

OMNICHANNEL PLAYBOOK SERIES

Surviving the "Retail Apocalypse"

A playbook for driving consumers in-store and
keeping your stores thriving



Table of Contents

Introduction	3
IN-STORE MOBILE EXPERIENCE #1 Creating a BOPIS Environment for the Consumer	7
IN-STORE MOBILE EXPERIENCE #2 Allowing Even More Choices with ROPIS	11
IN-STORE MOBILE EXPERIENCE #3 Frictionless Returns with BORIS	14
IN-STORE MOBILE EXPERIENCE #4 Delivering Relevant Experiences with Geofencing	17
IN-STORE MOBILE EXPERIENCE #5 The Informed Store Associate	21
The Shopgate Difference	24

In March 2019,

Gap announced that it has plans to shutter approximately 230 stores in the next two years. This was shocking news, driving people to believe that it's the end of retail as we know it. However, what people didn't realize was that the retailer is not only closing stores, but it's also strategically opening even more stores in more central locations based on customer data.

Closing stores doesn't reflect a failure of brick-and-mortar retail. It's an opportunity for retailers to reframe what a "typical" store looks like and drive stronger performing traffic. Retailers today are reexamining the store to create memorable and fun experiences, driven by shopper preference and convenience, that bring consumers into brick-and-mortar locations. As an example, pop-up stores have created an industry that has grown to approximately \$10 billion in sales. **Bottom line, experiential retail that creates immersive experiences is the future of shopping.**

Harry Gordon Selfridge, American retail magnate and founder of Selfridges department store once said¹, "Excite the mind, and the hand will reach for the pocket." Even over 100 years ago, Selfridge knew that keeping his London store relevant and exciting would be instrumental in its success. Retailers that haven't kept their line of sight on making the store a "can't miss" experience for shoppers are dying a slow and painful death with very little room or time to recover.

The “Retail Apocalypse” Is Not A Real Thing—Unimaginative Retail Is

As we know by now, the retail apocalypse hysteria has consistently focused on the death of the physical store. But the real truth is, as retail influencer Steve Dennis has so perfectly stated:²

“Physical retail is not dead, boring retail is.”

Right now, there are clear winners and losers in terms of physical retailing. Much like Harry Selfridge back in the day, the retailers that are staying ahead of the pack with physical stores today are taking their in-store customer experiences to the next level by removing the walls between the digital and physical. What’s more, a large part of their in-store digital successes includes utilizing the mobile channel to create convenient and seamless shopping experiences for consumers.

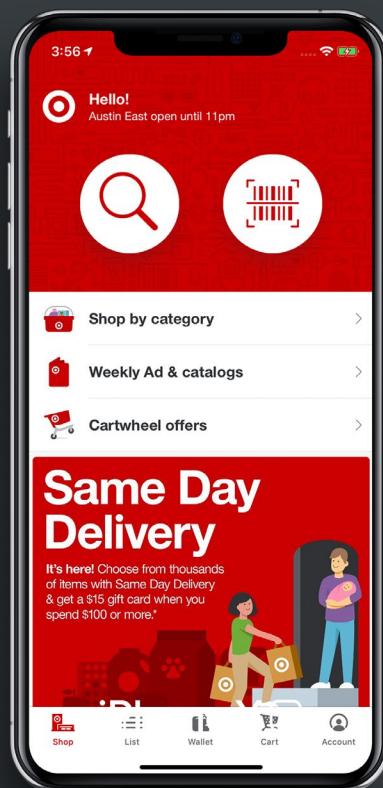
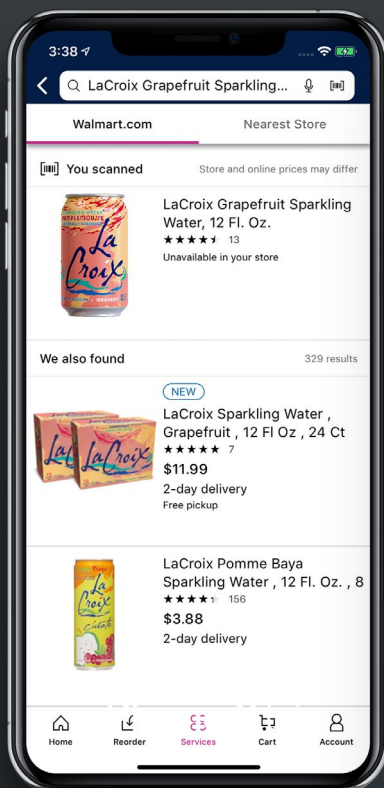
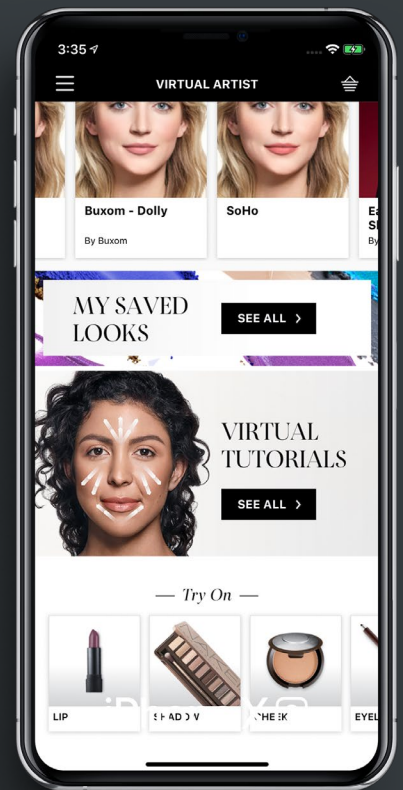
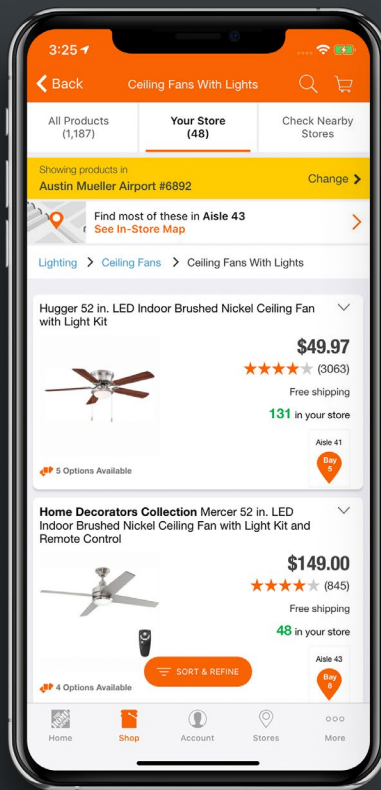
Retailers Winning the Battle with Mobile As the Weapon of Choice

