Medallia Market Research Suite

Online Shopper Journeys

Insights on Digital vs. In-Store Customer Behavior

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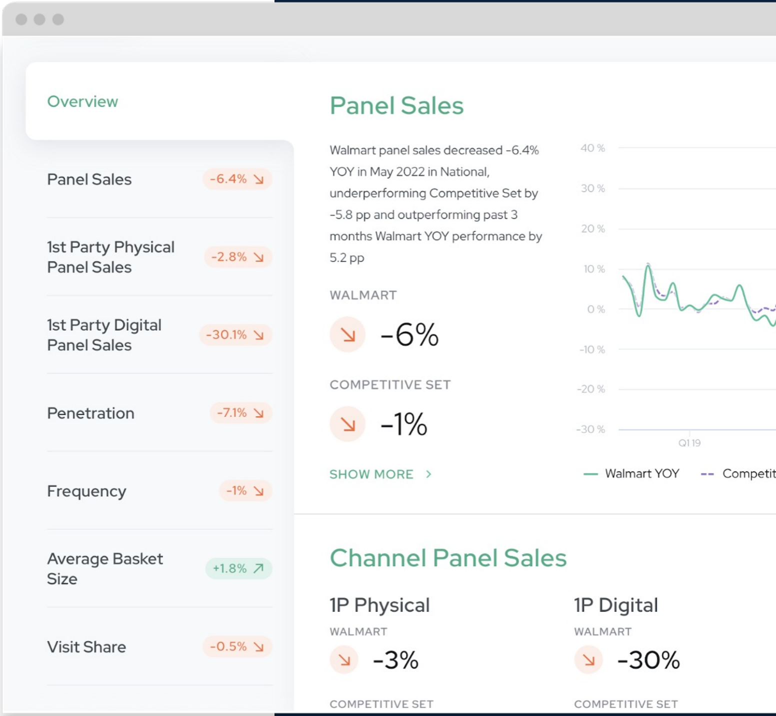
Medallia Market Research

Real-world behaviors.
One-click analysis.



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Session Contents

Online Shopper Journeys – Insights on Digital vs. In-Store Customer Behavior

- The omnichannel environment today
- Online vs. In-Person: The choice of channel
- Shopper journey deep dive by channel
- Issues, service, and satisfaction
- The use of Third-Party Ordering

Brands covered in Digital vs. In-Person comparison survey

One of several datasets used in today's session

N = 3,000 total
(1500 In-Person Brick & Mortar store visitors in prior 30 days; 1500 website visitors in prior 30 days)

Fielded November 2022

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Retailers

Advance Auto Parts
Best Buy
Big Lots
Costco
Dick's Sporting Goods
Dollar General
Family Dollar
Kohl's
Marshalls
Nordstrom
Old Navy
Sam's Club
Staples
Target
Total Wine & More
Walmart

Sample collected based on natural visit incidence per brand (consistent across channels)

Restaurants

Buffalo Wild Wings
Burger King
Chick-fil-A
Chili's Grill & Bar
Chipotle Mexican Grill
Domino's Pizza
Dunkin'
IHOP
McDonald's
Olive Garden Italian Restaurant
Outback Steakhouse
Panda Express
Panera Bread
Pizza Hut
Sonic Drive-In
Starbucks Coffee
Subway
Taco Bell
Texas Roadhouse
Wendy's

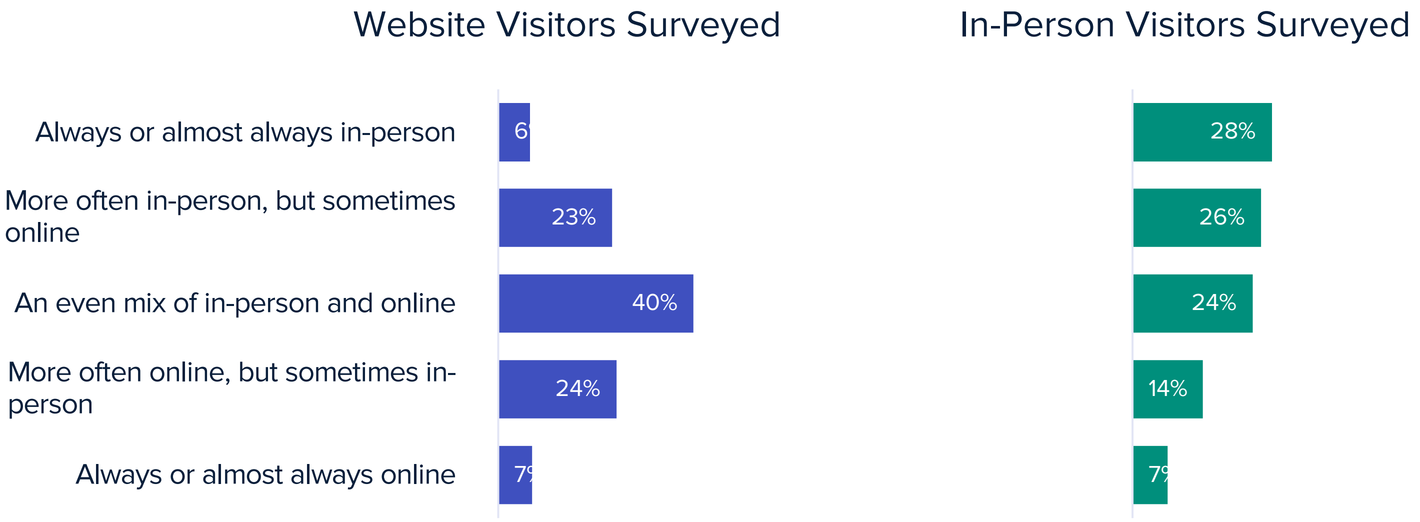
The omnichannel environment today

Very few people are dedicated to one channel

Most mix their shopping across in-person and online.

How shoppers use various channels

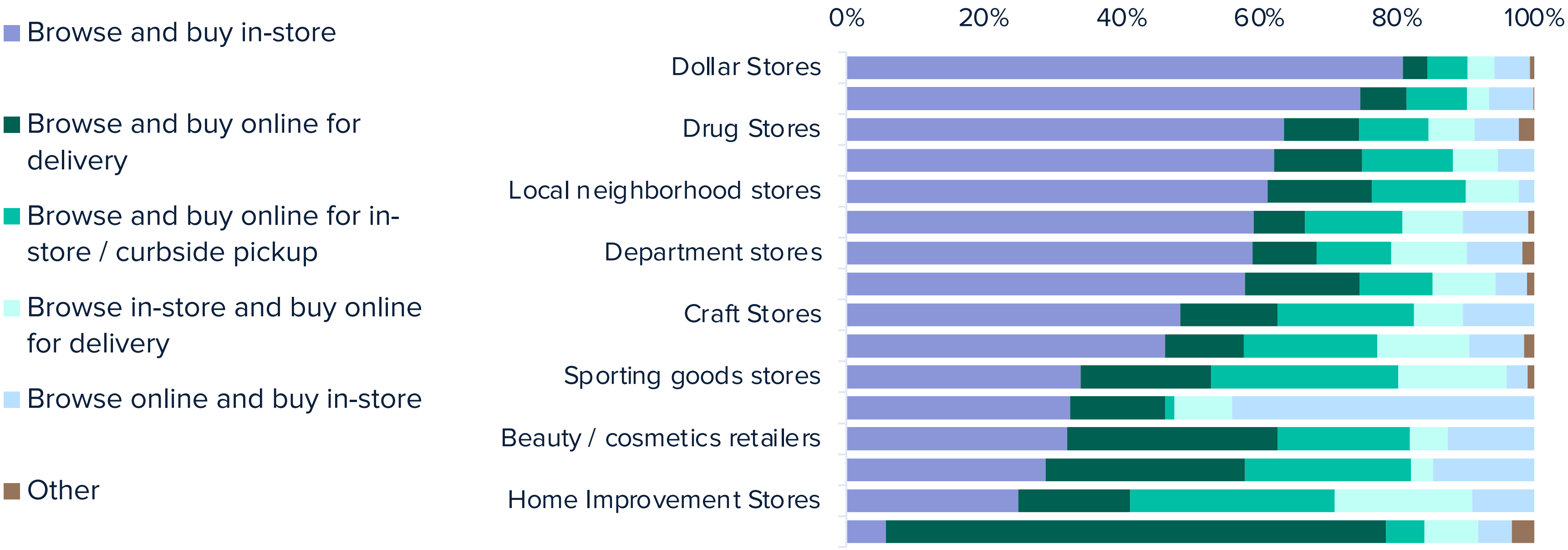
% of visitors by response for what best describes them, split by channel they had used for basis of survey. Excludes food shopping



