



2020 Shopper Study

VOLUME 1

Shoppers expect digital experiences online and in store



1-minute view

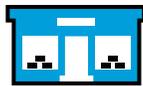
About the study

Zebra's 12th annual shopper study surveyed over 6,300 respondents (shoppers, store associates and retail executives) globally to gauge the attitudes, opinions and expectations reshaping brick and mortar and online retail. The results, summarized in a two-part series, are essential reading for industry leaders seeking actionable insights to serve today's tech-savvy shoppers.



- 1 Shoppers**
focuses on the contemporary shopper experience
- 2 Retailers**
analyzes retailers' technology plans for solving chronic shopping issues

Global shopper satisfaction is on the rise, but retailers still have room to improve



82% In store



78% Online

 81% 6pp product variety	 78% 7pp product variety
 59% 4pp returns/exchanges	 55% 2pp returns/exchanges by mail
 66% 4pp level of sales associates assistance	 62% 6pp delivery cost
 56% 4pp availability of coupons and discounts	 58% 5pp availability of digital coupons and discounts
 57% NA personalized service	 55% NA personalized service



Looking to the future, retailers need to think more like shoppers

 pp denotes the year over year (YoY) percentage point increase



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Meeting the expectations of today's tech-savvy, on-demand shopper

Retail's digital disruption continues to ripple through the industry, influencing shopper's opinions and expectations across categories. Though satisfaction is up overall, data shows a disconnect between how retailers and shoppers perceive the shopping experience. Customers have little sympathy for the behind-the-scenes headaches of operating both online and in store retail, while retailers are realizing the importance of breaking down silos between the two seemingly separate worlds.

Shaped by e-commerce

Consumers bring their expectations built online into stores with them. Armed with smartphones, shoppers expect associates to have as much, if not more, knowledge and technology available to them. However, associates aren't always equipped with the latest technology to ease and enrich the in store experience.

- Just over half (52%) of shoppers reported having better access to information than store associates.
- Many retailers are getting it right, but much work remains. Shoppers expect to find what they want and have it in-hand instantly. Overall, shopper satisfaction for the in store (82%) and online (78%) experience is positive.

Blending technology and talent

While shoppers increasingly expect and rely on in store technology, they still want human interaction. Retail technology should provide a friction-free shopping experience, with tools that improve self-service for customers and empower associates to deliver a better experience.

In store shoppers:



59%

have better experiences when associates use the latest technology



57%

prefer sales associates find the latest information for them



52%

prefer self-checkout





Shopper viewpoint

Expectations for the digital age

Shopper's attitudes vary by generation

Shoppers' demands seem deceptively simple—they want to find the items they want, pay the lowest price, and get items quickly and easily. However, they don't distinguish between a retailer's physical location and online presence, and demand instantaneous access to information, no matter where they shop.

To make things more complicated, retailers serve a wide range of generations, each bringing their own needs and behaviors into the store.

Millennials



- Adopt new technology quickly
- Expect stores to deliver level of sophistication at least equal to their smartphones

Gen X and Boomers



- Rely more on face-to face customer service
- Expect well-informed assistance tailored to them

Seventy-five percent of Millennials and 53% of Gen X report leaving a store without a purchase and buying online due to out-of-stocks, while only 26% of Boomers do so.

Retail's future belongs to digital natives who expect tech-enhanced experiences

Shoppers' likelihood of using in store tech services



62%
Electronic shelf labels
electronic signs displaying current prices; update automatically



61%
Smart carts
shoppers use video touch-screen to locate items, check prices, receive promos and scan barcodes



58%
Location-based coupons
coupons sent based on shopper's in store location



55%
Shopping map
app creates a shopping list map, efficiently guiding shoppers through a store



54%
Auto checkout
leave store without stopping to pay for items



Online expectations reshape retail's offline reality

Shopping often starts before customers enter a store. Retailers should assume that shoppers have researched products online before choosing to shop brick and mortar.

The top reason shoppers visit a physical store is to experience a product or browse. To entice shoppers, brands and retailers are creating experiences with more traditional features, such as in store cooking demonstrations and taste tests, as well as more experimental formats like juice bars, coffee shops, community and event spaces and even branded hotels.

Shoppers come into a store expecting that items they saw online are in-stock--getting what's hardest for e-commerce to deliver--instant gratification.

When it comes to purchasing, price is a top priority for shoppers. One-quarter of shoppers surveyed report leaving a store because the price did not match the one found online. Among similar price competitors, brick and mortar retailers can compete by delivering on technology-assisted service and experience that spans clicks and bricks.

