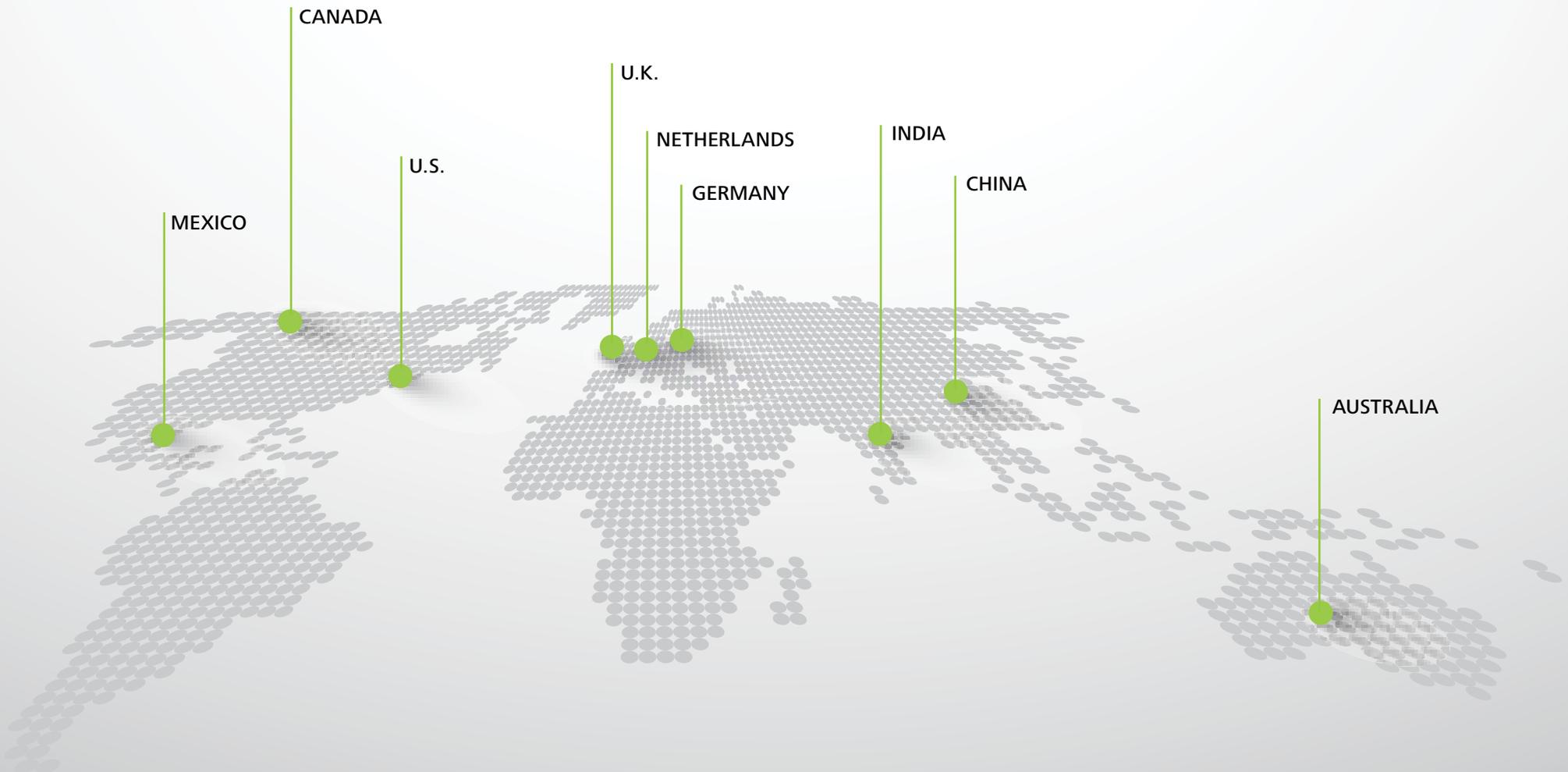


A hand holding a smartphone is the central focus, with a white shopping cart icon overlaid on the screen. The background is a dark world map with glowing white lines and arrows representing digital connections and data flow across various continents. The overall aesthetic is high-tech and global.

NAVIGATING THE NEW DIGITAL DIVIDE

A global summary of findings from nine countries
on digital influence in retail

We surveyed thousands of consumers in nine different worldwide markets, resulting in millions of comparative points of data.



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INTRODUCTION

Over three years ago, we set out to explore consumers' digital preferences – how the use of digital devices impacts in-store shopping behavior. What began as a simple exercise has led us to conclude that digital technology and easy access to digital information not only affects sales within digital channels, but also has a much broader impact on in-store sales and in-store consumer behavior – a concept we refer to as 'digital influence.'

Year after year, we have collected data within the U.S. and U.K. markets that suggests the growing importance of digital and indicates a rapidly evolving retail landscape. Based on this evidence, we may be accelerating toward a day where 100 percent of shoppers could be connected 100 percent of the time. Through our research, we see this development as transformative in nature.

Beyond this, we found that the digital behaviors and expectations of consumers are evolving faster than retailers are delivering on those expectations, a gap we refer to as the 'new digital divide.' Our first study in 2011 debunked the idea of 'showrooming,' a popular belief at the time that consumers using digital devices in the store were overwhelmingly shopping or 'window-shopping' in a physical store only to make their purchases from cheaper, online competitors. We found that, in fact, surveyed customers using digital devices in-store were actually more likely to make a purchase in the store, not less.

Over the past several months, we have expanded our study to include key retail markets globally. Our experience and comprehensive worldwide data show us that even some of the biggest players in retail are still reluctant or slow to capitalize on the nature of this behavior.

We surveyed thousands of consumers in nine different worldwide markets, resulting in millions of comparative points of data. We looked at both mature markets and markets emerging technologically, and while we observed cultural and economic differences, our findings across markets were consistent with our understanding of digital influence on in-store behavior – retailers continue to dramatically underestimate the impact the onslaught of digital is having on the industry.



The New Digital Divide

The gap between consumers' digital behaviors and expectations and retailers' ability to deliver the desired experiences.

Definition



Digital influence factor

The percentage of in-store retail sales influenced by the shopper's use of any digital device, including: desktop computers, laptops, netbooks, tablets, smartphones, wearable devices, and in-store devices (i.e., kiosk, mobile payment device).



Mobile influence factor

The percentage of in-store retail sales influenced by the shopper's use of a web-enabled mobile device, including smartphones.

We swiftly expanded the scope of our study under the premise that digital influence is a universal trend regardless of geography. Our most recent data supports the hypothesis that digital is fundamentally influencing in-store customer behavior across the board, but at different rates of impact and through slightly different mechanisms, depending on the country. We see that some consumers already use digital devices to help them shop – at varying levels – but we see that many more want or expect to use them in the future.

