

# How Smartphones Are Changing the Shopping Experience

June 2011



# Agenda for Today

About Chadwick Martin Bailey

Consumer use of mobile devices to shop online

The driving factors behind mobile shopping

How consumers pay using their mobile device

Using devices while in stores

Key takeaways

About this research



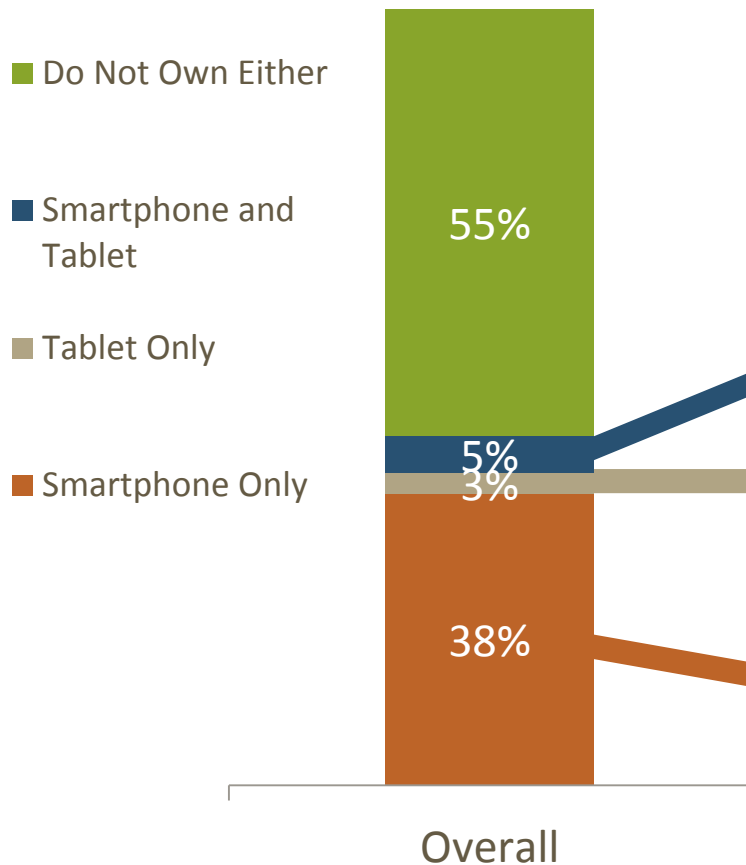
# Who is Chadwick Martin Bailey?

- Founded in 1984
- 65 employees in Boston
- Global, full-service custom market research company
- Dedicated practices in retail, travel, financial services, healthcare, ecommerce, insurance and technology verticals
- Specialize in brand, segmentation, product development, and customer loyalty research

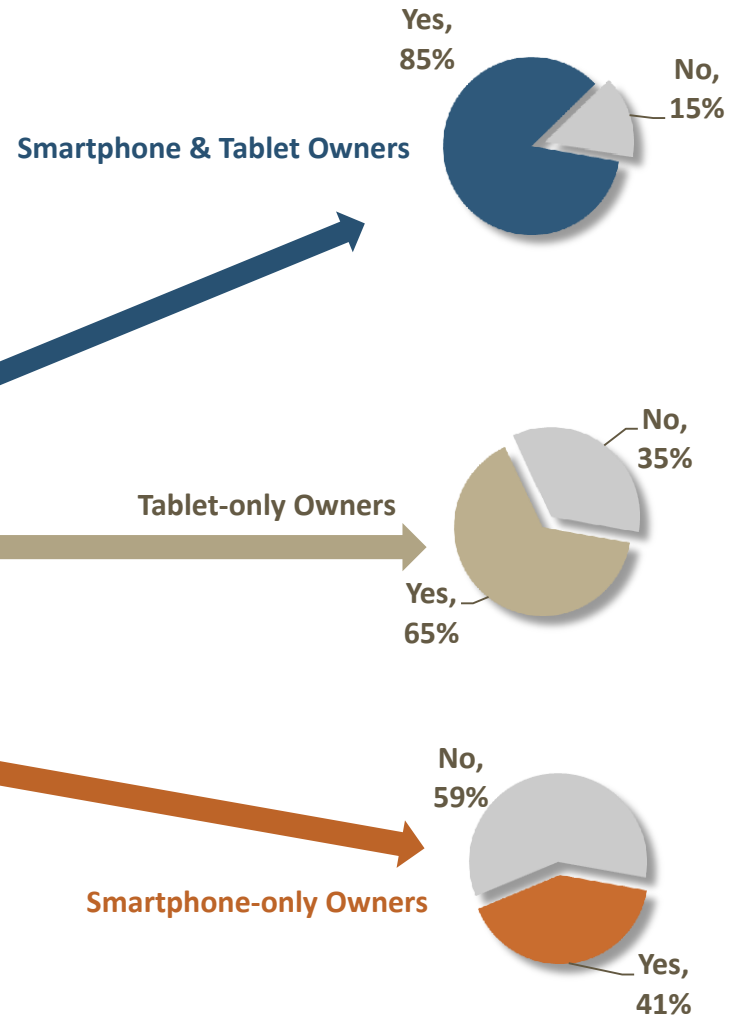


# People owning multiple devices have higher online shopping behaviors via their mobile devices

Which of the following do you own?

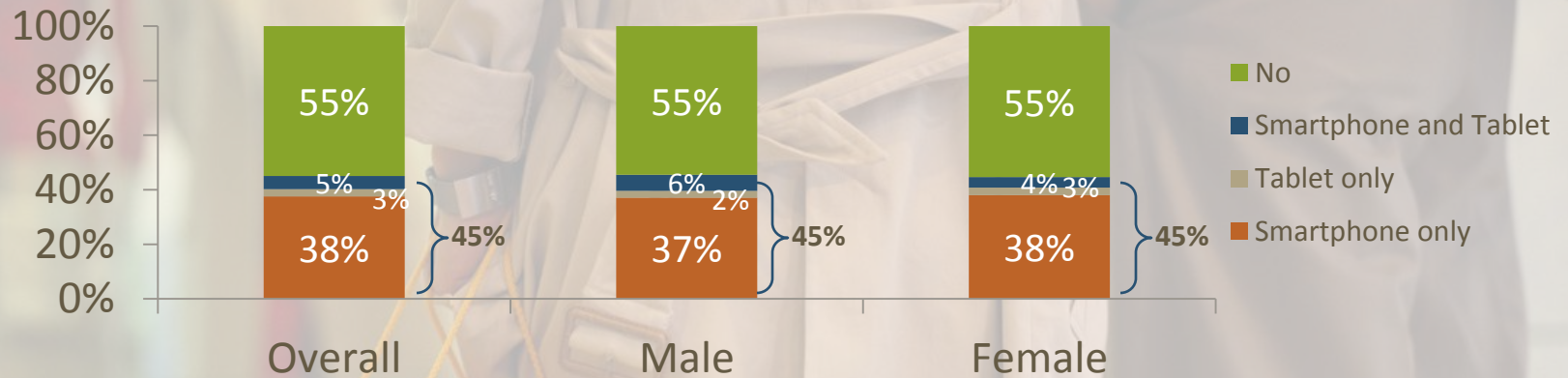


Have you shopped online via the browser or an app?

