

Experience Matters Most

How retailers can position their buying experience as a differentiator with consumers.



Executive Summary

Synchrony's Major Purchase Journey Study* for 2021 helps shed light on how consumer decision making is evolving. InnerView partnered with Synchrony on aspects of the study to better understand consumer habits and expectations of the buying experience. Our analysis focused on seven categories of products and services related to home purchase categories.

HOME PURCHASE CATEGORIES



Furniture



Lawn &
Garden



Electronics



Bedding/
Mattresses



Appliances



Home
Improvement



Flooring

We found that four main themes emerged around consumer expectations:



They want to have **confidence** in their purchase



They want the purchase process to be **easy**



They want their purchases **now**



They expect **value**

Based on these themes, our conclusion is simple: experience matters most. Consumers are prioritizing elements of service, simplicity, and ease over criteria such as product variety or personal referrals. Using the insights from the study, we will provide ideas for how retailers in home-related categories can position themselves to deliver on consumer expectations.

Understanding Consumer Decisions

TOP 10 MOST IMPORTANT DECISION FACTORS

WHEN SELECTING A RETAILER
FOR THE MAJOR PURCHASE

- | | | |
|----|---|-----|
| 1 | Stands behind products they sell | 63% |
| 2 | Offers value for the money | 60% |
| 3 | Sales associates are knowledgeable | 58% |
| 4 | Provides a positive shopping experience | 57% |
| 4 | Overall ease of purchase | 57% |
| 6 | Offered free home delivery / installation | 55% |
| 7 | Had the product available | 54% |
| 7 | Offered financing options | 54% |
| 9 | Speed of delivery or installation | 52% |
| 10 | Availability of product insurance | 51% |

*Our conclusion is simple:
Experience matters most.*

Consumers were asked to evaluate 24 different factors (on a scale of 0-10) that might shape the decision of where to make their major purchase. The following chart represents the top 10 most important decision factors according to the respondents (*ranked by percentage of respondents who rated the item as a "9" or a "10" in importance*).

What does this say about how consumers are making their purchase decisions? We identified the following themes we believe are important for retailers and brands to know about their consumers.





1 THEY WANT TO HAVE CONFIDENCE IN THEIR PURCHASE

The average ticket size across the home-centric categories was \$2,584. That is a sizable investment, and consumers want to feel like they made the right purchase for their home. It makes sense that the top factor on the list is finding a retailer who “stands behind the products they sell.” Once consumers spend that kind of money, they expect their purchase to last. Combine this with item #10 on the list, “availability of product insurance/warranties/repair services,” and consumers are looking for peace of mind.

Part of the confidence equation is getting good advice. Consumers rated “sales associates are knowledgeable” as the third-most important factor. These purchases are not made frequently, thus the consumer may be less accustomed to researching and evaluating their options. They typically rely on the sales associate for advice and expertise. In fact, 86% of buyers across these categories said the sales associate they encountered was a factor in what product they ultimately purchased (44% said the sales associate was a major or deciding factor). While online information is readily available, consumers are still looking to retailers for their specialized expertise and ability to understand their needs.

Financial confidence is also critical. “They offered financing options” was tied for seventh on the list. While not all consumers will take advantage of the financing offered through the retailer, they want the ability to consider various payment options to make the best decision for them. For some, financing options will increase their buying power and allow them to buy what they really want.

1	Stands behind products they sell	63%
3	Sales associates are knowledgeable	58%
7	Offered financing options	54%
10	Availability of product insurance	51%

86%

of consumers say the retail salesperson had an impact on their buying decision

Part of the confidence equation is getting good advice. Consumers are still looking to retailers for their specialized expertise and ability to understand their needs.

2



THEY WANT THE ENTIRE PURCHASE PROCESS TO BE EASY

“Overall ease of purchase/amount of effort needed to purchase” (T#4) was tied for the fourth highest-rated factor for consumers. Consumers are making a difficult purchase decision and they don’t want to jump through extra hoops. Retailers who can remove friction in the buying process are going to win favor with consumers. The challenge is there are so many factors that go into the perception of the buying process being “easy” or “hard”. The key takeaway is that all stakeholders involved need to look at all aspects of the consumer’s journey and ask themselves how they can proactively make things smoother for customers (we will cover this in the recommendations section).