At the recent Shoptalk event³, Jill Ramsey, Macy’s chief digital officer, spoke of the importance that mobile plays in its customers’ in-store journeys: “We’re famous for our front windows, but this smartphone is our front window now. Our app customer is our most loyal customer.” In fact, according to Macy’s and Nordstrom, 50 percent of customers are using a mobile device to support their journey in store and on the web at both retailers. For example, Macy’s recently enhanced its mobile app to enable BOPIS and mobile pay in the store, as well as incorporated new features that connect Macy’s customers to an in-store stylist and keep users updated on events happening at their local stores⁴

FORRESTER WAVE TOP 4 LEADERS IN MOBILE APPS

Home Depot: "Setting the bar for retailers," reports Forrester. The Home Depot app serves as a virtual customer service agent that can help customers navigate the vast store. Features include visual mapping data and inventory availability, as well as augmented reality and video buying guides.

Sephora: This popular mobile app provides search results that are easy to browse and navigate, as well as a photo-sharing option for beauty enthusiasts to connect and help each other with make-up tips and ideas.



Walmart: In addition to providing detailed in-store maps and bundling complementary products, the Walmart app includes BOPIS, Walmart Pay, one-touch reordering, mobile express pharmacy and much more.

Target: Shoppers can also take advantage of BOPIS, as well as augmented reality that lets users place furniture in their homes to "try before they buy." The Target mobile app also uses Apple's Siri for assembling shopping lists, and can support enhanced search features such as predictive text and an omnipresent search bar.

According to a recent Forrester Wave⁵, retail mobile apps “must now meld the physical and digital worlds for customers—not simply bridge them, and it must offer a top-notch user experience because it is used by the brand’s customers.” According to Forrester⁶, the top four leaders in the category are Home Depot, Sephora, Walmart and Target.

These are examples from big box retailers who have the internal resources and capabilities to quickly implement mobile technology and take their in-store experiences a notch above the rest. They have played a critical role in cementing these expectations for consumers. However, if you are not a big box retailer, how do you create these remarkable moments in-store? What are the steps you should consider to re-organize your store and make this happen? How will these in-store mobile features benefit your consumers on a daily basis?

It’s no secret that unforgettable experiences are what drive consumers in-store, and—if done right—can create a lasting affinity with said retailer. At the end of the day, retail shoppers in 2019 want the same things that shoppers wanted in 1906—retail that is convenient and accessible.

This eBook will help answer these key questions and discuss the top in-store mobile experiences to consider to take your customer’s in-store retail experience to the next level.



