

SALSIFY

Consumer Research Report | 2020

Executive Summary

We surveyed more than 1700 people in the United States to uncover the latest trends in their shopping habits and preferences.

The results show that winning brands must:

- Test and learn with social commerce
- Adapt to the growing complexity of shopping
- Build trust with consumers through a differentiated, delightful experience

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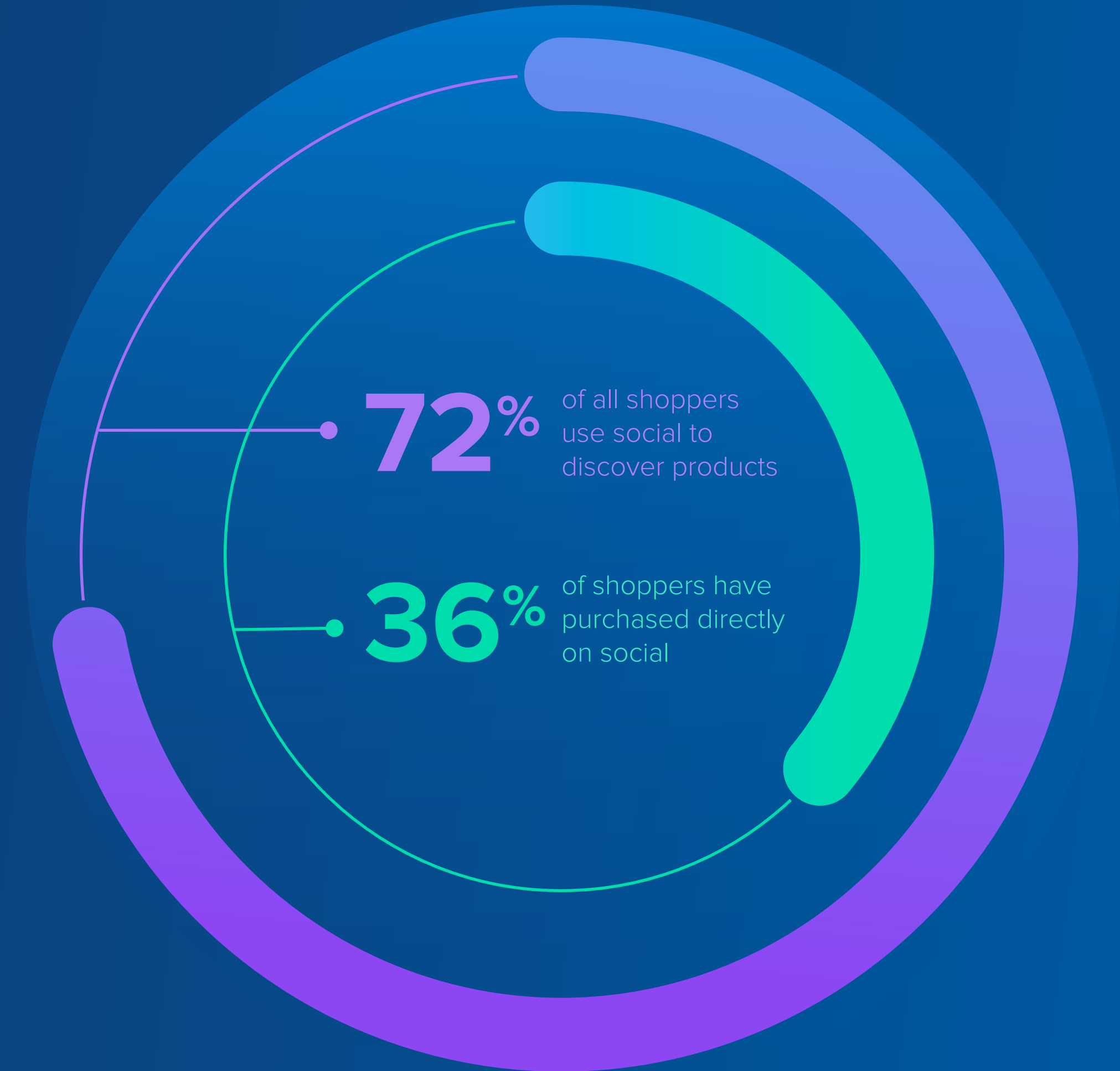
Test and learn with social commerce

Social channels have more power than ever before to drive not only product discovery, but become the place where people purchase.



72% of all shoppers
use a social channel to
discover new products

36% of shoppers have
purchased something
directly on a social channel
in the last year.



Q2: How do you find out about new products and brands? Check all that apply.

Q11: Have you purchased anything directly on a social media channel (e.g. Instagram or Facebook) in the past year? Select one.

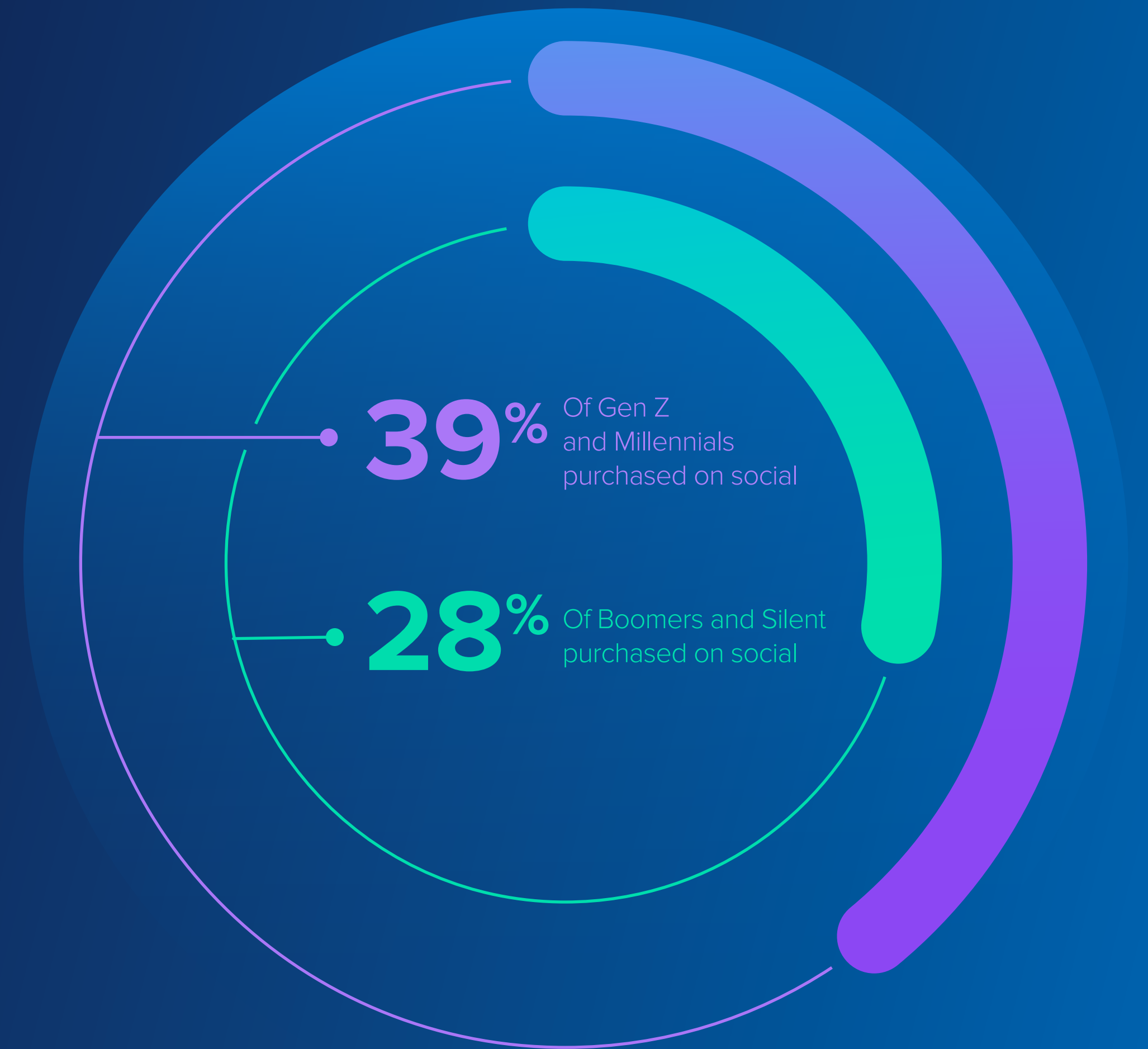
Social shoppers span generations

Social Shoppers aren't just the young

39% of Gen Z, Millennials, and Gen X (18-54) have purchased something on social media in the last year vs 28% of Baby Boomers and Silent generation (54+).

Q2: How do you find out about new products and brands? Check all that apply.

