With You Today

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Agenda

- Retail Digital Transformation Survey: Overview & Take-Aways
- Key Trends Transforming Retail
- Deconstructing the Customer-First Journey
- Demand Generation Strategies
- How Retailers Can Get Started
- Q&A
Retail Digital Transformation Survey:
Overview & Take-Aways
Our recent survey of 100 C-level retail executives provides insights into their digital transformation plans and challenges, and specifically, how they are using technology to transform their customer experience, workforces and supply chains.

**KEY TAKE-AWAYS FROM SURVEY RESULTS**

- **Strategic digital execution brings ROI**
- **CX is the top digital priority for retailers**
- **Automation is augmenting retail work**
- **Efficient supply chains hinge on data analytics**
Strategic Digital Execution Brings ROI

With 85% of retailers actively pursuing digital transformation, simply “doing digital” is not enough.

To see strong ROI, retailers need differentiated strategies—backed by data—and accelerated execution.
Retailers are making both front and back-end investments to provide a frictionless, convenient and personalized shopping journey across channels.

### Top 3 Digital Solutions Retailers are Using to Improve...

**Online & Mobile Commerce Experience**
- **70%** Mobile app/in-app purchasing
- **61%** Social commerce
- **57%** Shared online/mobile shopping carts

**In-Store Experience**
- **68%** In-store analytics
- **64%** Mobile POS
- **35%** Wayfinding capabilities via app
Automation is Augmenting Retail Work

Automation will replace specific, manual tasks and free up employee time to focus on higher-level work.

Automation will not, however, eliminate entire roles at a retail company.

<table>
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<tr>
<th>CHANGES TO WORKFORCE STRATEGY IN RESPONSE TO AUTOMATION</th>
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<tr>
<td>Reorienting workforce toward strategic initiatives</td>
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<td>Developing a strategy for an AI-enabled workforce</td>
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<td>Comprehensively re-evaluating roles</td>
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<td>Increasing headcount</td>
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<td>Decreasing headcount</td>
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<td>We are not automating</td>
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Efficient Supply Chains Hinge on Data Analytics

Data transparency across the supply chain is critical to creating a seamless omnichannel experience and deliver on customer demands.

TOP 3 DIGITAL SOLUTIONS RETAILERS ARE USING TO IMPROVE OMNICHANNEL LOGISTICS:

- Real-time order tracking: 55%
- Connected inventory management system or in-aisle re-stocking: 52%
- Warehouse management system applications: 47%
Key Trends
Transforming Retail
4 Key Trends Changing the Retail Business Model

► Channels are Changing (Rapidly)
  • Brands and retailers continue to experiment with new ways to reach consumers, who are growing accustomed to more omnipresent commerce.
  • It will become crucial for retailers to expand their understanding of the customer journey to purchase.

► eBusiness - Integrated Brick & Mortar, eCommerce and Supply Chain/Logistics
  • Post COVID surviving retailers are leveraging tech that promises scale, improve productivity, reduce costs and profitability.
  • Integrated Supply and Logistics ensure Amazon type delivery (consumers expect), but with storefront distribution/fulfillment

► Blended (Digital & Physical) Experiences - (Omnichannel, BOPIS)
  • Mobile, smart vending, and online-to-offline (O2O) pop-ups will multiply.
  • Call, Click or Come-In 2.0

► Return Process will Make or Break Customer Loyalty
  • More stores will function as return depots, and startups will promise that they can reduce returns.
  • Manufacturers and retailers must work to better educate shoppers to make returns less likely.
  • It will also be crucial to build more efficient reverse supply chains.
5 Key Technologies Impacting Customer Experiences

- **Wireless 5G will boost digital engagement, conversation and eCommerce (Quick-One-Click, Voice Services).**
  - High response from vastly improve speeds will drive better consumer conversion between content and commerce.
  - Estimated Impact - $14B 2021-2022 US (source: Adobe)

- **Reality technology (AR, VR, MR, XR) will allow consumer to sample products, destinations from their mobile phone.**
  - Blur the line between digital and physical.
  - Estimated Impact - $82B 2021-2022 US (source: NRF)

- **Artificial intelligence (AI) across retail is being accelerated.**
  - AI is driving personalization for consumers in stores as well as online.
  - Meanwhile, retailers are turning to machine learning and computer vision to help boost efficiency.
  - Estimated Impact - est, 300% Increase in Revenue (source: Target)

- **AI-Voice applications will become new extensions of brands.**
  - Google, Alexa and Siri are investing heavily in assistant solutions that integrate with eCommerce and fulfillment
3 Key OpX Initiatives Driving Revenue Expansion, Cost & Risk Reduction

- Shopper to Supply Chain (S2S) analytics/ insights driving personalized experiences.
  - Digital front ends/ instore POS integration to supply chain provides immediate/ convenient delivery options while providing sourcing, forecasting visibility.
  - AI/ML is driving personalization for consumers in store/ online while ensuring business intelligence and new efficiencies for operators.

- Data privacy will require more contentious and collaborative approach.
  - Retailers will have to implement new policies and solutions to comply regulations to safeguard consumer data, while using the data for useful insights.

