

Optimizing The Store Experience To Build The Brand



Sponsored by

DIEBOLD
NIXDORF

ORACLE®
RETAIL

salesforce

TABLE OF CONTENTS

Introduction	3
Embracing Employees As Brand Ambassadors	5
In-Store Mobile Bridges The Digital Experience Gap	7
Mobile Payment/POS, Apps And Sites Drive A Satisfying Omnichannel Customer Experience	9
Retailers Empower Store Associates To Anticipate And Fulfill Customer Needs	10
Jury Is Still Out On Beacon Strategies	12
Is Omnichannel Pricing The Way To Go?	13
Checkout – As You Like	14
BOPIS Becomes Table Stakes	16
Who Gets Credit For The Sale? And Does It Really Matter?	17
About Oracle, Salesforce, Diebold Nixdorf	18
About Retail TouchPoints	19

INTRODUCTION

Exclusive 2016 Survey: Optimizing The Store Experience To Build The Brand

While e-Commerce continues to grow, the store is becoming an even more important component of the overall brand experience. In fact, an increasing number of previously pure play e-Commerce brands are finding value in opening stores, including [standalone flagship](#) locations and a multitude of [pop-up](#) options.

Yet some longtime brick-and-mortar retail brands are struggling to survive. [Macy's](#) continues to seek new ways to drive traffic into its stores, including adding Apple and Bluemercury pop-ups; and [Sears Holdings](#) recently hit an all-time low stock price and will be shuttering dozens of Kmart locations.

So how can retailers optimize stores in order to thrive in the long term? For the fourth year, *Retail TouchPoints* has surveyed close to 100 retail executives to identify the in-store tactics that are helping to build sustainable omnichannel brands.

Top 6 Ways To Measure Store Performance

INCREASE IN YEAR-OVER-YEAR STORE REVENUE



FOOT TRAFFIC



SAME-STORE SALES



CUSTOMER SATISFACTION SURVEYS



IN-STORE CONVERSION RATE



ONLINE-TO-STORE CONVERSION



INTRODUCTION

We know that retail is a thin-margin game. Juggling budgeting always has been a challenge, but with the growing number of digital technologies and strategies, social channels and payment options, retailers are struggling to keep in-store priorities on the top of the budget list. In 2016, 40% of retailers are reporting an increase in store operations budgets, down a bit from 43% in 2015. Another 27% said their store operations budgets stayed the same, down 5% from the 32% reported last year.

Not surprisingly, **New Technology (58%)** and **Mobile Technology (55%)** comprise the highest percentage of additional in-store budgets. Many retailers are taking mobile to the next level by adding mobile POS and strengthening their mobile app strategies. Brands also have invested in mobile payment, including the adoption of EMV.

Consistently from year-to-year, retailers cite **Year-Over-Year Revenue (87%)** and **Same-Store Sales (82%)** as the two most important measures for store success. But In-Store Conversion also is a key component in 2016, at 58%.

In this report, we'll take a closer look at store operations priorities and compare progress between 2016 and 2015. We hope this report will help you plan successful strategies for 2017 and beyond!

Percent Of Retailers Increasing Or Maintaining Store Operations Spending

2016: 67%

2015: 75%



Debbie Hauss

Debbie Hauss
Editor-in-Chief

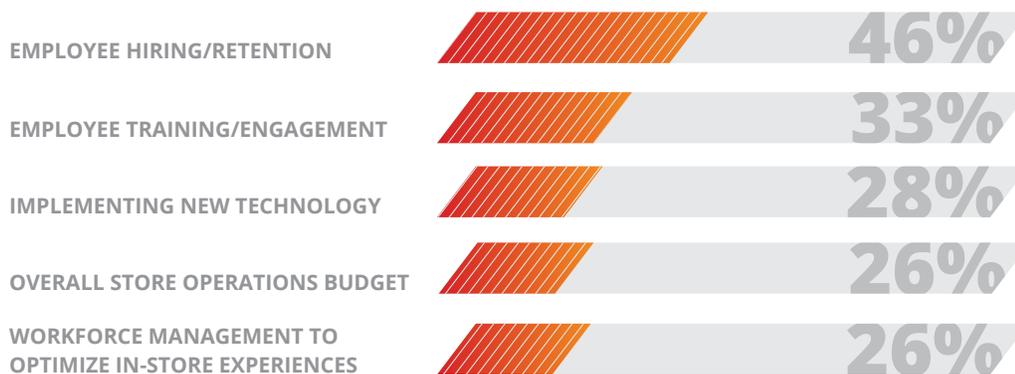
Embracing Employees As Brand Ambassadors

