salesforce research

THIRD EDITION

CONNECTED SHOPPERS REPORT

Exploring the edge of shopping through the behaviors and expectations of over 10,000 global consumers

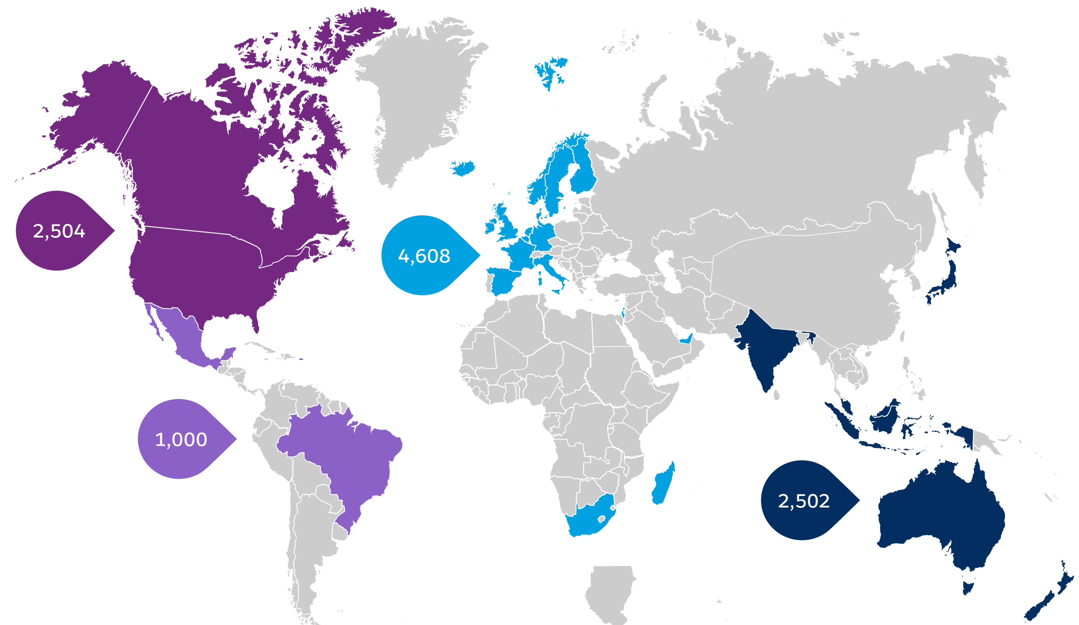
About This Report

For this third edition of the "Connected Shoppers Report," Salesforce Research surveyed over 10,000 consumers worldwide to discover:

- How retailers, brands, and online marketplaces differentiate in a crowded retail landscape
- What drives shopper loyalty
- How retailers can compete as shopping moves to emerging digital purchase points
- The evolving role of the physical store
- How shoppers will browse and buy during the 2019 holiday season

Data in this report is from a blind survey conducted June 14–July 2, 2019, that generated 10,614 responses. Survey respondents are from Asia Pacific, Europe, North America, Latin America, the Middle East, and Africa. All respondents are third-party panelists (not limited to Salesforce customers). See page 47 for detailed respondent demographics.

Due to rounding, not all percentage totals in this report equal 100%. All comparisons are made from rounded numbers.



Salesforce Research provides data-driven insights to help businesses transform how they drive customer success. Browse all reports at salesforce.com/research.

About This Report

Throughout this report, we analyze trends impacting the following types of sellers:

Retailers

Companies that sell goods from multiple brands, such as Walmart, Woolworths, Tesco, or Carrefour

Brands

Companies that manufacture and sell products under the same name, such as Nike, Apple, UNIQLO, or Samsung

Online marketplaces

Websites that sell goods from multiple brands, retailers, and individual sellers, such as Amazon, eBay, Alibaba, or Etsy

We also examine survey results across four generations of customers:

- **Silents/baby boomers:** born 1920–1964
- **Gen Xers:** born 1965–1980
- **Millennials:** born 1981–1996
- **Gen Zers:** born 1997–2001

Contents

Executive Summary

To anyone paying attention, it's no surprise that retail is in the midst of a revolution.

But the story of retail transformation can't be boiled down to stores versus ecommerce. To win sales – let alone loyalty – retailers, brands, and online marketplaces must understand and navigate an increasingly complex ecosystem of consumer expectations, preferences, and channels that are anything but static.

01 | Retailers, Brands, and Online Marketplaces Battle for Wallet Share

(See page 6)

Online marketplaces play an outsize role in digital shopping, but retailers and brands have become formidable competitors. Still, shoppers oscillate among their various options depending on context. **Eighty-six percent of consumers buy from retailers, brands, and online marketplaces.**

02 | Shopping Evolves as Consumers Define New Terms of Engagement

(See page 9)

To stand out in a crowded landscape, retailers are challenged to differentiate the experiences they offer across a wide spectrum of shopping activities. **Sixty-one percent of Gen Z consumers are more likely to buy from brands and retailers that offer exclusive shopping events.**

03 | Shopper Journeys Move to the Edge

(See page 12)

The old retail paradigm of pulling consumers to brand properties has been flipped on its head. Brands are expanding their reach to meet shoppers wherever they are, at the edge of traditional retail spheres. **Nine percent of online purchases take place on emerging digital channels like voice and social media.**

04 | Stores Remain Critical for Discovery, Experience, and Fulfillment

(See page 16)

Even in a retail landscape where ecommerce is a rising star, physical stores remain critical. Rather than functioning solely as points of sale, stores now have multifaceted roles that bridge online and offline worlds while offering differentiated experiences. **Eighty-one percent of shoppers still discover and evaluate new products in-store.**

Spotlight: 2019 Holiday Shopping

(See page 21)

The holiday season remains a make-or-break time of year for retailers and brands. Refined digital engagement across mobile, social, and other digital channels will be critical, but traditional ways of attracting shoppers remain important. **Shoppers say sales or promotion codes are the number one factor influencing their holiday purchases.**

01

Retailers, Brands, and Online Marketplaces Battle for Wallet Share

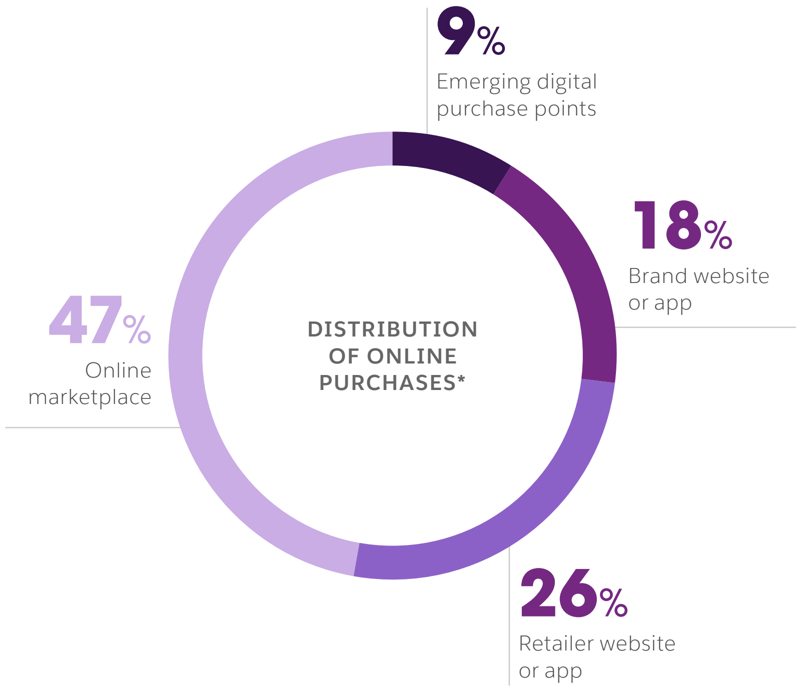
In an era of constant connectivity, hyper-personalized engagement, and products catered to increasingly niche segments, shopping today looks nothing like its former self.

Amid monumental shifts in business and operating models – all enabled by digital transformation – consumers increasingly rely on the following digital channels for browsing and buying:

- **Retailers' websites and apps** from the likes of Walmart, Carrefour, and Woolworths command more than a quarter (26%) of online sales
- As direct-to-consumer (D2C) business models take off, **websites or apps from brands** like Tory Burch, Columbia, and Shiseido take credit for nearly one-fifth (18%) of online shopping
- **Online marketplaces** such as Amazon, eBay, and Alibaba represent almost half (47%) of online shopping

In a time when "buy now" buttons beckon wherever shoppers go online, other digital channels can't be ignored: WeChat, Instagram, Pinterest, and other emerging touchpoints for transactions now garner 9% of online purchases.

ONLINE SHOPPERS TURN TO A VARIETY OF DIGITAL STOREFRONTS



** Based on average volume*

01
Retailers, Brands, and Online Marketplaces Battle for Wallet Share

Eighty-six percent of shoppers buy from retailers, brands, *and* online marketplaces. So what makes them choose one option over another in this high-stakes battle for wallet share?

TOP REASONS FOR SHOPPING: DIFFERENT DESTINATIONS HAVE DIFFERENT ALLURES

RETAILER

1. RETURN OR EXCHANGE POLICIES
2. CUSTOMER SERVICE OR SUPPORT
3. LOYALTY OR REWARDS PROGRAM

When prioritizing seamless returns and superior customer service, shoppers are most likely to turn to retailers' digital storefronts. Hungry for rewards, consumers also flock to retailers' loyalty programs. Offerings like the Nordy Club from Nordstrom, Target's REDcard, and CarePass from CVS promote lucrative member benefits. In a Prime world, these benefits can be key differentiators.

BRAND

1. AUTHENTICITY OR QUALITY
2. PRODUCT UNIQUENESS
3. PRODUCT CUSTOMIZATION

Brands that embrace D2C selling – think Glossier, Joybird, and Away – win when consumers seek authenticity and quality as well as unique products that may not be available from mass retailers or marketplaces. By cutting out the middleman, brands can also sell customized products tailored to shoppers' exact specifications and preferences – adding another allure when the consumer evaluates available shopping options.

ONLINE MARKETPLACE

1. PRICE
2. SHIPPING AND FULFILLMENT OPTIONS
3. PRODUCT VARIETY

When price is paramount or shipping and fulfillment options are prioritized, shoppers tend to buy through online marketplaces. As one-stop shops where shoppers conveniently scroll through an immense product catalog, marketplaces like Amazon also stand out thanks to their product variety.

01

Retailers, Brands, and Online Marketplaces Battle for Wallet Share

Understanding why consumers choose each shopping option also requires a look at how their preferences change at different stages of the purchase journey.

The First Purchase

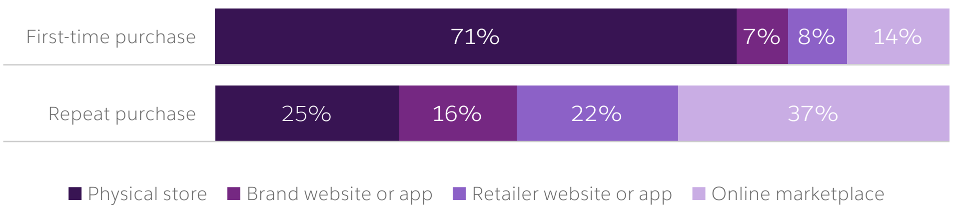
The physical store remains the preferred place to pick up a new product. When a shopper pops into their local Target or Tesco for a jug of milk, ample opportunity awaits in each aisle to stumble upon a new laundry detergent or soda. Stores are also the perfect place to try on new merchandise and gauge its quality with a tactile experience.

