



The art of customising shopper research

Research Shows Consumer “Trust” Still Playing a Key Role in the Purchasing Process

...Recession continues to impact the shopper with 22 percent of Shoppers re-evaluating their needs due to budgetary constraints...

London, UK - 12th October 2009 - According to new research launched today by Shoppercentric, an independent agency specialising in shopper behaviour research, shopper trust in a retailer and/or brand is playing an increasingly important role in the purchasing process. The research demonstrates that trust is more than a corporate issue - it's something that shoppers consider at two levels - Corporate integrity, which relates to corporate responsibility, staff / supplier treatment, transparency, consistency and heritage but also Tangible delivery - about the business's ability to meet the shopper's individual needs and expectations during the actual purchase process.

Following on from Shoppercentric's earlier reports this year on "Shopper behavior in the recession and the role of promotions" the purpose of this new research was to find out what trust means to shoppers: what they are thinking about when deciding whether or not a brand or retailer is trustworthy; and what role it has in the decision making processes. Also trust in the context of shopper purchase decisions, and whether trust - in brands and in retailers - is being re-considered as a result of the recession.

Danielle Pinnington, Managing Director at Shoppercentric comments: "Shoppers don't spontaneously talk about trust as a purchase decision factor in its own right, and yet they recognise that trust is playing a role in their decisions. In our research it emerged that trust is an amalgamation of a whole range of factors that a shopper may take into consideration when judging whether or not they want to shop in a certain retailer or buy a particular brand."

She continued: "At a very basic level, shopper trust is created when a retailer or brand delivers against a shopper's needs or expectations - you have to be delivering at the coal face - at the point of purchase. Failure to deliver against these - even on just one occasion - can undermine a shopper's trust to the detriment of the retailer or brand. Trust cannot be built quickly but once gained can be a very powerful factor in determining repeat purchase / custom. Traditionally businesses tend to see trust as an issue dealt with at the corporate level, however our research with shoppers demonstrates that trust needs to be considered at two levels: **Corporate integrity** - which relates to corporate responsibility, staff / supplier treatment, transparency, consistency and heritage and **Tangible delivery** - the business's ability to meet the shopper's individual needs and expectations during the actual purchase process."

Shopper Trust: Key findings

- **The impact of the recession on trust** - the research findings showed that trust in the retail and manufacturing sectors have been affected - by changes in the context in which retailers and brands now operate:
 - **Redundancies / salary cuts:** 22 percent of Shoppers have been forced to re-evaluate their needs due to budgetary constraints
 - **Promotions:** 92 percent of shoppers are buying into more promotions now than 12 months ago. However retailers are awash with special offers and promotions so shoppers are no longer buying on the basis of trust in the original price but on the reduced price instead
 - **Retailers:** 38 percent of shoppers are using stores they didn't use before
 - **Brands vs Own Labels:** 56 percent of shoppers are trading down from branded goods to supermarket own label products, and from supermarket top tier own label to lower tiers
- **Filling the experience gap** - When shoppers make purchasing decisions for retailers that they have no experience with, 64 percent of shoppers rely on word of mouth to help them fill the gap in their trust equation and 37 percent would reference online reviews. (See full details on graph 1).

In fact 100 percent of shoppers interviewed claimed that they would access direct experience through either word of mouth or reviews, whereas only 71 percent of shoppers would reference company funded information sources such as advertising or the company website.

- **Type of product** - the trust building strategy needs to reflect both the nature of the product being purchased and the channel. For example the research findings show that searching for a suitable retailer from which to buy an electrical item, the shopper is willing to invest more effort in filling the experience gap than she might if she needed to find a new grocery retailer. For example, on-line reviews become more important (63 percent compared to 35 percent looking for information about a grocery store). See full chart 2 for breakdown.
- **Type of information being sought for new purchases** (see chart 3) - The amount of research a shopper does for Tangible Delivery information (pricing policies, ranges, quality proposition, and convenience) Vs Corporate Integrity varies dependent on the type of retailer being sought. For example with grocery retailers shoppers are more interested in pricing and ranges than corporate and social responsibility (100 Vs 49 percent) but for a coffee brand, the difference is much smaller - 99 Vs 60 percent. It shows that the coffee provider for example needs to communicate its reputation more effectively than a grocery retailer in order to adequately fill the experience gap.



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Pinnington comments: “As a result of these changes, so too is the nature of consumer trust. If a shoppers circumstances are changing, so are their needs. Also if the way a store or brand market themselves changes, so too will shoppers expectations. Finally if the stores/brands shoppers are buying into are changing, their experiences will also differ.

In designing the trust building strategy for a business, both retailers and brands need to consider where shoppers turn to in an experience vacuum, and the sources of information that shoppers are likely to reference. At the same time, ensuring that Tangible Delivery trust is as much the focus of trust building strategies as Corporate Integrity will better align company websites and marketing to shopper needs.

Businesses that put shopper relationships at the heart of their stores will be the long term winners, regardless of recessions or market changes. It’s all about making a real connection in order to engage, to generate trust and therefore loyalty. The brands that have stood the test of time have all been able to point to ‘trust’ as a key part of their success. It goes without saying that a business that understands and builds trust is looking to the long term future.”

-Ends-

About the research

The findings are based on both qualitative and quantitative interviews. The qualitative research was conducted in August 2009 and consisted of three focus groups among shoppers responsible for the main grocery shop in their household, six in depth interviews among shoppers responsible for the main grocery shop in their household and four industry interviews.

The quantitative research took place in September 2009. 1,009 interviews were conducted using an on-line panel with adults aged 18-64 years who were the main grocery shopper for the household. Quotas were set on gender, age, SEG, and geography to achieve nationally representative sample.

About Shoppercentric

Shoppercentric is an independent agency specialising in shopper behaviour research, providing brand owners and retailers with the perspective that drives shopper marketing and retail strategies. It was established in 2004 and works with clients ranging from Cadbury to Debenhams.

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