Bring excitement back to the shopping experience

How to streamline the brick-and-mortar retail experience to reduce shopper stress and make shopping more fun.

Optimizing the brick-and-mortar store

The concept of omnichannel retail has taught us that shoppers move fluidly between touchpoints based on preference and convenience, but retailers continue to be challenged to keep up with changes in consumer behavior in order to match the value of "online" in the physical store. The industry needs strategies to optimize and streamline the shopping experience that are both practical and scalable. The first step is to look at consumer sentiment and understand exactly how they feel about the brick-and-mortar shopping experience.

**Bring excitement back to
the shopping experience**
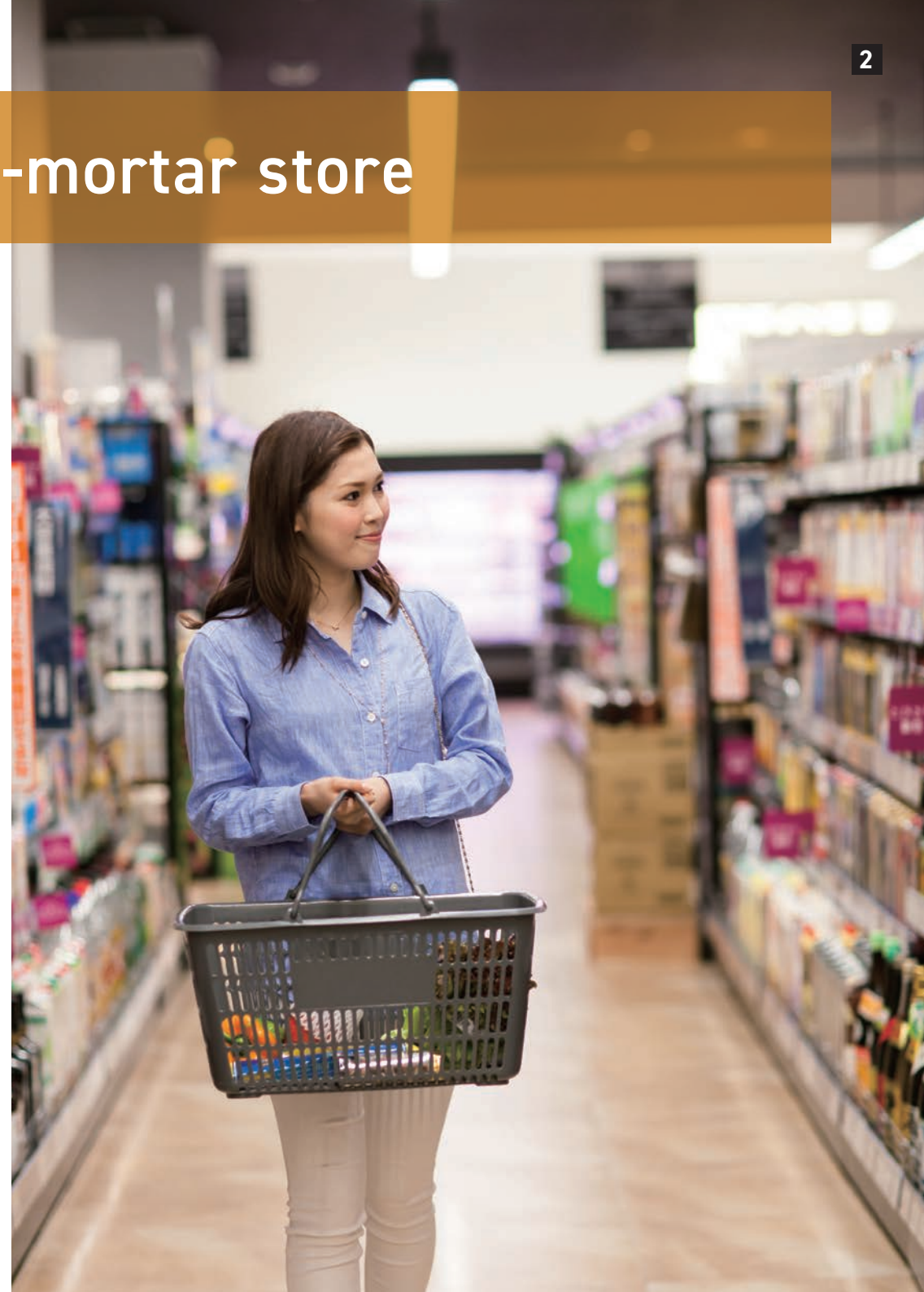
Shoppers enjoy shopping!

Retailers know that keeping shoppers happy means giving them a positive experience across all touchpoints. But is all the potential of the brick-and-mortar store truly being tapped? According to an independent survey on shopper preferences in the United States*, 35.2% of respondents said they choose whether to shop online or at a physical store depending on the item, while over 50% of respondents said that they enjoy shopping at a physical store, and would still go to a brick-and-mortar despite there being an online version of the same store. A flat 50% of respondents said that they had never used online or