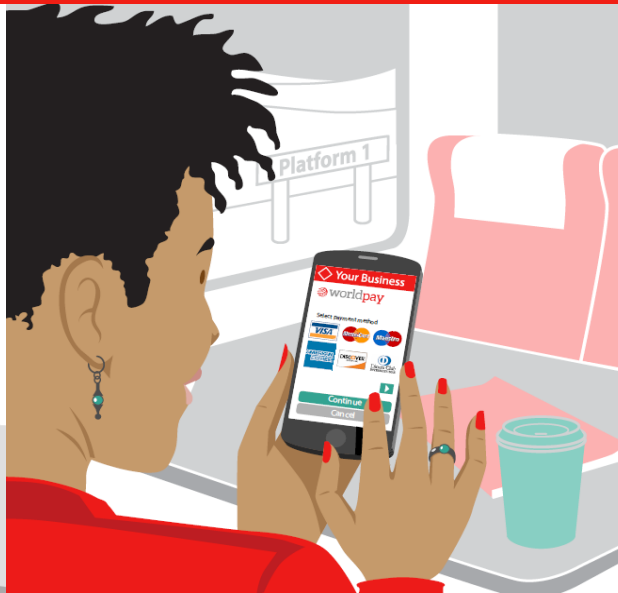




The Store of the Future and the Role of Omni-Channel Payments in Driving Business Growth





Consumers think of shopping as one experience, whether online, in-store or on a mobile device, and so must businesses.





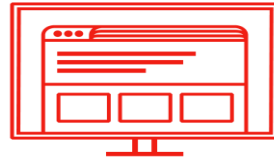
Consumer behaviour is changing

Consumer behaviour is blurring the channels

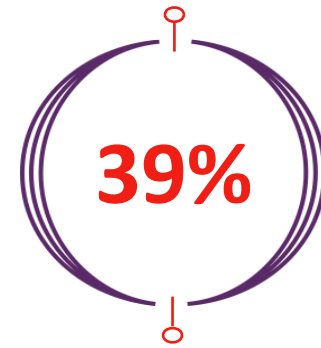
Consumers think of shopping as one experience – regardless of channel.



80% of smartphone shoppers use their mobile in-store to help with shopping.



More than 50% of purchases are now influenced by digital information.



39% of retailers use in-store signage to convert customers to digital.

The customer journey today is dynamic, accessible, and continuous

Retailers can create value by integrating retail channels with social media, online, and mobile channels.



start shopping on one device...



...and finish on another.

- In the UK, more than 60% of online adults use at least two devices every day and nearly 25% use three devices.

63% of shoppers use multiple channels when making orders over £100

Consumers now expect the same experience across multiple shopping channels, including the same products being available both online and in-store.

VIEW IN-STORE, BUY ONLINE



Also known as “showrooming”, this tactic has continued to increase in popularity. 80% of smartphone shoppers use their mobile in-store to help with purchase decisions. Popular in clothing, entertainment, and electronics.

