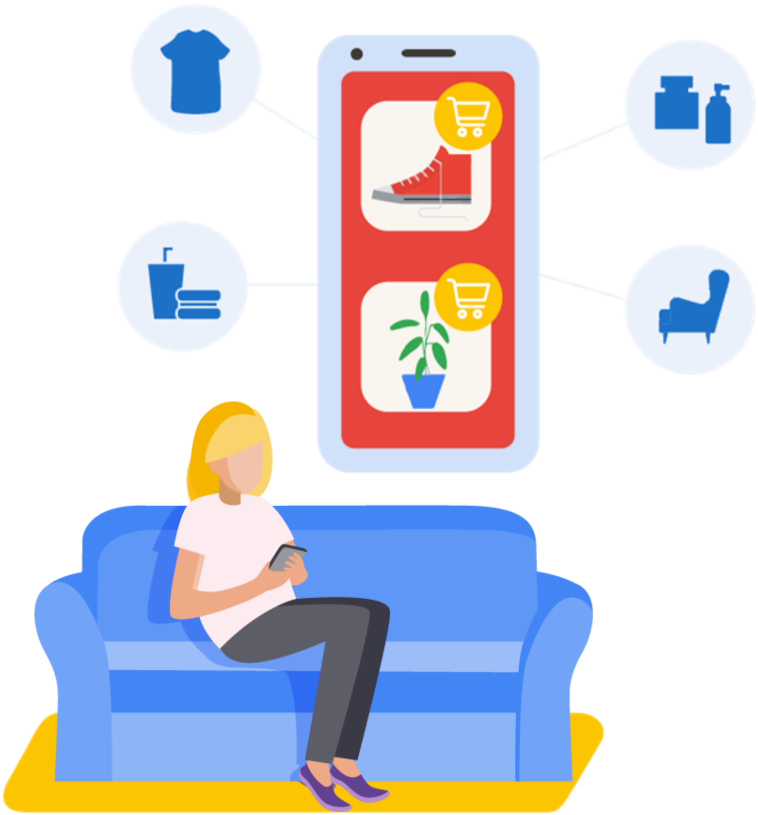
Smart Shopper 2022

How the Shopping behaviour has changed from pandemic to uncertain times



Romania

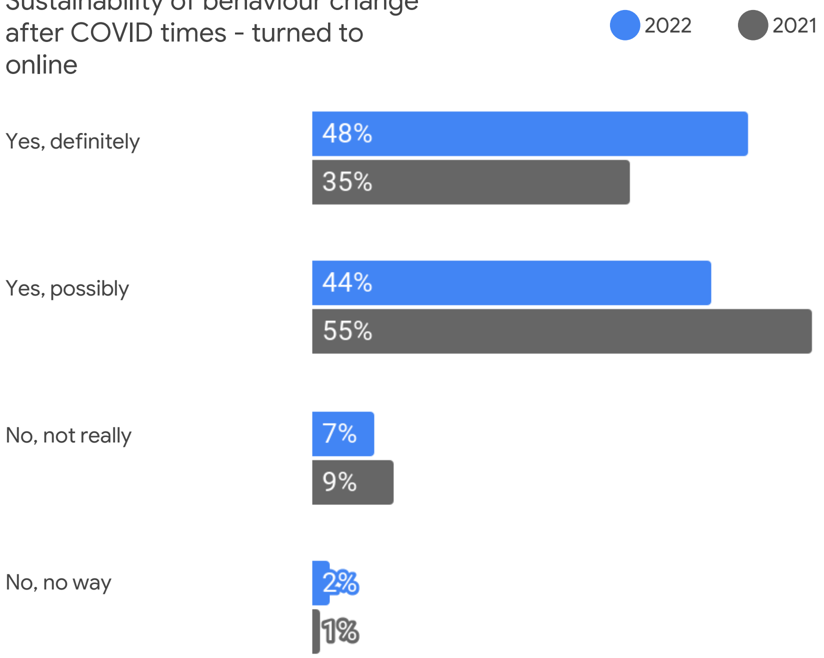
November 2022

Category description

Core Category	Sub Category	More detailed category description
CE (high-tech)	Home electronics	TV and home cinema / gaming / audio and hi-fi
	Mobile devices	tablets, smartphones, home assistants, cameras
	Laptops, Computers	computer (desktop, laptop)
Home & Garden	Large home appliances	white goods, e. g. washing machine, dishwasher, refrigerator, stove / oven
	Small appliances	cleaning / kitchen / personal care
	Garden furniture	
	Furniture	living room / bedroom / kitchen
Fashion	Clothing / Outerwear	women, men, children, coats and jackets / dresses and skirts / pants / business clothes
	Fitness / Athletic Clothing	clothes for e. g. football, cycling, swimming, fitness, outdoor, hiking
	Footwear	women, men, children / formal, casual, comfort, sport shoes
Beauty	Personal care	women, men / body care, skin care, hair care, hygiene
	Cosmetics	

Changed shopping behaviour is likely to be sustained, as those who are more definitive increases overtime

Sustainability of behaviour change after COVID times - turned to online



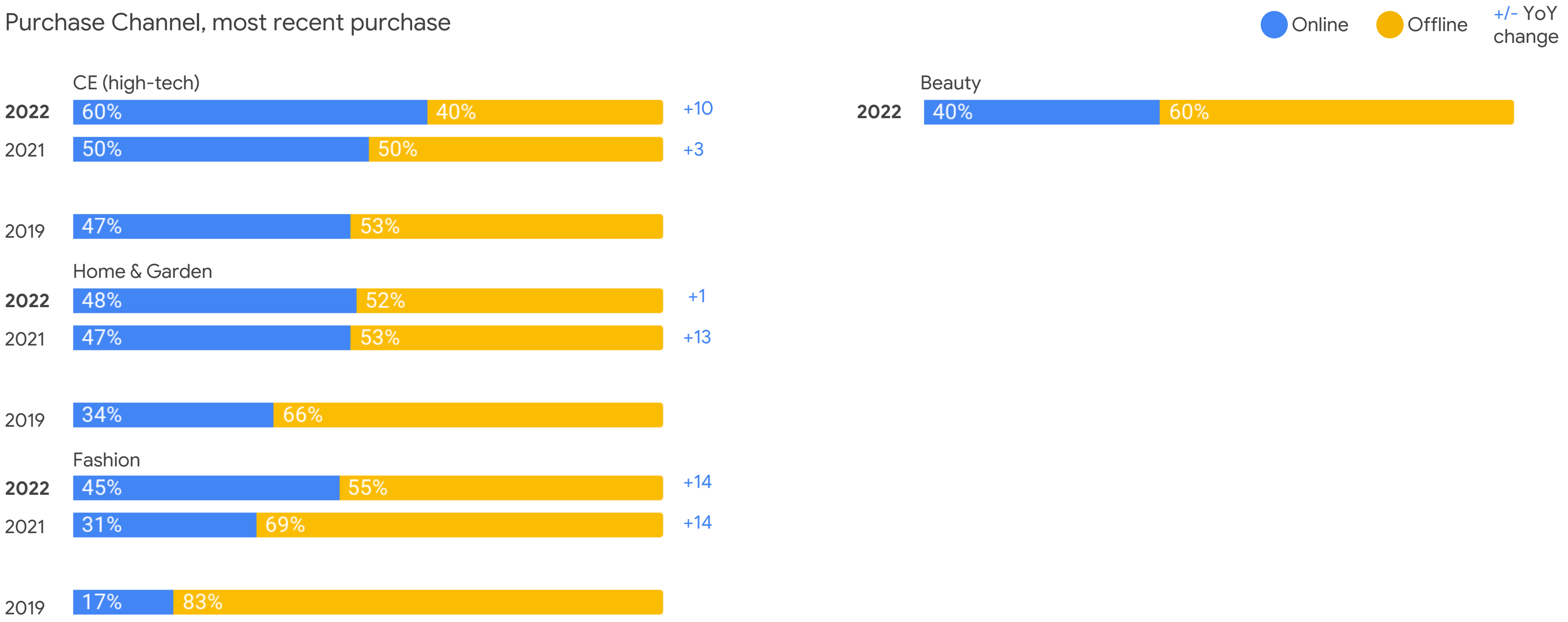
91%

believe they will stick to their changed purchase behaviour

Source: Smart Shopper Research. Savanta (2022) / Google, Cint (2021) / Kantar (2020+2019), base 2022/2021: all product buyers of CE, Home, Fashion, , Beauty n=760/701 Q40_A: Do you believe that you will maintain your changed buying behaviour, even after the COVID times?

