

THE FUTURE OF RETAIL

ORACLE
NETSUITE

 **BOB HIBBS**
the retail doctor

 **WAKEFIELD**

www.netsuite.com/retail



Grab a seat and enjoy.
Read Time: 3 minutes

THE FUTURE OF RETAIL

Introduction

We have been spoiled with unprecedented choice and convenience—from shopping arriving in hours to cars arriving in minutes and answers arriving in seconds—and now expect things to happen seamlessly on our own terms, whenever and however we want.

The catch: exactly what that expectation looks like varies from person to person and from moment to moment.

What do these rapidly changing expectations mean for retailers? And with all of this change, do retailers really understand what consumers want today?

To find out, NetSuite partnered with Wakefield Research and The Retail Doctor Bob Phibbs to survey 1,200 consumers and 400 retail executives in the U.S., U.K. and Australia.

Here's what we found.

Overall Findings

Mind the Gap: Retailers and Consumer Are on Very Different Pages

Despite significant investments in enhancing the customer experience online and in-store, retailers are not able to keep up with rapidly

changing customer expectations and this is creating a huge disconnect.

- **73** percent of retail executives believe that the overall environment in retail stores has become more inviting in the past 5 years. Only **45** percent of consumers agree, with **19** percent stating it has become less inviting.
- **80** percent of retail executives believe that consumers would feel more welcome if in-store staff interacted with them more. Less than half (**46** percent) of consumers agree, with **28** percent noting they would feel more annoyed.
- **79** percent of retail executives believe chatbots are meeting consumer needs. Two thirds of consumers (**66** percent) disagree, with respondents noting that chatbots are currently more damaging to the shopping experience than helpful.
- Almost all (**98** percent) retail executives think that engaging with customers on social media is important to building stronger relationships with them. Only **12** percent of consumers think it has a significant impact on the way they think or feel about a brand.

Personalization is Proving a Problem

Despite almost half of half of consumers (**42** percent)—and almost two thirds of millennials (**63** percent)—noting that they would pay more for improved personalization, only **11** percent of retail executives believe that their staff has the tools and information needed to give consumers a personalized experience. The gap between consumer demand for improved personalization and retailer's ability to deliver is damaging the customer experience.

- **80** percent of consumers do not feel they are provided with a personalized shopping experience both in-store and online.
- More than half (**58** percent) of consumers are uncomfortable with the way stores use technology to improve personalization in their shopping experience and almost half (**45** percent) reported negative emotions when they receive personalized offers online.
- The majority of consumers (**53** percent) felt negative emotions the last time they visited a store; only **39** percent feel confident in retail stores today.

Shiny New Technologies Are Not the Silver Bullet

While retailers are aware that they don't have the tools and information needed to meet rapidly changing customer expectations, the study found that hyped technologies such as artificial intelligence (AI) and virtual reality (VR) are not yet the answer.

- Nearly all (**90** percent) retail executives are not confident the use of advanced

technologies to customize the shopping experience is meeting consumer's needs.

- **79** percent of retailer executives believe having VR and AI in stores will increase sales; only **14** percent of consumers believe the technologies will have a significant impact on their purchase decisions.
- Almost all (**98** percent) retail executives believe VR and AI will increase foot traffic; **48** percent of consumers do not think VR or AI would have any impact on how likely they are to go into a store.

A Simple and Streamlined Future

Despite the popularity of online shopping, physical stores aren't going anywhere. As long as retailers keep the experience easy and seamless, consumers will keep shopping in-store.

- Nearly all (**97** percent) of consumers agree there is a need to go into a physical store to purchase items and the majority (**70** percent) believe the most appealing retail stores have features that simplify and streamline the shopping experience.
- The top features attracting consumers to physical stores are options consistent with online (**36** percent), simpler store layouts (**35** percent), staff orders on mobile device (**29** percent) and in-store kiosks that allow consumers to purchase products that are unavailable in-store (**23** percent).
- The top technology advancements that consumers want to utilize when shopping in

store or online are self-checkout kiosks (**38** percent), virtual reality try-on (**23** percent) and mobile payments (**15** percent). Only **5** percent of consumers selected robots and chatbots as the technologies they most want to utilize.

Conclusion

Consumer expectations are not only rapidly changing, but exactly what expectations look like varies from person to person and moment to moment. This makes it incredibly hard for retailers to keep up. The results of this survey show that while the retail industry is often considered to be at the forefront of consumer experience innovation, there's still a long way to go to meet shopper expectations. What this means is the opportunity for retailers to improve the relationship with consumers is tremendous.

Betting on the Future

Technology is coming fast and evolving quicker than we can keep up with. From the latest buzz word at an industry conference to breakthroughs that will shape what retail could look like years from now, as an industry it shouldn't keep businesses from being a force of innovation to match the pace of shopper demands.

Ultimately, the tech you choose to utilize in your business needs to be adaptable and agile to succeed. Cloud-based platforms are at the core of enabling businesses of all sizes to focus on increasing profits and satisfying consumers rather than managing the complexities of traditional siloed software

and hardware. Consumers will continue to dictate the change they want to see from retailers in-stores and online. Building a unified shopping experience across the cloud allows businesses to deliver on these expectations through end-to-end visibility, single commerce and management for real-time insights into customers, inventory, sales and more.

No matter the generation or era of retail we transition into a 360-view into both customers and your business across all channels will deliver on the shopping experience that matters. Building personalization, shopper loyalty and trust comes through embracing the technologies that are going to grow with your business and live up to the change that today's on-demand economy requires of us.

Methodology

For this survey, 1,200 consumers and 400 retail executives were surveyed around the overall retail environment, in-store and online shopping experiences and advanced technologies. The 1,200 consumers surveyed nationally represented members of the general population, ages 18+. Of the 400 retail executives surveyed, all respondents represented companies between \$10-100 million in annual sales and were recognized as an executive director or higher within their organization. Both, retailers and consumers were surveyed from three global markets including the U.S., U.K. and Australia.



About Wakefield Research

Wakefield is a full-service market research firm that uncovers insights for brands to help them solve problems and grow their business. Wakefield Research is a partner to the world's leading consumer and B2B brands, including 50 of the Fortune 100. Wakefield Research conducts qualitative and quantitative research in 70 countries. For more information, please visit <https://www.wakefieldresearch.com>.

About The Retail Doctor

The Retail Doctor is a New York-based retail consulting firm created by expert retail consultant and leading business mentor Bob Phibbs. With over 30 years of experience in retail, Bob has worked as a consultant, speaker, and entrepreneur, helping businesses revolutionize their brand and grow their success. Bob is also the author of three highly-praised books, including *The Retail Doctor's Guide to Growing Your Business* (WILEY). His clients include some of the largest retail brands in the world including Bernina, Brother, Caesars Palace, Hunter Douglas, Lego, Omega and Yamaha. For more information, please visit www.retaildoc.com.

ORACLE® NETSUITE

www.netsuite.com



info@netsuite.com

877-638-7848