The new digital divide poses a critical challenge to retailers. In order to stay relevant in today's marketplace, retailers must understand the evolving digital needs of their customers and improve their ability to anticipate and shape the needs of tomorrow. With more shoppers – both in the developed and developing worlds – embracing cultural trends and gaining access to technology that will allow them to be 'connected' virtually 100 percent of the time, retailers worldwide need to advance their own offerings to fit the behaviors of this new consumer.



THE DAWN OF MOBILE INFLUENCE (2012)

Our first effort at studying and defining digital influence came at a time when the market was fixated on the idea of “showrooming” – viewing products in a physical retail store only to use a digital device to buy from a cheaper, online competitor. Our data debunked the showrooming myth when we found that, in fact, surveyed customers who use a digital device in-store as part of their shopping process were actually more likely to make a purchase in store – not less. At a time when retailers were just starting to make investments in mobile, we projected mobile's in-store influence to grow exponentially to between 14 and 15 percent by 2015. These projections, which seemed to many to be quite bold at the time, were actually exceeded by the reality just a few years later. This illustrates further that the larger trend will likely persist and that the new digital divide will continue to expand.



THE NEW DIGITAL DIVIDE (2014)

Our second exploration of mobile and digital influence revealed a very clear acceleration of the digital trend. More customers were using digital devices before and during their shopping journey – including not only smartphones but also tablets and laptop computers – and much more digital information was available to them. What we called the ‘digital influence factor’ directly impacted 36 percent of total in-store retail sales in 2013 – that's US\$1.1 trillion, or more than four times larger than e-commerce alone.¹ While many retailers continued to focus on digital as a channel, our research showed that digital clearly was not just an addendum, but an integral component to traditional brick-and-mortar retail. Many retailers were failing to leverage the potential of digital, and they were quickly falling behind compared to their consumers' digital expectations and behaviors.

¹The New Digital Divide, 2014.

A grayscale photograph of a woman with long dark hair, wearing a white tank top and a dark skirt, looking down at a tablet computer she is holding with both hands. She is standing in a shopping mall, with several paper shopping bags hanging from her left arm. The background is blurred, showing store windows and lights. The text "EXECUTIVE SUMMARY" is overlaid in white, bold, sans-serif font across the center of the image.

EXECUTIVE SUMMARY

Overall, we found that digital influences consumer behavior across all countries evaluated, but the detail behind this influence varies based on country and by micro-characteristics within the market. Customers around the world are using digital access to tailor the way that they shop. As such, comparisons at all levels – across countries, age groups, and product categories – prove to be insightful in understanding the true digital needs of today’s consumer and ultimately, the investment opportunities for retailers.

The data also reinforces the reality that retailers are underestimating – or at least under-delivering on – the consumer’s evolving desire and ability to incorporate digital into their in-store shopping journeys. The trends we identified related to the impact digital is having on in-store shopping around the globe coalesced into three core hypotheses:

There is no single path toward digital adoption or optimization.

While all countries studied are heading in the direction of increased digital adoption and usage, the progression is taking place at a considerably different pace depending on the starting point. The developing world will not necessarily follow in the footsteps of the most digitally-developed countries today. In some cases, emerging markets appear to skip adoption stages experienced previously by developed markets, and therefore may come up the adoption curve more quickly. ***Therefore, the “lift and shift” playbook is likely not appropriate for global expansion.***

One digital “size” does not fit all customers within a given market.

Even within the context of a market, digital behavior varies based on personal context – who the consumer is, what stage in the process they are in, and what they are looking to buy. Demographic factors like age and income play a role in shaping shopping habits within each market. In addition, categories matter – consumers clearly use digital tools very differently based on the product type for which they are shopping.

Across the world, consumers are demanding digital tools and features to execute their own shopping journeys.

Irrespective of culture, digital has a significant impact on in-store retail, and in fact is dramatically more valuable than viewing digital through the lens of online revenue. Ultimately, these tools and channels can help extend the retailer’s reach beyond the traditional shopping trip and generate incremental revenue and profit in the store and across all channels. However, customers are still generally left unsatisfied and underserved by retailers’ current digital offerings, minimizing retailers’ own potential for capturing sales.

Study methodology

To reach these insights, we performed a survey of more than 2,000 consumers in each of nine markets – six relatively developed countries and three relatively developing markets. We gathered over two million data points within each market, analyzed trends across all markets, and conducted deep dives into each country to understand similarities and differences. Each survey was conducted online by an independent research company between November 2014 and March 2015.

For purposes of this analysis, we have defined developing markets as those with internet and digital device penetration significantly less than 100 percent – in the range of 20 to 50 percent.

When we conducted the survey in other developed markets beyond the U.S. with similarly high levels of internet penetration and device usage, the internet sample (weighted to mirror each market's census) was representative of all consumers in the market. However, when we applied the same approach to developing markets with lower or more uneven levels of internet penetration, we could no longer assume that online survey responses were fully representative of the countries' consumer populations. Rather, this data is representative of the smaller percentage of internet-connected consumers within these markets. Therefore, we will not, and the reader should not, attempt to compare data from these three markets with the developed market cohort.

The six **mature markets** included in our study were:



U.S.



Canada



Australia



Germany



Netherlands



U.K.

The three **developing markets** included in our study were:



Mexico



China



India

A grayscale photograph of a hand holding a pen over a document. The background is heavily blurred, showing indistinct shapes and colors. The text is overlaid in the center in a bold, white, sans-serif font.

