How Shoppers Make Decisions

PLMA’s exclusive Buxton consumer research survey of shopping behavior

© Copyright 2011 Private Label Manufacturers Association
KEY FINDINGS

It turns out that much of the conventional wisdom about shoppers and the shopping experience proves to be wrong.

A new nationwide poll of 1,170 shoppers conducted by Buxton consumer research for the Private Label Manufacturers Association reveals that, contrary to what is so often claimed, shoppers are not bored or put off by the process. In fact they are actively engaged in it—from preparing a list of items at home to visiting stores, walking down the aisles and then finally deciding what to buy at the shelves.

Despite all the talk about high-tech advances, most shoppers start out the old-fashioned way, jotting down products they intend to buy on a piece of paper. Then it’s off to the store (or stores), at least once a week for most shoppers.

Once inside the store, shoppers become browsers. They walk through the store looking for items on their list but also paying attention to special displays, promotions, product sampling and demonstrations. Smartphones and apps may well become popular shopping tools in the future, but for now they are only used by a tech-savvy minority.

A strong indication that shoppers are attentive inside the store is their willingness to buy products and brands that aren’t on their list. Only one in four shoppers select the brand they are looking for without hesitation and an even smaller percentage say they rarely pick up any items that are not on the list.

This willingness to consider different choices promises to be a positive force for the continued growth of store brands. Not only are shoppers becoming more aware of store brands but they also are more than willing to switch away from national brands once inside the store.

This PLMA Research Report is the latest of the Association’s publications focusing on consumer attitudes and behavior. The report follows shoppers during three distinct parts of the shopping experience: Preparations before going to the store, the shopping trip itself, and the buying decision made at the shelf.

**Before going to the store**

1. **Most shoppers still make a list.**

   The venerable shopping list endures despite all the changes in consumer demographics and store formats. Buxton found that two of every three shoppers rely on shopping lists when doing the main household shopping for their family. List-making is definitely a family affair, with two-thirds of respondents saying that multiple family members contribute to the process.
2. Paper lists are still the shopper's favorite.

Not only does the shopping list endure, but it hasn’t embraced the digital revolution. The majority of shoppers, two of every three, still rely on paper lists. About one of three shoppers saves or collects coupons as reminders of what to buy. Some changes may be afoot, however, as one of every seven shoppers uses mobile phones or similar electronic device to make a list.

3. Shoppers make their lists a day or two before heading to the store.

List making is a last-minute process for most shoppers. More than half of all shoppers (54%) say they make up their list on either the day they plan to shop or the day before. Only 7% say they make their list two or more days before shopping. Four of ten shoppers say that making their list is an ongoing process.

4. There are lots of items on the list.

The majority of shoppers put between 10 and 19 items on their list, but a large group list even more products. One of three respondents says there are twenty items or more on their list. Even after the list is composed it is not final. Most shoppers (76%) remember an item they want to add to their list after it is composed.

5. Brands are often not specified on the list.

The research indicates that shoppers are not necessarily brand-conscious when making their list. Only 39% of all shoppers say they either always or frequently specify a particular brand when they plan to buy a product, while roughly one of every four shoppers rarely or never write down a brand.

6. But they often have a brand in mind.

The absence of a brand on a list doesn’t mean that shoppers don’t have one in mind. Nearly half of those shoppers who don't list products by brand say they frequently have a brand in mind.

7. Different stores, different shopping strategies.

Shoppers prepare differently when going to different retail formats. Shopping lists are not nearly so important when visiting drug stores compared to supermarkets. Nearly two-thirds of respondents say they don’t make lists for their drug store purchases. Moreover, brand names seem even less important for drug store shoppers; only 22% of them mostly list products by brand name.

The shopping trip

1. Most shoppers go to stores at least once a week.

The research reveals that consumers are fully engaged in the shopping experience. Despite all the time pressures on consumers today, they frequently go shopping. Three of four shoppers say they do their main household grocery shopping at least once a week, with nearly one of three going at least twice a week.
2. **They most often shop at one store.**

Most shoppers focus their attention on a single store. Two of every three respondents said they never, rarely or occasionally go to more than one store for their shopping. Only 14% said they always or almost always go to more than one store.

3. **Once inside, shoppers browse the store.**

Most shoppers don’t rush through the store. More than half of all respondents say they pick up items on the list while browsing the store for additional items that are not on the list. Only one in five said they stick to their list and rarely pick up additional items.

