METHODOLOGY AND OVERVIEW

TWO COMPLIMENTARY MARKET SURVEYS
- ~1,200 North American shoppers were surveyed
- ~400 North American in-store associates and managers were surveyed throughout November and December
- Fielded by on-line research partner, Research Now for Motorola Solutions
- Surveys were designed to reveal experiences and attitudes towards the use of in-store technologies to enhance customer satisfaction

KEY METRICS
- Retailers impact on shopper satisfaction (in-store, mobile and online)
- Shoppers’ satisfaction and preference for technology used by in-store associates
- Shoppers’ utilization of mobile technologies
- Associate pain points
- Associate views of technology
"When shoppers have so many options, it is clear that retailers who embrace technology to enable their store associates to directly engage shoppers are creating differentiation through customer service. With nearly one-half of surveyed shoppers stating that they have a better experience when retail associates use the latest technology, retailers’ adoption of the right technology that targets shoppers of various age groups will help drive greater customer satisfaction and increased sales opportunities.”

Eduardo Conrado
senior vice president and chief marketing officer
Motorola Solutions
Shoppers represent typical shopping patterns including grocery, clothing and department stores.

Retail associates and their managers working in a wide range of store types.

**2012 MOTOROLA SOLUTIONS HOLIDAY SHOPPING STUDY**

RETAILER (MANAGER & ASSOCIATES)
N = 400

SHOPPER (ONLINE AND IN-STORE)
N = 1,200

Retailers and their managers working in a wide range of store types

Shoppers represent typical shopping patterns including grocery, clothing and department stores.
KEY FINDINGS
ENABLING ASSOCIATES

• 82 percent of retail associates agreed that improving in-store communication between staff and managers would have a significant effect on shopper satisfaction.

• 58 percent of retail associates recognized the positive effect of mobile point of sale (mPOS) on the shopping experience.

• 36 percent of shoppers believed that store associates using tablets enhanced their shopping experience.

• 58 percent of store associates agreed that they could better serve customers if they were equipped with tablets.
KEY FINDINGS
CONNECTING WITH SHOPPERS

• Almost half of surveyed shoppers (47 percent) agreed that they have a better experience when sales associates use the latest technologies to assist them.

• More than half of surveyed shoppers (55 percent) believed that information kiosks help associates improve the shopping experience.

• Shoppers reported rising dissatisfaction with the return/exchange process – 29 percent were not satisfied in-store and 45 percent were not satisfied with online experiences.

• Two-thirds (66 percent) of surveyed retail associates recognize the positive effect of mobile loyalty account access on the shopper experience.
KEY FINDINGS
EMPOWERING IT

• Nearly eight in ten (79 percent) associates agreed that store management can better manage employees and operational processes when empowered with technology and better information.

• 72 percent of shopping-related walkouts resulted in lost sales – an average loss per abandonment of $156.

• Retailers can recover 69 percent of out-of-stock incidents if associates are prepared to offer shoppers the option to order the items before leaving the store and have them sent to their homes.

• 63 percent of store managers agree that they need more real-time information to better ensure customer satisfaction.
Q: “The shopper today is better connected to product information than store associates.”

2010
51.3% agree

2011
59.8% agree

2012
60.7% agree
**RETAILER VIEWS**
**PERCEPTIONS ON SHOPPER BEHAVIOR**

Q: “What do you think of each of the following statements about technology and the shopper's experience?”

<table>
<thead>
<tr>
<th>Statement</th>
<th>Sales Staff</th>
<th>Managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;The shopper today is better connected to product information than store associates.&quot;</td>
<td>57.2 %</td>
<td>60.7 %</td>
</tr>
<tr>
<td>&quot;Shoppers can easily find a better deal so customer service is more important than ever.&quot;</td>
<td>80.1 %</td>
<td>86.6 %</td>
</tr>
<tr>
<td>&quot;Improving in-store communication between staff and managers would have a significant effect on customer satisfaction.&quot;</td>
<td>81.0 %</td>
<td>83.4 %</td>
</tr>
</tbody>
</table>

Retailers recognize that shoppers are better connected (61% of managers and 57% of sales staff). Improving in-store communication is a factor in customer satisfaction for over 80% of retail staff and management.
Q: “To what extent do you agree with each of the following statements about how technology influences your shopping experience?”

