The future of retail:

Connecting people, systems, operations, infrastructure, and data digitally

How intelligent stores are shaping the new retail landscape

Introduction

The retail industry has seen unprecedented change in the last few years. As the pace of global business increases and new competitors emerge, delivering a seamless shopping experience for the customers and driving operational agility has becomes an imperative for any retail company to grow and thrive. Customer's expectations have never been higher. They are better informed, have greater choice and more flexibility in the way they move between channels and make purchasing decisions.

Retailers that embrace analytics, Artificial Intelligence, and virtual technology to address these changing expectations can grow their business across all channels, while reducing their costs. Equipping employees with helpful tools and insights unlocks their potential regardless of role or geographic location. Connected Retail – the fusion of your customers, products, and employees powered by modern technology – allows businesses to take advantage of trends in customer behaviors and build an intelligent retail organization that stays ahead of the competition.

What is driving the new retail landscape?

Change has many causes: Increased competition is driving consumer preference while reducing profit margins. Global supply chains and their accompanying challenges are impacting operations. Governments and consumers increasingly interested in sustainability are impacting product development and manufacturing. The result is massive shifts, and an emerging new landscape defined by retailers who can prioritize the technology and tools necessary to intelligently connect people, systems, operations, infrastructure, and data.

This connectivity is sometimes hard to come by, but once achieved it adds ease, convenience, customization, and automation to every aspect of a retail organization—from its business processes, operations, and how employees work to the customer experiences provided and the very products and services offered.

The changing style of a customer's shopping experience

Retailers who can offer a smart store will be the ones that attract and retain customers throughout the order process, ultimately turning them into loyal repeat buyers and hopefully advocates. Personalization is the key, offering costumers the positive experience of knowing their needs and preferences are understood and being met. The rapid integration of mobile, online, and in-store channels is the means to meet these new high standards:

- Smart mirrors and augmented reality that allow customers to "try on" items virtually without the maintenance of fitting rooms

- Contactless checkout with the automatic, frictionless scanning of products as the customer walks out of store without the hassle of waiting in line

- Click and collect methods across all channels including BOPAC (Buy Online Pick Up at Curbside), BOPIS (Buy Online Pick Up In-store), ROPIS (Reserve Online Pickup In-Store)

- Smart shelves and smart inventory solutions that keep your displays fresh and engaging, ensuring product is available without the need to overspend on stock

- Scanning a barcode to show product information or to find other colors or sizes on the retailer's eCommerce site, even show related products and accessories

- Smart price tags that can be changed in real time based on demand or other trends, even gamification where customers have a chance to purchase an item at an unexpected discount

- The use of smartphones or a wearable devices to quickly scan in items and call up product information, reviews, or social media comments

To stay relevant and compete in a rapidly evolving industry, retailers must reimagine their customer experiences and business processes from the ground up by implementing technology in new ways.

Korcomptenz' perspective on the landscape

The pandemic has accelerated the need for retail organizations to adopt a unified digital transformation strategy that meets the demands of customers and lays the agile foundation necessary to successfully navigate whatever the future may bring.

Every retail company must succeed in a several key areas to keep pace with this rapid change, including personalization for consumers, an empowered workforce, sophisticated supply chain management, and a seamless cross-channel experience, while also ensuring consumer and employee safety at every stage of the customer journey.

Top of mind for consumers			Top of mind for retailers		
BOPIC/BOPAC /ROPIS	Customized personalization	Catalog	BOPIS/BOPAC	Data-driven demand planning	Agile and resilient supply chains
Mobile Apps	Connected journey	Contact center	Nextgen logistics	Omnichannel customer experiences	AI revolution
Innovation	Online scalability	AI revolution	Digital collaboration and communication	Sustainability	Intelligent systems
Return management	Inventory	AR/VR	Reimagination of brick and mortar	Customer and employee health and safety	Commerce anywhere
Real time product tracking	Sustainability	Scan and Pay methods	New business models, coalitions and ecosystems	Safe and efficient stores	Unlock data insights and eliminate silos
Return management	Data protection	Loyalty programs		Online scalability	

Adapting to this landscape requires retailers to rethink the way all their channels work together and navigate new technology investments, the operational costs for extending their eCommerce channels, and the potentially negative impact on excess stock or other waste in supply chain. This will help to drive smarter operations, transform customer experiences, and the provide ability to leverage data-rich intelligence and ensure these insights are distributed across all levels of the organization.

