# THE DIGITAL STORE COMES OF AGE

An executive brief
by OneView Commerce

**OneView**
Commerce
Digital Store Platform

## Situation Overview

Amazonian fever has fed the consumer's shopping attitude: "I want it now, at the best price, with the least amount of effort." Yet the advantages offered by a physical store should not be dismissed given a surprising 93% of all retail transactions are still conducted in the bricks and mortar store1.

The quality of the in-store interaction has the power not only to convert sales, but also to increase cross-sell and up-sell opportunities and improve customer loyalty. There are numerous opportunities to significantly increase the returns a retailer can achieve from sales influenced by other channels. This brief highlights how the digital store leverages this power by creating a level of engagement that raises the standard for the customer's cross-channel experiences and delivers immediate business impact to every channel.

**The digital world is contributing to in-store sales with almost 50% of in-store purchases being influenced by the online channel. The power of the online channel to influence and drive customers into the store is a significant factor contributing to the store's digital transformation**

- Symbiotic relationship between the e-commerce and physical store increases cross-channel sales

- Store associates empowered with collective online and POS transaction data and customer- specific data to identify and take advantage of cross-sell and up-sell opportunities

- Digitally connected associates enabled to efficiently provide a higher level of service that fosters customer loyalty

Sales in e-commerce and mobile channels have surged over the last decade, but still represent a small fraction of total retail sales. Additionally, the online channel represents the highest percent of returns for most retailers, resulting in steeper business costs and reflecting a less than satisfying customer experience.

The power of the online channel to influence and drive customers into the store is a significant factor contributing to the store's digital transformation, but other marketing touchpoints should not be ignored. In addition, the sales associate must be empowered to take advantage of all opportunities to interact with the customer in the store, with the ultimate goal of sales conversions. Data collected during customer interactions including missed opportunities, sales, and shopping behaviors provide a wealth of information to refine and ultimately improve the result of all cross-channel opportunities.

**For a typical tier one retailer, growth of sales of one percent in the store channel would require a 13% increase in sales in the online channel to deliver a matching revenue opportunity.**

This punctuates the powerful relevance of the physical store and indicates that cross channel must deliver on reality versus its promise as a viable business strategy. However, the online channel is a powerful influence on consumers and will have a profound effect on retailers who embrace a symbiotic omni-commerce strategy that drives more business.

Omnichannel retailers recognize that to lead the industry they must lure customers to the store with a consistent, engaging, and highly personalized shopping experience. There is a tremendous opportunity to merge digital and physical marketplaces to drive traffic to the store by:

- Booking in-store appointments online
- Accepting returns of online purchase in store
- Shipping online purchases to the store for pick up
- Reserving items online for selection/purchase in store
- Sharing the basket between all touchpoints
- Using digital assets to empower the sales associate and engage the customer

The maturation of e-commerce, experimentation with digital technologies in the physical store, and use of mobile devices while shopping are creating the opportunity to deliver new experiences and value to customers during the in-person interaction at the store, which is a key differentiator between the in-store and online experience. While digital commerce and engagement technology brought into the store drives a whole new level of service and convenience, the true power of the digital store is its ability to take the critical high volume of information from the store and make it actionable across the entire retail enterprise.

## The Store of Choice for Retail Leaders

In-store digital engagement serves, wins, and retains those customers who demand service and convenience. But it doesn't magically happen. The sheer scale and breadth of the digital store platform to achieve this level of engagement requires a commitment to deliver the next-generation in-store shopping experience, one that is tightly integrated to the enterprise to provide unparalleled opportunities to engage the customer. Those organizations that focus on driving service and convenience for both the associate and the customer will become the leaders in leveraging digital store technology.

**Forward-thinking retailers on a path of digital transformation will outshine their non-digital competitors.**

Their digital store platform will leverage integrated systems of engagement to add value for both customers and associates, and ultimately address the rising expectations of empowered digital customers. Conversely, retailers without meaningful digital store technology, such as maintaining legacy applications organized around internal functions rather than focusing on customer engagement, risk market share and ultimate survival.

# Customer Service, Convenience, Efficiency

Customers expect a personalized and relevant experience in-store. Already familiar with the power of mobile technology to compare prices online and in the aisle, they typically prefer to interact with digitally connected associates rather than those with no digital options. The use of technology in the retail store is here to stay, and the physical store will forever be transformed as we are successfully ushered into the era of the digital store.

**The digital store reshapes the traditional store footprint by focusing on engagement as a key driver.**

This includes more space for "click and collect" orders, where the focus is not only on order pickup, but also on how to engage the customer during the experience. Speed to pickup is key, but retailers should not lose site of the valuable opportunity to enhance the experience, which drives increased footfall traffic to the store.

