

2016 Connected Consumer Goods Report

Insights into
How Consumers
Research and
Communicate
With CG Brands



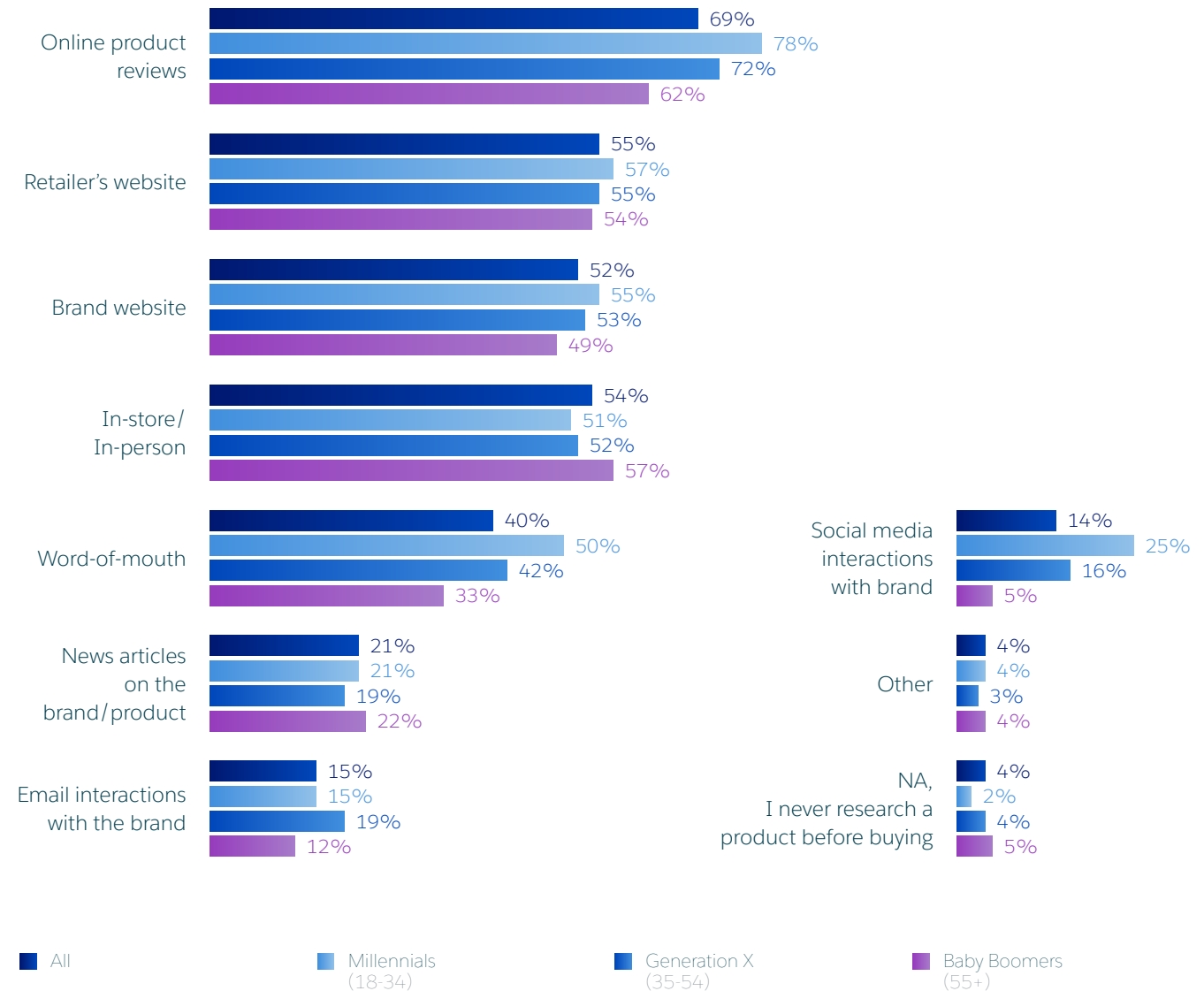
Summary

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 than 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%).

