

2016 INDUSTRY RESEARCH: RETAIL



Connected Shoppers Report

Insights into the Expectations of Today's Empowered Shoppers



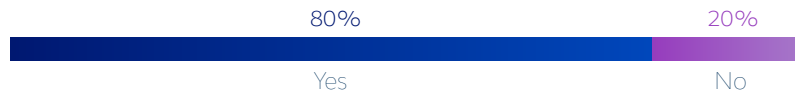
Introduction

To explore the current attitudes and habits of today's shoppers in three global markets (Canada, the United Kingdom and United States), Salesforce Research conducted its "2016 Connected Shoppers Report." Based on responses from more than 4,000 adults, the research found that retailers no longer dictate the terms of interactions with shoppers. The cloud, mobile, social and artificial intelligence revolutions have empowered customers to research and shop in new ways, transforming the relationship from B2C to putting the shopper fully in control. In addition, new entrants into the retail space, such as Apple Pay and StitchFix, have disrupted the industry, heightening shoppers' expectations. To stay competitive, retailers must supercharge their associates, so they are empowered to delight shoppers and increase customer satisfaction.



Shoppers are prepared before they shop as never before, as more than three-quarters (80%) of shoppers research products before purchasing them online. While websites are the preferred research tool for all ages, millennials are more than three times as likely to turn to social media and mobile apps (both 48%) than their Baby Boomer counterparts (both 14%).

Do you research products prior to buying online?



Which of the following channels, if any, do you use today when researching products from the following types of retailers prior to buying online?

	Millennials (18-34)	Generation X (35-54)	Baby Boomers (55+)
Phone	38%	23%	12%
In-person	23%	19%	15%
Website	72%	71%	61%
Email	45%	37%	26%
Social Media	48%	30%	14%
SMS/Text	32%	20%	7%
Mobile App	48%	28%	14%
Chat/IM	28%	15%	7%
Video Chat	27%	13%	6%
Other	12%	6%	5%



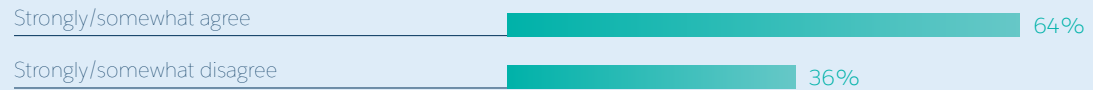
“When researching products, millennials are more than three times as likely to turn to social media and mobile apps (both 48%) than their Baby Boomer counterparts (both 14%).”



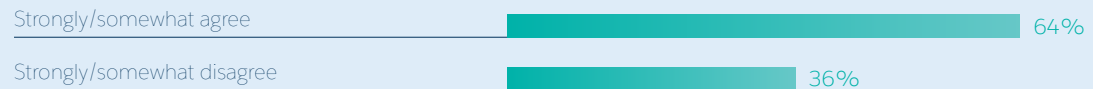
I. The Shopper is in Control

More than three out of four shoppers (79%) like it when they receive complementary product offers or promotions based on their purchasing histories from a retailer, indicating a desire for more personalized shopping experiences.

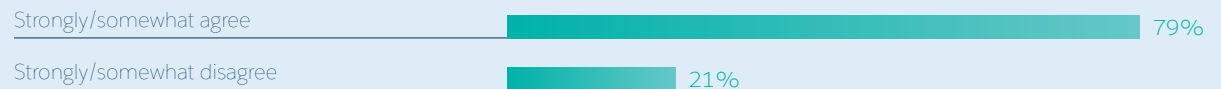
I enjoy looking at recommended and/or suggested products from retailers (e.g., displaying similar products below the product I am looking at, email with products, suggestions based on prior purchases, banner ads) to help make purchasing decisions.



