A NewsCorp & Nielsen Study 2014

RETAIL RAINBOWS

local shopping journeys

News Corp Australia

WHY RETAIL RAINBOWS?

- Clarity and vision after the storm
- Multiple paths and choices
- Colourful & diverse influences
- Retail is emotional
- A 'Pot Of Gold' is up for grabs

WE'RE FOR AUSTRALIAN **RETAILERS…**

A deep dive into consumer feelings, attitudes and behaviours:

- Routine, planned & impulse shopper journeys
- Emotions attached to retail categories & media
- Media influences

8 QUALITATIVE FOCUS GROUPS

QUANTITATIVE SURVEY
3,000 AUSSIES
M/F SPLIT 50/50
General population

TEN KEY CATEGORIES
Auto
Alcohol
Pharmacy
Clothing & Accessories
Food & Groceries
Hardware
Home-wares & Small Appliances
Large Appliances & Furniture
Technology
Takeaway Meals

nielsen

Conducted in field Q4 2013

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WHY WE'RE HERE TODAY

4.4 million WEEKLY LOCAL READERS

across 4 issues we reach

69%	69%	66%
LOCAL FAMILIES	HOME OWNERS	GROCERY BUYERS
4.451m	4.508m	5.728m

Source: emma™ conducted by Ipsos MediaCT. 12 months to December 2013. Filtered to people that live within NCM's distribution footprint

RETAIL 2014
CHANGE IS CONSTANT AND FAST

SHOPPING TECHNOLOGY

- O2O: Online to Offline – the blurred lines of shopping
- Payment innovations
- GPS geo-targeting

SHOPPING DYNAMICS

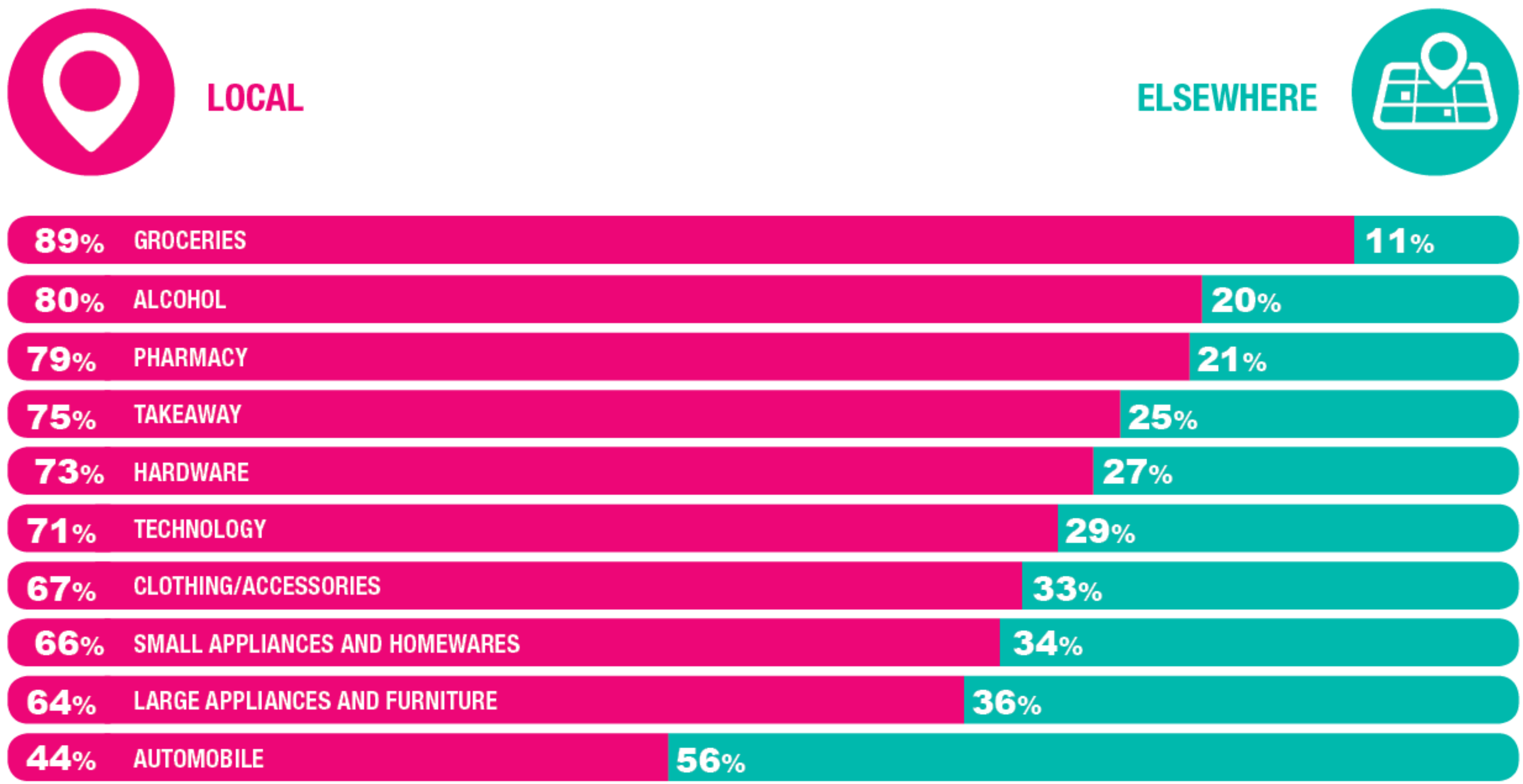
- C2C: Consumer-to-Consumer
- Re-Commerce: Rent & Return
- Subscription economy

BRAND BEHAVIOURS

- D2C: Brands go direct to consumers
- International brand invasion
- Experiential shopping

WE LIKE TO SHOP LOCALLY

MOST CATEGORIES ARE SHOPPED HYPER-LOCALLY



Q: Where did you make your last purchase?

