Retailers' Disconnect With Shoppers Is Costing Them

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Executive Summary

Retailers believe they are providing best-of-class customer experiences and services. However, 53% of shoppers feel that retailers are failing to provide consistent experiences across channels. The reason for this disconnect is that retailers are often making investments in new services and capabilities without the input of the shoppers they intend to serve, which negatively impacts customer satisfaction, revenue, and profitability. This disconnect can result in a significant divide between the experiences retailers believe they are providing and the ones shoppers are actually experiencing.

In September 2016, Cognizant commissioned Forrester Consulting to partner with it to examine the state of retail industry in regards to digital engagement, personalization, and omnichannel fulfillment services being offered to consumers. The hypothesis driving the study was that retailers are making investments to expand their digital and omnichannel capabilities but that those investments are not aligned with consumer preferences. This results in low adoption and perception of value in many retailer services being offered today.

To test this hypothesis, Forrester conducted an online survey of 318 retailers to learn about current capabilities and challenges. The retailers surveyed were large enterprises with at least $500 million in annual revenue (with over 50% above $1 billion in annual revenue), so this study doesn't include a perspective for small-business or medium-size retailers. The findings of this survey were also compared with selected results of a recent Forrester study of shoppers, commissioned by Cognizant, which explored consumers' retail experiences and preferences around many of the same topics. The full results of the consumer study can be found here.

KEY FINDINGS

Forrester's study yielded five key findings:

› **Retailers are very confident about the quality of services they provide customers today, yet they struggle to provide a consistent experience across channels.**

› **Shoppers are not experiencing the full value of many retailers' programs.**

› **Retailers need to create a clear digital strategy built around customer expectations to provide high brand value and differentiation.**

› **Retailers need to align omnichannel capabilities with customer expectations and prioritize implementation.**

› **Improving customer engagement through personalization drives loyalty and revenue.**

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Retailers' Overconfidence Is Hurting Customer Experience

The retail market is more competitive than ever, as heightened customer expectations have emboldened consumers to seek out not only superior products and services that meet their lifestyle, but also the experiences they prefer. With the ubiquity of digital technology, and more consumers equipped with mobile devices than ever before, the pressure is on retailers to create retail experiences that match those of the best retailer, regardless of category or channel. Many retailers today feel they're already doing this right, with over two-thirds stating they strongly believe their company is able to deliver best-in-class customer experiences. When retailers were asked to rate their digital maturity on a scale of 1 to 10 as it relates to the services they provide customers (with 10 being the most sophisticated), 84% of companies rated themselves as an 8 or higher.

However, despite having the newest digital capabilities and offerings, 51% of retailers expressed challenges with leveraging those services to provide consistent customer experiences. This is due to a wide range of contributing factors, all of which retailers struggle with, including:

› Improperly defining processes around new services.

› Limiting the features and functions that are being implemented.

› Underutilization by customers due to improperly introducing experiences to the market.

› A lack of a defined customer experience strategy.

CUSTOMERS ARE NOT SEEING THE TRUE VALUE OF RETAILER PROGRAMS

The benefits of current retailer programs are either not obvious, not clearly understood, or not substantial enough to warrant customer attention. As a result, the majority of customers are not aware of the value-added programs and services that retailers offer (see Figure 1). The gap between what is offered and what customers are aware of is most significant in areas related to in-store experiences: scanning QR codes for promotions or product info, receiptless returns, or shopping recommendations and support from store associates.

In an effort to remain competitive, retailers feel compelled to make sure they have every possible service available for customers in order to meet perceived needs, rather than

focusing on the services that matter most to customers. For example, when asked to identify the top factors that would drive customers to buy from their company instead of another retailer, there was no single response that stood out among retailers. Large selection of products was the highest, but that was identified by only 30% of retailers as a top factor. Other factors included easy returns, competitive pricing, fast checkout, etc., but these options were selected by one-fourth, or less, of retailers. These results suggest that retailers are divided about what customers want and need. To put it more bluntly, retailers don't know what their customers need. They appear to be reacting to trends or competition versus truly understanding their customers.

Conversely, customers have very clear opinions and preferences when it comes to engaging with retailers. For customers, there were three clear factors that drive them to one retailer over other (see Figure 2):

› **Competitive prices and promotions.** Price will always be important to consumers. Savvy shoppers are always looking for best-value pricing and opportunities to save money.

› **Easy-to-find products and reliable inventory.** Customers want their shopping experiences to be hassle free. Being unable to find a product, or searching for a product that is out-of-stock, can be incredibly frustrating. The result of this frustration can be equally damaging to retailers as it creates dissatisfied customers who will likely purchase from another retailer.

› **Convenience.** Consumers want shopping to be easy, and convenience plays a big part in that. Whether in-store or online, customers expect to be able to get what they want in a way that is most convenient for them to get it — in other words, they want omnichannel services.

