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# UNCONDITIONAL SHOPPING

HOW SEVEN MOMENTS ARE SHAPING THE WAY CONSUMERS SHOP ONLINE



# INTRODUCTION

Consider your last in-store shopping experience, whether at the supermarket, a clothes shop or shopping centre. What can you remember about the environment and how it contributed to your overall experience? It's likely that the lighting, decor, music, layout and dozens of other factors each evoked some mix of emotions in you, and even more likely that they were carefully selected by marketers.

Technology has empowered today's consumer, augmenting and often even eliminating brick-and-mortar shopping experiences. Shoppers are more informed, knowledgeable and connected than ever before. And with the stratospheric rise of mobile, they barely differentiate between on and offline experiences.

## ALWAYS-ON SHOPPING: WHERE CONSUMERS ARE WHILE SHOPPING ONLINE

- At home: 79%
- On sofa: 60%
- In bed: 50%
- Watching TV: 62%
- On toilet: 23%
- At work: 34%
- On a train: 28%
- In car: 23%
- In store: 19%
- Out with friends: 16%

Source: AOL Omnibus, n=2,761, May 2015

Marketers, however, still frequently treat on and offline channels very differently. Digital marketing campaigns tend to be focused on product features and benefits or ways to get great deals. Consumers' always-on behaviour suggests that online shopping delivers on a more varied set of needs.

*Unconditional Shopping: How Seven Moments Are Shaping the Way Consumers Shop Online* lends new insight on the deeper motivations behind online shopping behaviour. Using these insights as a guide, marketers will discover clear opportunities to create digital experiences that are just as rich and engaging as those consumers experience offline.

## KEY FINDINGS

- **Online shopping is emotional.** 59% of online shopping moments are driven by emotional needs.
- **There are seven motivations for online shopping.** Consumers shop online to fulfil different needs, and jump from one moment to the next throughout the course of one week, or even one day.
- **Always-on shopping behaviour has changed the purchase funnel.** Online shoppers are engaged every day even if they don't intend on making purchases, making them more informed, empowered and connected at all times.
- **Shopping behaviour varies across generations.** Millennials turn to online shopping to fulfil emotional needs more than any other generation.

# METHODOLOGY

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AOL partnered with InsightsNow to conduct a multi-national segmentation survey and with Freed Vance Research Group to conduct in-depth interviews with online shoppers.

Online consumers interact with products and services so frequently online that a single consumer participates in several of these moments throughout the day. We designed a methodology that analyses specific online shopping experiences, or what we refer to as 'moments'. A 'moment' is defined as any digital interaction where a consumer is making an online purchase, browsing for a product or service or engaging with a brand in an online environment. Moments-based segmentation eliminates the risk of confining a consumer to one classification when, in reality, they are experiencing a range of shopping moments every day.

Through moments-based segmentation, we can understand online shopping on a deeper level—not only **how** people shop, but also **why**. We captured nearly 4,800 online shopping moments from survey respondents across 16 product categories. Our analysis revealed seven key types of moments, each driven by distinct motivations and each delivering a unique set of benefits to consumers.

This report covers results gathered and analysed from UK shoppers, ages 18-64.



A MAJORITY OF ONLINE SHOPPING MOMENTS ARE TAKING PLACE BECAUSE THE CONSUMER IS FULFILLING AN EMOTIONAL NEED.

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## WHY DO PEOPLE SHOP?

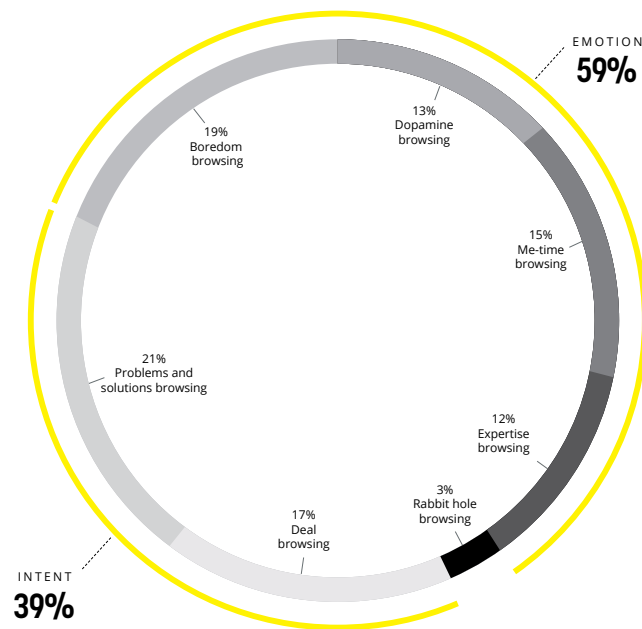
Brands commonly target consumers when they are 'in market' for a new product or service, however, many are recognizing that there are more opportunities to reach consumers through digital channels. Today's consumers are nearly always browsing, reviewing, sharing and searching. As a result, brands should no longer limit online engagement to only a shopper's active purchase window.

