



## Third Annual Major Purchase Consumer Study





At Synchrony Financial, we make it a priority to engage with our customers by not only listening to their needs, but by taking the time to understand how they shop, buy and pay for the major purchases in their lives. One way we do so is by conducting market research with different customer segments such as the **major purchase shopper**.

The Third Annual Synchrony Financial Major Purchase Consumer Study explores attitudes around making a major purchase, the impact consumer economic confidence has on buying intentions and behavior around shopping for a major purchase—including the role store credit and financing plays in the path to purchase.

In 2012, the benchmark year for this study, the research revealed that major purchase shoppers conduct an exhaustive amount of research both online and in-store and rely heavily on digital tools to aid their purchase. In 2013, it became clear that value priorities were here to stay. The following white paper outlines key insights from our 2014 study.

**“Understanding where our consumers are looking for information and what is most important to them during their path to purchase enables us to be able to better serve them at every step of their journey.”**

—Toni White,  
Chief Marketing Officer, Synchrony Financial

#### 14 MAJOR PURCHASE CATEGORIES



Furniture



Fine Jewelry



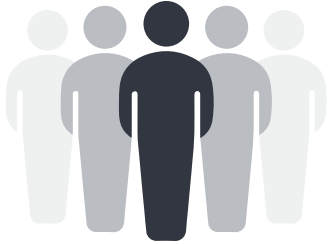
Home Improvement



Outdoor Power Equipment

## STUDY BACKGROUND & METHODOLOGY

Consumers surveyed in this June 2014 online survey spent at least \$500 on a single purchase in one of 14 major purchase categories in the preceding six months.



+ 2,854 Synchrony Bank cardholders  
 + 1,005 Random major purchase shoppers  


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**3,859** Online survey total sample size

Study conducted by Rothstein Tauber, Inc. on behalf of Synchrony Financial.

### Synchrony Bank Major Purchase Cardholders:

Used a Synchrony bank credit card to make their most recent major purchase over \$500.

**Random Major Purchase Shoppers:**  
Did not use a Synchrony credit card to make their recent major purchase over \$500.

**Major Purchase Shoppers:**  
All respondents combined.

## KEY INSIGHTS



Consumers are more confident, but many are still cautious and deal-driven.

**41%**

of major purchase shoppers are more open to making a large purchase now than a year ago  
*(up from 33% in 2013)*

**88%**

of Synchrony Bank cardholders say they always seek the best deal  
*(up from 78% in 2013)*



The omni-channel experience continues to be critical in the major purchase process.

**80%**

of major purchase shoppers start with online research and visit an average of 4 unique retailers before buying

**15%**

of major purchase shoppers report buying online  
*(up from 10% in 2013)*



Mobile usage throughout the major purchase research process is on the rise.

**49%**

of major purchase shoppers report using a mobile device at some point during the major purchase research process

**23%**

of major purchase shoppers report using a mobile device in-store to research another retailer  
*(up from 7% in 2013)*



Music Equipment



Power Sports



Bedding



Electronics



Appliances



Flooring



Sporting Goods



Eyewear



Automotive Parts & Service



Fitness Equipment

**Consumer confidence is on the rise with more major purchase shoppers open this year to making a major purchase.** However, shoppers remain cautious and are prudent with their spending, evident by deal-orientation.



**CONSUMERS INCREASINGLY CONFIDENT**

% of respondents who completely/somewhat agree

Synchrony Financial Cardholders

Random Shoppers

**63%**  
(49% in 2013)

**62%**  
(55% in 2013)

**38%**  
(29% in 2013)

**47%**  
(41% in 2013)

I feel more responsible than in the past when it comes to making a major purchase.

I am more open to making a major purchase this year vs. last year.



**CAUTION PERSISTS**

Synchrony Financial Cardholders

Random Shoppers

**64%**  
(64% in 2013)

**54%**  
(52% in 2013)

I don't feel comfortable spending on anything I don't need.



**SIGNIFICANT DEAL-ORIENTATION**

Synchrony Financial Cardholders

Random Shoppers

**88%**  
(79% in 2013)

**84%**  
(82% in 2013)

I always seek the best deal instead of buying the first thing I see.

I am willing to wait to make my major purchase until I know I am getting the best deal.

**74%**  
(75% in 2013)

**72%**  
(74% in 2013)

I always compare prices and promotions to ensure I am getting the best price.

