

2016

SALESFORCE EMPOWERED SHOPPER REPORT

How to engage today's
Australian shoppers



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READY TO DELIVER?

We surveyed 650 Australian shoppers about all aspects of consumer behaviour and retail interaction, from online shopping expectations to the level of knowledge required from instore sales staff. This report helps you keep your finger on the pulse of the ever-changing retail environment, particularly the expectations of the digital shopper.



The report surveyed 650 Australian shoppers, finding that a digital strategy, clearly connected to a company's customer service and sales processes, is a key factor contributing to business success.

The Salesforce Connected Shopper Report is conducted to keep retailers closely informed of fast-changing consumer habits. We particularly focus on consumers' use of technology in online and offline shopping.

More consumers than ever own smartphones and tablets, and use them as a vital part of the shopping and after-sales experience. This report flags the way shoppers use these devices while also explaining how shoppers rate traditionally critical issues. For example, 87% of respondents say 'competitive pricing' is critical or very important, and 71% view a flexible returns policy similarly.

The report outlines the major reasons a consumer is likely to switch brands and reveals shopper expectations in terms of customer service, providing clear guidelines for getting the digital experience right.

The report surveyed 650 Australian shoppers, finding that a digital strategy, clearly connected to a company's customer service and sales processes, is a key factor contributing to business success. Considering this, brands that take the opportunity to create technological offerings that are central to both service and sales have the opportunity to differentiate themselves. Greater customer loyalty, more powerful reputation management systems and more efficient customer service staff and processes are just the beginning.

Shoppers demand and expect a completely seamless customer experience. The Salesforce Connected Shopper Report helps you rewrite your retail rules to make this a reality.



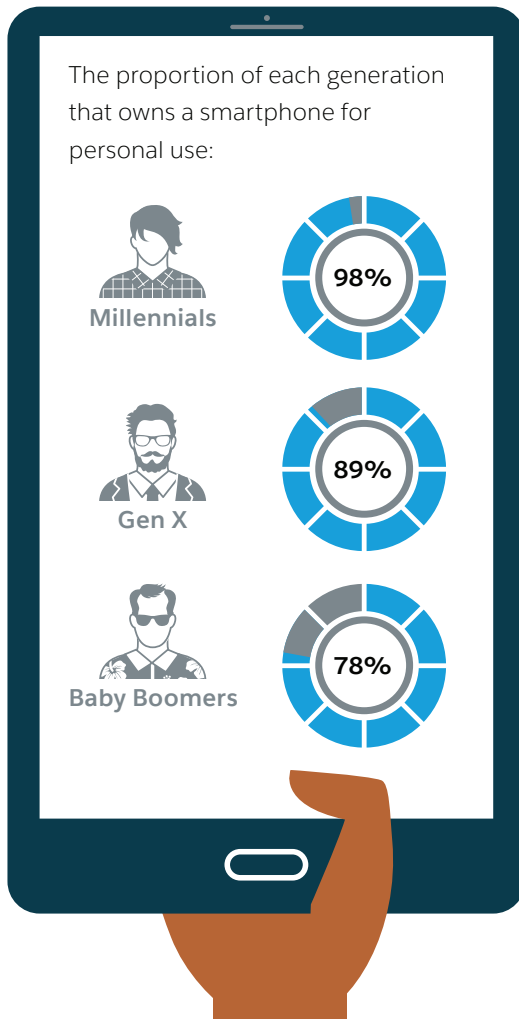
ANALYSIS AND KEY FINDINGS

KNOW YOUR SHOPPERS

For today's consumers, your fancy website is not enough. Consumers have come to expect absolute consistency across all touchpoints whether it be in person, on the phone, by email or via social media. Smooth, simple and fast functionality on all types of devices and screen sizes is particularly important, especially to a millennial audience that has never known a world without digital connectivity. But it's not all about digital; the people within a business are also an essential ingredient. Here are nine of our headline findings.