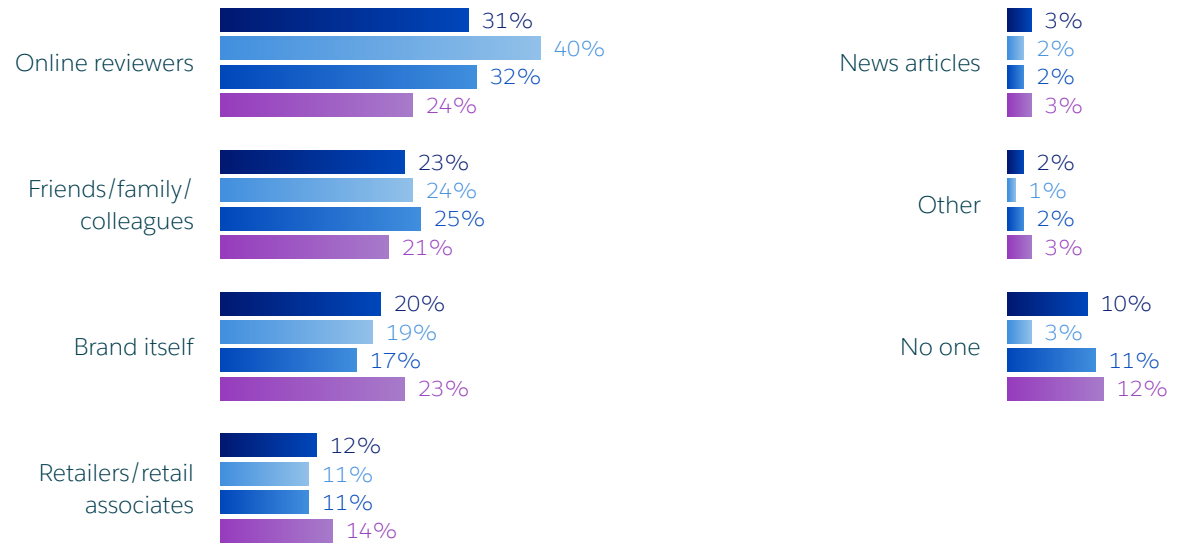
How do you research a product/brand before buying? Please select all that apply.



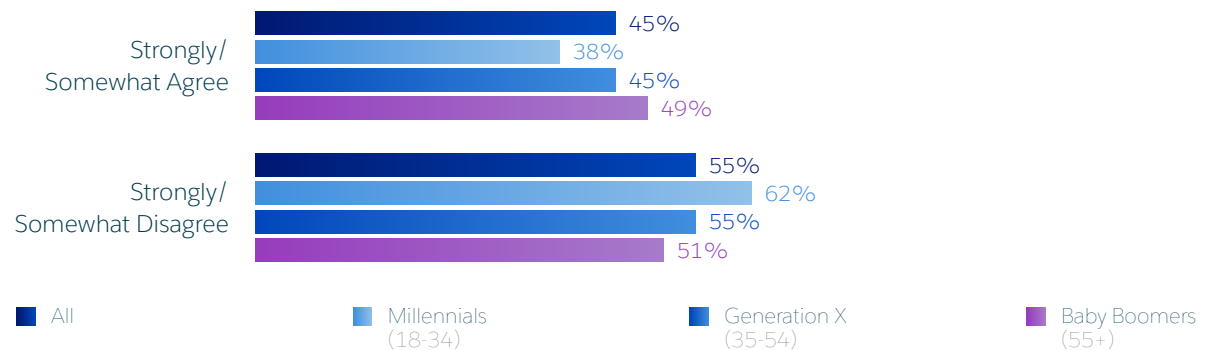
I. Researching the Right Consumer Goods Brand

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?



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.

