MarkMonitor® Online Barometer

Global Consumer Shopping Habits Survey 2015

Overview

The MarkMonitor Online Barometer surveyed global consumer shopping habits. It reveals attitudes and opinions about buying counterfeit goods and the security concerns people have about shopping online.

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Executive Summary

In the last decade we have all witnessed the retail revolution that has seen global consumers move away from 'bricks and mortar' shops into the online retail world. In many cases, virtual shops are being favored over physical retail outlets and there has been exponential growth in consumers turning to the Internet to make their purchases. Annual figures from IMRG Capgemini e-Retail Sales Index[1] saw online retail sales in the UK break through the £100 billion (equivalent to over $150 U.S. dollars) barrier for the first time in 2014 and the 12 percent predicted market growth for the full year of 2015 is still on track.

The shift in consumer buying habits has been exacerbated by the prolific use of digital devices and, while traditional online shopping may once have been confined to laptops and desktops, a growing number of transactions are now being made on mobile platform and smartphone apps.

In the background, as the volume of online shopping grows and the number of e-commerce channels increase, so do the opportunities for counterfeiters. As savvy shoppers seek out the best deals online, they face an increased risk from the sale of counterfeit goods caused by brand impersonators and counterfeiters masquerading as legitimate purveyors of genuine products. These threats have prompted key areas of concern from both brand owners and consumers, with online shoppers raising particular issues around security and the fear of being duped by counterfeiters.

In an attempt to understand the online shopping habits of consumers, as well as the levels of confidence they have in this environment, we have developed this report, based on research conducted by leading market research agency, Opinium. The global survey analyzed the online shopping habits of consumers, as well as attitudes towards security when buying online and counterfeit goods. The research was conducted with 3,450 consumers in the UK, France, Denmark, Germany, Italy, Netherlands, Spain, Sweden and the U.S. — with fieldwork interviews performed online between November 5-10, 2015.

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[1] IMRG Capgemini e-Retail Sales Index - http://imrg.org/index.php?catalog=1628

56%

More than half of consumers (56 percent) have been on the receiving end of counterfeit emails versus just 22 percent of consumers who found themselves on websites selling counterfeit items.

Key Findings

While the appetite for shopping online was evident across the globe, we found different demographics displayed varying levels of confidence in how they shopped, with contrasting opinions on counterfeiting and security.

1. Online Shoppers are Exposed to Counterfeit Goods - Willingly and Unintentionally

> 24 percent of consumers have bought a product online that turned out to be fake.

With the level of sophistication that websites selling counterfeit goods often display, consumers are frequently unaware that the products they are buying could be fake. We found that almost one quarter (24 percent) of shoppers had bought something online that later turned out to be counterfeit.

In addition, the prevalence of buying counterfeit items online is likely to increase in the coming years as younger consumers are more likely to have bought counterfeit goods or said they would be willing to do so in the future. In the 18-34 year old range, 39 percent had bought counterfeit items and 42 percent indicated they would purchase counterfeit goods in the future. Counterfeit fashion or footwear topped the list of the most desirable fake products.

Counterfeit Emails May be Easier to Detect than Websites Selling Fakes

More than half of consumers (56 percent) have been on the receiving end of counterfeit emails — communications that on the surface are from a particular brand, but turn out to be from another company entirely — versus just 22 percent of consumers who found themselves on websites selling counterfeit items. Again, with counterfeiters displaying a high level of sophistication in developing websites, it can be very difficult to recognize a genuine site over one selling a counterfeit.

Only one in twenty consumers are likely to click on a link in a counterfeit email — showing education is improving, while 39 percent are likely to delete it and report it as spam. The number of clicks may be low, but 5 percent of consumers could have been directed to websites selling fake goods as a result — where it may be less apparent whether the products on sale are counterfeit.

2. Online Shopping Behavior Increases Over the Holiday Season

> Globally, consumers do 34 percent of their shopping online.

