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SCALA: RETAIL REBOOT

Shoppers are returning to stores with higher expectations and seeking new experiences. As brands look to mitigate challenges of staffing, supply chains and possible future restrictions, what can retailers do to beat the competition to attract, retain and grow their customer base?

SHOPPER SNAPSHOT:

BRICKS AND MORTAR RETAIL IS GAINING MOMENTUM

62%

of consumers think it's important for brands to have a bricks and mortar shop, along with an online presence

The value of an in-store visit is increasing for retailers[2]

30%

of consumers say the ability to try on products is the highest in-store value-add[5]

75%

of Gen Z

+

70%

of Millennials feel the same way[1]

In-store shopping has recovered to pre-pandemic levels with

Consumers are more than

Shoppers spanning demographics are seeking out the in-store shopping benefits they have always valued —

47%

of shoppers worldwide saying they shop in-store daily or weekly[3]

2x

as likely to complete a purchase after visiting an experiential flagship[4]

try before you buy, experiential retail, interacting with the product, as well as the benefits of online shopping found in the retail store — and finding that technology plays a significant role in delivering this new customer experience.

CUSTOMER JOURNEYS HAVE CHANGED

73%

of consumers use multiple channels to shop[6]

60-70%

of US customers are shopping in omnichannel way[7]

73%

of US shoppers currently use buy online, pick up in-store services[8]

2/3 of shoppers would be more likely to buy a product in store if they could easily and clearly access information about the product digitally[9]

73%

of consumers say that they like to have more access to product details in addition to pricing[10]

49%

of shoppers would like more digital signage at the shelf-edge to help inform their buying decisions[11]

54%

of customers feel that retail teams are disconnected[12]

Only

20%

of retailers report being able to offer connected end-user experiences[13]

Consumer sentiment and behaviors in everyday life, including while shopping, are leaning toward technology. This, combined with the desire to shop in the store, means that retailers need to seriously consider a near-term strategic approach to technology throughout the customer journey.

EXPERIENCE IS IMPORTANT

73%

of shoppers say retail customer experience is more important to them than price, or quality[14]

93%

of UK Gen Z shoppers say they are interested in using AR for shopping, with

88%

interested in using AR to try on makeup or clothes[17]

90%

of shoppers who spent more time researching in store, ended up purchasing in store[15]

50%

of all shoppers (60% of Gen Z shoppers) would pay more for a customer experience that have elements that they consider to be "fun"[16]

32%

of all customers would stop doing business with a brand they loved after one bad experience[18]

Shoppers are savvy, knowing their value and aware that competition for their spending and loyalty is higher than ever. They expect more out of the stores where they spend their time and money. Ecommerce continues to climb, but in the eyes of the shopper, there should be an investment in the in-store experience to win their loyalty.

BUT WHAT MAKES A GREAT CUSTOMER EXPERIENCE?

nearly

80%

of US shoppers say that speed, convenience, knowledgeable help and friendly service are the most important elements of a positive customer experience[19]

CONVENIENCE

78%

of consumers value convenience even more now than before Covid-19[20]

83%

expect flexible delivery and fulfillment options like click and collect and curbside pickup[21]

92%

of shoppers will buy again if returns process is easy[22]

GREAT SERVICE

40%

of customers are willing to pay more for an experience that is friendly and welcoming[23]

71%

of customers feel that employees have a significant impact on the overall customer experience[24]

60%

customers are open to the use of AI to improve experiences[25]

Technology plays a pivotal role in delivering convenience and excellent service, providing clearer communication, customized messages and suggestions, automation, serf-service and more.

BUT..

71%

of shoppers cite difficulty in comparing products in-store as a frustration[26]

64%

of brick-and-mortar retail shoppers say a lack of guidance and knowledge offered by store teams is a pain point[27]

65%

of customers find locating the product they're looking for a key frustration when shopping in physical stores[28]

67.3%

of customers tend to walk out empty handed because they couldn't find the product they wanted[29]

Due to the cost of living crisis, the real household disposable income per person in the UK household is set to decline by 2.2% in 2022/23[30] with £12bn of spending on non-essential goods set to disappear in 2022.[31]

There are challenges, including labor, supply and inflation, that make technology even more essential in helping customers throughout their in-store shopping journey.

Technology such as large format digital signs, in-aisle digital displays, touchscreen tablets, price checkers, self-service kiosks, digital checkout solutions and more, are points of communication and convenience.

AND YET..

only

35%

of retailers consider “solving customer pain points” as the important criteria when deciding how to use automation in-store[32]

