2009 Retail Holiday Season Shopper Study

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- Overview And Methodology
- Key Findings and Executive Summary
- Retail Holiday Shopper Spend
- Shopper Views and Satisfaction
- Emerging Retail Technologies Assessment
- Conclusions and Takeaways

Research Methodology

- ***Objective:*** International research study to measure retail shoppers' behavior during the 2009 holiday shopping season.

- ***Sampling:*** 4,534 shoppers (age 18 -65) completed the survey from November 25th through December 20th through research partners e-Rewards and TNS International. Surveyed respondents were not aware of Motorola's sponsorship of this global research endeavor.

- ***Metrics:*** The 2009 Retail Holiday Season Shopper Study probed shopper satisfaction among retail segments. Key metrics used to gauge market satisfaction include appearance (neatness) of the displays, ease of finding correct prices and coupons, merchandise availability, level of associate assistance and check-out duration.

- ***Technologies:*** The research examined current and emerging technologies in the retail industry and their impact on shopper satisfaction and spending behavior. Key technologies include price checkers/information kiosk, handheld mobile computers, smart carts, interactive dress assistance, mobile loyalty programs, mobile payment and mobile location-based comparison shopping.

2009 Holiday Shopper Global Representation

U.S.	2082
Canada	216
UK	413
France	222
Germany	217
Italy	227
Spain	220
Brazil	220
Mexico	277
China	220
India	220
Total Responses	4534

Survey respondents span North American, European, Latin American and Asian shopping populations.

2009 Retail Holiday Shopper – Global

Age	% Total	
18 – 24	12.2 %	Gen Y
25 – 29	14.1 %	
30 – 34	13.8 %	
35 – 39	14.1 %	Gen X
40 – 44	10.8 %	
45 – 49	10.0 %	
50 – 54	9.3 %	Boomers
55 – 59	8.8 %	
60 – 64	6.9 %	
Total	100%	

Education	% Total
Some school	1.4 %
High school graduate	12.1 %
Vocational/trade school	7.3 %
Some college/university education	26.3 %
4 year university/ college graduate	27.8 %
Some post-graduate	8.6 %
Post-graduate degree	16.6 %
Total	100%

Gender	% Total
Female	53.2%
Male	46.8%
Total	100%

The sample represents key shopper demographics, including age, education and gender.

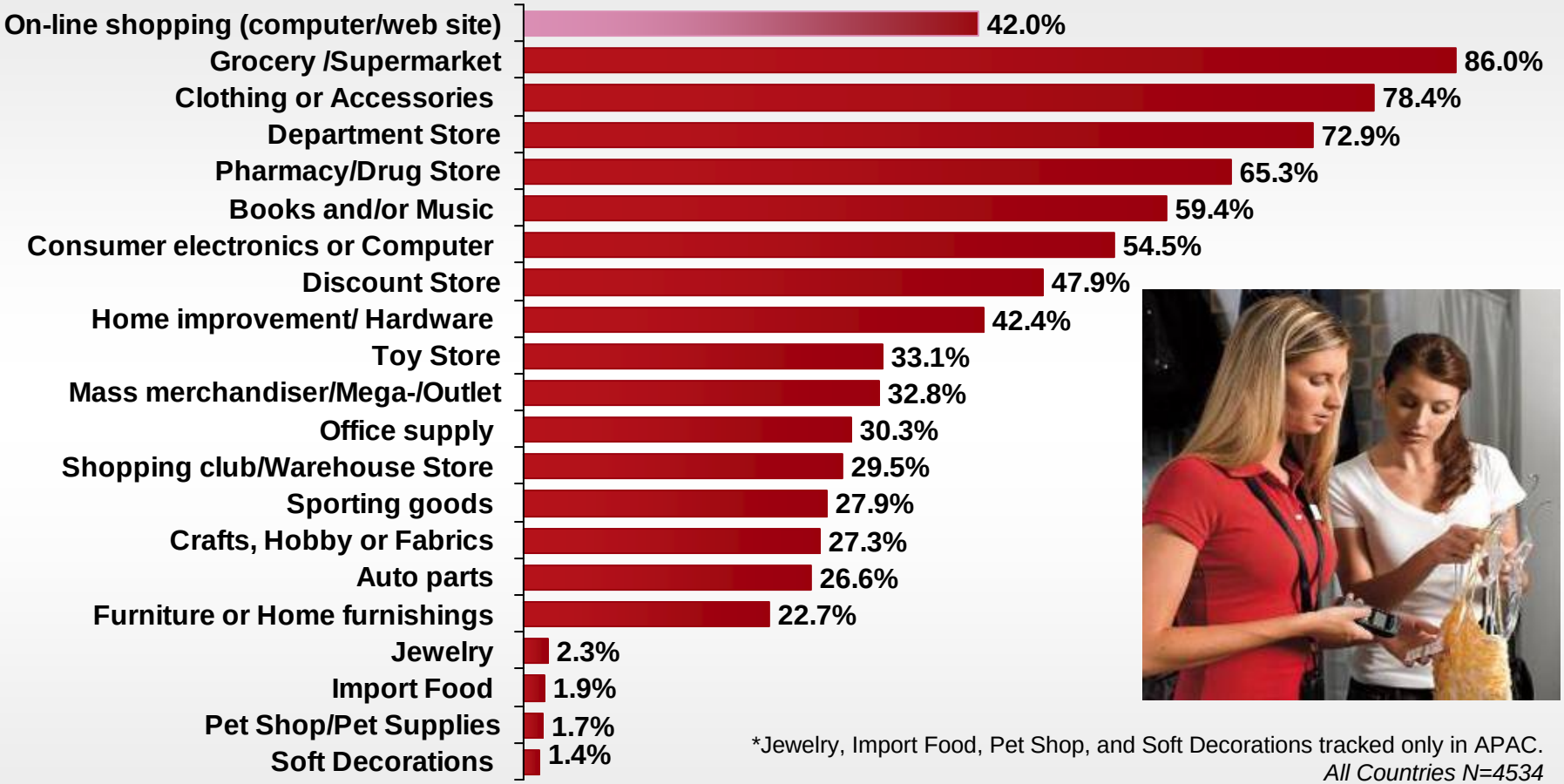
2009 Retail Holiday Shopper Study – Age View

Age	NA	LA	EU	APAC	Total Count	
18 – 24	860	266	461	230	1817	Gen Y
25 – 29						
30 – 34						
35 – 39	771	174	481	157	1583	Gen X
40 – 44						
45 – 49						
50 – 54	667	57	357	53	1134	Boomers
55 – 59						
60 – 64						
Total	2298	497	1299	440	4534	

The sample represents key shopper demographics, including an age segmentation across GenY, GenX, and Boomer generations.

2009 Retail Holiday Shopper Study – Retailers

Q: "Have you spent any time shopping in any of the following types of stores/locations…?"



*Jewelry, Import Food, Pet Shop, and Soft Decorations tracked only in APAC.

All Countries N=4534

Surveyed shoppers reported their satisfaction and experiences at key merchandise stores.

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Key Findings and Executive Summary

More than half of consumers utilized mobile phones for in-store holiday shopping activities.

