



**ZEBRA
2015
GLOBAL
SHOPPER
STUDY**

**In the Era of Digital Technology,
the Personal Touch Still Makes a Difference**

KEY FINDINGS 2015



SELF-HELP

Respondents agree that when retailers provide **self-help technology** it improves the shopping experience.



CUSTOMER SERVICE

More than six in 10 respondents indicated a willingness to purchase more merchandise with improved customer service.



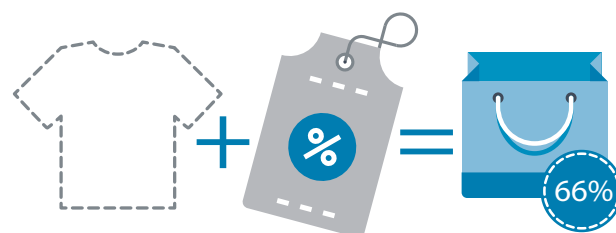
SHOWROOMING

Fifty-two percent of respondents “showroomed” or looked at items in store but purchased them online.



LOCATIONING

Shoppers are **very interested** in Wi-Fi and **location-based in-store services**.



OUT-OF-STOCK

Retailers can recover **66 percent of out-of-stock** (OOS) incidents by offering shoppers a discount.



TRUST

Only **38 percent** of respondents trust retailers to protect their personal data.

EXECUTIVE SUMMARY

The retail industry is in the midst of a digital revolution that’s redefining the shopping experience. Online, mobile and in-store technology solutions are easing and enhancing how we shop — and altering consumers’ buying behavior in unprecedented ways. Consumers are exposed to infinite shopping choices on the web, hence, the days of standardized marketing and merchandising are over.

So as retailers engage with shoppers via a myriad of touch points, from the store to their laptops, tablets and smartphones, consumers are increasingly willing to share personal information with merchants in exchange for targeted product offers and deals — but they want a say in how that data is used to add value to their shopping journey.

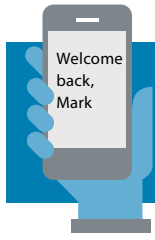
Consumers also look to store loyalty programs, particularly at supermarkets and drugstore chains, for customized digital perks, such as mobile coupons and sales.

Meanwhile, social networks like Facebook and Pinterest have given new meaning to the concept of the “sharing economy.” The sharing of everything from favorite recipes to vacation photos in cyberspace has extended to the shopping habits of consumers, who increasingly enlist the advice of family and friends when making purchasing decisions.

Today’s consumer seeks out stores updated to reflect the new shopping paradigm, equipped with digital tools like mobile checkout, to flexible delivery options that reflect their omnichannel purchasing patterns, such as buy online, pick up in-store.

Despite reports over the past few years that e-commerce will cannibalize business at physical stores, consumer satisfaction with brick-and-mortar retail and personalized service is actually on the rise.

76% OF SHOPPERS FEEL POSITIVE ABOUT SHOPPING IN STORES



The Power of Personalization: Consumers Increasingly Seek Customized Offers

It seems everyone today boasts a public profile on social networks from Facebook and Twitter to LinkedIn. And in the e-commerce space, consumers have become armchair critics, commenting on retailers, products and services via customer reviews. In turn, notions of privacy have been upended in the era of social sharing.

So it's not surprising that most shoppers (74%), are willing to share some level of personal information with retailers, such as their age, likes, dislikes and purchasing history. As a bargain never goes out of style, those shoppers reluctant to share are swayed most by discount offers to provide their personal information. But they expect personalized product and sales offers in return.

Retailers now make product recommendations based on shoppers' purchasing patterns. That's helped condition consumers to expect offers targeted directly at them.

