

Mobile, Wearable Tech and Hyper-Relevance:

*Transforming
Consumer Behavior and
Retailer Opportunities*



USA

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About the study & PowerReviews

A row of shirts hanging on a rack, with a white heartbeat line overlaid on the image. The shirts are in various colors, including orange, yellow, and white. The background is a dark, muted color.

Retail nirvana is just a heartbeat away

*How new technologies will
change shopping forever*



Introduction | Matt Moog

In our last study, carried out late last year, we confirmed that ratings and reviews are a crucial part of the consumer purchase process when shopping online and via mobile. But our new research released today, May 12, 2015, is telling us that consumers now want the same information that has become ubiquitous with online purchases while they're shopping in stores.

The rise of mobile and wearable technology is blurring the lines between in-store and online commerce, opening up a channel for consumers to access reviews and other product information while shopping in stores.

And while the increasing adoption of new technologies such as wearable devices and beacons is going to make the path to purchase more complex, these technologies are also opening up opportunities for retailers to deliver more targeted, context-driven product information, in-store and in real-time, giving more power back to the retailer.

But shoppers are also gaining from advancements in technology. Our latest research, revealed in this white paper, shows that whether online or in-store, the vast majority of shoppers (91%) are already using technology to help them make purchase decisions. Tech-savvy shoppers are not only turning to their devices to access useful content such as ratings and reviews, but they're also hungry for new ways to access this content via new technologies.



In fact, the consumer appetite for technology to assist with in-store shopping experiences is insatiable. Around 70% of shoppers tell us they would like to access product ratings and reviews while shopping in store.

Our study also unveils a strong consumer desire to own a wearable device such as a smart watch, smart glasses or fitness tracker: almost 30% say they either already own or plan to buy one in the next 12 months. The overwhelming reason why? More than a third of consumers want a wearable device to make their life easier and 82% would like technology such as smart watches to enhance their shopping experience.

Interestingly, 25% said they would like their favorite retailers to alert them via their device when in-store shopping lines are long so they can do their shopping when it quiets down. This kind of appetite for granular and relevant communication between shoppers and retailers offers a huge opportunity for savvy stores who have an integrated online and offline presence, and it can also serve as a warning to those retailers not yet on the path to integration.

But these are just some of the expectations consumers have of retailers as wearable tech looks to become mainstream. In this report, we uncover what consumers really want from retailers, how technology is changing consumer behavior and what retailers need to consider now to ensure they meet their customers' needs.



**34% of consumers want
a wearable device to make
life easier**



A photograph of two elderly men smiling and talking outdoors. The man on the right has a white beard and is wearing a blue button-down shirt. The man on the left is wearing glasses and a light-colored shirt. The background is a blurred outdoor setting with trees and a path.

Consumers are hungry for a connection

*82% of consumers want technology to
enhance their shopping experience*

EXPERT VIEW | Matt Parsons

Chief Customer Officer, PowerReviews

“Retailers need to meet consumers where they are, and more than ever consumers are using mobile devices to help them shop online and in-store. Winning retailers will provide personalized, localized reviews and other information to consumers on their mobiles, smart watches through apps, mobile-friendly websites, and social media.”



Technology has rewritten the retail landscape

Once upon a time, shopper and retailer interactions were limited to visits in-store, leaflets or catalogues and perhaps through an advertisement in print or broadcast media. But in only a few short years, technology has rewritten the retail landscape.

First came online and ecommerce; this dramatically increased the number of interactions a shopper can have with a retailer and made the customer experience and shopper journey vastly more complex. But now, with wearable tech and the Internet of Things (IoT), there promises (or threatens) to be hundreds of ways for a customer to interact with a retailer.

While these new technologies make the path to purchase much more complex, they also create opportunities for retail-

ers to deliver more targeted, context-driven product information, in-store and in real time, making the retailer's message that much more effective.

The vast majority of shoppers (91%) are already using technology to help make purchase decisions. With more than 21% of shoppers welcome to new technology innovations such as smart watches to help with shopping, the desire for technology to enhance the in-store shopping experiences is on the rise.

Reviews before friends & family

And people use their mobile device to look for product ratings and reviews (54%) while shopping in-store more than they do to call or text a friend or family member (50%) for their advice or opinion on the purchase. Only pricing research (55%) ranks higher than product reviews for mobile users while shopping in-store.

