

SELLING THE STORE

CONSUMER AND RETAIL
RESEARCH 2018: UK





INTRODUCTION

It is often repeated that consumer expectations surrounding both their in-store and online experience continue to spiral ever upwards.

Retailers are no longer benchmarked against their nearest industry peers and competitors, but against pioneering global brands such as Amazon, Uber and Alibaba. These trailblazing brands massively inflate consumer expectations, largely because they are not burdened by any of the legacy system challenges that traditional retailers are grappling with.

But what exactly are **UK consumers' expectations** when they walk into a store and to what extent are retailers successfully **satisfying their demands?**

This report aims to provide retailers with an holistic view of what consumers really want and how effectively retailers' current propositions are satisfying that demand. To achieve this insight, we will look closely at three key aspects of in-store experience:

- **The role of the store assistant**
- **Seamless experience across channels**
- **The use of technology**

While compiling this report we also surveyed retailers and consumers in key European markets so that we can benchmark the expectations of UK shoppers and the efforts of UK retailers against their European counterparts.

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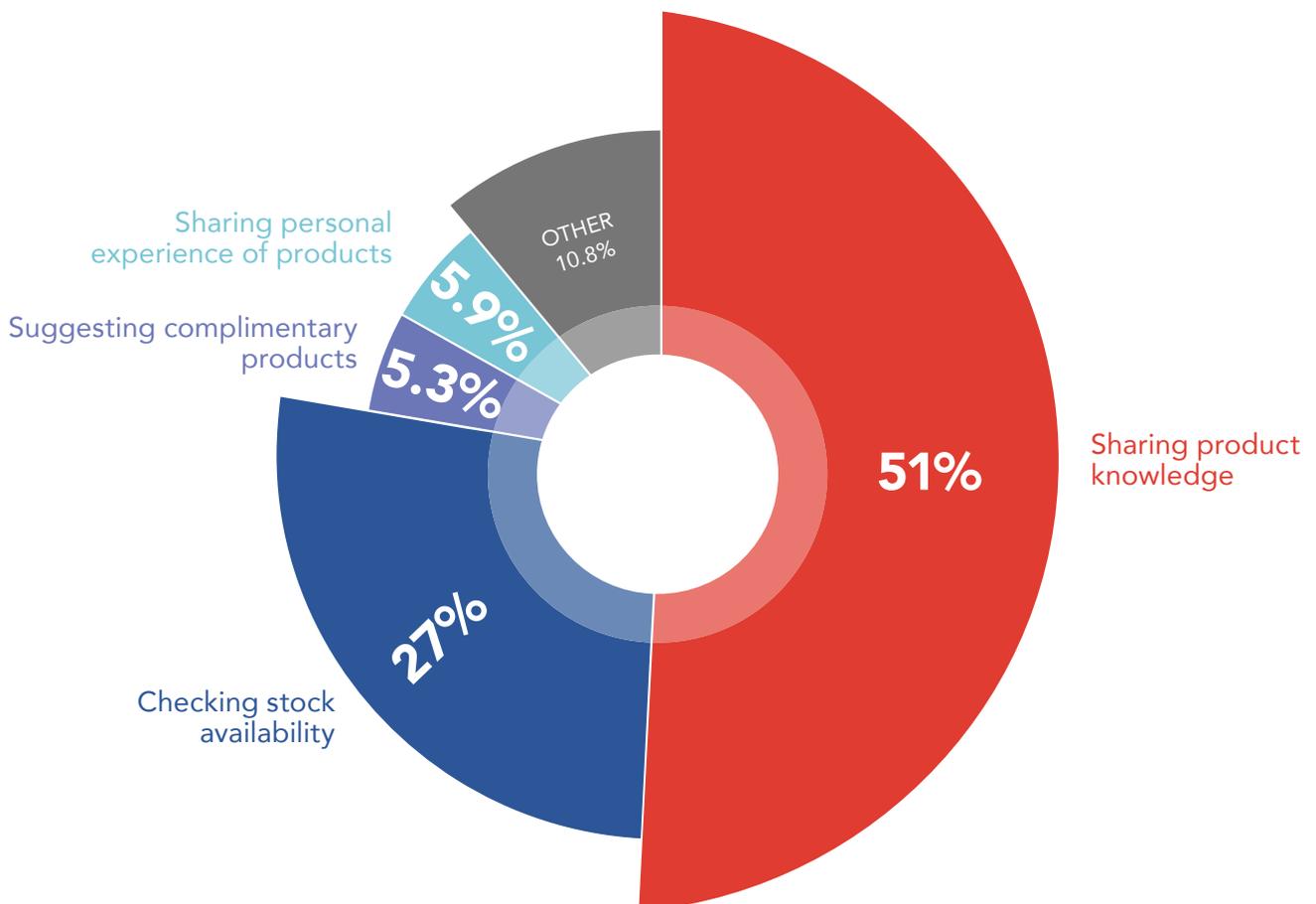
EXPECTATION THE ROLE OF THE STORE ASSISTANT

