

# The future is here:

The top 5 consumer-driven trends in retail

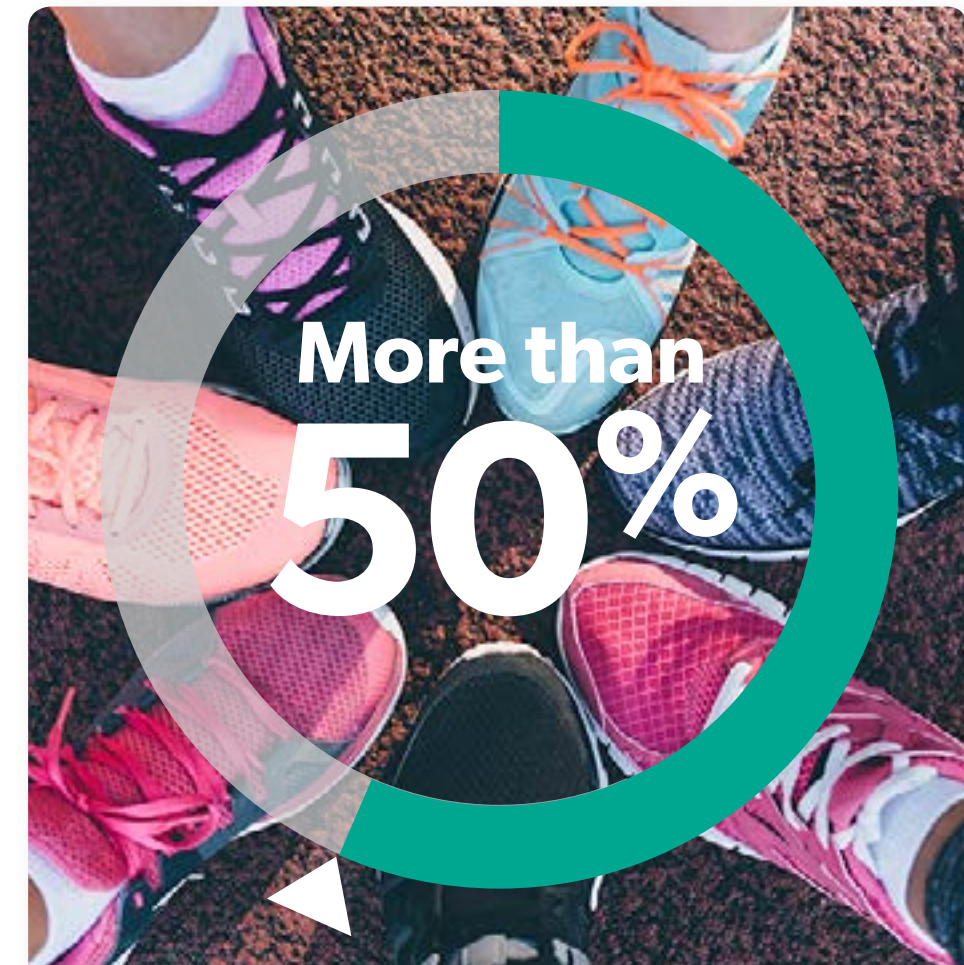
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# Introduction

Given the rapid and continuous evolution of e-commerce, there's been a massive shift in the way shoppers buy, forcing brands and retailers to constantly adapt their selling strategies. **It is estimated that e-commerce retail activity will grow 16% from 2017 to 2018, reaching over a half billion in US retail sales.**<sup>1</sup> And these changes in consumer buying behavior are not slowing down anytime soon. eMarketer estimates that **in 2022, e-commerce will reach almost a trillion dollars in activity.**<sup>2</sup> Every year it becomes increasingly important for brands and retailers to keep pace with innovation, adapt discovery strategies, and stay in tune with the ever-changing expectations of consumers.

Today, **more than half of traffic to brand and retail websites happens on mobile, with 2017 being the first year to reach that threshold.**<sup>3</sup> And while mobile rises as a dominant shopping channel, consumers are using smartphones for much more than just making a purchase.



