Mobility Reinvents Retail
Harnessing the power of mobile in a disruptive retail market
January 2017
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1. Consumers in the driver’s seat
The Customer takes control - retailers become inspirational curators

Customers are looking to retailers to provide visibility and control over the shopping process.

<table>
<thead>
<tr>
<th>DIGITALLY-EMPOWERED CONSUMERS</th>
<th>CONNECTED RETAILERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well-informed and always online</td>
<td>Provide transparency on merchandise</td>
</tr>
<tr>
<td>Non-linear shopping journeys</td>
<td>Connect with shoppers across all channels</td>
</tr>
<tr>
<td>Infinite choice</td>
<td>Curate a relevant, engaging shopping experience</td>
</tr>
<tr>
<td>Time-challenged</td>
<td>Make shopping easy and convenient</td>
</tr>
<tr>
<td>Short attention spans</td>
<td>Meet demand immediately</td>
</tr>
<tr>
<td>Seeking best price, quality and service</td>
<td>Personalise offers based on data analytics</td>
</tr>
</tbody>
</table>

Shoppers at Darty outlets in France scan tags using their phone to access more information about a product.

Target’s Cartwheel app leverages in-store beacons to communicate recommendations and deals to shoppers.
Mobile drives customer expectations

Top three mobile shopping applications:

1. Price comparison
2. Store finder
3. Product information

Source, Planet Retail Shopology™, Base size: n=63,500, 4,500 per market, YTD 2016

Nearly HALF of Walmart.com orders have been placed on a mobile device.

Over 70% of orders put through Walmart.com during Black Friday 2015 were via a mobile device.

Nordstrom delivers an instantaneous path-to-purchase by connecting customers with a personal shopper via mobile.

Lowe’s Vision app using Google Tango allows shoppers to tackle home projects with their mobiles.

90% Proportion of sales completed instore, where over half are influenced by digital

REINVENTING RETAIL

CONSUMERS IN THE DRIVER’S SEAT
Retailers should focus on three strategic areas:

- **Empower sales assistants to speed and improve customer service**
- **Connect online with offline** by digitally expanding availability, range and choice and reserve or click & collect services.
- **Cloud, mobility and location-based/proximity deployments; Loyalty and promotions; and, payments are key areas of practical focus.**

Source: Planet Retail sponsored retailer survey
2. Reinventing the store
The store continues to play a vital role during shopping journeys, but needs a revamp

- **Personalising** every touch point and **contextualising experiences** is essential.

- **Mobile** is a key tool throughout the **path-to-purchase** and for better understanding the shopper.

- **Fulfilment** is an important differentiator.

<table>
<thead>
<tr>
<th>Top three reasons for losing customers in-store</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Inventory stock-outs</td>
</tr>
<tr>
<td>2. Limited store associates’ knowledge</td>
</tr>
<tr>
<td>3. Lack of customer preference &amp; purchase awareness</td>
</tr>
</tbody>
</table>

Source, Planet Retail Shopology™, Base size: n=63,500, 4,500 per market, Q3 2016
Harnessing digital engagement

Consumers expect **well informed and empowered store associates**.

- Provide **real-time access** to customer information as well as product and inventory data;
- **Improve conversion rates** – provide more info on product specifications;
- **Enable personalised offers and services** – assess customer preferences and purchase history;
- **“Save the sale”** – order out-of-stock items from endless aisle applications;
- **Cash or cashless payments** – bagging and de-tagging processes; click & collect.

56% want retailers that offers good customer service, including knowledgeable staff and engaging personnel

Source, Planet Retail Shopology™ Q. What encourages you to choose a retailer? Base size: n=63,500, 4,500 per market, Q3 2016
Meeting demands, exceeding expectations

- Use a ‘mobile-first’ approach to enable consistent, end-to-end customer experiences that span their physical and digital channels.
- Harness the power of mobile to smooth and enhance the connected shoppers’ cross-channel experiences.
- Build a unified view of the customer across channels and digital touch points to further personalise experiences.

**TOP 3 REASONS FOR USING CLICK & COLLECT**

1. To avoid home delivery charges
2. It was more convenient than home delivery
3. I was more confident that I would receive my items

Albert Heijn offers its customers mobile-enhanced click & collect services for Bol.com

The AI-driven ‘Macy’s on Call’ mobile assistant can provide information related to a store’s product assortment, services and facilities.

Source: Statista 2016
3. Moving beyond silos
Connecting up customer and operational touch points

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39% of shoppers want a compelling store environment with lots of tech (linked to online, etc.)

