

— 2019 —

MOBILE, BOPIS AND PRODUCT CURATION:

HOW RETAILERS CAN WIN THE

*Holiday
'Choice Cascade'*



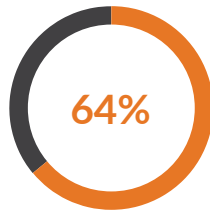
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Rod Sides,
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The need to merge the online and store experiences into one smooth, consistent shopper journey isn't news to any retailer. Up to **64%** of customers use multiple channels to verify a single transaction, **according to a Salesforce report**. It's no longer a way to differentiate; it's a way to survive.

But retailers aiming to stay top-of-mind during the holiday season better start implementing engagement strategies now — especially to serve the unique needs of today's channel-agnostic consumer. Ahead of the 2019 holiday season, retailers must:

- Position their stores as media centers, focusing **more on experiences and less on inventory**;
- Optimize their mobile channels to **drive consumers to the store** and **generate highly specific promotions**;
- Focus on **delivering recommendations and product curation** for gift-givers; and
- Be honest about the true capabilities of their **buy online/pick up in-store (BOPIS) strategies**.

“We're finding that the needs and the breakdown of what people are buying hasn't changed that much in 20 years, but the choices are so much greater than they've ever been based on the convergence of our industry,” said Rod Sides, Leader of the U.S. Retail and Distribution practice at **Deloitte**, in an interview with *Retail TouchPoints*. **“If I'm going to create that whole notion of convenience, then I have to find a way to win in that choice cascade that comes down to the consumer.”**



STORES EVOLVE INTO MEDIA CENTERS AS EXPERIENCE WINS OUT

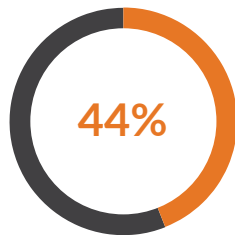
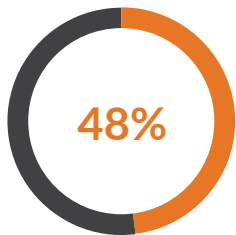
The rise of digitally native brands initially put significant pressure on traditional retailers to ramp up their e-Commerce offerings. But because many of these Internet-born companies are opening stores of their own, creating **connected experiences** that tout **minimal inventory** and **mobile-empowered associates**, traditional retailers must reimagine their experiences by focusing on engaging and entertaining the “always on” customer.

“I think it’s a delicate balance, but it’s so critical to have a physical presence, to have a showroom as a place to engage and shop or just connect with the brands and the brand ambassadors,” said Brandon Rael, Consulting Director at **Alvarez and Marsal**. **“It’s the best form of media out there.** Social networks like Instagram, Pinterest and others are very engaging and can build a lot of excitement around the influencer networks, but the **physical stores and showrooms that showcase the product and the experience really matter.”**

For years, **Starbucks** has successfully generated holiday hype through its stores — not just with its large seasonal coffee selection but with its annual holiday cup designs. The company also asserts its role as a media center by enabling shoppers to use the Starbucks mobile app to discover what songs are playing in its stores. From there, shoppers can access a full playlist that will open in Spotify.

“Starbucks obviously encourages shoppers to use its Mobile Order & Pay app to order their coffee ahead of time, but they do little things such as creating Spotify Christmas playlists that make shoppers come back into their app and interact with the brand,” said Ioli Macridi, Analyst at **Edge by Ascential** in an interview with *Retail TouchPoints*.

NEXT STEPS FOR MOBILE: CONSISTENT PRODUCT PROMOTIONS, DRIVING STORE CONVERSIONS



Year after year, mobile plays a larger role in linking the online and store experiences: **48%** of online orders came from mobile devices throughout holiday 2018, compared to **44%** from computers, according to **Salesforce**. But there is still room for improvement in the mobile experience beyond the immediate purchase. For one, retailers still need to be cognizant of what they deliver “above the fold,” so that they have a consistent message they are promoting front-and-center, according to Sides.

“What we know about the consumer today is that they shop items, not assortments,” Sides said. “It’s ‘How do I create that demand and excitement around an item or a group of items that’s going to give me the eyeballs that I need?’ For instance, I had a couple of department store clients last year that did quite well in automated home, which is not something that’s in their normal assortment. They felt that they could move products that way, and they were right.”

With the holiday season becoming so promotions-heavy, Sides also noted that in order to stand out, **mobile offers must be highly specific and surrounded by a good product**, particularly since many offers are for as much as 50% off.

