

3 things every retailer needs to know about cross-channel shoppers

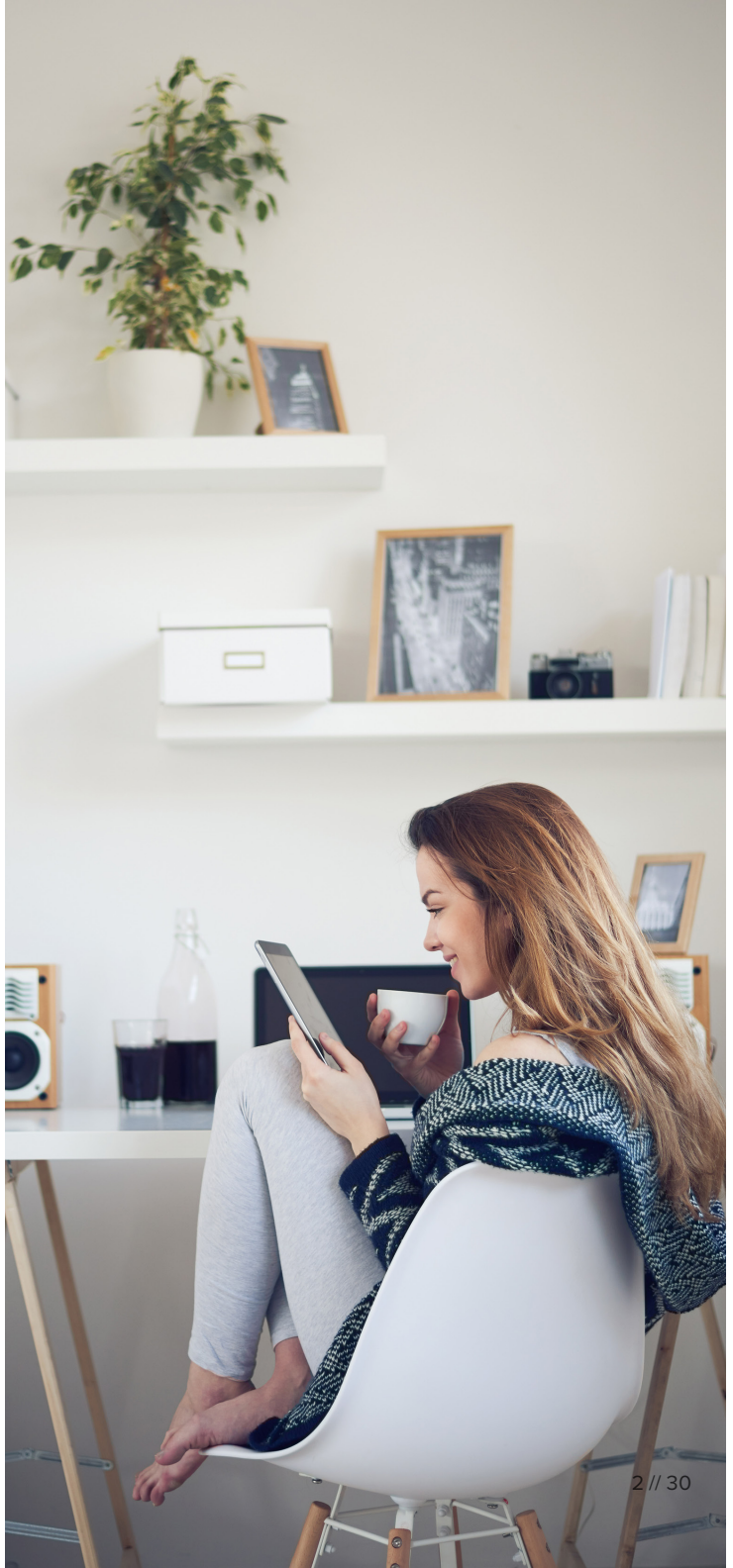
[report]



service
management
group®

What's inside

- 01 Who's cross-channel shopping (and what do they look like)?
- 02 What motivates cross-channel shoppers?
- 03 Does the website experience drive in-store conversion?



72%

of businesses say
improving the
customer experience
is their top priority

73%

of consumers use
multiple channels
during their
shopping journey

ONLY
8%

of companies say
they currently provide
a “very integrated”
customer experience

See the disconnect? So do your customers.

It's not the 1990s—brands have had the better part of 3 decades to stop worrying about e-commerce channels and start optimizing them. Because there's a big difference between surviving the digital competitive landscape and thriving in it.

While everyone's scrambling to collect data on every touchpoint, not enough brands are taking the time and effort to sync up their datasets (or their cross-channel strategies).

To help brands understand how digital interactions line up with in-store behaviors, we triggered visit-detected surveys to nearly 16,000 consumers about their cross-channel shopping habits following a trip to a brick-and-mortar retailer.

And they told us a lot.

