Attitude: The New "It" Element

On the ★ macy's retail path-to-purchase

acxiom™

Conventional wisdom argued for decades that there were three elements to retail success: location, location, location. Today, we know that to be wrong, wrong, wrong. We know that location is just one of dozens of elements for success. Retail commerce is much more complex. In recent years, marketers have focused on a matrix of transactional purchase history, demographics, motivations and preferences as the keys to understanding retail path-to-purchase. Our research shows that another element, **attitude**, may add critical insight into predicting shopping behavior. So much so, that retailers who are not segmenting their audience through an attitude microscope may be missing the most critical element in the path-to-purchase.

Don't let Macy's miss the most critical element in the path-to-purchase – attitude.

The philosophers of ancient Greece, in their linen chitons and leather sandals, believed that the universe was composed of four elements: earth, wind, fire and water. Science has progressed considerably. The millenniums-long search for new chemical elements (and a more conservative lab coat) has transformed our understanding of the universe and proven that the refinement of knowledge is never complete. So it is with our understanding of the retail consumer.

Technology and culture have unquestionably transformed the retail marketplace through the advent of easy, universal credit- and debit-based purchase, the expansive availability of online access and information, the explosion of media outlets, and to a large degree, the acceptance of brands into consumers' virtual living rooms to understand the latter's needs and desires. In each case, however, the individual has gained more control while brands struggle for relevance in a sea of uncertainty.

What is certain is that the retail path-to-purchase process is exponentially more complex today than ever before. Regarding this research, our hypothesis is that during a typical path-to-purchase — for example for women's apparel — shoppers behave in a variety of ways, using and responding differently to a range of media and information sources that influence their journey based on their attitudes and, to a lesser degree, their preferences, motivations and demographics. Indeed, this experience taught us that **consumers' attitudes in particular are very revealing about their chosen shopping and purchase behaviors.**

Through our analysis, we mapped five dominant shopper-attitude clusters. Those shoppers most actively engaged in apparel shopping, who love clothes, are fashion mavericks and are willing to pay more for designer brands, we labeled (with a touch of understatement) the **Passionates**. The **Engaged** group is more interested in staying in tune with current trends and styles but enjoys shopping and bargains just the same. Our third category is the **Practicals**. They prioritize comfort, value and price ahead of making a fashion statement. The **Tolerators** don't mind shopping for themselves but shop based on need rather than desire. And the fifth category, the **Disinteresteds**, consider clothing to be a necessity and shopping for it a chore — but don't dismiss them completely. Each of these attitudinal clusters represents market opportunities for different retailers for different reasons.

From Passion to Disinterest

and all attitudes in between

Passionate
(13% of survey sample)

- The most actively engaged apparel shoppers.
- Like clothes, may be more fashion-forward than most, and they love to shop – often!
- Take advantage of online sources of information and inspiration and are the most likely of all clusters to use social media as a channel of communication – both to gather input from others as well as to express their opinions.
- Plan their wardrobe carefully and are willing to pay more for designer brands to ensure comfort.
- Appreciate a retailer who knows who they are. Willing to pay more for better service.
- More likely to create their own fashion look rather than just follow trends and have an affinity for vintage or charity stores.

Engaged
(26% of survey sample)

- Seek nice apparel with a tendency toward placing fashion ahead of more practical considerations.
- Nice clothes equate to "the good life," so they plan their wardrobe carefully.
- Enjoy the process of shopping for themselves. On the lookout for basics like comfort and value. Like to get email/direct-mail about sales.
- More likely to be interested in current trends and styles.

Practicals
(26% of survey sample)

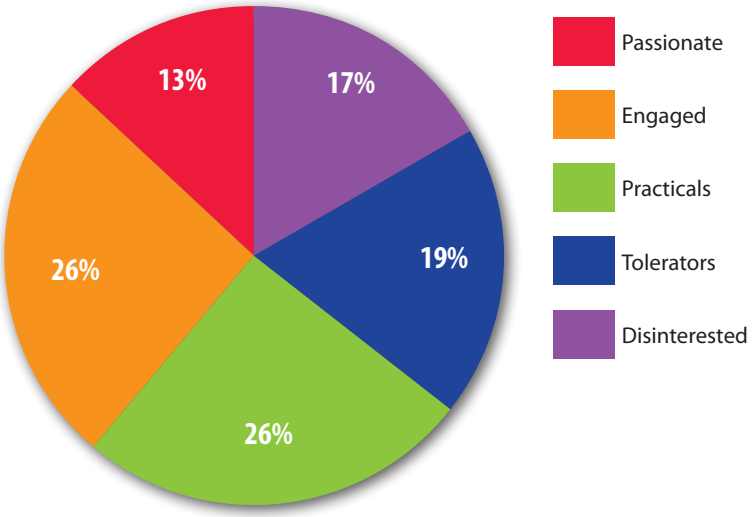
- Think of apparel as being something they need and are likely to prioritize comfort, value and price ahead of making a fashion statement.
- Willing to search for lowest price. Embrace using the Internet to gather info to save time and money but enjoy shopping local stores, too. Plan their trips to benefit from efficiency.
- Seeing items in person and trying them on helps them strike the right balance.