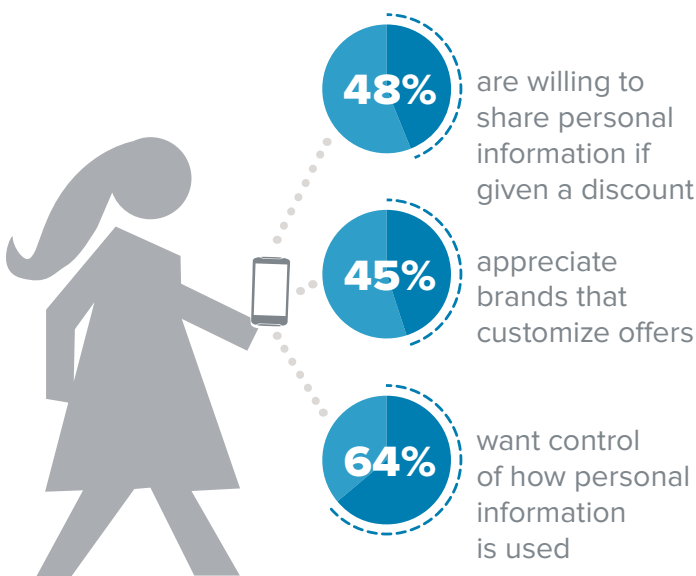
One-size-fits-all retail promotions and blanket sale offers, like a diaper coupon emailed to a woman without children, seem woefully archaic today.

But while consumers increasingly expect retailers to be clued in to their needs with customized offers, they want to determine themselves how they get those offers. Once they've set the agenda, they're open to a variety of marketing tactics.

Shoppers prefer receiving personalized offers, for example, before leaving home via email rather than in the store so they can plan ahead. That's because consumers often research products online, or "webroom," before heading to the store to make a purchase. By contrast, once consumers are near a store or shopping its aisles, a relevant text offer is preferred, shoppers surveyed said.

KEY FINDING

Shoppers expect retailers to give them the ability to control their personalized experience and when given control they are open to a variety of marketing tactics.





Shoppers Value Advice and Privacy

Consumers are turning to their peers for shopping guidance like never before. Sites like Facebook, Pinterest and Instagram have created online communities that weigh in on retail products and services, giving rise to the “social shopping” phenomenon.

A thumbs up on a product from a virtual “friend” can hold more weight than a brand’s marketing message. Consumers surveyed said advice from family and friends and online peer reviews and ratings had the greatest influence on their buying behavior.

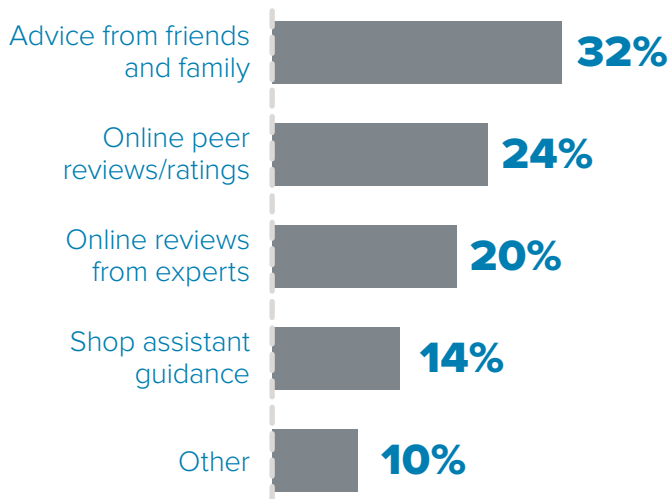
However, the massive security breaches at big national chains in recent years, whereby hackers stole personal data and credit card information from billions of customers, have heightened shopper worry over their cyber security.

The fallout? Retailers rank low on the trust scale among consumers: Only 38% of shoppers trust retailers to protect their personal data, while 61.7% and 49.3% said they trust hospitals and financial institutions, respectively. As a result, the privacy and data protection of shoppers are top priorities for retail chief information officers.

