order dynamics RESEARCH

Omni-channel Research

OMNI-2000 Research: France

Are Retailers in France Actively Pursuing Omni-channel Capabilities?

order dynamics

Executive Summary

This report details the customer buying journey based on research specific to the retail market in France. It uses the random-walk method to investigate 204 French based retail chains, with a minimum of 10 store locations.

Key findings for the French retail market include:

- **50.5%** of all retailers currently offer Click and Collect
- **38.8%** of Click and Collect retailers commit to having orders within 24 hours
- **50.0%** of all retailers offer basic, active inventory visibility
- **24.5%** of all retailers provide free return deliveries
- **56.3%** of omni-channel retailers offer Buy Online Return In-Store (BORIS)
- Most **optimized m-commerce sites** with 12.6% of omni-channel retailers French retailers
- **4.9%** of omni-channel retailers accept Instagram purchases

With over 2,000 retail chains globally reviewed in depth, the Omni-2000 Research provides an increasingly robust view of the modern retail market. Of the countries reviewed, France is one of the most advanced in omni-channel customer offerings.

Despite the advanced state of the French market in optimized m-commerce sites, opportunities for improvement exist here as well. French shoppers are rapidly gravitating towards social media shopping as yet another retailing channel. Yet, only 5.9% of the entire retail market can sell on Instagram (as a social selling example).

This research also shows that active inventory visibility among retailers is not very high. This may be foretelling that retailers are opting for passive inventory techniques, provided by old, in-house developed, or light technology systems. However, this step seems to be a step in reverse.

Additionally, the French omni-channel retail market is healthy and well-serviced compared to other markets in the global research. The following study offers many observations revealing a very balanced and mature market of omni-channel practices in the country.

CONTENTS

Research Methodology

OrderDynamics' Omni-2000 research is based on a 'random-walk' methodology, directly assessing retailers' websites for the presence of omni-channel capabilities. Researchers took a shopper's perspective to uncover which merchants offer Click and Collect / Buy Online Pickup In-Store (BOPIS) services today. The random-walk approach means this research did not expressly include or exclude retailers based on pre-defined market ratios.

For France, a total of 204 retail chains were reviewed. The full Omni-2000 Research: Global initially investigated over 5,000 merchants, narrowing in on 2,026 with 10 or more stores and a web presence. The following pages articulate further details about the French omni-channel market, retail sub-sectors, chain sizes, and e-commerce platforms.

Although the random-walk methodology may appear haphazard, there is a high level of consistency across categories, countries and other data points.

Data collection and analysis for the OrderDynamics' Omni-2000 Research: France spanned from August to October 2018. This research reflects the offerings retailers in the study express through their websites. In effect, this is what shoppers experience during their buyer's journey.

Expressed above, retailers selected for the study include only those with 10 or more physical store locations. Each of the included retailers have a web presence, be it merely a website, or an e-commerce platform for purchase. Not all retailers in the study had online order-taking capabilities.

Forty data observations were collected for each retailer in the research, culminating in 8,160 data-points for France. Some core data are provided in the various charts throughout the report. Readers are reminded to be cognizant of certain smaller sample sizes for some of the sub-sectors. It means drawing conclusions from small sample size groups should be considered directionally indicative, rather than statistically robust.

Contact OrderDynamics directly with further questions. If you are a retailer and would like to know if your organization was part of this research, we would be pleased to share these results with your senior management team. Call directly, or fill out an Omni-Score request form. We will connect with you as quickly as possible.

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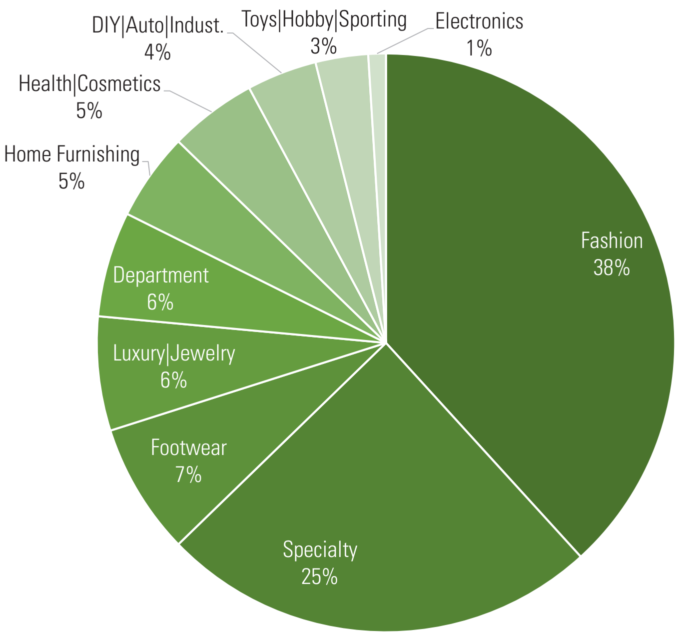
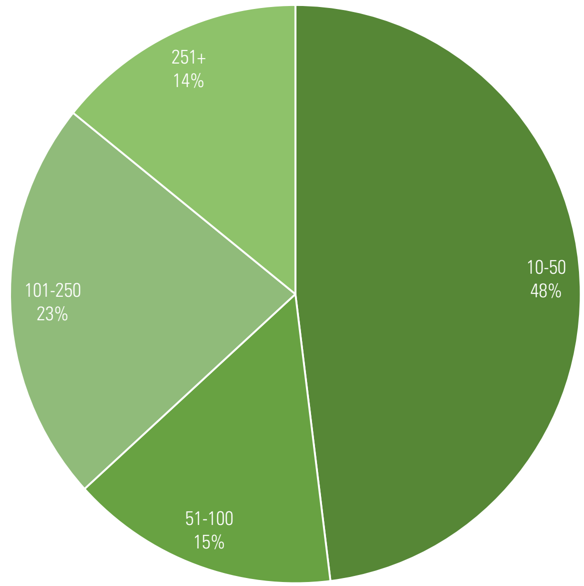
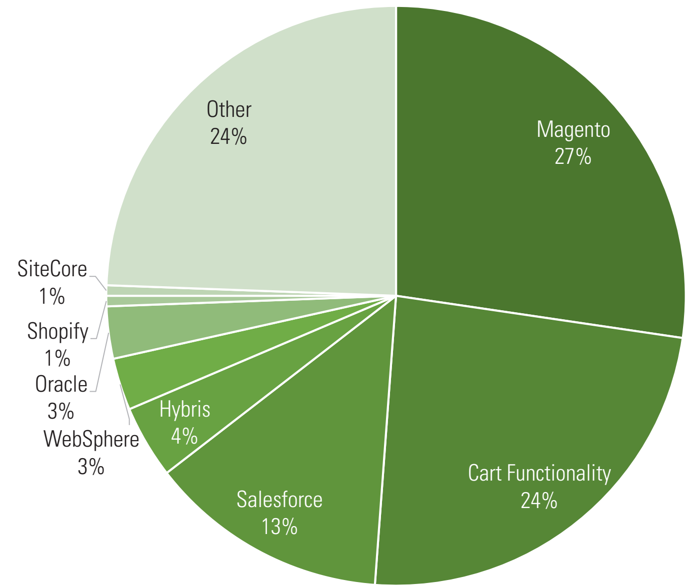
Research Methodology







Retail Sectors

Similar to the Omni-1000 research, a random-walk approach provides a natural breakdown as shown above. Fashion is 38% of the retail market. Specialty goods like gifts, cards, candles, musical instruments and such, weighs in at 25% of the retailers reviewed. This followed by smaller groupings of Footwear 7%, Luxury|Jewelry 6%, and on.

Store Count Sizing

Retail chain sizes in the research seem characteristic of the market. The largest proportion are the mid-market retailers of 10-50 stores (48%). The remaining 52% split somewhat evenly between the upper mid-sized (51-100 stores), and enterprise-sized (251+ stores) retailers.

eCommerce Platform (eCP)

Using Builtwith to determine the eCP systems, Magento has with the largest presence at 27%. This followed by Cart Functionality at 24%. Enterprise-class systems follow with Salesforce in the lead, followed by Hybris, Websphere and Oracle. Two notables with rising potential in other markets are Sitecore and Shopify, each with 1%.

N=204
Source: OrderDynamics, Oct 2018

French Snapshot

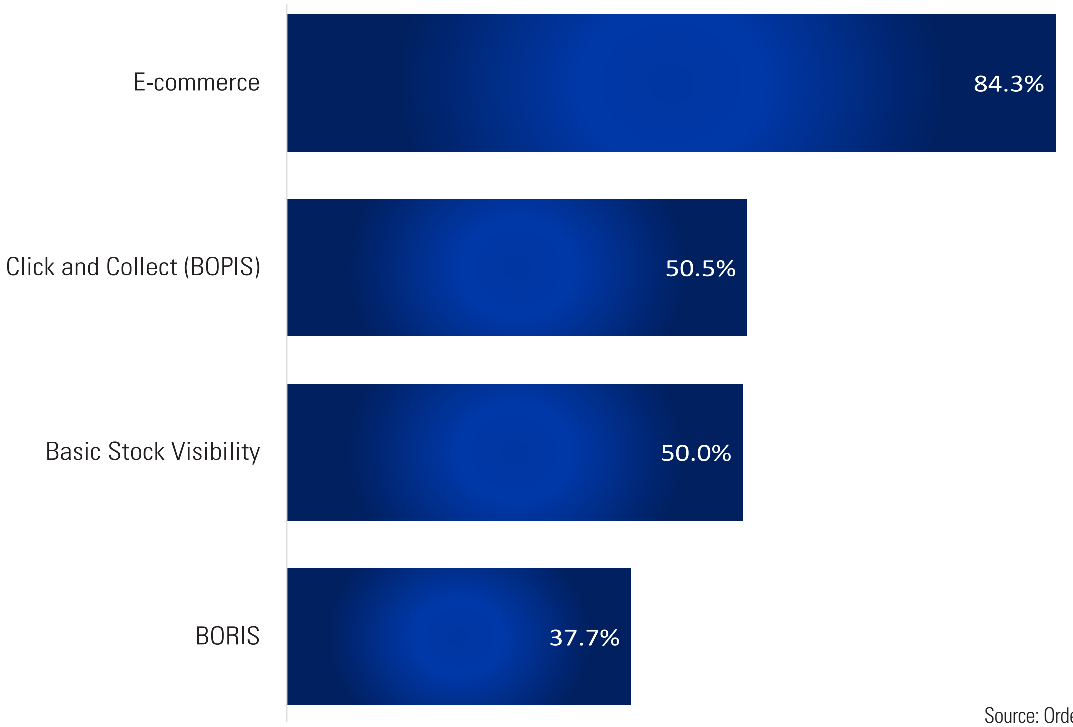
Most retailers in France have an active e-commerce business, at 84.3%. This is the fourth place after UK (91.3%), Germany|Austria (90.5%), and USA (85.8%). Although adequate, for a western country with a growing, competitive online retail market, the level should start approaching 100%.

