



SPS COMMERCE

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Only 5 Percent of Retail Industry Has Fully Executed an Omnichannel Strategy

Survey Reflects Enormity of Change Required and Need for Fundamentally New Technology, Data Integration to Meet Consumer Expectations

MINNEAPOLIS, Oct. 15, 2014 (GLOBE NEWSWIRE) -- [SPS Commerce](#), Inc. (Nasdaq:SPSC), a leader in enterprise retail cloud services, today unveiled the third annual [Retail Insight industry benchmark report](#). Across the board, the research findings confirm the cross-functional challenges retailers, suppliers and logistics firms face as they build omnichannel capabilities into their operations. The report also underscores the critical role fulfillment excellence plays in meeting consumer expectations for rapid delivery and flexible returns.

"This survey clearly lays out the fundamental reshaping of the business processes and technology required in today's retail environment," said Peter Zaballos, vice president of marketing and product at SPS Commerce. "The report underscores the complex challenge of developing omnichannel retail success, while also affirming the future direction of the retail industry."

The *Retail Insight* benchmark study revealed the following about the retail industry:

- Few companies (5 percent) believe they are "advanced" when it comes to omnichannel capabilities, and between 35 and 40 percent believe they're lagging.
- Both retailers and suppliers feel significant pressure from rising consumer expectations, with 75 percent of retailers experiencing increased demand for more rapid fulfillment and 44 percent of suppliers reporting greater demand for more robust item information.
- Very few companies (11 percent) are ready for cross-channel fulfillment, but retailers are more likely (18 percent) to report mobile commerce readiness.
- More than half (52 percent) of retailers and suppliers are too distracted to prioritize and focus on their omnichannel strategies.
- Forty-three percent of retailers report their legacy systems hold them back from omnichannel progress.
- Fully a quarter of retailers have made the transition to store-based fulfillment of online orders but expect this to decline over the next three years to balance shipping costs.

"Omnichannel is about profitably building the next generation of consumer experience, and execution is apparently harder than the ecosystem expected it to be," said Paula Rosenblum, managing partner at Retail Systems Research (RSR). "Retailers, suppliers and logistics providers need to move quickly to satisfy a consumer who has a seemingly endless array of choices and not a lot of patience. While everyone is heads-down, particularly in figuring out the supply chain side of the omnichannel equation, no one should lose sight of the consumer."

The complimentary [Retail Insight: Fulfilling Consumer Demand](#) report is available for download from SPS Commerce.

About the Third Annual SPS Retail Benchmark Survey

The *Retail Insight: Fulfilling Consumer Demand* report quantifies the state of the retail industry, identifies investment priorities for 2015, and outlines the execution of omnichannel strategies to reach today's social and mobile consumer. The survey and market analysis is developed in partnership with Retail Systems Research (RSR), who surveyed hundreds of retail practitioners in August 2014.

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 prewired, proven integrations and comprehensive retail performance analytics to thousands of customers worldwide. With a singular focus on the retail marketplace, we revolutionized traditional EDI systems by developing a platform that enables highly cost-effective and reliable trading partner collaboration. SPS Commerce has achieved 54 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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