



# Unlocking Engagement: A Data- Driven Look at Consumer Behavior

# Introduction

This whitepaper provides some of the most important, actionable insights from ***The Experience Opportunity – North America***, a study from KINESSO Commerce in partnership with Google and conducted by Kantar in April 2023 .

The full report, based on a qualitative survey of 12,000 people's online shopping habits, provides a deep dive into Commerce with a focus on the eCommerce experience, helping ground brands' strategies in real consumer behaviors and shape their ability to acquire and retain online customers.

Here we unpack the importance of maintaining a full-funnel presence across a range of key, online touchpoints and explore the triggers which convince people to make purchases.



# The current state of eCommerce in North America

In the face of unpredictable economic conditions and inflationary pressures on consumer spending, eCommerce has continued to thrive across all generations of North American shoppers. Diminished purchasing power has led to buyers reining back overall spending, buying only out of necessity, researching products more thoroughly, and trying out alternative (more cost-effective) brands.

The enduring willingness across all sections of North American consumers to splurge on occasional luxury purchases is bucking this trend. Our data shows that online commerce yields more premium CPG purchases than offline, offering retailers and brands the opportunity to drive their premium sales.

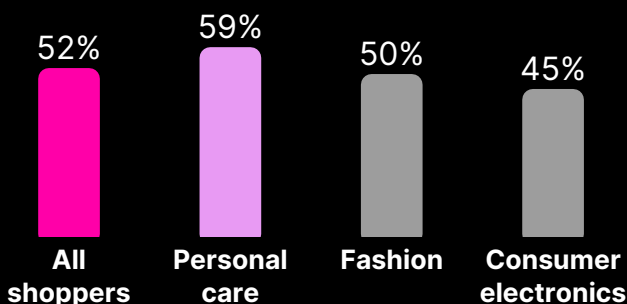
Gen Z and Millennials are the leading drivers of eCommerce growth: more than a third will shop more online in the future. Emerging eCommerce trends such as direct to consumer (DTC), social commerce and live shopping are being adopted by the younger generations, as Baby Boomers are more inclined to stick with retailer dotcoms. As eCommerce channels proliferate, brands will have to rely on omnichannel campaigns to reach all sections of their customer base.

Our research reinforces the importance of full-funnel presence at key media touchpoints and regular engagement with shoppers in order to drive sales and promote customer loyalty. Around 80% of Gen Z-ers and almost 70% of Millennials regularly conduct pre-purchase product research or keep up to date with trends. This presents a major opportunity to meet customer demand for product information with engaging, regularly refreshed content across targeted touch points.

# Habits to break & habits to harness

Brands must establish full-funnel presence in order to drive sales at key touchpoints and through specific sales channels. Our data illustrates that consumers tend to choose their sales channel out of habit. Over half of all shoppers (52%) claim to select sales outlets with which they're familiar. This behavior is much more pronounced for personal care products, where the likelihood of refill purchases is higher.

## Purchase channel chosen out of habit



An overwhelming % of shoppers choose their purchase channel because they typically buy there.

Habitual shopping impacts two key marketing challenges: **preserving customer loyalty** and **acquiring new customers**.

**1** How do you keep your customers coming back to your eCommerce platform?

**2** How do you attract prospective customers to your eCommerce platform when they're currently comfortable with a competitor?

For maintaining loyalty, strategies such as automated replenishment and personalized (individualized) engagement are particularly effective. Successful acquisition strategies to break current shopping habits require a wider marketing strategy to capitalize on regular shoppers' engagement and messaging that drives new sales channel trials, including high and constant visibility at key media touchpoints.

