SPAR 2024 SHOPPER INSIGHTS SURVEY

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- Shopping Behaviors
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Study Overview

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Business Needs

SPAR is looking to explore consumers' behaviors and attitudes towards shopping. The team is hoping to use findings from the research for a white paper and at conferences.

Research Needs

To explore consumer behavior and attitudes towards shopping.

Intended Use

The results from this study will provide insights into how, where and when consumers shop and help develop a better shopping experience and communications.

Target & Distribution

Sample consists of:

- 1007N US residents, ages 18-65
- 50/50 split of Males & Females
- Primary or shared grocery shoppers
- Mix of region, education, marital status, and ethnicity
- Mix of retailers shopped for household goods

Methodology

Respondents first answered on shopping motivators for in-store vs online followed by probes on what makes a positive and negative in-store experience, expectations to continue to shop in-store, and what retailers offer the best in-store experience.

Further, were asked on how technology would encourage in-store shopping, mobile/app usage in-store, tech offerings desired to enhance in-store shopping, and sentiment around sharing data with retailers.

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Key Findings

In-store shopping remains a fixture of shoppers' routines with **~80%** preferring to purchase **groceries** in-store and **~45%** preferring to shop in-store at **discount**, **convenience**, **home improvement**, and **apparel** stores.

70%

Say they expect to **shop more in-store** in the next 6 months; key motivators for in-person shopping include:

- Ability to try on or demo products
- New product selections
- Meal planning
- Convenience

Top In-Store Positives

- Product availability
- Good customer service
- Efficiency and speed to check out
- New products

Top In-Store Challenges

- Product availability (out of stock, locked)
- Too crowded
- Not enough staff
- Stores are hard to navigate

Walmart: Dominates the in-store positive shopping experience & has the most helpful app.

Top shopping aids are those that help shoppers save time and/or money

How helpful are the following?

Self-checkout	58%
Mobile apps	42%
Coupon websites or apps	40%
Buy online, pick up in store	36%
Store websites	33%

Self-checkout and coupons on one's phone are top technologies that would encourage in-store shopping & shoppers are looking for rewards/games, product locators and buy online, pick up in-store options from retailers.

40% of shoppers use a mobile device every time or most of the time when shopping in-store

40% share their data for personalized shopping experiences.

Shoppers primarily use retailer apps for...

- Getting the best prices
- Loyalty rewards
- Convenient checkout

35% of shoppers say **none of the AI** integrations would be beneficial for shopping, though **~25-30%** would find **product search**, **checkout** and **online ordering** a beneficial use of AI

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Noteworthy differences across shopper groups

Male shoppers are more likely to be shopping in-store in the coming months (especially convenience, home improvement and pharmacies).

Motivated and interested more in technology offerings and are less deterred by crowds or staffing issues. **Males** find apps and websites more helpful, leverage their phones more in-store and actively share their data for a more personalized experience.

Believe that AI is beneficial for a variety of reasons, especially those that help with research and checkout.

Female shoppers are more deterred by crowds when shopping in-store and are primarily interested in and use technology to help them find discounts and coupons.

Further, **Females** want retailers to offer personalized promos which could increase willingness to share their data.

AGE DIFFERENCES

- **Aged 18-24** are more likely to shop in-store in the next 6 months and use their mobile in-store most frequently though are unsure if they share their data with retailers. They are more open to menu/recipe support from retailers which can be of assistance with their high usage of digital grocery lists.
- **Aged 25-39** enjoy new product selections when shopping in-store and along with **aged 40-54** have the strongest positive perceptions of Walmart. The latter are looking for automated product inventory status from retailers.
- **Aged 55-65** are less motivated to shop online and least likely to use phones when in-store. Not surprisingly, they are less interested in most tech offerings including buy online, pick up in-store, kiosks, social media and AI.

