Guide from ShopperVista Channel Focus – Online Channel

SPOTLIGHT ON CLICK & COLLECT GROCERY SHOPPERS

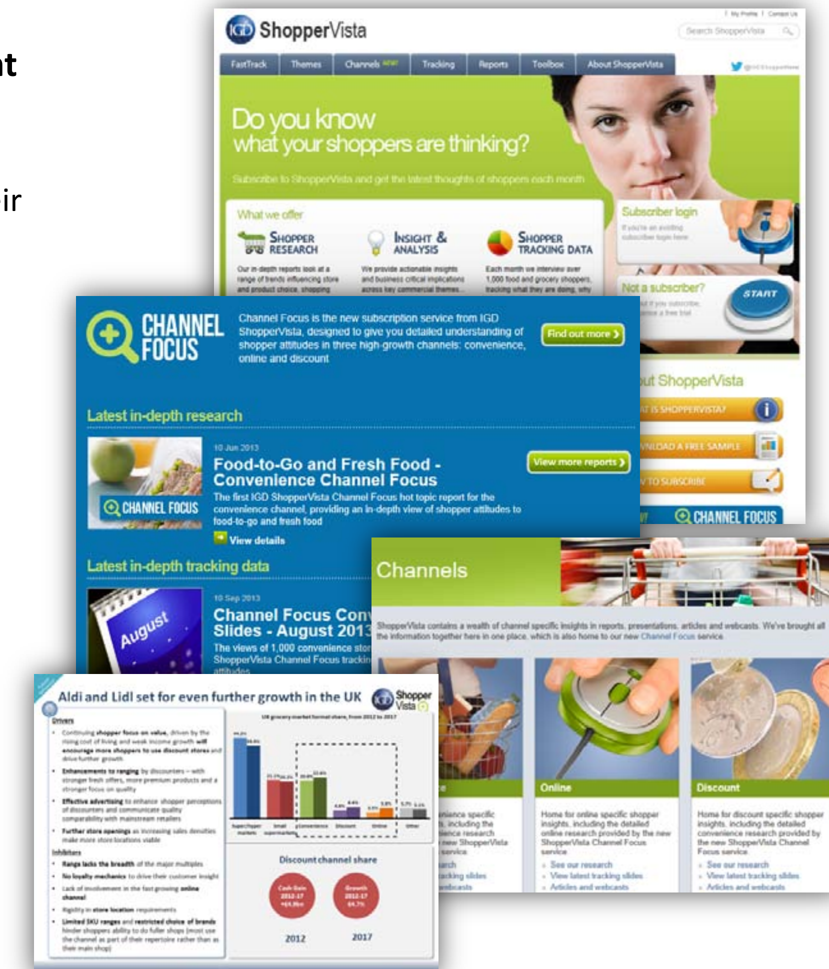
Hello and welcome

This guide is from IGD's ShopperVista Channel Focus service, which provides insights on the attitudes and behaviours of shoppers in the channels of online, convenience and discount

We interview 1,000 shoppers every month in each of these channels to learn how and why they are using them, and what their future expectations are

We analyse the findings and turn them into practical insights in a variety of formats - reports, articles and webinars - to help your business meet the needs of your shoppers and build stronger shopper marketing and channel plans

If your business wants to maximise shopper opportunities in the market's high-growth channels, get in touch with us today



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Snapshot

Snapshot: Click & Collect shoppers

Shopper Vista

Click & Collect is already established

- Almost **one in five** (18%) online grocery shoppers claim to have used a Click & Collect service in the last month
- However, Click & Collect shoppers are still at the **experimental** stage - 4% of grocery shoppers who shopped online in the past month **only** used Click & Collect
- The profile of Click & Collect shoppers is even more skewed towards **full-time working** parents
- Although growing rapidly, it is important to note that Click & Collect still only accounts for a very **small proportion** of the UK grocery market

