



Perception Gaps

2019 Shopper Vision Study

Exploring shoppers' and retailers' divergent views of the in-store experience



2019 Shopper Vision Study

DELIVERY FULFILLMENT EXPECTATIONS GAP



34% Retailers offer to deliver an out-of-stock item for home delivery.



62% Shoppers prefer to order out-of-stock items in store for home delivery.

IN-STORE TECHNOLOGY GAP



51%

Shoppers feel they are better connected than in-store associates.

56%

Associates agree shoppers are better connected.



83% of decision makers and **74%** of associates say tech-equipped sales associates would improve customer service.



PERSONAL DATA SECURITY SATISFACTION GAP

58%



Shoppers are satisfied with the security of their personal data information.

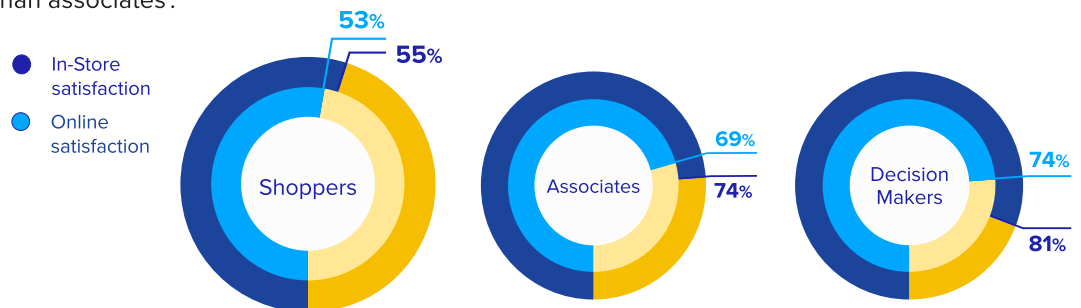
79%



Retailer decision makers believe shoppers are satisfied with the security of their personal data information.

RETURNS OR EXCHANGES GAP

Shoppers aren't nearly as satisfied with both their in-store and online returns experiences as retail decision makers and associates perceive them to be. Decision makers' perception gap is larger than associates'.



About the study

Zebra's 2019 Shopper Vision Study surveyed approximately 5,000 shoppers, 1,000 retail associates and 500 retail decision makers from North America, Latin America, Asia Pacific, Europe and the Middle East to gain a deeper understanding of shopper preferences and retail technology trends that are reshaping brick-and-mortar and online stores. The 2019 Shopper Vision Study report adds decision makers' and associates' perceptions of the preferences, as well as current and future plans to accommodate them.

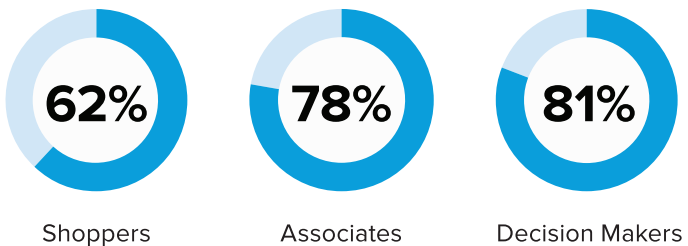
State of the industry

The results of Zebra's 11th Annual Shopper Vision Study make it clear that e-commerce has disrupted retail so abruptly and with such magnitude that many retailers have found that their brands have fallen behind shoppers' heightened value and convenience expectations. This year's study, which adds retail decision makers' and store associates' perspectives, reveals significant gaps between their perceptions and shoppers' actual expectations. These gaps indicate that many have fallen farther behind than they might think.

Information is power. Shoppers' own mobile technology has empowered them to get more value from in-store shopping during their store visits. And many retailers are working on reinventing the in-store experience by enabling associates to add more value to shoppers' store visits. However, the gaps uncover associates' inability to offer additional value to in-store shopping that can keep shoppers from abandoning store visits in favor of e-commerce.

The survey indicates that shoppers want more personalized attention during their store trips. For their part, associates want to provide more help, but many feel that they don't have the tools to do so. Retail decision makers are responding to the changes and are starting to equip associates with the latest mobile technology to enhance the in-store shopping experience.