"I might not know their names but seeing familiar faces at the check out is comforting on some level."

3 IN 5 AGREE

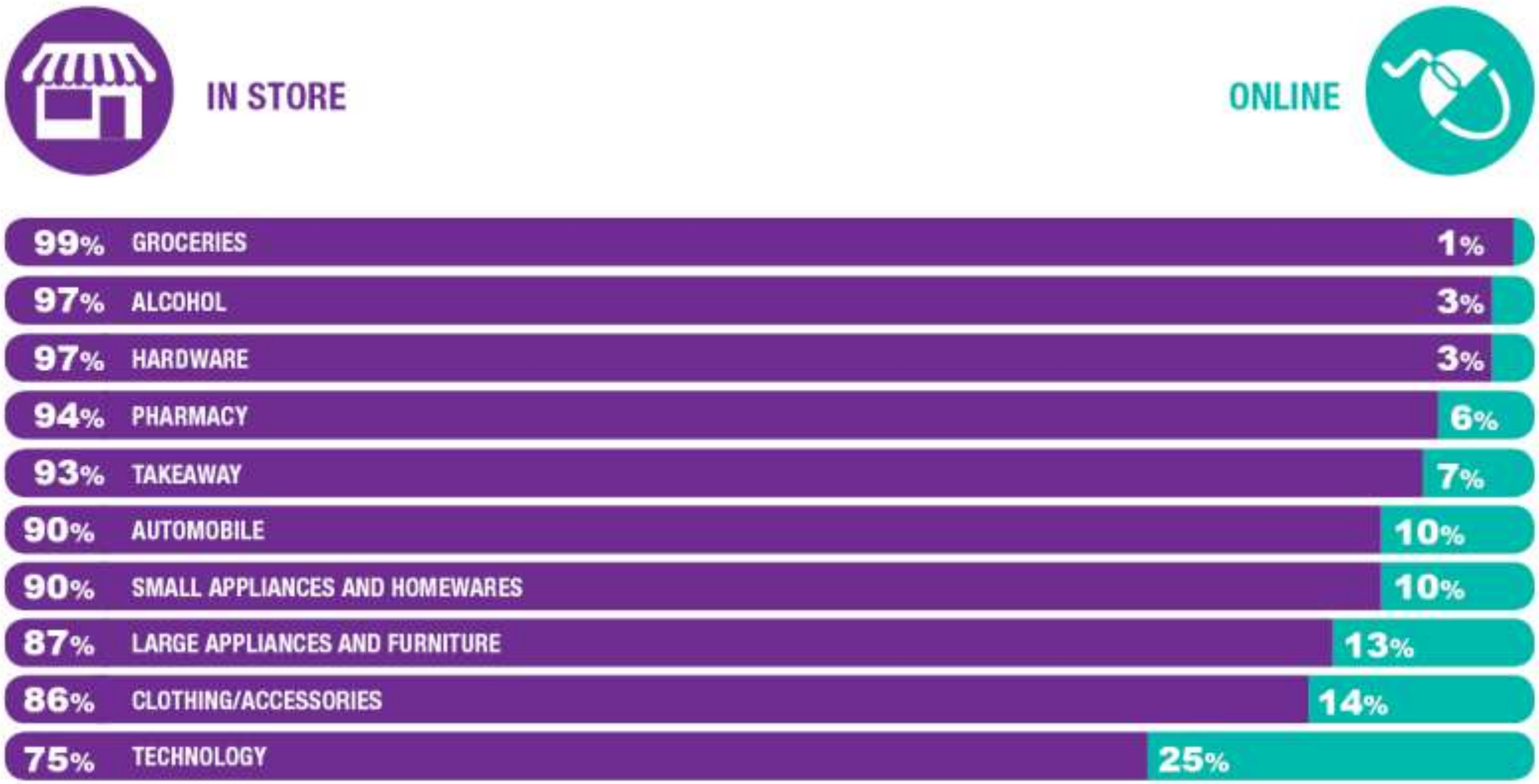
"I FEEL A SENSE OF COMMUNITY WHEN I'M SHOPPING LOCALLY."

Q: How much do you agree/disagree with this statement

RETAIL INSIGHT

WE STILL PREFER TO SHOP IN A PHYSICAL STORE

91% OF RECENT PURCHASES WERE IN PHYSICAL STORES



Q: Where did you purchase your item?

3 IN 5 AGREE

"SOME SHOPS CAN BE A BEAUTIFUL PLACE TO SPEND TIME."

"When there's good service and music you think: I want to stay in this store for awhile."

Q: How much do you agree/disagree with this statement?

MOTIVATIONS AND BARRIERS TO SHOPPING IN-STORE

	RATIONAL	EMOTIONAL
+	Sensory – judge quality & fit Sales advice When needed right away Support local businesses Easier exchange/return	Experiential – the whole of me Social interaction Therapeutic / uplifting Discovery Instant gratification & accomplishment
–	More expensive Less choice Poor service Time consuming	Pressure to buy Disrespect from staff Stressful & exhausting - parking, the kids, crowds and queues

Q: What do you like / dislike about shopping in physical stores? Source: focus groups


E-COMMERCE
IS JUST ONE
WAY WE SHOP
AND STILL
JUST A
SMALL
PORTION
OF RETAIL
SPENDING
RETAIL
INSIGHT

8 IN 10 AUSSIES HAVE MADE AN ONLINE PURCHASE

$14.9 billion spent
by Australians online in 2013
That's equivalent to **6.5%** of
retail store sales*

Source: emma^{TM} conducted by Ipsos MediaCT. 12 months to December 2013.
*Source: NAB Online Retail Sales Index Jan 2014
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MOTIVATIONS AND BARRIERS TO SHOPPING ONLINE