Recent shopping events show frequency of omnichannel journeys

How Back-to-School shoppers engaged with Retailers

% based on customers of Retailer type listed



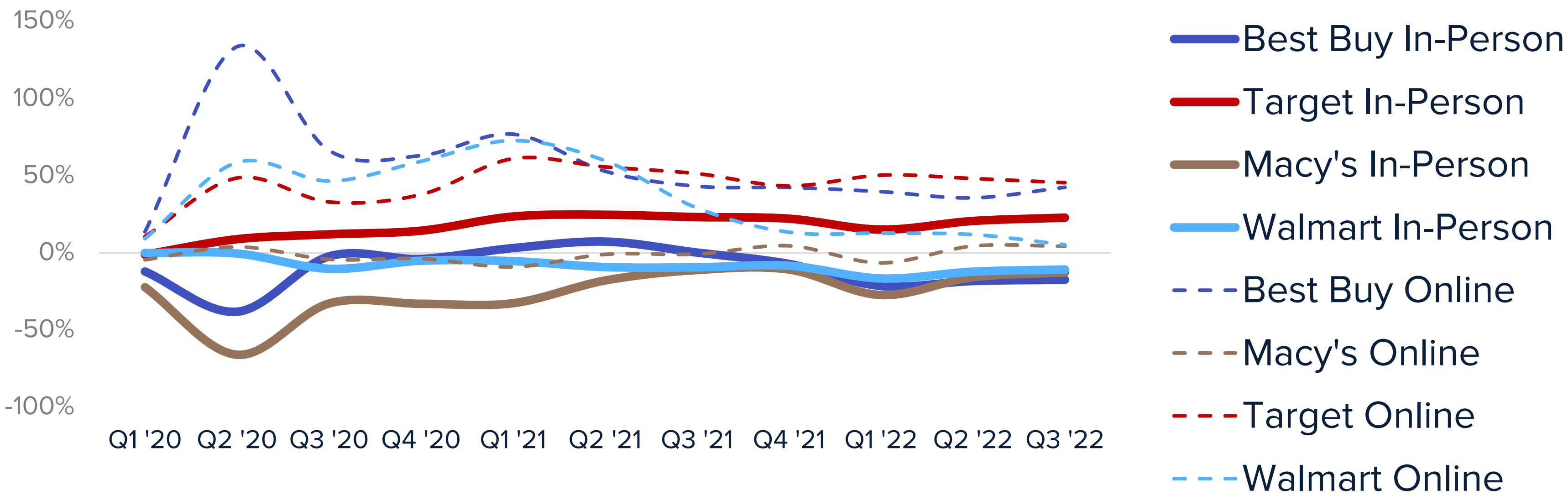
From Medallia Market Research Ad Hoc Back To School Survey (n = 843, collected July 2022)

Online Retail is still the avenue of growth

Despite the 2022 post-COVID comfort with returning to in-person shopping, digital channels have held on to much of the COVID-driven growth.

Select Retailer sales by channel, vs. 2019 levels

US National; Excludes 3rd party platform ordering; Excludes cash



From Medallia Market Research Credit / Debit Transaction Panel of 5M+ US consumers.

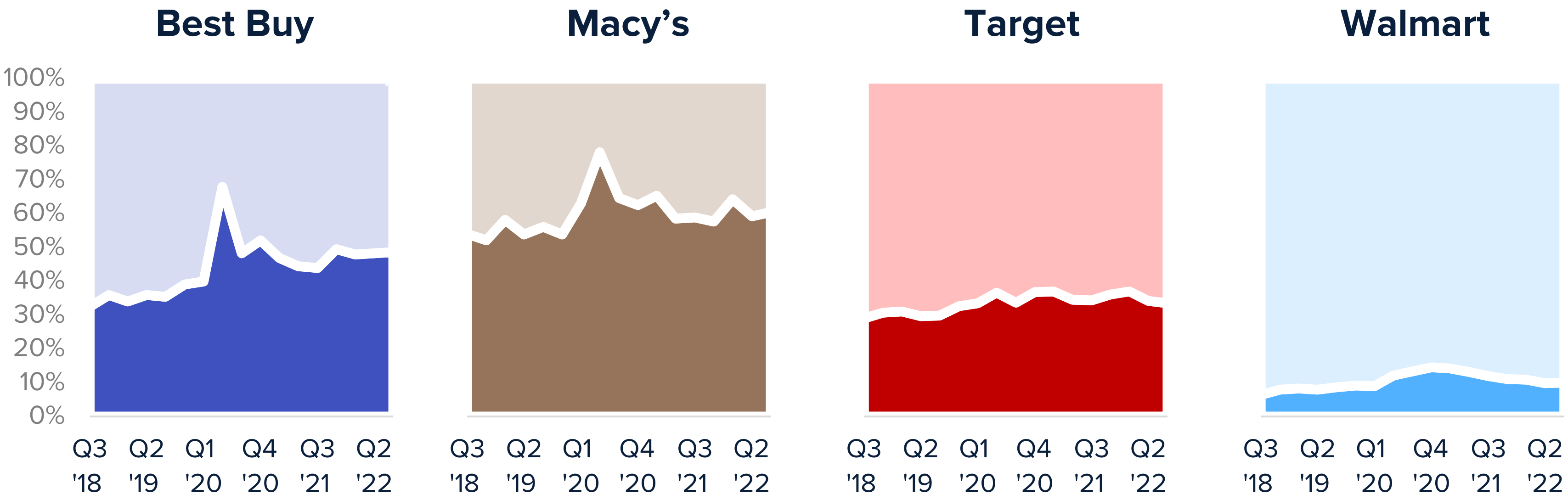
Online is also a sizeable part of many retailers' business

Retailers differ, but some notable have 1/3+ of their business online.

In-Person
Online

Proportion of sales by channel

US National for select brands shown; Excludes 3rd party platform ordering; Excludes cash

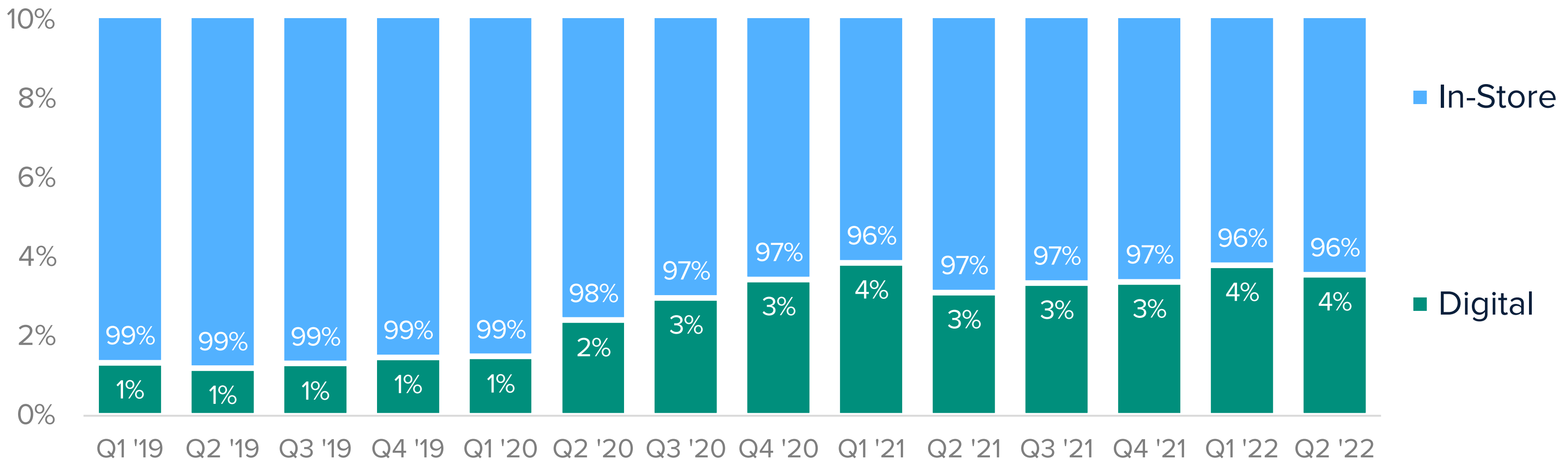


From Medallia Market Research Credit / Debit Transaction Panel of 5M+ US consumers.