Moreover, France is only second to the UK in the percent of retailers with Click and Collect (BOPIS) offerings, at 50.5%.

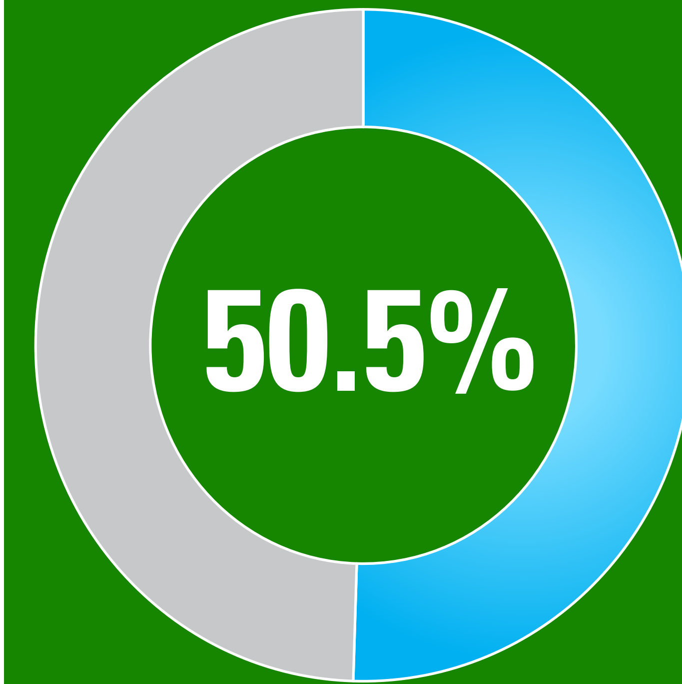
Retailers in France have done a notable job at informing consumers with inventory visibility, at 50.0% of them offering basic stock visibility. Although Germany|Austria is ahead at 59.0%, all other countries in the global research registered below in the 30% range.

BORIS (Buy Online Return In-Store) is another area of improvement for merchants in France, at only 37.7%.

CAPABILITIES SNAPSHOT

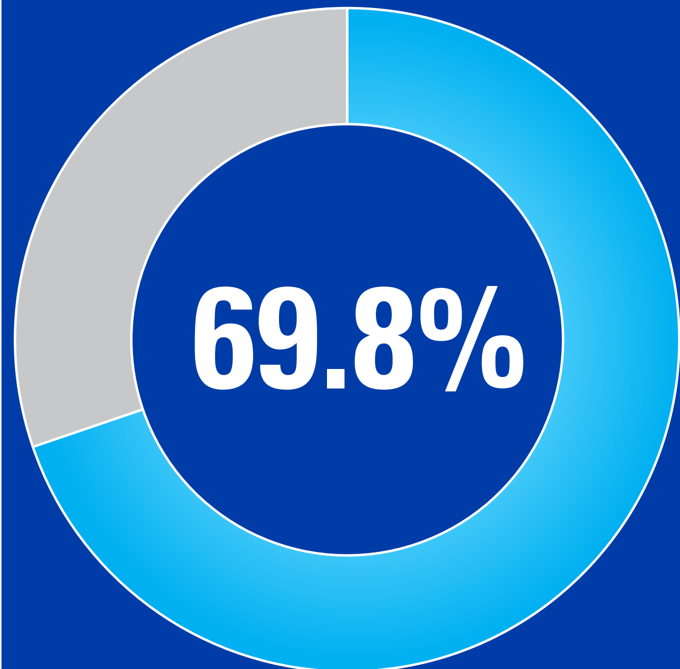


N=204
Source: OrderDynamics, Oct 2018



"France is the second most advanced Click and Collect market worldwide, second only to the UK, with 50.5%."

eCommerce and Free Shipping



"69.8% of French retailers with an eCommerce site offer some form of free shipping."

eCommerce and Free Shipping

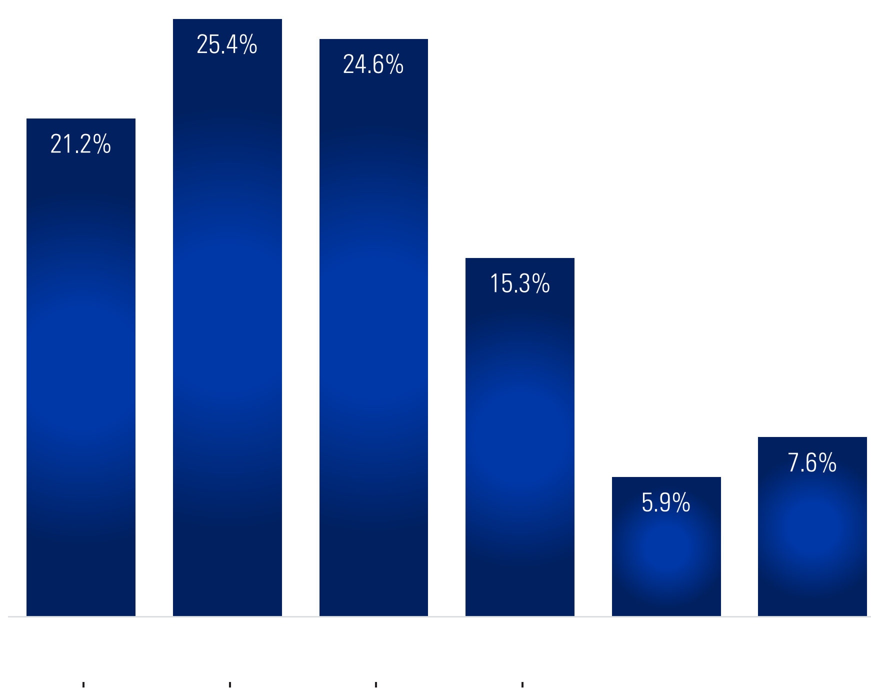
Fifty-eight-point eight percent (58.8%) of French retailers offer some form of free shipping. Most retailers offer free delivery for baskets of goods less than €74. In this range, there is an almost equal number of retail chains offering free shipping for shopping cart sizes less than €24, between €25 - €49, and between €50 - €74. Together these three peaks equal almost 75% of the retailers that offer free shipping.

Free delivery reached a critical point in 2014 when French lawmakers approved a bill that prohibited any online retailer from shipping discounted books for free. Amazon was quick to find a way around this by setting delivery pricing on any order that includes a book at only €0.01.[8]

Unlike the UK, where free delivery is highly competitive, French retailers have been slow to utilize free shipping as an advantage. Whereas 78.4% of retailers with an eCP platform in the UK offer free shipping, only 69.8% of French retailers do so. This difference is also reflected in the average minimum basket value (MBV) for the UK and France. In the UK, the average MBV is £48.38. In France, the MBV is €58.90.

Free delivery is an interesting area to watch in France.

FREE SHIPPING WITH MINIMUM PURCHASE



N=120
Source: OrderDynamics, Nov 2018

Free Delivery By Retail Sector

With 69.8% of French retailers with an e-commerce platform (eCP) providing free delivery, the offering is expected by consumers. In fact, the surprising element worthy of more investigation are the retailers that do not offer it. Health|Cosmetics and the Luxury|Jewelry are the sectors most likely to provide free shipping, with 100% of merchants doing so. It is not surprising (in one of the fashion capitals of the world) that this is followed by the Fashion sector at 73.6%.

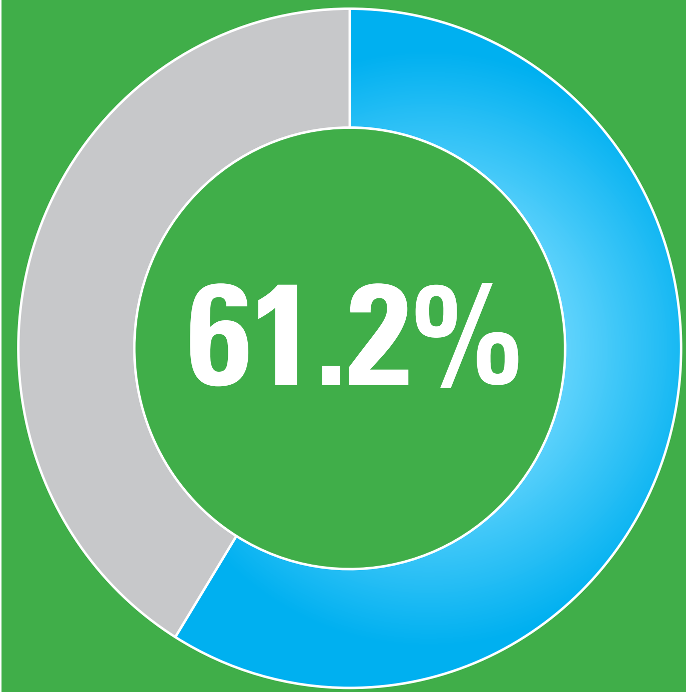
Minimum order basket sizes are largest for the Specialty sector at €350.00, and DIY|Auto|Indust. market at €300.00. Conversely, the smallest average minimum basket size to qualify for free delivery is the Health|Cosmetics retailers at €41.00, and Toys|Hobby|Sporting goods at €42.00. Most retailers here offer free delivery.

