NEWSTORE

Retail's Next Act: Survival of the Innovative

A guide to future-proofing your retail brand for tomorrow

Retail shops have been a part of human history for millennia. They date back to ancient societies where merchants sold goods via markets. For centuries since then, shopping in-person has been an activity for people every day and everywhere. It is why the impact of the COVID-19 global health crisis on the retail industry is unprecedented. There isn't a clear other time when retail stores in every corner of the world were mandated to close.

But doors will reopen and consumers will return. While we can't put a timeline on it today, what we can do as an industry is future-proof our businesses for tomorrow.

The retail environment we're experiencing now will accelerate the trend to run stores as part of an integrated digital strategy. This means brands need to lean into the direct-to-consumer model that brings you closer to your customer, allows you greater control over your brand, and opens up key omnichannel capabilities. There isn't a single formula for all brands, but the cornerstones of omnichannel will be mission-critical to surviving today's new retail world order.

Store Fulfillment

Consumer spending may look different for some time to come; people are more comfortable now than ever before shopping online from the comfort of their homes. If stores are part of your organization, this doesn't deem them obsolete. You can leverage your physical locations to support ecommerce distribution and speed up fulfillment. By incorporating store inventory into your web assortment and fulfilling it out of your stores, you'll be able to satisfy your customer's expectations for fast order fulfillment and convenient shipment options. Even more, you can move products and avoid aged inventory in stores — a margin risk you'll want to avoid during a time of cash preservation.

KEY BENEFITS

▸ **Save the sale.**
Never lose a sale because the demand location has insufficient inventory.

▸ **Reduce delivery SLA.**
Ship items from the closest possible location to the customer, effectively reducing in-transit times.

▸ **Avoid markdowns.**
Unlock all available-to-sell inventory across channels so the full-price sell-through is not lost.
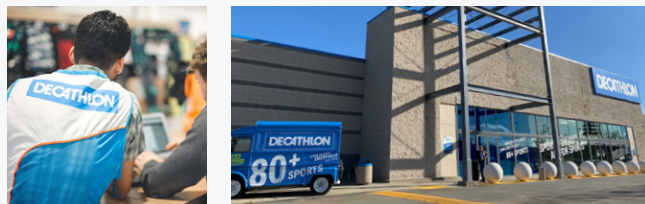
BOPIS & Curbside Pickup

For a few years now, buy online pick-up in-store (BOPIS) has been a table stake retail offering. Shoppers love the convenience of it — they can skip long checkout lines while also avoiding shipping fees. These benefits will still apply in the post-COVID-19 retail world. Plus, you'll be able to protect those customers that aren't able to come inside your stores and those who wish to avoid person-to-person contact with curbside pickup. Many restaurant businesses are doing this through the crisis to keep revenue flowing, and it will be a smart retail strategy moving forward to keep customers happy and safe.

KEY BENEFITS

▸ **Limit shipping volume.**
  Fulfill from your store inventory without the high volume of in-store shipments.

▸ **Enable instant gratification.**
  Customers can place an order online and pick up the same day if not within hours.

▸ **Build brand trust.**
  Reach a broad consumer base that prefers an omnichannel buying and payment experience.

Clienteling

What we've observed in the COVID-19 crisis is that people are flocking to trusted sources for information and guidance. We expect this to continue and to also spill into other areas of life, including retail. The role of the store associate thus becomes increasingly important. They need to be able to easily access the right information to help in every customer interaction. Clienteling can have a quantifiable impact on your business if your store teams have the data and technology to build truly meaningful and personal relationships.

KEY BENEFITS

▸ **Drive selling opportunities.**
  Find cross-selling and upselling opportunities by empowering employees with actionable insights.

▸ **Improve employee productivity.**
  Make the store associate's job easier by removing the random nature of selling.

▸ **Increase customer spend.**
  When associates engage in clienteling activities, the total number of transactions can increase by 5%.

CASE STUDY ▸ DECATHLON

Decathlon is the world's largest sporting goods retailer with a product catalog that includes thousands of products across more than 80 sports. It runs its three U.S. stores in the Bay Area of California on the NewStore platform, maximizing the innovation of a mobile-first and cloud-based platform to the benefit of its customers.

CHALLENGE

▸ Decathlon closed its stores in the wake of the COVID-19 health crisis for the safety of its shoppers and employees. As a result, the brand saw a spike in its ecommerce business as more consumers shopped for sports equipment and apparel for at-home use. Unfortunately, production disruptions in China put a strain on warehouse supply. At the same time, its stores in the U.S. were filled with unsold merchandise.

SOLUTION

▸ Decathlon and NewStore worked together to accelerate the launch of store fulfillment and curbside pickup capabilities. This allows Decathlon to leverage its stores as fulfillment centers. The stores are staffed with a safe number of associates who pick, pack and ship store inventory directly to customers – all on the efficient and easy-to-use NewStore Fulfillment & Inventory App. Decathlon can move inventory to meet demand and customers can get the products they need to stay active and productive at home. It's a win-win.

