



# Change in Retail

Adapt to survive

Customer expectations are changing rapidly, and the retail sector is at the forefront of the next digital revolution.

## Are you ready?

The retail sector is experiencing turbulent times with the high street according to some sector experts in 'decline' and with household names entering administration. However, if you look beyond the headlines, the sector is in fact in transformation.

Traditional retailers are closing their doors, which is making way for new brands with innovative experiences and original services. Routes to market are evolving and growing and those that can continually adapt and bridge the physical and digital divide will thrive.

How can you see change as an opportunity and transform your business for the better?

# Technology & Retail

Technology solutions are vast and moving at a pace. Those that are quick to adopt new technology and make retail interactions and transactions easier will be the ones who obtain a competitive edge.

Asian countries are leading the way in transforming purchasing channels, with messenger apps allowing customers to buy products right from an app, best-in-class visual search capability and fully automated warehouses and stores. Elsewhere, integration solutions are enabling new forms of purchasing through social media, such as comment selling. IKEA launched IKEA Place allowing customers to preview how different IKEA products would look in their home. Closer to home, Waitrose & Tesco have now opened the first completely cashless supermarkets in the UK. In each case, customers can shop for products with ease, removing the need for anything other than a phone to make purchases.

**However, to drive a truly uniform commerce, consideration must be taken in back-office systems as well.**

How do you know which technologies are right for your business and how do you begin on the journey to digital transformation? Do you invest to ensure you have a solid ERP platform, which is essential for the smooth running of the supply chain and financials, but can end up being a rigid platform. Or does your investment get better return through smaller scale web services and application development. Both have their place. Prioritisation is key here.

## E-commerce

accounted for approx

# 20%

of all retail spend in 2018

## Bricks VS Clicks

E-commerce accounted for approx 20% of all retail spend in 2018. While the majority of spend is in store, the bulk of the growth is coming from online. But how do you balance investment growth with profitable store presence?

Stores are still important. JD Sports claim that physical stores are still having a positive influence as they raise brand awareness and provide consumers with an opportunity to see and try the product. However, they must have multiple delivery channels as the lines defining physical and digital buying experiences are becoming blurred.

Customers increasingly expect consistent service at every interaction with a brand, be it in-store, online or on mobile. Consequently, the traditional high street store is evolving.

Companies like Apple are already leading the way by radically redesigning their stores to focus on community interaction and customer experience; clouding the distinction between a physical store and the online world. Other big brands such as Dyson's demo stores and Nike's concept stores are showing how reinventing a physical space can transform customer experience and support the brands positioning.

**At the heart of any physical store or online presence needs to be the customer. Retailers that have not truly embraced this will struggle to maintain market share.**

# Agility

Organisations now more than ever will need to respond to changing shopping habits.

The development of high-performing teams that can easily flex to respond to changes in customer behaviour is critical. To do this, organisations need to make sure workforce management and back-office systems provide accurate information to enable better forecasts and meet customer demand.

Flexible team structures, an ability to react to change, creating a culture of innovation and creativity are important values in a modern workforce. However, stability and the ability to share in one clearly communicated mission is paramount.

Organisations need to go further to empower their staff, remove hierarchies, embrace technologies and be prepared to throw out the plan if it isn't working. How ready is your business to take risks, fail fast, learn and move on?

**80%** of Generation Z

**74%** of Millennials

say **Social Media** influences their buying choices<sup>1</sup>



## Social Media

Social media channels are fundamentally shifting how brands are interacting with their customers as well as influencing our purchasing decisions.

Social is the new shop window. Retail Dive<sup>1</sup> states that more than 80% of generation Z and 74% of millennials say that social media influences their buying choices.

It is not enough for brands to simply post images. Instead, they must tell stories and engage with their customers in real time as well provide seamless customer service.

Personalisation and ease of buying directly from social media need to be faultless to meet the ever-growing demand and expectations. At the heart of this is the focus on providing a uniform customer experience across channels.

The move to multi-channel shopping, centred around experience and ease, means customers now expect even more from retailers. While price and quality remain important, customers will be looking for convenience and quality customer service. In short, organisations need to make it easier than ever to buy their products.

<sup>1</sup> <https://www.retaildive.com/news/study-80-of-gen-z-purchases-influenced-by-social-media/447249/>

# Big Data

Gathering, using and controlling customer data from multiple channels is a known challenge, further still with the General Data Protection Regulation (GDPR) that came into effect in 2018. This EU regulation has given consumers greater rights over how their data is used and transferred. With 73% of customers saying they would reconsider using a company if it failed to keep their data safe<sup>2</sup>, the need to control and manage data is more important than ever.

Within this drive for more robust regulation, transparency and security, there will be a huge opportunity for retailers to transform their data management to drive market intelligence and sales. Better utilising customer data sources in the future will enable retailers to target advertising, streamline customer service and meet rising customer expectations.

Complying with new legislation by improving security, and capitalising on this opportunity to use 'big data' to drive your business forward, must, therefore, be at the centre of any future investment plan.

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<sup>2</sup> The Deloitte Customer Review

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## The future is bright...

...for retailers that can adapt to customers changing needs and behaviours. Retailers that use insights and data, embrace technology and continually evolve, will thrive.

For some businesses, this means adopting new technologies to bring vital processes together and developing an organisational culture that can embrace change. For others, this will mean reconsidering traditional store formats and embracing opportunities with multi-channel shopping.

Whatever route is right, it is clear that retailers cannot afford to stand still.



**Nine Feet Tall** are experts in business transformation. We provide a combination of advisory and delivery services in the retail sector to suit the needs of our clients and their projects. With deep expertise in tackling the many challenges specific to the industry, we can rapidly mobilise expert teams to bring fresh perspective and advice to your portfolio.

We have worked with many big players in retail and have a strong track record of success.

“How refreshing!  
A great cultural fit and fresh approach. They were able to challenge our thinking and add real value to be able to successfully deliver and embed workforce management across the stores.”

**ROBIN PHILLIPS**  
Project Manager  
Dixons Carphone

## HOW WE CAN HELP

- Review your project portfolio, and advise you on how to prioritise and deliver the initiatives that really matter
- Transform the capability of your team to gear them up for transformation success
- Work with you to understand how to get the most out of your customer data
- Lead your next big project

## ENOUGH ABOUT US...

Let's talk about you and your business needs...contact us for a FREE consultation.

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