10 YEARS IN SHOPPER CULTURE

A look back at a decade of shopping trends

June 2017 marks the tenth year of *Shopper Culture*, a global discussion about the impact of shopping culture on brand strategy.

Over the past decade, *Shopper Culture* has captured thousands of observations, comments, insights, and predictions that represent just a fraction of the changes that have taken place in the dynamic and ever-evolving world of shopping.

Looking back, we observed several behaviors and trends in the vast world of shopping culture that have come, gone, or simply evolved. And, while many things have changed, some things truly do stay the same.

In the very first *Shopper Culture* post from 2007, "Strawberry Frog and iPhone Shopper," we observed shoppers waiting in line for an average of 15 hours to purchase the world's first smartphone, the Apple iPhone. For reference, in 2007, prior to the launch of the iPhone, the Motorola Razr had been the number one phone on the market. The iPhone not only sent ripples through the telecom market, it disrupted how people live and everything we thought we knew about how we connect, communicate, and shop. So much so that, today, it is hard to imagine a world without smartphones.

The phrase "there's an app for that" could not be more telling of where we are and the changes that have occurred over the past ten years. More than 268 billion apps are expected to be downloaded in 2017,[1] and we have become dependent on our smartphones to get us through the day.

We use our phones to lock our homes and manage the heating and cooling. We watch our favorite shows on the go and video chat as we cook dinner. We use our phones to hail transportation and track our proximity to friends, food, shops, and even potential dating matches. We throw virtual birds at pigs for entertainment and text emojis to order pizza without hesitation. But, pizza is not the only thing we buy with our phones.

Whether at home, on the move, or in the aisle, shoppers turn to their phones to make the shopping experience easier (and cheaper).

It is projected that by the end of 2017, U.S. retail mCommerce sales will be over $151B, and by 2020, it will be as much as $242B.[2]

Even when shoppers don't directly purchase on their mobile devices, they still use them as a tool while shopping. Shoppers spend more time viewing, comparing, and researching on their smartphones than ever before. In fact, 75% of shoppers used their mobile devices for in-store research in 2016.[3]

Smartphones have made us more knowledgeable during purchasing decisions than in the past.[3] Seeing this major shift got us thinking—what other changes have reshaped the shopper landscape over the past ten years, and what innovations will appear in the next ten years?

In this white paper, we will take a look back at five interesting observations from 2007, analyze how they have evolved over the past ten years, and discuss how they might continue to change over the next ten years.

We'll examine:
1. The evolution of suggestive-selling
2. The imperishable coupon
3. The innovative power of Amazon
4. The new meaning of "live"
5. The connectivity of our smart world

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1. THE EVOLUTION OF SUGGESTIVE SELLING

TELL ME WHAT I WANT, WHAT I REALLY, REALLY WANT

"Meet George Jetson..." For viewers of a certain age, those three little words will bring to mind images of a family living in the distant future—the 21st century! For those who are less familiar, *The Jetsons* was a popular cartoon featuring a futuristic family who enjoyed a multitude of advanced technological conveniences, including a modern refrigerator that delivered the perfect meal out of thin air, which is an idea that does not seem too far-fetched today.

As shopper marketers, this idea prompts a few questions. How did Judy keep that fridge stocked? Could the fridge help the family pick a meal? And what role did brands and retailers play in fulfilling the family's needs at the moment of decision?

One way is to suggestively guide the decision itself. In the 2007 *Shopper Culture post* [“Can You Really Tell Shoppers What to Buy](#)?” we took a look at technologies that enhanced opportunities to proactively engage shoppers and help guide their purchase decisions either in the moment or based on previous purchase history. At the time, we recognized suggestive selling as a growing trend for retailers but questioned if shoppers would embrace these suggestions as a godsend or see them as an unwanted intrusion.

Over the past ten years, we have seen suggestive selling become par for the course. More brands and retailers embrace and look to influence that moment of choice by proactively engaging shoppers with information and experiences that not only help close the sale, but also set up repeat engagement.