Consumer question:

What is the most important role for the store assistant?

Our survey found that more than half of UK shoppers (**51%**) want store assistants to be expert at sharing product knowledge. In the context of modern retail, this means store assistants who not only know product specifics, but have access to systems that can provide information at their fingertips.

Sharing product knowledge was the clear favourite among UK consumers at **51%**.



This prioritisation was shared by consumers in the other European countries included in our research.

The difference, however, is that consumers in continental Europe think sharing product knowledge is significantly more important than their UK counterparts, with the European average at **68%** (excluding UK). Meanwhile consumers in Spain rated sharing product knowledge higher than any other country at **79%**.

Retailer action point: Customer expectations are clearly geared towards informed, empowered and connected store assistants.

- Modern retailers' inventories run to thousands of lines, so it is unrealistic to expect store assistants to know about every product.
- Retailers have a clear incentive to raise the bar by providing store assistants with the tools and systems that make product information readily available, so they can provide customers with the help and support they want.

Provision of these systems will not only meet customer expectations, but will encourage store assistants to PUSH POSSIBLE™, delivering an in-store experience unmatched by their competitors.



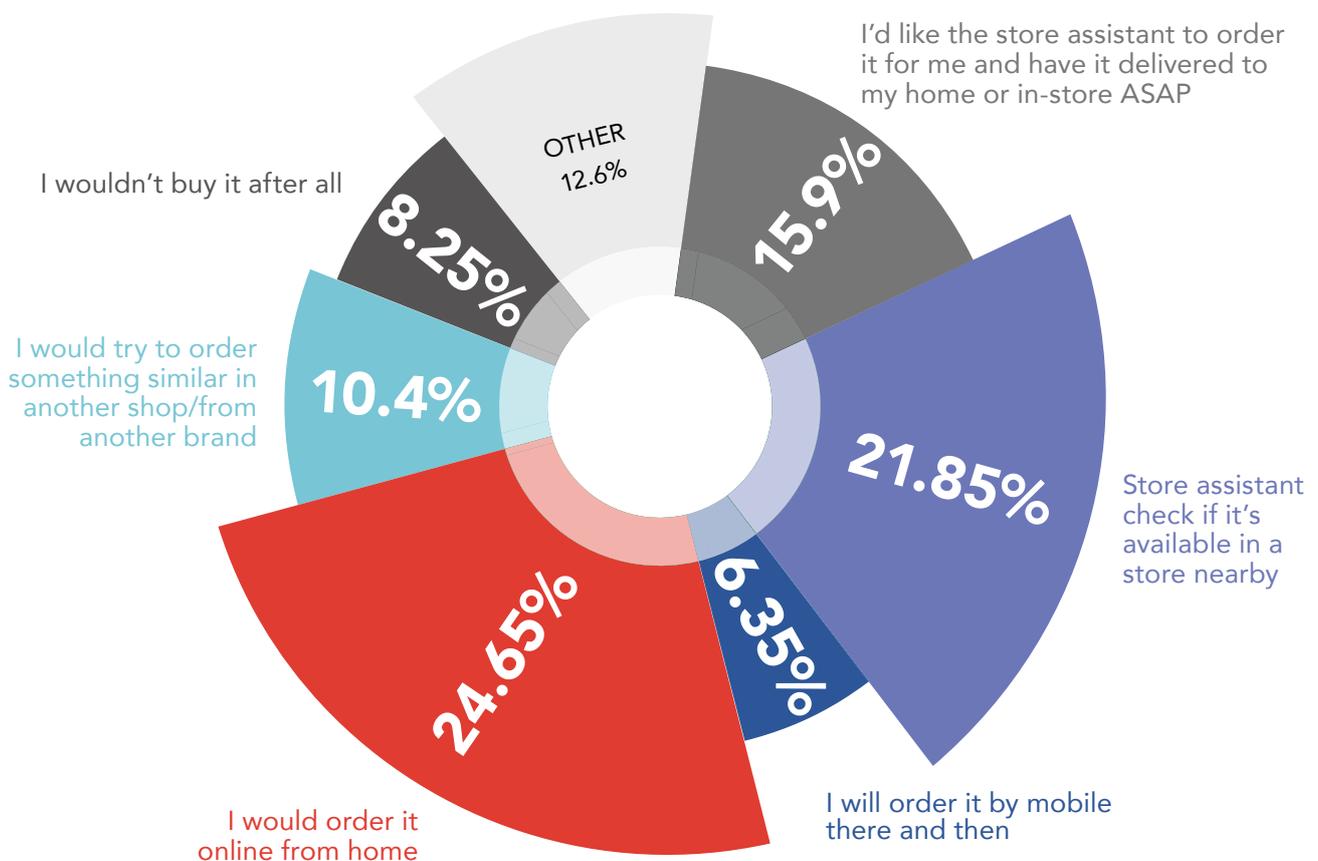
1

EXPECTATION THE ROLE OF THE STORE ASSISTANT

Consumer question:

When you visit a store and the product you want isn't in stock on the shelves, what would you most like to happen?

Our survey found that nearly two in five consumers (**37.7%**) want the store assistant to locate an item immediately if it is not in stock at that store. This means that retailers with a single view of stock can save the sale, even if the product is not available in that particular store.



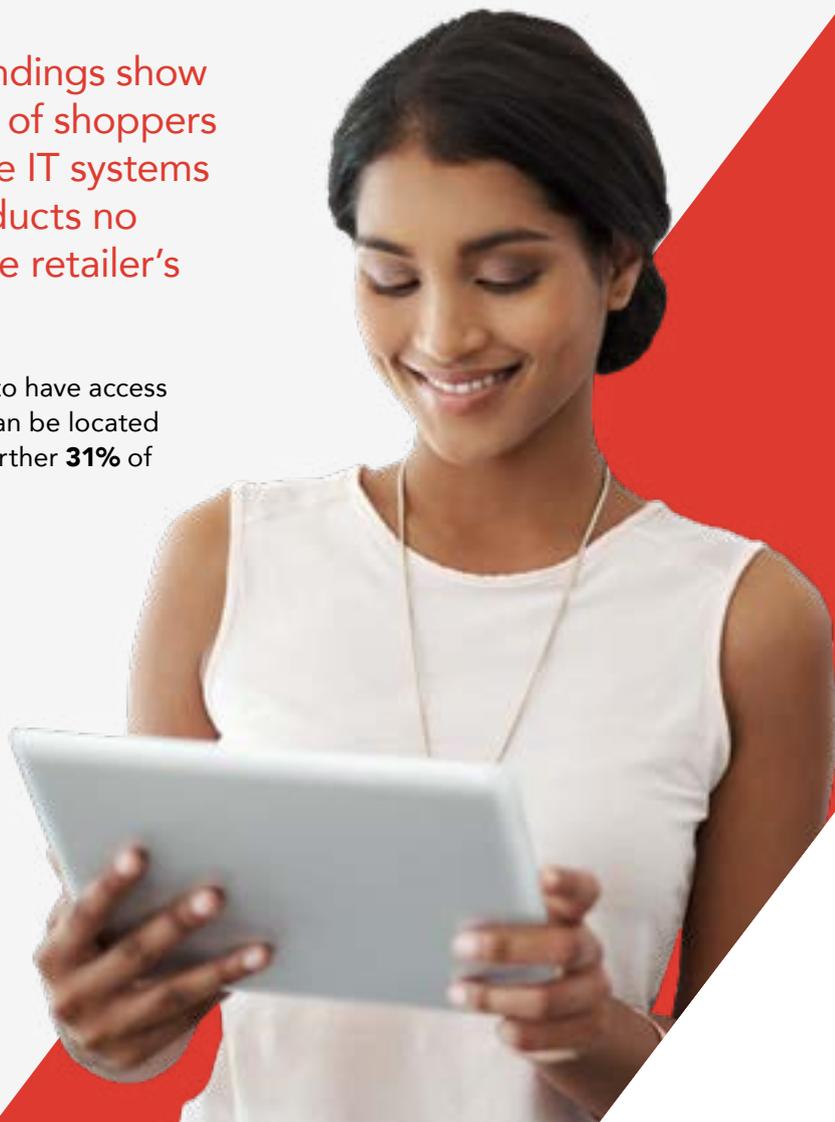
Our research found that 64% of our UK sample of retailers (a slight increase on last year's findings) equipped their store assistants with hand-held devices capable of accessing a consolidated view of inventory across the network (stores, DCs and in transit) giving them the power to close the sale in real time.

