SIXTH ANNUAL
2015 SHOPPER EXPERIENCE STUDY

ONE TRUE CHANNEL
FOCUSING ON THE SHOPPER’S EXPERIENCE WITH YOU
Walk the Walk

What’s different about today’s retail environment is that people no longer go shopping the way they used to. In fact they don’t go shopping at all, they do shopping. They do it wherever they are because in the palm of their hands they carry an infinite universe of shopping options.

In today’s world retailers need to walk a mile in a shopper’s shoes, they need to see what the shopper sees, think what she thinks. Retailers need to know her preferences, her likes and dislikes, and how she reacts to the convergence of digital and brick-and-mortar experiences.

And that is what the 6th Annual RIS/Cognizant Shopper Experience Study is all about. It is a benchmark study that is rare in the world of retail technology because it polls 5,000 shoppers to find key insights into preferences and connects them to strategies and tactics that retailers can use to create effective shopping experiences.

By focusing on shopper preferences retailers can prioritize investments and make the shift toward personalized experiences that create true emotional connections.
The mission of this research report is to put a finger on the pulse of the customer. To produce valid insights and results we polled 5,000 shoppers in early April 2015. The month of April is a good time of year to gauge shopper sentiment because winter weather events are safely in the rear-view mirror (They were of historic proportions in 2015!) and a clear picture has emerged of the year’s macroeconomic forecast, which inevitably has an impact on spend trends.

As in previous years, we weighted the number of female shoppers (67%) over male shoppers (33%) for the simple reason that females influence household shopping far more than males. This fact has been validated by many years of shopping research and is not simply a legacy stereotype.

The age group breakdowns ranged from ages 18 through 55-plus with a bias toward the big bulge in the middle – 15% for ages 25 to 34, 21% for ages 35 to 44, and 16% for ages 45 to 54. Dollars spent by seniors (the oldest age group in the report) and the post-high school segment (when incomes are lowest) are markedly lower than the in-between age groups. As a result, their influence in the shopping landscape is comparatively lower than the in-betweens and this is reflected in the survey.

A similar approach was taken for our split in income groups, where 25% of respondents were in the $25K to $50K range and another 25% were in the $50K to $75K range. These two segments comprise the bulk of shoppers by sheer volume. The higher income segments have more disposable money to spend but they are numerically smaller. We topped out the highest income groups at 20% of the respondent pool (19% in the $100k-$200k group and 1% in the $200k-plus group). While this report is filled with interesting infographics, takeaways and data-based findings, it is only a small portion of what is found in the full data set. For those who want to learn more about the vast scope of the study, which includes in-depth analysis and a wide variety of cross-tab breakouts, contact Cognizant at retail@cognizant.com.
THE ONE CHANNEL THAT MATTERS TO CUSTOMERS

**EXECUTIVE SUMMARY**

**THE ONE CHANNEL THAT MATTERS TO CUSTOMERS**

Shoppers want you to know them and offer personalized experiences. How well does your retail organization measure up?

**BY STEVEN SKINNER**

Each year, in collaboration with RIS News, Cognizant conducts a comprehensive study to better understand shopper preferences and behaviors. This year, in particular, our Shopper Experience Study is aptly named. Customers are emphatic that for them there is only one true channel: their experience with you.

Yet the personalization that drives customer experience is hard for merchants to execute. Personalization isn’t a new idea. So why do some retailers get it right, while others don’t?

To earn the privilege of personal relationships with customers, it’s critical for retailers to align their digital transformation strategies with in-store processes. Personalization requires identifying customers at the individual level and knowing what, where, when and how they want to engage across every interaction. It’s an intimate relationship built on trust.

Year over year, consumers tell us where retailers fail to deliver. This year, they are louder than ever. Take “buy online pickup in-store” or BOPIS. Many retailers have implemented it over the past few years, and for good reason. Of the 30% of consumers who use BOPIS, 65% purchase additional items when they pick up their orders. But more than 60% also reported some sort of service failure at pickup. Surprisingly, the issues reported are not new.

For many shoppers, online is where the experience begins. Knowing how to cultivate and ultimately convert the digital first contact to an in-store sale is the very foundation of providing a high-value personalized experience.

This year, we surveyed five areas that are the keys to developing and maintaining a personal relationship with customers.

