

OMNI USAGE

PYMNTS.com **vantiv**
Now Worldpay

INDEX™

MAY 2018

Summary Statistics

36.5

AVERAGE SATISFACTION SCORE
FOR OMNICHANNEL FEATURES

36.4

average satisfaction
with omnichannel features
in large stores

36.7

average satisfaction
with omnichannel features
in small stores



37.2

satisfaction score
for Brick & Mortar
Consumers



35.8

satisfaction score
for Digital
Consumers



36.2

satisfaction score
for Any-Channel
Consumers



68.0%

of consumers visiting large stores
are aware of mobile apps.

51.6%

of consumers did not make
any online purchases
in the last three months.

1.5%

of consumers made
an online purchase and
picked it up in store.

OMNI USAGE INDEX™

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ACKNOWLEDGMENT

The Omni Usage Index™ was done in collaboration with Vantiv, now Worldpay, and PYMNTS is grateful for the company's support and insight. [PYMNTS.com](https://www.pymnts.com) retains full editorial control over the findings presented, as well as the methodology and data analysis.



OVERVIEW

SUMMARY STATISTICS

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INTRODUCTION

Pundits and industry experts have been predicting the end of brick-and-mortar retail shops and the rise of eCommerce sites for years. In some ways, these predictions were premonitory: Online retail recently surged in popularity and has become a staple of the commerce experience. As such, some resourceful health and beauty companies have stepped up to prove that the rise of technology does not necessarily equate to the death of the retail store.

Sephora, a French-import and specialty beauty retailer operating in the United States, is a prime example.

Sephora made waves in 2015 when it launched an initiative to integrate its mobile and in-store shopping features into a comprehensive, omnichannel customer outreach program powered by its San Francisco-based "Innovation Lab." The company immediately began using it to test new, trendy ways to attract customers, including an assortment of mobile apps.¹ It continues to extend this comprehensive customer outreach campaign into new territories today, networking directly with shoppers using artificial intelligence (AI)-powered social media chatbots.² In short, Sephora is committed to the omnichannel business approach.

¹ Holson, Laura M. How Sephora is thriving amid a retail crisis. The New York Times. May 11, 2017. <https://www.nytimes.com/2017/05/11/fashion/sephora-beauty-retail-technology.html>. Accessed April 2018.

² Sonsev, Veronika. How Sephora makes beauty a two-way conversion. Forbes. April 12, 2018. <https://www.forbes.com/sites/veronikasonsev/2018/04/12/how-sephora-makes-beauty-a-two-way-conversation/#d38e9487f516>. Accessed April 2018.

The secret behind the beauty retailer's omnichannel success is really not a secret at all. In fact, it is the oldest lesson in the book. By providing shoppers with new ways to interact with the brand and its products, Sephora has distinguished itself as a company uniquely capable of offering something far more than just its physical products: an inimitable experience. What's unique about its strategy is not only its customer-centric approach, but also how it manages that approach. It does so via a highly coordinated, mixed usage of electronic and in-person commercial channels, making its mobile and desktop offerings an extension of its brick-and-mortar stores — not their competition. This omnichannel approach has quickly become characteristic of the larger U.S. health and beauty industry.

This is not to say that these sectors aren't changing — far from it, actually. Both health and beauty are undergoing major structural reorganizations in the U.S. The ways consumers shop for beauty, pharmaceutical and other health-related products is evolving, and with that companies are changing how they offer their goods and services.

In the past few years, we have witnessed massive mergers and acquisitions between beauty, health and/or pharmaceutical powerhouses like Aetna and CVS. We've also seen comparable alliances, like the rumored collaboration between Walmart and Humana, which are expected during the coming years and threatening to replace the traditional hospital as Americans' first choice in healthcare. This would make health and beauty retail more central to consumers' lives than ever before.³

To better understand how omnichannel features impact consumer experiences, we identified the three channels health and beauty consumers use to shop:



Meanwhile, millennials are coming into their own as bonafide, salaried adults, and they are bringing their social media-driven selves and selfies to the beauty counter. Millennial women, in particular, are spending more on beauty products than their predecessors, seeing them more as an artistic medium of self-expression than consumer goods. As a result, independent beauty brands flourished in 2016, creating a wide space for new players in a traditionally closed industry.⁴

In this competitive atmosphere, health and beauty companies are gearing up to make the most of every available channel and gain an advantage over their rivals. Sephora's focus on omnichannel customer outreach has been a widely recognized success story. Many

³ Japsen, Bruce. For now, hospitals hang on despite CVS, Optum, and Walmart threats. Forbes. April 19, 2018. <https://www.forbes.com/sites/brucejapsen/2018/04/19/for-now-hospitals-hang-on-despite-cvs-optum-and-walmart-threats/#41d531384204>. Accessed April 2018.

⁴ Kestenbaum, Richard. How the beauty industry is adapting to change. Forbes. June 19, 2017. <https://www.forbes.com/sites/richardkestenbaum/2017/06/19/how-the-beauty-industry-is-adapting-to-change/#70495c903681>. Accessed April 2018.

players are following the French retailer's example, investing in mobile optimization, mobile apps and various other technological innovations. Bloomingdale's, Macy's and Target have all restructured their health and beauty departments to accommodate multichannel-using customers.

To better analyze our data on customers' preferences for features, we divided those features into five groups:



KNOW ME

Includes capturing profile information such as storing shipping addresses, history and payments



VALUE ME

Includes social sharing, targeted coupons, coupon use, marketing options and loyalty or reward programs



DO YOU HAVE WHAT I WANT

Includes product selection, inventory, product prices and price matching



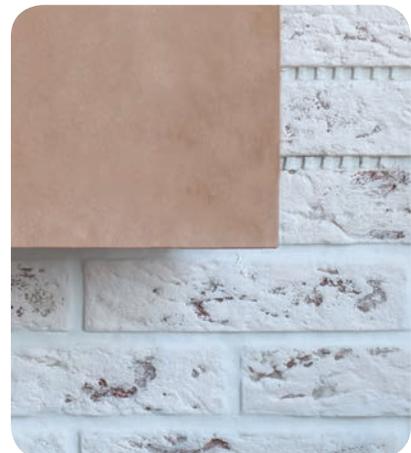
MAKE IT EASY FOR ME

Includes product details, reviews, recommendations, free shipping, in-store pick up and mobile apps



SOLVE MY PROBLEMS

Includes refunds, purchase returns and live help





Clearly, health and beauty retailers in the U.S. are taking the hint and formulating a more multifaceted, omnichannel approach to reaching new and returning shoppers. But, have they been successful, or are they just scratching the surface of omnichannel technology? Most importantly, has this new, cutting-edge approach delivered results?

To find the answers to these questions, the PYMNTS research and analytics team surveyed the spending habits of real-life health and beauty customers, specifically regarding their experiences on the omnichannel platforms offered by their favorite industry retailers. The PYMNTS Omni Usage Index™, in conjunction with global payments processor Vantiv, now Worldpay, examines how retailers perform across four commercial channels:



BRICK & MORTAR



DESKTOP WEBSITE



MOBILE WEBSITE



MOBILE APP

The Index is a numerical expression of customers’ overall satisfaction with a company’s omnichannel features and format. Each score runs on a scale of zero to 100 points: the higher the score, the more satisfied customers were with the multichannel integration.

The Index considers several factors, including which features retailers offered across these channels and how well they were received by real-life customers. We analyzed the survey responses of 2,413 customers to get their firsthand accounts of how the companies were incorporating omnichannel technology into their business strategies. The survey collected data on customers who shopped a wide assortment of retailers, including CVS, Ulta and Boots, as well as smaller companies like Kinney Drugs, Beauty World and City Drug. All stores were categorized as either large- or small-format operations.

Respondents were asked about their experiences with the stores, their most recent purchases and whether they felt these omnichannel approaches added to, or detracted from, their overall shopping experiences.

KEY FINDINGS





Our past surveys revealed that larger stores in most industries scored higher on our Index than smaller stores. In the health and beauty sector, however, large- and small-scale retailers achieved similar scores, with smaller ones slightly outperforming their larger counterparts at 36.7 points and 36.4 points, respectively. In other words, large and small retailers in this sector appear to be more comparable as competitors in omnichannel integration than those in other verticals.

FIGURE 1: HOW HEALTH AND BEAUTY MERCHANTS PERFORM AGAINST OTHER RETAIL SEGMENTS
Omni Usage Index score, by retail segment

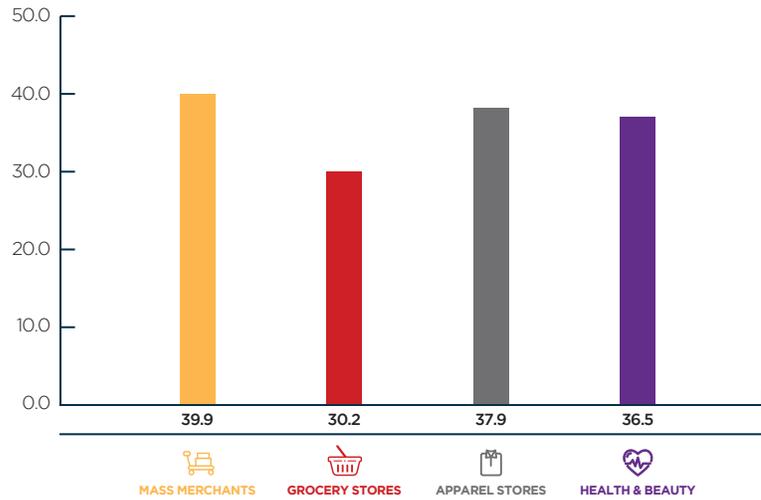
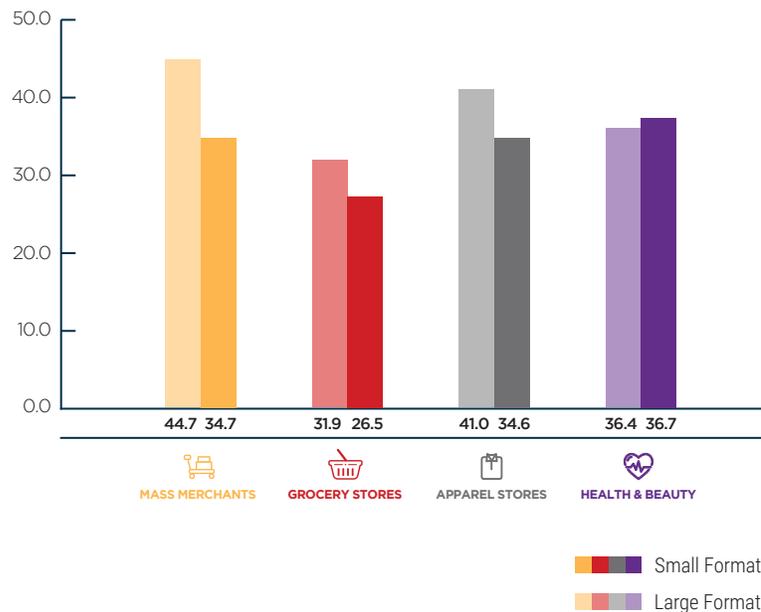


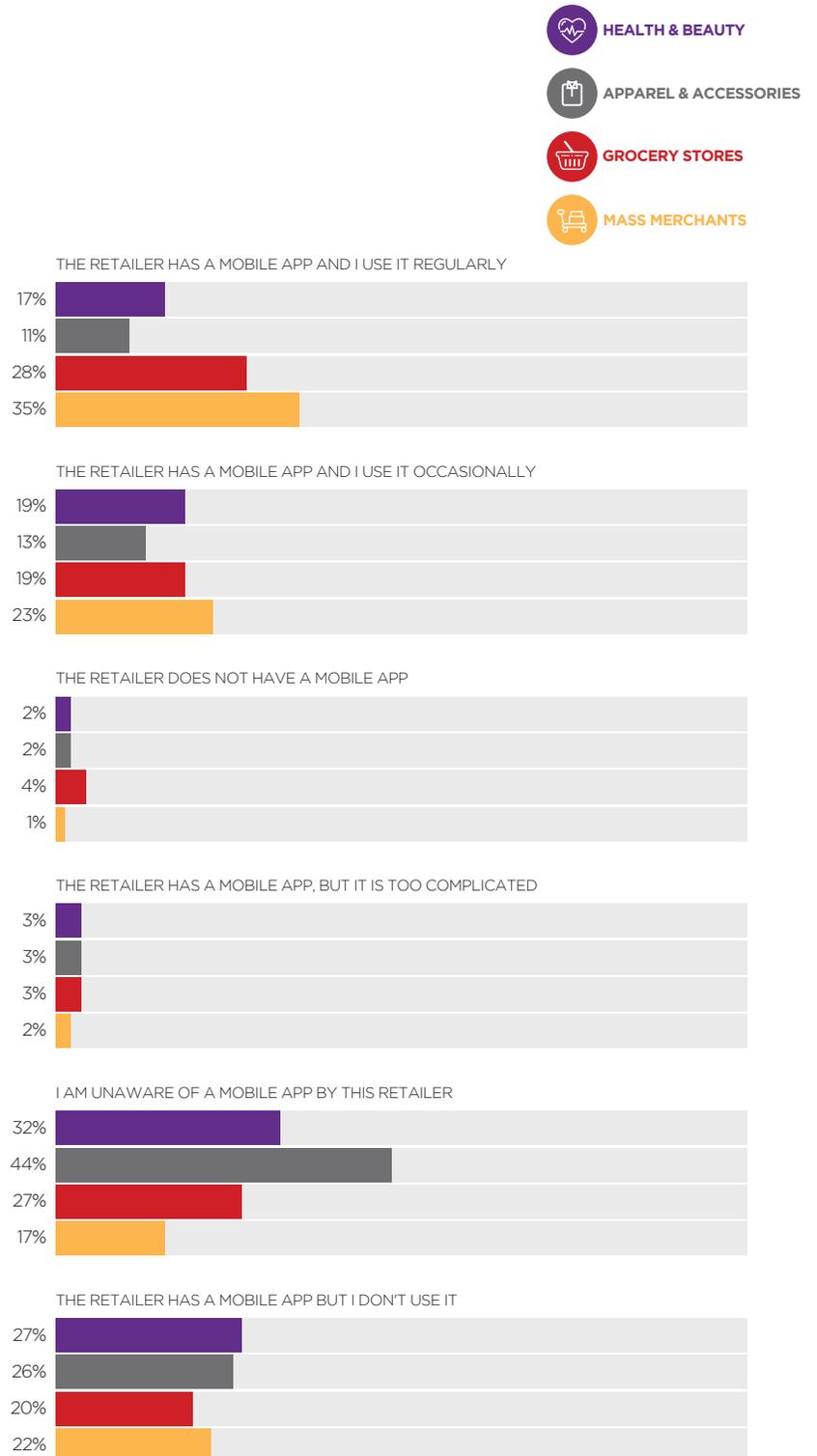
FIGURE 2: HOW MERCHANT SIZE AFFECTS OMNI USAGE INDEX SCORE
Omni Usage Index score by retail segment and format



We found that health and beauty sector customers were more likely to use their retailers' mobile apps than those in other sectors. These mobile apps also scored higher in consumer satisfaction than those of retailers in other industries, with small-scale companies often outperforming their larger competitors. Consumers appreciated several features of the mobile apps offered by smaller retailers, too – including discounts, coupons and loyalty programs – with 14 percent of them considering these features to be very or extremely important to their overall shopping experiences.

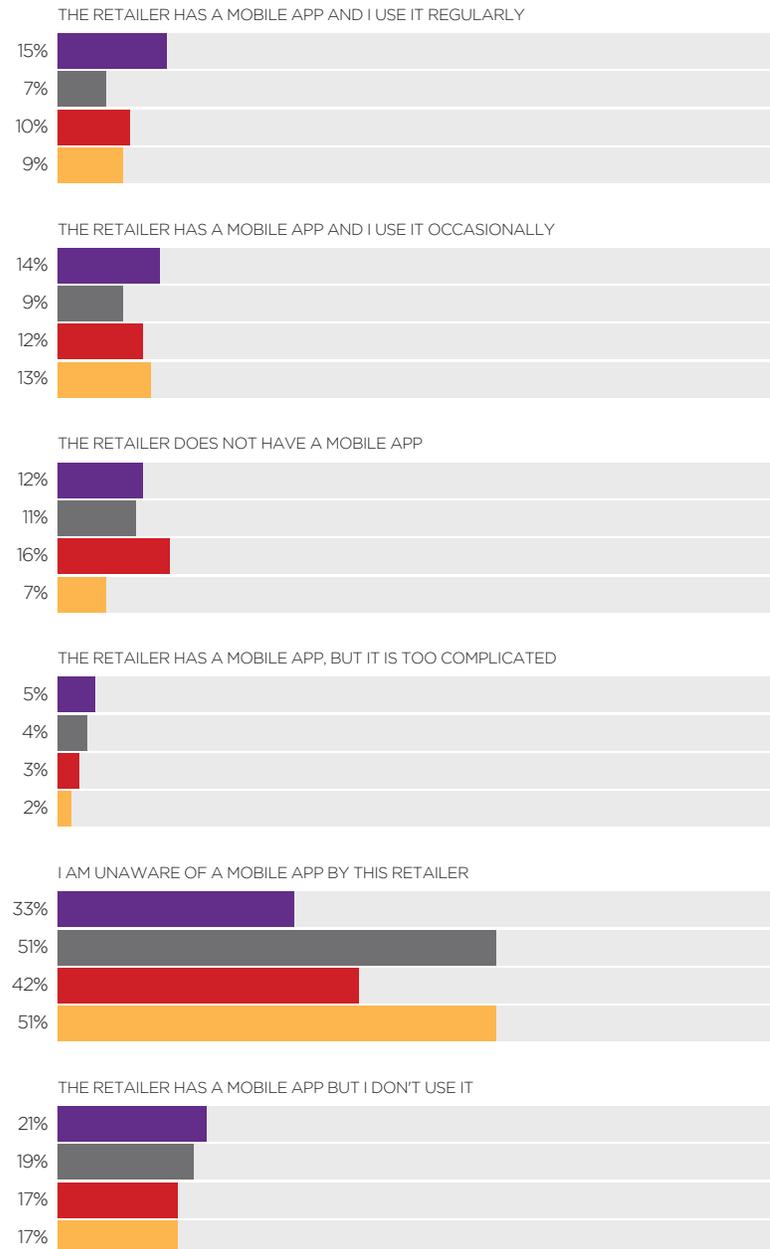
All omnichannel features, including those on mobile apps, were categorized into five groups: Solve My Problems, Know Me, Value Me, Do You Have What I Want and Make It Easy for Me. All features were examined individually, and findings on them helped shape the analysis of each group. For example, price comparison, a Do You Have What I Want feature, influenced customers' overall satisfaction at all store types. Meanwhile, smaller stores scored better when it came to Know Me and Solve My Problems, larger stores offered more satisfactory Value Me features and stores of all sizes scored similarly on their Make It Easy for Me and Do You Have What I Want offerings.

FIGURE 3A: HOW CONSUMERS USE MOBILE APPS OF LARGE STORES
 Consumer mobile app usage, by store size



The survey also categorized respondents according to other significant metrics, like basic demographic information and their preferred shopping channels. This helped draw correlations between customers, the products they purchased and the stores at which they shopped. By analyzing the intersections of these metrics, we were able to gain a thorough understanding of the complex composition and development of the modern American health and beauty sector.