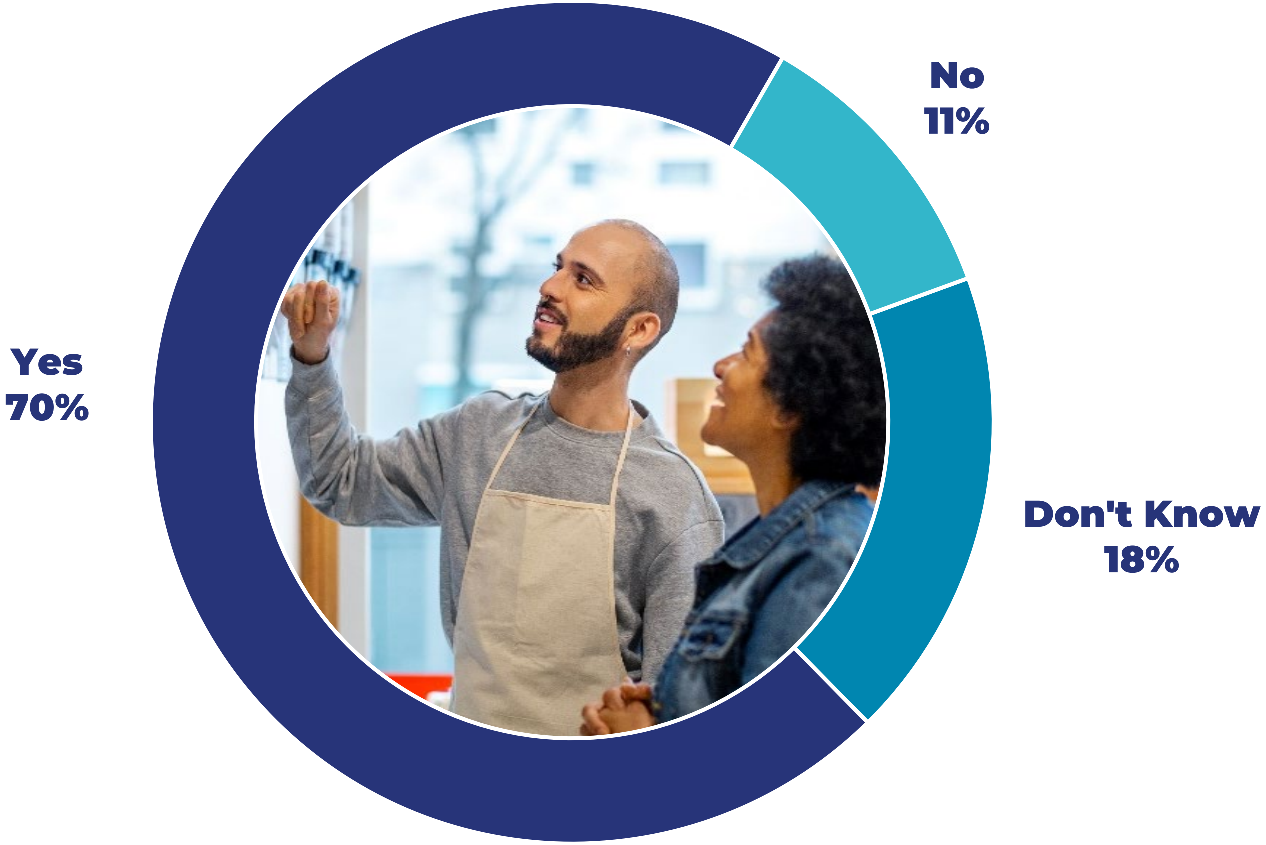
Summary of Results

- Shopping Behaviors
- Technology & Shopping

7 in 10 shoppers say they expect to shop in-store in the next 6 months

Males, younger shoppers **aged 18-24**, and households with **income between $90-100K** are most likely to say they will shop more in-store in the coming months.

Expect to Increase In-Store Shopping in Next 6 Months



Question: *Will you shop more in physical stores/brick and mortar in the next 6 months?* Base: 1007n

Grocery stores are by far the most preferred retailer for in-store shopping followed by discount, convenience and home improvement

- Ability to try on/demo products, offering of new products and meal planning are main motivators for shopping in-store.
- Notably, online is seen just as convenient as in-store.