4. **Shoppers pay attention to promotions and displays.**

Carrying a list doesn’t mean that the shoppers don’t pay attention to what is happening in the store. Most shoppers notice when retailers promote products. Shelf signs and promotions are the most effective, with three of every four shoppers saying they always or frequently are aware of them. But other merchandising also has an impact: At least half of all respondents say they usually notice special displays of products, flyers and circulars and food samples or tastings.

5. **High-tech shopping devices are on the horizon.**

While a majority of shoppers respond to traditional promotions and displays, high-tech electronic devices are beginning to make their presence felt. More than one of every five shoppers already has used a mobile phone or similar device inside the store to get information and advice. Things are likely to change rapidly. Three of every four shoppers predict that such technology will be more widely used within five years.

### The buying decision

1. **Even when brands are on their list, shoppers are open to switching.**

The research documents the limits of brand loyalty. Even when shoppers are looking for a particular brand, only about one of four selects a brand without hesitation when they see it at the shelf. Three of four respondents say they look to see what other options are available.

2. **Before making a decision, shoppers consider many factors.**

Shoppers don’t take their shopping decisions lightly. When looking to see what options are available, they consider many different factors. Shoppers check prices, read information on labels, check what other brands or products are available, and look at packaging. All this attention pays off. Virtually all shoppers, 95%, say they always, almost always or frequently find all of the items that were on their list for a particular shopping trip.
3. **Shoppers are more aware of store brands.**

   It is clear that the appeal of store brands keeps growing even as the effects of the recession fade away. More than half of the respondents said they are more aware of store brand products than they were a year ago. Virtually none of the respondents are less aware of the retailer’s brands.

4. **More shoppers are switching to store brands.**

   The shopper’s willingness to consider other product options is benefitting store brands. Half of all shoppers said they would buy a store brand if the national brand were not available. Only 23% said they would buy another national brand instead.

**QUESTIONNAIRE AND RESULTS**

**1. Most shoppers go to stores at least once a week.**

   Q. *About how often do you do your regular shopping for the main household groceries?*

   - About once each week: 44%
   - About twice each week: 21%
   - About every other week: 18%
   - More than twice each week: 10%
   - About once a month or less: 7%

**2. Most shoppers rely on a list.**

   Q. *When doing the main household shopping for your family, how often would you say you make up a shopping list?*

   - Always or almost always: 42%
   - Frequently: 25%
   - Occasionally: 20%
   - Rarely: 10%
   - Never: 3%
3. Shoppers make their lists one or two days before going to the store.

Q. In general, when do you make the list?

- My list is an ongoing process: 40%
- The day I plan to shop: 32%
- The day before I shop: 22%
- Two or more days before: 7%

4. Paper lists are still the shopper’s favorite.

Q. How do you go about making your shopping list? (Multiple responses were allowed).

- Write it on paper: 90%
- Save or collect coupons to remind yourself of items to buy: 34%
- Rely on memory: 16%
- Use a mobile phone or some other electronic device: 14%
- Some other way: 3%

5. Household members contribute to the list.

Q. Do other members of your household contribute to the list that you make?

- Yes, other members do contribute: 68%
- No, they do not contribute: 32%

6. Most lists have more than 10 items.

Q. When doing the main household shopping for your family, about how many items would you say usually go on your shopping list?

- 10-19 items: 51%
- 20-29 items: 19%
- 30 items or more: 15%
- Fewer than 10 items: 15%
7. Many shoppers find flyers or coupons useful.

Q. How often are the promotional flyers or coupons that you receive in the mail helpful in making up a shopping list?

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always or almost always</td>
<td>20%</td>
</tr>
<tr>
<td>Frequently</td>
<td>25%</td>
</tr>
<tr>
<td>Occasionally</td>
<td>33%</td>
</tr>
<tr>
<td>Rarely</td>
<td>18%</td>
</tr>
<tr>
<td>Never</td>
<td>5%</td>
</tr>
</tbody>
</table>

8. Shoppers buy more food than non-food items.

Q. Thinking about the items you plan to buy in the store, what percentage would you say are food or beverages, and what percentage are non-food products, such as household and kitchen, or health and beauty products?

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>79%</td>
</tr>
<tr>
<td>Non-Foods</td>
<td>21%</td>
</tr>
</tbody>
</table>

9. Brands are often not specified on shopper’s lists.

Q. Thinking of what you plan to buy, how often would you say you specify a particular brand name, such as Dove soap or Lipton tea bags?