	RATIONAL	EMOTIONAL
+	Functionally efficient Anytime, anywhere Anything (choice), Uniqueness Price comparison Delivery	Relaxing/No judgement or sales pressure Empowering – your control Peaceful / Relaxing
–	Risk: Security Risk: Quality & Fit Risk: Delivery & Returns	Too much choice Emotionally lonely (turn to Earned Media) Disappointment in choice if not what's expected/hoped for

Q: What do you like/dislike about shopping online? Source: focus groups

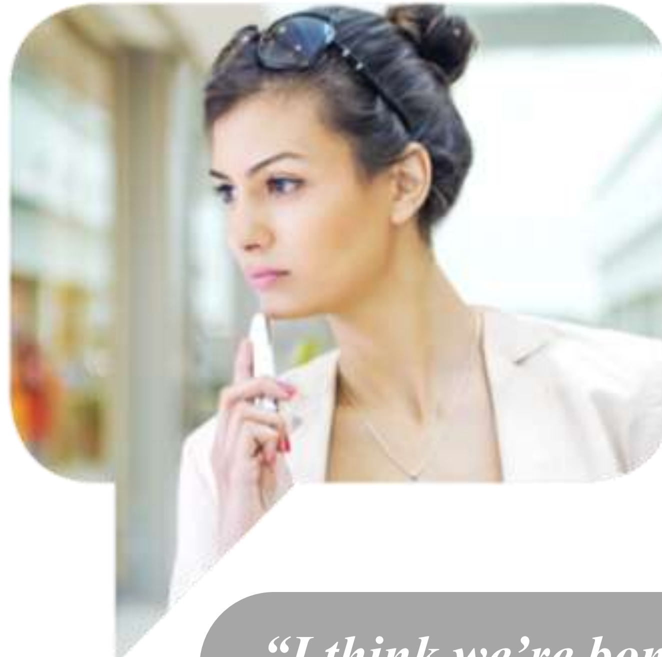
RETAIL INSIGHT

WE ARE RESEARCH CENTRIC & REGULARLY TRAVERSE ONLINE & OFFLINE MODES

2 IN 3 AGREE

"I FEEL REASSURED THAT I AM MAKING THE BEST DECISION IF I DO PLENTY OF RESEARCH BEFORE I BUY."

Q: How much do you agree/disagree with this statement?



"I think we're bombarded with options. Hearing what other regular people say about products gives me confidence I'm making the right choice"

FOUR KEY BEHAVIOURS OF RESEARCH & SHOPPING

RESEARCH IN STORE

8% SHOW ROOMERS
Researches in store but purchases online

92% STORE CENTRICS
Visits stores for research and purchase

PURCHASE ONLINE

PURCHASE IN STORE

18% SCREEN CENTRICS
Researches and purchases online

82% CLICK AND WALKERS
Researches online but purchases in the store

RESEARCH ONLINE

Q: Where did you research your item x Where did you eventually purchase your item?

RETAIL RAINBOWS local shopping journeys

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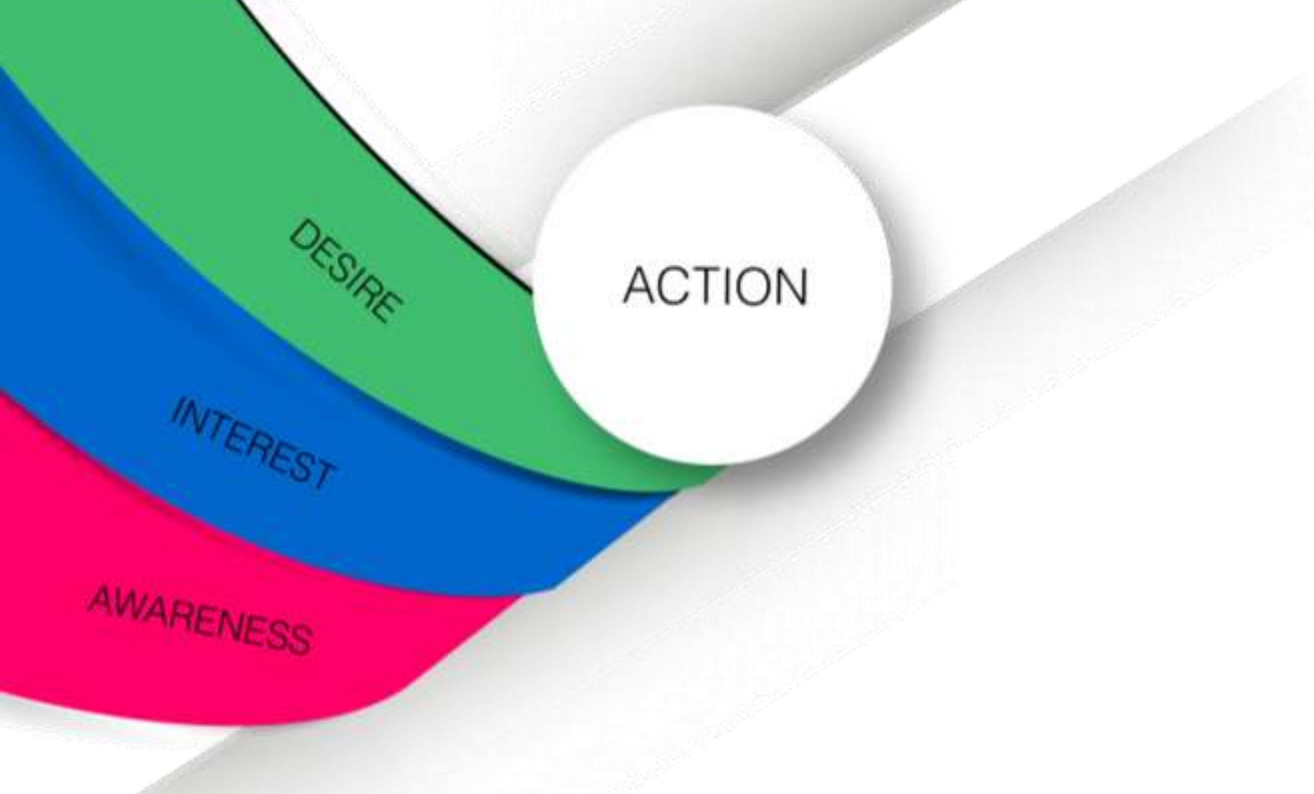
THE PURCHASE IS NOT THE END OF THE RAINBOW

