

Findings Report 2019

# HOUSEHOLD GOODS SHOPPING TRENDS



Welcome to the inaugural Household Goods Survey commissioned by Red Door Interactive.


Our objective for this research is to better understand the behaviors and preferences of consumers in a retail landscape under constant transformation by digital technology. Specifically, we are seeking to answer a seemingly simple question:

“Why do people shop where they shop?”



The insights revealed in this research are especially valuable to marketers who need to identify the best channels on which to distribute their products, both online and offline, and where to make strategic investments (or not). Decisions about the downsizing and closure of brick-and-mortar stores, the perceived “death of the shopping mall,” and the recalibration of the shopping experience toward delivery services, are topics marketers grapple with daily. Not to mention figuring out the Amazon.com part of the equation.





Household Goods Shopping Trends 2019

# METHODOLOGY



We fielded an online survey via SurveyMonkey between September 26-27, 2018, and data was collected from a random sampling of 350 people ages 18-65 in the United States. SurveyMonkey provided respondents.

In addition to the survey data, proprietary research from the world's leading third-party providers helped to inform and validate our findings at a larger scale. Samples of the reports we referenced include:

- Retailers and Marketplaces 2018 (Gartner L2)
- Selling Home Millennial D2C Retail Strategies (WGSN)
- US Omnichannel StatPack 2018 (eMarketer)

Gartner<sup>L2</sup>

WGSN

 eMarketer<sup>®</sup>





# SUMMARY OF RESEARCH FINDINGS





01

Traditional marketing channels such as TV and in-store promotions are among the top three avenues for new product discovery within the category.



02

Consumers are most likely to purchase household goods on Amazon.com and smartphone mobile devices.



03

The desire to have immediate access to household goods and the ability to see/handle products are the top reasons for shopping offline in retail store locations.



04

Shoppers expectations for e-commerce features include foundational offerings like low-cost shipping, fast delivery, and product reviews.



05

Amazon.com has a growing presence where shoppers research and purchase household goods online.



06

Amazon.com encourages household goods shoppers to find a lower price.



07

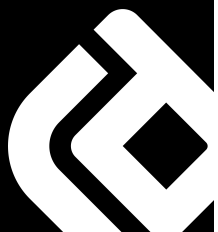
Retailers can utilize video content, reviews, and interactive room planners to improve the digital shopping experience.

# DATA ANALYSIS & COMMENTARY



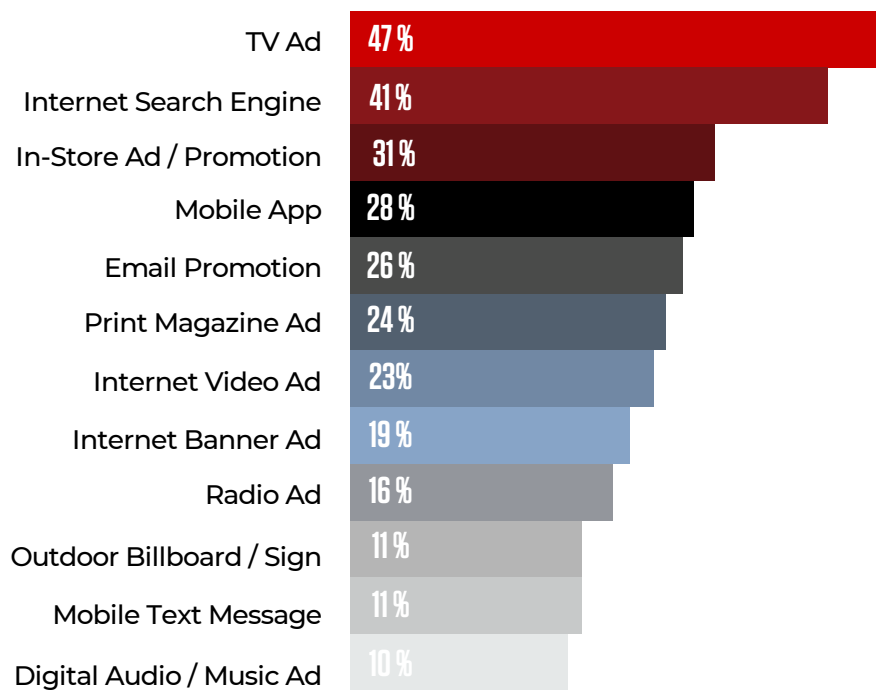
01

Traditional marketing channels TV and in-store promotions are among the top three for household goods new product discovery.

