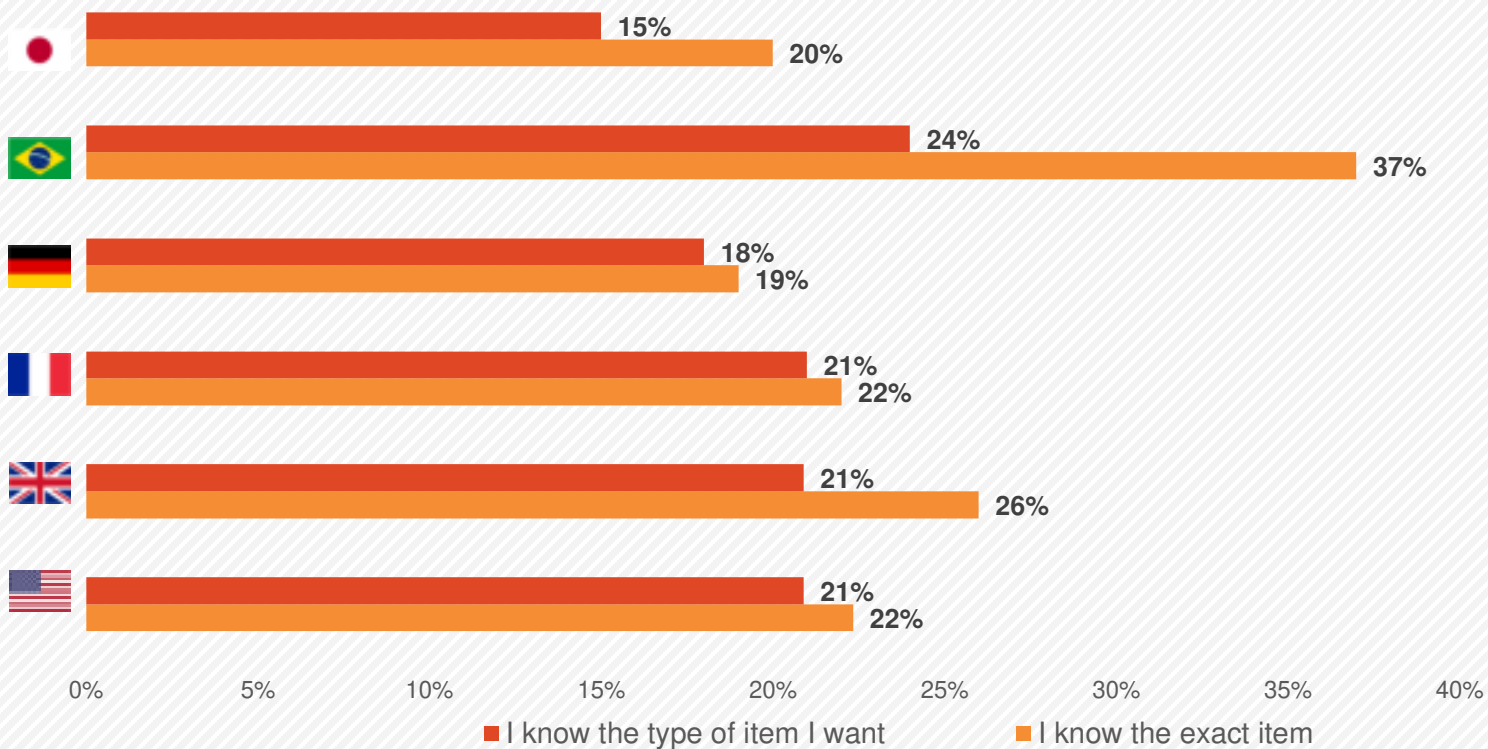
Source: Criteo Shopper Story, US, UK, FR, DE, JP, BR 2017 | n=9033

Retail sites attract high intent shoppers

Shoppers turn to retail sites when they are in market to buy. They typically know the item or type of product they want.



Users Who Start Product Search at Retail Website (percent of total)



Source: Criteo Shopper Story, US, UK, FR, DE, JP, BR 2017 | n=9033 *Brazil is an outlier as Amazon has a more limited presence in the market

