



The Shopper Rules

**Influence of internet and smartphones on
the information behavior of consumers**

A study on behalf of GS1 Germany carried out by GfK
(Gesellschaft für Konsumforschung – The Association
for Consumer Research)

GS1 Tech ■■■■



Consumers want reliable product information

The GS1 Germany survey investigates what influence internet and smartphones have on the consumers information behavior. The constantly evolving, web-based possibilities are a source of fascination not only to users but also to companies who want to communicate with the user, both as a customer and as an end consumer.

In order to find out what consumers really want to know and what sources they trust, the survey addresses the following questions:

- >> Which mobile services are considered to be particularly helpful?
- >> What product information are consumers looking for?
- >> Which sources do Germans trust the most when looking for information?

The survey was carried out at the end of 2010 by GfK (Gesellschaft für Konsumforschung – The Association for Consumer Research) on behalf of GS1 Germany. The size of the sample surveyed online in the GfK WEP-Panel was 3,526 targeting the head of the household. The percentage of smartphone owners is over-represented with 13.6 percent of the sample.

The selection of respondents is representative for the German population.

A definition: the smartphone

A smartphone is a mobile telephone that has more functions and connectivity than a conventional mobile phone. These small pocket computers with internet connection enable users to communicate via e-mail or to access websites on the way. In order to meet these greater demands, smartphones also differ from 'standard' mobile phones by having their own operating systems. In addition, the user has the ability to download mobile applications – so called 'apps' – to their mobile. Apps are programmes with which the smartphone owner can, for example, navigate the web, play games or listen to music. There are also apps with which product information can be obtained using barcode scanning.



Which mobile services are considered to be particularly helpful?

Barcode scanning increases customer satisfaction

For **45 percent** of those surveyed, the ability to scan barcodes with a mobile telephone represents the greatest improvement in gaining access to product information quickly and regardless of location. In addition, **38 percent** stated that they want to use a mobile telephone to receive, store and redeem coupons and special offers. More than **37 percent** would use a mobile telephone as a means of navigation when looking for a specific product.



Scanning barcodes with a mobile telephone to obtain additional product information is perceived as the greatest improvement.

Using a mobile telephone to scan barcodes to obtain additional product information

45% 18.1% 36.9%

Self-scanning and self-checkout

35.6% 21.2% 43.2%

Using a mobile telephone to receive, store and redeem coupons and discounts

38% 17% 45%

Mobile phone guide to the location of shops in which a particular product can be purchased

37.1% 21.5% 41.4%

■ Top box (5.4) ■ Middle box (3) ■ Bottom box (1.2)

5 = "a truly great improvement", 1 = "absolutely no improvement"

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Mobile services convince especially smartphone owners

10.2 percent of all those surveyed welcome the possibility of making mobile price comparisons via the internet. Here, the owners of smartphones are much more attracted to mobile services than the owners of traditional mobile phones. Thus **15.3 percent** of smartphone owners would like to make mobile price comparisons, compared to only **9.4 percent** of non-smartphone users. This is supported by further findings, such as the ability to check product availability which came out at **14.7** as opposed to **8.7 percent**, and access to offers with almost **11 percent** as opposed to **6 percent**.

All those surveyed welcome further mobile services/technology to improve or simplify their shopping experience.

		Smartphone vs. non-smartphone ownership	
Information about price comparisons	10.2%	15.3%	9.4%
Information about product availability/delivery	9.4%	14.7%	8.7%
Access to special offers and promotions	6.7%	10.9%	6.0%
Automatic forwarding of shopping list to the retailer	4.9%	6.2%	4.7%
Price enquiries	3.1%	7.0%	2.6%
Calculation of trolley total	2.8%	9.6%	1.8%
Access to information on product ingredients	2.7%	4.4%	2.4%
Information about shop opening times	2.5%	2.3%	2.6%
Access to test results	1.9%	6.8%	1.2%

Basis: N=533

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■ Smartphone
■ Non-smartphone

What product information are consumers looking for?

Absolute essentials

According to the study, consumers are primarily looking for information about prices, discounts and special promotions. This applies both for the internet and smartphone, irrespective of product segment. Consequently the manufacturer has an obligation to provide this product information – described in the study as ‘need-to-have’. Here, priorities are not evenly distributed. What is expected from desktop internet research is not necessarily relevant for mobile searches. Thus desktop computer users tend to be searching for the health properties of food stuffs, whereas the top priority in mobile searches is to find product tests.

A matter of choice

In addition to ‘need-to-have’ information, ‘nice-to-have’ information about, for example, food tolerance, nutritional content and country of origin will very soon become obligatory.

In order to remain attractive to consumers in the future, industry and retail are already being faced with the requirement to give the same priority to ‘nice-to-have’ as to ‘need-to-have’ information.