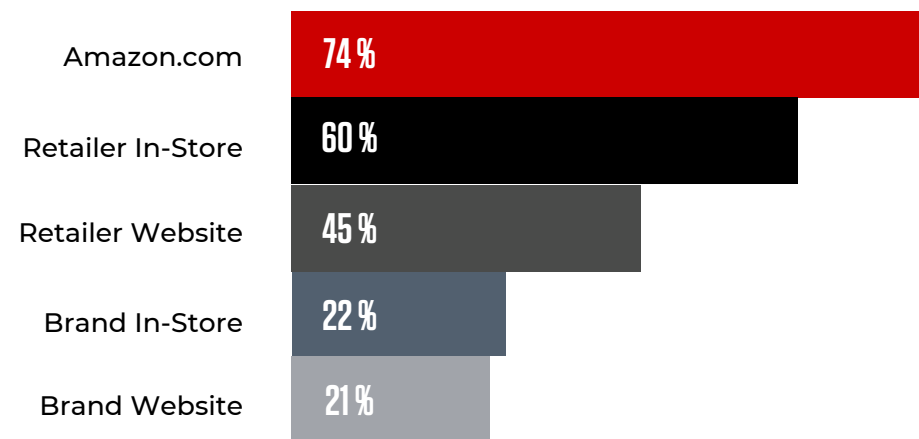


**Traditional marketing channels TV and in-store promotions are among the top three for household goods new product discovery.**

**MARKETING CHANNELS**



**SHOPPING LOCATIONS**



Which of the following advertising sources has aided in your discovery of new household goods in the last 12 months?

## Traditional marketing channels TV and in-store promotions are among the top three for household goods new product discovery.

### 01

Consumers are more likely to discover new household goods products in traditional marketing channels TV (47%) and in-store promotions (31%).

### 02

Nearly three-quarters (74%) of household goods consumers shop for products on Amazon.com, but in-store retailers still garner 60% of the market.

#### TOP SOURCES OF DISCOVERY

**47%**

TV Ads

**31%**

In-Store Ads

#### ONLINE VS. IN-STORE

**74%**

Amazon.com

**50%**

In-Store Retailers

01

Traditional marketing channels TV and in-store promotions are among the top three for household goods new product discovery.

03

Digital audio contributed to just 10% of household goods product discovery potentially underscoring a nascent opportunity. By 2020, digital audio ad spending is forecast to rise to \$4.1B compared to \$2.9B in 2018.

## HOUSEHOLD GOODS DISCOVERY



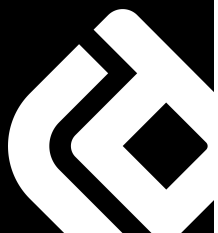
**10%**  
Digital audio

## DIGITAL AUDIO AD SPENDING

2018  
**\$2.9B** → 2020  
**\$4.1B**

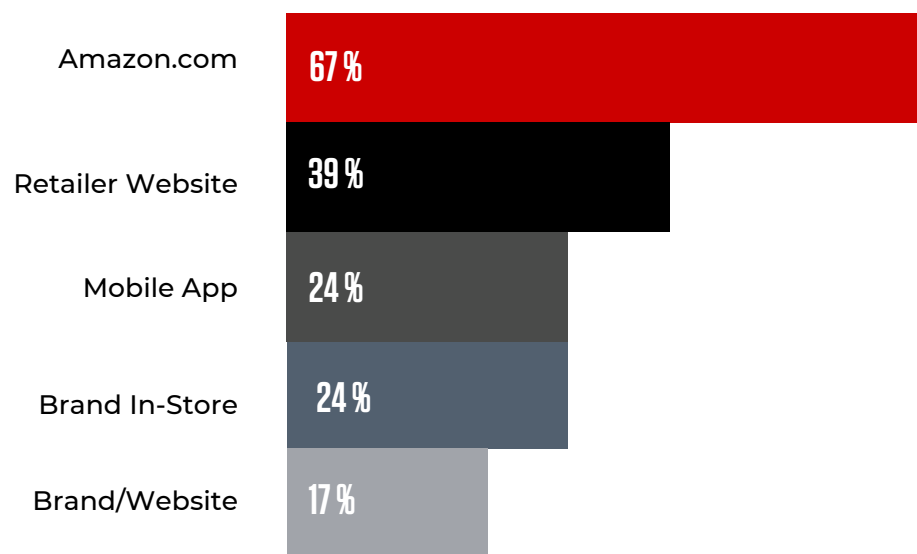
02

Consumers are most likely to purchase household goods on Amazon.com and smartphone mobile devices.

