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Seamless Retail Research Report 2015:

Maximizing mobile to increase revenue

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According to new Accenture Seamless Retail Research, one well-executed initiative might help retailers increase online and in-store sales. Citing results from separate studies of consumers and retailers, this executive summary explains why “maximizing mobile”—making it easier and more fruitful for customers to purchase goods using smartphones and tablets—could be one of the most profitable steps retailers can take.

In 2015, Accenture released its third annual Seamless Retail Research, reflecting consumer sentiment and retailers' ability to deliver. Nearly ten thousand consumers on five continents provided shopping-related insights.

To better understand how retailers are meeting consumer expectations, Accenture also conducted a Retailer Capability Benchmark – an assessment of nearly 190 retailers in 13 countries. Across these two communities (global retailers and their customers) several findings stand out: Digital commerce is up. Store traffic is down. Customer views about buying convenience, delivery options and transaction costs are shifting rapidly. However, one of the most impactful observations may be this: Enhancing customers' ability to shop using smartphones and tablets could help retailers increase digital and in-store sales.

Three high-level insights support this conclusion:

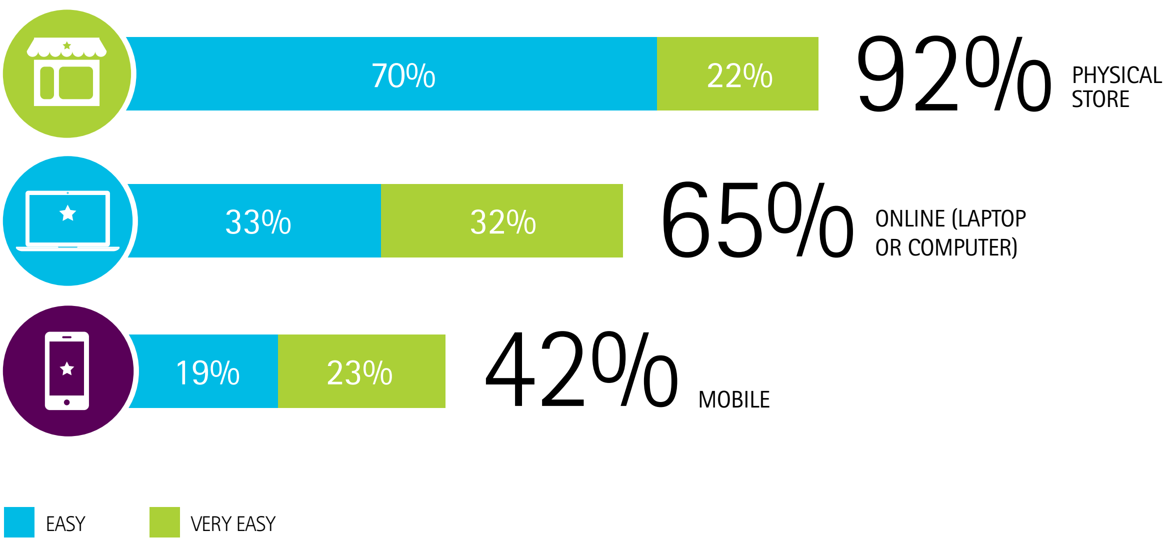
1. More consumers want to shop using smartphones and tablets

Mobile devices—smartphones and tablets—are becoming consumers' technology of choice. This trend is unlikely to abate. Tomorrow's customers, after all, are growing up with mobile technology. Mobile devices connect them with their world.

It shouldn't be surprising, therefore, that 88 percent of survey respondents said they've shopped with smartphones as often, or more often, than in the previous 12 months. Of that group, 12 percent said they've done significantly more shopping with smartphones. Numbers for tablet use were similarly strong: 85 percent said they've shopped with tablets as much, or more often, than in the previous 12 months, while 10 percent said they've done significantly more shopping with tablets. Retailers must cater to this trend by ensuring that customers can use mobile devices to smoothly peruse and purchase goods.

