

# THE NEW AGE OF STORE OPERATIONS



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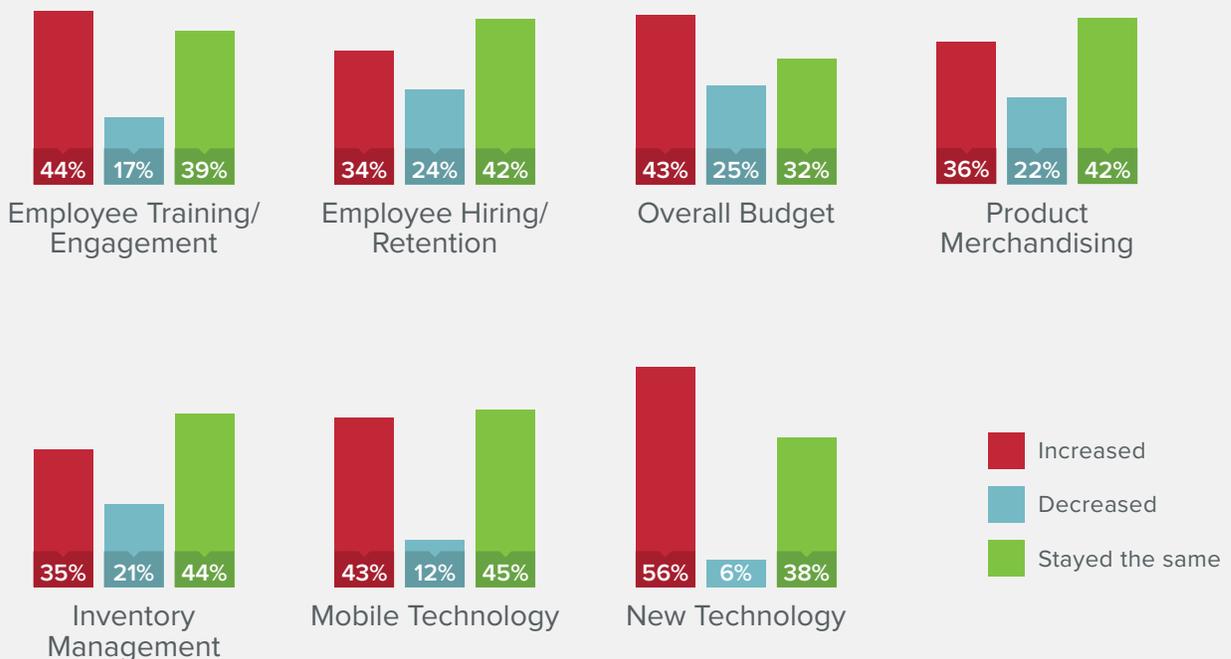
# EXCLUSIVE 2015 SURVEY: THE NEW AGE OF STORE OPERATIONS

Creating a unique and innovative store environment is now critical for retailers. Shoppers often are armed with more information than store associates, and they are less patient than ever when it comes to the store experience.

For the fourth year, *Retail TouchPoints* has surveyed more than 100 retail executives to find out their pain points, challenges and future plans when it comes to store operations strategies. And they are definitely stepping up when it comes to technology solutions and implementations to help both store associates and shoppers as they move through the purchase journey. As many as 43% of retail respondents said they have increased their store operations budgets in 2015; and another 32% report budgets at the same level as 2014.

**43% OF RETAILERS  
HAVE INCREASED STORE  
OPERATIONS BUDGETS  
IN 2015.**

Has your overall **store operations budget** increased, decreased or stayed the same in **2015** compared to **2014**, in each of the following categories?



Significantly, new technology comprises 57% of budget increases. Some of the greatest upticks in new technology implementations this year include in-store WiFi for shoppers (71%) and Beacon technology (28%).

Similar to 2014, retailers still consider year-over-year revenue and same-store sales the two most important measures for store success. Notably, though, online-to-store conversion increased in importance, to 9% from 2%.

In this report, we'll take a closer look at store operations priorities and compare progress between 2015 and 2014. We hope this report will help you plan successful strategies for 2016 and beyond!