Consumers continue to spend time in stores because they are seeking unique experiences and the ability to touch and feel products before finalizing a purchase. The human element is a vital component of this experience, which means retailers need to effectively train, educate and motivate store employees. Because, like it or not, store employees often are the first contact a shopper has with the brand.

While most retail executives would not argue the fact that their front-line employees can make or break a brand experience, most also still struggle with the how-to of optimizing that engagement. Of the top 5 store operations challenges cited by survey respondents, **Employee Hiring/Retention (46%)** and **Employee Training/Engagement (33%)** remain the top 2, similar results compared to 2015. **Workforce Management To Optimize Store Experiences (26%)** also is in the top 5.



Top 5 Store Operations Challenges



EMBRACING EMPLOYEES AS BRAND AMBASSADORS

This year even more retailers believe they have effective employee training and retention programs in place, up to 75% from 67% in 2015 (and 54% in 2014).

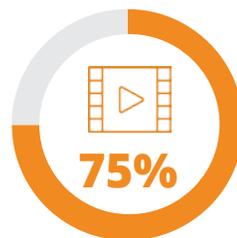
Putting aside the ongoing challenges around hiring and motivating seasonal workers, retailers are continuing to work to motivate their full-time

employees in different ways. While **In-Person Training** is still the most-used method (80% vs. 84% in 2015), **Mobile Training** is gaining ground (26%) and **Gamification** (25%) has become more popular. Additionally, retailers are rewarding employees for referrals and sales (20%).

What Types Of Training And Engagement Programs Do You Provide To Employees?



