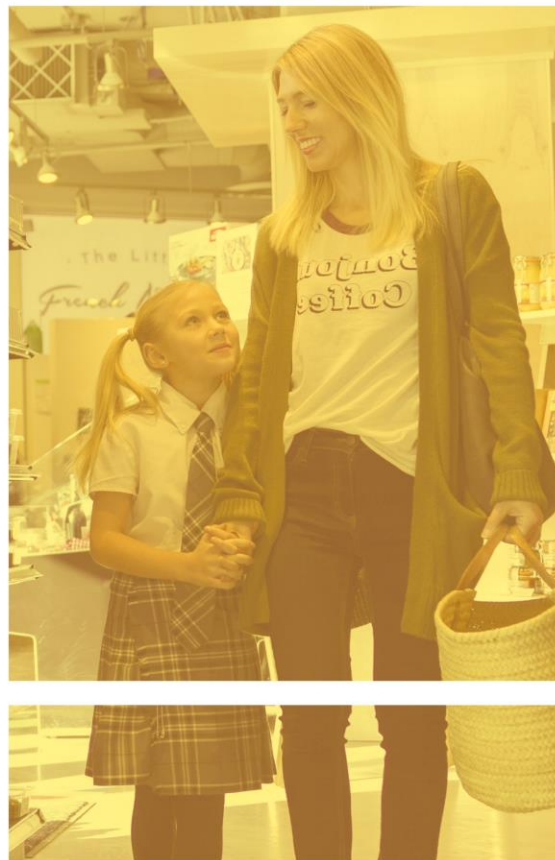


2019 PwC Irish Retail & Consumer Report:

Investing in Experience

pwc.ie/retailconsumerreport

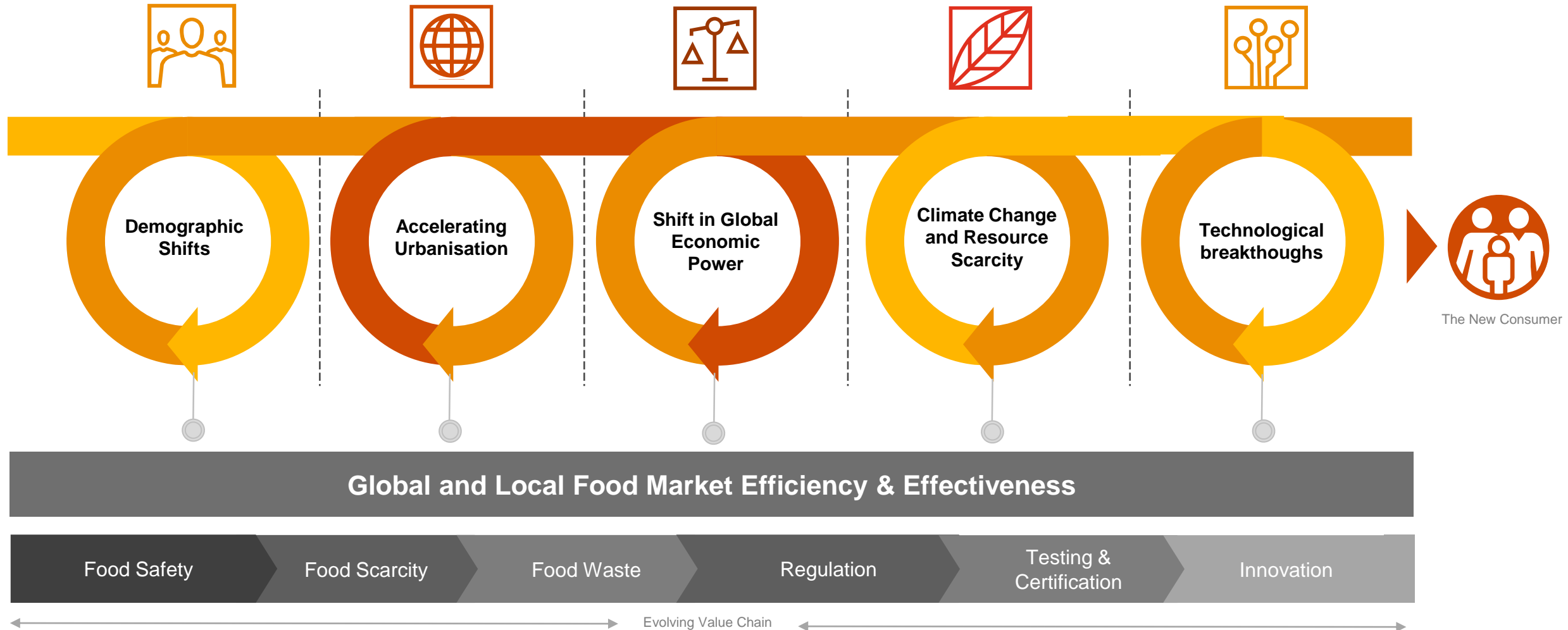


Think Beyond

Understanding Irish Consumers in an Evolving Retail Market

Megatrends are driving change and the way of doing business

The 'new consumer' is generating opportunities, demands and markets.



