

A background image of a smiling man and woman in a retail environment, overlaid with a dark red semi-transparent filter.

2019 SHOPPER
INSIGHTS SURVEY

**MAPPING THE
CUSTOMER**
Journey:

WHAT WORKS — AND WHAT'S BROKEN

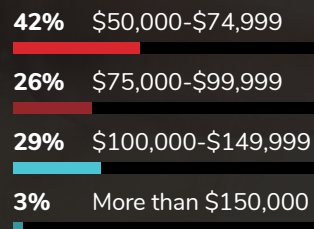
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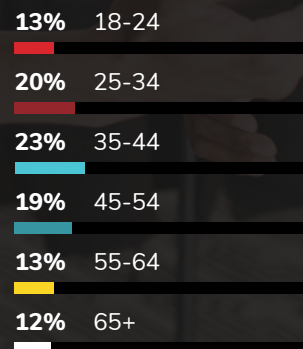
METHODOLOGY

Retail TouchPoints surveyed 1,053 U.S. consumers online aged 18 or older in September and October 2019. Following are breakdowns of the respondents by household income, age and gender.

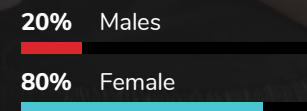
Pre-tax annual household income



Age



Gender



Mapping The Customer Journey: What Works — And What's Broken

It's a refrain you hear over and over again: successful retailers are those that focus, consistently and intently, on the customer. But customers are a highly varied lot, and they want different things from retailers at different times and in different situations. Mapping the curlicues and tangents of the shopper journey has become an ongoing challenge for the retail industry.

Here at Retail TouchPoints, we thought it would be a good idea to ask the travelers themselves about their key decision points along the journey. We surveyed more than 1,000 consumers to find out what's working for them — and what isn't — in today's multi-touch point shopper journey, focusing on four key stages:

- **Customer acquisition:** Which “top-of-funnel” tools do shoppers prefer, and what types of messages are most effective at sparking their interest and choosing a retailer?

Shopper Stat: 63% of consumers say an email is most effective at getting them to shop at a particular retailer, but traditional broadcast media (46%), direct mail (38%) and print ads (32%) still pack a punch.

- **Consideration:** What motivates consumers to explore a retailer and/or a product, and what techniques can help move them toward a purchase?

Shopper Stat: 66% of consumers say positive user reviews are most likely to move them toward making a purchase. The top way people use their mobile devices in-store? Checking competitors' prices (66%).

- **The purchase experience:** What features do shoppers value most highly when making a purchase, and what are the “deal breakers” that will halt the shopper journey?

Shopper Stat: Top in-store deal breaker: No endless aisle option (64%). Most influential element when making an online purchase: Free shipping (85%).

- **Customer retention and long-term loyalty:** The drive to turn a first-time purchaser into a repeat customer really builds up steam during the post-sale experience, one of the many make-or-break points for retailers. What aspects of their relationship with retailers do loyal shoppers treasure most highly?

Shopper Stat: 69% say not being able to reach a human being is the biggest post-sale customer service mistake retailers make. Most valuable part of a strong retailer-customer relationship: if consumer has a problem, retailer works hard to make it right (63%).

Read on for our complete findings and analysis of the results. I hope this inaugural Shopper Insights Study helps you shape your offerings in ways that address what consumers really want — not what we think they want.



