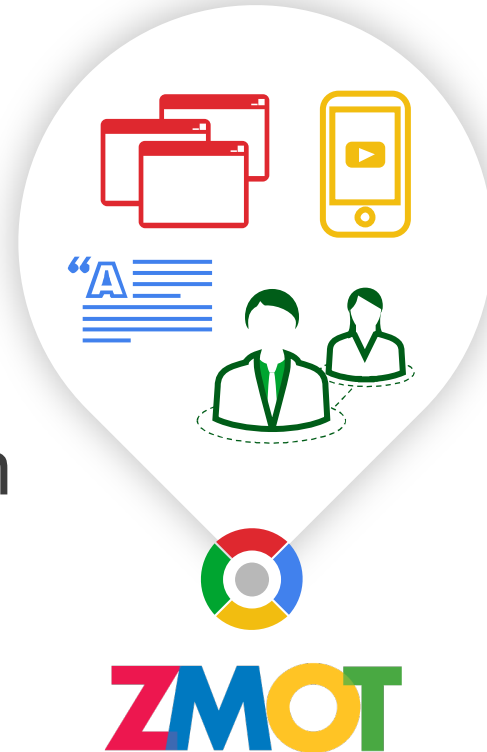


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The Zero Moment of Truth Macro Study

Google/Shopper Sciences
U.S., April 2011



Objectives

How is **shopper behavior** changing in a digitally powered world?

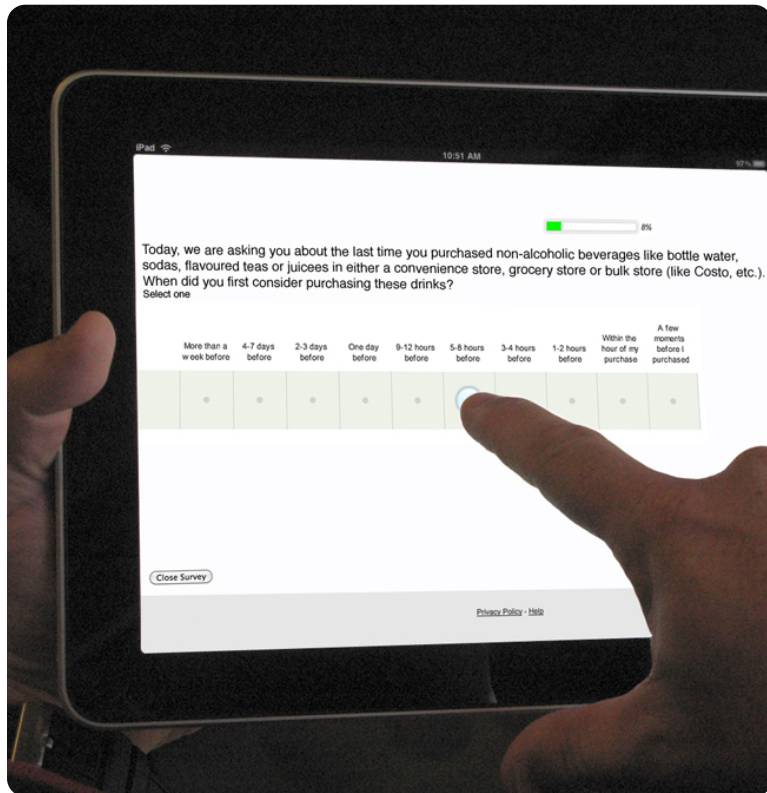
What **role** do **new media** like social & mobile in shopping?

How are shoppers' expectations of the **physical retail store** changing?

How does **pre-shopping** change actual purchasing?

Methodology

A quantitative review of decision making behavior across shopping, services and voting.



Online shopper surveys with interactive game-like construct

Fielded in March 2011 in the US

Connect as close to purchase decision as possible

N=5,000 Shoppers:

- 500 each in Auto, Tech, Travel, Voters, Restaurant, OTC Health, CPG Grocery, CPG Beauty/Personal Care
- 250 each in Credit Cards, Banking, Insurance, Investments

