

RETAILTOPIA

Consumer Research

How can technology help improve the future UK retail experience for customers?

Contents

- About the research – 1
- Executive summary – 2
- Consumer satisfaction today – 3
- Areas for future improvement – 7
- Comparing 2012 with 2020 – 10
- Security – 13
- Buying outside the UK – 15
- Social media – 17
- Payment – 20

About the research

This deck summarises the findings of an online omnibus survey involving 2,000 consumers aged 18 years or older, undertaken by ICM Research in February 2012 on behalf of BT.

The research was commissioned to give a starting point for the Retailtopia panel discussion by identifying some of most important retail issues for consumers now and in 10 years time.

Executive Summary

New research commissioned by BT shows there is strong customer demand for using technology to help make shopping more effective, efficient and enjoyable. Today, seventy per cent believe online is the retail channel that will be used most in the future, and queuing is identified as the issue consumers would most like to see technology help solve in the next 10 years, suggesting the in-store experience needs to further improve if it is to offer greater satisfaction in the future.

Today, consumers use in-store and online shopping almost equally, while in the future they expect to use online shopping almost 50 per cent more. This may not mean that in reality online shopping is going to be bigger than in-store shopping in 2020 – it could mean that consumers are already using online shopping now, but that they expect to do so more in the future.

Over 40 per cent do not see any barriers to shopping online with retailers outside the UK. And the small number of respondents who did identify reasons for not wanting to shop online outside of the UK mentioned perceived risk about payment security, delivery times and quality of products.

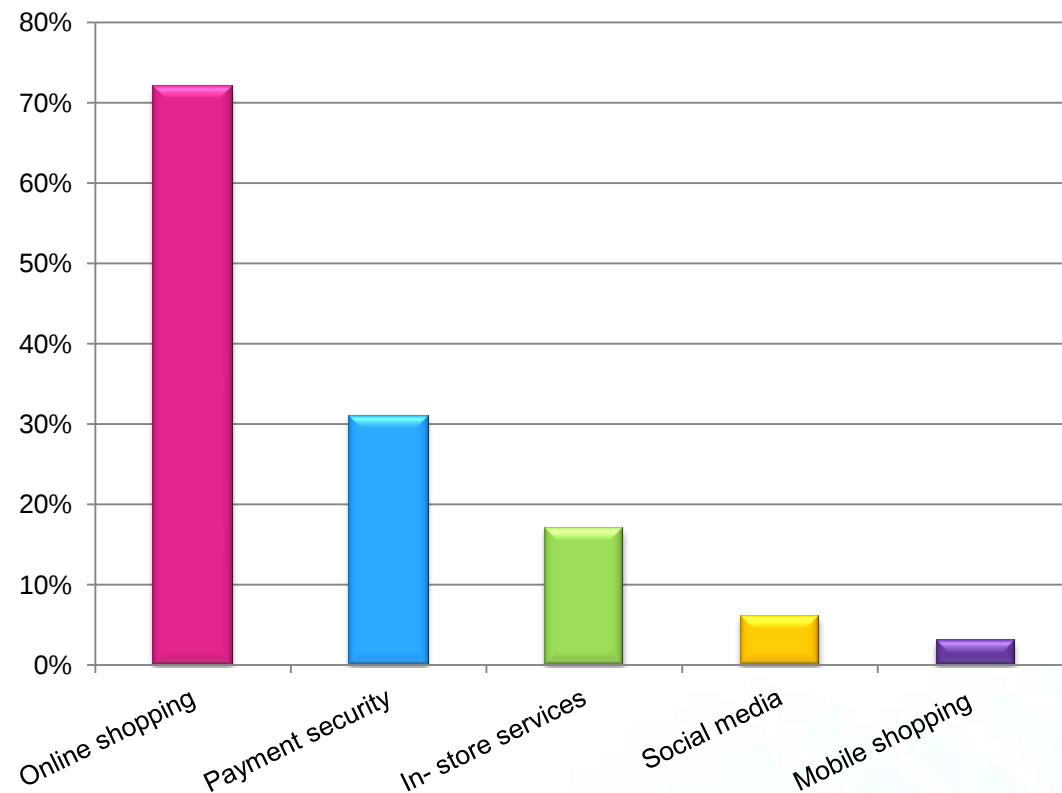
Most consumers do not know what the greatest benefit of social media will be in the future of shopping, and although 41 per cent would currently prefer retailers not to engage with them through social media, 36 per cent believe they will be actively use it more to save time and research products by 2020.

Today, consumers prefer to make in-store payments at a staffed check-out with a debit or credit card, with cash listed as a close second option. In the future, debit and credit cards are listed as the payment form consumers expect to use most, followed by cash, which they expect to use twice as much as smartphone apps.

Consumer satisfaction today

Consumer satisfaction today

What aspects of retail technology are you most satisfied with now?



