

# The Store of the Future is **NOW**

Delivering scalable in-store digital solutions **TODAY**



Brick-and-mortar retailers are facing a fundamental challenge to their core business model as e-Commerce providers redefine the customer experience. Ready-for-scale retail technologies are solving this evolving paradigm shift — and turning the Store of the Future into the **Store of the NOW™**. The Store of the NOW is powering instant content distribution, fast connectivity,

personalized customer experiences, assisted selling, mobile on-ramp and inventory management. It's delivering an in-store experience that supports the way people expect to shop TODAY.

The *Store of the NOW* enables retailers to unify brick-and-mortar and e-Commerce. While on the rise, **e-Commerce sales still only account for less than 8% of total U.S. sales.<sup>1</sup>** And experts predict that **physical stores will still account for approximately 80% of U.S. retail sales by 2020.<sup>2</sup>** Integrating with online and mobile, the Store of the NOW is bridging the physical and digital divide.

“We are moving toward a world where we have to be more real time and take what we’re learning about shoppers, and use that to inform the next trip or touch point,” said Kevin Carbone, CEO of PRN, a STRATACACHE company. “Whether it’s through cameras or taking information from an in-store screen, phone or loyalty card, retailers have to deliver the right content, in the right context, at the right touch point.”

### Did you know?

- i** In 2016, **72%** of shoppers planned to shop in stores as much as they did the previous year; and **18%** said they expect to shop in stores more.<sup>3</sup>
- i** **71%** of consumers will choose to buy a product in a nearby store vs. online (a 6% increase over 2015).<sup>4</sup>
- i** **55%** percent of consumers prefer to use both stores and online throughout the entire journey.<sup>5</sup>



## Digital Signage Boosts Customer Engagement

Digital signage engages customers and creates a powerful visual merchandising experience. Adding responsive technology to the solution can trigger screen content and mobile activation as a shopper picks up a product. Instant item information and redeemable offers create a compelling shopping experience, while building brand loyalty.

Conversions increase **40%** when customers use digital technology before and during the in-store shopping experience.<sup>6</sup>

But for these tools to be successful, retailers must deliver relevant content. “The tool [digital signage] is the communication platform and retailers are the publishers,” explained Jeff Griffin, EVP, Retail Media Networks at STRATACACHE.

“When shoppers are near an interactive sign, the retailer must deliver the content they are looking for. Shoppers are not looking for ads. Retailers must humble themselves and think about this question for shoppers: ‘What can I do for you today?’ If the screen doesn’t ask that question, it will fail.”

### Application Highlight: Interactive Menu Boards Drive Food Service Sales

Interactive digital technology is having a significant impact on food service across retail segments. Dynamic menu boards easily and instantly update data for today’s fast-paced grocery and quick-service restaurant settings. Fully customizable content is centrally controlled on any web-based browser. Ordering is more efficient, which reduces wait times for customers. Cross-selling and upselling are easier, and the elimination of recurring printing costs shrinks a retailer’s overhead and supports sustainability. Integration with POS systems allows businesses to not only change displayed data during different parts of the day — breakfast and lunch, for example — but to also program automatic updates.

## McDonald’s

*Aside from the cost savings associated with eliminating paper and cardboard point-of-purchase materials, McDonald’s is leveraging the ability to automatically update digital menus with new items, pricing adjustments, meal changes during the day and promotions at its more than 14,000 U.S. locations. Each location features at least five 49-inch LED monitors.*

*“The potential is huge for digital menu boards — not only in quick-service restaurants but in grocery deli areas, coffee shops and other retail food service operations,” noted PRN’s Carbone. “The visual aesthetics are important, but the dynamic nature of being able to use software to drive content — to take advantage of weather conditions, promotions, regional relevance, etc. — is a huge opportunity.”*



## Automated Content Publisher Delivers Relevant Information in Real Time

**39%** of senior marketers saw better brand recall, recognition and interaction through enriched and meaningful content.<sup>7</sup>

Automated content publishers assemble and distribute real-time hyper-local content. Consider this: A department-specific screen can feature product specials or department news and then send a customer to another relevant department to watch a demo or consider a companion product. Relevant triggers such as weather and real-time customer analytics can curate content and help activate purchase decisions.

In the best-case scenario, the automated content publisher will deliver messages via both in-store technology and the consumer's personal mobile device, seamlessly in real time.

## Interactive Tablets Enable Assisted Selling, Personalized Customer Experiences and Brand Compliance

Mobile tablets put assisted selling capabilities literally in the hands of store associates. Associates can shop the endless aisle with consumers, provide additional product information and more seamlessly cross-sell and upsell.

Tablets also can be mounted on end caps or in-aisle to facilitate product selection in-store and online, deliver redeemable offers, on-ramp to mobile and capture shopper analytics. Additionally, this solution optimizes in-store brand compliance. Rear-facing cameras scan the shelf to assess inventory and alert associates when product displays require adjustment.

