“In-store shopping is far from dead—in fact, it’s using online shopping to its advantage, and consumers can look forward to new, innovative shopping experiences in the future. Retail is transforming, taking on new challenges and learning how to work with today’s technology, opening the doors to future growth and customer base expansion. Instead of telling customers how, when and where to shop, retail stores are catering to their customers’ individual shopping requirements—the shopper is in charge, and retailers must adapt.”

—Gary Ambrosino, TimeTrade CEO
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TimeTrade acknowledges the sponsorship of IBM for this report.
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EXECUTIVE SUMMARY

In today’s modern world, technology has changed virtually everything about our day-to-day operations, from helping us find the fastest route to work to monitoring our sleeping patterns. But hardly any technology has caused as much disruption as online shopping. In 2016, one out of three retail transactions was made from mobile devices, expanding shopping experiences across endless platforms. A popular claim has been that online shopping is the new standard, and it will lead to brick-and-mortar shops closing their doors.

“Judging from our state of retail survey, that’s simply not true,” says Gary Ambrosino, CEO of TimeTrade. “In-store shopping is far from dead—but it does have to change to keep up with the trends. These results show that people definitely like shopping in stores so they can touch and feel products, and because they enjoy receiving prompt, personalized service. The key to success for brick-and-mortar retailers is to fully utilize their existing staff and relentlessly focus on providing personalized service to every customer. We know consumers are willing to pay for better service. It’s a big opportunity for traditional retailers to up their game across the board and capture that additional revenue, instead of letting those dollars go elsewhere. Retail is transforming, taking on new challenges and learning how to work with today’s technology, opening the doors to future growth.”

But what’s in store for shoppers in the future?

In-store shopping paired with online experiences. Instead of phasing out in-store shopping in favor of online buying, retail is transforming into a hybrid shopping experience, giving shoppers the best of both worlds without sacrificing the convenience of online shopping or the customer service focus of in-store shopping.

Customization and ease-of-use. Online shopping provides consumers with many unique services not available in stores, such as promotional codes, delivery choices, gift wrapping, product searches, and anywhere, anytime access. Traditional retail stores cannot easily compete with that flexibility and simplicity, but are trying to combat these changes with more in-store customization and personalization.

Online stores replicating in-store customer service. One of the advantages in-store has over online shopping is customer service. Online shopping cannot recreate the human touch—but that’s not for a lack of trying. Companies are luring customers with attractive, functional design, and improved online service.

Despite the constantly changing technological landscape, retail is not dead. The economic importance and appeal of shopping is enhanced by the convenient, flexible experience of online buying. As long as the retail industry continues to evolve with new shopping technology, it is apparent that traditional retail stores will keep their doors open for the foreseeable future.
About the TimeTrade 2017 State of Retail Survey Report

TimeTrade recently conducted a survey of 2,000 consumers, asking in-depth questions regarding their perceptions and behaviors around retail shopping. The results of this research in this report give insights into the current state of retail.

Q Are you male or female? 50% 50%

Q What is your age?

- 18-20: 10%
- 21-35: 22%
- 36-50: 29%
- 51-71: 39%
TimeTrade reported in 2015 that despite the hype around e-commerce and online shopping, consumers still want to shop in physical stores. In 2016, this still held true. Two years ago, 85 percent of respondents planned to shop in stores as much as they did the previous year. There has been a slight drop, but overall, the majority of people still plan to shop in stores as much as ever.

Chad Brooks, writing for businessnewsdaily.com, says that “while many retailers are beefing up their mobile shopping efforts, it remains more of an instrument to get to the point of buying a product, rather than a tool for the actual purchase.”

What we unearth here is that TimeTrade survey respondents still value the tactile experience of storefront shopping, getting expert advice, and being able to obtain their purchases immediately.

“While many retailers are beefing up their mobile shopping efforts, it remains more of an instrument to get to the point of buying a product, rather than a tool for the actual purchase.”

