

POV:

A new era of expectations

How consumer experiences are
being redefined across sectors

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Insights and implications

In the last few years, foodservice brands have evolved at a pace not seen before 2020 — making advances weekly, even daily, as the pandemic almost crippled the industry. When the old formula of walking up to a counter and ordering a meal became impossible, quick-service restaurants found new methods of getting food to their customers quickly and conveniently. At first, it was partnerships with third-party delivery apps, then it was the adoption of curbside pick-up,

and now it's innovative two-story restaurants that deliver food from the sky. A period of continuous, unprecedented change has brought with it unparalleled opportunities to innovate, and foodservice brands have stepped up while other sectors have failed to evolve. Ultra-fast fulfillment and frictionless convenience have raised the experience bar, and it's time for retailers to listen up.



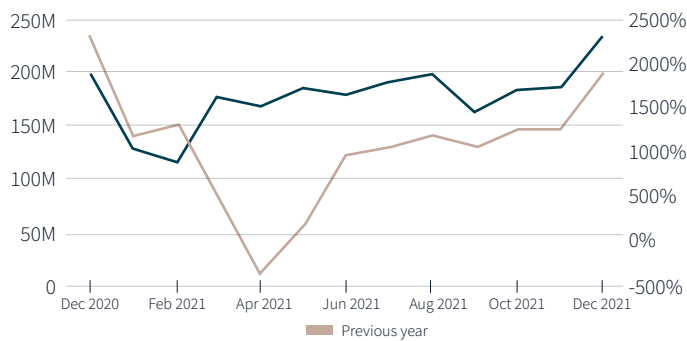
A return to retail... but why?

Thirty-eight percent (38%) of consumers say they have had more desire to go to specialty retailers this year than they have in years past — “specialty retail” being stores that sell a relatively narrow category of goods: apparel, footwear, beauty, sporting goods, home décor, or home improvement among others. This percentage is driven up, in large part, by Gen Z and Millennials — 48% of whom say their desire to visit specialty retailers has been up so far in 2022. And consumers are putting their money where their mouths are. According to store traffic analysis from Placer.ai, monthly visits to apparel stores across the US increased almost 19% — some 36 million more visits — between December 2020 and December 2021, exceeding even pre-pandemic levels seen in the same period in 2019.

Increase in foot traffic at apparel stores

Year-over-year, December 2020 – December 2021

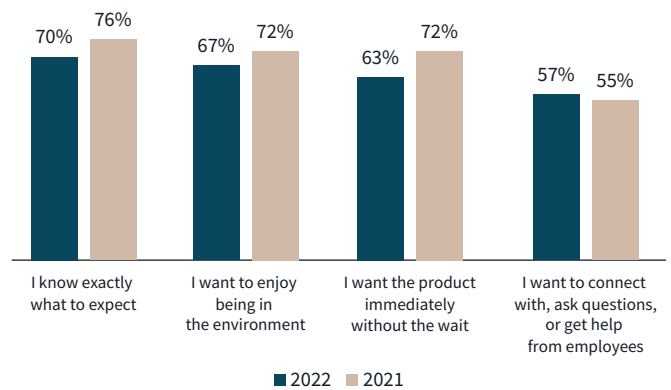
Source: Placer.io



Design Solutions research conducted at the same time in 2021 confirmed a longstanding truth: instant gratification is one of the top reasons consumers choose to go to brick-and-mortar stores. But as buy online / pick up in-store (BOPIS), curbside pick-up, and owned or third-party delivery have continued to increase in popularity, this percentage has plummeted. What had been 74% of consumers is now just 63% who say getting their products immediately is a key driver to the brick-and-mortar store.

Reasons for visiting stores or restaurants

Somewhat / Strongly Agree %, n=1,007



Likely, this data is indicative of the forced realization that consumers can get most of their needs met near-instantly online (and it’s no longer just Amazon capable of same-day delivery.) If this trend continues its decline and instant gratification is no longer a differentiator driving consumers to brick-and-mortar, retailers are left to compete on the dimensions of experience and service alone.

But, since over half of consumers are visiting brick-and-mortar stores for instant gratification today, that trip driver is still extremely important... and the need for retailers to invest in meeting that desire expeditiously and conveniently is critical. Speed has always been a hallmark of quick serve / fast-food experiences, and they are the ones setting new benchmarks for what’s possible in the physical space. It is here that retailers should set their sights.

65%

“

My last trip to a fast-food restaurant met my expectations around speed and convenience.”

A consumer need for speed

Patience used to be a virtue. But as the food service industry continues to accelerate its innovation around speed, shortening the time between consumers' cravings and order fulfillment, patience is at a premium. Fast-food brands like Chick-fil-A have upped the ante on what's possible across other brick-and-mortar experiences, and it shows in consumers' satisfaction with stores. Only 20% say they are extremely satisfied with how fast they were able to find items on their last specialty retail trip, and only 23% are extremely satisfied with the speed of their last checkout. In fact, almost half of consumers overtly state they wish retail was as fast as fast food.

