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# **LISTEN UP!** **THE PEOPLE HAVE SPOKEN!**

New JDA Survey Reveals the **CURE FOR THE STORE**

**THE 2017 CONSUMER SURVEY**

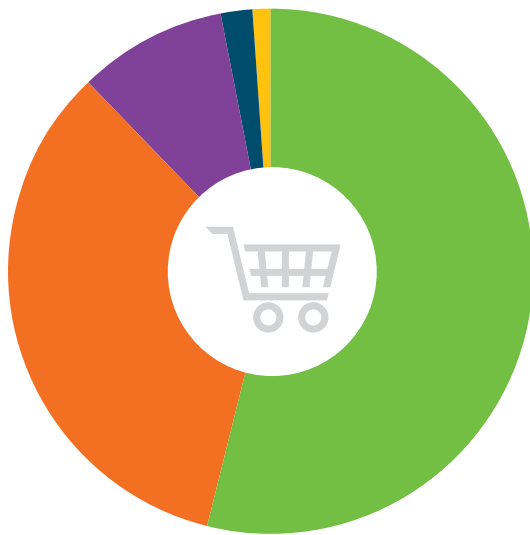
# To Stay Competitive, Retailers Must Incentivize Convenient Fulfillment Options

While the brick-and-mortar store will continue to be the hub of a successful omni-channel commerce strategy, findings from the third annual JDA Consumer Survey of more than 1,000 U.S. consumers show that only about half of consumers – 54 percent – prefer to shop in-store.

Contrary to conventional knowledge, more than half of respondents said they do not expect to have an “experience” when shopping in-store. Shoppers place a higher value on their time, with three in four survey respondents preferring a quick and easy shopping experience over a personalized experience.

To make the store a pivotal competitive differentiator against online outlets, and bring more traffic into the store, retailers should embrace popular – and convenient – fulfillment options like buy online pickup in store (BOPIS) and buy online return in store (BORIS).

## Preferred Shopping Method



In Store  
**54%**

Online (Computer)  
**34%**

Online (Mobile)  
**9%**

Retailer Mobile App  
**2%**

Social Media  
**1%**



# BOPIS creates a win-win for retailers and shoppers

Many consumers prefer to shop in-store rather than online because they want their purchases immediately. Home delivery – even next-day – cannot fully replicate the instant gratification of buying products in the store and taking them home. BOPIS gives customers the option of conveniently searching and buying merchandise online, and provides that gratification of getting their purchases almost immediately.

So, just how could BOPIS be a cure for the store? By creating a win-win situation for shoppers and retailers through incentives. Per the survey findings, 46 percent of respondents said they prefer to shop online. Half of respondents, however, said that they used BOPIS in the previous 12 months – up a whopping 43 percent since the first JDA Consumer Survey in 2015!

Survey respondents reported that they used BOPIS to avoid home delivery charges (40 percent), to get their merchandise sooner (33 percent), for convenience (12 percent), because they wanted to see the actual item (8 percent), and because they felt more confident they would receive their purchases vs. home delivery (7 percent).

Respondents reporting that they used BOPIS in previous 12 months:



When shoppers utilize BOPIS, it gives retailers an opportunity to boost store sales. Nearly half of respondents who use BOPIS said that they make additional purchases in-store when picking up their online purchases. Retailers who incentivize use of BOPIS by online shoppers will increase sales within the store and maintain the margin in favor of the store. Incentives work! Eighty percent of respondents said that they would be more likely to use BOPIS if they received a discount.

Retailers must make the BOPIS option a convenient one, however. Nearly half of respondents experienced some issues with BOPIS, mostly relating to mismanaged staffing issues, such as having no dedicated staff (17 percent) and taking a long time to find the order in the system (23 percent). These numbers are up slightly over 2016 (15 percent and 22 percent respectively) and highlight the need for improved workforce management for these fulfillment channels.