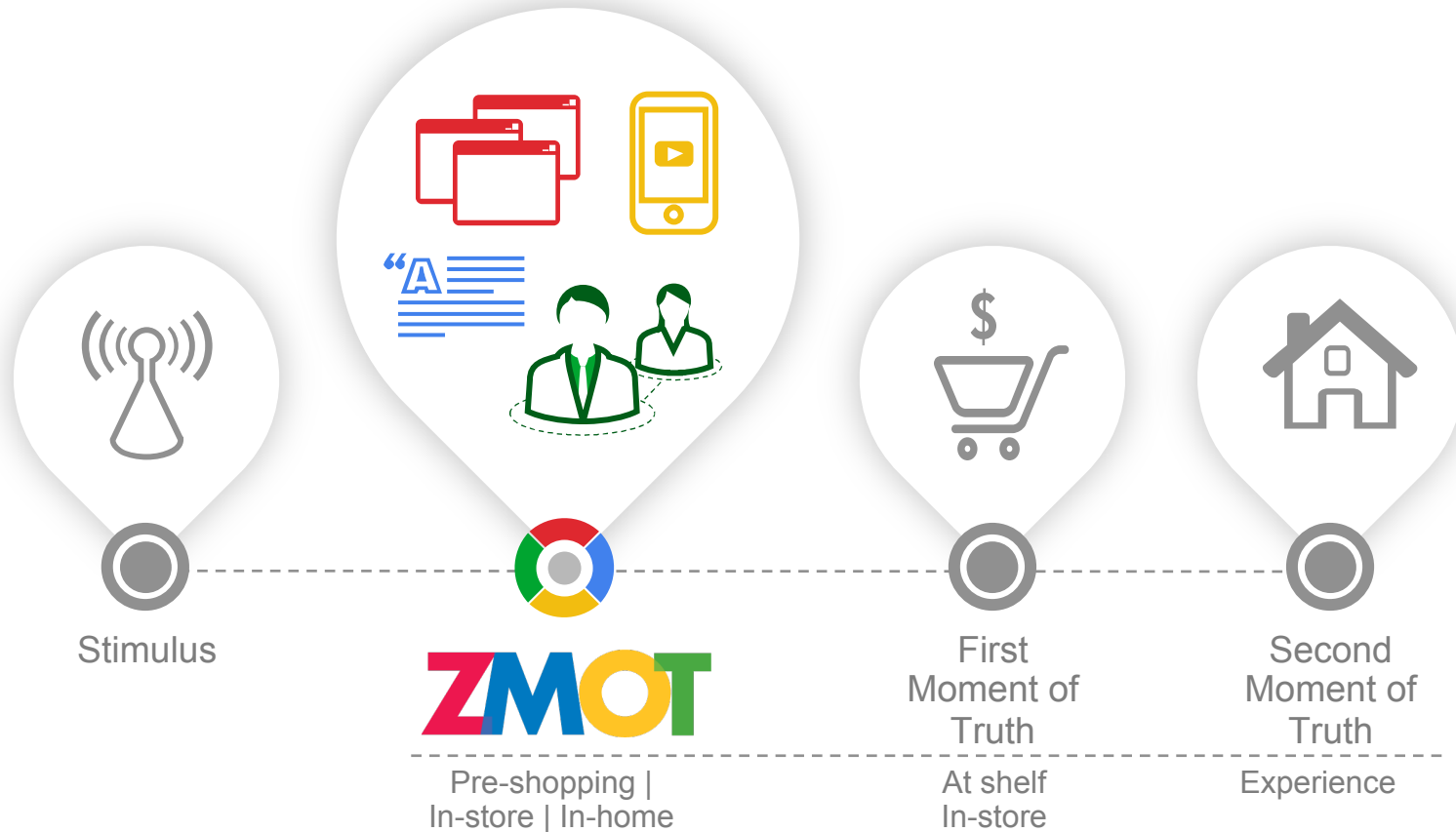
Summary

- The length of the shopper's purchase journey varies greatly by category. But even within a spontaneous category like restaurants, we see thoughtful behavior of several hours to several days leading up to decision.
- The number of sources used by any shopper for any average shopping occasion has almost doubled, from 5.2 to 10.4 sources used.
- 84% of all shoppers use ZMOT sources in the path to purchase (f. ZMOT is a critical part of any shopper's purchase journey and is as important, if not more, than stimulus and FMOT).
- Searching online is at the same level or eclipsing friends and family as a source used in the purchase process, which is a first.
- While overall usage of online social and mobile sources are lower than other sources, they are on the rise. Among the group who use online social and mobile sources, they rank the mobile information as highly influential in shaping their ultimate purchase decisions.

Traditional 3-Step Mental Model of Marketing



The New Mental Model of Marketing



We asked shoppers 4 key questions:

When? Purchase Timeline

How far in advance do shoppers start thinking about their purchase?

What? Source Usage

What traditional and new media sources did shoppers use to help them decide on their purchases?