Using Safeway as an example, online sales even for former digital laggards like grocers is notable

Safeway's distribution of 1st party sales: Digital vs. In-Store

% by Quarter; Excludes 3rd Party Platforms



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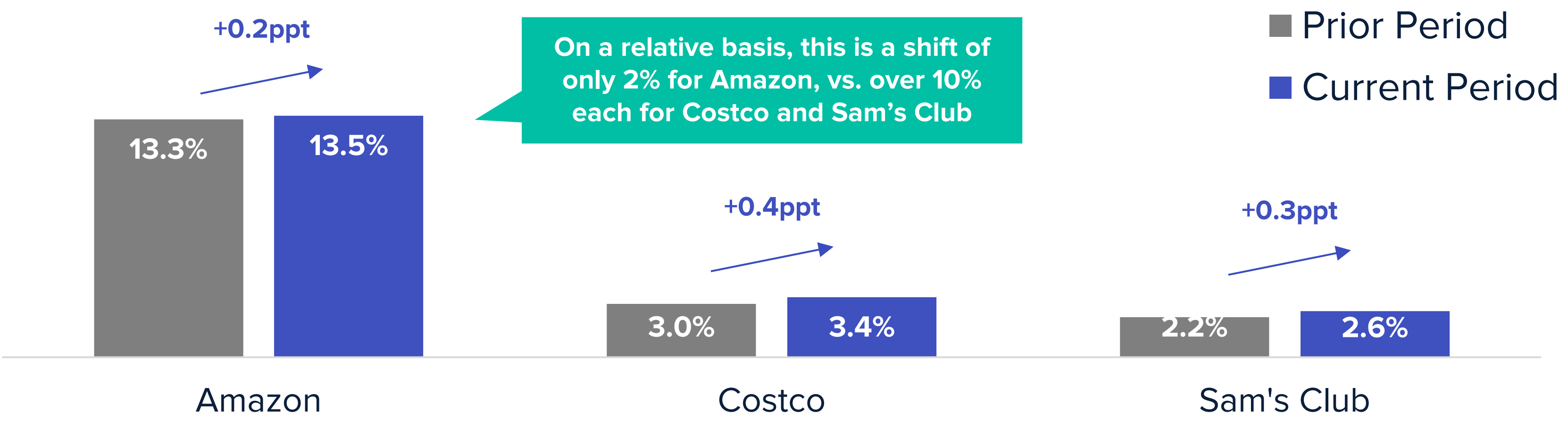
From Medallia Market Research Credit / Debit Transaction Panel of 5M+ US consumers.

But consumer habits toward digital isn't full explanation of who is winning in Retail

Walmart's customer base serves as an example – shoppers using Walmart less over the past year aren't using Amazon a major amount more.

Year-over-Year change: Wallet Share of Walmart customers who decreased frequency

US National; Walmart "Decreased Frequency" customers defined as those who transacted at Walmart less compared to prior period, but still did transact 1+ times in both periods. Periods: Q4 '21 – Q3 '22 vs. prior 12 months



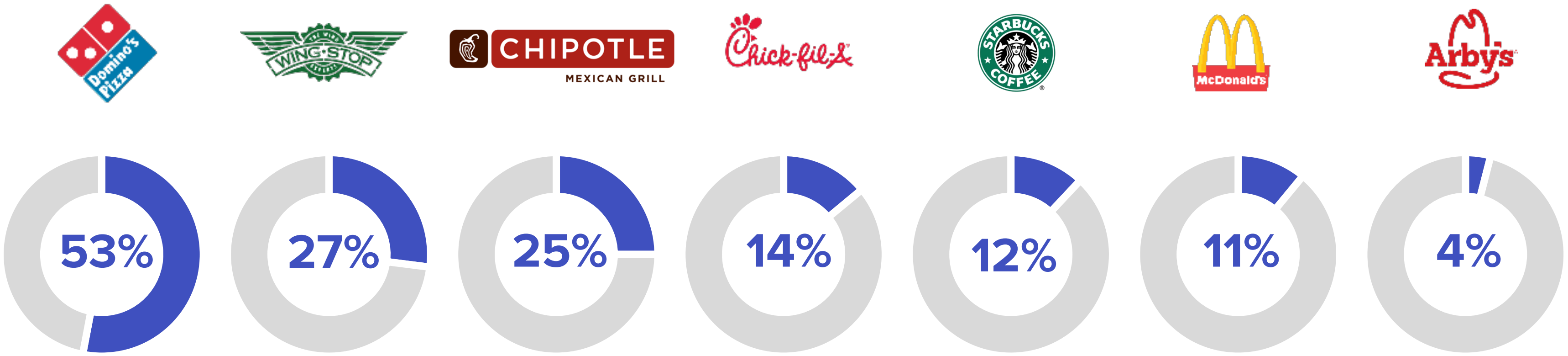
From Medallia Market Research Credit / Debit Transaction Panel of 5M+ US consumers. Numbers may not sum due to rounding

Digital ordering incidence also high for restaurants

Restaurants vary in the proportion of orders that are done remotely through digital channels. With some seeing 25% of their customers ordering through it.

% of customers ordering through Online channel

Rolling 12 Month Period Q4 ‘21 – Q3 ‘22. Among customers of brand in prior 6 months of taking survey. Select restaurants shown. Online = 1st Party Website / App + 3rd Party Platform. Excludes In-Person and Phone



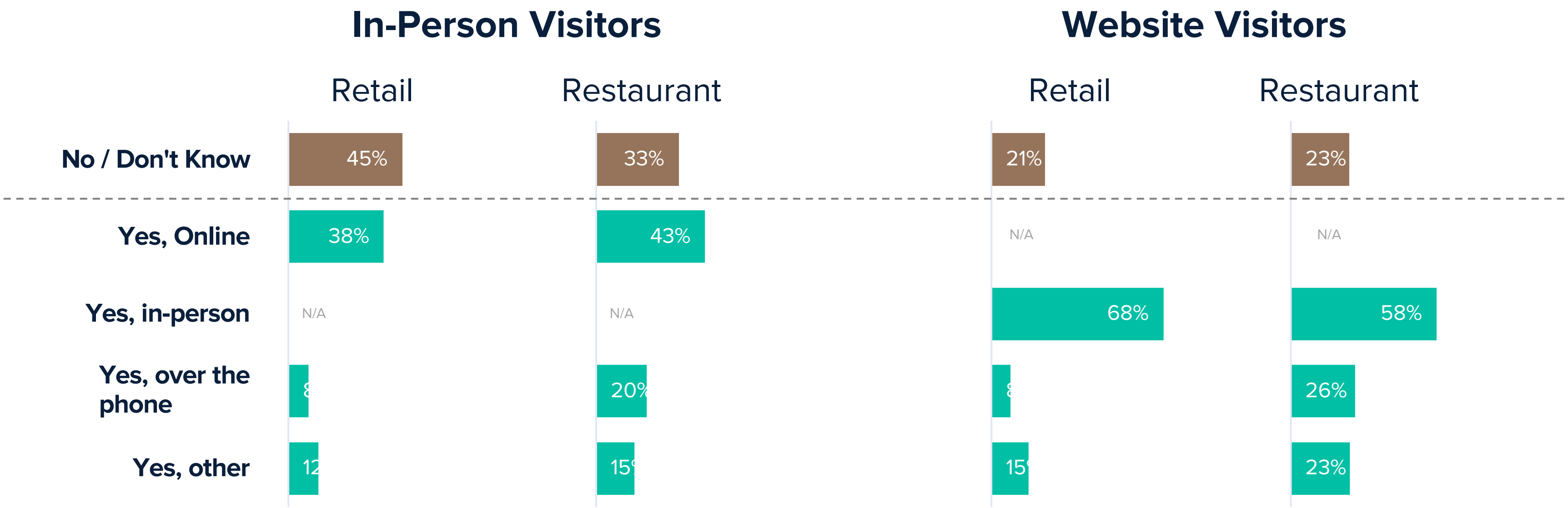
Online vs. In-Person: The choice of channel

Often another channel could be used

In a majority of cases across channel and industry, visitors say their intended purpose could have been fulfilled using another method.

Could trip mission have been fulfilled through another channel?