Why shoppers shop online or in store

Top 3 reasons



In store



Online

53%

experience product

45%

free shipping

46%

available items

43%

available items

41%

want it now

43%

online-only offers



Price reigns king

56% vs. 44%

Fifty-six percent of shoppers on average choose price over better service (44%) across retail categories

Why shoppers leave a store without purchase

Top 5 reasons

- 1** **Out of stocks**
item wasn't available
- 2** **Selection**
didn't like product choices
- 3** **Competitive merchant**
found a better deal
- 4** **Pricing discrepancy**
in store differed from online price
- 5** **Check-out line**
the queue was too long



Age-old pain points

Shoppers want integrated online and in store experiences

Check-out friction

Shopper satisfaction is not one-size-fits-all, with divisions across categories and generations. Millennials trend towards self- or mobile checkout, and mobile-equipped associates, while Boomers and Gen X prefer face-to-face service, but are comfortable with self-checkout.

“I’ve changed my mind”

E-commerce has created a new retail reality where consumers expect unlimited returns. Returns are estimated to cost retailers \$642.6 billion annually, driven in large measure by e-commerce.¹

Twenty percent of products purchased online are returned, in stark contrast to the 9% return rate of products purchased in store.²

The returns experience continues to remain a source of shopper discontent and represents a perception gap between retailers and shoppers.

- 59% of shoppers worldwide are satisfied with returns, yet retail executives believe 80% are satisfied
- 56% of shoppers are satisfied with returning or exchanging an online item at a brick and mortar store

It is no surprise that 75% of retail executives agree managing returns of online orders is a significant challenge. Forty-six percent have started or are planning to upgrade their returns management technologies in the next five years. Stores are doubling as distribution centers, fulfilling online order to streamline processes and move services closer to end-customers.

1 IHL Group, Retailers and the Ghost Economy \$1.75 Trillion Reasons to be Afraid, 2015
2 Shopify, The Plague of Ecommerce Return Rates and How to Maintain Profitability, February 27, 2019



In store shoppers are more likely to purchase out-of-stocks if other options are offered:



67%

if it's delivered to their home



64%

would accept a discount upon future restock

Out-of-stock frustration fuels other fulfillment options:



29%

buy online, pick-up in store



25%

buy in store, ship to home



Tech elevates the shopper experience

Retailers are working hard to implement the advancements shoppers have come to expect from the online shopping experience.

Powering next-generation experiences

Shoppers are more comfortable interacting with technology in stores and even expect it to enhance their overall experience. For many retailers, increased investment in shopping technology is powering this adjustment to multichannel retailing.

The number of customers showrooming—or experiencing items in store and ultimately purchasing online—is nearly equal to those researching products online and purchasing in store. Interestingly, 58% of customers prefer to shop with online retailers that also have brick and mortar locations.

A majority (65%) of shoppers believe that associates using handheld computers with built-in scanners can improve the shopping experience.

Automating inventory accuracy takes tedious, time-consuming work off the hands of associates, freeing them to deliver better customer service on the shop floor. Nearly half of associates report in store mobile devices help them provide a better shopping experience by enabling them to:

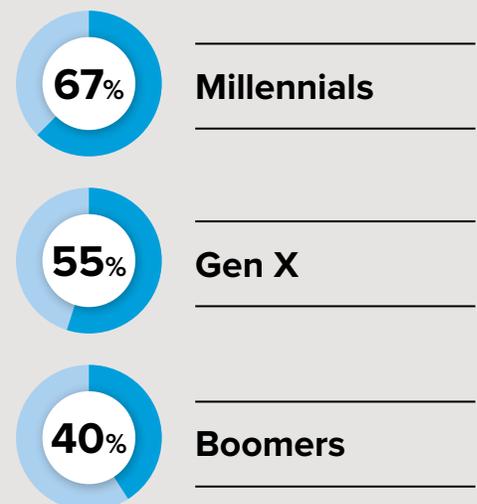


Associates are especially critical in educating shoppers as they adjust to new in-store technology.

Shoppers and associates agree mobile technology improves the in store experience

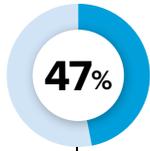
Shoppers	Associates
58%	73%
Handheld mobile computers with scanners	
65%	77%
Rugged tablets	
49%	64%
Wearable computers	
50%	52%

Shoppers across generations prefer online retailers with brick and mortar locations



Regional findings

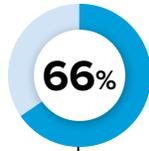
Though shoppers share many preferences regarding the retail experience, distinct regional sentiments emerged.



North America

North American shoppers seem to have higher retail expectations than other regions. Forty-seven percent of shoppers rate their personalized services as satisfactory.

