#InfluencePurchases

# Influencing In-Store Purchase Decisions In The Era Of Daily Deals
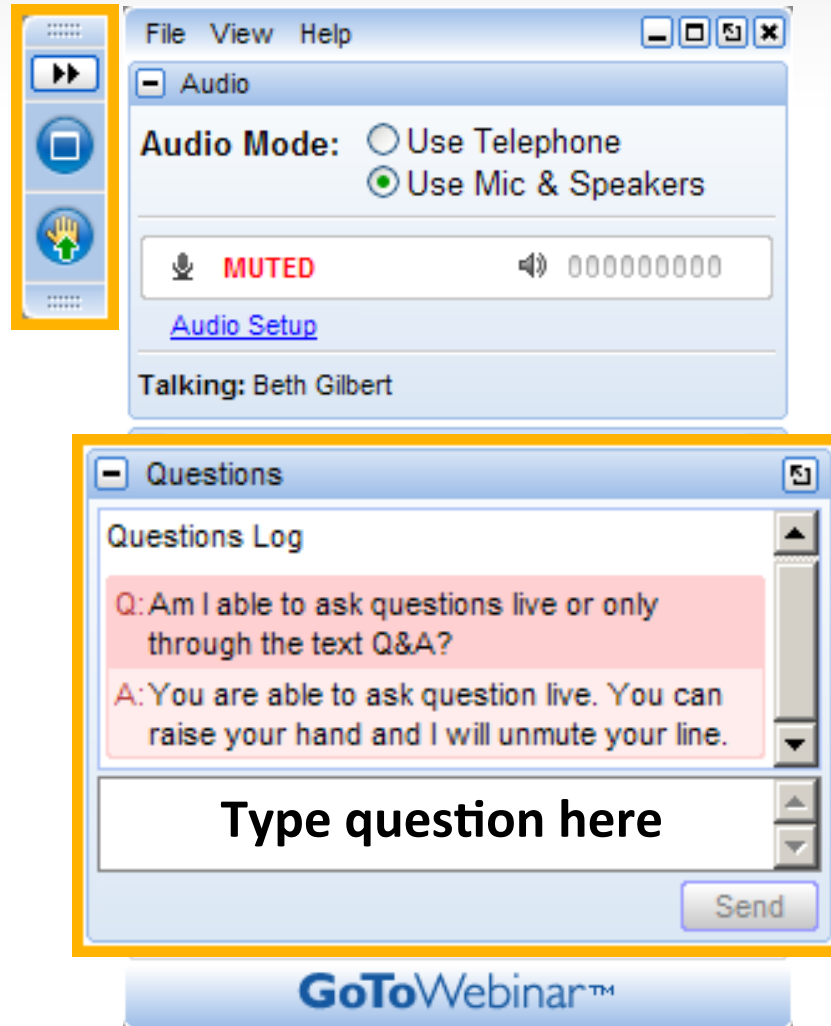
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# Welcome Webinar Attendees

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# About Retail TouchPoints

✓ Launched in 2007

✓ Over 23,000 subscribers

✓ To provide executives with relevant, insightful content across a variety of digital medium

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**WWW.RETAILTOUCHPOINTS.COM/SIGNUP**



