## the e-tailing group
# press release

## Omnichannel Execution Unrealized
e-tailing group OmniChannel Consumer Insights 1st Annual Survey Results

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## THE FACTS

"The omnichannel opportunity is unrealized as significant gaps exist between what shoppers expect and what retailers are currently delivering. From consistency in execution, inventory transparency and cross-channel profile access to in-store use of technology, consumers have come to realize how valuable sophisticated execution can be for expediting their shopping experiences. Well-heeled retailers are making the necessary and right investments to allow shoppers to easily shift channels as circumstances suggest, but the promise of omnichannel has not been fully realized", emphasizes Lauren Freedman, President, the e-tailing group.

## THE METHODOLOGY

A 15-question online consumer survey of 1,106 shoppers was completed in 2Q15 with generous sponsorship from B2C Partners. Respondents were evenly split by gender, had shopped both online and in a physical store in the past 6 months and owned a smartphone. The long-term goal of this research will be to provide a "consumer-facing" evaluation of shopping experiences along with a methodology for retailers to assess their performance via a series of tools created by the e-tailing group, 19-year veterans of retail mystery shopping online. This survey will set the standard as an annual vehicle to measure changing consumer behavior in omnichannel shopping. This survey will be complemented with an in-store evaluation of 30 merchants culminating in an omnichannel shopping index, which will be made available in the coming months.

## NOTABLE FINDINGS

Most shoppers identify themselves as multi-channel, with 38% using a combination of channels to complete their shopping. Single-channel shoppers are also a factor (32% store only/29% web only). Today, only 18% identify themselves as mobile-only: though with accelerating mobile adoption, this segment will likely see strong growth.

Shoppers appreciate and understand channel tradeoffs and make their choices accordingly. A series of statements were provided to participants that exposed both sides of the shopping equation (store and online) and results are charted below.

| | Top-2 (out of 5) Strongly/Somewhat Agree |
|---|---|
| I enjoy the efficiency of shopping online combined with the touch and feel of the retail store experience | 84% |

| | |
|---|---|
| The web allows me to thoroughly research my purchases but I still find a knowledgeable associate helpful in making final shopping decisions | 75% |
| So many products are complicated to purchase so understanding how they work or trying them on is important and can be better realized when visiting a physical store | 72% |
| The web helps me zero in on items using search tools yet sometimes I can get a quicker overview of products when I visit a physical store | 71% |
| While speed and efficiency are important, I still enjoy the excitement of shopping at a physical store | 71% |
| Though the web saves me time when shopping I also like to take advantage of the services physical stores can offer (alterations, repairs, etc.) | 70% |
| While I welcome the convenience of shopping online, sometimes it's just easier/ more efficient to have the product sent to the physical store for pickup | 67% |
| The web helps me identify where products are available locally but I still prefer to make my purchases at the physical store | 65% |
| The options available on the web can overwhelm me at times so I prefer to shop a more edited assortment at a local physical store | 48% |

The store has an important role to play and holds service advantages such as alterations and installation. The ability to use both store and digital channels in tandem still remains significant. Circumstances dictate efficiency and effectiveness for every individual where omnichannel can represent the perfect marriage of both worlds. The tactile needs of shoppers still leans in favor of the store from a convenience and confidence building scenario yet from a digital perspective the research prowess of the web is difficult to match.

The sales associate may become the most valued resource for every retailer and their ability to educate the shopper, share knowledge and consummate the sale should not be underestimated. In fact, 84% of shoppers identify themselves as "self-service" while the majority (56%) find themselves needing some help along their shopping journey.

As more retailers continue to put in place systems that allow for inventory look up, the shopper can make better choices about where to ultimately make their final purchase and consequently in-store pickup is a strong performer.

## CONSISTENCY EXPECTATIONS HIGH

Shoppers expect consistency across channels especially when it comes to price parity. 91% of respondents believe that product pricing should be consistent while 86% would like to see the same with free shipping as well. Assortment consistency is desired by 74% as shoppers have learned that the web is an endless aisle and retailers make choices based on an array of circumstances. Consumers are least concerned about a coherent experience when it comes to personalization and lists created onsite. While positive experiences start with consistency in price and policy, cross-channel access to account information was cited as important by 87% of shoppers along with consistent shopping experiences (90%), the ability to check if products are available across all channels (86%) and flexible delivery options (85%).

## INVENTORY TRANSPARENCY IS THE FOUNDATION OF OMNICHANNEL

Inventory transparency and related capabilities are desirable where 46% of shoppers find locating products prior to making a store visit "essential." Beyond that, 39% believed that having access to inventory across the retail store base when visiting a retail store should be viewed in the same light. As finding product fast is optimal, retailers will want to take note that almost 1 in 3 shoppers felt that same day delivery from the store was essential, putting pressure on retailers to evaluate these logistical services.