hybrid supermarket services such as online supermarkets, supermarket delivery services, in-store pick-up services, or putting in an online order at a physical store. Based on these results, one can deduce that physical stores still have a strong place in customers' hearts. But why exactly is that?
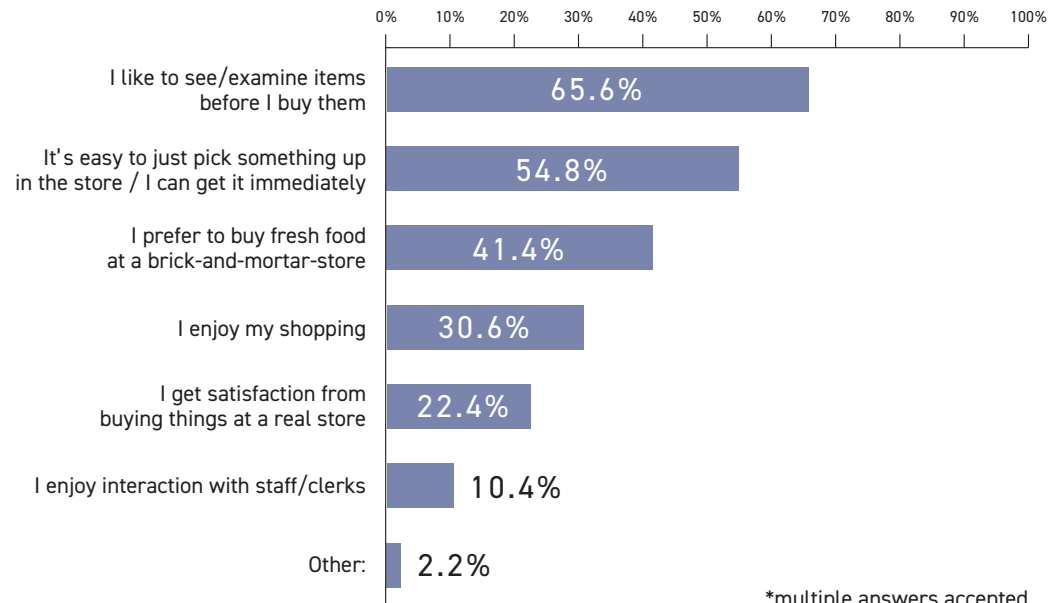
Respondents cited several reasons for enjoying the physical store experience. The most important above all was the ability to buy fresh foods, with 72.8% of people saying that that was an appealing point of the physical store versus online. Additionally, 65.4% of respondents said that simply being able to browse around was important to them, and over 40% felt that physical stores are a good place to discover new products. Shoppers also see the supermarket as a place to find good deals, with 53.6% citing low prices and good deals as one reason to prefer offline shopping.

*2019 by Teraoka Seiko (DIGI Group)

Other positives for brick-and-mortar included:

What are your reasons for purchasing items at a brick-and-mortar store?

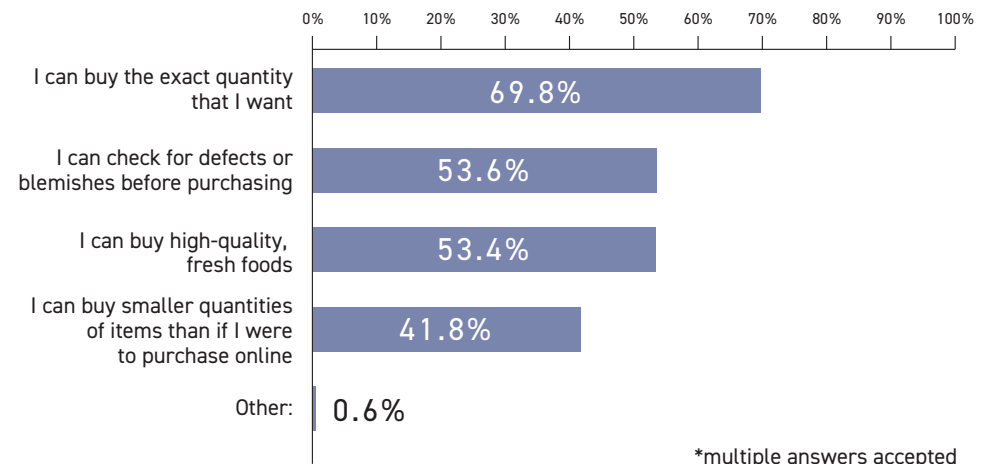| Reason	Percentage
I like to see/examine items before I buy them	65.6%
It's easy to just pick something up in the store / I can get it immediately	54.8%
I prefer to buy fresh food at a brick-and-mortar-store	41.4%
I enjoy my shopping	30.6%
I get satisfaction from buying things at a real store	22.4%
I enjoy interaction with staff/clerks	10.4%
Other:	2.2%

