Emerging Trends in Retail

RCC Retail Marketing Conference 2024

CADDLE | RCC RETAIL COUNCIL OF CANADA

Amplify the Voice of Your Consumer

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The AI-Powered Chatbots are marching in and available 24/7...
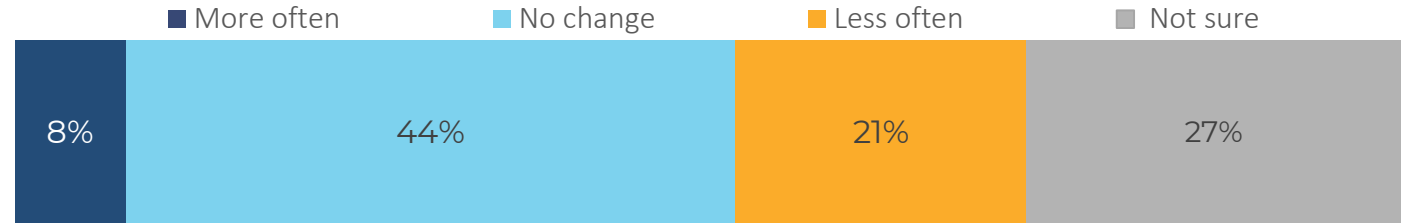# But human interaction often still preferred

49% Half of Canadians have interacted with a chatbot when shopping online or seeking customer support
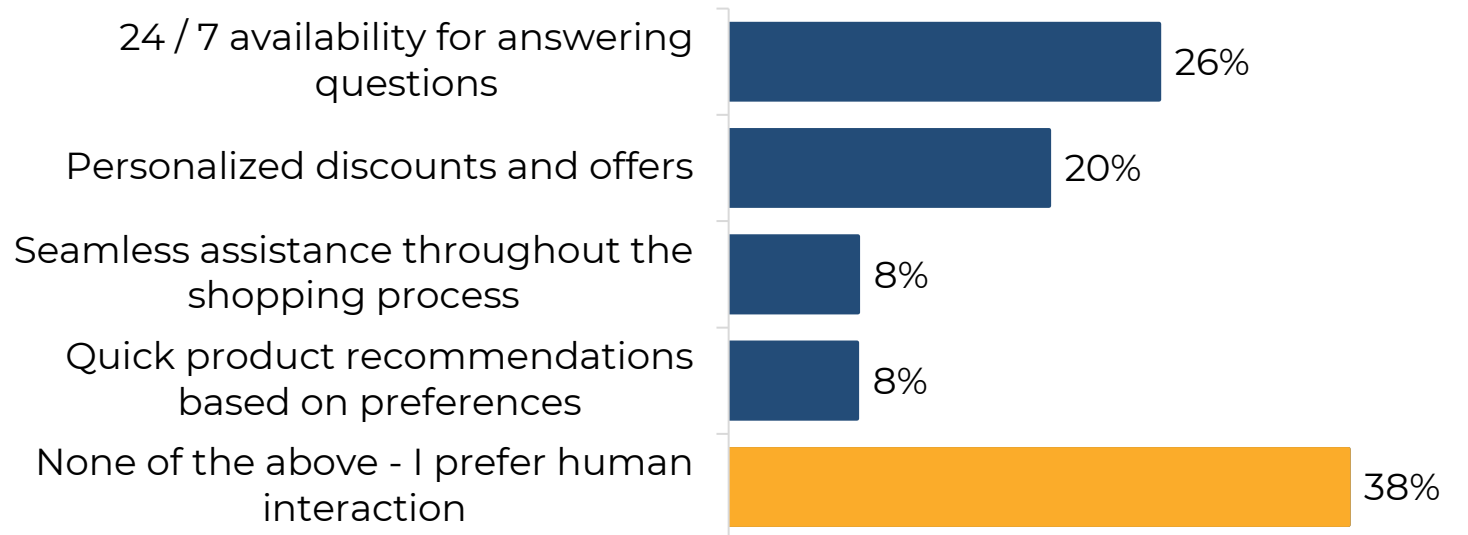
Chatbot availability - Impact on shopping behaviour

■ More often	■ No change	■ Less often	■ Not sure
8%	44%	21%	27%

Just over half are likely to use a personalized chatbot to find products

22% Highly
30% Somewhat

Chatbot benefits

Benefit	%
24 / 7 availability for answering questions	26%
Personalized discounts and offers	20%
Seamless assistance throughout the shopping process	8%
Quick product recommendations based on preferences	8%
None of the above - I prefer human interaction	38%

Brand Loyalty
Drives product discovery, but is often only skin-deep

Favourite Brands Make Canadians....