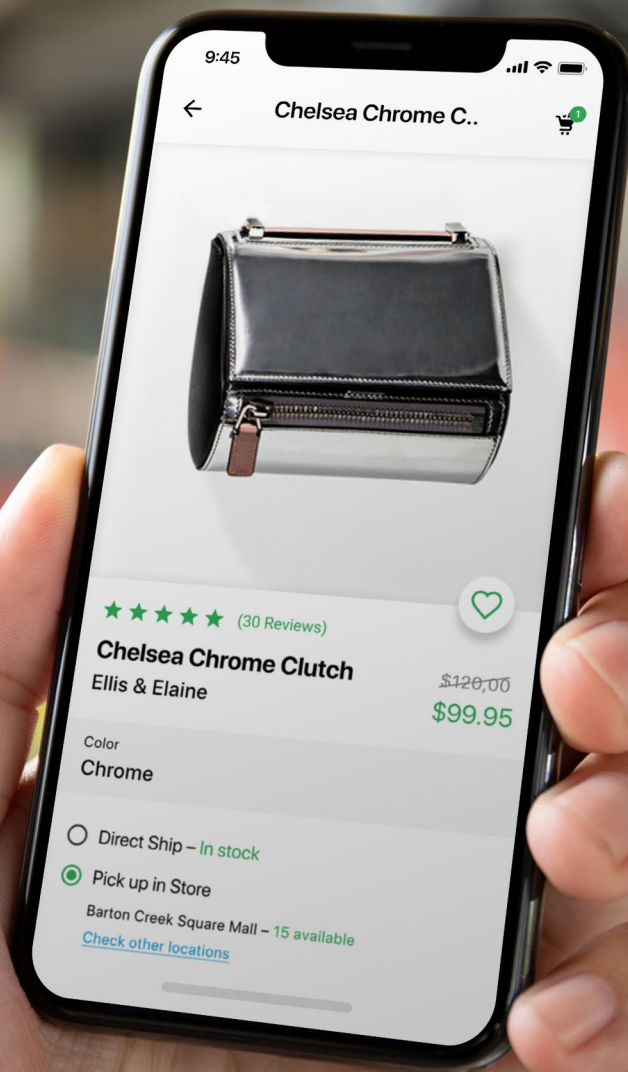
“People will sit up and take notice of you if you will sit up and take notice of what makes them sit up and take notice.”

HARRY GORDON SELFRIDGE

IN-STORE MOBILE EXPERIENCE #1

Creating a BOPIS Environment for the Consumer

With smartphones now playing the role of supporting actor in all aspects of consumers' lives, it's no surprise that consumers expect their phones to assist in the shopping experience, especially when it comes to BOPIS (buy online and pickup in-store).



In fact, according to a recent study by The National Retail Federation:⁷

- **70%** of consumers opted to use BOPIS to avoid paying for shipping fees,
- **83%** of consumers who utilized BOPIS opted to pick up their merchandise at the cash register within the physical store,
- **63%** of consumers sought the ability to utilize curbside pickup,
- **50%** of consumers asked to retrieve their purchases from a locker.

The Consumer's BOPIS Journey

In order to help consumers start their BOPIS journey on the right foot, retailers should first create an enhanced in-store mobile experience that delivers real-time inventory visibility from the consumer's local store through the mobile app.

Customers are now utilizing BOPIS to shop for everything from groceries to electronics and last-minute items. Providing accurate and real-time inventory visibility through the store's mobile app will not only help to improve the consumer's experience, but it will also establish the expectation that the retailer can provide a reliable and enhanced level of convenience. The last thing a consumer wants is to purchase an item through the app selecting a BOPIS fulfillment option, only to arrive at the store and find out the product is not available or has been substituted for something else.

With real-time local inventory visibility at hand, the consumer can choose when and where to pick up their products. Retailers can also take it one step further by giving the consumer the ability to split the order for pickup at different locations in the chance that they are looking to purchase a gift for someone else.

Once purchased, the consumer should be easily guided through next steps for picking up their purchased products, including receiving a text message or push notification with the receipt or QR code for the order as well as quick and easy instructions about where their product will be waiting in the store. Retailers can also proactively communicate with their customers using push notifications throughout all steps of the shopping journey—letting them know when the order has been received, notifying them the order is being prepared, and confirming the order is ready for pickup—all on their mobile device. This makes it easy for retailers to focus on end-to-end communication with their customers by maintaining customer's satisfaction at every stage.