retail TouchPoints
STRATEGIES TO OPTIMIZE EVERY CUSTOMER INTERACTION

ZEBRA TECHNOLOGIES

#InfluencePurchases

# Panelists

Larry Freed
*President & CEO*
**ForeSee Results**

Marty Johnson
*Product Manager*
**Zebra Technologies**

Debbie Hauss
*Editor-in-Chief*
**Retail TouchPoints**

#InfluencePurchases
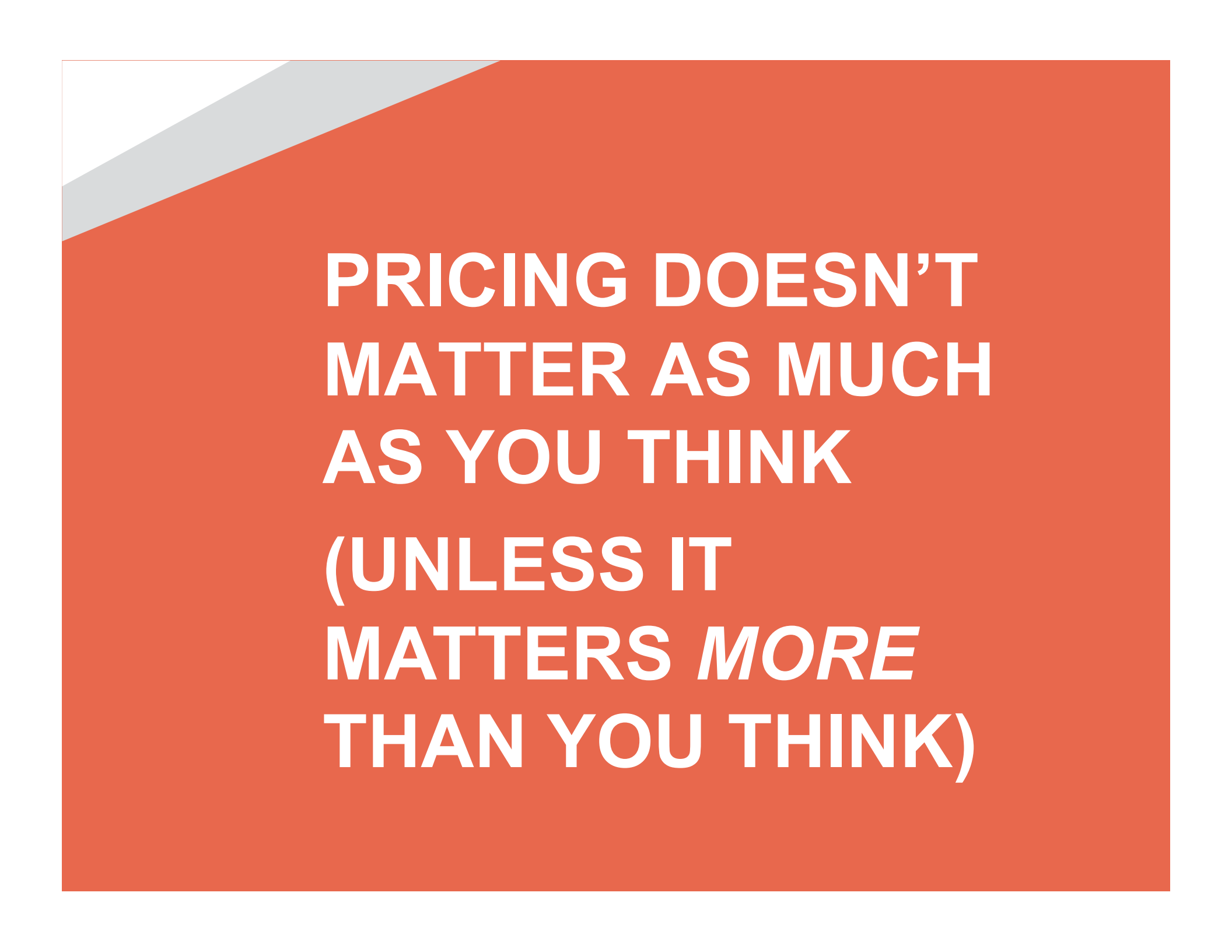
# INFLUENCING PURCHASE DECISIONS
## THE IMPACT OF PRICING

FORESEE

**Larry Freed**
**President & CEO**

**@larryfreed**
**larry.freed@foresee.com**

# PRICING DOESN'T MATTER AS MUCH AS YOU THINK

# (UNLESS IT MATTERS *MORE* THAN YOU THINK)

## ForeSee E-Retail Satisfaction Index Top 100 Spring 2012

Price is the highest impact element

for **15%** of the sites

Price is the lowest impact element

for **10%** of the sites

*Source: ForeSee E-Retail Satisfaction Index Top 100 Spring 2012*

# Satisfaction Model

| Elements | Score[1] | Impact on Sat[2] |
|---|---|---|
| Content | 83 | 1.3 |
| Functionality | 81 | 0.5 |
| Merchandise | 82 | 2.0 |
| Price | 75 | 1.2 |

**Customer Satisfaction**

**78**

Number of respondents: 22913

| Impact on Future Behavior[3] | Future Behaviors | Score |
|---|---|---|
| 4.6 | Brand Commitment | 77 |
| 4.8 | In-Channel Purchase | 76 |
| 3.5 | Out-Of-Channel Purchase | 65 |
| 4.6 | Purchase Next Time | 78 |
| 4.8 | Recommend Company | 79 |
| 4.6 | Retailer Satisfaction | 80 |
| 4.4 | Return | 82 |

*Source: ForeSee E-Retail Satisfaction Index Top 100 Spring 2012*

# Satisfaction Model: Price Impact

| Elements | Score[1] | Impact on Sat[2] |
|---|---|---|
| Content | 83 | 1.3 |
| Functionality | 81 | 0.5 |
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| 4.6 | Retailer Satisfaction | 80 |
| 4.4 | Return | 82 |