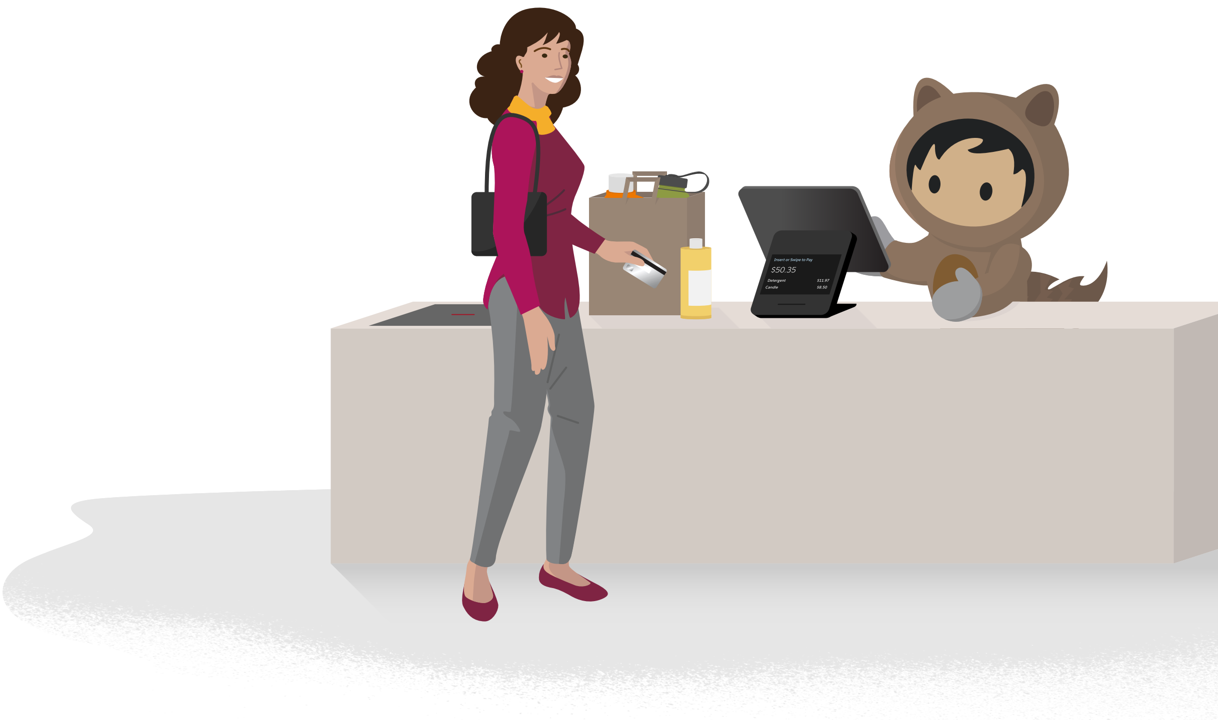
Shoppers are 2.4x more likely to make a first-time purchase at a physical store than they are online.

The Repeat Purchase

Yet only one-quarter of shoppers return to the store to buy a product again – online marketplaces are the most popular destination for product replenishment, although replenishment purchases are more evenly distributed across channels. Repeat buyers no longer need to see an item in person to verify they like it, so they're taking advantage of a plethora of shopping destinations to get the best price and most convenient fulfillment options.

SHOPPERS TURN TO DIFFERENT SOURCES FOR FIRST-TIME VS. REPEAT PURCHASES





02
Shopping Evolves as Consumers Define New Terms of Engagement

Today, retail is more than a transaction at a checkout counter. Rather, it is a full spectrum of activities – including research and discovery, browsing and buying, receiving service, and becoming a brand advocate. The way consumers approach this range of activities has changed significantly – and become part of everyday life.

Only 30% of consumers think they're spending more time shopping now than they did a year ago, perhaps due to more frictionless experiences like mobile or one-touch payments. As the broad variety of shopping activities are further ingrained in everyday life, consumer behavior shows four key shopping transformations:

- **Discrete to embedded:** Consumers no longer need to decide "I'm going shopping today." They can shop anytime, anywhere with a tap of their finger or a voice command.
- **Linear to fragmented:** Shopping now takes place across myriad digital and physical touchpoints.
- **Analog to digital:** Stores are digitizing their offerings and, in the case of some retailers, empowering associates to deliver connected and personalized experiences. For example, Apple associates help customers with iPads and proprietary in-store apps.
- **Product to experience:** As product categories become commoditized, resonant shopping experiences – like connections to animal rights causes in a Lush store or personalized serums from Kiehl's – are paramount.

SHOPPING IS INCREASINGLY INGRAINED IN EVERYDAY LIFE

Discrete ⟶ Embedded

47%
of consumers using voice assistants have ordered an item with them*

Analog ⟶ Digital

75%
of repeat purchases are made online

Linear ⟶ Fragmented

8
Average number of channels customers use to communicate with companies*

Product ⟶ Experience

83%
of consumers say the experience a company provides is as important as its products*

* *"State of the Connected Customer," Salesforce Research, June 2019.*

02

Shopping Evolves as Consumers Define New Terms of Engagement

How can brands and retailers differentiate themselves in an increasingly complex landscape? Nearly eight in 10 consumers are more likely to buy from brands with a loyalty program – by far the top draw for wallet share. But retailers are challenged to turn their commodified loyalty programs into truly exclusive ones. Case in point: Shinola's Foundry program cultivates a VIP club by requiring registration through associates and offering early access to new products.

Special merchandise and events matter, too. More than half of shoppers are drawn to brands and retailers that offer limited-edition or customized products (54%) or exclusive shopping events (51%).

These preferences are even more pronounced among younger generations. Seventy-two percent of Gen Z consumers are more likely to buy from brands or retailers selling limited-edition or customized products. Fifty-three percent say the same for unique product collaborations with artists, athletes, or celebrities.

Gen Zers vs. Silents/baby boomers

14x more likely to use influencers to discover and evaluate new products

DIFFERENTIATED PRODUCTS AND EXPERIENCES ATTRACT SHOPPERS

Products and Experiences That Increase Likelihood to Buy

	All	Silents/baby boomers	Gen Xers	Millennials	Gen Zers
Loyalty or rewards programs	78%	70%	80%	84%	78%
Limited-edition or customized products	54%	30%	54%	66%	72%
Exclusive shopping events *(e.g., pop-ups)*	51%	35%	53%	59%	61%
Unique product collaborations	31%	10%	27%	43%	53%

SPALDING

"Our Spalding MVP loyalty program has helped us learn more about our best shoppers than we otherwise would. That means we can treat them as true individuals."

— Matt Day, Digital Marketing & Ecommerce Manager, Spalding

02
Shopping Evolves as Consumers Define New Terms of Engagement

Earning a purchase amid so many options is difficult enough. But fostering true loyalty – and even love – among demanding consumers is challenging on a whole new level. When recalling traits of their favorite brands, shoppers focus on tailored engagements on their terms.

Amid the top five traits of shoppers' most-loved brands, **#1 was catering to their unique needs, while #5 was truly understanding who they are.** Another study found that 69% of shoppers expect companies to understand their needs and expectations, but 56% view companies as generally impersonal.* Bridging this gap between expectations and reality may bring a competitive edge to retailers that treat shoppers as individuals rather than broad segments.

Consumer-retailer relationships are strengthened when consumers feel understood and special. Exclusive shopping experiences and promotions are a valuable way for brands to build loyal (and lucrative) connections.

57% of shoppers tend to shop with a specific brand in mind.

FAVORED BRANDS SHOW THEY UNDERSTAND CUSTOMERS

Top Traits of Shoppers' Favorite Brands

#1 Caters to my unique needs

#2 Offers exclusive shopping experiences/promotions

#3 Offers limited-edition products

#4 Engages me in the places I prefer

#5 Truly understands who I am

* *"State of the Connected Customer," Salesforce Research, June 2019.*

03
Shopper Journeys Move to the Edge

Shopping used to be simple: Go to a store or a website and make a purchase. Today, nearly one in 10 purchases occurs on emerging digital purchase points – channels completely separate from retailers’ and brands’ owned properties.

The days of merely pulling consumers into owned physical and digital spaces are over. Shopping is increasingly about pushing brands into the daily lives of consumers, wherever they prefer to engage.

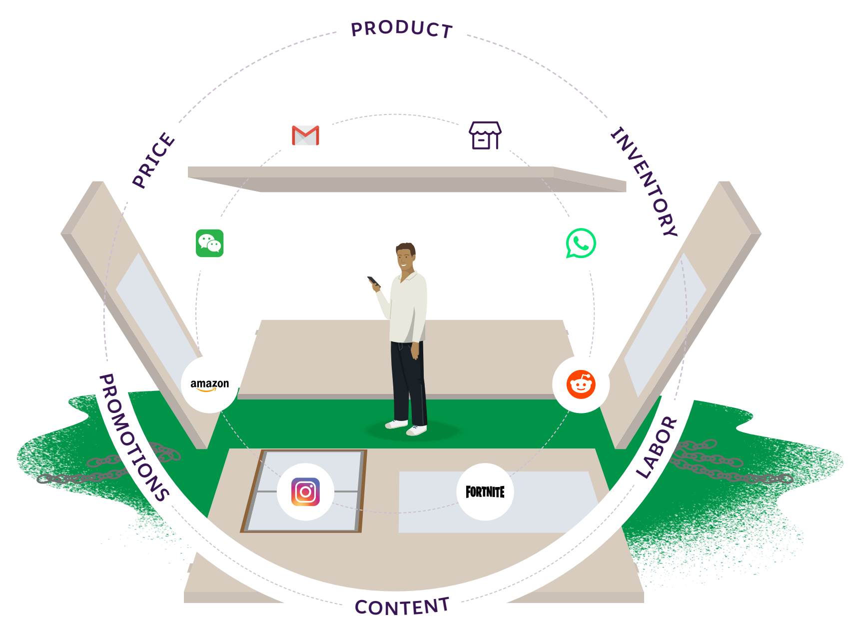
We refer to the channels at the hypothetical fringes of brand and retailer properties as “shopping at the edge.” This term represents an emerging paradigm where consumers get inspired, make purchases, and receive service on third-party platforms without even engaging brands directly. These digital destinations include social media, messaging platforms, voice assistants, and other intermediaries.

THE OLD RETAIL PARADIGM

Pull Consumers to Brand

SHOPPING AT THE EDGE

Push Brand to Consumers



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03

Shopper Journeys Move to the Edge

With Gen Zers being 3.5x more likely than baby boomers to purchase on emerging digital purchase points such as messaging apps and voice assistants, shopping at the edge is poised to become the norm over time. Over half (55%) of shoppers already purchase products directly from an app.

These days, shoppers are looking beyond mobile to the next buying frontier. While only 4% of shoppers use gaming consoles to buy products today, four times as many (16%) are interested in using a gaming console to shop. This is more acute among Gen Zers – 7% currently use consoles to make purchases, yet 25% expressed interest in doing so in the future.

asics

"Shopping at the edge is going to define who we are in 2025. It's critical that we experiment now to inform that plan. This means taking all of the challenges you have on your own property and addressing them out in the wild — tying everything back to your inventory, to your single view of the consumer, and to your marketing stack."

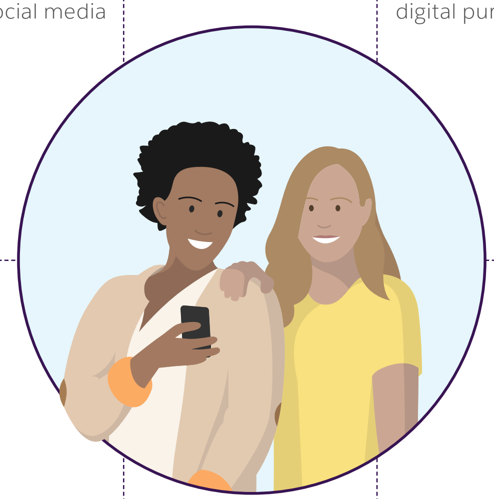
— Dan Smith, President, ASICS Digital

SHOPPING MOVES TO THE EDGE – EASIER AND FASTER THAN EVER

9% of online purchases are made on emerging digital purchase points like voice and social media

Gen Zers are **3.5x** more likely than silents/baby boomers to use emerging digital purchase points

67% of consumers use multiple channels to complete a single transaction*



1 in 4 millennials and Gen Zers are interested in shopping with gaming consoles

2/3 of consumers feel it's easy to buy from a mobile site

Consumers have **3** mobile apps, on average, to shop

* *"State of the Connected Customer," Salesforce Research, June 2019.*

03
Shopper Journeys Move to the Edge

The proliferation of digital touchpoints has led the average consumer to use eight different channels to communicate with companies.* Here's a look at which touchpoints resonate at each stage of the shopping journey.

Discovery and evaluation

Search engines, social media feeds, and influencers are popular ways for shoppers to get product inspiration outside a brand's properties. For 70% of Gen Zers, social media is a preferred place to discover and evaluate new products.

Buying

The majority of shoppers still turn to trusted channels, like physical stores and websites, to transact. However, a significant portion have already adopted newer technologies like mobile wallets (29%) that remove friction along the shopper journey.

Service

While traditional channels like stores and phone calls are still common (62% and 53% of shoppers use these, respectively), shoppers now expect a variety of service options. The younger the shopper, the more service channels they turn to. Nearly half of millennials and Gen Zers use websites and apps for service, and one-third use chatbots.

