



HOW TO MAKE A NEXT GENERATION STORE

A RIGHT NOW STORE





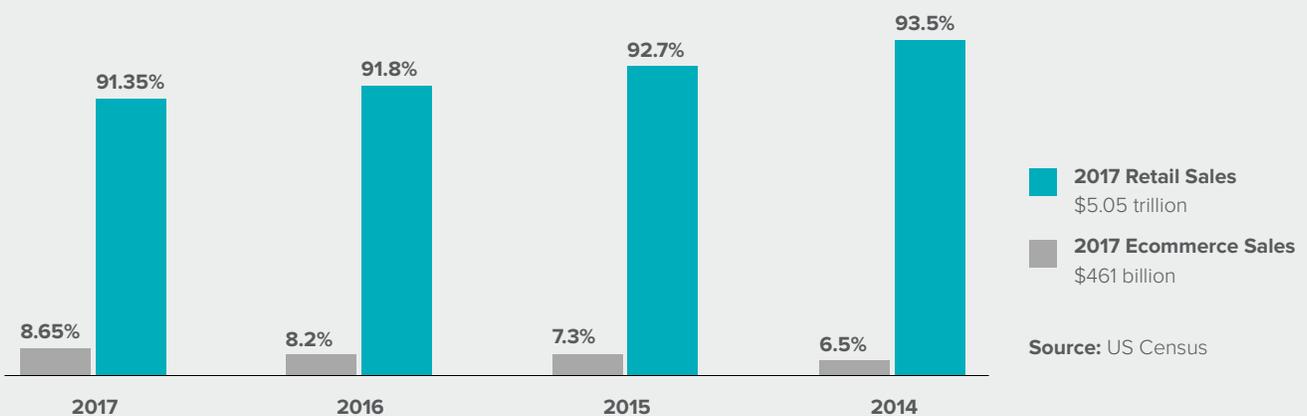
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HOW TO MAKE A NEXT GENERATION STORE A RIGHT NOW STORE

It's clear that the retail industry is going through a transformational period that has many scaling back physical operations, but despite the news, people still want to—and still do—shop in stores. According to the U.S. Census Bureau, in a \$5 trillion US retail

economy, ecommerce sales only make up some eight percent of that annual revenue. Digital commerce continues to disrupt retailing like nothing has before, but as the studies show a majority of retail transactions still occur in brick-and-mortar stores.

Ecommerce Sales as Percent of Retail Sales



Now is an unprecedented time to capitalize on this opportunity to shift the expectation of the physical store. To protect and maximize this revenue stream, retailers need to invest in technologies that blend the physical and digital shopping experiences. Merchants also need to develop strategies to help innovate and future-proof their stores to stay competitive in today's marketplace. Creating a next generation store isn't something you can put off for another year—it needs to happen now.

What is a Next Generation Store?

In today's world, every consumer is an omnichannel consumer. Shoppers are influenced by your brand in a multitude of ways and often engage with your business through many channels. That's why it's important for retailers to start thinking like consumers who don't view separate channels. It's time to focus on the big picture, which is giving the consumer a friction-free experience no matter how they interact with your brand.

It needs to be viewed through the lens of the digital consumer and their digital buying journey. Above all, the experience can't leave the consumer with the feeling that visiting the store was a waste of time, and that they would have been better staying home and browsing online.

The store is now a point of inspiration, a testing lab, a servicing site for orders and returns, a help desk, and a shipping center. The physical store is just a mere extension of the ecommerce experience. It's a place where the consumer can easily return something they bought online, or see, feel and try a product before they buy. In addition, stores should be able to pick up where a shopper left off online, where sales associates are re-engaging with conversations around abandoned carts or wish lists in an effort to complete a purchase. The next generation store doesn't add complexity to the shopping experience—it removes it. In the end, you'll improve customer satisfaction, drive sales and enhance your brand.

A next generation store has to transform the physical shopping experience and not just serve as simply an instantaneous purchase place.

Next Gen Stores are points-of-purchase and:



Inspiration Sites



Testing Labs



Pick Up Places



Shipping and Return Centers



Help Desks

Enabling a Next Generation Store

Transforming your legacy brick-and-mortar strategy to meet the demands of the new retail landscape requires a modern IT infrastructure.

Too often, brands deploy several different best-of-breed solutions and quickly find out that the ecommerce platform and the in-store system can't communicate. The inconsistencies in the customer and inventory records leave store associates with tools that can't provide customer order history and stock availability.

Delivering the seamless experience that customers expect today, including buy online pick up in store, return anywhere, ship from store and endless aisle, requires a unified cloud commerce platform.

A unified commerce solution seamlessly connects ecommerce and instore POS to order management, inventory, merchandising, marketing, financials and customer service.

Here's how a unified platform enables your next generation store:

A single view of customer, order and inventory.