Retail Sector	Retail Chains	Retail with eCP	Offer Free Shipping			Min. Basket for Free Shipping	
			All	Promo (*)	%	Avg	High Value
Fashion	78	72	53	--	73.6%	€ 57.10	€ 200.00
Specialty	50	36	25	--	69.4%	€ 59.80	€ 350.00
Footwear	15	13	8	--	61.5%	€ 76.88	€ 150.00
Luxury|Jewelry	13	11	11	--	100.0%	€ 53.82	€ 150.00
Department	12	11	8	--	72.7%	€ 57.25	€ 150.00
Health|Cosmetics	10	10	10	--	100.0%	€ 41.00	€ 65.00
Home Furnishing	10	7	--	--	0.0%	--	--
DIY|Auto|Indust.	8	6	1	--	16.7%	€ 300.00	€ 300.00
Toys|Hobby|Sporting	6	5	4	--	80.0%	€ 42.00	€ 69.00
Electronics	2	1	--	--	0.0%	--	--
Total	**204**	**172**	**120**	**0**	**69.8 %**	**€ 58.90**	**€ 350.00**

(*) Promo: Promotional free shipping

N=172
Source: OrderDynamics, Nov 2018

Click and Collect



"Over 61.2% of Click and Collect retailers in France now advertise the service on their first web-page."

Click and Collect Profile

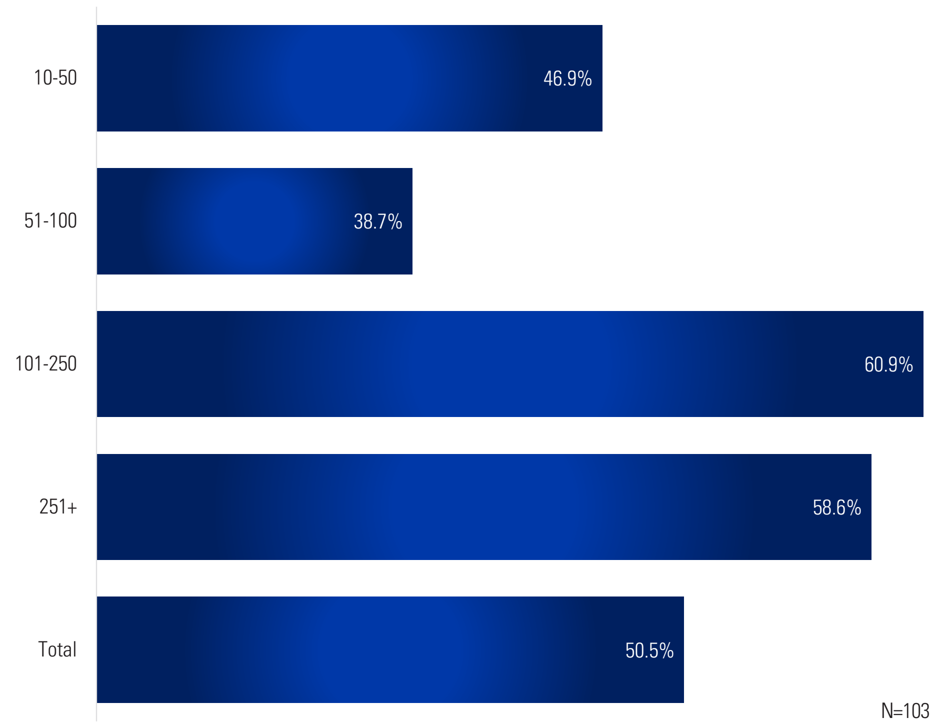
The global market profile shows a clear and distinct correlation between the retailer chain size and the adoption of Click and Collect as an offering. In other words, the availability of Click and Collect rises as the size of the retail chain grows. Globally, 48.6% of enterprise-sized (251+ stores) retailers offer Click and Collect services. This compared to only 31.5% of small retail chains (10-50 stores) worldwide.

Unlike the global pattern, the French market's highest omni-channel rate of adoption is with retail chains of 101-250 stores, at 60.9%. Not far behind are the enterprise retailers (251+ stores) at 58.6% adoption. As the omni-channel market matures, the size of retail chain becomes less of a factor in the service adoption. Above a certain size point (50 stores), all retailers have similar levels of adoption of Click and Collect practices (ad on the first page about the service, 'How To' FAQ section, and pickup alerts).

Observations in this report focus on ads on the first page. In this regard, 61.2% of all French retailers offering Click and Collect inform customers about their omni-channel capabilities up front. However, it is notable that large Click and Collect retailers (251+ stores) are most likely to provide this information on the first page, as 76.5% already do so.

French retailers have further encouraged the use of Click and Collect with 'How to' instructions of using omni-channel services. Currently, 86.4% of Click and Collect retailers have added these instructions for the consumers' benefit. Likewise, 81.6% of French omni-channel retailers indicate that pickup alerts will be provided when the items are ready for pickup.

CLICK AND COLLECT ADOPTION BY RETAILER STORE COUNT



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Source: OrderDynamics, Nov 2018

Chain Store Count	Retail Chains	Click and Collect		C&C(*) Ad on 1st Pg		'How To' FAQ		Pickup Alert	
		Count	%	Count	%	Count	%	Count	%
10-50	98	46	46.9%	24	52.2%	38	82.6%	36	78.3%
51-100	31	12	38.7%	9	75.0%	11	91.7%	10	83.3%
101-250	46	28	60.9%	17	60.7%	25	89.3%	23	82.1%
251+	29	17	58.6%	13	76.5%	15	88.2%	15	88.2%
Total	**204**	**103**	**50.5%**	**63**	**61.2%**	**89**	**86.4%**	**84**	**81.6%**

(*) C&C: Click and Collect

N=103
Source: OrderDynamics, Nov 2018

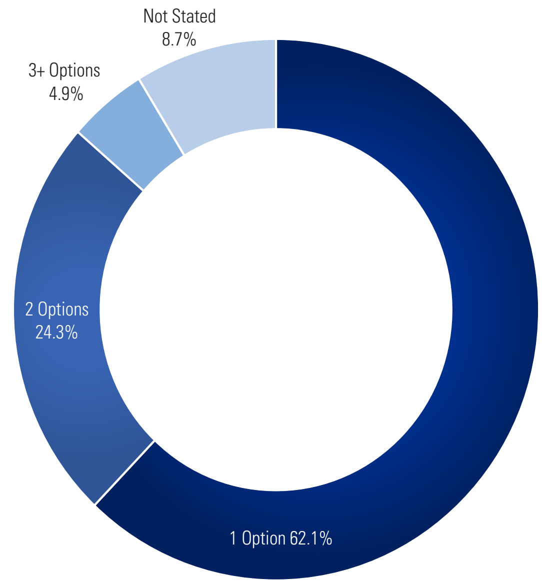
Click and Collect Options

62.1% of French omni-channel merchants refer to only one pickup option or default to an in-store pickup for customers. 24.3% of French Click and Collect retailers stated online that they offer 2 pickup options. Various pickup options exist, like in-store pickup, collection from a locker, partner location pickup, collection centers (in malls, or otherwise), postal outlet or courier pickup points, and so on.

Truly, in-store pickups are the best option for retailers. While in-store, 41% - 59% of customers will purchase additional merchandise.[4,5] In that sense, the best option for retailers is to run collect service in their own store, to maximize sales. However, at least offering partners' pickup is a good option as well. As long as both partners reciprocate, then it increases store traffic, with a chance of additional conversions.

Despite this, it is always a good practice to cater to your customers' needs. If customers want more options, then giving them more choices - when your competitors do not - is an advantage. Using a pickup locker may not result in an additional sale during that collection, but it may result in future loyalty, due to the convenience your brand provides to the shopper.

PICKUP OPTIONS



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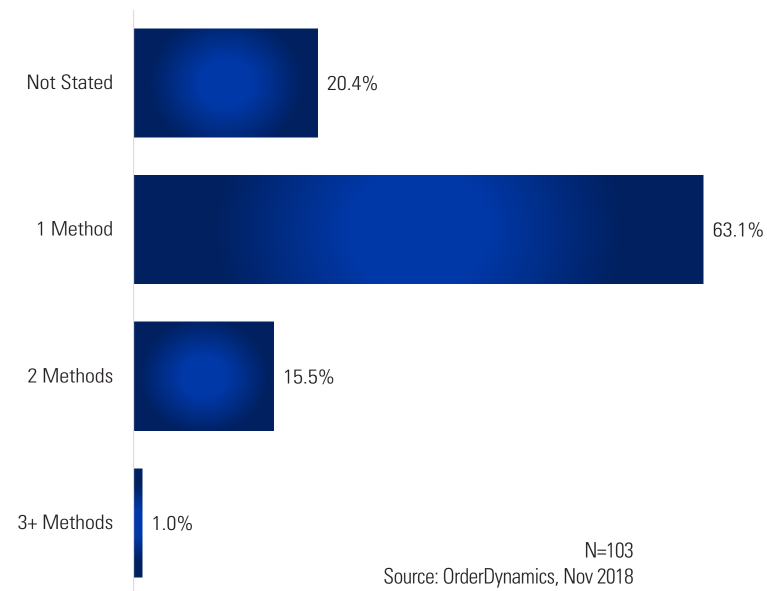
Source: OrderDynamics, Nov 2018

Pickup Notifications

Pickup notifications are alerts to advise customers that their order is ready for collection. The vast majority of French omni-channel merchants offer one notification method. Typically, this is an email notification. Only 15.5% offer a second method, and only 1.0% offer three or more methods.

This is perplexing. All retail chains in this investigation need a robust order management technology to effectively coordinate and run an omni-channel business. A good order management system provides flexible communication capabilities. That means it can connect to any desired number of communication systems be it email, interactive voice response, text, social, chat, or other communication portals. As such, an easy option retailers need to consider is to provide shoppers with more notification options. Specifically, the retailers that keeps up with the Millennial and GenZ expectations, they will ultimately have an advantage.

NOTIFICATION METHODS



N=103
Source: OrderDynamics, Nov 2018

Engaging Customers

Broken out by industry sector, omni-channel adoption varies considerably. Electronics retail adoption is 0.0%, whereas adoption in the Department retail sector is 75.0%. The second lowest adoption is the Footwear sector at 33.3% followed in third by the Home Furnishing sector at 40.0%. This is not a surprise relative to the global research, in which Department retail sector has one of the highest amounts of Click and Collect retailers at 50.5%. The Footwear sector is one of the lowest worldwide at only 36.2%.

French retailers are advertising omni-channel services prominently, with the majority of Click and Collect retailers showcasing omni-channel services on the first page. None (0.0%) Electronics retailers advertise Click and Collect prominently but all (100%) DIY|Auto|Industrial retailers called out Click and Collect on the front page of their website.