Satisfaction with last retail trip

Extremely Satisfied %, n=1,007

The speed of my checkout experience 23%

How fast I was able to find my items 20%

Satisfaction with last fast-food trip

Extremely Satisfied %, Top Box, n=1,007

How fast I was able to place my order 29%

How fast my order was fulfilled 29%

47%

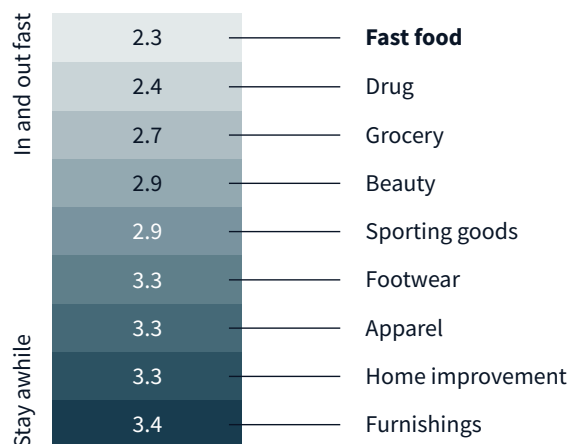
“

I wish visiting a specialty retail store was as fast as visiting a fast-food restaurant.”

Perhaps being fast comes with the territory, but the expectation around speed is not exclusive to fast food. On a scale from 0 to 6, where 0 is “I want to be in and out as fast as possible” and 6 is “I am okay to wait / stay awhile”, consumers have similar expectations around certain sectors of retail. They want replenishment categories such as drug stores, grocery stores, and beauty stores to offer a quick in-and-out shopping experience. They are okay to sacrifice speed and take their time in other leisure categories such as home décor, apparel, and footwear.

Expectations around speed

Mean Speed Rating, n=1,007



Chick-fil-A is a fast-food gold standard in the way of speed. 29% say the brand exceeded their expectations around speed on their last trip — more than any other brand tested and the highest possible measure (Top Box). Only 12% of Kroger shoppers and 12% of Sephora shoppers, two categories in which consumers expect the utmost in speed, said the same.

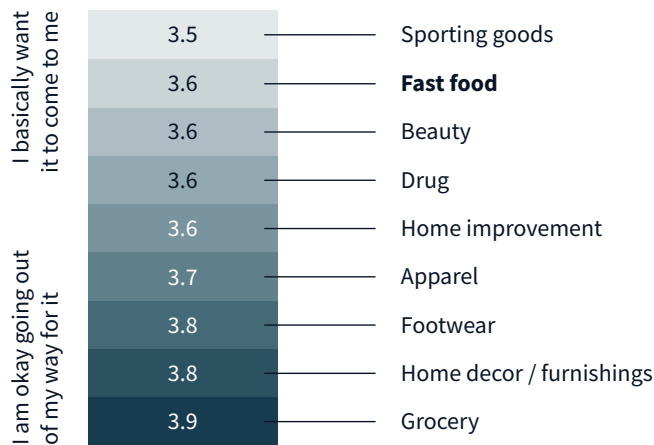
Most Chick-fil-A locations serve well over 100 cars in the drive-thru during peak hours. But through what the brand calls its “face-to-face ordering” system, cars move through twice as fast as a traditional drive-thru speaker box.

A culture of convenience

A new breed of consumer has emerged for whom convenience, as they say, is king. But this is not the same “convenience” they would’ve described 3 years ago, when a convenient store might’ve been one in close proximity with flexible hours. Convenience culture today is one of easy, seamless experiences that require consumers to barely lift a finger — unless they want to.

Expectations around convenience

Mean Convenience Rating, n=1,007



Like their expectations around speed, certain replenishment categories such as drug and beauty are expected to offer the utmost in convenience and ease. On a scale of 0 to 6, where 0 is “I basically want this experience to come to me” and 6 is “I am okay going out of my way for it”, these sectors sit nearest our fast-food benchmark. Leisure shopping categories — home décor, apparel, and footwear, for example — are on the opposite end of this convenience spectrum. A huge component of convenience today, beyond the ease of shopping in-store, is the option for seamless order fulfillment. Though there is opportunity to improve these in foodservice too, satisfaction is slightly higher with the pick-up and delivery of food.

Satisfaction with last retail trip

Somewhat / Strongly Agree %, n=1,007

The pick-up options that were offered
20%

The delivery options that were offered
17%

Satisfaction with last fast-food trip

Extremely Satisfied %, n=1,007

The pick-up options that were offered
24%

The delivery options that were offered
20%

When asked about their last trip to retail, only half feel it delivered on their expectations around convenience. On the other hand, nearly 7 out of 10 say the same about fast food. Retailers need to be mindful of this 20-point difference in ratings and invest in ways to close the gap.