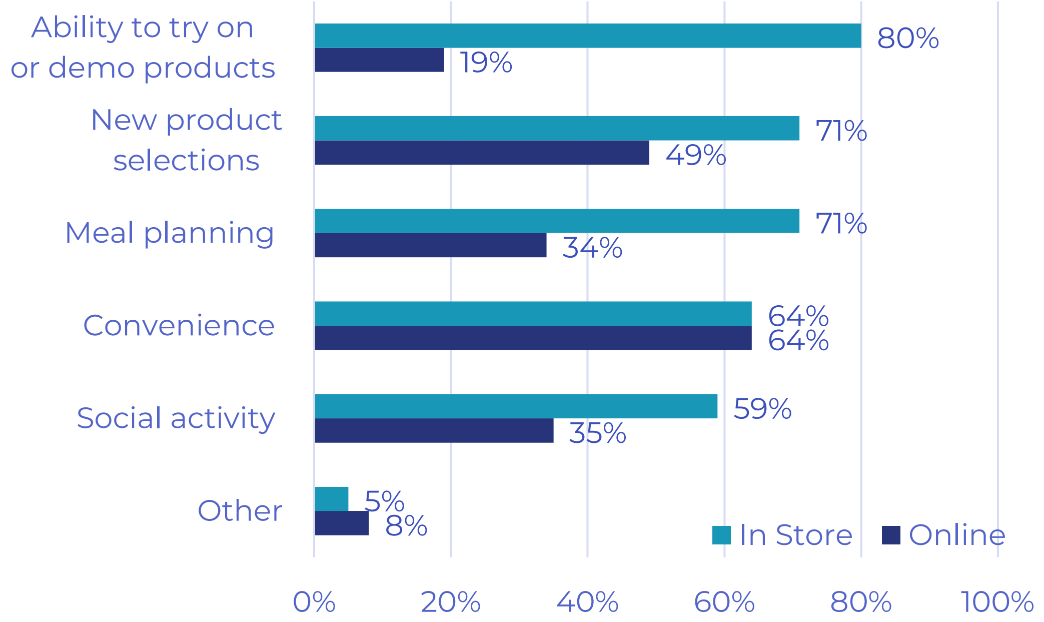
Preferred In-Store Shopping Destinations

Groceries	83%
Discount Stores	46%
Convenience	46%
Home Improvement	45%
Apparel	43%
Department Stores	41%
Pharmacies	39%
Pet Stores	27%
Home Furnishing	27%
Specialty	15%
Other	1%
None, I prefer to shop online	2%

- **Males** and older consumers **aged 55-65** are more likely to shop at home improvement and pharmacies in-store.

Questions: *What types of retail stores are you more likely to shop in store? // What motivates you to shop in each of the following?* Base: 1007n

Shopping Motivators by Channel



- Males especially are motivated for in-store shopping via ability to try/demo products, meal prepping and convenience. Those aged 25-39 enjoy new product selections in-store than other ages.
- Those aged 55-65 are less motivated to shop online in general vs their younger counterparts.

Availability of products in-store is somewhat polarizing as a benefit or challenge

- Customer service and speedy checkout are top elements that contribute to a positive in-store experience, while crowds and lack of staff present challenges.
- **Males** are more likely to say an engaging shopping atmosphere and flexible payment options create a positive in-store experience vs **Females** who say crowds and not enough staff are larger challenges vs **Males**.

In-Store Positives

Product availability	76%
Good customer service	71%
Efficiency and speed to check out	69%
New products	53%
Engaging shopping atmosphere	51%
Flexible payment options (i.e. buy now, pay later, mobile payments)	25%
Other	1%

In-Store Challenges

Product availability (out of stock, locked)	55%
Too crowded	53%
Not enough staff	43%
Stores are hard to navigate	21%
Dated products	16%
Other	4%

Questions*: Which of the following do you feel creates a positive in-store/brick and mortar shopping experience for you? // Which of the following do you find to be a challenge with in-store/brick and mortar shopping today?* Base: 1007n

Among shopping aids that are available today, self-checkout is the most helpful, followed by apps and coupons

Most Helpful Shopping Aids

- Females find coupon websites or apps more helpful than Males
- At low levels, Males find brand websites, QR codes and a variety of interactive and 'smart' aids more helpful than Females.
- Those **aged 55-65** find buy **online**, pick up in store options, contactless checkout, social media, and kiosks less helpful than younger shoppers.
- Those with household income between **$100-$200K** are say **mobile apps** are particularly **helpful** while those with **$40-$50K** income like **contactless checkout** and buy online and pick up in-store aids.