*Source: ForeSee E-Retail Satisfaction Index Top 100 Spring 2012*

Historic Impact of Price



*Source: ForeSee E-Retail Satisfaction Index*

# Historic Impact of Pricing

Historic Impact of Price

**Higher Impact**

**Offset from Highest/Lowest Impact**

from high (A)
from low

2005 - Spring, 2005 - Holiday, 2006- Spring, 2006 Holiday, 2007 - Spring, 2007 - Holiday, 2008 - Spring, 2008 - Holiday, 2009 - Spring, 2009 - Holiday, 2010 - Spring, 2010 - Holiday, 2011 - Spring, 2011 - Holiday, 2012 - Spring
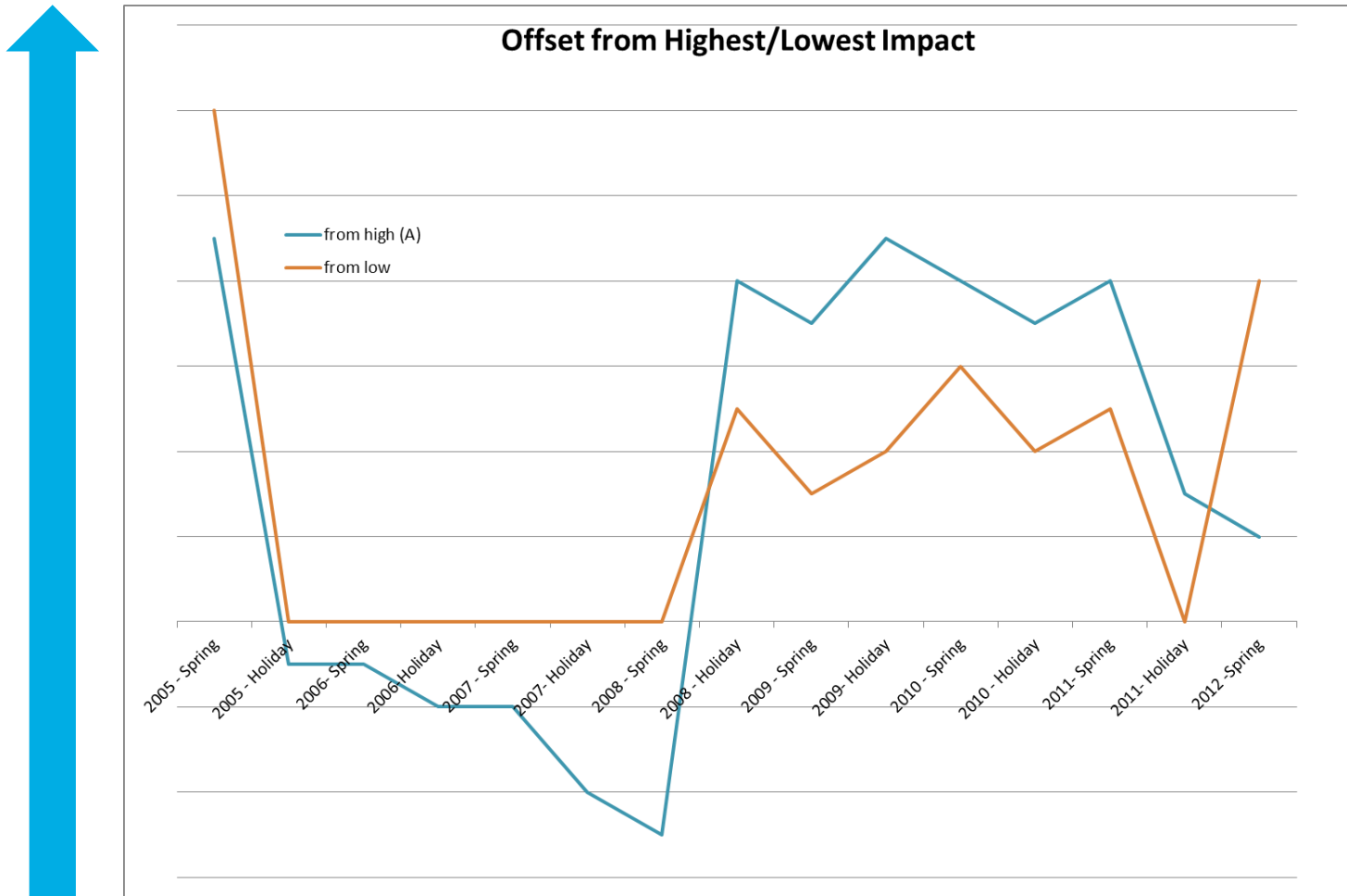
*Source: ForeSee E-Retail Satisfaction Index*

# ForeSee E-Retail Satisfaction Index Top 40 US Holiday 2011

Only 1 site in the Holiday Top 40 had Price as the highest impact

*Source: ForeSee E-Retail Satisfaction Index Top 40 US Holiday 2011*

# Pricing Impact

| Elements | Score[1] | Impact on Sat[2] |
|---|---|---|
| Content | 82 | 1.2 |
| Functionality | 81 | 1.1 |
| Merchandise | 81 | 1.7 |
| Price | 76 | 0.9 |

| Customer Satisfaction |
|---|
| 79 |

Number of respondents: 8744

| Impact on Future Behavior[3] | Future Behaviors | Score |
|---|---|---|
| 4.6 | Brand Commitment | 77 |
| 4.6 | In-Channel Purchase | 76 |
| 3.3 | Out-of-Channel Purchase | 64 |
| 4.5 | Purchase Next Time | 78 |
| 4.8 | Recommend Company | 79 |
| 4.5 | Retailer Satisfaction | 80 |
| 4.2 | Return | 82 |

*Source: ForeSee E-Retail Satisfaction Index Top 40 US Holiday 2011*

# Price Impact

**Source: ForeSee E-Retail Satisfaction Index Top 100 Spring 2012**



STATUS QUO REQUIRED          MAINTAIN OR IMPROVE

High

SCORE

Functionality
81, 0.5

Content
83, 1.3

Merchandise
82, 2

Price
75, 1.2

Low

Low          MONITOR          TOP PRIORITY          High

IMPACT

Key:
Position of each bubble indicates its score and impact
Size of each bubble also indicates the relative size of impact

