

FIRST INSIGHT'S Consumer Survey Report

AUGUST 2015





The Evolving In-Store Experience

INSIDE THE MIND OF TODAY'S CONSUMER

The saying “**shop ‘till you drop**” captures the American love of shopping - whether it's in store or online, or for a much coveted designer item or a fantastic deal. But what are **consumers really thinking** when they go shopping, and how do today's technologies and marketing efforts impact their shopping experiences and purchases? This consumer survey from First Insight sheds light on the mindset of the modern consumer and how they feel about their retail experiences today.

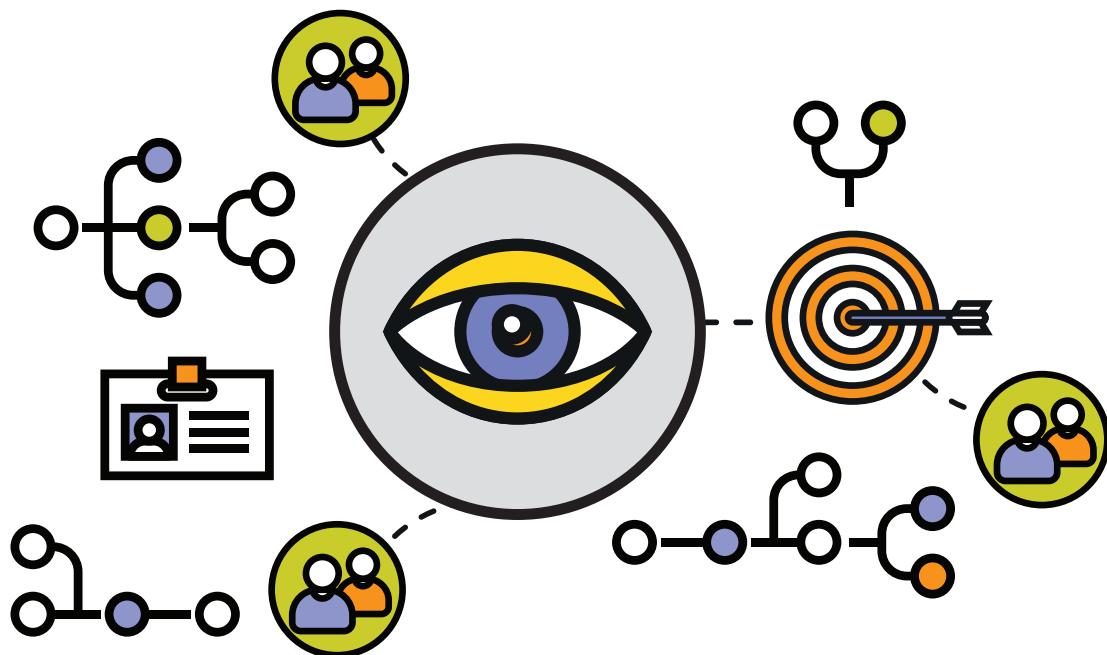




Technology Takeover

WHAT'S IN STORE FOR CONSUMERS

The retinal identification technology that played a role in the 2002 Tom Cruise movie “**Minority Report**” may still seem to be a far-fetched reality, but the truth is retailers could easily start using facial recognition technology to identify the target demographic (gender, age, etc.) that frequent their stores most often. Retailers have a ripe opportunity to use technology to **engage with consumers** in a more meaningful way in in-store environments - especially if they can get a good understanding of how to use the technology without turning consumers off.





Retailers Walk a Fine Line IN LOSING OR WINNING CUSTOMERS WITH NEW IN-STORE TECHNOLOGIES

Barcode scanners were identified as one of the most helpful in-store technologies, symbolizing the importance of price to consumers today.



Nearly **50% of respondents** found the price barcode scanner (offered by retailers including Target, Costco and Walmart) to be the most helpful in-store technology.



Virtual dressing rooms (where you can see how clothes will look on you without actually trying them on) may be coming to more stores soon. However, when consumers were asked if they would prefer a traditional dressing room versus a virtual dressing room, nearly **60% of respondents** preferred a traditional dressing room.

Beacon technology is one of the most talked about innovations in retail technology today, but consumer awareness of the technology and its benefits is still low, as:

70% of respondents don't know what a beacon is.

Facial recognition technology is fighting an uphill battle, with more than **75% of respondents** revealing they would not shop at a store that used facial recognition technology for marketing purposes. However, discounts might be the key to turning consumer perception around, as the number **dropped to 55%** when respondents knew there would be a benefit associated with it.



