

SOTI.

CONNECTING EVERYTHING

THE TECH EFFECT: STRENGTHENING THE OMNICHANNEL TO MEET CONSUMER DEMANDS



WELCOME

Retailers are now required to master both online and in-store experiences while rapidly adopting technologies that enhance the relationship between the two.



Shash Anand, SVP, Product Strategy

Over the past two years, the retail sector has experienced a massive and rapid transformation. Consumers turned to e-commerce and digital platforms to purchase goods in response to the pandemic. Additionally, the global supply chain crisis has completely disrupted almost every aspect of commerce. SOTI's previous 2022 retail report, *From Clicks to Ships: The State of Mobility in Retail*, identified how consumer buying behaviors shifted based on these global events. It fundamentally changed how, where and when people shop. At the same time, retailers needed to respond to this shift through the deployment of digital technology to support elevated consumer demands.

Today, retail is facing new external pressures and is feeling the impact of global events. Rising inflation rates, supply chain crisis and a rise in the cost of living has impacted the global economy. For example, the rising cost of fuel has naturally increased delivery costs for businesses at a time where changing consumer behavior has led to 61% planning

to continue buying online for direct delivery. Retailers are now required to master both online and in-store experiences while rapidly adopting technologies that enhance the relationship between the two.

These cost factors inflate consumer expectations of goods and the associated customer service they receive. In turn, business-critical mobile devices are becoming more strategic than ever, from handheld point of sale (POS) devices, mobile printers and barcode scanners, through to new app development and rollout. Retailers need to provide accurate information throughout the entire supply chain and ultimately into the hands of consumers.

As evidence of this ongoing shift in expectations, in 2022, we reported that 45% would rather shop online than in-store. Moving one year forward, that figure remains stable at 46%. While still emphasizing the strength of e-commerce, the research confirms a consistent leaning towards hybrid shopping and not the complete shift towards online that was initially predicted during lockdown periods.

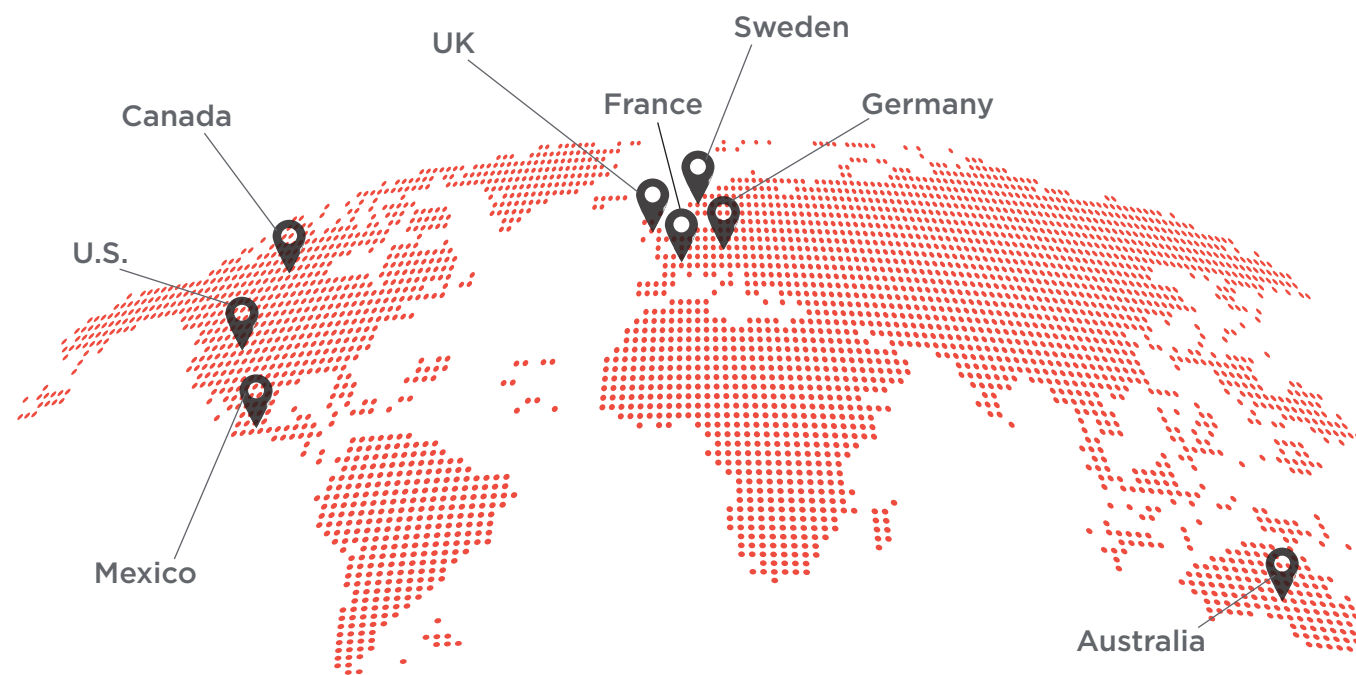
This is where our 2023 retail report begins. Leveraging findings from 10,000 people across eight countries and three continents, SOTI outlines current consumer pain points, what their preferences are in the aftermath of the pandemic and where they are demanding improvements in the omnichannel shopping experience.

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METHODOLOGY

SOTI's research was conducted between October 26 and November 3, 2022, via 10,000 online interviews with people aged 18 to 65 years old. The sample was nationally representative with quotas for age, gender and region set. The 10,000 interviews were split across eight markets. These were: U.S. (2,000), Canada (1,000), Mexico (1,000), UK (2,000), Germany (1,000), France (1,000), Sweden (1,000) and Australia (1,000). In addition to presenting global, overarching trends, the results were broken down into individual market tables and regional samples. The results were then compared against the 2022 report to provide year-over-year comparisons.