% of visitors, by channel and industry



From Medallia Market Research Digital vs. In-Person Benchmark Survey (36 restaurant / retail brands total, 1500 in-person and 1500 website visitors based on natural incidence per brand). Data collected November 2022.

Visitors have reasons why they didn’t

Having the time and already being near the location seem to matter most for in-person vs. online shopping, but having an Online-only promo also does.

Why visitors didn’t choose the other channel: In-Person vs. Online

Restaurant & Retail average

In-Person Shoppers: Why not Online?	
Already near location	35%
Wanted to see / feel items first	21%
Enjoy product / items more in-person	19%
More enjoyable atmosphere	13%
Prices / fees better in-person	13%
Other people decided	11%
Had a promotion / offer for in-person	10%
Killing time / bonding activity	10%
Did not want to deal with delivery later on	9%
Unknown availability / in-stock online	8%
No internet available at time	7%
No account / payment setup for store online	6%
Customer service / process better in-person	5%
Already tried website	2%

Online Shoppers: Why not In-Person?	
Too time consuming	34%
Had Online promotion / offer	19%
Unknown inventory in-person	18%
Other	17%
Not conveniently located	15%
Prices / fees better online	11%
Avoid exposure to other people	5%
No means of transport	5%
Bad weather	4%
Didn't feel physically well	4%
Other people decided	4%
Already been in-person, didn't want to return	4%
Transporting items home difficult	2%
Better customer service / processes online	1%

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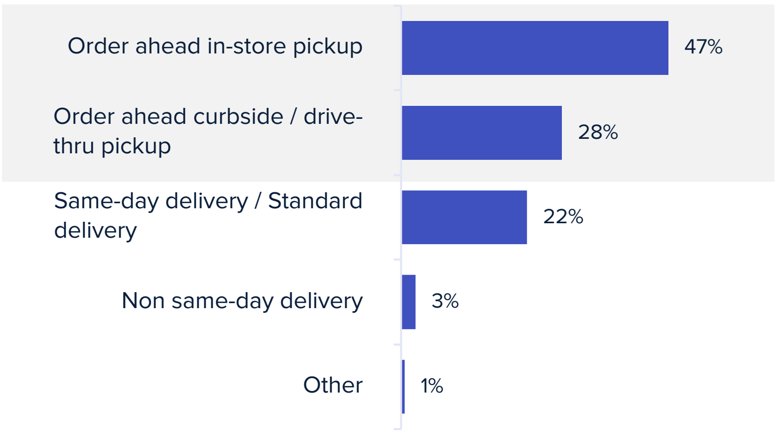
From Medallia Market Research Digital vs. In-Person Benchmark Survey (36 restaurant / retail brands total, 1500 in-person and 1500 website visitors based on natural incidence per brand). Data collected November 2022.

Many online purchasers still do often have an in-person step, especially for restaurants.

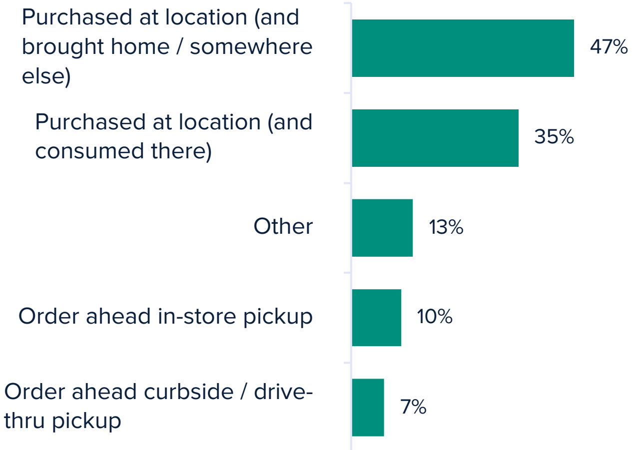
Purchase method, by channel used, for restaurant visitors

Among those who made a purchase

Online Visitors



In-Person Visitors



From Medallia Market Research Digital Experience Benchmark Survey (58 brands total, 80-120 prior 30 day webiste visitors per brand). Data collected November 2022.

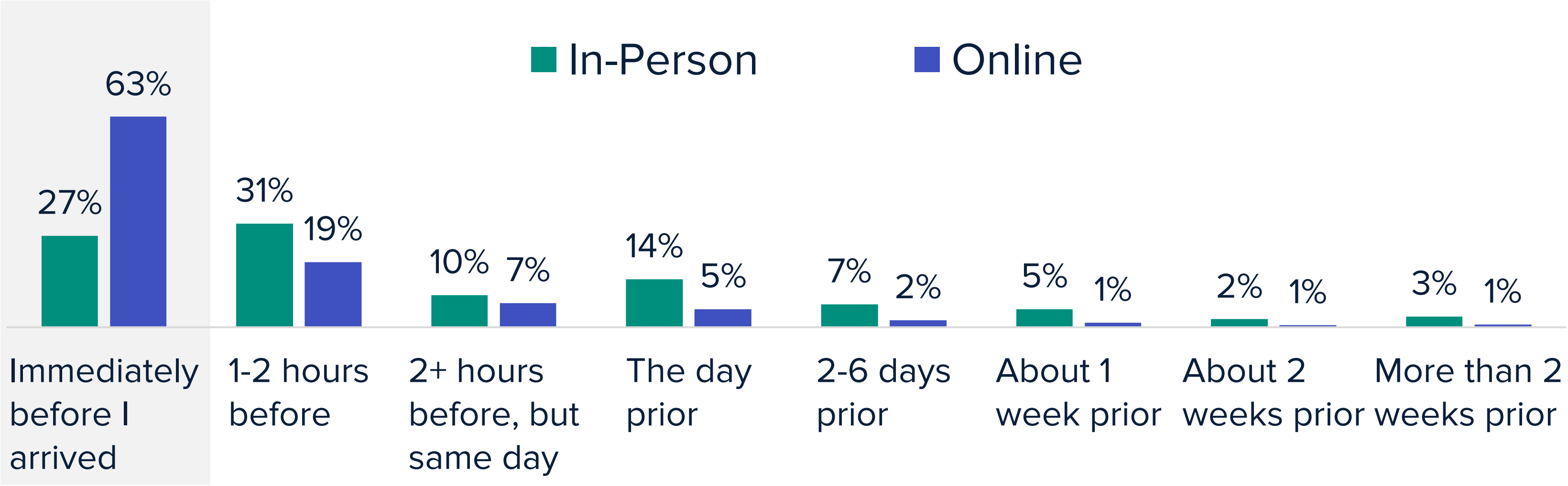
Shopper journey deep dive by channel

Online visits are far more impulsive

The majority of online retail / restaurant visits are decided upon only immediately before the visit occurs. Far more in-person visits are planned 1+ day in advance.

How far in advance shopper decided to make visit

% of visitors, by channel (Restaurant + Retail combined)



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Search engines drive nearly as much retail visits as typing in URL directly does

How shopper arrived at location / website

% of visitors, by channel (Restaurant + Retail combined)

Top In-Person Arrival Methods	
Driving there (planning to go there)	73%
Driving by (without planning to go there)	14%
Walking by (without planning to go there)	4%
Public transit (without planning to go there)	4%
Walking there (planning to go there)	3%
Public transit (planning to go there)	1%
Other	1%

Top Online Arrival Methods	
Typed in website URL myself (from memory)	38%
Search engine (e.g. Google, Bing, etc.)	34%
Typed in website URL myself (directed there from phone call or in-person)	9%
Typed in website URL myself (read from back of card, paper, etc.)	8%
Other	7%
Social Media advertisement (e.g. Facebook, Instagram, TikTok, etc.)	3%
Banner / display advertisement on another website	2%

