McCANN
TRUTH CENTRAL

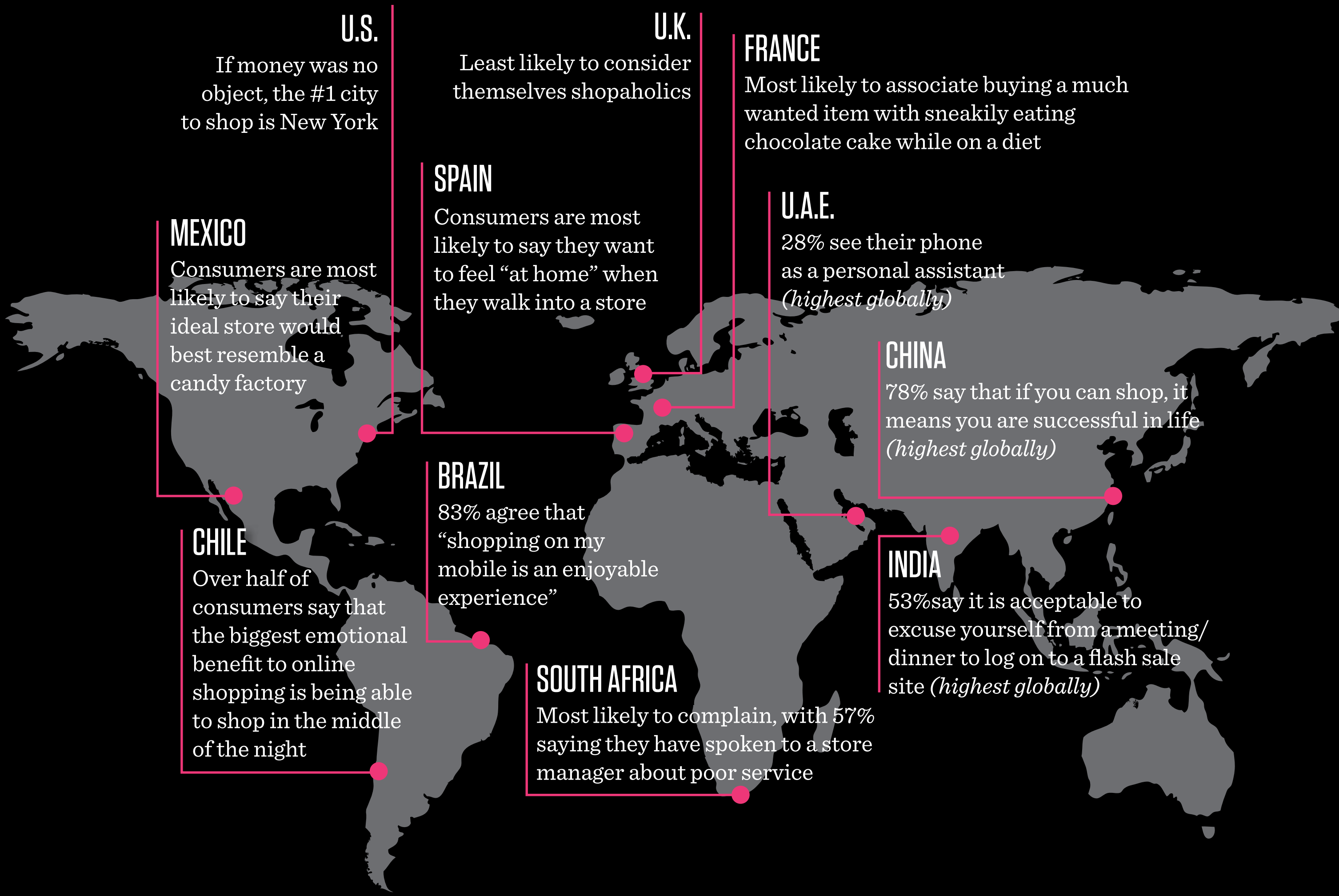
TRUTH ABOUT *shopping*

INTRODUCTION

In the last decade we've seen a seismic shift in the way that marketers approach the retail category; big data and shopper marketing are starting to dominate the landscape. *The Truth about Shopping* aims to recapture the lost 'art of shopping' at a time when the conversation has become increasingly scientific. Irrespective of what categories or markets, shopping is fundamentally determined by human behavior. The study offers a rich human perspective on the role of shopping around the world today.

