

WHITE PAPER

Presented by **RetailWeek**  **Bronto**
The Marketing Platform for Commerce



ONLINE SEARCH

THE DISCOVERY OF ALL THINGS RETAIL

FOREWORD

Consumers want to be able to connect with their fellow shoppers and they want to engage with brands they know and love.

They want to be able to shop when and where they want – at home, at work, even at a traffic light. And they want to shop on whatever device they have at hand – the smartphone, the tablet, the laptop or the desktop.

Consumers also want the option of taking their time...or of cutting right to the chase. Sometimes they browse product pages without much purchase, the digital-age version of window shopping. Other times though, consumers are short on time and patience and are searching with the focused intent of finding something to buy.

Consumer expectations just keep growing, and retail technology has been right in step, attempting to meet the seemingly insatiable demands of customers by providing all sorts of channels they can use to make their journey down the path to purchase.

Put another way: the consumer is searching like never before. The companies that will thrive are the ones that can best integrate themselves into that

shopper wanderlust and deliver a brand engagement experience that meets the bar that consumers keep raising.

How are consumers in the UK discovering new products online? Where do they conduct most of their search time? What devices are they using to carry out those searches? In particular, what role is mobile playing in the online search process? What social platforms are being utilised most often – and most effectively – by consumers when they're looking for products?

These are just a few of the questions that Bronto Software, a cloud-based commerce marketing automation provider, seeks to help its customers answer. That's why Bronto paired up with *Retail Week* to produce this white paper. It's based on research data collected from 1,000 UK consumers that together form a representative sample of the consumer population.

Read on to discover what they found and what it means for retailers.

• **Jim Young, Content Marketing Editor, Bronto Software**

FIRST POINT OF CONTACT

Consumers are always on, increasingly connected to both brands and one another. The way in which individuals search for items, either with a vague or direct intent to purchase, has evolved apace, in line with swift technological change. Retail brands must adjust or refine their initial engagement strategy if they are to become, or remain, successful in today's fast-evolving retail world.

How do consumers across the UK go about discovering new products online? Where do they conduct most of their 'search time'? Via which device? And what part does mobile play in the online search process? This is just a selection of the questions covered in this white paper, written by *Retail Week* on behalf of email marketing provider Bronto Software, which includes data gathered from 1,000 UK consumers based on a representative sample of the population.

Online search – in this instance, defined as a consumer act of filtering through vast amounts of information to locate a particular product – is often the first point of contact a consumer has with a retailer's brand. Therefore, it's imperative that this contact is pleasing enough to generate a conversion to either prolonged engagement or a direct sale.

“The way in which people discover products is incredibly complex and fast moving. Brands need to be quick on their feet with their marketing if they are to engage effectively with the anytime, anywhere consumer”

FUTURE CONSULTANT, GLOBAL MARKET RESEARCH FIRM

PRODUCT DISCOVERY PROCESS

The emergence of new technologies to facilitate online shopping is reshaping the way in which modern-day consumers discover new products, across all sectors in retail. *Retail Week* found that 40% of people surveyed use the internet on a daily basis to casually research items they are considering purchasing, with 35% doing this two to three times a week. Interestingly, only 15% of consumers note searching for items online with the “intent to purchase” on a daily basis, with 30% reporting doing this two to three times a week.

