NAVIGATING
THE NEW PATH TO PURCHASE
on the go

Today, the consumer path to purchase is as complex as ever. Shifting consumer attitudes and multiple connected devices create a chaotic reality. The traditional purchase funnel diagram, one which any marketer could sketch from memory, is officially dead. The singular, orderly sequence of purchase stages has been scrambled, and marketers need to conform. In today’s world, where consumers have access to constant information through computers, smart phones and tablets, each person’s path to purchase is complex and unique.
Fragmented audiences, distracted consumers and multiple devices fuel different paths. The explosion of digital channels, the always-on media ecosystem, and the emergence of increasingly discerning consumers challenge even the savviest of digital marketers. Marketers are designing a path to purchase strategy based on an outdated model, and there is no objective way to benchmark or measure success in a rapidly evolving digital marketplace.

For consumers, there are unlimited opportunities to get distracted throughout the shopping process. Consumers can get to the brink of a purchase and then regress back to researching and browsing—because it’s easy to do. Whether on their desktop, tablet or smartphone, shoppers are just one click away from embarking on a ride far away from their original intent. The good news: A single touchpoint can get them back.

For marketers, it’s a challenge to identify and map the ideal shopping behavior for their brand. Each individual path is different—the actual activities vary widely between consumers, across multiple platforms. However, the combinations are not infinite. It’s not just what consumers do that is important; it is also how, when and why they do it. The timing, location, and intensity of consumer behavior indicate levels of involvement within the path to purchase and opportunities for marketers to engage. Digital marketers need to take a hard look into this data trail that consumers leave behind. Analysis of this behavior can provide actionable insight into how consumers arrive at their purchase decision.
As consumers use more digital platforms and channels for research and buying, there is a need to invest, strategically and financially, in tools and platforms that measure beyond traditional web analytics. We need to understand engagement activity (e.g. search, review and cross-shopping, mobile/tablet engagement) before, during, and after the customer conversion.

The path to purchase model is shifting. Consumers are distracted, but smarter. Marketers can be smarter too. This whitepaper gives marketers context and insight into the evolving path to purchase across several verticals as well as advice on building a strategy to better shape their marketing efforts.

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How do FPTV consumers shop?

• When purchasing a new FPTV, the desire to upgrade is the strongest motivator.
• Shopping for a FPTV typically takes 11 weeks, one of the longest processes analyzed.
• Consumers primarily conduct their TV research online, but still visit a physical retail location to purchase.

The FPTV consumers’ path to purchase process is lengthy, typically occurring over 11 weeks. The first shopping phase occurs in the first four weeks while consumers are researching brands and determining their price range. Phase two is in the middle four weeks, when they move further down the path and determine which brands and models are the best fit. In the final three weeks, shoppers are compiling their research and have narrowed down brands, models and the best deals.
What are the FPTV shopper purchase motives?

Our path to purchase research has demonstrated that most FPTV shoppers have a tendency to research online and to purchase offline, making both digital and physical channels important pillars of any marketing strategy. The brick-and-mortar retail location is still the most popular place to actually make a purchase, but only one third of shoppers will use only a physical retail location for research. Even during traditionally busy seasons—holidays when online traffic increases by up to three times—online purchase rates stay the same, underscoring the role of retail stores in the purchase.

65% of shoppers want an HD compatible FPTV

- 65% HD Capabilities
- 60% Larger Screen
- 55% Internet Connected
- 50% Around $750
- 10% Around $1,500

Source: Compete Path to Purchase Research
Although our research shows that most consumers are buying in physical retail locations, it’s still critical to allocate resources toward digital efforts, as online experiences help build brand preference and drive shoppers to the store.

How can marketers reach FPTV shoppers?

- Maximize search performance since FPTV shopping starts online.
- Enhance web design and improve user experience because manufacturers’ websites are one of the last online touchpoints before a consumer visits a retail location.
- Streamline the physical retail shopping experience. Interaction with sales representatives and product displays are the two most influential touchpoints when shopping in brick-and-mortar stores.

Search engine optimization (SEO) should drive consumers to the brand website as early in the process as possible—this is the first opportunity brands have to engage their audience. Online search will drive top-of-funnel activity, improve brand credibility, and increase the overall sales pipeline.