A reliable, 360-degree view of customer, order and inventory data is the foundation for outstanding customer experiences.

When data lives in more than one place, it's inevitably going to be inconsistent and you likely won't realize it until it's too late and the

customer receives a fractured experience. A single version of truth is critical in delivering a next-generation customer experience.

Capturing all preferences, interactions and transactions to create rich customer profiles will help provide consistent customer service, as well as support personalized marketing, merchandising and targeted promotions across all channels.

Imagine a customer walking in and being greeted by an associate who can pull up their order history or their wish list from your online site. This type of access gives the associate unprecedented insight into the customer's favorite brands, colors and sizes. This makes the customer feel like the sales associate actually knows them and can be of value—and not just trying to sell them something.

Ensuring product inventory is transparent across channels—including between stores—enables you to turn stores into fulfillment centers where buy online, pick-up or return in store, and order in store and ship to home experiences are easily achieved. And by having an end-to-end view of inventory across the supply chain, you can better optimize inventory levels according to unique store profiles and needs.

Point-of-Sale (POS) devices that drive engagement.

Next generation POS systems are point of engagement systems that empower sales associates with information to offer real value to the customer on the floor.

This information can be used to provide the customer with the buying experience they envisioned when they visited your store. Associates can trust that the prices and promotions on their POS devices are consistent across channels to give accurate pricing information to the customer. Associates can also process an order for an item that isn't available in the store quickly and easily, and at the same time, have it shipped or available to pick up in another location. Integrated POS and order management enables the ultimate commerce goal—buy anywhere, return anywhere and fulfill anywhere.

Omnichannel servicing. The retail store needs to have real-time visibility into orders across the supply chain. Armed with a single, enterprise-wide view of inventory, merchants can optimize critical business decisions to delight customers by avoiding the costly mistake of overselling available inventory.

For shoppers, they get real-time order and inventory information from a merchant's website and from customer service representatives that serve them in store. And by centralizing order and inventory management, merchants can offer customers

a combination of cross-channel, order and fulfillment options. Shoppers can pick and choose from where they order, receive and return products, rounding out the seamless omnichannel shopping experience. Full visibility across the entire supply chain is paramount in creating a great successful store footprint of the future.

Embrace the next generation of brick-and-mortar now. It's time to ask yourself—how omnichannel is my retail business? Is your current technology helping you achieve your goals, or is it holding you back from meeting the needs of the modern, omnichannel customer?

The fear of embracing and expanding a brick-and-mortar strategy as part of your retailing goals is greatly reduced when you can trust your data.

Cobbling systems together doesn't result in an end-to-end view of your business and you'll waste time ensuring the data is consistent, rather than being able to leverage data in real-time to interact with customers consistently—as Toad&Co has achieved with a unified cloud platform.



TOAD&CO'S NEXT GENERATION COMMERCE STRATEGY

Toad&Co, a retailer and distributor of sustainable lifestyle apparel inspired by the outdoors, is on a mission to double its business in the next three years, including opening 20 new physical stores.

The Santa Barbara, Calif.-based company currently distributes to over 800 stores in the US including REI. They operate two company-owned retail stores and two partner stores, and sell directly to consumers on toadandco.com.

So how is this apparel company expanding its brick-and-mortar business during a time when many retailers are shuttering physical stores? They operate by a simple truth: people still enjoy the in-store shopping experience, but they don't want it to be disconnected from the rest of their purchasing journey.

“We very much believe that the omnichannel landscape is changing,” said Kelly Milazzo, VP of Operations for Toad&Co. “We do believe that

Benefits of a single platform for Toad&Co

- Seamless customer interaction
- 360-degree view of the customer
- Inventory optimization
- Single source of data
- Real-time visibility to the business
- Allows company to focus on core competency

the consumer expects, and will soon demand, a seamless interaction with the brand.”

To offer that seamless journey, Toad&Co knew it needed to modernize its technology platform into a single system to run critical business processes including financials, order management, inventory management, POS and ecommerce.

“Cobbling together systems doesn’t allow you to easily access real-time, consistent data.” – Kelly Milazzo, VP of Operations, Toad&Co

Prior to implementing NetSuite’s unified cloud commerce solution, Toad&Co had been running siloed, on-premise software that left them “version locked” on older versions of the software and lacked real-time visibility across the entire enterprise.

“Cobbling together systems doesn’t allow you to easily access real-time, consistent data,” said Milazzo. “You may be able to do it, but you’re going to spend a lot of time and effort patching those systems together to interact with the customer seamlessly.”

Toad&Co started its unified commerce strategy by implementing NetSuite’s core ERP system. Soon after, they invested in SuiteCommerce InStore for POS and SuiteCommerce Advanced for ecommerce.

“We have real-time visibility into the business and customer, and we have the ability to focus on what we do best—making great clothes,” said Milazzo.



