

**MOMENTUM**  
*WE KNOW*



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# /THE WORLD OF MODERN SHOPPERS: MAY THE BEST EXPERIENCE WIN

If there are two topics bombarding retail and shopper marketers today, they are:

## 1. Millennials' marketplace impact

## 2. Technology evolution at retail

There is no current industry publication or conference without content on these subjects. Still, for the amount of press that beacons, drones and augmented reality receive, their adoption by retailers and brands is dangerously low—outpaced by the expectations of Gen Y-ers driving the future of retail.

Millennials have surpassed Boomers as the largest generation, and while they are likely the most diverse generation ever, digital unifies them powerfully. Such diversity across income, marital status and multiculturalism not only requires more 1:1 solutions, their always-on, digital upbringing makes these digital solutions an assumed expectation. Having spent their adult life ordering products and banking online, and interacting with the world through social media, Millennials have little to no tolerance for retailers and brands that lag behind in technology.

And pace of evolution is a problem. Asked about tech helping them with the shopping process, our research shows an average 25% of shoppers recall in-store technologies like interactive displays, tablets,

augmented reality, active displays and self-checkout; this is in contrast to 93% of shoppers able to recall using mobile shopping apps on their smartphone.

Amid overwhelming shopper and tech industry discussions about innovation, with WE KNOW MODERN SHOPPERS, our newest global research study, encompassing over 3,000 smartphone-owning, engaged shoppers, age 18+ across five countries, we've reached a major make-or-break moment for bricks-and-mortar retail, with mobile tech dominating the growing demand for time- and money-saving.

As you'll see in our findings, money and time are the dominant drivers of shopper technology use. This makes sense; as marketers, we have spent more on digital resources for price comparison and promotion than we have to deliver meaningful, differentiated experiences as part of the retail environment.

Take a look down any aisle today and you will see faces buried in phones; instead of being used as a tool to interact with the in-store experience, they're used as a tool within the store that can be replicated, regardless of what channel you are in. The in-store experience is now an accessory to the mobile phone rather than the other way around, and retailers must ramp up their experience to stay indispensable.

Retail is in prime position to step up and provide people with the help they're demanding in the actual purchase decision-making process, harnessing new ideas and tech to become more vital and fun—and rising to new prominence in a world where people are blocking ads, but not experience.

A fair share of pop-up retail is testing new technologies for custom product creation, leveraging social currency as cash in retail, virtual solutions for managing wardrobes, and sourcing opinions from your social universe—but adoption of these leading technology-based solutions is slow. Overall, 93% of shoppers feel shopping technologies are able to improve the quality of the shopping experience, and eight of ten shoppers are more likely to prefer shopping tech than they did three years ago because of comfort and ease of use.

We are being asked by shoppers, as an industry, to step up our game.

These pages give an understanding about the emergence of modern shopper technologies, how people leverage them today, and more important, how they want to leverage them tomorrow. From the role of mobile across the purchase journey and the modern store experience, to security concerns and brand category insights, it's clear: the right modern approach is genuine experience.

## SHOPPERS ARE INTERESTED IN USING MORE ADVANCED SHOPPING TECHNOLOGY

70%

ACTIVE DISPLAYS

54%

IN-STORE BEACONS

53%

ACTIVE MIRRORS

ONE

## /THE DESIRED MODERN STORE EXPERIENCE

When it comes to the modern store experience, there is a fair level of existing chaos and confusion among traditional retailers. Etailers like Amazon and Warby Parker, and manufacturers like Apple and Microsoft have gone bricks-and-mortar. According to Mediapost, online purchases represent 9% of all retail. While this percentage is not going to put venerable brick-and-mortar retailers out of business overnight, the rate at which this figure has risen over recent years means that they do need to evolve to stay relevant.

But there is also massive opportunity for those willing to take strategic risks in the new shopping world. The truth is, shoppers have the imagination to see possibilities that rigid retail systems, bureaucracies, and annual budgets may not address as quickly.

So the first retailers and brands to solve problems for shoppers—setting the pace of disruptive innovation, and connecting shoppers with technologies and experiences that enhance their ability to make decisions—will become the desired destinations for repeat and new customers.

Nowadays, the focus inside a store is on experiencing it—or it should be. We want to indulge shoppers' senses, create emotional and tangible connections, and give them a reason to stay a little bit longer.

Environmental and sensory design, UX and modern shopping technologies all play a major role in setting a mood, making the experience feel simple and seamless to generate real engagement. Examples in the market include:

- Samsung's 837 offers live-streaming retail theater, hosted workshops and a "Social Galaxy" installation that lets shoppers walk through a personalized Instagram tunnel.
- STORY curates products just like content, crafting original and ever-changing narratives that offer shoppers a dynamic experience so they're never bored.
- Nordstrom enriches and extends the shopping experience with Bar Verde, an on-site oasis that gives shoppers a reason to stay and shop more.

Shoppers believe that advanced shopping technology should be equal parts fun and function. For example, 68% of Japanese shoppers think shopping technology should deliver entertainment, and 68% also say technology should improve the quality of the shopping experience. Momentum's study shows four top in-store technologies that enhance their experience:

1. Augmented reality immersion
2. Virtual mirrors
3. Active displays
4. Beacons

Augmented reality enables retailers to immerse shoppers in richer, more powerful storylines than conventional retail tactics; meanwhile, consultative selling tools like virtual mirrors, active displays, and even mobile apps activate videos, product ratings and more. Virtual mirrors could even help sell via a personal shopper that customers already trust (like friends sharing social input on the mirror in real-time), or an algorithm that leverages past purchase data or related purchases to recommend the best accessories.

