

## 'Catch and Keep' Digital Shoppers How To Deliver Retail Their Way (Mexico Survey Findings)

### Summary

- With the second-largest Internet and mobile populations in Latin America, Mexico presents a great opportunity for retailers to implement effective long-term digital influence strategies in a market that is still at a nascent stage of online shopping. However, it's catching up quickly. Fifty-four percent of all surveyed consumers stated that they use digital sources to help them decide what to buy. This "Digital Mass Market" employs a variety of touchpoints to shop: 87 percent are either using or are interested in using a home PC for this purpose, while more than 65 percent are either using or are interested in using in-store touchscreens, mobile phones, and tablets.
- Although friends and family exert the greatest influence on buying decisions, information from manufacturers' websites has emerged as the second-most-important influence on buying decisions. Contrary to some of the other geographies researched, "in-store product packaging and displays" are also considered a preferred source of information in Mexico. Social networks also rank high among purchase influencers, while the influence of store employees is declining.
- Among all consumers, cross-channel shopping continues to increase, with the online-to-store journey being used by roughly 40 percent of shoppers, and the store-to-online journey by 35 percent. Nearly 40 percent of consumers use cross-channel shopping journeys involving mobile.
- Shoppers are more demanding than ever, with more than 70 percent now expecting more value and visibility into pricing and product comparisons. Consumers expect a retailer to demonstrate that it is authentic and can be trusted to deliver good value consistently. These expectations are driven by use of the Internet both to search and shop, as well as by changes in consumers' financial situations.
- Different types of digital content drive different shopper behaviors in different segments. Across grocery and general merchandising, price comparisons, information on deals and promotions, availability, and ratings and reviews have greatest influence. For general merchandise, videos and images, trends and fashion quotient, expert reviews, and recommendations, can help inspire new purchases and expand basket size.
- Ninety-five percent of shoppers want to access digital content in-store, and retailer touchscreens and shopper mobile devices are equally preferred.



- In-store self-service is now the expected norm for consumers. Eighty-eight percent want in-store self-service access to digital content, and 11 percent desire help from store employees all the time.
- Ninety-eight percent of shoppers are interested in personalized shopping experiences. They expect opt-in/opt-out control, and assume retailers will use only transactional types of data.
- As identified in Cisco IBSG's previous research, "mashing-up" physical retailing with the best of rich online content revitalizes stores by creating compelling experiences not possible via either channel (online, store) alone. Once again, we found that "Mashop" experiences are in high demand by today's digital shoppers.

## Introducing Today's Digital Shopper Segments

- The Digital Mass Market now encompasses 5 out of every 10 shoppers. On average, more than 65 percent of them either use or are interested in using a mobile phone, tablet, or touchscreen to shop; 60 percent state currently using a PC for this purpose, while 27 percent more are interested in doing so. They cross-channel shop mainly via online-to-store and store-to-online. This segment comprises Gen Y and Gen X, with an almost equal mix of males and females.
- About 1 in 10 shoppers qualifies as Über Digital. These shoppers are connected 24/7, and more than 85 percent use a smartphone or tablet to shop. They're the "show-rooming," deal-seeking addicts. Über Digital shoppers are predominantly Generation Y, with an equal mix of males and females. This subsegment is very interested in personalized digital experiences, and is willing to share more personal data. This is the core segment to watch for future mass-market shopping behaviors. We estimate that the Über Digital subsegment currently leads the mainstream by 18 to 24 months.
- Mexico still has a sizable number of consumers who match our definition of the traditional "Living in Analog Times" segment (roughly 4 in 10). However, this gap is fast disappearing, and even within this subsegment, technology is influencing shopping in one form or another.