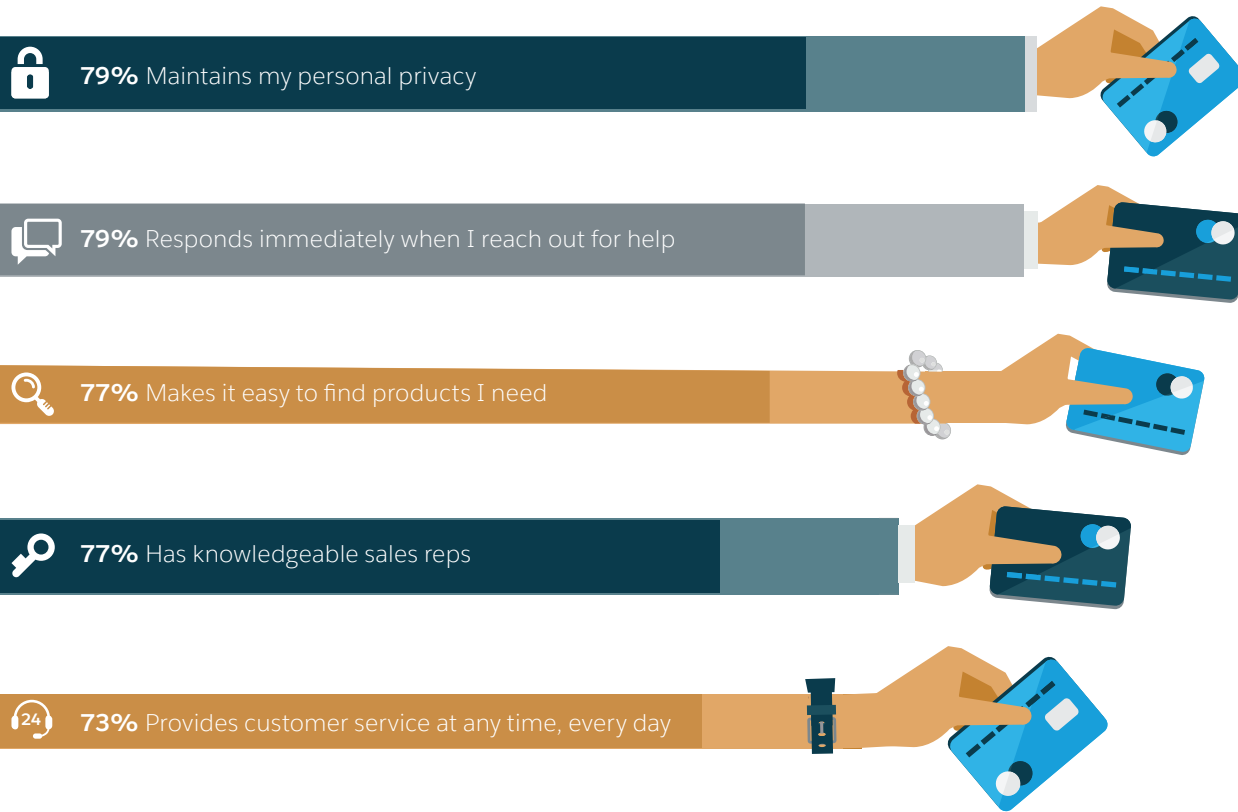
Mobile Devices Are Here To Stay

Smartphones and tablets are everywhere!



Customer Loyalty Depends On Trust, Speed And Convenience

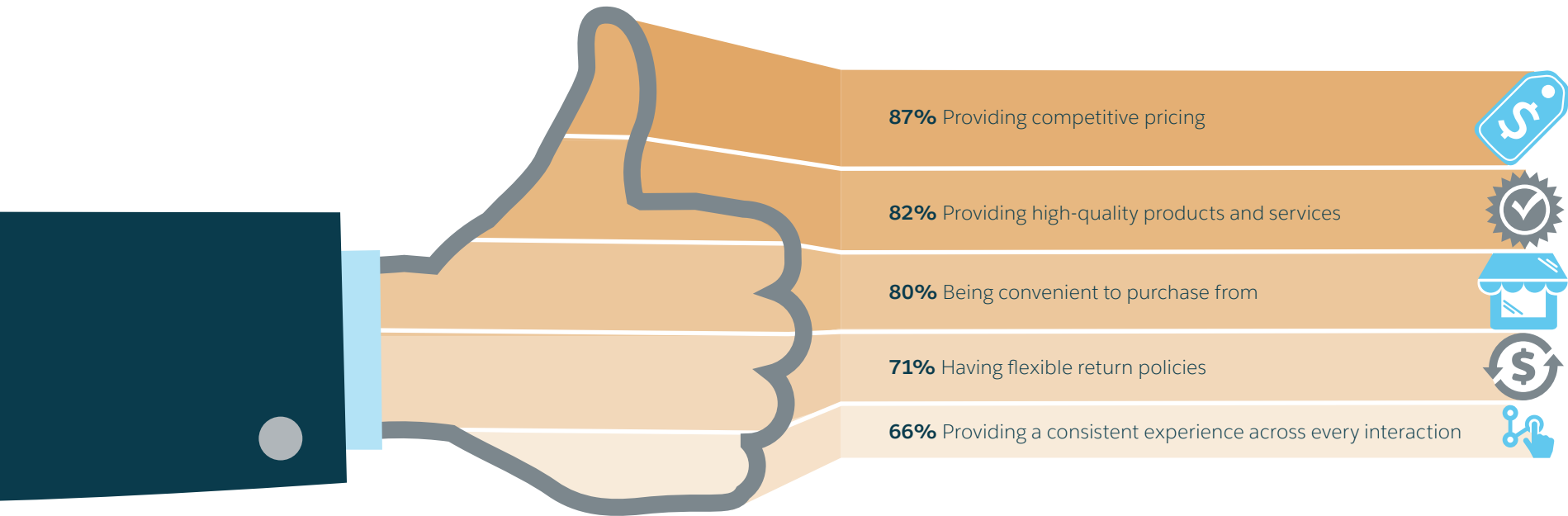
Customers' top five reasons for remaining loyal to a brand or business in retail or consumer products.



