

Retail Insights 2015

Essential Understandings

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Foreword

The retail market never stands still for a second. With such a rapid pace of change it's important to know not only what your priorities as a retailer should be, but what the priorities of your competitors are too.

The Retail Insights Survey 2015, commissioned by Sanderson Multi-Channel Solutions, gives insights into what and where retailers' technology and investment priorities lie and what retailers themselves should be looking to invest in to keep up.

Executive Summary and Highlights

The survey of leading retail experts highlighted the importance of good, underlying systems that help retailers provide a seamless experience to customers - whether that's through a clear vision of stock to effectively manage click and collect deliveries, or embracing technology in-store to boost the experience of customers and allow for easier, more informed purchasing. Most of all the survey showed 2015 really isn't the time for retailers to stand still.

A focus on customer experience

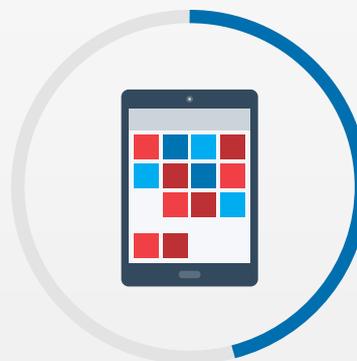
Deciding how and where to focus retail technology efforts is always a hard balance since so many parts of a retailer's business are ripe for attention in the battle to stay ahead of the game. But with such a fast moving industry it can be hard for a business to understand where their priorities lie.

The survey therefore looked to ask retailers where their key focus for retail technology was for 2015. The results showed that respondents had a number of key focuses, but the most common was a focus on using retail technology to improve the customer experience - with 60% of respondents saying this was a key focus for 2015. As one of this year's key buzz phrases it's easy to see why, as retailers realise they need to put more effort into improving how they win customers and keep them, using customer experience as a key differentiator enables them to stand out from their competitors and encourage customer loyalty. "We must continue to realise that the customer is in charge. Their behaviour is constantly changing due to the ever improving way that they can review, engage and swap brands," said one respondent to the survey.

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Getting mobile

Second and third on the priority list for focus this year was mobile applications for 45% of respondents and mobile payments for 37% of those surveyed. Again such options tie in closely with retailers' efforts to improve the experience of customers with nearly half (48%) (question 4) saying that alternative payment methods such as contactless payment were integral to improving the customer experience (rating 8 out of 10 or above.) This will become even more important as contactless payments continue to roll out with the introduction of Apple Pay in July of this year and the increase in the contactless card limit from £20 to £30 in September likely to further prompt change.



Mobile applications are a priority

45%



Mobile payments are a priority

37%

Improving upon delivery

Delivery is also a key priority for 2015 according to the report. 31% of retailers said their 2015 retail technology focus was to enhance their click and collect services. Retailers are increasingly realising just how central a click and collect strategy can be with 90% (question 1) of those surveyed saying that they felt innovation in click and collect was an important aspect of multi-channel strategy this year.

In April, a [review of the click and collect market from IMRG](#) said that the click and collect market was set to grow by 20% a year with nearly three quarters (73%) of online shoppers having already used click and collect and 10% planning to do so soon.

By 2018 the click and collect market will account for more than a third (34.5%) of deliveries according to a recent report from [Barclays](#). In March 2015 [John Lewis](#) reported click and collect deliveries up by 47%, overtaking deliveries to the homes of customers for the first time ever.

Meanwhile the Sanderson survey showed that a further 25% of retailers were looking at increasing their range of delivery options to customers. The majority of retailers rated the retail industry low for managing logistical challenges, such as delivering on time or at times most convenient to their customers. As a result, many will invest time in addressing delivery logistics and services to their customers, seeking to improve their overall service offering.