> Put bluntly, retailers don't know what their customers need. They appear to be reacting to trends or competition versus truly understanding their customers.
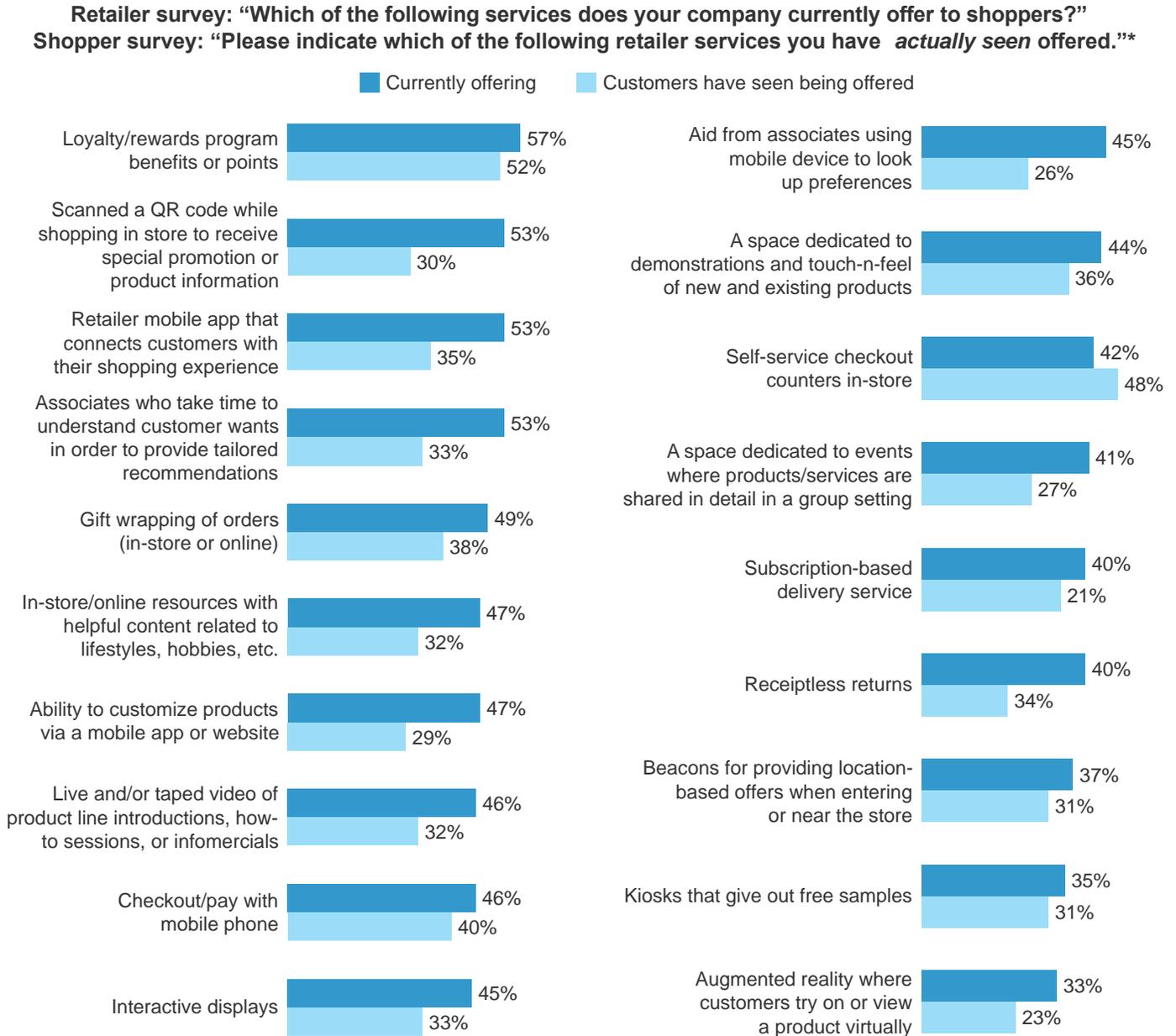
FIGURE 1

There Are Many Significant Gaps Between What Services Retailers Offer And What Customers Use

Retailer survey: "Which of the following services does your company currently offer to shoppers?"
Shopper survey: "Please indicate which of the following retailer services you have *actually seen* offered."*

