



2020 APAC 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, including 1,000 in APAC, 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.



Shoppers

focuses on the contemporary shopper experience



Retailers

analyzes retailers' technology plans for solving chronic shopping issues

Shopper satisfaction in APAC is on the rise, but retailers still have room to improve



78% In store



76% Online



79%

product variety



77%

product variety



57%

returns/exchanges



55%

returns/exchanges by mail



67%

level of sales associates assistance



58%

delivery cost



56%

availability of coupons and discounts



62%

availability of digital coupons and discounts



57%

personalized service



57%

personalized service



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

- ↑ pp denotes the year over year (YoY) percentage point increase
- NA = Not asked in previous year

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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 (54%) 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 (78%) and online (76%) experience is positive, but could improve.

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:



62%
have better experiences when associates use the latest technology

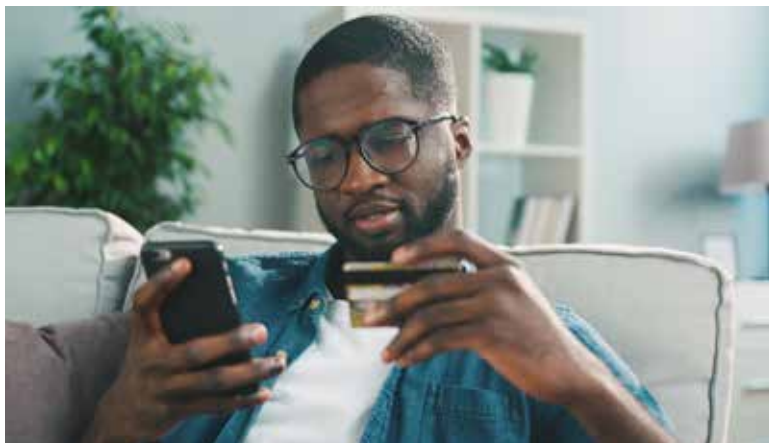


59%
prefer sales associates find the latest information for them



57%
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

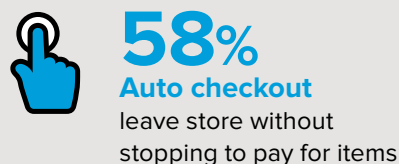
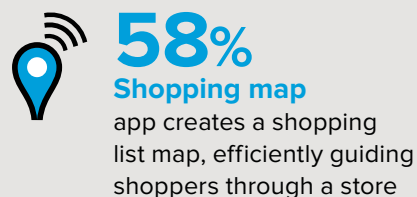
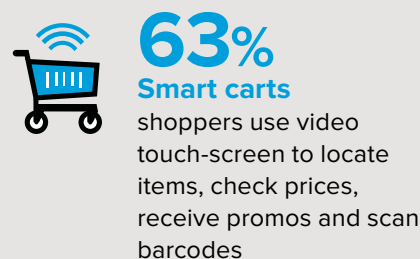
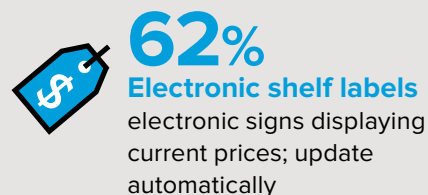


- Rely more on face-to face customer service
- Expect well-informed assistance tailored to them

Eighty-six percent of Millennial and 56% of Gen X shoppers indicate they left a store without a purchase and buying the item online, compared to only 25% of Boomers. Shoppers indicate out-of-stock items as the top reason for leaving without a purchase.

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

Shoppers' likelihood of using in store tech services



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. Almost three in ten (29%) 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

53%
experience product

42%
available items

44%
want it now



Online

41%
free shipping

35%
available items

42%
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 Pricing discrepancy**
in store differed from online price
- 3 Selection**
didn't like product choices
- 4 Dissatisfied with the displays**
could not find the item on the shelf or displays
- 5 Item was not discounted**
did not have a coupon



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.

- 57% of shoppers in APAC are satisfied with returns, yet retail executives believe 80% are satisfied
- 55% of shoppers are satisfied with returning or exchanging an online item at a brick and mortar store

It is no surprise that 81% of retail executives agree managing returns of online orders is a significant challenge. Fifty-one 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.



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



69%

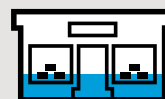
if it's delivered to their home



67%

would accept a discount upon future restock

Out-of-stock frustration fuels other fulfillment options:



27%

buy online, pick-up in store



27%

buy in store, ship to home

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

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.

