GWI Commerce

GlobalWebIndex's bi-annual report
on the latest trends in online commerce

SUMMARY

FLAGSHIP REPORT Q1 2017

www.globalwebindex.net

Introduction

GWI Commerce presents GlobalWebIndex's very latest figures for online commerce behaviors and engagement levels.

Drawing on data from our most recent wave of research among over 50,000 internet users aged 16-64, we offer insights on:

- The countries and demographics that are driving online commerce
- The role that PCs, laptops, mobiles and tablets are playing in online purchasing
- The changing dynamics of how people are paying for products
- The potential and current impact of social commerce
- Purchasing behaviors in specific categories
- How and why online purchases are being completed

To read the full version of this report, start a free trial with GlobalWebIndex HERE.

Content

Notes on Methodology

Each year, GWI interviews over 350,000 internet users, asking a wide range of questions about their lives, lifestyles and digital behaviors.

To ensure that our research is reflective of internet users, we set appropriate **quotas on age, gender and education – meaning that we interview representative numbers of men vs women, of 16-24s, 25-34s, 35-44s, 45-54s and 55-64s, and of people with secondary vs tertiary education**.

To do this, we conduct research across a range of international and national sources, including the World Bank, the ITU, the International Labour Organization, the CIA Factbook, Eurostat, the US Bureau of Labor Statistics as well as a range of national statistics sources, government departments and other credible and robust third-party sources.

Because internet penetration rates can vary significantly between countries (from a high of 90%+ in parts of Europe and North America to lows of c.20% in parts of APAC), the nature of our samples is impacted accordingly. **Where a market has a high internet penetration rate, its online population** will be relatively similar to its total population and hence we will see good representation across all age, gender and education breaks. Where a market has a medium to low internet penetration, its online population can be very different to its total population; broadly speaking, **the lower the country's overall internet penetration rate, the more likely it is that its internet users will be young, urban, affluent and educated.**

Please keep in mind that **all figures given in this report relate to the country's internet users, not to its total population.**

INTERNET PENETRATION RATES

(ITU INTERNET PENETRATION METRIC 2015)

Japan	93%
Netherlands	93%
UK	92%
UAE	91%
Sweden	91%
South Korea	90%
Canada	88%
Germany	88%
Belgium	85%
Hong Kong	85%
France	85%
Australia	85%
Singapore	82%
Taiwan	82%
Ireland	80%
Spain	79%
United States	75%
Russia	73%
Malaysia	71%
Saudi Arabia	70%
Argentina	69%
Portugal	69%
Poland	68%
Italy	66%
Brazil	59%
Mexico	57%
Turkey	54%
Vietnam	53%
South Africa	52%
China	50%
Philippines	41%
Thailand	39%
Egypt	36%
India	26%
Indonesia	22%

SAMPLE SIZE BY MARKET

Q4 2016 SAMPLE SIZES*

Argentina	762
Australia	765
Belgium	775
Brazil	1518
Canada	1507
China	7553
Egypt	785
France	2017
Germany	2033
Hong Kong	751
India	2520
Indonesia	770
Ireland	1008
Italy	2013
Japan	1518
Malaysia	767
Mexico	764
Netherlands	754
Philippines	769
Poland	764
Portugal	759
Russia	1251
Saudi Arabia	763
Singapore	764
South Africa	755
South Korea	759
Spain	2014
Sweden	761
Taiwan	751
Thailand	767
Turkey	759
UAE	758
UK	7505
USA	7528
Vietnam	761

* Where data refers to Q4 2016, it is based on the following sample sizes:

Topline Trends & Demographics

Which internet users are shopping online and what stores are they visiting?

KEY HEADLINES

- **Shopping online is now a truly mainstream activity among internet users;** all of the major demographic breaks see a figure upwards of 90% for engaging in some form of commerce activity. **3 in 4 online adults are actually purchasing products online each month,** with slightly more visiting online retail sites such as Amazon.