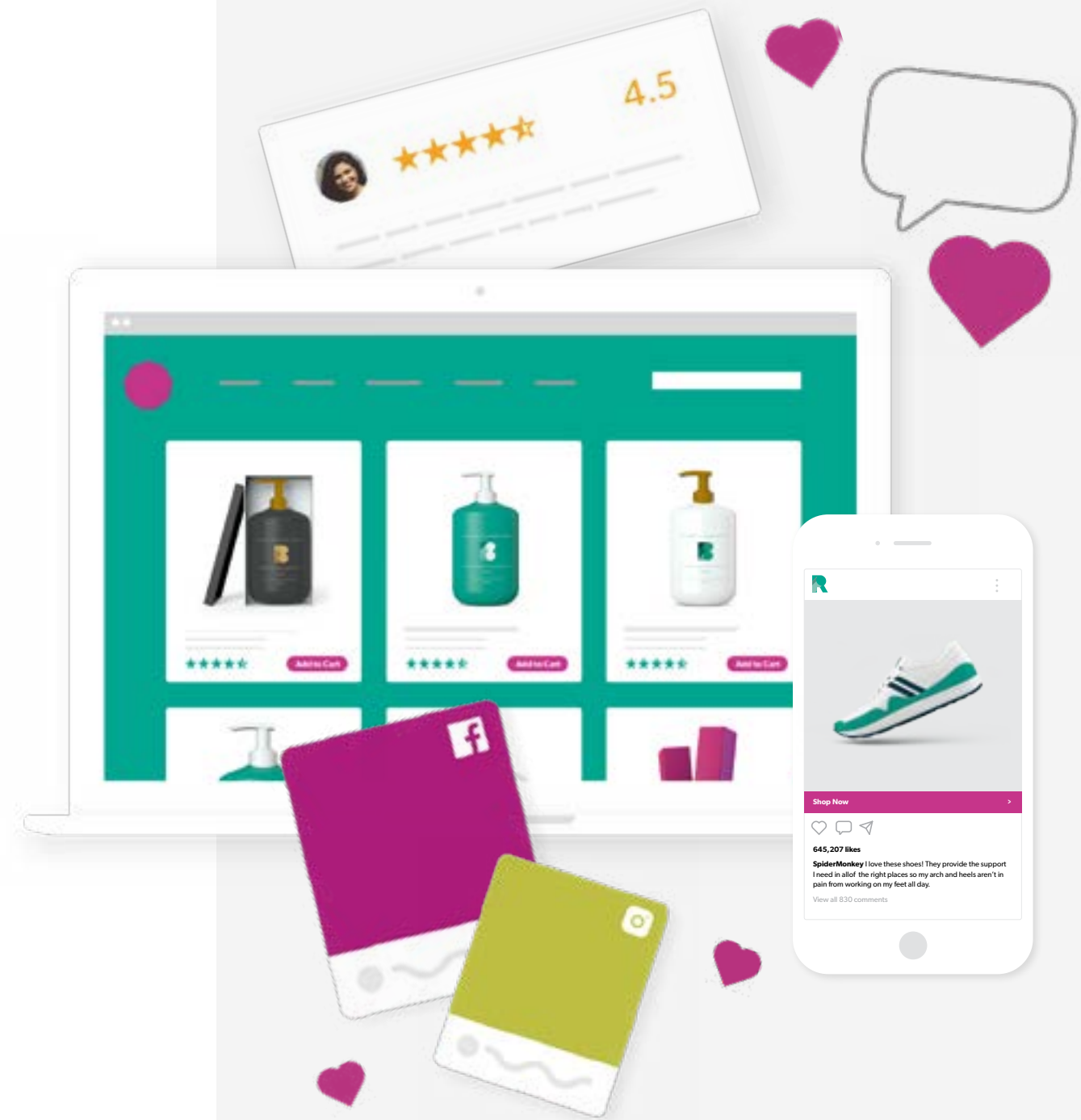
OF TRAFFIC TO BRAND AND RETAIL WEBSITES HAPPENS ON MOBILE

**Social media is emerging as the third buying channel, alongside in-store and online.**

Consumer-generated content (CGC), such as ratings and reviews, photos, and videos, are flooding social media, and now that social platforms are beginning to offer in-app buy buttons, consumers are relying more and more on social media — and the shopping communities therein — as part of their path to purchase.

Furthermore, as online shopping becomes more sophisticated and involves more channels, **creating a truly personalized experience for consumers has become a higher priority for brands and retailers.** Consumers want their shopping experience to be as easy and seamless as possible across all channels. And, while not perfected, the rise of personalization presents a tremendous opportunity for online retailers to differentiate.

To succeed in today's highly competitive e-commerce landscape, retailers need to leverage five trends that are currently transforming online retail. Retailers that embrace these trends and incorporate them into their strategies can realize higher conversions and more revenue.