10,000 INTERVIEWS

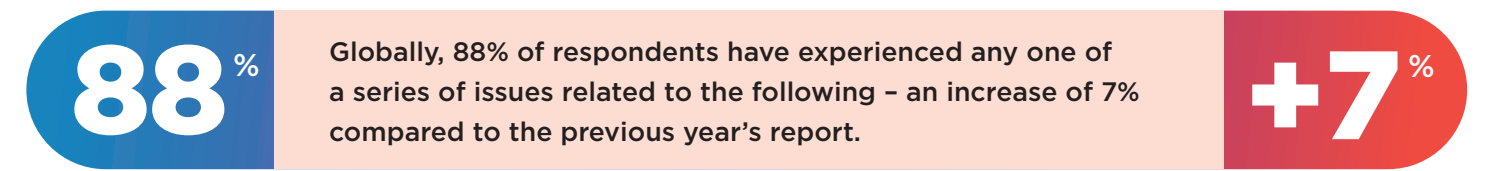


HEIGHTENED EXPECTATIONS CREATE INCREASED ISSUES

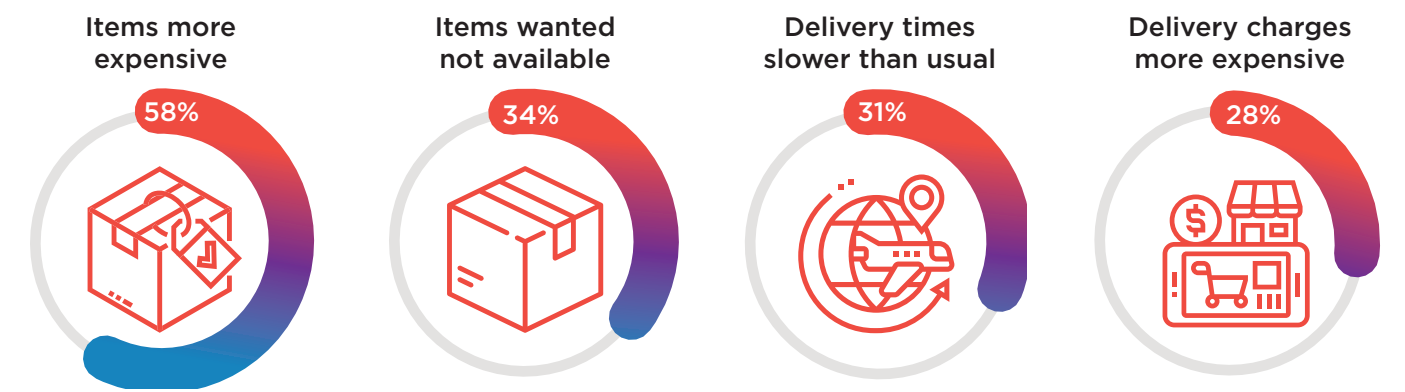
This year's report begins with an overview of consumer pain points and expectations. There is a huge opportunity facing retailers amid the resurgence of in-store shopping.

The question is, are retailers giving shoppers what they really want?

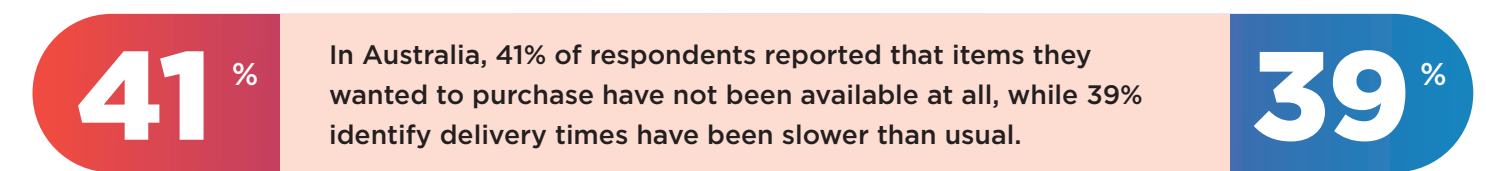
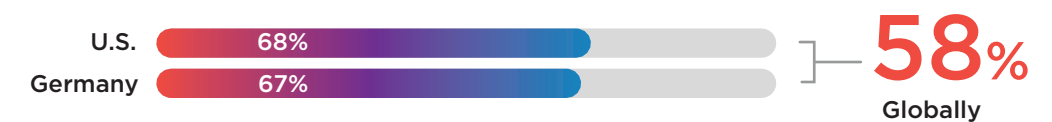
CONSUMER PAIN POINTS



These issues span



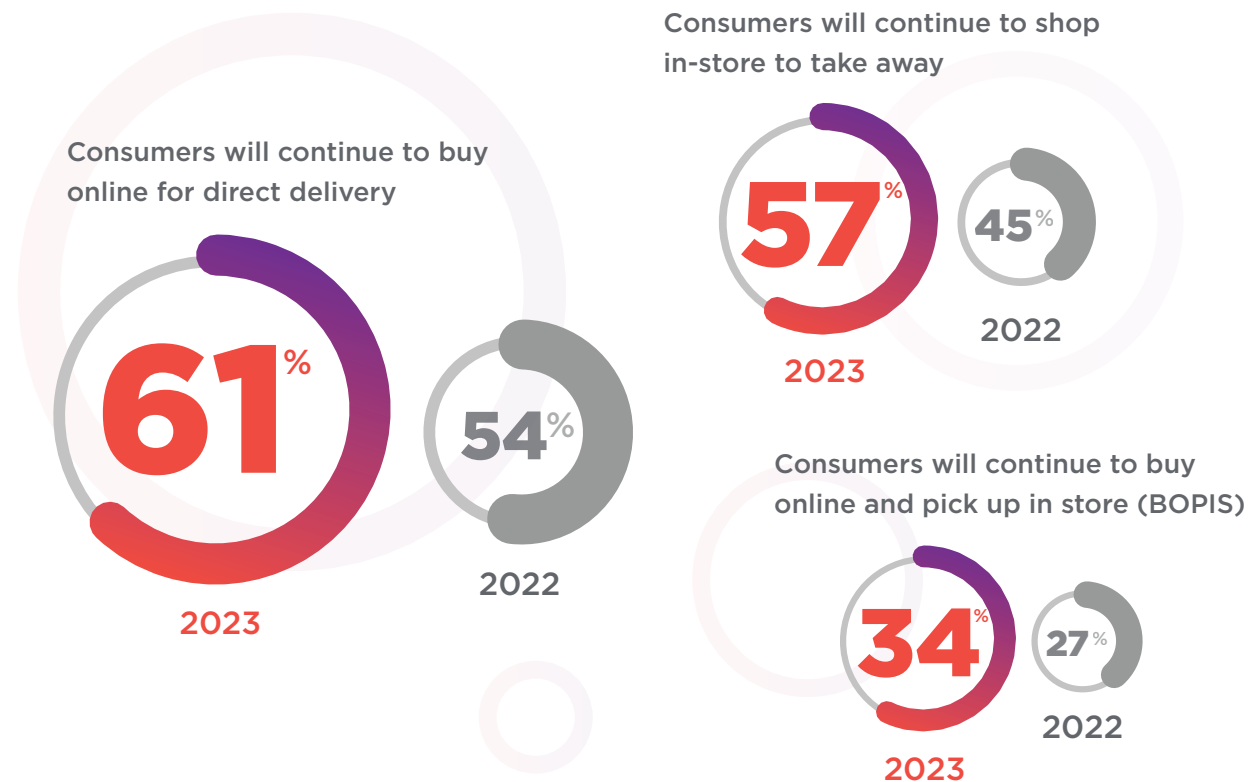
Furthermore, 58% of consumers report items are more expensive than last year, a figure that jumps to 67% in Germany, 68% in the U.S. and an overall rise of 21% from our 2022 report (48%).





