



The Future of Retail – Trust and Technology

A reminder of who we spoke to:

Qual Focus Group

- dates: **14th-15th March**
- method: **4 x 90-minute group discussion**
- sample size: **4 x 8**
- sample criteria:
 - **mix of SEG**
 - **mix of gender**
 - **ages 20-55**
 - **London and Manchester**

Quant Survey

- dates: **4th to 17th May**
- method: **15 minute online questionnaire**
- sample size: **n=3000**
 - margin of error on a sample this size is +/- 1.8%
- sample criteria:
 - **nationally representative**
 - **quotas set on demographics**
 - **shop online / consider doing so**



Chapter 1:

Trust and retail

A black and white photograph of a dog sitting on a dirt path in a forest. The dog is facing away from the camera, looking down the path. The path is covered in leaves and branches, and the background is filled with trees and foliage.

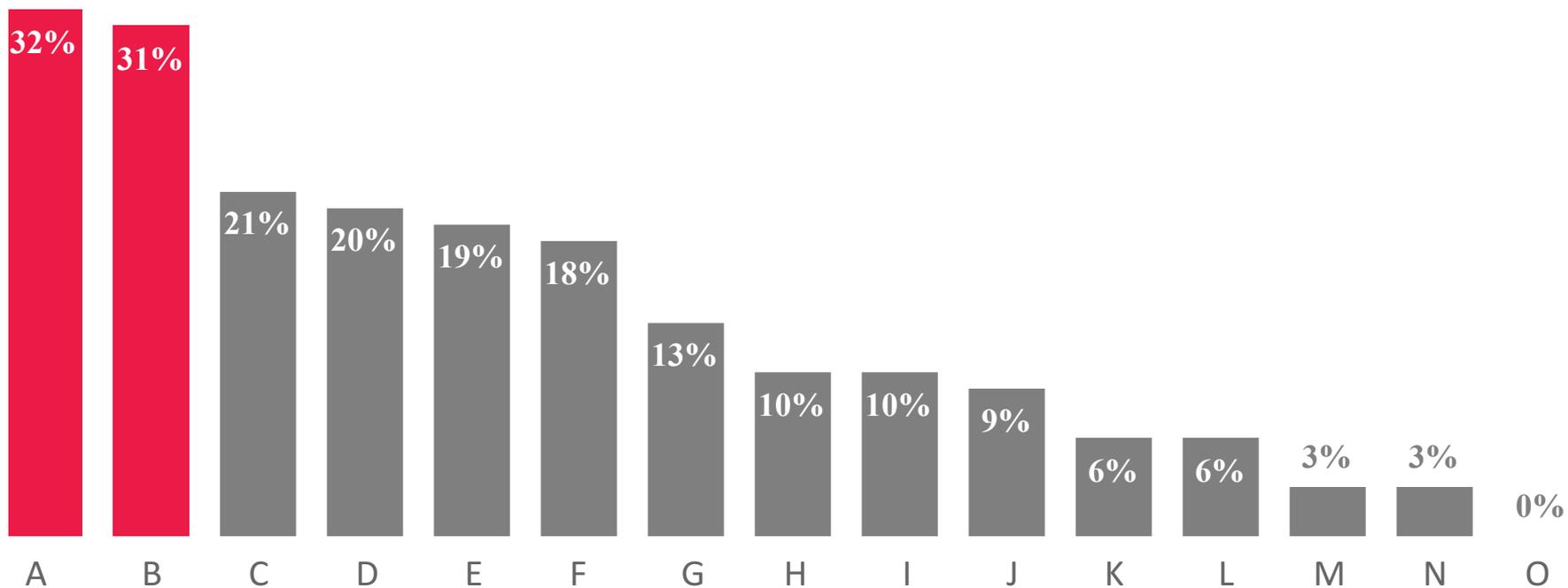
Trust and retailers:

More than one path to trust

Two retailers are the most trusted, by a substantial margin

Retailer trusted the MOST

(all shoppers of each retailer)



For privacy reasons, retailers name are not displayed

There are differing manifestations of trust – falling in two main territories

Transactional trust

- But there is also a form of trust, seemingly equally powerful, that derives from consistently doing what is promised and nothing more
- This is built from frequent successful transactions, and effective customer service, and can be delivered via remote and automated channels
- This doesn't carry the same emotional warmth, remains a powerful influencing factor when choosing a retailer

*“I buy stuff from Amazon all the time and **they've never let me down**”*

*“eBay is great, because if there's ever anything goes wrong you can **just send them a notification** and **it refunds you basically automatically**”*

Reputational trust

- We see there is a form of trust derived from going above-and-beyond, and creating strong emotional bonds
- This derives from the brand, from personal encounters with engaged and helpful service agents, and from surprising and delightful experiences
- This is a very powerful, but less common (and harder to achieve) type of trust
- e.g. John Lewis, independent retailers, specialist shops

*“The difference is, you feel like at John Lewis they're **actually more interested in you than in their profit**. They'll go out of their way.”*

*“I like going into specialist shops, where you know **the guy behind the counter is really passionate** about what he's selling”*