<table>
<thead>
<tr>
<th>Statement</th>
<th>2012</th>
<th>Gen Y</th>
<th>Gen X</th>
<th>Boomer</th>
<th>Pre-Boomer</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;I have a better experience in stores where the sales associates use the latest technology to assist customers.&quot;</td>
<td></td>
<td>46.1%</td>
<td>46.4%</td>
<td>48.5%</td>
<td>44.6%</td>
<td>46.6%</td>
</tr>
<tr>
<td>&quot;I am better connected to product information than store associates.&quot;</td>
<td></td>
<td>46.4%</td>
<td>37.9%</td>
<td>32.3%</td>
<td>18.3%</td>
<td>35.9%</td>
</tr>
<tr>
<td>&quot;The self-help kiosks in the store are more helpful than using my smartphone.&quot;</td>
<td></td>
<td>40.6%</td>
<td>36.4%</td>
<td>30.2%</td>
<td>31.7%</td>
<td>35.2%</td>
</tr>
<tr>
<td>&quot;The self-help kiosks in the store are more helpful than store associates.&quot;</td>
<td></td>
<td>38.6%</td>
<td>30.9%</td>
<td>25.1%</td>
<td>24.7%</td>
<td>30.7%</td>
</tr>
<tr>
<td>&quot;I can find information myself faster on my smartphone than asking a store associate for help.&quot;</td>
<td></td>
<td>45.6%</td>
<td>35.8%</td>
<td>19.2%</td>
<td>11.8%</td>
<td>30.4%</td>
</tr>
</tbody>
</table>

Strongest agreement was cited for better experience with store associates using latest technology, across all age groups. Comfort with smartphones drops off for Boomer segment.
Q: “To what extent do you agree with the following statement for each type of technology?”

Store associates who use this device or technology improve my shopping experience...

Overall, 64% of shoppers agree that store associates equipped with handheld mobile computers improve the customer experience.
AGE DEMOGRAPHIC TRENDS FOR 2012 HOLIDAY SHOPPING SEASON

- **Gen Y** shoppers represent people between the ages of 18-34.
- **Gen X** shoppers represent people between the ages of 35-49.
- **Boomer** shoppers represent people between the ages of 50-64.
- **Pre-Boomer** shoppers represent people older than 65.

**64% of Gen Y and 52% of Gen X shoppers used their personal mobile device for shopping-related activities.**

**46% of Gen Y and 36% of Gen X shoppers** agreed that they can more readily locate information on their personal mobile device rather than asking a store associate for assistance.

**Boomers are four times more likely** to increase their spending as the result of a helpful associate than by using self-service technology.

**More than eight in ten pre-Boomer shoppers believed associates were better connected than they were to product information.**

Source: 2012 Motorola Solutions Holiday Shopping Study © 2012 Motorola Solutions, Inc.
### SHOPPER VIEWS
#### UTILIZATION OF PERSONAL MOBILE DEVICES

<table>
<thead>
<tr>
<th>Activity</th>
<th>Gen Y 18-34</th>
<th>Gen X 35-49</th>
<th>Boomer 50-64</th>
<th>Pre-Boomer 65+</th>
<th>ALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Look up store information</td>
<td>50.0%</td>
<td>38.8%</td>
<td>29.7%</td>
<td>9.7%</td>
<td>35.1%</td>
</tr>
<tr>
<td>Browse an online website for products</td>
<td>38.9%</td>
<td>27.3%</td>
<td>18.3%</td>
<td>6.5%</td>
<td>25.0%</td>
</tr>
<tr>
<td>Check for sales, specials or coupons</td>
<td>41.2%</td>
<td>25.8%</td>
<td>16.2%</td>
<td>5.4%</td>
<td>24.5%</td>
</tr>
<tr>
<td>Look for competitive pricing</td>
<td>40.3%</td>
<td>27.9%</td>
<td>14.0%</td>
<td>3.8%</td>
<td>24.0%</td>
</tr>
<tr>
<td>Use mobile coupons</td>
<td>37.0%</td>
<td>27.0%</td>
<td>14.0%</td>
<td>5.4%</td>
<td>23.0%</td>
</tr>
<tr>
<td>Check for product ratings and reviews</td>
<td>31.4%</td>
<td>19.4%</td>
<td>12.9%</td>
<td>4.3%</td>
<td>18.8%</td>
</tr>
<tr>
<td>Use social media to receive reward points</td>
<td>21.9%</td>
<td>14.8%</td>
<td>3.9%</td>
<td>0.5%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Look up loyalty account status/points</td>
<td>21.7%</td>
<td>11.5%</td>
<td>6.6%</td>
<td>1.6%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Check inventory prior to store visit</td>
<td>19.7%</td>
<td>11.8%</td>
<td>7.5%</td>
<td>1.6%</td>
<td>11.4%</td>
</tr>
<tr>
<td>Place an order delivered to you</td>
<td>18.6%</td>
<td>11.8%</td>
<td>5.4%</td>
<td>1.1%</td>
<td>10.4%</td>
</tr>
<tr>
<td>Post a message or a review on social media</td>
<td>18.1%</td>
<td>13.4%</td>
<td>3.0%</td>
<td>0.5%</td>
<td>9.9%</td>
</tr>
<tr>
<td>Place an order you pick up at the store</td>
<td>14.2%</td>
<td>8.2%</td>
<td>3.3%</td>
<td>0.0%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Make a payment in-store using Mobile Wallet/contactless payment</td>
<td>12.0%</td>
<td>4.5%</td>
<td>2.1%</td>
<td>14.8%</td>
<td>5.4%</td>
</tr>
</tbody>
</table>