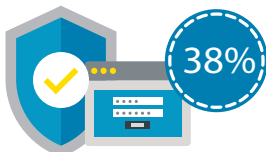
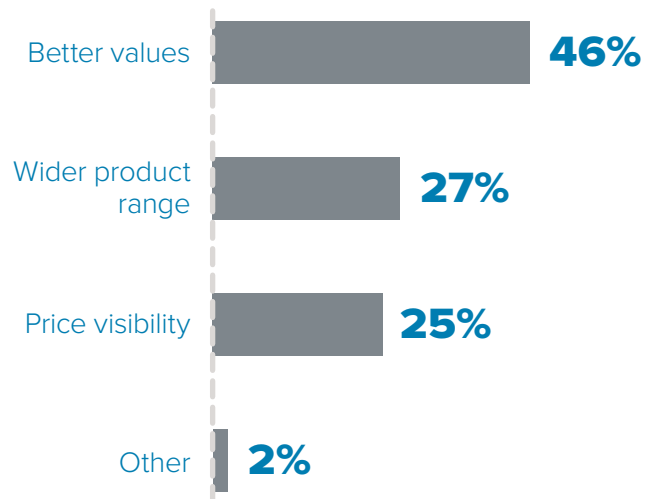
KEY FINDING

Shoppers rely on advice from friends and family for purchase decisions, and they expect better values when shopping.

WHAT HAS THE GREATEST INFLUENCE ON YOUR BUYING BEHAVIOR?



WHICH OF THE FOLLOWING EXPECTATIONS HAVE CHANGED THE MOST? I NOW EXPECT...



Only **38 percent** of respondents trust retailers to protect their personal data.

Location-Based Micro-Marketing Wins Over Shoppers

With shoppers increasingly tethered to their smartphones, location based marketing offers are gaining appeal.

Case in point: More than half of the consumers surveyed expressed interest in receiving highly relevant, real-time mobile coupons when shopping. And, national chains are investing in mobile beacon technology to do just that, and to use location-based micro marketing to increase sales.

Beacons are sensors embedded throughout a retail store's shelves, signs and product displays that interact with mobile devices via a Bluetooth signal. Consumers who opt in via

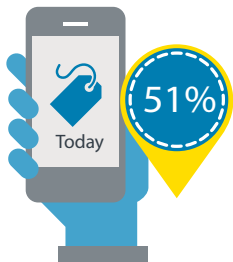
a retailer's mobile application are sent Beacon-triggered messages based on their precise location in a store, such as a discount on a frying pan while browsing the cookware aisle.

Beacons are predicted to significantly influence retail sales this year amid an industry shift from marketing to many, to marketing to one.

Marketing to this connected shopper makes good business sense: Smartphone users spend more in brick-and-mortar stores than those not carrying a mobile device, research shows.

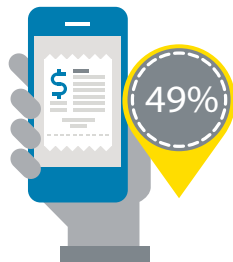
KEY FINDING

Shoppers show likelihood to use location technologies and Wi-Fi technologies on their own smartphones when shopping.



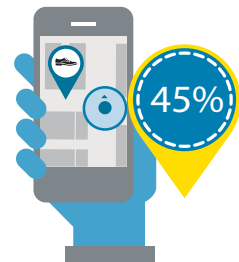
LOCATION-BASED COUPONS

Store sends coupons/notifications based on where you are in the store



EMAIL RECEIPT

Store sends email receipt of purchase



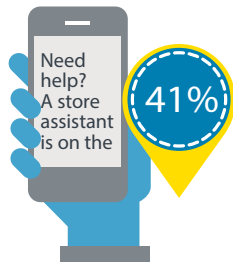
SHOPPING MAP

App creates map from shopping list to guide you on most efficient route



WI-FI HOTSPOT

Wi-Fi access in-store so you can search and post on web while shopping



LOCATION-BASED ASSISTANCE

Store associates can automatically find you to provide assistance



TEXTING SALES STAFF

Text with sales associates in-store to get product information and availability





New Dimensions in Store Loyalty

Mobile commerce has added a new dimension to store loyalty programs: 69.8% of consumers surveyed said they'd like to receive exclusive mobile coupons and sales perks from these memberships.

