HOW WE SHOP

Shopper Story 2020

ITALY

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Agenda

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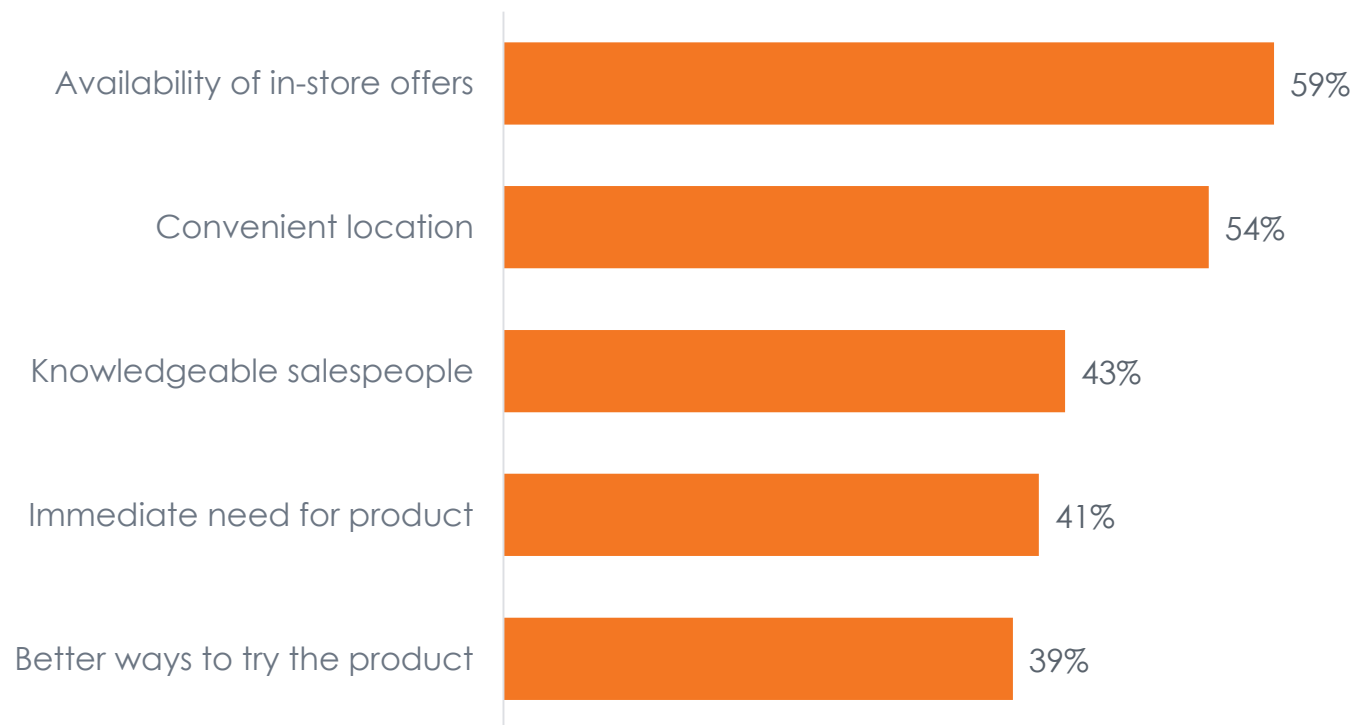How to make more Shoppers Buy from You

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What Matters to Shoppers Today

When consumers need it nearby, they turn to retail/brand stores

In Italy, physical stores of retailers and brands continue to be a source of immediate fulfilment with in-store offers and proximity driving shopper visits.

What makes you more likely to shop in physical store of a retailer or brand?

Category	Percentage
Availability of in-store offers	59%
Convenient location	54%
Knowledgeable salespeople	43%
Immediate need for product	41%
Better ways to try the product	39%

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Shopping in stores brings specific benefits to consumers

Nearly 3 in 10 shoppers said they liked visiting brand/retail stores to understand the new styles and be able to see/touch items before buying.

When they have time, older generations like to shop in stores more than the younger generations.

How much do you agree with the following statements?

	I look forward to shopping in stores when I have the time	I enjoy shopping in stores to understand what is in style or new at the moment	I don't like to purchase new items unless I can see and touch them in a store
Gen Z & Millennials	35%	29%	25%
Gen X	42%	28%	24%
Boomers & Silent	43%	29%	21%

