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2018 CONSUMER RESEARCH:

Why Product Experiences are What Win Consumer Trust in the Digital Age

BRANDS ARE BEING SQUEEZED FROM ALL SIDES

Pressure on margins within online retail, an increasing array of private labeled goods, declining in-store sales, the growing popularity of native D2C and other upstart companies.

But underlying all these trends is the reality, confirmed by both retail site behavior analysis and stated preferences, that today's consumers overwhelmingly value, and attribute brand trust, to a good product experience. They are both willing to pay more, and are likely to buy more often, from brands that deliver it.

For brands to build this trust with a great product experience, so much relies on content, and this carries over to brands selling on online retail sites.

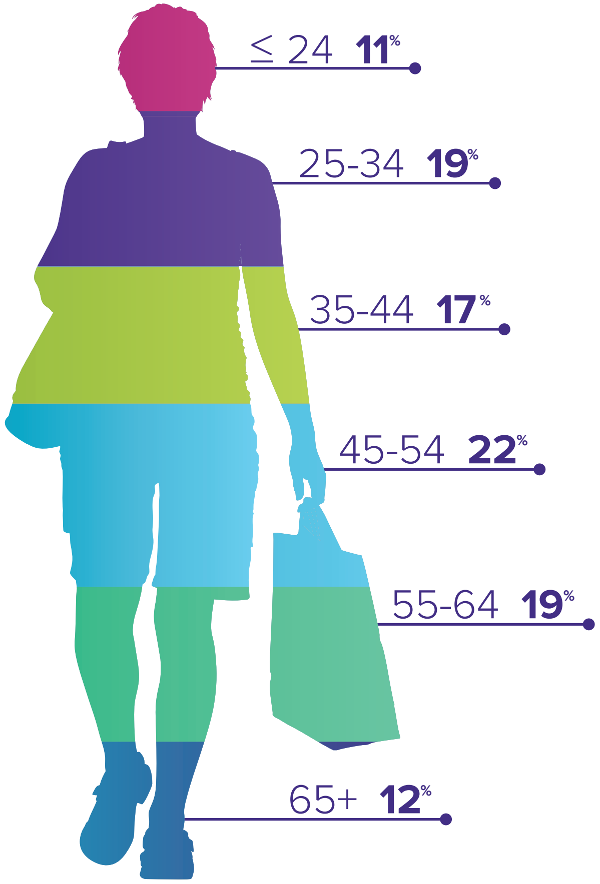
A Salsify analysis completed in early 2018 demonstrated that if you take two listings that appear side-by-side in an Amazon search engine results page (SERP), the one with more images will convert at a higher rate and outrank the competitor 53% of the time. In the same way, a listing with more bullets will convert higher and outrank the side-by-side competitor 51% of the time. And finally, a listing with more reviews will convert higher and outrank the competitor 58% of the time.

When brands deliver this experience on the product page, and back it up with an actual product to match, consumers keep coming back, write reviews, and create a virtuous cycle for the brand itself. A survey of more than 1,000 U.S. consumers who shopped online at least once in 2017, drives home the idea that eCommerce hasn't killed consumer loyalty or trust in brands, it's just shifted that trust from brand familiarity or visibility, onto more experiential terms. Brands have a golden opportunity to drive higher margins and more sales by focusing on online product content and delivering an overall terrific product experience.

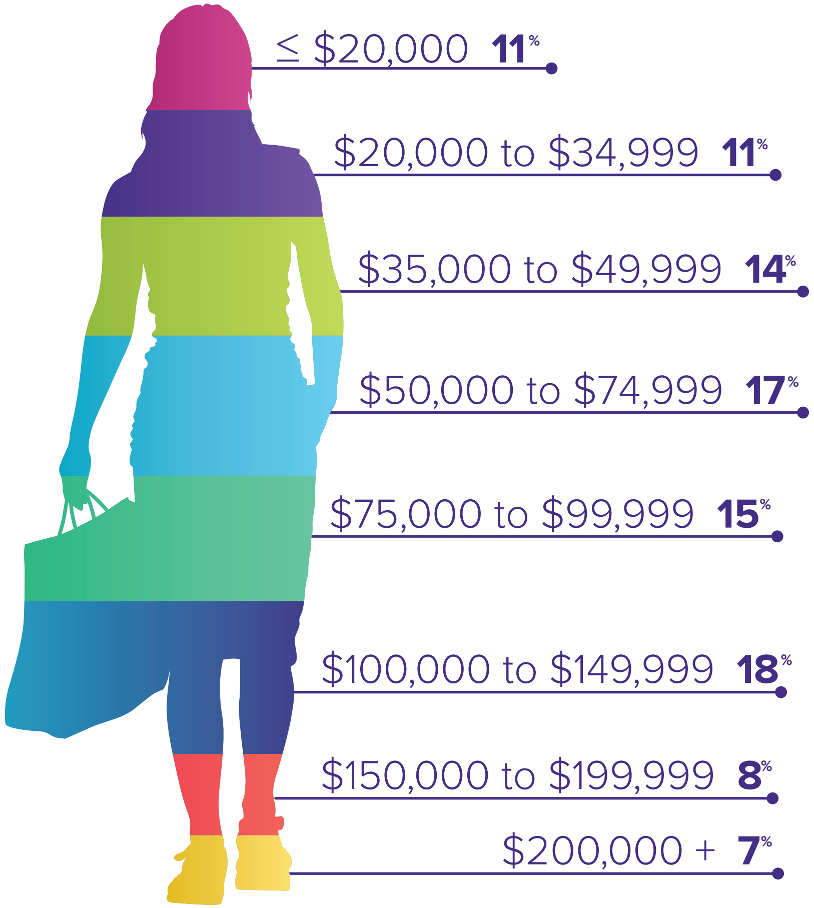
Methodology:

Results highlighted in this report are based off of survey responses from more than 1,000 US-based consumers who shopped online at least once in 2017.