Trust the brand to deliver *high quality products, consistently* (40%), and make them *enjoy the exclusive rewards and perks offered by the brand* (36%).
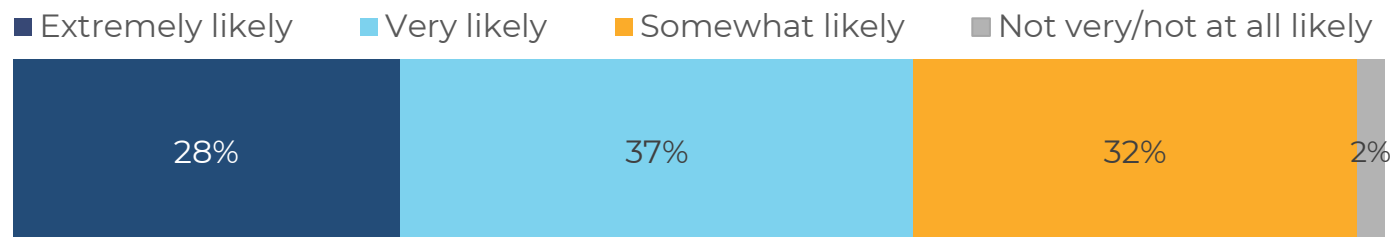
Identifying with brand's *values/mission* (8%), *convenience* (8%) and *product innovation* (8%) are far less important.
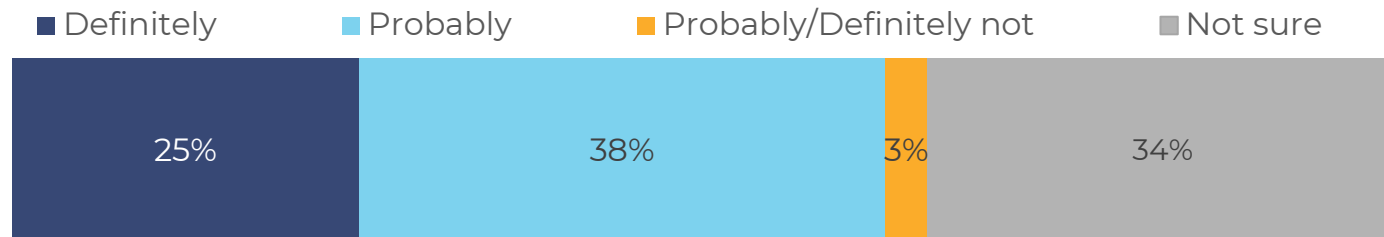
At the same time, loyalty is most influenced by

Competitive pricing

How likely are you to try a new product from a brand you are loyal to?

■ Extremely likely   ■ Very likely   ■ Somewhat likely   ■ Not very/not at all likely

| 28% | 37% | 32% | 2% |

Would you stop being loyal to a brand if a competitor offered a similar product with better rewards or pricing?