There is a clear need for retailers to further develop systems and processes designed to reduce the risk of a lost sale. If retailers already have this technology in place, they need to educate consumers about their capabilities.

68.75% expect retailers to locate and deliver products wherever they are in the supply chain

Retailer action point: These findings show that the overwhelming majority of shoppers (68.75%) expect retailers to have IT systems that can locate and deliver products no matter where they are within the retailer's stock and supply chain.

- **37.75%** of consumers want store assistants to have access to these systems in store so that products can be located and potentially purchased immediately. A further **31%** of customers want to access these systems independently of the store associate.
- The action point here is incredibly clear cut – retailers who invest in systems that provide a single view of stock dramatically increase their opportunities to save a sale if an item is not physically on the shelves at the customer's branch.



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EXPECTATION THE IMPORTANCE OF A SEAMLESS OMNICHANNEL EXPERIENCE

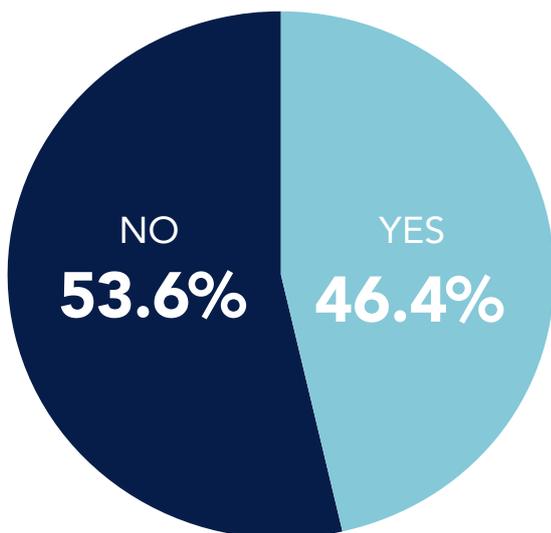
Consumer question:

Do you typically enjoy a consistent experience when shopping in store or online with the same retailer?

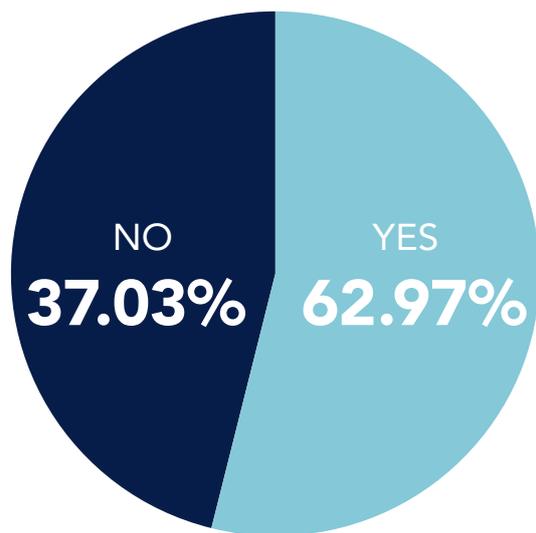
We are constantly reminded how critical a seamless omnichannel experience is, but how are UK retailers performing?

