

INDUSTRY RESEARCH

RETAIL

2015 CONNECTED SHOPPERS REPORT

Insight into the Expectations
of Today's Digital Shopper



About This Report

To explore the current attitudes and habits of today's American consumers – and their use of technology as part of the shopping process – Salesforce Research commissioned its 2015 Connected Shoppers report. Based on responses from more than 2,000 people, the research found that the channels by which consumers of all generations engage with retailers remain disconnected, driving the likelihood of further dissatisfaction during the 2015 holiday season. Additionally, consumers are in control as never before, armed with real-time product information from the web, their smartphones and social media. In particular, millennials – who represent a trillion-dollars in spending¹ – are looking for a more personalized shopping experience through the use of location-based advertising, offers and other data-driven marketing approaches. It's clear that retailers who embrace technology and put customers at the center of their experiences will be far more likely to succeed during the holidays and beyond.

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Salesforce Research, part of salesforce.com, inc., provides data-driven insights to transform how businesses connect with their customers.

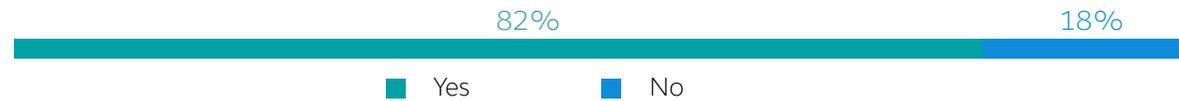
¹Accenture, "Retail research: Insights into millennial shopping behavior patterns," July 2015

01 | Retail Channels Remain Fractured

More than 80% of consumers research products online before going into a store. And while studies continue to prove the importance of an omnichannel shopper experience, very few in-store shoppers surveyed in this report have downloaded retailer mobile apps (33%) or see a connection between retailers' online, mobile and in-store channels.

Consumers want store associates to know what they have previously purchased in the store or online if they have an online account/ purchased something before (31%), but only 10% of consumers have been offered a recommendation or deal based on their purchase history. In fact, half of consumers who shop in-stores would be more likely to shop at a certain retailer based on the technology store associates use to assist them, but many retailers are still falling short in equipping them with this ability.

Do you research products online before going into a store?*



Where, if at all, do you research products online prior to going into a store to purchase the products?

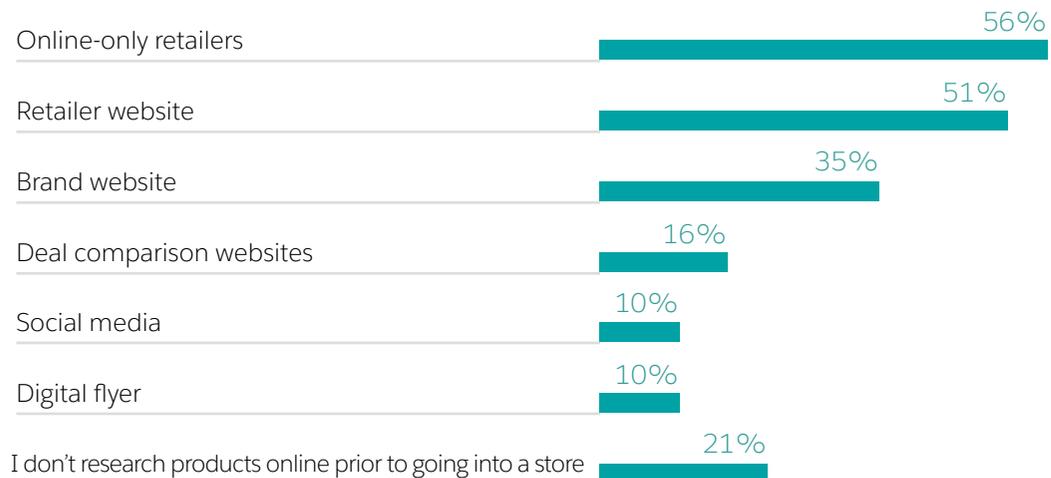


* Based on those who shop in-stores

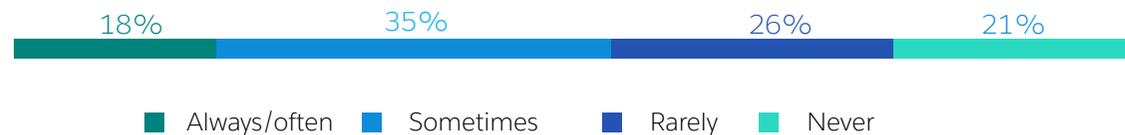
01 | Retail Channels Remain Fractured

More than half of consumers who research products/compare prices online before going into a store (53%) sometimes, often or always bring price comparison information with them when shopping, showing how critical a seamless, omni-channel approach is for retailers.

