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Capgemini global report highlights intensified demand from consumers for seamless shopping experience across all channels

New study reveals developing countries leapfrog mature markets in their consumption of new channels as digital shoppers across all countries predict physical stores will evolve to become 'showrooms'

India, 10th July, 2012: – Capgemini, one of the world's foremost providers of consulting, technology and outsourcing services, today announced the findings of a global report examining the changing nature of shoppers' retail preferences as they continue to tap into the rapid innovation of traditional and digital channels. The report, entitled "*Digital Shopper Relevancy*", surveyed 16,000 digital shoppers across 16 developing and mature markets[1] and demonstrated that shoppers are not loyal to one channel but expect a seamless integration across online, social media, mobile and physical stores. 60 percent of respondents declared they expect the convergence of retail channels to be the norm by 2014, when a unified shopping experience is expected to become commonplace. However, achieving this will be a challenge, as more than half of shoppers said that most retailers currently are not consistent in the way they present themselves across channels.

Key findings from the study include:

- **The Internet remains the dominant channel.** Websites are the most important for digital shoppers across the end-to-end shopping journey in developing and mature countries, with 80 percent of respondents in developing markets stating the internet was important or very important and with 63 percent in mature markets. This is closely followed by e-mail interaction. However, channels such as social media, mobile apps and in-store kiosks are growing in popularity as alternative retail channels.
- **Significant differences exist between mature and developing markets.** The number of digital-savvy shoppers increases considerably in developing markets and they tend to "leapfrog" the traditional retail infrastructure adopted by mature markets. 72 percent of respondents from India and 69 percent from China state that they

[1] The research was conducted in Australia, Brazil, Canada, China, Finland, France, Germany, India, Italy, Mexico, Russia, Spain, Sweden, Turkey, the United Kingdom and the United States.

purchase more products in a single transaction online than in a physical store, compared with just 31 percent from the US.

- **The retail landscape as we know it is set to change.** More than half of the respondents from both developing and mature markets said they expect physical stores for increasing numbers of categories will simply become showrooms to select and order products by 2020.
- **Digital-savvy shoppers will spend more.** The study highlighted that 56 percent of respondents are likely to spend more money at a physical store if they had used digital channels to research the product prior to purchase, however 73 percent of respondents also expect online prices to be lower than those in physical stores.
- **There is no "one" digital shopper profile, although women are more engaged when using digital channels.** Varied behavioral patterns appear across a number of factors, including age, gender, product category, journey stage and market maturity. The study highlighted that 55 percent of women shoppers are more engaged when using digital channels compared with 44 percent of men.
- **Personalized experiences can deliver for retailers, but not too personalized.** 61 percent of respondents said they want online stores to remember their personal shopper history to speed up shopping, however only 41 percent would want to be identified through smartphones when entering a physical store.

Capgemini's research highlighted that **six distinct segments, or faces, of shoppers** are emerging who use digital channels in different ways during their shopping journey:

- **Social Digital Shoppers (25 percent of total respondent base):** The majority of these shoppers are under 35, are heavy users of social media and want to share opinions and experiences through digital channels. They are also active users of mobile applications and trust mobile devices for paying for products, locating items and identifying themselves.
- **Digital Shopaholics (18 percent of total respondent base):** Early adopters and experimenters; they are the heaviest buyers out of the six segments through the active use of digital channels and devices like smartphone apps and in-store technology. Although men in this segment shop heavily via digital channels, they are less interested than women are in conducting any kind of two-way dialogue with companies.
- **Occasional Online Shoppers (16 percent of total respondent base):** 56 percent of these shoppers are older than 45 and infrequently shop online. When they do, these shoppers use digital channels primarily for choosing and comparing products and tracking deliveries.
- **Rational Online Shoppers (15 percent of total respondent base):** Overall, these shoppers are the second most active online shopper segment and the Internet is the preferred channel throughout the shopping journey. However, these respondents have little interest in social media and mobile apps for shopping.

- **Value Seekers (13 percent of total respondent base):** These shoppers are price-sensitive with little interest in digital shopping and new technologies and are more likely to be women (63 percent). They shop online primarily to find the best deals on products they know they want.
- **Techno-Shy Shoppers (13 percent of total respondent base):** This segment does not feel confident in using digital channels and devices and do not see these as important during any phase of the shopping journey. These shoppers include both young and older consumers, with many living in Continental Europe.

James Roper, CEO of IMRG (Interactive Media In Retail Group), the UK's industry association for e-retail commented: "*That e-commerce is continuing to secure its position as a key part of any developed economy is already understood, but its role in developing economies is probably less well known. From our own extensive international research we see the remarkable opportunities for cross-border growth in regions such as Asia and South America, where e-commerce is experiencing a different evolution to that in Europe and North America. As the traditional IT infrastructure was not necessarily there, digital commerce in these regions tends to be going straight onto the mobile platform*."

According to analyst firm Forrester – "*Whereas retailers have survived in the past with superior merchandising or premium retail locations, companies now realize that significant investment in agile, multichannel technologies such as mobile solutions in stores and greater resources toward IT organizations is critical*."*

"In today's complex marketplace shoppers are in control and retailers need to remain relevant to the digital consumer across the all-channel journey." said Bernard Helders, Capgemini Global Consumer Products & Retail Sector Leader. *"The industry should not only seek to understand the technology, they must separate hype from reality and, crucially, commit to cross-channel collaboration to stay profitable in today's tough economic climate. This is critical for retailers to identify who is really using these channels and essential in determining where to make digital investments and how to monetize them. The findings of the report are a call to action for retailers and consumer goods companies to adopt a new approach and harness the technology that's now available."*

*Forrester Research, Inc. - The New Paradigm Of Retail, December 27, 2011"

For a full copy of this report and to download an infographic of the key findings please go to http://www.capgemini.com/services-and-solutions/by-industry/consumer-products/digital_shopper_relevancy/

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