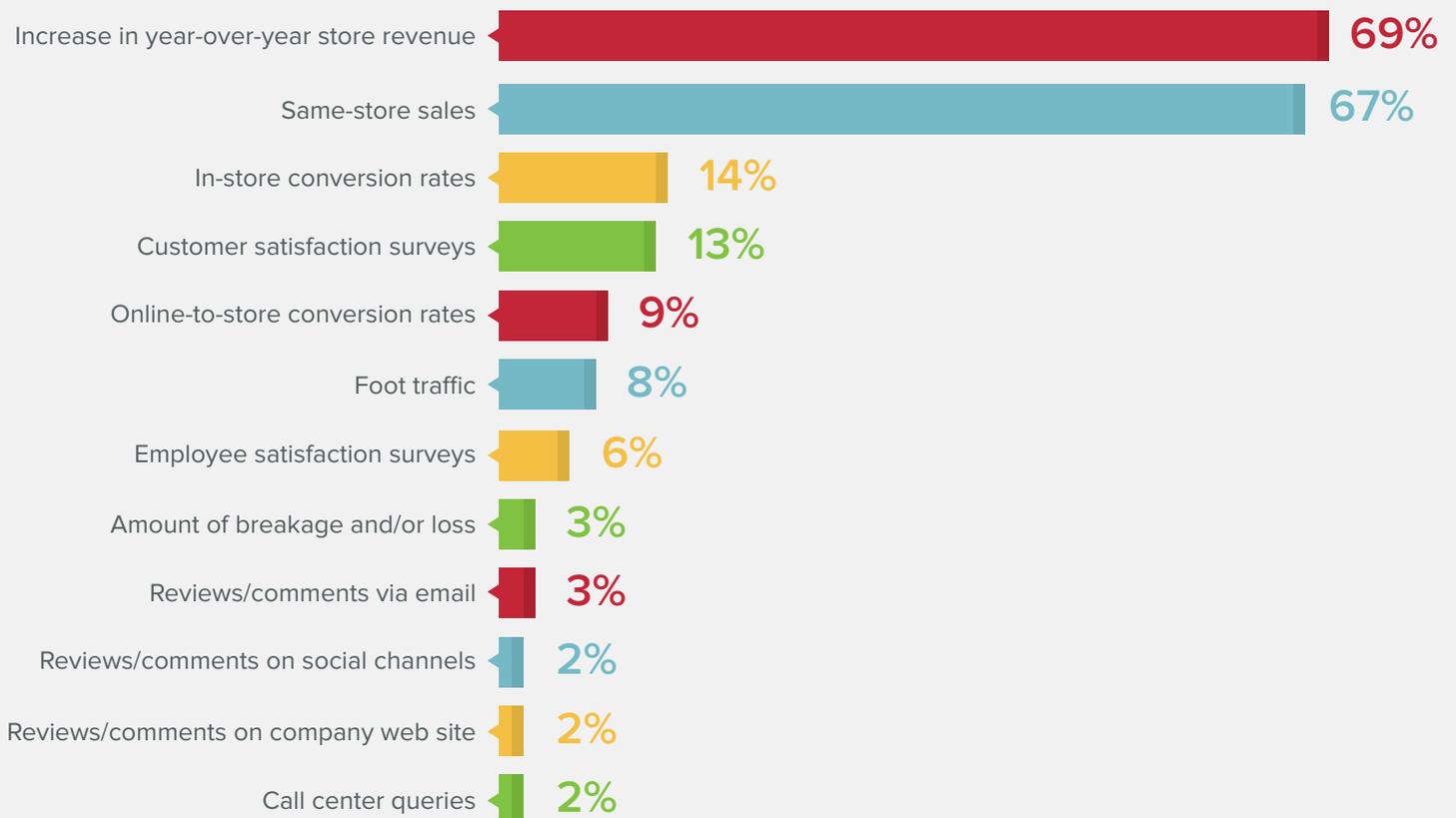
Sincerely,



Debbie Hauss  
Editor-in-Chief

**71% OF RETAILERS NOW OFFER IN-STORE WIFI FOR SHOPPERS AND 28% HAVE BEACON STRATEGIES IN PLACE.**

### How do you measure **store performance**? (Respondents chose 1 or 2 out of 12, 1 being most important)



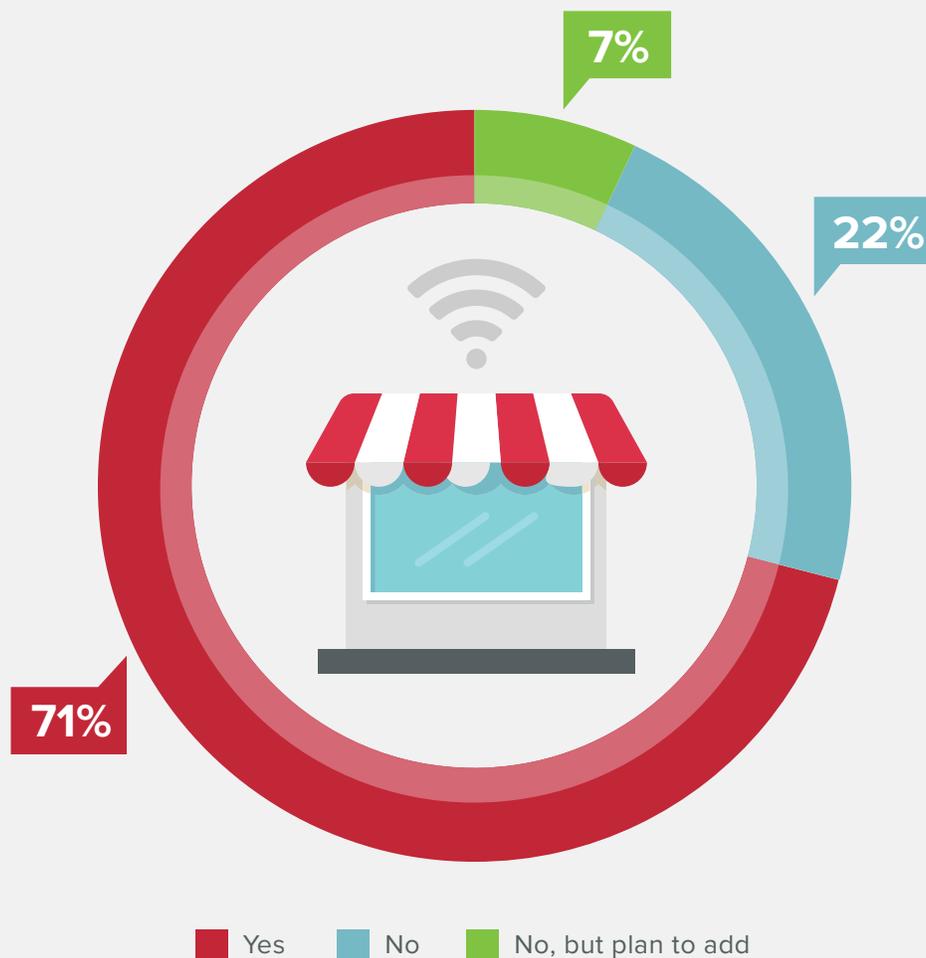
# RETAILERS EMBRACE IN-STORE WIFI

This year was a turning point for in-store WiFi for shoppers. More than 71% of retailers are now offering the service to shoppers, up from 37% in 2014. And another 7% are planning to add this capability.

Recent industry studies have found that WiFi significantly impacts the customer experience, loyalty and sales in a positive way. Approximately 50% of retailers said in-store WiFi has improved customer loyalty and boosted sales by 2%, according to the 2015 report, titled: ***Impact Of Store Networks And Wi-Fi On The Customer Experience.***

WIFI IMPLEMENTATIONS  
INCREASED 34% BETWEEN  
2014 AND 2015. UP TO 71%  
FROM 37%.

Do you offer **free WiFi** for shoppers in-store?



# BUILDING A STRONG COMMUNICATIONS FOUNDATION



BY JEFF PERETIN

CONNORS  GROUP

Despite all the hype about in-store technology and omnichannel capabilities, fundamental operations and communication are still the forefront concern of most retailers. Even those strongly pursuing upgrades in technology realize the value in a solid operational foundation. The *Retail TouchPoints 2015 Store Operations Survey* revealed that as investments in technology continue, retailers are beginning to realize that technology, alone, will not get the expected returns on those investments. In fact, the greatest store operations challenge is clearly identified as being communications between stores and headquarters.

The key is being able to use new technologies to address fundamental operational and communications issues. The communication challenges aren't just isolated to stores-headquarters link. The communication between stores, the brand, and its customer is equally critical. The infrastructure to support this three-way communication is nearing an end for most retailers, and new work has begun to take advantage of what has been built.

The majority of retailers who participated in the *Retail TouchPoints Survey* report that their stores now have mobile capability. However, those who do not currently have these technologies are not planning on making the investment anytime soon. The focus for those who have invested in store technology must now shift to maximizing and enhancing these capabilities. Budget increases to support the new technology and training are outpacing more traditional budget focuses like merchandising and inventory management.

## THE KEY IS BEING ABLE TO USE NEW TECHNOLOGIES TO ADDRESS FUNDAMENTAL OPERATIONAL AND COMMUNICATIONS ISSUES.

Retailers also understand they have more knowledgeable customers, and staying relevant can only be achieved through a combination of technology and training. In keeping with a recent *Washington Post* article that projects 80% of all online material will be video in the next five years, 3 out of 4 retailers now offer training in video format — beating out all other possible methods, including in-person sessions and documents.

Video is now the way we communicate — especially among younger employees. A big reason is that it is extremely effective. It takes advantage of two learning preferences: Auditory and visual. And as gamification continues to improve, it will add a more experiential element to operational learning and development.

These investments in communication and employee training are ultimately intended to improve the customer experience and drive sales. However, investments are also being made to improve that experience more directly. The majority of retailers now offer free WiFi service for their customers, and 62% offer omnichannel options to buy online and pick up or return in stores. Retailers also are continuing the pursuit of beacon technology to track and target compelling, customized offers to customers based on their in-store shopping patterns.

While the brick and mortar store experience seems here to stay, its degree of success and profitability may lie directly in the ways retailers use the very thing that threatens it. Taking advantage of technology to improve fundamental things like communication between stores and customers seems like the right place to focus time and energy in the near future, instead of chasing the latest and greatest bells and whistles that don't mean much to your customer or your stores.

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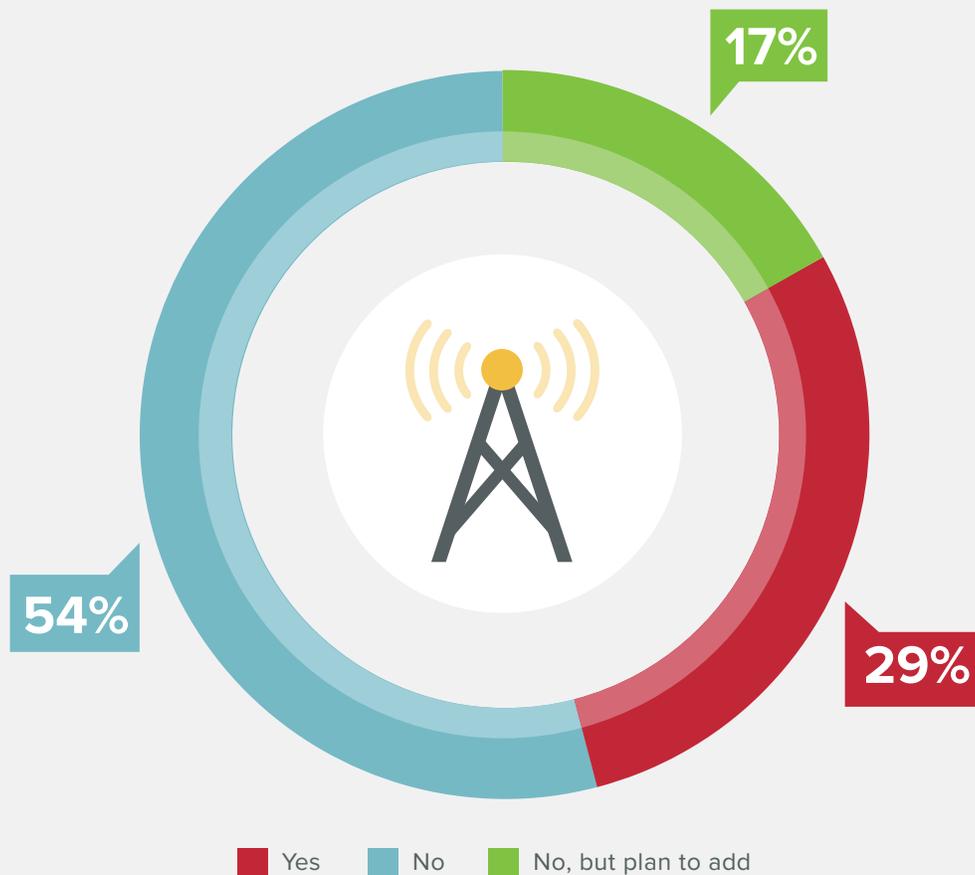
# BEACON TECHNOLOGY FINDS A PLACE IN RETAIL STRATEGIES

Although there has been a lot of debate over the value and viability of beacon technology, a growing number of retailers are testing and implementing the strategy. It's definitely a good way to enhance in-store one-on-one personalization efforts with shoppers. And as an opt-in program, beacon strategies are being delivered to shoppers who expect to be approached with information and promotions. But retailers must be careful not to oversaturate shoppers with irrelevant communications.