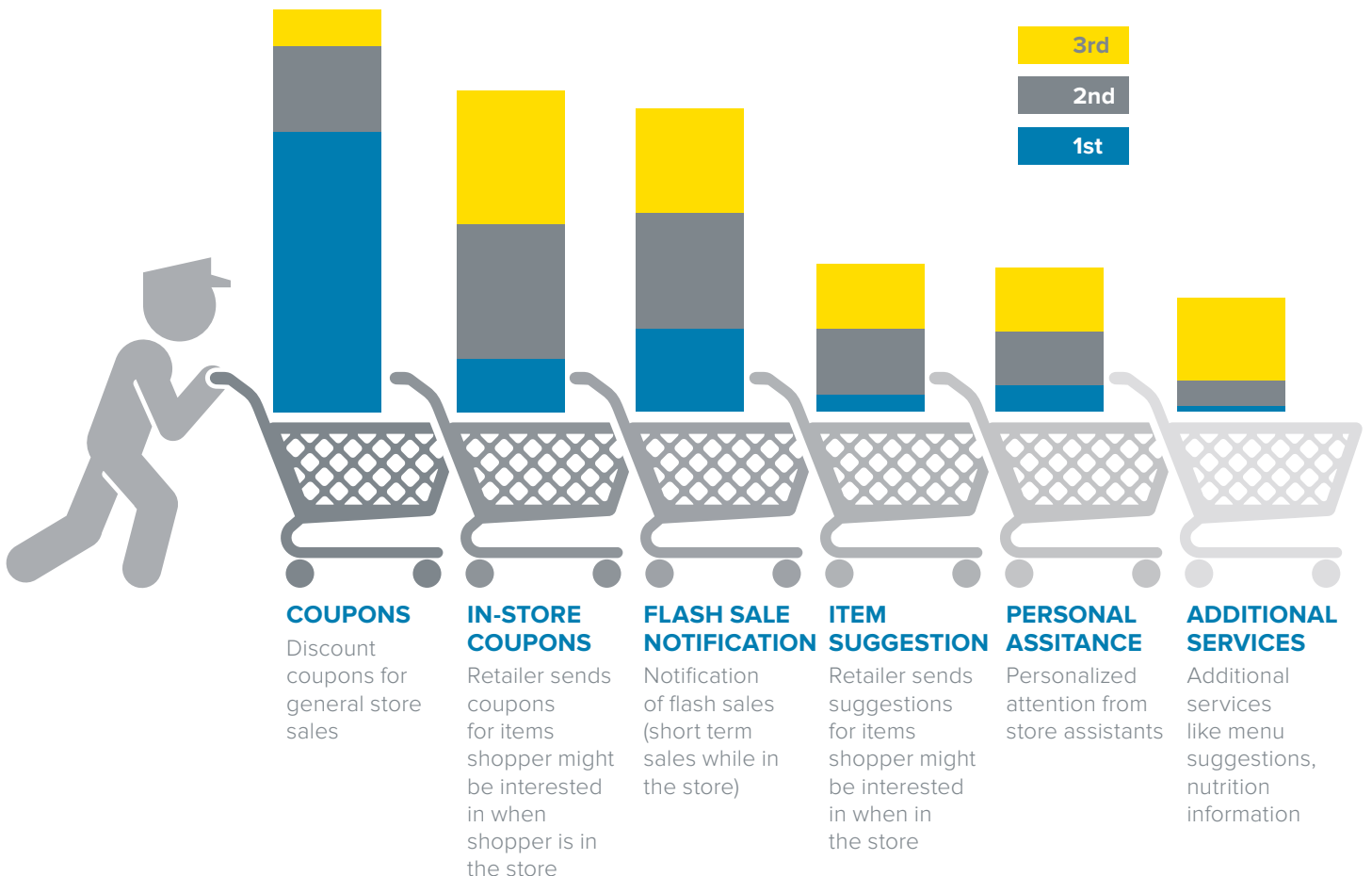
Supermarkets and drug chains should take note, as more shoppers are enrolled in loyalty programs at these outlets — where purchasing frequency is high — than other retail channels such as department stores, for example.

