# Retail Satisfaction Barometer 2014

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**CFI** Group

**ACSI**
American Customer
Satisfaction Index®

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# EXECUTIVE SUMMARY

In 2013, CFI Group launched its first-ever Retail Satisfaction Barometer (RSB). The benchmark study, modeled after our 7-year-and-running Call Center Satisfaction Index (CCSI), is back and expanded for 2014. With insight from a pool of 1,200 consumers, the RSB promises to serve as an industry-leading resource for measuring retail satisfaction trends, with a focus on the impact of customer service.

The overall RSB study breaks out respondents into the following five segments:

> ➤ Traditional Department Stores (e.g. JC Penney, Kohls, Macy's, Sears)
> ➤ Large-Format Value Stores (e.g. Walmart, Target, Costco)
> ➤ Mall-Based Specialty Stores (e.g. Aéropostale, Williams Sonoma, Bath & Body Works)
> ➤ Freestanding Specialty (Big Box) Stores (e.g. Home Depot, Best Buy, Pier 1 Imports)
> ➤ Grocery Stores (e.g. Kroger, Albertsons, Safeway)

The questions asked were designed to gain a scientific understanding of how satisfied consumers are with their commerce experiences, using the American Customer Satisfaction Index (ACSI) methodology. This methodology accurately quantifies the impact of satisfaction on consumer intent to make repeat purchases, develop an affinity for a specific brand, and recommend specific companies, their products and services to peers. Analysis of this data enables retailers to predict the impact of service and product improvements on customer satisfaction, loyalty, recommendations, and other metrics that impact the bottom line. The RSB study equips retailers with fact-based consumer data that's prerequisite for prioritizating of operational improvements and investments.

The RSB Index score for 2014 is 80 on a 0-100 scale. This overall customer satisfaction score marks a 1 point year-over-year improvement, and paints a favorable picture of retail customer satisfaction in contrast to other customer satisfaction indices conducted by CFI Group.

Despite the net increase in this year's RSB Index to a score of 80, the news is not all positive. Still developing omni-channel initiatives, for instance, show mixed results in contrast to reporting in the popular press. Last year, survey results suggested that social media remained an untapped resource for retailers to drive customer experiences and engagement. 2013 RSB scores for *Likelihood to Purchase on Web* and *Likelihood to Comment on Social Media* were 70 and 62, respectively. Surprisingly, in 2014 RSB results show consumers on the whole are less likely to comment on their retail brand experiences than they were last year, with a score drop of 4 points to 58 for the measure *Likelihood to Comment on Social Media*. *Likelihood to Purchase on Web* shows a similar mixed reading with this year's score dropping 2 points to a score of 68 from a score of 70 in 2013.

Mobile application usage for shopping purposes, on the other hand, saw massive year-over-year growth. In the 2013 RSB results, mobile devices were reportedly being used by 21% of consumers during the shopping experience, with the majority of that usage (68%) focused on price comparisons. 2014 results show a marked increase in mobile app usage while shopping, with overall mobile application usage rising to 41%. With the increase in mobile shopping app usage we also found consumers use of applications is becoming more varied. While price comparisons still lead application usage at 47%, nearly 45% of mobile application users took advantage of mobile couponing apps, 41% used apps to view product reviews, and more than a third tapped into their devices to research product information.

The 2014 RSB once again examines the age demographic challenges retailers face, most notably, among the two largest populations of consumers: Baby Boomers (those persons age 65 and over) and Millennials (those person ranging from ages 18-34.) Baby Boomers (numbering more than 70 million) invariably dole out higher satisfaction scores in survey categories across the board when compared to Millennials (numbering more than 90 million.) Their overall RSB Index score is a solid 4 points higher than Millennials and up to 9 points higher than Millennials when looking across several of the key drivers of satisfaction studied in this year's report.

Web commerce presents another key opportunity for retailers to improve customer satisfaction and drive performance. In 2013, we noted that cross-channel retailers were challenged to balance their online commerce initiatives with brick-and-mortar efforts, and this year's data indicates that this challenge has only increased. As previously mentioned, consumers' *Likelihood to Purchase on Web* score fell 2 points year-over-year, from 70 to 68. In consideration of the recent *U.S. Cross-Channel Retail Forecast* from Forrester, improving the digital shopping experience is an increasingly important imperative. By 2017, Forrester predicts that 60% of all U.S. retail sales will involve the Internet, either as a direct e-commerce transaction or as part of a shopper's laptop or mobile device-based research. The firm predicts that approximately 10.3% of total retail sales in the U.S. will be made online by 2017 ($370 billion in web sales compared to $3.6 trillion in total retail sales).

With that said, we also know that consumer behavior is becoming less channel-specific, especially among Millennials. On page 13, we'll discuss the impact and importance of cross-channel synergy as it relates to customer satisfaction, with a specific focus on consumer mobility.

While this second installment of CFI Group's Retail Satisfaction Barometer provides a fact-based benchmark of retail customer experience and satisfaction, the data presented here only begins to paint a holistic picture. Through a one-on-one engagement with CFI Group, retailers can gain much deeper insight into opportunities to improve customer satisfaction and grow wallet share among consumers within the segments they serve, and even more specifically, within their own brand communities.

# INTRODUCTION

In a dynamic retail market that's inarguably seen more change in the last 10 years than in its entire history, understanding what drives customer satisfaction, repeat visits, and increased spending has never been more important. Consumer empowerment is at an all-time high, as a rapidly proliferating and converging number of physical and digital shopping channels meet gradually climbing consumer confidence in a perfect storm of opportunity for progressive retailers. Deciding which factors will most effectively drive customer retention —from all aspects of the physical store experience to employee engagement and digital interaction—is at the crux of modern retail success.

Gone are the days when smart customer-facing decisions were made on hunch, intuition, and anecdotal evidence. Without hard data to guide decisions, today's multi-touchpoint and increasingly disloyal consumers are a tough lot to figure out. However, aided by consumer preference data gathered through specific customer feedback, customer experience modeling can drive wise cross-channel merchandising, application, and service decisions.

CFI Group's approach to precision monitoring and measurement of customer satisfaction helps retailers create insights for synergistic cross-channel decision making, empowering executives with the information they need to improve performance across every customer touchpoint.

Our proprietary data analysis tools, based on the ACSI methodology, provide retailers with deep insight into how they perform against constantly changing consumer expectations. With the release of this latest installment of our Retail Satisfaction Barometer, we're also providing insight into how retailers perform on the whole, by segment, and in accordance with the expectations of specifically segmented customer groups. Understanding how the customer experience you create compares with that of your competitors weighs heavily on the difference between growth or retraction of market share and margins.

To maximize your appeal to the modern consumer, price, product availability, and service levels must be measured synergistically across the in-store and website/mobile experiences. The CFI Group Retail Satisfaction Barometer provides a one-of-a-kind, holistic view of performance across those variables and more. The purpose of this report is to provide an overview of the data gathered by the index and aid retail decision makers as they navigate this complex consumer environment.

## ABOUT THE ACSI METHODOLOGY

The American Customer Satisfaction Index (www.theacsi.org) is the only uniform, national, cross-industry measure of satisfaction with the quality of goods and services available in the United States. A key distinguishing feature of the ACSI methodology is its patented scientific approach to customer satisfaction measurement.

When applied to your organization, the unique cause-and-effect methodology of the ACSI shows how satisfied customers are today, and how satisfaction leads to desired results. This one-of-a-kind methodology also gauges satisfaction with specific elements of the customer experience that influence overall satisfaction and future success.

The ACSI is an important indicator of economic performance, both for individual firms and for the macro economy. As such, the national ACSI score has been shown to be predictive of both consumer spending and stock market growth, among other important indicators of economic growth. Perhaps most revealing, however, have been the linkages discovered between aggregate ACSI growth, aggregate corporate earnings growth (among S&P 500 companies), and average Market Value Added (MVA), which measures a firm's success in creating wealth for shareholders.

## RSB Model

As shown in Figure 1, the RSB model looks at six elements of the customer experience as drivers of satisfaction. Improvements to these drivers will lead to a higher overall RSB score, which will result in higher customer loyalty and a greater likelihood that customers will develop an affinity for the retailer, spend more money there, and recommend the company and products to peers.