THE ALL-NEW *global* SHOPPER

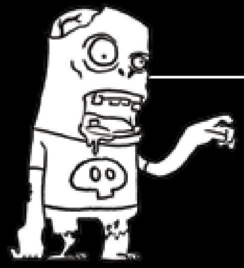
Shopping is a very culturally specific and revealing subject. On the following page is just a selection of some of the market nuances we uncovered:



We discovered that in many ways, the reasons ***why*** people shop today have not changed. Whether it's finding the perfect gift, wanting to share an experience with someone you love or just simply appreciating great service – consumers globally relayed that shopping is a universal human need. Such is the importance of this deeply human experience, we set out to unpack the mindsets that underpin how people approach shopping today.

THE NEW SHOPPING *mindsets*

Our data uncovered five key emotional mindsets that impact the way people shop. Interestingly, consumers can exhibit any number of mindsets depending on which category they are shopping in.

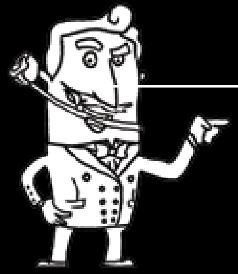


THE ZOMBIE MINDSET

This is this most negative and disengaged mindset. Consumers are sleepwalking through the shopping experience. They're on shopping autopilot and it takes a lot to disrupt them.

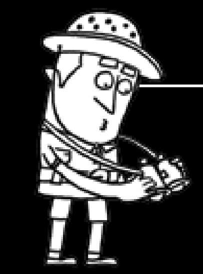
THE STUDENT MINDSET

This is the most prevalent mindset globally. Consumers are open to learning about new products. They are eager to touch, play and ask questions about a particular item or category.



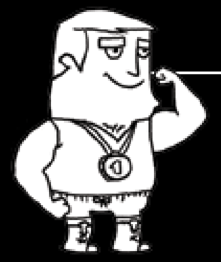
THE LOVER MINDSET

Consumers are looking to be seduced when they're in this mindset. They are looking to be indulged by the products on offer and to be given special treatment by the store or assistants.



THE ADVENTURER MINDSET

This the most engaged and positive mindset. Consumers are open to try everything. They want to discover, explore and seek. They are looking to be surprised and delighted by the store or product.



THE FIGHTER MINDSET

When consumers are in this mindset, they have typically done some research and they're armed with questions and challenges to fire at the brand and its representatives.

And while it is the case that you could be in any one of these mindsets when interacting with any retail category, it is also true that some mindsets over-index in certain categories.

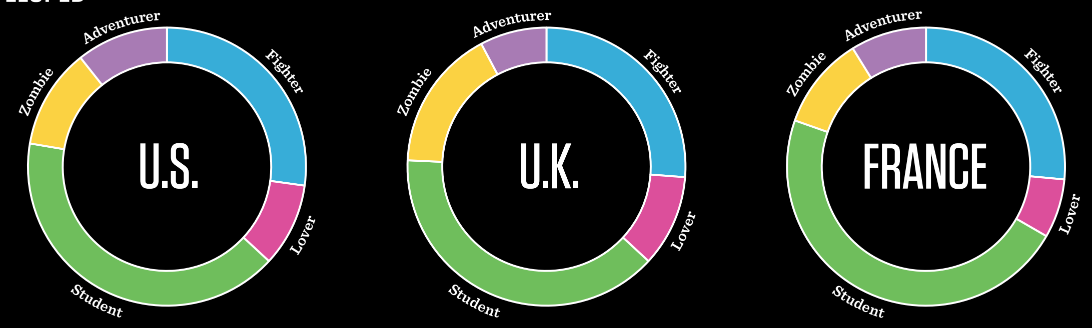
For example, people shopping for technology want to learn about the latest gadgets so they spend a lot of time in the student mindset – however, once they're informed they can easily flip over into the fighter mentality.

