



US Omnichannel Retail StatPack 2018

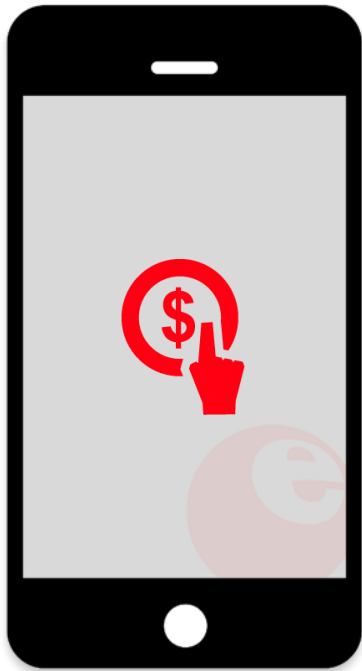
Marketer and Consumer Trends

presented by

ORACLE®

Bronto

This StatPack provides an overview of omnichannel retailing trends

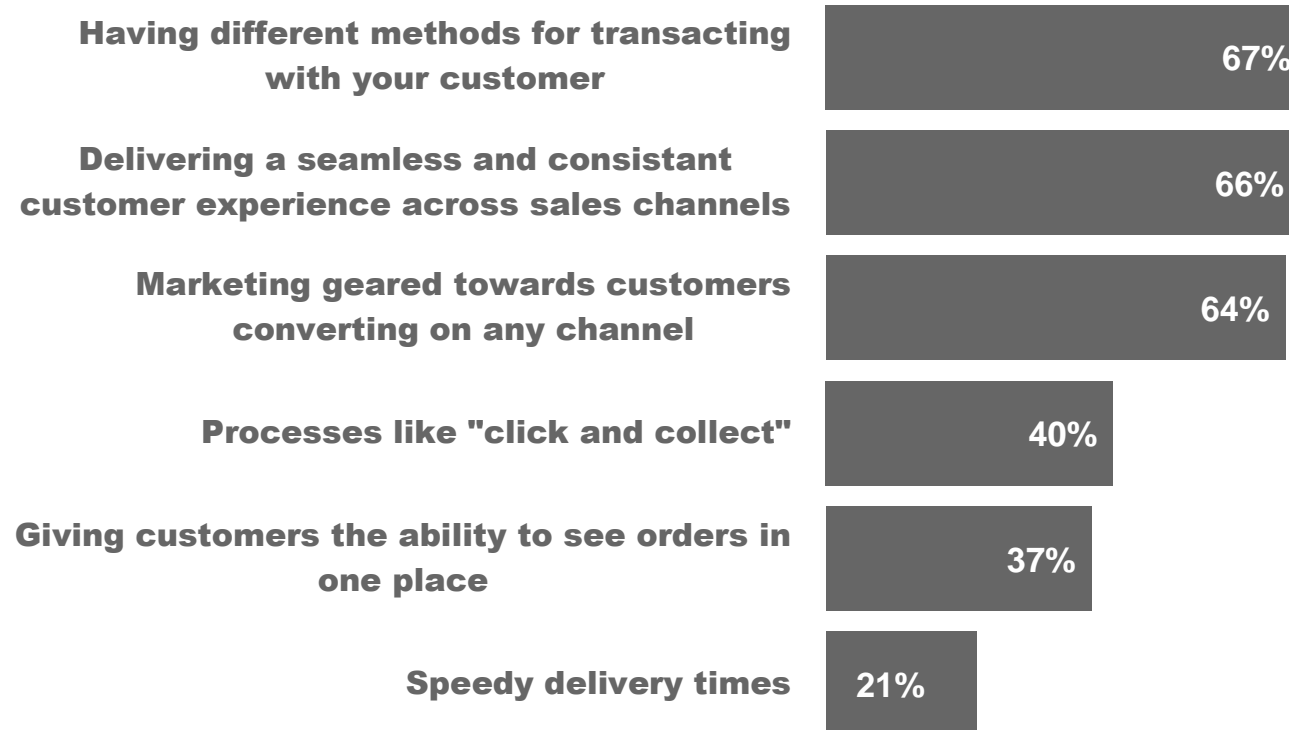


Two definitions to know:

Omnichannel retailing: The evolution from multichannel retailing, omnichannel is the practice of using all available shopping channels to buy or sell goods or services. This includes in-store, internet, mobile and catalog sales.

Shipping and delivery: Activities involved in moving a product or service from the supplier/retailer to the customer. Includes shipping, delivery, supply chain, fulfillment, as well as buy online, pick up in-store (BOPUS) and click and collect.

How retailers define omnichannel retailing can be open to interpretation



How Retailers Define Omnichannel Retailing (% of respondents); worldwide*

Brand marketers' top characteristics of a data-driven **omnichannel** experience*

46% Fully integrated channels of engagement (social, mobile, web, contact center, in-store)

43% Continuous learning and leveraging of customer behavior and preference

43% Higher levels of conversion, customer profitability and retention

43% Individualized interactions and richer, deeper knowledge of customer journey

42% Unified and consistent experience across both physical and digital touchpoints

41% Improved loyalty, referral and positive word-of-mouth



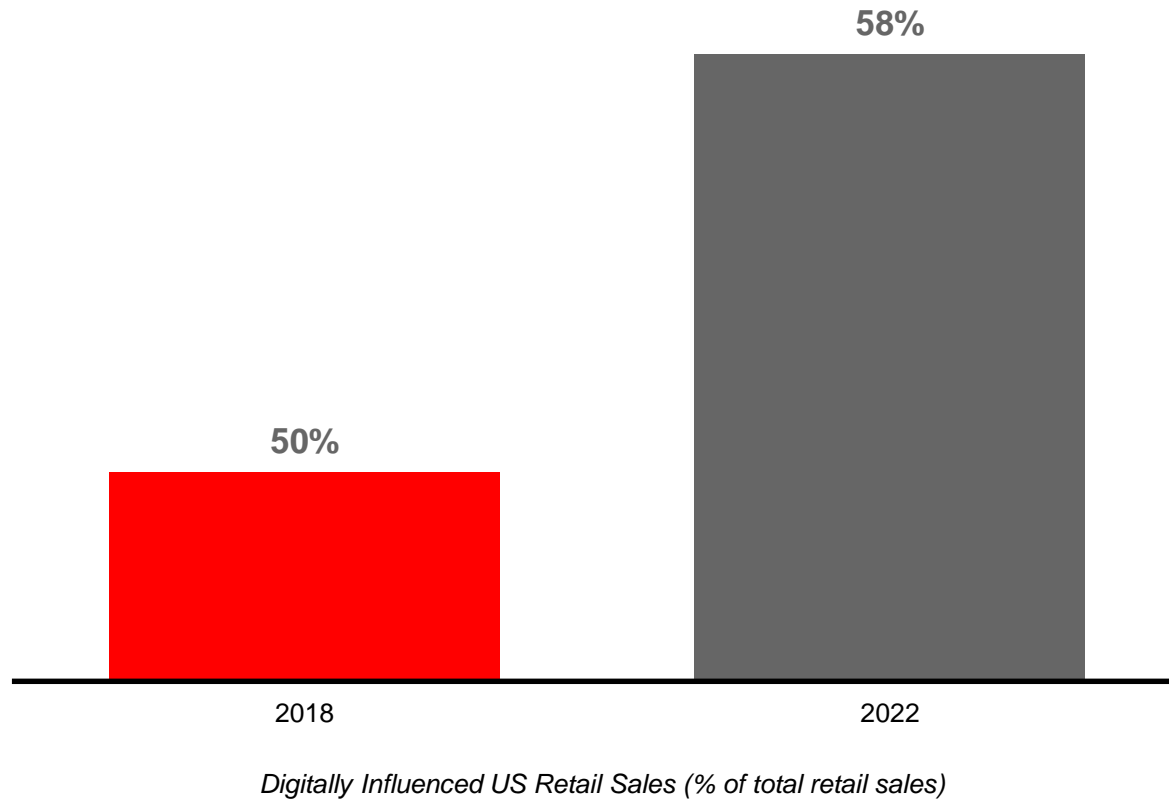
Retailers: Adoption, Drivers and Challenges