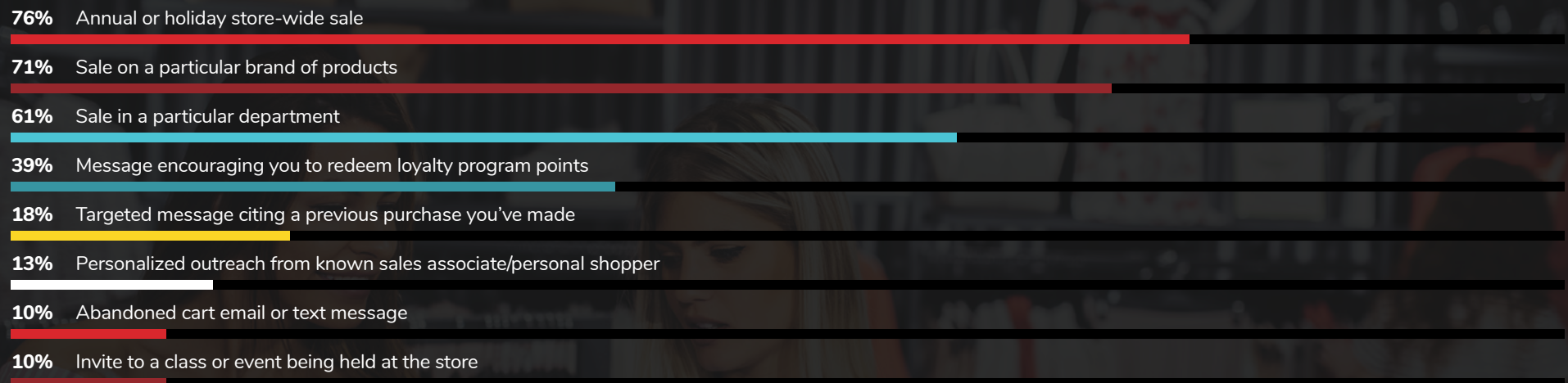
Adam Blair
Editor, Retail TouchPoints

Price, Promotions And Convenience Fill The Top Of The Funnel

Retailers and brands may not like the way promotions and low prices eat into their margins, but they are undeniably strong attractors for consumers. The top responses to several survey questions focusing on customer acquisitions reveal the power of sales and competitive pricing to draw shoppers to a store, whether it's online or brick-and-mortar.

The top three types of marketing messages that motivate shoppers to visit a store or web site all relate to sales, led by an annual or holiday store-wide sale, at **76%**; a sale on a particular brand of products, at **71%**; and a sale in a particular department, at **61%**. The next-highest response rate, for messages encouraging loyalty program members to redeem reward points, is 22 percentage points lower, at **39%**.

What types of marketing messages are the strongest motivators for you to visit a brick-and-mortar store or e-Commerce site?



Pricing also tops the list of factors influencing which brick-and-mortar store consumers visit, selected by **81%** of survey respondents. Non-monetary factors take the second and third spots: convenient store location (**60%**) and product selection (**54%**).

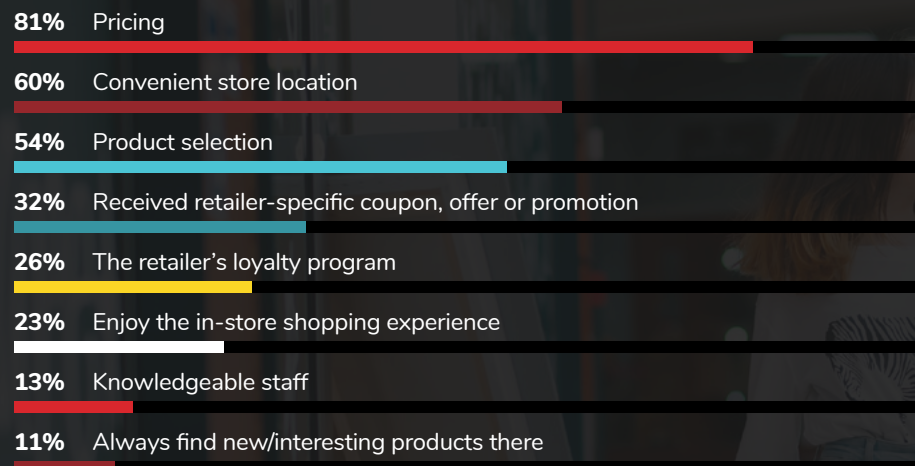
Competitive prices also exert the greatest influence on digital commerce selections, at **70%**, followed by free shipping (**62%**); a wide selection of products (**50%**); and a user-friendly online experience (**32%**).

Price competition is undeniably effective, but many retailers and industry experts express concern it is overused, particularly when the discounts are deep. “Part of the

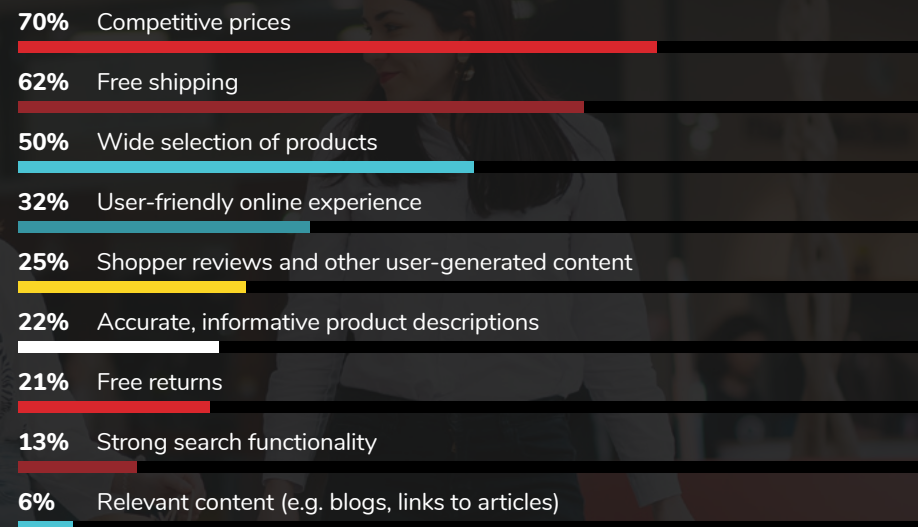
problem with [trying to get away from using price] is that price works — you will get a short-term result,” said John Greening, Associate Professor, Northwestern University, who spoke at the [Retail TouchPoints Live!](#) event in 2019. “What retailers don’t know, and can’t measure, is what they have given away off of their brand image by using a deep discount.”

