

PFS Research Finds Omnichannel Fulfillment is Key to Brand Loyalty in a "Digital-First" Era

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ALLEN, Texas, May 06, 2021 (GLOBE NEWSWIRE) -- A new survey of UK consumers, conducted by PFS, the operations business unit of PFSweb, Inc. (NASDAQ: PFSW), reveals that as consumers head into an increasingly "digital-first" era, customer loyalty will hinge on a brand's ability to bridge the disconnect between the physical and eCommerce channels.

With 80% of all respondents in the survey confirming they missed at least one aspect of the traditional shopping experience while perusing online, brands have been hard-pressed to replicate tangible in-store elements digitally during the pandemic.

The research has uncovered that to form new brand connections online, fulfillment will serve as a key differentiator, with omnichannel fulfillment offerings such as buy online, pick-up in-store (BOPIS) or buy online, ship-from-store models acting as the linchpin, bridging the gap between the two channels.

Key findings from the research include:

- 43% of consumers have missed being able to touch products while shopping online
- 41% missed testing products for size, color, etc., as they would in-store
- 21% reported that online customer service is not as good as in-store assistance
- 46% of millennial consumers, and 35% of respondents overall, admitted that they have had such an unsatisfactory shopping experience with a previously trusted brand this past year that they have gone on to look elsewhere
- Slow delivery (18%), lack of available stock (17%) and difficult returns processes (14%) were all listed as potential factors behind reduced interest in using a previously preferred brand
- Strong fulfillment parameters of interest include packaging choices (37%), delivery timeframe choice (64%), carbon footprint reduction (52%), and packaging minimization (70%)

Though the last few months have been turbulent, the reopening of the high street will be the true test for online brands when it comes to loyalty. Additional findings in the research revealed that:

- While as many as 40% of consumers still claim that their loyalty will revert to retail brands that have a high street presence, more than one-third (34%) expect to return to online shopping after the initial buzz has died down
- More than one-third (37%) of Gen Z consumers expect retailers to offer more of an in-store 'experience' than they did before lockdown
- More than half (51%) of Gen Z consumers expect shops to become more of a space for browsing in the future

Christophe Pecoraro, Managing Director of <u>PES Europe</u>, commented, "While the flagship store has moved online, this does not spell the end for the high street. What our data tells us is that we are heading towards an omnichannel future based on in-store experientialism, in support of online points of sale. This will see a demand for offerings such as buy online, pick-up in-store models (BOPIS) or buy online, ship from store, to bridge the gap between the two channels. Omnichannel optimization is how retailers should be looking to establish loyalty. Underpinning and critical to the success of this transition will be an effective fulfillment strategy and intuitive distribution network that can flexibly support this future of retail."

To find out more about the research, read the "Physical Disconnect: How Retailers Can Maintain Customer Loyalty in an Omnichannel World" report here.

About the Research

PFS commissioned research agency, <u>Arlington Research</u>, to survey 2,000 UK consumers about brand loyalty in an increasingly digital era and how this may have evolved throughout the pandemic. They were asked about shopping experiences, what's missing, and their thoughts on the future relationship between physical and online retail.

Nationally representative interviews were carried out with adults aged 18+, with nationally representative quotas set on gender and age at a country-wide level. Fieldwork took place between March 4-8, 2021.

About PFSweb, Inc.

PFSweb (NASDAQ: PFSW) is a global commerce services company that manages the online customer shopping experience on behalf of major branded manufacturers and retailers. Across two business units – **LiveArea** for data-driven marketing and omnichannel experience design through technology selection, platform implementation and orchestrated services, and **PFS** for order fulfillment, contact center, payment processing/fraud management, and order management services – they provide solutions to a broad range of Fortune 500® companies and household brand names such as Procter & Gamble, L'Oréal USA, Champion, Pandora, Ralph Lauren, Shiseido Americas, the United States Mint, and many more. PFSweb enables these brands to provide a more convenient and brand-centric online shopping experience through both traditional and online business

channels. The company is headquartered in Allen, TX with additional locations around the globe. For more information, visit www.pfsweb.com.

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