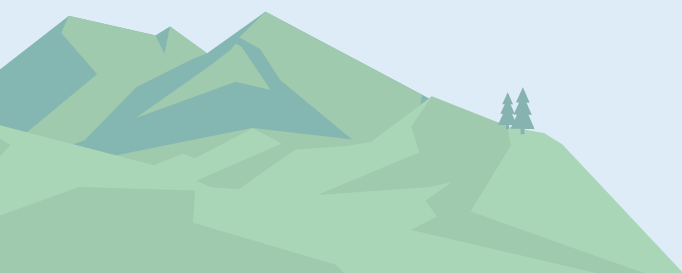
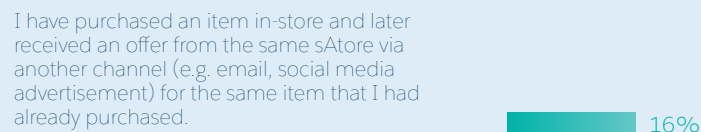
Retailers are getting better at tailoring their product selection and/or offers to match my preferences.



I like it when I receive a complementary product offer or promotion from a retailer that is based on my purchase history.



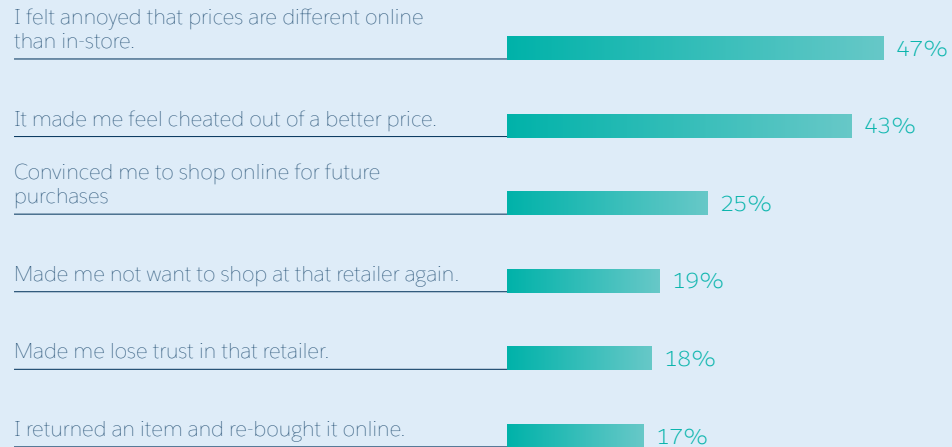
Which of the following are true for you?



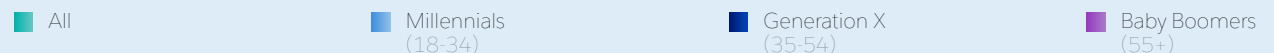
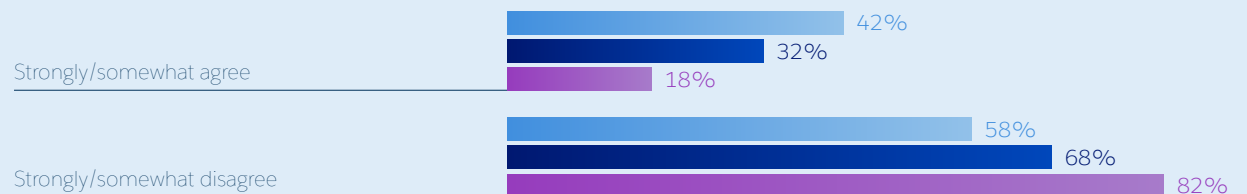
I. The Shopper is in Control

However, retailers should be wary about how seamless their communications to customers are, as shoppers who purchased an item in-store and received an online offer via another channel for the same product felt annoyed (47%) and cheated out of a better price (43%).

If you have purchased an item in-store and then later received an offer from the same store via another channel for the same item that you had already purchased, which of the following are true for you as a result?



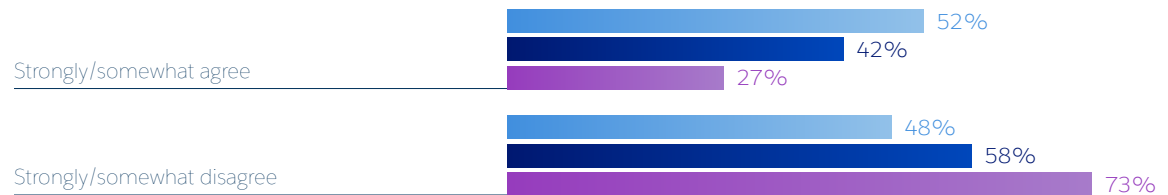
I expect a store/brand to know what online research I've done on that store/brand's website prior to getting to a physical store (e.g., wishlists, abandoned cart, social media activity).