ENROLLMENT IN LOYALTY PROGRAMS

	TRADITIONAL	MOBILE
 GROCERY/SUPERMARKET	57%	11%
 DRUG STORE/PHARMACY	42%	9%

KEY FINDING

Shoppers want to receive coupons and sale notices from their mobile loyalty programs.





Shoppers Appreciate Technology-Enhanced Stores

There's no doubt, e-commerce has reduced shopper traffic in retail stores. And as consumers increasingly research products online before heading to the store to buy, these more purposeful shopping trips mean fewer impulse purchases.

The good news is that consumers surveyed still highly value the immersive, sensory experience of traditional stores, citing the ability to browse and touch merchandise as the main reason they would opt for a brick-and-mortar environment over e-commerce when given the choice.

But a retail landscape upended by non-stop digital innovation is changing what consumers look for in a store. Shoppers are gravitating to brick-and-mortar retailers that use technology designed to make the shopping experience more efficient,

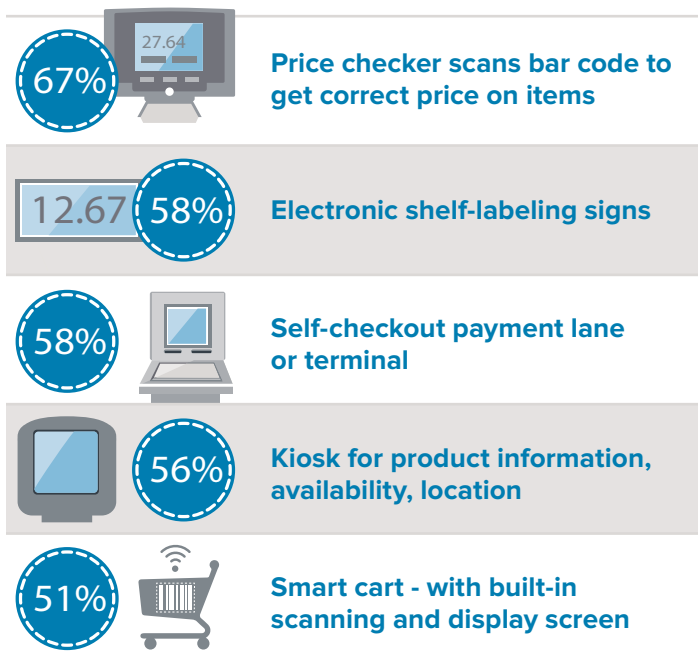
from flexible delivery and payment options to digital tools that help consumers help themselves.

Indeed, in-store "self-help technologies" improve the shopping journey, consumers said. These include price checkers that let shoppers scan barcodes to pull up the precise cost of an item; electronic shelf labels that display the price of an item and automatically update any changes; shelf-checkout payment lanes and terminals; kiosks that offer product information and availability; as well as "smart" shopping carts that help consumers locate merchandise in the store and scan product bar codes for faster checkout.

Consumers also value apps that create maps from shopping lists to help them navigate stores and find what they need quickly and easily.

KEY FINDING

Shoppers agree that being equipped with self-help technology improves the shopping experience, especially shoppers equipped with price checkers and locations that offer shelf labeling, self-checkout terminals and kiosks.





Consumers Seek Trained, Digitally-Equipped Sales Associates

Consumers are looking for a shopping environment in which digital technology adds value to how they interact with the sales staff on the floor.

The importance of trained, accommodating store associates can't be underestimated: Helpful sales associates ranked second to product availability in influencing how much a shopper spends, the survey found.