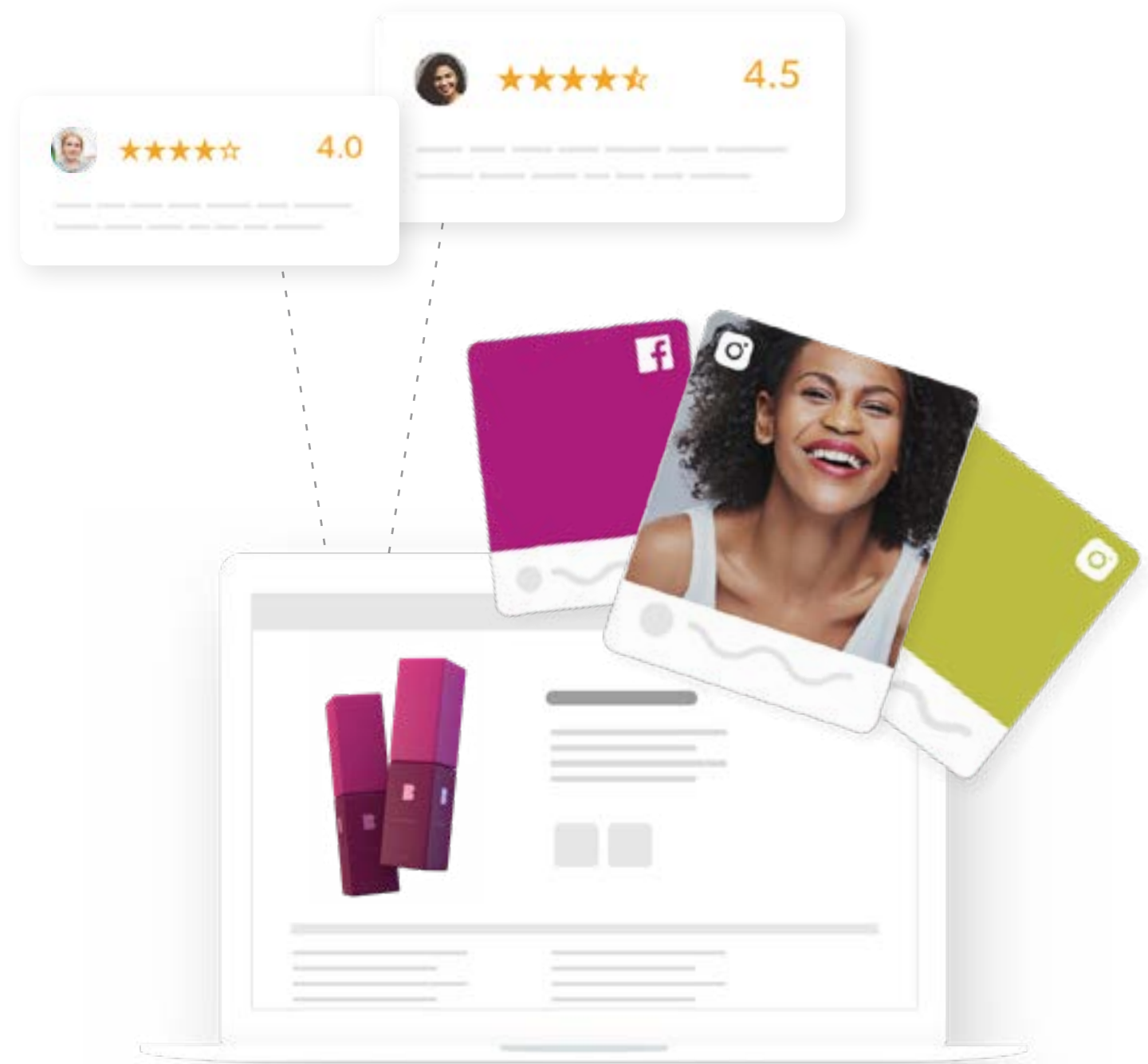


# 1 Shopping is social

Shoppers are talking about products in highly-visible places – especially on social media – and these conversations have a lot of influence on purchase decisions. Consumers actively seeking CGC by way of ratings and reviews, questions and answers, product photos, and videos, expect this type of content to be readily available no matter where they are shopping.

Social media enables brands and retailers to provide a visual shopping experience, and serves as a great channel for discovery and inspiration. In fact, **57% of online shoppers have purchased a product they heard about on social media.**<sup>4</sup> Visual CGC is the new word-of-mouth, and it's more likely to influence shoppers to try new products or make a purchase outside of their intended budget.

By optimizing social channels and implementing visual CGC strategies, brands and retailers can significantly increase conversion rates across all channels, including brick-and-mortar. **In 2017, conversion lift among consumers interacting with visual content reached 111%,** the highest growth year over year for any type of consumer generated content.<sup>3</sup>



## 2 Meet Gen Z, the next consumer powerhouse

Generation Z — those born roughly between 1995 and 2012 — are already profoundly shaping the consumer experience. **The age group makes up an estimated 25% of the US population and now has \$44 billion in direct purchasing power.**<sup>5</sup> The way they will wield that power is already driving the way retailers think about what technologies, tools, and skills they will need to build the shopping experience of the future.