Key constraints to digital transformation in the retail industry

There are real challenges, however, on the way to the retail promised land. Rare is the retailer that doesn't have to deal with disparate systems to manage different aspects of the customer experience and their fulfilment.

Most retailers have an eCommerce platform, a point-of-sale system, an order management system, and an accounting platform at a bare minimum. Many likely have a separate customer relationship management system and customer service desk.

Some may also have a separate loyalty application, making it difficult to get all these systems to work seamlessly together and support Connected Retail. Perhaps you've tried and weren't successful or are simply daunted just thinking about it.

At the same time, you know your competitors are moving ahead and fear you might fall behind. Here are some common challenges retailers need to overcome to realize the dream of Connected Retail:

Changing Customer Needs	Improper collection and use of customer data	Lack of business and IT collaboration	Legacy business models

Lack of technology integration	Lack of teams with the necessary skills	Security and compliance

Four key strategies to navigate today's retail landscape

Digital-first, bold solutions in key areas – maximizing data value, elevating the shopping experience, empowering the store associate, and building a real-time supply chain - produce remarkable results. These solutions mean smarter, faster, more secure, and personalized experiences for consumers and retailers, providing the threshold for more controlled, intelligent, and future-proofed spaces and systems.
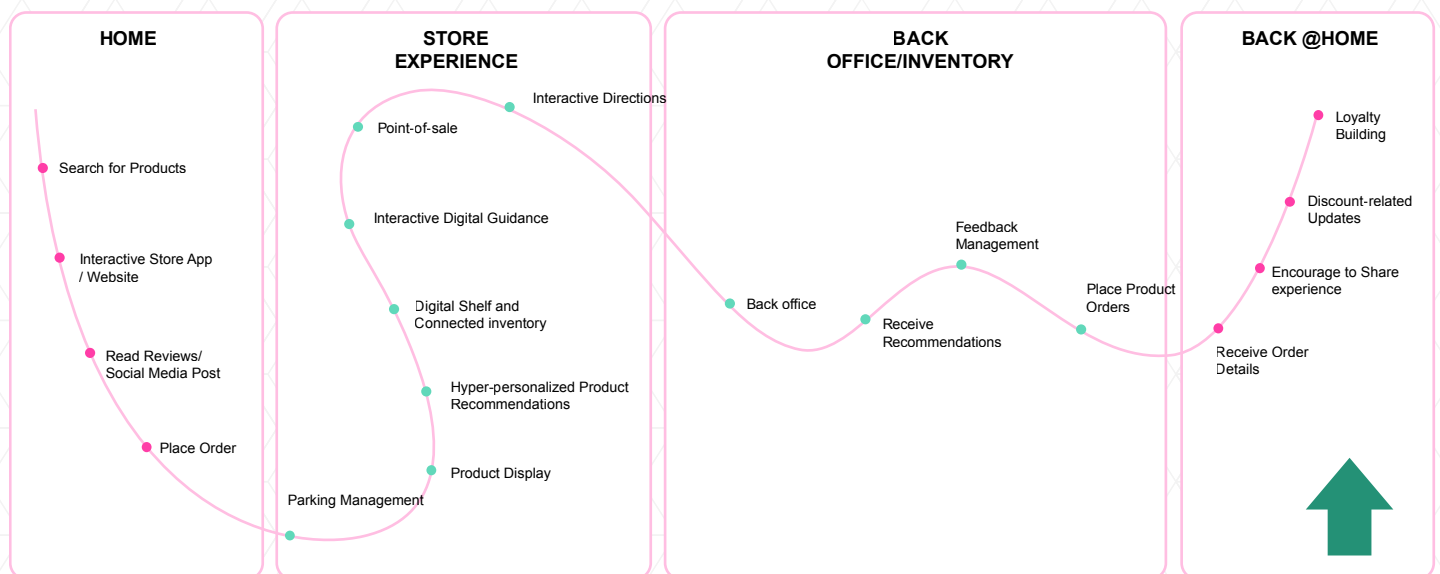
1. Know Your Customers

To maintain a high quality level of service in a largely contactless era, retailers should prioritize virtual connections and real-time buying experiences across channels that build customer trust and confidence.

