Enhancing the Retail Omnichannel Customer Experience

Today's Speakers

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Agenda

- The power of the consumer

- Omnichannel readiness

- Forrester study findings and insights

- Q&A

SPS Commerce – the cloud retail leader

Membership

55^K trading partners

Sourcing

1.3^M products
7^K companies

Item Management

35^M UPCs

Fulfillment

Support all models

Analysis

300^K retail locations

Volume

$1+^T orders annually

A⁺

On time ✓

Complete ✓

Damage-free ✓

Complete & accurate
documentation ✓

The perfect order – 2009

retailer

vendor

Product Information ✓
Social validation ✓
Inventory information ✓
Competitive pricing ✓
Convenient fulfillment ✓
Convenient returns ✓

vendor

retailer

3PL

Consumer

A+

The omnichannel perfect order - 2014

65%

Expect more product variety

82%

Expect to buy online and return in-store

Consumers are
driving change

The rise of the omnichannel consumer
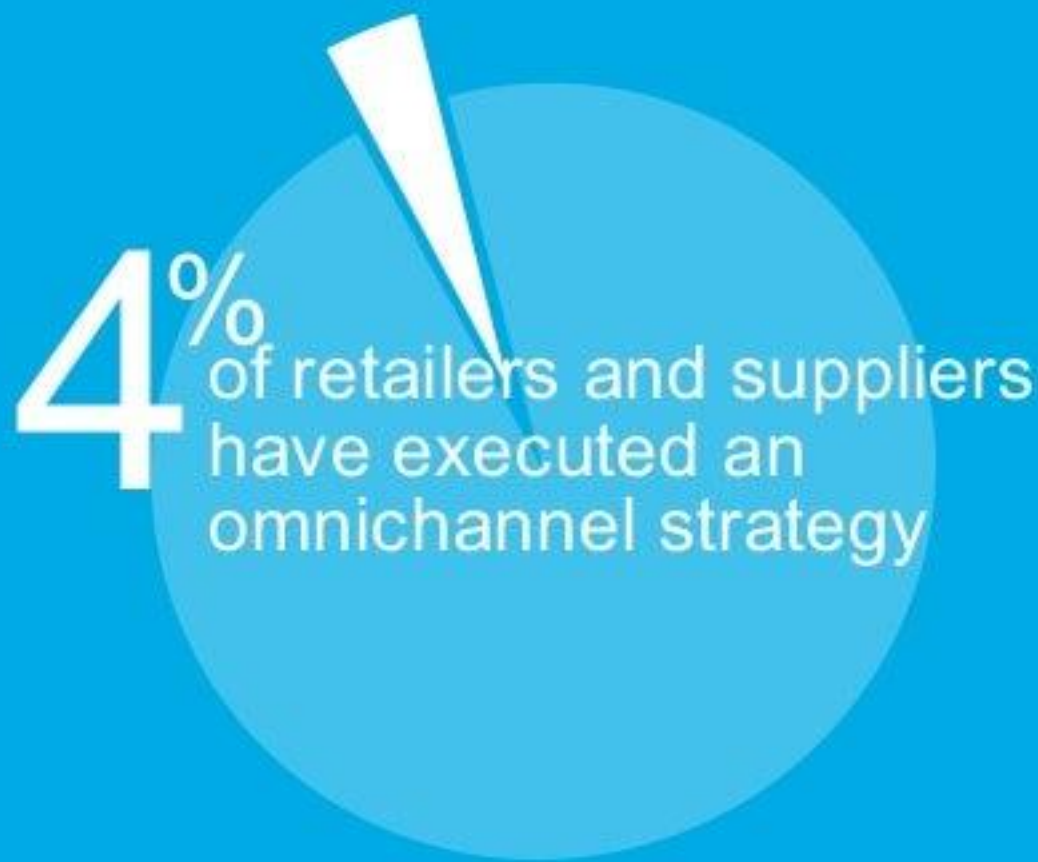
300^B

e-commerce sales

1.4^T

web-influenced sales

Omnichannel execution is lagging demand

52% "Other priorities" ahead of omnichannel

34% "Legacy systems" holding back change

43% "Don't know what percent of sales originate via mobile"

4% of retailers and suppliers have executed an omnichannel strategy

Making Leaders Successful Every Day

We help you make better decisions in a world where technology is radically changing your customers.