Self-checkout	58%
Mobile apps	42%
Coupon websites or apps	40%
Buy online, pick up in store option	36%
Store websites	33%
Return in store options	24%
Contactless checkout	23%
Social media	17%
Brand websites	16%
QR codes	13%
Kiosks	10%
Interactive displays	10%

Shopping aids that are helpful to more than 10% of respondents are shown here.

Question*: Which of the following, if any, have become more helpful to you when shopping today?* Base: 1007n

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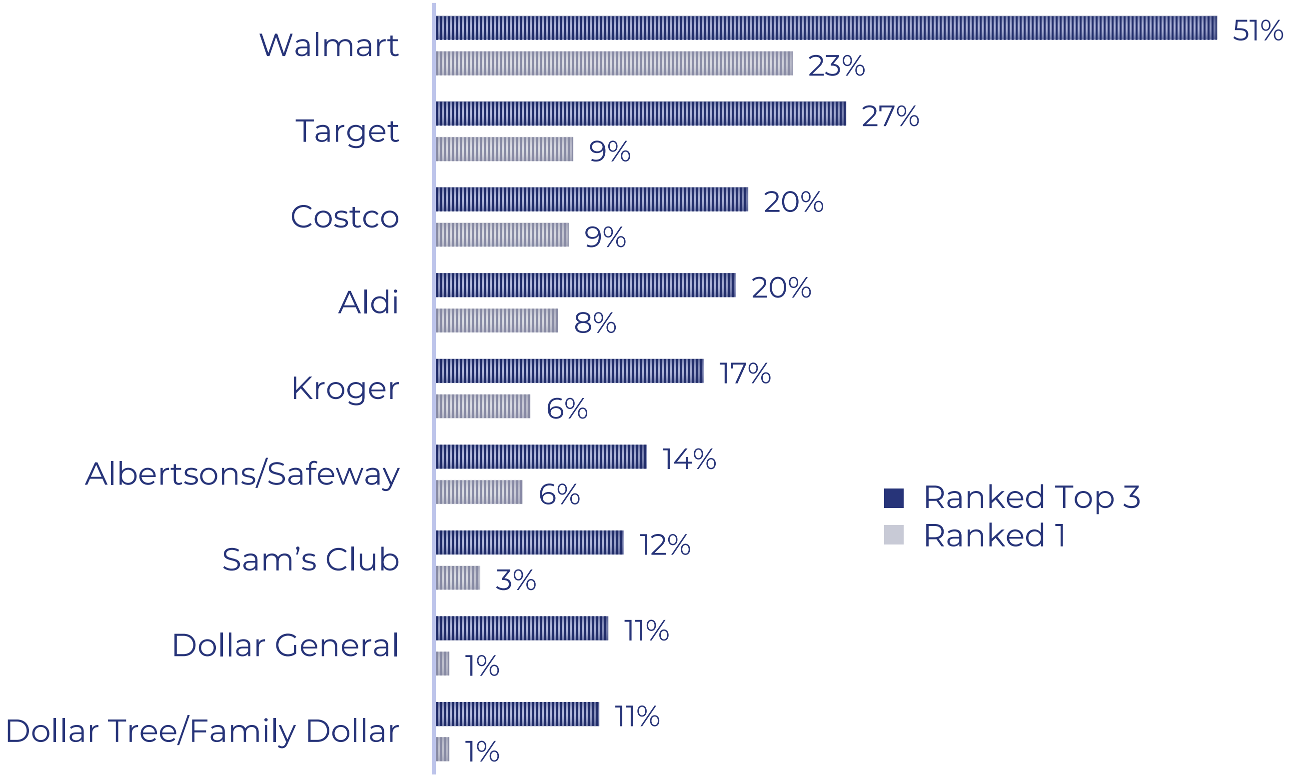
Walmart dominates in providing a more exciting/easy shopping experience, with Target a far second