Where, if at all, do you compare prices of products online prior to going into a store to purchase the products?

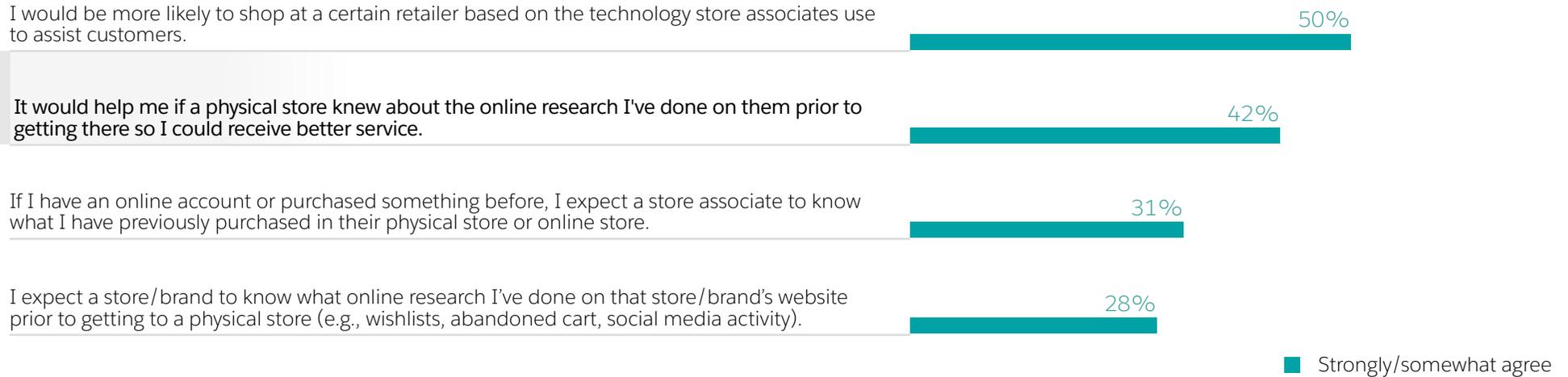


If you do price or product comparison, how often, if ever, do you bring “price comparison information” with you into a store with you when shopping for that item?

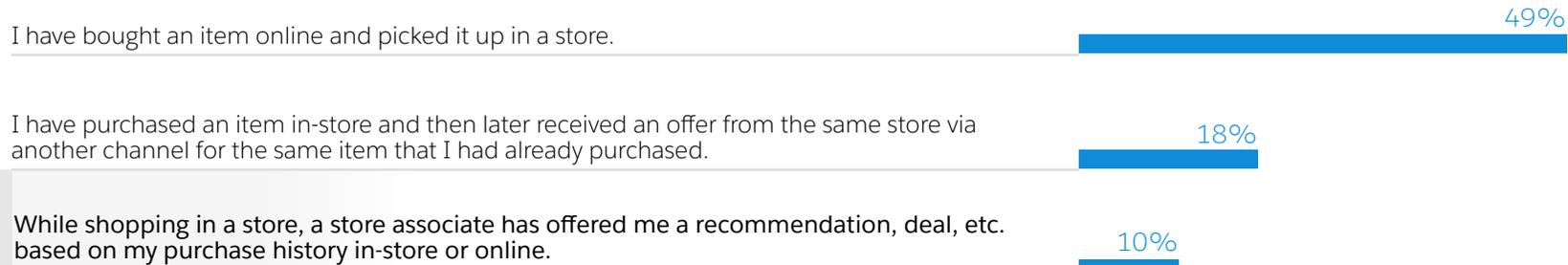


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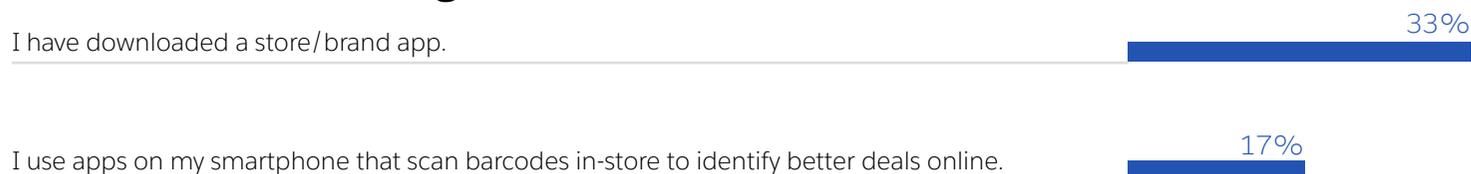
How much do you agree or disagree with the following statements?*