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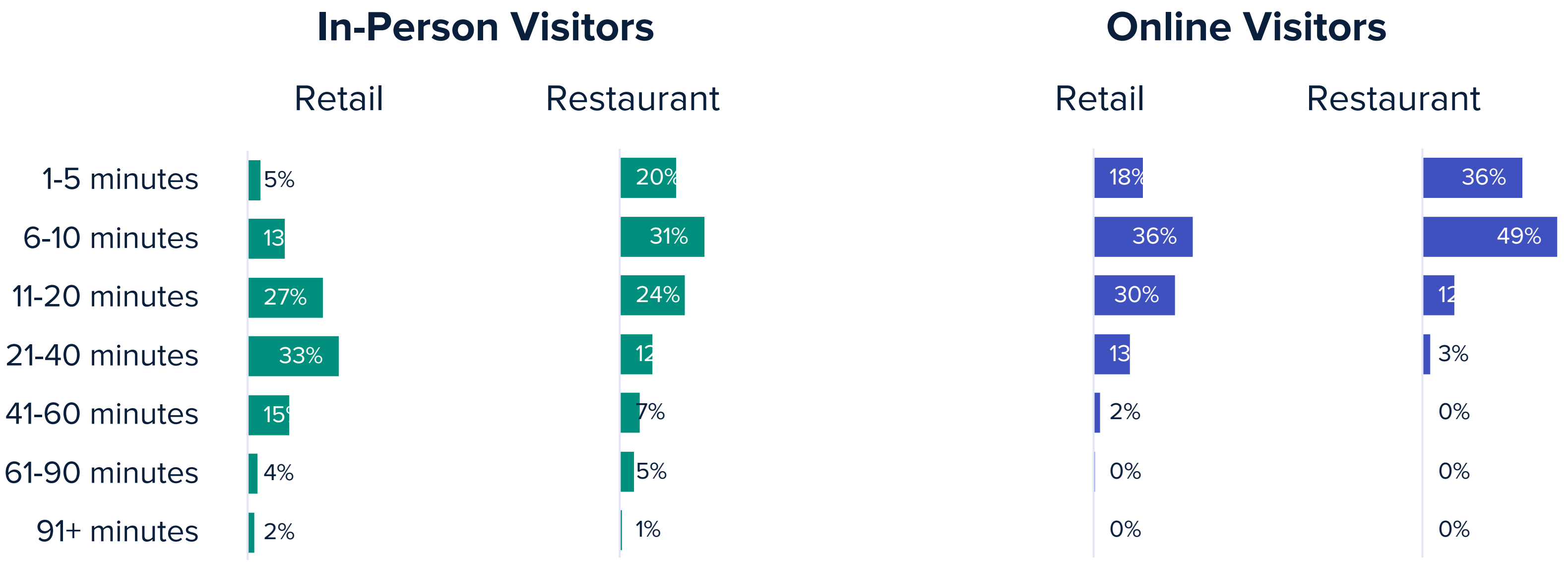
From Medallia Market Research Digital vs. In-Person Benchmark Survey (36 restaurant / retail brands total, 1500 in-person and 1500 website visitors based on natural incidence per brand). Data collected November 2022.

Online visits are especially quick

For both restaurant and retail, the chance a visit is 10 minutes or less is significantly higher online than in-person.

Length of time spent on visit

% of visitors, by channel and industry



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For retail, Online visits are more exploratory

The percent intending to make a purchase is far lower than those who go in-person

Retail visits: Top Trip Missions

% of visitors selecting, by channel

Top 5 trip missions for each (out of 12 choices for Online and 15 for In-Person):

Online Visitors

%	Trip mission
54%	**To browse prices / pictures / reviews of something specific the company offers**
49%	**To browse and see what's available (nothing specific in mind)**
44%	**To purchase something**
4%	**To view a status / notification / statement**
4%	**To pay a bill**

In-Person Visitors

%	Trip mission
73%	**To purchase something**
28%	**To browse and see what's available (nothing specific in mind)**
13%	**To browse prices / pictures / reviews of something specific the company offers**
12%	**To pick up something I had already purchased ahead of time**
7%	**To use a facility / service (e.g. gas pump, restroom, ATM, etc.)**

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From Medallia Market Research Digital vs. In-Person Benchmark Survey (36 restaurant / retail brands total, 1500 in-person and 1500 website visitors based on natural incidence per brand). Data collected November 2022.

Even for restaurants, Online visits are commonly for browsing without definite purchase intent

Restaurant visits: Top Trip Missions

% of visitors selecting, by channel

Top 5 trip missions for each (out of 12 choices for Online and 15 for In-Person):

Online Visitors

- 47% **To purchase something**
- 38% **To browse prices / pictures / reviews of something specific the company offers**
- 35% **To browse and see what's available (nothing specific in mind)**
- 10% **Other**
- 10% **To view a status / notification / statement**

In-Person Visitors

- 67% **To purchase something**
- 24% **To pick up something I had already purchased ahead of time**
- 9% **To meet someone**
- 8% **To browse and see what's available (nothing specific in mind)**
- 6% **To use a facility / service (e.g. gas pump, restroom, ATM, etc.)**

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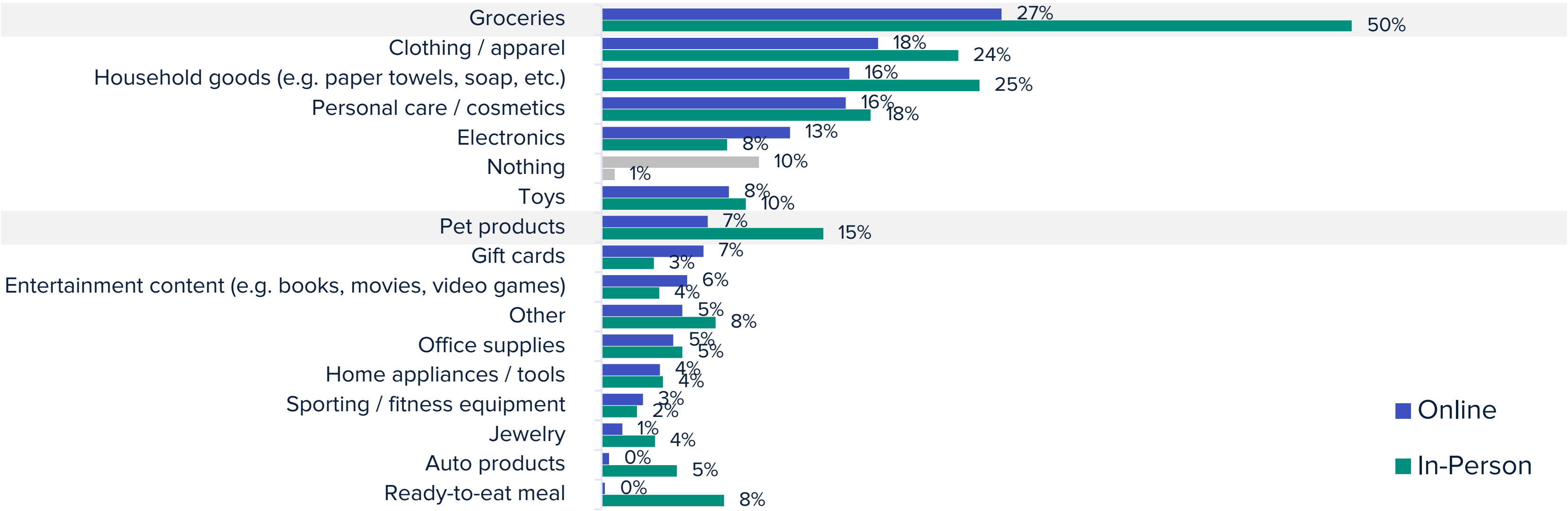
From Medallia Market Research Digital vs. In-Person Benchmark Survey (36 restaurant / retail brands total, 1500 in-person and 1500 website visitors based on natural incidence per brand). Data collected November 2022.

In-Person retail purchases are for a larger variety of items, and more often groceries + pet products

Types of items purchased: Online vs. In-Person Retail

Among Retail visitors who previously cited the purpose of their visit was to make a purchase



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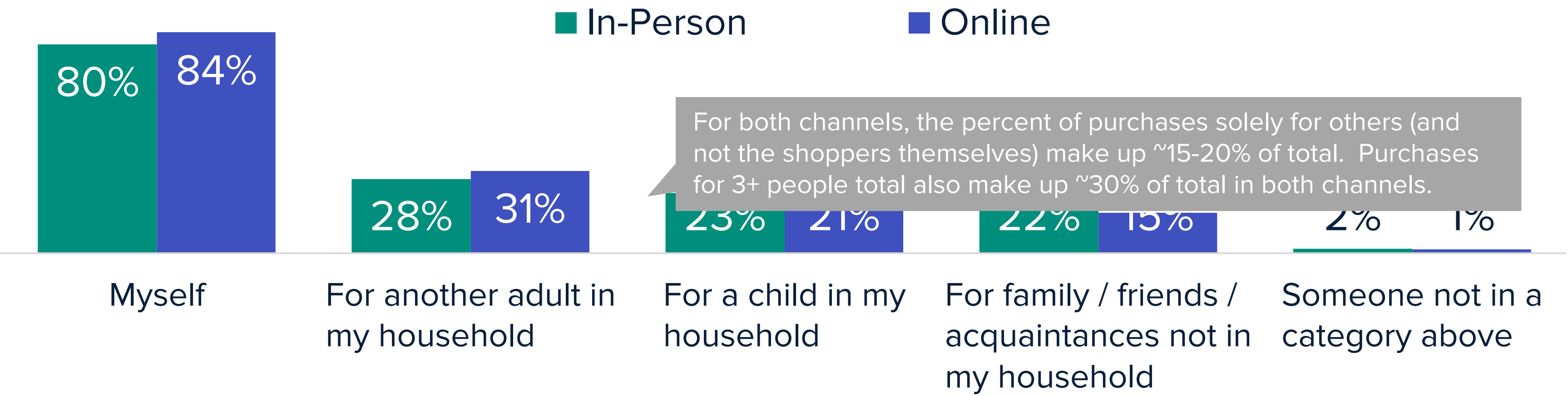
The purchase recipient doesn't differ

The distribution of buying for self and/or others is generally consistent between in-person and online trips.