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However, brands and retailers are still exploring new and better ways to pre-sell to shoppers. They acknowledge that shoppers' schedules are becoming more complex and their expectations are rising. Suggestive selling at the moment of choice must, therefore, not only be convenient, but also fast, fun, organic, and not intrusive.

Hence, the rise of monthly subscription-box services, which send subscribers curated boxes of everything from cosmetics to artisanal foods based on their likes and interests. This is indicative of shoppers' openness to suggestions from brands and retailers. In fact, more than 2,000 subscription-box services exist in the U.S. as of March of 2017. And visits to subscription-box websites grew by over 3,000 percent, up from 2013 to 2016.[4]

While subscription boxes react to shopper interests, some brands are offering suggestive selling based on mood. Scientists at Oxford University recently tested a new app that uses facial recognition to offer food recommendations to boost a person's spirits.[5] The app detects six different emotions, then uses mood mapping technology to suggest an appropriate menu based on the user's current mood.

Suggestive selling has changed a lot over the past ten years. It will be interesting to see how suggestive selling through proactive engagement and experiences will continue to evolve.

Advancements in smart technology and the Internet of Things are bringing the suggestive-selling experience into our homes. For example, Amazon's Echo Look offers users fashion and style suggestions [6] and Samsung's Smart refrigerator not only gives users alerts when a given item has spoiled but also allows shoppers to order a replacement through the onboard operating system, which works along with their smartphones.[7]

As these technologies continue to develop and become more integrated in our homes, we can expect to see brands evolve from suggestive selling to predicted selling and pre-filled automated ordering. And, who knows, maybe 3D printed foods that appear the moment we choose them (a la *The Jetsons*) is not far away.

" More than 2,000 subscriptions box services exist in the U.S.

2. THE IMPERISHABLE COUPON

CALL THEM 007 BECAUSE THEY WILL NEVER DIE

Coupons, they've been around for decades. Just when you think shoppers won't put in the effort or Everyday Low Prices (EDLP) will take over, coupons rise again. The 2007 *Shopper Culture* post, *"More Coupons,"* described a shopper doing "coupon math," to get CPG products for free. The post expressed the unlikelihood that many shoppers would be interested in taking the time to do this type of math.

However, after the 2008 recession, we saw a rise of interest in extreme couponing, when shoppers combine strategic shopping skills with crafty couponing to find great deals almost as if it were a game or sport.[8] Suddenly, couponing became trendy and there were blogs, seminars, and even a TV series dedicated to the practice of extreme couponing.

Today coupons are used by shoppers in full force, but the typical user is changing. According to Valassis' 2k17 Coupon Intelligence Report, 90% of all consumers across a variety of demographics use coupons and, surprisingly, 94% of Millennials say they use coupons.[9]

The format of coupons is also changing. eMarketer estimates that 52% of the adult population will use digital coupons in 2017.[10]

In addition, mobile apps like iBotta, Shopkick, and RetailMeNot are becoming increasingly popular because they allow shoppers to easily earn cash rebates through their mobile devices, making discounts more readily available and contextually relevant.

> " 52% of adults will use digital coupons in 2017.

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While the media of coupon delivery might be changing, one thing is for sure, saving money never goes out of style, and we expect that coupons will continue to adapt to the changing times.

How will brands and retailers continue to define value for shoppers over the next ten years if price discounts are par for the course?

We believe part of the answer lies in changes to the way shoppers pay. Mobile wallets, such as Google Wallet and Apple Pay, are becoming increasingly popular. In 2017, there will be an estimated $60 billion in mobile-payment sales.[11]

As our shopper's world becomes more digital, it will be important for brands and retailers to consider how to continue to deliver expected value through digital coupons and unexpected value through digital experiences.

3. THE INNOVATIVE POWER OF AMAZON

BIRTH AND RISE OF A GIANT

Amazon has infiltrated so many aspects of our lives, we've all but forgotten that the company originally set out to disrupt the way we buy and read books.

