



# WHO WINS WHERE

Lessons for Digital Brands  
and Traditional Retailers



## OPENING LETTER

### RETAIL AND COVID-19

When we launched this survey back in late February, we couldn't have imagined how much daily life would change within a few short weeks. We watched shopping malls and office towers empty almost overnight as stores shuttered and workforces shifted remote. We've navigated our own transition to remote work as a company, with all of its ups and downs and unexpected childcare needs.

Amid the chaos, we've been heartened to see our retail partners adapt rapidly to the sudden shock. Whether it's by transitioning to curbside pickup at brick-and-mortar locations or by expanding contact centers to handle a flood of customer service calls, they've responded flexibly to new and unexpected challenges. Retailers of all types, including both digitally native brands and traditional retailers, are united in facing this crisis together.

In many ways the pandemic has accelerated changes that were already underway. Before COVID-19, it was good practice to provide a streamlined experience across all channels, to offer robust customer service and to prepare for uncertainty by keeping processes agile and flexible. Our survey results highlighted the importance of fast

shipping and a seamless online experience, even before the pandemic shifted demand online. Now, it's a must.

As the initial shock has worn off and businesses adjust to the "new normal," there will be opportunities to re-tool, re-skill and re-focus around the new retail environment. Examine engagement data to identify friction points in your digital experiences, and prioritize bug fixes and process improvements that will have the most impact. Before, you were fighting for your customers' extra dollars; now, you're fighting for every dollar, which makes a standout experience even more important in the long term.

Restrictions due to COVID-19 will define the "new normal" for a while, but people will eventually return to their offices and stores will reopen. We've chosen to keep the text of this report largely as it was written before the pandemic took hold. But even as we address the short-term crisis, the long-term roadmap for retail growth remains the same. The future is just coming at us a bit faster.

**Scott E. Webb**  
Avionos CEO

## INTRODUCTION

The rise of online shopping and eCommerce has transformed the retail landscape. Traditional retailers such as Target and Home Depot have built on the success of their brick-and-mortar stores by creating eCommerce sites and mobile apps that replicate the in-store experience. By contrast, digitally native brands like Casper and Warby Parker launched their businesses online, building customer relationships digitally before starting to build brick-and-mortar showrooms. Today, these two types of companies – digital natives and traditional retailers – often compete for market share and customer loyalty.

But they're playing by very different rules. For many digitally native brands, the game plan is to acquire customers quickly in hopes of a highly valued acquisition by a traditional retailer – e.g., **P&G's recent acquisition** of women's shaving and personal care brand, Billie. This means digitally native brands' priorities and strategies may be different from established retailers that plan on remaining independent companies and growing organically.

For example, new brands drive growth by spending an outsized amount on advertising to acquire new customers, while focusing relatively little on retention and loyalty. They aren't playing the long game.

The opposite can be said for traditional retailers. Digitally native brands have much to learn from the tried-and-true brands who precede them – particularly when it comes to becoming an everyday, local presence in their customers' lives. However, traditional retailers need to adopt some of the tactics of digitally native brands to continue to attract new, convenience-sensitive customers who expect seamless experiences both online and offline. For both types of retail companies, developing multiple strong channels can increase resiliency and help them respond flexibly to uncertainty in the market.

In this survey of 1,250 U.S. online shoppers, we tease out the ways traditional retailers and digitally native brands can better serve customer needs – and what they can learn from each other.

## Defining digitally native brands vs. traditional retailers



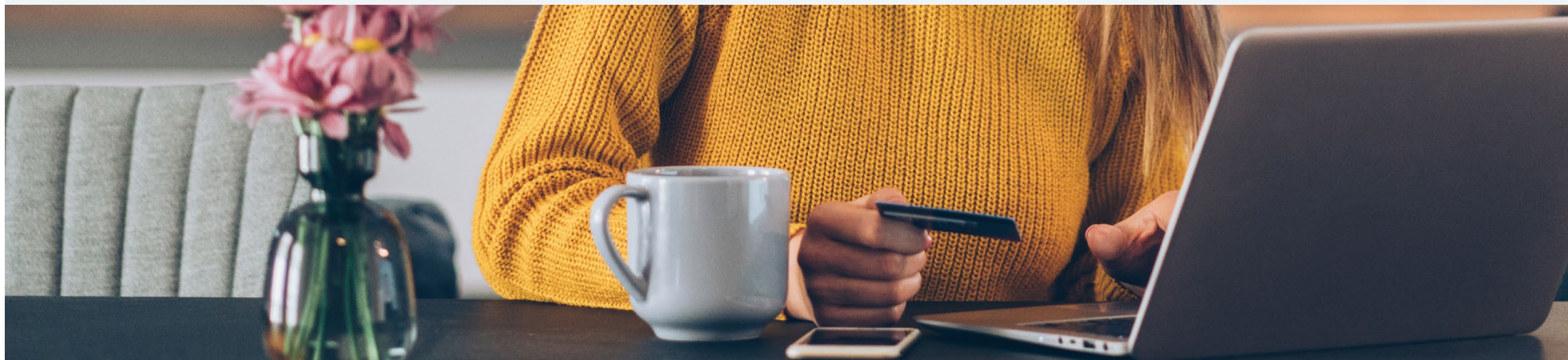
### Digitally native brands

Digitally native brands usually focus on a single product or product category – e.g., mattresses for Casper, eyeglasses for Warby Parker, toothbrushes for Quip, etc. – and sell direct to the consumer, instead of through established retailers. While some digitally native retailers may eventually establish brick-and-mortar stores, most primarily sell online or via a mobile app, making fast shipping and a streamlined online experience key to their value propositions.