Google

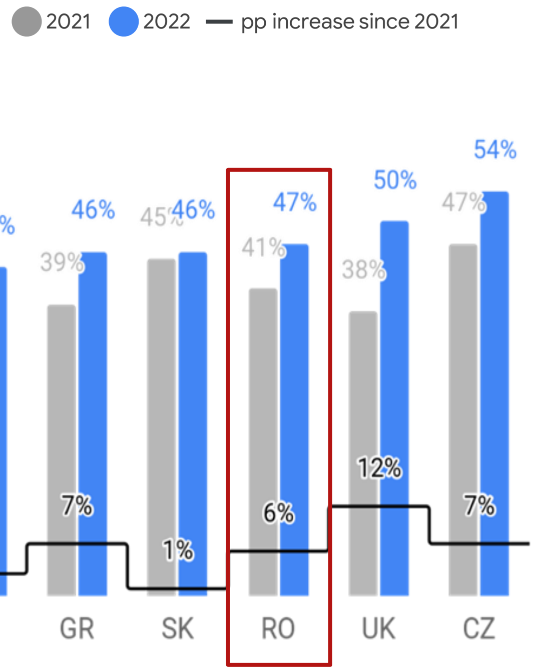
Online shopping increases for CE and Fashion in 2022, CE purchases now favouring E-commerce



Source: Smart Shopper Research. Savanta (2022) / Google, Cint (2021) / Kantar (2020+2019), base 2022/2021/2019: all product buyers of CE, Home, Fashion, , Beauty n=1737/1139/1147, CE n=297/290/354, Home n=371/349/360 Fashion n=528/500/433, Beauty n=541, Q1: Where did you make your last purchase? N.B - No historical data for the Beauty Category

Trajectory in online purchases continues upwards across all product categories compared to last year and pre-COVID

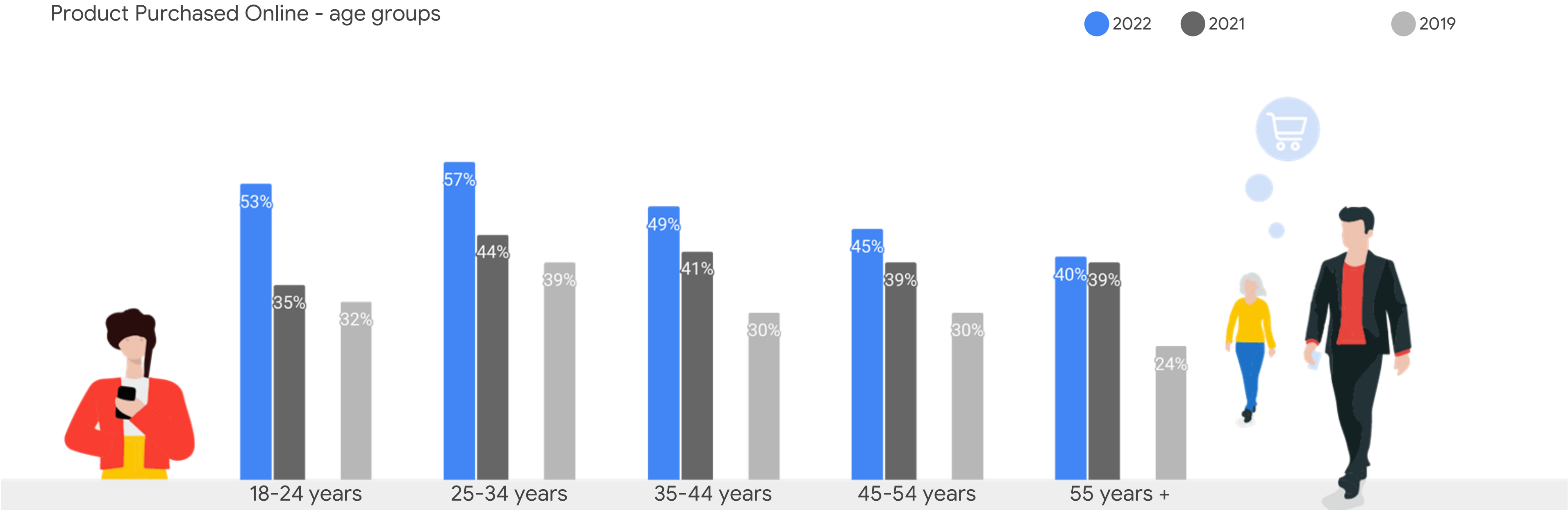
Last Product Purchased Online
All verticals (CE, Home & Garden, Fashion, Toys, Beauty and Food)



Source: Smart Shopper Research. Savanta (2022), Google, base 2021/2022: All product buyers of CE, H&G, Fashion, Toys, Beauty, Food n=94407/41751/82627/54736; Q1: Where did you make your last purchase?

Google

Online shopping sees the strongest uplifts in younger consumers

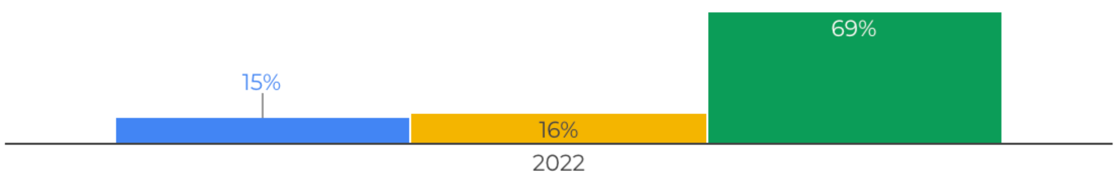


Average of verticals
(includes beauty in 2022)

Source: Smart Shopper Research. Savanta (2022) / Google, Cint (2021) / Kantar (2020+2019), base 2022/2021/2020/2019: all product buyers of CE, Home, Fashion, , Beauty n=1737/465/360, 18-24 n=150/135/150, 25-34 n=293/361/278, 35-44 n=350/299/307, 45-54 n=324/199/214, 55+ n=620/145/199. Q1: Where did you make your last purchase?

Google

Majority of buyers don’t have a clear preference for online or offline shopping



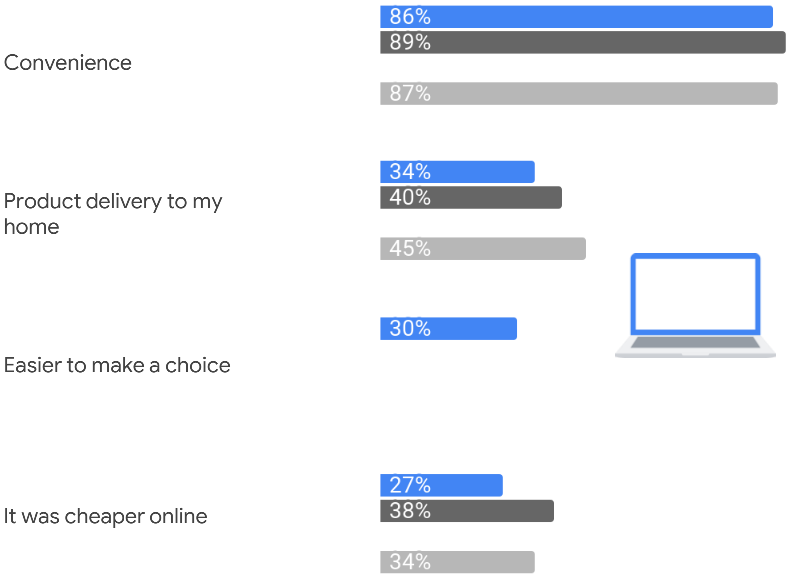
Source: Smart Shopper Research. Savanta (2022) / Google, Cint (2021) / Kantar (2020+2019), base 2022/2021//2019: all product buyers of CE, Home, Fashion, Beauty n=1737/1049/1147 CE n=297/273/354,, Home n=371/326/360, Fashion n=528/450/433, Beauty n=541, Q18: How frequently do you buy this category online, if at all? chanel-agnostic buyers have no clear preference for online or offline purchase and choose their shopping channel by shopping occasion, *channel agnostic = shoppers who buy offline as well as online and aren’t fully set on one channel N.B - No historical data for the Beauty Category