THE PATH TO PURCHASE IS JUST HALF THE JOURNEY



FUNNEL TO BOWTIE: THE PATH TO AND FROM PURCHASE

SOCIAL AND USER GENERATED MEDIA

Instagram

tripadvisor

PEOPLE LOVE US on yelp

Best Recipes

VOGUE & friends

RETAIL RAINBOWS FRAMEWORK

RESEARCH
Planning Sources

TRIGGERS
Impulse Purchase Start Points

ACTION
Influences and Emotions at the Point of Sale

SHARING
Post-purchase media

FIRSTLY WE LOOK AT PAID OWNED & EARNED MEDIA AT THE PLANNING AND TRIGGERS POINTS

ALMOST HALF OF PURCHASES ARE PLANNED

45% PLANNED

27% ROUTINE

28% IMPULSE

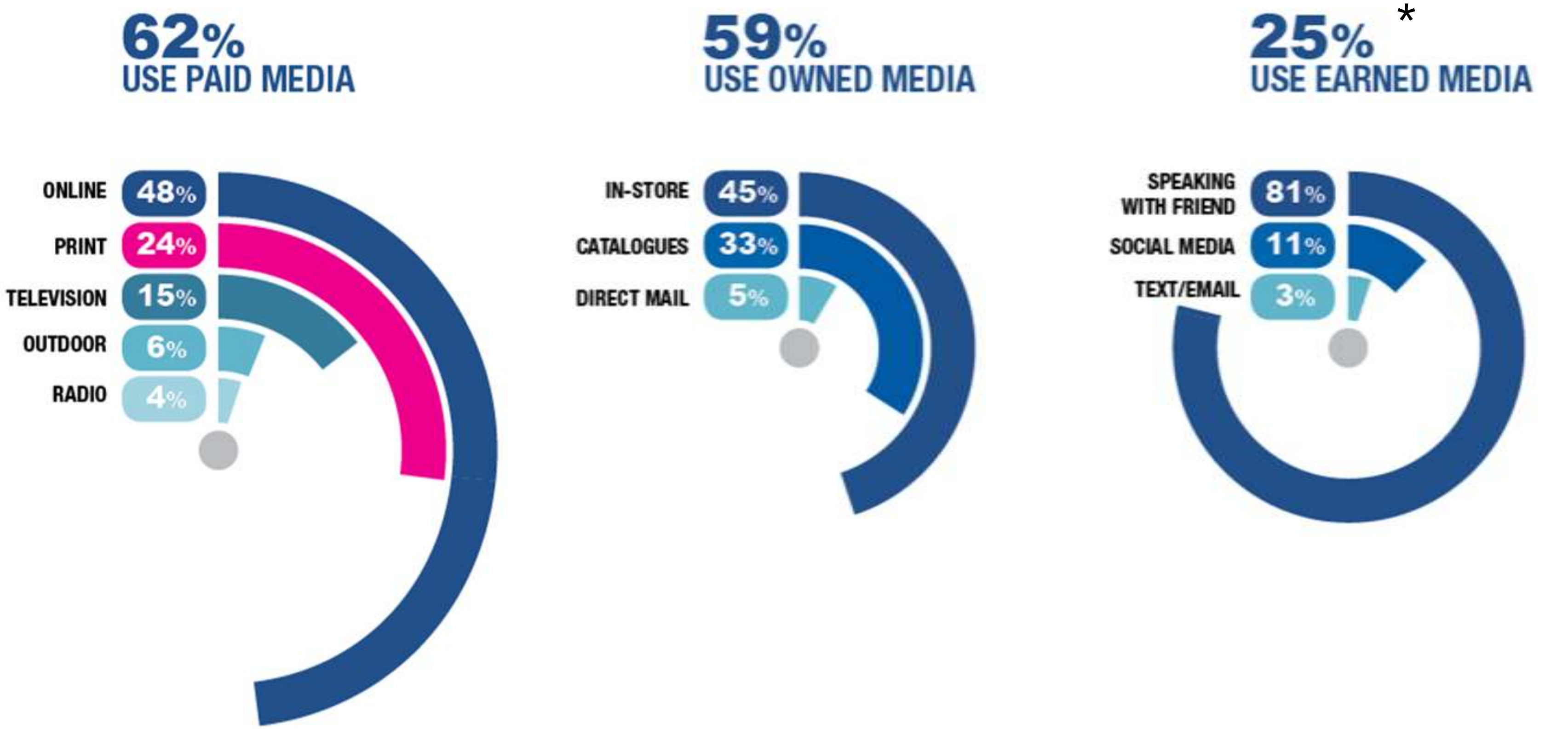
Q: Which of the following best describes the last time you purchased [category]?

Research · Triggers · Action · Sharing

PLANNING:

45% OF ALL PURCHASES ARE PLANNED

RESEARCH SOURCES



Soure Q15: Which of the following were sources of information for you whilst doing research for your last [category] purchase you planned ahead of time?
**Earned Media: People who indicated friends/family as a source were asked in Q15 were also asked - Did you get this idea from Friends & Family via…*
All questions multiple and included 'other' as an option

PLANNING:
ONLINE AND PRINT

48% WENT ONLINE FOR RESEARCH

81%	SEARCH ENGINES
37%	REVIEWS/RATINGS
34%	OTHER WEBSITES
12%	OTHER SOCIAL MEDIA
10%	EMAIL
10%	YOU TUBE
9%	NEWS WEBSITES
8%	FACEBOOK
5%	APP
1%	TWITTER

24% USED PRINT FOR RESEARCH

50%	LOCAL NEWSPAPER
50%	MAGAZINE
42%	METRO/ NATIONAL PAPER

Q15: Which of the following were of information or you whilst doing research for your last (planned) purchase?
People who answered online in Q15 were also asked Q: Which of the following were online sources for you whilst researching for your last purchase ?