■ Definitely   ■ Probably   ■ Probably/Definitely not   ■ Not sure

| 25% | 38% | 3% | 34% |

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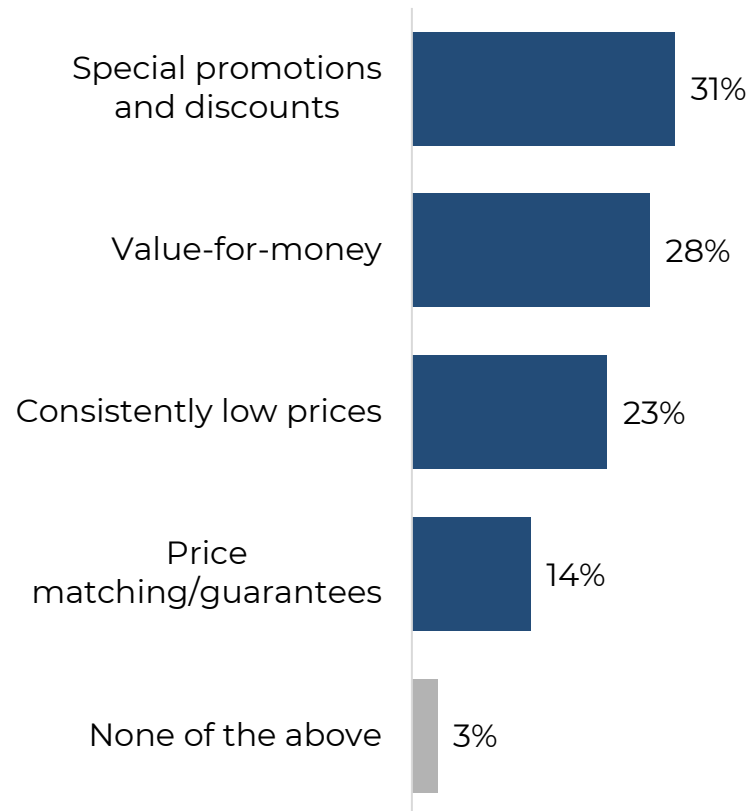# Value-first messaging is important in decision-making

61%

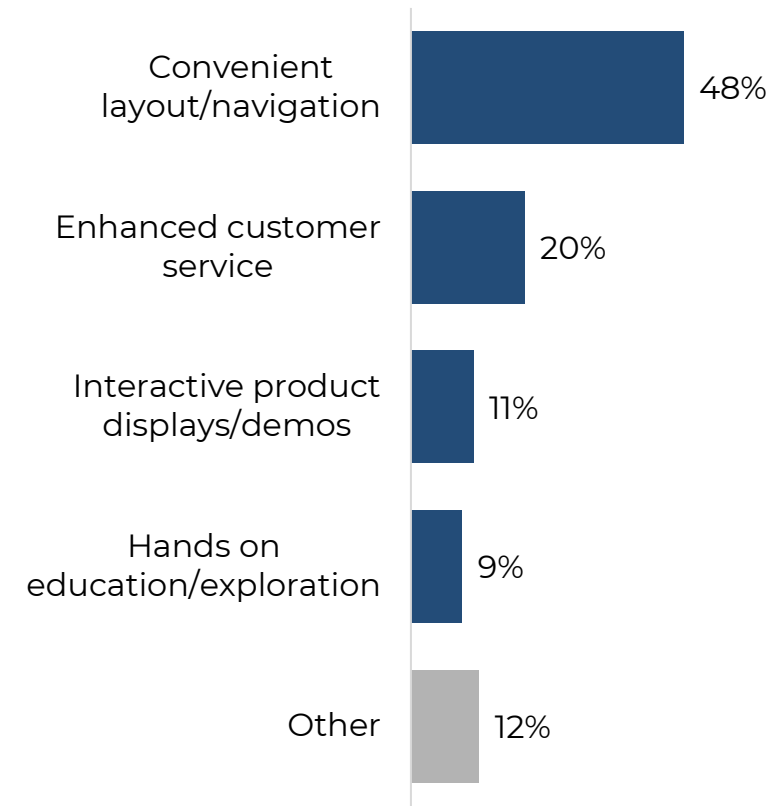Messages about **value** are most likely to influence decision to shop at retailer

Messages about quality, innovation, retailer assortment, in-store experience; all chosen by 10% or less

Most important aspect in values messaging

Special promotions and discounts	31%
Value-for-money	28%
Consistently low prices	23%
Price matching/guarantees	14%
None of the above	3%

Most-valued in-store experience

Convenient layout/navigation	48%
Enhanced customer service	20%
Interactive product displays/demos	11%
Hands on education/exploration	9%
Other	12%