Tolerators
(19% of survey sample)

- The most basic apparel shoppers.
- Don't mind shopping for themselves but are more likely to shop based on need rather than desire.
- Pan their wardrobe carefully and shop locally to minimize the overall effort.
- Look for comfort, value and prices when they shop. Want to see their options and try things on.

Disinterested
(17% of survey sample)

- Considers clothing to simply be a necessity and shopping for it is a chore.
- Shop for nothing more than the basics of comfort, value and price. Fashion is just not important.
- Consider it important to see items and try them on before purchase but want to get through the shopping process with a minimum of fuss.



Methodology

We conducted this study in collaboration with GfK Research-New York through a 20-minute online survey targeted to a random sample of 1,000 female consumers age 18 and older who purchased women's apparel in the past six months.

Additional Findings

In addition to the key insights that distinguish these five attitudinal customer groups, there were a number of other interesting findings — too many to describe here, but we have included a few of the most intriguing.

Digital/New Media Sources

- Shopper reviews
- Online recommendation from friend/family member
- Retailer website
- Google search
- Fashion-related websites
- Coupon websites
- Magazine website ads or articles
- Ecommerce sites
- Blogs
- Posts on Facebook
- Comments on Twitter

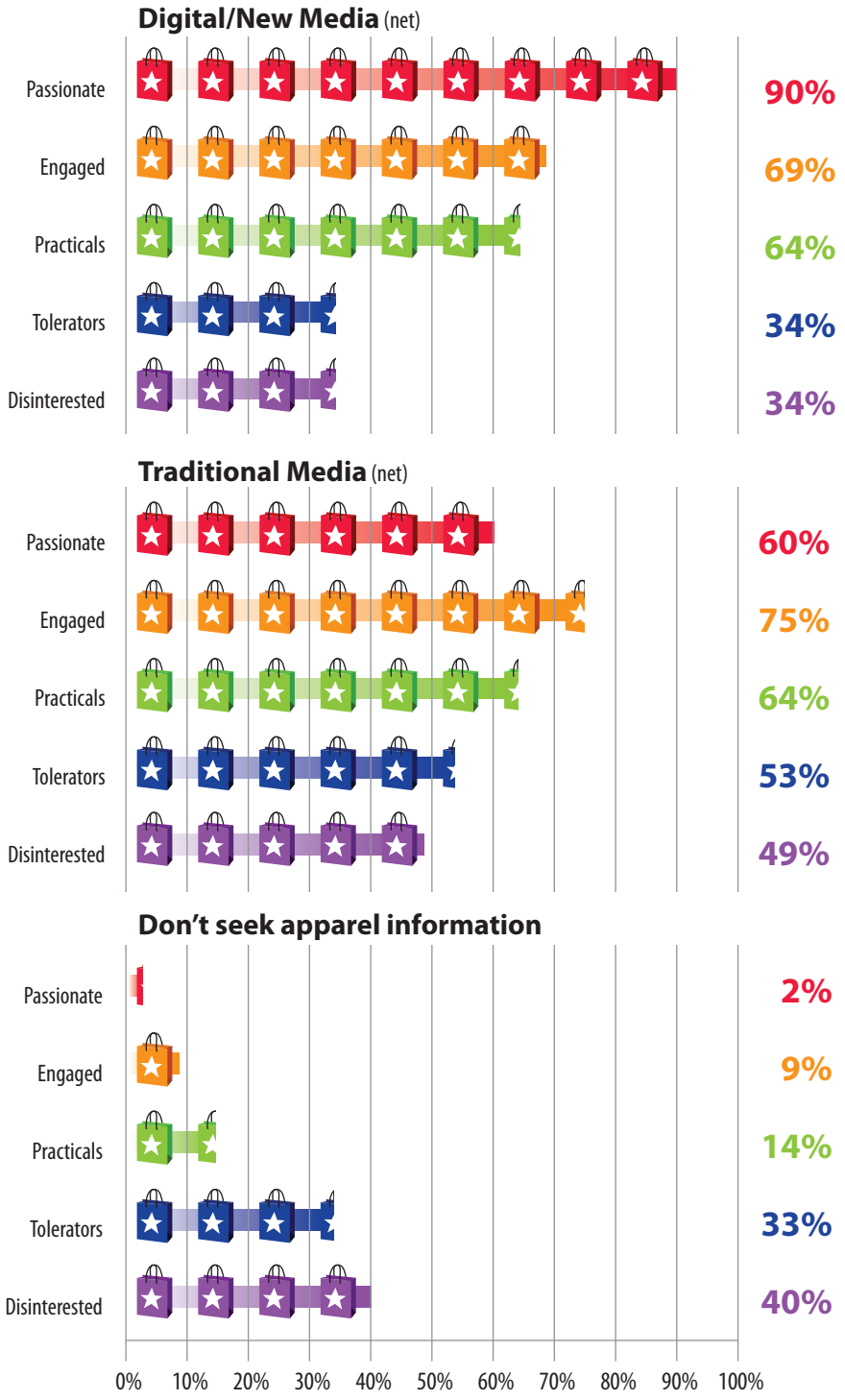
Traditional Media sources

- Store circular/flyer
- Retailer newspaper ad or insert
- Direct mail catalog
- Magazine ads or articles
- Retailer TV ads

Where the attitudes go for information

Digital media is a particularly strong channel for reaching and influencing higher-value audiences such as Passionates, who access it for 90% of their information. However, half or more of all apparel shoppers are still connecting with traditional media as a source of information for planned purchases. And significant shares of less-engaged audiences may not be looking for any information.

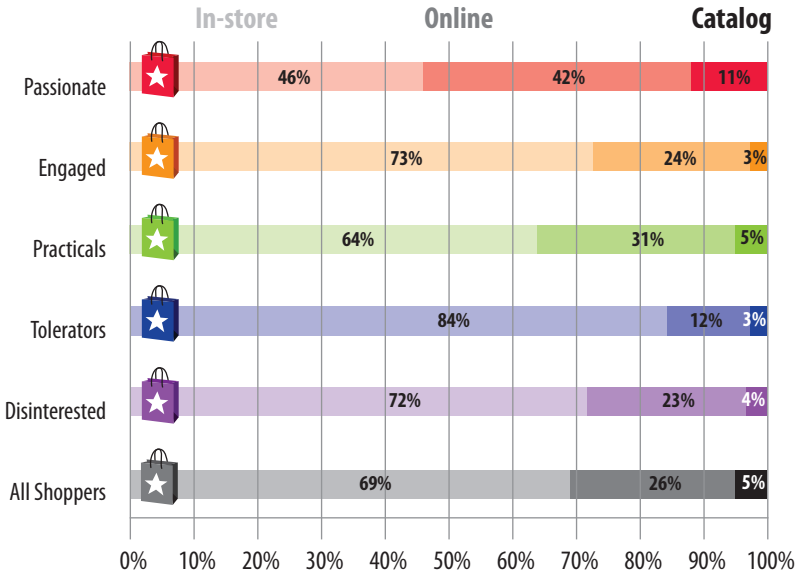
While the Passionates may not be looking at Sunday newspaper inserts or traditional print catalogues, the vast majority of shoppers still widely embrace traditional media. Don't cut your spend levels until you have identified your customer base against these attitudinal maps.



Information Sources For Planned Purchases Research – Women's Apparel
Share of cluster that looks for information via: (multiple responses possible)