Seven motivations drive online shopping behaviour. Understanding these motivations provides a foundation for brands to build digital campaigns that align with consumer needs.

While many marketers focus on creating campaigns that appeal to rational shopping needs, in fact, 59% of shopping moments are emotionally driven. In other words, a majority of online shopping moments are taking place because the consumer is fulfilling an emotional need.

### SEVEN MOTIVATIONS FOR ONLINE SHOPPING

A LOOK AT THE MOMENTS THAT DEFINE ONLINE SHOPPING BEHAVIOR



## INTENT BROWSING

Two of the most obvious motivations for online shopping are **deal browsing** and **'problems and solutions' browsing**. In these moments, consumers shop to fulfill utilitarian needs.

- **Deal browsing (17% of shopping moments)** takes place when consumers are looking for coupons and sales and are comparing prices. When in this moment, shoppers are looking for a great deal or the lowest price.
- When consumers are **'problems and solutions' browsing (21% of shopping moments)**, they are looking for a product that solves a problem they are facing. Whether that's shopping for a new pair of headphones to block out the sound of a noisy co-worker or the safest stroller for a new baby, shoppers in this moment tend to research product features and specifications to determine the best product fit to resolve everyday challenges.

In both segments, shoppers are **shopping with intent**: to find specific product prices or specifications to fulfill their needs. Despite the frequent allocation of retail marketing budget to these shopping moments, however, deal browsing and 'problems and solutions' browsing (intent browsing) only account for 39% of all browsing moments combined.

## EMOTIONAL BROWSING

The majority—and largely untapped—category of online shopping moments is not driven by utilitarian needs, but rather aligns with emotional needs. This study reveals three key segments with purely emotional needs: boredom browsing, dopamine browsing and me-time browsing.

- When **boredom browsing (19% of shopping moments)**, consumers shop because they have nothing better to do or they are trying to avoid something (such as an assignment or writing this paper). As opposed to shopping with intent,

boredom browsers are more likely to watch videos, look at pictures and review daily deal sites. What differentiates these moments from those of deal browsing is that, while shoppers did not start shopping with the intent to purchase a product, they will often purchase in this moment if they find something they want .

- Consumers also browse because shopping makes them feel good. When they are **dopamine browsing (13% of shopping moments)**, they shop because the act of shopping makes them happy or gives them a rush.
- When **me-time browsing (15% of shopping moments)**, consumers are shopping to relax, escape and unwind. They are having fun, often "dreaming about buying a product," even if they can't afford it. This is the modern-day equivalent of window-shopping, a pixelated "Breakfast at Tiffany's" moment.

Frequent browsing in these moments affects brand preference. The more often shoppers browse online, the more knowledgeable they become. In fact, a 2014 study, "Buying at Speed", revealed that for 54% of planned purchases and 50% of impulse purchases, buyers knew the brand they would buy before they even began to shop (AOL US and InsightsNow. "Buying at Speed," 2014). Engaging in those me-time, boredom and dopamine browsing moments can pay off later for marketers.

## RABBIT HOLE BROWSING

**Rabbit hole browsing (3% of shopping moments)** accounts for the smallest segment of online shopping. Whereas boredom browsers shop because they want stimulation, rabbit hole browsers aren't motivated by any particular reason—they do not remember how or why they began shopping. Rather, this moment is really about non-linear exploration, where consumers uncover one site or product that leads them right to another. For this reason, rabbit hole browsing is not considered an emotional nor intent-based moment.