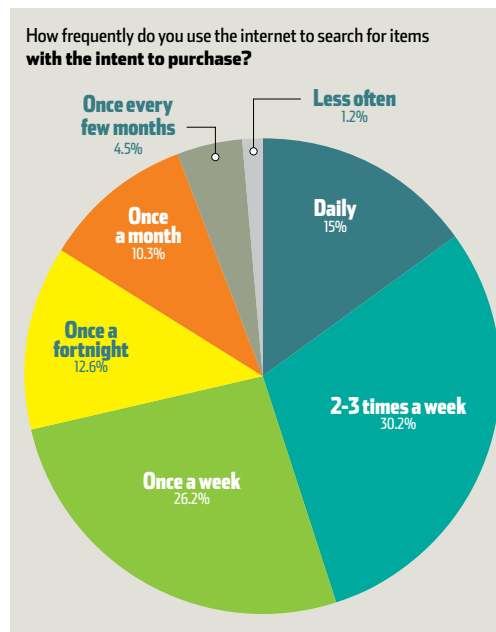
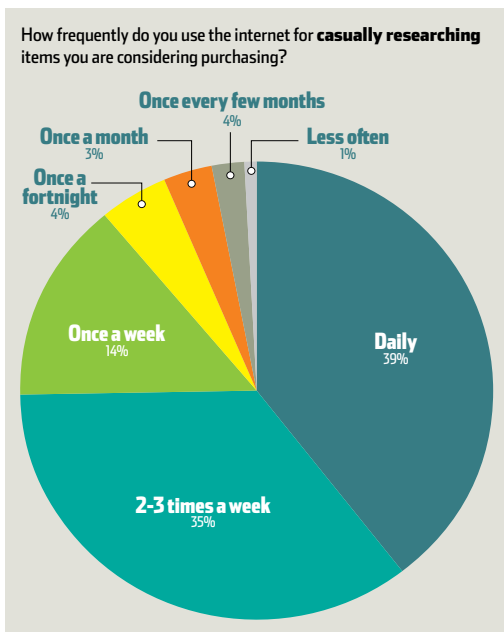
The divergence between casually browsing and searching with intent showcases the level of casual research that consumers are performing before making a more conscious decision to search with more

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purpose. This provides a real opportunity for marketers within retail brands to build innovative engagement strategies with partners to drive consumers from casual research right through to the point of purchase. It highlights the competitive nature of online search and the retailer struggle to stand out in an environment where in a single click a consumer can go from your brand to a rival.

“The big question I constantly ask myself is: ‘how can I make our brand more visible to consumers across every digital touchpoint?’ The landscape is constantly evolving so it’s a never-ending question”

HEAD OF DIGITAL, FASHION RETAILER

HOW AND WHERE

DEVICE – UK consumers overwhelmingly use a desktop/laptop to search for items to purchase online, with 70% noting in this report that this is their preferred platform. This compares with 19% for tablet and 11% for mobile. Perhaps unsurprisingly, this proportion is less skewed in favour of desktop/laptop in the younger age groups, given that people in these social cohorts are typically early technology adopters and increasingly engaging with retail brands on mobile devices.

LOCATION – The general consensus from those surveyed by *Retail Week* is that the sofa or bed is the location where time is most spent searching for items online, with 90% stating that they spend a proportion of their time searching for products in this location.

In comparison, 50% note spending some time – to varying degrees – searching for items to purchase at work, and 31% report searching on their daily commute. In relation to out of home and in home search, 44% say they’re much more engaged and focused when researching items to purchase at home versus out of home, suggesting that search on-the-go is still in its relative infancy.

Although most people surveyed for this study search for items to purchase on desktop/laptop and generally at home, mobile still plays, and will increasingly play, a key role in the online search journey. Brands that ultimately ignore mobile as a form of consumer engagement will lose out in the long-run as consumer spending becomes increasingly mobile. “We are a mobile-first business,” explains the ecommerce director at a leading footwear retailer. “The youth of today view only one channel for search and discovery, and that’s mobile,” he adds.

LINKING SEARCH AND SOCIAL

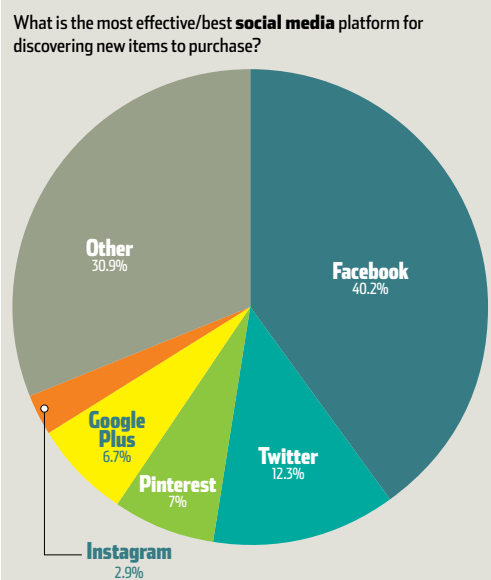
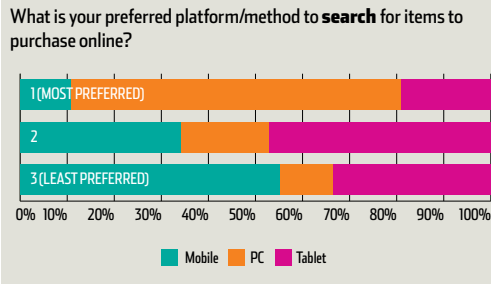
Social media is an important link between mobile and online search, given that smartphones are the go-to device for social media interaction among consumers. When asked if they are influenced by social media recommendations when searching for items to purchase, 54% of those surveyed said yes. Social media as a means of product discovery has grown rapidly and is evolving in line with new social engagement platforms, led by developments in the instant messaging space.