In the grocery category it will come as no surprise that you have to deal with more than your fair share of zombies but because attaining the right diet is an increasingly important global pursuit, people are also open to education and experimentation.

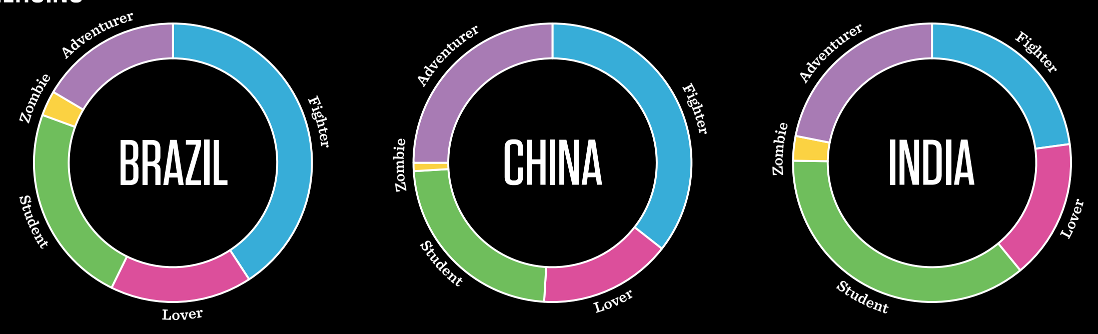
DEVELOPED *vs.* EMERGING MARKETS

Generally speaking, in the more mature shopping markets, the experienced shopper is more likely to switch off and default to zombie mode. Whereas, in our emerging shopping markets we see a general over-index in the more open and experimental 'adventurer' and 'lover' mindsets and there is a strong feeling of positivity around all things shopping-related. Indeed, the emerging markets like Brazil, China and India are seeking freedom and self-expression through the shopping experience. In contrast, the more developed markets like the U.S., U.K. and France are more likely to express a desire for friction and show greater caution in the arena of data and privacy concerns.

DEVELOPED



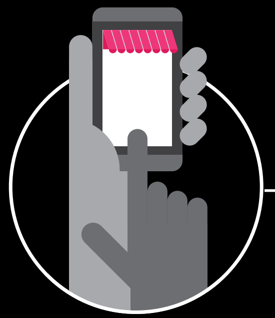
EMERGING



THE NEW *era* OF RETAIL

Experts and consumers agree that mobile is the future of shopping; of consumers who have shopped on their mobiles in the past six months, 49% can see themselves shopping exclusively on their mobile in the future.

mobile IS THE NEW WINDOW SHOPPING



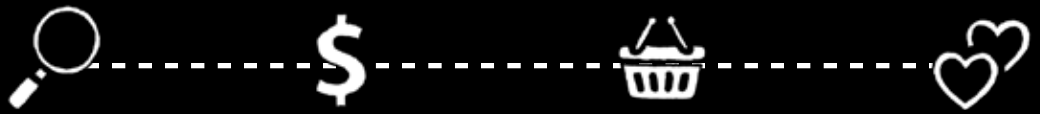
56% are most likely to shop on their mobile when they're relaxed at home or bored rather than on the go

70% think that mobile is good for browsing but not for actually buying anything

The study revealed that 70% of consumers think that mobiles are good for browsing but not for buying. In light of this trend, brands and retailers need to rethink the experience that they are offering on the platform. They need to give consumers the option to choose whether want they want a rich, immersive browsing experience or to shop and go.