Social shopping
applies to all generations



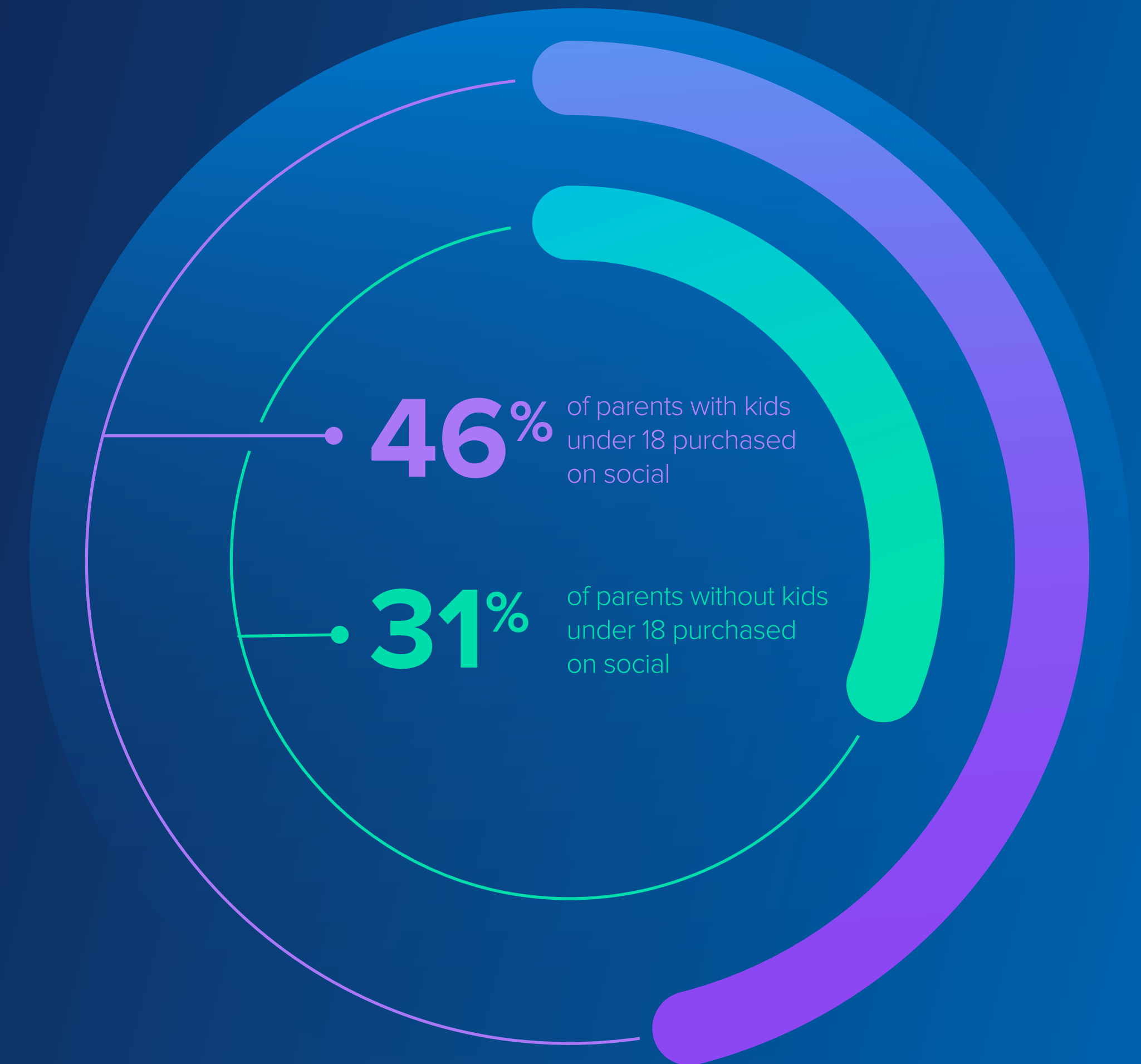
Social shoppers span generations

They are parents influenced by their children

46% of parents with kids under 18 purchased a product on a social media channel in the last year vs only 31% of parents without kids under 18.

Q24: Do you have children under the age of 18? Select one. • Q11: Have you purchased anything directly on a social media channel (e.g. Instagram or Facebook) in the past year? Select one.

Parents with kids under 18 are influenced by their children's social habits.



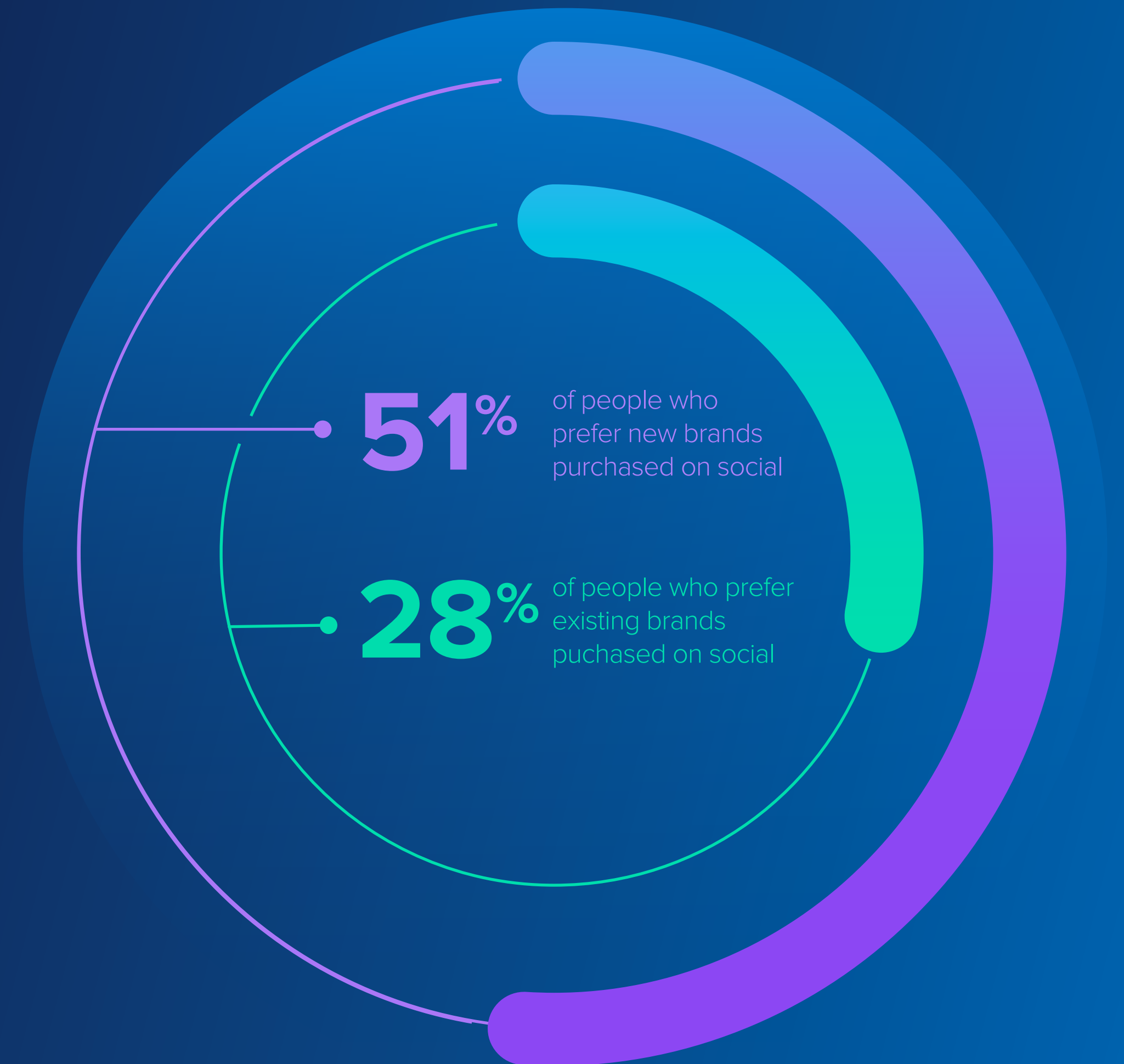
Social shoppers span generations

And they are
early adopters

51% of people who prefer looking for products from new brands and influencers buy on social vs only 28% of those who prefer existing brands and influencers.

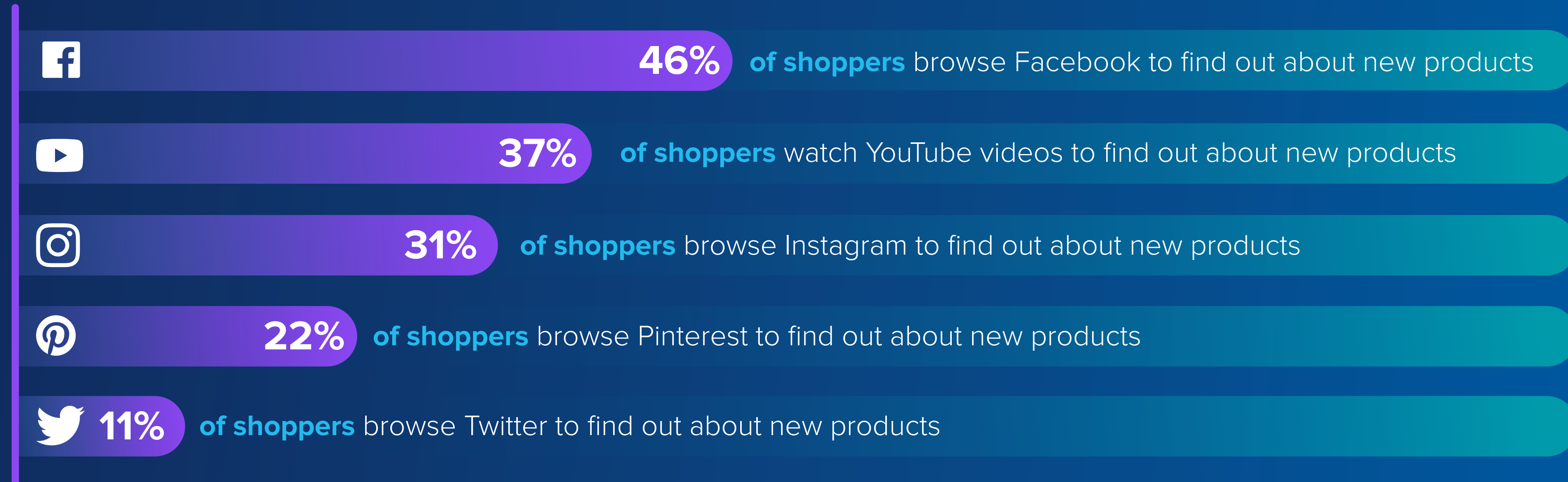
Q3: Do you prefer looking for products from new brands and influencers or brands and influencers you already know? Select one. • Q11: Have you purchased anything directly on a social media channel (e.g. Instagram or Facebook) in the past year? Select one.