Data and predictive AI offers retailers the opportunity to create digital customer experiences that take customer service to the next level, while unlocking new business opportunities. The two use cases for Know your customer are personalization and omni-channel optimization.

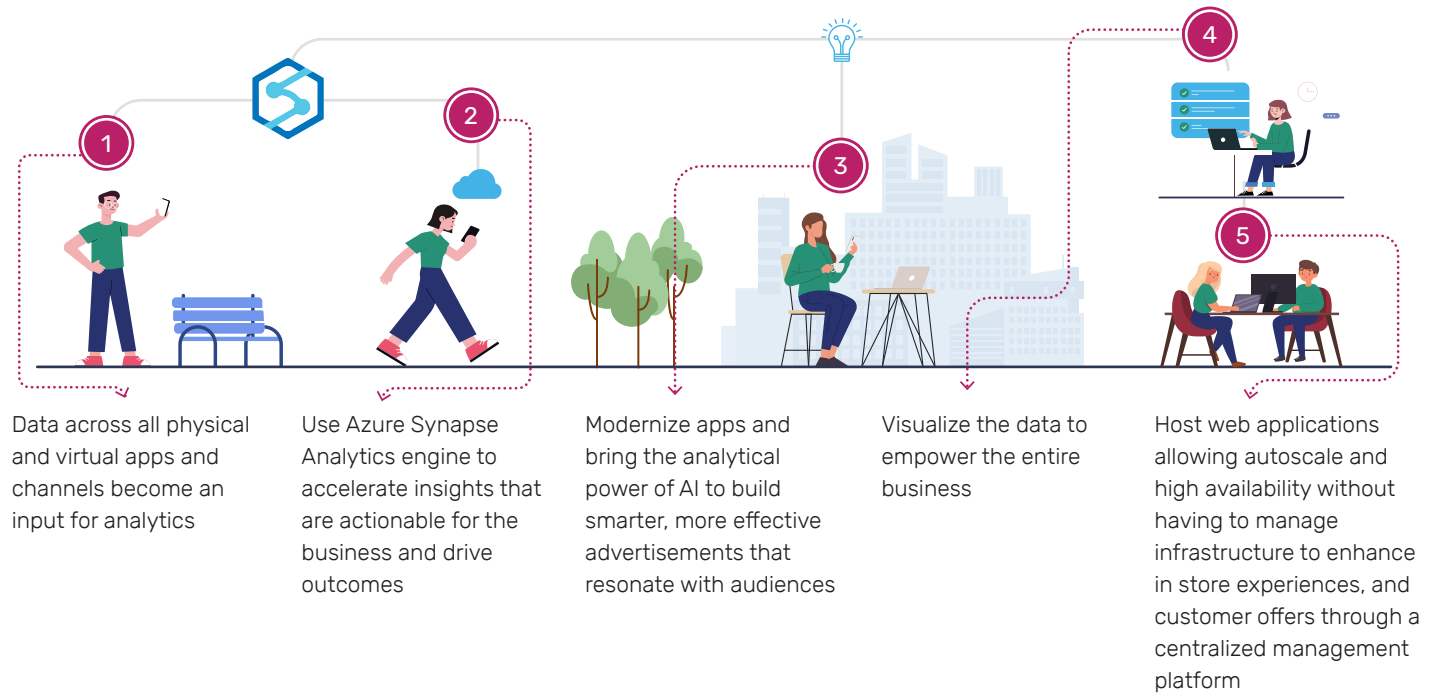### i. Personalization throughout the customer journey

Use customer behavioral data across channels to tailor shopping experiences and offer the right product, in the right place, at the right time. From product research to purchase convenience, shipment tracking to return optimization, customers are increasingly choosing digital channels wherever possible. Delivering personalization across multiple channels to increase the relevance of offers and improve customer experiences is no longer just a competitive advantage. It's now imperative to survival in the retail business.