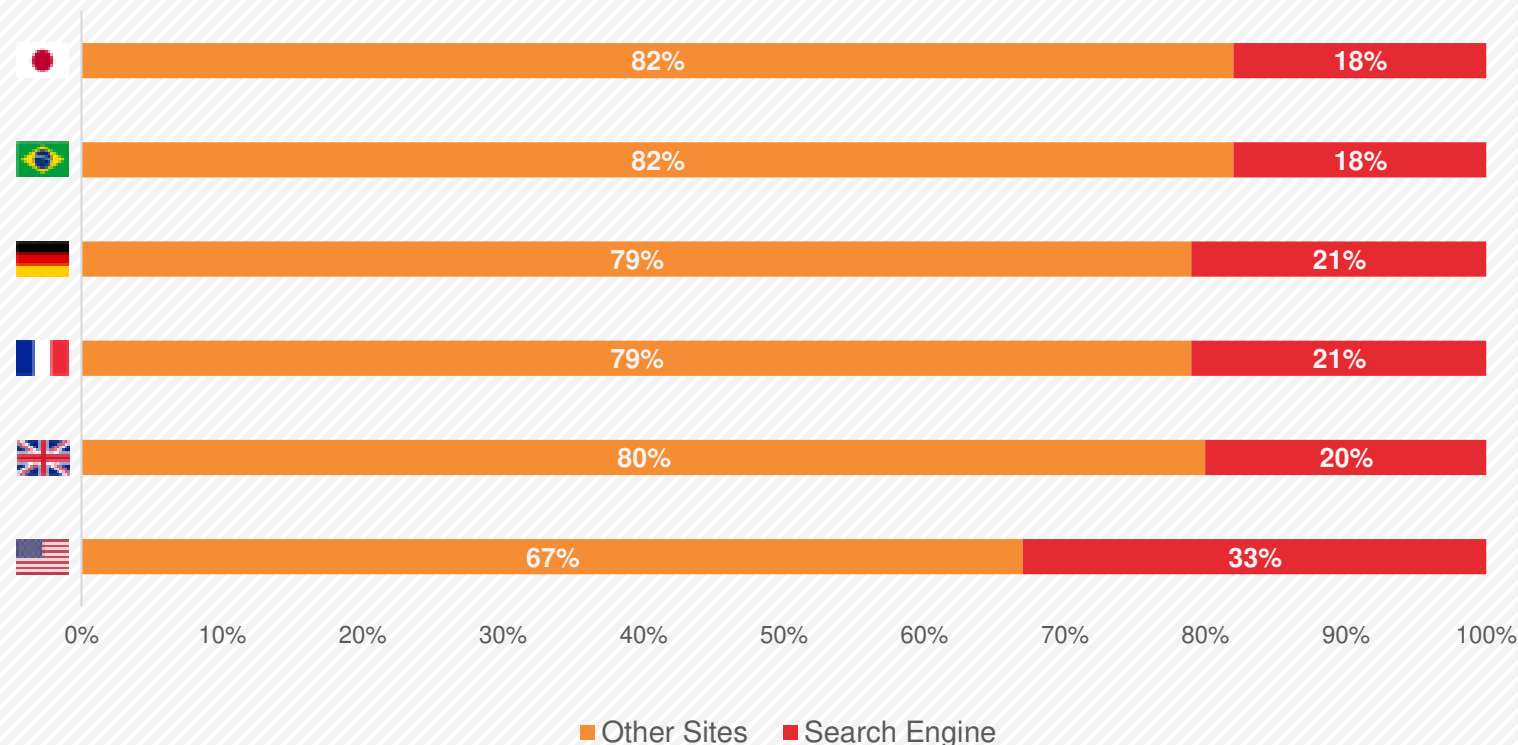
The omnishopper journey does not usually start at search

80%

of shoppers do not start their purchase at a search engine

Starting Point When Know Exact Item to Purchase

(percent of total)

