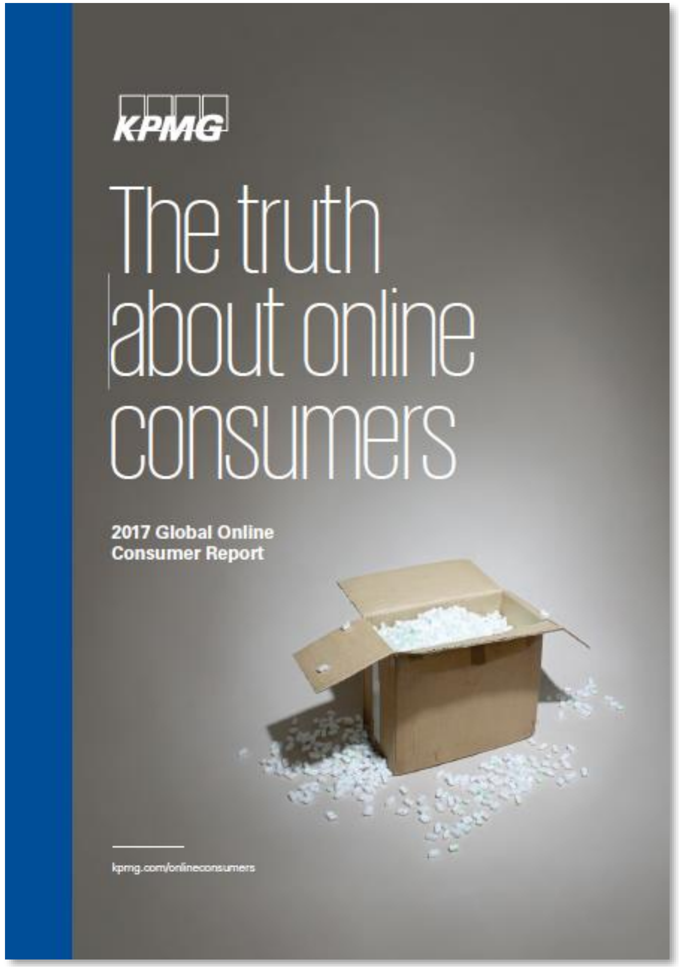
THE TRUTH ABOUT CONSUMERS

Paul Martin, UK Head of Retail
23rd March 2017

Our global online consumer report



About the survey

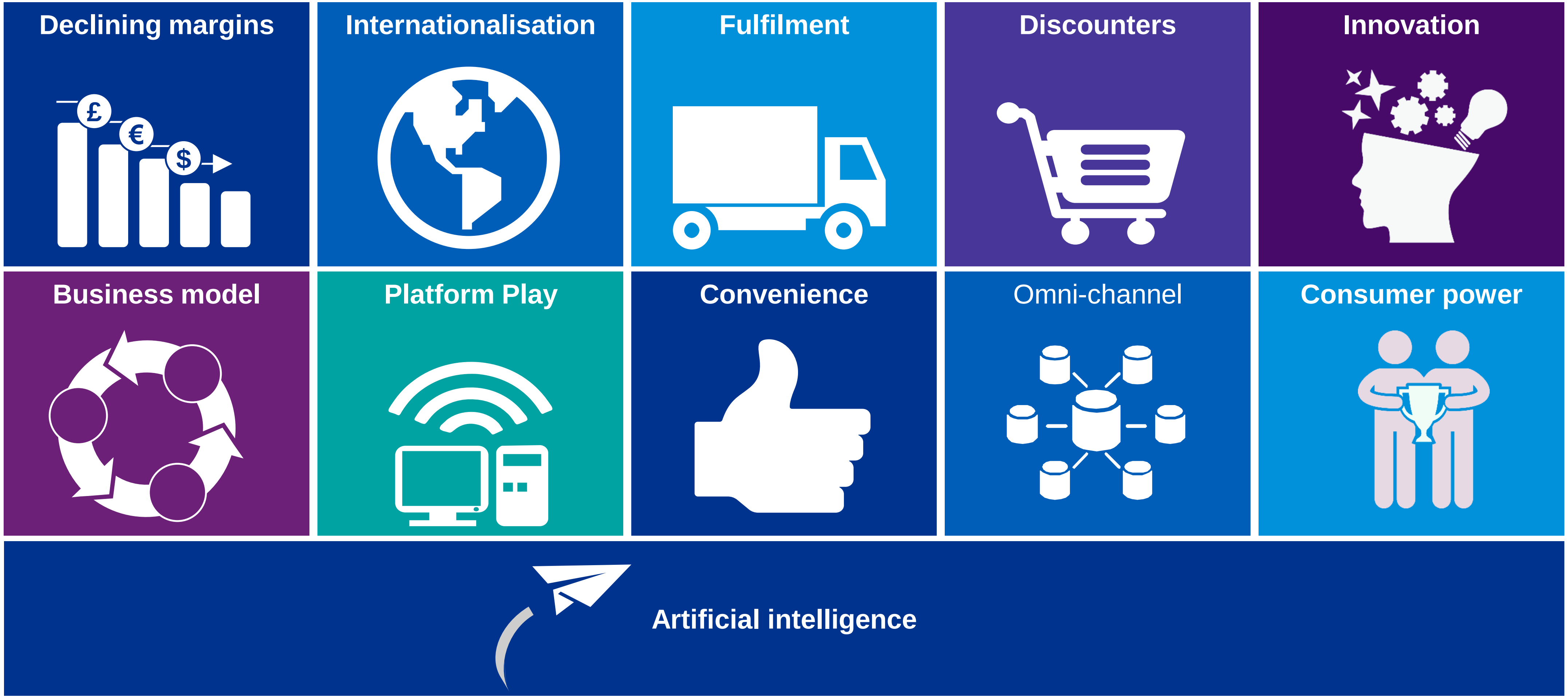
KPMG International commissioned Intuit Research to conduct a survey of global online shoppers regarding their purchase behaviours, purchase drivers, and perceptions and attitudes towards online shopping.

The sample consisted of consumers aged 15 to 70 years old who had made at least one online purchase in the past 12 months, and who were within the top 65 percent of income-earners in their country.

The survey was conducted using an online questionnaire. A total of 18,430 qualified responses were received from 51 different countries. Within each country, the sample was weighted to the same age distribution to ensure that country comparisons showed behavioural differences rather than those caused by difference in demographic make-up of the population surveyed in each country.

The full report can be downloaded online at www.kpmg.com/onlineconsumers

10+1 key trends shaping the retail landscape



The customer is changing…..

Who holds the power?

1950s	1970s	1990s – 2000	2017	2027
Retailer	**Manufacturer**	**Retailer**	**Consumer + Manufacturer**	**Data aggregator**
Limited choice	Power of brand	Consolidation	M & E commerce	Holistic view of consumer data
Only route to market	Distribution	Private label	Social media	
	Scale	Global sourcing	Technology	
		Consumer data	Consumer data	
		Internationalisation	Direct to consumer	

Physical or digital? Both!

Consumers expect retailers to integrate their physical and digital environments to provide a much broader, deeper experience.

Today's state-of-the-art store is no longer a simple 'retail outlet' but an inviting, highly designed 'urban space' that functions as a store, showroom, activity area and warehouse.

The result is a new spirit of 'collaboration over competition' among developers and retailers. These players are sharing data and market intelligence as never before to develop and apply new technologies that converge digital and physical shopping, ultimately creating a highly unified, intuitive, personalized customer experience.