*percentage of respondents who view as a 'major' or 'moderate' influence

Consistency Creates Customer Satisfaction

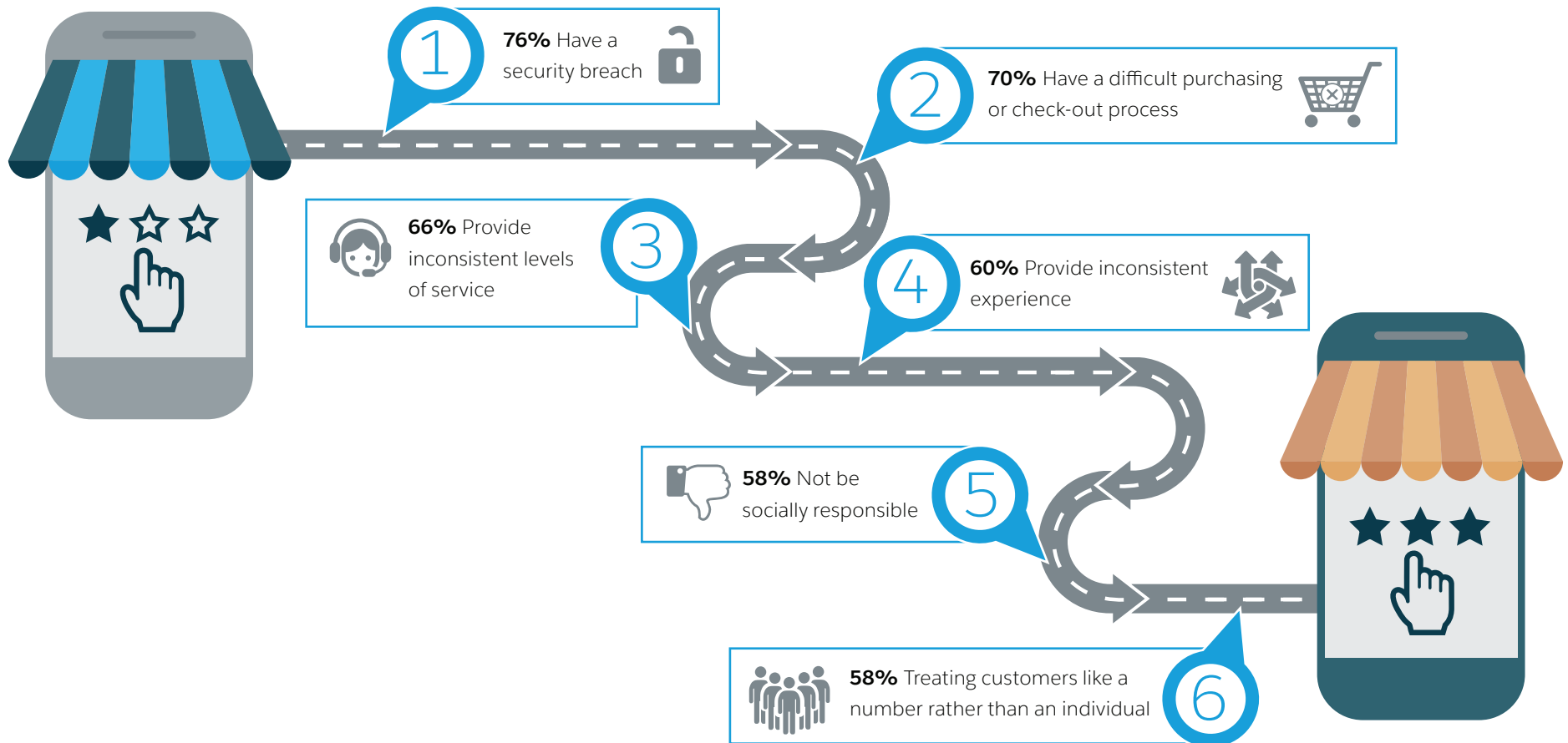
What are the top five ingredients in the recipe for customer satisfaction?
Here is what consumers told us.



*percentage of respondents who view as 'absolutely critical' or 'very important'