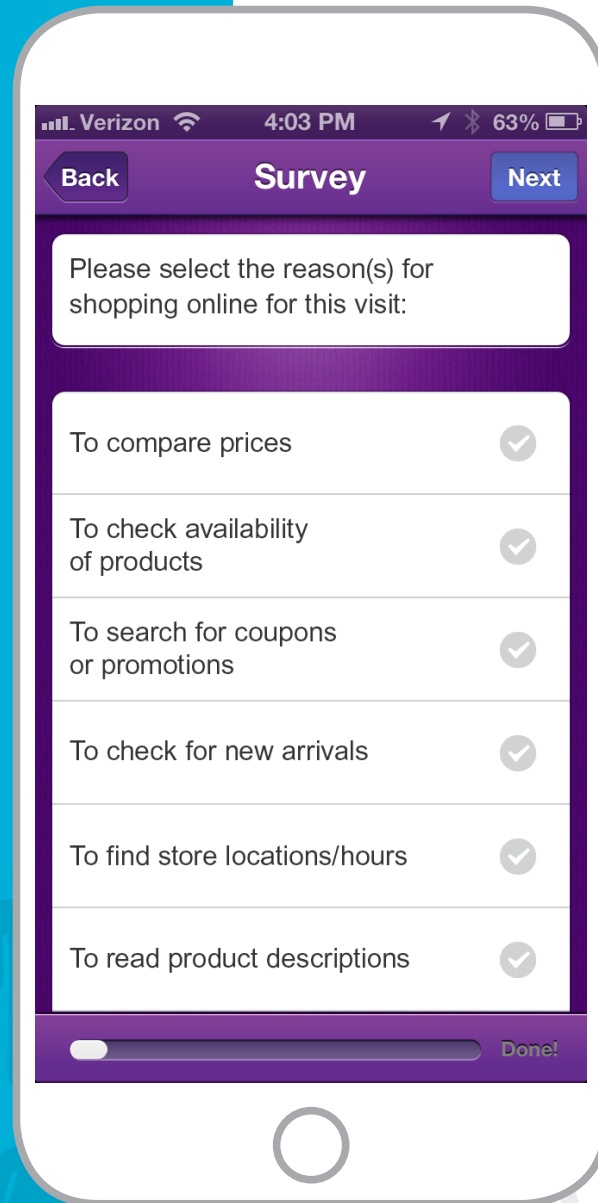
Methodology

How we got the data

SurveyMini—SMG's location-based mobile research app—uses precise mapping technology to trigger visit-detected surveys to an active user base of more than 140,000 respondents. The results give clients dynamic, DMA-level competitive intelligence on more than 6,500 brands across 650,000+ locations.



SurveyMini[®]



1 
custom survey*

11 
targeted questions

15,797 
respondents

25 
brands

11 
key takeaways

*In field Q2–Q3 2017

Executive Summary

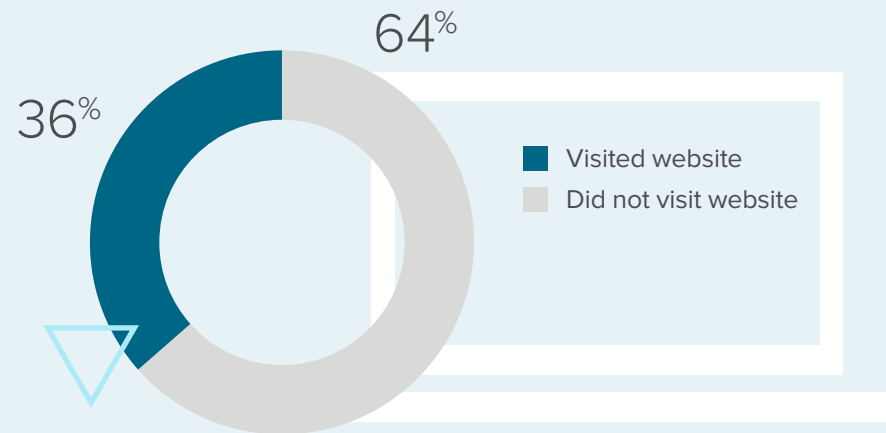
- 01 More than 1 in 3 respondents reported visiting a brand's website in connection to an in-store visit
- 02 Customer segmentation revealed 4 main demographic profiles, each with distinctive cross-channel shopping behaviors
- 03 Purchase conversion rates vary across motivations for website visit—and those motivations vary according to segments shopped + timing of website visit
- 04 Website satisfaction plays a key role in driving in-store purchases—and there's a lot of room for improvement across all retail segments
- 05 More than half of customers who bailed on an intended in-store purchase visited another retailer in the same day
- 06 There are a lot of factors brands have to get right for each step in the cross-channel customer journey



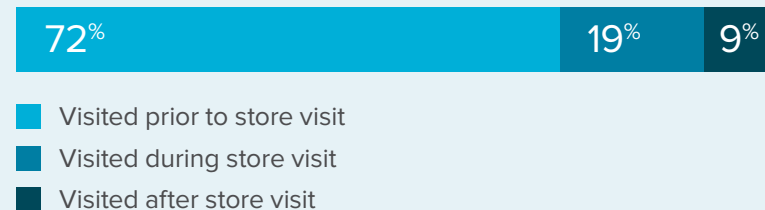
Who's cross-channel shopping
(and what do they look like)?

More than a third of shoppers visit a brand's website in connection to a brick-and-mortar shopping trip

With cross-channel shopping becoming more ubiquitous, siloed channels won't cut it. A seamless journey is table stakes — from website to storefront (and everywhere in between).



Behavior of website visitors



[Question] Did you visit the brand's website for this visit to the store?