**THERE IS NO SINGLE PATH TOWARD
DIGITAL ADOPTION OR OPTIMIZATION**

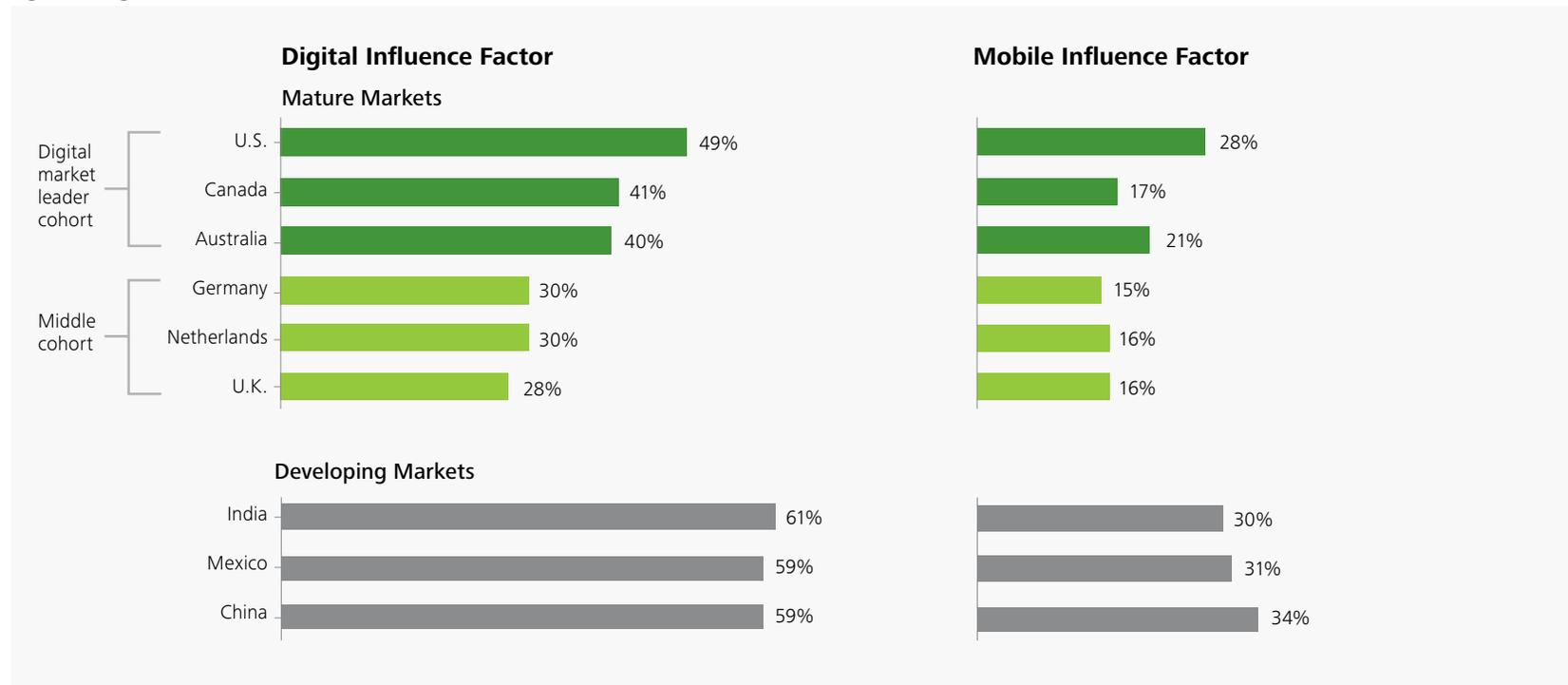
Each market included in our study is at a different point on the overall digital adoption curve, which in turn impacts how consumers use digital to shop. While we see that digital usage is increasing worldwide, we also hypothesize that the pace of progress will differ depending on the starting point. Our data revealed three 'cohorts' of countries with similar levels of adoption today:

- The digital market leader cohort of the United States, Canada, and Australia, with digital influence factors of 49 percent, 41 percent and 40 percent, respectively;

- The middle cohort, composed of the European markets, with digital influence factors of around 30 percent for Germany, the Netherlands, and the United Kingdom; and
- The developing digital cohort of Mexico, China, and India, which demonstrate the highest level of digital influence among connected consumers but the lowest levels of internet penetration and digital device ownership (percent of total population).

Developing countries are often times broadly assumed to be slowly following in the footsteps of more developed markets, gradually catching up to the digital innovations and consumer behavior of the developed world. However, our data provides insight into the fallacy of this assumption. While developing nations have lower rates of digital adoption overall, our consumer survey results in developing countries actually suggested a higher prevalence of digital usage in stores. Our internet survey reached the sub-set of the population that is currently connected through digital. Our data supports that these populations represent "super-users" who have actually evolved further (but differently) in their digital usage than consumers in the developed world.

Figure 1. Digital and mobile influence across markets



While these results do not suggest that the population as a whole in developing countries is more digitally engaged than the population in mature markets, they do show that the connected-user subset of the consumer population in countries like China, India, and Mexico use digital as part of the shopping process more than the average mature market consumer. This group of connected, digitally-savvy consumers likely aligns well with retailers' target markets in these developing countries. While retailers in developing markets generally started incorporating digital into their shopping experiences at a later point than mature markets, super-users in the developing world – generally thought to be “behind” or trailing in the footsteps of consumers in countries like the United States – are actually using certain technologies more than advanced users in mature markets. For example, our data revealed that internet-connected consumers in developing markets are more likely to have made a payment with their mobile device than typical users in mature markets. In many cases, these consumers may have never adopted credit cards but instead skipped directly to the adoption of digital payments.

Although these three cohorts exist today, there is not an assumed progression from one to the other. Rather, the markets within each cohort are at a similar starting point in terms of adoption, but their progress going forward may not be consistent. Analysis of the data indicates that the “lift and shift” model, or the concept of a standard expansion playbook, likely will not work for global expansion, at least as it relates to digital. Retailers must think deeply about each country, its consumers, and the intricacies of how those consumers are adopting and consuming via digital. Our detailed data analysis can help retailers understand the considerations.



A hand is holding a smartphone, displaying an online fashion shop interface. The screen shows a search bar, a navigation menu with categories like 'Shoes', 'Bags', and 'Accessories', and a grid of product images, including several pairs of high-heeled shoes. The time on the phone is 14:59 PM. The background is dark and out of focus.

ONE DIGITAL "SIZE" DOES NOT FIT ALL CUSTOMERS WITHIN A GIVEN MARKET

While digital presence and influence continue to increase in markets around the world, there is no single scalable digital solution that can be applied to every global market – or even to all target consumers within a country, or to all categories. The value is in the intricacies. Instead, retailers must customize their digital offerings and strategy to fit diverse customers with their range of needs, even within one country. We identified two key trends in the wealth of data we collected for each of our nine markets: consumer behavior and related digital needs vary by category of good being purchased and by demographics.

What she is shopping for

As more and more shoppers define their own journeys, we find they are doing this definition at the category or even the product level. For example, in the United States we see a digital influence factor of up to 62 percent in electronics, but only 31 percent in food and beverage. We found this variance across categories to be true regardless of where in the world we looked. That said, we also found that maturity across markets differs significantly, often fueled by cultural differences and ingrained consumer preferences.