—Chad Brooks, businessnewsdaily.com

Source:
http://www.businessnewsdaily.com/7756-online-shopping-preferences.html
Contrary to what many might think, “showrooming”—the act of looking in stores only to buy online later—is not the overarching shopping method of consumers. In fact, the TimeTrade survey shows less than a third of respondents shop this way all the time. Half of people “sometimes” showroom but research shows there is a “reverse showroom” movement taking place, where product research happens online and that knowledge is transferred in-store for the final purchase (see The Showrooming Misconception story on page 9).

Q In 2016, how much of your total retail shopping did you do in stores, excluding grocery stores?

- **38%** About 50% of shopping
- **44%** 75% or more of shopping
- **18%** 25% or less of shopping

Q In 2017 do you plan to shop in stores as often as you did last year?

- **70%** Yes
- **14%** I expect to shop more often in stores than I did in 2016
- **16%** I expect to shop less often in stores than I did in 2016
So why “showroom” at all? Retail stores and their online counterparts mostly stock the same products—though in many cases, more products are available online. From a purely quantitative basis, it seems that online shopping provides customers with more options and more freedom. But in 2016, TimeTrade reported that 72 percent of survey respondents prefer shopping in-store because they want to touch and feel products before they commit.

However, some shoppers feel that trying on clothing in stores is a hassle. Online stores have addressed this concern with fast, free returns, enabling shoppers to buy online, try on at home, and easily return their purchases via mail.

This seems like a fair substitute for strictly web-based companies, but it gets tricky when shoppers use liberal return policies as virtual fitting rooms. According to a shopper from a 2015 Deloitte study on retail customer behavior, “It’s so easy to return things. I keep receipts, but even if you don’t, if you use your retailer card, they’ll take it back.” And shoppers are taking advantage of simple, fast, free returns. Entrepreneur’s Chris Dunn says close to 40 percent of online apparel purchases are returned, which gives way to return fraud. But according to Dunn, this is something that won’t go away, and retailers need to get used to it if they want to keep up with technology and consumer shopping preferences.

Sources:
https://www.entrepreneur.com/article/246421
While online shopping has its advantages, TimeTrade’s survey findings strongly suggest that shoppers believe there’s no complete substitute for physical storefronts. These stores still provide services online shopping simply cannot match. Despite the popular belief that retail stores would simply become “showrooms” for online buyers, research shows the reverse is true.

Bricks-and-mortars’ key asset is they’re still where people can go to see and feel products and receive personalized service. Online shopping is popular, but people are far more likely to treat online stores as their showroom—researching online and then buying in-store. TimeTrade research shows people still value things such as good old-fashioned helpful service from a store assistant, being able to try clothes on before buying, and not having to pay for shipping.

Business Insider’s Emily Adler says up-and-coming millennials actually prefer to “reverse showroom”—hunt online and purchase in person. “Traditional retailers have begun to capitalize on reverse showrooiming, integrating offline and digital, and beating e-commerce competitors on convenience,” she says. “They’re using tactics like knowledgeable sales staff, in-store pick-up of online orders, in-store Wi-Fi, and smartphone discounts that nudge showroomers to buy in-store.”

Ms. Adler says new initiatives for the connected in-store experience keep popping up: tablets and mobile phones used as register systems, robots delivering clothing to dressing rooms, and beacon hardware, which powers in-store maps and hands-free payments. “The key rationale behind all these changes is that retailers are beginning to think of themselves less as purveyors of goods, and more as all-around consumer resources,” she says.

When you consider statistics such as Amazon having more reverse-showroomers than people who have looked in retail stores beforehand, well-managed brick-and-mortar stores clearly have a bright future.

Sources:
Online shopping lets customers choose the way they buy, and provides something that is in high demand: prompt service.