FIGURE 3B: HOW CONSUMERS USE MOBILE APPS OF SMALL STORES
Consumer mobile app usage, by store size



AT 15%,
HEALTH & BEAUTY
IS LEADING IN REGULAR
MOBILE APP USERS



**THE
CUSTOMERS:**

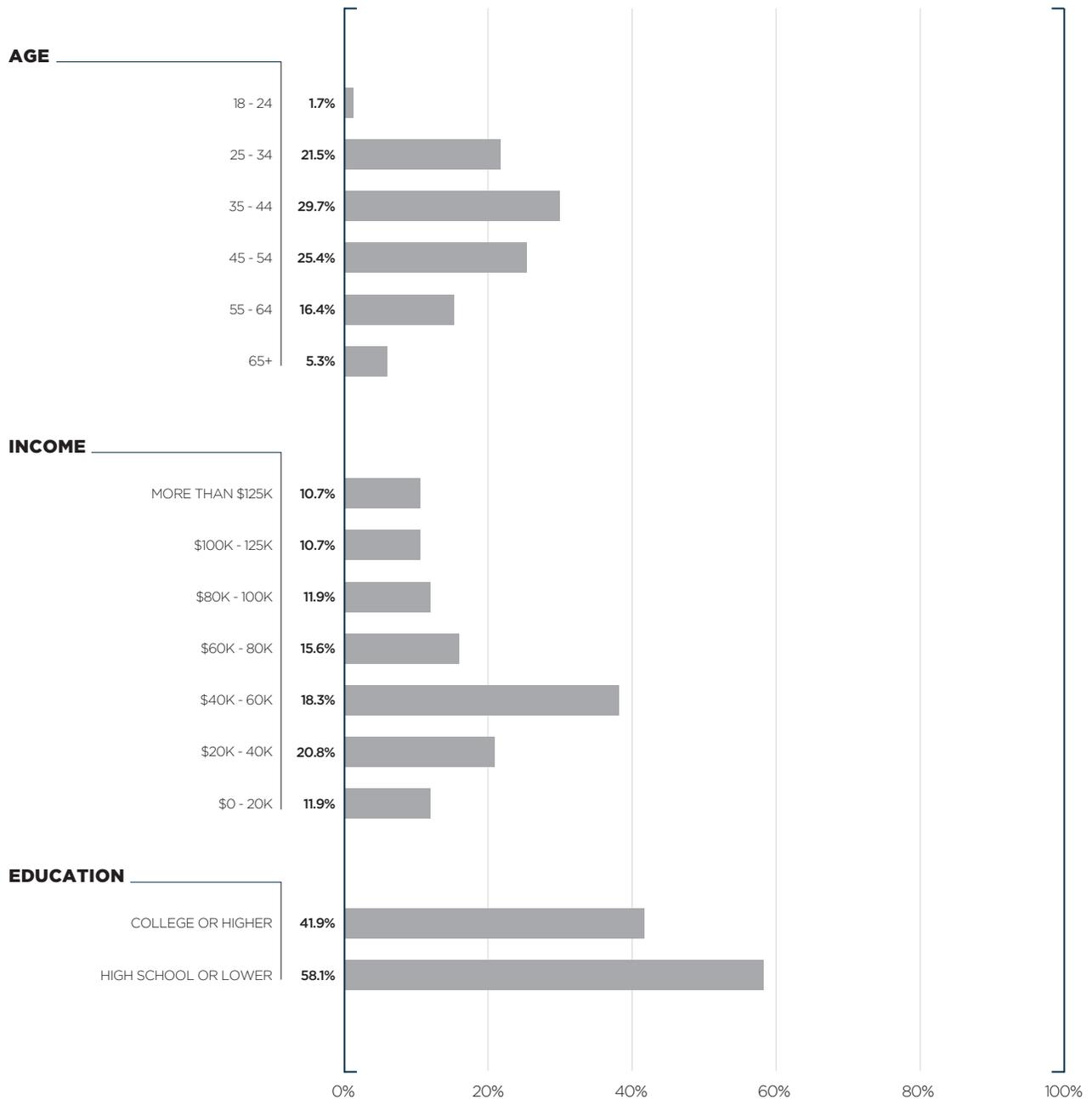
WHO THEY ARE
AND

**WHERE
THEY
SHOP**

Health and beauty industry consumers were remarkably diverse in composition. It was important to properly identify exactly who its customer bases were and how they differed from each other. Our research team compared consumers according to six metrics: age, gender, income range, education level, desired purchases (product) and preferred commercial channel.

We first gathered the basic demographic information on our respondent sample, as shown in Figure 4.

FIGURE 4: WHO ARE THE BEAUTY AND HEALTH CONSUMERS?
Demographic data on our sample respondents by age, income and education





The predominant age bracket in our sample included customers between 35 and 44 years of age, and the clear majority of our respondents — approximately 85.3 percent — were female. The most common annual salary fell in the \$20,000 to \$40,000 range, followed by \$40,000 to \$60,000. These income brackets represented 20.8 percent and 18.3 percent of our sample, respectively. With regard to their academic backgrounds, our shoppers were split into two categories: high school graduate or less and college graduate or more. The largest of these was high school or less, comprising 58.1 percent of our respondents, and the smallest was college graduate or higher, accounting for 41.9 percent.

We also examined the products for which consumers tended to shop in each category. These included beauty goods, drug-related items and health products. We found 60.3 percent of shoppers spent their time and cash on pharmaceutical products, 36.5 percent shopped for beauty products and just 3.1 percent made any other type of health-related purchase.

Finally, we identified three types of customers who frequented these shops and determined what each wanted from its shopping experience. This metric considered respondents' preferred shopping channels, categorizing them into Brick & Mortar Consumers, Digital Consumers or Any-Channel Consumers.



BRICK & MORTAR CONSUMERS

Consumers who haven't purchased anything online over the last three months. They have made either the same number or more purchases at brick-and-mortar store locations compared to last year.



DIGITAL CONSUMERS

Consumers who have purchased at least \$50 in products online during the last 30 days. They have also shopped much less or somewhat less at brick-and-mortar stores since last year.



ANY-CHANNEL CONSUMERS

Consumers who fit neither the Brick & Mortar nor the Digital Consumer profile. They tend to shop both online and in-store.

Brick & Mortar Consumers did not make any online purchases during the previous three months, but had bought products from physical retail stores during the last year at least as often as during the previous year. These consumers made up 38.9 percent of the surveyed shoppers. Digital Consumers bought at least \$50 online during the last 30 days and had purchased less

at physical store locations than their in-store-focused counterparts. They accounted for only 9.5 percent of the shoppers in our sample. Finally, Any-Channel Consumers were those who could not be categorized as either Brick & Mortar or Digital Consumers, and who tended to spread their shopping activities among a variety of commercial channels. Most consumers in the beauty and health industry were Any-Channel, accounting for 51.6 percent of our sample.

Examining how these demographic sets related to one another revealed detailed profiles of the various groups in the diverse health and beauty consumer base. For example, brick-and-mortar purchases were most common among customers with lower education and income levels. Fifty percent of consumers earning \$20,000 per year or less, and 42 percent of consumers with a high school diploma or less, were Brick & Mortar Consumers. In contrast, 28 percent of consumers earning between \$100,000 and \$125,000 per year are Brick & Mortar Consumers, and only 35 percent of those with graduate degrees could be placed in the same group.

Any-Channel Consumers tended to hold the highest education and income levels. Forty-four percent of shoppers earning \$20,000 or less per year could be classified as Any-Channel Consumers, as could 56 percent of those earning an annual salary of \$125,000 or more. Also, just 49 percent of respondents with the lowest education levels used all available commercial channels to shop, as did 56 percent of those with graduate degrees.

Digital shoppers tended to be younger. One-third of consumers between 18 and 20 shopped primarily online, which is a significantly higher percentage than that of any other age group.

Once these shopper groups had been identified, it was finally possible to answer the most important question: What do health and beauty consumers want? The

answer is just as complex as our sample's demographic composition.

Beauty services appeared to enjoy similar degrees of popularity among all shoppers, but beauty products were generally more popular with older consumers. In fact, among those aged 65 and older, 14 percent of respondents said they had recently shopped for beauty products. Meanwhile, only 5 percent of those between 18 and 24, one of our youngest age brackets, had done so.

Beauty products may be popular among older customers, but there were also fewer respondents in higher age brackets. Our sample was mostly comprised of shoppers in the 25-to-54 age range, meaning there were either more people of this range that cared enough to respond to our survey, or there were more in this age range that were available to take it. In either case, companies selling beauty products and seeking to increase their consumer bases would be advised to focus on those between 25 and 54 or older.

Meanwhile, medications were purchased more frequently by consumers in the highest income bracket than those in lower ones. Specifically, 19 percent of people making \$125,000 per year and 16 percent of those in the lowest income bracket had recently purchased a medication. It cannot definitively be stated that there was a direct correlation between a customer's income level and his propensity to purchase medications, however. While 16 percent of those in the lowest income bracket purchased them, that percentage was identical to the second-highest income bracket – which included those earning \$100,000 to \$125,000 per year – and fell to 15 percent for those earning \$80,000 to \$100,000 annually.

This is a difficult fact to interpret. Health conditions requiring medication afflict people of all income brackets, and it was not surprising to find no immediately obvious trend to explain the different rates of medication purchases among consumers.





**REACHING
CUSTOMERS:
THE
FEATURES**

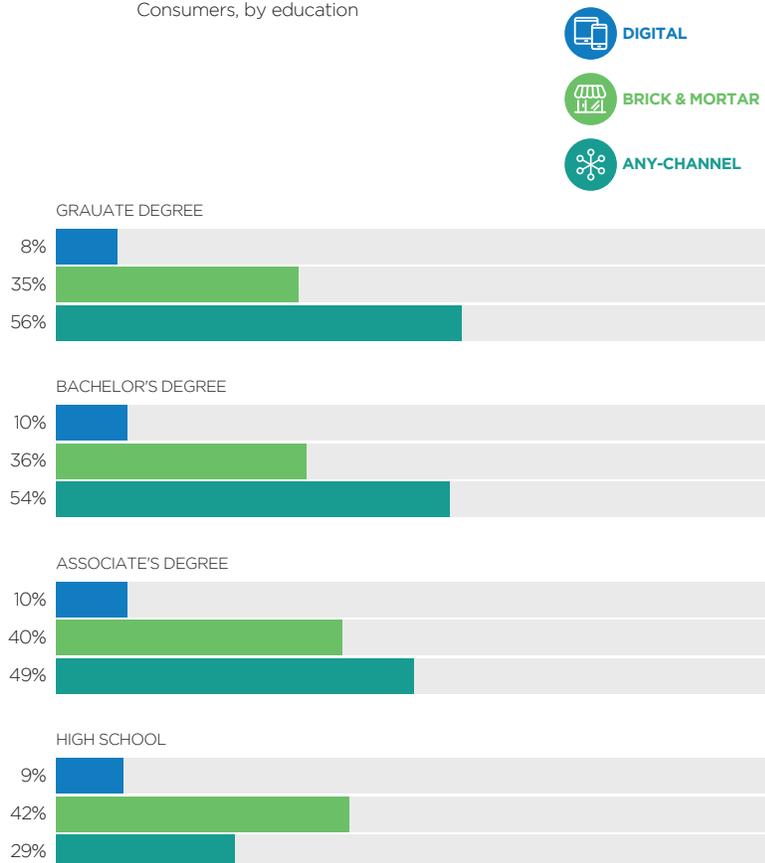


Knowing what customers want is one matter, but reaching them is another. Understanding the commercial channels to which different consumers gravitate — and why — plays an important role in incorporating raw consumer data into a concrete business plan. To clarify the relationship between consumers and their preferred commercial channels, we analyzed survey respondents' educational, income and other profile information, then cross-referenced our findings with data on whether they shopped using brick-and-mortar, digital or any-channel offerings.

To determine which channels should be considered when reaching which customers, it is worth taking a brief moment to review our respondents'

FIGURE 5A: WHO ARE THE BEAUTY AND HEALTH CONSUMERS?

Brick & Mortar, Digital and Any-Channel Consumers, by education



ANY-CHANNEL
CONSUMERS
HAVE
**THE HIGHEST
EDUCATED
LEVELS**

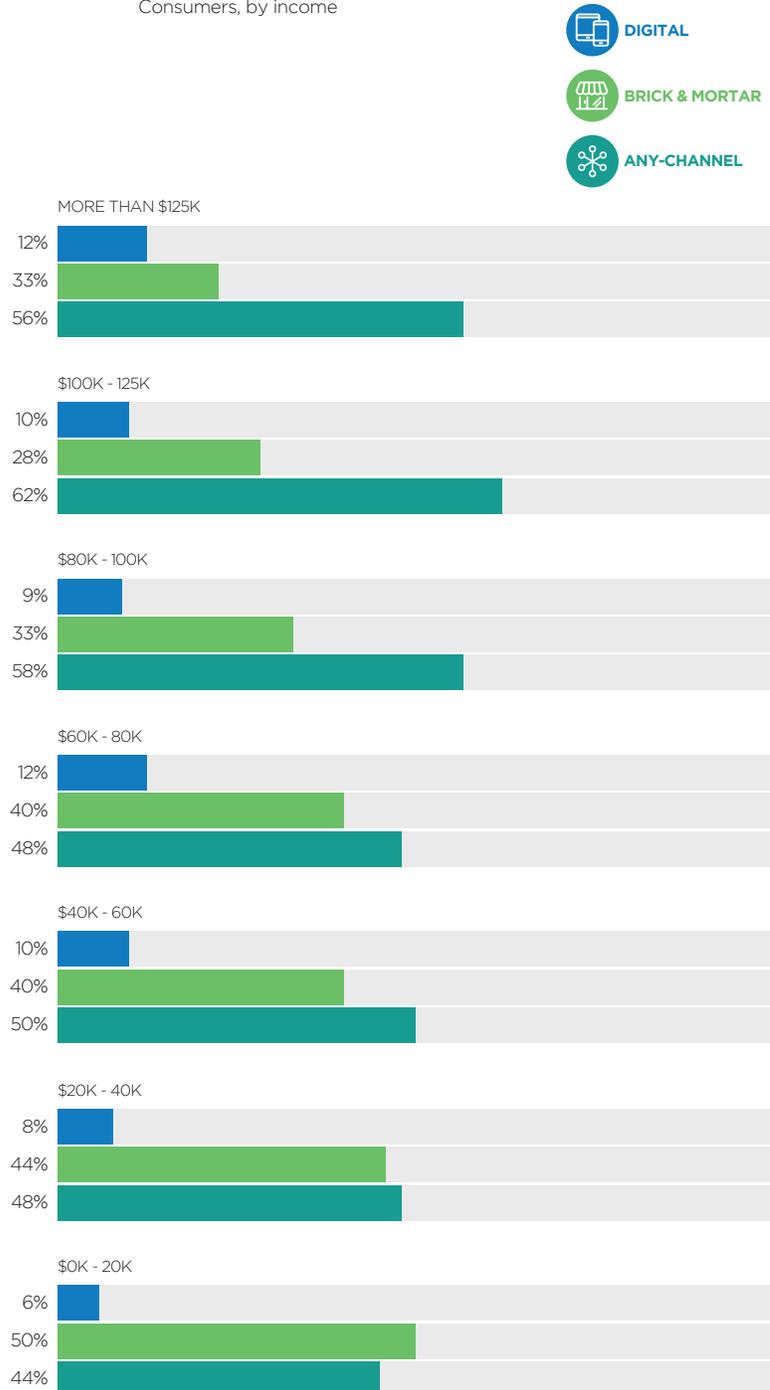
demographical information. Once again, as seen in Figure 5, Brick & Mortar Consumers were more likely to have lower income and education levels. They accounted for half of the respondents earning \$20,000 per year or less. This ratio drops to 28 percent when examining those who earned between \$100,000 and \$125,000 per year, however. Furthermore, Brick & Mortar Consumers accounted for 42 percent of respondents with high school diplomas or less, and only 35 percent of those who had obtained graduate degrees.

Conversely, a relatively large percentage of those in the higher income brackets were Any-Channel Consumers. Only 44 percent of those earning \$20,000 per year or less were Any-Channel Consumers, as were 56 percent of those earning more than \$125,000 annually. Similarly, 49 percent of those with a high school diploma or less could be categorized as Any-Channel Consumers, as could 56 percent of those with graduate degrees.

Both the education and income metrics appeared to be positively correlated with the percentage of consumers who shopped for beauty and health products using multiple channels. Digital shoppers were more likely to earn more than \$40,000, and the most common income bracket was \$60,000 to \$80,000.

This information demonstrates who our shoppers are and how they like to shop, but where do they like to shop? What drove these customers to visit these retailers in the first place? Further, how did they first become acquainted with their favorite stores?

FIGURE 5B: WHO ARE THE BEAUTY AND HEALTH CONSUMERS?
Brick & Mortar, Digital and Any-Channel Consumers, by income

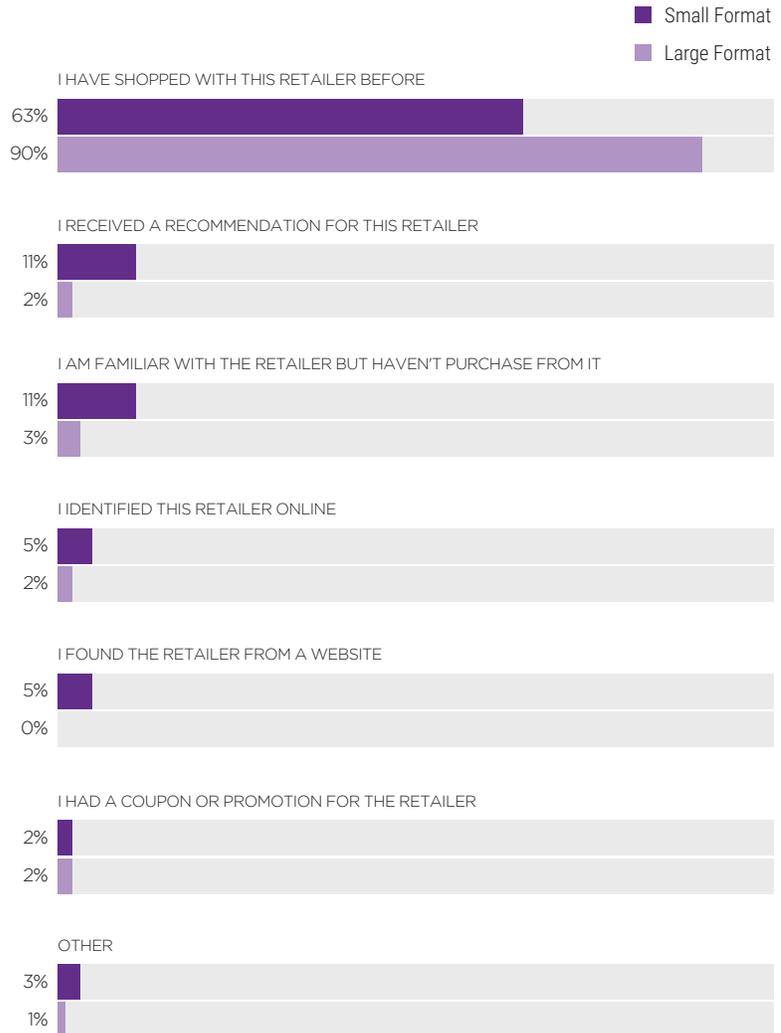


According to the answers collected from our survey, different groups of customers were driven by varying factors when choosing the shops they did. These factors are shown in Figure 6.

This suggests that people are creatures of habit, and that familiarity breeds success: The most significant factor driving customers to “discover” the shops they did was the simple fact that they had shopped there in the past. Ninety percent of shoppers at larger retailers said they knew of the company because they had shopped there before, as did 63 percent of small-retail shoppers. For those shopping smaller stores, both recommendations and a passing familiarity with smaller shops helped them discover their retailers.

Knowing about a store is one thing, but making the decision to shop there is another matter, entirely. After consumers become acquainted with the health and beauty stores at their disposal, their decisions to shop at one or another tend to be driven by several key factors. These included store location, store prices, the variety of products offered and more, all the way down to the simple desire to support their favorite. Sixty-nine percent of large- and 54 percent of small-store shoppers said the retailer’s location was very or extremely important in shaping their decision to shop where they did.