As many as 46% of retailers have launched beacon programs in 2015, up from 15% last year, as companies like Whole Foods, DICK's Sporting Goods, Kohl's and **Target** get their feet wet with this technology.

AS AN OPT-IN PROGRAM, BEACON STRATEGIES ARE BEING DELIVERED TO SHOPPERS WHO EXPECT TO BE APPROACHED WITH INFORMATION AND PROMOTIONS.

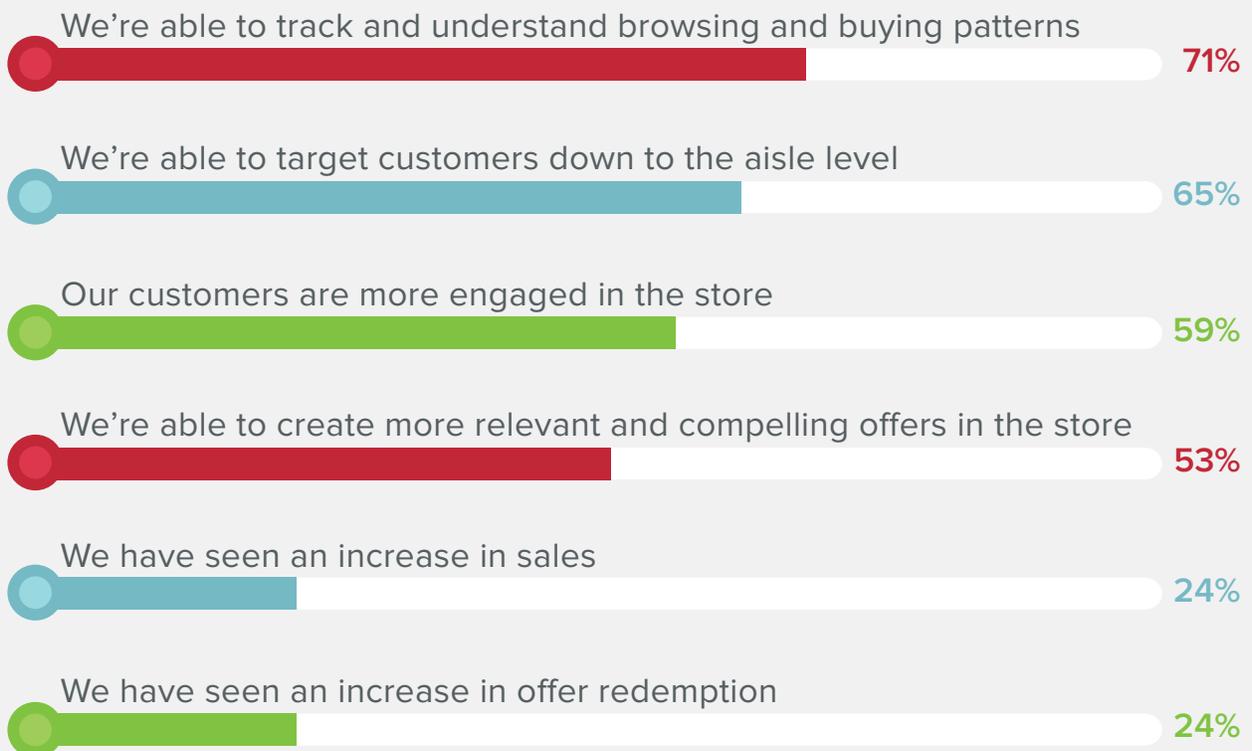
Have you implemented **beacon technology** in-store?



In addition to the ability to deliver a more relevant, personalized experience for shoppers, beacon implementations also allow retailers to collect additional data related to in-store browsing and buying. This type of data can help store managers better merchandise assortments. Additionally, retailers can share this data with CPG partners in order to improve future product ordering, delivery and promotions.



What **benefits** have you seen since **implementing** beacon technology?  
*(Check all that apply)*



# USING TECHNOLOGY TO MANAGE UNPREDICTABLE SCHEDULING



BY MATTHEW ZELEK  
**empower**  
SOFTWARE SOLUTIONS

As much as retail managers try to accurately schedule the right concentration of employee coverage from week-to-week, there will always be anomalies that no amount of forecasting can account for. Associates get sick, or have unforeseen incidents in their personal lives. There are also external issues that can affect the number of labor hours needed, such as the shopping plaza your store is located in announcing a last-minute sidewalk sale or food truck event that will spike foot traffic.

Life happens and these issues are generally unavoidable, but there are strategic initiatives that managers can put in place that will help them more easily respond to logistical challenges when situations arise. Being proactive in a few key areas has the ability to maintain good customer service and balanced schedule fairness across your team, while also addressing budget and compliance concerns — even on the shortest notice.

## Equip Management With The Right Tools

When coordinating a diverse workforce with varying availability and responsibilities, having all of their information accessible in one place is crucial. Therefore, providing managers with the right tools to access and understand this data is the first line of defense in being able to adapt to scheduling issues.

Technology solutions available in the workforce management (WFM) space are designed to help companies work through a variety of planning scenarios, from the routine to the unpredictable. Applications such as EmpowerWFM feature

## WHEN IT COMES TO PROBLEM SOLVING ON THE RETAIL FLOOR, BEING ABLE TO ACT WITH SPEED AND PRECISION IS ESSENTIAL TO YOUR COST SAVINGS AND SERVICE.

configurable data management and forecasting functions that let a manager quickly view and assign the human assets they can rely on to fill in the schedule. When it comes to problem solving on the retail floor, being able to act with speed and precision is essential to your cost savings and service.

## Rethink Your Approach To The Week

Sunday and Monday are typical start days for a week's schedule for many employers, which seems to make sense. However, following a traditional week cycle can actually lead to problems for managers aiming at predictability across their workforce and bottom line.

Generally speaking, Friday, Saturday and Sunday are the busiest shopping days at retail, while the first part of the week tends to stay fairly predictable. So why not make the schedule start just before the weekend? Slightly overscheduling these busiest days guarantees complete coverage when you need it most, while the use of forecasted data will give you a road map for streamlining labor allocation on the slower days — helping you to stay on budget while not negatively impacting the shopping experience.

Empower clients have taken their own stance on this philosophy with great success, including a major grocery chain that recently realigned their week's start day to Friday, so that potential reduction in labor mid-week is less likely to drop below their minimum standards. The key to success here is having the visibility afforded through software, which can show you historically where sales and labor needs will likely end up each day of the week, eliminating the likelihood of surprises in your coverage.

### Create Default HR Action Plans

It's not just about filling vacant shifts, you also have to take into account important human resource issues that can result from each decision. A common occurrence at retail and grocery is the choice of whether to run an associate into overtime hours or bring in someone new for a previously unscheduled shift. The questions a manager must ask require careful attention to solve efficiently and at the lowest cost. Considerations include:

- ▶ Are you in a state that penalizes companies that employ on-call scheduling practices?
- ▶ Will working additional hours inadvertently make an associate a full-time employee instead of part-time, entitling them to benefits?
- ▶ Is there another employee with the right skill set and eligibility who wants to pick up an extra shift?