HOME	STORE EXPERIENCE	BACK OFFICE/INVENTORY	BACK @HOME
Search for Products	Interactive Directions	Back office	Loyalty Building
Interactive Store App / Website	Point-of-sale	Feedback Management	Discount-related Updates
Read Reviews/ Social Media Post	Interactive Digital Guidance	Receive Recommendations	Encourage to Share experience
Place Order	Digital Shelf and Connected inventory	Place Product Orders	Receive Order Details
	Hyper-personalized Product Recommendations		
	Product Display		
	Parking Management		

ii. Omni-channel optimization: How it works

Provide visibility and consistent experience across channels like physical locations, eCommerce, mobile applications, and social media. Retailers that can understand preferences, better serve customers, and gain insights into crafting offers based on their unique needs.   The goal of omni-channel is to provide a coherent, captivating shopping experience for customers, whatever the platform or device they use. Data is critical to the ability of your business to drive such optimization across channels.

Azure is a comprehensive cloud platform that can support the analysis of massive amounts of customer data using machine learning to deliver better customer experiences both online and in store.

1 Data across all physical and virtual apps and channels become an input for analytics

2 Use Azure Synapse Analytics engine to accelerate insights that are actionable for the business and drive outcomes

3 Modernize apps and bring the analytical power of AI to build smarter, more effective advertisements that resonate with audiences

4 Visualize the data to empower the entire business

5 Host web applications allowing autoscale and high availability without having to manage infrastructure to enhance in store experiences, and customer offers through a centralized management platform
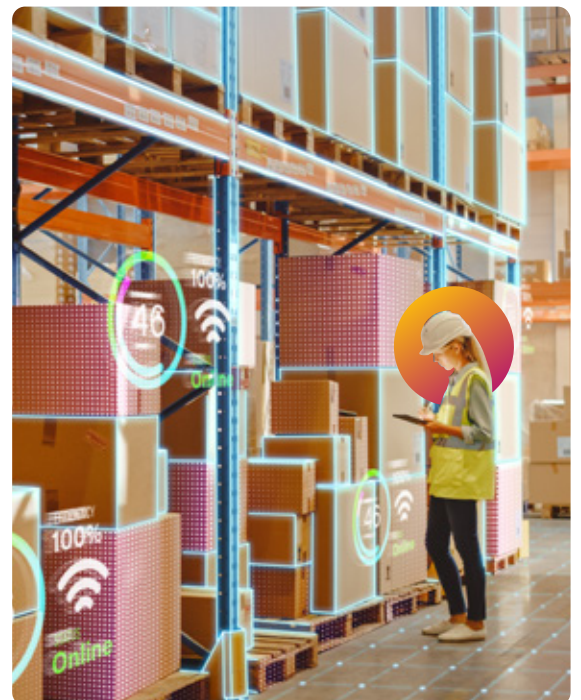
With these capabilities, retail companies can differentiate the shopping experience, bring their brand to life, and increase efficiency and profitability.

Build a resilient supply chain

Major shocks to supply and demand during the pandemic have exposed the vulnerabilities of the global supply chain. Today's retail organizations require a more intelligent, resilient supply chain, powered by core, cloud-based, central platforms that integrate, orchestrate, and execute actions in real time. This gives a company a full picture of what's happening inside their organizations, enabling new levels of agility, responsiveness, and risk mitigation.

Technologies such as AI, Blockchain and IoT can provide organizations the end-to-end visibility, insight, and capabilities they need to reimagine operations and processes in new and unexpected ways. The Microsoft Dynamics 365 suite of products including D365 Supply Chain Management, Intelligent Order Management, and Advanced Warehouse Management can help organizations create a digital supply chain to gain end to end visibility, perform advanced analysis, collaborate with internal and external stakeholders, and automate responses to proactively overcome disruptions.