The Retailer's BOPIS Journey

To make consumers' BOPIS necessities come to life, retailers need to consider the following capabilities in order to make a remarkable in-store mobile experience happen:

- **Real-time inventory capabilities**—Retailers need to analyze and implement the right technology components in order to deliver the most up-to-date inventory available to the consumer. This can be done by easily connecting all components of the retailer's fulfillment system, even old systems that only do batch ordering, to create real-time analytics on order statuses, workflows, overall cycle time, locations handling and customer engagement.
- **Competing in the "Age of Amazon"**—With Amazon and additional big box retailers enticing consumers with same-day shipping, retailers can utilize BOPIS to effectively compete with the large retailers. By utilizing their current in-store network as a fulfillment hub, retailers can instantly offer consumers the product they are in search of at the nearest location to them, without succumbing to the cost of shipping charges.

- **Layout of the store**—As consumers come into the store, retailers should consider how the customer will receive their product, i.e. will they look to have the consumer walk toward the cash register or pick up the items from a locker? This is an opportunity for retailers to utilize the increased foot traffic to maximize their customer experience, and the layout will be key.

FROM THE CONSUMER LENS

How does BOPIS play a critical role in a shopper's life? Consider Caroline, the busy mom who just returned to work from maternity leave and is balancing taking care of her family's needs and new schedule while working a full 9–5 job. With a BOPIS offering, Caroline can quickly purchase items for pickup from her local store and schedule it for pickup during her commute back home, being notified of the order status throughout the entire process. As well, once arriving at the store, she may realize that she forgot to add one item to her shopping list, or that she needs to purchase additional items for a last minute "life update" that occurred between when she placed the order on her smartphone and her commute to the store. With BOPIS, Caroline can easily pick up the items she needs, when she needs them, saving her valuable time with just the tap of a button on her smartphone.



IN-STORE MOBILE EXPERIENCE #2

Allowing Even More Choices with ROPIS

ROPIS, also known as “reserve online and pickup in-store,” is another fulfillment option that retailers should be taking advantage of to drive sales and customer loyalty. For example, retailers can utilize ROPIS to drive more in-store traffic by allowing the customer to feel assured about the product they are purchasing given that they will have the ability to “try it before they buy it.”



As well, if utilized correctly, retailers gain the ability to drive additional product purchases by taking advantage of the customer's presence at the store.

According to First Insight, 71% of surveyed consumers answered that they typically spend more than \$50 when shopping in-store, compared to only 54% of respondents who answered that they spend more than \$50 when shopping online.⁸

Although most retailers have been slow to provide this option to shoppers, there are many benefits of ROPIS that should be integrated into a store's omnichannel offerings, presenting even more choices for how customers want to shop.

For instance, when it comes to big-ticket items such as household appliances and designer products including jewelry, handbags and sunglasses, giving consumers the ability to see and test the item before completing the purchase can lead to increased conversions as consumers can take the time to 'test' the item before confirming the purchase. According to a recent consumer survey by PushOn, 82% of consumers believed in-store purchasing gave them more security when shopping for expensive items because they could see exactly what a product looked like before committing to the purchase.⁹