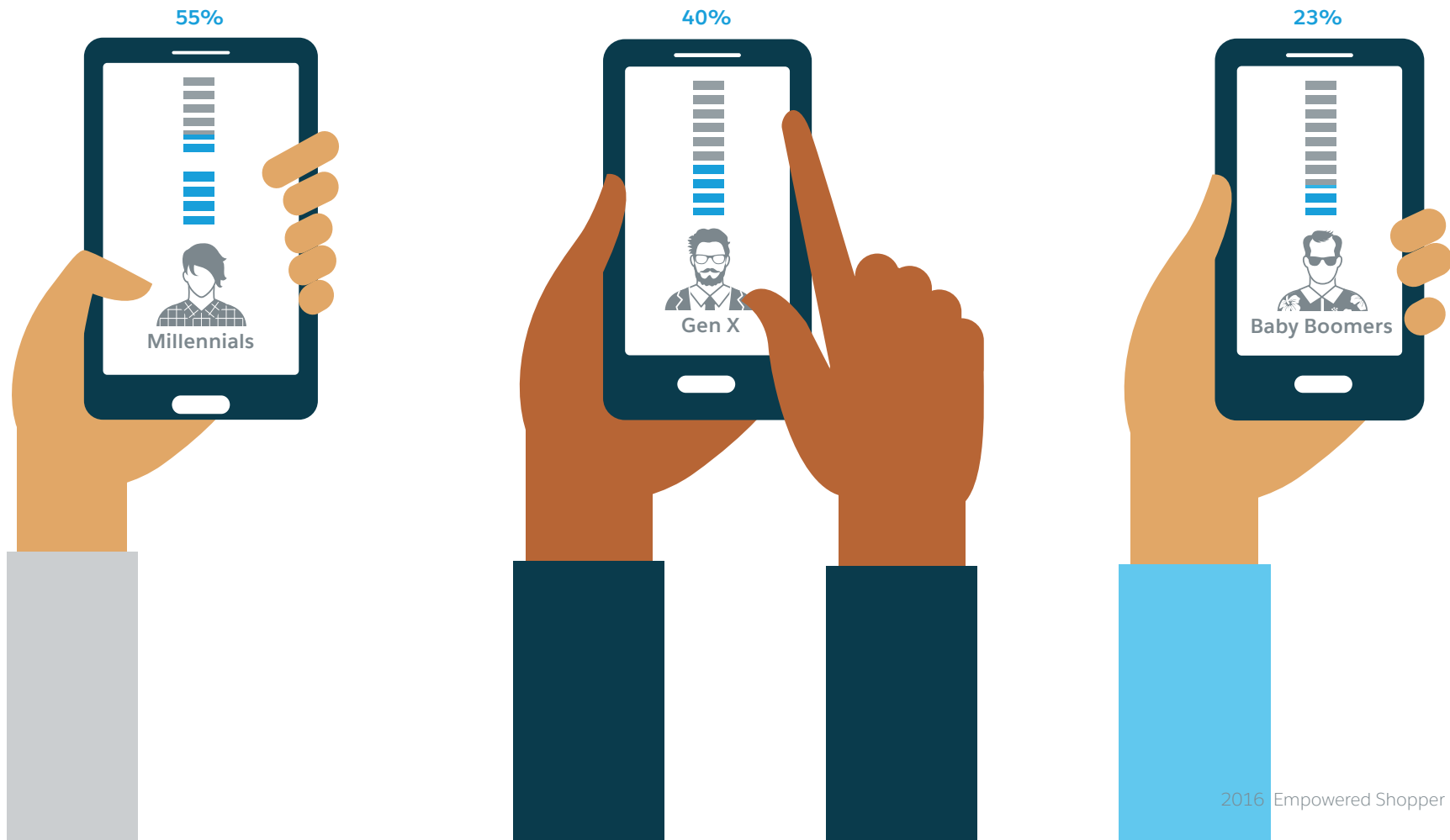
Consumers Feel Empowered To Switch Brands

Here are the six things your business can do that will make your customers extremely likely or very likely to purchase elsewhere.