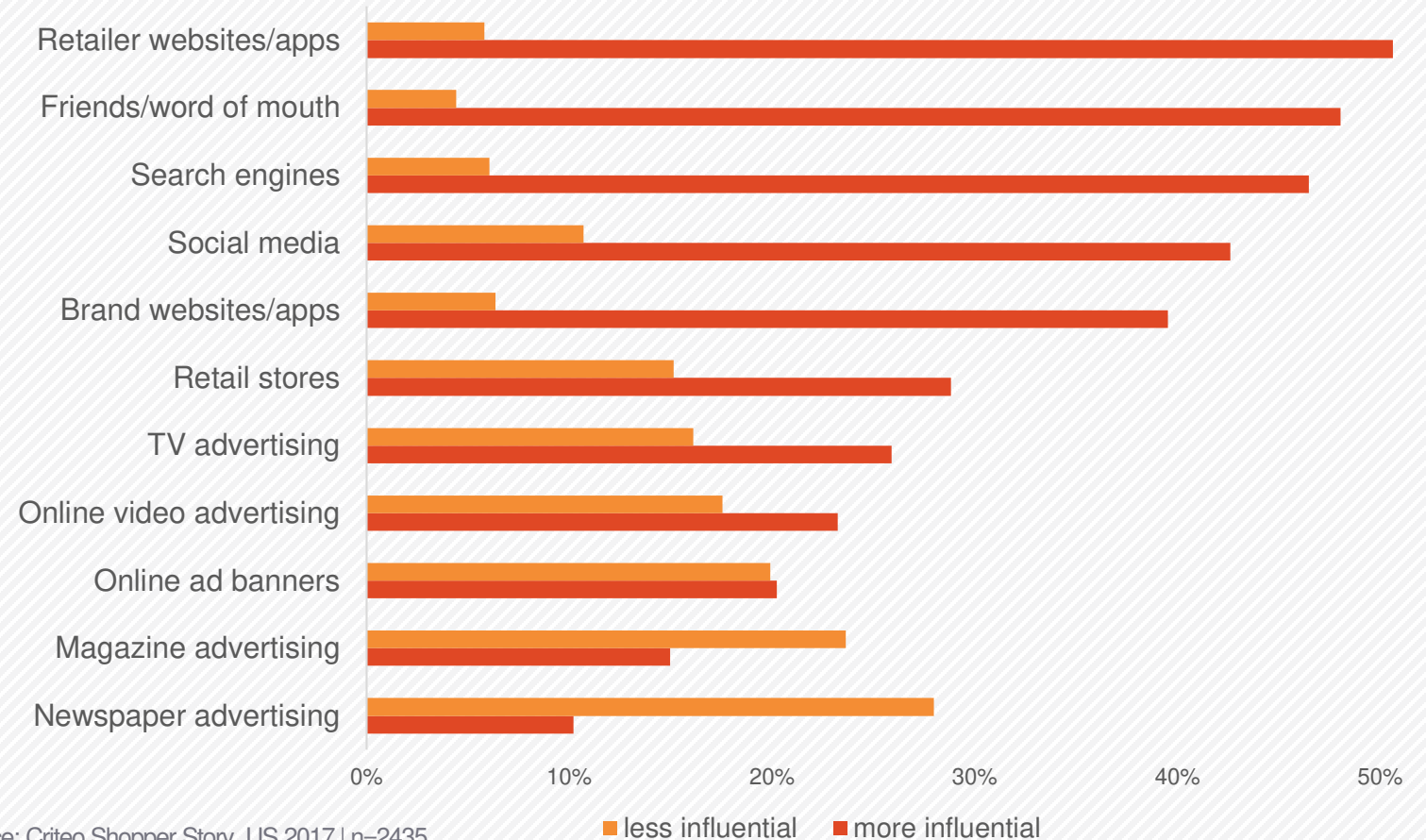


Source: Criteo Shopper Story, US, UK, FR, DE, JP, BR 2017

Retail websites are seen as increasing in influence – even over word of mouth, search and social



Resources More or Less Influential in Purchase Process
(percent of total)



Source: Criteo Shopper Story, US 2017 | n=2435

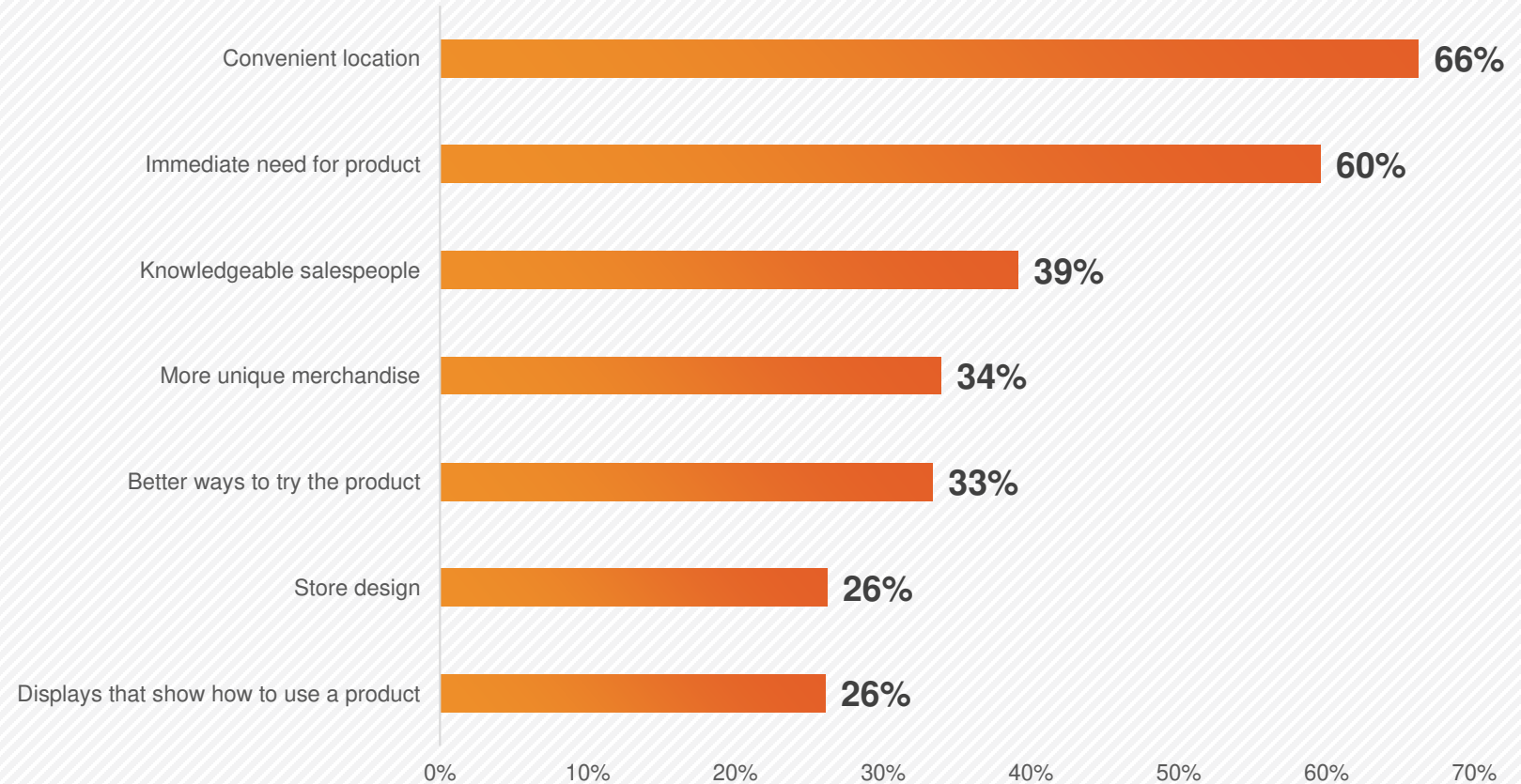
Location and immediate need drives store visits

Omnishoppers seek convenience and immediacy from retail stores.