PwC Global Retail & Consumer Survey 2019

Total Respondents 21,480 (Ireland 1,005)

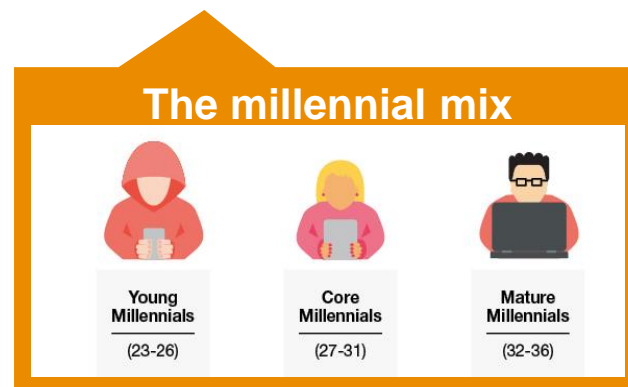
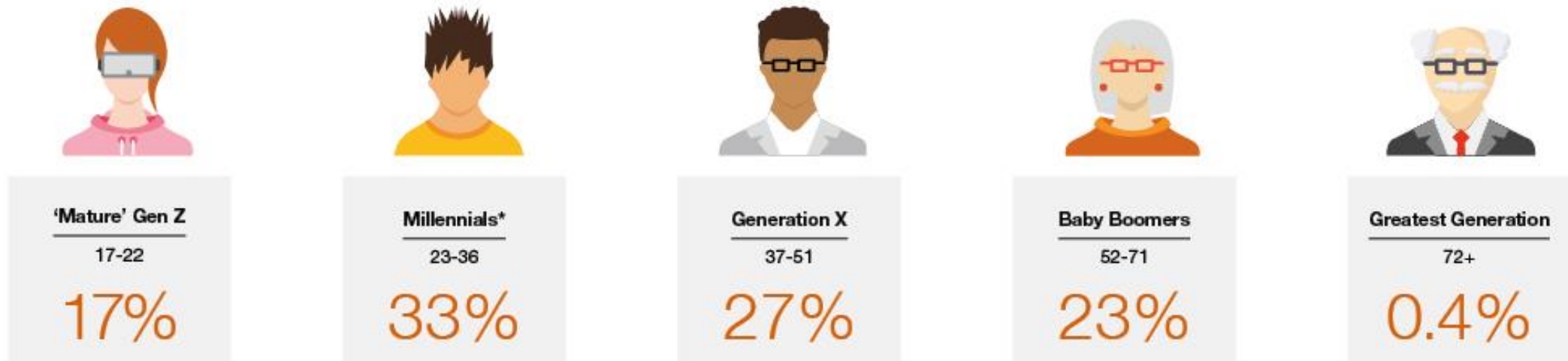


Who took part in the survey ?

Demographically Representative and a deep dive on Millennials

Who took part? A view across generations

*Young Millennials (23-26), Core Millennials (27-31), Mature Millennials (32-36).



Consumer

Sentiment

is cautious

and value conscious

Invest in Experience

Five Key Trends influencing Consumer Behaviour



1

Customer experience is a key differentiator



2

Store remains front of mind



3

Its all about Mobile first



4

Creating a sustainable customer experience



5

Engaging consumers through emerging technologies



Return on Experience (RoX)

A woman with blonde hair tied back, wearing a red jacket, is shown in profile from the chest up. She is holding a small, round, white product in her hands and looking at it intently. The background is a store aisle with shelves of purple perfume bottles. The lighting is bright, highlighting the products and the woman's features.