### Traditional retailers

Traditional retailers are established companies that sell products from multiple brands, like Target, Macy's and Home Depot. They have instant gratification built into their business models, thanks to their large networks of brick-and-mortar stores. These enable customers to shop in person in their local communities and take home purchases in real time, or make orders for in-store or curbside pickup, without waiting for shipping.



## KEY FINDINGS



### Convenience is not optional

Seventy-six percent of respondents chose fast shipping as a top characteristic of a positive experience with an online brand vs. 62% in 2019. This shift signals the increased importance of convenience, streamlining and speed to retail customers.



### Digitally native brands deliver great in-store experiences

Among customers who have shopped at digitally native brands' brick-and-mortar stores, 75% prefer the in-store experience over traditional retailers' in-store experience.



### Traditional retailers win on relationship-building

Both in-store and online, traditional retailers score higher on relationship-building and loyalty, while digitally native brands score better on convenience measures like fast checkout.



### Customers expect more sophisticated personalization

When shopping online, 36% of customers expect personalized product recommendations on the website homepage, up from 28% in 2019.



**NO MATTER  
WHERE THEY SHOP,  
CUSTOMERS WANT  
THE SAME THINGS**

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## SIMPLE AND EASY SHOPPING EXPERIENCES TOP THE LIST

It may seem like there's a world of difference between digitally native brands and traditional retailers, but many customers don't see it that way. When customers were asked to identify their favorite things about shopping online with both types of companies, four of the top five responses were identical.

### Top 5 things consumers like about shopping online at digitally native brands compared to traditional retailers



## ON SOCIAL MEDIA, TRADITIONAL RETAILERS HAVE THE ADVANTAGE

Digitally native brands are known for advertising on social media platforms like Facebook and Instagram. For example, direct-to-consumer shapewear company Shapermint spends **80% of its monthly marketing budget on those two sites alone.**

However, it appears traditional retailers are winning the social media battle. Nearly a quarter of customers (23%) say that talking about products with friends or on social media is one of their favorite things about shopping online with traditional retailers. Only 17% say the same for digitally native brands.

Unboxing videos – in which someone unpacks a much-anticipated consumer product – are a long-standing **social media phenomenon.** Fun unboxing experiences ranked high on the list of favorite experiences for both digitally native brands (22%) and traditional retailers (21%), though they only made the top five for the former.

INSIGHT

**23%**

of consumers say that talking about products with friends or on social media is one of their favorite things about shopping online with traditional retailers



# ONLINE OR IN STORE, CONVENIENCE IS KING

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INSIGHT



76%

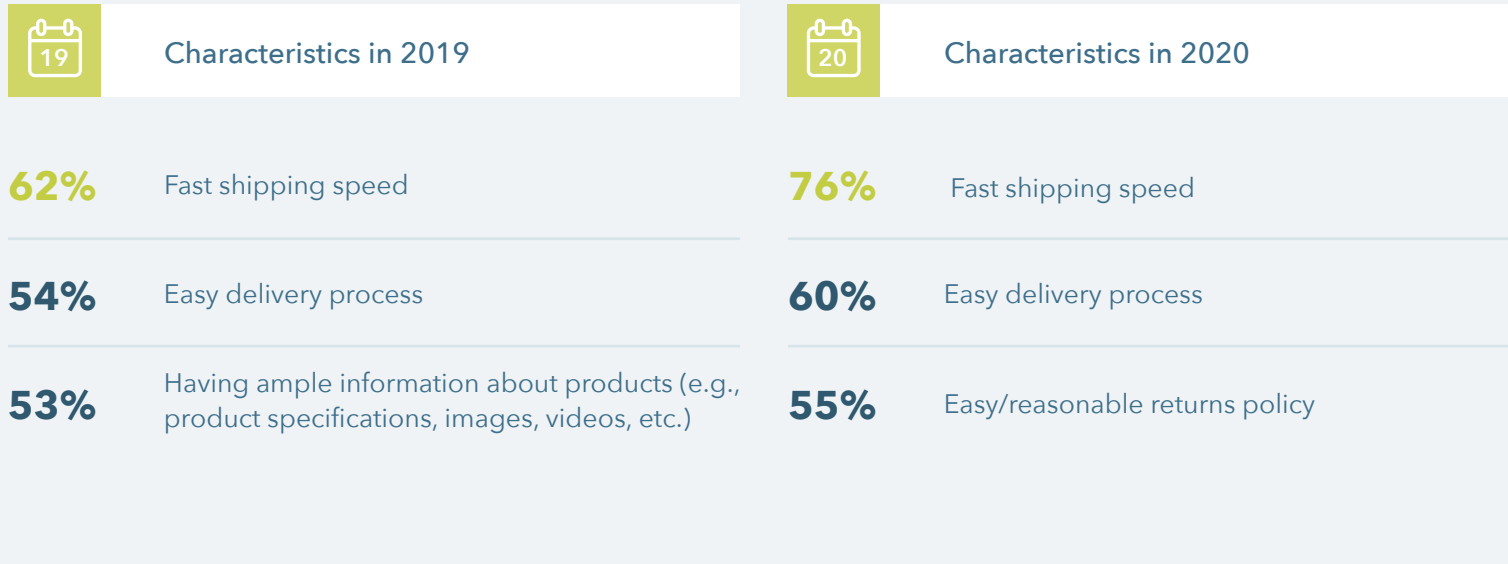
of consumers say fast shipping speed is part of a positive experience with an online brand or retailer