*multiple answers accepted

The rising appeal of 'bulk' goods.

Public understanding of topics such as eco-living, plastic reduction, and sustainability continues to deepen, and many view physical stores as a place to exercise a personal commitment to environmental issues. When asked if they would be interested in bringing their own container (for weighed items, deli items, produce, etc.) to reduce plastic and contribute to the health of the environment, the response was an overwhelming "yes". In fact, 58.4% said that they would either consider bringing a container or have done so at least once, while 10.8% said that they frequently bring their own container to the supermarket. That's nearly 70% that are willing to bear the inconvenience of bringing reusable containers in order to reduce waste. Self-service, bulk food areas, and fresh food counters are nothing new, but in light of this new perspective, it becomes clear that they provide value in a way that has not been previously recognized by the mainstream. Paying special attention to these areas by fitting them with user-friendly technology and implementing creative merchandising, stores can provide a benefit to customers that speaks to their inner values.

According to the survey, shoppers appreciate these things the most about self-service produce areas and fresh food counters:

What benefits do you see in self-service produce areas/fresh food counters (such as deli counter, seafood counter, etc.)

I can buy the exact quantity that I want	69.8%
I can check for defects or blemishes before purchasing	53.6%
I can buy high-quality, fresh foods	53.4%
I can buy smaller quantities of items than if I were to purchase online	41.8%
Other:	0.6%

*multiple answers accepted

Help your customers stress less

With all of these positive aspects, it seems like shoppers still have their reasons to pull into a supermarket for their groceries. But is it all good news?
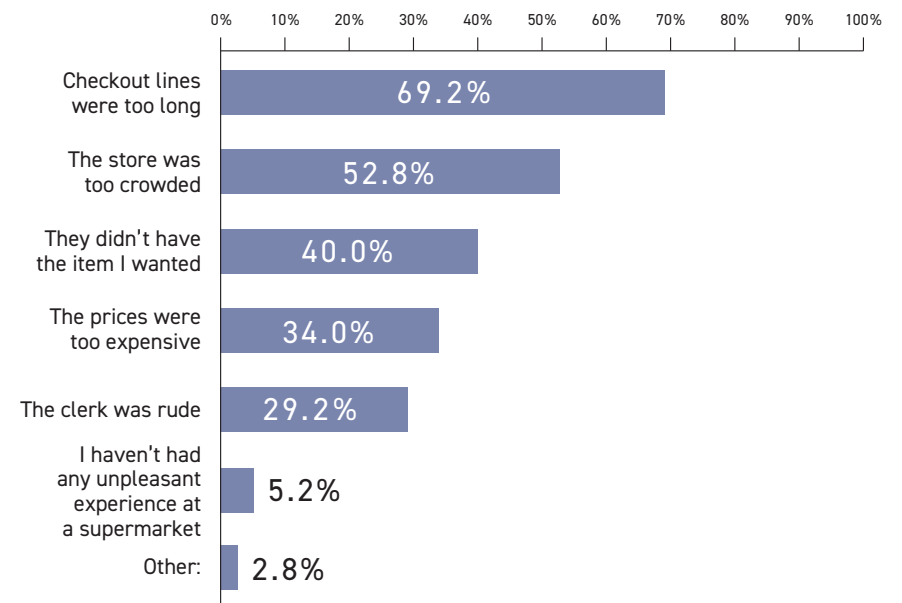
The survey asked people to explain some of the negative experiences that they had at stores, in order to understand which areas are beyond ripe for improvement. For example, in self-service areas, machine errors and difficulty locating item PLUs were among the main frustrations. Despite being relatively simple to fix, these issues remain a source of stress for shoppers. But the most prominent feature in respondents' reactions had to do with the checkout. Over 30% said that they shop less frequently due to annoyances such as car traffic and long checkout lines. On top of that, 82.8% have left the store without purchasing a missed item on their list, simply to avoid waiting in line for a second time. But the most telling sign is that long checkout lines were cited as the most unpleasant part of the shopping experience, with 69.2% saying that long lines were a source of frustration.