Business benefits from an intelligent supply chain

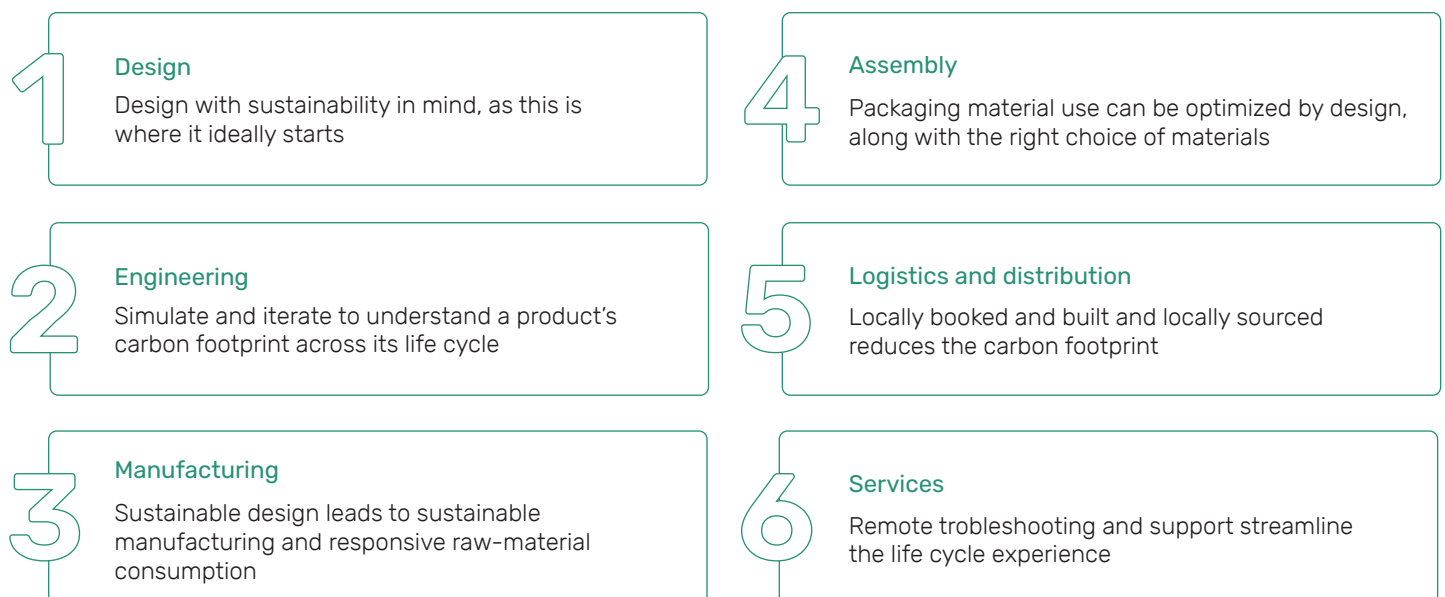| Planning	Sourcing and Production	Real time Inventory	Order Fulfilment	Reverse Logistics
Demand forecasting Supply planning Inventory optimization Improved use of warehouse space and manpower Ensure product safety compliance	Better sourcing decisions Reduced operating costs Minimize the risk of Counterfeits Sustainability impact Drive revenue growth with improved process quality and speed	Increased inventory turns and lowered inventory holding costs Smart Shelves to detect low inventory RFID systems to track inventory AI for automatic inventory replenishment Robotic and sensor automation	Inbound and outbound transportation management Shipment and Location tracking Route Optimization Last Mile Delivery Support for B2B, B2C, and DTC fulfillment models	End-to-end data integration and visibility Automated Operations Improved Sustainability and Waste Reduction Reduced costs and increased profitability Improved brand credibility and customer loyalty

Growing demands for sustainability

Sustainability is more than just a buzzword, with 66% of consumers now willing to pay more for sustainable goods. Today's consumers look beyond the product; they prioritize recycling, composting, and environmentally friendly manufacturing. Retailers are changing their strategies and practices to become more sustainable to add competitive value.