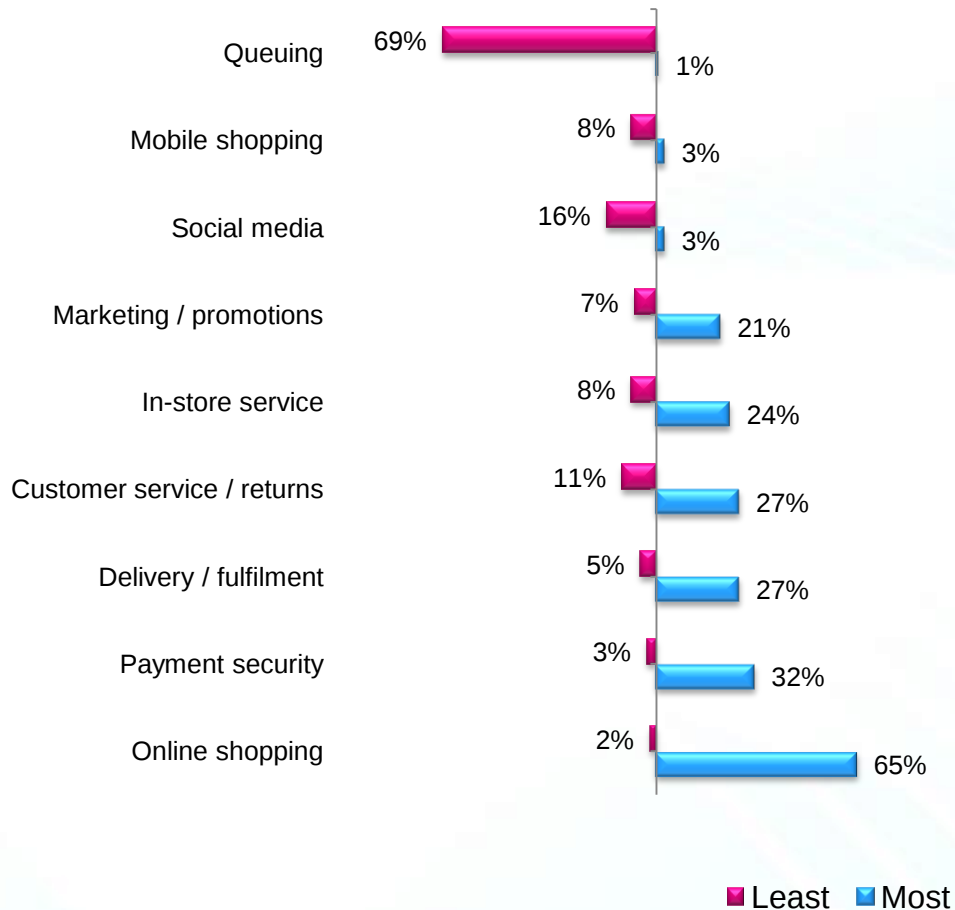
Consumers were allowed to choose more than one answer

Today, 72% of consumers are satisfied with online shopping and the benefits it has brought to the overall retail experience.

31% are also pleased with the payment security experience at the moment.

Consumer satisfaction today

What do you like least / most about shopping today?



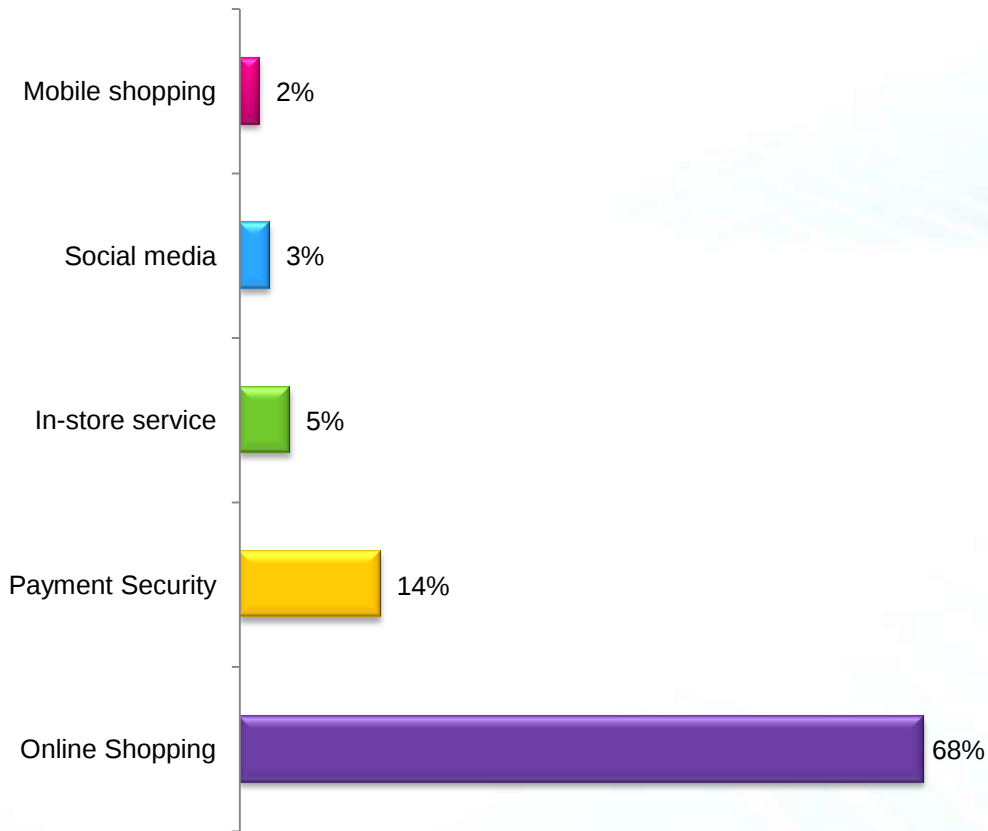
Consumers were allowed to choose more than one answer

Queuing is the thing consumer most dislike about shopping today, suggesting the in-store experience needs to improve if it is to offer greater satisfaction in the future.