Takeaway

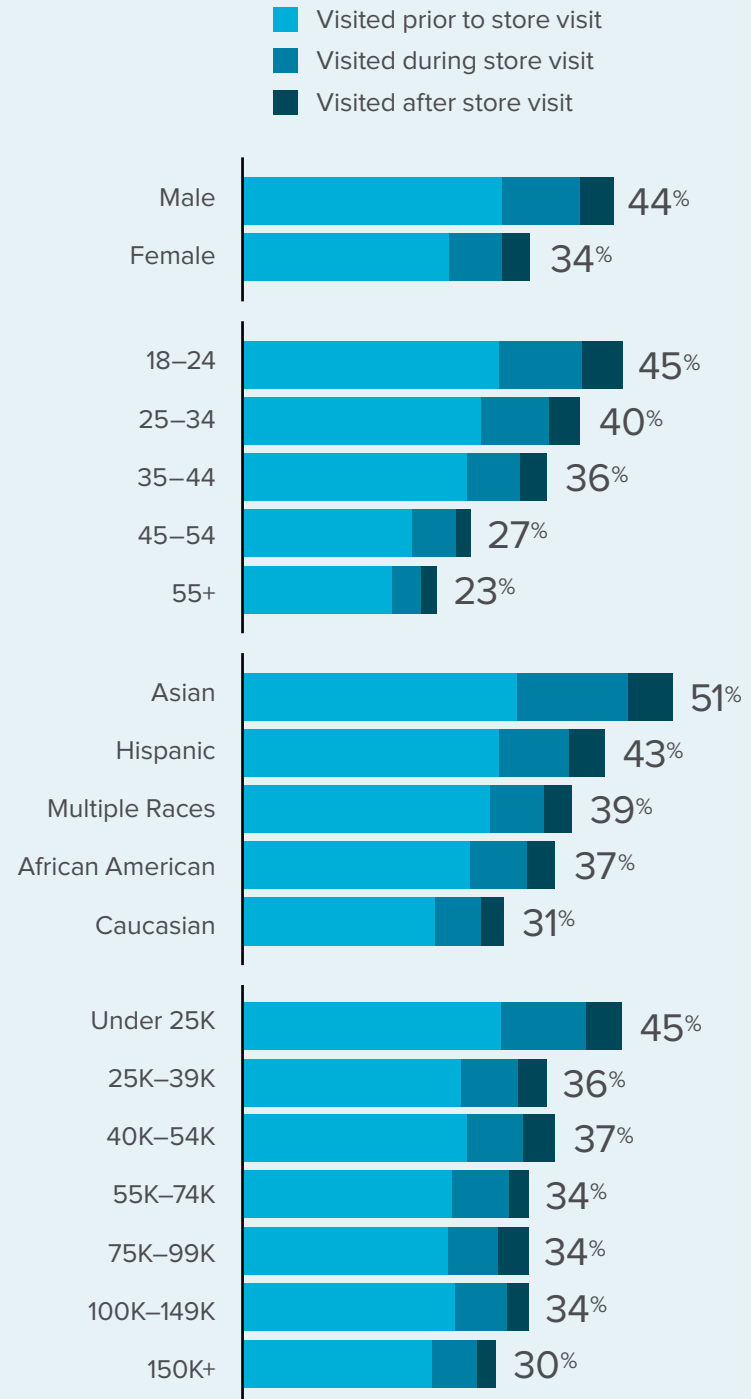
First impressions are everything — and with 72% of cross-channel shoppers hitting your website before they reach the store, your digital presence deserves a closer look.

Cross-channel shopping behaviors vary across demographics

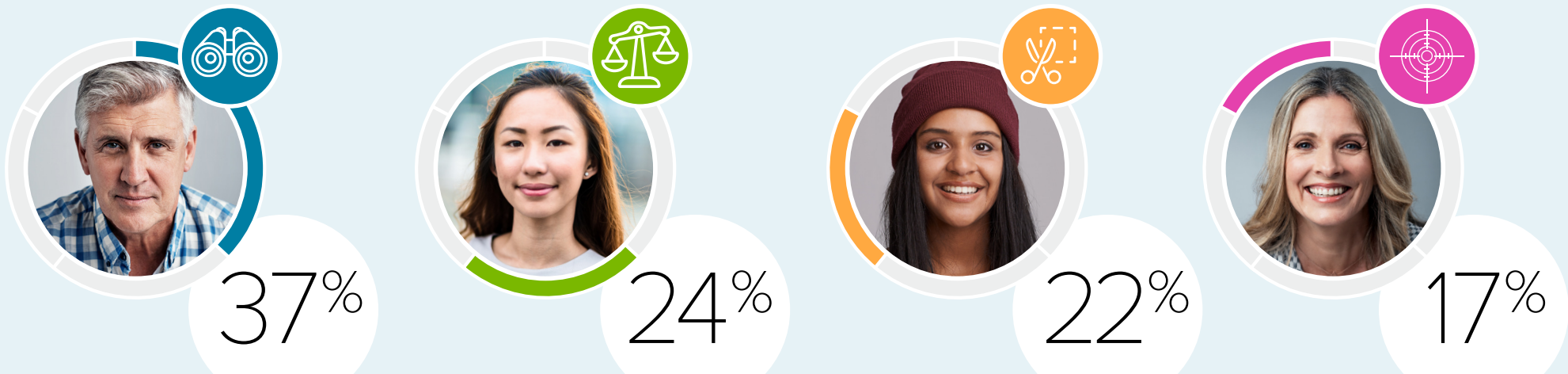
Younger, diverse, and less affluent demographics are more likely to engage your brand's digital touchpoints in connection to an in-store visit.

Takeaway

Cross-channel shoppers aren't a homogeneous group. Understanding how your core customer base interacts with these channels is mission critical.



Customer segmentation revealed 4 cross-channel shopper profiles



Product Seeker

Top motivators

- Check product availability
- Learn about products offered
- Read descriptions + reviews

Savvy Shopper

Top motivator

- Compare prices

Bargain Hunter

Top motivators

- Search coupons/promotions
- Find store location/hours
- Check new arrivals

Determined Buyer

Top motivators

- Plan shopping trip
- Purchase products unavailable in store

Product Seekers are careful researchers

Product Seekers are the most likely to spend more than they intended. Find innovative ways to surprise and delight them, and there's a good chance they'll reward you with higher tickets.