Retailers also need to:

- Up the “genius” level of their staff
- Optimize product mix
- Enable product experience

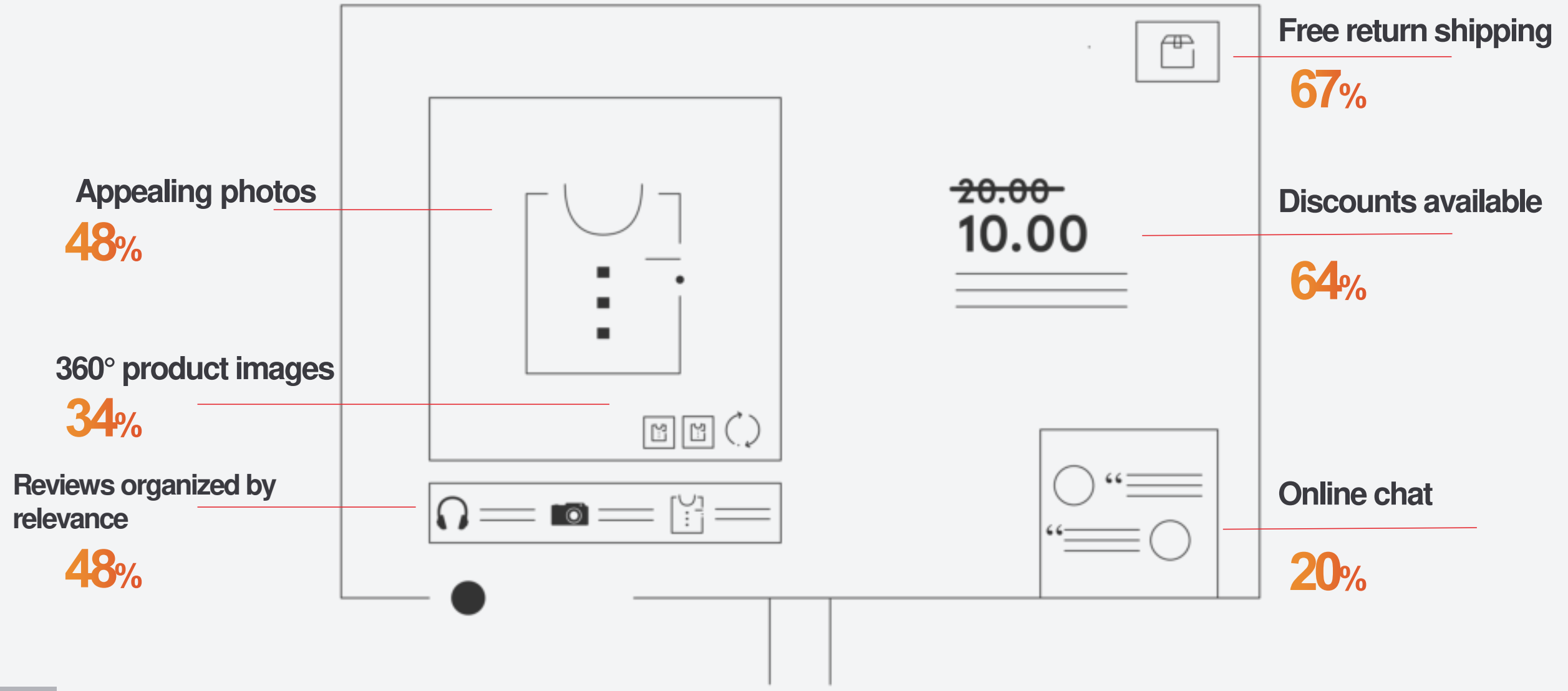
Factors Make Users More Likely to Shop in a Retail Store (percent of total)



Source: Criteo Shopper Story, US 2017 | n=2435

How eCommerce sites can improve conversion

Percent of shoppers that say these website factors are very important.



How Do People Shop Online?

The journey is increasingly complex

Cross site shopping is a common activity for apparel shoppers

Results show that omnishoppers in Brazil and Japan are the most discerning shoppers.

I check out more than one website to see what they have, when I can get it, and what it costs.



“I Often Visit Multiple Websites So I Can Compare Products”

(percent of shoppers who agree)