LOCAL PAPERS DRIVE INSTORE JOURNEYS

93% of PEOPLE WHO USED LOCAL PAPERS TO PLAN THEIR PURCHASES BOUGHT IN A PHYSICAL STORE

LOCAL NEWSPAPER	TV	OUTDOOR	METRO/ NATIONAL PAPER	MAGAZINE	RADIO	DIRECT MAIL	ONLINE
93%	92%	92%	91%	90%	86%	82%	82%

Q: Which of the following were sources of information whilst doing research for your last purchase? Cross tabulated with Q: Where did you make your last purchase?

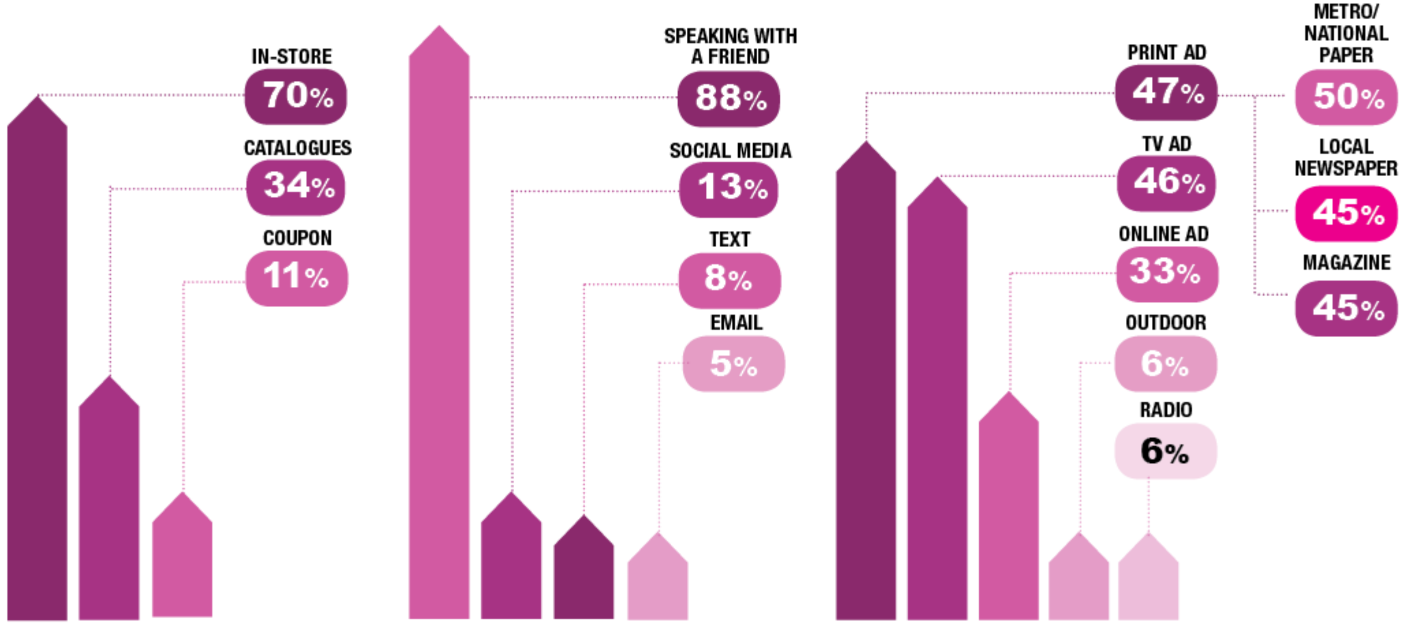
TRIGGERS:
28% OF PURCHASES ARE IMPULSE
RESEARCH SOURCES