Which of the following, if any, are true?*



Which of the following are true?*

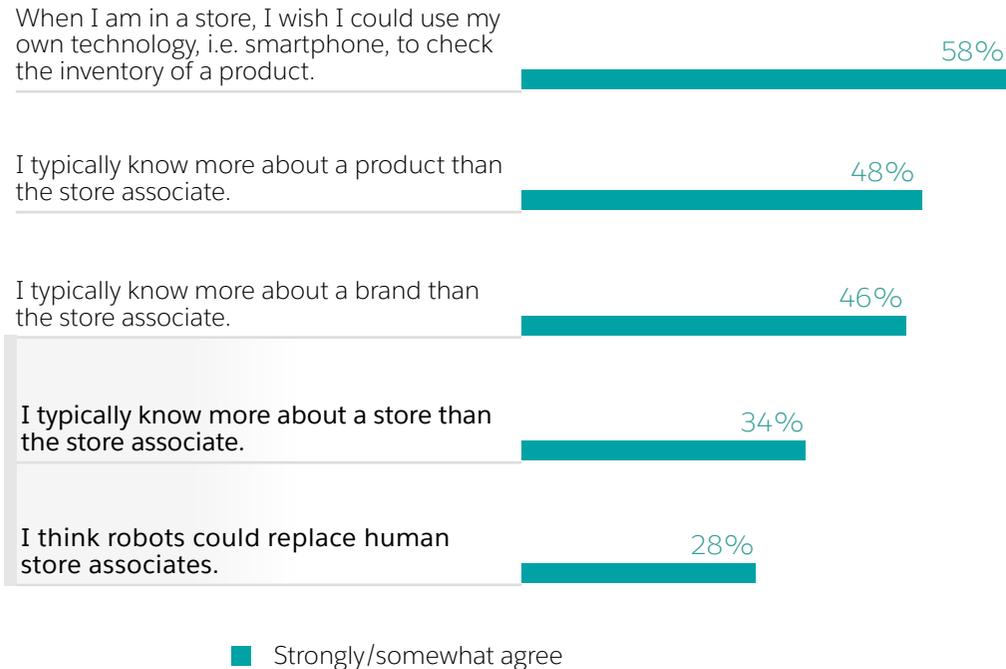


* Based on those who shop in-stores

02 | Consumers are in Control

Nearly half of shoppers who shop in-stores (48%) believe that they typically know more about a retailer's product than the store associate. And while some shoppers continue to ask store associates for their opinions on products (47%), many have doubts around whether or not associates are even telling the truth (67%). In fact, this disconnect between associate and consumer has become so bad that more than one-fourth of consumers (28%) agree that robots could replace store associates. Stores who empower associates to fix customer issues through their own budgets or decision-making freedom stand to benefit the most in this new age of consumer control.

How much do you agree or disagree with the following statements?*



* Based on those who shop in-stores

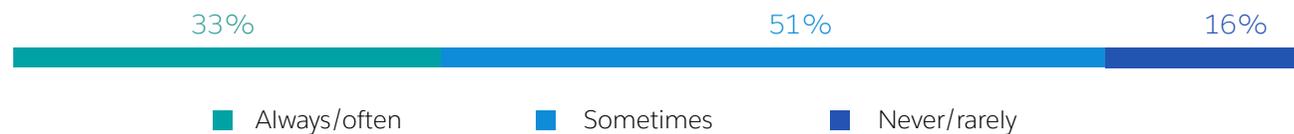
02 | Consumers are in Control

Retailers who empower store associates to fix customer issues through their own budgets or decision-making freedom stand to benefit the most in this new age of consumer control.

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



If you have asked a store associate for his or her opinion before purchasing a product, how often do you think the store associate is telling the truth when they give you an opinion of a product?



The last time you discussed an issue with a store associate, did the store associate have the power to fix the issue themselves?