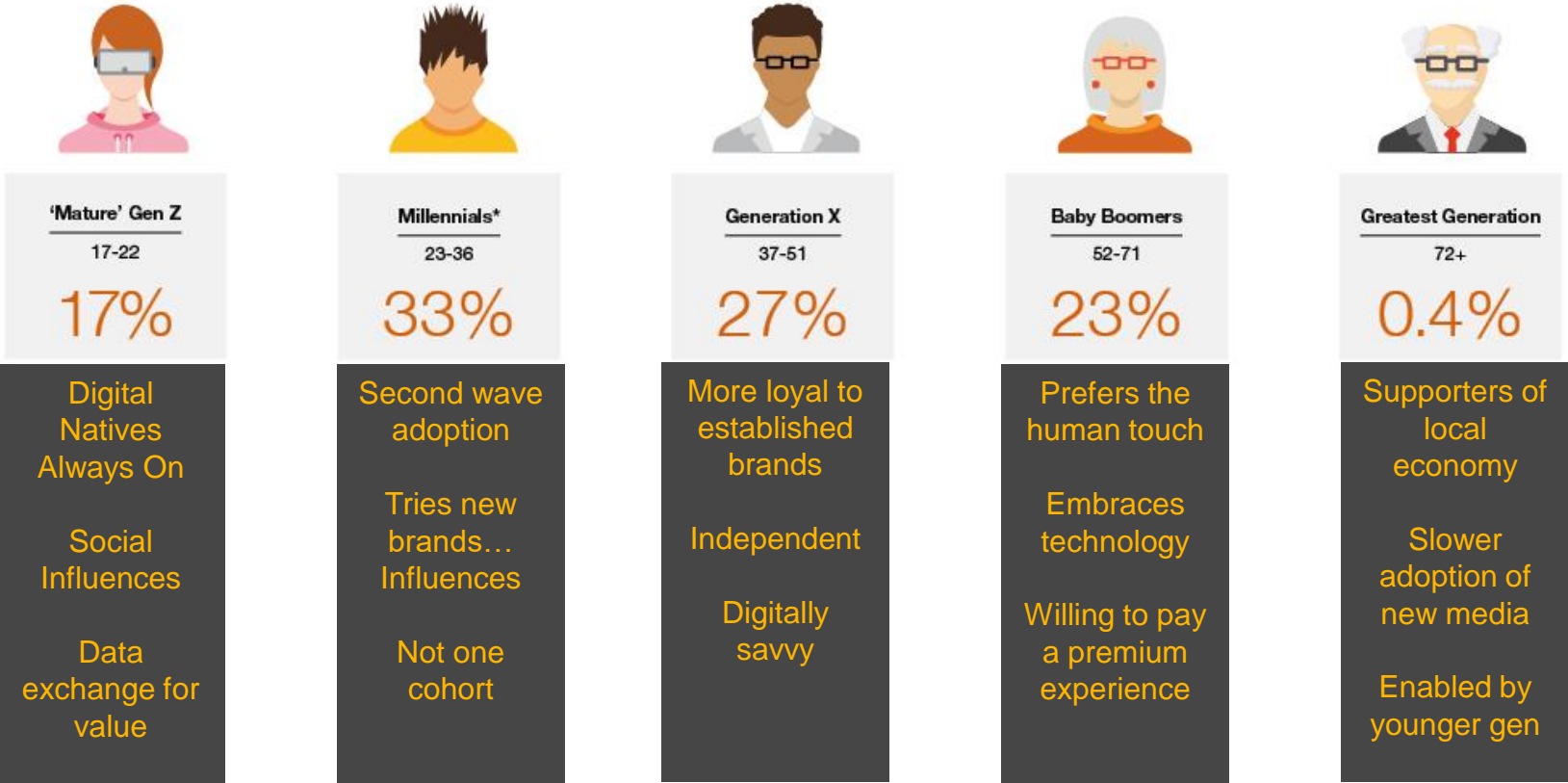
1 Customer experience is a key differentiator

Customer Experience

Experience is everything for the digitally empowered consumer

Who took part? A view across generations

*Young Millennials (23-26), Core Millennials (27-31), Mature Millennials (32-36).



Understand the differing needs, touchpoints and expectations for experience

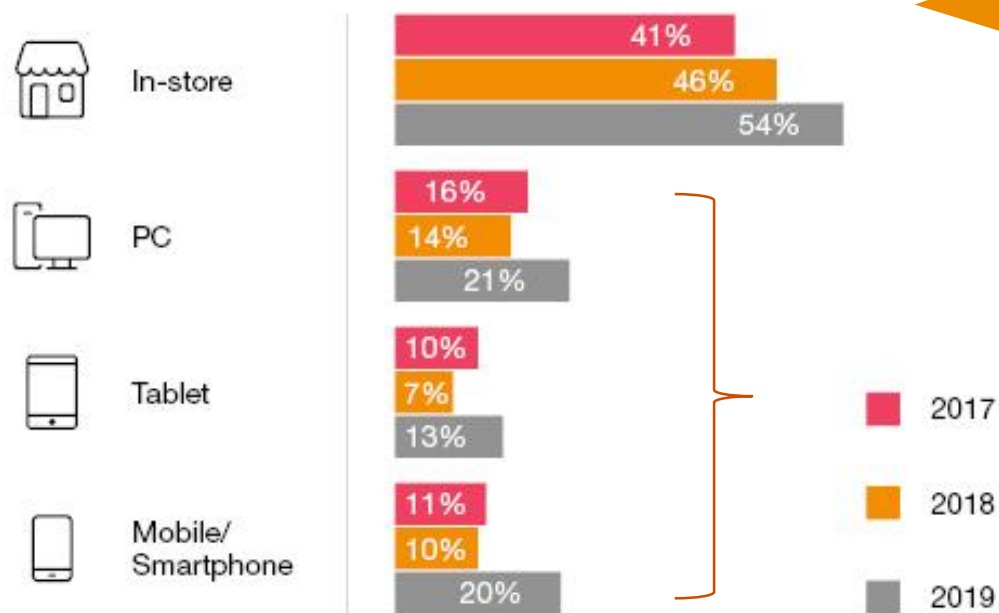
Align experience with value proposition to command higher RoX

Channel Preference – Multiple Paths to Purchase

An integrated approach is needed to satisfy each customer journey

Buying behaviours - Frequency of shopping by channel (daily and weekly, excluding grocery)

How often do you buy products using the following shopping channels?