Figure 1: 2014 RSB Model

SATISFACTION DRIVERS                          FUTURE BEHAVIORS

| 82 | STORE |
| 80 | ASSOCIATES |
| 85 | MERCHANDISE |
| 82 | PRICE |
| 81 | CHECKOUT |
| 82 | ONLINE PRESENCE |

80 → RETAIL SATISFACTION BAROMETER INDEX

| LIKELIHOOD TO RECOMMEND | 84 |
| SHOP THIS RETAILER AGAIN | 87 |
| COMMENT ON SOCIAL MEDIA | 58 |
| PURCHASE ON THIS RETAILER'S WEBSITE | 68 |
| SPEND MORE WITH THIS RETAILER IN THE COMING YEAR | 72 |
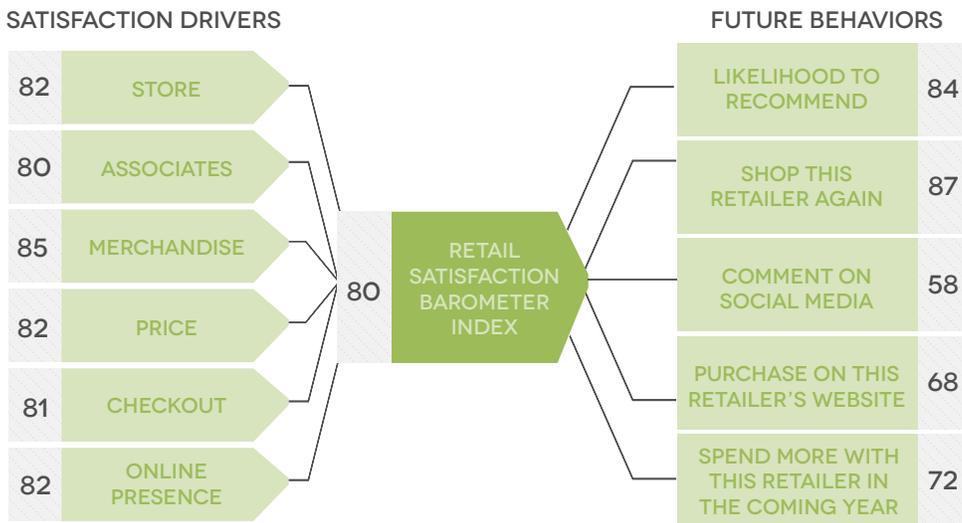
When reviewing the above RSB Model, it is important to understand that the RSB Index score is NOT some blended average of the driver scores on the left side of the model. All of the scores shown for the drivers as well as the RSB score are computed independently based on a series of questions unique to that driver. Respondents are asked to rate specific aspects of these driver areas on a scale of 1-10 where 1=Poor and 10=Excellent with the answers then converted to a 0-100 scale. These responses are then processed by the ACSI statistical modeling engine to generate an overall score for that driver area. For example, the *Associates* score is computed by asking respondents to use this 1-10 scale when evaluating the following associate characteristics:

➤ Associate available when you need them
➤ Associate is knowledgeable about the products/services they are selling
➤ Associate is friendly
➤ Associate is able to listen and understand your issue/needs

With driver scores computed independent of each other, the subsequent relationship between the drivers on the left side of the model picture and the overall RSB Index score is quantified by the statistical notion of "impacts" as discussed in the next section[1].

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[1]For a more thorough explanation of the ACSI Methodology, please refer to www.theacsi.org

## Key Driver Impacts

The patented ACSI methodology calculates an "impact" for each satisfaction driver as an indication of the relative return on investment (ROI) retailers can expect in terms of increased customer satisfaction (RSB Index score) when investing in a particular area. Different than customers answering the question, "What is most important to you?" the impacts indicate the extent to which retailers are meeting customers' unspoken expectations, the extent to which further investment in these areas will yield higher levels of satisfaction, and ultimately revenue-driving outcomes such as spending more, remaining a customer, and recommending the retailer to others. Figure 2 shows the relative impact the six drivers in the RSB model (shown in Figure 1) have on driving overall customer satisfaction higher in the future.

Figure 2 - Driver Impact on RSB Index
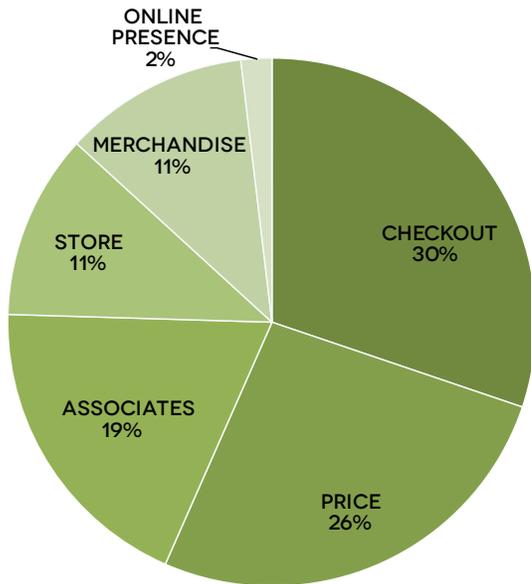


In general terms, lower impact percentages (total impacts sum to 100%) are interpreted as areas wherein customers' unspoken expectations are currently being met to their satisfaction. As a result, investing in these areas for improvement will not yield substantial rewards for future customer behavior compared to investing in areas with a higher percent of total impact. For example, the 2014 RSB impact result for the driver *Online Presence* shows a nominal 2% of total impact indicating that retailers are generally meeting customer expectations in this area today.

When prioritizing investment decisions, the RSB points to *Checkout* (30%), *Price* (26%), and *Associates* (19%) as higher impact areas for focus and investment when trying to drive satisfaction and the resulting rise in sales and profits.

## The ACSI Advantage

Taken together, the RSB Model and accompanying impact analysis show the advantage of a more advanced analytical approach when studying customer feedback. A common and understandable approach is to tackle those driver areas that customers rate lower in their evaluation of a company (a retailer in this case.) This idea lends itself nicely to the mantra of "continuous improvement" and the notion that working on low score areas will lead to improvements in those areas and thus to an improved relationship, in general, with the retailer. With this we do not argue. However, retailers have limited time and budgets and having the ability to optimize (versus just a brute force approach like working on low scores) these expenditures will lead to not just higher overall satisfaction but a better ROI, which manifests itself through increased spending, more frequent spending, and word-of-mouth advertising. In the context of this study this phenomenon manifests itself through the *Associates* driver being the lowest score. The advantage of the ACSI approach is that the retailer is informed that the highest linkage amongst the drivers and satisfaction (RSB Index) along with the accompanying positive future behaviors lies in the *Checkout Experience*. While *Associates* are undoubtedly important to the experience (accounting for 19% of the total model impacts), working on the *Checkout Experience* focuses the retailer on a driver that has 50% more impact on the customer experience. The moral to this story is work on things that matter most, not just low scores.

## RSB RESULTS BY RETAIL SEGMENT

With year-over-year results varying by segment, the 2014 RSB shows a great leveling with scores falling in a narrow 80-81 range, on a scale of 1-100. The exceptions fall at the extremes, with *Large-Format Value Stores* on the low end at 75 and *Grocery Stores* (added in 2014) leading the pack at 83.

Figure 3- Year-Over-Year RSB Index Scores by Segment
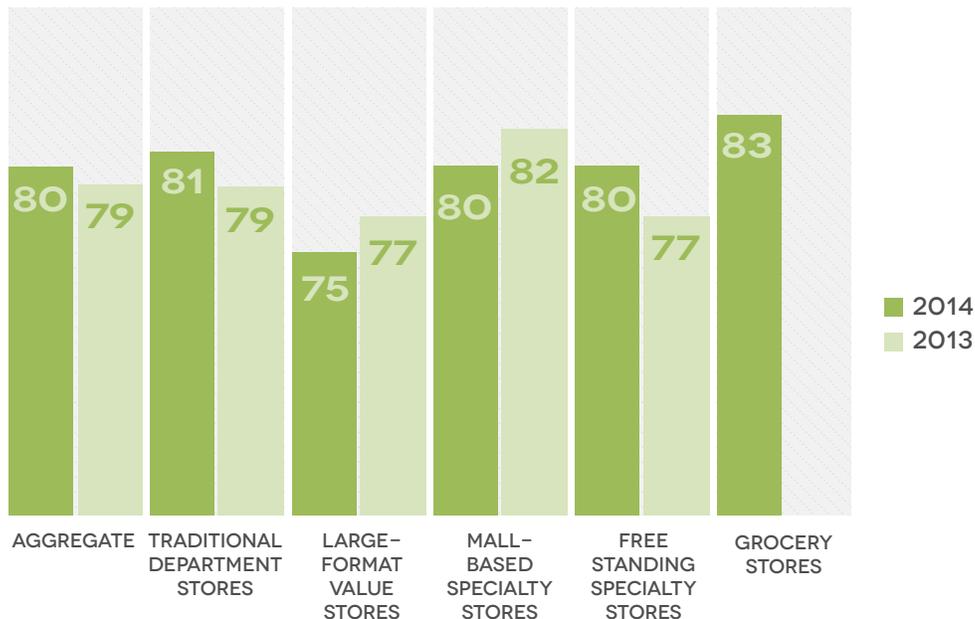


Figure 4 shows the 2014 RSB core model questions broken down by individual retail segment.