Part of making the process easy is ensuring the product can be fulfilled. For major home-category purchases, delivery and/or installation are major considerations. It makes sense that a factor like “offered free home delivery/installation” would be a top-10 expectation.

4

Overall ease of purchase

57%

6

Free home delivery/installation

55%

3



THEY WANT TO ENJOY THEIR PURCHASES NOW

“Had the product available” was tied for the seventh highest-rated factor. This demonstrates that consumer awareness of supply chain challenges is high, and inventory will be top of mind when making their decision.

The second part of this equation is “speed of delivery or installation,” which comes in at ninth on the list of factors. Just as supply chain challenges have left goods in short supply, labor shortages have also been a significant challenge. This has impacted categories throughout the home goods and home improvement sector. Delivery teams and installation crews are overwhelmed with demand and struggling to find staff to keep pace.

It remains to be seen if consumers will continue to be as sensitive to these items if inventory and supply-chain challenges improve.

7

Had the product available

54%

9

Speed of delivery or installation

52%

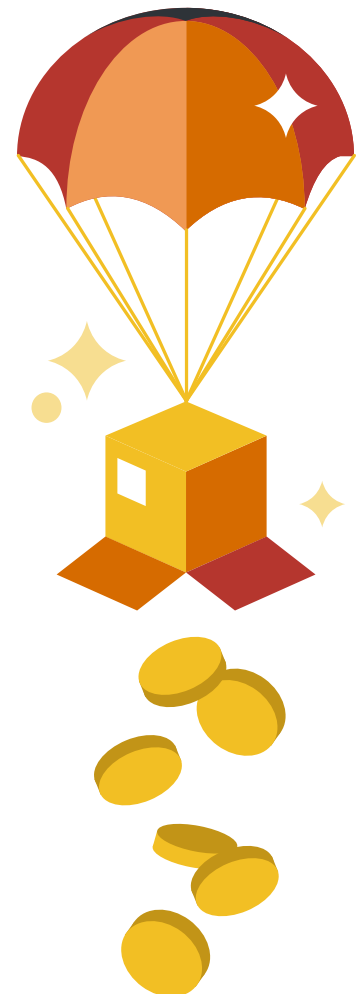
4 THEY EXPECT VALUE

Price will always factor into a consumer's buying decision. "Offers good value for the money" came in as the second highest-rated factor consumers would consider in choosing a retailer. The word "value" needs to be looked at the same way as the word "easy." There are so many considerations that go into an individual buyer's perception of value. It is not something that can be delivered on its own; there are dependencies. When you consider the other nine items that make up the top 10 factors, you can see how each of these can play into a consumer's calculation of value. Will they pay more if they can get it faster? Will they expect a lower price if a retailer isn't offering special financing terms? All factors on the list present an opportunity to meet customer needs and to build the perceived value of their purchase.

Another factor that speaks to value consciousness is "they offered free home delivery/installation." This factor is making its second appearance, mostly because it includes the word "free." This is an indicator that consumers perceive delivery and installation as basic expectations of the purchase. If retailers do not offer free delivery or installation, they need to carefully position the extra fees.

All factors on the list present an opportunity to meet customer needs and to build the perceived value of their purchase.

2	Offers value for the money	60%
6	Free home delivery/ installation	55%





Recommendations for Retailers

Build around the experience

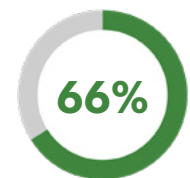
Consumers are now placing more emphasis on the buying process than they are on the products themselves. “Carries a variety of brands to choose from” did not make the top 10 of most important selection factors, coming in at #13 (out of 24) with fewer than 50% of consumers rating this as a high priority. That does not mean that consumers don’t care about the product. However, it does signal that consumers expect to find a wide variety of options and selection is no longer a point of differentiation.

Consumers also see product quality as a given. Consumers were asked a separate question about their satisfaction with the purchase process, and 66% of respondents were highly satisfied with the “quality of the item purchased.” That was the highest satisfaction level out of the 15 criteria they were asked to rate. Much further down the list in terms of buyer satisfaction were items like “finding a salesperson you could trust” (49.7%) and “the in-store sales process” (49.5%).

