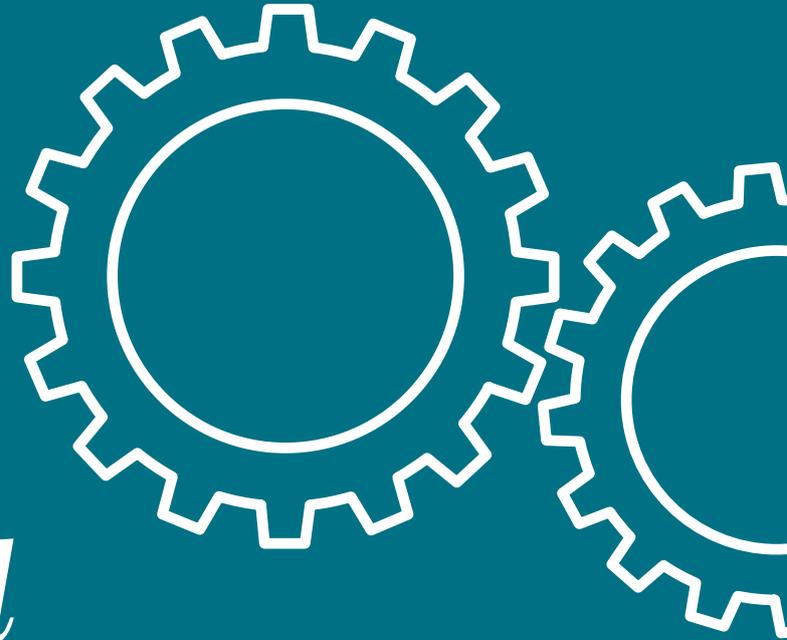




Global Cross Channel Retailing Report

Entering the Omnichannel Era



foreword

“Entering the Omnichannel Era” is a global phenomenon in retail.

The key word is *“entering”*. It is both exciting and challenging times for retailers in many countries as customer experience strategies proliferate, typically converging with the need for extensive cross channel (also known as omnichannel) capabilities. The exponentially changing mobile behavior of consumers around the world validates the need for retailers to advance their digital capabilities, whilst remaining integrated with their greatest assets – their stores. Only those in denial are taking the risk of being a follower and not a leader.

In uncertain times, retail management needs facts and not opinions. Most management teams can be characterized as representing a broad spectrum of cross channel understanding and conviction. The facts in this global cross channel study provide retailers with the means to benchmark domestic and international retailers – the best of the best. The case studies, examples and category-specific details should provide inspiration and guidance as the industry navigates the next wave of cross channel development.

The rapid growth of cross channel in both mature and emerging retail markets may be the best example of the need for retailers to look beyond their borders – even if they intend to only compete domestically. We can no longer take for granted that established retail markets will lead the charge in omnichannel innovation. We are witnessing the emergence of best practice leaders in all markets, tailored to local shopper expectations and competitive dynamics. Ebeltoft Group is uniquely positioned to help retailers be global innovators, while leveraging local expertise in more than 20 countries. The steady march towards the omnichannel era will prove to be a leading catalyst for change in retail and we look forward to our front row seat as change agents.

4

executive summary

Steady improvements in the breadth of cross channel capabilities; notably in click and collect; web-to-store; and store-to-web capabilities.



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This Report provides insights into the evolution of cross channel retailing and the global state of cross channel, also known as omnichannel retailing.



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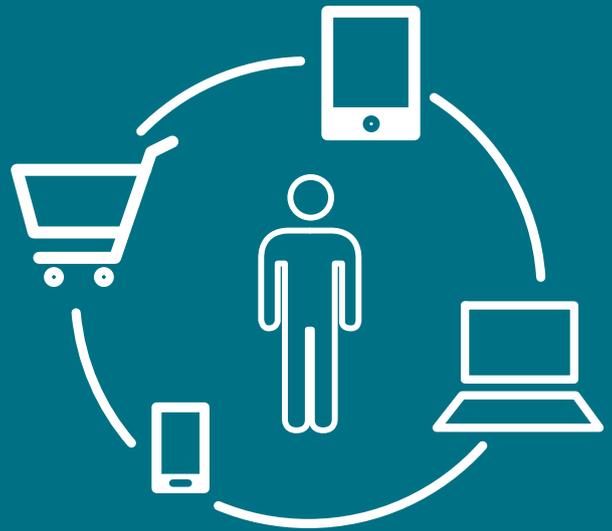
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Interested in further discussing the report and learning about Ebeltoft Group's services and retail expertise?

www.ebeltoftgroup.com



executive summary

The 2014 Ebeltoft Group Global Cross Channel Report provides retail industry benchmarks of leading cross channel retailers across 16 countries. This second volume of work follows a 2012 study, spanning mature and emerging markets. Cross channel retailing continues to be a critical focus for retailers, with this development taking place in both digitally advanced and immature markets.

Key findings from this year's study include:

- Steady improvements in the breadth of cross channel capabilities; notably in Click and Collect; web-to-store; and store-to-web capabilities.
- US Best Buy as global Cross Channel Champion. Followed by Nordstrom and De Bijenkorf.
- Cross channel as the means to competitive advantage with retail executives committed to improving the customer experience in their companies.
- Cross channel capabilities becoming the “new normal” in retailing, with corporate agility being next on the horizon.
- Further gradual movements towards the “connected store”, with improved optimism towards changes in the near future.

Category-specific reports and benchmarks have been developed for DIY, electrical goods, fashion and general merchandise retailers. All categories have shown improvement from the inaugural study.

01

Outline and Methodology

This Report provides insights into the evolution of cross channel retailing and the global state of cross channel, also known as omnichannel retailing.

The study includes global industry benchmarks, best practice cases and retailer's perspectives as to where they see the industry moving. Furthermore, the study provides examples of specific cross channel capabilities in the new 'norm' of tomorrow's market. The main objective is to help local retail communities around the world to deepen their understanding of omnichannel retailing and to use this as a stepping stone to their success as cross channel retailers.

In Ebeltoft Group's 2012 Global Cross Channel Retailing Report, we defined

cross channel retailing as the operational interaction between different channels: store, web, mobile, and tablet to drive sales, communications and supply. With the industry moving into the omnichannel era the broader definition has not changed. We have, however, witnessed increasing maturity of specific cross channel capabilities, with a greater focus on a consumer-centric, seamless shopping experiences across channels.

The 2014 Ebeltoft Group Global Cross Channel Report addresses the above topics by taking a broad look at global retail developments and the state of cross channel in

comparison to the previous study's findings. Furthermore, this year's analysis includes the development of specific cross channel capabilities, crowning global cross channel champions and identifying best practice cases and conclusions.

As an appendix to the 2014 Global Cross Channel Retail Report, separate sections examine DIY, electrical goods, fashion and general merchandise retail categories.

Methodology

The research was structured in two corresponding methodologies; (A) audits of leading retailers' cross channel capabilities and (B) a retail executive survey on their cross channel development to date.

