

Retail Revelations

In the Amazon Age, How Digital Dominance is Being Disrupted

Revel
SYSTEMS

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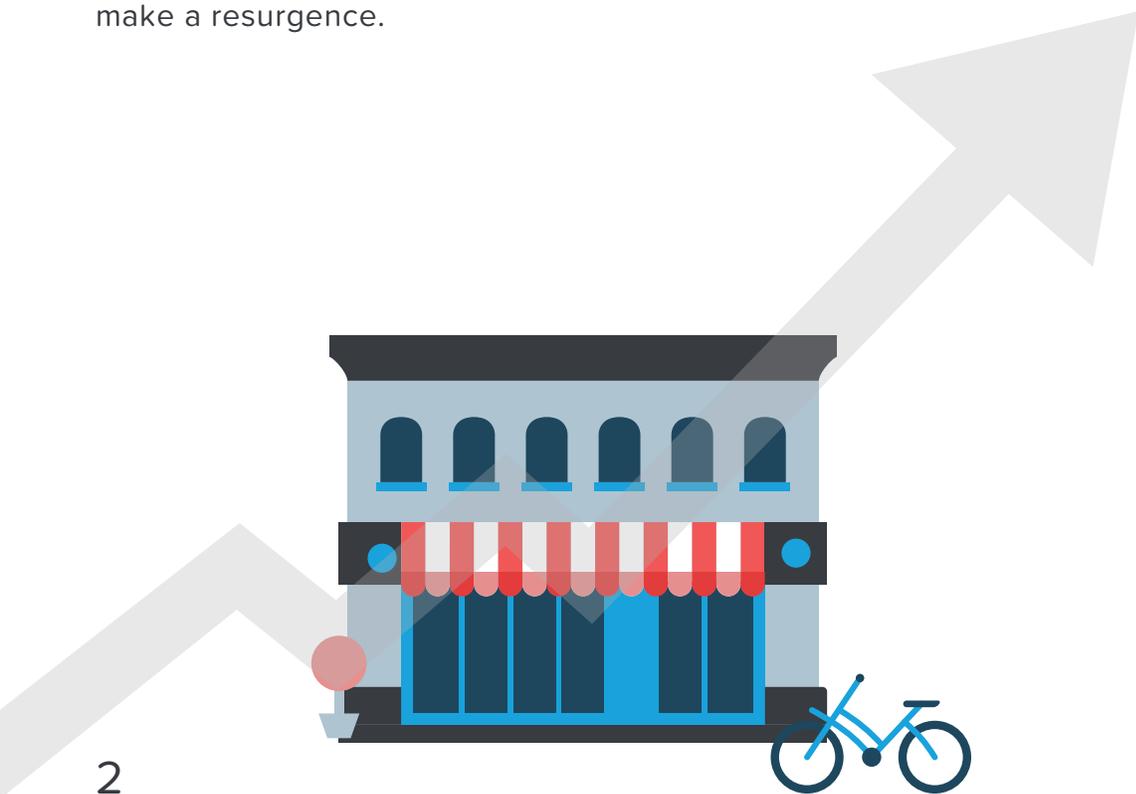
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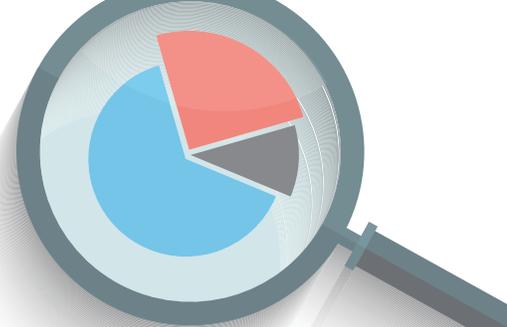
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INTRODUCTION

Only a decade ago, ordering everyday life essentials from the internet was the stuff of fantasy, a couch potato's pipe-dream. But a decade in the technology sector is a millennium anywhere else, and much has changed in online shopping since. Today, anything a person wants to buy can be purchased online or with mobile apps, and physical retail stores are feeling the heat. Between Amazon Prime and on-demand services like Postmates, the online shopping experience is challenging brick-and-mortar in nearly every way.

