Achieving Total Retail
Consumer expectations driving the next retail business model

pwc

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It's a high bar our survey participants have set for retailers: compelling in-store technology, an "always-on" 24/7 service mentality, real-time insight into product availability at individual stores, and consistent prices and offerings across a retailer's assets. Within our data we've unearthed eight expectations, which you'll find featured throughout this report, along with their implications for the next retail business model.

One unified experience

5 continents, 15 territories, 15,000 online shoppers surveyed

A s a student of history and economics, I love to read about the past with a view to understand where the world is headed. While no one has a crystal ball, understanding prior geopolitical, consumer and economic developments helps us to consider the probabilities of what is most likely to happen in the future.

Whether I'm reading *G-Zero,* by Ian Bremmer or *The Age of the Unthinkable* by Joshua Cooper Ramo, the last thing on my mind is how I actually purchased the book. Maybe I was shopping in a physical bookstore or maybe I made an online impulse buy after reading a review. But, as a book consumer, I'm not adjusting my desires based on these two very different shopping "channels." I just want to find a good book with a minimum of effort.

Maybe I'm in a hurry; can I complete the transaction quickly? Can I find the book I'm looking for? Is it a pleasant interaction?

The key question is: Do I want to repeat this particular shopping experience?

It turns out that my desire for a seamless customer experience is very similar to other consumers around the world. This report, our seventh in a series, is based on our 2013 survey of more than 15,000 online shoppers in 15 different territories. In it, we report that today's consumers now view multichannel shopping as a given. Convenient physical stores, a website capable of handling purchases, a mobile site or app—these capabilities are simply the price of admission for a healthy relationship with a consumer.
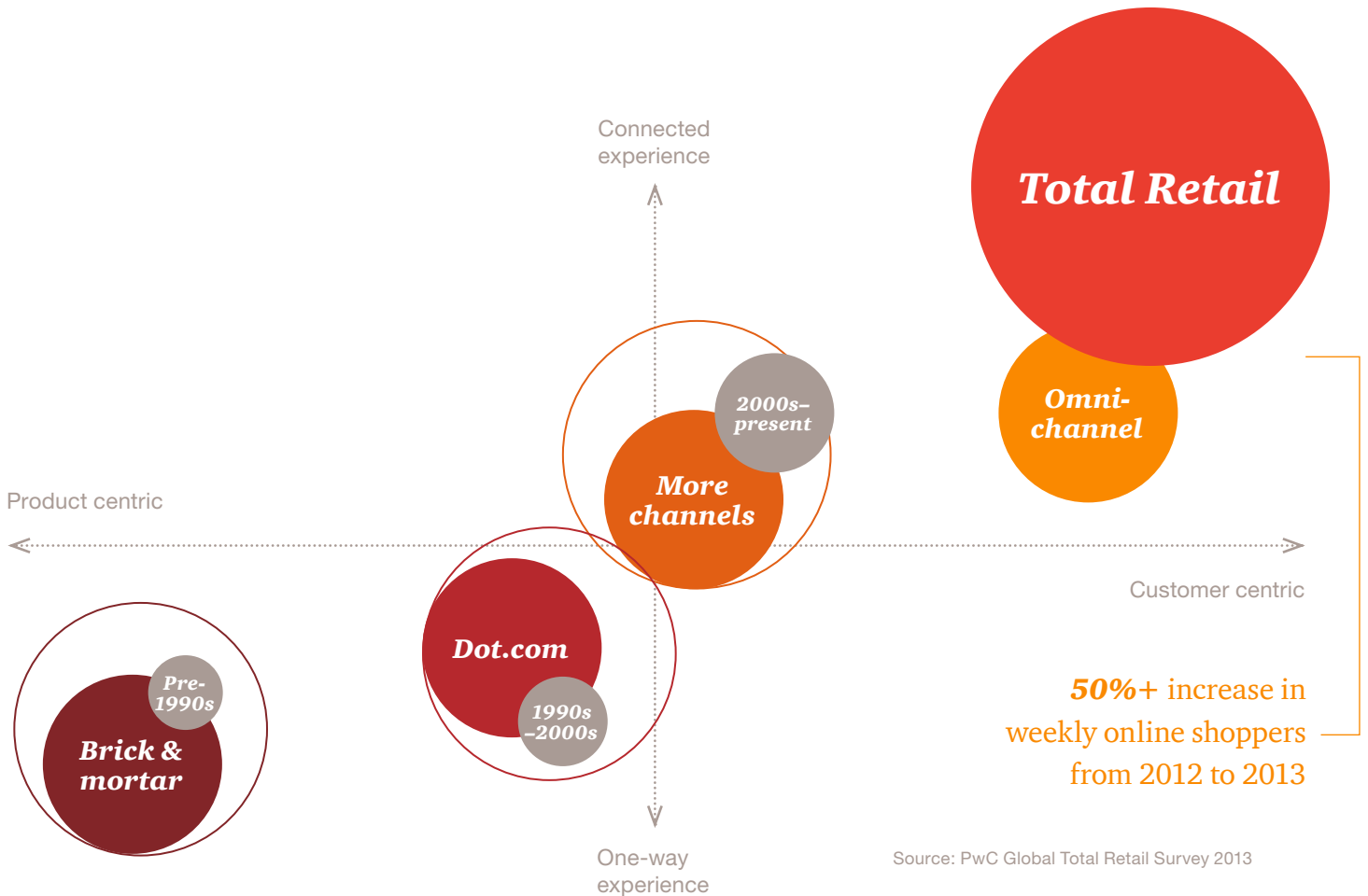
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The legacy of multichannel

It is still very much in vogue among retailers to celebrate shopping channels, as if the physical store and the different devices through which online sales are conducted—the laptop, tablet, or smartphone—are standalone pipelines to the consumer.

Figure 1: A greater focus on the consumer and integrated, customer-focused technology transforms the "channel" experience into a Total Retail experience

Connected experience

Product centric

Customer centric

One-way experience

Total Retail

Omni-channel

2000s–present

More channels

Dot.com

1990s–2000s

Pre-1990s

Brick & mortar

50%+ increase in weekly online shoppers from 2012 to 2013

Source: PwC Global Total Retail Survey 2013

In many ways this fidelity to the channel is understandable. The phrases "multi-channel" and "omnichannel" have been useful for retailers as a framework to think about the different avenues afforded by e-commerce and as a road map for how to shore up their func-tionality. It makes sense that retailers initially responded to the challenges of digital commerce by attempting to manage on a multichannel basis in the back office. But the result today is an expensive channel-focused model that involves multiple marketing, merchan-dising, and supply chain teams; need-lessly complex, individually broken-out profit and loss statements; and even different accounting methods based on the channel from which sales originate.

Similarly, at the customer-facing end of things, barriers have hardened among sales channels. Trade promotions are inconsistent across channels, products are unavailable in-store because units already were sent from distribution centers to fulfill web orders, customer loyalty information is haphazardly applied across channels, and even basic customer payment information has to be re-typed again and again. The costs and complexities of continuing on this path are too great and offer too few rewards for the customer experience. It's a faulty formula doomed to failure.

Thinking beyond channels to Total Retail

Contrast this state of affairs with the mindset of the digitally empowered consumer as shown in Figure 2 on the following page. Today's non-stop

The costs and complexi-ties of managing on a multichannel basis are too great and offer too few rewards for the customer experience.

customers have taken things into their own hands and become more tech-savvy than retailers. Customers have embraced show-rooming, learned how to exploit their own shopping data for deals, and become experts at taking advantage of online coupons and offers.

Consumers have the tools, literally at their fingertips, to immerse themselves in a retailer's brand but also to skewer that brand on blogs or social media if the brand promise is broken, the shopping experience disappoints, or a purchase costs more than expected. In this year's survey, for example, 55% of our global sample provided positive or negative comments about their experi-ences with a product or brand on social media. In other words, if customers feel strongly enough about a brand, expect them to spread the word.
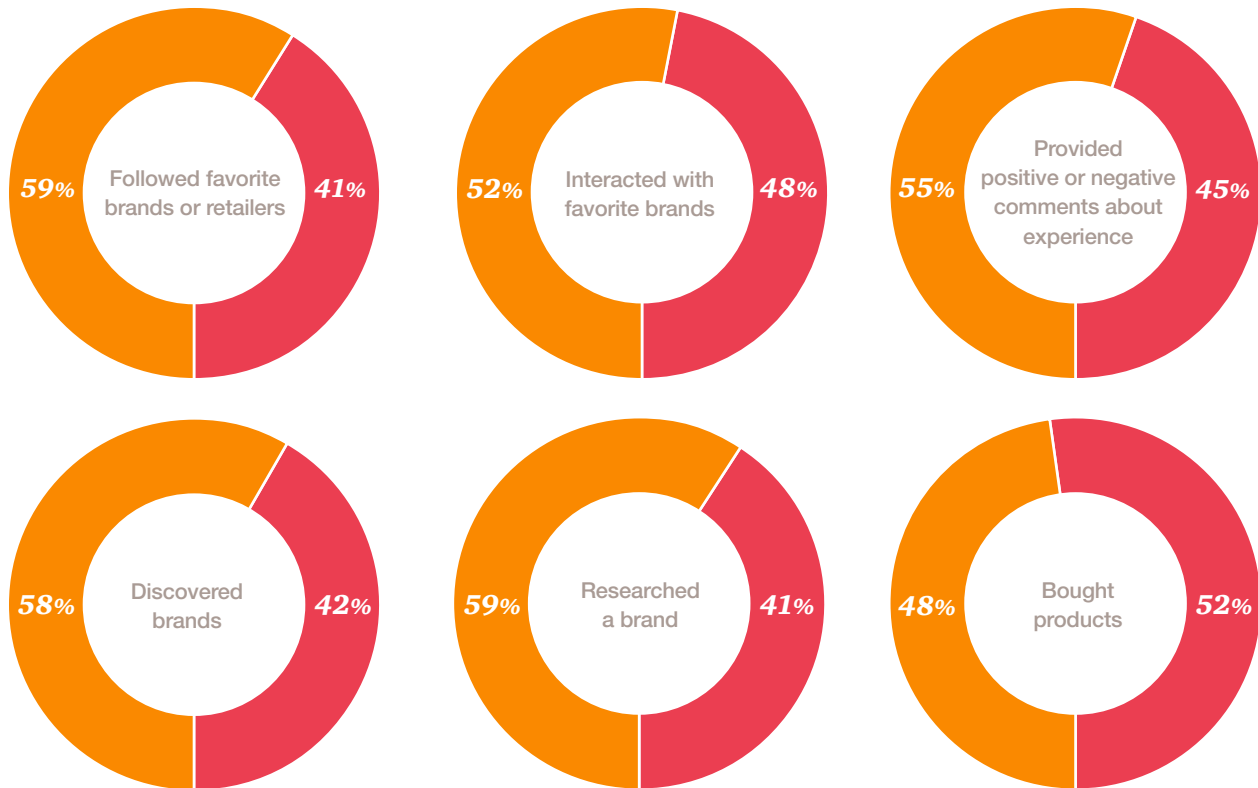
To respond, retailers need to embrace what we at PwC are calling Total Retail. Total Retail means two things: a unified brand story across all chan-nels that promises a consistently superior customer experience and an integrated back-office operating model

with agile and innovative technology. While retailers are fond of saying that customers are educated and empowered as never before, Total Retail entails doing something about it by focusing the retail business model on the customer.