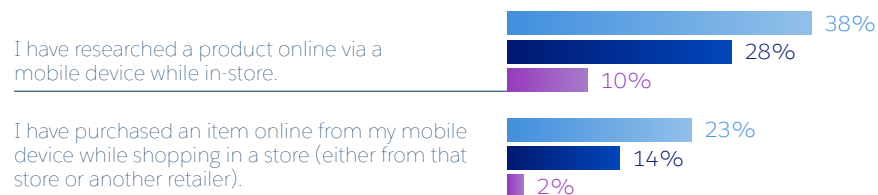
II. Impact of Disruptors on the Shopping Experience

Mobile devices and tech disruptors – such as Pinterest, ApplePay and Uber – have inserted themselves into the shopping process, creating new ways for shoppers to research products, rent clothes, purchase goods and receive merchandise.

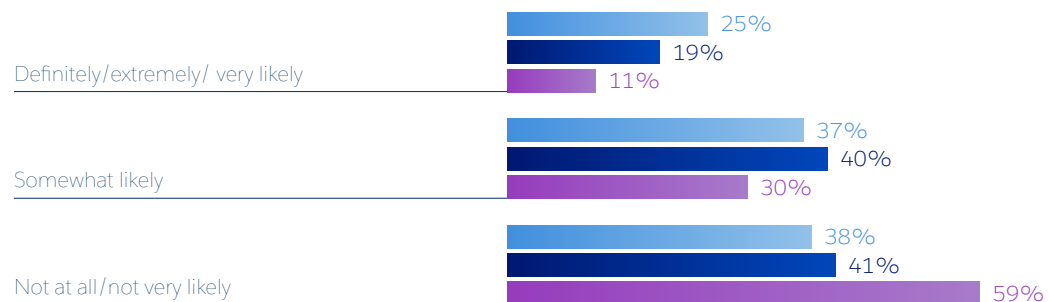
It would help me if a physical store knew about the online research I've done on them prior to getting there (e.g., wishlists, abandoned cart, social media activity), so I could receive better service.



Which of the following are true for you (check all that apply).



How likely are you to visit a showroom or inventory-less store?



■ Millennials (18-34)

■ Generation X (35-54)

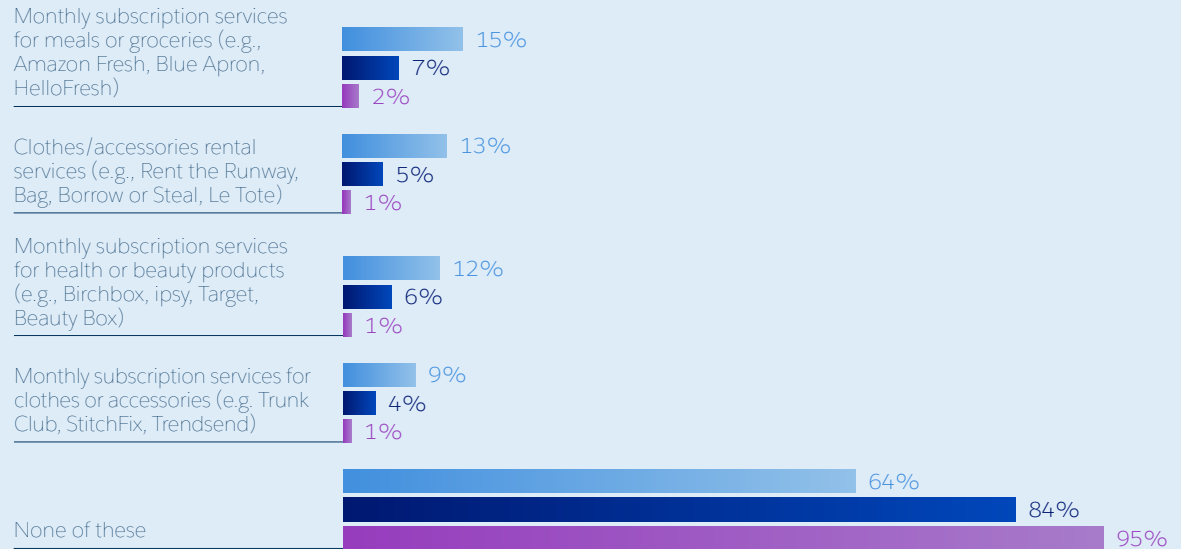
■ Baby Boomers (55+)