THE *four* MOBILE NEED STATES

To fully understand and cater to consumer's mobile needs, brands must consider the four mobile need states:



Mobile Browsing | **Buying On Mobile** | **Using Mobile In-Store** | **Enjoying Post-Purchase**

Please contact us if you'd like to see the full Truth about Mobile Shopping deck that details what each of these need states mean for brands.

body SHOPPING

There is no doubt that technology is transforming, and will continue to transform, the shopping landscape. While all eyes are on m-commerce and wearables, our survey revealed that consumers are already one step ahead- 47% of consumers globally say they can see themselves paying with fingerprints or retina scans in the future, rising to 53% in Mexico and China. 1/6 would even go as far to say they would be open to payment technology being embedded in their own body.

AM I SHOPPING? I HADN'T *noticed*

The rampant adoption of technology in the shopping arena has had a critical impact on the way we shop today.

1/6 say they would be open to payment technology being embedded in their body

SHOPPING IS SEEN TO BE TOTALLY INTEGRATED INTO OUR LIVES

We are quickly becoming persistent shoppers

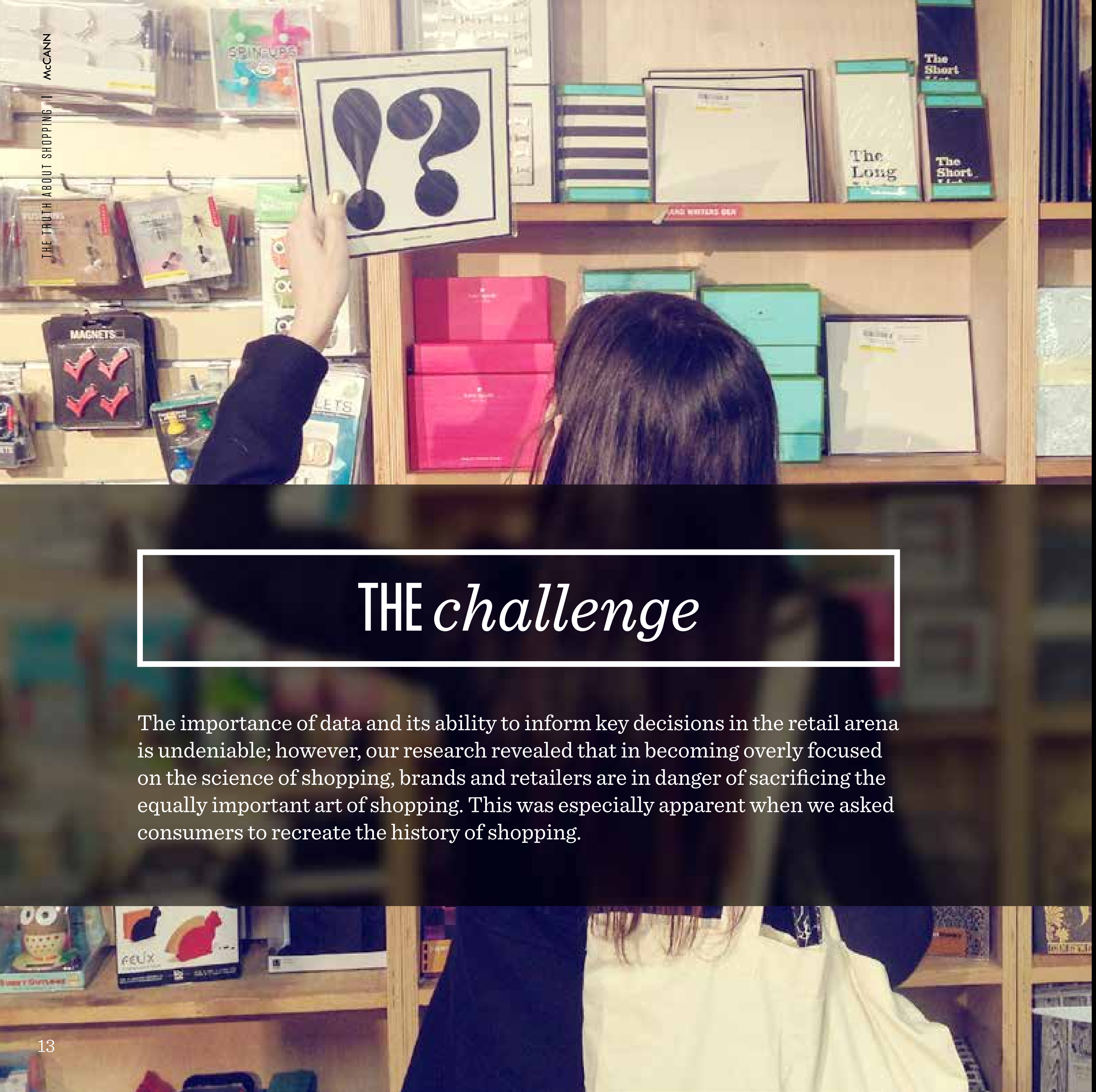
PAST	PRESENT	FUTURE
I'm going shopping	*I'm always shopping*	*Am I shopping? I hadn't noticed*