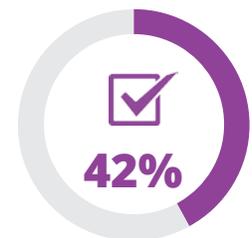
IN-PERSON SESSIONS



VIDEO TRAINING PROGRAMS AND EDUCATIONAL CLASSES



PDF DOCUMENTS AND PRINT MANUALS/PIECES



ONLINE QUIZZES



MOBILE TRAINING



GAMIFICATION PROGRAMS

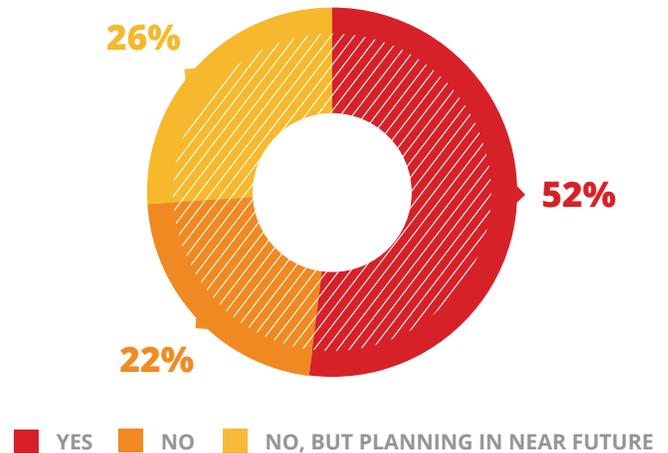


FREE PRODUCTS/DISCOUNTS IN EXCHANGE FOR REFERRALS AND REACHING SALES GOALS

In-Store Mobile Bridges The Digital Experience Gap

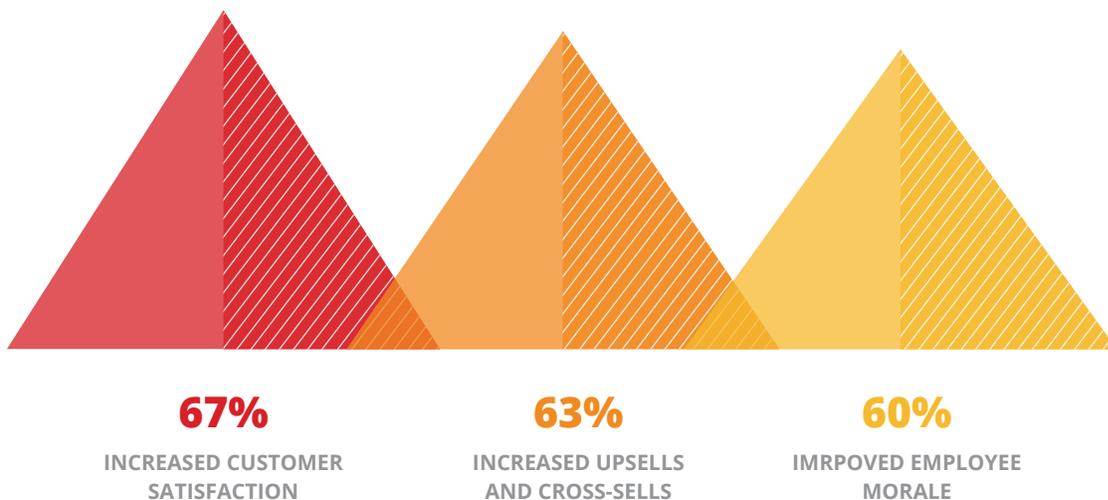
Each year more retailers accept the fact that employees need to be armed with mobile devices to help them better serve today's mobile-enabled shoppers. In 2016 we've tipped the scales: **more than half (52%) of retailers said they are arming their store employees with mobile technology**; and another 26% plan to. Just 22% are still resisting, asserting that they are not providing mobile to employees, down from 31% in 2015.

Are Your Store Employees Armed With Mobile Technology?



The proof is in the numbers: With access to mobile in real time, employees are helping to increase customer satisfaction and boost upsells and cross-sells. And they are happier in their jobs.

Top 3 Benefits Of Arming Store Employees With Mobile



EMPLOYEES AND MOBILE TECHNOLOGY

With mobile in hand, store associates can provide the omnichannel experience customers are seeking. When they don't have to walk away from shoppers to answer questions and locate inventory, they can stay more engaged and save the sale, or upsell/cross-sell items.

The top two reasons employees are using mobile on the store floor have been reinforced in 2016: **Accessing Product Information** (83%, up from 78% in 2015) and **Accessing Inventory Levels/Product Availability** (69%, up from 56% last year).



Top 5 Functions Store Employees Are Performing Using Mobile Devices



WiFi For Shoppers: Not Really Optional Any Longer

Unless it's physically impossible — because your walls are six feet of concrete or your store is located in the wilderness — providing WiFi for shoppers is a must-have today. Yet, our survey shows that 25% of retailers (down from 29%) still have not added it to the mix.

Mobile Payment/POS, Apps And Sites Drive A Satisfying Omnichannel Customer Experience

Mobile POS is becoming a given rather than an add-on. Some retailers are even opting for mobile POS as their sole in-store payment solution. By eliminating POS hardware and checkout queues, brick-and-mortar retailers can free up significant square footage that can be used for merchandising, delivering a greater overall revenue-per-square-foot number.

The numbers confirm retailers' move toward **mobile POS: 74%** have it now or plan to add within the next 12 months, up one percentage point vs. 73% one year ago. Additionally, **74%** of retailers have implemented (or are planning in the next year) **NFC/Mobile Wallets** (up from 67% in 2015).

Mobile payment is a hot topic in retail circles today. But it can be confusing for retailers, with so many options and constant changes in the marketplace. The most important goal for retailers, though, must be the customer experience and making the payment process as seamless as possible. There could be as many as

50 billion mobile devices circulating by 2020, so retailers must be mobile-ready.

In addition to mobile payment options, retailers are embracing and updating their mobile apps and mobile sites. In the last two years, the **implementation of mobile sites has increased 51%**, from 43% in 2014 to 94% in 2016. Mobile apps also are gaining greater attention in the retail marketplace, up 56% in two years, from 33% in 2014 to 89% today.