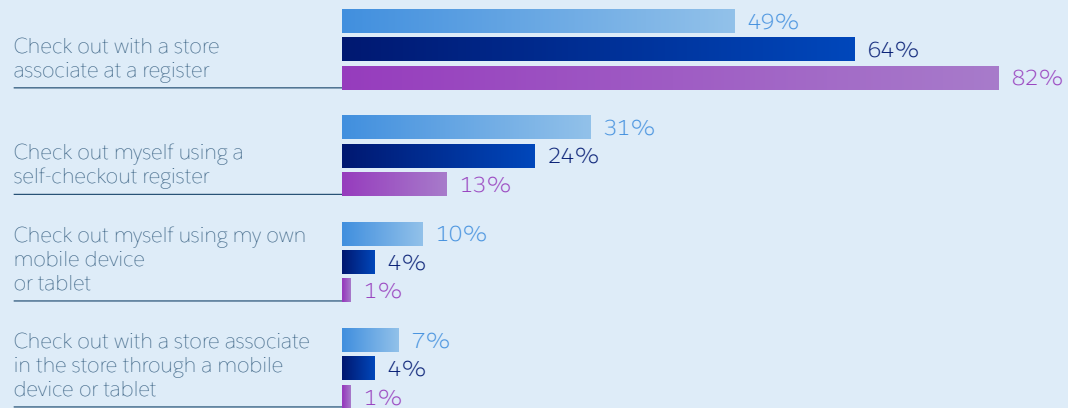
II. Impact of Disruptors on the Shopping Experience

Over a third of millennials have researched a product online via a mobile device while in a store (38%), and nearly one-fourth have even purchased a product online from a mobile device while in a store (23%).

Which of the following types of services have you used or subscribed to in the past 12 months?



When buying a product in-store, how would you most prefer to check out/pay for your purchases?



■ Millennials (18-34)

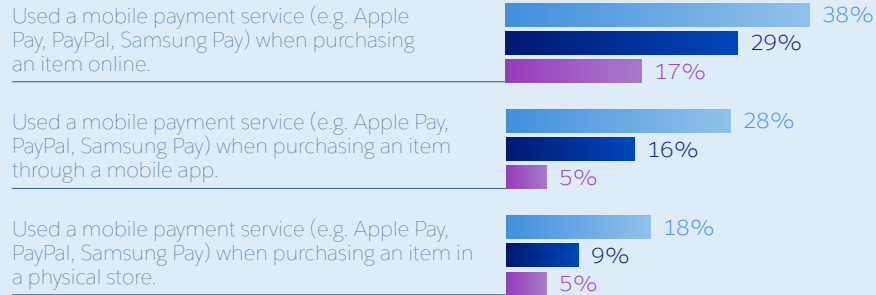
■ Generation X (35-54)

■ Baby Boomers (55+)