At Revel, our mission is to help bring the digital world to brick-and-mortar stores, enabling a better in person experience and helping small businesses around the world. This is why we commissioned the Revel Retail Revelations Report, to take a closer look at the current state of retail, explore emerging trends, the impact of in-store technology, and how retailers can remain competitive in 2016 and beyond. While there are no doubt many challenges ahead for brick-and-mortar stores, our findings highlight the staying power of physical stores, and show that customers still love many things about physical retailers. Now armed with more data and better tools, these establishments are poised to make a resurgence.





KEY FINDINGS & INSIGHTS

Despite the prevalence of online shopping, retail remains an important part of daily life in the U.S. That said, consumer expectations are rapidly transforming in today's digital world. If retail stores are to continue their track record of success, it's critical they embrace new technologies to meet the rising expectations of today's consumers. Consumers have come to expect the latest technology when it comes to retail, whether it be at the cash register through Point of Sale systems, customer management systems or mobile apps, and this will only grow in popularity. For retailers nationwide, the adoption of these emerging technologies is necessary to stay competitive both offline and online.

Sorry Amazon, people shop more in physical stores than online

- More than 86% of respondents said they shopped in person at least two times in the past month, compared with 66% of respondents who shopped online the same amount.
- More than 63% said they'd shopped in person at least 4 times a month compared to the 28% who shopped at least four times online.

Online is no substitute for the real thing

- Consumers want to see and try products before they buy them.
- More than half of respondents (56%) say they prefer shopping in person versus online.

The neighborhood Mom and Pop shops still feel the love

- Big-box retailers may have affected the bottom line of small businesses, but Mom and Pop shops have the community behind them. More than 94% of respondents say they believe it's important to support independent local small businesses.

Loyalty isn't found online, it's earned in person

- People are 5x more likely to develop brand loyalty to a company if they shop in person rather than online.

Forget paper or plastic – we want delivery

- Consumers' expectations for retailers are at an all-time high. Nearly half (44.8%) of respondents believe that all retailers, whether online or brick-and-mortar, should offer delivery.

Meet customer expectations by having a modern, easy-to-use POS

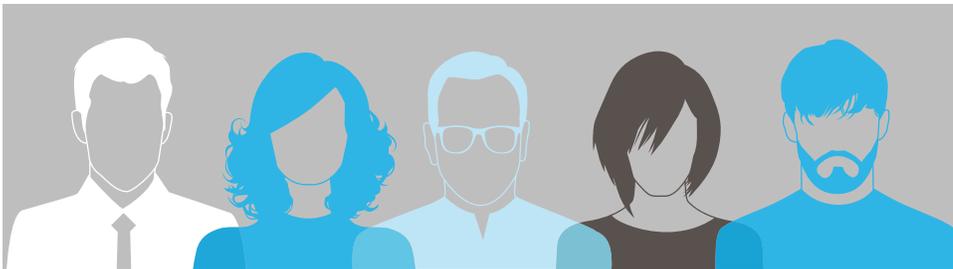
- More than half of respondents expect a state-of-the-art experience with a store's POS.

Consumers are leaving the wallet at home

- The next stage in payments is quickly approaching. More than 1 in 4 (nearly 28%) of respondents would like to use Apple Pay or Samsung Pay at checkout over traditional forms of purchase.