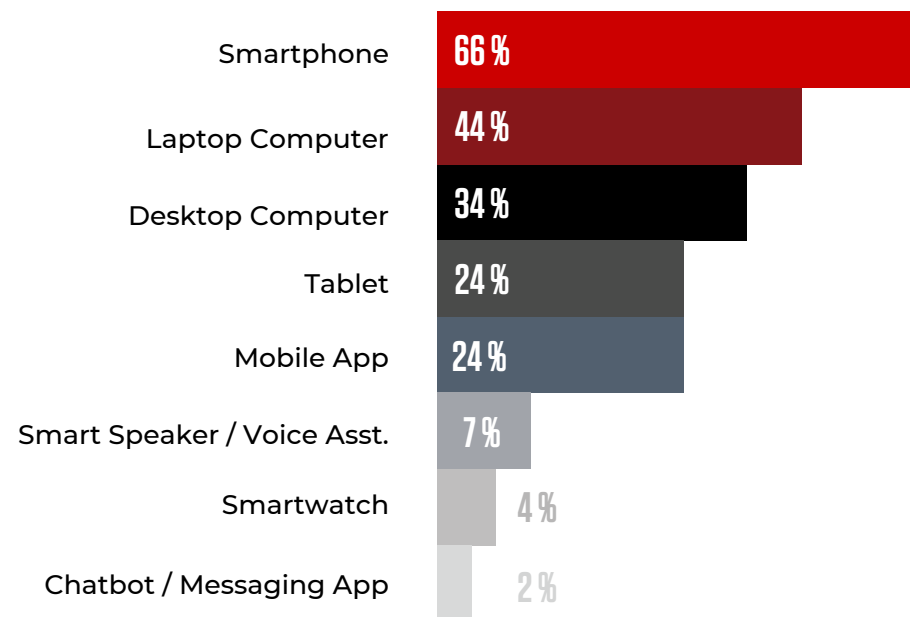


Consumers are most likely to purchase household goods on Amazon.com and smartphone mobile devices.

PURCHASE LOCATIONS



DEVICES & APPS



Where have you purchased household goods in the last 12 months?

## Consumers are most likely to purchase household goods on Amazon.com and smartphone mobile devices.

### 01

Consumers are 72% more likely to purchase household goods on Amazon.com compared to retailer websites which illustrates the need for brand visibility and availability on Amazon.

### 02

More than half (66%) of household goods shoppers buy via smartphones, making mobile optimization a marketing imperative.

### ONLINE PURCHASING



**72%**

Amazon.com  
versus retailer  
websites.



**66%**

On Smart  
phone devices

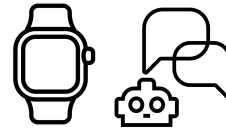
02

## Consumers are most likely to purchase household goods on Amazon.com and smartphone mobile devices.

03

While chatbots, messaging apps, voice assistants, and smartwatches receive a lot of industry buzz, only 14% of shoppers reported purchasing household goods through those technologies (a trend to monitor as consumer habits shift and tech matures). According to a <sup>1</sup>2018 Narvar study, 51% of shoppers used voice assistants to research products, 36% added products to a shopping list, and 22% made a purchase.

### PURCHASING ON DEVICES & APPS



**15%** Chatbots, messaging apps, voice assistants, smartwatches

### VOICE SEARCH UTILIZATION



**51%**  
Research products



**36%**  
Added products to shopping list

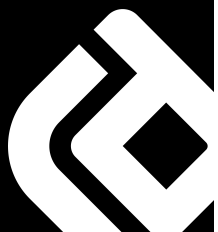


**22%**  
Made a purchase

<sup>1</sup>Narvar, "Connecting with Shoppers in the Age of Choice," April 2018.