## THE IMPORTANCE OF CONVENIENCE IS GROWING

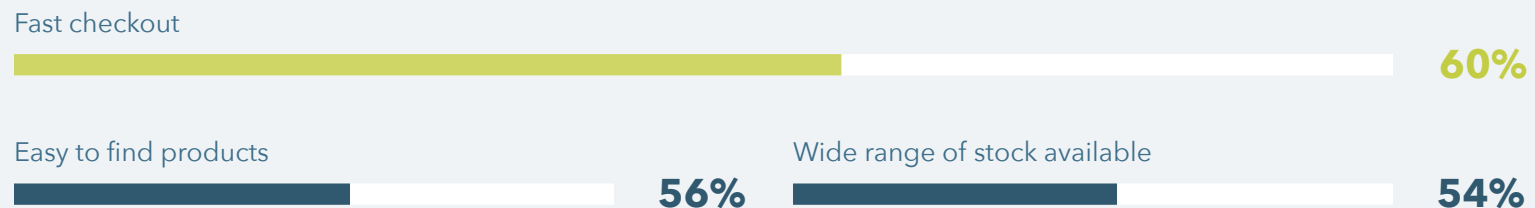
Whether they're shopping online or at a brick-and-mortar store, respondents overwhelmingly want experiences that are fast and easy. They care more about convenience factors like fast shipping (76%) and checkout (60%) than they do features like pleasant in-store ambiance (10%) or technologies like augmented reality (12%). It's important that retail companies deliver convenience across both in-person and digital channels, since they may need to lean more into one or the other depending on market demands and customer needs.

For online shopping, the preference toward convenience intensified year over year. The proportion of respondents picking "fast shipping speed" as a characteristic of a positive experience increased by 14 percentage points compared to 2019. In brick-and-mortar stores, finding products quickly and easily, and checking out fast were the top priorities.

## Top 3 characteristics of a **positive experience with an online brand or retailer**



## Top 3 characteristics of a **positive experience with a brick-and-mortar store in 2020**



## IF THEY WANT TO STAY COMPETITIVE, RETAILERS AND BRANDS CAN'T CUT CORNERS

Just because customers value convenience doesn't mean that brands or retailers can skimp on other aspects of the experience. For example, while having friendly/helpful store employees didn't crack the top three for positive experiences, 67% of respondents said unfriendly or unhelpful store employees would make them unlikely to return to a brick-and-mortar store – the top reason picked by a 10-point margin. Brands and retailers still need to get the basics right.

However, one key takeaway from this data stands out: Convenience is not optional. Any retailer or brand lagging behind on fast shipping and checkout must start catching up now if they want to retain customers. If in-store and online experiences aren't streamlined and easy, no amount of other perks and benefits will keep customers coming back for the long term.

INSIGHT

**67%**

of respondents said unfriendly or unhelpful store employees would make them unlikely to return to a brick-and-mortar store



# DIGITALLY NATIVE BRANDS WIN ON CONVENIENCE BUT TRADITIONAL RETAILERS HAVE LOYALTY

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## DIFFERENT BUSINESS MODELS LEAD TO DIFFERENT STRENGTHS

While customers mostly want the same things from digitally native brands and traditional retailers, the two groups deliver different parts of the package. Both in-store and online, digitally native brands are winning on many convenience metrics, while traditional retailers scored higher on relationship-building and loyalty.

Some of these differences are attributable to differences between traditional retailers and digitally native brands' priorities and strategies. Because digitally native brands want to grow fast, they invest heavily in marketing to acquire new customers and in experiences that enable those customers to make their first transactions seamlessly. Lacking the loyal customer base of traditional retailers, digitally native brands must constantly acquire and re-acquire customers to maintain their growth.

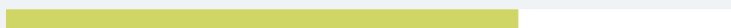
"Both in-store and online, digitally native brands are winning on many convenience metrics"

## Top 5 experiences that **digitally native brands** or **traditional retailers** do better



Factor by which customers preferred  
digitally native brands

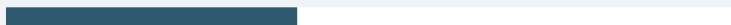
**1.7x** Fast checkout in stores



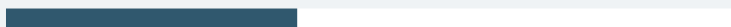
**1.6x** Streamlined online shopping experience



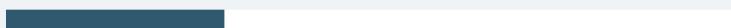
**1.4x** Easy to find products in stores



**1.4x** New technologies to enhance my in-store experience

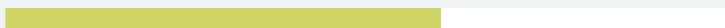


**1.3x** Fast, free shipping

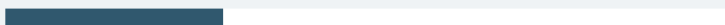


Factor by which customers preferred  
traditional retailers

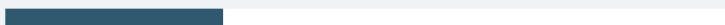
**1.6x** Effective loyalty programs



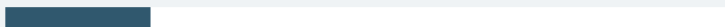
**1.3x** Building long-lasting customer relationships