■ Currently offering   ■ Customers have seen being offered

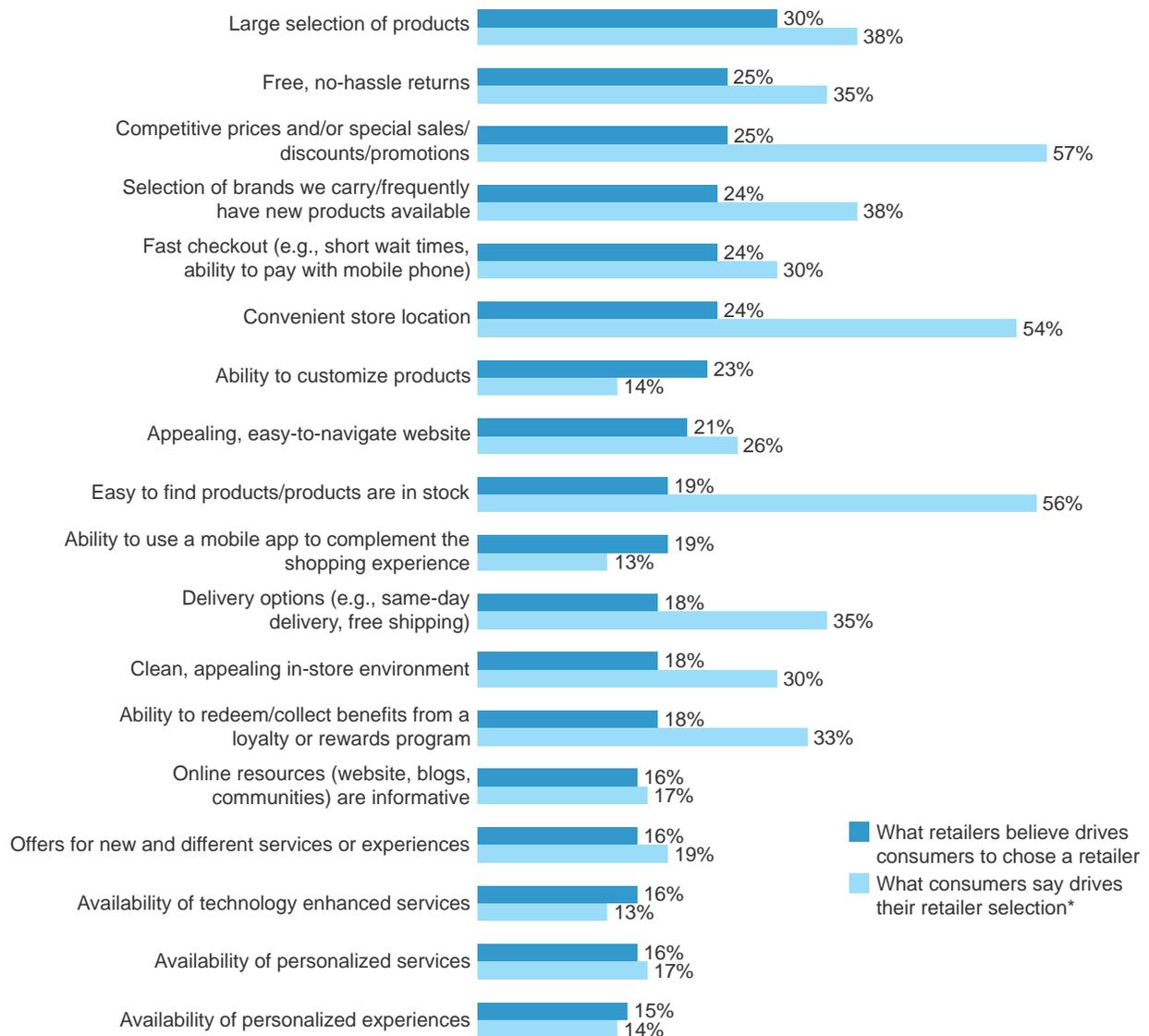| Service	Currently offering	Customers have seen being offered
Loyalty/rewards program benefits or points	57%	52%
Scanned a QR code while shopping in store to receive special promotion or product information	53%	30%
Retailer mobile app that connects customers with their shopping experience	53%	35%
Associates who take time to understand customer wants in order to provide tailored recommendations	53%	33%
Gift wrapping of orders (in-store or online)	49%	38%
In-store/online resources with helpful content related to lifestyles, hobbies, etc.	47%	32%
Ability to customize products via a mobile app or website	47%	29%
Live and/or taped video of product line introductions, how-to sessions, or infomercials	46%	32%
Checkout/pay with mobile phone	46%	40%
Interactive displays	45%	33%
Aid from associates using mobile device to look up preferences	45%	26%
A space dedicated to demonstrations and touch-n-feel of new and existing products	44%	36%
Self-service checkout counters in-store	42%	48%
A space dedicated to events where products/services are shared in detail in a group setting	41%	27%
Subscription-based delivery service	40%	21%
Receiptless returns	40%	34%
Beacons for providing location-based offers when entering or near the store	37%	31%
Kiosks that give out free samples	35%	31%
Augmented reality where customers try on or view a product virtually	33%	23%

Base: 318 decision makers responsible for omnichannel, digital transformation, or CX strategy at their retail organizations
*Base: 4,500 shoppers age 18+ who own a smartphone (global)

Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, September 2016

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FIGURE 2

Retailers Don't Understand What Customers Prefer

Attribute	What retailers believe drives consumers to chose a retailer	What consumers say drives their retailer selection*
Large selection of products	30%	38%
Free, no-hassle returns	25%	35%
Competitive prices and/or special sales/discounts/promotions	25%	57%
Selection of brands we carry/frequently have new products available	24%	38%
Fast checkout (e.g., short wait times, ability to pay with mobile phone)	24%	30%
Convenient store location	24%	54%
Ability to customize products	23%	14%
Appealing, easy-to-navigate website	21%	26%
Easy to find products/products are in stock	19%	56%
Ability to use a mobile app to complement the shopping experience	19%	13%
Delivery options (e.g., same-day delivery, free shipping)	18%	35%
Clean, appealing in-store environment	18%	30%
Ability to redeem/collect benefits from a loyalty or rewards program	18%	33%
Online resources (website, blogs, communities) are informative	16%	17%
Offers for new and different services or experiences	16%	19%
Availability of technology enhanced services	16%	13%
Availability of personalized services	16%	17%
Availability of personalized experiences	15%	14%

Legend:
- ■ What retailers believe drives consumers to chose a retailer
- ■ What consumers say drives their retailer selection*

Base: 318 decision-makers responsible for omnichannel, digital transformation, or CX strategy at their retail organizations

*Base: 4,500 shoppers age 18+ who own a smartphone (global)

Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, September 2016

Retailers Need To Create A Clear Digital Strategy

In order to create a strategy that increases brand value and differentiation, retailers must go directly to their customers to understand their expectations and needs. Today's consumers live in a complex, demanding world, with competing priorities and limited time. But because they also live in a digital world, they expect the retailers they shop with to know them and to make their shopping experience convenient and easy.

