News information for the holidays

By CHERYL PEARSON-McNEIL

Last year, when my favorite bookstore closed its doors forever, I actually sat in the car and shed a tear. Not as many tears when the record store closed. And I haven't even stepped foot into a brick and mortar travel agency in more than 10 years. But, has anyone noticed that these once stable sources for browsing, longing and dreaming have gone by the wayside? What? You didn't dream of saving 15 paychecks to take that trip to Tahiti when you were in a bookstore or travel agency? Or didn't enjoy browsing through genres of music you'd never heard of before when you were in a record store, just because the choices were there and you *could*? These bastions of enterprise are now but all obsolete. Thanks in large part to e-commerce. How do you feel about that?

According to Nielsen, online shopping for consumer packaged goods (CPG) -- which are grocery related products, like food, or staples like diapers, cotton balls and coffee, and health and beauty products -- is the fastest-growing e-commerce option, and expected to grow 25

percent annually through 2015. Now that's fast – especially considering digital shopping accounted for just two percent of total CPG sales in 2011, with less than four percent of Americans buying CPG products online in any given month. But, not to worry, while CPG e-commerce is growing fast, according to the findings of Nielsen's newest in-depth analysis, *Digital Shopping, What You Need to Consider*, "clicks will not be replacing bricks" anytime soon, making it more of an *evolution* than a *revolution*.

Personally, other than buying books, I love shopping online because it requires minimal time and effort; and can be done in the comfort of my own home, car (while waiting for my son's basketball practice to end) or wherever I might be. How about you? Do you prefer virtual shopping or brick-and-mortar? Both options fulfill these requisites in their own way and offer benefits and drawbacks.

Nielsen's Digital Shopping report confirms that CPG e-commerce benefits include:

Avoiding crowded stores/checkout

Easy price comparisons

Access to deals and coupons

Broader product range

Access to more retailers

Features like automatic replenishment

Ease of research

Readily available human online help

If you have a headache, would you rather order your pain reliever online or run to the store for aspirin? Physical retailers offer instant gratification:

No waiting for delivery

Easy to address immediate or special needs

No shipping fees or stiff return policies

No inspection barriers (we can see, feel and smell our choices)

Exposure to promotions, sampling and signage

Ease of interacting with, evaluating and selecting products

Interaction with store associates

The research shows that most of the products we purchase online are non-food items. It's interesting to note that based on the analysis of 18 product categories, the mix of product sales in e-commerce is 60 percent non-food to 40 percent food; while the exact reverse is true of the total CPG picture, which is 60 percent food and 40 percent non-food. The leading categories in online sales are diapers; diet aids; vitamins; skin care products and pantry staples like coffee; cereal; dog food and toilet paper; with categories like carbonated beverages; dairy; liquor; beer; produce and frozen food having the smallest sales. Makes sense, as factors like refrigeration, perishables and weight come into play, making shipping cost-prohibitive.

The opportunities for brick-and-mortar retailers to reach out to consumers online are rich, barely-mined territory. Many, who might have been skeptical of e-commerce, are now making it a strategic goal. For instance, some retailers are appealing to shoppers who don't have time to make grocery trips and aren't crazy about long lines or crowded parking lots. In some instances, consumers can order online or from an app on connected devices; then pick up the item(s) in-store at a convenient time. (Don't you love it?)

With our community's projected purchasing power approaching $1.1 trillion by 2015, we are critical contributors to this growing shopping trend and marketers are responding accordingly. So, as you prepare to purchase items for your Thanksgiving dinner and other CPG items to make your holidays bright, remember you have the power – either online or in-person. Use it wisely.

Cheryl Pearson-McNeil is senior vice president of Public Affairs and Government Relations for Nielsen. For more information and studies go to www.nielsenwire.com