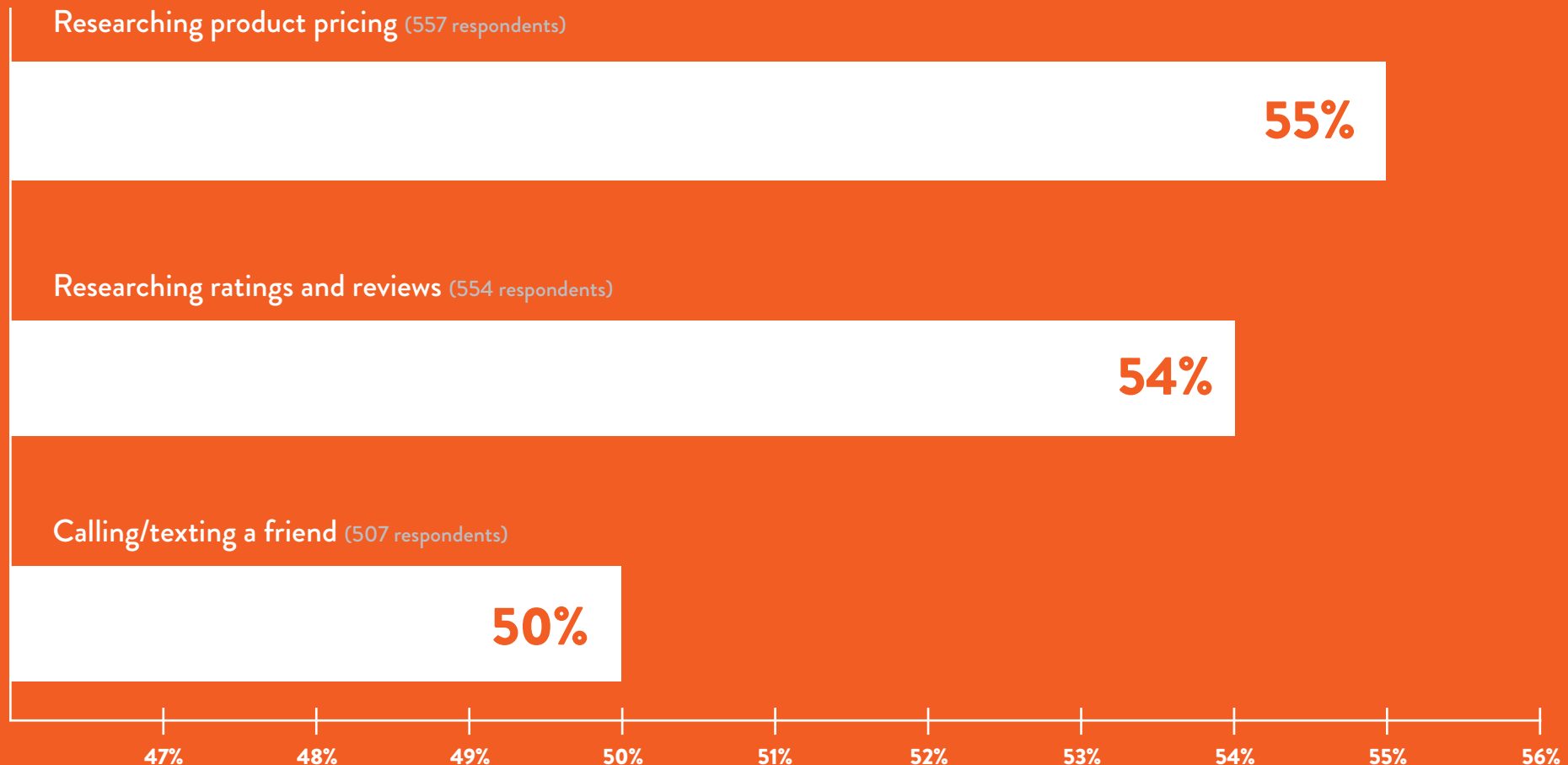


**91% of shoppers are already
using technology to make
purchase decisions.**



How shoppers are using mobile in-store

How do you use technology to help you with your shopping?



A young child with curly hair is reaching out to grab a cookie from a plate. The child is looking intently at the cookie. The background is slightly blurred, showing a white tablecloth and a plate of cookies. The overall tone is warm and focused on the child's action.