53% OF PURCHASES ARE TRIGGERED BY **OWNED MEDIA**

17% OF PURCHASES ARE TRIGGERED BY **EARNED MEDIA**

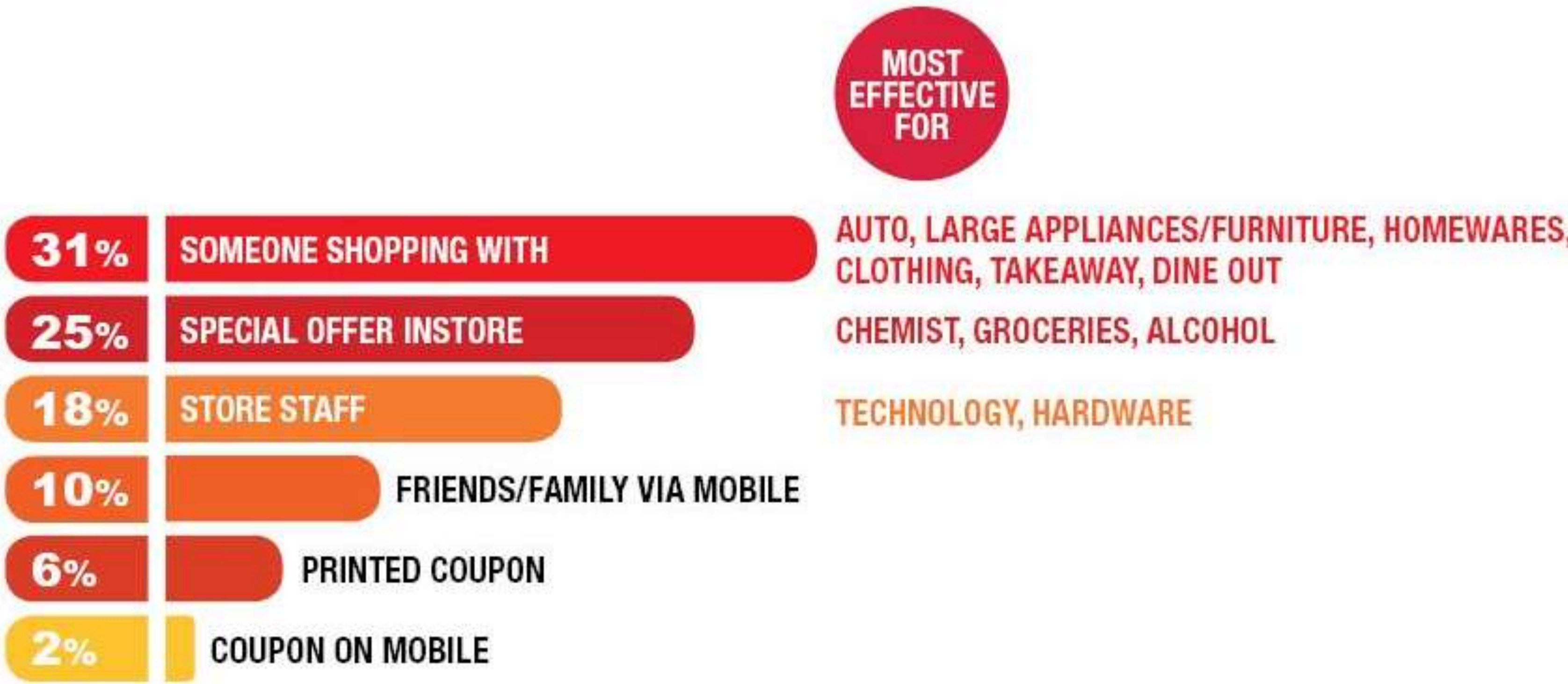
10% OF PURCHASES ARE TRIGGERED BY **PAID MEDIA**

28% OF PURCHASES ARE TRIGGERED BY **NECESSITY**



Q: Where did you get the idea for this purchase?

ACTION:
THE FINAL 3 METRES
INFLUENCES AT THE POINT OF SALE



Q: Which of the following influenced your choice at the actual moment of purchase?

ACTION: EMOTIONS AT POINT OF SALE

HAPPY IS THE TOP EMOTION PEOPLE FEEL WHEN SHOPPING

…but only 42% feel happy.

Q: Which of the following best describe how you felt when you were last shopping for [all categories]?

HAPPINESS IS ONLY REAL, WHEN SHARED.

CHRISTOPHER McCANDLESS

SHARING FILLS AN EMOTIONAL NEED

ON AVERAGE 36% OF PEOPLE SHARED THEIR LAST PURCHASE

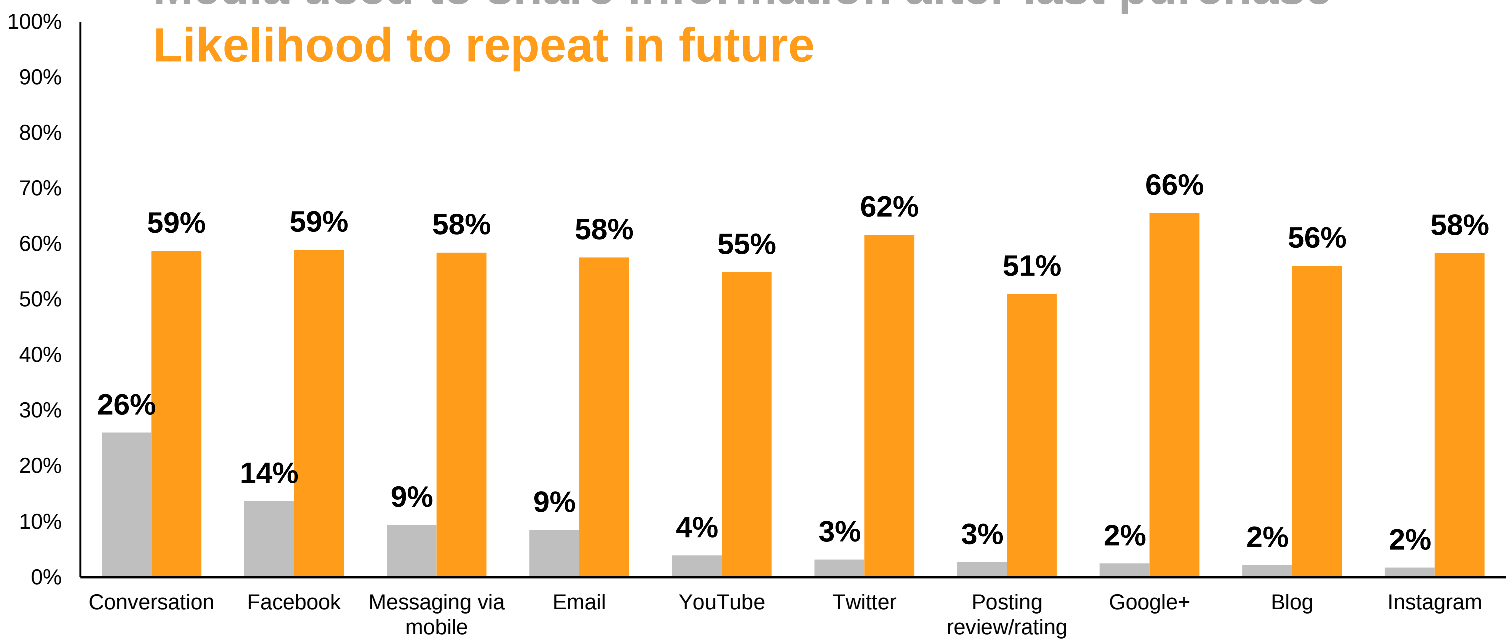
LIVE CONVERSATION	FACEBOOK	SMS AND/OR EMAIL
26%	14%	9%

Q: After you made your last purchase, did you use any of the following to share information with others?