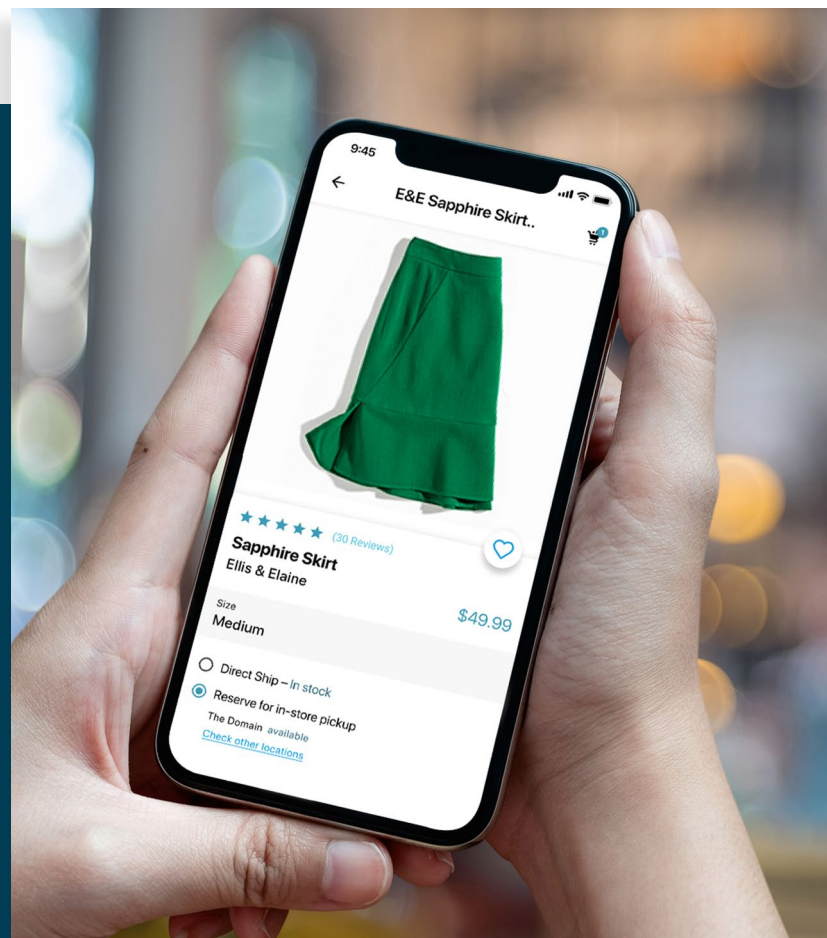
Going Beyond BOPIS With ROPIS

With ROPIS, the main difference is that instead of having customers pay for the item before picking up in store, shoppers can first reserve the item online to view or try it in person before deciding to complete the transaction. The items are put on hold, ready for when the customer goes into the store to take a look without having to search the aisles. Not only does this remove potential friction by avoiding a long checkout process, but it also avoids unnecessary returns, wasting valuable time and money.

Allowing customers to really see, feel and experience the item before completing the purchase has all the benefits of a BOPIS strategy while creating an even more hassle-free checkout process that minimizes the chance of returns. With retailers dealing with an average of \$351B in returns on an annual basis¹⁰ due to ill-fitting sizes or the wrong product, ROPIS gives retailers the opportunity to offer their customers advanced omnichannel offerings to make it easier than ever for shoppers to purchase the right product the first time, decreasing return rates and increasing customer loyalty and satisfaction.

FROM THE CONSUMER LENS

Let's step inside the shoes of busy mom Tiffany for a second. Tiffany is a mom of three and between balancing life and her kids' various schedules, she simply does not have the time to walk through a store and shop for a new wardrobe. Instead, she opts to go to her favorite store's eCommerce website after the kids are in bed and reserve all the clothes she wants to try on. Once reserved, she zips into the store between appointments to try on the clothes she selected before making her final purchase decision and leaving to pick up the kids—all without skipping a beat.



IN-STORE MOBILE EXPERIENCE #3

Frictionless Returns with BORIS

In today's era of online shopping, consumers are known to buy multiple sizes, colors and models of a particular product in order to pick the one they like the most from the comfort of their home. While online shopping has added a level of convenience for shoppers, it does take away one of the key elements of in-store shopping—the ability to touch, test and try before making the purchase. Therefore, online shopping tends to lead to increased returns. However, savvy retailers today know that facilitating the returns process through a BORIS (Buy online, return in-store) strategy can create an additional customer experience touchpoint and opportunity to facilitate an exchange or sale.



The Consumer's BORIS Journey

Consumers expect to have an easy returns process if they choose to buy an item online via their smartphone and then return it in-store, and retailers must provide these choices so customers can experience a frictionless process. Failing to do so can result in loss of consumer share, as 96% of consumers would give a retailer repeat business based on a good returns experience.¹¹

When it comes to a facilitated BORIS process, the customer should be able to easily access their purchase history within the app and clearly understand the next steps for returning a product in the store. Keep in mind that some consumers are discouraged from making the purchase altogether if they have to go through the extra steps of returning products via mail, including packaging up the item, making a trip to the post office and waiting to ensure that the retailer receives the item and issues the refund. According to Narvar's Consumer Report, 69% of shoppers are deterred from buying online because of the cost of return shipping

To make the returns process as smooth as possible, retailers can use their app to easily pinpoint which store is closest to the shopper for easy access. As well, should the shopper be looking to make an exchange for a different size or color, the app should confirm that the additional options they are looking for are available at that particular store. Once at the store, the returns process should be easily facilitated by having the shopper pull up their information to quickly scan and return the item. The app can even make recommendations of related products the shopper may be interested in purchasing while at the store.

The Retailer's BORIS Guide

With 93% of retailers reporting a growth in BORIS returns in 2018¹², retailers need to strategically use BORIS to their advantage to improve customer loyalty and increase upsells.

To execute on a frictionless BORIS strategy, retailers should look to the following capabilities:

- **Removing friction from returns**—Retailers can give consumers a quick path to return their item at a nearby store by allowing them to quickly scan a QR code within their mobile app, taking away the hassle of online returns.
- **Utilizing BORIS as an additional touchpoint**—As well, when consumers arrive to return an item in the store, retailers need to consider how they can utilize this touch point as an additional opportunity for further engagement and upsells. Not only does this improve the customer experience, but it also gives the retailer the ability to further service the consumer by encouraging exchanges. And, according to First Insight, in-store spending exceeds online, with 71% of shoppers spending more than \$50 when shopping in-store compared to 54% online.