Online shopping is the most liked aspect of shopping.

Most valuable retail innovation

What has been the most valuable retail innovation to you over the past 10 years?



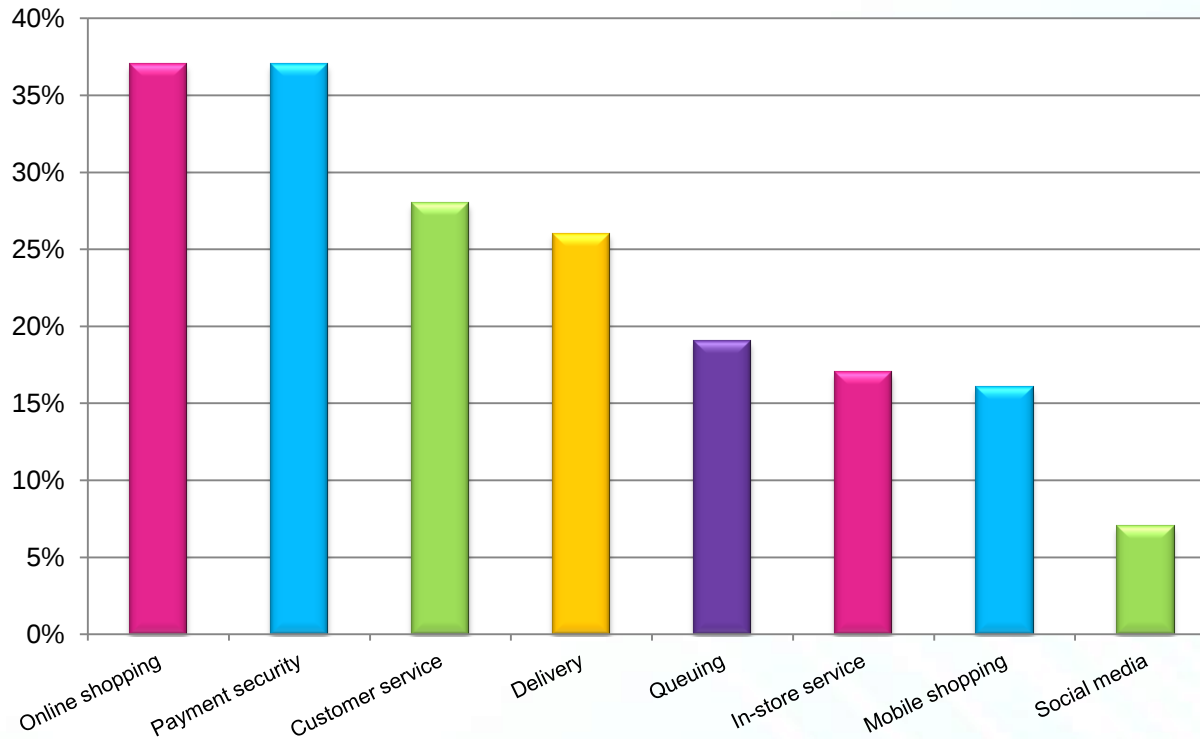
Interestingly, social media and mobile shopping have not resonated well with consumers today and do not seem to be a major area where they are looking for innovation in the future.

68% of consumers think online shopping has been the most valuable retail innovation over the past 10 years followed by payment security at 14%.

Areas for future improvement

Improving the shopping experience through technology

What ways do you think technology can make shopping better in the future?