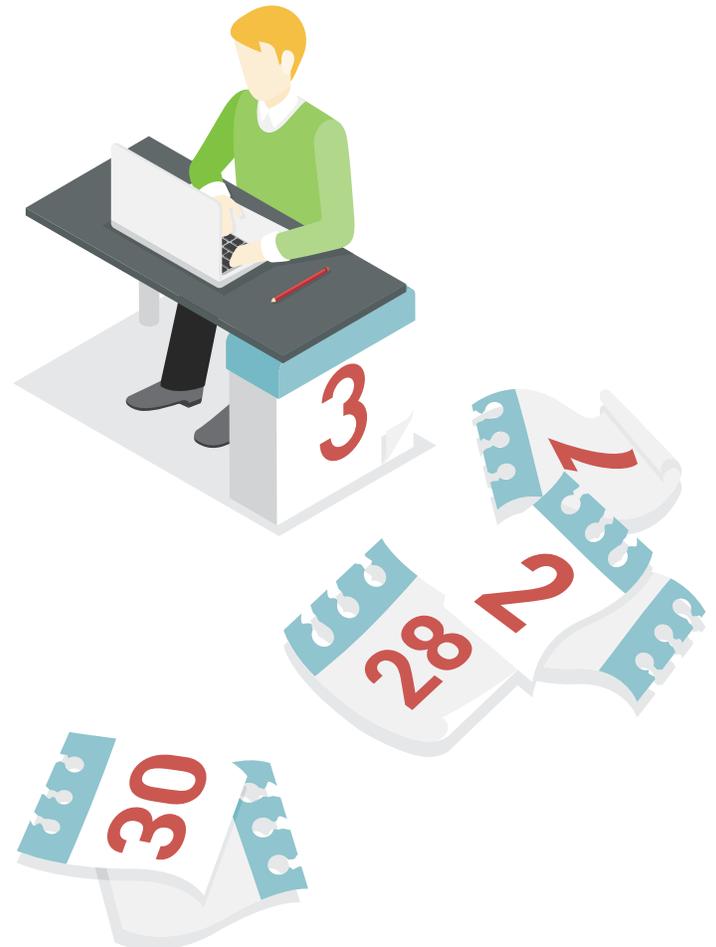
Making sense of these concerns on the fly can be overwhelming and time-consuming but one of the tools you have at your disposal with a robust workforce management system is the foresight to account for these exceptions. An application can give you the information you need to make the optimal decisions under any circumstances.

### Predictability Through Preparation

When it comes to the inevitable schedule curve balls, better planning means better operations and engagement. Learn to expect the unexpected. Take a different approach to your work week. Leverage sales history through a powerful WFM system. The return on investment is ultimately dollars saved for the company, but these safeguards also help to support the well-being of your associates and the quality of their customer care.

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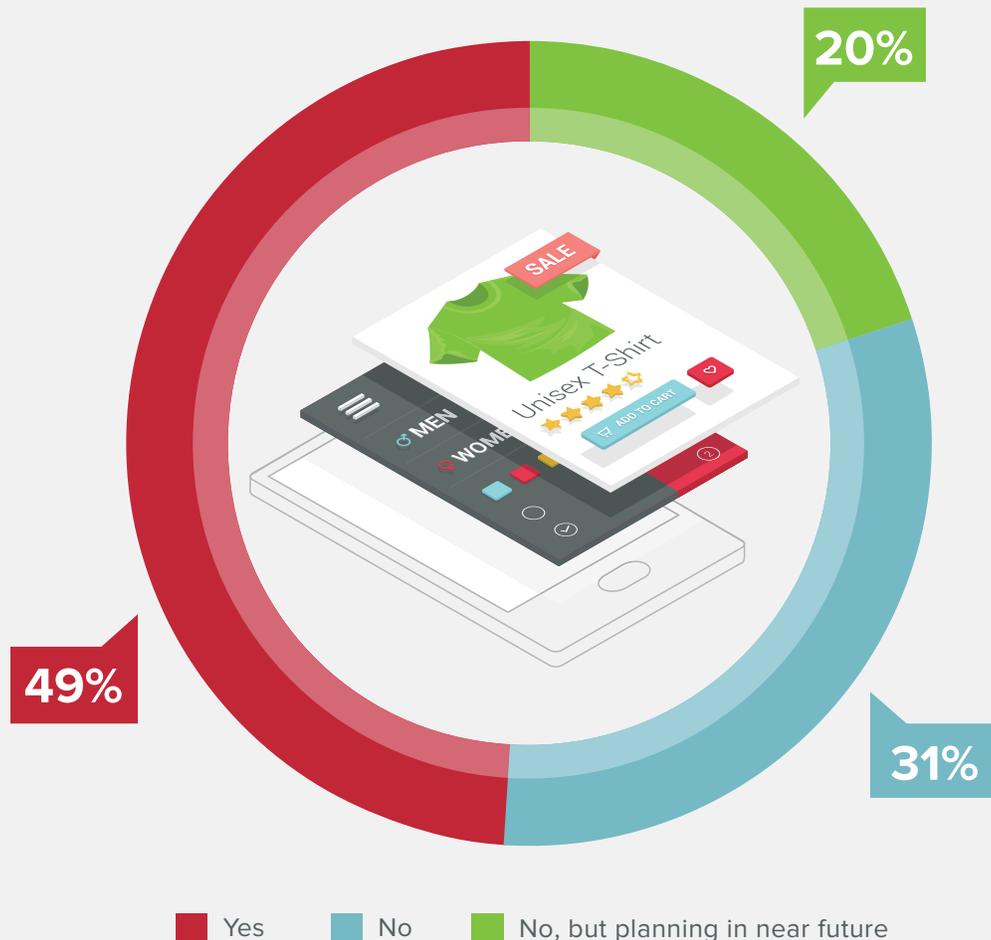


# MORE RETAILERS ARM ASSOCIATES WITH MOBILE

There's been a shift in retailers' mindset when it comes to arming store associates with mobile devices. This year, 49% said they already are providing mobile devices to store associates, and another 20% are planning to add employee mobile in the near future. That's a significant increase compared to 2014, when just 37% reported that their employees were using mobile devices in-store, and 17% were planning the implementation. Doing the math, that's a 15% total jump from 54% to 69%.

69% OF RETAILERS ARE ARMING THEIR STORE ASSOCIATES WITH MOBILE DEVICES.

Are your **store associates** armed with **mobile technology**?



Although some retailers continue to be concerned that their associates may use the mobile devices for personal reasons, and could potentially be distracted from their jobs, most now understand that employees will be empowered to become better brand advocates if they're armed with mobile devices.

With mobile devices in-hand, store employees can help shoppers with product information and availability. They also can suggest items for cross-sell or upsell and can process a mobile payment without walking away from the customer.

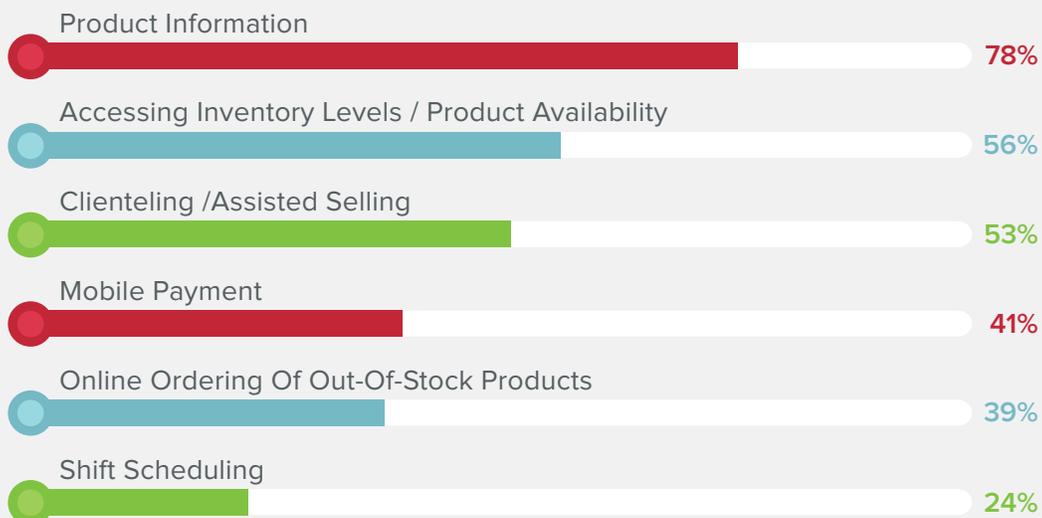
### How have you benefited from arming store associates with mobile technology?

(Check all that apply)



### What functions are store employees performing using mobile devices?

(Check all that apply)



# MAKING OMNICHANNEL WORK: UNIFYING PRODUCT, PRICING AND INVENTORY INFORMATION



BY KELLY KAZAKOFF



Omnichannel retail is no longer a prediction; it's a foregone conclusion. Shoppers are demanding cross-channel conveniences and retailers are gearing up and reorganizing to meet the challenge.

But, to put matters simply, the challenge is all in the data — data such as purchase history, inventory status and product information that has been managed independently by different departments and systems.

Despite efforts to get systems “talking to one another,” more often than not, customer-facing data fails to match up from channel to channel. Today, according to a CFI Group study, nearly three quarters of cross-channel consumers experience price and promotion inconsistencies between stores and websites under the same banner.