Of course, retailers are already focused on e-commerce. According to results from the Accenture Retailer Capability Benchmark, 81 percent of retailers have websites through which desktop or laptop users can buy goods. 75 percent have the capability for customers to execute purchases via mobile phone. 72 percent have the capability for customers to make purchases using tablets.
These numbers may seem encouraging. But according to results from the Accenture Consumer Survey, only 42 percent of consumers think it's easy to make purchases using a mobile device. Compare this to the 65 percent who find shopping easy using a desktop or laptop computer. Or to the 92 percent who find it simple to shop in store. Do the math: Consumers want to shop using smartphones and tablets. But compared to in-store shopping, they're twice as likely to be stymied—or at least aggravated—when using mobile devices.

How easy is it to complete a purchase in each of these channels?



Source: Accenture Seamless Retail Research November 2014

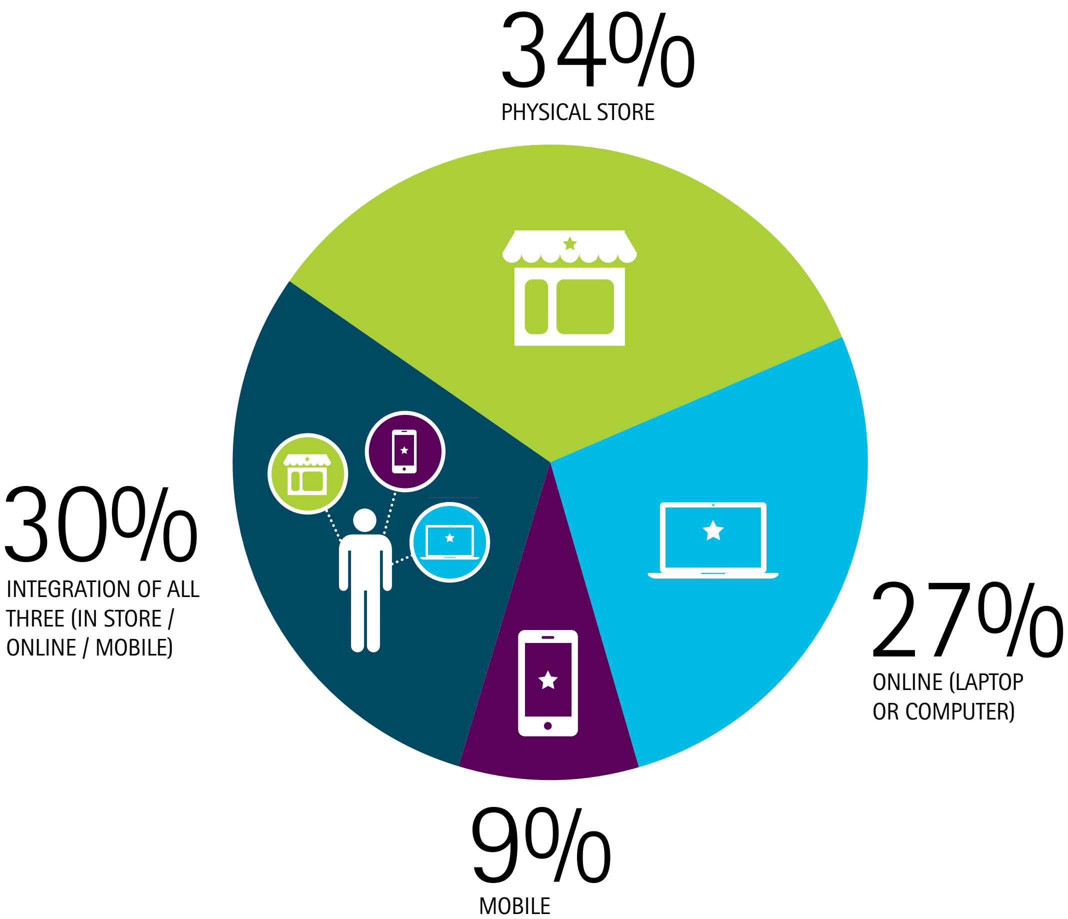
2. The more consumers use mobile devices, the more they desire seamless retailing

Think of seamless retailing as the ability to deliver a consistent on-brand experience for each customer across every touch point and channel. Unfortunately, seamless retailing remains a rarity: Customers encounter different images, environments, offers and prices when shopping in store versus online, and even when shopping from a desktop/laptop versus a smartphone or tablet.