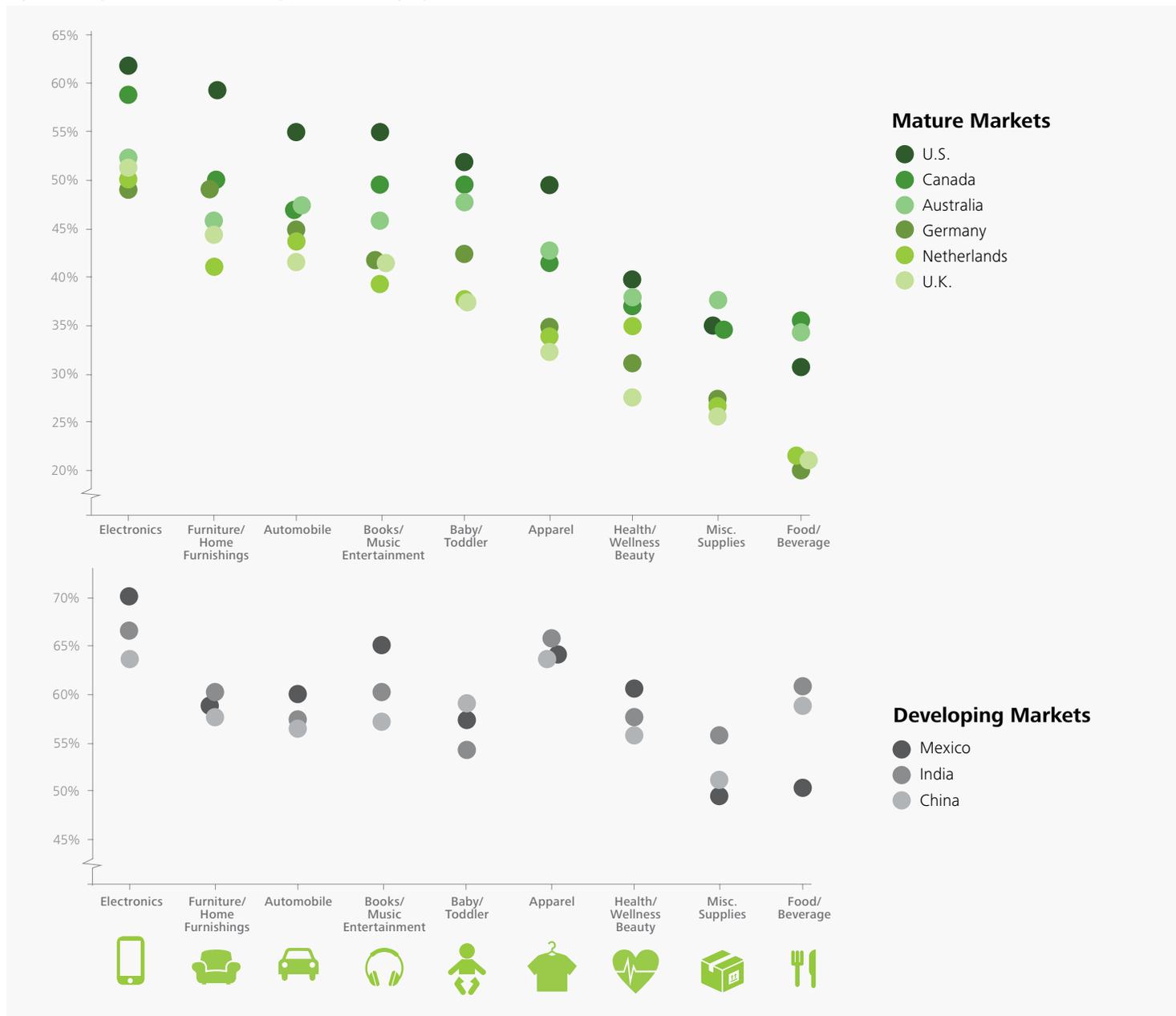
- The electronics category ranks as the highest in digital influence across all markets. Furniture/Home Furnishings/Home Improvement ranks almost as highly in most markets, while Food/Beverage ranked lowest across all markets.
- Digital influence was higher for Apparel relative to other categories in the developing markets of Mexico, China, and India.
- The highest percentage of consumers who say they spent more due to digital influence is in the Baby/Toddler category.

In the end, what is most clear in comparing these international markets is that retailers should not assume what works in one category in one market will work exactly the same way in the same category in another market. The interpretation of this data is more complex when we factor in individual market trends, cultural differences, and longstanding preferences of each nation's consumers.

Surveyed categories:

-  Electronics
-  Furniture/Home Furnishings/Home Improvement
-  Books/Music/Entertainment
-  Automobile
-  Baby/Toddler
-  Apparel
-  Health/Wellness
-  Miscellaneous Supplies
-  Food/Beverage

Figure 2. Digital influence factor by product category and market



Who she is

While there were some unique findings among the different country markets regarding consumer age, we (unsurprisingly) found that the highest percentage group who said they spent more due to their use of digital as they shopped is among younger consumers. The digital natives, 18-24 year-olds, self-identified as the most digitally influenced shoppers. Conversely, the lowest percentage group on this topic was older consumers, specifically those over 55 years of age.

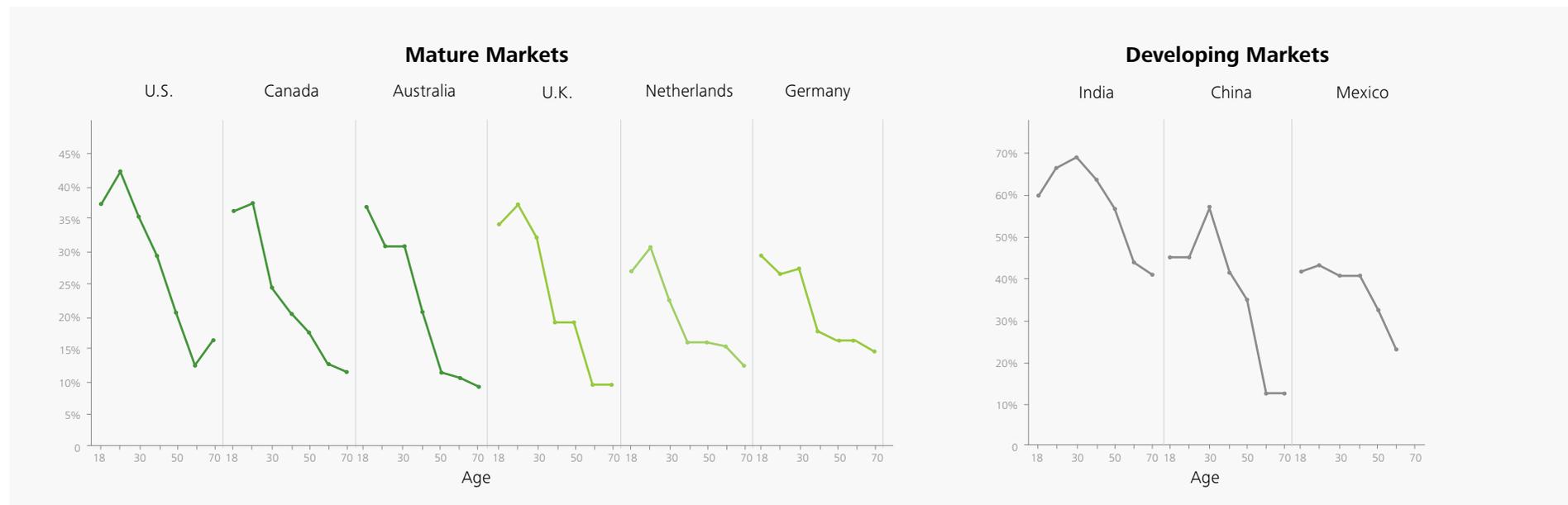
As time goes on and these digital technologies become part of the younger generation's daily life earlier and earlier, digital influence could increase to a point of full adoption. This supports the idea that we are rapidly approaching a time when there will likely not be a difference between online and offline. Retailers need to plan for a fully connected consumer and the implication this has on their business model.