# Further buying triggers

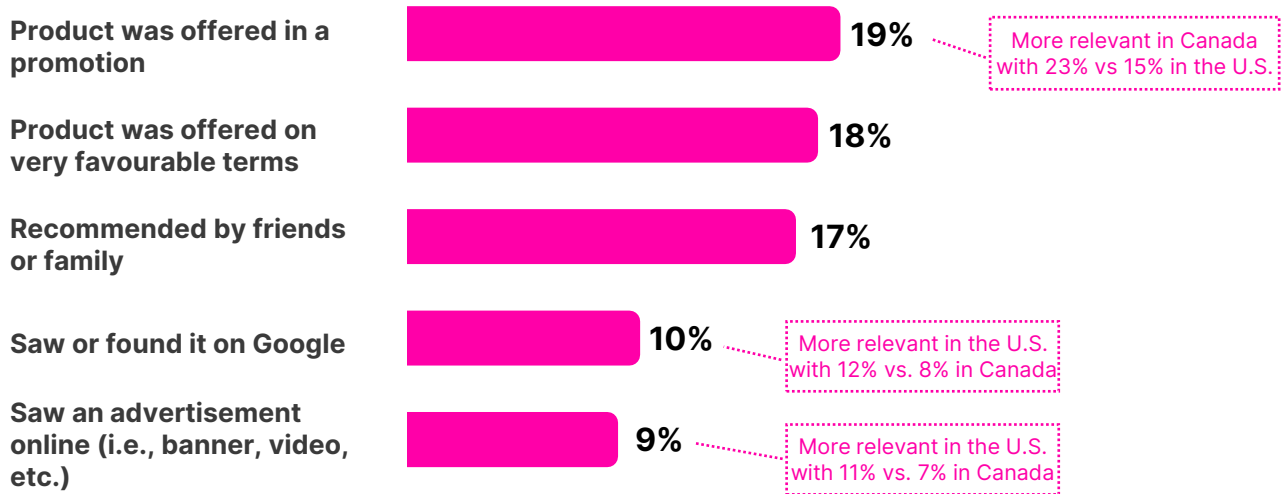
Beyond breaking or preserving consumer habits, our data shows promotions, calling out terms, presence on search, or online advertising can trigger shoppers to convert on a certain channel.

Shoppers in the study revealed the five most effective purchase triggers brands can leverage to drive shopper engagement on specific sales channels:

Products offered in a promotion (19%) or on favorable terms (18%) top the list of inducements for North American consumers to convert via specific platforms. Nearly one in five shoppers say these tactics influence their channel selection – almost double the proportion citing presence on search or online advertising.

## Further triggers to buy at a channel

Trigger to choose sales channel, top 5 triggers across NA in %



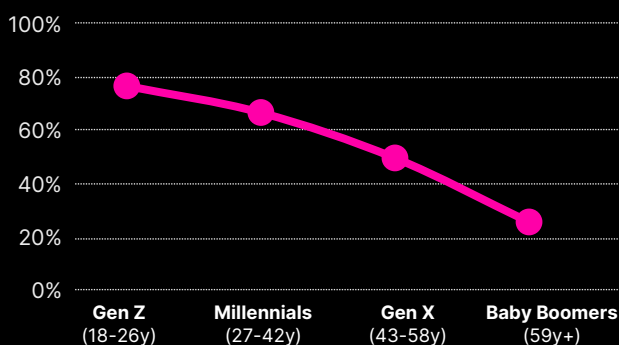
# The Influence (and importance) of category engagement

Brands can greatly improve the commercial performance of their online sales channels by providing regular, engaging content about their products that keeps customers intrigued and keeps them coming back.

North American consumers, particularly younger generations, like to keep up-to-date with news, trends, and product information for categories in which they shop regularly. Our data shows that among personal care, fashion and consumer electronics, a majority of younger shoppers -- nearly 80% of Gen Z-ers and 70% of Millennials -- engage with these categories at least once a month.