50%

“

“My last trip to a specialty retail store was convenient for me”

As we design next-gen pick-up and delivery experiences for retail, best-in-class fast-food experiences can serve up inspiration. Ideas like pre-populated fitting rooms based on consumers’ online carts or secure, 24-hour pick-up lockers could be the answer for some.

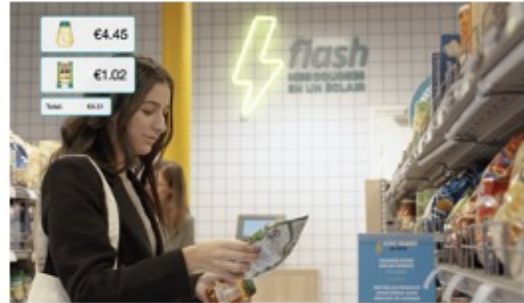
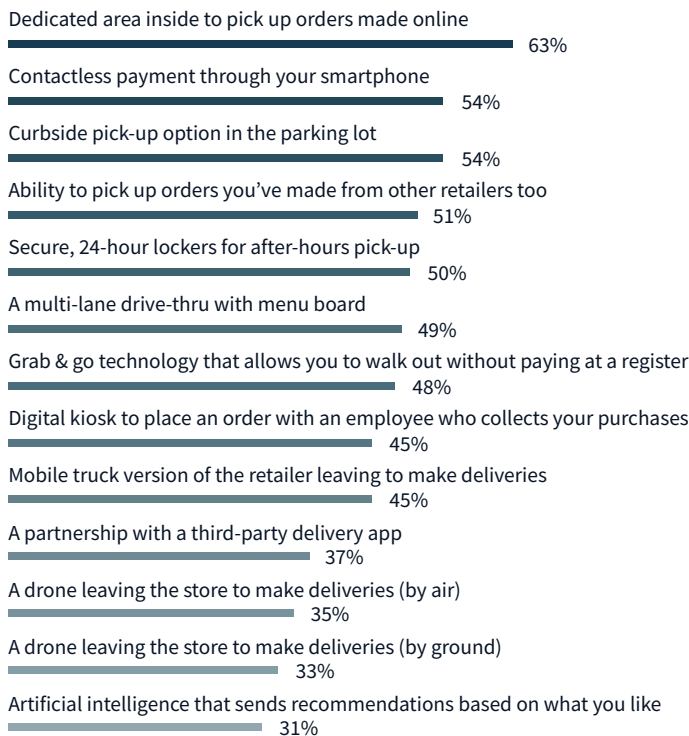
And at the end of the day, in addition to optimizing pick-up and delivery, retailers should consider updates to their in-store wayfinding and communications with solutions such as mobile content designed for in-store browsing and selection. Anything that makes shopping easy and seamless.

Raising the bar for retail

A relatively short period of concentrated innovation, led by brands in foodservice across the world, has permanently altered consumer expectations. And it's time for specialty retailers to take note — or risk further falling behind as leaders in experience design. As we conceive of what's next for specialty retail, in both experience design and format strategies, we should consider ideas that have been championed and popularized by QSRs. Consumers are especially open to ideas that relieve pain points around the browsing, purchasing, and pick-up phases of the journey. Despite the current speed and convenience gap between retail and fast food, there are some retailers out there creating environments that meet these expectations. Others, of course, are making the strategic choice to compete on service and/or experience.

Openness to fast-food solutions at retail

Level of Agreement, Top 2 Box, n=1,007



French supermarket Carrefour has opened Flash 10/10 in Paris – its first frictionless grocery store, enabling app-free, contactless shopping at speed. Enabled by 60 ceiling-mounted cameras and shelves with 2,000 built-in scales, Flash 10/10 is named for the 10 seconds it takes to shop there and the additional 10 to pay at a kiosk without pre-registration or an accompanying app.



Created for lockdown but continuing as an ongoing initiative, Louis Vuitton's mobile boutique, LV By Appointment, resembles a sleekly updated Hollywood movie star's airstream trailer. Housing personalized products based on past purchases and preferences, existing customers can book appointments by contacting local, Louis Vuitton-carrying boutiques.



Amazon Style, Amazon's first-ever physical store for men's and women's apparel, shoes, and accessories, enables discovery through a personalized and convenient shopping experience using advanced technology. Customers can scan items using an app and have them sent directly to the fitting room or counter for purchase.

About this study

Design Solutions conducted this online study in partnership with Big Village between May 11-13, 2022. It consisted of an omnibus CARAVAN® survey with 1,007 demographically representative U.S. adults ages 18 and older.

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