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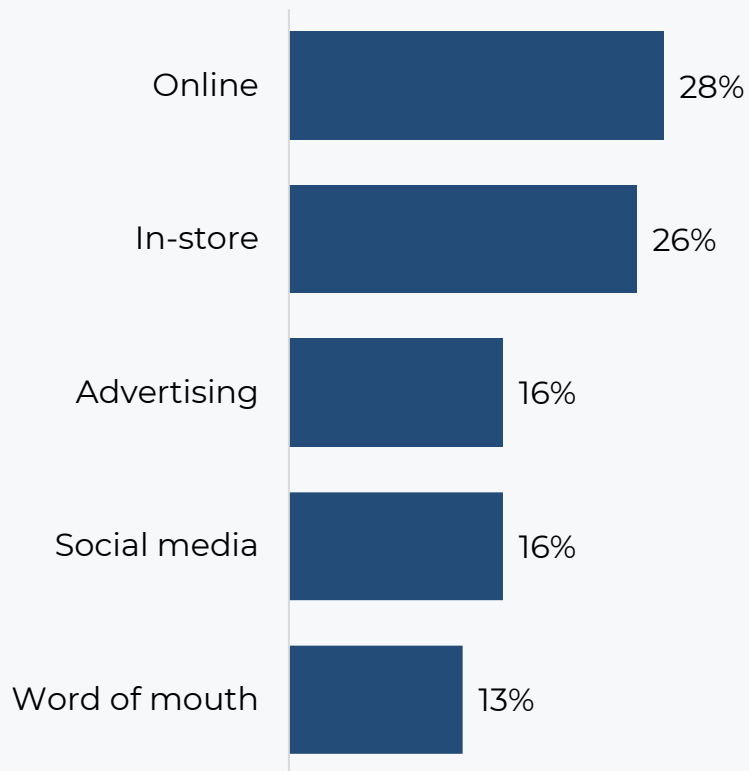
Product Discovery + Research mostly happen online

Discovery

Where do you most often discover new products?

Online	28%
In-store	26%
Advertising	16%
Social media	16%
Word of mouth	13%

Research

Where do you typically learn more about a product after discovering it?

Online reviews	30%
Online descriptions	27%
Social media	16%
In store	13%
No additional research	14%
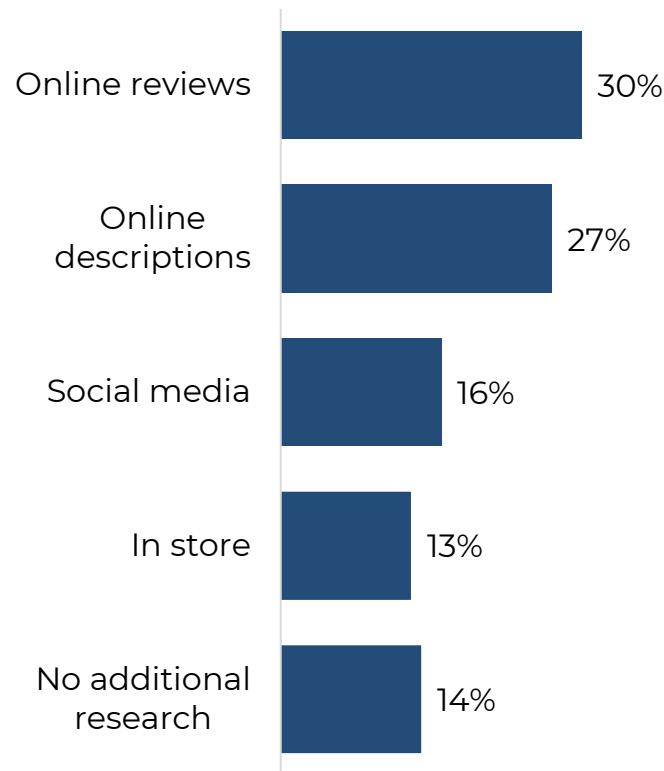
Decision

Which part of the shopping experience is most important when deciding where to make a purchase?

Info quality/depth	21%
Customer service	18%
Ease of finding/discovering	15%
Pickup/delivery options	13%
Ratings + reviews	12%
Convenient payment	10%
Other	11%

Satisfaction with availability of cultural products in Canadian Retail is quite high

54%

of immigrants feel Canadian retailers represent cultural products from their heritage

65% among those who immigrated in the past 5 years
51% among those who immigrated more than 5 years ago

Food and beverages, and holiday/festival-specific items are the most under-represented items in the Canadian retail landscape

Legend: ■ Very satisfied ■ Somewhat satisfied ■ Neutral ■ Somewhat dissatisfied ■ Very dissatisfied