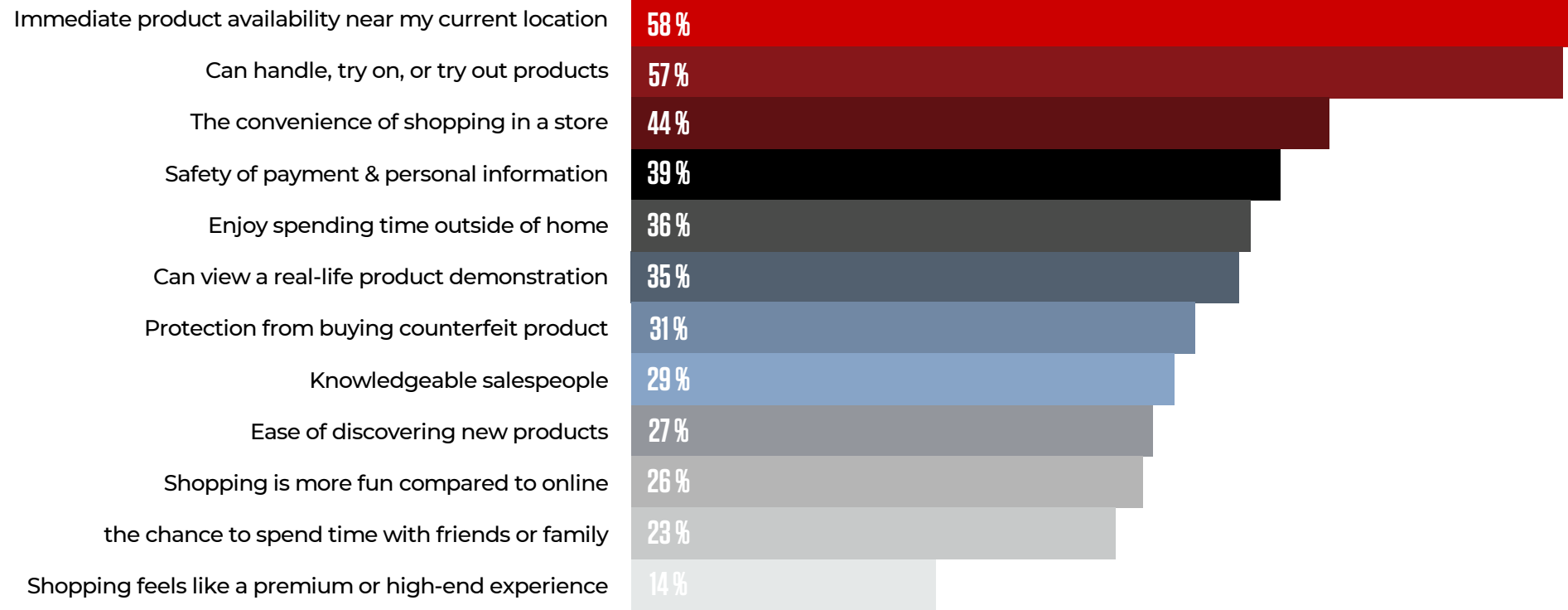
03

The desire to have immediate access to household goods and the ability to see/handle products are the top reasons for shopping offline in retail store locations.



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### SHOPPERS' REASON FOR PURCHASING OFFLINE IN-STORE LOCATION



The desire to have immediate access to household goods and the ability to see/handle products are the top reasons for shopping offline in retail store locations.

**01**

Well over half of the survey respondents indicated a need to handle or try out household goods products in-store (57%) and the desire to view a real-life product demonstration (35%) underscoring the experiential aspects of products in the category (e.g., furniture, cookware, etc.)

**57%**

Of shoppers need to handle or try out household good products in-store

**35%**

of shoppers seek to view a real-life product demonstration

**The desire to have immediate access to household goods and the ability to see/handle products are the top reasons for shopping offline in retail store locations.**

**02**

Over a third of (36%) of household goods shoppers enjoy spending time away from home when shopping which is an opportunity for retailers to enhance their in-store retail environments and increase dwell time.

**03**

30% of survey respondents cited access to knowledgeable salespeople is important when shopping offline which is higher than less considered purchases (likely for their advice on how to use products or design/decorating ideas).

**36%**

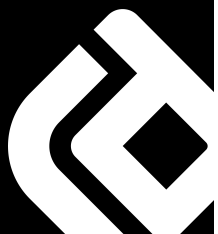
Of shoppers enjoy spending time away from home when shopping

**30%**

of shoppers need access to knowledgeable salespeople

04

Shoppers expectations for e-commerce features include foundational offerings like low-cost shipping, fast delivery, and product reviews.



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SHOPPERS' REASONS FOR PURCHASING ONLINE VIA E-COMMERCE



Which of the following website features have influenced your decision to purchase household goods in the last 12 months?

Shoppers expectations for e-commerce features include foundational offerings like low-cost shipping, fast delivery, and product reviews.

**01**

The most desirable e-commerce features for household goods purchases include free or low-cost shipping and returns (65%), product reviews (54%), and speed of delivery (50%). Marketers should view these offerings as essential to remain competitive.

