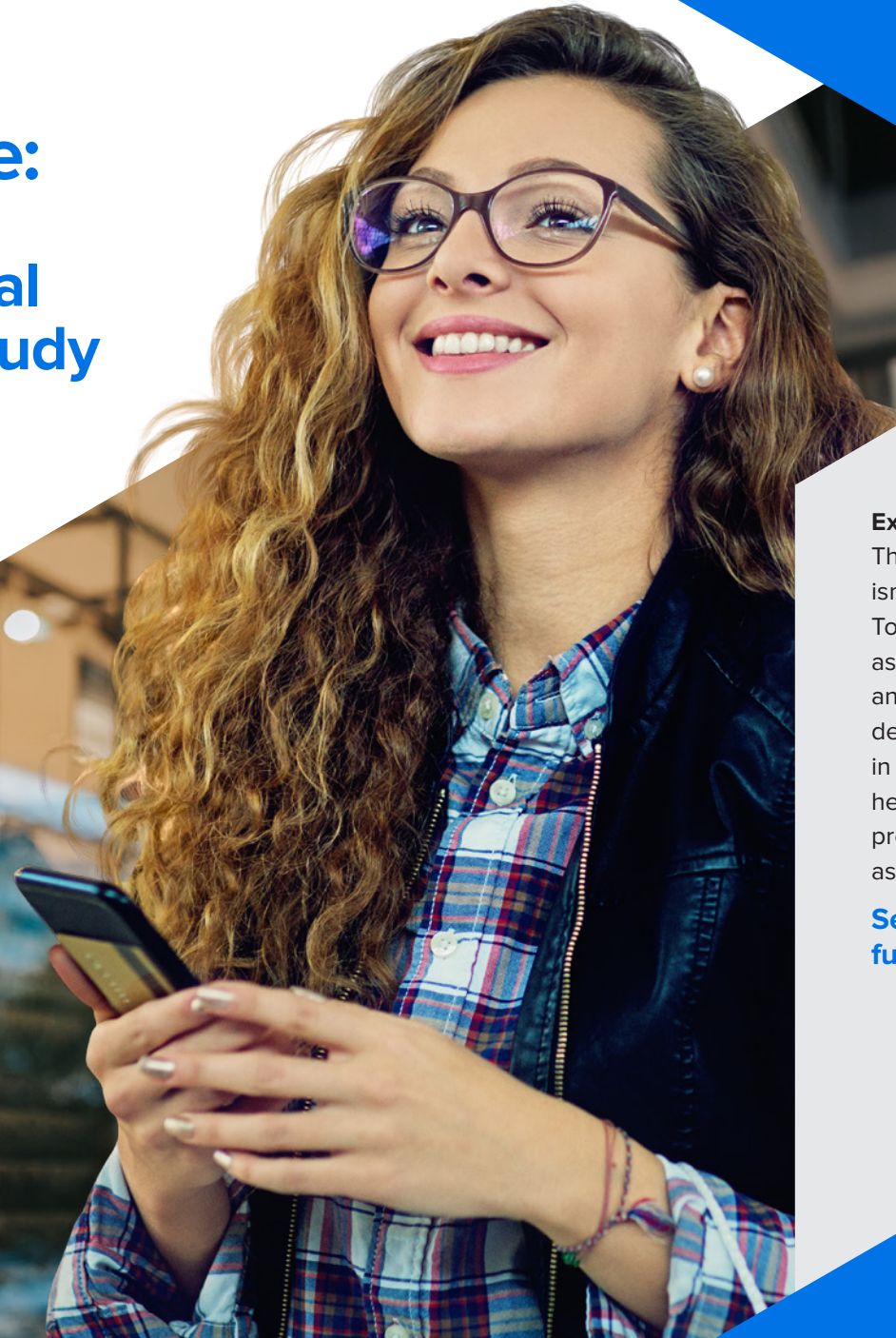




2023 Global Shopper Study

The Retail Pulse: Discoveries from Zebra's 16th Annual Global Shopper Study



Executive Summary

The speed of change in retail isn't slowing down anytime soon. To overcome headwinds such as inflation, supply chain disruptions and labor challenges, forward-thinking decision-makers are investing in cutting-edge technologies to help sustain profitability while providing positive shopper and associate experiences.

