

Consumer Electronics Purchase Path Upended

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Consumers read reviews at all stages of the purchase path

Many consumer electronics retailers and manufacturers are struggling. A new eMarketer report, "Consumer Electronics: The Path to Purchase, Reinvented," finds that their traditional products face significant disruption from the ascent of smartphones and tablets, both of which provide a number of the functions that several different older devices once did.

There is a bright spot, however. While the industry overall is struggling, sales of consumer electronics on the web are growing smartly. eMarketer projects that online sales of consumer electronics will climb from \$48.6 billion in 2012 to \$80.2 billion in 2016.

But online purchasing is only a part of the picture. In fact, digital channels play a key role throughout the purchase path, no matter if the actual sale takes place online or in a store. A survey conducted by the Interactive Advertising Bureau (IAB) in December 2011 found that 91% of internet users had researched electronics products online before making a purchase in-store.

And search is where that research process often starts. "Search is used at the beginning, middle and end of the research process, by both wireless shoppers and portable PC shoppers," said Robin Hutto, Google's technology industry director.

In addition, shoppers who have a clear idea of what they want often head straight to a retailer's website to start digging up details on products. An August 2012 report from Compete found that retailer websites outpaced all other online resources as the top tool used by US online consumers to research devices.

Reviews are another key component in the consumer's purchase process. An April 2011 Google study found that 54% of US consumer electronics purchasers had read online reviews of products during their research phase.

But here too, consumers are demonstrating how the traditional linear path to purchase has been rewritten. In the pre-digital era, consumers would arrive at the awareness stage largely through paid advertising that relied on some form of mass media as its delivery channel.

Nowadays, the awareness stage may be sparked by a Facebook comment about the recent purchase of a tablet. That, in turn, can kick off the research phase among those in the purchaser's network.

The full report, "Consumer Electronics: The Path to Purchase, Reinvented," also answers these key questions:

- Are shoppers showing a preference for online pure-play retailers over traditional brick-and-mortar stores for making purchases?
- What roles do videos and reviews play for shoppers during the research phase?
- Has the new path-to-purchase model changed the way consumers are using search?
- What can original equipment manufacturer (OEM) and retail sites provide to shoppers on the hunt for information?

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