- The usage and impact of mobile shopping technologies exploded in 2009 as shoppers turned to their mobile phones for activities spanning multi-channel comparison shopping, peer feedback, product info and couponing.
- 51 percent of shoppers overall and 64 percent of Gen Y (age 18 to 34) shoppers utilized their mobile phones for in-store shopping-related activities during the holiday season.
- When in-store associates were equipped with mobile in-store retail technologies, such as two-way radios and handheld mobile computers, surveyed shoppers reported a better customer experience due to the impact of these devices (59 percent and 56 percent respectively).

While spending attitudes have stabilized compared to 2008, seven in ten surveyed shoppers planned for flat or declining holiday budgets in 2009.

- Nearly four in ten shoppers surveyed planned to spend the same in 2009 as they did during the holiday shopping season a year ago; 34% planned to spend less this year.
- North American shoppers held back more than other regions – 43.7% in the North America, 32.9% in Latin America, 28.7% in Europe, 7.0% in APAC planned to spend less than 2008.

Reflective of the tight economic climate, shoppers were dissatisfied with the availability of coupons.

- Only one-half reported satisfaction with the availability of coupons and discounts. Satisfaction levels were also below par for availability of help in the stores (56%), and time spent waiting in line to pay/check out (63%).
- Walk-out incidents occurred among 70.7% of surveyed shoppers, resulting in an average loss of US$109 per abandoned or unfulfilled purchase (measured in local currency equivalents).
- After abandoning purchases, only 11% of shoppers decided to return to the same store to purchase again; 15% made the purchase on-line while 39% abandoned the purchase altogether – a significant increase over last year when 20% reported that they decided not to buy the item at all.

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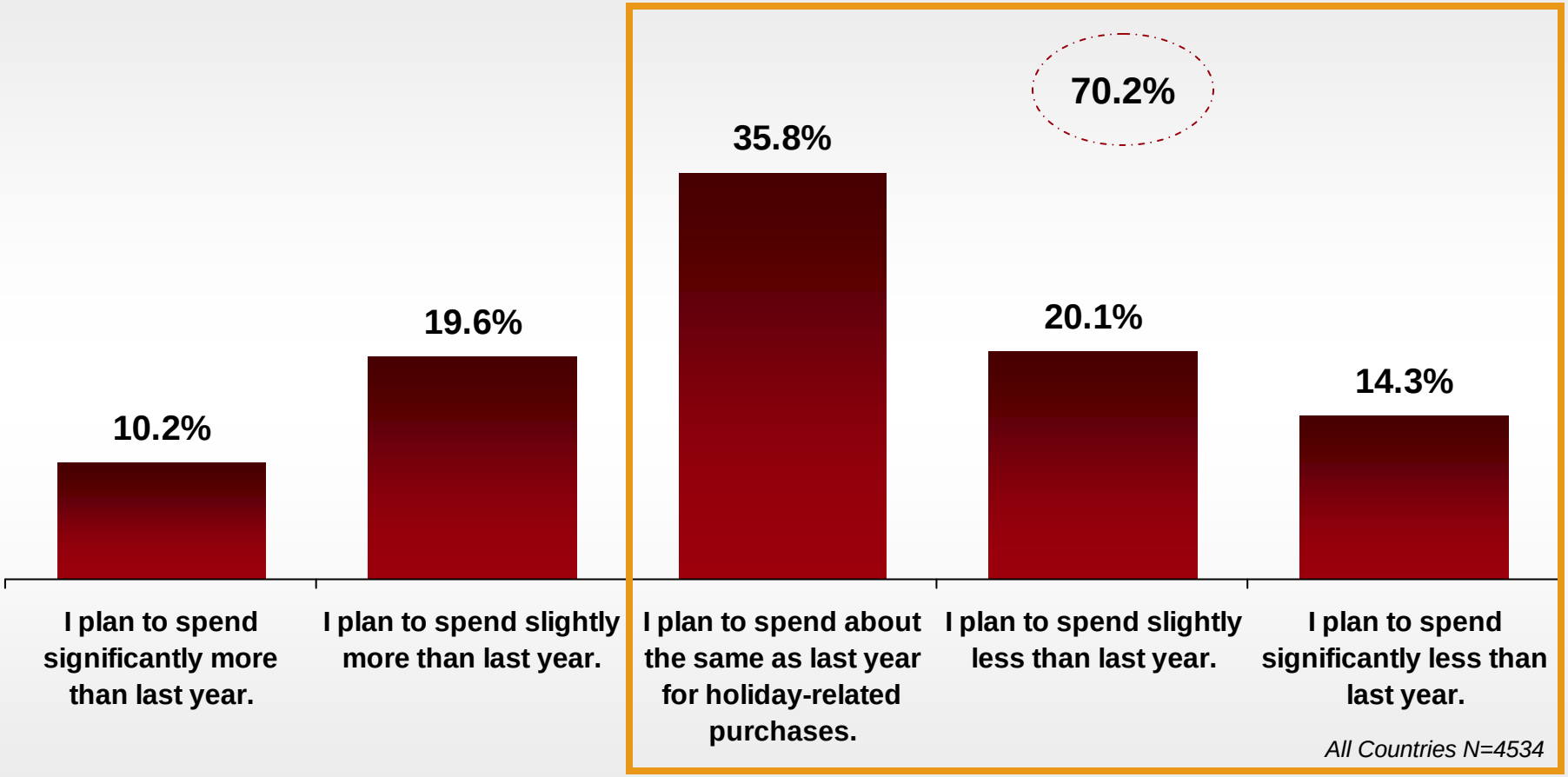
2009 YoY Retail Holiday Season Spend Plans

