

Consumer study reveals widening gap between consumer expectations

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A new IBM study released today at the 2015 National Retail Federation convention (#NRF15) found that while consumers are growing more enthusiastic about online shopping and digital interaction with retailers, their actual behavior lags behind. The findings, indicating that consumer expectations are not being met, identify clear opportunities for retailers to close the gap and create new loyalty.

The IBM Institute for Business Value study analyzed four years of survey data from over 110,000 consumers in 19 countries. It found that consumers are now very comfortable with combining digital and physical elements in their buying process. However, while IBM's study found that 43 percent of consumers said they prefer to shop online, only 29 percent actually made their last purchase online. In some product categories such as youth apparel or home décor, there is a nearly 20 point gap between the percentage of people that say they enjoy shopping online and the percentage of people who actually made their last purchase online in those categories. This signals that [retailers](#) have an opportunity to better meet consumer expectations online.

Similarly, while more consumers are willing to share social, location, and mobile information with a trusted retailer compared to last year, the study shows that sharing could be much higher. Forty-two percent of consumers see the potential benefit of sharing their location via GPS with retailers, but only 28 percent are willing to do so—even with a trusted retailer. Fifty-four percent of consumers see the benefit of sharing mobile for text with retailers, but only 42 percent would actually

share this information.

"With consumers switching seamlessly from online to the store it might appear that retailers have finally struck the right balance, but IBM's study identifies a significant gap between what shoppers want from retailers and what they are getting today," said Sarah Diamond, General Manager, IBM Global Business Services. "Retailers may not be doing enough to meet consumer expectations shaped by digital experiences outside of retail—from location-based services to preference-based apps. The good news is that this gap also indicates the potential of growth for retailers who can meet those consumer expectations."

What Consumers Want

High on the list of consumer requirements is a mandate for inventory visibility. As consumer expectations for product fulfillment are shaped by [online shopping](#) experiences, out-of-stock situations are becoming less acceptable. Sixty percent of surveyed consumers said it is important for them to be able to find out if an item is in stock before going to the store. And 46 percent of consumers said it's important that retail employees use mobile devices to fix an out of stock issue, up six points from last year.

A growing number of consumers said it's important that retailers offer personalized promotions, particularly if they are presented on demand. Forty-eight percent of shoppers value initiating a personalized communication with a retailer when they are online. When in the store, 44 percent of shoppers want on-demand communication. Forty-one percent of consumers said it's important that store associates offer personalized promotions based on their purchase history or preferences, compared to 36 percent last year.

Additionally, the study found that associates ranked last on the list of

trusted resources [consumers](#) access for product knowledge—yet another sign that the role of the sales associate is changing.

The study signals that retailers should prioritize empowering their associates with tools to monitor inventory and offer promotions instead of focusing on general product information only.

More information: "Shoppers disrupted: Retailing through the noise:" www-01.ibm.com/common/ssi/cgi- ... 03643USEN.PDF#loaded

Provided by IBM

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