

*PwC Press Conference  
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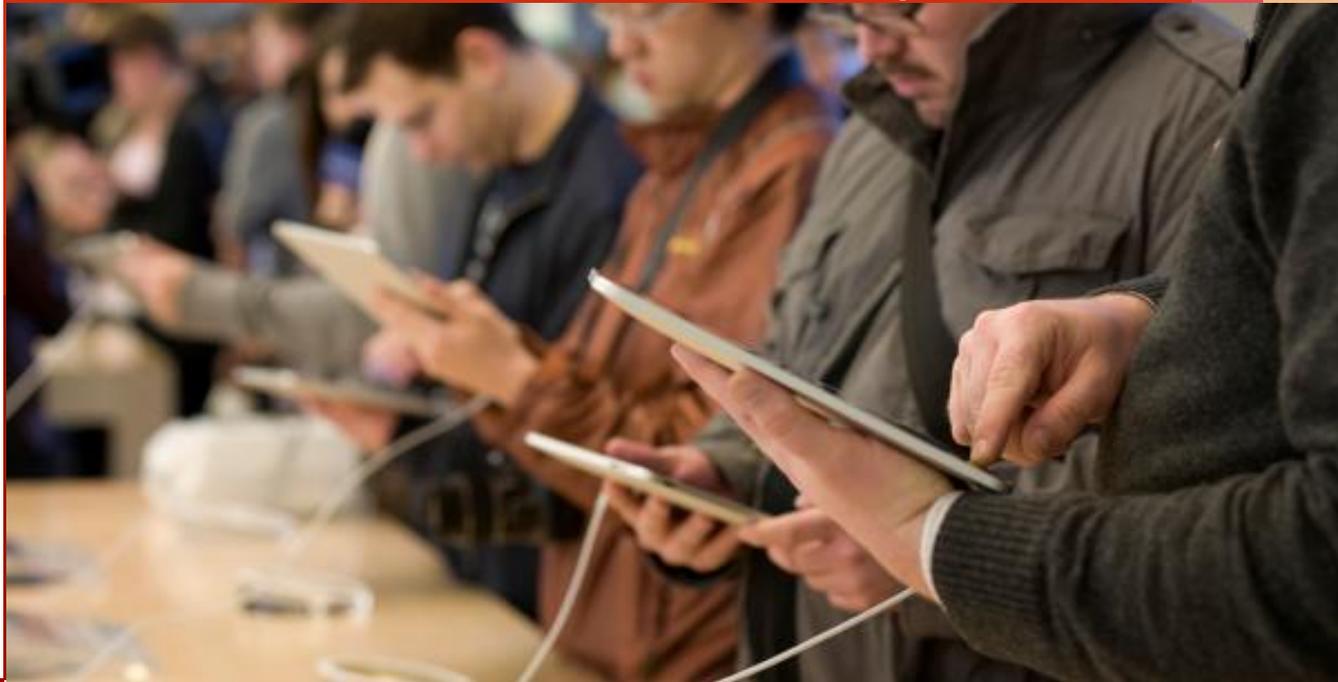
# *PwC Global Multi-channel Retail Survey*

*Carrie Yu*

*China & Asia Pacific Retail and Consumer Leader*

*Stuart Harker*

*Global Retail & Consumer Goods Advisory Leader*



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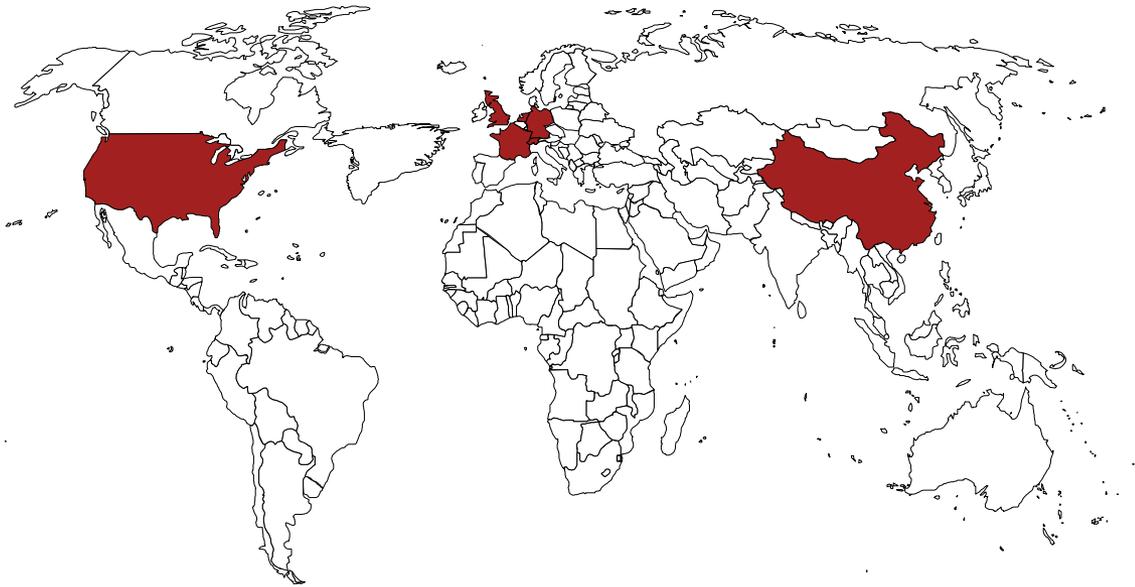
# *Online shopping goes mainstream*