	Very satisfied	Somewhat satisfied	Neutral	Somewhat dissatisfied	Very dissatisfied
All	26%	29%	38%	6%	2%
Immigrated within past 5 years	38%	32%	24%	5%	1%
Immigrated more than 5 years ago	23%	28%	41%	6%	2%

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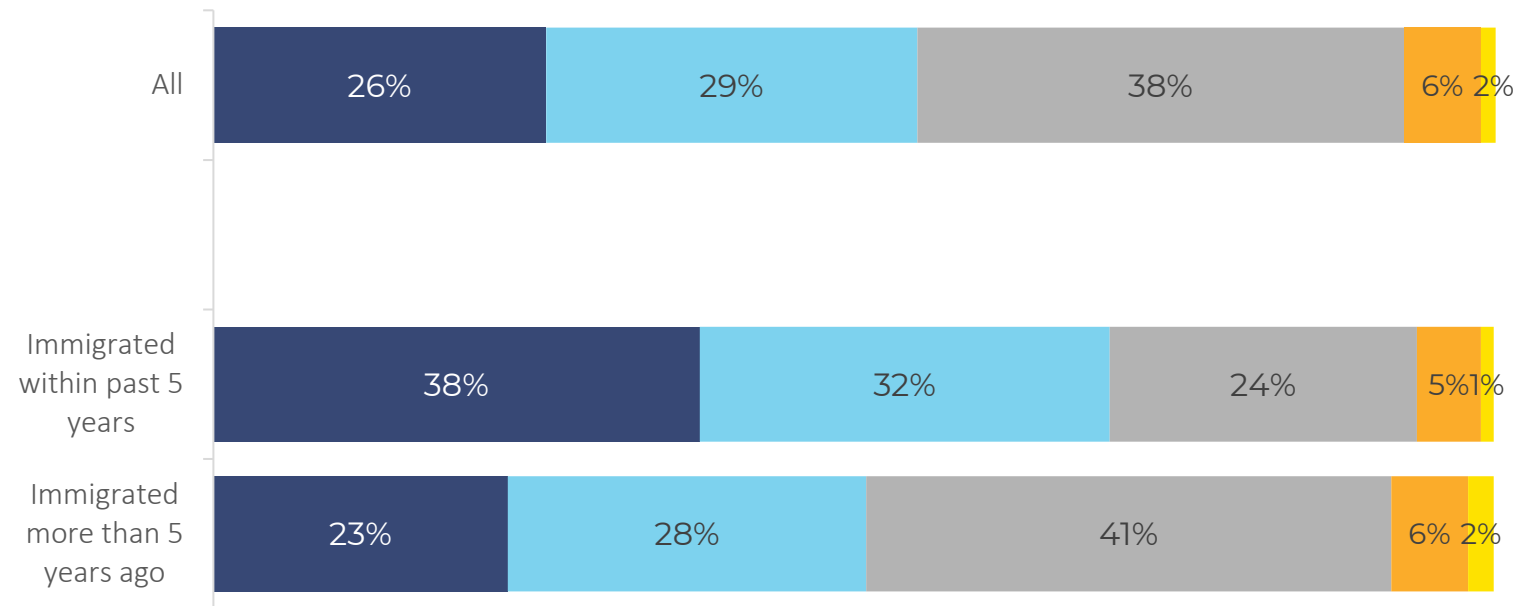
Digital Product Tags with Ratings & Reviews: Trusted by over a quarter of consumers for authenticity and influence
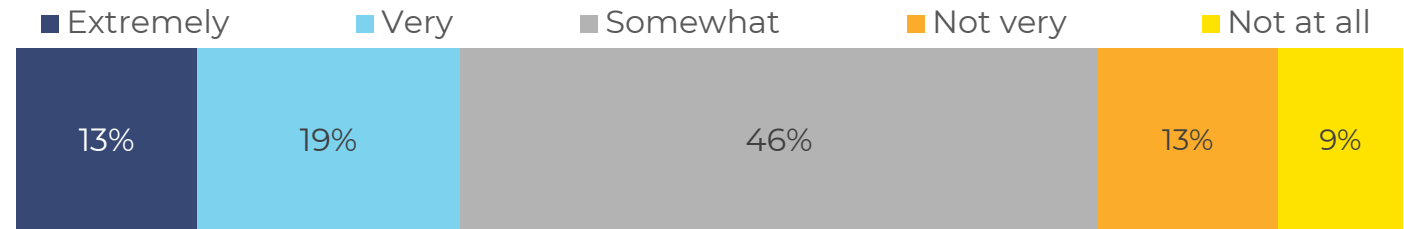
29% Three in ten have seen the new digital product shelf tags