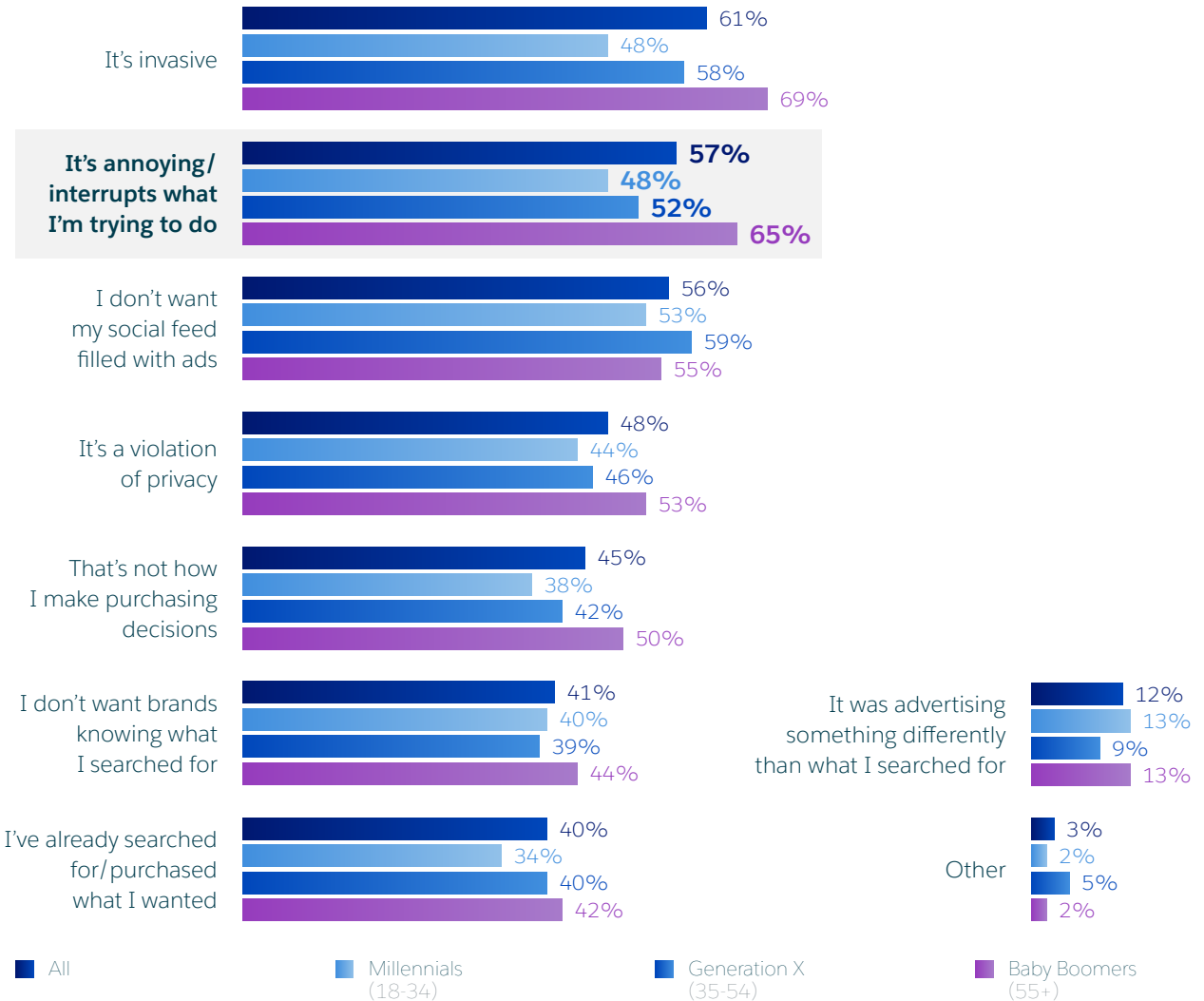


I. Researching the Right Consumer Goods Brand

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.

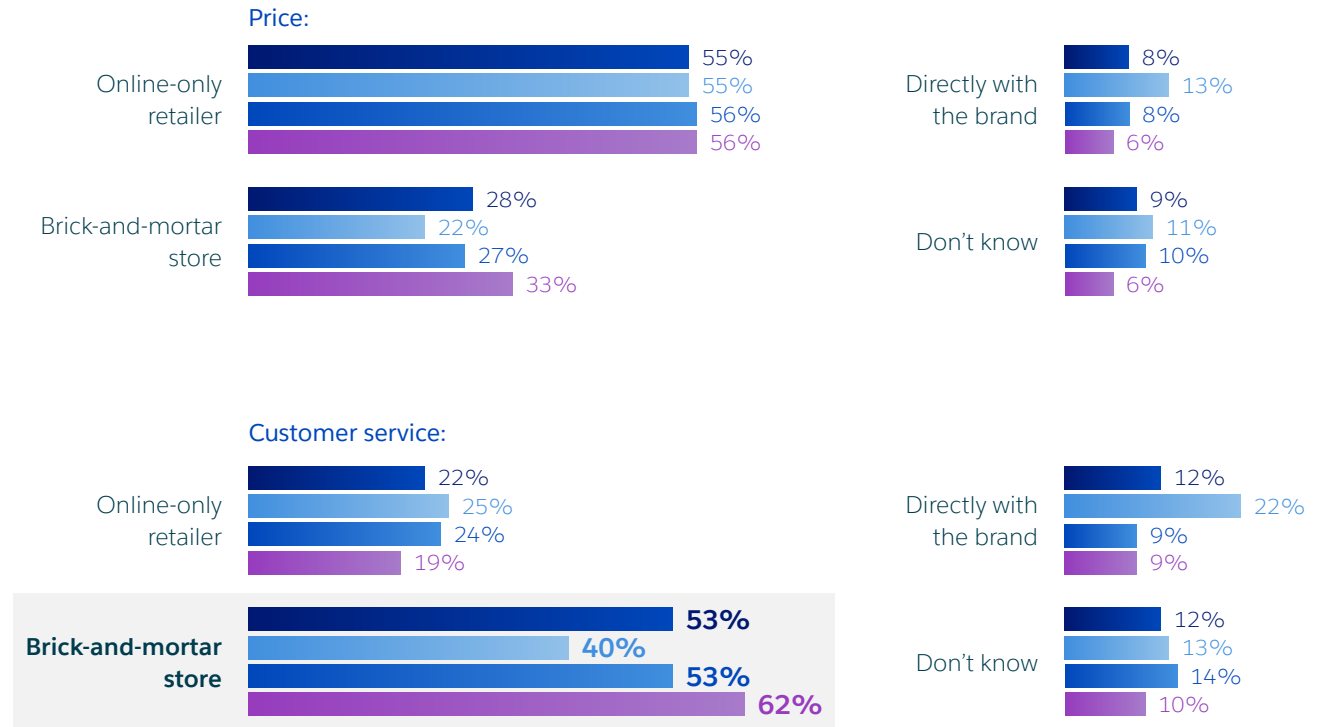
Why do you have a negative reaction? Select all that apply.



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?