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occasionally on the list</td>
<td>38%</td>
</tr>
<tr>
<td>Frequently on the list</td>
<td>30%</td>
</tr>
<tr>
<td>Rarely on the list</td>
<td>18%</td>
</tr>
<tr>
<td>Always or almost always on the list</td>
<td>9%</td>
</tr>
<tr>
<td>Never on the list</td>
<td>5%</td>
</tr>
</tbody>
</table>
10. When there’s no brand on the list, many shoppers have one in mind.

Q. For items that you list not by brand but by product type only, how often would you say you have a specific brand in mind anyway?

- Frequently: 43%
- Occasionally: 34%
- Always or almost always: 13%
- Rarely or never: 10%

11. Shoppers add items after composing their list.

Q. From the time you compose your list to the time you enter the store, what factors, if any, are likely to make you alter the list? (Multiple responses were allowed).

- Remember an item that I want to add: 76%
- Find coupons for specific brands or products that were not on my list: 48%
- Family or friends suggest a brand or product that was not on my list: 20%
- I rarely alter my list before I enter the store: 15%
- Am influenced by TV, radio, or newspaper ads promoting a brand or product that was not only on my list: 11%

12. In-store merchandising has an impact.

Q. Once you are inside the store, how aware would you say you are for each of the following? (Combined results of “always or almost always” and “frequently” responses)

- Signs and promotions at the shelf: 73%
- Special displays of products: 63%
- Flyers and circulars: 58%
- Food samples or tastings: 50%
- Product demonstrations: 43%
### 13. Mobile phones are becoming part of the shopping experience.

**Q.** Have you ever used a mobile phone or similar device inside the store to get more information, look up recipes or check the price of an item while you are shopping?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>80%</td>
</tr>
<tr>
<td>Yes</td>
<td>22%</td>
</tr>
</tbody>
</table>

### 14. Shoppers believe technology will be helpful.

**Q.** Do you believe this kind of technology can be helpful to you while you shop?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Maybe helpful</td>
<td>42%</td>
</tr>
<tr>
<td>Yes, can be helpful</td>
<td>37%</td>
</tr>
<tr>
<td>No, can’t be helpful</td>
<td>15%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>7%</td>
</tr>
</tbody>
</table>

### 15. Technology will play a more important role.

**Q.** In five years, how widespread do you believe the use of mobile phones and other such devices will be by shoppers as they go about their regular shopping?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Such technology will be more widely used in 5 years</td>
<td>75%</td>
</tr>
<tr>
<td>Will be used “about the same” in 5 years</td>
<td>16%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>8%</td>
</tr>
</tbody>
</table>

### 16. Shoppers are switching to store brands.

**Q.** If a particular brand is not available in the store where you are shopping, what do you do next? Would you say that you will most often…

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Buy the retailer’s store brand instead</td>
<td>50%</td>
</tr>
<tr>
<td>Buy a national brand instead</td>
<td>23%</td>
</tr>
<tr>
<td>Go to another store to look for the brand</td>
<td>14%</td>
</tr>
<tr>
<td>Seek assistance from store personnel</td>
<td>13%</td>
</tr>
</tbody>
</table>
17. Shoppers usually find the items they’re looking for.

Q. How often would you say you are able to find all of the items that were on your list for a particular shopping trip?

- Always or almost always: 51%
- Frequently: 44%
- Occasionally, Rarely or Never: 5%

18. Most shoppers browse the store looking for additional items.

Q. Thinking about how you go about shopping in the store, how would you describe what you do? Would you say that you will most often…

- Pick up items on the list in the course of browsing the store for additional items that are not on the list: 53%
- Look for the items on shopping list first before shopping for additional items: 22%
- Generally buy only the items that are on the shopping list and rarely pick up any additional items: 20%
- Browse the store for items you may want to buy and only then go back to pick up the items on the list: 5%

19. Shoppers are willing to switch even when their brand is in stock.

Q. When you get to the shelf and you look for a particular brand, what do you usually do? Would you say that you will most often…

- Look to see what other options are available: 76%
- Buy the brand without hesitation: 24%
20. Shoppers consider many factors before making a decision.

Q. When you look to see what other options are available, what factors would you say are likely to influence your choice of what to buy? (Multiple responses were allowed).

- Price: 95%
- Information on the label: 45%
- Other brands or products that are available: 35%
- The retailer’s brand: 24%
- Packaging: 16%

21. Awareness of store brands is growing.

Q. With respect to the retailer’s own brands—whether they are products that carry the store’s name or some other brand name that’s exclusive to that store—would you say you are...