## EXPERTISE BROWSING

Finally, **expertise browsing (12% of shopping moments)** makes up a sizable segment of online shopping. This type of shopping moment combines both intent and emotion. Consumers are shopping to keep up-to-date on the latest news about their categories of interest and are building knowledge in a particular category because they want to feel like an expert. They actively share their expertise with friends and family because it helps them establish a connection with others and makes them feel like they belong.

Although similar in practice, the key differentiator between expertise browsing and 'problems and solutions' browsing is the end goal: consumers that are expertise browsing gather product category information in order to connect with others—an emotional motivation—rather than to solve a specific problem.

## ONLINE SHOPPING FULFILLS CONSUMERS' EMOTIONAL NEEDS

Online shopping fulfills a variety of human emotional needs, and it is fuelled by unrestricted access to technology, an extremely powerful combination. This is why online shopping has become a weekly habit for almost everyone and a daily habit for a growing swath of the online population. And it's also why brands have an ever-increasing number of opportunities to bring the right message to the right consumer at the right time.



# UNCOVERING MILLENNIAL SHOPPING BEHAVIOUR

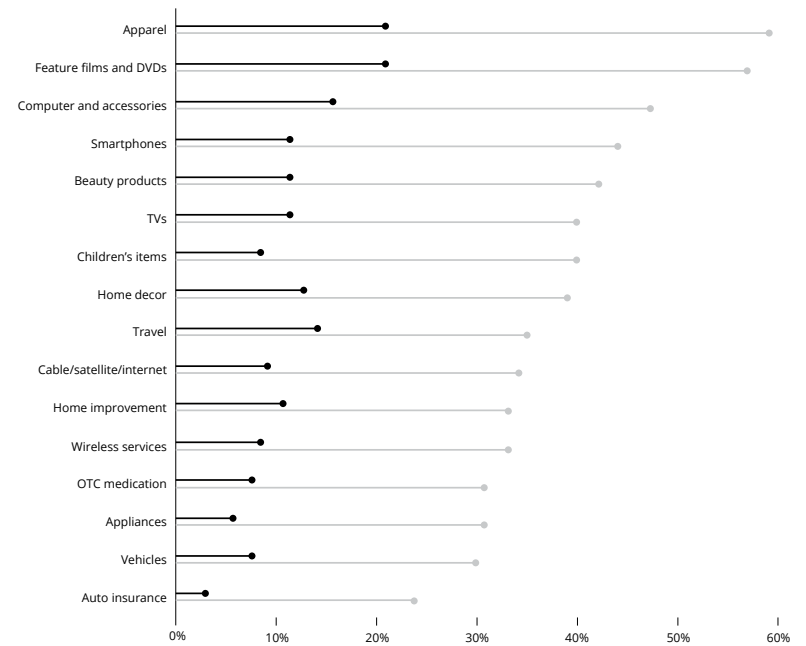
Not surprisingly, millennials shop more frequently across all categories, compared to boomers. Millennials are also notably more smartphone-centric when shopping (6x more likely). The desktop is still king, but younger consumers are increasingly shopping on mobile devices.



## SHOPPING BEHAVIOR BY GENERATION

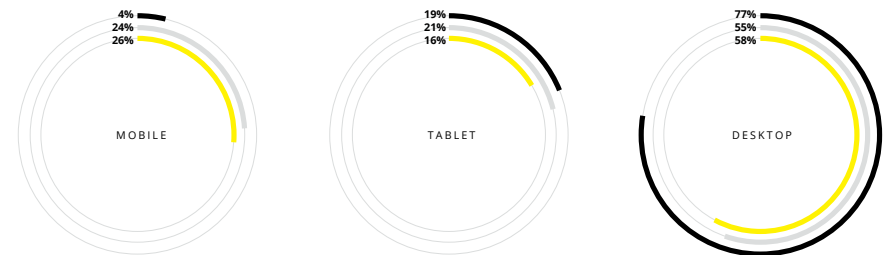
ONLINE SHOPPING FREQUENCY (WEEKLY+)

● Boomers (50-64) ● Millennials (18-34)



ONLINE SHOPPING DEVICE USAGE

● Boomers ● Gen X ● Millennials



# WHAT DOES THIS MEAN FOR BRANDS?

Technology has transformed online shopping behaviour, bringing a new set of habits, motivations and expectations. Understanding this new reality provides brands with a unique opportunity to engage with online consumers in ways that were never before possible.

