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Scan-and-Go Shopping

Customer Perception Report 2022

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Introduction

Retailers have made monumental efforts to protect shoppers, staff and their bottom lines over the past two years. As Covid-19 has persisted beyond all of our expectations, disruption has been inevitable. From **product shortages** to **staff attrition** and **rising costs**, the razor thin margins of retail have been stretched even further as businesses adapt to the new normal.

But times of crises bring creative thinking to the fore, and the industry's embrace of innovation has played an outsized role in keeping stores open, enabling our communities to weather the storm. And to the surprise of many, **advances in tech have brought one retail phenomenon back from the brink: so-called 'scan-and-go' shopping**.

Once feted as the future of in-store shopping, it was only a few years ago that scan-and-go shopping was nearly banished to the garbage heap of history alongside our old 3D TVs and those Google Glasses. Walmart's early foray - and sudden retreat - seemed to suggest it was just another flash in the pan.

Yet today, retailers are clamoring to convert their stores to meet demand for contactless in-store experiences. What's more, advances in barcode and optical character recognition (OCR) scanning technologies mean that even a simple app or webpage can transform every shopper's smartphone into an enterprise-grade scanner.

To fully understand this sea-change in customer perception, this **consumer-focused research** of the US retail market (see methodology below) **uncovers exactly what matters to shoppers today**, and shows why they are striking out alone - smartphone in hand - to Scan-and-go in your store.

Methodology

The survey was fielded in December 2021 and represents a random sample of 1502 US adults 18 years old or more. All genders, ages, geographies, and income levels have been represented. The sample size is statistically significant for a "consumers" population in the United States with a ≤4%margin of error. The results have been compiled from all respondents and unless otherwise specified represent the entire surveyed audience.

Key Takeaways

> Most consumers would switch stores to retailers offering Scan-and-Go

Over three quarters (77%) of US shoppers today would be more willing to start shopping at a store if it offered scan-and-go as an option. This is especially true of younger shoppers. For Generation Z respondents, the figure rises to 87%, with Millennials following closely behind at 82%.

> While Covid-19 has driven demand for Scan-and-Go, it's no fleeting fad

Three quarters of shoppers (76%) said that the coronavirus pandemic was the main reason they started to use scan-and-go shopping. However, of those who have adopted it, almost 8 in 10 (78%) plan to continue using scan-and-go once the pandemic ends.

> Shoppers love Scan-and-Go despite not finding it faster than other options

Almost 1 in 3 shoppers (31%) told us that a faster in-store experience was most important to them, yet rated scan-and-go as neither faster nor slower than other payment options. Nevertheless, 82% rate scan-and-go shopping as 'excellent' or 'very good', with only 2% having a negative opinion.

> Most shoppers today prefer to go it alone and don't value in-store interaction

Over half of respondents (56%) said they rarely or never need assistance while shopping, while over ¼ (27%) rated having greater independence and avoiding interactions in-store as the most important parts of their shopping experience.

> Customers are already using their phones extensively while shopping

4 in 5 shoppers have their mobile device in hand, or close by while shopping. And they're putting them to good use! Respondents told us they already use shopping apps for comparing prices and brands, building shopping lists, reading product reviews and checking if their favorite products are in stock.

> Obstacles to Scan-and-Go remain for some customers, but none are insurmountable

Among shoppers who do not wish to use scan-and-go shopping, the top three issues are general privacy concerns (35%), no desire to download an app (32%), and the inability to purchase certain products (31%). However, retailers can address these issues without rethinking their wider strategies.

Loyalty Lost?

Retailers must respond to demands for contactless shopping, especially from younger demographics.
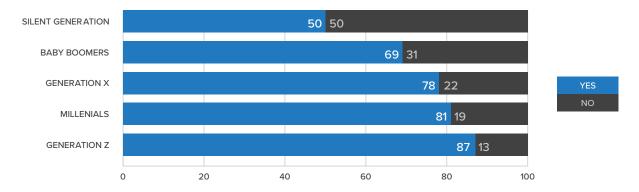
After two years of continuous disruption in almost every aspect of life, customer confidence is at an all-time low. Previous allegiances to particular brands are no longer secure - especially if stores cannot adapt to the new demands of more cautious and health-conscious shoppers.

In fact, McKinsey found that 40% of consumers have already switched brands or retailers as a direct result of the pandemic. This fact is borne out in perhaps the most stark statistic uncovered by our survey, which found that:

77%

Over three quarters of US shoppers today would be more willing to start shopping at a store if it offered Scan-and-Go as an option.

This is especially true of younger shoppers. For Generation Z respondents, the figure rises to 87%, with Millennials following closely behind at 81%.

