



**A digital
future
for retail**

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Create a stand-out shopping experience

In today's ultra-competitive retail market, it's never been more important to accelerate your digital transformation so you can make the most of technology to create an outstanding customer experience both in-store and online.

Digitally savvy, and familiar with ecommerce, your customers are searching for a convenient, easy and instantly gratifying retail experience. What's more, they now expect services like next-day delivery and the ability to access a full range of products in-store, as standard. Customer expectations are undeniably high and failing to meet these with the right level of service encourages them to spend their money elsewhere.

56%

of consumers actively seek to buy from the most innovative companies.¹

Keeping your customers engaged takes a seamless, integrated experience both in-store and online. The value of physical retail needs to go beyond product and price, to offer a stand-out shopping experience, backed up with innovative technology and sophisticated digital channels. Evolving technology and increasing shopper expectations put the onus on you to keep pace.

55%

of online shoppers prefer to buy from retailers that have a physical store.²



Accelerating change in the sector

The current pandemic has underlined the importance of an accelerated digital transformation. Your sector and your customers are facing uncertainty and are grappling with rapidly changing regulations. Queues to enter stores and a ban on trying on items in store is making in-person shopping a stressful and unfamiliar experience for customers. Today, you're not only competing against convenient online options, you're also having to evolve how you operate to stay compliant with government regulations.

Such rapid changes in the retail landscape mean that, to stay afloat, five-year digital transformation plans need to be rolled out in 18 months – if not sooner. It's vital your digital innovation focuses on the customer experience.

Convenience is the first step, synching up all the elements behind the scenes – from online to warehouse to shelves – that make sure the product your customer wants is always easily accessible. From here, you need to focus strongly on customer engagement, offering things like interactive mirrors to try on make-up and personalised virtual displays designed to make it worth visiting a shop in person.



Retailers that don't keep up with the competition, adapting and developing an integrated digital retail experience, will join the long list of those familiar names that are disappearing. Using technology to create a digital shopping experience that's truly engaging and enjoyable is critical to surviving and emerging stronger.

End-to-end digital transformation

What if you could...

- have a complete overview of your warehouse and logistics, helping you to streamline and optimise operations?
- transform your inventory management through digital technology, so every step of the supply chain has real-time overview of stock?
- create a more enjoyable experience for your in-store customers?
- give your employees the tools to get more done while at the same time providing better customer service?

How to kick start your transformation

Make establishing oversight of your entire supply chain and warehouse your first goal. Whether it's digital fleet management to optimise routes and workforce scheduling, or technology that helps with stock selection and packing, look for digital technologies that boost end-to-end efficiency. This lays the foundations for better engagement and service levels, creating a more positive experience across your entire retail operation.



It's vital that technology used across your business works with each other to give a complete view of assets, inventory and operations. This will provide greater insight and help you make effective decisions to improve the performance of your business.

Giving your staff the right tools can help to create a more enjoyable in-store experience for customers. Technology like virtual reality can assist with training, and connected devices can help store assistants to keep a closer eye on stock levels. What's more, by moving tasks like stock oversight to digital channels, you'll free up store assistant time that they can spend with customers.

The future of retail is digital – with physical and online stores connected seamlessly. End-to-end digital transformation is key to creating the streamlined and engaging shopping experience customers are looking for. Making the most of technology, from the supply chain to the physical store, is the best way to achieve a market-leading position in a competitive environment.

Here's how to achieve all this, and more...

Four keys to unlock digital transformation in retail

There are four essential areas you should focus on to make sure that your stores offer a market-leading experience to your customers.

1. Smarter warehouses

Smart doesn't start at the warehouse door; it begins with looking closely at your entire supply chain to identify areas you can improve to create a more streamlined product journey. With online retailers increasing their fulfilment centre capacity, it's vital physical retailers have systems in place that allow them to compete.

One major online retailer is set to increase its fulfilment centre physical footprint by 50% in 2020³, meaning more online products for customers, more availability and more opportunity for one-day delivery. But the game's not over for physical retailers. There are lots of ways introducing digital technology into your supply chain can ensure fast, accurate delivery for customers that matches the service they expect from online retailers.

One of these is digital fleet management, including route optimisation and workforce scheduling – designed to ensure seamless transitions between shifts. It's a simple way to speed up delivery of your stock. Couple this with efficient tools like scanners, portable data assistants and smart printing services, and it's possible to get more deliveries to customers and stores, faster.