CONSUMER INTENTION

Consumer expectations around omnichannel availability and fulfillment are not being met, yet shopping across almost every method is on the rise in 2023. When asked what purchase methods consumers will continue to do, respondents indicated the following:



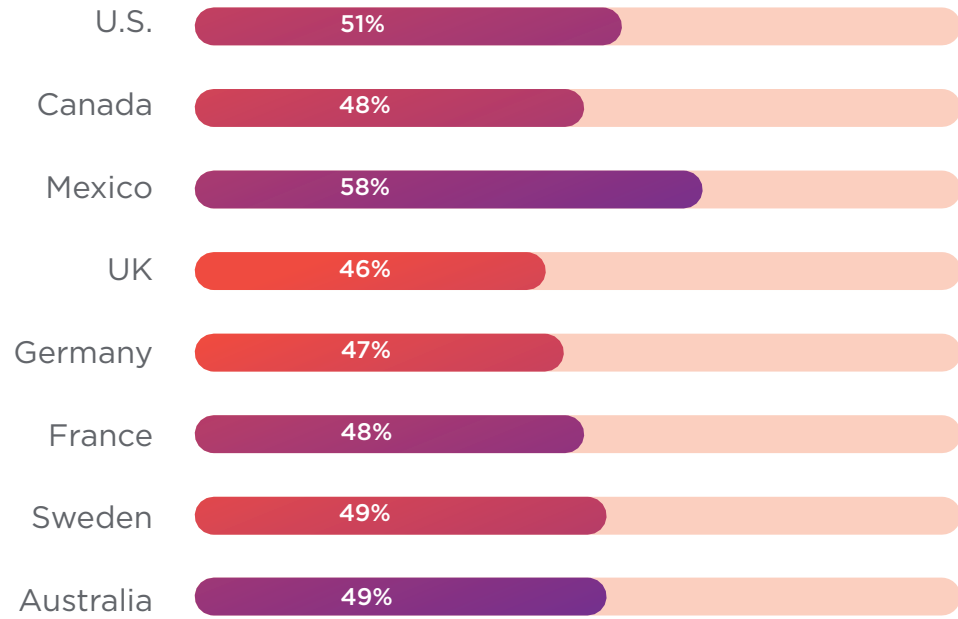
Consumers are now back in stores while maintaining their online presence. Despite consumers' financial strains, the hybrid retail experience is changing shopper behavior, and retailers must ensure they have the technology in place to monitor and manage this effectively.

This year's findings show 57% of consumers globally will continue to shop in-store and take purchases with them, compared to 45% in SOTI's 2022 retail report. Additionally, 61% of consumers will continue buying online for direct delivery (54% in 2022) and 34% prefer to BOPIS (27% in 2022).

This emphasizes the need for a more connected, seamless and digitized supply chain operation to improve communication of the availability of goods and delivery methods. It also paves the way for retailers to add additional value to consumers in order to capitalize on demand.

For example, online retailers should continue to explore the possibility of pop-up shops to meet the demand for a hybrid experience, while physical stores should focus on an exceptional and personalized shopping experience.

I PREFER TO SHOP WITH RETAILERS THAT GIVE ME AN EXPERIENCE THAT IS PERSONALIZED TO ME AND MY PREFERENCES

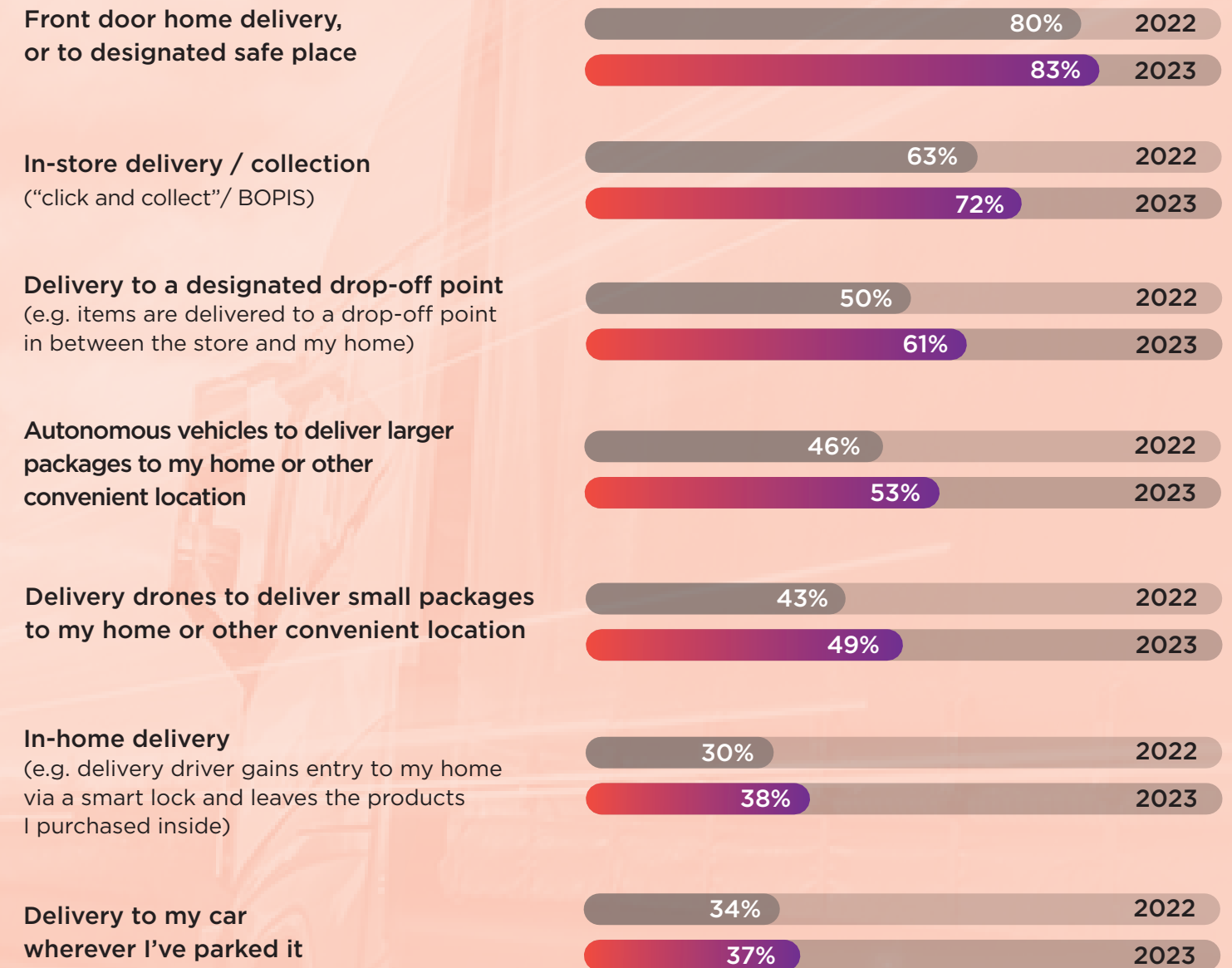


50%
Globally

Note: The question was asked on a scale of 1-5, where 1 = Strongly Disagree and 5 = Strongly Agree. NET: Agree is anyone who answered 4 or 5, and NET: Disagree is anyone who answered 1 or 2.