Google

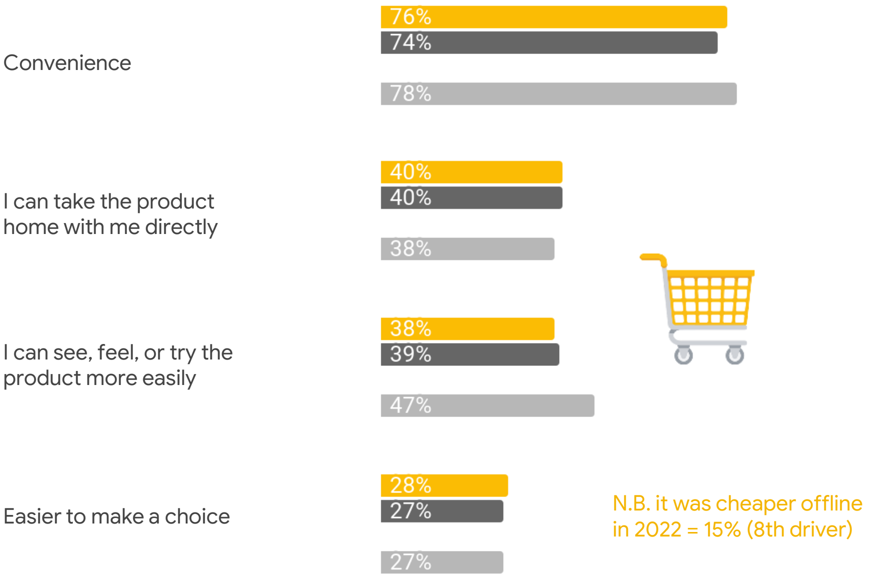
Convenience and getting the product home are the main drivers for both Online and Offline shopping

2022 2021 2019

Drivers of online purchase

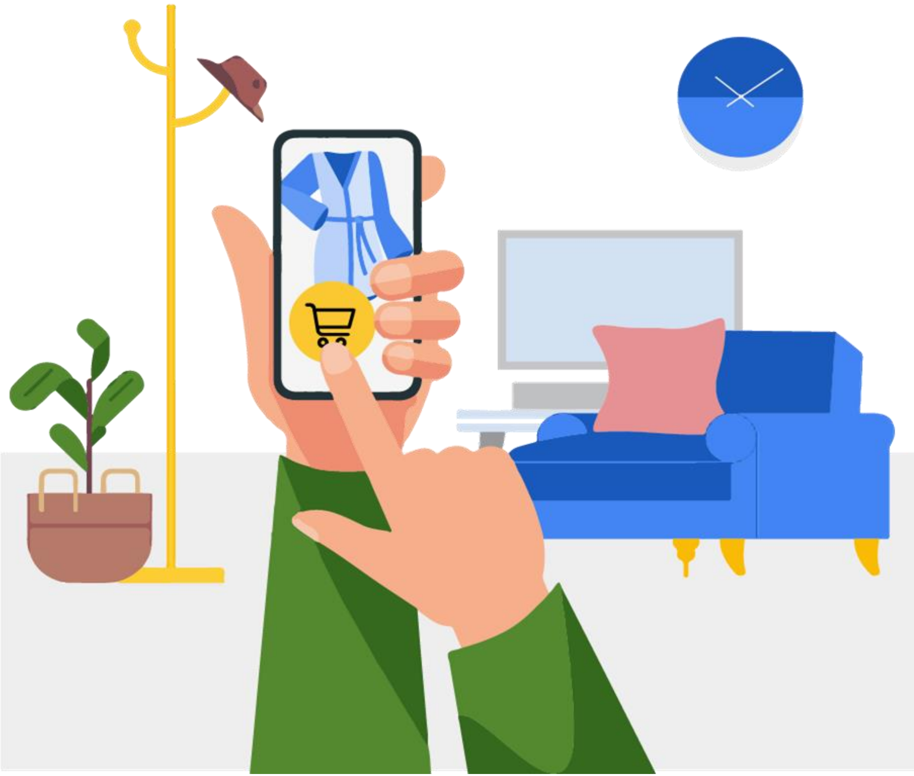


Drivers of offline purchase



Source: Smart Shopper Research. Savanta (2022) / Google, Cint (2021) / Kantar (2020+2019), base 2022/2021/2019: all product buyers of CE, Home, Fashion, Beauty n=1737/1016/1147, online n=813/421/360, offline n=924/595/788, Q17_A, Q17_B: Why did you buy online / offline?

Over half use their Smartphone to make purchases online



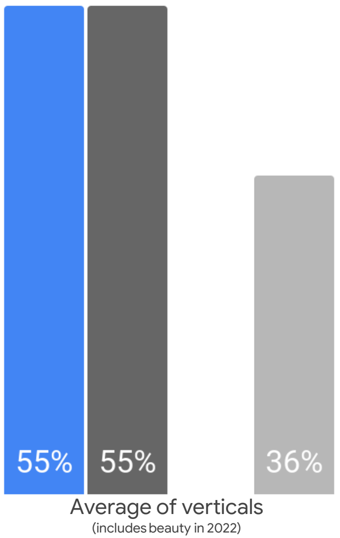
51%

use their smartphone when making an online purchase

Source: Smart Shopper Research. Savanta (2022) / Google, Cint (2021) / Kantar (2020+2019), base 2022/2021/2019: all online product buyers of CE, Home, Fashion, Beauty n=813/455/360 CE n=179/143/165, Home n=179/165/121 Beauty n=218, Fashion n=238/146/74, Q3: Which device did use for your online purchase? N.B - No historical data for the vertical average

Google

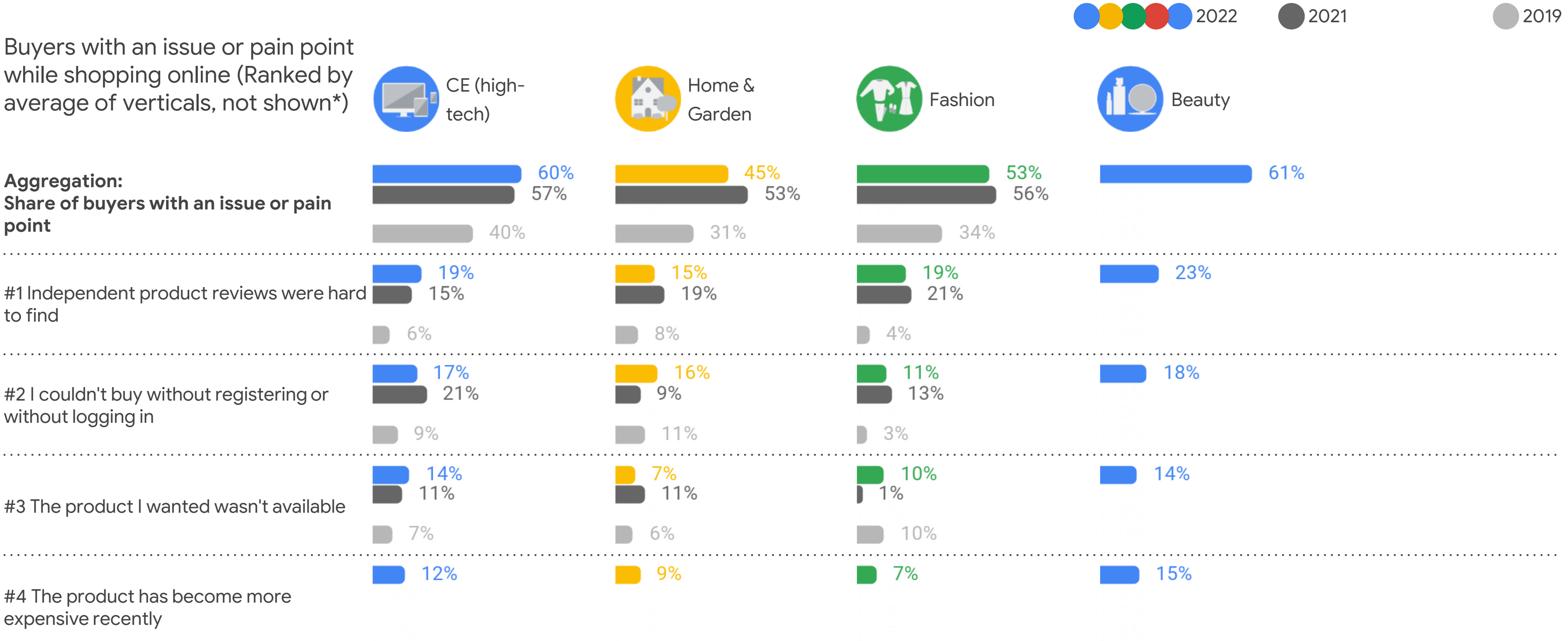
1 out of 2 of consumers with an issue or pain point while shopping online



Source: Smart Shopper Research. Savanta (2022) / Google, Cint (2021) / Kantar (2020+2019), base 2022/2021/2020/2019: all product buyers of CE, Home, Fashion, , Beauty n=813/454/360 CE n=179/143/165,, Home n=179/165/121,, Fashion n=238/146/74. Beauty n=218. Q4_2: Which of these situations did you experience during your purchase, if any?
*Only top pain points 5-8 shown (ranked by average of verticals 2022) N.B - No historical data for the Beauty Category**Not all data shown in previous years