SHARERS AS ADVOCATES

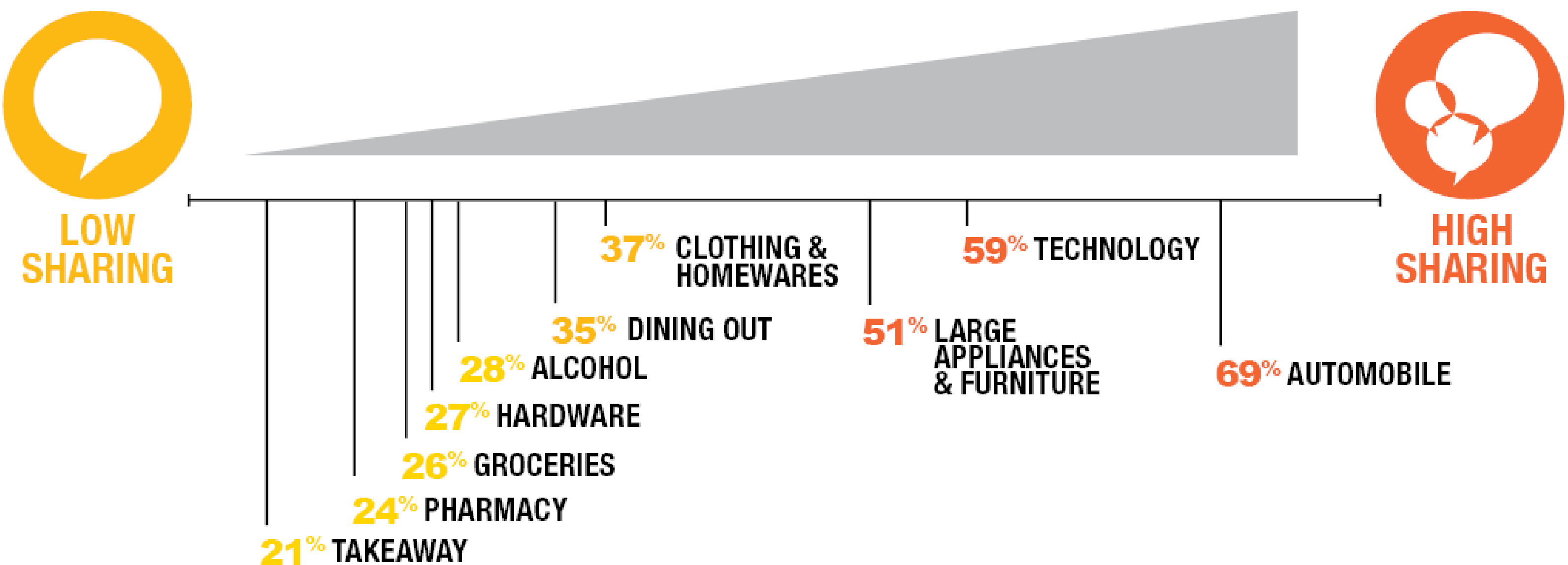
Media used to share information after last purchase

Likelihood to repeat in future



Q: After you made your last purchase did you use any of the following media to share information about it with others?
Q: How likely are you to use each of the following media to share information about your purchase in the future?

SHARING: BY CATEGORY



Q: After you made your last [category] purchase, did you use any of the following media to share information about it with others?

