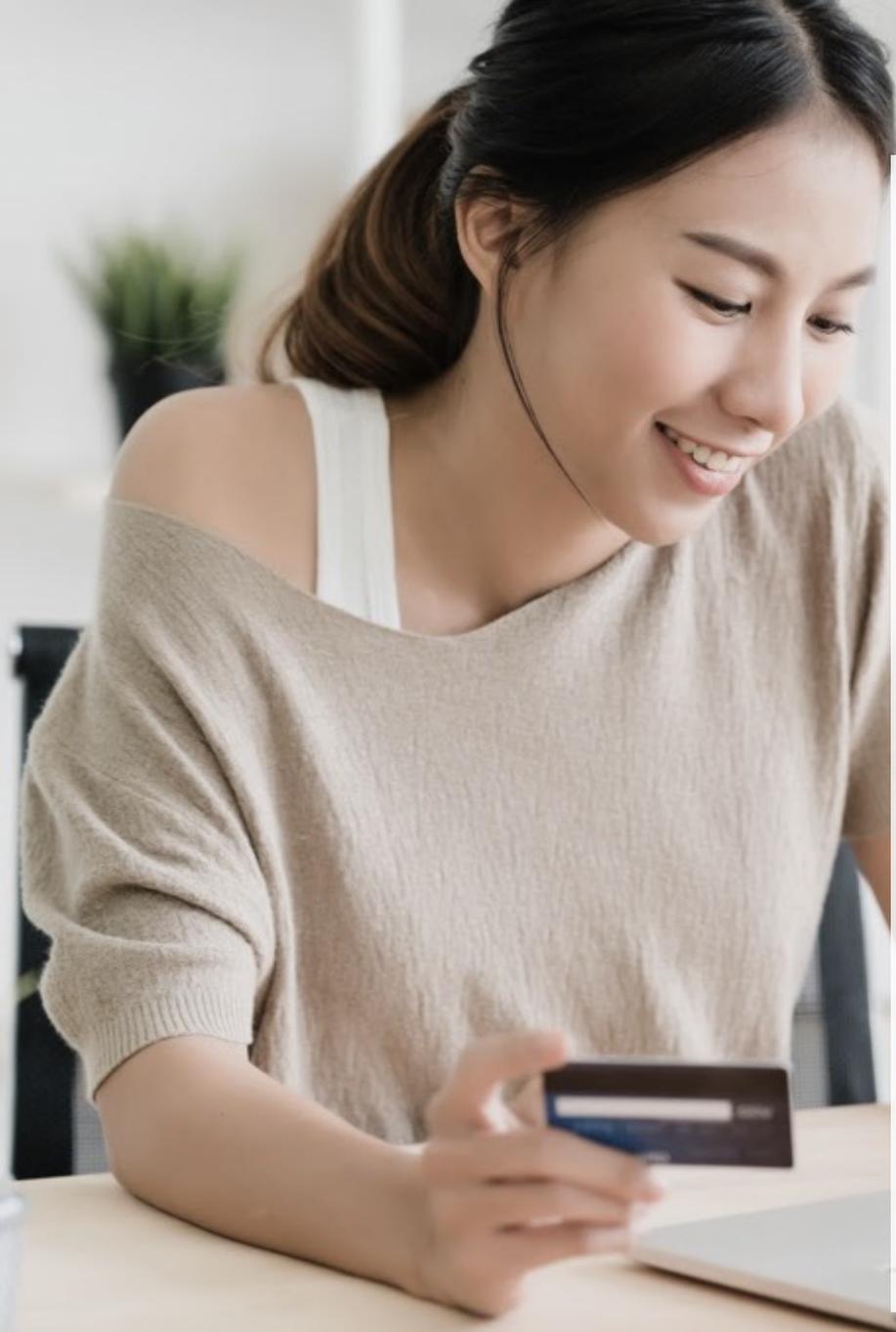


A hand in a white knit sleeve holds a blue loyalty card near a grey payment terminal. The card has some text and a logo, but it's partially obscured by the text overlay. The background is a blurred retail setting.

provoke

insights

Retail Technology: Brand Loyalty
Spring 2022



Background & Objectives

In today's increasingly digital world, it has become easier for brands to increase consumers' awareness. However, this is useless without loyal customers.

Understanding brand loyalty and the consumer mindset is vital in helping brands manage and grow in today's ever-changing markets.

Provoke Insights, a full-service market research firm specializing in branding, advertising, and content marketing initiatives, launched a new bi-annual trends study to answer these pressing questions.

The goal of this research is to gain a national perspective on the mindset of consumers and their loyalty to brands. The study covers multiple industries and shopping themes, including retail technology.

A photograph of a desk with a laptop, a notebook, and glasses. The laptop is on the left, the notebook is in the center, and the glasses are in the foreground. The background is a wooden desk.

Methodology

Provoke Insights conducted a 15-minute survey among 1,500 Americans between the ages of 21 and 65. The study was in-field from March 1st – 10th, 2022.

A random stratified sample methodology was used to ensure a high degree of representation of the U.S. population (household income, age, gender, geography, ethnicity, and children in the household).¹

Results based on this sample have a maximum margin of sampling error of $\pm 2.5\%$ at a 95% confidence level.