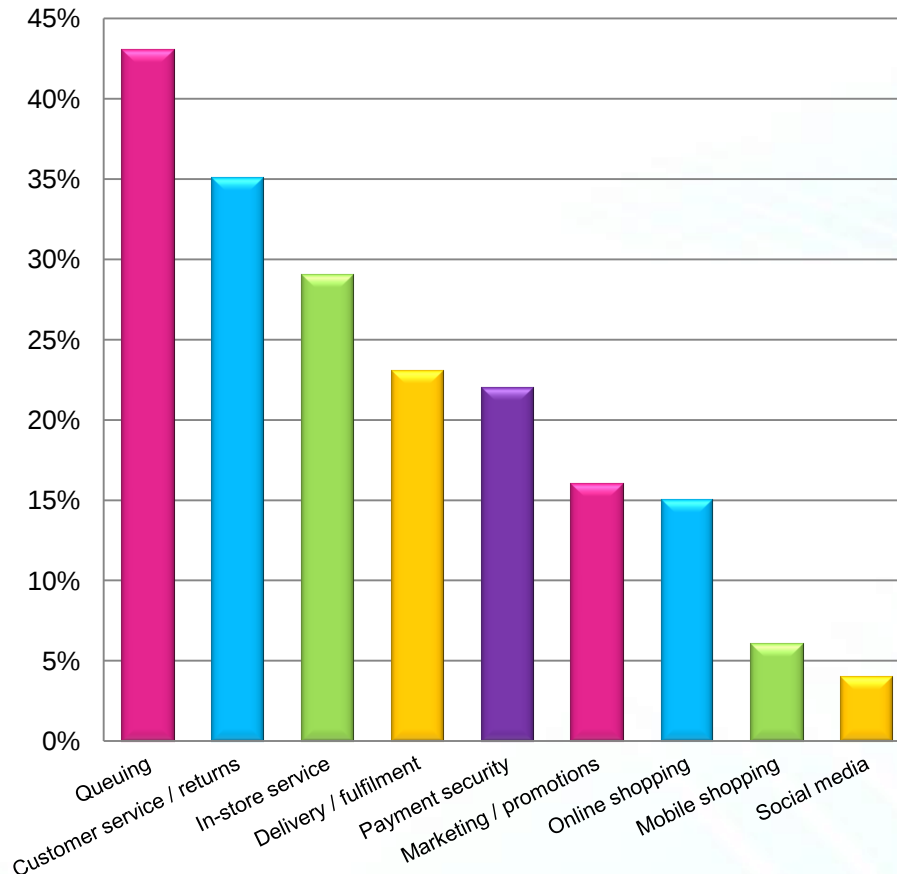


Consumers see online shopping and payment security as the areas where technology can have the greatest positive impact in the future.

Consumers were allowed to choose more than one answer

Improving the shopping experience through innovation

What aspect of shopping would you like to see retailers improve through innovation in the next 10 years?



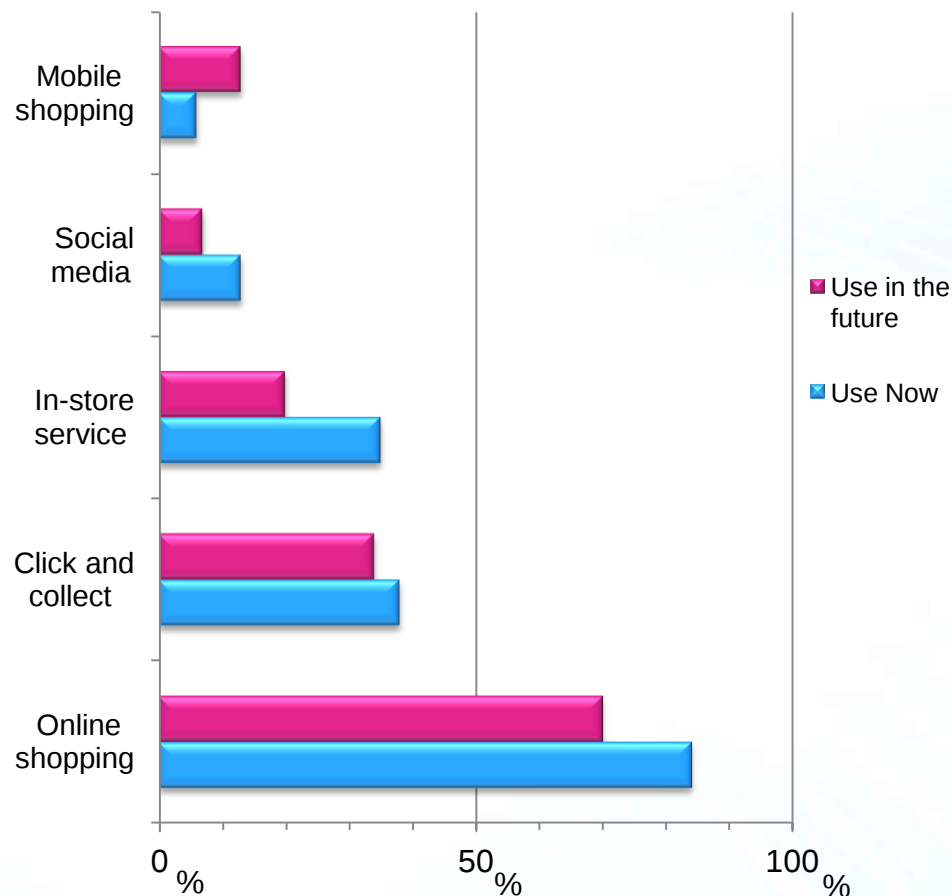
Queuing is the thing consumers would most like to see improved in the next 10 years, followed by customer service / returns and in-store service.

Consumers were allowed to choose more than one answer

Comparing 2012 with 2020

Present and future use of retail technology

Which of these recent retail technology innovations do you actively use? Which of these do you think you'll use more of in the future?



Consumers were allowed to choose more than one answer

Online shopping emerged as the technology consumers use most now and expect to use most in the future.

However, this may not mean that in reality online shopping is going to be bigger than in-store shopping in 2020 – it could mean that consumers are already using online shopping now, but that they expect to do so more in the future.

