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## **New study from Capgemini reveals growing importance of health, sustainability and other rising customer expectations amid shifting environment**

*Consumers dissatisfied with the shopping experience: Businesses must address rapidly changing consumer preferences and buying behaviour*

Paris, 25<sup>th</sup> September 2007 – The vast majority of consumers are dissatisfied with their shopping environment, according to a major new study from Capgemini titled “Future Consumer: How Shopper Needs and Behaviour Will Impact Tomorrow’s Value Chain.” In some areas (purchasing perishable goods), over 90% of those surveyed clearly indicated that their shopping environments need to change and in the best case (purchasing books and music), this figure is still over 80%. Retailers and consumer product manufacturers need to better understand consumer expectations and must address key issues such as health, wellness and affordable sustainability. They must also take into account major trends such as the increasing use of the online channel and the growing demand for onsite services to better address consumers’ needs.

The “Future Consumer” study investigates key themes identified by consumers such as health and wellness, sustainability, new technologies, consumer dialogue with retailers and consumer products manufacturers, personalisation, the online channel and home delivery. Capgemini surveyed more than 2,000 consumers in four countries (UK, France, the Netherlands, and the United States).

*“Our research shows that consumers today are in a better position to buy where and how they want. Their position will only strengthen over time. Retailers and consumer products manufacturers must get ahead of evolving demands by establishing a two-way dialogue with consumers,”* said Brian Girouard, global head of Capgemini’s Consumer Products and Retail Practice. *“Companies must address health and wellness concerns and approach sustainability in a serious manner without raising prices significantly. There is a need for increased transparency, particularly of personal information management, and for businesses to offer innovative services and extend the value chain.”*

A number of key themes emerged from the report:

### **Consumers expect a better shopping experience**

Between 80% and 90% of consumers (depending on the product category) are not satisfied with stores (both brick-and-mortar and online). Most mentioned shopper concerns related to things like product issues (quality, availability), accessibility and navigation, packaging and information labelling (for example, in relation to health and wellness) as well as price perception.

### **Health and sustainability at the top of the list**

85% of consumers named health as their most important concern over the coming years. Sustainability was also rated by many as extremely important to future buying decisions. The most important factors were energy and water usage (87%), waste reduction and management (85%) and sustainable manufacturing features (84%). However, consumers showed little willingness to pay extra for products that supported sustainability.

### **Online shopping channel is now in the mainstream**

Although the physical channel is still the preference for most shoppers, particularly for food, the online channel is of increasing importance. 38% of those surveyed expect to buy most or all of their books and music online within the next five years. Interestingly the number of shoppers buying online is not limited to the younger age group – the numbers are similar for all age brackets ranging from 18 to over 50 years old.

### **Consumers aware of new shopping technologies**

Consumers are familiar with a range of new purchasing technologies but there is a large difference between the most and least well known, from web ordering (89%) to ordering through television (14%). Consumers in the over 50 bracket were less likely to have heard of these technologies; for instance, 54% of over 50s were aware of mobile alerts compared to 73% of the 18-34 age group. Despite the high level of awareness, a smaller percentage anticipated using these emerging buying technologies in the future.

### **Consumers wary of sharing certain kinds of information**

Although half of the respondents were willing to share information on their lifestyle and buying habits, only 36% were willing to share contact information. Shoppers were overwhelmingly in favour of getting something in return for sharing this information, most notably special promotions (79%).

### **Faster and more innovative delivery increasingly important**

The research makes it clear that consumers are no longer willing to act as the picking and delivery agent for their shopping needs in the future. Preferences ranged from two-thirds wanting home delivery for perishable food to over 80% for books and music. The findings highlight a need for evolving business models; while the

bulk of shoppers want their online orders delivered, 20% said they would like a local pick-up model, particularly for perishable goods and DIY (Do-It-Yourself) products.

*“Addressing the challenges associated with changing consumer behaviour is not possible in a single step. This must be through a process of evolution – and one that requires both a real change in the way businesses operate and indeed think,”* said Kees Jacobs, principal consultant in Capgemini’s global Manufacturing, Retail and Distribution sector.

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### **About the report**

Capgemini’s “Future Consumer” study picks up on the key themes that originated in “2016: The Future Value Chain,” a report published by the Global Commerce Initiative, Capgemini and Intel in late 2006. The “2016” study described the trends and developments that will impact the consumer products and retail industry over the next 10 years with consumer behaviour being a key driver of these changes. The new “Future Consumer” research tests some of the key consumer hypotheses from the “2016” report, including health and wellness, sustainability, new technologies, consumer dialogue with retailers and consumer products manufacturers, personalisation, the online channel and home delivery

Capgemini surveyed more than 2,000 consumers in four countries (UK, France, the Netherlands and the United States) finding significant commonalities across these groups. The research focused on perishable food and beverages, non-perishable food and beverages, health and personal care, do-it-yourself (DIY), electronics and appliances, fashion and clothing, sporting goods, books and music.

The full report is available on the Capgemini website at:

[http://www.capgemini.com/future\\_consumer/](http://www.capgemini.com/future_consumer/)

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