See what's ahead for the future of retail.

Market Watch

Retail success requires alignment among retail decision-makers, store associates and shoppers. The goal for retailers across categories is to achieve a harmonious ecosystem where customer satisfaction, employee engagement, and visionary leadership can converge to drive innovation, growth, lasting competitiveness and profitability in a dynamic retail sector.

Percent of respondents indicating they completely/somewhat agree or are very/somewhat concerned with respective statement.



SHOPPERS INDICATE:



Seamless Omnichannel Experiences

82%

Physically seeing, touching or trying products is important to the shopping experience

78%

Prefer a blend of in-store and online shopping

75%

Prefer to shop with online retailers that also have brick-and-mortar locations



Inflation's Grip

80%

Inflationary price increases on everyday essentials like food, apparel and fuel are a concern

77%

Inflation has caused consumers to delay making some purchases

74%

Having to reduce overall spending to make ends meet is a concern



ASSOCIATES CONCUR:



Innovation Lifts All

86%

Customers have a better experience when store associates use the latest technology to assist them

85%

Artificial intelligence will help associates be more productive

84%

Feel more valued by their employer when they provide technology tools to help them work



Empowerment Gap

80%

Maintaining real-time visibility of out-of-stocks is a significant challenge

77%

Believe shoppers are better connected to information than associates

61%

Have little time to help customers because they are doing other lower value tasks



DECISION-MAKERS REVEAL:



Technology-Led Visions

88%

Customers have a better experience when store associates use the latest technology to assist them

87%

Have/plan to integrate business intelligence/analytics to manage supply chains by 2023

85%

Shoppers expect retailers to offer more eco-friendly and sustainable brands/products



Everyday Battles

85%

Maintaining profit margins amid demands for higher wages and benefits is challenging

82%

Reducing fraud/shrinkage is a significant challenge

80%

The organization is under great pressure to minimize out-of-stocks

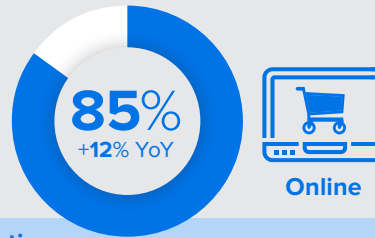
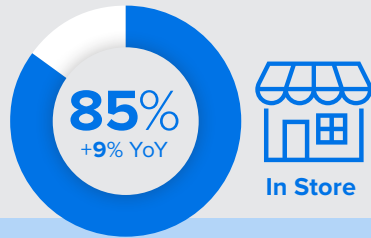
Navigating the New Normal: Shopper Satisfaction Rises

After several years of global disruption to the retail sector, retailers, associates and supply chains are finally adjusting to the “new normal.” Overall shopper satisfaction is strong, seeing a notable uptick year-over-year and even exceeding 2019 levels. Gen Z adults (age 18+) report the highest levels of contentment both online and in store, providing a positive indication that retailers are successfully connecting with the next generation of shoppers. Shoppers are still conscious of inflation and other economic challenges, however, and are leveraging their own devices and digital savvy to actively seek deals, check inventory, place delivery orders and explore pickup options that meet their unique needs.

Keeping shoppers content, requires retailers to prioritize seamless, unified commerce, as satisfaction stems not only from product selection, availability and price but also from optimized omnichannel fulfillment and ensured inventory visibility, which are integral in delivering a consistent and efficient shopping experience across all channels.