**1.3x** Helpful customer service for online purchases



**1.2x** In-store services (e.g. free hemming)



**1.2x** Comfortable seating or areas to rest in-store

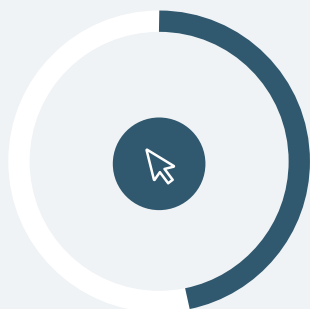


## Shopping habits of respondents who live in **urban areas**



**57%**

of respondents who have shopped in a digitally native brand's brick-and-mortar store are from urban areas



**47%**

of respondents who have purchased from a digitally native brand are from urban areas

## **DIGITALLY NATIVE BRANDS WILL BENEFIT FROM MORE BRICK AND MORTAR**

However, a focus on ongoing customer acquisition doesn't mean digitally native brands don't need to build deep customer relationships. In the long term, a lack of geographic accessibility will hold them back from developing those relationships. To become an everyday part of their customers' lives, digitally native brands will eventually need the physical, local presence traditional retailers already have.

The proportion of customers who have shopped at digitally native brands' brick-and-mortar stores is relatively small and concentrated in urban areas. To grow their relationships with existing customers, digitally native brands may want to add brick-and-mortar expansion to their roadmaps.

## TRADITIONAL RETAILERS NEED TO RETHINK WHERE THEY INVEST

Comparing these rankings to customers' favorite things about shopping online (discussed in [Section 1](#)) reveals some useful insights around traditional retailers as well. While long-lasting customer relationships are important for any brand, overall traditional retailers score highest on aspects of experience that customers say are less important.

For example, traditional retailers handily beat digitally native brands at loyalty programs – but earning loyalty rewards on purchases only came in ninth out of 12 options for what customers most love about shopping online at traditional retailers. This signals that traditional retailers' investments in both online and offline experiences could be targeted more effectively.

Again, skimping on convenience is not an option in today's market. If they want to maintain or even expand their market share, traditional retailers must invest in streamlining offline and online experiences to entice new customers – not just to retain the ones they have.

### INSIGHT



### Loyalty rewards

only came in ninth out of 12 options for what customers most love about shopping online at traditional retailers



# SOPHISTICATED PERSONALIZATION IS A KEY DIFFERENTIATOR

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## CUSTOMERS' EXPECTATIONS FOR PERSONALIZATION ARE INCREASING

It's much easier to personalize experiences based on what a customer is doing at the moment than it is to anticipate their preferences in advance. Comparing 2020 data to the **2019 Avionos B2C report** reveals that customers increasingly expect the latter, more sophisticated form of personalization.

In 2019, customers' most common personalization expectation was receiving discounts and offers tailored to the specific products they were browsing at the time. In 2020, however, personalized product recommendations became the most common expectation. Compared to simply offering relevant discounts, predicting which products a customer would like requires a deeper understanding of their preferences.

"In 2019, customers' most common personalization expectation was receiving tailored discounts"

## Customer expectations for **personalization online**, 2019 vs. 2020

Customer expectations	Percentage in 2020	Rank in 2020	Percentage in 2019	Rank in 2019
Personalized product recommendations on the side and/or bottom of the brand or retailer's website homepage	<b>36%</b>	<b>1 ▲3</b>	<b>28%</b>	<b>4</b>
Personalized discounts/offers for the specific products I'm browsing	<b>32%</b>	<b>2 ▼1</b>	<b>48%</b>	<b>1</b>
I don't expect online brands and retailers to personalize my experiences	<b>27%</b>	<b>3 ▼1</b>	<b>30%</b>	<b>2</b>
Personalized product categories featured on a brand or retailer's website homepage	<b>26%</b>	<b>4 –</b>	<b>28%</b>	<b>4</b>
Personalized size recommendations for the specific products I'm browsing	<b>22%</b>	<b>5 ▼2</b>	<b>29%</b>	<b>3</b>
Personalized product recommendations in the form of pop ups on a brand or retailer's website homepage	<b>19%</b>	<b>6 –</b>	<b>19%</b>	<b>6</b>
Personalized color recommendations for the specific products I'm browsing	<b>14%</b>	<b>7 ▼1</b>	<b>19%</b>	<b>6</b>

## MARKET LEADERS WILL USE SOPHISTICATED PERSONALIZATION TO DIFFERENTIATE

The simpler forms of personalization (e.g., personalized discounts based on current browsing) are increasingly table stakes. Leading brands and retailers are not only meeting these baseline expectations, but also differentiating by offering richer, more sophisticated personalized experiences that anticipate customers' individual preferences and needs.

These experiences surprise and delight customers. As mentioned in [Section 1](#), personalized product, size and/or color recommendations are customers' third favorite thing about shopping online with both digitally native brands and traditional retailers.

When it comes to personalization, retailers and brands must get on board or face being left behind by competitors. That starts with getting the basics right (if they haven't already). But as soon as they can, they should build on this foundation to differentiate themselves with highly memorable personalized experiences that will attract new customers – and keep current ones coming back. Customers will accept nothing less.