Ten years ago, Amazon Prime was in its infancy, and Amazon had not yet beat Google to become the number-one destination to originate a product search.[12]

At the time, the buzz surrounding Amazon was largely generated by the launch of its first Kindle e-reader, which spurred the 2007 *Shopper Culture* post, "Amazon's Kindle: Ambitions to Change the Way We Read."

This post focused on Amazon's growing influence on literature consumption and discussed the Kindle launch. It also posed the question "Will Americans be open to making the transition from traditional to digital reading?" Now, we wonder things like "Will Americans be open to bringing always-listening, camera-enabled artificial intelligence devices into their homes?"

While the Kindle still exists and continues to evolve, Amazon has changed much more than the way we read. Today, the company influences the way we shop, consume content, and live our lives.

Why have shoppers embraced Amazon so readily?

A lot of it has to do with what is being offered in return. The eCommerce giant has given us a wealth of information by offering a seemingly endless array of products and consumer reviews. It has provided ease by allowing us to order products with the push of a button using Amazon Dash or simply by turning to our Amazon AI device to say "Alexa, order more ___."

It has also changed our perception of convenience; shipping that takes longer than two days warrants an eye roll, and when we can't even wait two days, we can receive our items within the hour thanks to Prime Now.

Amazon has also amassed success by using shopper data to make personalized suggestions that appeal to each individual. This data allows Amazon Prime to recommend products we're more likely to be drawn to and allows our Echo Look to tell us if our outfit is stylish.[13] It has even helped Amazon create its own movies and shows, which have collectively earned more than 120 nominations—including an Oscar nomination for best picture.[14] While this data gives Amazon the tools it needs to adapt and continue to attract shoppers, its competition is growing.

Now that Amazon accounts for more than half of every dollar spent online in America,[15] what can shoppers expect from the company—and its competitors—in the next ten years? How will they further alter the shopping landscape?

Amazon's expanding capabilities and services indicate that the company is working to create a large footprint in the brick-and-mortar space.[16] The company has launched initiatives like Amazon Fresh Pickup and Amazon Cash, is expanding physical Amazon bookstores, and is testing concepts like Amazon Go. Most recently, the company purchased the Whole Foods grocery chain.

Meanwhile, traditionally brick-and-mortar retailers are pulling out all the stops to gain a competitive edge and provide the convenience and efficiency shoppers expect.

Walmart, for example, has spent billions expanding its online operation, acquiring Jet.com as well as Moosejaw and ModCloth.[17] The company has also launched its own Amazon Prime-like service with a subscription for half the price of Prime.[18]

Walmart isn't the only big company gearing up to take on Amazon; Kroger is expanding its Clicklist offering and Google has launched its own quick-delivery service (Google Express) and has an AI device competing with Alexa (Google Home).

These shifts point to a future where the world of shopping means everything is on-demand—regardless of retailer.

" Amazon accounts for more than half of every dollar spent online in America

amazon

4. THE NEW MEANING OF "LIVE"

WEEZY MAKES STREAMING LOOK EASY

The concept of live once largely meant listening to a music track that had been recorded live at a concert. Then the music industry began to shift, and album sales declined (9.5% between 2006 and 2007 alone).[19] In response, artists started becoming more innovative to reach fans (shoppers) of their products, and "live" began to take on a new meaning.

Lil' Wayne was one artist to innovate in this way. The 2007 *Shopper Culture* post, "Lil' Wayne Gives Consumers a Choice," discussed Lil' Wayne's decision to live stream one of his concerts. The post explored the implications of physical experiences merging with online experiences to meet changing shopper desires.

Over the past ten years, we've not only seen artists change their business models, but we've also watched brands develop a variety of methods to engage shoppers through experiences.