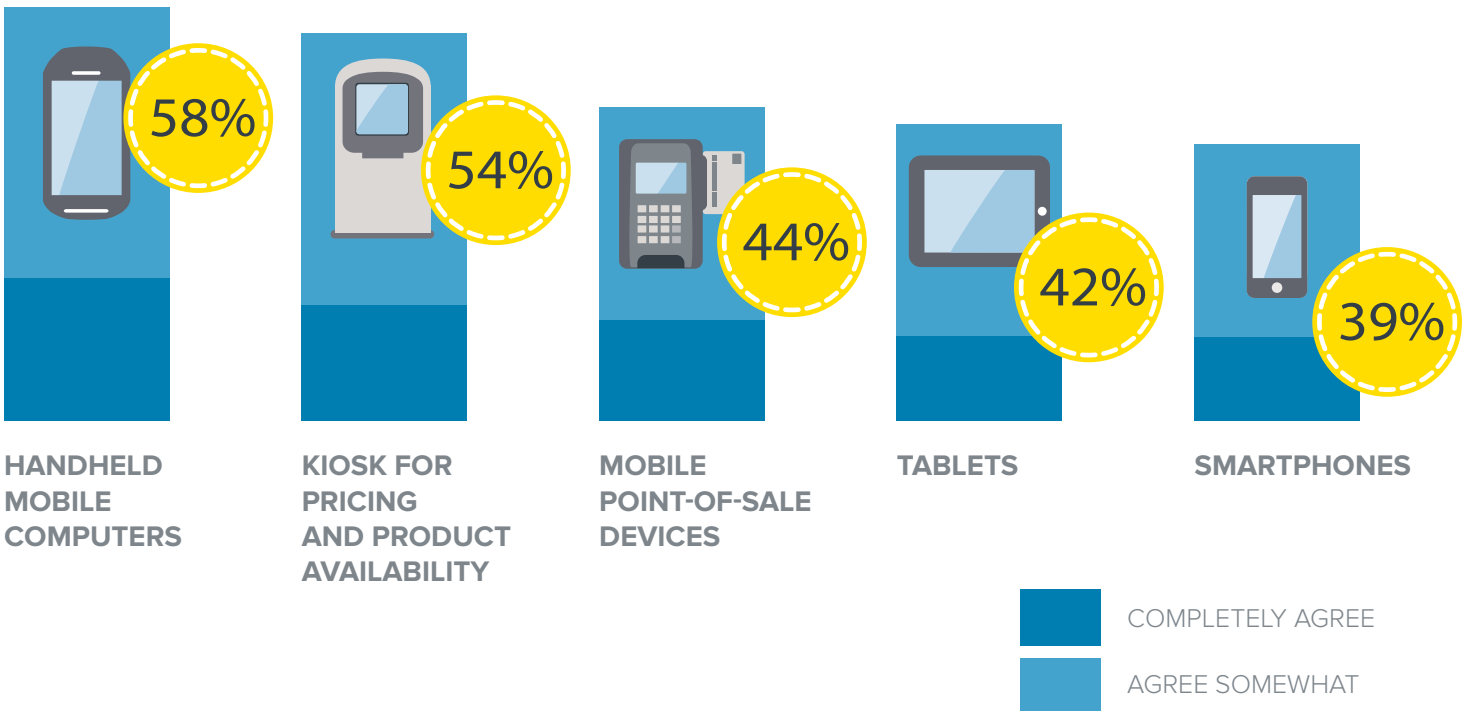
And store associates equipped with technology further improves the shopping experience, consumers said.

Especially sales staff armed with handheld mobile computers that offer insight on product availability and pricing, and store associates carrying mobile point-of-sale devices that can check out shoppers right in the aisle, saving them the wait in line.

One survey respondent succinctly summarized shoppers overall needs, "I know technologies can and will improve shopping for both the shopper and the retailer."

KEY FINDING

Shoppers agree they have a better experience in stores where the sales associates use the latest technology to assist customers.





Customer Service Remains Highly Valued

While there's a growing appetite for self-help technology, consumers still place a premium on high quality customer service. Heightening service, which has become a more critical differentiator when consumers can easily shop from their homes, can yield higher sales for retailers: Consumers will spend more in a high-service shopping environment, the survey revealed.