presented by

ORACLE®

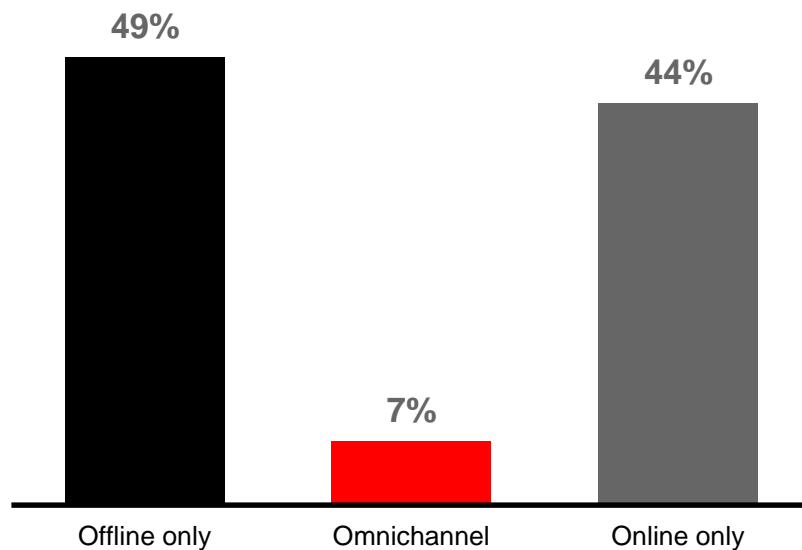
Bronto

Digital influences a majority of in-store sales, reaching 58% of total sales by 2022

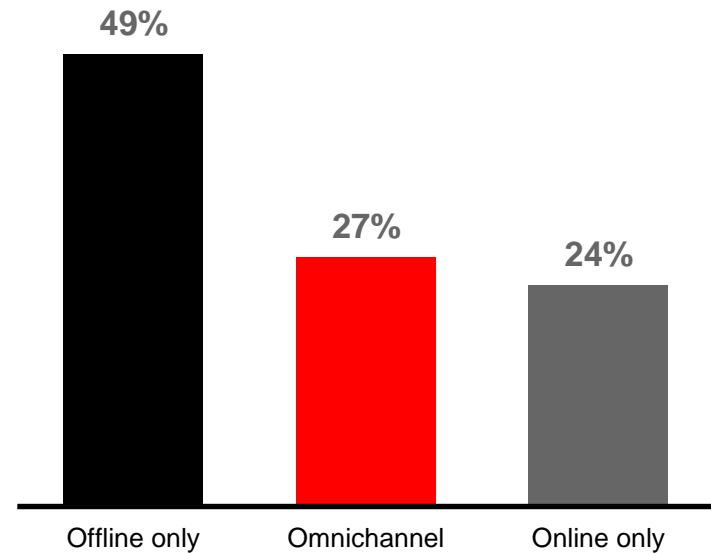


Omnichannel shoppers generate higher lifetime value in terms of sales

Though these shoppers make up less than one-tenth of customers, they account for **27% of all sales**



Share of US Customers, by Channel, Q1 2018



Share of US Sales, by Channel, Q1 2018

The majority of retailers now say their omnichannel business is **profitable**

45%

in 2016



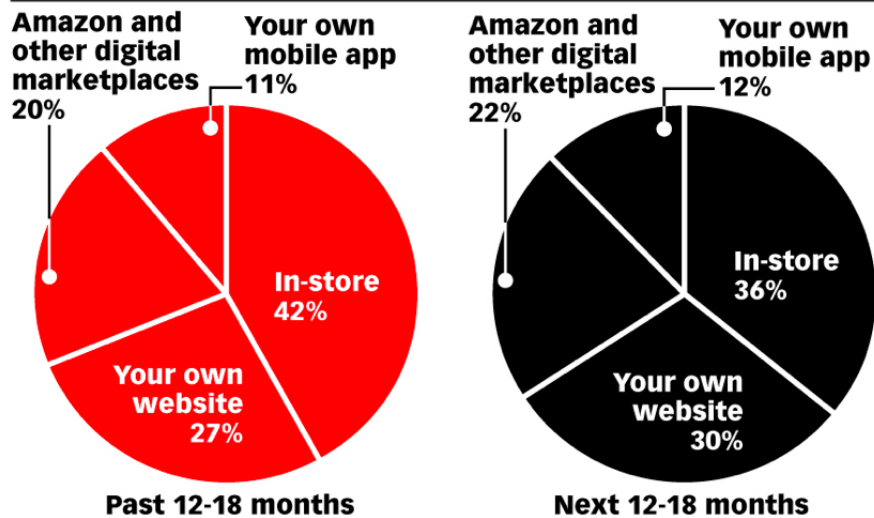
58%

in 2017

Sales are shifting from in-store to **digital channels**

Past vs. Future Sales Transaction Share According to Retail Professionals in North America, by Channel, Nov 2017

% of total



Source: International Data Corporation (IDC), "Digital Transformation Boosts Retail Customer Experience" sponsored by DXC Technology, Jan 1, 2018