Location-aware beacon delivery mechanisms like NFC, Wi-Fi or GPS enjoy far higher redemption rates for coupons, particularly for impulse purchases. According to Mediapost, 40% of global respondents said technologies offering coupons/discounts provide the most compelling benefit to shoppers. This is compelling, given the Jupiter Research projection that by 2020, beacons will distribute around 1.6 billion coupons to smartphones annually.

There are many ways, tech-driven or otherwise, to make modern stores an irreplaceable experience. Let's get back to work and show the rest of the retail world how.

**85% OF GLOBAL SHOPPERS SAY THE BENEFIT THEY MOST LIKE TO RECEIVE IS SAVING TIME AND MONEY**



TWO

## **/NEWEST DEMANDED VALUE: DECISIONS & EXPERIENCE VS. TIME & MONEY**

Good news: For a culture of shoppers trained to hunt for the best deals and promotions, research shows that shopping technologies largely deliver. 85% of global shoppers say the benefit they most like to receive from shopping technology is saving time and money.

So tech is giving people what they want, and there's nothing wrong with that—unless it's not giving them all that they want. Tech is tapping into established demand for time- and money-saving, but in-store technologies could play a big role in re-framing the value of the overall shopping experience. Knowing the cheapest deal isn't always the best one, big potential value still exists in the larger shopping experience beyond speed and thrift.

And less-good news: Other high-ranking consumer needs revolving around decision-making—rather than saving minutes and dollars—are going unaddressed by new technologies. And that means missed opportunities.

Respondents want shopper tech to help identify the right products to buy (60%), show them how to maximize product use (52%), and provide more information on what others buy (43%). Consider how

the shopping and retail market currently boasts few-to-no technologies outside mobile apps that are capable of delivering decision-making benefits.

There's a strong possibility that consumers rate time-saving as a strong benefit of shopping technologies because the current shopping environment isn't a place where shoppers want to spend much time. The silver lining is that as shoppers ourselves, we know that shopping can transcend transaction. We know it can give us memories, connections and cultural currency. We know as professionals, enhancing the shopper experience will drive loyalty and brand love more than the best deal—which they can get from a different retailer or brand the following week.

The key for retailers is making in-store technology additive, essential and meaningful—so intertwined with store experience that people actually find value in the process of shopping. These existing and forthcoming technologies need to help them understand and select products, and to connect with people for comparison and perspective.

If stores don't step up, mobile will: 53% of global shoppers use mobile apps to

research deals before reaching the store, letting the phone drive their retailer and brand choice. Today, just 14% of global shoppers use mobile apps while in-store, which means retailers and brands have a definite, but limited, window to take that lead in tech solutions that enrich shoppers' visits to the store; understanding how to integrate mobile into the physical experience that is happening at retail—through the use of connective and integrated technologies like AR, one-click purchase, social sharing and product scanning—will be the step needed to make sure physical retail does not just become a mere accessory to a hand-held screen.

Retailers are in prime position to evolve and leverage technologies that create meaningful and memorable experiences for shoppers, driving strong loyalty to stores and changing shopper sentiments from "I shopped the quickest, cheapest way." to "That was actually fun. Time and money well spent."

## BRAND CATEGORIES WHERE PEOPLE WANT SHOPPER TECH

76%

APPAREL

69%

MOVIES, VIDEOS  
AND MUSIC

67%

CONSUMER  
ELECTRONICS

THREE

## /BRAND CATEGORIES: INNOVATION EXPECTATIONS THAT MAKE SENSE

Every brand faces a unique mix of channel, category, and shopper consideration obstacles. Thankfully, shopper technologies can help address all three headaches. Specifically interested in what product categories most needed technological attention, we asked today's shoppers, "What are the top product categories in which you believe shopping technologies would aid your purchase decisions?"

The top categories they selected were apparel (76%), movies, videos and music (69%) and consumer electronics (67%). What does this tell us about each of these brand categories—and what insights can other brand categories learn from these?

Apparel brands can't skimp anywhere. Shoppers' desire for apparel goods is based on their perception of those brands. This feeling is fed by everything the shopper sees and experiences during their path to purchase. Case in point, apparel brands work hard to illustrate the scenes and moods that their products fit—evidence is the recent, sexy pop-up store craze. But to really buy into a brand's glamour, it seems from our study that shoppers also want the same level of swag in the shopping aids that can help them navigate what is possibly the most overwhelming category of them all.

Movies, videos and music continue to be a leading indicator of what the masses want. Starting in the days of Napster (the dawn of free content expectations) all the way to iTunes today (now the products I buy will follow me on any device I use), the ways in which we see consumers acquire and consume their movie, video and music content have an inevitable ripple effect on most other categories. While consumers aren't always honorable in how they acquire content, this also means that when they are in shopping mode, they will explore anything that might help them get what they want sooner or easier. Given the pace of this category, the brands that play to this understanding and are the first to introduce new shopping aids could put significant distance between themselves and their competitors, all racing for shoppers' buying power.

Consumer electronics are under pressure. Of all the categories, consumer electronics seems to come with the logical expectation that with every new advancement, the shopping tech in the category should be keeping pace. High tech product should mean high tech shopping, no? Brands should consider this connection, and even use it to their advantage when trying to build an image of superiority and innovation.

Much like it is with apparel, every experience a shopper has with a consumer electronics brand shapes their perception. Why not use a positive product experience and cutting edge functionality to help guide a shopper to another product in the brand's portfolio?

Even if a brand lives outside these mentioned categories, the takeaway remains the same: if they haven't already (and most haven't), brands must intentionally craft their shoppers' experience through the appropriate shopping technology so it is consistent with the brand's image, product line panache and their shopper's natural tendencies. Let the attributes of your category, your product's advantages, and your consumer expectations guide your strategy.