Gen Zers are highly motivated by social content and especially impacted by social influencers, who are often part of this same generation themselves. They trust brands less than they trust their social peers, and are much less likely to engage with traditional online advertising. Visual CGC plays such an important role for brands and retailers who wish to reach Gen Z. Visual content gives them a trusted look, feel, and touch experience without leaving the store, and it's created by real consumers, not brands.

Retailers need to be aware of the unique preferences of Generation Z consumers and create shopping experiences that satisfy their need for trustworthy information, personalization, and socially conscious products and practices. This generation is quickly becoming the most powerful force in the market, and it will only grow in spending power and influence.



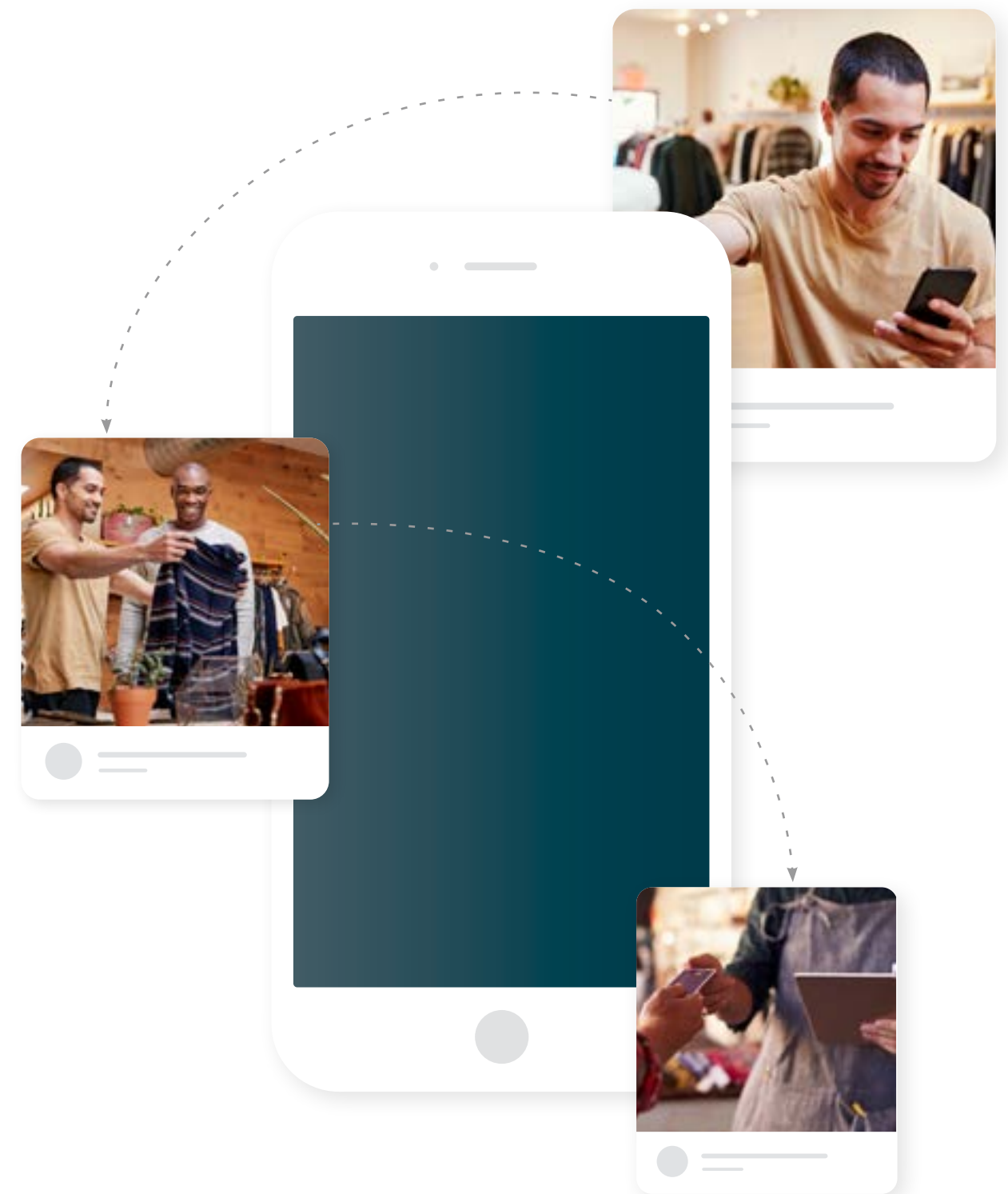
### 3 Mobile is the centerpiece of today's shopping experience

With more than half of e-commerce traffic now occurring on mobile, it's critical for brands and retailers to offer a mobile experience that is fast, reliable, and responsive.