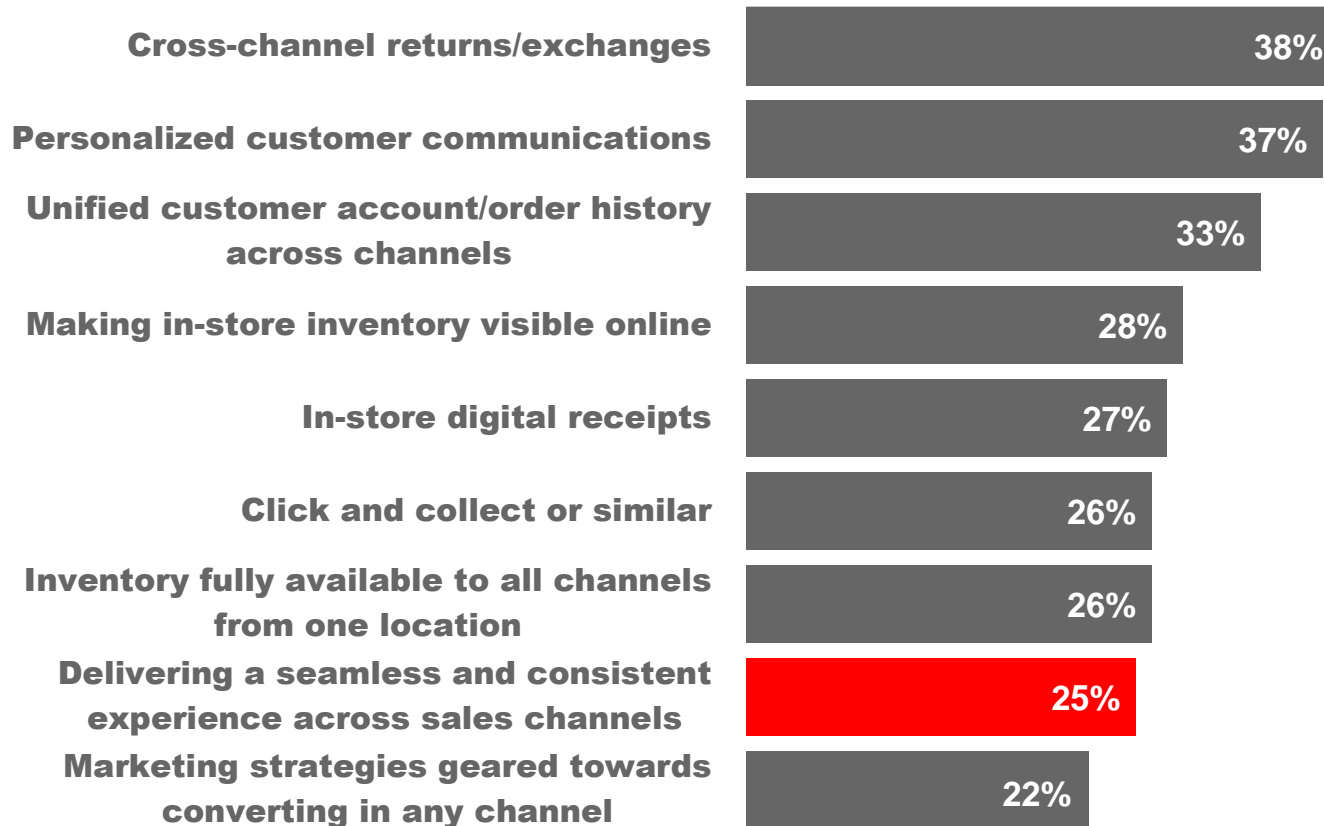
235476

www.eMarketer.com

Retailers foresee in-store sales shrinking about 14% in the near future

Retail sites, digital marketplaces and mobile apps are taking share

A majority of retailers haven't implemented most omnichannel capabilities



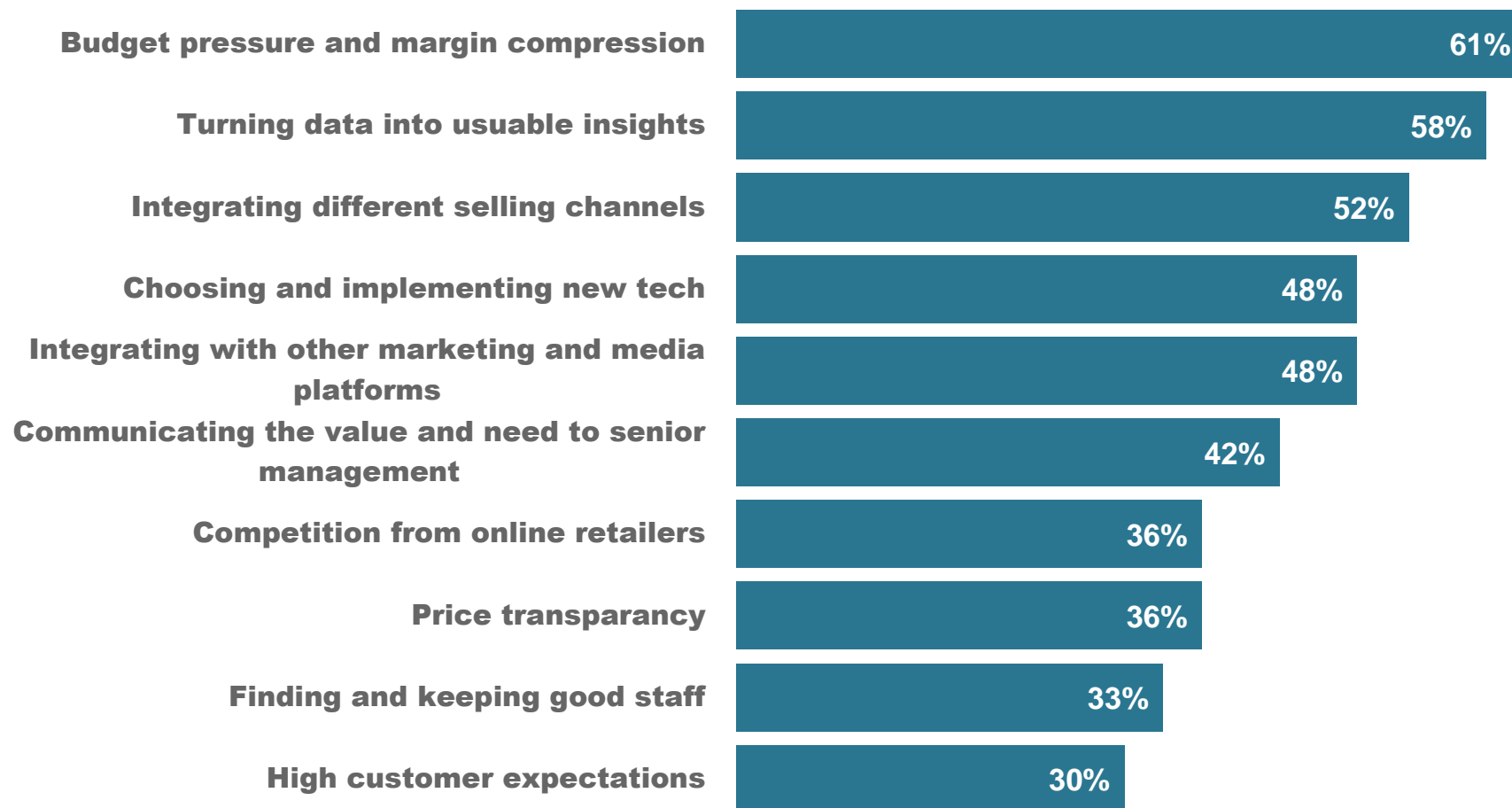
Current Omnichannel Capabilities of Retailers Worldwide, Sept. 2017 (% of respondents)