A Retail Audits: objective expert audit of the retailer's cross channel capabilities.

- For each market, leading retailers were chosen in each of the four retail categories (DIY, electrical goods, fashion and general merchandise retailers). The retailers represent the largest or most influential in their category, thus the sample is not intended as representative of all retailers in a given market but represents how "high the bar has been set".

- Each retailer was audited by local retail experts based on Ebeltoft Group's Cross Channel Benchmark Framework (see figure 01), providing factual data on each retailer's capabilities, both in-store and online. The goal was to determine the current state of retailers' cross channel capabilities.
- Analysis included a weighted scoring scheme applied to the attributes across the five core cross channel capabilities as shown in the Cross Channel Benchmark Framework.

Scope:

146 retailers in 16 countries

Profile:

Category-leading retailers in each country

Methodology:

Audits based on Cross Channel Benchmark Framework

B Retailer Survey: Adding the voice of the retailers.

- Via an online survey, global retail managers and executives were asked to answer a range of questions in order to share their current state, and give their opinions and vision on

cross channel retailing.

- Each participant was selected across countries and various retail categories, on the condition that he/she is familiar with cross channel operations and capabilities at a manager or executive level.

Scope:

> 100 retailers in 15 countries

Profile:

Retail managers and executives

Ebeltoft Group Cross Channel Benchmark Framework

The retailers have been assessed on five core cross channel capabilities:

CONSISTENCY OF SERVICES	Assessing uniformity of the services offered by the retailers among both channels (e.g. policies, private label credit card, loyalty program, gift cards).
RESEARCH ONLINE, PURCHASE OFFLINE	Store-level in-stock availability and other capabilities to drive traffic to stores (e.g. store locator, schedule appointment at store, store-only coupons).
CLICK & COLLECT & RETURNS	Assessing the availability, functionality and communication of “Click & Collect” and store return of online purchase and store associate knowledge.
CONNECTED STORE	Alignment and tools in the store. (e.g. communication of website, associate knowledge, out-of-stock process, POS system or tablets to access the web).
SOCIAL - LOCAL - MOBILE	Mcommerce, mobile driving store traffic, Facebook customer care, geolocation capabilities.

Fig.01 The framework is based on Ebeltoft Group’s experience working with clients on the development of their cross channel strategies and optimization of ecommerce and cross channel operations. The 2014 Framework is structured similarly to the 2012 version; however, the specific audit outline has been upgraded to best reflect the contemporary omnichannel era and cross channel capabilities that can be expected from retailers, independent of their country or category.

With a total of 146 retailers audited, the 16 countries covered are; Brazil, Canada, Denmark, France, Germany, India, Italy, the Netherlands, Portugal, Romania, Singapore, Spain, Sweden, Switzerland, United Kingdom and the US.



02 Global Findings

Global cross channel adoption is growing slowly but steadily, with electrical goods retailers taking the lead.

Global Development of Store Centric Cross Channel Capabilities

Ebeltoft Group
International Retail Experts

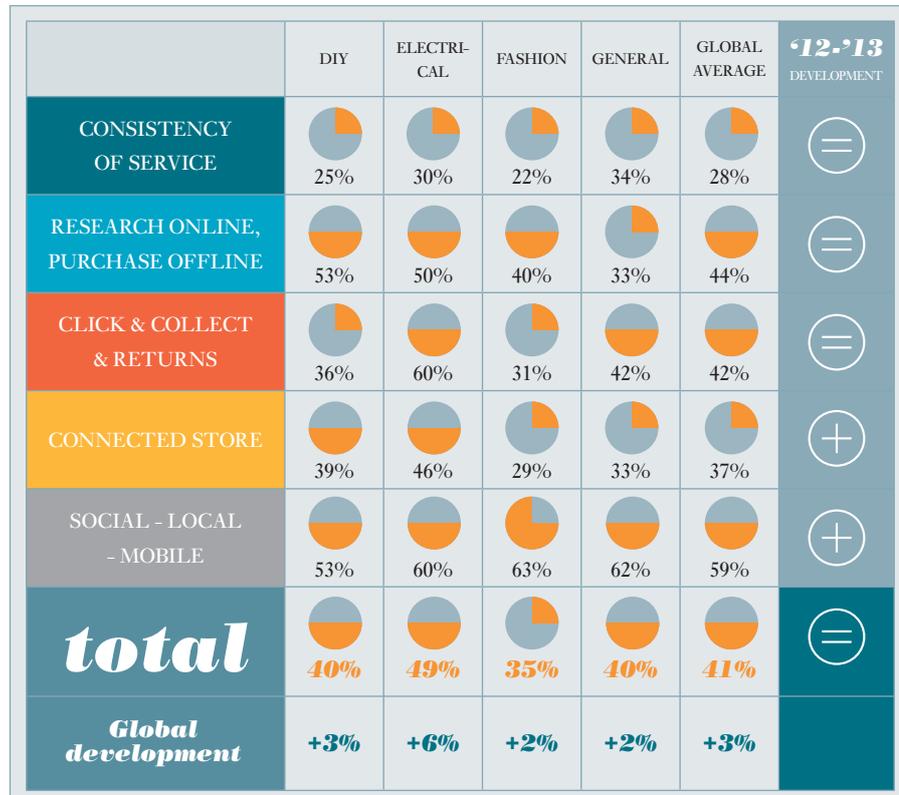


Fig.02 The percentages represent the global weighted scores of cross channel capabilities across all markets.

Ebeltoft Group’s 2012 research showed the underdevelopment of the “connected store” capabilities, leading to the main theme of our previous report “The (Un)Connected Store”. This year, however, results have shown development in this segment, creating a more positive picture of retailers’ capabilities in driving traffic from in-store to online platforms (globally this capability grew 15%). Significant growth also occurred in the development of “Social-Local-Mobile” capabilities, characterized by the increase of mobile retail, exponentially growing incidence of tablet use and the increasing use of social

media. (SoLoMo showing a 17% growth rate). At a global level Research Online, Purchase Offline and Consistency of Service capabilities are already relatively mature in their development; comparison against the previous year shows no significant change. Similarly, Click & Collect & Return also showed similar developments as in 2012. This does not mean, however, that these cross channel capabilities have reached full maturity. As a key function of serving the omnichannel shopper, many retailers are now fine-tuning these services, rather than implementing new capabilities. All retail categories showed single-digit

Cross channel retailing is gaining momentum, while moving steadily into the “Omnichannel era”, where seamless shopping across channels is becoming the status quo of tomorrow’s industry practices. The key drivers behind this development are found in retailers’ advancing cross channel deployment, aligned with the changing needs of shoppers, as well as their corporate strategy.

Figure 02 captures the global results and development of the cross channel landscape across the core cross channel capabilities, covering the 4 categories in 16 countries.