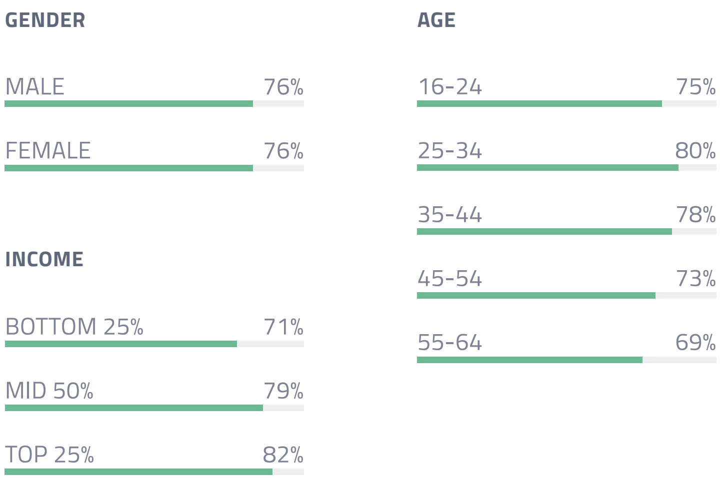
- 25-44s, the top income group and consumers in APAC are the most likely to be buying online.

- **Amazon is the most popular commerce site,** with half visiting each month outside China.

- **Online privacy concerns are clearly driving action** – 46% are using private browsing windows each month, and around 4 in 10 are blocking ads on desktop or mobile. Ad-overload is the primary driver in the use of ad-blockers.

DEMOGRAPHICS OF ONLINE SHOPPING

% who have purchased a product online in the last month



Question: In the past month, which of the following things have you done on the internet via any device?
Source: GlobalWebIndex Q4 2016 | **Base:** 56,768 Internet Users aged 16-64

PRO Platform:
Online Activities and Behaviors
> Activities via Any Device

EXPLORE THE DATA

Engagement by Device

What devices and apps are online shoppers using?

KEY HEADLINES

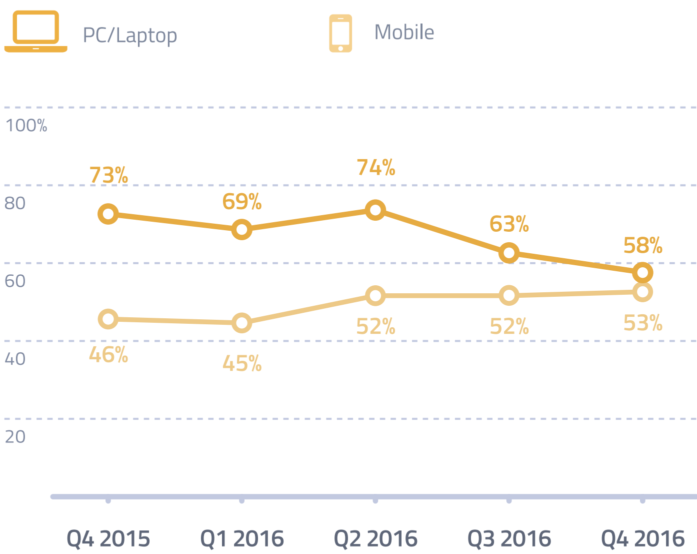
- **Mobiles are set to overtake PCs/laptops as the top commerce device in the near future**, and in the research and advocacy stages have already done so. Tablets have significantly less traction in the commerce space, having made little impact among younger users.

- That said, **Online Shoppers are now opting for a multi-device approach to their purchasing habits,** with different stages of the purchase journey being fulfilled by different devices. An average of 1.82 devices are used for product research, for example.

- **M-Commerce sees strongest uptake among younger internet users**, especially in APAC (a result of the fondness for mobile among these groups).

PC VS. MOBILE

% who purchased a product online in the past month via...



Fintech

How is financial technology driving uptake in online commerce, how are consumers making use of this technology, and what is the role of mobile in this arena?

KEY HEADLINES

- The way in which online adults are choosing to purchase items – both in-store and online – is changing. **Mobile payments are a key driver of online commerce, especially in fast-growing online populations and cash-driven economies.**