Age:



Household Income:



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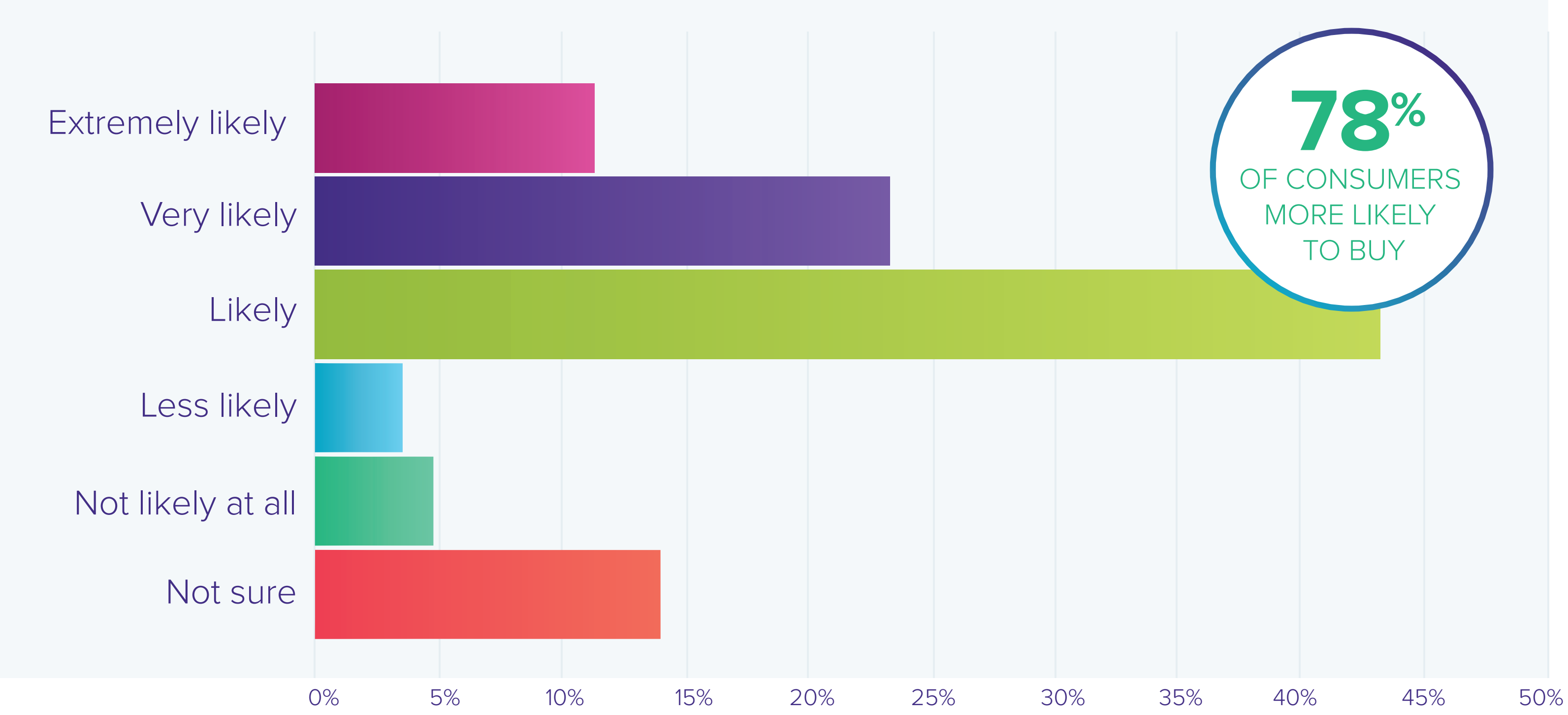
Consumers are open to individualized experiences

Likeliness to Buy with More **Personally Relevant Product Page** Content

(e.g. Images, Videos, Text, Reviews)



