Re-imagine retail and accelerate innovation

Becoming more agile, adaptive, and customer-centric with technology

The COVID-19 pandemic has put both retail disruption and digital transformation into overdrive. Online commerce is booming, consumer spending is changing, and social distancing has drastically altered in-store customer contact. Retail is still selling, but in a totally different way. What is the best response? How do we take advantage of these recent developments? This blog post is about how to use technology and data to reach consumers in new ways, how to streamline the supply chain, and how to prepare stores and the back office for major changes.

The COVID-19 outbreak has pushed much of our lives online. Under pressure from distancing regulations, we have adjusted our habits to suit the new normal. We're working from home and doing much of our shopping on the Internet. Although this change was already underway, it has now been greatly accelerated. Now that more stores are reopening, retail must adapt even more swiftly to the new reality. But do you still know what your customers need? Why should they choose you in these times, what is your value proposition? What's the best way to optimize the experience, and bring online and offline channels together? These types of questions are now more pressing than ever.

Knowing your customer is more important than ever

Customers have come to rely on higher and higher service levels. Whether it's in-store or online, they expect quality assistance. That means providing not only a wide range of products and services, but also those that are relevant to customers when they shop. For example, if a particular customer is preparing to run a marathon, eats only organic food, has three children, and prefers to do her shopping online in the evening, then that is what retailers need to know. She only visits bricks-and-mortar stores on Saturdays, and only to take a quick look at the sales racks. Retailers armed with this information can use targeted advertising to offer products such as organic sports meals suitable for her stage of marathon training, alongside additional services via instructional videos, and upselling opportunities such as books aimed at active mothers.

Offer customers a personalized journey

Personal marketing will soon take the place of generic marketing. Retailers are also becoming aware of which products customers are willing to visit stores for. This knowledge allows them to further streamline their online and physical experiences and offer products and services during the customer journey. Digital data deepen our understanding of who the customer is, enabling an improvement of business yields through personalization, inspiration, and innovation.

Better service in unique stores

The COVID-19 outbreak has increased the urgency for change. The [McKinsey retail specialists](#) have formulated three essential changes for the sector:

- integration of physical and online stores;
- adapting the cost structure and staff complement to suit the new normal; and
- re-opening stores from an omni-channel network perspective.

Consider, for example, how [Nike](#) has combined physical stores and a streamlined online experience with in-store service. Rather than applying a generic model, their stores offer a range based on local consumer preferences. A membership option also offers access to local events, personal tips from local athletes, and more.

Retailers more agile with digital staff

The 1.5-metre economy will certainly continue into the summer, which will have a huge impact in-store: capacity will be reduced and people will become more accustomed to online shopping. Accordingly, the demand for customer service will shift from the shop floor to online platforms. Employees will also need to treat customers differently in-store in order to retain good service levels, which will require additional training and access to customer data. Smartphone or tablet apps can offer customer and training information, providing a more cost-efficient way for staff to train at their convenience. The result will be a more agile and responsive retailer, whose employees provide added value through the use of consumer data.

A more robust supply chain

The coronavirus crisis put many suppliers out of action, which left retailers no choice but to disappoint customers, and caused an online explosion that resulted in bottlenecks and delays. It is essential to avoid negative effects such as these, as customer satisfaction will ultimately be affected. Real-time, centralized access to supply-chain data via a digital model will be necessary, as it shows how the supply chain will be affected if a supplier disappears, and how the situation can be resolved. Being able to identify – or even predict – these disruptions quickly will reduce dependency and allow more effective retention of customer satisfaction levels.

Re-Imagine Retail Executive Series

The retail sector must now adapt as quickly as possible to the new situation, with new concepts based on digital technologies. To find out how, check out the Re-Imagine Retail Executive Series online.

Register here: [Increase your store associates' productivity and agility](#) – Monday, May 18, 2020 | 11:00 AM-12:00 PM

Register here: [Maximize business continuity through an intelligent supply chain](#) – Monday, June 8, 2020 | 11:00 AM-12:00 PM