Brands seeking to establish closer relationships with their customers, like the online lingerie retailer **Adore Me**, are wary about the long-term effects of price competition: “Price is what attracts the consumer, but not what keeps her,” said Steve Lovell, the retailer’s Head of Retail Development, who also spoke at the event.

When shopping in physical stores, what are the most important factors that influence you to shop at a particular retailer?



When shopping online, what are the most important factors that influence you to shop at a particular retailer?



Shoppers Still Prefer Email Above All Marketing Messaging Vehicles

Consumers are bombarded with marketing messages every day, making it difficult for retailers to select which vehicles to use in order to have a measurable impact. One method they should not skimp on is email: at **63%**, it tops the list of marketing communications that consumers rate as most effective for getting them to shop with a **specific retail brand**. At **54%**, online advertising took the number-two spot.

More traditional marketing vehicles can still pack a punch, however: **46%** of shoppers identified TV/radio advertising as an influencer, followed by direct mail (**38%**) and print advertising (**32%**).

Just over one-fifth (**22%**) of consumers are swayed by sponsored social media messages — an impressive showing considering the relative youth of these vehicles. However, just **17%** are influenced by organic search results. It's likely that shoppers using a search engine already are looking for products rather than selecting retailers — or they already are within the **Amazon** ecosystem and are using it as their de facto search engine. Nearly half (**46.7%**) of U.S. Internet users start their product searches on Amazon, compared to **34.6%** that go to Google first, according to **eMarketer**.

What forms of marketing communication are most effective in getting you to shop with a specific retail brand?



User Reviews, Interactive Visual Content Shape Consumer Consideration Phase

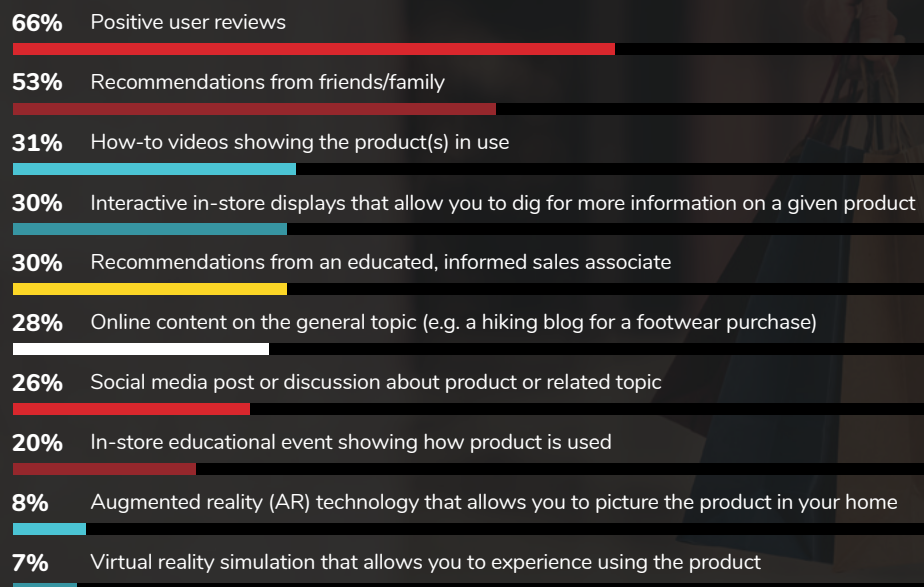
Humans are social animals, so it's little surprise that we seek other people's input when making a purchase decision. Positive user reviews, and recommendations from friends and family, topped the list of information likely to move a shopper toward a purchase, at **66%** and **53%** respectively.

The outsized role of mobile devices as shopping aids, even in the brick-and-mortar store environment, also will come as no surprise to retail industry observers. The top mobile functionalities are **product-specific**: comparing prices offered by other retailers, selected by **66%** of respondents; researching a product under consideration, at **63%**; and checking on product availability at a specific store, at **45%**. Mobile's growth has put significant amounts of data literally into consumers' hands, and retailers will need to keep feeding that appetite if they want to stay competitive.