# ONLINE EXPERIENCE DRIVES TRAFFIC TO BRICK-AND- MORTAR STORES

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INSIGHT



71%

of consumers said a memorable online experience encouraged them to shop at the brand's brick-and-mortar store

## CUSTOMERS DON'T JUST COME TO STORES TO TRY OUT PRODUCTS

Most retailers and brands are familiar with the idea of brick-and-mortar stores as showrooms where customers try on products which they then purchase online. However, the desire to test out products wasn't one of the top three reasons respondents tried shopping at a digitally native brand's brick-and-mortar location for the first time.

Instead, customers most commonly said that the online experience was so great, they wanted to see if it translated to in-store (71%). The key takeaway: A memorable online experience drives traffic to their brick-and-mortar stores.

There's a lesson for traditional retailers here. They already attract shoppers simply by having a physical presence in many communities – but they can amp that up by giving customers a great digital experience that drives even more traffic in-store.

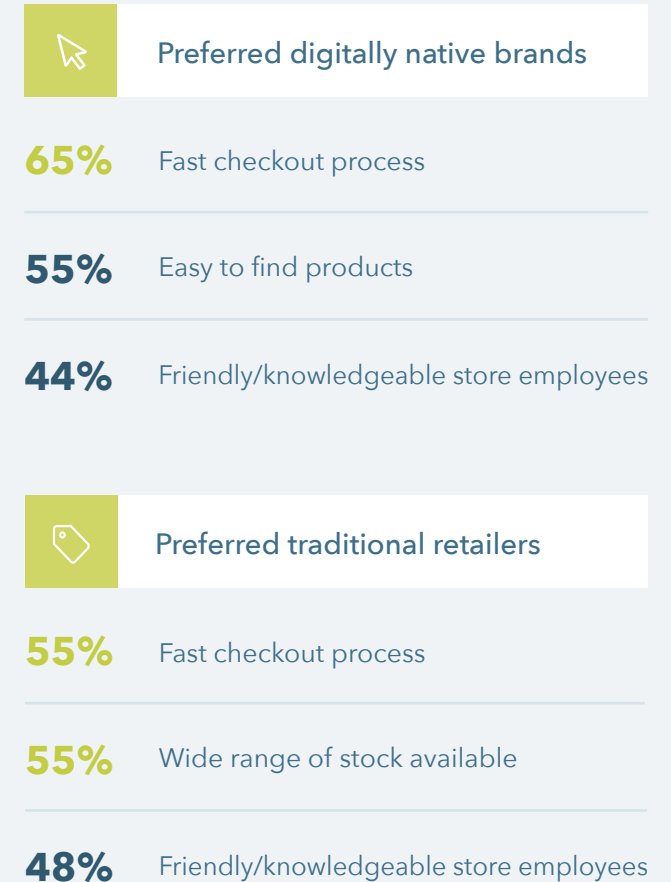


## DIGITALLY NATIVE BRANDS WIN ON IN-STORE EXPERIENCE

Among respondents who have shopped in-store with both digitally native brands and traditional retailers, 75% of respondents prefer the in-store experience of digitally native brands to that of traditional retailers. But no matter which type of store experience customers preferred, their top reasons were similar – and all convenience-related.

These results show that some traditional retailers are already matching (or exceeding) digital natives' prowess when it comes to convenience. In particular, traditional retailers can leverage their wide range of stock to make in-person shopping easier for customers. However, some traditional retailers still need to catch up.

### Top 3 reasons respondents preferred the in-store experience of digitally native brands or traditional retailers



# TRADITIONAL RETAILERS HAVE A BIG SOCIAL MEDIA OPPORTUNITY

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## PRODUCT QUALITY DRIVES SOCIAL MEDIA POSTS

Social media isn't one of the top ways customers hear about traditional retailers, though it is for digitally native brands. If traditional retailers could motivate more organic social posts, it might score them stronger marketing results.

As noted in **Section 1**, customers already like to post to social media about traditional retailers' products. And more than a quarter (26%) of customers said high quality products were one of their favorite things about shopping with traditional retailers, compared to only 19% for digitally native brands. Customers are most likely to post to social media about high quality products – creating an even bigger opportunity for traditional retailers.

"If traditional retailers could motivate more organic social posts, it might score them stronger marketing results."

### Top 3 reasons customers post to social media about brands and retailers



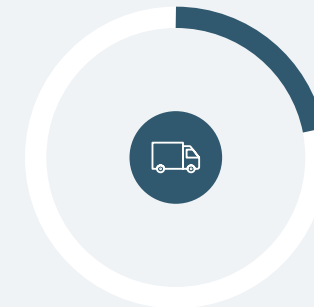
**29%**

High quality products



**20%**



Easy shopping experience



**20%**

Fast and free shipping

## Top 3 ways customers hear about the products of digitally native brands vs. traditional retailers

	Digitally native brands		Traditional retailers
<b>23%</b>	Online customer reviews	<b>22%</b>	Online customer reviews
<b>18%</b>	Social media posts from influencers	<b>18%</b>	Word of mouth
<b>15%</b>	Online advertising	<b>13%</b>	Online advertising





## DIGITALLY NATIVE BRANDS NEED TO BOOST CREDIBILITY

When customers make purchases online, they rely heavily on online customer reviews to decide whether or not a brand or retailer is trustworthy. However, for traditional retailers, seeing/trying out products in person is nearly as important. That's likely because traditional retailers' large

networks of local stores make it easier for customers to do this. In-person, brick-and-mortar experiences remain an important source of credibility – for brands that can provide those experiences.

