Connected Store
Delivering a shopping experience

High performance. Delivered.
The Connected Store is a timely solution at this critical stage of the retail evolution. Given the current economic environment, wherein retailers must squeeze every drop of return on investment, the offering leverages the cloud to reduce operating and capital costs, while simultaneously lowering deployment risk.

**Delivering a > Shopping Experience**

Leading retailers know they must master critical capabilities to remain relevant to their consumers. As they move closer to these customers by opening stores in new countries, smaller formats or virtual formats, the challenge is to find store solutions that are nimble and cost effective—while simultaneously driving innovation and delivering shopping and service excellence.

Retail is no longer about "where" the customer is shopping, but "how" the customer is shopping. Über-informed and empowered by digital technology, shoppers are today choosing from a variety of channel alternatives—brick-and-mortar, online, kiosk, vending, social and mobile—to make their purchase decisions. Indeed, non-store channels are growing roughly ten points faster than the store channel.

This evolving omni-channel shopping experience is redefining the contours of retail into "me-tail". And five key consumer trends are driving this new paradigm:

1. Give me control and choice
2. Help me help myself
3. Know me everywhere
4. Let me share and learn
5. Help me on the go

Clearly, the central business imperative is to win the consumer. However, in addition to the rising consumer expectations listed above, other trends are driving demand for a more connected store experience. The mobilization of retail, for instance, is not only radically altering the way consumers shop, but it also calls for greater integration with store systems and processes with different technologies and devices—even re-training employees.

In trying to address consumer trends, retailers are faced with four key challenges:

- Rising operating and capital costs
- Inability to predict fluctuations in demand
- Slow rollout of new pilots, initiatives and systems
- Difficulty scaling with current store infrastructure

Given this backdrop, how do retailers adapt and thrive? Retailers need to transform their stores to be more flexible, dynamic and connected—flexible infrastructure to deliver more relevant, personalized, and real time solutions for consumers; dynamic operations tailored to compete in diverse markets, channels and business models; and connected to communicate with the customer in new ways.

Retailers seeking to revamp their operating models will have to reconfigure their siloed functions of Merchandising, Supply Chain, and Channel Operations into a more customer-centric integrated organization. Using analytics to obtain actionable insights into purchase behaviors can help map the transformation to meet the needs of the new breed of consumers, who are better-connected, more mobile and smarter about their shopping choices than ever before.

**POS: The Touch Point**

At the heart of this transformation is the in-store system. The point-of-sale (POS) system acts as the hub of all channels and it is typically where retailers identify severe pain points. In recent studies, it was identified that retailers found it most difficult to upgrade and add functionality to their POS. For this reason, these systems are typically misaligned with a retailer’s business needs in terms of flexibility and agility. Most critically in these demanding times, existing systems have a high cost of operation.

Because of the infrequency of upgrades, the installed technology often does not accommodate new modules. Multichannel options, integration with e-commerce, mobility at store, mobile loyalty and other innovative trends are therefore difficult to integrate in current in-store systems. Long
time-to-market also fails the test of meeting rapidly changing customer expectations.

Despite these drawbacks, most retailers see risk in changing in-store systems, as the store is the primary touch point with the customer ("the moment of truth"). Moreover, high hardware and licensing costs as well as difficult deployment make updating in-store systems a tough initiative to launch.

In an attempt to circumvent these problems, CIOs are often forced to implement ad-hoc integration programs that eventually produce an escalating cycle of pain and costs. And any major systems renewal typically has long implementation cycles.

There is, therefore, a compelling case for an integrated in-store system that is global, flexible and scalable, easy to deploy, and multichannel integrated. Such a system would achieve customer service excellence, facilitate high performance and be cost-effective.

The Connected Store

Accenture's Connected Store global offering enables retailers to drive their growth strategy and win consumers by providing a cloudbased, end-to-end solution that is flexible, scalable, cost-effective and fully integrated across all channels—from in-store and point-of-sale, to e-commerce and mobile. This results in an improved and differentiated shopping experience for consumers, with increased speed-to-market and reduced operating costs for retailers.

Co-developed with Avanade and Microsoft, the Connected Store offering helps retailers translate customer insight into differentiated strategies. It helps retailers track recency and frequency to create value for loyal customers and to attract new customers. It also extends the shopping experience to store locations, web and mobile devices with a wide range of services and products delivered across every channel.

The Connected Store offering is composed of different layers—from basic store needs to more advanced services and multichannel integration—supported by a range of back-end services, to deliver a whole new shopping experience (see chart).

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Just as importantly, the Connected Store solution can help an organization remodel for future growth by integrating multiple channels and offering a platform to launch international operations. And by gleaning actionable insights into the changing preferences of customers today, high-performance retailers can provide a “greater than” shopping experience tomorrow.
Contacts

To learn more about how Accenture’s Connected Store offering can help your organization deliver a “greater than” shopping experience for customers, contact:

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About Accenture

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