The definition of meaningful customer service is evolving along with changing shopper habits. For one, a seamless purchasing journey between online, mobile and in-store channels has become more important to consumers. To that end, retailers are expanding their buy online, pick up in-store service to more stores based on customer demand for this convenience. They're also trying new twists on the concept, such as reserve online and try on in-store.

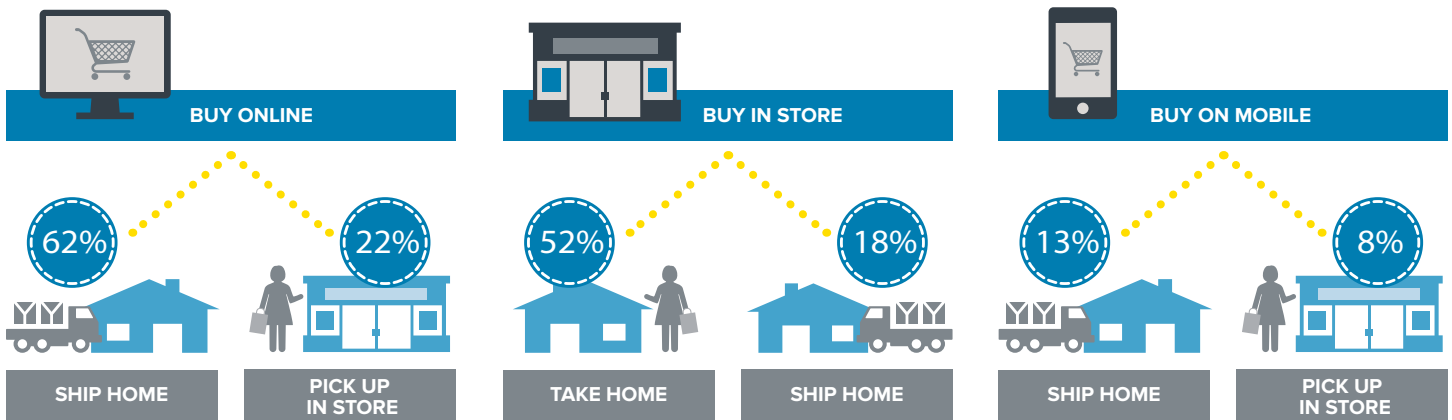
In addition to offering an extra convenience to shoppers, buy online, pick up in-store is a strategic play for add-on sales. Once shoppers are in a store, they often make impulse purchases.

It might sound like retailing 101, but being in stock is crucial to customer satisfaction. And there's a high correlation between in-store product availability and how much a consumer rings up at the register: Shoppers surveyed ranked product availability as the biggest influence on the amount they spend in a store.

Retailers can recoup sales lost to out-of-stock inventory by offering shoppers something in exchange for that inconvenience, like a discount on the item as an incentive to return to the store when it's available, or an offer to later ship it to the shopper's home for free.

KEY FINDING

Shoppers still prefer traditional purchase options both in-store and online, but there is definite interest for in-store pickups.