PHYSICAL RETAIL IS THRIVING, EVEN IN THE AGE OF AMAZON

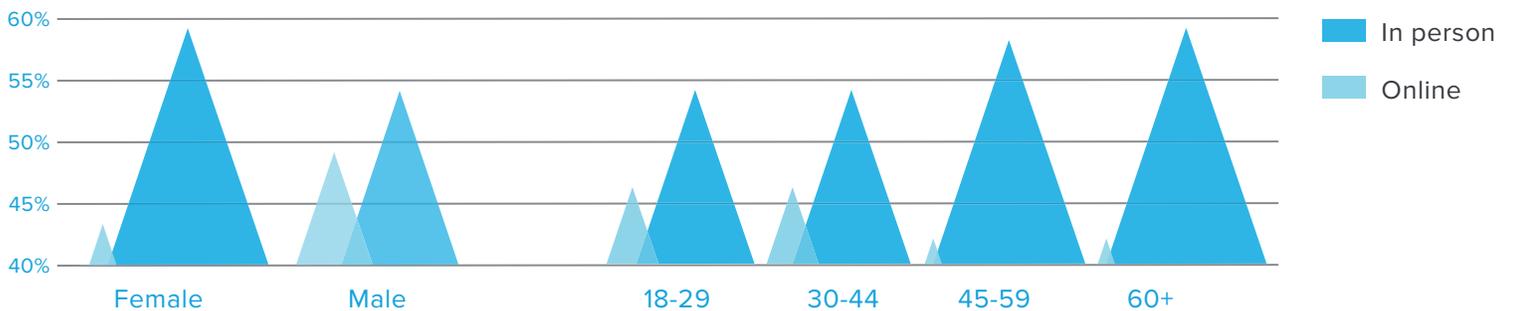
Although the convenience of online shopping has risen to prominence, it is no replacement for brick-and-mortar. Our report reveals that retail stores still reign supreme in the mind of the consumer. Today's customers enjoy the unique benefits shopping at a retail location offers them such as demoing products, trying clothes on, and speaking with sales personnel. It's clear that people still want to connect with the products they buy in a real, tangible way – online photos just don't cut it.



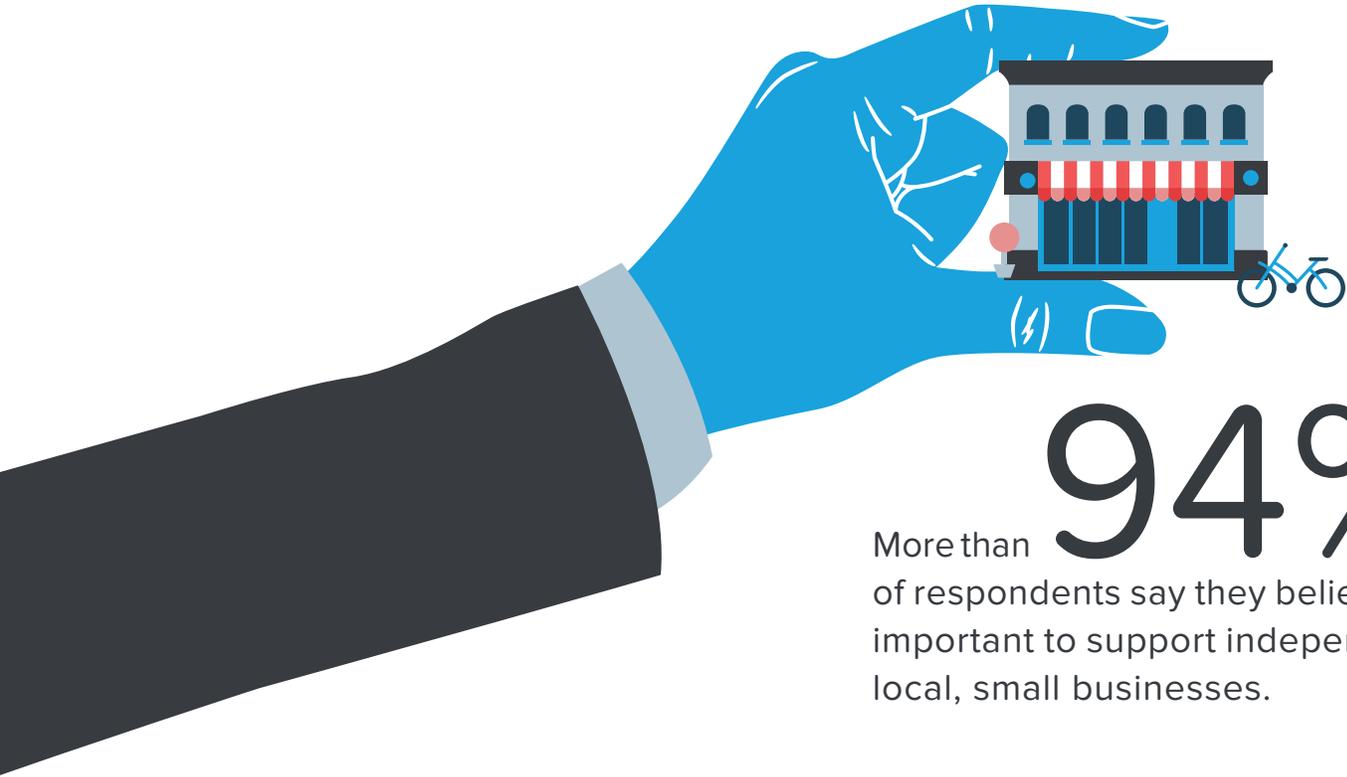
56%
prefer shopping in person as opposed to online