Consumers expect the best experience from retailers and their delivery partners. With concerns about inflation in mind, retailers need to ensure a smooth consumer experience online and in person. With delivery charges increasing and delivery options broadening, retailers must carefully select the right delivery partners to fulfill these heightened expectations. Retailers are expected to have access to the right technology to inform consumers of product availability and share accurate data on when deliveries will arrive at home or in-store while ensuring consumers get the most value for their money.

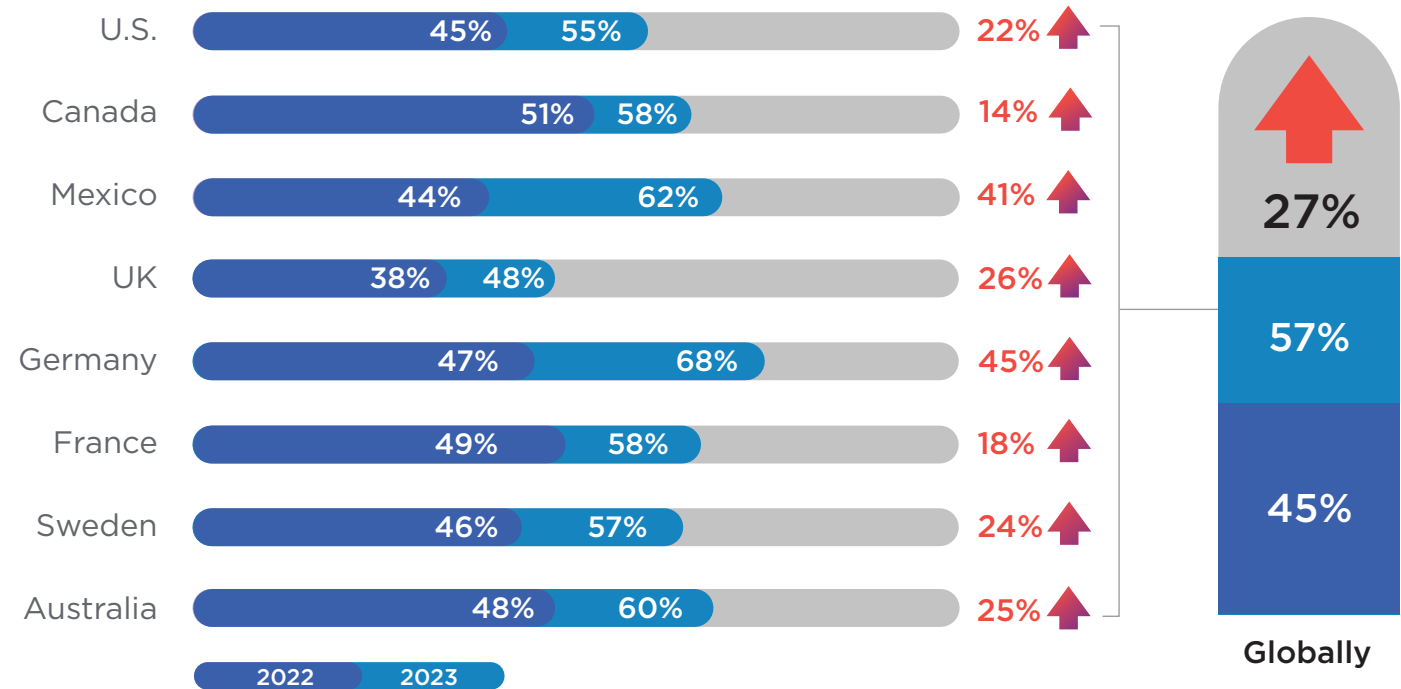
This personalization of retailers' delivery solutions will be important in 2023. The results below illustrate how the range of delivery services are growing in demand.