■ All

■ Millennials (18-34)

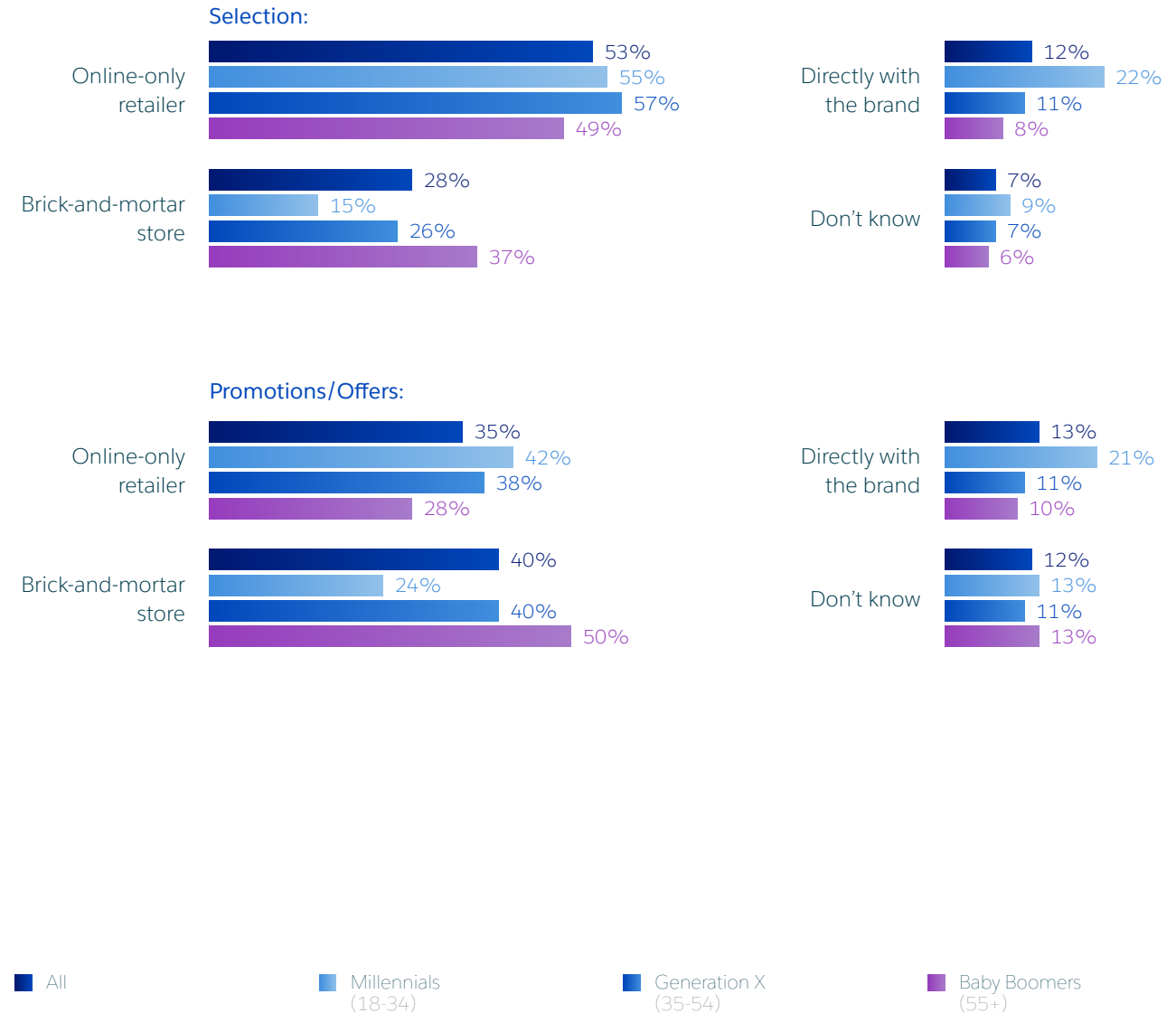
■ Generation X (35-54)

■ Baby Boomers (55+)

II. The Purchase Process

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.

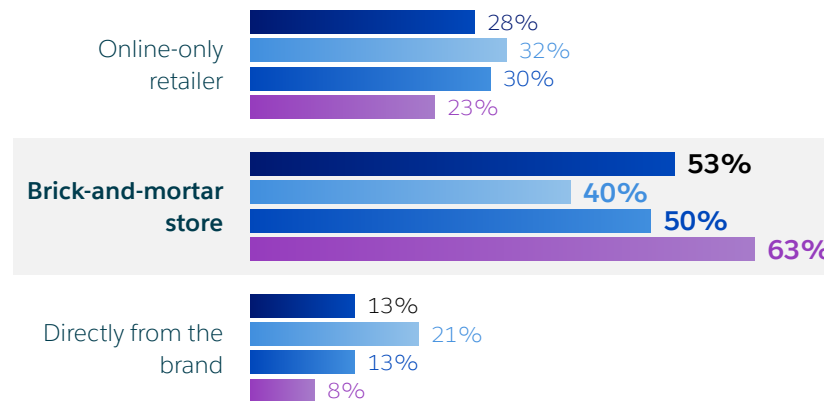
Overall, where do you have the best experience with each of the following when buying a product?