And mobile isn't just for e-commerce transactions. Consumers are now likely to use their smartphones while in-store to help them with purchasing decisions. According to a recent Bazaarvoice survey, **45% of shoppers now report reading reviews before purchasing products in brick-and-mortar locations.**<sup>3</sup>

The two main factors for mobile experience satisfaction is speed and responsiveness, and Google reports that **53% of shoppers will abandon a mobile site if it "takes longer than three seconds to load"**.<sup>6</sup>

Between the importance of photos and videos, native apps with location-based alerts, and one-touch payment options, the mobile experience is at the core of today's journey.

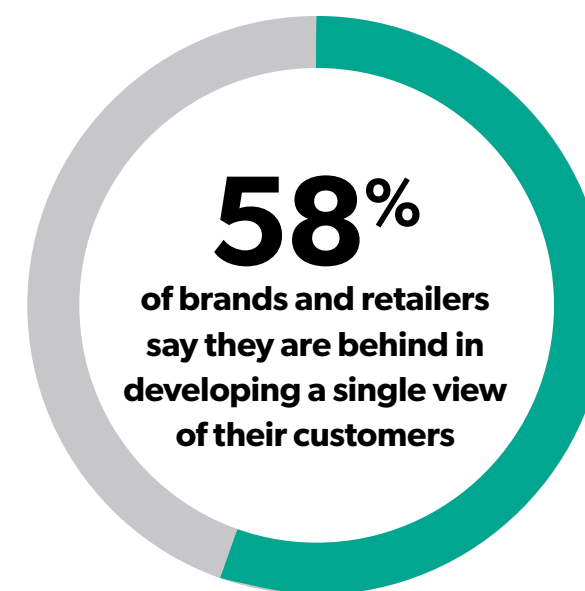


## 4 It's time to make shopping personal

Even as technology and consumer data become increasingly accessible for brands and retailers, they're finding it extremely difficult to comprehensively understand who their shoppers are and what they want. Currently, 58% of brands and retailers say they are behind in developing a single view of their customers across their platforms and touchpoints, and 45% say they are behind in the collection of actionable third-party data.<sup>4</sup>

Still, the bottom line is that shoppers highly value services that help them find what they're looking for. More than 50% of shoppers say a personalized experience online is important.<sup>6</sup> With so many brands and retailers offering so many options, consumers can often feel paralyzed when making a decision to purchase, and ultimately want — and expect — brands and retailers to simplify the discovery and decision processes by making the effort to truly understand what they want.

Between personalized product pages, product recommendations, and reminder emails/notifications, there are plenty of opportunities to create a personalized experience, yet today's consumers are largely unimpressed. Fewer than 20%



of shoppers say product recommendations are “very relevant” and “seem like they were made by a close friend”.<sup>6</sup> And getting personalization wrong can have a huge negative impact on revenue for brands and retailers, as consumers are likely to turn elsewhere if they feel they've had a bad experience with things like irrelevant content and/or product recommendations.<sup>7</sup>

**The key for brands and retailers is to focus on what people are shopping for, not just who they are.** By acquiring and utilizing behavioral data in real time — reviews that shoppers are reading or submitting, product pages they're engaging with, products they're buying or searching for, or even what they're putting in their carts — retailers can use personalization tools to deliver highly relevant content at every touchpoint, and develop a single view of the customer that is becoming increasingly critical in retail today. And most importantly, this data helps retailers stop serving ads after someone has purchased a product — saving retailers and brands money and relieving shopper agitation.