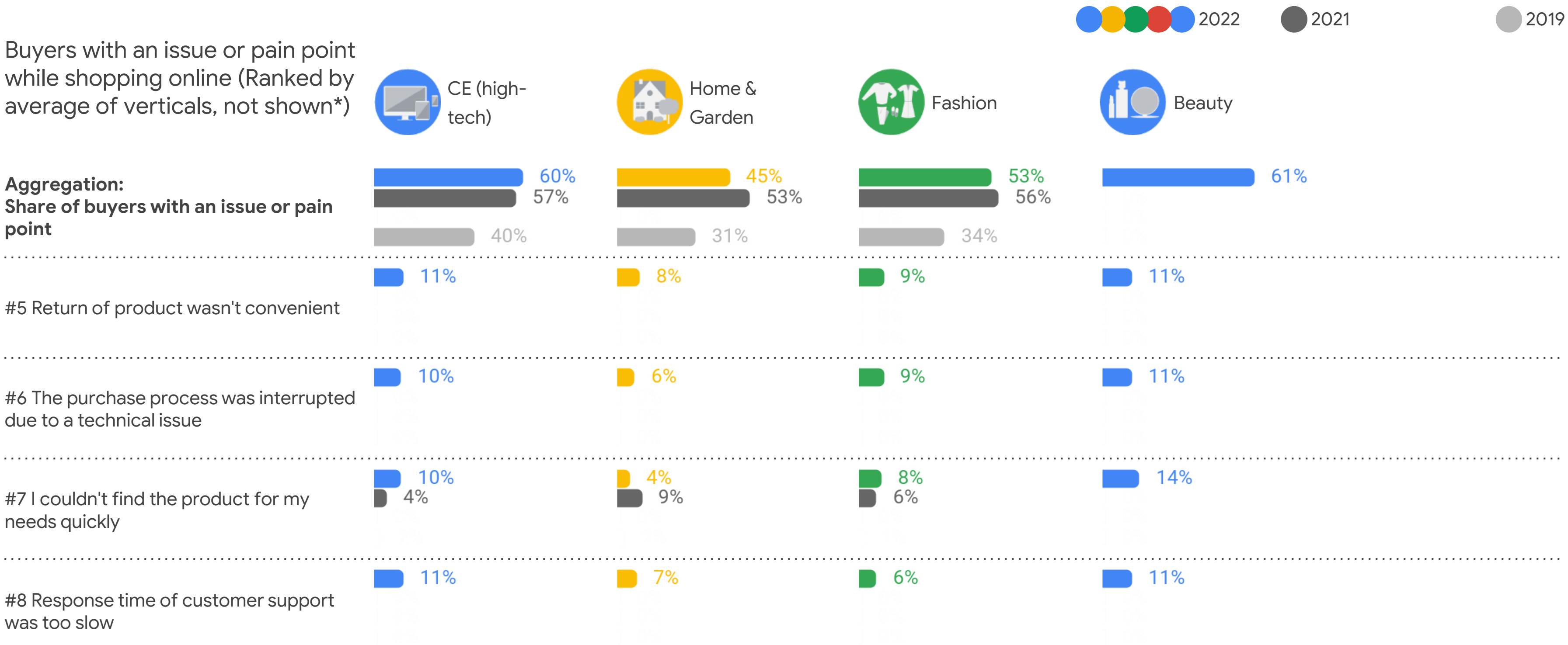
Google

Main online pain point tends to be missing independent reviews and inability to purchase without registering



Source: Smart Shopper Research. Savanta (2022) / Google, Cint (2021) / Kantar (2020+2019), base 2022/2021/2020/2019: all product buyers of CE, Home, Fashion, , Beauty n=813/454/360 CE n=179/143/165,, Home n=179/165/121,, Fashion n=238/146/74. Beauty n=218. Q4_2: Which of these situations did you experience during your purchase, if any?
*Only top 4 pain points shown (ranked by average of verticals 2022) N.B - No historical data for the Beauty Category Not all data not shown in previous year decks

Other notable pain point was inconvenient return process

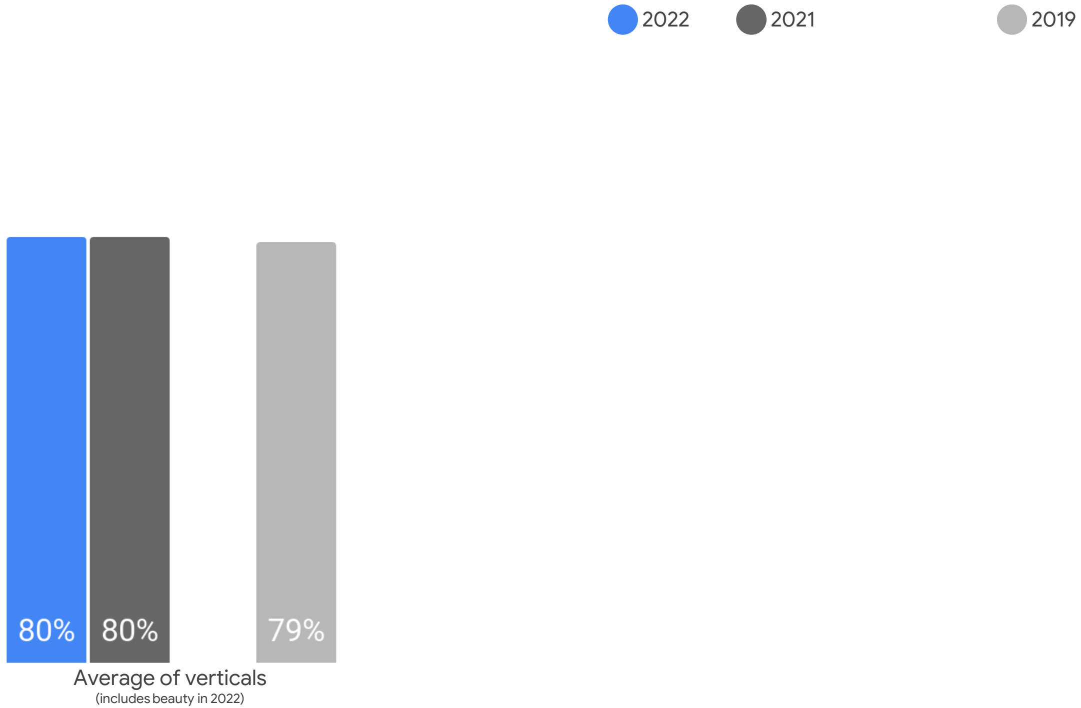


Source: Smart Shopper Research. Savanta (2022) / Google, Cint (2021) / Kantar (2020+2019), base 2022/2021/2020/2019: all product buyers of CE, Home, Fashion, , Beauty n=813/454/360 CE n=179/143/165,, Home n=179/165/121,, Fashion n=238/146/74. Beauty n=218. Q4_2: Which of these situations did you experience during your purchase, if any?
*Only top pain points 5-8 shown (ranked by average of verticals 2022) N.B - No historical data for the Beauty Category**Not all data shown in previous years

Google

8 out of 10 shoppers have researched online before making the acquisition

Online Research Done



Source: Smart Shopper Research. Savanta (2022) / Google, Cint (2021) / Kantar (2020+2019), base 20222/2021/2019: all product buyers of CE, Home, Fashion, Beauty n=1737/1139/1147, CE n=297/290/354, Home n=371/349/360 Fashion n=528/500/433, Beauty n=541. Q9/Q10/Q11: Where did you gather information - at any touchpoints and on any device - for your most recent purchase? N.B - No historical data for the Beauty Category