Overall Shopper Satisfaction Soars Across Online and In-Store Avenues



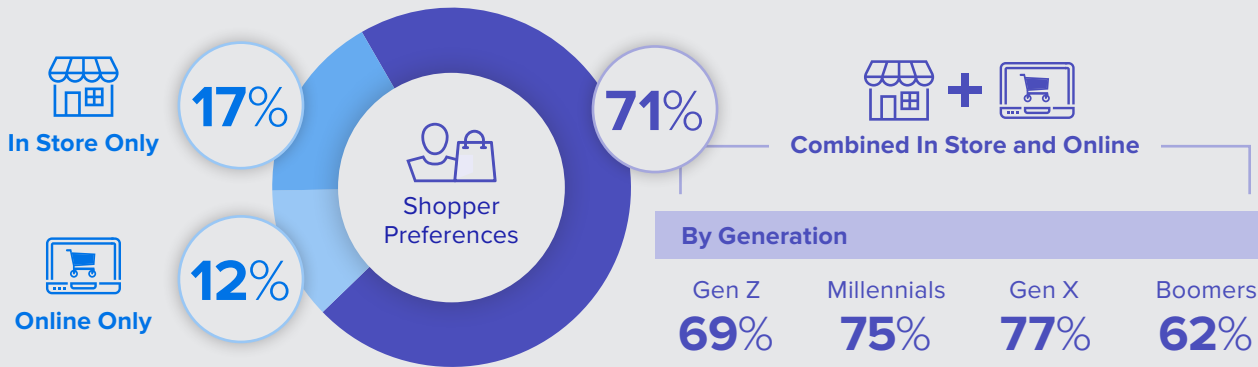
By Generation

Gen Z	Millennials	Gen X	Boomers
89%	87%	82%	84%

By Generation

Gen Z	Millennials	Gen X	Boomers
84%	87%	84%	84%

Shoppers of All Ages Seamlessly Mingle In-Store and Online Purchases



Top Factors Fueling Shopper Satisfaction

- | In Store | Online |
|---|---|
| Variety, product selection | 1 Ease of finding products |
| Ease of finding the correct prices | 2 Ease of finding the correct prices |
| Ease of locating products | 3 Variety, product selection |
| Availability of items in stock | 4 Availability of items in stock |
| Level of information, help staff provides | 5 Delivery cost |

Retail's Human Touch

Empowered associates enable richer shopper experiences. Positive interactions between shoppers and associates are integral to creating exceptional in-store experiences. Well-equipped and knowledgeable associates can help guide customers by answering product questions, providing personalized recommendations and effectively bridging the gap between online and offline shopping. Furthermore, associates are adept at upselling and cross-selling opportunities, enhancing the customer's purchase journey and boosting the store's revenue potential.

Moreover, associates play a crucial role in leveraging technology by assisting shoppers with digital tools, such as mobile apps and in-store kiosks, enhancing convenience and efficiency. Behind the scenes, technology also enables associates to tackle responsibilities, including inventory and workflow management, efficiently.



Maximizing Associate Time

Associates Weigh In: The Rising Tide of Self-Checkout in Stores



86% ^{+3% YoY}

Frees associates to focus on higher priority tasks and better serve customers

85% ^{+5% YoY}

Improves customer experience

85% ^{+9% YoY}

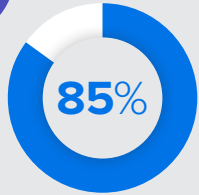
Results in shifting staff investments elsewhere

84% ^{+2% YoY}

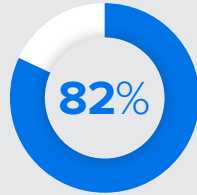
Delivers a positive ROI on investments



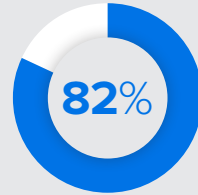
Empowered by Tech: Associates Say They Can Deliver Enhanced Shopper Experiences



Real-time inventory visibility



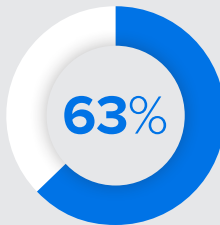
RFID



Electronic shelf labels



Seeking Support: Shoppers are Concerned About the Lack of In-Store Assistance



Overall shoppers

By Generation

Gen Z	Millennials	Gen X	Boomers
71%	66%	56%	63%

Retail Associates' Top Five Pain Points

Among associates working in-store sales and customer service



Little time to help customers because they are doing lower-value tasks



Inadequate tools to provide personalized customer service



Customer finds price and product information on their smartphone faster than associates



Customer needs a price check



Customer needs information

Retail's Modern-Day Mandate

Advanced technology and data-driven solutions are revolutionizing the retail landscape in response to heightened customer expectations. Optimizing operations and inventory management will be vital in achieving profitability and improving customer satisfaction in the face of continuing labor challenges.

The rise of automation and real-time analytics enable unprecedented visibility into stock levels, demand patterns, and supply chain efficiencies to help limit shrink and ensure products are in the right place when customers want to make purchases. What's more, shopper expectations and shifting industry standards around sustainability encourage more retail decision-makers to embrace technology that can help achieve environmental goals.



