THE NEW NORMAL

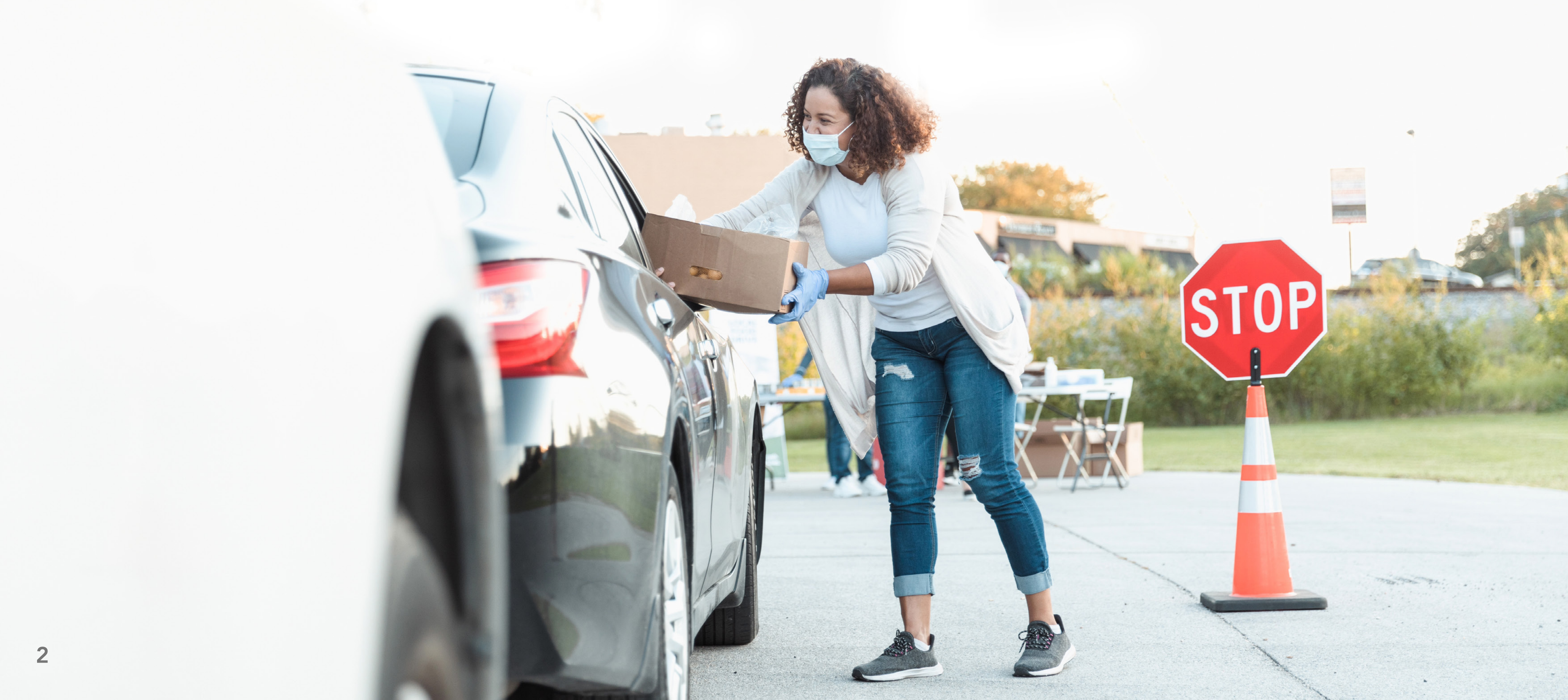
Meeting and Exceeding Customer Expectations

Manhattan Associates®

Key insights

The COVID-19 pandemic has had a profound impact on consumer expectations and demands, driven by an accelerated shift to digital. Worldwide retail ecommerce sales grew by nearly 28% in 2020, while total retail sales declined by 3%.

This report explores the technology-enabled consumer trends emerging from this shift, based on exclusive sponsored research into their expectations and retailers' ability to meet them. These are the trends that retailers should focus on to mitigate risk, manage resilience and build for recovery through 2021.