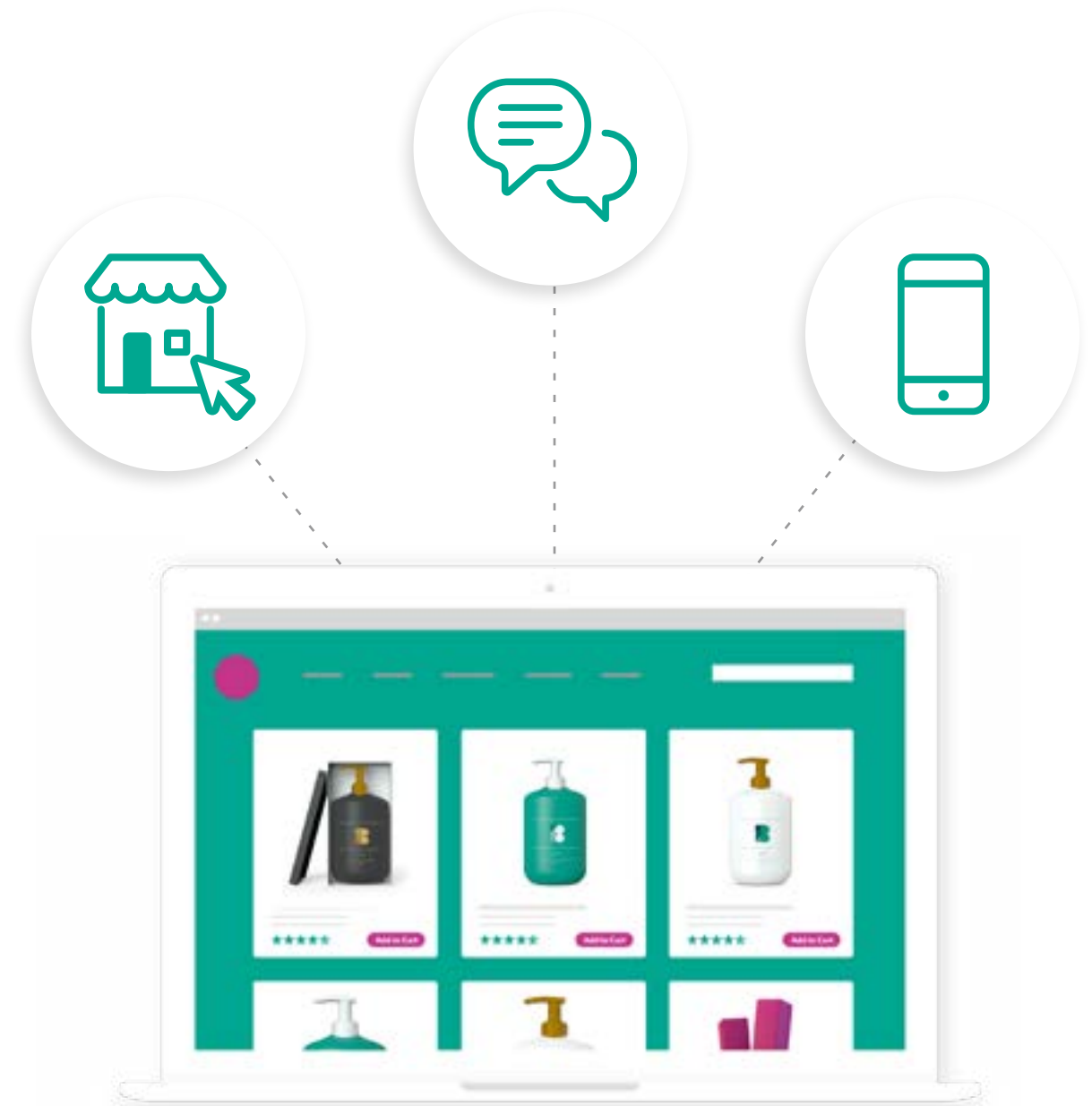


# 5 Consumers demand a frictionless omnichannel experience

Consumers expect shopping channels to complement one another seamlessly. E-commerce, social media, and mobile should work in concert with the in-store experience and vice versa. The most successful brands and retailers are the ones that can blend these channels into one frictionless, omnichannel shopping experience.

According to a recent Bazaarvoice survey, only 7% of brand and retailer respondents reported actually having a single, integrated omnichannel strategy.<sup>4</sup> There is difficulty with connecting legacy and new technology, and aligning siloed business units, not to mention choosing, combining, and deploying tremendous amounts of available consumer data. This difficulty does not prevent shoppers from wanting the information they need when they need it, and they expect brands and retailers to have it in all the places they're consuming.