Of course, the ongoing challenge with mobile sites is creating user-friendly interfaces that are not simply duplicates of the e-Commerce web site. If shoppers must scroll through numerous screens to find product information or complete a transaction, they will abandon the site.

Similarly, with mobile apps, retailers continue to struggle to build repeat users, rather than one-time downloads. Apps must deliver compelling experiences and motivate shoppers to return for more.

What Other Mobile Technology Do You Utilize In-Store?

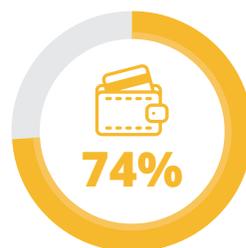
(Now or in next 12 months)



MOBILE WEBSITE



MOBILE APPS



NFC/MOBILE WALLETS



MOBILE POS



Retailers Empower Store Associates To Anticipate And Fulfill Customer Needs

By Michael Colpitts, Solution Market Director, Oracle Retail

As consumers demonstrate a lasting preference for brands with a local presence, it is increasingly more important that retailers deliver the right experience every time a customer enters their store. That means equipping store associates with better information than shoppers can find online, and doing so in a way that is mobile and easy to use.

When today's store point-of-service (POS) serves as an aggregator across e-Commerce, customer, inventory and other critical retail business operations, it provides a distinct advantage for store associates. Much more than a transaction device or Internet access device, the integrated POS platform provides store associates with a single source of customer, order, inventory, and transaction data that extends from the checkout counter all the way to the mobile device. This accurate, real-time information lends credibility as employees consult with customers, making them heroes in the exchange and doing more to create long-term loyal customers that will continue to buy online as well as in stores.

Modern POS Helps Store Associates Anticipate Customer Needs

In this way, new POS solutions serve as an aggregation point for data stemming from inventory, supply chain and customer

services operations throughout the retail organization. At a minimum, the associate can let customers know where an item is in the supply chain, whether it's in the store or on the way to the store, or share insight to recent purchases or items and when they will be delivered. At a more sophisticated level, retailers combine store inventory management and POS to drive order fulfillment by identifying items a customer is looking for, and to pick and fulfill orders to be picked up at the nearest location or ship to their home.

This approach goes well beyond the stand-alone POS and ultimately helps associates to better understand and anticipate customers' needs, and to recommend, upsell and cross-sell appropriate merchandise. In the 2016 Retail Touchpoints Store Operations Survey, retailers confirm that store associates rely on their mobile POS to get product information, find inventory availability and consult with customers, as well as completing transactions and ordering out-of-stock items.

That in-store engagement also helps to drive e-Commerce sales as customers browse or buy online, pickup in the store or buy in the store but ship to home. Channel synergies are the primary reason that integrating store and e-Commerce

platforms is among retailers leading priorities, and a strategy that helps to drive promotions, pricing and performance across all channels. When POS solutions like Oracle Retail Xstore link the customer and transaction in a way that is channel agnostic, it becomes easier to serve the customer no matter how and where they choose to engage.

Customers aren't the only ones that win with a modern POS. Better information and a common user interface across register, tablet and mobile devices all help to foster employee success, a dynamic that improves both employee morale and staff retention. This is perhaps the most important benefit of a feature-rich point-of-service capability that is paired with an intuitive, consistent user interface from checkout counter to mobile device.

Behind the scenes, a well-integrated POS system reciprocates the data exchange by informing retail operations throughout the enterprise. Planning, promotions, replenishment, and financials revolve around customer, item and sales performance data coming in from store and e-Commerce channels. The more data retailers derive from the customer engagement, the better they can understand the impact of promotions, identify opportunities and drive performance and margins.

Integrate Hardware and Software To Simplify Store Operations

In addition to improving the customer experience, modern POS systems are streamlining store operations. When hardware

and software are optimized to work together, the retailer enjoys consistency of information, insights and the user interface. These characteristics work together to help speed transactions during peak periods. When the store POS hardware – including register, tablets, mobile or other devices — are running the same software and business logic, they are also delivering the same price, the same promotions, the same understanding of customer no matter where store associates are working. Ultimately, running from a single dataset, and having one view to the solution, creates efficiencies and enables greater control throughout the business.