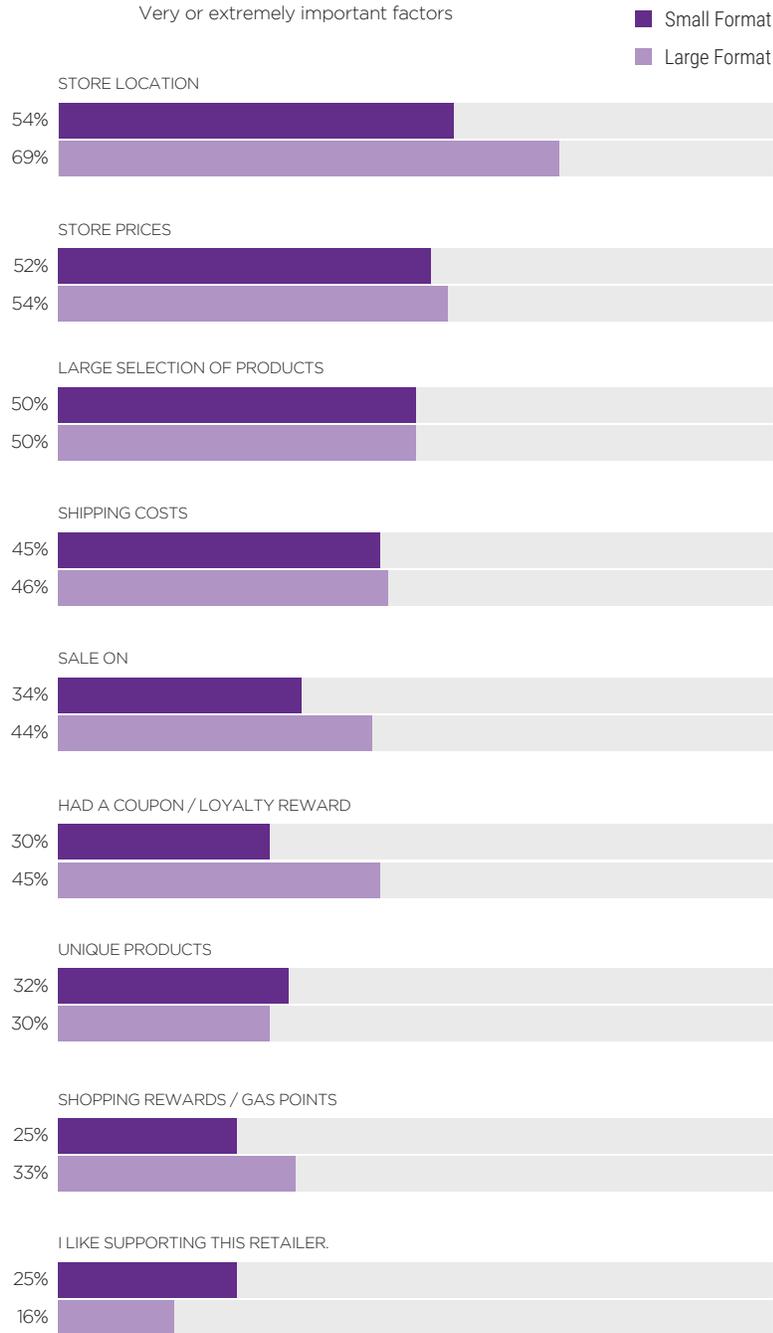
FIGURE 6: HOW CONSUMERS DISCOVER NEW MERCHANTS
How consumers found small versus large retailers



90%

OF LARGE-MERCHANT SHOPPERS WERE RETURNING CUSTOMERS

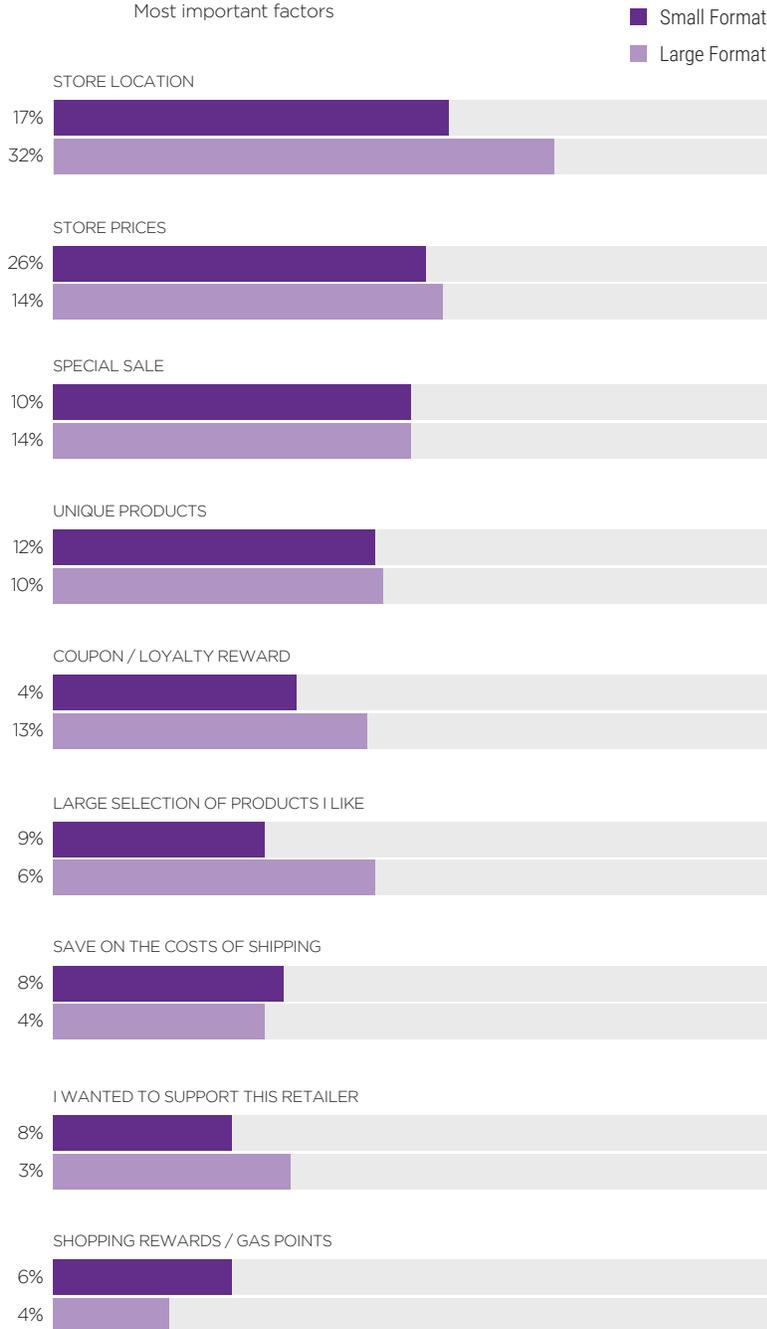
FIGURE 7: THE FACTORS CONSUMERS CONSIDER WHEN DECIDING WHERE TO SHOP
Very or extremely important factors



When pressed to name the single-most important reason they shopped where they did, large- and small-store customers had different answers, as seen in Figure 8.



FIGURE 8: THE FACTORS CONSUMERS CONSIDER WHEN DECIDING WHERE TO SHOP
Most important factors



Small-name retail shoppers chose price over location. Twenty-six percent said the biggest consideration in deciding where to bring their business was price, whereas 17 percent frequented stores for their locational convenience. Thirty-two percent of larger retailers cited location, location, location as their biggest consideration, and 14 percent highlighted the price of goods. Price was the second-most important factor bringing both consumer sets to their retailers’ literal and metaphorical doorsteps.

Our research noted an apparent contradiction: when our small-shop respondents were asked to list the factors they considered to be either extremely or very important in their decision to shop with their choice retailer, more of them mentioned their store’s location than their store’s products. However, when pressed to name the most important factor in their decision-making process, far more of them chose store prices as their most important factor. How can store prices be the most important factor leading small-store consumers to frequent their favorite shops when store location was seen as a more “extremely or very important” feature, overall?

The answer to this question is a matter of degree. Specifically, a great many small-store shoppers took a store’s location into consideration when choosing to shop there. However, our data suggests that these shoppers do not consider it to be the most important feature in their decision-making process. In other words, if small-store shoppers, as a group, were forced to choose a store at which to shop, they would shop at the store with the lowest price – in theory, anyway

In practice, however, there are more factors at play than mere

price. Factors like store location and product selection are just a couple examples that might influence a consumer's decision to overlook higher prices in favor of saving time or transportation costs.

This is a situation that all consumers have likely experienced. Imagine a hypothetical shopper with limited time and resources who needs to run several errands in a limited timeframe. One of her stops is her preferred, low-cost drug store. That store is east of her current location, but the rest of her stops are located to the West

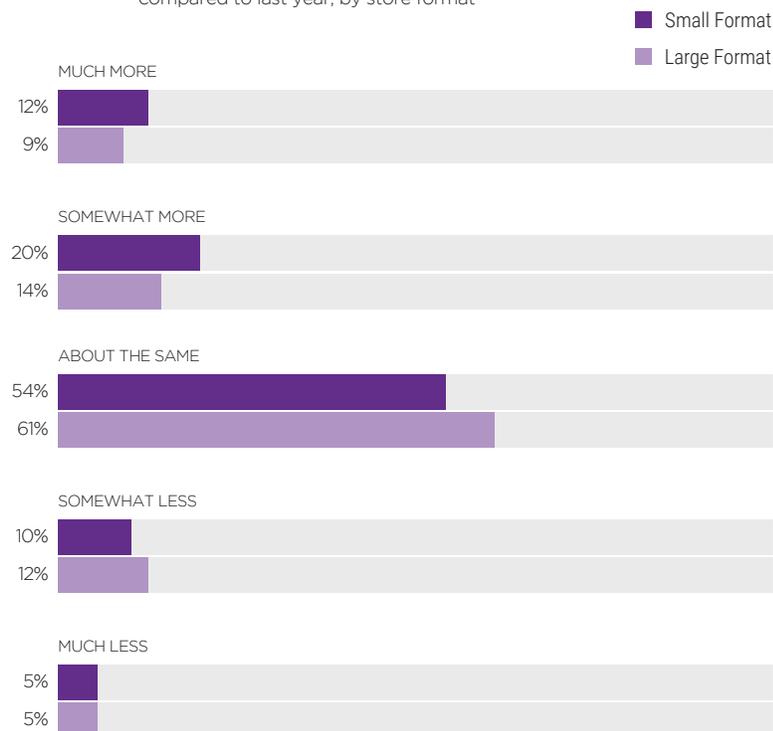
In a perfect world, she would go to all her stops in the West and her favorite health and beauty shop in the East. The world is not perfect, though. In the interest of saving time, gas money or subway tickets to hit all of these disparate stops plus her favorite health and beauty retailer in the East, our shopper chooses to shop at an alternative store located to the West instead.

In any other circumstance, the shopper would bring her patronage to her favorite shop in the East. But, because she is on a tight schedule, or a tight budget, she goes elsewhere. This is an example of how cost-benefit analysis can lead individuals to opt for alternatives to their preferred shops – or, to alter their otherwise deeply engrained shopping habits.

This data led to another question: How driven by habit were our respondents, exactly? Did their shopping habits change over time? Are they flocking in droves to the internet to make their purchases?

FIGURE 9: DID CONSUMERS BUY FROM BRICK-AND-MORTAR STORES MORE OR LESS OFTEN THAN LAST YEAR?

How much consumers bought compared to last year, by store format



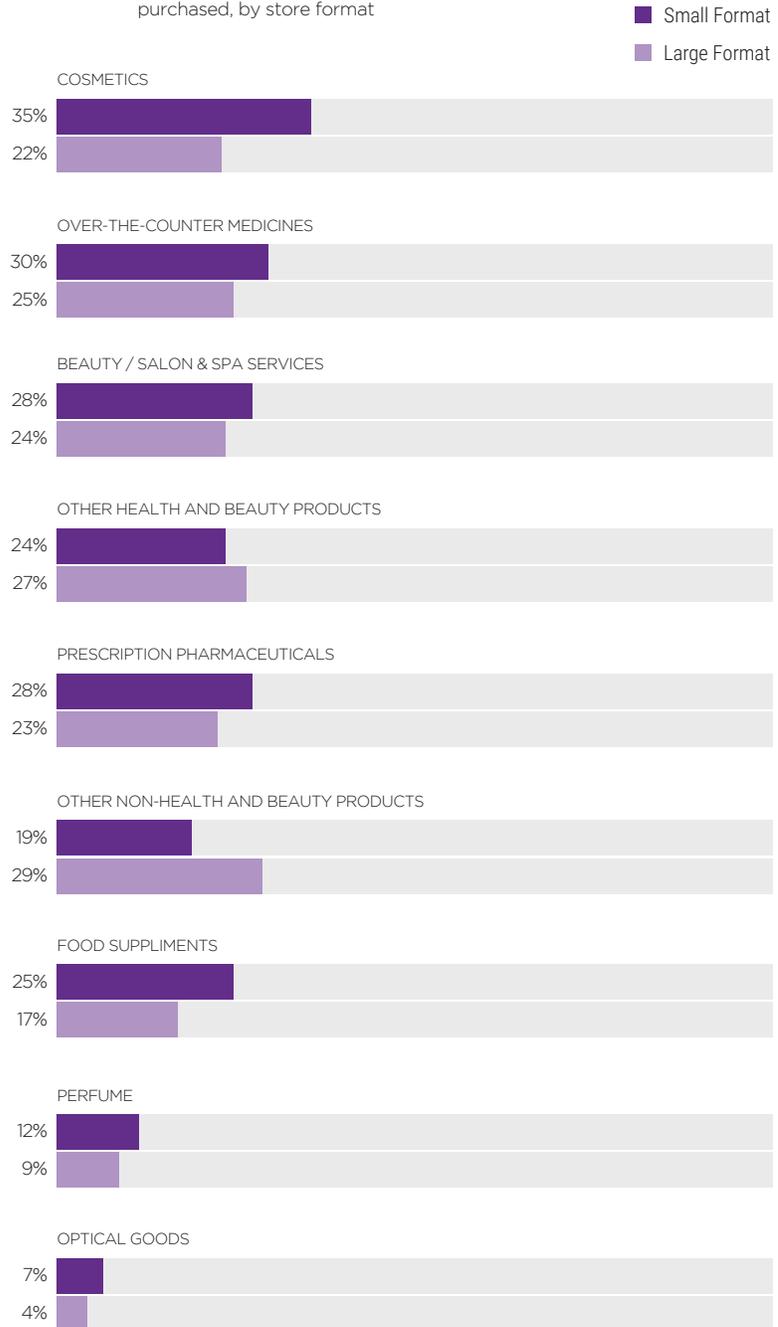
More shoppers had flocked to physical stores than the internet, according to our analysis. Thirty-two percent of small- and 23 percent of large-store consumers had shopped more in physical stores than in the previous year, and only 15 percent and 17 percent, respectively, had moved their business to their stores' online channels. More small-store shoppers appear to be switching to brick-and-mortar than large-store shoppers, but both types seem to be abandoning their computers, tablets and smartphone shopping sprees to check out what these health and beauty retailers keep at their physical locations.

Nevertheless, most shoppers at health and beauty retailers of all sizes seemed to stick to what they know, with 61 percent of large- and 54 percent of small-store shoppers making about the same number of purchases online and in stores as in the previous year. In other words, old habits are hard to change.

We found there were two groups of customers who shopped at very distinct retailer sets, and for very different products. Our respondents reported shopping for cosmetics, over-the-counter medicines, food supplements and other related products at smaller stores. Larger retailers appeared to attract customers for non-health and beauty-related products.

This is not surprising. Though many bigger-name retailers, like CVS, are equipped with beauty and health departments, these items are only small parts of a much wider selection of products and services. Smaller stores tend to be more specialized, catering to a more specific clientele. When a customer goes to Living Well Pharmacy or Beauty Town, for example, they are all but guaranteed to find exactly what their store names suggest.

FIGURE 10: WHAT CONSUMERS BOUGHT ON THEIR LAST SHOPPING TRIPS
The types of products customers purchased, by store format

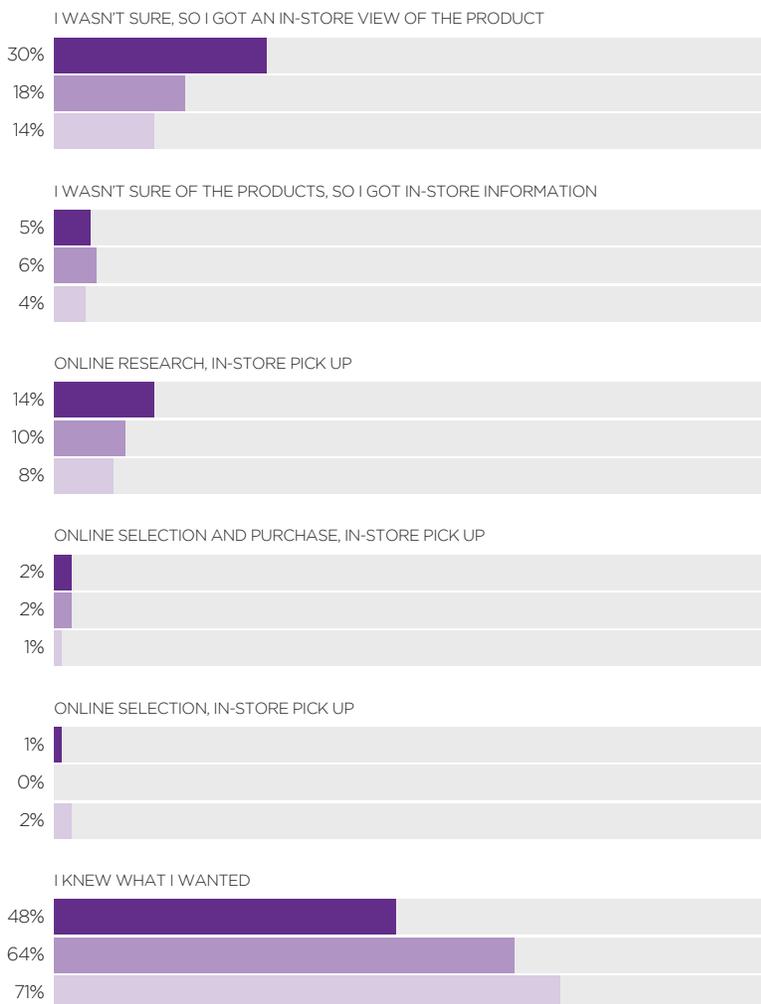


ONLY 40% OF CONSUMERS SHOPPING FOR BEAUTY SERVICES KNEW WHAT THEY WANTED BEFORE THEY SET FOOT IN A STORE

FIGURE 11: HOW CONSUMERS USE DIFFERENT CHANNELS TO SELECT PRODUCTS

How consumers selected their purchased products, by products and services

- Beauty Services
- Beauty Products
- Medications



There was also a divide when it came to how consumers selected products for purchase, and whether they began shopping before or after they knew what, exactly, they wanted.

As one might expect, most consumers shopping for medication knew what they wanted before jumping into a shopping spree. Seventy-one percent walked into a shop, or typed in a retailer's website, with a clear idea of what they intended to buy. Conversely, only 30 percent of customers shopping for beauty services knew what they wanted, and often scanned a company's inventory at a physical location before deciding.

Thirty-three percent of beauty product customers purchased items in stores after researching them online – a real test of a retailer's omnichannel readiness – and another 33 percent said they did so occasionally. This demonstrates that success in modern health and beauty retail necessitates an omnichannel approach.

CONSUMERS SEARCHING FOR A NEW STORE CONSIDER **SELECTION AND PRICES** BEFORE ALL ELSE

The last metric we examined was what drove customers to visit the retailers from which they acquired their most recent purchases, namely: Why did they shop where they did? The answer varied depending on customers' desired products and preferred shopping features.

As seen in Figure 12, 41 percent of consumers shopping for medications felt a store's location was the most important factor driving them to choose the store they did. Meanwhile, 24 percent of beauty product consumers considered store prices or store location before all else. When it came to beauty services, 12 percent of consumers were attracted to their stores' unique product selections.

When more than one factor was taken into consideration, however, the decision to go to one store over another appeared to confound many shoppers. For example, even though it was not the first factor that convinced them to shop where they did, store location was still called a "very or extremely important feature" by half of all customers looking to buy beauty services. Forty-eight percent of the same group said store prices were either very or extremely important. These factors should not be discounted by any company striving to attract new customers or keep their returning ones happy.