32%



29%



28%



47%



29%



43%

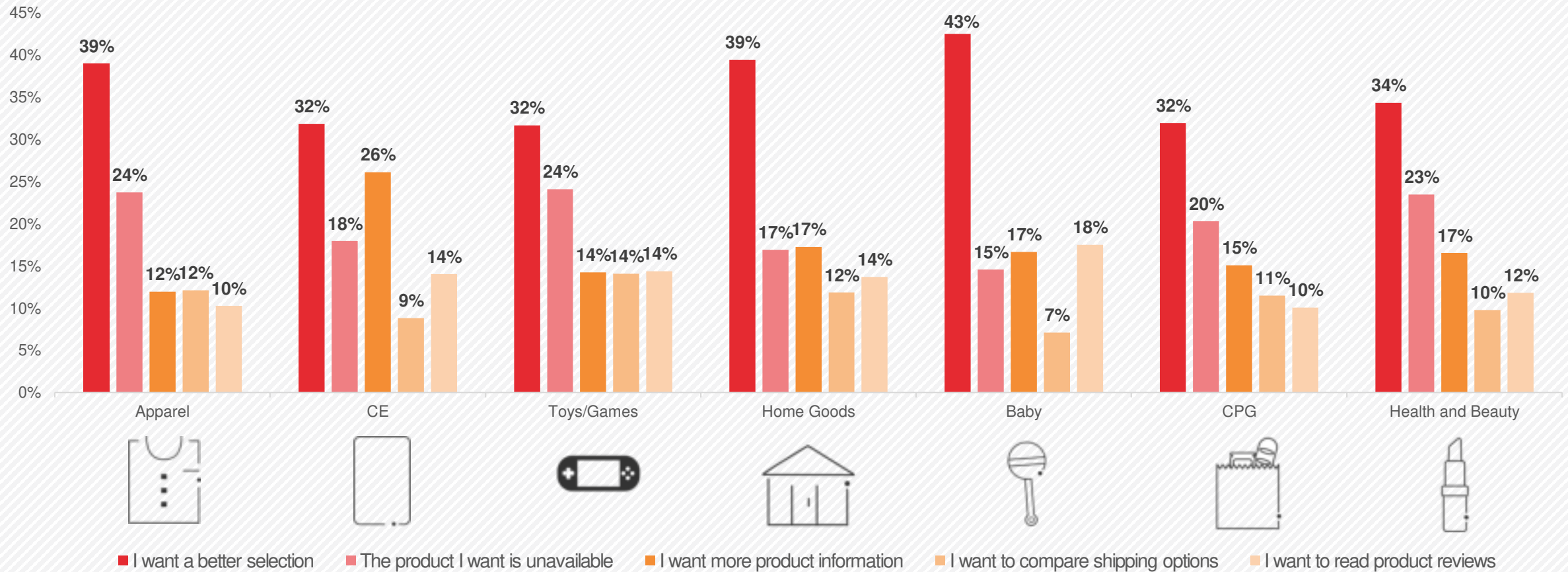
Source: Criteo Shopper Story, US, UK, FR, DE, JP, BR 2017 | n=9033

Selection and inventory management drive site abandonment

Product information has more significance for CE, reviews are more important for baby.

Why Browse Different Websites

(percent of shoppers who agree)

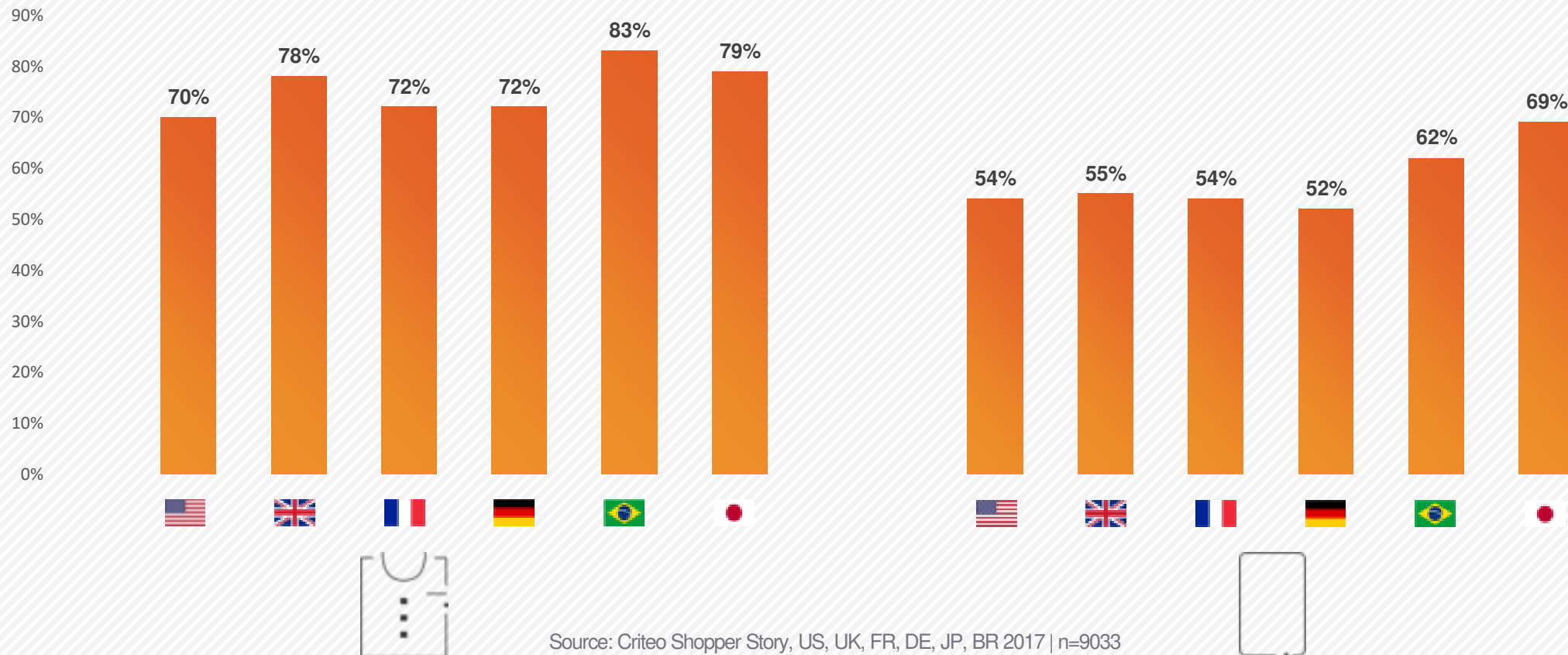


Source: Criteo Shopper Story, US 2017 | n=2435

Online impulse purchases are a global phenomenon

Brazilians are most likely to make impulse apparel purchases. Japanese shoppers are more likely to make unplanned purchases for CE products.

