

Retail Revolution

*How mobile and wearable
technology is transforming
UK consumer behaviour and
retailer opportunities*



UK

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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 dark and slightly blurred.

Retail nirvana is just a heartbeat away

*How new technologies will
change shopping forever*



Wearable technology is about to change the way we shop: This study of smartphone users reveals not only that tech-savvy shoppers are increasingly turning to their devices for product ratings and reviews but that they are hungry for more interaction and excited about getting their hands on the newest wearables too.



Introduction | Matt Moog

In our last study, carried out in the US 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, 12 May 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 over 88% of UK consumers use technology to help them shop and, in fact, the consumer appetite for technology to assist with in-store shopping experiences is insatiable. Around 80% of UK 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: over 45% 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 45% want their wearable device to save them time when shopping.

Interestingly, 33% said they would like their favourite retailers to alert them via their device when in-store shopping queues are long so they can do their shopping when it quiets down. This kind of appetite for granular and relevant communica-

tion 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 shot to those who are not yet on that 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 behaviour and what retailers need to consider now to ensure they meet their customers' needs.



**45% of consumers want a
wearable device to save them
time when shopping**





**Consumers are hungry
for a connection**

*88% of consumers use
technology to shop*

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 personalised, localised 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 advert 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.

From this latest study - which was conducted amongst 1,071 smartphone users in the UK - we can confirm that the majority of consumers use technology to help them shop; only 12% say they don't.

In the case of almost 60% of shoppers, mobile devices are being used to research competitor products and services online before making a product purchase. Twenty-two per cent of women say they would never buy anything in-store without browsing online first compared with 17% of men.

Reviews before friends & family

And people use their mobile phone to look for product ratings and reviews (45%) while shopping in-store more than they do to call or text a friend or family member for their advice or opinion on the purchase (32%).

Before they even purchase, 12% of men are garnering opinion from friends on social media compared with 9% of women and almost a fifth welcome more technology innovations from retailers to assist with their in-store and online shopping experiences.