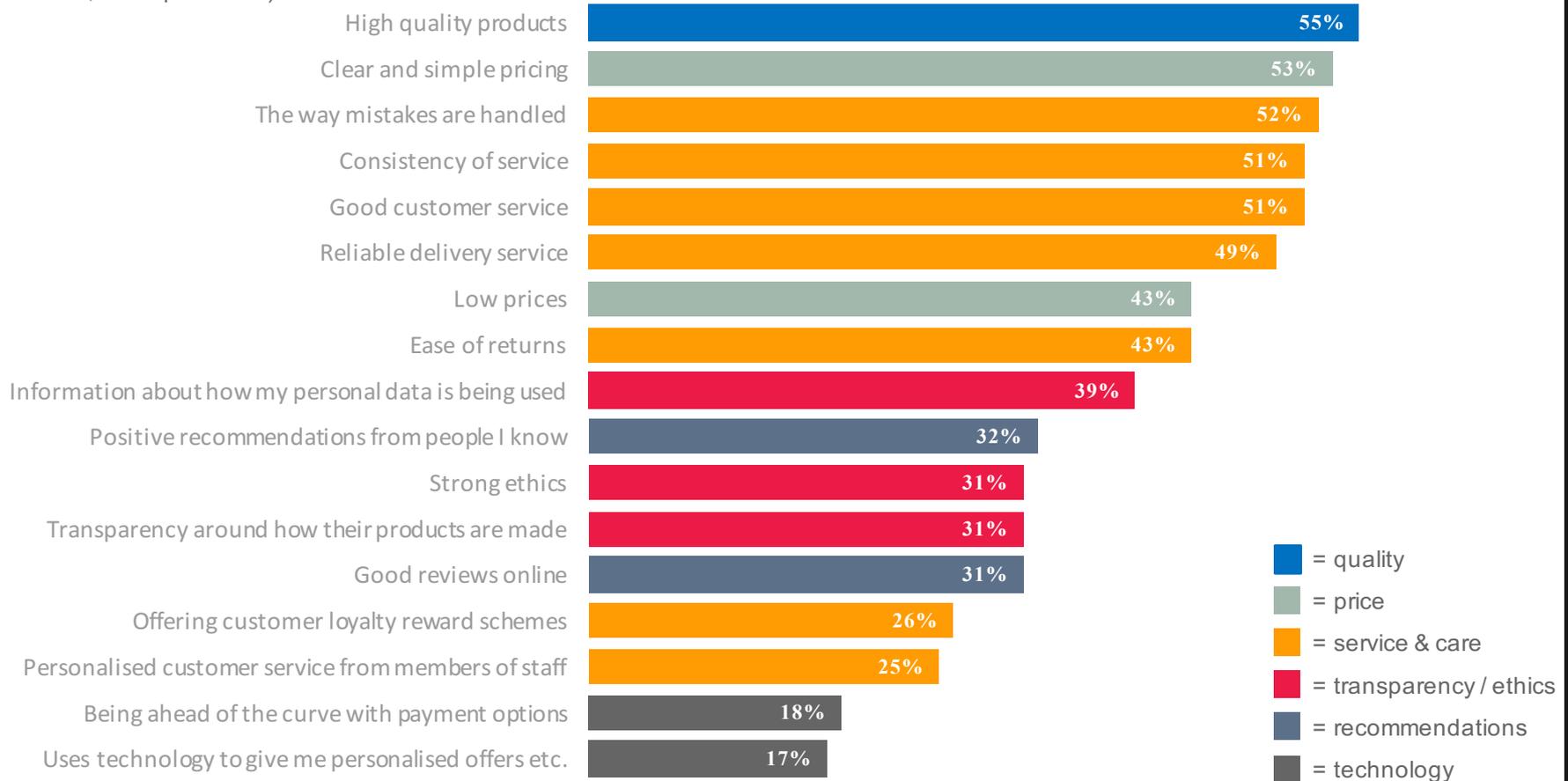
Drivers of trust:

Shoppers want it all: quality, price and service

The top factors that influence trust are quality, price and elements relating to service and care

factors that impact trust

('impacts a lot', all respondents)



In the qual also, customers consistently prioritise service & execution over brand & values

- **Whether Reputational or Transactional, the practicalities of how well a company performs as a retailer drive that brand's trustworthiness**
 - personal experiences of service (good or bad), transactions (successful or failed), and delivery/execution (frictionless or problematic) are the main determining factors on how much a person trusts a brand
- **Values, positioning and brand are secondary, but still important**
 - and are most meaningful when brought to life through tangible service promises that are relevant to shoppers

*You know you can trust John Lewis, because they're **never knowingly undersold** – so it seems dearer but you know you're actually getting a good deal*

*I actually, I really trust Aldi. They're **doing their best to give you a really good price every day**, and that's important.*

*Oh my god, it's when you get home and it's like, 'we tried to deliver' and then you go on their website and **you can't figure out how to get the parcel...** You just think, I'm never using these people again. **It's not worth it.**"*

A black and white photograph of a large, multi-level shopping mall. The image shows several floors with glass railings, escalators, and numerous people walking and shopping. The architecture is modern with large pillars and open spaces.