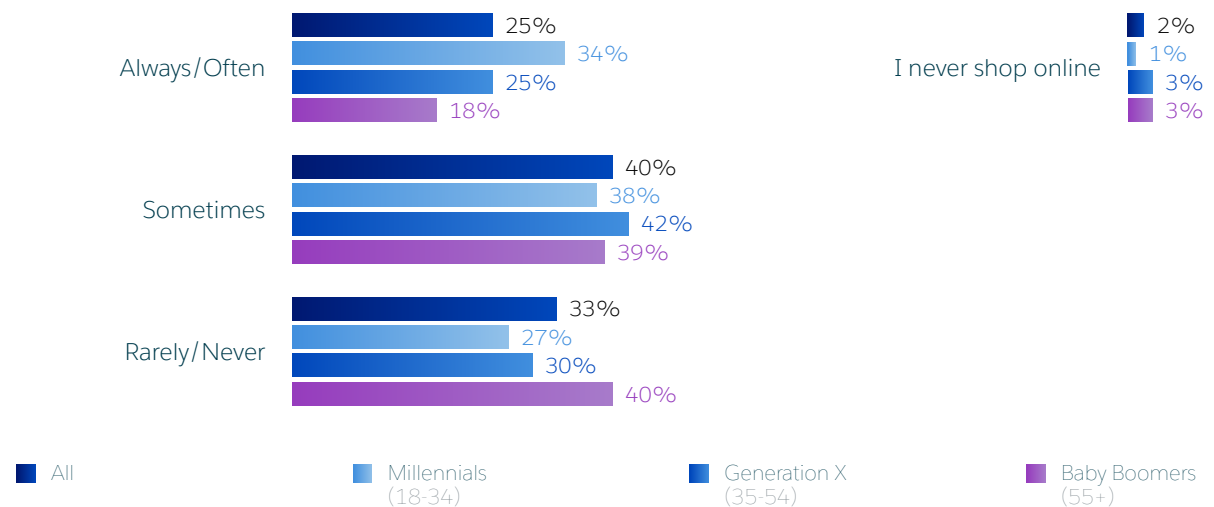
II. The Purchase Process

Interestingly, if price were not a factor, consumers would still choose to shop at brick-and-mortar store (53%) compared to other options. Finally, millennials represent a huge opportunity for consumer goods brands, as 41% would be willing to share personal info with a brand in exchange for more personalized service and discounts, compared to only 22% of Baby Boomers.

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?