Online consumers are switching from one mode of shopping to another. They are shopping for utilitarian reasons one minute and for emotional reasons the next. They are also browsing on different sites and devices throughout the course of a single day. And they're doing it nearly all of the time.

Although motivations may vary, emotional needs are driving 59% of all shopping moments. Consumers are most often shopping online to fulfil an emotional need, and at a time when they don't have a specific end goal or purchase in mind.

It's clear that brands are at risk of overlooking a significant opportunity: create digital campaigns that meet the emotional needs and motivations of their online shoppers. It's not that brands do not know how to appeal to consumers' non-utilitarian needs. In fact, they frequently do it well through offline channels. However, brands and retailers must work to translate that offline emotional expertise to their digital properties and advertising experiences.

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## USE CASE

### REACHING THE EMOTIONAL SHOPPER

An understanding of consumer motivations empowers brands to create relevant digital experiences. It is imperative that marketers engage in the consumer's moment, rather than pushing consumers into the marketer's moment.

To do so, brands are increasingly turning toward newer advertising units, such as IAB's Rising Star and AOL's Devil Units.

These units can integrate features that include photo galleries, videos, coupons and social functionality, enabling brands to target emotional needs. Premium formats are ideal for effectively communicating messages to consumers since photos and videos support emotional shopping moments. Additionally, the advertising technology provider ensures the units are being served appropriately, considering the context of the site, its content and the category of the retail brand.

### AOL DEVIL UNITS INTERACTION RATE



# RE-IMAGINING THE RELATIONSHIP WITH TODAY'S ONLINE SHOPPER

To connect with today's online shopper, brands need to engage not just in utilitarian moments (i.e. when they need to buy something), but also in the more prevalent emotional shopping moments.

Many of the existing digital experiences we see online cater only to consumers' intent-based browsing needs. When we look to offline shopping, we can see that brick-and-mortar stores and printed catalogs are adept at appealing to human emotion.

For example, in offline shopping experiences, products have historically been presented in actual use, allowing the brand to fulfil human emotional needs and align with the consumer's browsing state.



Online retail stores show, quite literally, a different picture. An online shopping experience is often sterile with products presented on a blank backdrop, devoid of context. What's presented here is great for utilitarian (or intent-based) browsing, but these kinds of behaviours only account for roughly 39% of shopping moments.

