The connected customer paradox

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Many moving parts

The evolution of the customer journey has been rapid, fuelled by the ease and speed that online connectivity provides. It means we're now at a point where retailers and brands need to dig into how connectivity influences the way shoppers behave, and work out how to engineer their physical and digital channels to attract more engagement and spend.

New research from O_2, in partnership with Retail Economics, gives insight into how connectivity influences behaviour at every touchpoint. These insights cover both retailers and consumers – the modern customer journey, from both sides of the till.

Usage doesn't always mean appreciation

One especially interesting insight uncovered by the research was that younger consumers prefer to use physical retail channels over digital ones. This is despite spending a considerable amount of time in digital environments, like social media sites, e-commerce platforms and gaming.

This difference is partly because Gen Zs (and some Millennials) are 'digital natives'. Born into a digital age, they digest information from many online sources while automatically switching between digital and physical interactions.

Essentially, they take online connectivity for granted, so the role of physical stores holds a different type of significance for them compared to other customer groups. It's important that retailers understand that consumer perceptions regarding connectivity don't neatly correlate to their usage of online channels.

> **Just because you're a connectivity assumptive – a customer who perceives connectivity as less important – it doesn't mean you won't still use digital channels. Engagement is more nuanced than that.**

In partnership with **Retail Economics**

Building the digital playbook

The research also identifies that there's only one stage within the connected customer journey where all customer groups value the online channel over the physical channel. This is at the 'Research' stage (Fig.1).

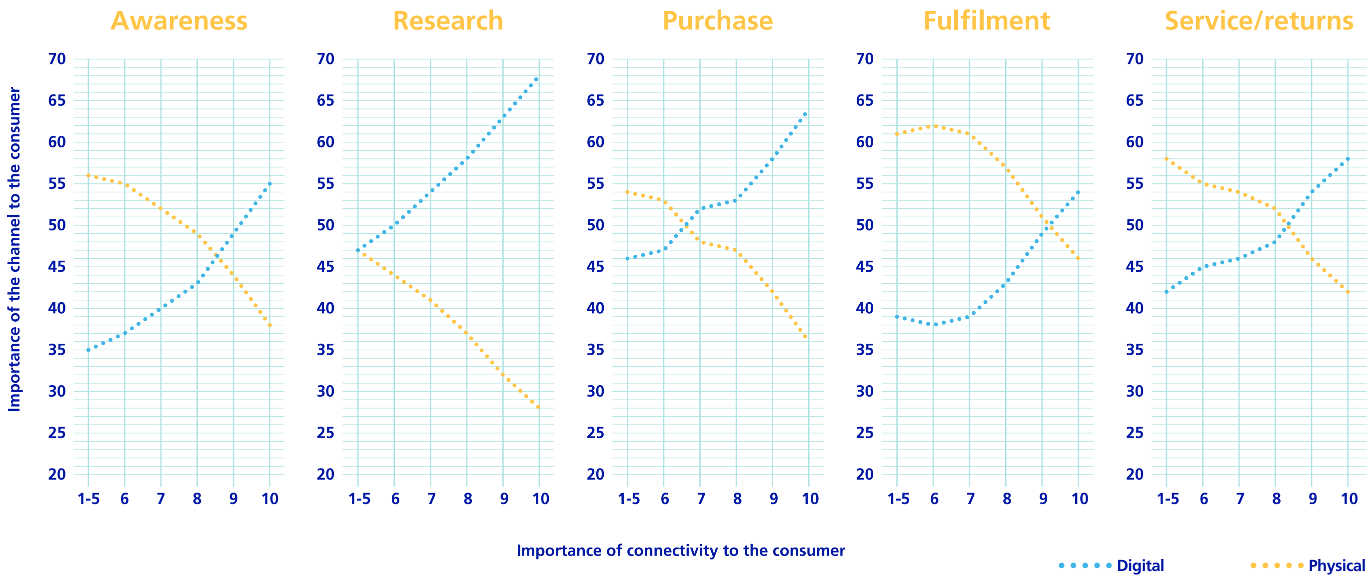
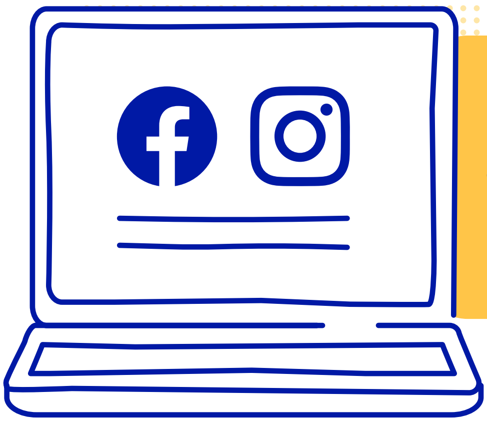


Fig 1. The relative importance of the digital and physical channels at each stage of the customer journey based on how important consumers feel connectivity is

Source: Retail Economics, n=2,000 nationally representative and active online consumers, April 2020 (may not total 100 because other media channels such as outdoor advertising have been excluded)

For retailers looking to improve their digital strategies, this insight has key implications for how they should allocate resources. Focusing on the customer's experience as they research and compare product ranges online becomes an evidence-led approach.