Stages of the purchase journey

1 **Awareness:** Triggers and influencers

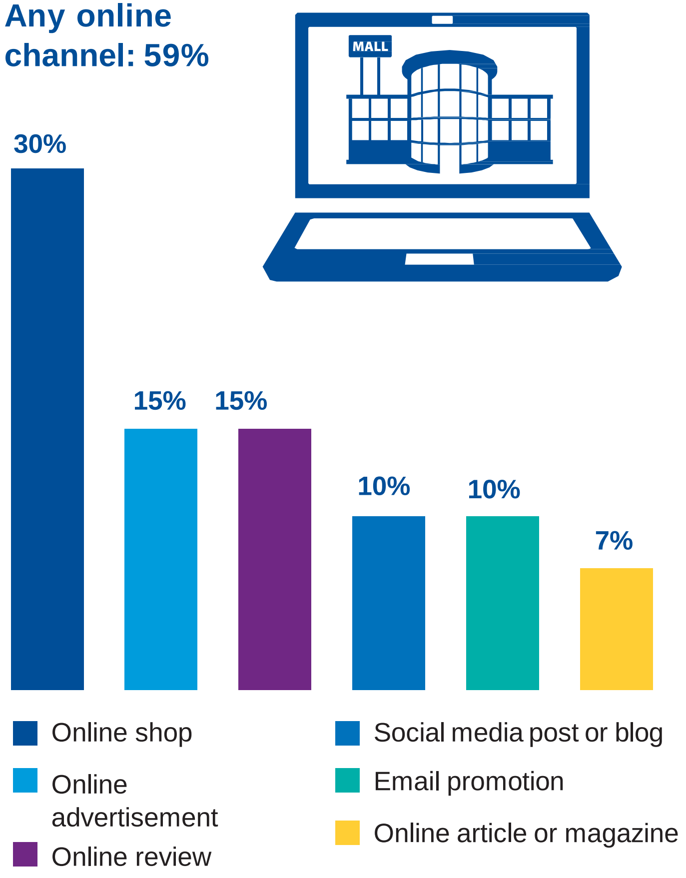
2 **Consideration:** Product and company research

3 **Conversion:** Where and when to buy

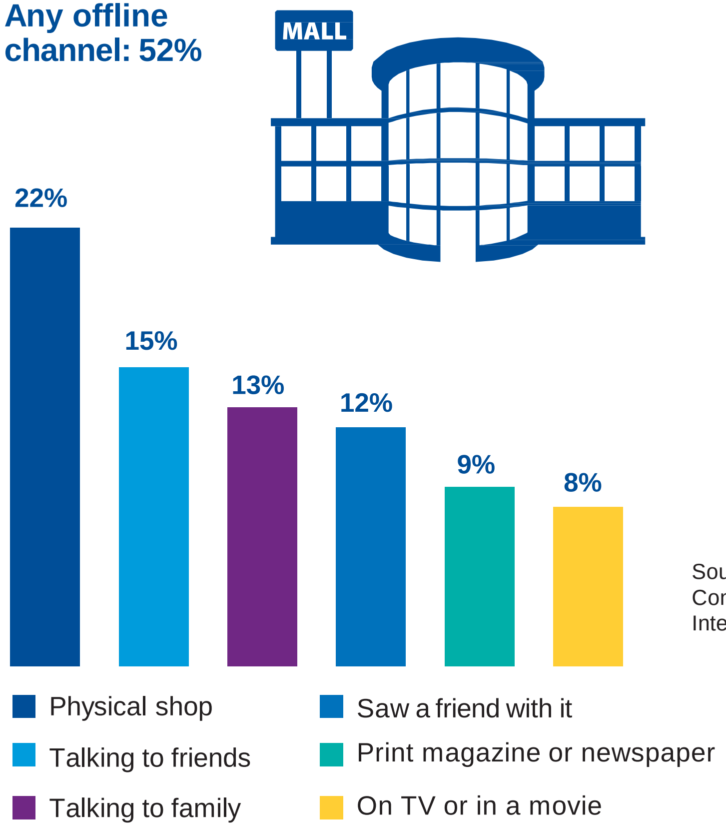
4 **Evaluation:** Experience and feedback