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

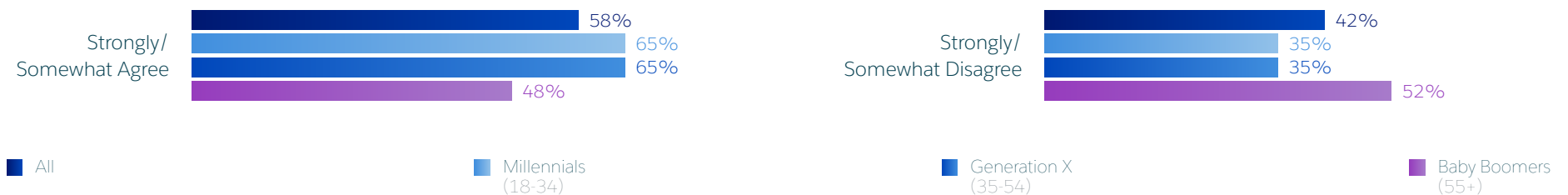


II. The Purchase Process

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

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

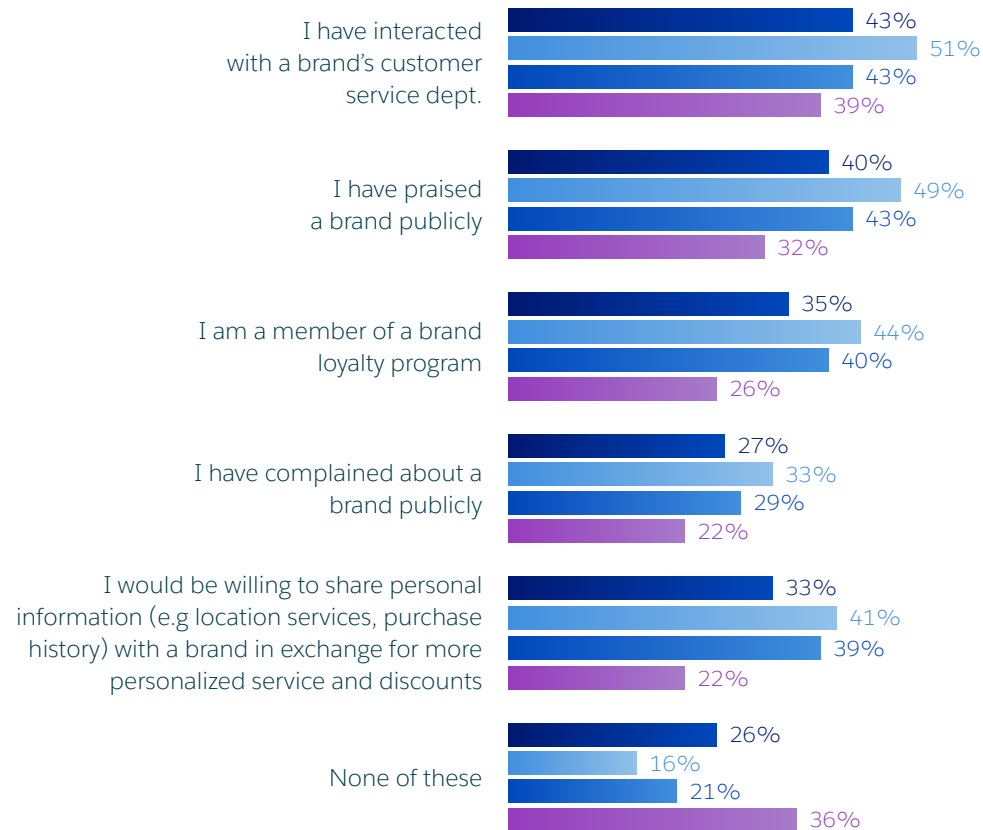
How much do you agree or disagree with the following statement: I want a consumer goods brand to understand my personal preferences based on previous purchase history (in-store or online).



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.



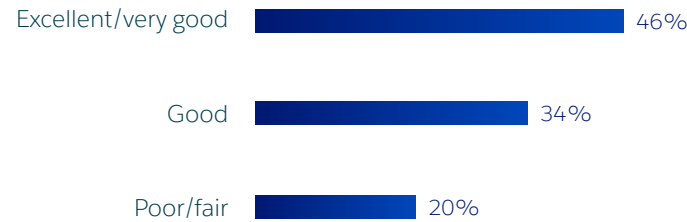
■ All
 ■ Millennials (18-34)
 ■ Generation X (35-54)
 ■ Baby Boomers (55+)

III. Consumer Goods Brand Loyalty Across Generations

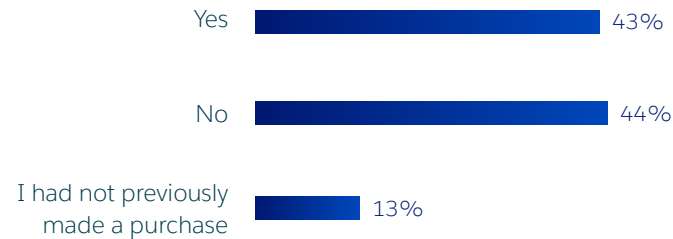
Consumer goods buyers join loyalty programs primarily to get better deals (74%) and service (27%), but some also do so to get closer relationships with brands (14%).

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?



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?