NONTRADITIONAL TOUCHPOINTS EMERGE ACROSS THE SHOPPER JOURNEY

Shoppers That Use the Following Channels Across the Customer Journey

SERVICE

- Email **56%**
- Chatbots, chat, or IM **26%**
- Social media **21%**
- Messaging app **20%**
- SMS/text **14%**

DISCOVERY & EVALUATION

- **70%** Search engine
- **47%** Social media
- **35%** Email
- **18%** Influencers
- **17%** Messaging app

BUYING

- **30%** Email**
- **29%** Mobile wallet
- **19%** Social media
- **11%** Messaging app
- **5%** Visual search

Respondents could select multiple answers to this question.
*** For example, emails from a brand with product ideas and coupons.*

* *"State of the Connected Customer," Salesforce Research, June 2019.*

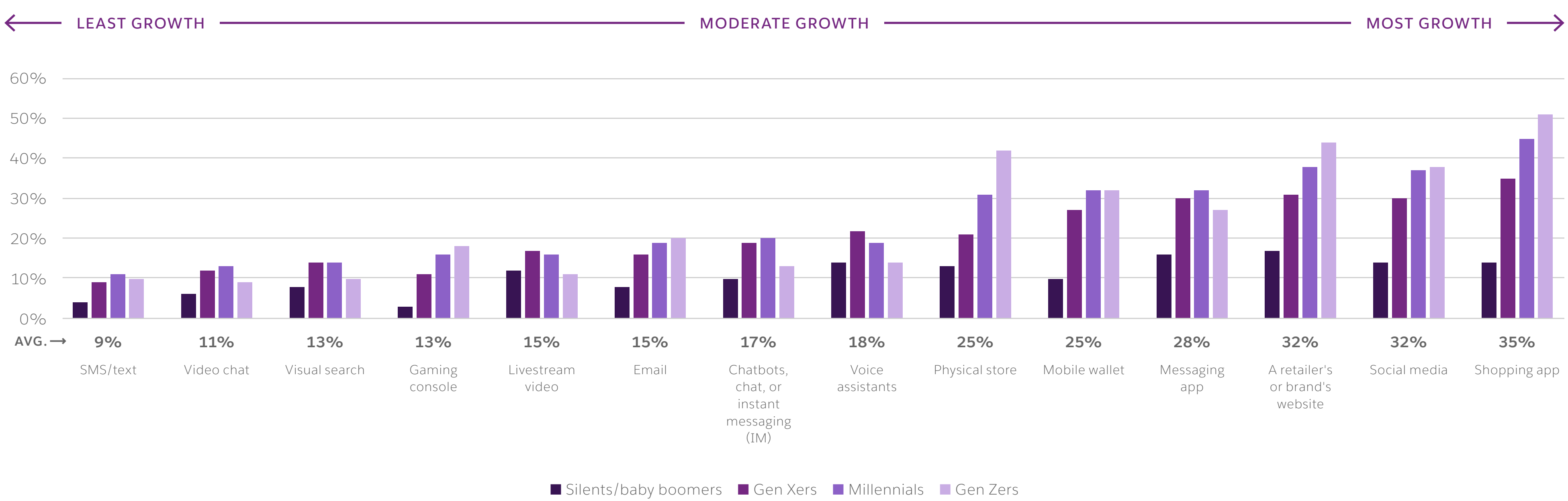
03
Shopper Journeys Move to the Edge

Consumers today are faced with a veritable smorgasbord of purchase paths. Retailers and brands have direct control over some of the fastest-growing purchase avenues, namely via their own websites and apps. However, over one-tenth of shoppers plan to experiment with newer purchase options like voice assistants (18%), livestream video (15%), and visual search (13%) over the next 12 months.

Generational differences reveal clues to future retail transformations as younger shoppers gain more purchasing power. Members of the silent and baby boomer generations are more likely to stick with traditional means of shopping, as expected. However, all other generations – from Gen Xers to millennials and Gen Zers – are more likely to adopt new paths to purchase like mobile wallets, messaging apps, and social media. Perhaps surprisingly, Gen Z is not leading the adoption of all emerging touchpoints. Voice assistants, video chat, chatbots, visual search, and livestream videos enjoy more popularity with Gen Xers and millennials than with younger cohorts.

PURCHASE PREFERENCES VARY ACROSS GENERATIONS

Shoppers Who Plan to Increase Purchases Through the Following Channels Over the Next 12 Months



04
Stores Remain Critical for Discovery, Experience, and Fulfillment

Even as ecommerce soars, shoppers haven't forgotten their beloved brick-and-mortar stores.

In the wake of retailer bankruptcies and downsizing – major U.S. retailers closed 5,524 stores in 2018* – **49% of consumers say their shopping routines have been significantly affected by store closures.**

Despite headlines heralding the end of the store and the reign of digital, stores still have their literal and figurative place. Touching and feeling merchandise remains critical, ranking as consumers' top reason to shop in a physical store. And when even one-hour delivery isn't fast enough, a trip to the closest store wins. Getting merchandise immediately is shoppers' third most common reason to shop in-store.

Retailers are reinventing their physical footprints to meet consumers' needs. Consumers say stores still function as hubs of **discovery, experience, and fulfillment** in their lives, even as the role of the store evolves.

BRICK-AND-MORTAR STORES REMAIN A MAINSTAY FOR SHOPPERS

Top Reasons for Shopping in a Physical Store

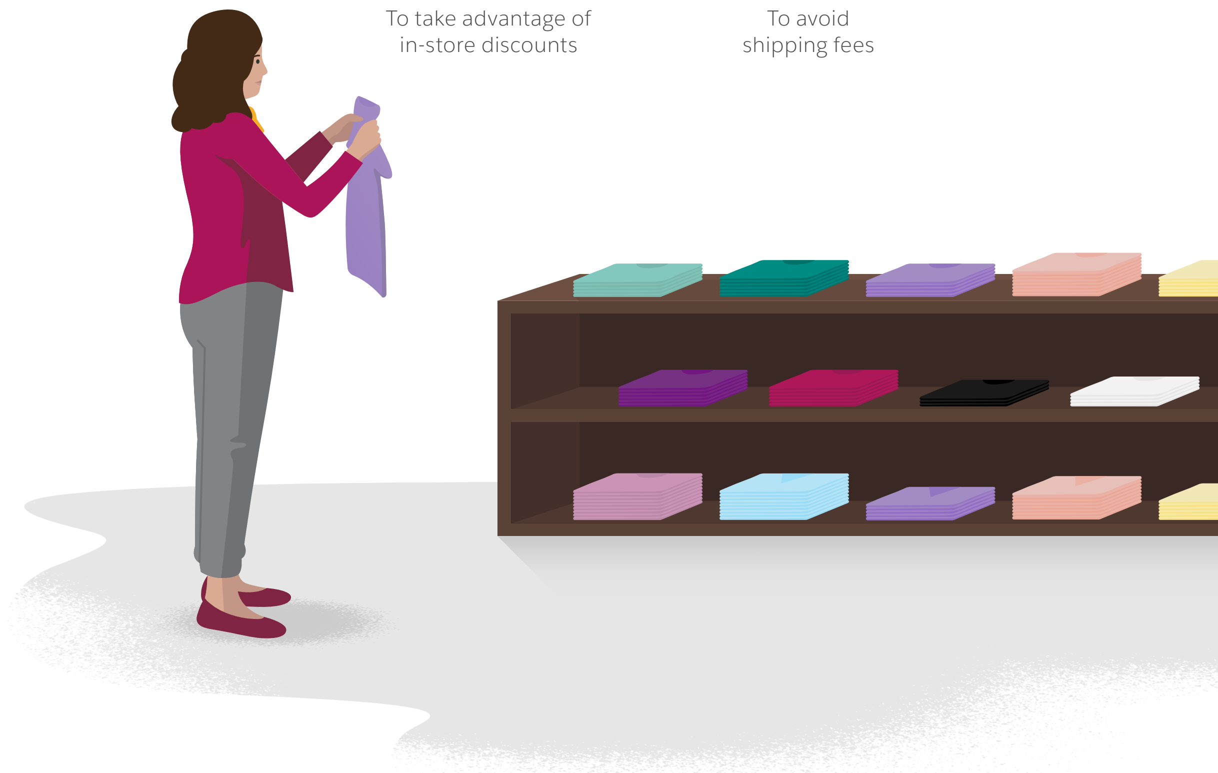
#1 To touch and feel merchandise

#2 The overall in-store experience

#3 To get merchandise immediately

#4 To take advantage of in-store discounts

#5 To avoid shipping fees



* *"Reviewing 2018 U.S. and U.K. Store Closures," Coresight Research.*

04

Stores Remain Critical for Discovery, Experience, and Fulfillment

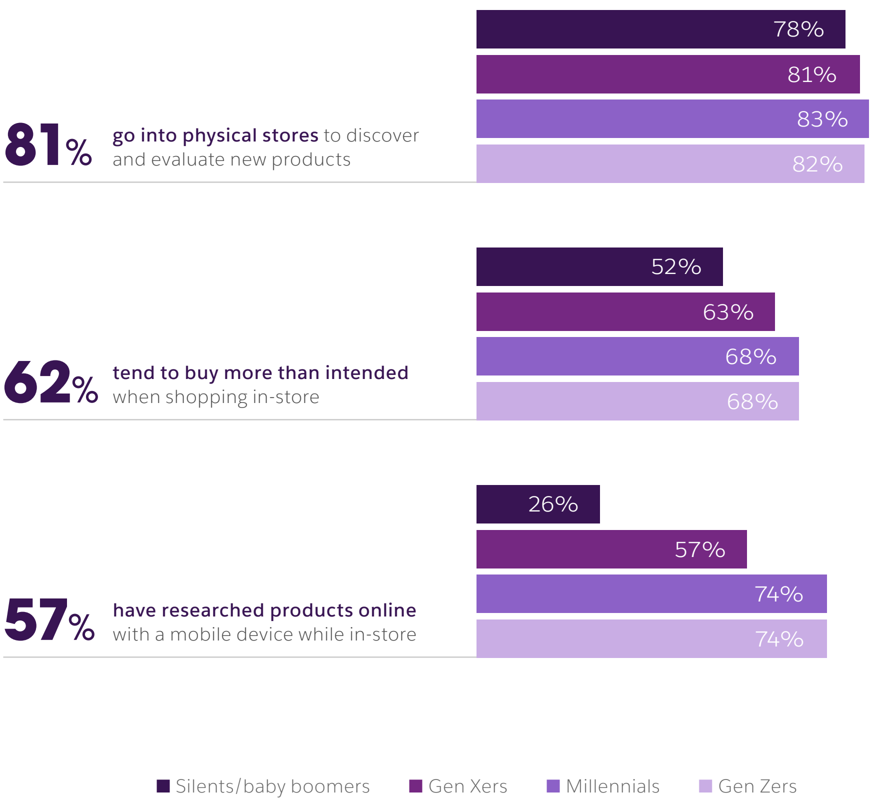
The Discovery Hub

Product details may be a mere Google search away, but **81% of shoppers still turn to brick-and-mortar locations to discover and evaluate new products.**

These in-store browsing and discovery sessions are a boon to retailers: 62% of shoppers say that when they shop at a physical store, they tend to buy more than they initially intended.

That's not to suggest discovery happens exclusively offline. Today's shopper is an expert multitasker, examining products in person while also researching them online via their mobile phones. Stores that bridge physical and digital worlds – for example, by using geolocation to send a coupon to a shopper's phone once they step inside a store – are a step ahead of the competition.

THE STORE IS A DISCOVERY HUB



04

Stores Remain Critical for Discovery, Experience, and Fulfillment

The Experience Hub

Shopping has never been only about meeting utilitarian needs. Walking the aisles of a store is inherently social and, often, fun.