Looking at the "extremes" in terms of segment scores, it is not surprising that *Large-Format Value Stores* (e.g. Walmart, Target, Costco, Kmart, etc.) show the lowest scores of the segments covered. We say "not surprisingly" because these stores' business models focus on a self-service, low cost, something-for-everybody model for satisfying consumer demand. Being generalists, it is considerably more difficult to shine when compared to the specifically tailored offerings of other segments to which they are compared.

At the other (higher) end of the score spectrum, *Grocery Stores*, while following the same general business model as L*arge-Format Value Stores* have an inherent industry characteristic that leads to higher scores when compared to the other segments; plentiful competition. It is said that competition breeds excellence in those that survive and with this we agree. However, there is also another phenomenon at play in the *Grocery Store* segment—low switching costs. Grocery shoppers have an advantage. If there is something about a particular store they do not like, the very next visit (often times the very next day) they can shop around and select the store that best fits their needs. As such, grocery shoppers have more variety and competition for their business and tend to "end up" at stores they are pleased with. This ability to immediately adjust ones shopping patterns leads to inherently higher satisfaction amongst customers of any specific grocery chain when compared to retailers in other segments where the interaction is less frequent and the opportunity to immediately improve on a recent (perhaps less positive) experience is more limited.

Figure 4: RSB Model Scores by Segment

| | AGGREGATE | TRADITIONAL DEPARTMENT STORES | LARGE–FORMAT VALUE STORES | MALL–BASED SPECIALTY STORES | FREE STANDING SPECIALTY STORES | GROCERY STORES |
|---|---|---|---|---|---|---|
| STORE | 82 | 85 | 78 | 82 | 82 | 85 |
| CONDITION AND CLEANLINESS | 85 | 87 | 80 | 87 | 85 | 87 |
| DÉCOR/AMBIENCE | 79 | 85 | 72 | 84 | 79 | 80 |
| EASE OF FINDING WHAT YOU WANT | 81 | 84 | 78 | 78 | 78 | 85 |
| CLARITY OF SIGNAGE AND PRICING | 83 | 84 | 80 | 81 | 83 | 86 |
| ASSOCIATES | 80 | 82 | 72 | 81 | 80 | 85 |
| AVAILABILITY | 76 | 79 | 66 | 81 | 75 | 83 |
| FRIENDLINESS | 82 | 84 | 74 | 82 | 83 | 86 |
| LISTEN AND UNDERSTAND NEEDS | 81 | 83 | 74 | 80 | 81 | 86 |
| KNOWLEDGE OF PRODUCTS/SERVICES | 81 | 83 | 73 | 83 | 81 | 85 |
| MERCHANDISE | 85 | 85 | 82 | 84 | 84 | 87 |
| VARIETY OF PRODUCTS CARRIED | 86 | 85 | 83 | 86 | 87 | 88 |
| QUALITY OF PRODUCTS | 86 | 87 | 82 | 84 | 87 | 88 |
| EVERYDAY MERCHANDISE IN STOCK | 84 | 85 | 81 | 82 | 84 | 87 |
| AVAIL OF ADVERTISED ITEMS | 84 | 85 | 83 | 82 | 83 | 87 |
| NEATNESS OF PRODUCTS ON SHELF | 84 | 86 | 81 | 84 | 82 | 88 |
| WAY PRODUCTS ARE DISPLAYED | 85 | 86 | 81 | 87 | 83 | 87 |
| PRICE | 82 | 82 | 81 | 78 | 81 | 84 |
| EVERYDAY PRICES | 80 | 79 | 81 | 74 | 78 | 83 |
| PRICE GIVEN QUALITY | 82 | 82 | 81 | 79 | 81 | 84 |
| PRICES COMPARED TO OTHR STORES | 81 | 82 | 83 | 76 | 80 | 84 |
| SALES AND PROMOTIONS | 83 | 85 | 80 | 83 | 83 | 86 |
| CHECKOUT | 81 | 83 | 74 | 82 | 82 | 84 |
| TIME SPENT DURING CHECKOUT | 79 | 82 | 69 | 81 | 81 | 82 |
| KNOWLEDGE OF CASHIER | 81 | 83 | 74 | 82 | 82 | 84 |
| HELPFULNESS OF CASHIER | 83 | 84 | 77 | 83 | 84 | 85 |
| ONLINE PRESENCE | 82 | 84 | 79 | 82 | 82 | 85 |
| MERCH SAME ACROSS WEB/STORE | 80 | 82 | 76 | 80 | 80 | 84 |
| PRICE SAME ACROSS WEB/STORE | 82 | 83 | 79 | 82 | 83 | 86 |
| WEBSITE RETURN POLICIES | 82 | 87 | 80 | 78 | 82 | 83 |
| ASSORTMENT OF MERCH ON WEB | 84 | 85 | 82 | 86 | 86 | 83 |
| SATISFACTION | 80 | 81 | 75 | 80 | 80 | 83 |
| LIKELIHOOD TO SHOP AGAIN | 87 | 86 | 83 | 87 | 87 | 90 |
| LIKELIHOOD TO RECOMMEND | 84 | 84 | 79 | 86 | 85 | 86 |
| LIKELIHOOD TO COMMENT | 58 | 66 | 57 | 68 | 54 | 52 |
| LIKELIHOOD TO PURCHASE ON WEB | 68 | 76 | 67 | 78 | 70 | 53 |
| LIKELIHOOD TO INCREASE SPENDING | 72 | 75 | 69 | 78 | 71 | 70 |

# EXPECTATIONS BY AGE AND GENDER

The Millennial generation is coming of age, and while its satisfaction metrics are climbing, they remain generally less satisfied with physical stores and associates than their older counterparts. For 18-to 34-year-olds, RSB scores in the low 80s to high 70s were the norm across all store- and associate-related questions. This in contrast with older respondents, the Baby Boomers, who rate these same aspects of their experience solidly in the mid to high 80s as shown in Figure 5 which underscores the driver score disparities by age group.

Figure 5: Driver Score by Age

|  | 18−24 | 25−34 | 35−44 | 45−54 | 55−64 | 65−74 | OVER 74 |
|---|---|---|---|---|---|---|---|
| STORE | 81 | 82 | 81 | 83 | 82 | 85 | 83 |
| ASSOCIATES | 80 | 79 | 77 | 80 | 81 | 85 | 83 |
| MERCHANDISE | 83 | 84 | 82 | 86 | 85 | 88 | 90 |
| PRICE | 79 | 81 | 79 | 84 | 81 | 83 | 84 |
| CHECKOUT | 81 | 79 | 78 | 81 | 81 | 85 | 86 |
| ONLINE PRESENCE | 80 | 82 | 81 | 84 | 82 | 86 | 89 |
| SATISFACTION | 80 | 78 | 77 | 81 | 80 | 83 | 84 |

Likely, the disparity between generations is simply a reflection of habit and history. The real-time shopping empowerment Millennials are accustomed to via mobile and web commerce makes the store experience less a consideration than the availability of information and merchandise via any channel, at any time they choose. They are the so-called "digital natives;" they exhibit a preference for passive communication (e.g. texting, e-mail, social media) over face-to-face interaction. This, combined with their unmet expectation for mobile access to more and better product and price information, makes them both less inclined to rely on store resources for information and less satisfied with the online experience. With more access to broader choices via mobile technology, it's particularly difficult to win the affection and loyalty of the "new consumer."

Baby Boomers and those who precede them, on the other hand—without digital savvy—are far more inclined to engage associates and expect meaningful, helpful interaction with them. And when they take to the web, their expectations of the experience aren't nearly as high as Millennials'. Older consumers are more satisfied with merchandise selection across the board than younger consumers—having refined both what they want and having gained the experience to know what best satisfies their desires. Baby Boomers have better aligned expectations to where they shop, and are therefore more satisfied with their decisions and experiences.

The RSB indicates that satisfaction with retailers' *Online Presence* is relatively high, with a score of 82. The bigger online experience satisfaction story hides in the details. Last year's survey results indicated little variation in online experience scores across age demographics. This year, the gap between young and old widened; seemingly, the Millennial's unmet demand for an incredible digital experience results in an *Online Presence* score of 81. While respectable, that figure pales in comparison to the steady climb in the *Online Presence* score that comes with age. Those 45-54 years of age rank the *Online Presence* at 84, 65-74 year-olds rate it at 86, and those over 74 give it an 89. Perhaps lower expectations result in high satisfaction, but that's not a sustainable online strategy as high-demand Millennials continue their rapid advance on retail wallet share.