**Source: ForeSee E-Retail Satisfaction Index Top 40 US Holiday 2011**



STATUS QUO REQUIRED          MAINTAIN OR IMPROVE

High

SCORE

Content
82, 1.2

Functionality
81, 1.1

Merchandise
81, 1.7

Price
76, 0.9

Low

Low          MONITOR          TOP PRIORITY          High

IMPACT

Key:
Position of each bubble indicates its score and impact
Size of each bubble also indicates the relative size of impact

# Pricing Impact by Category

Pricing Impact by Category

| Category | Content | Functionality | Merchandise | Price | Satisfaction |
|---|---|---|---|---|---|
| Apparel/Accessories | 83 | 80 | 81 | 73 | 78 |
| Books/Music/Video | 83 | 81 | 82 | 77 | 78 |
| Computers/Electronics | 82 | 80 | 82 | 76 | 79 |
| Food/Drug | 83 | 81 | 81 | 75 | 78 |
| Hardware/Home Improvement | 80 | 78 | 81 | 76 | 77 |
| Mass Merchant | 83 | 81 | 82 | 79 | 79 |
| Specialty/Non-Apparel | 82 | 80 | 82 | 76 | 78 |

*Source: ForeSee E-Retail Satisfaction Index Top 100 Spring 2012*

# Pricing Impact by Channel

Pricing Impact By Channel

| Channel | Content | Functionality | Merchandise | Price | Satisfaction |
|---|---|---|---|---|---|
| Web Only | 82 | 80 | 81 | 76 | 77 |
| Consumer Brand Manufacturer | 84 | 82 | 83 | 74 | 80 |
| Retail Chain | 83 | 80 | 82 | 74 | 78 |
| Catalog/Call Center | 83 | 82 | 83 | 78 | 80 |

*Source: ForeSee E-Retail Satisfaction Index Top 100 Spring 2012*

# Pricing Impact by Company

| | Impact | | | | Ranking | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Company Name** | **Content** | **Functionality** | **Merchandise** | **Price** | **Content** | **Functionality** | **Merchandise** | **Price** | **Satisfaction** |
| Apple Inc. | 1.2 | 1.1 | 1.9 | **0.5** | 2 | 3 | 1 | **4** | 85 |
| Dell Inc. | 1.0 | 0.9 | 2.6 | 0.9 | 2 | 3 | 1 | 3 | 80 |
| HP Home & Home Office Store | 1.3 | 0.8 | 1.5 | **1.5** | 3 | 4 | 1 | **1** | 79 |

*Source: ForeSee E-Retail Satisfaction Index Top 100 Spring 2012*

# Pricing Impact by Company

Impact                                    Ranking

| Company Name | Content | Functionality | Merchandise | Price | Content | Functionality | Merchandise | Price | Satisfaction |
|---|---|---|---|---|---|---|---|---|---|
| Newegg Inc. | 1.0 | 0.3 | 2.1 | **1.4** | 3 | 4 | 1 | 2 | 82 |
| Best Buy Co. | 1.9 | 0.2 | 1.6 | **1.4** | 1 | 4 | 2 | 3 | 80 |
| Systemax Inc. | 1.3 | 1.1 | 1.1 | **1.4** | 2 | 3 | 3 | **1** | 79 |
| PC Mall Inc. | 0.9 | 0.6 | 1.7 | 1.3 | 3 | 4 | 1 | 2 | 74 |
| PC Connection Inc. | 1.8 | 0.8 | 1.3 | 0.8 | 1 | 3 | 2 | 3 | 74 |

*Source: ForeSee E-Retail Satisfaction Index Top 100 Spring 2012*

# Pricing Impact by Company

| Company Name | Impact | | | | Ranking | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Content | Functionality | Merchandise | Price | Content | Functionality | Merchandise | Price | Satisfaction |
| Amazon.com Inc. | 1.4 | 0.1 | 1.2 | **1.7** | 2 | 4 | 3 | **1** | 89 |
| Walmart.com | 1.4 | 0.6 | 2.4 | **0.8** | 2 | 4 | 1 | **3** | 82 |
| Neiman Marcus Group Inc. | 1.2 | 1.0 | 1.6 | **1.2** | 2 | 4 | 1 | **2** | 78 |

*Source: ForeSee E-Retail Satisfaction Index Top 100 Spring 2012*

# PREDICTIVE CUSTOMER SATISFACTION ANALYTICS

**1** # How are we doing?

Performance of Satisfaction, key drivers
and desired outcomes

| Elements | Score[1] | Impact on Sat[2] |
|---|---|---|
| Content | 83 | 1.3 |
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| Merchandise | 82 | 2.0 |
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| Customer Satisfaction |
|---|
| 78 |

Number of
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| 4.6 | Retailer Satisfaction | 80 |
| 4.4 | Return | 82 |