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DIFFERENTIATION AND ALIGNMENT

However, too often retailers are looking to technology to keep up with competitors, without a true strategy around how they can make shoppers' experiences unique and reinforce their brand. Shoppers today are looking for relevant offers as well as simple and seamless experiences regardless of the channel. Meeting these needs requires a clear, comprehensive digital strategy based on actual customer input. Aligning strategies to what shoppers value most will provide the direction and innovation needed for retailers to differentiate themselves.

Two key areas that must be a priority are omnichannel fulfillment and customer engagement (e.g., a 360-degree view of the customer and personalization) (see Figure 3 and following sections).

Retailers also need to ensure that their marketing strategy aligns with their core brand values and that their business model enables and executes their brand value through consistent, focused, and impactful customer experiences. Shoppers know their experience won't be perfect all the time, but as retailers implement customer-driven strategies, it will help remedy the risk of inconsistent shopper experiences.

FIGURE 3
Digital Strategy Priorities

Priority No. 1
Omnichannel fulfillment

Priority No. 2
Customer engagement

Creating a personalized, seamless experience across all customer touchpoints

Base: 318 decision-makers responsible for omnichannel, digital transformation, or CX strategy at their retail organizations

Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, September 2016

> Providing shoppers with the experiences they expect requires a clear intention from retailers to better know their customers, but too often retailers are looking to technology to keep up with competitors, without a true strategy.

SUPPORTING DIGITAL STRATEGIES WITH TECHNOLOGY

Digital strategies are enabled tactically by technology that is evolving rapidly. Retailers need to keep up with the changes technology introduces to further support their business strategies and remain competitive. Because timing is also critical, retailers need to be accurate and quick with both planning and implementing their strategy. For today's finicky and digitally savvy consumers, patience is limited regarding how long they wait before looking elsewhere for the services they need. Retailers highlighted the challenges with keeping up with technology as one of their biggest fears, with one retailer stating, "By the time we catch up to technology, it will have moved past us again."

"By the time we catch up to technology, it will have moved past us again."

— Director of merchandising, retailer with $1 billion to $3 billion revenue

Retailers Must Align And Prioritize Omnichannel Fulfillment Capabilities Based On Customer Expectations

Most retailers are spending a lot of time and resources to offer a wide variety of order fulfillment options. While buying online and shipping to home remains high, with 63% of retailers listing it as their most common fulfillment method (after in-store purchase and fulfill), new fulfillment options — such as buy online, pick up in store; buy in store, pick up in store (after shipping); or buy in store, ship to home — are gaining some traction. However, less than one-third of retailers see them being frequently used by consumers. The lower frequency at which omnichannel fulfillment options are being utilized by customers suggests that retailers may be

missing the mark with omnichannel, likely in one of the following ways:

› **Retailers have not effectively communicated the value of their new offerings to customers.** New digital capabilities are worthless if customers are not aware of them or don't perceive the value of them. When asked about key challenges with providing positive customer experiences around new capabilities, 42% of retailers said new services were underutilized because they were not properly introduced to customers.

› **Retailer service levels are misaligned with respect to fulfilment options.** Customers and retailers have misaligned expectations around omnichannel fulfillment, which creates dissatisfaction for shoppers. For example, when placing an online order for pickup in store, customers expected to wait 1 hour before being notified their order was ready. When we asked retailers what their typical service time was for notifying customers that an order was ready for pickup, the median time was 4 hours. On the flip side, retailers are sometimes overdelivering against customer expectations. For a delivery to a home

or store for pickup, consumers expect around five days for delivery, but most retailers typically offer this in two days (see Figure 4). Retailers need to find the right balance of fulfilment priorities, as just focusing on delivery speed leads to wasted spend that could instead be used toward the fulfillment options that customers value most.

› **Retailers are not providing consistent experiences across channels.** Customers expect the same level of service and quality whether they're interacting with a retailer online, in a store, or at a call center. Low adoption of certain omnichannel fulfillment options could be a result of bad in-store or online experiences that have resulted in customers preferring to shop only online or in-store, depending on where they receive the best service. Nearly one in four retailers surveyed stated that inconsistent channel strategies is one of their biggest challenges with omnichannel. For example, customers voice frustration with retailers asking them for previously provided information (that was provided in a different channel), or the finding that 49% of retailers do not make loyalty rewards available for online use.

FIGURE 4

Retailers Are Not Meeting Customer Expectations For Omnichannel Fulfillment Services

Retailer survey: "For each of the following types of transactions you offer, what service level do you provide?
"Shopper survey: "When making purchases online or in store, how much time would you expect for the following?"

