

The background of the slide is a high-angle, wide shot of a modern shopping mall. The mall has multiple levels with glass railings. A central escalator is visible, with people moving up and down. The floor is decorated with a large, colorful geometric pattern of squares and rectangles in shades of grey, white, and blue. The lighting is bright and even. The image is overlaid with a color gradient: orange on the left and blue on the right.

Industries in Transition: A Framework for Data-centric Innovations in Retail



Perhaps more than any other industry, retail has been disrupted by a shift to digital, leading to the shuttering of physical stores and the collapse of time-honored brands.

And the challenge to meet consumers' rapidly changing preferences and expectations has only been accelerated by the COVID-19 pandemic. Now, more than ever, it is critical that retailers adapt their business to be data-centric.

Four trends:

- **Personalized Offers:** 91% of consumers are more likely to shop with brands that recognize and provide relevant offers and recommendations¹
- **Omni-channel Experiences:** 60% of consumers think retail investment in technology is improving their online and in-store experience²
- **Experience-based Commerce:** 85% of retailers don't have the right capabilities, people, technology, and processes to improve customer experience and monetize their data³
- **Mobile Optimization:** 82% of smartphone users consult their phones on purchases they plan to make in store⁴

Retailers must find new ways to react swiftly to changing customer preferences and market trends. Read on to learn how to capitalize on emerging trends in retail, overcome industry challenges, and drive success to attain and maintain leadership.

¹ Personalization Pulse Check Report, Accenture Interactive. https://www.accenture.com/_acnmedia/pdf-83/accenture-making-personal.pdf

² 3 Things to know about Retail Tech Investments. <https://nrf.com/blog/3-things-know-about-retail-tech-investments>

³ Forrester study on achieving revenue growth in retail. <https://www.businesswire.com/news/home/20191119006170/en/Global-Study-Finds-85-Grocery-Retailers-Lack>

⁴ Growing Impact of Online Research on in store purchases, 2018. <https://www.forbes.com/sites/johnellett/2018/02/08/new-research-shows-growing-impact-of-online-research-on-in-store-purchases/>

91%

Consumers more likely to shop with brands that provide relevant offers

60%

Consumers who think retail investment in tech is improving their experience

85%

Retailers that don't have the right capabilities, people, tech, or processes

82%

Smartphone users who consult their phones about purchases they plan

Critical Retail Game Changers

The retail industry is rapidly evolving. To remain relevant in today's ever-changing environment, digital leaders must consider:

A Holistic View of Customer Journeys:

To create engaging customer experiences, retailers must design interactions across multiple touchpoints that demonstrate a deep understanding and provide relevant responses to customer needs.

Contextual, Predictive Personalization:

Personalization today goes beyond segmentation, now requiring constant situational awareness and predictive analytics.

Blurring of Channels:

Customers expect a consistent, fluid, omni-channel retail experience across stores, mobile, and online.

User-driven Experiences:

Consumers want to be in control of their shopping experience with self curation of style, privacy, or even user-generated products.

Distribution Realignment:

The evolution of shopping in stores has caused a similar transformation of delivery and distribution.

Realigned Retail Authority:

But what is a retailer? The definition has shifted over the past decade with Apple, social media giants, and experience-based retail.





Data Is the Common Thread

Meeting these evolving needs requires retail businesses to harness the power of their data. Doing so offers immense potential, but the challenges also present barriers to success:

- With the huge data explosion, how do you determine which data holds the greatest promise for insight and action?
- What do you do about organizational silos that create fragmented views?
- Lack of shared views can lead to lowered confidence.
- How do you blend historical and real-time data to get to an understanding of context?



Digital Success Drivers in Retail

Though challenging, retailers that unlock the potential of their data can differentiate and create value for the business. Gain command of your data and drive success by:

Creating Real-time Connections and Responses:

Modern, intelligent retail is a digitally connected ecosystem, requiring real-time analytics and automated decision-making.

Attaining Quality Data and Governance:

Organizations need consistent, trustworthy data to make truly impactful decisions. Only with governance and 360-degree views can a business innovate and progress.

Avoiding Data Swamps and Silos:

While retailers have more than enough data, the real challenge is reducing its complexity and volume with actionable data layers.

Blending Past, Present, and Future:

Retailers can use event-stream processing to combine awareness of the present with predictive analytics to increase personalization.

