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2019 SPECIAL REPORT: Real-Time Retail

REAL-TIME RETAIL KEY FINDINGS

CUSTOMER EXPECTATIONS



RETAILER CAPABILITIES

56% are likely to shop at a retailer that offers a shared cart across channels



7% offer the ability for customers to have a shared cart across channels

87% want a personalized and consistent experience across all shopping channels



53% indicate that personalization of the customer experience is a top priority

66% are likely to choose a store if it offers inventory visibility across channels



70% indicate they have real-time inventory visibility, however, **41%** of those need improvement

Based on findings from BRP's 2019 POS/Customer Engagement Survey, 2018 Customer Experience/Unified Commerce Survey and the BRP Consumer Study.

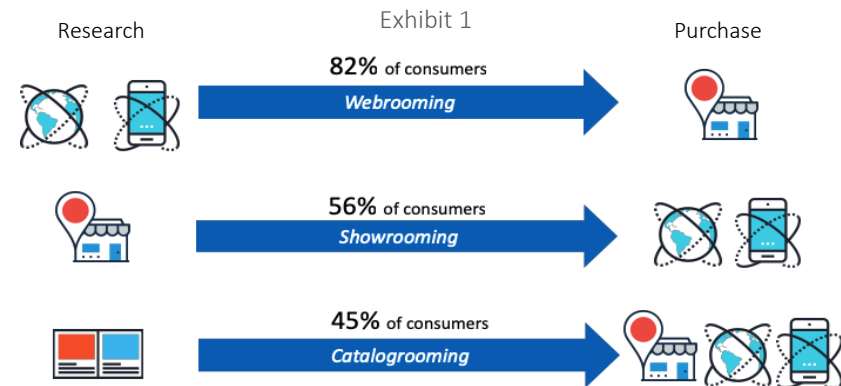
The customer journey crisscrosses channels

Today's consumer wants to shop whenever, wherever and however she wants. The customer journey continues to evolve as she moves across channels to research, purchase and review products with access to merchandise and information right in the palm of her hand. These additional customer capabilities have helped to establish even higher expectations from every part of the customer journey with each step offering retailers another opportunity to engage with the customer and strengthen the personal relationship to drive sales and customer loyalty.

Today's retail model has to venture beyond omni-channel by breaking down the walls between internal channel silos and leveraging a common commerce platform with a single order management system to deliver a holistic, real-time, personal, customer-centric experience.

Real-time retail is the ability to deliver this seamless and personalized experience to the customer whenever, wherever and however she chooses to shop. It enables retailers to identify the customer and gather, analyze and disseminate customer, product, pricing and inventory data across all channels – instantly. Consumers expect a seamless experience in the store, on the Web and via their mobile device – making “real-time retail” the new industry imperative.

DEFINITION: Real-time retail is the ability to deliver a seamless customer experience whenever, wherever or however she chooses to shop by gathering, analyzing and disseminating customer, product and inventory data across all channels – in real-time.



Customers want access to a single cart to shop across channels and be able to reach their cart via phone, computer, or even in the store – they want to “start anywhere and finish anywhere.” In fact, in the BRP Consumer Study, 56% indicated that they were likely to shop at a retailer that allowed them to have a shared cart across channels instead of a retailer that doesn't offer this service. That's not surprising considering 82% of consumers have shopped and reviewed products online and then purchased in a store (webrooming) and 56% have shopped in a store and purchased online or via mobile (showrooming).

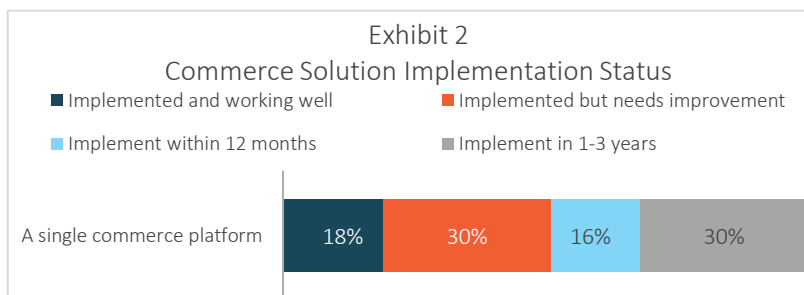
The importance of real-time visibility and access to product and customer information across channels has grown significantly over the past few years as consumers' expectations continue to rise.