The findings indicate that cross channel capabilities and alignment across online, bricks and mortar and mobile channels is certainly growing, albeit moderately (global average growth of 3%).

progress, with the electrical category not only taking the lead in terms of growth but also in terms of level of development, with a global average of 49% (compared to 42% in 2012).

As with previous results, specialty fashion players remain the lowest of the 4 categories, showing a slightly lower level of development versus 2012 (32% compared to 35% this year). The results indicate that top cross channel retailers from the fashion category still have not caught up with their industry peers from electrical goods, general merchandise or DIY categories.

Global Overview 2014: Strategic Responses to Ecommerce

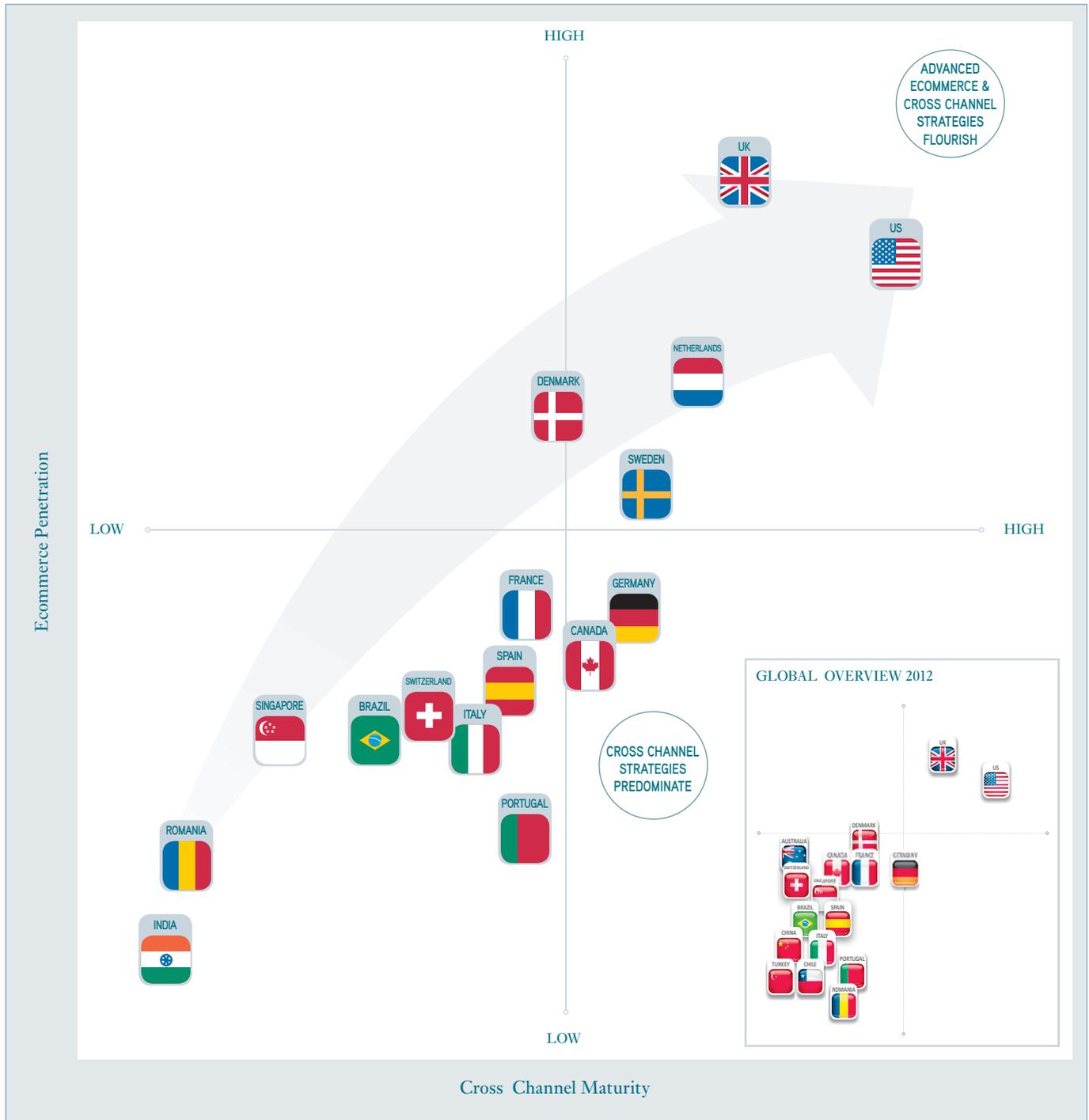


Fig.03 Note: Cross channel maturity is measured as the average score of retailers included in this study, contrasted with ecommerce penetration (as a % of total retail sales) by country.

The global overview (figure 03) shows some general clusters. It is headed by the US and UK, with a larger average group in the middle and some laggards trailing, a picture similar to the 2012 map. Most notable is the slowly closing gap between the leading regions, particularly Northern European

players, showing relatively high cross channel development in the Netherlands, Sweden and Denmark. Overall, the general trend remains: countries with a higher ecommerce penetration show greater current potential for, and often higher level of development of, cross channel retail.

Many factors contribute to this correlation, including consumer shopping behavior, retail management innovation and risk taking, as well as retailers' ability to develop a strong business case in markets where digital retailing is advancing rapidly.

2014 Cross Channel Champions

Country Champions			Global Champions		
BY COUNTRY	RETAILER	CATEGORY	GLOBAL TOP 10 RANKING	RANKING RETAILER	COUNTRY
BRAZIL	SARAIVA	ELECTRICAL GOODS			
CANADA	FUTURE SHOP	ELECTRICAL GOODS	1	BEST BUY	US
DENMARK	ELGIGANTEN	ELECTRICAL GOODS	2	NORDSTROM	US
FRANCE	FNAC	ELECTRICAL GOODS	3	DE BIJENKORF	NL
GERMANY	CONRAD	ELECTRICAL GOODS	4	CONRAD	DE
INDIA	SHOPPERS STOP	GENERAL	5	WEBHALLEN	SE
ITALY	DECATHLON	FASHION	6	MARKS & SPENCER	UK
THE NETHERLANDS	DE BIJENKORF	GENERAL	7	GAP	US
PORTUGAL	RADIO POPULAR	ELECTRICAL GOODS	8	WALMART	US
ROMANIA	FLANCO	ELECTRICAL GOODS	9	NEW LOOK	UK
SINGAPORE	EPI LIFE	ELECTRICAL GOODS	10	APPLE	US
SPAIN	MEDIA MARKT/MANGO	ELECTRICAL GOODS/ FASHION			
SWEDEN	WEBHALLEN	ELECTRICAL GOODS			
SWITZERLAND	MELECTRONICS	ELECTRICAL GOODS			
UNITED KINGDOM	MARKS & SPENCER	FASHION			
UNITED STATES	BEST BUY	ELECTRICAL GOODS			

Fig.04 Each retailer was audited based on 29 cross channel capability indicators, and a scoring methodology was developed to determine each retailer's score out of the maximum points possible. Champions are defined as those who scored highest.