Our research revealed a tale of two retailers, with consumer experience almost split down the middle:

This compares to consumers from continental Europe where almost two thirds of consumers say they enjoy a consistent online/offline experience with a retailer. The highest was in France, where over three quarters (**76.55%**) of consumers said their experience was consistent:



UK



EUROPE



Retailer action point: Our research shows that there is still significant ground to cover before the majority of UK retailers are providing a seamless omnichannel experience to their customers.

However, this does mean that retailers who invest in their systems and correctly align their channels will enjoy a competitive advantage over their peers. In a crowded marketplace, increasingly driven by online disruptors such as Amazon, a seamless omnichannel experience is likely to drive increased sales. Meanwhile while retailers who fail to step up are likely to fall by the wayside.

Simply put, consumers want the convenience of buying online and returning in store, or starting their buying journey online before visiting a store to view a product and finally make a purchase. The reality of modern retail is made from this channel mix and successful retailers do all they can to make this mix work smoothly.



2

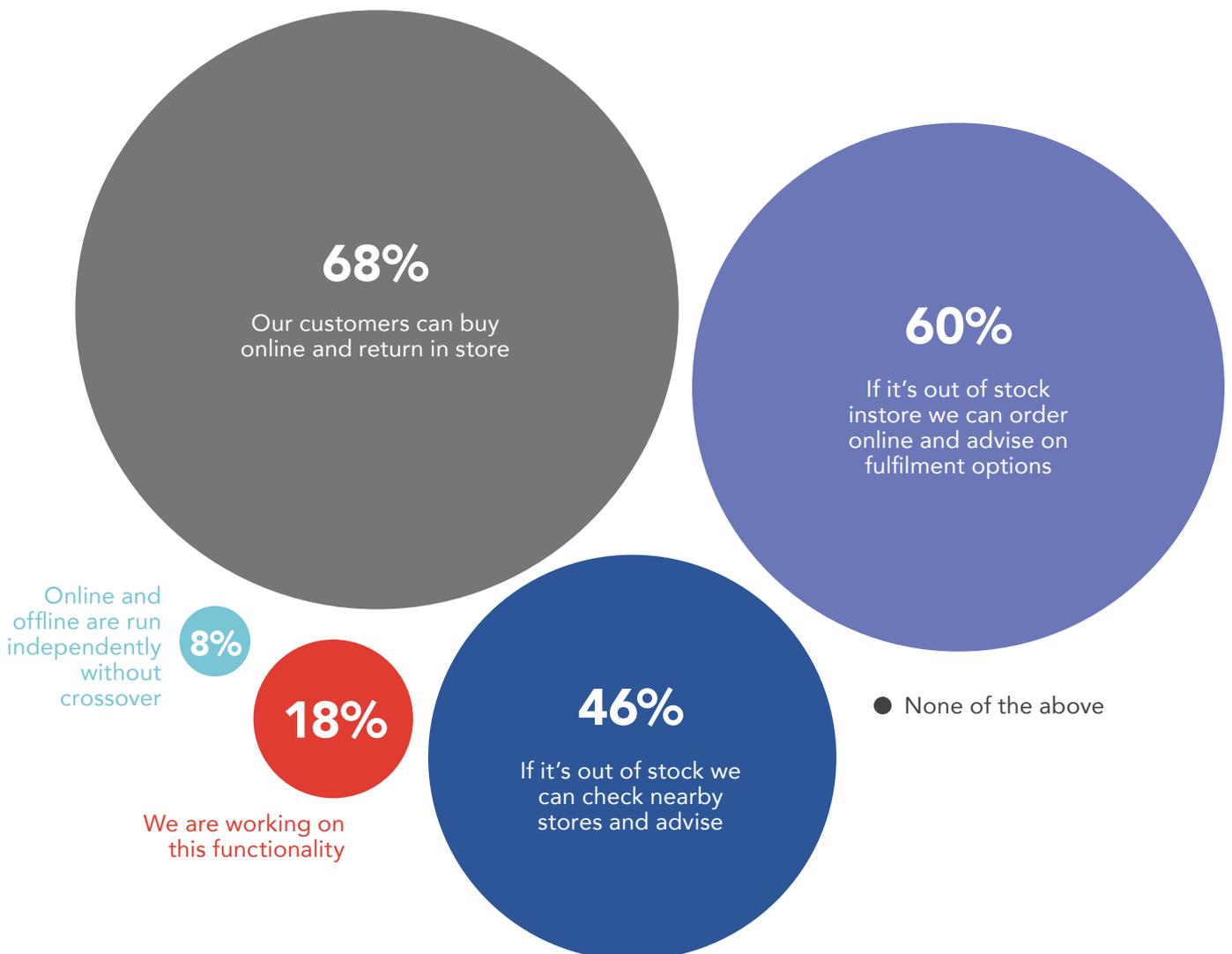
EXPECTATION THE IMPORTANCE OF A SEAMLESS OMNICHANNEL EXPERIENCE

UK retailer question:

To what extent do you provide a seamless omnichannel experience?