To overcome the shortcomings of legacy master data solutions, retailers are turning to new platforms that offer out-of-the-box, cloud-based capabilities. These solutions build powerful, centralized caches of data

that can enrich how customers interact with a brand by assuring that information is continually updated and transferred between channels.

The benefits of a unified, omnichannel e-commerce platform are exemplified in Walgreens' newly updated mobile app that now offers an extended array of personalized and store-specific promotions to customers who shop via mobile and in-store channels. The app offers extensive product information and delivers inventory transparency to in-store shoppers that was previously only available to desktop users.

To learn more about six key benefits to a centralized commerce platform, we invite you to download our whitepaper, [\*\*Omnichannel Retail Moves From Channel To Platform.\*\*](#)

*Kelly Kazakoff is the COO at iQmetrix. He oversees the sales and business development of iQmetrix. He also sets the planning, and ensures the execution and fulfillment of the company's mergers and acquisitions. A marketing grad, Kazakoff is an iQmetrix co-founder and has previously served as chief executive of a multimillion-dollar wireless retail chain.*



## Some of the new features included in the new Walgreens app:

- ▶ In-store inventory
- ▶ Store maps
- ▶ Barcode scanning
- ▶ Weekly ads
- ▶ Paperless Coupons
- ▶ Coupon viewer/manager
- ▶ Loyalty rewards earned across channels
- ▶ Photo editing and printing
- ▶ Rx chat and refill reminder

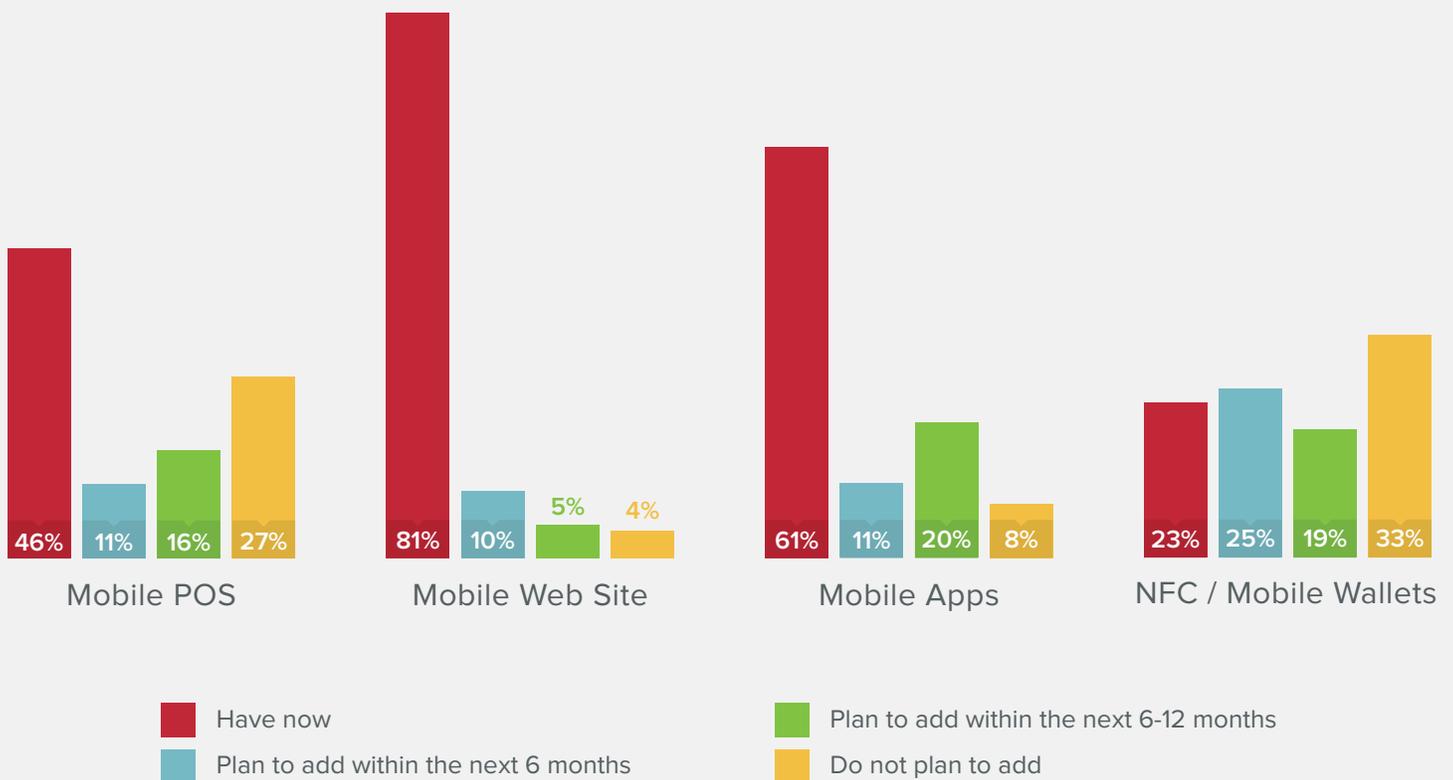
# MOBILE HELPS SECURE AN OMNICHANNEL EXPERIENCE FOR SHOPPERS

81% OF RETAILERS HAVE MOBILE SITES IN 2015, UP FROM 43% IN 2014.

Retailers can no longer treat their stores as a siloed channel. Shoppers are expecting a cohesive and consistent experience from the couch to the checkout. Incorporating mobile into the entire shopping experience helps to achieve omnichannel goals. Beyond arming store associates with mobile devices, retailers are adding mobile POS and mobile wallets, as well as improving their efforts around mobile sites and mobile apps.

In 2015, a growing number of retailers committed to mobile web sites, 81% vs. 43% last year. Other significant increases include mobile apps, 61% vs. 33% in 2014; and mobile wallets, 23% vs. 8% last year.

What other **mobile technology** do you utilize **within your stores**?



# EMPLOYEE ENGAGEMENT & RETENTION TOP STORE OPS CHALLENGES

Employee engagement and retention remain the top two store operations challenges for retailers, year over year, although hiring/retention has taken over the number one spot from training/engagement in 2015. Close to 45% of retailers ranked hiring/retention as the top challenge this year, compared to 42% in 2014. Training/engagement, on the other hand, was the greatest challenge for 38% of retailers this year vs. 53% last year.

The good news is that 67% of retailers believe they have effective training and retention programs in place in 2015, compared to 54% last year. And an additional 23% said this is a priority in the near future vs. 11% in 2014. It's no question that having motivated, well-trained store employees helps to increase overall customer satisfaction.

**67% OF RETAILERS BELIEVE THEY HAVE EFFECTIVE EMPLOYEE TRAINING AND RETENTION PROGRAMS IN PLACE.**

What are your **greatest** store operations **challenges** in 2015?  
*(Respondents chose 1 or 2 out of 8, 1 being the greatest challenge)*



When it comes to training employees, retailers still prefer in-person sessions over other methods: 84% consider it the most effective method in 2015, up from 82% in 2014. But video training is gaining in popularity, up to 72% this year compared to 55% last year.

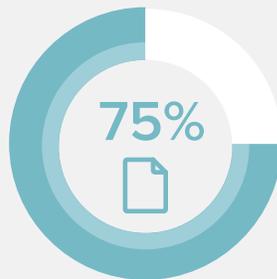
Store associates are key players on the front lines of customer engagement and they should be recognized and rewarded for their efforts. To that end, more retailers are investing in online quizzes (45% vs. 32% in 2014) and gamification (17% up from 9%). More retailers also are rewarding employee successes with free products and discounts (24% in 2015 vs. 14% in 2014).

## ONLINE QUIZZES AND GAMIFICATION ARE GROWING IN POPULARITY FOR EMPLOYEE RECOGNITION.

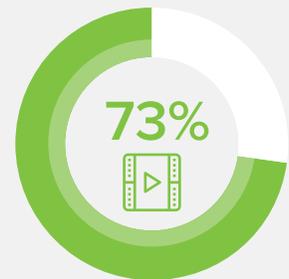
What types of **training** and **engagement programs** do you provide to employees?  
*(Check all that apply)*



In-person sessions



PDF documents and print manuals/pieces



Video training programs and educational classes



Online quizzes



Free products and discounts in exchange for referrals and reaching sales goals



Gamification programs to keep employees engaged

# WHY MORE RETAILERS ARE GETTING MOBILE APPS FOR THEIR FIELD TEAMS



BY RICHARD  
JIMENEZ-ALICEA  
**AccuStore**<sup>™</sup>  
A GSP Company

There's one slide in my go-to PowerPoint that's always guaranteed to get a chuckle. (By design, mind you.) It's when I ask my audience if they experience any "data silos," you know, the inability to find the information you need when you need it. "No, we don't have any of those," someone will reply sarcastically. Then it starts: the very telling laugh, followed by the data horror stories. "I spent six weeks combing through 800 store spreadsheets and still didn't know if the data was up to date. We had to delay a rollout. All that time and money [lost]," one person complained.