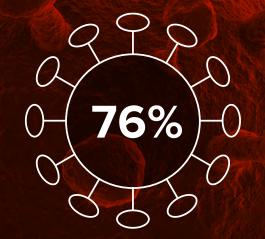|	YES	NO
SILENT GENERATION	50	50
BABY BOOMERS	69	31
GENERATION X	78	22
MILLENIALS	81	19
GENERATION Z	87	13

But the trend doesn't stop here. Even among senior shoppers, the likelihood of switching stores for retailers offering scan-and-go shopping is perhaps surprisingly high. 69% of Baby Boomers and half of Silent Generation respondents told us they would also be willing to shop elsewhere if given the option to scan-and-go.

No Longer a Fleeting Fad

Shoppers Expect to Scan-and-Go Far Beyond Covid-19

It's now clear that many of the supposedly 'temporary' measures put in place for Covid-19 will be with us for the long haul. Of course, we will be able to eventually peel the social distance markers off the floor, and take down the perspex barriers from the checkout once the pandemic subsides.

But research consistently shows that the changes to shopper behavior we've seen since 2020 are here to stay. The meteoric rise in demand of curbside pickup and 'Click and Collect'. The explosion in ecommerce. Our findings now point to the same for scan-and-go shopping.

76%

78%

Three quarters of shoppers said that the coronavirus pandemic was the main reason they started to use scan-and-go.

However, even after the pandemic ends, **almost 8 in 10 shoppers** say that they plan to continue using scan-and-go when shopping in-store.

In a time of uncertainty, shoppers want to take back control

While every retailer has upped their game in terms of in-store cleanliness and by implementing physical barriers, one vital change demanded of many customers is to have their purchases handled by as few hands as possible - including at checkout.

"Scan, pay and go technology...gives consumers more control over the quality of their shopping experience and the opportunity to eradicate common in-store nuisances such as queues and human-error."
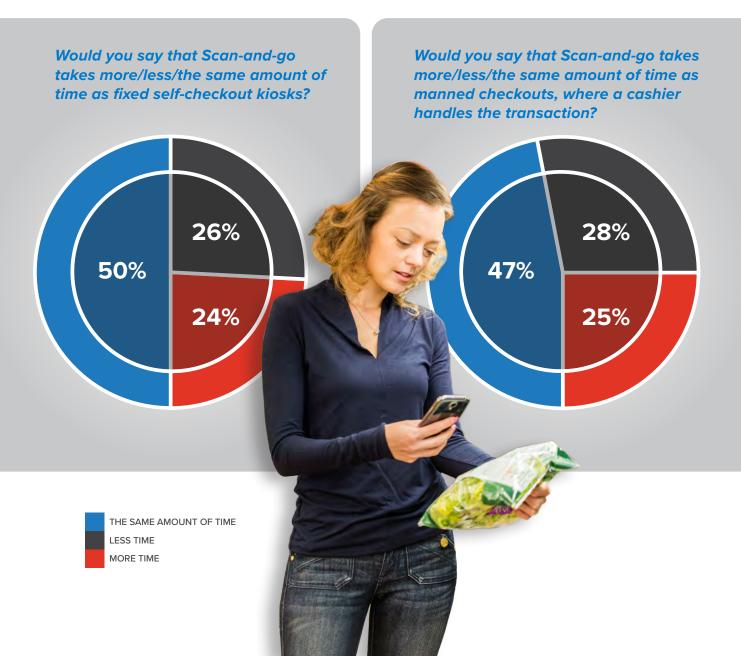
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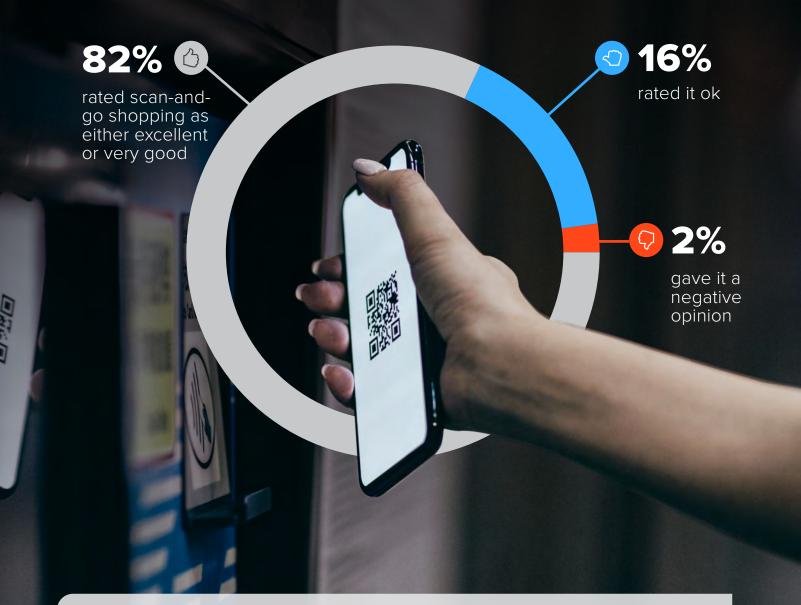
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Quality Time

Customers don't find Scan-and-Go faster, but love it anyway. What gives?