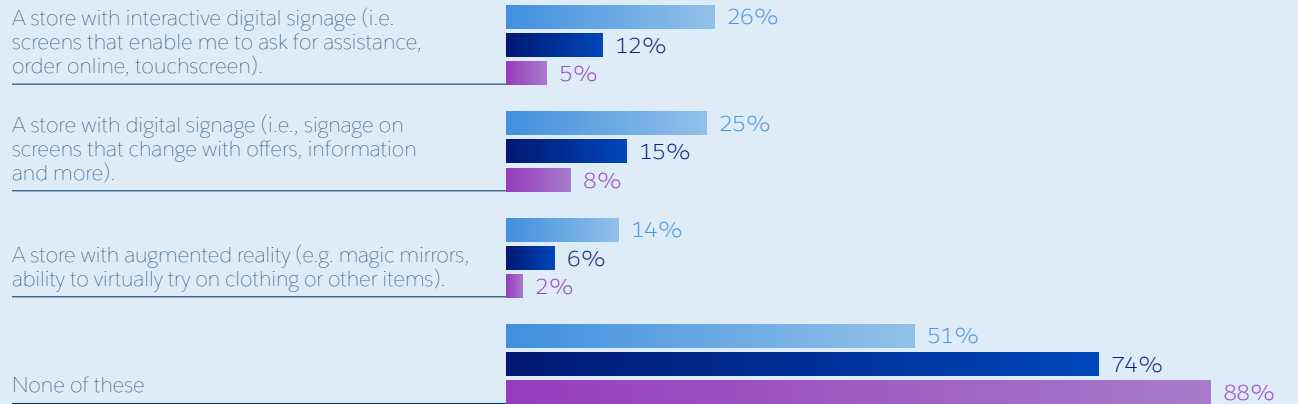
II. Impact of Disruptors on the Shopping Experience

Merchandise rental services and monthly subscription services for groceries and health products are gaining momentum amongst millennials who have used these types of services more than twice as much as Gen Xers and five times as much as Baby Boomers.

Which of the following have you done in the past 12 months?



Have you visited or shopped at any stores in the past 12 months that had any of the following features?



Millennials (18-34)

Generation X (35-54)

Baby Boomers (55+)

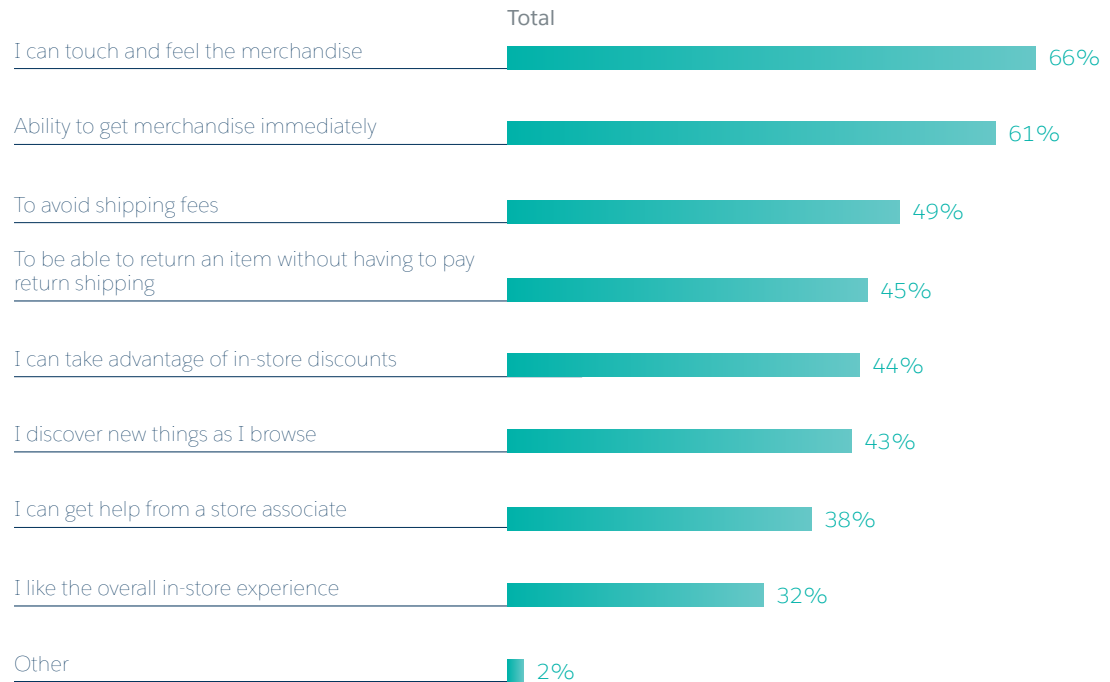
III. Better Employees Mean a Better Shopper Experience

Despite the rapid growth of ecommerce, consumers still enjoy shopping at brick-and-mortar stores, referencing the ability to touch and feel the merchandise (66%) or the option to get merchandise immediately (61%). However, only a little over one-third chose the option to get help from a store associate (38%) as a reason they like to shop in-store.