■ Gen Z & Millennials   ■ Gen X   ■ Boomers & Silent

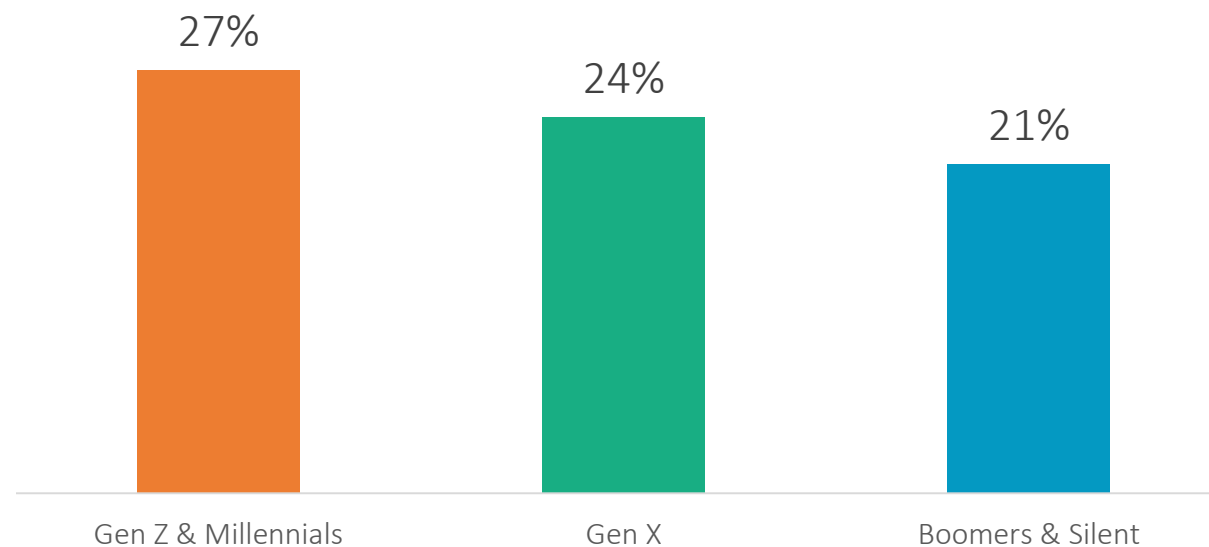Source: Criteo Shopper Story, Italy, July-August 2019, N=897

Definition of age groups used: Gen Z: born after 1994 (under 25), Millennials: born between 1981 and 1994 (25-38 yo), Gen X: born between 1965 and 1980 (39-54 yo), Boomers: born between 1946 and 1964 (55-73 yo), Silent: born before 1946 (74+)

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Online offers drive in-store visits

Younger generations in Italy are more likely to visit a retailer/brand store upon receiving an online offer (in an Ad or by email).
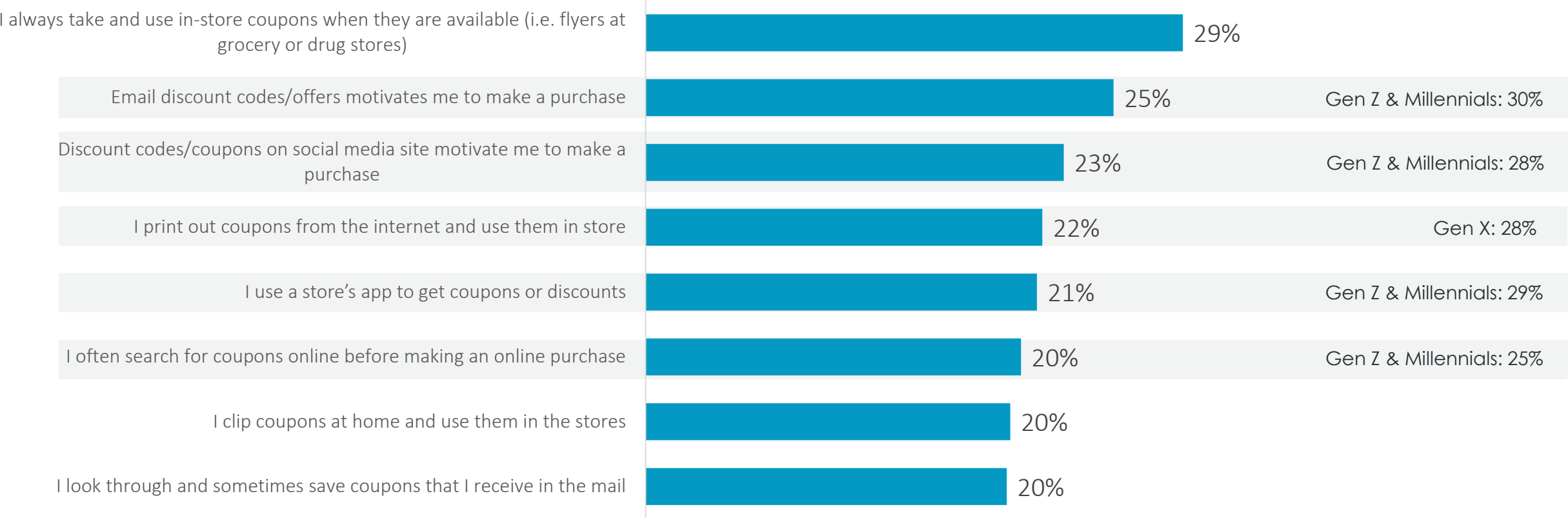
An offer via email or an online Ad will make me visit/shop at a retailer/brand store

Gen Z & Millennials	Gen X	Boomers & Silent
27%	24%	21%

Definition of age groups used: Gen Z: born after 1994 (under 25), Millennials: born between 1981 and 1994 (25-38 yo), Gen X: born between 1965 and 1980 (39-54 yo), Boomers: born between 1946 and 1964 (55-73 yo), Silent: born before 1946 (74+)

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Discounts/coupons by email, online ad, store's app, postal mail and print media drive online and offline sales