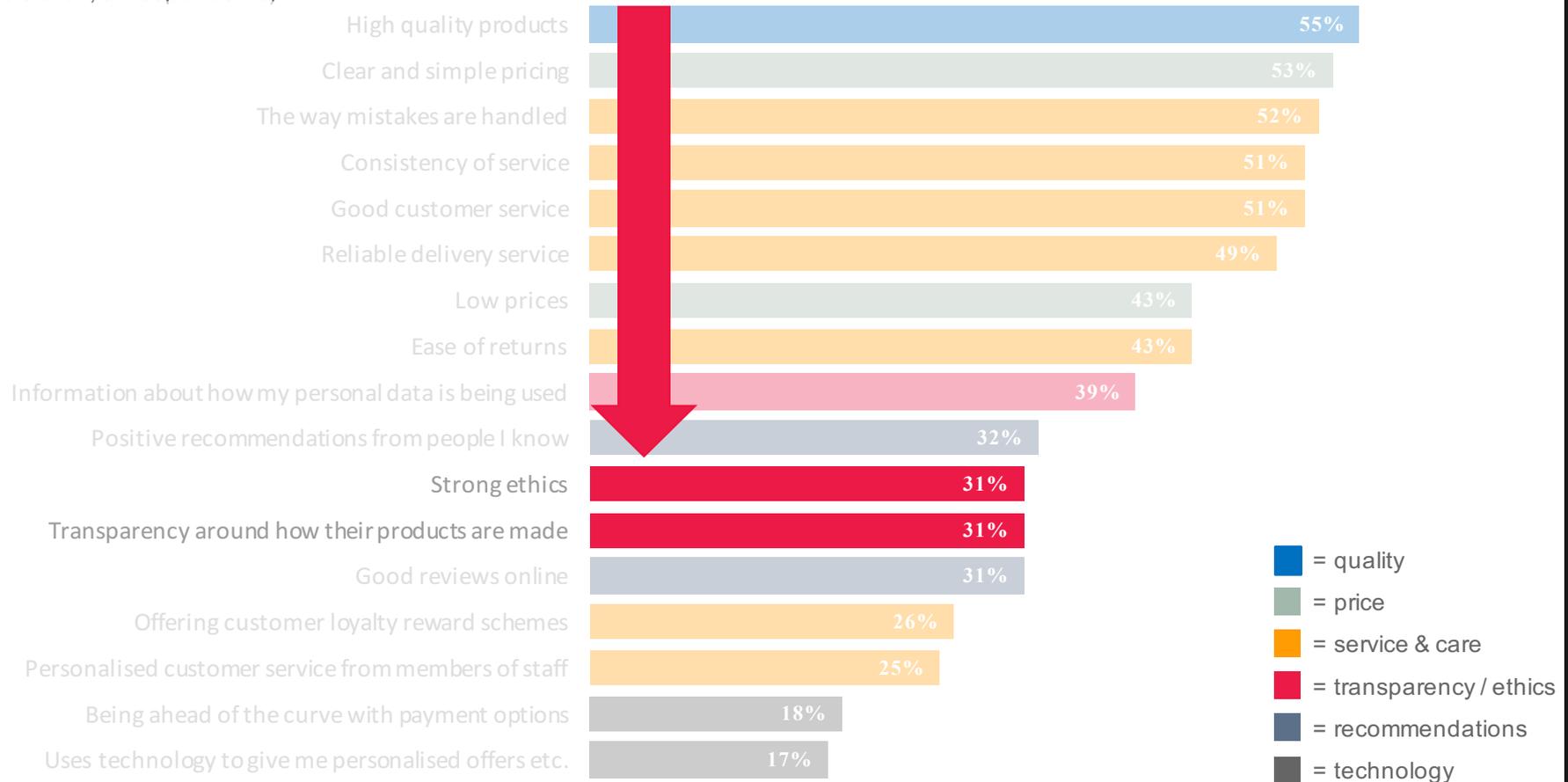
Trust and responsibility:

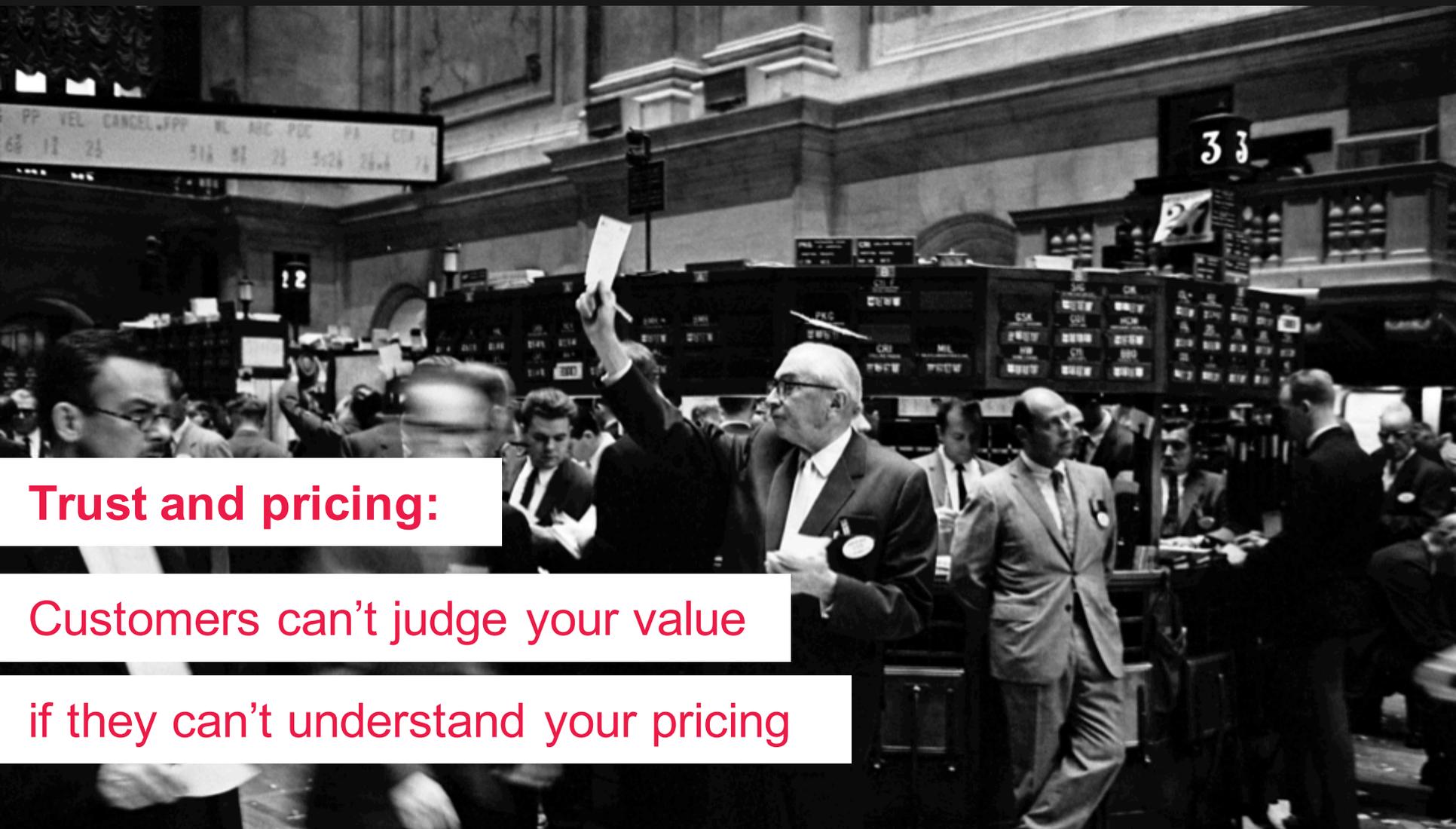
Shoppers care about shopping, not your values