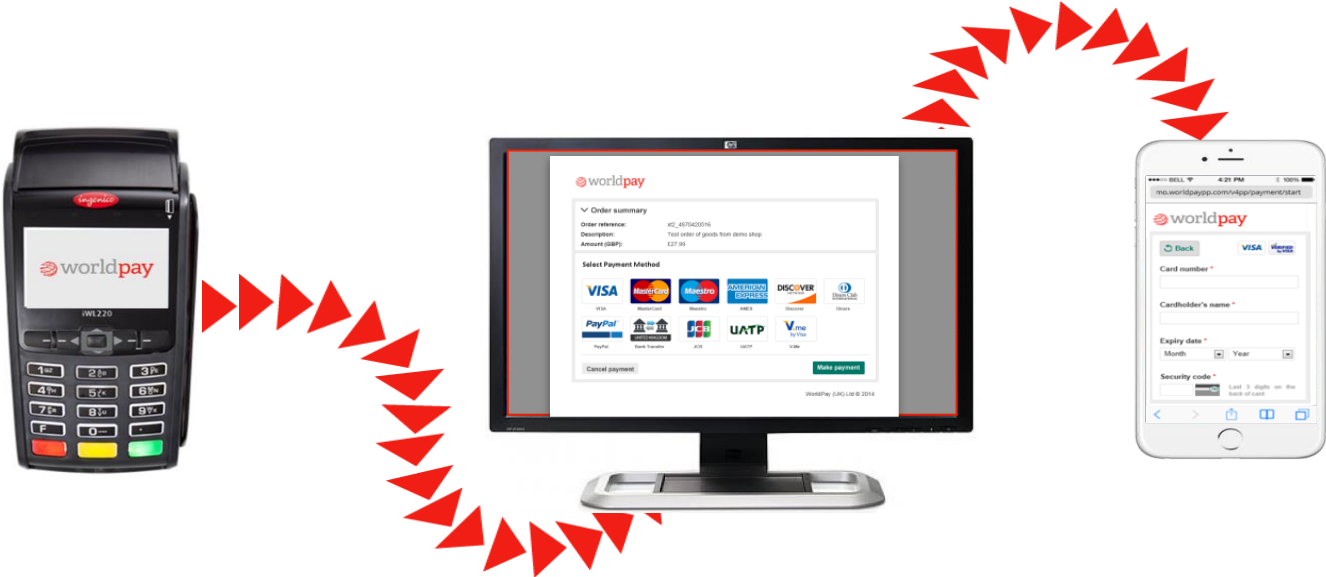
VIEW ONLINE, BUY IN-STORE



The opposite of showrooming, consumers mainly use for convenience, especially if they need a product immediately. This should become more common as in-store inventory visibility increases on eCommerce sites. Also common for consumers who want to avoid shipping costs.

Omni-channel shoppers spend between 50-300% more than single channel shoppers

Consumers will reward a connected journey, one that is seamless regardless of where and how they pay.



In-store

Desktop

Mobile



What does this mean for the store of the future?

The Store of The Future

Technology is changing the way we shop by re-defining the in-store environment

Smart Lighting

Lighting communicates via Bluetooth with shopper's smartphones offering navigational assistance.

Augmented Reality

Digital screens project imagery, provide recommendations and display product reviews based on customer preferences.

Payment

Mobile payment eliminates the need tills, reducing queues and freeing up floor space for displays.

3D Printing

Customers can create their own unique gifts while they wait.

Collection Points

Customers can opt to collect pre gift-wrapped items at designated areas near store exits.

Facial Recognition

Alerts staff to repeat customers, providing information on preferences and recent transactions to deliver personalised recommendations.

Stock Tracking

Mobile device provide a direct link to store's eCommerce platform. Out of stock items can be ordered and paid for in-store.



Retailers will create a ubiquitous basket to leverage omni-channel

Despite the inherent challenges, the retailer will need to provide a seamless service across all channels.



1

Customer searches for items on tablet and reserves chosen item at nearest store.



2

Customer's digital cart is sync'd with the store database, prompting associates to expect arrival and prepare item.



3

Customer enters store and is greeted by the sales associate who addresses them by name. The associate shows customer to the nearest fitting room where their item is waiting.