Shoppers confirming they use coupons and discounts

Statement	Value	Additional
I always take and use in-store coupons when they are available (i.e. flyers at grocery or drug stores)	29%	
Email discount codes/offers motivates me to make a purchase	25%	Gen Z & Millennials: 30%
Discount codes/coupons on social media site motivate me to make a purchase	23%	Gen Z & Millennials: 28%
I print out coupons from the internet and use them in store	22%	Gen X: 28%
I use a store's app to get coupons or discounts	21%	Gen Z & Millennials: 29%
I often search for coupons online before making an online purchase	20%	Gen Z & Millennials: 25%
I clip coupons at home and use them in the stores	20%	
I look through and sometimes save coupons that I receive in the mail	20%	

Source: Criteo Shopper Story, Italy, July-August 2019, N=1032

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72%

of all shoppers report using some kind of coupon or discount

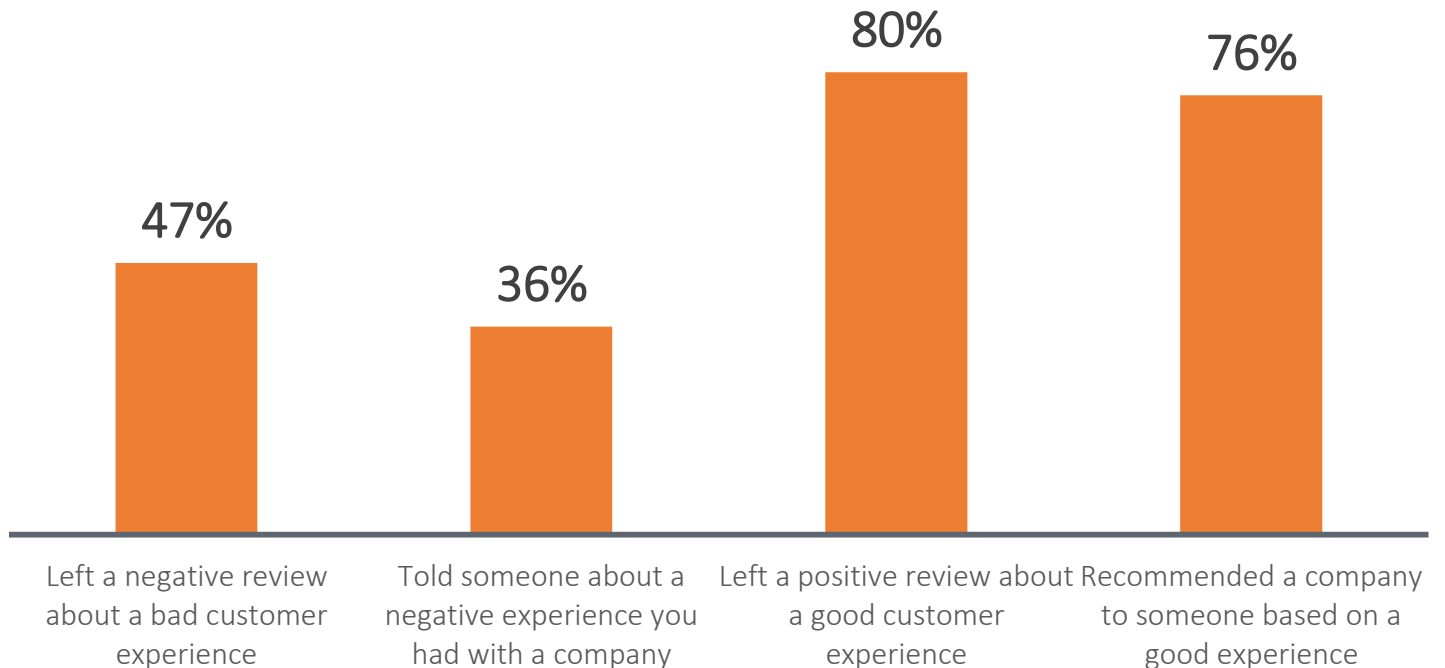Source: Criteo Shopper Story, Italy, July-August 2019, N=1032

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Peer reviews make operational excellence mandatory

3 out of 4 shoppers said they have recommended a company based on a good experience they had.

