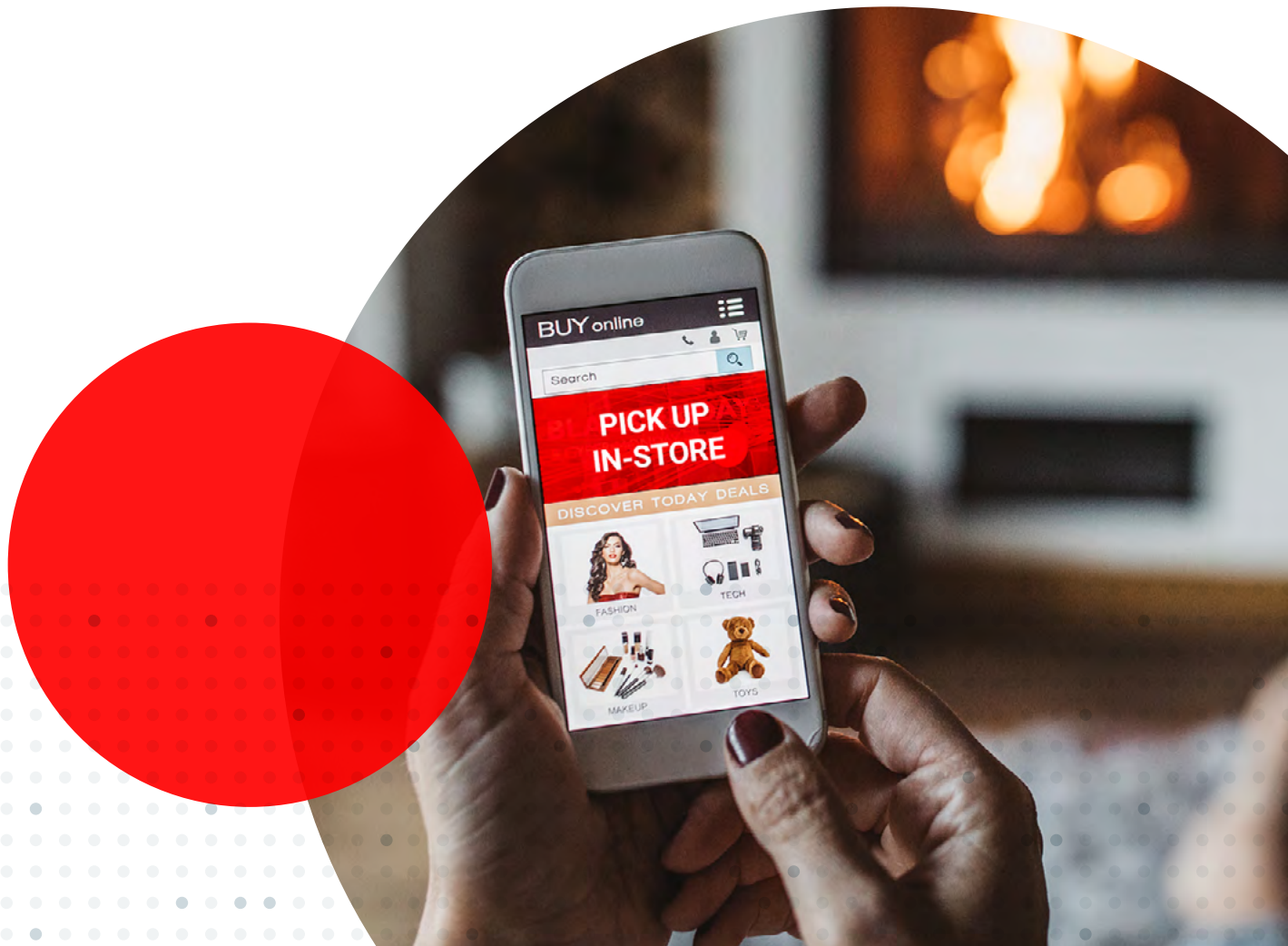




INSIGHTS

6 Essentials to Achieve Lasting Recovery in Retail



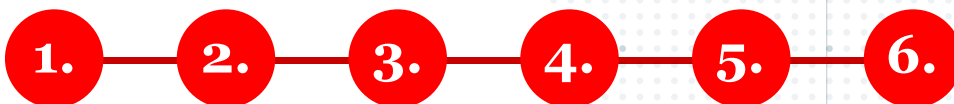
Retailers now recognize they need new ways to manage their operations. Investments on capital expenditures and store remodels are being put on hold in favor of omnichannel solutions.

The COVID-19 crisis shined a spotlight on not only the importance for retailers to be everywhere, but to offer a consistent brand experience everywhere. It's time to stop debating how e-commerce and brick-and-mortar stack up against each other. Rather, it's about how e-commerce and physical stores can stack on top of each other to push retailers to the top.

Retailers can no longer afford to stall, as consumers expect omnichannel excellence – and they want it now. Technology innovation will enable retailers to adapt to the evolving retail landscape to delight consumers and gain a competitive advantage.

What consumers want (and how retailers deliver)

Here are six essentials that retailers of all sizes will need to have in order to achieve lasting recovery in the midst of an uncertain economic landscape.



1.

Online and offline integration

The line between digital and physical shopping continues to blur, forcing retailers to boost their agility to respond to consumers' evolving needs across retail touchpoints. That's because consumers no longer distinguish between channels; in 2020, it's all just 'shopping.'¹

Shoppers increasingly check prices, compare products, skim product reviews and check social media commentary to feel confident before making a purchase, whether they buy in a brick-and-mortar store or on an e-commerce website or mobile app. Consumers demand the same experience and information regardless of which retail channel they choose.