There is a common misconception that grocery shopping has become more efficient for shoppers since the widespread introduction of self-checkout kiosks. But the truth is the opposite. In our recent Ebook, we found that **customers using checkout kiosks take on average 4 minutes longer than using a traditional checkout with a member of staff!**

That's a long time, given the modern consumer's need for speed. In response to our survey, almost 1 in 3 shoppers (31%) told us that a faster in-store experience was most important to them. So how does Scan-and-go fare by comparison? The results surprised even us.

Would you say that Scan-and-go takes more/less/the same amount of time as fixed self-checkout kiosks?

26%

50%

24%

Would you say that Scan-and-go takes more/less/the same amount of time as manned checkouts, where a cashier handles the transaction?

28%

47%

25%

THE SAME AMOUNT OF TIME

LESS TIME

MORE TIME

According to our survey, US shoppers do not find scan-and-go shopping to be a faster option than either manned or unmanned checkouts. Yet when asked on how they would rate their shopping experience,

82%
rated scan-and-go shopping as either excellent or very good

16%
rated it ok

2%
gave it a negative opinion

We believe the reason lies in the balance of quality vs quantity.
While the overall experience in-store may take the same amount of time, customers using scan-and-go use this time doing what they love - actually shopping - and less time on what they hate, standing in line.

Going Solo

Do consumers still place a premium on in-store interaction?

Long gone are the days when shoppers expect their local store associates to know them by name. It's a sad fact, but a fair reflection of modern retail; today, many customers now place a far higher value on getting what they need, and getting out the door. But retailers need not despair. According to the Wall Street Journal, while these health conscious customers may be shopping less, they are buying more during each visit.

However, the ripple effect of these changing consumer behaviors have been felt throughout the industry, and come at a time when most are still reeling from the Great Resignation of 202. Statistics from the US Bureau of Labor Statistics show jaw-dropping staff losses, with 721,000 retail workers having quit their jobs in August 2021 alone.

With departing staff citing the increasing difficulty of dealing with problem customers as a key reasons for seeking alternative employment, **Scan-and-go shopping can offer retailers an opportunity to pick up the slack - without compromising their customer experience**.

Our survey found that today,

Over half of shoppers said they rarely or never need assistance while shopping.
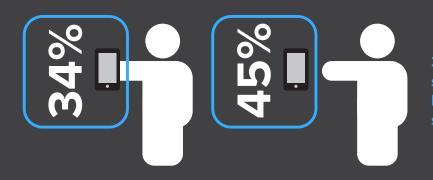
At the same time, over ¼ of respondents (27%) rated **having greater independence and avoiding interactions in-store as the most important parts of their shopping experience**.

Being Where Your Customers Are

4 in 5 Shoppers have their phones in hand or in reach. Be there waiting for them.

Consumer demand for mobile-first solutions has skyrocketed in the last two years. From banking to Ubers and even energy management, customers reach first for their smartphones when aiming to complete their life admin.

In fact, the ubiquity of our mobile devices has followed us out of the house! According to our statistics:

34%   **45%**

34% of consumers shop with their smartphone in hand, while 45% have their device within reach or somewhere easily accessible.

And they are being put to good use! Respondents gave us dozens of uses for their smartphones when shopping in-store: here are the top 5:

Comparing prices (40%) — 1

Comparing brands (25%) — 2

Building shopping lists (22%) — 3

Checking if products are currently in stock (22%) — 4

Reading product reviews (22%) — 5

Unlike other shopping technology, scan-and-go shopping benefits from a 'BYOD' - or 'bring your own device' approach. Since shoppers are already comfortable with using their smartphones while browsing your aisles, they will adapt with ease to integrating contactless shopping and payment directly on their own device.

But What About...?

Scan-and-go shopping is no cure-all, but most customer concerns can be remedied.

While the data points in this report have borne out the benefits of scan-and-go for consumers and stores alike, there are still many hold-outs. Among the respondents to our survey that had not yet used scan-and-go shopping, 1 in 3 told us they would not currently be interested in trying it out. So where do their hesitations lie, and how can they be overcome?

We found three main issues that hold shoppers back from using scan-and-go:

35%

Privacy concerns in general

32%

Don't want to download an app

31%

Can't buy certain products with it

Privacy Concerns

According to our survey, 35% of the customers fear their data could be misused or even stolen due to poor security procedures.