I've had more than one company confide to me that they make more decisions based on gut than fact — not because they didn't have data, but because the data was too hard to track down or of questionable accuracy.

If there's any consolation, it happens to everybody. In a blog and Google Hangout from last summer, CIO Mike Giresi of the retailer Tory Burch admitted, "It's incredibly difficult to get things done with 'linear email.'" He further explained, "Emailing spreadsheets back and forth wasn't enabling the speedy decision-making we need for a rapidly growing retail business. Teams couldn't get their hands on the right information to push store development forward."

*PC World* just declared in "The Attack of The Data Silos 2" (a movie I don't want to see) that "silos appear to be coming back in all their former collaboration-stifling glory." Which begs the question: Did they ever really go away?

## BY ENABLING FIELD PERSONNEL TO COLLECT DATA WITH A PHONE OR TABLET APP, YOU REALLY CAN MAXIMIZE PRODUCTIVITY.

So why do bad data silos happen to good people? *PC World* calls out one culprit: "The silo problem is particularly common with **desktop-based** tools into which users upload whatever data they have access to." And that's the problem, isn't it? By the time you get back to your desk, you lack access to store information. "The potential consequences are many," says *PC World*, "time wasted arguing about whose results are right; misguided decisions; regulatory and compliance exposure; and higher cost."

Forrester analyst Martha Bennett even told *PC World* that, because of data silos, "The organization cannot become truly data-driven in its decision-making, which is likely sooner or later to lead to competitive disadvantage."

I know you've heard it: "Mobile is the new black." But by enabling field personnel to collect data with a phone or tablet app, you really can maximize productivity, minimize those data entry errors and eliminate the lag time for gaining the information you need.

So what's holding you back?

The reason I hear most often is that retailers are reluctant to add “a new system” that won't be compatible. And who has time to slow down for a ramp-up period?

Before Circle K's Arizona division became automated with the AccuStore mobile ops solution, its 16 market managers would complete 10 to 12 store visits, use checklists, then go home to update their Excel spreadsheets, upload photos and email people. *CSP Daily News* asked Circle K regional operations director, Heather Heller, how going mobile changed that. Heller answered, “It's easy, quick and logical [even] for those who are technology challenged. Now they just take [their phones] out, spend five minutes to enter the information and there you have it.” Five minutes and no learning curve to complete tasks versus spending all those frustrating, error-prone hours on “home work,” when you're tired and trying to recall what you saw.

*Fortune* magazine recently spotlighted Family Dollar's new app for employees. The article pondered its decision to implement it before creating a customer app. One reason: The initiative is “saving time and money for district managers, who have better access to performance metrics.” In fact, companies tell me that they experience a 5% to 12% cost savings annually on their indirect spend (no more guessing).

Of course, having access to store knowledge in real time for those Monday morning recaps is “priceless.” *Fortune* also lists instant image capture, say to

document store conditions, as one of its favorite innovations to up your game. I can also think of having an accurate database, a comprehensive dashboard view of your stores — oh, and *no more data silos* — as pretty darn good reasons to go with an app for employees first.

Then there's the flip side, when the merchandising, marketing and operations don't come together. As Mike Giresi put it, “If the store underwhelms the customers, they're not going to come back.”

And that's why more companies are putting mobile processes first.

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*Richard Jimenez-Alicea is the Director of Business Development for AccuStore. Let him know how your ops dept. is innovating. Connect with him: [Richard.jimenez-alicea@accustore.com](mailto:Richard.jimenez-alicea@accustore.com)*



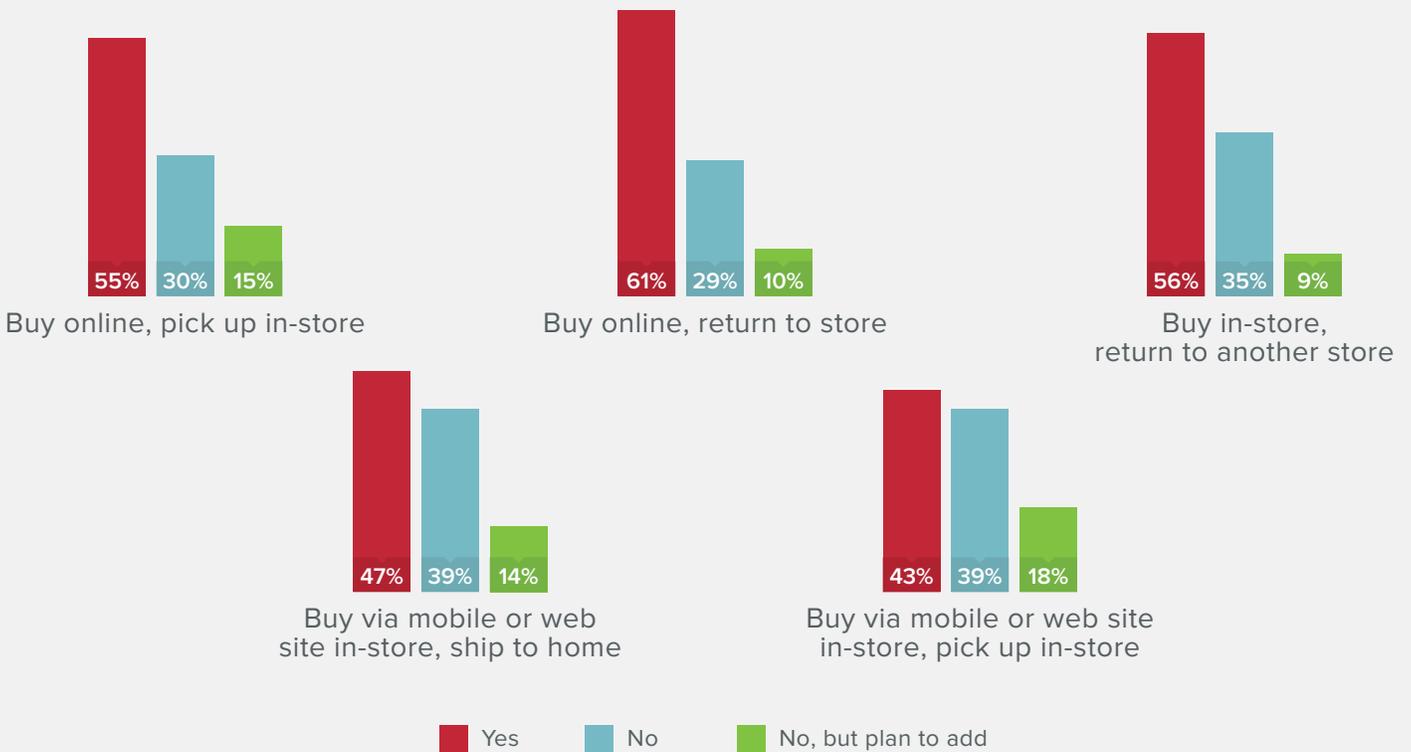
# MULTIPLE ORDER AND DELIVERY OPTIONS BECOME PRIORITY TO MEET OMNICHANNEL GOALS

As more retailers commit to omnichannel retail, they are refocusing efforts on offering a wide variety of product ordering, pickup and delivery options. Today's consumers are demanding the ability to shop, order, pickup and/or have their items delivered via their channels of choice.

In response, retailers are doubling down on their efforts to please every shopper. Buy online/return to store has become the number one priority for retailers in 2015, with 61% offering the service, compared to 42% in 2014. Buy in-store/return to another store also has garnered a bit more attention, with 56% facilitating this service vs. 54% last year. And buy online/pickup in-store continues to grow in popularity, up to 55% from 49% a year ago.



Do you offer the following **product ordering** and **delivery services** in-store?



# USING RETAIL ANALYTICS TOOLS TO INCREASE SALES EFFECTIVENESS



BY MANISH  
CHATURVEDI



The retailing environment is incredibly dynamic, as consumers' expectations on the shopping floor are soaring, requiring transparency across product and relationship value chains. Retailers must be highly flexible and be able to quickly respond to increasingly sophisticated customer demands. With the development of the Internet and the growth of multi-channel operations, retailers must adapt their business models so they can collect real-time business information and drive the efficiency of their day-to-day operations.