Top Retail Shopping Experiences

- While Walmart leads across all subgroups, those **aged 25-54** have the strongest positive perceptions of Walmart
- Older shoppers **aged 55-65** are least likely to agree Target makes it easy to shop/more exciting (17% top 3).
- **Males** and shoppers **aged 18-24** are less likely to say Dollar General is easy to shop vs their counterparts.
- **Females** especially enjoy the experience shopping at Aldi vs **Males** who conversely say Costco has a better experience.
- **Lower income households** ($40K or less) have higher perceptions of Walmart while those with **higher incomes** ($90K+) lean towards Costo.



Retail experiences that resonate with more than 10% of respondents are shown here.

Question*: Thinking of all the retail stores you shop at, which ones do the best job of making their physical stores easier to shop and more exciting?* Base*:* 1007n

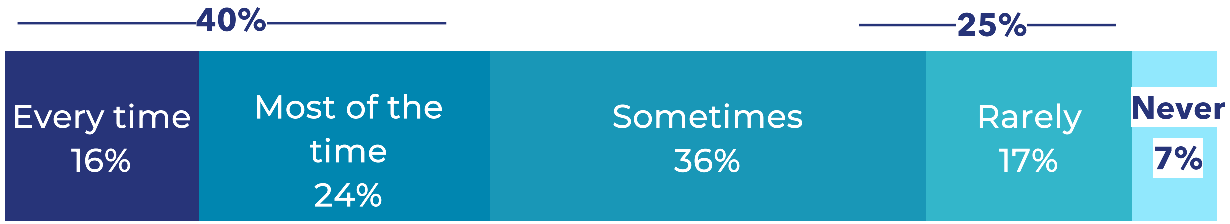
Summary of Results

- Shopping Behaviors
- Technology & Shopping

Around three-quarters say they use mobile devices at least sometimes when in-store, primarily for price comparisons/discounts

- 4 in 10 say they allow their preferred retailers access to data for a more personalized experience.

Mobile Device Usage While Shopping In-Store



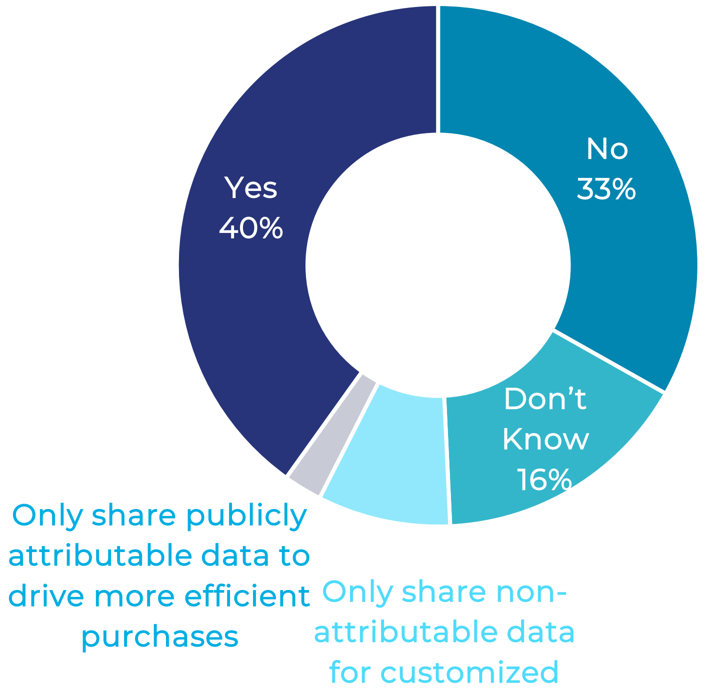
- **Males** are more likely to use mobile in-store vs **Females** (T2B).
- **Ages 55-65** are least likely to use mobile in-store, **ages 18-24** are most frequent users.