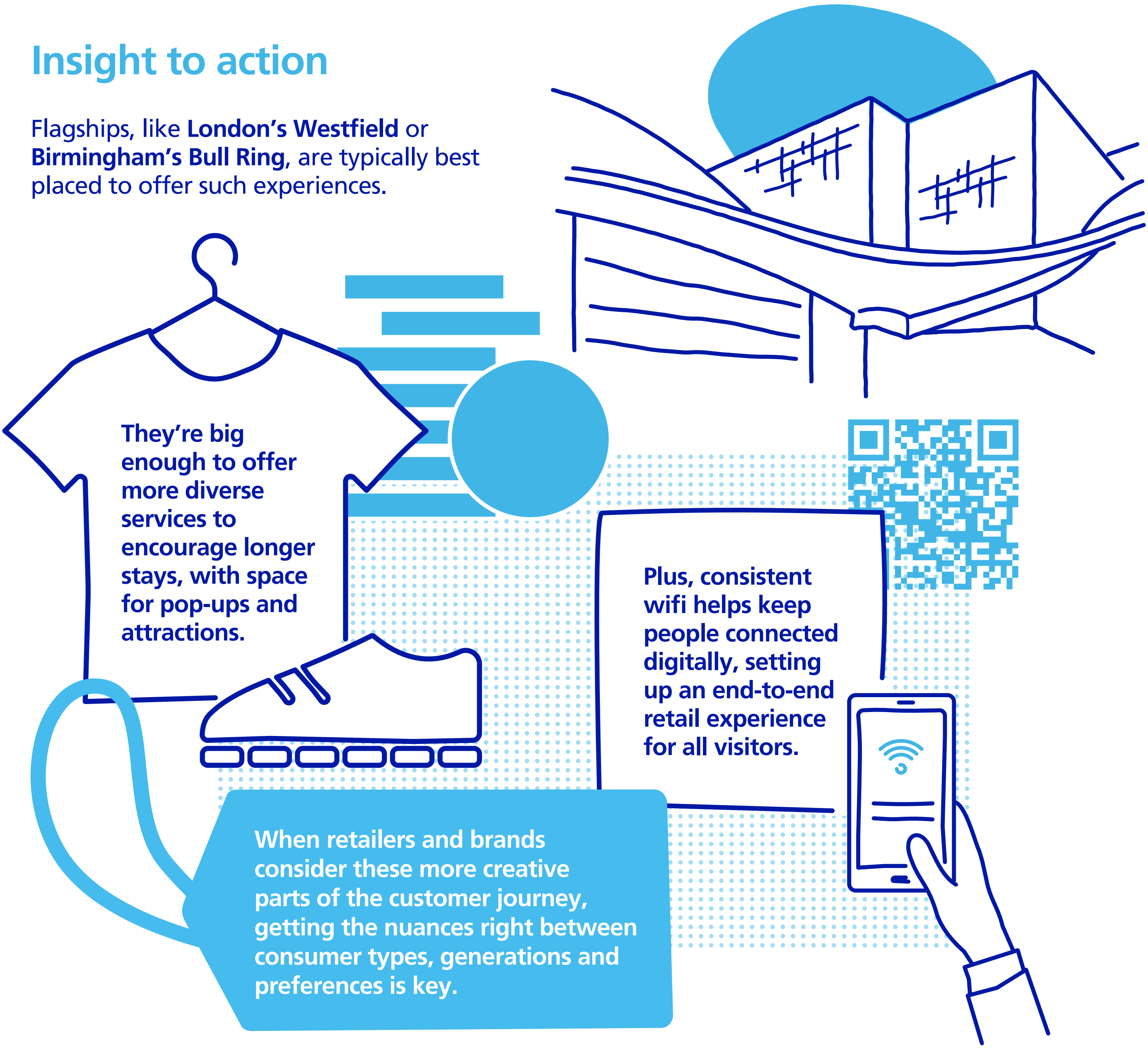
The research also shows that physical stores still play a big role in discovery for younger consumers (stage 1 – awareness), and in the in fulfilment of purchases and returns (stages 4 and 5 – fulfilment and services/returns). And retailers are responding to this, too.



The in-store experience is being bolstered by additional digital touchpoints, such as **geotargeted, personalised SMS messages** and even **social media influencers**.

Insight to action

Flagships, like **London's Westfield** or **Birmingham's Bull Ring**, are typically best placed to offer such experiences.



They're big enough to offer more diverse services to encourage longer stays, with space for pop-ups and attractions.

Plus, consistent wifi helps keep people connected digitally, setting up an end-to-end retail experience for all visitors.

When retailers and brands consider these more creative parts of the customer journey, getting the nuances right between consumer types, generations and preferences is key.

The big picture

The insights in this article are a snapshot from O_2's The Big Ask report, published in collaboration with Retail Economics. If you'd like to find out more about the research, you can download the full report here.

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