**9 OUT OF 10 SHOPPERS FEEL TECH IMPROVES THE SHOPPING EXPERIENCE**



FOUR

## **/RETAIL CHANNELS: WHERE IS INNOVATION IN DEMAND?**

Digital world aside, when it comes to retail, an overwhelming majority of purchases (90%) are still made in the physical store, according to *Mobile Shopping White Paper*. To be clear, technology has a place in the store, and our research definitively shows that receptivity to enhanced experiences by way of technology has never been higher, with 93% of shoppers feeling that shopper technologies can improve the quality of their shopping experience. As a result, merging these two worlds is essential to maintaining traffic, creating deeper shopper engagements and simplifying the in-store experience.

A question worth asking as we explored the future with consumers: In what settings do you even want this technology? For retail, shoppers most desire technologies in grocery stores (76%), department stores (49%), and mass merchandise stores (46%).

### **Grocery is admittedly an odd leader.**

Perhaps it's because very few people love grocery shopping. It's a chore and often requires a good amount of planning, time and money. It's also an experience that hasn't really changed for shoppers over the years, making it rather dull. We suspect shoppers simply want technology to make it more expedient and less arduous. Tech has a big opportunity beyond what we

have already seen, to save people time, money and hassles. Take self-checkout. 70% of shoppers reported having a better shopping experience when using it. Self-checkout allows shoppers with smaller baskets and/or less time to get in and out of the store without waiting in line. List-making tools and coupon apps like Ibotta are just more examples of how technology can make grocery shopping an overall better experience and save shoppers money.

### **Department stores are a more obvious fit.**

Not only are they massive spaces, the displays are often crammed together, making it hard to find anything. And then when you do find something, it's either not in your size or not the color you want. Technology has the opportunity to give shoppers a more personalized shopping experience by leading them to the items that fit their needs and wants. It can also make their time in-store more efficient, creating more opportunities for more purchases. Macy's in-store app experience is a good example of this—it allows shoppers to review items that they liked during past visits but have yet to buy.

### **Mass merchandise has mass potential.**

These stores can be overwhelming for shoppers, and it can be difficult to find the

item you're looking for—or already found online and want to buy in-store. There are also a wide variety of similar products, which makes it difficult to compare and decide which is best for you. Technology has the opportunity to help shoppers navigate the store and find what they are looking for. It can also help shoppers by comparing items and providing reviews so that they are confident in their purchase. Moreover, as in the case of Walmart's app, technology can easily implement price matching for the shopper, making them feel good because they know that they are getting the lowest price available.

Nowadays it's so common for brands to leverage technology for great experiences that build brand love and awareness—very important factors for a brand. But even the best experience isn't directly tied to an increase in sales and ROI. For marketers, it's important to consider the impact technology can have on influencing consumers to make more purchases in-store and what that means for how they will shop in the future. And it's equally important to consider the specifics of each retail channel for your brand, and the respective value you need each to deliver—whether that's via existing or emerging technologies.

**74% OF SHOPPERS REPORT USING MOBILE APPS OFTEN OR ALL THE TIME FOR SHOPPING**



FIVE

## **/MOBILE APPS BOOMING IN-STORE, PRE-SHOP, POST-SHOP**

Though the world of overall shopper experience is still anyone's game, mobile currently leads in terms of providing new shopper value catering to some of the most important, classic shopper motivations.

While tech has fundamentally changed shoppers' experiences, and their relationships with retailers and brands, what hasn't changed much is basic shopper behavior. Shoppers are looking to save time and money, and make more informed decisions. They want to improve the quality of their shopping experience and if possible, simply make it fun.

Technology is answering these needs—a role central to the rapid global growth of smartphone ownership. Instant access through modern mobile devices to retailer and brand websites, social media reviews, product offers and product specifications is the minimum requirement for many modern shoppers. In addition, rapidly growing demand for such services as one-click purchasing and self-checkout is the most recalled in-store technology in our study (used at a 62% global rate). Newly developed features, such as intelligent POS and augmented reality used in-store, also show smartphones' and mobile apps' natural fit at the heart of the shopping experience.

Two generations of affluent shoppers raised on this technology have shopping habits defined by the smartphone. Apps are now almost social currency for these people, with 74% of shoppers reporting use of mobile apps all the time or often for shopping. AR, and more recently VR experiences delivered via the smartphone, offer a whole new means of disrupting the shopping journey and fulfilling shopper needs. Retailers currently play a key role as the primary means by which shoppers discover these technologies, because the benefit of this investment for retailers is increased loyalty. Shoppers are more likely to shop categories or retail environments where the tech is made available.