*Source: ForeSee E-Retail Satisfaction Index Top 100 Spring 2012*

**1** How are we doing?

**2** **What should we do?**
Areas of focus defined by impacts

| Elements | Score[1] | Impact on Sat[2] |
|---|---|---|
| Content | 83 | 1.3 |
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|---|
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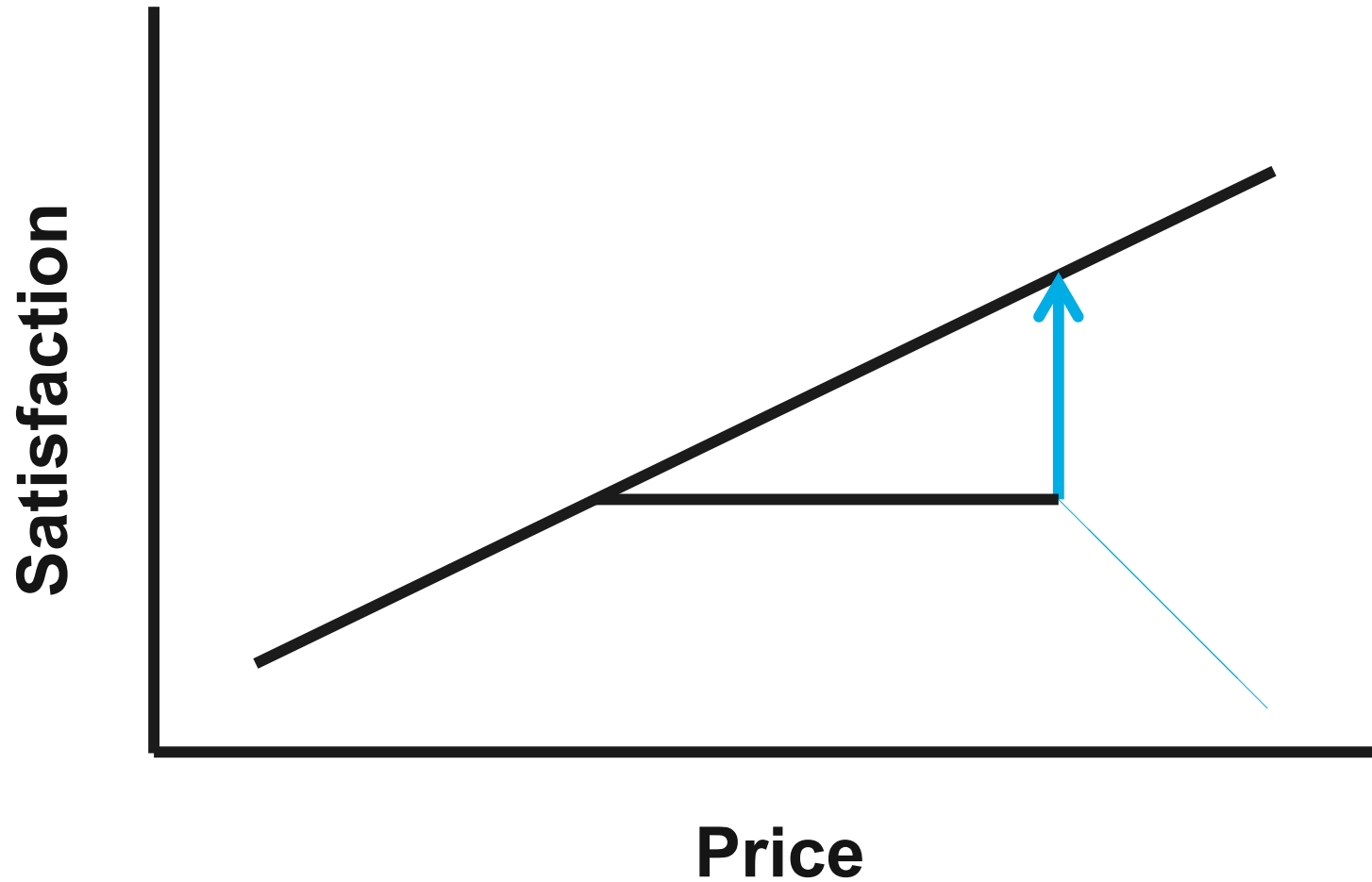*Source: ForeSee E-Retail Satisfaction Index Top 100 Spring 2012*

**1** How are we doing?

**2** What should we do?

**3** **Why should we do it?**
Causal model predicts behavior

| Elements | Score[1] | Impact on Sat[2] |
|---|---|---|
| Content | 83 | 1.3 |
| Functionality | 81 | 0.5 |
| Merchandise | 82 | 2.0 |
| Price | 75 | 1.2 |

| Customer Satisfaction |
|---|
| 78 |

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| 4.6 | Retailer Satisfaction | 80 |
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*Source: ForeSee E-Retail Satisfaction Index Top 100 Spring 2012*

