GPSHOPPER

Reality of Retail Personalization Report

GPShopper's Technology & Personalization Insight Report for Retailers

2018

Foreword

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Retail technology innovation is not slowing down. As the industry works to keep up with shoppers' high expectations for personalization and navigates new consumer behaviors and preferences, technology companies are waiting in the wings, ready to offer solutions. But, as we've continually uncovered, shoppers won't adopt a technology unless it provides convenience. Retailers must look before they leap when approaching of-the-moment tech trends – especially with technology around facial recognition as shoppers have made it clear they just aren't on board yet. Rather, they must prioritize an omnichannel approach that satisfies shopper's demand for personalized convenience first and foremost.

Prioritizing emerging retail technology simply for the sake of technology won't suffice. In order for retailers to surprise and delight their shoppers further, retailers need to first be looking where they can improve specific tactics that offer personalized shopping experiences. Time and time again, we find that convenience trumps all when it comes to what shoppers want most from retailers. So, what are the ways that shoppers think retailers can make their experience even more convenient, ultimately maintaining their relevance in the era of retail reconciliation?

The Real Deal for 2018 Tech Trends:

Facial Recognition and Scan & Go

We've seen retailers time and time again jump to the latest trends without first determining what their customers care about. In 2017, it was chatbots. This year it's facial recognition and 'Scan & Go.'

Consumer's aren't sold on facial recognition in the retail experience just yet.
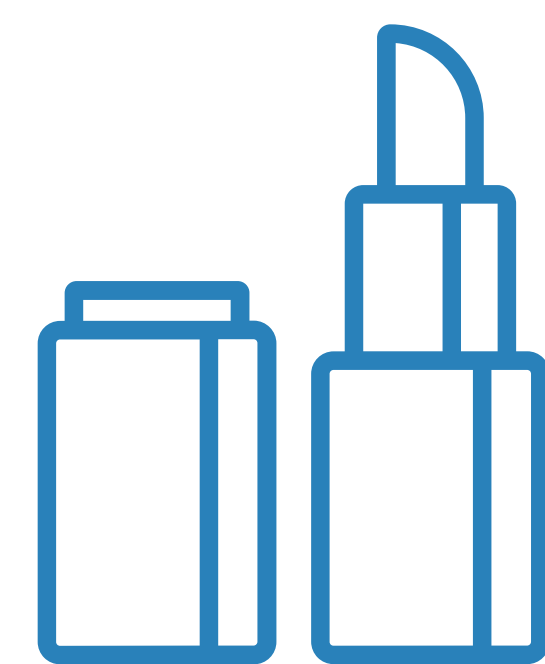
49%

49% of shoppers **do not think facial recognition will improve their shopping experience**

45%

45% would be **concerned about their privacy when using facial recognition technology**
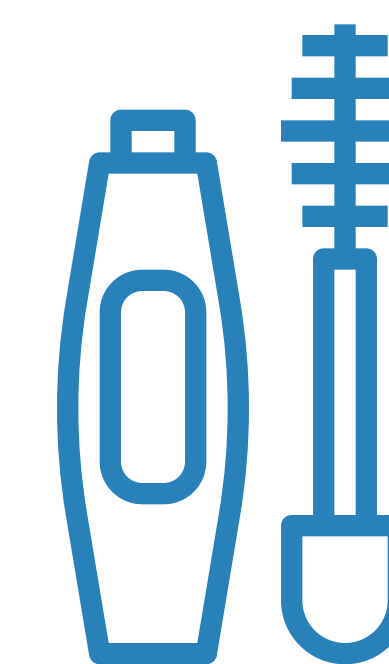
Where do they want to see it? At the nearest Sephora.

30% of shoppers named the beauty industry as where facial recognition could improve their overall experience

One in 9 (11%) shoppers would use facial recognition as a service to get tailored beauty product recommendations for their specific skin type

One in 10 (10%) would use facial recognition as a means to get tailored skincare routines and product recommendations

Scan & Go:
It's Here to Stay

For big box retailers already implementing 'Scan & Go' technology for shoppers, it would seem that the trend is already concrete among a modern consumer audience - nearly half (48%) of **shoppers agree that 'Scan & Go' will make shopping easier.**

The ultimate tool for convenience

'Scan & Go' was born out of striving for convenience, which we know is consumers' number one priority – effectively aiming to cut down the amount of wasted time shoppers spend in stores. Considering the majority of shoppers (43%) would rather use 'Scan & Go' than wait in a check-out line, 'Scan & Go' is a clear opportunity for retailers that experience heavy foot traffic to further streamline their shopper's experiences.