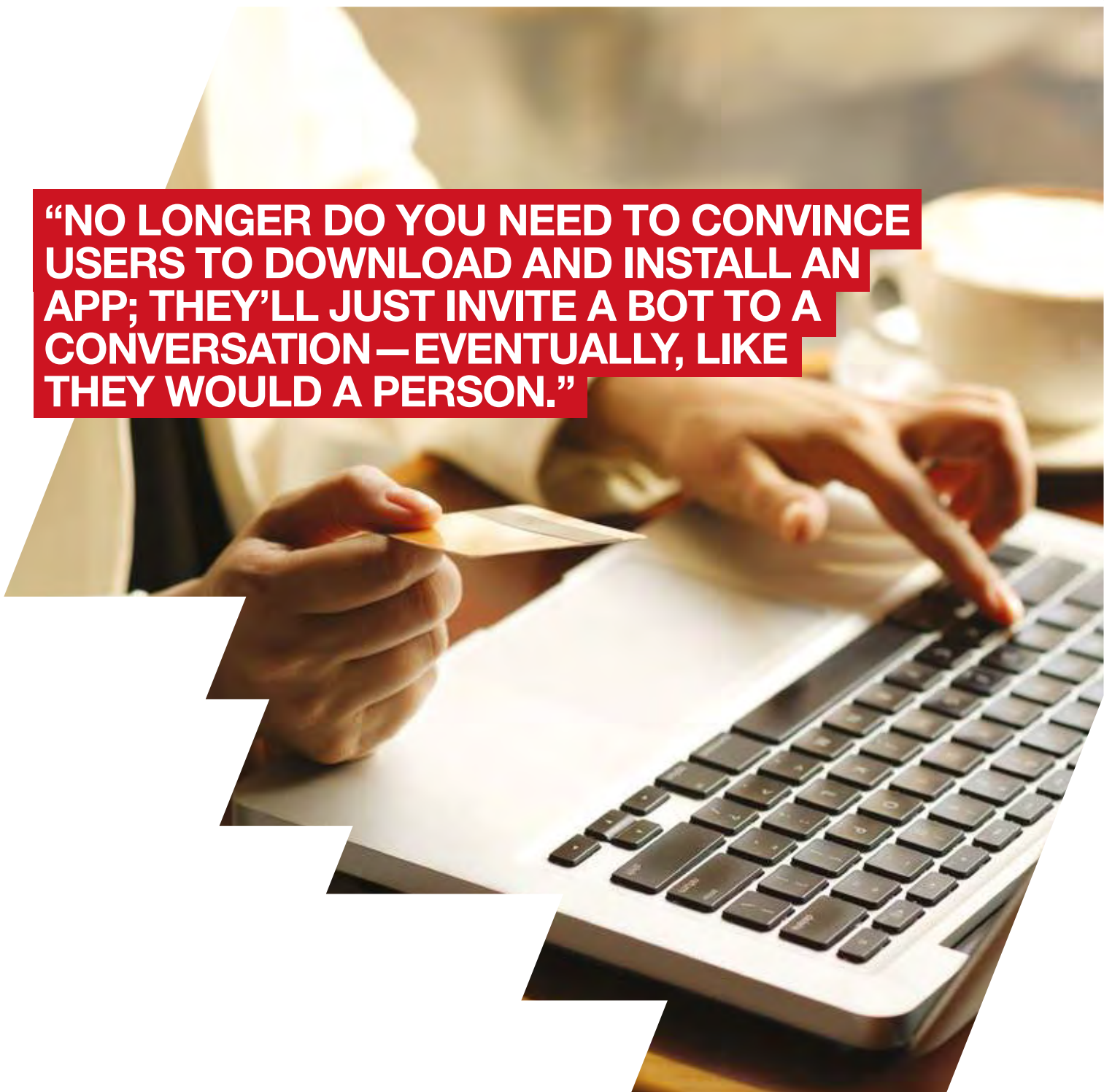
While there are regional differences worldwide, our research finds mobile apps central to the store visit—even prior to visits—as an online shopping tool. The well-designed shopper app, defines the modern shopping journey and transforms how modern shoppers use the bricks-and-mortar retail environment.

More popular shopping apps are providing product and price analysis, delivering pre-shop coupons and deals to encourage purchase, present customer reviews and product endorsements. Our respondents reported apps that value price comparison

(for example, RedLaser) appeal to 81%; apps for general promotions and deals (think RetailMeNot) appeal to 79%; apps providing product information (like *Consumer Reports Mobile Shopper*) appeal to 63%. All of which enables shoppers to build their shopping list, select which store to visit—online or offline—and to make brand selection choices based on their needs.

The fear being realized is that rather than a phone becoming a complementary accessory to the store experience, the store is getting relegated to being an accessory to the phone. And that's a huge shift.

In many categories, this technology has also fundamentally changed what was once a dictated shopping journey and now provides more choices and control to shoppers to select or deselect where and how their purchase will be made. As consumers expand on activities like trying on clothing in-store, sharing pictures of their choices with friends before purchase, then making the final purchase through the mobile app which is commonplace today. Expect growth of these trends to accelerate.



**“NO LONGER DO YOU NEED TO CONVINCE USERS TO DOWNLOAD AND INSTALL AN APP; THEY’LL JUST INVITE A BOT TO A CONVERSATION—EVENTUALLY, LIKE THEY WOULD A PERSON.”**

SIX

## **/ADVANCED TECHNOLOGIES: PUTTING CONVERSATIONS, IDENTITY AND “ME” FIRST**

Technology is putting up a considerable hurdle for display advertisers—it helps enrich the quality and volume of digital ads, and it is simultaneously empowering consumers with ad blocking apps that let them say, “Thanks, but no thanks.” By contrast, technology innovation for retail continues on its path toward developing more meaningful experiences and intimate connections between brand and shopper—in markets where “intimacy at scale” is the goal.

Our research shows that shoppers are aware of where we’re headed. They’re specifically aware of more advanced technologies like one-touch button ordering (28%) and smart appliances (21%), which is truly a symptom of a larger gravitation toward frictionless interactions—whether they be in communication, payments, or our connectedness to shopping experiences. Along those lines, the future of advanced technologies for the modern shopper will involve the concept of conversational commerce, the rise of a persistent identity, and finally the “Internet of Me” revolution.

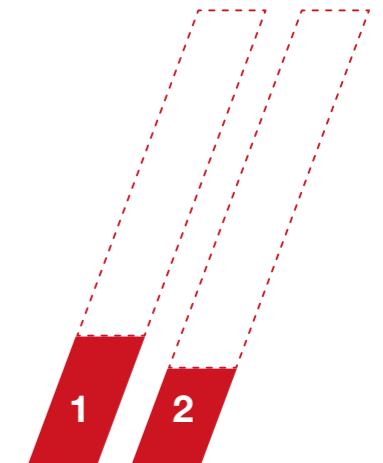
Conversational commerce means the use of chat, messaging or other natural language interfaces (i.e., voice) to interact with people, brands or services, and bots.