Product Seekers—who make up 37% of cross-channel shoppers—visit retailers' websites primarily to check availability of products and read descriptions and reviews. More common in the specialty retail segment, this group over-indexes with older, higher-income households.

In terms of shopping behaviors, Product Seekers shop more departments on average and tend to spend more time in the store. Most importantly, 75% make a purchase when they intend to, and they are the group most likely to purchase more than intended.

Product Seeker

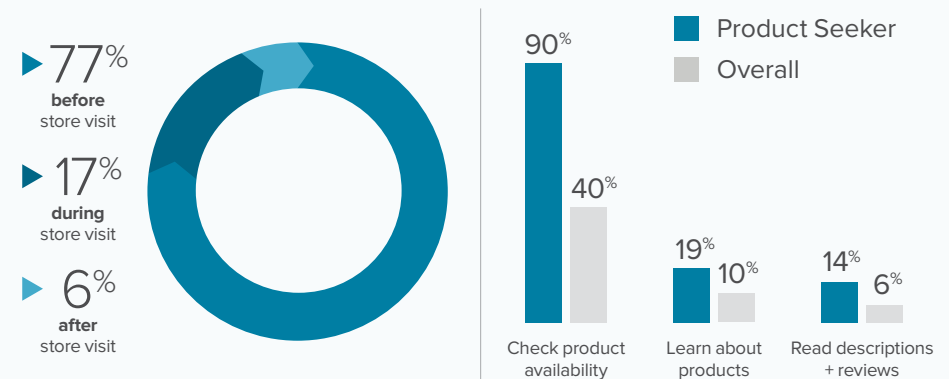
SHOPPER PROFILE
37% share this profile



Behavior overview



When + why they visited the website



Where they shopped most often



Savvy Shoppers are price-sensitive + looking for specific items

Savvy Shoppers just want the best value on what they're in the market for. Brands that match deals and make it easy to compare prices will likely win their favor.

Savvy Shoppers account for 24% of cross-channel shoppers, and 100% of their website visits involve price comparison. Over-indexing with younger, lower-income households, this group tends to visit fewer departments and spend less time in the store.

While 75% make a purchase when they intend to, they may be showrooming products they plan to purchase elsewhere—our research shows they're the most likely group to browse with no intention to buy.

Savvy Shopper

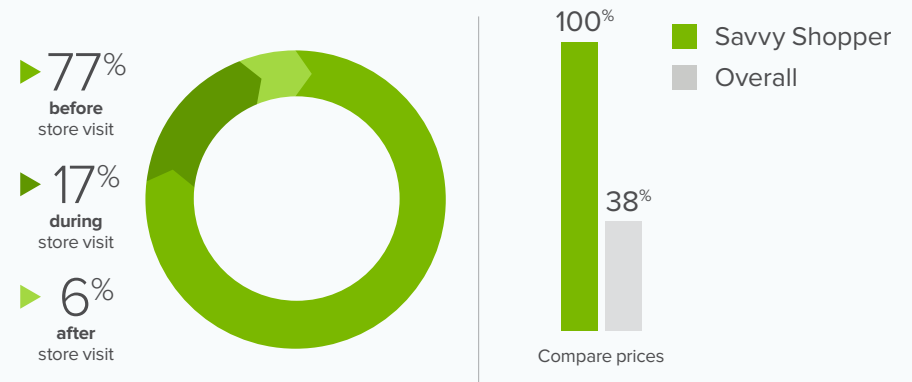
SHOPPER PROFILE
24% share this profile



Behavior overview



When + why they visited the website



Where they shopped most often



Bargain Hunters are always on the lookout for deals

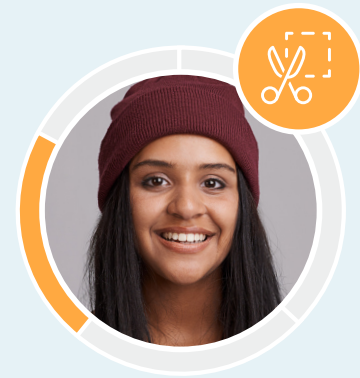
To convert Bargain Hunters in your stores, make sure your mobile-optimized website features coupons and promotions prominently.

Making up 22% of cross-channel shoppers, Bargain Hunters visit retailers' websites to find coupons, browse new arrivals, and get store information. This group over-indexes with younger households and is the most difficult to convert, with only 66% making an intended purchase.

While other groups typically visit the website leading up to a shopping trip, 30% of Bargain Hunters visit the website when they're actually in the store—which means a mobile-optimized website is key to conversion.

Bargain Hunter

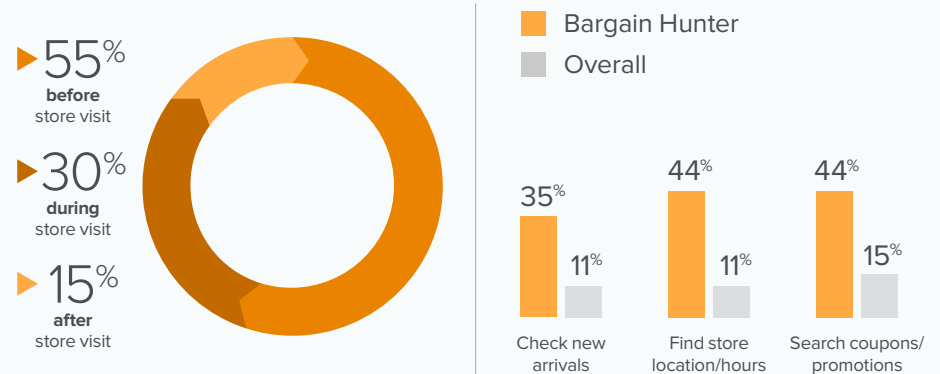
SHOPPER PROFILE
22% share this profile



Behavior overview



When + why they visited the website



Where they shopped most often



Determined Buyers are on a mission

Determined Buyers may be more likely to convert, but you can still make their journeys less complicated. Consider Buy In-Store, Home Delivery options to make sure you don't lose a sale when stock runs thin.