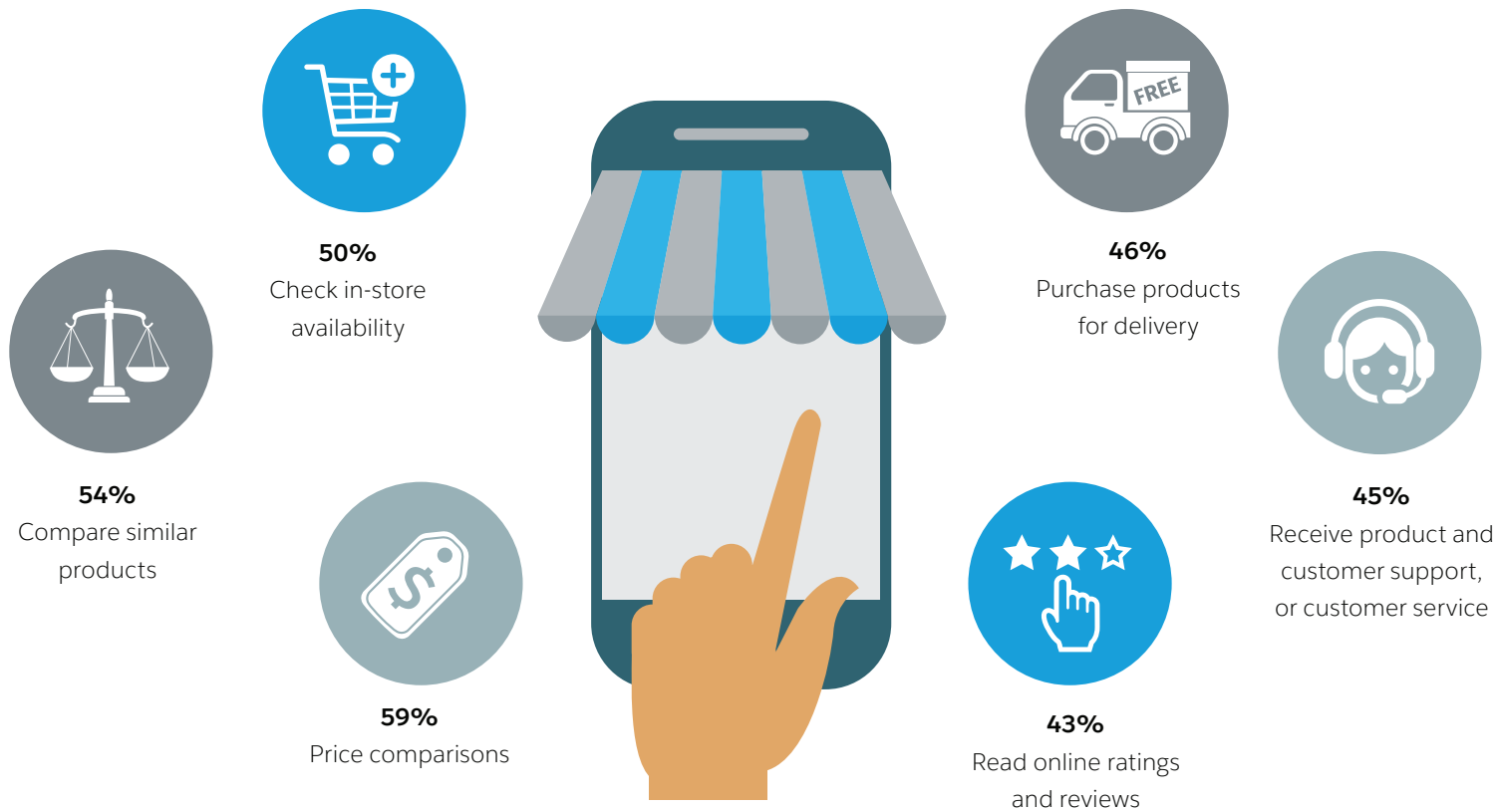


Customers Demand Mobile Shopping Experiences

The percentage of people who say it's 'absolutely critical' or 'very important' to access retail via a mobile device, generation by generation.



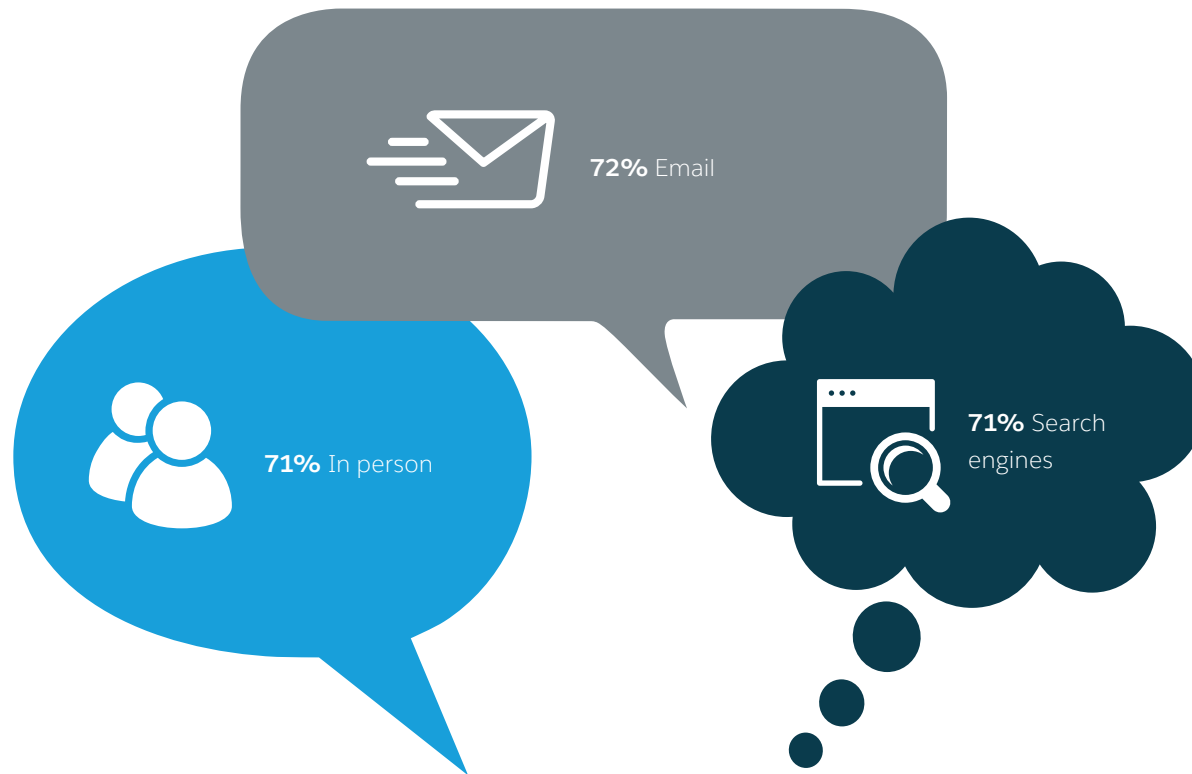
Mobile Devices Help Shoppers Get The Information They Need



*percentage of respondents who say it is 'absolutely critical' or 'very important' to be able to perform the task via a mobile device

Email Is Still A Preferred Communication Method

Email is still important to consumers, with in person service and search engines coming a close second.