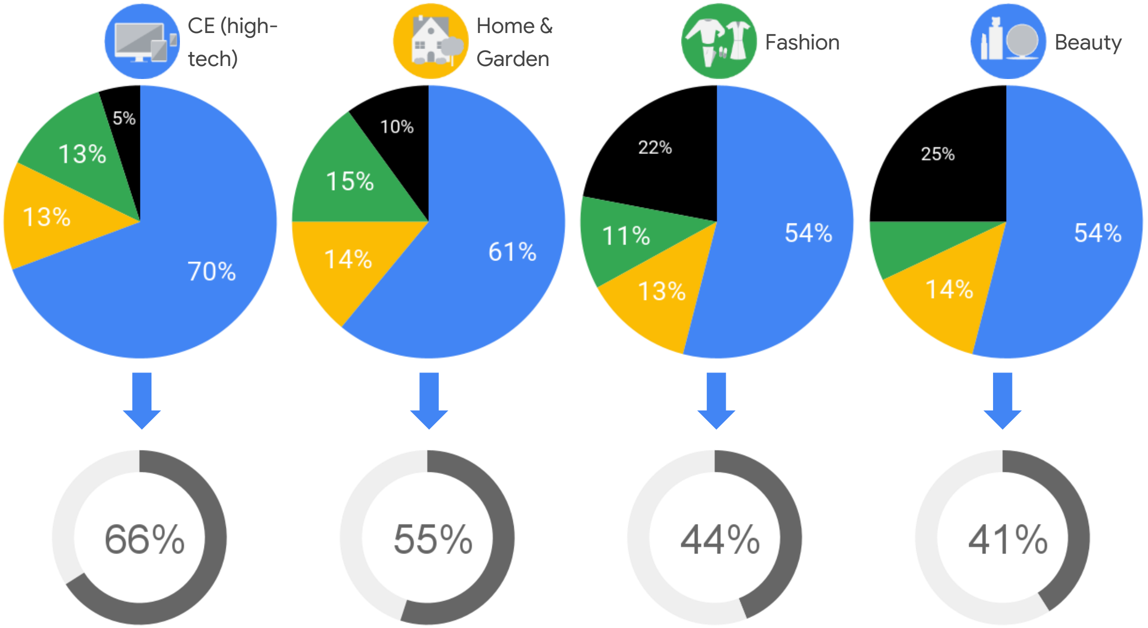
Most shoppers used a search engine to start their research, CE and Home mainly use Google

First source used to research product online:

- Search engine
- Online retailer
- Both
- None of these

Using search engine first

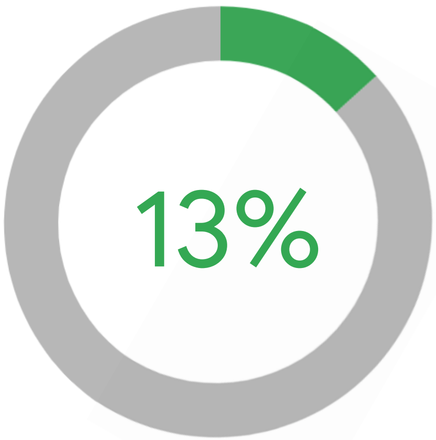
- Google
- Others



Source: Smart Shopper Research. Savanta (2022) / Google, Cint (2021) / Kantar (2020+2019), base 2022: all researching online their product purchase of CE, Home, Fashion, Beauty, n=1542, CE n=288, Home n=344, Fashion n=456, Beauty n=454, Q13_B: Which of these statements best describes how you started your research for your last purchase in this category? All product purchasers of CE, Home, Fashion, Beauty n=1737, CE n=297, Home n=371, Fashion n=528, Beauty n=541. Q13_B1: You mentioned you searched on a search engine first...

With inflation driven price-sensitivity, product prices and discounts will be on customers' minds

Only **13%** of RO consumers are making spontaneous purchases, down from **36% in 2021**



Traditionally, **product prices** were the leading factor for purchasing decisions - in 2022 its **importance** is even more pronounced:

46%

of shoppers are making the decision to buy from a specific brand or retailer based on **price**

+23%

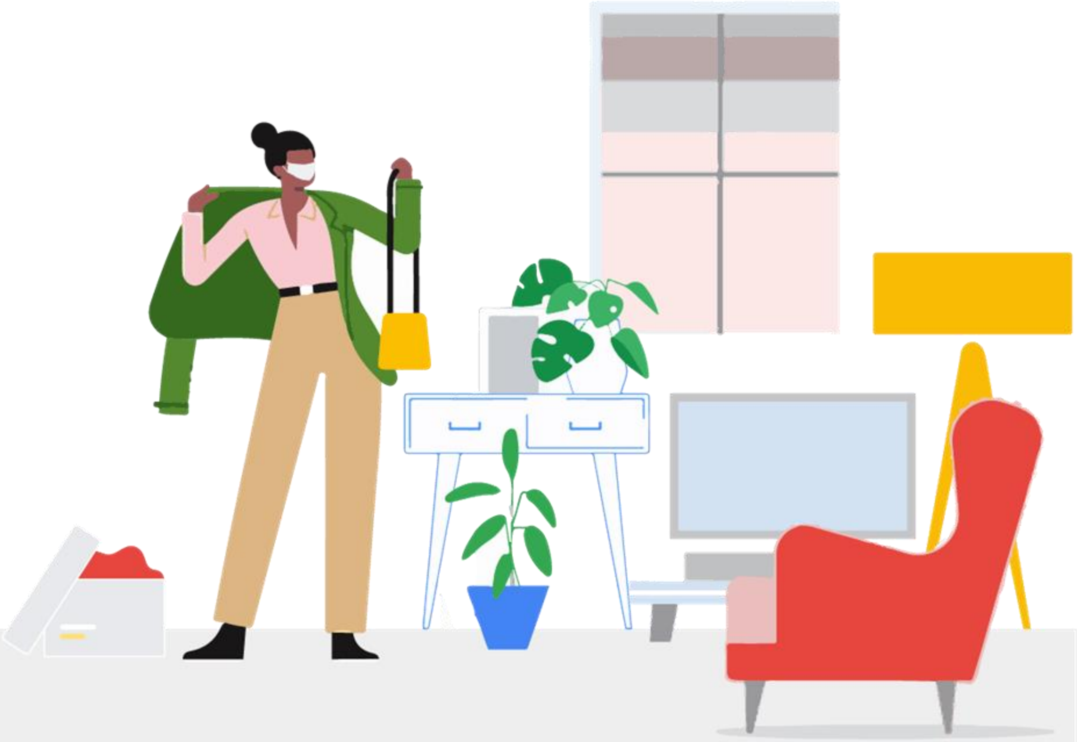
in Google searches for **"reduceri" related terms** in Jan-Aug 2022 vs Jan-Aug 2021

Source:
Left: Smart Shopper Research, Savanta (2022), Q6: Which of the following statements best describe why you started looking for the product you bought?
Upper right: Smart Shopper Research, Savanta (2022), Q1_X: Which, if any, played a role when you selected this retailer to buy the product in the category?
Lower right: Google Search internal data. Query growth for discount related topics - "reduceri" - Jan-Jul 2022 vs Jan-Jul 2021.

Price, availability and convenience are the key drivers to try a new retailer, brand and platforms, although all decline in 2022

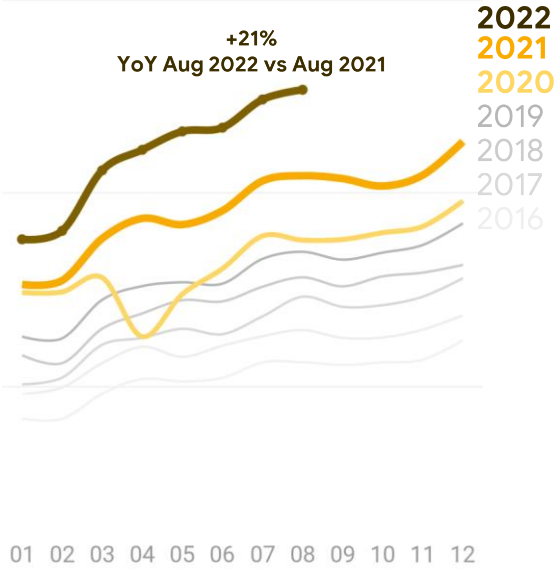
Source: Smart Shopper Research. Savanta (2022) / Google, Cint (2021) / Kantar (2020+2019), base 2022/2021/2020: all product buyers of CE, Home, Fashion, Beauty n=748/528, Q34: Why did you buy from a retailer, a platform or a brand you have never bought from before? N.B - No historical data for 2019

Part 1	Smart Shopper Study
Part 2	**Market Overview**
Part 3	Open Conversation with Brands & Retailers

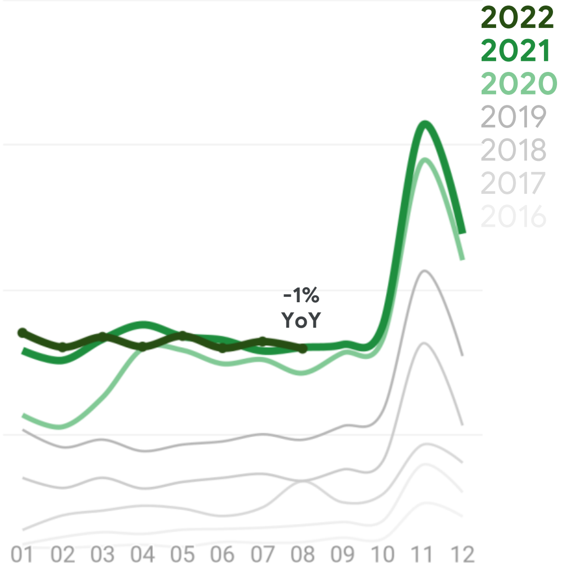


Retail sales seeing sustained growth throughout the year despite slight YoY decrease in online sales over August