1. The ability to fulfil online growth

The pandemic had a catalytic effect on ecommerce growth, which looks set to continue, albeit at a slower rate of 14.3% in 2021 globally. So, the most important trend retailers must respond to is their ability to fulfil online orders, both flexibly, efficiently and profitably.

CONSUMER EXPECTATIONS:

78% of consumers consider home delivery to be one of the most important delivery services when shopping online, through a catalogue, via mobile app or through a call centre

34% would like to have a choice of couriers and delivery dates to fulfil the online order

18% would like a choice of couriers with different cost options

55% abandon online orders before checkout due to high delivery costs

RETAILER CAPABILITIES:

57% of retailers report home delivery as their most popular customer delivery option, followed by click & collect 30% and contactless/ kerbside pickup 12%

44% can fulfil an online order from available shop stock for collection and shipping

37% fulfil their orders from regional distribution centres via their own trucks, or via a courier 33%

17% fulfil orders from available shop stock for collection only

2. Single view of inventory

The store's role will continue to expand, as more consumers shop online and expect a choice of flexible fulfilment options that can also extend the value of store-based assets. This only makes the need for single inventory visibility more pressing than ever. With inventory visibility, retailers can optimise what is available online without having to compromise on-shelf store availability.

CONSUMER EXPECTATIONS:

40% of consumers search online for the best offer, followed by 38% who look to find out more about a product, while 35% check stock availability

21% would like a shop assistant to check on an out-of-stock product to see if it is available at a nearby store, 21% would like to order it to be delivered at home or in-store, 17% would like to order it online at home

RETAILER CAPABILITIES:

34% of retailers put returned products back on the shop floor or make them available online

81% of retailers' in-store and online operations are interconnected

40% of retailers allow customers to order a product online if it is out of stock in the store, 48% provide advice on fulfilment options, 48% offer buy online and return in-store, or buy in-store and return online 41%

9% ship returns back to a distribution centre first

67% provide a network-wide view of inventory to store associates via handheld devices

3. Recognising what's relevant to customers

Consumers expect to interact with retailers using a variety of online channels and have orders delivered to their home or nearby store for collection. It is essential, therefore, to identify the most relevant options for each customer to reduce friction and optimise service levels.

CONSUMER EXPECTATIONS:

36% of consumers prefer to transact with a traditional checkout, followed by self-checkout 17%

26% would like to use social media checkouts

46% of consumers believe product knowledge regarding a potential purchase is the most important aspect of the service provided by store associates

52% of consumers prefer email to communicate with a retailer, before and after they buy a product

36% say web or mobile chat would be one of their preferred communication methods

RETAILER CAPABILITIES:

99% equip store associates with handheld devices, but only 50% can use them for customer service in-aisle or support checking out on the shopfloor

64% use the devices to check stock availability and 63% for product information

58% are able to use the devices to upsell and cross-sell product lines

*The research findings of this report are based on primary consumer and retailer research carried out via online surveys during January and February 2021

3,500 adult (18+ years old) consumers were surveyed about their sentiment and attitudes towards the role of the physical store, innovative fulfilment options, inventory visibility, convenience, consistency across channels and the shift in commerce.

1,000 management or senior-level retailer respondents, representing Tier 1 retail organisations (generating more than $100m in annual revenue) and operating stores and online, in Grocery, Consumer electronics, DIY and Home improvement, Beauty, Sporting goods, Fashion and Pets sectors were surveyed about their technology-based investment plans to support ecommerce, reduce customer friction and increase fulfilment options.

Consumer and retailer respondents were based in the following countries: France, Germany, Italy, The Netherlands, UK and USA.

Capitalising on trends

As our research has underlined, consumers are raising the bar for retailers in terms of their in-store and online expectations. As physical retailers plan for a post-pandemic world, it is important for them to work with technology, processes and people in new ways to satisfy customer expectations. Manhattan Active® Solutions enable enterprises to optimise large and complex operations, adapt to market and demand changes, and iterate and innovate with speed.

To access your exclusive copy of the full report,
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