Statistical differences between subgroups indicated in this report were tested at a 95% confidence level.

Overview



The Impact of Technology on Retail

Awareness of QR codes, tap-to-pay mobile payments, and brand mobile apps is high. Those who prefer buying from small businesses are more aware of retail technologies. However, high awareness does not always lead to impressed consumers. Although QR codes have the highest level of awareness, only about half of those aware believe they improve their shopping experience. Consumers see the most value in tap-to-pay mobile payments. While small business buyers see most retail technologies as helpful, they are unimpressed with chat bots.



The Tech Oriented Consumer

Fans of retail tech are more likely to be young and employed full-time. Although they are optimistic about the future, they are concerned about the pandemic's impact on the economy and their health. These consumers prioritize supporting small businesses and buying sustainable products. When it comes to shopping in-person, retail tech fans are impressed with store cleanliness and customer service, but they see room for improvement in product availability. However, when asked about a preference, both retail tech supporters and small business buyers prefer to shop online.

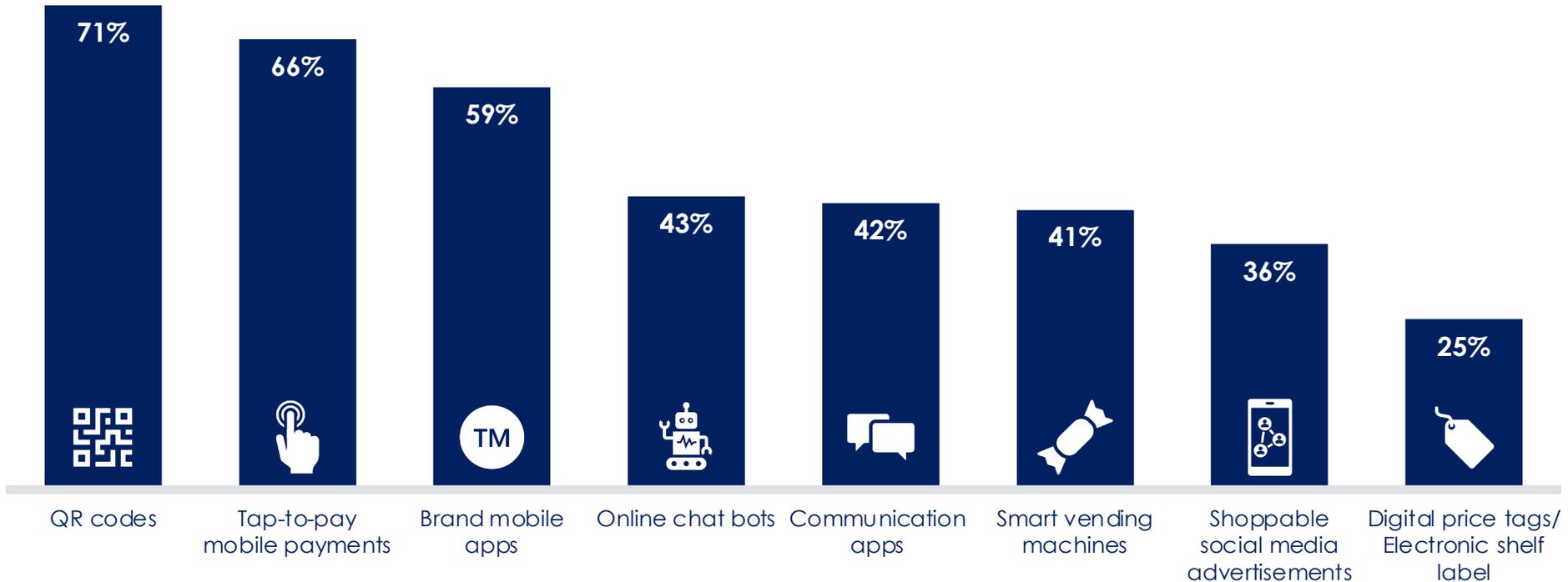


Brand Loyalty and Tech Fans

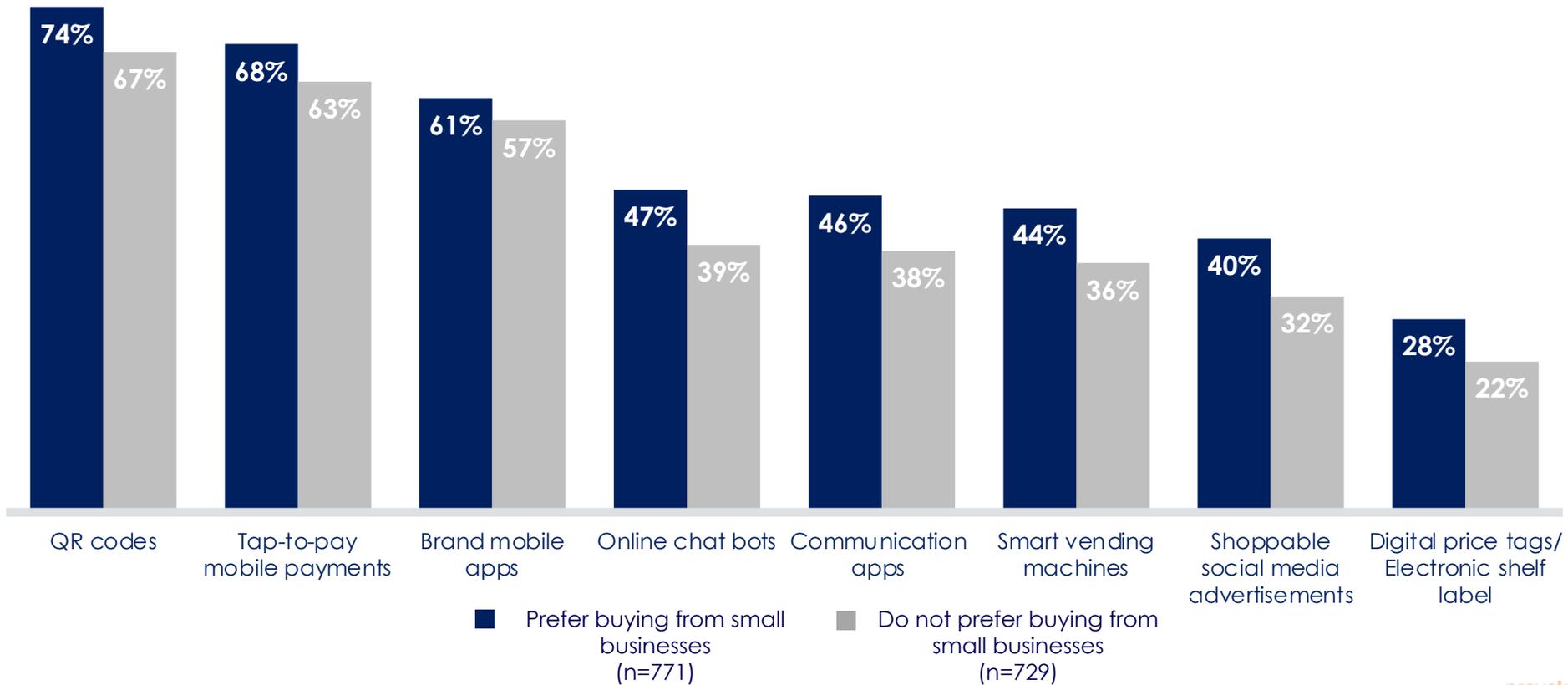
Consumers who are impressed with retail technology are more likely to purchase clothing and electronics. They are also subscribing to streaming services. The group is brand loyal, with almost three-quarters preferring to stick with familiar brands when shopping. Small business buyers are purchasing beauty products and staying at hotels.

Retail Technology Awareness

Most consumers are aware of QR codes and tap-to-pay technologies. Only one-quarter are aware of digital price tags.