"Live" has taken on a whole new meaning when it comes to content consumption and engagement with brands and retailers. Most of today's shoppers value experiences over physical goods and would rather pay for an immersive experience like a concert than purchase and own something like an album.[20]

Beyond the music realm, this means marketers have the opportunity to engage consumers by offering them experiences and meeting their ever-changing desires. Today's shoppers don't just want experiences—they want photo-worthy ones. Unlike things, experiences are viewed as opportunities to create memories and connections, making them all the more valuable.[21]

Shoppers value experiences over physical goods

Brands and retailers are working to create these experiences in both high-tech and low-tech ways.

- Everlane uses Snapchat to offer transparency and lets us step behind the scenes on our smartphones.
- Old Irish uses VR to take us on a virtual trip to Ireland.
- Urban Outfitters has added lounges, bars, and pizza counters to some of its locations.
- Chobani has opened its own immersive cafés.

Brands and retailers of all kinds are creating more experiences in hopes they will lead to further brand engagement and, ultimately, drive shoppers to make purchases.

Over the next ten years, what kind of role will experiences play in shoppers' lives? And, as technology advances, how will the nature of branded experiences change?

Shoppers' cravings for experiences—and the importance of brands delivering them—show no signs of waning. It is projected that experience will overtake product as the key brand differentiator by 2020, and by 2027, these experiences are expected to be even more immersive and widespread.[22]

Millennials and Gen Z are driving the experience-focused mindset. As they age and their spending power grows, so too will the demand for experiences.

Technological developments are causing these experiences to become increasingly digital and dynamic; these advancements are also increasing the opportunities for marketers to provide digitally driven experiences.

The major social media hubs are offering and continually developing live capabilities. Instagram features Instagram Stories, and Facebook has added Facebook Live as well as Facebook Stories and Facebook 360. Twitter has announced plans to eventually air live content 24/7.[23] The platforms are in an arms race to engage users through live features; as Instagram Stories adds a feature like "location-based stories," Snapchat unveils an update with "group stories," and the cycle continues.

Mark Zuckerberg has even introduced the first developer system for augmented reality: the Camera Effects Platform, which will allow brands to create custom interactive experiences.[24]

As technology continues to develop over the next ten years, brands will have to decide which live platforms and capabilities are right for their audiences, and shoppers will have more experiential options than ever.

5. THE INTERCONNECTIVITY OF OUR SMART WORLD

BACK TO THE FUTURE

We've been expecting mundane things to get very high-tech upgrades for decades now. 1985's *Back to the Future* made us wish our cars could fly and our skateboards could hover. And, in 2007, it looked like the common shopping cart might be getting a futuristic upgrade.

The *Shopper Culture* post, "[Shopping Cart Media: Two Visions of the Future](#)," discussed two new takes on smart shopping carts that were garnering attention at the time. One type of cart, the Modstream, would digitally display text inputted by retailers and advertisers. The other, the Markitcart, took a less high-tech approach to advertising capabilities but boasted RFID-compatibility, which would allow an entire cart's worth of shopping to be scanned at once.[25] While these 2007 smart-cart innovations didn't quite take off, we continue to see digital retail innovations affecting in-store experiences and purchases ten years later.

Many of today's retail innovations are developing as a result of heightened shopper expectations and increasing competition from online retailers.

Shoppers expect brick-and-mortar stores to deliver the convenience and hyper-personalization they are accustomed to in the eCommerce world. In response, retailers are working to reduce friction in the shopping process by adding tech to shelves, aisles, and, once again, shopping carts.

The latest iteration of the smart cart has self-driving capabilities and might finally bring an end to the frustration of hunting for the final elusive item on your shopping list; Walmart is working with a robotics firm to test carts that scan shopping lists and guide shoppers to the items' corresponding aisles and shelves.[26] Lowe's is taking its own approach to creating a frictionless shopping experience by leveraging augmented reality in an in-store navigation app that allows shoppers to search for products, create shopping lists, and locate items within the store.[27]

Other in-store technology aims to customize the shopping experience by providing shoppers with personalized information and options. Fashion label

Rebecca Minkoff is using RFID and digital touch screens to create dressing room walls that provide custom recommendations and allow shoppers to request additional clothing items, change the dressing room lighting, and even order drinks.[28] Other retailers are equipped with kiosks that shoppers can use for digital inventory searches or product recommendations.[29] In-store technology continues to be implemented in different ways as retailers work to keep up with changing shopper expectations.