Electrical goods and US cross channel players remain dominant in the global rankings, reflecting the highest level of cross channel development in this category (see figure 02) and strong position of US players (see figure 03).



03

Cross Channel, Moving Into the Next Era

“Click and Collect” is the mainstay of cross channel capabilities. 64% of retailers audited globally have this capability.

With retailers moving out of the initial implementation stage of their cross channel capabilities, numerous operators across categories have a click and collect service and are looking to optimize and fine-tune their capabilities. Led by US and UK retailers, figure 05 shows that the global average of click and collect capabilities has increased moderately with two-thirds of the cross channel retailers audited having this in place. This is an attempt to drive online traffic to their stores and convert customers’ clicks into value added shopper engagement.

Ebeltoft Group
International Retail Experts

Click and collect; remaining a key cross channel capability

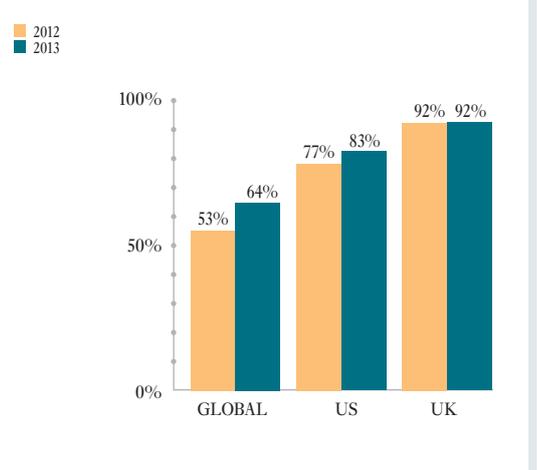


Fig.05 % indicate retailers audited and that have this capability

When looking more closely at the variables of click and collect from a shopper’s perspective, the developments of specific solutions differ when compared with more advanced players in the US and UK:

- The global adoption of free “click and collect” is evolving and closing in on the global leaders, and in particular the trend of not charging shoppers for such services.
- “Pay online and collect in store” remains at the same level globally, while the more advanced operators tend to offer this payment solution.
- “Reserve online, collect and pay in store”, however, has gained momentum globally, yet shows weak development in the UK and the US.
- With many retailers perhaps initially being too ambitious in terms of what they promise and what they can practically deliver, we have seen a clear retrenchment of some retailers promises as to the range of products able to be purchased online as this is often too complex to execute properly.

Click and collect parameters, retailers are adjusting globally to optimize

Ebeltoft Group
International Retail Experts

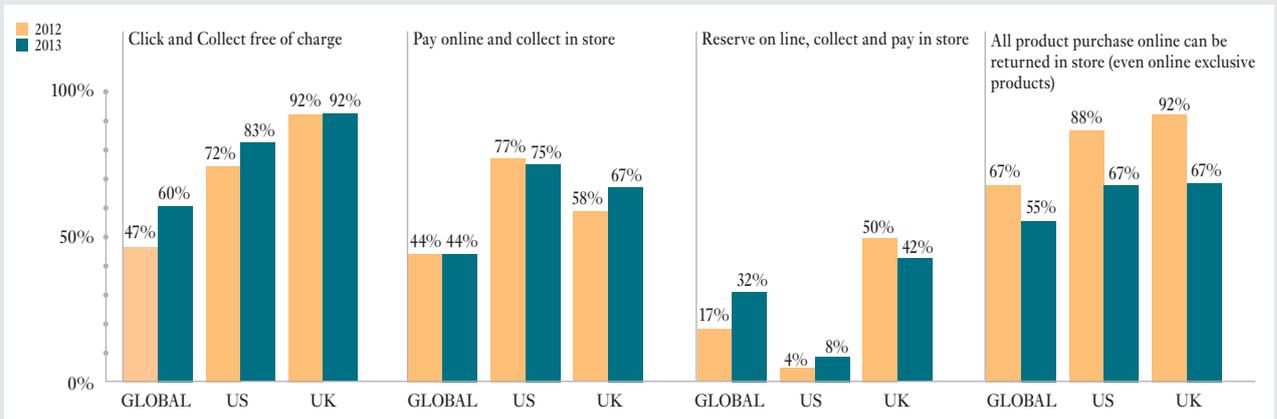


Fig.06 % indicate retailers audited and that have this capability

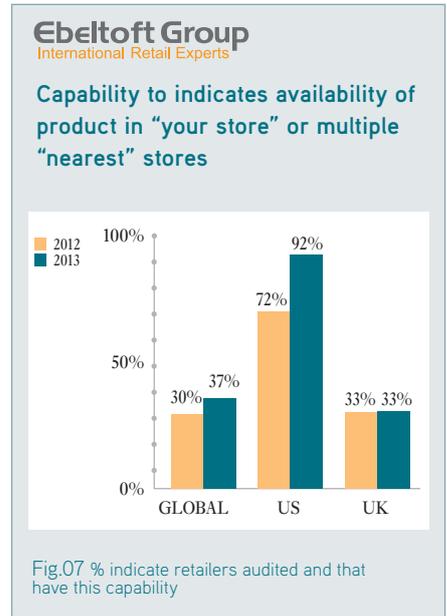
Web-to-Store Capabilities more Pronounced

Research results show further enhancement of web-to-store capabilities amongst leading cross channel retailers, including improved efforts to communicate cross channel services and drive traffic from the web to bricks and mortar. Retailers across categories are focusing on these practices to drive store visits and direct shopper engagement of those coming from their ecommerce channel.

In our previous report we noted that a large majority of retailers enable their online shoppers to look for store locations with ease. This year we found that retailers have further progressed (to 57%) as they let shoppers identify the store closest to them (i.e. claim

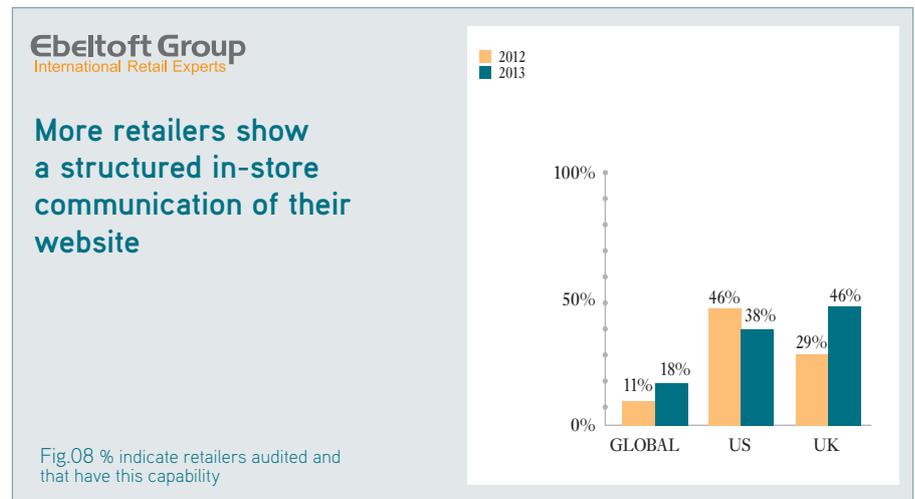
“your store”) via the retailers’ online store locator.