**DIGITAL EXPERIENCE**

Digital capabilities are now mainstream: 64% of consumers said they buy online at least once a month, and 13% make weekly purchases. Product selection, availability, price and ease of checkout are just a few of the reasons consumers value shopping online. In addition, 55% of respondents indicate they use their smartphones to comparison shop. While mobile purchase and pay functions have yet to gain traction, the launch of Apple Pay and other payment methods may finally sway shoppers to hit the buy button on their smartphone.

**STORE EXPERIENCE**

The single biggest opportunity to increase sales starts with the store associate. Millions of dollars invested in infrastructure, technology and the supply chain quickly become irrelevant if the in-store experience is poor. Customer expectations have evolved, but they’re not as difficult to exceed.
as you might think: Shoppers’ two most requested improvements are more knowledgeable associates and associates who can match prices. Neither improvement requires bleeding-edge technology. Shoppers have learned to use technology to explore and discover online before going to the store. When they enter the store, they are ready to “buy.” Trained, equipped and empowered store associates that can properly engage customers will seal the deal.

“BUY ONLINE PICKUP IN STORE” (BOPIS)
BOPIS enables the Digital Strategy through physical stores. Shoppers love the capability for several reasons. No more walking the aisles looking for items and waiting in long checkout lines. No more shipping fees. Retailers’ failure to include pickup in the overall design, however, can ruin the BOPIS experience. Top service failures cited include items not ready for pickup, store associates who lacked training to complete the transaction, and incorrect or damaged items. The message is clear: IT and business need to work together to develop a holistic solution that depends on store associates to continue experiences initiated online.

LOYALTY
To make a real difference, loyalty programs need to be unique to the shopper. Customers expect more than the occasional percentage off. The most frequently cited indicators of strong loyalty programs included point rewards per dollar, automatic discounts, status achievement to gain elevated benefits and special offers based on purchase history. Thirty-two percent of consumers said strong loyalty programs trump lowest price when deciding where to buy. And if you’re willing to provide an incentive, 49% are likely to promote retailers on their social media networks to earn more rewards.

PERSONALIZATION REQUIRES IDENTIFYING CUSTOMERS AT THE INDIVIDUAL LEVEL AND KNOWING WHAT, WHERE, WHEN AND HOW THEY WANT TO ENGAGE ACROSS EVERY INTERACTION.

PRIVACY AND SECURITY
Customers are willing to share information, but you have to be careful what you ask for. If you request information that shoppers deem as sensitive, you risk receiving little or nothing. Twenty-six percent of shoppers listed “security of personal data” as a top three influencer of where they shop. As it pertains to sensitive payment data, the ramifications for violating that trust are costly with one in five shoppers admitting that they refrained from shopping a retailer that has been breached. Consumers expect transparency as it relates to privacy and security so the lesson learned is to be proactive — provide full disclosure and communicate to the customer the steps you’ve taken to address the situation.

Steven Skinner is Senior Vice President of Cognizant’s Products and Resources Consulting Business Unit and this study’s principal research analyst.
UNLEASHING THE POWER OF EMOTIONAL CONNECTION

AS RETAILING APPROACHES THE HIGHLY COMPETITIVE POST-OMNICHANNEL ERA, THE IMPORTANCE OF MAKING EMOTIONAL CONNECTIONS WITH SHOPPERS BECOMES CRITICAL TO SUCCESS

We all want to feel special. You do, I do, everyone does. And when you feel special you get excited and want to tell your friends all about it. The challenge for retailers is how to make shoppers feel special. Many ways come to mind including — offering a great deal, being polite and friendly, being helpful, solving a problem, delivering excellent service, and going above and beyond expectations.

One thing all of these have in common is an ability to create an emotional connection. They create memorable moments that stick with the shopper long after the experience is over and in truly successful encounters they form lasting bonds.

Building a framework for consistently creating emotional connections through the smart deployment of people, processes and technology is the biggest challenge facing retailers today and the greatest opportunity.

In this report, we highlight key findings that uncover where retailers both succeed and fail to deliver shopping experiences and service that rise to the level of an emo-

FREQUENCY OF ONLINE PURCHASES

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<td>Once per week (or more)</td>
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By Joe Skorupa
and it is a place where retailers need to strive to reach.

Specific areas of focus in the report include personalization, the digital experience, store experience, loyalty, buy online pickup in store (BOPIS), and customer concerns about security and privacy.