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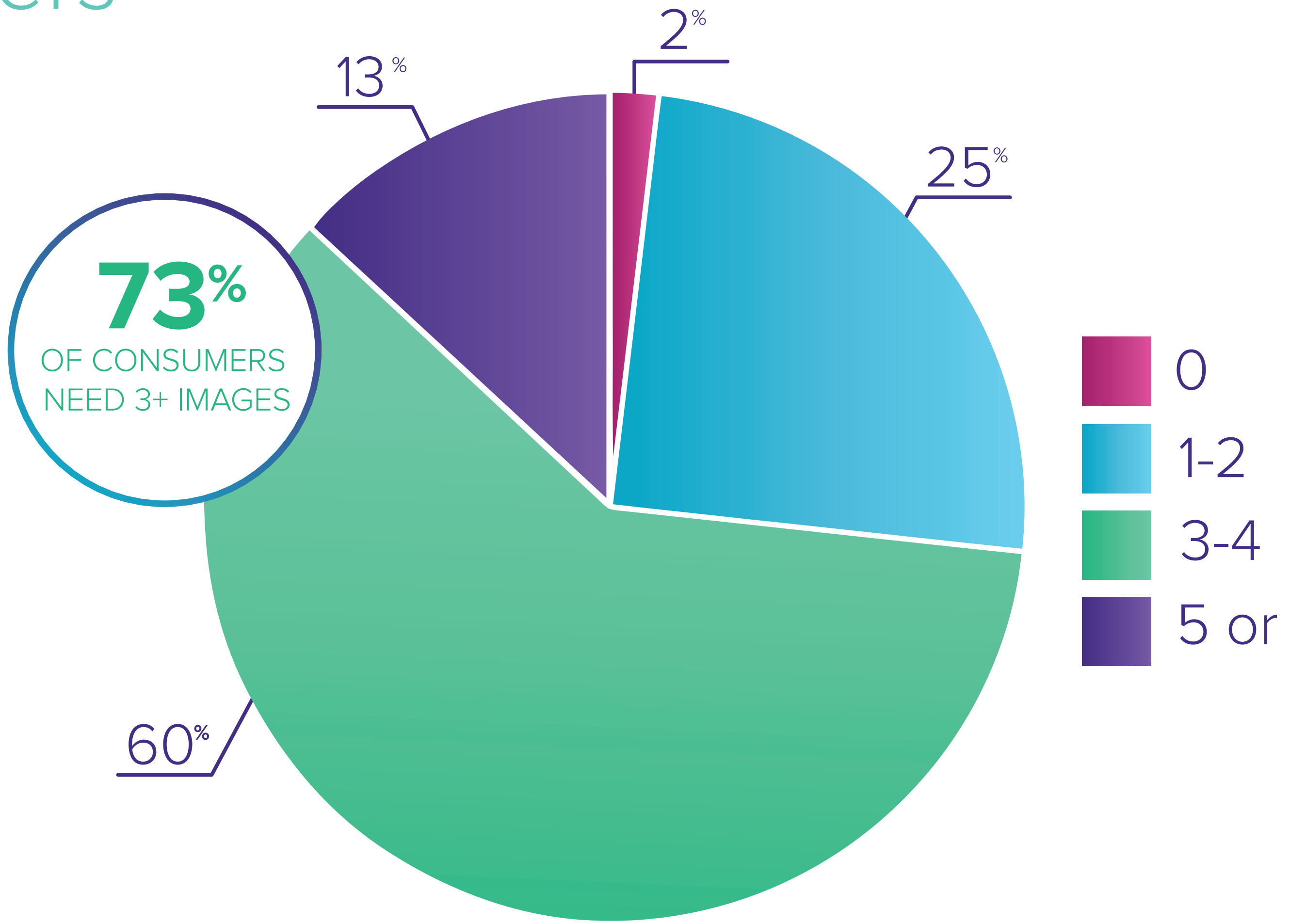
Product content matters

Number of **Photos Needed When Shopping** for Any Product Online



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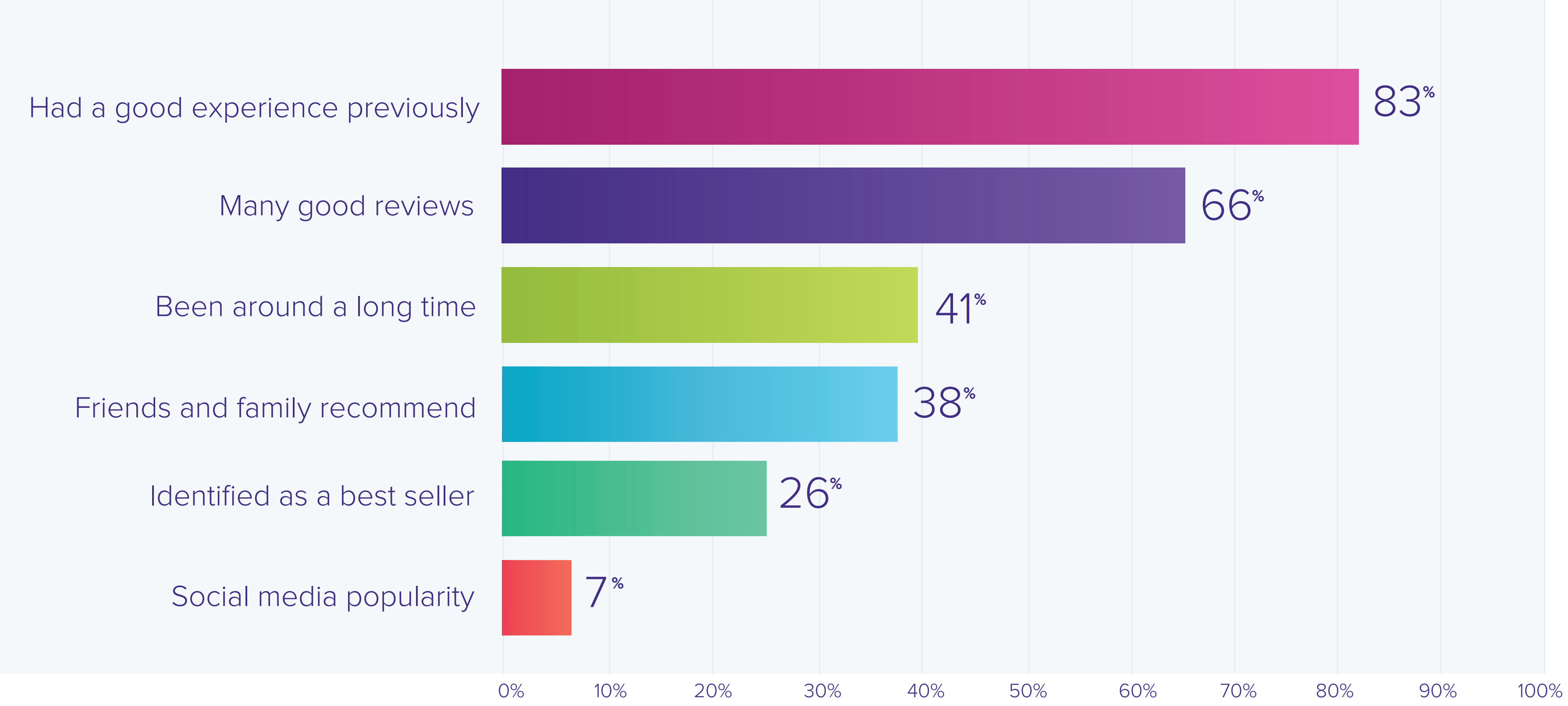
Personal experience and user reviews matter most often—more than traditional word of mouth