In TimeTrade’s survey, 54 percent of shoppers valued prompt service above smart recommendations, and even personalized experiences—two crucial elements of online shopping. Traditional brick-and-mortar shops are not easily able to provide these three elements of retail shopping without the assistance of mobile and desktop sites, especially in the digital age when 68 percent of millennials demand a seamless shopping experience across all platforms. One of the ways brick-and-mortar retailers can deliver prompt, highly personalized service is by enabling shoppers to schedule appointments for the day and time most convenient for them.

But it’s in retailers’ best interests to look into using all resources, online and off, to gain customer confidence. According to TimeTrade’s survey, 57 percent of shoppers felt they received prompt, personal service when they knew that store associates were collaborating on mobile devices such as tablets and smartphones to help them.

So, customers are still planning on shopping in stores, but retailers need to keep up with mobile trends if they expect to keep their doors open.

Q When helped by a knowledgeable associate, how likely are you to buy?

- Extremely likely: 49%
- Somewhat likely: 39%
- Doesn’t make a difference: 12%
In TimeTrade’s survey, 38 percent of shoppers said they liked the idea of augmented reality technology in stores, and 45 percent said they would need to see how well it worked before deciding. But according to Rachel Arthur of Forbes, shoppers might have to get used to it. The number of active virtual reality technology users is expected to reach 171 million by 2018, and companies are heavily investing in the technology. It appears likely that soon everyone, not just high-end patrons, will be able to use augmented reality to make important shopping choices.

Sources:

Q What do you value most when you are shopping in a retail store?

- Prompt service: 47%
- Smart recommendations: 17%
- Personalized experience: 26%

Without prompt, professional customer service, retailers risk losing their customers altogether. According to TimeTrade’s survey, 49 percent of shoppers would consider leaving the store if there were no associate to help them in the dressing room. But because associates are often tending to other customers, it can be hard to deliver one-on-one dressing room assistance.

In TimeTrade’s survey, 38 percent of shoppers said they liked the idea of augmented reality technology in stores, and 45 percent said they would need to see how well it worked before deciding. But according to Rachel Arthur of Forbes, shoppers might have to get used to it. The number of active virtual reality technology users is expected to reach 171 million by 2018, and companies are heavily investing in the technology.

Q If you try on clothes in a dressing room and find that you need a different size or color—but no associate is available to help how often do you consider abandoning the dressing room and leaving the store?

- Every time: 21%
- Sometimes: 50%
- Never: 29%
In 2017, technology not only has the ability to change the world around us—we have the ability to use technology to our advantage. In the world of retail, technology can be used to enhance personalized shopping experiences such as personalized advertisements, “abandoned cart” follow-up emails, and style recommendations. According to TimeTrade’s survey, nearly half of shoppers would be willing to pay more for products or services if they had a highly personalized in-store experience. In short, the majority of shoppers don’t just want technology, they want that technology to be catered to their own shopping experiences. Retailers can’t afford to ignore this trend—in fact, they’d be better off to jump onto the bandwagon as soon as they can to keep up with the competition.
While online shopping leads the retail industry in convenience and innovation, shoppers are still wary about buying big-ticket items from their smartphones or laptops. Big-ticket items could range anywhere from household appliances to cars. These items are “big ticket” not only in price, but in durability. This could be why, according to TimeTrade’s survey, a majority 56 percent of shoppers prefer to purchase big-ticket items in stores versus online. Buying, say, a washing machine online poses not only a financial risk in the instance of the appliance failing, but the inconvenience of figuring out how to return or repair the faulty product. If the same appliance is bought in stores, shoppers have the ability to see, touch and test a potential investment.

Online shopping does not offer the same buyer experiences—not yet, at least.
Along with giving shoppers the ability to touch and feel their purchases in person, in-store shopping has another advantage: impulse buys. These are items shoppers didn’t plan on purchasing, including miscellaneous items tossed into baskets while waiting in line, and they make up 30 percent to 50 percent of all in-store purchases.