**DIGITAL IS MAINSTREAM**

Store sales greatly outnumber online, mobile and social sales combined, but the influence of digital retailing is immense. It is increasing in size every year as a percentage of total sales and, just as importantly, its influence is expanding even faster.

Digital sales cannot be easily measured when the shopper is hopping between channels during the course of her day. This inability to generate exact measurements of influence drives many retailers crazy. After all, how can you assign credit for a purchase when the customer researches the product at home on a laptop, visits a store to see the product in person, and then uses a mobile phone to complete the purchase and request shipment of the items to the store for pickup?

This omnichannel scenario (and its many variants that begin and end using a variety of touchpoints) is repeated millions of times each day. One significant point it underscores is the confirmation that the path to purchase as retailers once knew it is dead and has been replaced by a convergence of physical and digital channels. The world of converged channels is where shoppers live today and it is a place where retailers need to strive to reach.

One of the major findings in this study is a datapoint that confirms how far the retail world has come from the traditional understanding of the path to purchase — 44% of shoppers make an online purchase at least 2-3 times per month. This means that nearly half the population is a frequent online shopper and this behavior is a guiding force to be reckoned with. These figures are likely to grow as digital natives assume a higher percentage of the population. Already 13% say they make an online purchase at least once per week.

Key advice to retailers — follow where your customer leads.

**MOBILE GAINS MOMENTUM**

Mobile shopping, which made big inroads during the 2014 holiday season, promises to have an even bigger impact in 2015. Mobile commerce has finally emerged as the revenue growth
Digital Platform Building — Under Armour

Digital sophistication in retail is evolving at a fast rate and one retailerufacturer that has invested in a huge innovative program is Under Armour. The fast-growing global brand recently opened up a Connected Fitness digital headquarters in Austin, Texas. The headquarters employs more than 100 engineers, data scientists, designers and product innovators who are working together in the fields of digital health, fitness and sports with a mission to create an interactive digital platform for consumers and fitness professionals.

The Under Armour Connected Fitness platform ties together a suite of applications that connect to dozens of fitness devices worn by athletes and weekend warriors. Under Amour views this as a huge opportunity to literally connect with millions of its shoppers in an intimate way while they are pursuing their passion for active sports.

Creating a user-friendly, digital platform that connects to millions of shoppers has been a recent pathway to success for disrupters like Uber, Lyft and Fitbit, to name a few. Under Armour is moving boldly in this direction as a way to build an interactive sense of community among its shopper base that goes beyond the transaction to nurture loyalty and a long-term bond.

Showrooming (when shoppers research in a store but buy online) and webrooming (when shoppers research online but buy in a store) are two sides of the same coin in the world of omnichannel shoppers, who seamlessly shift between channels to find information about products and prices. For retailers, this means that competitive pricing, and the ability to manage prices effectively across channels, is a required skill set that cannot be underestimated.

One interesting datapoint uncovered in the survey is that 8% of shoppers actually prefer using their mobile devices over their desktops for online shopping. This aligns with widely reported research that shows a downward sales trend for desktops and laptops. This means the day when mobile devices become the number one device for shopping for a majority of shoppers is closer than many retailers think.

As mobile device usage gains momentum, shoppers show signs that they will accept retailers leveraging them for interaction. For example, we found that 54% of shoppers welcome retailer alerts that remind them of an offer or loyalty reward based on their current location. Geo-location marketing is in its infancy in retail-
ing today, but shoppers show a willingness to participate if retailers can effectively manage these highly targeted engagements.

So, the question to retailers is: Are you shifting your dollars and resources to a mobile strategy as fast as shoppers are shifting their preferences? Desktop shopping will never go away, but those who invest to upgrade their mobile capabilities will be aligned with serving shoppers the way shoppers want to be served.

THE DIGITAL ADVANTAGE
One of the big lessons learned in this year’s survey is that consumers actually prefer many things about the digital shopping experience over the brick-and-mortar experience. The top four things they prefer are: product selection, availability of product information, price, and ease of checkout. Clearly, these are areas that brick-and-mortar retailers should focus on, improve in their stores, and meet consumer expectations set by digital channels.