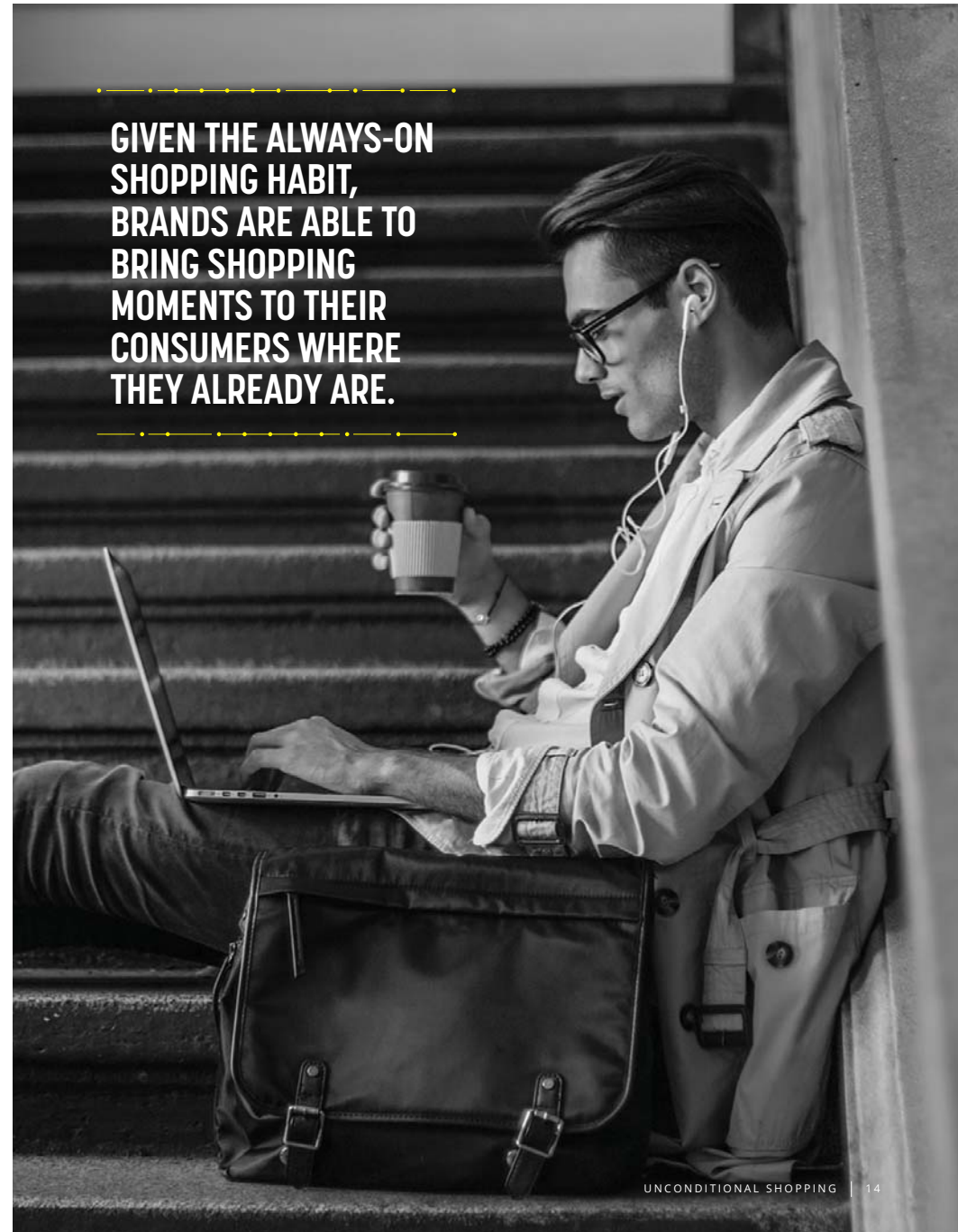
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In addition, the digital analytics that brands use to measure success are often geared toward analysing digital interactions. However, today's online shopping reality shows us that measurable interactions may not always tell the whole story. The importance of a consumer's emotional, long-term connection with a brand is more significant in today's online shopping environment, so brands should not solely rely on metrics that focus on short-term, revenue-driven numbers. The long-term associations that consumers build up over time can pay off in a big way over the entire customer life cycle.



Finally, given the always-on shopping habit, brands are able to bring shopping moments to their consumers where they already are, rather than only focusing on driving in-store traffic. They can drive deeper and more frequent engagements by developing creative and editorial content that better targets a consumer's motivations and emotions in specific shopping moments—and subsequently increase point of sale opportunities.

**GIVEN THE ALWAYS-ON SHOPPING HABIT, BRANDS ARE ABLE TO BRING SHOPPING MOMENTS TO THEIR CONSUMERS WHERE THEY ALREADY ARE.**







# CONCLUSION

Online shopping behaviour has changed dramatically within the past ten years as a result of advancements in consumer technology. But the underlying motivations that drive consumers remain the same. While brands have embraced digital in many ways, there's still an opportunity for them to complement the utilitarian side of their digital strategies with online experiences tailored to consumers' emotional motivations and in-the-moment needs. Fortunately, technology has provided brands with many ways to do just that.

A brand that connects with online consumers through the right shopping experiences, depending on the motivations driving that moment, will be more effective in its ability to break through the digital clutter and reach consumers in their moment. Brands should consider experimenting and developing new experiences that deliver on a variety of browsing motivations.

## THERE ARE THREE EASY RULES TO KEEP IN MIND:

- 1 Consumers are always-on and always shopping. Make point-of-sale opportunities readily available across screens.
- 2 Consumers build long-term associations with brands with every digital interaction. Gain mindshare by fulfilling specific consumer needs through in-the-moment experiences and focusing on creating positive experiences with every digital interaction, including more utilitarian actions, such as newsletter sign-ups or post-purchase communication.
- 3 Finally, 59% of shopping moments are emotional. Create richer digital shopping experiences that correspond to consumers' emotional needs: stimulation when boredom browsing, excitement when dopamine browsing, escape when me-time browsing, exploration for rabbit hole browsing, and connection for expertise browsing.



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