Why do omnichannel consumers matter? Studies prove they're more valuable and loyal than single-channel shoppers.

According to Harvard Business Review, omnichannel customers spend an average of 4% more on every shopping occasion in stores and 10% more online than single-channel customers. Within six months of an omnichannel shopping experience, consumers made 23% more repeat shopping trips to a retailer's stores, and were more likely to recommend the brand than shoppers who used a single channel.³

Consumers now expect the convenience of having a variety of shopping options available 24/7 to access products they need. As a result, retailers need technology to unify their physical and digital offerings to deliver a seamless, consistent customer experience across all retail touchpoints.⁴



73%

According to Harvard Business Review, 73% of shoppers switch from channel to channel when shopping.²



2.

Speed

When consumers order a product, they expect prompt delivery.

Only 15% of U.S. consumers said online retailers always offer shipping options that meet their expectations for speed of delivery (vs. 30% for Amazon).⁵ More than half (53%) of U.S. online shoppers won't purchase a product if they don't know when it will arrive.⁶ Younger consumers have the highest expectations, as 54% of U.S. consumers under the age of 25 say same-day shipping is their number one purchase driver.⁷

Online shoppers also expect smooth, efficient buy online pickup in-store (BOPIS) strategies. Drive through and curbside pickup options are an interesting new service and expected to become a \$35 billion channel in 2020, according to Forbes. That's because when online orders are available locally, customers are more than willing to drive the few extra miles to get the product sooner.⁸

Trendsetter Amazon continuously increases consumer expectations for service, including speed. Amazon has accelerated its free Prime two-day delivery to free shipping in one day to delight Prime members and encourage them to stay loyal with prompt service.⁹ Amazon's emphasis on speed gives the e-commerce giant an enviable advantage.

To keep up with consumer demand for speedy, hassle-free service, retailers must offer fast shipping and efficient BOPIS processes to maximize customer satisfaction and sales.

3.

Stock visibility

Consumers **really** don't like to waste time.

Sixty percent of shoppers always or sometimes check a store's in-store inventory availability online before visiting a store to make a purchase. Also, 20% of consumers said they would never shop at the retailer again if its website said a product was available in-store then they discovered it was out of stock.¹⁰

To accurately share inventory information with consumers, retailers need a real-time view of their inventory for each of their stores and distribution centers.

Retailers can delight customers before they even enter the store by offering real-time inventory visibility across digital channels.

When shoppers can easily and quickly check a retailer's inventory levels online, they're more likely to buy from that retailer rather than its rivals. Consumers save time and feel confident that retailers will provide what they need when they need it.

4.

Easy returns

As e-commerce adoption has grown, a corresponding increase in product returns has emerged as the new retail reality.¹¹

A study found 42% of shoppers have returned an item they bought online in the last six months.¹² UPS recently announced it expected to process 1.9 million returns on January 2, representing a 26% year-over-year increase and a seventh consecutive annual record.¹³

Online shoppers have come to expect an easy, hassle-free returns process. Nearly 70% of U.S. online shoppers said their most recent return experience was "easy" or "very easy," and 96% would buy from that retailer again based on that experience.¹⁴

In response, retailers strive to make product returns easy and transparent for consumers by designing a seamless buy online return in-store (BORIS) strategy to boost customer satisfaction and repeat sales.¹⁵



60%

of shoppers check a store's in-store inventory availability online before visiting a store.



96%

of shoppers would buy from that retailer again if their most recent return experience was "easy."

5.

M-commerce excellence

Retailers can build loyal online-to-offline relationships by applying mobile commerce best practices.

The vast majority (80%) of Americans shop online and even before the COVID-19 crisis, experts predicted m-commerce would account for 54% of all e-commerce sales by the end of 2021.^{16 17} More than half (59%) of smartphone users prefer companies with mobile sites or apps that allow them to make purchases easily and quickly.¹⁸

Notably, mobile ease affects consumer loyalty, as consumers who have a bad mobile experience with a particular company are 62% less likely to remain a customer.¹⁹

Beyond e-commerce capabilities, consumers use mobile apps to find out-of-stock items, learn more about products or search for discounts and promotions. An effective mobile experience allows consumers to quickly discover the product information they need, which can give them the certainty they need to proceed with a purchase.



The vast majority of Americans shop online.



6.

Personalized communications

Campaigns designed for mass audiences no longer suffice, as consumers desire only relevant messages customized for their individual interests.

Shoppers expect proactive communications, especially updates regarding the status of their order and delivery timelines.²⁰ For instance:



83% of U.S. online shoppers expect regular communications about their purchases.

59% want to receive notifications about the status of their refund.

54% will reward retailers with repeat business if the companies can predict when a package will arrive²¹.

To proactively communicate with customers, retailers request consumers' permission to send them messages in a variety of formats to accommodate how they prefer to interact with their brand. Retailers also engage customers with flexible communication options like order notification using Snapchat, Twitter, WeChat, text, email, voice messaging and other social vehicles.

Using technology to centralize data on individual consumers, including their online and in-store orders, helps retailers personalize their marketing with relevant content. As a result, consumers feel understood, and more likely to trust and buy from a retailer.

Conclusion

Technology has evolved into a retail necessity. To remain competitive and relevant, more retailers are embracing technology to deliver superior omnichannel service. Innovations help retailers stay connected to consumers and offer real-time inventory visibility, faster fulfillment and easier returns for a frictionless shopping experience that delights consumers, fuels sales and earns loyalty.

Speak with a retail transformation expert



Notes

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