The next step for most retailers seeking to optimize their mobile apps is to encourage shoppers who are within the app to enter the store. “That can be as simple as encouraging shoppers to build their holiday shopping list within the app, which gives retailers a direct view into what they are looking to buy and whether they bought those items once they went to the store,” Macridi said. “Right now, there might be great attributes to the app, and there might be great attributes to the store, but **if you can’t connect these channels, you can’t really get a comprehensive view of the shopper.**”



AS GIFT-GIVING PEAKS, RETAILERS MUST DELIVER RESEARCH, PRODUCT DISCOVERY JOURNEYS

With the holiday season so heavily focused on gift giving compared to the rest of the year, retailers must reframe their experiences within the context of a research-oriented journey, according to Scott Lachut, President of Research & Strategy, **PSFK**. Consumers will often take to mobile devices or tablets to fit their shopping needs within the context of their day, especially if they need to learn more about a product before they decide it's the right fit for a friend or family member.

"Retailers should provide curation tools or recommendation tools upfront so that they can help [shoppers] who are trying to narrow down what the right choices are, and to make sure that they're instilling that confidence for the customer," Lachut said in an interview with *Retail TouchPoints*. "Use recommendation engines to help answer questions and provide a smaller number of choices. **Allow people to make an appointment to meet with an expert as they go into a store, when they're hoping to get specific one-to-one recommendations to help them find the best choice for who they need to buy for.**"

Lachut also recommended that retailers prepare for the holiday by curating their own list of the trends and themes that they've seen throughout the year to more easily predict popular purchases.

Macridi shared a similar perspective about crafting a holiday-themed list, highlighting that retailers need to release their own top product trends and "must-have gifts" well ahead of the official holiday kick-off in November. Retailers can then use their lists to craft **product discovery journeys** that add value to the shopper experience, whether they are buying in-store or just beginning their search for gifts online.

"Walmart is very keen to release lots of seasonal recipes and different tips on how to decorate your house, how to host a dinner, how to wrap your presents," Macridi said. "These are all types of things that attract shoppers to their platform, so they can look at tips while easily shopping for recommended products, as well. This packages the whole experience as **'We're here for you while you prepare for the holidays, and we're glad to give you the advice you need while you do it.'**"

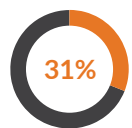
AS BOPIS BECOMES THE ONLINE-TO-STORE CENTERPIECE, ARE RETAILERS REALLY READY?

If retailers really intend to have their online-to-store holiday strategy in gear, then they better be realistic about their own fulfillment capabilities, particularly when it comes to buy online/pick up in-store (BOPIS). As many as **80%** of retailers say they are “omnichannel ready” and frequently point to their BOPIS, buy online/return in-store (BORIS) and ship-from-store capabilities as proof, according to an **analysis from Bill Hardgrave, Provost and SVP of Auburn University**.

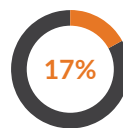
Bringing Down BOPIS Barriers:

Despite having such high confidence in their omnichannel fulfillment strategies, particularly in BOPIS, retailers have lots of work to do if they think they can handle the holiday rush.

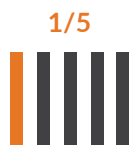
Below are **four examples** where BOPIS implementation unfortunately still falls short:



Just **31%** of customers describe BOPIS as a smooth process
- Bill Hardgrave, Auburn University



Only **17%** of retail apps display in-store quantities
- Bill Hardgrave, Auburn University



One out of every five times an 18-to-29-year-old customer orders via BOPIS, at least **one item in the order is out of stock**
- IHL Group



22% of the time, **the order is not ready when they arrive**
- IHL Group

“BOPIS is probably the most critical thing to get right for a traditional retailer, across all different segments like electronics, specialty and department stores,” said Rael. “Retailers must empower the customer to do all the heavy lifting at home before they pick up in-store, and ensure that’s a seamless experience so that they want to hang out in the store longer to buy other complementary items.”

Rael highlighted **Nordstrom** as an example of a retailer that has successfully implemented BOPIS and other order fulfillment strategies, due to its test-and-learn approach within various store formats. Shoppers can either pick up from any store (and in the case of the newly opened Manhattan stores, pick up their items 24/7) or have items shipped from the store directly to their house. Additionally, shoppers can pick up from the Nordstrom Local stores, which don’t house inventory but are designed to be more service-oriented.



"Letting shoppers order ahead of time allows them to avoid the stresses in situations associated with holiday shopping in general," Lachut said. "What's great about that is you've now saved them a bunch of time in finding and gathering the items."

Build A Top-Notch Experience Now:



Creating the next engaging experience that links e-Commerce with the store is just the second step in your journey toward holiday success, and *Retail TouchPoints* has a wealth of insights and best practices to share from a cast of experts and thought leaders. Subscribe to our Holiday Hub to receive real-time updates when new content is available.

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