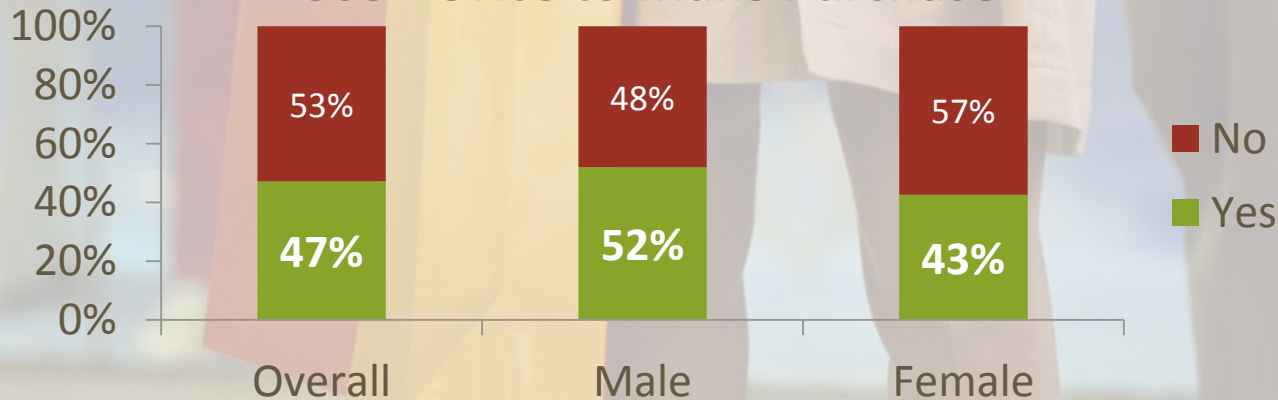


# Women are in the game (it's not just men making purchases via mobile devices)

## Device Ownership

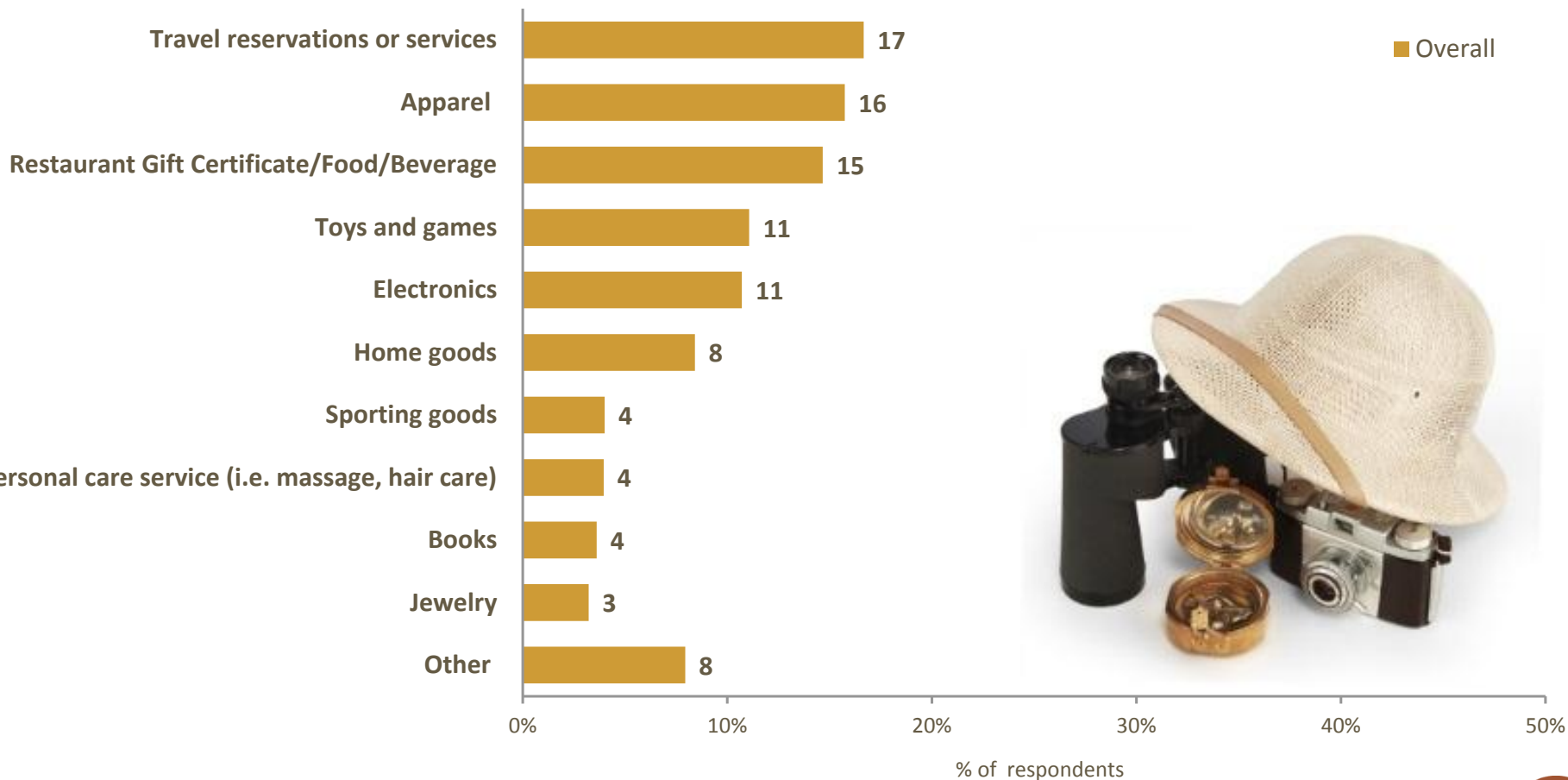


## Use Device to Make Purchase



# The items purchased via smartphone present a range of products and services

## Online purchases the last time a smartphone was used...

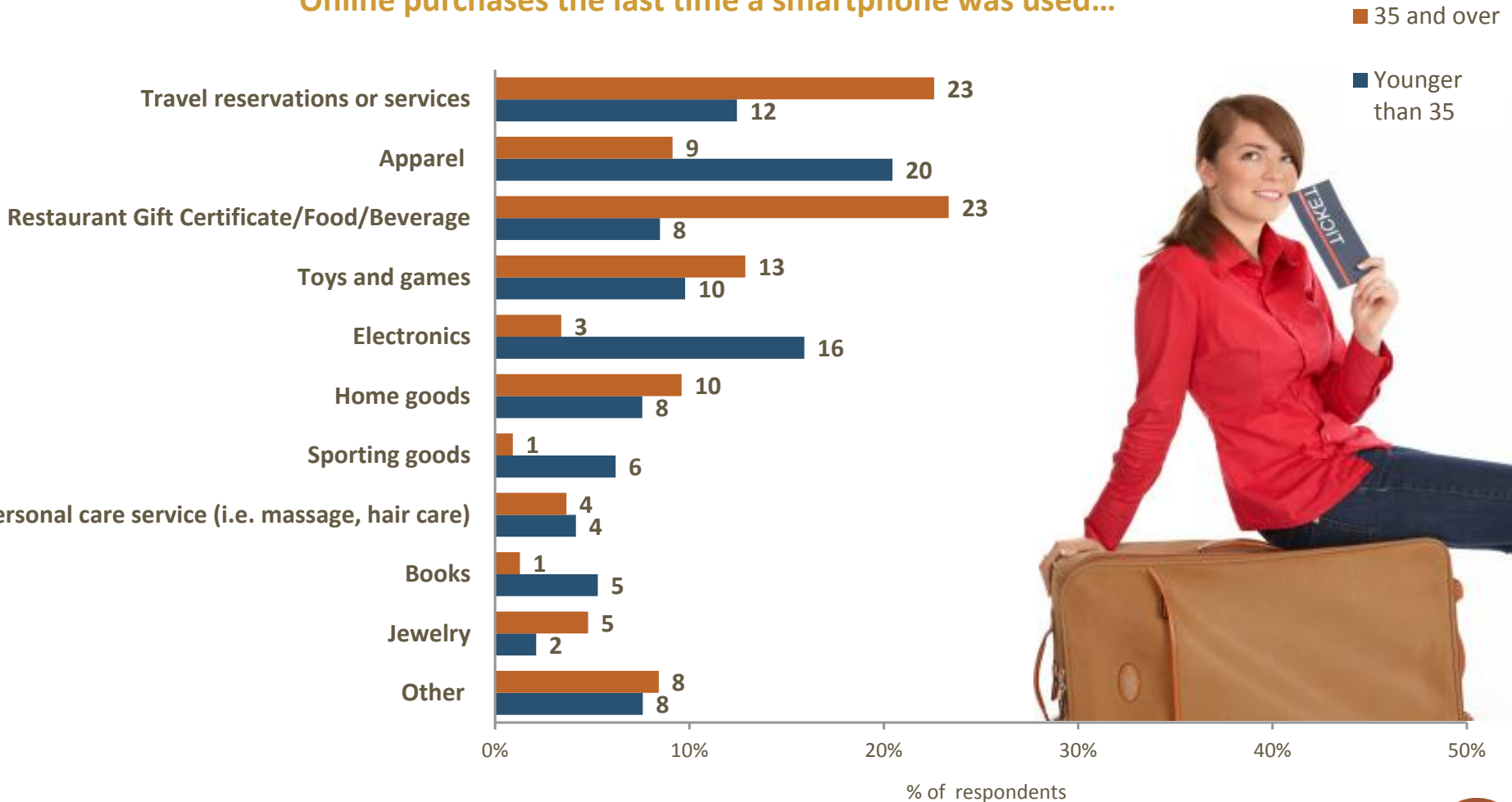


**Base:** Those who have used a smartphone app/Web browser for a purchase in the last 12 months, n=186 • **Q12:** Think about the last time you made a purchase using your smartphone. By a purchase we mean a product or service excluding downloadable content such as music, movies, and apps. What type of product or service was it?



# Older shoppers are purchasing travel and services; younger shoppers are purchasing clothing and electronics

## Online purchases the last time a smartphone was used...

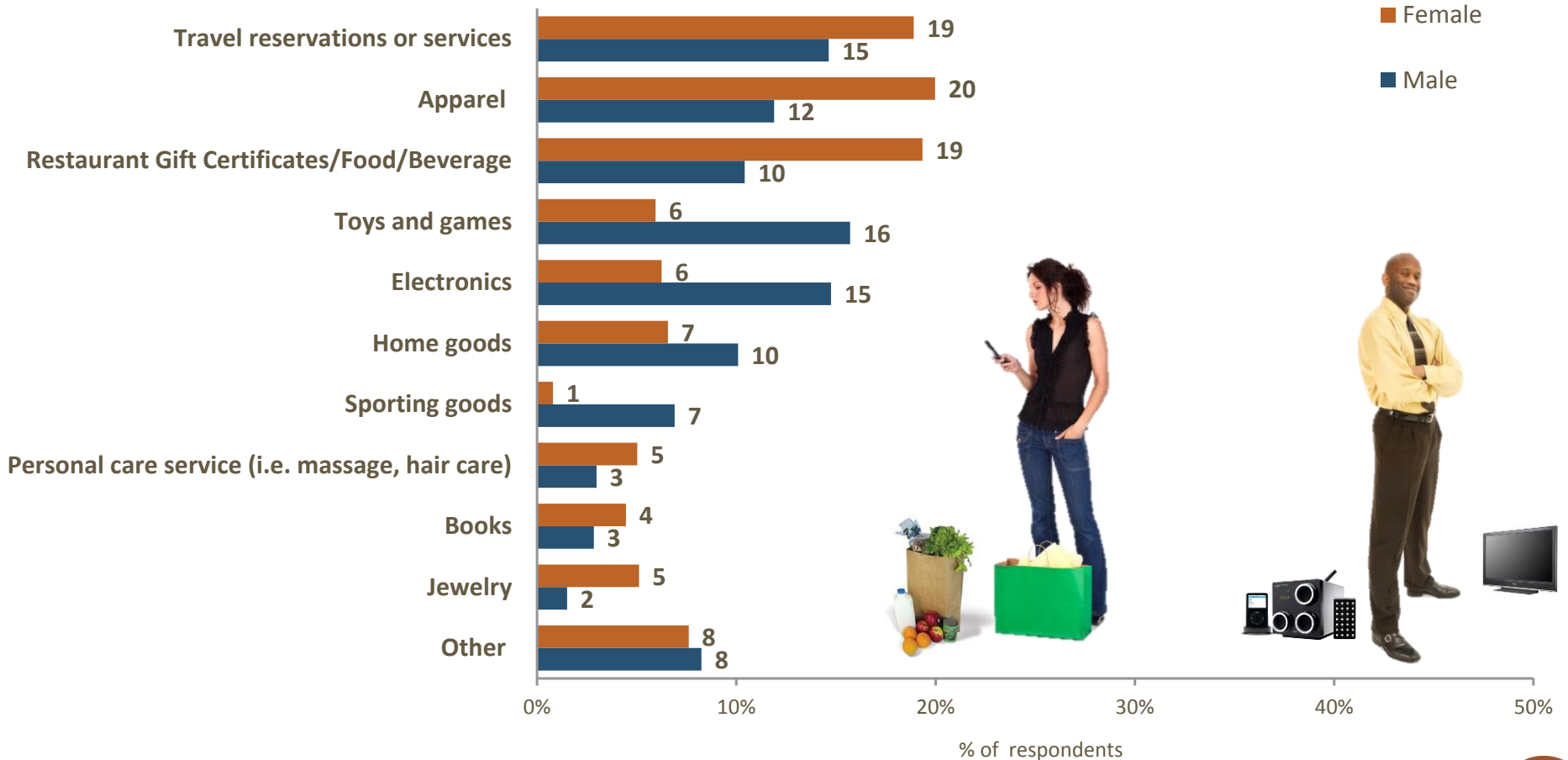


**Base:** Those who have used a smartphone app/Web browser for a purchase in the last 12 months, n=93 (under 35), n=93 (35 & over) • **Q12:** Think about the last time you made a purchase using your smartphone. By a purchase we mean a product or service excluding downloadable content such as music, movies, and apps. What type of product or service was it?



# Men have higher frequency of purchasing electronics; Women have a higher frequency of purchasing clothing

## Online purchases the last time a smartphone was used...



**Base:** Those who have used a smartphone app/Web browser for a purchase in the last 12 months, n=81 (Males), n=105 (Females) • **Q12:** Think about the last time you made a purchase using your smartphone. By a purchase we mean a product or service excluding downloadable content such as music, movies, and apps. What type of product or service was it?