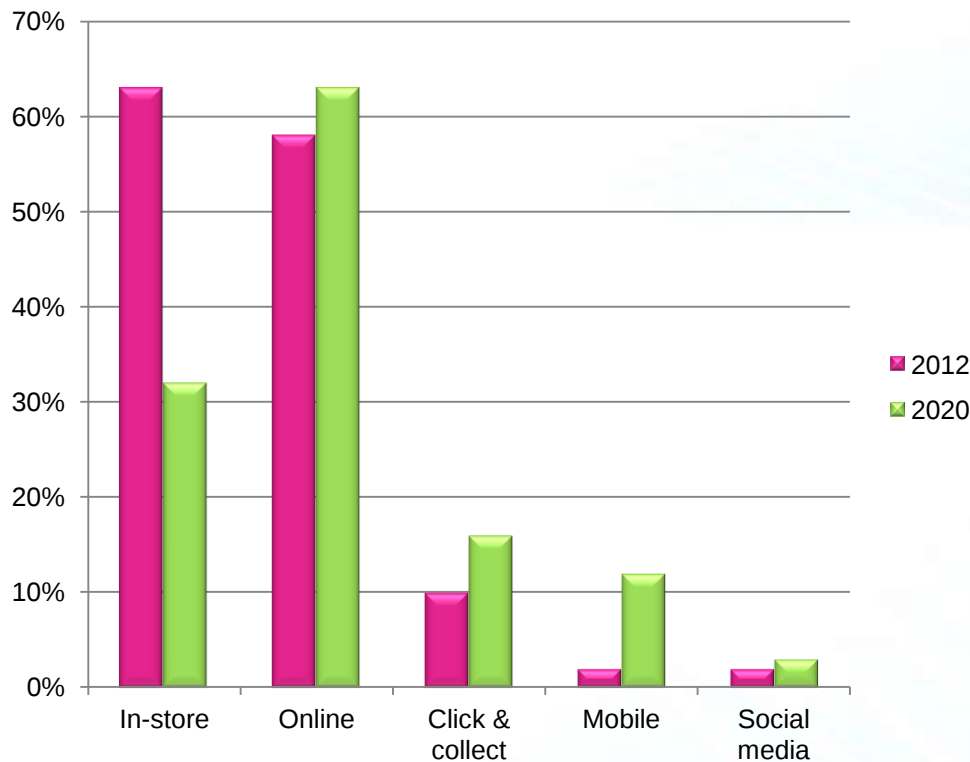
On the whole, consumers do not expect to use social media more in the future. However, they do expect to increase their usage of mobile shopping.

Expectations varied according to age. Younger consumers expect to use more mobile and social media for shopping in the future.

22% of 25-34 year olds expect to use mobile more, compared to just 13% of 45-54 year olds. 12% of 25-34 year olds expect to use social media more with only 7% of 45-54 year olds agreeing.

Shopping methods in 2012 and 2020

Which shopping methods do you use most today?
Which do you think you will use most in 2020?



Today, 63% of consumers shop most in-store, followed closely by online shopping at 58%.

Older consumers are more likely to shop in-store. 65% of 45-54 year olds identified in-store shopping as their primary shopping method compared to only 55% of 25-34 year olds.

In 2020, 63% of consumers expect to shop most online, followed by in-store shopping at 32%.

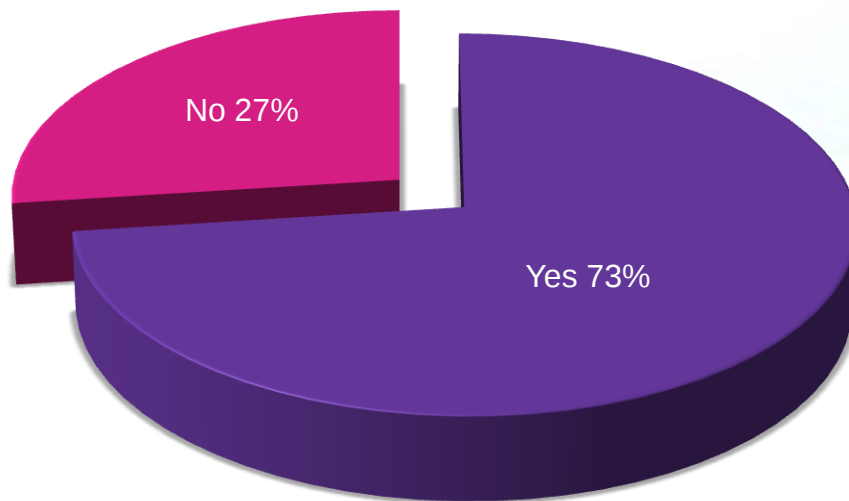
19% of 25-34 year olds expect to use mobile shopping most in 2020. Older consumers disagree with just 9% of 45-54 year olds and 7% of 55-64 year olds predicting that they will use mobile most.

Consumers were allowed to choose more than one answer

Security

Security

Does the increasing use of technology in shopping make you more wary of security issues?



In practice, consumers like and are comfortable with online shopping, but in theory they are wary of payment security issues, demonstrating a difference in stated attitude and behaviour.

73% of consumers say the increasing use of technology in shopping makes them more wary of security issues.

Women are more wary than men. 78% of women said the use of technology in shopping makes them wary compared to 69% of men.

Young people are less concerned by these security issues. 67% of 18-24 year olds and 70% of 25-34 year olds said that this worried them.

On the other hand, 79% of 55-64 year olds and 81% of over 65s are wary of these security issues.

Buying outside the UK

Buying outside the UK

What, if any, are the main things stopping you buying online from outside the UK?