With so much competition in the retail space, it is important to acknowledge the issues that are a source of frustration to shoppers and look for efficient, cost-effective solutions to remedying these issues. Small inconveniences can lead people to shop less often, which means that retailers miss out when the most efficient systems are not in place. Stores need to remain relevant as the market becomes more competitive, and one way is by enhancing their value by creating a more positive customer experience.

Have you ever realized you forgot to purchase something, but left without it because you didn't want to wait in the checkout line again?

YES 82.8%	NO 17.2%

What are the most unpleasant experiences you have had when shopping at a supermarket?

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

- Checkout lines were too long — 69.2%
- The store was too crowded — 52.8%
- They didn't have the item I wanted — 40.0%
- The prices were too expensive — 34.0%
- The clerk was rude — 29.2%
- I haven't had any unpleasant experience at a supermarket — 5.2%
- Other: — 2.8%

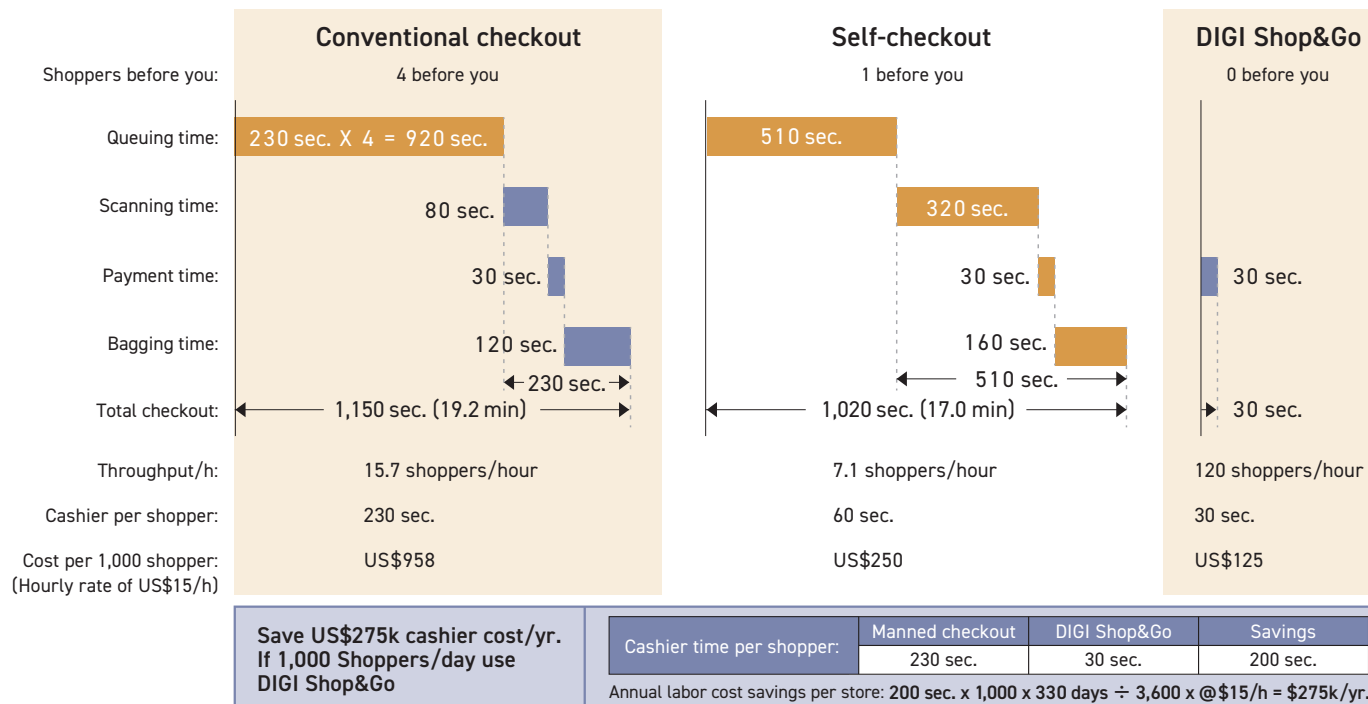*multiple answers accepted

Make way for the mobile checkout

Some of the biggest benefits to both retailers and shoppers come from continued advances in self-checkout technology, including mobile checkout systems. In particular, mobile checkout systems allow shoppers to scan items with their own device, namely, their smartphone. Shoppers already carry around advanced computing technology in their pocket—so there is really no need for store-specific handhelds or pricey scanners built into the cart. And since people are comfortable operating their own devices, there is less of a learning curve in terms of operation. Mobile checkouts that utilize the shopper's own smartphone as a scanner can also be implemented with much less hassle; it can be as simple as adding a payment terminal to the regular line-up of registers.

The greatest appeal of mobile checkout systems is the drastic decrease in wait-time at the checkout. If waiting in line is the most stressful part of shopping for shoppers, giving them a more streamlined experience will greatly increase their overall satisfaction. Surveyed shoppers said they are used to self-checkouts, with 73.2% expressing that they do not have difficulty with self-checkout machines. And 66.8% said that they don't mind bagging their own items (14.2% actually prefer to).

Checkout Time Comparison (U.S. Model) (20 items in basket/bagging by cashier)

	Conventional checkout	Self-checkout	DIGI Shop&Go
Shoppers before you:	4 before you	1 before you	0 before you
Queuing time:	230 sec. X 4 = 920 sec.	510 sec.	
Scanning time:	80 sec.	320 sec.	
Payment time:	30 sec.	30 sec.	30 sec.
Bagging time:	120 sec.	160 sec.	
	←230 sec.→	← 510 sec. →	30 sec.
Total checkout:	1,150 sec. (19.2 min)	1,020 sec. (17.0 min)	30 sec.