Additionally, with retailers acknowledging the potential of web-to-store and ensuring the store visit is worthwhile, more operators have implemented online functions that directly display product inventory availability for the store nearest to the shopper (“your store”). Figure 07 shows this development and indicates the relatively progressive situation of US retailers, where this seems to be the “new normal” for more developed cross channel players.

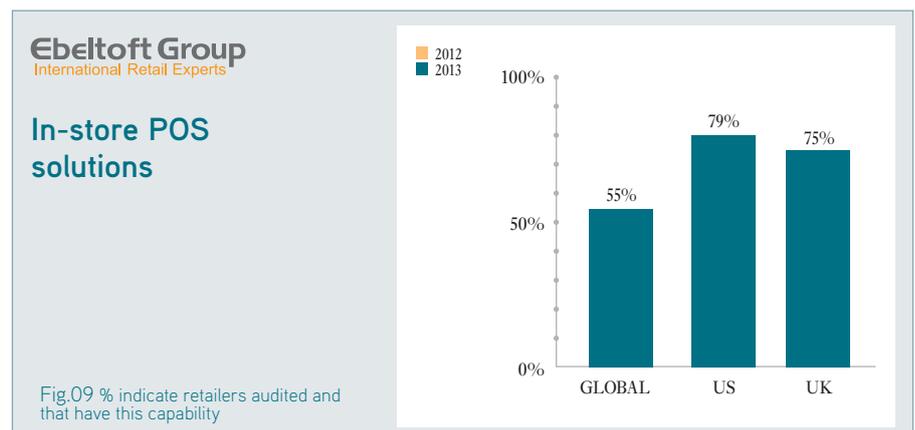


Store-to-Web Capabilities also Showing Progression

Whilst moving into the omnichannel era, retailers are slowly evolving at store level to offer a seamless shopper experience. With store-to-web initiatives, operators seek to optimize and maximize the in-store shopper’s engagement, experience and brand exposure. This ranges from upsell and/or cross sell opportunities from the online inventory by sales associates, to extending the experience to the shopper’s home via strong in-store communication encouraging further purchases at the retailer’s ecommerce site and enticing them with relevant online exclusive offers.



In line with above, retailers are increasingly implementing in-store POS technology such as kiosks, tablets and interactive screens (figure 09) and train store associates to use website content in-store with the customer (1 out of 5 the retailers audited globally had store associates who used website content in-store).



04

Cross Channel isn't just for Mature Markets



It has become a myth that only mature and more sophisticated retail markets can be the launching pad for good retailers and great cross channel players. With consumers being truly globally connected 24/7, innovation and cross channel is being implemented around the globe in mature and emerging markets alike; from Sao Paulo to Singapore and beyond.

courts Singapore

With the rise in labor and rental costs in densely populated Singapore, ecommerce business in the country is growing rapidly and is backed by a small but growing number of shopping sites that have only an online presence. Despite this, ecommerce sales at present still represent a fraction of total retail sales. However, traditional in-store retailers in Singapore are slowly but surely catching up on cross channel retailing – riding on the high internet penetration rate and increasing maturity of online consumers.

One such retailer is Courts, whose outlets are ubiquitous across the island state. Courts, Singapore's leading retailer of electrical, IT and furniture products, currently has 15 stores across the island, including a 'Big-Box' Megastore that spans 136,000 sq. ft. of retail space. The retailer launched its eCourts in October 2012, which currently offers more than 10,000 SKUs. It is also well-known for its price competitiveness and in-house credit program.

Courts' cross channel strategy is built around its online shopping engine. Customers can shop online and can choose to click and collect or home delivery. The retailer's click and collect facility is available in all of its stores, with dedicated parking lots for its online customers in the Courts Megastore. In addition, digital kiosks and QR codes throughout stores enable customers to access its ecommerce site to check product specifications and reviews. Courts has also implemented a membership program, Home Club, with exclusive members deals. Through this program, which currently has approximately 400,000 members, Courts collects valuable data for its customer relationship management. Its popular credit program can also be applied online or in store.

Given that Singapore has one of the highest internet penetration rates in the world, Courts has created a seamless shopping experience between its online and offline store fronts.



Livraria Cultura

Brazil

For over a decade, books, CDs and DVDs have led ecommerce sales in Brazil. Since 2007, the category has been losing share in sales volume, and since 2012 is no longer among the ecommerce TOP 5 categories.

With the loss of market share, some retailers focused on product assortment diversification, while others invested in channel integration strategies, as is the case with Livraria Cultura, offering its ecommerce operation since the late 1990s.

The retailer is a traditional bookstore chain, with over 66 years in the market, more than two thousand employees and offering more than 10 million SKUs distributed among books, audio, video, games, toys and collectible products, as well as art films. The chain's stores provide an immersive environment, through spaces for readings, events and cafeterias.

The chain has 17 stores in eight different states in Brazil. Located in a commercial mall at Avenida Paulista, one of the most important streets in São Paulo, its 14,000 sq. ft. central store is the largest bookstore in the country.

Some company cross-channel capabilities must be highlighted. In addition to a centralized customer database, loyalty and reward programs, as well as an integrated inventory, the company offers the possibility of buying online and picking up at any chain store, as well as the possibility to buy at

any bricks and mortar store and receive the product at any address in Brazil.

The bookstore does not aggressively communicate their cross channel capabilities (both online and offline), but every store has a help desk where customers can pick up their purchases and exchange goods bought at another store and/or channel. The store team is well trained and proactive in suggesting opportunities for cross channel shopping for their customers.

Though Livraria Cultura considers their relationship with customers to be based on the brick and mortar stores, the retailer already recognizes the significance of digital channels as well as importance of an effective cross channel strategy as a differentiating factor to the success of its business.



“Have Cultura with you, anywhere you go”. Livraria Cultura online communication of its Apps.



05 Global Survey

Globally, retailers are leveraging their cross channel strategies to enable customer experience and build competitive advantage.

In addition to Ebeltoft Group’s retail expert point of view, this year’s study also provides new insight from the retailer’s perspective through findings from the Ebeltoft Group’s global cross channel survey. The online study questioned retail executives, those familiar with cross channel strategies, about their experiences, opinion and vision, providing new insight into their operational priorities and expected development for the near future.

Cross channel development certainly is one of retailers’ main priorities, with 80% of respondents confirming that “cross channel is a high priority in our strategy” and 83% confirming that they perceive developing “cross channel buying behavior” as an opportunity.