Shoppers making unplanned online purchases by country (sometimes/frequently)



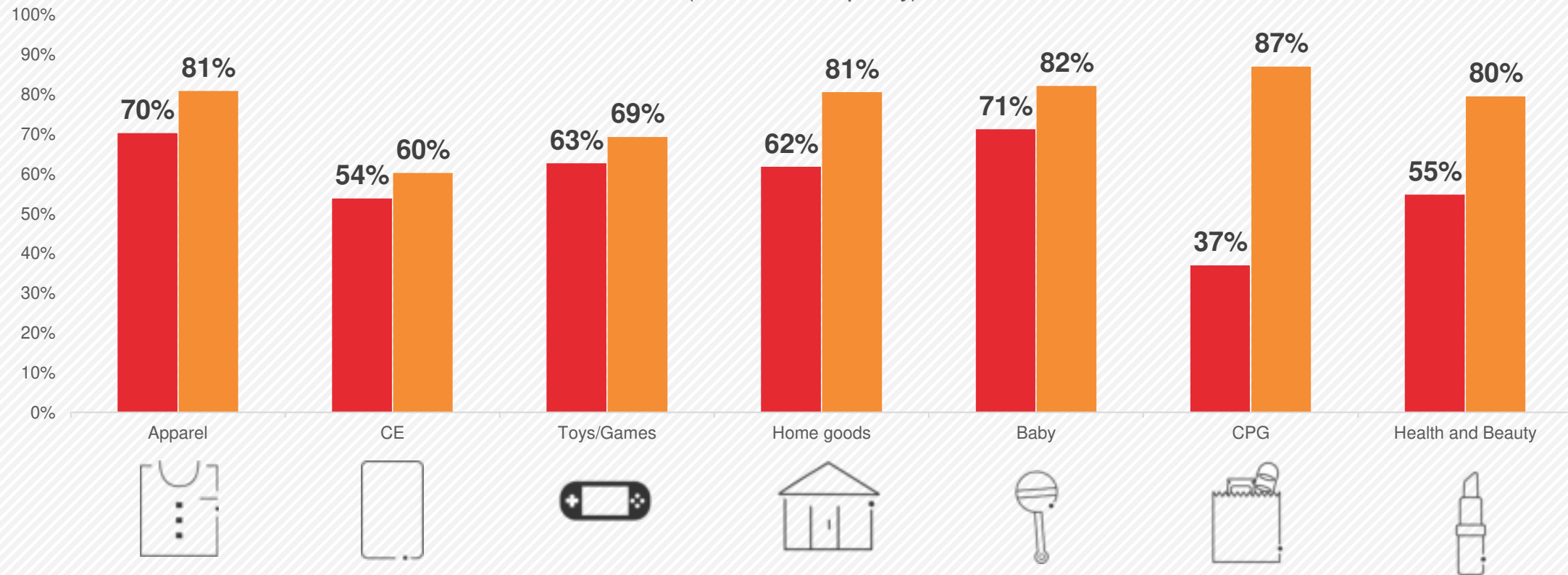
Source: Criteo Shopper Story, US, UK, FR, DE, JP, BR 2017 | n=9033

Impulse purchases almost as prevalent online as in-store

CPG, CE and Health & Beauty brands need to adopt ways of incenting impulse purchasing online in ways similar to what they do offline.

Frequency of Making Unplanned Purchases – By Product Category

(sometimes/frequently)



Source: Criteo Shopper Story, US 2017 | n=2435

■ Online

■ Offline

What Do Shoppers Think About Advertising Relevance and Data Usage?