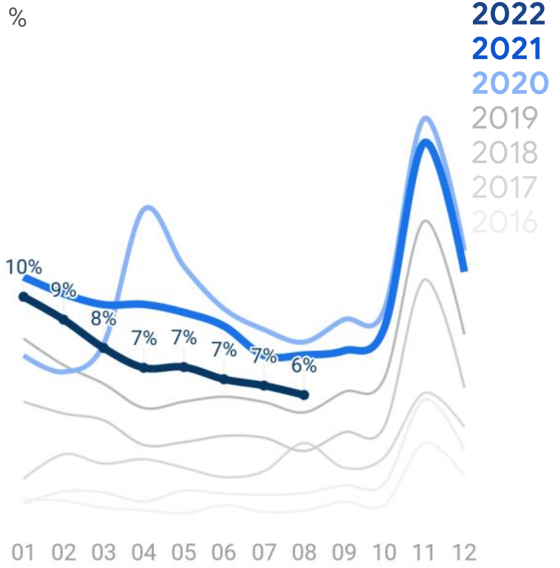
Retail sales consistent high level of growth



Online sales see almost flat YoY growth in August



Online share on slight downward trend for 3rd consecutive month

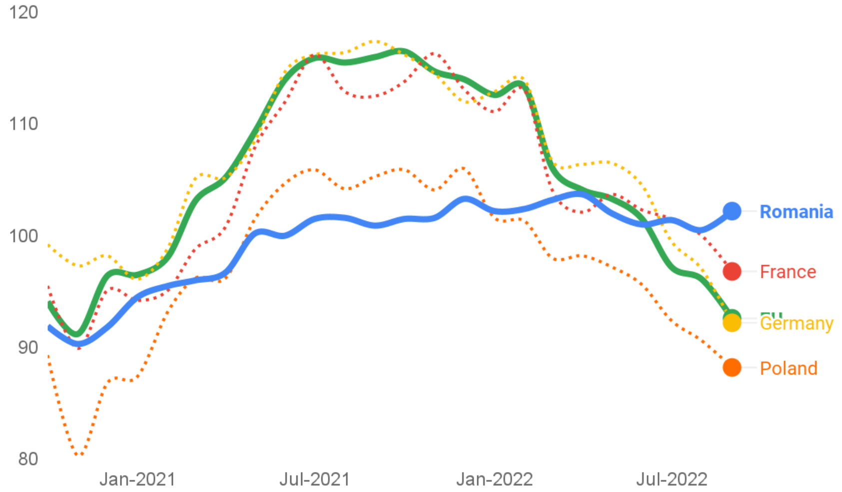


Google

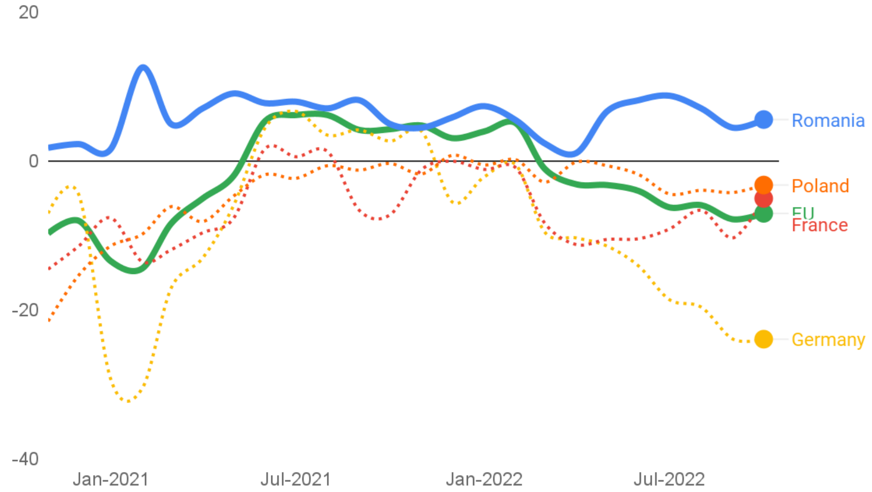
Source: Eurostat, Euromonitor

Romania stands out with stronger retail confidence & economic outlook than EU average

