2016 Connected Consumer Goods Report

Insights into How Consumers Research and Communicate With CG Brands
Summary

To understand consumer preferences on how they research and purchase consumer goods products, and build loyalty with the brands they trust, Salesforce Research conducted its “2016 Connected Consumer Goods Report.” The survey was conducted online within the United States by Harris Poll on behalf of Salesforce, May 9-11, 2016, among 2,095 adults ages 18 and older (among whom 1,988 have purchased consumer goods in the past 12 months). The report found that, when researching brands prior to purchase, consumer good purchasers tend to leverage online product reviews, the retailer’s website and the brand’s website. However, during the purchase process, consumers are split on where they get the best experience, finding the best prices at online-only retailers but the best service at brick-and-mortar stores. Finally, generational gaps emerge when comparing how shoppers express their loyalty to brands, with millennials more likely that other generations to complain about a brand publicly (33%), but also more likely to join a loyalty program as well (44%). At the end of the day, consumer goods companies who target millennials through online ads and other social channels based on personal preferences; improve their online experiences to better compete with web retailers through superior search and service; and build strong loyalty programs based on pricing, service and personalization, are more likely to succeed in today’s competitive market.
I. Researching the Right Consumer Goods Brand

Before purchasing a consumer goods product, consumer goods purchasers of all ages overwhelmingly use online product reviews (69%) to conduct their research, with retailer websites (55%) and brand websites (52%) closely behind. Not surprisingly, millennials (ages 18-34) are five times more likely to rely on social media interactions when researching a brand (25%) vs. their Baby Boomer (ages 55+) counterparts (5%).

How do you research a product/brand before buying? Please select all that apply.

- Online product reviews
- Retailer’s website
- Brand website
- In-store/In-person
- Word-of-mouth
- News articles on the brand/product
- Email interactions with the brand
- Social media interactions with brand
- Other
- NA, I never research a product before buying

<table>
<thead>
<tr>
<th>Research Method</th>
<th>All</th>
<th>Millennials (18-34)</th>
<th>Generation X (35-54)</th>
<th>Baby Boomers (55+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online product reviews</td>
<td>69%</td>
<td>72%</td>
<td>62%</td>
<td>57%</td>
</tr>
<tr>
<td>Retailer’s website</td>
<td>55%</td>
<td>55%</td>
<td>54%</td>
<td>57%</td>
</tr>
<tr>
<td>Brand website</td>
<td>55%</td>
<td>55%</td>
<td>53%</td>
<td>52%</td>
</tr>
<tr>
<td>In-store/In-person</td>
<td>54%</td>
<td>51%</td>
<td>52%</td>
<td>57%</td>
</tr>
<tr>
<td>Word-of-mouth</td>
<td>40%</td>
<td>50%</td>
<td>42%</td>
<td>33%</td>
</tr>
<tr>
<td>News articles on the brand/product</td>
<td>21%</td>
<td>21%</td>
<td>19%</td>
<td>22%</td>
</tr>
<tr>
<td>Email interactions with the brand</td>
<td>15%</td>
<td>15%</td>
<td>19%</td>
<td>12%</td>
</tr>
<tr>
<td>Social media interactions with brand</td>
<td>14%</td>
<td>16%</td>
<td>16%</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>4%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>NA, I never research a product before buying</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>5%</td>
</tr>
</tbody>
</table>
I. Researching the Right Consumer Goods Brand

For accuracy of information, consumer goods purchasers are twice as likely believe that online reviewers (31%) are trustworthy than retailers/retail associates (12%).

In general, when making purchasing decisions, who do you trust most to provide the most accurate information (e.g. size, cost, features) about the product?

- Online reviewers: 31% Strongly/Somewhat Agree, 24% Strongly/Somewhat Disagree
- Friends/family/colleagues: 23% Strongly/Somewhat Agree, 24% Strongly/Somewhat Disagree
- Brand itself: 20% Strongly/Somewhat Agree, 19% Strongly/Somewhat Disagree
- Retailers/retail associates: 12% Strongly/Somewhat Agree, 11% Strongly/Somewhat Disagree
- News articles: 40% Strongly/Somewhat Agree, 40% Strongly/Somewhat Disagree
- Other: 2% Strongly/Somewhat Agree, 2% Strongly/Somewhat Disagree
- No one: 11% Strongly/Somewhat Agree, 11% Strongly/Somewhat Disagree

How much do you agree or disagree with the following statement: I have a negative reaction when seeing an online advertisement or social media promotion of a brand that is related to something I just searched for online.