75%

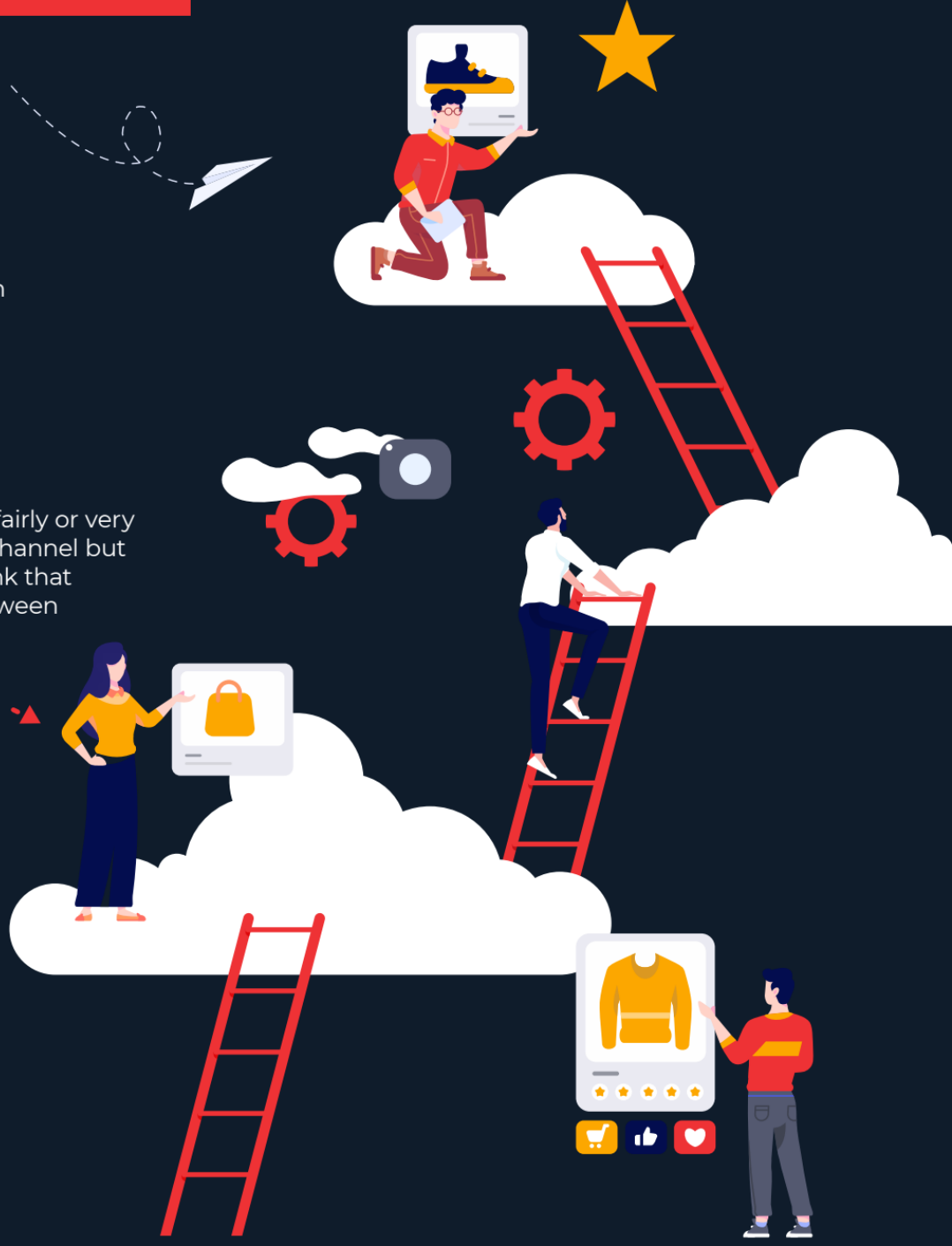
of retailers consider themselves to be fairly or very sophisticated when it comes to omnichannel but **only 50%** of shoppers questioned think that retailers are not joined up enough between their online and in-store operations[33]

75%

of customers want more human interaction as technology improves[34]

59%

of all consumers feel companies have lost touch with the human element of customer experience[35]



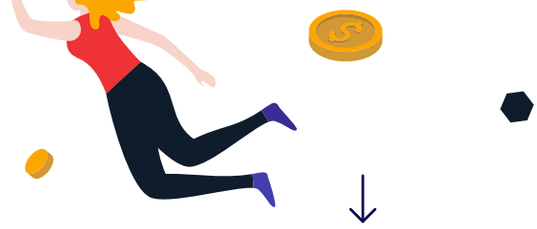
There is an opportunity for retail brands to strengthen their relationships with customers. By effectively employing technology in-store, retailers can create moments of meaningful engagement, personalization and convenience.

LOYALTY IS LUCRATIVE

Experts believe it can be

5-25x

more expensive to attract new members than to retain existing loyalty customers[36]



87%

are comfortable with having their buying habits tracked and monitored if that information is used to personalize a loyalty program[38]

62%

of shoppers could be persuaded to choose one brand over another due to the presence of a loyalty program[37]

CUSTOMERS ALSO CARE ABOUT THEIR ENVIRONMENTAL IMPACT

70%

said they would change their shopping habits if they discovered that a store or brand wasn't operating sustainably[39]

34%

of shoppers think about food waste when grocery shopping[40]

almost

80%

of retailers believe that their sustainability work increases customer loyalty[41]

69%

of consumers overall prefer to shop with retailers that use automation technology to reduce food waste[42]

Digital signs are the attention-grabbing vehicle to clearly communicate about your brand — not only about promotions and prices, but also about values and community. The result is to capture and retain shopper loyalty. An investment in technology shows that you value your customers no matter where they are in the store, or where they are in their shopping journey.

Find out how Scala solutions help retailers attract customers, grow loyalty and build their brand.

With ever-eady hardware including large scale and shelf-edge signage as well as the robust LINQ tablets plus reliable, flexible and scalable software, Scala provides retail brands with the tools they need to maximize their store and provide an unforgettable customer experience.

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