

The Next Big Trend: Stay-at-Home Economy

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What Does “Stay-at-Home” Mean?

Originally a Japanese pop word referred to “geeks”, the word “Otaku” has transformed and has been broadly known in Taiwan as “people who stay at home”. Thanks to the rapid development of online shopping industry, it is common for consumers nowadays to switch among different purchase channels. The Internet has provided consumers a faster and easier way to get things they need, and changed the traditional shopping environment and reduced consumers’ trips to stores.



Transformation of “Stay-at-Home” Economy

Internet technologies have not only formed the online shopping behavior, but also changed the way people do their work. “Working at home” is a good example of the impact of the Internet. It is now easy to conduct work such as writing, multimedia working, photographing, translating, investing and trading at home. Comparing to the traditional working-in-office mode, it is more likely for young people and entrepreneurs with little capital to fulfill their dreams at home.

Moreover, companies need to respond to the consumer behavioral change resulting from the stay-at-home economy. The front-line market research plays an important role here. We purpose 4 key observations, to help companies adjust their strategies under the trend of stay-at-home economy.

1. Fast and widespread information

Online shopping has become an important shopping channel for the consumers. In addition to the convenient delivery, online shopping platforms provide abundant information for consumers to evaluate brands and products, and make a favorable choice.

Through the Internet, it is easy for consumers to obtain information about others’ product using experience. The rise of YouTubers and livestreamers, who film or stream videos about their product experience, makes it even easier for consumers to know what a product is about, without the limitation of photos or words.



Meanwhile, consumers' words of mouth are continually spread out on the Internet. The consumers have become an online brand's marketing manager. A comment, blog post or review on a product will permanently be there on the Internet and being searched by Google or Yahoo users. On the other hand, consumers who are not familiar with the product are sometimes led to rumors or wrong information.

In that sense, companies need to be aware all the time of the reviews and share of voice of their products. By applying the method of "Social Listening", which includes monitoring the discussion on social media, online forums, blog posts and news comments, companies get to know about what consumers think about their products. From new product launch to competitor analysis, risk management to brand tracking, Social Listening help companies to gain critical information online, and know which crowds the main supporters and opponents are.

2. It's Not Just About Online

In response to the rise of stay-at-home economy, most retailers have launched their online shopping websites. However, consumers have a stigma that product price and choices in retail-based online stores are not as competitive as on online platforms which exclusively focus on e-commerce. Besides, some online shopping websites don't have the same awareness as its retail channel. Does that mean these retailers should not go online? Not exactly. Based on the past market research, most consumers still consider retail stores as an influential part in their "Path to Purchase", especially for high-end products or products that require using experience, such as audiovisual products, furniture, and so on. In fact, it is common that consumers go to retail stores first to try out and decide which product they want to get, and then go back home and turn to online stores, and pick up the product with the best bargain. Therefore, it is important for retailers to integrate both the physical and online stores, to give consumers no incentive to switch to other retailers. For example, retailers can offer consumers price discounts, longer warranty or better after-sales service for consumers who have visited the physical store and purchased from the same online retailer.

What retailers need now is an overall market research to help them investigate the consumers' "Path to Purchase", and to develop a strategy that integrates the roles of both physical and online stores throughout their consumers' purchasing behavior.

3. Time for Home Entertainment

Due to the slow economic recovery, many consumers tend to stay at home rather than going out, so that they can save up. The demand for home entertainment, such as TV video games, karaoke, online movies and comic books, has therefore increased. The key results from this effect are:

- Demand for high-standard audiovisual products



Consumers reduce the spending outside of their home, and expect better-quality entertainment at home. Instead of getting TV, speakers or PC components that are merely cheap, they care more about product looks and functions. Companies should conduct survey to get consumers' ideas of the products. Home interview is a good method in this situation, for not only consumers' opinion is heard, but also the household environment, in which the AV equipment is set up, is observed to portray consumers' needs for the home entertainment products. Based on the observation, companies could develop marketing strategies that better fit the needs of these consumers.

➤ Live broadcasting is the new words of mouth

With online streaming getting popular, the broadcasters, or streamers, who share their first-hand product using experience, have become an important source of the online words of mouth. Companies should use the influence of these popular streamers, to approach the target consumers and raise their awareness of the brand.

➤ Online ads everywhere

People highly rely on their mobile devices. They use their phone for online shopping, watching TV series, and other activities. Even at home, sometimes the time using the mobile phone is higher than using the computer. On the other hand, people hate seeing ads on the phone. To present ads in a communitive yet not annoying attitude is the next big issue for the advertisers. In general, reward-based ads are more likely to be accepted by consumers than banner or interstitial ads, and raise higher attention than the latter. Not only can they avoid consumers turning off ads soon, but also allow marketing activities to go from online to offline.

In addition, recent research shows that consumers pay more attention on social media ads than other ads. Social media ads work differently with the traditional TV ads; there are not as many limits in terms of film length, yet consumers may just choose to turn off the ads. Therefore, the advertisers need to learn to tell stories that grab consumers' attention in short amount of time. And besides traditional film ads, short movies and interactive ads are also innovative approaches to raise consumers' awareness.

4. Apply VR to Shopping Experience

Snow, an AR App that allows users to experience the integrated "virtuality", has gone popular and gained high number of downloads. Similar ideas apply to VR products that illustrate a virtual 3D world on the computer and provide users a sense of reality, as if users are in the world shown up. Based on a survey conducted by Goldman Sachs Global Investment Research, the output of AR and VR industry will increase to more than 35 billion USD by 2025. The techniques are estimated to be broadly applied on the B2B industry, including medical care, construction, housing, retail, military and education; and the entertainment industry, including video games, live broadcasting and movies.

Soon when home VR devices become popular, consumers will be able to experience the complete products and services at home with the help of new technologies. Companies should pay attention to the trend and think forward to plan for success.

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