Here are three steps to make these insights work for your retail business.

## Step 1: Get The Right Data

It is rightly said that “retailing is detailing,” and the crux lies in the detail. Sophisticated business analytics tools allow managers to quickly and precisely sift through enormous volumes of data to help identify and predict selling opportunities.

The strength of business analytic tools lies in their usage of innovative technology in a clustered environment to perform at a high level with an enterprise-ready and proven engine which can store huge amounts of data, scale to the largest enterprise needs, and support high query loads.

A retailer's successful approach to retail analytics should be comprehensive and straightforward. Deployment of expert resources (technological, analytical and business line) can enhance available opportunities and have a tremendous positive impact

## ANALYTICAL TOOLS SLICE AND DICE DATA TO KEEP PACE WITH THE SPEED OF THE BUSINESS.

on the customer portfolio. All areas of concern can be addressed and optimized through disciplined and rigorous execution of an analytics-driven sales strategy.

## Step 2: Gain Deeper Insight And Facilitate Better Decision Making

Efficient analytics tools can gather all the enterprise data, irrespective of the format, and process it into meaningful information. Ideally, these tools should be a set of pre-packaged, shrink wrapped business intelligence dashboards which seamlessly plug into the enterprise allowing retailers to analyze, visualize, and gain insight into data.

Reporting and analysis tools help information workers access and investigate the data necessary for better decisions.

These tools help retailers recognize the range of customer segments in the marketplace and the diverse customer base across different geographies. Increasingly, retailers are beginning to see the value in tailoring product assortment and marketing to different stores so that customers always have access to the products they want, where and when they want them.

Eventually, this entire analytical exercise ensures that customers always receive the highest possible service and traditional problems such as stock outs or over stocking are eliminated. In today's competitive marketplace, technology plays a vital role in driving efficiency and improving in-store responsiveness. Not only can retailers collaborate more closely with suppliers by more effectively leveraging customers' information, they can also predict demand and respond to real-time sales fluctuations to improve their stock levels.

### Step 3: Align Decisions With Corporate Goals

The first two steps help retailers make decisions as individuals. For larger enterprises, the scenarios are many and the enterprise data volumes even larger and therefore, more difficult to handle.

The economics of retailing has fundamentally changed with advancements in business analytics systems. Today, retailers' success hinges on their ability to know their customers and engage them with timely promotions, relevant product suggestions, and personalized service. Analytics applications can spot financial trends, recognize performance patterns, and give senior management a succinct view of what is happening in the real-world of in-store retailing. Faced with information from every facet of the organization, from warehouse to shelf, retailers can respond quickly to market conditions and remain one step ahead of the competition. Analytical tools slice and dice data to keep pace with the speed of the business and help management confidently stride through information overload for organizational decision-making processes.

### The Result: Unlock The Potential Of Your People

Better decisions can be made if the decisions are aligned with corporate goals. Retail analytics tools can help all, from a small retailer to a large retail enterprise. Their nature and the people who use them grow as the business grows. Their usage empowers management to stop guessing and start making faster, smarter decisions. The simplicity of retail analytical tools let anyone easily consolidate, search, visualize and analyze all their data for unprecedented business insight. Investment in retail analytics is a small investment for a large return on trust that can help you build your business' success.

Retail analytics is no longer an emerging area of technology. Their wide ranging usage and business benefits are designed to analyze every aspect of retail activity, from sales performance, to marketing effectiveness to customer preferences, to loyalty.

Cross departmental dashboards and analysis templates are hugely beneficial in gaining the competitive edge through effective decision making.

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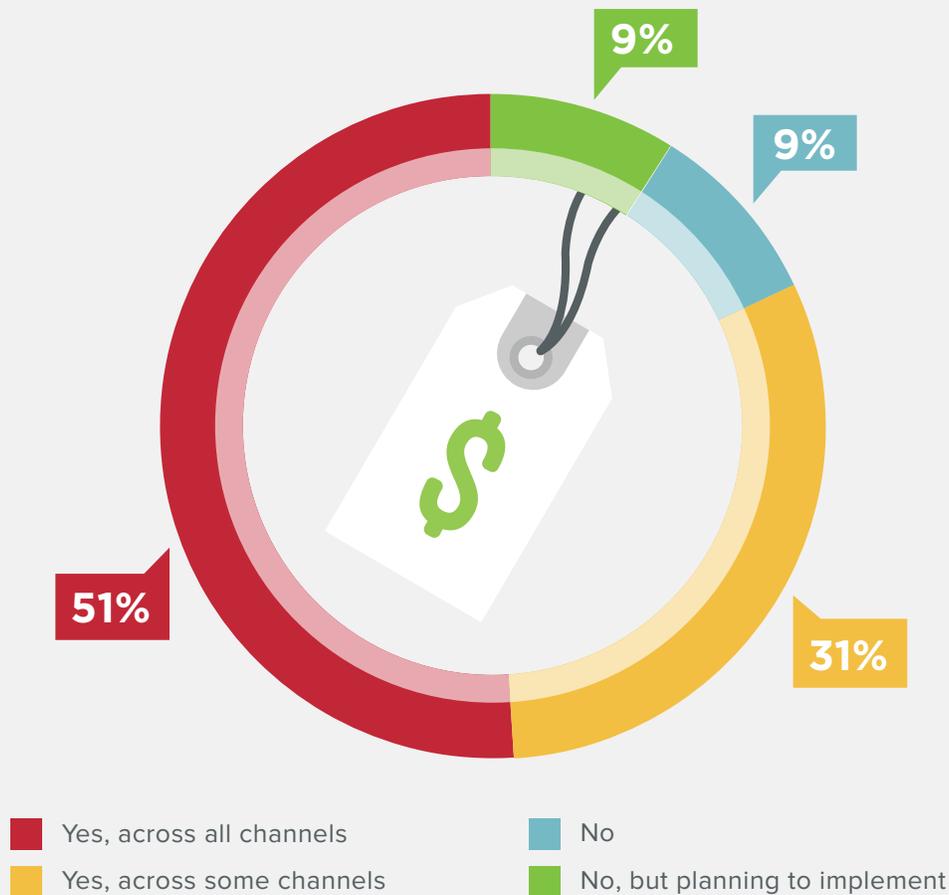
# CONSISTENT CROSS-CHANNEL PRICING REACHES SATURATION

We've heard it over and over again in the omnichannel conversation: Retailers can no longer compete on price alone. That said, retail organizations should not dismiss the importance of optimized pricing programs, implemented across channels.

An important priority for many retailers is the ability to offer consistent pricing from channel to channel. Although the pros and cons of price consistency is sometimes debated among retail executives, most have committed to the practice across at least some channels: 82% offer consistent pricing across all or some channels in 2015, compared to 67% in 2014. The percentage of merchants implementing consistent pricing across all channels has increased 5%, up to 50% in 2015 from 45% last year.

**82% OF RETAILERS OFFER CONSISTENT PRICING ACROSS SOME OR ALL CHANNELS.**

Does the store offer **consistent pricing** with all other channels?



# NEW METRICS NEEDED FOR TODAY'S NEW RETAIL



BY BRIDGET JOHNS



With the emergence of e-Commerce, shopping fundamentally changed over the past 15 years. Just the disruptive shifts in the past *15 months* have been monumental, and shock waves ripple through the industry each and every week.

## Ch-ch-changes

According to the popular press of five years ago, physical retail was dead or at least dying, and news stories continue today with notices of stores — even entire chains and malls — shuttering their doors. But hold up on that brick-and-mortar obituary — last year and into this, the news has increasingly told stories of traditional online retailers venturing into brick-and-mortar and [opening their own stores](#).

These seemingly contradictory stories are symptomatic of the emerging trends affecting retailers — channels are converging, retail is forever changing and the shopper, SHE IS IN CHARGE! Recognizing these new retail realities opens a wealth of opportunity for retailers to reinvent how their shoppers shop. And, doing so, of course, requires reinventing the store.

## In With The New, Out With The Old

First and foremost, the role of the store has changed. It's a valuable channel, yes, and one chock full of inherent strengths and advantages, but it's no longer the only channel, and for some brands, it's not even the most important channel.