FIGURE 12: THE MOST IMPORTANT FACTORS THAT DROVE CONSUMERS TO SHOP WHERE THEY DID

Most important factor behind visiting retailer, by product type

- Beauty Services
- Beauty Products
- Medications

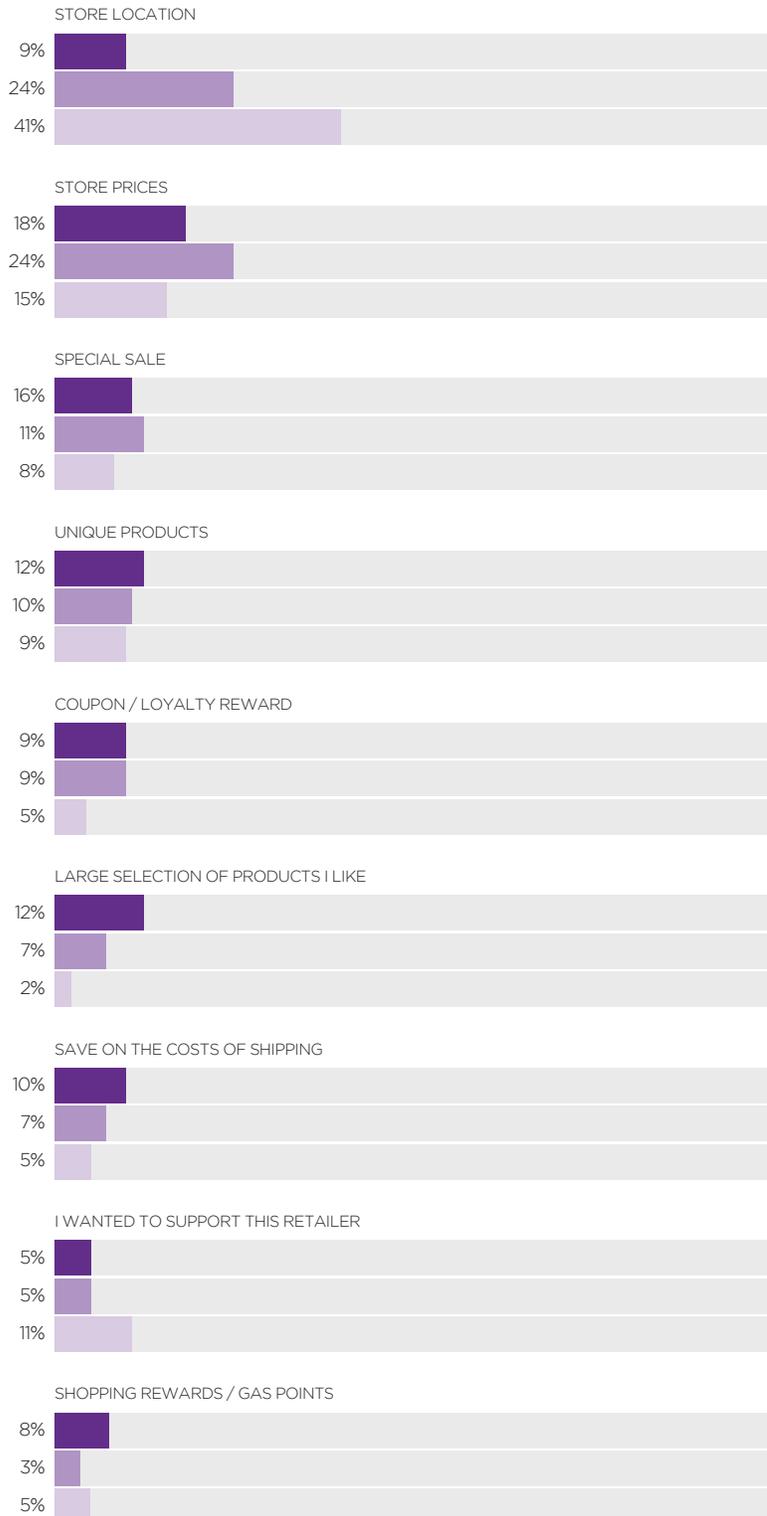
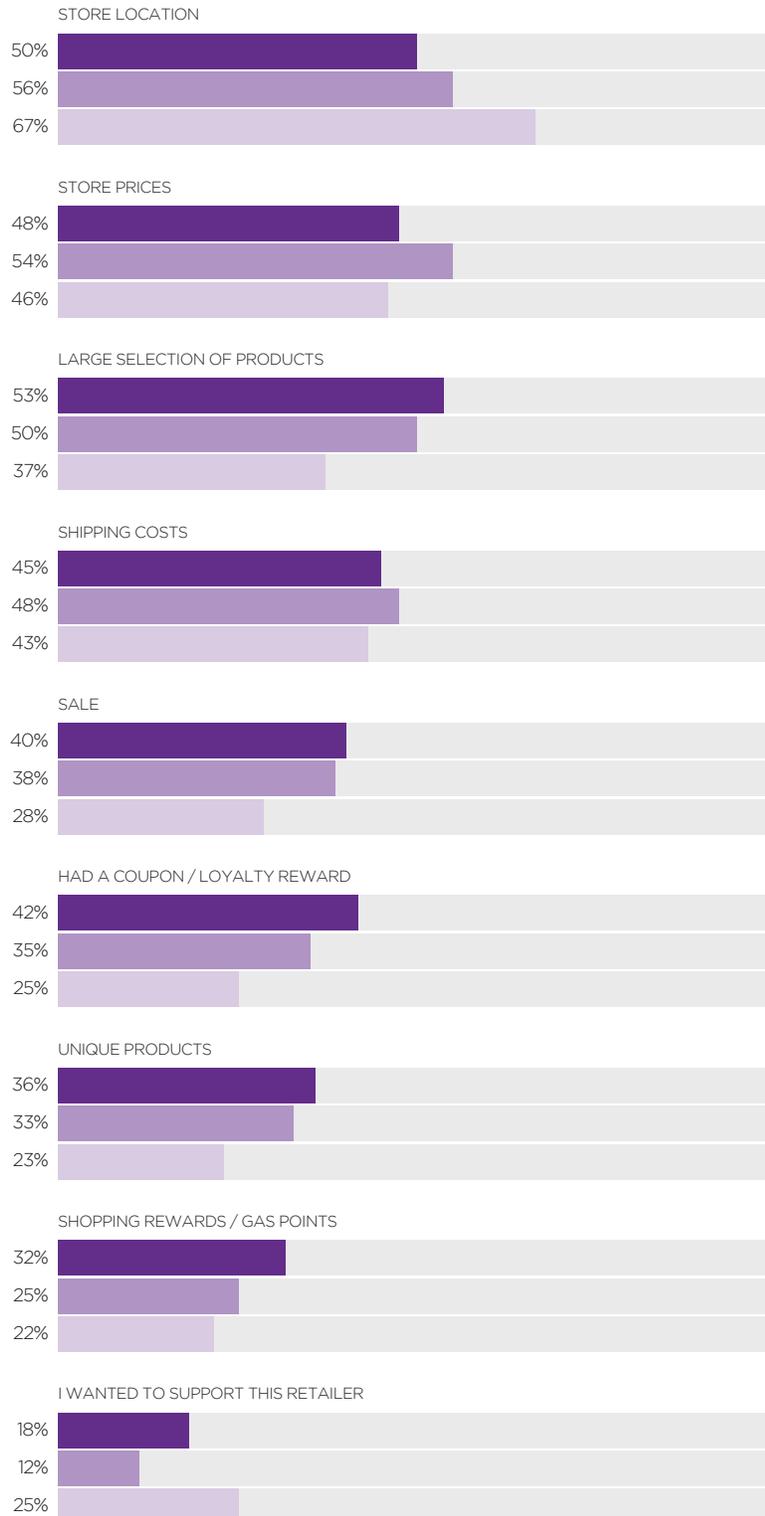


FIGURE 13: THE MOST IMPORTANT FACTORS THAT DROVE CONSUMERS TO SHOP WHERE THEY DID

Very or extremely important factors behind visiting a retailer, by product type

- Beauty Services
- Beauty Products
- Medications



MEDICATION SHOPPERS VALUE **STORE LOCATION** MORE THAN ANY OTHER FACTOR

For retailers searching to increase their traffic without relocating or altering their supply chain dynamics, there are other options. Our data suggests that rewards programs and free shipping options both entice shoppers to purchase from the retailers that offer them. Digital coupons and coupon usage are also appealing features, but, when forced to choose between the two, more customers favored digital coupon and coupon usage programs over product prices. This is not the case for those shopping for medications, however, 11 percent of whom considered prices to be their primary consideration. These trends are seen in Figures 14 and 15.

FIGURE 14: WHAT INFLUENCES CONSUMERS' SHOPPING BEHAVIOR?
Very or extremely important features, by product type

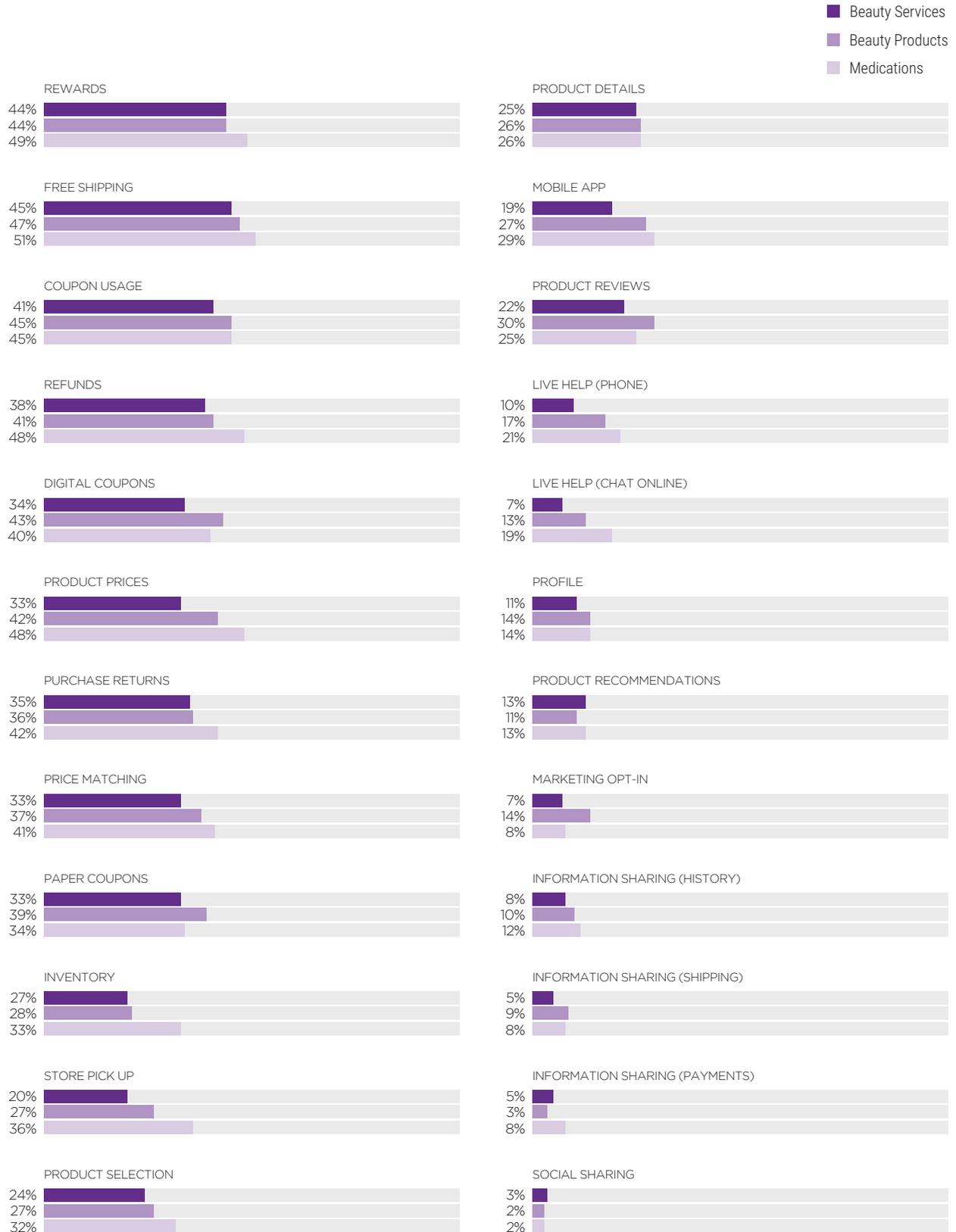
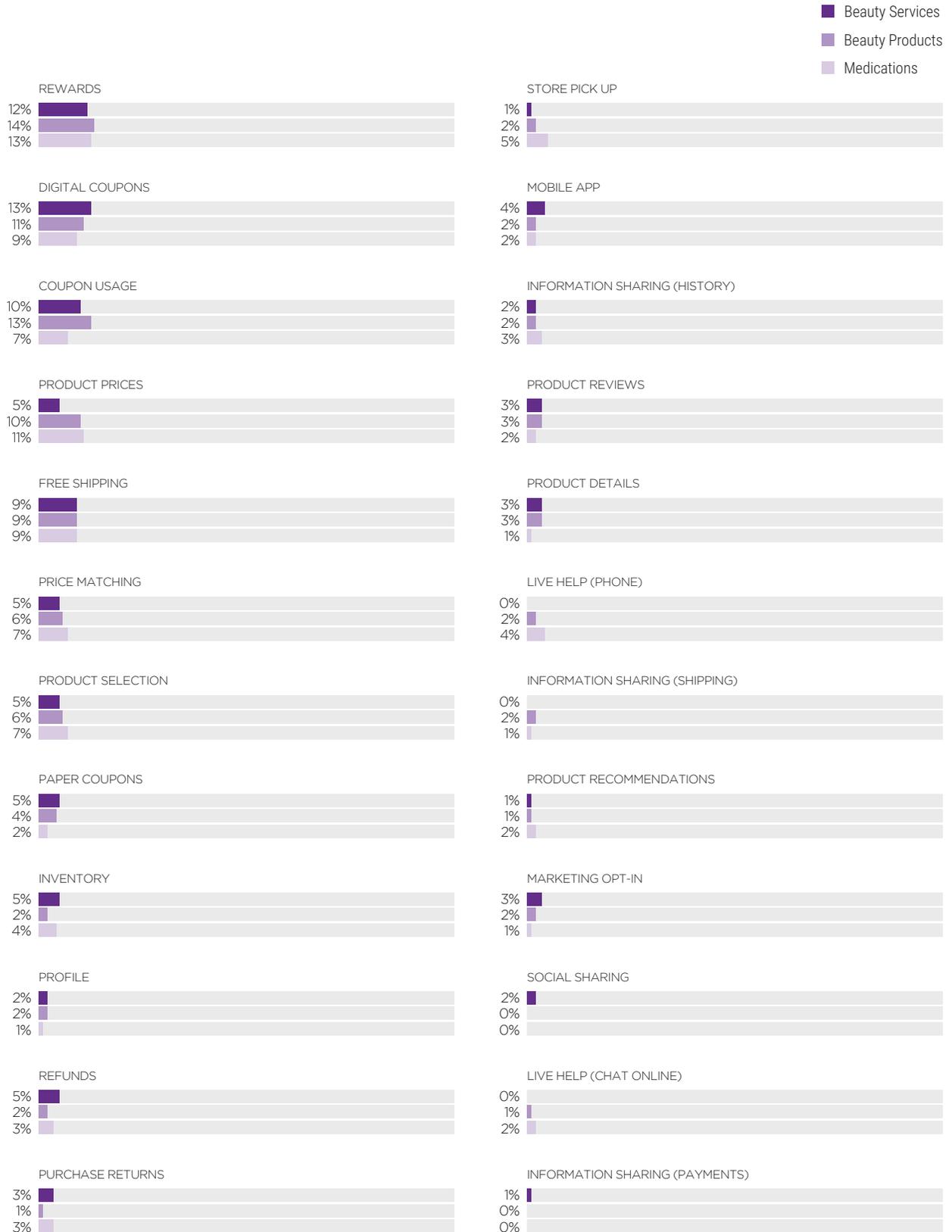
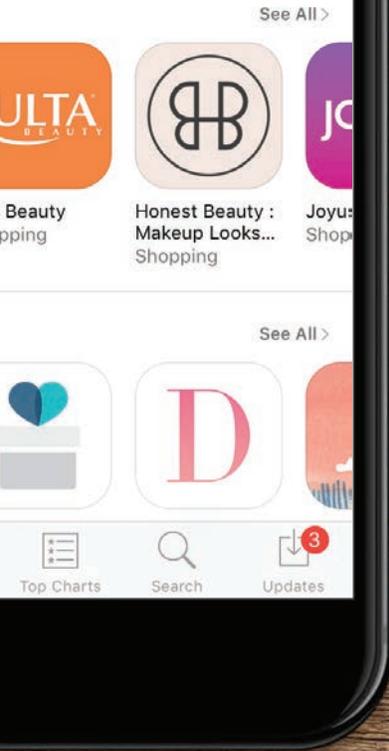
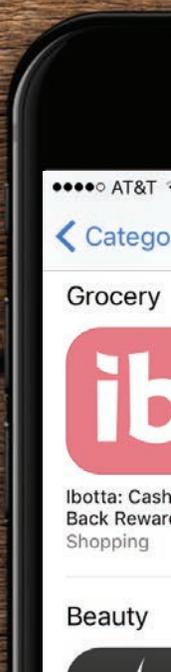
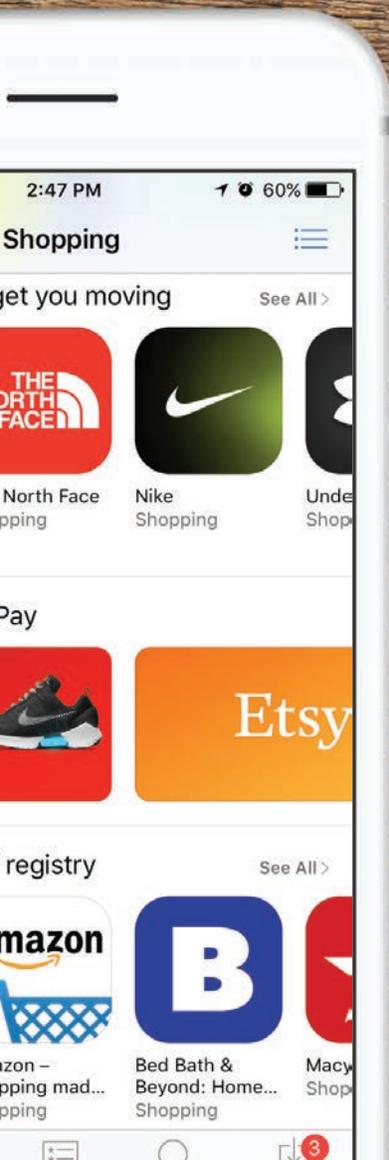


FIGURE 15: WHAT INFLUENCES CONSUMERS' SHOPPING BEHAVIOR?
Most important features, by product type





KEEPING CUSTOMERS:
WHAT THEY LIKE
AND WHAT THEY DON'T



Consumers are often loyal to their preferred shops, but that does not necessarily mean they enjoy every aspect of shopping with them. When it comes to keeping customers happy, some companies performed better than others. Respondents were asked about several omnichannel features they experienced while shopping for their recent purchase, and whether they would consider them “good” or “excellent.” These included features from the Solve My Problems, Know Me, Value Me, Do You Have What I Want and Make It Easy for Me categories.

Consumers had very specific and different impressions of features offered by small and large retailers. For example, Know Me features offered by smaller stores performed better than those offered by larger stores. They earned better reviews from customers purchasing both beauty products and medication, but not from those purchasing beauty services.

Our data demonstrated that small retailers in the health and beauty industry were more than capable of going head-to-head with their larger competitors, often slightly outscoring them in these five categories.

Specifically, 34 percent of customers who purchased medications at a large company ranked that firm’s Know Me profiling features as either “very good” or “excellent” in quality, but only 25 percent of those who bought medication at a small company did the same. When it came to buying beauty products, 31 percent of large-store customers rated this feature as either “very good” or “excellent”, as did 29 percent of those at small stores. In other words, if you’re in the market for medication or beauty products, your relevant personal information will likely be more efficiently and satisfactorily handled at a larger health and beauty retail shop.

Value Me features offered by larger stores also performed better, from a customer’s perspective, especially when it came to purchasing medications – though beauty product Value Me features were also well received.

We also considered each retailer’s omnichannel features. Based on the data from our respondents, it appears rewards programs and free shipping are features customers of all products considered very or extremely important to their overall shopping experiences.