03 | The Generational Divide

Generational differences emerge when it comes to shoppers' willingness to disclose personal information to attain better customer service. While Millennials (ages 18-34) assume retailers do not have access to their preferences or past shopping history when they walk in the door, they are more than willing to disclose their personal data regarding their preferences to stores to get better service (61%) vs. other age groups. Millennials (45%) are also more likely than their Gen X (33%) and Baby Boomers (13%) counterparts to get an opinion of a product from friends or family members before the point of purchase (45%). Clearly, technology – whether apps, social media engagement or personalized offers based on individual data – is the key for retailers in engaging the Millennial segment of the consumer population.

Which of the following, if any, are true for you?



■ Millennials ■ Generation Xers ■ Baby Boomers

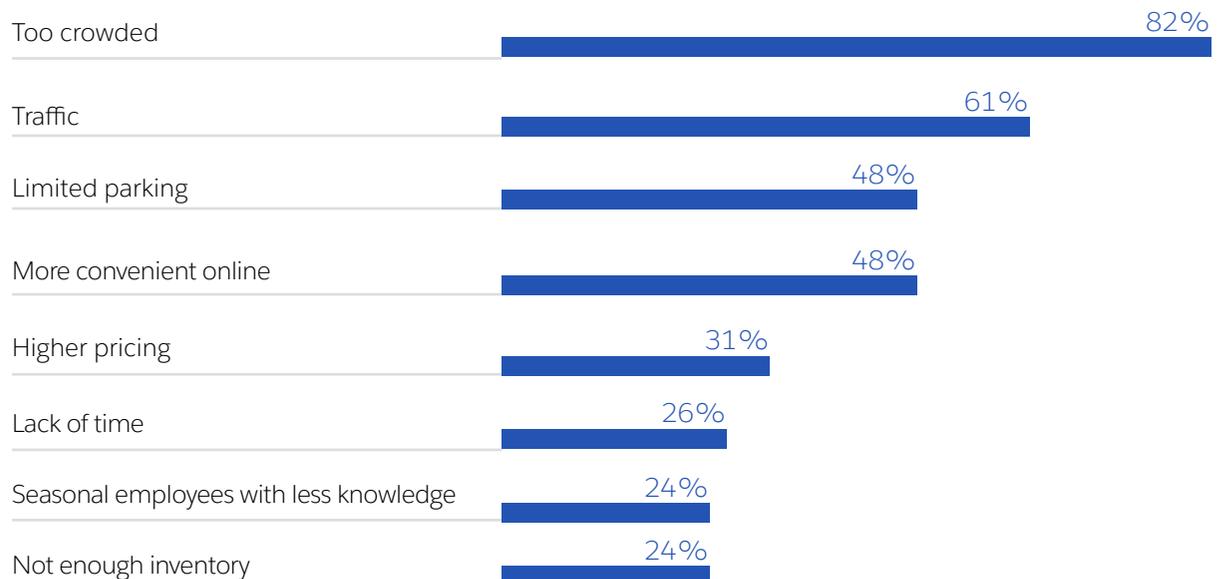
04 | Holiday Shopping Patterns

The vast majority of shoppers who avoid going to physical stores during the holiday season do so because of the crowds (82%), traffic (61%) limited parking (48%) and convenience of online shopping (48%). Interestingly, nearly a quarter of those who avoid physical stores reference a lack of knowledge/service from seasonal employees (24%). Despite advances in customer service technology, more than 60% of consumers still prefer to seek customer service in-store if they have an issue with a product/gift purchase. Consumers were split on the difficulty regarding post-holiday returns, and among those who like to shop right after the holidays more than leading up to the holidays, more than 80% say it is due to better deals.

Do you avoid shopping at physical stores during the holidays?



Which of the following, if any, are reasons why you avoid shopping at physical stores during the holidays?



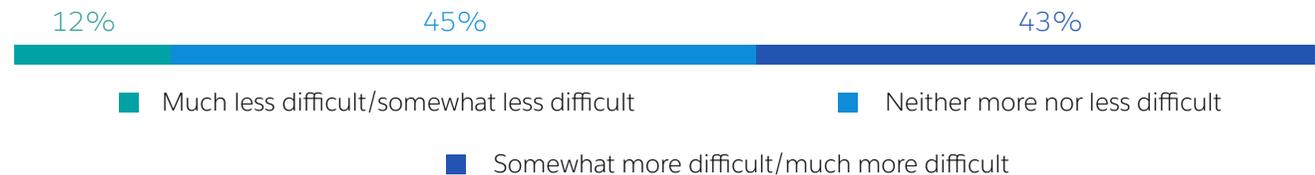
04 | Holiday Shopping Patterns

Consumers were split on the difficulty regarding post-holiday returns, and more than 80% preferred to shop after the holidays due to better deals.