How Shoppers Use their Phones In-Store

Price check and comparisons	47%	Check off items on a digital grocery list	31%
Look up discounts/promos	40%	Research products and/or lookup product information	31%
Access or download digital coupons	35%	Scan a QR code	25%
Retailer's app	34%	Access a specific retailer mobile app	23%
Wi-Fi	33%	Store mapping / aisle guidance	22%

- Discounts/coupons are more done in-store on phones by **Females**.
- **Ages 18-24** particularly use digital grocery lists.

Data Sharing for Personalized Shopping



- **Males** and those with **HHI $90K+** are more likely to share their data while **Females**, **lower HHI**, and those **aged 18-24** don't know what they share.

Question*: How often do you use a mobile device when shopping in-stores/brick and mortar? // Which of the following have you used/done while in-store on your phone? //Do you share data with your preferred retailers to enable a more personalized and efficient shopping experience?* Base: 1007n

Just over half say Walmart has the most helpful apps when shopping, followed by Target. Retailer apps are used for a variety of needs, primarily price related

Retail Apps that Improve Shopping Experience	Total
Walmart	54%
TARGET	31%
Kroger	19%
sam's club	16%
CVS pharmacy	15%
Walgreens	14%
The Home Depot	14%
Costco Wholesale	13%
Publix	10%

- Older shoppers **aged 55-65** are overall less likely to use apps.
- **Males** are more likely to use Home Depot, Costco and Lowe's apps vs **Females**.
- Households with **lower income** ($50K or less) have strongest perceptions of Walmart app while **higher income** ($100K+) say the same for Costo and Target.

Retail apps that are helpful to more than 10% of respondents are shown here..

Shoppers are using **retail apps** for…

Getting the best prices	50%
Loyalty rewards	46%
Convenient checkout	35%
Coupons tailored to me	34%
Product location	30%
Find out if they have in stock online or in another store	28%
Quicker shopping trips	27%
Seeing the most appropriate promos/sales	26%
Research products	26%

- Females are more likely to use apps for coupons/promos than Males who use to research products more.

App functions that are beneficial to more than 25% of respondents shown here.

Questions: *Which retail apps do you find most helpful while shopping? // What are the biggest benefits of using technology during your shopping experience?* Base: 1007n

Aligned with most helpful current aids, consumers are looking for self-checkouts and coupons while 'smart' payment methods are also encouraging in-store shopping

Tech Encouraging In-Store Shopping

- Self checkout, scan and go tech, smartphone payment and ratings + reviews on retailer websites are least encouraging to **shoppers aged 55-65** who are more encouraged by **downloadable coupons** and online circulars.
- Aligned with motivators, Females are looking for downloadable coupons/loyalty programs than **Males** who are **more interested in smartphone payment**, retailer apps, QR codes, touchscreen signage, ratings + reviews and in-store vending kiosks.

Self-checkout	53%
Coupons downloadable to your phone or frequent shopper card/loyalty program	52%
Scan and Go shopping technology (use phone to scan and checkout)	34%
Payment via smartphone	31%
Store mapping / aisle guidance	31%
Wi-Fi	29%
Retailer app availability	23%
Online circular	23%
QR codes at shelf to learn more about products (recipes, ingredients, etc.)	20%
Touchscreen digital signage to learn more about products in aisle	20%
Ratings + Reviews on retailer website	19%
In-store kiosks that act as vending machines	14%
Other	3%

Question: Which of the following technologies would encourage you to shop at a retailer in store? Base: 1007n