The net result is that we will be talking to brands and companies over Facebook Messenger, WhatsApp, Telegram, Slack and elsewhere—and will find it normal. In fact, it’ll feel as natural as the conversations we’ve had with retail sales associates and customer service reps on the phone.

This new conversation will be with a human, bot or some combination thereof. If we use these terms interchangeably, it’s not unintentional. Over time, computer-driven bots will become more human-feeling, to the point where the user can’t detect the difference, and will interact with either a human agent or computer bot in roughly the same interaction paradigm.

What this means for marketing as well as retail experiences is that the vocabulary of our more traditional shopper technology will become irrelevant in the conversational paradigm. We “buy,” “download,” “install,” and “trash” apps. The conversational commerce model is much more social, and therefore less technical. Humane verbs like “add,” “invite,” “contact,” “mute,” “block” and “message” will dominate. The language of conversation is more accessible to a broader audience, which will in turn accelerate the adoption of conversational agents faster than we saw with desktop apps.

No longer do you need to convince users to download and install an app; they’ll just invite a bot to a conversation—eventually, like they would a person.



- 1** 28% of shoppers aware of one-touch button ordering
- 2** 21% of shoppers aware of smart appliances



## /ADVANCED TECHNOLOGIES: PUTTING CONVERSATIONS, IDENTITY AND “ME” FIRST (CONTINUED)

“Persistent identity” is driven by what users of conversational apps bring to the equation. That’s lots of information and capabilities that used to be exceedingly rare in the computing environment. Persistent Identity is a fancy way of saying, “We know who you are, where you are and what device you’re on.” It’s the holy grail of data.

For example, Uber integration in Facebook Messenger was made possible because mobile payment mechanisms are now commonplace in chat apps. Because you can send money directly within Facebook Messenger, once payments are set up in the system, they can be used with bots. For the larger shopping world this means integration into messaging platforms can significantly reduce friction.

Additionally, conversational mobile apps will boast a lot more contextual information about users, including location, health, sensor and social data. This information is useful for fighting fraud, and conversational apps like Hound will push commerce and purchases into this context aggressively and away from the query-thrashing model (read: Google). The advantages of having a natural language—conversation—over submitting a series a queries and hoping to get the right results, are palpable.

Meanwhile, all of this data is also available to clever developers for building interesting and more personal agents and bots. And since each interaction and engagement is tracked, the longer the conversation thread persists, the easier it will be to offer more responsive approaches that anticipate the user’s specific needs. The more conversational agents will appear to be getting to know you.

With more intimate conversations and deeper engagements and understanding of the shopper, “The Internet of Me” will develop as an internet experience as unique to you as your fingerprint.

Retailers who once feared smartphone-toting “showroom” shoppers—browsing products in-store and then purchasing online, often from competitors—are gradually enhancing the in-store experience to include shoppers’ technologies. A few ways we’ll see this develop...

- Beacon technology creates an “aware” store environment that can talk to customers in a personalized way, based on past behaviors, purchases and exclusive deals.

- Customers who opt-in can benefit from the digital trail they leave by doing everything via their mobile device.
- Stores will double as classrooms—sensory-rich environments to augment the purchase of goods and services like fitness, cooking, and networking—and they all connect to create intimacy with conversation.
- Rental retail will continue to rise in more of a “sharing economy,” much like the evolution of Uber, WeCar and Airbnb. This trend is particularly strong among Millennials, with 35% of 25–34 year olds interested in renting.
- Virtual and augmented reality will make it into the home, placing goods and services in-situ to “try on” before purchase.
- The modern shopper is most open to new, more engaging experiences with brands, and in retail spaces, it’s up to us and the brands we work for to make those experiences more engaging and less complicated.

**“‘THE INTERNET OF ME’ WILL DEVELOP AS AN INTERNET EXPERIENCE AS UNIQUE TO YOU AS YOUR FINGERPRINT.”**

**91% WILLING TO SHARE THEIR EMAIL ADDRESSES TO RECEIVE A BARGAIN, DESPITE CONCERNS ABOUT:**



**HACKING AND PERSONAL INFORMATION LEAKS**



**FRAUD/IDENTITY THEFT**



**PASSING ON OF PERSONAL INFORMATION**

SEVEN

## **/SECURITY: GREATER RISK, REWARD, RESPONSIBILITY**

Even before digital ubiquity, shopper marketing walked a fine line between privacy and access, with people giving up personal information for better deals. Transparency has increased, making consumers more conscious of the risk vs. reward of their behaviors—but with prominent retailers getting hacked, the delicate line gets ever finer. These breaches threaten to stymie the advance of technology in the marketplace. The top three largest security concerns with modern shopping technologies are hacking and personal information leaks (85%), fraud/identity theft (74%), and misuse of personal information (69%).

But again, transparency brings confidence; 91% of respondents were willing to share their email addresses to receive a bargain. When we share our shopping and spending habits with retailers, we may receive a targeted shopping experience designed with us in mind. Consumers want to know that they receive equity for their privacy investment... that the juice is worth the proverbial squeeze.

Outside shopper, some have taken the idea of providing personal data in exchange for value to another level. An Italian man, diagnosed with brain cancer, took his medical records—from various proprietary formats—and converted them

to open, standard formats anyone could use. This “open sourcing” of his records, posted on his website, welcomed others to help with a “cure,” taking the form of a video, artwork or true medical insight to his condition. Instead of pulling information from many sources, he asked the world to push him knowledge based on his specific need while providing unprecedented information about himself.