Where gender is concerned, this year's RSB revealed little-to-no disparity in satisfaction scores across measured attributes. Women are generally more satisfied with *Décor and Ambience* than men (satisfaction scores of 81 and 78, respectively), and *Variety of Products Carried* (satisfaction scores of 87 and 84, respectively).

However, women display a considerably stronger propensity than men to act on their satisfaction. As Figure 6 illustrates, women are more likely to shop again, recommend, comment, cross channels, and ultimately spend more when satisfied with their retail experiences

Figure 6: Satisfaction and Proclivity to Act by Gender

|  | MEN | WOMEN |
|---|---|---|
| SATISFACTION | 79 | 81 |
| LIKELIHOOD TO SHOP RETAILER AGAIN | 85 | 88 |
| LIKELIHOOD TO RECOMMEND | 82 | 86 |
| LIKELIHOOD TO COMMENT ON SOCIAL MEDIA | 56 | 60 |
| LIKELIHOOD TO PURCHASE ON WEB | 65 | 70 |
| LIKELIHOOD TO INCREASE SPENDING | 71 | 74 |

## THE MOBILE INFLUENCE

Last year, we paid considerable attention to the impact of cross-channel activity among consumers in our survey. This year, we're diving a bit deeper by charting consumer preferences with the fastest-growing vehicle to e-commerce spending: mobile technology.

Overall, 41% of consumers indicate a propensity to use mobile applications while shopping in stores, nearly doubling the consumers who said the same in 2013. However, 67% of the all-important 18-to 34-year-old shoppers are mobile application users. Not surprisingly, the older the consumer, the more rapid the decline we observe in usage of mobile devices as shopping tools. While 67% of 18-34 year-olds use mobile applications while shopping, that figure drops steadily until bottoming out at just 9% for those over 74.

Figure 7: Mobile Application Usage While Shopping in Store 2013 to 2014

| 2014 | 41% |
| 2013 | 21% |
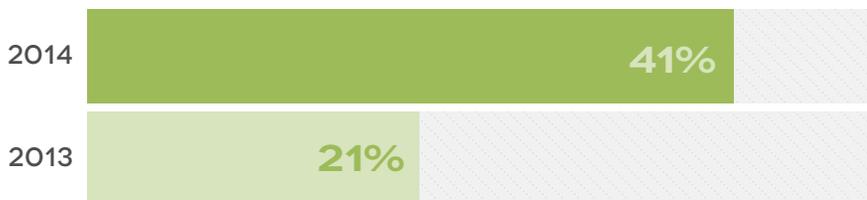
Figure 8: Mobile Application Usage While Shopping in Store by Age for 2014

| 18–24 | 25–34 | 35–44 | 45–54 | 55–64 | 65–74 | OVER 74 |
|-------|-------|-------|-------|-------|-------|---------|
| 68% | 66% | 50% | 30% | 16% | 10% | 9% |
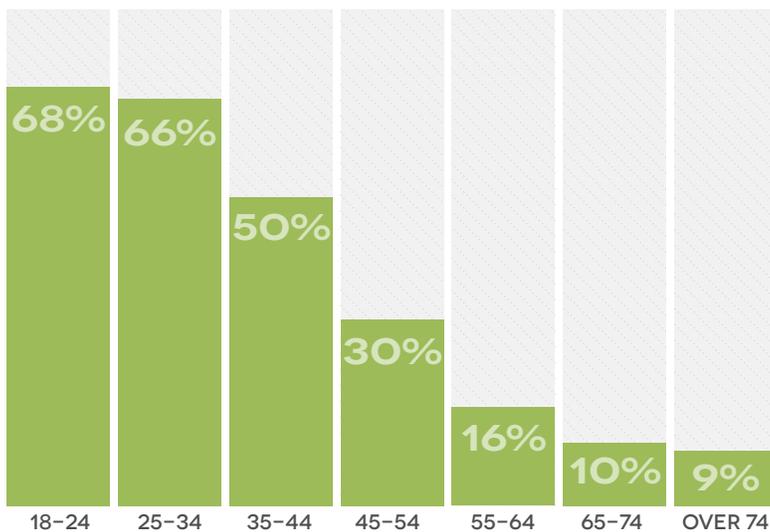
While application usage is decidedly more prevalent among Millennials, the number of shopping applications installed on consumer devices across age groups is fairly consistent, with most consumers using mobile shopping apps indicating that they have 2-4 apps installed on their phones.

Looking across the measured store types we see significant variability in mobile shopping app penetration. Though general application penetration is particularly heavy in M*all-Based Specialty Stores* (Figure 9), actual application usage is heaviest in *Freestanding Specialty Stores* (Figure 10).

Figure 9: Mobile Application Penetration by Store Type



| | | | | |
|---|---|---|---|---|
| 66% | 46% | 42% | 38% | 27% |
| MALL-BASED SPECIALTY STORES | TRADITIONAL DEPARTMENT STORES | FREE STANDING SPECIALTY STORES | LARGE-FORMAT VALUE STORES | GROCERY STORES |
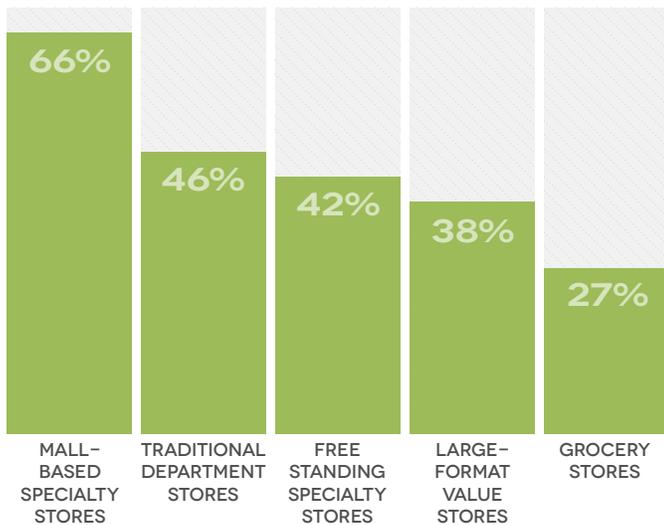
As Figure 10 illustrates, consumers are considerably more inclined to put their mobile devices to work at the time of their purchase decision in *Freestanding Specialty Stores* than in any other segment. Mobile price comparisons and coupon/promotional offers present a particularly strong opportunity for *Freestanding Specialty Stores* to engage consumers as they contemplate big-ticket purchases.

Figure 10: Top 6 Mobile Device Uses by Store Type

| | GROCERY STORES | TRADITIONAL DEPARTMENT STORES | FREE STANDING SPECIALTY STORES | MALL-BASED SPECIALTY STORES | LARGE-FORMAT VALUE STORES |
|---|---|---|---|---|---|
| CHECK OTHER RETAILERS' PRICES | 36% | 49% | 58% | 43% | 47% |
| RESEARCH PRODUCTS | 23% | 44% | 52% | 46% | 32% |
| READ PRODUCT REVIEWS | 24% | 40% | 50% | 46% | 41% |
| RECEIVE COUPONS | 35% | 41% | 59% | 54% | 35% |
| MANAGE COUPONS | 28% | 30% | 43% | 45% | 40% |
| MANAGE SHOPPING LISTS | 32% | 27% | 43% | 35% | 29% |

## Mobile App Capabilities – Current and Future

Looking at current usage (Figure 11), price and promotion apps lead mobile engagement among consumers. The threat of showrooming looms large, as 47% of mobile application usage is dedicated to checking product prices at competing retail brands. However, active and strategic engagement through mobile promotions and couponing appears to be the antidote, as 45% of consumers also use mobile apps to receive offers and redeem coupons.

Figure 11: Top Current Uses of Mobile Shopping Apps

| | |
|---|---|
| CHECK OTHER RETAILER PRICES | 47% |
| COUPONS OR DISCOUNT OFFERS | 45% |
| PRODUCT REVIEWS | 41% |
| RESEARCH PRODUCT INFO | 40% |
| MANAGE COUPONS | 38% |
| MANAGE YOUR SHOPPING LIST | 32% |
| MANAGE SHOPPING LISTS | 29% |
| LOCATE ITEM AT ANOTHER STORE | 25% |
| CHECK LOYALTY POINT BALANCES | 21% |
| LOCATE PRODUCTS IN THE STORE | 20% |
| CHECK STORE INVENTORY | 17% |
| PURCHASE ITEM ON DEVICE | 16% |
| PAY AT CHECKOUT | 16% |
| OBTAIN NUTRITIONAL INFORMATION | 15% |
| CHECK YOUR PURCHASE HISTORY | 14% |
| SUGGEST COMPLIMENTARY PURCH | 14% |
| SCAN ITEMS TO SPEED CHECKOUT | 13% |
| REQUEST HELP IN STORE | 9% |
| OTHER | 6% |

Moving from current consumer usage of mobile shopping apps to what consumers' intend or desire to do with mobile shopping apps in the future, we see a much broader usage mix. This stated future use shows a variety of functionality very much focused on the physical act of shopping and checkout with *Scan Items* to *Speed Checkout*, and *Pay at Checkout* entering the top 10 in Figure 12. Functionality enabling customers to speed their way through checkout, locate merchandise (in store and at other store locations), and manage shopping lists round out the top 10 on customer's wish lists. Another way to look at the future findings is to state consumer's desires as focused on self sufficiency and speed. The mobile app needs to evolve into the customer's personal shopper, greeting them at the door and guiding them quickly and easily through the store, making sure they don't forget a thing, speeding them through checkout and on to their next destination.