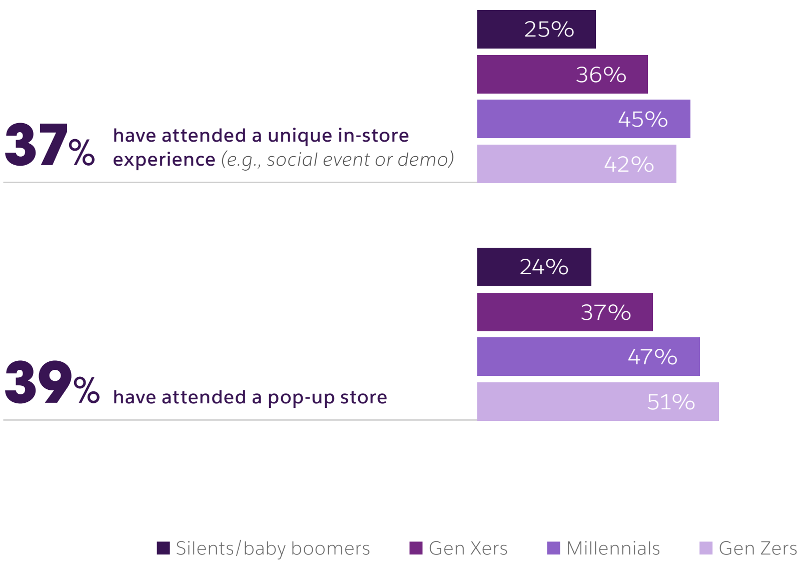
Consumers, especially Gen Zers, seek out stores that offer unique experiences – not just products and checkout lines. Fifty-one percent of Gen Z shoppers have attended a pop-up store, while 42% have participated in an experience-driven social event or demo inside a store.

In the digital era, the store is a unique environment where brands can curate every element of the customer experience and create meaningful, in-person relationships.

25% of shoppers have recently taken their business elsewhere as a direct result of a poor in-store experience.

Examples of prime retail experiences abound: Canadian apparel retailer Roots offers a lounge in its Magnificent Mile shop in Chicago featuring local startups and a customization workshop. Similarly, Shiseido's scented art installation in Singapore and Lululemon's in-store yoga classes keep fresh experiences at the forefront. Even online sellers like Amazon and Rent the Runway now turn to brick-and-mortar to deliver memorable engagement.

THE STORE IS AN EXPERIENCE HUB



Roots

"Our store is still a prime place for our shoppers to discover brand-new products and experiences from us. That's why we opened the first new store on the Magnificent Mile in six months."

— James Connell, Chief Ecommerce Officer, Roots

04
Stores Remain Critical for Discovery, Experience, and Fulfillment

The Fulfillment Hub

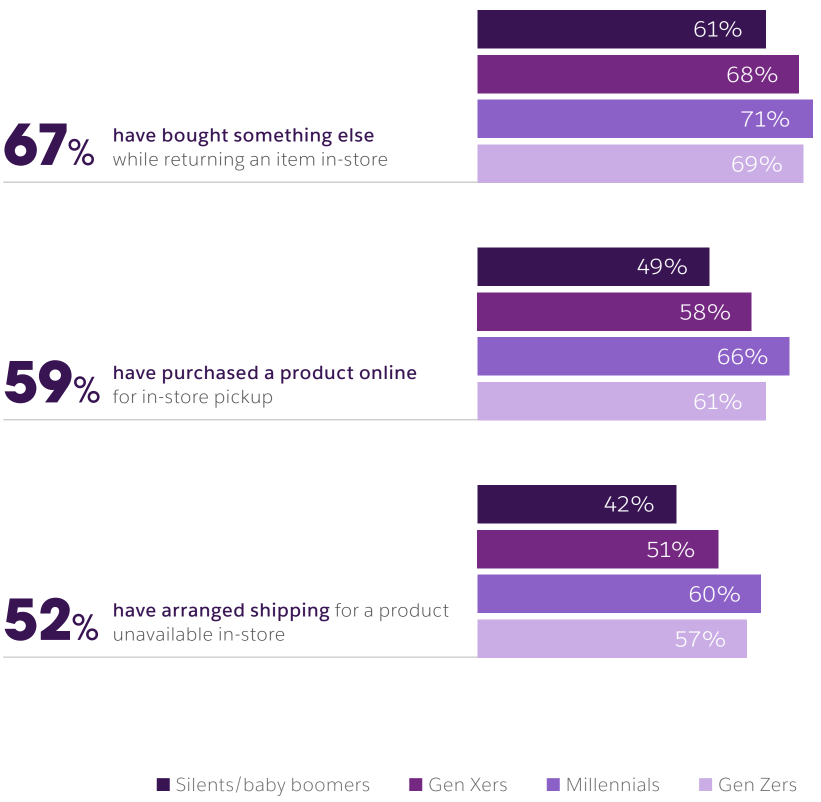
Today's stores also serve the role of fulfillment center to bridge online and offline worlds. The majority of shoppers have taken advantage of this in three ways.

Shopping while returning: Shoppers may not intend to buy more products when making a return, but that doesn't mean they don't do just that – 67% admit that they ended up purchasing something else when returning an item to a store.

Click and collect: Two-thirds of millennials have placed online orders for pickup in-store (a service also known as BOPIS – buy online, pickup in-store – or click and collect). Click and collect is becoming the norm among omni-channel retailers globally, including Cortefiel and Pets At Home.

Endless aisle: Over half (52%) of shoppers have arranged for a store's out-of-stock product to be shipped to them – a practice that helps retailers optimize inventory and salvage sales that would be lost otherwise. Disruptors like Bonobos, whose physical stores function purely as showrooms and whose sales are shipped to shoppers' homes, take this model to a new level.

THE STORE IS A FULFILLMENT HUB



04

Stores Remain Critical for Discovery, Experience, and Fulfillment

Many consumers have a phone in hand while they're walking around a store. The mobile device's impact on in-store behavior is hard to overstate, with three-quarters of Gen Z shoppers reporting that they've researched products via mobile device while in-store and over a quarter using them to bypass the register. But despite notable innovations like mobile wallets, many stores aren't evolving to match shoppers' mobile mindsets.

43% of shoppers say stores don't generally offer ways to engage on their phones in-store.

Geolocation technology provides a particularly big opportunity for retailers to transform the mobile-store interface. Fifty-five percent of shoppers like to receive offers or other experiences based on their location – such as discounts via push notifications when they're near a store – but less than one-third say they've had such an experience. Stores have a long way to go before they become as mobile-first as their consumers.

MOBILE MINDSETS REDEFINE IN-STORE EXPERIENCES

57% have researched a product with a mobile device while in-store

55% like to receive offers or experiences based on their location

32% have received an SMS or push notification with offers/messages while in/near a store

27% have purchased a product from their mobile device while in-store

Spotlight
2019 Holiday Shopping

For many retailers and brands, the November and December holiday season is the most critical time to understand consumer motivations and buying habits.

The good news for retailers is that **83% of consumers plan to shop in-store this season, but two-thirds also plan to buy more from online marketplaces.** This underscores the need to recognize these channels' value propositions and engage holiday shoppers accordingly.

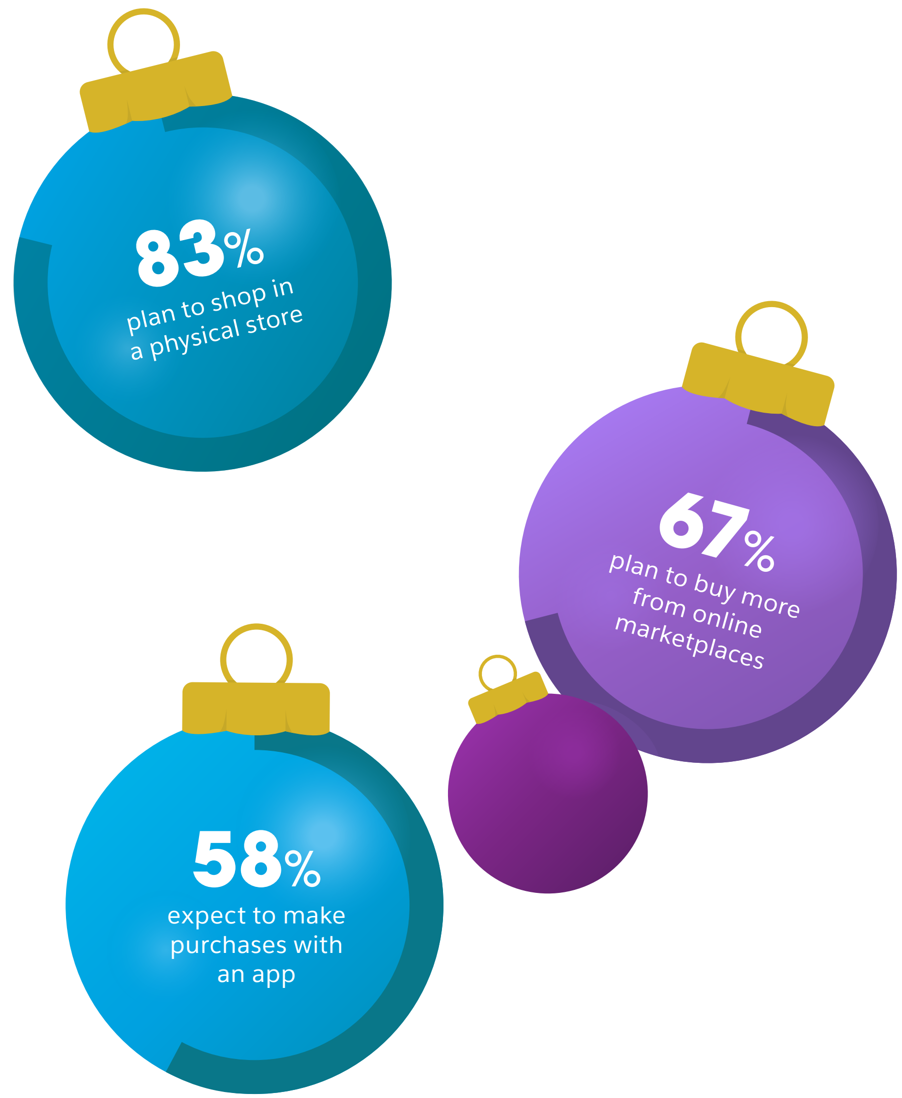
Reflecting an increasingly mobile-first mindset among global consumers, nearly three-fifths of shoppers plan to make purchases with apps during the upcoming holiday season, cementing a 2018 trend in which mobile devices processed the majority of holiday ecommerce orders for the first time.*

Another trend that's here to stay is earlier shopping. Last year's Thanksgiving Day earned 5.3% of the entire season's revenue as brands sent 159% more marketing messages via SMS that day.*

39% of U.S. consumers plan to shop online while celebrating Thanksgiving.

* *"2018 Holiday Shopping Report," Salesforce.*

SHOPPERS PLAN THEIR HOLIDAY PURCHASES



Spotlight
2019 Holiday Shopping

In a time when discount retailers like T.J. Maxx have made bargain hunting feel like a competitive sport, sales stands out as the top factor influencing holiday shopping decisions, particularly among millennials. **Forty-seven percent of shoppers go so far as to say they'll only buy items on sale this holiday season.**

The physical store retains its appeal among holiday shoppers – including nearly two-thirds of the silent and baby boomer generations – as 58% of consumers say their holiday purchases will be influenced by what's available in physical stores. But digital channels are expanding their influence, with search engines playing a prominent role.

Sixty-eight percent of shoppers say they pay more attention to companies' emails during the holidays, offering ample opportunity to draw attention to discounts, product announcements, and more. To engage Gen Z shoppers digitally, however, retailers and brands would be wise to devote resources to mobile apps and social media.

20% of shoppers and 37% of Gen Zers say Instagram will be their preferred source for holiday shopping inspiration.

ONLINE AND OFFLINE INSPIRATION SHAPES HOLIDAY PURCHASES

Shoppers Who Say the Following Will Influence Their Holiday Purchases:

		Silents/baby boomers	Gen Xers	Millennials	Gen Zers
Sales or promo codes	60%	52%	61%	64%	61%
What's available in physical stores	58%	64%	55%	56%	58%
Free or expedited shipping	52%	47%	54%	55%	53%
A search engine *(e.g., Google Search, Bing)*	39%	37%	42%	39%	35%
Emails from brands or retailers	36%	37%	39%	36%	31%
Apps	35%	16%	35%	44%	46%
Social media ads	23%	8%	22%	30%	35%
Gift guides *(e.g., curated suggestion lists)*	22%	16%	22%	27%	24%
Social media posts and stories	21%	6%	19%	30%	34%

Last Look:
Trust and Sustainability Increasingly Drive the Path to Purchase

Engaging shoppers in the personalized and unified manner they expect requires data – and lots of it. Luckily, today's systems of engagement, along with advanced capabilities like artificial intelligence, provide the necessary data and the ability to make it actionable.

The majority of shoppers are comfortable exchanging their personal information as long as it's used transparently and beneficially – such as for serving tailored offers or providing seamless connections between channels and devices. But with opaque and even disingenuous privacy policies now being the norm, the majority of shoppers doubt that companies are holding up their end of the bargain.