While the opportunity to test products may not get their first customers in the door, digitally native brands should still be looking to invest in brick-and-mortar stores in the long term. They're an important channel for building credibility with customers at scale by validating the quality of their products.

### Top 3 ways customers gain confidence in digitally native brands vs. traditional retailers when purchasing online

 Digitally native brands	 Traditional retailers
<b>57%</b> Online customer reviews	<b>46%</b> Online customer reviews
<b>49%</b> Detailed product information	<b>42%</b> Seeing/trying out products in person before I ordered
<b>32%</b> Seeing/trying out products in person before I ordered	<b>41%</b> Detailed product information



# RECOMMENDATIONS FOR TRADITIONAL RETAILERS

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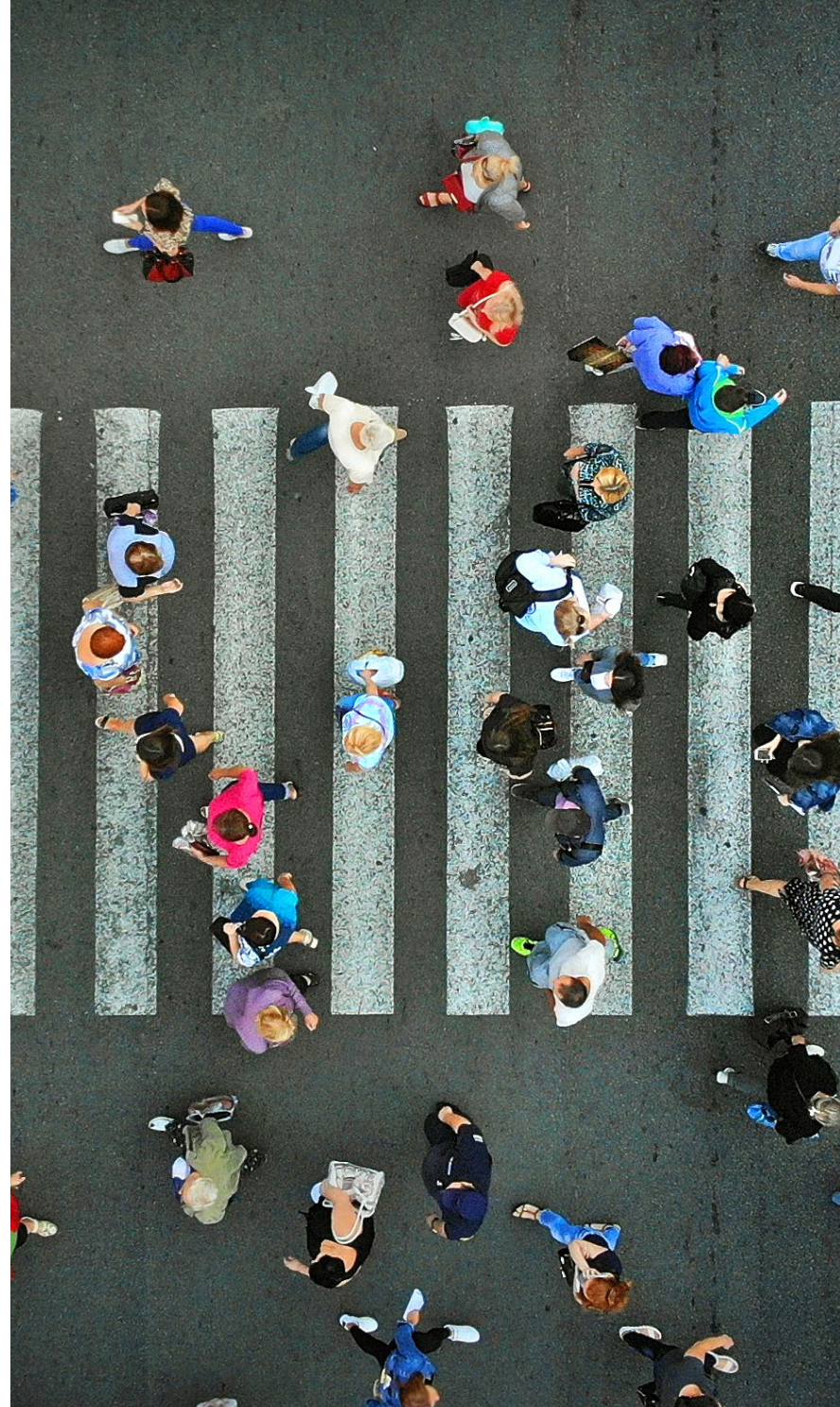


## 01

## BUILD CUSTOMER ACQUISITION CAPABILITIES

Traditional retailers may think they can simply outlast digitally native brands if they stay the course, since those brands' endgame is usually to grow fast and get acquired rather than stay independent for the long term.

However, digitally native brands are capturing market share from traditional retailers. And when they do get acquired, digitally native brands' impressive ability to acquire customers online at scale continues to influence the retail space. In this environment, continuing to spend primarily on loyalty programs won't be enough for traditional retailers to stay competitive. Traditional retailers need to acquire new customers continuously, the way digitally native brands do.







Ultimately, traditional retailers face a choice: Either invest in building their own customer acquisition capabilities or lose revenue to the next digitally native brand to come on to the scene. The first option is a stronger strategy in the long run because it builds digital capabilities that will last for the long haul.