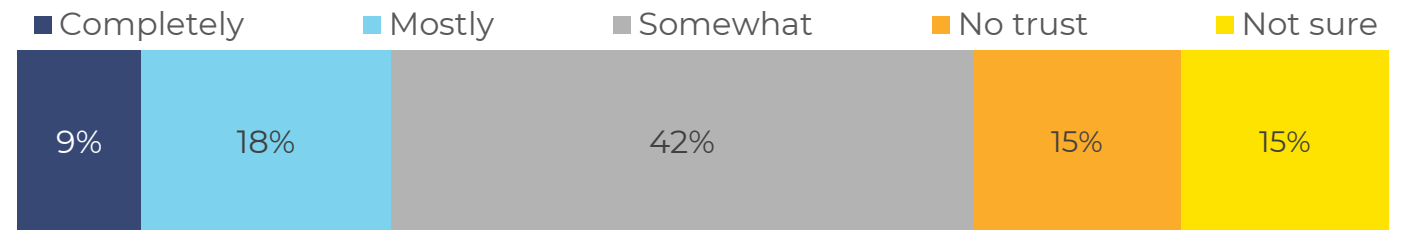Three in ten say they would be more likely to shop at a retail store with **reviews** on the tags

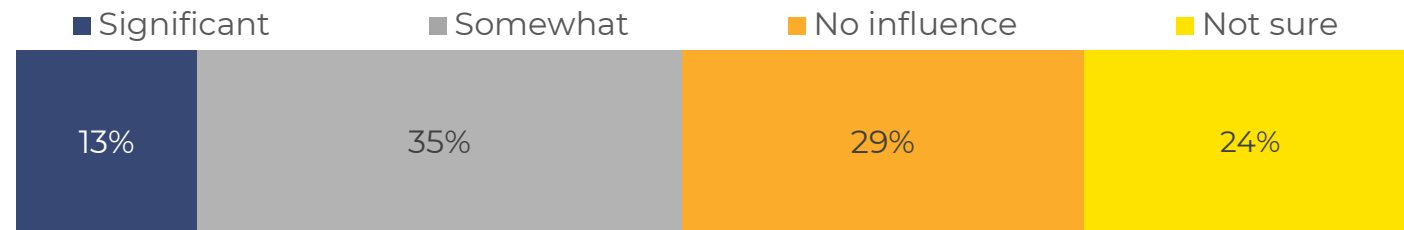**10% Much more likely**
19% Somewhat more likely
(61% neutral)

Helpfulness in purchase decision

■ Extremely ■ Very ■ Somewhat ■ Not very ■ Not at all

| 13% | 19% | 46% | 13% | 9% |

Trust in review authenticity

■ Completely ■ Mostly ■ Somewhat ■ No trust ■ Not sure

| 9% | 18% | 42% | 15% | 15% |

Influence on purchase decision

■ Significant ■ Somewhat ■ No influence ■ Not sure

| 13% | 35% | 29% | 24% |

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Consumers are open to Innovative Retail Technology

Feelings on digital price tags that can be updated in real time

■ Very positive ■ Somewhat positive ■ Neutral ■ Somewhat negative ■ Very negative

22%	28%	34%	9%	6%

Opinion on integration of AI tech (smart shelves, digital strips, inventory tracking) in grocery stores

■ Strongly support ■ Somewhat support ■ Neutral ■ Somewhat oppose ■ Strongly oppose

17%	28%	35%	10%	9%

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Ditching the Check-out:
Cashier-less payment systems are seen as the convenient new frontier

Familiarity

- Very familiar — 17%
- Somewhat familiar — 20%
- Heard of it - not familiar — 34%
- Not familiar at all — 30%

Convenience

- Very convenient — 20%
- Somewhat convenient — 25%
- Neutral — 35%
- Not very convenient — 9%
- Not convenient at all — 11%

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