Awareness is high: Omnishoppers demand respect and relevance

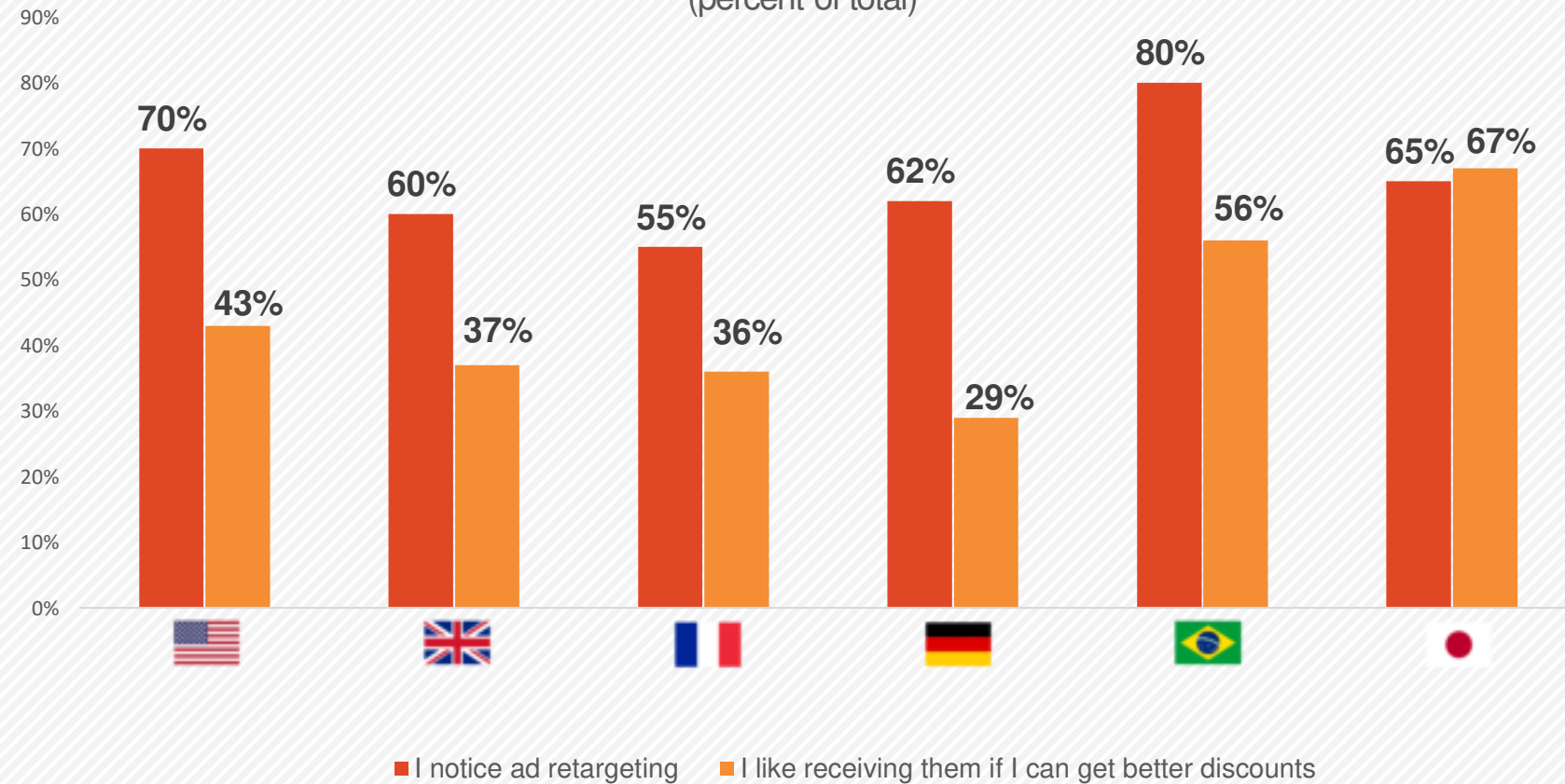
Shoppers recognize retargeting and understand the value

Japanese Omnishoppers are most enthusiastic about retargeting, Brazilians are most likely to notice.

I like it when I see ads for things I was shopping for yesterday. A deal can make me buy now.



Awareness and Attitudes to Ad Retargeting (percent of total)

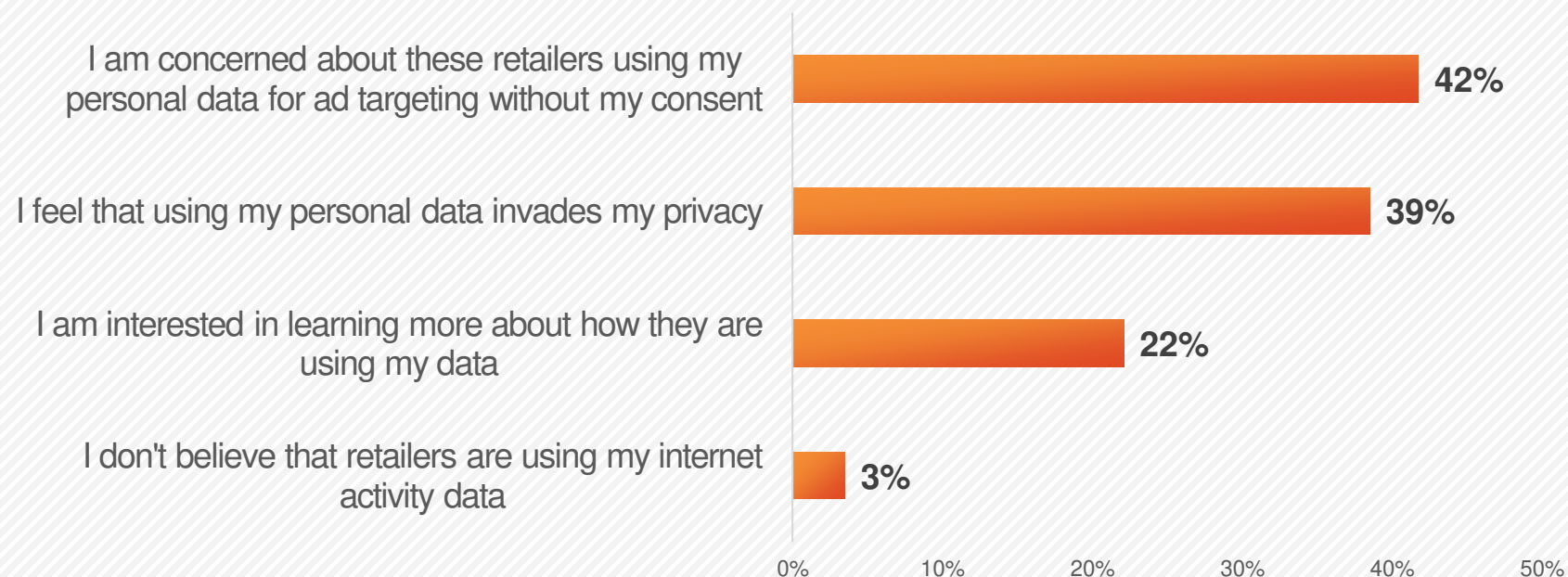


Source: Criteo Shopper Story, US, UK, FR, DE, JP, BR 2017 | n=9033

Omnishoppers want control, consent and transparency

Data may be the way to drive ultimate relevance for omnishoppers, but publishers and retailers need to tread with caution – and full disclosure.