Women prefer shopping in person more than men do (59% vs 53%)

Interestingly, all generations prefer shopping in person more than online at about the same rate – even millennials

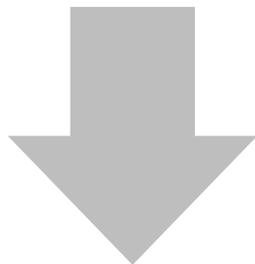


Supporting Local Shops Is A Universal Truth



More than **94%**
of respondents say they believe it's
important to support independent,
local, small businesses.

Brand Loyalty Is Best Earned In Person



5x

more people will
develop brand loyalty
when they shop in
person rather than
online

RISE OF TECHNOLOGY IN TODAY'S RETAIL WORLD

In the era of online giants like Amazon, consumer expectations for brick-and-mortar retail are undergoing massive change. Technology is innovating the retail sector at a rapid pace to help keep up with consumer demand for speedy exchange, quality products at a reasonable price, and great customer service.

The Revel Retail survey found that nearly half of respondents believe that all retailers, online and brick-and-mortar, should offer delivery. This number will only continue to grow as services like Postmates and UberRUSH expand nationwide. Additionally, more than 1 in 4 respondents would like to use Apple Pay or Samsung Pay at checkout.

25%

want to use Apple Pay or Samsung Pay



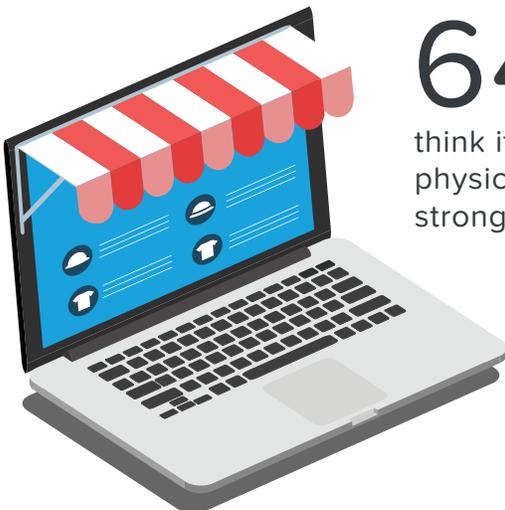
50%

more people will develop brand loyalty when they shop in person rather than online

As consumer expectations are changing, the most successful retailers are adapting and adding new digital efforts into their efforts in order to not only survive, but thrive in today's retail world.

64%

think it is important for physical retailers to have a strong online presence



93%

say that they research an item online before buying it in person at a store

HOW RETAILERS CAN REMAIN COMPETITIVE

With competition greater than ever for retailers, what are the top ways that retailers can remain competitive? Even in this digital-dominated age, there are numerous ways for physical retailers to out-compete their digital counterparts. These tips will ensure retail businesses stay competitive in the twenty-first century:



Make sure to offer customer-friendly payment methods.



Have a mobile-responsive website or mobile app.



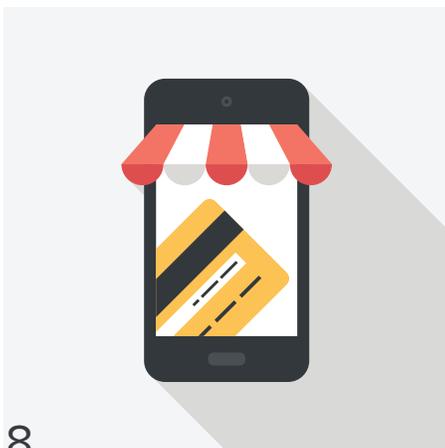
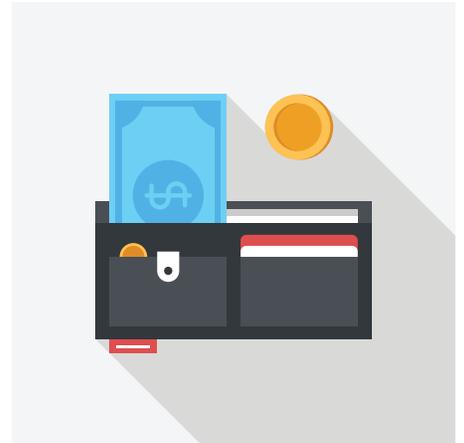
Commit to having a strong social presence.