In addition to age, we observed clear differentiation in behavior driven by other demographic factors. For example:

- In the United States, Hispanic and Latino Americans use digital to shop more often than other ethnic groups. Nearly half (49 percent) of Hispanic and Latino consumers surveyed are influenced by their access of social media, compared to 32 percent of consumers across all ethnic groups. Hispanic and Latino shoppers who use digital during their shopping journey convert at a 37 percent higher rate than those who do not use digital, versus a 20 percent difference for all consumers. Finally, 41 percent of Hispanic and Latino consumers spend more due to digital, compared to 28 percent of all consumers.

- In China, observed digital shopping behavior varied significantly by city tier. When browsing and researching, first-tier (T1) consumers are more willing to use retailers' websites and mobile apps, whereas second-tier (T2) and third-tier (T3) consumers rely more on social media. Conversely, when making product selections, T1 consumers prefer to validate through social media while T2 and T3 consumers tend to refer to product reviews from experts or other consumers.²
- In India, digital influence varies greatly by socio-economic class (SEC). The SEC A population is the most digitally influenced – consumers in this group are nearly three times more likely to use digital to shop than SEC B consumers, and over five times more likely than SEC D and E consumers.³

Figure 3. Percentage of consumers who spend more due to digital by age and country



²City tiers in China are determined based on several factors, including population size, economic development, infrastructure, and cultural factors. First-tier (T1) cities represent the most developed areas with the most affluent and sophisticated consumers.

³Socio-economic class in India is based on two variables: education of the chief earner and the number of consumer durables owned by the family. SEC A represents the upper middle class consumer, SEC B is the middle class, and SEC D and E represent the working class and lowest level of subsistence.



**ACROSS THE WORLD, CONSUMERS ARE DEMANDING
DIFFERENT DIGITAL TOOLS AND FEATURES TO
EXECUTE THEIR OWN SHOPPING JOURNEYS**

The proliferation of smartphones, tablets, mobile internet and other disruptive digital technologies, and the passion with which consumers embrace these technologies, have spawned a new reality in which consumers are no longer passive recipients of marketing and retailer-designed journeys. Rather, consumers are more informed than ever thanks to easy, near-ubiquitous access to information. We have seen information become decoupled from the corporate brand maintenance as shoppers seek and incorporate alternative sources of product commentary over the course of journeys they actively create. The information they access most easily and trust the most is often no longer coming from retailers or brands, thereby weakening brand value propositions around the world.

Consumers are clearly interacting with technology in ways unanticipated by retailers. As a result, they have little control over consumer interaction in these areas, and simply developing an app is not likely to reshape that relationship. Retailers must think broadly about how product information is communicated to today's consumer across sources and media, and then strategize an overhauled approach to marketing and brand maintenance that embraces new media, social media, and other innovative consumer-facing outlets.

The digitally-influenced shopping journey

Shoppers are defining their own shopping journeys, utilizing a combination of retailer and non-retailer provided tools to gather information and make decisions. Looking across all of the markets in our survey:

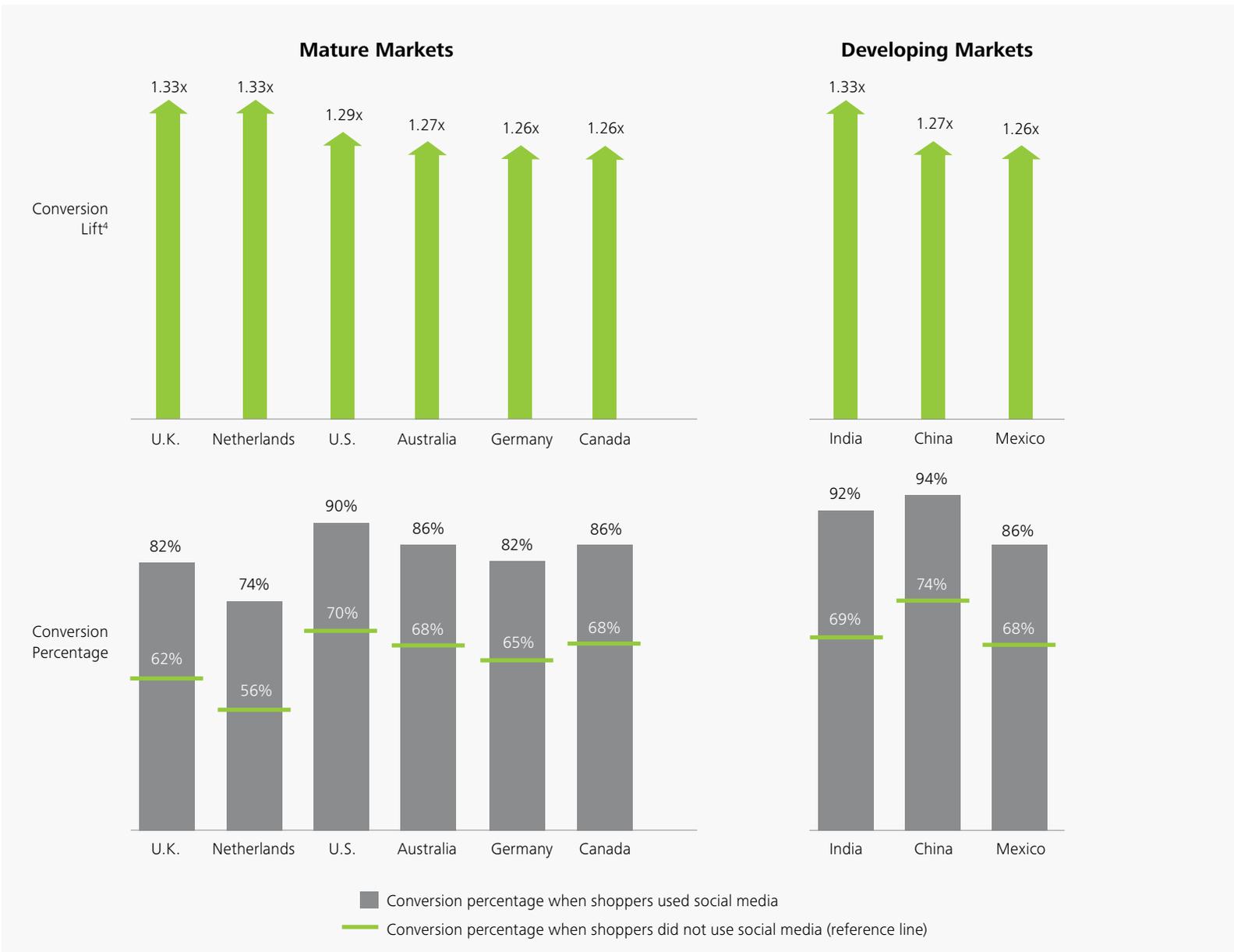
- In developed markets, at least 70 percent of consumers are now leading their own shopping journey – in other words, becoming aware of products through means outside of retailer or brand communications. In developing markets, this percentage is slightly lower, suggesting that consumers in these markets are relatively more influenced by traditional retail marketing.
- While retailer websites remain the most common location for consumers to browse and research via digital, consumers are nearly as likely to use general search engines in most markets.
- The vast majority of consumers are twice as likely to validate their product selections using online reviews than they are to discuss with a store associate. The outlier is the United States, where nearly half of consumers discuss their product selections with a store associate.