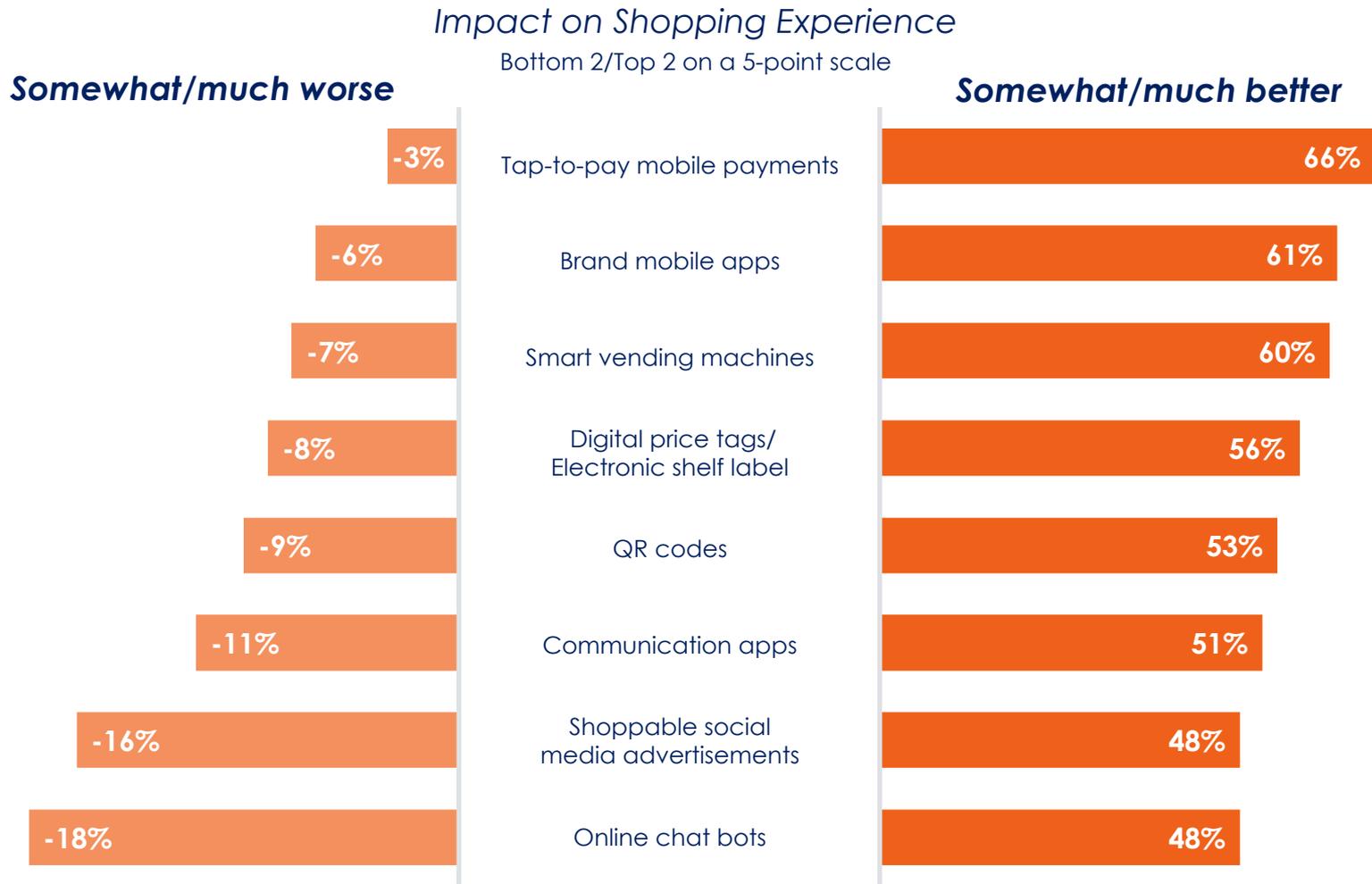


Small business shoppers are more aware of retail technologies.



Technology Impact

Consumers find that tap-to-pay transactions, brand apps, and smart vending machines improve the shopping experience. There is room for improvement for online chat bots, shoppable social media advertisements, and communication apps.

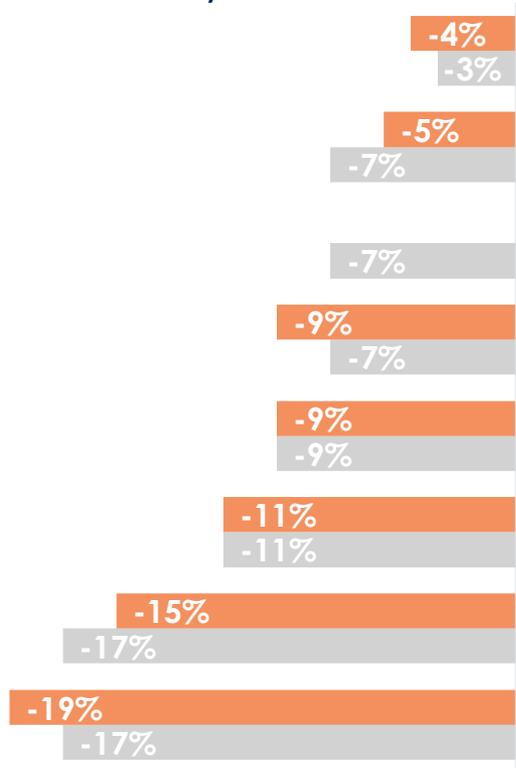


Small business shoppers find overall retail tech more helpful but are more likely to dislike chat bots.