HOW RETAILERS CAN REMAIN COMPETITIVE

Make sure to offer customer-friendly payment methods.

You never want an interested customer to have to struggle to pay.

There are lots of options out there now for simplifying the payment method. That might be a modern point of sale or it could be offering online payment methods like PayPal or accepting Apple Pay or Samsung Pay in the store. Ultimately, you want to ensure that digital-savvy customers are never inhibited by payment methods and have an outstanding checkout experience.



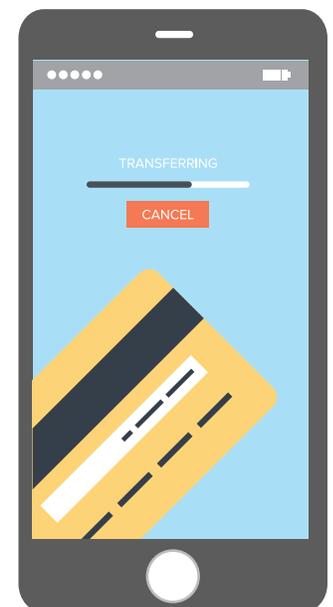
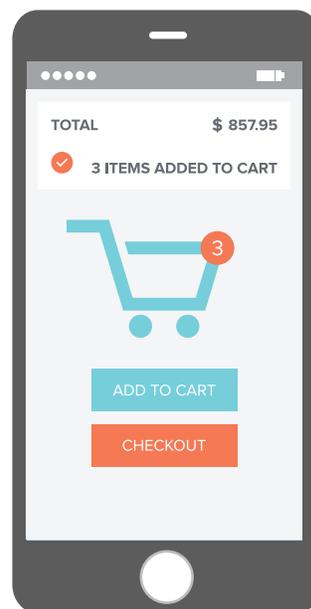
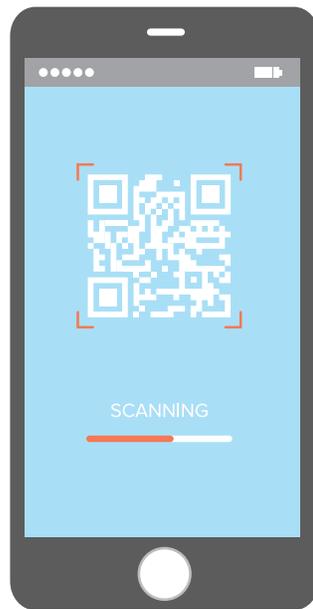
HOW RETAILERS CAN REMAIN COMPETITIVE

Have a mobile-responsive website or mobile app.

Having your own app is ideal, but you can also look for POS vendors who help support multi-channel ordering experiences.

Using a branded mobile app that is fully integrated in the POS is one great option. If it's not possible to develop your own mobile app, then commit to redesigning your website to have a mobile-responsive site. This will ensure that, when customers look at your site on their phone, they still get the optimal viewing experience.

Not having to navigate through the pains of resizing, panning, and scrolling with a non-responsive mobile site will save customers time and allow them to get information about your business quickly and easily.

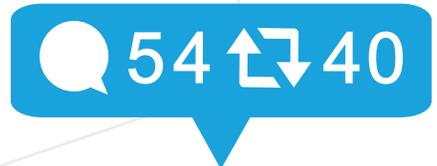


HOW RETAILERS CAN REMAIN COMPETITIVE

Commit to having a strong social presence.



Customers are on social media sites like Facebook and Twitter frequently throughout the day. Connecting with them on social networks helps to keep them engaged and interested in your business outside the store, and enables you to get real-time feedback from the people who are most invested in your store. Offering customer support on Twitter or sharing cool company photos and videos on Facebook and Instagram has the added benefit of developing a loyal, engaged audience who will be more inspired to share your brand with others.



WRAPPING IT UP

At the turn of the millennium, Amazon grew into a one-stop shop that many small businesses feared would shut them down entirely. However, this has proven to not be the case.