As we have shown, less than half of consumers say they enjoy a seamless experience, however, a significant majority of retailers say they provide key omnichannel functionality.

To what extent do you provide a seamless omnichannel experience?



Meanwhile, compare UK retailer's efforts with those of their Spanish counterparts to see how far Continental European retailers have developed their omnichannel experience.

To what extent do you provide a seamless omnichannel experience?

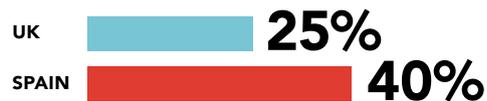
Our customers can buy online and return in store



If it's out of stock instore we can order online and advise on fulfilment options



If it's out of stock we can check nearby stores and advise options



Clearly many factors contribute towards a seamless omnichannel experience, but our research shows UK retailers still have some way to go. Our findings suggest that forward-thinking retailers who are willing to invest to integrate their channels will enjoy a significant advantage over their competitors and are likely to develop a significant competitive advantage.

Retailer action point: Comparing retailers' omnichannel capability with consumers' experiences reveals a gap in perception between the two. From the retailers' point of view:

- More than two thirds say their systems enable customers to return online purchases in store.
- **60%** say store assistants can order products online for customers if they are out of stock in store.

And yet only **46.6%** of consumers say they enjoyed a seamless omnichannel experience.'



