

**RETAILING**

# Online shopping draws deal-conscious consumers

Retailers the world over must develop a customer-focused business model and invest in technology to capitalise on the fast-growing e-shopping market, says a PwC survey.

According to the report, "Achieving Total Retail: Consumer Expectations Driving the Next Retail Business Model", 55% of internet shoppers globally said they buy online because of better deals.

The survey of more than 15,000 online shoppers in 15 countries uncovered a booming online retail industry, driven by explosive growth in China's e-shopping market.

The trend has prompted retailers to make it easier for customers to find and buy products online in order to boost profitability.

Vilaiporn Taweelappontong, a partner at PwC Consulting (Thailand), said while the digital transformation continues to shape the way companies and consumers interact, changing customer behaviours demand that retailers adjust.

"We're seeing more and more retailers transforming their businesses to respond to shifting customer demands," she said.

"Online shopping has become a major focus for many large-scale retailers across segments ranging from electronics to clothes to cosmetics. On the other hand, customers are also becoming much more sophisticated in taking advantage of online coupons and offers."

Ms Vilaiporn said digitally empowered consumers are embracing social media to connect with retailers and brands.

Nearly 60% of online shoppers follow their favourite brands or retailers via social media and use the web to discover new brands, the study found.

Most respondents (55%) also provide

comments about their online experiences with a product or brand on social media, either positive or negative.

Globally, 41% of online shoppers buy products through tablets, up from 28% in 2012, and 43% purchase products through smartphones, up from 30%.

Ms Vilaiporn said Thailand's e-shopping market is expected to grow significantly over the next three to five years, fuelled by the proliferation of mobile devices.

"More and more Thai consumers are opting for the convenience of online shopping," said Ms Vilaiporn, who expects the market to be valued at more than 100 billion baht in 2014, up from a targeted market value of 90 billion baht in 2013.

While convenience plays a crucial role for Thais when shopping via smartphone, online discounts paired together with deals and promotions can also shape the preferences of Thai shoppers.

Clothing and beauty products attract the most online shoppers.

China leads the world for mobile purchases, with 77% of respondents saying they shop online, followed by India (69%), the Middle East (58%) and the global average (43%).

Almost half of Chinese respondents shop online weekly via a PC, the highest percentage seen in the study.

Chinese shoppers also lead the way when it comes to shopping over multiple devices, with 49% shopping on a tablet and 51% through a smartphone at least once a month.

As of June 2013, internet penetration in China, the world's second-biggest economy, was 44%, with the country boasting 591 million online users — a user base far greater than the entire US population.

According to the PwC study, penetration of mobile internet services globally will reach 54% by the end of 2017, outpacing 51% for fixed broadband.

Data security is a major concern keeping many from shopping online, with 43% saying they are most worried about the security of their personal data.

Ms Vilaiporn said physical stores will remain popular, allowing consumers to get the product immediately, touch it and try it out.

"But the reality is that retailers' future brick-and-mortar stores will likely be fewer and smaller, carrying a more targeted assortment of goods," she said.

The consulting firm suggests that retailers invest in integrated technology platforms and systems in order to provide all-in-one transaction services to always-on customers.