An ethical reputation is low down the list when it comes to driving trust

factors that impact trust

('impacts a lot', all respondents)





Trust and pricing:

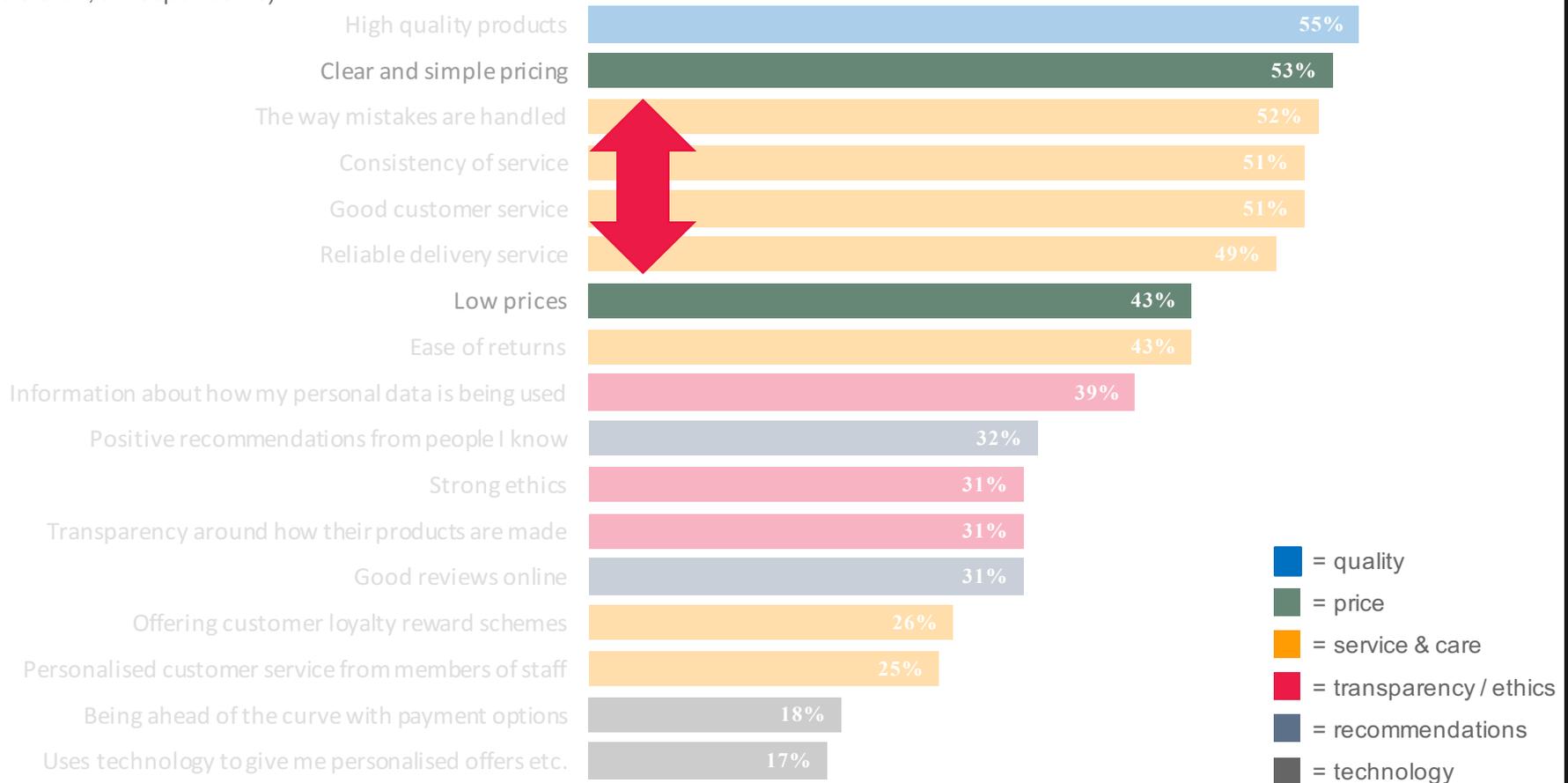
Customers can't judge your value

if they can't understand your pricing

Low prices are significantly less important than clear and simple pricing when it comes to driving trust

factors that impact trust

('impacts a lot', all respondents)