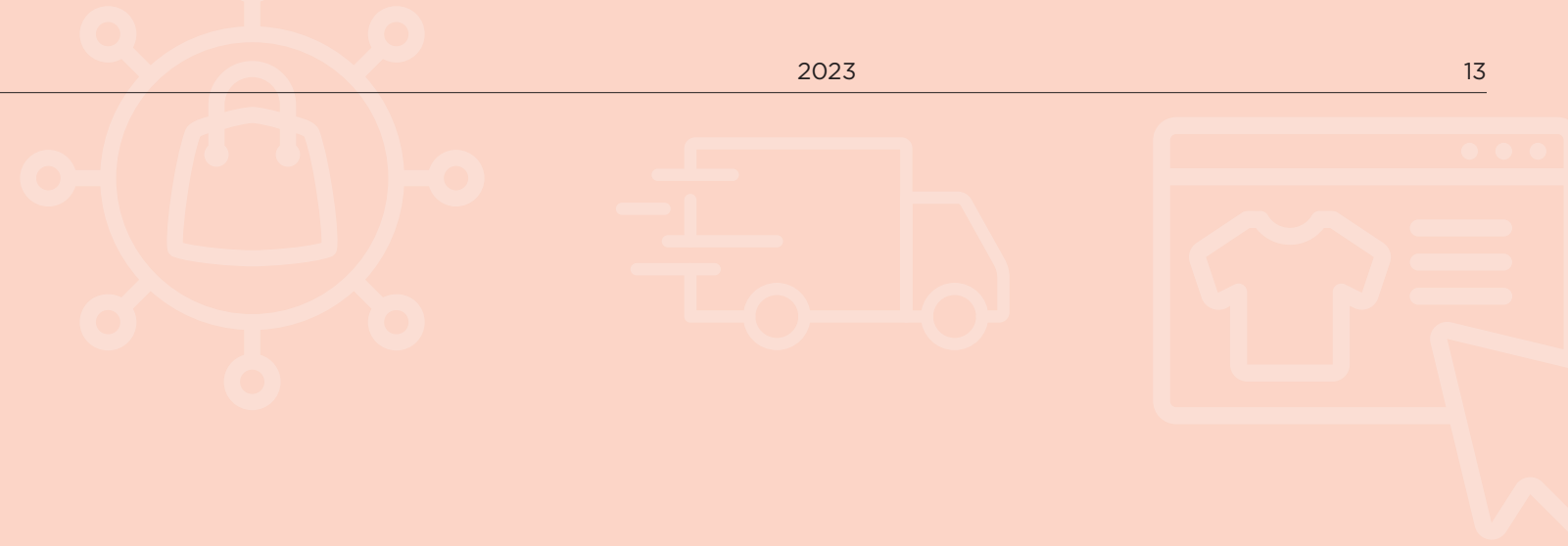
BRICK AND MORTAR IS HERE TO STAY



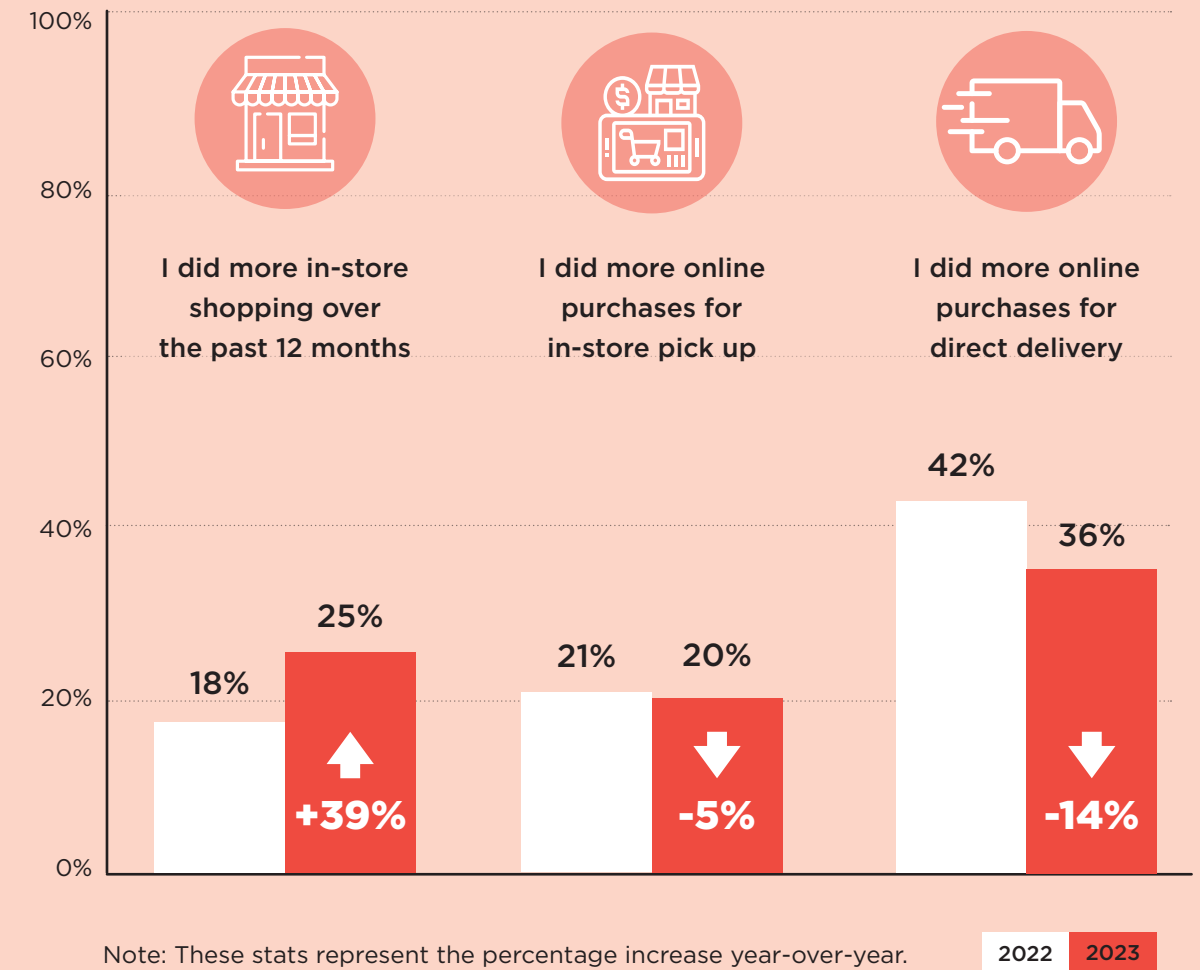
BASED ON PURCHASES OVER THE PAST 12 MONTHS, I WILL CONTINUE TO SHOP IN-STORE AND TAKE PURCHASES WITH ME



In every country surveyed, the intention to shop in-store and take purchases away increased by at least 14% and by as much as 41% and 45% in Mexico and Germany respectively. Only the UK remains below 50% in this intention (48%), but a year-over-year increase of 26% suggests this figure will keep rising.



THIS LOOK AHEAD ALSO SUPPORTS RESPONDENTS' REVIEWS OF THEIR SHOPPING PATTERNS OVER THE PAST TWO YEARS:



Note: These stats represent the percentage increase year-over-year.

Critically, these variations do not depict a move away from online shopping. However, consumers are now leaning more towards in-store experiences, with an increase of 39% expressing a preference for in-store shopping. The question remains - how can retailers improve the in-store experience in 2023? Technology is a key factor.

FOR IN-STORE SHOPPING EXPERIENCES, CONSUMERS WOULD LIKE RETAILERS TO DEPLOY MORE MOBILE DEVICE TECHNOLOGY TO:

Offer real-time availability information

Speed up the shopping and checkout process for consumers

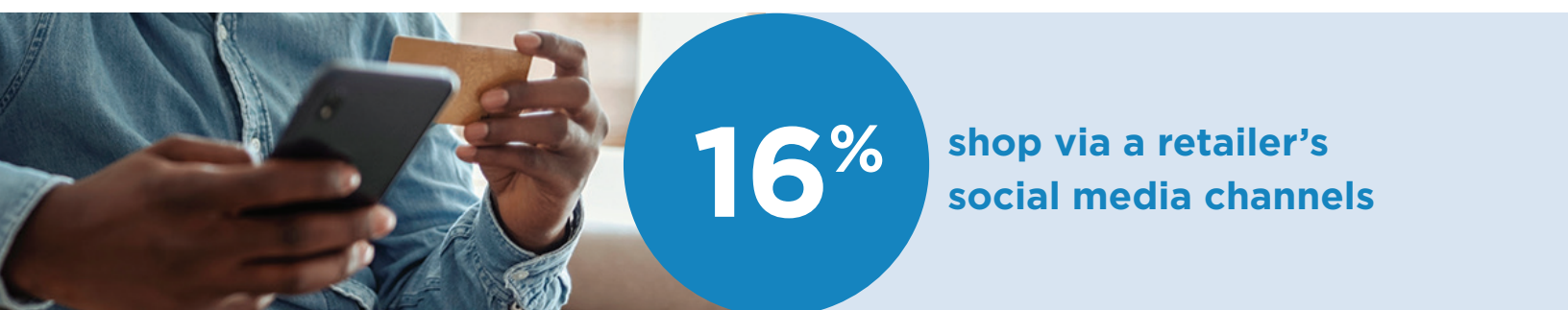
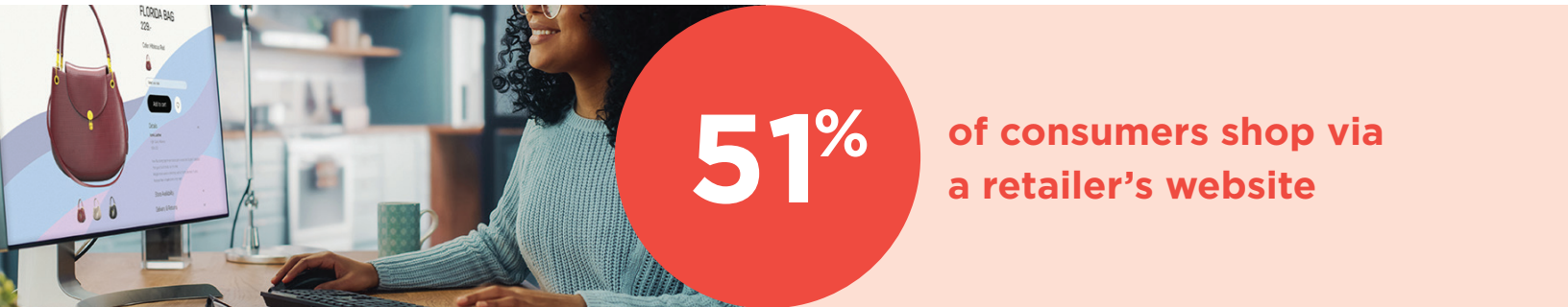
Give buyers a choice of how they want items fulfilled, even when buying in person