It's clear brick and mortar stores won't be going away anytime soon, but the environment they operate in has changed dramatically. For the Mom and Pop shops across the nation, staying in the Dark Ages is no longer an option. Today's small business owners would be wise to adopt new technologies and explore ways to create fresh, modern experiences for their customers. Even though consumers can order anything they'd like online, nothing beats the opportunity to physically touch and feel the products we buy — that's the brick and mortar edge.

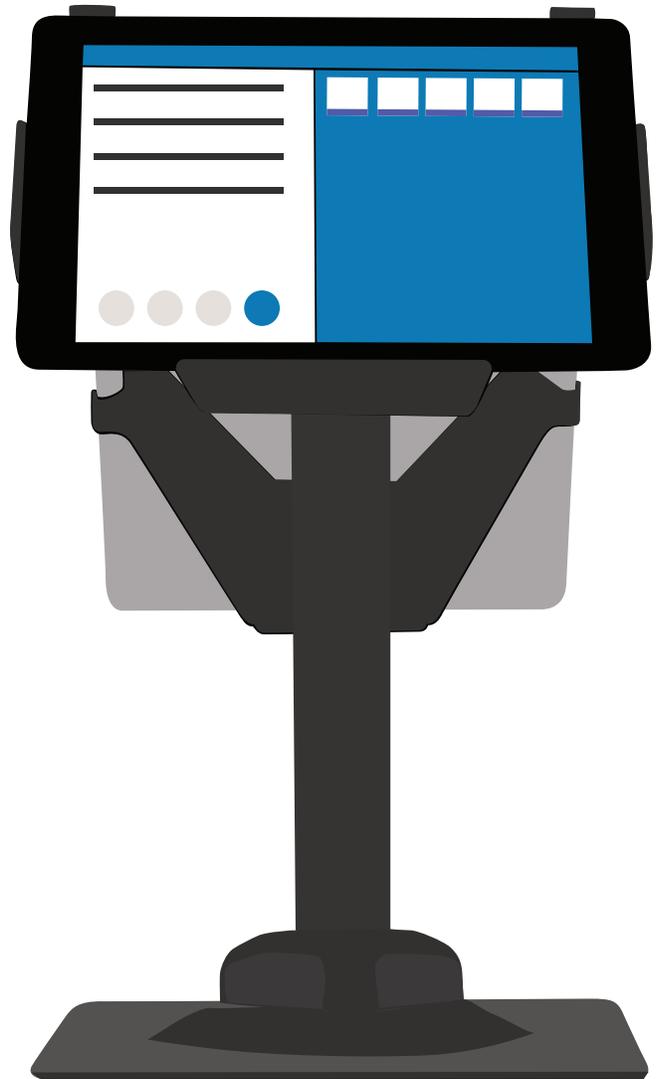
As a local retailer, ensuring your future success requires immediate action: Develop an ecommerce strategy, leverage the data from your customer's purchases, adopt new technologies and POS systems; the list goes on.

Customers want real-time, immediate engagement with the brands they love. Brick and mortar stores have been (and remain) the best way to provide consumers with the experience they crave. Open your doors and seize the opportunity. The future of commerce is already here.



ABOUT REVEL

Revel Systems iPad POS was founded in 2010 in San Francisco with the goal of changing the Point of Sale market. Founders Lisa Falzone and Christopher Ciabarra developed a quick, intuitive and secure iOS-based Point of Sale system by combining cloud-based technology and the mobility of the Apple iPad. Revel Systems software offers a feature-rich POS solution for restaurant, retail and enterprises with integrated payroll, inventory tracking, customer relationship management and more. With the introduction of the Revel Marketplace, Revel iPad POS System users can now integrate directly into third-party enhancements, including mobile payments, online ordering, gift or reward cards and advanced financial software suites. For more information on the new standard in Point of Sale, please visit <http://revelsystems.com/>.



SURVEY METHODOLOGY: The data for this survey was collected using SurveyMonkey Audience. Information on how respondents are recruited to SurveyMonkey is available here: www.surveymonkey.com/mp/audience. The survey ran from July 7, 2016 to July 15, 2016 and received 2,500 completed responses with a 2.0% margin of error. The audience surveyed was an almost even balance of male and female (53% female, 47% male) and spanned the ages of 18-60.