In our experience, single-point solutions for each separate channel are not nearly enough. What's needed is a Total Retail business model transformation that incorporates supply chain, marketing and sales, and finance.

Figure 2: Digitally empowered consumers embracing social media to connect with brands

Q: Which of the following have you done using social media?

	Yes	No
Followed favorite brands or retailers	59%	41%
Interacted with favorite brands	52%	48%
Provided positive or negative comments about experience	55%	45%
Discovered brands	58%	42%
Researched a brand	59%	41%
Bought products	48%	52%

Base: 15,080
Source: PwC Global Total Retail Survey 2013

● Yes ● No

Great expectations

The customer expectations we feature in this report all have specific business model ramifications for retailers. In this year's data, for example, we've noted fairly strong growth in the number of survey respondents who used tablets and smartphones for shopping.

In this year's research, 41% of global shoppers who took the survey bought products through tablets, compared with 28% in 2012, and 43% of our respondents purchased products through smartphones, compared with 30% in 2012. One could reasonably surmise that one of the customer expectations being expressed, then, is for an enhanced and personalized experience across devices. Online shoppers will expect that product promotions, offers, and other communications will be available in the store and also work on every kind of mobile device, from the smartphone to the tablet to whatever wearable technology becomes popular in a few years.

A total retailer will have prepared for this customer expectation by embedding digital marketing materials with the appropriate formatting necessary to be readable on all of these devices. Sound easy? When we asked our global survey respondents why they don't use their mobile phone for shopping, more than 40% said the screen is too small, illustrating the difficulties in designing shopping features that work intuitively on such a device. It's a good bet that many retailers don't have the technology processes or in-house skills to design an elegant

Our eight consumer expectations

✅ *A compelling brand story that promises a distinctive experience*

✅ *Customized offers based on totally protected, personal preferences and information*

✅ *An enhanced and consistent experience across all devices*

✅ *Transparency, real time, into a retailer's inventory*

✅ *Favorite retailers are everywhere*

✅ *To maximize the value of mobile shopping, both store apps and mobile sites must improve*

✅ *Two-way social media engagement*

✅ *"Brands" act like retailers, and we'll treat them that way*

shopping architecture on a screen that two out of five consumers believe is too small to comfortably execute a shopping transaction.

Another expectation we'll examine in this report is real-time transparency into a store's inventory. When we asked which in-store technology our survey participants most wanted, it was the ability to transparently view—on their own, without having to engage with staff—a retailer's stock to see where they can get a particular product. Globally, 46% of our survey participants said that they would like the capability to "check other store or online stock quickly." The basic idea here is very simple, but the inventory and operational ramifications are enormous. Total customer visibility into inventory means that whatever the customer wants to buy, and however that inquiry is made, retailers need systems that talk to one another.

Figure 3: Building the next retail business model

1

Customer analytics for easy, convenient, personalized transaction experiences

2

Integrated technology, platforms, and systems to provide *seamless transaction services* to anyone, anywhere

3

Supply chain optimization enabling transactions anywhere

4

A customer-focused organization, instead of a channel-focused organization

Building blocks for the next retail business model

Retail CEOs know that action is needed. According to PwC's 17th Annual Global CEO Survey, published in January 2014, 56% are planning aggressive action to change their business model; but what are the specific steps? The changes to the retail business model that we highlight in this report can add up to very significant changes in how retailers operate. In fact, the CEO Survey also finds that 53% of retail CEOs have change programs under

way or planned for their organizational design. In the area of organizational change, the move away from a channel focus to a customer focus can have huge implications for the retailer C-suite and how those executives interact with the business units within a retail organization. As our firm works with retail clients, for example, we see an increasing need for a chief customer officer who "owns" the customer experience and what we call the "demand chain" part of the business, such as marketing, social media or customer service centers. Another

welcome addition to many retail management teams would be a head of sales responsible for all sales revenues, regardless of channel.

Also included in this report are profound technology implications for the retail business model. First and foremost is that IT's main purpose must evolve from enabling operational efficiency to driving a superior customer experience. Second and closely related is how IT generally is regarded by many: as a cost center rather than as a strategic enabler. In a recent survey of retail executives, for example, 45% of CIOs report to the CFO or the COO, whereas 65% of CMOs report to the CEO or board.[1]

Integrated technology platforms, as well as organizational change, are two of the four business model building blocks that lay the foundation for many of the more specific business model adaptions we talk about in this paper. The other two are supply chain optimization (which probably comes as no surprise) and customer analytics, which is crucial for many of the business model changes that relate to the new power of the consumer.

If retailers can refocus on customer expectations as the foundation of their business model, the building blocks they need will flow from there: the technology needed to share customer data across channels and engage with consumers outside the store or factory walls; the analytic tools that can help make sense of point-of-sale and other proprietary data; a supply chain rooted not in cost efficiency but in getting customers what they want, where and when they want it; and the change management needed to align the organization around its new customer centricity.

With these building blocks and the many retail business model implications we feature in this report, PwC is hoping to offer a fresh perspective on the store of the future. Within a few years, we think the retail sector will be talking a lot more about how retail business models need to adapt. The goal of this paper is to help companies have that conversation today.

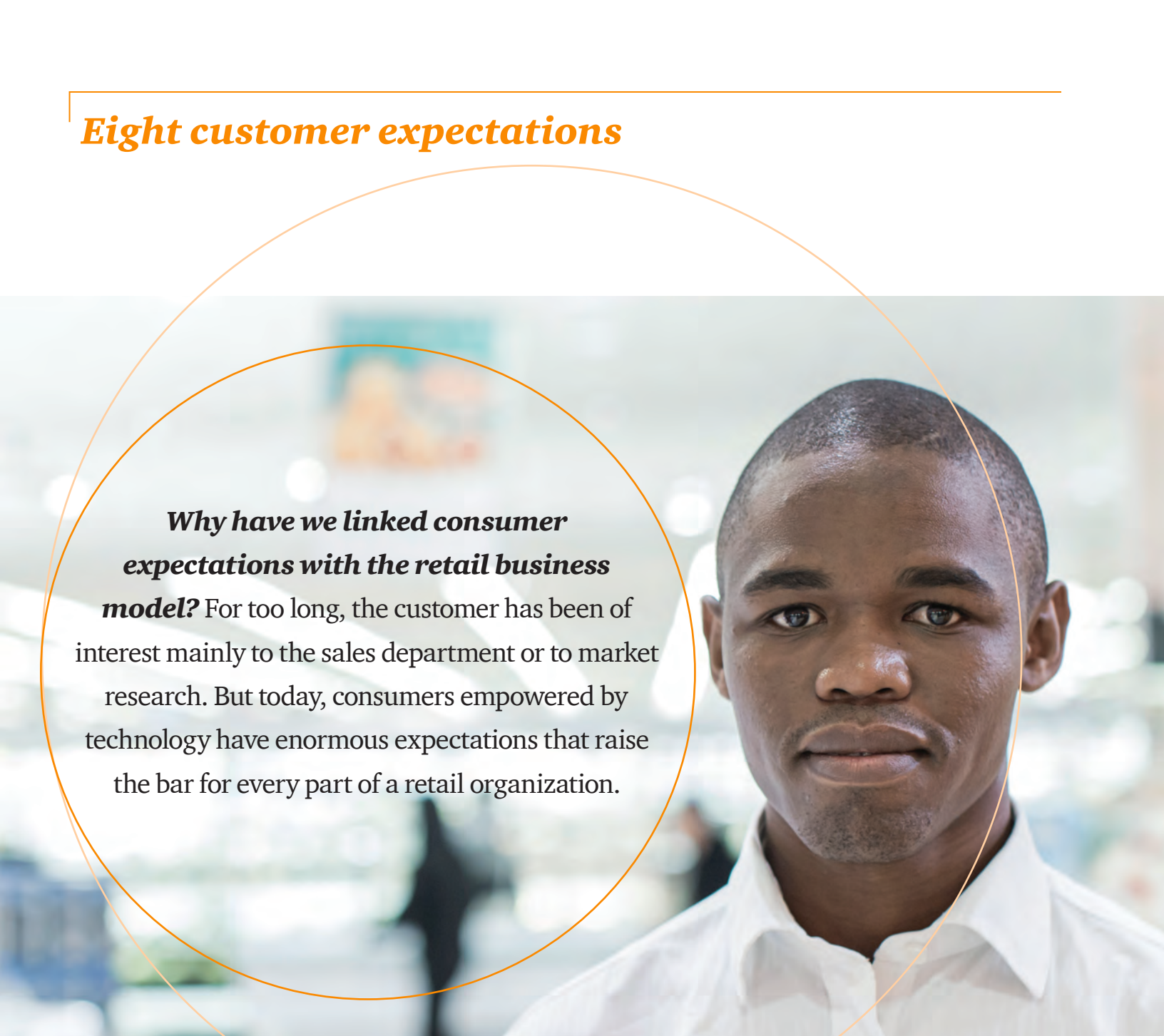Thanks for reading, and I hope you find this report helpful.

John G. Maxwell
Global Retail and Consumer Leader

The Total Retail business model marries a consistently superior customer experience to a back office with agile and innovative technology.

1   "The New Cost Structure of Retail IT,"
     Q4 2013, EKN.

Eight customer expectations

Why have we linked consumer expectations with the retail business model? For too long, the customer has been of interest mainly to the sales department or to market research. But today, consumers empowered by technology have enormous expectations that raise the bar for every part of a retail organization.

Our survey shows that consumers have become agnostic about channel and want a unified customer experience: consistent promotions across channels, loyalty programs recognized in-store and online, price consistency, and stored personal credit card and other ID information to speed transactions. We've looked at our survey findings and grouped them into eight overall customer expectations.

A compelling brand story that promises a distinctive experience

A compelling brand narrative can be as much a contributor to retail success as the customer experience itself.

Several different data points from our survey suggest that global consumers are hungry for reasons to stay with a particular retailer or set of retailers. And while it wasn't our intention at the outset of our survey to measure online shoppers' reactions to certain brands, it appears as if a compelling brand itself—outside of the actual shopping experience—can exert a strong pull on consumers.

The consolidation trend presents an opportunity

First, let's talk about the enormous opportunity for retailers that can connect emotionally to consumers. Our data show that a clear consumer motivation exists to embrace a select group of favorite "go-to" retailers. Global shoppers, according to our survey, are shrinking their shopping footprint to just a few retail brands. When we asked survey participants to choose the number of retailers they shopped with over the previous 12 months, from a list of 30 well-known domestic retailers from their country, 15% of our global sample responded that they shopped with just one retailer, an increase of 7% from 2012. That same trend held in the "2 to 5" favorite retailer range, as 43% selected this choice as representing the number of retailers they shopped with in the previous year.