What's more, warehouse efficiency solutions can help give you more insights to your business. This can then inform decisions on optimisation, ultimately improving your customer experience and saving you time and money.

Take smart selection glasses, for example. They direct warehouse operatives to the exact location of the stock they need, saving seconds, if not minutes, per product, adding up to hundreds of thousands of pounds across all warehouses. And they also help with sequential packing, so trucks are filled faster, and offloading is easier.

And, from the warehouse and loading dock to the shop floor, a mobile, handheld or fixed radio frequency identification (RFID) reader, alongside mobile device management, means your staff can view real-time inventory at the touch of a button. So no more disappearing out the back to search for a product, leaving the customer to wander off. Tools like these can boost employee productivity, engagement and service levels, while also keeping costs down.

Questions to ask yourself

- Did you meet all your delivery targets in the last year?
 - What KPIs are you using to measure order fulfilment?
 - What metrics would you like greater oversight of in your warehouse?
-



44%
of online shoppers said they haven't placed an order with a retailer because it wouldn't arrive on time.⁴



79%
of companies with high-performing supply chains achieve revenue growth superior to the average within their industries.⁵



46%
of warehouses cite human error as the top issue when it comes to goods-in.⁶

2. Digitising inventory

Without the right inventory visibility and management, your margins simply won't hold in today's ultra-competitive market. They're essential to having the right product, in the right place, at the right time, and to encouraging sales while minimising stock loss.

Not knowing where assets are can be incredibly costly – with stores re-ordering items they can't find, from warehouse items like roll cages, to customer-facing equipment like trolleys and, of course, saleable products.

Regardless of what you sell, real-time monitoring can lead to significant savings. Effective inventory management isn't just about managing the shrinkage that costs an estimated \$100 billion worldwide each year⁷.

Take a supermarket, for example, where it's vital that frozen goods are kept at an appropriate temperature. Asset monitoring the freezer can alert staff if the temperature rises for any reason. Additionally, if a customer abandons their basket in-store, for example at a long checkout queue, computer vision cameras can detect that the basket hasn't moved for a period of time.



This can raise an alert to staff so that the products inside it can quickly be returned to the freezer without compromising product safety.

From automated inventory tracking to enabled RFID tagging, readers and scanners, and even technology that assists with pricing accuracy and online order fulfilment – there are numerous ways that technology can increase the accuracy of your inventory. With the right technology in place, you need never watch customers leave because they can't find the item they want.

Questions to ask yourself

- Do you have oversight of how many items have to be unnecessarily re-ordered every year?
- How significant are the costs involved in replacing items that are lost due to shrinkage?
- Are you confident that your store has sufficient loss prevention and spoilage measures in place?
- How significant are the costs to replace assets like roll cages, totes, etc. per store?

39%
of consumers leave shops when the item they want is out of stock.⁸

76%
of retailers surveyed use shop inventory to fulfil orders.⁹

66%
expect this usage to grow in the next five years.⁹

3. Redefining the store

Redefining the store to create a brand that customers enjoy and want to return to is one of the most exciting aspects of digital transformation in the retail sector. It's incredible what customers can now enjoy as part of their shopping experience.

Customer experience

With the right tools, you can create better engagement, a better in-store experience and generate opportunities to up-sell and cross-sell. Intelligent mirrors are just one example of how technology is reshaping shopping – and they're particularly relevant as retailers grapple with the implications of the Coronavirus pandemic.

Now customers can't physically test and try products, augmented reality mirrors are a great practical alternative. Whether it's trying on a range of glasses and seeing how they look from various angles, or testing a huge range of lipstick colours, intelligent mirrors make this possible, easy and fun. Plus, they make upselling engaging for customers, by suggesting additions and 'other items you might like'.



Digital engagement

Another fantastic tool for improving the customer experience and journey through the store is the use of 3D hologram fans and digital signage. 3D hologram fans are a great way to create theatre in-store and draw attention to specific merchandise, while digital signage can create reactive and interactive displays that are tailored to your customers. This increases personalisation within the store, something many customers are increasingly used to online.

Using digital signage, you can quickly alter imagery and promotion to reflect local conditions and customer preferences. For example, you can use changes in stock levels, the weather or seasonal demands to signpost certain products. By making real-time recommendations for items customers might like, digital signage not only makes your customers more likely to interact with a product, it also helps create a consistent brand experience across online and in-store channels. Digital signs are also a great way to ensure that customers feel seen and valued by your brand.