# Not surprisingly, Convenience is the top benefit

- Respondents repeatedly described using their mobile devices to make time-sensitive purchases. They appreciated having a convenient way to take care of things that could not wait until they were at a networked computer



**“ I was not near a computer with internet access at the time and needed to make reservations asap.”**

*-Female, 30-34*



**“ I [decided to use a mobile device for this purchase] because I was in a place where I did not have access to a desktop or laptop.”**

*-Female, 30-34*



**“ The auction was going to close while I was in the car going someplace.”**

*-Female, 60-64*

# Laziness – “no need to get off the couch”

- Another common motivation for making purchases with a mobile device was self-described laziness
- Several respondents chose to use their mobile device to shop simply because it was the closest tool at hand. This meant they chose to use it rather than a more distant desktop or laptop computer



**Haha, I was sitting on the couch watching TV and didn't want to get up, so laziness?**



**Describe how you felt as you used this mobile device.**



**Umm, don't know, glad I didn't have to go to the other room to use the net so happy.**

*-Male, 65-69*



**I only used my phone [for the purchase] since it was right beside me at the time.**

*-Male, 30-34*



**I was comfortable on the couch and [my mobile device] was right there. I also just bought the tablet and wanted to use it**

*-Male, 30-34*



# Convenience overcomes shortcomings



The screen is smaller so it's harder for me to view all I want to easily. Also the keyboard is digital and often I press the wrong key and have to correct. So generally it may take longer to make the transaction but I can do it at a more convenient time...or when I remember.



Which is more important to you, larger screen size or being able to purchase when it's convenient for you?



Convenience of a mobile device...time saved.

*-Female, 45-49*



# Increased shopping will happen as more people acquire smartphones AND has people become more accustomed

- Respondents who focused on and found value in the convenience of mobile shopping indicated that they expect to shop this way more often in the coming year



**I think it will increase. I really like the ease of use of my smartphone, especially when I'm on the go.**

*-Female, 18-24*



**I think I will definitely use mobile shopping more now that I have everything setup...much easier than wasting gas money bringing kids into stores.**