The ability to deliver and market a more sustainable product depends heavily on supply chain processes. The good news is that sustainability is also good for the bottom line, with manufacturers seeing an average 17 to 20% productivity gain from smart factories.

Sustainability as a customer experience

Sustainability can also pivot from a cost-center to a profit center by focusing on key areas of the value chain.

1 Design
Design with sustainability in mind, as this is where it ideally starts

4 Assembly
Packaging material use can be optimized by design, along with the right choice of materials

2 Engineering
Simulate and iterate to understand a product's carbon footprint across its life cycle

5 Logistics and distribution
Locally booked and built and locally sourced reduces the carbon footprint

3 Manufacturing
Sustainable design leads to sustainable manufacturing and responsive raw-material consumption

6 Services
Remote trobleshooting and support streamline the life cycle experience

3. Empower Digital Workforce

Today's retailer must engage customers across web, mobile, and in store channels. To create the best customer experience across these channels, every employee must be as knowledgeable as the customer. Digital transformation requires that companies enable direct communication with all their employees to increase employee engagement, enable feedback and dialog with employees, and communicate in a timely and efficient manner.

Employee productivity and collaboration solutions help your store associates and mobile employees to sell and engage more effectively, with access to productivity tools, customer, and product information. With Microsoft Dynamics 365 for frontline workers, you can empower your staff to do their best work and spend the maximum amount of time driving revenue.

Make the frontline your competitive advantage with modern workforce solutions

Enable real-time store communications and collaboration	Streamline scheduling and task management	Automation and Intelligence
• Streamline access to key information all in one app • Speed up customer service instore, back of house, and curbside with instant voice communication • Reach every frontline worker with the ability to segment audiences • Bring attention to urgent information and offer praise • Leverage shared, personal, or premium first-party devices with secure, single sign on • Maintain an engaged and inclusive workplace	• Manage shifts seamlessly with a simple and secure mobile staffing tool • Easily connect to your existing workforce management system • Simplify task dissemination from the corporate level to stores • Help store managers and associates complete tasks more easily	• Utilize an easily customizable and extensible platform to empower workers with everything they need in one place • Quickly implement new use cases with ease • Reduce the burden on your frontline by leveraging automation so employees can focus more on customers • Facilitate employee growth and development

4. Agile Retail Transformation

To meet customer expectations and build loyalty in today's digital age, retailers must provide an experience that is customized and differentiated, tapping innovation to go beyond the transactional to the inspirational.

Harnessing data and cloud-based services will be essential in your organization's efforts to optimize operations and create stronger customer experiences. Cloud computing, advanced analytics, machine learning, IoT, and mixed reality technologies can empower your organization to reimagine your processes and how you do smarter business with cloud-based capabilities.

The roadmap to achieve agile retail transformation

Digital Transformation	Business Outcomes
Connect People, Teams, And Products ☐ Enable seamless knowledge sharing and collaborative development between individuals/ and teams irrespective of location and time zone ☐ Enhance productivity across functional teams, geographical boundaries, and supplier organizations ☐ Connect devices to IT systems as the first step using API-enabled platforms ☐ Embed IOT connectivity in target equipment	☐ Reduce product development cost ☐ Boost knowledge sharing ☐ Increase employee productivity
Use of Analytics ☐ Gain insights from product sentiment and market trends to drive roadmap decisions, product use, and performance telemetry for design decisions	☐ Enhance market insight into ideation ☐ Accelerate innovation ☐ Increase revenue from innovative "first to market" services
Implement Mobile, Agile Engineering Productivity ☐ Use 3D printing to accelerate innovation ☐ use data from in-market products, social networks, and analytics to uncover new opportunities. ☐ Address customers' needs and wants into current and future designs	☐ Drive higher return on innovation investment ☐ Lower cost of prototyping, physical modelling, and testing
Modernize Infrastructure ☐ Identify applicable analytics capabilities and tools ☐ Implement machine learning and IOT integration ☐ Integrate legacy and mtodern automation, and machine learning in unified reporting and dashboard services	☐ Decrease unplanned downtime ☐ Spend less on data modelling ☐ Shrink IT hosting and storage infrastructure costs