**02**

Survey respondents did not indicate they are influenced as much by interactive website features like product personalization tools (11%) even though research<sup>1</sup> shows these features are growing in popularity – especially for Gen Z consumers who prioritize uniqueness.

## POPULAR INFLUENTIAL WEBSITE FEATURES

**65%**

Free or low-cost shipping &amp; returns

**54%**

Speed of delivery

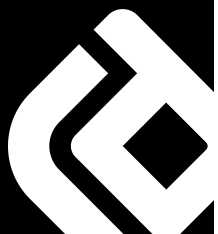
**50%**

Speed of delivery

<sup>1</sup>eMarketer; According to a April 2018 YouGov survey, 29 percent of US Internet users indicated they have purchased personalized footwear and apparel.

05

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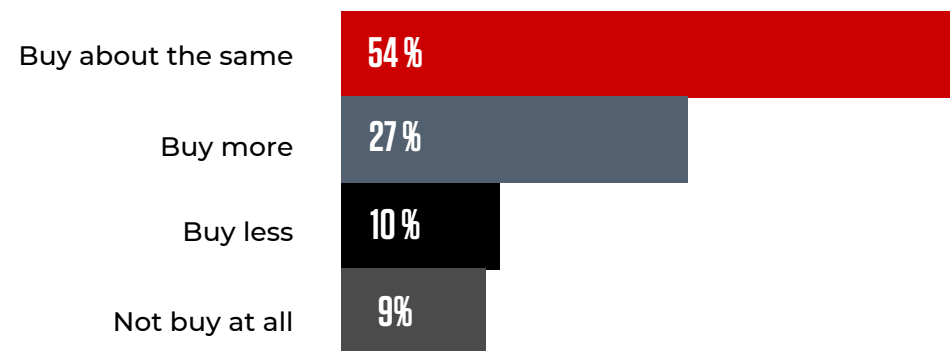
SHOPPED FOR HOUSEHOLD GOODS PRODUCTS ON AMAZON.COM

Last 12 Months



PLAN TO BUY HOUSEHOLD GOODS PRODUCTS ON AMAZON.COM

Next 12 Months



Have you shopped for household goods on Amazon.com in the last 12 months?  
 How many household goods will you buy on Amazon.com in the next 12 months?

## Amazon.com has a growing presence where shoppers research and purchase household goods online.

### 01

A clear majority of consumers shop on Amazon.com for household goods products (81%).

### 02

In the next 12 months, 27% of shoppers surveyed intend to buy more household goods products on Amazon.com increasing competition with other channels.

### 03

Now is the time for household goods manufacturers to have an Amazon strategy (even if it means not selling on Amazon).