There was a point in recent history when people 'went shopping.' You might even say that going shopping was an event, a special activity, something worth dressing up for. But in our technology-driven world of constant shopping, the rules are changing.

rewriting THE RULES

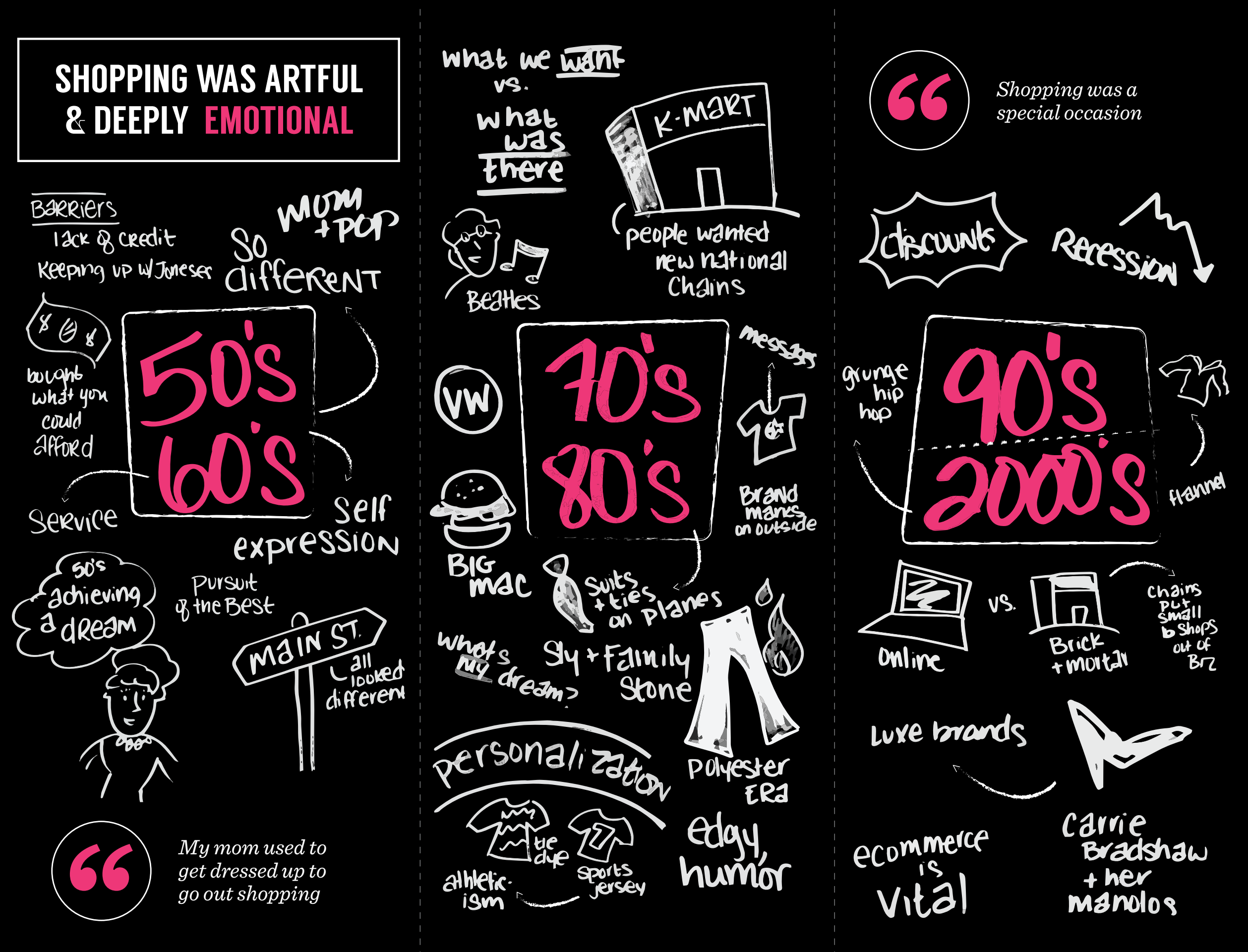
The emerging markets are witnessing the most significant changes and are spearheading innovation. For consumers in these markets, technology is intrinsic to the overall shopping experience and they're far more likely to adopt new technologies when it comes to retail. They are consequently challenging the shopping norms that have been established for many years in developed markets.