The growing influence of social media

When it comes to social media, a few interesting details emerge. Our findings showed remarkable consistency across all markets when it comes to social media users and purchase behavior. Surveyed consumers who use social media to shop convert at a significantly higher rate than non-users – a factor of almost 20 percent – around the world. This influence on conversion is even greater for consumers who engage in social media and shop on the same day.

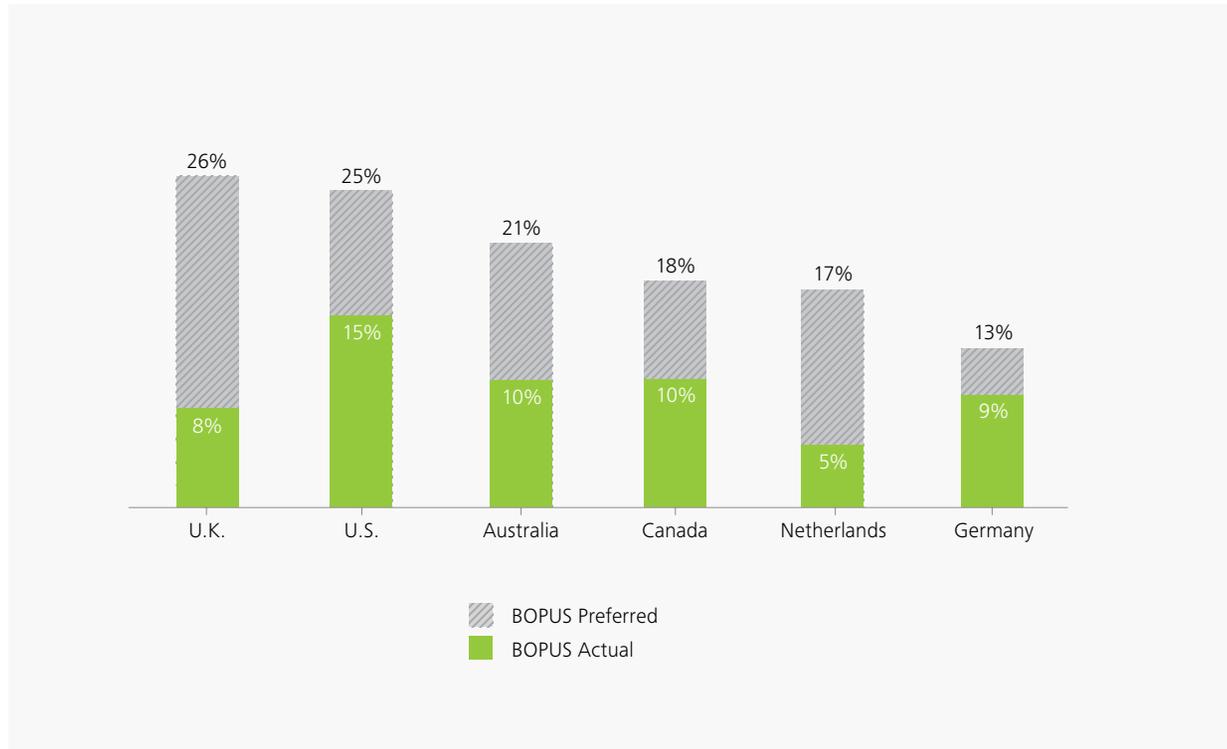
Interestingly, the markets with greater social media lift did not map directly to the markets with higher rates of digital and mobile influence. It would seem natural to conclude that markets with a higher digital influence factor would have more social media buzz or consumers engaging with more features and functionality. In fact, this illustrates the new digital divide, in the sense that consumers in these markets are using digital in this form to help them shop, but perhaps do not have access to or want to use retailer-provided tools.

Figure 4. Social media impact on conversion



⁴Conversion lift is defined as the ratio between the conversion percentage when shoppers used social media and the conversion percentage when shoppers did not use social media.

Figure 5. Actual BOPUS usage vs. desired in developed countries



The intersection of channels

A growing effort with many large retailers aimed at making the connection between digital engagement, digital influence, and in-store customer traffic is known as Buy Online, Pick Up in Store (BOPUS). We found a measurable gap between the number of consumers who say they would like to use BOPUS versus those who actually use it. This pattern indicates a lack of real or perceived retailer functionality – these consumers may believe that BOPUS is too complex or cumbersome, or that the retailer will not be able to execute the cross-channel order accurately.