Shoppers' satisfaction with the level of information or help sales associates provide



Options increasing likelihood of in-store purchases

Shoppers said they are likely or very likely to make an in-store purchase if an associate offers:

To order the out-of-stock item and have it delivered to the shopper's home:

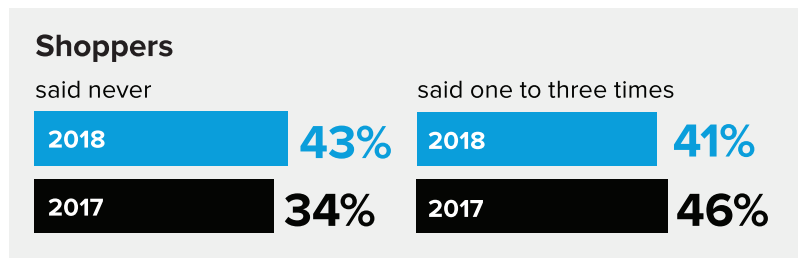


A discount to come back to the store when the item is in stock:



Today's empowered shopper: quick to switch channels and brands

As e-commerce has matured and offered greater convenience than ever, today's shopper has shown little hesitation to forego the in-store experience in favor of shopping online. Retailers may be on their way to gaining more equilibrium between brick-and-mortar stores and e-commerce. **When asked how many times they visited a store but ended up purchasing desired items online:**



Not unexpectedly, shoppers indicate that the in-store experience often fails to keep them from shopping around for lower prices. Tellingly, they are much less likely to try to negotiate on pricing with associates than try another store or browse online. In cases where a desired item is out-of-stock during a store visit, shoppers said they are still likely to do business with a retailer that delivers the item to them or offers a discount to return to the store and purchase it later.

Shoppers are much less likely to negotiate pricing with associates than look at another store or online for lower pricing

Shoppers taking ownership of their shopping experiences

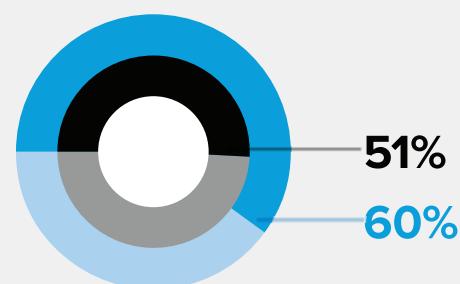
The survey results indicate that shoppers consider their smartphones to be a tool as essential to time spent shopping as credit cards. The survey data reveals that they may be taking increasing ownership of their shopping experiences:

- In 2018, 51% said they agree or completely agree that they are better connected to store information than store associates, compared with 44% in 2017.
- In 2018, 51% also said they agree or completely agree that they can find information using a store software application more easily than asking an associate for it. In 2017, 45% said they believed this to be true.

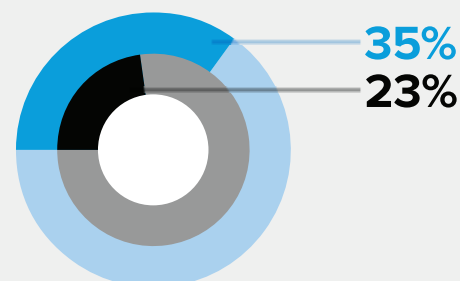
What shoppers do when they think a store price is too high

● 2018 ● 2017

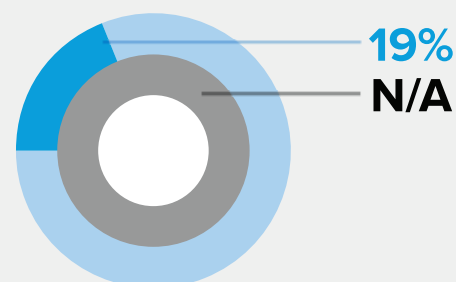
Leave the store and look for a lower price in another store



Leave the store and look for a lower price online



Ask for reduced price or if additional discounts are available



Shoppers want to shop in stores—with more personalized service

Shoppers indicated that they still prefer in-store shopping over online shopping, albeit when they are given more ways to gain value than in-store shopping has traditionally offered. “Helpful sales assistants” scored second-highest at 41% after “availability of products” (58%) as a factor that entices them to spend more time in a store. Associates who give shoppers more choices could enhance some aspects of the in-store experience.