Microsoft and Korcomptenz enable retail organizations to transform their business and deliver extraordinary customer service using an intelligent, trusted, and secure cloud platform. Microsoft Azure integrates physical and digital in-store use cases and allows retailers to optimize the customer experience across channels. Retailers can select from pre-defined Azure offerings, digital signage, and virtual queue management.

Future Of Retail – Digital metaverse driving Innovation

A metaverse is a virtual shared space, created by the convergence of virtually enhanced physical reality and physically persistent virtual space, including the sum of all virtual worlds, augmented realities, and the internet.

The metaverse has the potential to revolutionize the retail industry by allowing retailers to create immersive, interactive virtual shopping experiences for their customers. In a metaverse retail setting, customers can browse and purchase products from virtual storefronts, try on virtual clothes and accessories, and even interact with virtual sales associates for assistance.

The metaverse can work for the retail industry by offering a platform for retailers to create their own virtual storefronts and shopping experiences. Customers can access these virtual storefronts through a virtual reality headset or through a web browser to explore, discover, purchase products just as they would in a physical store.

Leverage a hyper-realistic digital shopping world with Metaverse.

Virtual Stores	Digital store experience that includes virtual products, interactive environment, and interactions with store associates can provide realistic shopping experiences from anywhere
Augmented Store Experiences	In-store mixed reality technologies like virtual fitting rooms, virtual try-ons, and body scanning can be used to increase customer engagement and conversion rate
Digital Associate	Give staff members access to immersive virtual or mixed reality experiences so they can learn new techniques, skills, and provide better customer service
Digital Twins	Fuel the digitization of physical things with real time data to drive better products, optimize operations and costs and create breakthrough customer experiences
Data Visualization	Use data and sensors from IoT, AI, and mixed reality to bring insights to analyze, monitor, and predict scenario outcomes

Overall, the use of the metaverse in the retail industry has the potential to enhance the shopping experience and provide new opportunities for retailers to engage with and serve their customers.

Accelerate your end-to-end digital journey with our key services:

▶ **Implement**, build-upon and enable retail solutions specific to each customer's needs and environment

▶ **Transform** to derive value from all the data points for better customer experience and store operations

▶ **Extend and enhance** develop, integrate, and customize solutions based on a retailers' unique scenarios that will help them connect and interoperate
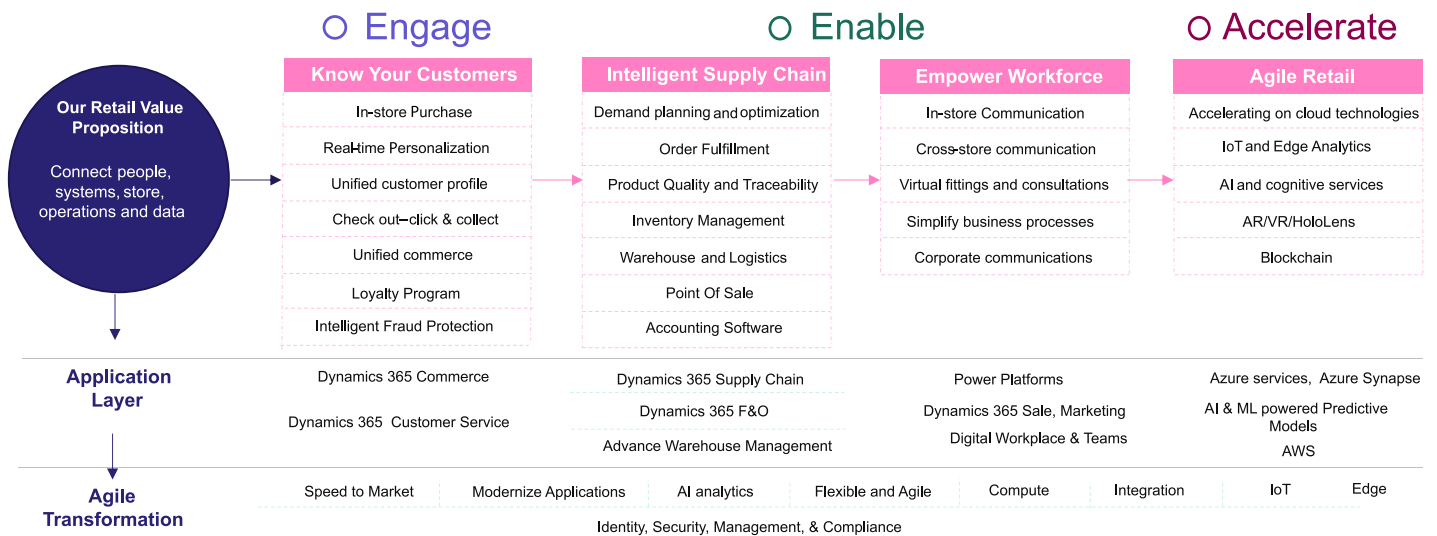
▶ **Change Management** to offer advisory services and planning, documentation, and readiness for organizational change and adoption