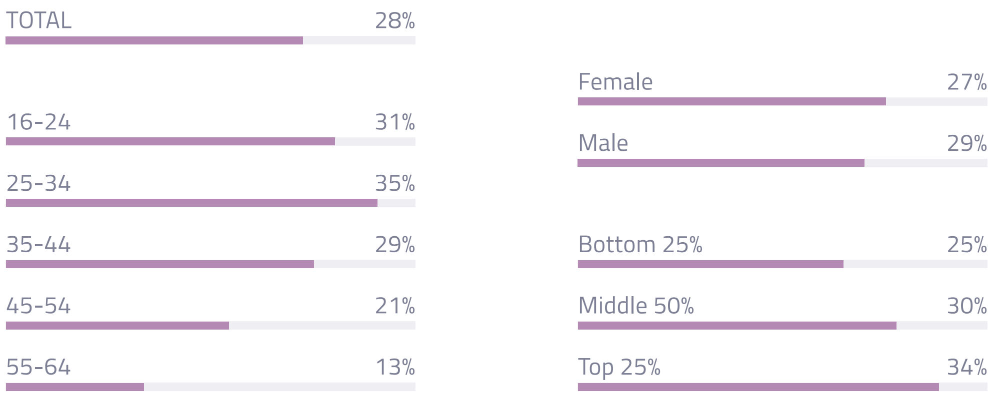
- **Younger age groups are most likely to be paying for items on their mobile,** and there is a direct correlation with income too. **APAC leads for mobile payments,** with South Korea (48%), China (41%), and Thailand (39%) at the forefront.

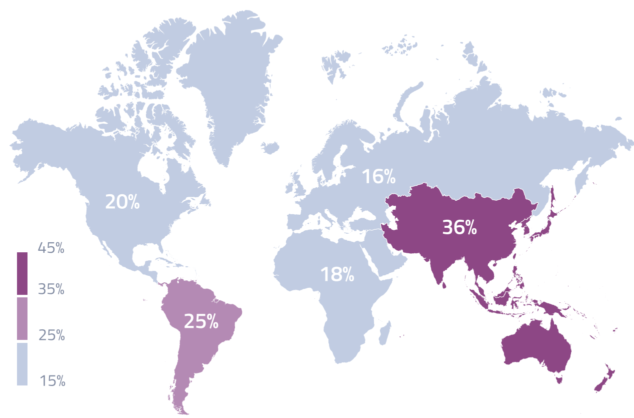
- Due to a complex regulatory landscape within the mobile payments arena, domestic services in fast-growth markets pose considerable challenges to the likes Apple Pay and Android Pay looking to expand abroad.

- **Online banking is now a mobile-first activity,** with mobiles having overtaken PCs/laptops in 2016. We see consistently strong uptake for online banking across all the major demographic and regional breaks.

DEMOGRAPHICS OF MOBILE PAYMENT USAGE

% of internet users who have used a mobile payment service in the last month





TOP 5 MARKETS

South Korea	48%
China	41%
Thailand	39%
India	38%
Indonesia	29%

Question: Which of the following services have you used to pay for an item / service using your phone?
Source: GlobalWebIndex Q4 2016 | **Base:** 56,768 Internet Users aged 16-64

PRO Platform: Commerce > Mobile Payment Services

EXPLORE THE DATA

Social Commerce

What is the potential for online commerce via social networks?

KEY HEADLINES

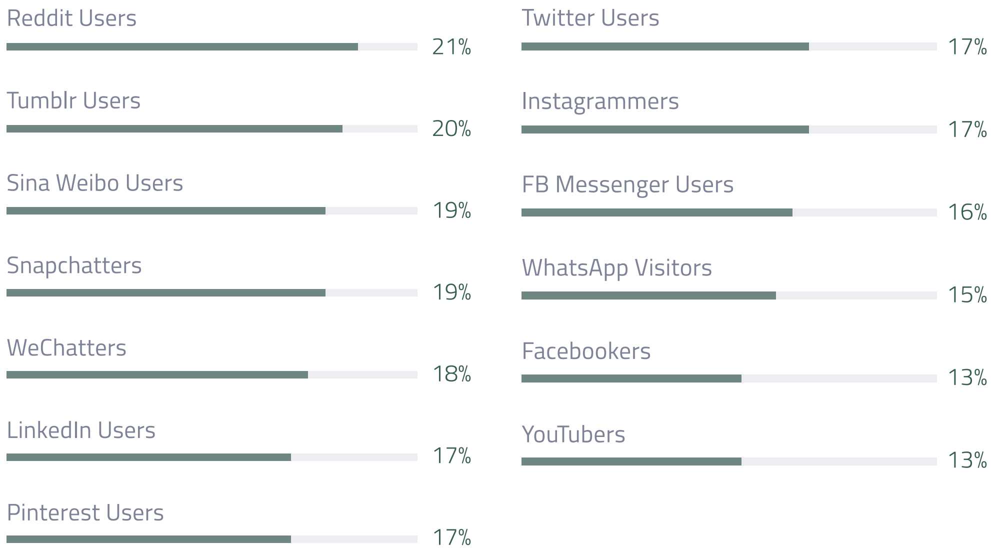
- **Social platforms are ideally positioned to enter the commerce arena, although region is key here** – consumers in APAC are visibly more comfortable with conducting commerce activities on social media, whereas mature markets tend to be more reserved in this activity.