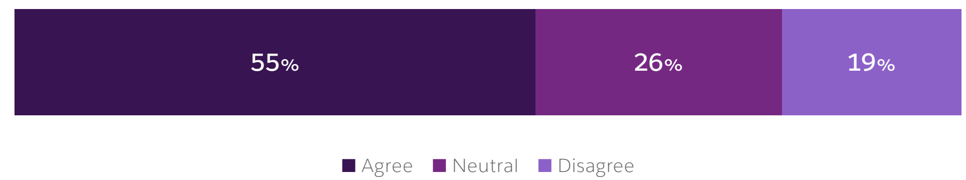
Transparency in how shoppers' data is used is critical not only for gaining their trust, but for gaining a competitive advantage. **Seventy-seven percent of consumers are more loyal to companies that are transparent about how their data is used.***

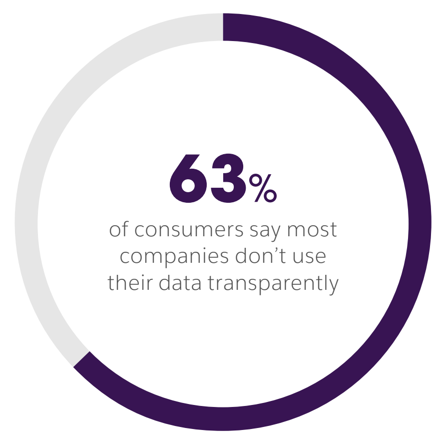
"Retailers must look to balance personalization with integrity. It's about showing shoppers that they truly know and respect their preferences. Demonstrating that respect and integrity over time builds trust. For personalization to be effective, trust has to be a foundation."

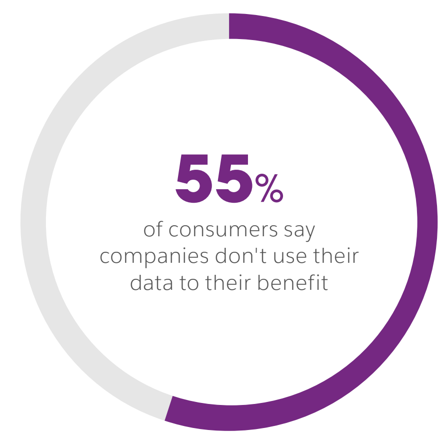
— John Strain, SVP Industries, Retail and Consumer Goods, Salesforce

RETAILERS NAVIGATE A CRISIS OF TRUST IN A PERSONALIZED WORLD*

I'm comfortable with relevant personal information being used transparently and beneficially







* "State of the Connected Customer," Salesforce Research, June 2019.

Last Look:
Trust and Sustainability Increasingly Drive the Path to Purchase

As society increasingly confronts its environmental crises, consumers are taking a critical look at the impact of their purchases. **Fifty-six percent of shoppers say that sustainability and ethical business practices matter more now than they did a year ago.**

Retailers and brands catering to younger generations are under particular pressure to reduce their environmental footprints. Both millennials and Gen Zers are more likely than older consumers to be more concerned about product origins and sustainability than a year ago. Gen Z shoppers are up to 17% more likely than silent/baby boomer shoppers to have increased environmental concerns in a given product category.

Shoppers are slightly more concerned about the sustainability and origins of consumable food and self-care products than they are about apparel and luxury goods. As companies like Lush, Everlane, and Whole Foods promote their goods and earth-friendliness, and as companies like H&M pledge to go climate-positive, leading with values will be another differentiator at the edge of shopping.

salesforce

"With 56% of consumers more concerned about sustainability and ethical business practices when shopping, the choice for retailers is clear: adopt sustainable business practices or lose shoppers' loyalty."

— Neeracha Taychakhoonavudh, EVP, Industries, Salesforce

PRODUCT SUSTAINABILITY AND ORIGINS COME TO THE FOREFRONT

Shoppers More Concerned About Sustainability and Origins of the Following Product Types Versus One Year Ago:

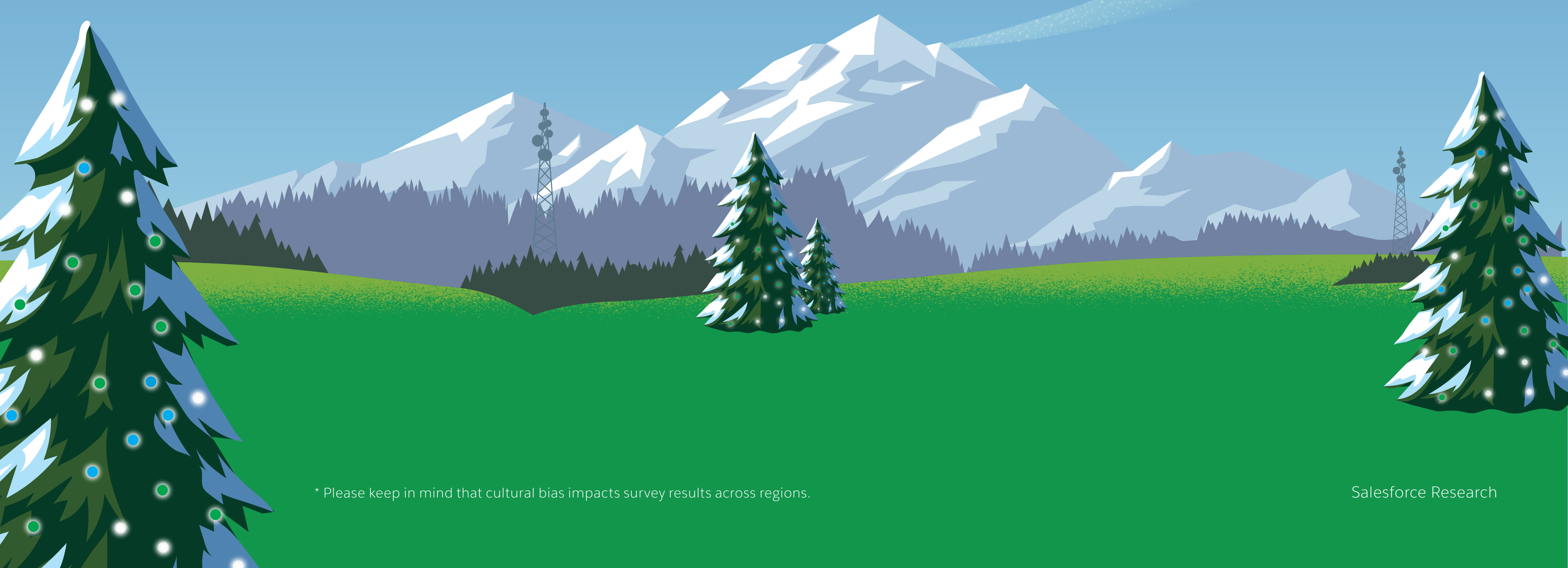
67% *Food and beverage*

58% *Health and beauty*

54% *Apparel*

43% *Luxury goods*

Country Profiles*



* Please keep in mind that cultural bias impacts survey results across regions.

Country Profile
Australia/New Zealand (501 shoppers)

RETAILERS, BRANDS, AND ONLINE MARKETPLACES BATTLE FOR WALLET SHARE

Average Volume of Online Purchases Made Across the Following Digital Channels

17% | 37% | 40% | 5%

■ Brand site/shopping app ■ Retailer site/shopping app ■ Online marketplace ■ Emerging digital purchase points

Shoppers' Preferred Channel for First-Time and Repeat Purchases

First-time purchase

3% | 10% | 6% | 80%

Repeat purchase

13% | 33% | 21% | 34%

■ Brand site/shopping app ■ Retailer site/shopping app ■ Online marketplace ■ Physical store

SHOPPING EVOLVES AS CONSUMERS DEFINE NEW TERMS OF ENGAGEMENT

Top Traits of Shoppers' Favorite Brand

1 Caters to my unique needs

2 Offers exclusive shopping experiences/promotions

3 Engages me in the places I prefer

I tend to shop with a specific brand in mind 45%

SHOPPER JOURNEYS MOVE TO THE EDGE

Shoppers Who Buy Products with the Following

Mobile wallet *(e.g., Apple Pay, Android Pay, Venmo)* 17%

Social media 10%

Messaging apps 3%

On average, shoppers have

2

shopping apps on their mobile devices

STORES REMAIN CRITICAL FOR DISCOVERY, EXPERIENCE, AND FULFILLMENT

48% of shoppers have arranged shipping for a product unavailable in-store

62% of shoppers have purchased a product online for in-store pickup

Top Reasons to Shop In-Store

1 To touch and feel merchandise

2 To get merchandise immediately

3 The overall in-store experience

SPOTLIGHT: 2019 HOLIDAY SHOPPING

43% of shoppers plan to buy more from online marketplaces this holiday season

39% of shoppers expect to make purchases with a shopping app this holiday season

Top Factors Influencing Holiday Purchases

1 What's available in physical stores

2 Sales or promo codes

3 Emails from brands or retailers

LAST LOOK: TRUST AND SUSTAINABILITY INCREASINGLY DRIVE THE PATH TO PURCHASE*

I am more loyal to companies that are transparent about how their data is used 72%

I actively seek to buy from environmentally sustainable companies 59%

* *"State of the Connected Customer," Salesforce Research, June 2019. Consumer data.*

Country Profile
Belgium (500 shoppers)

RETAILERS, BRANDS, AND ONLINE MARKETPLACES BATTLE FOR WALLET SHARE

Average Volume of Online Purchases Made Across the Following Digital Channels

20% | 26% | 41% | 13%

Brand site/shopping app · Retailer site/shopping app · Online marketplace · Emerging digital purchase points

Shoppers' Preferred Channel for First-Time and Repeat Purchases

First-time purchase

6% | 6% | 10% | 78%

Repeat purchase

19% | 20% | 30% | 31%

Brand site/shopping app · Retailer site/shopping app · Online marketplace · Physical store

SHOPPING EVOLVES AS CONSUMERS DEFINE NEW TERMS OF ENGAGEMENT

Top Traits of Shoppers' Favorite Brand

1 Offers exclusive shopping experiences/promotions

2 Offers early access to new products

3 Offers limited-edition products

I tend to shop with a specific brand in mind 58%

SHOPPER JOURNEYS MOVE TO THE EDGE

Shoppers Who Buy Products with the Following

Mobile wallet *(e.g., Apple Pay, Android Pay, Venmo)* 25%

Social media 19%

Messaging apps 8%

On average, shoppers have

4

shopping apps on their mobile devices

STORES REMAIN CRITICAL FOR DISCOVERY, EXPERIENCE, AND FULFILLMENT

62% of shoppers have arranged shipping for a product unavailable in-store

66% of shoppers have purchased a product online for in-store pickup

Top Reasons to Shop In-Store

1 To touch and feel merchandise

2 To get merchandise immediately

3 The overall in-store experience

SPOTLIGHT: 2019 HOLIDAY SHOPPING

56% of shoppers plan to buy more from online marketplaces this holiday season

57% of shoppers expect to make purchases with a shopping app this holiday season

Top Factors Influencing Holiday Purchases

1 Sales or promo codes

2 What's available in physical stores

3 Free or expedited shipping

LAST LOOK: TRUST AND SUSTAINABILITY INCREASINGLY DRIVE THE PATH TO PURCHASE*

I am more loyal to companies that are transparent about how their data is used 72%

I actively seek to buy from environmentally sustainable companies 59%

* *"State of the Connected Customer," Salesforce Research, June 2019. Consumer data.*

Country Profile
Brazil (500 shoppers)

RETAILERS, BRANDS, AND ONLINE MARKETPLACES BATTLE FOR WALLET SHARE

Average Volume of Online Purchases Made Across the Following Digital Channels

Brand site/shopping app	Retailer site/shopping app	Online marketplace	Emerging digital purchase points
24%	32%	33%	12%

Shoppers' Preferred Channel for First-Time and Repeat Purchases

	Brand site/shopping app	Retailer site/shopping app	Online marketplace	Physical store
First-time purchase	15%	18%	15%	52%
Repeat purchase	24%	27%	34%	15%

SHOPPING EVOLVES AS CONSUMERS DEFINE NEW TERMS OF ENGAGEMENT

Top Traits of Shoppers' Favorite Brand

1. Caters to my unique needs
2. Offers exclusive shopping experiences/promotions
3. Offers personalized experiences

I tend to shop with a specific brand in mind 62%

SHOPPER JOURNEYS MOVE TO THE EDGE

Shoppers Who Buy Products with the Following

Mobile wallet *(e.g., Apple Pay, Android Pay, Venmo)*	33%
Social media	33%
Messaging apps	25%

