



# Digital transformation in Retail-I

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*Customer experience, omnichannel retailing, inventory management and supply chain management, are few aspects in retail where you can leverage technology to increase productivity and profits. In this whitepaper, we are looking at how digital transformation can impact and improve the front-end services in retail.*

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# INDEX

<b>Introduction .....</b>	<b>1</b>
<b>Towards Creating the Best In-store Experience .....</b>	<b>2</b>
<ul style="list-style-type: none"><li>• Relationship Building Using Latest Technology</li><li>• Behavioral Analytics, Machine Learning and Connected Mobile Experience</li><li>• Reshaping customer experience with IoT</li><li>• Grievance resolution Management</li><li>• Enquiry support</li></ul>	
<b>Social media presence – a Valuable Marketing Tool .....</b>	<b>5</b>
<b>How to have a superior Ecommerce Experience .....</b>	<b>6</b>
<b>Case Studies .....</b>	<b>8</b>
<b>Safety Shield .....</b>	<b>9</b>
<b>Conclusion .....</b>	<b>10</b>



# Introduction

If you have ambitious plans to spread your business and increase your revenues, then brick and mortar model alone will definitely not work in today's times. More than serving as just sales channels, stores will have to transform as experience centers.

Business dynamics in all the sectors are witnessing change, and retail sector is not untouched with this new wave. Macro-economic trends like the rise of value shoppers, upswing of the smart-phone era and technological innovations are the main reasons leading to this transformation. How to effectively use digital technologies to improve business is a skill that companies will have to focus on to thrive in today's business.

To do retail business is much more challenging today, as the market is competitive and customers are demanding than ever before. A market research company - econsultancy, conducted a study in 2015, which revealed more than £150bn of retail sales are now influenced by digital. Additionally, retailers whose services that don't meet customers' expectations could lose more than £12bn a year. Having a series of digital touch points along the entire way could possibly help to meet customer's needs.

# Towards creating the best in-store experience

Retail market today is in the midst of great changes. In the Digital Age, the focus should be to deliver spellbinding customer experience, to stand out among your competitors, to encourage loyalty amongst customers and for positive referrals.

## Relationship building using latest technology

Be it nurturing present customers or roping in new customers, both are equally important for relationship building. Based on metrics gathered from CRM systems, data centers, loyalty program data, and social media, retailers can send personalized ads and special offers to the shopper's device.

*Here are some latest technologies to analyze customer preferences:*

## Behavioral analytics, machine learning and CMX

Multi-brand outlets and hypermarkets are convenient formats, where everything is available under one roof. What if these stores can glee their customers with a welcome message, guide the shopper navigate easily in-store or send targeted offers based on the browsing patterns of inventory and previous shopping behavior?

Though NFC (Near Field Communication) was introduced to support contactless transactions, there are few limitations to using this technology. It doesn't work with iPhones, and it probably takes more time scanning the barcodes using the app on phone for each item than checkout at the till. Thus, it is not a time-saving process for the customers as it was meant to be.

Wifi-enabled analytics software allows retailers to note the browsing behavior of customers and detect customer location in-store. The data is passed on to Connected Mobile Experience (CMX) platform, which then sends context-aware targeted promotions, guide on new products to the shopper's device or to the nearest in-aisle digital display.



*For instance in Burberry clothing, the RFID tags activate in the changing room mirrors when customers try a garment. The mirrors show a video about the making of the piece and its time on the catwalk. Customers can experience the same on their Android phones equipped with NFC reader.*

Offering extra functionality, iBeacons are taking off well.

*For example, Department store brands such as Lord & Taylor and Hudson's Bay are already using Apple's **iBeacon** technology and a mobile marketing platform called Swirl to deliver personalized promotions to customers who download the brand's app. Zara too tracks in-store customer behavior through iBeacons to improve the retail experience.*

With advancement in technology, retailers will be able to detect their customers' phone and via mobile apps interact with them through voice or video. Engaging customers with mobile experience using connect analytics is going to be a popular phenomenon among retailers. Here are some instances where retailers have embraced latest in technology to delight their customers.

- *Office Depot optimizes its SEO for location-based product searches on mobile.*
- *Sayduck furniture store uses virtual reality to allow customers to imagine how products will look in their homes.*
- *Topshop allows you to customize and print your clothes instantly in their stores. John Lewis stores allows you to see how you look in each of their costume without changing into them.*

## Reshaping customer experience with IoT and Cloud Technology

Cloud-based solutions allow retailers to actually have access to the data generated by the connected objects. It is critical for every retail company today, to select a database that can store complex data, enable rich query and analytics capabilities. Mongo DB technology is gaining popularity among retailers as they are able to achieve 67% drop in storage requirements and 50% decrease in engineering cost. We can even build apps using Mongo DB and scale it to millions of users.