Fulfillment options	Median time	
	Current service level (retailers)	Expected service level (consumers)*
Pick up in store (for in-stock item) Time between placing an online order and notifying the customer it's ready	4 hours	1 hour
Deliver to home Time between receiving an online order, or receiving an in-store purchase to be delivered, and having it delivered (assuming the customer didn't pay for expedited shipping)	Two days	Five days
Deliver to store Time between receiving, an online order, or receiving an in-store purchase (for out of stock item), and having it arrive at the store for customer pickup	One day	Four days
Hold in store for pickup Time a retailer should hold a purchase item for a customer until he/she is ready to pick it up	One day	Five days

Base: 318 decision makers responsible for omnichannel, digital transformation, or CX strategy at their retail organizations
*Base: 4,500 shoppers age 18+ who own a smartphone (global)
Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, September 2016
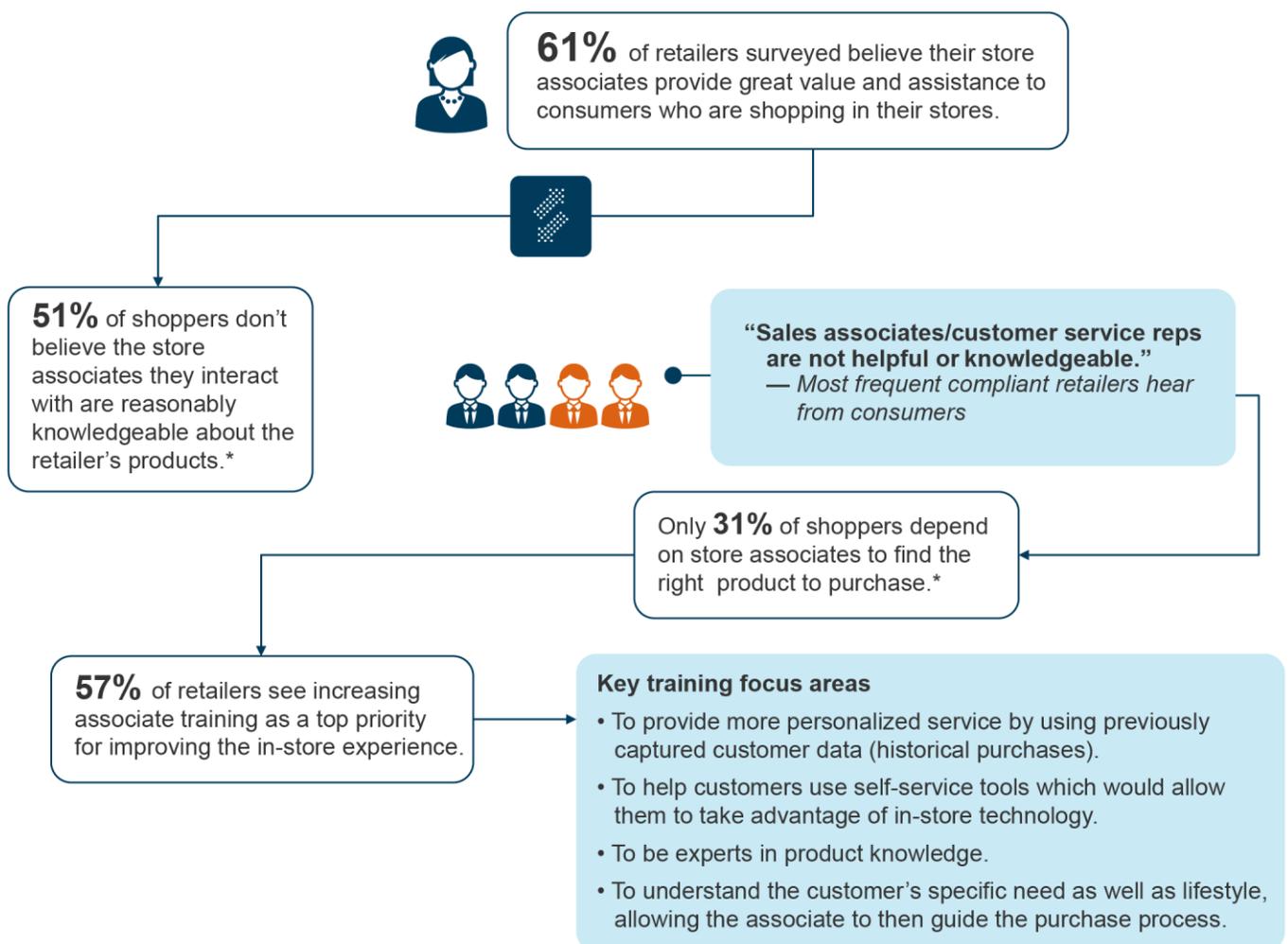
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IMPROVING IN-STORE ASSOCIATE ABILITIES

Store associates can play a key role in creating positive or negative experiences for customers. Customers have an expectation that store associates can offer valuable assistance, but for the majority of customers, this is not their experience. Fifty-one percent of shoppers stated store associates don't have the product information or knowledge to effectively help them, and when retailers were asked what were some of the biggest challenges they faced with respect to digital customer experience, 40% said store associates and customer service agents were not properly trained. As a result, 57% of retailers see improved training for associates as the top priority for improving in-store experiences for customers (see Figure 5).

FIGURE 5

Retailers Are Improving Training Of Store Associates To Make Them More Relevant To Customers

61% of retailers surveyed believe their store associates provide great value and assistance to consumers who are shopping in their stores.

51% of shoppers don't believe the store associates they interact with are reasonably knowledgeable about the retailer's products.*

"Sales associates/customer service reps are not helpful or knowledgeable."
— *Most frequent compliant retailers hear from consumers*

Only **31%** of shoppers depend on store associates to find the right product to purchase.*

57% of retailers see increasing associate training as a top priority for improving the in-store experience.