Facebook is overwhelmingly seen as the best social media platform for discovering new products, with 40.2% noting this as the case. Twitter placed second (12.3%), followed by Pinterest (7%), Google Plus ▶

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(6.7%) and Instagram (2.9%). Moreover, a sizeable proportion of our panel (30.9%) chose ‘other’ as the most effective social media platform for discovering new products.

This highlights the increasingly complex web of social media sites that consumers are engaging with on a regular basis, and emphasises the need for retail brands to not rest on their laurels when it comes to building an effective social media communications strategy that directs consumers to products.

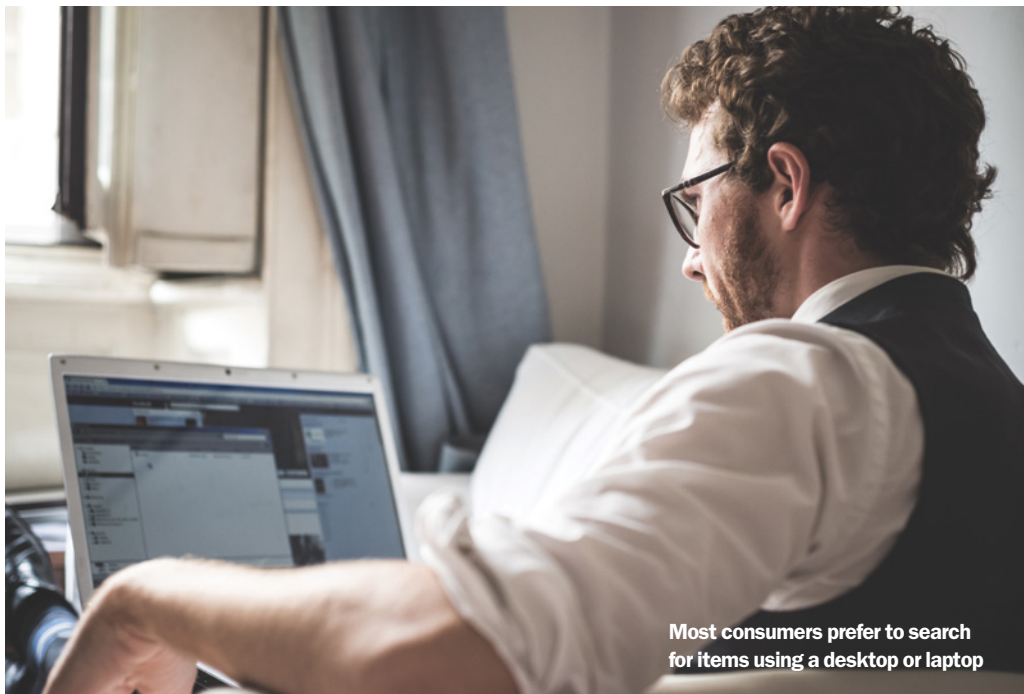
For instance, international shopping search engine TheFind recently added a universal price alerts feature to its Glimpse app. The app alerts consumers via an automatic email whenever products they have liked on Facebook are put on Sale. The service encourages users to ‘like’ products on any website that features the Facebook button.

If a shopper makes a purchase after receiving a price alert (assuming they buy by clicking directly through from the price alert), TheFind takes a commission from the merchant. Fashion retailer Asos, luggage specialist Samsonite, US department store Nordstrom and online marketplace Etsy are among the brands currently represented on Glimpse.

By linking social media ‘likes’ to a search function, TheFind has created a way in which to engage with consumers in a personalised manner while driving results for its retail partners.