*Carrie Yu*

*PwC China & Asia Pacific*

*Retail and Consumer Leader*

# *Global research: Robust study across 3 continents of consumer shopping behaviour & multi-channel activity*



Territory	Number of interviews
France	1000
Netherlands	1000
Mainland China	905
Germany	1000
Hong Kong	100
Switzerland	1000
UK	1000
US	1000

## **Methodology**

- 7,005 online interviews across 7 countries (interview breakdown by country/territory shown in table above).
- Panel respondents for the online interviews in each country are nationally representative by age, gender, employment status, region. This means that the demographic ‘shape’ of each country is reflected in the findings.
- Interviews conducted between August and September 2011.

# Multi-channel retailing survey in China

905 online shoppers were surveyed in 27 cities in 5 of 6 regions



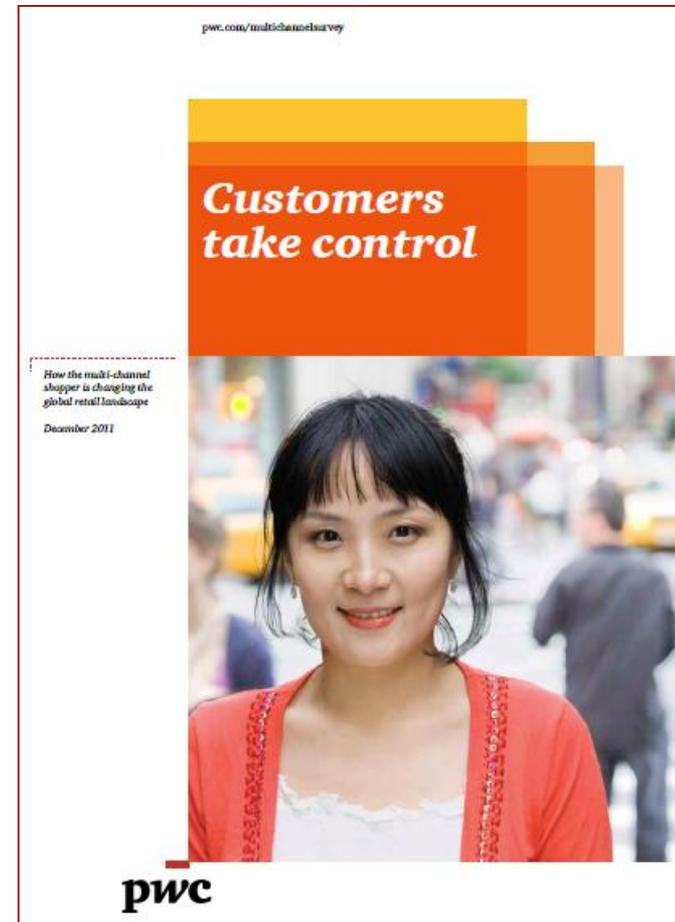
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## *What we discovered*