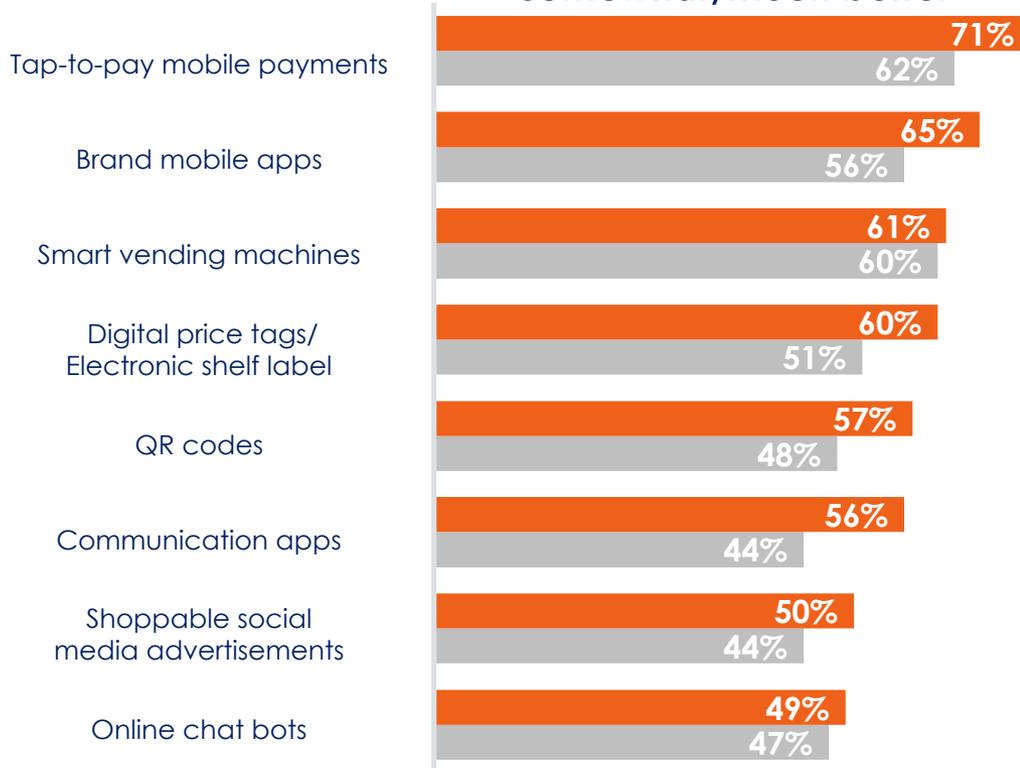
Impact on Shopping Experience

Bottom 2/Top 2 on a 5-point scale

Somewhat/much worse



Somewhat/much better



■ Prefer buying from small businesses (n=771)
 ■ Do not prefer buying from small businesses (n=729)



Retail Tech Fans are Significantly More Likely to Be



79% Vaccinated vs. 72%



76% Optimistic about the future vs. 63%



67% Employed full-time vs. 57%



41% Millennial vs. 30%

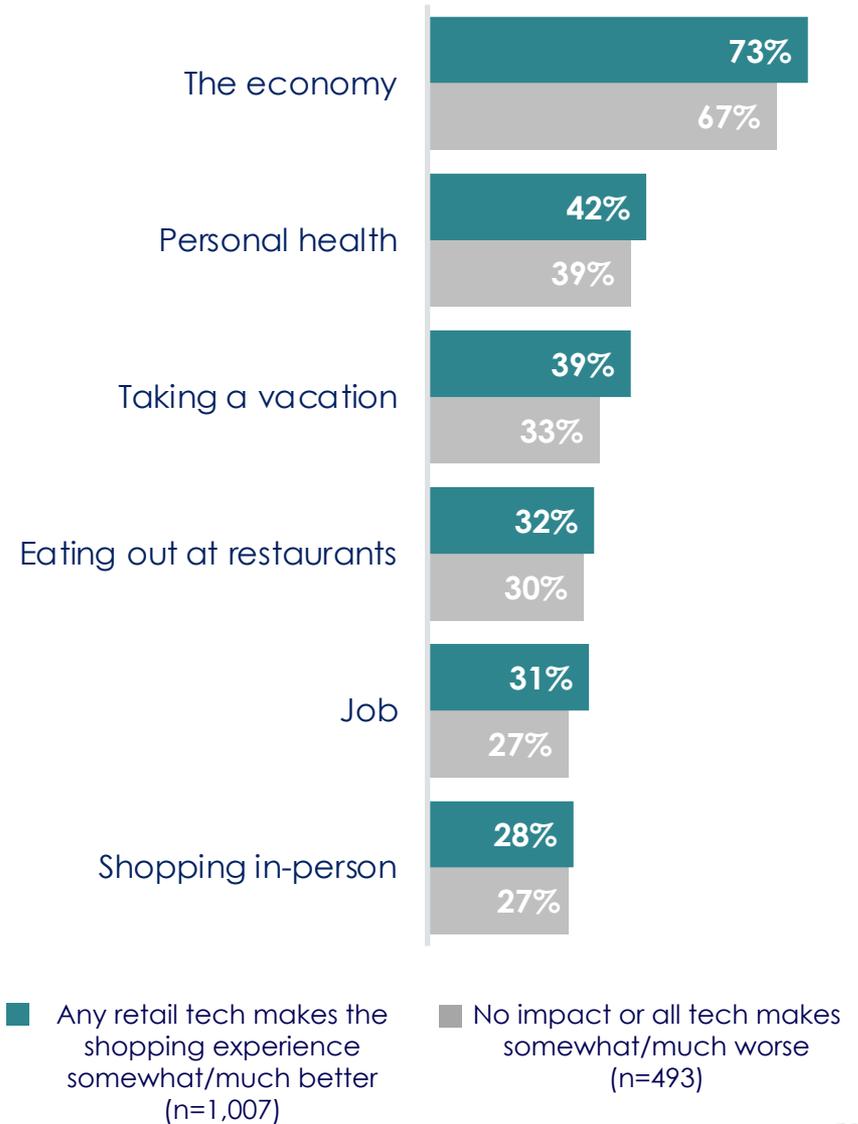


37% Democrat vs. 30%

In addition to the economy, retail tech fans are concerned about their health and taking a vacation.