“Only a little over one-third chose the option to get help from a store associate (38%) as a reason they like to shop in-store.”

In general, which of the following are reasons you like to shop in-store?



How often, if ever, do you ask a store associate for his or her opinion on a product before purchasing it?



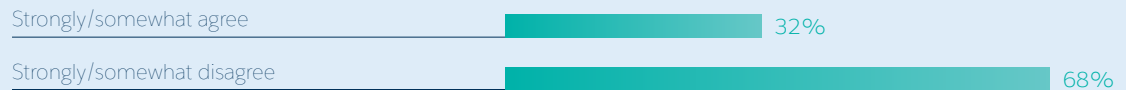
III. Better Employees Mean a Better Shopper Experience

In fact, just 12% always or often ask a store associate for his or her opinion on a product before purchasing it, and less than one-third who do so trust that the store associate is always or often telling the truth when asked (30%).

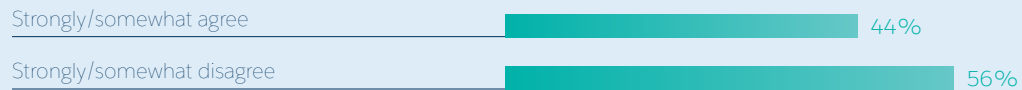
How often, if ever, do you think the store associate is telling the truth when they give you an opinion on the product? (Base: Ever ask a store associate for his or her opinion on a product before purchasing?)



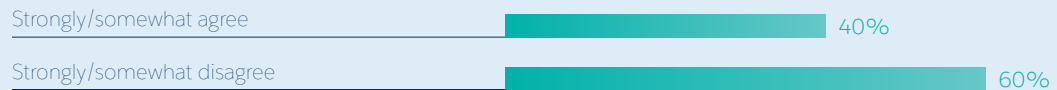
I typically know more about a store than a store associate.



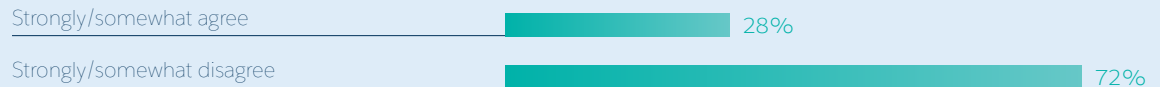
I typically know more about a product than a store associate.



I typically know more about a brand than the store associate.



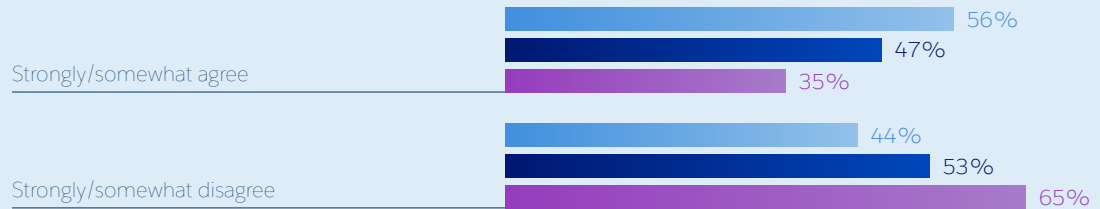
I think robots could replace store associates.