*percentage of respondents who say each communication channel is 'absolutely critical' or 'very important'

Customer-Centric Service Keeps Customers Coming Back

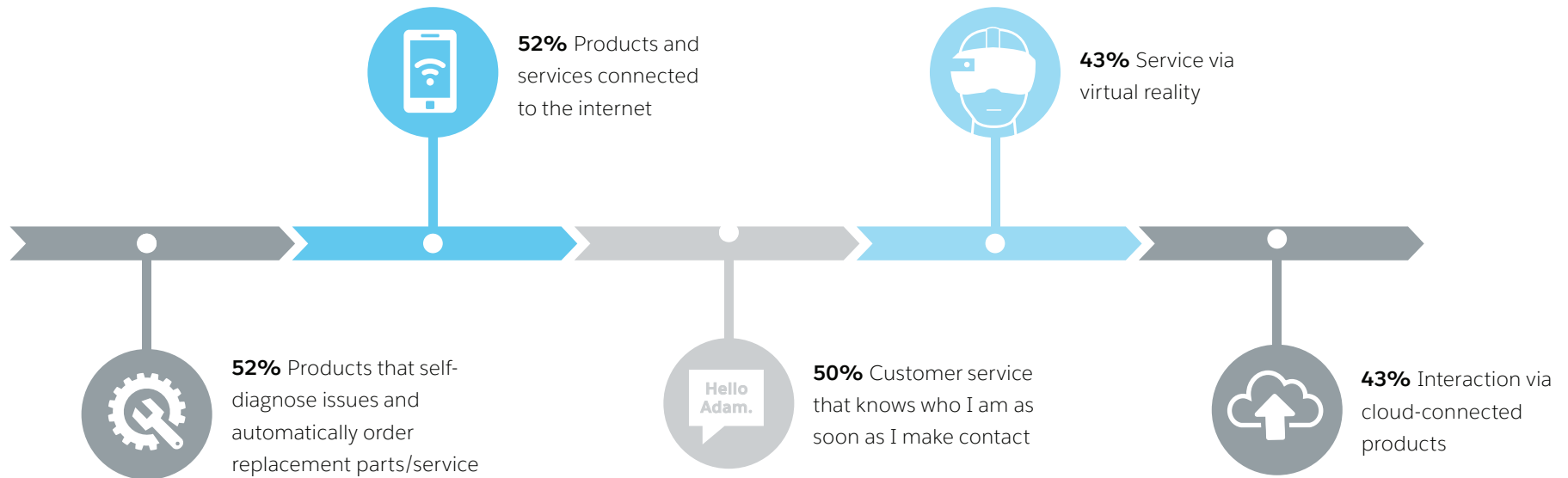
Satisfaction is not just about choosing the right communication channel. Consumers also expect a specific experience.



*percentage of respondents who say each is 'absolutely critical' or 'very important'

Customers Expect A Tech-Driven Future

Five years from now, our respondents tell us, businesses are going to provide entirely new sets of customer-related services. These include:



*percentage of respondents who 'strongly agree' or 'agree' that companies should provide these services by 2020.



IMPLICATIONS FOR RETAILERS

CHARTING THE IMPACT ON RETAIL BUSINESS

Smartphones come closer to reaching 100% saturation of the consumer market every day, particularly for personal use. Consider that 88% of all respondents said they own a smartphone for personal use. This includes virtually all millennials (98%), 89% of gen Xers and 78% of baby boomers. The major marketplace for your business is a five-inch screen and, if consumers don't find what they want on that screen, they'll move right on.



Consistency is important because of the increasing number of customer touch points.

Provide Consistent Shopping Experiences

Products and services must be competitively priced (87%) and of high quality (82%), and that's no surprise. More interesting is the consumer need to have a consistent experience across all touch points (66%). This is especially important for baby boomers (70%) but also vital for gen X (65%) and millennials (64%), and we can see from the results on page 11 that these experiences include the comparison of prices and products using mobile devices (59% and 54%). So, while price may be the number-one concern of the bulk of consumers, how these consumers compare prices forms part of their experience of your brand, creating an opportunity for you to make it both consistent and positive.