What channels the attitudes prefer

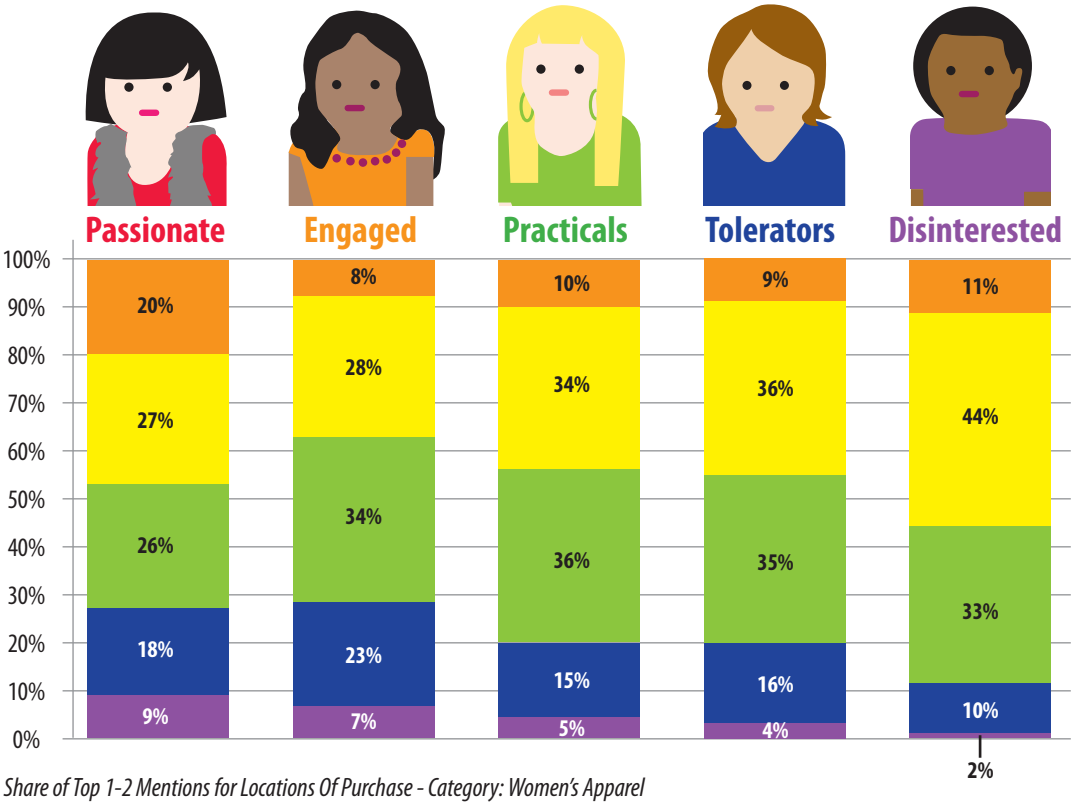
As noted before, a significant number of Passionates prefer to purchase online, but what about the other attitudes? Tolerators, Engaged and Disinteresteds are much more inclined to purchase in-store. These findings indicate that in-store shopping for apparel is not going away and is still the largest component of shopping activity for all segments.



Percentage of Time Spent Purchases (Online/In-Store/Catalogue) – Category: Women's Apparel
Click here to download this graphic.

Where the attitudes shop

Overall, discount and middle-market stores are the most popular destinations for many, but there are interesting patterns within and across the attitudes.



Share of Top 1-2 Mentions for Locations Of Purchase - Category: Women's Apparel
Click here to download this graphic.

Key

- **Charity/Vintage**
  Charity shops: Salvation Army, Goodwill
  Vintage, consignment and secondhand shops
- **Discount stores**
  Discount department stores: Walmart, Kmart, Target
  Discount specialty stores: Old Navy, Dress Barn, Express
- **Middle-market stores**
  Middle-market department stores: Sears, JC Penney, Kohl's
  Middle-market specialty stores: Gap, Limited, LOFT
- **Premium stores**
  Premium department stores: Macy's, Dillard's, Lord & Taylor
  Premium specialty stores: Banana Republic, Ann Taylor, JJill
- **Upscale stores**
  Upscale department stores: Bloomingdale's, Saks Fifth Avenue, Neiman Marcus
  Upscale specialty stores: Ralph Lauren, J Crew, Brooks Brothers, factory outlet stores

In summary, consumers behave very differently in their path-to-purchase and at point-of-purchase as evidenced in the findings of this research. We created an attitudinal mapping schema with five clusters to capture and describe these trends based on consumers' personal approach and attitude toward shopping. While demographics, motivations and preferences play key roles in path-to-purchase and spend at point-of-purchase, the findings of this research indicate **attitude is a critical ingredient for more insight.**

There is a new way to look at customers and prospects, perhaps a more telling guide to channel and media spend decisions and perhaps a more accurate predictor for point-of-purchase importance. The philosophers of ancient Greece may have dressed, well, differently from those in our attitude clusters. They may have been limited in their understanding of the elements in our universe. But even back then, they must have noticed that different people were attracted to different colors and designs in their linen and wool, preferred different sandal configurations and shopped with different merchants. Maybe, just maybe, they even called the deciding element "attitude."

What can attitude do for you?

Acxiom can help you map your customer base to the five attitudinal path-to-purchase cluster groups, giving you insight into which clusters you are over- and under-indexing and whether or not you're optimizing your media mix. Go to **www.acxiom.com** to request a call with an Acxiom Retail Strategist. We're ready to answer your questions and discuss additional insights you might want to explore further!