Concerns about data security are legitimate in our digitized world, but with the right Scan-and-go solution retailers can put their customers' minds at ease. By ensuring their technology vendors are ISO 27001 certified, retailers can significantly mitigate the risks of security breaches and ensure data is collected and stored securely.

Unwillingness to download another app

Recent data from buildfire found that the average smartphone owner uses 9 apps per day, and around 30 per month. It's therefore no wonder that 32% of our respondents said they wouldn't use scan-and-go shopping if it meant downloading another one!

From the aforementioned privacy concerns, to simply not having the space on their devices, the need to download a single-use app in order to scan-and-go is a significant barrier to adoption.

However, retailers can provide the ease of using Scan-and-go by integrating the scan-and-go feature - along with an enterprise grade barcode scanning solution - directly into their website - with no app required!

Inability to purchase certain products

The third key stumbling block that makes customers second-guess scan-and-go shopping is the inability to purchase every product they may want. For example, restricted products such as alcohol or produce are often excluded from Scan-and-go due to legal limitations and technical difficulties.

But recent innovations in optical character recognition (OCR) technology can provide a solution. By integrating ID scanning into their scan-and-go system, retailers can offer shoppers the option to identify themselves as old enough to make restricted purchases, removing this friction point.

Making the Case to Hesitant Customers

Scan-and-go is not beyond the means of any customer. In fact, less than one fifth (17%) of hold-outs suggested their reason for giving scan-and-go a pass was due to it being too difficult.

What's more, customers who have not yet given it a try indicated that a few quick wins could convince them. More than one quarter (28%) indicated that having access to inventive or discounts would induce them to give it a try, while one in five (22%) said that they would use it if scan-and-go provided a quicker shopping experience.

Conclusion

Like many rising retail technologies, scan-and-go traces its roots back to far before the pandemic, yet has risen to prominence - and popularity in only the last few years. For that reason, there are still issues to be resolved for both retailers and customers, some of which are addressed in this report.

Yet what is clear from these findings is that customer sentiment towards scan-and-go is overwhelmingly positive, and for many shoppers, it has become a habit which is here to stay. For retailers considering integrating scan-and-go into their stores, our findings point to the following conclusions:

1. **Brand loyalty is weaker than ever**, and customers are willing to change to stores which will deliver the speed and security they desire.

2. **Covid-19 has driven significant change in consumer behaviour**, including the rise in popularity of scan-and-go shopping. But like curbside pickup and 'click and collect', shoppers indicate a clear to keep using scan-and-go far beyond the pandemic.

3. **Customers have a need for speed** - but only for the tasks they hate, like standing in line. While no faster than other options, scan-and-go shopping enables customers to spend more time on what they want.

4. **Power to the people**: for the majority of customers, in-store independence is now the norm, and a growing segment actively seek stores where they can avoid interaction.

5. **Smartphones are already part and parcel of the shopping experience** - making the transition to scan-and-go shopping easy for the vast majority of your customers.

6. **Privacy concerns, a dislike of apps and existing limitations** hold some consumers back from trying scan-and-go, but solutions exist to enable retailers to resolve these issues.

About Anyline

Anyline is defining the future of mobile data capture. By combining the power of neural networks and artificial intelligence, we are creating the most accurate and versatile solutions on the market. Anyline makes data capture simple. With Anyline integrated into your process, your company can instantly read and process text and barcodes with any mobile device or embedded camera.

Since 2013, we've been working with some of the greatest minds in machine learning to create our market-leading data capture solutions. Our technology is already used by household names, including PepsiCo, E.On, Canon, and Porsche, as well as national governments, and the United Nations. From our bases in Vienna Austria and Boston MA, our growing and dynamic team is ready to help you digitize your processes.

Report details

The results in this report are from an online survey that was fielded from December 3 to 6, 2021. There were 1,502 respondents to the survey.

The responses presented in this report were weighted to be representative of the overall population by the following variables:

- Gender: Woman (51%), Man (48%)

- Age: 18-34 (32%), 35-44 (17%), 45-54 (18%), 55-64 (18%), 65+ (16%)

- Ethnicity: White, non-Hispanic (65%); Hispanic (16%); Black, non-Hispanic (12%); Asian (4%); Other race (3%)

- Ideology: Liberal (29%), Moderate (37%), Conservative (33%)

- Education level: Less than HS (11%), HS graduate (30%), Some college (31%), College graduate (19%), Postgraduate (10%)

- Standard: Under $50,000 (40%); $50,000-$99,999 (31%); $100,000+ (29%)

- State: California (11%), Texas (9%), Florida (7%), New York (6%), Pennsylvania (4%)

- Registration status: Currently a registered voter (69%), Not currently a registered voter (31%)