Creating convenience is key
Wearable tech will drive efficiency



Wearable tech: makes shopping easier

While ecommerce has brought and is still bringing vast changes to the way we shop and our expectations of retailers, wearable tech is about to take the shopping experience to a whole new level.

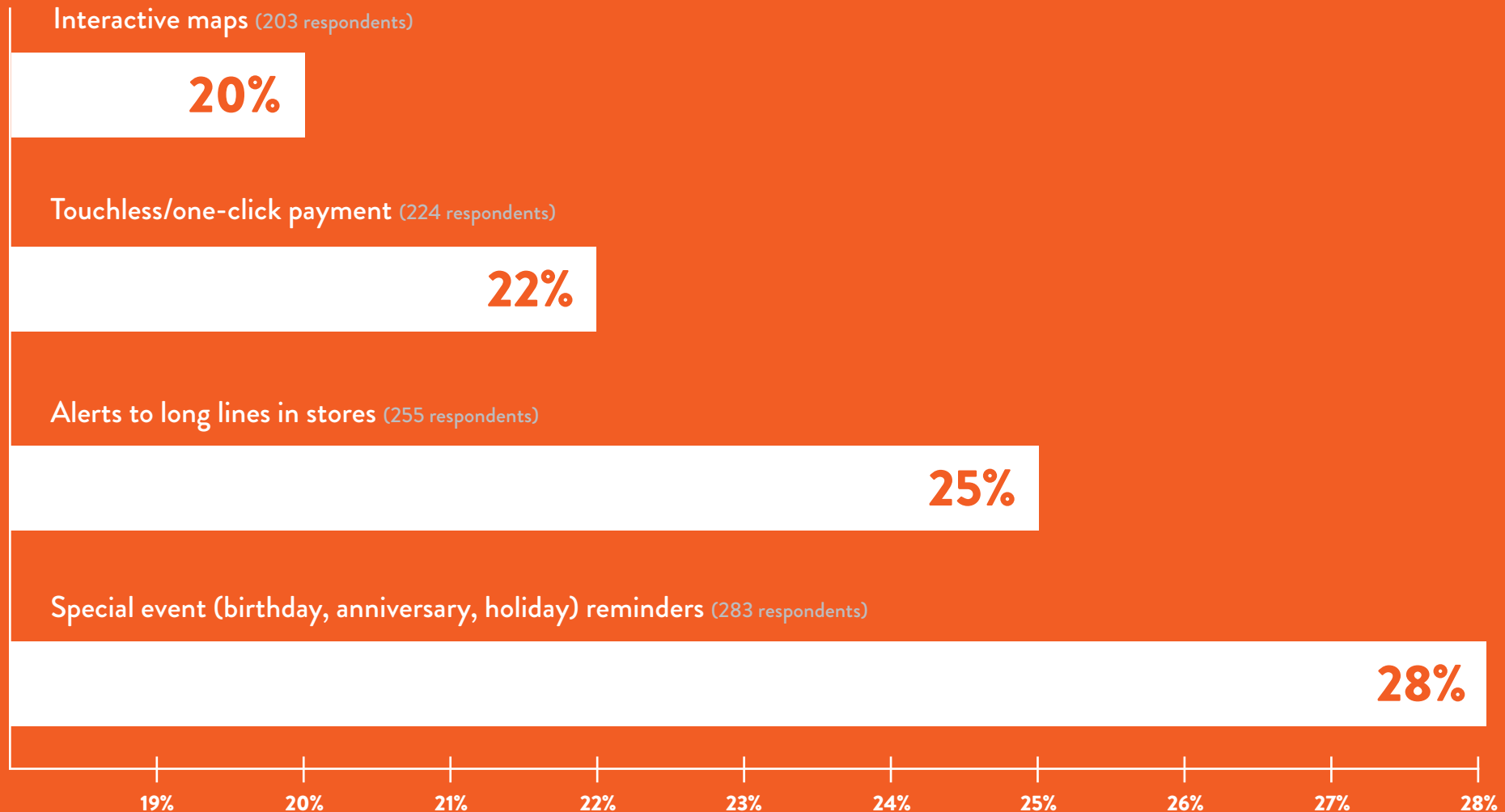
Almost 30% of American consumers own a wearable device (fitness tracker, smart watch or smart glasses) or plan to buy one in the next 12 months. And the reason so many consumers want to get their hands on wearable tech? Thirty-four percent said their main motivation for buying a wearable device is simple: to make life easier.