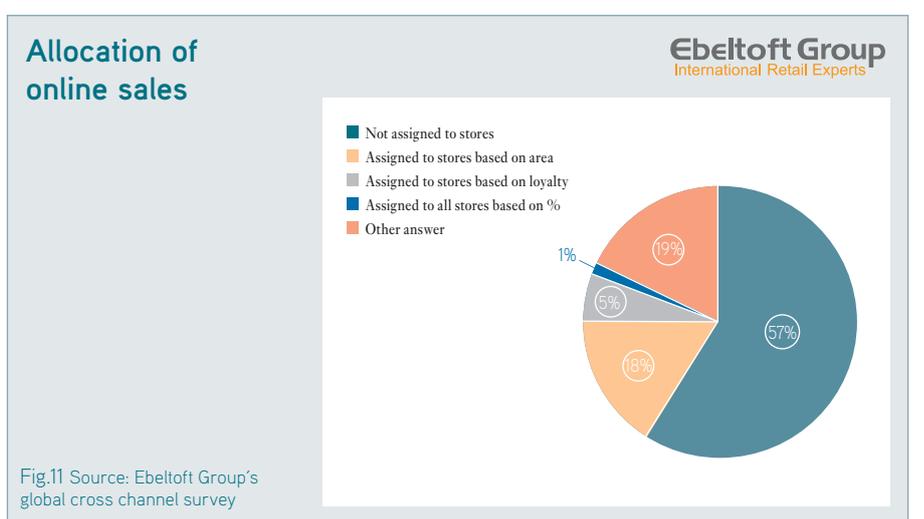
At first look, the survey results point to the upside opportunity of the developing omnichannel retailing trend, with retailers across categories being bullish about levels of the cross channel developments and capabilities already in place.



Although purchase frequency and shopper spending remain crucial goals, results indicate that developing better customer experience and gaining a competitive advantage rank highest for retailers’ cross channel business objectives. This shows a clear industry response to the evolving shopper’s (cross channel) behavior and where we expect retailing in general to head towards in the future.

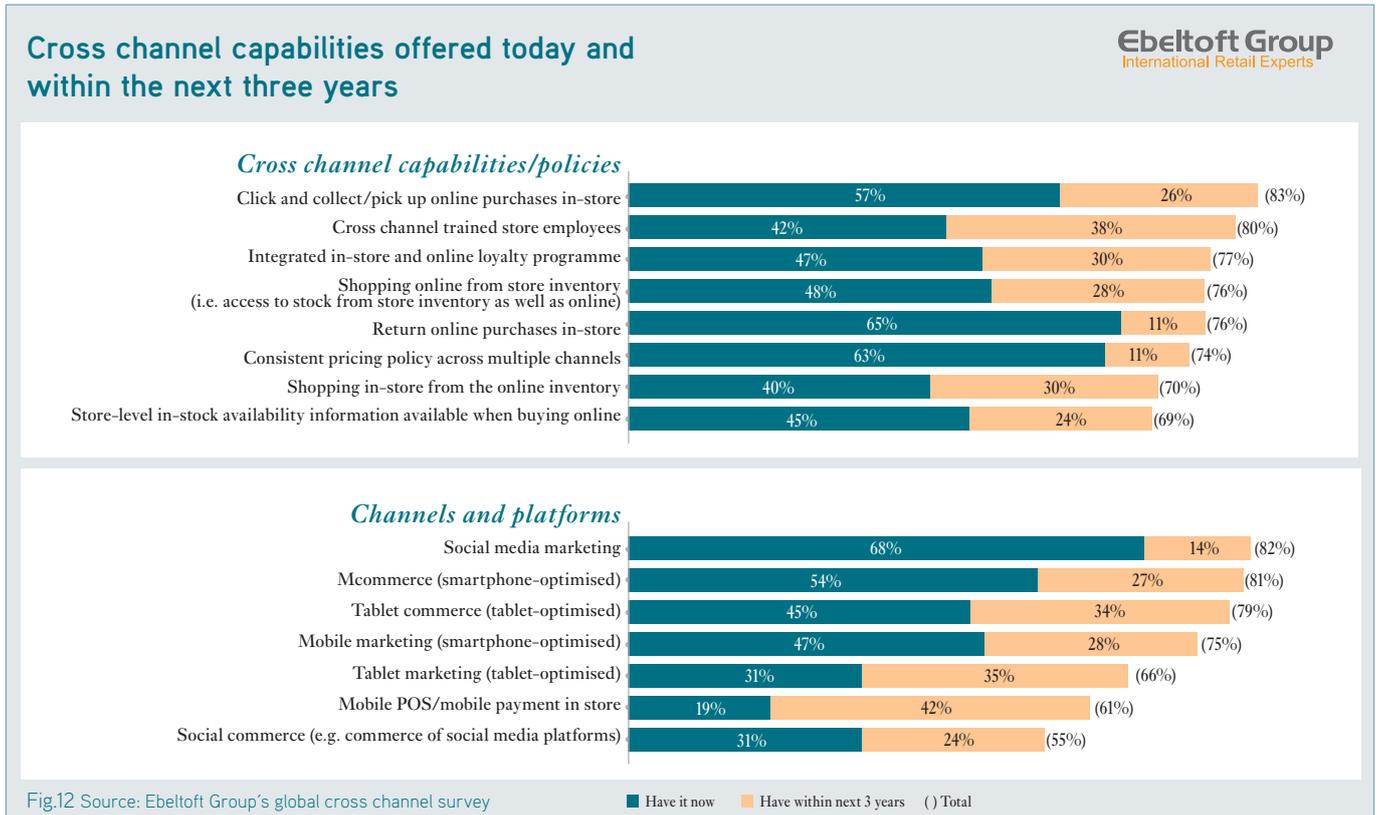


With retailers across categories seeking revenue alignment among channels, the question remains “who gets credit for cross channel-influenced sales?”. Though the majority agree that cross channel doesn’t jeopardize in-store sales, figure (11) still shows a wide diversity in the allocation of online sales. Moreover, in the majority of cases (57%) there is an absence of any allocation metric, giving credit for cross channel influenced sales. With many retailers, we expect this to change, as the need to align strategies, process and metrics is one of the biggest challenges for cross channel retailers.



Developing In-store Capabilities will Feature Highly on Retailers' Cross Channel Development Agenda in the Next Three Years

The rapid maturation of cross channel can be seen in the findings of current and future capabilities (see figure 12). Among leading current capabilities, “social media marketing”, “store returns” and “consistent pricing across channels” are not as surprising as the high incidence of “click and collect” (57% currently have this capability). The majority of respondents already have mcommerce (54%), which shows the priority retailers have given to the rapid rise of mobile.