Low prices can be a strong driver of trust – but can also damage trust if your value proposition isn't understood



“Actually, one retailer I don't trust: JD sports. It just seems like everything is on sale the whole time, and I think, if you can afford to offer 50% off everything all the time, surely that means that your prices were too high in the first place? Surely that means that they're just not worth the asking price.”

“Nah – JD Sports is brilliant! Like, you go to Nike Store and a pair of trainers will be like £120, but at JD, because it's like last year's designs, it's all loads cheaper. So you can get real Nikes for about £50 – or even less sometimes, if they're on sale!”

Variable and adaptive pricing also causes mistrust

- **It has become common practise in industries such as airlines and hotels for prices to adaptively respond to demand, and to a customers cookies**
 - this means that price can vary according to how frequently a term has been searched, or even according to who is searching for it
- **However, this practise is poorly understood, and when explained, it leaves a bad taste in the mouth**
- **The idea of variable pricing implies rewarding or penalising shoppers depending on their profiles/circumstances – this felt deeply dishonest and ‘dodgy’**
 - it goes against the fundamental assumption that products have a real value that defines their price
 - it undermines the perceived worth of a product or service, by making the price feel arbitrary

A black and white photograph of a vintage typewriter. The focus is on the keyboard, which has many keys with white and dark lettering. To the left, a large, circular, ribbed metal component, likely part of the carriage or paper support, is visible. The background is dark and out of focus, suggesting an office or library setting.

Technology and trust:

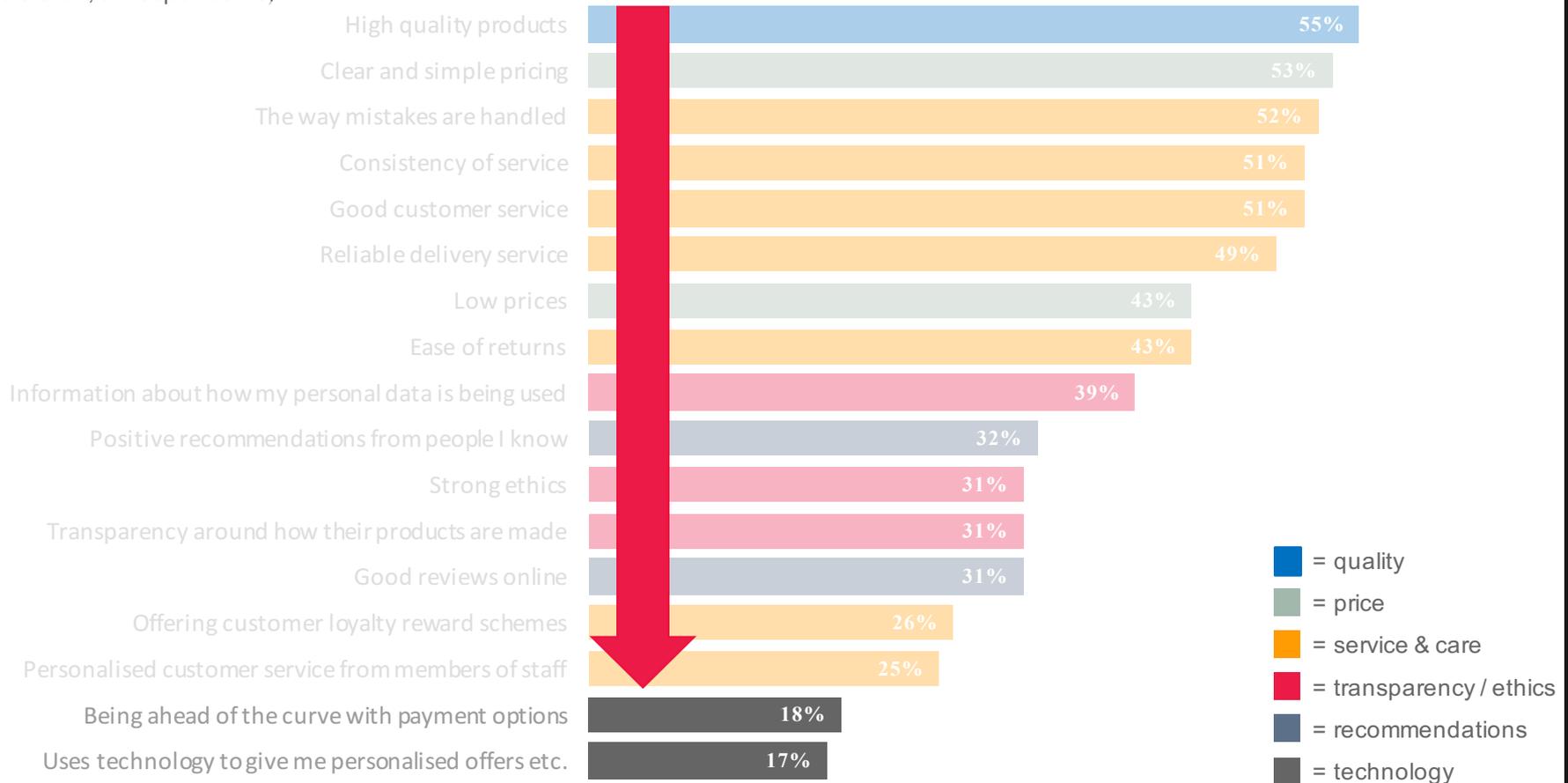
Tech doesn't impress unless it delivers service