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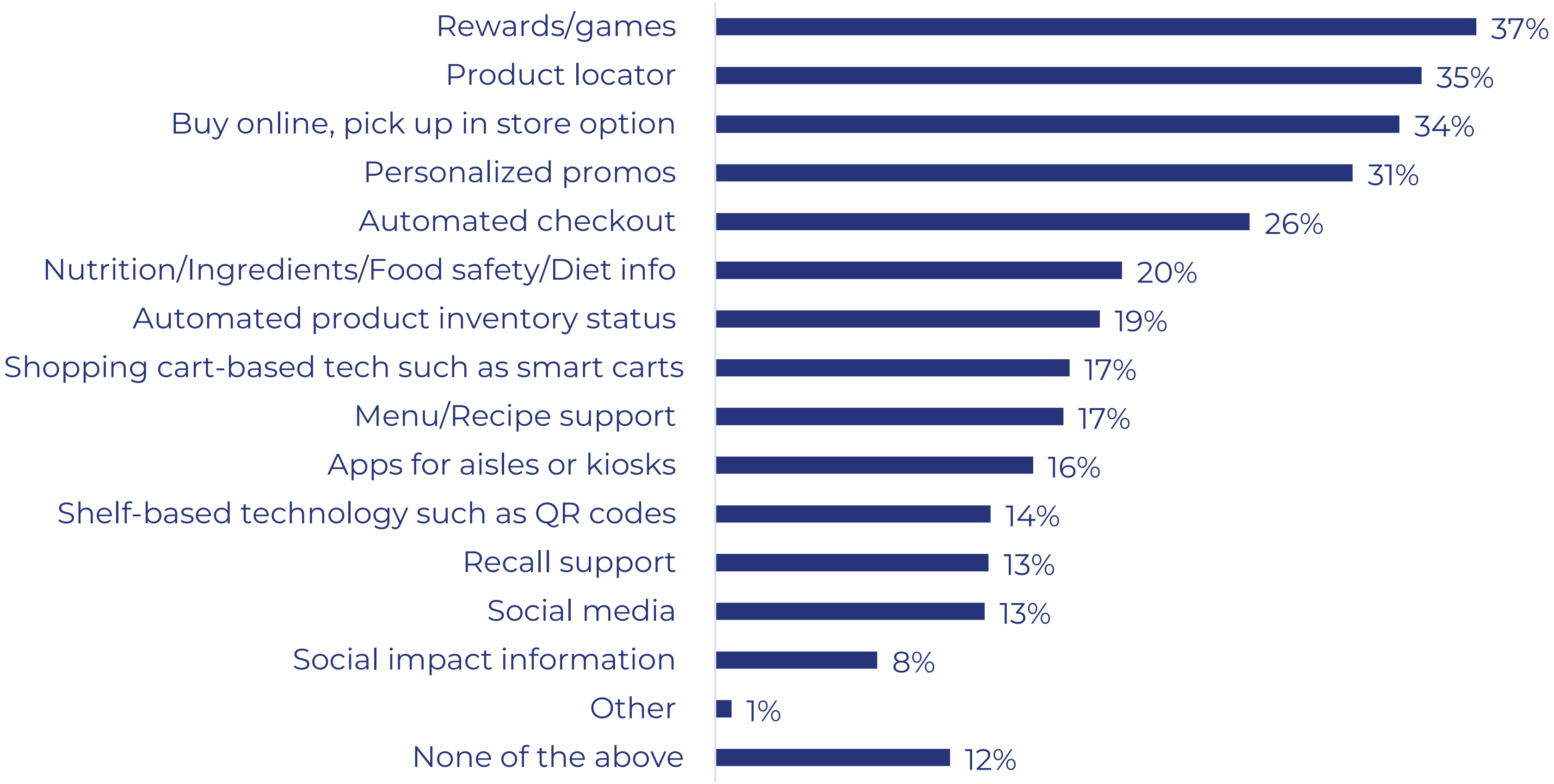
Shoppers would like retailers to offer technology that focuses on rewards/games, product location assistance and convenient in-store pick up

Tech Shoppers Want from Retailers

- Females are more likely to desire personalized promos while Males are more looking for automated checkout.
- Older shoppers aged **55-65** are **less interested in tech** overall, especially shopping cart-based tech, social media and social impact information.
- Shoppers aged **40-54** are **more interested in automated product inventory status** while younger shoppers **aged 18-24** would **like menu/recipe support** vs other ages.

