

The cross-channel conundrum



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Understanding customers' perceptions when it comes to shopping online and in-store

The retailers set to thrive over the next ten years will be those who bring their digital and physical channels closer together. Understanding customer types and behavioural characteristics will help them provide better services – and build repeat custom.

Today, more product ranges, increased price transparency and instant access to thousands of product reviews are taken for granted by many savvy consumers. But what does this mean for retailers who are looking to understand their customers as they jump across channels?

New research from O₂ and Retail Economics looks at how consumers perceive the importance of connectivity with brands and retailers. This is across both digital and physical channels throughout the customer journey, and reveals new trends in today's retail industry.



New ways of shopping

One such trend is 'the generational divide'. Interestingly, our research shows that consumers classed as the 'connectivity assumptive' – those who have grown up with connected devices don't necessarily appreciate the importance of being connected online. However, they are paradoxically more likely to shop across both physical and digital channels.

This is partly due to being generally younger and more naturalised to the digital environment. Consider clothes shopping for example; someone born this century is likely to discover a new outfit on social media, try it on in-store but order it online, then choose to pick it up from a collection point of their choice.



In partnership with **Retail Economics**

Store vs online

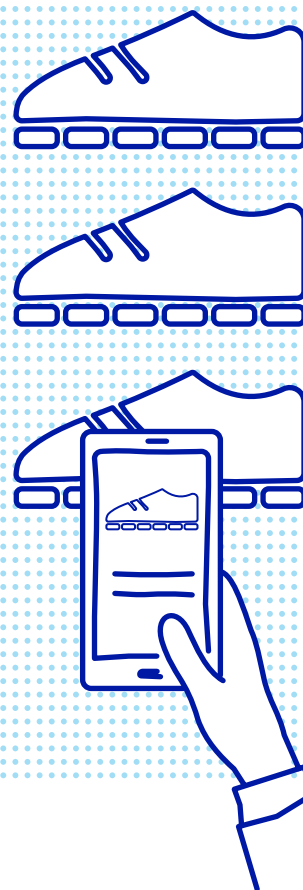
Our research shows that well over half of 'connectivity assumptive' customers (57%) have browsed products online while in a physical store; and around half (47%) have actually bought a product online while shopping in-store. Although these customers don't to appreciate being connected as much, their actual behaviour indicates otherwise.

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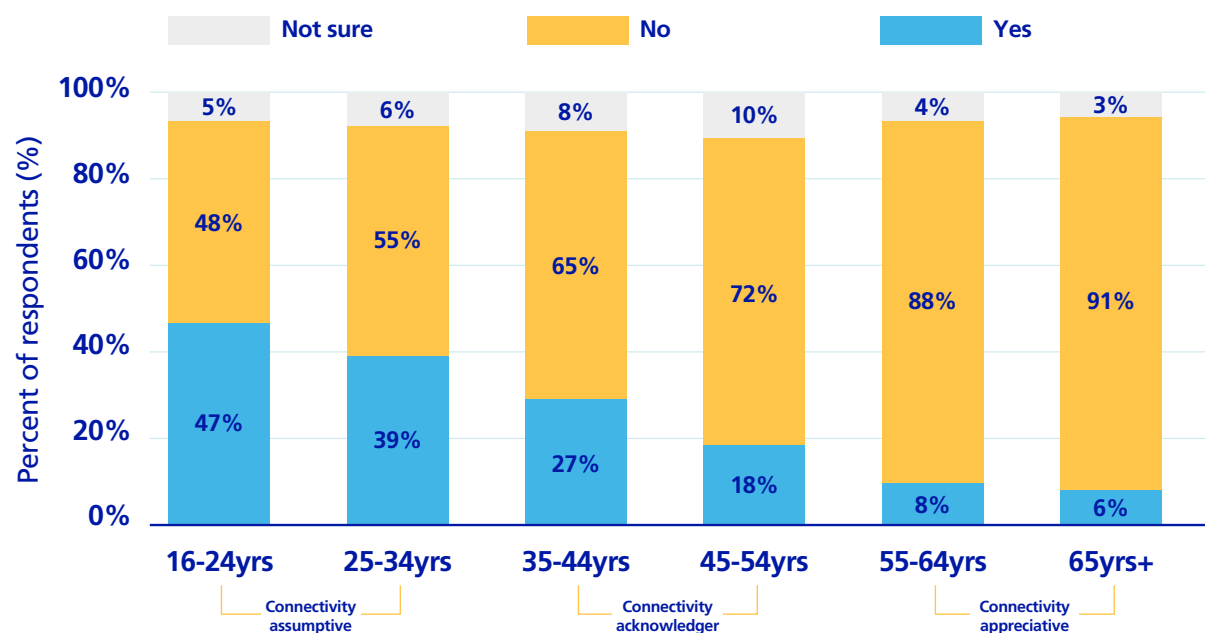
Connectivity has enabled these consumers to behave like this, hopping between channels and forcing retailers and brands to work harder to secure loyalty and sales.