According to results from the Accenture Consumer Survey, 67 percent of respondents expect the same pricing across channels. But in the Accenture Retailer Capability Benchmark, we learned that only 32 percent of retailers consistently offer identical cross-channel pricing. We also found that a great many people find it clumsy, if not impossible, to launch a shopping cycle in one channel and finish it elsewhere. According to the Accenture Consumer Survey, only 8 percent of tablet users and 7 percent of smartphone users are able to start shopping with their mobile device and complete the cycle in store.

More than one third of surveyed consumers also would like to check product availability online before going to the store. However, only 23 percent of retailers provide availability-related information online. This too is part of the seamless paradigm: By providing customers with desired information, you're keeping them in your retail ecosystem—not pushing them away with inconsistent, incompatible, inhospitable or incomplete experiences.

Where do retailers need to improve your shopping experience most?



Source: Accenture Seamless Retail Research November 2014

3. Consumers want the ability to use their mobile devices as part of their in-store shopping experience

Improving the mobile buying experience increasingly means using smartphones and tablets in the store. This is more than an attractive perk: It is a growing customer expectation and a potential necessity for retailers that need to spark more in-store sales. According to results from the Accenture Consumer Survey, more and more people want to:

- **Order out-of-stocks via a mobile device while they are in the store.** But according to the Accenture Retailer Capability Benchmark, only 33 percent of retailers assessed are able to make this happen. In fact, out-of-stocks are a problem that transcends mobile: Only 42 percent of retailers assessed allow customers to order out-of-stocks through store associates. And only 6 percent have in-store kiosks for ordering out-of-stocks.

- **Access free Wi-Fi.** A lot of consumers don't want to use their cellular data to ensure an informed, comprehensive in-store shopping experience. Yet only 28 percent of retailers assessed offer free Wi-Fi in store.

- **Scan products and have them shipped home.** The number of customers buying in store and having product shipped home has increased by almost 50 percent in a year. However, only 12 percent of retailers assessed have the capability for customers to scan items in store and have them shipped to their homes. Adopting this capability could produce a huge competitive advantage—blending in-store advantages (physically examining a potential purchase) with the convenience (home delivery) of Internet-based shopping.

What services do you wish retailers had that would enhance your in-store shopping experience?

- **Use their mobile devices to locate items in the store.** More than a third of surveyed consumers look forward to retailers launching this capability. Yet only 5 percent of retailers assessed offer a store navigator app.