Almost half of shoppers around the world think it is okay to compete with another shopper over an item in store and this rises to an impressive 64% in China. Moreover, a quarter of people think that it is perfectly acceptable to excuse yourself from a meeting or dinner to log on to a flash sale (this rises to 53% in India)! The shopping experience is blurring the barriers between work and play and evolving into something akin to a global competitive sport.

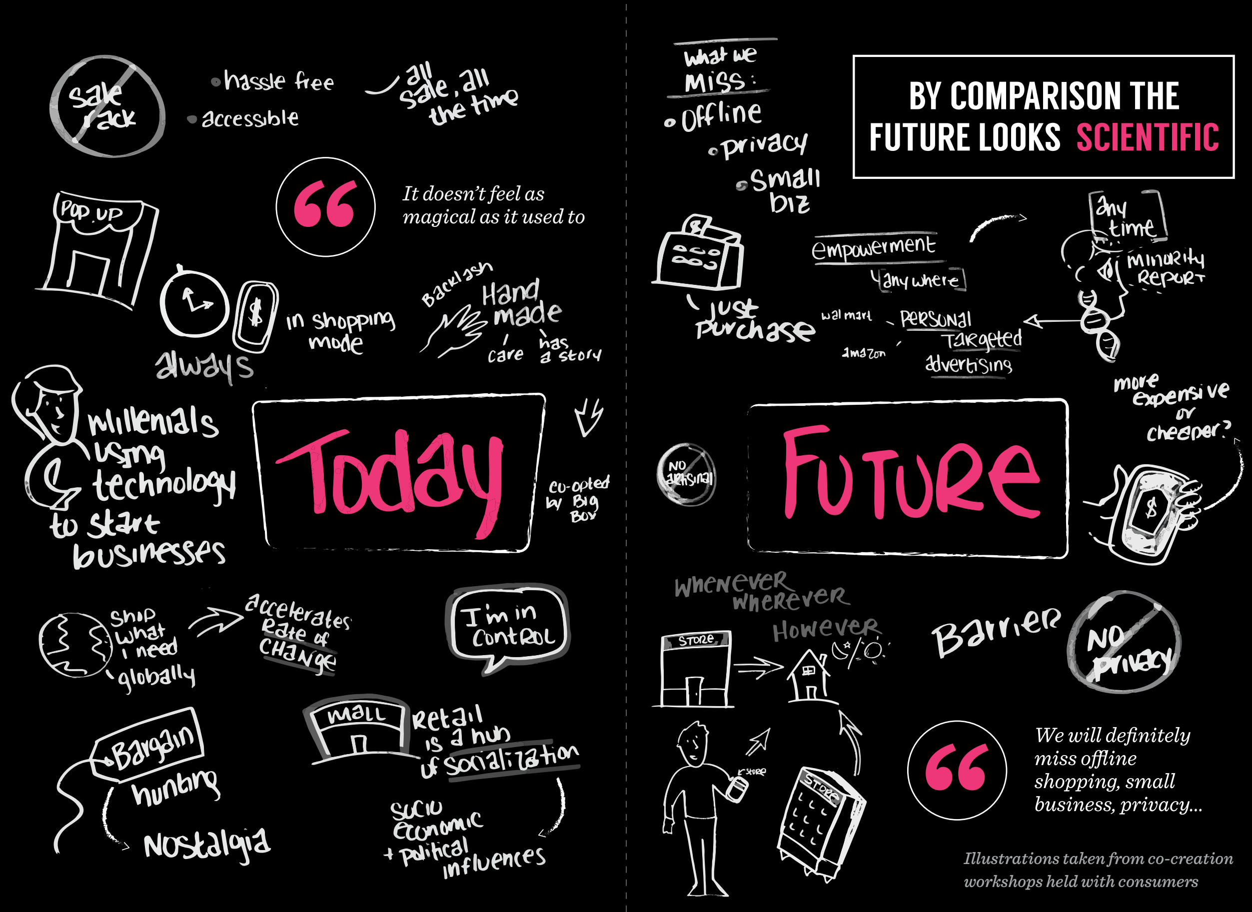


THE *challenge*

The importance of data and its ability to inform key decisions in the retail arena is undeniable; however, our research revealed that in becoming overly focused on the science of shopping, brands and retailers are in danger of sacrificing the equally important art of shopping. This was especially apparent when we asked consumers to recreate the history of shopping.



In the 50s and 60s consumers painted a picture of a world where going shopping was 'special' and something to 'dress up' for. In contrast, when looking at shopping today and in the future it starts to look a lot more scientific. While consumers acknowledge the undoubted benefits of always being in shopping mode and the convenience this brings, they do question whether such benefits have come at the expense of a more personal and rich experience.



Illustrations taken from co-creation workshops held with consumers

52% of people say shopping is too impersonal these days and are concerned about the reliance on algorithms to dictate their purchases. Indeed, 57% worry that they'll discover fewer new things if companies always show them exactly what they're looking for.

The big question here is ***how do we keep the art of shopping alive in the age of the algorithm?***

HAVE WE LOST *the art of shopping* ?

84% are aware that companies track the websites they visit to suggest products they might like