As consumers shift their perception of value beyond product “selection” and “quality”, there is an opportunity for retailers to shift their focus, too. The following are examples and suggestions of ways retailers can help position themselves to meet the modern consumer’s demands.

Consumers expect to find a wide variety of product options and selection is no longer a point of differentiation.

CONSUMER SATISFACTION WITH...



HIGH

Product quality



COULD IMPROVE

- In-store sales process
- Finding a salesperson they can trust

Reposition Your Value

The retail buying journey isn't just online or in store. It encompasses all touchpoints a consumer has during their purchase journey. Therefore, our recommendations center on strategies that blend both online and offline interaction into a cohesive experience for the consumer.

1

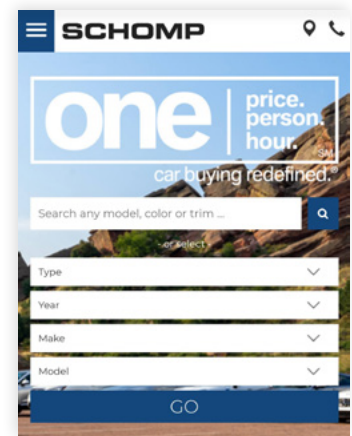
SELL YOUR PROCESS

Most retailers have built both their online and in-store presence around the products they have to offer. As we have outlined, that does not align with consumer needs. Retailers have an opportunity to stand out by positioning themselves as easier to buy from than their competition. This means sharing the specific things they can expect during their purchase process. Will it save them time? Reduce frustration? Help them make a better selection? Maybe a retailer's experience promises all of those, but spelling them out clearly will help consumers understand where you are different.

Brand Example: Schomp Automotive

For an example of “selling the process,” we look outside the home sector to the auto industry. Most would agree that buying a car is stressful, and rarely an enjoyable process. However, Schomp Automotive in Colorado has changed the narrative on car buying. Rather than focusing on vehicles, they position their unique customer experience promise – “One price, one person, one hour.” The process is front and center on their website. They know car buying is frustrating, so they are pledging to be an easier dealership from whom to buy a car. Cars are a commodity, so Schomp Automotive is building their brand around the customer experience. This positions them to deliver value around the factors consumers truly care about.

Schomp did not radically overhaul the concept people have of buying a car. They didn't shift to an e-commerce model. They worked within the traditional dealership model to reframe their value to customers. This is a simple blueprint that retailers of all sizes and industries can use to help attract and win more customers.



Credit: [Schomp Automotive](#)

2

SELL CONSUMERS ON YOUR PEOPLE

As mentioned previously, salespeople play a key role in the consumer decision-making process. If knowledgeable people are a value driver for consumers, they should be a focal point for retailers.

Feature your staff on your website — their experience, their expertise, their personality. Make it easy for prospective buyers to contact your staff prior to visiting a store so they can build a relationship in advance. Feature your staff in the store, alongside product merchandising. Make them part of the story at each step of the process, from the initial conversation through to delivery (and/or installation if applicable).

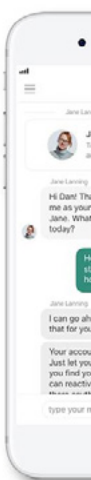
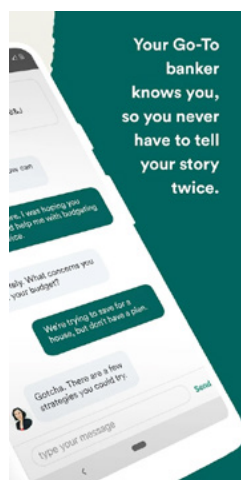
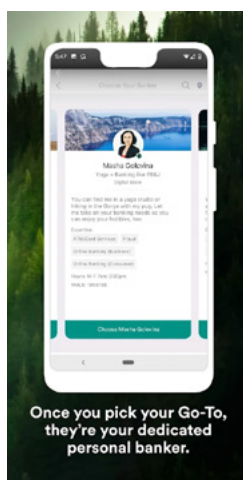
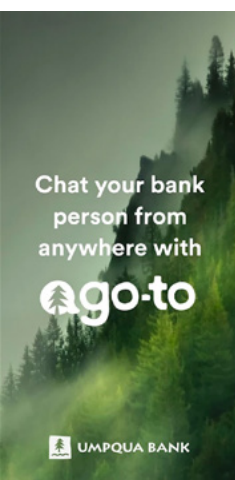
Brand Example: Umpqua Bank