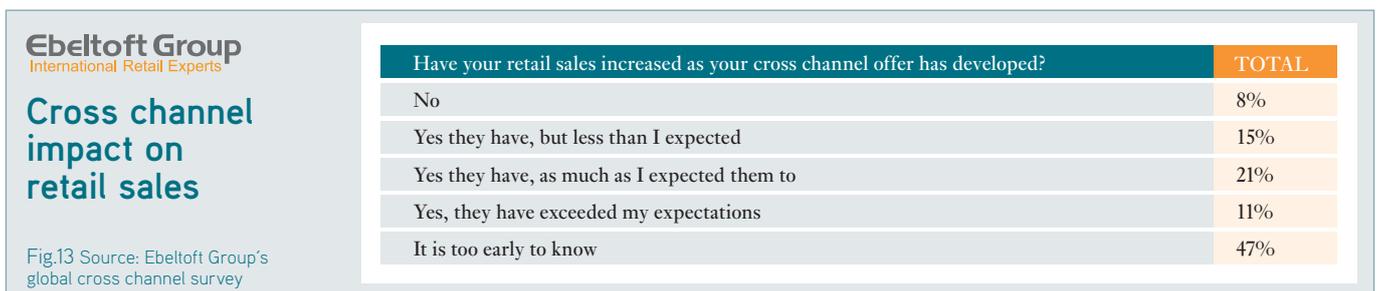
Planned cross channel capabilities provide a glimpse at short term priorities for retailers around the globe. Emerging capabilities such as mobile POS lead the way (42% plan to develop this capability), along with tablet marketing (35%) and commerce (34%) close behind. It

is notable that “cross channel trained store employees” (38%) rated so highly, as retailers realize the commitment to training they must make in order for their investment in cross channel to truly pay off. Integrating loyalty programs (30%) online and in-store has also

been a stubborn challenge for many retailers, yet from the shopper's perspective they will not tolerate programs that do not seamlessly provide hassle-free use of the program.

Cross Channel Effectiveness in Terms of Increasing Sales will take Time to Materialize

46% claimed that their retail sales have increased as a result of their cross channel strategy. An almost equal proportion of respondents felt that it is too early to know. Indeed, cross channel models need time to develop, fine-tune and become profitable.



06

Conclusion and What is Next?

Cross channel capabilities are now the “new normal” in retailing – on the horizon is corporate agility.

The question is now focused on operational execution, as leading retailers embrace cross channel strategies and rapid deployment of an array of capabilities. The seeming discrepancy between our generally bullish executive survey results and our audit results (modest improvements from the prior year) indicate an executional gap in management’s perceptions and the customer experience. While we expect this gap to narrow, it shows that consistently executing cross channel across a vast store network will require smooth cross-functional operating processes. This focus on operational consistency will prove challenging as specific cross channel capabilities evolve; with rapid deployment of mobile-enabled capabilities being scrutinized closely.

The challenges to achieve these smooth cross channel processes will be many and varied for each retailer, and the infrastructure and human capital more complex, so prioritizing and sequencing initiatives in each stage of the long term roadmap will be key. One CEO summarized his thoughts by saying “the bets are bigger, therefore get your priorities right”.

The question of payback on the substantial omnichannel investment will be critical to address in order to maintain the current momentum. While payback today is uncertain, we do know that assessing and prioritizing cross channel initiatives is necessary as retailers cannot risk a poor customer experience from poorly executed capabilities. The pace of change of technology alone creates more uncertainty in retail

than ever before, but winning retailers will be ready to withstand digitally savvy demands and competition by engraining agile processes into daily operations. The path to omnichannel excellence is a long journey and defining key milestones will be telling for many management teams.

The effectiveness and eventual proof points for many omnichannel investments will take many years. Successful prioritization can build momentum, reassuring both customers and cross channel skeptics inside the retailer. This momentum will separate winning from losing retailers, as corporate agility will be an important outcome of being a cross channel market leader. This may be the most important long term characteristic retailers should strive for in their cross channel strategies – to be agile enough to respond to changing markets and customers.



On the horizon – Next generation cross channel capabilities

We have benchmarked many cross channel capabilities (e.g., store returns, click and collect, loyalty programs, inventory visibility, basic integrated marketing) and expect to see these capabilities flourish in coming years. However, we are excited to monitor the growth of early stage cross channel capabilities that will contribute to better customer experiences. Each of the following capabilities scored low in the recent audits, but we anticipate seeing more examples emerge in coming years:

- A. Curbside collect, reserved parking spaces or similar customer-convenience services.
- B. Alternative pick up locations that fit busy lifestyles e.g., convenient located lockers.
- C. Websites and stores captures mobile phone numbers for targeted communications.
- D. Stores developing next generation in-store merchandising using online content and digital tools.
- E. Sales associate used mobile POS
- F. Mobile apps that enable transactions.

The Connected Store is likely several years away for most retailers, but we are seeing improvement

The Connected Store is still one of the least developed of our cross channel capabilities framework, but advances in DIY and electrical goods categories, and in the most mature markets of the US and UK are positive signs.

The slow evolution of the connected store can be attributed to several factors. For most retailers, the backoffice capabilities (e.g., inventory visibility, single view of the customer) that precede any customer facing capabilities and programs is where the current capital investment in technology is in progress. Until this happens, connected store capabilities are more cosmetic rather than programmatic change to the store. The prominence of public relations-driven

connected store capabilities also contributes to the perception that we should be further along on the connected store journey. These capabilities, such as the adidas touch screen wall or the often cited Facebook “likes” on clothes hangers at C&A in Brazil, have garnered much buzz, but at best are connected store capabilities suitable for flagship stores and not to be rolled out across a store network. Clearly the critical path for cross channel excellence runs through store operations for the next few years.

One practical cross channel challenge facing retailers will be the human factor of well-trained store staff. Our survey results showed one of the worst performing elements to a strong omnichannel customer experience has

been “cross channel trained store employees” (Figure 14). Operationalizing the rollout of technology within stores will take coordination between cross channel technology (the tools), new processes and key performance indicators, and well-trained staff. Customer-facing tools are being deployed but will take time for processes and staff to operate them smoothly.

Yet the connected stores of the future are quickly paying back their new roles as extensions of the distribution network; fulfilling store and online orders more efficiently. Cross channel provides retailers with comprehensive views of their inventory, and store teams are learning to manage complexities from shipments to and from the store by the ecommerce channel.