But with online shopping, impulse buys are harder to instigate. According to Kate Taylor of Business Insider, for customers to make last-minute purchases, they have to see the product and have a positive response to it. But when online shopping, that simply doesn’t happen as often without strategically planned website design, tone, and ease-of-use. Taylor says another way to prompt impulse buys is offering free shipping or discounts if customers spend a certain amount of money. Shoppers will often add inexpensive impulse items to their e-shopping carts just to reach that magic number.

Sources:

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**Q At what price point do you prefer to shop in-store?**

- 3% $5,001–$10,000
- 2% More than $10,000
- 17% $1,001–$5,000
- 48% $250–$500
- 30% $501–$1,000

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**Q Would you feel more confident that you were going to receive prompt personal service if you saw that associates in a retail store were collaborating with each other on mobile devices such as tablets and smartphones to help customers?**

- 60% Yes
If brick-and-mortar stores are able to meet customers’ wants and needs, retailers won’t have to worry about losing sales or loyal shoppers. Online stores cannot replicate the human touch of sales associates, and they also have the problem of shipping wait times. Most online stores simply can’t compete with the human factor of physical stores—which should put online stores at a disadvantage, but apparently isn’t. According to TimeTrade’s survey, 32 percent of shoppers feel that personal assistance is missing from in-store shopping experiences. Brick-and-mortar retailers that aren’t providing personal assistance—a key way they can differentiate their stores from online shopping locations—are missing a big opportunity to make their business stand out. At a time when Amazon offers free same-day delivery in 29 U.S. cities, traditional businesses, such as florists and grocers, are doing the same.

But does it matter? According to a survey conducted by Connexity, only 19 percent of shoppers think that same-day delivery is important. But the trend may be growing. According to TimeTrade’s survey, 62 percent of shoppers have bought something online at least once when they could have gone to the store. If in-store retailers are going to compete with online shopping, they’re going to need to consider alternate methods of product delivery.

Sources:
https://www.amazon.com/s/ref=nb_sb_noss?url=search-alias%3Daps&field-keywords=same-day+delivery
http://connexity.com/articles/how-important-is-same-day-delivery-to-shoppers/

Q What type of in-store services do you feel are missing from your current in-store experience?

<table>
<thead>
<tr>
<th>Service</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal assistance</td>
<td>32%</td>
</tr>
<tr>
<td>Beacon technology/targeted offers in real time</td>
<td>22%</td>
</tr>
<tr>
<td>An organized system with wait-time display &amp; text/email updates for when my turn is near</td>
<td>21%</td>
</tr>
<tr>
<td>A self-service kiosk</td>
<td>22%</td>
</tr>
<tr>
<td>I don’t feel anything is missing</td>
<td>36%</td>
</tr>
</tbody>
</table>

Q If you started a purchase online but then decided to go into the store instead, would you like it if store associates knew the items you had put into your online shopping cart so they could help answer any questions?

“Yes” 70%
Another problem plaguing the e-commerce industry is abandoned shopping carts, something that happens when online shoppers begin a purchase but leave before completing it. According to Baymard Institute, more than 68 percent of average online shopping carts are abandoned. Most shoppers reported abandoning their carts because they were surprised by extra costs including shipping, taxes, and other fees. Many other shopping carts are abandoned because the checkout process is too difficult or lengthy, or the website crashes.

Though site malfunctions are a big problem for sales, online merchants have found a way to bring customers back after they’ve abandoned their carts with strategies such as email reminders. These emails are usually sent three hours after the cart is abandoned and, according to Business Insider, have a 40 percent open rate and 20 percent click-through rate. But what if sales associates in brick-and-mortar stores also knew what items shoppers left in their carts? According to the TimeTrade survey, 70 percent of shoppers would like it if store associates used this information to help answer questions.

If stores found a way to provide personalized shopping experiences like this, abandoned carts would not always mean lost sales.

Sources:
http://baymard.com/lists/cart-abandonment-rate

Q How do you feel about retailers using in-store technologies such as beacons and Wi-Fi to monitor your in-store behavior?

