



SPS COMMERCE

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75 Percent of Retailers Rank E-Commerce Sales as a Top Priority, Displacing Stores for First Time

Survey Confirms More Than Half of Retailers Made Significant Progress in Executing Their Omnichannel Strategies in 2015; Investments in E-Commerce and Supply Chain to Dominate in 2016

MINNEAPOLIS, Jan. 18, 2016 (GLOBE NEWSWIRE) -- [SPS Commerce](#), Inc. (Nasdaq:SPSC), a leader in retail cloud services, today unveiled the fourth annual [Retail Insight industry benchmark report](#). The benchmark survey noted the optimism and challenges facing today's retailers, distributors, suppliers and logistics firms as they tackle growing customer expectations. Two key trends emerged from this year's report: e-commerce and stores have switched places as the top growth driver, and suppliers are not keeping up with the omnichannel retail demands of the digital consumer and their retail customers.

"This year's benchmark survey confirms that retailers are accelerating their digital retail transformation, and see this as a source of competitive advantage," said Peter Zaballos, vice president of marketing and product at SPS Commerce. "For the first time in four years, we see retailers pursuing suppliers that can provide critical omnichannel capabilities of rapid fulfillment, rich item and inventory information and drop-ship capabilities to fuel their growth plans. Executive mandates for digital retail transformation are guiding 52 percent of retailers to expedite their initiatives. We expect 2016 to be a year of rapid change and innovation."

The *Retail Insight* benchmark study of members of the SPS Retail Network revealed the following:

- 1 Retailers rank growing e-commerce sales as their top priority (75 percent) followed by improving the in-store experience (53 percent).
- 1 Distributors (80 percent) and logistics providers (41 percent) are focused on rapid fulfillment above all else.
- 1 Suppliers (80 percent) place streamlined fulfillment as their top priority, yet 45 percent lag in omnichannel strategy and execution with only 18 percent claiming even moderate success.
- 1 Retailers cite more or improved item attributes as their top desire from vendors in 2016 (69 percent), while distributors need vendors to provide visibility to available inventory (75 percent).
- 1 Legacy systems (59 percent) and cultures adverse to change (38 percent) are key inhibitors to retailers' omnichannel progress.
- 1 Retailers rate their visibility to available inventory from supplier warehouses as critically low (21 percent) and in-store visibility at insufficient levels (75 percent) to meet consumer demand.

"For the last three years, the survey has shown omnichannel retail evolving from a quest for consistent customer facing experience to a scramble for faster fulfillment," said Nikki Baird, managing partner at Retail Systems Research (RSR).

"Retailers need to have the ability to take an order no matter where demand is generated, or where the inventory to meet that demand is located, and get it to the customer as quickly as possible. Over the past year, we saw the ecosystem take a deep breath as it absorbed the depth of change required to achieve these omnichannel goals."

The complimentary [Retail Insight: Fulfilling Consumer Demand](#) report and infographic are available from SPS Commerce. Hear more highlights from the report presented by RSR and SPS at the upcoming [webinar](#) on Feb. 25, 2016, at 3 p.m. EST.

About the Fourth Annual SPS Retail Benchmark Survey

The *Retail Insights: Consumer Expectations Transform the Industry* report quantifies the state of the retail industry, identifies investment priorities for 2016, and outlines the execution of omnichannel strategies to reach today's consumer. The survey and market analysis is developed in partnership with Retail Systems Research (RSR), who surveyed hundreds of retail practitioners in September 2015.

About SPS Commerce

SPS Commerce perfects the power of trading partner relationships with the industry's most broadly adopted, retail cloud services platform. As a leader in cloud-based supply chain management solutions, we provide proven integrations and comprehensive retail performance analytics to thousands of customers worldwide. SPS Commerce has achieved 59 consecutive quarters of revenue growth and is headquartered in Minneapolis. For additional information, please contact SPS Commerce at 866-245-8100 or visit www.spscommerce.com.

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