Consumers were allowed to choose more than one answer

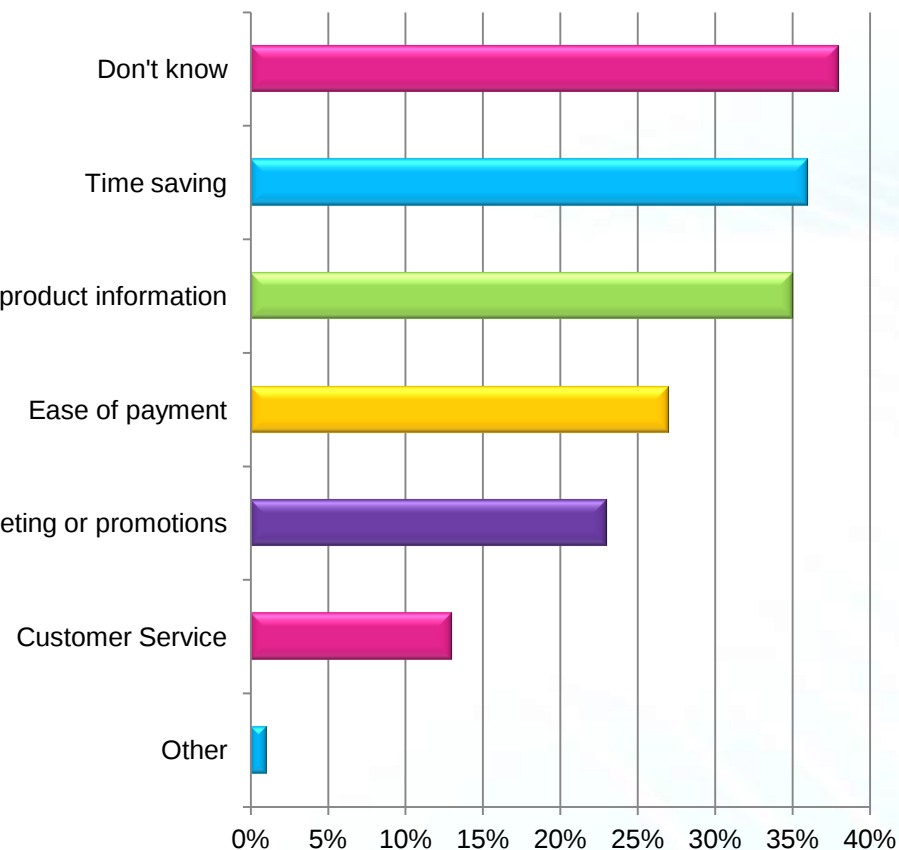
The majority of consumers – 43% – find that nothing stops them from buying online from retailers outside of the UK.

The small number of respondents who did identify reasons for not wanting to shop online outside of the UK mentioned perceived risk about payment security, delivery times and quality of products.

Social media

Social media

The greatest benefits of social media in helping you shop in 10 years time



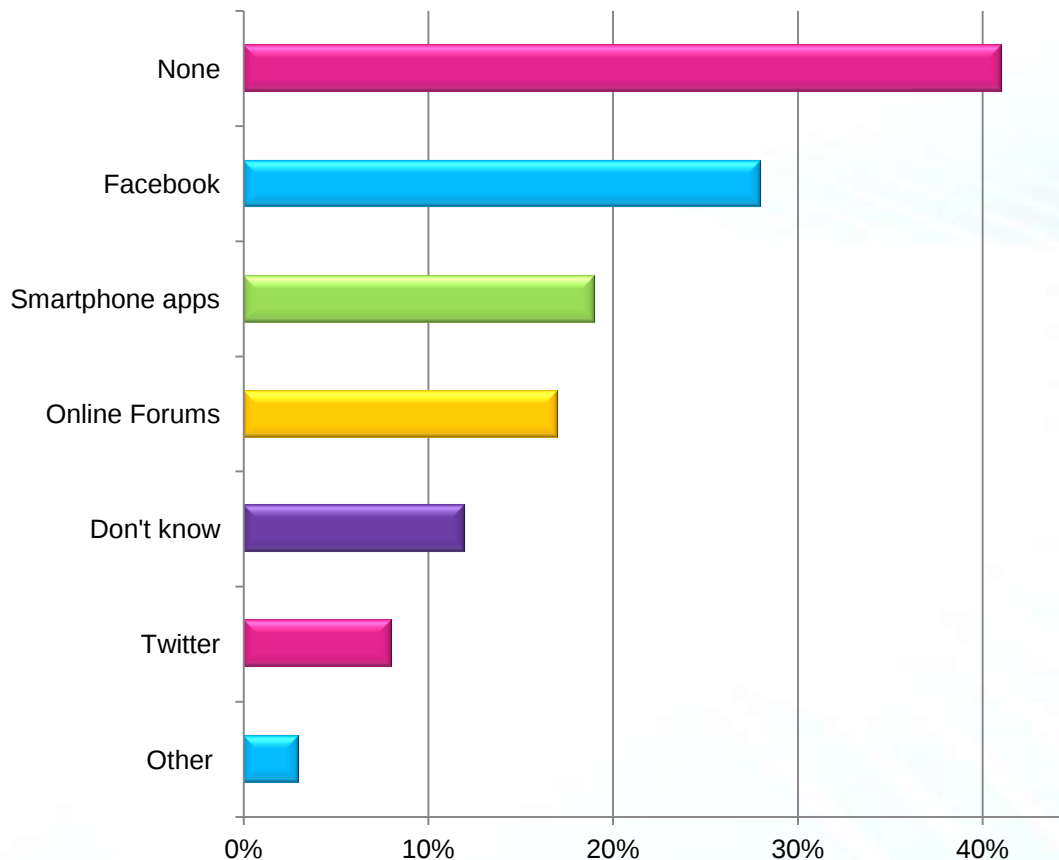
Consumers were allowed to choose more than one answer

The majority of consumers do not know what the greatest benefit of social media will be in the future of retail, which means that social media continues to be an unknown area that has yet to be 'cracked.'