- I don’t like it
- I don’t mind, if it ends up benefiting me as a customer
- I don’t mind either way
Pop-up stores have become go-to marketing strategies for companies looking to increase brand awareness or advertise new products. According to PopUp Republic, a company that helps brands develop pop-up marketing, the pop-up industry is worth $50 billion. And with 68 percent of TimeTrade’s shoppers saying they would be interested in pop-up shops, this trend is anything but temporary.

Pop-up shops have become go-to marketing strategies for companies looking to increase brand awareness or advertise new products. According to PopUp Republic, a company that helps brands develop pop-up marketing, the pop-up industry is worth $50 billion. And with 68 percent of TimeTrade’s shoppers saying they would be interested in pop-up shops, this trend is anything but temporary.

Sources:
https://popuprepublic.com/

Q Many e-commerce companies, such as Amazon, are opening physical stores, or temporary pop-up stores, to let customers try products before they buy. How do you feel about this trend?

71% I like the option of being able to go into the physical stores
11% I would rather shop strictly online with these e-commerce retailers
18% It doesn’t really matter to me

Pop-up stores show how physical stores remain relevant in the digital age. They’re not traditional, but manage to merge modern technology and trends with brick-and-mortar customer satisfaction and brand presence.

Pop-ups started to gain popularity a few years ago. They’re cheaper solutions than year-round rentals, and generate buzz for companies during prime shopping months.

Big companies are embracing the pop-up concept and customers love them for their quirkiness, convenience and sense of fun. Brands are using novel ideas to create memorable shopping experiences and a sense of being part of something special in their target demographics.

Coffee brand Illy created a store out of a crate, which unfolded on all four sides to reveal a fully furnished living room. Reebok opened a one-month store named FLASH in New York City’s CVZ contemporary art gallery, a 3,000-square-foot space. Godiva opened a pop-up boutique for Valentine’s Day on 5th Avenue in New York City. Kate Spade opened up an inviting igloo serving hot chocolate for three weeks in the Big Apple. And Hermes sold silk out of branded shipping containers in Hong Kong and other major cities.

TimeTrade’s survey results clearly reflect the appreciation customers still have for great in-store experiences. Although Apple is king at putting control of so many things literally at our fingertips, even the tech giant relies heavily on physical stores to build customer relationships. The service and environment of its stores are groundbreaking, and prove the value of physical retail experiences that online shopping cannot replicate.

The Apple store excels at an evolving retail technique that Micah Solomon, a customer service and consumer trends consultant writing for Forbes.com, calls “anticipatory service”—where customers “bind themselves to a brand and exhibit fierce loyalty, building true brand equity.” It fulfills the unexpressed wishes of its customers, before they even realize what they want.

Sephora, the popular makeup and beauty brand, has launched an innovative program to provide its customers with highly personalized experiences. Sephora successfully runs events and offers classes to prospects and customers. These in-person events attract attendees who then make purchases they might not have if they hadn’t been invited to a customer-focused event.

Q If you could schedule an in-store appointment (from any device) with a retail associate at a time that is most convenient for you, would you?

- Yes: 64%
- No: 36%

Q If you were able to schedule an appointment with a retail associate, what additional services would you also like to have with this appointment?

- Text notifications about the status of my appointment: 49%
- Remote check-in: 30%
- In-store mobile device collaboration among sales staff to manage customer flow: 31%
- Wait-time notification display: 36%
- None of these: 23%
The makeup giant has initiated innovative mobile phone technology, including virtual makeovers and an augmented reality mobile app. According to TimeTrade’s survey, this is a growing trend: 43 percent of shoppers like the idea of technology like this. Sephora even allows shoppers to book appointments, such as makeovers and one-on-one sessions through their website and mobile application. The app can also go into “store mode” when the user enters a brick-and-mortar location, offering access to product reviews, past purchases, and product “likes.”

This technology not only provides a personalized shopping experience—it uses past experiences to anticipate what the user will do next, without being intrusive or inaccurate—something brands are striving to achieve.