*-Female, 25-29*

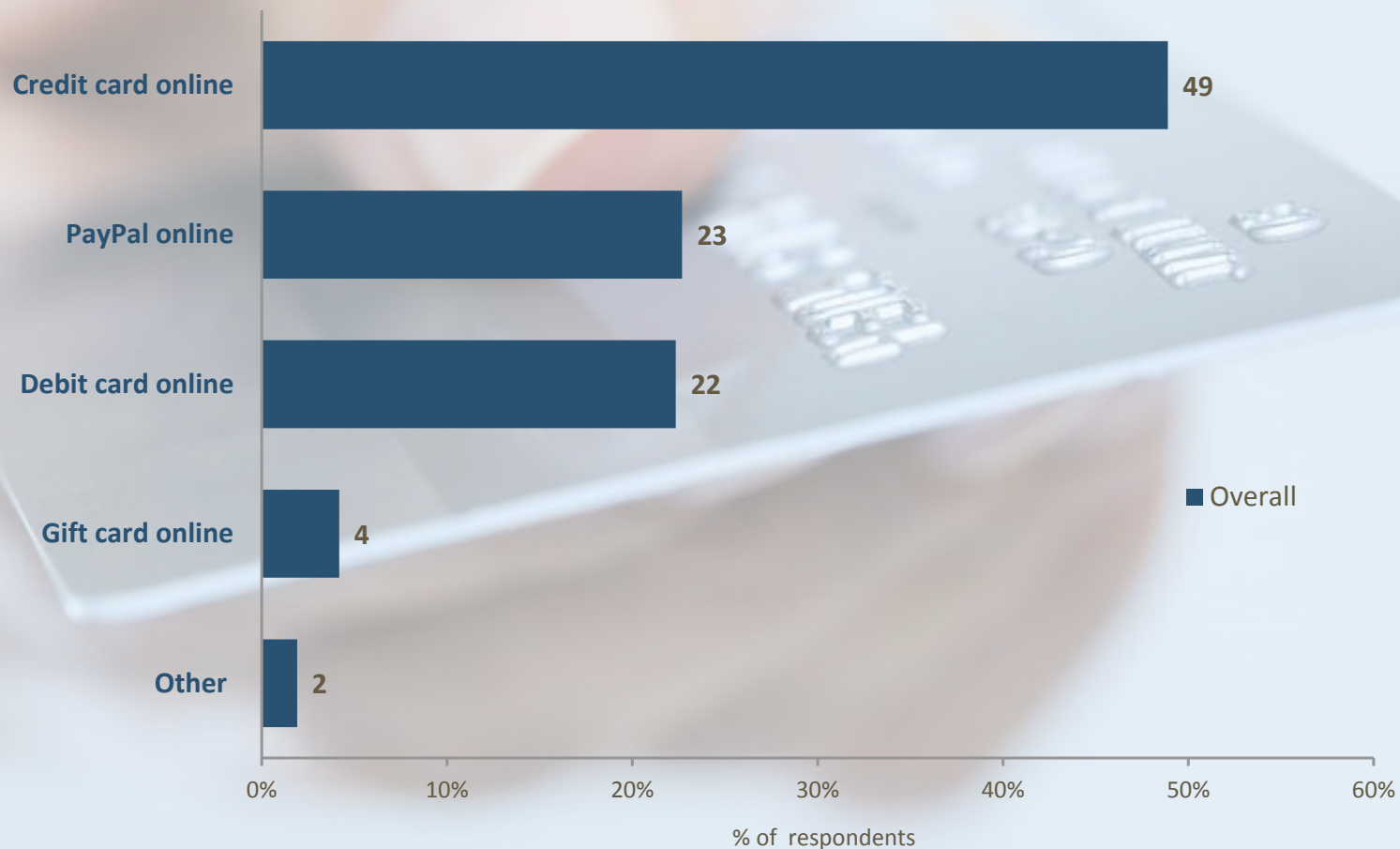


**Probably will be using more...it's easy and I can use it anywhere (it's convenient).**

*-Female, 40-44*

# Half of purchases by smartphone are paid using a credit card

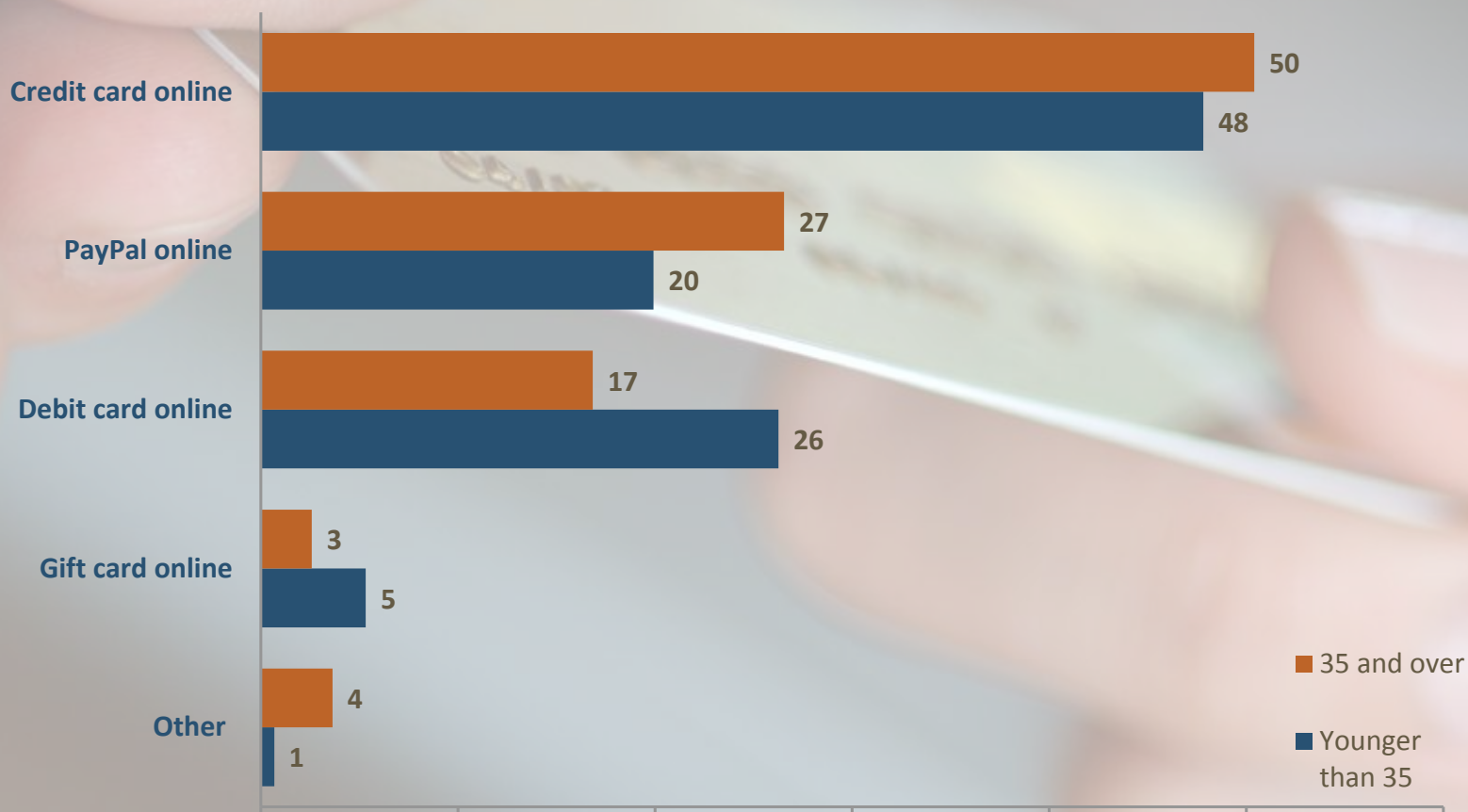
## Payment method, the last time a smartphone was used...



**Base:** Those who have used a smartphone app/Web browser for a purchase in the last 12 months, n=93 (under 35), n=93 (35 & over) • **Q12:** Think about the last time you made a purchase using your smartphone. By a purchase we mean a product or service excluding downloadable content such as music, movies, and apps. What type of product or service was it?

# One-quarter of younger shoppers (under 35) rely on debit cards when paying

Payment method, the last time a smartphone was used...

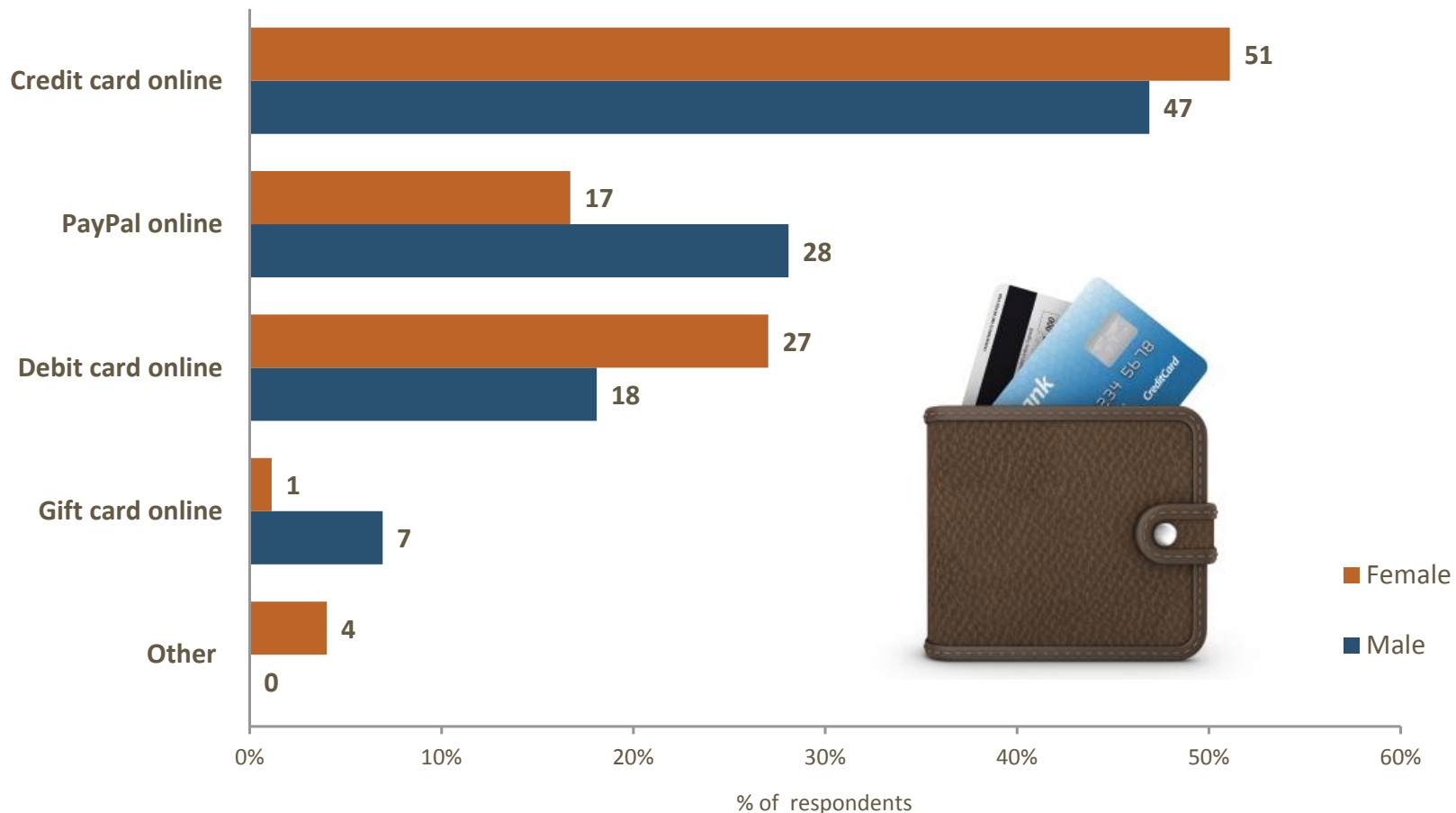


Base: Those who have used a smartphone app or web browser for a purchase in the last 12 months, n=930 (under 35), n=935 (35 & over) • Q1 2014  
 0% 10% 20% 30% 40% 50% 60%  
 % of respondents

By a purchase we mean a product or service excluding downloadable content such as music, movies, and apps. What type of product or service was it?