Manufacturer websites are a key consumer touchpoint in the path to purchase. If consumers prematurely leave the brand site, there is a lost opportunity to direct them to a physical location to buy electronics. Knowing this, brand marketers need to make improvements in the website experience to increase the number of leads walking into a retail location with purchase intent.
Once qualified foot traffic is sent to retail locations, the work is not over for marketers. Offline budget needs to be dedicated to ensure that the in-store experience and materials have the same quality treatment and information as all the other brand materials consumers are exposed to during the shopping process. At the in-store level, investments should be made to train sales personnel on product features and other ways to improve the customer experience during the middle-to-late stages of the shopping process. For lesser-known brands, there is an opportunity here to convert FPTV shoppers. While major brands like Sony, Panasonic, Samsung, and LG have traction in the beginning of the shopping process due to better unaided awareness, smaller brands can gain popularity toward the end as consumers understand product specifications better.
The automotive consumer journey is one of the most complex of all industries. Although consumers buy vehicles at dealerships, most of the decision-making process and influential touchpoints are online.

How do auto consumers shop?

- 85 to 90 percent of auto shoppers conduct online research. The typical car shopper begins the process on a search engine or review site and ends at the brand’s domain, before heading to a dealership.

- The online research process lasts, on average, four months, with an uptick in activity in the last month. More activity at the end suggests the traditional purchase funnel is upside-down.

- Auto shoppers' behavior is very diverse, but can be grouped into three distinct online shopper paths, culminating in an “expression of interest” for one or more models.

In studying the automotive industry in the UK, purchasing a new automobile is a very big decision, and for some consumers, the most costly purchase they will make. There are a myriad of digital touchpoints, from manufacturers' sites, to third-party sites, to review sites, to enthusiast sites, and even general information sites that have auto sections.

Even though we know that every consumer’s path is unique, we are able to identify three distinct paths based on some common characteristics:

**High Category Involvement:** These consumer paths are characterized by a heavy use of auto review sites, search, and competitive brand sites, before reaching the “expression of interest” phase.

**Brand Pre-disposition:** This path category typically begins with visits to auto review sites and search engines, but quickly progresses to expression of interest.

**High Social Network Involvement:** Consumers on this path category rely more on manufacturers’ social media brand pages.

The first path typically begins with visits to auto review sites or with queries on search engines, which ultimately lands consumers/shoppers on automotive brand sites. The process repeats several times during the journey, with increasing visitation to the brand site in the last month before purchase.
What are the consumer behaviors when looking for an automobile?*

**FIRST Behavior in Auto Consumer Path**
- 56% of auto consumers’ FIRST behavior is to check Auto Review Sites

**LAST Behavior in Auto Consumer Path**
- 86% of auto consumers’ LAST behavior is to check Manufacturer’s Sites*

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*Based on data from a UK study

While each is distinct, there are some common patterns across each path. For example, more than half of the shoppers start the process on a search engine. Two thirds of auto consumers that demonstrate intent to purchase begin searching four months prior to purchase, with a noticeable uptick in action in the final month. By the end of the process, 86 percent of those showing signs of purchase engage with a manufacturer’s site, while only 13 percent start there; the 86 percent is good news for automakers and the 13 percent means there are a lot of potential disruptions along the path to purchase.

Given the heritage of many automotive brands, brand association is often a powerful influence, and that association can be expressed in multiple and, sometimes, unexpected ways. One brand’s effort to drive consumers exclusively to its YouTube channel resulted in the brand’s homepage getting a wealth of purchase-intending traffic. Social networking, music, and video sites are highly visited categories for multiple auto segments, but a key question is whether they create brand-new relationships or reinforce existing ones.
Shoppers kick off the auto research process in several ways: search, social media, and independent reviews. Knowing where and when consumers use them is crucial because those touchpoints influence which brands consumers investigate further.

How can marketers reach auto consumers?

- Understand where and how consumers research vehicles—yours and rivals’—with a focus on the most likely inflection points (e.g. places you are most likely to lock down or lose customers, and places where you have the best opportunity to conquest rivals’ shoppers).

- Optimize keyword investments to ensure you’re investing in the terms and techniques most likely to drive consumers your way. Search is a strong driver of purchase intent and can aid brand credibility.

- Quantify how and when consumers use auto review sites, then determine whether deeper partnership relationships with those entities will help drive traffic. The majority of brand site traffic comes from review sites.

Find the right balance of keyword activity (including competitive keywords), have a structured presence on social media channels (proven to generate consumer interest and increase automotive research activity) and monitor review sites (shown to engage the audience and maintain traffic flow to conversion).