When it comes to shopping, 82% would like technology such as smart watches to enhance their shopping experiences in the future and 49% want tech to save them time while shopping.

We're already seeing wearable tech bringing convenience to the shopping experience with the Apple Watch and Jawbone UP24 fitness tracker enabling shoppers to make payments from their wrist-worn devices. According to our research, 22% of shoppers are interested in using touchless or one-click payments from wearable devices, and 20% are interested in using interactive maps to more easily navigate within a store.

What shoppers want from wearable tech

Looking to the future, how would you like technology, such as a smartwatch, to enhance your shopping experiences?



A man in a dark suit, white shirt, and patterned tie is looking down at a smartphone in his hands. He is standing in a busy market or grocery store. In the background, there are various stalls and signs, including one that says "CONG" and another that says "MAR". The scene is slightly blurred, emphasizing the man and his phone.

What shoppers want

*In-store reviews and
hyper-relevant notifications*



Consumers save time, shop with wearable tech

A quarter of shoppers want their favorite retailers to use wearable tech as the medium to alert them when the store is busy and lines are long so they can save time and come back later. The study also found that twenty percent want interactive maps to help them shop.

Twenty-two percent want retailers to enable 1-click payments through a wearable device. And 28% want retailers to tap into the power of technology to remind them of birthdays or special events like anniversaries while they're in-store or on other shopping trips.

Location technology boosts in-store engagement

With mobile devices now a common part of the path to purchase and wearable tech usage on the rise, retailers have the opportunity to use technologies to offer customers a truly connected shopping experience.

One such technology, near-field communication (NFC), can be used to engage consumers when they're in-store. By simply tapping their phone, consumers can get product information from digital displays, and in turn, retailers receive useful data on how consumers behave while in store. While NFC can help boost engagement in-store, beacons could help retailers get customers through the door in the first place.

Beacons are Bluetooth-enabled devices that allow retailers to communicate with shoppers via their smartphone, delivering content that ranges from product information to real-time deals and advertisements.

When a customer with an enabled smartphone app is within a certain distance of the store, retailers can send useful content to shoppers, making communications more relevant and increasing the possibility of getting them in-store.



And beacons and other location-based technologies can also be used to deliver hyper-relevant content while a shopper is in-store as well. For example, they can provide reviews on cashmere sweaters when the shopper approaches the sweater display. Beacons offer the possibility for retailers to recognize, reward and understand their customers better by combining the power of beacons and customer data.

Shoppers open to personalized notifications

When compared with the UK, we found that American consumers are much less open to sharing personal data with retailers. Half of shoppers in the UK were open to sharing information such as fitness metrics, location and purchase history,

while only 31% of U.S. consumers were willing to do the same. Contributing to this difference in attitudes may be that UK retailers have successfully demonstrated how providing such information will create a better, more personalized shopping experience.

Our study found that 21% of consumers would be open to being targeted by beacons and other micro-location technologies if it helps them make the right purchase decision, saves them money or helps with their overall shopping experience. In the U.S. this number is likely to grow as retailers can prove the value in delivering hyper-relevant information in real time.



21% of shoppers are open to push notifications if they help them make the right purchase decision, save them money or improve the shopping experience.



EXPERT VIEW | Matt Moog

CEO PowerReviews

“In-store and online shopping experiences can no longer be viewed independently. They are interdependent parts of a unified strategy that considers the voice of the customer and user generated content, personalized information and offer delivery, and platforms that include mobile apps, mobile-optimized sites, and wearable technology. By providing consumers with hyper-relevant and authentic information, retailers will get more consumers into their physical and virtual stores, convert shoppers into customers, and create passionate brand advocates.”