DAYS FROM THE DATE OF YOUR STATEMENT.
ON BALANCES NOT PAID IN THIRTY DAYS A LATE
CHARGE OF 5/8 OF 1% PER MONTH WILL BE ASSESSED
WHICH IS AN ANNUAL PERCENTAGE RATE OF
10% SIMPLE INTEREST

Technology is not a strong driver of trust per se...

factors that impact trust

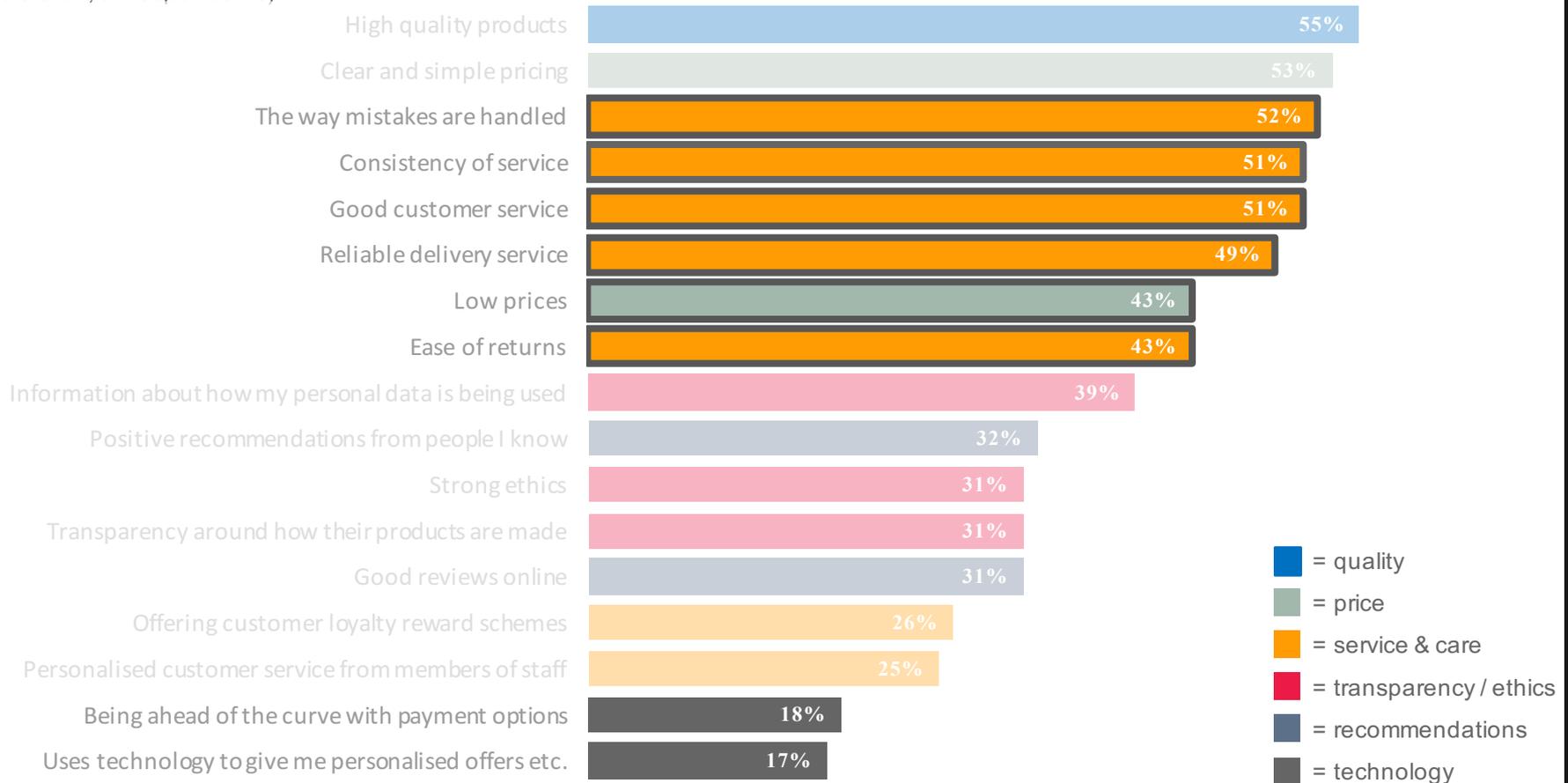
('impacts a lot', all respondents)



...but tech applications can be powerful enablers of the service elements that are the strongest trust drivers

factors that impact trust

('impacts a lot', all respondents)





Chapter 2:

Technology and retail

A black and white photograph of a person wearing a dark hat, looking through horizontal window blinds. The person's face is in profile, and their hand is visible, touching one of the blinds. The lighting creates strong shadows and highlights, emphasizing the textures of the hat and the blinds.