How difficult, if at all, do you find the post-holiday gift return process in stores?



How much more or less difficult, if at all, do you find the post-holiday gift return process at stores compared to returns during other times of the year?

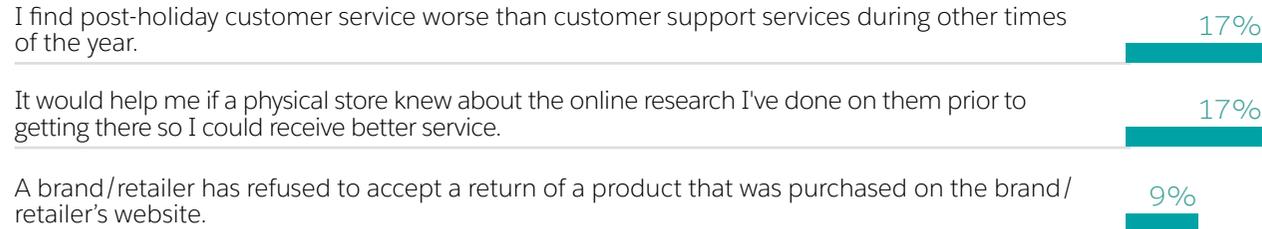


Would you prefer to use a gift card for a retailer or brand in its physical store or on its online store?

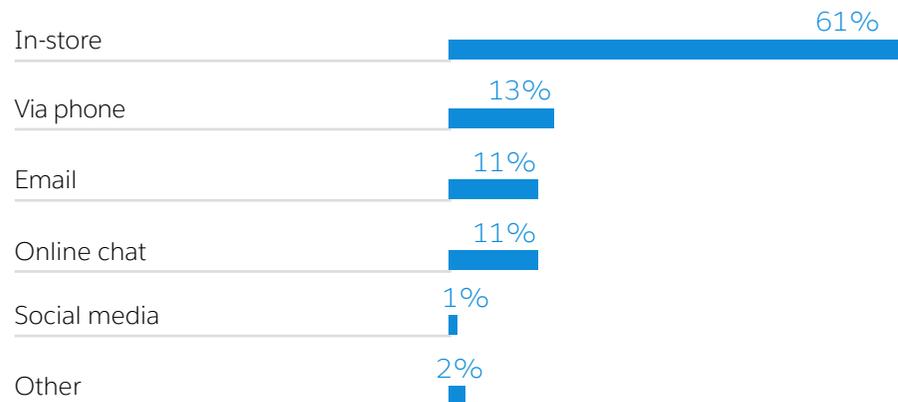


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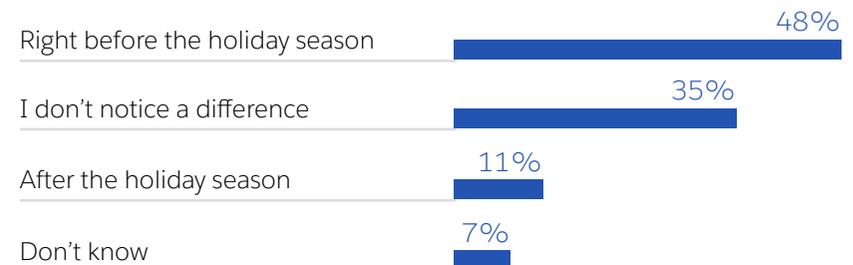
Which of the following, if any, are true for you?



If you had an issue with a product/gift purchase, how would you prefer to seek customer service?



In general, do you receive more promotional offers before or after the holiday season?



05 | Methodology

This survey was conducted online within the United States from Oct. 28-30, 2015, among 2,046 adults aged 18 and over, by Harris Poll on behalf of Salesforce via its Quick Query omnibus product. Figures for age, sex, race/ethnicity, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was used to adjust for respondents' propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, the words "margin of error" are avoided as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in our surveys. The data have been weighted to reflect the composition of the adult population. Because the sample is based on those who agreed to participate in the online panel, no estimates of theoretical sampling error can be calculated.