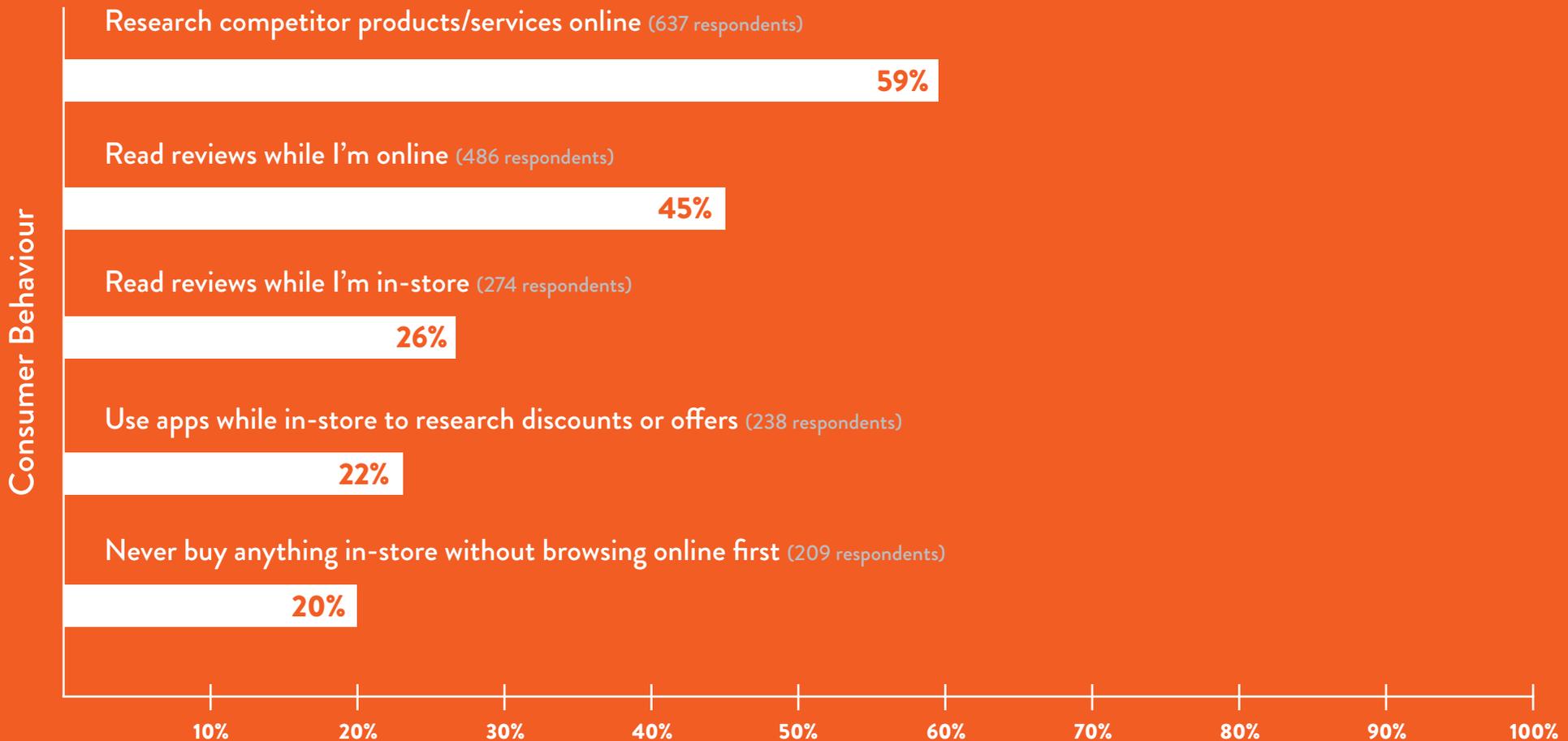


59% of shoppers use mobile devices to research competitor products and services online before making a product purchase



Current technology uses for shopping

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





Wearable tech: makes shopping easier

But 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.

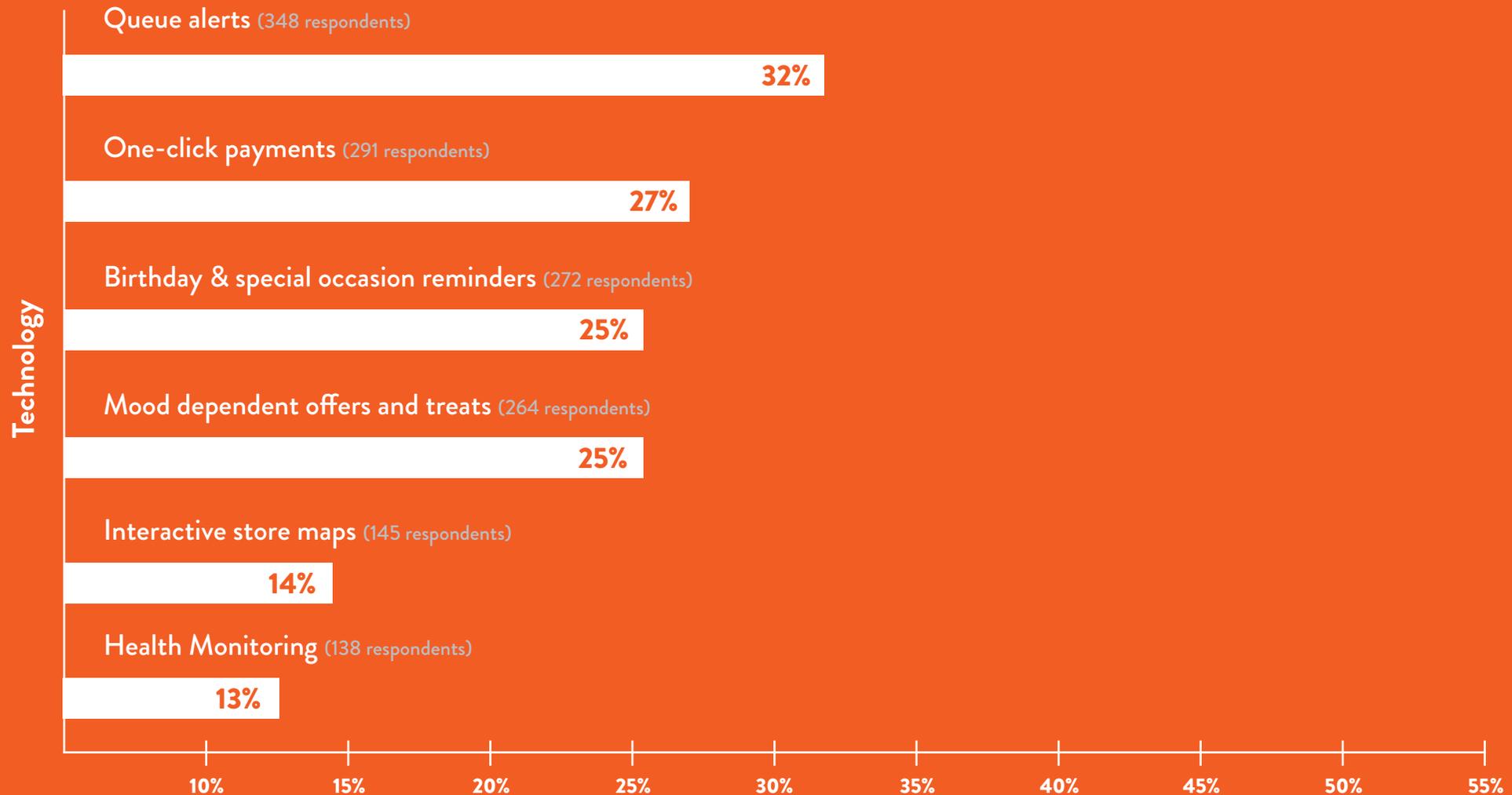
As we stand today, 45% of those who took part in our study either own or are planning to buy a wearable device in the next 12 months, with 38% of men versus 23% of women keen to own one. Only 7% were not motivated to buy a wearable device.