Over 1 in 3 also confirmed having told someone about a negative experience they had with a company
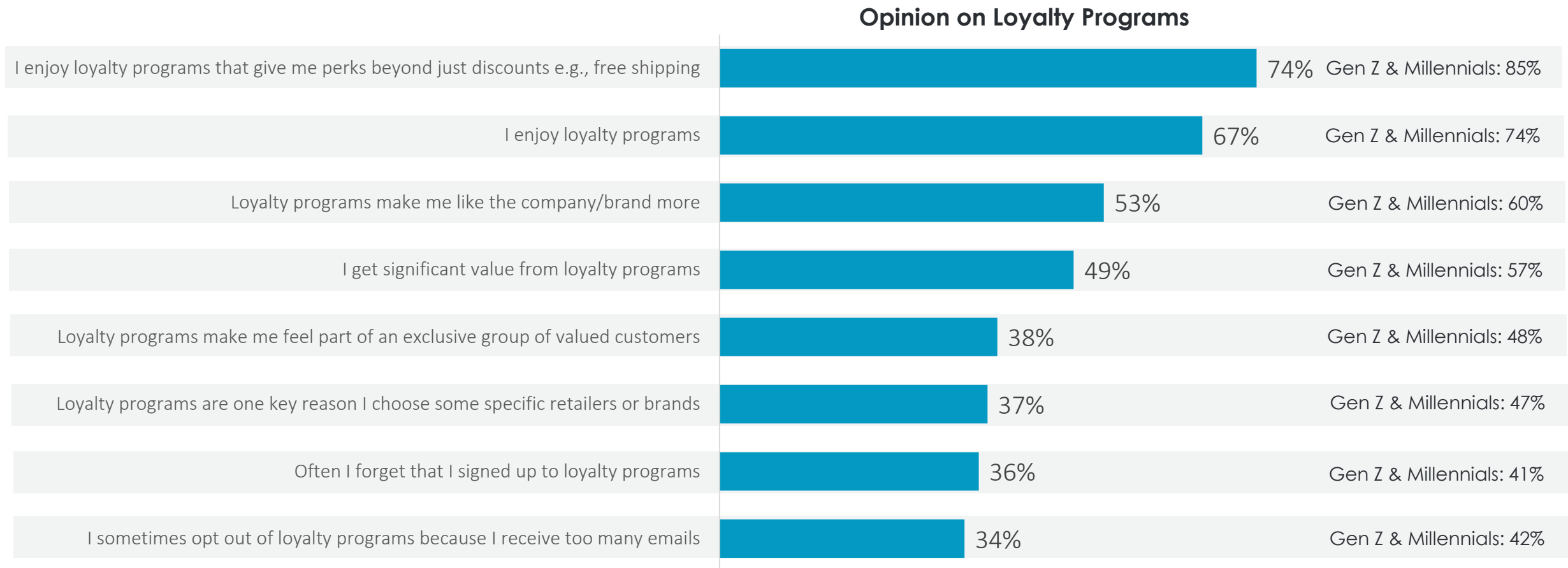
Consumers want to be positive – 80% of shoppers reported leaving a positive online review vs. a negative online review (47%) in the last six months.

In the last 6 months, have you?

47%	36%	80%	76%
Left a negative review about a bad customer experience	Told someone about a negative experience you had with a company	Left a positive review about a good customer experience	Recommended a company to someone based on a good experience

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Italian shoppers love Loyalty Programs

Gen Z & Millennials like Loyalty Programs but also opt-out more from such programs than older generations.

Opinion on Loyalty Programs

I enjoy loyalty programs that give me perks beyond just discounts e.g., free shipping	74%	Gen Z & Millennials: 85%
I enjoy loyalty programs	67%	Gen Z & Millennials: 74%
Loyalty programs make me like the company/brand more	53%	Gen Z & Millennials: 60%
I get significant value from loyalty programs	49%	Gen Z & Millennials: 57%
Loyalty programs make me feel part of an exclusive group of valued customers	38%	Gen Z & Millennials: 48%
Loyalty programs are one key reason I choose some specific retailers or brands	37%	Gen Z & Millennials: 47%
Often I forget that I signed up to loyalty programs	36%	Gen Z & Millennials: 41%
I sometimes opt out of loyalty programs because I receive too many emails	34%	Gen Z & Millennials: 42%

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The Shifting Rules of eCommerce

A majority of Shoppers of any age are now Omnichannel Shoppers

Gen Z & Millennials exhibit the highest level of Omnichannel shopping behaviour

	Gen Z & Millennials	Gen X	Boomers & Silent
Browse products online and then purchase them in a retail store	85%	83%	71%
Make purchases online after seeing the product at a retail store	92%	90%	73%
Order goods online and pick them up in/at a retail store	68%	65%	49%
Purchase on an app	83%	74%	47%

Share of respondents doing the following activities (regularly or occasionally)

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Source: Criteo Shopper Story, Italy, July-August 2019, N=1032

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Retail/Brand websites have a growing influence on purchasing decisions

Have Retail/Brand websites become more or less influential in your purchase decisions over the past two years?