It’s imperative that automotive brand websites are optimized to encourage quick action in driving a buy, or, at least, starting a dialog between dealers and consumers. Ensure your brand site is optimized for a consumer experience based on the research process up until that point. Find the right balance between site flash and allure vs. ease of use. Make sure that consumers who are coming into the brand site (via search or review sites) land on the appropriate page. Your website is often the last chance to interact with consumers, and you need to keep them from defecting to ensure that they head to your dealers.
Consumers buy new vehicles at dealerships, but the research process is predominantly online, with 85-90 percent of auto consumers conducting online research. Automotive buyers don't purchase on brand homepages, but those sites are among the last digital opportunities to influence consumers and encourage them to take the next step and visit a dealer. Engineer your consumers’ paths so what they learn along the way is consistent with what they find in the dealership.

What is the consumer touchpoint engagement prior to auto purchase action?*

100% of consumers prefer to visit manufacturer sites 1 month prior to purchase*

4 Months Prior
- 25% Manufacturer Site
- 31% Search
- 53% Auto Review Site

3 Months Prior
- 26% Manufacturer Site
- 29% Search
- 50% Auto Review Site

2 Months Prior
- 33% Manufacturer Site
- 33% Search
- 55% Auto Review Site

1 Month Prior
- 100% Manufacturer Site
- 70% Search
- 49% Auto Review Site

Source: Compele Path to Purchase Research
*Based on data from a UK study
HOTEL BOOKERS

The online travel marketplace is large and dynamic because consumers spend more money online for travel than any other industry.

How do hotel bookers shop?

• An average hotel booker visits 12 travel sites before booking online.

• The order, time, and intensity in which consumers visit travel sites vary greatly.

• There are shared shopping characteristics between different categories of bookers (e.g. when initial research starts), but the nuances within those groups are different.

Our study of traveler behavior found the path to purchase to be comprised of various “stand alone” steps. This reflects that travel often requires distinct elements, such as booking a flight, then selecting a hotel near the chosen airport, then renting a car near the airport and/or hotel. Marketers need to recognize that these distinct points of influence are all intertwined, and streamlining this process will drive travel bookings and set the stage for partnerships and conquering.

We found that the frequency and duration of research changes based on where consumers are in the shopping process, dictating that the marketing approach be nonlinear. Hotel bookers visit a quarter of their pre-purchase travel sites on the same day they book. OTAs (online travel agencies) are the most visited category among hotel bookers, and the average hotel shopper makes 12 visits to OTAs in the same month as booking. More than half of these visits occur during the week of booking and even more occur within the last 48 hours of booking.
Flight research paired with airline site visits is one of the few common behavior traits across hotel bookers’ paths. While the instances of flight research adds some structure to understanding the path, the diverse nature of travel sites adds to the complexity. For example, consumers can book hotels on supplier sites (sites operated by the brands themselves). They can also book hotels on OTAs, and once they’re on an OTA, they might also buy a flight and rental car. At the same time, hotel sites often allow consumers to book flights, and airline sites often allow consumers to book hotels.
How can marketers reach hotel shoppers and bookers?

- Prioritize revenue by reinforcing behavior among consumers already leaning your way, by minimizing conquering of your consumers by rivals, and by identifying your most valuable lost bookers.

- Determine how site tools influence booking choices and how they can be used to measure pre-booking audience quality.

- Compare the return on investment (ROI) of using a full path approach vs. a singular point approach to target specific audiences.

Understanding the optimal places to influence behavior and drive revenue (e.g. search, flight, OTA/hotel, supplier, etc.) enables brands to attract qualified consumers.

Path to purchase knowledge incorporates how consumers get to your site and how many of them visit your site but book somewhere else. The latter is called “lost bookings” and is a key element in understanding how to use consumer behavior to unlock low hanging revenue. For example, a hotel can assign a value to adding OTA-style search capability to its site, based on the likelihood of increased conversion by reducing lost bookings.

Understanding which tools correlate with travel booking decisions on your site and rival sites can help inform site redesign strategies, such as adjusting site landing pages based on the combination of traffic source and tool use. For example, knowing if consumers are more influenced by search than OTAs could inform landing page tactics from paid search results and advertisements. If the biggest break in the path for a given hotel is the moment after choosing a flight, that hotelier could consider a partnership with an airline with which its lost bookers are already engaged.
What are the top 15 most visited sites among hotel bookers?

Expedia.com is the most visited site for hotel bookers within 30 days of booking.

Companies have the option for a broader effort designed to influence many elements of travel shopping or a more focused approach with rich attention on just one element. Both can influence revenue through the new, evolved path, but need to be cost-effective; the right choice depends on where the biggest loss of consumers is today.
ATHLETIC FOOTWEAR SHOPPERS

There are several key elements that influence the athletic footwear path to purchase: online retailers, brand properties, consumer reviews, the physical store experience, and online search.

How do athletic footwear consumers shop?