Key training focus areas
• To provide more personalized service by using previously captured customer data (historical purchases).
• To help customers use self-service tools which would allow them to take advantage of in-store technology.
• To be experts in product knowledge.
• To understand the customer's specific need as well as lifestyle, allowing the associate to then guide the purchase process.

Base: 318 decision-makers responsible for omnichannel, digital transformation, or CX strategy at their retail organizations
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Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, September 2016

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Improving Customer Engagement Through Personalization

The key to driving improved customer engagements is to create relevant, meaningful experiences for individual customers (AKA personalization) across all channels. Effective personalization must begin with a clear strategy around how retailers will get to know their customers better and build intimacy. In comparing customers' preferences for what makes them feel known with retailers' priorities for making customers feel known, we found retailers to be fairly well aligned with shoppers' expectations. For both sides, the feeling of being known is driven by providing relevant marketing content, communication via the customer's preferred channels, and automatically applying offers and benefits based on customer history (see Figure 6).

However, while on paper retailers appear to know what customers prefer with personalization, they're missing the mark in terms of actually delivering on those capabilities. For example, we asked retailers to rate how effective they felt their current offerings and services were at making customers known, and 85% of retailers consider their use of data for personalization to be effective (51% said very effective). This is a significant disconnect from the experiences shoppers are having, as 59% of shopper believe retailers are ineffective at making them feel well known with personalizing efforts. Despite retailers'

FIGURE 6

Retailers' Priorities Are Moving Away From Personalization Initiatives That Customers Prefer

Retailers' top priorities for personalization (ranked)		Customers' top personalization preferences (ranked)*
No. 1	Provide personalized, relevant messages in marketing communications	No. 3
No. 2	Provide communication via customers' preferred methods	No. 2
No. 3	Promotional offers are automatically applied, based on past purchases and personal preferences	No. 1

Base: 318 decision-makers responsible for omnichannel, digital transformation, or CX strategy at their retail organizations
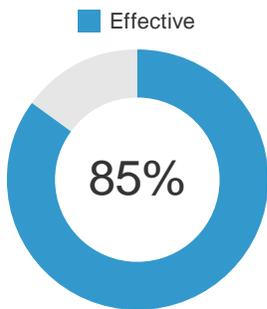*Base: 4,500 shoppers age 18+ who own a smartphone (global)
Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, September 2016

optimism, customers are frequently having issues with supposedly "personalized" offers not being relevant, timely, or providing significant value (see Figure 7).

FIGURE 7

Retailers Are Missing The Mark With Personalization

Retailers: "How effectively is your company using customer data to personalize marketing messages?"

Effective

85%

Shoppers: "How effective are retailers with their marketing efforts at making you feel known?"*

Ineffective

59%
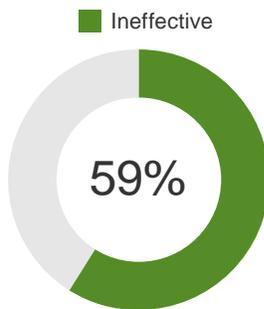
Reasons for customer dissatisfaction

Offers expire quickly.

Offers are not specific to the product(s) I want.

Offers don't provide significant savings/value.

Offers are not provided at the right time.

Retailers require me to submit a lot of information to get offers.

Base: 318 decision-makers responsible for omnichannel, digital transformation, or CX strategy at their retail organizations
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Retailers must realize that if "personalized" offers fail to align with customer product interests, are unable to provide contextual relevance (delivered at the right time/place), or fall short of adding significant value to the shopping journey, they are not perceived by the customer as personalized offers at all.

> **Eighty-five percent of retailers consider their use of data for personalization to be effective (51% very effective), yet 59% of shoppers believe retailers are ineffective at making them feel well known.**

KNOWING YOUR CUSTOMERS STARTS WITH HAVING THE RIGHT DATA

Retailers are putting greater focus on gathering data to provide a 360-degree view of customers in order to enable greater levels of service and marketing personalization. In order to do this, a holistic view of the customer must include not just demographics and communication preferences, but also interests, attitudes, and behaviors. Gaining this understanding will enable retailers to connect with consumers well beyond just email campaigns and promotions. Leveraging personalized data based on a 360-degree view of customers will allow retailers to provide individualized experiences to customers across all channels, devices, and customer touchpoints. For example, knowing what channel a customer will best respond to is good for marketers to know, but unless the content of the messages sent via that channel are relevant to the customer's interests, the use of the preferred channel carries no value. As retailers are able to provide more effective personalization, it creates a win-win scenario for shoppers and retailers, as shoppers will see improved shopping experiences and retailers will begin to build greater intimacy and trust as well as conversion with satisfied customers.

Unfortunately, the primary types of data that retailers are collecting are not helpful (or targeted enough) to support these personalization priorities. The most common types of data collected today are purchase history, information from store point-of-sale, and broadly applied social media. The reality is that this type of information won't provide retailers with a deep enough understanding of each customer's unique preferences, habits, or interests. Retailers need to focus more on collecting data directly from the customers themselves. Over 60% of customers in our shopper study stated they would be willing to provide information directly to

retailers via short survey or questionnaire, but only 39% of retailers are employing this tactic for collecting customer data. In effect, retailers are asking for data that customers are far less comfortable sharing (e.g., personal demographic information) instead of asking for what customers are more open to sharing (e.g., information about personal preferences and hobbies) (see Figure 8). The latter is ultimately more valuable in knowing individual customers as well. Retailers should look to augment the basic demographic information they already have — which does little to improve personalization — by using questionnaires that reveal personal preferences, products of interest, and previously purchased products. Recognizing which type of data customers are willing to share can help retailers adjust how they're collecting customer information to get at the data that will help foster better personalization.