Marketing TO THE MODERN MASSES

Retail marketers are planning to spend **six hundred billion dollars** worldwide this year and part of that involves hiring celebrities and sports stars for **product endorsements**. Kim Kardashian gets paid up to \$1M for endorsing a single product, and Under Armour gives its slate of star athletes much credit for its success. But does it really pay off in the end?

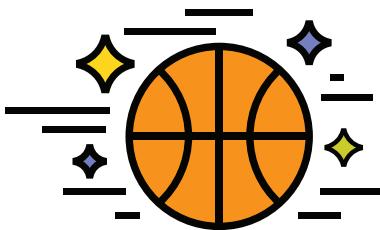
How should retailers really be spending their marketing dollars?



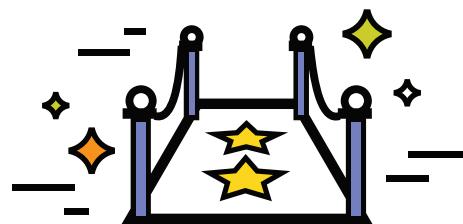


Celebrity & Athlete Endorsements

DON'T INSPIRE CONSUMERS TO SPEND



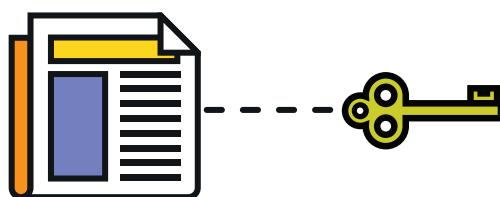
More than **90% of respondents** are not more likely to buy an apparel item if an athlete endorses it.



More than **90% of respondents** are not more likely to buy an apparel item if a celebrity endorses it.

Despite the digital age, **print ads remain relevant** to Baby Boomers.

But **email is still #1** for those who are 50 or younger.



Print ads still key for promotional items for 50+ and **40% of this group** identified it as how they receive their promotional materials.

Put Down the Phone: Respondents Don't Want Texts

Only 2% of millennials want brands to contact them via text for promotional materials; 0% for 69+.

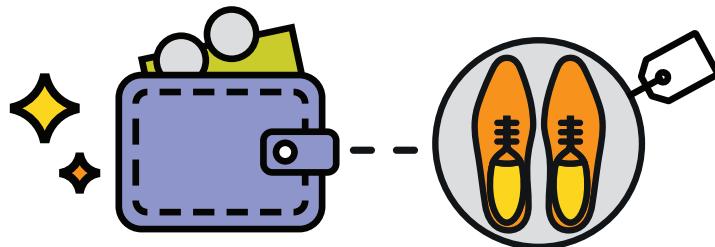


Retail Unmasked

PRICE COMES FIRST, SOCIAL MEDIA LAST

Let's face it, "**The Price is Right**" means something more to Americans than just being a long-running popular game show. The right product at the right price can be unbelievably **motivating for consumers**. How else can one explain nearly 140 million Americans taking advantage of Black Friday holiday sales? Some even camping in line for weeks to make sure they were first through the door for one sale or another.

Respondents weighed price as the most important factor when considering purchasing an apparel item, indicating the need for well designed products at a fair price point:

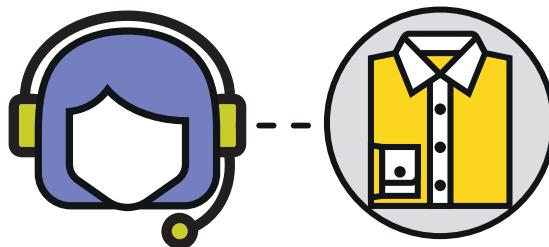


More than **40% of millennial** respondents considered price the most important factor when purchasing an apparel item.



Social Media Woes

More than 60% of respondents never interact with a retailer's social media platforms while shopping in-store.



Customers Lean on Customer Service Representatives

More than 40% of respondents will ask a customer service representative if they can't find their preferred size or color.



How will you be paying? Consumers say Credit

Nearly 70% of Traditionalists (69+) pay for retail purchases via credit card.



Methodology

First Insight's consumer retail survey polled **1,085 consumers** across America regarding their thoughts about retail technologies, shopping experiences and how they are impacted by retailer marketing and advertising efforts. The survey was conducted online between June 12 and June 16, 2015. The margin of error is +/- 2.89%.