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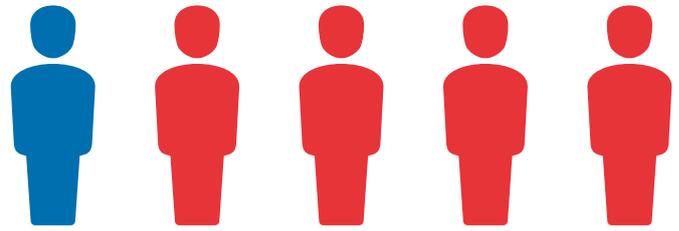


25%

of retailers were looking at increasing their range of delivery options to customers.

Managing stock

1 in 5 (20%) meanwhile said that shipping from store was a key focus of retail technology for 2015 as they seek to maximise on the opportunities of customer experience, satisfaction, delivery and stock management. But this is something retailers are still largely struggling with. Of those surveyed only 2% said that retailers were managing stock across various channels and multiple locations very well (question 8). Effectively managing stock increasingly relies on having a single view of stock availability and retailers will need to focus on driving this accuracy if they are to give correct information to their customers.



1 in 5

said that shipping from store was a key focus of retail technology for 2015.

But as retailers seek to improve the customer experience, having a single view of the customer is also crucial. The survey showed retailers are still some way off this with only 1% of respondents saying that retailers were very close to achieving a single view of the customer (rating at 9 out of 10 or above) (question 6).

Bringing online in-store

Technology is increasingly important in offering an extended product range in-store, irrespective of its physical location. The survey showed that nearly two-thirds (63%) (question 3) believe that selling the full online range in-store using ordering solutions such as iPads and kiosks will become commonplace by next year with numerous retailers already doing this. Fashion group [Superdry](#), one of Britain's fastest growing premium fashion retailers, has recently installed fully transactional in-store iPads in all of its UK stores .

Many retailers have introduced iPads into store as well as highly interactive kiosk options that enable retailers to extend their range of stock in-store. [John Lewis](#) for example rolled out more than 4,000 iPads to its staff this year, enabling its staff to improve the customer experience through a more personalised service and the ability to answer the queries of customers - whether about product or stock availability - whilst they are standing with the customer on the shopfloor.

Conclusion

The survey reveals that retailers need to have the right systems and processes in place if they are to deliver accurately to their customers and provide an enhanced customer experience, regardless of channel. Retailers need to begin by understanding their customers' needs, placing them at the heart of their retail strategy - ultimately, retailers must establish a single view of their customers in order to gain accurate insights and build appropriate services around them. The services that retailers need to focus on throughout 2015 and beyond include delivery options, stock management and bringing their online offering in-store through mobile options. By focusing on each of these areas, retailers will improve their service offering and the customer experience.

About Sanderson

Sanderson is a leading multi-channel retail software provider with over 250 customers using its solutions for ecommerce, mobile commerce, retail, marketplace and mail order, with integrated back-office operations, achieve complete customer and business visibility. The company provides multi-channel retailers with the capability to improve sales, stock management, fulfilment and supply chain operations, to deliver an outstanding omni-channel shopping experience for their customers.

Methodology

The Retail Insights Survey 2015 from Sanderson asked retail experts and industry leaders to share their thoughts on the future state of the multi-channel retail environment throughout the latter half of Q1/ early half of Q2 2015. The survey featured a series of questions on the current state of retail and the future state of the market. The survey included questions on desired areas of innovation, logistical challenges facing retailers, and emerging / growing trends such as click and collect and online in-store. Where the choice of answers was not multiple choice or "yes", "no", respondents were asked to score their answers on a scale of 1-9.

Findings

The findings of the Retail Insights Survey 2015 can be found below in their entirety.