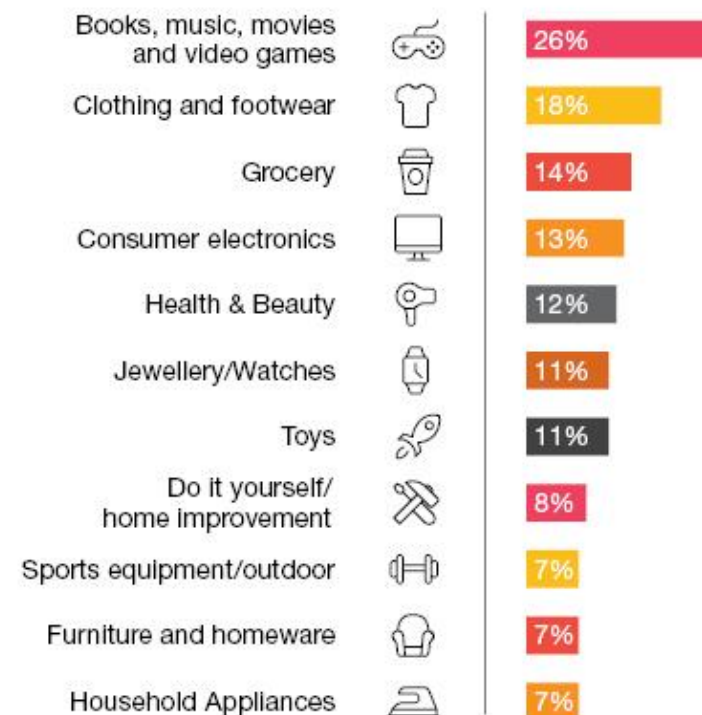


Shoppers say they prefer to see and interact with products before they make buying decisions

Online shopping is gaining momentum and a digital first strategy will deliver growth

For each of the following categories, how many of your purchases have you made online in the last 12 months?

Products purchased online (more than half).





Customer Experience is a key differentiator

1. Understand your Customers
2. Fuse Customer & Employee Experience
3. Build Social Network
4. Identify Magic Moments
5. Respect Data in Return for Value

A woman with dark hair, wearing a maroon coat and a black scarf, is looking down at a vegetable stall in a market. The stall is filled with various fresh vegetables, including leafy greens and red radicchio. The background is slightly blurred, showing other market stalls and people. The overall scene is brightly lit, suggesting an outdoor market setting.

2 Store remains front of mind

The Store – An Experience Destination ?

The Top 3 demands are for Navigation, Wifi and Easy pay

Buying Behaviours – In-store
Store navigation reigns supreme

Which of these attributes would significantly improve your in-store shopping experience?



47%

Ability to quickly and conveniently navigate the store
[64% Baby Boomers]

34%

Quick and easy payment methods (including mobile and contactless)










34%

Sales associates with a deep knowledge of the product range
[55% Baby Boomers]

Top three attributes influencing store experience (out of 14).

Which of these attributes would significantly improve your shopping experience?

	 Young Millennials (23 – 26)	 Core Millennials (27 – 31)	 Mature Millennials (32 – 36)	 Generation X (37 – 51)
 Ability to quickly and conveniently navigate the store	35%	42%	39%	50%
 In-store Wi-Fi with fast simple login	32%	37%	33%	38%
 Quick and easy payment methods	31%	35%	33%	37%

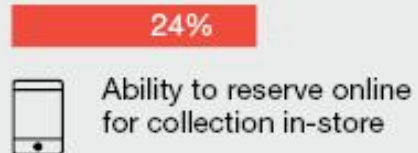
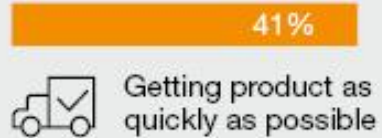
The Human Touch in store is essential for Baby Boomers (52-71)

Convenience, Speed and Easy-pay are critical for Experience

Delivering a Seamless Experience

Shopper expect a complementary service across channels

Considering the delivery process for online orders, what is most important?



Click & Collect solutions can drive footfall into store

An Emerging Trend 'The Micro-Trip'



44%

of Young Millennials expect to use Click and Collect in 2019

31%

Of young millennial consumers undertake micro trips (spending less than 5 minutes in store).

The 'Micro-Trip' is an emerging grocery trend based on changing lifestyles, eating habits and growing urbanisation.