“What makes you **trust a brand** online?”



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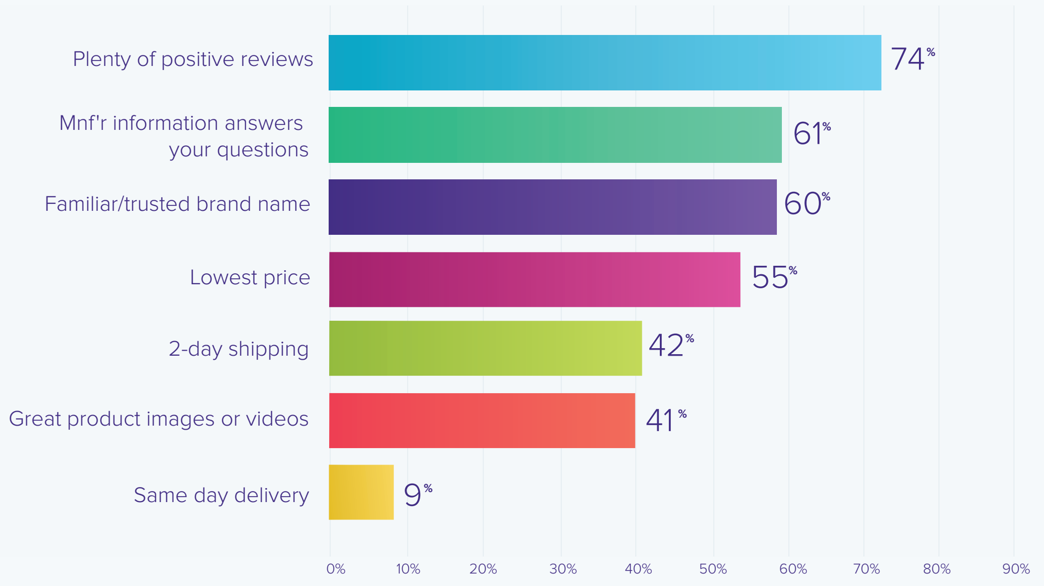
Shoppers are sensitive to product experience

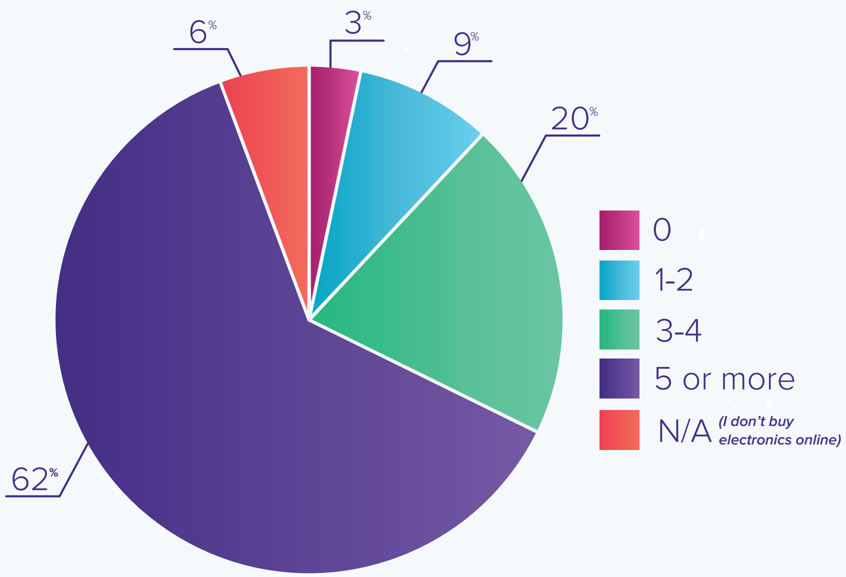
As online shopping has become more of a fixture in consumers' lives, consumers have grown more discerning before clicking 'buy'. In 2017, price was the most important factor for consumers across all product types surveyed. Now, particularly for considered purchases, consumers care less about price when a product has demonstrated trustworthiness - they've already had a great experience with it, the product content answers their concerns or questions, and there are plenty of positive reviews.