Additionally, a back room that facilitates pick, pack, and ship functions for store fulfillment orders becomes key in managing workplace and workforce optimization in the new digital age. In addition, technologies such as digital store analytics and task management ensure associates are guided by data in real time for delivering higher levels of customer service through the entire customer journey—aisle through checkout.

Specific examples include:
- Line busting alerts driven to associates to ensure the right numbers of service lanes are open for fast customer checkout.
- Optimizing the fitting room experience with mobile-equipped associates who can provide continuous and responsive fitting room service from entry right through to checkout.
- Location-based customer service alerts allowing customer to request help and for retailers to send knowledgeable staff based upon department, time spent at a product, or other defined needs.

## Digital Store Requirements

***Agile Digital Store Platform***
The heart of this architecture is the store-as-a-platform, an adaptable technology framework connecting multiple touchpoints with a common set of data. The platform must support rapid deployment of new digital store capabilities. And for maximum ROI, the agile platform must support retailer-driven implementations and continuous innovation without having to rely on the platform provider for retailer-specific enhancements or changes to in-store processes.

***Comprehensive Capabilities***
In addition, the platform should offer proven templates for POS, cross channel, customer engagement, location services and content delivery, as well as plug-ins to third-party solutions for analytics, loyalty, workforce optimization, device control and more. The platform's mobile and device (tablets, wearables, beacons, chip and pin, scanners, etc.) enablement capabilities untether associates and empower optimized interaction with the customer anywhere and anytime.

***Real-Time Operation***
Enterprise and point systems must be connected to operate in real time. For example, linkage between applications enables multi-directional data flow that creates highly personalized experiences by integrating historical shopper data and behaviors into customer relationship management (CRM) applications and content management systems (CMS).

# Fueling Data for 360 Degree Engagement

The power of the digital store platform is its ability to deliver multi-directional content to, from, and among online and physical stores. This data is the lifeblood that enables continuous engagement throughout each experience, as well as collectively among all cross-channel interactions.

Three interconnected layers comprise this 360-degree engagement:

- **Empower:** Understand the customer and the journey for efficient selling
- **Enable:** Continuous source of consumer information and buying behaviors that can be leveraged across all channels and the extended supply chain
- **Engage:** All tools and data driven to and from the store are designed to make associates more knowledgeable with far less training and the customer more educated to make better purchasing decisions.

Most retail environments today are constrained by technical and functional silos that inhibit full engagement. The Digital Store Platform unlocks the flow of data to fuel associate-led engagement in the physical store, as well as immediate operational improvements across the enterprise (third-party source, suppliers, partners) and every channel.

## The Digital Store Platform at Work

The digital store platform's abilities to drives sales, improve workforce efficiency, and assist with operational decisions that improve results are just a few of the drivers behind this shift in in-store technology. Other opportunities include:

- *Conversion of e-commerce purchases returned to the store*
  Use the high volume of online returns as another customer touchpoint in the store. Easily convert returns to exchanges by allowing the customer to select a store and product so that the goods are ready at the store when they arrive. The digital store platform provides critical information to help the associate understand the customer based on their buying history to offer a targeted and differentiated service in the store.

- *Intelligent product recommendations*
  Leverage online digital assets with online and point-of-sales data to identify hot or cool sellers, and drive content and complementary products to digital displays in-store. Under performing and out-of-stock products instantly drive real-time information to digital displays to improve satisfaction and increase visibility to customers.

- *Improve efficiency*
  Labor efficiencies are easily managed when all activity is digitally tracked and centrally maintained. From wearables that allow for tracking and easy communication with employees, mobile devices allowing customers to make requests from the dressing room, and iBeacons that allow customers to request assistance, the digital store platform uses technology to drive efficiency and deliver outstanding service.

# Summary

The digital store platform drives the newly evolving digitalized store and is the key that unlocks a more satisfying shopping experience for the customer, enables workforce efficiency, and pushes valuable data across the enterprise, resulting in:

**Increased sales**

**Reduced returns**

**More conversions**

**Better service**

**Stronger cross-channel customer loyalty**

The defining power of the digital store is its ability to use the business' collective data to create transformative and unique customer interactions across every channel while delivering improved business operations. By understanding and leveraging the power of the data derived from one-to-one interaction in-store, Omnichannel retail leaders engaged in digital store transformation will prevail over their competitors.

1U.S. Census Bureau, Quarterly Retail E-Commerce Sales, 3rd Quarter 2014

OneView Commerce's Digital Store Platform is the first platform that enables associate-led store transformation and successful cross-channel operation by capturing and delivering content from every channel to and from the store. Integration with its commerce platform, analytics, device management, workforce optimization, digital content delivery, and more enables delivery of vital store information across all channels, the enterprise, and the retailer's expanded network of suppliers, partners, and manufacturers to immediately shape sales, business operations and the customer experience.

**OneView Commerce**
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