## AT&T

*AT&T was looking to entertain and inform customers who come into the store — and keep them in the store longer. After implementing more than 2,000 digital signage kiosks in 1,840 stores, AT&T is enabling responsive experiences. Customers can view product information and promotional videos while physically interacting with the items. So while shoppers may be in the store to upgrade a phone, they also have the opportunity to learn about AT&T's other offerings, including DirecTV, hardware, wireless services and accessories. The kiosks are powered by STRATACACHE's ActiVia for Media digital signage software. This software creates playlists, schedules and dynamic content — and also delivers reports on all network users.*



An estimated **286 million** tablets will be shipped worldwide in 2018.<sup>8</sup>

**55%** of retailers have implemented mobile strategies to help serve customers in physical locations.<sup>9</sup>

“Retailers are always asking us, ‘How can STRATACACHE help make us smarter in specific categories, such as beauty?’” said Griffin. “We show them the power of interactive tablets. Associates are able to get up to speed on categories and products quickly — and then share that information with shoppers in real time. And because many retailers are cutting back on in-store labor, if associates are not nearby to help shoppers, interactive self-service tablets can provide the assistance consumers are looking for.”

## Content Acceleration Engine Reduces Download Times

Shoppers won't wait for relevant content to load on a slow or unreliable system. With a content accelerator, the information is stored locally, dramatically reducing download times so customers and associates can engage with content faster. Retailers can deliver a nimble shopping experience by offering their customers no-wait Internet access to explore rich media.

### CASE IN POINT

## Luxottica

*Let's face it, today's shoppers are not willing to wait. But that was the problem eyewear retailer Luxottica was facing with its slow, outdated mobile product catalogs in 3,100 of its 7,500 stores. Shoppers often had to wait 30 to 90 seconds for product information to load. With its content acceleration solution, STRATACACHE has reduced that wait time to 1-3 seconds.*

*One content acceleration appliance is installed in each store. The appliances are automatically programmed to cache relevant content that is accessed by shoppers and store associates. For the large and diverse Luxottica chain, caching solves a potential bandwidth problem. There's also a parent content acceleration appliance located at HQ that collects any non-cached content.*

*With wait times all but eliminated, Luxottica is enjoying improved customer experiences and plans to deploy content acceleration appliances in all 7,500 stores.*



## Real-Time Shopper Analytics Drive Quicker CX Decisions

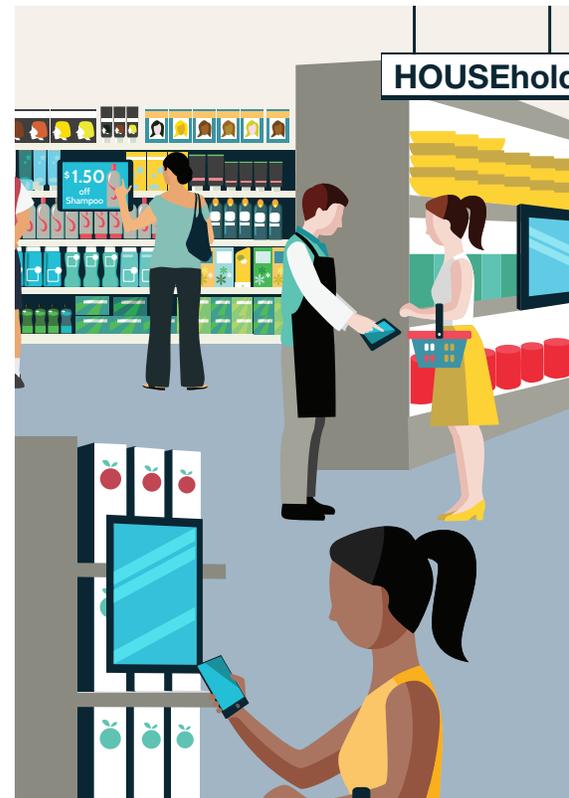
In-store technologies such as Wi-Fi, interactive screens, beacons, cameras and sensors capture real-time shopper analytics. These insights help retailers and brands better understand their customers so they can personalize the in-store experience and ultimately increase conversions.

**68%** of retailers are focused on improving the customer experience by identifying customers, utilizing customer-facing technology and empowering associates with information in real time.<sup>12</sup>

It's all about engaging shoppers. But in order to improve the customer experience, retailers need to know who's in the store and what they're looking for. "In-store technology should provide an unmatched product selection process and better brand-to-shopper communications — and it should be a really engaging, cool in-store experience," said Griffin.

To achieve those goals, retailers must be "acutely aware of flow and touch points within a given location," according to Carbone. "Ultimately, what is the retailer trying to achieve in engaging with shoppers? In some instances, the one-to-many screen experience might be appropriate. But increasingly retailers are realizing they need ways to engage shoppers one-on-one while they are using their mobile devices."

And while shoppers are toting their mobile devices, retailers can tap beacons and other location-based technology to enhance one-on-one communications while collecting vital shopper data. If shoppers are motivated to opt in to the mobile app or check into the store on their smartphone, retailers can send them personalized messages and offers based on their location in the store. Retailers can then use the data from each interaction to improve marketing and merchandising in the future.