Awareness: channels where consumer saw product first before purchasing

Any online channel: 59%



Any offline channel: 52%



Source: Global Online Consumer Report, KPMG International, 2017

Consideration: factors driving purchase decisions

Decision factors by region

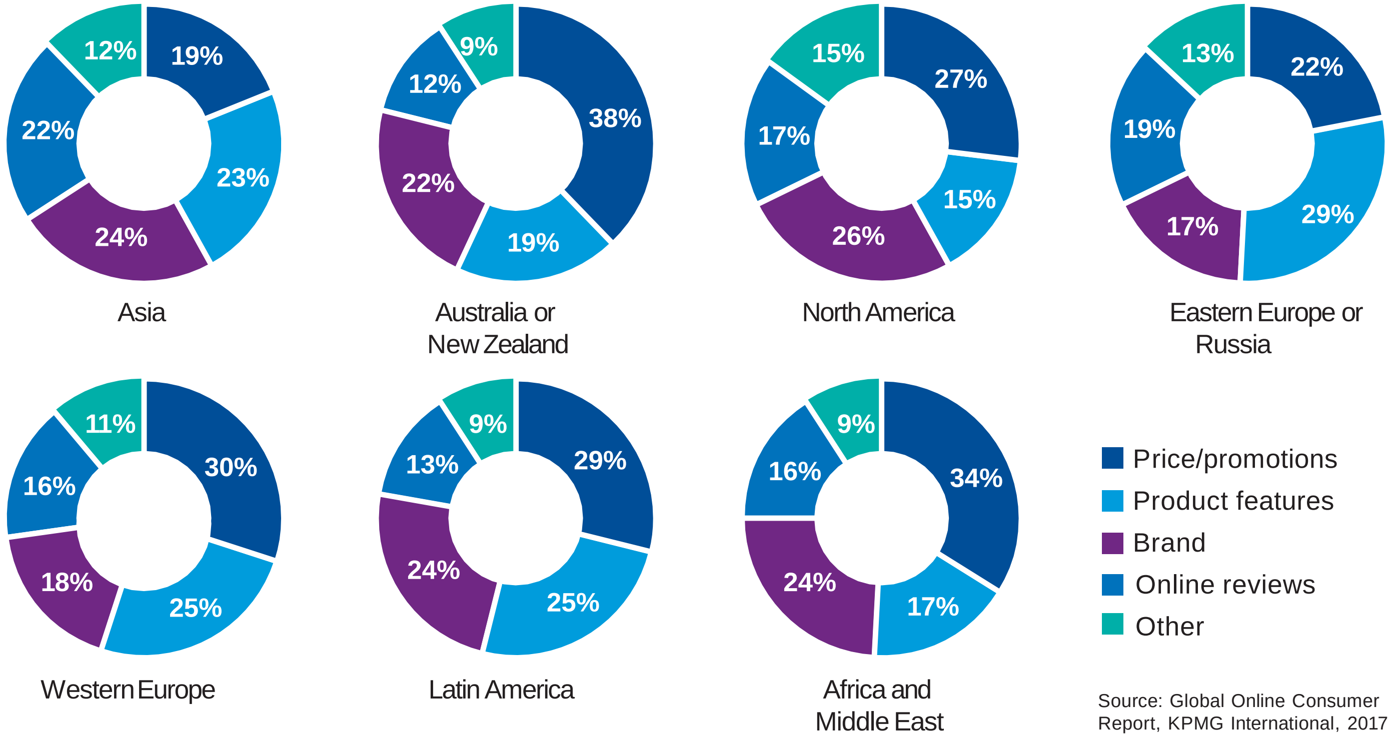
Consumers in Australia, New Zealand, Canada, France, Belgium and South Africa were most likely to be influenced by price or promotions. In these countries, more than 38 percent of consumers said price and promotions were the factors that drove their most

Factors driving purchase decisions

- 27% Price/promotions
- 23% Product features
- 22% Brand
- 17% Online reviews
- 5% Newest trends or arrivals
- 4% Peer influences/recommendations
- 2% complementary products

Source: Global Online Consumer Report, KPMG International, 2017

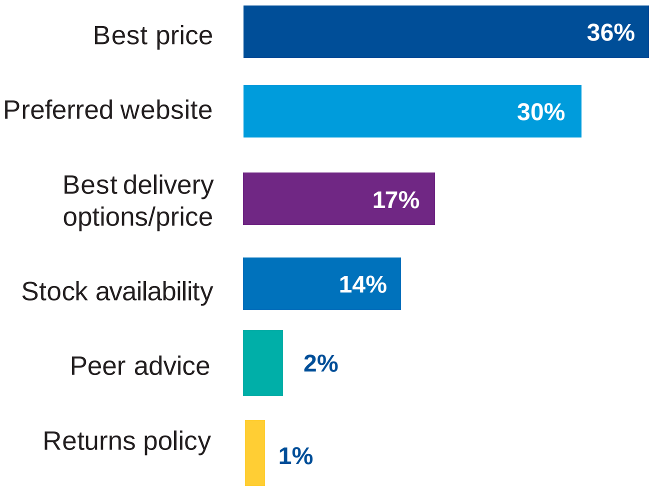
Factors driving purchase decisions — by region