An important finding to note though is that these consumers are not looking to stop visiting stores. They still want them. However, they want them to be more exciting, integrated and to serve them in more convenient ways.

Footwear retailer Schuh, for example, has rolled out wifi across its estate, encouraging customers to use their own devices in-store to independently research and order products.

Using in-store devices...

How responsive are age groups?



Source: Retail Economics, n=2,000 nationally representative and active online consumers, April 2020

Beyond using their own devices, younger shoppers are the most open to using in-store digital touchpoints, such as tablets. More than a third (35%) of 16-24-year olds have used a retailer's digital device in-store to view extended product ranges online, compared to just 8% of over 65s.

What's more, although the majority have not used retailer-provided digital touch points in-store, some two-fifths (42%) of the 'connectivity assumptive' and around half of the 'connectivity acknowledgers' – those who say that being connected online is fairly important – would consider doing so if it was available.

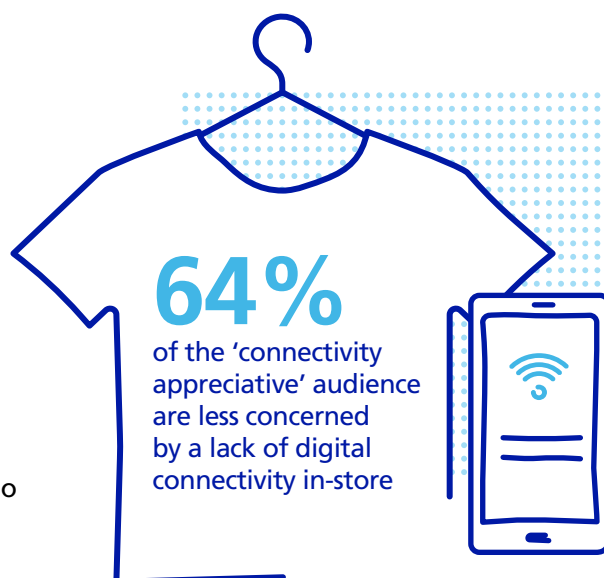
Retail brands are becoming aware of this. Adidas recently teamed up with Snapchat to enable customers to try on virtual trainers in-store. Users would scan a 'Snapcode' in-store using their smartphone to launch the augmented reality (AR) app. This then showed them what the latest footwear would look like by pointing the camera at their feet.



...but only if they're reliable

While younger shoppers are more open minded to using such devices in shops, they need to be dependable to add to the experience. Almost half (48%) of 'connectivity assumptive' customers agree that in-store shopping experiences are more frustrating if they cannot connect online to research a potential purchase. Again, while they identify as appreciating being connected less, their behaviour indicates the complete opposite.

Conversely, the 'connectivity appreciative' audience – those who say that it is very important to be connected to brands online – are less concerned by a lack of digital connectivity in-store. A significant 64% say it wouldn't bother them.



The big picture

The insights in this article are taken from our The Big Ask report, published in collaboration with Retail Economics. For retailers and brands developing integrated approaches to engage their customers in an era of disruption, this report sheds light on the key issues and solutions in play. [You can download the full report here.](#)

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