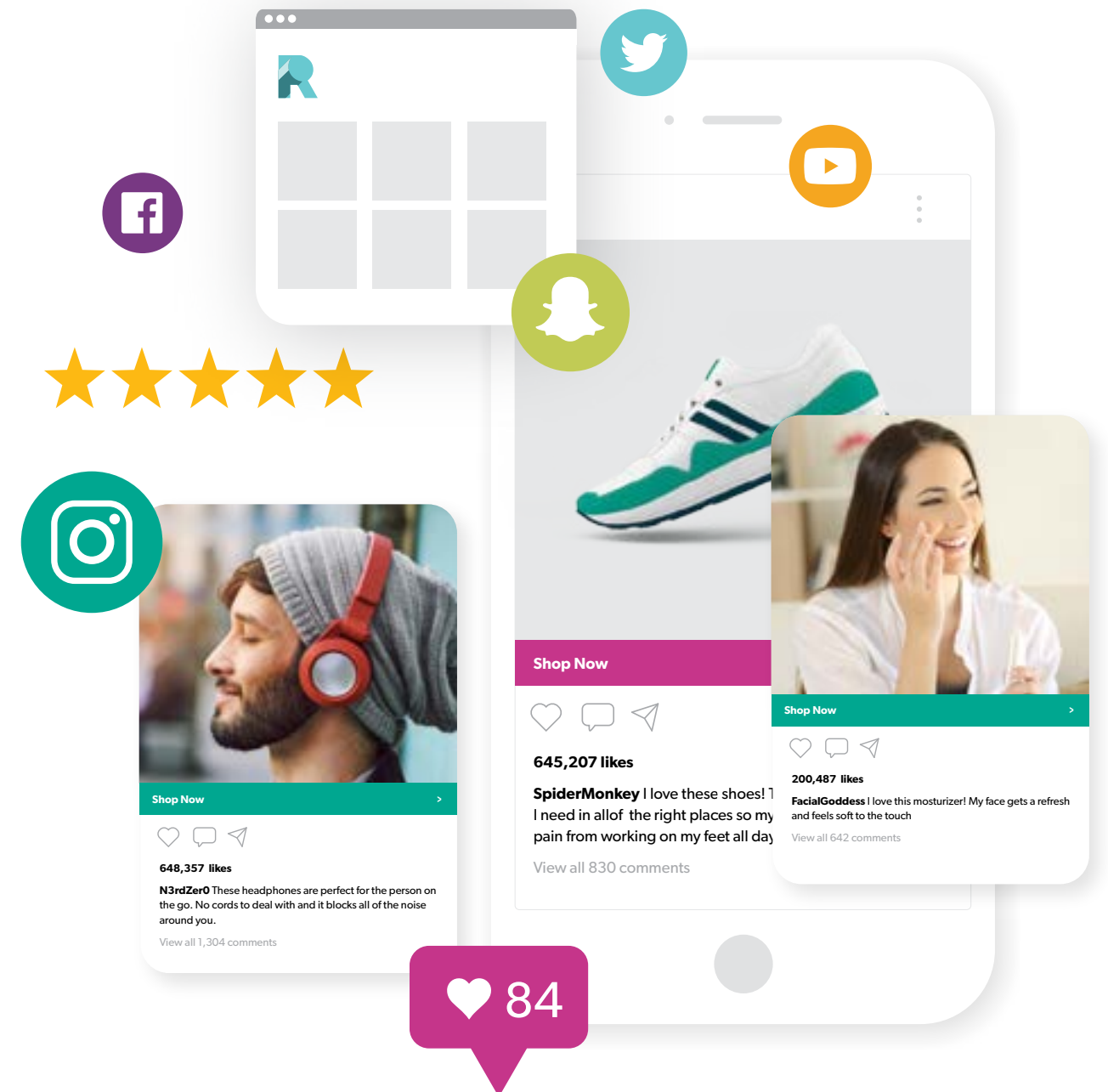
Brands and retailers who provide a seamless and information-rich shopping experience will win at checkout. **The combination of CGC across channels, personalization tools, and actionable insights based on what people are in-market to buy are key components to delivering a frictionless multi-channel experience.**



