



Privately Speaking

Insights on private company growth
from private company insiders

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Winning the connected consumer

As technology becomes a greater part of the consumer buying process, many business leaders are struggling to understand what their “connected consumers” want.

In this edition of Privately Speaking, we explore the results of a recent KPMG survey of nearly 1,200 U.S. consumers. If your company is involved in selling to, or enabling, connected consumers, you will want to read this.

Connected consumers are creating massive challenges for traditional market leaders. And that means they are creating massive opportunities for start-ups and growth companies. Both will need to achieve a clearer understanding of what connected consumers actually want if they hope to thrive and survive in the customer-centered environment.

“B2C organizations are under constant pressure to create consistent brand experiences across multiple channels. But the reality is that attitudes and buying behaviors vary significantly by generation. Capturing, understanding, and responding to customer preference is more important than ever before. But it is also more difficult.”

—**Brian Hughes**, KPMG’s National Private Markets Group leader and national coleader, Venture Capital practice



Millennials (71%) are more discouraged than **Gen-Xers (66%)** and **Baby Boomers (57%)** when their shopping experience across channels is not consistent

About half of Baby Boomers have reported **looking up a product on their smartphone or tablet** while in a brick-and-mortar retail location compared to

Baby Boomers (58%)



Millennials (86%) and **Gen-Xers (77%)**



Millennials are more likely than Gen-Xers or Baby Boomers to share purchases, and view opinions or other feedback online—and on Facebook, Instagram, and Twitter in particular.

Rethink your take on Baby Boomers

Baby Boomers are the most likely generation to impulse-shop. **Baby Boomers shop online as frequently as Millennials (but spend more).**

58% use their smartphone while in a retail location to look up a product.

39% use PayPal to make purchases.



“There is a little Millennial in each of us. A number of Baby Boomers are starting to understand and appreciate the technology that is out there. They’re also trying to appreciate and experience the convenience of buying online.”

—**Mark Larson**, Head of Consumer & Retail, KPMG LLP (U.S.)

Connected consumers create opportunity

The move to cashless societies will create new ways for organizations to offer benefits to customers. And this, in turn, will offer privately held B2B and B2C organizations—particularly those focused on financial services, technology, and customer experience—an opportunity to create new and smart value propositions that allow B2C organizations to better connect with their consumers.

“Private market companies are often more nimble and therefore better able to respond to shifting customer demand with sustainable strategies. Private market companies will be both disruptors and enablers in their markets as older, more traditional organizations strive to pivot their strategies to respond to changing customer preferences.”

—**Brian Hughes**, National Leader, Private Markets Group and Venture Capital, KPMG LLP

Improving the feedback loop

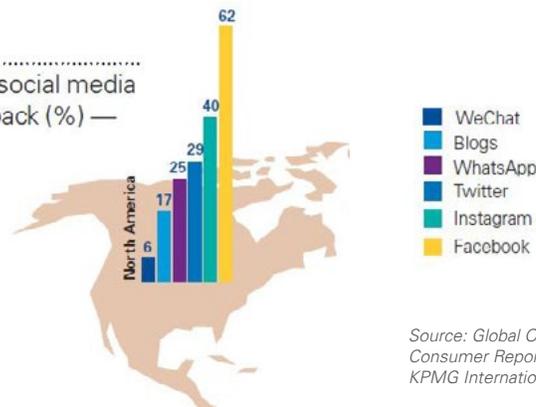
Understanding where consumers are posting feedback can help companies become more proactively engaged in monitoring, managing, and fostering positive online customer reviews. While, currently, consumers are most likely to post directly to seller Web Sites, generational trends indicate an increasing use of social media sites such as Facebook, WhatsApp, Instagram, blogs, and Twitter for posting and reviewing feedback.

The truth about online consumers

KPMG’s new report, *The truth about online consumers*, is based on a survey of more than 18,400 consumers around the world. Almost 1,200 respondents were located in the U.S. Respondents were between 15 and 70 years old, made at least one online purchase in the past 12 months, and were considered within the top 65 percent of income earners in the country.

Figure 2.14

Most popular social media sites for feedback (%) — by region



Source: *Global Online Consumer Report*, KPMG International, 2017

Why are consumers shopping online?

- 1 Access:** 56% say they want to be able to shop 24-7.
- 2 Comparison:** 50% say they like to be able to compare prices easily online.
- 3 Savings:** 43% like the free shipping offers.
- 4 Hassle:** 43% see online as more convenient than going to shops.
- 5 Cost:** 39% believe they can find better prices online.

Building trust and creating loyalty

In today’s connected world, trust often makes the difference between securing a sale and securing loyalty. So what makes consumers trust some companies more than others?

- 1 Accessibility:** 51% trust companies that make it easy to contact the right people.
- 2 Collaborative:** 51% trust companies that are easy to talk directly to people at the company.
- 3 Information:** 40% trust companies that help educate consumers about their products.
- 4 Security:** 44% trust companies that let them control how their data is used.



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The full report can be downloaded online at www.kpmg.com/onlineconsumers.

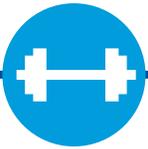
Starting your business



Growing your business



Strengthening your business



Transitioning your business



Privately Speaking focuses on the issues that matter most to private and VC-backed companies.

KPMG LLP's (KPMG) Private Markets Group understands what it takes to drive private company growth. In each edition of *Privately Speaking*, we share our insights—along with practical and actionable tips—to help boards, executives, and management grow, strengthen, and transition their privately held businesses.

Do not miss a thing

The environment for private companies is changing rapidly, and new opportunities are emerging every day.

Do not let an opportunity pass you by—sign up to receive KPMG's **Privately Speaking** article series and make sure you are making the best decisions possible for your private company.

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