Of those who currently own a wearable device, 72% use it for fitness and health reasons followed by 34% who use it for shopping. Women are more likely than men to use their device for fitness and health purposes (80% vs 62%) but 38% of men use it for shopping compared with 30% of women.

So why all the love for wearable devices? The overwhelming reason consumers want to own one is to make their lives easier (35%). When it comes to shopping, 65% would like technology such as smart watches to enhance their shopping experiences in the future and 45% want tech to save them time when shopping.

Future shopping experience desires with wearable tech

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



A young child with curly hair is looking at a large, round cookie. The child's hand is near the cookie, and they appear to be about to take a bite. The background is a plain, light-colored wall.

Dare to share in return for treats

*Half of consumers share
personal data with retailers*



**25% of women said they
would like retailers to know
when they are having a 'down
day' so they could send them
treats on their smart watch**





Consumers save time, shop with wearable tech

Over a third of shoppers want their favourite retailers to use wearable tech as the medium to alert them when the store is busy and queues are long so they can save time and come back later.

Twenty-seven per cent want retailers to enable 1-click payments through a wearable device. And 25% want retailers to tap into the power of technology to remind them of birthdays and upcoming events they need to buy for when on a general shopping trip.

Half of those surveyed are willing to share their personal data from their device, with fitness and health the information people are most likely to give up (39%).

Interestingly, shoppers said they would allow retailers access to data on their mood stored on their wearable device if it brought them a personal benefit, with 14 per cent of women versus 12 per cent of men willing to do so. In fact, a quarter of women said they would actually like retailers to know they are having a 'down day' so they could send them vouchers, offers and treats on their smart watch to perk them up. And 13% of those surveyed had no qualms sharing their sleep data.

Financial information is held dear however, with only 5% saying they would be willing to share this from their device.