Associates think assistive capabilities are limited

The survey results reveal that many store associates want to give shoppers more help, but their capabilities are limited:

28%

More than one-quarter of associates said they have difficulty helping shoppers find a desired item.

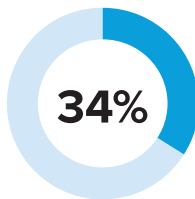
26%

About the same percentage said they do not have access to customer information.

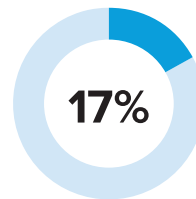
31%

About one-third said they are knowledgeable about half or fewer of the products in their stores.

Associates’ low levels of helpfulness appear to flow from their limited assistive capabilities, according to the survey. **For example, when a customer requests an out-of-stock item:**



order the out-of-stock item and have it delivered to the customer.



offer a coupon to come back to the store when the item is in stock.

Retailers are aware of the difference mobile technology can make

A large majority of retail decision makers (83%) and associates (74%) agreed or completely agreed that associates equipped with mobile technology of their own can promote a better shopping experience. Additionally, most associates reported that their use of a mobile device such as a scanner-equipped handheld mobile computer or business tablet has positively impacted shoppers in several ways. They most often use the devices to scan barcodes, check prices and check product availability.

Gap: future delivery of items currently out-of-stock

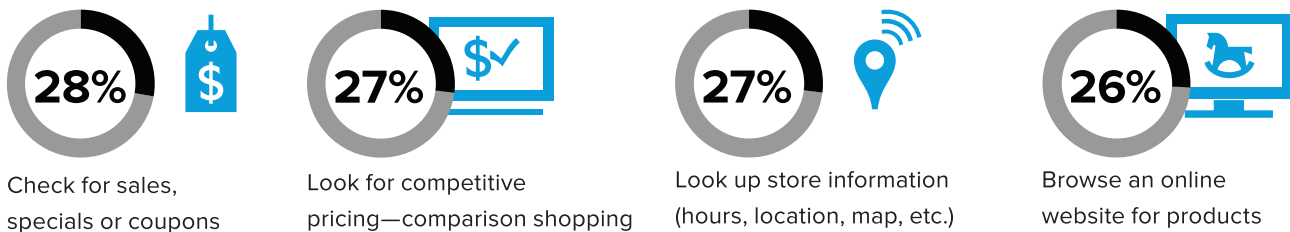
62% of shoppers prefer to order out-of-stock items in the store and have their purchases delivered, but only 34% of retail associates are providing this service.

Shoppers' satisfaction with aspects of in-store shopping



Although shoppers said that they're basically satisfied with many aspects of in-store shopping, associates connected to item and price information at the point of customer interaction could enhance the experience.

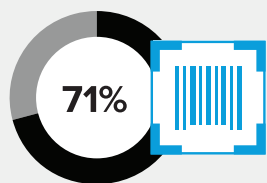
Shopping activity on smartphones during shopping trips



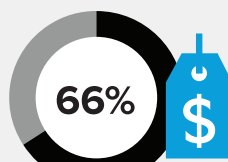
55%

of shoppers said associates equipped with the latest technology provide a better in-store shopping experience.