However, more said they have plans to implement throughout 2018



Omnichannel Capabilities that Retailers Worldwide Plan to Implement in the Next Year, Sept. 2017 (% of respondents)

Budgets and analytics are prominent omnichannel challenges



Challenges of Enhancing an Omnichannel Strategy According to Retail Executives Worldwide (% of respondents)

INSIDE THE MINDS OF ECOMMERCE EXECS


US EDITION

A personalized consumer experience is the new frontier for ecommerce, and retailers in the US know it. They're enthusiastically reaching past the boundaries of what's known into new realms of innovation and focusing on the digital experience across channels.

49%

*have a dedicated
mobile strategy.*

51%

*treat desktop and
mobile the same.*

Email is still a successful strategy. When asked what channel impacts sales the most, **52%** chose email marketing.

TOP THREE MARKETING CHANNELS THAT IMPACT SALES



What do they think would have the greatest impact on in-store sales?

Retailers in the US are determined to create the ultimate customer experience, which requires more in-store technology and an enhanced mobile experience.

95%

of ecommerce execs think mobile is critical, yet only

24%

said that mobile strategy is a top priority.

95%

24%

Customers who use social media before shopping are

29%

more likely to buy the same day and

4x more likely to spend more.

45%

Equipping sales associates with tablets.

44%

In-store Wi-Fi for online shopping and price.



Consumer Path to Purchase

presented by

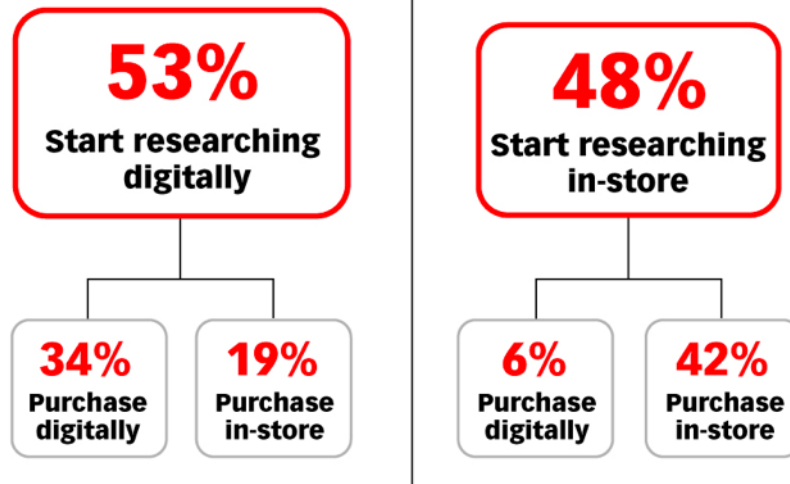
ORACLE®

Bronto

The channel used for **research** is most likely the same channel used for **purchase**

Typical Research and Purchase Process Among US Internet Users, Jan 2018

% of respondents



Note: n=2,789 ages 18+; numbers may not add up to 100% due to rounding
Source: Murphy Research, "2018 Shopper Trends Report: Understanding Shopper Behavior in an Omnichannel World," March 30, 2018

236595

www.eMarketer.com

Consumers' top two shopping influences:

- **52% used recommendations from family and friends**
- **47% read online consumer reviews**

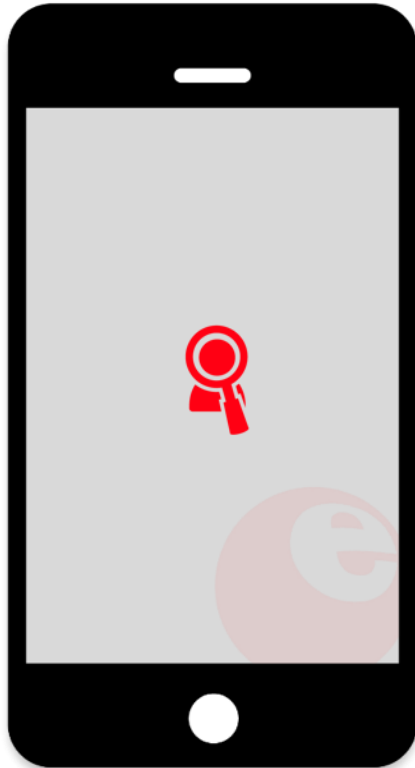
Many buyers begin and end their path to purchase on **Amazon**



Amazon is now more popular for searching products than Google

Preferred Shopping Method Among US Digital Shoppers, Feb. 2018 (% of respondents)