Stores Differentiate The Brand Experience

Studies consistently show that retailers are willing to invest in store solutions, and they are doing so with a focus on changing the omni-channel customer experience. Those investments are going to smarter solutions that help associates anticipate customer needs and that enable greater insight and control over promotions, pricing and business performance.

Stores and store associates are true brand differentiators in today's retail marketplace. Enabling them with the right information to anticipate customer needs may be the single best way that retailers can improve the brand experience.

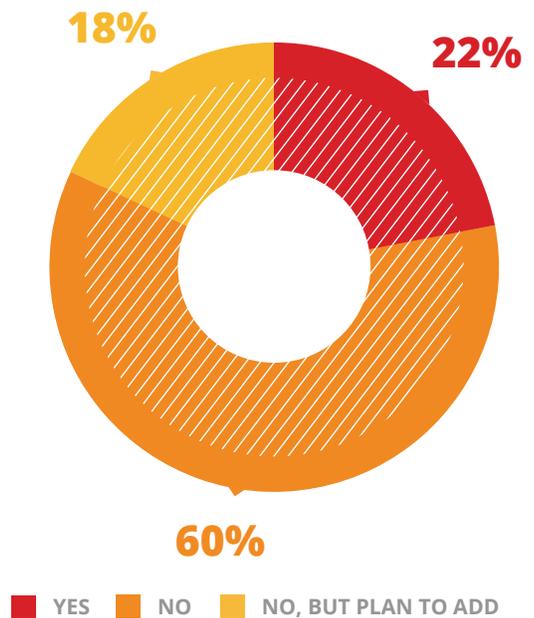
Jury Is Still Out On Beacon Strategies

With personalization and localization in mind, retailers are scrambling for new ways to improve one-to-one communications with current and potential customers. A number of retailers have been experimenting with [beacon strategies](#), with varied success. [Nebraska Furniture Mart](#), for example, implemented 400 proximity beacons throughout its 560,000-square-foot Dallas store that direct mobile users to one of 250,000 SKUs that are available at any one time, and connect with these shoppers at every point along the path to purchase.

To date, most retailers are still hesitant to jump in. Just 22% said they have implemented beacon technology in-store in 2016 — a drop from 29% in 2015. Another 18% plan to try it out (compared to 17% a year ago).

But retailers may want to take another look at beacon strategies. Those who have tried it and succeeded are gaining greater insights into specific shopping behaviors in-store, and they are able to provide more relevant offers to individual shoppers at the point of purchase decision.

Have You Implemented Beacon Technology In-Store?



Top 4 Benefits Of Implementing Beacon Technology In-Store



Is Omnichannel Pricing The Way To Go?

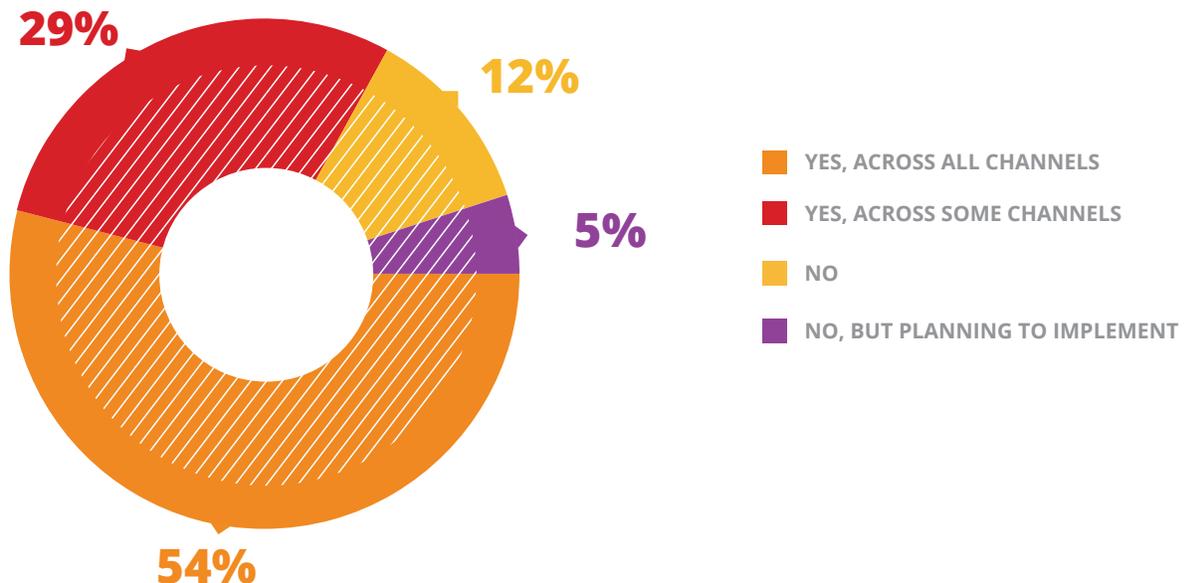
Pricing strategies are under a microscope these days. Because shoppers can compare prices in real time on their smartphones while standing in your store, many retailers believe it's vital to have consistent prices across channels. The other school of thought suggests that it makes sense to motivate shoppers to purchase while standing in-aisle, and price is a great motivator.