Consistency is important due to the increasing number of customer touch points. Think of the phone company that deals with a customer complaint via social media. On that social media page they respond with positive and immediate feedback. They say they can deal with the problem and guide the customer to the right department. But when the customer begins corresponding with that department via phone or email they hit a brick wall, or they deal with customer service agents who are not empowered to solve their problem. Their experience is inconsistent.

This is an unfortunately common experience with customer service, but best-practice businesses are beginning to understand the expectations of consumers around consistency.

Convenience of purchase (80%), flexible returns policies (71%) and personalised customer service experiences (56%) are also important attributes of a business that a consumer is happy to make a purchase from.



A purchase... is a major milestone in a mutually beneficial or potentially disastrous relationship.

Get Personal With Customers

In the past a shopper walked into a store, handed over cash, received a product or service, then walked out again. The relationship, if the consumer wished, ended as soon as they left the premises.

E-commerce requires an entirely new level of trust and a completely different relationship dynamic. Every online purchase requires an email address, and often a phone number and postal address. A purchase is not just a purchase; it is a major milestone in a mutually beneficial or potentially disastrous relationship that began long before you knew about your involvement in it, and which you have now been given the opportunity to actively participate in.

It is no wonder, then, that people say major influencers of loyalty are 'maintaining my personal privacy' (79%), 'responding immediately when I reach out for help' (79%) and 'making it easy to find products I need' (77%). In all of these categories and several more relating to loyalty, baby boomers rate highest.

Such concerns make complete sense in the new world of retailer-consumer relationships. When personal information is shared as a natural part of the purchase process, and a strong understanding of the value of data is developed by businesses and individuals, consumers are wary of being exploited. In other words, they expect to be treated with respect.



The data shared by individuals as a part of the shopping process allows the business to personalise the shopping experience.

Use Customer Data Wisely And Securely

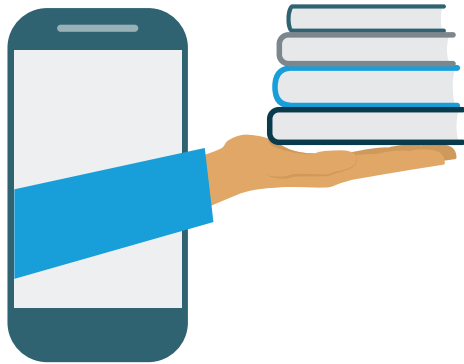
The data shared by individuals as a part of the shopping process allows the business to personalise the shopping experience for consumers. This is perfectly acceptable; it is a desirable outcome for many consumers.

Half of all shoppers say they are willing to share personal data if it makes communication with the retailer easier. Similarly, almost half of all shoppers are happy to share personal data if it makes the purchase simpler, if they are sent personalised offers or discounts as a result, and if they are provided a personalised in-store or online shopping experience.

Note the importance of the word 'personalised'. If a middle-aged male shopper shares his email details with a sporting goods retailer during the purchase of a mountain bike tyre then, one week later, receives a promotional email from that retailer spruiking a girls' netball shoes sale, he will feel exploited. He has become a number rather than an individual.

In fact, being treated as a number rather than an individual (58%) is one of the top 10 reasons for switching brands. The number-one reason a consumer would switch is as a result of a security breach (76%) at the business, reinforcing the aforementioned importance of maintaining a customer's personal privacy. A switch will also likely occur if the purchasing or checkout process is a difficult one (70%), if the customer has inconsistent experiences each time they deal with the business (60%), or if the business is not socially responsible (58%).

Over a third of consumers (36%) will switch to another business if the current one does not provide an easy-to-use mobile experience. And this is not just about millennials; the figure is relatively even across generations.



...the company's staff are also expected to have intimate levels of product and service insight.

The Best Sales Reps Are Knowledgeable And Trustworthy

Success in business today has a lot to do with getting the online experience right. However, the 'consistency' message covers all touch points, including human ones. If online sales, information and communication methods are expected to be excellent, so are the company's human interactions. If a website is expected to make the purchase process simple and smooth, so are the salespeople. And if consumers expect all their questions to be answered in the online environment, the company's staff are also expected to have intimate levels of product and service insight.

The topic of staff insight is a vital one. As highlighted in last year's report, a large percentage of customers feel they have a higher level of product knowledge than the salespeople. In fact, 74% of shoppers (including 83% of baby boomers) say the knowledge level of staff has a major or moderate influence on their intention to purchase from a specific business. If, in an electronics store, the assistant does not know the difference between Bluetooth and Blu-ray, the likely result will not be good for business.

While 76% of shoppers say it is absolutely critical or very important to deal with someone who has intimate knowledge of the business's products or services, even more (80%) say it is very important to deal with someone who doesn't try to sell them products they do not need. So, once again in the electronics store, if a shopper agrees to buy a big-screen TV and is accosted with a sales pitch about why they should also purchase an \$80 HDMI cable rather than the standard \$12 version, it will leave a very bad taste.

Other attributes of a great salesperson? Our research highlights helping a customer achieve their specific needs, rather than making a quick sale (75%). Sales staff need to treat the consumer as a valued customer (75%) and be available when needed (73%).