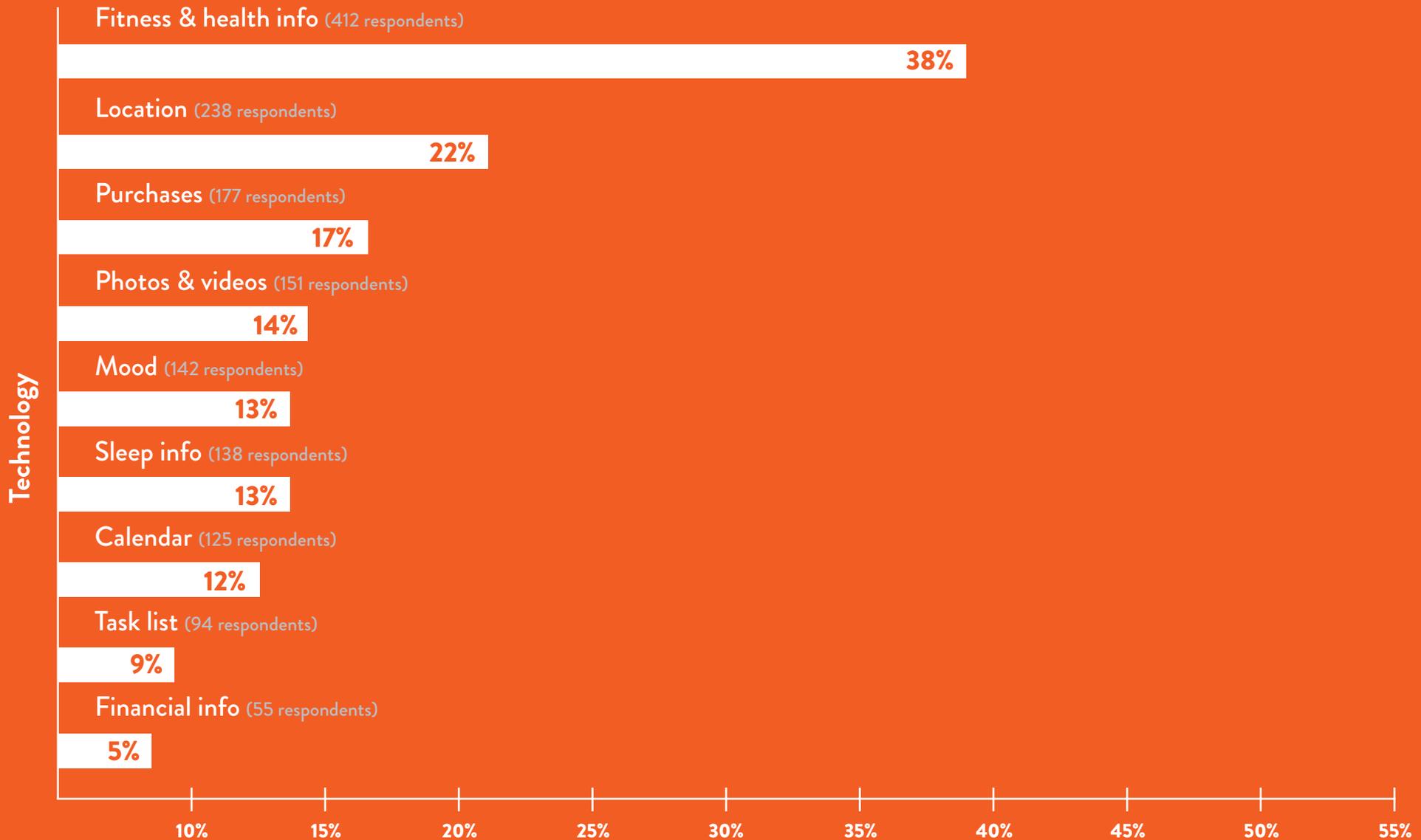
EXPERT VIEW | Alex Johns

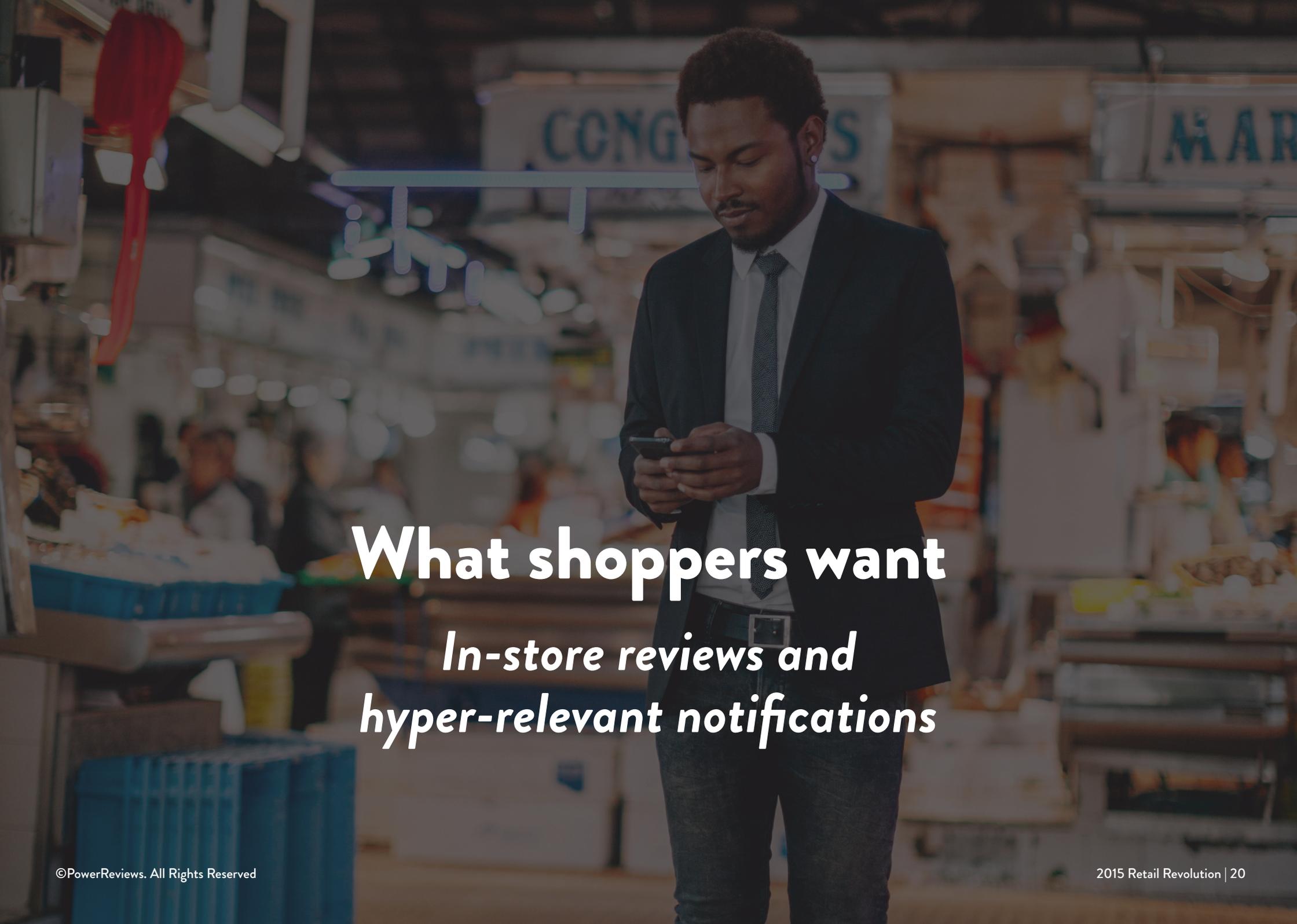
Managing Partner, Worth Retail

“For online retailers, wearable tech will make browsing much easier. However, ecommerce businesses will have to work far harder on their digital strategy and online shopping experience to ensure they differentiate themselves from the competition.”

What people share from their wearable device

Which of the following are you willing to share from your wearable device?



A man in a dark suit, white shirt, and patterned tie is standing in a grocery store aisle, looking down at his smartphone. The background is a blurred grocery store with shelves of products and signs like 'CONG' and 'MAR'. The text is overlaid on the image.

What shoppers want

*In-store reviews and
hyper-relevant notifications*



Location technology boosts in-store engagement

With mobile devices being inherent in our shopping process and wearable device usage on the rise, retailers have the opportunity to use technologies to offer customers the holy grail of a connected shopping experience.

One such technology is near-field communication (NFC) which can be used to engage the consumer when they are in the store. By simply tapping their phone, consumers can get more product information from digital displays, and the retailer gets useful data on how the consumer behaves in-store. While NFC can help boost engagement in-store, beacons could help retailers get customers through the door in the first place.

A beacon is essentially a micro-location-based technology that uses Bluetooth for communicating with beacon enabled devices. When a customer with an enabled smartphone app is within a certain distance of the store, retailers can send useful information to the shopper, making communications more relevant and increasing the possibility of getting them

in-store. Beacons and other micro-location technology also have the possibility of providing customers with personalised information once they are in a store, for example, providing reviews on cashmere sweaters when the shopper approaches the sweater display. Beacons offer the possibility for retailers to recognise, reward and understand their customers better by combining the power of beacons and customer data.