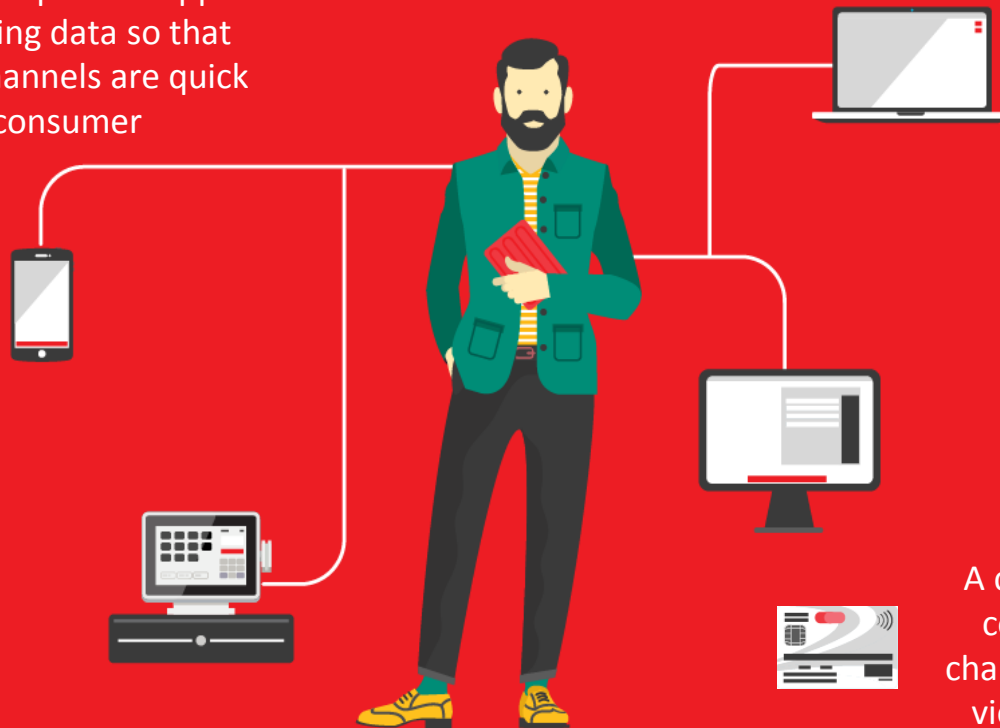


4

Customer picks up the item and then uses smartphone to find a voucher online – which they apply to their basket (saving 20%). Customer uses their phone to checkout at a kiosk or till.

How can payments help Omni-channel work - Tokenisation

Tokenisation can help join up the shopper experience, securely storing data so that future purchases across channels are quick and simple for the consumer



A common token for the consumer across your channels gives you a single view of your customers



The impact for business

What does Omni-channel mean for businesses?



An alignment of all back-office systems to support a uniform customer experience.



Omni channel can help solve the needs of multiple stakeholders but success requires clear “ownership”

CIO Needs

- Better management of back office systems to deliver optimal CRM.
- Simplify complex regulatory and security needs, like PCI, across different countries.
- Help drive a differentiated and personal shopping experience.
- Optimise my business to drive cost savings and consolidation.

CMO Needs

- Understand who the customer is regardless of channel.
- Help develop greater customer loyalty.
- Increase store footfall and maximise in store experience.
- Better management of stock and promotions across the store and web.

Retail Operation Needs

- Move from fixed EPOS to support a frictionless in-store experience.
- Create a ubiquitous basket across all channels.
- Find new ways to delight consumers.
- Be more agile, flexible and prepared for fast pace of change.
- Assign profit margins and sales to different channels.

5 key considerations for omni-channel champions

Personalisation and convenience across channels will be key for omni-channel success.

1

Brands must help consumers make informed decisions. Across all channels, shoppers use around 10 sources of information to make a decision. This includes watching TV ads, looking up websites, talking to family and friends, and reading reviews. Brands must make sure customers have enough information to buy - available at their fingertips.

2

Consumers expect trust. Research has shown that conversions go up by 133% when trusted people recommend products. Customers are comparing brands and products in real-time. Businesses can sell more with relevant information, including social data to create a personalised marketing approach.

3

Store Fulfilment & Experience will change. Insight driven in-store brand 'experiences' will gain more importance with the online channels supporting within store. The ability for consumers to check availability of products before visiting the store is essential. This is due to consumers not wanting to "waste" a trip to the store if a product is unavailable. Companies will use the store as a warehouse to ship goods.

4

Get your mobile strategy right. Revenue spend on mobile is growing, and expected to account for almost 50% of online sales by 2018. More than that, they'll be essential to search, order, buy and collect. It is the most essential tool in the consumer armoury, so businesses must focus on how it will best support the customer journey.

5

Buy anywhere and collect everywhere. Several major retailers are beginning to understand how can consumers create a cart online and continue shopping with the same cart in-store? Even if they can't find all of their items in-store, consumers will be able to pay for the rest of their cart at a point-of-sale device in the store and have items shipped to their home.

"Across all channels, shoppers use around 10 sources of information to make a decision"



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