The Retail Insights Survey 2015

by Sanderson Multi-Channel
Solutions

Data Summary by Question

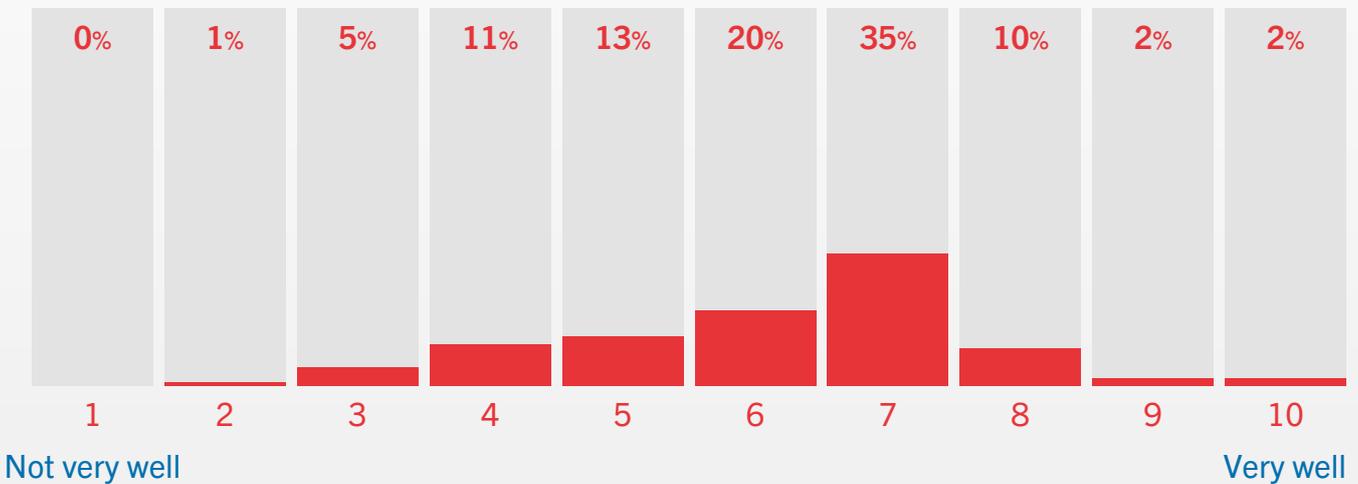
Question 1: Click and Collect

Do you think innovation in Click and Collect is an important aspect of Multi-Channel strategy this year?



Question 2: Order Fulfilment

How well do you feel the retail industry is dealing with the logistical challenges involved in providing a range of delivery services?