Webrooming is more common than showrooming



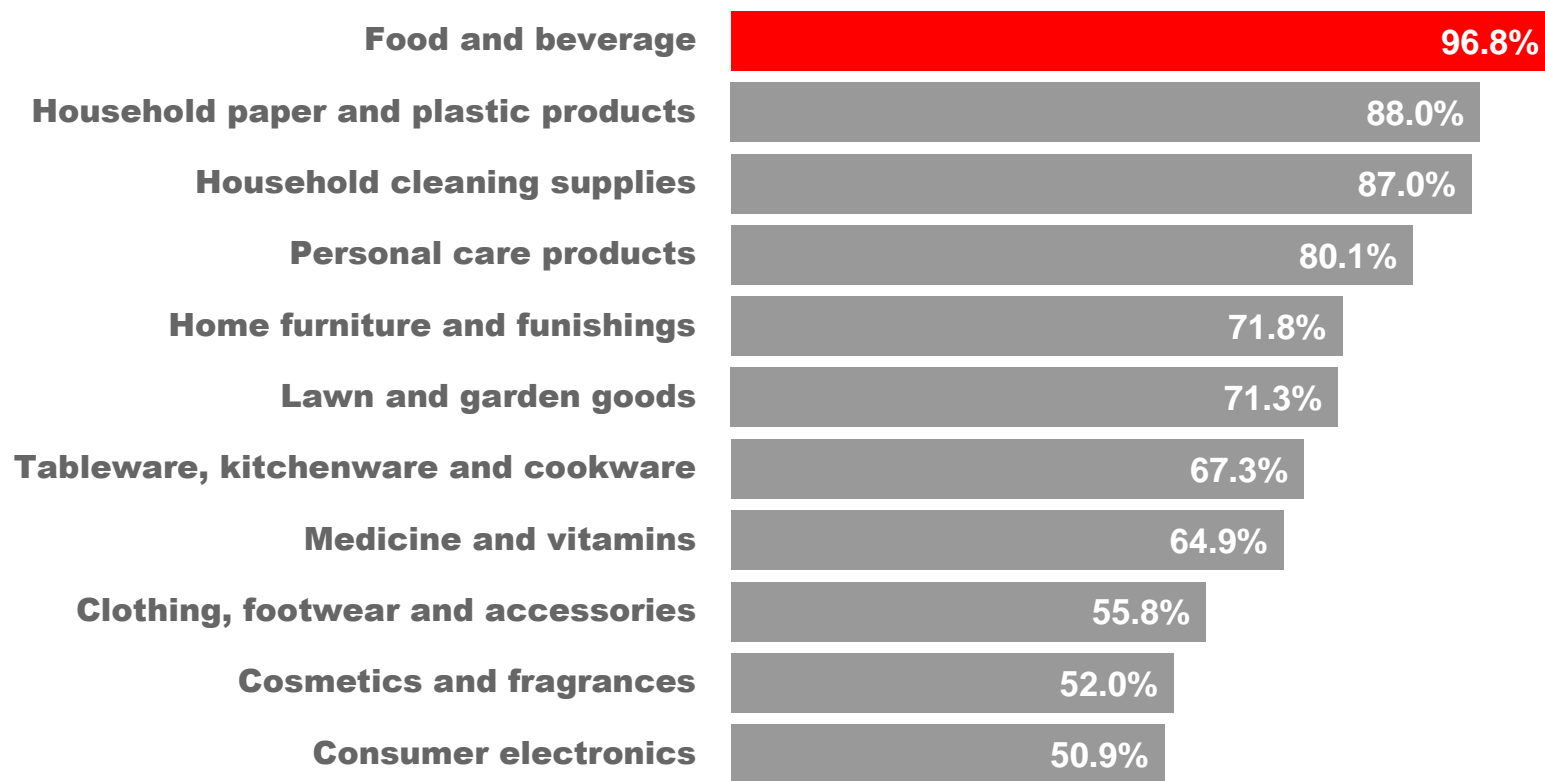
38%

**of US internet users
research via mobile then
buy in-store**

22%

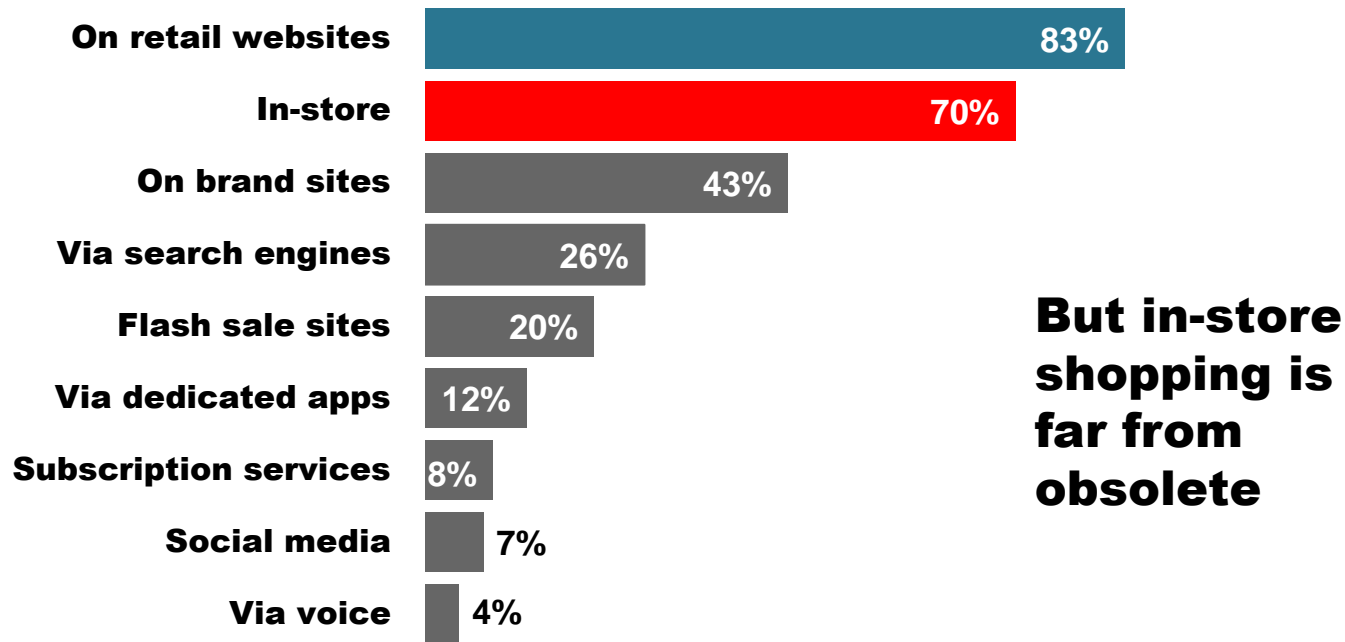
**of US internet users see a
product in-store then buy
from another online
retailer via mobile**

Consumers are more likely to buy **groceries** in-store than any other product category



US Internet Users Who Primarily Buy Select Product Categories In-Store vs. Digitally, May 2018 (% of respondents)

A majority of digital buyers plan to shop more on **retail sites** and **in-store** in 2018



Locations/Channels Where US Digital Shoppers Plan to Do More Shopping in 2018 (% of respondents)

In-store shopping is also likely to spur impulse purchases

Channel that US Internet Users Are Most Likely to Use in Select Shopping Scenarios, Dec 2017

% of respondents

	In-store	Desktop	Mobile	Tablet	Voice-controlled device	Other
Make an impulse or unplanned purchase	70%	12%	10%	4%	1%	2%
Purchase a big-ticket item (e.g., furniture or electronics)	63%	19%	10%	5%	1%	3%
Make an intentional purchase of a specific product	37%	32%	20%	8%	1%	2%
Browse for a big-ticket item (e.g., furniture or electronics)	36%	33%	19%	8%	1%	3%
Casually browse for products with no clear purchase intent	26%	33%	27%	10%	2%	3%
Make an intentional search for a specific product	19%	42%	26%	9%	1%	3%