‘Reviews and product information key for electronics category

“What’s most important to you when **buying electronics?**”



Number of reviews read when **purchasing electronics**



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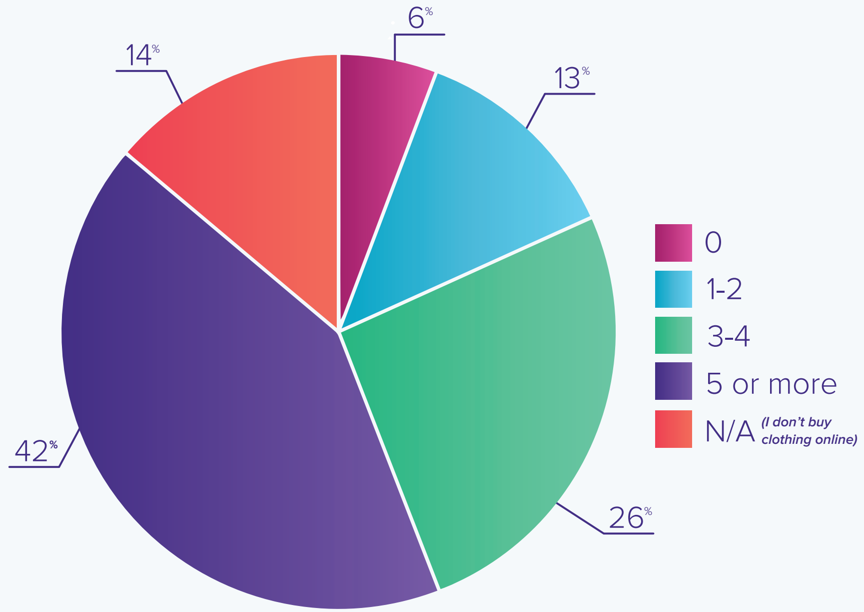
…Clothing shoppers are similar, with more price sensitivity

"What's most important to you when **buying clothes** on Amazon?"

Number of reviews read when **purchasing clothing**



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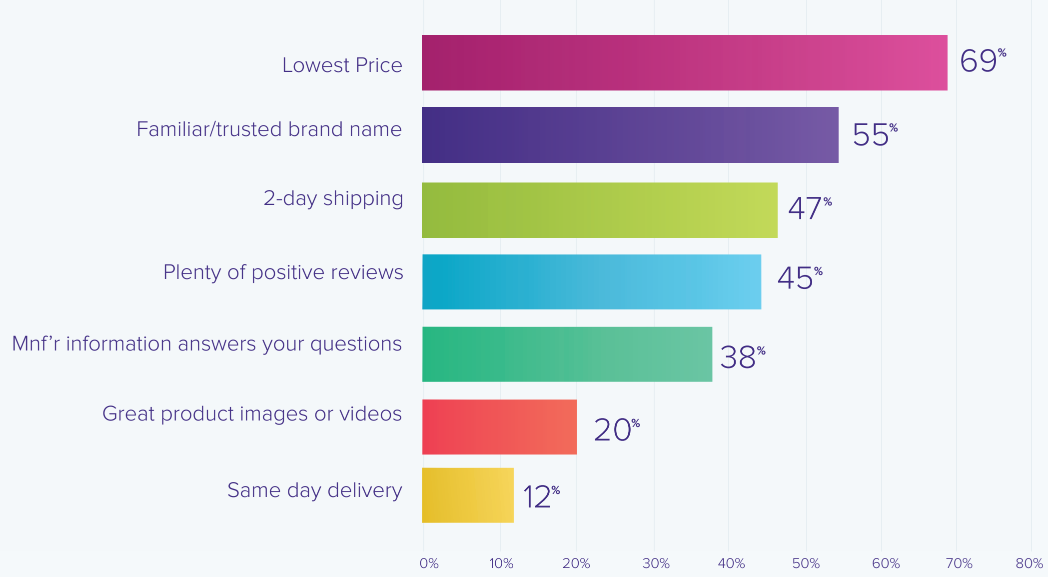
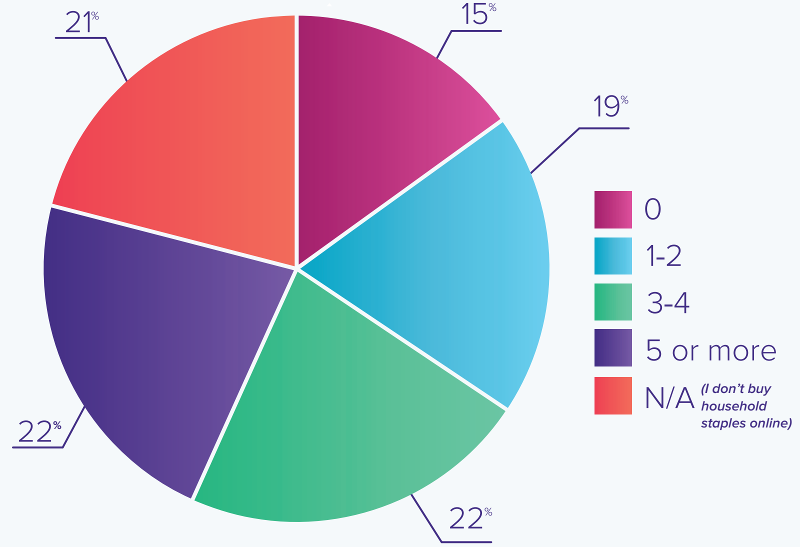
Price and brand trust are still paramount for household staples