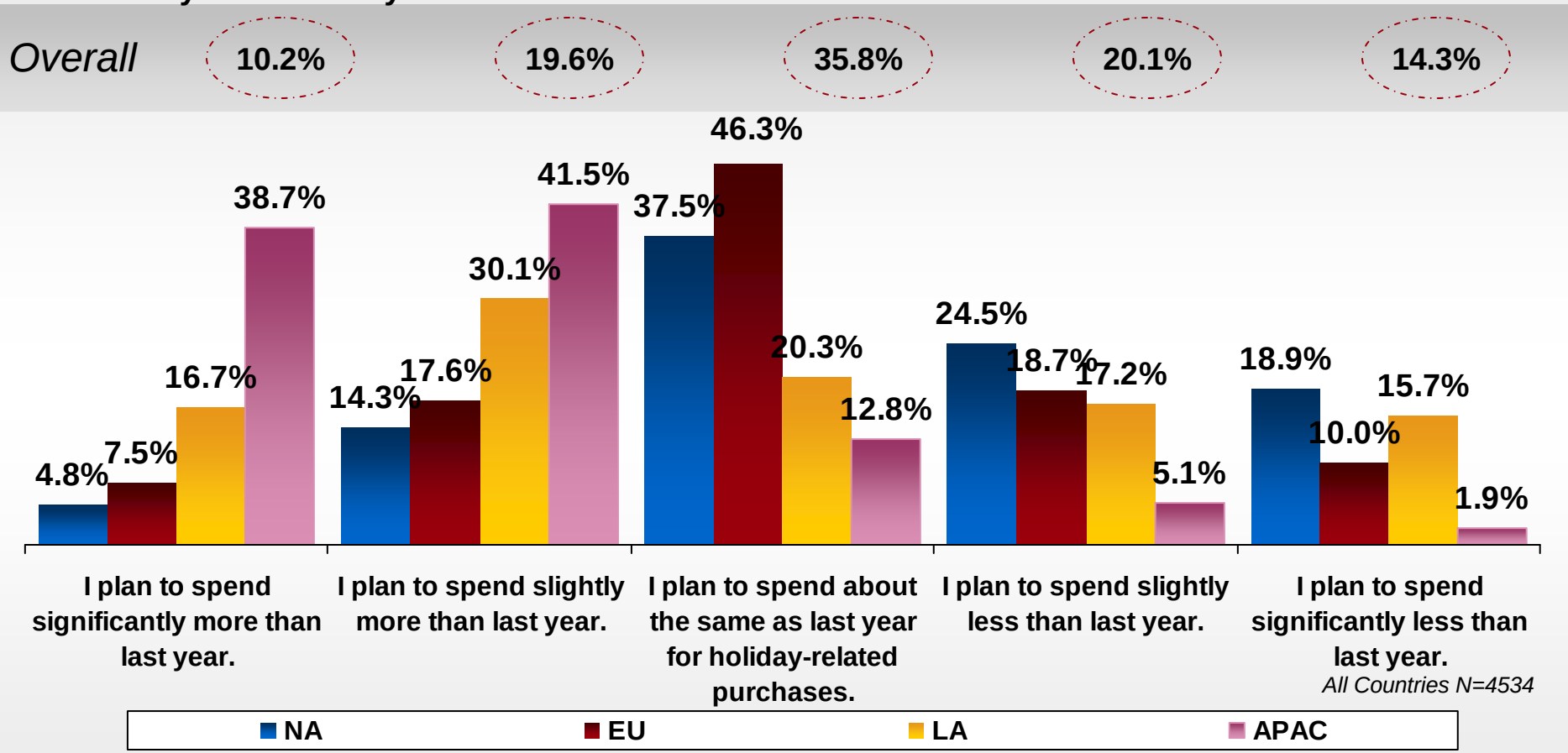
Q: "How does your spending plan this holiday season compare with your spending during the holiday season last year?"



Seven in ten shoppers surveyed globally reported flat or declining holiday budgets in 2009 compared to their 2008 holiday spending.

'09 Holiday Shopping Season Spend by Region

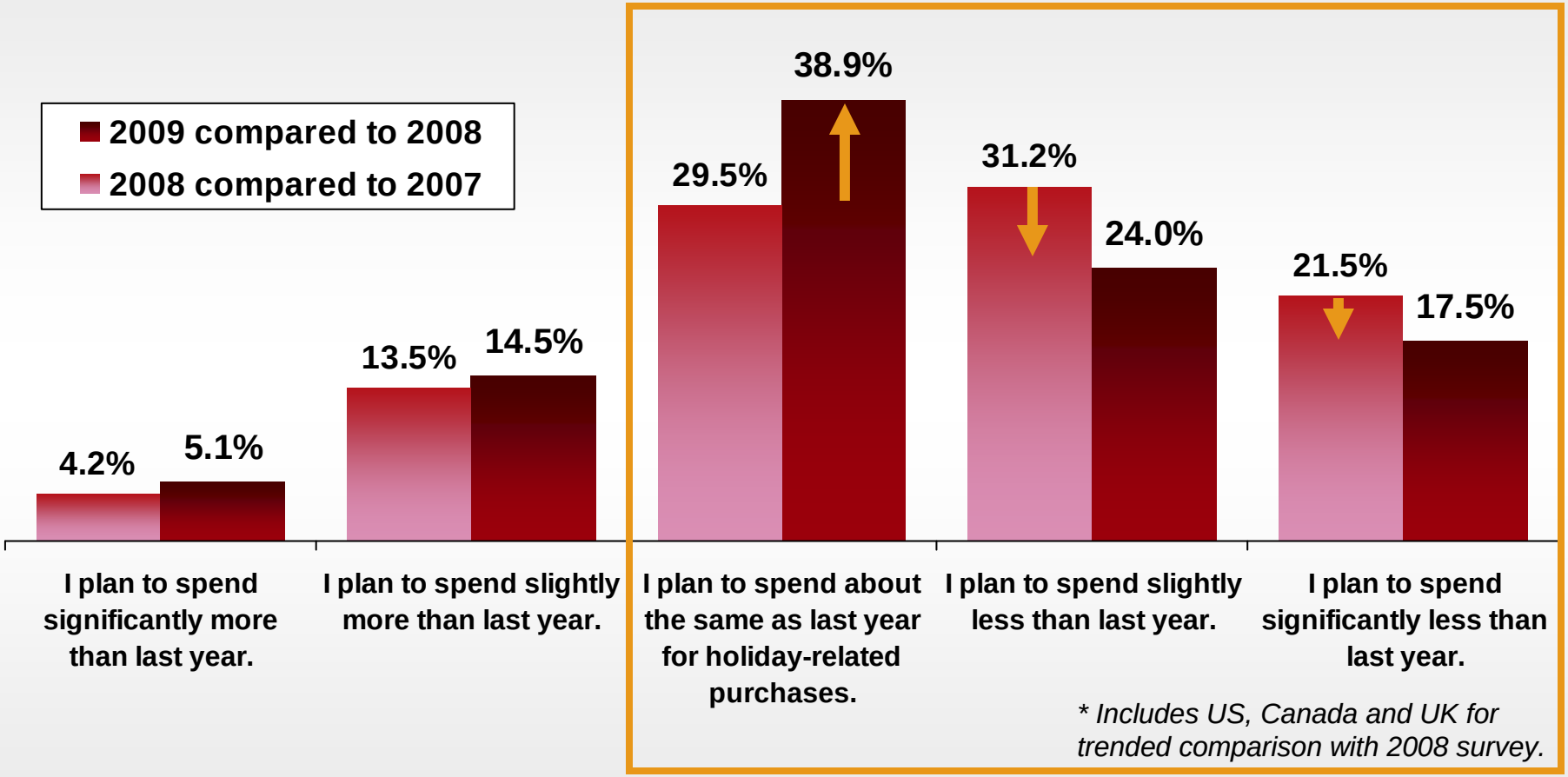
Q: "How does your spending plan this holiday season compare with your spending during the holiday season last year?"



Surveyed respondents in APAC had the most positive outlook for 2009, with 38.7% planning to spend significantly more than in 2008.

’09 Holiday Shopping Season Spend – NA & UK

Q: “How does your spending plan this holiday season compare with your spending during the holiday season last year?”



Fewer shoppers planned to constrict their budgets further in 2009 compared with cuts made in 2008 indicating a slight leveling; no significant increases expected.