## THE 'NEW NORMAL' IS BUILT AROUND ELIMINATING FRICTION POINTS THAT CROP UP IN CUSTOMERS' SHOPPING JOURNEYS.

Hard-line brick-and-mortar retailers have to come to terms with that. If they continue to do “business as usual” in the physical space, they will continue to be beaten down with less traffic, less sales, less shopper loyalty and retention, and eventually tighter or even non-existent profit margins. It's a nasty spiral that makes competitiveness impossible.

## The New Normal

Business as unusual is required, and many brands like [Warby Parker](#) and Bonobos already are defining the new normal, and it's built around eliminating friction points that crop up in customers' shopping journeys. It's a new way of positioning the store as a destination where the brand can personally engage with shoppers and provide value-added experiences not possible through other channels.

The new normal for physical stores bypasses trendy topics like #omnichannel or #seamlessexperience and replaces them with the likes of #thejoyofshopping and #supriseanddelight. If physical retailers start with how shoppers feel about shopping experiences, they may find out they're *perfectly* positioned to deliver perhaps the most added value of all retail touch points.

## New Retail, New Metrics

Retail's new reality requires new metrics. An old adage is “you get what you measure,” and if retailers measure the same traditional activities and results, they should expect to get the same traditional performance, right? What's the point of doing business as unusual if retailers are measuring as usual?

Just as important, metrics need to focus not so much on what is easy to measure, but more so on what is *meaningful* to measure.

For years, sales per square foot was important to the retail industry. Unless you're in finance or real estate planning, forget it. It's useless in helping manage the day-to-day business.

Then, there's the fascination with Comp Sales, which is still an important, widely reported benchmark. But, it also has inherent shortcomings, including no measure of profitability and no attribution of impact on revenues — or profits — for the entire multi-channel enterprise. And, like Conversion, Average Transaction Value and many other long-established metrics, it tells the final chapter of the story, but none of the “how” the story developed to get there. And with no “how,” there's a lot of trial and error in answering, “How do we improve?”

Parallel to the development of new roles for physical stores, technology innovations now produce new data streams never before available, and that data empowers new metrics — ones that challenge the most trusted truisms of the old normal. For example, Sales per Shopper Minute shows that in some retail segments today's empowered, on-the-run shopper does *not* necessarily buy more the longer she stays in the store. She shops fewer stores per shopping trip, armed with knowledge and intent to buy — she seeks convenience and fulfillment, and then she's on to the next task in her busy life.

Shopper engagement, both with staff and with displays, is now one of the most meaningful metrics in the new normal. Interaction analyses determine when, how, where, and how often to engage with shoppers for ultimate results, and engagement scores determine the effectiveness of displays and fixtures. Those are the metrics of the new retail reality, and it's time for the industry to concentrate on the meaningful, not only the measurable.

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# OMNICHANNEL CHALLENGES DRIVE CREDIT FOR SALE DISCUSSIONS

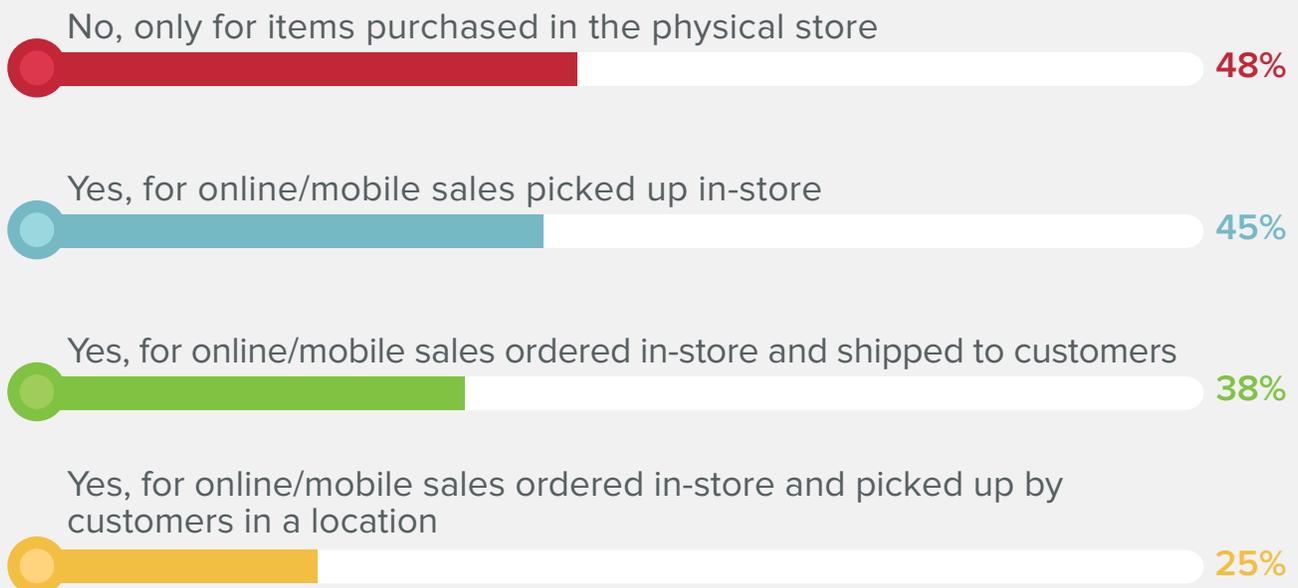
Determining which channel gets credit for the sale is a continuing discussion among retail executives and industry experts. Many say, “It doesn’t matter. It’s about the business as a whole.” But others remain concerned that one channel may get short-changed, or employees in the store may not be available to help customers if they are distracted by fulfilling online orders.

Retailers have remained consistent in their commitment to give the store credit on other channel sales over the past few years. And close to half (48%) are standing firm on only giving credit to the store for items purchased in that store.

This situation will only get more complicated as more channels come into play, such as social, and as in-store mobile payment takes off. Additionally, as more retailers offer multiple ordering options — including completing an online purchase in the store — retailers will be forced to face the issue in an effort to keep shoppers satisfied.

**48% ONLY GIVE CREDIT TO THE STORE FOR ITEMS PURCHASED IN THAT STORE.**

Does the store get **credit** for other **channel sales**?  
(Check all that apply)



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The Connors Group slogan reflects our belief that creating a continuous improvement environment is the key to being the very best: ***“Continuous Improvement. Daily Pursuit.”***

Connors Group is privately-held and headquartered in Pittsburgh, Pennsylvania. Visit us on the web at [www.connorsllc.com](http://www.connorsllc.com).



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At iQmetrix, our purpose is to create great retail experiences. Our products bridge the gap between physical and virtual retail channels. XQ Interactive Retail brings elements of online shopping into the physical store to facilitate the purchase process. RQ Retail Management is a complete system for managing all aspects of a store chain operation. Founded in 1999, iQmetrix is a privately-held software as a service (SaaS) company with offices in Canada, the U.S. and Australia.



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## ABOUT iVEND RETAIL

iVend Retail is one of the first few Enterprise-Class Retail applications to be also available on the Cloud. As a suite of retail applications, iVend Retail integrates modules like Loyalty, eCommerce, Mobile POS, Digital Passes and Analytics, making iVend the right choice for modern retailers of any size.

Enhancing modern retail industry experience, iVend Retail has long been an invaluable enterprise class retail management to manage Head office and InStore processes globally.



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## ABOUT RETAILNEXT

RetailNext Inc. is the worldwide expert and market leader for in-store retail analytics, delivering e-commerce style shopper analytics to brick-and-mortar stores and malls through a centralized SaaS platform. RetailNext provides the most comprehensive advanced analytics from the broadest set of data sources, including integrating third-party systems such as point of sale (POS), workforce management (WFM), scheduling, proximity marketing, and others to provide contextual in-store analytics. More than 200 retailers and brands worldwide have adopted RetailNext solutions to glean the insights necessary to improve customer experience, increase same-store sales, reduce theft and eliminate unnecessary costs.

RetailNext measures the behavior of more than one billion shoppers per year by collecting data from tens of thousands of sensors in retail stores and analyzing trillions of data points annually. Headquartered in San Jose, CA, RetailNext is a growing global brand operating in more than 50 countries. For more information, visit [www.retailnext.net](http://www.retailnext.net).



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*Retail TouchPoints* is an online publishing network for retail executives, with content focused on optimizing the customer experience across all channels. The *Retail TouchPoints* network is comprised of a weekly newsletter, special reports, web seminars, exclusive benchmark research, and a content-rich web site featuring daily news updates and multi-media interviews at [www.retailtouchpoints.com](http://www.retailtouchpoints.com). The *Retail TouchPoints* team also interacts with social media communities via Facebook, Twitter and LinkedIn.



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