Figure 4: Number of retailers shopped with over the last 12 months

Q: Have you shopped with any of the following retailers over the last 12 months through any channel?


2013 **2012**
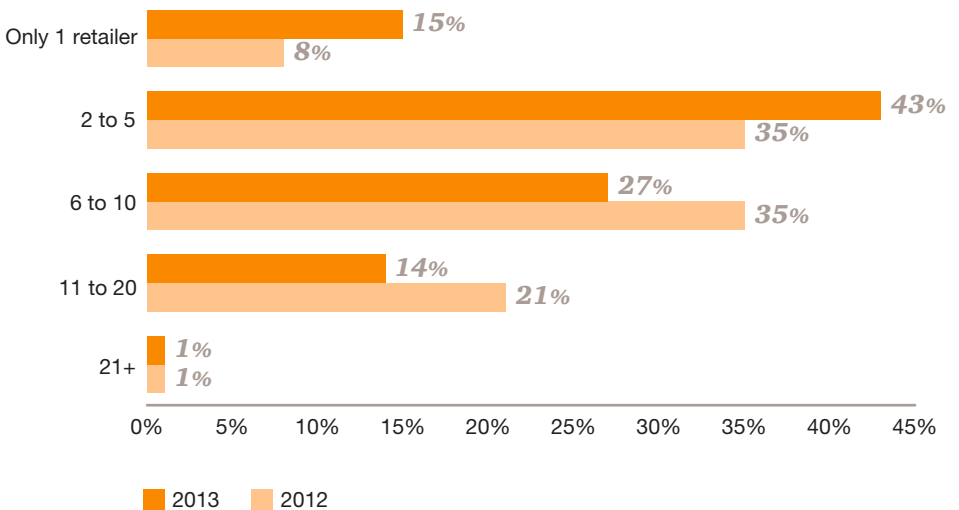
Note: Information was calculated from specified lists of specific country retailers and excluded online-only retailers.
Base: 15,080 (2013); 11,067 (2012)
Source: Global PwC Total Retail Survey 2013

On the other hand, the percentage of survey participants who said they shopped with 6 to 10 retailers fell from 35% to 27%, and the percentage who shopped at between 11 to 20 retailers fell from 21% in 2012 to 14% in 2013. Online shoppers in Hong Kong were particularly conservative with the number of retailers they shopped with; in Hong Kong 88% of shoppers patronized five or fewer retailers in the previous 12 months.

Q: Of the retailers where you shop, please specify if you have purchased something from them in-store and/or online. Select all that apply.

- Only 1 retailer
- 2 to 5
- 6 to 10
- 11 to 20
- 21+ (0%)

1%
5%
46%
48%
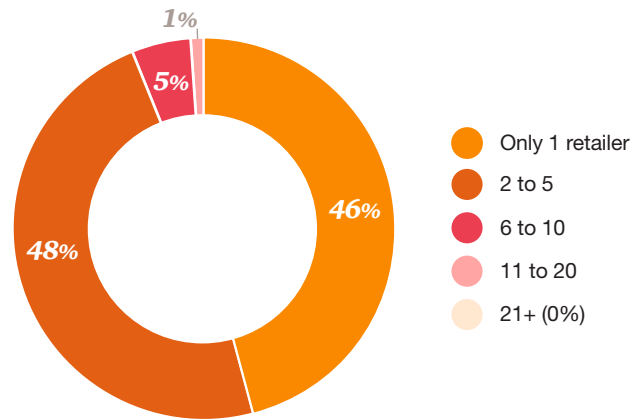
Note: We have defined a multichannel shopper as someone who purchases from at least two of the following channels: physical store; online via tablet /PC or via mobile/smartphone.
Base: 4,869
Source: PwC Global Total Retail Survey 2013

Brand trust is the number one factor consumers give for shopping at their favorite retailers.

When we looked at the data from another point of view—the number of retailers used by multichannel shoppers (these shoppers are defined as those who purchase from at least two of the following channels: physical store, online via tablet/PC, or online via mobile/smartphone)—46% of those shoppers frequented just one retailer, and 48% shopped with between 2 to 5 retailers. Just 5% said they used 6 to 10 retailers.

Whatever is behind this consolidation trend, the new normal in retailing is that shoppers are searching for reasons to consistently visit a small number of retailers. The question is, which retailers will they choose and why?

The pull of a strong brand

Certainly price and product availability are time-tested reasons for choosing a store. "Inexpensive/reasonably priced" is an option that 85% of our survey respondents chose when we asked why they shopped at their favorite retailers. But a closer look reveals that the number one reason people shop

at their favorite retailers is this one: "I trust the brand," with 86% of respondents concurring. In addition, 81% said they liked the "store, its location and staff"; 64% said they shopped at favorite retailers because of "different, interesting marketing that catches my imagination;" and 50% shopped at their favorite retailers because of interesting things the company is doing on social media. In other words, a high percentage of our survey participants were attracted to brands that tell a story in an engaging manner.

Many retailers have excelled at establishing a very strong brand promise that solidifies a core of loyal customers. Nordstrom's shopper-friendly brand, famously highlighted in business author Jim Collins' *Good to Great,* is personified in its employees, all of whom carry a business card and are trained for just about any customer contingency. Whether the brand promise is centered on employees (Nordstrom), granular knowledge and a willingness to go the extra mile or other attributes like community involvement or low price, living up to that promise can make all the difference with consumers.

Business model implication: *To help strengthen a brand, change how that brand is communicated, both internally and externally*

Retailers typically under perform in terms of brand value. For example, in Interbrand's 2013 "Best Global Brands" list, only two retailers—Louis Vuitton and Amazon.com—registered in the top 20 based on brand value. That compares with eight technology companies, four automotive companies, and four consumer companies. This lack of brand heft particularly is true for those retailers that could be considered aggregators of other brands.

"A lot of retailers don't have a brand of their own, so it's hard for consumers to really put their hands on their hearts and say, 'Why should I spend money with you?'" said Matthew Tod, a PwC UK partner who specializes in working with retail and consumer packaged goods companies. "Retailers must develop a very clear proposition and a brand that means something to the consumer."

Building that brand often starts internally. For example, most of Nordstrom's employees probably don't come to work on their first day with a clear vision of the retailer's brand promise. Through training programs, the company instills both its brand promise and the freedom to creatively delight customers. Emphasizing the brand promise during the hiring and training process is not a complicated change to most retailers' HR models—but it's one that could pay big dividends to brand health.

In-store WiFi and sales associates who can take payments away from registers were two popular in-store technology choices in our survey.

Externally, retailers need to greatly improve how they communicate their brand. PwC US principal Sean O'Driscoll, who helps clients engage with customers more successfully through social media, advised, "Many organizations still 'broadcast out' what they want people to learn about their brand. It's not about broadcasting out to customers, it's about engaging with customers." For many retailers, that could mean a dedicated social media staff to run campaigns and competitions, a formal process to respond to customer comments left on social media, and less traditional advertising rather than other kinds of branded content such as social media blogs from company executives and placed articles in trade publications.

On the flip side of brand building is reputation management, which retailers also need to improve. Social media, for example, does not only offer opportunities for brand communication and building customer loyalty, it can be a powerful tool for protecting the brand. Negative publicity or remarks about the company's brand or its services can be quickly addressed by responding via various social media tools. By approaching social media as a way to engage with customers about brand value, retailers are not only able to build brand power, but to manage reputation risks as well.

Customized offers based on totally protected, personal preferences and information

While cyber-security still is a major online shopping concern, online shoppers also want personalization.

In China, 53% of our respondents shopped online weekly via a PC, the highest percentage seen in any of our surveyed territories.

It's human nature—people like to be accepted and want their needs understood.

Online shoppers, for example, like to be known and recognized at their favorite retailers. We found that 71% of our survey respondents shopped at their favorite retailers because of a great loyalty points or reward program. This desire to be known and understood by a favorite brand manifests itself in social media as well. Just over half (51%) of our global sample used social media to interact with a favorite brand, leading them to like the brand even more than before the interaction.

Up front and digital

Shoppers also increasingly said they want personalization based on their past purchases, and retailers are getting better at delivering it. In fact, in our latest survey research, we see a major jump in the percentage of participants who visited brand social media sites because of personalized promotions via email or text message. In this year's survey, 21% of our respondents who visit brand social media sites were drawn to a site because of such a promotion; last year, just 9% of our respondents were attracted by a similar offer. The opportunity to engage in a competition also is a form of personalization, and this year, 23% of our sample who visit brand social media sites said

that they did so for the opportunity to compete in various brand-sponsored contests, up from 16% last year.

In another example of online shopping personalization, 66% of our global sample used a coupon received on their smartphone to make a purchase, in-store, at home, or in transit. As PwC US partner Tom Johnson explained, "The opportunities to further personalize the shopping experience through mobility are huge, and we think personalization is the ultimate goal of mobile services. A great example is the daily deal and personalizing those daily deals on what you've purchased over the last couple of years."

Big Data analytics helps. Storing lots of information about their customers allows retailers to offer customized, more enjoyable shopping experiences. By employing predictive analytics, many retailers have been able to use customer data to increase marketing and sales effectiveness. Customization can take the form of digital coupons, mobile loyalty programs, exclusive branded content, and social media contests or promotions that can all be used to drive traffic toward online purchases. Many retailers and CPG companies are now using hyper-targeted emails to home in on narrow bands of consumers, typically in a specific geographic locale or demographic strata, with special offers designed to appeal to their personalized interests.
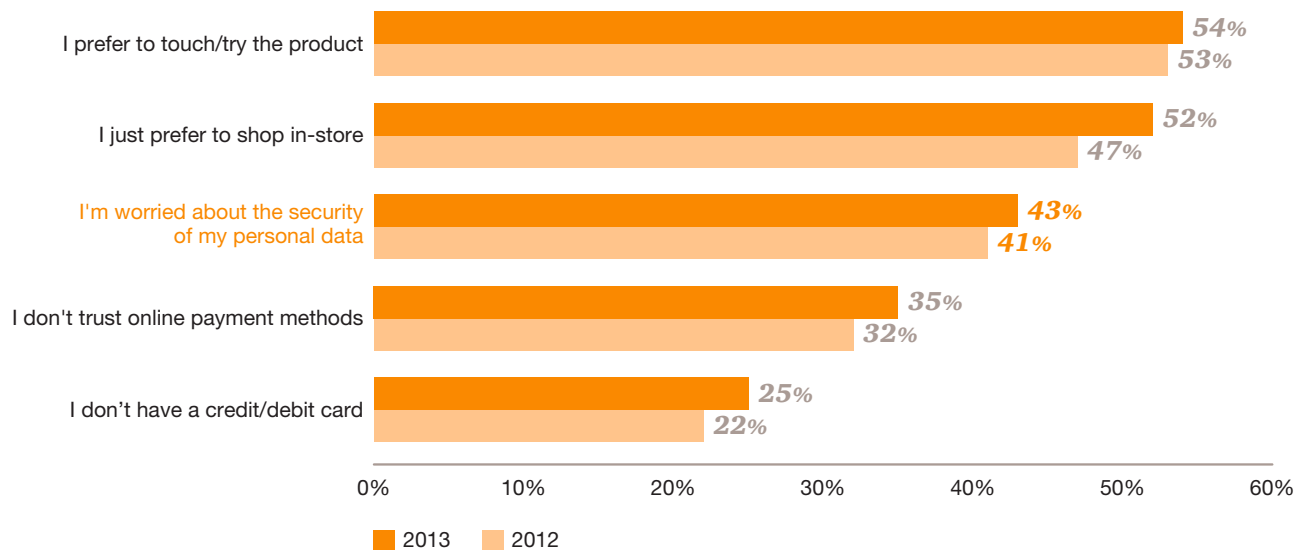
The safety of personal data: A common concern among global shoppers

At the same time, cyber-security still is a major issue for online shoppers in various territories. For our survey respondents who did not purchase items online, we asked them why. Almost 43% said they were worried about the security of their personal data. This is slightly up but still is consistent with the 41% who answered similarly in 2012.