SPS Webinar: Enhancing The Retail Omnichannel Customer Experience

January 22, 2015

Agenda

› *Why are we here?*

› *How do we define omnichannel?*

› *Consumer trends*

› *The market potential*

› *The digital and physical worlds collide*

› *The new shopping experience - it's mobile guided*

› *Q&A*

Why are we here?

> SPS Commerce commissioned Forrester Consulting to examine the hypothesis that retailers must provide a seamless, omnichannel user experience, increasingly driven by mobile, to achieve success.

> This study evaluates how consumers are currently engaging with retailers and explores the current capabilities of retailers to meet consumers' growing expectations.

> Existing consumer data from Forrester's Consumer Technographics was used, as well as data from a custom survey of 50 retail decision-makers responsible for merchandising, purchasing, operations, supply chain or IT.

What do we mean when we say omnichannel?

Omnichannel refers to a seamless approach to the consumer experience through all available shopping channels, i.e., mobile devices, computers, brick-and-mortar, television, catalog and so on

Source - http://en.wikipedia.org/wiki/Omni-channel_Retailing

The Age of the Customer: A new era led by empowered customers

1900	1960	1990	2010	Beyond

Age of manufacturing

Mass manufacturing makes industrial powerhouses successful

- Ford
- Boeing
- GE
- RCA

Age of distribution

Global connections and transportation systems make distribution key

- Wal-Mart
- Toyota
- P&G
- UPS

Age of information

Connected PCs and supply chains mean those that control information flow dominate

- Amazon
- Google
- Comcast
- Capital One

Age of the customer

Empowered buyers demand a new level of customer obsession

- Macy's
- Nike
- Beats Headphones
- Amazon

The Age of the Customer: A new era led by empowered customers

1900	1960	1990	2010	Beyond
Age of manufacturing	**Age of distribution**	**Age of information**	**Age of the customer**	
Mass manufacturing makes industrial powerhouses successful	Global connections and transportation systems make distribution key	Connected PCs and supply chains mean those that control information flow dominate	Empowered buyers demand a new level of customer obsession	
· Ford	· Wal-Mart	· Amazon	· Macy's	

The **age of the customer** is a 20-year business cycle in which the most successful enterprises will reinvent themselves to systematically understand and serve increasingly powerful customers.

In the Age of the Customer, organizations need to focus on four market imperatives

Turn big data into business insights

Transform the customer experience

Age of the Customer

Embrace the mobile mind shift

Accelerate your digital business

Innovative businesses continuously exploit digital technologies to create both new sources of value for customers and increase operational agility in servicing their customers.

For consumers, as digital engagement increases the influence of traditional touchpoints declines

Consumers decrease time with traditional touchpoints . . .

US online adults now report that they spend more time online than watching offline TV (20 and 13 hours, respectively).

- 68% of US online adults read print magazines every week, down from 74% in 2010.
- The percentage of US online adults reading print newspapers has fallen from 71% in 2010 to 63% today.

- 89% of all US online adults are broadband users.
- 65% of US online adults have researched a product or service online in the past three months.

- 65% of all US online adults use a smartphone.
- 68% of US online Gen Zers (ages 18 to 24) with smartphones have researched a product on their phone at least monthly.
- 94% of US online adults who use smartphones use the Internet via their phones at least once per month.

. . . and increase engagement with newer and emerging ones.

51% of US online adults with cell phones access social sites through a mobile device at least monthly.