This is an extreme example of the balance; instead of exchanging info for a banner ad featuring a delicious sandwich during lunch, it could be a prescription to save your life. But the principle in all cases—no matter how extreme—is that people are saying “Here I am, and this is what I wanted” and this is a dynamic that marketers should always seek to respect. New technologies bring more opportunities to hear from people who share, more opportunities to answer them, and more red flags in protecting the balance.

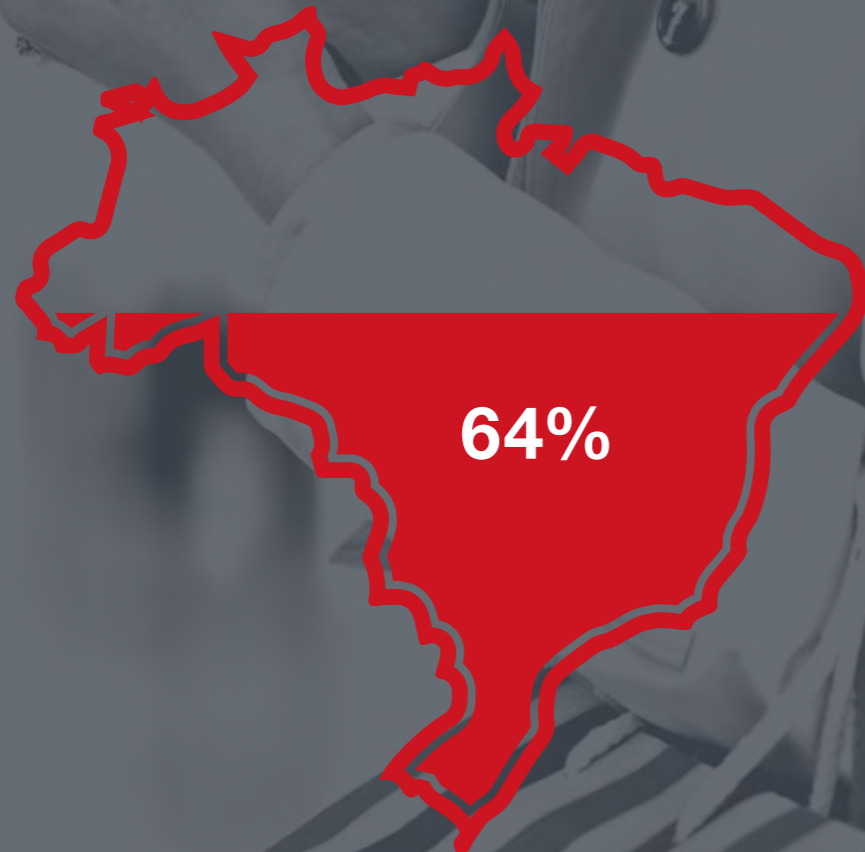
Those who say “Here I am” need two specific security layers:

1. Restricted access to those who should have it.
2. Encrypted data, so that in the event that access is breached, the data itself is deemed worthless.

The rise of mobile and payment solutions with enhanced security has introduced additional examples of multi-factor authentication to the marketplace. The chip on your credit card effectively replaces your credit card number with an encrypted, one-time-use “token” generated for each transaction, useful to your financial institution, but worthless to thieves. Add on a layer of biometric security, courtesy of Samsung Pay, Apple Pay or Android Pay—such as fingerprint or facial recognition—and you are instilling greater consumer confidence.

As future technologies continue to introduce additional methods of collecting data and easing purchase from shoppers, so too will the demand that this data be properly secured and anonymized. The more the shopper consciously controls that balance, the better.

**BRAZIL'S SMARTPHONE  
PENETRATION RATE IS 64%**



**BRAZIL**

EIGHT

## **/GLOBAL PERSPECTIVES: THE BIG PICTURE + BRAZIL**

If there's one insight from this study that arose loud and clear, it's that everyone—from High Street in London to the supermalls in Japan—highly values technology that helps them save money and time. Still, there are subtle differences between countries when it comes to adoption and engagement of shopper technologies. In the US and UK there is high awareness and engagement of technologies, whereas in Japan they are less likely to engage as frequently with shopper technology or for that matter, have awareness that it even exists.

With nearly all countries surveyed showing a smartphone adoption rate over 70%, it's clear that having a shopping app is now "table stakes" for any retailer, much like having a website. But that's where the similarities end; there's varying disparity between the functionality and usefulness of these apps for target customers in different markets. This is why we see nearly unilateral, limited use of these technologies all over the world; retailers haven't yet found a way to transcend basic features like price comparison and loyalty engagement to create something that is sticky, relevant and more personal.

