What do UK and European consumers want from the store

AND HOW RETAILERS CAN DELIVER?

Manhattan Associates®

It's widely accepted that consumers are continually raising the bar when it comes to their retail experiences, particularly within the store environment.

In addition to being a place of research and transaction, the digital world has placed new expectations on bricks-and-mortar, in terms of providing a richer, more connected, more consistent journey to purchase – which takes into account shoppers' online activities.

The challenge for retailers is knowing which elements of the experience matter the most to consumers; and how effectively their current proposition is delivering against them. And to make the challenge even greater, those priorities vary from market to market.

To understand exactly what these expectations are, and how successfully retailers are meeting them, Manhattan Associates conducted consumer and retailer surveys in 8 key European markets: Denmark, Sweden, France, Germany, Italy, Netherlands, Spain and the UK. This report will reveal four key expectations influencing the choices of the modern shopper and how expectations differ in the UK versus Europe.

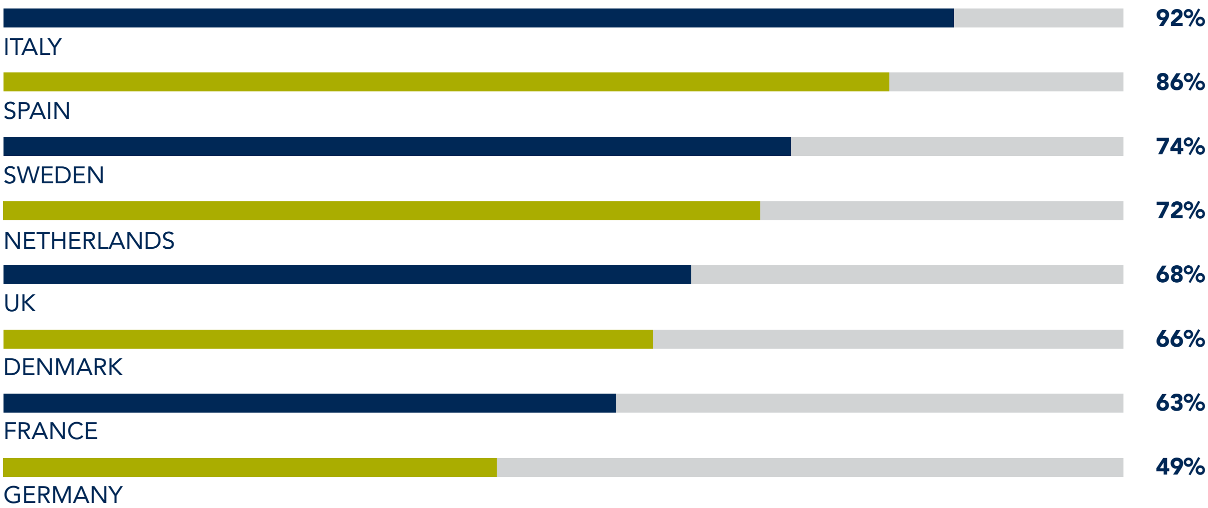
Expectation #1:

SEAMLESS CHANNEL EXPERIENCE

Throughout Europe, shoppers expect a consistent quality of retail experience, whether shopping with the same retailer in a physical store, via their website, or through their smartphone.

However, expectations are slightly lower in the UK than the European average, even though British shoppers view consistency as a key loyalty driver.

I expect a consistent cross-channel experience



On average, almost two thirds **(66%)** of the consumers we surveyed across Europe listed consistency as a core expectation, rising as high as **92%** in Italy, and **86%** in Spain.

However, evidence suggests this expectation is not yet being adequately met - especially in mainland Europe, where the number of consumers who felt they often had a varying experience when shopping between different channels ranged from **70%** in Germany, up to **85%** in Spain.

In the UK, the response was less marked, with **61%** of consumers reporting variance in service and experience - the lowest overall score outside the Netherlands **(55%)**.

