SHOPPING TOPOGRAPHY 2012

Mapping the New Consumer Pathways to Purchase

A Hartman Group Syndicated Study for 2012

THE RESEARCH

While consumers continue to shop, even in the face of prolonged economic recovery, much has changed about the way they shop. Today's consumers are faced with more product and brand choices, channel options and economic pressures than ever before. They are also much savvier than anytime in modern shopping history. Consequently, the need to understand the true picture underlying the how—and **WHY**—of shopping has never been greater.

Shopping Topography looks at the wider contexts of how and why consumers shop by taking a holistic approach to behaviors, expectations and experiences, including the following:

- **The Current State of Pre/During/Post Shop.** The linear model is no longer relevant. A new model has emerged to reflect the realities of today's consumer.
- **Channels.** Grocery, Mass, Drug, Club and Dollar Stores.
- **Categories.** Foods & Beverages, Personal Care and Over the Counter (OTC).
- **Value.** Impact of the economy on shopping and purchase behavior.

This new research is not about uncovering "the moment of truth" or revealing "primary touchpoints" for interacting with shoppers. It is about providing substantially more insightful and pragmatic data and information with regard to understanding the contemporary shopping experience and pathways to purchase.

Shopping Topography is the result of a comprehensive qualitative and quantitative exploration of contemporary shopping behaviors and their impact on pathways to purchase across five key channels and three major categories. It was fielded March 2012 in the U.S. marketplace.

In addition to rethinking the linear model of pre-, during and post-shopping pathways to purchase, and unveiling our new pathways to purchase model, "Constant Consumers," another important feature of the report is the section on Channel Dashboards.

The series of cross-channel dashboards reports and highlights top-level findings across all of the Channels as well as qualitative commentary gleaned from the fieldwork. A set of dashboards for each channel highlights key findings and include: SWOT (successes, weaknesses, opportunities, threats) analysis of each channel divided into the new Constant Consumers framework of INFORM, PURCHASE and CONSUME. All dashboards have the same components, which gives the ability to compare section pages across the channels with specific data of interest highlighted in the left-hand columns.

REPORT FEATURES

- New "Constant Consumers" model and framework for understanding today's pathways to purchase
- New findings on redefining the value of foods and beverages
- Consumer video clips embedded throughout the report
- New findings on shifts in shopping and purchasing behaviors
- Channel dashboards—quick glance at key top-level findings across the channels included in the research
- Strategic recommendations—the key takeaways on what the research means for your business

METHODOLOGY

Integrated qualitative ethnography and quantitative online survey.

Qualitative fielding: Two U.S. markets, Dallas and Seattle.

Auto-Ethnographies: A subset of consumers was selected to participate in a video diary exercise. They were asked to record their shopping excursions over a five- to 10-day period and share their experiences in brief clips.

Quantitative: Online survey of nationally representative sample of 1,900 U.S. consumers 18-70 years of age.

ABOUT THE REPORT

Report Length: General report in PowerPoint format with embedded consumer video clips: 125 pages. Set of standard demographic data tables in Excel format included.

Market Coverage: U.S. market

Release Date: 2012-06-15

Price: $15,000

SHOPPING TOPOGRAPHY 2012

Mapping the New Consumer Pathways to Purchase

A Hartman Group Syndicated Study for 2012

hartman GROUP

EXECUTIVE SUMMARY

IN THIS SHOPPING TOPOGRAPHY STUDY, The Hartman Group has discovered that the consumers' path to purchase, across all Channels, has become more complex, multifaceted and logistically veered off its previously well-traveled route. For today's consumers, shopping is a 24/7 activity as they:

- Navigate a multitude of product choices and Channels
- Search for the best way to spend their hard-earned dollars
- Gather information by way of bricks or clicks
- Sift through a myriad of "expert" opinions
- Shop anywhere at anytime for anything

As a result of The Hartman Group's research, we are introducing a model called Constant Consumers, which we feel accurately captures the current fusion of shopping modes, information sources, and planning that is currently occurring in the marketplace. The new model does not focus on the single path to one product, but rather looks at the ongoing process of purchase through the eyes and mind of today's consumer.

We explore this new model and give details about how purchases get triggered throughout the three stages of INFORM, PURCHASE and CONSUME.

These platforms represent three interlocking, symbiotic and interdependent elements that explain the why behind the buy:

INFORM. This denotes the key sources of consumer knowledge broken down into two categories: PEOPLE and MEDIA + MARKETING. These two groups encourage purchase and inspire consumption.

PURCHASE. Consumers work in two modes across all Channels: BROWSE + BUY and SEARCH + RETRIEVE. They toggle between modes, depending on mission, needs and the personal interests that trigger purchase.

CONSUME. There are IMMEDIATE and PLANNED consumption moments. PLANNED consumption is most influential in triggering inform and purchase. IMMEDIATE directly triggers purchase.