Why? Information-Seeking

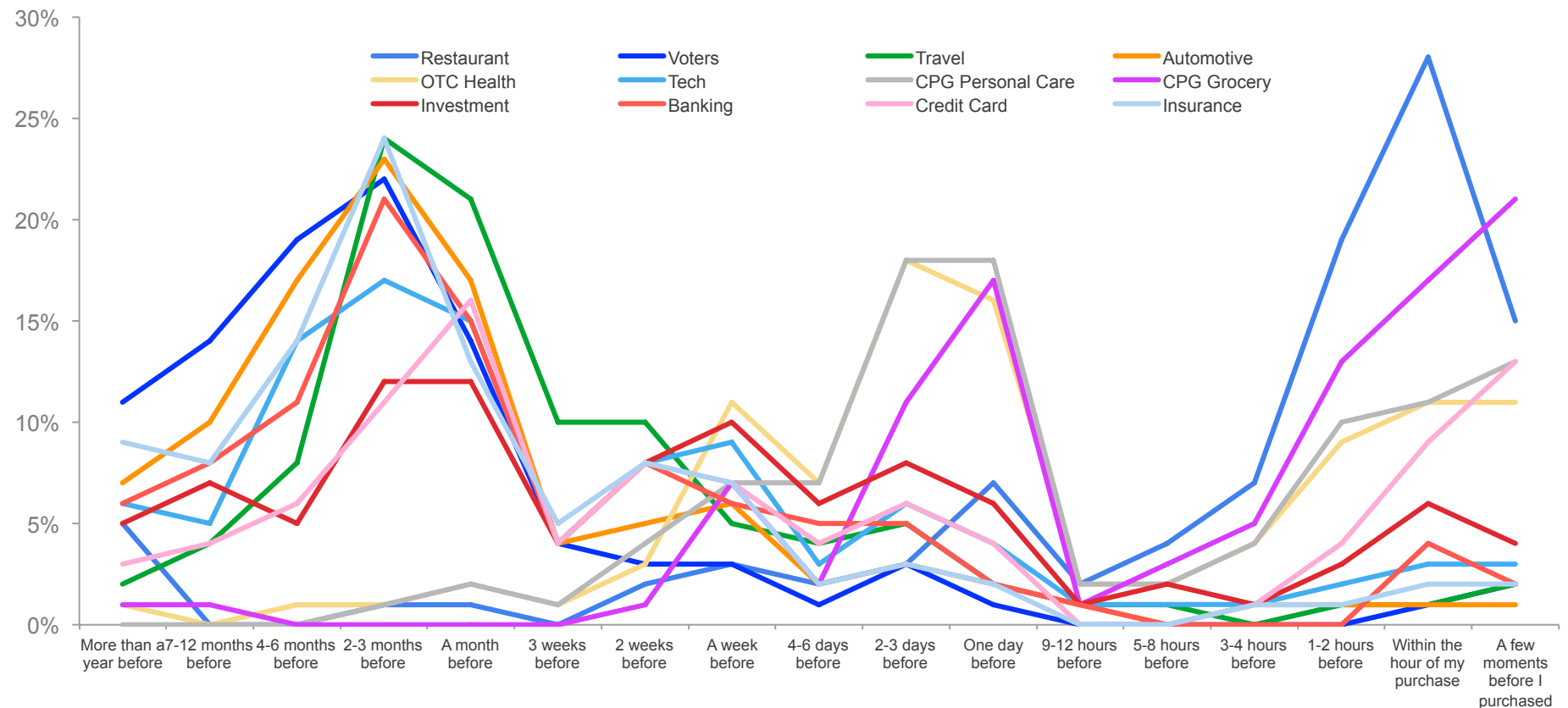
Why did shoppers consult the internet? What information were they looking for?

How much? Influence

How influential were each of the sources in the ultimate decision making?

The length of a purchase cycle varies

The longest purchase cycles belong to Travel, Voters, Auto & Tech while the most “spontaneous” category is Restaurants. But even within Restaurants, a majority of shoppers still take several hours to several days to make that decision.

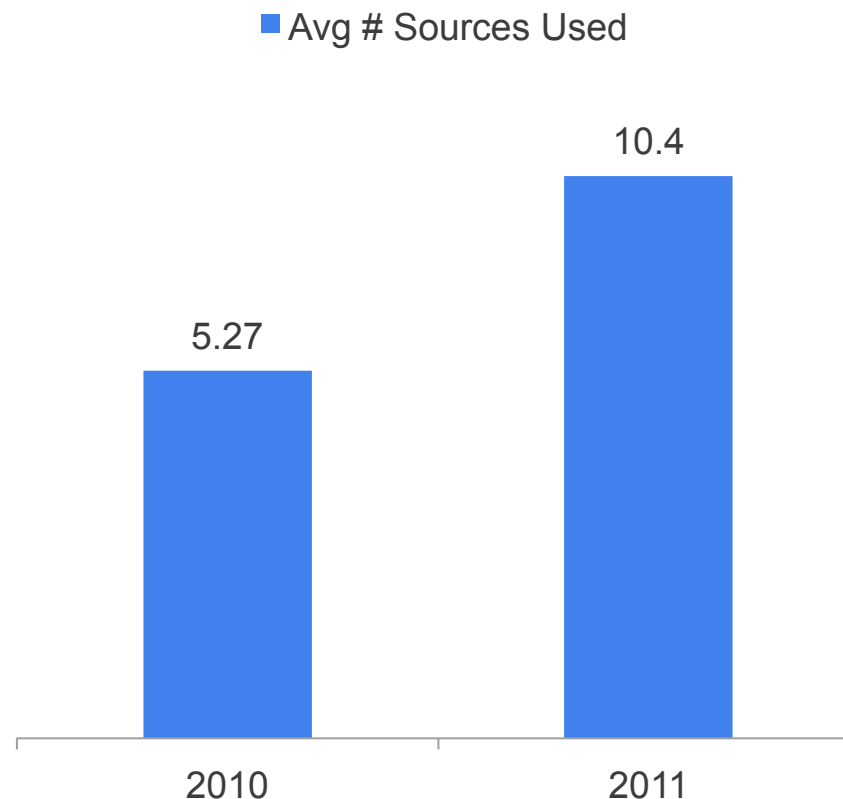


Source: Google/Shopper Sciences, Zero Moment of Macro Study, Apr 2011
N = 5,000
www.google.com/think/insights