Omnichannel

With 64% of consumers keen for retailers to improve their omnichannel experience¹⁰, it's never been as important to create a seamless, multi-channel shopping experience. An omnichannel retail world recognises the various ways your customers want to engage and purchase. For example, 57% of consumers get ideas for buying new products and services from social media¹¹. With an omnichannel retail operation, you can capitalise on this, providing your customers with a consistent experience and the ability to access what they want, whenever and wherever they want it.

Digital store

Using the physical store as a micro fulfilment and returns centre for online orders is another way to meet consumer expectations for speed and convenience. It helps to connect the in-store and digital experience in a meaningful way, and can also be operated seamlessly, using software like self-service kiosks, returns management and even shelf-stacking robots.

Payment solutions

With online payment quicker and more convenient than ever, it's important your physical stores provide an equally secure and frictionless experience. Devices like mobile point of sale are just one example of how stores can shorten queues by providing quick and easy ways to pay. This means your customers' final interactions are just as positive as their browsing experience, preventing product abandonment due to long queues or a lack of preferred payment options.

Analytics and insights

Store wi-fi and video analytics are the best place to start when collecting and actioning in-store data. By finding out how people engage with your store, you can identify opportunities for growth, then make changes and measure your success.



53%
of consumers shop in-store to browse or experience products.⁸



41%
of consumers like the instant gratification of shopping in-store.⁸



71%
of shoppers spend more than \$50 when shopping in-store, compared to 54% when shopping online.¹²

Questions to ask yourself

- With regards to ecommerce, do you compare how many transactions occur compared to the number of visitors?
- For physical stores within your retail operation, how do you measure how effectively shoppers are turning into buyers?
- How are you A/B testing your stores to see what works and what doesn't?

4. Digital sales associates

With ecommerce offering unparalleled convenience and product ranges, stores need to make sure they're providing customers with more than just the basics. Friendly customer service is no longer enough, and both retail stores and staff need to be equipped with the latest technology to make their customer experience market leading.



Many stores are already behind the curve, with more than half of shoppers feeling better connected than shop assistants when it comes to issues like stock availability¹⁴. That's why it's vital your staff are connected with handheld devices like tablets that allow them to check stock levels, locate items and place orders with a couple of taps.

Equipping your stores with push-to-talk devices can also add to the customer experience, providing customers with an immediate virtual connection to assistants. What's more, they're connected to a digital assistant with access to all inventory, stock and product information, so they can get the answers they need on the spot, helping to move them along their purchase journey.

Importantly, these technologies also free up your store assistants' time to create an engaging in-store experience, and technology can assist with training too. There are training technologies that use VR to give shop assistants the edge, allowing experimentation and mistakes without consequences and providing a platform that allows customer experience strategies to be perfected.

With 49% of customers refusing to return to a shop where they've had a bad experience¹³, it's vital to bring in digital store assistant technology to make sure every customer leaves the store satisfied with the service they've received. Ultimately, purpose-driven technologies put performance in store associates' hands, creating customer loyalty through better interactions.

Questions to ask yourself

- Are you confident your in-store assistants always provide customers with the information they need?
 - Do you have oversight of how important in-store interactions are to your customers?
 - Would a standardised training programme, including trial and error capability, improve the standard of customer service in your store?
-



Over **50%** of shoppers feel better connected than shop assistants about things like stock availability.⁹



49% of customers won't return to a shop where they've had a bad experience.¹³



41% say that helpful sales assistants entice them to spend more time in a shop.¹⁴



Why BT?

It's clear that the retail sector has a long road ahead as it comes to grips with changing regulations and ever-increasing competition. With the right technology, however, it's well placed to not only keep pace with customer expectations but exceed them.

At BT, we have the knowledge, solutions and partnerships to help the retail sector innovate and thrive. Having the right infrastructure to digitally transform is key, and we offer platforms and software from our core portfolio, alongside an ecosystem of retail partners to change the way you run your operations, from the warehouse to the shop floor.

We're a one stop shop for retail transformation. Not only can we manage your operations end-to-end, we also have the robust security platform to make sure that these developments, alongside your data and operational information, are secure.

We work with 90% of the top 10 retailers globally¹⁵ and 100% of the UK's top 10 retailers¹⁶, so we're a trusted pair of hands, no matter how complex your operation.

To find out more about how we can help you revolutionise the shopping experience for your customers and keep your retail operation ahead of the competition, get in touch with your BT Account Manager or visit bt.com/digital-retail.

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Offices worldwide

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November 2020