In addition, a quarter **(22%)** of UK consumers currently feel they enjoy a seamless experience across channels. This figure was the second highest of all countries surveyed, just behind the Netherlands at **25%.**

UK consumers' relatively higher satisfaction levels may be due to the fact that consistency is an important driver of loyalty; **51%** claim a connected, reliable service will make them shop with a retailer more often, higher than any other European region.

In fact, the UK's attitude to consistency and loyalty was markedly high compared to regions like Italy and Sweden, where less than a quarter of consumers feel consistency of service and experience is a key loyalty driver (**21%** and **23%** respectively).

KEY TAKEAWAY

Many UK retailers are doing better than their European counterparts in achieving consistency across channels, due mainly to the strong relationship between consistency and customer retention.

Yet throughout both the UK and Europe, the number of consumers who feel they are currently receiving a consistent is experience is still fairly low. Although UK customers' satisfaction levels with the cross-channel experience is relatively high, it's telling that, going forward, only **6%** of UK retailers class removing friction from sales channels as a top 3 priority for the coming year, compared to **12.7%** in Europe.

It is apparent that more can be done to integrate what is happening in the store with online, using technology and data to bring greater digital interaction into the bricks-and-mortar experience.

22% of UK consumers currently feel they enjoy a seamless experience across channels.

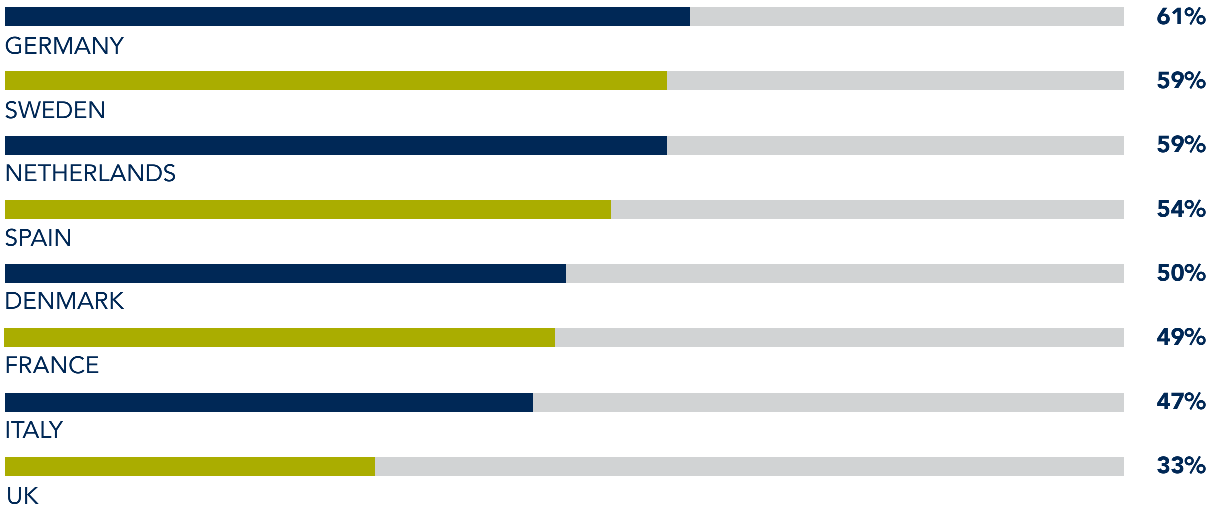
Expectation #2:

HELPFUL, KNOWLEDGEABLE STORE ASSOCIATES

Today consumers expect the store associate to play a greater variety of roles than ever before. They have become the key to creating an in-store experience that reflects, references and responds to what shoppers are experiencing

Advice on stock availability is the most prominent reason UK consumers consult a store associate.

I talk to store associates to get advice on products



The European shoppers we surveyed rated asking for advice on products as the most important reason for making a store visit. On average, **52%** of European consumers ranked this as their top priority, rising to as high as **61%** in Germany.