- On-Click-Commerce, Loyalty Commerce will Drive Brand Allegiance, Product/ Service Consumption (Revenue Gen)
  - Frictionless commerce, one click, rewards, discounts
  - Starbucks, Delta, Best Buy

- Starbucks holds $1.2B held in direct consumer cash
- Generated 7% increase in revenue (2020) - 16M users
Applying the Trends & Technologies

THE NEW CUSTOMER-FIRST JOURNEY

Demand Gen Strategies

Engage

Discover

Return/Engage

Fullfill

Technology Application

Channel

- In Store/ Offline
- Online
- Omnichannel (Instore-POS/ Online)

Demand Gen Strategies

Social/Community

Loyalty

Rewards

Customer Outreach

Remarketing

Customer Service

Fulfillment/3PL

Cart/POS

Lapsed Customer

Prospect Customer

Enegded Customer

Indecisive Customer

First Time Customer

Source: BDO, Smart Insights

Digital Transformation & Demand Gen Strategies in Retail Webinar
Deconstructing the Customer-First Journey
Solutions to Strengthen Market Facing / Customer Journey

- eCommerce
- Digital Assets
- Digital Tracking Tools
- Digital Advertising Tools
- Digital Conversion Tools
- Managed Services
- Digital Payments
- Social Presence
- Data Security
- Loyalty Rewards
Solutions to Strengthen Business Facing / OpX / Supply Chain

- Digital Freight Shipping
- Sensors & Asset Tagging
- Inventory Management
- Blockchain
- Materials Supply Chain
- Logistics/ 3PL
- Fleet Management
- Warehousing
- ERP
- eCommerce/ Logistics
- Drones
- LMD Services
Solutions to Strengthen In-Store Customer Journey

- Beacon Analytics & Marketing
- AR/ VR
- Indoor Mapping
- Omnichannel Analytics
- Payment Platforms/ POS
- In Store POS Financing
- Store Management Software
- HCM
- Guest WiFi
- Visual Shelf Monitoring
- Connected Carts
- POS Reviews
- Inventory Management
What Might Your Customer Journey Look Like?

POTENTIAL SCENARIOS FOR DOING BUSINESS BETWEEN IN-STORE AND ONLINE

**SCENARIOS**

- **Buy In Store** 🛒 Your Current Model

- **Buy In Store + Return in Store** 🛒 + 📋 Your Current Model

- **Buy Online on a Mobile Device/ PC + Return in Store** 💻 + 📋 Omnichannel/ eSupply Chain Required

- **Research on a Mobile Device + Buy In Store** 📱 + 🛒 Omnichannel/ eSupply Chain Required

- **Research In-Store + Purchase Online + Return In-Store** 🔍 + 💻 + 📋 Omnichannel/ eSupply Chain Required
Do you have a store transformation plan for Customer Experience (CX)? Is the experience in-store part of your online execution?

Have you identified the multiple fulfillment choices for your customers? 3PL, ship to home, ship to store, BOPIS, ship to location?

Can you leverage customer analytics, insights, and personalized content? Data must drive your CX, Technology choices

Have you developed integrated data plan - customers, inventory, product, financial, BI? Capturing and analyzing data is key

How will you combine and develop seamless CX initiatives apps, content, retargeting, emails, social, influencers

Can you create an integrated payment method - Online, In-Store POS, Return? Seamless payments and revenue realization

A Retailer’s Guide to Mapping the Consumer Journey
Demand Generation Strategies
A Holistic Model for Maximizing Revenue
Key Components of Demand Generation Strategy

DEMAND CREATION
- Persona & Journey Development
- Database Segmentation
- Customer Acquisition Strategy
- Content Strategy

DEMAND MANAGEMENT
- Sales Enablement
- Omni Channel Integration
- Demand Funnel
- Lead Scoring
- Lead Nurturing

DEMAND EXPANSION
- Customer Experience/Journey Development
- Customer Segmentation
- Customer Lifecycle Nurturing
- Customer Scoring
- Content Strategy
Demand Creation

Market Analysis

Persona & Journey Development

Database Segmentation

Customer Acquisition Strategy

Content Strategy
Demand Management

- Sales Enablement
- Omni Channel Integration
- Demand Funnel
- Lead Scoring
- Lead Nurturing
Demand Expansion

- Customer Experience/Journey Development
- Customer Segmentation
- Customer Lifecycle Nurturing
- Customer Scoring
- Content Strategy
How Retailers Can Get Started
The coronavirus pandemic forced brands across industries to change their approach to customer experience (CX) on the fly. According to Forrester, retail is among the top sectors to make quick and effective shifts as digital shopping evolves.

- A Customer Journey is the key to proactively anticipating the needs of prospects and customers.
- Content Mapping will align the right content for prospects and customers along their journey, providing the context needed to either encourage a purchase, evangelize the brand or solve concerns.
- Automation enables timely communications, which keep prospects and customers engaged and satisfied.
What it Takes to be Successful

- Shared Vision
- Cross-Functional Leadership
- Revenue Driven
- Data Driven
- True Integration
  - Marketing & Customer Success
- Investment in Resources
  - People
  - Technology
  - Budget
- Agility over Perfection
- Commitment to the Journey
Questions?
Content available for your use / discussion
Thank You