For whom was purchase made?

% of visitors, by channel (Restaurant + Retail combined)



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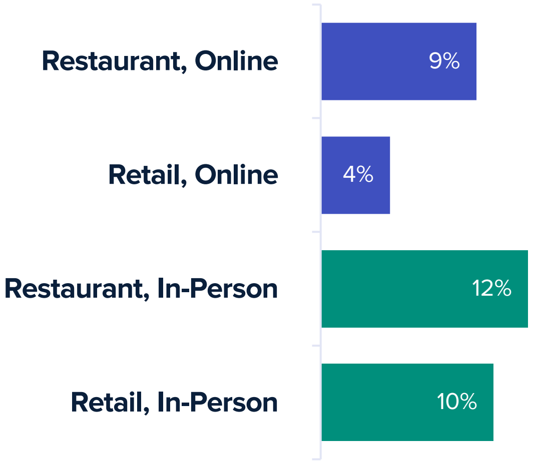
Issues, service, and satisfaction

Service interactions are rare online

Despite similar rates of experiencing some sort of issue for online and in-person visitors, in-person visitors interact with service much more often.

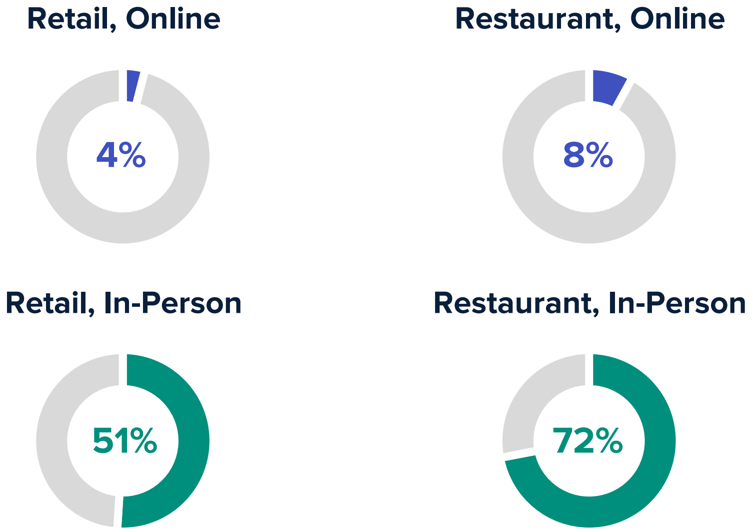
Rate of encountering an issue

% of visitors by channel / industry listed



Rate of interacting with employee / chat bot

% of visitors; excludes “checkout” interactions



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From Medallia Market Research Digital vs. In-Person Benchmark Survey (36 restaurant / retail brands total, 1500 in-person and 1500 website visitors based on natural incidence per brand). Data collected November 2022.

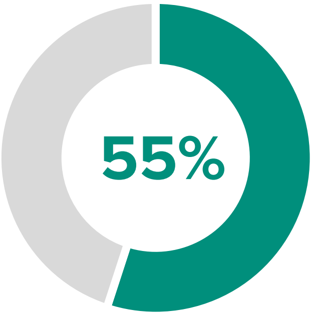
In-Person customer experience triumphs

Average satisfaction scores are higher, and Online CSAT is especially low for Retailers (vs. Restaurants).

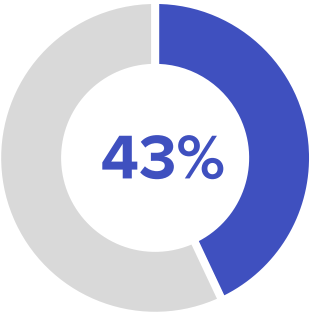
Satisfaction with Customer Service: Top 2 Box (9 or 10 on 0-10 scale)

Among those who interacted with customer service; Restaurant and Retail simple average

In-Person



Online



Scores do not widely differ between Retail vs. Restaurant In-Person visitors, but they do **differ for Retail (34%) vs. Restaurant (47%) Online visitors**

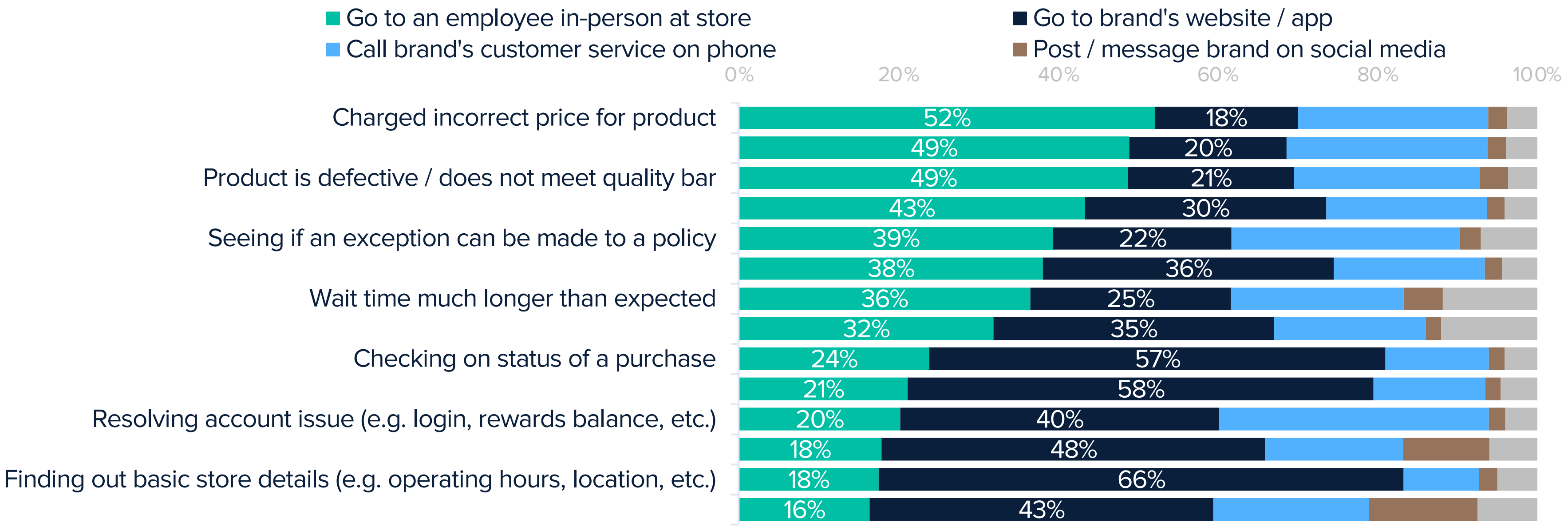
From Medallia Market Research Digital vs. In-Person Benchmark Survey (36 restaurant / retail brands total, 1500 in-person and 1500 website visitors based on natural incidence per brand). Data collected November 2022.