(25% of all consumers)



Store remains front of mind

1. Understand your shoppers
2. Make the store a destination
3. Integrate online and in-store
4. Win The Trip

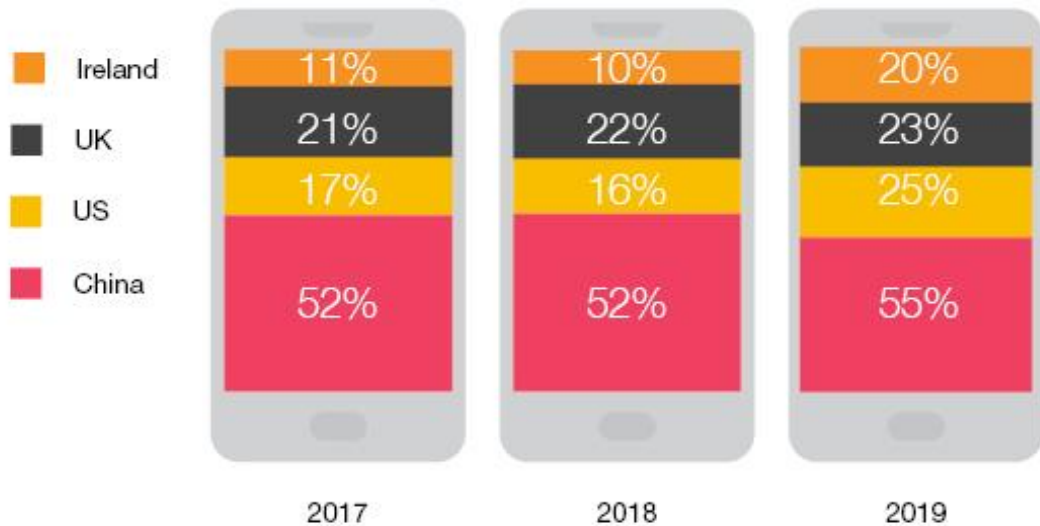


3 It's all about mobile first

Mobile is the Touchpoint for Consumers

The ubiquity of m-commerce is being driven by fast consumer adoption

Weekly or more frequent purchases via mobile device

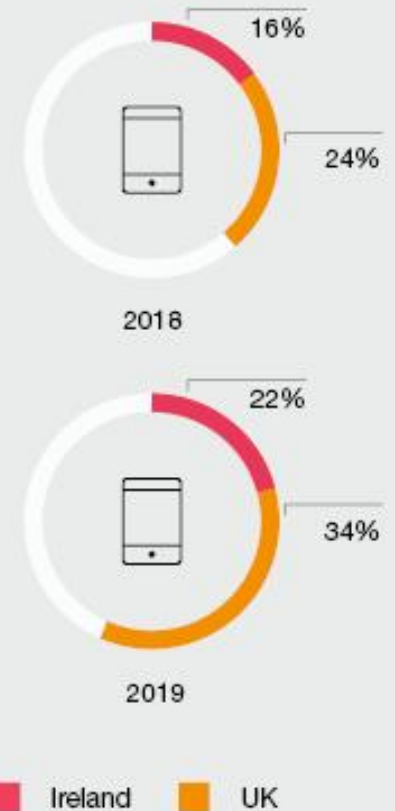


20%

20% of Irish respondents buy products (at least weekly) with their mobile/smartphone, up from 10% last year

Mobile technology is an enabler for friction-free shopping experiences.

Do you use your mobile device to make in store payments?



The Message about Social Media

Social media is a significant influencer on purchasing decisions

What's going on vs. what's on sale; Social media's main use is to stay in touch

Thinking about social media channels and how you use them, which of the following activities describes your online behaviour?



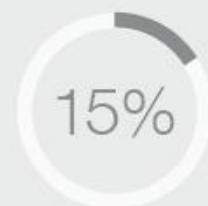
I browse social media to seek inspiration for purchases.

37% Gen Z and Young Millennials



I have been influenced to buy a product or service following reading positive reviews

38% Gen Z



I have made a purchase directly from social media.

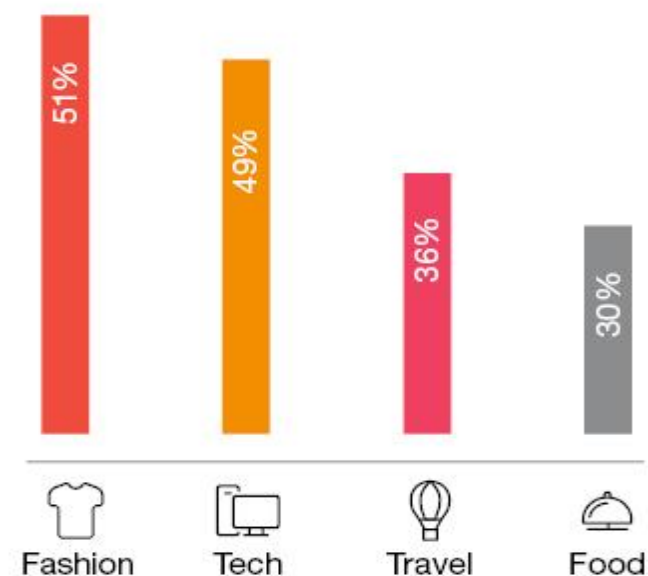
25% Core Millennials

Social media is used to research, review and purchase

Categories that have led with online integrated purchasing

“Shop now!” – shopping straight from a social feed occurs most within fashion and technology

In which of the following categories do you feel social media has influenced your purchase decisions most?