As noted earlier, the 'How To' instructions and pickup alerts for Click and Collect pickups are well done. 86.4% of retailers that offer the omni-channel service provide instructions on its use and 81.6% state that at least one form of pickup alert is available for shoppers.

Retail Sector	Retail Chains	Click and Collect Available		Click and Collect Ad on First Page		'How-To' Instructions		Pickup Alert	
		Count	%	Count	%	Count	%	Count	%
Fashion	78	41	52.6%	23	56.1%	34	82.9%	33	80.5%
Specialty	50	24	48.0%	11	45.8%	21	87.5%	19	79.2%
Footwear	15	5	33.3%	4	80.0%	4	80.0%	4	80.0%
Luxury|Jewelry	13	6	46.2%	5	83.3%	5	83.3%	5	83.3%
Department	12	9	75.0%	7	77.8%	9	100.0%	9	100.0%
Health|Cosmetics	10	5	50.0%	4	80.0%	4	80.0%	5	100.0%
Home Furnishing	10	4	40.0%	3	75.0%	4	100.0%	4	100.0%
DIY|Auto|Indust.	8	5	62.5%	5	100.0%	5	100.0%	3	60.0%
Toys|Hobby|Sporting	6	4	66.7%	1	25.0%	3	75.0%	2	50.0%
Electronics	2	---	0.0%	---	0.0%	---	0.0%	---	0.0%
Total	**204**	**103**	**50.5%**	**64**	**62.1%**	**89**	**86.4%**	**84**	**81.6%**

N=103
Source: OrderDynamics, Nov 2018

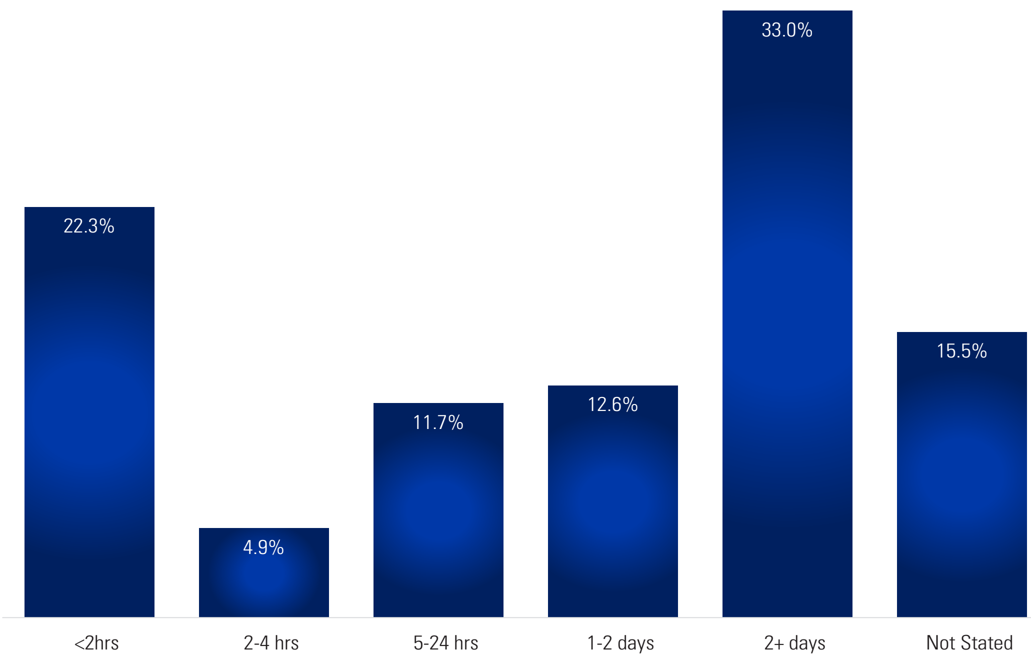
In-Store Pickup Delays

Being one of the most advanced omni-channel markets in the research, it is surprising that French retailers are reluctant to commit to short pickup delays. Although, a North American study, the Click and Collect Superconsumer research shows that omni-channel proficient customers (the Superconsumers) expect items to be ready for pickup within 24 hours.[5] From an advanced market, even tighter results are expected by French Superconsumers. Even more intense is the occasional Click and Collect consumer's expectation that items be ready for pickup within 2 hours.

Compared with the Omni-2000 global picture, 34.8% of 762 Click and Collect retailers worldwide commit to a pickup within 24 hours. In France, 38.8% of omni-channel retailers offer collection within 24 hours.

The most common pickup delay commitment is over 48 hours. 33.3% of Click and Collect retailers commit to this timing on their website descriptions. French retailers must find ways to tighten this gap. An item can be shipped to a shoppers' home or workplace within 2+ days. Increasing pressure on retailers to provide faster pickup availability will mean they would have to tighten the last mile delay.

PICKUP DELAY IN HOURS



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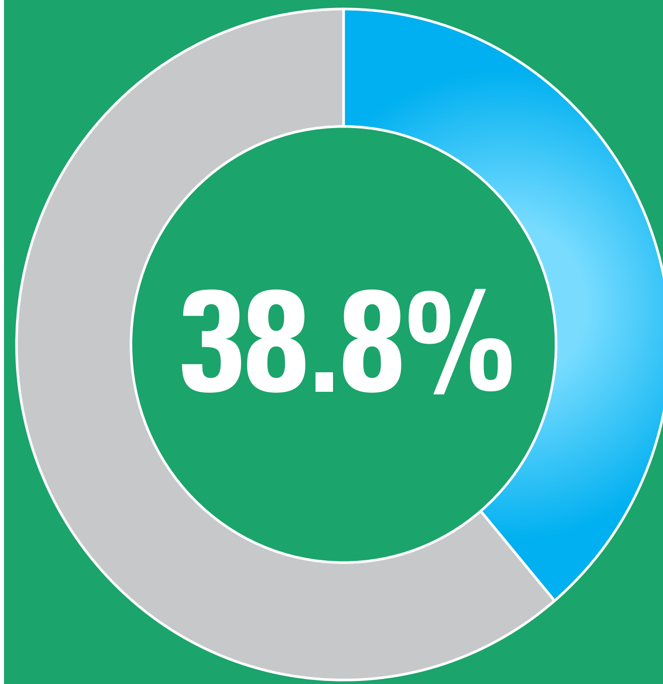
Source: OrderDynamics, Nov 2018



"Despite French retail's advanced stage of the omni-channel market, only 38.8% of Click and Collect merchants offer collection within 24 hours."

Retailer Size and Pickup Timing

85.4% of French retailers with omni-channel capabilities state the expected pickup delay on their website. This is just above the global average of 79.8% of retailers.

The research finds that the average French retail pickup delay in hours is 45.4. This is comparable to the global average of 46.8 hours. Interestingly, it is the medium-sized and the very large retailers who are able to commit to shorter pickup delays. Retailers (with 51-100 stores) offer an average pickup delay of 25.2 hours which is the shortest amount of time across all omni-channel French retailers. Enterprise-sized retailers (with 251+ stores) come in second with an average of 39.3 hours or just under two days.

Also noted in the research is the high end of the commitment spectrum. In other words, the longest delays noted on French retailer websites. The highest delay noted is 192 hours, from a mid-to-large (101-250 stores) retailer. At 8 days, this may be deemed as a long time for the average consumer to wait, but it is still a step forward for retail's Click and Collect.

What continues to be surprising is that retailers in Australia and Germany|Austria provide the lowest overall average commitment time for in-store pickup orders.[6] The average commitment for the Australian retailer is 39.1 hours, and for Germany|Austria is 30.8 hours. Both of these regions can be characterized as omni-channel nascent markets, unlike the more mature French retailing space.

Retailer Store Count	Retail Chains	Click and Collect		Pickup Delay Stated in Hrs				
		Count	%	Count	%	Average	Low	High
10-50	98	46	46.9%	38	82.6%	41.5	1	120
51-100	31	12	38.7%	10	83.3%	25.2	1	72
101-250	46	28	60.9%	25	89.3%	62.9	2	192
251+	29	17	58.6%	15	88.2%	39.3	1	120
Total	**204**	**103**	**50.5%**	**88**	**85.4%**	**45.4**	**1**	**192**

N=103
Source: OrderDynamics, Nov 2018

Inventory Visibility

"Of all retailers in France, only 50.0% show basic, active inventory visibility online."

Online Inventory Visibility Levels

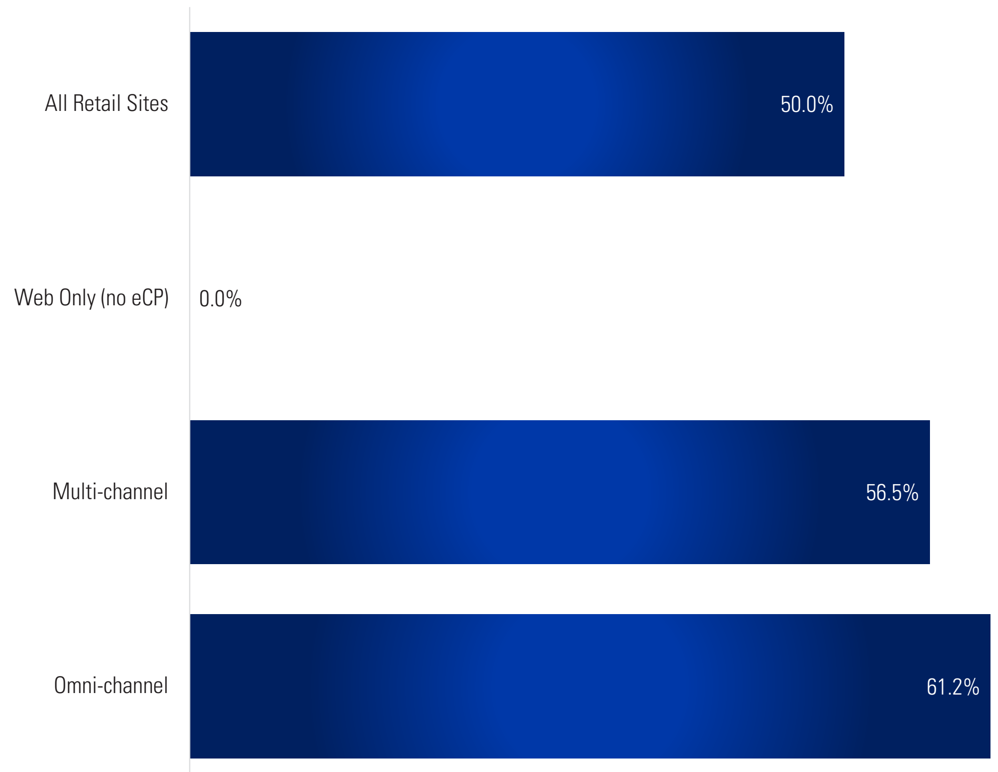
Inventory visibility is important to online consumers. Given the ease online of jumping from one retailer to the next, inventory visibility should be a very important issue for retailers as well. In fact, failing to provide inventory visibility may be akin to sending your customers to shop at your competitors' site instead.