Remote Selling

The associate and customer relationship doesn't have to only exist within your four walls. If you have a wealth of customer data, there is a way for your associates to be productive and contribute to the bottom line. It's about guiding customers and adding value based on the relationship you've nurtured over time. When you equip your store employees with app-based technology, they can move merchandise and sell efficiently from home. After the current crisis is over, this may create a vibrant new retail workforce that connects more deeply with consumers than ever before.

KEY BENEFITS

▸ **Boost customer loyalty.**
  Position store associates as trusted advisors who can shape and influence sales from any location.

▸ **Empower store associates.**
  Provide easy access to data such that employees can curate and personalize every touchpoint.

▸ **Deliver friction-free shopping.**
  Keep the buying experience on mobile which is native and comfortable for most customers.

Endless Aisle

Moving forward, retail brands are going to feel cost pressure up and down the value chain. In-store inventory that turns over too slowly and requires expensive square-footage to hold it will be the first target. Unlocking the endless aisle capability solves this by allowing you to stock fewer sizes and color variations, while ensuring full-price sell-through. For this to succeed, there needs to be an accurate real-time view of inventory. You need to know what is available to sell across your enterprise so you never have to say no to a customer.

KEY BENEFITS

▸ **Reduce manual processes.**
  Eliminate the need to check back rooms or call other store locations for inventory availability.

▸ **Enhance experiences.**
  Enable associates to see and sell inventory without ever leaving the customer's side.

▸ **Improve store health.**
  Better inventory visibility means more inventory sell-through which means a higher gross merchandise value.

CASE STUDY ▸ ANINE BING

ANINE BING is a Los Angeles-based fashion house offering luxurious staples, wardrobe basics, and statement pieces. It operates a "see now, buy now" business model with new styles becoming available every Tuesday. It is this idea of instant gratification, and never having to say no, that drew the brand to the NewStore platform and its innovative solution for endless aisle.

CHALLENGE

▸ There is a high demand for ANINE BING's new styles every week when they drop. Even in today's new retail environment, the brand's loyal customers want the "easy and effortless" style that Anine Bing herself wears every day. When ANINE BING closed its doors due to the COVID-19 health crisis, it shipped all store merchandise to its distribution centers. But the brand still wanted its customer experience to feel as luxurious and effortless as it does in-store.

SOLUTION

▸ ANINE BING store employees are using the NewStore Associate App from the comfort of their homes. They can't be shoulder-to-shoulder with their clientele but they can still match them to their favorite styles. With the app, associates can access real-time inventory across the brand's DC fleet. They can then sell it via an endless aisle order in which the items are shipped directly to the customer's front door. This remote selling capability keeps associates deeply engaged with customers while ensuring an efficient flow of product across the ANINE BING enterprise.

Contactless Payments / mPOS

One thing we'll see an immediate shift around in the near-term is payment behavior. Innovation in retail checkout has historically been driven by a demand for convenience — but now there is health and safety to consider, too. Tap to pay and other digital payment methods will become standard as people look for low-touch or no-touch payment options. With electronic payments like Apple Pay, in theory you never have to touch a device in-store. Consumers will feel more comfortable with this, and retailers too. It's part of the journey of a smartphone transitioning into a consumer's sole wallet.

KEY BENEFITS

▸ **Improve checkout process.**
Reduce typing and dependency on third-party devices to speed up average transaction times.

▸ **Increase customer capture.**
Provide an easy way to capture customer data automatically at the point of sale.

▸ **Protect against fraud.**
Foster consumer trust by applying a one-time encrypted code on each card use.

Self-Checkout

For your consumers that want complete control over their shopping experience, you need self-checkout. This has been a popular topic since Amazon launched its cashier-less Go stores. Apple stores similarly offer self-checkout; you can use your iPhone to scan and pay for some accessories. While we mostly see self-checkout in grocery and pharmacy, we anticipate a greater demand for them moving forward as shoppers choose to put their personal needs and desires first. When you have mobile associates in-store as well, you can service customers on-the-fly (should they need help) while creating and maintaining a sense of autonomy.

KEY BENEFITS

▸ **Reduce queues.**
Allow more customers to be served in a shorter time due to the added speed with which customers can check themselves out.

▸ **Save employee time.**
Deploy associates to the store floor where they help shoppers and more directly influence sales.

▸ **Grow customer satisfaction.**
Make customers happy by offering them flexible choices.

Conclusion

These omnichannel use cases are by no means the only way to prepare for retail after the COVID-19 crisis passes. However, they are tangible solutions that can drive considerable revenue for your business. Don't forget to also look at the Internet-based companies that are making it easy for businesses to stay connected to their consumers. Emulate their business models. The future of retail is now. Make omnichannel your opportunity to overcome what is another commerce cycle to be remembered.