CONNECTING THE OMNICHANNEL EXPERIENCE

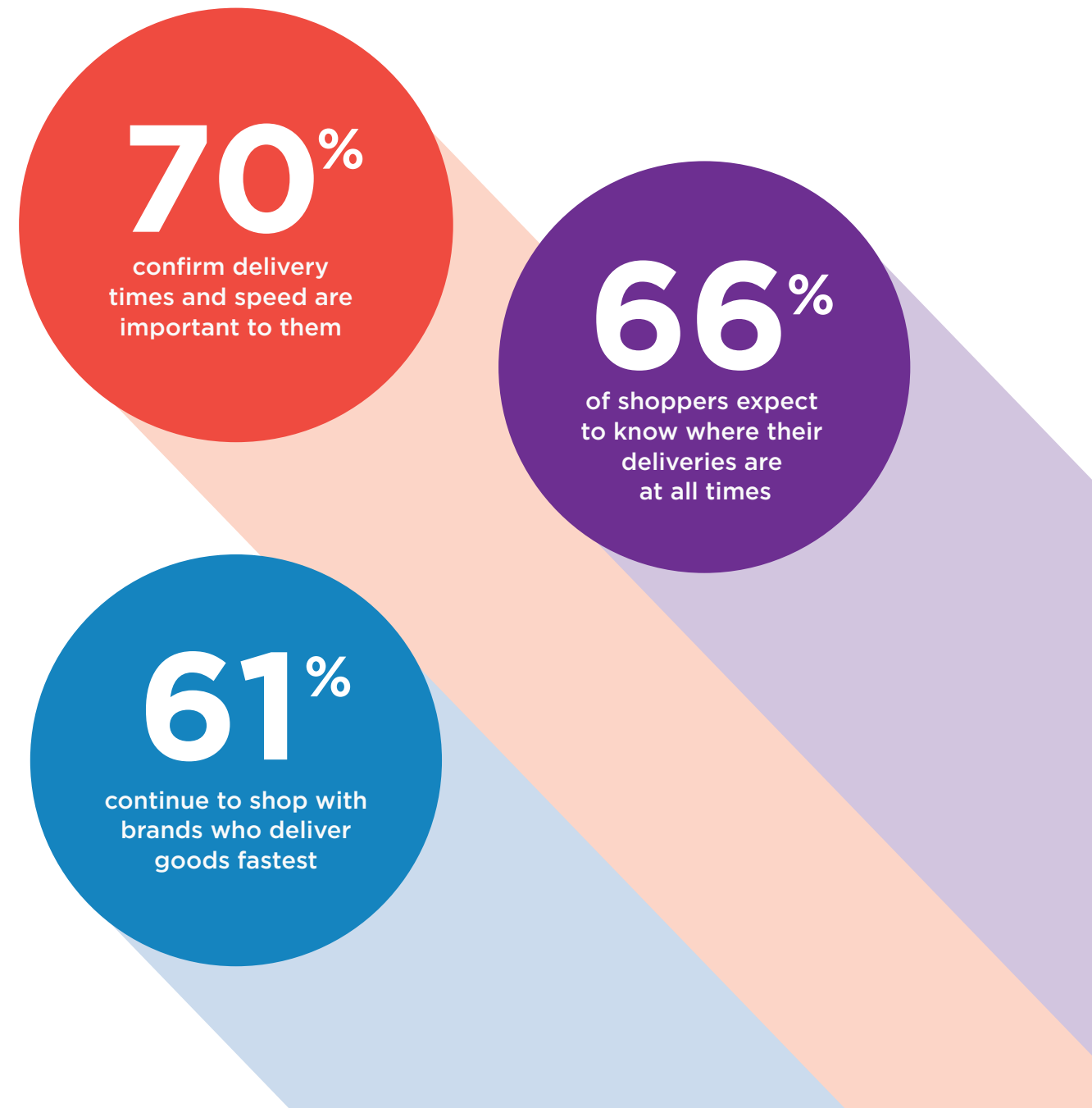
HOW CONSUMERS SHOP

Retailers must consider the role their brand plays across the omnichannel landscape. If consumers are using all channels equally, there needs to be a uniform and connected chain of information to ensure consistency and eliminate confusion.



The purchase is not where the shopping experience ends. Just as consumers want visibility, choice and real-time information about what they are buying, they want the same when it comes to how their purchase gets to them. The days of waiting and hoping for deliveries to arrive are over. Consumers demand more control over the delivery experience, with 70% stating time and speed are important to them. If real-time data is not available through mobile devices, then the delivery status cannot be provided.

