Retailers Must Optimise Omnichannel; Mobile for Millennials

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by Hugh Williams on 23rd Aug 2018 in News



RetailTechNews' weekly roundup brings you up-to-date research findings from around the world. In this week's edition: Retailers Must Optimise Omnichannel; Mobile for Millennials; and U.S. Supermarkets' Struggles.

Retailers Must Optimise Omnichannel

Over half (52%) of shoppers in the UK believe that retailers need to offer a more seamless experience between online and offline commerce to retain their custom, according to research by <u>PushON</u>. The research shows that retails should invest in technology that enables a better omnichannel experience.

For more than 82% of the public, shopping in a brick-and-mortar store is preferential to purchasing online because products can be viewed before a commitment is made to buy. This opinion is supported by 45%, who stated they feel more reassured that they're making the right decision when shopping in-store, compared to buying online.

In terms of what would increase shoppers' trust in buying from an online store, 40% of consumers highlighted AR technology as a desired feature. This was due to the ability to virtually test out a product, mirroring the real-life experience. In addition, 32% would like to use online services, such as AI chatbots, to enable them instant answers to their questions. Again, this reflects the in-store experience.

Sam Rutley, managing director of PushON, said: "It's clear from our research that in order for shoppers to part with their money online, they must receive the same level of reassurance that they would in a brick-and-mortar store. Without the physical ability for customers to experience the tactile nature of a product, or to obtain advice from a sales assistant, online retailers must provide the virtual 'next best thing' through the implementation of technology."

Mobile for Millennials

Six-in-ten (60%) Millennials are most likely to complete transactions on their mobile devices, with nearly 80% discovering products via mobile while on the go, finds data from ViSenze.

Almost two-thirds (62%) of respondents want visual search capabilities, enabling them to quickly discover and identify the products on their mobile devices that they're inspired by and seek to purchase. Meanwhile, over 70% indicated that if all digital content were shoppable, their rate of online purchasing would increase.

While 57% of Millennials discover products on retailers' websites, 60% of Gen Z discover products on social, highlighting the power of the direct-to-consumer relationships brands can build with their customers. Nearly three-quarters (70%) of total respondents indicated that they engage with social media platforms at least five times per day.

The survey analysed and compared Gen Z and Millennial consumers' attitudes towards emerging technologies and their impact on both in-store and online shopping experiences, nearly half of whom shop more than once a week online and 50-60% of whom shop in-store more than one a week.

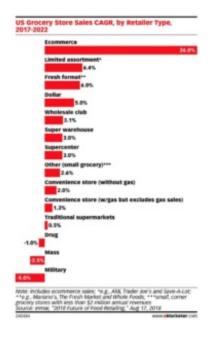
U.S. Supermarkets' Struggles

According to a new report from Inmar, 30 years ago U.S. supermarkets had 90.0% of dollar share. By 2017, that had shrunk by half. The firm estimates that the traditional grocery channel's dollar share will decline to 43.1% by 2022.

Traditional grocery has been taking hits, not just from newer ecommerce options, but also warehouse clubs and big box multichannel retailers. Grocery shoppers are spreading out their spend across more channels than ever.

In 2017, e-commerce sales grew 26.0% year-on-year to reach USD\$46bn (£35.64bn), more than seven times the growth of limited-format (6.7%), dollar stores (6.6%), and fresh format (6.2%). Traditional supermarkets grew by 1.3%, while mass stores declined by 1.9% as <u>Kmart</u> continues to close locations.

Limited-format stores like Aldi and Lidl opened around 100 locations last year and reached sales of USD\$39.8bn (£30.83bn). Fresh format stores, including Whole Foods and Sprouts Market, had USD\$29.6bn (£22.93bn) in sales and increased locations by 5.6%.



Most U.S. grocery shoppers don't regularly buy food and beverages online for home delivery like typical e-commerce purchases. But that's not to say that grocery sales are immune to digital influence. According to the Food Marketing Institute (FMI) and The Hartman Group, 72% of U.S. grocery buyers interact with grocery retailers in some digital form.