Shoppers prefer browsing for new brands on social channels



Facebook, YouTube, and Instagram

are critical channels for your social selling strategy



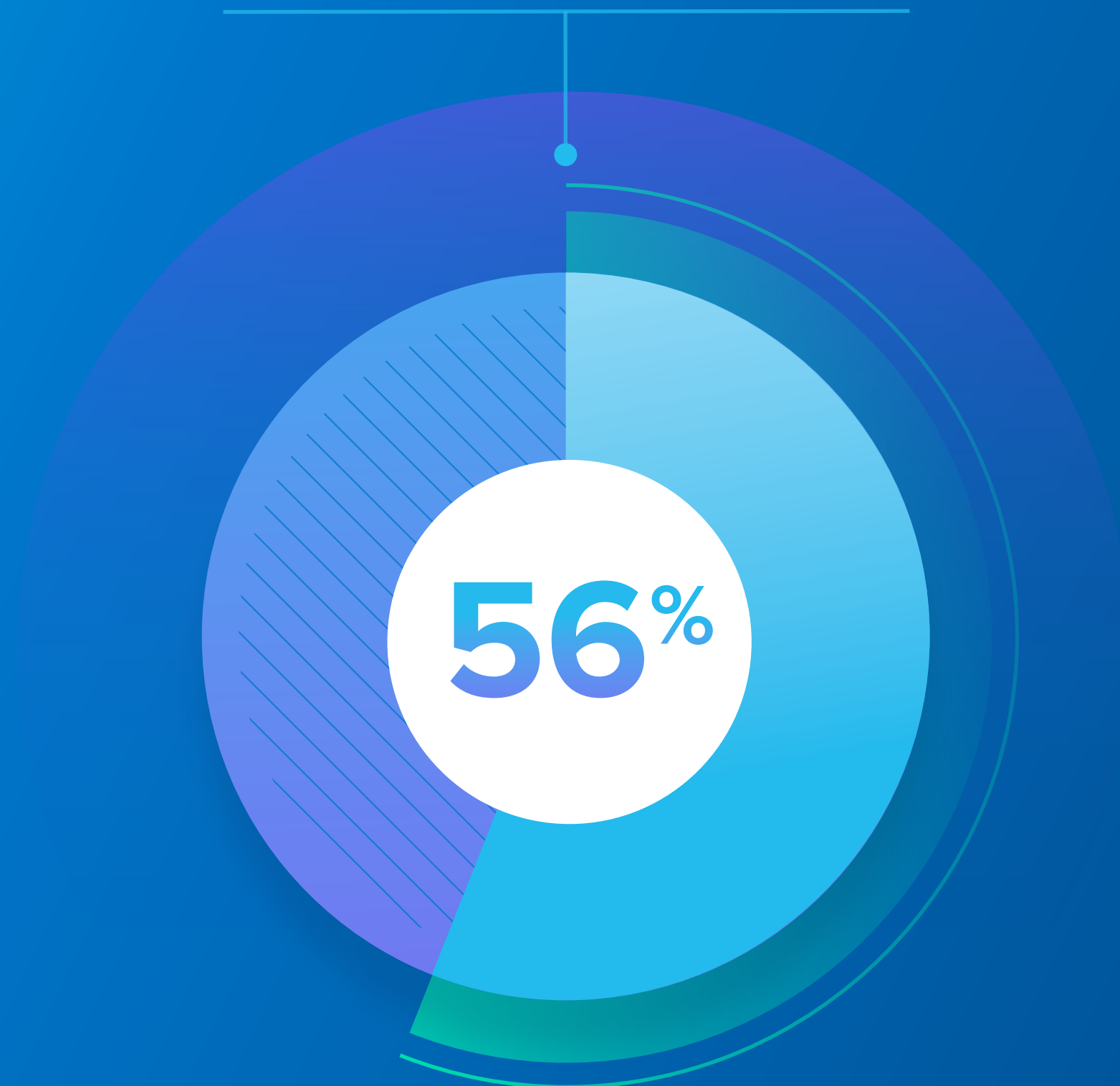
Q2: How do you find out about new products and brands? Check all that apply.

Who is discovering products on Facebook?

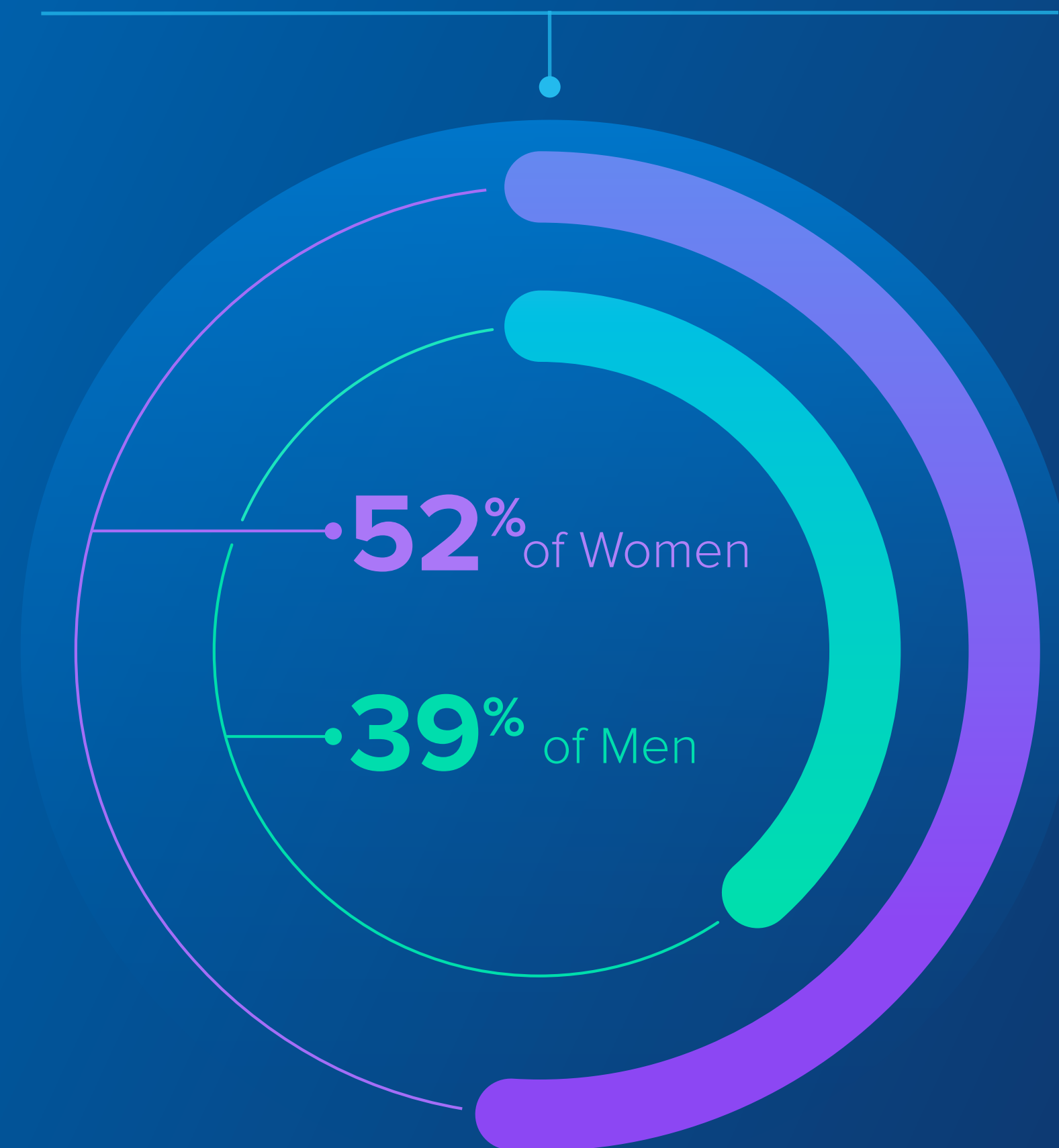


Most common generation

How many men and women browse Facebook to find out about new products?



of Millennials browse Facebook to find out about new products



Voice of the social customer

“ I like Toms. I bought a pair of the Christmas shoes advertised on my Facebook and they are awesome. ”

Q12: Name a brand, retailer, or other company that delighted you with an incredible shopping experience, and describe how and why they made an impact on you.

Q22: How old are you? Select one. • Q2: How do you find out about new products and brands? Check all that apply.

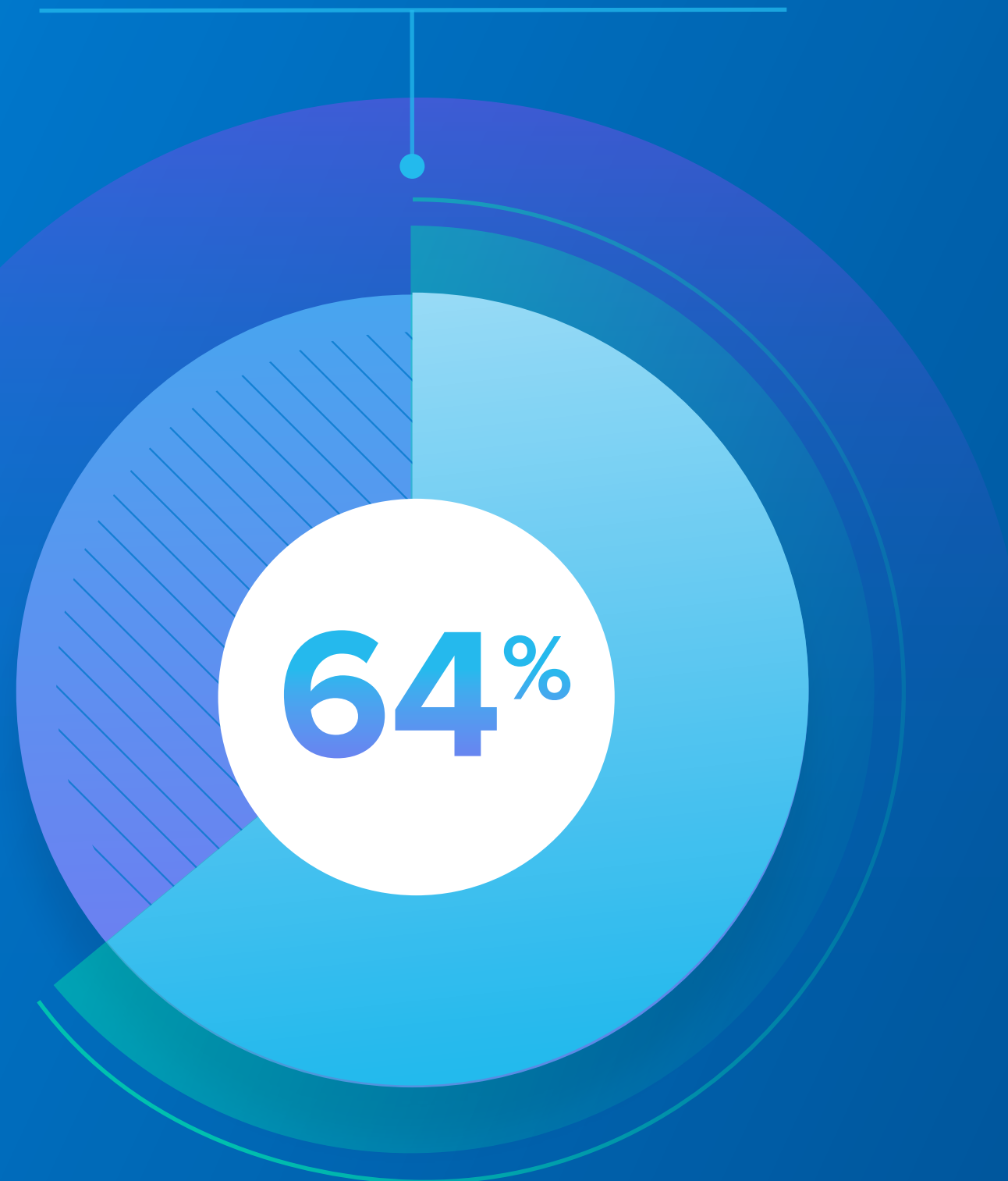
Q27: Gender • Q2: How do you find out about new products and brands? Check all that apply.