To build their own capabilities, traditional retailers should lean into what they're already doing right. For example, since product quality drives social media posting, traditional brands have an opportunity to generate organic social buzz that increases brand awareness and reaffirms customers' positive perceptions of their product quality. If traditional retailers can drive online customer acquisition the way digitally native brands have, and combine it with their existing loyal customer bases, they will become industry powerhouses.

"Digitally native brands' impressive ability to acquire customers online at scale continues to influence the retail space."

## 02

## INVEST IN CONVENIENCE

As mentioned in [Section 2](#), convenience is not optional. Whether online or in store, customers want everything from shipping to checkout to delivery to be fast and easy. While traditional retailers have other strengths, they mostly lag behind digitally native brands on convenience. For example, when it comes to having a streamlined online shopping experience, digitally native brands beat traditional retailers by a factor of 1.6x (see [Section 3](#)).

It's worth acknowledging that traditional retailers and digitally native brands aren't playing by the same rules here. Digitally native brands have to grow fast and make it easy for new customers to transact: It's core to their business model. Traditional retailers focusing on long-term sustainability may not think they have enough budget to spend on digital improvements that enable the same level of convenience provided by digital natives, but there are definitely entry-level digital tools that can get them started.







Traditional retailers can do better. They should invest in streamlining their online and mobile shopping experiences with special attention to making shipping and returns fast and easy. Improved online experiences will drive traffic to brick-and-mortar stores, where traditional retailers can deploy unique strategies to further increase convenience (see below). By strengthening their brand across more channels, they'll also make themselves more resilient in the face of market uncertainty.

"Whether online or in store, customers want everything from shipping to checkout to delivery to be fast and easy. While traditional retailers have other strengths, they mostly lag behind digitally native brands on convenience."



## 03

## LEVERAGE LOCAL BRICK-AND-MORTAR PRESENCE

Though digitally native brands generally win on convenience, there's a lot that traditional retailers are doing right. Ultimately, digitally native brands are spending marketing budget to replicate what traditional retailers already have: a strong local presence and a loyal customer base.

Traditional retailers also earn high marks for having quality products, great customer service, strong customer relationships and a wide range of products available in stores. Customers like that it's easy to drop by brick-and-mortar shops to try out products and bring home purchases immediately. Traditional retailers can lean into these strengths by improving the experience in their brick-and-mortar stores.





**They should integrate stores more seamlessly into the online experience by:**

- Investing in real-time inventory updates so customers shopping online can see which items they can pick-up in store
- Making it easier to ship to stores or make returns from them
- Use micro-merchandising to adapt stores' stock and layouts to local demand

With these improvements, traditional retailers will integrate their online and offline experiences more tightly, boosting convenience and driving more traffic to stores. By leveraging their store networks, traditional retailers can gain a leg up on digitally native competitors, while leaning into their strengths.



# RECOMMENDATIONS FOR DIGITALLY NATIVE BRANDS

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## 01

## INCREASE GEOGRAPHIC PENETRATION

While traditional retailers lean heavily on loyalty, digitally native brands may not give it enough weight. Yes, their business models are usually based on fast growth and the constant reacquisition of new customers. But if a brand's end goal is to be acquired by a traditional retailer, that brand would do well to showcase its ability to perform on metrics traditional retailers care about, like customer retention. And if a digital brand does want to build an independent business that is sustainable over the long term, it needs tactics that will keep customers coming back without excessive acquisition costs.







Part of the solution involves simply putting themselves where the customers are. By nature, digitally native brands lack the extensive local presence of traditional retailers, which helps make them part of customers' everyday lives. Their stores and customer bases are concentrated in urban areas, with less penetration in rural areas and suburbs.

If they're not ready to open their own brick-and-mortar locations, digitally native brands can partner with traditional retailers to offer services like order pickup and returns drop off in the traditional retailer's physical store. This tactic is a win-win for both partners. (Traditional retailers, entice customers to make a purchase by offering a discount while they're at your store.) Tactics like this help digitally native brands develop local presences even when they don't have the resources to invest in their own brick-and-mortar stores.

"If a brand's end goal is to be acquired by a traditional retailer, that brand would do well to showcase its ability to perform on metrics traditional retailers care about, like customer retention."



## 02

### BUILD CONFIDENCE IN PRODUCT QUALITY

The fact that traditional retailers beat digitally native brands on product quality is a potentially big vulnerability. Online reviews are incredibly important for digitally native brands, both for driving discovery and for boosting credibility so the customer actually makes a purchase. So, digitally native brands need their products to impress or even wow customers consistently.

Some brands may need to improve the products themselves, for example, by sourcing higher quality raw materials. This will require reallocating spend away from marketing and customer reacquisition, toward production and purchasing. However, when you already have a quality product, showcasing its quality is important, too. As mentioned in [Section 6](#), being able to test and feel products before purchase is an important source of credibility.





In the long term, digitally native brands that invest in their own brick-and-mortar locations or set up pop-up shops in traditional retailers' stores as described above will gain an edge over their competitors on this important metric. Another benefit of investing in product quality: It drives organic social posts, which in turn drive brand awareness for digitally native brands that are more likely to be discovered on social media. While marketing may fuel short-term growth, product quality is an investment in digitally native brands' long-term future.