Click & Collect could accelerate the growth of online

- Those who have started using the new Click & Collect grocery shopping service tend to have **more reasons** for using the online channel than those relying on home delivery
- One attraction is the **convenience** of picking up their shopping when it suits their busy routines, in addition to the time and **money saving** opportunities associated with this new service
- Prolific **multichannel** shoppers are more likely to try out the new Click & Collect service
- These shoppers are more likely to shop around more across different retailers – they claim to have used three online grocers in the last month, one more than home delivery shoppers

Profile & penetration

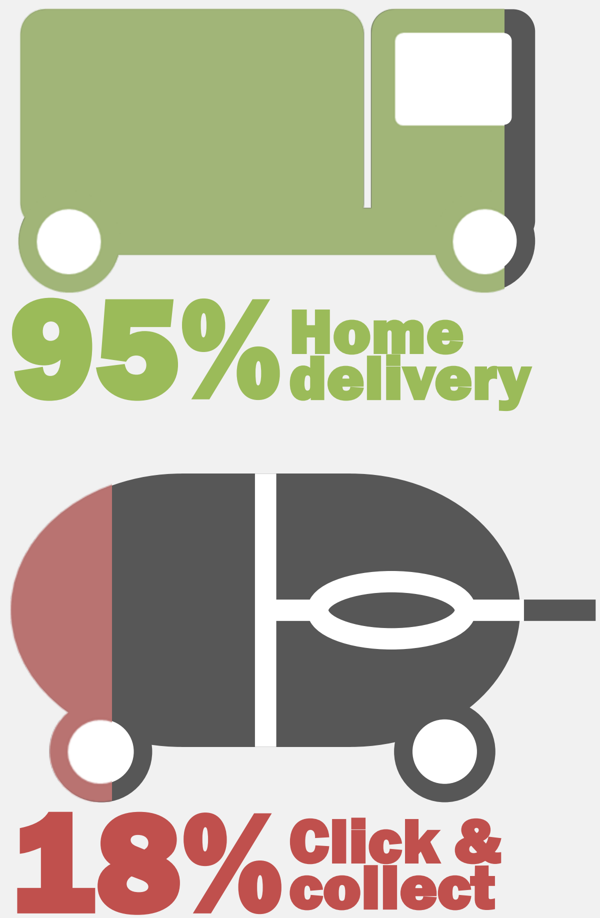
Click & Collect is already established

- Click & Collect is already **established** within UK grocery retailing
  - Almost one in five (18%) online grocery shoppers claim to have used a Click & Collect service for their groceries in the last month
- Click & Collect shoppers are still at the **experimental stage**
  - 4% of grocery shoppers who shopped online in the past month **only** used Click & Collect
  - 14% used home delivery **as well** as Click & Collect in that time
- It accounts for a **small proportion** of the UK grocery market
  - Around 3% of all British grocery shoppers claim to have used Click & Collect as one of their channels within the last month

Implications

- While still small, the growth of Click & Collect groceries over the last year is **unprecedented** – Tesco and Asda report it representing around 5% of their online orders, as they both seek to double their number of sites in 2013