WHAT CONSUMERS EXPECT FROM FULFILLMENT



MOBILE TECHNOLOGY CONTINUES TO CREATE VALUE IN RETAIL

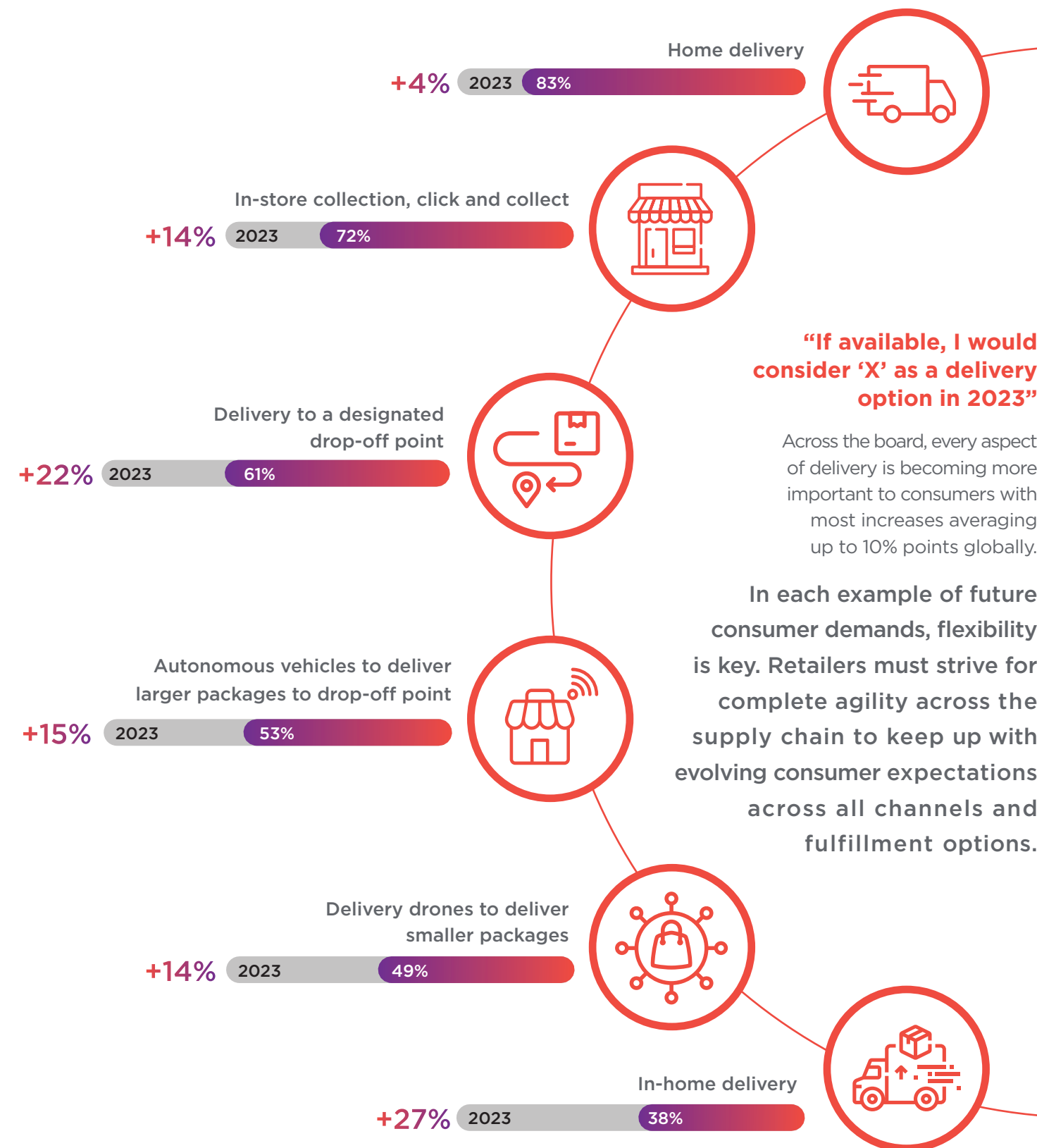
At a time when goods are increasing in price and delivery costs are high, expectations are elevated – retailers need to innovate and be disruptive to avoid losing relevancy and consumer dollars. Now more than ever, a mobile-first approach is needed to enhance the retail experience.

When combining the many channels and the underpinning technologies consumers need to access when making purchasing decisions, the significance of the supply chain becomes even more important. Retailers have to know what inventory is available to confirm orders, where they are and in what timeframe they will be dispatched and delivered.

Supporting technologies that enhance levels of inventory forecasting are therefore a must in warehouses to scan and record available stock as it comes in and leaves with the help of barcode scanners and mobile computers. Following the process through to deliveries, tablets are used to navigate routes and the dispatching of goods along the way, updating their logistics tracker applications as they go. This information must be accurate across all channels at all times and be made available to consumers in real-time to satisfy their purchasing decisions.

Retailers should be investing in solutions and software partnerships that ensure smooth logistics and warehousing operations, with 83% of consumers considering home delivery for their purchases in 2023. The role of printers and scanners in speeding up labeling, packaging and documentation processes is pivotal to enabling next-day, or even same-day delivery.

CONSUMER DEMANDS ARE INCREASING FROM 2022 TO 2023



FUTURE DEMANDS LOOK SUSTAINABLE

Overall, 54% prefer a more sustainable way to return their items, with Mexico, Canada and France among the highest.



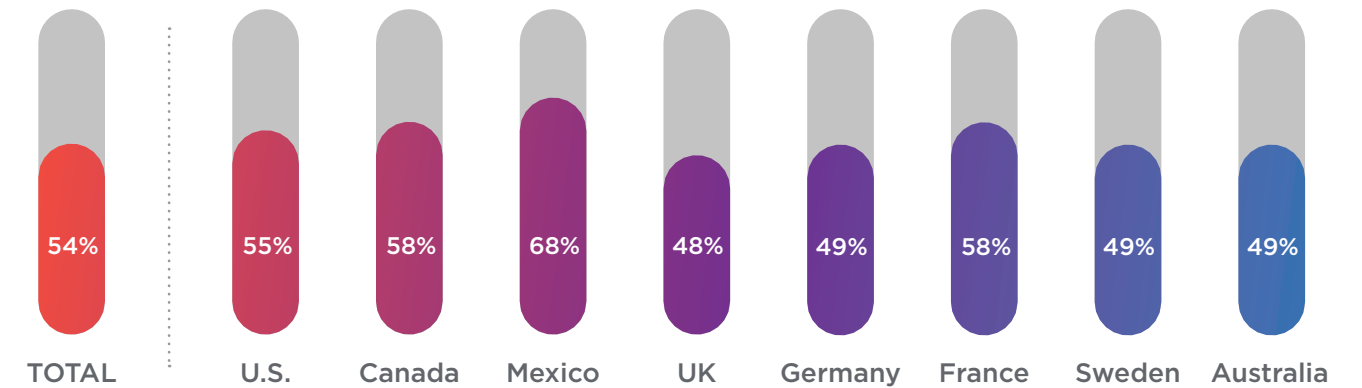
44% of respondents agree that they would prefer to shop with a retailer offering carbon offset and more recyclable packaging, with Mexico and Sweden favoring this option.



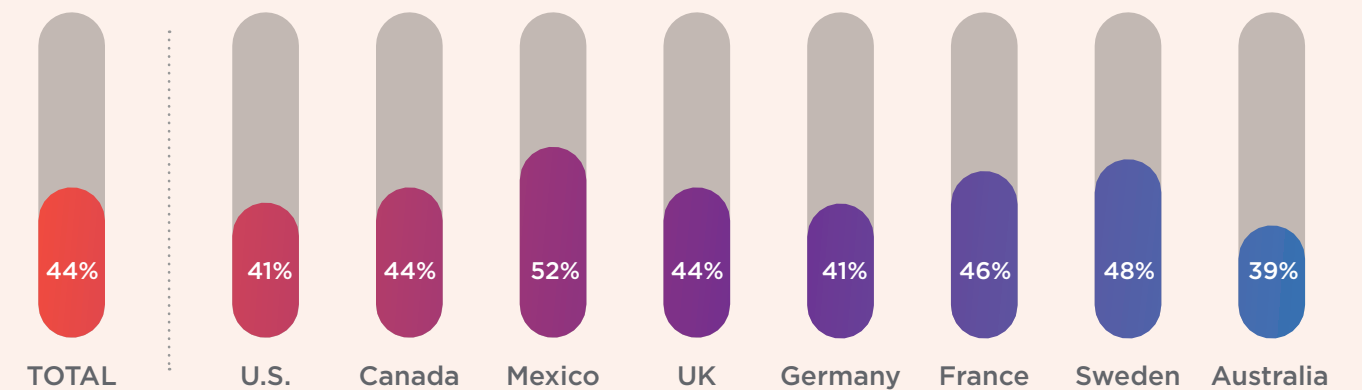
Globally, 52% are less likely to order an item requiring shipping from overseas compared to one year ago. Consumers in the UK are less likely to order an item that requires shipping from overseas (62%), along with Australia (57%) and Canada (55%).