With most 'Scan & Go' technology being leveraged for grocery stores - and 50% of shoppers saying they would use 'Scan & Go' as a payment method when shopping for groceries - do consumers see a use for this technology when shopping for other items? Research says yes:
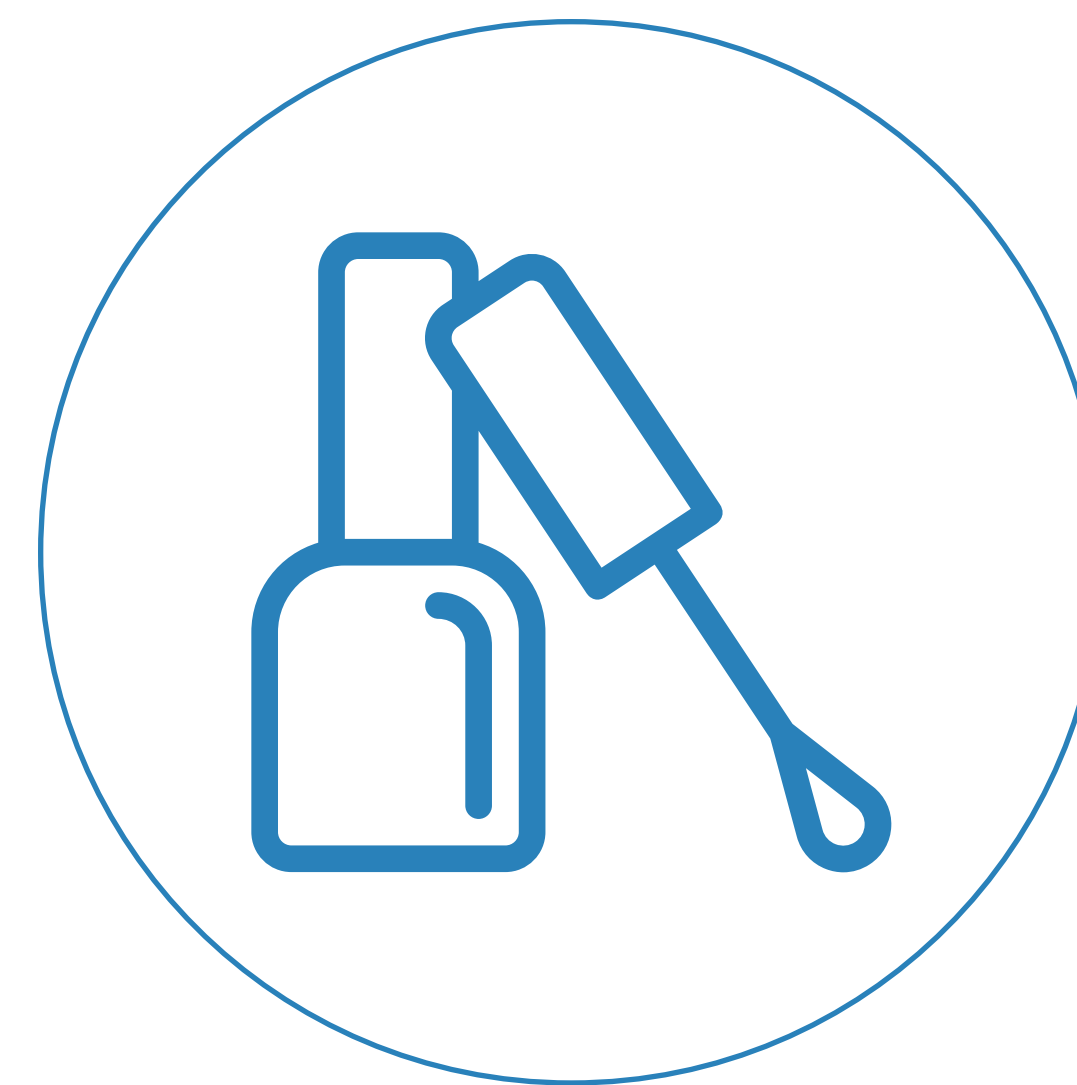
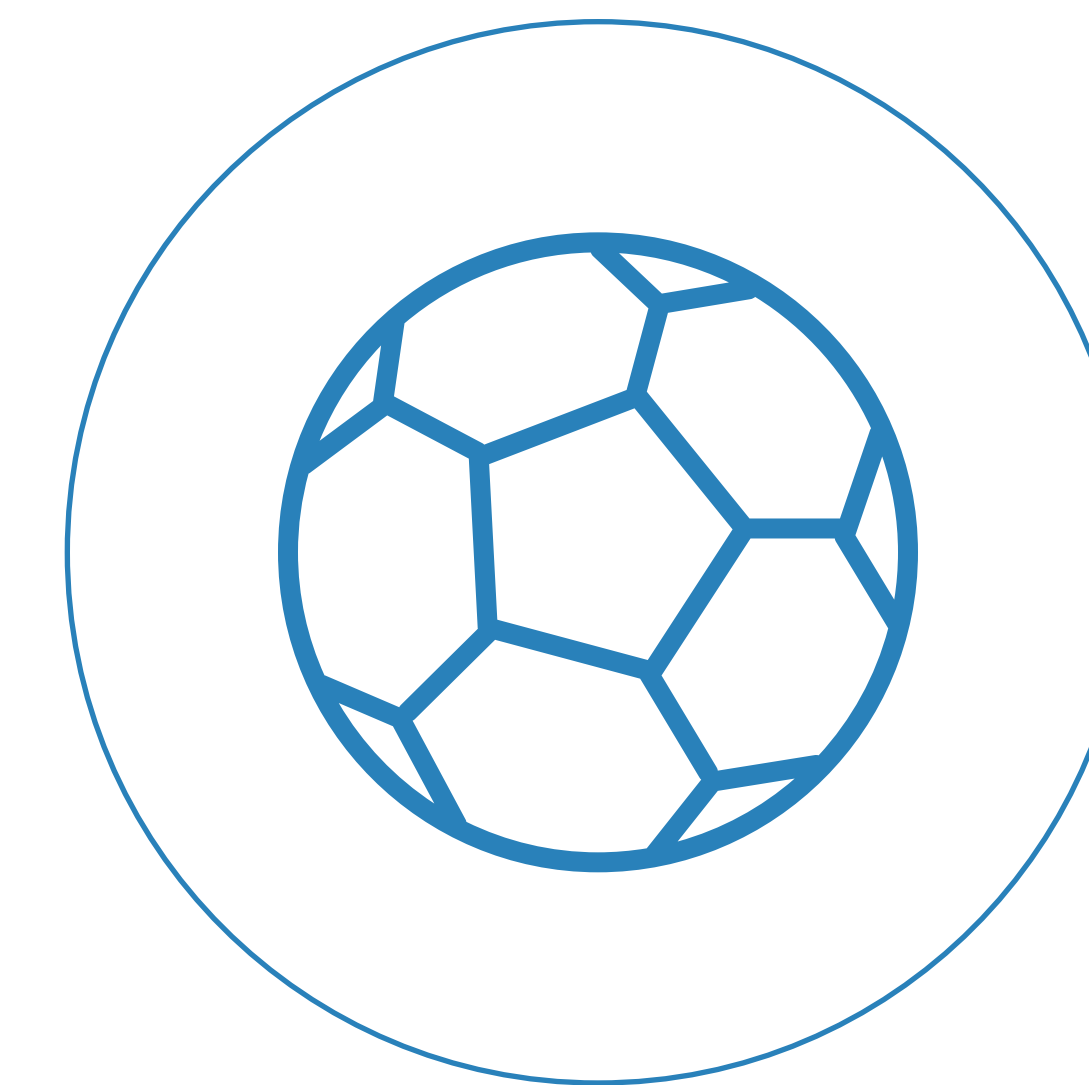**50%** of shoppers would use 'Scan & Go' when shopping for groceries