VISUAL SEARCH

As technology progresses apace, applications are being developed that enable shoppers to search for items online in new and innovative ways. Visual



Most consumers prefer to search for items using a desktop or laptop

ONLINE SEARCH STATISTICS

40%

of consumers use the internet to **CASUALLY RESEARCH** items they are considering purchasing



50%

search for items to buy online **AT WORK**

44%

are much more engaged and focused when researching items **AT HOME**

70%

prefer to use a **DESKTOP OR LAPTOP** computer to search for items

60% think retailers and brands do a **GOOD JOB**

in directing them to products that they would consider buying



ONE in FOUR has used **image recognition** features on mobile to search for products

40%

say **FACEBOOK** is the best social media platform for **discovering new products**

THE INSTAGRAM EFFECT

Instagram is now the fastest-growing social network in the world, with 58 times more engagement per follower than Facebook and 120 times more than Twitter, according to Forrester Research (2014). It is also the social media platform that splits generations to the greatest extent. While Twitter, Facebook and, to some degree, Pinterest have all been embraced across generations, Instagram is the mainstream social media service that those aged 40-plus have generally ignored.

Indeed, 15% of 18-to-24 year olds note Instagram as the best social media platform for discovering new products, compared with just 3% at a UK-wide level.

A 2014 study by New York social media agency Laundry Service revealed that marketing using "Instagram-style" photos in any context yielded a conversion rate of 25% over "glossy product shots".

The Facebook-owned brand has looked to leverage this engagement by now allowing URLs to open through the app, opening up huge potential to convert online search and discovery into sales.

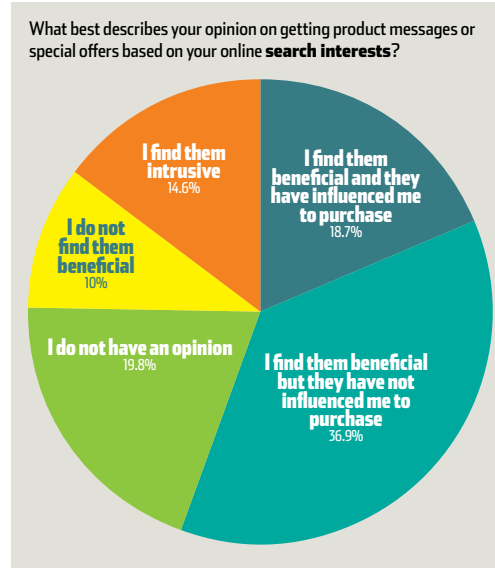
"Instagram is the social media platform of today's youth. Its power comes from its connection to lifestyle, image and all-round aesthetic. It's a powerful way to engage with consumers in the fashion space"

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search – scanning technology that takes an image and returns a product based on that image – is one area with a number of applications springing up to cater for consumer needs around product discovery. It will likely have a profound impact on the way in which shoppers locate products in the future.

Evidence suggests that consumer appetite for this means of discovering products online is already

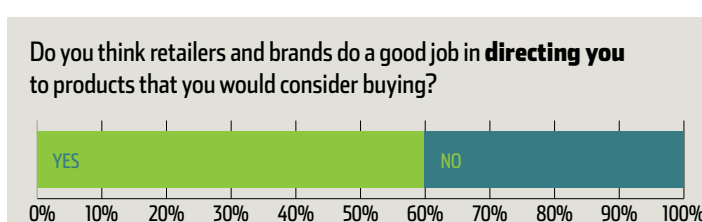
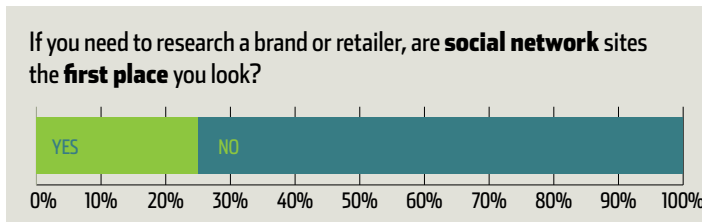
significant. Research conducted by *Retail Week* for this report shows that almost a quarter of consumers have already used an image-recognition feature on their mobile to search for products, with 44% saying that they will find these applications useful in the future when searching for products online.

Mobile application ASAP54 is one of several new visual search apps focused on the fashion space. Its proposition is fashion discovery, and the pain point it addresses is text-based search – how do consumers best describe the colour of a pair of chinos in a text-based Google search, for instance. With this application, they don't have to. The consumer simply takes a photo of an item they see someone wearing, or a colour they like, and the app will bring up similar items and suggestions from its partner ecommerce sites.