KNOW ME

Includes capturing profile information such as storing shipping addresses, history and payments



VALUE ME

Includes social sharing, targeted coupons, coupon use, marketing options and loyalty or reward programs



DO YOU HAVE WHAT I WANT

Includes product selection, inventory, product prices and price matching



MAKE IT EASY FOR ME

Includes product details, reviews, recommendations, free shipping, in-store pick-up and mobile apps



SOLVE MY PROBLEMS

Includes refunds, purchase returns and live help

Health and beauty consumers generally used their retailers' mobile apps to make their most recent purchases more often than those in other sectors. This provided our team a unique opportunity to examine the shopping features companies offered via mobile apps. When we considered exactly how our respondents used mobile apps to make purchases, we found 22 percent of those shopping for both medications and beauty products used mobile apps regularly, and another 22 percent reported using them occasionally.

Their reasoning was simple: Shoppers wanted to take advantage of the discount features apps offer. In a sense, the appeal of the mobile app was that it was serving as an extension of the discount feature, which shoppers tended to appreciate. They also wanted to use it to get product information, with 14 percent reporting they used a mobile app to gather information on the product they wished to purchase before committing to buying it. Health and beauty retailers would be well-advised to optimize these features on their mobile apps to draw these customers' business.

FIGURE 16: HOW DID CONSUMERS ENJOY USING MOBILE APPS TO SHOP?

How they described their experiences using mobile apps, by product type

- Beauty Services
- Beauty Products
- Medications

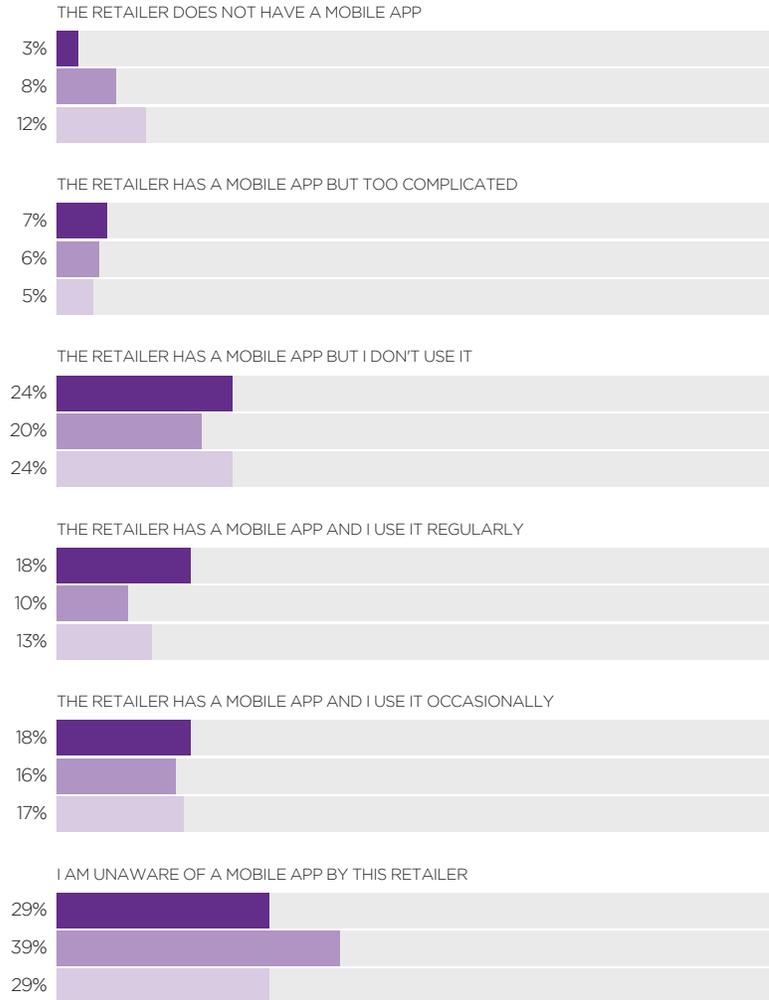
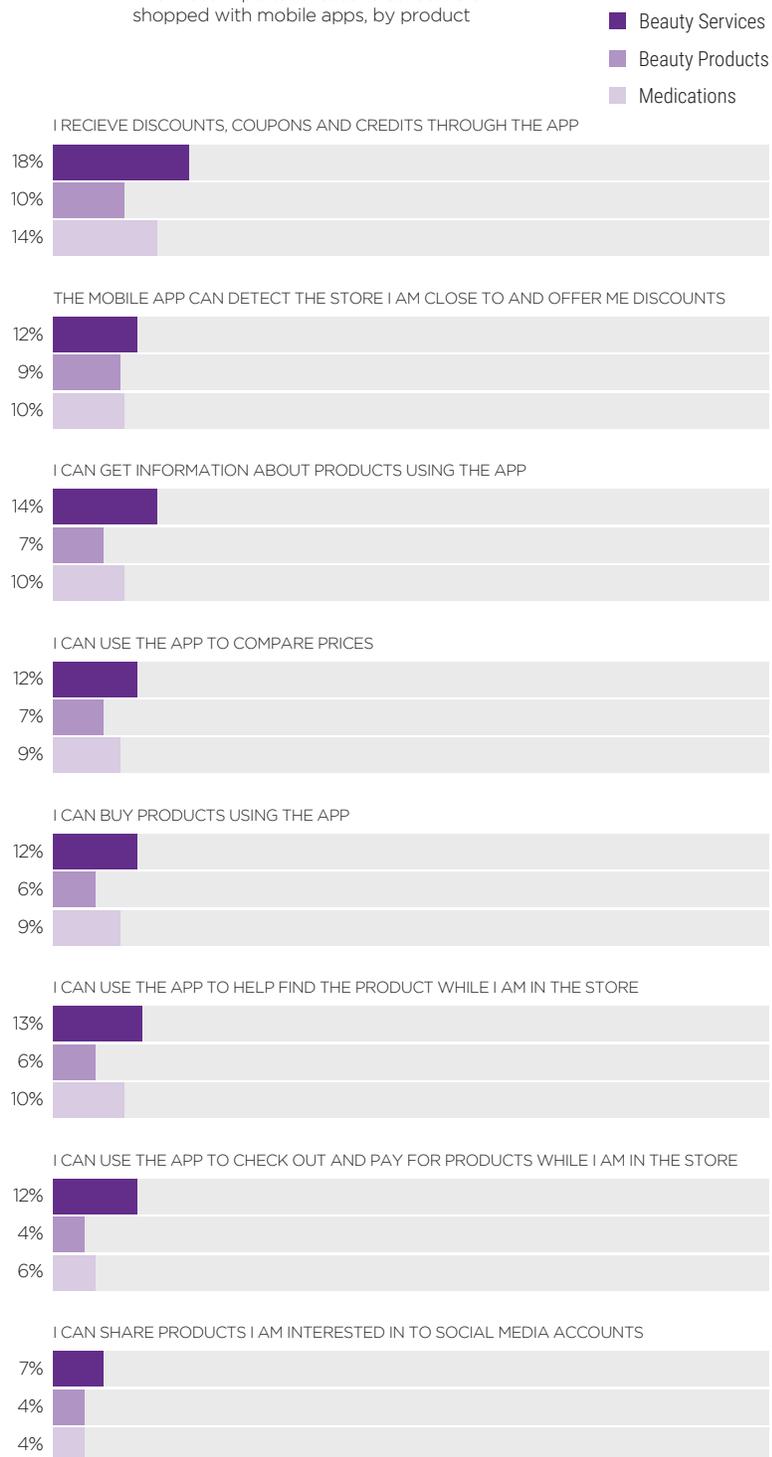


FIGURE 17: WHY DID CONSUMERS USE MOBILE APPS?

The most important reasons consumers shopped with mobile apps, by product



Mobile apps serve an increasingly important function in the health and beauty omnichannel approach. Many customers enjoy using them, but not all are aware that they even exist at their preferred stores. When



22%
 OF LARGE-MERCHANT
 SHOPPERS SAY
**DISCOUNTS,
 CREDITS, AND
 COUPONS ARE
 THE BIGGEST
 REASON** THEY USE
 THEIR RETAILER'S
 MOBILE APP



brought to the forefront — and constructed with shoppers' interests in mind — a mobile app can serve as another gateway for consumers to access their retailers' offered benefits. Apps not only improve customers' overall shopping experiences, but also help bring product awareness and encourage conversions.

The most popular mobile features for our sample were discounts, coupons and loyalty program credits, with 22 percent of large- and 14 percent of small-store shoppers saying they considered them very or extremely important. Larger retailers' customers considered these features more important to their overall shopping experiences than their smaller store counterparts, however.

FIGURE 18: CONSUMERS' PERCEPTIONS AND USE OF A RETAILER'S MOBILE APP

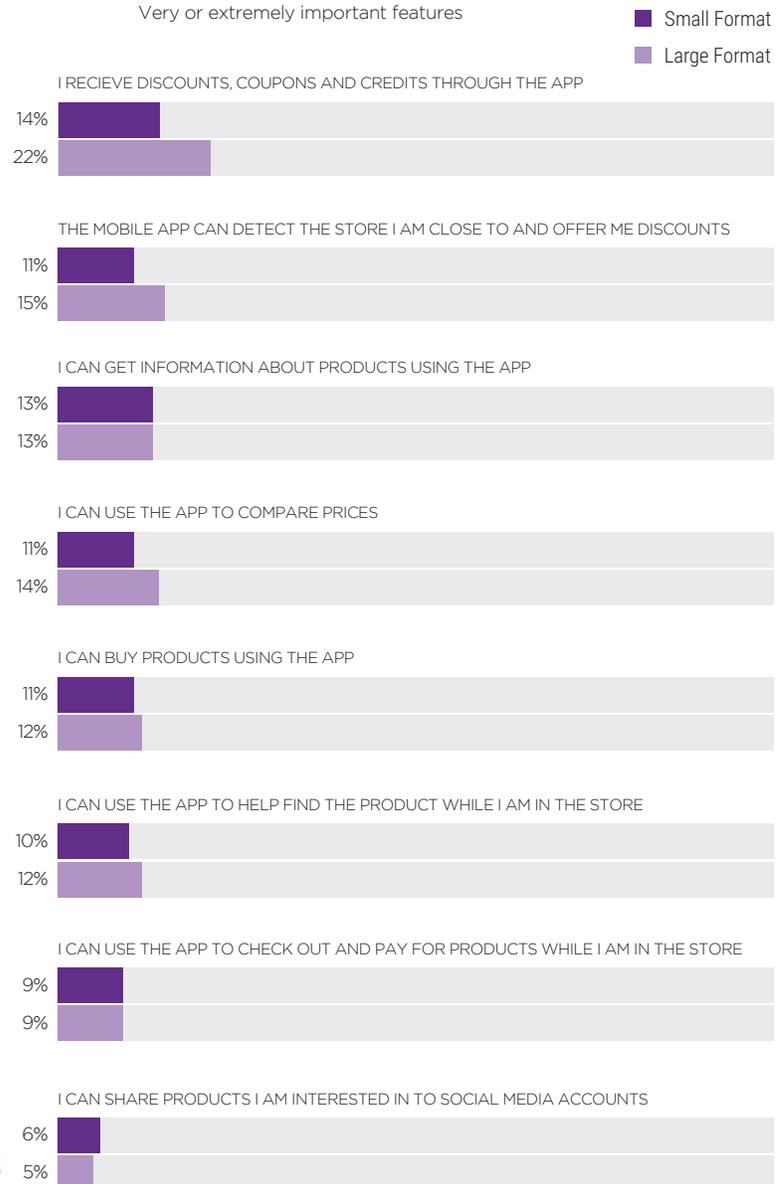
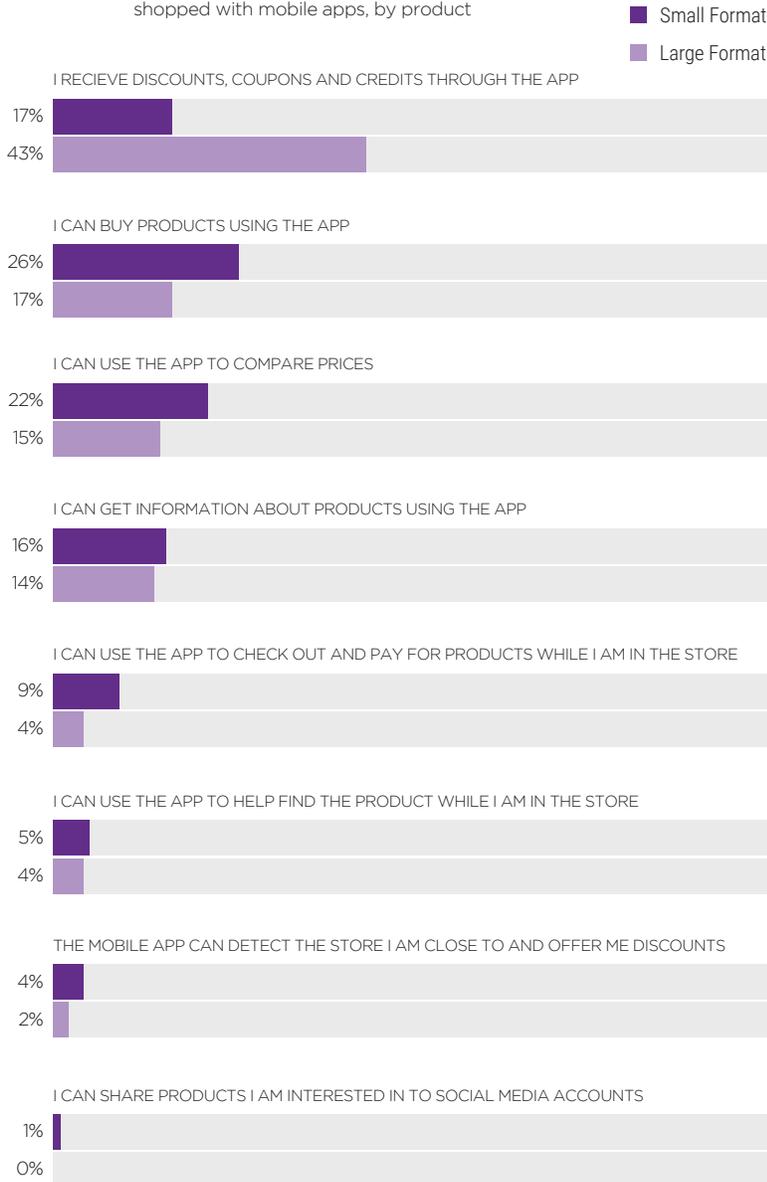


FIGURE 19: CONSUMERS' REASONS FOR USING MOBILE APPS

The most important reasons consumers shopped with mobile apps, by product



43%

OF LARGE-MERCHANT SHOPPERS SAY

DISCOUNTS ARE VERY OR EXTREMELY IMPORTANT REASONS

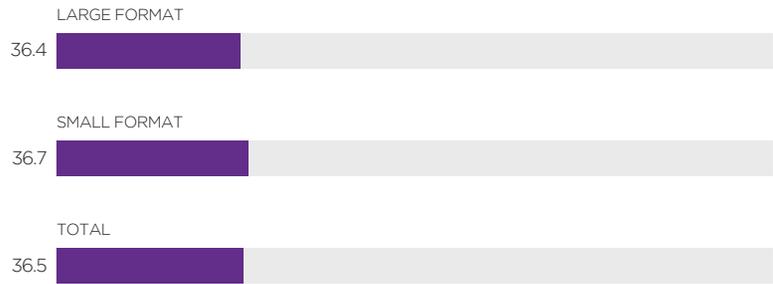
THEY USE THEIR RETAILER'S MOBILE APP

Large-store shoppers rated mobile discounts as the most significant feature, but 29 percent of shoppers at smaller stores cited the simple ability to use the apps to buy products as the most important.

It may be tempting to analyze these numbers from a strictly logical perspective, but there's more to the findings than what's shown by hard data. When we sat down to examine customer satisfaction with omnichannel shopping features at different-sized stores, we found that large and small health and beauty retailers performed similarly. On average, satisfaction at large stores came in at 36.4 points compared to 36.7 for small.

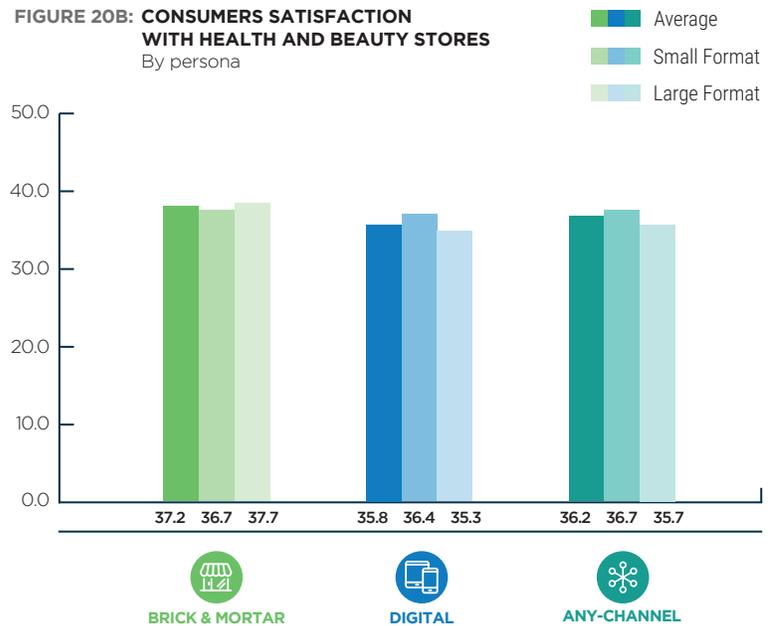


FIGURE 20A: CONSUMERS SATISFACTION WITH HEALTH AND BEAUTY STORES
By format



That said, it was also true that shoppers with different profiles reported varying satisfaction levels with their retailers. Those who reported the highest levels of satisfaction were Brick & Mortar Consumers at larger stores, earning an average Index score of 37.7. The least-satisfied group of shoppers were the Digital Consumers at larger stores, which scored 35.3 points. There is not a particularly large disparity between the satisfaction indexes of customers for Any-Channel Consumers, at least when broken down by customer preference for commercial channel and retailer size.

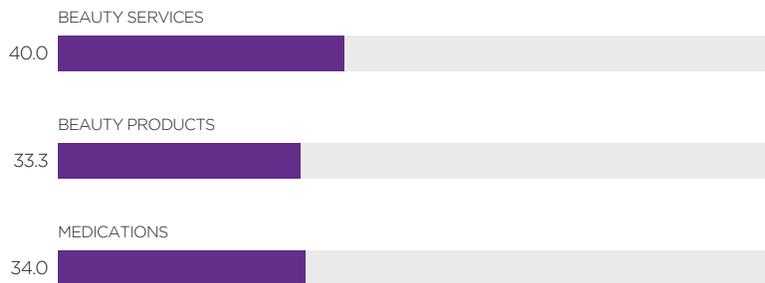
FIGURE 20B: CONSUMERS SATISFACTION WITH HEALTH AND BEAUTY STORES
By persona



When this data was broken down by purchased products and retailer size, it told a very different story – one of a larger discrepancy between high- and low-performing retailers. Customers who purchased beauty services, especially from larger retailers, tended to be the most satisfied shoppers,

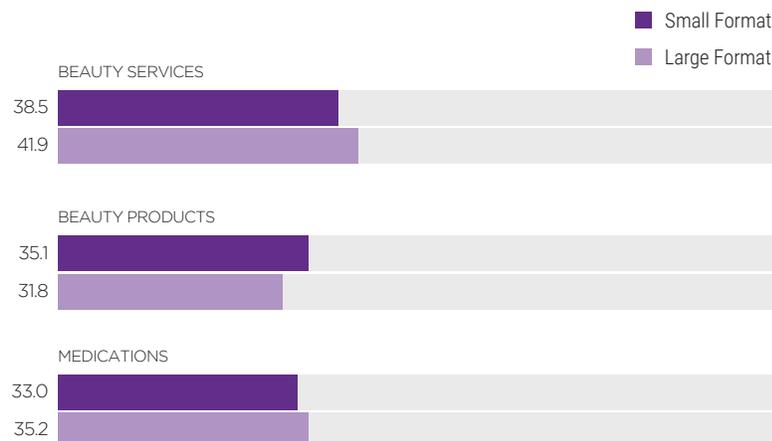
overall. The next-most-satisfied groups were those who shopped for medications, followed by beauty products. Shoppers who purchased medications or beauty products were happier with larger retailers than with smaller ones, while those who purchased beauty services were happier with smaller retailers.

