



GETTING SET FOR THE HOLIDAYS:

GIVING SHOPPERS THE GIFT
OF THE IDEAL EXPERIENCE

TOSHIBA

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The fun of shopping is never as pronounced as during the holidays. Shopping centers become places to ice skate with family, take pictures with Santa, sip hot cocoa and browse for the perfect gift for a loved one. While purchasing online can eliminate the anxiety of dealing with crowds and long lines, it also takes away the sensory joys of the season.

The 2018 holiday season is poised to be a big one. Last year, [reports](#) showed that sales between Nov. 1 and Dec. 23 were up 4.9%, the largest year-over-year increase since 2011. The National Retail Federation [predicts](#) sales growth of between 4.3% and 4.8% this year, with holiday retail sales that could top \$720 billion.

As retailers stake out their piece of that pie, they should consider how they can bring together the best of both experiences — digital and offline — so that in-store shopping is more convenient, engaging and satisfying than ever.

The good news for brick-and-mortar retail is that shoppers actually prefer in-store shopping: Although Adobe Analytics [found](#) that online shopping hit a record \$108 billion in the US last holiday season, the vast majority of holiday shoppers still went to a store to complete their shopping. In fact, about 84% of holiday purchases happened in stores last year, [according to](#) Gartner L2.

What draws shoppers into stores, particularly in an environment where mobile devices make online shopping so easy? An extensive retail survey by Toshiba found that consumers go to the store to see and feel the quality of items. They make choices by trying products, picking them up and comparing prices.

Shoppers want the store to be the center of information, experience and appreciation. But that's not to say stores always live up to expectations.

While more than three-quarters of consumers said they prefer shopping in brick-and-mortar stores during the holidays, nearly one-third said they would like better in-store customer service, [according to](#) a ChargeItSpot report.

By learning more about what draws shoppers to stores, retailers can leverage their strengths and reduce inconveniences to improve engagement and increase sales. There's no time better than the holidays to bring a brilliant in-store shopping experience to life.



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STEP ONE: RETHINK HUMAN INTERACTIONS AHEAD OF THE HOLIDAYS

One of the biggest values stores can offer shoppers is human interaction. And yet, many retailers offer that interaction at the wrong time. Toshiba's study found that 58% of shoppers would like help from a live person when they are finding a product. Fifty-two percent said they would like a person to greet them at the entrance of a store, and 51% said they prefer human interaction when seeking customer service.

When are shoppers least interested in human interaction? During checkout — often the first time an employee speaks to a customer in a store. Toshiba found that millennials and Gen Xers in particular have a strong preference for self-checkout, with 77% preferring self-checkout, scan-and-go and seamless options to a traditional checkout. The study also found 56% of shoppers between the ages of 50 and 68 have the same preference.

Technology offers a win-win: Retailers can improve the checkout experience by implementing advanced checkout solutions and free up their associates to interact with shoppers at more meaningful times.

Retailers can also consider ways of using their stores to enhance online shopping with improved human interactions. At [Men's Wearhouse](#), in-store salespeople are paid commission to drive online purchases by messaging, video chatting and sending photos of in-store inventory to online shoppers. By bringing the two worlds together, the brand is demonstrating that what matters most is giving customers the best experience.

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STEP TWO: USE TECHNOLOGY TO ENABLE CONVENIENCE

Convenience is often the reason that shoppers go online to make a purchase. However, smart use of technology can frequently make the in-store shopping experience more convenient, particularly during the holiday season.

[Mall of America](#) rolled out a chatbot assistant during the 2017 holiday shopping season to guide visitors and make food and gift recommendations. At such a busy time, this type of service can make shopping easier and more efficient for consumers.

Voice-assisted devices can also enhance convenience and offer a self-service option in stores. In the Toshiba study, 75% of consumers said they were interested in using voice assistance on a store device. Sixty-four percent are open to using voice-assisted devices as a self-service option in the store for coupon printing, and 52% would use voice assistance to obtain loyalty card information. Once again, these are opportunities to free up staff and provide a more seamless, tech-driven experience to in-store shoppers.