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Shoppers today are able to process an enormous amount of information

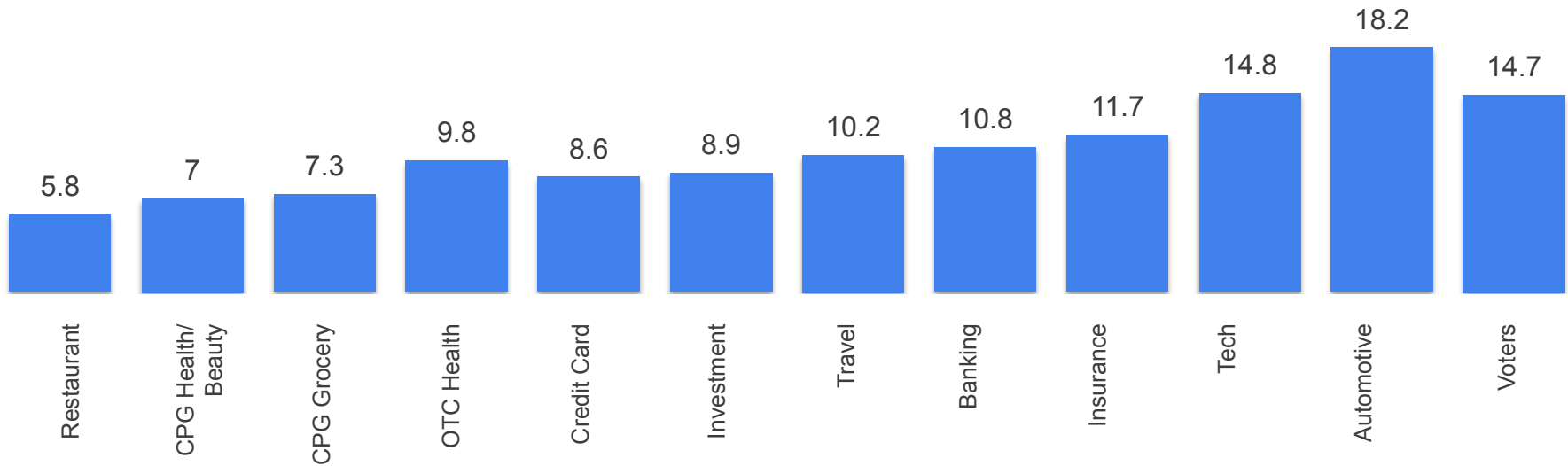
Shoppers today use twice as many sources to arrive at a decision and use each source almost twice as heavily as in the past