Note: ages 18+; numbers may not add up to 100% due to rounding

Source: Avionos, "The 2018 Consumer Expectations Report," April 23, 2018

237255

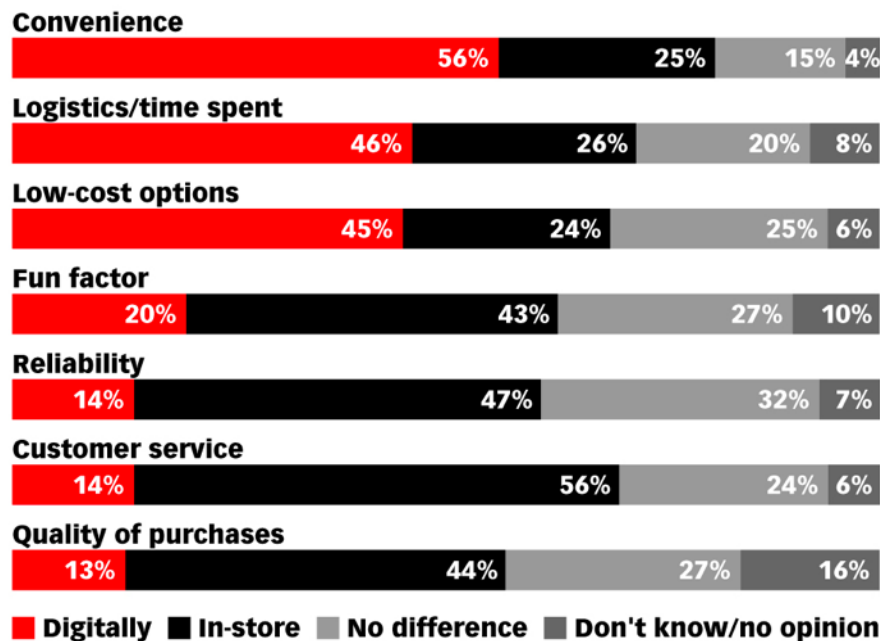
www.eMarketer.com

Desktop searches are for specific products, whereas **mobile** lends itself to browsing

Digital channels win on convenience, time-saving and price

Factors that Would Lead US Internet Users to Shop Digitally vs. In-Store, March 2018

% of respondents



Note: ages 18+

Source: Morning Consult, "The State of Retail 2018," April 4, 2018

236694

www.eMarketer.com

In-store is perceived to have better customer service, reliability, quality and have the "fun factor"



The In-Store Experience

presented by

ORACLE[®]

Bronto

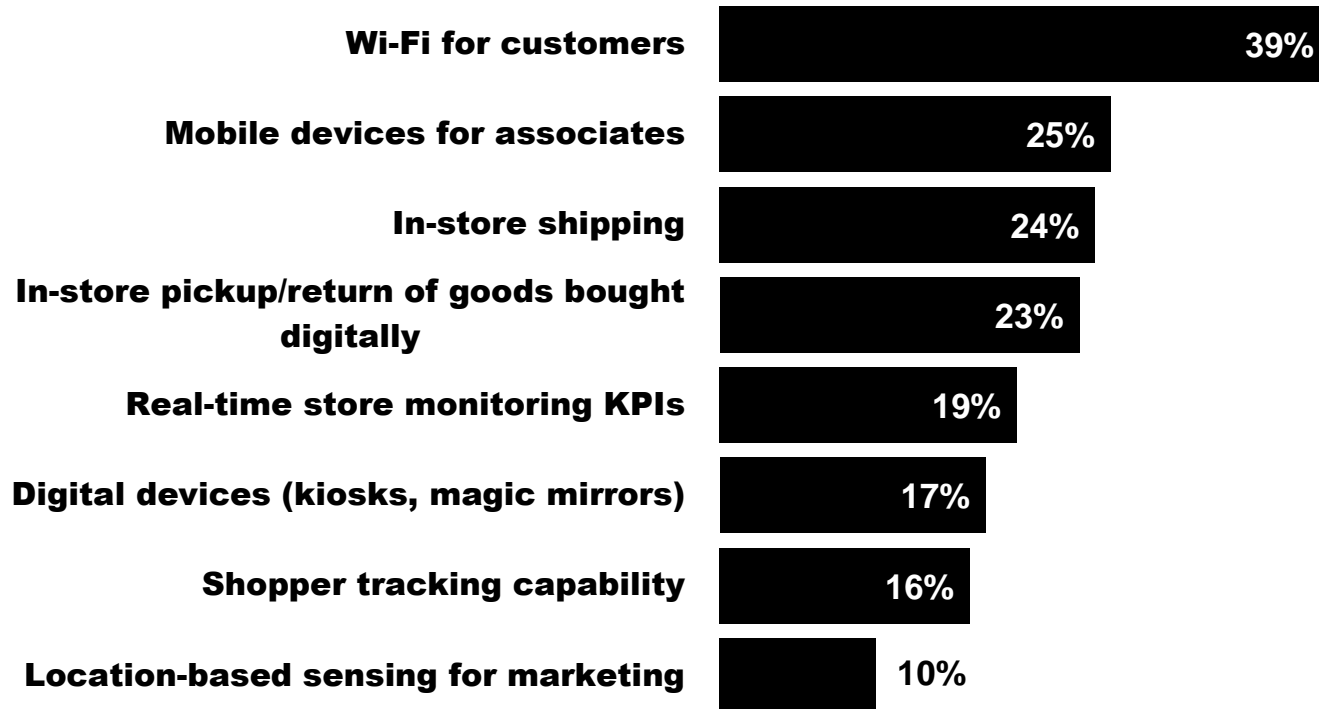
In-store omnichannel experiences ranked No. 1 among retailers in North America



21%

of respondents cited **omnichannel** features like buy online, pick up in-store and endless aisle as the primary consumer-facing, **in-store** initiative for their 2018 digital business.

Some US retailers have **in-store tech** already in place



Implementation of Select In-Store Technology Plans, According to US Retailers, Feb 2018 (% of respondents)

Other retailers have started or plan to upgrade in-store tech within 12 months



Implementation of Select In-Store Technology Plans, According to US Retailers, Feb 2018 (% of respondents)

Most in-store shopping **frustrations** can be solved by tech solutions

Biggest Frustration When Purchasing Items In-Store According to US Digital Shoppers, April 2018

% of respondents

Store lacks the inventory I need

32.3%

Store is in an inconvenient location

21.0%

Takes too long to purchase products (e.g., line is too long)

20.0%

Sales associates are unhelpful

16.4%

No in-store Wi-Fi to research my purchase

4.9%

Other

5.5%

Note: ages 18+; numbers may not add up to 100% due to rounding

Source: Usabilla, "Retail Nightmares," June 18, 2018

238912

www.eMarketer.com

Free Wi-Fi is the leading in-store want among in-store shoppers

Technologies that In-Store Buyers Worldwide Wish to See Widely Adopted by Retailers with Physical Stores, Nov 2017

% of respondents

Free public Wi-Fi access

38%

Coupons and promotions on my mobile phone based on location

33%

Electronic displays at the shelf edge that show accurate real-time prices, promotions, detailed product info and customer reviews

31%

Tech-enabled store associates, who can access product info and availability

26%

Self-scanning via mobile phone

20%

Payment via mobile or wearable device

20%

In-store navigation via mobile app

14%

None of the above

24%

Mobile coupons, mobile self-checkout, mobile payment and mobile app maps are also high on the list

Note: ages 18-65

Source: Planet Retail RNG, "Analogue to Automated: Retail in the Connected Age" in partnership with Displaydata, May 22, 2018