Type of service used by past month online grocery shoppers

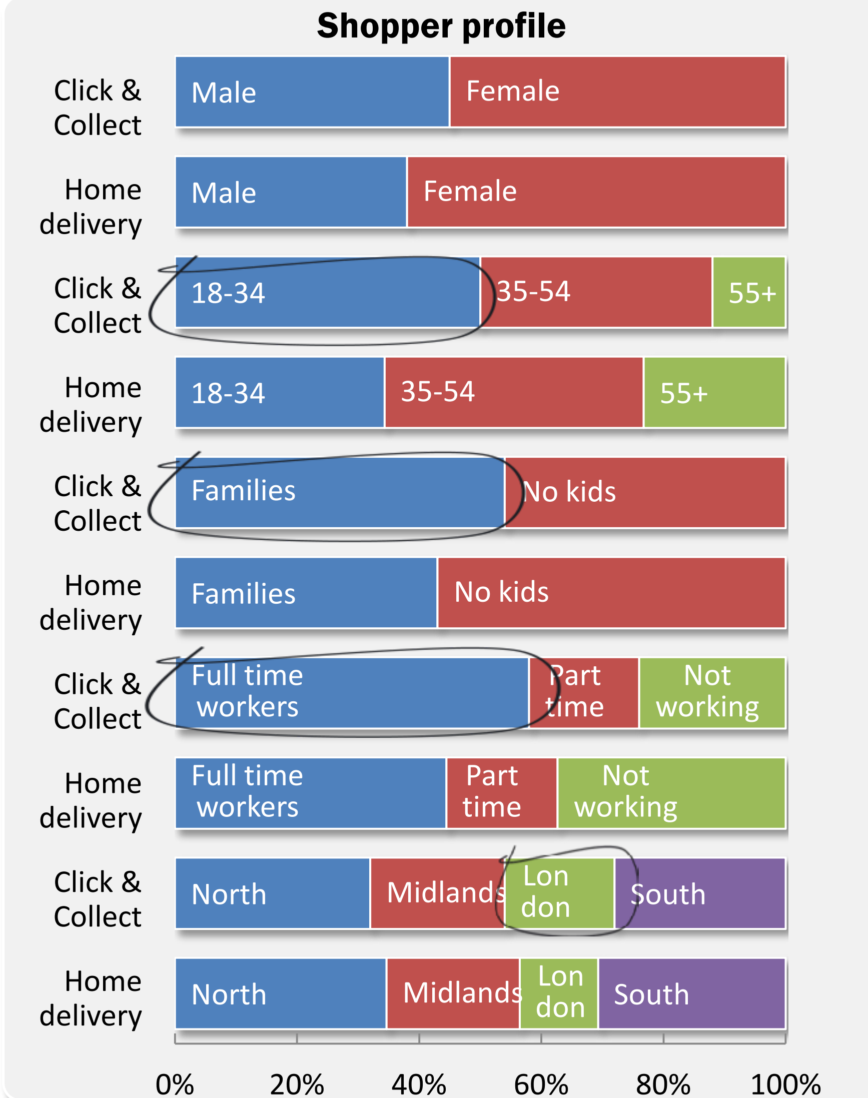


...particularly attracting full-time working parents

- The profile of Click & Collect shoppers is skewed towards **full-time working parents**
  - The online grocery channel is particularly used by younger shoppers who are in full-time employment and have children at home – this bias is **exaggerated further** among early adopters of Click & Collect
  - Click & Collect does, however, appeal to a **broader gender profile** – the female bias among all online grocery shoppers is not evident
- Despite the lower car ownership penetration, **Londoners** over-index among Click & Collect shoppers – perhaps reflecting the attraction among those with busy lifestyles
- Click & Collect shoppers are also more likely to own a **smartphone** (90% vs. 74% of home delivery users) and a **tablet** computer (61% vs. 41%)

Implications

- The profile of online grocery shoppers **could become less broad** than it has been over recent years, should Click & Collect continue to draw busy, techno-savvy parents into the channel



...and the multichannel and promiscuous shopper

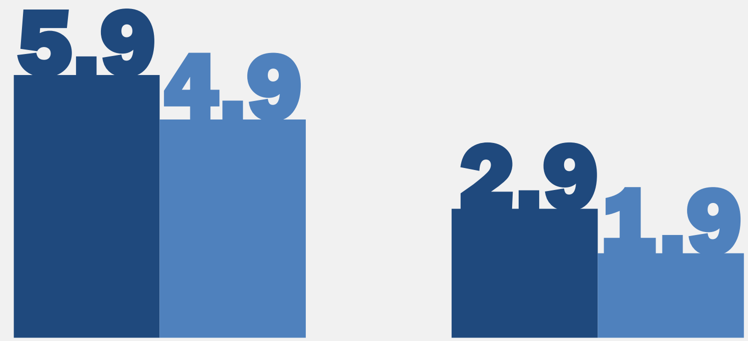
- Prolific **multichannel shoppers** are more likely to be trying out the new Click & Collect grocery service
  - The average Click & Collect shopper claims to have used almost **six channels** in the past month for their grocery shopping, one more than home delivery shoppers
- Click & Collect shoppers are also the most likely to **shop around** across different retailers
  - While more likely to be using the online shopping as a **secondary grocery channel** (85% vs. 66%), Click & Collect shoppers claim to have used almost **three online grocers** in the last month, one more than home delivery shoppers
  - They are also more inclined to try another online supermarket in the coming months