FROM THE CONSUMER LENS

How does BORIS remove friction from a shopper's life? Let's consider Drew for a second. Drew is busy back-to-school shopping for all of the items his three kids—middle school, high school and college—will need. As we all know, kids' likes and dislikes can change from one day to the next, and while Drew thought he had purchased the coolest shorts for his middle school child and the best poster for his teen's dorm room, he was wrong. Rather than have to deal with shipping labels and the post office, Drew can simply return the items on his next errand with a quick tap on his phone. As well, should his kids tag along with him to the store, they can choose their desired items so they can go back to school in style.



IN-STORE MOBILE EXPERIENCE #4

Delivering Relevant Experiences with Geofencing

As smartphones continue to serve as shopper's personal assistants, retailers can utilize key capabilities like geofencing to offer relevant updates via their smartphone throughout their in-store shopping journey.



E&E ELLIS & ELAINE

2m ago

Hey Caroline! While you're at the Domain, stop by our Northside store and pick up some of your favorite's list items. 10% off for all E&E Insiders!

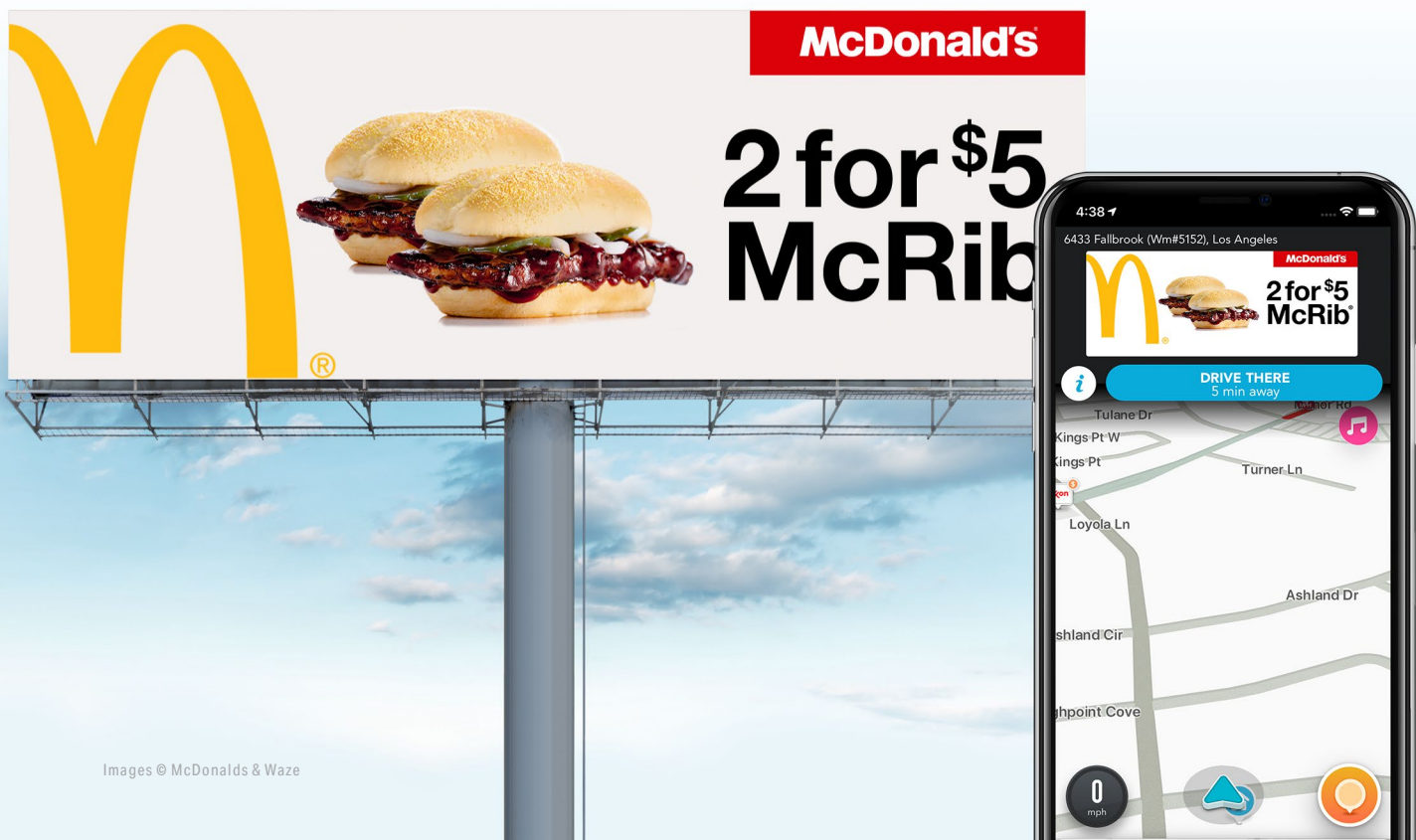
The Consumer's Geofencing Experience

Whether a consumer is shopping within the store, attending an event or even shopping at a reseller partner, they expect to receive special intel to further influence their purchase decision. For example, if the consumer has downloaded a retailer's app and opted-in for push notifications, they should expect to receive a notification incentivizing them to discover a new product line, reward them for coming into the store with an exclusive tip or provide an in-store coupon.