Shoppers open to personalised notifications

The good news for retailers is 35% of consumers would be open to being targeted in this way if it helps them make the right purchase decision, saves them money or helps with their overall shopping experience. Yet our study found that only 7% say they have received push notifications carrying information about products and services when in-store or near a store. An even smaller number (4%) say they have been 'push' targeted with reviews about products they were browsing in-store, showing retailers are missing a trick to connect with their customers with hyper-relevant information.



35% of consumers are open to personalised push notifications to help them make better decisions, save them money, or help with their overall 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, personalised information and offer delivery, and platforms that include mobile apps, mobile-friendly web, 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.”

Consumers and mobile push notifications

Have you ever received a push notification on your mobile phone from a retailer while in or nearby a store?



A person is riding a motorcycle on a paved road that curves to the left. The rider is wearing a red jacket and is looking forward. The background shows a grassy embankment with a fence and some trees under a cloudy sky. The text is overlaid in the center of the image.

Retailers must act
*Mobile drives consumer
behaviour in-store*



Mobile improves in-store experiences today

While retailers slowly get to grips with how micro-location, personalisation, and other technologies can enable a much more engaging shopping experience, 72% of consumers are ploughing ahead and improving their own shopping trips by using their mobiles to best effect in-store.

Interestingly, more people (45%) are turning to product ratings and reviews for product advice when in-store opposed to calling or texting their family or friends (32%).

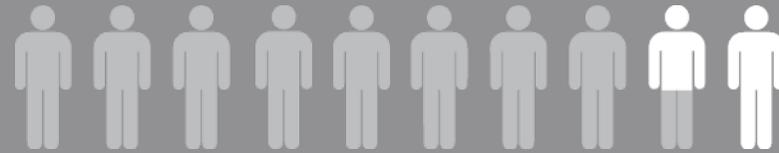
And 48% of women are using their mobiles in-store to look up product pricing versus nearly 52% of men.

According to our study, the products that consumers most need support with when purchasing are electronics, with 84% saying they access reviews while shopping in-store to help them make a decision. This is followed closely by appliances with 67% needing to access reviews in-store, computers (59%) and clothes (42%).

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.”



**84% read reviews in-store when
purchasing electronic products**





Mobile-friendly sites preferred to mobile apps

For men, reviews play a key role when buying electronic items in-store, 84% saying they would read reviews before buying electronics compared with 80% of women. Fifty per cent of women would read health and beauty product reviews while shopping in-store and 45% would read reviews of clothing in-store versus 38% of men.

To access product reviews while shopping in-store, 55% say they visit the store website via their mobile phone com-

pared with only 21% who use the retailer's app and the 22% who access product reviews through in-store digital displays. Mobile-friendly sites are essential then not only for e-commerce but also for assisting in-store shoppers.

Half of all shoppers also say they are using their mobiles to look up product pricing while shopping in-store.