RETAILERS NEED TO BUILD CUSTOMER TRUST

From our shopper survey we learned that 31% of shoppers believe that retailers are making a mistake by asking personal information (income, contact information, etc.) that they don't want to share. There are other types of personal information that customers are indeed willing to share with retailers, but first retailers need to gain their customers' trust. Fifty-four percent of retailers believe that informing customers that their shopping experience will be improved in exchange for sharing personal information is a primary way to influence customers to share data. For customers, however, only 26% view this as important. First and foremost, customers want to know they can trust retailers with their information. This includes knowing their information won't be shared with anyone besides the retailer, knowing that retailers won't misuse the data (i.e., spamming), and more generally, knowing that the retailer has a strong, positive reputation and is socially responsible.
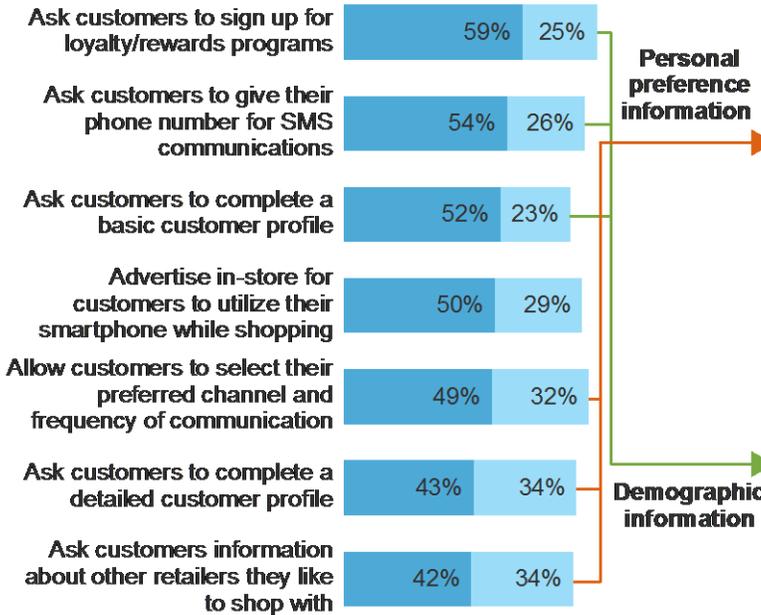
Customers want to share their information because it will help create the personalized experiences valuable to them, but they're only going to share that information with retailers they trust and that they know have their best interests in mind.

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FIGURE 8

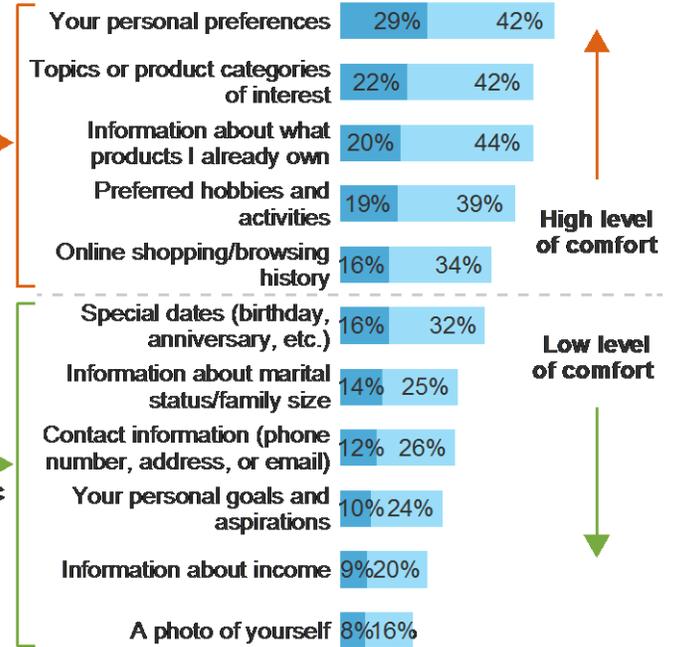**Customers Are Willing To Share; Retailers Just Need To Ask The Right Questions**

"Please indicate what your company is doing to better gather customer information with the goal of creating customer experiences."

■ Doing this currently   ■ Not currently doing it, but planning on it

	Doing this currently	Not currently doing it, but planning on it
Ask customers to sign up for loyalty/rewards programs	59%	25%
Ask customers to give their phone number for SMS communications	54%	26%
Ask customers to complete a basic customer profile	52%	23%
Advertise in-store for customers to utilize their smartphone while shopping	50%	29%
Allow customers to select their preferred channel and frequency of communication	49%	32%
Ask customers to complete a detailed customer profile	43%	34%
Ask customers information about other retailers they like to shop with	42%	34%

Personal preference information

Demographic information

Shopper survey: "How comfortable would you be in sharing the following types of information about yourself with a retailer?"*

■ Very comfortable   ■ Somewhat comfortable

High level of comfort

	Very comfortable	Somewhat comfortable
Your personal preferences	29%	42%
Topics or product categories of interest	22%	42%
Information about what products I already own	20%	44%
Preferred hobbies and activities	19%	39%
Online shopping/browsing history	16%	34%