### ***Benefits of IoT in store***

- *Beacons collect information on frequent store visitors, purchase histories and personal preferences of customers*
- *City or region specific digital signage can be used to push content to stores in real time*
- *Customers can scan an item and call for assistance to check inventory availability via their mobile device or wearable or read reviews on the product on social media*
- *Checkout by automatic scanning of products without a counter-staff*
- *Displays product information like other colors or sizes on the retailer's e-commerce site, when the barcode on a garment or other product is scanned*
- *Smart mirrors that allow customers to virtually try out different clothing*
- *Smart shopping carts can help customers navigate the aisles of a store based on their digital shopping lists.*

### ***Grievance Management***

If you are a retail chain, with physical stores or e-commerce presence, a cohesive IT platform should be in place and centrally managed. This will help to provide real-time visibility to maintain store services like security, wi-fi networking, mobility, video on-demand, video surveillance and loss prevention, and cloud connectivity across multiple locations. In case of any complaints or negative feedback they can be resolved at region-level either by making calls, e-mails or by personally visiting the customers. Vehicle Tracking System (VTS) can help track goods sent for home delivery or maintenance.

### ***Enquiry support***

A well-informed customer service associate with product knowledge, price, and latest offers is an asset to any retail store. If customer associates are equipped with customer information and insights, assisted selling and advisory tools, then many of the service issues can be resolved at their end, helping in relationship building process with your customers.

*An interesting case in point is that of F&F Clothing. Emily Shamma, Director for Clothing Online, F&F Clothing says they turn disappointed customers into a sale by helping them find out something online, what they were not able to find in-store. Customers can visit their specialized kiosk called an "online order point, or connect to the F&F wi-fi portal on their own personal devices by scanning barcodes and look for an alternate color or size online. This creates synergy between the digital and physical stores.*

# Social media presence – a Valuable Marketing Tool

People are more than five times as likely to buy based on a recommendation from a social peer than they are when they've merely been exposed to traditional forms of marketing, according to research from consumer giant Sony. Having a satisfied customer base who can refer a brand to their friends is worth more than any ad campaign. Moreover, the new generation customers use social media to research their potential purchases, so it better be positive!

Companies have to promote their products through digital media to be on top of the mind of today's customers. Therefore, building a social media strategy has become a mandate for all enterprises. Social sharing of content offers immense scope for customer engagement and brand building, creates brand awareness and brands gain valuable customer insights.

*Way back in late 90's Nike realized the importance of social media to promote its brand and had joined running communities online. Clothing retailers dominate the social media ranking. In a survey conducted, Nordstrom had the highest eValue score on Facebook as well as the highest fan engagement, while Macy's took the top spot on Twitter for its eValue and Responsiveness scores.*

**Seventy-six percent of retailers** are spending more on social media marketing this year than they did a year ago, according to Forrester Research Inc.'s report "The State of Retailing Online 2016: Marketing and Merchandising."

Having a quick, consistent shopping experience across every point of contact is vital. New-age CRM solutions provide not just information but also insights and 360-degree view of customer transactions, interactions and social engagements.

# How to have a superior E-commerce Experience

According to forecasts from Goldman Sachs, by 2018 the mobile commerce market is expected to reach at **\$630 billion** in sales.

In today's multi-channel marketplace, consumers are flooded with more options of what to buy and where to buy. By building on a foundation of differentiation and innovation, retailers and brands are positioned to truly capture the hearts and minds of today's shoppers. **67 percent** of consumers are more likely to purchase from a mobile-friendly website than from a non-mobile-friendly website, according to a research conducted by Google.

By 2020, 70% of the world will be online on mobile devices. Digital's growing impact requires companies to take a different approach to retail, regardless of channel or platform. E-commerce sites need to evolve into better sites constantly. Consumers these days are impatient, and the technology driving these sites, should be able to give the modern shopper a whole new shopping experience to keep their interest alive.