Who is discovering products on YouTube?

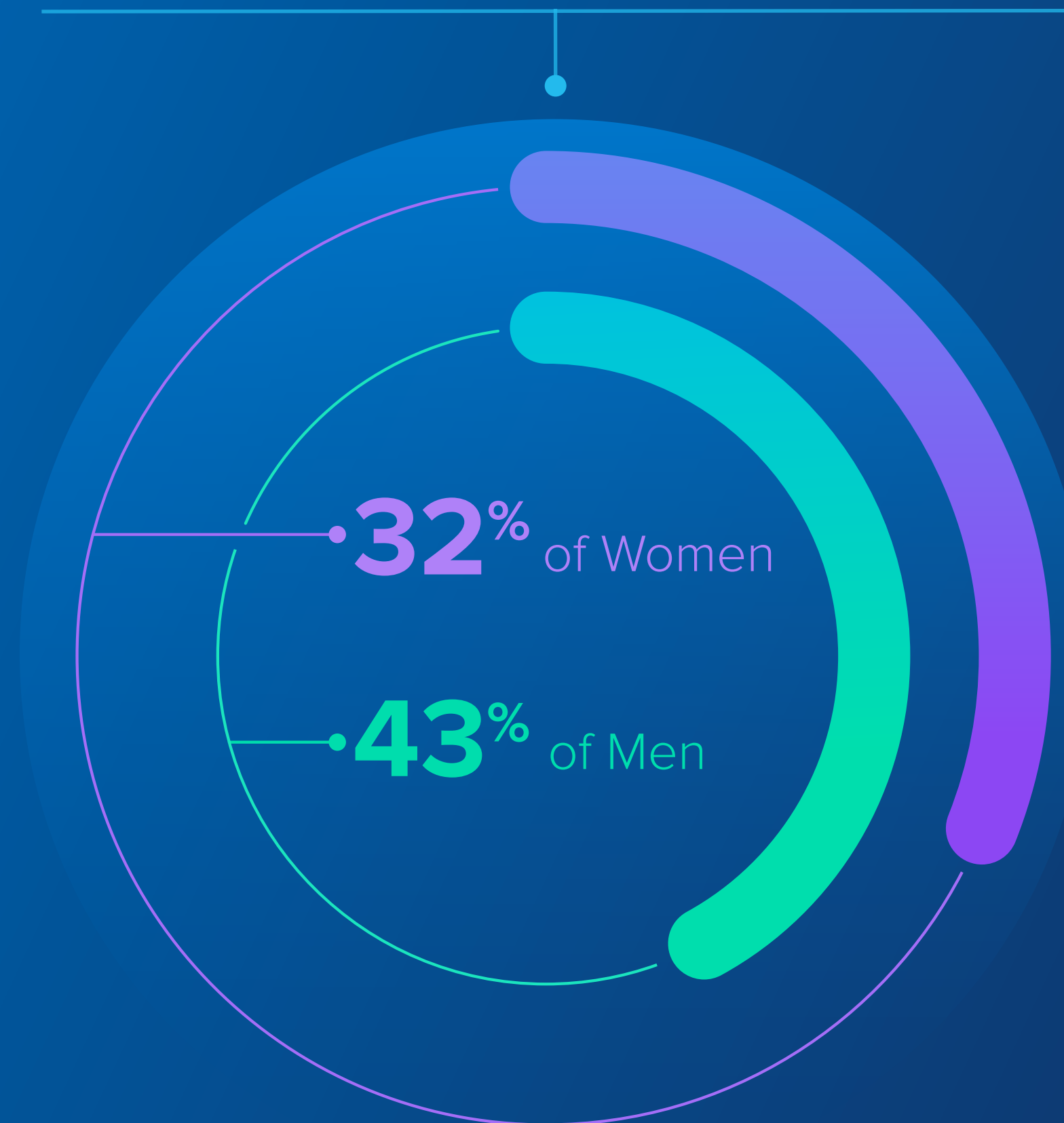


Most common generation

How many men and women watch YouTube videos to find out about new products?



of Gen Z watch Youtube videos to find out about new products



Voice of the social customer

“ **Fat Brain toys.** Excellent shopping experience, easy payment, fast delivery, easy shopping categories gets me straight to what I’m looking to buy, nice product videos. ”

Q12: Name a brand, retailer, or other company that delighted you with an incredible shopping experience, and describe how and why they made an impact on you.

Q22: How old are you? Select one. • Q2: How do you find out about new products and brands? Check all that apply.

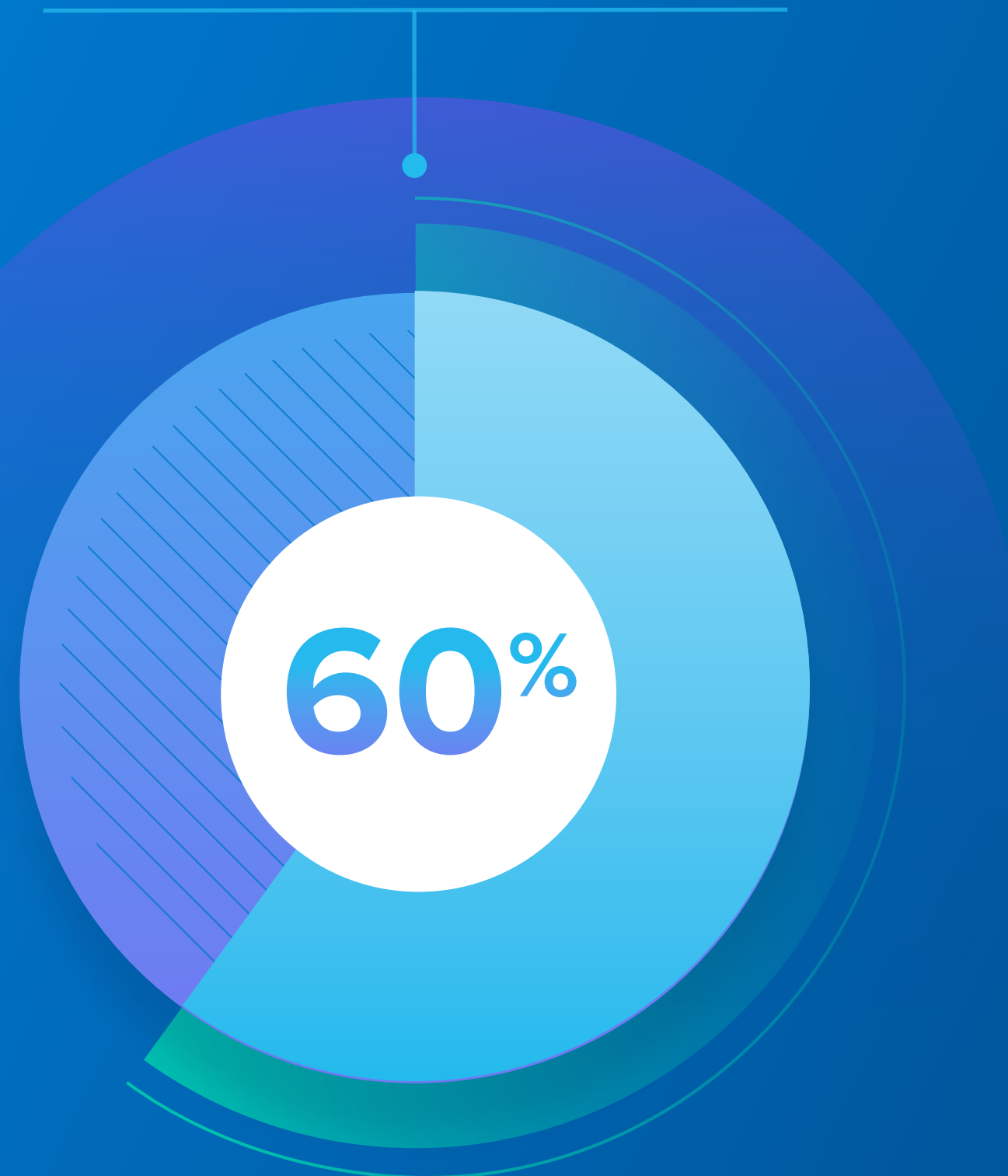
Q27: Gender • Q2: How do you find out about new products and brands? Check all that apply.

Who is discovering products on Instagram?