Customers are relying less on traditional touchpoints

Source: North American Technographics® Online Benchmark Survey (Part 1), 2013; North American Technographics Online Benchmark Survey, Q2 2010 (US)
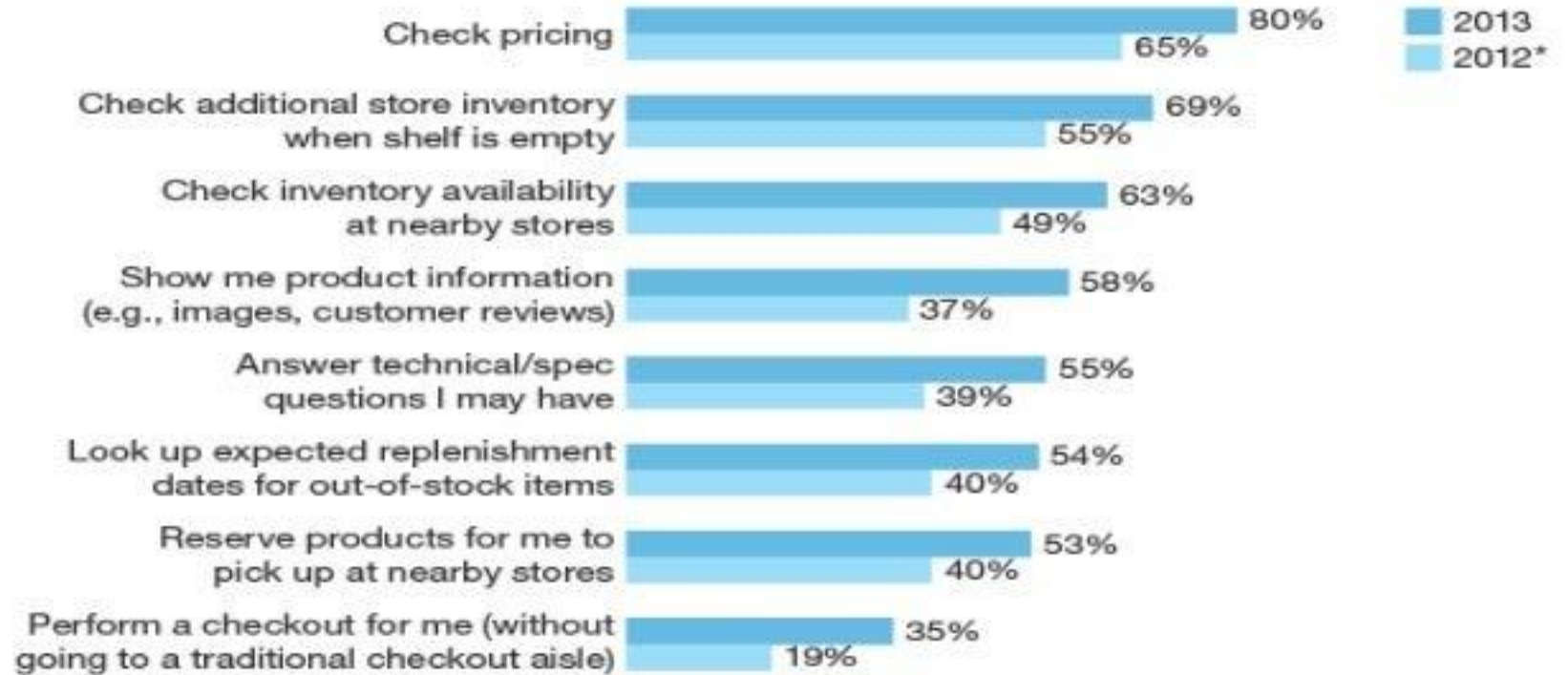
Source: April 2014 **"Understand The Digital Business Landscape"** report

Your sales force is also being impacted by digital disruption

Customers expect sales people to have access to key content and information

"When shopping in a store, assume the sales associates are equipped with a mobile device. What would you expect them to be able to do for you?"

	2013	2012*
Check pricing	80%	65%
Check additional store inventory when shelf is empty	69%	55%
Check inventory availability at nearby stores	63%	49%
Show me product information (e.g., images, customer reviews)	58%	37%
Answer technical/spec questions I may have	55%	39%
Look up expected replenishment dates for out-of-stock items	54%	40%
Reserve products for me to pick up at nearby stores	53%	40%
Perform a checkout for me (without going to a traditional checkout aisle)	35%	19%

Base: 4,595 US online adults (18+)
*Base: 4,491 US online adults (18+)
(multiple responses accepted)

Source: North American Technographics® Retail Survey, 2013
*Source: North American Technographics Retail Online Survey, Q2 2012 (US)