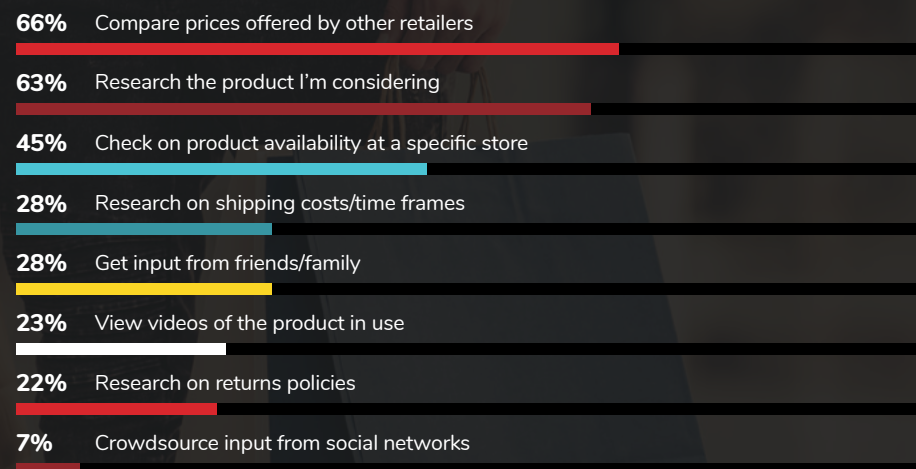
Despite mobile's influence, the brick-and-mortar store still plays an influential role in moving shoppers to the next stop on their journey. Nearly one-third (**30%**) of consumers **identified interactive in-store displays that allowed them to dig for information on a given product, as well as recommendations from an educated, informed sales associate** as key factors during the consideration phase.

Even tangentially product-related information can be helpful: **online content on a product-related topic**, such as a hiking blog for a footwear purchase, was selected by **28%** of consumers, while a **social media post or discussion about the product or a related topic** was deemed influential by **26%**.

During the consideration phase, what kind of information is most likely to encourage you to move toward making a purchase?



What are the main ways you use your mobile device while shopping in a store?



Amazon Tops Retail Web Sites As Preferred Research Destination

As previously noted, Amazon has become a significant influencer for consumers researching a potential purchase: it tops the list at **64%**. Retailer web sites take the number-two spot, at **56%**, followed by friends and family at **43%**.

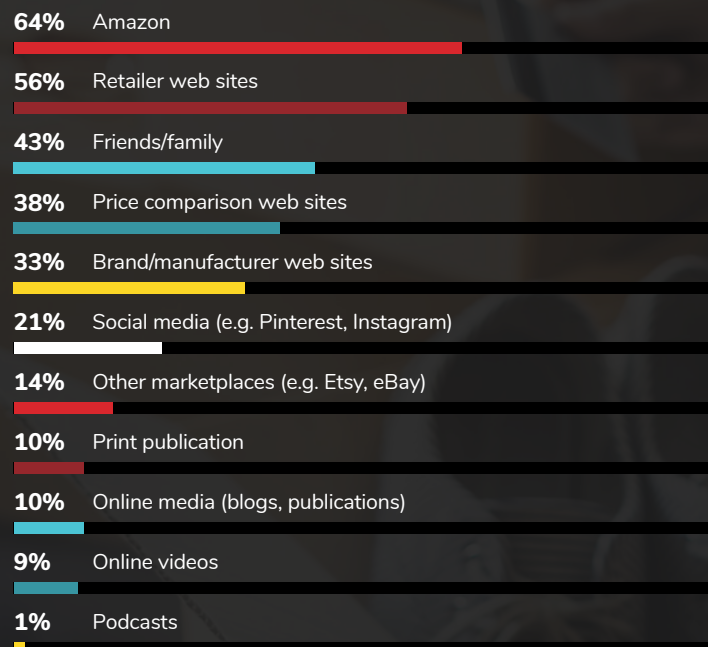
Consumers' determination to get the best price on their potential purchase is seen in the **38%** identifying price comparison web sites, as well as the **33%** naming brand/manufacturer web sites, as influential during the consideration phase.