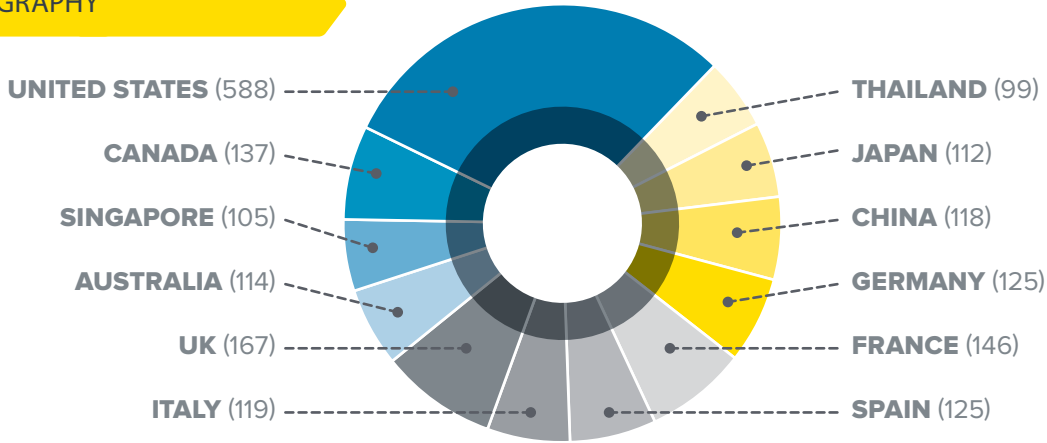


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About the Study and the Shopper Respondents

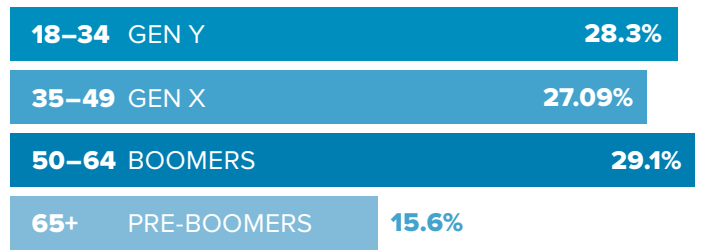
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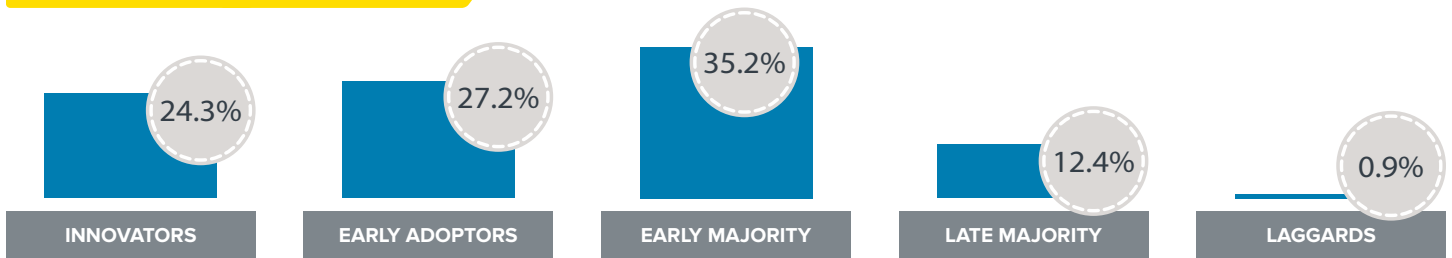
BY GENDER



BY GENERATION



BY TECHNOLOGY ADOPTION



- Fielded by on-line research partner, Research Now for Zebra Technologies
- Survey was blind
- Surveys were designed to reveal experiences and attitudes towards the use of in-store technologies to enhance customer satisfaction

Technology is Transforming the Lives of Everyday People, Including How They Shop

Retailers are catering to today's connected consumer with digital innovations designed to both simplify and enhance the new normal of omnichannel shopping via the web, mobile devices and brick-and-mortar stores.

And as the rise of e-commerce has created a mega-shopping platform where any conceivable product and service can be bought online, one-size-fits-all retail marketing and merchandising is now passé.

In turn, retailers are moving from marketing to many to marketing to one, as consumers expect personalized merchandise and discount offers, such as a sweater coupon sent to a frequent clothing shopper.

Even in the era of e-commerce, brick-and-mortar stores remain critical, generating over 90% of retail sales today. Consumers are gravitating to stores using the latest technology and offering conveniences ranging from buy online, pick up in-store options to mobile checkout.

ABOUT ZEBRA TECHNOLOGIES

Zebra Technologies offers retailers industry knowledge, consumer insight and mobile technology solutions to help merchants build experiences that connect with shoppers and keep them coming back to the store.

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