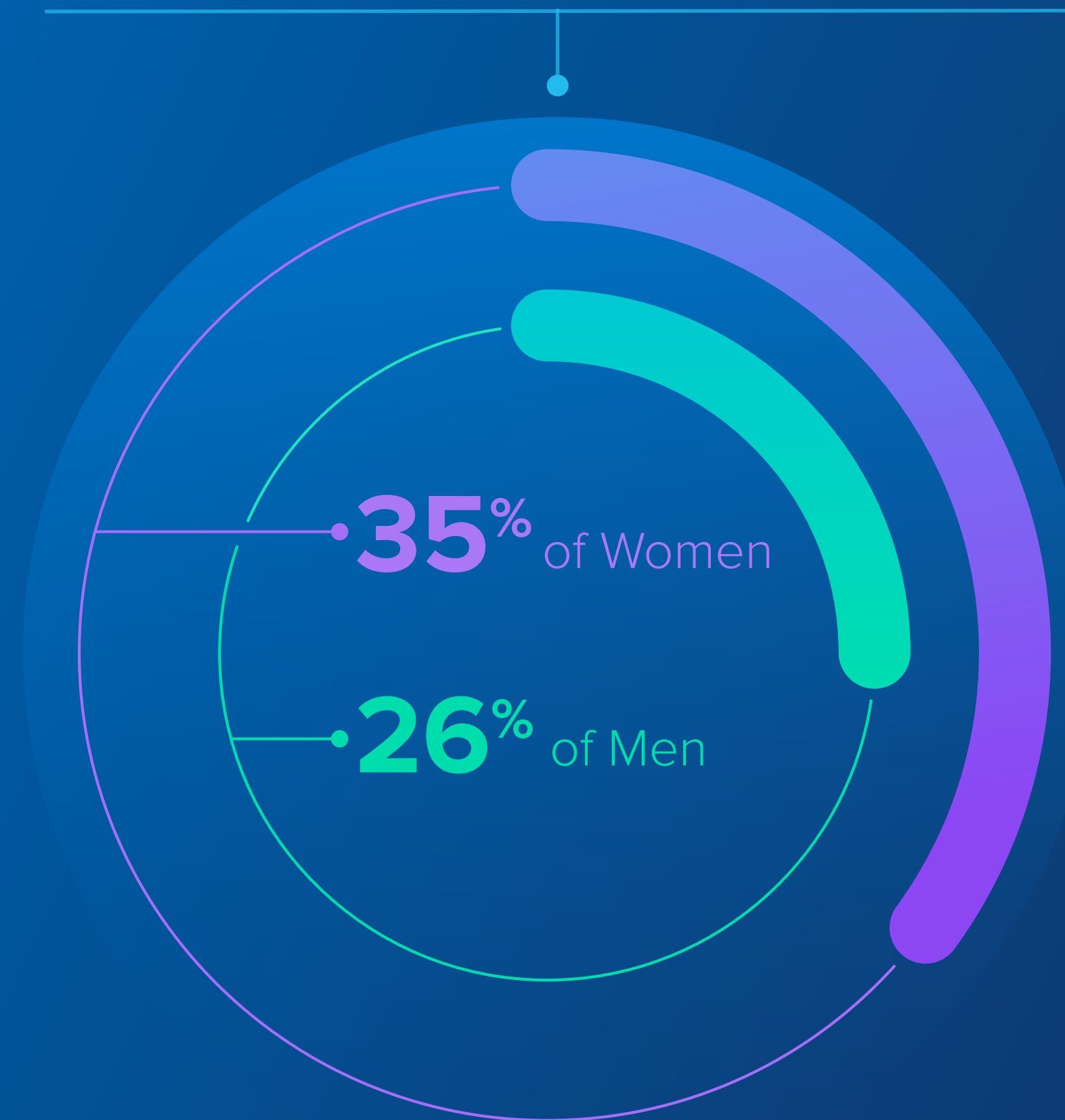


Most common generation

How many men and women browse Instagram to find out about new products?



of Gen Z watch Youtube videos to find out about new products



Voice of the social customer

“ I really love this instagram boutique called *Love Street!* They have great pictures and everything is of really high quality and it’s basically taken over my closet. ”

Q12: Name a brand, retailer, or other company that delighted you with an incredible shopping experience, and describe how and why they made an impact on you.

Q22: How old are you? Select one. • Q2: How do you find out about new products and brands? Check all that apply.

Q27: Gender • Q2: How do you find out about new products and brands? Check all that apply.

Adapt to the growing complexity of shopping

We no longer go shopping, we are shopping. Social media is simply one in a set of interconnected touch points along a shopper's journey, including retailer and brand sites, search, email, and online publications and review sites.

Example 1: How consumers shop for tools

Consumers take a variety of paths when shopping for tools, but the most common is starting on websites like Amazon or Walmart and buying in store.

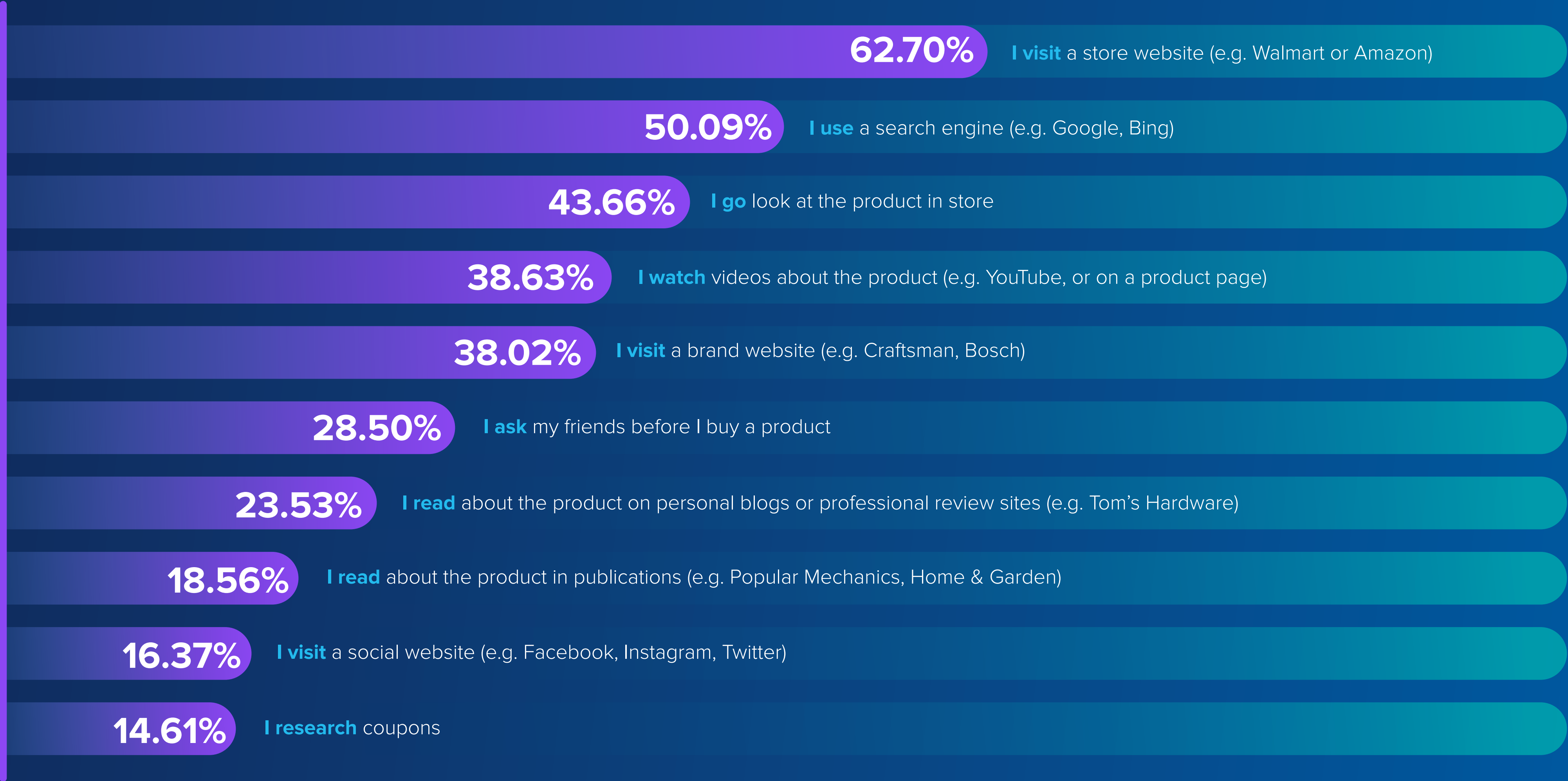
Where they find and compare *(examples)*