Concerns About COVID-19

Top 2 on a 5-point agree scale

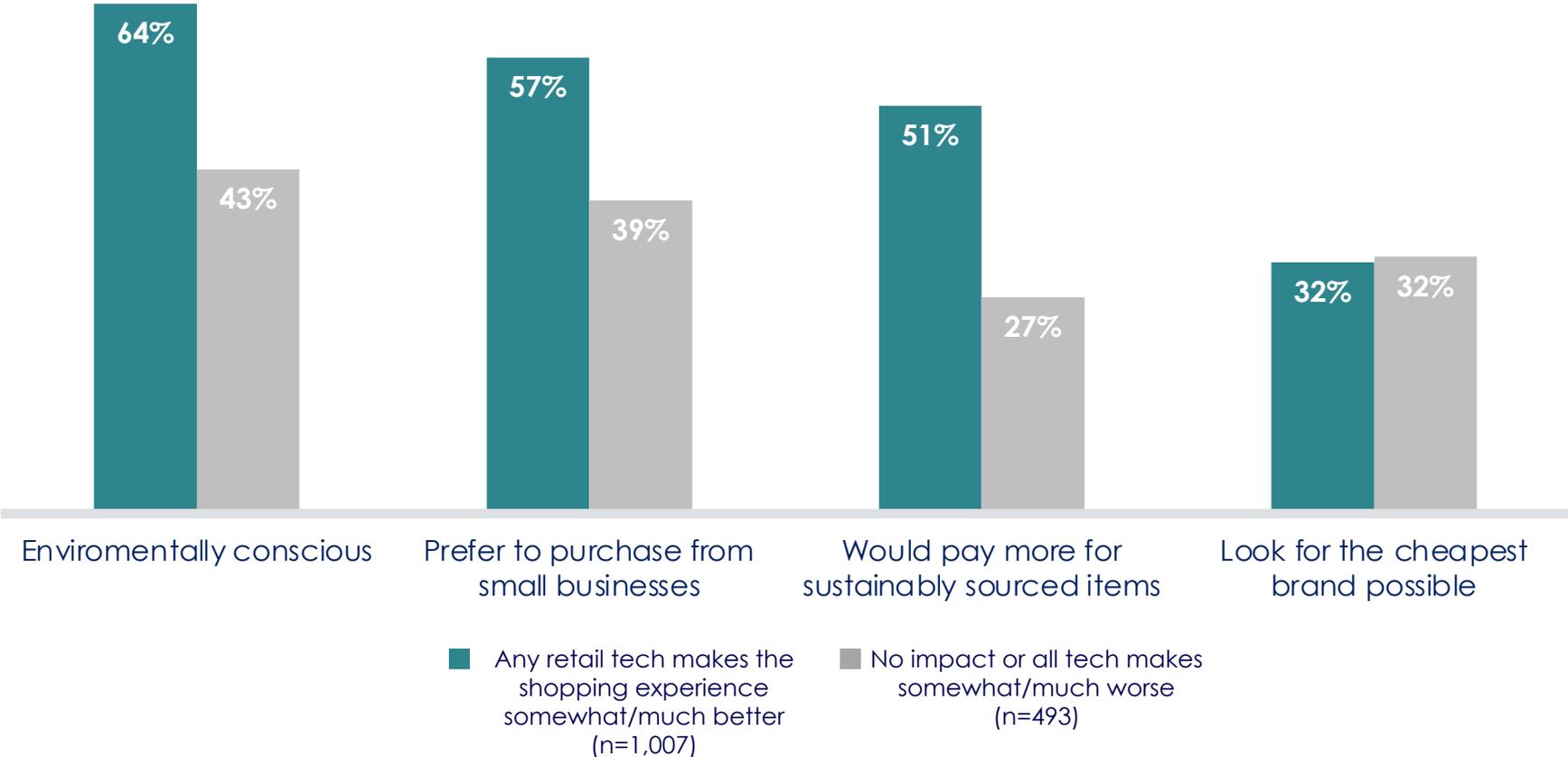


Retail Tech Fan Shopping Habits

Americans who find technology helpful within the shopping experience prioritize the environment and sustainability. They also prefer supporting small businesses.