Aspirational, visually oriented social networks such as Pinterest and Instagram play big roles during the "inspiration" phase of the shopper journey, but their influence lessens during the consideration period, coming in at just **21%**. Marketplaces that are less

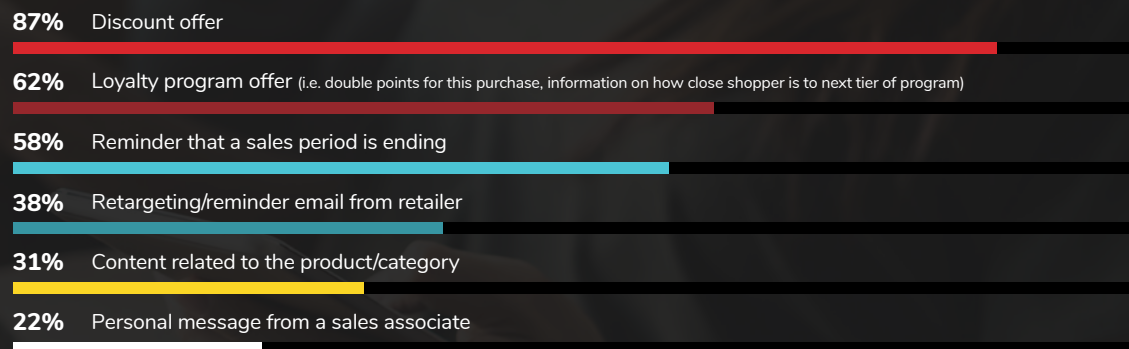
transactionally oriented than Amazon, like **Etsy** and **eBay**, also are less influential, at only **14%**.

Retailers seeking to move shoppers beyond consideration and into purchasing have a variety of tools at their disposal, but they need to make it worth the shopper's while. Consumers who have placed items in an online cart but have not checked out are most strongly motivated by a discount offer, selected by **87%** of respondents. Retailers with loyalty programs can leverage them to protect their margins: offers such as double points or a message about how close the shopper is to reaching the program's next tier are motivational for **62%** of consumers. Reminders that a sales period is ending are also an effective tactic, at **58%**. A generic retargeting/reminder email carries less weight, at **38%**, as do personal messages from a sales associate, at **22%**.

What are the most influential resources when you are researching a potential purchase?



If you have placed a product in your online cart, what types of messages will most strongly motivate you to complete the transaction?



The Purchase Experience: Shoppers Prize Convenience, Product Availability And Free Shipping

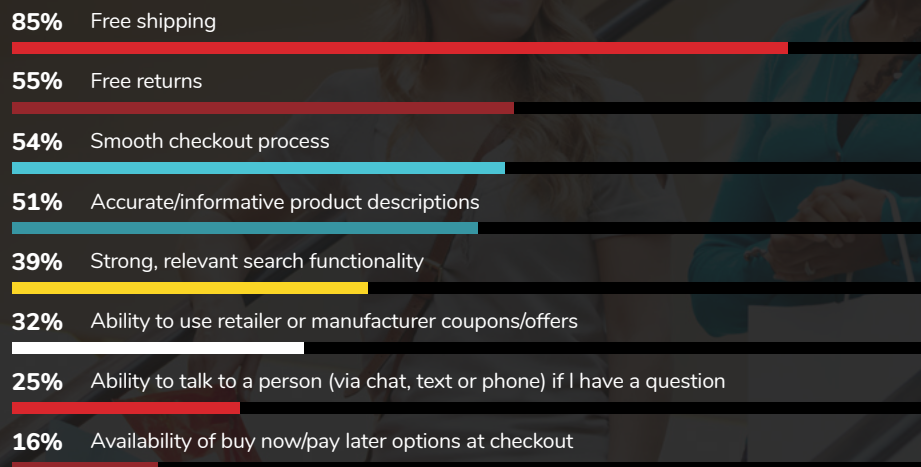
Practical, “Retailing 101” capabilities are paramount during the purchase experience both in-store and online:

- Strong product availability (and easy ways to order items that are out-of-stock);
- Smooth, streamlined checkouts;
- Polite, helpful, well-informed sales associates; and
- Clear, informative product descriptions.