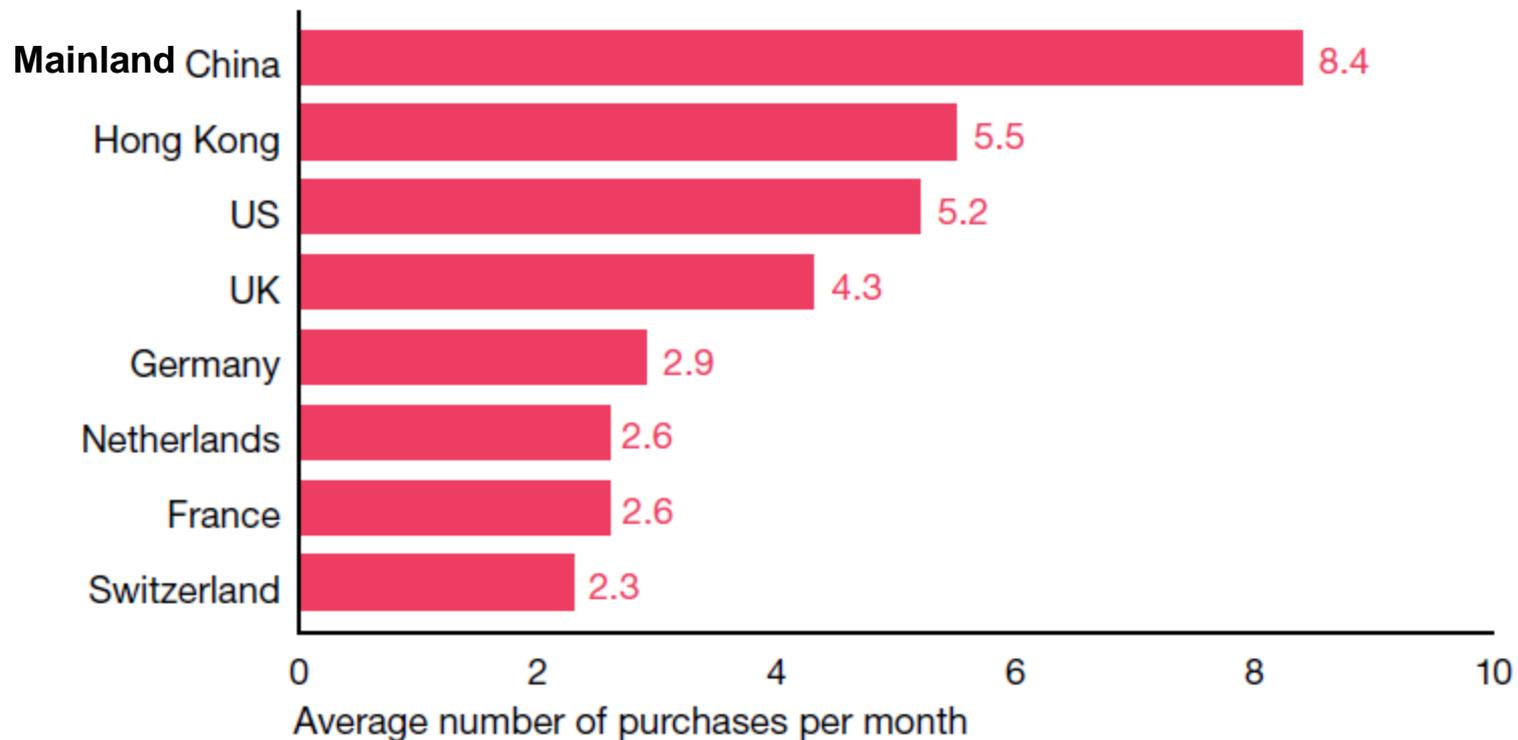
- With internet shopping going mainstream, more and more consumers are shopping online.
- Across the world, 22% of our respondents made their first online purchase in the past year.
- The fast growing rate of online shoppers indicates there are plenty of room for growth in online retailing.
- Notwithstanding less than half of the respondents became online shoppers within the past four years, they consider themselves to be highly capable in terms of researching and purchasing via the Internet.
- 69% of our respondents consider themselves to be either "confident" or "expert" in this regard.

## *What we discovered (cont.)*

- In China, the proportion of "expert" shoppers was the highest, at 86%.
- These online savvy consumers have important implications to the retailers, as they are more demanding in product selection, quality and speed of service and the online purchase experience, just to name a few.

