Retail Innovation

Retail Trends and the role of Data & Analytics

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June 2018
Consumer Behaviour Has Changed
Consumer Relevancy in Traditional Retail

1. **Dominate** on one value attribute

2. **Differentiate** on a compatible value attribute

3. **Maintain** parity on others

Successful companies dominate on one attribute, differentiate on a second and compete at parity on the remaining three.
Digital Shopper Relevancy is about understanding shopper needs and perceptions across 5 Key Attributes

<table>
<thead>
<tr>
<th>Access</th>
<th>Experience</th>
<th>Price</th>
<th>Product</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Easy to reach stores</td>
<td>Friendly and clean store</td>
<td>Competitive pricing</td>
<td>Wide and deep assortment</td>
<td>Customer Service</td>
</tr>
<tr>
<td>Easy to navigate stores</td>
<td>No damaged goods in store</td>
<td>Compelling promotions</td>
<td>Freshness/ Quality</td>
<td>Complaints handling / return policy</td>
</tr>
<tr>
<td>Maximum opening hours</td>
<td>Inspirational Atmosphere</td>
<td>Availability (no stock-outs)</td>
<td>Availability (no stock-outs)</td>
<td>Loyalty program</td>
</tr>
</tbody>
</table>

**Traditional Relevancy Criteria for Physical Channels**

- **Making it Easy for You**
  - e-Commerce (mobile, social, web)
  - Flexible delivery-options (home, store-pick-up etc.)
  - Mobile in-store Shopping support

- **All About Your Experience**
  - Friendly and clean store
  - No damaged goods in store
  - Inspirational Atmosphere

- **Lowering Your costs**
  - Competitive pricing
  - Dynamic Pricing
  - Location-based pricing

- **Better Stuff, Better Life**
  - Wide and deep assortment
  - Freshness/ Quality
  - Availability (no stock-outs)

**Additional Relevancy Criteria for Digital Channels**

- **Technology-enabled staff – support in-store**
- **Interactive service via digital channels**
  - (e.g. click-to-chat, social media)
- **Personalized offers**
- **Community engagements (share experiences)**
- **Social Shopping**

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Consumers want to be entertained in the store, stores need to engage the five senses

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<th>Consumer Expectation from Store</th>
<th>Consumer Preference</th>
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<tr>
<td>Ability to check product availability before visiting a store</td>
<td>75%</td>
</tr>
<tr>
<td>Same-day delivery of products purchased in-store</td>
<td>73%</td>
</tr>
<tr>
<td>Need products quickly</td>
<td>70%</td>
</tr>
<tr>
<td>Need to touch and feel products</td>
<td>70%</td>
</tr>
<tr>
<td>Loyalty points for spending time in store and revisiting</td>
<td>68%</td>
</tr>
<tr>
<td>Prior appointment with store experts to fulfill your needs</td>
<td>62%</td>
</tr>
<tr>
<td>Lower prices with store membership (Like Amazon Prime)</td>
<td>61%</td>
</tr>
<tr>
<td>Social experience with friends/family</td>
<td>60%</td>
</tr>
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</table>

Source: Capgemini Future of Retail Store Survey 2017 | N = 6000
Advances in Data and Analytics lead to new task automation

At better Speed, Cost, Scope, Quality

SENSORS
LANGUAGE PROCESSING
IMAGE PROCESSING
MACHINE LEARNING
PREDICTION
CREATION & CREATIVITY

Ethics, Privacy & Compliance are changing & challenged
Examples from the field

Supply Chain & How the Store is not the end!

Convenience & Experience

In store devices & Store in devices

Collaboration & Service Providers
Supply Chain trends

Reliability

Speed

Choice

What if... You need to worry more about shipping times than delivery?
Stores that maximise Convenience / Access

What if... Your inner-city stores have less/no employees anymore?

Suning

BingoBox

Amazon Go

Customer Identification

Behavior Tracking

Need forecasting
Stores that maximise Experience / Service

Blurring

Asics
Enhanced Customer Services

Tony’s Fair

Loyalty & Personalisation

Workforce Empowerment

Marketing Effectiveness

What if... Your hospitality m² is merged with retail m²?
Devices are being brought into the store

Event recognition

Video as Supersensor

IFTTT

Consumer devices

Store devices

Employee devices

What if... Stores have superhuman senses?
Devices as the employees of a Retailer

SNEAKRS Nike
Google Duplex
Alibaba Fashion Consultant

What if... Your Inner City had a voice? What would he/she sound like?

Augmented Reality
Language Understanding
Generative Adversial Networks
PLATFORMS, COLLABORATION & “SAAS”

**Business platforms**
- Topshoe
- BIZ
- Local Loyalty-cards

**Retail E-commerce Technology**
- BOL.COM
- Inventory Partnership
- Salesforce / SAP

**Communication & Media**
- Wordpress
- YEAY
- Lush

**Data & Analytics**
- AZURE / BLUEMIX
- Insights as a service
- MKB-NL + JADS