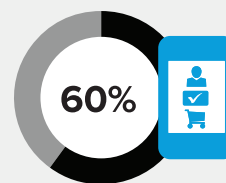
Associates' work-related uses of company issued devices



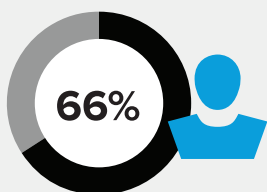
Scan barcodes



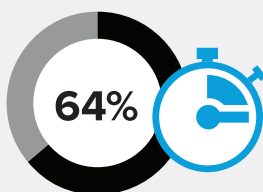
Check prices for customers



Check item availability for customers



Help answer a customer question



Save the customer time



Improve the customer shopping experience

Associates report positive impacts on customers with mobile device use

Fulfillment options boost convenience

Besides giving shoppers a better in-store experience, retailers can grow loyalty with a focus on meeting heightened demands for convenience. That means offering a wider range of order fulfillment and delivery options. The survey results indicate that retail decision makers are addressing shoppers' demands for more fulfillment options. Through loyalty or attrition, shoppers will let retailers know if they're offering the right ones.

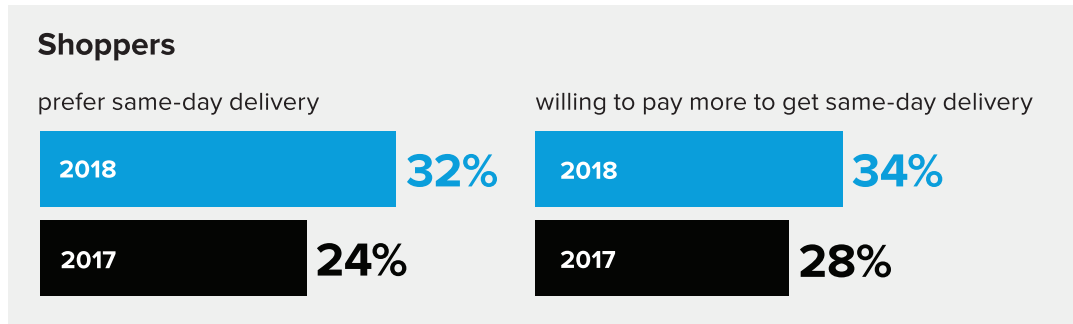
The evolving retail store, evolving fulfillment options

The results suggest that retail decision makers are trying to reduce channel friction for shoppers while keeping stores at the center of the overall brand ecosystem. Increasingly, they are enabling stores to serve as both fulfillment hubs and product showrooms.

In addition, retail decision makers are adjusting their supply chains to offer shoppers several fulfillment options. Nearly half of retailers are offering some of these options.

Shoppers want faster delivery and seamless returns

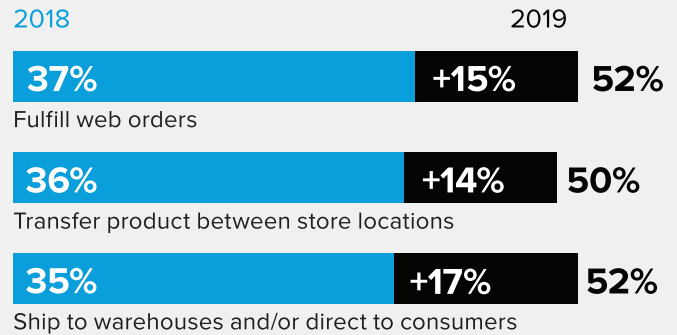
Whether they order items online or an associate does it for them, the overall convenience appeal of e-commerce has conditioned shoppers to expect fast shipping. So, it's not surprising that same-day is the delivery speed most in demand. And that demand appears to be growing:



In response, more than half of decision makers (51%) said they currently offer free shipping and 28% said they plan to offer it in the next year.