Attitudes Toward Retailers Using Browsing Data (percent of total)



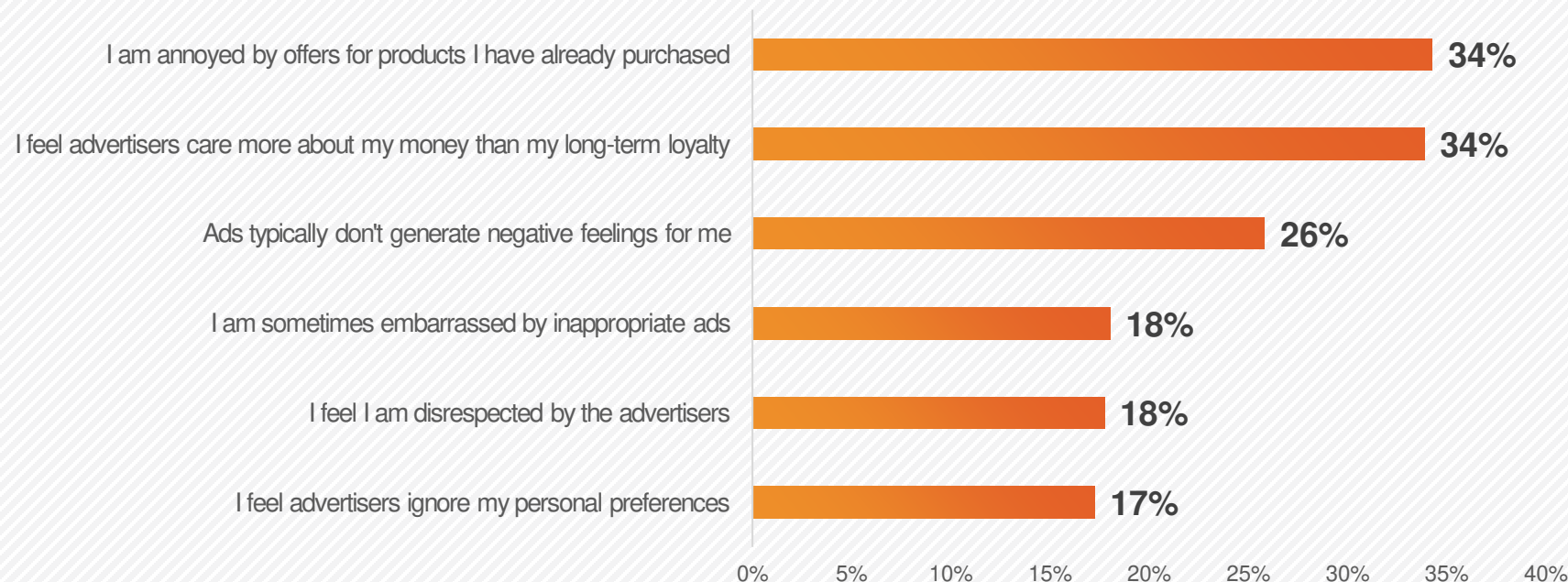
Source: Criteo Shopper Story, US 2017 | n=2435

Use data well — but don't abuse the privilege

Brands and retailers need to gain the broadest possible view of the shopper so that they receive the most timely, relevant offers — and think about long term loyalty versus short term gains.

1/3
are annoyed by
improper data use

Attitudes Towards Online and Offline Advertising (sometimes/frequently)



Source: Criteo Shopper Story, US 2017 | n=2435

Takeaways for reaching the empowered omnishopper



The omnishopping mandate eliminates silos

With the prevalence of omnishopping, marketers need to market to the shopper – not the device or channel.



Retail sites drive awareness and point of sale purchase

Brands need to consider digital across the full funnel to ensure that they are capturing shoppers where decisions are increasingly made.



Retail sites reach shoppers in buying mode

Amazon does not dominate the omnishopper journey. Retail sites, building on long-time offline relationships, are a way to reach highest intent omnishoppers.

Takeaways for reaching the empowered omnishopper



It's an ecosystem

Omnishopper journeys include multiple sites and sessions. A networked approach to commerce marketing enables brands to reach valuable consumers across every channel and device.



Relevance drives impulse

With impulse purchasing almost as prevalent online as in-store, brands and retailers need to use data to present the most relevant and complementary products to encourage “click to cart”.



Respect the shopper

Omnishopper data usage is a privilege – advertising timeliness and relevance is the demand. Marketers who respect the shopper earn long time loyalty.

About Criteo

Criteo (NASDAQ: CRTO), the leader in commerce marketing, is building the highest performing and open Commerce Marketing Ecosystem to drive profits and sales for retailers and brands. 2,700 Criteo team members partner with 16,000 customers and thousands of publishers across the globe to deliver performance at scale by connecting shoppers to the things they need and love. Designed for commerce, Criteo Commerce Marketing Ecosystem sees over \$550 billion in annual commerce sales data.

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