Brazil and South Africa were where the online users most worried about the security of their personal data. Of those Brazilian online users who didn't shop online, 60% mention personal data security concerns, the second highest percentage answer. In South Africa, that percentage was 61%, the most common choice. For South Africa, this mistrust of online security could be rooted in the fact that this country had the highest percentage of new online shoppers in our survey. Twenty-five percent of South Africans reported that it had been less than one year since their first online purchase, while the global average was 19%.

Figure 6: Data security is a major concern keeping many from shopping online

Q: Why don't you buy products online? Select all that apply.

	2013	2012
I prefer to touch/try the product	54%	53%
I just prefer to shop in-store	52%	47%
I'm worried about the security of my personal data	43%	41%
I don't trust online payment methods	35%	32%
I don't have a credit/debit card	25%	22%

■ 2013 ■ 2012

Base: 1,234 (2013); 2,343 (2012)
Source: PwC Global Total Retail Survey 2013

Secure personal information, of course, is a long-standing e-commerce expectation. But now retailers need to safeguard that data knowing that customers want slick new options like coupons electronically sent to them when they are near a store, as well as all the conveniences of having personal payment and loyalty information accessible throughout a retailer's channels.

Business model implication: *A balance between customization and security*

South African shoppers are relatively new to shopping online, with 25% reporting that it had been less than one year since their first online purchase.

The business model imperative will be upgrading cyber-risk capabilities while still offering a seamless experience to the customer. In the current business model, different channels own multiple customer databases, so there is no single view of the customer. What's needed to achieve Total Retail from a cyber-security perspective is a technological renewal with customer-centric front office systems, integrated customer databases, and a leadership focus on new, previously unforeseen threats. The retail sector isn't the only one that's facing these unprecedented threats. The gaming sector also has recently been targeted by hackers in so-called "denial of service" attacks.

With increasing cyber-threats possible and the potential vulnerabilities of mobile devices in particular, retailers must decide if they can build out their capabilities step-by-step, or whether their business model needs to quickly add an entirely new set of skills and capabilities through acquisition. For example, according to PwC's latest global cyber-security mergers and acquisitions report, many companies are hiring external, mobile-focused cyber-security firms to shore up their defenses.

☑ *An enhanced and consistent experience across all devices*

Online shoppers are slowly but surely embracing a range of devices to shop—and latent functionality issues must be addressed.

In 2008, e-book revenues constituted just 1% of all US publishing revenues. By 2011, they made up 17%.[2] That's several consecutive years of triple-digit growth.

Just last year, the percentage of our global survey respondents who shopped via smartphone was just as small as e-book revenues were in 2008. Online shoppers already had a favorite, trusted electronic device with which to shop, and it's called the PC. Fast forward to today, and, according to this year's survey research, the PC still rules when it comes to executing online purchases. For example, across all 11 of the shopping categories included in our survey, purchasing via the PC was by far the preferred method of online purchasing.

A small but fast-growing base of shoppers are using a smartphone and tablet to shop

Compared with last year, both tablets and smartphones are gaining traction, even as purchases via a PC continue to dominate the online purchasing process. A few examples of the positive data for the tablet and smartphone: When it comes to household appliances, 10% of our global sample purchased online via tablet, compared with 1% last year. As for the smartphone, 5% of our global sample purchased using that device, compared with 0.4% last year. In clothing and footwear, smartphone

and tablet growth in purchasing was even more evident. Our latest results show that 11% of our global sample purchased online via a tablet and 7% via a smartphone. This compares with last year's results of 1.5% and 0.5%, respectively. In fact, overall, 41% of global shoppers who took the survey bought products through a tablet, compared with 28% in 2012, and 43% of our respondents purchased products through a smartphone, compared with 30% in 2012.

As for individual territories, China continues to be in a class of its own in terms of its adopting different devices for online shopping. Perhaps that's not surprising given the country's demographics. As of June 2013, Internet penetration in China had reached 44%, and the country boasted 591 million Internet users, a user base far larger than the entire US population. In terms of our survey, Chinese shoppers led the way in using new devices, with 49% shopping on a tablet and 51% shopping on a smartphone at least once a month, compared with 22% and 21%, respectively, for our global respondents.
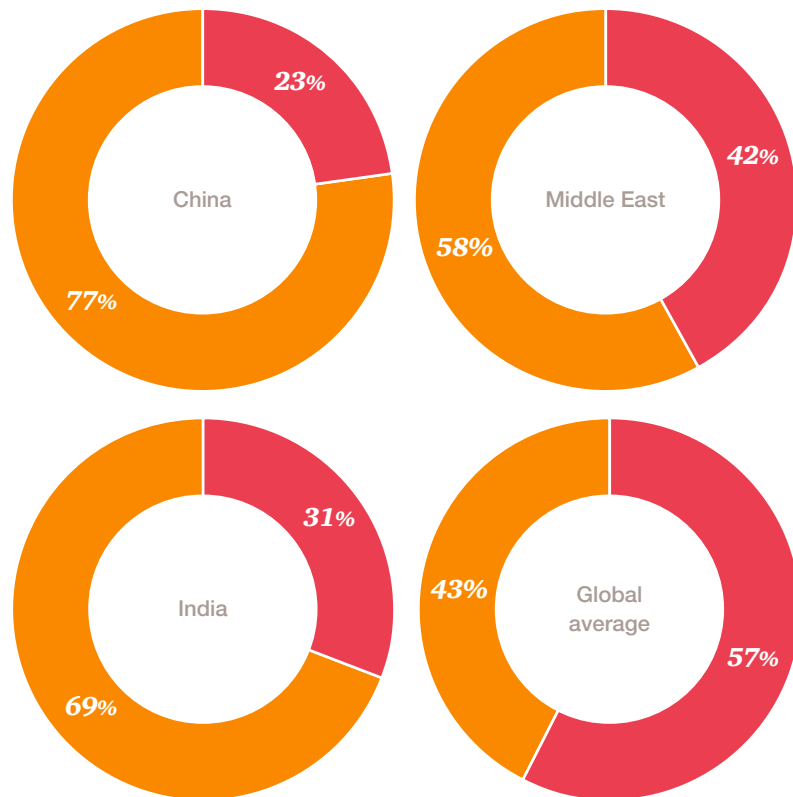
Other countries, albeit with much smaller bases, are following this trend. In France, for example, 25% of our respondents said they shopped with a smartphone or a tablet in 2013 versus 16% in 2012.

Chinese shoppers are ahead of the curve in terms of shopping over multiple devices, with 49% shopping on a tablet and 51% on a smartphone.

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2   Forbes, April 11, 2013, Jeremy Greenfield, "Ebook Growth Slows in 2012 to 'Only' 41%."

Figure 7: Top regions for mobile phone shopping

Q: Do you buy products using a mobile phone/smartphone?

China — 23% No, 77% Yes
Middle East — 42% No, 58% Yes
India — 31% No, 69% Yes
Global average — 43% Yes, 57% No

Base: 15,080 (Global), 900 (China), 1,006 (India), 1,000 (Middle East)
Source: PwC Global Total Retail Survey 2013

● Yes ● No

Business model implication: Technical agility across all devices

While the percentage of global shoppers using a mobile phone or smartphone to make purchases still is very small, it would be a mistake for retailers to ignore the increasing use of these devices from a business model point of view. First, with just a few territory exceptions, this growth is not happening at the expense of more traditional shopping such as in-store shopping or online shopping via the PC. The pie is growing, and it makes perfect sense to prepare to take part in this growth.

Second, some of the handicaps that the mobile phone currently suffers from will be addressed in the next few years, simply due to the evolution of the product and its accompanying services. Among our global sample who didn't use their mobile phone or smartphone for shopping, for instance, 41% said the screen was too small, 39% were worried about security, 20% didn't own a smartphone, 16% didn't have a data plan, and 13% said they had a slow connection. Does anyone really believe that five years from now, a significant portion of any online user group will have a slow connection? As screen size gets bigger, speed and graphics improve, and people get better data plans and faster Internet

connections, the move to mobile shopping likely will accelerate. The only truly difficult long-term obstacle to tremendous growth in mobile shopping may be the security issue. But even that can be overcome over time; for example, some of the territories in our survey with the most long-time online shoppers (UK, US, Netherlands) also have a lower percentage of online users worried about mobile security than the global 39% number.

To prepare for customers who, no doubt, will want the same shopping experience whether they are shopping via the PC, tablet, or mobile phone, a Total Retailer will need to have the technical agility to provide a shopping experience that is appropriate to the device but still allows customers to be able to access as much information as they could using other means. Digital marketing offers must be consistent across devices. The ability to interact with individual stores and corporate management should be intuitive across devices. Customer information must "travel" with the device and still be secure. The architecture must be in place to track customer interactions at every conceivable point in the purchase journey, whether customers are sending an email inquiry via their PC, commenting about a negative store experience on a social media site on their smartphone, or physically returning an order. Perhaps most important, agile technology implies an ability to adapt to devices coming out in the next month or year.

Notice that no one is saying the experiences have to be identical. Mobile shoppers still will love to receive personalized coupons, PC users always will expect more bells and whistles than the mobile shopping site or app, and in-store shoppers, no doubt, will appreciate tablet toting associates who can provide product advice or a different idea for a product that might suit better. For that day in the future when retail sales are relatively equally spread among physical store sales, PC sales, tablet sales and mobile phone sales, retailers will be happy that they planned ahead to enhance each of the different avenues that customers take to buying products.

Traditional Turkish bazaars like the one above likely will remain an important part of the retail scene in Turkey. For Turkish consumers who didn't shop online, the primary reason was that they liked to touch or try the product.

Transparency, real time, into a retailer's inventory

Turning the tables, consumers want to benefit from retailers' Big Data capabilities.