Source: Global Online Consumer Report, KPMG International, 2017

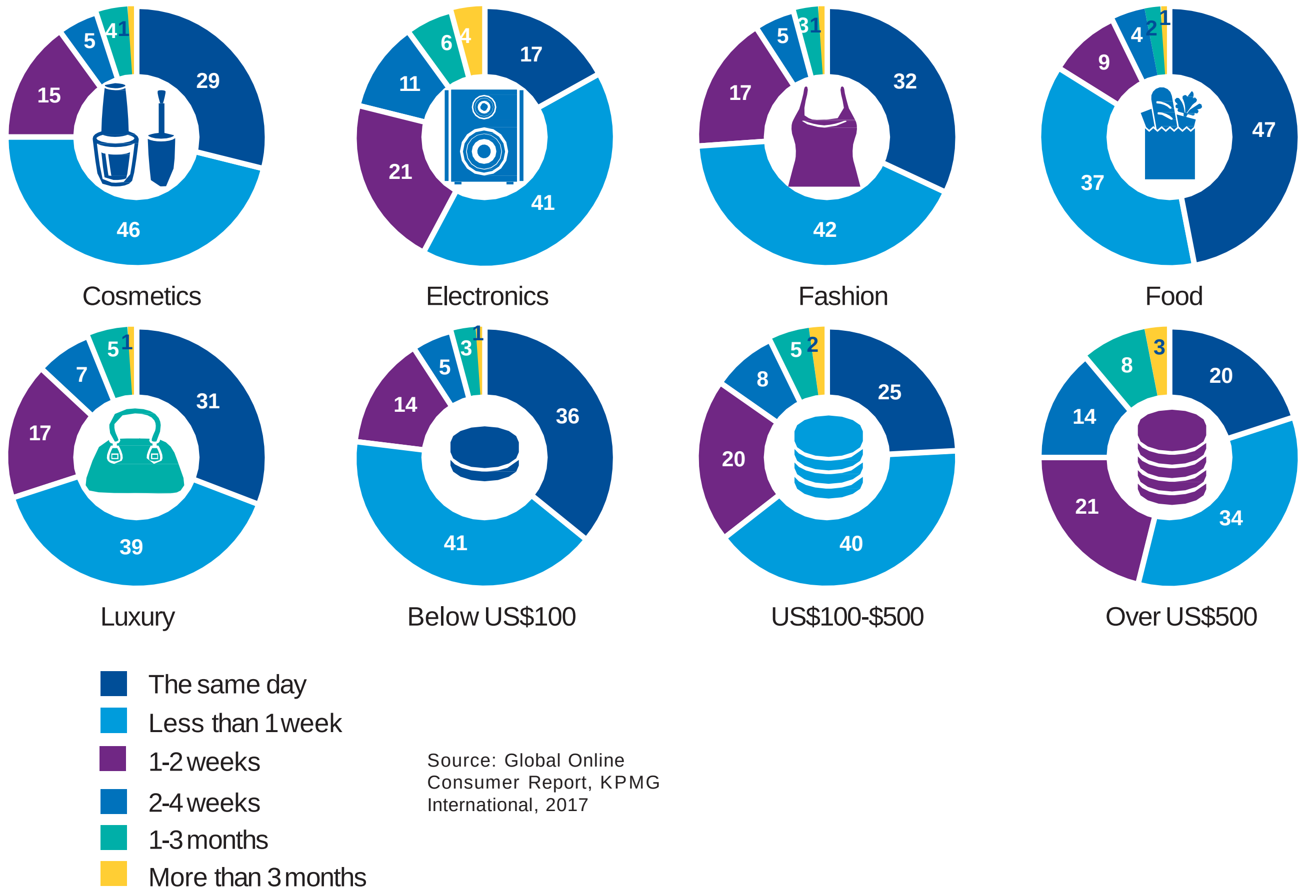
Conversion: deciding where and when to buy