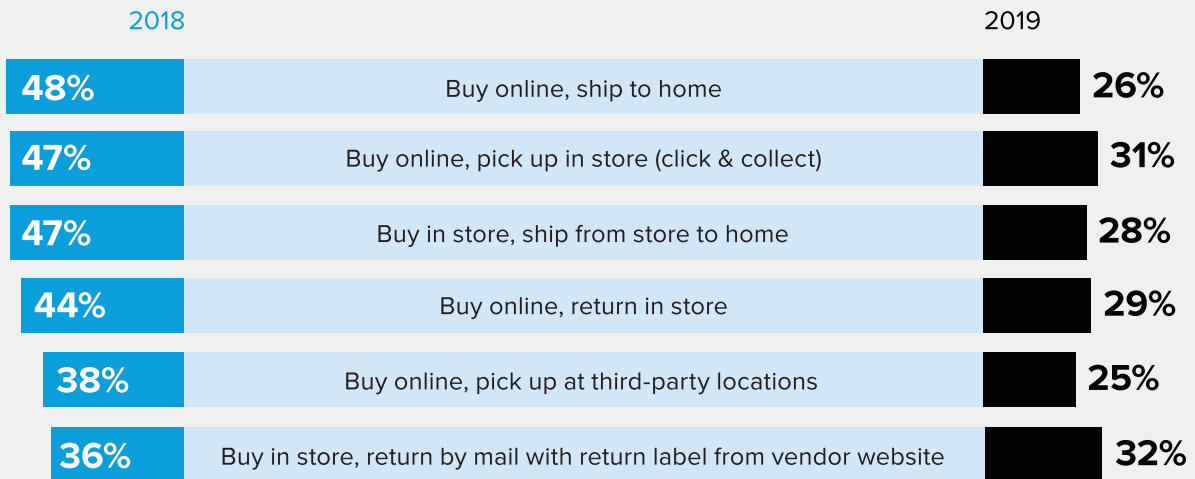
Top three fulfillment options for retailers



The growth of e-commerce has also led to an increase in global returns volume totaling \$400 billion to \$1.8 trillion in U.S. Dollars,¹ driving retailers' costs higher. To adjust, nearly half of retailers (48%) already offer free return shipping and an additional 27% plan to offer it in 2019. Overall, though, returns are an area of opportunity for retailers: Less than one-quarter of decision makers (22%) said their organizations are highly experienced in managing returns.

¹Supply Chain in Reverse. Supply & Demand Chain Executive, September 2017.

When do retailers plan to offer the following fulfillment options?



Retailers support shoppers' in-store online activity...

Retail decision makers signaled an awareness of a new breed of empowered consumer who wants the benefits of both in-store shopping and e-commerce, regardless of the channel they use. In the short term, many retailers are supporting shoppers' online activity in their stores.

66%

of associates said their stores support shoppers' access to sales, promotions or coupons

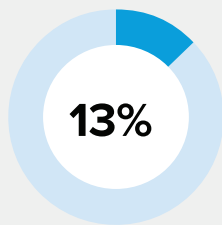
34%

said their stores support shoppers' use of mobile coupons sent via text or email

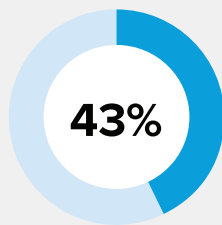
26%

said their stores support shoppers' access to their loyalty program accounts

Data security is a major potential barrier to online or mobile engagement with shoppers



of shoppers say they completely trust retailers with their data, ranking retail among the least trusted organizations.