## Digital Content Has Significant Influence

- Although friends and family were cited as the most-influential source of information to help shoppers make buying decisions, online sources are quickly catching up. Store employees were ranked consistently low across geographies, but still are a greater source of influence in developing countries compared with the United States and United Kingdom. Following is a ranking of the top direct influences on consumer buying behavior in Mexico:
  - Friends and family: 50 percent
  - Information from manufacturers' websites: 41 percent
  - In-store product packaging and displays: 37 percent
  - Advice through social networks: 32 percent
  - Online reviews from retailer websites: 26 percent
  - Reviews and advertisements in print media: 26 percent
  - Store employees: 13 percent

- It appears that social networks have a slightly more direct buying influence on consumers in Mexico compared with the United States or United Kingdom. In general, shoppers like to use this medium to access advice, service, and support. Social media's ability to influence a direct "sell," however, is difficult to establish at this point in time. Further research and tracking of this trend is required.
- The Über Digital subsegment is more open to direct sales strategies through social media, with 38 percent saying they are directly influenced by social media. Latin American countries are more accepting of social media influences than other countries surveyed.

## Cross-Channel Behavior

- Cross-channel behavior is fast becoming popular and, in most cases, is now the norm for accessing the best deals and promotions. We expect that with growing mobile and Internet penetration in Mexico, this behavior is only going to increase.
- Key shifts in cross-channel shopping within the Digital Mass Market include:
  - Mobile-to-online-PC: 38 percent doing this now, and 44 percent interested in doing in the future (a very high number)
  - PC-to-store: 41 percent doing this now, and 47 percent interested in doing in the future
  - Mobile-to-store: 38 percent doing this now, and 47 percent interested in doing in the future
  - Store-to-online (mobile or PC): 35 percent doing this now, and 40 percent interested in doing in the future
  - Kiosk-to-store (click and collect): 24 percent doing this now, and 46 percent interested in doing in the future

## Shoppers Really Do Expect More from Their In-Store Shopping Experience

- Survey respondents were asked how much more demanding they were of their in-store shopping experience compared to two years ago. In the Digital Mass Market for Mexico, it appears that respondents are demanding a much greater level of visibility and engagement, along with ease of shopping:
  - Value: 73 percent
  - Price visibility: 71 percent
  - Wider range/assortment: 71 percent
  - Faster shopping: 70 percent
  - Ease of shopping: 69 percent
  - Information access: 69 percent
  - Access to promotions: 53 percent

## Different Types of Digital Content Inspire Purchases in Grocery, Nonfood

Grocery purchases are influenced by value positioning, deals, availability, and bundles. General merchandising requires richer, more contextual content, including ratings, reviews, videos, and images.

- For grocery, respondents were influenced by:
  - Price comparisons (56 percent)
  - Product availability in nearby stores (54 percent)
  - Information on deals and promotions (52 percent)
  - Information on specially priced bundles (50 percent)
- For general merchandising, respondents in Mexico look more for what's "in" and what's "hot."
  - Videos of product usage (79 percent)
  - Trend and fashion status (78 percent)
  - Pictures of product usage (75 percent)
  - Product ratings and reviews (70 percent)
  - Social media "like" status (67 percent)
  - Information on deals and promotions (67 percent)
  - Price comparisons (64 percent)
  - Best-seller status (64 percent)

## Shoppers Expect Self-Service

Because 95 percent of consumers want in-store access to the types of digital content described above, retailers serving the mass market need to offer a range of mobile and touchscreen experiences and touchpoints.

- When it comes to devices, a low 17 percent want to use their own device, 19 percent want to use a retailer's device, and a majority (59 percent) is happy to use either one.
- When using their own mobile devices, respondents expressed a preference for custom mobile apps (24 percent) over mobile web (20 percent). Forty-seven percent are happy to use either one.
- When it comes to retailers' devices, consumers prefer smaller, more manageable screens such as a table-screen (36 percent) or a 26-inch slanted touchscreen (34 percent). A smaller number (25 percent) seemed to prefer large-sized screens (46-inch).
- Sixty-six percent of all shoppers expect greater access to in-store information today than they did two years ago.
- Eighty-eight percent of shoppers want to access this content on their own, but they do expect immediate help from staff if needed. Only 2 percent want store staff help all the time.