If done correctly, geofencing can help drive the consumer to purchase by giving them a relevant "call to action" based on their locations and personalized preferences.

Let's consider a few innovative retailers and brands utilizing geofencing to their advantage:

- McDonald's recently connected geofenced billboards to its in-app advertising on Waze to achieve 6.4 million mobile impressions¹³ and prompt consumers to visit a nearby location during their drive.



- A Volvo Dealership in the New York Tri-State metro utilized geofencing to target consumers in luxury markets and competitor dealerships as well as consumers within their own dealership to achieve 140% increase foot traffic¹⁴ from geofencing initiatives.
- Nordstrom¹⁵ utilizes geofencing to identify when loyal customers are within the store to offer hyper-personalized customer service.

The Retailer's Geofencing Best Practices

To maximize geofencing efforts, retailers need to consider the most effective strategy for their geofencing efforts. Considering that geofencing can be one of the best ways to drive consumers to purchase, retailers need to think about the following when launching a geofencing strategy:

- Identify your target customers for your geofencing strategy, keeping in mind that the target customer demographics will change based on location. Honing in on your target customers by demographic not only gives you the ability to further personalize the experience, but also adds value to your overall omnichannel strategy by narrowing down the key inventory and preferences for that particular location – creating the ability to connect offline and online resources at a more granular level.
- How can you utilize geofencing to drive consumers who are nearby into the store? What is the most relevant messaging to drive the “call to action?” Is it through a local flash sale promotion?
- Consider a competitive stance where you utilize your geofencing strategy to target consumers as competitive stores and prompt them to come into your store instead.

- Utilize a cross-collaborative stance where you work with resellers, partners or even relevant events to deliver personalized information to consumers and drive key benefits for all parties involved.
- Ensure you have the right technology to make a geofencing strategy work throughout all locations and deliver the right messaging at the right time.

FROM THE CONSUMER LENS

How does geofencing provide relevant intel in a shopper's life? Let's consider Adam, who happens to be a huge fan of a particular sneaker line that is only sold at select retail locations a few times a year. Let's say Adam happens to be traveling while his favorite sneakers drop. Through a proper geofencing strategy, the nearest retail location to him at that time can send a push notification letting him know the sneakers he's been awaiting are now in-store. As well, the retailer can sweeten the deal even further by prompting Adam with a digital coupon he can utilize during her in-store checkout. By reminding Adam of the rewards that await him at the store, the retailer can further solidify and personalize its "call to action" for Adam.



IN-STORE MOBILE EXPERIENCE #5

The Informed Store Associate

Did you know that 82% of smartphone users¹⁶ consult their phones on purchases they are about to make in-store? Consumers are researching and equipping themselves with information they need to make the right decision, and more often than not, they're doing this research before they even step into the store!

Because of this, consumers are often more informed than the store associate about the products they are interested in. If associates are uninformed, it can cause frustration as customers have to spend more time explaining what they already know. If consumers can get the same information or more about a product on your eCommerce site, why would they bother coming into the store?



Arm Store Associates with Key Information

In order to combat this challenge, retailers must create an exceptionally remarkable in-store experience that they simply can't get online. To do this, retailers should ensure that store associates are armed with the proper tools to generate additional selling opportunities and provide excellent customer service while doing so.

A technologically empowered store associate can create more value for the customer and make the in-store experience better than ever.

One of the key aspects of successful clienteling involves store associates getting to know their customers. This can be accomplished by giving associates access to invaluable customer data. With the right tool, store associates can create customer profiles by collecting the shopper's personal information, point of contact, previous purchases, wish lists, and other important data to personalize the floor experience and increase AOV. By understanding how to bring existing customers back in the store and improve their experience, retailers can easily lift sales and build customer loyalty.

Retailers can also keep customers coming back to the store by delivering timely, relevant messaging that goes beyond the doors of their brick-and-mortars. This can be done by sending relevant offers, reminders and info using automated push notifications, SMS, and in-app chat.