We have also found that consumers are guided by the stories they tell themselves. It's important to note, as we have stated before, that there is often a striking incongruity between what consumers say and do. However, the underlying elements of cultural narratives determine consumers' opinions and eventually influence their purchase patterns.

These stories are deeply personal and incorporate consumers' unique histories, social positions and lifestyle aspirations and are a key influencer in their product and Channel choices. The narratives, like those highlighted throughout this report, are reflective of the broader cultural sentiments explored in The Hartman Group's research, including:

- Food Culture: The dynamic apparatus of people, places and products driving historical shifts in the definition of quality in the food category.

- Health + Wellness: How the traditional notions of health are being redefined as a quality of life issue. Consumers take a proactive, preventative approach to wellness, including a holistic, positive and experiential approach to health treatments.

Table of Contents

THE CONSTANT CONSUMER SHOPPING MODEL

SHOPPING TOPOGRAPHY 2012

Mapping the New Consumer Pathways to Purchase

A Hartman Group Syndicated Study for 2012

EXECUTIVE SUMMARY (continued)

CONSUMERS ARE CHANNEL SURFING. What becomes clear from these narratives is that consumers assess value at Grocery, Drug, Club, Mass and Dollar on a Channel-by-Channel, category-by-category basis. Our research shows that 50% of shoppers visited two or more stores on their last shopping trip.*

There is no one "Value" Channel; each Channel has a unique value proposition that taps different dimensions. This is all driven as much by the retailer as it is by the shopper. The Hartman Group has researched the following Channels and rolled the findings into a set of individual dashboards that include data highlights, quantitative findings and a SWOT (successes, weaknesses, opportunities, threats) analysis of the following:

- GROCERY. Everybody shops for groceries. For the consumer, perceived quality at the right price is the key indication of value in this Channel.
- DOLLAR. The thrill of the hunt is the draw for shoppers who value deeply discounted brands and one-off finds.
- CLUB. Routinized commodities available in bulk-sizing speak to a price-quantity calculus of value for certain consumers.
- MASS. Expansive private brand products provide compelling cost savings and often rival the quality of big brands, thereby offering the consumer excellent value.
- DRUG. A struggling Channel as consumers attempt to determine how Drug can best add value to their Heath + Wellness journey aside from medical insurance dictating prescription purchases.

**Shopping Topography, 2012; Grocery n=1900*

Through this data analysis and our qualitative interviews there emerged Five Key Findings worthy of further discovery and explanation. Each Finding section contains a more detailed look at the topic, including consumers' quotes and narratives, case studies and a "Things To Consider" across Channels. Highlights of the Five Key Findings are:

Redefining the Value of Food + Beverage
Savings. Cleanliness. Product Quality. Convenience. Safety. These criteria are the new baseline for consumer expectations. The recent success surge of the Dollar and outlet discounters has had a profound impact on the consumer perception of value at Grocery. According to our interviews and research, once this baseline is met, anything more is considered great, but not a must-have.

The Forgotten Male Shopper
THG interviewees and survey data reveal that men are filling store aisles as frequently as women across all Channels. Of great interest: 47% of primary shoppers are male; 57% of Hispanic primary shoppers are male.

Taking Care
It's all about Wellness. Our research found that the consumer's perspective is a bit blurry and how OTC and Personal Care products are purchased can be a rather unsystematic act. Contributing to the confusion is that, although the industry looks at OTC and Personal Care as distinct segments, there is very little separation in the mind of the consumer.

THE NARRATIVES

Heard Repeatedly During THG's Recent Interviews.

"I am an educated consumer; I am a savvy consumer."

"I keep my family healthy, active. We take vitamins."

"I eat fresh, unprocessed foods; organic and local when possible."

"I know how much items cost. I always get the best value for my money."

"I am sensitive. I have special dietary needs; gluten-free, no salt, lactose intolerant, no nuts."

"I avoid the industrial food chain, no GMOs, grass-fed, no hormones."

"I shop in a way that reflects who I am; I shop where people like me shop."

SHOPPING TOPOGRAPHY 2012

Mapping the New Consumer Pathways to Purchase

A Hartman Group Syndicated Study for 2012

hartman GROUP

EXECUTIVE SUMMARY (continued)

Get Fresh, Be Real
Throughout the Shopping Topography study, we found the consumer attitudes around “fresh” in full force. Our conversations were peppered with more consumer comments around “organic,” “non-processed” and “no hormones” than in the past. These days, the average mainstream consumer is savvy enough to ask all the right questions, even if they ignore the answers.

Shopping Shift
In these past several years, the U.S. has experienced significant population shifts that have had a dramatic influence on purchasing patterns with 99.6 million unmarried people (over 18) representing 44% of the adult population, 49 million Americans or 16.1% living in multi-generational households and 50.5 million Hispanics making up 16.3% of the U.S. population. This melting pot of cultures, ethnicities, beliefs, values and lifestyles reflects a different series of purchasing choices, influences and attitudes.

GROCERY

DOLLAR

CLUB

MASS

DRUG

A LOOK INSIDE (sample pages)