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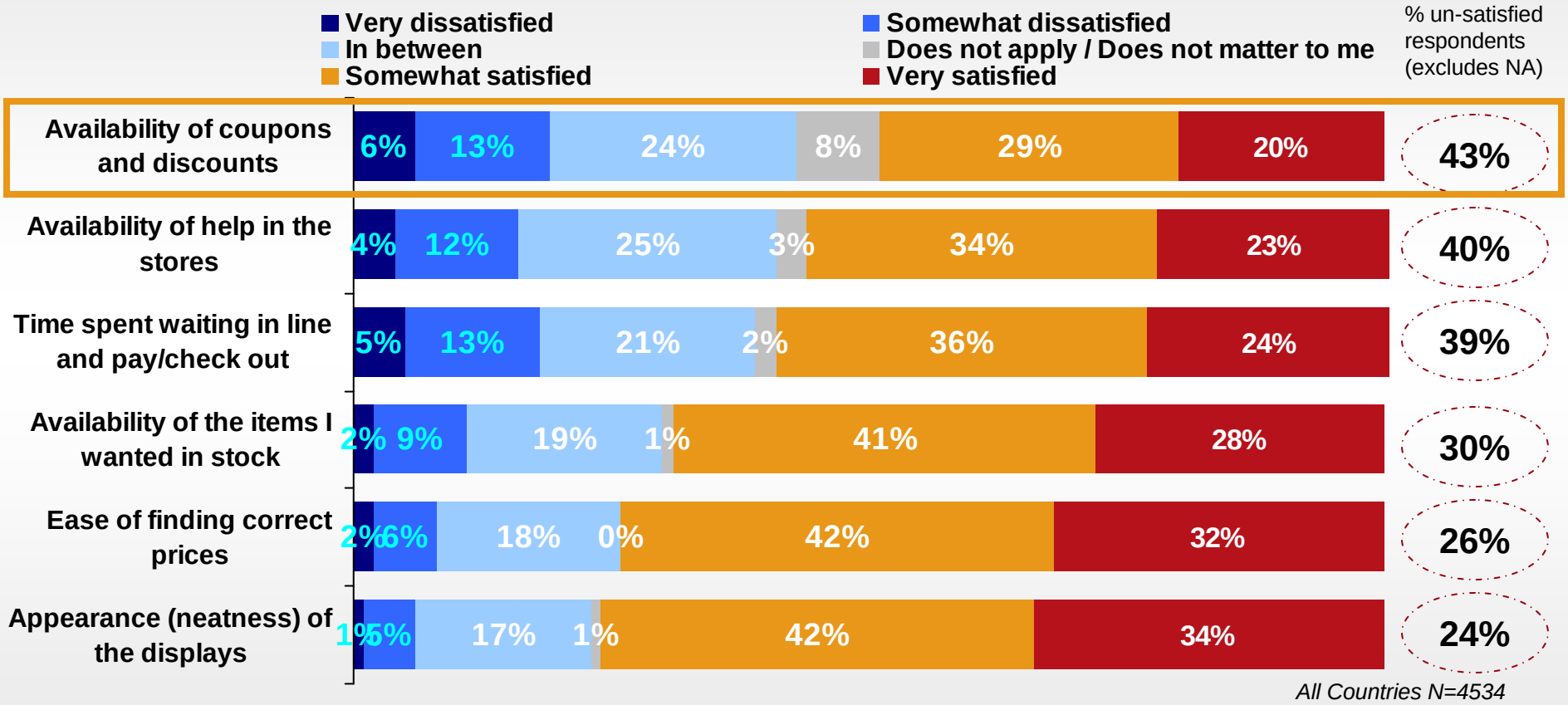
Shopper Satisfaction Levels – Key Aspects

Q: "Please rate your overall satisfaction with each of the following aspects of your shopping experience over the past four weeks."

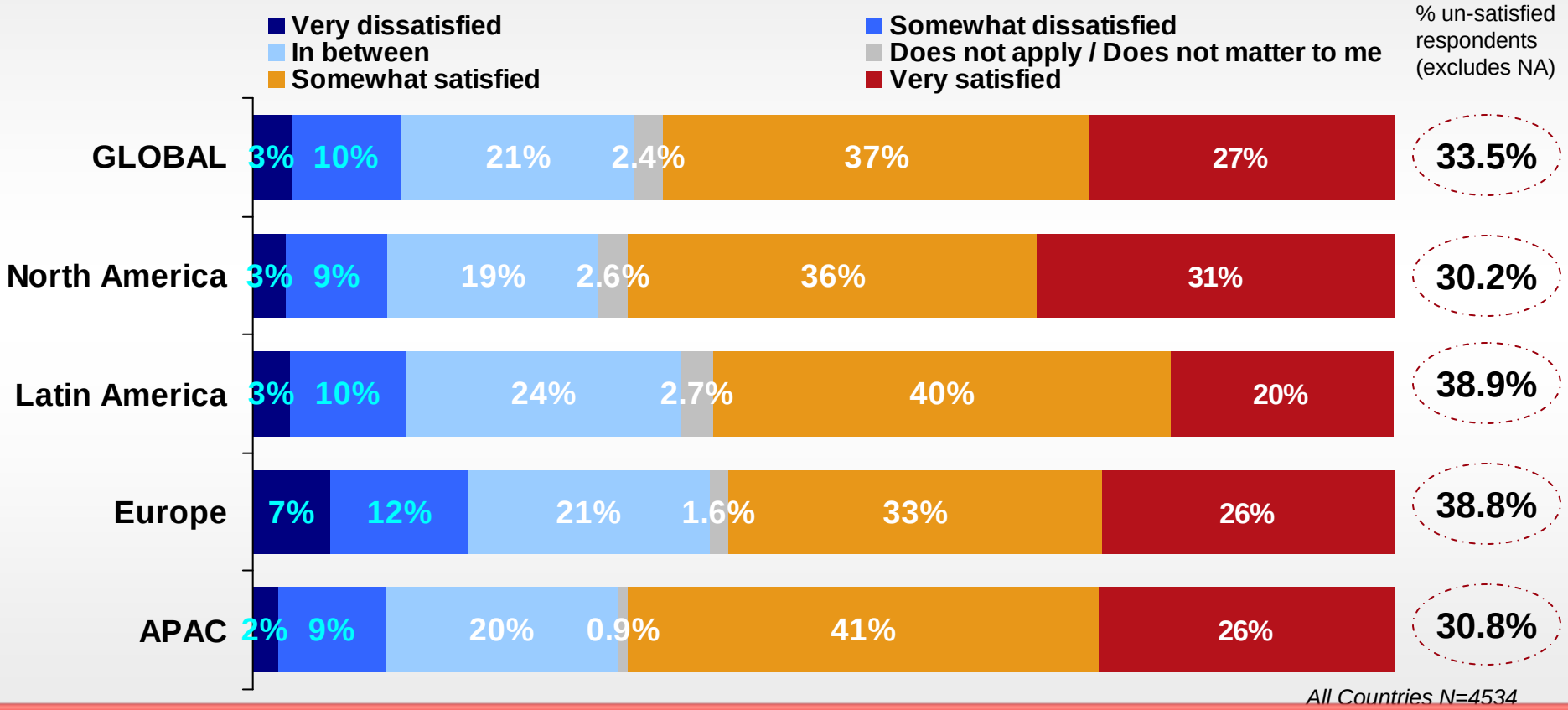


All Countries N=4534

Availability of discounts and coupons produced the lowest satisfaction levels with only half of respondents satisfied.

Shopper Satisfaction Overall –by Region

Overall satisfaction reflects combined ratings of "coupons/discount availability", "in-store help", "time spent waiting", "availability of in-stock items", "ease of finding correct prices", and "appearance of the displays".



All Countries N=4534

Lowest overall satisfaction ratings were reported among Europeans at 59% and Latin Americans at 60%.

Shopper Satisfaction Levels –by Retail Type

Q: "Please rate your overall satisfaction with each of the following aspects of your shopping experience over the past four weeks."