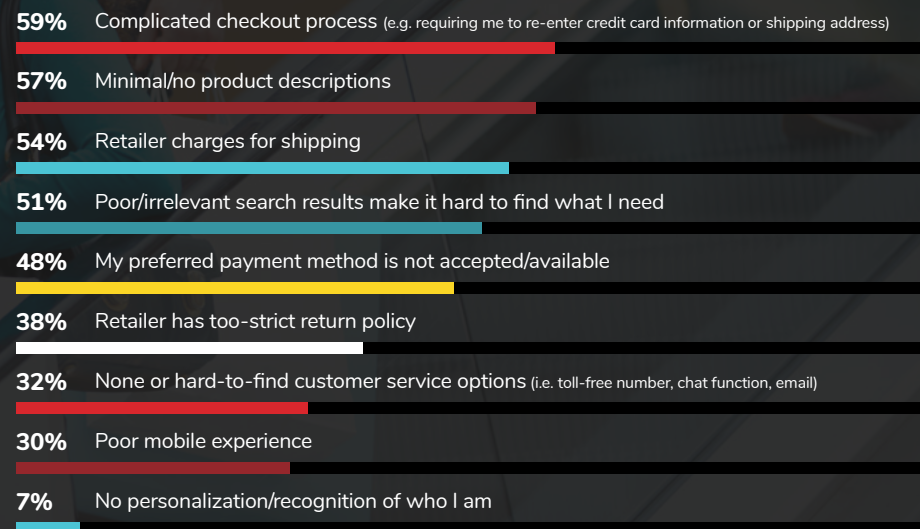
Additionally, in the digital commerce world, free shipping has moved from “nice-to-have” into “must-have” territory. It topped the list of important/influential elements of the online shopping experience, at **85%** — well above the number-two selection, free returns, at **55%**. Shipping charges also were listed as a major e-Commerce “deal breaker,” at **54%**, trailing only complicated checkout processes and minimal/no product descriptions, at **59%** and **57%** respectively.

A 2019 survey of global consumers conducted by **Flow Commerce** reinforces the idea that free shipping has become table stakes in e-Commerce: **84%** of shoppers across multiple markets expect a free shipping option.

When making a purchase online, what are the most important/influential elements of the shopping experience?



What are the strongest “deal breakers” that would prevent you from making a planned purchase online?

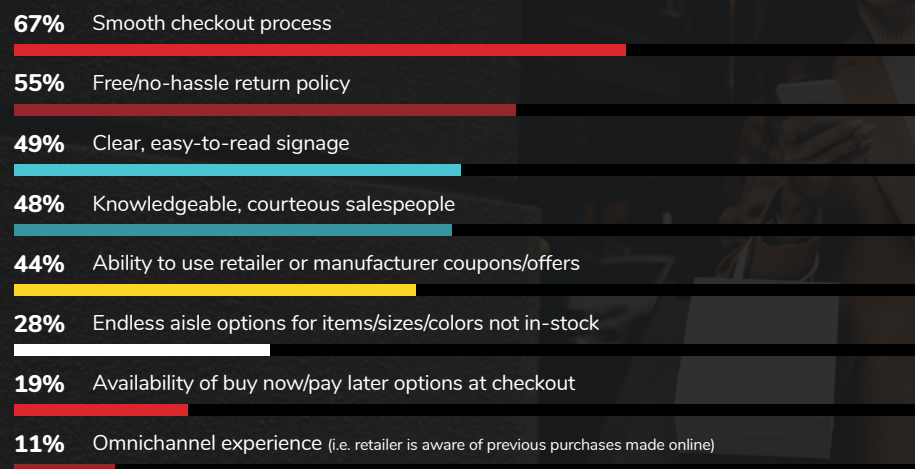


In brick-and-mortar stores, consumers have come to expect endless aisle options when items they seek aren't available. The lack of such a service tops the list of in-store deal breakers, at **64%**, followed closely by difficult/impossible to find product, at **61%**. Just over half (**51%**) of shoppers identified different prices in the store vs. online as a deal breaker, so while omnichannel retailers should certainly try to align prices at different touch points, they won't pay a heavy penalty if they don't succeed.

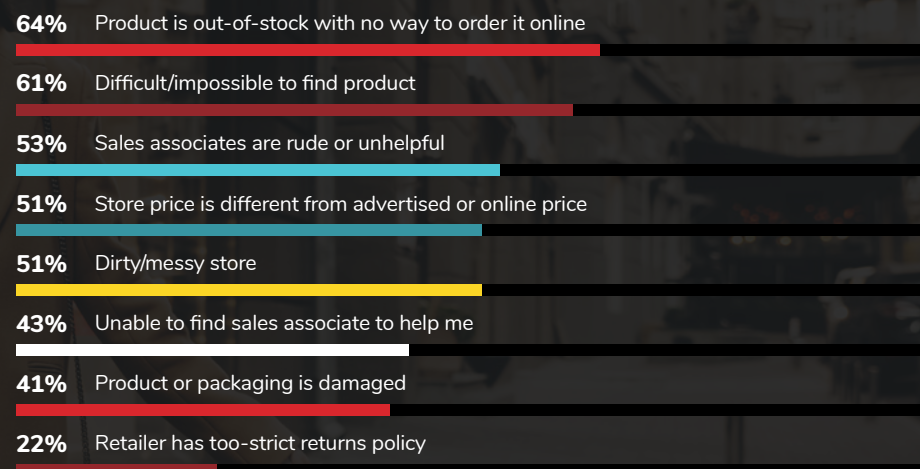
Even though no-interest buy now/pay later services are relatively new in retail, they already are affecting consumer purchase choices: **19%** rate their availability as an important/influential element in-store.