### AMAZON.COM SHOPPING TRENDS



**81%**

Purchased household goods products from Amazon.com

*(last 12 months)*



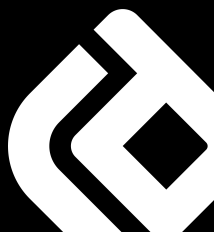
**21%**

Intend to buy household goods products on Amazon.com

*(next 12 months)*

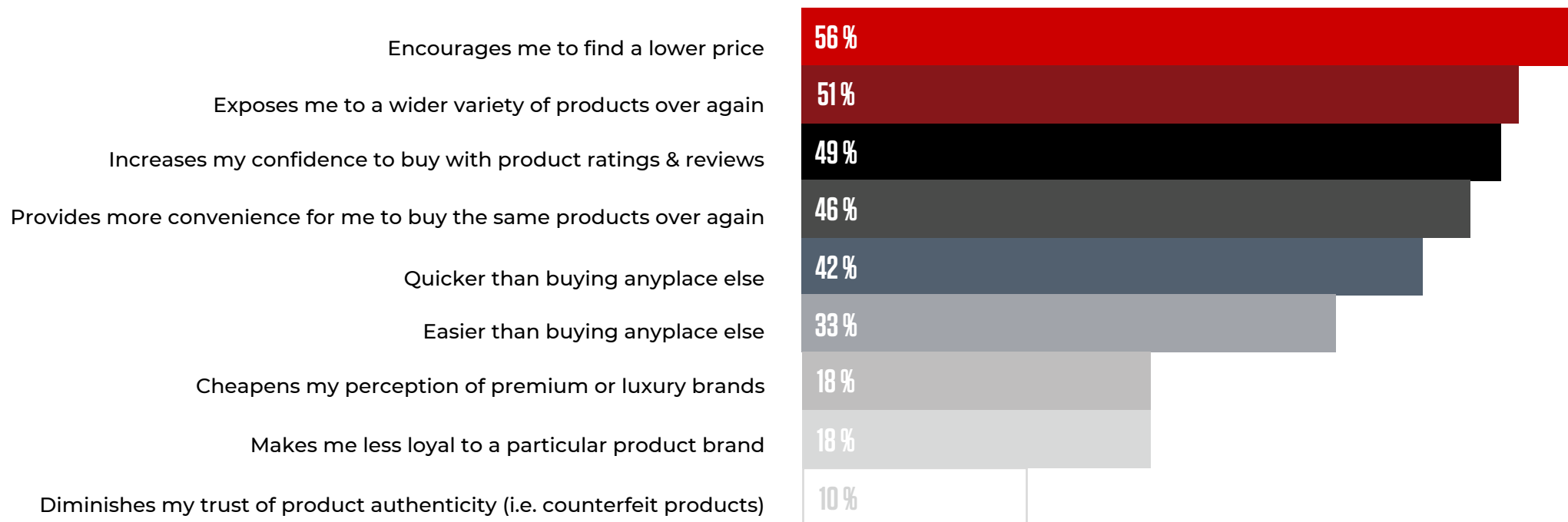
06

Amazon.com  
encourages household  
goods shoppers to find  
a lower price.



**Amazon.com encourages household goods shoppers to find a lower price.**

**AMAZON.COM INFLUENCE ON SHOPPERS**



For you personally, how does shopping on Amazon.com influence your choice of household goods?

## Amazon.com encourages household goods shoppers to find a lower price.

### 01

It is well documented that Amazon.com encourages shoppers to find a low price, and our survey found the same with 56% of household goods shoppers indicating Amazon influences them to find a lower price, and 18% say Amazon makes them less loyal to a particular brand.

### PRICE VS. LOYALTY



**56%**

Of shoppers are influenced by Amazon to find a lower price



**18%**

Of shoppers say Amazon makes them less loyal to a particular brand

## Amazon increases shopper confidence with ratings & reviews, but also encourages consumers to find a lower price.

### 02

A common belief among luxury or premium brand marketers is that Amazon.com cheapens consumer perception of their brands, and 18% of survey respondents indicate that is true.

### 03

The authenticity of products sold on Amazon.com is not something consumers think too much about, and only 10% of respondents feel the site diminishes trust of product authenticity or worry about buying counterfeit household goods.

### PERCEPTION OF BRAND ON AMAZON



**18%**

Of shoppers say Amazon cheapens the perception of a brand

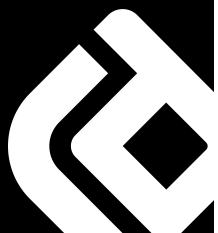


**10%**

Of shoppers say Amazon diminishes trust of product authenticity

07

Retailers can utilize video content, reviews, and interactive room planners to improve the digital shopping experience.



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**INVENTORY VARIETY**  
**ROOM PLANNER PICTURES**  
**FREE SHIPPING**  
**LOW COST EASY RETURNS**  
**VIDEOS KNOWLEDGEABLE SALES PEOPLE**

If you could offer one piece of advice to a household goods retailer to improve your shopping experience, what would that be?

## Retailers can utilize video content, reviews, and interactive room planners to improve the digital shopping experience.

### 01

Household goods shoppers care about e-commerce website table stakes including affordability, finding discounts, sales, and free shipping.

### 02

Providing customer reviews and replicating knowledgeable salespeople online are opportunities for household goods e-tailers to increase shopper confidence and thereby conversions.

### 03

Consumers desire more realistic portrayal of household goods with features like 3D room planners, interactive room photos, product videos, and high-quality pictures.

### 04

Product specifications and size measurements are of particular importance for furniture manufacturers, as well as positive consumer sentiment from products made in the USA.

A modern office interior with a staircase, a reception desk, and a lounge area. The space is dimly lit with industrial-style lighting. The staircase has a metal railing and leads to an upper level. The reception desk is a long, dark wood counter. In the foreground, there is a modern chair and a table.

## ABOUT RED DOOR INTERACTIVE

Red Door Interactive uses data, technology, and top industry talent to inform the development of breakthrough creative and implement smarter marketing practices, ultimately driving more revenue for our clients.





# THANK YOU.

Please direct questions and  
feedback regarding this report to:

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