It seems intuitively obvious. Yet, there has been a sizeable drop in the number of retailers providing active inventory visibility online. Active inventory visibility is an indicator on a product page, showing that an item is either in-stock or out-of-stock, at the most basic level. A more advanced active indicator is the store level inventory indicator. Better still is the store level indicator that provides actual quantities available. When only one or two of an item are left, it creates a sense of urgency. Either the item would be purchased immediately, or it might be taken by another online or physical shopper.

A counter to this is that no retailer wants to tip off their competitor to their stocking positions. This fear may help explain part of the drop in active inventory visibility observed. Currently, 40.0% of multi-channel merchants globally provide active inventory visibility at the basic level (in-stock, out-of-stock). In contrast, France was ahead at 56.5%. Even among global omni-channel retailers, only 49.2% currently provide active inventory visibility worldwide versus 61.2% in France.

Although not specific to the French market, research by D3Supply noted a drop in inventory visibility spanning 2016 to 2017.[2] The Omni-2000 research confirms a significant drop spanning 2017 to 2018 globally. Advances in passive inventory visibility technique at the eCP level (e-commerce platform level) may also be part of the reason for this dramatic shift. Passive inventory visibility is the notification of inventory levels, ONLY in the event that the item in question is out-of-stock. Although NOT recommended as a best practice, passive inventory visibility appears to be growing in acceptance among retailers. This research observes this anecdotal (no empirical statistics captured).

BASIC INVENTORY VISIBILITY ACROSS RETAIL SITES



(*) Multi-channel is when a retailer offers an in-store and an online/digital presence with no Buy Online Pickup In-Store abilities. Omni-channel is having an in-store and an online/digital presence, while also offering Buy Online Pickup In-Store and other cross-channel services.
(**) eCP refers to e-commerce platform.

N=204
Source: OrderDynamics, Nov 2018

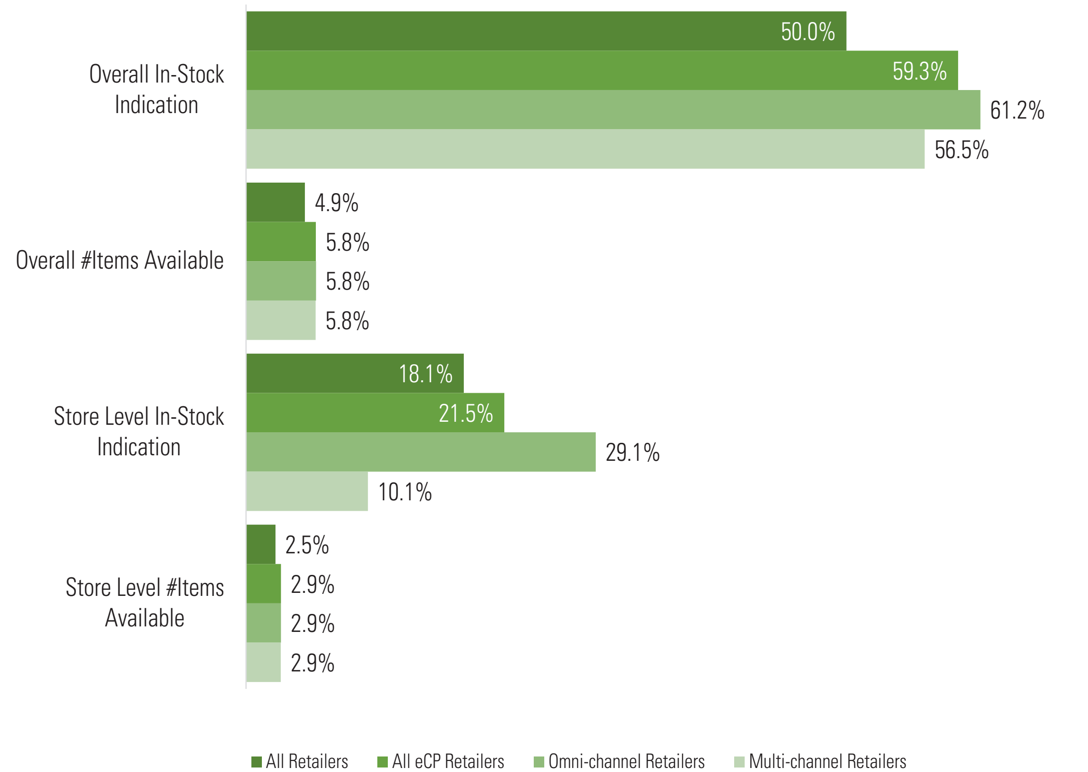
Inventory Visibility By Retailer Size

Basic, active inventory visibility skews higher with the small merchant chains (10-50 stores). As the chain size grows, the percentage of retailers with active inventory visibility drops to 27.6% at the enterprise-sized level (251+ stores). Given that, the larger chain often affords more expensive and advanced technologies, this skewing may be indicative of the newer passive inventory visibility technology adoption. This hypothesis will remain to be tested in the next iteration of the Omni-2000 research.

Retailers appear to have largely shunned the detailed level of inventory visibility. This is both at the overall retail level, as well as at the store level. As expressed earlier, this is perplexing as low inventory volumes at a particular store level can spur consumers to purchase. Limited quantities create a sense of urgency.

Based on retail strategy, omni-channel and multi-channel retailers are most likely to provide online inventory visibility for overall in-stock indication. Omni-channel retailers are most likely to show store level in-stock indication of their items, at 29.1%.

INVENTORY VISIBILITY BREAKDOWN BY RETAIL STRATEGY

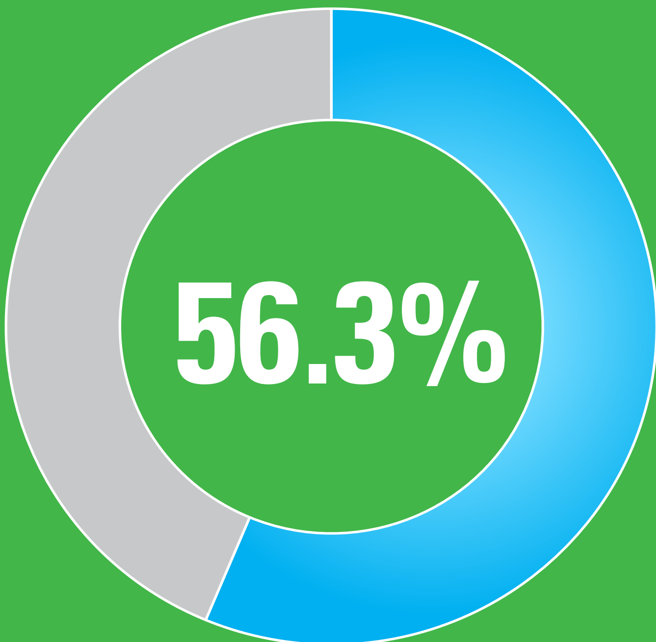


N=204
Source: OrderDynamics, Nov 2018

Chain Store Count	Retail Chains	Overall Inventory Visibility				Store Level Inventory Visibility			
		InStock	%	Qnty	%	InStock	%	Qnty	%
10-50	98	52	53.1%	5	5.1%	12	12.2%	1	1.0%
51-100	31	15	48.4%	3	9.7%	7	22.6%	1	3.2%
101-250	46	27	58.7%	2	4.3%	8	17.4%	3	6.5%
251+	29	8	27.6%	--	0.0%	10	34.5%	--	0.0%
Total	**204**	**102**	**50.0%**	**10**	**4.9%**	**37**	**18.1%**	**5**	**2.5%**

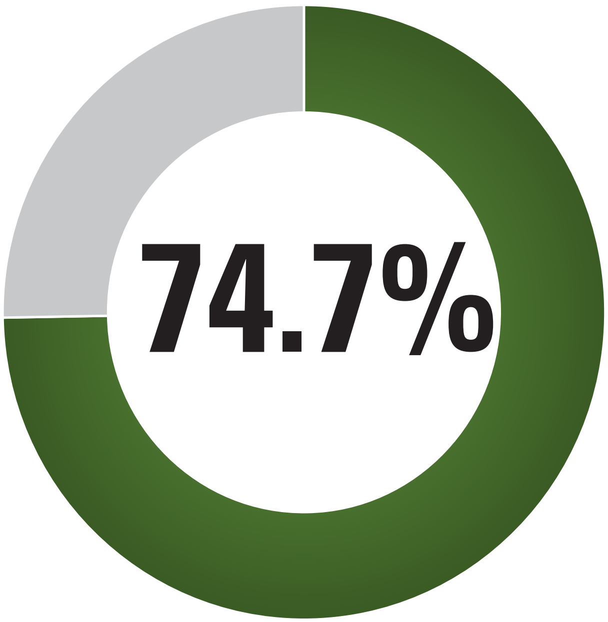
N=204
Source: OrderDynamics, Nov 2018

Returns



"In France, 56.3% of <u>omni-channel retailers</u> offer BORIS (Buy Online Return In-Store) services."