- Athletic footwear shoppers consult online resources for product and seller information. One in three prefers purchasing online rather than in a traditional store.
- Along the path to purchase, shoppers use brand websites for research, but these sites are typically not a purchase destination.
- Shoppers choose quickly and don't spend much time researching. The purchase window for athletic footwear is narrow.

Starting with the online experience, we have found that consumers primarily discover new products through site channels (e.g. retailers or online pure plays), consumer reviews, and fitness research websites. The path to purchase is notably short as online athletic shoe shoppers are likely to know exactly what brands and/or products they are interested in from the start.

On average, purchasers spend six minutes shopping for athletic footwear, significantly less time compared to other categories. They spend little actual time “researching,” opting instead to search for the best deal.

Not surprisingly, a lot of sales are shifting online; in fact, nearly one in three consumers favor purchasing athletic footwear online versus in-store. However, the offline experience is also still relevant: nine in 10 consumers who opt to purchase in-store do so primarily to try the footwear on and secondarily, to get the shoe immediately and avoid shipping costs. Of those who do buy online, 20 percent of these consumers try the footwear on in a store before going online to make the purchase, highlighting the role of the offline channel even in an online transaction.
What types of research do consumers perform prior to making an athletic footwear purchase?

71% of consumers prefer to visit a store to view or try on athletic footwear.

Finally, search is a significant driver of athletic footwear sales and improves brand consideration. Each month, athletic footwear sites receive 16.5 million search referrals, of which online pure plays and department stores capture the largest shares. Manufacturers garner the smallest share of athletic footwear searches, yet have the highest share of paid search. Under Armour, Converse, and Nike, the top three brands driving traffic through branded keywords, generate a substantial portion of those clickthroughs with paid search.
Our recommendations for the retail industry revolve around understanding and adapting to the realities of the new path to purchase rather than trying to change it. Looking across the online ecosystem, shoppers who visit a manufacturer’s website are a temporarily captive audience, but eventually move on.

**How can marketers reach retail consumers?**

- Engage and convert. With a short shopping process, all touchpoints need to quickly encourage a transaction.

- Overcome the consumer obstacles to purchasing online. If you can’t offer free shipping, for example, consider offering additional value like a quality guarantee.

- Build experiences on brand and retail sites that link initial research to shopping transactions.

The brand website experience can be attention-grabbing, but many consumers travel elsewhere to complete their purchase, influenced by price and convenience. The opportunity lies in how manufacturers and retailers can partner to best influence these in-market consumers.

For brands, one way to alleviate consumer hesitancy when shopping directly on a manufacturer site is to promote free shipping and a no-risk, no-hassle return policy. If manufacturers are unable to offer free shipping or flexible returns, there are additional ways to add value and enhance the experience of purchasing on the brand site. The ability to speak with a specialist, lifetime quality guarantees and interactive product viewing abilities can retain consumers and increase purchases made through brand ecommerce efforts.
Why do you prefer to purchase athletic footwear in-store or online?

88% of consumers prefer to visit a store to view or try on athletic footwear.

The best strategy for brands and retailers could be embracing their roles in overcoming the obstacles to conversion. Properties should build online experiences that link online search to brand site visits to retail transactions. Depending on the manufacturer, some sites are primarily a research tool that drive traffic to retailers while others focus largely on e-commerce. Both manufacturers and retailers benefit when they enhance their greatest areas of influence and rely on partners to bolster the touchpoints that bring consumers to purchase.
CONSUMER SAVINGS PRODUCTS

Within the financial category, the process of product selection to account opening is a short one, for which consumers primarily research online, but convert offline. During the initial research phase, online resources, such as review websites, have a larger consumer impact compared to traditional media; 48 percent of consumers only use online resources, and 21 percent rely on offline tools.

How do consumers shop for financial services?

• Online banking consumers move quickly from research to selection, in most cases conducting research online and converting offline.
• Within the financial services category, digital impacts not only the consumer’s path to purchase, but also their post-purchase service experience.
• Mobile features have a strong positive influence on consumer preference of financial institutions.

Consumer must-haves revolve around the need to see product information quickly, explaining why they go online. To illustrate the speed of this selection, we found that 80 percent of customers have decided on a brand after their first research step, even before visiting a brand website.

In contrast to other verticals, financial services marketing success depends on effectively servicing long term clients as much as acquiring them. The good news for financial brands is that there is a significant digital opportunity to engage shoppers across their full consumer journey; customers demonstrate a need for service post-purchase and prefer to do that online. Once a consumer establishes a brand preference, 64 percent of consumers complete an application, and there is a 30 percent increase in consumers engaging with the brand online for customer service. Through all phases of the path to purchase, even post-conversion, consumers consult search engines, bank-owned websites, and financial product comparison/review websites.
What are the most popular resources for financial services research?