One way many retailers are doing this is by adding mobile POS to support the ability to check out anywhere on the sales floor. Mobile devices can also be used to expand inventory accessibility, enable ordering the full online catalog from within the store, manage customer pricing questions

**4 AREAS WHERE THE DIGITAL SHOPPING EXPERIENCE IS PREFERRED TO BRICK AND MORTAR**

- Product selection
- Availability of product information
- Price
- Ease of checkout

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**Shoppers who have posted at least one online review**

| 42% | 58% |

**Of these have received responses from retailers**

| 33% No | 67% Yes |

**Were happy with the responses they received**

| 94% | 6% |
Shoppers who will refrain from purchasing if the desired brand is not available
90%

Of shoppers cite price as a top reason for purchasing from a different retailer after shopping in a store
93%

Of shoppers leave and look in another retailer’s store if they feel the price of an item is too high
55%

with real-time information, and enable price matching where it makes sense within controlled parameters.

Finally, we found clear evidence that shoppers are happy with their social media interactions with retailers, which is an affirmation that recent retail efforts and investment in social media are justified and should be continued. A majority, 58%, have posted at least one product review online and 67% of these shoppers say they have received responses from the retailer. Of these, 94% say they were happy with the responses.

WHY STORES MATTER
Despite the growing influence of digital retailing, stores aren’t going away any time soon. Even though new ways to shop are emerging every day and traditional retailing methods are under siege, brick-and-mortar stores serve a critical function to shoppers and retailers alike.

We asked shoppers to tell us why they like to go to stores and they identified four primary reasons:
- To see, touch and try merchandise
- For immediacy and accessibility
- The ability to get questions answered
- Ease of returns

We also asked about why they don’t like to go to stores and identify things that cause them to refrain from shopping. Product availability — out-of-stocks — took a prominent spot on this list.

Since out-of-stocks have been studied pretty thoroughly for many years we wanted to dig a little deeper, so we qualified the question by asking consumers about the impact that “not finding a specific brand” had on shopping. We found that more than (90%) of shoppers said they would refrain from making a purchase in a store if their desired brand was not available.

Effective perpetual inventory management systems or enabling associates to access enterprise-wide inventory on the sales floor will not only save sales but will also reduce the impact of sending frustrated customers home empty handed.

FIGHTING THE PRICING WARS
Another area that has a decisive impact on why shoppers refrain from

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<th>Knowledge of product</th>
<th>Access to product information via mobile</th>
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<tr>
<td>2015</td>
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HOW STORE ASSOCIATES CAN HELP SEAL THE DEAL

SHOPPER EXPERIENCE STUDY
2015
How big a factor is price? We found that more than 90% of shoppers say price is the top reason for buying an item from a different retailer after they have visited a store and did not make a purchase. We also found that 55% of shoppers leave and go to another retailer’s store if they feel the price of an item is too high.

Based on these findings, we recommend that retailers make it a priority to provide associates with the technology they need to match prices. In fact, we have made this recommendation for several years and have evidence that this recommendation is more important now than ever. When we first posed the question in 2012, 21% of shoppers said the ability to match prices in a controlled way was a top priority. In 2013, the number rose to 29%. This year the number is 44%, which means it has more than doubled in three years.

The greatest danger facing retailers in the new world of instant price comparisons is a race to the bottom, where market share is protected but margins destroyed. Fortunately, retailers have options at their disposal to combat this path to financial destruction.

We asked shoppers for the top reasons they do not purchase from the lowest-price retailer and the answers here point to strategies that retailers can deploy to win sales while avoiding a race to the bottom. The top reason we found for making a purchase but not making it from the lowest-price retailer is a simple one — convenience.

Are your stores well organized? Are the shelves well stocked? Do your associates quickly open up new registers when long lines form at checkout? Do associates who walk through the sales floor make eye contact with shoppers and pleasantly answer customer questions (even questions that are beyond the associate’s job responsibilities)? Investing in programs and enabling technologies that address these customer service concerns will...
go a long way toward elevating the concept of convenience into a weapon that fights the war against deep-discount pricing.

The second highest reason on the list for why shoppers did not purchase from the lowest-price retailer is a loyalty program (32%). Loyalty programs have come a long way since retailers pioneered a system that delivered instant discounts to members or used points to offer rewards based on hitting targeted plateaus.

There are many lessons to be learned from how successful retailers use loyalty programs to fight the pricing wars and these will be covered in a separate loyalty section later in the study. However, it is important to note that while loyalty programs are important business tools in their own right, they are especially effective in avoiding the disastrous race to the bottom.