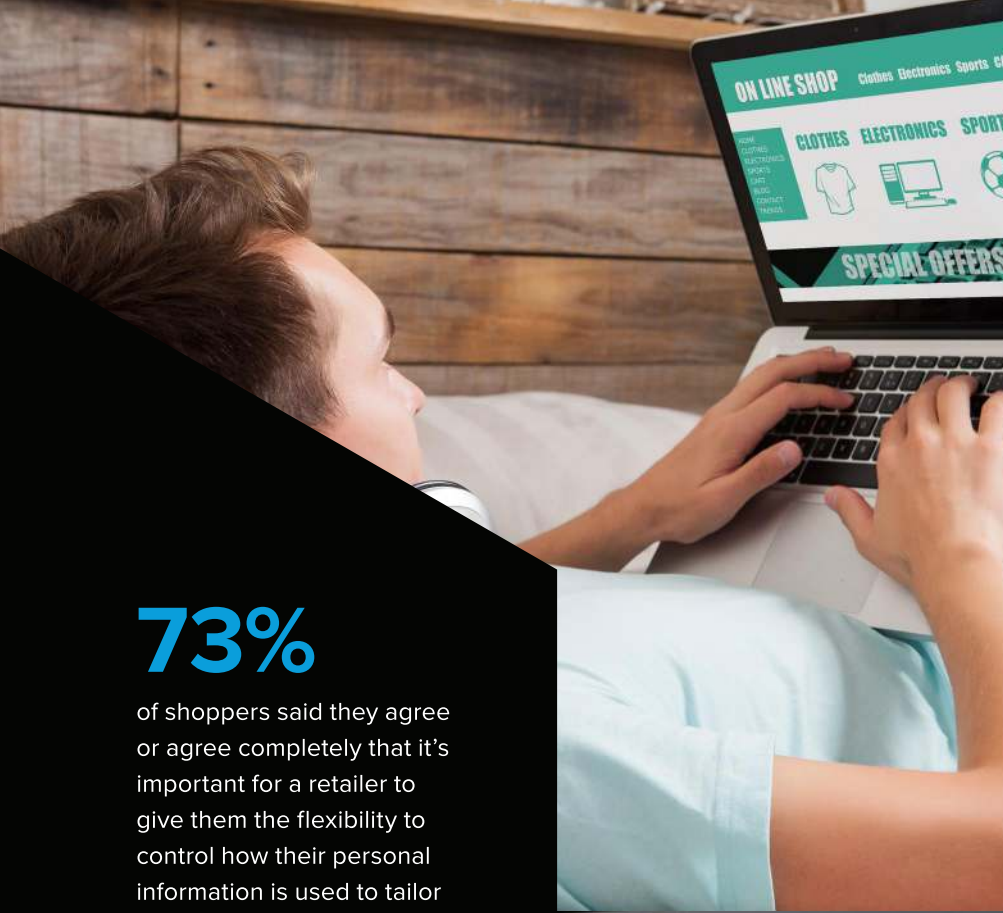
of shoppers are comfortable or completely comfortable sharing their personal information while making a purchase online, compared with 41% in a store.

...But plan to equip associates to offer more assistance

Over the long term, however, decision makers plan to enable their associates to provide even greater value in customer interactions. They plan to achieve this by equipping associates with technology that enables them to give shoppers more ways to gain value from their store visits.

For example, more than half (59%) of decision makers' companies are planning to increase their investments in both barcode scanner-equipped handheld mobile computers and rugged tablets by nearly 10% over the next three years. Both types of devices enable associates to scan item barcodes to check pricing, look up product features, access store and loyalty program discounts and, in some cases, process payments with software applications anywhere in the showroom, saving the customer time. Mobile computers offer instant staff communication capability and tablets' screens bring product features to life in a larger digital format.

Decision-makers' primary motivation for the investments is better customer service. Nearly half (48%) said the customer experience is their primary reason for the investments, followed by operating cost reduction (41%), inventory management (36%) and revenue generation (34%).



73%

of shoppers said they agree or agree completely that it's important for a retailer to give them the flexibility to control how their personal information is used to tailor their experience.

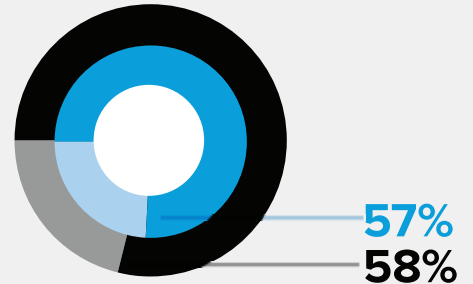


Perception gaps: Personal data security

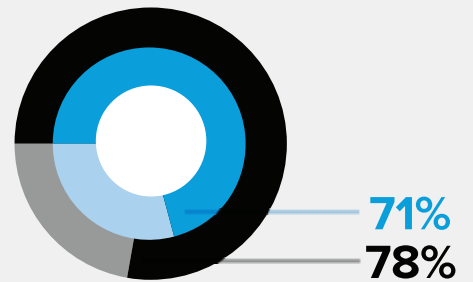
Shoppers' satisfaction with personal data security