Implications

- The loyalty of early adopters of Click & Collect is still to be played for. **Meeting their needs** and providing a **satisfactory shopping experience** could help to acquire and retain these promiscuous shoppers
- As trailblazers of future shopper trends, understanding the priorities and preferences of Click & Collect shoppers can help suppliers and retailers **prepare and plan for the omnichannel future**

Average number used in the last month

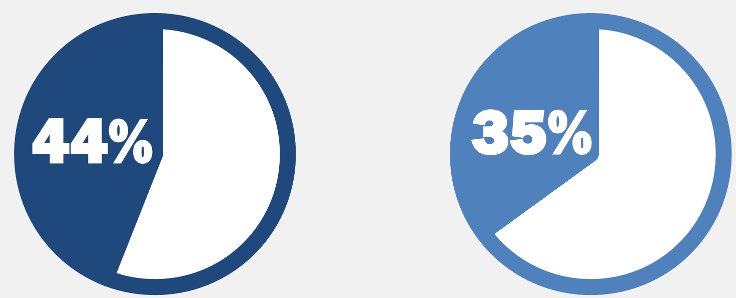
Click & Collect shoppers   Home delivery shoppers



Grocery channels   Grocery websites

% who intend to try another online supermarket in the next three months

Click & Collect shoppers   Home delivery shoppers



Click & Collect could accelerate online growth

- Those who have started using the new Click & Collect grocery shopping service tend to **have more reasons** for using the online channel than those relying on home delivery
  - One attraction is the convenience of picking up their shopping **when it suits their busy routines**, possibly because they are relatively rarely at home, making home delivery more difficult
  - They're also drawn more strongly by the **time and money saving** opportunities of online shopping, including 12% who appreciate the reduced service charge compared to home delivery
  - Even the **environmental arguments** resonate more strongly, possibly because they can reduce fuel use by arranging pick-up for when they're passing on other errands

Implications

- If executed well, the Click & Collect model could **significantly extend the reach** of the online channel, drawing in those attracted by the benefits of online but with lifestyles that make home delivery awkward – we have recently **increased our five year forecast** as a result of this and other initiatives

Motivations for shopping online for groceries

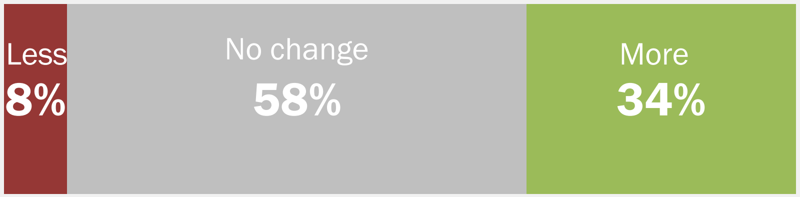
	Click & Collect shoppers	Home delivery shoppers
Quicker	69%	60%
Save money	55%	46%
Busy routine	50%	42%
Other ease/ convenience	31%	42%
Eco-friendly	15%	10%

...with users expecting to increase dependency on it

- 34% of Click & Collect shoppers anticipate **increasing their use** of this delivery method
  - A third (34%) of current Click & Collect shoppers say they intend to **dial up** their use of this delivery method over the coming year
- Click & Collect shoppers intend to engage with new **advancements** in technology and online shopping more in the coming year:
  - They are more likely to use a **smartphone** in the future to start and edit an online shop (19% vs 8% of home delivery shoppers)
  - These shoppers are also more likely to look out for **dedicated website pages** from their favourite food and grocery brands

Expected change in use of Click & Collect for food and groceries over the next 12 months

Current Click & Collect shoppers
– used Click & Collect in the past month



Next steps

ShopperVista Channel Focus will help improve your understanding of shoppers ' needs in the high-growth grocery channels of online, convenience and discount.

So if you want to maximise the chances of success for your channel plans and shopper marketing, talk to us today…

Please get in touch to find out if your company already subscribes or to arrange access:

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