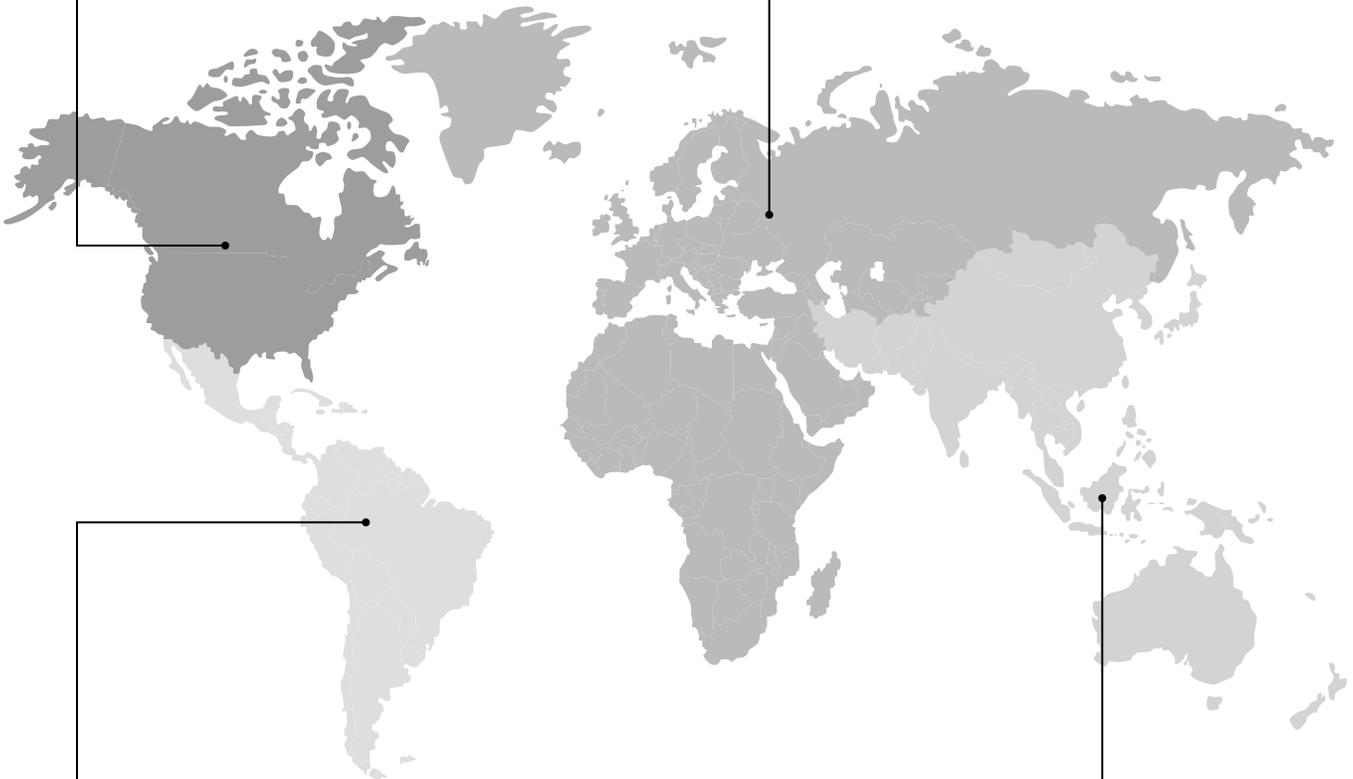
Only 14 percent of shoppers completely trust retailers to protect their personal data.



Europe and Middle East

Two-thirds (66%) of shoppers reported satisfaction with their ability to pay anywhere in the store.

Overall, 60% of shoppers surveyed in the region are satisfied with the returns/exchange process.



Latin America

More than eight-in-ten (83%) shoppers are interested in receiving a coupon or cash-back offer in exchange for waiting up to four days for delivery of an online purchase.

Seventy-one percent of shoppers in Latin America said self-checkout provides them with a better shopping experience, and 64% prefer using the technology to a staffed checkout lane.



Asia-Pacific

Nearly 58% of shoppers prefer to shop with online retailers that also have brick and mortar locations.

Known for being early technology adopters, it isn't surprising that 40% of APAC consumers prefer to make purchases via mobile devices and smartphones.



Delivering digital experiences online and in store

To elevate the shopper experience and keep customers coming back, retailers need to deliver on the most basic needs, while also taking care to build innovation into the core of their business. From there, they can leverage reliable service and transparency around pricing and inventory to build customer loyalty that spans in store and e-commerce.



About Zebra

Zebra offers an ecosystem of solutions—hardware, software, supplies and services—that empower you to elevate the customer experience, optimize inventory and build a smarter retail operation. The roots to retail success remain—technology makes it stronger.

Build a stronger retail experience

Visit zebra.com/retail

Aligning with shoppers' expectations

- Meeting rising shopper expectations requires retailers to embrace technology to optimize the inventory process and bridge online and offline shopping experiences.
- Shoppers' most basic expectation is convenience—to find and purchase the item they want for the best price. Retailers should prioritize expanded fulfillment capabilities, with flexible options like shipping to store or home.
- Customer service expectations differ somewhat across generations, but shoppers across all ages value access to associates who are helpful, knowledgeable about the products they sell, and have access to the latest technologies.
- Shoppers are open to new in store technology, but still want personalized service and human interaction.



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