FIGURE 21A: CONSUMERS SATISFACTION INDEX SCORE
By products and services



This data heralds a distinct overview of the modern health and beauty industry, including how both shoppers and changing corporate and economic structures have made it what it is. That consumers are generally more satisfied with beauty product shopping features at smaller, more niche stores reinforces that their demographics are changing: The younger generation taking over the beauty industry wants an experience and a sense of identity from its beauty products, and not a feeling of necessity. Sephora is a successful beauty products and services retailer because, despite being a large retailer, it understands these customers very well.

FIGURE 21B: CONSUMERS SATISFACTION INDEX SCORE
By store format



Meanwhile, medications — which are both expensive and necessary — remain the domain of larger companies like CVS. These retailers offer more affordable prices, added convenience and are easily recognizable and widely trusted. Medications provide shoppers with something very different from a sense of identity, so it follows that consumers would not go to the same retailers for them as they would for beauty products.

There is wide variation between these vastly different approaches to customer satisfaction, just as there is between the two consumer bases. The modern health and beauty industry remains diverse and multifaceted, largely because its shoppers are. Omnichannel feature implementation is one solution companies are using to cater to this complex mixture of customers. Our survey collected data on consumer satisfaction with, and interest in, these omnichannel features. Shoppers were asked about them directly, according to category.



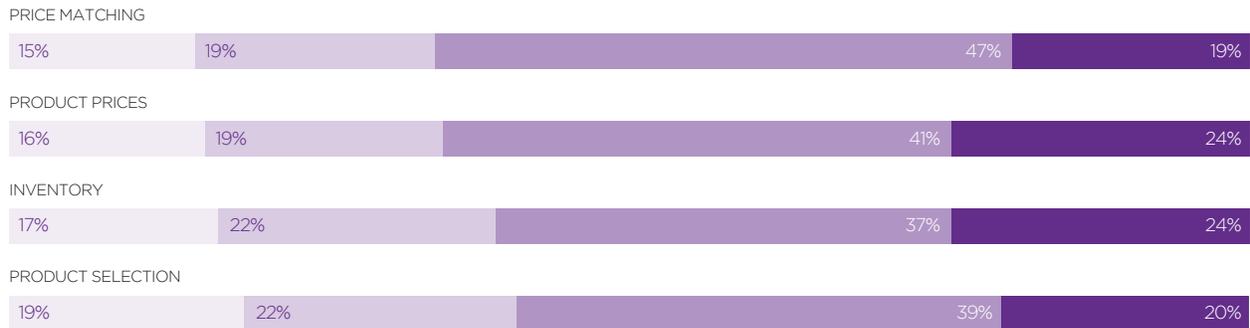
DO YOU HAVE WHAT I WANT

The first category, **Do You Have What I Want**, included price matching, product prices, inventory and product selection. Most customers at both large and small retailers said they had not seen these features, but would use them if available. The number of "Have used it" responses was similar among all respondents, as seen in Figure 22.

FIGURE 22: HOW CONSUMERS USE DO YOU HAVE WHAT I WANT FEATURES
By store format

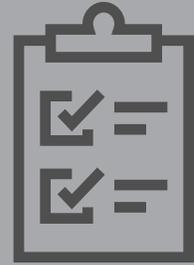
- Never seen it and would not use it if available
- Have not used it
- Never seen it but would use it if available
- Have used it

SMALL FORMAT



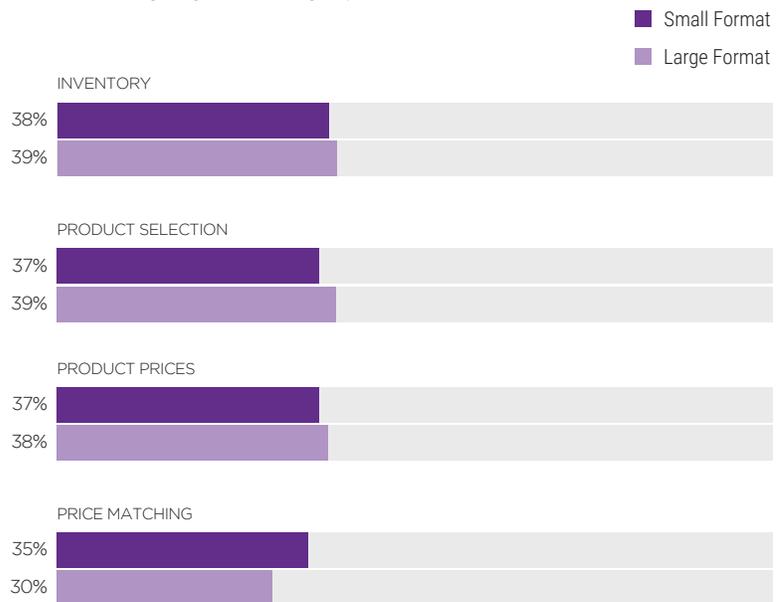
LARGE FORMAT



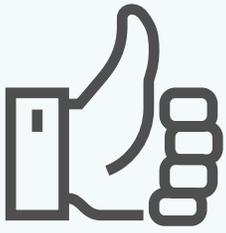


These features scored well on both large and small retailers' platforms. Twenty-six to 43 percent of respondents said the features were "very good" or "excellent". When it came to price matching, however, small stores scored better than large.

FIGURE 23: HOW CONSUMERS USE DO YOU HAVE WHAT I WANT FEATURES
By very or extremely important features



LARGE MERCHANTS OFFER
BETTER **INVENTORY,**
PRODUCT SELECTION
AND PRICES THAN SMALL MERCHANTS



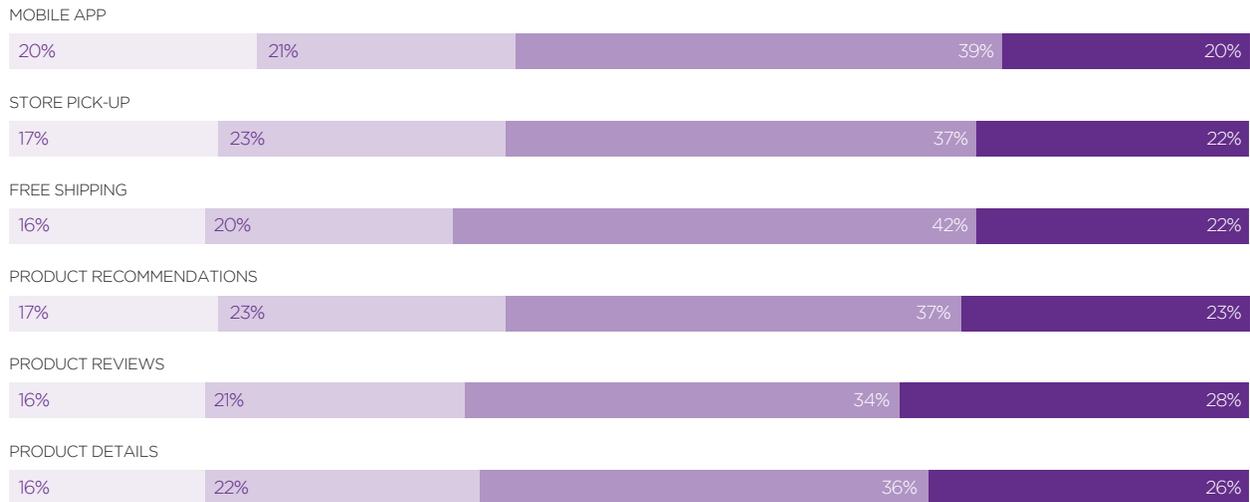
MAKE IT EASY FOR ME

There was more variability in consumer responses to questions about **Make It Easy For Me** features. For larger retailers, 30.7 of customers reported having used product details, 31.4 percent used product reviews and 23.6 percent used recommendations. Most small-store customers had never heard of such features, but said they would use them if available.

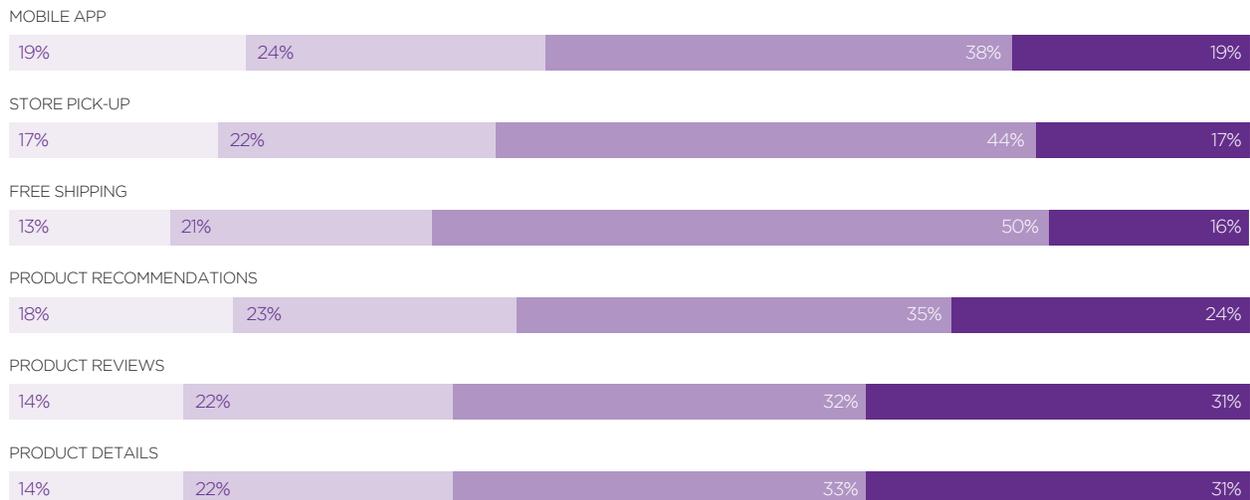
FIGURE 24: HOW CONSUMERS USE MAKE IT EASY FOR ME FEATURES
By store format

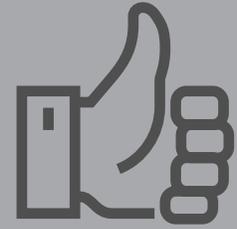
- Never seen it and would not use it if available
- Have not used it
- Never seen it but would use it if available
- Have used it

SMALL FORMAT



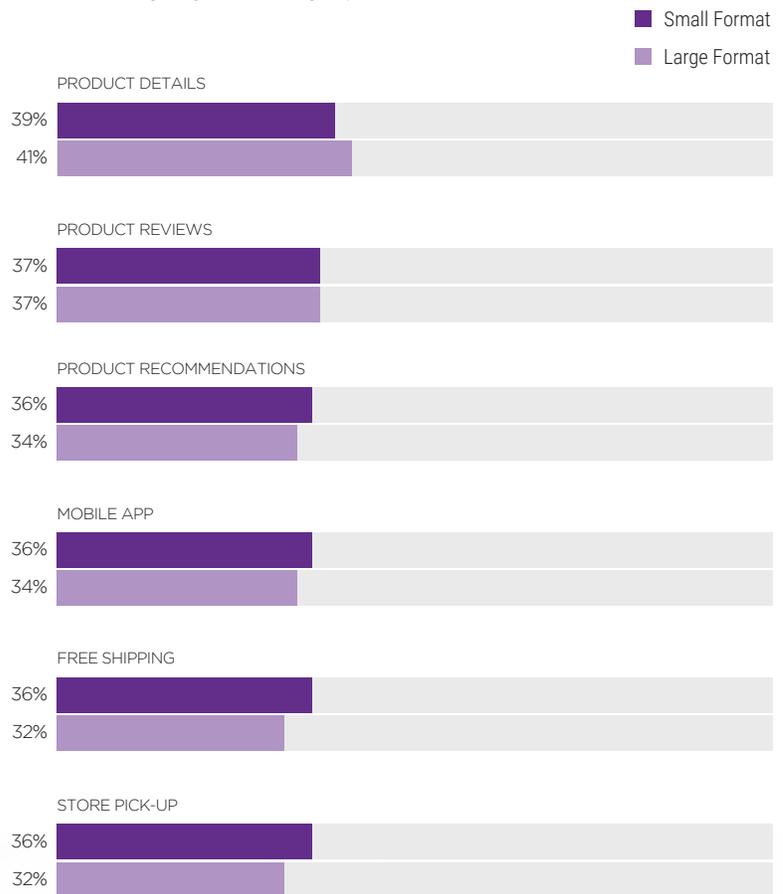
LARGE FORMAT





Large-store shoppers rated their retailers' product detail features as "very good" or "excellent", while consumers at smaller stores more highly valued product recommendations and free shipping.

FIGURE 25: HOW CONSUMERS USE MAKE IT EASY FOR ME FEATURES
By very or extremely important features



36 PERCENT OF CONSUMERS
SHOPPING IN SMALL MERCHANTS
SAID THEY HAD VERY GOOD
OR EXCELLENT MOBILE APPS



VALUE ME

Value Me features appealed to the most respondents. The most frequent response from small-store Digital and Any-Channel Consumers regarding this category was "Never seen it, but would use it if available."

FIGURE 26: HOW CONSUMERS USE VALUE ME FEATURES
By store format

- Never seen it and would not use it if available
- Have not used it
- Never seen it but would use it if available
- Have used it

SMALL FORMAT

PAPER COUPONS



REWARDS



MARKETING OPT-IN



COUPON USAGE



DIGITAL COUPONS



SOCIAL SHARING



LARGE FORMAT

PAPER COUPONS



REWARDS



MARKETING OPT-IN



COUPON USAGE



DIGITAL COUPONS



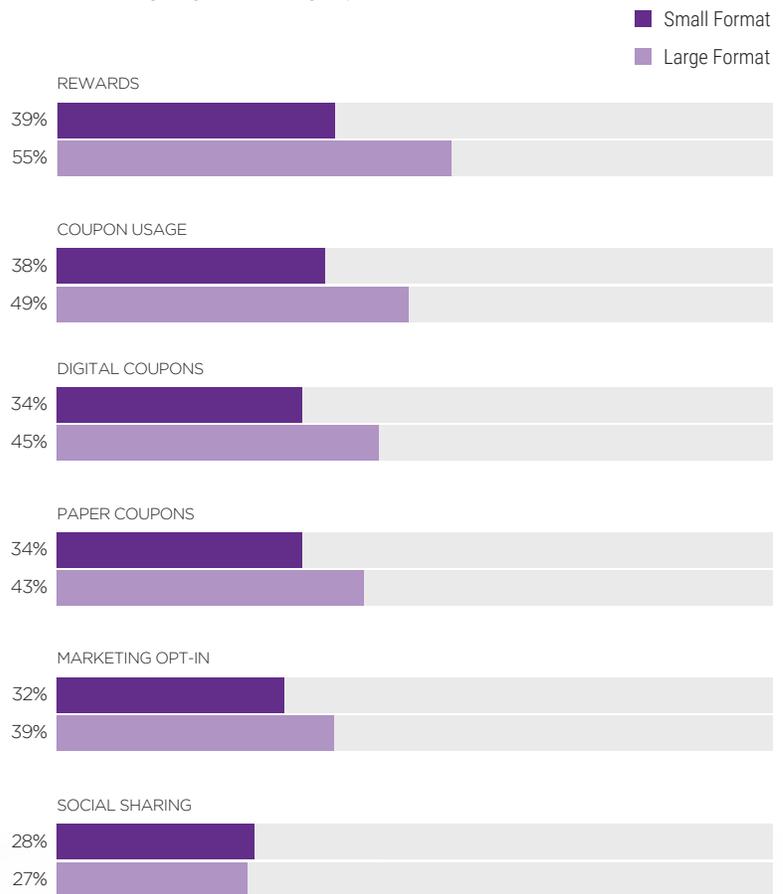
SOCIAL SHARING



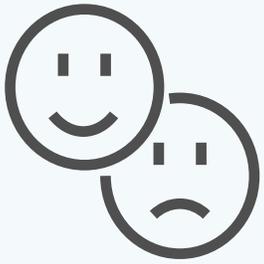


Value Me features were more popular than Know Me features among shoppers at both small and large retailers, but larger retailers scored better on one very important feature: rewards. Fifty-five percent of large-store shoppers ranked it as "very good" or "excellent", making it the top-ranked feature in this area.

FIGURE 27: HOW CONSUMERS USE VALUE ME FEATURES
By very or extremely important features



55 PERCENT OF CONSUMERS
SHOPPING IN LARGE MERCHANTS
SAID THEY HAD VERY GOOD
OR EXCELLENT REWARDS PROGRAMS



SOLVE MY PROBLEMS

Few customers had seen **Solve My Problem** features, but their possibility generated a lot of interest. Customers were most intrigued by using live help: chat online, but, interestingly, the feature also had the highest number of respondents say they would not use it if it were available. Two shopping personas appear to be at play here, including those who like to chat online and those who prefer the brick-and-mortar shopping world.

FIGURE 28: HOW CONSUMERS USE SOLVE MY PROBLEM FEATURES
By store format

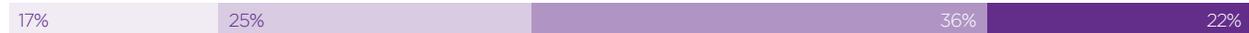
- Never seen it and would not use it if available
- Have not used it
- Never seen it but would use it if available
- Have used it

SMALL FORMAT

LIVE HELP (CHAT ONLINE)



LIVE HELP (PHONE)



PURCHASE RETURNS



REFUNDS



LARGE FORMAT

LIVE HELP (CHAT ONLINE)



LIVE HELP (PHONE)



PURCHASE RETURNS



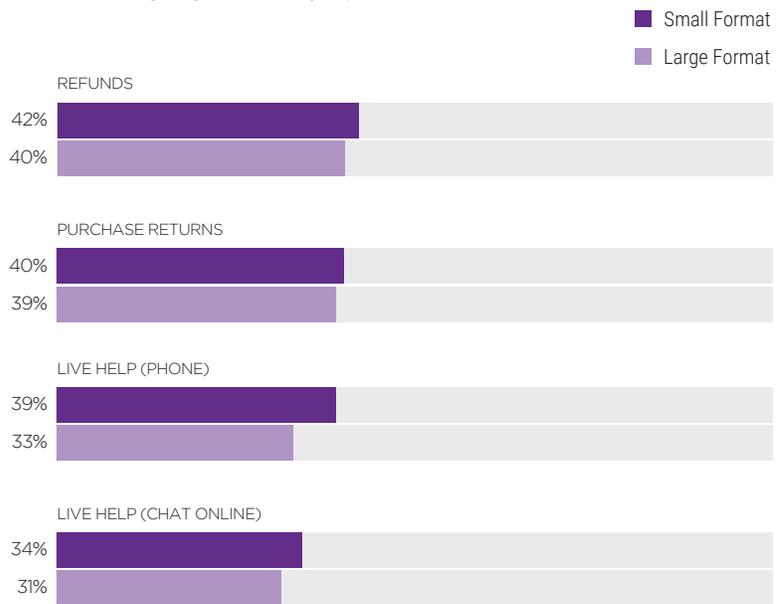
REFUNDS



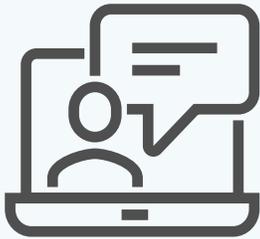


Customers considered refunds the most valuable feature in the Solve My Problem category, with 40 percent of large-store shoppers rating them as “very good” or “excellent.” Rewards were particularly popular among Brick & Mortar Consumers who frequented larger retailers.