= 50% to 66% satisfied = less than 50% satisfied

% of shoppers "satisfied" per store type	Appearance (neatness) of the displays	Ease of finding correct prices	Availability of coupons and discounts	Availability of help in the stores	Availability of items in stock	Time waiting to pay/check out
Auto Parts	76.4%	71.9%	44.8%	69.5%	73.4%	64.0%
Books and/or Music	84.3%	79.4%	45.4%	65.5%	69.7%	68.8%
Clothing	75.5%	72.2%	43.1%	56.6%	62.3%	57.9%
Electronics	79.9%	72.2%	45.2%	62.2%	69.1%	61.2%
Crafts	73.6%	67.3%	52.1%	58.5%	69.6%	69.9%
Department Store	74.6%	72.8%	47.6%	54.7%	68.3%	56.1%
Pharmacy/ Drug	77.3%	76.1%	54.7%	58.9%	71.3%	70.8%
Grocery	76.3%	77.7%	62.4%	54.9%	76.3%	57.9%
Hardware	73.5%	70.4%	34.0%	59.5%	68.7%	69.6%
Furnishings	78.9%	69.1%	38.3%	69.4%	60.9%	59.4%
Office	77.5%	73.0%	52.5%	64.0%	68.0%	74.0%
Toys	69.9%	64.0%	48.7%	59.9%	62.9%	57.8%
Sporting Goods	80.5%	77.6%	51.7%	71.0%	73.0%	74.1%
Club	73.3%	78.2%	47.8%	44.8%	73.1%	52.9%
Mass Merchandiser	68.1%	70.1%	52.1%	46.1%	66.5%	47.2%

Less than 50% of shoppers were satisfied with discounts and coupons offered. Interestingly, toy stores garnered low satisfaction across all measures.

Abandonment Rate – Retail Type by Region

Q: "Did you leave without buying everything that you were looking for or wanted from any of the stores where you shopped in the past two weeks?"

= 10% to 19% = 20% or more abandoned

% of shoppers "abandoning" purchases	NA	LA	EU	APAC	GLOBAL
Abandoned a purchase at least once.	**66.5 %**	**82.7 %**	**71.1 %**	**77.7 %**	**70.7 %**
Auto Parts	3.7 %	12.3 %	5.6 %	13.0 %	6.1 %
Books and/or Music	15.8 %	15.7 %	17.1 %	25.7 %	17.1 %
Clothing	23.8 %	38.4 %	28.6 %	31.8 %	27.6 %
Electronics	15.4 %	20.1 %	14.9 %	23.9 %	16.6 %
Crafts	6.0 %	6.0 %	4.4 %	13.2 %	6.3 %
Department Store	19.1 %	23.3 %	19.9 %	22.5 %	20.1 %
Pharmacy/ Drug	8.0 %	19.1 %	8.2 %	15.0 %	10.0 %
Grocery	16.4 %	29.6 %	14.7 %	17.0 %	17.4 %
Hardware	8.9 %	9.1 %	9.9 %	13.2 %	9.6 %
Furnishings	4.6 %	12.9 %	6.6 %	15.7 %	7.1 %
Office	5.3 %	7.0 %	3.8 %	10.2 %	5.5 %
Toys	5.5 %	15.7 %	10.4 %	11.6 %	8.6 %
Sporting Goods	5.5 %	7.6 %	8.2 %	10.7 %	7.0 %
Club	5.7 %	7.6 %	2.7 %	6.4 %	5.1 %
Mass Merchandiser	7.5 %	8.2 %	7.3 %	7.5 %	7.5 %

Shoppers worldwide most often left a clothing store without buying everything they intended to buy. Levels of unfulfilled purchases were highest in APAC and Latin America.

Abandonment Rationale –by Region

Q: "What were the primary reason(s) for leaving the store without the item(s) that you wanted?"

= 20% to 30% = 30% or more

	NA	LA	EU	APAC	GLOBAL
% of shoppers "abandoning" purchases	**66.5 %**	**82.7 %**	**71.1 %**	**77.7 %**	**70.7 %**
% of abandoned purchases due to each reason	**NA**	**LA**	**EU**	**APAC**	**GLOBAL**
Dissatisfied with the displays	16.8%	44.5%	26.0%	48.2%	25.5%
Information/price not easily found/ available	13.9%	50.3%	21.1%	42.7%	22.8%
Too expensive. Wanted coupons/ discounts.	**35.0%**	**56.1%**	**33.1%**	**52.5%**	**38.5%**
Sales associate was not available	15.9%	45.9%	22.1%	38.0%	23.1%
Out of stock	**37.8%**	**57.3%**	**42.9%**	**55.2%**	**43.1%**
Checkout too long.	19.6%	51.7%	29.2%	40.5%	27.9%

Highest rates of abandonment are due to out-of-stock incidents and lack of coupons/discounts.

Abandonment Rationale –by Retail Type

Q: "What were the primary reason(s) for leaving the store without the item(s) that you wanted?"

= 20% to 30% = 30% or more

% of shoppers who left stores with unfulfilled or abandoned purchases	Dissatisfied with the displays	Information/price not easily found/ available	Too expensive. Wanted coupons/ discounts.	Sales associate was not available	Out of stock	Checkout too long.
Auto parts store	26.4 %	26.4 %	36.5 %	18.8 %	36.8 %	16.2 %
Books and/or Music	18.8 %	12.7 %	30.6 %	12.2 %	39.9 %	12.2 %
Clothing or Accessories	20.6 %	18.6 %	42.2 %	18.2 %	33.4 %	21.9 %
Consumer electronics/ Computer	16.2 %	19.2 %	**50.5 %**	18.2 %	31.4 %	15.7 %
Crafts, Hobby or Fabrics	18.0 %	19.0 %	33.1 %	13.7 %	26.8 %	15.1 %
Department store	22.4 %	21.0 %	34.8 %	21.1 %	34.0 %	28.8 %
Drug store	15.0 %	17.0 %	22.3 %	17.7 %	37.6 %	16.6 %
Grocery store/Supermarket	22.4 %	15.4 %	24.0 %	15.2 %	**42.7 %**	28.4 %
Home improvement/ Hardware	19.5 %	15.9 %	27.4 %	19.8 %	30.6 %	14.3 %
Furniture or Home furnishings	15.2 %	15.5 %	37.6 %	14.0 %	21.1 %	12.1 %
Office supply store	17.3 %	15.3 %	31.7 %	13.7 %	30.9 %	13.7 %
Toy store	18.5 %	15.9 %	32.6 %	14.9 %	37.4 %	20.5 %
Sporting goods store	14.8 %	11.3 %	34.6 %	14.2 %	30.8 %	11.9 %
Shopping club/Warehouse	14.3 %	15.2 %	22.5 %	17.7 %	32.9 %	26.0 %
Mass merchandiser/Mega-store	21.7 %	14.7 %	23.2 %	21.7 %	35.2 %	39.9 %

High reported abandonment rates for consumer electronics purchases were principally due to the lack of coupons/discounts.