Delivering and receiving the message through changing channels

Brand engagement must reach the right audience with the right message

What type of adverts are most influential?



45%

Traditional TV advertising
[35% for Gen Z but 57% for Baby Boomers]



22%

Social media advertising
[30% for Gen Z but 14% for Baby Boomers]

The right mix of Paid, Owned and Earned Media should reflect media consumption behaviour.

Social Media has a real influence on Gen Z and millennials.

Traditional media is a key influencer. However, the role of social is growing especially amongst younger shoppers.

Which source do you turn to first for news or to keep on top of current affairs?



34%

go directly to traditional media
Baby Boomers = 52%



36%

go directly to new media
Core Millennials = 45%




22%

go directly to a social media channel
Gen Z = 45%



It's all about mobile...

1. Lead with a mobile first strategy
2. Understand the role of social
3. Blend traditional and digital media

A photograph of a clothing store interior. In the foreground, a person's hand is seen touching a grey garment hanging on a rack. The background shows a long rack of various clothes, including white shirts and blue jackets, hanging from wooden hangers. The lighting is soft and focused on the clothing.

4 Creating a sustainable customer experience

Sustainability is good for long term relationships

Understanding consumer segments based on needs, motivations and values

Consumer typologies based on approach to purchasing sustainably

Please indicate which statements best reflect how you purchase in a sustainable way?

 Plastic activists <hr/> Seeking an end to plastic pollution	 Protectors and promoters <hr/> Decision-making on protecting and promoting sustainable behaviours	 Environmental activists <hr/> From origin to end – considering the impact	 The green travellers <hr/> Carbon footprint concerns
I buy items with less packaging I avoid the use of plastic where possible (i.e. plastic straws, cutlery)	I choose sustainable products to help protect the environment I choose sustainable products to set an example to others I buy brands that promote sustainable practices	From origin to end – considering the impact I choose products with a traceable and transparent origin I look for products with environmentally friendly packaging	Carbon footprint concerns I consciously choose more sustainable ways to travel

Consumers are seeking to engage with brands where trust exists.

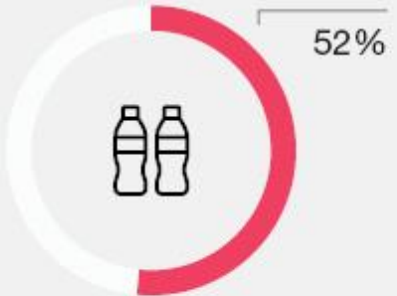
Behaviour is influenced by cluster needs and motivations.

Sustainability is good for the environment

Irish consumers show a high awareness of the environmental impact

Please indicate which statements best reflect how you purchase in a sustainable way.

Reduction in plastics and packaging are priority



I avoid the use of plastic where possible (Baby Boomers = 67%)



I buy items with less packaging (Baby Boomers = 65%)

41%




of Irish consumers are prepared to pay a premium for sustainable products

32% shoppers say they choose sustainable products to help protect the environment.

Sustainability is good for business

Irish consumers are very aware of the impact their purchasing power has

What are your main reasons for purchasing Irish products?

		2018	2019
	Buying Irish has a positive effect on the Irish economy	62%	67%
	Quality of the product as it is locally produced	45%	58%
	To support local retailers	52%	57%
	Food traceability is more guaranteed as the food is local	44%	43%
	Products are only available in Ireland	10%	13%
	I do not purchase Irish products	3%	3%

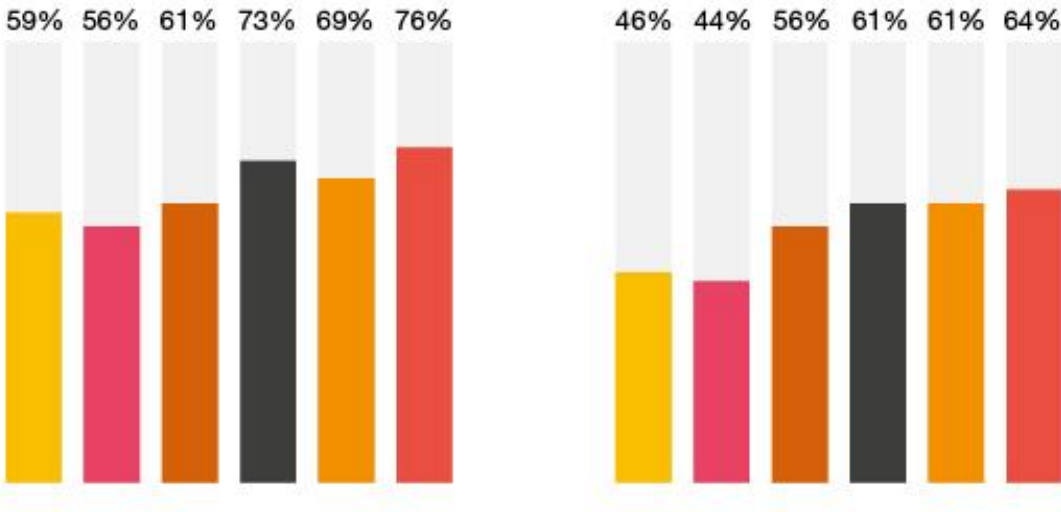
Supporting local business, local product quality and traceability, are key influencers which have increased in 2019.