In some quarters, in-store technology has long been seen as the Holy Grail of retail. That's never been truer than in our current age of in-store technology support and teens paying for coffees with their smartphone. From virtual dressing rooms that enable shoppers to digitally "try on" outfits (which then, no doubt, are shared on social media), to QR tags on products that connect to videos on that product, to sales associates armed with tablets, the prevailing belief is that consumers never can get enough technology.

Interestingly, our survey research doesn't fully support this notion. When we gave our survey participants an array of different options for a question asking which in-store technologies would make for a better shopping experience, 20% chose "none of the above." That's a significant group of shoppers who either can't get excited by the in-store experience anymore—remember that our survey sample is composed of online shoppers—or simply want to be left alone when they do choose to shop at a physical store. An issue for another day is whether retailers are pushing unwanted technology options into stores or whether it's consumers driving the technology discussion through direct appeals to retailers via social media and other communications.

This question delivered a raft of additional customer expectations in the making, depending on the geography of the survey participant. For instance, our data shows that Brazilian consumers, next to Indian consumers, desire new, cutting-edge in-store technologies. In each category of in-store technologies, consumers from both these countries wanted these technologies at a higher rate than every other country in the survey. In particular, two technologies stood out as being desirable in Brazil as opposed to the global average: "sales associates with tablets to show you alternative products," and "sales associates who can take payment without going to the cash register." PwC, in fact, is working with a global technology company to help Brazilian retailers meet these demands, using a model that combines virtual catalog solutions with a mobile payment platform.

Our survey participants stated a clear desire for one particular feature

Of our respondents who did choose a number of technologies, the most popular choice by far was, the "ability to check other store or online stock quickly," at 46%; followed by in-store WiFi with a fast, simple login, at 31%; and sales associates who can take payment without going to the cash register, at 27% (see Figure 8 below).

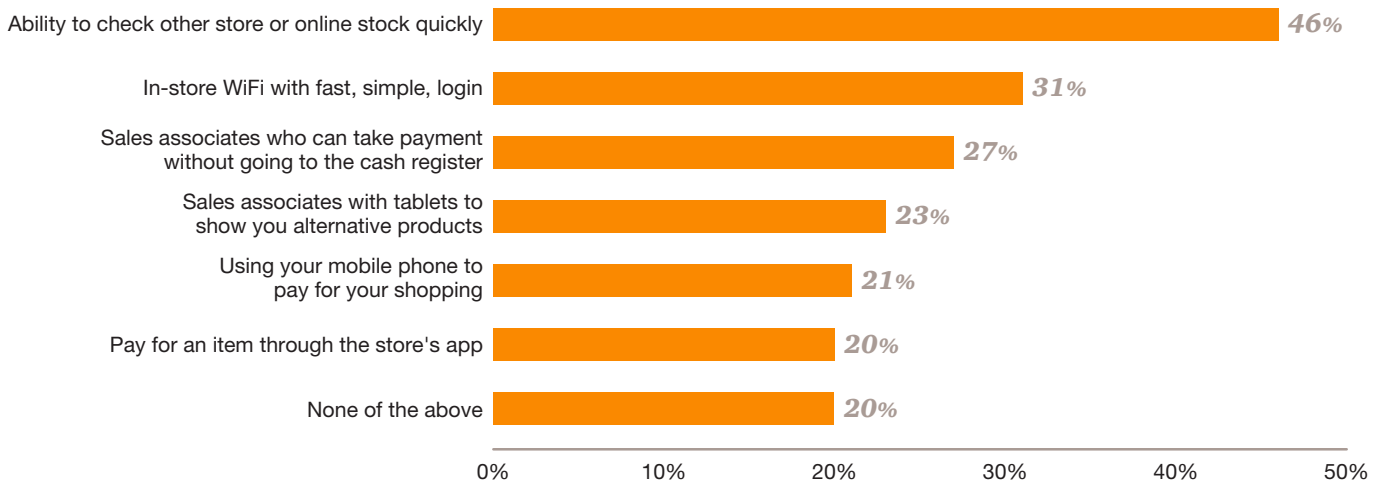With all the reams of data that customers provide retailers through point-of-sale data, social media activity, location-tagging technology, and searches for products on the retailer's website, perhaps it should be expected that consumers want to turn the tables on retailers and demand actionable inventory information. But pinpointing inventory throughout a store network, right down to the pallet, store, and shelf, is hard enough for retailers to do as part of their own supply chain management, much less in real time for actual in-store customers. Although Big Data offers many ways the front office can customize marketing and sales, the back office of most retailers still faces a serious challenge in managing an increasingly complex supply chain.

"In-store technology will become increasingly important in making the shopping experience consumer friendly."

Sergio Alexandre, PwC Brazil partner

Figure 8: Consumers value inventory transparency over other types of in-store technology

Q: Which of the following in-store technologies would make your shopping experience better?

Technology	Percentage
Ability to check other store or online stock quickly	46%
In-store WiFi with fast, simple, login	31%
Sales associates who can take payment without going to the cash register	27%
Sales associates with tablets to show you alternative products	23%
Using your mobile phone to pay for your shopping	21%
Pay for an item through the store's app	20%
None of the above	20%

Base: 15,080
Source: PwC Global Total Retail Survey 2013

In fact, it's debatable that retailers would even want to offer customers this kind of power. What if a long-time customer checks a store kiosk for an out-of-stock item and sees it in another store 12 miles away, journeys to pick it up, and then finds that someone else just bought the last one? The retailer is left with a very unhappy, very aggravated, very motivated customer. Some of the customer expectations in this report brought up very sticky issues for retailers, and this is one of them. In this case, retailers would have to weigh whether it's worth the effort to make their supply chain, distribution network, and product replenishment processes visible.

The answer is that it might be. Because by searching for these products in-store at whatever computer kiosk or computer station retailers conjure up, customers would be contributing yet more data about their buying preferences. Various industry studies have estimated that retailers would see significant margin improvements if they could capture all the customer data they theoretically could access.

The more information about customer buying habits, the more retailers know who their customers are, what they want, when they want it, and where they want it. So while customers rightly think they are getting a service from the retailer, real-time customer requests into inventory actually are another data point for the retailer.

Business model implication: *The back office needs to move at the speed of the customer*

Until now, the technical agility we've been talking about relates to the front-end technology of online coupons, real-time mobile offers and speed of web transactions. But this particular expectation raises a completely different challenge: the back office working real time with the customer. For many retailers, this will mean a serious upgrade in the technology of how products are tracked, warehoused, and distributed across a retail network.

On the plus side of making such an investment, if a retailer actually can fulfill this customer expectation for quickly checking the latest physical store and online stock levels, it likely has developed an architecture that can lead to better and faster decision making across the whole supply chain.

Take returns, for example. In many of our survey territories, returns are a huge concern. For example, in the fashion industry, return rates of more than 50% are common practice in Germany. These problematic customers and their habits need to be tracked somehow. The same capabilities that can help customers find what they want in a network of stores also would help identify such customers.

In other words, robust inventory management systems can not only find items on the demand end, they can also help promote effective and accurate supply chain processes and efficient distribution networks.

☑ *Favorite retailers are everywhere*
An "always-on," 24/7 experience.

Today, consumers are perpetually connected via various devices rather than sporadically tethered to a home or work computer. With consumers "always-on," that also means that retailers need to present their brand story across every channel, 24/7. But "always-on" means more than just open stores or an operational website, it means that the retailer is always "on its game" and open for engagement and interaction in every way the consumer is—social, email, online shopping, telephone, and in-store visits.

Consumers quickly fill the vacuum

Given this imperative for increased engagement, it's worth investigating what happens when companies actively disengage with consumers in one very specific way: when a favorite retailer closes down a local store. True, physical stores remain popular because consumers can get the product immediately, touch and try the merchandise, and be more certain about the suitability of the product. These are the top three reasons that this year's survey participants buy in-store instead of online.

But the reality is that retailers' future brick-and-mortar stores likely will be fewer and smaller, carrying a more targeted assortment of goods. For example, in the Netherlands, even as the retail e-commerce market has exploded over the last five years to an estimated 10 billion Euros in 2013, 6%

of all Dutch retail locations sit empty, and in some cities up to 20%. Retailers in the Netherlands and elsewhere likely will continue to close stores in the future as the search for the right mix of e-commerce and physical stores continues.

So what happens when business circumstances dictate that a retailer close down a local store? Given a chance to choose as many as six options, 59% of our global sample said they would find the retailer's next nearest physical store, 44% would order more from the company's website, and 42% said they would turn to an alternative retailer's website and start buying similar products there. Fewer than 10% of our respondents said a physical store closing would result in them generally spending less on a product. One of our most intriguing pieces of data is that 11% of our global sample said they would go onto social media and join a discussion about the store closure.
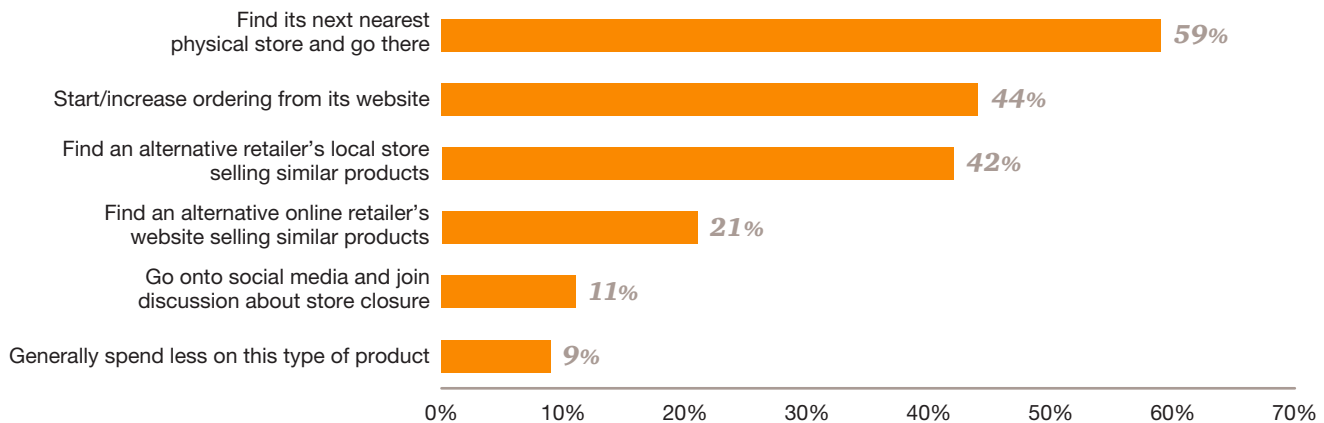
Clearly, the message from our survey participants was that since they assume retailers are everywhere and always connected like themselves, shoppers will find that retailer's next physical store enough or, failing that, there's always the store website. For retailers perhaps worried that they may one day have to downscale their physical store footprint, it's good news that the two most popular options have customers staying loyal to that retailer.