**86%**  
(86% in 2013)

**86%**  
(88% in 2013)

## The 2014 path to purchase shows a shift toward more online buying.

The major purchase shoppers' path to a major purchase is exhaustive- taking 80 days, on average, and includes both online and in-store research. Two key changes in 2014 include an increase in mobile usage and more major purchase shoppers are buying online.

Did you know...



**80%** start online  
with the majority using a search engine.



**60%** visit a retailer's website  
42% visit review sites and 8% visit social media sites.



**74%** conduct in-store research  
Many also conduct an additional round of online research after going in-store.



**85%** purchase in-store  
proving that brick and mortar stores and customer relationships still play a critical role when it comes to making the final purchase.



### Key insights

#### Shopping journey is exhaustive

- 80 days of research
- 4 unique retailers (down from 5 in previous year)
- 8+ retailer interactions

#### Shoppers are looking for

- Value
- Expertise
- Affordable financing offers
- Product assurance
- Trustworthy reviews

#### Role of digital

- Nearly all conduct online research
- 49% used a mobile device to research
- More are buying online this year (15% in 2014 vs. 10% in 2013)

### KEY CATEGORY DIFFERENCES

#### Average time spent researching a product:

Bedding & Flooring .....100 days or more  
Electronics, Appliances,  
Eyewear & Jewelry.....60 days or less

#### Online buying is more common in:



Music Equipment



Home Improvement



Electronics



Fitness Equipment

Consumers appear to be investing in their homes, with increased spending only in the home improvement and lawn & garden categories this year.

## Regardless of category, financing is a key consideration in the major purchase process, driving value for both the shopper and the retailer.



### FINANCING DRIVES VALUE FOR THE SHOPPER

#### Drives retailer selection

**76%** of cardholders always seek promotional financing options when making a major purchase, and

**77%** of cardholders say it was a very important factor when choosing a retailer.\*

#### Provides protection

**62%** of cardholders say they use credit cards because they know they are protected.

#### Better manage budget

**87%** of cardholders surveyed feel promotional financing makes larger purchases more affordable.

#### Allows them to purchase the product sooner

**75%** of cardholders say they would use promotional financing if it allowed them to bring home the product they wanted the same day.



### FINANCING DRIVES VALUE FOR THE RETAILER

#### Incremental sales

**32%** more, on average, was spent by cardholders than non-cardholders on their recent major purchase.

**23%** of cardholders spent more than they intended, citing the availability of financing as the primary reason for spending more.

#### Repeat business

**50%** of cardholders say they are open to using their retailer specific card again in the future.

#### Close the sale

**56%** of cardholders would choose another retailer or not make the purchase if a financing promotion was not available.



### OPPORTUNITY

**Roughly 50% of random major purchase shoppers were not aware that a promotional financing offer was available.** Since shoppers are looking for value and are interested in financing, it is critical that retailers make them aware of the latest financing offers through the associate, in-store signage and their website.

\*2013 Synchrony Financial Major Purchase Study



With more major purchase shoppers buying online and using mobile devices to conduct research, significant opportunities are emerging for retailers to reach shoppers early and often throughout their path to purchase. **Retailers who develop targeted marketing strategies aimed at meeting the needs of the omni-channel shopper will stand out from their competitors.**

Financing offers should be a fundamental part of those marketing strategies. Retailers that utilize their credit program and promotional financing offers increase foot traffic and drive incremental sales. By providing customers with strong value propositions and a means of purchase, retailers can drive customer loyalty and higher overall customer lifetime value.\*

\*2012 Synchrony Financial Value of Credit White Paper

# Focus on what really matters.

Synchrony Financial is one of the premier consumer financial services companies in the United States. Our roots in consumer finance trace back to 1932, and today we are the largest provider of private label credit cards in the United States, based on purchase volume and receivables.

## About Synchrony Connect

Synchrony Connect is a value-added program that lets Synchrony Financial partners tap into our expertise in noncredit areas. It offers knowledge and tools that can help you grow, lead and operate your business.

### Grow

Marketing, analytics and research expertise to help you drive business growth

### Lead

Tools for leading your organization and developing yourself as a leader

### Operate

Best practices around business strategy and optimizing cost

Synchrony Connect services include one-on-one best practice sharing engagements, consulting projects, multi-client webinars and events, and access to our online portal in early 2015.

Contact your Synchrony Financial representative or visit us at [SynchronyFinancial.com](http://SynchronyFinancial.com) or [SynchronyBusiness.com](http://SynchronyBusiness.com) to discover how we can help you grow your business.

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