71% worry about the amount online stores know about them

65% are willing to share their data as long as they understand the benefits for them

57% worry that they'll discover fewer new things if companies always show them exactly what they're looking for

52% say shopping is too impersonal these days

BRANDS THAT BLEND THE POWER OF SCIENCE WITH THE ART OF SHOPPING WILL LEAD THE EXCITING NEW ERA OF RETAIL

THE *opportunity*

We believe that when it comes to the future of shopping, regardless of which category or country you are focused on, there is a big opportunity to mix creativity with real human insight. We call this the Art of Shopping. Brands and retailers must look to find the right balance of both the art and the science of shopping. We identified five key principles to help do this.

THE *art* OF SHOPPING: FIVE SHOPPING PRINCIPLES

The study outlines five key principles that provide a framework for balancing the art and the science of shopping:

BE SEAMLESS | BE SENSORIAL | BE SERENDIPITOUS | BE SECURE | BE SOCIAL

BE *seamless*

In our co-creation workshops consumers were tasked with imagining the future of particular categories and, in each instance, they seamlessly blended technology into the physical experience. Similarly, when we look at our data, consumers are open to an even more seamless experience in stores than we see today. They are ready for the smart store of the future; 71% would welcome interactive walls that enable you to try on clothes without changing and 59% would be open to a store that is able to recognize you when you walk through the door.

Many brands are already using technology in more innovative ways in store. For example, Sprinkles in New York has recently opened a 24/7 cupcake vending machine and Burberry uses new technology that allows women to scan their skin tone and find the perfect shade in-store.