However, as with cross-channel consistency, there is a contrast between the priorities of UK consumers and the rest of Europe. Only **33%** felt it was important to get advice on products from store associates. Instead, they prefer to consult customer-facing staff for information on stock availability - **39%** of the UK consumers we surveyed stated this as their leading reason for a store visit, higher than any other European country.

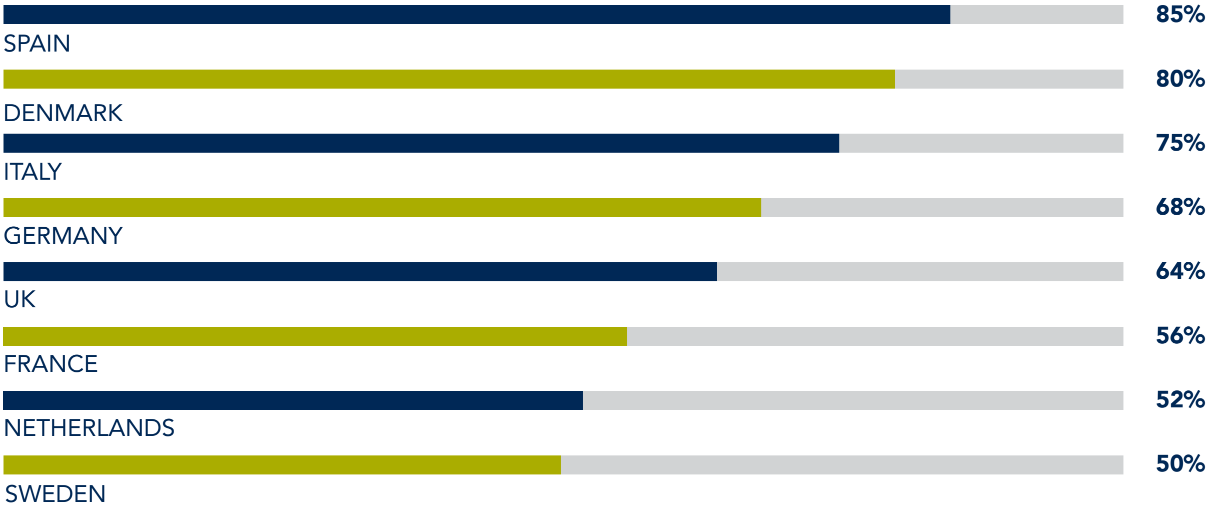
Another reason for the UK's low demand for advice from store associates is their trust in staff knowledge.

70% of Britons feel they know more than front-line staff most or all of the time.

It is clear, therefore, that consumers expect a detailed level of service from store associates – whether that is around the product, or its availability. However, our research among retailers in Europe revealed a different set of priorities when it comes to the role of customer-facing staff.

Two thirds **(64%)** of retailers ranked a generally friendly and approachable customer service as the most important role of the store assistant. Replenishing the store floor was their second top priority at **30%**, while a quarter **(26%)** of retailers wanted store associates to fulfil the general role of 'brand ambassador' – the second highest figure of all the countries we surveyed.

We still believe general, friendly service is the store associate's top priority



KEY TAKEAWAY

In addition to being a friendly face and general point of contact, consumers have a real need for store associates to deliver a detailed level of service. Yet at present many feel they are better informed than customer service personnel.