The Drive to Profitability: Key Profit Drivers

Decision-makers spotlight staffing, inventory visibility, shrink, and more in retail's dual arenas.

In-Store Profitability Drivers



38%

Match labor force/hours to customer demand

36%

Better analytics around KPIs like shrink

35%

Optimize inventory processes

35%

Automate to get more real-time inventory visibility



Online Profitability Drivers

32%

Automate to get more real-time inventory visibility

31%

Charge a fee on orders for frequent returners

31%

Offer subscription service for order pickup/delivery

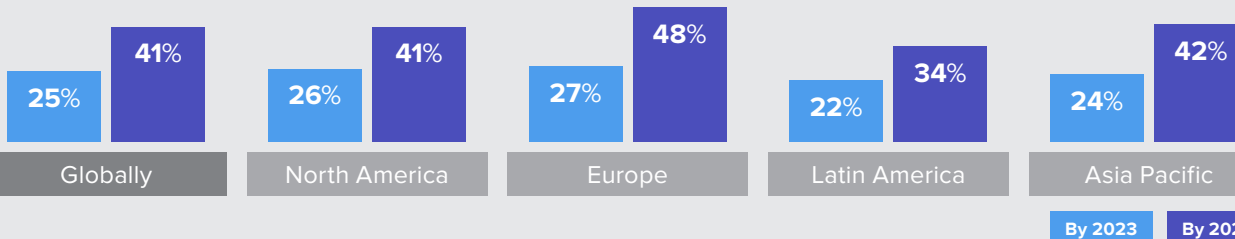
31%

Match labor force/hours to customer demand

Sustainability Influences Business Strategy

Suppliers will increasingly be expected to help retailers improve their sustainability credentials.

Global decision-makers predict the role of sustainability will be increasingly integral to their organization.



Retail Decision Makers' 2024 Tech Investment Priorities

According to retail decision-makers

- 1 Improve customer loyalty and enhance customer experience
- 2 Improve inventory management (Real-time visibility/out-of-stocks, cycle counts, shrink and fraud)
- 3 Optimize omnichannel fulfillment, offsetting e-commerce surge
- 4 Improve the buy online/return in-store process
- 5 Improve the workforce management process

Navigating Retail Complexity in a Dynamic Market

Digitalization and shifting consumer preferences are set to dynamically reshape the future of retail.

An evolving fusion of technology, sustainability and unique store experiences will redefine the retail landscape, creating an exciting, customer-centric future. Technology will help to deliver personalized service and seamless shopping experiences for shoppers while enabling responsive problem-solving for associates and increased profitability for retailers.

About the Study

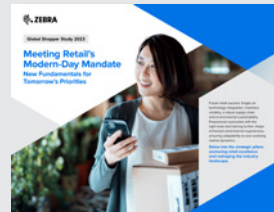
Zebra Technologies commissioned a global research study among adult shoppers (age 18+), decision-makers and associates to analyze the trends and technologies transforming the retail sector. Administered online by Azure Knowledge Corporation, this year's study includes over 4,200 respondents across topics of shopper experience, device and technology usage, delivery and fulfillment in store and online. Zebra's 2023 Global Shopper Study reports on the attitudes, opinions and expectations shaping the industry's future. The series focuses on three key themes:



Beyond the Basket
What Shoppers Really Want
in Their Retail Experiences



Elevating Retail Experiences
Empowering Associates to
Enrich Customer Interactions



Meeting Retail's Modern-Day Mandate
New Fundamentals for
Tomorrow's Priorities

To view the entire 2023 Global Shopper Study series, visit zebra.com/shopperstudy

About Zebra Technologies

Zebra (NASDAQ: ZBRA) empowers retail organizations and their associates to thrive in the on-demand economy by making every front-line worker and asset at the edge visible, connected and fully optimized. With an ecosystem of more than 10,000 partners across more than 100 countries, Zebra serves customers of all sizes, including 94% of the Fortune 100, with an award-winning portfolio of hardware, software, services and solutions that digitize and automate workflows.

Explore how Zebra can assist retailers in enhancing profitability while elevating shopper and associate experiences. Visit zebra.com/retail



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