

CUSTOMER EXPERIENCE:

Inside the Customer's Mind

Shoppers have spoken. See the four pillars of customer experience that matter most.



A store experience that meets customer expectations is vital for brands to foster loyalty and long-term growth. While 96% of retailers say customer experience is a focus for their organization, shoppers say their in-store expectations aren't always met. After talking to 300 retailers in our previous study, *Customer Experience: The Black Hole for Retailers*, we conducted a follow-up survey of more than 600 U.S. shoppers about their in-store expectations. The research reveals customers feel strongly about the in-store experience they expect.

71% of shoppers say the in-store experience impacts whether they will be a repeat shopper.



62% of shoppers say the in-store experience has declined in the last 5 years.



The Internet's Influence

Customers expect easy access to more products faster than ever before—and those expectations are consistent whether shopping in a store or online. In fact, consumers say the ease and speed of online shopping has increased their expectations regarding nearly every facet of the in-store shopping experience, including:



While **78%** of brands believe they do a good job measuring the online experience, in-store experiences are still a major blind spot.



say stores don't do a good job of providing ways to give feedback about their experience in store.



say their brand under-invests in collecting data on the in-store experience.

The good news? Shoppers know what they want. In this study, we take a deep dive into the four key pillars shaping the in-store experience for customers and uncover untapped opportunities for brands to set themselves up for in-store success.

Four Key Pillars of Customer Experience



ASSOCIATES



MERCHANDISE



STORE PRESENTATION



PROMOTIONS

Associates

TO GREET OR NOT TO GREET

Associates bring a brand to life, and consumers expect a lot from those individuals. Shoppers expect store associates to be helpful, friendly, and knowledgeable about products.

HELPFUL

90%

FRIENDLY

87%

PRODUCT KNOWLEDGE

71%



Shoppers cite two touch points as the ideal number of associate interactions, but they also ranked “hovering” as the number one people-related factor that negatively impacts their experience.

80%
Hovering

78%
Unfriendly associates

67%
Too many questions from associates

59%
Unknowledgeable about products

48%
Not enough help from associates



THE RETAILER POV

Are retail teams set up for success? Nearly **50%** of retailers consider their store associate training to be lacking. To solve urgent customer needs, associates need tools and training, information, incentives, and measurement.



Tools & Training

72% of retailers say their in-store teams need better tools and training to handle urgent customer needs.



Information

67% of retailers say in-store teams need better access to information to solve for urgent needs.



Incentives

69% of retailers believe their organization should better incentivize store associates to provide a great in-store experience.



Measurement

60% of retailers lack ways of measuring store associates' impact on the customer experience.

Invest In Your Teams

75% of shoppers say they're less likely to shop a brand in the future if their problems aren't solved quickly. And on average, shoppers expect questions to be answered within 26 seconds... not a lot of time. Training and tools go a long way in supporting ground teams to meet individual customer expectations—particularly when associates can see how their success contributes to the success of the brand. A big-picture perspective motivates store teams to delight customers, and brands can reap the benefits of tenured teams.

Merchandise

HIGH EXPECTATIONS FROM A HIGH-TECH WORLD

Online shopping allows customers to click through page after page of products from their favorite brands. While this never-ending browsing is great for the online experience, customers expect the same product availability in stores as well.

82% of shoppers expect stores to offer a selection of products that closely mirrors what they can find online.



87% of shoppers expect to be able to order a product from another location if it's unavailable in a store.

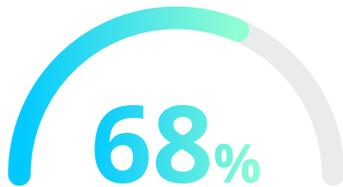


93% of shoppers expect to be able to order unavailable products online.



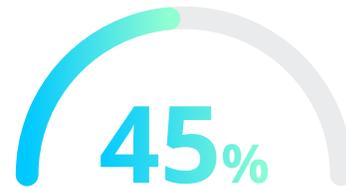
THE RETAILER POV

For retailers, a seamless omnichannel experience is a challenge.



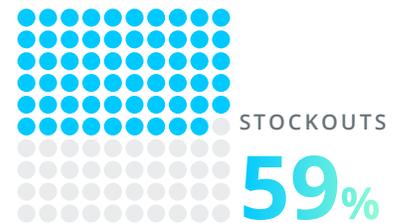
68% of retailers say inventory challenges have increased.

Structuring operations for total visibility across all channels is pivotal.