- **Social media's impact is evident at each stage of the purchase journey.** Its presence is particularly felt in the research phase, which helps explain significant investment in product search capabilities on the likes of Instagram and Pinterest.

- That said, **the prospect of using a "buy" button on social media receives less enthusiasm,** despite seeing a significant uptick in figures among young consumers and those in APAC. Education is key; convincing users that social commerce is secure and easy could open up substantial new revenue streams.

THE APPEAL OF THE 'BUY BUTTON'

% who say the chance to buy something on a social network would increase the likihood of them buying a product online



Question: When shopping online, which of the following things would most increase your likelihood of buying a product? The chance to buy something on a social network - e.g. using a "buy" button
Source: GlobalWebIndex Q4 2016 | **Base:** Users of each platform aged 16-64

PRO Platform: Marketing Touchpoints > Online Purchase Drivers

EXPLORE THE DATA

Category Trends

What product types are the most purchased and researched online?

KEY HEADLINES

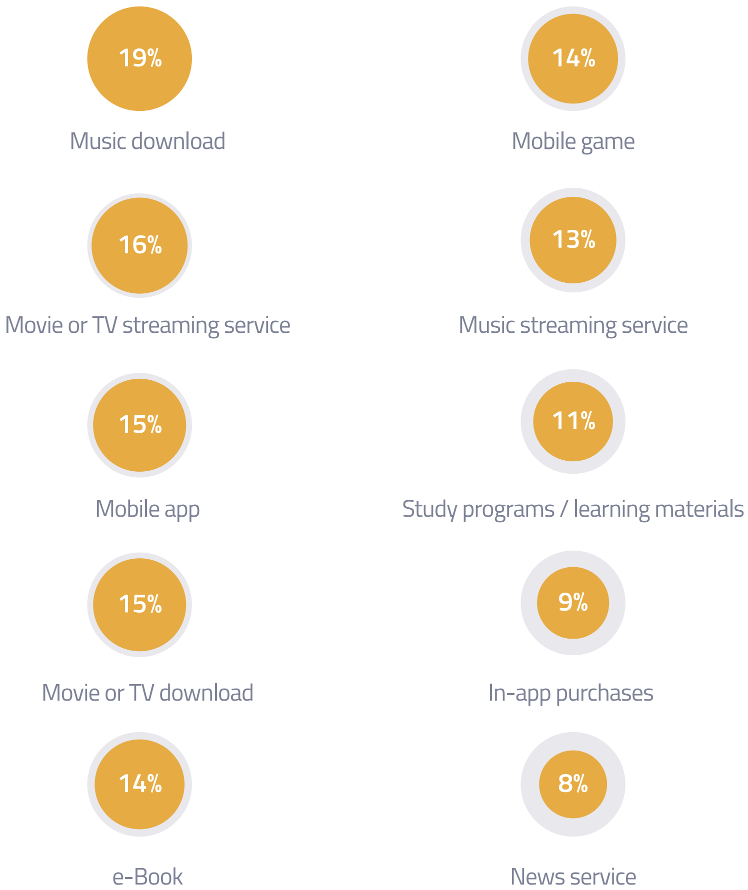
▪ **Digital Consumers are most likely to be purchasing clothes, shoes and CPG/FMCG products such as groceries.** For items with higher levels of personal or financial commitment, we see higher rates of researching versus purchasing.

▪ Consumer expectations are increasingly swinging towards brands offering a seamless customer journey which stretches across multiple devices and channels of communication.

▪ **Almost 1 in 2 online adults are purchasing digital content each month, and entertainment is one of the most popular categories here.** But the disparity and lack of transparency concerning consumer rights between digital and physical items threatens to hold the digital content industry back in some departments.