amazon Walmart ✱ Google BOSCH ⓘ DEWALT POPULAR MECHANICS facebook

Where they buy *(examples)*

THE HOME DEPOT LOWE'S Walmart ✱ amazon COSTCO WHOLESALE DEWALT amazon alexa

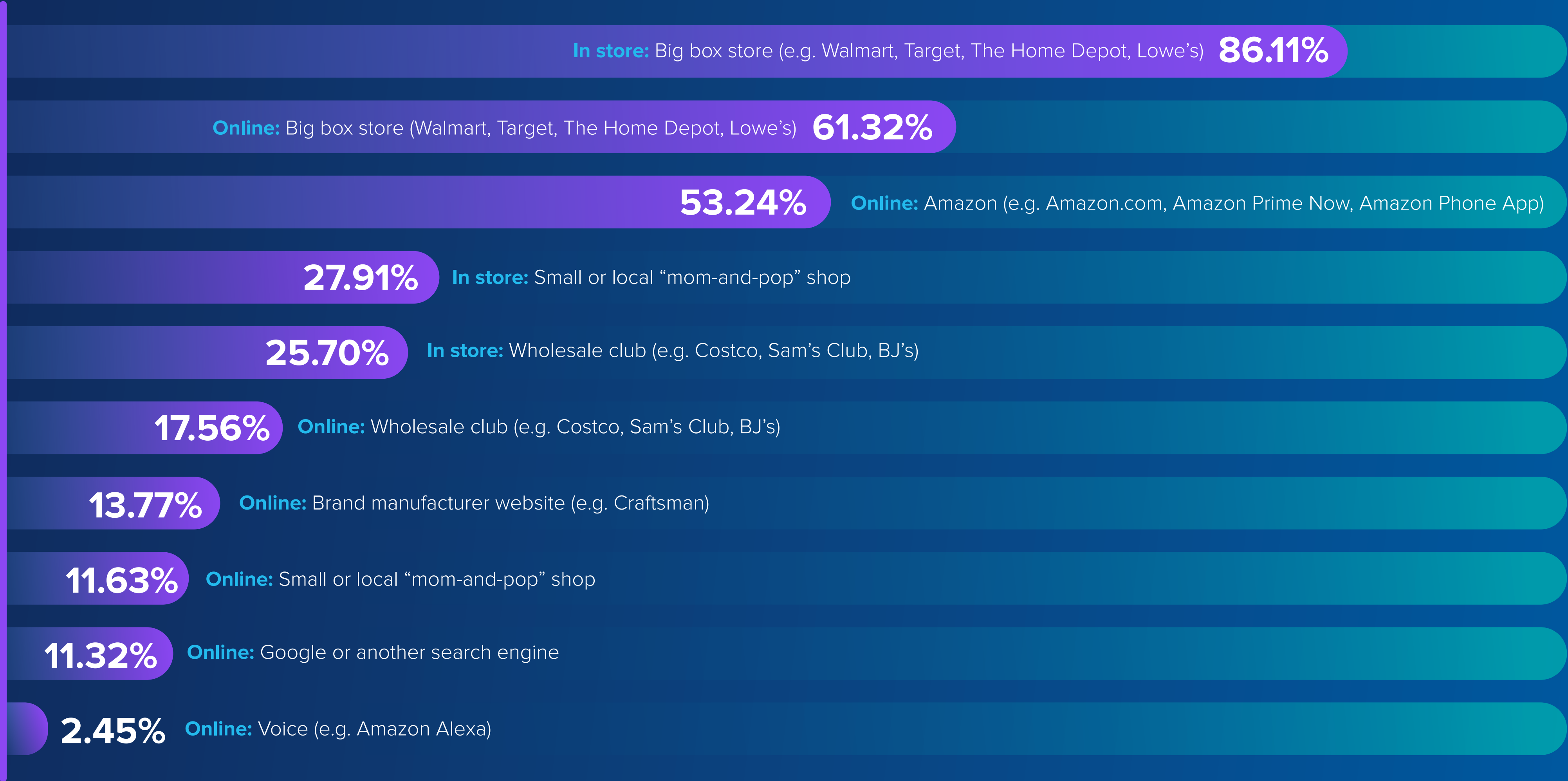
Where they find and compare



Q5: Which of the following do you do when deciding whether to buy a specific TOOL product? Check all that apply. • Q15: Select all the IN STORE places you've purchased a power drill, paint, or another TOOLS and home improvement item? Check all that apply. • Q16: Select all the ONLINE places you've purchased a power drill, paint, or another TOOLS and home improvement item? Check all that

Example 1: How consumers shop for tools

Where they buy



Q5: Which of the following do you do when deciding whether to buy a specific TOOL product? Check all that apply. • Q15: Select all the IN STORE places you've purchased a power drill, paint, or another TOOLS and home improvement item? Check all that apply. • Q16: Select all the ONLINE places you've purchased a power drill, paint, or another TOOLS and home improvement item? Check all that

Example 2: How consumers shop for clothing

When buying clothes, shoppers start out looking on a store website and buy from big box, department stores or name brand stores.

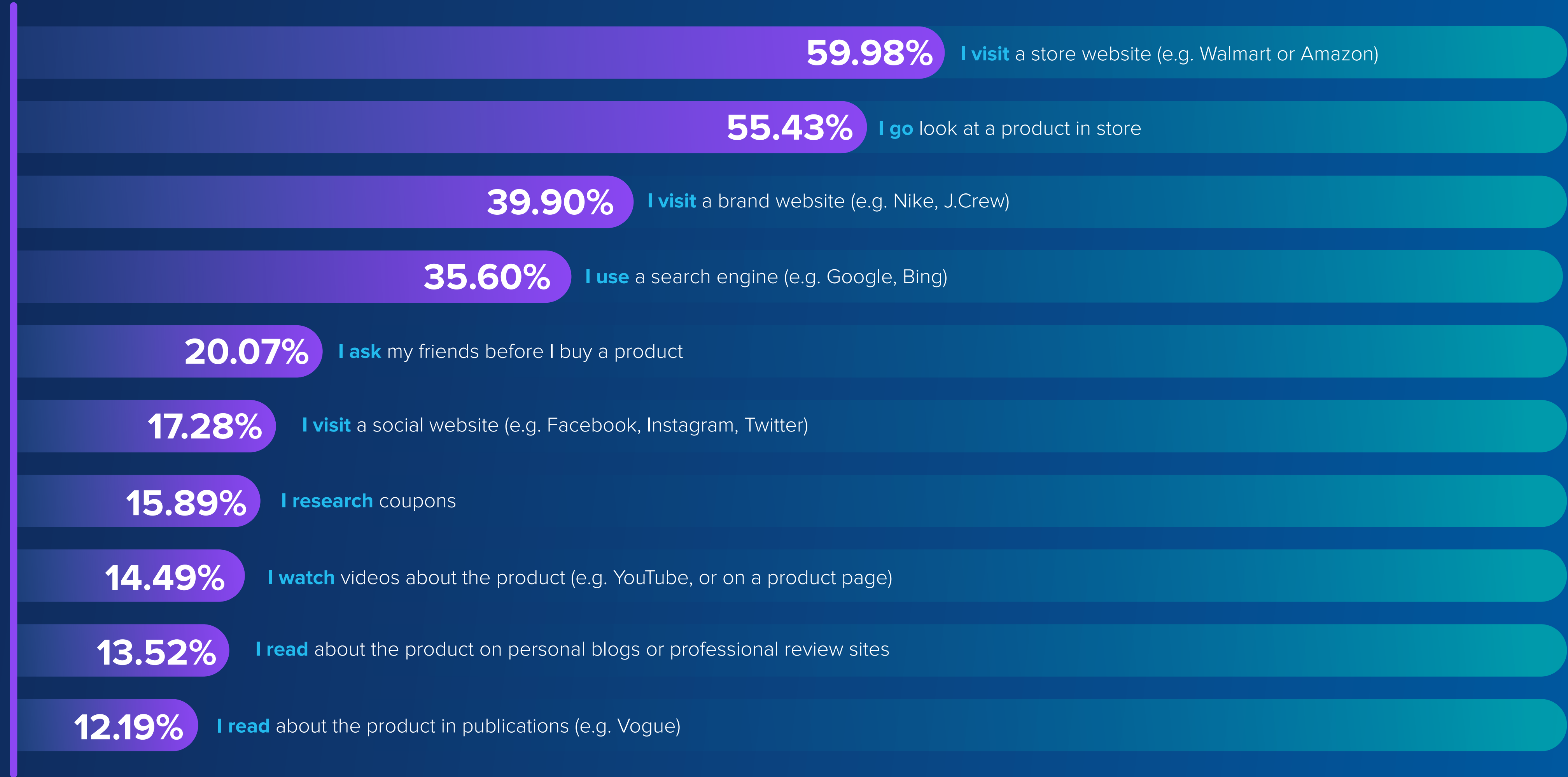
Where they find and compare *(examples)*