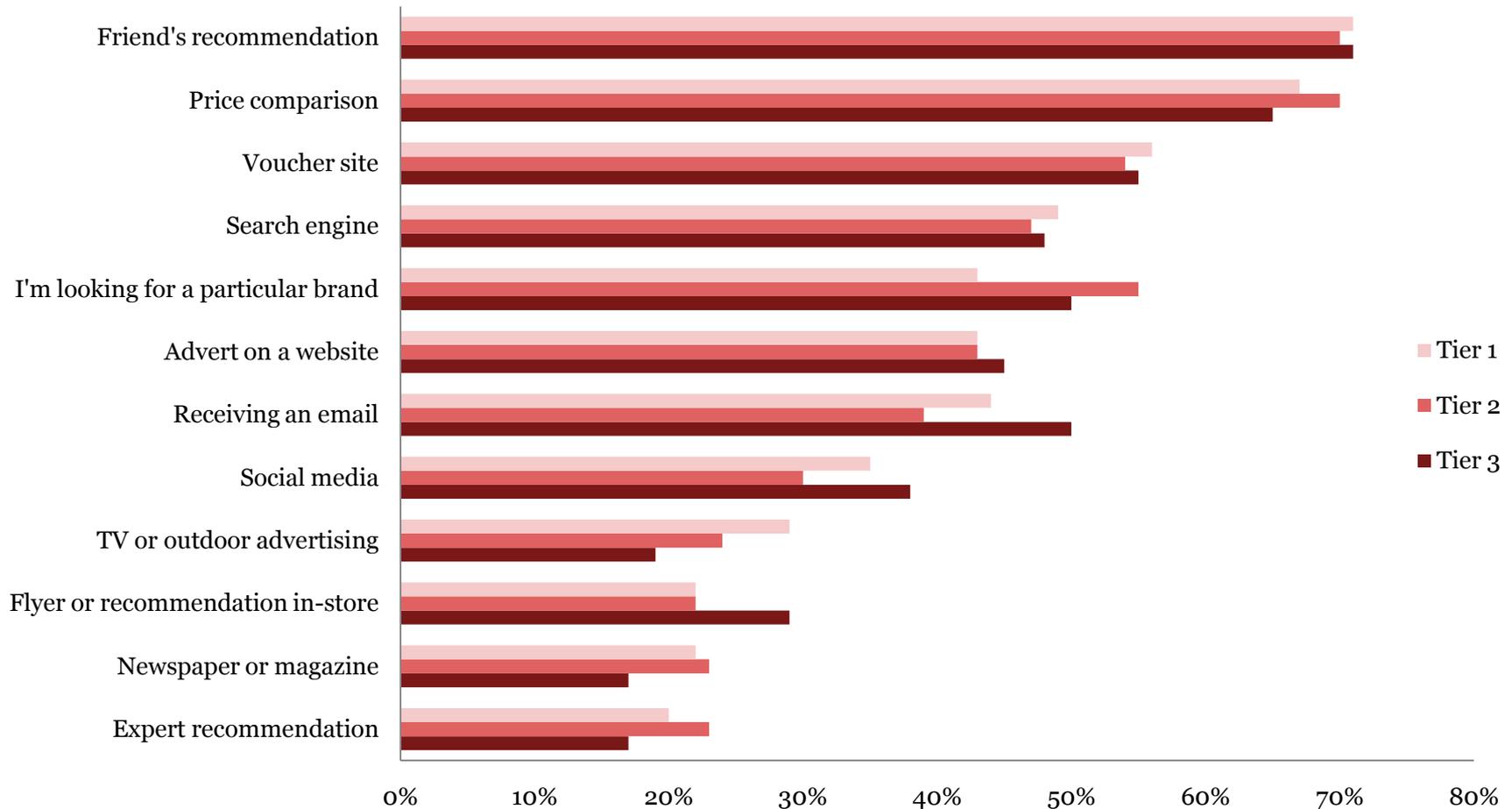


# *Chinese consumers are shopping online nearly 4 times as often as their European counterparts*



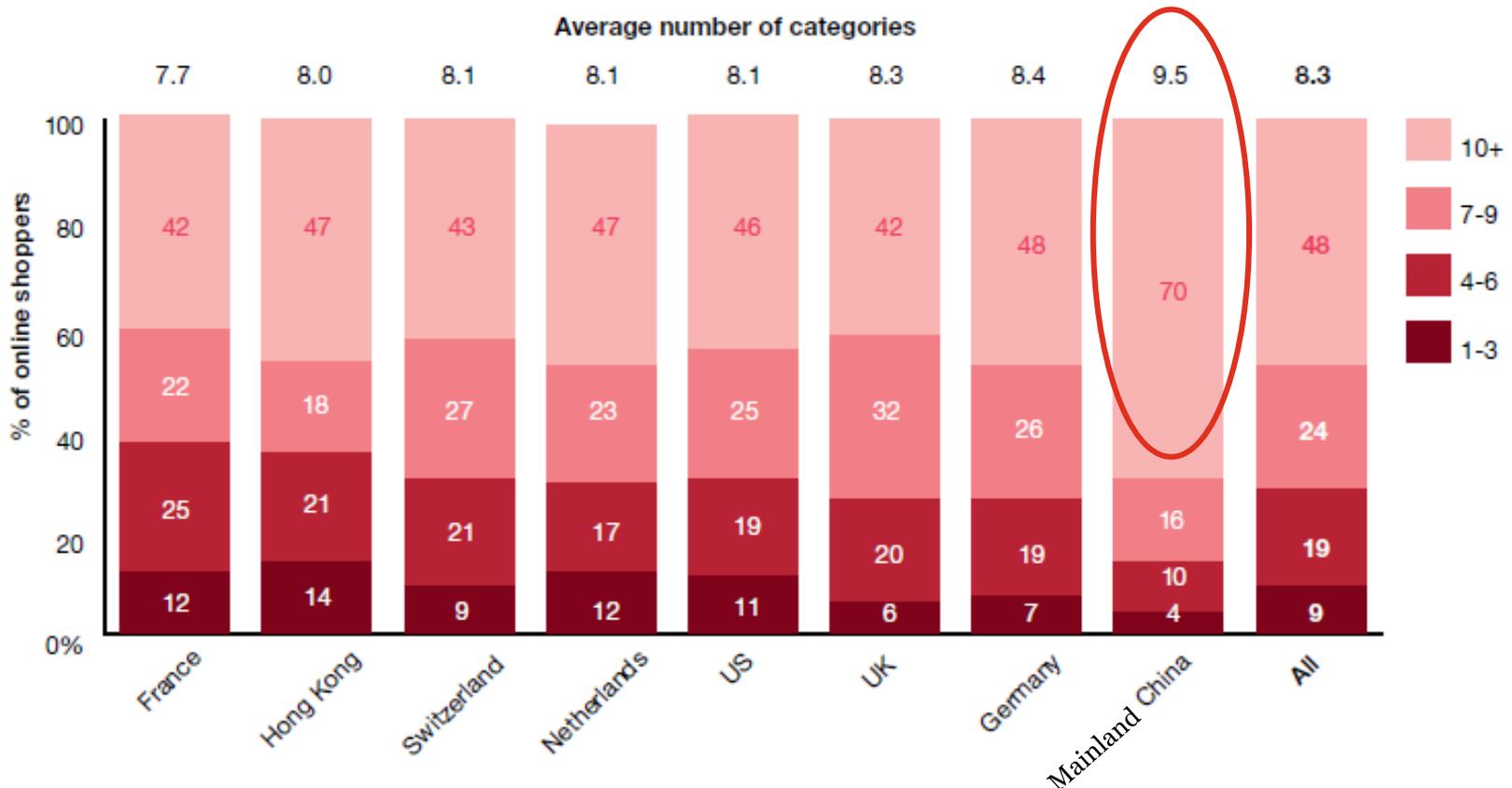
Q. How often do you shop online?

# *Chinese respondents rely on