



retail industry trends shaping the future of CX





Between rapidly evolving expectations + behaviors and the ongoing consumer-led digital transformation, 2020 has been a landmark year of changes and operational challenges for the retail industry.

While many COVID-specific trends will fade over time, some changes ushered in by the pandemic *are* here to stay. Brands need to be aware of how these changes are impacting the customer experience — and use their experience management (XM) programs to keep pace.

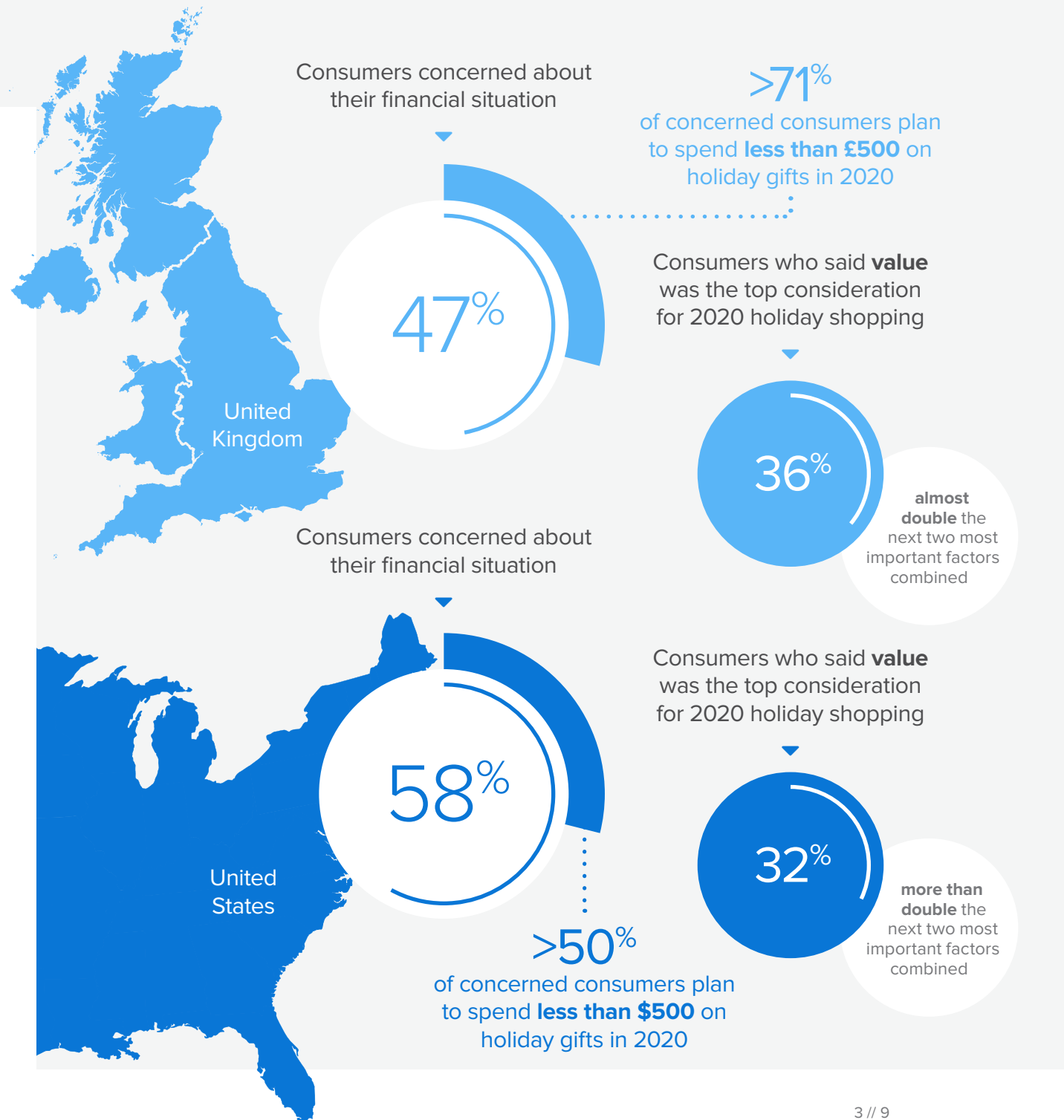
We've used research from US + UK consumers to outline **4 forward-looking trends** to keep top-of-mind when planning for 2021 — and **3 takeaways** that will help retailers improve CX.



TREND #1

Perceived value will drive purchase decisions until economic uncertainty subsides

Following the financial fallout of COVID-19 and historic unemployment rates, consumers quickly scaled back budgets and turned to big box retailers, where they can consolidate shopping trips *and* save money. If **holiday shopping trends** are any indication, expect this to linger well into 2021.