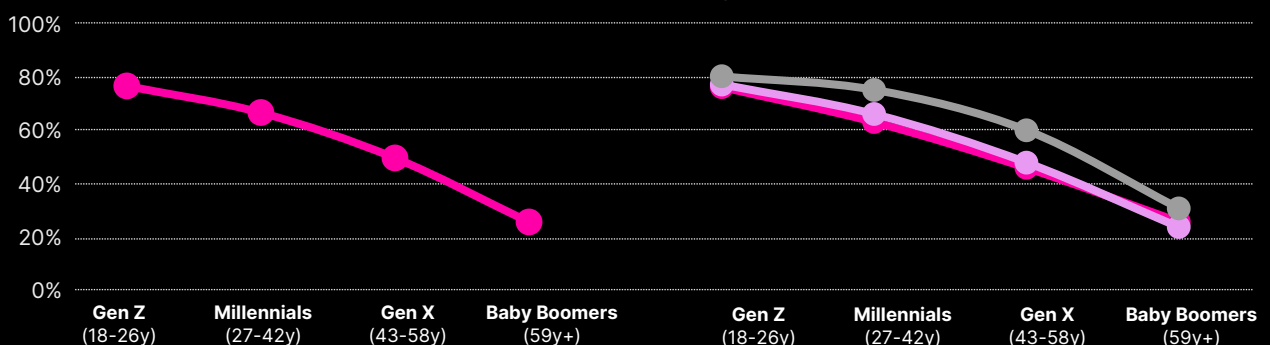
## Engagement level

● % of shoppers who engage at least one time per month with the category



## Engagement level, by category

● Personal care  
● Fashion  
● Consumer electronics



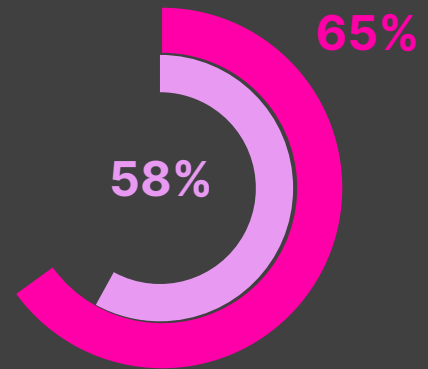
Brands that maintain high online visibility with frequently updated and relevant content generate full-funnel benefits, from awareness through conversion and on to loyalty or advocacy.

According to our study, consumers who engage regularly with a category are more likely to opt for a particular brand – so it seems brand preference can be built and nurtured through regular engagement.

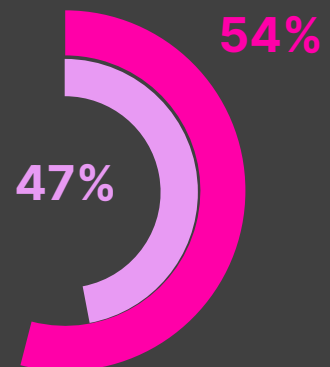
Similarly, those who engage regularly are more likely to make purchases within their preferred channels, suggesting this type of brand engagement also reinforces loyalty.

Even if shoppers don't show clear purchase intent for a category, they collect information in this research or discovery phase that helps them build brand preferences.

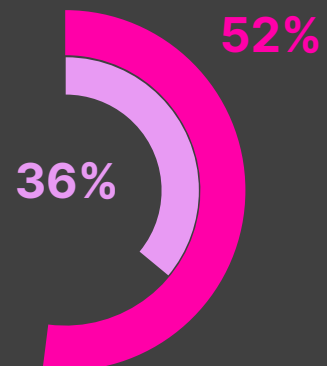
Consumers who engage at least once per month with the category  
Consumers who engage less often with the category