The 17% of cross-channel shoppers that fall into this category use their digital interactions mostly to plan a trip or purchase products that were unavailable in stores. Over-indexing with older households, 77% of Determined Buyers' digital interactions happened before their in-store visit.

While they shop fewer departments on average, they spend more time in the store and are the most likely to convert, with 83% making an intended purchase.

Determined Buyer

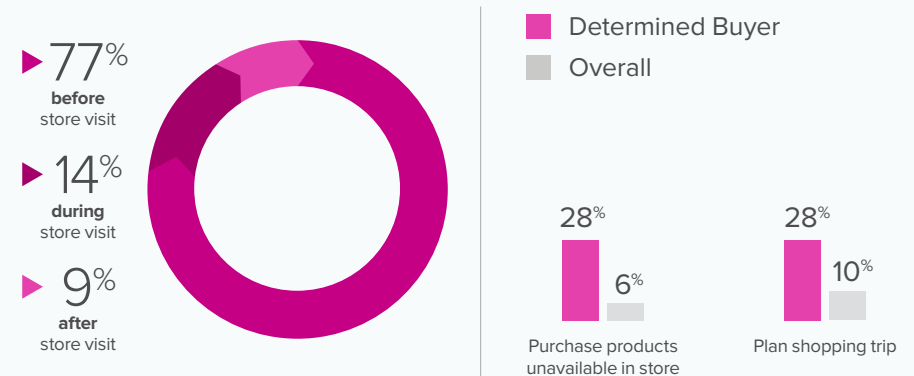
SHOPPER PROFILE
17% share this profile



Behavior overview



When + why they visited the website



Where they shopped most often



Who are your cross-channel customers?

It's a big question.

Because the more you know about how customers behave in your category, the better equipped you'll be to make sure their cross-channel journey ends at your checkout.

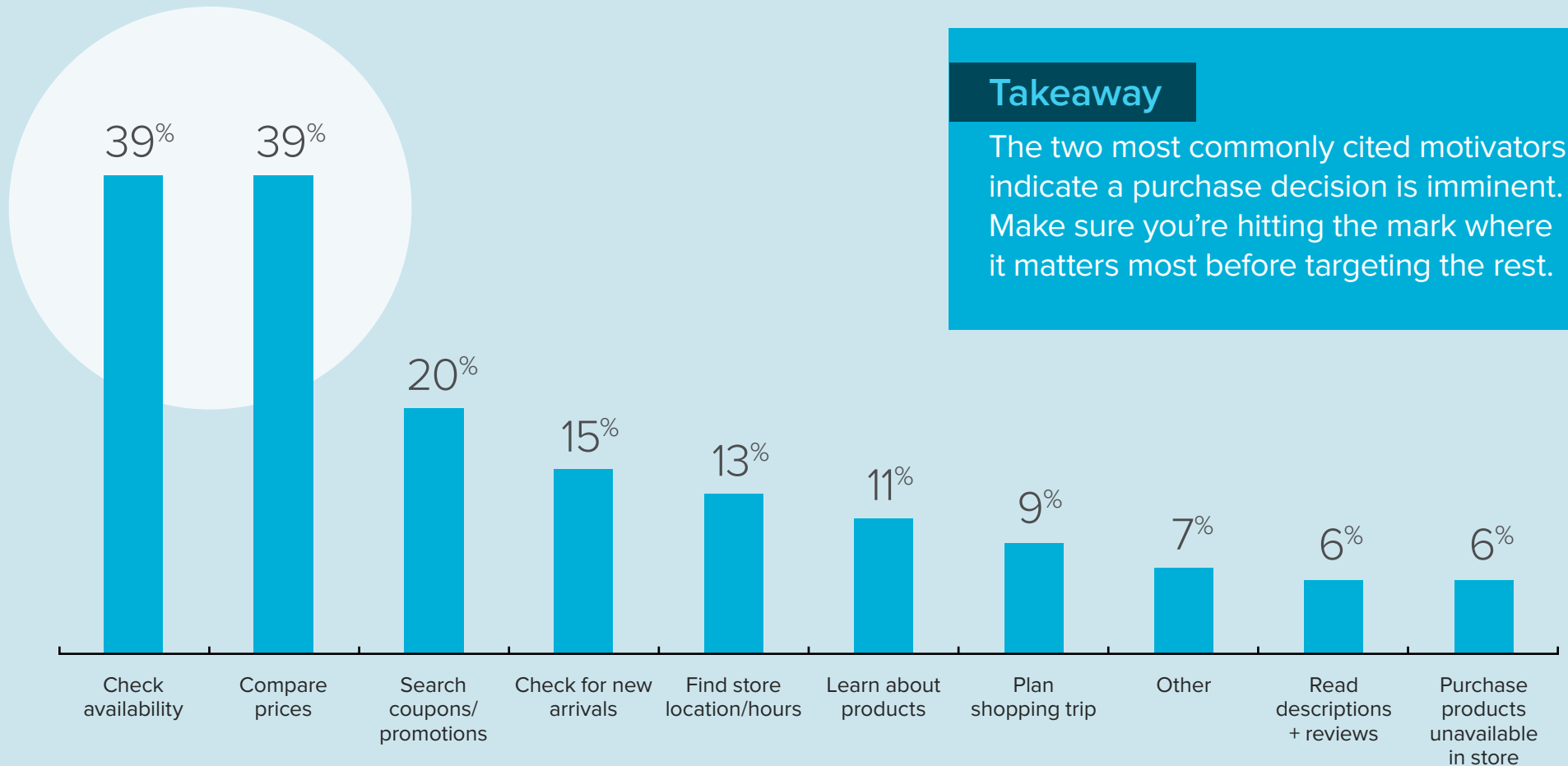




2

What motivates
cross-channel shoppers?