TREND #2

The accelerated surge in digital and cross-channel shopping will redefine the customer journey

With health + safety top of mind, consumers continue to forego in-store shopping for the safety and convenience of e-commerce options, where CX scores typically lag the in-store experience and problems occur more frequently. As more customers research and purchase products online, brands will have to take a critical eye to their digital transformation maturity.



146%

growth in all online retail orders in the U.S. + Canada alone since the beginning of the pandemic*



8-9x

increase in curbside pickup usage compared to pre-COVID



15%

problem occurrence for Buy Online, Pickup In-Store

*SimilarWeb | New Marketing Trends and Strategies for eCommerce Shops in 2020 | August 2020

TREND #3

Brick-and-mortar stores will have to be reconfigured—or repurposed

As traditional retailers overhaul out-of-store fulfillment channels to remain competitive, many brands have shifted from opening stores to developing new fulfillment centers. For brands not opening fulfillment centers, stores are also having to fulfill online orders. To succeed, brands will have to manage inventory and ensure merchandise availability in the face of disrupted global supply chains.

8,000+

projected store closures in 2020*

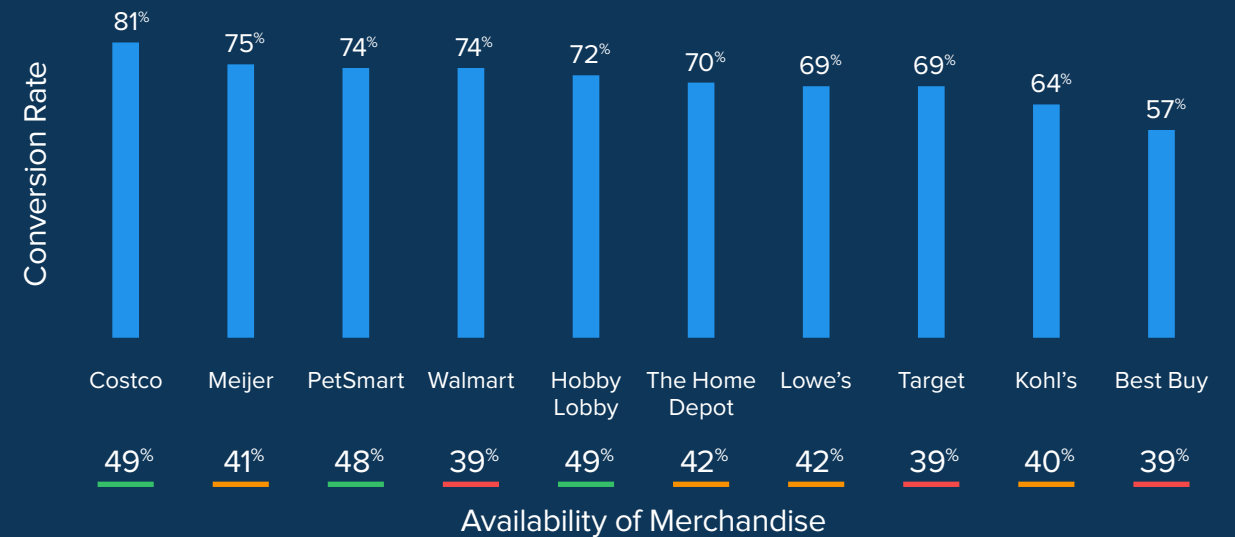


9.4%

increase in U.S. warehouse square footage since 2014*



For in-store shopping, brands with higher Availability of Merchandise scores see stronger purchase conversion rates



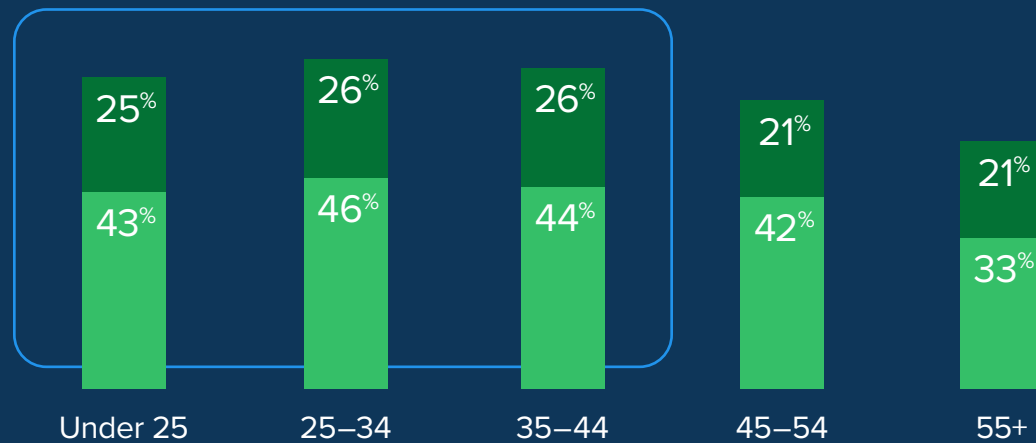
*CNBC | Beyond Amazon Prime Day: 4 ways e-commerce has shaken up the retail industry over the past 5 years | October 2020