We found that this figure increases by 15 percent or five percent age points to 39 percent over the holiday season, suggesting a definite change in shopping behavior. Interestingly, while 13 percent of consumers do not do any Christmas shopping online, overall, all consumers surveyed used the Internet for shopping during the rest of the year.

3. Online Security is a Global Concern Amongst Consumers

> Two-thirds (64 percent) of global consumers are worried about their online security.

Consumers display varying levels of confidence in buying online using different devices. Consumers are least confident in terms of online security when making purchases via social media (17 percent) and most confident when using a laptop to shop, as indicated by almost three-quarters (74 percent) of respondents. When it comes to assessing security levels online, almost half (48 percent) of consumers know to check site certificates. However, 25 percent of respondents indicated they did not know how to assess website security at all. When looking at website addresses, those with local extensions — such as .co.uk and .de — are most trusted by consumers.

Attitudes About Buying Counterfeit Goods

- 24 percent of consumers have bought goods online that turned out to be fake
- Alarmingly 20 percent of consumers knowingly continue with a purchase after finding themselves on a website selling fake goods

With the proliferation of online shopping channels and the increased use of shopping on the Web, consumers are subject to a greater risk of buying counterfeit goods or visiting websites selling fake goods. As a result, we wanted to discover what consumers' overall attitudes were towards purchasing fake goods.

Buying counterfeit goods is not always intentional — our research found that 24 percent of consumers said they had bought a product online that turned out to be fake. These products included fashion or footwear, electronics and digital content.

When asked if they had ever found themselves on a website selling fake products, 22 percent of consumers said they had experienced this. Upon realizing the

website was selling counterfeit products, worryingly, 20 percent of this subsample (5 percent overall) continued with the sale and made a purchase. In this instance, the most popular product type again was fashion or footwear (53 percent), apparel or luggage (42 percent) and electronics (41 percent).

We also wanted to understand the reasons for not buying counterfeit goods — from brand loyalty to moral grounds. The overwhelming reason for not buying fake goods online was because consumers would rather buy the real product — 64 percent of respondents said this. Other reasons included moral grounds (48 percent), while only 12 percent of consumers cited brand loyalty as a reason.

Geographically Speaking – Consumers Finding Themselves on Website Selling Fake Products

	Continued to Make a Purchase		Shopped Elsewhere Instead
UK	25%		72%
U.S.	21%		77%
FRANCE	13%		80%
GERMANY	0%		90%
ITALY	11%		86%
SPAIN	16%		82%
SWEDEN	22%		63%
NETHERLANDS	35%		56%
DENMARK	11%		75%

67%

France had the highest percent age of consumers (67 percent) who had received counterfeit emails.

The Age of Counterfeit Emails

We found that more than half of consumers (56 percent) have received counterfeit emails — that is, emails purportedly from a known brand that turn out to be from another company entirely. In fact, consumers are far more likely to have received an email that turned out to be counterfeit than they are to have knowingly been on a website selling counterfeit goods. One of the reasons for this could be that, given the levels of sophistication that counterfeiters use when developing websites, it is becoming more and more difficult for consumers to recognise a site as fake.

The recipients said they were more likely to report the email as spam and delete it (39 percent) or to simply delete the email (38 percent). One in twenty consumers did click on the email to either see what it was about (3 percent) or did so by accident (2 percent).

France had the highest percent age of consumers (67 percent) who had received counterfeit emails, the lowest was Sweden with 46%.

39%

Consumers in the U.S. are the biggest online shoppers, doing 39 percent of all their shopping online, followed closely by the UK (35 percent) and then Italy and Sweden (both 33 percent).

General Online Shopping Habits

- Globally, 34 percent of shopping is done online
- Over the holiday season, 39 percent of shopping is done online

In an effort to understand global online shopping behavior, as well as how this is affected by seasonal trends, such as Christmas, we asked consumers how much of their shopping was conducted online during the year. We found that overall, one-third of all shopping takes place online — with only 6 percent of consumers purchasing everything online. The survey shows 21 percent conduct half of their shopping online.