BE *sensorial*

Shopping is inherently sensory: whether we are talking about Touch, Smell, Sound, Sight or Taste. When your brands stimulate the senses in a complementary way, it can enhance and reinforce the overall brand message and shopping experience. For example, Anthropology does a great job when it comes to the sound landscape in store. They create carefully curated playlists that reflect the brand and are available to download on Spotify.

The visual language of shopping is also coming to the fore. David Hoey, the head of visual presentations at Bergdorf Goodman, states, "Windows should be creative, uncompromised dreams." But in a screen-centric world it's harder to offer people a sensory experience. Brands need to think about how they are tailoring the sensory experience appropriately to the platform in question.

Zappos has launched an Instagram campaign to target people who post pictures using the hashtag #OOTD (Outfit of the Day). If users use the hashtag #NextOOTD, the brand will send them a personalized shopping recommendation based on their image.

BE *serendipitous*

In a data-driven world, the shopping experience could become a little too predictable. When we spoke to consumers about how they would most like to feel when they walk into a store, the top global response was 'in control.' However, when we dug deeper we found that this was not the full story. People also express an equal desire for discovery and the thrill of the unexpected.

Brands and retailers need to think about how they're delivering a lot of control with a dash of chaos. 66% of consumers are looking to be inspired while they're shopping so it is vital to consider how you can offer surprise and serendipity in a world dominated by algorithms.

BE *secure*

It goes without saying that security and privacy are dominant factors in the retail space today. The conversation is undoubtedly changing as both consumers and brands become more aware and more savvy in this space.

THE CONVERSATION HAS CHANGED

Basic compliance	Smart compensation
Covering yourself	Springboard for innovation
Backroom discussion	Boardroom discussion
PRIVACY *policy* →	PRIVACY *philosophy*

If once upon a time, the privacy conversation was centered on compliance and policy, today it has evolved to a much larger and richer conversation. Nowadays, a strong foundation of security and privacy can be a springboard for innovation. Brands and retailers need to move from a privacy policy to a privacy philosophy that is reflected at every level of their organization.

BE *social*

When marketers hear the word ‘social’ they tend to think of social media. However, the pre-Facebook meaning of the word social is really important when we talk about shopping. The truth is, so much of shopping is about connecting with other humans, whether that is the people you chose to go shopping with or the assistants you connect with during your shopping journey.

Just because this often happens via technology, does not mean that we can’t bring the human into the equation. For example, PS Department connects customers with personal shoppers who respond to requests via the app. And many brands are finding novel ways of incentivizing consumers through the lens of social, whether that is networks encouraging friendship groups to sign up together or the grocery market Carrefour providing special discounts to families with more than five members. But there are surely many more creative opportunities for retailers in this space.

The key to being social is to enhance the social experience that naturally accompanies shopping.

IN *summary*

The Five Principles that we believe will help brands and retailers find the delicate balance between the art and science of shopping are:

BE SEAMLESS	Intuitively blending technology with the physical experience
BE SENSORIAL	Creating an immersive experience by stimulating all five senses
BE SERENDIPITOUS	Offering surprise and discovery in a predictable world
BE SECURE	Putting trust and privacy at the core of innovation
BE SOCIAL	Enhancing the social experience that often accompanies shopping

THE *next* ERA OF RETAIL

Overall, the study found that consumers were incredibly optimistic about the future of shopping, none more so than the emerging markets. If brands and retailers are able to blend technological innovation with true human insight and creativity, we are headed for one of the most exciting and innovative eras in retail history. One where the full promise of technology plus creativity can be delivered to create a personalized paradise for the global shopper.

METHODOLOGY

McCann Truth Central conducted a global research study surveying over 10,000 people in eleven countries including U.S., U.K., China, Brazil, Mexico, Chile, U.A.E., France, South Africa, Spain and India. In addition to this, they conducted multiple qualitative research to supplement the findings: co-creation workshops in U.S., U.K., Thailand, U.A.E., Chile and Brazil; a photographic study in U.S., U.K., China, Mexico and U.A.E.; a mobile social experiment in U.S., U.K. and Singapore; and expert interviews in the U.S.

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