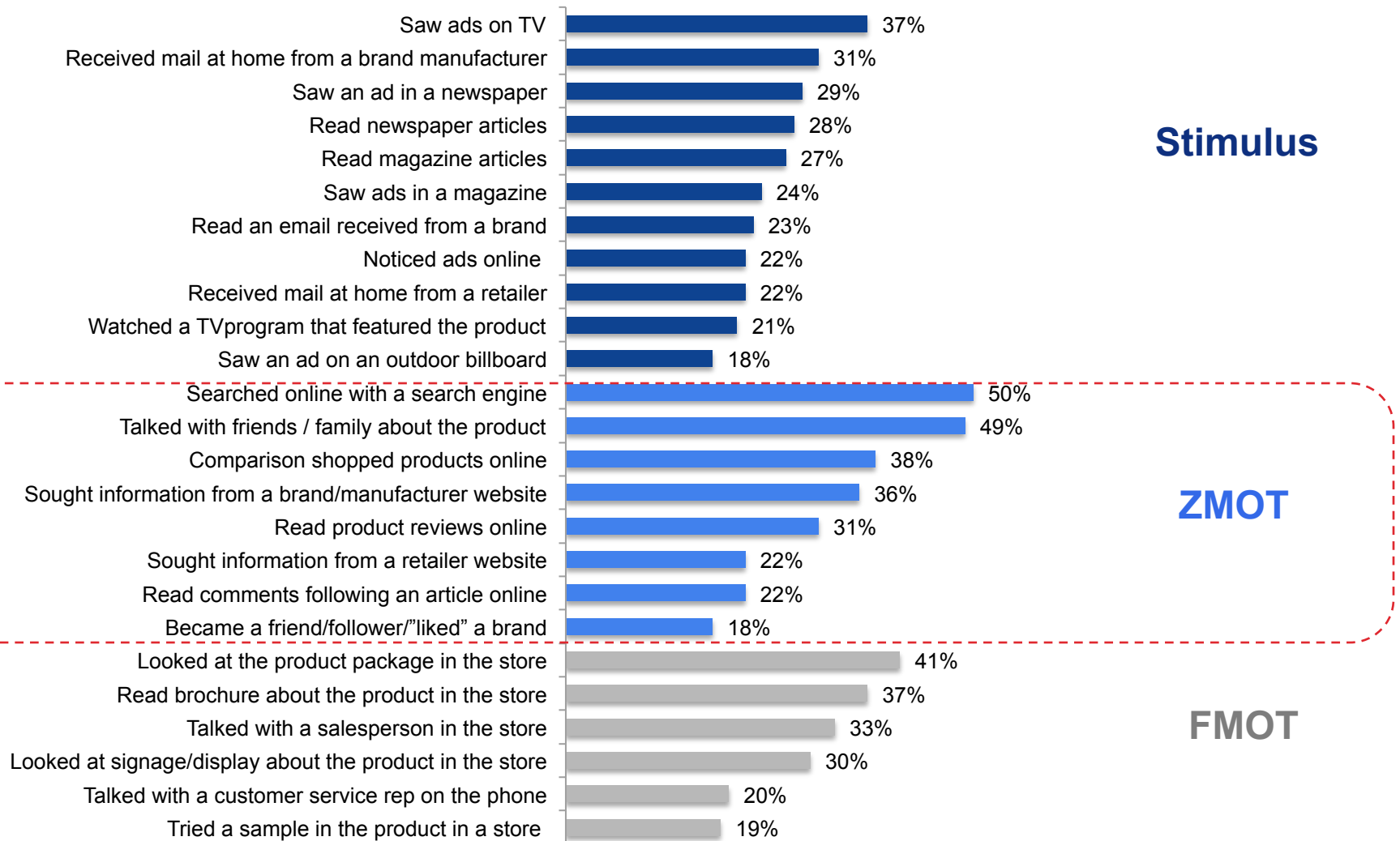
Shoppers use a range of sources, depending on type of decision

Shoppers can range from using an average of 5.8 sources when choosing a Restaurant to a high of 18.2 sources used by Automobile shoppers.