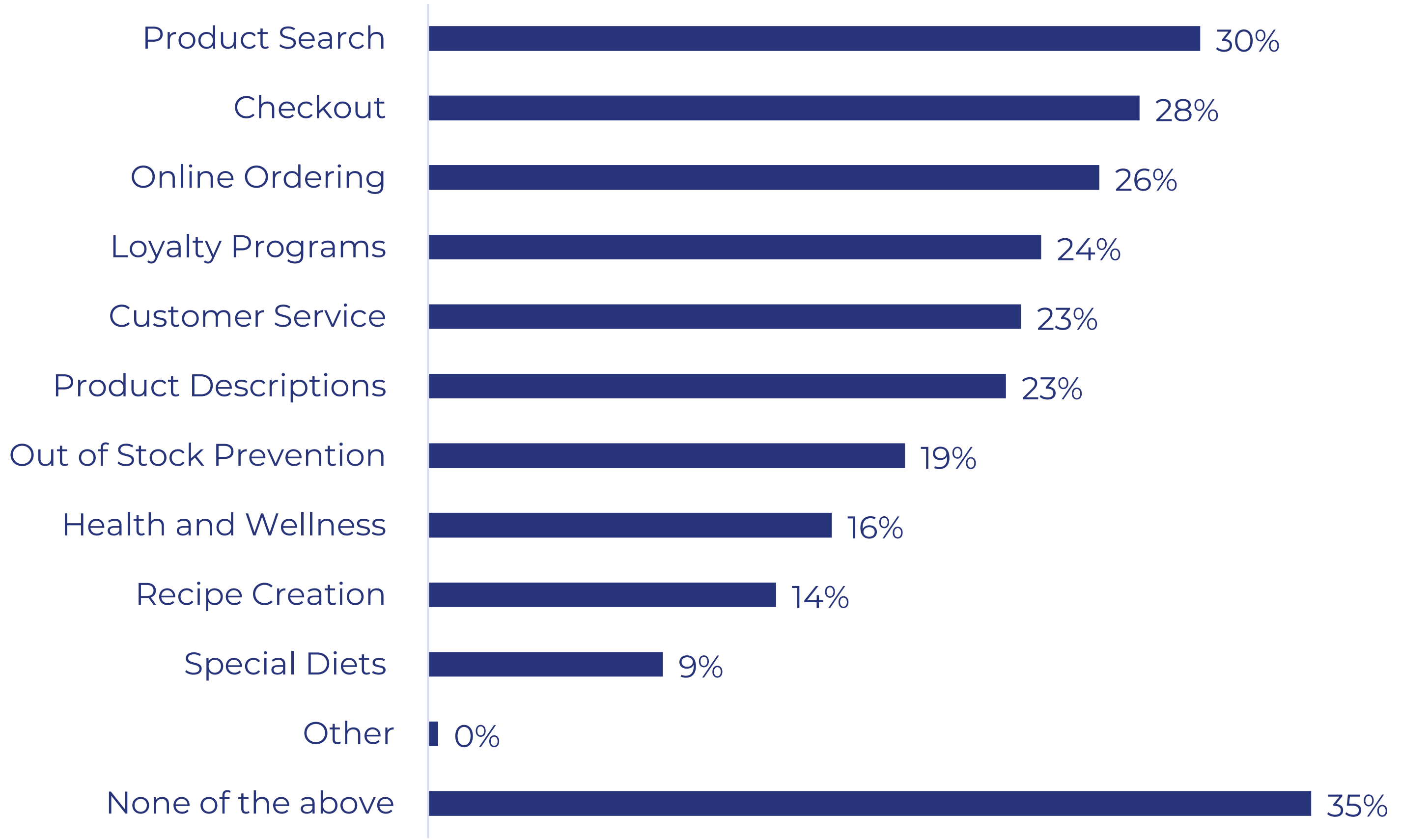


Question: What technology do you want your retailer and or brand to offer? Base: 1007n

While around one-third say AI is not beneficial for shopping, about the same say it helps with product search and checkout

Role of AI in Improving Shopping Experience

- In-line with usage and interest, Males are more likely to find AI beneficial for nearly all elements vs Females.
- **50%** of older shoppers aged **55-65** say that none of these would be beneficial (higher than all other ages).
- Notably, those with household income in the **$100K-$150K** range are most likely to find nearly all AI use cases beneficial.



Question: *Is the use of Artificial Intelligence (AI) beneficial for shopping for any of the following activities?* Base: 1007n

Thank You

For questions or additional information on these survey results, please contact:

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