**BUY ONLINE PICK-UP IN-STORE**

Not every retailer calls it BOPIS, but it makes enormous sense to shorten the length of this term for easy communication as long as you realize it is probably not something most consumers will recognize. To consumers in a digital world without boundaries it is just how shopping is done.

BOPIS is an important tool today because 30% of shoppers do it at least once per month. Interestingly, 6% do it once per week or more. The latter is not a big number but what it lacks in volume it makes up for in frequency. What retailer doesn’t want to capture the market for once-per-week customers?

More importantly, the addition of BOPIS to a retailer’s omnichannel offerings is a proven way to drive incremental store sales. This is demonstrated by the fact that 65% of shop-

**BOPIS IS BOTH A BENEFIT TO SHOPPERS AND A DRIVER OF IN-STORE SALES, BUT IT IS HARD TO DO AND EASY TO CREATE SERVICE FAILURES.**
pers who use BOPIS also purchase additional products when they pick up their items in the store. This makes BOPIS a double winner by simultaneously attracting online shoppers and racking up additional store sales. So, a reasonable question to ask is why aren’t all retailers rushing to implement BOPIS?

The problem is that it is not easy for retailers to reconfigure processes and technologies currently in place that were designed to make bulk deliveries to stores on a schedule optimized for supply chain considerations. Creating a new system that delivers individual products to stores on a schedule optimized for individual customers means

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**BOPIS in 1,100 Stores — Kohl’s**

After a successful pilot at more than 100 Kohl’s stores in 2014, Kohl’s has now begun to offer buy online, pick up in store (BOPIS) at all of its 1,164 stores across the country. Today, the service is available for customers shopping from their desktops or laptops via the product page at Kohls.com, and it will roll out to tablets and mobile phones later this year.

The way the service works is that when a customer is shopping online she will have the option to see if a specific item is available at a local Kohl’s store. This means that Kohl’s has created a highly accurate supply chain system that offers customers a view into inventory availability.

When the customer selects the “Pick Up In Store” option, she completes the purchase through the website and receives two e-mail messages — the first confirms the purchase and the second indicates when the item will be available for pick up in store.

Upon arrival at the store, the customer can park in a designated “Pick Up In Store” parking spot for convenience and she will find her items waiting for her at the Customer Service desk (for non-jewelry merchandise) or at the jewelry counter (for fine jewelry).

At its best, a good BOPIS experience goes beyond a simple hand off of a pre-ordered item. It includes recognition that the shopper is a valued customer and creates a personal connection that adds up to a memorable experience.

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**TOP SERVICE FAILURES CITED BY SHOPPERS WHO PICK UP AN ONLINE PURCHASE IN A STORE**

- Long wait at the counter to pick up order
- Items were not ready for pickup
- Customer service associates were confused
- Items were either damaged or wrong

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60% of shoppers report some sort of service failure when going to a store to pick up a purchase made online
reconfiguring large interconnected back-end applications and platforms, which is a tall order for any retailer.

Evidence of how hard this can be is found in the number of shoppers who have experienced service failures when using BOPIS — more than 60%. The top service failures reported in the study are: long wait time at the counter to pick up the order, items were not ready for pick-up, customer service associates were confused, and items were either damaged or wrong.

The level of difficulty in getting BOPIS right is directly related to the level of technology maturity in the retailer, especially in the areas of order management, supply chain and customer purchase systems. Upgrading these systems is the first step in rolling out a successful BOPIS program.

**PLAYING THE LOYALTY CARD**

Loyalty programs have taken an elevated position in recent years as retailers search for ways to deliver new levels of customer service as an alternative to offering rock-bottom prices and non-stop promotions.

Amazon, for example, has invested so much in its loyalty/member-ship program Amazon Prime that we sometimes forget it was initially perceived by consumers as a way to get free two-day shipping. Today, Amazon Prime includes instant video, free access to music, early access to lightning deals and much more.

The point is that shoppers like loyalty programs and we found evidence to prove it — 80% of shoppers tell us they are members of at least one retailer loyalty program. Also, 32% of shoppers consider loyalty a top-three reason for not making a purchase from the lowest price retailer.