*An instance where this is practically applied is that of Glimpse's e-commerce store. Based on social media profile of the visitor, the interface of this site changes dynamically.*

Mobile, collaboration, and automation technologies allow retailers and brands to scale new services such as always-on assistance, intelligent transactions, and on-demand delivery to make the purchase path as seamless as possible. For customers to experience optimal viewing, reading and navigation on any device, mobile-first approach is a must. A set of design techniques involving flexible grids, layouts, images and use of CSS that automatically adapt to a user based on device, screen size, orientation and operating system, a mobile-first responsive web design can be created. With each interaction, advanced analytics solutions gather data on insights into shopper behavior, preferences, and store operations.

The future of e-commerce literally lies in the hands of the consumers as most of them are using hand-held devices like mobiles and tablets to complete their online shopping. So, a mobile ready responsive global website is an indispensable requirement.



The intuitive platform and responsive design of **EPiserver 7 CMS** lets you build simpler and effective content across multiple devices, for a seamless and enjoyable web experience for its customers.

If your website experiences high amount of traffic, data scalability is a must! **Mongo DB** supports efficient storage mechanism and powerful processing, taking your business to newer heights.

Small and mid-size e-commerce companies as well as global brands like Samsung, Fort, Fox Connect, Lenovo, Nestle Nespresso and Nike to name a few, vouch for Magento as their e-commerce platform. Better user experience, decent loading speed, smooth navigation, innovative site search technology, push notifications, PayPal features, all put together makes **Magento 2** the most preferred e-commerce development software in the world.

Retailers can incentivize micro moments through mobile apps. For example, Starbucks in collaboration with their delivery partner Postmate, delivers coffee to their US customers when ordered using their app.



# Case Study

*We implemented an e-commerce website, powered by Magento, for a US-based magnetic toy manufacturer, Magformers. To make it easy for their online customers (retailers who make bulk purchases/ retail customers) they wanted an affordable and resilient e-commerce solution, which can facilitate integration with their backend fulfilment system.*

*We integrated the e-commerce backend with the client's email marketing system called Emma, and assimilated logistics system to facilitate automation so as to track purchases and dispatch details. Another service we provided them was a responsive theme integration and optimization for mobile.*

*With the desire to expand its domestic business, a leading seafood supplier and exporter approached Suyati for creating omnichannel solution for its evolving business.*

*Suyati successfully put together a feature-rich B2C website and mobile app with user-based features for both Android and iOS platforms. We developed end-to-end e-commerce solutions using Magento technology. The website was tuned to work in real time without any lag, and an easily manageable interface in the backend.*

## ***Which category of shoppers are attracted more towards digital shopping?***

- In electronics, digital influences 62 cents of every dollar spent in the retail store compared to 31 cents in the food and beverage category.
- Retailers should devise fine in-store experience as the study says, thirty-four percent of shoppers are using digital while in the store.
- Social media users are four times more likely to do online shopping.

60% of retailers say their existing technology infrastructure prevents them from moving forward. – Retail Systems Research, Dec. 2015



# Safety shield

Even though in the U.S., retailers have to be PCI compliant, retail stores are among the most vulnerable targets for hackers in the world today. Cloud-based applications and services help retailers to scale IT infrastructure rapidly, but without proper controls it is another potential avenue for hackers. **45%** of consumers deliberately avoid retailers who have been breached, therefore retailers have to be cautious about protecting data, both of customers as well as of stores to safeguard the reputation of the brand.



# Conclusion

Retailers can personalize customer experience by coming up with an out of the box innovative idea or by having a differentiating feature. Blending the digital and physical experience will be the way forward.

Suyati helps companies identify the gaps between where they are and where they need to be. We suggest the best digital solution for your enterprise, customize technological features if required, and help your retail business reach new heights.

*As a sequel to this whitepaper another one will follow featuring the impact of technology on inventory and supply chain.*

**Please share your feedback with us:** [services@suyati.com](mailto:services@suyati.com)

**To learn more visit:** [www.suyati.com](http://www.suyati.com)

# About Us

Suyati is a fast-growing, digital transformation solutions company that helps you rebuild your customer experience for the digital consumer. We collaborate with businesses to strategize and implement impactful digital initiatives that position our clients ahead of the competition. We are digital-first and we focus on delivering digital transformation solutions that support your various engagement strategies. With our niche and rich expertise in a wide range of technologies and services- CMS, CRM, e-commerce, Cloud, IoT, Data Analytics, and Product Engineering- we help companies leverage their best on web/cloud/mobile platforms.

We enable you to create insights driven customer engagement across all touch points to build a unified marketing approach. Our custom technology solutions have been deployed successfully in companies across the globe, especially in the US, UK, Europe and Australia.

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