Economic Sentiment Indicator



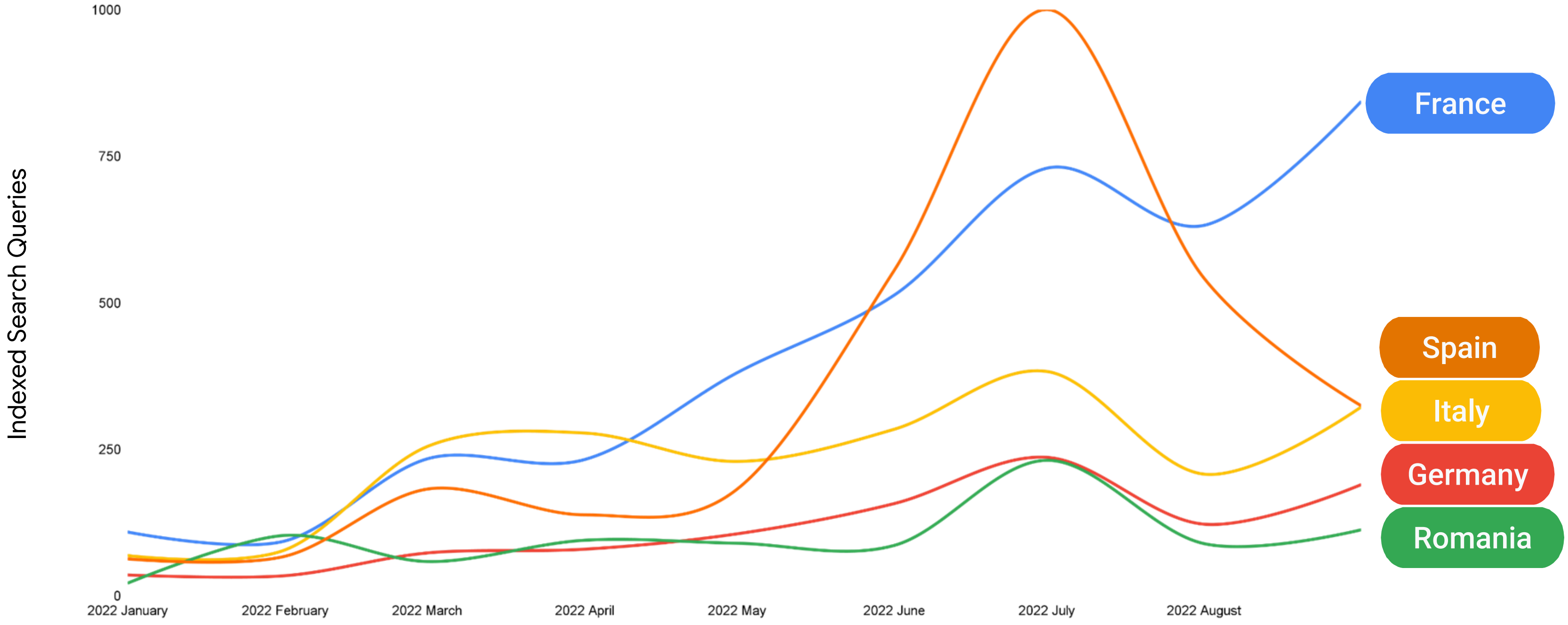
Retail Confidence Index



Source: Eurostat Sentiment indicators - monthly data

Google

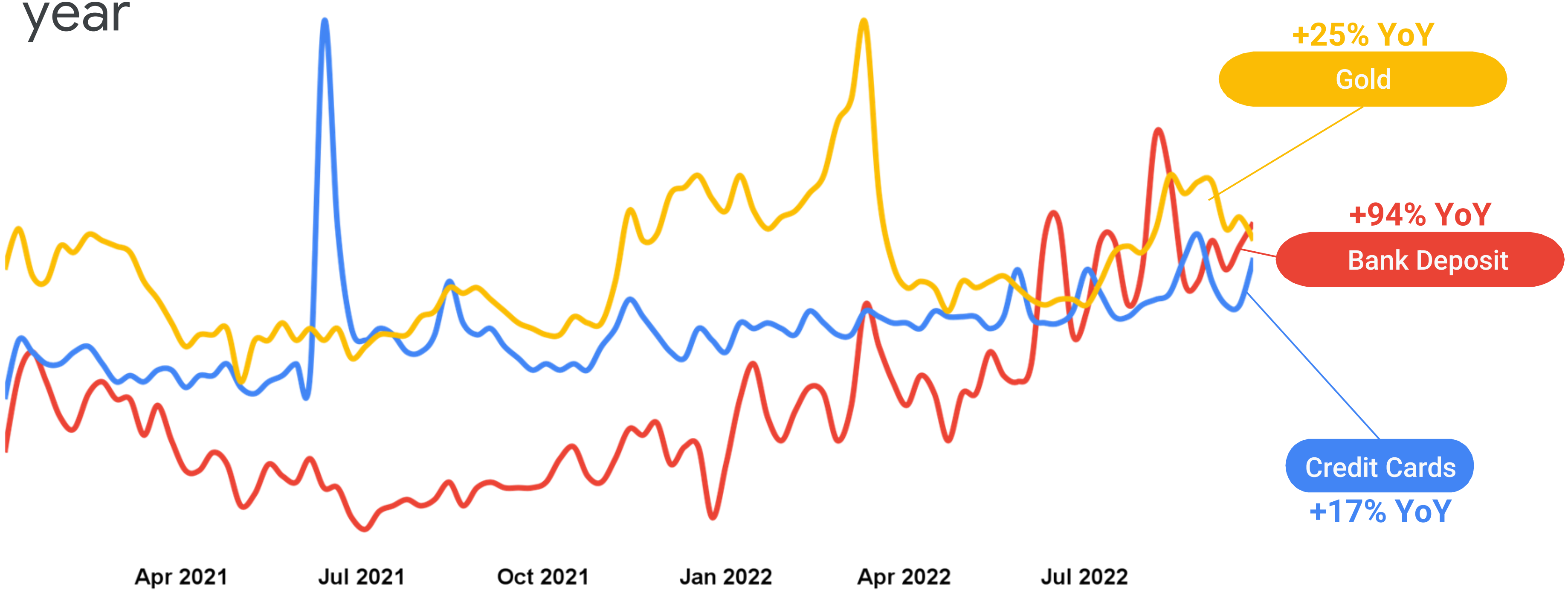
Searches about recession 2022 -



Google

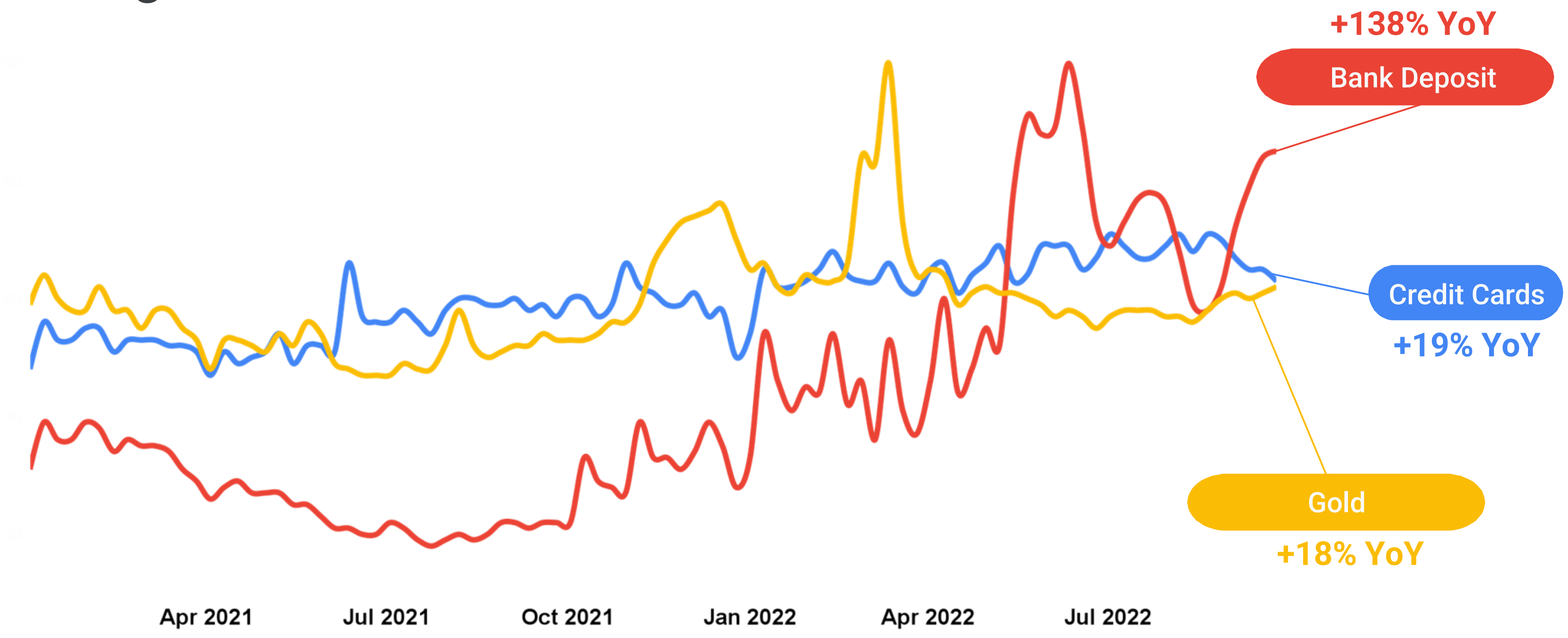
Source: Google Search Data, 2022

Romania shows steady growth in searches for bank deposits, credit cards & gold in 2022 vs. same period last year



Source: Google Internal, Searches, RO.

EU exhibits similar search trends for deposits, credit cards and gold in 2022



Source: Google Internal, Searches, EU.

Energy price queries are increasing

Pret energie electrica

(example query)

1m Queries

YoY Query Growth 2022 YTD

Searches in RO

+70%

Energy price queries are increasing

Energy price today

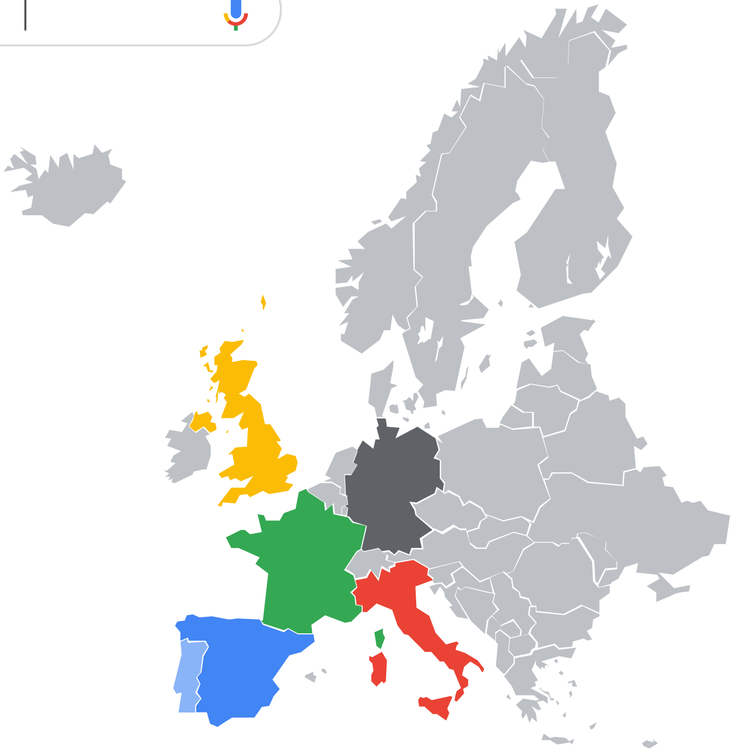
(example query)