After a store closure, consumers look to that retailer's next closest physical store—and then go to the website.

Figure 9: When faced with a local store closure, most shoppers decide to stay with the brand

Q: What would you do if your favorite retailer closed down your local store?

Response	Percentage
Find its next nearest physical store and go there	59%
Start/increase ordering from its website	44%
Find an alternative retailer's local store selling similar products	42%
Find an alternative online retailer's website selling similar products	21%
Go onto social media and join discussion about store closure	11%
Generally spend less on this type of product	9%

Base: 14,734
Source: PwC Global Total Retail Survey 2013

Business model implication: *Store portfolio management needs to be elevated into strategic discussions*

While it might be tempting to leap to the conclusion, based on the survey data above, that a Total Retail model can succeed with far fewer physical stores, it should be sobering to retailers that more than four in 10 of our survey partici-pants were willing to consider turning to a competitor when confronted by the closure of a local store. The lesson in store-closing scenarios may be that if the next nearest physical store is not near enough, or if the website is not attractive or useful enough, customers then go to competitors.

And the larger lesson is that store portfolio management needs to have a seat at the strategy table. Closing a store, or opening one for that matter, is the kind of decision that clearly impacts customers, makes headlines, and reverberates throughout an organization. In order to accurately assess whether or not a physical store should close, rather than just using store sales and local demographic data, why not look at online sales data as well? What does the e-commerce data for that region indicate? If there is very little, perhaps keeping an underperforming store still is the way to go. If there are heavy e-commerce sales, perhaps opening a new store will only cannibalize that digital business. "Most retailers are taking a mono-channel view of portfolio management," said Matthew Tod, a PwC UK partner who specializes in digital transformation at retail and consumer products companies. "They have to merge it with online data." In fact, some forward-thinking retailers largely have discarded focusing on indi-vidual store profitability in favor of overall regional profitability, as that measure provides better context into the contribution of individual stores.

Beyond brick-and-mortar store openings or closings, other related issues include upgrading and improving technology in core stores and examining brick-and-mortar alternatives such as pop-up shops—all very important to customers and the brand.

Another way a retailer can integrate "being everywhere" into a business model is to actually expand beyond retail. Take health care in the US as an example. A fledgling alternative health system is growing up alongside the current, inefficient, fee-for-service system. Over time, this new health economy, led by non-traditional players—including some retailers—will grab a significant market share of the health care industry. Walmart and other grocery retailers moved into clinical medical services by building on their pharmacy businesses.

Another example is insurance, an equally unfamiliar product to the traditional retail landscape. Some retailers, such as Tesco in the UK and HEMA in the Netherlands, sell travel, auto, and health insurance policies from local stores across the country, backed by an insurance company. Whatever the service, the real point here is that powerful brands, such as Walmart and Tesco, can leverage their brand to sell many seemingly unrelated products.

Almost six out of 10 shoppers still want to shop in physical stores to see and touch products, but is that enough reason to keep physical stores open?

# To maximize the value of mobile shopping, both store apps and mobile sites must improve

App versus browser? Right now, a split decision.

Earlier in this report, we discussed the increasing year-over-year penetration of mobile shopping among our survey participants. In this year's survey, we also devoted an entire section of the questionnaire to those respondents who already were shopping on mobile devices, and what we found bodes well for the future of mobile shopping.

Figure 10: Online shoppers are evenly split in their preference for mobile browsers versus apps

Q: How often do you use either an app or mobile browser on your mobile/smartphone for shopping?
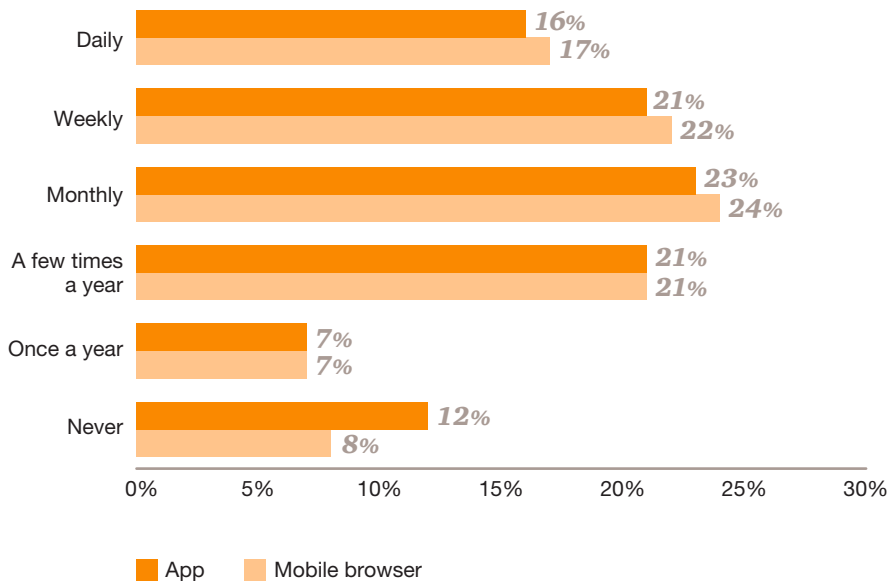
Base: 6,506
Source: PwC Global Total Retail Survey 2013

Growing enthusiasm for mobile shopping

Take the evident enthusiasm of mobile shoppers. When we asked them how often they used either an app or a mobile browser for shopping on their mobile device, 16% said they shopped via an app daily, and 17% shopped via a browser

daily. When it came to weekly shopping via these two mobile options, 21% indicated they did so with an app, and 22% with a browser. Barely more than one-fifth of our mobile shopper sample chose the option "a few times a year" for either an app or mobile browser, meaning that once people make the transition to mobile shopping, the convenience turns them into consistent customers.

Our survey indicates the broad array of shopping-related activities in which mobile shoppers are engaging. While on the move (not in a physical store), two-thirds of our mobile shopping sample (66%) compared product prices with competitors, 65% researched products, 57% located a store, 44% checked their available funding before purchasing, and 29% used a coupon—all without ever setting foot in a store.

Currently, negligible differences between mobile apps and mobile websites

With all the investments that retailers are making in apps, we wanted to find out what kind of ROI retailers are getting. As can be seen from Figure 11, our survey respondents did not have a strong preference for either an app or browser for mobile shopping. While apps have a slight advantage in speed over browsers (35% to 29%, respectively), those perceived benefits are more than negated by the fact that mobile shoppers view browsers as more convenient (48% to 37%, respectively), most likely because apps require the sometimes cumbersome downloading process. In the final choice shown below—"easier to use on a smartphone"—the percentage difference was fairly negligible.

Our findings echo much of the research being done by consumer research companies like Nielsen and technology companies such as Google. If anything, in fact, mobile apps fare worse in these surveys. A February 2013 Nielsen Mobile Consumer Report, for example, stated that mobile browsers were 20% more popular than apps. It also found that during the 2012 holiday season, retailer mobile sites were twice as popular as apps. A Google survey from April 2013 found that 65% of US smartphone shoppers preferred to use a mobile browser, to just 35% for a mobile app.[3]

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3   http://mobithinking.com/mobile-marketing-tools/latest-mobile-stats/e#smartphoneactivities

Part of the issue for apps is structural. It makes far more sense for mobile shoppers researching a purchase to read reviews on a third-party website and then go to those retailers' mobile sites, rather than opening a consecutive series of apps from different retailers. Yet, ever since Apple introduced the App Store in 2008, there has been a market for elegantly designed apps, and that goes for mobile apps as well. When retailers' mobile apps provide a more customized, intuitive, and immediate experience than their equivalent mobile browser—whether it's providing more loyalty points or updating traffic patterns on popular street routes to the physical store—the percentages likely will start skewing more toward mobile apps.

Globally, penetration of mobile-Internet services will reach 54% by year-end 2017 compared with 51% for fixed broadband.

Source: PwC Global Entertainment and Media Outlook, 2013–2017

Figure 11: Mobile browsers are viewed as more convenient than apps

Q: Why do you prefer an app over a mobile browser?

Speed	35%
Convenience	37%
Easier to use on smartphone	28%
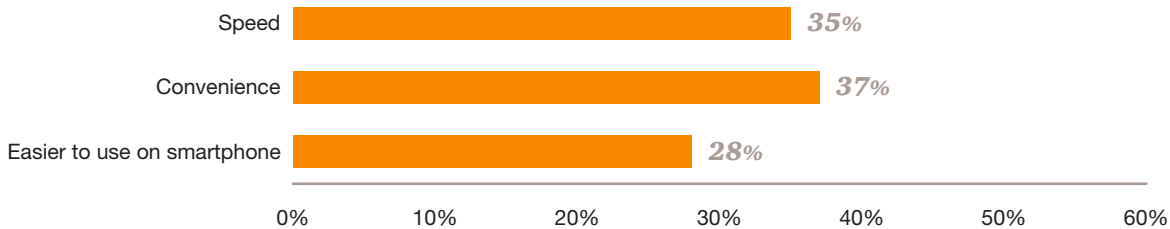
Base: 5,572
Source: PwC Global Total Retail Survey 2013

Q: Why do you prefer a mobile browser over an app?

Speed	29%
Convenience	48%
Easier to use on smartphone	23%
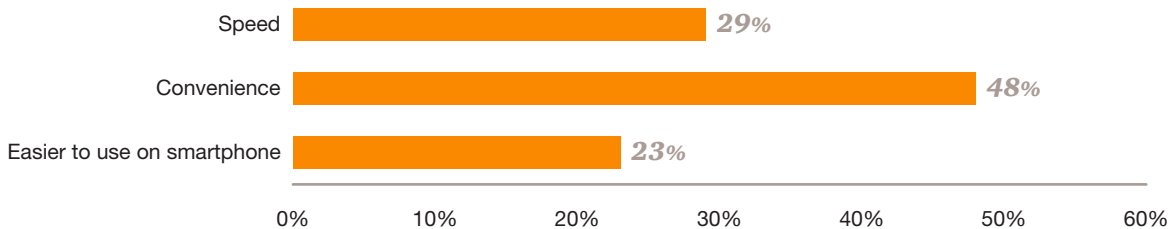
Base: 5,604
Source: PwC Global Total Retail Survey 2013

For those in our survey who identified themselves as mobile phone shoppers, 89% compared prices on their devices, and 91% researched products.

Business model implication: *If the business can afford it, ramp up apps to improve the experience but make sure the mobile site is optimized*

Companies still are testing the waters in terms of how much to invest in mobile apps. One refrain we have heard from some clients is that since their mobile web presence is doing the job, they don't have a major incentive to build out mobile apps.

From a business model point of view, the answer is that companies need to invest in both platforms, because they largely appeal to different segments of customers. Brand loyalists deem it worthwhile to download a retailer's app because they are particularly eager for that retailer's content, personalized promotions, speed, and loyalty reward points. Casual shoppers, on the other hand, are unlikely to make the effort to download an app and will shop online with that store only if the store website is optimized for their devices. Shoppers want to know that the size resizes correctly for the screen, the graphics don't break up, it's clear how to purchase and pay, and one can make the transaction quickly and painlessly. In a sense, one could say that the mobile site is more about acquiring new and casual customers, and the app is more about appealing to loyal online customers.