Abandonment Rate Impact –by Region

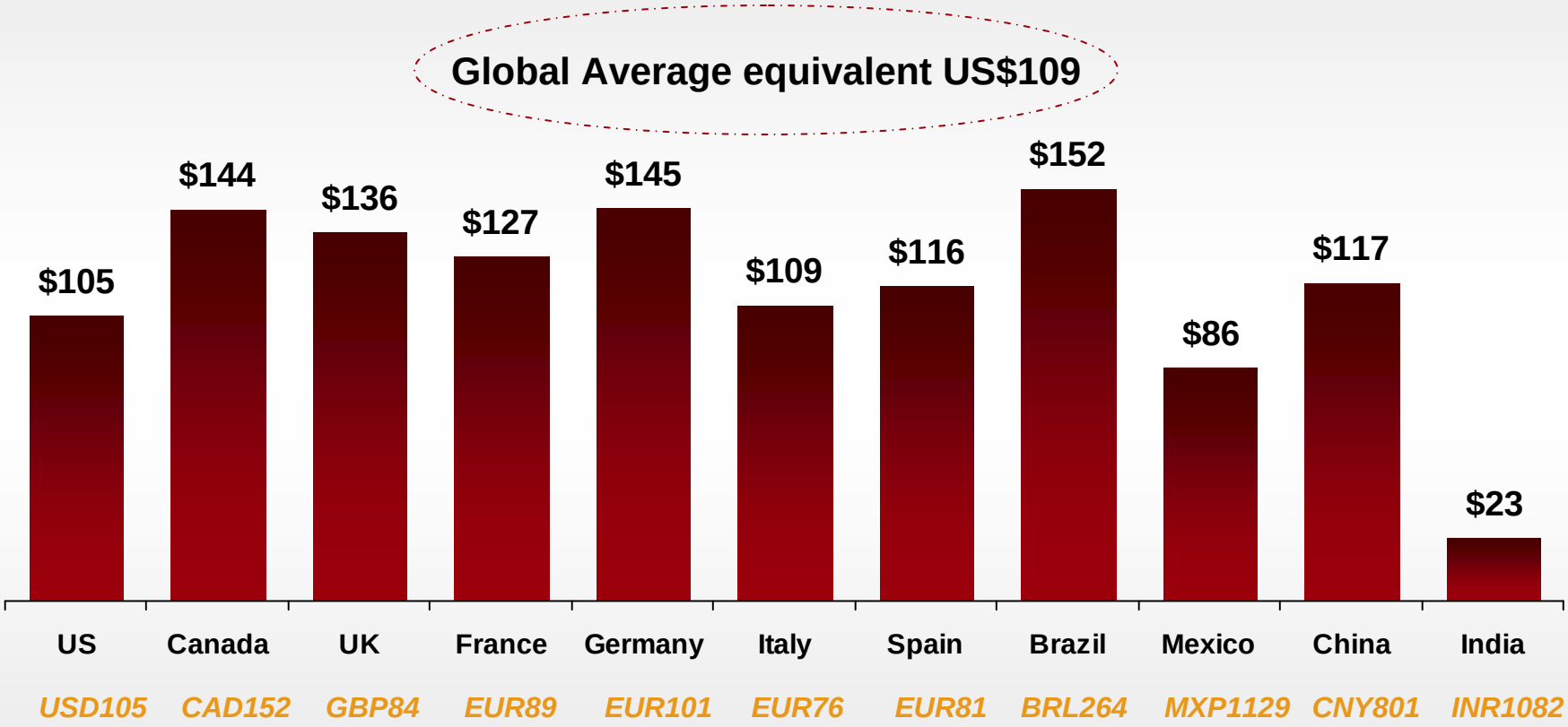
Q: "What did you do to find and finish purchasing these items?"

% outcome of abandoned purchases	NA	LA	EU	APAC	GLOBAL
Went back to the same store another time.	11.5%	13.4%	15.3%	19.8%	14.0%
Went to another store, bought the same thing.	25.7%	45.8%	35.1%	43.5%	33.7%
Went on web site (on-line), bought the same thing.	13.0%	16.0%	18.4%	18.0%	15.6%
Went somewhere else, bought something entirely different.	9.1%	8.7%	9.9%	10.7%	9.5%
I decided not to buy the item(s) at all.	**40.8%**	**16.1%**	**21.2%**	**8.1%**	**27.2%**

In North America, abandoned purchases are most likely to result in net retail losses…41% of abandoned purchases do not lead to alternative channels.

Abandonment Rate Impact –by Country

Q: "Approximately what was the total value of the item(s) that you abandoned at each of the stores where this happened?"



Holiday shoppers left an average $109 in unfulfilled or abandoned purchases due to dissatisfaction, out of stocks, and/or lack of discounts or coupons.

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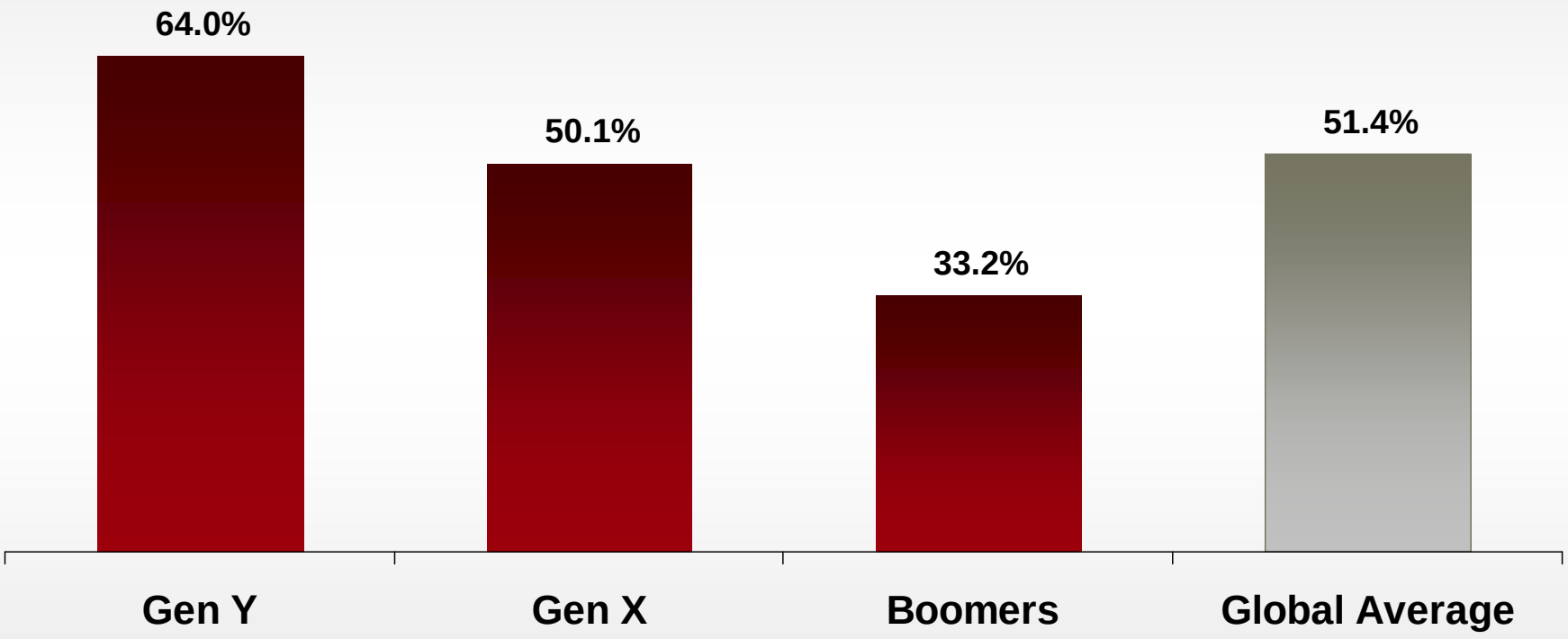
Mobile Phone Shopping Activity –by Age Group

Q: "Did you use your mobile phone for any shopping activities during the past two weeks?"