amazon Walmart ✱ Google YouTube NIKE BANANA REPUBLIC facebook

Where they buy *(examples)*

TARGET Walmart ✱ GAP amazon TJ-maxx Saks Fifth Avenue STITCH FIX

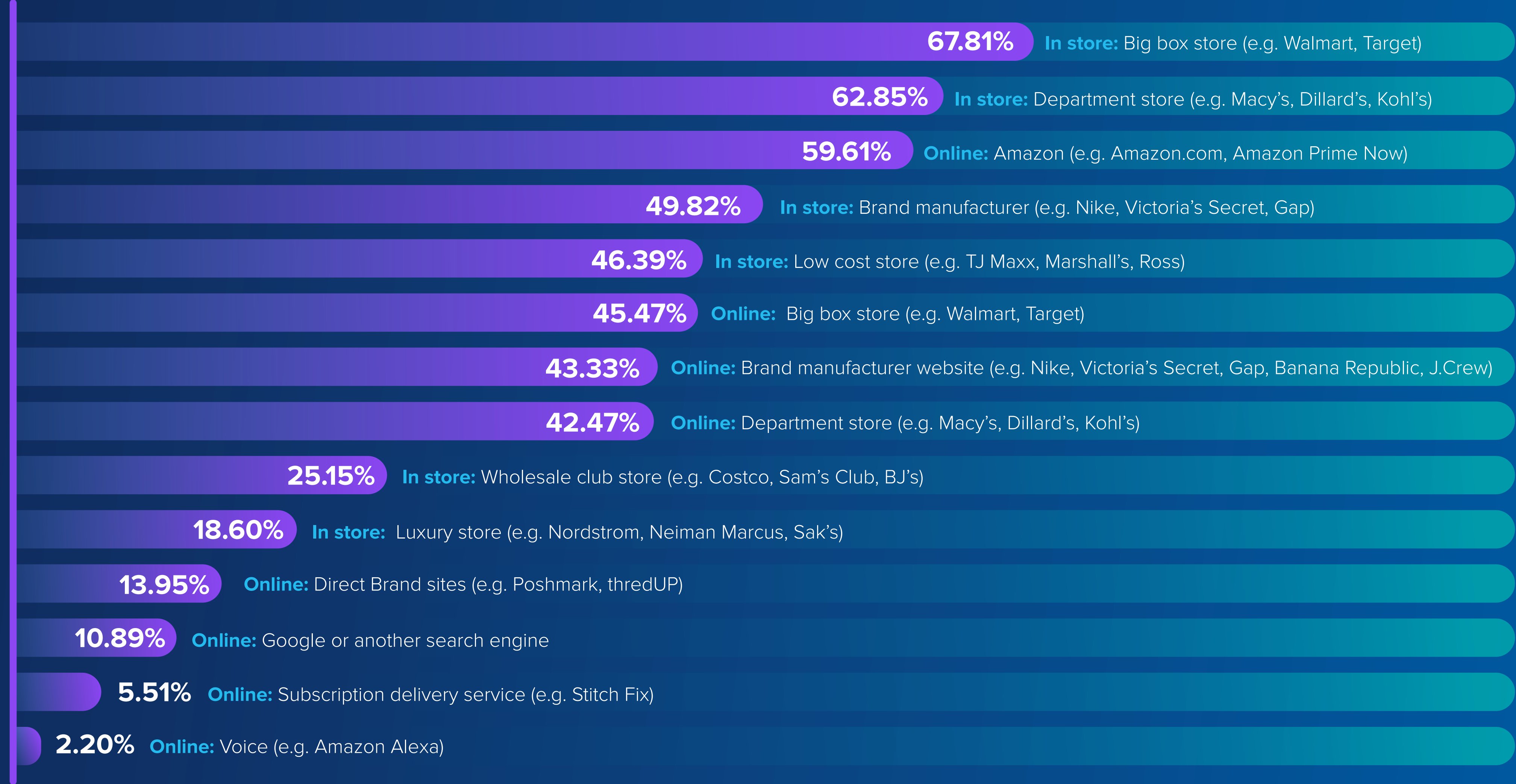
Where they find and compare



Q6: Which of the following do you do when deciding whether to buy a specific CLOTHING product? Check all that apply. • Q17: Select all the IN STORE places you've purchased a shirt, pants, or another CLOTHING item in the past year? Check all that apply. • Q18: Select all the ONLINE places you've purchased a shirt, pants, or another CLOTHING item in the past year? Check all that apply.

Example 2: How consumers shop for clothing

Where they buy



Q6: Which of the following do you do when deciding whether to buy a specific CLOTHING product? Check all that apply. • Q17: Select all the IN STORE places you've purchased a shirt, pants, or another CLOTHING item in the past year? Check all that apply. • Q18: Select all the ONLINE places you've purchased a shirt, pants, or another CLOTHING item in the past year? Check all that apply.

Example 3: How consumers shop for grocery

Shoppers still predominantly want to shop for food in-store but a significant number have begun to purchase from Amazon.com

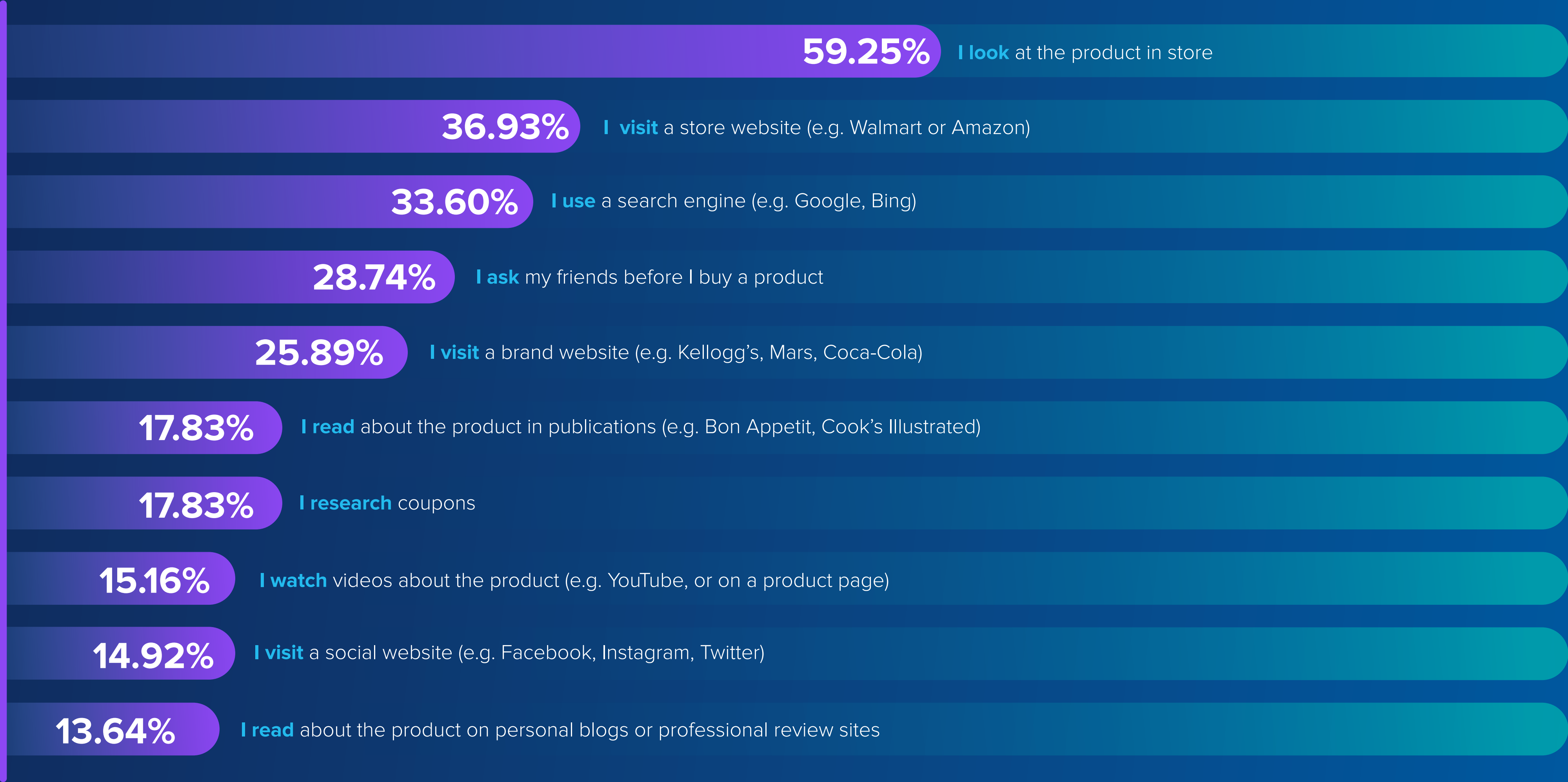
Where they find and compare *(examples)*

amazon Walmart ✱ WHOLE FOODS MARKET Google bon appétit Kellogg's facebook

Where they buy *(examples)*

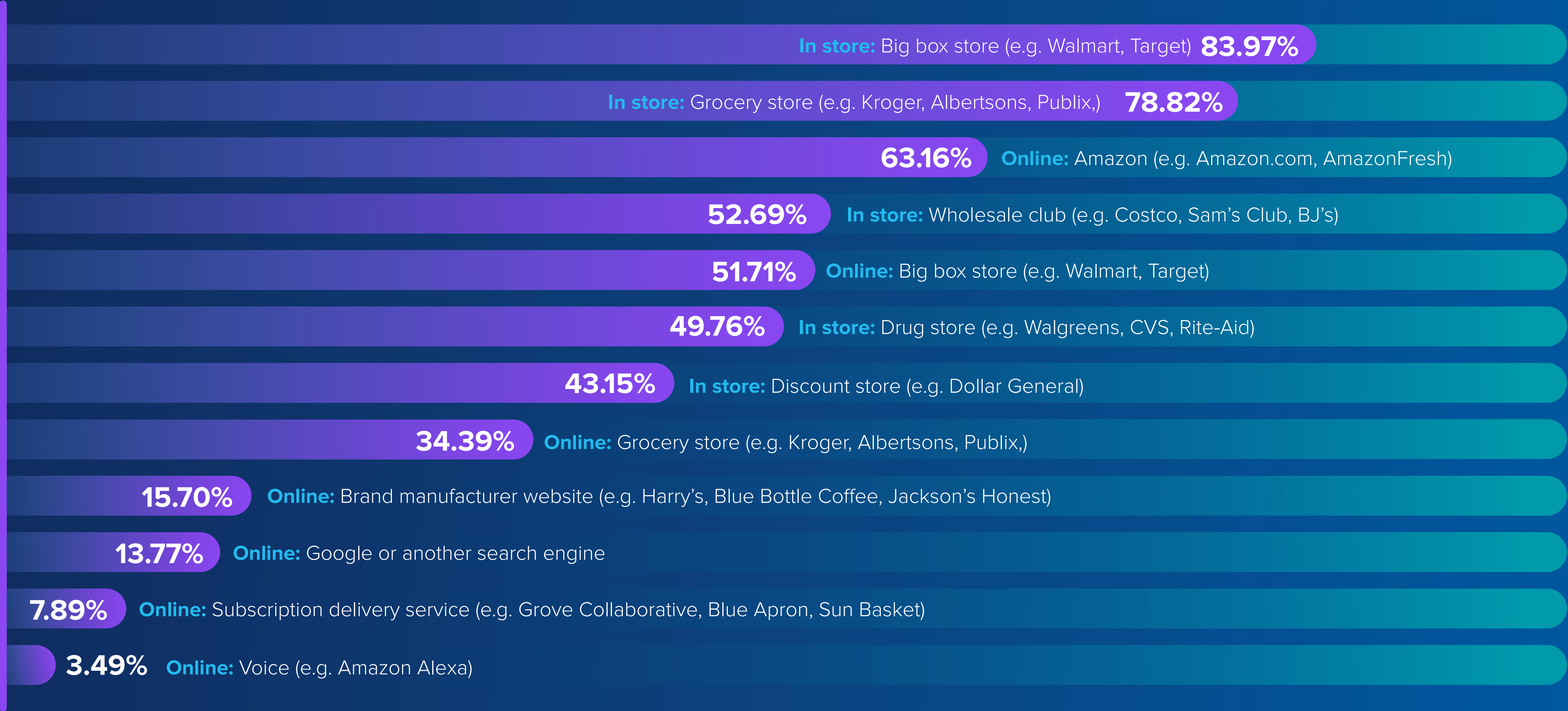
TARGET Walmart ✱ COSTCO WHOLESALE amazon Kroger WHOLE FOODS MARKET Blue Apron

Where they find and compare



Q7: Which of the following do you do when deciding whether to buy a specific FOOD OR BEVERAGE product? Check all that apply. • Q13: Select all the IN STORE places you've purchased a FOOD OR BEVERAGE or other essential, low-cost items (e.g. shampoo, paper towels, soap) in the past year? Check all that apply. • Q14: Select all the ONLINE places you've purchased a FOOD OR BEVERAGE or other essential, low-cost items (e.g. shampoo, paper towels, soap) in the past year? Check all that apply.