FIGURE 29: HOW CONSUMERS USE SOLVE MY PROBLEM FEATURES
By very or extremely important features



42 PERCENT OF CONSUMERS
SHOPPING IN SMALL MERCHANTS
SAID THEY HAD VERY GOOD
OR EXCELLENT REFUND POLICIES



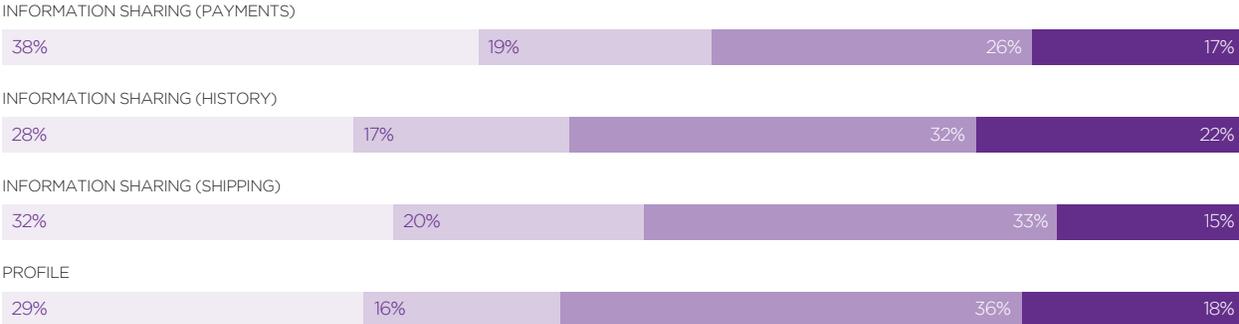
KNOW ME

Many shoppers who might have enjoyed **Know Me** features reported they did not know of their existence. The customer profile feature was the only exception to this trend, with 25 percent of shoppers reporting using it at larger stores and 18 percent doing so at small stores. Many customers at both large and small stores said they had never seen it, but would use it if it were available. This was slightly truer for Digital Consumers.

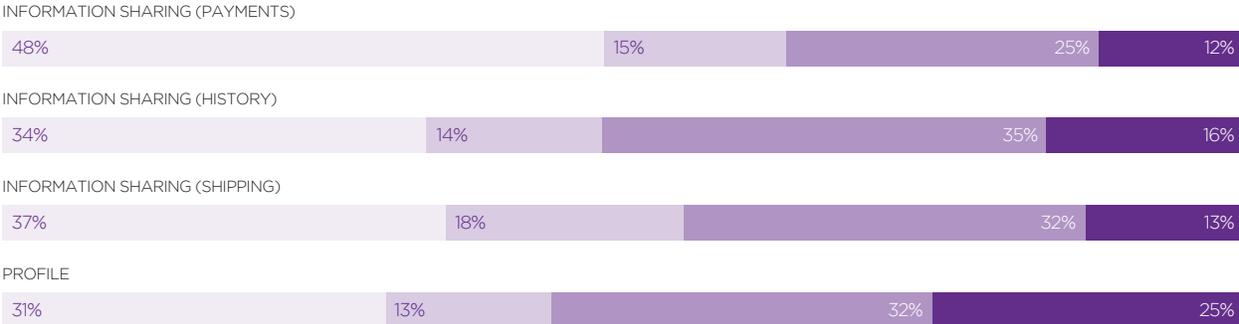
FIGURE 30: HOW CONSUMERS USE KNOW ME FEATURES
By store format

- Never seen it and would not use it if available
- Have not used it
- Never seen it but would use it if available
- Have used it

SMALL FORMAT



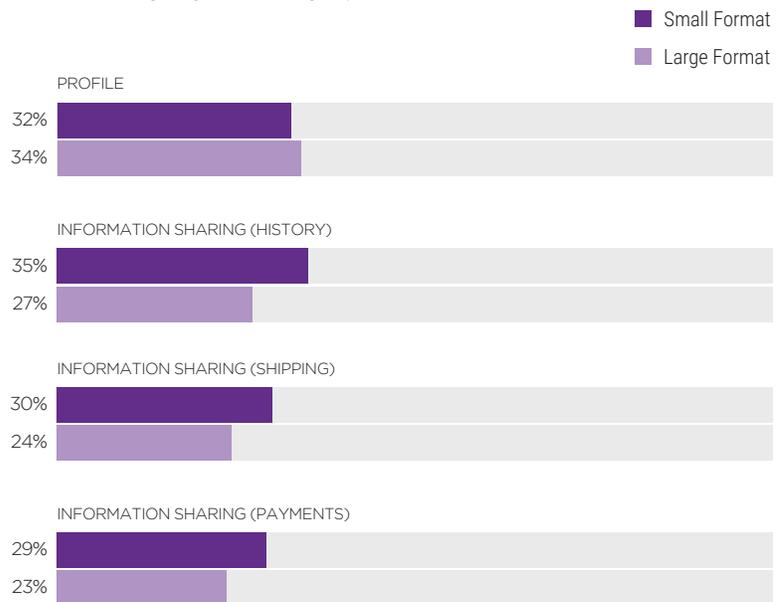
LARGE FORMAT





Large retailers' customers ranked profile as their top feature, with 34 percent citing it as "very good" or "excellent." Conversely, small shop customers considered their stores' information sharing features to be their best, with 35 percent calling it either "very good" or "excellent."

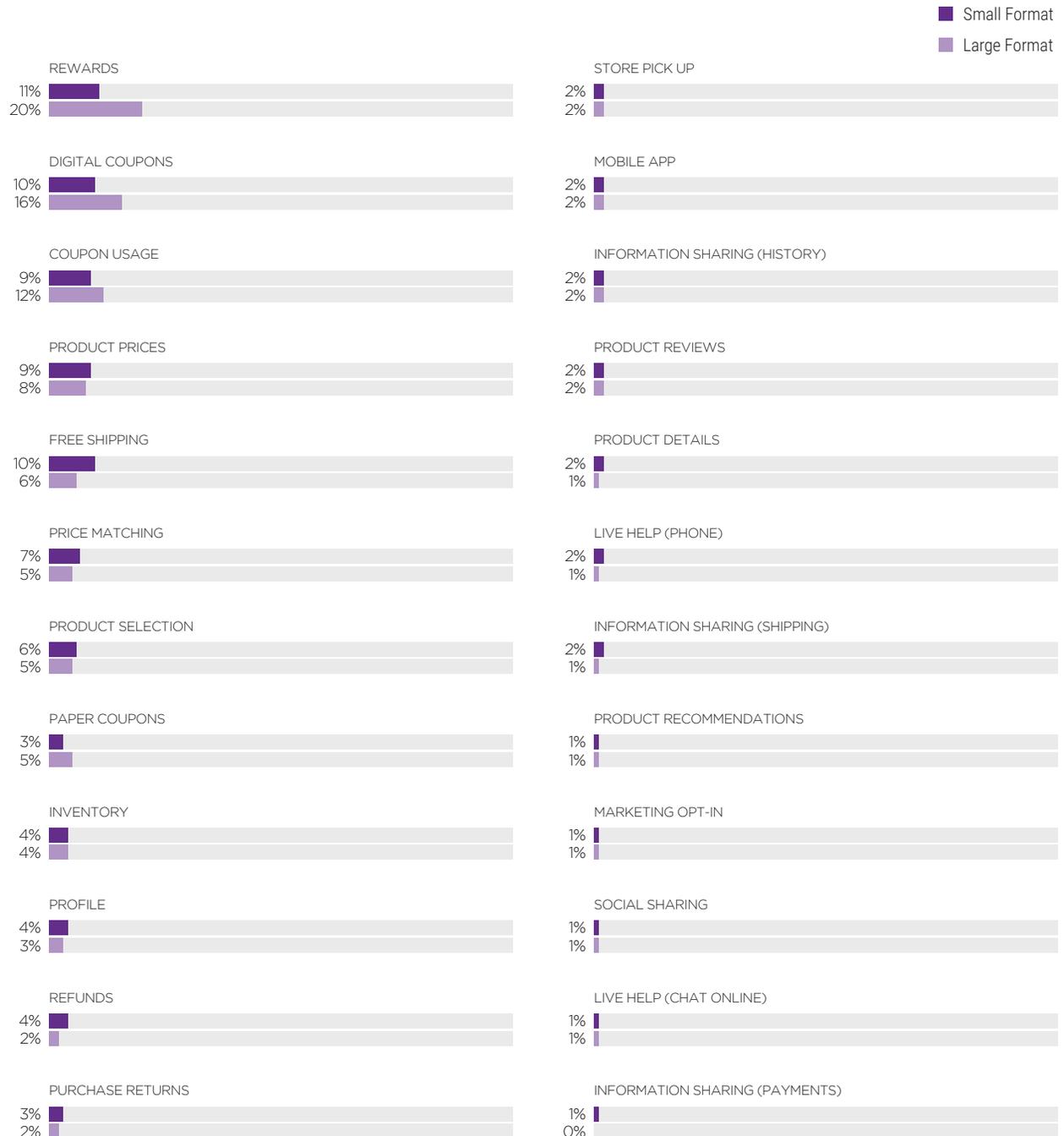
FIGURE 31: HOW CONSUMERS USE KNOW ME FEATURES
By very or extremely important features



SMALL MERCHANTS
OUTPERFORMED
LARGE MERCHANTS
WHEN IT CAME TO OFFERING CUSTOMER
**HISTORY, SHIPPING AND PAYMENT
INFORMATION SHARING FEATURES**

Rewards programs were more popular among large-store shoppers, with 20 percent rating them as “very good” or “excellent,” while only 11 percent of small-store shoppers did the same. This 11 percent represented the best score for any feature offered by small stores, however.

FIGURE 32: WHICH FEATURES STOOD OUT MOST TO CONSUMERS?
Most important features, by store format



This is a great deal of information to take in. Figures 33 and 34 offer a graph format displaying the relationships between these various satisfaction scores.

FIGURE 33: SCATTERPLOTS OF RELATIONSHIP BETWEEN CONSUMER SATISFACTION AND FEATURE IMPORTANCE
Satisfaction and importance of each feature, by store format



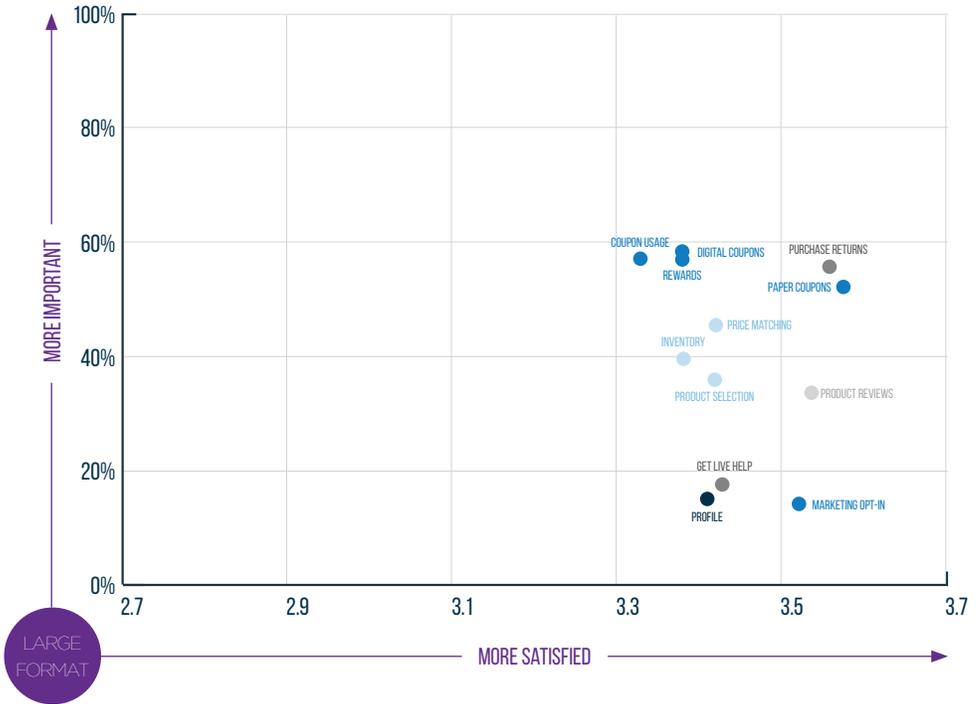
-  Know me
-  Value me
-  Do you have what I want
-  Make it easy for me
-  Solve my problems





FIGURE 34: SCATTERPLOTS OF RELATIONSHIP BETWEEN CONSUMER SATISFACTION AND FEATURE IMPORTANCE
Satisfaction and Importance of features, by persona

- Know me
- Value me
- Do you have what I want
- Make it easy for me
- Solve my problems



- Know me
- Value me
- Do you have what I want
- Make it easy for me
- Solve my problems





FIGURE 35: SCATTERPLOTS OF RELATIONSHIP BETWEEN CONSUMER SATISFACTION AND FEATURE IMPORTANCE
Satisfaction and Importance of features, by persona

- Know me
- Value me
- Do you have what I want
- Make it easy for me
- Solve my problems



- Know me
- Value me
- Do you have what I want
- Make it easy for me
- Solve my problems

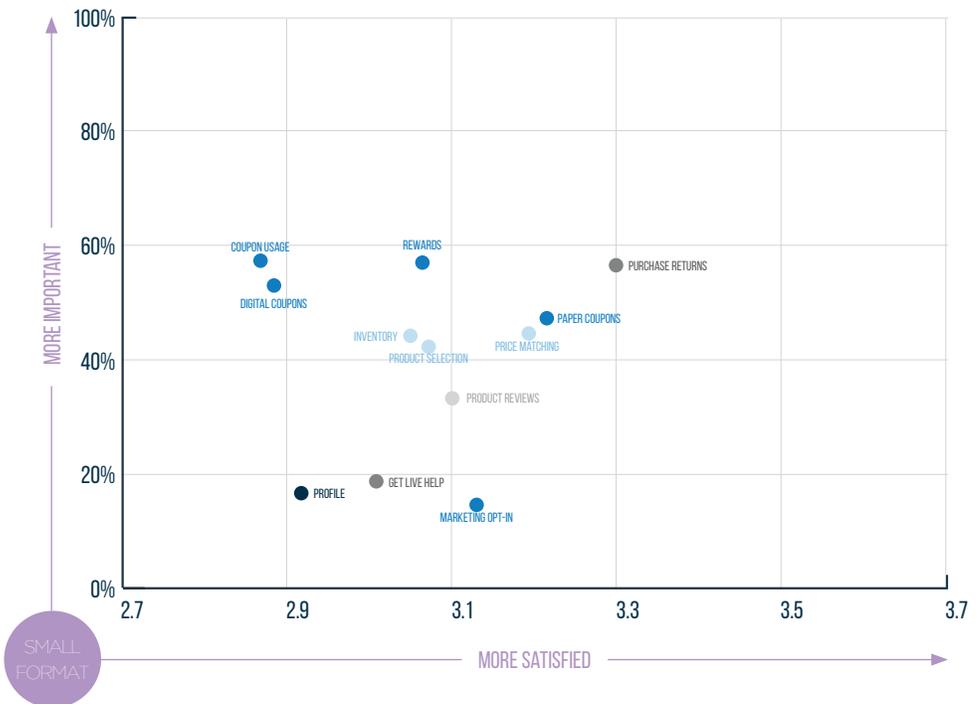




FIGURE 36: SCATTERPLOTS OF RELATIONSHIP BETWEEN CONSUMER SATISFACTION AND FEATURE IMPORTANCE
Satisfaction and Importance of features, by persona

- Know me
- Value me
- Do you have what I want
- Make it easy for me
- Solve my problems



- Know me
- Value me
- Do you have what I want
- Make it easy for me
- Solve my problems



Deep Dive:

BEAUTY, HEALTH
AND BEYOND:

OTHER SECTORS,
OTHER CUSTOMERS

Where does the health and beauty sector fall compared to other industries? Is there another sector governed by comparable consumer findings to those which define health and beauty, or is it unique? More critically, can the conclusions drawn from this survey's data be applied to other sectors? The answer is complicated. Inspecting the information gathered on retailers in other sectors – like those in the grocery, mass merchant and apparel industries – revealed the composition of their consumer bases was similar in some ways, but differed in other key areas.

Grocery consumers preferred buying their meat, prepared food and baked goods in-store so they could inspect the quality before purchasing, leading to a relatively large portion opting for the traditional, brick-and-mortar shopping experience. This contrasted with mass merchant consumers, who bought products that were more standardized and prepackaged. Fifteen percent of them were Digital Consumers, as were only 4 percent of grocery shoppers.

Apparel stores, selling non-perishable goods, attracted more digital shoppers than grocery stores. As much as 58 percent of apparel and accessory shoppers were Any-Channel Consumers, and 9 percent were Digital Consumers. This means apparel merchants were more like health and beauty merchants, when compared to other retail segments. Health and beauty retailers still attracted more Brick & Mortar Consumers, however, presumably because their products include salon and spa services, which necessitate that customers visit a physical location.

FIGURE 37: WHERE CONSUMERS PREFER TO SHOP
By persona

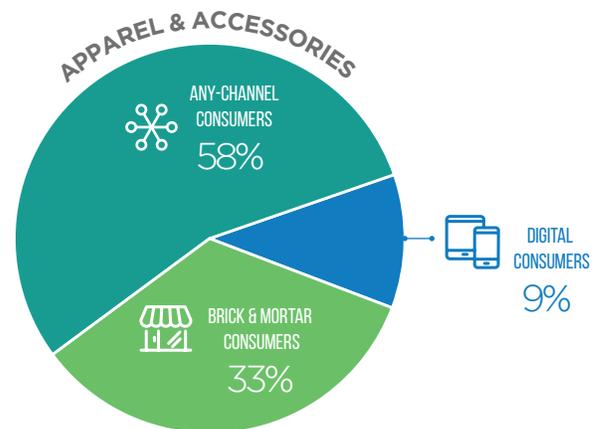
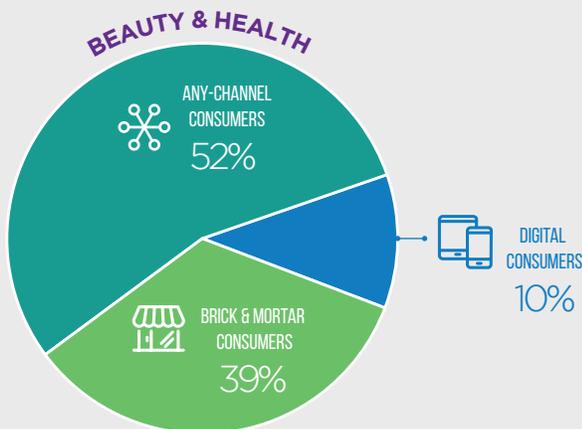
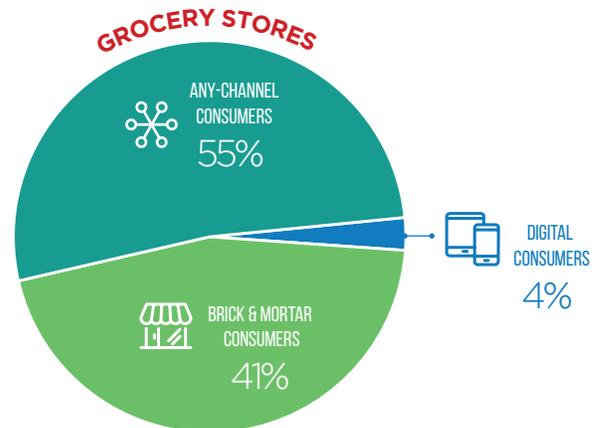
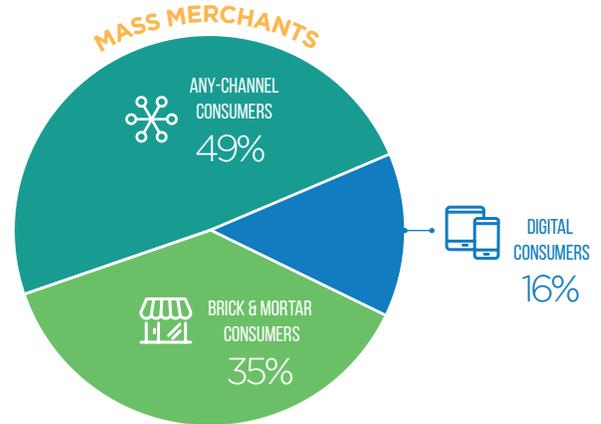
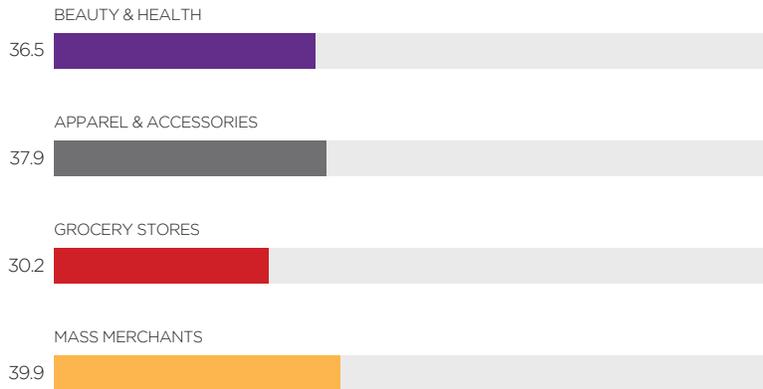


FIGURE 38: OMNI USAGE SATISFACTION SCORE
By retail segment



Health and beauty goods consumers were also generally more satisfied with their shopping experiences than those of groceries. The most satisfied consumers were those of large-format mass merchants, though, a group which scored 44.7 Index points. When it came to smaller shops, health and beauty retailers scored the highest at 36.7. Meanwhile, among consumers of different commercial channels, Brick & Mortar Consumers were more satisfied at apparel and accessories stores than anywhere else, and Digital and Any-Channel Consumers preferred their experiences with mass merchants.