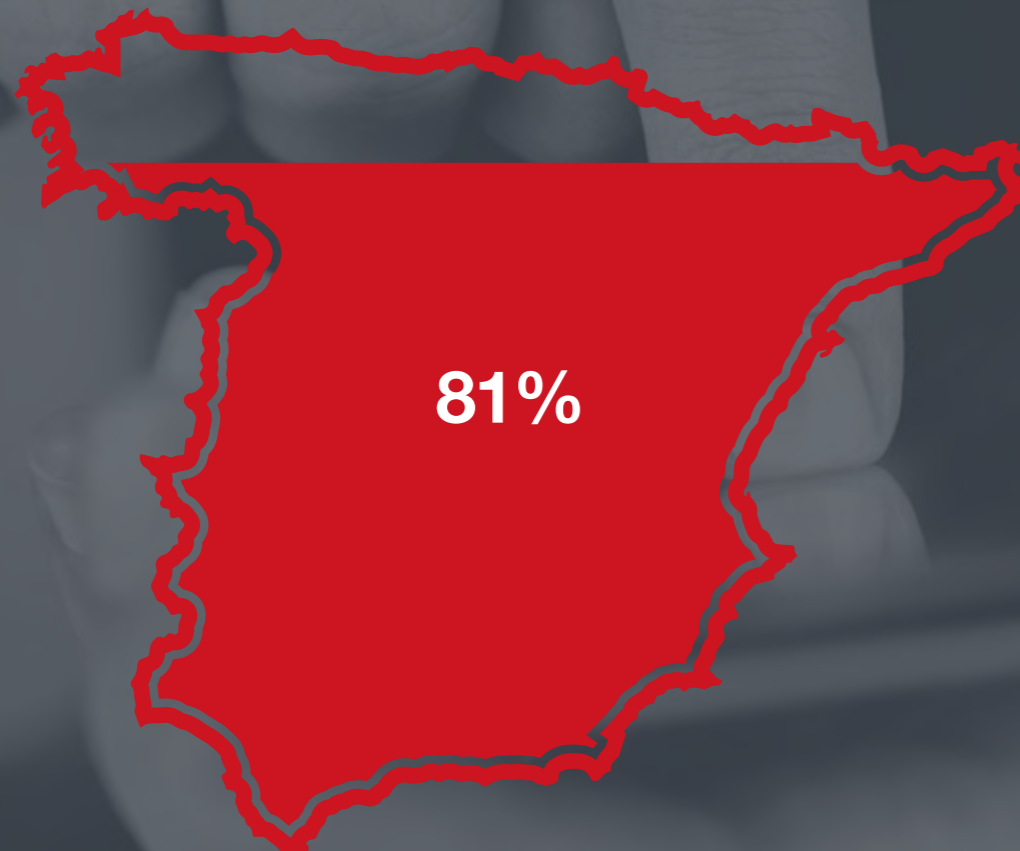
**Brazilians** have endured a difficult financial crisis over the past few years, leading to changes in how people manage their budget and where they live. This is reflected in the way they leverage shopping technologies. Namely, if it helps them find the best prices, make smart purchase decisions, and provides reliable delivery and return methods, then they will highly value the technology. The study showed that they have a strong comfort in using technology to aid their shopping experience (95%). Yet, the average engagement with those technologies is comparatively low (17%). This is likely due to the fact that retailers in the region have been slow to adopt and invest in these experiences.

With a high smartphone penetration rate (64%), increasing mobile and broadband access, and a tech savvy under-25 generation starting to flex their purchasing power, it's unsurprising that mobile apps are almost universally perceived as a tool that will improve their purchasing journey (94%). Convenience and time savings are also highly valued; with 85% agreeing that one-click purchasing was likely to improve their purchasing journey, and 95%

acknowledging that time savings received from shopping technologies is extremely important. Generally the attitude toward shopping technology skews heavily toward convenience factors such as quality of shopping experience (92%) and preference for using technology that provides increased comfort and ease (92%).

As access to affordable phones and connectivity rises, and operational supply chain issues are smoothed out, we will likely see an influx of new shopper technologies in the region over the next five years—specifically, tools designed for convenience and budget-sensitive attitudes. However, we will also notice more blending of e-commerce and in-store behaviors, such as Dafiti. The largest fashion e-commerce retailer in Brazil opened a "four-wall" store to engage with their customers in a more tactile, entertaining manner, including dynamic screens, social Wi-Fi, and exclusive music piped throughout the store to create a fun, social and enjoyable shopping experience.

**SPAIN'S SMARTPHONE  
PENETRATION RATE IS 81%**



**81%**

**SPAIN**

EIGHT

## /GLOBAL PERSPECTIVES: SPAIN + UK

**Shoppers from Spain** indicate they are more likely to shop a brand or retailer based on their use of shopping technology (75%). With high smartphone penetration (81%), it's clear that Spanish shoppers see mobile apps as a feature most likely to improve their overall experience (88%). Likewise, the use of in-store technology such as interactive displays is also perceived as a feature that would improve shopping. However, usage is low for such features in Spain, due to slow retailer adoption of such technologies.

Unlike other surveyed countries, participants from Spain are less likely to leverage technology, because of the comfort and ease it provides (68%). This may reflect the overall competency and effectiveness of these technologies, in addition to the cultural perception that shopping is also seen as a social experience.

**UK consumers**—whether shopping for groceries or buying a computer—prioritize value-for-money above all. This is fittingly mirrored in the way retailers market to this customer base, whether via TV, customer relationship management or in-store merchandising. It's all about helping consumers feel that they are getting the best value at the best price. Digital

technologies deployed by retailers are also emblematic of this priority. However, with so many retailer applications, price matching tools and loyalty programs, there is a real problem of proliferation, which makes it hard for retailers to clearly differentiate.

In general, UK shoppers have a high degree of comfort (92%) when it comes to using technologies to complement their shopping experience. Awareness of related technologies was also significantly high at 36%, with only US shoppers indicating a broader awareness. Unlike other countries, UK shoppers seem less likely (71%) to use technology to shop a specific brand or retailer.

The survey also showed clearly that convenience and ease-of-use are very important factors when it comes to how technology is used for shopping purposes. For example, 78% of respondents said that technologies such as self-checkout would likely improve their overall shopping experience. Likewise, the general attitude toward technologies for shopping skewed more toward the value of easy use (86%) over the perceived benefits of fun and entertainment (72%). This is not all that surprising, given the pervasive adoption of delivery services such as Ocado and

Amazon Fresh in dense urban areas like London. Services and related technologies that are geared toward giving back time in people's day by avoiding the traffic, long queues and crowded shops, is generally appreciated more than benefits like personalization and retail-tainment.