There are several reasons cross-channel shoppers turn to your website



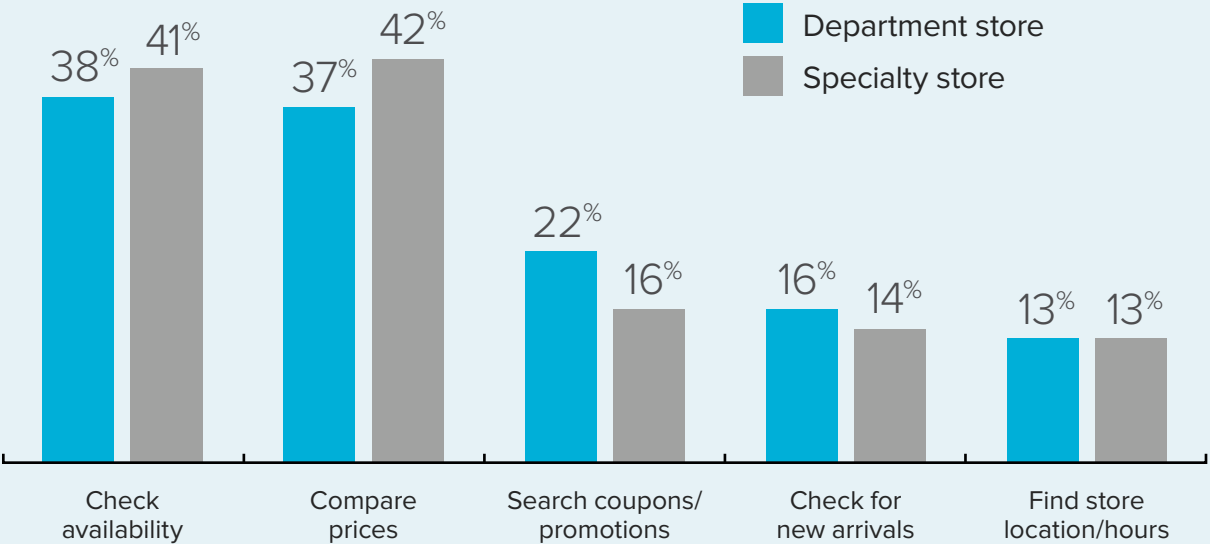
Takeaway

The two most commonly cited motivators indicate a purchase decision is imminent. Make sure you're hitting the mark where it matters most before targeting the rest.

[Question] Please select the reason(s) for visiting the brand's website.

Cross-channel shopping rates + motivations vary across segments

Top motivations for website visit by retail segment



Takeaway
Different segments. Different behaviors. Customers are more likely to engage multiple touchpoints for department store brands compared to specialty brands by nearly a 2:1 margin.

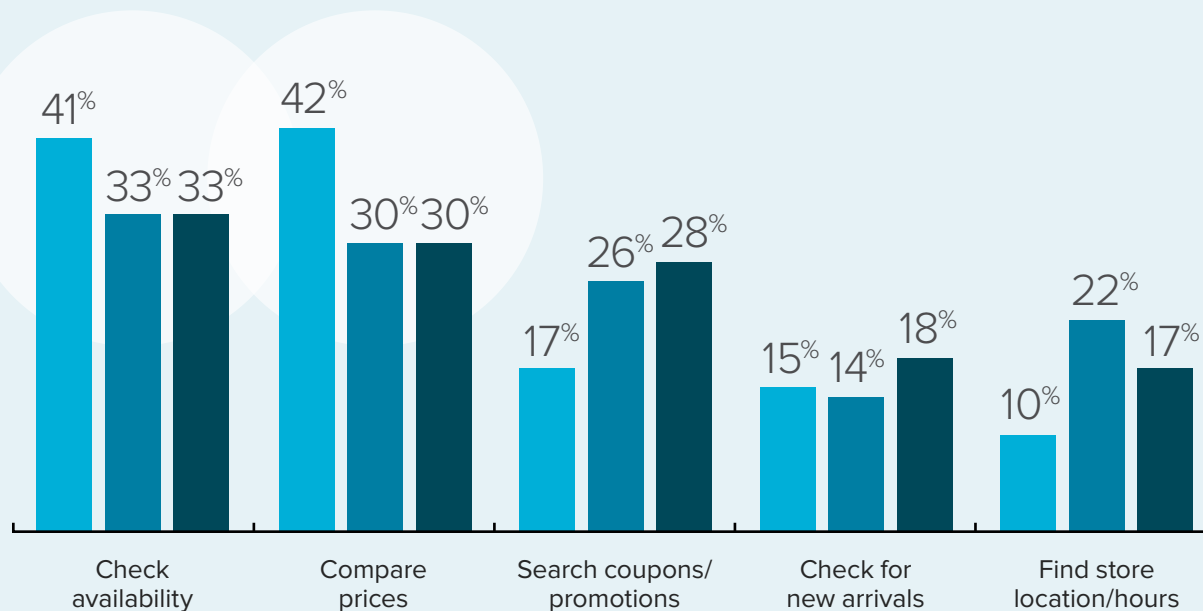


Motivations change according to *when* cross-channel shoppers turn to your website

Takeaway

While intentions vary with the timing of website visits, product availability and price comparison drive a large portion of traffic across all visit types.

