

Press contact:
Hester Decouz
Tel.: +44 (0)370 904 5758
Email: hester.decouz@capgemini.com

Future of bricks and mortar stores in question as a third of consumers would rather 'wash the dishes' than shop in-store

New York, Paris, January 13, 2017 – Consumers are growing increasingly frustrated with a high street shopping experience that offers little of the convenience of online counterparts, with four in ten (40%) claiming shopping in-store is a chore and a third (32%) saying they would rather be at home washing the dishes. This is the finding of a report published today by [Capgemini's](#) Digital Transformation Institute, titled ['Making the Digital Connection: Why Physical Retail Stores Need a Reboot'](#).

The study of 6,000 consumers and 500 retail executives from nine countries (United States, China, Germany, France, United Kingdom, Italy, Spain, the Netherlands and Sweden) highlights a growing divide between retailers and consumers on the importance of physical stores: while 81% of retail executives see the store as important, less than half of consumers (45%) agree. Shoppers are frustrated by in-person retail experiences that have not only failed to keep pace with developments in online shopping but are also disconnected from online stores. Dissatisfaction is highest in Sweden and Spain (54% and 49% respectively say bricks and mortar shopping is a chore) and lowest in China and the US (29% and 31% respectively).

'Offline' stores frustrate shoppers

More than half (54%) of the retail executives surveyed admit that they have been slow to digitize their physical stores and consumers' in-store frustrations are rooted in not having access to features now commonplace on online stores:

- 71% find it difficult to compare products
- 66% are annoyed by long queues at checkout
- 65% complain that the promotions they receive in store aren't relevant
- 65% simply can't find the product that they want

Consumers are exploring new purchase paths

Low in-store satisfaction is one of two significant challenges faced by traditional retailers uncovered by the survey. Consumers are also exploring new retail models that reduce their reliance on traditional retailers. More than half are open to buying directly from manufacturers in the future (57%) or buying from technology players such as Google, Apple and Facebook (59%) if they partnered with local retailers for last-mile delivery. Overall, 71 percent of consumers would consider bypassing traditional retailers, but this attitude is most prevalent in China, where well over three quarters (87%) of respondents would consider alternatives.

Digital: A challenge for physical retailers

Retailers recognize the importance of in-store digitization – it's a top management priority for the majority of retail executives (78%) – however they are limited by both existing technology investments and the capabilities of in-store staff. 40 percent of retail executives say that they are still implementing technology foundations, such as in-store WiFi, while a similar number claim that store managers are not promoting in-store digital initiatives. More significantly, 43 percent say they are unable to measure the return on investment from in-store digital initiatives despite high usage. Overall, only 18 percent of retail executives were found to have implemented digital initiatives at scale and be generating significant benefits.

Mike Petevinos, Global Head of Consumer Products & Retail at Capgemini Consulting, said: *“Shoppers are increasingly disconnected with the in-store experience, and it’s easy to see why. Most physical shops remain stubbornly ‘offline’, unable to offer the speed, flexibility and sheer ease of use that consumers take for granted on websites. Rumors of the death of the high street store may be exaggerated, but they are becoming uncomfortably close to the mark. Many retailers we spoke to admit they aren’t digitizing stores quickly enough because making a business case for investment is challenging. This report makes it clear the real question retailers have to be asking themselves isn’t whether they can afford to transform the in-store experience, but can they afford not to?”*

Redefining the role of the retail store

It's not all doom and gloom for physical retailers. Consumers believe that stores still have a role in their lives – 70 percent still want to touch and feel products before they buy. However, they not only expect to see the same features that they find online implemented in-store, but also want more incentives

- **Physical stores need to offer online features:** Three quarters of consumers (75%) want to check if stock is available before going instore, 73 percent of consumers expect same day delivery of products purchased in-store.
- **Stores need to do more than sell and fulfil:** 57 percent of consumers want retailers to offer more than simply selling the product and for them to provide social spaces, learning experiences and inspiration, such as cooking or DIY workshops
- **Rewarding store visits:** Seven out of ten consumers (68%) expect loyalty points for spending time in store and repeat visits, while 61 percent want store memberships that offer lower prices.

Kees Jacobs, Consumer Goods & Retail Lead, Insights & Data Global Practice, Capgemini said: *“Brick and mortar stores of the future will need to be very different if they are to give consumers a reason to leave their computer, abandon their dishes and visit. What is clear from this report though is that they still have a big role to play, The industry is going to see a fascinating struggle take place in the next few years to decide what exactly the new breed of retail store looks like. The battle to create the modern retail experience, between traditional retailers with a long, successful history of high street store building and new digital entrants built around the internet and mobile technology, is finely poised.”*

Research Methodology

Capgemini's Digital Transformation Institute conducted a survey with 6,000 consumers in United States, China, Germany, France, United Kingdom, Italy, Spain, the Netherlands and Sweden, who shared their views on shopping online and in store. In addition, Capgemini's Institute talked to 500 retail executives in these markets, 24 retail technology startups, and a select set of retail store managers in London to understand what will shape the future of the retail store. A copy of the report can be downloaded [here](#).

About the Digital Transformation Institute

The Digital Transformation Institute is Capgemini's in-house think-tank on all things digital. The Institute publishes research on the impact of digital technologies on large traditional businesses. The team draws on the worldwide network of Capgemini experts and works closely with academic and technology partners. The Institute has dedicated research centers in the United Kingdom and India.

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