- Strongly/Somewhat Agree: 45%
- Strongly/Somewhat Disagree: 55%

Generational Breakdown:
- All: 45%
- Millennials (18-34): 45%
- Generation X (35-54): 45%
- Baby Boomers (55+): 38%
I. Researching the Right Consumer Goods Brand

Brands and retailers who place ads on websites and social channels while consumers search for consumer goods products would be best served targeting millennials, as only 38% of these younger respondents have a negative reaction to these online ads compared to 49% for Baby Boomers.

**Base: Had a negative reaction to seeing an online ad or social promotion of a brand that is related to something I just searched for online.**

**Why do you have a negative reaction? Select all that apply.**

- It's invasive: 61%
- It's annoying/interrupts what I'm trying to do: 57%
- I don't want my social feed filled with ads: 56%
- It's a violation of privacy: 48%
- That's not how I make purchasing decisions: 45%
- I don't want brands knowing what I searched for: 44%
- I've already searched for/purchased what I wanted: 40%
II. The Purchase Process

When purchasing consumer goods products, consumers get the best price at online-only retailers (55%), compared to brick-and-mortar stores (28%) and directly with the brand (8%).

Overall, where do you have the best experience with each of the following when buying a product?

Price:

- Online-only retailer: 55% (All), 55% (Millennials), 56% (Generation X), 56% (Baby Boomers)
- Brick-and-mortar store: 28% (All), 22% (Millennials), 27% (Generation X), 33% (Baby Boomers)
- Directly with the brand: 8% (All), 8% (Millennials), 6% (Generation X), 6% (Baby Boomers)
- Don’t know: 6% (All), 10% (Millennials), 12% (Generation X), 14% (Baby Boomers)

Customer service:

- Online-only retailer: 22% (All), 25% (Millennials), 24% (Generation X), 19% (Baby Boomers)
- Brick-and-mortar store: 53% (All), 40% (Millennials), 53% (Generation X), 62% (Baby Boomers)
- Directly with the brand: 12% (All), 9% (Millennials), 9% (Generation X), 9% (Baby Boomers)
- Don’t know: 12% (All), 13% (Millennials), 14% (Generation X), 10% (Baby Boomers)
For customer service, brick-and-mortar stores win out (53%), with more than double the percentage of online retailers (22%). This could be due to poor searching experiences online, as one-fourth (25%) of consumer goods purchasers “always” or “often” have trouble finding what they need when shopping over the web.

Overall, where do you have the best experience with each of the following when buying a product?

### Selection:

- **Online-only retailer**
  - All: 57%
  - Generations: 55%
  - Millennials: 53%
  - Baby Boomers: 57%

- **Brick-and-mortar store**
  - All: 28%
  - Generations: 26%
  - Millennials: 15%
  - Baby Boomers: 28%

### Promotions/Offers:

- **Online-only retailer**
  - All: 42%
  - Generations: 40%
  - Millennials: 38%
  - Baby Boomers: 42%

- **Brick-and-mortar store**
  - All: 50%
  - Generations: 40%
  - Millennials: 24%
  - Baby Boomers: 50%
If the item you were looking for was sold by all of the following and the price was the same, where would you prefer to make the purchase?

<table>
<thead>
<tr>
<th>Option</th>
<th>All</th>
<th>Millennials (18-34)</th>
<th>Generation X (35-54)</th>
<th>Baby Boomers (55+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online-only retailer</td>
<td>28%</td>
<td>32%</td>
<td>30%</td>
<td>23%</td>
</tr>
<tr>
<td>Brick-and-mortar store</td>
<td>53%</td>
<td>40%</td>
<td>50%</td>
<td>63%</td>
</tr>
<tr>
<td>Directly from the brand</td>
<td>13%</td>
<td>13%</td>
<td>13%</td>
<td>8%</td>
</tr>
</tbody>
</table>

How often do you go online to shop for something and have trouble finding what you need? (e.g. the right product, size, color)?

