Responsive retail: BUILD IN, NOT OUT

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Intel Confidential – Do Not Forward

Agenda

7 trends impacting in-store technology and CX engagement.

4 strategic choices for 2017.

1 Meet you new BFF

It's likely a chatbot

Chatbot image: https://www.theguardian.com/technology/2016/sep/18/chatbots-talk-town-interact-humans-technology-silicon-valley; 1. KPCB, Internet Trends 2016; 2. Sundar Pichai, Google CEO at 2016 Google I/O Keynote
3. Mercury News, June 5, 2016

>90%

voice word accuracy rates for Baidu, Google, and Hound voice search[1]

Baidu: Mandarin. Google and Hound: English.

3X

faster to shop using voice search than navigating menus in mobile apps[2]

10+

Number of exchanges with customer using Sephora's chatbot[3]

2 ROBOTICS

Empowering associates to focus on the customer

LoweBot

NAVii™ autonomous
Retail Service Robot
in 11 stores

TALLY

Fully autonomous shelf auditing
and inventory control

Chloe photo source: Fox5NY.com; LoweBot images: www.lowesinnovationlabs.com/lowebot and www.adweek.com/digital/5-bleeding-edge-brands-are-infusing-retail-artificial-intelligence-175312/;
1. https://www.firstdata.com/en_us/about-first-data/media/press-releases/01_09_17.html

3 Internet of things value creation

We are just beginning to see the impact of the Internet of Things

Retail

Transportation

Logistics

Time Zara spends on store inventory after installing RFID tags[1]

1/8 the time

Fuel Savings fpr AirAsia Group

$10M

based on engine performance data [2]

Additional cost for 1 extra mile driven each day by all UPS* Drivers WW[3]

$30M

Source: 1. Wall Street Journal, Sept. 16, 2014 2. Fortune Oct. 10, 2014 3. Wired magazine, June 2013
Zara photo credit: Leitonmahillo Other names and brands may be the property of others.

4 Operational wearables

Next-level on-site & in-field productivity

Information where you need it.
Converted into action.
Action converted into value.
Clear ROI in time savings, accuracy.

3000

Employees using voice-activated Theatro wearables at The Container Store[1]

The Container Store image: nrf.com/news/over-and-out-the-walkie-talkie;
Lifting image: www.psfk.com/2016/05/how-wearable-tech-can-reduce-workplace-injuries.html;
Smart goggles image: Intel.
1. The Container Store news release, June 14, 2016

5 Never Have to Say, 'Sorry, out of Stock'

Inventory distortion costs retailers collectively nearly

$1.1 TRILLIO

globally[1]

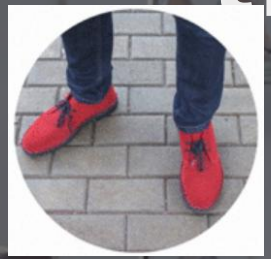
Same store sales could increase

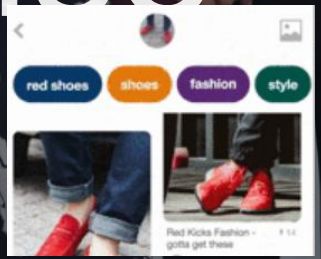
7.5%

if this problem was completely fixed[1]

1. www.ihlservices.com/product/inventorydistortion/

6 Visual and VIDEO search On the rise





Pinterest Visual Search images: techcrunch.com/2017/02/22/how-pinterests-visual-search-went-from-a-moonlight-project-to-a-real-world-search-engine/

1. money.cnn.com/2017/02/03/technology/pinterest-lens/, 201;
2. www.kpcb.com/blog/2016-internet-trends-report

1 Billion

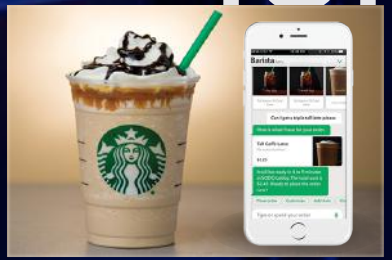
Objects can be recognized by LENS, Pinterest visual search new feature[1]

10-20 Millio

Snapchatters view live stories each day. More users watched college football and MTV Music Awards on Snapchat than watched the events on TV.[2]

7 machine learning & Personalization

Artificially but still feels personal



Global revenue from AI:

$36.8 Billio

by 2025
(up from $643.7 million in 2016)[1]

Starbucks app, Amazon Echo, and Marchesa/Watson dress images: www.adweek.com/digital/5-bleeding-edge-brands-are-infusing-retail-artificial-intelligence-175312/

1. www.tractica.com/newsroom/press-releases/artificial-intelligence-revenue-to-reach-36-8-billion-worldwide-by-2025/

4 strategic choices for 2017.

Which are really recommendations for enabling Responsive Retail in 2017 and beyond.

It’s about in Store technology prioritization

Silo’d.
No integration.
No cumulative effect.
More a vendor’s favor, less yours.

touchpoint OR

journey

Integrated. Holistic.
From online beginning to follow-up service end.
Inclusive of content.
Data acquisition and analysis.
Enabling technology and business process.

Other names and brands may be claimed as the property of others.

Source: “The CEO Guide to customer experience,” McKinsey and Company, August 2016.
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It's about IT INVESTMEN

Sparked by technology.
Shiny new objects.
One-off pilots.
Lab tests.
Vendor-paid pilots.

INNOVATION OR

At the intersection of people, process, and technology.
Business Process automation,
Acceleration, or disintermediation.
***Enabled* by technology**
Joint-investment pilots.

TRANSFORMATION

Sources: images: Star-tribune.com; Eptica.com; Source: 1. Minewhat.com, Nov. 2014 2. Internet Retailer, 2013 3. Internet Retailer 2015
Other names and brands may be claimed as the property of others.

It's about IT strategy

Fixed and closed.
Looks inward.
Products.
Limited data sources.
It's about the internal processes.

enterprise OR digital

Agile and Open.
Looks Outward.
Products and services. **And ever-new services.**
Unlimited data sources.
It's about the customer.

Sources: images: Star-tribune.com; Eptica.com; Source: 1. Minewhat.com, Nov. 2014 2. Internet Retailer, 2013 3. Internet Retailer 2015
Other names and brands may be claimed as the property of others.

Sources: Emiel van Schaik, SVP, SAP, December 2016; "Six building blocks for creating a high performing digital enterprise," September 2015; ZDNet.com, December 2016.

It’s about Business stra
Stores.
Merchants.
Stock-keeping units.
Low-wage labor.
Comp-store sales.
Vendor negotiation.
retailer OR provider
of value
At Customers.
Know Sooner * Decide Smarter * Act Faster
Services and SKU’s.
Expertise as a differentiator.
Share of wallet and affinity.
Vendor partnership.

It's about responsive retail

Yes.

Beyond the merger of digital to physical.

redefinition

Of the store: capabilities, inventory, real estate, labor, purpose, necessary size, metrics.

Of product. Of Services. Of P&L expectations. Of the Value of the Store and the associates.

Of the retailer-shopper relationship.

WELCOME TO breakthrough retail

One seamless Brand promise

One SHOPPER platform

One View of the shopper

One View of data truth

RESPONSIVE RETAIL

New Capabilities
New Purpose
New Products
New Metrics
New Sizes

WELCOME TO the NEXT GENERATION of responsive retail

Other names and brands may be claimed as the property of others.

Photo source: cnet.com

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THANK YOU

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