Sustainability can build long term relationships

The challenge is to engage with younger shoppers on the local impact

Two thirds of consumers buy Irish products to support the Irish economy

What are your main reasons for purchasing Irish products?



Buying Irish has a positive effect on the Irish economy

To support local retailers



Gen Z are will pay more for brands well known for sustainable practices.

Sustainability heightened amongst Gen X.



Creating a sustainable customer experience

1. Address the packaging challenge
2. Maximise the potential to obtain a premium
3. Make local important to the younger shopper



5 Engaging consumers
through emerging
technology

The Connected Home and the Digitally Empowered Consumer

Technology convergence and consumer adoption will drive smart shopping

Which of the following smart home devices do you currently own, or plan to buy in the future?

There's no place like a connected home



Own/Plan to Own	Smart Appliances	Smart Energy Meter	Smart Home Appls	Smart Home Ent	Smart Home Voice Assts	Smart Wearables
I currently own	18%	15%	14%	40%	13%	28%
I plan to purchase in the future	30%	35%	28%	29%	24%	19%

Getting Vocal
 The customer journey begins in their connected home and integrates many touchpoints.
 The power to purchase will be driven by voice.

9%

of global consumers are using Smart Voice Assistants to shop online every week

The Future of Connected Mobility

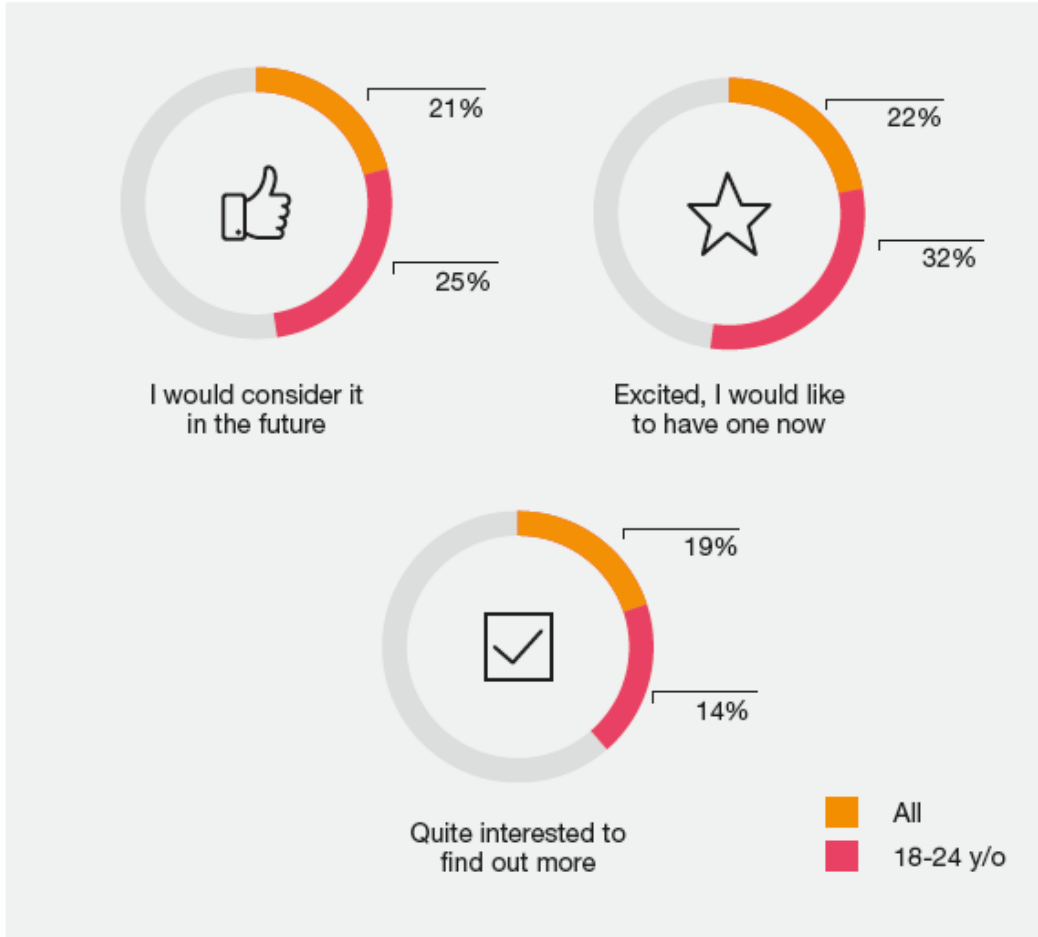
Connected vehicles will integrate mobile and smart technology