# Credit card usage is similar, but men and women differ on PayPal and debit card usage

## Payment method, the last time a smartphone was used...

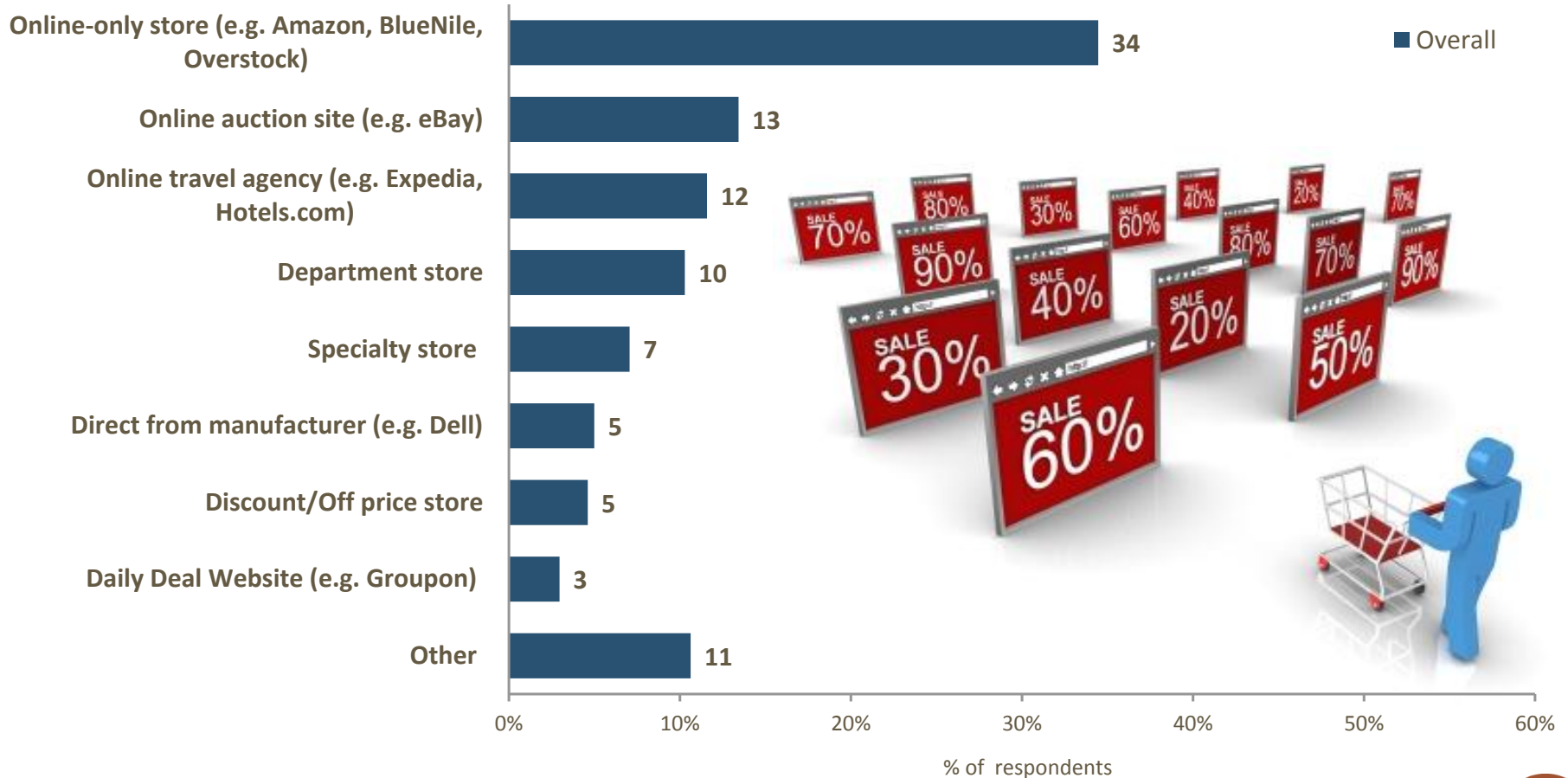


**Base:** Those who have used a smartphone app/Web browser for a purchase in the last 12 months, n=93 (under 35), n=93 (35 & over) • **Q12:** Think about the last time you made a purchase using your smartphone. By a purchase we mean a product or service excluding downloadable content such as music, movies, and apps. What type of product or service was it?



# A third of purchases by smartphone are via online-only stores

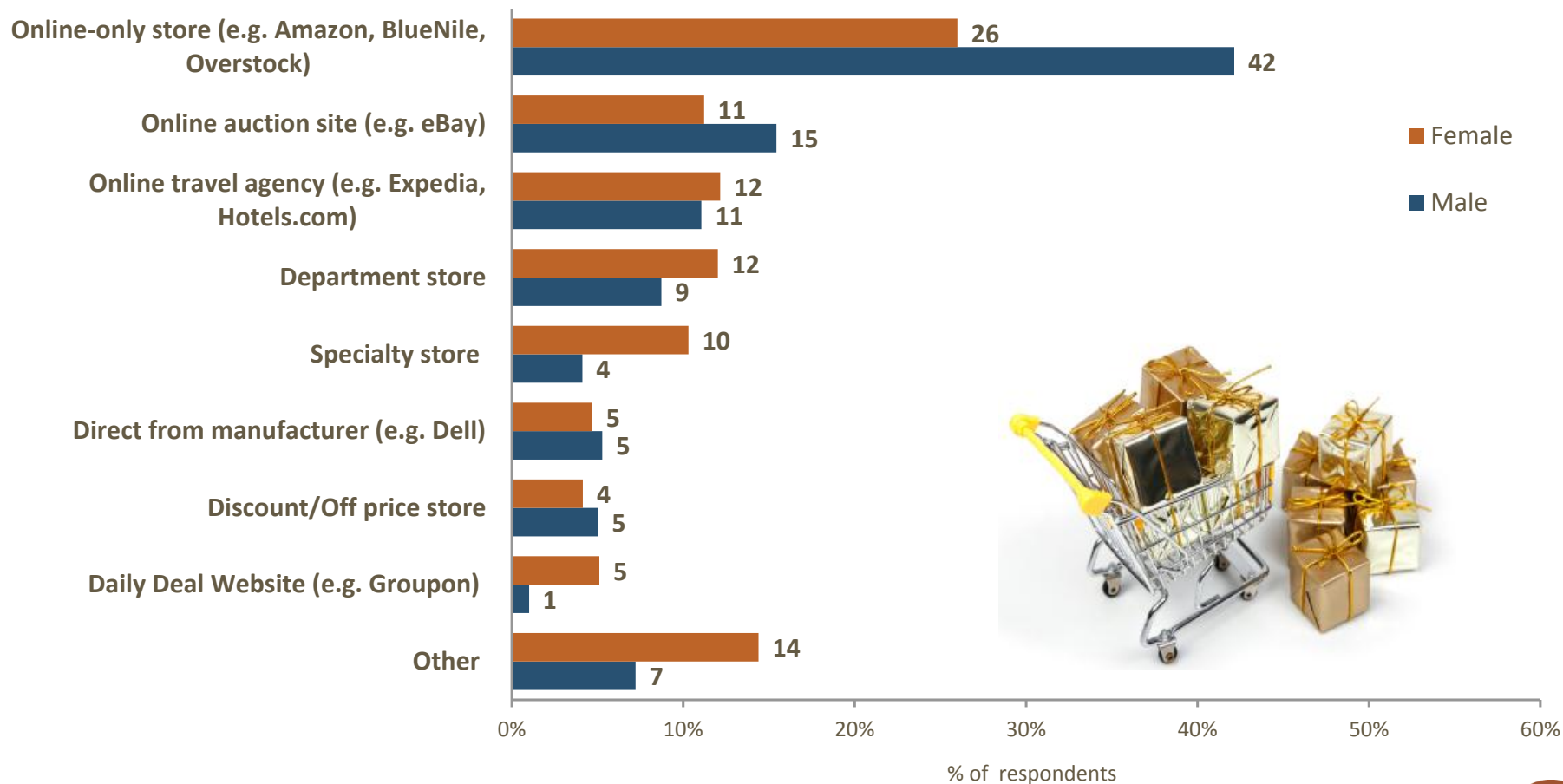
## Retailer used, the last time a smartphone was used...