36% of consumers identified that in 10 years the greatest benefits of social media will be time saving and 35% think it will help with researching product information.

Engaging customers through social media

What social media platforms would you be most happy for retailers to engage you on?



Consumers were allowed to choose more than one answer

41% of consumers would prefer retailers not to engage with them on social media platforms.

28% who responded would be most happy to be engaged through Facebook and 19% preferred smartphone apps.

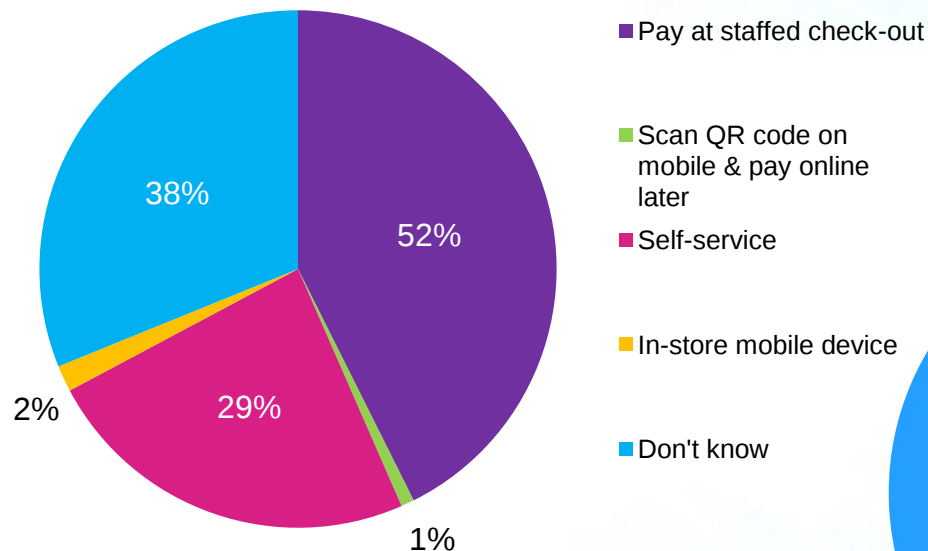
Men are less happy than women to be engaged by retailers on social media. 44% of men said that there is no social media platform they could happily be contacted on compared to 38% of women.

Payment

In-store payment preference and methods

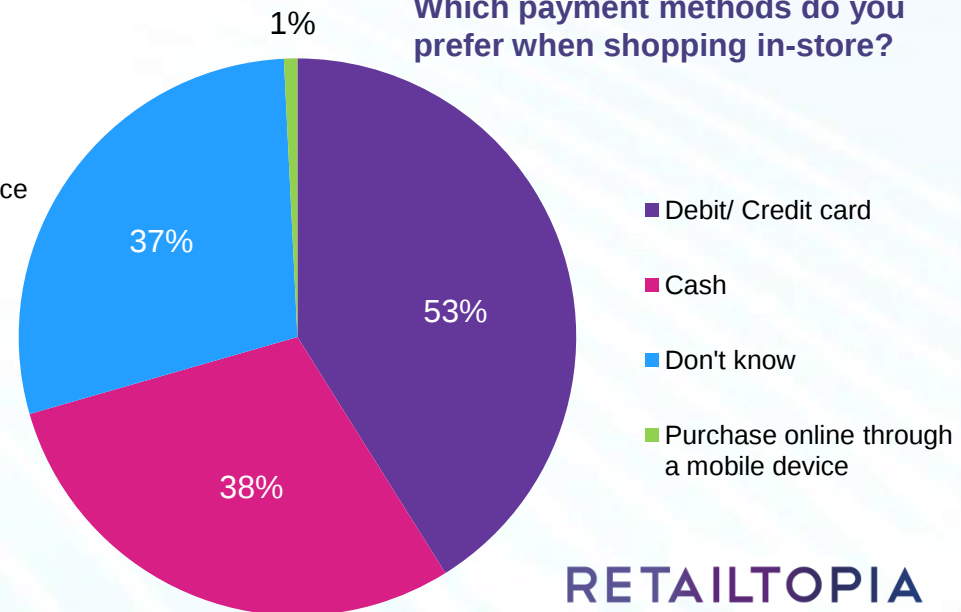
Today, consumers prefer to make in-store payments at a staffed check-out with a debit or credit card, with cash listed as a close second option.

How do you prefer to make payments in-store?