Cross-channel and cross-device profile access should also be addressed. The overwhelming majority (91%) felt that it was important to have information about their rewards status or related offers which reinforces the role of loyalty programs for both parties. Convenience was important as an almost equal number (89%) wanted access to items saved to a desktop or mobile shopping cart. With mobile beginning to play a dominant role, access will become mandatory for shoppers who treasure efficiency and speed when transacting with retailers.

## TECHNOLOGY IN-STORE A WORK-IN-PROGRESS

Mobile also means in-store access and this is one area where desires and expectations are not in line with what shoppers are experiencing when they visit their favorite retailers. The fact that consumers perceive in-store use of technology as valuable across many dimensions speaks to the untapped potential of this area. The challenge that retailers face is that experiencing these technologies in–store is only a factor for 1 in 4 shoppers at best, highlighting a gap that will need to be narrowed in the coming years to satisfy shopper expectations. Topping the list of technologies seen as valuable again plays to efficiency starting with tools that assist shoppers in finding the exact location of a product within the physical store (e.g. aisles/maps accessible on your mobile phone). Notifying a customer that an item in their cart is available when they arrive in store is a win-win for both parties given that these products are top of mind (to the customer) while also optimizing the store's inventory turns. The third highest ranking and most valuable for almost 3 in 4 shoppers was line-busting mobile device checkout. It was interesting to see that a 51% gap existed here as well.

| | Top-2 Very/Somewhat Valuable | All the Time | Gap |
|---|---|---|---|
| Technology that assists shoppers in finding the exact location of a product within the physical store (aisles/maps may be accessible on your mobile phone) | 77% | 22% | 55% |
| Notification via mobile phone that an item in your cart is available/in-stock when you arrive at the store | 73% | 23% | 50% |
| Mobile devices for check out to avoid waiting in line | 72% | 21% | 51% |
| QR codes that you can scan to access prices, reviews and other product information | 69% | 23% | 46% |
| Ability to pay using a method beyond standard credit cards (PayPal, Apple Pay, MasterPass, Google Wallet, etc.) | 69% | 24% | 45% |
| In store text promotions (prompted while visiting the store to receive coupons or alerted of promotions that are taking place) | 68% | 24% | 44% |
| Access to an in-store device such as a kiosk that allows you to research products, purchase and/or access other information as needed | 67% | 21% | 46% |
| Store mode (option to view shopping from a pre-tailored set of options such as order history, rewards, favorites, etc.) | 63% | 21% | 42% |
| Clientelling (the ability for associates to work with you on product selection and education via tablets or smartphones) | 62% | 21% | 41% |
| Interactive tools to enhance the shopping | | | |

| experience accessible via associate's tablet or smartphone | 59% | 19% | 40% |
| --- | --- | --- | --- |
| Digital signage to enhance the store shopping experience such as designing a room, learning about new products, etc. | 57% | 18% | 39% |
| Outfitting (the ability for associates to help select outfits or find related products for your existing wardrobe) | 56% | 18% | 38% |
| Having a store associate recognize you based on your smartphone profile | 44% | 18% | 26% |

## IN SUMMARY

**E-Tailing Group Omnichannel Clout Checklist**

1. Consistency should be a strategic initiative particularly around price
2. Think "fast" and ask yourself if changes to cross-channel experiences make for a quicker and more productive shopping experience
3. Knowing that shoppers will take advantage of offline and online, play to the strengths of each channel
4. Remember the role of the store and play up its advantages as shoppers crisscross channels
5. Embrace both the self-service shopper and those that desire assistance
6. Inventory transparency must form the basis of shopping where access is at the forefront and supporting services such as in store pickup present
7. Accessibility to a customer profile across channels and inventory is key
8. Structure content to educate, inform and inspire shoppers to confidently make a purchase
9. Develop a roadmap for in-store technology that supports your brand and addresses category nuances
10. Embrace innovation in all aspects of the shopping experience

## THE COMPANY

The e-tailing group, inc. serves as the multi-channel merchant's eye, bringing a merchant's sensibility to evolving the multi-channel shopping experience. A Chicago-based consultancy, they provide practical strategic perspectives and actionable merchandising solutions to merchants selling online as well as to enabling technology firms.

For more background about this research study or for additional information on the e-tailing group, inc. please contact Lauren Freedman at LF@e-tailing.com or visit the e-tailing group website www.e-tailing.com.

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Share the details!

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