If we're taking cues from Walmart, the [\\$3.3 billion acquisition of Jet.com](#) could be an indicator that smarter pricing is key.

Both theories may prove correct, depending on the type of retailer and its shopper demographics. To date, just **54% of retailers are offering** consistent pricing across all channels, up just three percentage points from 51% last year.



Does The Store Offer Consistent Pricing With Other Channels?





Checkout – As You Like It

By Thomas Fell, Senior Vice President Retail, Diebold Nixdorf

Consumers are shopping differently — and their expectations are higher than ever. Can your checkout solutions keep up?

Did you know that 80% of retailers believe they deliver a superior shopping experience, but only 8% do so, according to consumers?

Retailers share one common goal: drive in-store traffic and sales by providing an overall enhanced shopping experience. This is a hefty task that encompasses many facets, including: branding, pricing, store design and thoughtful technology integration. But there is even more than that: the checkout process is a key influencer of consumer satisfaction. According to Planet Retail 43% of shoppers would like to do all of their shopping in stores, but unsuitable products and slow checkout prevents 40% of them from shopping in stores more often.

Consumers want convenience and checkout options that correspond with their individual shopping habits. Therefore, basket size, time constraints, technology expertise and preferred payment options need to be considered when it comes to designing the checkout zone. A combination of electronic point-of-sale (EPOS) systems and self-checkout terminals, ideally with

complementary devices for mobile self-scanning, brings value to consumers as well as retailers.

Time savings for all. Shoppers in a hurry, for example a person grabbing a sandwich on their short lunch break, and consumers with small baskets, prefer using a self-checkout terminal instead of queuing behind individuals with huge baskets. Conversely, consumers with huge baskets might want to check out at an attended EPOS station, instead of potentially waiting at the self-checkout line. Retailers that offer both checkout solutions can serve more customers and increase throughput in less time.

Maximum flexibility for all.

Technology-loving millennials might be in favor of using mobile devices to scan purchases and checkout at a payment terminal by swiping their card or using their mobile wallet. Other consumers value personal service, interaction and assistance and like checking out at an attended EPOS station. And of course, there are hybrid consumers who may prefer a mix of options.

Retailers that respect individual shopper needs build and keep loyal customers. Think about this: 56% of consumers feel that technology makes their shopping experience better. Retailers need to carefully evaluate which systems really meet their unique requirements.

Here are some key items to consider as you look to find the best solutions to better serve your consumers, and ultimately, drive in-store traffic and sales:

Hybrid checkout terminals that can be operated either by the consumer or an attendant provide maximum flexibility. They can be used as a self-checkout for consumers with small baskets or as attended checkout to serve many shoppers with huge baskets during peak times. Simply switching between “served” and “self-service” mode, by an easy push of a button, is best practice in busy stores.

Platform-agnostic software that integrates self-checkout terminals into your existing IT infrastructure via standard POS adaptors ensures quick implementation and protection of your investment.