Bars: % of shoppers using mobile device for any of these shopping-related activities

64 percent of Gen Y and 52 percent of Gen X shoppers accessed a personal mobile device for shopping-related activities compared to only 37 percent of Boomer and 15 percent of pre-Boomers.
Q: “How likely would you be to use the following in-store services if retailers offered them for shoppers to use on their own smartphones while shopping in the store? 

Wi-Fi hotspot: Retailer-supply wireless internet access in the store so that you can search and post on the web while shopping.

54 percent of Gen Y and 43 percent of Gen X shoppers would access guest Wi-Fi for shopping-related activities, compared to 34 percent of Boomers and 20 percent of pre-Boomer shoppers.
Customer satisfaction has been on the rise with 78% of shoppers feeling positive about shopping in stores overall. Highest dissatisfaction remains around coupons (45%); dissatisfaction with the in-store return/exchange process is 29 percent.
On-line satisfaction overall continues to be slightly higher than in-store (83%). Shoppers are much less satisfied with staff availability and returns process online than in-store.
Q: “For each of the retail store categories where you shop, indicate whether you prefer the online shopping experience or the in-store shopping experience.”

ONLINE VS. IN-STORE PREFERENCE

- Prefer In-Store
- Prefer Online
- About equally prefer in-store/online
Q: “Thinking about the stores where you went to shop in the past four weeks, did you leave without buying everything that you were looking for or wanted from any of these stores?”

<table>
<thead>
<tr>
<th>Category</th>
<th>Lost Sales Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>34.8%</td>
</tr>
<tr>
<td>Clothing or Accessories</td>
<td>24.7%</td>
</tr>
<tr>
<td>Department</td>
<td>21.5%</td>
</tr>
<tr>
<td>Grocery / Supermarket</td>
<td>11.2%</td>
</tr>
<tr>
<td>Consumer electronics or Computer</td>
<td>10.0%</td>
</tr>
<tr>
<td>Home improvement/Hardware</td>
<td>8.4%</td>
</tr>
<tr>
<td>Mass merchandiser/Mega-/Outlet</td>
<td>8.3%</td>
</tr>
<tr>
<td>Books and/or Music</td>
<td>7.4%</td>
</tr>
<tr>
<td>Shopping club/Warehouse</td>
<td>6.4%</td>
</tr>
<tr>
<td>Crafts, Hobby or Fabrics</td>
<td>5.9%</td>
</tr>
<tr>
<td>Sporting goods</td>
<td>5.5%</td>
</tr>
<tr>
<td>Drug / Pharmacy</td>
<td>5.0%</td>
</tr>
<tr>
<td>Furniture or Home furnishings</td>
<td>3.0%</td>
</tr>
<tr>
<td>Office supply</td>
<td>2.6%</td>
</tr>
<tr>
<td>Toy Store</td>
<td>2.6%</td>
</tr>
<tr>
<td>Auto parts</td>
<td>2.0%</td>
</tr>
<tr>
<td>Pet Shop/Pet Supplies</td>
<td>1.9%</td>
</tr>
<tr>
<td>Jewelry</td>
<td>0.6%</td>
</tr>
<tr>
<td>Import Food</td>
<td>0.2%</td>
</tr>
<tr>
<td>Service Retailer</td>
<td></td>
</tr>
</tbody>
</table>

33% of store visits were lost sales
Visits ended when shoppers did not satisfy their purchase intent.
Q: “Approximately what was the total value of the item(s) that you abandoned at each of the stores where this happened?”