▶ **Cost effective services** leverage a global delivery model to lower risks, shorten lead time, and save on TCO

Korcomptenz solutions for connected retail

Our connected retail solution, powered by Microsoft and AWS, delivers a unique value proposition to retailers looking to enhance their customers' shopping experience and streamline their operations.

Here is an overview of our connected retail solution with the Microsoft suite of products

○ Engage ○ Enable ○ Accelerate

Our Retail Value Proposition

Connect people, systems, store, operations and data

Know Your Customers	Intelligent Supply Chain	Empower Workforce	Agile Retail
In-store Purchase	Demand planning and optimization	In-store Communication	Accelerating on cloud technologies
Real-time Personalization	Order Fulfillment	Cross-store communication	IoT and Edge Analytics
Unified customer profile	Product Quality and Traceability	Virtual fittings and consultations	AI and cognitive services
Check out–click & collect	Inventory Management	Simplify business processes	AR/VR/HoloLens
Unified commerce	Warehouse and Logistics	Corporate communications	Blockchain
Loyalty Program	Point Of Sale		
Intelligent Fraud Protection	Accounting Software		

Application Layer

Dynamics 365 Commerce	Dynamics 365 Supply Chain	Power Platforms	Azure services, Azure Synapse
Dynamics 365 Customer Service	Dynamics 365 F&O	Dynamics 365 Sale, Marketing	AI & ML powered Predictive Models
	Advance Warehouse Management	Digital Workplace & Teams	AWS

Agile Transformation

Speed to Market	Modernize Applications	AI analytics	Flexible and Agile	Compute	Integration	IoT	Edge

Identity, Security, Management, & Compliance

Why Korcomptenz?

We are a global managed services company that helps implement, deploy and maintain retail industry solutions that integrate with your existing systems to seamlessly connect your customers, your people, your systems, operations, infrastructure, and your data.

Proven "Nine" Capabilities Across Your Technology Stack

> Proven transformation capabilities for successful outcomes

> Deep domain and experiential knowledge-based solutions

> Best-in-class system integration capabilities for "no knots" connectivity

> Risk free release with predictable and smooth launches

Retail Know-How: A Modern Foundation

- Empower your employees and attain higher productivity with a time-tested training and change management approach
- Innovate and upgrade your company with a proven Center of Excellent delivery model to transform the business
- Make better and faster decisions by leveraging expert data analytics skills

Value Chain : Enabled, Responsive

> Integration fabrics to meet a variety of workload patterns, from to streams to batches or combinations

> Interfaces and services for easy connection with partners including onboarding, service consumption, and ongoing feedback

Korcomptenz

Discover how we #FocusOnYou at www.korcomptenz.com

DISCLAIMER:

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