Since retailers are taking a renewed interest in the business potential of loyalty programs, we asked shoppers to highlight the top benefits they expect to receive from becoming a member. The benefits are:
Top 4 Benefits Expected from Loyalty Programs

- Earning points or rewards per dollar spent
- Getting automatic discounts
- Achieving a “status” level and getting more benefits
- Receiving special offers based on purchase history and preferences

Not every retailer can or wants to emulate the Amazon model but the larger point is that loyalty/membership programs are high on shopper priority lists. They can be customized or modified to fit any retail segment and they can be an effective tool in the acquisition and retention of customers in the era of intense price competition.

Proactive Security

Headlines about data breaches have energized retailer interest in the meaning and value of customer security and privacy. Retailers are good at measuring the costs of a data breach involving things like penalties, lawyer’s fees, temporary lost sales, adding new technologies and much more. But retailers are not nearly as good at measuring the impact of a data breach on shopper behavior.

When we asked shoppers to name the top shopping influences that have a major impact on their behavior and provided them with a long list of potential options, we discovered that security of personal information was in the top three for 26% of shoppers. Asked in a different way, we found a parallel point that indicated 60% of shoppers are extremely concerned about the security of payment methods.

As a result of this deep concern about security and privacy, shoppers are only willing to share a limited
Clearly, security is a major factor in shopper behavior that has long-lasting implications. Taking a proactive approach by investing in strong technologies and systems is a necessary step. But shoppers actually expect more than that. In fact, 71% feel it is either very important or extremely important for a retailer to communicate with customers on what steps they are taking to protect their credit/debit card information.

Other expectations that shoppers expect are twofold: 1. Providing full disclosure to customers about what has happened and what steps are being taken for remediation (71%), and 2. Providing personal notification to customers about what information was or may have been compromised (63%).

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FOLDING IN STRATEGIES THAT CREATE EMOTIONAL CONNECTIONS WILL BE THE KEY TO SUCCESS FOR RETAILERS EXECUTING OMNICHANNEL PROGRAMS TODAY AND PLANNING TO MEET RISING EXPECTATIONS TOMORROW.
Turning Rewards into Loyalty — Walgreens

Walgreens has had a rewards program in place for several years called Balance Rewards, which has more than 82 million active users. It offers members weekly savings and point accumulation that can be traded in for future purchases. As a result of the success of this massive program, Walgreens has gathered a large database of shopper insight to help target its promotional and marketing investments more efficiently.

Recently, however, Walgreens has expanded the loyalty program to make it easier for shoppers and give them greater flexibility. Initially, members would only gain points if they bought specific items at specific times, typically within the prescription or over-the-counter categories. Walgreens expanded the program so that now shoppers get 10 points for every dollar they spend on nearly anything in the stores.

By expanding points outside the prescription and over-the-counter drug categories Walgreens now has the ability to increase shopper spending in other categories, such as beauty or seasonal products.

In addition, Walgreens is expanding the Balance Rewards program by including compatibility with devices used to track health metrics. Customers can link their FitBits and other fitness trackers to their Balance Rewards accounts to earn 20 points for walking a mile, for example. The system is also compatible with the Apple Watch.

Offering points for tracking health data is important to Walgreens because it has discovered that shoppers who monitor fitness stats also do a significantly better job of remembering to take their prescriptions every day as directed, and these are good customers for Walgreens to form a bond with to encourage lifetime value and loyalty.

**MAJOR RECOMMENDATIONS**

The two biggest recommendations that retailers should take away from this study have one very big point in common — they help make a personal connection with your shoppers. The first is that store associates are absolutely essential to any effort to improve the customer experience and they need to be trained and fully engaged in all of your technology rollouts. The second is that loyalty programs are an effective and under-utilized tool for combatting the deep-discount wars and maximizing the lifetime value of your customers.

Folding in strategies that encourage the creation of emotional connections to the shopper through exceptional experiences will be the key to success for retailers who are currently executing omnichannel projects today and planning to meet rising customer expectations tomorrow.
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<tr>
<td>Once per week (or more)</td>
<td>13%</td>
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### 4 Areas Where the Digital Shopping Experience is Preferred to Brick and Mortar

- Product selection
- Availability of product information
- Price
- Ease of checkout

### Top Service Failures Cited by Shoppers Who Pick Up an Online Purchase in a Store

- Long wait at the counter to pick up order
- Items were not ready for pickup
- Customer service associates were confused
- Items were either damaged or wrong

### Top Reasons Shoppers Do Not Purchase From Lowest Price Retailer

- Convenience: 48%
- Loyalty programs: 32%
- Return Policy: 31%
- Unique merchandise: 26%

### Store Associate Ability to Price Match is the Top Priority to Seal the Deal

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### Shoppers Who Say That Security of Personal Information is a Top-3 Influencer Ahead of Availability of Information, Ease of Checkout and Return Policies

- Shoppers who have posted at least one online review: 58%
- Of these have received responses from retailers: 67%
- Were happy with the responses they received: 94%

### One True Channel: Focusing on the Shopper’s Experience With You

32% of shoppers consider loyalty a top-three reason for not purchasing from the lowest price retailer.