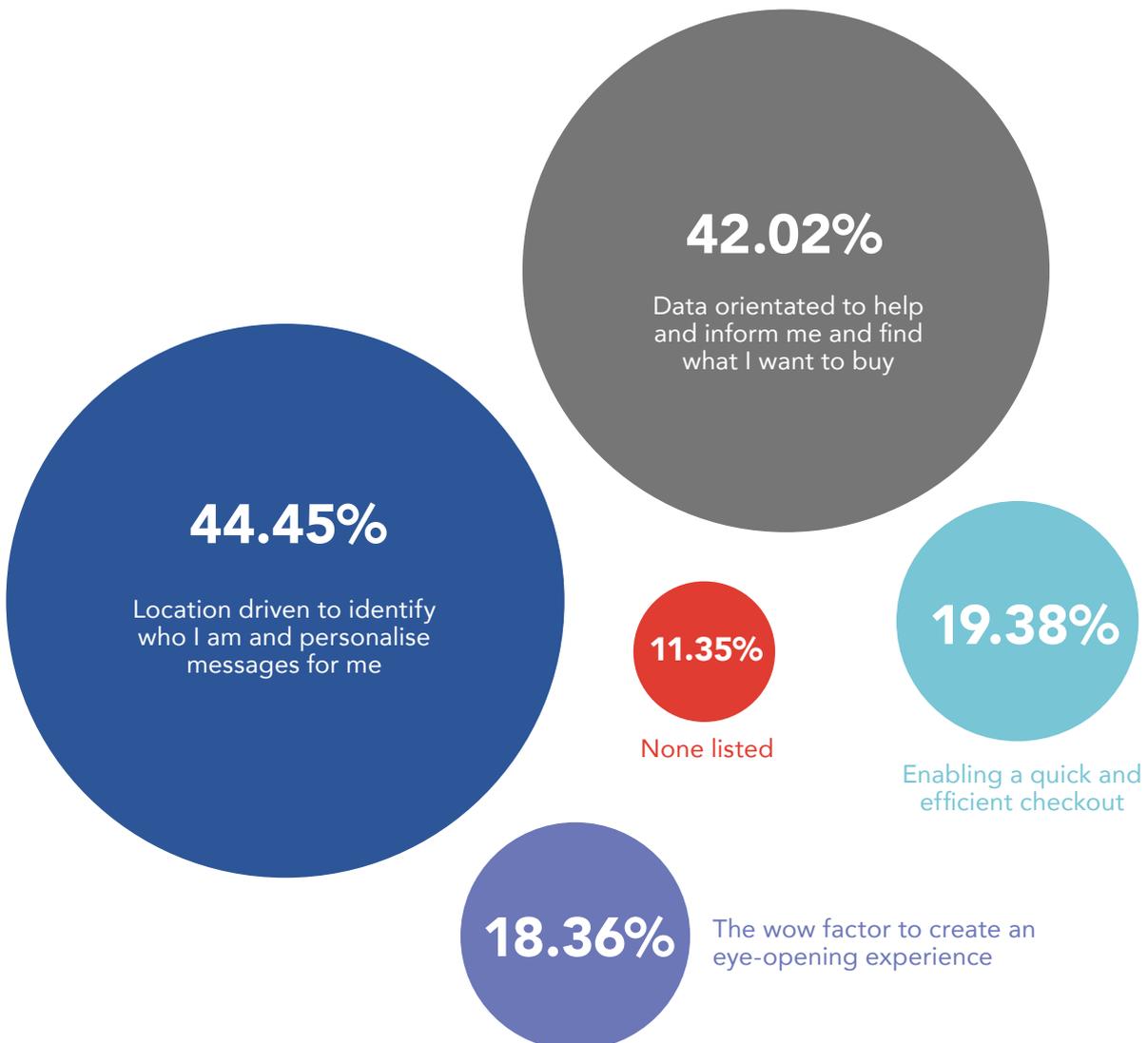
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EXPECTATION THE ROLE OF IN-STORE TECHNOLOGY

Consumer question:

What do you feel is the primary role of in-store technology?

This question proves insightful because it shows a very real appetite among UK consumers for an improved point-of-sale experience, with more than a third of shoppers identifying this as the primary role of in-store technology. In second place, one in five shoppers want in-store technology to deliver product information geared to help them make an informed purchase.