The *SPECIAL REPORT: Real-Time Retail* is based on findings from the BRP Consumer Study and the 2019 POS/Customer Engagement Survey. To download the POS/Customer Engagement Survey visit <https://brpconsulting.com/download/2019-pos-survey/>

Technology enablers of real-time retail

While delivering a seamless customer experience is the driver, technology allows customers and associates to uniquely tailor the experience. Retailers are increasingly turning to a common commerce platform to deliver consistent, relevant shopping experiences across all channels. A cloud-based common commerce platform unifies data and application integration and allows easier real-time access to information across the ecosystem (stores, distribution centers, suppliers, etc.). Retailers' implementations, and plans for implementations, of unified commerce have increased significantly in the past year, with 94% of retailers indicating they have implemented or plan to implement a common unified commerce platform within three years. There has been a considerable amount of trial and error with early adopters indicating their implementations need improvement (Exhibit 2).

As retailers and solution providers continue down the path to unified commerce, more and more capabilities are being centralized or offered as cloud-based services. Retailers are embracing this move to the cloud as it is key to enabling unified commerce real-time capabilities and integration that are scalable and agile enough to support evolving business needs.



Leveraging cloud computing and IT outsourcing makes a lot of sense for many retailers. IT is not a core competency or differentiator for most retailers — it is just a necessity. A cloud approach enables retailers to significantly reduce infrastructure, improve security and increase operational effectiveness by centralizing management of data and processes. Retailers are embracing this move as they realize cloud-based unified commerce is key to accelerating their path to a single version of the truth.

Further bolstering the move to the cloud is the availability of much more sophisticated network technology, such as SD-WAN. With today's network technology, retailers can truly achieve 100% uptime — removing the last perceived hurdle in moving towards cloud-based commerce solutions and moving away from the decentralized store environment that has been the foundation of the traditional retail model for decades.

The network is a critical element of the technology platform — providing availability, security and reliability. Today's networks are robust, fast, reliable and resilient, which is key to supporting a cloud-based common commerce platform across channels. A robust, well-architected and properly managed network solution is imperative for unified commerce success in the cloud.

Security, bandwidth and reliability are the top network priorities for more than 55% of retailers (Exhibit 3). Today's always connected customer puts additional pressure on retailers to ensure that they can provide a secure, reliable high-speed network to support the shopping environment. Unfortunately, many existing store networks do not have the capability to support current and future store infrastructures; therefore, it is not surprising that this is a main focus.

CLOUD COMPUTING DEFINITIONS

Public cloud: Applications and/or data are stored on shared servers at third-party providers that supply cloud solutions to many clients.

Private cloud: A cloud infrastructure operated solely for an individual organization. It can be managed by the organization or by a third party and may exist on or off premises.

Hybrid cloud: A cloud infrastructure composed of more than one cloud (private or public) bound together by standardized technology to enable data and application portability.

Cloud computing, either public or private, offers the quickest and surest path to seamlessly connect all e-commerce, mobile commerce and in-store POS transactions to order management, inventory, marketing, financials, supply chain and customer service. One of the best models to adopt is a hybrid cloud where private and public clouds are bound together by standardized technology to enable