Most large retailers do offer mobile apps but, precisely because current customer sentiment wavers between apps and the mobile browser, haven't invested as much as they otherwise might. Of course, a lack of investment undermines the various innovations that, in turn, would help drive consumers to the mobile app. So what is the bottom line? Optimizing the website for mobile shopping is the first priority, but make sure the store app is world class as well.

Two-way social media engagement
Modern consumers don't want to just shop—they want to be heard.

Social media and its effect on society is a subject about which everyone seems to have an opinion, even those who never post on Facebook or get around to tweeting their reaction to the current news stories. With social engagement now a cultural preoccupation in many countries, global consumers simply expect their favorite retailers to be active online, ready to interact at any hour.

The thrill of discovery

This situation might seem a daunting prospect to retailers, but it's actually an enormous opportunity. Social media enables companies to create meaningful, connected experiences for both long-time and—even more important —would-be customers. For example, 59% of our global sample told us that they discovered a brand on social media in which they subsequently developed an interest (for our survey, we identified "brands" as manufacturers, in order to differentiate them from retailers in some specific questions).

The fact is, consumer packaged goods companies, generally, are a little further along on the continuum than retailers when it comes to social media engagement. They particularly are good at engaging consumers in ways not necessarily limited to specific products or services. Red Bull's extreme sports videos on YouTube are a classic example of a brand using an experience to market its products. Another example

is Miller Lite's sponsorship of NASCAR driver Brad Keselowski, whose Twitter activity famously included an in-race tweet when a competition was briefly halted.[4] But retailers, too, can engage in this manner. Even century-old retail brands can be new brands to someone, and those discoveries drive business in the form of increased brand awareness, preference, and loyalty.

Figure 12: Electronics and apparel top social media shopping categories

Q: Have you researched, browsed, or bought products using social media in any of the following product categories? Select all that apply.

Category	%
Consumer electronics and computers	55%
Clothing and footwear	54%
Books, music, movies and video games	48%
Household appliances	35%
Health and beauty (cosmetics)	32%
Jewelry/watches	25%
Toys	24%
Furniture and homeware	21%
Grocery	19%
Sports equipment/outdoor	17%
Do-it-yourself/home improvement	17%
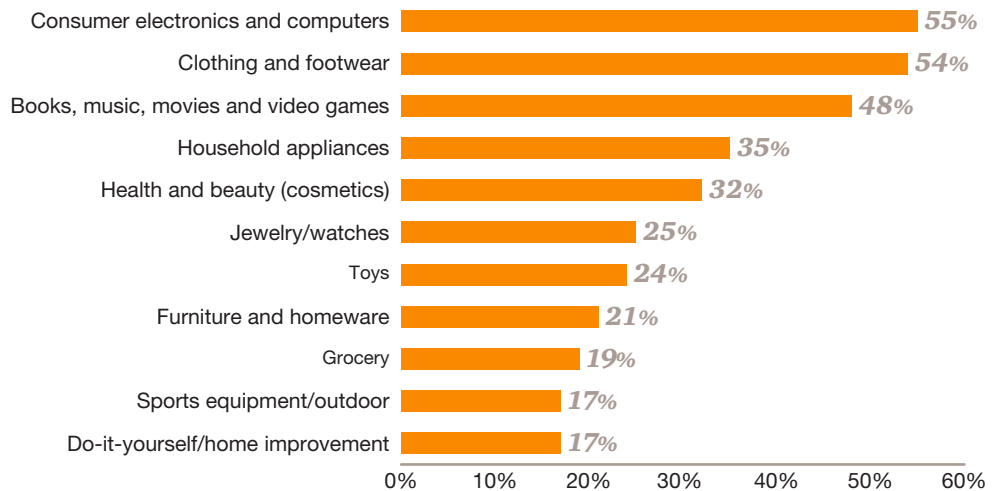
Base: 9,476
Source: PwC Global Total Retail Survey 2013

Instead of simply doing the minimum when it comes to social media, retailers need to invest where they can make the truest customer engagement.

In terms of engagement with retailers and brands, social media has arrived

This year's survey data illustrates just how engaged our global survey sample is with their favorite brands and retailers via social media. Out of more than 15,000 global online shoppers, 59% said they followed favorite brands or retailers via social media. When it comes to interacting with those retailers or brands, 51% said they did this. Some of those interactions likely were comments about an experience with a product or brand, as 56% of our global sample said they provided such comments. And social media even seems to have gotten traction as a transactional "storefront" of sorts, as 48% of our global sample said they bought products via social media, which is an extraordinary change from our last survey, when just 12% said they purchased products via social media.

But customers can purchase their products in any number of ways; the purchasing aspect of social media really is beside the point. The real point is that enthusiasm for social media is driving consumers to engage, comment, and even effect change at retailers and brands. When we asked our survey participants what attracted them to a particular brand's website, 15% wanted to provide feedback on an experience with the brand, up from the 11% who answered similarly in our last survey. So while most companies have entered the social media arena, they will discover that launching Facebook pages, opening Twitter accounts, or building a YouTube presence won't be enough to meet this consumer expectation. Companies must think about their investments in social media as a journey toward increasing internal capability and true consumer engagement.

Business model implication: Most retailers need to reverse their organizational approach to social media

Despite the growing degree of engagement with retailers and brands that we document in this survey, we believe that retailers, so far, are doing much too little to take advantage. The typical retail social media strategy today, not surprisingly, actually mirrors the traditional marketing strategy: broadcast a new product through social media channels, send out promotions and coupons, gather data on the relative success of the product launch, and then, last, listen to—and address—individual customer comments and complaints.

We think retailers should be taking these actions in the reverse order. Really using the power of social media involves listening to customers commenting on similar brands and products; transforming portions of that commentary into actionable data; using that data to spark product ideas; reaching out to customers via social media to see what they think of those ideas; and, finally, "broadcasting out" that new product selection. That's the end state. To get there, a retailer's social media plan should, broadly:

- Support brand objectives but at a realistic level of investment to which management can fully commit. In other words, the entire marketing team can't become the social media team; that's an over investment.

- Engage consumers with one, centralized brand voice. At some companies, both retailers and CPG companies alike, social media management still is done through multiple, location-based channels.

- Specify which employees in the organization will participate in the online conversation on behalf of the brand, and then train them in the centralized brand voice.

- Decide what kind of premium the company will put on responding to both positive and negative comments. Some retailers engage third parties to track, monitor, and even respond to social media comments from a carefully crafted, approved menu of responses.

"Brands" act like retailers, and we'll treat them that way

The "last mile" is moving out of the store, and that's where manufacturing brands are making their pitch.

From our data, it's clear that, in the span of one year, the gray area of overlap between manufacturers and retailers has virtually been extinguished. When it comes to actually making a purchase, consumers make few distinctions between manufacturers and retailers.
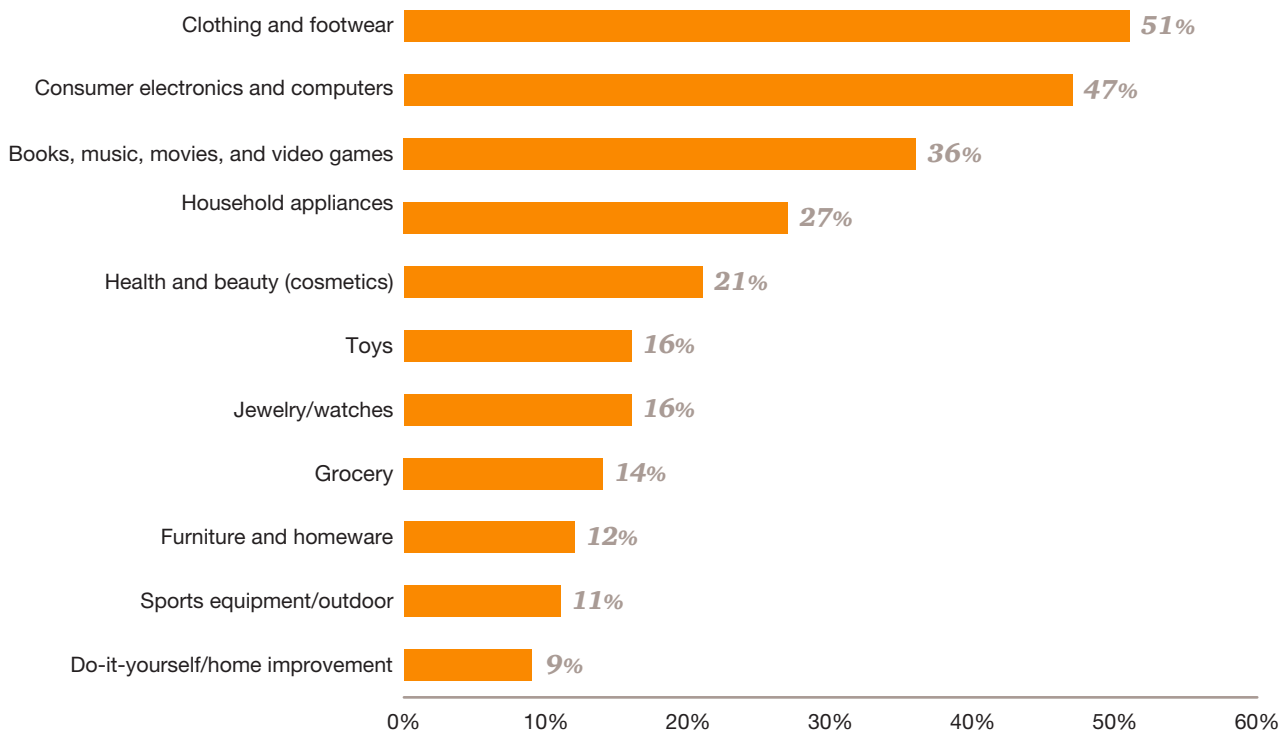
Direct-to-consumer comes of age

When we asked direct-to-consumer questions in this year's survey, we explained in our questionnaire that manufacturing companies "are increasingly offering products directly to consumers, bypassing retailers," so we could be confident that our survey respondents understood the context of our questions. With this background, just 22% of our total global sample told us that they didn't shop directly from manufacturers. As one country example, last year, 52% of our US survey sample said they made purchases directly from manufacturing brands, while in this survey, 70% of US participants said they did so.

Figure 13: Shoppers increasingly are willing to bypass retailers

Q: Please indicate if you have bought directly from the manufacturer online in each product category. Select all that apply.