I AM MORE LIKELY TO SHOP WITH A RETAILER WHO PROVIDES SUSTAINABLE OPTIONS FOR RETURNING ITEMS



I PREFER TO SHOP FROM AN ONLINE RETAILER WHO OFFERS SUSTAINABLE DELIVERY OPTIONS SUCH AS CARBON OFFSET DELIVERY OR RECYCLABLE PACKAGING



Optimizing and increasing the deployment of mobile device fleets across retail and the entire supply chain for delivery and returns in a more sustainable way will be vital in determining the ultimate consumer retail experience and ensuring loyalty at a time when markets are volatile and goods are more expensive.



CONCLUSION

To stay ahead of competitors, retailers must continuously rework their business operations and address consumer pain points to drive revenue.

Retailers should know that the core issues identified in 2022 have not yet been addressed. As such, the challenges facing the retail sector have been compounded into 2023. Higher consumer expectations create complexity. Only those retailers who continue to innovate will succeed into 2023.

For each expectation, technology has a pivotal role to play in enabling retailers to keep up with the changing pace of hybrid retail. Perfecting usability across websites, applications and social media means embedding solutions into core operational and logistics processes. Underpinning omnichannel retail, solution and technology providers need to update both hardware and software across their entire supply chain management processes, across e-commerce and online, and in physical warehouses and retail stores as well.

To stay ahead of competitors, retailers must continuously rework their business operations and address consumers pain points to drive revenue. This data demonstrates that consumers have high expectations for retailers – faster delivery times, multiple delivery options, accurate product availability, personalized shopping experiences, easy returns processes and more.

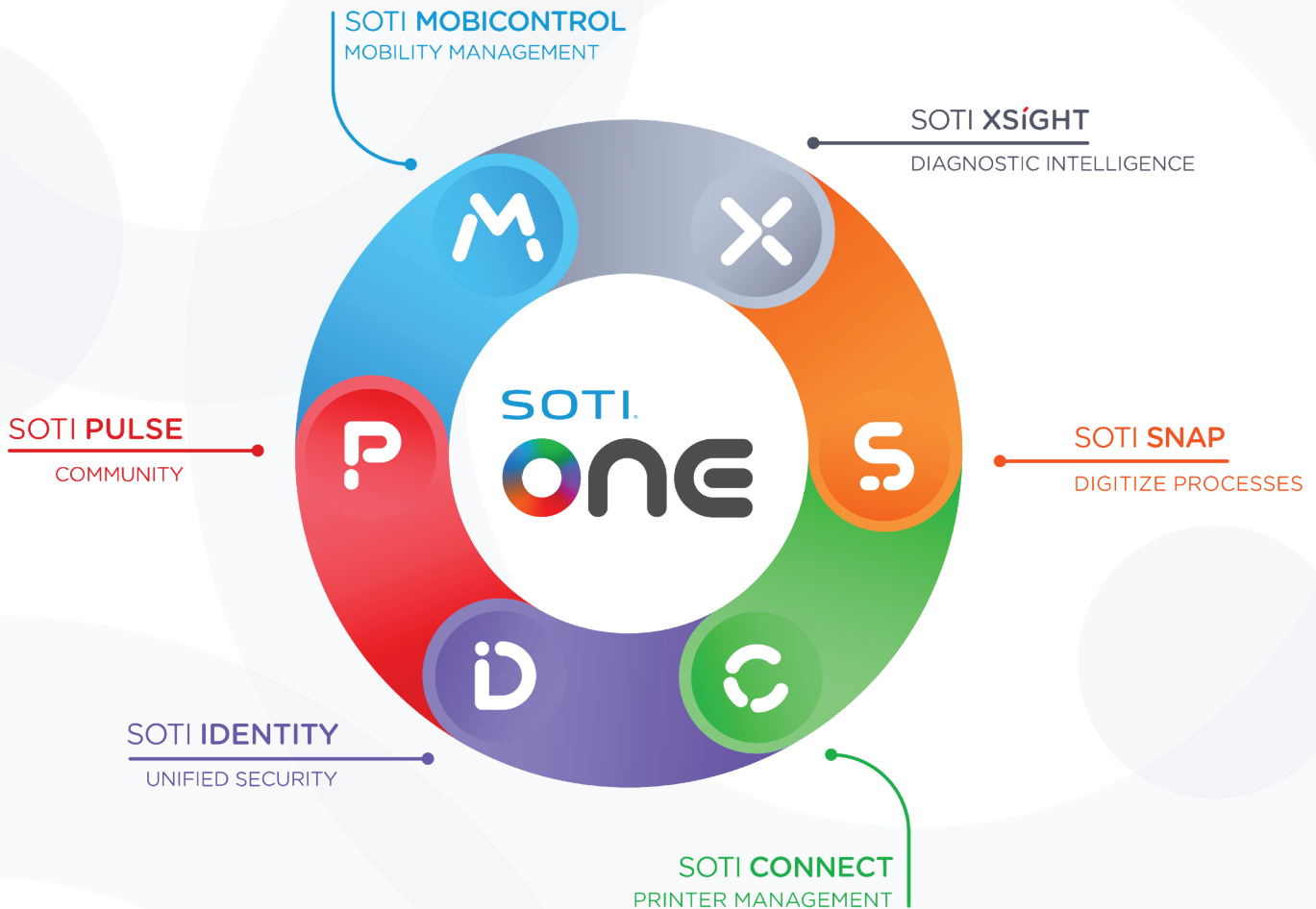
With the help of the right technology, retailers can keep up with continuously evolving consumer demands both online and in-store. The omnichannel shopping model is here to stay, so retailers must ensure communication, connectivity and flexibility is present throughout the entire experience.

ABOUT SOTI

SOTI is a proven leader at creating innovative solutions that reduce the cost and complexity of business-critical mobility and the IoT. Thousands of companies around the world depend on us to secure, manage and support their mobile operations.

The company's two decades of success has built strong partnerships with leading mobile platform providers and device manufacturers. These relationships give us unparalleled insight into new technology and industry trends before they happen.

A proven innovator, SOTI's clear vision, laser focus and a commitment to R&D has made it the market leader at delivering exciting, new business mobility solutions. SOTI helps businesses take mobility to endless possibilities.



TO LEARN MORE:

For additional information on how SOTI can set your business up for success, [click here](#).

To learn more about the SOTI ONE Platform, [click here](#).

To find out how SOTI can help with your mobile investments, contact us today at sales@soti.net.

SOTI is a proven innovator and industry leader for simplifying business mobility and IoT solutions by making them smarter, faster and more reliable. SOTI helps businesses around the world take mobility to endless possibilities.

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