When it comes to shopping over the holiday season, we found a definite increase in online purchases. On average, consumers conducted 39 percent of their Christmas shopping online, which equates to an increase of 15%, with only a small percent age (6 percent) making all Christmas purchases online, and one-quarter (25 percent) doing half their shopping online.

Looking at a regional breakdown, consumers in the U.S. are the biggest online shoppers, doing 39 percent of all their shopping online, followed closely by the UK (35 percent) and then Italy and Sweden (both 33 percent). In the U.S., as many as one in ten of those surveyed said they now do all of their shopping online — while consumers in the Netherlands and Denmark do the least online shopping, 80 percent in each of those countries do 25 percent or less of their shopping online.

When it comes to the differences between holiday shopping and online shopping throughout the year, consumers in the UK increase their online purchasing behavior by 31 percent.

Consumers in the UK and U.S. do the most holiday online shopping — with almost 60 percent (26 percent in the UK and 29 percent in the U.S.) doing at least half of their Christmas buying online.

The shopping habits of consumers in Italy and Sweden bucked the trend as consumers in those countries indicated they did slightly less shopping online at Christmas compared to the rest of the year. In the Netherlands, the holiday season had no impact on the amount of online shopping, with the figure staying the same all year round.

Holiday Season Spotlight - Shopping Online

Year Round		Christmas
35%	UK	46%
32%	GERMANY	38%
24%	DENMARK	29%
39%	U.S.	43%

Age is shown to have a slight impact on online buying behavior, but perhaps not as significantly as one might expect. The younger generations (those aged 18-34) whose lives are fully entrenched in the digital world do 40 percent of their shopping online — an 18 percent difference from the average — which increases to 45 percent over the holiday season.

They are followed by 35-54 year-old consumers who do 35 percent of their shopping online. We found that this figure increased by six percent age points to 41 percent over Christmas. When it comes to those consumers over the age of 55, we found that they conducted 28 percent of their shopping online, which is only six percent age points lower than the overall average. And interestingly, in keeping with the trend, this age group also conducted more shopping online over Christmas, with 31 percent of purchases made over the Internet.

Confidence in Security and Shopping Online

- 64 percent of consumers are concerned about their security online
- Shoppers in Spain (78 percent) are most concerned with safety, while consumers in Denmark are least concerned (44 percent)

In 2015, we may have seen more global consumers than ever before conducting their shopping throughout the year online. However, despite the prolific use of the range of digital devices and platforms, the majority of consumers still show major concerns about their online security. Two-thirds (64 percent) of online consumers polled said they were concerned about their security online. The results, particularly in countries such as the UK, have likely been impacted by press reports surrounding recent high profile security breaches involving some of the nation's biggest banks and communications providers.

Around the world, concerns surrounding online security are highest in Spain (78 percent of respondents said they were worried) and the U.S. (73 percent) and least so in Denmark, Sweden and Germany (44 percent, 49 percent and 51 percent, respectively) saying they were worried about security online.

Platform and Device Confidence

In addition to overall attitudes towards online security, we wanted to understand the levels of confidence that consumers have when it comes to buying goods online using different channels and devices; especially with the number of online shopping channels on the rise, such as marketplaces, apps and social media.

We asked consumers which devices and/or platforms they were least confident using in terms of their security online. Consumers indicated that they were least comfortable making purchases via social media, with confidence levels at just 17 percent. Overwhelmingly, they have the most confidence in shopping online using more established technologies like laptops or tablets — with confidence levels of 74 percent.