Category	%
Clothing and footwear	51%
Consumer electronics and computers	47%
Books, music, movies, and video games	36%
Household appliances	27%
Health and beauty (cosmetics)	21%
Toys	16%
Jewelry/watches	16%
Grocery	14%
Furniture and homeware	12%
Sports equipment/outdoor	11%
Do-it-yourself/home improvement	9%

Base: 15,079
Source: PwC Global Total Retail Survey 2013

The reasons our survey participants gave for shopping at brand websites ran the gamut.[5] Fifty percent noted the lower prices, 37% said there was more choice, and 29% chose "good stock availability." A couple of worrisome data points for retailers suggest that some of these direct-to-consumer shoppers did so for intangible, brand-related reasons, with 12% saying "the brand has everything I need" and 11% selecting "love of brand/loyalty." Why is this worrisome? Because brand is where manufacturers tend to hold an intrinsic advantage over retailers; after all, the items being shopped for generally are associated with the brands that produce them. If an excellent online shopping customer experience can be developed by manufacturers, retailers potentially face relegation to permanent second-class status.

Business model implications: While direct-to-consumer is a threat to Total Retail, extending a hand to consumer packaged goods companies may be the smartest move
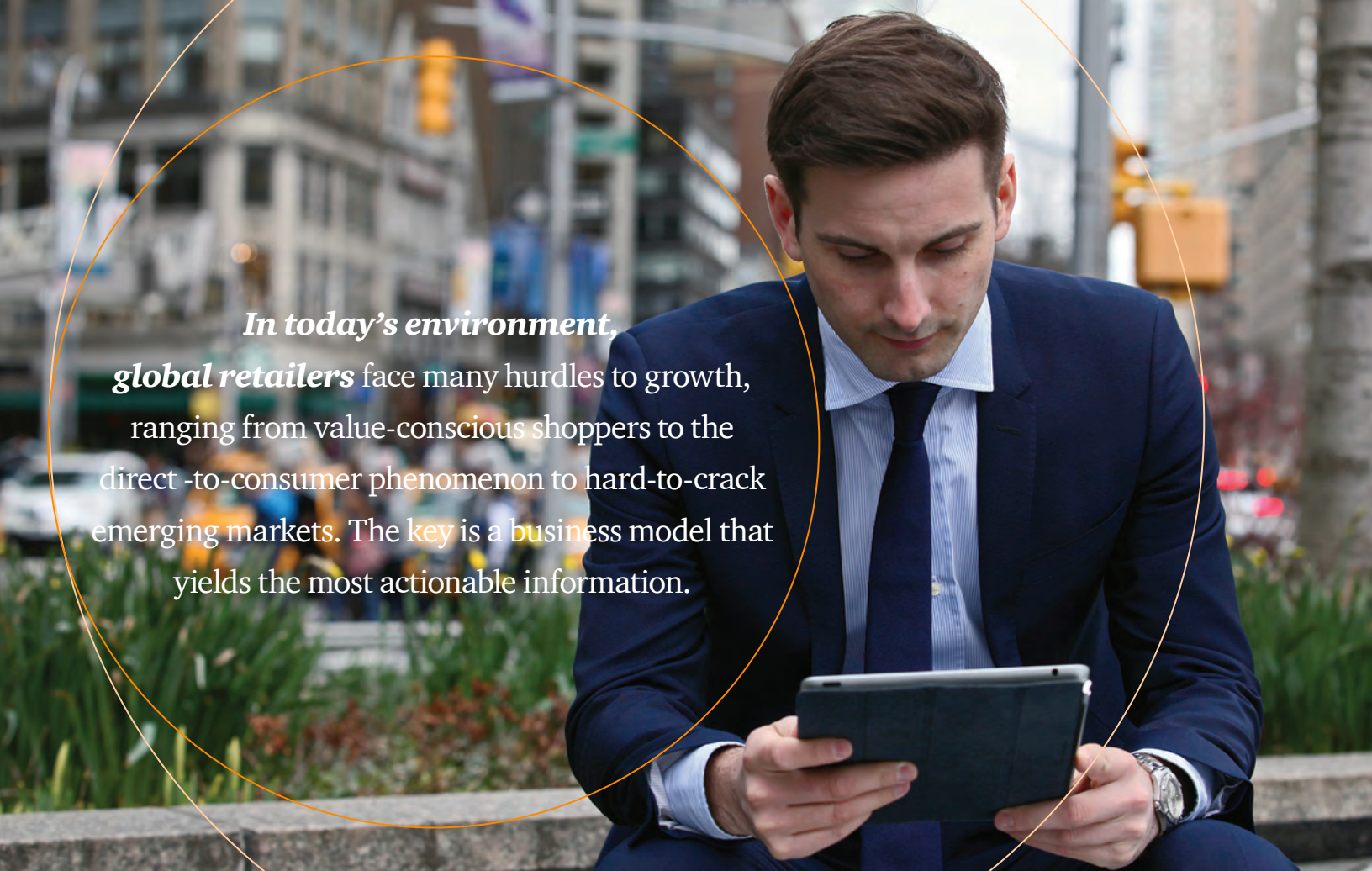
Retailers are not standing still as brands pursue transactional platforms to sell directly to consumers. They continue to pursue their own private label brands. In addition, retailers are also partnering with manufacturers to share consumer insights and collaborate on category management in order to enlarge the pie and drive more success for both.

In fact, our data contain indications that this approach may be working in some product categories. The most popular product category in our survey for buying directly from brand websites, for example, is clothing and footwear, at 51%. Since this is one of the most challenging product sectors for retailers when it comes to managing returns and inventory, it might make sense for brands to get more involved in selling these products directly. In a way, the brands would be doing retailers a favor by mitigating some of the retailers' supply chain logistics issues. High-fashion items, for example, are notorious for customer returns.

Another factor to consider for retailers, however, is that manufacturers are not always keen to bypass retailers. After all, retailers are a manufacturer's main customers, and when sales from a retailer are high enough, many manufacturers would not risk upsetting this relationship for an uncertain foothold in direct-to-consumer. With a more fragmented retail landscape, it is a different ball game altogether. Hence, brand manufacturers tend to adapt their direct-to-consumer strategy by product category, geographic region, and market position.

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5   Survey respondents could choose as many of the 11 reasons as they wanted.

Final thoughts on the next retail business model

In today's environment, global retailers face many hurdles to growth, ranging from value-conscious shoppers to the direct -to-consumer phenomenon to hard-to-crack emerging markets. The key is a business model that yields the most actionable information.

In PwC's 17th Annual Global CEO Survey, 91% of retail CEOs said they were "concerned" about shifts in consumer behaviors, with 28% saying they were "extremely concerned."

In addition, 80% of retail CEOs said technological advancement was the global trend that would transform their business most over the next five years.

So the recognition of a changing world—and the need to understand how technology affects consumers—is there. The question is whether, in response, retailers have the institutional know-how and willingness to be able to create the next retail business model. For example, in a study published in November 2013, it's clear that most retailers still are under investing in areas they already know represent the future of their business.[6] According to the survey, 50% of retailers said they were not spending enough on web and mobile, while 45% admitted that they also were underspending on business intelligence and analytics.

Why is this? Part of the answer certainly resides in a business model that currently is not aligned with increasingly sophisticated and demanding customers. While we have touched on many aspects of how the retail business needs to be changed, perhaps the changes are best understood in terms of an evolution. Retailers, and for that matter consumer packaged goods companies, have long focused their business model innovations on

process and efficiency such as incremental improvements in procurement or reductions in the cost of overhead. But to succeed today, small innovations and supply chain improvements cannot differentiate a retailer. The retail business model needs to be grounded in the right front-office and back-office technologies: It needs a structure for organizational change and performance measurement and a supply chain that, real time, reflects what customers want and where and when they want it. Last but not least, the model requires a mechanism for getting the most out of the vast ocean of customer analytics that only is going to grow larger every day.

The four building blocks of the next retail business model: organizational change, integrated technology platforms, customer analytics, and supply chain optimization.

6   "The New Cost Structure of Retail IT," Q4 2013, EKN
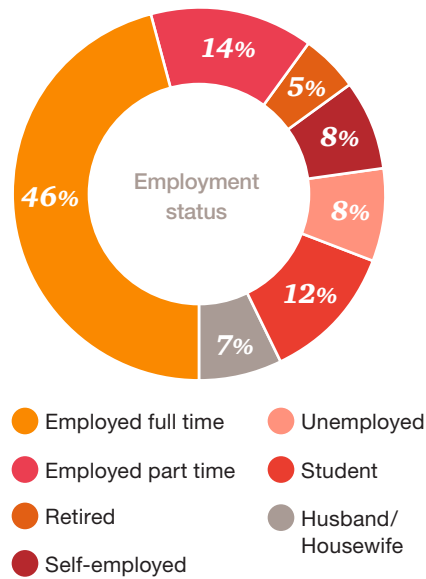
Survey methodology

PwC administered a global survey to understand and compare consumer shopping behaviors and the use of different retail channels across 15 territories: Brazil, Canada, China and Hong Kong, France, Germany, India, Italy, Middle East, Netherlands, Russia, South Africa, Switzerland, Turkey, UK, and US. PwC conducted 15,080 online interviews during July and August 2013.
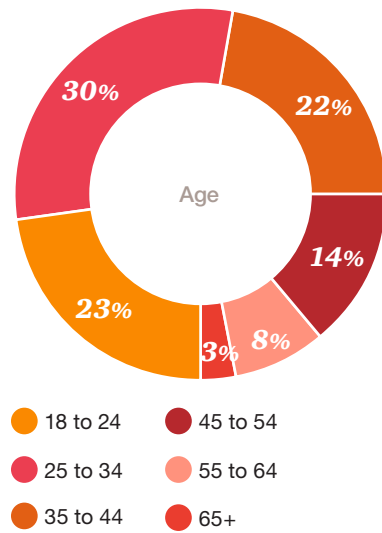
Survey panel demographics

Gender

- 50% Male
- 50% Female

● Male ● Female

Base: 15,080

Employment status

- 46% Employed full time
- 14% Employed part time
- 5% Retired
- 8% Self-employed
- 8% Unemployed
- 12% Student
- 7% Husband/Housewife

● Employed full time   ● Unemployed
● Employed part time   ● Student
● Retired   ● Husband/Housewife
● Self-employed

Base: 14,060

Age

- 30%
- 22%
- 14%
- 8%
- 3%
- 23%

● 18 to 24   ● 45 to 54
● 25 to 34   ● 55 to 64
● 35 to 44   ● 65+
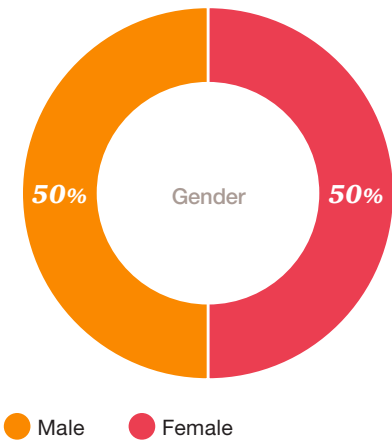
Base: 15,080

Note: Turkey has been excluded from the employment status chart as different employment status categories were presented to Turkish respondents.
Source: PwC Global Total Retail Survey 2013

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