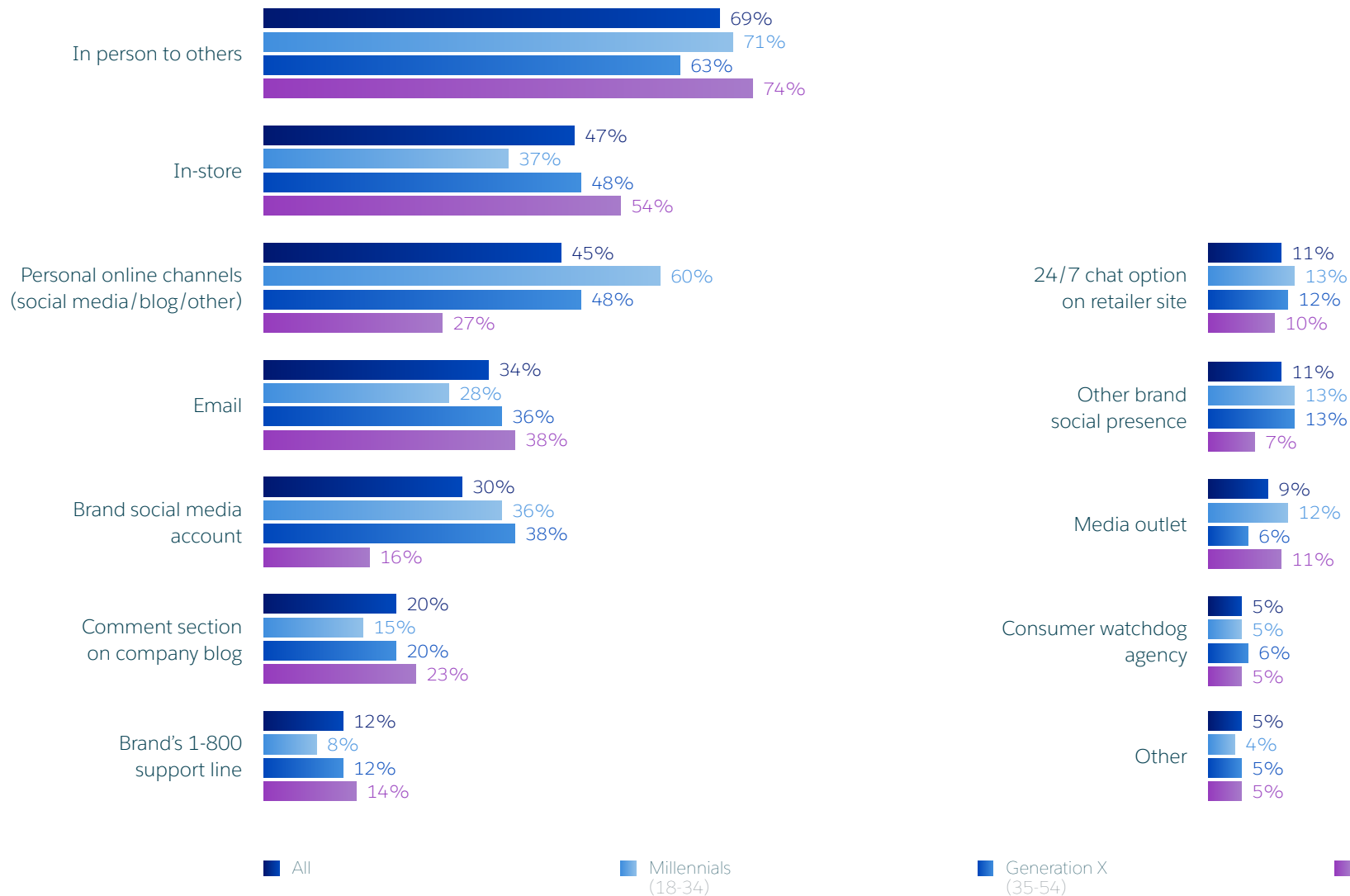


■ All respondents

III. Consumer Goods Brand Loyalty Across Generations

Base: Have praised a brand publicly.

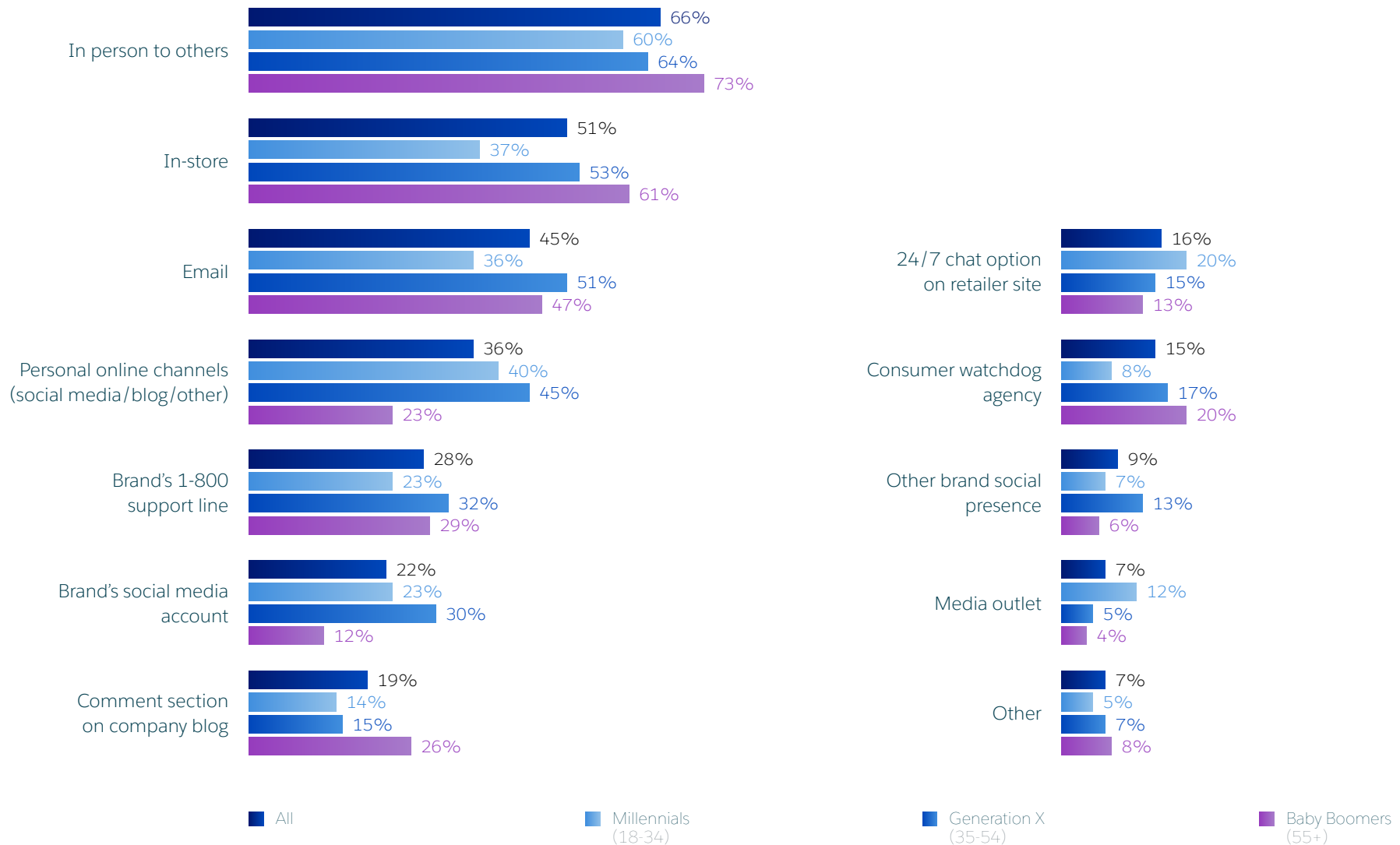
In which of the following outlets have you praised a brand? Select all that apply.