Privacy and retail:

Shoppers don't understand their own data

Understanding of data and security issues is fairly patchy

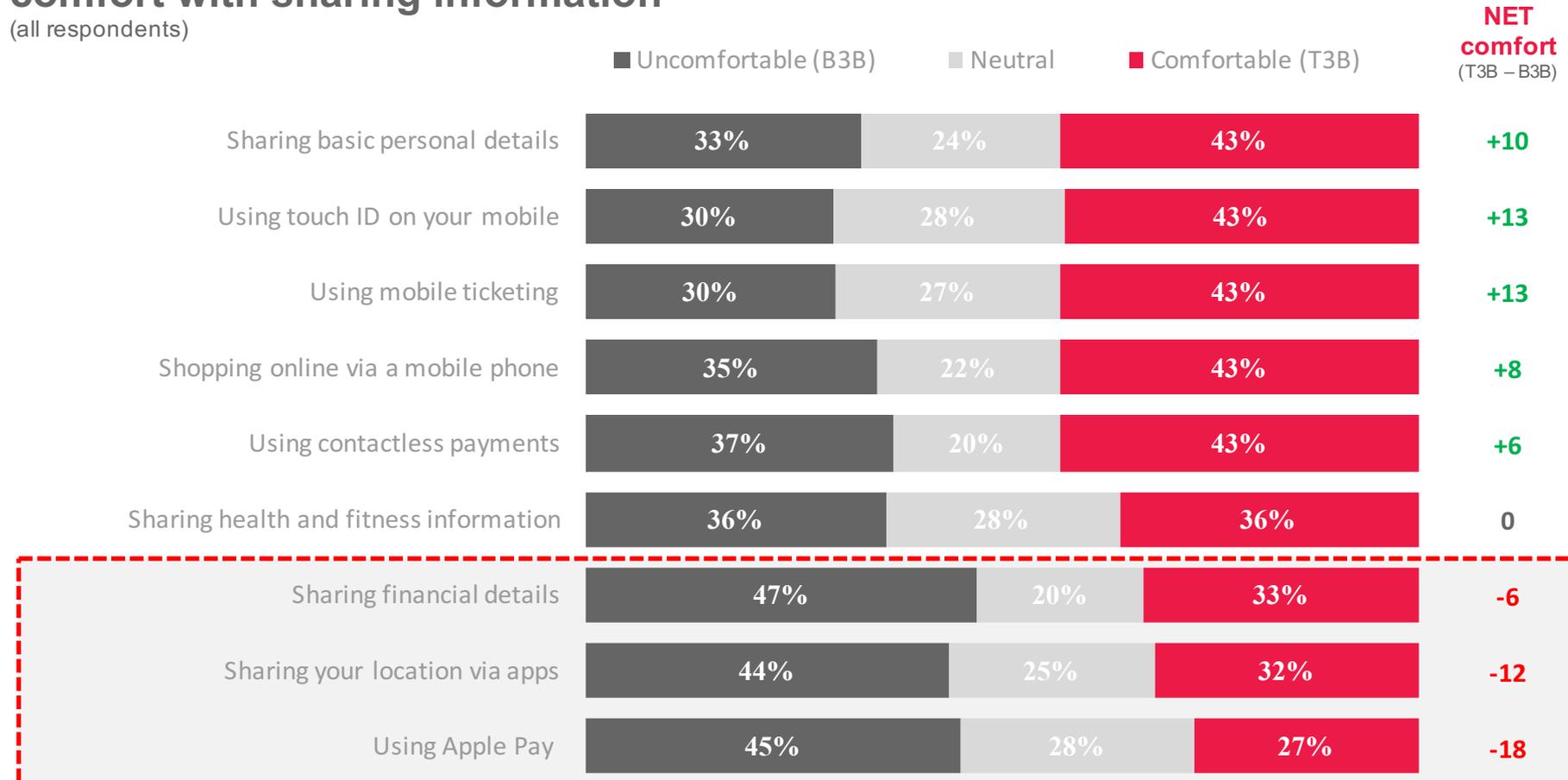
- When discussing issues around personal data, privacy and security, people are very conscious of issues around security (e.g. payments, passwords and access)
- However, regarding issues of privacy (who can see my profile), personal data (who is holding my details and what are they doing with them) and access (which of my apps can act on my behalf) levels of awareness and understanding are much lower
 - Most struggle to differentiate this topics from payment security issues
 - Many are not very aware of where, how or by whom their data are being held
 - Or of which apps can access their profile, or post on their behalf
 - There is also a cohort who consciously admit that they do not care about these issues!
 - *“I mean, someone’s always going to have my details anyway, it’s just up to me to ignore the stuff that looks like spam”*

While people feel they ought to be worried about their personal data, they often don’t have a good understanding of the issues, and are generally very willing to give their data away to retailers in return for some small gain in utility

People are very open to sharing personal data in lots of ways, but still conscious of payment security

comfort with sharing information

(all respondents)



A futuristic, glowing, metallic humanoid figure, possibly a cyborg or AI, is centered in the image. The figure is composed of various mechanical and organic-looking parts, with a prominent head and torso. It is surrounded by several glowing, concentric rings and numerous thin, white lines that resemble wires or data streams, creating a complex, digital atmosphere. The background is dark, making the glowing elements stand out.

The future of retail:

Early adopters are ready for a retail revolution

We explored five future-retail concepts

A facial recognition

Imagine walking into a shop and they recognise you instantly. Facial recognition cameras will record when you arrive in store – our staff will then greet you by name and offer personalised promotions and product information.

Also, you can pick something up and leave without visiting a till – your account is debited automatically.