Retailers must act

Mobile drives consumer behavior in-store



Mobile improves in-store experiences today

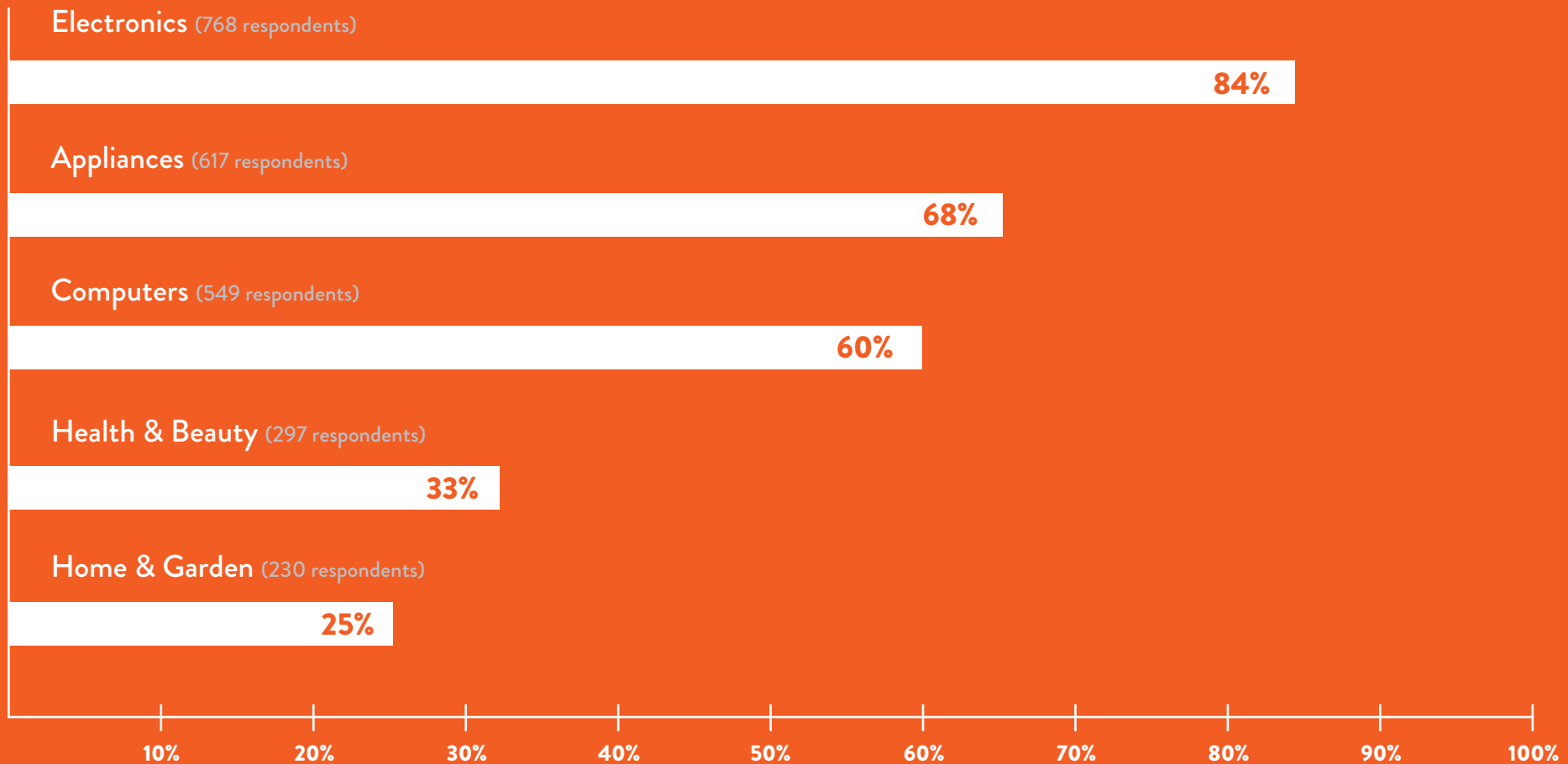
While retailers continue to experiment with technologies like wearable tech and beacons, consumers are improving their own shopping experience by using their mobile devices while in-store. In fact, 90% of shoppers are using their mobile devices to help make purchase decisions while in-store.

Our study also found that the availability of reviews in-store was exceedingly important for categories with big-ticket, high priced items such as electronics (84%), appliances (68%) and computers (60%). Interestingly, shoppers also wanted reviews accessible in-store for health and beauty and home and garden.

Mobile-friendly sites preferred to mobile apps

To access reviews while shopping in-store, the majority of consumers (54%) prefer to visit the store's website via their mobile phone, while only 21% of shoppers wanted to use in-store displays, like kiosks or tablets in dressing rooms and only 17% wanted to use the retailer's app. With Google's recent algorithm update favoring mobile optimized websites in mobile searches, it's clear that mobile-friendly sites are essential not only for driving transactions online, but also for helping in-store shoppers as well.