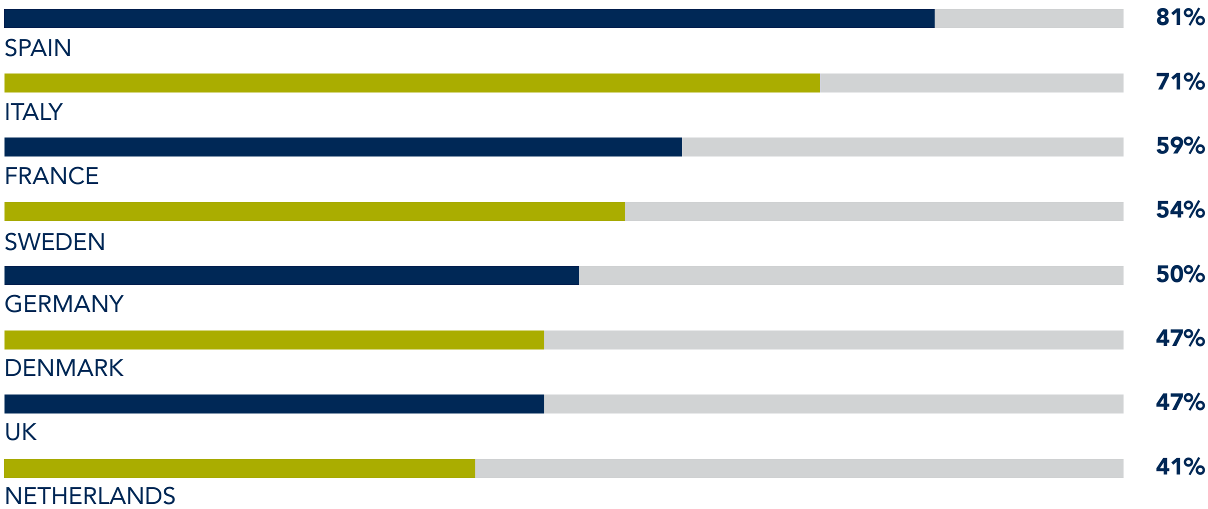
Retailers, therefore, need to invest in the technology and training that will allow the store workforce to become 'trusted experts', forging valuable personal connections with customers by providing immediate practical and personalised assistance. UK retailers are leading the change in this respect, as **44%** cite upgrading in-store technology as one of their top 3 priorities for 2017, higher than every country except Spain (**55%**) and Italy (**60%**).

Expectation #3:

ACKNOWLEDGMENT OF INDIVIDUAL VALUE

As technology progresses, the consumer's desire for a personalised experience is becoming increasingly prevalent. On average across Europe, over half (53%) would like store assistants to make personal recommendations in the same way as retailers websites - slightly ahead of the UK, where 41% of shoppers expressed this desire.

I would like store associates to make personal recommendations



However, there is a distinct gap between shoppers' appetite for personalised experiences, and the investment retailers are making in their capabilities to deliver this level of customisation.

Our research revealed that UK retailers were in the top three countries that cited investing in tools to support customer-facing employees as one of their top three priorities for the year ahead - yet at **40%**, that figure was still less than half of all organisations. In fact, just **10%** - **40%** of retailers throughout Europe view personalisation as a priority.

We also discovered that **60%** of UK retailers have at least some tools already in place to help staff with in-store personalisation (such as clienteling). This was the second-lowest figure in the data set – lagging far behind the Nordic countries, Denmark and Sweden, where **90%** of retailers surveyed said they already had some type of facility in place.

KEY TAKEAWAY

Tools for personalisation provide customer insight and allow store associates to assist specifically rather than speculatively. However, retailers are not prioritising this technology in the way that shoppers hope for, in order to receive more bespoke and relevant in-store experiences.

Retailers need to empower store associates with the ability to address customer requirements in personalised ways, which are likely to build new levels of brand loyalty.