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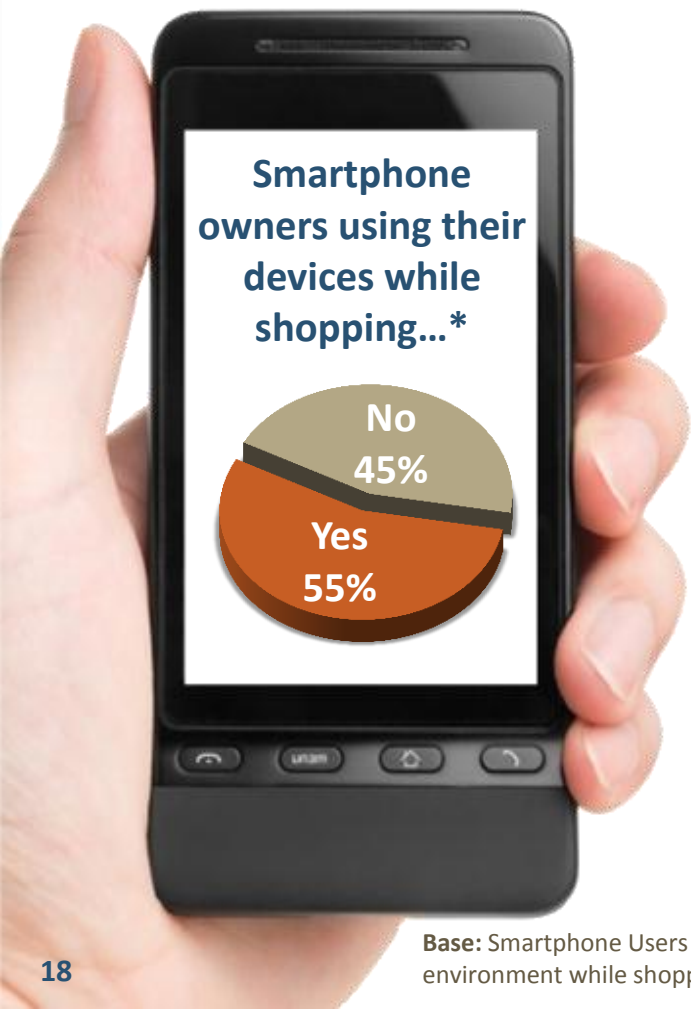
# Men also have a higher shopping frequency at online-only stores

## Retailer used, the last time a smartphone was used...



**Base:** Those who have used a smartphone app/Web browser for a purchase in the last 12 months, n=93 (under 35), n=93 (35 & over) • **Q12:** Think about the last time you made a purchase using your smartphone. By a purchase we mean a product or service excluding downloadable content such as music, movies, and apps. What type of product or service was it?

# Over half of smartphone owners use them while shopping



Younger adults (<35) are twice as likely as older adults to use smartphones while shopping



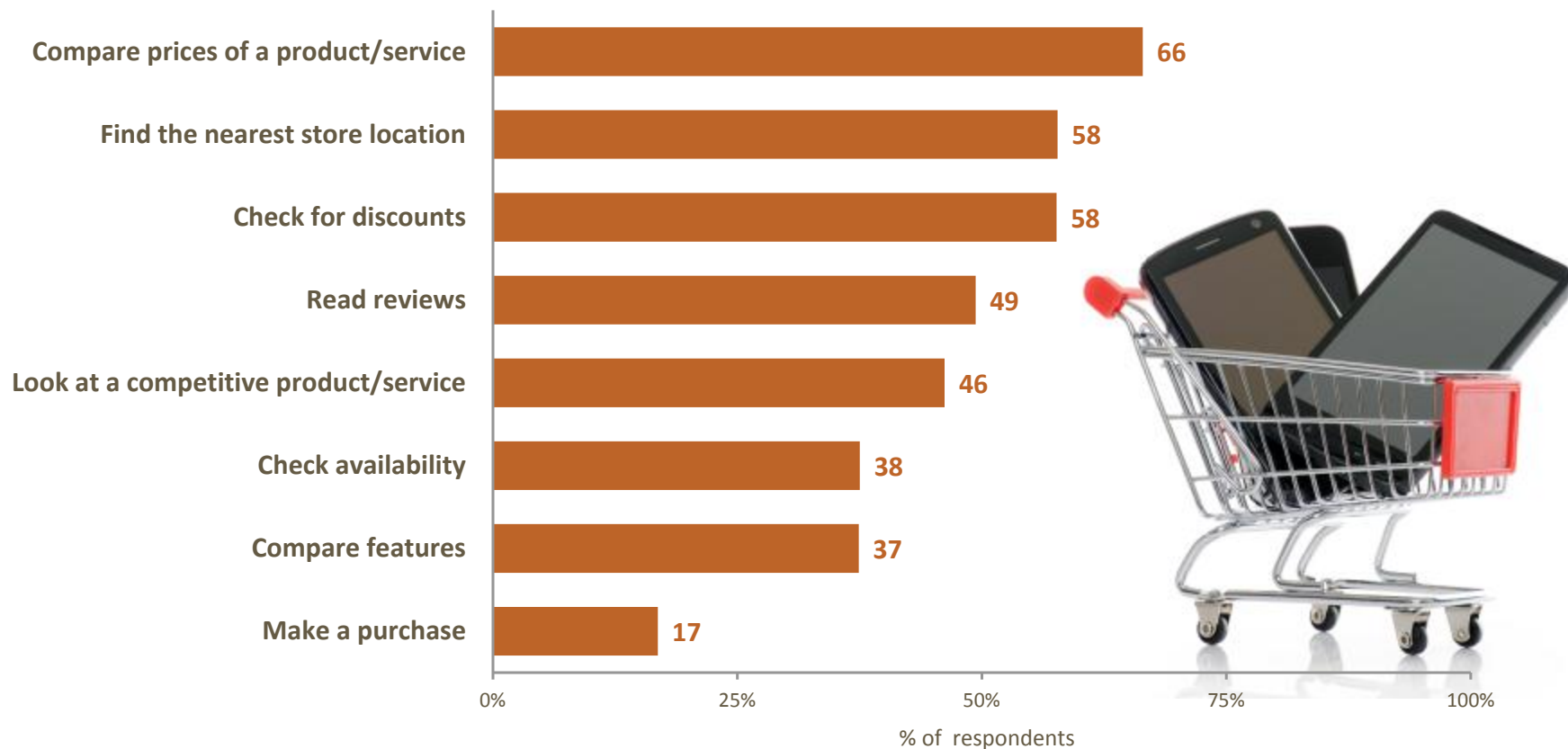
iPhone owners are almost twice as likely as Blackberry owners to use smartphones while shopping




Base: Smartphone Users • Q13: Have you ever used a smartphone "application"/Web browser in a retail or store environment while shopping? \*No includes those that said "No" and "Don't Know."