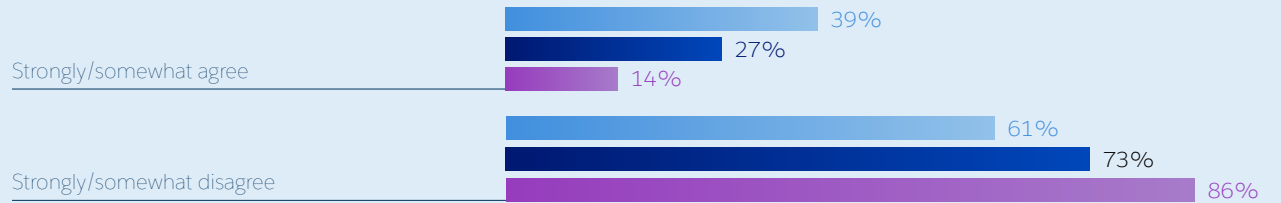
III. Better Employees Mean a Better Shopper Experience

To combat this problem, retailers must enable their associates with technology that helps them quickly check store inventory or pricing and increase their product knowledge to meet shoppers' growing expectations. Millennials, in particular, are open to sharing data regarding their preferences and would like a retailer to leverage location-based services to get better service.

I would be willing to share data regarding my preferences with a store or brand to receive faster and more convenient service once I am in the store.



I would like a store/brand to know who I am when I walk into a store because of location-based technologies (e.g., iBeacons, RFID, geofencing).



■ Millennials (18-34)

■ Generation X (35-54)

■ Baby Boomers (55+)

IV. 'Tis the Season of Shopping

The holiday season is far from jolly for more than three-quarters of shoppers, as 77% of consumers avoid shopping at physical stores during the holidays. Crowds (58%), traffic (33%) and the convenience of online shopping (29%) are the leading factors.



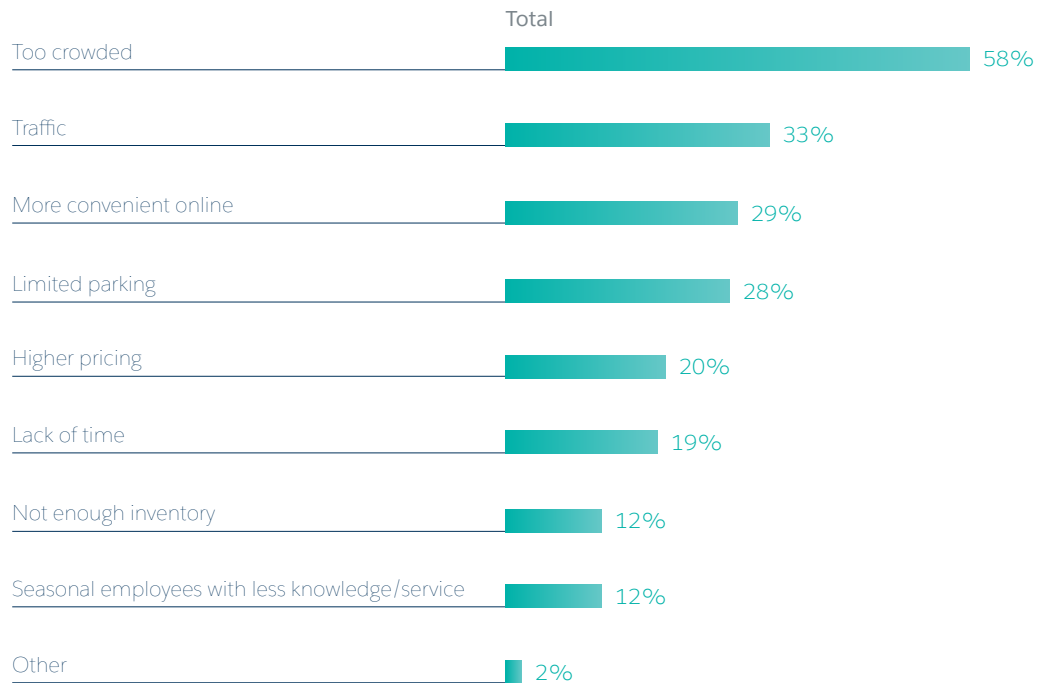
“Crowds (58%), traffic (33%) and the convenience of online shopping (29%) are the leading factors consumers avoid shopping at physical stores during the holidays.”



Do you avoid physical stores during holidays?



Which of the following, if any, are reasons why you avoid shopping at physical stores during the holidays (i.e., the time between Thanksgiving and New Year's)?