Likelihood to be decided on the brand purchased



Purchased at preferred purchase channel



Likelihood to do pre-purchase research

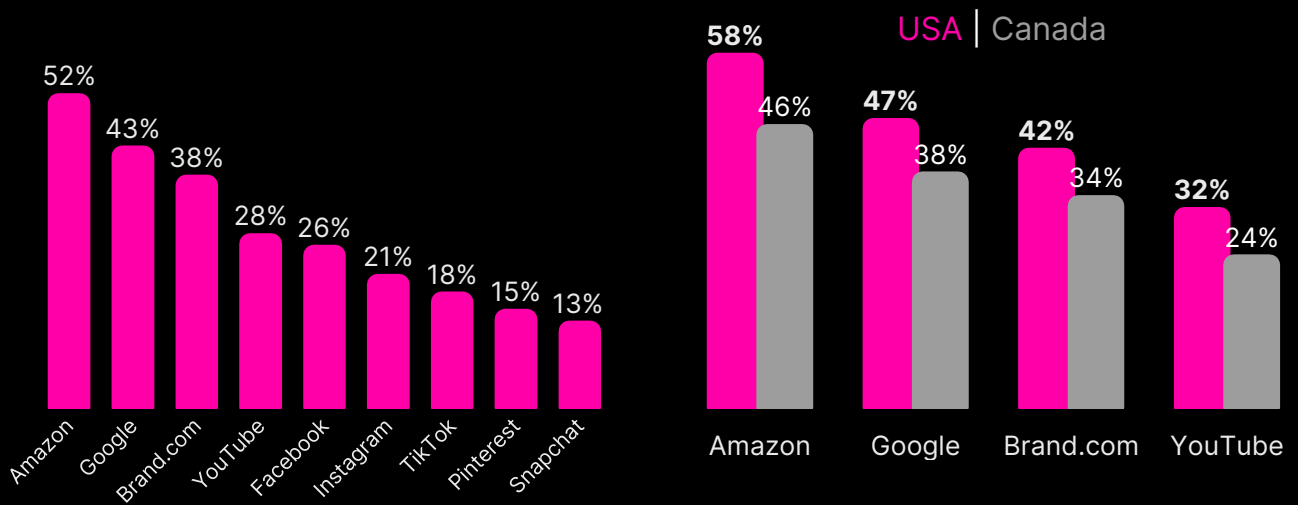
# Touchpoint presence is key

A major factor in brand marketing success is the ability to intercept customers and prospects wherever they are in their purchase journey. Our data lifts the lid on the top pre-purchase media touchpoints that North American shoppers use for product research.

Unsurprisingly the behemoths of eCommerce and search – Amazon and Google – dominate the top referral sites. However, the spread of social media channels customers now use for research indicates that marketers have multiple opportunities to reach, inform, engage, and entice shoppers to their eCommerce platforms.

## Top (selected) touchpoints that drive traffic & choice

Media touchpoints used to research products before purchase, cross-category





# Shoppers are decisive but time-poor: Speed matters

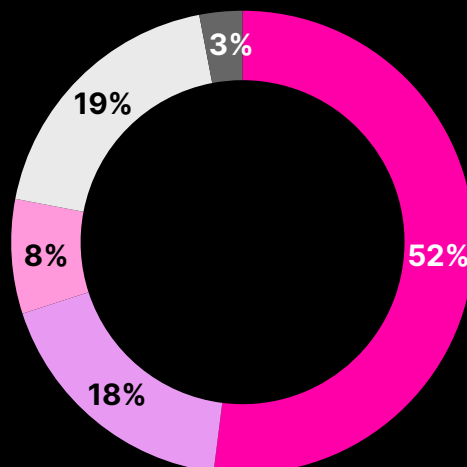
For all the regular engagement and desire to conduct pre-purchase research, shoppers tend to be time-poor. Once they are set upon making a purchase, they won't spend long comparing alternative products or brands.

In fact, KINESSO Commerce's research data shows that over half (52%) of North American shoppers will only compare between one and three products prior to purchase. What's more, nearly one in five people (19%) will go with their gut, buying immediately without comparing alternatives.

Only 26% of consumers will consider four or more options before buying – that's a narrow field of potential customers for brands to reach. So when it comes to driving the conversion through lower-funnel performance marketing, the marketers' challenge is to ensure a high degree of brand salience and a smooth path to purchase. That is, ensure their brand is top of mind in the category and that communications are clear and compelling – enabling customers to make fast, informed decisions.

## Number of products compared before making a choice

- 1-3
- 4-6
- 7 and more
- None, I buy directly without comparing
- Don't know





# Key Takeaways For Brands

This snapshot into consumer decision-making and buying habits across key, online touchpoints and triggers reveals several important takeaways for brand strategists.



**Embrace Omnichannel Strategies:** With the expansion of eCommerce channels, brands need to reach customers across all platforms to cater to different generations and preferences, including retailer dot coms, DTC, social commerce, and live shopping.

**Prioritize Full-Funnel Presence:** Focus on engaging with customers throughout the entire purchase journey, from awareness to conversion and loyalty. This involves consistent content creation and targeted messaging across key media touchpoints.

**Leverage Category Engagement:** Regularly provide engaging content about products to keep customers informed and interested. This strategy is particularly effective for younger generations who actively research product categories.

**Capitalize on Purchase Triggers:** Offer promotions, favorable terms, and high visibility at key media touchpoints to attract new customers and encourage existing ones to try new sales channels.

**Focus on Personalized Engagement:** Use personalized marketing strategies like automated replenishment and individualized messaging to foster customer loyalty and drive repeat purchases.

**Understand the Importance of Pre-Purchase Research:** Recognize that consumers conduct research before making purchases. Leverage social media channels and other online platforms to reach shoppers during this crucial stage.

**Optimize for Speed in Decision-Making:** Recognize that shoppers are time-poor and often make quick purchase decisions. Ensure a smooth path to purchase and prioritize brand salience to stand out in a competitive market.

**Adapt to Shifting Consumer Habits:** Be aware that consumer habits are constantly evolving. Stay informed about emerging trends and adapt your marketing strategies accordingly.