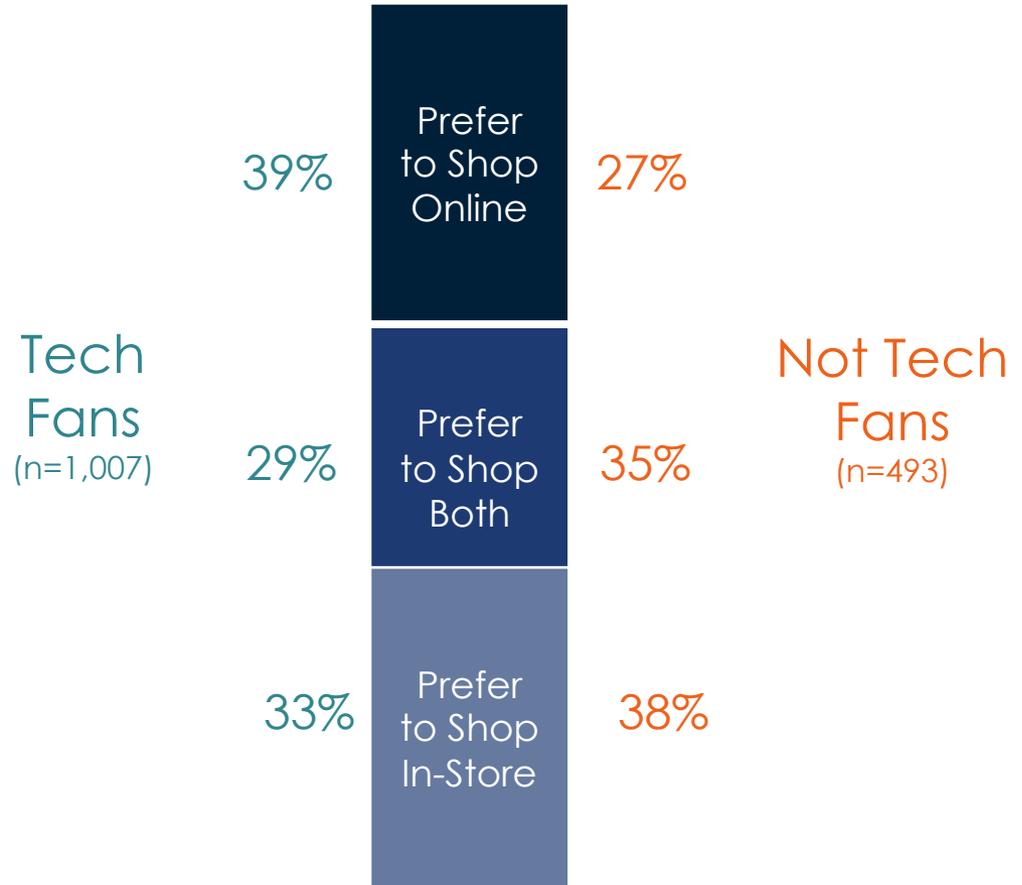
Shopping Attributes

Top 3 on a 7-point agree scale

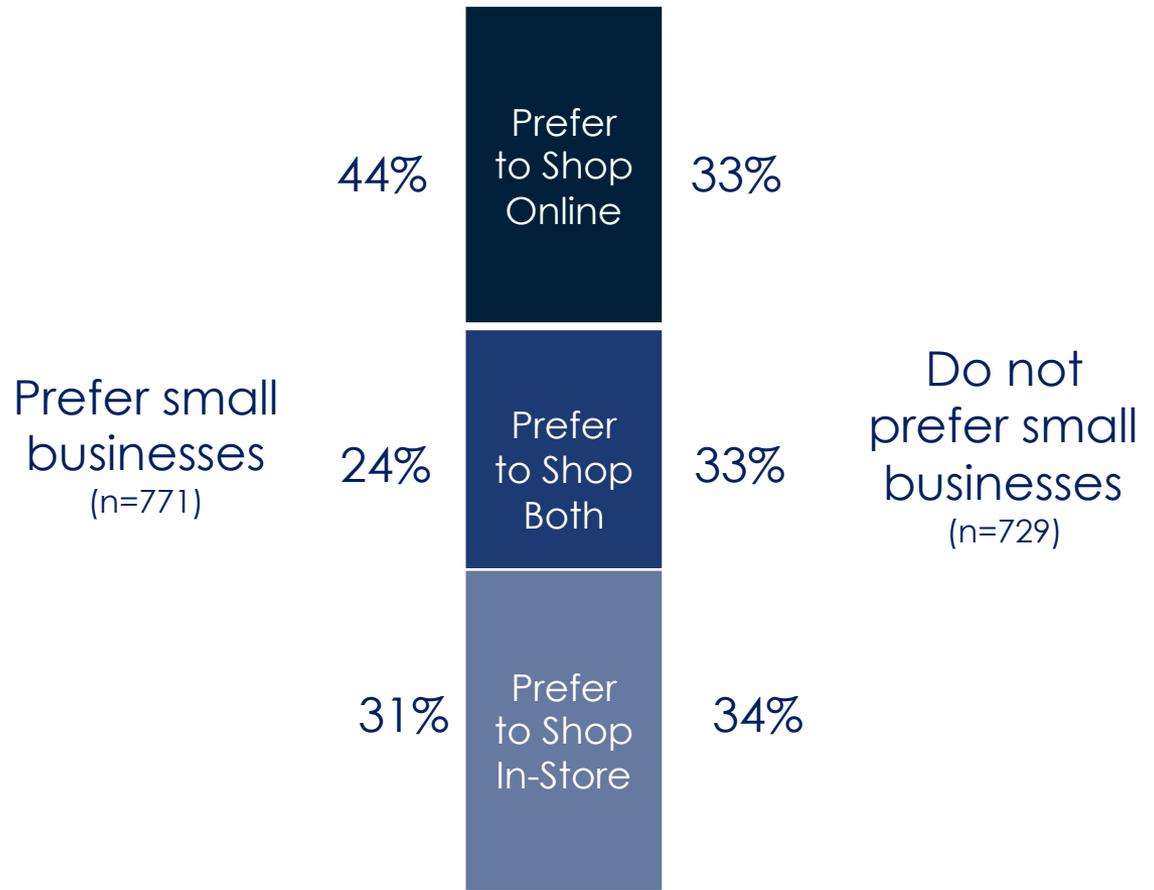




Retail tech fans prefer online shopping.



Small business shoppers also prefer buying online.



Has In-Person Shopping Improved?

Fans of retail technology are impressed with store cleanliness and customer service. However, they find product availability in stores to be lacking.

The In-Store Experience
Bottom 2/Top 2 on a 5-point agree scale



Retail tech fans are buying clothing and technology.

Categories Purchased in the Last Month

63% vs. 44%



Apparel

33% vs. 17%



Streaming services

25% vs. 13%



Electronics

Those who prefer buying from small businesses are buying beauty products and spending on hotels.