With retailers across the board creating their own innovation labs to develop in-store technology, how will shopping continue to change? And how will the human component of the shopping process be affected?

Shoppers' receptiveness to technology creates an opportunity for retailers to introduce new digital components to the in-store journey and collect more shopper data. It is predicted that brick-and-mortar stores will have access to the same data and analytics as ecommerce by 2020, which also presents a strong opportunity for retailers to fine-tune their use of in-store tech to enhance the shopping process.[30]

As shoppers increasingly seek high-tech upgrades and continue to stay glued to their screens, human interaction is taking a backseat to convenience.[31]

Delivery services like Postmates and Door Dash are experimenting with robot delivery; so now not only can you place an order without speaking to another human, you can also receive that order without doing so.[32] For purchases that carry more weight than a late night meal, however, technology may instead be used to augment the human role in shopping. Retailers like Neiman Marcus are testing technology such as voice-command systems that help store associates meet shoppers' needs more efficiently by supplying them with data and new communication tools.[33]

Retailers are on track to keep launching smart, high-tech, highly automated initiatives over the next decade in an attempt to give shoppers the hyper-personalized, convenient solutions they crave.

" Postmates and Door Dash are experimenting with robot delivery.

IN THE 10 YEARS THAT *SHOPPER CULTURE* HAS LED A DISCUSSION ABOUT THE IMPACT OF SHOPPER CULTURE ON BRAND STRATEGY, MUCH HAS CHANGED "

In the ten years that *Shopper Culture* has led a discussion about the impact of shopping culture on brand strategy, much has changed. Our coupons have moved from our wallets to our smartphones. We use information from the Internet to inform both online and offline purchases. Word of mouth has become word of Amazon review, word of Facebook post, and word of Google rating. We are more connected than ever before and live in a multiscreen world of increasingly rapid technological advances, yet some of the things we observed a decade ago hold true today.

Shopper behavior constantly shifts and reacts to changes in culture, technology, and the economy. Human behavior, on the other hand, is more of a constant and continually acts as an underlying motivator of everything we do—including shopping. We still want our needs and desires fulfilled, and we're still mesmerized by new developments. Shoppers still wait hours in line for the release of the latest iPhone model, and, just as the Amazon Kindle sold out ten years ago, highly anticipated products like the Amazon Echo sell out today.

We continue to shop for products we think will make our lives easier and better, and we continue to seek relevance from brands and retailers. Human behavior hasn't changed; rather, the resources, stimuli, and influences pertinent to shopping have changed, and shoppers have reacted accordingly. We have access to a lot more information than we did ten years ago, and we no longer solely rely on salespeople and in-store communications to gather information; our digital devices provide us with a wealth of product information before we even step foot in the store.

Shoppers expect brands and retailers to play a new role today and in the years to come. This new role will be a dynamic, ever-evolving one—one where brands and retailers must adapt to capture shoppers' attention. They will become decision-making aids through predictive selling and automated ordering, make value more accessible by delivering coupons in digital ways, provide on-demand convenience, offer connected experiences, and create high-tech solutions to reduce friction in the shopping process. We're looking forward to another ten years of delving into shopping culture.

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The post that launched it all
[Strawberry Frog and iPhone Shoppers](#)

1. The evolution of suggestive-selling
[Can you Really Tell Shoppers What to Buy?](#)

2. The imperishable coupon
[More Coupons](#)

3. The innovative power of Amazon
[Amazon's Kindle: Ambitions to Change the Way We Read](#)

4. The new meaning of "live"
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5. The connectivity of our smart world
[Shopping Cart Media: Two Visions of the Future](#)

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