Umpqua Bank out of Portland, OR offers a great example of how to humanize your staff for consumers. They offer a service called Go-To that allows consumers to browse through a list of bankers who are available to provide immediate support or consultation. The consumers can view bankers' profiles, evaluate their expertise, and then select the representative with whom they are most comfortable. By learning about the representatives prior to contacting them the consumers are building up trust, so they feel a greater sense of control in the process.

By building a value story around your employees, you're giving consumers a new way to evaluate your business. Staff turnover can make this strategy a bit tricky, but retailers might find that integrating employees into their value proposition leads to improved employee retention as well.



By building a value story around your employees, you're giving consumers a new way to evaluate your business.



Credit: [Umpqua Bank](#)

3

USE FINANCING AS AN “EXPERIENCE DRIVER”

Discuss payment options early in the buying journey. The earlier a consumer understands their payment options, the better they can plan their budget and the sooner they can start narrowing their buying options. Financing is an opportunity to build buyer confidence and simplify the process.

Across the home-related purchases categories, Synchrony cardholders spent an average of \$1,461* more than non-cardholders. That is nearly double (+95%) the average purchase value of a non-cardholder.

The cardholders are not just spending more, they are also more satisfied with their overall experience. When asked to rate their purchase journey, consumers who took advantage of Synchrony financing showed higher satisfaction across all 15 factors by a wide margin (+12.5% on average across all factors). If spreading payments out over time allows consumers to select higher-end goods, they may be happier with their purchase experience.

Financing options help build consumer confidence, and may lead to larger purchases and produce happier customers. Embedding the financing discussion into the early part of your sales process aligns with the way consumers want to buy.

ADDITIONAL \$\$ SPENT WITH SYNCHRONY FINANCING

versus all other payment types



Appliances
\$681



Bedding/Mattresses
\$2,062



Electronics
\$836



Flooring
\$2,572



Furniture
\$1,082



Home Improvement
\$3,062



AVERAGE UPSELL
\$1,461*

+95%

more spent on average
by **Synchrony** cardholders
than by non-cardholders

+12.5%

more satisfaction by consumers
using **Synchrony** financing in
every aspect of their purchase



*Weighted average

Conclusion

The buying journey for large home-related products and services is unique. They are bigger-ticket investments. They are infrequent purchases. The purchase is rarely made directly from the manufacturer. There are often delivery and/or installation details to work out. It is a complex process.

It is no surprise that consumers are looking to buy from places and brands that make their purchase easier and give them peace of mind in their investment. Product-focused factors like “quality” and “selection” are not driving the consumers’ decisions like they might have in the past.

The ideas and examples we have shared are tangible ways retailers can help improve the experience they deliver and the way they communicate with prospective buyers. This is not an exhaustive list, so retailers should examine their own customer experience to find ways to innovate and align with the needs of the modern consumer.


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Study Notes and Methodology








MAJOR PURCHASE JOURNEY STUDY

Synchrony Major Purchase Journey Study surveyed 3,819 consumers who made purchases of \$500 or more during a 6-month period (late 2020-mid 2021). There were 12 product categories examined through the study. For purposes of this analysis, we focused on seven categories that were concentrated around home décor, entertainment and improvement. Collectively, those categories represented 2,586 respondents, or 68% of survey respondents. Contact Synchrony for more information on the Major Purchase Journey Study.

 **12** → **7**
product categories, decreased to... for the purposes of this analysis

 **2,586**  **6 mos**
consumers who made purchases of \$500 or more period, of purchases made late 2020-mid 2021

TOTAL RESPONDENTS IN EACH PURCHASE CATEGORY

	Appliances 299
	Bedding/Mattresses 484
	Electronics 426
	Flooring 108
	Furniture 879
	Home Improvement 324
	Lawn & Garden 66



+



SYNCHRONY

synchrony.com

INNerview

innerviewgroup.com