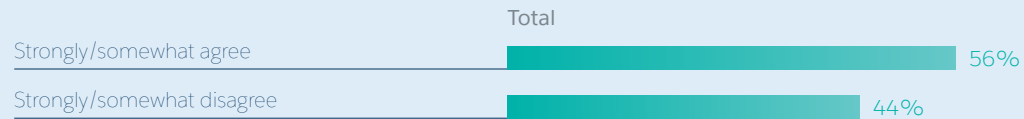


All

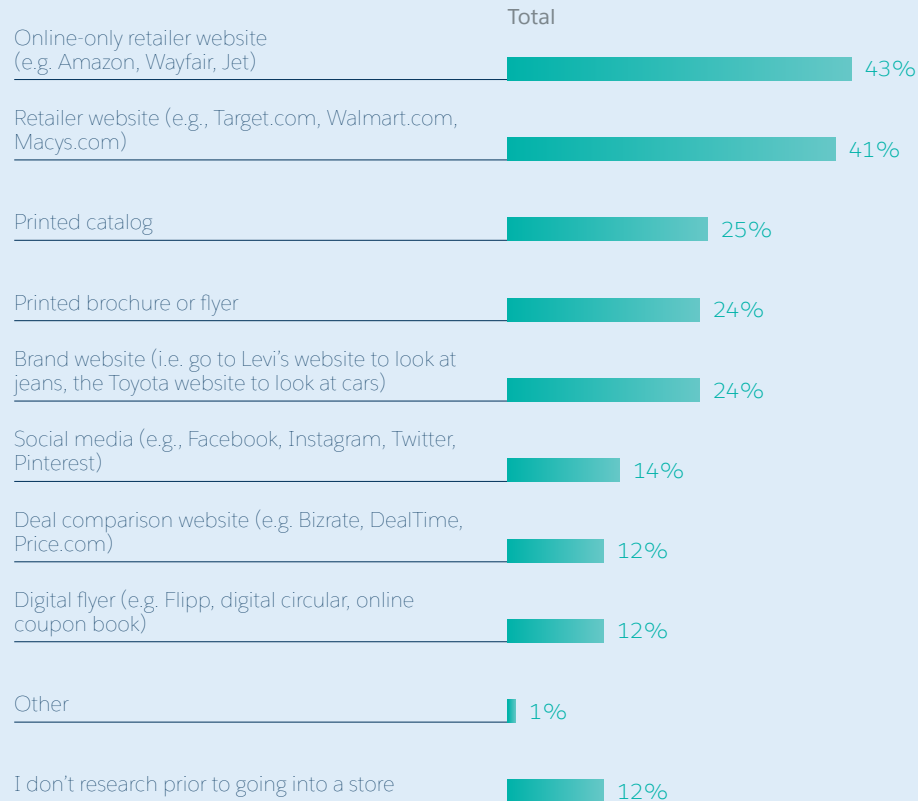
IV. 'Tis the Season of Shopping

And, making matters worse, more than half agree that they feel overwhelmed with the various marketing communications sent by retailers via text, email and other channels throughout the holiday season. Nearly three quarters of adults will research products before holiday shopping in-store (73%), and will do so primarily from retailer websites (41%), printed catalogs (25%), printed brochures/flyers (24%) and individual brand websites (24%).

I feel overwhelmed with retail marketing communications (e.g., emails, texts, catalogs) during the holiday season.



This holiday season where do you plan to research gift ideas/shopping plans prior to going into a store to purchase the products?



■ All

V. Methodology

This survey was conducted online by Harris Poll on behalf of Salesforce October 21-25, 2016, among 2,019 adults ages 18 and older in the United States, among 1,077 adults ages 18 and older in Canada, and among 1,010 adults ages 18 and older in the United Kingdom. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. The analysis was completed by Salesforce. For complete survey methodology, including weighting variables, please contact Annie Meenan at ameenan@salesforce.com.



VI. Appendices

Individual data breakouts across three global markets (Canada, U.K. and U.S.) based on responses from more than 4,000 adults.