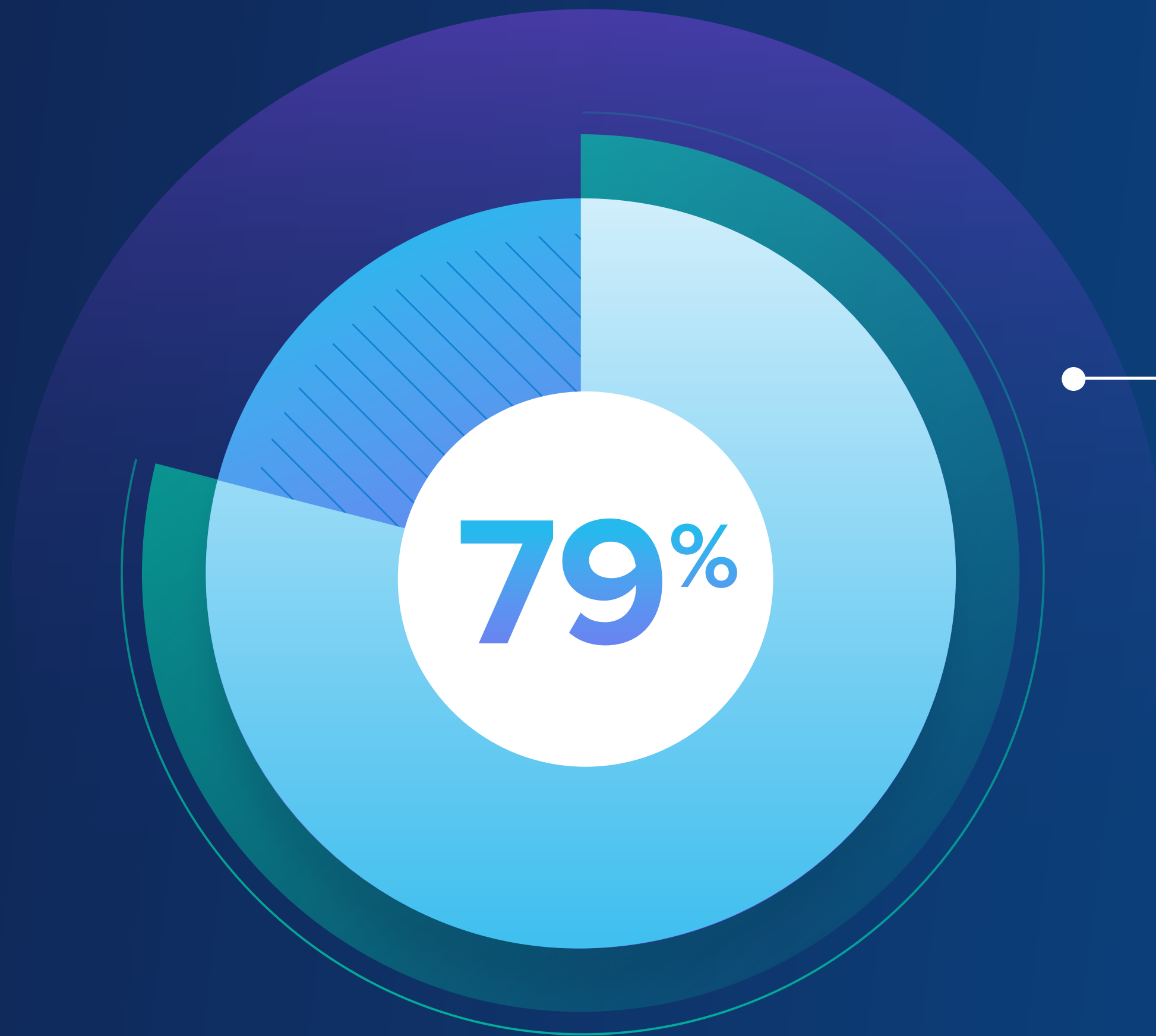
Where they buy



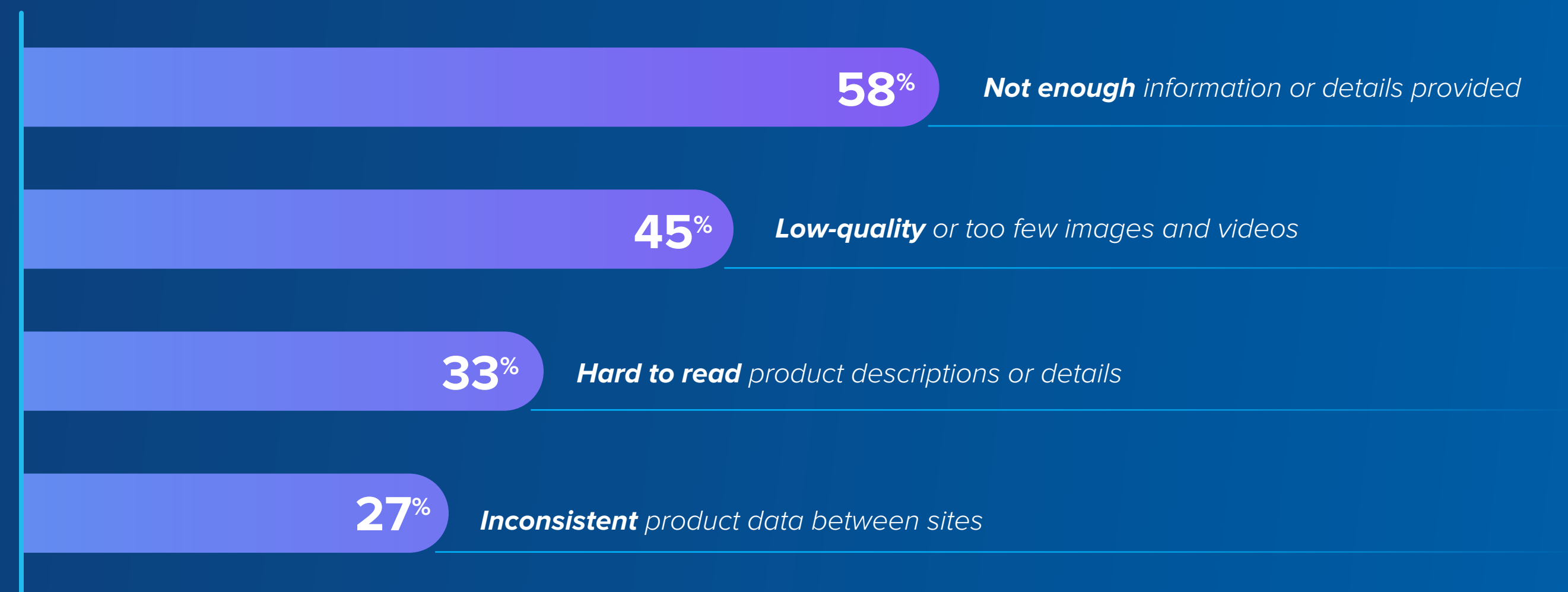
Q7: Which of the following do you do when deciding whether to buy a specific FOOD OR BEVERAGE product? Check all that apply. • Q13: Select all the IN STORE places you've purchased a FOOD OR BEVERAGE or other essential, low-cost items (e.g. shampoo, paper towels, soap) in the past year? Check all that apply. • Q14: Select all the ONLINE places you've purchased a FOOD OR BEVERAGE or other essential, low-cost items (e.g. shampoo, paper towels, soap) in the past year? Check all that apply.

Build trust with consumers through a differentiated, delightful experience

It's not enough to simply be everywhere. Give shoppers all the product information they need to make a quality decision. Brands that provide compelling product content will win their trust, and can command higher prices.



• **79% of shoppers** have not purchased a product due to a problem with product content, such as:



Q19: Why have you ever chosen not to purchase a FOOD OR BEVERAGE product (and abandoned the page/cart)? Check all that apply. • Q20: Why have you ever chosen not to purchase a TOOLS product (and abandoned the page/cart)? Check all that apply. • Q21: Why have you ever chosen not to purchase a CLOTHING product (and abandoned the page/cart)? Check all that apply.



- **80% of shoppers** will pay more for a product that comes from a brand they trust (roughly 4 of every 5 shoppers).

Q8: Will you pay more for a FOOD OR BEVERAGE product that comes from a brand you trust? Select one. • Q9: Will you pay more for a CLOTHING product that comes from a brand you trust? Select one. • Q10: Will you pay more for a TOOLS product that comes from a brand you trust? Select one.

There's a big opportunity to exceed consumers' expectations, but it will require more and more agility

In the past, you probably optimized your business for a single channel—mass market. Today, the world is headed toward what consumers demand—mass personalization through masses of markets. Adapting to this change can yield first mover advantages from learnings you activate across your business.

You need to operate at the scale and speed needed to compete across every touchpoint your product content appears. By providing relevant and timely content about your brand and products, shoppers will clearly see your vision, values, and the strengths of your products. Take control of your brand's destiny on the digital shelf.



Research Methodology

Salsify conducted an online survey using SurveyMonkey. The survey polled over 1700 people in the United States. We asked 21 questions about their shopping habits and preferences. In addition, we asked a number of demographic questions to compare how different segments of the population shop. Many of the survey's questions about shopping preferences were repeated across various verticals. In some cases during our analysis, we joined responses to these category-specific, multi-select questions to create a single set of responses to the larger question, with which we could address the broader trend. We also segmented survey responses using answers to some of the single select questions, and followed those respondents throughout the survey to see how they would answer other questions.