Top motivations by timing of website visit



Why cross-channel shoppers visit your website impacts in-store conversion rates

Takeaway

In terms of what brands can control, high prices and out-of-stock items are the most likely reasons cross-channel shoppers will bail on an intended in-store purchase.

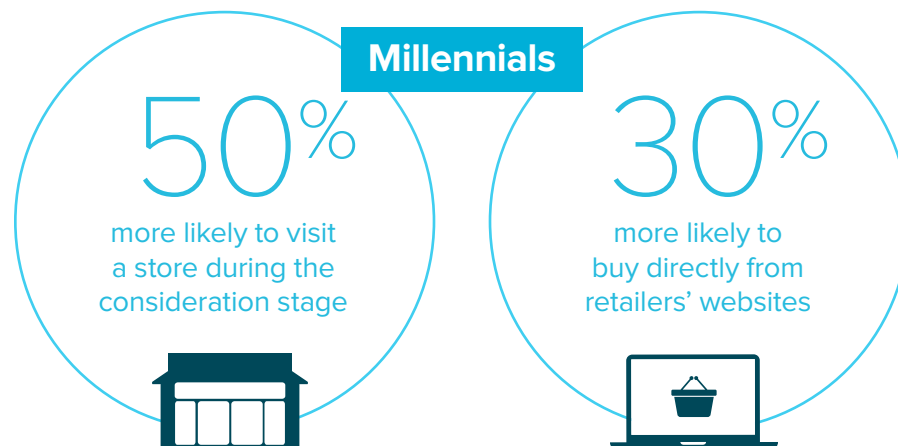


When customers experience disjointed channels, they see a disconnected brand

Don't be that brand —

the one patiently waiting for this whole Amazon thing to blow over. E-commerce obviously isn't going anywhere any time soon, but neither is in-store shopping.

In fact, a recent KPMG report revealed that when compared to Baby Boomers, millennials are 50% more likely to visit a store during the consideration stage and 30% more likely to buy directly from retailers' websites. So do the right thing and give the people what they want: an omnichannel journey that makes sense for them (and dollars for you).





3



Does the website experience
drive in-store conversion?

The more satisfied shoppers are with the website, the more likely they are to convert in stores

Purchase conversion rates by website satisfaction



Takeaway

Single-channel excellence may not be enough in the age of cross-channel shopping. Interconnected purchase journeys mean each touchpoint impacts the others.

Purchaser behaviors vary according to when customers visit the website

Takeaway

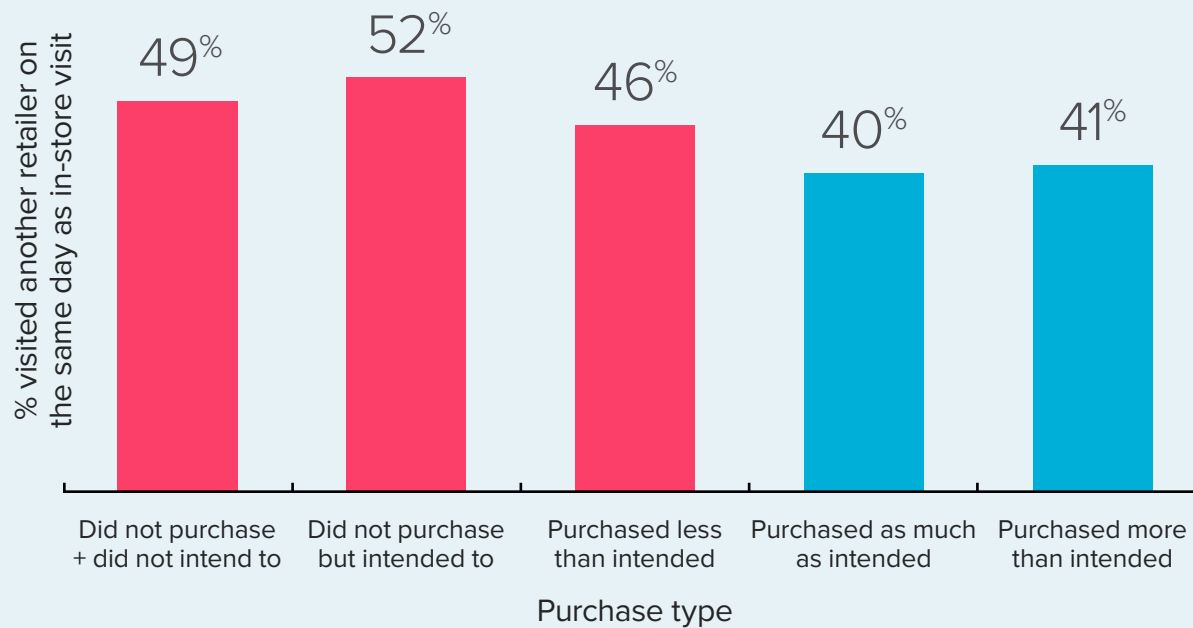
Purchase conversion rates are highest for cross-channel shoppers who visit your website prior to visiting the store—but with only 56% purchasing as much as or more than needed, there's still room for improvement.

Purchase type by time of website visit



Non-/partial-purchasers will likely take their business elsewhere

Visit behavior by purchase type



Takeaway

Loyalty goes out the window when customers don't convert. More than half of customers who didn't make an intended purchase turned to another brand the same day.