A majority (63%) 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:



48%

Find correct prices



46%

Answer questions



42%

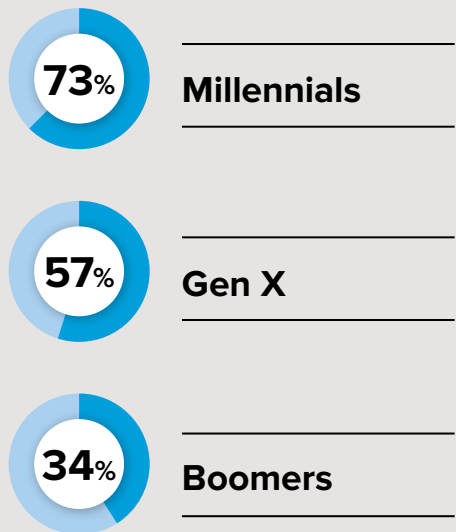
Save customers' time

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

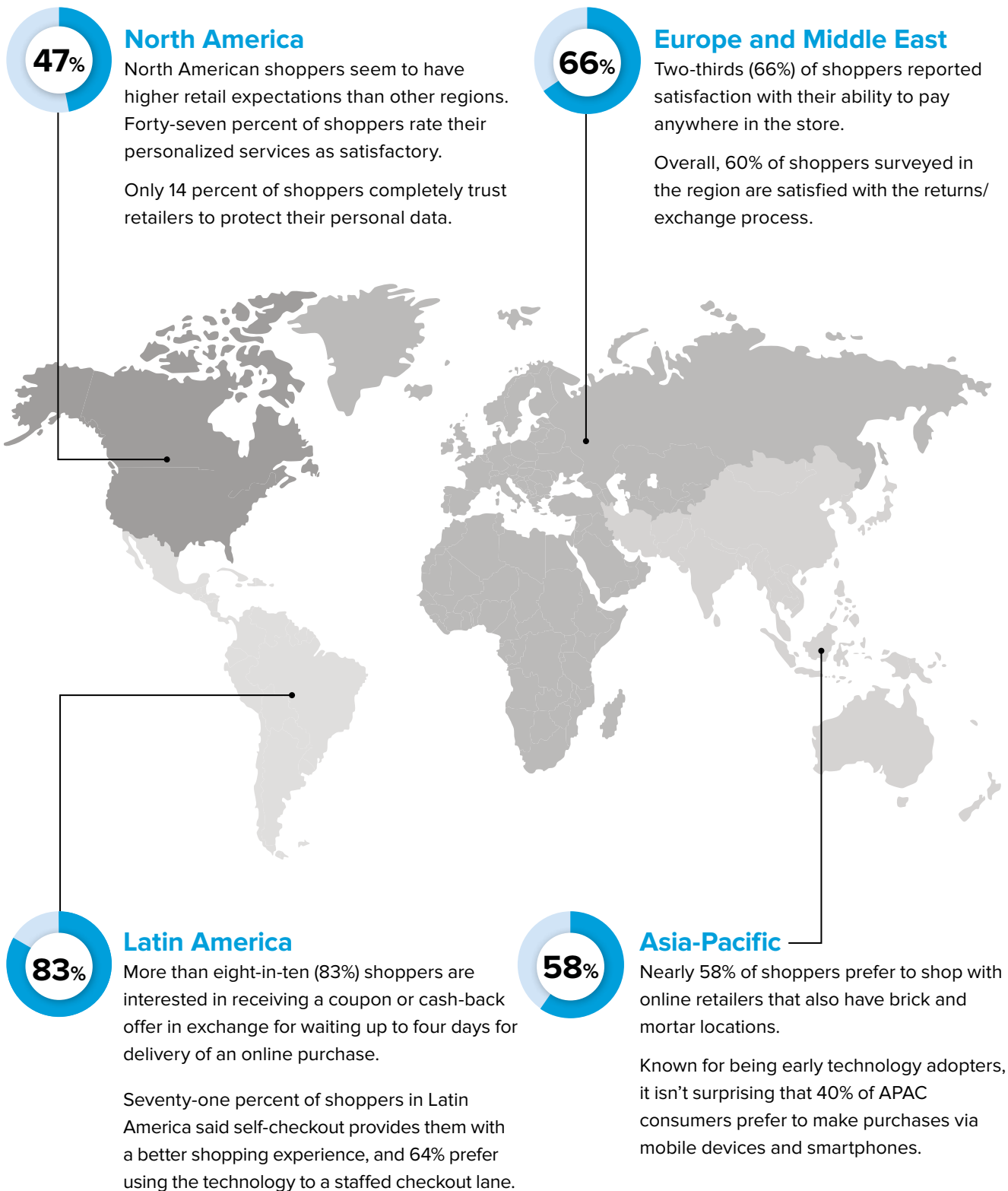
Shoppers	Associates
61%	73%
Handheld mobile computers with scanners	
63%	75%
Rugged tablets	
52%	70%
Wearable computers	
53%	56%

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.



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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