Average # of Sources Used by Category



Searching online and word of mouth are among top ZMOT sources

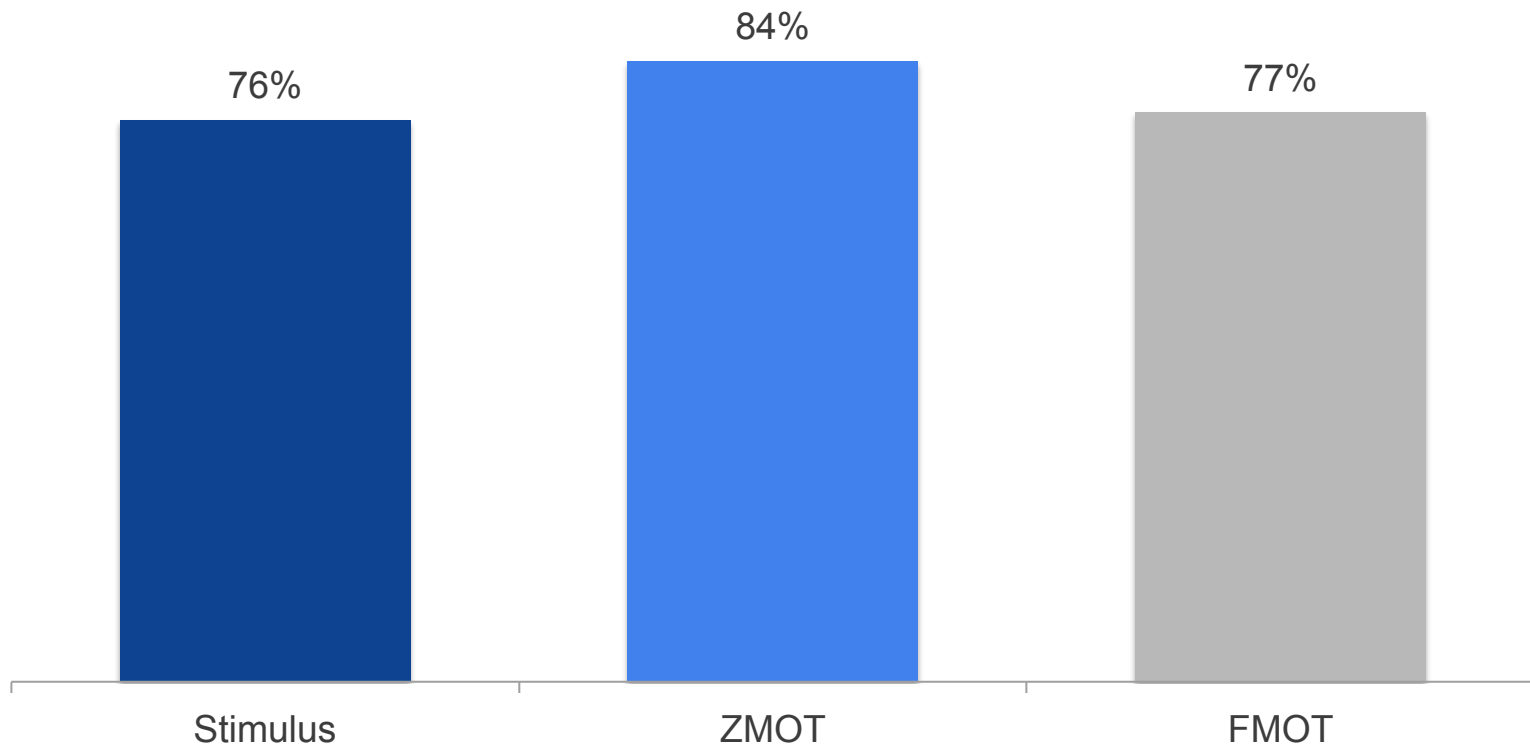


Q2 When you were considering purchasing [PRODUCT], what sources of information did you seek out to help with your decision?

Base: N=5,003

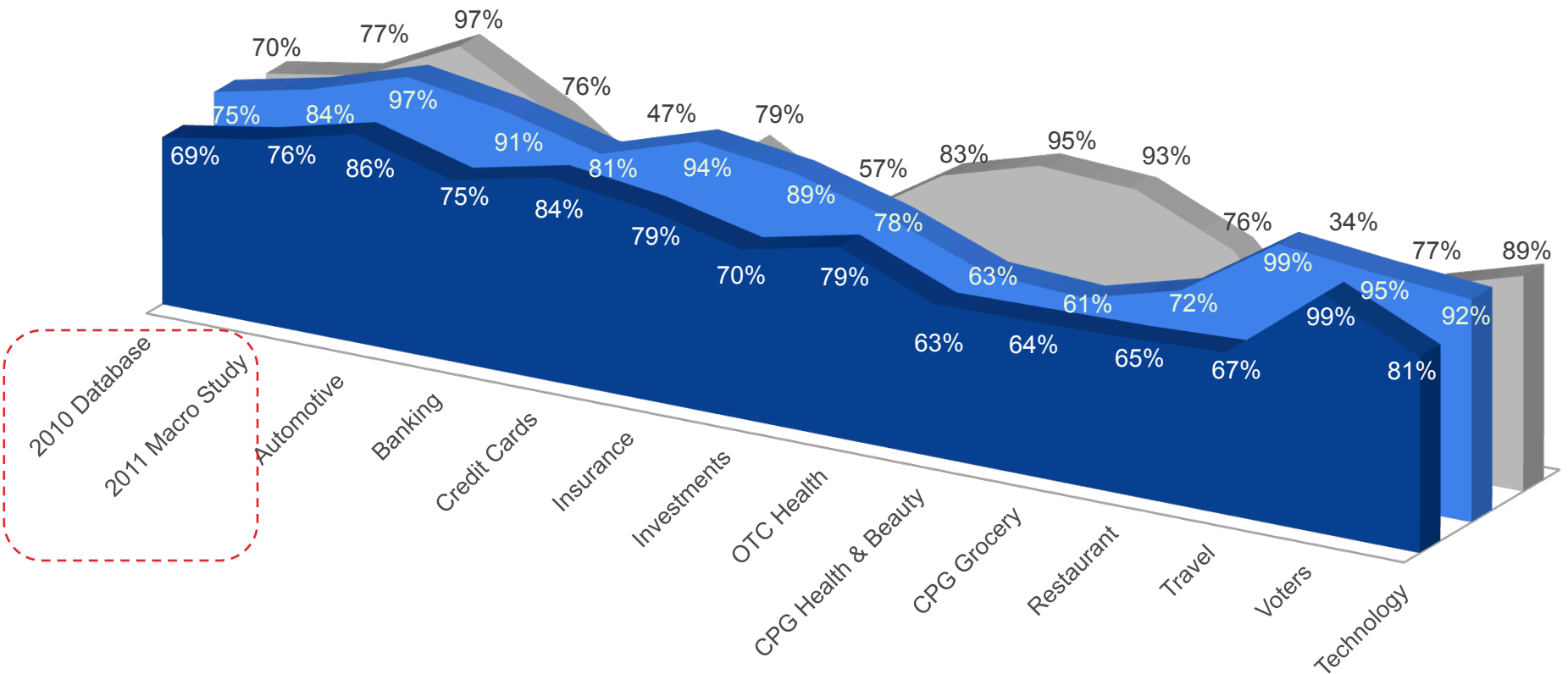
Source: Google/Shopper Sciences, Zero Moment of Macro Study, Apr 2011
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ZMOT sources are equally important, if not more important, than Stimulus and FMOT