Figure 12: Desired Future Mobile Shopping Application Functionality/Usage

| | |
|---|---|
| COUPONS OR DISCOUNT OFFERS | 32% |
| CHECK STORE INVENTORY | 31% |
| LOCATE PRODUCTS IN THE STORE | 30% |
| CHECK OTHER RETAILER PRICES | 29% |
| SCAN ITEMS TO SPEED CHECKOUT | 29% |
| MANAGE COUPONS | 28% |
| PAY AT CHECKOUT | 26% |
| LOCATE ITEM AT ANOTHER STORE | 24% |
| CHECK LOYALTY POINT BALANCES | 23% |
| RESEARCH PRODUCT INFO | 21% |
| PURCHASE ITEM ON DEVICE | 20% |
| PRODUCT REVIEWS | 19% |
| REQUEST HELP IN STORE | 19% |
| MANAGE SHOPPING LISTS | 19% |
| MANAGE YOUR SHOPPING LIST | 17% |
| CHECK YOUR PURCHASE HISTORY | 16% |
| SUGGEST COMPLIMENTARY PURCH | 15% |
| OBTAIN NUTRITIONAL INFORMATION | 12% |
| OTHER | 2% |

## Whose Device?

To this point, most of the popular press has focused on phone-based mobile shopping apps. We're not sure if this is because personal devices are the only real option, or if this is all that can be imagined by consumers given the seeming lack of alternatives. So we asked. When offered a choice between their own personal device and a store-provided device, the results favored the personal device (59%) but we were surprised that 41% of respondents indicated that, given the choice, they would prefer the retailer provided them with a device to use while shopping.

Looking ahead to the 2015 RSB, this issue needs to be explored further. Our suspicion is that what the customer is looking to do could very much have an impact on whose device they prefer. We suspect that doing such personal things as managing one's shopping lists, accessing purchase history and loyalty club information, and paying for items at the cash register will favor personal devices. Doing less personal things such as locating merchandise (in-store and nearby stores), scanning items for checkout, and reading product reviews may continue to show a willingness or preference for doing these activities on a store-provided device. The other issue we will further clarify in the 2015 study will be the type of in-store device people are thinking of. We will be clarifying whether by "store provided" people are really thinking of a mobile device or rather very conveniently located kiosks for example. Stay tuned for more in this area in 2015.

## The Future of Checkout

Given the recent retail trend toward meeting consumer desires, the mobile device will likely play an increasing role in moving customers through the checkout. When presented with the option, 51% of respondents indicated they would be very likely to use mobile apps to speed checkout when they become available. Specific functionality desired includes *Scan As You Shop*, *Employee Cash Out Before the Register* and *Pay With Your Device*.

Determining and enabling the role of the mobile retail application in the in-store purchasing process is an untapped opportunity for brick-and-mortar retailers to improve customer satisfaction.

## Store Associates and Technology

Associate assistance via in-store mobile devices (for purposes other than checkout) provides another opportunity for retailers to create differentiation. RSB data shows that overall, 27% of consumers indicate they have been on the receiving end of assistance from technology wielding associates, though incidence across store types varies widely. In *Grocery Stores*, for instance, only 13% of consumers report being assisted by mobile device-wielding associates. *Large-Format Value Stores* fared slightly better, with just more than a quarter of consumers having been assisted by an associate with a mobile device. *Freestanding Specialty Stores* performed best with 35% of consumers reporting having been assisted by a mobile-enabled associate for purposes other than checkout.

While retailers are making strides in this area, given those statistics, it's no surprise that when asked how important it is that retailers develop self-service apps for consumer use, 39% of respondents indicated that it is very important. And as you might expect, age matters again in this area with 53% of Millennials saying it was very important, falling off to 11% of Baby Boomers saying the same.

Figure 13: Current Mobile App Assistance Provided by Store Associates

| | |
|---|---|
| CHECK STORE INVENTORY | 48% |
| LOCATE ITEM AT ANOTHER STORE | 37% |
| LOCATE PRODUCTS IN THE STORE | 36% |
| RESEARCH PRODUCT INFO | 22% |
| CHECK OTHER RETAILER PRICES | 21% |
| COUPONS OR DISCOUNT OFFERS | 19% |
| PRODUCT REVIEWS | 18% |
| CHECK LOYALTY POINT BALANCES | 17% |
| CHECK YOUR PURCHASE HISTORY | 16% |
| CHECK PRODUCT PREF ON FILE | 13% |
| SUGGEST COMPLIMENTARY PURCH | 12% |
| OBTAIN NUTRITIONAL INFORMATION | 12% |
| OTHER | 7% |

## The Mobile Payoff

Developing mobile applications, whether they be in the hands of consumers or store associates, doesn't come free. Retailers are not in the business of creating novelties that don't generate results to the bottom line. The good news is mobile application proficiency is inextricably linked to the satisfaction of the modern consumer. Looking at the cohort of consumers age 18 to 44, more than half ( 55%) say they're likely to favor a store with advanced mobile capabilities (43% of total customers indicated they would favor a store with advanced mobile capabilities). But "favor" is a vague term. What does it mean in terms of actual behavior? RSB data show that robust mobile capabilities will result in these people (ages 18 to 44) driving further to a retailer (24%), willing to pay slightly more (20%), buying more per visit (39%), and shopping more with that retailer in general (66%).

What would it be worth to your company if you could increase your customer pull radius, price differentiate to the upside, increase your receipt SKU count, and increase shopping frequency?

**Value of Mobile Worksheet**
Increase customer count due to larger pull radius of 5 miles =
Average retail price increase of 2% =
Average item count increase of 5% =
Average visits per year increase of 10% =

While the figures presented in the above worksheet are hypothetical, the RSB data suggests to us they are conservative. When filling out the worksheet, bear in mind that only 55% of respondents indicated they would *Very Much* favor a retailer with robust mobile capabilities, and these are just customers ages 18 to 44 (Figure 14). For fun, do the math for your entire customer base and then reduce that number by 40% to 60%, depending on your customer makeup, just to keep it real.

Figure 14: How likely are you to favor a store with advanced mobile capabilities?
(18-44 year-olds)

| | |
|---|---|
| VERY MUCH | 55% |
| SOMEWHAT | 30% |
| NOT SO MUCH | 15% |
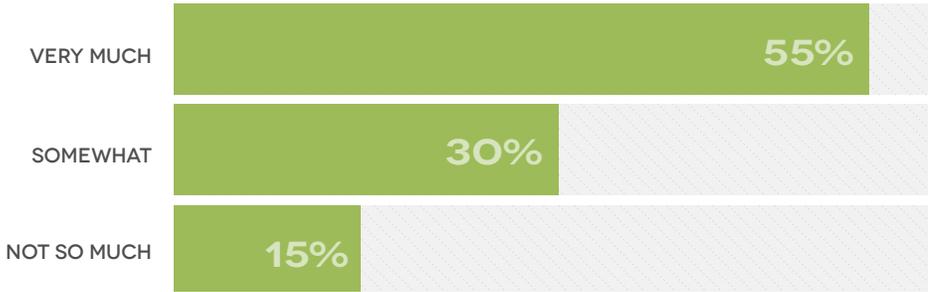
Figure 15: How would you demonstrate this favorability?
(18-44 year-olds)

| | |
|---|---|
| SHOP MORE OFTEN | 66% |
| BUY MORE PER VISIT | 39% |
| DRIVE FURTHER | 24% |
| PAY SLIGHTLY MORE | 20% |
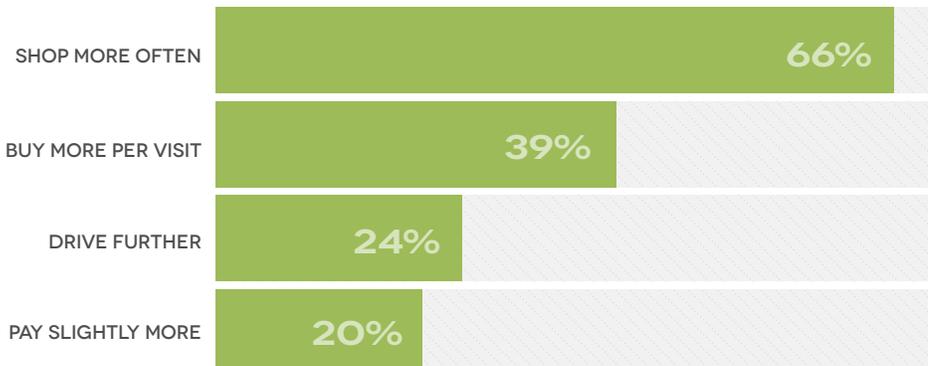
## FUTURE BEHAVIORS

Whether or not a consumer is satisfied with the retail experience determines whether they're likely to:

➤ Shop the store again
➤ Recommend the store/brand to peers
➤ Comment on the store using social media
➤ Make purchases on the retailer's web site
➤ Increase their spending with the retailer

As a general rule, increases in satisfaction result in increased *Future Behavior* scores. 2014 was no exception for traditional future behavior categories; *Recommend* up 3 points to 84, *Shop Again* up 2 points to 87, and *Increase Spending* up 1 point to 72. These results bode well for retail sales in 2014, barring unexpected shocks in the economy.