Top 5 categories for reviews in-store

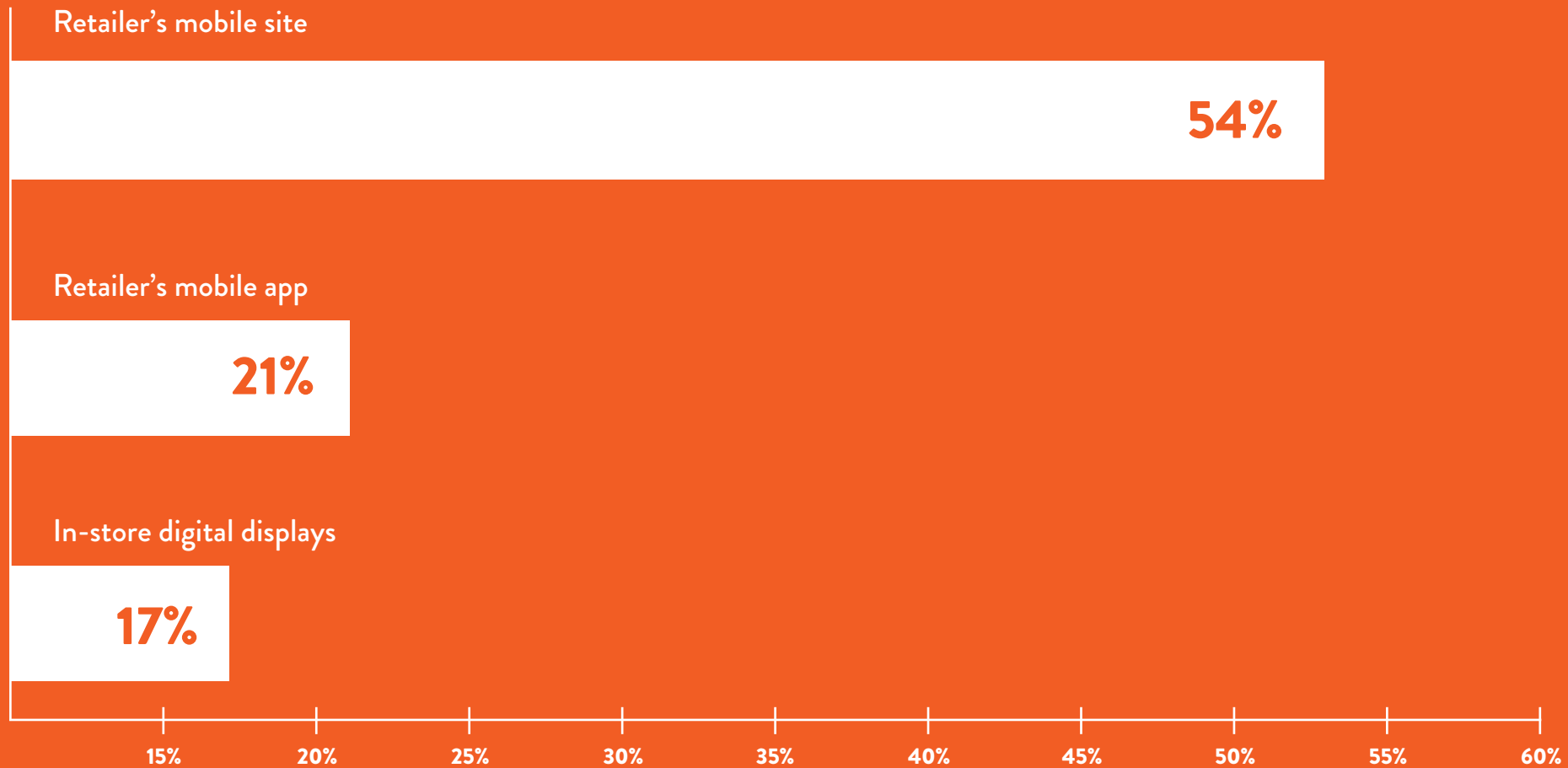


EXPERT VIEW | Theresa O'Neil

SVP of Marketing, PowerReviews

“We’ve established that consumers prefer mobile-friendly websites to mobile apps and that ratings and reviews are the preferred content for in-store shoppers. To access this content, consumers most often begin their in-store mobile experience with search. Retailers need to ensure that they have ratings and reviews on their product pages to boost search results. Otherwise, consumers will go to a competitor site, including the biggest provider of reviews, Amazon.”