B virtual assistant

Imagine having a virtual assistant that exists in your apps, email and Facebook messenger, that knows you so well, that you can send it off shopping for you online and it always come back with the right choices.

It saves you from doing it yourself.

C smart kitchen

Imagine having a smart kitchen that knows just what you like to eat and drink and orders these regular items for you so that you never need to order them again; like water on tap, it's just there. Imagine that same kitchen ordering new items for you that you're sure to like: it could be a new red wine, a dessert you haven't tried before or a great deal this week only on biscuits you'll surely love.

D social media shopping

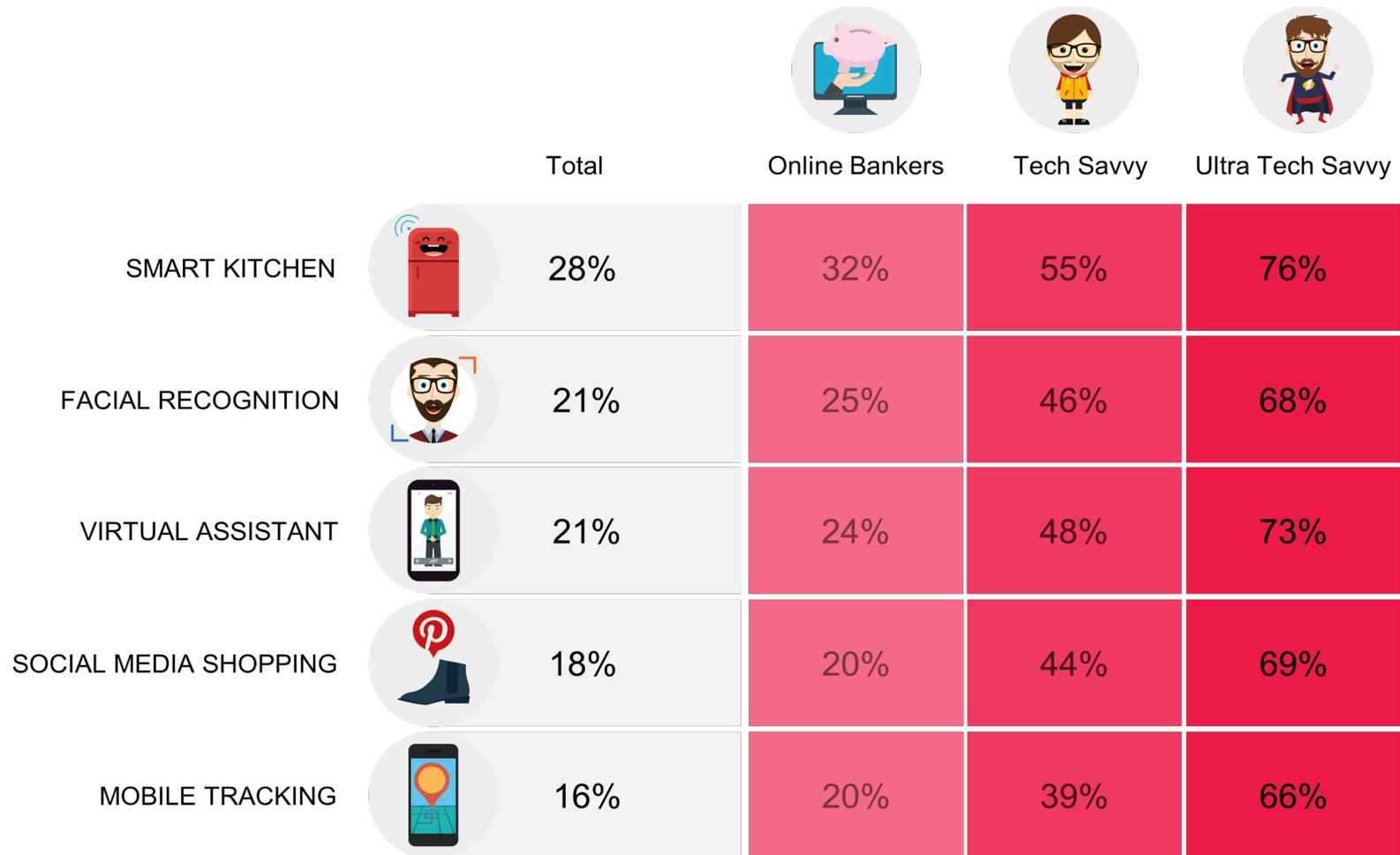
Imagine being able to buy the clothes that people you read about or admire are wearing, along with the music they like and the food they recommend – all directly from their social media profile.

E mobile tracking

Imagine walking into a store, and your movements and physical behaviours are tracked through your mobile phone.

This would allow the shop to really get to know you and serve up more relevant offers, promotions and ideas based on this information.

Automated Retail is coming



More than one path to trust

trust can come from a hi-touch, brand-led relationship, or a hi-performance executional relationship

Shoppers don't care about values

ethics, values, and responsibility come a long way down the pecking order of trust drivers

Clear pricing supports trust

clear and transparent pricing is more important than low prices, which can risk undermining value

Early adopters are ready

there is appetite for more future-oriented retail tech among a tech-engaged crowd

Trust is derived from a number of factors, but the practicalities of retail tend to outweigh brand values with regards to both trust and purchase decision. There are clear opportunities for new technologies that can further enhance and streamline the purchase process, although uptake may be slow at first.

THANKS

For further information and for the full version of the
research please contact:

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