There's a lot of runway for improvement (across every segment)

Overall Satisfaction		Look + Feel		Navigation		Recommend	
Shoe Store	56%	Shoe Store	56%	Shoe Store	57%	Shoe Store	57%
Other Retail	55%	Other Retail	55%	Off-Price Department Store	55%	Housewares	56%
Off-Price Department Store	54%	Off-Price Department Store	55%	Other Retail	55%	Other Retail	55%
Department Store	54%	Housewares	55%	Mass Merchandiser	54%	Off-Price Department Store	55%
Mass Merchandiser	54%	Department Store	55%	Housewares	54%	Mass Merchandiser	55%
Average	53%	Mass Merchandiser	54%	Department Store	54%	Department Store	54%
Housewares	53%	Average	54%	Average	53%	Average	54%
Beauty Supplies	50%	Beauty Supplies	50%	Beauty Supplies	50%	Beauty Supplies	48%
Sporting Goods	47%	Sporting Goods	49%	Sporting Goods	47%	Sporting Goods	47%

Takeaway

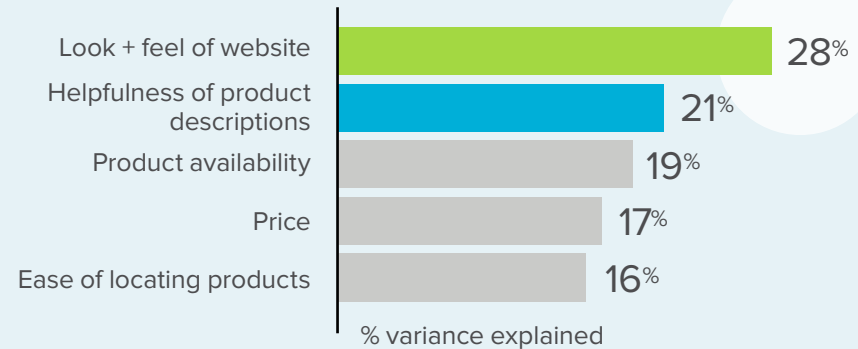
With how common and important digital interactions are, an underperforming website can be just as detrimental to your brand as poor customer service.

Look + feel of website drives Overall Satisfaction for browsers, while the checkout experience is key for purchasers

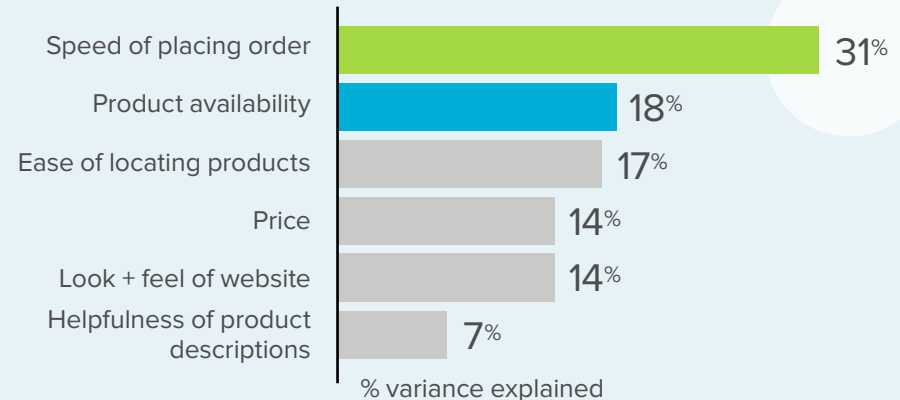
Takeaway

Browsers and purchasers visit your website for entirely different reasons—and those reasons play a big factor in determining what makes for a great experience.

Key drivers for e-commerce browsers*



Key drivers for e-commerce purchasers*



*Website experience data collected from SMG's Online CX solution.

Turn a critical eye to every step in the cross-channel journey

In-store



- ▶ Items marked as In Stock on website are available in stores
- ▶ Seamless cross-channel touchpoints
 - Buy Online, Pickup In Store
 - Buy Online, Return In Store
 - Reserve Online, Buy In Store
 - Buy Online, Deliver to Home

Pre-visit website interactions



- ▶ Easy to navigate + browse by department
- ▶ Promotions featured prominently + updated regularly
- ▶ Product descriptions that are accurate, helpful, + consistent with brand voice
- ▶ Easily searchable for specific products
- ▶ Positive product reviews
- ▶ Clearly documented store locations + hours

In-store website interactions



- ▶ Mobile-optimized site
- ▶ Coupons are easy to find, relevant to locations, + redeemable on mobile

Post-visit website interactions



- ▶ Clearly defined return policies
- ▶ Intuitive ways to leave feedback + report issues
- ▶ Feedback automatically routed to teams tasked with resolution

You don't have to be the next Amazon. Just don't let a competitor be the next you.

Customers don't expect your website to break the mold—they're just looking for an experience that doesn't make them want to break their screen.

Make sure your digital channels are facilitating their needs rather than adding to their frustrations. The easiest way to do that? Start with the assumption that the customers visiting your website are the same ones browsing your stores—and they want to experience the same brand.



Know more. Do better.

There's no denying e-commerce has turned the retail industry on its head. And in a world driven by convenience where customers have all the power, there's really only one strategy that makes sense.

**Listen better. Act faster.
Outperform the competition.**

That's why today's leading brands use customer experience (CX) programs to collect and act on real-time feedback. SMG partners with 25% of the National Retail Federation's Top 100 brands—using behavioral data and customer feedback collected from in-store visits and digital interactions to help sync up strategies and increase conversion.

About SMG

SMG (Service Management Group) partners with more than 500 brands around the globe to create better customer and employee experiences, which drive loyalty and performance. SMG uniquely combines technology and insights to help clients listen better, act faster, and outperform the competition. Strategic solutions include omniCX™, Brand Research, and Employee Engagement. SMG evaluates 250 million surveys annually, across 130 countries.

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