friends' recommendations in choosing an online store, whereas search engines is the prime driver for respondents in Western countries*



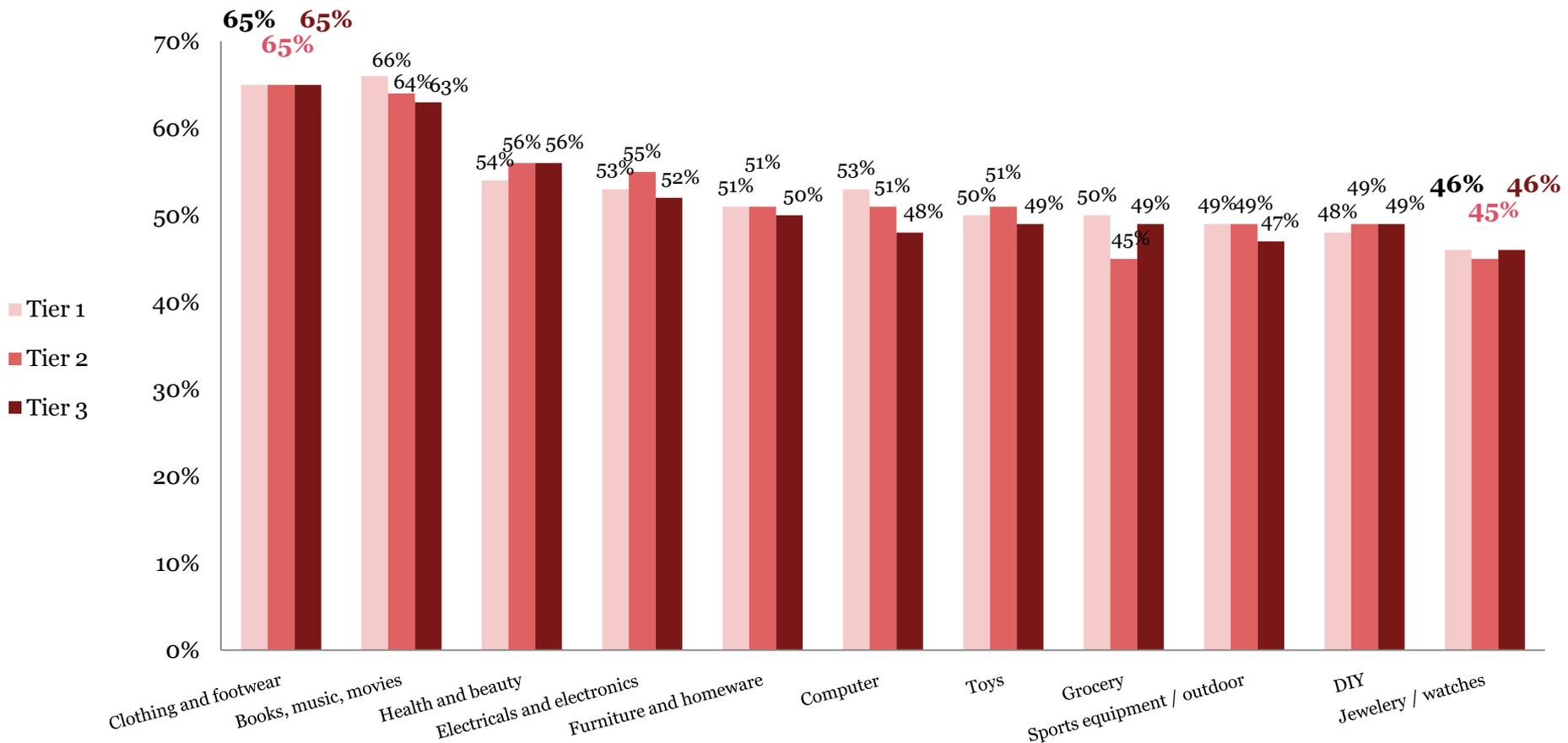
# 90% of online shoppers buy books, music and films, and clothing and footwear online