However, what continues to elude researchers (ourselves included) are consistent and predictable relationships between satisfaction with the retail store experience and their proclivity to chat about it on social media, as well as their likelihood to translate that positive experience into an increased likelihood to shop a retailer's website.

2014 RSB results indicate that compelling consumers into social commentary has become slightly more difficult versus 2013. Last year's *Likelihood to Comment on Social Media* score of 62 yielded to a lower score of 58 in 2014, despite the year-over-year increase in satisfaction. While consumer "chattiness" on social media is generally not as strong an indicator of their underlying satisfaction as is more explicit activity such as *Repeat Visit*s and *Increased Spending*, there's little argument that positive social commentary is good—and inexpensive—exposure for the retail brand. While there's more measurable return on driving repeat business and increased spend with the brand than there is on striving for more mentions on Twitter, the southward direction of consumers' likelihood to comment is worth the attempt at reversing among increasingly review-and-recommendation conscious consumers.

The difficulties retailers face creating cross-channel consumers have been well documented in other studies. These difficulties become evident in looking at this year's score for *Likelihood to Purchase on the Web* as it falls from 70 to 68 in 2014. A score in the high 60s doesn't scream "cross channel growth," but the financial benefits are obviously significant enough for retailers to continue in the effort. While the RSB's data is not prescriptive in driving recommendations for increased cross-channel penetration, we will be looking to the 2015 study to gauge retailer's success in 2014 to increase this customer behavior.

## KEY TAKEAWAYS

➤ Focus on the most impactful drivers of customer satisfaction improvement, making strategic and tactical investments and decisions specific to those opportunities, and use the CFI Group RSB to benchmark progress.

➤ Recognize the truth in the old saying "If momma ain't happy, ain't nobody happy." The influence of women—and the reward for pleasing them—is an unrealized opportunity for increased visits, spending, cross-channel activity, recommendations, and social commentary.

➤ Mobile application development and deployment is a numbers game; consumers are using more of them, and using them more. However, mobile application strategies are best executed in consideration of the consumer's perceived value of the application.
   > To encourage customers to begin using apps, focus your mobile app development on current usage that you know early adopters are enjoying; price checking, communicating promotions and coupons, and product reviews and recommendations.
   > To keep those customers already using mobile shopping apps pleased with your offerings, up your game to include more capabilities in the areas of inventory visibility (in-store and nearby stores), product location in-store, and anything to ease/improve the checkout experience ranging from simple scan-as-you-go capabilities to full cashless payment using the consumers mobile device.

➤ The disparity in consumer expectations among age groups is stark. In determining engagement strategies, segment shoppers by age if nothing else, and cater to their individual demands

## About CFI Group (www.cfigroup.com)

CFI Group is a global leader in providing customer feedback insights through analytics. CFI Group provides a technology platform that leverages the science of the American Customer Satisfaction Index (ACSI). This platform continuously measures the customer experience across multiple channels, benchmarks performance, and prioritizes improvements for maximum impact.

Founded in 1988 and headquartered in Ann Arbor, Michigan, CFI Group serves global clients from a network of offices worldwide. Our clients span a variety of industries, including financial services, hospitality, manufacturing, telecom, retail and government. Regardless of your industry, we can put the power of our technology and the science of the ACSI methodology to work for you.

## About The ACSI (www.theacsi.org)

The American Customer Satisfaction Index (ACSI) is the only uniform, cross-industry measure of customer satisfaction proven to predict financial results. Founded at the University of Michigan's Ross School of Business, the ACSI is a leading economic indicator of consumer spending in the United States. ACSI and its logo are Registered Marks of the University of Michigan, licensed worldwide exclusively to American Customer Satisfaction Index LLC with the right to sublicense.

The ACSI measures more than 230 companies and organizations across 43 industries, representing close to half of the U.S. economy. Nearly 20 years of data from the ACSI show that customer satisfaction is an indicator of financial results on both macro and microeconomic levels, including shareholder value and cash flow volatility. The U.S. Federal Government also uses the ACSI as the gold standard of satisfaction measurement for its agencies.

# APPENDIX

➤ Retail Segments

# TRADITIONAL DEPARTMENT STORE SEGMENT DETAIL

## SURVEY SCORES

| | 2014 | 2013 |
|---|---|---|
| | | |
| **Store** | **85** | **83** |
| Condition and cleanliness | 87 | 87 |
| Décor/ambience | 85 | 82 |
| Ease of finding what you want | 84 | 81 |
| Clarity of signage and pricing | 84 | 82 |
| **Associate** | **82** | **80** |
| Availability | 79 | 75 |
| Friendliness | 84 | 82 |
| Listen and understand needs | 83 | 80 |
| Knowledge of products/services | 83 | 81 |
| **Merchandise** | **85** | **83** |
| Variety of products carried | 85 | 82 |
| Quality of products | 87 | 84 |
| Everyday merchandise in stock | 85 | 81 |
| Avail of advertised items | 85 | 82 |
| Neatness of products on shelf | 86 | 83 |
| Way products are displayed | 86 | 83 |
| **Price** | **82** | **78** |
| Everyday prices | 79 | 76 |
| Price given quality | 82 | 78 |
| Prices compared to othr stores | 82 | 79 |
| Sales and promotions | 85 | 80 |
| **Checkout** | **83** | **81** |
| Time spent during checkout | 82 | 79 |
| Knowledge of cashier | 83 | 81 |
| Helpfulness of cashier | 84 | 83 |
| **Online Presence** | **84** | **82** |
| Merch same across web/store | 82 | 81 |
| Price same across web/store | 83 | 81 |
| Website return policies | 87 | 83 |
| Assortment of merch on web | 85 | 83 |
| **Satisfaction** | **81** | **79** |
| **Likelihood to Shop Again** | **86** | **84** |
| **Likelihood to Recommend** | **84** | **81** |
| **Likelihood to Comment** | **66** | **62** |
| **Likelihood to Purchase on Web** | **76** | **73** |
| **Likelihood to Increase Spending** | **75** | **72** |

## USE APPS IN STORE?

- Do not use: 54%
- Use: 46%

## FAVOR ROBUST APP RETAILER?

- Very important: 54%
- Somewhat important: 25%
- Not very important: 21%

## HOW WOULD YOU FAVOR?

- Shop more often: 65%
- Buy more per visit: 36%
- Drive further: 22%
- Pay slightly more: 15%

## PREFER OWN DEVICE OR STORE'S?

- My own device: 65%
- Store provided device: 35%

# TRADITIONAL DEPARTMENT STORE SEGMENT DETAIL (CONT'D)

## WHAT DO YOU CURRENTLY USE APPS FOR?

| Category | Percentage |
|---|---|
| Check other retailer prices | 49% |
| Research product info | 44% |
| Coupons or discount offers | 41% |
| Product reviews | 40% |
| Manage coupons | 30% |
| Manage shopping lists | 27% |
| Check loyalty point balances | 26% |
| Manage your shopping list | 22% |
| Purchase item on device | 22% |
| Locate products in the store | 21% |
| Locate item at another store | 20% |
| Obtain nutritional information | 20% |
| Pay at checkout | 19% |
| Suggest complimentary purch | 18% |
| Check store inventory | 16% |
| Check your purchase history | 16% |
| Request help in store | 14% |
| Scan items to speed checkout | 14% |
| None of the above | 3% |