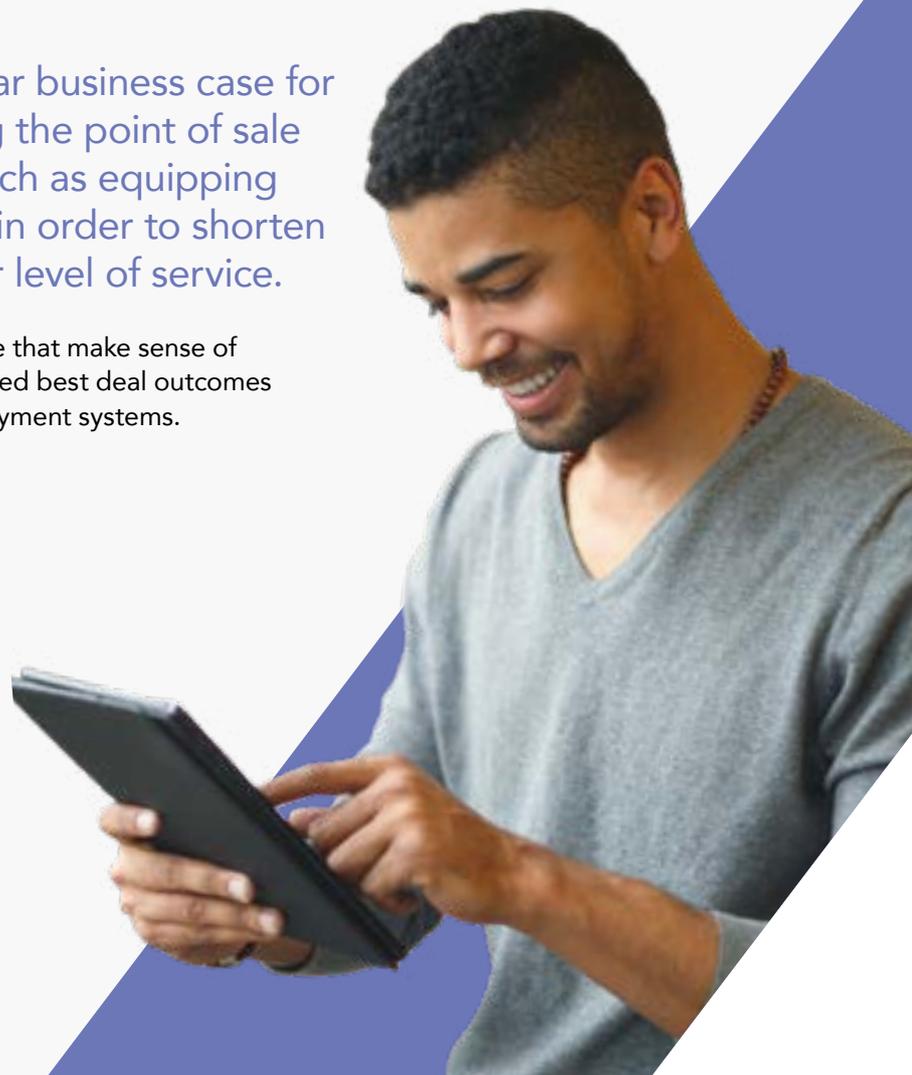




Retailer action point:

The UK findings create a clear business case for investing in and modernising the point of sale with retailers taking steps such as equipping store assistants with tablets in order to shorten queues and provide a higher level of service.

Retailers should also have systems in place that make sense of complex pricing promotions with automated best deal outcomes and secure integration with third-party payment systems.



LOOKING FORWARD

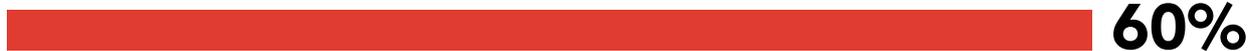
We asked retailers what their top business priority was for the year ahead, with the clear majority (60%) saying their goal was to upgrade in-store technology. This was closely followed by improving their web/mobile functionality (50%) and making their supply chains more efficient (40%).

What are your top business priorities for the year ahead?

Improving the website and/or mobile



Upgrading store technology



Investing in tools to support customer-facing employees



Achieving a single view of the customer



Enabling single view of network-wide inventory in real time



Reducing costs and improving efficiencies within the supply chain



Store fulfilment (capability to fulfil orders from other channels by using store stock)



Removing friction between sales channels (online, in-store, mobile, call centre)



International expansion



Retailer action point: Our research clearly shows that customers want an increased use of technology in store to improve their purchasing journey.

They want store assistants to share product knowledge (**51%**) and check stock availability (**27%**), two roles that can only be successfully carried out in a modern omnichannel environment with effective technology. Shoppers also want technology that enables quick and efficient checkout (**34.4%**) a role that can increasingly be carried out by shop floor employees equipped with mobile devices.

With less than a third of retailers (**30%**) planning to invest in technology there is a real opportunity for those retailers in a crowded market who are prepared to stand out from the crowd and fulfil their customers' demand for an in-store buying journey improved by technology.

27% of consumers want store assistants to check stock availability



DELIVERING ON EXPECTATIONS:

As our research has underlined, consumers are raising the bar for retailers in terms of their in-store expectations. The challenge is now for UK retailers to work with technology, processes and people in new ways to satisfy customer expectations.

Manhattan Active™ Solutions enables enterprises to optimise large and complex operations, adapt to market and demand changes, and iterate and innovate with speed.

You can find out more about Manhattan Active™ [here](#).

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 retail business problems in supply chain, inventory and omnichannel. Today, we help retailers develop the infrastructure they need to build a highly adaptable, fully collaborative omnichannel organisation.



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