Interestingly, only **11%** of consumers identify omnichannel capabilities, such as a store associate's having data about purchases the shopper has already made online, as influential during the purchase experience. It's likely that **only a handful of retailers have made the investments in unified commerce and data management** that offering such capabilities would require. Retailers that do gain this ability — and use it in ways that visibly enhance the customer experience — will have almost a first-mover advantage with their shoppers.

When making a purchase in-store, what are the most important/influential elements of the experience?



What are the strongest “deal breakers” that would prevent you from making a planned purchase in a store?



To Build Customer Loyalty, Invest In Human-Powered Customer Service

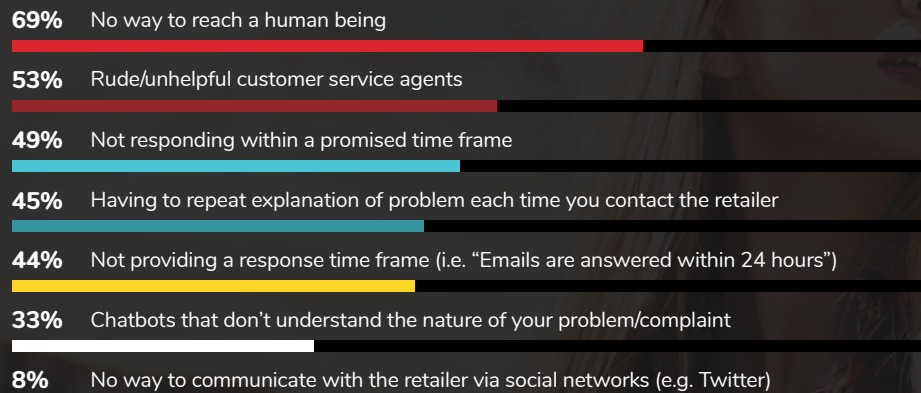
Turning a newly acquired customer into a loyal returning shopper is one of the most valuable investments a retailer can make. It's even more rewarding when the brand is able to establish an emotional connection with a customer. These consumers generate a **306%** higher CLV, stay with the brand an average of **5.1 years versus 3.4 years**, and recommend brands at a much higher rate: **71% versus 45%**, according to a survey by **Motista**.

Retailers' first, and potentially best, chance to build loyalty is with the post-purchase experience — particularly if something goes wrong. When that happens, a retailer's most valuable asset is a well-trained, well-informed customer service agent who is

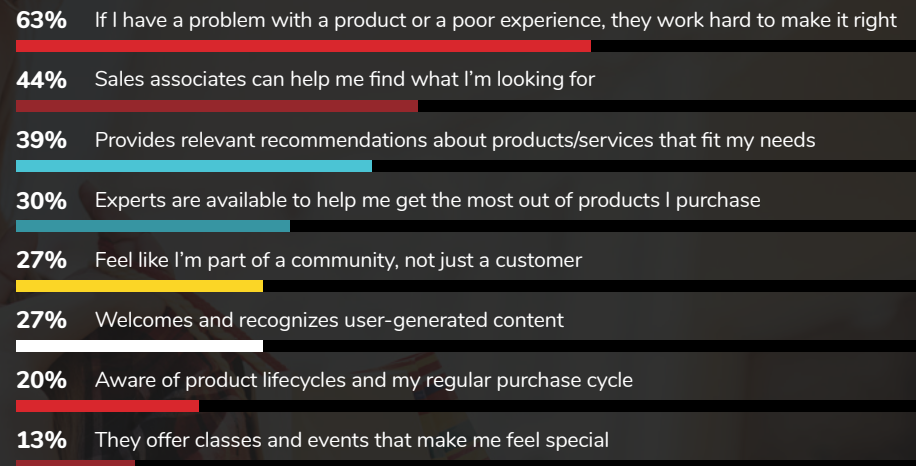
capable of fixing whatever problem the customer has. Asked about the biggest post-sale customer service mistakes retailers make, **69%** of consumers selected **the inability to reach a human being**, followed by **rude or unhelpful customer service agents** at **53%**, and **not responding within a promised time frame** at **49%**.

Consumers place a high value on a retailer's commitment to solving their problems: **63%** said that the retailers they are most loyal to **work hard to make it right if they have a problem with a product or a poor experience**. Shoppers also appreciate sales associates that can help them find what they're looking for (**44%**); relevant recommendations about products/services that fit their needs (**39%**); and experts available to help them get the most out of the products they purchase (**30%**).