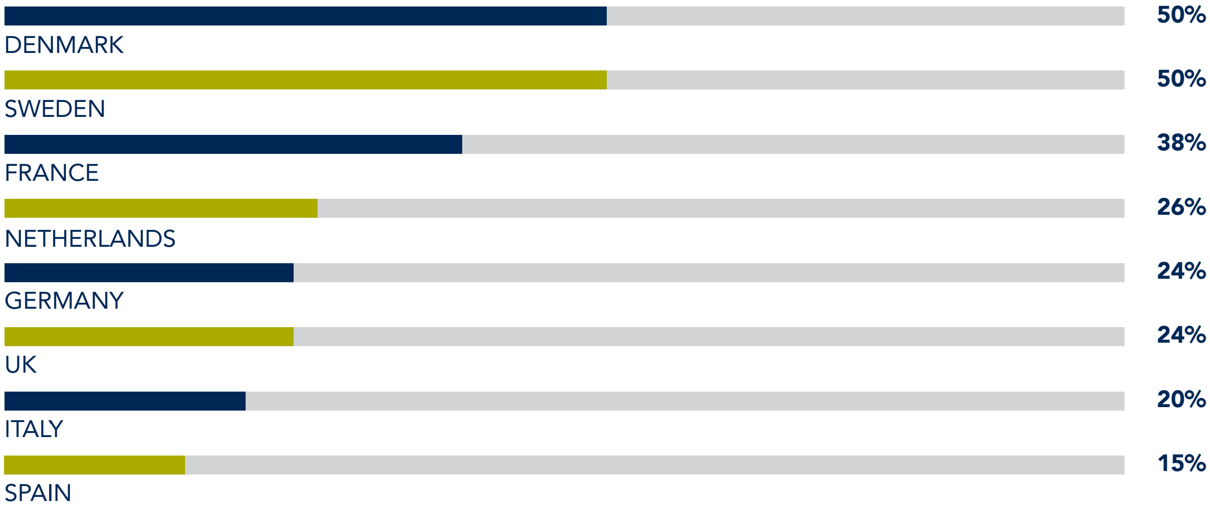
Expectation #4:

A SINGLE VIEW OF THEIR WORTH

As the previous three expectations have demonstrated, today's shopper wants retailers to offer them a connected experience across all channels, and be able to tailor their interactions based on their value across these channels.

However, not all retailers are prioritising the single customer view necessary to achieve this - particularly in the UK.

Our top priority is a single-view of customers



Only a quarter (**24%**) of UK retailers cited this as a top priority – lower than any country other than Italy and Spain.

Our research also revealed a startling contrast between retailers' commitment to improving the online experience versus the store. Of the retailers surveyed in mainland Europe, almost half (**45%**) rated improving their website and/or mobile apps as their main focus for the year ahead.

Only UK retailers are particularly concerned with bricks-and-mortar; **44%** of British retailers view upgrading store tech as a 2017 priority.

KEY TAKEAWAY

Establishing a single view of the customer lies at the heart of creating a seamless cross-channel experience, and therefore it should be moved up the priority list for retailers in 2017.

Gaining a holistic view of shoppers, orders and inventory is the essential backbone of connected commerce, provided retailers can leverage the data this holistic view generates within their customer interactions.

Synthesising customer data accumulated through all channels will enable retailers to build an integrated, improved, personalised in-store service, and this in turn will increase shoppers' sense of individual value – and therefore their likelihood to return again.

DELIVERING ON EXPECTATIONS: WHERE TO START

As our research has underlined, consumers are raising the bar for retailers in terms of their in-store service expectations. The challenge now is for retailers to input the technology, processes and people to bring them to life.

Manhattan Associates' Omni-channel Central Solutions bring the personalisation, convenience and agility of the online channel directly to the store floor. These facilities are enhanced by the real-time adaptability of in-store associates, building consistency across all channels, including call centres, to create even more fulfilling and immediate service experiences for every customer.

We’re here to help – and we’re ready to start when you are

Manhattan Associates has earned a reputation for building technology solutions that solve the most complex business problems in supply chain, inventory, and now omni-channel. Today our Omni-channel Central Solutions provide the infrastructure retailers need to build a highly adaptable, fully collaborative omni-channel organisation.

Call us on 0118 922 8076, email us at uk@manh.com or visit our website www.manh.co.uk

Manhattan Associates®