Price or product issues preferred to be resolved in-person

Information seeking skews toward Online service

Preferred service route based on situation

% of respondents; simple average of In-Person and Online shoppers for retails & restaurants studied



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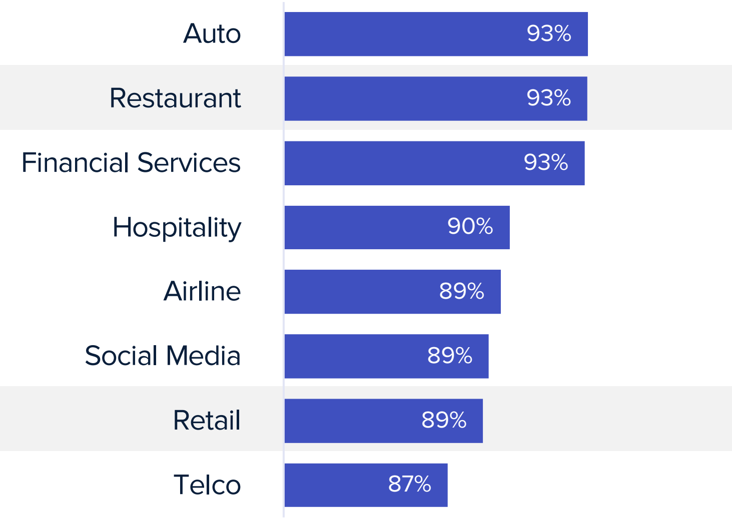
Barriers to successful website visits

In about 9 in 10 cases across industries, website visitors are able to complete their intended mission on the visit. When unable to for restaurant / retail – inventory availability or being able to find an item are the top culprits.

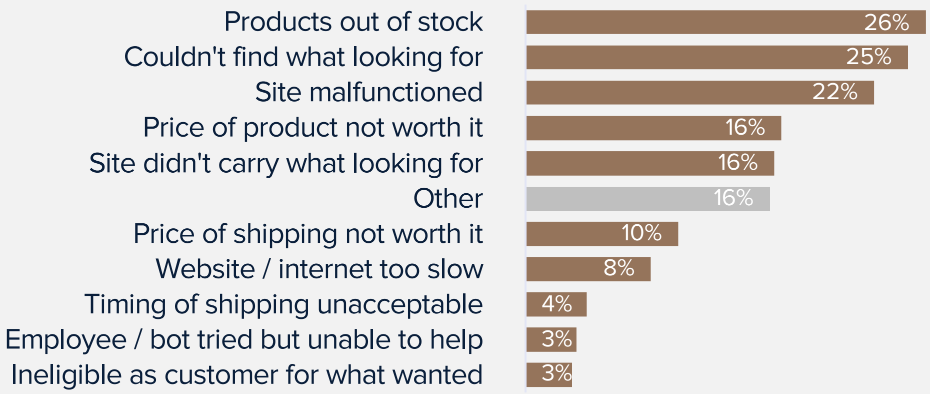
Ability to complete intended mission on website visit

US National; Simple average of brands tracked per industry category



Those unable to complete mission, why not?

Simple average of Restaurant and Retail



From Medallia Market Research Digital Experience Benchmark Survey (58 brands total, 80-120 prior 30 day webiste visitors per brand). Data collected November 2022.

For in-person, finding items also a culprit

Despite visits being in-person, the timing or cost of receiving an item via shipping (if not at store) is also a common reason for an incomplete mission.

In-Person: Those unable to complete mission, why not?

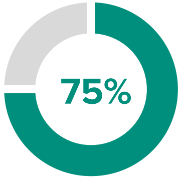
Simple average of retail and restaurant

From Medallia Market Research Digital vs. In-Person Benchmark Survey (36 restaurant / retail brands total, 1500 in-person and 1500 website visitors based on natural incidence per brand). Data collected November 2022.

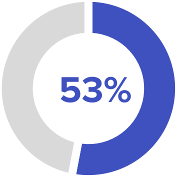
Often a competitor wins the business left unfulfilled by the original place visited

Did visitor with unfulfilled mission eventually fulfill it?

% of respondents who said intended mission was not fulfilled on original website / in-person visit in question



% of In-Person visitors who eventually fulfilled trip mission



% of Online visitors who eventually fulfilled trip mission

Top methods for each (out of 10 total):

At a different company (in-person)	**16%**
At that same company (over the phone)	14%
At that same company (another way)	13%
At a different company (over the phone)	13%

At a different company's website	**33%**
Went back to that same website later on	24%
At that same company (in-person)	13%
Yes, to that company (over the phone)	9%

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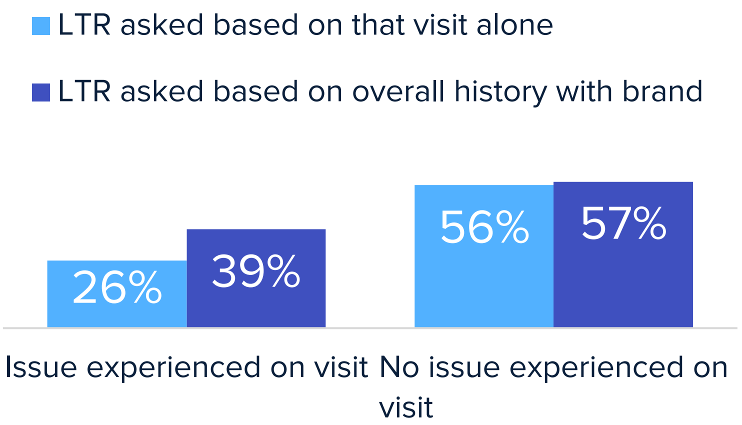
From Medallia Market Research Digital vs. In-Person Benchmark Survey (36 restaurant / retail brands total, 1500 in-person and 1500 website visitors based on natural incidence per brand). Data collected November 2022.

An experienced issue affects perception of brand not just based on that visit, but overall

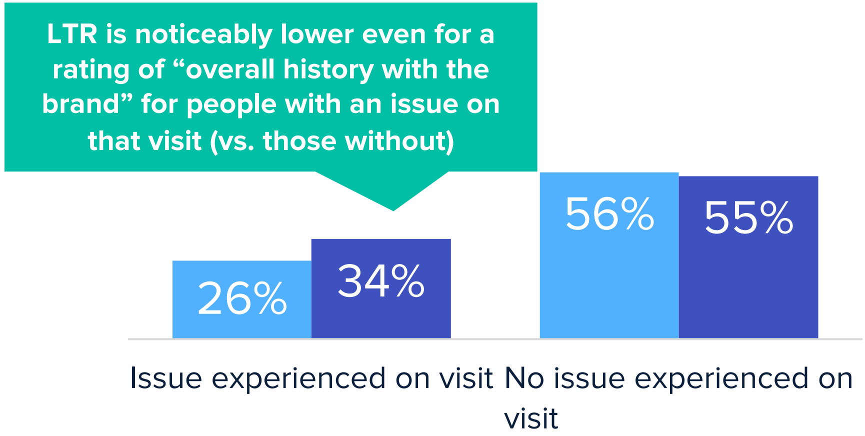
Impact on Likelihood to Recommend if issue occurred or not

Restaurant and retail average for each channel. Top 2 Box %: % rating 9-10 on 0-10 scale of Likelihood to Recommend

Online Visits



In-Person Visits



From Medallia Market Research Digital Experience Benchmark Survey (58 brands total, 80-120 prior 30 day webiste visitors per brand). Data collected November 2022.

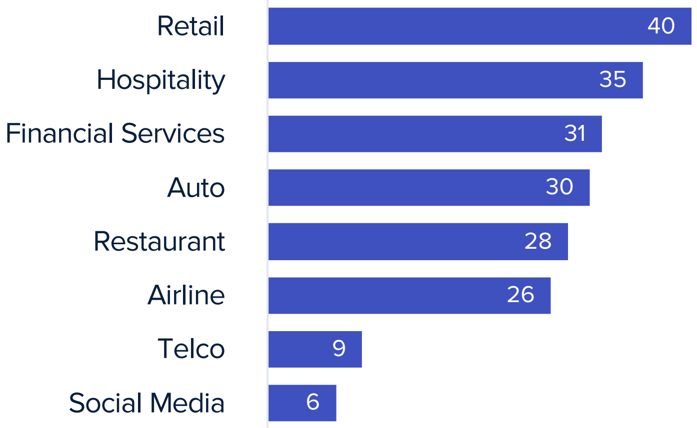
Retailers average high NPS, but Financial Services may have most effective web experience