# BORIS eases returns frustrations

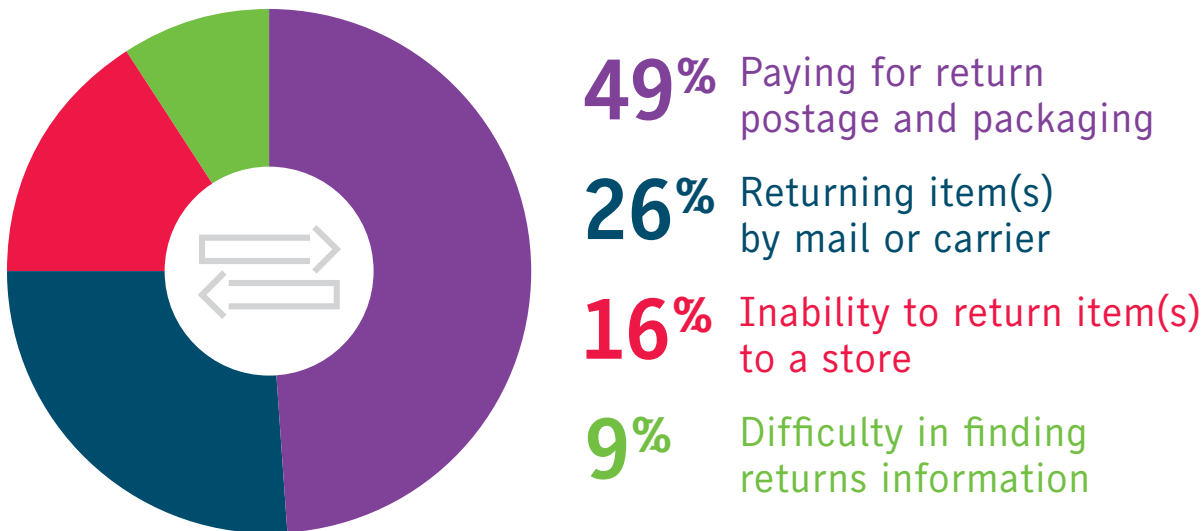
Consumers want to know that if they wish to return an item bought online, they can return it how and where they want. If returning a purchase proves difficult, customers will be less likely to make a future purchase online.

Although not as widely used as BOPIS, BORIS is emerging as a core consumer preference, with 70 percent responding that they used the service in the previous 12 months. This is an increase of 50 percent year over year.

Seventy percent of respondents said they prefer to return an online purchase to the store. Reasons include not wanting to deal with the hassle of return deliveries (33 percent), wishing to receive a refund/exchange sooner (17 percent), and wanting to speak to someone in person due to poor customer support (5 percent).

Like BOPIS, incentivizing use of BORIS through a quick and easy experience also creates an opportunity for converting an online buyer. If a customer can return an item in-store, he or she may exchange it for something else or even buy more merchandise, offsetting the cost of returns.

## Biggest Frustration with Online Returns



# Looking ahead to the 2017 holiday shopping season

When it comes to holiday shopping, consumers favor online Cyber Monday purchases (25 percent) over Black Friday in-store deals (12 percent), and roughly 6 percent prefer making their holiday purchases during Amazon Prime Day.

It is worth noting that sales that take place throughout the year are preferred by most shoppers. More than half of survey respondents (57 percent) said they would rather complete their holiday shopping outside of the holiday season rush. Year-round sales, both in-store and online, continue to push customers away from the traditional holiday shopping experience. Retailers should take note that more than half (53 percent) of respondents said they occasionally buy more items than they planned when shopping during a sale event.

## Preferences for Holiday Shopping



## Social media and membership programs play a role

People post on myriad social media about their favorite brands and products. Some users with large followings may be incentivized to do so by receiving free products. Social media is clearly emerging as a new channel that retailers can leverage to drive in-store sales, and influence shoppers' sentiment about their brand.

In this year's JDA Consumer Survey, around a quarter of respondents said they have leveraged social media to purchase an item online. Not surprisingly, those in the 18-29 age range were more likely to utilize social media (35 percent).

Loyalty memberships – like Amazon Prime and Costco – are becoming increasingly popular with 71 percent of respondents saying they have paid memberships. For many consumers, the allure of saving is worth the money spent each year on the membership. Of those respondents who report having a paid loyalty membership (735 respondents), two-thirds said that they will first check to see if they can purchase an item from the retailer with whom they have the membership before searching elsewhere.

Subscription box services (Birch Box, Dollar Shave Club, etc.) have yet to make major inroads in consumer use, with only about one in four respondents saying they use them. Interestingly, of those who do, 85 percent also have paid loyalty memberships.

## Social Media Preferences for Shopping



Facebook  
81%



Instagram  
27%



Pinterest  
22%



Twitter  
10%

## Convenience wins out for both retailers and consumers

JDA's 2017 Consumer Survey highlights the changing role of stores. In these fast-changing times, retailers are finding that it is no longer sufficient to compete on price and quality alone. While the store is still the preferred option for most consumers, it is only by a slim margin.

Consumers value their time and prefer a convenient shopping experience. Having the option to purchase an item online and then pick it up in the store allows consumers to skip the long checkout lines, eliminate delivery times and save on shipment costs. Likewise, giving customers the option to return their online purchases to the store removes the hassle of return deliveries.

Adopting BOPIS and BORIS services fulfills consumers' desire for convenience and will be a key factor in maintaining the edge in favor of the store over online options. By incentivizing use of BOPIS and BORIS – even during peak shopping seasons – retailers can not only snag the online sale, but drive traffic to their stores and encourage further purchases.





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