On average, shoppers have **3** shopping apps on their mobile devices

STORES REMAIN CRITICAL FOR DISCOVERY, EXPERIENCE, AND FULFILLMENT

54% of shoppers have arranged shipping for a product unavailable in-store

67% of shoppers have purchased a product online for in-store pickup

Top Reasons to Shop In-Store

1. To get merchandise immediately
2. To touch and feel merchandise
3. To take advantage of in-store discounts

SPOTLIGHT: 2019 HOLIDAY SHOPPING

68% of shoppers plan to buy more from online marketplaces this holiday season

80% of shoppers expect to make purchases with a shopping app this holiday season

Top Factors Influencing Holiday Purchases

1. Free or expedited shipping
2. Sales or promo codes
3. Shopping apps

Country Profile
Canada (502 shoppers)

RETAILERS, BRANDS, AND ONLINE MARKETPLACES BATTLE FOR WALLET SHARE

Average Volume of Online Purchases Made Across the Following Digital Channels

Brand site/shopping app	Retailer site/shopping app	Online marketplace	Emerging digital purchase points
14%	25%	55%	6%

Shoppers' Preferred Channel for First-Time and Repeat Purchases

	Brand site/shopping app	Retailer site/shopping app	Online marketplace	Physical store
First-time purchase	3%	3%	10%	84%
Repeat purchase	9%	18%	33%	40%

SHOPPING EVOLVES AS CONSUMERS DEFINE NEW TERMS OF ENGAGEMENT

Top Traits of Shoppers' Favorite Brand

1. Offers exclusive shopping experiences/promotions
2. Caters to my unique needs
3. Engages me in the places I prefer

I tend to shop with a specific brand in mind 49%

SHOPPER JOURNEYS MOVE TO THE EDGE

Shoppers Who Buy Products with the Following

Mobile wallet *(e.g., Apple Pay, Android Pay, Venmo)* 17%

Social media 9%

Messaging apps 4%

On average, shoppers have

2 shopping apps on their mobile devices

STORES REMAIN CRITICAL FOR DISCOVERY, EXPERIENCE, AND FULFILLMENT

51% of shoppers have arranged shipping for a product unavailable in-store

52% of shoppers have purchased a product online for in-store pickup

Top Reasons to Shop In-Store

1. To get merchandise immediately
2. To touch and feel merchandise
3. The overall in-store experience

SPOTLIGHT: 2019 HOLIDAY SHOPPING

47% of shoppers plan to buy more from online marketplaces this holiday season

37% of shoppers expect to make purchases with a shopping app this holiday season

Top Factors Influencing Holiday Purchases

1. What's available in physical stores
2. Sales or promo codes
3. Free or expedited shipping

LAST LOOK: TRUST AND SUSTAINABILITY INCREASINGLY DRIVE THE PATH TO PURCHASE*

I am more loyal to companies that are transparent about how their data is used 73%

I actively seek to buy from environmentally sustainable companies 50%

* *"State of the Connected Customer," Salesforce Research, June 2019. Consumer data.*

Country Profile

France (501 shoppers)

RETAILERS, BRANDS, AND ONLINE MARKETPLACES BATTLE FOR WALLET SHARE

Average Volume of Online Purchases Made Across the Following Digital Channels

Brand site/shopping app	Retailer site/shopping app	Online marketplace	Emerging digital purchase points
20%	21%	51%	9%

Shoppers' Preferred Channel for First-Time and Repeat Purchases

	Brand site/shopping app	Retailer site/shopping app	Online marketplace	Physical store
First-time purchase	9%	9%	18%	65%
Repeat purchase	21%	17%	35%	28%

SHOPPING EVOLVES AS CONSUMERS DEFINE NEW TERMS OF ENGAGEMENT

Top Traits of Shoppers' Favorite Brand

1 Caters to my unique needs

2 Truly understands who I am

3 Offers exclusive shopping experiences/promotions

I tend to shop with a specific brand in mind 63%

SHOPPER JOURNEYS MOVE TO THE EDGE

Shoppers Who Buy Products with the Following

Mobile wallet *(e.g., Apple Pay, Android Pay, Venmo)* 23%

Social media 15%

Messaging apps 7%

On average, shoppers have

3

shopping apps on their mobile devices

STORES REMAIN CRITICAL FOR DISCOVERY, EXPERIENCE, AND FULFILLMENT

52% of shoppers have arranged shipping for a product unavailable in-store

76% of shoppers have purchased a product online for in-store pickup

Top Reasons to Shop In-Store

1 To touch and feel merchandise

2 To get merchandise immediately

3 The overall in-store experience

SPOTLIGHT: 2019 HOLIDAY SHOPPING

61% of shoppers plan to buy more from online marketplaces this holiday season

53% of shoppers expect to make purchases with a shopping app this holiday season

Top Factors Influencing Holiday Purchases

1 Sales or promo codes

2 Free or expedited shipping

3 What's available in physical stores

LAST LOOK: TRUST AND SUSTAINABILITY INCREASINGLY DRIVE THE PATH TO PURCHASE*

I am more loyal to companies that are transparent about how their data is used 75%

I actively seek to buy from environmentally sustainable companies 60%

* *"State of the Connected Customer," Salesforce Research, June 2019. Consumer data.*

Country Profile
Germany (500 shoppers)

RETAILERS, BRANDS, AND ONLINE MARKETPLACES BATTLE FOR WALLET SHARE

Average Volume of Online Purchases Made Across the Following Digital Channels

Brand site/shopping app	Retailer site/shopping app	Online marketplace	Emerging digital purchase points
13%	19%	62%	6%

Shoppers' Preferred Channel for First-Time and Repeat Purchases

	Brand site/shopping app	Retailer site/shopping app	Online marketplace	Physical store
First-time purchase	8%	7%	28%	57%
Repeat purchase	9%	15%	51%	24%

SHOPPING EVOLVES AS CONSUMERS DEFINE NEW TERMS OF ENGAGEMENT

Top Traits of Shoppers' Favorite Brand

1 Caters to my unique needs

2 Offers exclusive shopping experiences/promotions

3 Offers early access to new products

I tend to shop with a specific brand in mind 53%

SHOPPER JOURNEYS MOVE TO THE EDGE

Shoppers Who Buy Products with the Following

Mobile wallet *(e.g., Apple Pay, Android Pay, Venmo)* 21%

Social media 10%

Messaging apps 5%

On average, shoppers have

2 shopping apps on their mobile devices

STORES REMAIN CRITICAL FOR DISCOVERY, EXPERIENCE, AND FULFILLMENT

44% of shoppers have arranged shipping for a product unavailable in-store

51% of shoppers have purchased a product online for in-store pickup

Top Reasons to Shop In-Store

1 To get merchandise immediately

2 To touch and feel merchandise

3 The overall in-store experience

SPOTLIGHT: 2019 HOLIDAY SHOPPING

49% of shoppers plan to buy more from online marketplaces this holiday season

46% of shoppers expect to make purchases with a shopping app this holiday season

Top Factors Influencing Holiday Purchases

1 Sales or promo codes

2 What's available in physical stores

3 Free or expedited shipping

LAST LOOK: TRUST AND SUSTAINABILITY INCREASINGLY DRIVE THE PATH TO PURCHASE*

I am more loyal to companies that are transparent about how their data is used 70%

I actively seek to buy from environmentally sustainable companies 51%

* *"State of the Connected Customer," Salesforce Research, June 2019. Consumer data.*

Country Profile
Hong Kong (500 shoppers)

RETAILERS, BRANDS, AND ONLINE MARKETPLACES BATTLE FOR WALLET SHARE

Average Volume of Online Purchases Made Across the Following Digital Channels

Brand site/shopping app	Retailer site/shopping app	Online marketplace	Emerging digital purchase points
21%	28%	37%	14%

Shoppers' Preferred Channel for First-Time and Repeat Purchases

	Brand site/shopping app	Retailer site/shopping app	Online marketplace	Physical store
First-time purchase	10%	5%	7%	78%
Repeat purchase	23%	30%	26%	20%

SHOPPING EVOLVES AS CONSUMERS DEFINE NEW TERMS OF ENGAGEMENT

Top Traits of Shoppers' Favorite Brand

1 Caters to my unique needs AND Engages me in the places I prefer

3 Offers exclusive shopping experiences/promotions

I tend to shop with a specific brand in mind 77%

SHOPPER JOURNEYS MOVE TO THE EDGE

Shoppers Who Buy Products with the Following

Mobile wallet *(e.g., Apple Pay, Android Pay, Venmo)* 54%

Social media 39%

Messaging apps 37%

On average, shoppers have **4** shopping apps on their mobile devices

STORES REMAIN CRITICAL FOR DISCOVERY, EXPERIENCE, AND FULFILLMENT

49% of shoppers have arranged shipping for a product unavailable in-store

72% of shoppers have purchased a product online for in-store pickup

Top Reasons to Shop In-Store

1 To touch and feel merchandise

2 To get merchandise immediately

3 The overall in-store experience

SPOTLIGHT: 2019 HOLIDAY SHOPPING

74% of shoppers plan to buy more from online marketplaces this holiday season

73% of shoppers expect to make purchases with a shopping app this holiday season

Top Factors Influencing Holiday Purchases

1 Sales or promo codes

2 What's available in physical stores

3 Free or expedited shipping

LAST LOOK: TRUST AND SUSTAINABILITY INCREASINGLY DRIVE THE PATH TO PURCHASE*

I am more loyal to companies that are transparent about how their data is used 81%

I actively seek to buy from environmentally sustainable companies 67%

* *"State of the Connected Customer," Salesforce Research, June 2019. Consumer data.*

Country Profile
Indonesia (500 shoppers)

RETAILERS, BRANDS, AND ONLINE MARKETPLACES BATTLE FOR WALLET SHARE

Average Volume of Online Purchases Made Across the Following Digital Channels

Brand site/shopping app	Retailer site/shopping app	Online marketplace	Emerging digital purchase points
21%	24%	38%	17%

Shoppers' Preferred Channel for First-Time and Repeat Purchases

	Brand site/shopping app	Retailer site/shopping app	Online marketplace	Physical store
First-time purchase	15%	7%	14%	64%
Repeat purchase	22%	15%	44%	19%

SHOPPING EVOLVES AS CONSUMERS DEFINE NEW TERMS OF ENGAGEMENT

Top Traits of Shoppers' Favorite Brand

1. Truly understands who I am
2. Offers personalized experiences
3. Caters to my unique needs

I tend to shop with a specific brand in mind 83%

SHOPPER JOURNEYS MOVE TO THE EDGE

Shoppers Who Buy Products with the Following

Social media	58%
Mobile wallet *(e.g., Apple Pay, Android Pay, Venmo)*	48%
Messaging apps	45%

On average, shoppers have

4 shopping apps on their mobile devices

STORES REMAIN CRITICAL FOR DISCOVERY, EXPERIENCE, AND FULFILLMENT

59% of shoppers have arranged shipping for a product unavailable in-store

50% of shoppers have purchased a product online for in-store pickup

Top Reasons to Shop In-Store

1. To touch and feel merchandise
2. The overall in-store experience
3. To avoid shipping fees

SPOTLIGHT: 2019 HOLIDAY SHOPPING

77% of shoppers plan to buy more from online marketplaces this holiday season

87% of shoppers expect to make purchases with a shopping app this holiday season

Top Factors Influencing Holiday Purchases

1. Shopping apps
2. Sales or promo codes
3. Social media posts and stories

Country Profile
Israel (201 shoppers)

RETAILERS, BRANDS, AND ONLINE MARKETPLACES BATTLE FOR WALLET SHARE

Average Volume of Online Purchases Made Across the Following Digital Channels

Brand site/shopping app	Retailer site/shopping app	Online marketplace	Emerging digital purchase points
21%	24%	42%	13%

Shoppers' Preferred Channel for First-Time and Repeat Purchases

	Brand site/shopping app	Retailer site/shopping app	Online marketplace	Physical store
First-time purchase	9%	10%	12%	69%
Repeat purchase	25%	18%	34%	22%