Net Promoter Score and Satisfaction: brand website visitors by industry

US National; Simple average of brands tracked per industry category

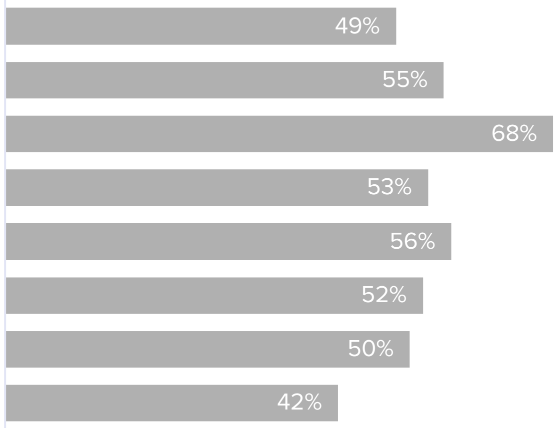
Net Promoter Score

% rating 9-10 minus % 0-6 on 0-10 scale of likelihood to recommend



Satisfaction

% rating 9-10 on 0-10 scale of satisfaction level



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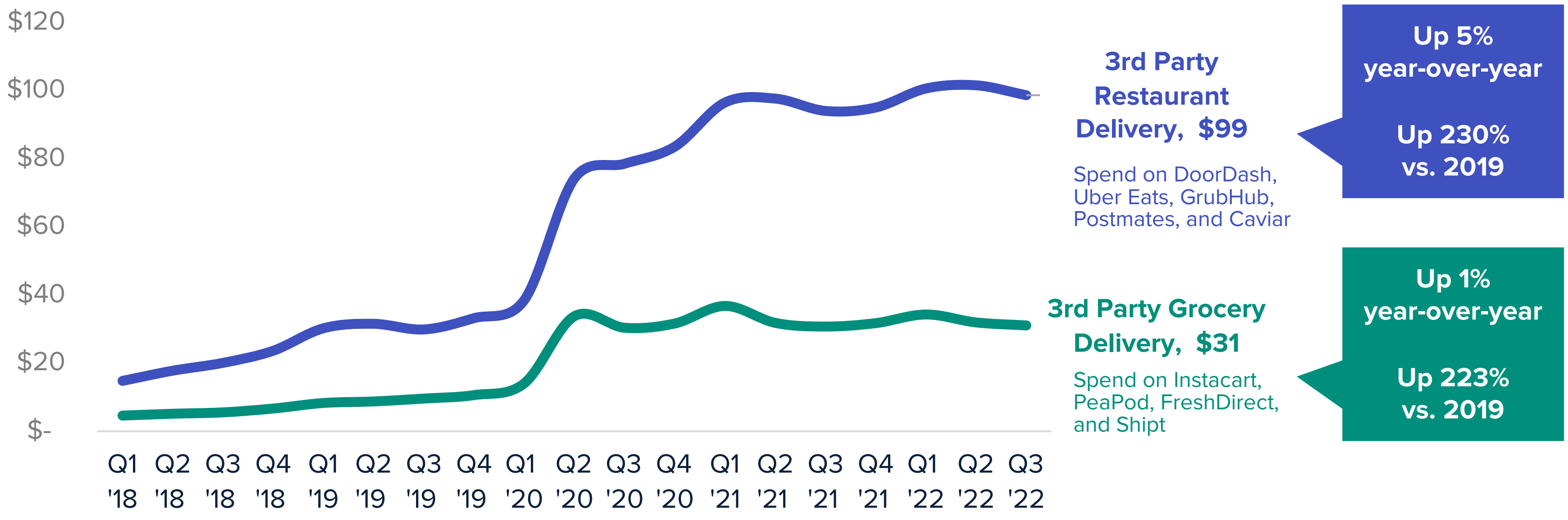
The use of Third-Party Ordering

Spend on Third-Parties continues to grow

Restaurant-focused platforms continue to grow, though many now also cover grocery and non-food retailers too. Grocery-focused platforms continue to hold too.

Estimated quarterly spend per person on Third-Party Delivery

US National; Spend per panelist on groups of platforms listed for 90 day periods shown



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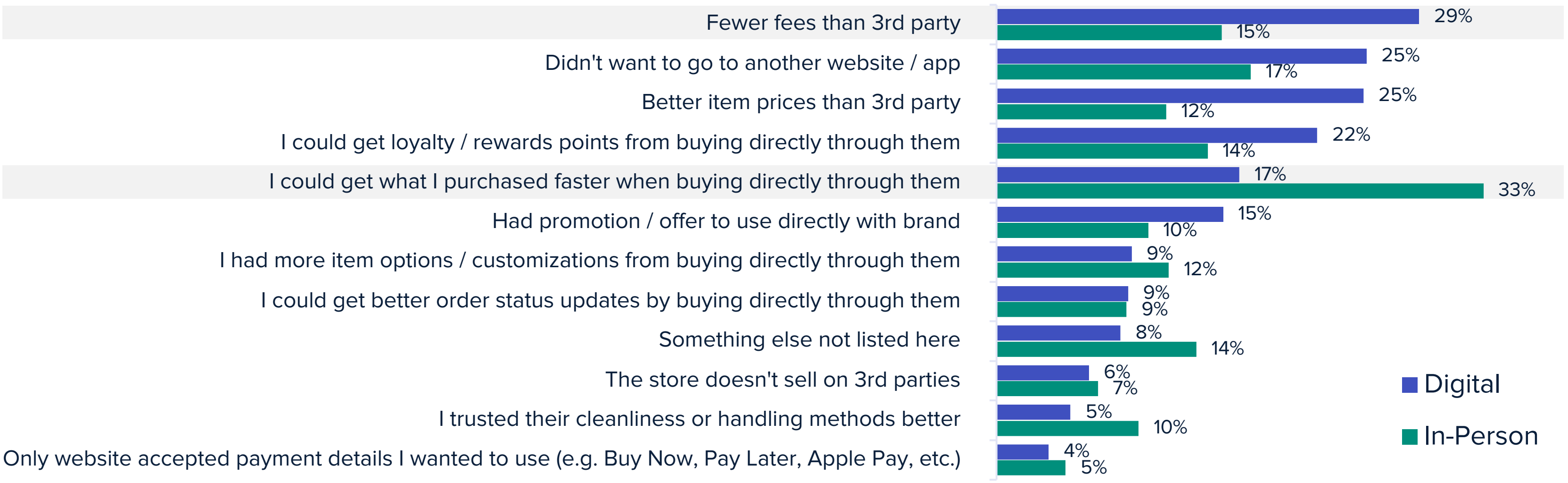
3rd Party use avoided by In-Person shoppers due to speed, by Online shoppers due to price

Why purchasers went directly to brand instead of 3rd party

Among those who purchased directly from that brand. Restaurant / Retail average for each channel listed



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But cost is growing as a 3PO barrier

Over time, not wanting to pay fees / tips has grown as an even more common barrier for restaurant customers pass on using third-party delivery.

Reason for not using Third-Party Delivery, among restaurant customers

Average % of qualifying respondents, by time period shown

Rank (out of 13 reasons)	Reason	Mar '20 - Oct '20	Nov '20 - Apr '21	May '21 - Mar '22	Apr '22 - Sep '22	Change vs. Mar - Oct '20
1	**I didn't want to pay the fees / tips for using delivery**	35%	42%	42%	46%	**+11ppt**
2	**It would take too long to get the food**	19%	23%	22%	22%	**+3ppt**
4	**The food would be cold / stale by the time I got it**	10%	12%	12%	11%	**+1ppt**
9	**I didn't want an employee touching my food bag**	9%	8%	5%	4%	**-5ppt**
10	**I didn't want to come in contact with the employee**	9%	7%	4%	3%	**-6ppt**

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From Medallia Market Research Daily Food Diary (n = ~200 daily, collected since March 2020)

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Questions?

Contact us at
briefings@medallia.com

Thank You

Recap

Online Shopper Journeys – Insights on Digital vs. In-Store Customer Behavior

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Market Research Suite

1 Quantitative Analysis

Tap into consumer insights at scale with massive panels, real-time data, and unblinded visibility on competitors.

- Transaction panel
- Foot traffic panel
- Visit-based surveys
- Syndicated surveys
- One-click analysis

2 Qualitative Analysis

Capture video surveys and uncover trends with AI-powered analysis tools.

- Video surveys
- Capture anywhere
- Transcription analysis
- Filter & categorize
- Easily edit and share

3 Self-Serve Surveys

Create, edit and distribute your own surveys. Analyze results with powerful reporting tools and dashboards.

- Survey builder
- Distribute anywhere
- Powerful reporting
- Easy-to-use dashboards
- Expert support

Harness richer insights at scale so you can take action with confidence