Empowering Everyone:

To manage the shortage of data scientists, leading retailers are empowering more decision-makers with the tools and data required to optimize operations and reshape customer experiences.

Adapting for Sustainable Innovation:

To sustain innovation over time, retailers need to use analytics to ask “what if” questions, gain feedback, and quickly adapt.



Achieving Digital Success in Retail

Retailers that manage the vast complexity and develop insights from data position their organizations to build long-term, profitable, and loyal customer relationships.

Real-time Connections and Responses

- Increased response and conversion rates
- Ability to capture critical moments of truth

Quality Data and Governance

- Higher relevance of engagement
- Meaningful personalization

Data Swamps and Silos

- Discovery of data that matters
- Increased decision agility across the organization

Past, Present, and Future

- Fact-based insights that drive decision-making
- Ability to adapt and learn in real time

Company-wide Empowerment

- Shared views of opportunities and drivers
- Collaborative strategies and tactics

Sustainable Innovation

- Continuous improvement in a fast-changing environment
- Cultural shifts in how organizations innovate and manage risk



Retail Transformation Framework

Retailers that leverage their data to foresee opportunities and shift to digital commerce will find more relevancy and power. Achieve these innovations and successes with a transformation framework of customer intimacy, operational excellence, and business reinvention.

Customer Intimacy:

Retailers that place customers at the center of their strategy can transform the business model to meet their growing expectations. This builds trust, delivers greater value, and ensures long-term customer loyalty.

Common use cases include:



Next best action

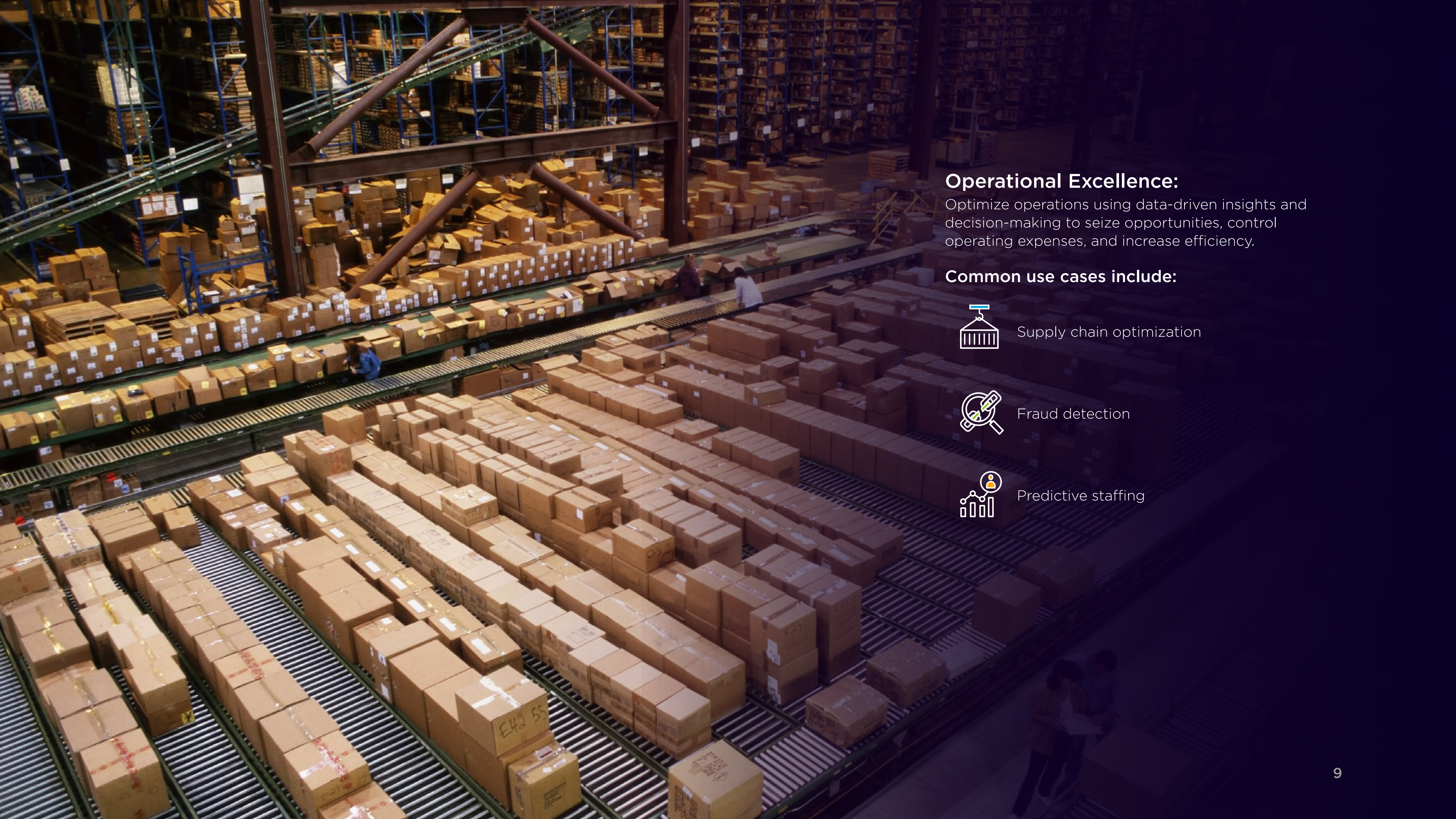


Proactive customer service



Customer journey management





Operational Excellence:

Optimize operations using data-driven insights and decision-making to seize opportunities, control operating expenses, and increase efficiency.

Common use cases include:



Supply chain optimization



Fraud detection



Predictive staffing

Business Reinvention:

Retail continues to see transformative innovations from new players. Companies like Apple, Uber, and Facebook are using data-driven insights and strategies to reshape the retail value chain and redefine the retail experience.

Common use cases include:



Cross-channel experience



Intelligent bundling and pricing



Last mile fulfillment



Retail Customer Success Story

Businesses with the technology to adapt to changing customer needs given the COVID-19 pandemic can serve as a model for other organizations looking to transform their business models.

Panera Bread is one such company that pivoted and repurposed its main supply chain to support a new grocery supply line. With TIBCO, Panera also rolled out updates within a matter of minutes, including open-for-business hours, grocery items, and home delivery availability through third-party providers.

Delivery has been Panera's top growth driver for the past several years, and with its strong technology foundation, it can further strengthen this area as a key sales channel during these trying times.



Why Retailers Must Act Now

Retailers must redefine how they market and sell online and offline, or risk getting left behind. The following statistics show just how valuable digital transformation can be for the retail industry:

Enterprise Data:

2.5 quintillion bytes of data created every day⁵

Seamless Engagement:

87% of consumers want a consistent experience across all channels⁶

Connected Ecosystem:

26 billion interconnected physical devices⁷

Actionable Insights:

62% of retailers report the use of big data and analytics is creating a competitive advantage for them⁸

Revenue Increase:

Immediate sales growth of 2% from AI-driven dynamic pricing⁹

⁵ A Transformation in Store, Mckinsey. <https://www.mckinsey.com/-/media/McKinsey/Business%20Functions/Operations/Our%20Insights/A%20transformation%20in%20store/A-transformation-in-store-2019.ashx>

⁶ Accenture Painting a Digital Future. https://www.accenture.com/t20170628t051101z__w__/us-en/_acnmedia/pdf-52/accenture-strategy-dd-painting-digital-future-pov-v2.pdf

⁷ 2019 Unified Commerce Survey. <https://brpconsulting.com/download/2019-unified-commerce-survey/>

⁸ The Real-world Use Of Big Data In Retail, IBM, 2018. <https://www.ibmbigdatahub.com/whitepaper/analytics-real-world-use-big-data>

⁹ Analytics in Retail: Going to Market with a Smarter Approach. <https://www2.deloitte.com/content/dam/Deloitte/ch/Documents/consumer-business/ch-cb-en-Deloitte-Analytics-in-retail-0514.pdf>

2.5 EB

Enterprise data created every day

87%

Consumers wanting a consistent experience across channels

26B

Interconnected devices

62%

Retailers using big data and analytics for competitive advantage

2%

Immediate sales growth from AI-driven dynamic pricing

The Power of Now

Retailers today cannot delay optimizing operations and building customer intimacy. Start on your transformation journey to become a data-centric, digital enterprise now. TIBCO can help you unlock the potential of your data to make faster, smarter decisions, adapt to changing customer preferences, and gain and maintain a competitive advantage.

Visit tibco.com/solutions/retail to learn more about how TIBCO can help retailers:

- **Seamlessly connect** any application or data source.
- **Intelligently unify** all your data for greater access, trust, and control.
- **Confidently predict** outcomes in real time and at scale.

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