

COLUMNS

Roadmap for the new path to purchase

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Six years after Apple's first-generation iPhone kicked off the smartphone stampede, many people do not think twice about buying goods and services through their mobile devices—wherever, whenever. For some, it may seem like business as usual, but it is actually anything but.

U.S. consumers alone purchased \$24.8 billion in goods and services using their smartphones, tablets and other mobile devices in 2012, according to eMarketer's estimates. This represents 11 percent of ecommerce sales made during that period.

Indeed, this is a major shift in behavior – 82 percent growth over 2011 – and it is widely attributed to the adoption of user-friendly tablets, which racked up a record \$13.86 billion in sales over that year.

Still, this is just the tip of the iceberg.

Billions served

In 2013, mobile sales are expected to rise to \$38.8 billion and account for 15 percent of ecommerce, which would be a 56.5 percent yearly growth.

By 2017, eMarketer projects sales will hit \$108.5 billion. Advertising in the medium is rising at a similar incline.

As this retail channel grows, mobile technology and social media are not only changing the way we buy everything from food and clothes to electrical goods and cars—they are radically influencing the way we gather and share information about products and companies, as well as how we interact with brands.

To get a sense of how quickly mobile trends are being adopted, Havas Worldwide contrasted the responses of mainstream consumers against those of millennials—for the purposes of this study, defined as those aged 18-34 – who tend to pick up on tech trends early, as well as prosumers, a psychographic set of consumers that the agency has been tracking since 2001.

Prosumers are proactive, engaged and influential, and their attitudes and behavior give us insights into how mainstream consumers will think and act in the future.

When we first started tracking prosumers a dozen years ago, many folks were still hesitant to buy even basic products such as books and CDs online.

For the most part, this has changed: Nearly three-quarters (71 percent) of our global respondents can be classified as “moderate” online shoppers. They buy 10 to 25 items a year in various categories, with the top ones being tech products, clothes, books and travel. In 2012, global ecommerce sales topped \$1 trillion.

Talk is not cheap

The outliers’ responses were especially telling in terms of how our trust is shifting to our peers and away from the “pros” when it comes to product reviews: 73 percent of prosumers say they put more stock in customer opinions than expert reviews on Web sites.

Millennials were a close second with 67 percent, and more than half of mainstream consumers (58 percent) agreed with the sentiment.

Online chatter is not only affecting public opinion, it is shaping purchase behavior.

Nearly half (45 percent) of the mainstream have read about a product at a Web site and gone on to buy it online. Again, this number is significantly higher among millennials (53 percent) and highest among prosumers (61 percent).

When it comes to purchasing on a mobile device, less than one-quarter of mainstream consumers (22 percent) have done so, compared with 38 percent of prosumers.

However, about one-third are working up the nerve to buy on a mobile device: “I am comfortable purchasing products and services through my smartphone,” answered 30 percent versus 48 percent of the prosumers, who were also more likely to say they have used tech tools in stores to research prices, find better deals, read reviews, and perform other shopping-related tasks.

More than half of prosumers and millennials (59 percent and 52 percent) view phones and tablets as retail companions, while 39 percent of the mainstream consumers we surveyed do.

Show and sell

These early adopters are also more likely to share their experiences with brands, products and companies with friends through social media (prosumers 77 percent, millennials 60 percent and mainstream 46 percent).

Sometimes these pocket pals get busy after the shopping expedition.

Publications including The New York Times, Mashable and Business Insider have reported on the boom in “showrooming,” the practice of savvy shoppers test-driving goods in stores before turning to their tech tools to compare prices and make purchases from Web competitors such as Amazon.

The Digital and the New Consumer study found that this trend thrives globally, with more than half of our respondents practicing it.

The habit is more pronounced among prosumers than mainstream consumers (68 percent versus 55 percent).

Walmart, Best Buy, The Container Store and other retailers have stepped up efforts to increase loyalty and combat the trend by adding Web-return centers, pickup locations, free-shipping outlets, payment booths and drive-through customer service centers for online sales to their bricks-and-mortar stores, the New York Times article said.

ULTIMATELY, THE DISTINCTION between off and online shopping will blur further.

Already, most people are not either/or, instead combining the two commerce channels in the way that best suits them.

And as smartphone and tablet penetration increases, as the retail sector catches up with the channel, and as mobile payment technology is adopted and enhanced, mobile’s share of sales will skyrocket.

These devices have become an extension of how we live, consume and communicate with our peers, communities, and cultures.

Traditional models of the path to purchase will no longer hold true as the masses continue to embrace all things digital.

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