Low level of comfort

	Very comfortable	Somewhat comfortable
Special dates (birthday, anniversary, etc.)	16%	32%
Information about marital status/family size	14%	25%
Contact information (phone number, address, or email)	12%	26%
Your personal goals and aspirations	10%	24%
Information about income	9%	20%
A photo of yourself	8%	16%

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*Base: 4,500 shoppers age 18+ who own a smartphone (global)

Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, September 2016

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Key Recommendations

Retailers must create a digital strategy that puts customers at its center in order to drive innovation and differentiation that customers will value, and then operationalize the model consistently. In order to understand what their customers need, optimize investments, and ultimately improve ROI, retailers should do the following:

› **Build an enterprise-level digital strategy around core business capabilities and company goals.** When it comes to digital solutions, there is no one-size-fits-all. Retailers must first develop a strategy and timeline (based on customer input) but then enable capabilities which are tactics to support the organization's unique vision, mission, and overall market strategy. Too often retailers are making disconnected technology investments, following a me-to mentality, without looking enterprise wide at what capabilities will fit their business model and set them apart. Retailers need a holistic digital strategy that is driven by customer obsession, but also built to strengthen a retailer's go-to-market goals for seamless engagement, experiences, and omnichannel capabilities.

› **Close the gap between the services you offer and the services shoppers want.** Retailers today must stop asking "What do we want to do?" and build digital offerings around "What does our customer want us to do?" Why? Because retailers' investments must be driven from a customer-first perspective or they are unlikely to succeed. Retailers need to obtain direct customer input regarding what's important to them and their priorities in order to build services and experiences that matter. But investments in tech should not be made without having a specific customer benefit or purpose. As a critical first step, retailers should understand their customers' pain points along their purchase journey, then lay out a road map of solutions that relieve those issues, based on the customer's priorities. A robust gap analysis will help expose shortcomings in the customer experience, but can also communicate opportunities for the retailer to build individual as well as collective brand connections.

› **Balance investments for optimizing both customer experience (CX) and operational excellence (OX).** Retailers often focus on improving CX while ignoring the need to improve OX in transforming from multichannel to omnichannel retailing. Why does this matter? Because proving ROI from CX (incremental revenue and margin) is challenging, so successfully improving the OX side of your investments can be the key to achieving executive buy-in, and showing profitability by scaling your digital investments while achieving long-term customer satisfaction. With many options for enhancing digital customer experience and digital operational excellence, the consistent delivery of CX and OX can be the beginning of differentiation. However, making sure investments are being made on both sides of the equation is key to a retailer moving forward in an efficient, sustainable way.

› **Address omnichannel challenges with people and processes in the store environment.** While the basics of omnichannel retailing must be in place, customers today demand excellence. This means even one part of the experience falling short of expectations can make all the difference between complete failure and a customer feeling that a retailer nailed it. Checking the box too quickly on omnichannel programs, before ironing out the issues with in-store operations, can lead to poor customer experiences, low adoption rates of these services, and even customer attrition. As this study shows, retailers must look to their store environments to see where opportunities lie for not only improving digital experiences, but also the interactions and processes that are key components of omnichannel services.

› **Focus on capturing and using high-quality customer data to fuel personalization efforts.** Retailers' ability to deliver rich, relevant experiences to each customer at an individualized level is the direct result of their ability to store, augment, and surface next best actions based on analytics. Retailers should review digital customer touchpoints and assess if these engagement points are designed to both collect and use customer data to enrich both the customer's experience and the ability for the organization to understand customer intent and preference. In addition, where limited digital touchpoints exist, such as a store environment, the organization should assess if a business case can be made for creating digital touchpoints to capture insights to further an understanding of their customers in that environment while also leveraging previous insight in the moment.

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Appendix A: Methodology

In this study, Cognizant commissioned Forrester Consulting to conduct an online survey of 318 decision-makers from retailers around the world responsible for omnichannel, digital transformation, or CX strategy at their retail organizations. Countries surveyed included the US, the UK, India, China, Germany, and Japan. Target companies were large retailers with over $500 million in revenue, and over half of the companies surveyed had revenues over $1 billion. Survey respondents were at the director level or higher within their organizations and were offered a small incentive for their participation in the survey. The research was completed in September 2016.

Appendix B: Survey Demographics

FIGURE 9

Country, Company Size, And Annual Revenue

"In what country do you currently work?"

Country	%
United States	31%
United Kingdom	19%
India	14%
China	14%
Germany	13%
Japan	9%

"Using your best estimate, how many employees work for your firm/organization worldwide?"

	%
Don't know	0%
20,000 or more employees	13%
5,000 to 19,999 employees	30%
1,500 to 4,999 employees	26%
1,000 to 1,499 employees	21%
500 to 999 employees	10%
100 to 499 employees	0%
Two to 99 employees	0%

"Using your best estimate, what is your company 's annual revenue?"
(in USD equivalents)

United States
N = 100

	%
$3 billion+	60%
$1 billion to less than $3 billion	36%
$750 million to less than $1 billion	4%

UK/Germany
N = 100

	%
$1 billion +	58%
Less than $1 billion	42%

Japan/China/India
N = 118

	%
$1 billion +	49%
Less than $1 billion	51%

Base: 318 decision makers-responsible for omnichannel, digital transformation, or CX strategy at their retail organizations

Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, September 2016

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