# Price shopping and finding locations are top reasons for using a smartphone while shopping

## Reasons for using smartphone while shopping



Base: Those who have used a smartphone app/Web browser while shopping (N=349) • Q14: Why have you used a smartphone “application”/Web browser in a retail or store environment while shopping? (select all that apply).

A hand holding a smartphone, with several colorful shopping bags (orange, green, red) visible in the background. The text is overlaid on the image.

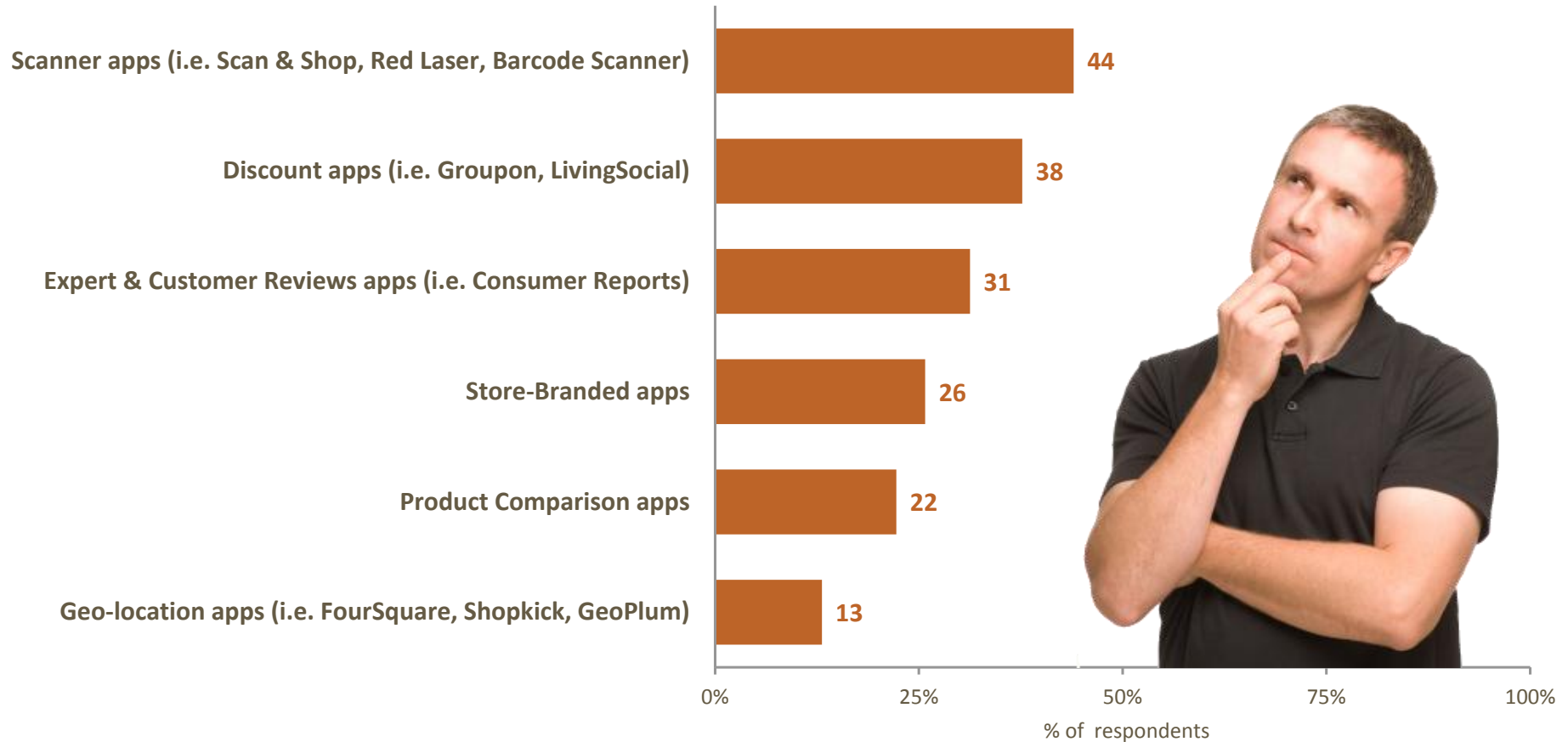
## Price comparisons give consumers the confidence that they are getting a good deal

*“I've used it to compare prices at other stores or to see if I can get a better deal online... If the price difference is big enough, I'll go to another store or delay my purchase.” - Female, age 25-29*

*“I was able to shop with more confidence knowing that I was getting a fair price.” - Male, age 40-44*

# Scanner and discount apps are the most frequently used shopping applications on smartphones

## Applications used on smartphone while shopping



**Base:** Those who have used a smartphone app/Web browser while shopping • **Q16:** Which of the following categories of smartphone “apps” have you used in store when deciding to make a purchase or comparing products/services? (select all that apply).

# Key takeaways

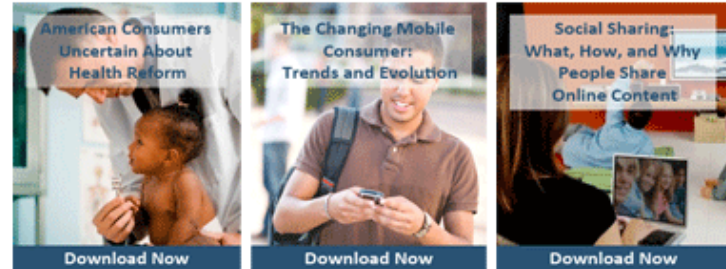
- **Nearly half (47%) of smartphone and tablet owners use them to make purchases:** And it's not all young men, women are a growing segment
- **Credit cards are used in about half of purchases via smartphone:** PayPal and debit cards make of the remainder of methods, ¼ men use PayPal
- **The Convenience Factor:** Whether it is an online auction deadline, saving time, or just the convenience of making a purchase while sitting on the couch, mobile devices are becoming a vital part of online shopping
- **Within the physical retail shopping experience, smartphones are changing buyer behavior:** Over half of smartphone owners use them while shopping in retail stores– 2/3 are comparing prices on their smartphone
  - E-commerce retailers need to be included in price comparison apps and create a value proposition that entices consumers to replace the instant gratification of their purchase with an online purchase at a better price

# About this consumer pulse research

- **Independent Research:**  
Conducted through the CMB Consumer Pulse
- **Methodology:** Data collected from 1,461 consumers, age 18+ in the United States through panel company, Research Now
- Data was collected through a 15 minute online questionnaire in May, 2011
- **iModerate Research Technologies** conducted twenty one-on-one discussions to more fully contextualize their mobile banking behaviors



Download the latest reports from CMB's Consumer Pulse Program



# Questions?



**Jeff McKenna**

*Senior Consultant*

Email: [jmckenna@cmbinfo.com](mailto:jmckenna@cmbinfo.com)

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179 South Street, Boston, MA 02111 • 617-350-8922 phone • 617-451-5272 fax [www.chadwickmartinbailey.com](http://www.chadwickmartinbailey.com)