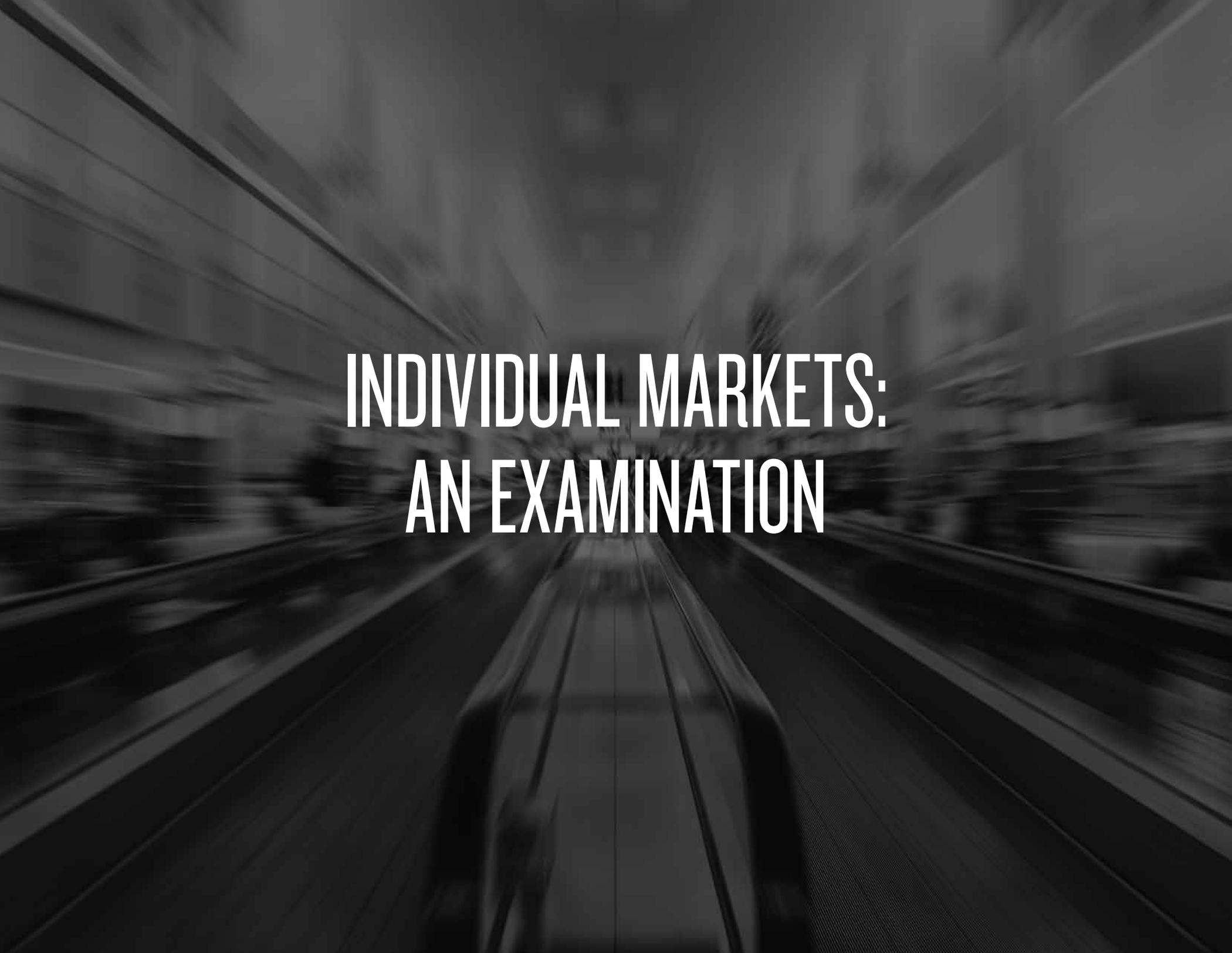
This is a missed opportunity for retailers, as consumers who use BOPUS are more than twice as likely to spend more than non-BOPUS shoppers. Still, worldwide, we find that consumers are just in the early stages of familiarizing themselves with the BOPUS concept and are only starting to see more options of this type of engagement with retailers. While these initial findings are promising, more research will be required over time to understand if this type of cross-channel concept will truly stick as an effective way to merge physical and digital shopping.

IN CONCLUSION

In the end, digital and its growing influence in the retail industry represent revenue and profitability opportunities for retail businesses around the globe. Given the presence and growth trend of digital influence across many markets, retailers need both a strong physical and digital presence to succeed in the long term. Retailers must continue to assess the broad and complex impact of each channel on the other. Retailers who fail to get ahead of these trends with a full range of tools that consumers will embrace could face real threats to their success, and potentially their survival.

We encourage you to dig deeper into this data. Please follow the links on the following pages to learn more about our analysis in each market.





INDIVIDUAL MARKETS: AN EXAMINATION

With consumer preferences, retailer offerings, and digital capabilities all evolving in parallel, today's retail landscape is highly complex. Layering in country-specific nuances increases the intricacy with which retailers must approach digital development and international expansion. Our study allowed us to not only to compare and contrast consumer shopping behaviors across countries, but also to drill down within each market.

Market leader cohort

With overall digital influence factors of 49 percent, 41 percent and 40 percent, respectively, the United States, Canada and Australia retail markets not only are the leaders in digital influence, according to our survey, but also trend in the same way in terms of consumer interaction and digital adoption.



United States

While brick and mortar sales still dominate the U.S. retail landscape, digital and mobile influence on in-store sales continues to increase year over year. In 2014 alone, U.S. online retail sales were only 6.5 percent or US\$305 billion of total sales, whereas 49 percent of in-store sales were influenced by digital – a whopping US\$1.7 trillion. Despite many U.S. retailers seeing strong online growth of as high as 20 to 30 percent, in-store sales⁵ remain stagnant. Beyond reviving their core business model, major U.S. retailers are also facing competition for market share from smaller, more agile retailers who have recently entered the competitive set.

U.S. consumer behavior around digital tools also hints at the maturity of the market. For example, digital consumers were 30 percent less likely to use mobile for price comparisons than last year. Instead, U.S. consumers are now more likely to use digital, mobile, and social media for inspiration earlier in the shopping process compared to previous years. Furthermore, consumers using digital convert at a 20 percent higher rate, and those using social media during the shopping journey are around four times more likely than non-users to spend more on purchases as a result. With digital influence topping 64 percent of in-store purchases in 2015, U.S. retailers must continue to quickly address the gap between their current digital offerings and growing consumer expectations.

Read the full U.S. report [here](#).



Canada

While the Canadian market mirrors the United States in some ways – for example, consumer preferences for digital touchpoints along the path to purchase – the market lags slightly behind in overall digital and mobile influence factors.

When it comes to conversion patterns, Americans convert at a higher rate than Canadians, with a 20 percent greater conversion rate when using digital in-store and a 65 percent greater conversion rate with the use of mobile. Looking ahead, one of the obstacles Canadian retailers face is distribution, with a large gap in customer expectations and reality for BOPUS fulfillment. An underlying reason for this gap is unique to Canada's geographic size and modest population density, which can pose a challenge to retailers with fewer distribution centers across a larger geographic area.

With online sales in Canada projected to grow by more than 10 percent each year through 2018⁶ and a mature, digitally-savvy customer base, Canadian retailers can position themselves to increase online and in-store conversion rates by supplying customers with improved online and cross-channel experiences.

Read the full Canada report [here](#).

⁵Sales calculated based on U.S. Census Bureau Quarterly Retail E-Commerce Sales, 4th Quarter 2014.

⁶eMarketer, 2015.



Australia

While traditional in-store sales still account for the vast majority of total retail sales, the influence of digital on the shopping journey is changing how customers shop and make decisions in-store in Australia. With 40 percent of in-store visits influenced by digital, Australian shoppers have a similar digital influence profile to those in the U.S. and Canada. Importantly, this influence is growing rapidly, driven by a tech-savvy population in which frequent shoppers are the most digitally-engaged retail consumers of all.

These findings should be a wake-up call for local retailers, who may be underestimating the power of digital influence on Australians' shopping behavior – and the speed with which this influence is growing. The blend of the physical and digital shopping experience has a significant impact on retailers' key metrics. When consumers use digital devices to research, find and compare products – before, during, and after shopping in-store – these activities boost both average conversion rates and order sizes in store by more than 20 percent.