## Number of categories shopped online in last 12 months



Categories: Grocery, DIY, Jewellery/watches, Furniture and homeware, Sports equipment/outdoor, Toys, Health and beauty, Clothing and footwear, Computer, Electricals and electronics, books/music/movies

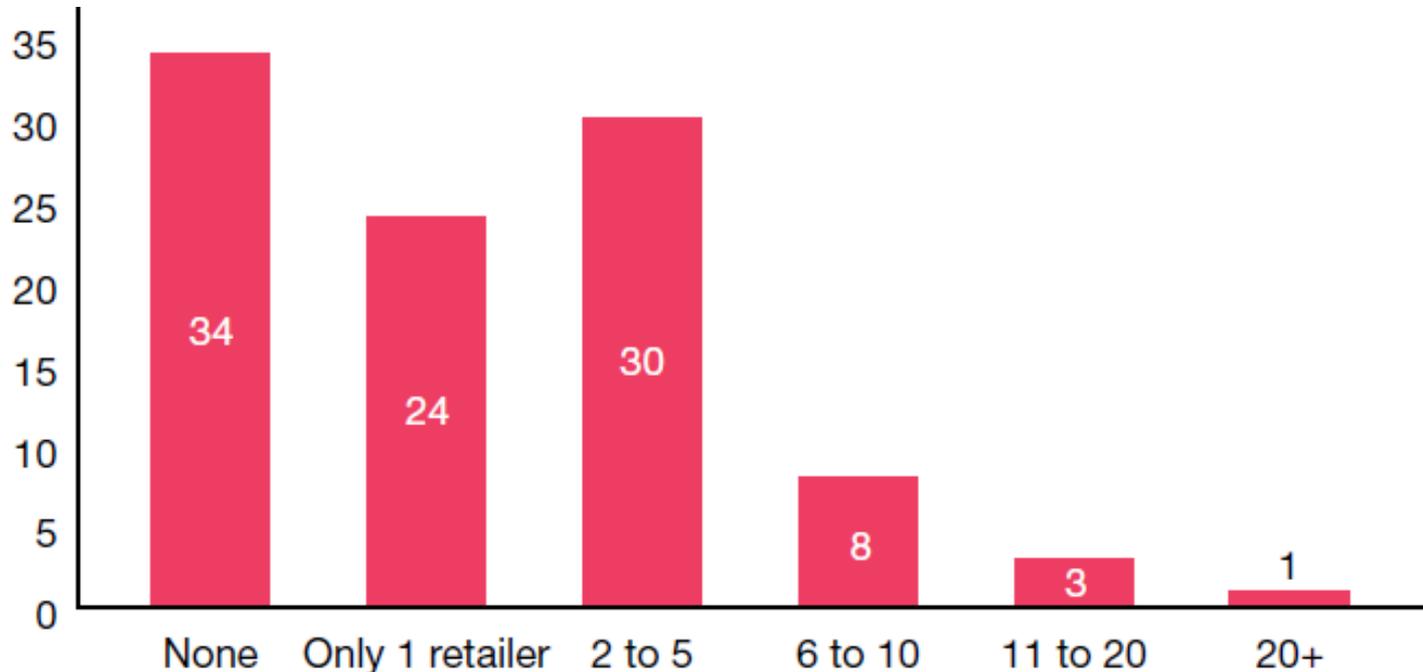
# *In China, almost 70% of respondents make online purchases across all categories compare to only 40% for the Western respondents*