SHOPPING EVOLVES AS CONSUMERS DEFINE NEW TERMS OF ENGAGEMENT

Top Traits of Shoppers' Favorite Brand

1 Caters to my unique needs

2 Engages me in the places I prefer

3 Offers exclusive shopping experiences/promotions

I tend to shop with a specific brand in mind 64%

SHOPPER JOURNEYS MOVE TO THE EDGE

Shoppers Who Buy Products with the Following

Mobile wallet *(e.g., Apple Pay, Android Pay, Venmo)* 27%

Social media 20%

Messaging apps 18%

On average, shoppers have 4 shopping apps on their mobile devices

STORES REMAIN CRITICAL FOR DISCOVERY, EXPERIENCE, AND FULFILLMENT

55% of shoppers have arranged shipping for a product unavailable in-store

62% of shoppers have purchased a product online for in-store pickup

Top Reasons to Shop In-Store

1 To touch and feel merchandise

2 To get merchandise immediately

3 The overall in-store experience

SPOTLIGHT: 2019 HOLIDAY SHOPPING

61% of shoppers plan to buy more from online marketplaces this holiday season

67% of shoppers expect to make purchases with a shopping app this holiday season

Top Factors Influencing Holiday Purchases

1 What's available in physical stores

2 Free or expedited shipping

3 Sales or promo codes

Country Profile
Italy (503 shoppers)

RETAILERS, BRANDS, AND ONLINE MARKETPLACES BATTLE FOR WALLET SHARE

Average Volume of Online Purchases Made Across the Following Digital Channels

Brand site/shopping app	Retailer site/shopping app	Online marketplace	Emerging digital purchase points
16%	18%	58%	9%

Shoppers' Preferred Channel for First-Time and Repeat Purchases

	Brand site/shopping app	Retailer site/shopping app	Online marketplace	Physical store
First-time purchase	7%	7%	24%	62%
Repeat purchase	14%	15%	55%	15%

SHOPPING EVOLVES AS CONSUMERS DEFINE NEW TERMS OF ENGAGEMENT

Top Traits of Shoppers' Favorite Brand

1. Caters to my unique needs
2. Offers exclusive shopping experiences/promotions
3. Engages me in the places I prefer

I tend to shop with a specific brand in mind 63%

SHOPPER JOURNEYS MOVE TO THE EDGE

Shoppers Who Buy Products with the Following

Mobile wallet *(e.g., Apple Pay, Android Pay, Venmo)* 34%

Social media 12%

Messaging apps 7%

On average, shoppers have

3

shopping apps on their mobile devices

STORES REMAIN CRITICAL FOR DISCOVERY, EXPERIENCE, AND FULFILLMENT

53% of shoppers have arranged shipping for a product unavailable in-store

56% of shoppers have purchased a product online for in-store pickup

Top Reasons to Shop In-Store

1. To touch and feel merchandise
2. To get merchandise immediately
3. To take advantage of in-store discounts

SPOTLIGHT: 2019 HOLIDAY SHOPPING

78% of shoppers plan to buy more from online marketplaces this holiday season

69% of shoppers expect to make purchases with a shopping app this holiday season

Top Factors Influencing Holiday Purchases

1. Free or expedited shipping
2. Sales or promo codes
3. What's available in physical stores

LAST LOOK: TRUST AND SUSTAINABILITY INCREASINGLY DRIVE THE PATH TO PURCHASE*

I am more loyal to companies that are transparent about how their data is used 83%

I actively seek to buy from environmentally sustainable companies 73%

* *"State of the Connected Customer," Salesforce Research, June 2019. Consumer data.*

Country Profile
Japan (501 shoppers)

RETAILERS, BRANDS, AND ONLINE MARKETPLACES BATTLE FOR WALLET SHARE

Average Volume of Online Purchases Made Across the Following Digital Channels

Brand site/shopping app	Retailer site/shopping app	Online marketplace	Emerging digital purchase points
11%	16%	71%	3%

Shoppers' Preferred Channel for First-Time and Repeat Purchases

	Brand site/shopping app	Retailer site/shopping app	Online marketplace	Physical store
First-time purchase	4%	4%	20%	73%
Repeat purchase	8%	10%	60%	22%

SHOPPING EVOLVES AS CONSUMERS DEFINE NEW TERMS OF ENGAGEMENT

Top Traits of Shoppers' Favorite Brand

1 Caters to my unique needs

2 Offers exclusive shopping experiences/promotions

3 Offers limited-edition products

I tend to shop with a specific brand in mind 61%

SHOPPER JOURNEYS MOVE TO THE EDGE

Shoppers Who Buy Products with the Following

Mobile wallet *(e.g., Apple Pay, Android Pay, Venmo)* 10%

Social media 6%

Messaging apps 4%

On average, shoppers have

2

shopping apps on their mobile devices

STORES REMAIN CRITICAL FOR DISCOVERY, EXPERIENCE, AND FULFILLMENT

53% of shoppers have arranged shipping for a product unavailable in-store

33% of shoppers have purchased a product online for in-store pickup

Top Reasons to Shop In-Store

1 To touch and feel merchandise

2 To get merchandise immediately

3 To discover new things as I browse

SPOTLIGHT: 2019 HOLIDAY SHOPPING

44% of shoppers plan to buy more from online marketplaces this holiday season

39% of shoppers expect to make purchases with a shopping app this holiday season

Top Factors Influencing Holiday Purchases

1 What's available in physical stores

2 A search engine AND Free or expedited shipping

LAST LOOK: TRUST AND SUSTAINABILITY INCREASINGLY DRIVE THE PATH TO PURCHASE*

I am more loyal to companies that are transparent about how their data is used 69%

I actively seek to buy from environmentally sustainable companies 50%

* *"State of the Connected Customer," Salesforce Research, June 2019. Consumer data.*

Country Profile

Mexico (500 shoppers)

RETAILERS, BRANDS, AND ONLINE MARKETPLACES BATTLE FOR WALLET SHARE

Average Volume of Online Purchases Made Across the Following Digital Channels

Brand site/shopping app	Retailer site/shopping app	Online marketplace	Emerging digital purchase points
21%	21%	43%	14%

Shoppers' Preferred Channel for First-Time and Repeat Purchases

	Brand site/shopping app	Retailer site/shopping app	Online marketplace	Physical store
First-time purchase	9%	6%	19%	66%
Repeat purchase	24%	14%	37%	25%

SHOPPING EVOLVES AS CONSUMERS DEFINE NEW TERMS OF ENGAGEMENT

Top Traits of Shoppers' Favorite Brand

1 Caters to my unique needs

2 Offers limited-edition products

3 Offers exclusive shopping experiences/promotions

I tend to shop with a specific brand in mind 64%

SHOPPER JOURNEYS MOVE TO THE EDGE

Shoppers Who Buy Products with the Following

Mobile wallet *(e.g., Apple Pay, Android Pay, Venmo)* 41%

Social media 37%

Messaging apps 22%

On average, shoppers have

3

shopping apps on their mobile devices

STORES REMAIN CRITICAL FOR DISCOVERY, EXPERIENCE, AND FULFILLMENT

56% of shoppers have arranged shipping for a product unavailable in-store

62% of shoppers have purchased a product online for in-store pickup

Top Reasons to Shop In-Store

1 To touch and feel merchandise

2 To get merchandise immediately

3 The overall in-store experience

SPOTLIGHT: 2019 HOLIDAY SHOPPING

76% of shoppers plan to buy more from online marketplaces this holiday season

79% of shoppers expect to make purchases with a shopping app this holiday season

Top Factors Influencing Holiday Purchases

1 Sales or promo codes

2 What's available in physical stores

3 Free or expedited shipping

Country Profile
Netherlands (501 shoppers)

RETAILERS, BRANDS, AND ONLINE MARKETPLACES BATTLE FOR WALLET SHARE

Average Volume of Online Purchases Made Across the Following Digital Channels

Brand site/shopping app	Retailer site/shopping app	Online marketplace	Emerging digital purchase points
23%	38%	29%	11%

Shoppers' Preferred Channel for First-Time and Repeat Purchases

	Brand site/shopping app	Retailer site/shopping app	Online marketplace	Physical store
First-time purchase	8%	16%	7%	69%
Repeat purchase	18%	38%	17%	27%

SHOPPING EVOLVES AS CONSUMERS DEFINE NEW TERMS OF ENGAGEMENT

Top Traits of Shoppers' Favorite Brand

1. Caters to my unique needs
2. Offers early access to new products
3. Offers limited-edition products

I tend to shop with a specific brand in mind 55%

SHOPPER JOURNEYS MOVE TO THE EDGE

Shoppers Who Buy Products with the Following

Mobile wallet *(e.g., Apple Pay, Android Pay, Venmo)* 24%

Social media 15%

Messaging apps 6%

On average, shoppers have **4** shopping apps on their mobile devices

STORES REMAIN CRITICAL FOR DISCOVERY, EXPERIENCE, AND FULFILLMENT

56% of shoppers have arranged shipping for a product unavailable in-store

65% of shoppers have purchased a product online for in-store pickup

Top Reasons to Shop In-Store

1. To touch and feel merchandise
2. To get merchandise immediately
3. The overall in-store experience

SPOTLIGHT: 2019 HOLIDAY SHOPPING

41% of shoppers plan to buy more from online marketplaces this holiday season

49% of shoppers expect to make purchases with a shopping app this holiday season

Top Factors Influencing Holiday Purchases

1. What's available in physical stores
2. Sales or promo codes
3. Free or expedited shipping

Country Profile
Nordics (500 shoppers)

RETAILERS, BRANDS, AND ONLINE MARKETPLACES BATTLE FOR WALLET SHARE

Average Volume of Online Purchases Made Across the Following Digital Channels

23% 35% 31% 12%

Brand site/shopping app · Retailer site/shopping app · Online marketplace · Emerging digital purchase points

Shoppers' Preferred Channel for First-Time and Repeat Purchases

First-time purchase

9% 13% 14% 65%

Repeat purchase

20% 32% 24% 24%

Brand site/shopping app · Retailer site/shopping app · Online marketplace · Physical store

SHOPPING EVOLVES AS CONSUMERS DEFINE NEW TERMS OF ENGAGEMENT

Top Traits of Shoppers' Favorite Brand

1 Offers limited-edition products

2 Caters to my unique needs

3 Engages me in the places I prefer

I tend to shop with a specific brand in mind 60%

SHOPPER JOURNEYS MOVE TO THE EDGE

Shoppers Who Buy Products with the Following

Mobile wallet *(e.g., Apple Pay, Android Pay, Venmo)* 34%

Social media 20%

Messaging apps 10%

On average, shoppers have

4

shopping apps on their mobile devices

STORES REMAIN CRITICAL FOR DISCOVERY, EXPERIENCE, AND FULFILLMENT

64% of shoppers have arranged shipping for a product unavailable in-store

75% of shoppers have purchased a product online for in-store pickup

Top Reasons to Shop In-Store

1 To touch and feel merchandise

2 To get merchandise immediately

3 The overall in-store experience

SPOTLIGHT: 2019 HOLIDAY SHOPPING

54% of shoppers plan to buy more from online marketplaces this holiday season

53% of shoppers expect to make purchases with a shopping app this holiday season

Top Factors Influencing Holiday Purchases

1 What's available in physical stores

2 Sales or promo codes

3 Free or expedited shipping

Country Profile
Singapore (500 shoppers)

RETAILERS, BRANDS, AND ONLINE MARKETPLACES BATTLE FOR WALLET SHARE

Average Volume of Online Purchases Made Across the Following Digital Channels

Brand site/shopping app	Retailer site/shopping app	Online marketplace	Emerging digital purchase points
21%	24%	45%	9%

Shoppers' Preferred Channel for First-Time and Repeat Purchases

	Brand site/shopping app	Retailer site/shopping app	Online marketplace	Physical store
First-time purchase	8%	6%	13%	73%
Repeat purchase	24%	19%	37%	19%

SHOPPING EVOLVES AS CONSUMERS DEFINE NEW TERMS OF ENGAGEMENT

Top Traits of Shoppers' Favorite Brand

1 Caters to my unique needs

2 Offers exclusive shopping experiences/promotions

3 Truly understands who I am

I tend to shop with a specific brand in mind 71%

SHOPPER JOURNEYS MOVE TO THE EDGE

Shoppers Who Buy Products with the Following

Mobile wallet *(e.g., Apple Pay, Android Pay, Venmo)* 46%

Social media 19%

Messaging apps 13%

On average, shoppers have **4** shopping apps on their mobile devices

STORES REMAIN CRITICAL FOR DISCOVERY, EXPERIENCE, AND FULFILLMENT

46% of shoppers have arranged shipping for a product unavailable in-store

59% of shoppers have purchased a product online for in-store pickup

Top Reasons to Shop In-Store

1 To touch and feel merchandise

2 To get merchandise immediately

3 The overall in-store experience

SPOTLIGHT: 2019 HOLIDAY SHOPPING

71% of shoppers plan to buy more from online marketplaces this holiday season

74% of shoppers expect to make purchases with a shopping app this holiday season

Top Factors Influencing Holiday Purchases

1 Sales or promo codes

2 What's available in physical stores

3 Free or expedited shipping

LAST LOOK: TRUST AND SUSTAINABILITY INCREASINGLY DRIVE THE PATH TO PURCHASE*

I am more loyal to companies that are transparent about how their data is used 76%