# The Impact of Price on Satisfaction
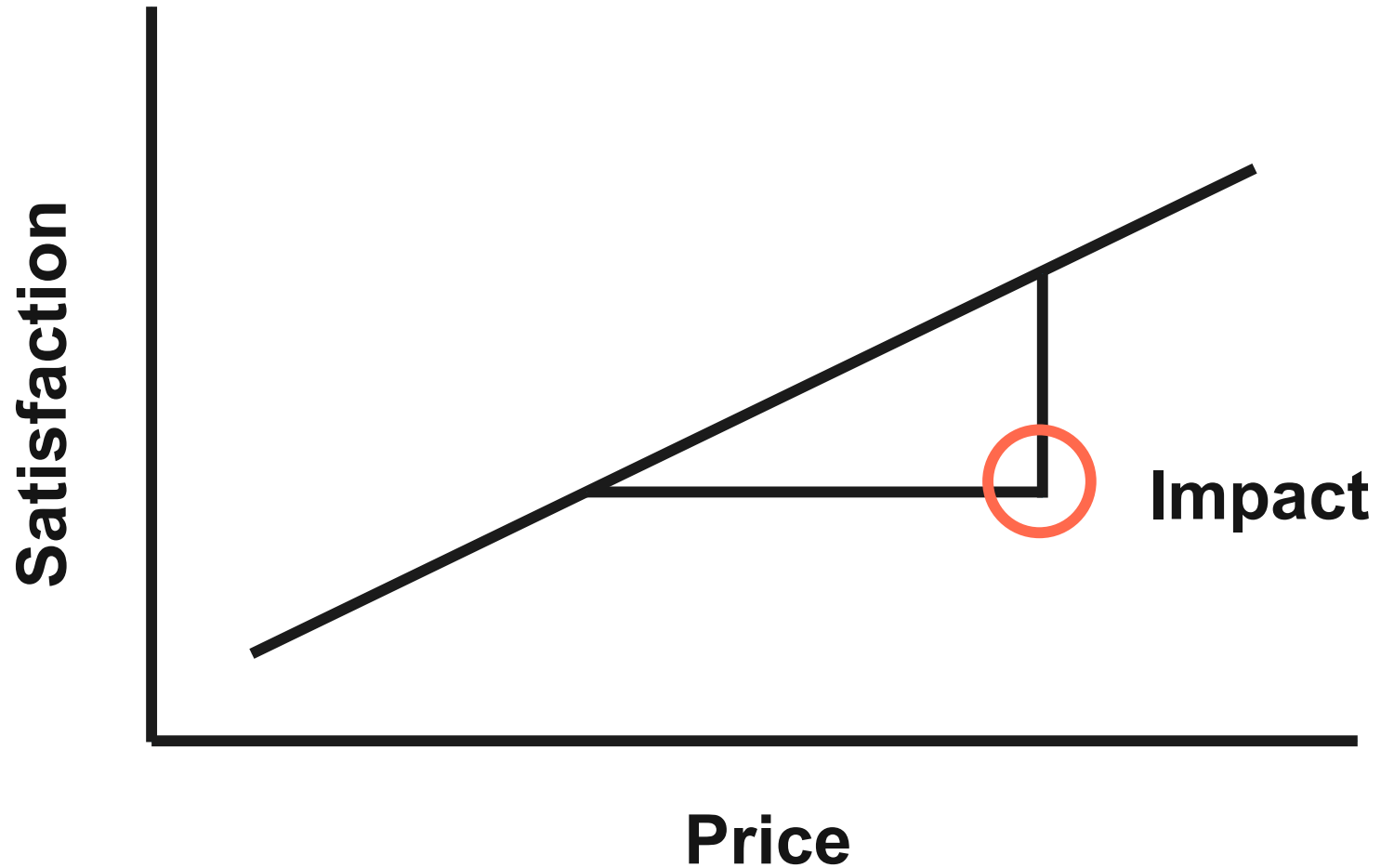
# TODAY'S CONSUMER

**Knowledge**

**Social**

**Choices**

**Channels**

**Lower Switching Costs**

**Consumer in Control**

# DAILY DEALS CAN IMPACT PRICING EXPECTATIONS

## 2012 ForeSee Daily Deal Report

| Summary of Data | Spring 2011 | Holiday 2011 |
|---|---|---|
| Percent of total who subscribe to ANY daily deals | 65% | 60% |
| Percent **of daily deal subscribers** who have purchased ANY offer in the past 90 days | 67% | 63% |
| Percent **of daily deal purchasers** who have **redeemed** offers in the past 90 days | 89% | 89% |
| Percent of total (ALL RESPONDENTS) who have **purchased** any offer in the past 90 days | 44% | 38% |
| Percent of total (ALL RESPONDENTS) who have **redeemed** offers in the past 90 days | 39% | 34% |

2012 ForeSee Daily Deal Report

| Companies like Groupon and Living Social allow you to use and share local coupons and special offers that you can subscribe to via email or view online.  Which of the following sites do you use regularly or subscribe to? (Please select all that apply) | Spring 2011 | Holiday 2011 |
|---|---|---|
| Groupon | 51% | 52% |
| Living Social | 24% | 30% |
| Woot | 10% | 9% |
| Another special offer website | 7% | 6% |
| I don't use any websites like this | 35% | 40% |

2012 ForeSee Daily Deal Report

| To how many daily deal providers do you subscribe? | Groupon subscribers | Living Social subscribers | Woot subscribers |
|---|---|---|---|
| Subscribe to only one daily deal provider | 44% | 12% | 21% |
| Subscribe to two providers | 43% | 66% | 24% |
| Subscribe to three or more providers | 13% | 22% | 55% |