"What's most important to you when buying **household staples** on Amazon?"



Number of reviews read when **purchasing household staples**



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Better reviews drive higher margins

"Between similar products online, which of the following has driven you to spring for a **higher priced option**?"

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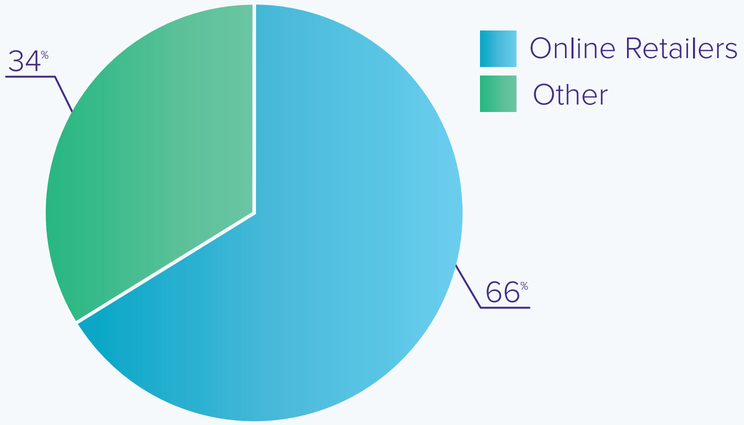
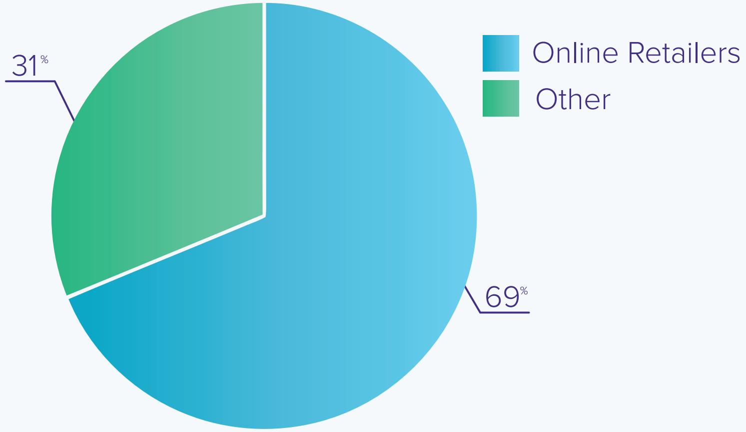
Brands need to double down on online retailers

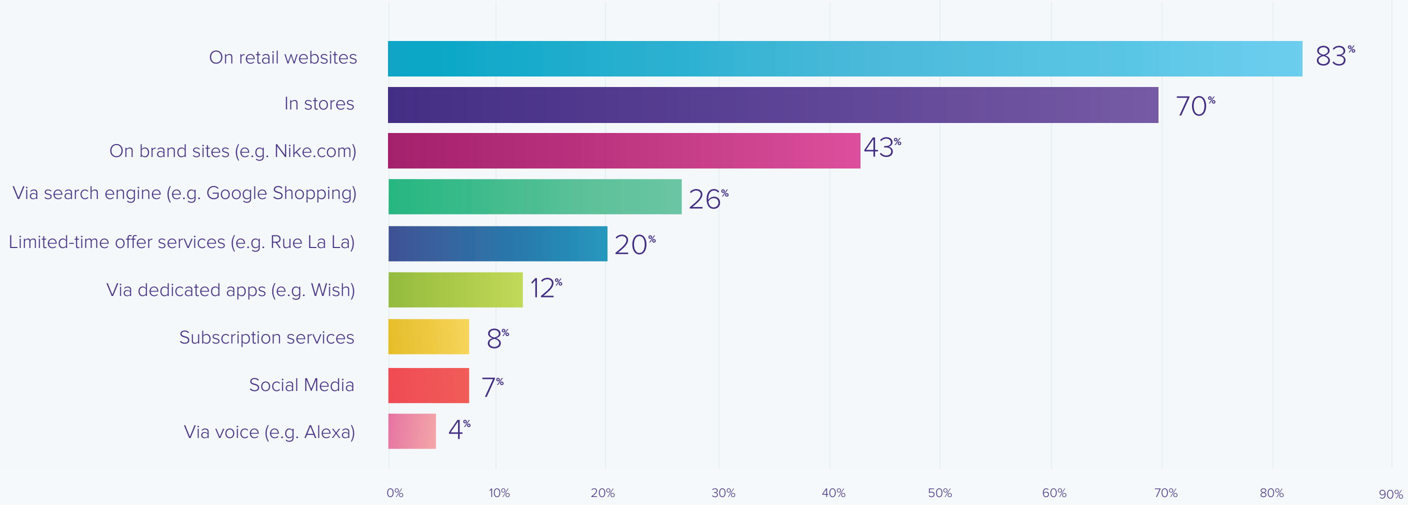
All consumers 1st or 2nd **shopping/ research** preference



All consumers 1st or 2nd **buying** preference



Where do you plan to do **more shopping in 2018**?