Exhibit 3
Top Network Priorities

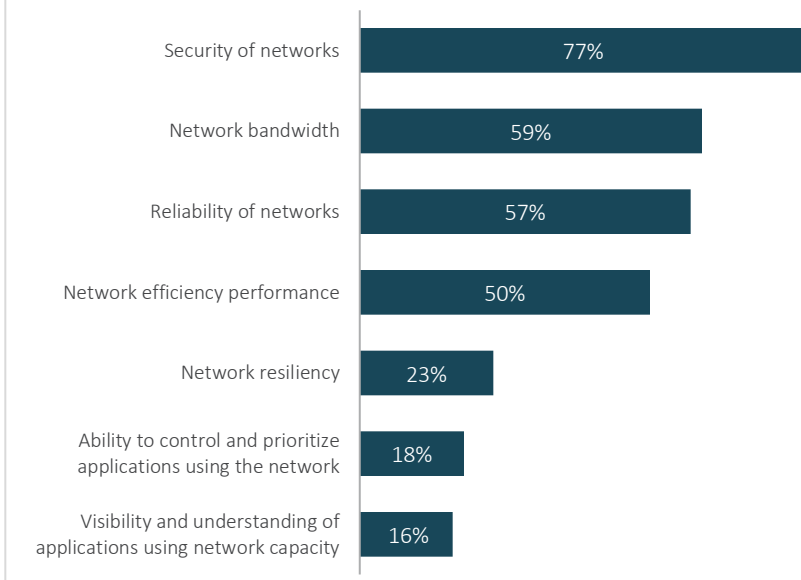
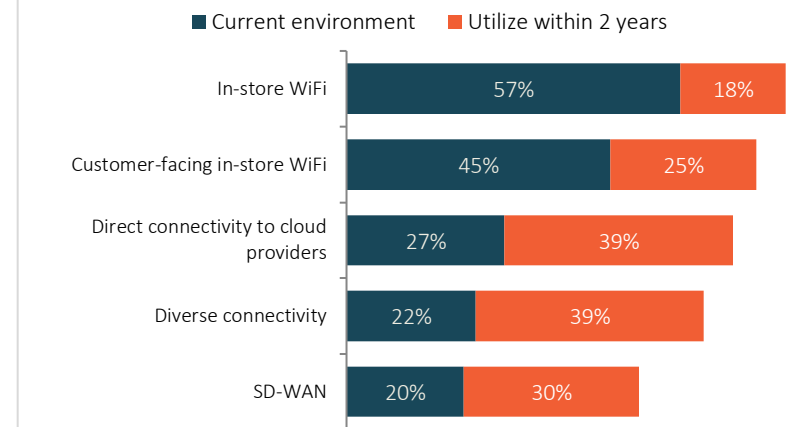


Exhibit 4
Planned Network Changes



data and application portability. 27% of retailers currently offer direct connectivity to cloud providers and another 39% plan to offer within two years (Exhibit 4).

In today's disruptive and competitive retail environment, real-time retail is quickly becoming table stakes and retailers that don't have the right capabilities will struggle. Without real-time data, information provided internally and externally is out-of-date and, therefore, risks being inaccurate and out of context.

The benefits of real-time retail

Consumers expect a personalized, secure, channel-agnostic experience in real-time. With advanced networks and a unified commerce platform in place, retailers can achieve real-time retail and inventory visibility across the enterprise.

Key benefits include the following capabilities:

Real-time inventory offers both customers and store associates visibility and accessibility to accurate and current inventory data across the enterprise.

- **Real-time enterprise inventory visibility** allows customers to identify if the store has the item they want to purchase. According to BRP's Consumer Study, 66% of consumers are likely to shop at a retailer that offers cross-channel inventory visibility instead of one that doesn't offer this capability. Enterprise inventory visibility also enables store associates to access and sell inventory beyond what is available in their store.
- **Mobile inventory management** provides associates with the capacity to use mobile devices to revolutionize inventory management in stores. A robust network is critical to support an in-store mobile inventory management solution that enables retailers to increase the reliability of inventory availability records.

A single cart across channels offers customers the ability to access their "shopping cart" via phone, computer, or even in the store.

Customers want to "start anywhere and finish anywhere." Real-time retail, through unified commerce, enables retailers to identify the customer and gather, analyze and disseminate customer, product, pricing, and inventory data across all channels – instantly. Since consumers expect a seamless experience in the store, on the Web and via their mobile device, real-time retail is an imperative.

RFID is a key to inventory visibility and management. Using RFID to drive real-time inventory records provides accurate stock counts, helps with loss prevention and can eliminate the need to carry safety stock – which increases buy online, pick-up in the store (BOPIS) sales.