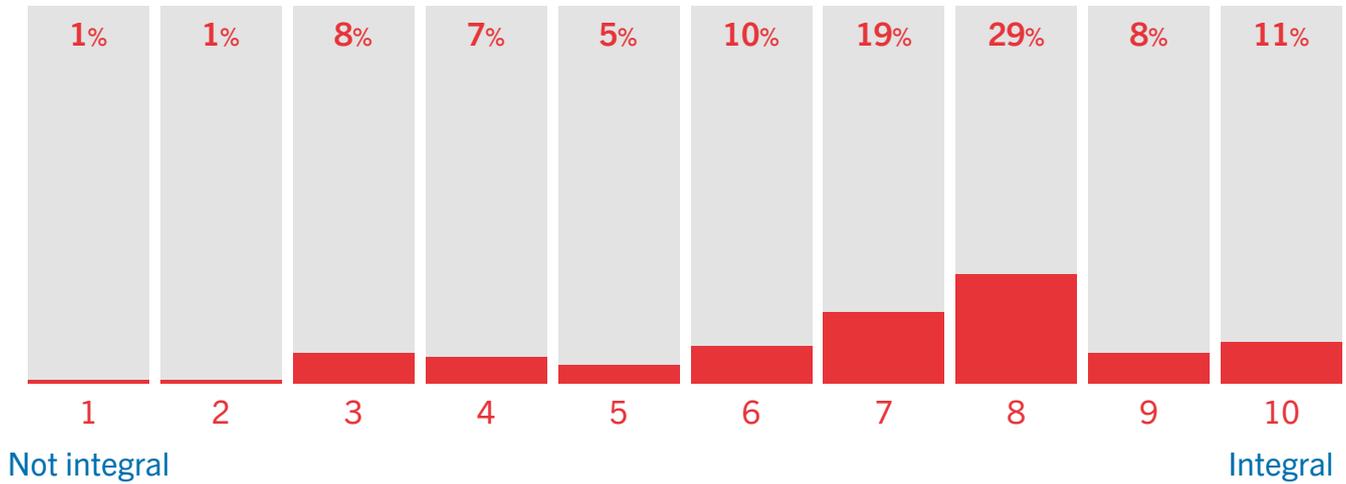
Question 3: Selling Online In-Store

Do you think that selling online in-store using ordering solutions such as iPads and kiosks will become commonplace by 2016?



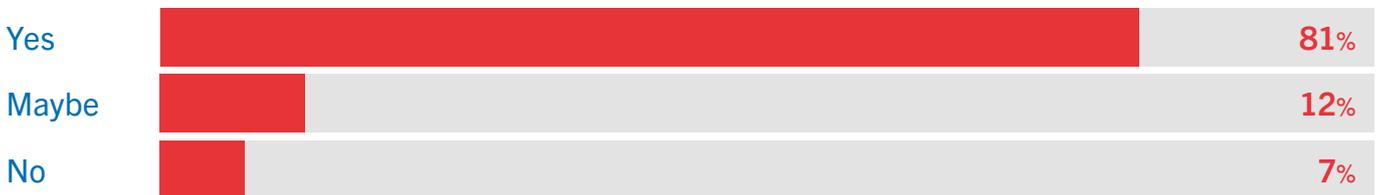
Question 4: Payment Methods

How integral do you think alternative payment methods, such as Contactless Payment, are to improving the customer experience?



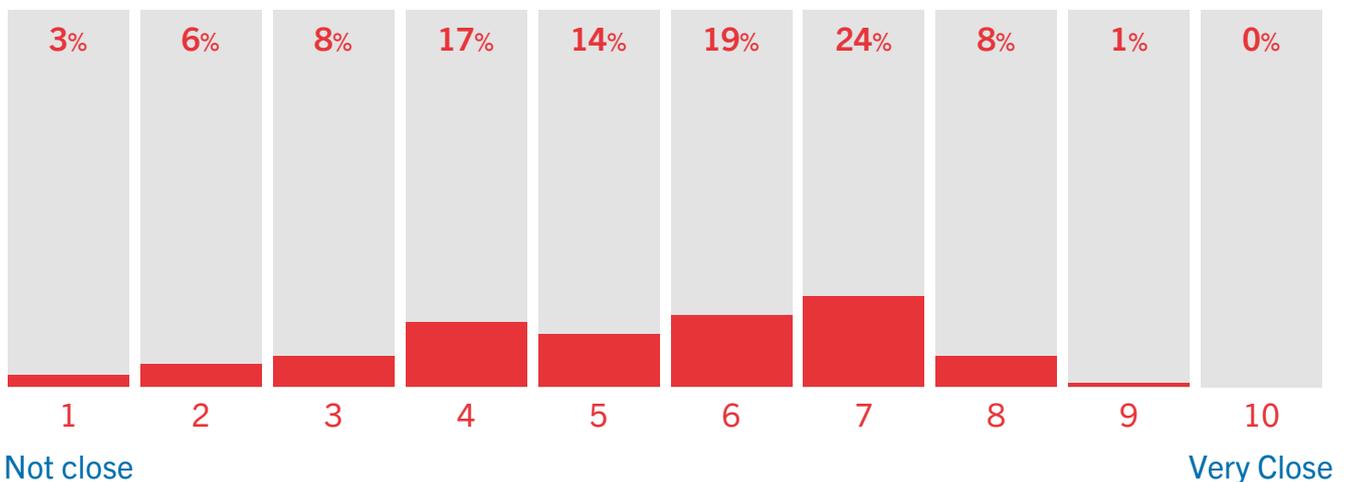
Question 5: Customer Services

Do you think social media networks can be used as an additional tool for providing efficient customer service?