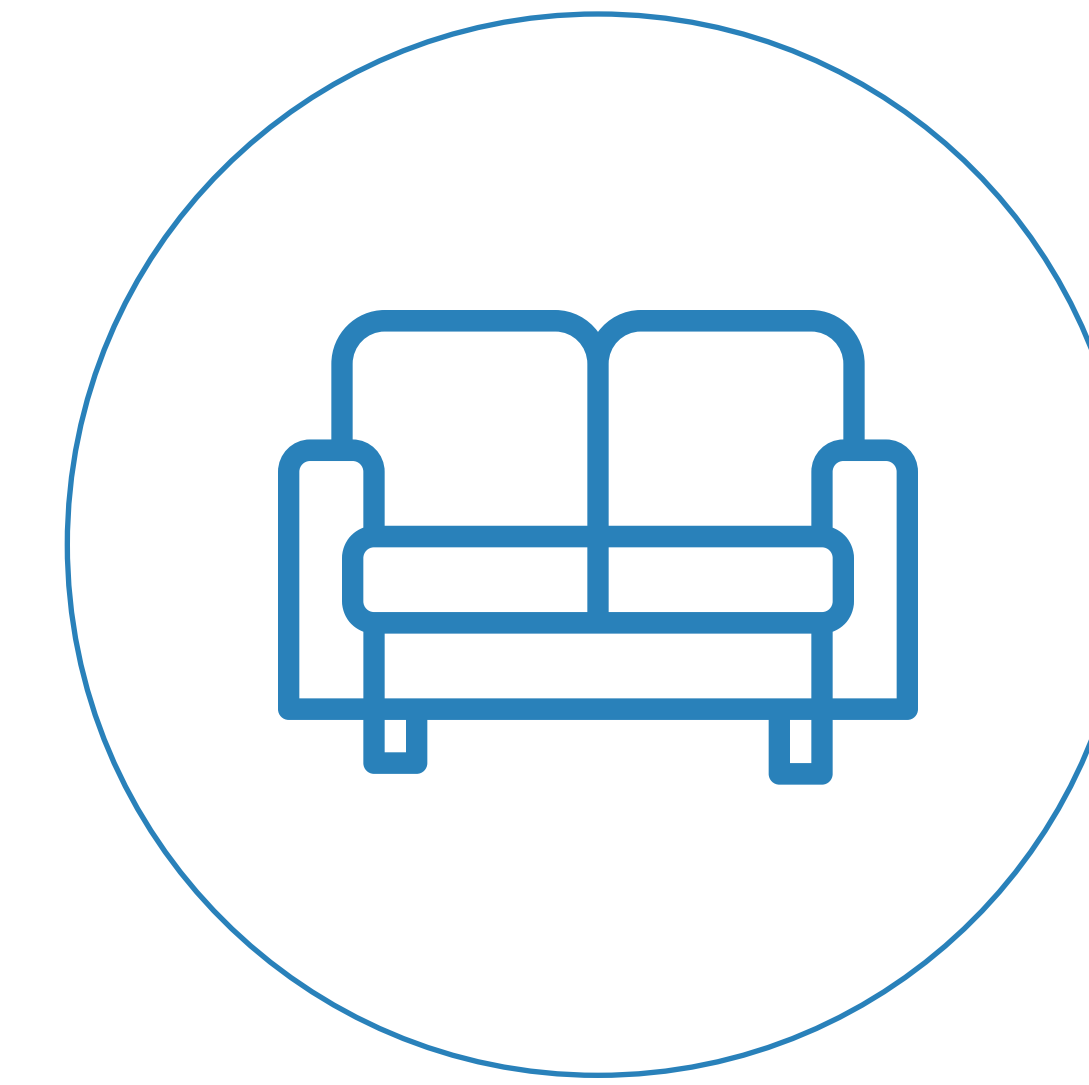
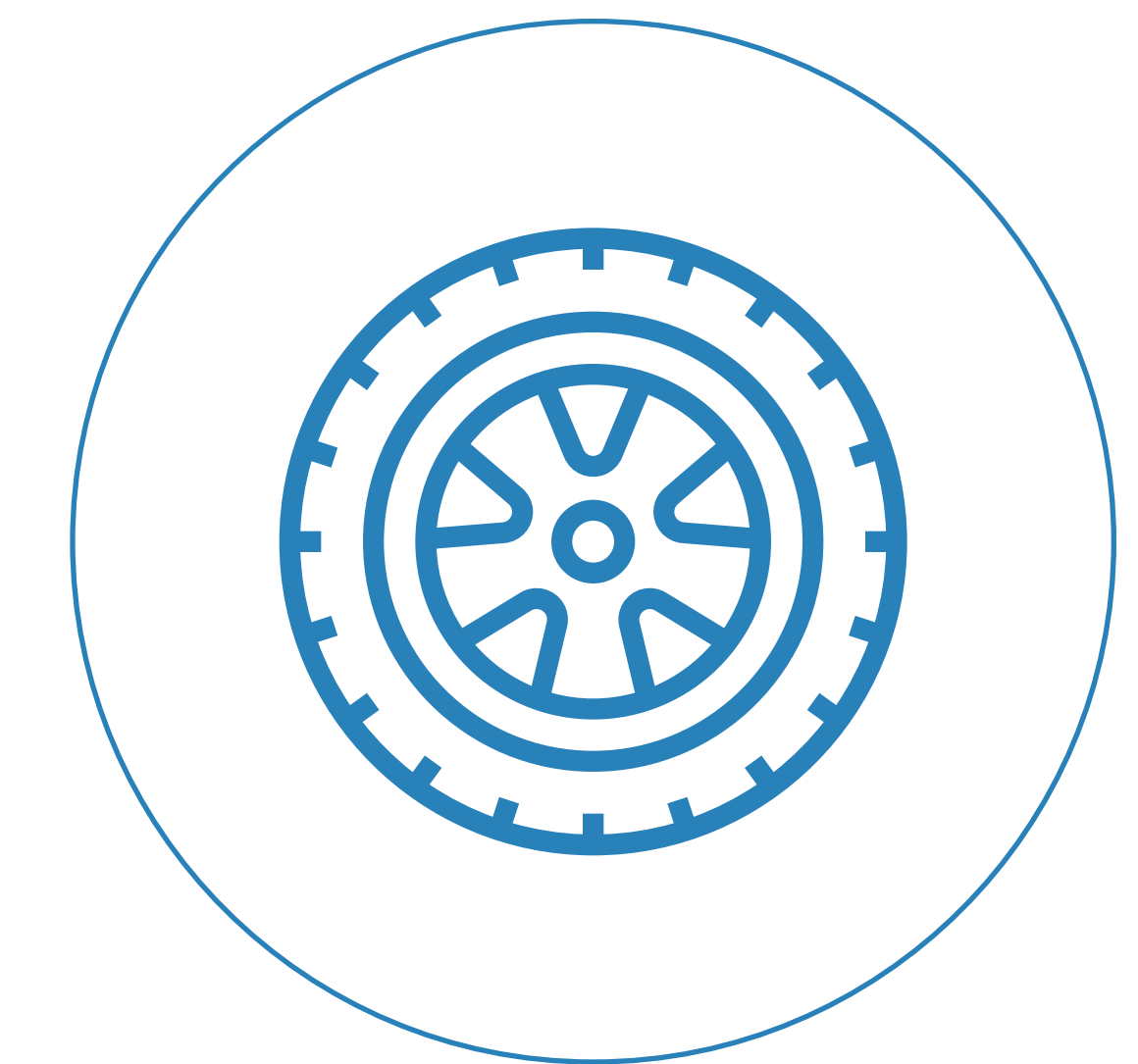**30%** of shoppers would use 'Scan & Go' when shopping for home goods