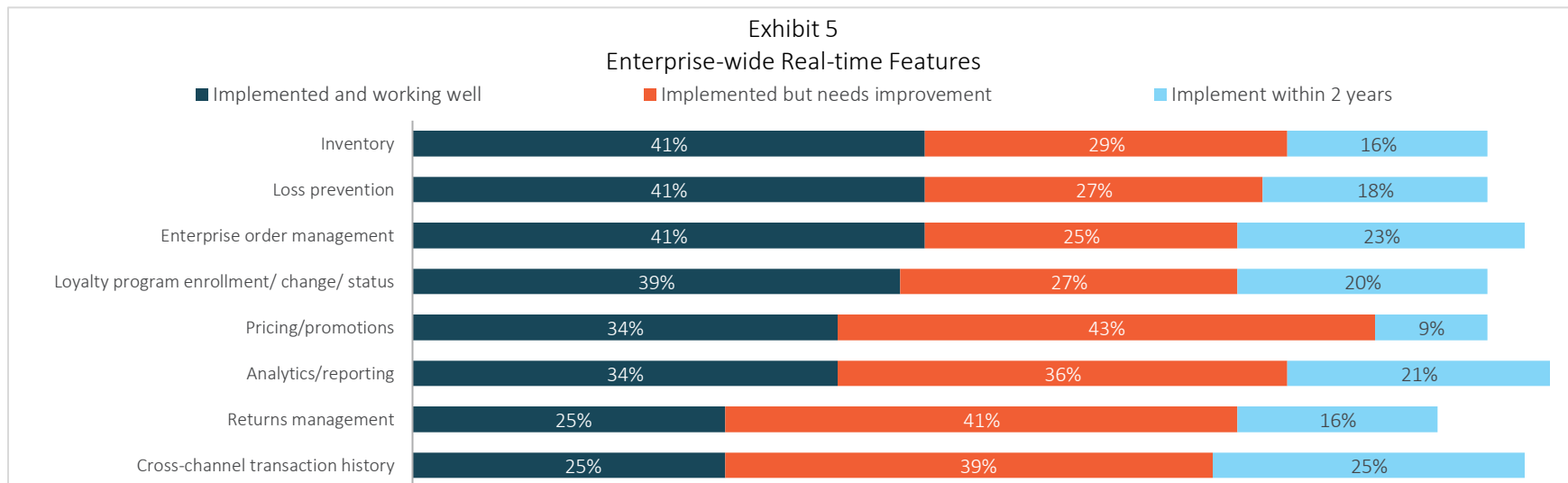
Internet of things (IoT) describes an environment where the Internet is connected to physical objects embedded with sensors that can then communicate with multiple devices and users. The use of sensors and tags on every item means that retailers can more accurately monitor the movement of goods and improve inventory management and achieve efficiencies. Devices that communicate with each other in the store will also bring about a wealth of additional insights into consumer behavior and preferences for particular product combinations, or flag 'tried on, but rarely bought' articles.

Real-time retail challenges

The importance of real-time visibility and access to product and customer information has grown significantly over the past few years as consumers' expectations continue to rise. However, it is still very challenging for retailers to effectively execute real-time retail. More than two-thirds of retailers say they can access inventory, pricing/promotions and analytics in real-time but most of the processes still need improvement (Exhibit 5). In our experience, many retailers can check inventory in real-time but the inventory data they are actually accessing is from yesterday as the data is not really updated in real-time. As retailers move to unified commerce, full access to enterprise-wide data in real-time will become more common.

Another area of challenge is the ability to offer real-time access to cross-channel transaction history. This is a necessary piece of a seamless cross-channel experience but without a single commerce platform it is nearly impossible to provide.

Retailers are realizing that the process of offering customers the ability to shop anywhere, ship anywhere is complex and the goal line seems to keep moving as new technology and consumer behaviors constantly change. The key to winning is to map out a comprehensive customer-centric strategy, understanding that a new model is necessary to succeed. The new model requires an agile approach that has not traditionally been a common practice at retail organization part of this environment. The road will not be smooth but it is imperative for retail survival.



About BRP

BRP is an innovative retail management consulting firm dedicated to providing superior service and enduring value to our clients. BRP combines its consultants' deep retail business knowledge and cross-functional capabilities to deliver superior design and implementation of strategy, technology, and process solutions. The firm's unique combination of industry focus, knowledge-based approach, and rapid, end-to-end solution deployment helps clients to achieve their business potential.

BRP's consulting services include:

Strategy
Point of Sale (POS)
CRM
Order Management
Supply Chain

Business Intelligence
Mobile POS
Unified Commerce
E-Commerce
Networks

Business Process Optimization
Payment Security
Customer Experience & Engagement
Merchandise Management
Private Equity

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