<table>
<thead>
<tr>
<th>Frequency</th>
<th>All</th>
<th>Millennials (18-34)</th>
<th>Generation X (35-54)</th>
<th>Baby Boomers (55+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I never shop online</td>
<td>2%</td>
<td>1%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Rarely/Never</td>
<td>33%</td>
<td>27%</td>
<td>30%</td>
<td>40%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>40%</td>
<td>38%</td>
<td>42%</td>
<td>39%</td>
</tr>
<tr>
<td>Always/Often</td>
<td>25%</td>
<td>25%</td>
<td>34%</td>
<td>18%</td>
</tr>
</tbody>
</table>
## II. The Purchase Process

In general, how do you prefer to purchase each of the following types of consumer goods products?

<table>
<thead>
<tr>
<th></th>
<th>Clothing/shoes/accessories</th>
<th>Food</th>
<th>Home goods</th>
<th>Luxury items</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-store</td>
<td>67%</td>
<td>95%</td>
<td>69%</td>
<td>55%</td>
</tr>
<tr>
<td>On a retailer’s website</td>
<td>14%</td>
<td>1%</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>On an e-commerce website</td>
<td>10%</td>
<td>1%</td>
<td>16%</td>
<td>12%</td>
</tr>
<tr>
<td>On the brand’s website</td>
<td>5%</td>
<td>1%</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Secondhand from others</td>
<td>3%</td>
<td>–</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Some other way</td>
<td>1%</td>
<td>–</td>
<td>–</td>
<td>1%</td>
</tr>
<tr>
<td>Do not purchase</td>
<td>–</td>
<td>1%</td>
<td>1%</td>
<td>18%</td>
</tr>
</tbody>
</table>

How much do you agree or disagree with the following statement: I want a consumer goods brand to understand my personal preferences based on previous purchase history (in-store or online).

- **Strongly/Somewhat Agree**: 58% (All), 42% (Millennials), 42% (Generation X), 52% (Baby Boomers)
- **Strongly/Somewhat Disagree**: 48% (All), 35% (Millennials), 35% (Generation X), 35% (Baby Boomers)
III. Consumer Goods Brand Loyalty Across Generations

Generational gaps emerge when comparing how shoppers express their loyalty to consumer goods brands. For example, millennials are far more likely to praise and complain about a brand publicly than Baby Boomers. But millennials are also more likely to be a member of a brand loyalty program when compared to Baby Boomers.

Which of the following, if any, are true for you? Select all that apply.

- I have interacted with a brand’s customer service dept. 43% (All) 51% (Millennials) 39% (Generation X) 43% (Baby Boomers)
- I have praised a brand publicly 40% (All) 49% (Millennials) 32% (Generation X) 43% (Baby Boomers)
- I am a member of a brand loyalty program 35% (All) 44% (Millennials) 26% (Generation X) 40% (Baby Boomers)
- I have complained about a brand publicly 27% (All) 33% (Millennials) 22% (Generation X) 29% (Baby Boomers)
- I would be willing to share personal information (e.g., location services, purchase history) with a brand in exchange for more personalized service and discounts 33% (All) 41% (Millennials) 22% (Generation X) 39% (Baby Boomers)
- None of these 26% (All) 21% (Millennials) 26% (Generation X) 36% (Baby Boomers)
III. Consumer Goods Brand Loyalty Across Generations

Consumer goods buyers join loyalty programs primarily to get better deals (74%) and service (27%), but some also do so to get closer relationships with brands (14%).

Base: Interacted with a brand’s customer service dept.
Thinking about last time you interacted with a brand’s customer service dept., how was the experience?

- Excellent/very good: 46%
- Good: 34%
- Poor/fair: 20%

During the most recent interaction, upon giving your information, did the service department immediately greet you as an existing customer with knowledge of your purchase history?

- Yes: 43%
- No: 44%
- I had not previously made a purchase: 13%
III. Consumer Goods Brand Loyalty Across Generations

Base: Have praised a brand publicly.

In which of the following outlets have you praised a brand? Select all that apply.