- More aware than a year ago: 51%
- Neither more or less aware: 48%
- Less aware: 1%

22. Shoppers usually go to one store.

Q. How often would you say you go to more than one store for your shopping?

- Occasionally: 32%
- Rarely: 29%
- Frequently: 22%
- Always or almost always: 14%
- Never: 3%

23. Drug store shoppers don’t rely on lists.

Q. Thinking about other types of stores where you shop, do you also make a shopping list before going to the drug store?

- No: 62%
- Yes: 27%
- Don’t shop at a drug store: 12%
24. Most drug store shoppers don’t put brands on their lists.

Q. In general, when making out your list for the drug store, would you say that you most often write down brand names or list products only by type?

- List products mostly by type: 78%
- Mostly list products by brand name: 22%

25. In drug stores, shoppers compare prices and read labels.

Q. When you shop in a drug store would you say you are more or less likely, as compared to shopping in the supermarket, to do the following? (Percent of those saying “more likely”)

- Compare prices: 60%
- Read labels: 42%
- Buy the retailer’s store brand: 32%
- Buy the national brand: 19%
- Never: 3%

26. Most shoppers continue to buy health and beauty items at mass merchandisers.

Q. Thinking of health and beauty products, at which of the following types of stores would you say you are most likely to buy them?

- Mass merchandiser: 52%
- Drug store: 18%
- Supermarket: 12%
- Dollar store: 7%
- Beauty specialty: 4%
- Club store: 3%
- Other: 2%
- Don’t know: 2%
Research Methodology and Demographics

This report is based on research conducted on behalf of the Private Label Manufacturers Association by Buxton, a leading provider of retail analytics. The survey was conducted via the internet, drawing a sample of shoppers from participants in American Consumer Opinion, Decision Analyst's global internet panel of over 8,000,000 consumers. To achieve a fully representative sample, Decision Analyst applied their advanced proprietary software (Icon®) to draw stratified quota samples from the online panel which match the distribution of U.S. households by geography and demography. Invitations were then sent via email for panel participants to visit the company’s web server, complete the screener and, if qualified, complete the survey. Participants were screened to be 18 year of age or older and the household’s primary grocery shopper.

A total of 1,170 interviews were completed, giving the data in this report a margin of error of +/- 2.98%. Following is a breakdown of the total survey participants with respect to key demographics of gender, age, household income, education and ethnicity. As a result of rounding, the percentages below may not add to a total of 100.

<table>
<thead>
<tr>
<th>Gender:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>46.0%</td>
</tr>
<tr>
<td>Female</td>
<td>54.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24 years</td>
<td>5.0%</td>
</tr>
<tr>
<td>25-34 years</td>
<td>21.8%</td>
</tr>
<tr>
<td>35-44 years</td>
<td>18.3%</td>
</tr>
<tr>
<td>45-54 years</td>
<td>23.1%</td>
</tr>
<tr>
<td>55+ years</td>
<td>31.9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Household Income:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $20,000</td>
<td>14.8%</td>
</tr>
<tr>
<td>$20,000 but less than $35,000</td>
<td>21.8%</td>
</tr>
<tr>
<td>$35,000 but less than $50,000</td>
<td>19.7%</td>
</tr>
<tr>
<td>$50,000 but less than $75,000</td>
<td>21.1%</td>
</tr>
<tr>
<td>$75,000 but less than $100,000</td>
<td>13.4%</td>
</tr>
<tr>
<td>$100,000 and above</td>
<td>9.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than high school graduate</td>
<td>2.1%</td>
</tr>
<tr>
<td>High school graduate</td>
<td>23.3%</td>
</tr>
<tr>
<td>Some college</td>
<td>31.2%</td>
</tr>
<tr>
<td>College graduate</td>
<td>27.4%</td>
</tr>
<tr>
<td>Graduate school and/or professional degree</td>
<td>16.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ethnicity:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>White (including white Hispanic)</td>
<td>74.9%</td>
</tr>
<tr>
<td>African American (including African Hispanic)</td>
<td>13.9%</td>
</tr>
<tr>
<td>Asian</td>
<td>3.3%</td>
</tr>
<tr>
<td>Other</td>
<td>7.9%</td>
</tr>
</tbody>
</table>

Private Label Manufacturers Association
630 Third Avenue, New York, NY 10017
Telephone: (212) 972-3131  Fax: (212) 983-1382