27% would use 'Scan & Go' when shopping for fashion

25% would use 'Scan & Go' when shopping for beauty/cosmetics

21% would use 'Scan & Go' when shopping for sports & outdoors

20% would use 'Scan & Go' when shopping for automotive/ car supplies

Retailer "Must Have" Checklist

Shoppers may be undecided on embracing the newest technology right away, but there are a number of perks they most certainly aren't willing to compromise on.

☑ **Events & Experiences:** Nearly a quarter (20%) of all shoppers want invitations to events hosted by their favorite retailers to sample new products

☑ **Personalized Loyalty Programs:** Nearly half (41%) of shoppers want the option to choose loyalty perks that are most relevant to them

☑ **Free Returns & Shipping:** 37% reporting they would actually stop shopping at a retailer if they stopped offering free returns, 29% if they stopped offering free shipping

☑ **Online Ordering & Instore Pick Up:** As many as one in 9 (11%) shoppers would stop shopping at a retailer if they didn't offer online ordering and in-store pickup
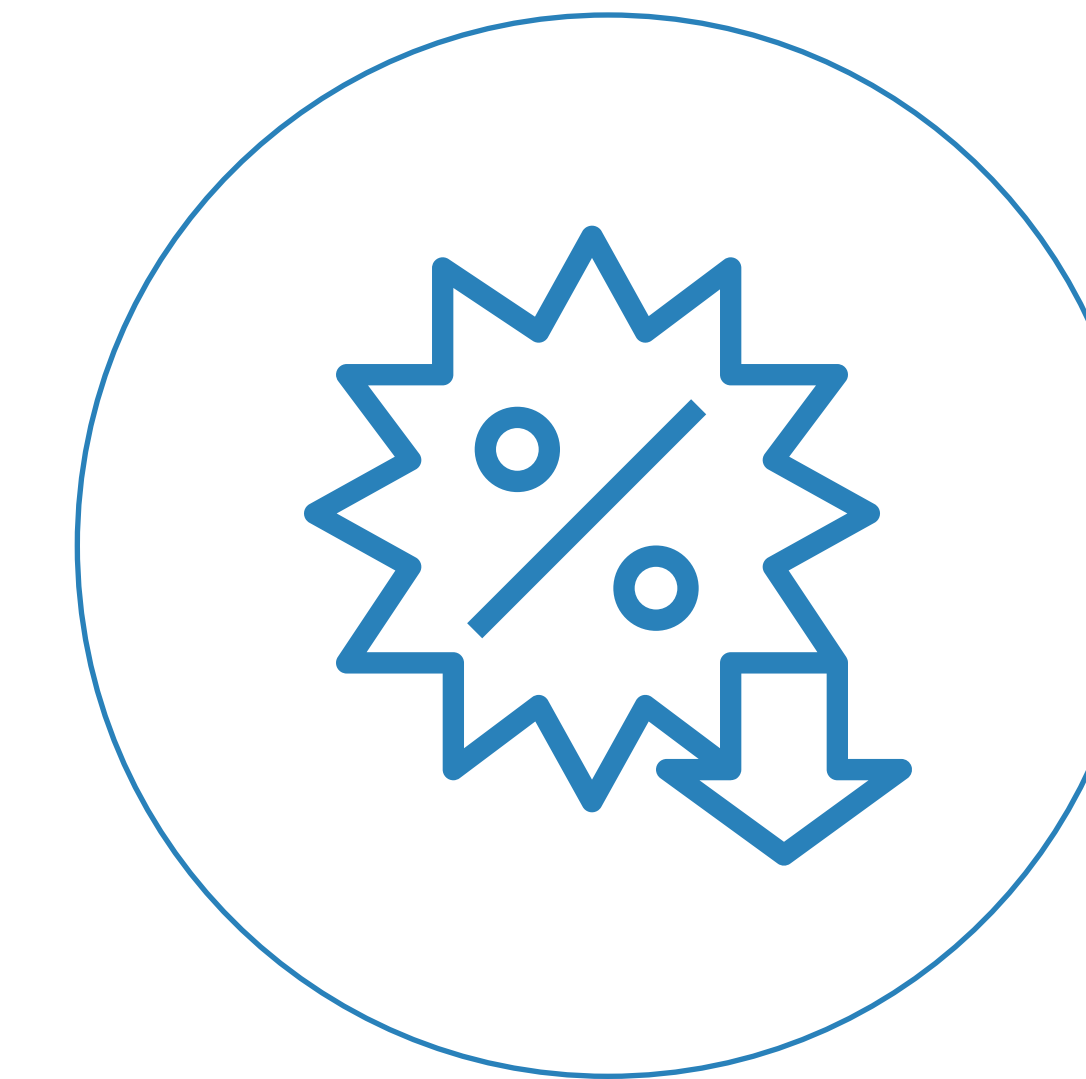
☑ **Physical Stores:** 23% of shoppers would stop shopping at a retailer if they didn't have a physical location

Where personalization really counts

We know today's shopper cares more about specialized & personalized offerings than ever before....in fact:

47% of shoppers want retailers to offer personalized coupons for the types of items they often buy