Categories Purchased in the Last Month

60% vs. 53%



Apparel

39% vs. 33%



Beauty supplies

23% vs. 18%



Hotel stays

Tech Fans Are Brand Loyal

Consumers who see value in retail technology are more likely to prefer familiar brands than those who are unimpressed with the tech.

Top 3 on a 7-point agree scale



73%

Prefer buying
familiar brands
vs. 57%

Consumers are most loyal to their cars and appliances and are most open to sampling a wider variety of brands in the outdoors, apparel, and toy categories.

The loyalty score is calculated by the mean overall industry score minus the individual category score.

	Industry	Loyalty Score
1	Automobiles	14.31
2	Major appliances	12.61
3	Airline	11.11
4	Cruise line	9.01
5	Power tools	7.71
6	Skincare	6.11
7	Electronics	6.01
8	Fine jewelry/watches	2.41
9	Beauty supplies	2.51
10	Hotel	-7.19
11	Fitness gear	-8.39
12	Furniture	-9.39
13	Outdoor gear	-11.89
14	Apparel	-15.99
15	Toys	-19.99

Respondent Overview

Gender



53%
Female



47%
Male

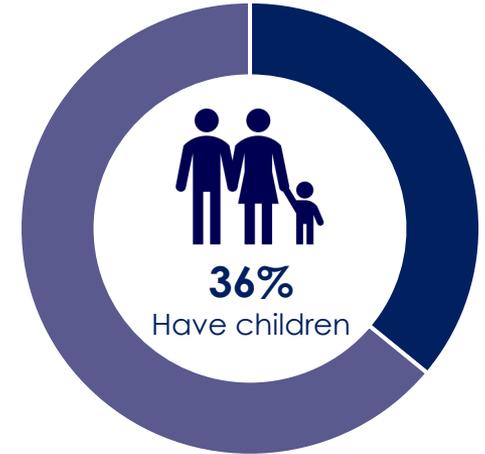
Generation

44 years old
Average Age

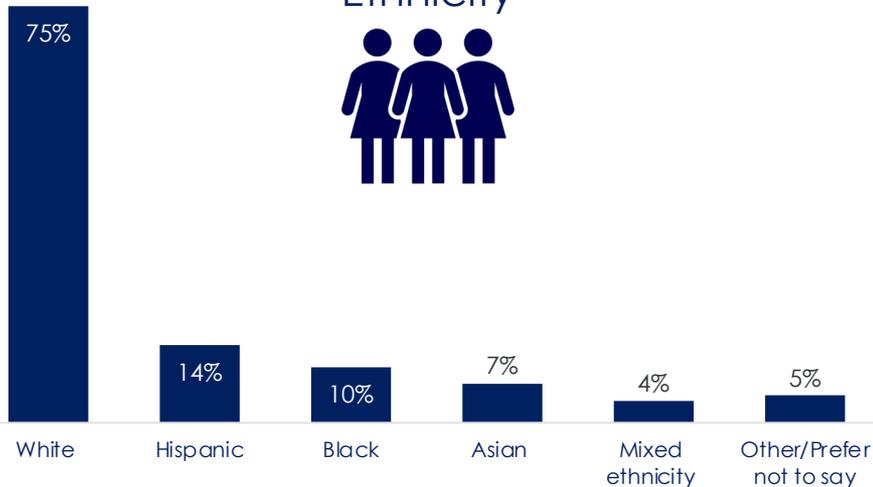


Z 7% Gen Z **X** 34% Gen X
M 38% Millennials **B** 21% Baby Boomers

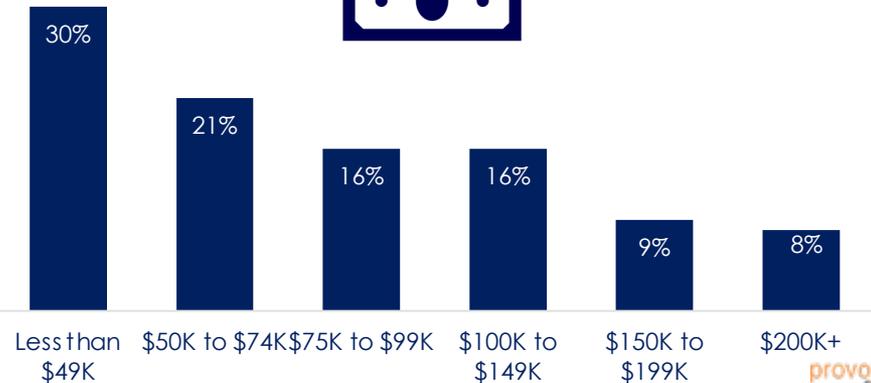
Parental Status



Ethnicity



Household Income



About Provoke Insights



Founded on the premise that research should better align with marketers' needs, Provoke Insights empowers brands to navigate through today's cluttered advertising space. This full-service market research firm solely focuses on research for **branding, advertising, and content marketing** initiatives.

At Provoke Insights, you work with a research expert who is also a seasoned brand strategist; this ensures that questions are deeply explored, and insights are cultivated and capitalized. We develop insights from the data to help guide growth for your company's vision.

For more information or press inquiries, reach out to breeda@provokeinsights.com.