Little Confidence in Shopping via Social Media – Consumer Confidence Levels Using Devices and Platforms for Online Shopping

Platform	Confidence
LAPTOP/TABLET	74%
SMARTPHONE	35%
SMARTPHONE APP	34%
SOCIAL MEDIA	17%
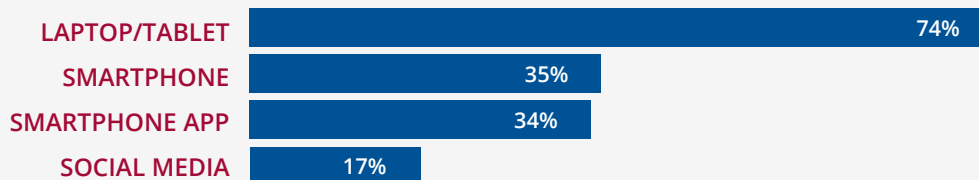
The Generation Gap

When asked about using different devices and platforms, we found that age played a factor in confidence levels. Overall, younger people are more confident than older people at using any of the devices/platforms, particularly when shopping on a smartphone where there was a glaring gap in confidence — 53 percent of 18-34 year olds are confident shopping on these devices, compared to 17 percent of those aged over 55.

When it comes to regional differences, consumers in Italy, the U.S. and the Netherlands are the most confident in using social media (26 percent, 23 percent and 21 percent respectively). France and Germany showed the least confidence in shopping on smartphones, with well over half of consumers (58 percent and 54%, respectively). Consumers in Italy showed the most confidence (42 percent) in shopping using a mobile app. Only 8 percent of consumers in Germany showed confidence in shopping on social media.

Checking the Legitimacy of Websites

With prevailing attitudes of cautiousness online and an awareness of the need to be security conscious, we wanted to find out if consumers understood which measures they could use to keep themselves safe while shopping online.

We asked respondents how they would check if a website was legitimate. Overall, checking for site certificates was the most common method, used by 48 percent of consumers, followed by looking for a secure

HTTPS connection (39 percent) and analysing the standard of spelling and grammar (34 percent). Consumers also used other methods of assessing website legitimacy, like looking at the quality of customer reviews and contact details to assess if a website was legitimate. This attitude was more prevalent amongst the older respondents of 55 years old and over, where 32 percent of those surveyed said they were not sure how to assess a website's legitimacy — compared to just 15 percent in the 18-34 year old age group.

Another aspect we looked at was if the website domain extension had an effect on consumer confidence. We asked respondents which website addresses they were more likely to trust and we found that overall, 54 percent trust sites with a country extension, like .de, and .co.uk. This attitude was most prevalent in Denmark (82 percent), Netherlands (78 percent) and Germany (73 percent).

Conclusion

In such a dynamic online landscape the consumer is undoubtedly in control. When it comes to online shopping there is a definite appetite for the benefits it brings, including convenience, ease of finding bargains and unlimited choice. However, inherent in the online shopping journey also lies risks and potential downsides.

With global consumers conducting 34 percent of their shopping online and slight variances between countries, there is certainly an appetite for using the Internet to search for the best deals and find exactly what is required. However, consumers are still concerned when it comes to security and are aware of the risks they may be exposed to while shopping online.

Awareness also extends to the purchase of counterfeit goods, with the majority of consumers unwilling to buy them — however not for security reasons, but more because of the attractiveness of genuine items and because it would go against their morals.

For brand owners and copyright holders, understanding the attitude and leaning of consumers in this fast-changing market forms an essential part of developing brand protection strategies. While for consumers, exposure to counterfeit products is becoming more prevalent — whether via emails or websites selling fake goods. As a result, brands need to protect both their reputations and their consumers from the risks that counterfeit goods pose online.

Methodology

The research was carried out on behalf of MarkMonitor by leading market research company, Opinium. The study was conducted online between November 5-10, 2015, on 3,450 global consumers. Interviewees in the sample were spread amongst nine countries — UK 1007; U.S. 1006; France 209; Germany 207; Italy 206; Spain 210; Sweden 202; Netherlands 201; Denmark 202. Of those surveyed, 46 percent were male and 54 percent were female.

About MarkMonitor

More than half the Fortune 100 trust MarkMonitor to protect their brands online. See what we can do for you.

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