	Consumer Goods		Body Care Products/Cleaning Products		Food Stuffs	
	Need-to-have	Nice-to-have	Need-to-have	Nice-to-have	Need-to-have	Nice-to-have
On the Internet	prices and discounts/ special promotions	product labelling, environmental compatibility/ sustainability, health properties	quality/seal of approval, health properties, home delivery	environmental compa- tibility/sustainability, origin	ingredients, health aspects, quality/seal of approval, origin	home delivery, environmental compa- tibility/sustainability
Via Smartphone	prices, discounts and special promotions, availability	customer reviews, product tests	product tests, availability, manu- facturer/brand	customer reviews, quality/seal of approval, health properties	product tests, manufacturer/ brand	origin, quality/ seal of approval, health properties, ingredients
On the Internet and via Smartphone in equal measure		quality/seal approval, origin, materials used	prices, discounts and special promotions	ingredients, allergy risks, product labelling	prices, discounts and special promotions, information about nutritional value, availability	customer reviews, product labelling, allergy risks, delivery time, customer service

Which sources do Germans trust the most when looking for information?

Reliable sources of data as a key factor

For **74.4 percent** of the smartphone and non-smartphone owners surveyed, information from a reliable source is considered to be important to very important. For just under **70 percent**, this was particularly relevant for information about 'Price'. With regard to information about 'Quality', reliability is relevant to **42 percent** of consumers. Least important is the 'Customer rating' with **20 percent**.



A further finding of the GS1 study is that **83 percent** of consumers mostly trust information supplied by consumer advice centres, closely followed by product testing organisations on **72 percent**. Information supplied by retailers and industry is trusted by only **30** and **39 percent** respectively. Social networking sites lag behind on **20 percent** consumer reliance. It would be fair to say that the more subjective the source, the less trust it engenders. This applies to a lesser extent to consumer and discussion forums. Here, subjective opinions are still deemed trustworthy by **41 percent**.

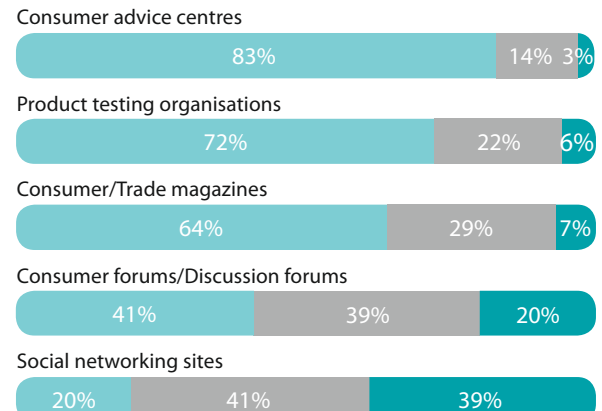
The importance of the trustworthiness of sources of information



Survey sample size: N = 3,526

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Consumer advice centres, product testing organisations and consumer magazines are rated as particularly reliable.



■ Top box (4.5) ■ Middle box (3) ■ Bottom box (1.2)

5 = "very reliable", 1 = "not at all reliable"

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Conclusion

60 to 70 percent of all purchase decisions are made spontaneously at the POS. In future, this will no longer be influenced by traditional advertising, promotions or product placement in store. Web-based desktop and mobile technology is joining the traditional channels of information. This not only offers companies opportunities; it also confronts them with challenges.

The consumer demands – manufacturers and retailers must deliver

The survey for GS1 Germany shows that the consumer is the driving force behind greater transparency in industry and retail. The reason for this is the consumer's growing desire for additional information. The smartphone offers consumers quick, easy access to information which influences their buying decisions on the spot. Manufacturers and retailers should see this as a sign of the times and equip themselves appropriately as quickly as possible in order to win over and retain the well-informed consumer in the future.



Challenges and opportunities

The information that is provided, particularly the sort that goes beyond price – such as health issues, sustainability or customer reviews – must be accurate. For example, if someone with an allergy is given false information about a favourite product, this not only endangers the health of the consumer but also the image of the manufacturer and retailer. For this reason, it is important that product information is made available at first hand. Otherwise, information may come from anywhere on the internet and may not stand up as far as product liability is concerned. It is precisely in this area that the opportunity lies for manufacturers and retailers to gain influence and use this development to their advantage.

What can we do for you?

GS1 Germany is one of the largest of more than 100 individual country-based organisations belonging to the international Global Standards One (GS1) network. From its headquarters in Cologne, it is responsible for the GTIN (Global Trade Item Number) unique identification system (formerly EAN) – the basis of the modern barcode.

Furthermore, GS1 Germany tests and develops standards to which companies in all sectors of the economy can refer when implementing mobile commerce in combination with GS1 standards. A number of major German corporations have joined together in the GS1 MobileCom Advisory Board to drive forward issues such as extended packaging, mobile couponing and mobile payment. GS1 Germany also conducts regular surveys and pilot projects in order to extend the scope of mobile commerce.

Have we sparked your interest? Would you like to make your own contribution to strategic development or to carry out a pilot project in the area of mobile commerce?

Then please get in touch with us:

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