● Online ● In-store

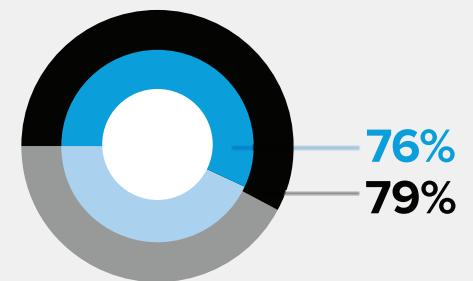
Shoppers



Associates



Decision Makers



Regional findings



Asia Pacific

When asked if shoppers are better connected to shopping information than they are, **70%** of associates said they agree or completely agree—versus 56% overall.

70%

of associates think they're less connected than shoppers

36%

of companies offer same-day delivery

Europe and Middle East

Asked when their companies plan to offer same-day order delivery, **36%** of retail decision makers said they currently offer this delivery timeframe, compared with 44% in the global sample.

Latin America

When a desired item is out-of-stock, **43%** of associates order it for delivery to the shopper's home. In the overall survey, 34% of associates said they offer this option.

43%

of associates order out-of-stock items for home delivery

44%

of shoppers think they are better connected than associates

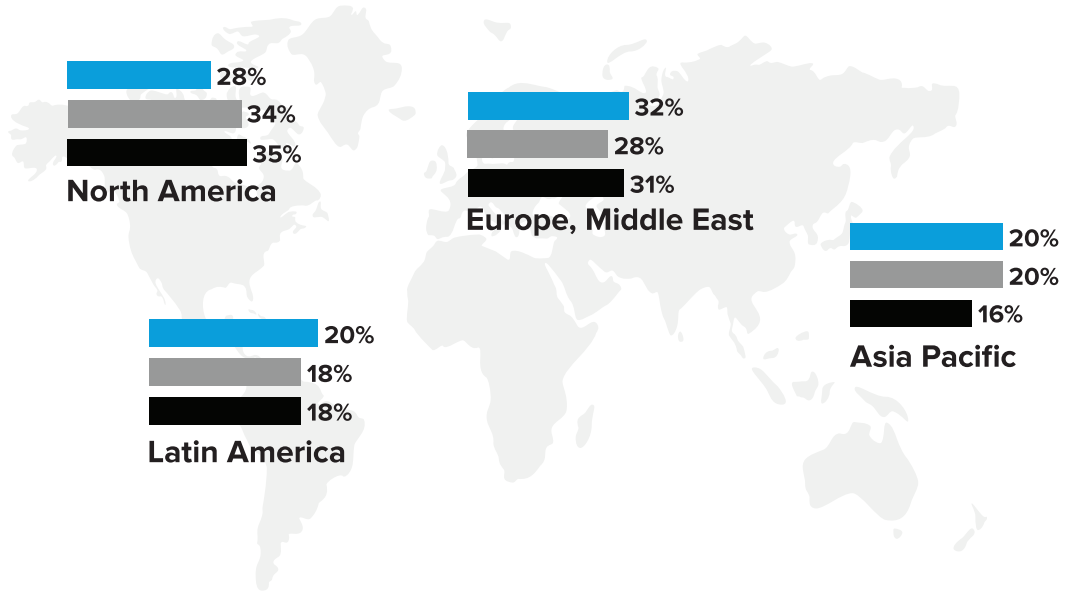
North America

When asked if they are better connected to consumer information than associates, **44%** of shoppers in the region said they agree or agree completely, versus 51% globally.