## 2012 ForeSee Daily Deal Report

| Which of these companies have you purchased an offer from in the past 90 days?  (Percentage of daily deal subscribers) | Spring 2011 | Holiday 2011 |
|---|---|---|
| Groupon | 47% | 50% |
| Living Social | 22% | 25% |
| Woot | 9% | 8% |
| Another special offer website | 8% | 8% |
| I have not purchased any offers | 33% | 37% |

2012 ForeSee Daily Deal Report

| Have you used any of the offers you purchased? (Percentage of purchasers) | Spring 2011 | Holiday 2011 |
|---|---|---|
| I have used more than one offer in the past 90 days | 55% | 56% |
| I used one offer | 33% | 34% |
| I have not used any offers yet | 11% | 11% |

## 2012 ForeSee Daily Deal Report

| Thinking about the most recent offer you redeemed, what was your relationship with the company who offered the deal? | Spring 2011 | Holiday 2011 |
|---|---|---|
| I was already a frequent customer of that company | 38% | 40% |
| I was already an infrequent customer of that company | 27% | 26% |
| I was a former customer and I had no plans to do business with them again | 4% | 4% |
| I knew of the company, but I had never bought from them | 19% | 17% |
| I was not aware of the company prior to receiving the offer | 12% | 12% |

FORESEE

2012 ForeSee Daily Deal Report

| Thinking about the most recent offer you used: (percent of offer redeemers) | Spring 2011 | Holiday 2011 |
|---|---|---|
| I did business with that company again since redeeming the offer | NM | 44% |
| I haven't yet, but I plan to | NM | 47% |
| I don't plan to do business with that company again | NM | 3% |
| I'm not sure about doing business with them again | NM | 6% |

