

RETAIL

In-person experiences, services keep shoppers coming back

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Consumers are more likely to return to a store that offers amenities. Image credit: YouGov

By SARAH JONES

While consumers consider retailers' ecommerce convenience when choosing where to shop, physical experiences and amenities remain a key loyalty driver.

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A new report from Fresh Relevance found that 43 percent of consumers prefer to try out merchandise in-store before buying online, and 22 percent prefer retailers that offer amenities. Along with services, retailers should focus on providing convenient ecommerce experiences and personalized communications to gain consumers' repeat business.

"Our research shows that the majority of U.S. consumers are demanding, and just how little it takes for them to move onto engaging with another retailer," said Mike Austin, co-founder and CEO of Fresh Relevance, London.

"A personalized digital experience speaks directly to online-first shoppers," he said. "Imagine having your own personal shopper who knows exactly what you like. By utilizing the data about each shopper, online stores act as a concierge, providing personalized recommendations and focus, without clutter.

"Moreover, brands should really focus on keeping shoppers happy in the delivery/returns department considering consumers named it a top consideration when choosing which retailers to shop from. If they haven't already, brands should be putting plans in place to offer shoppers free returns and, if possible, free two-day shipping.

"It's clear if retailers make the shipping and returns aspect of ecommerce more convenient, they're going to enjoy a lot more repeat business."

Fresh Relevance's [2018 Loyalty Forecast](#), conducted by YouGov, is based on a survey of 1,125 U.S. adults.

Loyalty drivers

Consumers today are faced with more retail options. Additionally, ecommerce allows them to easily switch to a competitor if an experience goes sour.

One of the most important factors in the online environment is ease of use.

Forty-six percent of consumers say that a frustrating ecommerce experience would lower their opinion of a retailer. About a third of shoppers would not buy from a brand if it has a poor mobile experience.

Baby boomers are even more apt to consider ease of use, with seven in 10 saying they would stop buying from a particular ecommerce site if it is difficult to navigate.

Around one-third of consumers would not buy if a brand does not share product reviews. Shoppers also show a desire for consistency, with 31 percent wanting to speak to the same customer service agent that knows their profile each time they call.

One of the most desired ecommerce services is free returns, mentioned by 69 percent of respondents. Baby boomers are most apt to seek out retailers that offer free returns.



Consumers want free expedited delivery and returns. Image credit: Manolo Blahnik

Following free returns is complimentary two-day shipping, with 68 percent noting they want retailers to offer the service. Parents of children under the age of 18 rank free expedited delivery as their top priority.

While ecommerce has grown in importance, physical experiences also have an impact on customer loyalty. About a quarter of consumers say they would be more apt to buy from a pure-play online retailer if they were able to first experience products in a pop-up.

In-store amenities are also perks that sway shoppers, with 29 percent of women saying complimentary services such as personal shopping are essential.

One retailer that has put this into practice is Sephora. The beauty retailer is furthering its focus on innovative and experiential retail with the launch of a spa-style facial treatment in its stores.



Sephora is rolling out a spa-grade facial in stores. Image courtesy of Sephora

In collaboration with The HydraFacial Company, Sephora will now offer the Perk Hydrating Facial to shoppers,

allowing them to get a 30-minute treatment from its beauty advisors. From interactive touchpoints to hands-on discovery, Sephora's strategy for bricks-and-mortar centers on providing an immersive experience, a focus that this facial expands on ([see story](#)).

A quarter of millennials say that experiences such as virtual reality weigh into their decision of which retailer to buy from.

"Despite headlines of legacy retailers shuttering store locations, the death of the physical storefront isn't imminent," Mr. Austin said. "With our data showing that retail experiences have become increasingly important, especially for millennials and female consumers, retailers should create memorable in-store interactions with their brand.

"Experiential retail can offer an aspect of entertainment that enriches the shopper's relationship with the brand and entices long-term loyalty," he said. "Done right, you get a beautiful synergy where online not only makes purchasing easy, but also drives traffic into stores, and the stores reinforce the purchase decision and brand loyalty."

Personalization push

Retail services are important for client retention, but communications also play a role in bringing consumers back.

Two in five consumers will turn away from brands that send them irrelevant emails on a daily basis. About a quarter of customers want retailers to realize when they are buying a gift rather than an item for personal use, avoiding future targeting based on a purchase for someone else.

A quarter of consumers do want product suggestions picked out for them. Twenty-two percent would like to receive emailed ideas of how to style items they just purchased.

While many brands include consumers' names in an attempt to make messaging more individualized, a third of consumers do not care about being addressed by name.

While some retailers are taking full advantage of email marketing, many are lacking basic tenets such as abandoned cart reminders.

This data comes from Dotmailer, an email marketing firm, which released a report surveying email marketing tactics from a large number of retailers to determine what methods they were using and misusing. The data found that while many brands had the most basic email setups, far fewer were making full use of what a simple email can do ([see story](#)).

"Retailers shouldn't think they've mastered personalization if they call their customers by their name in marketing emails as our research shows that more than a third of consumers don't care," Mr. Austin said.

"The key to building long-term customer loyalty is achieving data-driven personalization across all channels," he said. "Tracking customer behavior in real-time, including what web pages they looked at, the products they placed in the cart and purchased, how they engage with marketing emails and also when and how often they visited a physical store and the purchases they made while there, enables marketers to better understand the journey their customers take.

"Using this information to engage them with personalized 1-2-1 communications will improve the customer's experience of shopping with the brand on all channels and devices. A single, holistic customer view is essential and can be achieved by integrating the data that lives in often disjointed systems, such as email service provider, ecommerce platform, POS and marketing database."