60m Queries

YoY Query Growth Q2 2022

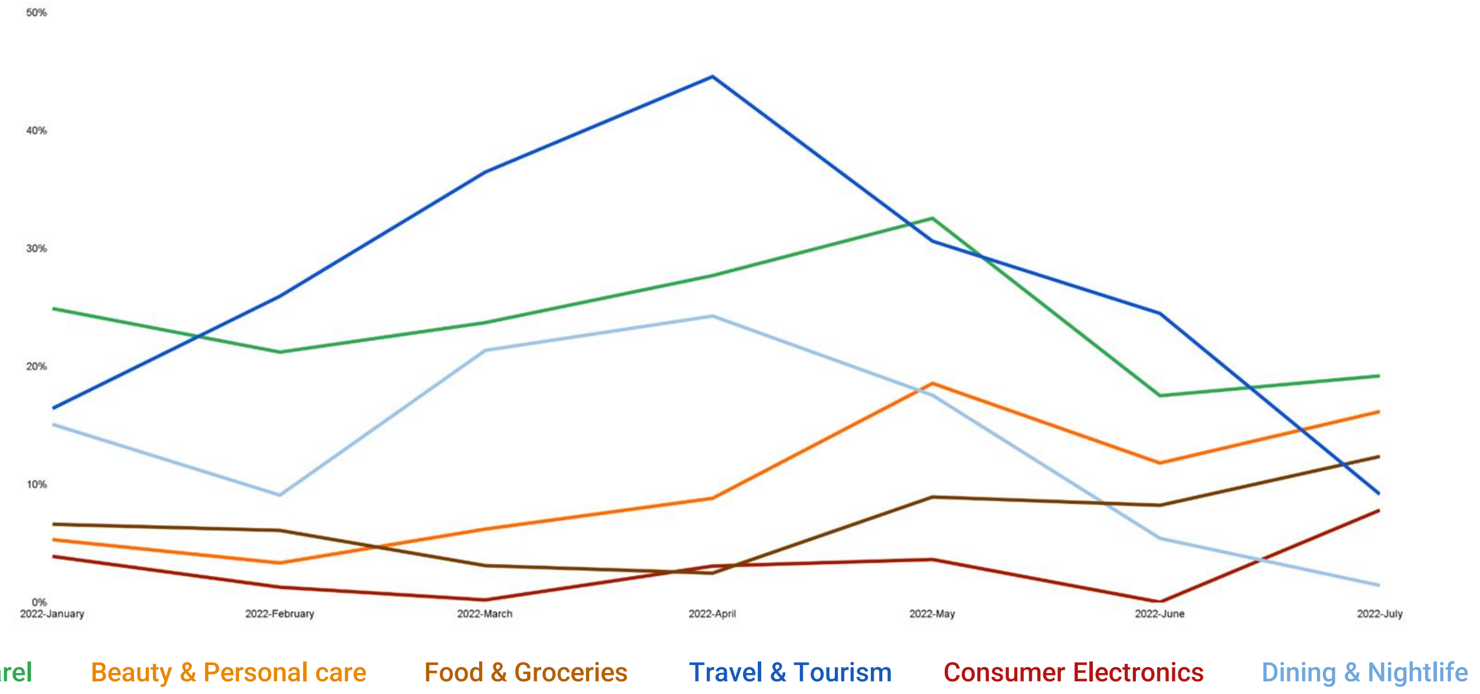
Searches in Europe

+180%



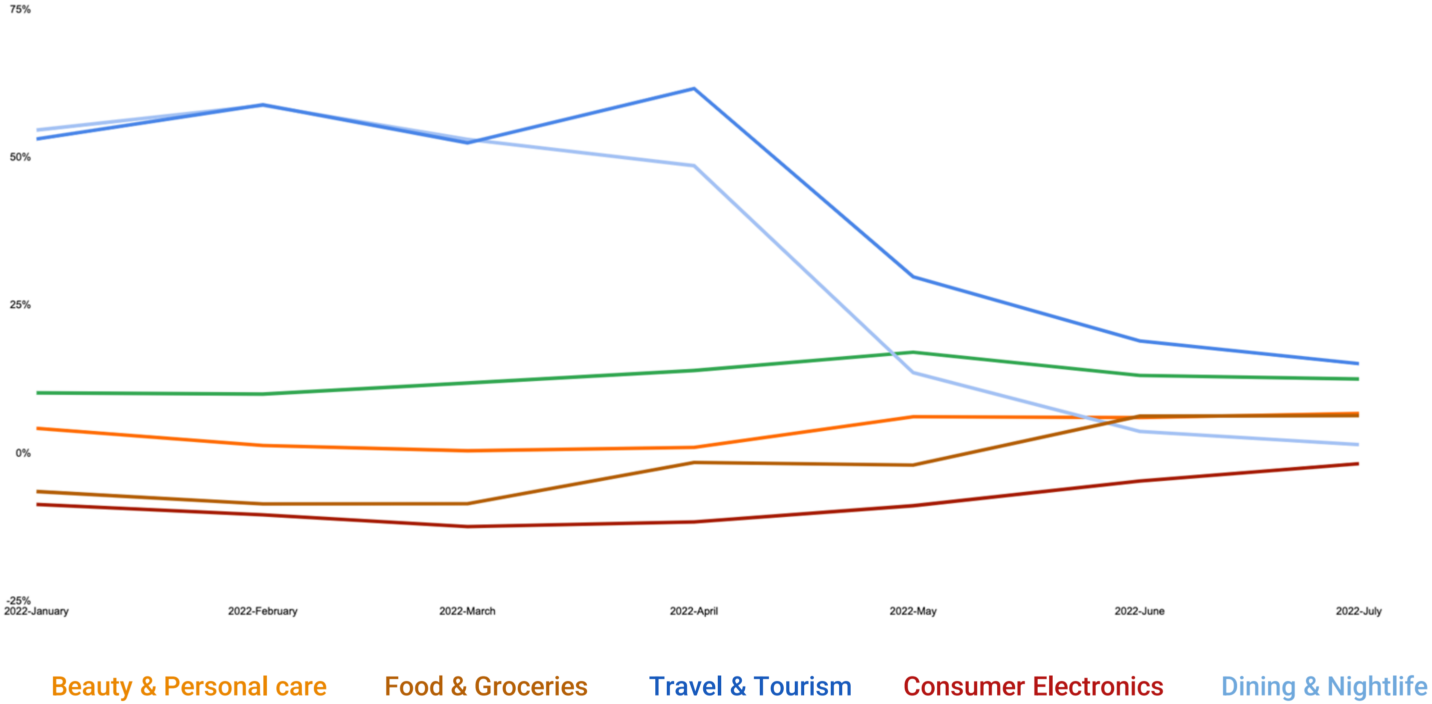
Source: Google Search Data, EU, Q2/Q3 2022 vs last year

RO Demand is shifting from discretionary **'lifestyle'** categories to more functional expenditures



Source: Google Search Data, RO, Brand & Generic.

EMEA Demand is shifting from discretionary **'lifestyle'** categories to more functional expenditures



Source: Google Search Data, EMEA countries, Brand & Generic.

Google

RO Search query growth for big ticket items is shrinking YoY

Source: Google Search Data, RO, Jan 2022 - May 2022, search trends in phrase match. Source: ONS

EMEA Search query growth for big ticket items is shrinking YoY

Source: Google Search Data, EMEA countries, Jan 2022 - July 2022, search trends in phrase match.

Searches for '*second hand phone*' have increased +80% YoY

Source: Google Internal, Searches, RO

Google

Smart Shopper Romania: Method and Framework

Background

The 'Smart Shopper 2022' is designed to report recent insights around shopping and research behaviour in nine different product categories. It is a repetition of a global research that ran in 2019, 2020 and 2021 to explore shifts in consumer behaviour.

Target population and category definition

Nationally representative online population 18+ years who made a purchase in the included product categories. To provide accurate insights, each respondent has only assessed their latest purchase in the selected category. For Romania the Beauty category has been included for the first time in 2022 and has been incorporated into the vertical averages and overall results.

Look-back window for purchases

The look-back windows in 2022 are in largely in line with the first measurement in 2019: past 3 months for fashion, past month for beauty. Unlike previous waves, the look-back window for consumer electronics and home & garden was past 3 months. All new verticals, included in the appendix, also had a look-back window of 3 months. During the acute phase of the Covid-19 pandemic in 2020 a different definition was applied, covering only purchases within 4 weeks before the survey started.

Sample size and sampling approach

n = 1737, equally distributed per product category.
Online representative quotas on age, gender, and region have been applied.
Each respondent was selected based on individual shopping behaviour in the relevant product categories and completed the entire survey for only one product category.

Method and survey administration

15-minute mobile-friendly online-survey in a choice of either local language or English.
Survey was programmed on Savanta's proprietary survey platform. Reporting via Savanta.

Savanta:

Fieldwork timings

2019: 08/16 - 09/19
2020: 05/20 - 06/04
2021: 05/25 - 06/07
2022: 06/16 - 07/11

Weighting

Weighting according to 2-step weighting process:
1) Product-level weighting to ensure proper product sample representation
2) Total level weighting to account for actual product purchase shares

Important note

The results at a market level are only representative for the shopping population of the selected product categories. A direct market comparison is hence only valid if the markets selected have similar products included and use same look-back window definitions.

Markets run in 2022

EEM: Egypt, Israel, Kenya, Nigeria, Saudi Arabia, South Africa, Turkey, UAE.
DACH: Austria, Germany, Switzerland.
FRITES: France, Italy, Portugal, Spain.
UKI: Ireland, UK.
NORDICS: Belgium, Denmark, Finland, Netherlands, Norway, Sweden.
CEE: Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Poland, **Romania**, Slovakia.