Trend to watch in 2021: Emphasis on contactless experiences may force retailers to reconsider scan-and-go models in 2021

While retail giants like Amazon and Walmart have been testing the scan-and-go waters since 2018, broader adoption among U.S. retailers and consumers remains stagnant. But that could change as retailers continue to innovate their approach to contactless in-store shopping.

Interest in scan-and-go shopping is higher among younger demographics

- Interested
- Very Interested



30%
of respondents have
tried scan-and-go
shopping

94%
Overall Satisfaction
with scan-and-go
experience

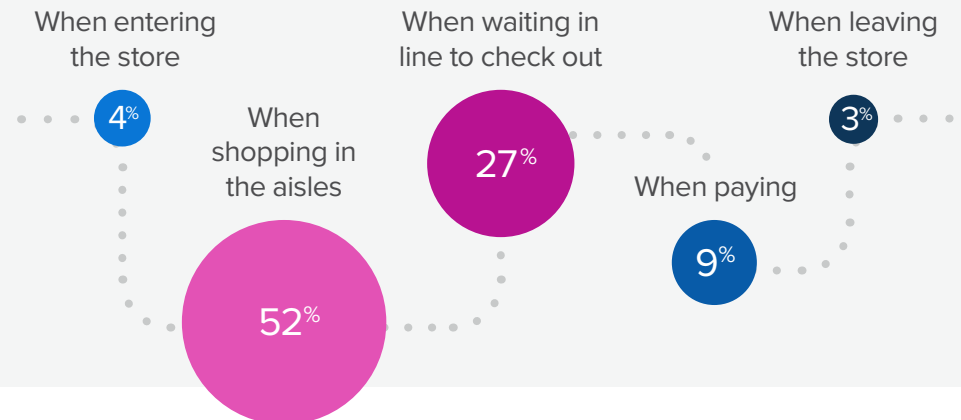
TREND #4




Heightened health + safety concerns will continue to reshape front-line service expectations

With more than half of customers worried about contracting the virus while shopping in store, brands must focus training initiatives on cleanliness + hygiene standards. At minimum, customers expect adherence to social distancing guidelines, appropriate PPE being worn, and staff cleaning frequently touched surfaces.

Customers are most concerned about health + safety while in aisles + checkout lines, where they're near other customers

At what point during your experience are you most concerned about getting too close to other people?



1 in 4    consumers have stopped shopping a brand because they felt unsafe

6.3x  higher Overall Satisfaction for customers who are Highly Satisfied with health + safety

3 takeaways to help retailers improve CX in 2021

1

Articulate your value proposition clearly + consistently

As long as financial concerns are high, brands looking to maintain (or regain) loyalty will have to demonstrate the value of their products and services.

2

Prioritize digital experiences + level-set customer expectations

Retailers must evolve their strategies for inventory management, warehouse distribution center best practices, and customer communications regarding order fulfillment.

3

Refine front-line training modules to emphasize sustained health + safety service standards

Continue training long-term + seasonal staff on how to deliver exceptional customer service while still adhering to brand-specific safety guidelines.

Navigate the digital transformation without compromising on CX

If your digital transformation strategy still isn't producing significant ROI, it may be time for a revamp. Download the best practice guide to see 5 common pitfalls to avoid and 3 trends to adopt now.



[GET THE GUIDE ►](#)

As the customer journey changes, stay connected at every turn

SMG works with more than 500 of the world's leading brands—including 30% of the NRF's top 20. By combining end-to-end measurement solutions with integrated reporting tools and hands-on professional services, we help retailers navigate uncertainty with precision and adapt with agility.

To learn more, visit www.smg.com/request-a-demo.

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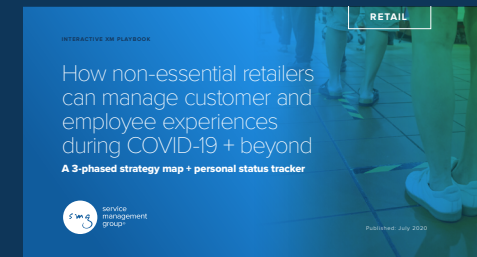
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SMG's interactive XM playbook lays out retailer-specific recommendations to help brands set priorities, stay on-task, + evolve their experience management strategy throughout the various stages of the pandemic.



[GET PLAYBOOK ►](#)



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