FIGURE 39: OMNI USAGE SATISFACTION SCORE
By store format

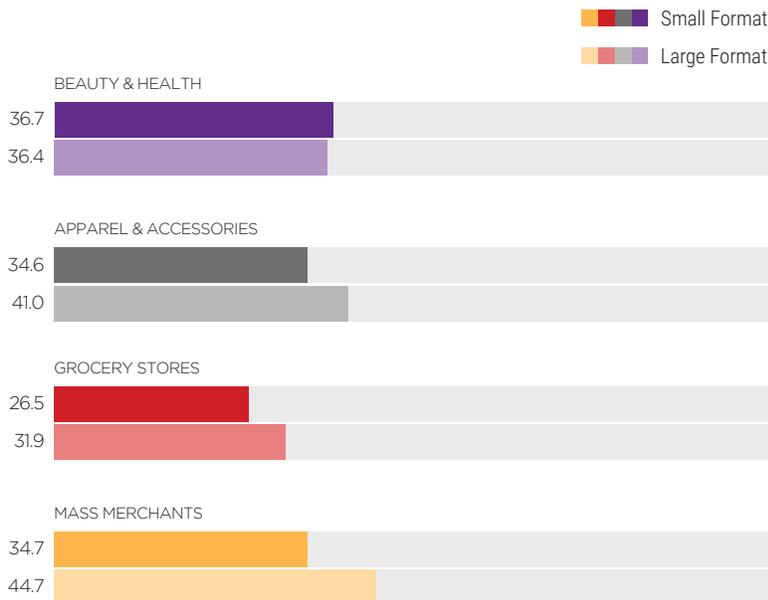
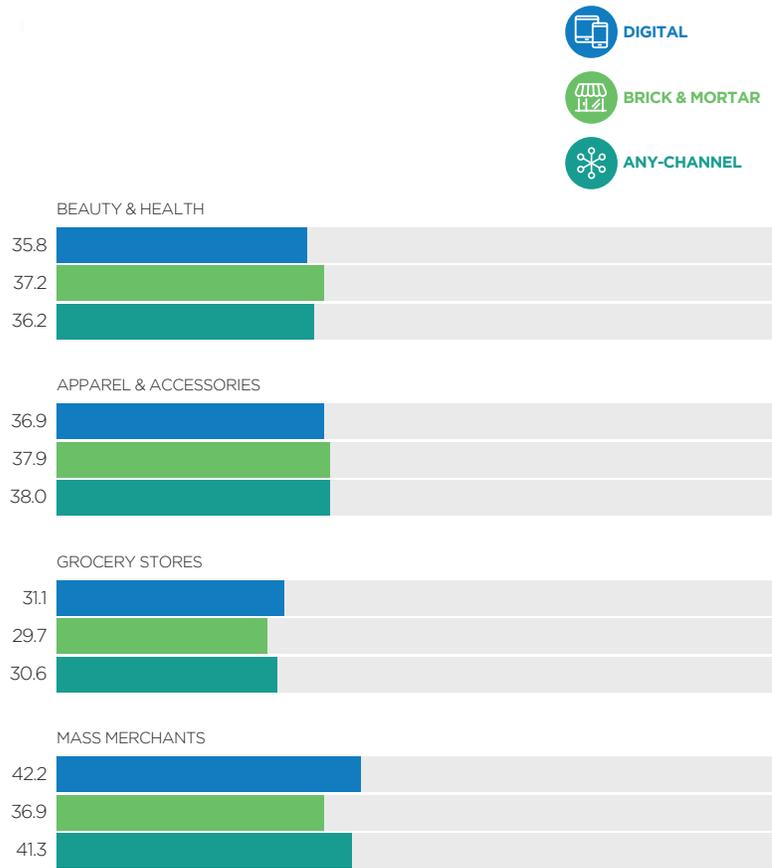


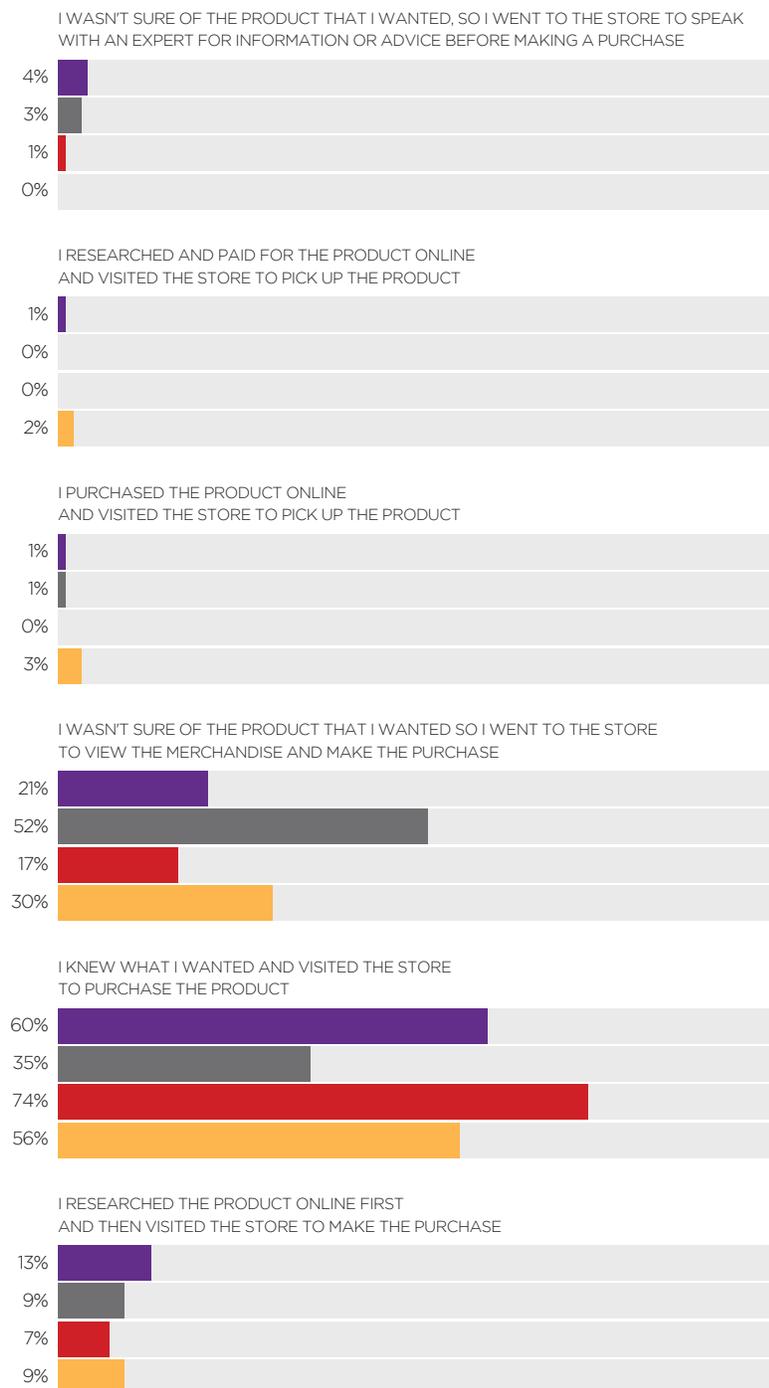


FIGURE 40: OMNI USAGE SATISFACTION SCORE
By persona type



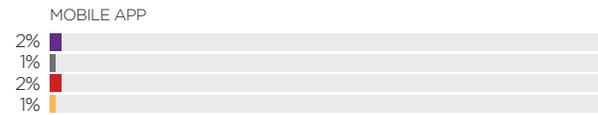
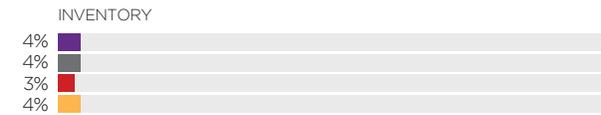
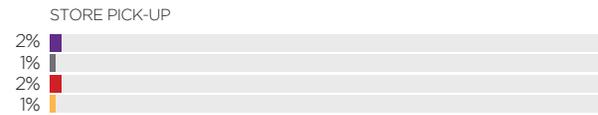
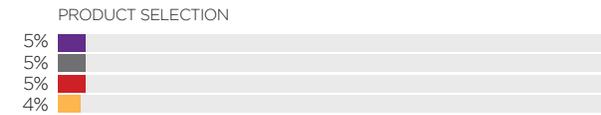
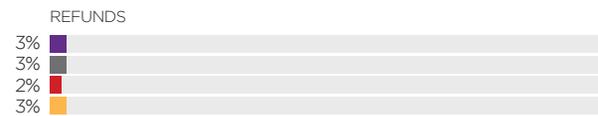
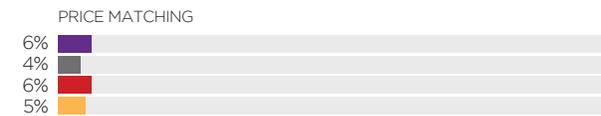
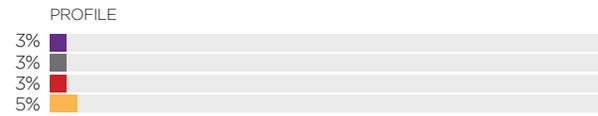
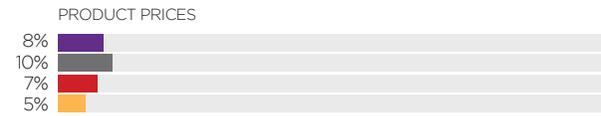
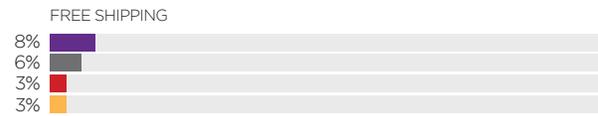
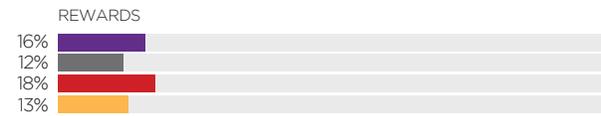
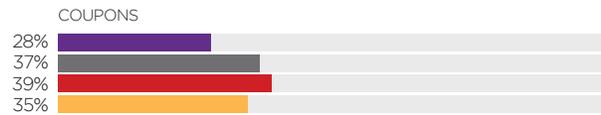
Health and beauty shoppers were also surer of what they wanted than shoppers of all other industries, except those of grocery stores. Sixty percent of the health and beauty shoppers knew what they wanted before they began shopping, 13 percent researched the product online beforehand and only 4 percent asked an in-store employee for advice before completing their purchase.

FIGURE 41: HOW CONSUMERS SHOP IN-STORE AND ONLINE
 Consumers' shopping behavior, by merchant segment



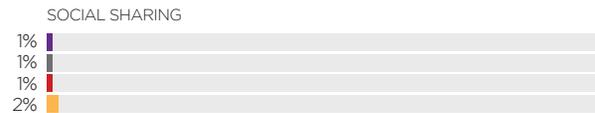
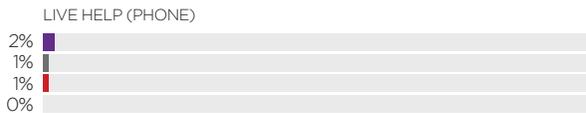
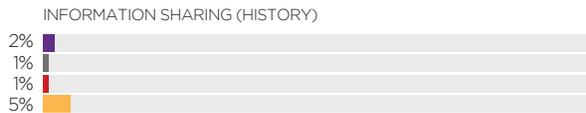
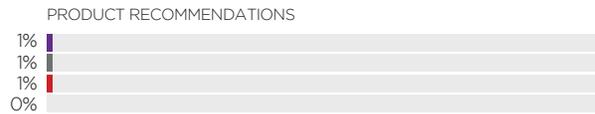
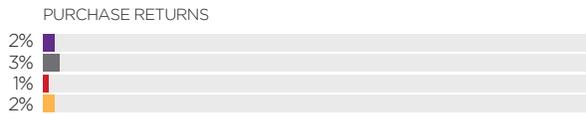
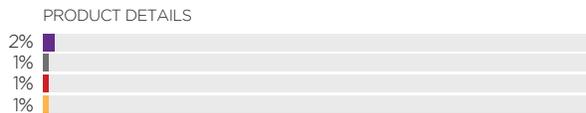
Consumers across these four sectors ranked coupons as their most important shopping feature. Health and beauty shoppers showed particular interest in rewards programs and in free shipping features. They did not appear to value the information sharing or shipping and payment features their retailers supported, however.

FIGURE 42: FEATURES THAT CONSUMERS VALUED THE MOST WHEN SHOPPING AT DIFFERENT MERCHANT STORES
Most important features, by retail segment



COUPONS

WERE CITED AS THE MOST IMPORTANT SHOPPING FEATURE FOR CONSUMERS IN ALL INDUSTRIES



Omnichannel functionality is a necessary capacity of any modern merchant, but the nature of each one’s products makes certain omnichannel features more attractive to customers. In other words, omnichannel features play a bigger role in some sectors than others, simply by virtue of what their customers seek. Companies in the health and beauty industry sell more than just products – giving consumers a sense of identity and experience – so its merchants have a more pressing need to integrate omnichannel technology into their business models.

Those who do reap the benefits of happier new and returning customers.

V theVitaminShopper

URNS TO eCOMMERCE AND SUBSCRIPTIONS

To Supplement
Its Brick-And-Mortar Business



Staying healthy and keeping fit has become a big business in the United States and around the world.

Industry research has found the health and wellness market is already a \$100 billion industry, raking in more than [\\$167 billion](#) in the U.S. alone last year and with revenue projected to top \$170 billion in 2018. The market is even larger internationally, bringing in roughly [\\$3.7 trillion](#) in revenue per year as of 2017.

According to Sam Norpel, general manager of digital commerce for [The Vitamin Shoppe](#), catering to the burgeoning health and wellness customer base is more challenging than in other retail sectors.

“There’s a big difference between selling other products – say, fashion or apparel – online [and] selling health and wellness products online,” Norpel explained. “Purchasing a health and wellness product for the first time is something that’s a lot different than buying a new T-shirt. It is a very personal choice.”

The company refuses to give up simply because selling vitamins, supplements and other health products online is a challenge, however. In fact, it’s doing quite the opposite. In an interview with PYMNTS, Norpel described the recent push to bring more of the company’s business to online channels – and its plans for the future.

Bringing offline service to online customers

The Vitamin Shoppe is one of the largest health and wellness retailers in the U.S., with more than 700 stores in operation throughout the country. Though providing high-quality products has been critical for the retailer’s growth, Norpel said offering seamless customer service has been equally important both online and off.

“ We wanted to enable our customers to have the same amazing experience they have no matter where they shop.”

The company’s in-store employees, known as “health enthusiasts,” are trained to provide information and personal service to help consumers find the products that best fit their needs.

“When it comes to health and wellness, it’s about figuring out if that’s the right product to have a customer ingest, how it’s going to affect them and how it’s going to mix with other supplements and medications they’re taking,” Norpel said. “We’ve found that having our trained and knowledgeable health enthusiasts in the store can be really helpful to that process.”

Customers can also make virtual appointments online or by phone if they would rather not visit the store. The idea is to connect online shoppers with health enthusiasts directly, providing a more consistent shopping experience across multiple channels.

Giving online shoppers the same personal service they have come to expect in-store was part of a push to move more products online, a move Norpel and her team began in 2017. To that end, The Vitamin Shoppe pays in-store associates a commission for purchases made online by customers with whom they have previously worked.

“We wanted to enable our customers to have the same amazing experience they have no matter where they shop,” Norpel said. “So far, that’s really helped create a more seamless experience for both our health enthusiasts and our customers, in stores and online.”

Supplement subscriptions

It isn’t just about getting consumers high-quality service and accurate information, though.

Norpel noted that customers also expect to get their hands on health and wellness products exactly when they need them. This can further complicate online selling

efforts, as consumers will often make purchases from a brick-and-mortar store to avoid waiting for a product to arrive.

To better address customer needs, The Vitamin Shoppe recently [partnered](#) with [OrderGroove](#) to roll out a subscription supplement delivery program. The program enables customers to make purchases from the comfort and convenience of their own homes, Norpel said, without worrying if their products will arrive on time. They can place orders online or in person, and automatically register for regular delivery intervals, such as every 30, 45, 60 or 90 days.

“A lot of the benefits our products bring only exist because people take those vitamins and supplements on a regular schedule,” Norpel noted. “So, by enabling this auto-delivery program, we’re really trying to take the guesswork out of this, so people don’t have to worry about running out of their vitamin C and [having to] go find a store and pick it up. This way, they have the comfort, security and convenience of knowing exactly when it’s going to be delivered based on how they set up their subscription.”

The service seems to be resonating with users so far, she said, claiming the company saw that “compared to other subscription services — even Netflix — our subscriptions have exceeded those [rates] through the first six months of the program’s existence.”

The Vitamin Shoppe is planning to continue its online shopping push in the coming months. This includes giving customers more opportunities to access information on health and wellness products, and get their questions answered by experts. It is working to build communities in which customers targeting various health problems or wellness goals can learn from host nutritionists, other specialists and each other to have their questions answered via Facebook Live and other social media channels.

“We’re looking to find how we can continue that one-to-one relationship with customers that we work to build in stores, and work to develop that same relationship across our different digital touch points,” Norpel said.

As health and wellness becomes a bigger business, providing convenience, great product information and personalized service remains the top priority for retailers hoping to find success in the booming market.



METHODOLOGY



We surveyed 2,994 consumers about their most recent trip to an apparel and accessories store, including the size of stores they shopped. Nearly 51 percent visited large stores and approximately 49 percent shopped at small stores. In terms of demographics, the sample was unevenly distributed: 84.1 percent were female, nearly 57 percent had children and most were between the ages of 25 and 54.

To create our 100-point Index, we looked at each category of features (Know Me, Value Me, Do You Have What I Want, Make It Easy For Me and Solve My Problems) and measured:

-
- 1) If customers had used it, which was assigned a positive weight.**
 - 2) If customers said they would not use it if it was available, which was assigned a negative weight.**
-

We employed those numbers to determine the overall Index score and broke them out according to store size, profile and various combinations useful to our analysis. The lowest satisfaction was recalled with a score of zero and the highest with a rating of 100.

ABOUT

The PYMNTS.com Omni Usage Index™, powered by Vantiv, now Worldpay, is designed to measure consumer satisfaction with both in-store and online omnichannel features. The Index gauges the experiences of nearly 3,000 consumers shopping at 400 stores, including 22 large merchant chains, small retail stores and online retail outlets. The Index analysis combines online purchasing data with our survey data to build out the scale of consumer satisfaction.

PYMNTS.com

[PYMNTS.com](https://www.pymnts.com) is where the best minds and the best content meet on the web to learn about “What’s Next” in payments and commerce. Our interactive platform is reinventing the way in which companies in payments share relevant information about the initiatives that shape the future of this dynamic sector and make news. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovation that is at the cutting edge of this new world.

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