No holiday season is complete without returns, and they present another opportunity to use technology to reduce headaches and improve convenience. Last year, many stores [tried](#) innovations such as in-store kiosks, mall concierges and at-home pickup to reduce the headaches of long lines for returns and improve the overall in-store human interactions.

“[Returns have] been a friction-filled part of e-commerce that has held back online shopping,” noted David Sobie, CEO of Happy Returns, which took returns for several retailers at return kiosks in malls.

Nordstrom has realized that in-store returns can be a valuable opportunity to attract online shoppers to visit brick-and-mortar locations. Two-thirds of the retailer’s online customers return merchandise in store, according to the [Wall Street Journal](#). Those shoppers often look around once there, so the store tries to ease the returns process by placing cheery associates and return desks by the entrance. They have also planned an automated returns process for people who want to just drop off their items and go.

Focusing on improving the in-store shopping experience has paid off for [Target](#), whose sales were up 6.5% in the second quarter. Target is spending \$3.5 billion this year on remodeling stores and opening new ones. The facelifts and smaller-format stores are designed to make shopping easier, as are features such as one-hour, in-store pickup for online purchases and drive-up order pickup.



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STEP THREE: USE CUSTOMER EXPERIENCE TO DRIVE YEAR- ROUND LOYALTY

Given how competitive the holiday season is, retailers should be focused on building loyalty with their brand and driving repeat sales. Consider this: It costs five times as much to attract a new customer than to keep an existing one, per Toshiba. The company also found that the probability of selling to an existing customer is 60% to 75%, while the probability of selling to a new prospect is 5% to 20%.

Loyalty was a big piece of Target's recent success.

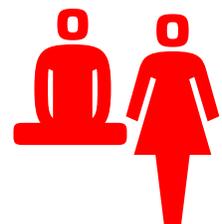
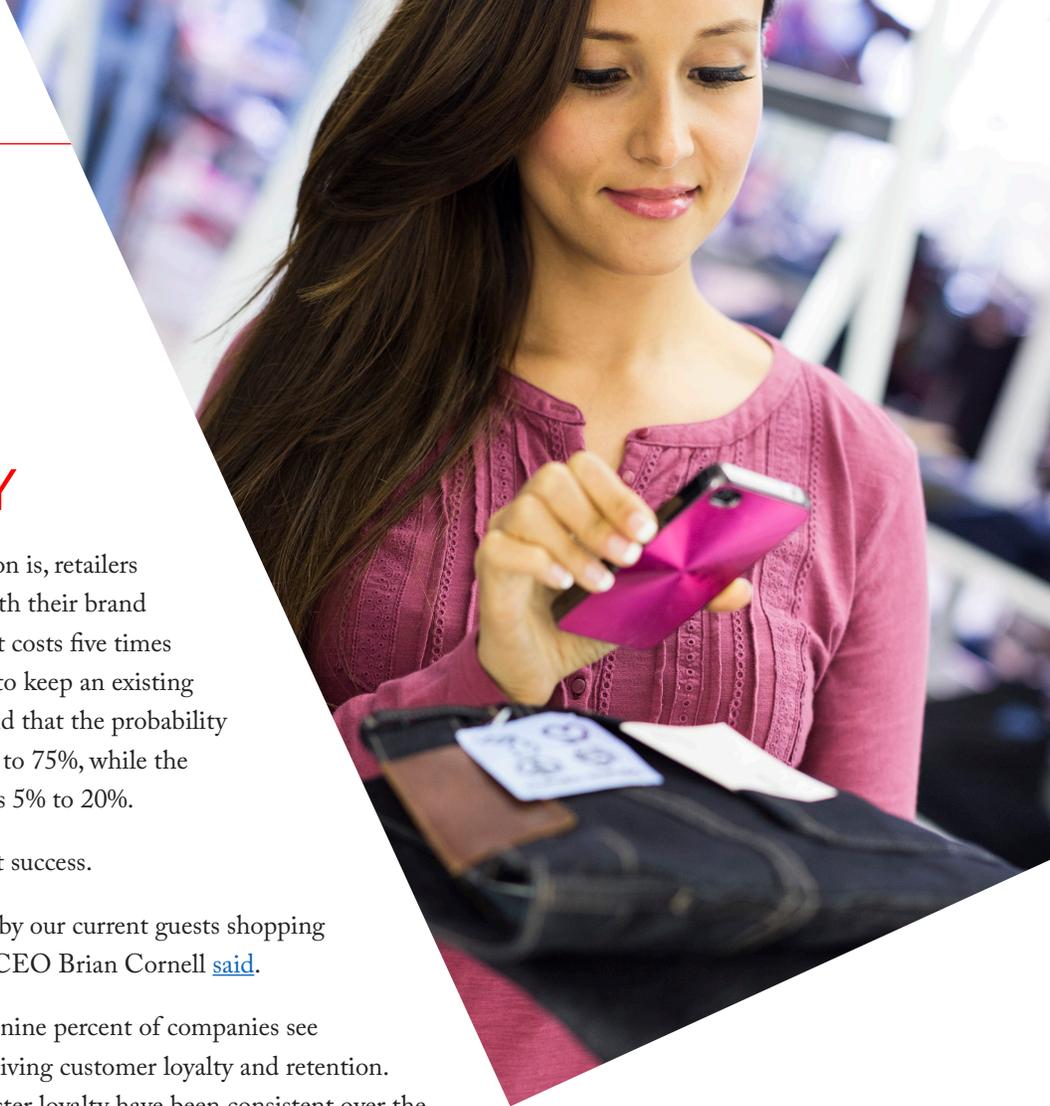
"The lion's share of our traffic was driven by our current guests shopping more often, shopping more categories," CEO Brian Cornell [said](#).