All Countries N=4534

Gen Y shoppers are almost twice as likely (64%) as more mature shoppers (33%) to utilize their mobile phones for in-store shopping-related activities.

Mobile Phone Shopping Activity –by Age Group

Q: "Did you use your mobile phone to do any of the following shopping activities during the past two weeks?"

% shoppers engaged in activity	Compare Gen Y / Boomer	Gen Y	Gen X	Boomer	GLOBAL
Called to ask someone about a product I might purchase.	**1.9**	38.2 %	29.7 %	20.5 %	30.8 %
Texted to ask someone about a product I might purchase.	**3.2**	30.5 %	19.2 %	9.4 %	21.3 %
Sent a picture of a product I might purchase.	**3.2**	23.0 %	15.2 %	7.2 %	16.3 %
Used mobile phone to access Internet to compare prices.	**3.7**	21.4 %	11.9 %	5.8 %	14.2 %
Used mobile phone to access Internet to look at product reviews or other product information.	**4.2**	20.6 %	13.7 %	4.9 %	14.3 %
Used mobile phone to access Internet to get coupons or special offers while shopping.	**6.5**	13.6 %	7.2 %	2.1 %	8.5 %
Made an Internet purchase directly on the mobile phone.	**3.4**	10.1 %	6.2 %	3.0 %	6.9 %
Used Mobile phone for at least one of the above shopping-related activities.	**1.9**	**64.0 %**	**50.1 %**	**33.2 %**	**51.4 %**

Gen Y shoppers accessed their mobile phones for various in-store shopping related activities from two to six times as much as Boomers.

Mobile Phone Shopping Activity –by Region

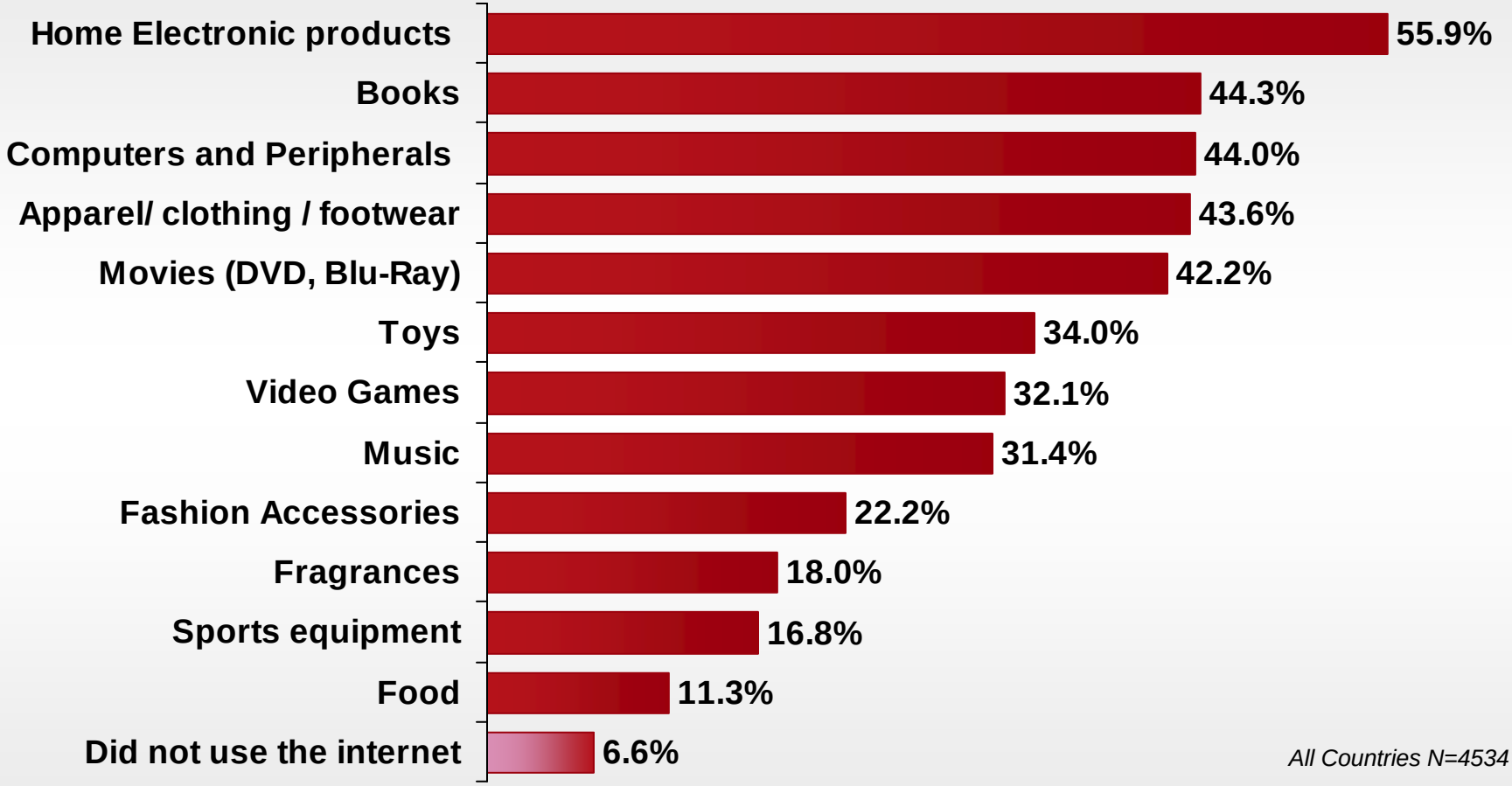
Q: "Did you use your mobile phone to do any of the following shopping activities during the past two weeks?"

% shoppers engaged in activity	NA	LA	EU	APAC	GLOBAL
Called to ask someone about a product I might purchase.	26.2 %	40.8 %	28.2 %	51.6 %	30.8 %
Texted to ask someone about a product I might purchase.	17.3 %	28.8 %	20.0 %	37.7 %	21.3 %
Sent a picture of a product I might purchase.	14.1 %	20.9 %	14.0 %	29.3 %	16.3 %
Used mobile phone to access Internet to compare prices.	10.4 %	20.7 %	11.5 %	34.5 %	14.2 %
Used mobile phone to access Internet to look at product reviews or other product information.	11.0 %	15.7 %	12.2 %	35.9 %	14.3 %
Used mobile phone to access Internet to get coupons or special offers while shopping.	5.3 %	10.5 %	6.8 %	28.0 %	8.5 %
Made an Internet purchase directly on the mobile phone.	3.5 %	8.5 %	7.0 %	23.0 %	6.9 %
Used Mobile phone for at least one of the above shopping-related activities.	**45.1 %**	**62.4 %**	**49.4 %**	**78.0 %**	**51.4 %**

Highest occurrence of shopping-related mobile phone use was reported by shoppers in APAC and Latin America.