Most important attributes when deciding where to buy



Source: Global Online Consumer Report, KPMG International, 2017

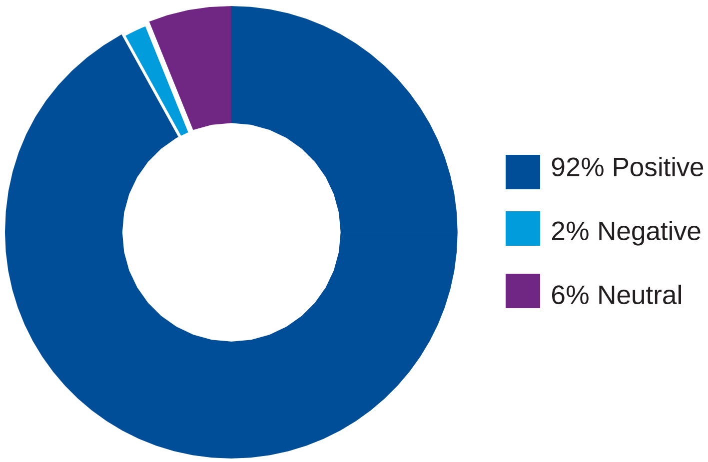
Purchase duration by product category and price (%)



Source: Global Online Consumer Report, KPMG International, 2017

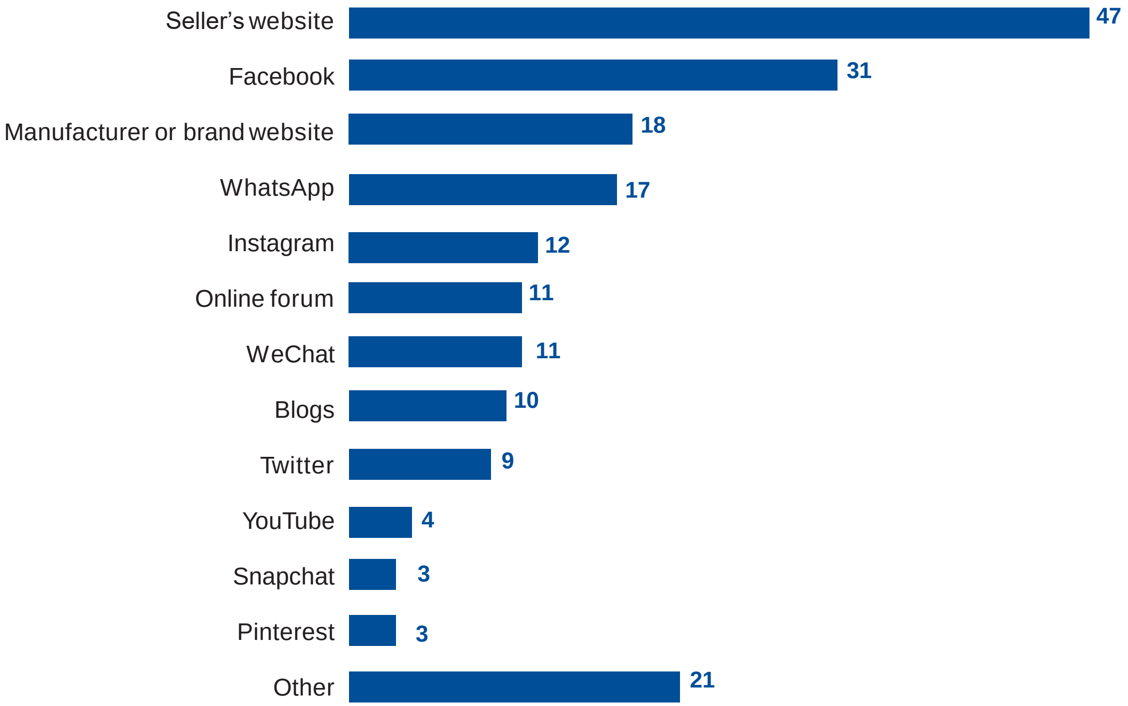
Evaluation: experience & feedback

Type of feedback most recently shared online



Source: Global Online Consumer Report, KPMG International, 2017

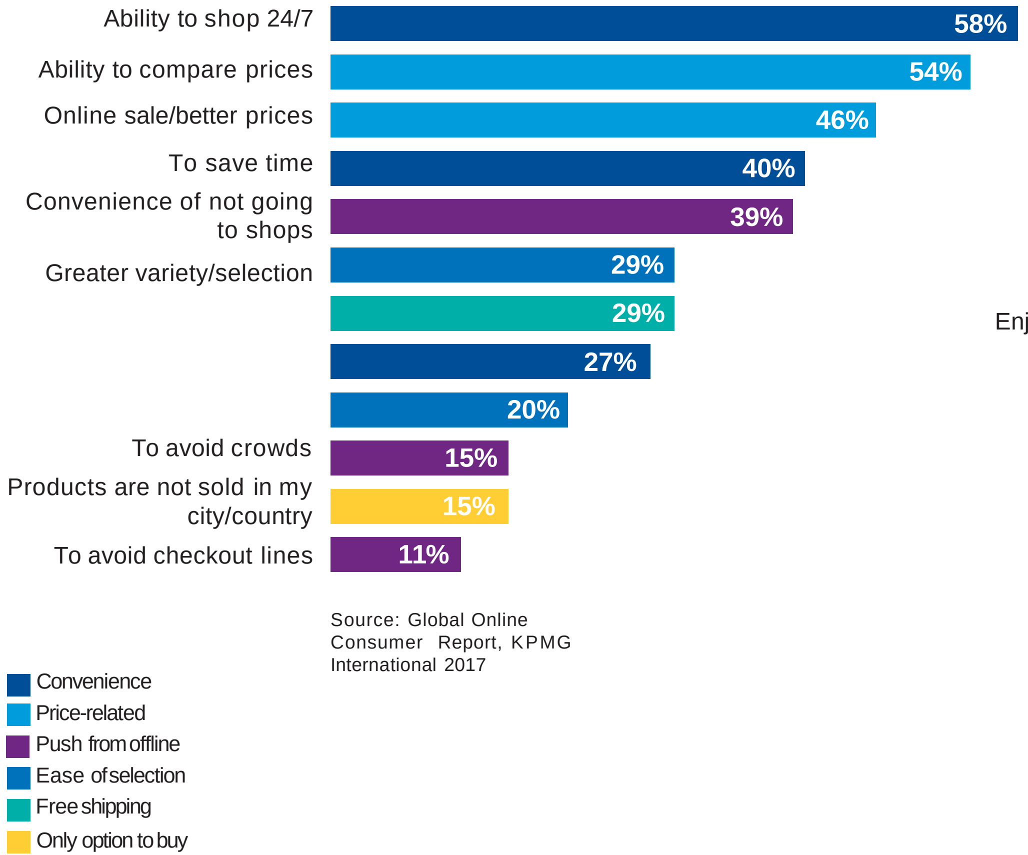
Sites where consumers shared feedback (%)



Source: Global Online Consumer Report, KPMG International, 2017

What's driving the shift to online

Reasons consumers shop online instead of in stores



Source: Global Online Consumer Report, KPMG International 2017

Reasons consumers shop in stores instead of online

Source: Global Online Consumer Report, KPMG International, 2017

Transforming from omni-channel to an omni business

Omni-channel:

Seamless integration across channels

Omni- business model:

Seamless integration of all functions enabled by digital technology and with the customer at the center

Serving today's consumer

Put the customer first

Moving to OMNI business

Win hearts to win minds

Take a different view

Dream big. Start small.

Make it easy

Welcome to the machine

Remember…
A desk is a very dangerous place from which to view the world!

– John Le Carre –

Paul Martin

UK Head of Retail, KPMG UK LLP

+44 7551 152088

paul.martin@kpmg.co.uk

KPMG UK LLP
15 Canada Square
London
E14 5GL
United Kingdom