The overall average value of each “abandoned” sale is $156 per incident.
Q: “What did you do to find and finish purchasing these items?”

- Went back to the same store another time. (41.2%)
- Went to another location of that store. (25.4%)
- Went on that store’s web site, made an online purchase. (11.4%)
- Went to a competitor’s in-store location. (9.9%)
- Went on a competitor’s web site, made an online purchase. (6.8%)
- I decided not to make the purchase. (5.3%)

Retailers lose 72% of abandoned sales; only 28% of walkouts make the purchase with the original retailer and 30% goes to a competitor store or website.
Q: “Please indicate how likely you would be to make a purchase before you leave that store if the retail associate (salesperson or salesclerk) offered you each of these solutions while you were there?”

Find another location that has the item in stock and tell you how to get there.

Order the out-of-stock item and have it delivered to your home.

Seven in ten lost-sale incidents (68.5%) could be prevented if associates ordered the item and sent it to the shoppers’ home…look-up and directions to another store could recapture half of sales.
Almost one quarter (24%) of shoppers indicated they would spend as much as 50% more with a retailer who provides better customer service…26% of respondents would spend at least 10% more.
“Using technology creates a more personal and efficient store experience. I am the type of shopper that likes to be on my own in a store, but if I do find myself requiring help, I want that to be available to me too.” **(Female, 18-24)**

“Technology can improve the time I have to spend on shopping and improve my shopping experience by giving me more information and more control over what I know and spend my money on.” **(Female, 45-49)**

“I believe advanced technology can vastly improve the shopping experience if stores opt to use such technology and keep up with the quickly changing technology environment.” **(Male, 40-44)**

“Price check kiosks are the best. Also, I love getting texts from my favorite stores about sales and coupons so I don't need to print something off the computer.” **(Female, 18-24)**

“The best way is to have associates with the technology. I'd much rather speak to someone in the store who is knowledgeable than to find the info myself.” **(Female, 30-34)**
ASSOCIATES IN THEIR OWN WORDS

“The ability to have ALL the knowledge for assisting customers would create customer loyalty. They would be sure they could trust that the store associate KNOWS what they are talking about instead of guessing. To answer all possible questions w/o having to move to a different place or different piece of technology makes customers feel they aren't being lied to or given misinformation.” (Full-time Sales Associate, National Clothing and Accessories Store)

“Being able to better communicate with fellow associates would help provide a better customer experience: locating stock, getting another associate to assist if needed, locating a manager.” (Full-time Department Manager, Department Store)

“Having more product information and comparisons at your fingertips would improve customer satisfaction ten-fold.” (Full-time Store Manager, Craft & Hobby Store)

“It is nice to know immediately if your store has the product needed by a customer, or even if a close store has any, and you could tell the customer right there and they would not have to wait. Price checking is also a nice way to help customers.” (Full-time Sales Associate, International Home Improvement Store)
Helpful associates motivated 48% of surveyed shoppers to spend more in store.

82% of retail associates agree that improving in-store communication between staff and managers would have a significant effect on customer satisfaction.

78.8% agree that Store management that’s empowered with better information and technology can better manage employees and operational processes.
Motorola Solutions believes that the shopper’s experience can be attained when the retail omni-channel environment is enabled by mobile technology to shape the future environment.

**CONNECTED**
When information flows between shoppers and associates, connections become relationships.

**PREDICTIVE**
On a shopper’s path to purchase, information keeps retailers a step ahead.

**PERSONAL**
Only information that’s applicable to the user will be presented, which cuts through the clutter of useless information.

**CONTEXTUAL**
When you know who’s in your store, where they are and what they want at any given moment, you know everything you need.

**CONSISTENT**
If you want to capture your shopper’s attention, every channel should speak with one voice.
RIGHT NOW
WE ARE HELPING
PEOPLE BE THEIR BEST IN THE MOMENTS THAT MATTER