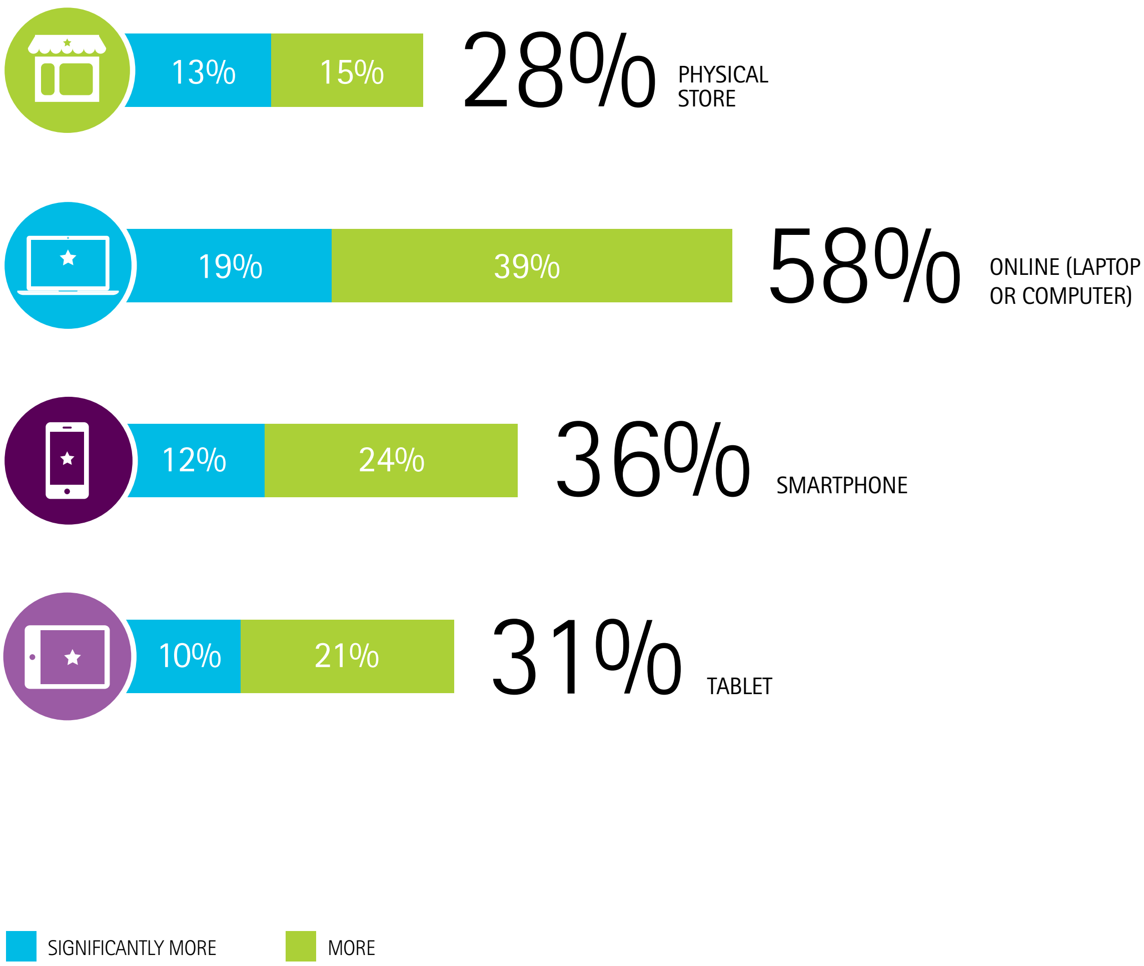
- **Receive real-time promotions and earn loyalty points.** Roughly half of all consumers want to receive real-time promotions (i.e., while they're in the store) but only 5 percent of retailers assessed have this capability. And only 40 percent of retailers assessed let customers redeem loyalty points both in store and online.

This doesn't mean that other ways to improve in-store experiences shouldn't be pursued as well. In 2014, only 28 percent of Accenture Consumer Survey respondents visited stores more often than in previous years. And only 20 percent expect to do more in-store purchasing this year (compared to 23 percent in 2014).

To help reverse this slide, fresher store environments and new merchandise-management approaches are often needed. Stores might also consider offering store pickup. This is yet another area that links online and in-store shopping.

The number of surveyed consumers using store pickup almost doubled last year, though only a third of retailers assessed currently offer this service.

Thinking about your shopping activity in the past year, how has your visit frequency changed (visit frequency includes amount of time you spend shopping, browsing, and/or purchasing)?



Source: Accenture Seamless Retail Research November 2014

Critical fix:
Optimize your shopping environments for smartphone and tablet use

One of the most important inferences to be gleaned from the consumer survey and retailer assessment may be that no part of today's retail experience excludes personal technology. Today's (and probably tomorrow's) consumers want mobile devices to help them shop at home, shop on the run, and shop inside the store. What they don't want is a number of experiences that varies depending on which device they use. Or in-store excursions that don't accommodate the use of smartphones or tablets. Or perks available in one channel but not in another.

There are multiple ways for retailers to improve sales. However, there also is an increasingly important common denominator: Mobile technology. To help increase online sales. To bring more customers into the store. To help close in-store sales. And to keep the customer in your retail ecosystem... Consider maximizing mobile!

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About Accenture

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Research Methodology

Consumer Survey

Accenture surveyed nearly 10,000 adult consumers in November 2014 in 13 countries around the globe: Brazil, Canada, China, France, Germany, Italy, Japan, Mexico, South Africa, Spain, Sweden, United Kingdom and United States. The survey targeted respondents who shop in a multi-channel way and use the Internet and their smartphones regularly.

Retailer Capability Benchmark

As part of this research, Accenture conducted a capabilities assessment at almost 190 global retailers across seven industry segments: Apparel & Accessories, Consumer Electronics, Department Stores, Discount/Mass Merchants, Grocery Stores, Drug Stores and Home Improvement Stores.

We measured these retailers based on their abilities to provide: a consistent experience, connected shopping, integrated merchandizing, flexible fulfillment/returns, personalized interactions, and a better, faster and memorable experience.