Read the full Australia report [here](#).

Middle cohort

Cultural history and preferences affect customer behavior in the European markets in very specific ways, as evidenced by a slightly lower appetite for digital in store compared to other developed markets.



Germany

Germany exhibited similar patterns compared to other mature markets – for example, digital shoppers' increased conversion spend, social media's positive impact on conversion and spend, and younger shoppers' more frequent use of digital – though its digital influence factor of

30 percent was on the lower end of the range compared to other mature markets.

One especially notable finding was digital's large impact on in-store conversion – a 41 percent conversion lift versus an average of less than 10 percent in other mature markets. Although part of the lift we measured is more effect than cause (i.e., "mission-driven" shoppers are more likely to convert and use a digital device anyway), our research has shown that digital is actually causing higher conversion in many cases (e.g., a "discovery-driven" shopper purchasing an item after seeing it on a "recommended items" page).

Regardless of the direction of the cause and effect relationship, digital interactions are key moments that matter in both instances. A poor digital experience can result in mission-driven shoppers abandoning purchases (and potentially going to a competitor) and will likely reduce the conversion rate of discovery-driven shoppers.

Read the full Germany report [here](#).



Netherlands

While Dutch digital and mobile usage is among the highest in the world (81 percent mobile penetration), the Dutch have lower overall influence factors of 30 percent digital and 16 percent mobile, which mirror less advanced markets.

Despite lagging in overall influence factors, the Netherlands has similar online sales compared to its more mature counterparts, with 7 percent of overall retail sales occurring online.⁷ Dutch consumers' use of digital led to more in-store visits – not a decrease as might have been expected – and use of mobile is an integral part of the in-store shopping journey, with 54 percent using mobile to get product information in stores.

The Dutch are also eager to try digital payments, with 19 percent of those surveyed having used a digital payment method and 41 percent interested in using one in the future. Digital use also led to a 20 percent increase in basket size, which suggests that Dutch retailers can look to close the digital and mobile influence gaps if they reevaluate and expand their digital capabilities.

Read the full Netherlands report [here](#).



United Kingdom

While findings in the U.K. market were similar to those in other mature markets, a few data points stand out. First, U.K. shoppers are significantly less likely to discuss a product with an in-store associate when making a purchase decision – only 11 percent of shoppers said they did so, less than half the average of other mature markets. Instead, surveyed U.K. shoppers much prefer to browse retail sites and read online reviews when deciding on a purchase. Accordingly, U.K. retailers should focus on improving site navigability and information availability, as well as encouraging shoppers to post reviews.

Another notable finding was the large difference between the percentage of shoppers using BOPUS versus those that desire to do so (8 percent versus 26 percent, a more than three-fold gap and the largest among all markets). Put simply, U.K. retailers are generally not meeting shoppers' desire to buy online and pick up in store. However, U.K. retailers should know that local shoppers are least likely to spend more as a result of BOPUS (only 25 percent, compared to an average of 44 percent in the other mature markets).

Read the full U.K. report [here](#).

⁷Planet Retail, 2015.

Developing market cohort

The developing markets showed the highest level of digital influence (among connected consumers). Significant differences in culture and current economic state impact trends in each market.



Mexico

With internet penetration reaching 51 percent and over three-fourths of surveyed respondents indicating they own a digital device, Mexican shoppers' behavior is becoming increasingly influenced by digital. For example, 72 percent of Mexican shoppers surveyed were already aware of the product they were looking to purchase in-store, with many preferring to browse retailer websites, use a search engine, or use price comparison sites.

In contrast to other developing markets, such as India, almost half of digital influence comes from devices other than smartphones. Mexican consumers prefer to use computers or laptops to make a purchase or shop, likely in part due to slow connection speeds for mobile users; retailers operating in Mexico should be cognizant of bandwidth constraints when designing mobile sites. Additionally, Mexican consumers indicated a reluctance to give out credit card and other personal information via the internet and a lack of trust in packages arriving safely. Accordingly, Mexican retailers should strive to mitigate information security concerns (such as by prominently featuring an SSL encryption logo and explaining how it works) and should also increase BOPUS availability (more than one-third of Mexican shoppers said they would prefer using BOPUS).

Although some barriers to adoption exist in Mexico today, both eCommerce sales and smartphone ownership are expected to grow rapidly over the next two years, indicating a trend toward greater digital influence overall.

Read the full Mexico report [here](#).



China

The Chinese market is becoming more sophisticated when it comes to digital, with 59 percent of internet-connected consumers' in-store sales influenced by digital.

China is a prime example of varying consumer preferences within a single market. Specifically and perhaps unsurprisingly, higher income consumers are generally more influenced by digital than their lower income counterparts. This gap in digital influence is even wider among categories that are more experiential in nature, such as auto and beauty/wellness.

Chinese consumers are also highly influenced by social media as part of the shopping journey, with 36 percent using social during the browse/research phase and 50 percent using social media to get validation for purchases from their personal networks. When social media is used before or during the shopping journey, Chinese customers are 20 percent more likely to make a purchase. Retailers who want to capture more sales in China could pursue digital investments that address the needs and desires of the market and reinforce their brand image online.

Read the full China report [here](#).



India⁸

As in the other developing markets, India exhibited varying degrees of digital influence depending on socioeconomic status. In fact, shoppers in India's highest socioeconomic class were influenced by digital at three to five times the rate of the other four socioeconomic classes.

However, while we saw large differences across socioeconomic status, digital had relatively consistent influence across age groups and product categories. For example, digital influence among 18-20 year olds surveyed was only around 25 percent higher than among 45-54 year olds, and likewise, digital influence within the electronics product category was just 25 percent higher than the least influenced category, miscellaneous supplies.

Finally, smartphones accounted for nearly all (85 percent) of the digital influence in India, suggesting that smartphones are by far the primary connection point to the internet and that few consumers surveyed are using devices such as desktops, laptops and tablets to shop.

Read the full India report [here](#).

⁸Note: In *Navigating the New Digital Divide: Key Imperatives for Indian Retailers*, the data has been normalized to account for penetration of digital devices.

SURVEY METHODOLOGY

These surveys were commissioned by Deloitte and conducted online by an independent research company between November 2014 and March 2015.

The survey polled a national sample of approximately 2,000 random consumers in each market. Data were collected and weighted to be representative of each country's census for gender, age, and geographic region (state/territory).

A 90 percent confidence level was used to test for significance.

Within each market, a sub-set of consumers were randomly assigned to provide information about how they use a digital device to shop for up two different product sub-categories (such as shoes or books and music). Specific digital behavior data represents consumers who use digital devices to shop.

For detailed survey methodology and margins of error by country, please see the market-specific points-of-view.



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