## Personalization Is the Next Big Thing

- In the Digital Mass Market for Mexico, as much as 94 percent believe that personalized shopping experiences—service, advice, and offers—would encourage them to make more purchases. This figure jumps to 99 percent among the Über Digitals subsegment.
- The most favored personalized services include:
  - Ability to anticipate future purchase needs

- Information about interests and hobbies
- Ability for a store associate to access a customer's preferences, dislikes, and past purchases with that retailer
- A whopping ninety-nine percent of shoppers in Mexico are happy for retailers to use transactional/self-provided data such as past purchases, likes and dislikes, interests, items they own, future purchase needs, coupons, loyalty points, and warranties. They do expect opt-in/opt-out control for any personalized services.
- Shoppers are less comfortable with retailers using personal information—for example, financial data, social media and web browsing information, car license plates, and facial recognition—to create custom services.

## Mashop Concept Tests: Winning Hearts and Minds

Cisco IBSG tested several Mashop concepts to determine shoppers' overall interest in each solution. The research also explored how the concepts encouraged shoppers to make purchases, as well as which elements of the experience (for example, content, endpoints, and devices) shoppers found most useful. Survey results show broad interest in the Mashop concepts among men and women, and across all age groups and industry categories, with six key solutions standing apart and generating significant interest levels. Gen Y and Gen X appear to be most interested. Consumers in Mexico have shown higher acceptance of such concepts than counterparts from in the United States and United Kingdom.

- **Product Selector:** Use interactive screens to view entire product ranges and detailed information about specific products to help you decide what to buy:
  - 84 percent interested; top pick for the Digital Mass Market and the top pick for Über Digitals
  - Most interest in using for consumer electronics and fashion/apparel shopping
  - Majority of consumers expressed a preference for using a medium-sized (26-inch) touchscreen
- **Design Center:** Select, configure, and arrange products to meet needs and create design/solution:
  - 84 percent interested; quite high compared with the United States and United Kingdom
  - Popular among the Digital Mass Market, and the top pick for Über Digitals
  - Interestingly, large screen (46-inch) is most preferred for this kind of concept by the majority consumers in the Digital Mass Market segment (44 percent)
  - Biggest hit in the consumer electronics segment
- **Product Recommender:** Guided selling advice to help shoppers find the right products and services. Get ideas about how products work together, and how they can do more for shoppers:
  - Preferred by 83 percent of all consumers; significantly higher interest than shown in the United States and United Kingdom
  - Highly popular for the consumer electronics and fashion/apparel subsegments
  - Majority consumers in Mexico prefer a large 46-inch screen for this sort of concept

- **Personal Mobile Shopping:** Use mobile device in-store to get offers and coupons; scan product code for online product information, ratings, reviews, and so forth:
  - 79 percent interested; most consistent appeal across all ages; among the top picks for the Digital Mass Market
  - Most interest in using for consumer electronics segment
- **Automated Pickup:** An automated locker mechanism that allows shoppers to pick up purchases from a store using a unique code sent to their smartphone or Internet-enabled device:
  - 77 percent interested
  - High interest in using to shop for consumer electronics
- **Shopping Helper:** Get help from store staff, who use an online tablet such as an iPad to show shoppers online information and comparisons:
  - 69 percent of overall consumers interested; significant interest in consumer electronics

## Survey Demographics

- 1,062 Mexico consumers
- Ages:
  - 18 to 29: 46 percent
  - 30 to 39: 25 percent
  - 40 to 49: 17 percent
  - 50 to 59: 9 percent
  - 60+: 3 percent
- Ages by generation:
  - Gen Y: 18-29
  - Gen X: 30-49
  - Baby boomers: 50-64
  - Silvers: 65 and older
- Gender
  - Male: 53 percent
  - Female: 47 percent

## For More Information

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### More Information

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