I actively seek to buy from environmentally sustainable companies 58%

* *"State of the Connected Customer," Salesforce Research, June 2019. Consumer data.*

Country Profile
South Africa (201 shoppers)

RETAILERS, BRANDS, AND ONLINE MARKETPLACES BATTLE FOR WALLET SHARE

Average Volume of Online Purchases Made Across the Following Digital Channels

18% | 29% | 35% | 18%

Brand site/shopping app | Retailer site/shopping app | Online marketplace | Emerging digital purchase points

Shoppers' Preferred Channel for First-Time and Repeat Purchases

First-time purchase

2% | 4% | 3% | 91%

Repeat purchase

18% | 21% | 23% | 38%

Brand site/shopping app | Retailer site/shopping app | Online marketplace | Physical store

SHOPPING EVOLVES AS CONSUMERS DEFINE NEW TERMS OF ENGAGEMENT

Top Traits of Shoppers' Favorite Brand

1 Caters to my unique needs

2 Offers limited-edition products

3 Engages me in the places I prefer

I tend to shop with a specific brand in mind 70%

SHOPPER JOURNEYS MOVE TO THE EDGE

Shoppers Who Buy Products with the Following

Mobile wallet *(e.g., Apple Pay, Android Pay, Venmo)* 33%

Social media 21%

Messaging apps 12%

On average, shoppers have

3

shopping apps on their mobile devices

STORES REMAIN CRITICAL FOR DISCOVERY, EXPERIENCE, AND FULFILLMENT

60% of shoppers have arranged shipping for a product unavailable in-store

59% of shoppers have purchased a product online for in-store pickup

Top Reasons to Shop In-Store

1 To get merchandise immediately

2 To touch and feel merchandise

3 To take advantage of in-store discounts

SPOTLIGHT: 2019 HOLIDAY SHOPPING

63% of shoppers plan to buy more from online marketplaces this holiday season

73% of shoppers expect to make purchases with a shopping app this holiday season

Top Factors Influencing Holiday Purchases

1 What's available in physical stores

2 Sales or promo codes

3 Emails from brands or retailers

Country Profile
Spain (501 shoppers)

RETAILERS, BRANDS, AND ONLINE MARKETPLACES BATTLE FOR WALLET SHARE

Average Volume of Online Purchases Made Across the Following Digital Channels

18% | 18% | 55% | 9%

Brand site/shopping app | Retailer site/shopping app | Online marketplace | Emerging digital purchase points

Shoppers' Preferred Channel for First-Time and Repeat Purchases

First-time purchase

6% | 5% | 17% | 71%

Repeat purchase

17% | 13% | 47% | 23%

Brand site/shopping app | Retailer site/shopping app | Online marketplace | Physical store

STORES REMAIN CRITICAL FOR DISCOVERY, EXPERIENCE, AND FULFILLMENT

63% of shoppers have arranged shipping for a product unavailable in-store

63% of shoppers have purchased a product online for in-store pickup

Top Reasons to Shop In-Store

1 To touch and feel merchandise

2 To get merchandise immediately

3 The overall in-store experience

SHOPPING EVOLVES AS CONSUMERS DEFINE NEW TERMS OF ENGAGEMENT

Top Traits of Shoppers' Favorite Brand

1 Caters to my unique needs

2 Offers limited-edition products

3 Offers exclusive shopping experiences/promotions

I tend to shop with a specific brand in mind 57%

SPOTLIGHT: 2019 HOLIDAY SHOPPING

62% of shoppers plan to buy more from online marketplaces this holiday season

67% of shoppers expect to make purchases with a shopping app this holiday season

Top Factors Influencing Holiday Purchases

1 What's available in physical stores

2 Free or expedited shipping

3 Sales or promo codes

SHOPPER JOURNEYS MOVE TO THE EDGE

Shoppers Who Buy Products with the Following

Mobile wallet *(e.g., Apple Pay, Android Pay, Venmo)* 32%

Social media 14%

Messaging apps 9%

On average, shoppers have

3 shopping apps on their mobile devices

LAST LOOK: TRUST AND SUSTAINABILITY INCREASINGLY DRIVE THE PATH TO PURCHASE*

I am more loyal to companies that are transparent about how their data is used 86%

I actively seek to buy from environmentally sustainable companies 66%

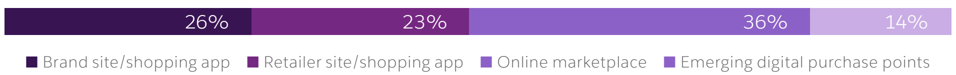
* *"State of the Connected Customer," Salesforce Research, June 2019. Consumer data.*

Country Profile

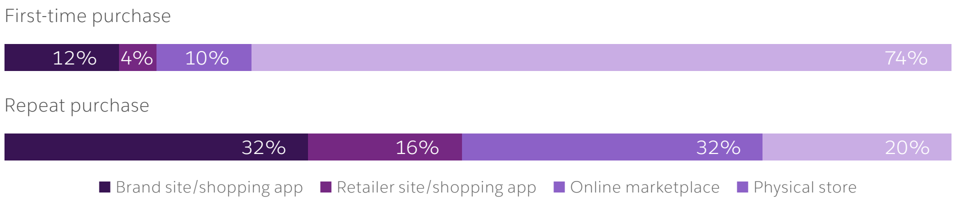
United Arab Emirates (200 shoppers)

RETAILERS, BRANDS, AND ONLINE MARKETPLACES BATTLE FOR WALLET SHARE

Average Volume of Online Purchases Made Across the Following Digital Channels



Shoppers' Preferred Channel for First-Time and Repeat Purchases



SHOPPING EVOLVES AS CONSUMERS DEFINE NEW TERMS OF ENGAGEMENT

Top Traits of Shoppers' Favorite Brand

1 Caters to my unique needs **AND** Offers exclusive shopping experiences/promotions

3 Truly understands who I am

I tend to shop with a specific brand in mind 77%

SHOPPER JOURNEYS MOVE TO THE EDGE

Shoppers Who Buy Products with the Following

Mobile wallet *(e.g., Apple Pay, Android Pay, Venmo)* 51%

Social media 48%

Messaging apps 28%

On average, shoppers have

5 shopping apps on their mobile devices

STORES REMAIN CRITICAL FOR DISCOVERY, EXPERIENCE, AND FULFILLMENT

64% of shoppers have arranged shipping for a product unavailable in-store

56% of shoppers have purchased a product online for in-store pickup

Top Reasons to Shop In-Store

1 To touch and feel merchandise **AND** The overall in-store experience

3 To get merchandise immediately

SPOTLIGHT: 2019 HOLIDAY SHOPPING

76% of shoppers plan to buy more from online marketplaces this holiday season

83% of shoppers expect to make purchases with a shopping app this holiday season

Top Factors Influencing Holiday Purchases

1 Sales or promo codes

2 Shopping apps

3 What's available in physical stores

Country Profile

United Kingdom/Ireland (501 shoppers)

RETAILERS, BRANDS, AND ONLINE MARKETPLACES BATTLE FOR WALLET SHARE

Average Volume of Online Purchases Made Across the Following Digital Channels

15% | 29% | 52% | 4%

■ Brand site/shopping app ■ Retailer site/shopping app ■ Online marketplace ■ Emerging digital purchase points

Shoppers' Preferred Channel for First-Time and Repeat Purchases

First-time purchase

5% | 12% | 18% | 65%

Repeat purchase

12% | 27% | 41% | 20%

■ Brand site/shopping app ■ Retailer site/shopping app ■ Online marketplace ■ Physical store

SHOPPING EVOLVES AS CONSUMERS DEFINE NEW TERMS OF ENGAGEMENT

Top Traits of Shoppers' Favorite Brand

1 Caters to my unique needs

2 Engages me in the places I prefer

3 Offers exclusive shopping experiences/promotions AND Offers limited-edition products

I tend to shop with a specific brand in mind 46%

SHOPPER JOURNEYS MOVE TO THE EDGE

Shoppers Who Buy Products with the Following

Mobile wallet *(e.g., Apple Pay, Android Pay, Venmo)* 20%

Social media 10%

Messaging apps 2%

On average, shoppers have

2

shopping apps on their mobile devices

STORES REMAIN CRITICAL FOR DISCOVERY, EXPERIENCE, AND FULFILLMENT

52% of shoppers have arranged shipping for a product unavailable in-store

81% of shoppers have purchased a product online for in-store pickup

Top Reasons to Shop In-Store

1 To touch and feel merchandise

2 To get merchandise immediately

3 The overall in-store experience

SPOTLIGHT: 2019 HOLIDAY SHOPPING

51% of shoppers plan to buy more from online marketplaces this holiday season

46% of shoppers expect to make purchases with a shopping app this holiday season

Top Factors Influencing Holiday Purchases

1 What's available in physical stores

2 Sales or promo codes

3 A search engine

LAST LOOK: TRUST AND SUSTAINABILITY INCREASINGLY DRIVE THE PATH TO PURCHASE*

I am more loyal to companies that are transparent about how their data is used 66%

I actively seek to buy from environmentally sustainable companies 47%

* *"State of the Connected Customer," Salesforce Research, June 2019. Consumer data.*

Country Profile
United States (2,002 shoppers)

RETAILERS, BRANDS, AND ONLINE MARKETPLACES BATTLE FOR WALLET SHARE

Average Volume of Online Purchases Made Across the Following Digital Channels

14% | 28% | 52% | 5%

■ Brand site/shopping app ■ Retailer site/shopping app ■ Online marketplace ■ Emerging digital purchase points

Shoppers' Preferred Channel for First-Time and Repeat Purchases

First-time purchase

4% | 7% | 13% | 77%

Repeat purchase

10% | 23% | 37% | 30%

■ Brand site/shopping app ■ Retailer site/shopping app ■ Online marketplace ■ Physical store

SHOPPING EVOLVES AS CONSUMERS DEFINE NEW TERMS OF ENGAGEMENT

Top Traits of Shoppers' Favorite Brand

1 Offers exclusive shopping experiences/promotions

2 Caters to my unique needs

3 Engages me in the places I prefer

I tend to shop with a specific brand in mind 46%

SHOPPER JOURNEYS MOVE TO THE EDGE

Shoppers Who Buy Products with the Following

Mobile wallet *(e.g., Apple Pay, Android Pay, Venmo)*
22%

Social media
10%

Messaging apps
3%

On average, shoppers have

3

shopping apps on their mobile devices

STORES REMAIN CRITICAL FOR DISCOVERY, EXPERIENCE, AND FULFILLMENT

61% of shoppers have arranged shipping for a product unavailable in-store

66% of shoppers have purchased a product online for in-store pickup

Top Reasons to Shop In-Store

1 To get merchandise immediately

2 To touch and feel merchandise

3 The overall in-store experience

SPOTLIGHT: 2019 HOLIDAY SHOPPING

66% of shoppers plan to buy more from online marketplaces this holiday season

52% of shoppers expect to make purchases with a shopping app this holiday season

Top Factors Influencing Holiday Purchases

1 Sales or promo codes

2 What's available in physical stores

3 Free or expedited shipping

LAST LOOK: TRUST AND SUSTAINABILITY INCREASINGLY DRIVE THE PATH TO PURCHASE*

I am more loyal to companies that are transparent about how their data is used 72%

I actively seek to buy from environmentally sustainable companies 50%

* *"State of the Connected Customer," Salesforce Research, June 2019. Consumer data.*

Survey Demographics

Survey Demographics

COUNTRY

Australia/New Zealand	5%
Belgium	5%
Brazil	5%
Canada	5%
France	5%
Germany	5%
Hong Kong	5%
Indonesia	5%
Israel	2%
Italy	5%
Japan	5%
Mexico	5%
Netherlands	5%
Nordics	5%
Singapore	5%
South Africa	2%
Spain	5%
United Arab Emirates	2%
United Kingdom/Ireland	5%
United States	19%

REGION

AMER	24%
EMEA	43%
APAC	24%
LATAM	9%

GENDER

Male	42%
Female	57%
Other	<1%

GENERATION

Silents/baby boomers (born before 1965)	25%
Gen Xers (born 1965–1980)	30%
Millennials (born 1981–1994)	34%
Gen Zers (born 1995–2000)	11%

AREA TYPE

Rural	17%
Suburban	36%
Urban	47%

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