How shoppers want to access reviews in-store





Conclusion

Technology is transforming consumer behavior and retailers must rise to meet the changing demands of today's tech-savvy shopper.

Consumers who are shopping in-store are looking for reviews and relevant product information to help them shop wisely and retailers must bend over backwards to give it to them.

Currently, American consumers are not as keen as European counterparts to share personal information with retailers. However, as retailers can clearly demonstrate how hyper-relevant and personalized content will enhance the shopping experience, more consumers will be willing to share and be targeted by their favorite retailers.

With the increasing interest in and adoption of wearable tech, retailers now have a fresh opportunity to reach their customers and be the on-point and trusted shopper's friend.

By embracing these technologies, retailers can unveil a new 'window of truth' about their customers which will provide them with improved insight into their shopping behaviors, moods and needs. This information will deliver more value to the consumer and more customer loyalty to the retailer.

It is this smart, instant and ever-adapting adoption of technology by retailers that will drive sales in-store and online.

Here are 4 keys to success for retailers to consider:

1

Provide shoppers with relevant information so they don't leave your ecosystem.

This means having mobile-friendly reviews available on mobile apps and on your website as well as using reviews in-store, whether through old school print advertisements or digital displays.

2

Using data to offer a better online and in-store customer experience.

Consumers are willing to share their data if there is a real benefit to them. For retailers this means using data to demonstrate value, in the form of rewards and offers. This granular view of customer behavior is invaluable and will in turn enable you to make communications more relevant, targeted and in sync with what customers really want.

3

Innovate and personalize information delivery.

Innovate within your own ecosystem to provide customers with the information they need, when they need it so you don't lose them to a competitor. Through demographics, transaction histories, social media engagement and reviews, retailers have gotten smarter about how they reach out to shoppers; beacons and other micro-location technology help them further target what content they serve and when and where they serve it. If a retailer's smart watch app knows the consumer loves handbags, is in New York City on vacation, and just got a bonus, it might suggest a highly-rated luxury handbag that's on sale at a store two blocks away.

4

Don't wait.

Wearable tech is here to stay and thinking this doesn't affect you will see you left behind. The fast changing technology landscape affects everyone so plan your marketing strategies now to be part of this seismic shift. Your consumers are already adopting wearable tech and they expect you too as well.

Theresa O'Neil

SVP of Marketing, PowerReviews

Introducing the experts



Matt Moog | CEO, PowerReviews

Matt Moog has more than 20 years of experience at the intersection of retail and technology. Matt is passionate about entrepreneurship and the transformative role that technology can play in our lives, especially when it allows people to share their experiences and brings transparency and accountability to all facets of life.



Matt Parsons | Chief Customer Officer, PowerReviews

As Chief Customer Officer, Matt Parsons' primary focus is client satisfaction. Matt brings more than 15 years of client service experience, managing client success, software implementation, technical support, sales operations, customer renewal and content moderation functions in the financial, telecommunications and e-commerce industries.



Theresa O'Neil | SVP Marketing, PowerReviews

Theresa is responsible for building and leading the PowerReviews marketing team in the development and execution of programs that increase awareness of the PowerReviews brand and technology, generate leads and support direct and indirect channels to grow revenue and profitability. Theresa brings more than 20 years of experience developing marketing, sales and business development strategy.



About the research

This report is based on a survey 1021 U.S. consumers, and subsequent analysis, architected by PowerReviews with the goal of helping brands and retailers better understand the impact of technology on consumer behavior and the path to purchase.

The report was released in May 2015.

About PowerReviews

PowerReviews is the choice of 1,000 global brands and retailers to collect and display ratings and reviews on 5,000 websites.

An essential resource for consumers as they search and shop online and in-store, ratings and reviews drive relevant traffic, increase sales, and create actionable insights to improve products and services. PowerReviews' mobile-friendly ratings and reviews and Q&A software is fast to implement and simple to customize, making it easy for brands and retailers to generate more authentic content that is seen by more consumers. The PowerReviews Open Syndication Network is the largest in the industry, reaching 2,500 retailers and more than 700 million consumers.

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