238398

www.eMarketer.com



Fulfillment and Delivery Trends

presented by

ORACLE[®]

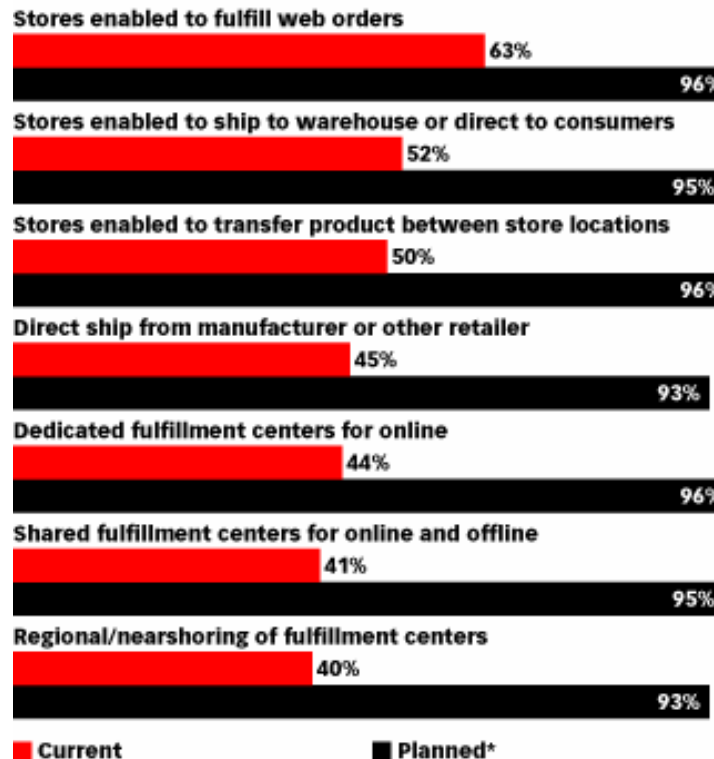
Bronto

For **fulfillment**, retailers are focusing on shipping from stores

Retailers foresee near ubiquity of all these capabilities over the next 10 years

Current vs. Planned* Omnichannel Fulfillment Capabilities According to Logistics Professionals** Worldwide, 2017

% of respondents



Note: *in 2028; **transportation & logistics, retail and manufacturing
Source: Zebra Technologies, "The Future of Fulfillment Vision" conducted by Qualtrics, April 9, 2018

236759

www.eMarketer.com

Digital shoppers like **options** and **speed**

76%

Are influenced to complete a purchase by multiple fulfillment options

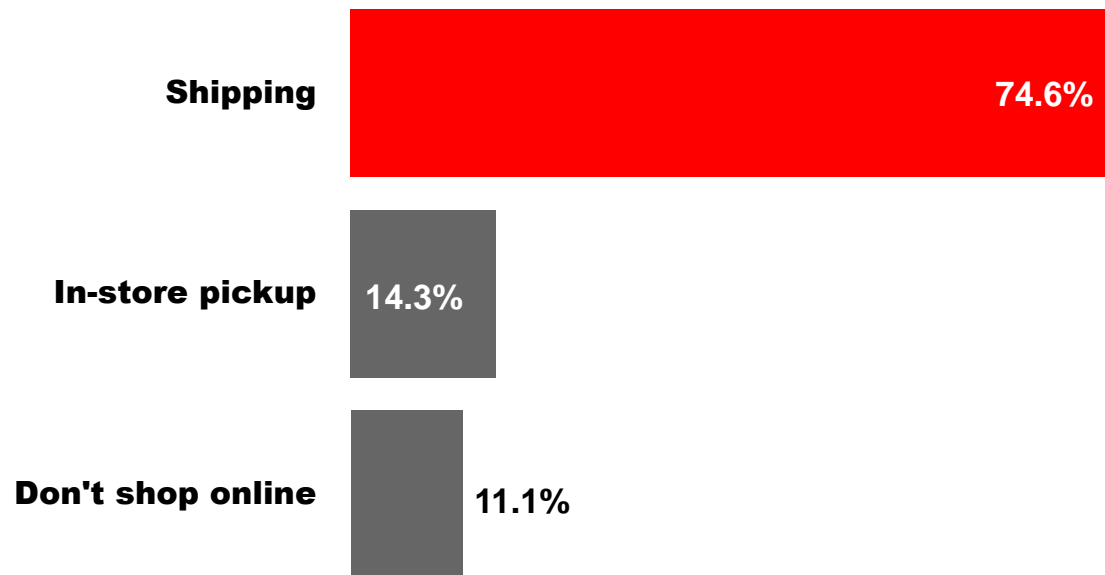
40%

Say delivery that takes more than two days would prevent them from making a purchase

63%

Expect delivery within three days as standard

Most US internet users prefer **shipping** to in-store pickup



US Internet Users Who Prefer Shipping vs. In-Store Pickup for Items Ordered Digitally, Jan. 2018 (% of respondents)

Around one in five digital buyers **bought online, picked up in-store** in the past month

Delivery Methods Used by US Internet Users for Digital Purchases, by Age, May 2018

% of respondents in each group

	18-29	30-39	40-49	50-59	60+	Total
Deliver to home	83.1%	80.5%	80.6%	69.4%	74.2%	75.4%
Buy online, pick up in-store	24.6%	18.8%	23.5%	20.7%	13.7%	18.0%
Ship-to-store	12.3%	11.3%	14.7%	9.5%	6.8%	9.5%
Deliver to work	6.2%	11.3%	10.6%	5.0%	3.4%	6.0%
Curbside pickup	3.1%	4.5%	5.9%	1.2%	0.8%	2.3%
Deliver to locker	3.1%	0.8%	0.0%	0.4%	1.0%	0.8%
Other	0.0%	0.8%	2.4%	1.2%	0.8%	1.1%

Note: in the past month/30 days

Source: "The eMarketer Ecommerce Insights Report" conducted in May 2018 by Bizrate Insights, May 9, 2018