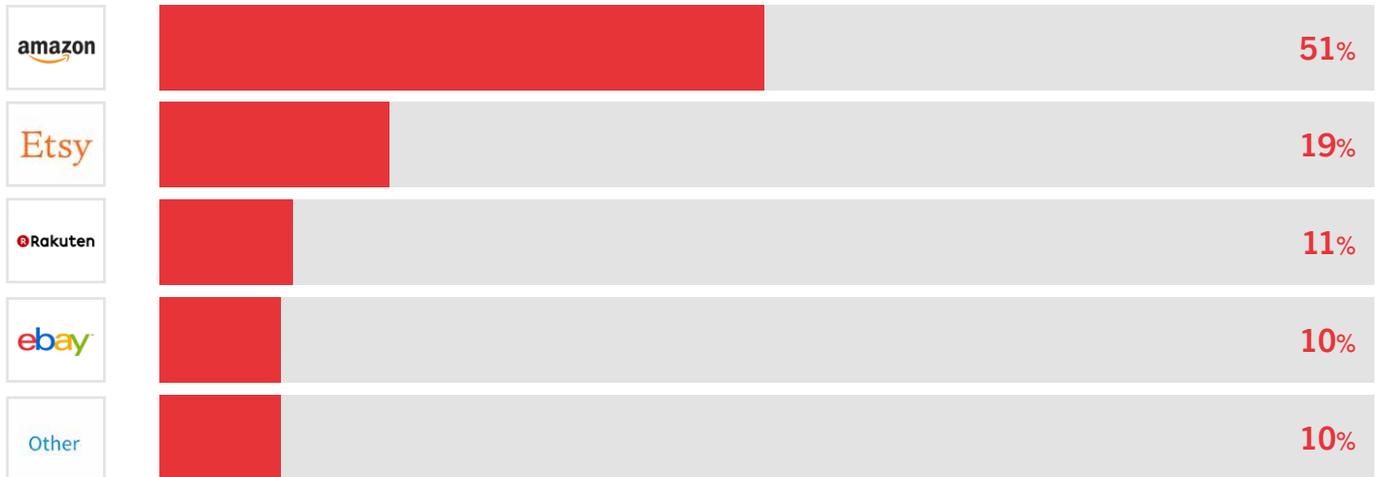
Question 6: Customer Relationship Management

How close are retailers to achieving a single view of the customer?