III. Consumer Goods Brand Loyalty Across Generations

Base: Have complained about a brand publicly.

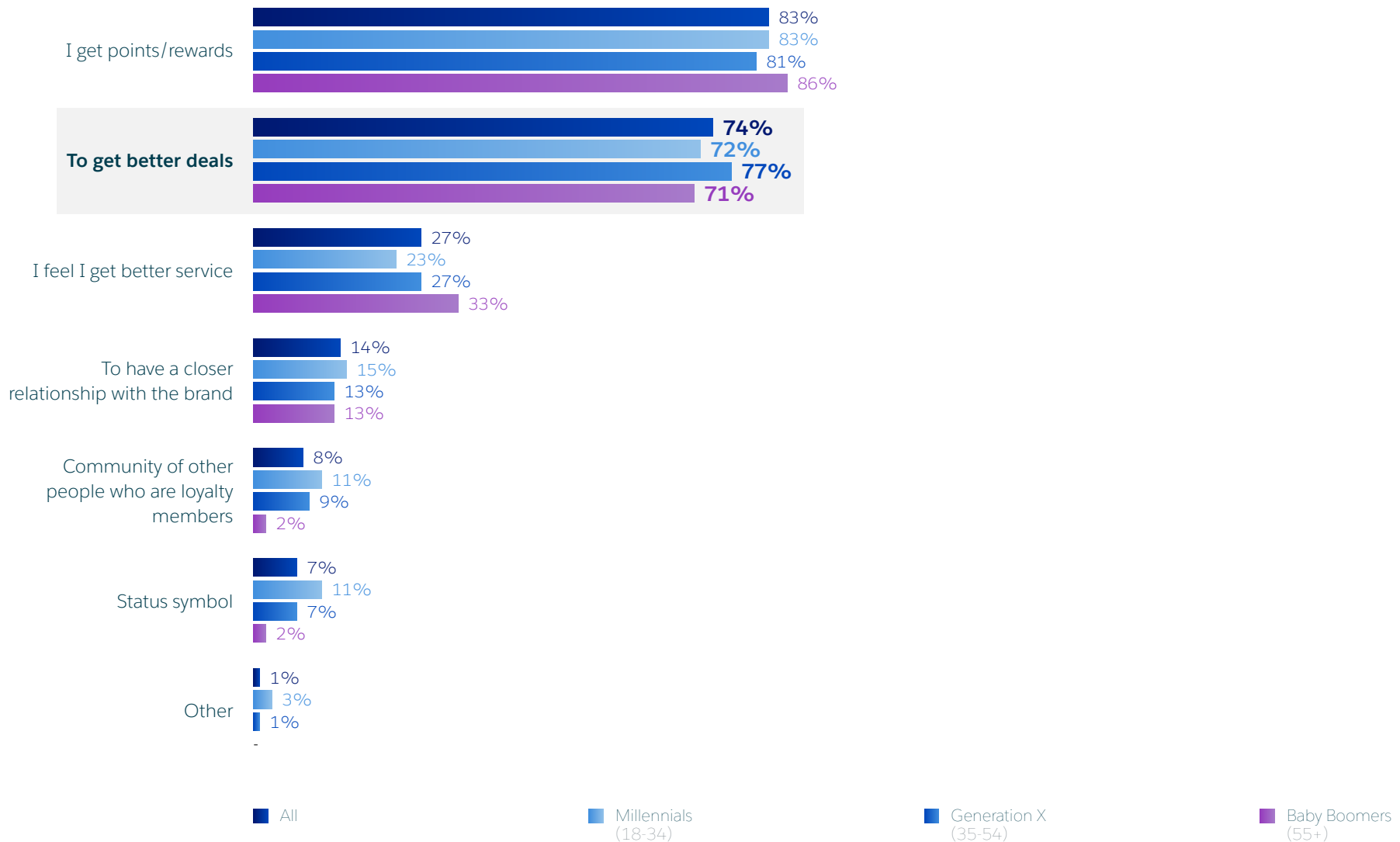
In which of the following outlets have you complained about a brand? Select all that apply.



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



IV. Methodology

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.

