

Reinvigorating In-Store Retail With Commerce Experiences

The 451 Take

Many shoppers are in search of more than just a product or service. Conditioned by the so-called 'Amazon effect,' they're after an efficient and immersive experience that transcends the typical shopping journey, and are showing an affinity for retailers that can deliver. To execute, retailers must be capable of crafting a commerce experience that is not only convenient, but personalized and delivered on shoppers' terms.

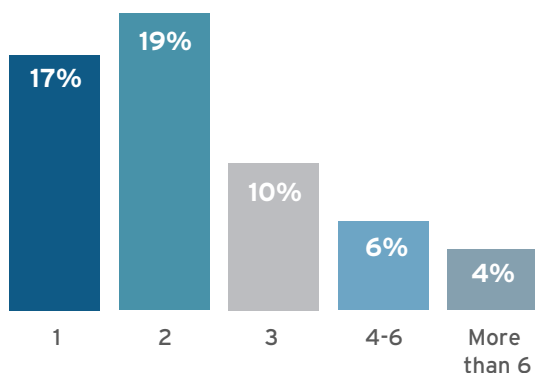
The trend toward experiential retail elevates the bar at which retailers must compete, especially when it comes to their brick-and-mortar locations. Consumers today have little tolerance for friction when shopping in-store, and they expect to have streamlined options along the path to purchase. To remain competitive, retailers must work to extend the ease of shopping online into their stores. Attributes that have traditionally characterized e-commerce, such as self-service and fast payment options, are becoming increasingly vital to satisfying in-store shoppers and avoiding missed sales opportunities.

The future of in-store retail is about embracing digital technologies to build better commerce experiences that satisfy the needs of different types of shoppers. Focusing these efforts on pivotal customer touchpoints before and during the sale is the first step toward building a compelling experience that will leave a lasting impression on shoppers.

Optimizing the Checkout Is Core to Delivering a Strong In-Store Experience

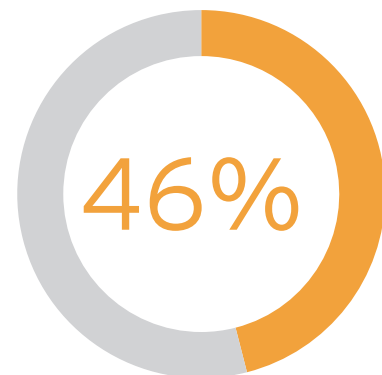
Source: 451 Research's Voice of the Connected User Landscape Representative Survey, 2018

% of consumers that left a store and decided not to purchase an item(s) because the line/queue was too long



of times left store in the last 6 months

% of consumers that say 'checkout speed' is the most important attribute of the in-store experience



Business Impact

Differentiating in brick-and-mortar retail is predicated on building fast, secure and convenient commerce experiences that put the shopper in control. Leading technologies supporting these objectives include the following:

MOBILE POINT OF SALE (MPOS). Certain consumers want a personalized, one-to-one shopping experience where the sales associate provides continuous assistance and advice from start to finish. Others favor a self-guided shopping experience and are simply looking for a way to avoid waiting in line and complete their purchase as fast as possible. The advantage of mPOS is its versatility, allowing sales associates to adapt to different customer needs on the fly. By deploying mPOS, retailers can untether their sales associates from the cash wrap, empowering them to deliver a more dynamic in-store experience tailored to each shopper.

KIOSKS. The appetite for self-service is increasing across nearly all retail verticals. Many shoppers, and especially millennials, are seeking out retailers that place them in the driver's seat of the shopping experience, allowing them to complete various tasks at their own convenience. Utilizing kiosks with integrated payment acceptance is a powerful way to satisfy the growing demand for self-service. By allowing shoppers to search, order and/or pay for products at their leisure, retailers can streamline in-store operations and better allocate sales associates toward higher-impact customer interactions.

CONTACTLESS PAYMENTS. Fast, efficient checkout experiences rely heavily on the speed of the transaction itself. Accepting contactless payment methods (including mobile wallets and cards) helps to accelerate the transaction process, simultaneously increasing customer satisfaction and throughput during peak shopping periods. The benefit of accepting of contactless payments can be furthered by implementing value-added services (VAS) programs, allowing shoppers to seamlessly collect and redeem loyalty/rewards points in a single transaction. According to a recent 451 Research Voice of the Connected User Landscape survey, more than half of US consumers have made or plan to make contactless mobile payments. And with contactless card issuance increasing in the US, retailers should expect even more customers demanding tap-to-pay in the coming months.

Looking Ahead

Shoppers have increasing demands for a retail value proposition that extends beyond simply buying a product or service. The new retail battleground is the experience, and it will only continue to increase in importance when it comes to securing customer loyalty. Utilizing digital technologies to streamline the path to purchase and create commerce experiences that appeal to different types of shoppers should be viewed as a mandatory step to transform in-store retail to better align with long-term customer needs.

While mPOS, kiosks and contactless payment acceptance present near-term opportunities to create better commerce experiences for shoppers, retailers should also begin assessing emerging engagement technologies and their potential benefits for customers and operations. Connected screens (e.g., digital ad displays with integrated contactless payment acceptance), for example, are showing early promise as a new interaction mechanism that can capture impulse, drive customers in-store and create new, convertible touchpoints. Retailers that align with partners capable of harnessing emerging technologies to orchestrate memorable and differentiated commerce experiences will position themselves for a powerful competitive advantage.