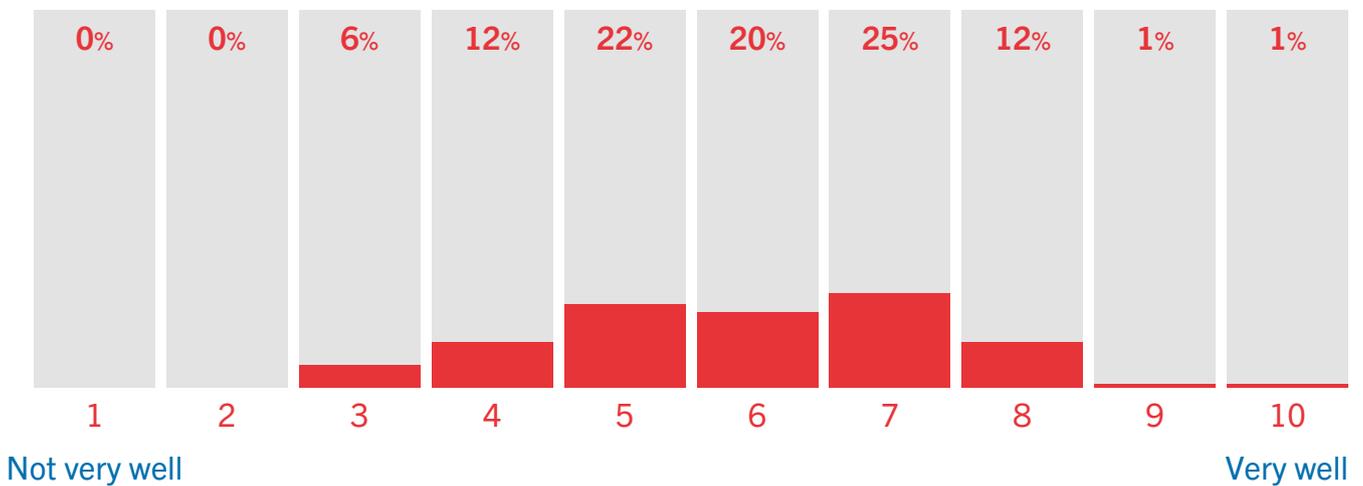
Question 7: Marketplace Integration

Which of the following online marketplaces do you think will see the most growth in 2015?



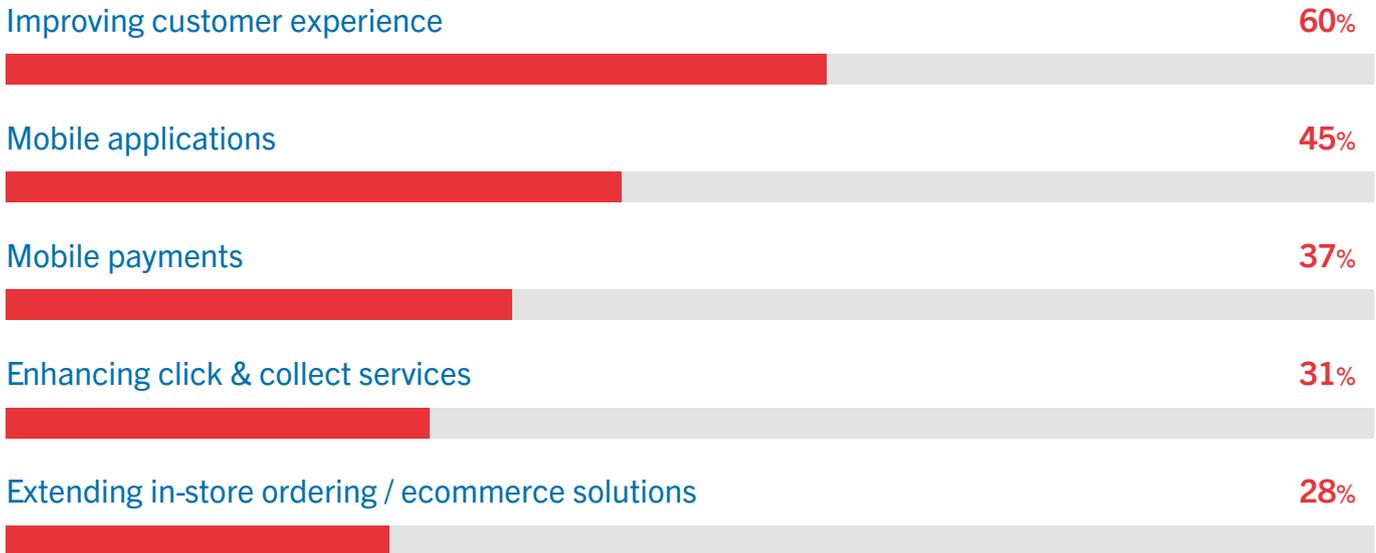
Question 8: Stock Management

How well do you think retailers are managing stock across various channels and multiple locations?



Question 9: 2015 Retail Technology

Which of the following do you think will be your key focus of Retail Technology in 2015?



Takeaways



It's time to reassess how you deliver to your customers.



The customer always comes first - ensure the customer experience is high on your priority list for 2015 and beyond.



Retail technology enables you to meet the challenges of today's retailing world - are you investing enough?

Discover how Sanderson can help
your business meet the challenges
of retail, now and in the future.

Visit www.sanderson.com

Contact now ▶