Ultimate usability and modularity based on intuitive user interfaces for consumers and attendants, ergonomic design and Americans with Disabilities Act (ADA II)

compliance are prerequisites. Modular hardware components that can either run in stand-alone systems, or be integrated into retailers’ existing checkout furniture offer even more flexibility.

“Always on” availability and serviceability allow adding new functionalities rapidly and securely. Changing consumer behavior and accelerated technology release cycles require quick adaptations and put pressure on retailers to keep pace. By shifting the deployment and operations responsibility of advanced IT solutions to an external service partner, retailers can realize increased speed and agility when implementing new technology.

The bottom line is this: flexible and reliable checkout solutions are fundamental to current store requirements and consumer demands. Is it time to rethink your organization’s checkout strategy?

BOPIS Becomes Table Stakes

If pricing isn't motivating shoppers, then product ordering and delivery definitely is. If consumers can order a product on Amazon Prime and have it delivered in two days or less, then every other retailer is challenged to get products to consumers when and how they desire. That includes returns, too.

Buy Online/Pick Up In-Store (BOPIS) has gained steam in the past few years: 73% of retailers are offering it today vs. 42% in 2014 and 55% last year. Buy Online/Return To Store has reached 72% market penetration, up from 61% in 2016.



Do You Offer The Following Product Ordering And Delivery Services In-Store?

BUY ONLINE/PICK UP IN-STORE



BUY VIA MOBILE OR WEB SITE, SHIP TO HOME



BUY ONLINE/RETURN TO STORE



BUY VIA MOBILE OR WEB SITE, PICK UP IN-STORE



BUY IN-STORE/RETURN TO ANOTHER STORE



CREDIT FOR THE SALE

Who Gets Credit For The Sale? And Does It Really Matter?

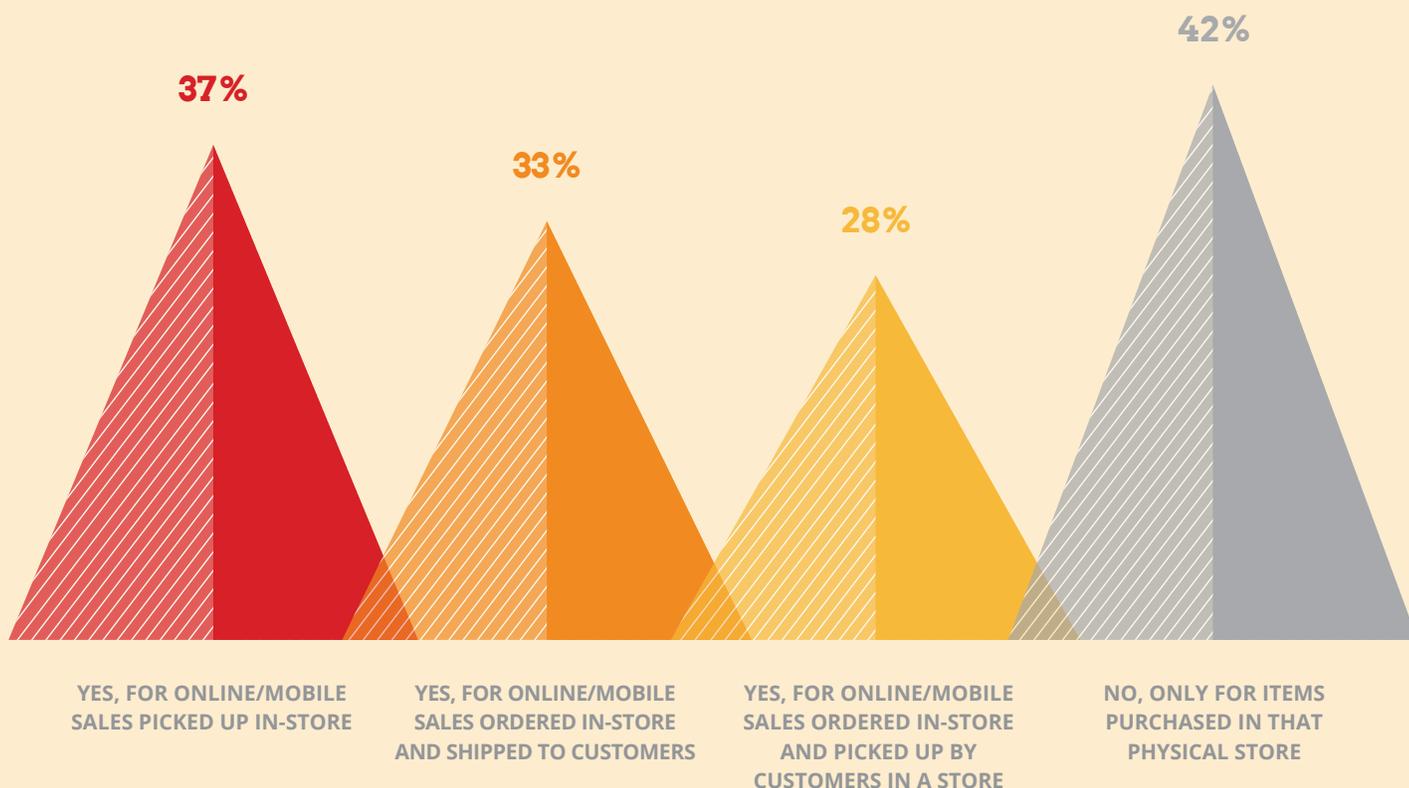
Determining which channel gets credit for the sale is a continuing discussion among retail executives and industry experts. Many say, "It doesn't matter. It's about the business as a whole." But others remain concerned that one channel may get short-changed, or employees in the store may not be available 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 channels' 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, such as social commerce, come into play 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.