Returns Policies

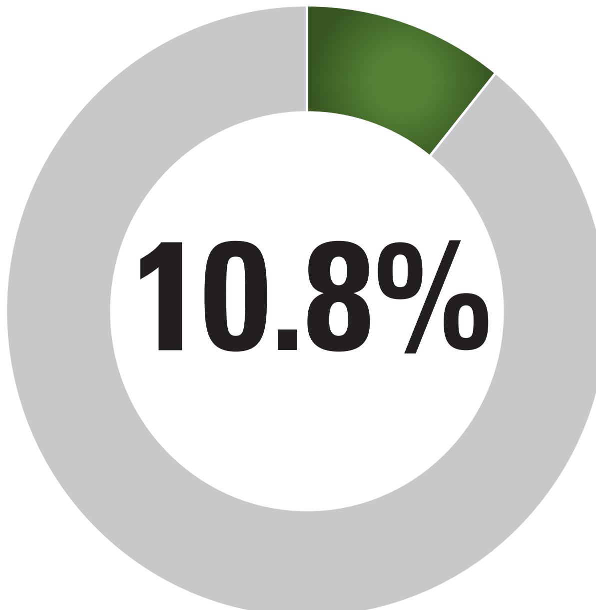


Customer Friendly Returns Policy

In France, 74.7% of retailers that provide a returns policy, are deemed customer friendly.

Returns policies need to be clear, jargon-free, and ultimately inviting to customers. They are never a shopper's thrill to read, but an important part of deciding on whether to purchase from a particular retailer or not. For this reason, retailers must ensure policies are easily understood. Done well, a good returns policy will entice more customers to purchase goods, reassured about the ability to return an item if it does not meet their needs.

N=182
Source: OrderDynamics, Nov 2018

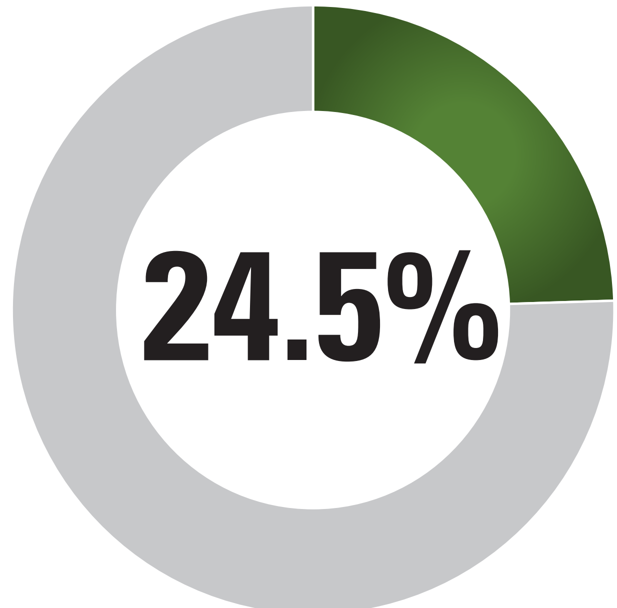


No Return Policy Found Online

Very few French retailers fail to show a returns policy online. Yet, 10.8% either do not provide the policy online or made it very difficult to find, eluding the researchers for this study.

At this stage, in an advanced retail market, all retailers should have searchable returns policies online. Although this is a small number, it should approach zero.

N=204
Source: OrderDynamics, Nov 2018



Free Returns Shipping

Shoppers who are frequent or even occasional Click and Collect users, prefer to transact in-store returns.[5] Despite this, it is a good practice to offer free returns shipping.

In France, 24.5% of all retailers reviewed provide free returns shipping. Although, costs will be raised, it will reduce the feeling of risk on the consumer's behalf. Ultimately, even if the consumer may end up returning the item in-store, it may save second shipping costs.

N=204
Source: OrderDynamics, Nov 2018

Buy Online Return In-Store (BORIS)

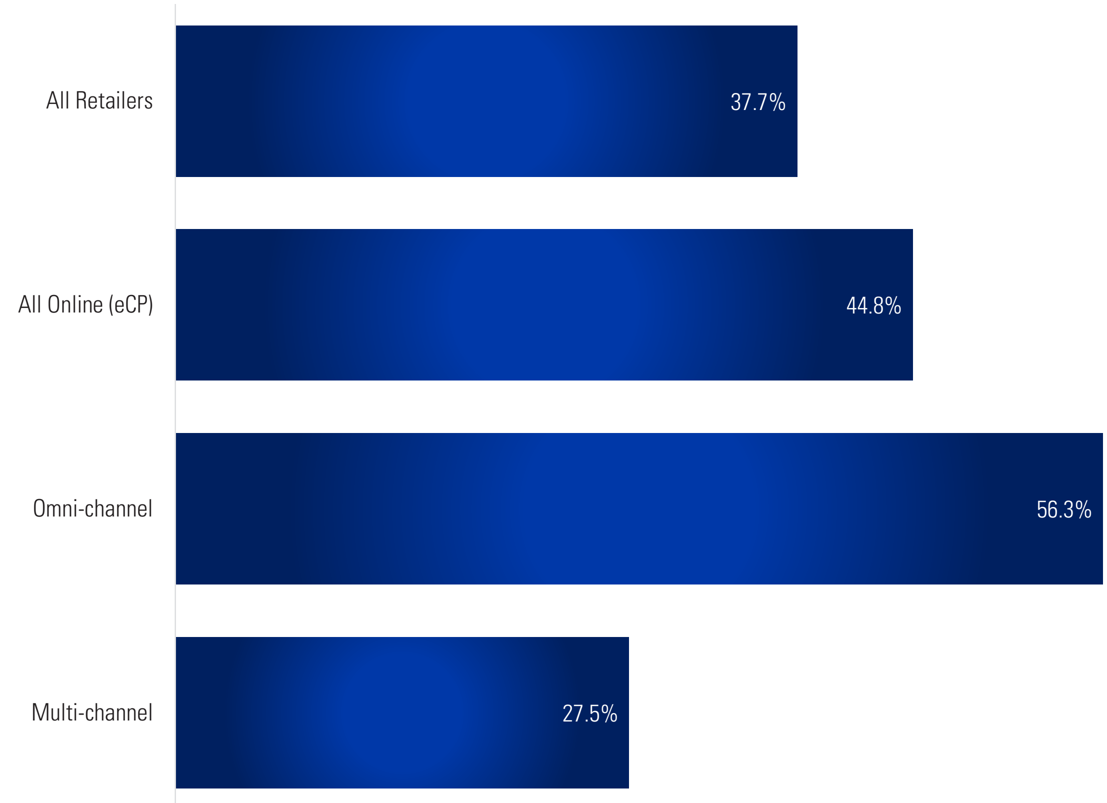
Not surprising, omni-channel retailers in France are the most likely to accept in-store returns for items purchased online. 56.3% of French omni-channel retailers allow Buy Online Return In-Store (BORIS). The principle here is that a customer, who crosses channels during the purchase, is entirely likely to also view crossing channels during a return, as part of the expected transactions sets.

Although only 56.3% stated the chain accepts BORIS, it is entirely possible that not all omni-channel retailers posted this policy on the website. Should this be the case, retailers need to post the policy, as it may entice more customers to purchase.

Now take a look to see how the French retail stacks up against the rest of the world. Which are the countries to watch on the omni-channel stage? The Omni-2000 Global research gives you a view of the full set of 2,000 retailers. Like the French report, the global version is a free download.

Get it now: **bit.ly/od-omni-2000-global**

BUY ONLINE RETURN IN-STORE BY RETAIL STRATEGY



It is worth repeating that consumers prefer returning goods to physical stores.[5] Returning goods to a store is also likely to result in either an exchange or a purchase of more goods.[5,7] This is particularly important considering that "53% of shoppers expect to return 1 out of every 4 online purchases."[1] In this regard, BORIS can be a powerful tool to help reconvert many of the online returns.

Comparing French results to global figures, significantly less French omni-channel retailers offer BORIS (56.3% for France, 72.6% globally).

N=204
Source: OrderDynamics, Nov 2018

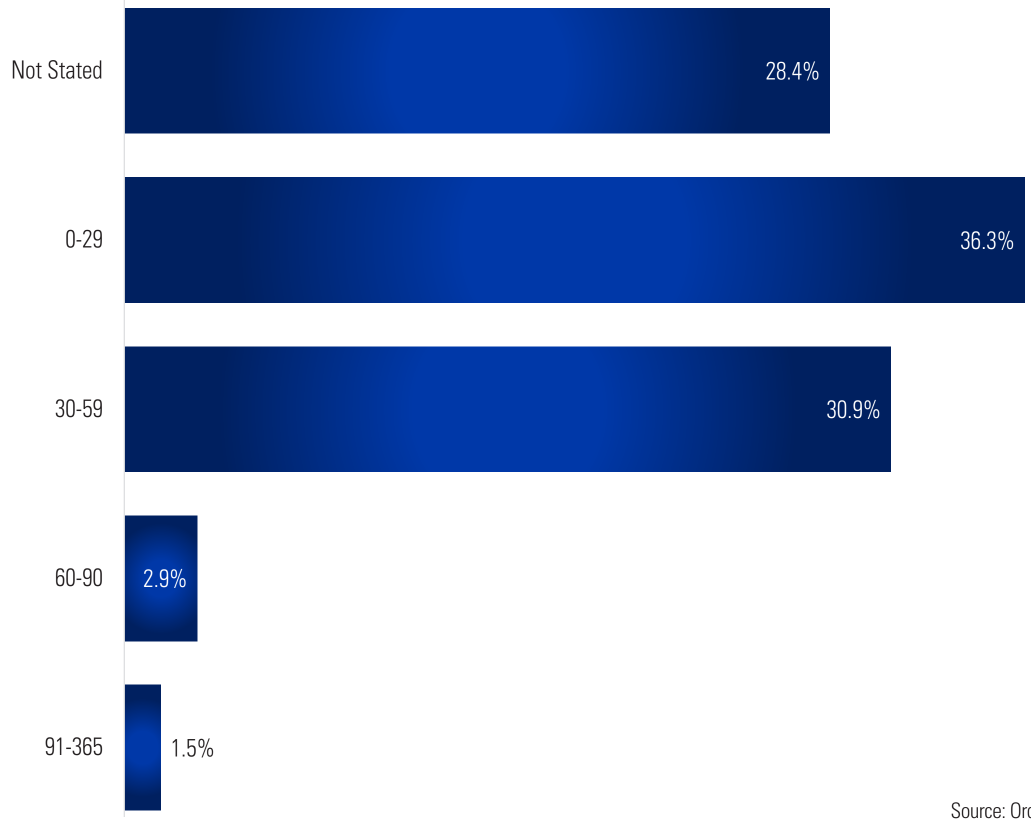
Return Days Allowances

From a global perspective, a small number of merchants charge a restocking fee for returning goods. From the French sample of retail chains, none suggested restocking fees on returned merchandise. This is an important factor that French retailers are doing well. To encourage purchasing, make returns as frictionless as possible.