Meanwhile, US retailer Macy's has collaborated with visual search specialist Cortextica on its new app feature. It allows shoppers to take a photo of a product to locate similar items across the retailer's online inventory. Consumers can then purchase said item via the app. The feature allows consumers to buy products they see in their everyday lives in quick time – whether this is what a friend is wearing or something spotted in a magazine.

“Searching for products using image-based technology remains in its infancy, but there will be a place for it in the world of brand-consumer engagement in the long run, there's no doubt”

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WHITE PAPER**CONSUMERS WANT BRANDS TO ENGAGE**

Are retail brands doing a good job of directing you to products that you would consider buying? Our study suggests they are, with 60% noting that this was indeed the case. Again, the younger generation agree more strongly with this statement compared with those aged 40-plus. Meanwhile, 56% of those surveyed note that they find product messages or special offers based on search interests beneficial overall. This compares with 20% who are neutral on the matter and 25% that either find them not beneficial or intrusive.

These findings suggest that consumers are happy and willing for retail brands to assist them in their online search journey by pointing them in the right direction. In a world where consumers are overwhelmed by choice and are generally time-poor, this gentle hand-holding by retail brands is often welcomed. However, consumers are quickly swayed by communications that are not relevant to them or are too frequent. Ultimately, we must strike a balance; this is clear. Retail brands need to work diligently to listen to what consumers want and craft communications that give their shoppers the experience they desire.

CLOSING REMARKS

Consumers are becoming increasingly sophisticated at discovering new products for purchase. They are leveraging connections, both across the digital and physical space, to aid in this product discovery process, with social media playing an increasingly important role.

Moreover, technological advancements are providing consumers with new and innovative ways in which to search online. The advent of wearables, the rise of visual search and the opportunity linked to virtual reality are all cases in point. As these developments add to the world of connected devices, ▶

WEARABLE ENGAGEMENT

The ongoing wearables evolution, spearheaded by some of the world's largest technology firms, is seen by many commentators as an evolving platform for visual search. Despite Google pulling its smart eyewear offering, Google Glass, from its product range last year, the category received a renewed interest at CES this year – the world's largest consumer electronics showcase held in Las Vegas – and will in the long-run offer a new world of opportunities for marketers seeking more digital touchpoints with consumers.

“Retail executives are still trying to get their heads around the evolution of mobile and now the development of wearables is going to make this understanding even more complicated”

SENIOR EDITOR, GLOBAL MARKET RESEARCH FIRM



Almost a quarter of consumers have already used image-recognition on their mobile



BRONTO KEY POINTS

- 40% of survey respondents note that they use the internet on a daily basis to casually research items they're considering purchasing
- 70% of consumers prefer to search for potential purchases on a desktop/laptop, and their preferred location is at home on the sofa or in bed
- 54% of consumers are influenced by social media recommendations when searching for items to purchase, with Facebook considered the best platform for discovering new products
- Almost 25% of consumers have already used an image-recognition feature on their mobile to search for products, and 44% say they will find these applications useful in the future
- Consumers want brands to engage with them directly, with 56% noting that they find product messages or special offers based on search interests beneficial overall

CONTACT DETAILS

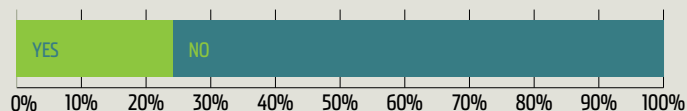
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the number of channels through which consumers can discover brands and products is likely to increase exponentially.

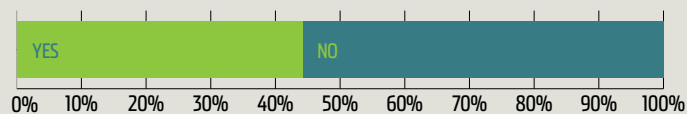
The good news is that research suggests retail brands are doing a good job when it comes to directing consumers to products that they would consider buying. Retailers should not rest on their laurels, however, and must continue to develop communication strategies that look to better consumer engagement across all channels.

Retail brands that are successful in this sense will be the ones that understand when a consumer is moving from the casually researching stage of product discovery to searching with intent to purchase. At this point, engagement must be tailored enough to shepherd the consumer down the path to purchase in a timely manner.

Have you ever used **image-recognition** features on your mobile to search for products? E.g. apps allowing your phone's camera to scan and find items online.



Do you think you'd find **apps** of this nature useful in **future**?



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