Throughput/h:	15.7 shoppers/hour	7.1 shoppers/hour	120 shoppers/hour
Cashier per shopper:	230 sec.	60 sec.	30 sec.
Cost per 1,000 shopper: (Hourly rate of US$15/h)	US$958	US$250	US$125

Save US$275k cashier cost/yr. If 1,000 Shoppers/day use DIGI Shop&Go

Cashier time per shopper:	Manned checkout	DIGI Shop&Go	Savings
	230 sec.	30 sec.	200 sec.

Annual labor cost savings per store: **200 sec. x 1,000 x 330 days ÷ 3,600 x @$15/h = $275k/yr.**

While some mobile checkout systems do away with a payment terminal completely, the process of having shoppers stop at a terminal to go over the contents of their shopping cart and select from a variety of payment methods (from cash, to credit, to mobile payment apps) gives them the freedom to make shopping decisions that are in alignment with their own personal convenience. It is also useful for security purposes.

Mobile checkout solutions place the power of the checkout into the customers' hands, allowing them to shop at their own pace (whether slow or quick!) and check out without having to wait in long lines. This convenience may even be an incentive for shoppers to up their shopping frequency.

Store optimization needn't be complicated or costly

As shown in the survey responses, the annoyances that shoppers face on a regular basis, while sources of frustration, are not difficult to solve with the right technology. And rapid changes in technology call for solutions that can be implemented with less investment of cost, time, and space. In short, new systems should not be a burden on retailers, and they also need to be easy for employees to adapt to and intuitive for shoppers to use. Shoppers are also used to technology and are comfortable with the self-checkout, so enhancements in that area can be of great value to them.

About DIGI

DIGI/TERAOKA Group offers innovative products, solutions, and services for the retail, food, logistics, and hospitality industries, including retail scale printers, POS systems, mobile checkout solutions, electronic shelf labels (ESL), weigh-wrap-labelers, high speed indexers, and picking & sorting systems. With "DIGI" as our global brand and trade name, we operate in nearly 150 countries around the world and have subsidiaries for R&D, manufacturing, and marketing in 15 countries. DIGI maintains a strong presence in the global retail business market by offering and supporting products tailored to a wide range of retailers, from specialty stores and supermarkets to hypermarkets. We also facilitate integration of retail data into the customer's store management system to enhance retail operations. TERAOKA SEIKO CO., LTD. is the headquarters for the DIGI/TERAOKA Group. Founded in 1934 and headquartered in Tokyo, the company has 3,750 employees.

TERAOKA SEIKO Co., Ltd. (Global HQ)
13-12 Kugahara 5-chome Ohta-ku, Tokyo 146-8580 Japan
www.digisystem.com