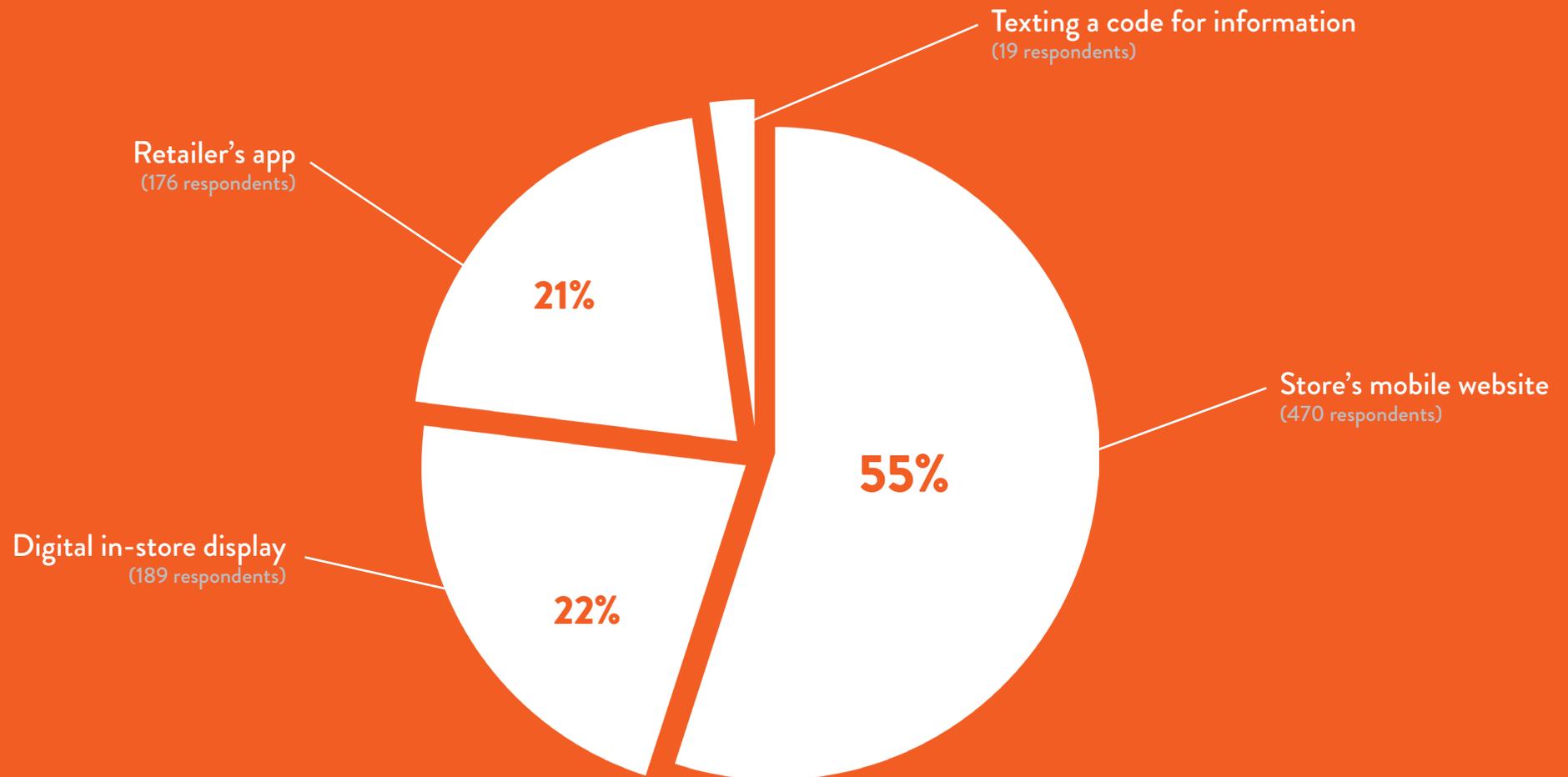
EXPERT VIEW | Alex Johns

Managing Partner, Worth Retail

“The challenge for retailers is to ensure that their own in-store shopping experience is brilliant and prevents the need for people to webroom – i.e., search in a store and shop elsewhere online.”

How we access product reviews in-store

What is your preferred method of accessing product reviews while shopping in a store?





Conclusion

Technology is changing consumer behaviour and retailers must respond to meet the 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.

Shoppers are making it easy for retailers. Our study demonstrates that they are open to being targeted with push notifications when in-store or nearby as long as there is some benefit to them. They are also willing to give up personal data in return for well-thought out, hyper-relevant, customer communications.

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 behaviours, 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 adverts or digital displays.

2

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

Consumers are willing to share their data, even their moods, if there is a real benefit to them. For retailers this means utilising the data you collect to better effect. Having a more granular view of how your customer behaves will enable more bespoke, relevant and targeted communications including offering treats, rewards and offers which are in sync with what the customer really wants.

3

Innovate and personalise 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 London on holiday, 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 to 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.



Alex Johns | Managing Partner, Worth Retail

Alex Johns was part of the team that created The London Triathlon from scratch in 1998, which became the world's largest triathlon in its first year with global TV coverage. He then started up iblink with £15,000 of start-up capital and just 3 years later, he'd created the largest digital advertising platform in Europe, which he sold to media giant JC Decaux. He's an active mentor and investor in several start-ups and is currently the Managing Partner of Worth Retail and Founder of sister company, Worth Capital.



About the research

Research for this white paper was carried out by PowerReviews amongst 1,071 UK consumers who use a smartphone between 1st-2nd April 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 rating and review 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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