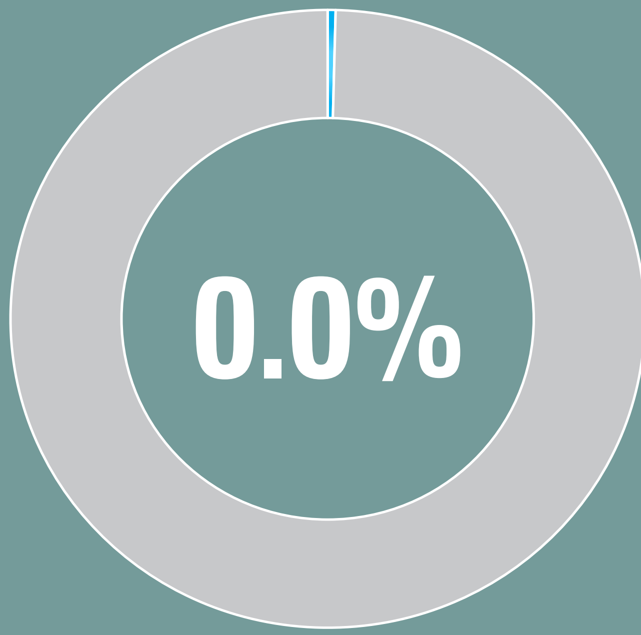
On the number of days to return a good, 36.3% of French retailers offer 0-29-day allowances. Another 30.9% allow 30-59 days. Then it drops off dramatically. Only 2.9% provide 60 or more days to return items.

Currently, retailers have excellent non-price promotional opportunities. Merchants may want to run trial offers, in which cases customers have 60 or 90 days to return items purchased during a promotional period.

RETAILER RETURN DAYS ALLOWANCE



N=204
Source: OrderDynamics, Nov 2018



"From the sample of French retailers researched, none discuss, have or enforce a returns restocking fee - based on online messaging."

Return Allowance Ranges

The table below provides a full view of the return allowances by retail sectors. Note that some of the retail sub-sector counts are small. In other words, the change in course of one merchant chain can dramatically swing the results. Despite this, the table is indicative of the retail market tendencies. It should also be useful for retailers to be able to identify their particular competitive strategy, against their specific market segment.

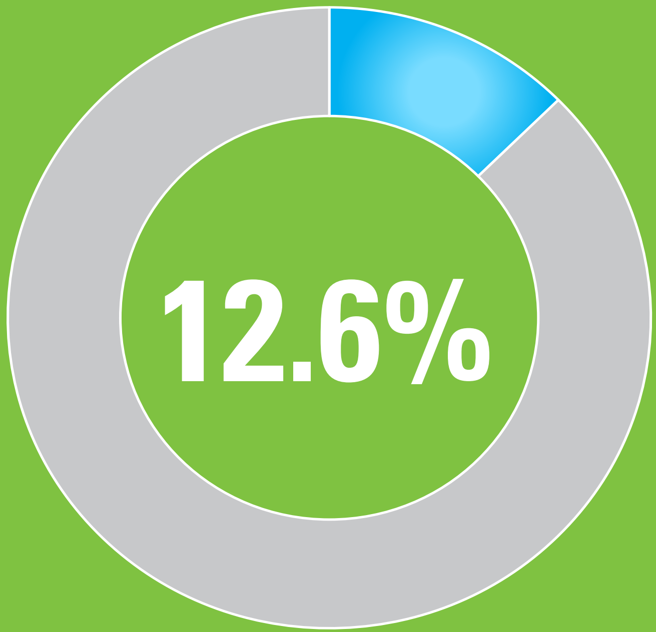
On free returns delivery, 24.5% of retailers provide the option. Least likely to offer it are the Home Furnishing, the DIY|Auto|Indust. and the Electronics sectors at 0.0%. The Toys|Hobby|Sporting sector is fourth lowest with 16.7% noting it online. The retail sector that is most likely to offer free return delivery is the Footwear, at 53.3%.

Electronics retailers with an e-commerce platform (eCP) are most likely to offer Buy Online Return In-Store (BORIS), at 100.0%; followed by the Department retail sector with 63.6% of them offering this type of service, and the Fashion retail sector at 56.9%. BORIS, in this case, is only measured against retailers with e-commerce capabilities (multi-channel and omni-channel vendors).

Retail Sector	Retail Chains	Retail with eCP	Days to Return Merchandise					Free Return Ship		BORIS	
			N/A	0-29	30-59	60-90	91-365	Count	%	Count	%
Fashion	78	72	14.1%	34.6%	47.4%	3.8%	--	24	30.8%	41	56.9%
Specialty	50	36	46.0%	30.0%	18.0%	4.0%	2.0%	9	18.0%	12	33.3%
Footwear	15	13	13.3%	40.0%	46.7%	--	--	8	53.3%	6	46.2%
Luxury|Jewelry	13	11	23.1%	46.2%	30.8%	--	--	3	23.1%	2	18.2%
Department	12	11	33.3%	41.7%	25.0%	--	--	3	25.0%	7	63.6%
Health|Cosmetics	10	10	--	80.0%	10.0%	10.0%	--	2	20.0%	3	30.0%
Home Furnishing	10	7	50.0%	40.0%	10.0%	--	--	--	0.0%	2	28.6%
DIY|Auto|Indust.	8	6	75.0%	--	--	--	25.0%	--	0.0%	2	33.3%
Toys|Hobby|Sporting	6	5	50.0%	33.3%	16.7%	--	--	1	16.7%	1	20.0%
Electronics	2	1	50.0%	50.0%	--	--	--	--	0.0%	1	100.0%
Total	**204**	**172**	**28.4%**	**36.3%**	**30.9%**	**2.9%**	**1.5%**	**50**	**24.5%**	**77**	**44.8%**

N=204
Source: OrderDynamics, Nov 2018

Mobile and Social Commerce



"Mobile commerce is emerging fast. Yet, only 12.6% of omni-channel retailers have an optimized m-commerce site."

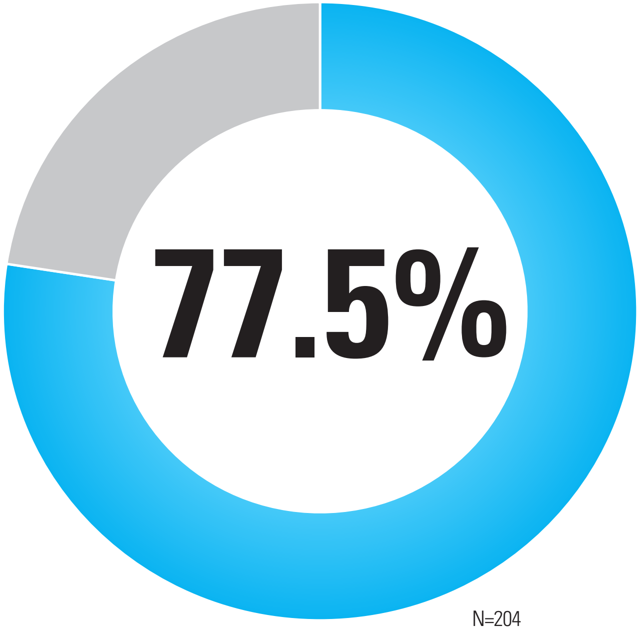
Mobile Responsive Sites

Overall, 77.5% of French retailers offer mobile responsive websites. That means consumers can use their smartphone to access the retailer's website and even process orders online. However, a responsive website still may not provide users with an ideal customer experience.

The difference is that a mobile responsive site is good, but not optimized for the purchasing experience. Most website platforms and themes offer mobile responsive web designs, today. Solid first step, but it does not ensure everything is set up ideally for a customer purchase on smartphones. This explains why 77.5% of French retail sites are responsive, yet only 12.3% of all retailers offer m-commerce optimized sites.

Given that m-commerce is still nascent, responsive sites should grow, as should m-commerce optimized sites.

MOBILE RESPONSIVE RETAIL SITES



N=204
Source: OrderDynamics, Nov 2018

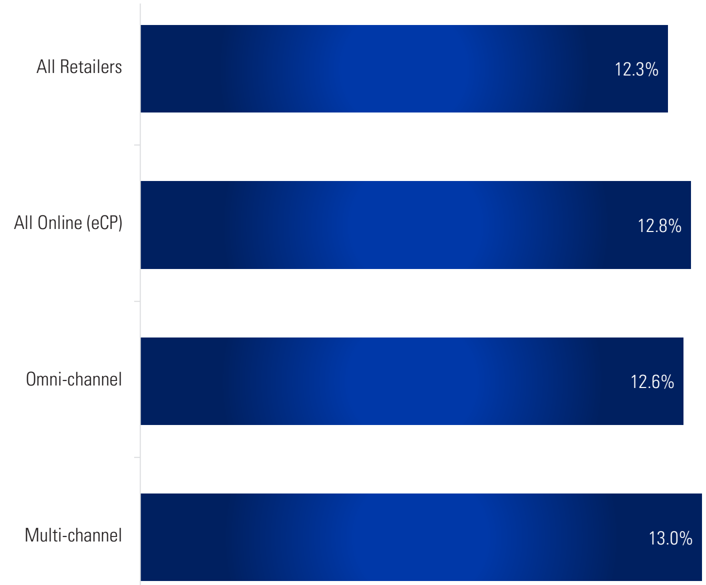
M-Commerce Optimized Retail

Optimized m-commerce is at the forefront of online retailing. It's no secret that consumers compare prices, and even purchase items on m-commerce sites while browsing them, even in-store. As such, m-commerce is becoming an increasingly important part of retail. In fact, Google is taking a mobile-first approach to SEO ranking, indicative of the importance that mobile will play in retail.

Surprisingly, French omni-channel retailers do not have the highest penetration of m-commerce optimized sites, at 12.6%. It is the French multi-channel retailers who have the highest incidence of m-commerce optimized sites at 13.0%.

An interesting comparison is against the global observations. Worldwide 7.0% of multi-channel merchants have mobile-optimized sites. Globally 11.4% of omni-channel vendors are m-commerce optimized sites in operation.