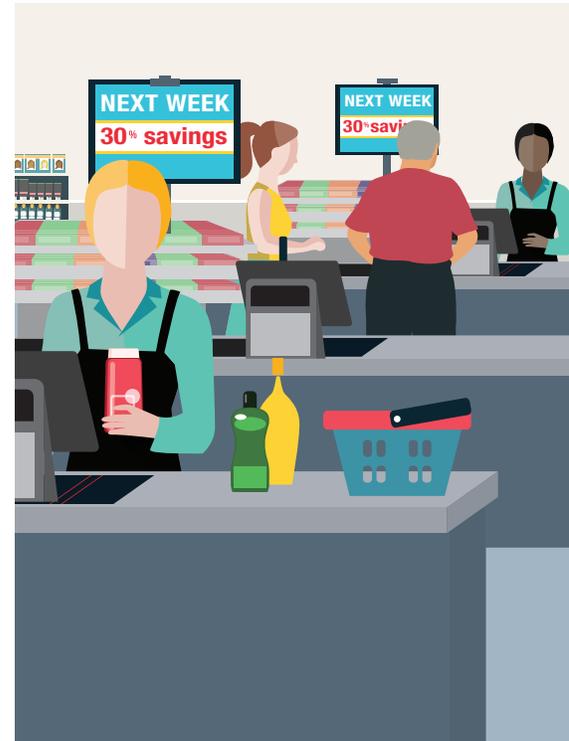
In one report, retailers attributed a 16.5X increase in mobile app usage from beacon deployments.<sup>10</sup> Additionally, personalized and timely in-store push messaging delivered a 20X increase in purchase intent. Retailers considering these implementations can take cues from global success stories shared<sup>11</sup> by McDonald's, Macy's, Target, Alex and Ani, and more.

### **Conclusion: Invest in The Store of the NOW, now!**

Retailers can no longer wait or make excuses for not investing in interactive digital customer experience technology. E-Commerce sales are increasing rapidly and stores need to stay ahead of the competition. For brick-and-mortar retail to survive and thrive, stores must deliver the customer experience that today's shoppers require.

Today's impatient consumers expect brick-and-mortar retail employees to know as much, if not much more, than they do about the products they're interested in purchasing. Knowledgeable associates prepared with up-to-date shopper data will be better brand advocates and have the ability to not only satisfy shoppers, but to also boost basket size with relevant cross-sell and upsell recommendations. And when associates are unavailable, compelling interactive digital technology can provide a similar, self-service experience.

Digital signage and interactive technology, fortified with up-to-the-minute customer data, can make the Store of the NOW the destination of choice for more shoppers and motivate those shoppers to return as loyal, long-term brand advocates.



<sup>1</sup> [https://ycharts.com/indicators/ecommerce\\_sales\\_as\\_percent\\_retail\\_sales](https://ycharts.com/indicators/ecommerce_sales_as_percent_retail_sales)

<sup>2</sup> *The Future Of Retail: How To Make Your Bricks Click*, McKinsey, September 2014

<sup>3</sup> *The State of Retail 2016*, TimeTrade

<sup>4</sup> Ibid

<sup>5</sup> *On Solid Ground: Brick-and-Mortar is the Foundation of Omnichannel Retailing*, AT Kearney, July 2014

<sup>6</sup> *The New Digital Divide: Retailers, shoppers, and the digital influence factor*, Deloitte, May 2014

<sup>7</sup> <http://www.stratacache.com/solutions/digital-signage/>, STRATACACHE

<sup>8</sup> <http://www.statista.com/statistics/269912/worldwide-tablet-shipments-forecast/>, Statista

<sup>9</sup> *Mobile Retail Finds New Purpose*, RSR Research, January 2015

<sup>10</sup> <http://blog.beaconstac.com/2016/02/top-4-location-based-marketing-trends-for-2016/>

<sup>11</sup> <http://blog.beaconstac.com/2016/02/25-retailers-nailing-it-with-their-proximity-marketing-campaigns/>

<sup>12</sup> *2016 POS/ Customer Engagement Survey*, Boston Retail Partners, January 2016

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## Want to learn more?

### **STRATACACHE**



STRATACACHE is the leading provider of intelligent digital signage, digital merchandising, mobile enablement and rich media solutions. These solutions help inspire and influence customers at the point of decision, generating new sales opportunities. With over 1.5 million software activations globally, we have the deepest and widest footprint in the market and consistently enhance our offerings to better serve our customers. STRATACACHE is based in Dayton, Ohio, and serves 28 countries with offices in San Francisco, Los Angeles, Chicago, Bentonville, Dallas, Toronto, Montreal, Vancouver, London, Hong Kong, Tokyo, Adelaide and Luxembourg. Visit us at [www.stratocache.com](http://www.stratocache.com), follow us on Twitter @STRATACACHE or “Like” us on Facebook.

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