44% of shoppers who have posted at least one online review of these have received responses from retailers.

58% of shoppers who consider loyalty a top-three reason for not purchasing from the lowest price retailer.

Shoppers who are part of at least one retailer loyalty program are likely to promote the retailer on social media to more reward points.
TIME TO GET PERSONAL
THREE KEY CHANGES THAT LEAD TO THE TAILORED EXPERIENCES YOUR CUSTOMERS WANT

BY STEVEN SKINNER

Every day retailers get a report card: sales up or down — and the analysis begins. But respondents to this year’s RIS/Cognizant Shopper Experience Study pointed to personalization as the area that matters most to them.

Our findings indicate there are three key ingredients for the tailored experience that leads to more satisfied and loyal customers.

1. INCLUDE STORE ASSOCIATES IN DIGITAL TECHNOLOGY ROLLOUTS
   Customer testing is the wrong time to discover that new applications fail to meet expectations. Entrusted with interacting with customers, store associates need to be involved from the beginning and allowed to contribute throughout the process to ensure what made sense on a whiteboard in the corporate center will work in stores.

2. EMPOWER AND TRAIN ASSOCIATES
   Whether you are a high-end or discount retailer, store associates can make the difference in gaining repeat customers. To prepare associates to exceed customers’ expectations, train them on how and when to use today’s tools. Empower them to make the decisions necessary to close sales.

3. CREATE A LOYALTY STRATEGY THAT EMPHASIZES PERSONALIZATION
   There’s no excuse for blasting the same message, promotion, or reward to every e-mail address you’ve collected. Few blast e-mails make it past spam folders. Recipients often quickly delete those that do. Don’t kid yourself: Customers want an insightful loyalty program that is unique to them and not intrusive.

The personalized shopping experience that customers crave requires retailers to take the time to build relationships and invest in store associates. Retailers that embrace strategies that marry technology and process to produce an enhanced customer experience will gain the trust of their clientele and flourish. •
ABOUT COGNIZANT’S RETAIL AND CONSUMER GOODS PRACTICE

Cognizant’s Retail and Consumer Goods practice partners with retail supermarkets, department stores, specialty premium retailers, and large mass-merchandise discounters and consumer goods companies in the grocery, general merchandise, apparel, home and office, and consumer electronics segments to help both embrace the future of shopping, transform the customer experience in-store and online, and build the capabilities needed to win in the digital world. We work with leading retailers and consumer goods companies around the world including 9 of the top 30 global retailers, 6 of the top 10 consumer goods companies, and are consistently ranked as a top provider in Consumer Goods Technology’s annual Readers’ Choice Awards. We leverage our deep domain and consulting expertise to provide supply chain, merchandising, store, e-commerce, trade promotions, sales effectiveness, marketing services and analytics solutions across the retail and consumer goods spectrum. Our experience includes social, mobile, analytics & cloud (SMAC Stack™) and making meaning from Code Halos™ – the information that surrounds people, organizations, processes and products – to create unprecedented levels of value for retailers and consumer goods companies.

ABOUT COGNIZANT

Cognizant (NASDAQ: CTSH) is a leading provider of information technology, consulting, and business process outsourcing services, dedicated to helping the world’s leading companies build stronger businesses. Headquartered in Teaneck, New Jersey (U.S.), Cognizant combines a passion for client satisfaction, technology innovation, deep industry and business process expertise, and a global, collaborative workforce that embodies the future of work. With over 100 development and delivery centers worldwide and approximately 218,000 employees as of June 30, 2015, Cognizant is a member of the NASDAQ-100, the S&P 500, the Forbes Global 2000, and the Fortune 500 and is ranked among the top performing and fastest growing companies in the world. Visit us online at www.cognizant.com or follow us on Twitter: Cognizant.