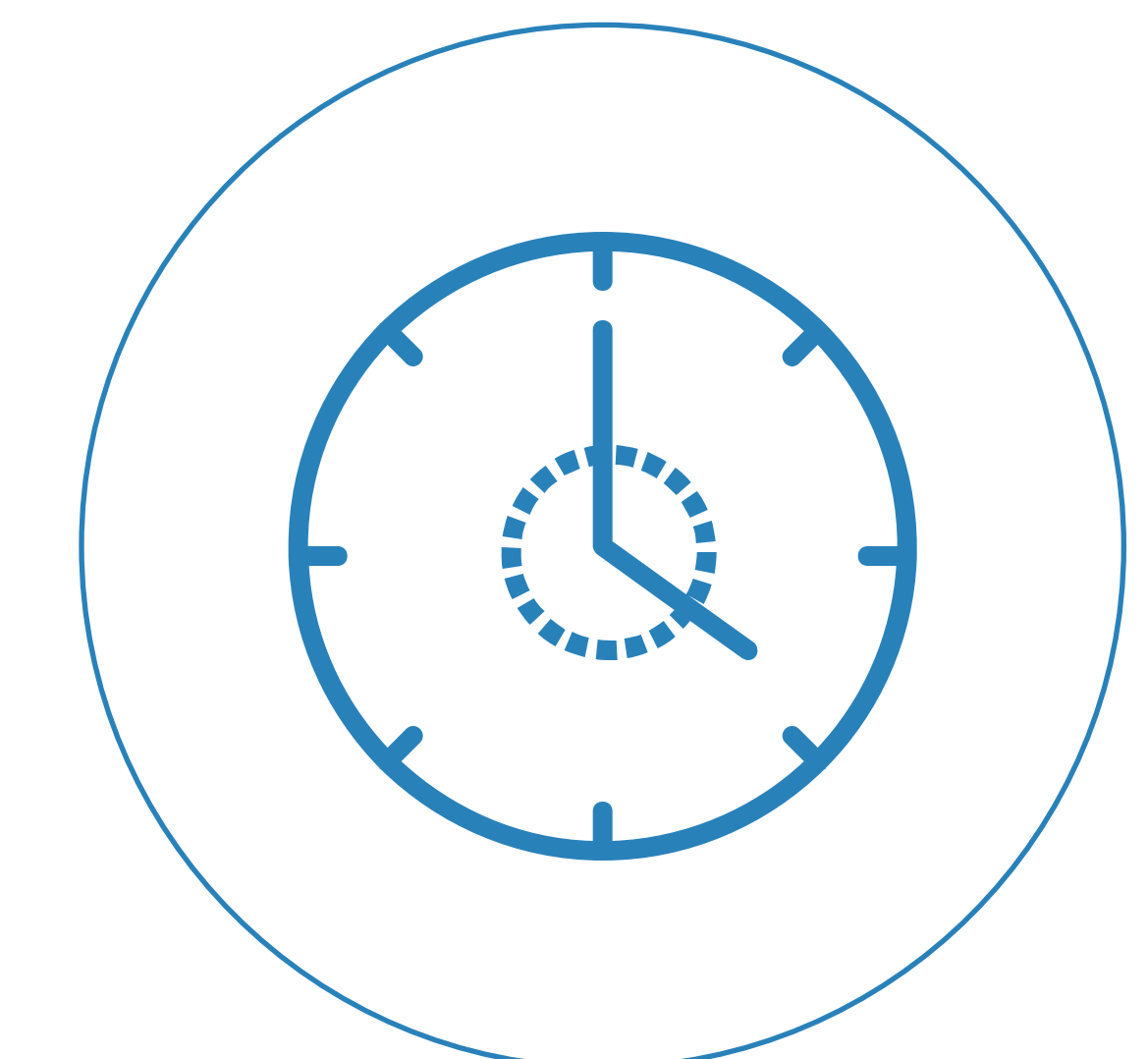**42%** want alerts for clearance sales where they only shop the sale rack

38% want individual promotions on specific items they've been eyeing for a while

31% want personalized reminders of what day/times items they buy will be going on sale (in-store OR online)

20% want suggestions for items similar to what they've left in their cart

17% wish retailers would promote flash sales at a time when they're not busy i.e. lunch break, after work hours

Cash is No Longer King

While shoppers are still in the early stages of adoption for 'Scan & Go,' it's not the cashless element that's hindering them.

31%

One in three shoppers (31%) neither agree nor disagree that they wouldn't shop at a retailer that operated on a cashless model

28%

More than a quarter (28%) would not let a cashless model deter them from shopping at that retailer

Not only is it making for a quicker in-store visit, but it spells opportunity for mobile. Cashless models offer more incentives for consumers to download a mobile app, introducing a quicker way to pay but also opening up more opportunity for perks and rewards.