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54pc of US consumers crave in-store digital, mobile touch points: Cisco

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By TRICIA CARR

NEW YORK – Retailers should add value to their physical and digital shopping venues by providing consumers with a cross-channel environment on which they can research and complete a purchase through the channel of their choice, according to a Cisco Systems executive at the National Retail Federation’s Retail’s Big Show 2013.

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During the “Catch and Keep the Digital Shopper – How to Deliver Retail Their Way” session, two executives discussed the findings of Cisco’s third annual survey on consumer technology-based shopping behavior, cross-channel shopping patterns, device usage and sources of decision-making content. The data shows that consumers’ expectations have increased in terms of access to information in-store, online and on mobile devices and, therefore, retailers must mold their 2013 commerce strategies to align with these significant changes in consumer needs.

“There is, what we call, the 65-90 conundrum,” said Jon Stine, director of the Internet business solutions group at [Cisco Systems Inc.](#), New York. “Sixty-five percent of all U.S. shoppers use the Internet to research products and services, yet 90 percent of all non-grocery transactions in 2012 occurred in the store.

“Also, 40 percent do what we have defined as showrooming,” he said.

The latest Cisco IBSG survey was conducted in October 2012. Respondents reside in the United States, Britain, China, Brazil and Mexico.

The digital revolution continues

Approximately eight in 10 consumers are digital shoppers, which are defined as those who regularly research and purchase products via the Internet. Cisco calls this group the “Digital Mass Market.”

Consumers in this group access the Internet on a daily basis, own a mobile phone and regularly research or purchase products and services online, per Cisco.

The Digital Mass Market comprises male consumers in Generations X and Y and female consumers in Generation X and the baby boomer generation.

One notable finding from the study is the increase in use of mobile devices to conduct research while shopping among the digital mass – and not primarily among millennials, per Mr. Stine.

The majority of the Digital Mass Market’s digital shopping behavior is via their home personal computer, but 54 percent said that they use or would like to use digital touchscreens in-store.

Also, 48 percent said that they use or would like to use a smartphone to shop while in-store or on the go and 47 percent said that they use or would like to use a tablet to shop while at home.

Furthermore, there is a defined segment within the Digital Mass Market that is the “Über Digitals.”

These consumers who make up approximately 1 in 10 of the population never shop without technology, per Mr. Stine.

Approximately two-thirds of Über Digitals are in Generation Y and 56 percent are men.

“The smartphone is an extension of their arm,” Mr. Stine said. “They are self-defined by ‘I shop with a smartphone in the store.’”

Ninety-three percent of Über Digital consumers use or are interested in using their smartphone to shop both on the go and 90 percent use or are interested in using their smartphone to shop from home.

Also, 96 percent use or are interested in shopping from home on a PC.



Crossing channels

The survey also found that 65 percent of U.S. shoppers research products and services on a PC and make a purchase in-store. This portion is up from 57 percent in the 2011 survey.

Also, 29 percent of U.S. consumers research products and services via a smartphone prior to purchasing in-store.

The likelihood that consumers will shop between multiple devices also increased. Thirty-three percent of U.S. shoppers research on a smartphone and purchase on a PC.

Another key shopping behavior is showrooming, which is when consumers research in-store and purchase via digital commerce channels.

40 percent of U.S. consumers surveyed reported to participate in showrooming.

"There are many cross-channel opportunities for the store when we look at how a store can redefine itself in 2013," said Lisa Fretwell, senior director of retail and consumer packaged goods Internet business solutions group at Cisco Systems, New York.



Ms. Fretwell

There are also certain research channels that have the most influence on purchase

decisions.

The survey uncovered that 52 percent of U.S shoppers rely on online reviews on a retailer's Web site. This is up from 44 percent in the 2010 survey.

Forty-two percent rely on online reviews from expert sources, which is up from 29 percent in 2010.

Forty-nine percent of U.S. shoppers rely on reviews from friends and family, which is down from 60 percent in 2010.

Also, U.S. consumers' reliance on store employees and social networks to make purchase decisions has declined.

Ten percent of U.S. consumers rely on social networks to make purchase decisions, versus 23 percent in 2010.

Twelve percent rely on store employees, which is down from 21 percent in 2010.

Currently, social networks are used primarily by consumers as an engagement channel.

"There is a continual rise of digital as the key influencer in direct buying decisions," Ms. Fretwell said. "Last year for the first time, online reviews overtook friends and family.

"There is a significant shift in expert reviews," she said. "It might be CNET, or it might be fashion bloggers in the industry."

Final take

Tricia Carr, editorial assistant on Luxury Daily, New York

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