Top 5 technologies to drive instore engagement

1. Secure customer Wi-Fi
2. Stock look-up and/or endless aisles
3. Mobile app integration
4. Mobile point of sale
5. Self-service scanning

For Macy’s, item-level RFID tagging is bolstering its omni-channel strategy, ensuring demand can be fulfilled irrespective of the channel.

The Schwarz Group banners Lidl and Kaufland are using SAP’s HANA in-memory database technology to evaluate merchandising performance from key data in real time.

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### Boosting efficiency behind the scenes

#### TOP 5 TECHNOLOGIES TO IMPROVE SUPPLY CHAIN/LOGISTICS EFFICIENCY

1. Warehouse management
2. Warehouse automation
3. Labour management
4. Distributed order management
5. Fleet and transport management
Amazon is at the bleeding edge of retailing

To catch up, retailers must increasingly invest in innovative technologies

- Warehouse automation
- Conversational Commerce
- Automated home replenishment
- Cutting-edge logistics – not only drones
- Seamless shopping experience and checkout-less stores
4. Recommendations
Harness the benefits of connected retail IT systems

Connect, monitor and integrate data from every touch point.

The Connected Retailer checklist:

- Single source of truth for sales, inventory and customer data
- Mobile-enabled access to relevant, timely business information
- Advanced analytics to support optimised operational efficiency
- Data-driven insight to fine tune supply to customer demand
- Support for ‘next-best action’ automation and decision-making
## Use digital shopping convergence to create connected customer touch points

<table>
<thead>
<tr>
<th>Technology</th>
<th>Value to consumers</th>
<th>Value to retailers</th>
<th>Maturity of technology</th>
<th>Ease of implementation</th>
<th>Cost effectiveness</th>
<th>Retail sectors/Formats</th>
<th>Urgency (out of 5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Assist (product lookup)</td>
<td>★★★★</td>
<td>★★★★</td>
<td>★★★★</td>
<td>★★★★</td>
<td>★★★★</td>
<td>Department stores, fashion, electronics</td>
<td>1</td>
</tr>
<tr>
<td>Clienteling (save the sale)</td>
<td>★★★★</td>
<td>★★★★</td>
<td>★★★★</td>
<td>★★★★</td>
<td>★★</td>
<td>Department stores, fashion, electronics</td>
<td>1</td>
</tr>
<tr>
<td>Mobile POS</td>
<td>★★★★</td>
<td>★★★★</td>
<td>★★★★</td>
<td>★★</td>
<td>★★★★</td>
<td>Big box, dept. stores, fashion, QSR, electronics</td>
<td>2</td>
</tr>
<tr>
<td>Mobile Payments</td>
<td>★★★★</td>
<td>★★</td>
<td>★★</td>
<td>★★★★</td>
<td>★★★★</td>
<td>All</td>
<td>3</td>
</tr>
<tr>
<td>Location-based Services</td>
<td>★★★★</td>
<td>★★</td>
<td>★★</td>
<td>★★★★</td>
<td>★</td>
<td>All</td>
<td>3</td>
</tr>
<tr>
<td>Wish Lists</td>
<td>★★★★</td>
<td>★★</td>
<td>★★★★</td>
<td>★★</td>
<td>★</td>
<td>Big box, dept. stores, fashion, QSR, electronics</td>
<td>4</td>
</tr>
<tr>
<td>Gift and Wish Lists</td>
<td>★★</td>
<td>★</td>
<td>★★★★</td>
<td>★★★★</td>
<td>★★★★</td>
<td>Dept. stores, fashion</td>
<td>5</td>
</tr>
</tbody>
</table>

### Ratings
- **High**: ★★★★
- **Medium**: ★★★
- **Low**: ★★

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### REINVENTING RETAIL

### RECOMMENDATIONS
Planet Retail’s Top Five enabling technologies for connected retailing in 2017:

**Mobile development**
- 6–12 months

**Big Data & Predictive Analytics**
- 12–18 months

**Machine Learning & AI**
- 18–24 months

**Internet of Things**
- 24 months–2 years

**Robotics**
- 3 years

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### Apps

**Loyalty**
*Cost $*

**Mobile POS**

**Self-scanning**

**Promotions**

**Geo-location**

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**Price**

**Range**

**Availability**

**Promotions**

**Innovation**

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**Footfall**

**Shrinkage**

**Fulfilment**

**Promotions**

**Traceability**

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**Virtual assistants**

**Self-healing systems**

**Personalisation**

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**Service**

**Inventory**

**Replenishment**

**Fulfilment**

**Warehousing**

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Questions?