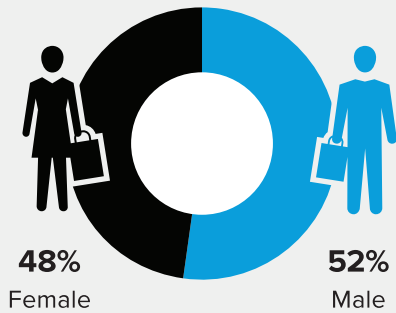
About the study

All respondent groups by geography

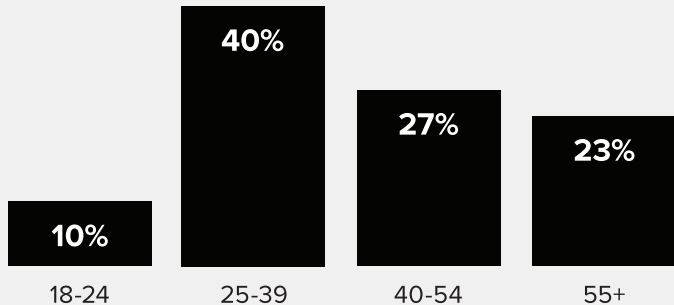
- Shoppers
- Decision Makers
- Associates



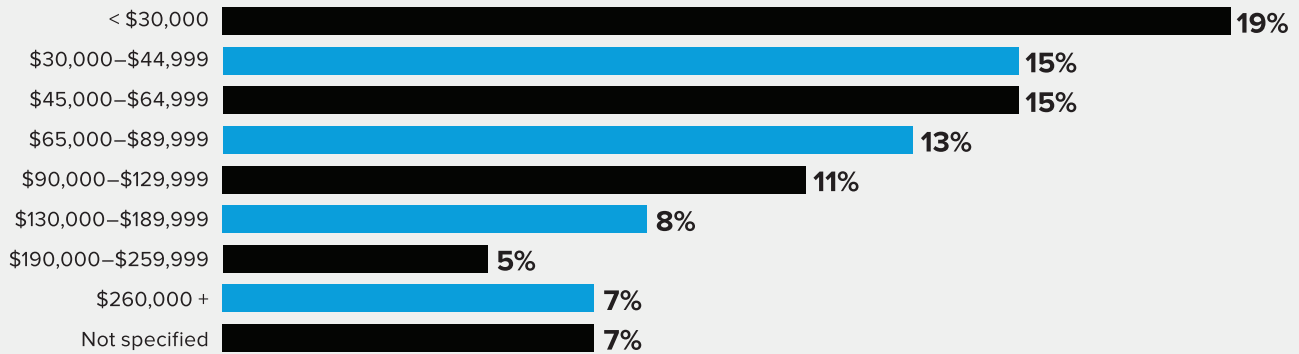
Shoppers by gender



Shoppers by age group



Shoppers by income



*Incomes are in U.S. Dollars

Empowering associates can close perception gaps

In a world in which shoppers have seemingly unlimited choices, the in-store experience remains the cornerstone of retail—and retailers' most powerful brand differentiator. Zebra's 2019 Shopper Vision Study found that shoppers prefer the in-store shopping experience over online shopping in nearly every retail category. However, the impact of e-commerce on consumer behavior and expectations is fundamentally changing the role of the store into an experiential customer acquisition vehicle.²

Still, any shopper serious enough to visit a store expects more than a place to simply make purchases—even if they don't conclude the visit with items in hand. The trick is keeping shoppers from straying from your brand when it's time to buy, regardless of whether they buy in-store and ship to home, buy online and pick up in-store (click & collect) or any other method.

Enhancing shoppers' in-store experiences with their own smartphones may have a limited impact on store performance, due to personal data privacy concerns. A store associate equipped with the latest secure enterprise mobile technology can help shoppers choose the right or complementary items, look up special in-store offers or have the right item delivered from the warehouse or another store location to the shopper's home.

Your associates can drive your brand differentiation by offering something e-commerce cannot: personalized, in-person service that keeps shoppers from straying. Improve the reality of in-store shopping and shoppers' perceptions will soon catch up.

²Mobile's the New Mall; Stores Are for Customer Acquisition. Women's Wear Daily, April 9, 2018



About Zebra Technologies

Zebra offers retail decision makers an entire ecosystem of solutions—hardware, software, supplies and services—that can empower associates to transform the in-store shopping experience and offer shoppers the personalized service of traditional brick-and-mortar retailing and the expanded choice of e-commerce.

For more information on how to transform the customer experience,
visit zebra.com/retail



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