What are the biggest post-sale customer service mistakes that retailers make?



For the retailers you are most loyal to, what elements of the relationship are most valuable to you?



The growth of e-Commerce has put last mile capabilities at the top of shoppers' list of highly valued post-purchase services, led by shipping confirmation emails, texts or phone calls, at **77%**; delivery during a promised time frame, at **75%**; and prompt, accurate responses to WISMO (Where Is My Order) queries, at **40%**. Retailers' challenge is in providing all of these features in an environment where consumers also demand free shipping.

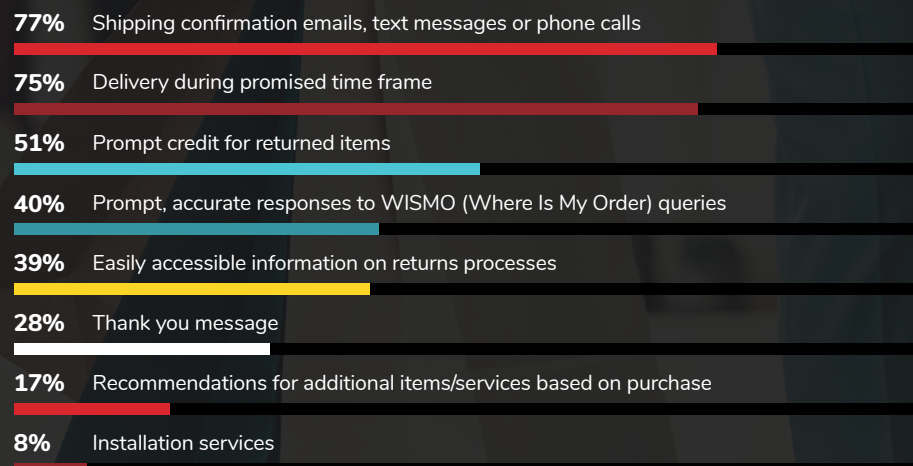
One solution for retailers might be to fund customer service initiatives with a customer loyalty program that charges membership fees: **66%** of consumers are members of Amazon Prime, the leading example of these programs, and **32%** report membership in other programs that charge fees. These numbers are significant given that **63%** of consumers are active members in **five or fewer** customer loyalty programs. Requiring

shoppers to pay for membership increases the likelihood that they will stay actively involved in a program, increasing their connection to the brand.

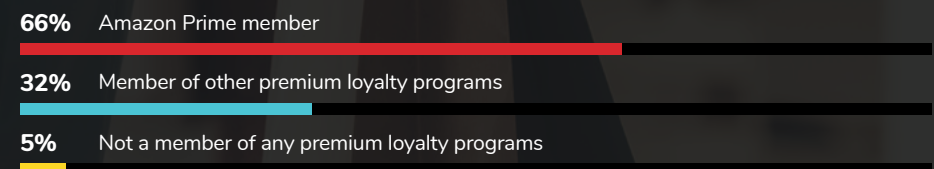
Additionally, if retailers are successful in building programs that feature recurring revenue, such as premium loyalty or subscription services, the rewards can be significant. According to a survey by Ordergroove and NAPCO Research, **subscription service-driven benefits** include:

- Greater revenue (**67%**);
- Greater profitability (**61%**);
- Increased customer loyalty (**55%**); and
- Greater revenue predictability (**50%**).

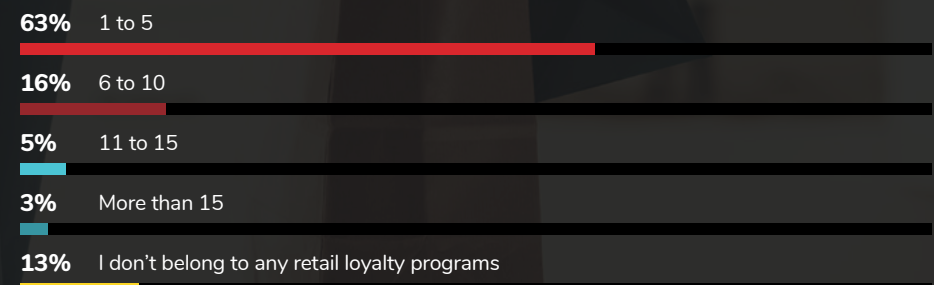
What services do you value the most after you complete a purchase?



Do you belong to any premium customer loyalty programs that charge membership fees?



How many retailer customer loyalty programs are you actively involved in (i.e. earning points/redeeming rewards on a regular basis)?



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