Sources:
http://www.sephora.com/store-locations-events

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Q Do you feel that retailers today are providing a consistent customer experience across all channels (web, email, social media, call center, in-store, mobile and text)?

- Needs great improvement: 14%
- Yes: 26%
- Somewhat: 55%
- Not at all: 5%

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Q How do you feel about in-store technologies that use augmented reality such as a magic mirror to automatically show you how a product would look on you in different colors?

- I do not notice or pay attention to these technologies in stores: 16%
- I like the idea of these technologies: 43%
- I’d have to see how well they work: 41%
In-store retail shopping in general isn’t perfect. Locations may be out of a particular item, meaning shoppers have to travel to another location, and sometimes customer service can be lacking. TimeTrade found that only 13 percent of customers feel that retailers always provide consistent customer service, and 75 percent of respondents said that they felt that in-store locations had the best customer service out of all channels.

Even if associates display ideal customer service, it’s hard to make shopping a great experience. TimeTrade’s survey found that stores—department stores, big box stores, wholesale clubs, clothing retailers, home improvement stores, jewelry stores, outdoor stores, and wireless services—mostly
score a 4 out of 5 in terms of shopping experience. None of the shopping experiences earned a perfect five, and that begs the question: How can stores improve?

Our survey showed 49 percent of shoppers would be willing to try new, innovative technology such as beacons and Wi-Fi monitoring in-store behavior—as long as it benefits them. Sixty-four percent were willing to book appointments at stores. When it comes to “magic mirrors” or anything else that uses augmented reality to personalize the shopping experience, 43 percent said they liked the idea of using these technologies. In short, shoppers want easy, personalized, customizable shopping experiences, and are willing to try new methods to get them, and this may become more common.

According to Rachel Arthur of Forbes, the number of active virtual reality technology users is expected to reach 171 million by 2018, and companies are heavily investing in the technology. Brick-and-mortar stores can leverage this technology to help consumers make important shopping choices.
Retailers can also use proven methods such as customer loyalty programs, which encourage people to shop at their stores. TimeTrade found that 76 percent of shoppers think customer loyalty programs contribute to more personalized shopping experiences—but do they really help in the long run?

One of the surprising shortcomings of customer loyalty programs is that they can actually have the opposite effect. Customer loyalty programs tend to generate price loyalty, not brand loyalty—shoppers are loyal to the lowest price points, not to the companies themselves. In fact, only 45 percent of loyalty program members remain loyal—the others purchase from competitors.

Customer loyalty programs are not be-all and end-all solutions. If more customers felt that they were having a unique shopping experience—one that didn’t treat them as cash cows—they would be more likely to enjoy it and return to the same store again and again.

Q On a scale from 1 to 5 (5 being best) how would you rate your overall experience when shopping in jewelry stores?

Q On a scale from 1 to 5 (5 being best) how would you rate your overall experience when shopping in wireless services and devices stores?
THE FUTURE OF RETAIL

As the line between online and in-store retail shopping becomes more and more blurred, employing time-tested practices is not going to be enough. For businesses of all types, no matter how big or small, there cannot simply be “online only” or “in-store only.” Businesses are figuring this out, and most well-known physical retail stores now have online counterparts. Even traditionally online stores are branching out into the physical world to satisfy all shopping experiences.

“The world of retail is changing for the better; it’s using all its resources to create enjoyable, customizable, unique shopping experiences. “Retailers need to pay close attention to who their shoppers are, noting how they like to shop and what types of technology they can implement to craft better experiences,” says TimeTrade CEO Gary Ambrosino.

If retailers embrace technological advancements, the world of retail will be unlike anything we could have imagined—even just a few years ago.
TimeTrade creates conversations that drive business. The company equips retailers to provide personalized service to every customer, every time.

Create a service guarantee that improves customer satisfaction, loyalty and retention, and increases sales growth.

WWW.TIMETRade.COM