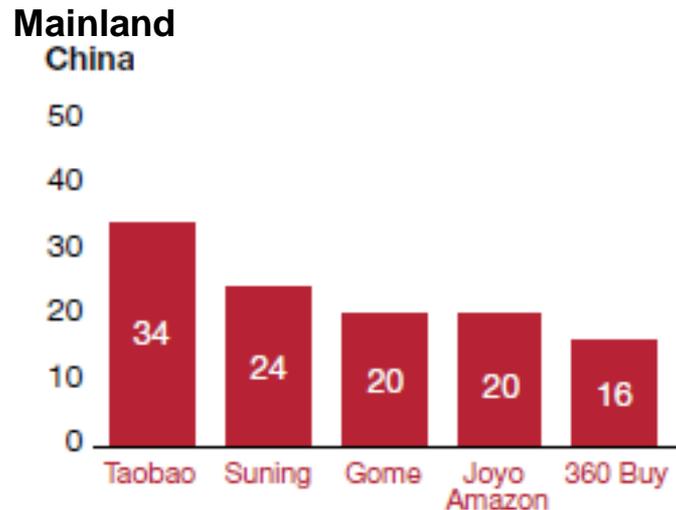
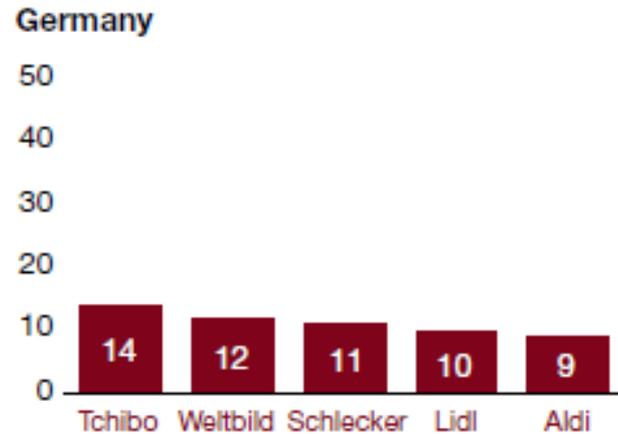
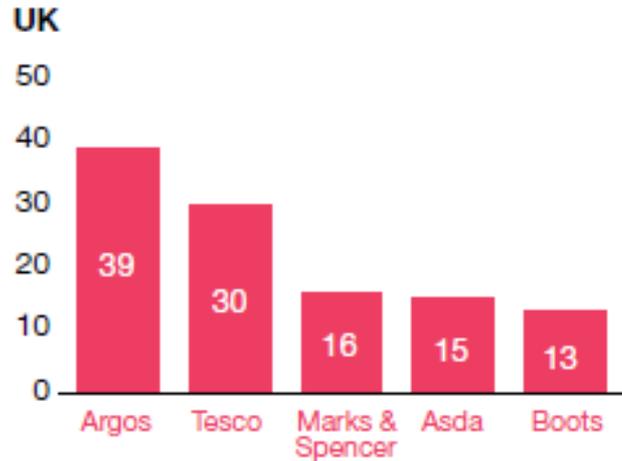
Q. For each of the following product categories, what percentage of your purchase have you made online over the last 12 months (including purchases made from a computer, tablet PC or mobile phone)? (mean percentages)

# *Multi-channel consumers are developing their personal portfolio of favourite stores*

**54% say they shop across channels with 5 retailers or less**



# *The online shoppers we surveyed overwhelmingly favour well-known domestic brands*



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# *Becoming the “most favoured multi-channel retailer”*