How can retailers foster loyalty? Eighty-nine percent of companies see customer experience as a key factor in driving customer loyalty and retention. Toshiba found that the priorities that foster loyalty have been consistent over the years: better quality products, brands that offer a better value, items that are in stock, better item selection, more trustworthy retailers and stores that are located closer to home.

Rewards can also help brands retain customers and tailor shopping to them. Forty percent of consumers would spend more with a retailer if there was a better loyalty or rewards program, Toshiba found.

A great example of an effective rewards program focused on customer experience is BJ's Wholesale Club. The brand has implemented Toshiba tools to deliver more personalized offers to members and make shopping at stores even more convenient. This includes continued rollout and expansion of self-checkout, as well as mobile shopping solutions.

"We are committed to making shopping at BJ's even more convenient and to strengthening our relationship with our members," BJ's Executive Vice President and Chief Information Officer Scott Kessler said.



89%

of companies see customer experience as a key factor in driving customer loyalty and retention

SEIZE THE MOMENT

Holiday shoppers have more ways to buy than ever, but their preference for browsing and shopping in stores is clear.

Retailers can use this preference for in-store shopping to their advantage. And, as they gear up for the year's busiest season, they can position themselves for success by improving in-store human interactions, integrating technology to boost convenience and fostering loyalty with improved rewards.

Doing so will demonstrate an understanding of customers' preferences and a commitment to them that fosters goodwill well beyond the new year.

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Toshiba Global Commerce Solutions is a global market share leader in retail store technology and retail's first choice for integrated in-store solutions. Together with a global team of dedicated business partners, we achieve brilliant commerce by advancing the future of retail with innovative commerce solutions that enhance customer engagement, transform the in-store experience, and accelerate digital transformation. To learn more, visit toshibacommerce.com and engage with us on [Twitter](#), [LinkedIn](#), [Facebook](#) and [YouTube](#).

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