### Spanish Shoppers

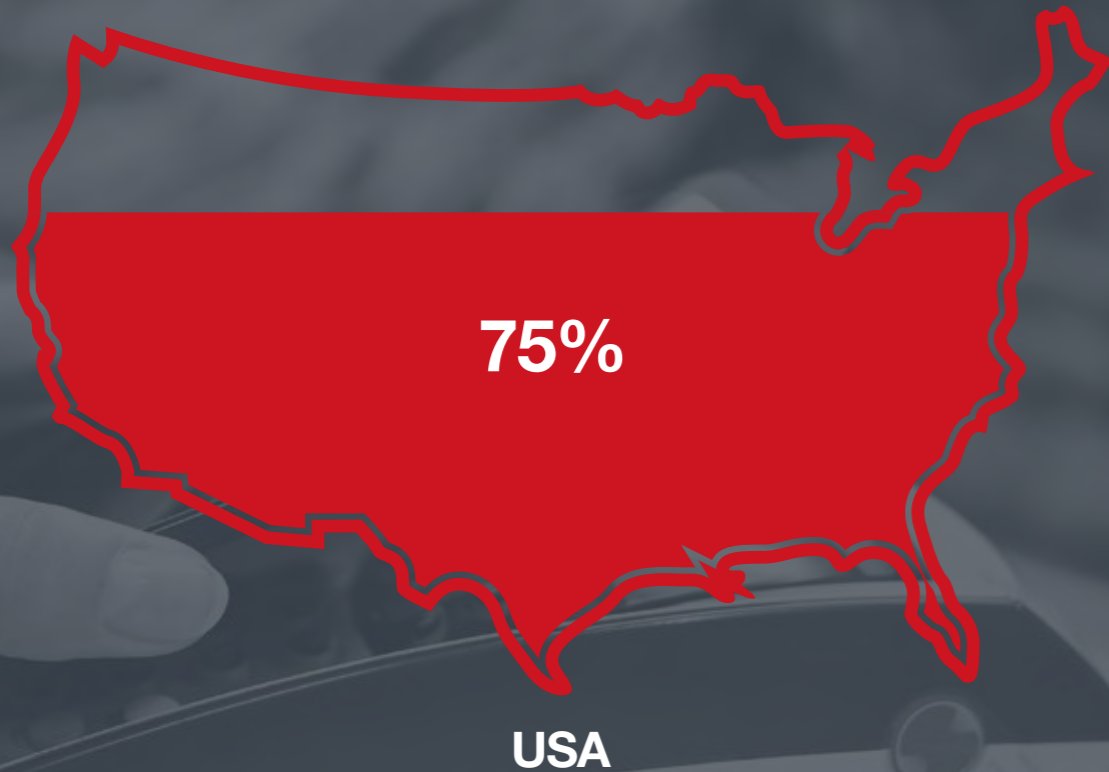
**1** 88% perception that technology can improve overall experience

### UK Shoppers

**2** 36% average awareness of technologies

**3** 78% perception that technology can improve overall experience

## IN THE USA, BRAND AND RETAILER LOYALTY SURVEYS AT A 75% FAVORABILITY RATE



EIGHT

## /GLOBAL PERSPECTIVES: JAPAN + USA

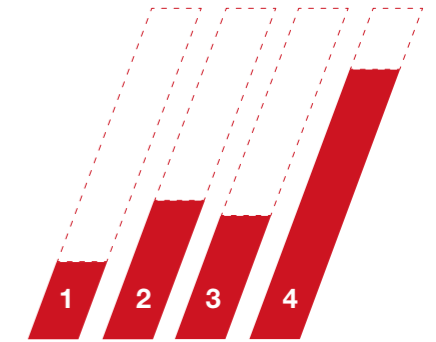
**Japanese shoppers** generally voiced less enthusiasm and usage of shopping technologies compared to other countries included in the survey. The general comfort level with using technology was only at 75%—significantly lower than high-usage countries like the US and UK. However, this makes more sense when you see that the average awareness of technologies was only 23% and the perception that technology can improve their overall experience was only 42%. Most likely this means that brands and retailers either haven't created experiences and tools that their shoppers demand, or if they have, awareness levels and therefore adoption rate is low.

For the most part, when Japanese consumers tend to utilize technology in their shopping journey, self-reported usage skews significantly toward tools that help them to save money, such as price comparison apps.

We have seen the introduction of robotic shopping assistants in places like Aeon Malls—the largest shopping mall management company in Japan. But as of yet, this has not become the norm, nor is it pervasively available.

**For US shoppers**, technology is clearly regarded as something that is useful and beneficial on multiple levels. For starters, 94% said they were comfortable using these technologies, and the average awareness was at 37%—the highest among the countries surveyed. Additionally, brand and retailer loyalty was reflected in the high favorability rate (75%) from respondents. This may be attributed to a combination of large investments made by both retailers and brands in awareness and perception, additionally buttressed by wide-ranging loyalty programs and services that drive highly engaged consumer activity.

It's clear that US shoppers have embraced current and emerging shopping technologies for a wide variety of perceived benefits. This includes: cost savings (87%), time savings (84%), improved quality of their shopping experience (81%), can be fun and entertaining (79%), or simply appreciated for the comfort and ease provided (81%). And shoppers will likely continue embrace these technologies as long as they remain relevant and helpful.



### Japanese Shoppers

- 1 23% average awareness of technologies
- 2 42% perception that technology can improve overall experience

### US Shoppers

- 3 37% average awareness of technologies
- 4 81% perception that technology can improve overall experience

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Thank you for exploring the reality of the new shopper experience. As you've read here, the potential for new opportunities, technologies and partnerships within the shopper and retail space lies just ahead, waiting to be harnessed and created. We'd love to be your partner in creating what's next.

**FOR MORE INFORMATION  
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