TOP 10 DIGITAL CONTENT CATEGORIES

% who paid for the following last month



From Research, to Purchase,to Advocacy

What motivates online shoppers?

KEY HEADLINES

▪ **The more "traditional" product research routes such as search engines and consumer reviews are still the most important,** but age is key here. Older consumers typically opt for these tried-and-tested methods, whereas younger consumers are more likely to be using other more digitally-forward channels such as social networks, mobile apps and video sites.

▪ Again, **"traditional" factors have the strongest influence over purchase drivers,** with free delivery being the top driver by some distance across all of the major demographic groups. But age is once again crucial; older users tend to seek convenience, whereas younger groups want chances to integrate their purchase journeys within social media.

▪ **There are more people posting reviews than are using them to inform their purchasing decisions.** Younger users and consumers in APAC stand out the most for this, whereas older users and those in North America and Europe are less likely to be posting reviews, but more likely to be using them for research.

TOP 8 PRODUCT RESEARCH CHANNELS

% who use the following to research brands/products

Search engines	52%
Consumer reviews	37%
Social networks	35%
Product / brand sites	33%
Price comparison websites	29%
Mobile apps	22%
Discount voucher / coupon sites	18%
Video sites (e.g. Pinterest)	17%

Question: Which of the following online sources do you mainly use when you are actively looking for more information about brands, products, or services? | **Source:** GlobalWebIndex Q4 2016 | **Base:** 56,768 Internet Users aged 16-64

PRO Platform: Marketing Touchpoints > Online Product Research

EXPLORE THE DATA

More from GlobalWebIndex

REPORTS

FLAGSHIP REPORTS

Our flagship reports present insights and statistics on social networking, device usage, online purchasing and entertainment.

MARKET & REGION REPORTS

Tracking key digital behaviors and engagement rates at a national or regional level, providing the very latest headline figures as well as looking at trends over time and across demographics.

AUDIENCE REPORTS

In-depth examinations of particular groups, assessing their most important behaviors and motivations as well as what sets them apart from the wider online population.

INSIGHT REPORTS

Deep-dives into some of the most pressing topics for marketers, from traditional vs digital media consumption to audience measurement issues.

TREND REPORTS

Tracking the stories of the moment, from ad-blocking and live streaming to VPNs and multi-networking.

INFOGRAPHICS

One-page visual summaries of key services, behaviors & audiences.

To see all of our available reports

CLICK HERE

PRO PLATFORM

The questions and data-points featured in this report are available to explore on PRO Platform. They can be analyzed by any audience, date range or selection of countries/regions, with users able to build bespoke audiences based on our wide range of demographic, attitudinal and behavioral variables.

Each chart is accompanied by a hyperlink which will take you to the appropriate section on PRO Platform; simply click on the relevant link to start exploring the data further.

CLICK HERE *To start a PRO Platform free trial*

GWIQ

GWIQ offers clients the ability to create bespoke audiences on the platform by connecting the GWI panel and passively monitored visitation to their own websites/campaigns. Segment your visitors by the actions taken on your site then profile them utilizing the 100% declared data you already find in the PRO platform. Validate digital campaigns against rich targets far beyond demographics. Understand the impact of digital campaigns on brand perceptions by sending bespoke advertising effectiveness surveys to panelists using a control vs exposed methodology.

CLICK HERE *To find out more about GWIQ*

GWI CUSTOM

GlobalWebIndex can also offer a variety of custom solutions to suit all your data and insight needs. All projects are conducted in close consultation with clients and resulting data is available for analysis in our PRO Platform.

Our Custom offerings include:

BRAND SOLUTIONS

Brand Health
Brand Tracker
Brand Profiling

PRODUCT SOLUTIONS

Usage and Attitudes
Price Point
Platform Testing
Concept Testing

CAMPAIGN & AUDIENCE SOLUTIONS

Segmentation
Campaign Measurement
Audience Profiling
Audience Targeting

CLICK HERE *To find out more about GWI Custom*

Jason Mander

Chief Research Officer

E jason@globalwebindex.net

@thejasonmander

Chase Buckle

Senior Trends Analyst

E chase@globalwebindex.net

@Chase_Buckle

www.globalwebindex.net

T + 44 207 731 1614 /// E hello@globalwebindex.net

/// A 3 Dorset Rise, London, EC4Y 8EN, UK