Less Influential 18%

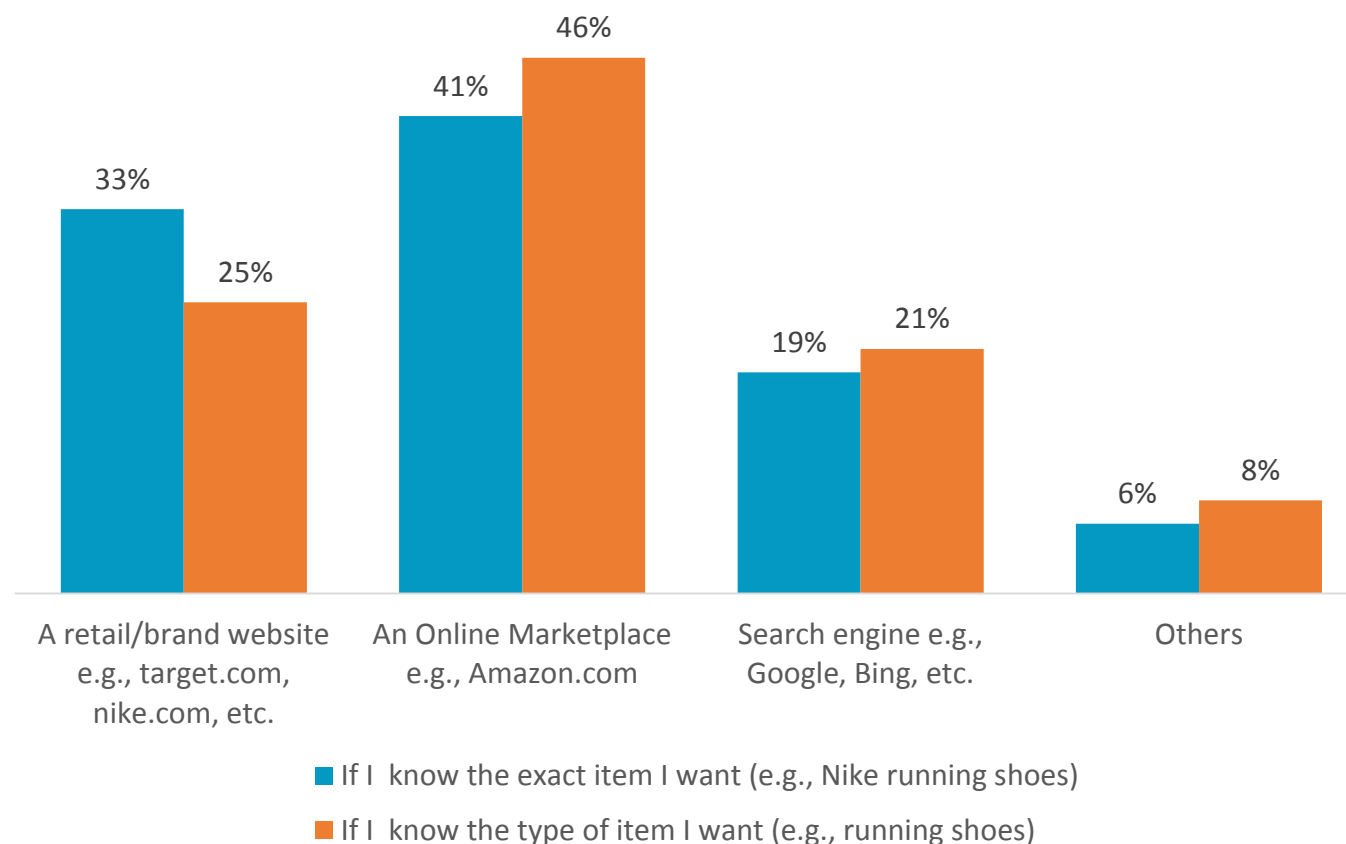Equally Influential 55%

More Influential 27%
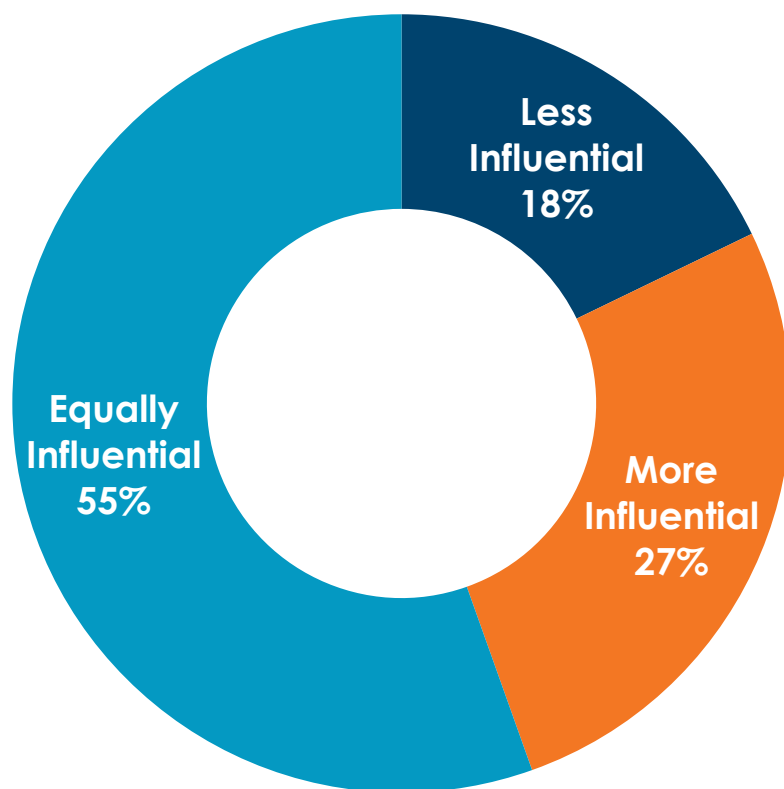
- Over 1 in 4 shoppers say retailer and brand websites have become more influential in their purchase decisions over the last two years

- Less than 1 in 5 say retailer/brand websites have become less influential.

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Online marketplaces remain the popular destination to search for products

Over 2 in 5 Italian shoppers go directly to online marketplaces like Amazon to search for products.

1 in 3 shoppers said they go directly to Brand/Retail websites when they know the exact item they want.