"Online reviews are incredibly important for digitally native brands, both for driving discovery and for boosting credibility so the customer actually makes a purchase."

## 03

## UPLEVEL PERSONALIZATION TO DIFFERENTIATE YOUR BRAND

It's not easy to master the baseline elements of personalization, such as offering discounts based on the products a customer is browsing in the moment. But these features are already table stakes. Digitally native brands need to master them now so they can build on that foundation to differentiate themselves with more sophisticated, up-leveled personalization.

Digitally native brands should invest in technology that can deliver personalized product recommendations and other tailored online experiences that surprise and delight customers. This will become especially important as traditional retailers catch up with digitally native brands on convenience factors, reducing or eliminating that particular competitive advantage.







When the time is right to expand their brick-and-mortar presences, digitally native brands should develop ways to translate sophisticated personalization to the in-store experience as well – for example, by leveraging their mobile apps to offer targeted offers and content while a customer is in-store. If digitally native brands up-level their personalization in a way that is unique to their business needs and their customers in particular, they will continue to drive revenue growth and increase their market share.

“Digitally native brands need to master basic personalization now so they can build on that foundation to differentiate themselves with more sophisticated, up-leveled personalization.”

## CONCLUSION

For customers, the line between online shopping and in-store experience is blurring. Great online experiences drive curious shoppers to brick-and-mortar stores, at the same time as the opportunity to touch and test out products in-store builds credibility and drives online purchases. In both environments, convenience rules the day – whether in the form of fast shipping and seamless returns or easy checkout and easy-to-find stock.

For traditional retailers that want to thrive in this new reality, the time to invest in improved online/mobile experiences is now. They should aim to make shopping online as easy as shopping in-store – and ensure in-store integrates with the online experience, too. By leveraging their local presences and robust brand recognition, they will not only retain existing customers, but continuously acquire new ones.

They'll also insulate themselves against uncertainty that affects their brick-and-mortar investments.

Whether their endgame is acquisition or remaining independent, growing businesses, in the long term digitally native brands need to expand their physical footprints to become a bigger part of their customers' day-to-day lives. They should deliver memorable online experiences by investing in personalization that surprises and delights customers, keeping them ahead of the game.

If both traditional retailers and digitally native brands adapt to the changing landscape in this way, they can look forward to a prosperous future coexistence – and customers can look forward to a retail sector that serves their needs even better.

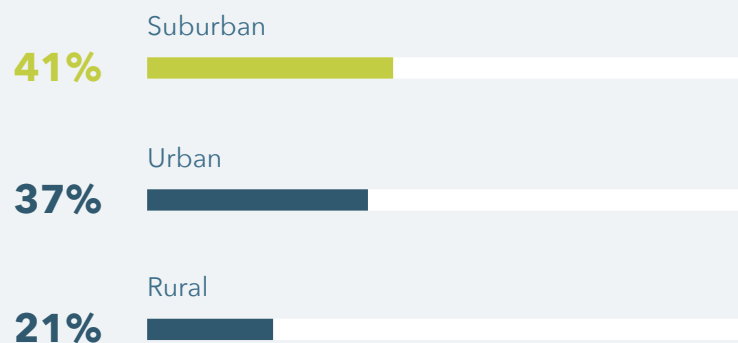


# METHODOLOGY

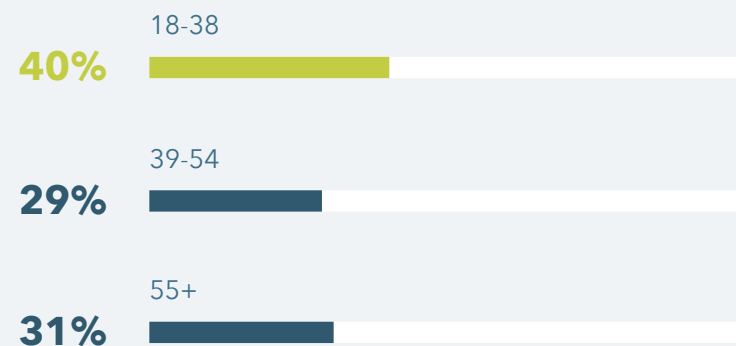
This is a survey of 1,250 U.S. online shoppers conducted in February 2020.



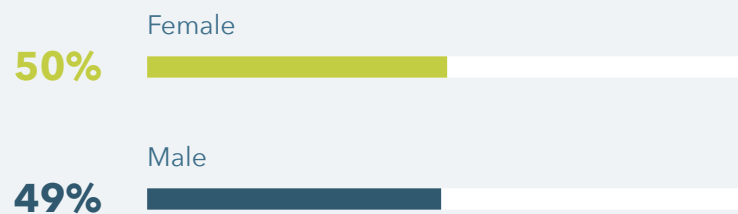
## Community type



## Age



## Gender





Avionos designs and implements digital commerce and marketing solutions that deliver measurable business outcomes for clients like Kellogg's, Sysco, JLL and CSA Group. Our iterative approach quickly unlocks new revenue, transforms customer experiences and drives customer engagement. We're ranked on the **2019 Inc. 5000 Fastest Growing Companies** list, **2020 Inc. 5000 Fastest Growing Companies in the Midwest** list, **Crain's 2018, 2019, and 2020 Best Places to Work in Chicago** lists, included on **Comparably's 2018 Best Company Culture** list and certified as a **Great Place to Work**.

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