90% expect a response within 24 hours, and more than 50% within less than one hour.

Provide A Positive Mobile Experience

Consumers rated shopping (40%) at number six on their list of most important activities on their mobile devices after banking (58%), navigation (55%), weather (52%), news (48%) and social networking (47%), and a deeper look into specific tasks related to shopping is quite revealing.

Performing price comparisons was of number-one importance to 59% of respondents in terms of shopping-related activities performed on their mobile devices, followed closely by the ability to compare similar products (54%). Checking in-store availability, making a purchase for delivery, and receiving product and customer support/customer service were also priorities.

It is vital that email (72%), in-person (71%) and search engine (71%) communication channels are available. Perhaps unsurprisingly, at the bottom of the list was interactive voice assistance (24%).

Most revealing and challenging for businesses, particularly small businesses, is the immediacy of response consumers expect from various communication channels. Whether they make contact via phone, email, text/SMS, social media, in-app mobile support, online forms or messenger apps, more than 90% expect a response within 24 hours, and more than 50% within less than one hour.

It is perhaps expected, then, that the top attribute when interacting with customer service is having the issue resolved in a timely manner (87%).



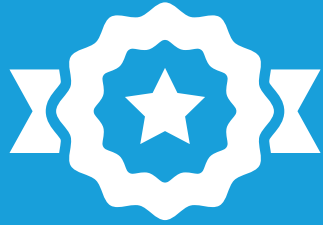
... products that self-diagnose issues and automatically order replacement parts and service.

Consumers Expect A Smarter, More Connected Future

Consumers tell us that by 2020 they expect to be able to pay for purchases with their mobile devices (60%) as well as use smart/connected home technology (59%), smart/connected appliances (55%) and smart/connected vehicles (54%). Of course, some of these technologies are already a reality for certain consumers.

And they expect to forget ringing a technician to come around and figure out why the dishwasher is flooding the kitchen. More than half of consumers expect that, by 2020, businesses will provide products that self-diagnose issues and automatically order replacement parts and service. They expect to receive service via virtual reality (43%), and 40% expect businesses will be able to anticipate their needs before the consumer even contacts them.

Data makes all of this possible. It means oven retailers can contact consumers, or tradespeople, with special deals on oven door hinges just before they are likely to wear out. Sports retailers can communicate with runners once their shoes are likely to be losing their support, using data gleaned from the consumers' wearable fitness devices. And groceries can be auto-delivered to households thanks to the sensors in products kept in web-connected refrigerators and pantries.



SHOPPER SUCCESS PLATFORM

HOW TO DELIVER WHAT YOUR CUSTOMERS WANT

How you can deliver more personalised experiences to your customers.



Customers have more information and methods of communication with a business than ever before...

Be The Disruptor

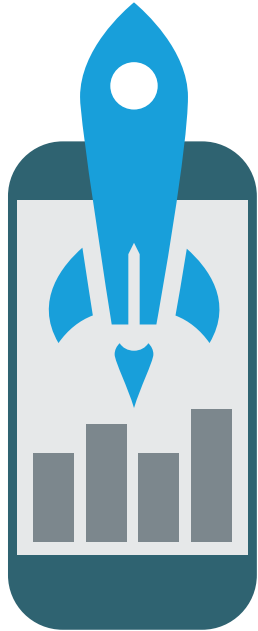
Customers have more information and methods of communication with a business than ever before, and they are not afraid to use them. The success of your business is closely connected to your ability to manage its digital presence, and the performance and consistency of the various channels through which consumers will touch your brand.

Data creates the possibility of a personalised consumer experience, and shoppers know this. From marketing and other correspondence, to the online and in-store retail experience and after-sales service, consumers expect you to treat them as individuals.

Leave It To The Experts

The Salesforce Shopper Success Platform helps a business to stay agile and to remain up-to-date as the digital marketplace moves forward at an astounding rate. It re-imagines as much of the retail experience as you would like for your business, whether you need a custom checkout solution or an innovative, end-to-end platform.

We integrate the entire shopping experience considering every possible touch point, including several you may not yet have covered. Email, social, mobile, e-commerce, in-store, customer service centres, personalised incentive schemes – nothing is left to chance.



When data about customer wants, needs, behaviours and preferences becomes available to your business productivity goes skywards.

Know Your Business Intimately

One of the most powerful outcomes of using technology to connect with your customers in new ways is not about the customers but, instead, about your knowledge of them.

When data about customer wants, needs, behaviours and preferences becomes available to your business productivity goes skywards. A 360-degree view of shopper and product insights takes much of the guesswork, and of the expensive trial-and-error, out of the process.

Stay a step ahead and innovate at the speed of retail with the Salesforce Shopper Success Platform.



CONTACT US

If you would like to discuss improving your customers' experience with your brand, no matter the size of your business, we are happy to help. We are proud to be a world leader in the field and a thought leader on relationships between consumers and brands.



FILL OUT THE CONTACT FORM



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CALL

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