- In person to others: 69% All, 71% Millennials, 63% Generation X, 74% Baby Boomers
- In-store: 47% All, 48% Millennials, 54% Generation X
- Personal online channels (social media/blog/other): 45% All, 48% Millennials, 60% Generation X
- Email: 34% All, 28% Millennials, 36% Generation X
- Brand social media account: 30% All, 36% Millennials, 38% Generation X
- Comment section on company blog: 20% All, 15% Millennials, 20% Generation X, 23% Baby Boomers
- Brand’s 1-800 support line: 12% All, 8% Millennials, 12% Generation X, 14% Baby Boomers
- 24/7 chat option on retailer site: 11% All, 13% Millennials, 12% Generation X, 10% Baby Boomers
- Other brand social presence: 11% All, 13% Millennials, 13% Generation X, 7% Baby Boomers
- Media outlet: 9% All, 6% Millennials, 12% Generation X, 11% Baby Boomers
- Consumer watchdog agency: 5% All, 5% Millennials, 5% Generation X, 5% Baby Boomers
- Other: 5% All, 4% Millennials, 5% Generation X, 5% Baby Boomers
III. Consumer Goods Brand Loyalty Across Generations

*Base: Have complained about a brand publicly.*

In which of the following outlets have you complained about a brand? Select all that apply.

<table>
<thead>
<tr>
<th>Outlet</th>
<th>All</th>
<th>Millennials (18-34)</th>
<th>Generation X (35-54)</th>
<th>Baby Boomers (55+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>In person to others</td>
<td>66%</td>
<td>60%</td>
<td>64%</td>
<td>73%</td>
</tr>
<tr>
<td>In-store</td>
<td>51%</td>
<td>53%</td>
<td>61%</td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td>45%</td>
<td>51%</td>
<td>47%</td>
<td></td>
</tr>
<tr>
<td>Personal online channels</td>
<td>45%</td>
<td>40%</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>Brand’s 1-800 support line</td>
<td>28%</td>
<td>23%</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td>Brand’s social media account</td>
<td>22%</td>
<td>23%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Comment section on company blog</td>
<td>19%</td>
<td>14%</td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td>Consumer watchdog agency</td>
<td></td>
<td></td>
<td>17%</td>
<td>20%</td>
</tr>
<tr>
<td>Other brand presence</td>
<td></td>
<td></td>
<td>13%</td>
<td>6%</td>
</tr>
<tr>
<td>Media outlet</td>
<td></td>
<td></td>
<td>12%</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td>13%</td>
<td>7%</td>
</tr>
</tbody>
</table>

*24/7 chat option on retailer site*:

- All: 16%
- Millennials: 15%
- Generation X: 20%
- Baby Boomers: 13%

*Consumer watchdog agency*:

- All: 8%
- Millennials: 8%
- Generation X: 15%
- Baby Boomers: 17%

*Other brand presence*:

- All: 7%
- Millennials: 7%
- Generation X: 13%
- Baby Boomers: 6%

*Media outlet*:

- All: 7%
- Millennials: 5%
- Generation X: 12%
- Baby Boomers: 4%

*Other*:

- All: 7%
- Millennials: 5%
- Generation X: 7%
- Baby Boomers: 8%
III. Consumer Goods Brand Loyalty Across Generations

*Base: Member of a brand loyalty program.*

Which of the following describe why you chose to become a member of a brand loyalty program? Select all that apply.

- **I get points/rewards**
  - All: 83%
  - Millennials (18-34): 83%
  - Generation X (35-54): 81%
  - Baby Boomers (55+): 86%

- **To get better deals**
  - All: 74%
  - Millennials (18-34): 72%
  - Generation X (35-54): 77%
  - Baby Boomers (55+): 71%

- **I feel I get better service**
  - All: 27%
  - Millennials (18-34): 27%
  - Generation X (35-54): 33%

- **To have a closer relationship with the brand**
  - All: 14%
  - Millennials (18-34): 15%
  - Generation X (35-54): 13%

- **Community of other people who are loyalty members**
  - All: 8%
  - Millennials (18-34): 11%
  - Generation X (35-54): 9%

- **Status symbol**
  - All: 7%
  - Millennials (18-34): 11%
  - Generation X (35-54): 7%

- **Other**
  - All: 1%
  - Millennials (18-34): 3%
  - Generation X (35-54): 1%
  - Baby Boomers (55+): 3%
This survey was conducted online within the United States by Harris Poll on behalf of Salesforce, May 9-11, 2016, among 2,095 adults, ages 18 and older. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variables, please contact Joel Steinfeld at jsteinfeld@salesforce.com.