## WHAT WOULD YOU LIKE TO USE APPS FOR IN THE FUTURE?

| Category | Percentage |
|---|---|
| Manage coupons | 27% |
| Scan items to speed checkout | 25% |
| Locate products in the store | 24% |
| Check other retailer prices | 23% |
| Check store inventory | 23% |
| Pay at checkout | 22% |
| Coupons or discount offers | 22% |
| Check loyalty point balances | 21% |
| Purchase item on device | 21% |
| Product reviews | 18% |
| None of the above | 18% |
| Locate item at another store | 18% |
| Check your purchase history | 16% |
| Request help in store | 16% |
| Research product info | 15% |
| Manage your shopping list | 14% |
| Obtain nutritional information | 12% |
| Manage shopping lists | 12% |
| Suggest complimentary purch | 9% |
| Other - use for mobile device | 2% |

# LARGE-FORMAT VALUE STORE SEGMENT DETAIL

## SURVEY SCORES

| | 2014 | 2013 |
|---|---|---|
| | | |
| **Store** | **78** | **80** |
| Condition and cleanliness | 80 | 81 |
| Décor/ambience | 72 | 74 |
| Ease of finding what you want | 78 | 82 |
| Clarity of signage and pricing | 80 | 82 |
| **Associate** | **72** | **72** |
| Availability | 66 | 69 |
| Friendliness | 74 | 73 |
| Listen and understand needs | 74 | 74 |
| Knowledge of products/services | 73 | 74 |
| **Merchandise** | **82** | **82** |
| Variety of products carried | 83 | 83 |
| Quality of products | 82 | 83 |
| Everyday merchandise in stock | 81 | 82 |
| Avail of advertised items | 83 | 82 |
| Neatness of products on shelf | 81 | 80 |
| Way products are displayed | 81 | 80 |
| **Price** | **81** | **82** |
| Everyday prices | 81 | 82 |
| Price given quality | 81 | 81 |
| Prices compared to othr stores | 83 | 83 |
| Sales and promotions | 80 | 81 |
| **Checkout** | **74** | **72** |
| Time spent during checkout | 69 | 67 |
| Knowledge of cashier | 74 | 72 |
| Helpfulness of cashier | 77 | 76 |
| **Online Presence** | **79** | **80** |
| Merch same across web/store | 76 | 79 |
| Price same across web/store | 79 | 80 |
| Website return policies | 80 | 82 |
| Assortment of merch on web | 82 | 81 |
| **Satisfaction** | **75** | **77** |
| **Likelihood to Shop Again** | **83** | **85** |
| **Likelihood to Recommend** | **79** | **80** |
| **Likelihood to Comment** | **57** | **61** |
| **Likelihood to Purchase on Web** | **67** | **68** |
| **Likelihood to Increase Spending** | **69** | **71** |

## USE APPS IN STORE?

| | |
|---|---|
| Do not use | 62% |
| Use | 38% |

## FAVOR ROBUST APP RETAILER?

| | |
|---|---|
| Very important | 42% |
| Somewhat important | 32% |
| Not very important | 26% |

## HOW WOULD YOU FAVOR?

| | |
|---|---|
| Shop more often | 54% |
| Buy more per visit | 35% |
| Drive further | 27% |
| Pay slightly more | 21% |

## PREFER OWN DEVICE OR STORE'S?

| | |
|---|---|
| My own device | 57% |
| Store provided device | 43% |

# LARGE-FORMAT VALUE STORE SEGMENT DETAIL (CONT'D)

## WHAT DO YOU CURRENTLY USE APPS FOR?

| Category | Percentage |
|---|---|
| Check other retailer prices | 47% |
| Product reviews | 41% |
| Manage coupons | 40% |
| Coupons or discount offers | 35% |
| Research product info | 32% |
| Manage shopping lists | 29% |
| Manage your shopping list | 27% |
| Pay at checkout | 24% |
| Locate products in the store | 23% |
| Purchase item on device | 22% |
| Locate item at another store | 21% |
| Check loyalty point balances | 21% |
| Check store inventory | 20% |
| Scan items to speed checkout | 18% |
| Check your purchase history | 16% |
| Suggest complimentary purch | 15% |
| Obtain nutritional information | 12% |
| Request help in store | 11% |
| Other - use for mobile device | 4% |
| None of the above | 2% |

## WHAT WOULD YOU LIKE TO USE APPS FOR IN THE FUTURE?

| Category | Percentage |
|---|---|
| None of the above | 36% |
| Coupons or discount offers | 22% |
| Check other retailer prices | 20% |
| Check store inventory | 19% |
| Locate products in the store | 19% |
| Locate item at another store | 18% |
| Research product info | 16% |
| Scan items to speed checkout | 16% |
| Manage your shopping list | 15% |
| Pay at checkout | 15% |
| Product reviews | 14% |
| Manage coupons | 14% |
| Manage shopping lists | 13% |
| Check loyalty point balances | 12% |
| Request help in store | 12% |
| Purchase item on device | 11% |
| Check your purchase history | 9% |
| Suggest complimentary purch | 9% |
| Obtain nutritional information | 6% |
| Other - use for mobile device | 1% |

# MALL-BASED SPECIALTY STORE SEGMENT DETAIL

## SURVEY SCORES

| | 2014 | 2013 |
|---|---|---|
| | | |
| **Store** | **82** | **83** |
| Condition and cleanliness | 87 | 85 |
| Décor/ambience | 84 | 84 |
| Ease of finding what you want | 78 | 78 |
| Clarity of signage and pricing | 81 | 83 |
| **Associate** | **81** | **84** |
| Availability | 81 | 82 |
| Friendliness | 82 | 85 |
| Listen and understand needs | 80 | 83 |
| Knowledge of products/services | 83 | 85 |
| **Merchandise** | **84** | **83** |
| Variety of products carried | 86 | 84 |
| Quality of products | 84 | 83 |
| Everyday merchandise in stock | 82 | 81 |
| Avail of advertised items | 82 | 83 |
| Neatness of products on shelf | 84 | 84 |
| Way products are displayed | 87 | 83 |
| **Price** | **78** | **79** |
| Everyday prices | 74 | 75 |
| Price given quality | 79 | 80 |
| Prices compared to othr stores | 76 | 78 |
| Sales and promotions | 83 | 83 |
| **Checkout** | **82** | **85** |
| Time spent during checkout | 81 | 82 |
| Knowledge of cashier | 82 | 85 |
| Helpfulness of cashier | 83 | 86 |
| **Online Presence** | **82** | **84** |
| Merch same across web/store | 80 | 82 |
| Price same across web/store | 82 | 86 |
| Website return policies | 78 | 84 |
| Assortment of merch on web | 86 | 88 |
| **Satisfaction** | **80** | **82** |
| **Likelihood to Shop Again** | **87** | **87** |
| **Likelihood to Recommend** | **86** | **84** |
| **Likelihood to Comment** | **68** | **69** |
| **Likelihood to Purchase on Web** | **78** | **76** |
| **Likelihood to Increase Spending** | **78** | **73** |

## USE APPS IN STORE?

| | |
|---|---|
| Use | 66% |
| Do not use | 34% |

## FAVOR ROBUST APP RETAILER?

| | |
|---|---|
| Very important | 46% |
| Somewhat important | 36% |
| Not very important | 18% |

## HOW WOULD YOU FAVOR?

| | |
|---|---|
| Shop more often | 72% |
| Buy more per visit | 32% |
| Drive further | 22% |
| Pay slightly more | 16% |

## PREFER OWN DEVICE OR STORE'S?

| | |
|---|---|
| My own device | 72% |
| Store provided device | 28% |

# MALL-BASED SPECIALTY STORE SEGMENT DETAIL (CONT'D)

## WHAT DO YOU CURRENTLY USE APPS FOR?

| Category | Percentage |
|---|---|
| Coupons or discount offers | 54% |
| Research product info | 46% |
| Product reviews | 46% |
| Manage coupons | 45% |
| Check other retailer prices | 43% |
| Manage your shopping list | 35% |
| Locate item at another store | 31% |
| Manage shopping lists | 29% |
| Locate products in the store | 22% |
| Check loyalty point balances | 17% |
| Obtain nutritional information | 16% |
| Check store inventory | 13% |
| Check your purchase history | 12% |
| Suggest complimentary purch | 12% |
| Scan items to speed checkout | 11% |
| Pay at checkout | 11% |
| Purchase item on device | 10% |
| Request help in store | 8% |
| None of the above | 5% |
| Other - use for mobile device | 3% |

## WHAT WOULD YOU LIKE TO USE APPS FOR IN THE FUTURE?

| Category | Percentage |
|---|---|
| Check store inventory | 31% |
| Locate products in the store | 26% |
| Scan items to speed checkout | 26% |
| Coupons or discount offers | 26% |
| Pay at checkout | 24% |
| Check loyalty point balances | 23% |
| Locate item at another store | 22% |
| Check other retailer prices | 21% |
| Suggest complimentary purch | 21% |
| Manage coupons | 20% |
| Purchase item on device | 19% |
| Check your purchase history | 15% |
| Manage shopping lists | 15% |
| Research product info | 15% |
| Product reviews | 15% |
| Request help in store | 11% |
| None of the above | 11% |
| Manage your shopping list | 11% |
| Obtain nutritional information | 10% |
| Other - use for mobile device | 1% |