On-line Research Activity

Q: "For which of the following types of products will you be looking for ideas and information online (price comparison, reviews, etc.) before you go to a physical retail store location to shop?

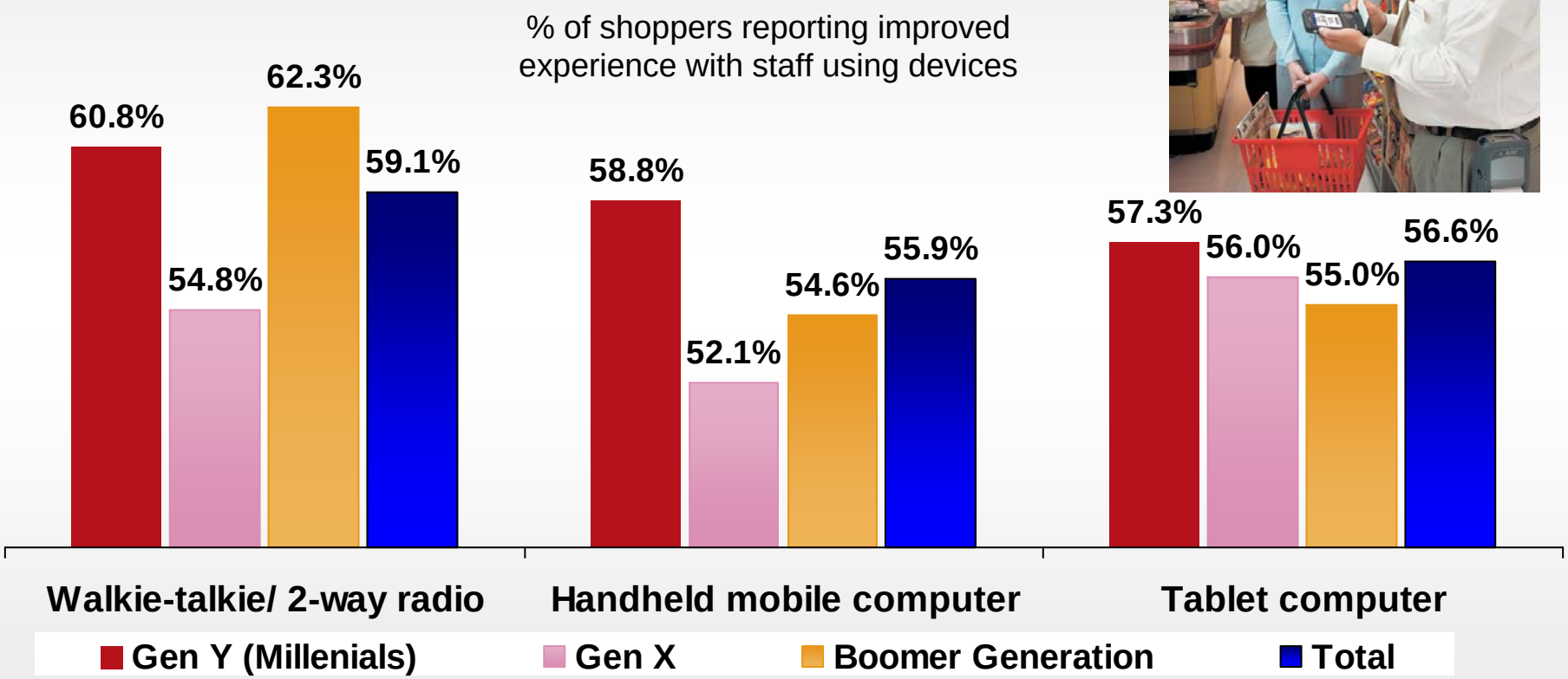


All Countries N=4534

Almost all shoppers (93%) used the internet prior to going in-store to research prices and information of various products.

Customer Experience Impact –by Age Group

Q: "How did the device(s) used by the store associates affect your satisfaction with your shopping experience?"



Surveyed shoppers reported a better customer experience due to the impact of two-way radios (59%) and handheld mobile computers (56%).

Emerging Technologies Impact –by Age Group

Q: "Which of the new technologies listed below do you think would improve your shopping experience?"

% shoppers engaged in activity	Gen Y	Gen X	Boomer	Global
Smart Carts	70.4 %	67.7 %	69.3 %	69.2 %
Electronic Shelf Labels	60.9 %	61.2 %	62.6 %	61.4 %
Retail Store Associate Tablets	54.3 %	49.6 %	50.0 %	51.6 %
Intelligent Changing Room	**56.7 %**	43.6 %	**39.4 %**	47.8 %
Comparison Shopping via Mobile Phone	**40.5 %**	31.8 %	**24.3 %**	33.4 %
Loyalty Account Access via Mobile Phone	**38.8 %**	29.9 %	**20.4 %**	31.1 %
Self-activated Shopping Agents	**37.1 %**	27.6 %	**20.5 %**	29.6 %
Holographic Sales Assistant	**26.5 %**	24.4 %	**20.9 %**	24.4 %

Greatest disparity between Gen Y and mature shoppers (GenX and Boomer) were seen in the acceptance of emerging technologies.

Emerging Technologies Impact –by Region

Q: "Which of the new technologies listed below do you think would improve your shopping experience?"

% shoppers engaged in activity	NA	LA	EU	APAC	Global
Smart Carts	72.8 %	72.2 %	60.3 %	73.6 %	69.2 %
Electronic Shelf Labels	63.1 %	67.4 %	53.2 %	70.7 %	61.4 %
Retail Store Associate Tablets	56.2 %	68.0 %	39.3 %	45.5 %	51.6 %
Intelligent Changing Room	47.1 %	53.5 %	43.0 %	59.5 %	47.8 %
Comparison Shopping via Mobile Phone	31.0 %	44.5 %	26.4 %	55.0 %	33.4 %
Loyalty Account Access via Mobile Phone	25.7 %	43.3 %	28.5 %	53.4 %	31.1 %
Self-activated Shopping Agents	27.0 %	37.8 %	24.4 %	**50.2 %**	29.6 %
Holographic Sales Assistant	20.7 %	37.2 %	16.4 %	**52.0 %**	24.4 %

Respondents in APAC were most receptive to more futuristic in-store retail concepts such as self-activated shopping agents and holographic sales assistants.

Conclusions and Takeaways

While spending attitudes have stabilized compared to 2008, seven in ten surveyed shoppers still planned for flat or declining holiday budgets in 2009.

- Nearly four in ten shoppers surveyed planned to spend the same in 2009 as they did during the holiday shopping season a year ago; 34.4% planned to spend less this year.

Reflective of the tight economic climate, shoppers were dissatisfied with the availability of coupons.

- Only one-half reported satisfaction with the availability of coupons and discounts. Satisfaction levels were also below par for availability of help in the stores (56%), and time spent waiting in line to pay/check out (63%).

More than half of consumers utilized mobile phones for in-store holiday shopping activities.

- The usage and impact of mobile shopping technologies exploded in 2009 as shoppers turned to their mobile phones for activities spanning multi-channel comparison shopping, peer feedback, product info and couponing.

In-store associates equipped with mobile in-store retail technologies provide better customer experience.

- Surveyed shoppers reported a better customer experience due to the impact of two-way radios and handheld mobile computers, (59 percent and 56 percent respectively).