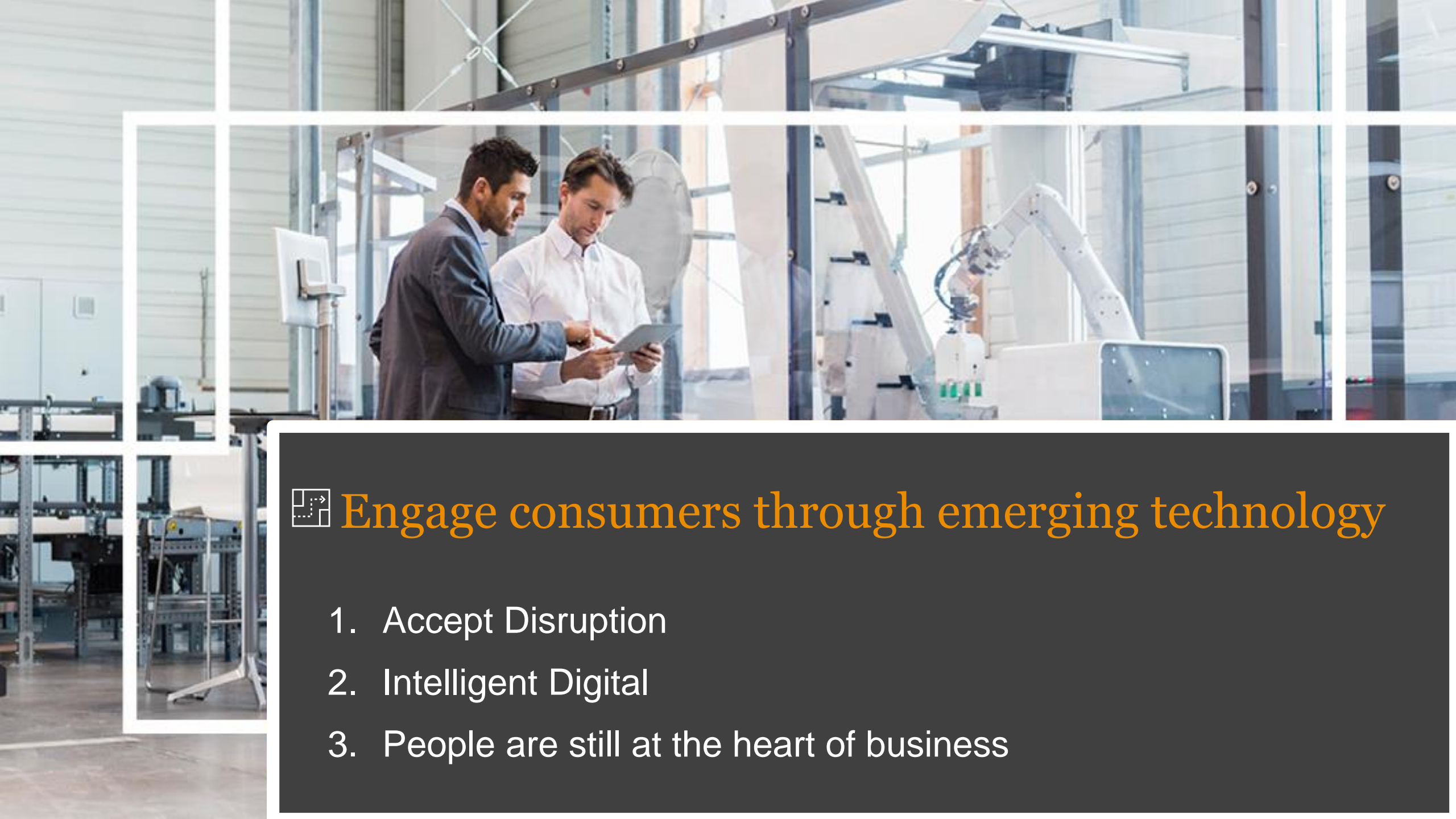
A driverless future – consumers are ready to embrace driverless cars

Which of the following statements best describes how you feel about a vehicle like this?

22%	☆ Excited, I would like to have one now Generation Z = 32%
21%	👍 I would consider it in the future Generation Z = 25%
19%	📁 Quite interested to find out more
17%	⚠️ Unsure how I feel about it
14%	✗ I would dislike this type of vehicle/
8%	✗ I don't think this type of vehicle will ever be commercially viable

Gen Z are have a very positive outlook and connected vehicles are in their consideration set.





Engage consumers through emerging technology

1. Accept Disruption
2. Intelligent Digital
3. People are still at the heart of business

Invest in Experience

Gain sustainable business growth



1

Customer experience is
a key differentiator



2

Store remains
front of mind



3

Its all about
Mobile first



4

Creating a sustainable
customer experience



5

Engaging consumers
through emerging
technologies



Return on Experience (RoX)

Like to know more ?

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