Does The Store Get Credit For Other Channel Sales?



WANT TO LEARN MORE?

**DIEBOLD
NIXDORF**



Diebold Nixdorf (NYSE: DBD) is a world leader in enabling connected commerce for millions of consumers each day across the financial and retail industries. Its software-defined solutions bridge the physical and digital worlds of cash and consumer transactions conveniently, securely and efficiently.

With an installed base of more than 1 million ePOS systems worldwide, Diebold Nixdorf provides leading technologies for automating checkout processes. We leverage our expertise in seamless omnichannel retailing, store transformation and global delivery excellence, to help retailers achieve their business objectives and engage consumers.

Diebold Nixdorf has a presence in more than 130 countries, approximately 25,000 employees and maintains corporate offices in North Canton, Ohio, USA and Paderborn, Germany. For more information about Diebold Nixdorf visit: www.dieboldnixdorf.com

ORACLE®
RETAIL



Oracle provides retailers with a complete, open and integrated suite of business applications, server and storage solutions that are engineered to work together to optimize every aspect of their business. 20 of the top 20 retailers worldwide including fashion, hardlines, grocery and specialty retailers use Oracle solutions to drive performance, deliver critical insights and fuel growth across traditional, mobile and commerce channels. For more information, visit our Web site at <http://www.oracle.com/goto/retail>



Salesforce.com is the world's largest provider of customer relationship management (CRM) software and enterprise cloud solutions. Salesforce.com delivers a social, mobile, and cloud platform that transforms how retailers sell, service, and market to customers. For more information about salesforce.com (NYSE:CRM), visit: www.salesforce.com/solutions/retail

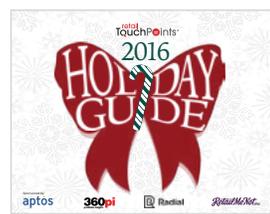


Retail TouchPoints is an online publishing network for retail executives, with content focused on optimizing the customer experience across all channels. The *Retail TouchPoints* network is comprised of a weekly newsletter, category-specific blogs, special reports, web seminars, exclusive benchmark research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

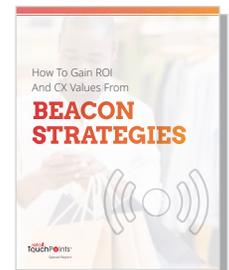
You May Also Like... *(Click to view)*



STORE OF THE FUTURE SPECIAL REPORT



RETAIL TOUCHPOINT'S 2016 HOLIDAY GUIDE



BEACON STRATEGIES SPECIAL REPORT