# FREESTANDING SPECIALTY STORE SEGMENT DETAIL

## SURVEY SCORES

| | 2014 | 2013 |
|---|---|---|
| **Store** | **82** | **80** |
| Condition and cleanliness | 85 | 83 |
| Décor/ambience | 79 | 76 |
| Ease of finding what you want | 78 | 78 |
| Clarity of signage and pricing | 83 | 81 |
| **Associate** | **80** | **79** |
| Availability | 75 | 75 |
| Friendliness | 83 | 81 |
| Listen and understand needs | 81 | 79 |
| Knowledge of products/services | 81 | 79 |
| **Merchandise** | **84** | **81** |
| Variety of products carried | 87 | 83 |
| Quality of products | 87 | 83 |
| Everyday merchandise in stock | 84 | 79 |
| Avail of advertised items | 83 | 80 |
| Neatness of products on shelf | 82 | 81 |
| Way products are displayed | 83 | 83 |
| **Price** | **81** | **76** |
| Everyday prices | 78 | 74 |
| Price given quality | 81 | 77 |
| Prices compared to othr stores | 80 | 76 |
| Sales and promotions | 83 | 79 |
| **Checkout** | **82** | **80** |
| Time spent during checkout | 81 | 79 |
| Knowledge of cashier | 82 | 79 |
| Helpfulness of cashier | 84 | 82 |
| **Online Presence** | **82** | **78** |
| Merch same across web/store | 80 | 76 |
| Price same across web/store | 83 | 77 |
| Website return policies | 82 | 78 |
| Assortment of merch on web | 86 | 80 |
| **Satisfaction** | **80** | **77** |
| **Likelihood to Shop Again** | **87** | **84** |
| **Likelihood to Recommend** | **85** | **80** |
| **Likelihood to Comment** | **54** | **55** |
| **Likelihood to Purchase on Web** | **70** | **63** |
| **Likelihood to Increase Spending** | **71** | **68** |

## USE APPS IN STORE?

| | |
|---|---|
| Do not use | 58% |
| Use | 42% |

## FAVOR ROBUST APP RETAILER?

| | |
|---|---|
| Very important | 42% |
| Somewhat important | 36% |
| Not very important | 22% |

## HOW WOULD YOU FAVOR?

| | |
|---|---|
| Shop more often | 68% |
| Buy more per visit | 33% |
| Drive further | 20% |
| Pay slightly more | 16% |

## PREFER OWN DEVICE OR STORE'S?

| | |
|---|---|
| My own device | 58% |
| Store provided device | 42% |

# FREESTANDING SPECIALTY STORE SEGMENT DETAIL (CONT'D)

## WHAT DO YOU CURRENTLY USE APPS FOR?

| Category | Percentage |
|---|---|
| Coupons or discount offers | 59% |
| Check other retailer prices | 58% |
| Research product info | 52% |
| Product reviews | 50% |
| Manage your shopping list | 43% |
| Manage coupons | 43% |
| Manage shopping lists | 31% |
| Locate item at another store | 30% |
| Check store inventory | 25% |
| Check loyalty point balances | 25% |
| Locate products in the store | 20% |
| Check your purchase history | 18% |
| Purchase item on device | 17% |
| Obtain nutritional information | 14% |
| Pay at checkout | 14% |
| Scan items to speed checkout | 13% |
| Suggest complimentary purch | 13% |
| Request help in store | 6% |
| None of the above | 3% |
| Other - use for mobile device | 1% |

## WHAT WOULD YOU LIKE TO USE APPS FOR IN THE FUTURE?

| Category | Percentage |
|---|---|
| Locate products in the store | 30% |
| Check store inventory | 29% |
| Coupons or discount offers | 25% |
| Check other retailer prices | 24% |
| Scan items to speed checkout | 24% |
| None of the above | 24% |
| Manage coupons | 22% |
| Locate item at another store | 21% |
| Research product info | 21% |
| Request help in store | 20% |
| Pay at checkout | 19% |
| Product reviews | 17% |
| Check loyalty point balances | 17% |
| Purchase item on device | 16% |
| Manage shopping lists | 15% |
| Suggest complimentary purch | 12% |
| Check your purchase history | 12% |
| Manage your shopping list | 10% |
| Obtain nutritional information | 6% |
| Other - use for mobile device | 1% |

# GROCERY STORE SEGMENT DETAIL

## SURVEY SCORES

| | 2014 | 2013 |
|---|---|---|
| | | |
| **Store** | **85** | **-** |
| Condition and cleanliness | 87 | - |
| Décor/ambience | 80 | - |
| Ease of finding what you want | 85 | - |
| Clarity of signage and pricing | 86 | - |
| **Associate** | **85** | **-** |
| Availability | 83 | - |
| Friendliness | 86 | - |
| Listen and understand needs | 86 | - |
| Knowledge of products/services | 85 | - |
| **Merchandise** | **87** | **-** |
| Variety of products carried | 88 | - |
| Quality of products | 88 | - |
| Everyday merchandise in stock | 87 | - |
| Avail of advertised items | 87 | - |
| Neatness of products on shelf | 88 | - |
| Way products are displayed | 87 | - |
| **Price** | **84** | **-** |
| Everyday prices | 83 | - |
| Price given quality | 84 | - |
| Prices compared to othr stores | 84 | - |
| Sales and promotions | 86 | - |
| **Checkout** | **84** | **-** |
| Time spent during checkout | 82 | - |
| Knowledge of cashier | 84 | - |
| Helpfulness of cashier | 85 | - |
| **Online Presence** | **85** | **-** |
| Merch same across web/store | 84 | - |
| Price same across web/store | 86 | - |
| Website return policies | 83 | - |
| Assortment of merch on web | 83 | - |
| **Satisfaction** | **83** | **-** |
| **Likelihood to Shop Again** | **90** | **-** |
| **Likelihood to Recommend** | **86** | **-** |
| **Likelihood to Comment** | **52** | **-** |
| **Likelihood to Purchase on Web** | **53** | **-** |
| **Likelihood to Increase Spending** | **70** | **-** |

## USE APPS IN STORE?

| | |
|---|---|
| Do not use | 73% |
| Use | 27% |

## FAVOR ROBUST APP RETAILER?

| | |
|---|---|
| Very important | 35% |
| Not very important | 34% |
| Somewhat important | 31% |

## HOW WOULD YOU FAVOR?

| | |
|---|---|
| Shop more often | 46% |
| Buy more per visit | 34% |
| Drive further | 23% |
| Pay slightly more | 15% |

## PREFER OWN DEVICE OR STORE'S?

| | |
|---|---|
| My own device | 52% |
| Store provided device | 48% |

# GROCERY STORE SEGMENT DETAIL (CONT'D)

## WHAT DO YOU CURRENTLY USE APPS FOR?

| Category | Percentage |
|---|---|
| Check other retailer prices | 36% |
| Coupons or discount offers | 35% |
| Manage your shopping list | 32% |
| Manage shopping lists | 28% |
| Manage coupons | 28% |
| Product reviews | 24% |
| Research product info | 23% |
| Locate item at another store | 20% |
| Check loyalty point balances | 16% |
| Locate products in the store | 11% |
| Suggest complimentary purch | 11% |
| Obtain nutritional information | 9% |
| Pay at checkout | 9% |
| None of the above | 9% |
| Check store inventory | 8% |
| Purchase item on device | 8% |
| Check your purchase history | 7% |
| Scan items to speed checkout | 7% |
| Request help in store | 5% |
| Other - use for mobile device | 3% |

## WHAT WOULD YOU LIKE TO USE APPS FOR IN THE FUTURE?

| Category | Percentage |
|---|---|
| None of the above | 46% |
| Coupons or discount offers | 21% |
| Manage coupons | 17% |
| Check other retailer prices | 15% |
| Scan items to speed checkout | 15% |
| Pay at checkout | 15% |
| Check store inventory | 12% |
| Check loyalty point balances | 12% |
| Locate products in the store | 11% |
| Manage shopping lists | 11% |
| Manage your shopping list | 10% |
| Obtain nutritional information | 9% |
| Check your purchase history | 8% |
| Purchase item on device | 8% |
| Locate item at another store | 7% |
| Request help in store | 7% |
| Research product info | 7% |
| Product reviews | 6% |
| Suggest complimentary purch | 5% |
| Other - use for mobile device | 1% |