A Modern "Little Black Book"

Before this technology existed, retailers used to keep a handwritten "little black book" that associates would use to keep track of regular customers' information. This treasured book would be used so that associates can invite customers to special events, alert them when an item is back in stock, and of course, to put products they know they will love aside for them.

This “white glove experience” created a personal touch for shoppers and gave consumers a reason to keep coming back again and again. Now, with the technology we have available, store associates can easily approach customers in the aisle, armed with key information about the customer and the products they are interested in.



FROM THE CONSUMER LENS

Let's say Sally, an on-the-go millennial with a demanding advertising job, goes into an apparel retail store looking for a black dress for an upcoming client event. This is usually her first stop when finding a dress for any occasion. Since she's a loyal customer, an associate has already created a profile for her that shows the previous dresses she's bought, her size and measurements, and the type of styles she's tried on before.

Now, a new store associate approaches Sally in the store and because she is equipped with all of this information, she can easily create a personalized experience for Sally and point out the dresses that she really wants. The associate even has access to inventory levels across stores and product reviews of what others have thought of the dress. If Sally needs more time before deciding on a final purchase, the associate can then follow-up the next day by sending targeted offers on the dresses she liked directly with automated push notifications, SMS, and in-app chat.

The Shopgate Difference

Today's retail winners drive differentiated in-store experiences through the smart use of technology. But only enterprise retailers are taking advantage of the opportunity to meet consumer's demands through these mobile experiences. The reality is that many retailers do not have the internal resources and technological capabilities to make these in-store mobile experiences happen, which is why they are looking for an easy and smart path to enable these capabilities. That's where Shopgate fits.

Shopgate connects your technology

The Shopgate advantage is the ability for retailers to remove the complexity and risk from large and elaborate IT intersection and operational assumptions. With Shopgate, retailers can seamlessly create remarkable mobile experiences in-store by benefitting from the following capabilities:

- Shopgate's focus is on helping our clients and partners rapidly enable key omnichannel customer experiences without the need for "complex" integrations.
- Shopgate easily integrates into a retailer's existing eCommerce stack without having to act as the single source of truth like many other systems on the market.
- With Shopgate, retailers can start by rolling out one experience and work with us to grow into additional omnichannel mobile features, without the need to "re-integrate" the platforms and data or impact the customer experience.
- Start where you are, grow into the power house brand you know you are!

At Shopgate, we believe in the power of strong partnerships with our retailers to truly align success with their needs during every step of their digital transformation journey. Our customers are not just a number, but key collaborators in helping to pave the path for the future of retail.

Ready to See the Shopgate Difference?

[Book a Meeting Today.](#)



SHOPGATE

www.shopgate.com

References

1. <https://www.forbes.com/sites/blakemorgan/2017/06/26/innovation-lessons-from-the-worlds-first-customer-experience-pioneer/#562bbd4ab204>
2. <https://stevenpdennis.com/2018/03/24/physical-retail-is-not-dead-boring-retail-is/>
3. <https://www.retailwire.com/discussion/what-will-it-take-to-make-department-stores-relevant-again/>
4. <https://www.adweek.com/digital/3-takeaways-from-macys-facebook-and-nordstroms-retail-strategies/>
5. <https://marketingland.com/in-store-apps-are-now-rated-like-products-forrester-report-finds-258261>
6. <https://www.mediapost.com/publications/article/333724/forrester-names-top-retail-apps-home-depot-seph.html>
7. <https://nrf.com/media-center/press-releases/nrf-study-says-more-online-shoppers-want-free-shipping>
8. <https://www.firstinsight.com/press-releases/71-percent-of-shoppers-are-spending-more-in-store-than-online-according-to-new-survey>
9. http://www.retail-systems.com/rs/Online_Purchasing_Survey_PushON.php
10. <https://www.axios.com/ecommerce-retail-returns-loss-revolve-amazon-fe6d49b0-0f29-4f6b-8b15-f1ec0bae3621.html>
11. <https://blog.accessdevelopment.com/2018-customer-loyalty-statistics>
12. https://appriss.com/retail/wp-content/uploads/sites/4/2018/12/AR3018_2018-Customer>Returns-in-the-Retail-Industry_Digital.pdf
13. <https://www.mobilemarketer.com/news/mcdonalds-drives-84k-in-app-actions-by-tying-geofenced-billboards-to-waze/549964/>
14. <http://www.dealermarketing.com/case-study-how-a-luxury-dealership-won-with-geofencing-marketing/>
15. <https://www.forbes.com/sites/blakemorgan/2019/03/26/the-10-keys-to-nordstroms-digital-transformation#2a457d724aa0>
16. <https://www.bazaarvoice.com/resources/the-robo-economy-infographic/>