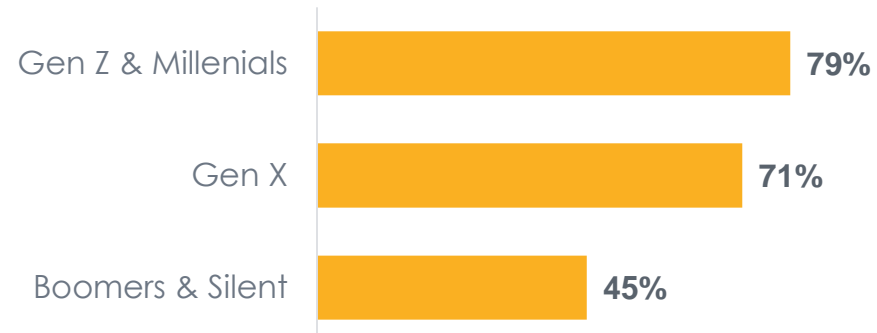**When searching online to make a purchase, where do you typically start your search?**

	If I know the exact item I want (e.g., Nike running shoes)	If I know the type of item I want (e.g., running shoes)
A retail/brand website e.g., target.com, nike.com, etc.	33%	25%
An Online Marketplace e.g., Amazon.com	41%	46%
Search engine e.g., Google, Bing, etc.	19%	21%
Others	6%	8%

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Apps continue to grow in importance, driven by massive adoption in Gen Z and Millennials

To look at products and get ideas

Gen Z & Millenials	80%
Gen X	73%
Boomers & Silent	52%

Check ratings and reviews
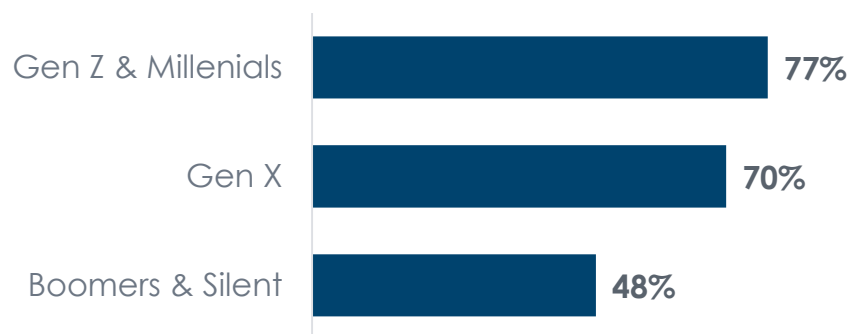
Gen Z & Millenials	79%
Gen X	71%
Boomers & Silent	45%

Purchase

Gen Z & Millenials	77%
Gen X	70%
Boomers & Silent	48%

Check my order status

Gen Z & Millenials	81%
Gen X	74%
Boomers & Silent	59%

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Source: Criteo Shopper Story, Italy, July-August 2019, N=1032

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Shoppers now demand much more beyond free shipping and discounts

How important are the following factors in helping you decide whether to make an online purchase with a retailer/brand?

Factor	Very important	Somewhat important
Free shipping	45%	19%
Quick and easy checkout	29%	33%
Discounts and offers	42%	19%
Good range of products on the website/app	27%	34%
Fast shipping	34%	26%
High quality product images/gallery	25%	35%
Product reviews organized with the most relevant first	22%	33%
Flexible payment options	23%	28%
Product videos	13%	36%
The retailer/brand website is optimized for my mobile devices	16%	30%
Product recommendations based on my purchase history	11%	31%
The retailer/brand has a shopping app	12%	30%

■ Very important ■ Somewhat important

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How different Generations feel about Online Ads

All age groups discover new products through advertising

Shoppers across all age groups confirmed sponsored ads helped them discover new brands and products.