Consumers were allowed to choose more than one answer

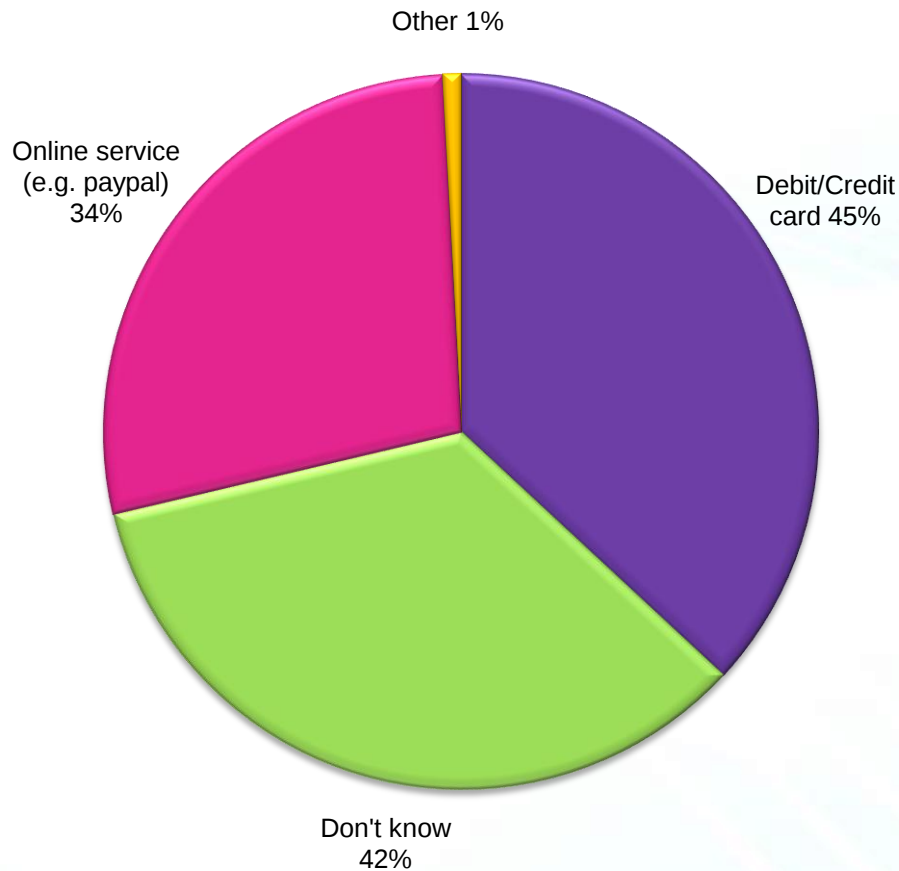
Which payment methods do you prefer when shopping in-store?



RETAILTOPIA

Online payment

How do you prefer to pay when shopping online?

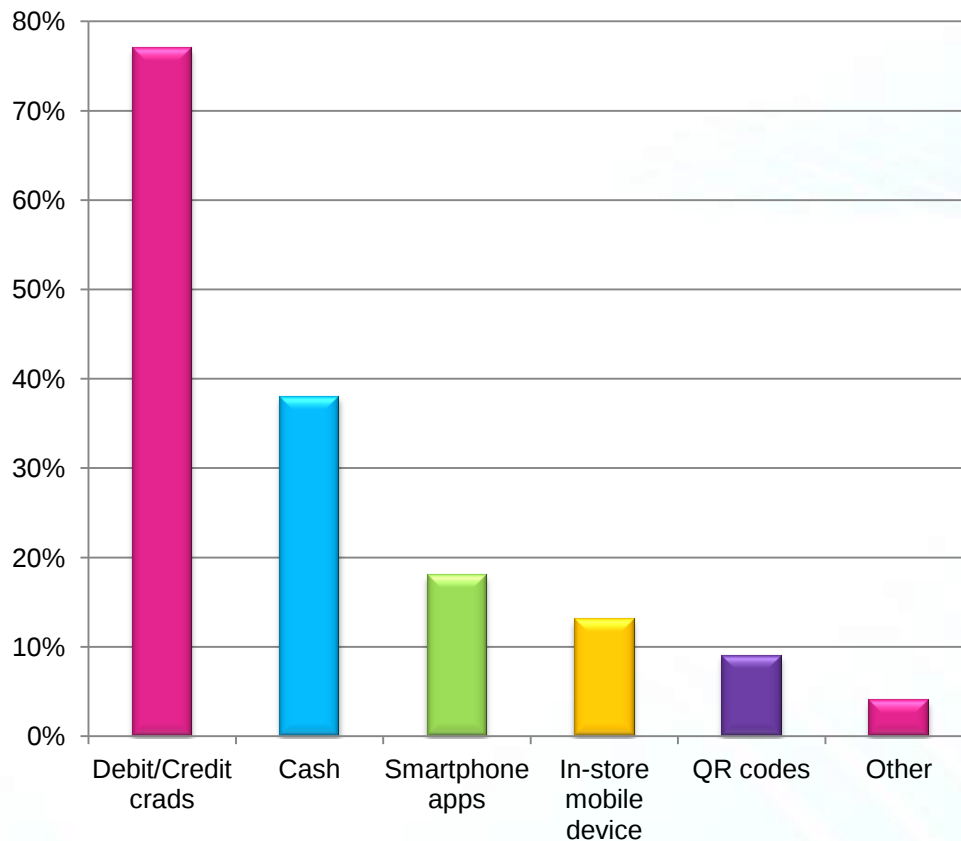


When shopping online, consumers prefer to make payments with a credit or debit card and they anticipate doing the same in the future.

Consumers were allowed to choose more than one answer

Future payment methods

Which payment methods do you most anticipate using in the future?



Consumers were allowed to choose more than one answer

Debit and credit cards are the payment methods consumers expect to use most in the future.

The next most anticipated method is cash, which they expect to use twice as much as smartphone apps.