Overall, shoppers are using more ZMOT sources in 2011 than in 2010

■ Stimulus ■ ZMOT ■ FMOT



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Base:N=5,003

Source: Google/Shopper Sciences, Zero Moment of Macro Study, Apr 2011
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Shoppers turn to the Internet mostly for location based information. Social and mobile are at its infancy but growing

Categories of Internet Behaviors	% of shoppers that engage in the behavior	Tactical behaviors within the category
Location	41%	Got maps / directions to the store
		Got information on a particular store (hours, parking, etc.)
		Read reviews on a particular store
		Found locations of the store
In-Store Information	30%	Checked availability of the item in the store
		Looked for information on upcoming sales at the store
Call to Action	29%	Set price alerts to be notified
		Added sale date information to your calendar
		Held or reserved an item in the store
		Called a store from phone number provided online
Took to Store	26%	Printed out information to take to the store
		Looked for online coupons that you can use in the store
Additional Media	25%	Looked up Rewards Programs / Points programs
		Looked at newspaper inserts / coupons online
Compared to Other Media	19%	Compared to information found in newspapers or magazines
		Compared to information found in the yellow pages
Sharing/Social	19%	Read my friend's reviews on a product or look at their likes / fan pages
		Saw what others who viewed the item actually purchased
		Sent a link to someone else for their input
		Recommended a site or product to my friends on a social networking site
Mobile	14%	"Checked in" to a location with your mobile phone
		Used mobile phone to find directions
		Used mobile phone to find the best prices
		Used search engine on my mobile phone

Q8 Below are some ways that other people say they use the Internet when researching a purchase decision. Which of the following things did you do during your recent purchase? You may select as many as apply. Base N=5003



Source: Google/Shopper Sciences, Zero Moment of Macro Study, Apr 2011
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Comparison shopping online and searching online rank high among what influences the shopper's ultimate decision

Net Influence – Top Sources Above Average



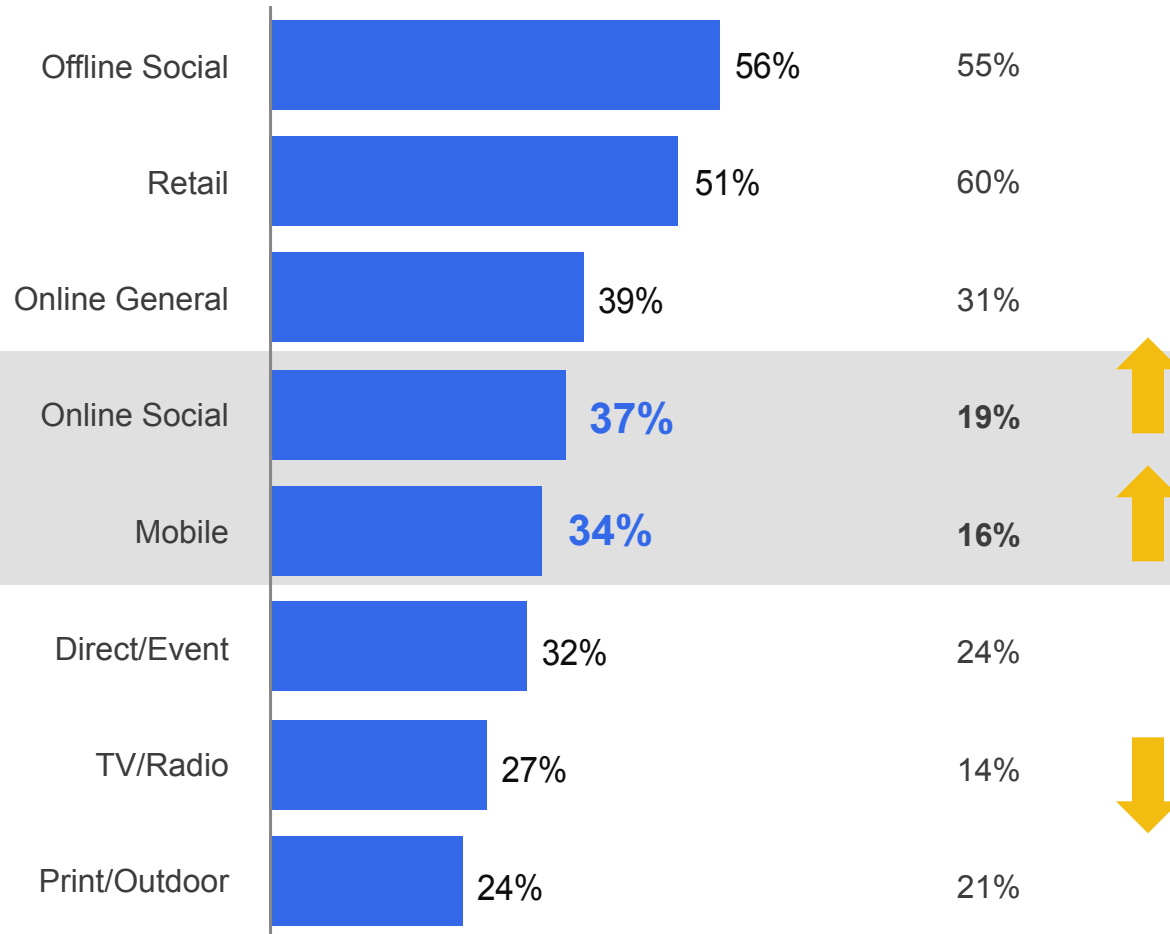
Q5 We'd like you to tell us how influential each of these sources of information was to you at the time. Please select a number from 1-10 for each of the sources below where 1 is "least influential" and 10 is "most influential." You may select any number in between 1 and 10.