1st choice of consumers: most prefer an online search to learn about financial services.

Our research also shows that there is a large mobile opportunity: financial brand favorability rises when companies have a mobile app that enables account holders to manage their money and account on-the-go.

Across the consideration, selection, and recommendation phases of shopping, consumers were more likely to recommend institutions that offered a mobile app. Within the financial category, 29 percent of consumers were more likely to consider institutions with a mobile presence, 28 percent chose a brand with a mobile presence, and 27 percent recommended a brand with mobile presence. For brokerage firms, 27 percent were more likely to consider, 24 percent chose, and 18 percent recommended. For auto insurance companies, 23 percent were more likely to consider, 21 percent chose, and 20 percent recommended.

In short, mobile yields a higher impact on consideration and retention rate. Additionally, a mobile presence is good news for advertising efforts as mobile shoppers are most positively impacted by ads on finance-related apps.

Source: Compete Path to Purchase Research
Financial services is a unique category in that the consumer journey toggles between online and offline, with each phase having distinct roles in attracting and servicing shoppers. Consumers need options, but for brand marketers, this should not be confused with too much available information—financial services selections have to be clear for better prospect retention. Knowing this, making product information quickly and clearly available on every channel is paramount.

How can marketers reach financial services customers?

• Ensure product selection and information is clear and concise on bank-owned websites.
• Invest in third party sites to complement brand sites.
• Connect the online and offline user experience as consumers move quickly from online research to offline conversion.

As review and comparison sites are key online research tools, they merit a place on a bank’s homepage. We recommend incorporating third-party financial reviews on bank websites to further contribute to shopping quality and ease. Esurance is making transparency a priority in their consumer experience, an example that can lead to valuable and usable review content. Schwab and Bank of America have also taken an approach similar to Apple, which allows customers to make an appointment online before physically visiting a branch location—another improvement to consumer experience and, consequently, reviews.
The connection between online and offline is particularly clear for opening new accounts. In fact, for every one account opened online, we have found that eight accounts are opened at a physical location. Knowing this about the financial path to purchase, brands need to ensure that the transition between research and conversion is seamless. The messaging and theme of online collateral need to match the consumer experience when an informed prospect walks through a bank’s door.
the path

SO...
Consumers are changing the way they research and purchase online, and new shopping paths are emerging depending on behavior, device, location, and intent.

Marketers have much to gain from re-evaluating existing strategies and identifying ways to improve their brand’s bottom line. The key to successfully decoding this new consumer behavior is pairing an uncomplicated mindset with complex reporting abilities. In adapting to this new path to purchase reality, the best thing marketers can do is make sure their strategy does not depend on a linear sequence of events. When each independent step along the path is improved, the end result will be more purchases, regardless of how consumers got there. We believe the fundamental solution lies in accepting, then successfully navigating, this new path to purchase.
The right tools lead to actionable insights and informed digital marketing decisions that drive brand, market share, and ROI.

Digital Touchpoints™ is Millward Brown Digital's new solution that provides insights on actual consumer interactions, enabling our clients to make the most effective marketing decisions. A better understanding of the sequence of shopping events equips companies to deliver the correct marketing message at the right place and at the right time during the shopping process.

To do this, we measure the ways consumers interact with shopping touchpoints in three ways:

- **The Engagement Index™** represents the extent of actual shopper engagement with touchpoints. This takes into account the percent of total shoppers interacting with the specific touchpoint, and the intensity of those interactions, including time and number of repeat visits.

- **The Influence Index™** represents the probability of one touchpoint interaction influencing a shopper’s final action.

- **The Opportunity Index™** shows the competitive view of touchpoint interactions (e.g. which brands are getting better or worse traction with consumers at each given touchpoint).

The goal of this report is to enable marketers to make strategic shifts in how they approach the new fluid path to purchase, to quantify and qualify consumer behavior, and to take action. The right tools lead to actionable insights and informed digital marketing decisions that drive brand, market share, and ROI.
About Millward Brown Digital

Dynamic Logic and Compete are now combined as Millward Brown Digital, to deliver comprehensive digital solutions that help advertisers, agencies and publishers increase marketing effectiveness and drive brand growth. The unit combines Compete’s consumer, channel and market intelligence solutions – supported by the largest behavioral panel in the industry – with Dynamic Logic’s market-leading advertising and campaign effectiveness offering. Insights from the division helps marketers increase media efficiency and optimize campaign effectiveness; expand sales and market share for their brands across all channels and enhance total brand performance.

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