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...but not neglect in-store buying experiences valued by millenials/Gen Z as much as older consumers

#1 Buying preference by **age range**

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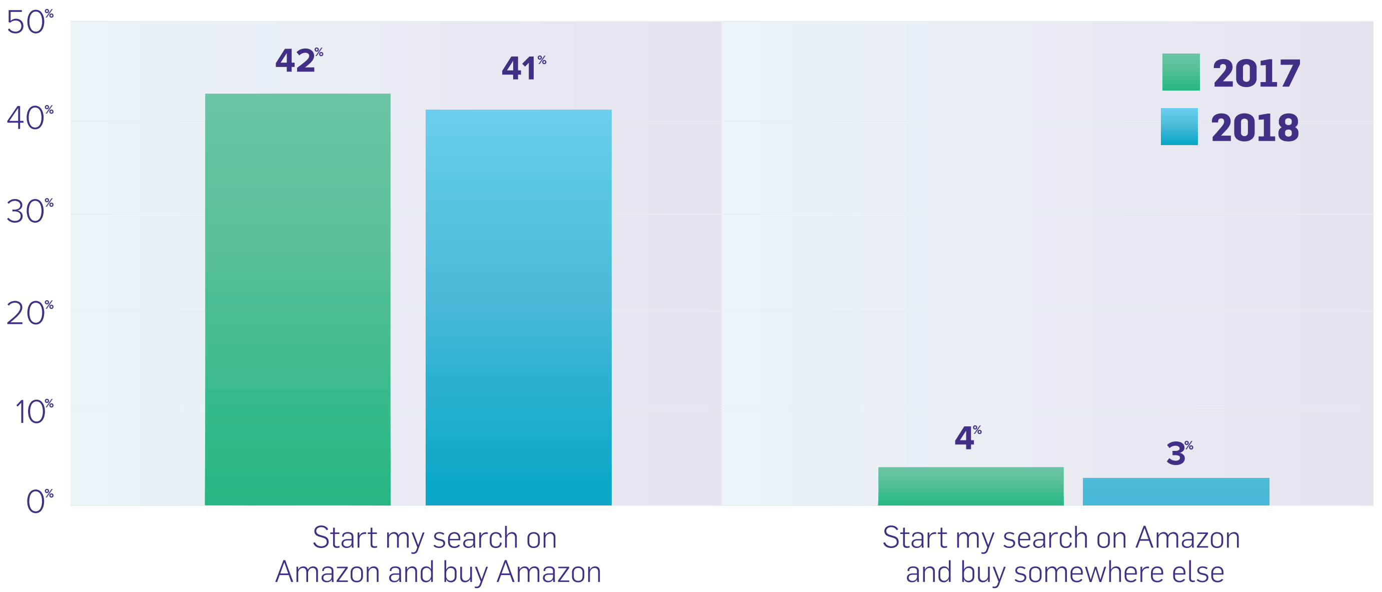
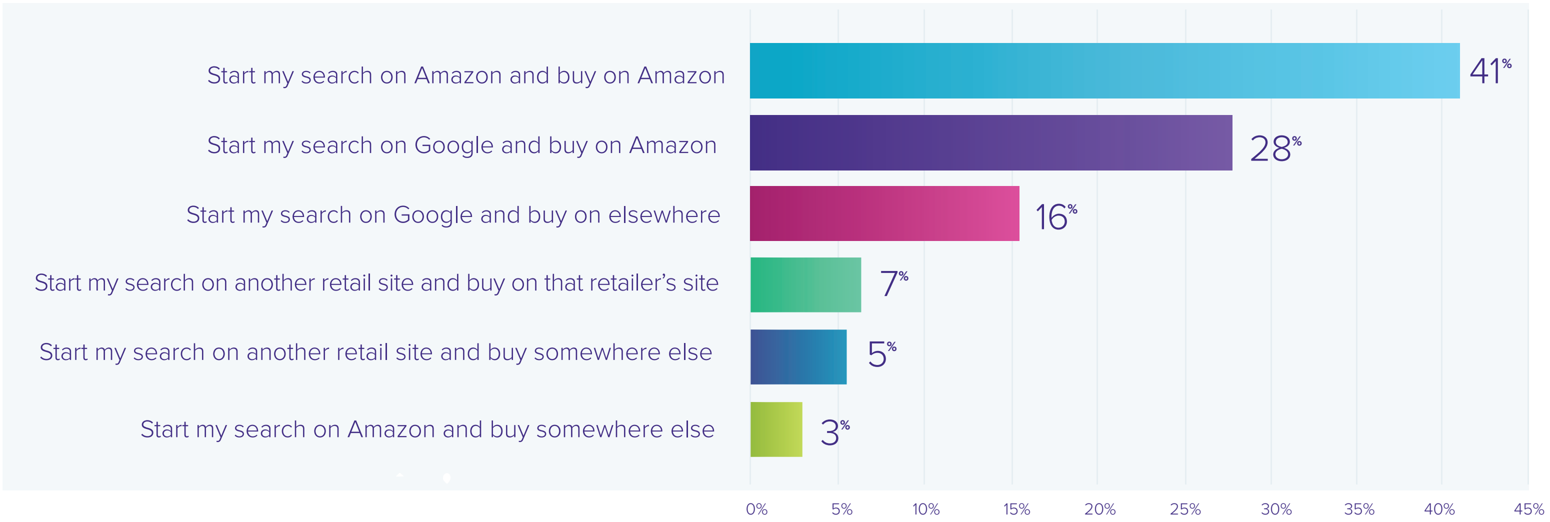
Amazon and Google remain tops for product search and research