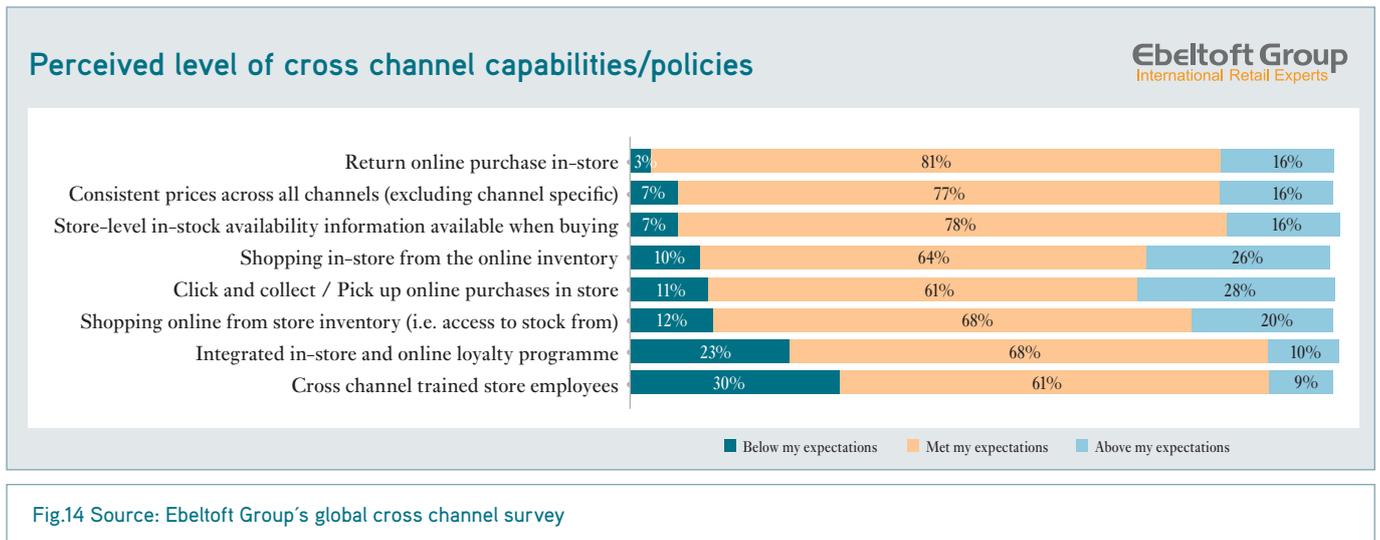


Fig.14 Source: Ebeltoft Group’s global cross channel survey

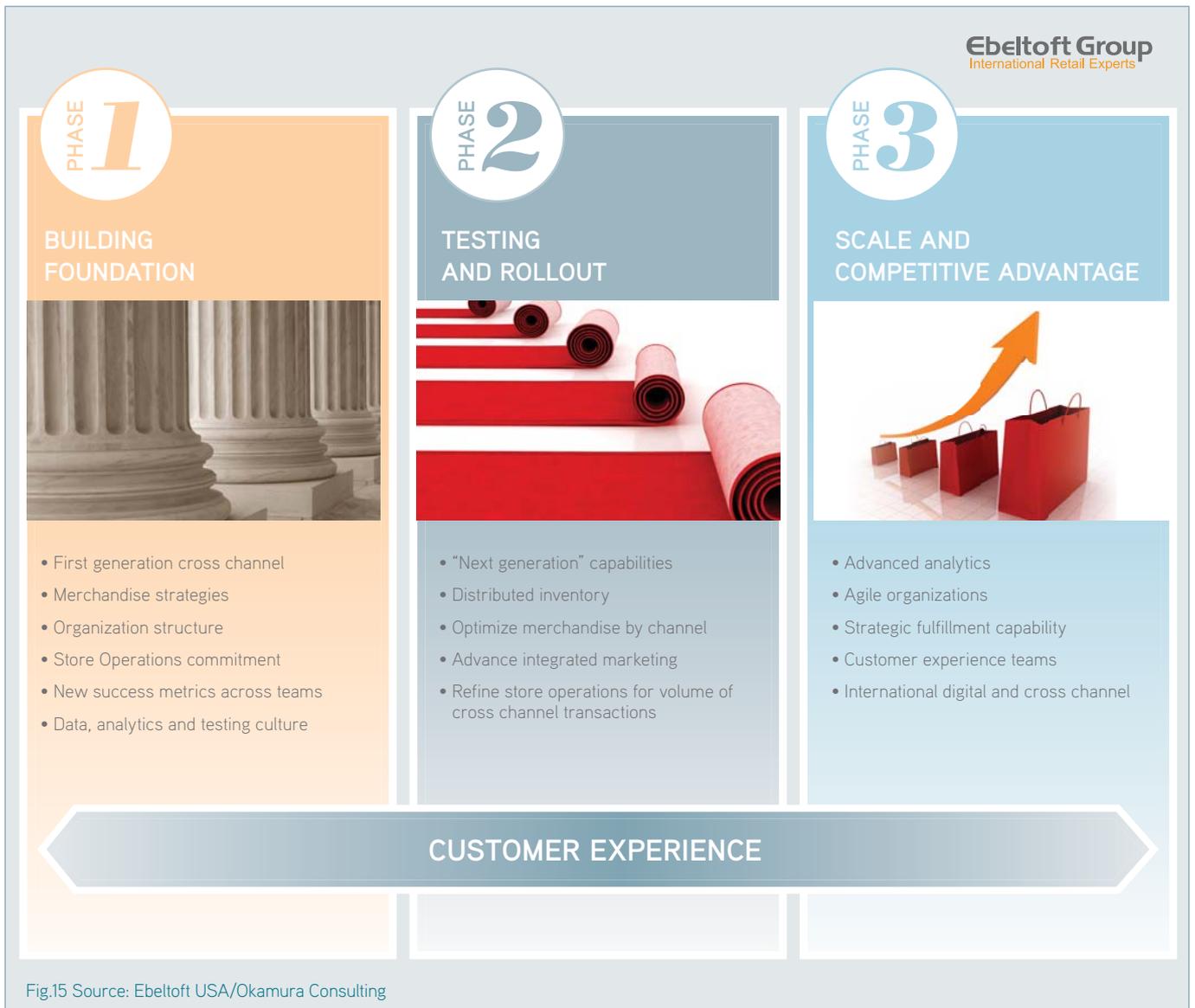
What's in Your Roadmap?

Cross channel competitive advantage will emerge from better execution compared to your competitors. Soon most retailers will have an array of cross channel capabilities, but few will stand out as standards for excellence. The difference will be attention to detail – hallmarks of great retailers regardless of the generation. This detail starts with an operating plan for omnichannel retail that has been vetted

by senior management, and likely includes a strong bias towards focusing on the customer experience. The operating plan, both near and long-term, will be an outcome of defining the customer experience – by channel and across channels.

The roadmap below provides common stages of development among retailers who have

committed to omnichannel excellence and are in varying stages of articulating their operational plans for the next several years. How each retailer tailors their roadmap to their unique circumstances will be a function of the current assets, and management's risk and reward tendencies.





Note to the reader



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Further insight

Interested in further discussing the report and learning about Ebeltoft Group's services and retail expertise? If so, please contact:

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Among our clients are 36 of the top 100 retailers and 29 of the top 50 manufacturers worldwide.

Ebeltoft Group's global studies and publications include: Environmental Sustainability (2010); The Trust Factor (2011); NeoConsumer (2011); Global Cross Channel Report (2012); Retail Internationalization-Trends, Failure & Success Drives and Future Outlook (2013); Ebeltoft Group's Annual Retail Innovations publications (since 2014).

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