M-COMMERCE RESPONSIVE SITES



Social Media and Commerce

Retailers in France have gravitated toward Instagram en mass. 89.3% of French omni-channel retailers have a presence on the social platform. It is no surprise that Health|Cosmetics, Fashion, and Luxury|Jewelry sectors have the largest percentages of retailers on Instagram. In France, the Electronics sector has the smallest presence on Instagram with only 50% of retailers on the social network. Although only one of many social media platforms, Instagram continues to be the leading destination for omni-channel retailers.

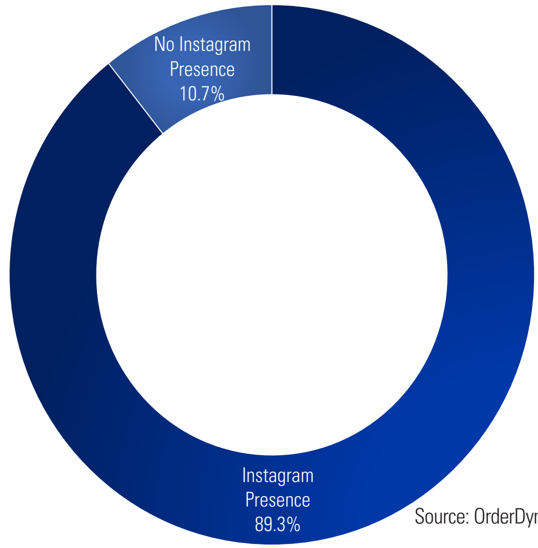
Despite the high adoption of having a presence on Instagram, only 5.9% have established Instagram as a sales channel. No doubt this will be a category that will change in the coming year.

Loyalty programs are almost as popular in the French market, as it is in other countries. Germany|Austria, and Australia have the greatest number of retail loyalty programs found online, at 39.0% and 36.8% respectively. Across the French market, 31.4% retailers make mention of their loyalty programs online.

On mobile commerce, there are no particularly large swings either at the retail chain size analysis, or at the segment analysis - save for DIY|Auto|Industrial goods, already discussed.

Low m-commerce optimized sites are likely due to responsive sites providing a good-enough mobile purchasing experience for shoppers. This will be an interesting aspect to watch for changes in the near future.

INSTAGRAM PRESENCE - OMNI-CHANNEL RETAILERS

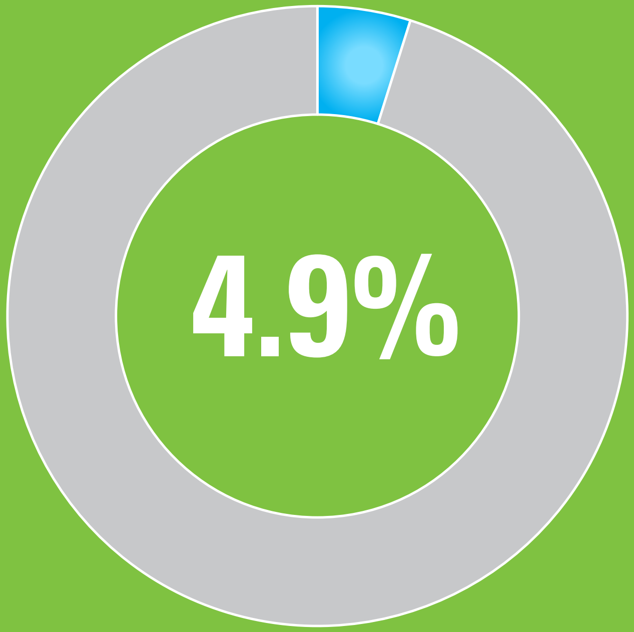


N=103
Source: OrderDynamics, Nov 2018

Retail Sector	Retail Chains	Loyalty		Mobile Site				Instagram			
		Prog.	%	Resp.	%	Opt.	%	Present	%	Shop	%
Fashion	78	21	26.9%	69	88.5%	11	14.1%	74	94.9%	7	9.0%
Specialty	50	11	22.0%	30	60.0%	3	6.0%	35	70.0%	1	2.0%
Footwear	15	3	20.0%	13	86.7%	4	26.7%	13	86.7%	--	0.0%
Luxury|Jewelry	13	5	38.5%	12	92.3%	1	7.7%	12	92.3%	3	23.1%
Department	12	7	58.3%	9	75.0%	2	16.7%	11	91.7%	--	0.0%
Health|Cosmetics	10	7	70.0%	8	80.0%	3	30.0%	10	100.0%	1	10.0%
Home Furnishing	10	4	40.0%	6	60.0%	1	10.0%	9	90.0%	--	0.0%
DIY|Auto|Indust.	8	3	37.5%	4	50.0%	--	0.0%	6	75.0%	--	0.0%
Toys|Hobby|Sporting	6	3	50.0%	5	83.3%	--	0.0%	4	66.7%	--	0.0%
Electronics	2	--	0.0%	2	100.0%	--	0.0%	1	50.0%	--	0.0%
Total	**204**	**64**	**31.4%**	**158**	**77.5%**	**25**	**12.3%**	**175**	**85.8%**	**12**	**5.9%**

N=204
Source: OrderDynamics, Nov 2018

"4.9% of French omni-channel retailers offer the ability for shoppers to purchase directly from their Instagram account (shop)."



Omni-channel in the French Retail Market

Across the expanded retail chain sample of 204, the Omni-2000 Research: France finds that 50.5% of retailers in France offer Click and Collect services. Based on the seven countries reviewed, the French market is one of the most advanced at omni-channel capabilities today.

One of the most surprising results from the research is that French retailers have the most m-commerce optimized sites at 12.3%. While this number is not high, it is the highest among all the countries represented in this study. Mobile responsive sites are popular as 77.5% of retailers have it.

As much as returns are not a favoured topic among retailers, it is an important aspect to consumers. 24.5% of all retailers offer free return deliveries, which can be an important decision factor for many shoppers.

BORIS (Buy Online Return In-Store) is available with 56.3% of French omni-channel retailers, versus 72.6% of global omni-channel retailers.

On returns allowance, the French market continues to be tighter than global levels. 36.3% of return allowances are within 0-29 days, compared to 29.1% globally. The next most popular range is 30-59 days accounting for 30.9% of French retailers, and 34.6% cited globally. This may be an opportunity for retailers to run non-price related promotions - of extended return periods.

An example of the advanced nature of the French omni-channel market is the balanced offering across merchant chain sizes. Specifically, 60.9% of retailers with 101-250 stores offer Click and Collect. This compared with 58.6% for retailers with 251+ stores. Nascent markets experience a dramatic skewing toward enterprise-level merchants. This is no longer the case in the French retail market.

Additionally, the average collection timing in France shows a slightly better position from global figures; 45.4 hours is the average pickup commitment from French retailers versus 46.8 hours globally. Despite the advance, there is room for improvement. The Click and Collect Superconsumer expects orders to be ready for collection within 24 hours.[5]

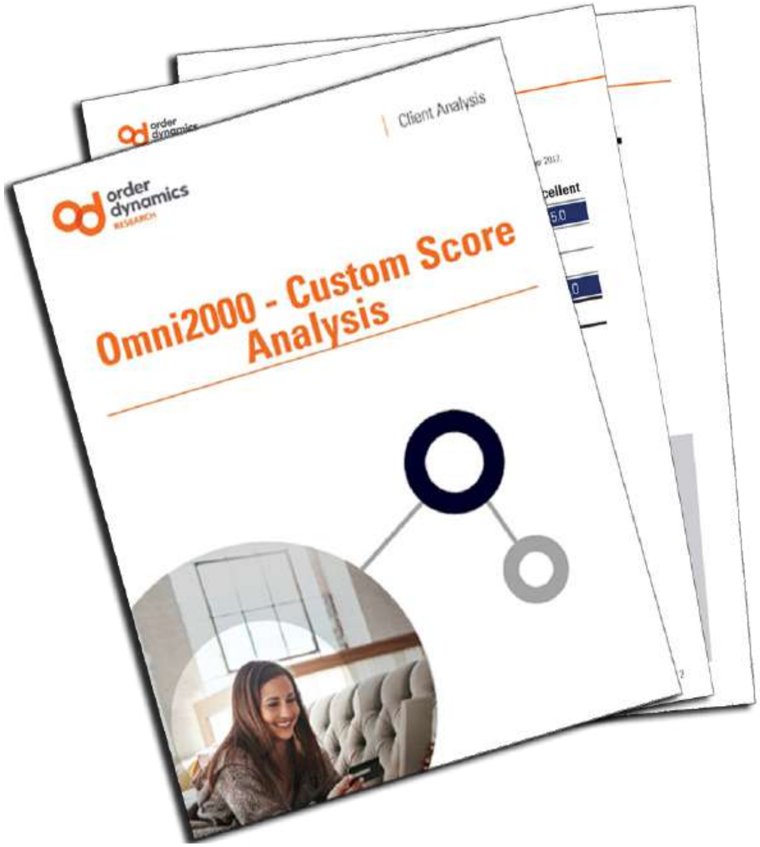
Social selling will become an increasingly important channel. Today, 85.8% of French retailers have an Instagram presence. However, only 5.9% of retailers have an Instagram store to allow consumers to shop directly from social media.

Key Observations

The market in France is one of the most advanced omni-channel markets observed in the research. Yet, there are opportunities for further improvement, as noted above. French retailers are making early headway in m-commerce optimized sites and this seems to be moving the industry in the right direction. It remains to be seen if this continues through 2019, as a trend.

Opportunities for French retailers are to actively pursue Click and Collect as a means of driving revenue and to increase inventory awareness in omni-channel.

Other Retail Resources



Omni-2000 Retail Score

Find out Your Rank on the Omni-2000

Was your retail business part of the Omni-2000 research base? Now you can find out, and learn about how you scored on the 40+ criteria. If you are a Senior Executive in Retail, then click here and we would be pleased to review if you were in the core research and to share our findings of your retail chain with you. Ask for a sneak peek at your competitors, too.

Find out your score here: **bit.ly/od-omni-2000-score**

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OrderDynamics enables customer options like Buy Online Pickup In-Store (BOPIS), and ship-from-store. This creates exceptional shopping experiences. Iconic brands like Speedo, Quiksilver, Columbia Sportswear, JYSK, Princess Auto, Crabtree and Evelyn, Murdoch's Ranch and Home Supply, and Browns Shoes use OrderDynamics technology across North America, Europe, Asia and Australia.

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