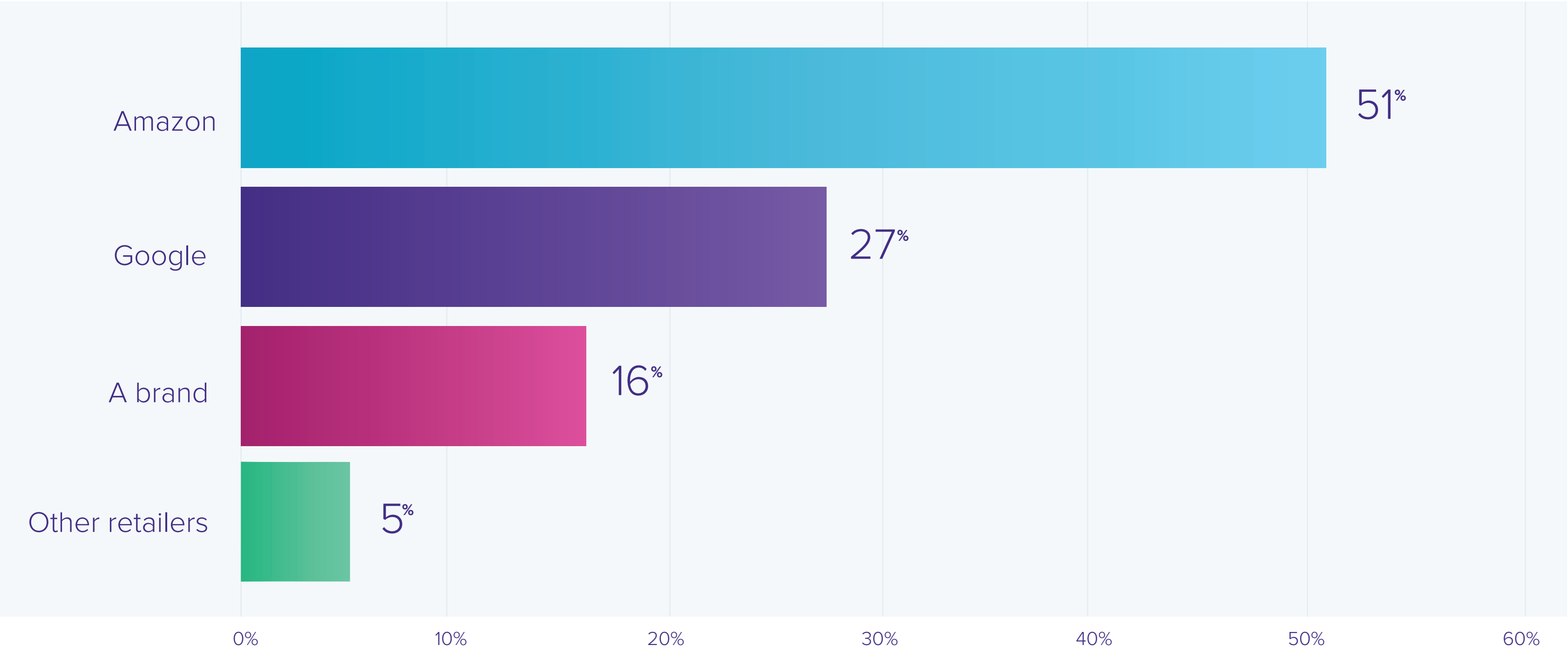
“Which **shopping pattern** best matches your behavior?”





...and Amazon and Google are what most consumers trust, more than brands

"Who do you trust most to give you the **most useful product information** or recommendation?"



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Looking ahead - building trust is reachable and worthwile

A consumer's experience with a product— and the trust and loyalty and margins and market share that go with it— are the rewards of a now constant battle fought every day on the digital shelf. The data in this report and elsewhere further emphasizes that in order to beat out their competition, brands have to go to war focused on this front. This includes inside their own organizations and with their retail/brand partners to aggressively drive towards goals that will provide a great experience. The right content. Quicker and more robust brand/retailer collaboration. Merging customer intelligence with product intelligence to individualize the product experience. Boosting their review count and quality. Reducing poor reviews through stellar products and customer service. Brands need to employ tactics consistently focused on improving these measures of trustworthiness in order to achieve both short- and long-term sales growth and ultimately survive in the face of a rapidly shifting marketplace.

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