45% of retailers say their organization lacks a single view of inventory.

A lack of a single view of inventory contributes to:



See A Clear Picture

Organizations may never carry the same exact stock in store as they can online. They can, however, provide a seamless toggle between the two experiences. A clear picture of the inventory across the organization is the first step, followed by improved communication of stockout process so associates can assist shoppers looking for more options. This helps brands make informed decisions and keep loyal customers, both in stores and online.

Store Presentation

WHERE BRANDS COME TO LIFE

Shoppers reveal they make a judgement about a store within the first **30** seconds of walking in the door. But, more than half of retailers say they don't know what specific in-store factors impact that fast judgement.



Consistency Is Key



92% of shoppers say they expect a consistent experience across all physical locations of a brand.



74% of shoppers say an inconsistent experience makes them less likely to shop there in the future.

THE RETAILER POV

Only **48%** of retailers believe they actually DO deliver a consistent experience across store locations, and **62%** want to provide a more consistent experience between their stores and ecommerce channels. But that's no easy feat. **66%** of retailers say they struggle to uphold corporate standards while also providing an experience that's localized and personalized to the needs of its shoppers.

Let's Get Consistent

Retailers who nurture consistent brand experiences in their stores have a better chance of meeting shopper expectations every time. When experiences are inconsistent, it can be difficult for retailers to determine the contributing factors for success, as well as the pain points that could improve experience and store performance. Empowered employees are the best brand ambassadors, and with the right tools, training, and information, they can do what works best for their particular store and stay consistent with brand requirements.

Promotions

MORE PROMOS... MORE PROBLEMS?

Promotions are an essential marketing tool for brands, presenting a short-term strategy for long-term benefits like repeat customers. But it's a delicate balance to ensure coupons and special deals are additive to customer experiences.



82% of consumers say promotions make them more likely to visit physical stores.



72% of consumers said getting a coupon at checkout makes them more likely to shop with the brand again in the future.

When it comes to promotions, the convenience of online shopping yet again increases the in-store expectations. While consumers say in-store-only promotions encourage them to shop in physical locations, they also expect online discounts and promotions to be honored in stores.



70% of consumers expect online promotions to be honored in physical stores.



When shopper expectations are not met, **59%** say they're less likely to shop with that brand in the future.

THE RETAILER POV:

Retailers are quick to acknowledge promotions are great for an immediate boost to the bottom line, with **92%** saying they believe promotions drive sales. Similar to shoppers, retailers recognize the challenge and risks if the promotions go awry.

56% of retailers say problems around promotions are one of the biggest sources of customer frustration in stores.



55% of retailers say promotions create tension between online and in-store teams.



60% of retailers say problems with promotions jeopardize sales and contribute to returns.



So, is it worth it?

The short-term boosts from promotions have long-term impact to customer loyalty. But measuring the ROI of these promotions and re-strategizing quickly is difficult. Brands that align promotions with omnichannel expectations, measure their impact quickly, and align teams to act as one will reap the benefits of marketing promotions.

SHOPPERS HAVE SPOKEN

To continue to win customers, brands must focus on the four customer pillars: Associates, Merchandise, Store Presentation, and Promotions. There are a lot of opportunities for retailers to meet and exceed these customers expectations. For each pillar, leadership and ground teams carry the weight for implementing exceptional customer experiences. With the right tools and training, employees can bring the brand to life in their own unique stores. And, when employees succeed, customers notice and return.

Four Key Pillars of Customer Experience



ASSOCIATES



MERCHANDISE



STORE
PRESENTATION



PROMOTIONS

For more information about empowering your brand and creating exceptional customer experiences, visit square-root.com/customer-experience or contact hello@square-root.com.

ABOUT SQUARE ROOT

Square Root unlocks potential for some of the world's leading brands. Their enterprise software, CoEFFICIENT®, breaks through organizational silos, uncovers stores' unique needs, and helps achieve business goals to improve customer experiences. Founded in 2006 and headquartered in Austin, Texas, Square Root has an award-winning culture, receiving recognition from both *Inc.* and *Fortune Magazine* as one of the best small companies to work for in the U.S. For more information, visit square-root.com.

SURVEY METHODOLOGY

The study was completed at a 95% confidence level and a +/-4% margin of error. Survey responses were collected from 630 U.S. consumers who shop for products both online and in physical stores and 312 U.S.-based individuals who work for corporate retail teams. Survey responses were collected between June 8 and June 13, 2018.