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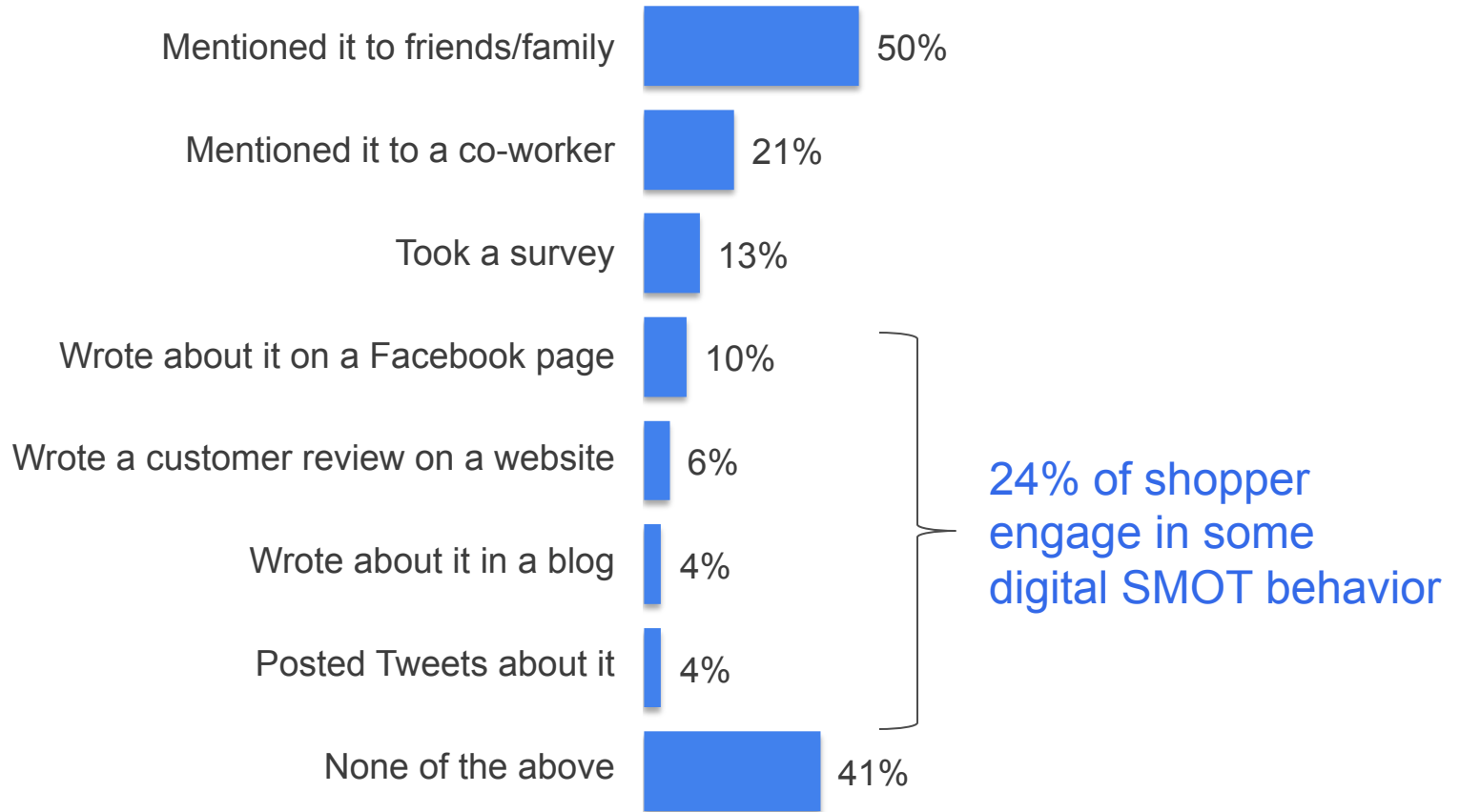
Social and mobile are growing significantly in influence compared to year ago

2010 Macro Study



Post Purchase Behavior

Almost 1 in 4 are sharing digitally, but this is not a mainstream behavior, yet.



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