LOCAL IS THE CONNECTION MEDIA

RETAIL INSIGHT

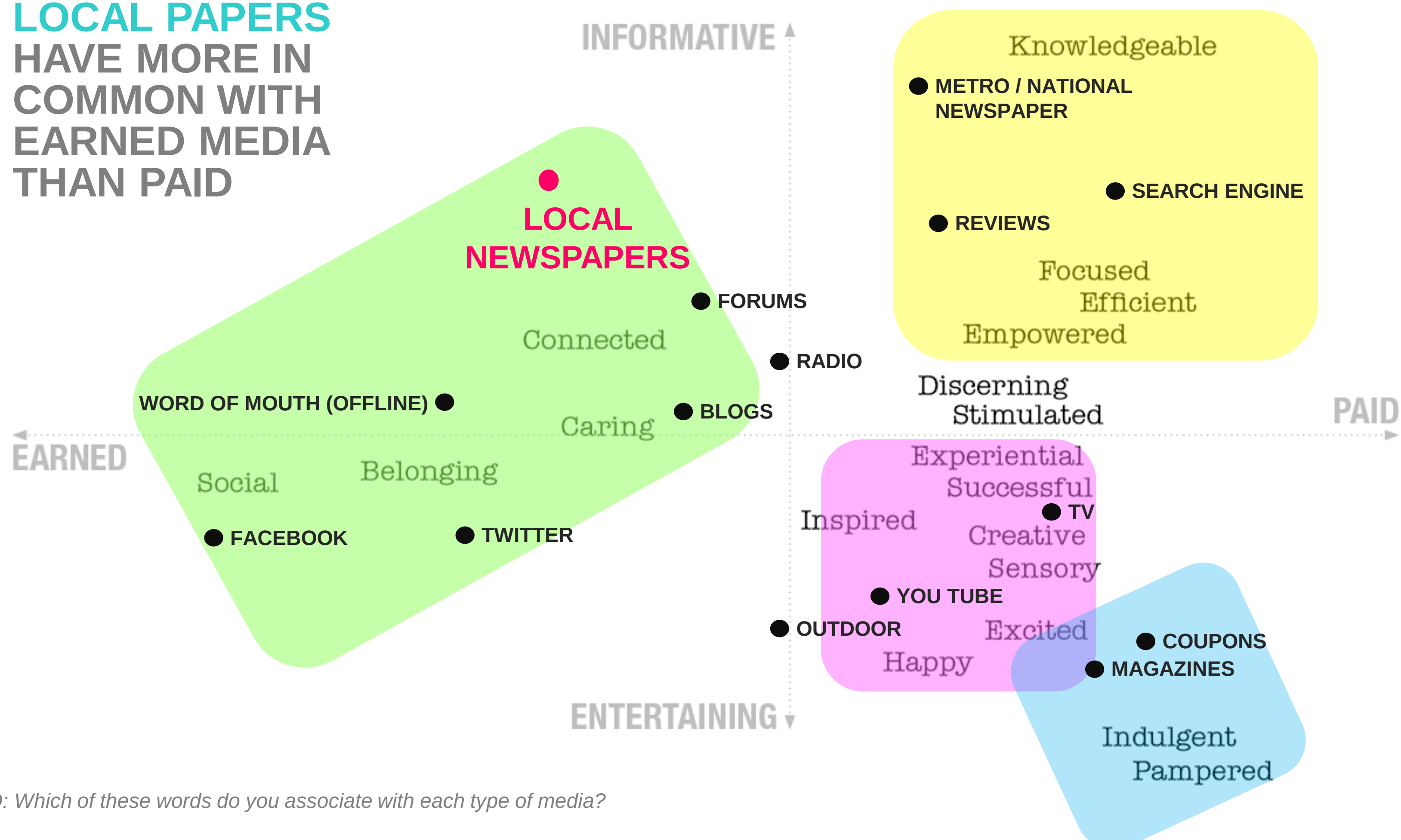
BELONGING

CONNECTED

CARING

FROM AN EMOTIONAL STANDPOINT

LOCAL PAPERS HAVE MORE IN COMMON WITH EARNED MEDIA THAN PAID



Q: Which of these words do you associate with each type of media?

LOCAL+SOCIAL: DELIVERS THE EMOTIONAL CONNECTION

CONNECTED CARING BELONGING SOCIAL

LOCAL+SOCIAL
=LO'CIAL

LO'CIAL + vodafone

THE BRIEF: CREATE A MULTI-CHANNEL CONTENT STRATEGY PROGRAM TO INFORM, ENTERTAIN & SPARK POSITIVE CONVERSATION IN THE COMMUNITY ABOUT **VODAFONE 4G**

LO'CIAL + vodafone

Hyper local content
310,000 readers:
Canterbury Express
Knox Leader
Dandenong Leader

Tailored online content designed to spark conversation

Locals joined the conversation at **#sweetnetwork**

Vodafone ice-cream vans in targeted areas in NSW & VIC

LO'CIAL + vodafone

PRINT

Unique hyper local content celebrating local communities
Locations of Vodafone 'Sweet Network' ice-cream vans

LO'CIAL
+ vodafone

DIGITAL

#sweetnetwork

LO'CIAL + AMERICAN EXPRESS

SHOP SMALL

THE BRIEF: CELEBRATE LOCAL
BUSINESSES GIVE BACK LOCALLY
ENCOURAGE CONSUMERS TO JOIN THE
SHOP SMALL MOVEMENT
GENERATE CONVERSATION
DRIVE AMEX CARDHOLDER
USE & MEMBER REGISTRATIONS

LO'CIAL

+ AMERICAN EXPRESS

NATIONAL IN PAPER AUDIENCE REACH
METRO & LOCAL OF 11.6M PEOPLE
526 EDITORIAL MENTIONS
DIGITAL AUDIENCE OF 2MILLION UBS

LOCAL

Hyper local content in 82 local publications in NSW, VIC, QLD, WA across 4 weeks

Bespoke digital content across the News network

SHOP SMALL ™

Local shopper secrets and thousands of photographs of local people sparking conversation and driving consumers in store

Engaging content shared across twitter and facebook

LO'CIAL + AMERICAN EXPRESS

HYPER LOCAL CONTENT IN 82 LOCAL PAPERS AND WEBSITES ACROSS 4 WEEKS

LOCAL PAPERS DRIVE CONSUMERS IN-STORE

PRINT

DIGITAL

SHOP SMALL

LO'CIAL + AMERICAN EXPRESS


GOT A FAVOURITE SMALL BUSINESS?

LOCAL SHOPS

SERVICES

SHOP SMALL

66%

OF OUR LOCAL READERS AGREED THEY HAD OR WOULD PURCHASE FROM A BUSINESS INVOLVED IN THE SHOP SMALL PROGAM

51%

AGREED THAT 'AMERICAN EXPRESS SUPPORTS SMALL BUSINESS'

Source: Know the Locals online Response Metrix Survey; 11-17th November, 16-18th December 2013 All ads N=315 DPS survey N=266

LO'CIAL + AMERICAN EXPRESS

SHOP SMALL

64% AGREED THE MAPS PROVIDED USEFUL INFORMATION ABOUT BUSINESSES IN THE SHOP SMALL PROGRAM.

49% AGREED 'I LIKE THE STATEMENTS BY LOCALS ABOUT BUSINESSES IN THE SHOPPER SECRET SECTION'.

Source: Know the Locals online Response Metrix Survey; 11-17th November, 16-18th December 2013 All ads N=315 DPS survey N=266

LO'CIAL CAMPAIGNS

1 LOCAL SHOPPING SATISFIES MORE EMOTIONAL NEEDS

→ THINK LOCAL

2 LOCAL PAPERS DRIVE IN-STORE JOURNEYS

→ CUSTOMISE CONTENT TO LOCAL

4 SHARING INCREASES HAPPINESS

→ ACTIVATE SHARING TO BUILD BRAND ADVOCACY

3 LOCAL PAPERS DELIVER THE SAME EMOTIONAL BENEFITS AS SOCIAL MEDIA

→ SOCIALISE YOUR LOCAL CAMPAIGN

LO'CIAL MEDIA CONNECTION+ EFFICACY

REACH OF 4.4 MILLION LOCALS EVERY WEEK