I discover new brands and products through sponsored ads
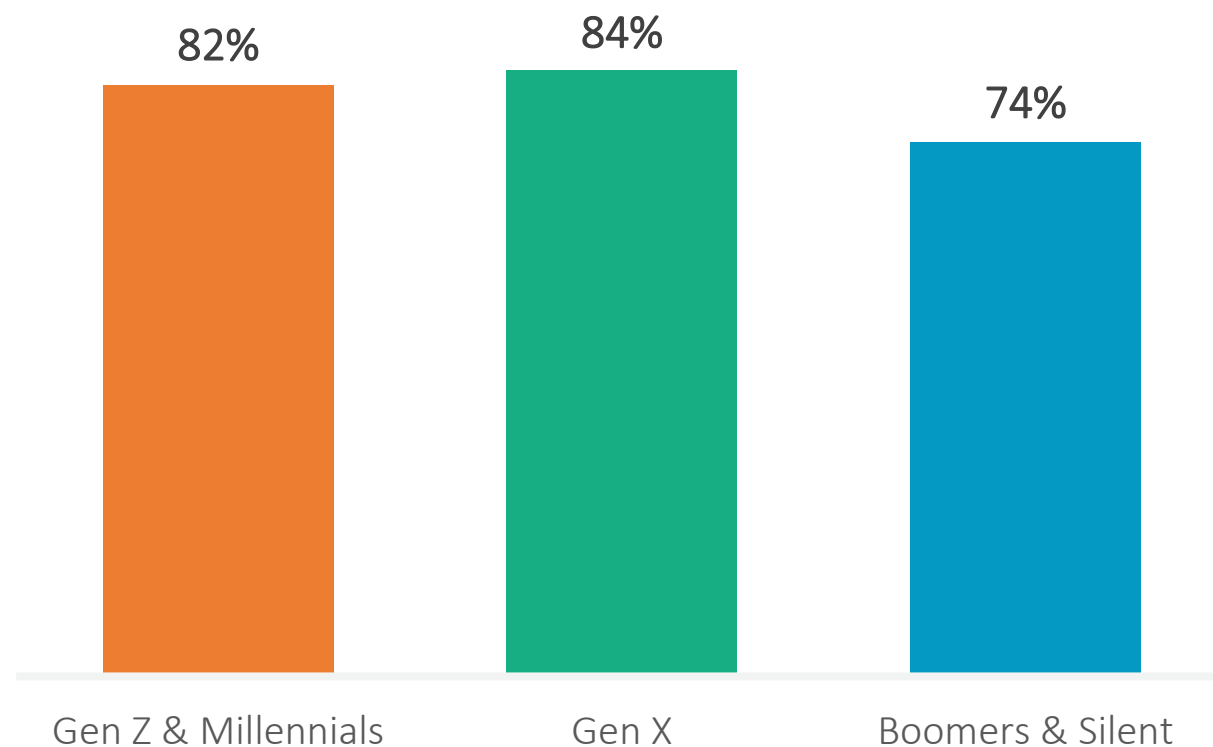
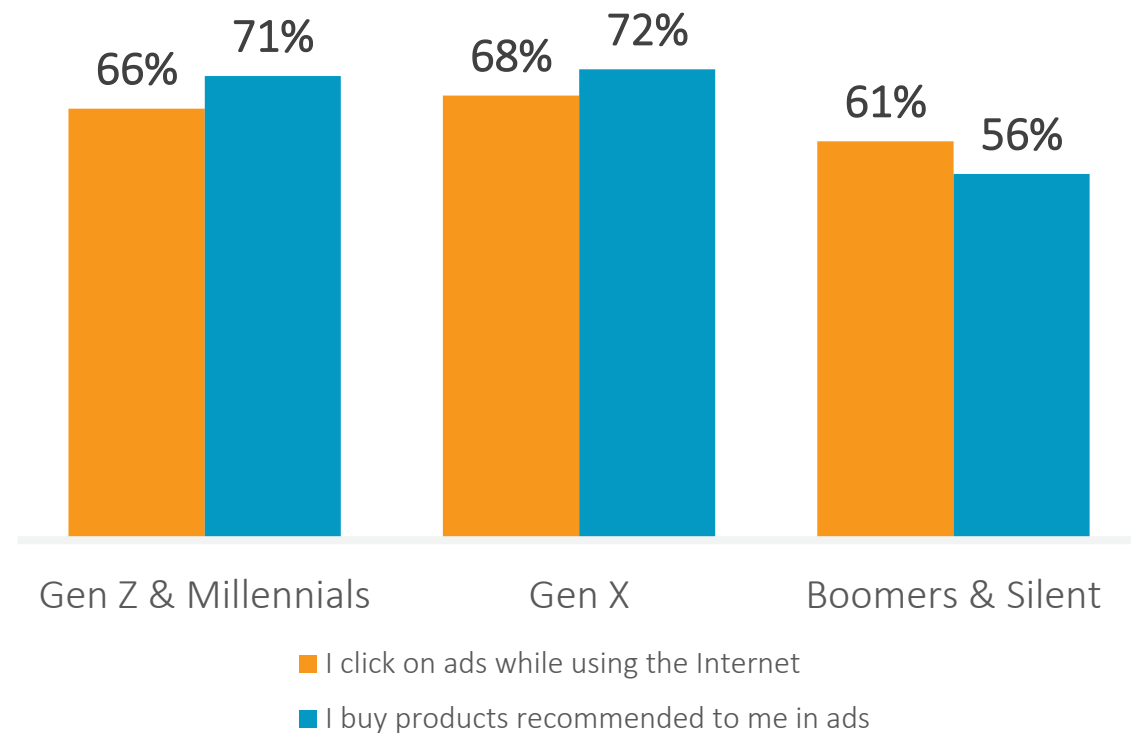| Gen Z & Millennials	Gen X	Boomers & Silent
82%	84%	74%

Definition of age groups used: Gen Z: born after 1994 (under 25), Millennials: born between 1981 and 1994 (25-38 yo), Gen X: born between 1965 and 1980 (39-54 yo), Boomers: born between 1946 and 1964 (55-73 yo), Silent: born before 1946 (74+)

Source: Criteo Shopper Story, Italy, July-August 2019, N=1032

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All generations like products they see in online Ads