# MOBILE CAN HAVE AN IMPACT ON PRICING EXPECTATIONS

**Mobile increases consumer control and not just within the mobile channel…**



**Mobile is both a stand alone channel and a companion channel**

# Why Do Shoppers Use Mobile?

**46%** research info about a product

**36%** compare different products

**28%** get product specifications

**22%** check out product reviews

**16%** make a purchase

**10%** find a store location

*Source: ForeSee E-Retail Satisfaction Index Top 100 Spring 2012*

FORESEE

# Use of Mobile Within a Store

**FORESEE**

## Why do shoppers use mobile in a store?

**65%** store's website

*43% competitor's site*

*26% shopping comparison site*

**21%** store's mobile app

*14% competitor's mobile app*

*Source: ForeSee E-Retail Satisfaction Index Top 40 US Holiday 2011*

# TODAY'S ANALYTICS CHALLENGE

# A Multi-Channel, Multi-Device Consumer

# Today's Analytics Challenge

**A Multi-Channel, Multi-Device Consumer**

**+**

**Single Channel Metrics**

**=**
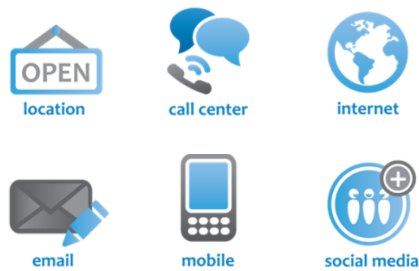
# Misinterpreted Metrics & Misguided Information

# Customer Experience Analytics

## Behavioral Analytics

Measure success from organizational perspective



## Customer Satisfaction Analytics

Measure success from consumers perspective

# CUSTOMER EXPERIENCE ANALYTICS ECOSYSTEM

# Customer Experience Analytics Ecosystem

**VOICE OF CUSTOMER**

**BEHAVIOR**

# Customer Experience Analytics Ecosystem

**FORESEE**

**VOICE OF CUSTOMER**

**BEHAVIOR**

**DATA**

**Measure What Happened**

# Customer Experience Analytics Ecosystem

**FORESEE**

**VOICE OF CUSTOMER**

**BEHAVIOR**

**OBSERVATION**

**DATA**

**Watch What Happened**

**Measure What Happened**

Customer Experience Analytics Ecosystem

Listen

FEEDBACK

VOICE OF CUSTOMER

BEHAVIOR

Watch What Happened

OBSERVATION

DATA

Measure What Happened

# Customer Experience Analytics Ecosystem

# WHY MEASURE SATISFACTION

# Why Measure Satisfaction?
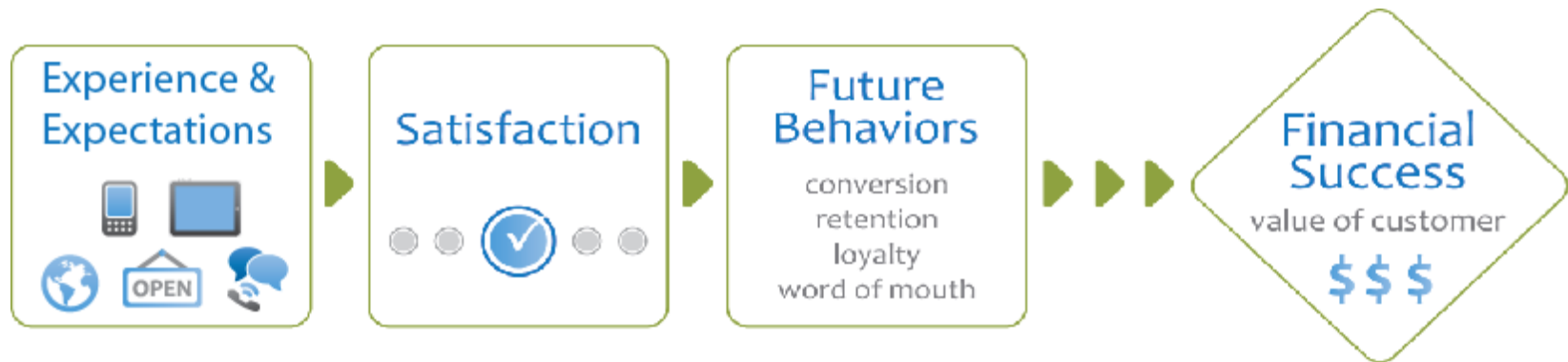


**Experience and Expectations define Satisfaction**

**Satisfaction** determines what consumers do next

**Satisfaction** drives financial success

# The Value of a Satisfied Shopper

**72%** more likely to purchase online

**56%** more likely to purchase offline

**67%** more likely to purchase from the retailer again

**69%** more likely to recommend the retailer

*Source: ForeSee E-Retail Satisfaction Index Top 100 Spring 2012*

# Why Measure Satisfaction

**A highly satisfied mobile shopper:**

**100%** more likely to buy from the mobile channel again

**67%** more likely to recommend

**65%** more committed to the brand overall

*Source: ForeSee E-Retail Satisfaction Index Top 40 US Holiday 2011*

# FORESEE

**Proven methodology & trusted technology helps you:**

**Continuously measure satisfaction across channels & touch points**

**Discover critical insights**

**Prioritize improvements for maximum impact**
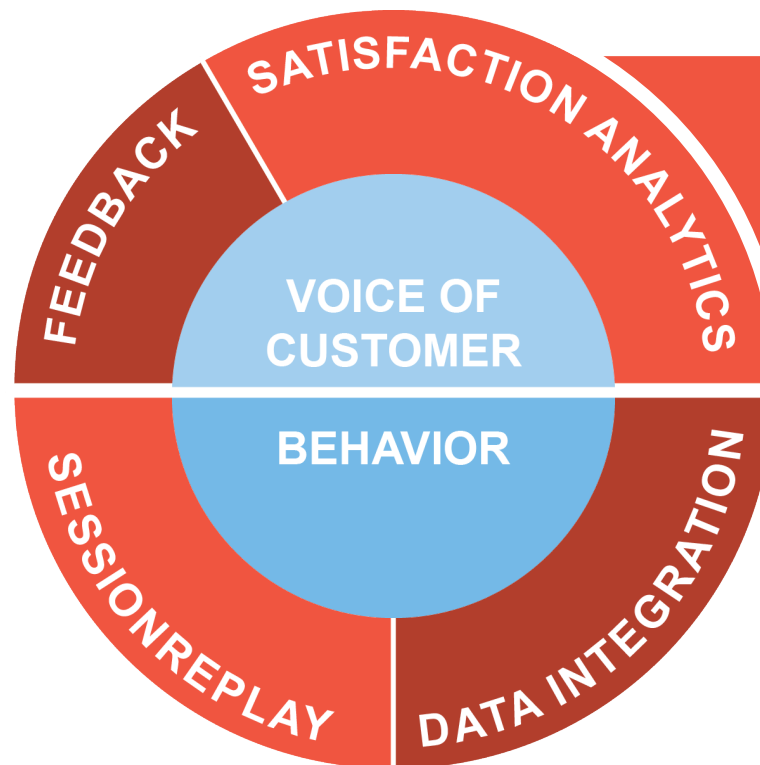
# Some of the Companies We Measure

**Over 600 customers • Over 1000 active measures**
**Over 70 million surveys collected • Over 80 industry benchmarks**

**½ of the Fortune 100**
**40 of the Top 100 Online Retailers**

# Takeaways

- You cannot manage what you do not measure

- The consumer is multi-channel & multi-device with unprecedented power

- Measure success from the customers' perspective

- Traditional (behavioral) metrics alone will not tell you enough about the customer experience

- Customer satisfaction drives conversion, loyalty, retention, word-of-mouth…and financial success

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**http://blog.foresee.com/**

# About **Zebra Technologies**

A global leader respected for innovation and reliability, Zebra Technologies Corporation (NASDAQ: ZBRA) offers technologies that give a virtual voice to an organization's assets, people and transactions, enabling organizations to unlock greater business value. The company's extensive portfolio of marking and printing technologies, including RFID and real-time location solutions, illuminates mission-critical information to help customers take smarter business actions. For more information about Zebra's solutions, visit www.zebra.com.

# Q&A // Submit Your Questions

# Q&A

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retail TouchPoints
STRATEGIES TO OPTIMIZE EVERY CUSTOMER INTERACTION

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#InfluencePurchases

# Thank You For Attending This Webinar

You can download this presentation at:

# http://rtou.ch/instorepurchases