



Omnichannel Commerce Report

Perhaps the top lesson for business owners since the beginning of the COVID-19 pandemic is that omnichannel operations are now mandatory. Not only does this mean selling on multiple channels, it also means connecting with customers in more diverse and efficient ways.

A well-designed omnichannel strategy will create a great customer experience by ensuring merchants can meet customers wherever they are, whenever they are ready, across any channel and device, ultimately driving more business.

This report explores some of the ways that businesses are building these seamless touchpoints to turn buyers from 'simply looking around' into loyal, repeat customers.

Connected Commerce

In 2020, businesses began setting up online stores en masse in order to continue operating. In addition to maintaining their online presence, businesses are also understanding the value of using a number of other tools to stay top of mind for their customers, leading to increased buyer engagement.

Loyalty

- Customers who enroll in a Square Loyalty rewards program are twice as likely to be repeat customers and spend 37% more.
- Nearly 50% of sent loyalty messages resulted in points being redeemed, while 15% of loyalty points were redeemed within one week of a message being sent.
- 35% of a merchant's customers who made a transaction in January were enrolled or did enroll in their loyalty program, and that number increased to 39% in August.
- Interactions such as loyalty program enrollments, earning points, and redeeming points, primarily happen in-person, especially following the rollback of social distancing requirements as more consumers return to physical stores.

Mobile Shopping

- Consumers are increasingly turning to social media to shop. In order, Facebook, Instagram, and Google were the top three sites consumers used by shopping through Square Online Checkout. Whereas in July and August, Linktree made its way into the top three.
- More than 75% of Square Online Checkout links are accessed through Facebook, making it by far the most popular channel.
- Instagram minisites, where businesses turn Instagram feeds into a shopping site, have also gained popularity among social-selling avenues. Square has seen a 29% increase in weekly active sellers using this channel.

Marketing

- In January, almost 50% of coupons and discounts sent through Square Marketing were redeemed within one week, while that increased to 78% by August.
- Marketing members that open a coupon spend almost 60% more than those not enrolled in the marketing program.
- Online redemptions have increased by 40% and in-person redemptions have increased by 37%, showcasing the need to give consumers options in where they redeem.
- On average, 34% of a merchant's customers who made a transaction were enrolled in their marketing program.

Fulfillment Method

- When looking at e-commerce fulfillment methods, consumers' preferences remained consistent, with nearly 60% using shipping to receive their goods, followed by pickup, and lastly delivery.

Kamala Allison, President and CEO of Fybr Bamboo in Santa Cruz, CA was inspired to open a store that offered stylish, eco-friendly clothing. After opening in 2018, Kamala has leaned into tools like Square Marketing and Square Loyalty to build repeat customers.



“I noticed an immediate difference when we started using Square Marketing, especially when we were able to send SMS messages to our loyalty members about unused rewards. We’ll have customers come in that day and shop. It’s now simple to share information on new arrivals, business updates, sales, or to send a coupon. I love having technology that works for me right inside my POS system.”

In-person and online shopping

Below are the top 10 metropolitan areas with the highest share of transactions happening online and in-person.



Top 10 metros with highest share of transactions **online**

1. Durham-Chapel Hill, NC
2. Charlotte-Concord-Gastonia, NC-SC
3. Richmond, VA
4. Ann Arbor, MI
5. Charlottesville, VA
6. St. Louis, MO-IL
7. Burlington-South Burlington, VT
8. San Jose-Sunnyvale-Santa Clara, CA
9. San Francisco-Oakland-Berkeley, CA
10. Manchester-Nashua, NH



Top 10 metros with highest share of transactions **in-person**

1. Rapid City, SD
2. Prescott Valley-Prescott, AZ
3. Kalispell, MT
4. Spokane-Spokane Valley, WA
5. Salinas, CA
6. Bend, OR
7. Fargo, ND-MN
8. Ogden-Clearfield, UT
9. Salisbury, MD-DE
10. Coeur d’Alene, ID

“Today, we simultaneously live online and offline and there’s no longer a separation between the two,” says Saumil Mehta, General Manager of Customers, Square. “We believe that any omnichannel strategy needs to be rooted in the customer experience and meet buyer expectations of digital, frictionless interactions. This will further enable merchants to stay connected to their customers, establish new and existing relationships, all while building their brand.”

Methodology:

All data ranges from January 2021 to August 2021 within the US.

Square Marketing and Square Loyalty: While data is up-to-date, we note that loyalty points and marketing campaigns continue to be redeemed, causing fluctuations in numbers for recent months.

City data: Data analyzes the share of transactions that are online or in-person among Square sellers that were active pre-pandemic and were accepting both cash and card at least up to the start of the pandemic.