# Be there for your consumers, wherever they are

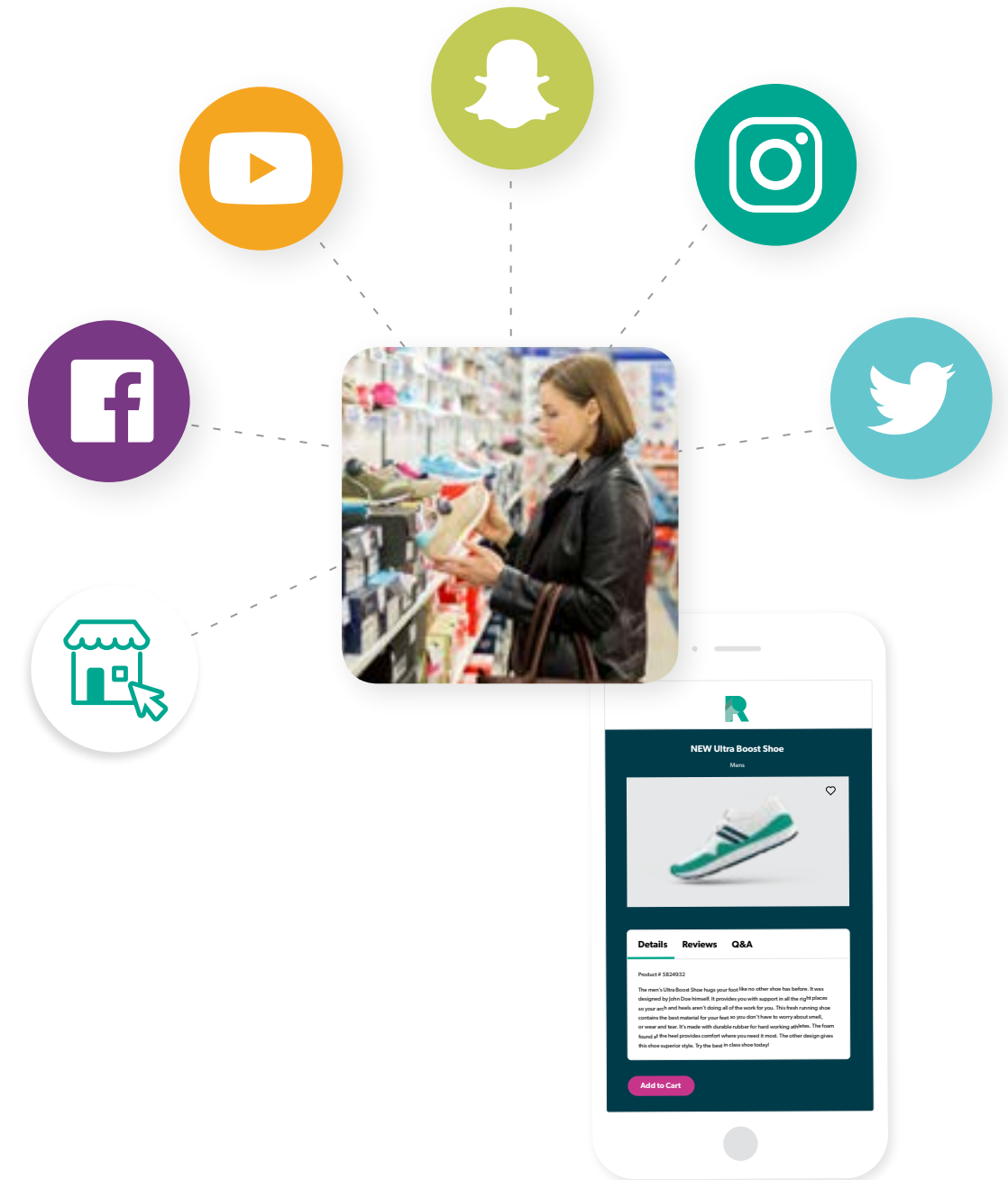
Consumers expect to find information relevant to them to make decisions at every stop along their path to purchase. As shopping becomes more social, brands and retailers must focus on showcasing relevant visual CGC, especially on social media. As shopping experiences become more mobile and involve more channels, retailers must work to incorporate CGC — such as ratings and reviews, questions and answers, photos, and videos as part of each touchpoint — and offer a frictionless and community-based experience.

While building a single view of the customer can be a daunting task, the tools and data are available to do so, and retailers are more focused than ever on using these resources to create as personalized a shopping experience as possible. By using personalization tools and data to understand what their customers actually want, retailers will work to implement omnichannel experiences that include highly relevant content and product recommendations that are proven to convert.



# The bottom line

At the end of the day, it's about building a relevant and seamless experience across channels. Customers want authentic experiences whether on- or offline, and it's up to brands and retailers to create these experiences and stand out amongst such a competitive e-commerce landscape.



**Contact Bazaarvoice** to learn more about what you can do to keep ahead of these trends.

# About Bazaarvoice

Bazaarvoice connects brands and retailers to consumers, so that every shopping experience feels personal. From search and discovery to purchase and advocacy, Bazaarvoice's solutions reach in-market shoppers, personalize their experiences, and give them the confidence to buy. Each month in the Bazaarvoice Network, more than one billion consumers view and share authentic content including reviews, questions and answers, and social photos across 6,000 brand and retail websites. Across the network, Bazaarvoice captures billions of shopper signals monthly - data that powers high-efficiency digital advertising and personalization with unmatched relevance.

Founded in 2005, Bazaarvoice is headquartered in Austin, Texas with offices in North America, Europe, and Australia. For more information, visit [www.bazaarvoice.com](http://www.bazaarvoice.com).

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