237843

www.eMarketer.com

Nearly one-quarter of respondents younger than 30 use BOPUS

Saving money and immediacy were motivations to use BOPUS



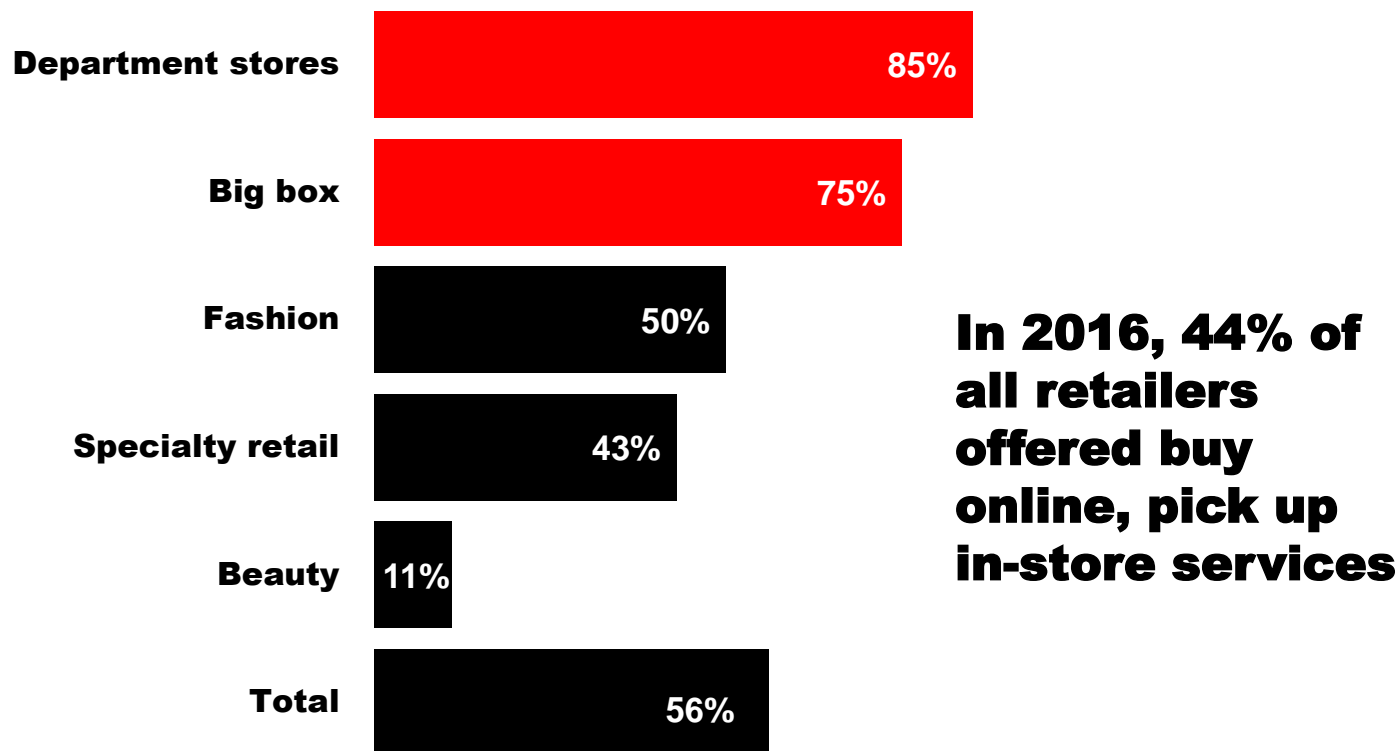
Reasons that US Internet Users Buy Online and Pickup In-Store, 2018 (% of respondents)

In 2016:

37% of consumers chose in-store pickup because retailers offered a discount

19% chose BOPUS because an item was available only online

BOPUS is offered by most big-box retailers and department stores



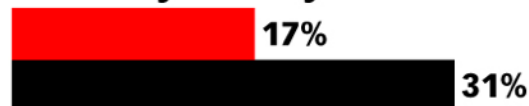
Share of US Retailers that Offer Buy Online, Pickup In-Store, by Retailer Type, 2017 (% of total brands tracked by L2)

The number of US digital buyers using **same-day delivery** nearly doubled YoY in 2018

Delivery Options that US Internet Users Have Used When Making Digital Purchases, 2017 & 2018

% of respondents

Same-day delivery



Next-day delivery



Two-day delivery



■ 2017

■ 2018

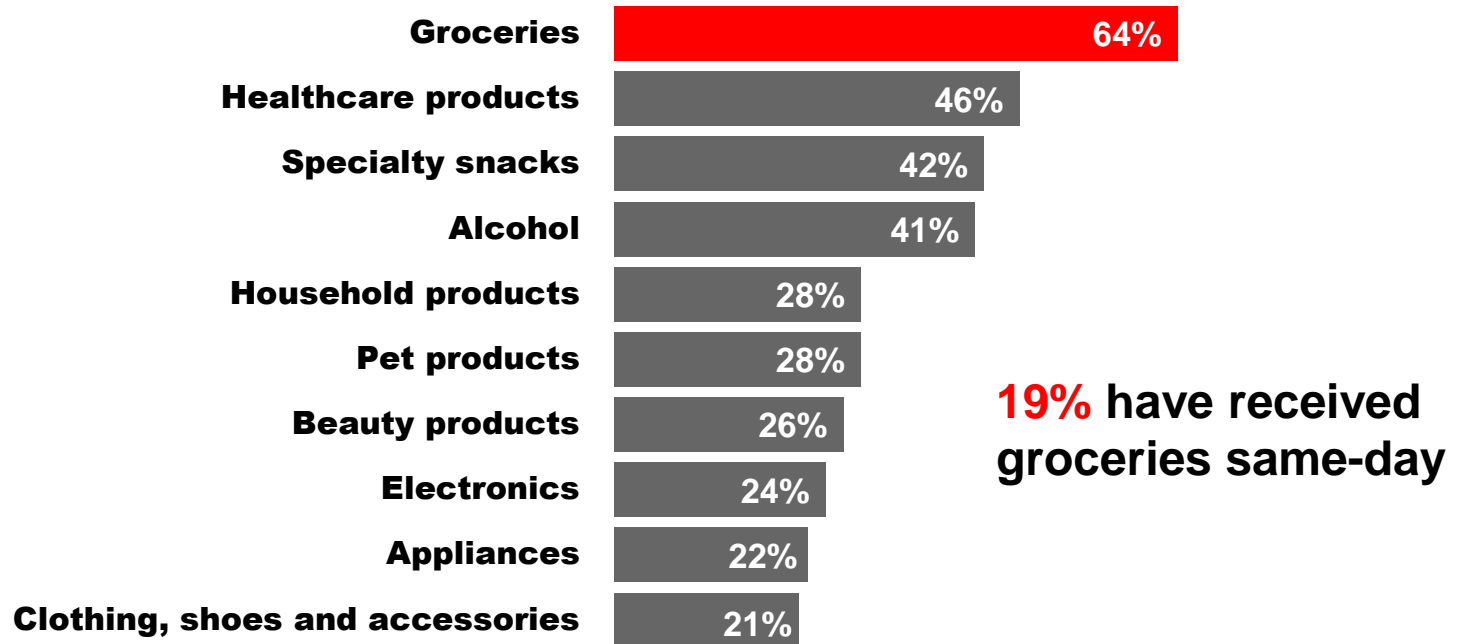
Note: ages 18+; in the past 12 months

Source: Dropoff, "I Want it Now: Same-Day Delivery + the U.S. Consumer," March 20, 2018

236402

www.eMarketer.com

Groceries are the leading product category wanted the same day



Items that US Internet Users Want to Received via Same-Day Delivery, by Category, Feb 2018 (% of respondents)



Data, news and insights for the entire retail sector
retail.emarketer.com