*Stuart Harker*

*PwC Global Retail & Consumer Goods*

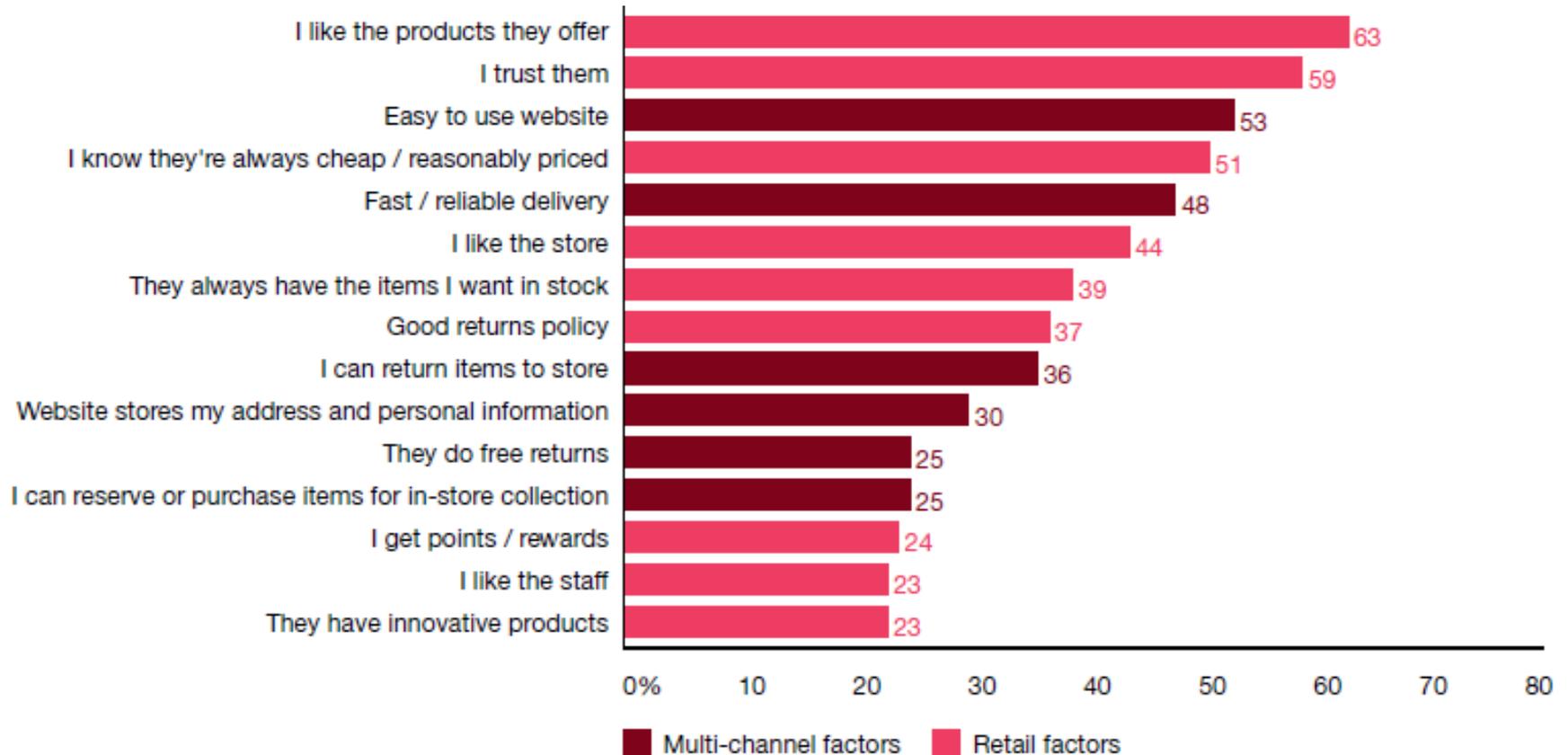
*Advisory Leader*

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## ***Winning retailers are those which have attained the "most favoured retailer" status***

- These are the retailers where online shoppers consolidate their spending.
- As to why certain stores become favourites, the reasons given are strikingly conventional.
- The top reasons cited by the respondents are product (63%) and trust (59%), factors which are core to any retail operation.
- Popular retailers truly understand their consumer appeal, and can replicate the shopping experience across all their channels, backing it up by seamless behind-the-scenes execution.

# *Traditional retail factors for success are also critical for multi-channel retailing success*



Q. What attracts you to your favourite multi-channel retailer?

March 2012

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## ***Successful multi- channel retailers have the following characteristics....***

- A seamless shopping experience across all channels on every occasion, at any time and any where; this includes stores, mobile, on line, catalogue and call centre.
- A single view of customers and product.
- Store brand values need to be built into the MCR shopping experience.
- Underlying technology and supporting infrastructure are critical to success as retailers are now operating in a global market - global price transparency and global supply chains that can deliver products around the globe in days at low prices.
- Technology platforms are one of the key enablers for success and needs to be continually updated and provide the customer with a seamless, secure and fast experience.
- Exceed customer expectations in the Customer value proposition.

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## ***Successful multi- channel retailers have the following characteristics.... (cont.)***

- Stores and on line are fully integrated and aligned ie store network that allows click and collect options and has a compelling customer value proposition.
- Understand their current customers and target customers; use technology and data from all channels to range and price product, services and stores that are inline with all their customers .
- Marketing and promotions are integrated across all channels ie advertising via social media, online or traditionally need to be aligned at all time.
- Instore technology allows customers to be able to shop and compare prices and pay on any device.
- Controls to protect brand, customers, data, regulatory policies, taxation and product are in place at times.

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# *Thank you!*

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