A majority of shoppers across all age groups said they liked the products they see in online ads. Younger generation shoppers feel more so than the older age-groups.
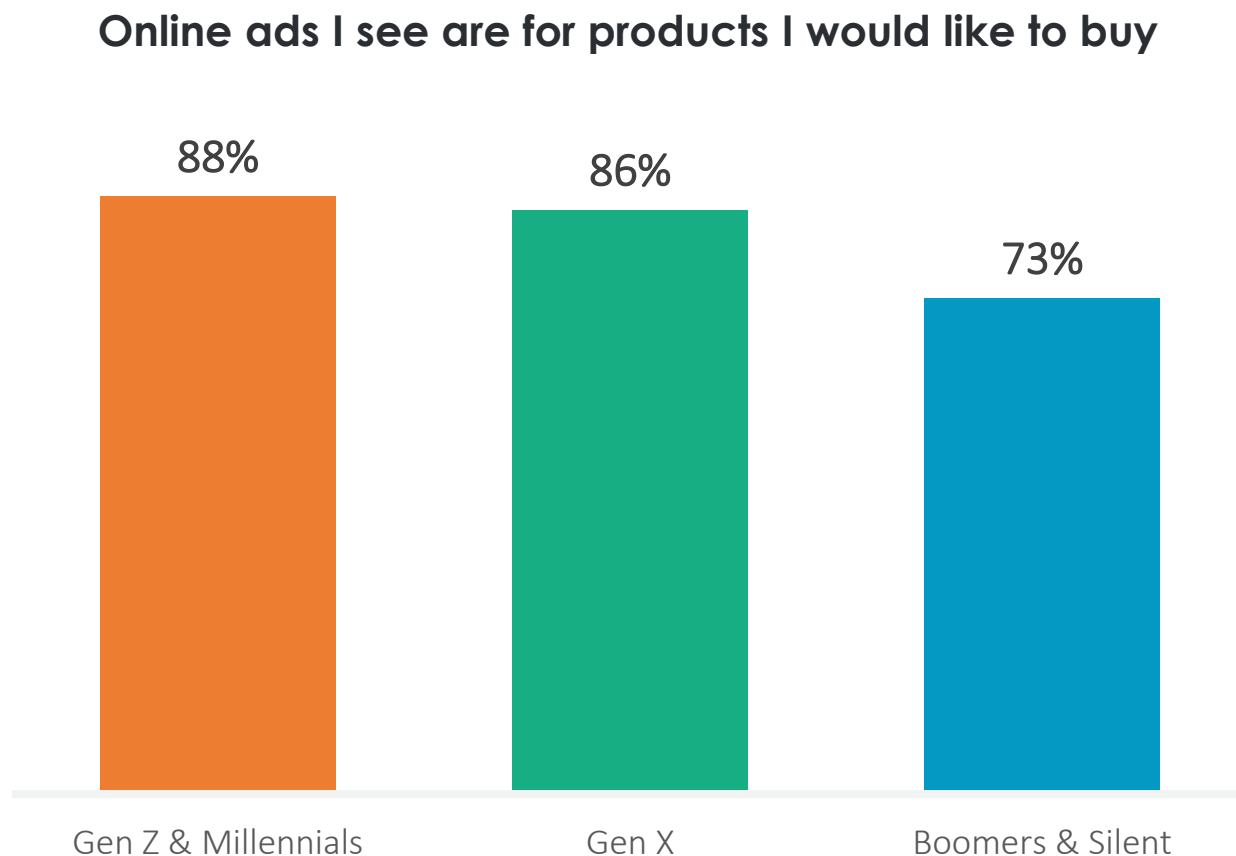
Online ads I see are for products I would like to buy

Gen Z & Millennials	Gen X	Boomers & Silent
88%	86%	73%

Definition of age groups used: Gen Z: born after 1994 (under 25), Millennials: born between 1981 and 1994 (25-38 yo), Gen X: born between 1965 and 1980 (39-54 yo), Boomers: born between 1946 and 1964 (55-73 yo), Silent: born before 1946 (74+)

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A majority of shoppers across all age groups are likely to click online ads and buy those products

More than 3 in 5 shoppers confirmed they click on ads while using the Internet.

Gen Zers and Millennials are more likely to buy the products they see in online ads than Boomers & Silent.

66% 71%	68% 72%	61% 56%
Gen Z & Millennials	Gen X	Boomers & Silent

■ I click on ads while using the Internet
■ I buy products recommended to me in ads

Definition of age groups used: Gen Z: born after 1994 (under 25), Millennials: born between 1981 and 1994 (25-38 yo), Gen X: born between 1965 and 1980 (39-54 yo), Boomers: born between 1946 and 1964 (55-73 yo), Silent: born before 1946 (74+)

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How to make more Shoppers Buy from You

Takeaway to win over today's shopper

1

Unify the online and offline shopping experience

Shoppers value different aspects of online and in-store shopping. Make sure the entire experience is seamless across channels.

2

Make your website your most informed sales associate!

Shoppers are increasingly turning to retail/brand websites for product discovery and research. Make sure they get value for the time they spend on your site.

3

Make your website search experience a priority

Win more shoppers when they search on your site and are in buying mode. Let them buy from search results in a few clicks.

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Takeaway to win over today's shopper

1

Help your customers score a deal

When shoppers visit your site, display the most relevant deals and discounts based on their interests and previous browsing behaviour.

2

Invest in an App to connect better with the younger generations

Your app will help you keep shoppers better engaged, particularly Gen Z and Millennials.

3

Advertising relevance drives sales

Shoppers want Ad relevance and timeliness, and marketers who respect that will see more conversions.

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