Epicor® eBook

4 Trends Shaping the Future of Retail

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Introduction

Evolution at the Speed of Retail

Small businesses are cornerstones of the U.S. economy. They make up 44% of all business and employ nearly half the private workforce. When Covid-19 changed the world's shopping habits, independent retailers dove into innovation mode to sync with rapidly evolving needs.

Many retail innovation successes were made possible because you invested in and used your business solutions in new ways to make shopping experiences digital, touchless, convenient, and safe. Customers loved the ease. And now, they expect it.

You know it takes ingenuity and an open mind to survive in business—especially right now. In 2020, you succeeded on fast forward through a time of staggering change. Now, retail after Covid will be about reaching your customers where they are. On social media, on your website, in your store, and in other omnichannel ways that they expect. Convenience and choice are king.

To achieve in this environment, build on your innovations. Find inspiration here on the possibilities.

Trend 1: Embrace the Power of Data

One of the most powerful drivers of innovation can be your own store's data. That's because data can unlock the insights you need to run your business in a strategic way. Think of data as rocket fuel for retail decision-making. Using store data to inform decisions can take you from gut guesses to decisive action-based facts.

A recent survey found that 72% of companies have yet to make the leap from having data to actually using it, reports NewVantage Partners, strategic advisors on data-driven business transformation.

The right tech solution can help you:

- Improve inventory management accuracy

- Add flexibility via mobile access

- Anticipate the future with predictive analytics

Improve Inventory Management Accuracy

Your inventory represents dollars going in and out of your business every day. Managing it can be a big time drain. Good news: It doesn't have to be. With store data, you and your staff can determine top sellers, forecast product demand and plan future buys. At-a-glance inventory data can also help during supply chain disruptions.

7 Ways to Streamline Inventory Management

1 → Monitor low inventory daily

2 → Watch for excess inventory daily

3 → Value your inventory daily

4 → Find your top sellers and bottom dwellers with a report weekly

5 → Re-merchandise sellers and dwellers based on weekly report

6 → Use promotional pricing to move inventory

7 → Donate non-selling items

Add Flexibility via Mobile Access

Stay-at-home orders brought something into sharp focus: Efficiency is more important than ever. For many retailers, mobile technology brought flexibility and ease. You kept pace by accessing your store data via phone or tablet, in aisles, at curbside pickup, or across town.

Seconds count for customers anxious to finish shopping. Today and in the future, mobile access to real-time stock and product information can help you deliver with speed.

Anticipate the Future with Predictive Analytics

Think of predictive analytics as a crystal ball that can forecast everything from sales potential to product shortages. It's tech innovation where your own data works as a powerful engine to guide your decision-making. Predictive analytics can identify when to run promotional offers, how to improve operational efficiency through better staffing, and when to launch a product special or sale. As more retailers realize its competitive advantages, expect use to grow.

What You Get with Mobile

1. Real-time inventory data

2. POS capabilities with mobile checkout

3. Product information

4. Business data on the go

5. Manager approvals/overrides/alerts

Predictive Technology Gives You Data That:

1 ▶ Forecasts product demand

2 ▶ Anticipates changes when weather or illness hits your city

3 ▶ Identifies products commonly purchased together

4 ▶ Discovers trends that help you plan promotions

Trend 2: Sync In-Store and Online Experiences

Lockdown started with a scramble to meet health and safety regulations at your physical location. Forbes explains that many retailers that rebounded won because they launched eCommerce. From now on, customers will demand more than just the option to shop in-store or online. They'll expect the convenience of a consistent, seamless experience no matter which way they choose to shop.

The right technology can help you keep customers satisfied when you:

- Commit to continuous eCommerce improvement

- Personalize the shopping experience

- Keep loyalty programs consistent with your store online

Commit to Continuous eCommerce Improvement

In general, an investment in eCommerce capabilities has the potential to provide an engaging customer

Moana Nursery Cultivates New Ground

When Covid intensified in March 2020, prime lawn and garden season was beginning for retailers. Scott Gescheider, CEO, of Moana Nursery in Reno, Nevada, took action early to adapt to social distancing and stay at home orders.

Moana employees took an all-hands-on-deck approach to getting their eCommerce site launched—in less than 14 days. Managed entirely by employees using Epicor software and their individual photography skills. "In only two weeks, we launched an eCommerce site that generated over 370 orders and $33,000 of additional sales …," Gescheider declared.

There was good reason to feel accomplished and proud. Employees also implemented curbside pickup and moved quickly to embrace a whole new way of doing business. Read more about the Moana Covid response.

shopping experience. But there's a catch: What qualifies as a good eCommerce experience is a moving target. Keeping up and making updates to your site can give you an advantage over your competition.

Customer expectations are often set by retailer behemoths like Amazon®, with standard-setting eCommerce practices. You can learn by taking a page from how big players do eCommerce.

Personalize the Customer Experience

Today's shoppers expect retailers to anticipate needs and make product suggestions. You likely offer in-person product information and recommendations on the sales floor. You know these positive interactions increase purchasing behavior and help reinforce for customers why they shop with you.

With digital innovation, you can track and gather data to offer more precise online product recommendations, promotions, and checkout ease including:

- Customized greetings

- Auto-populated product suggestions

- Relevant offers

- Tailored promotions

eCommerce Must Haves Checklist

☐ **Simplify Your Site Navigation**
Your website's navigation may not seem important but making it more intuitive is just as important as the good customer service you provide in-store. Plus, merchandise that's easier to find is easier to buy.

☐ **Increase the Number of Products Available Online**
Customers appreciate online product selection that's consistent with your store. Try making as much of your inventory available online as possible.

☐ **Improve Your Site's Search Capabilities**
Search capabilities function a lot like in-store signage that guides a customer to your products. Upgrading your website with digital labels called "tags" can improve your site's search functions, returning more accurate results. The best way to see if your search is optimized is to test it.

☐ **Expedite Your Cart Functionality**
Give a positive last impression with improvements to your checkout experience:

- Accept a wide range of payment, including gift cards

- Motivate buying behavior with real-time, personalized product promotions

- Accept coupons, discounts, dynamic promos, and loyalty rewards in-store and online

- Offer great customer service anytime, anywhere, and on any device

- Quicker checkout with the option to store credit card information

Keep Loyalty Programs Consistent

A recent study saw loyalty program members walking away from brands they previously loved. It looks like quarantine online shopping experiences were to blame. Many retailers were not equipped to manage a full and user-friendly eCommerce site. And understandably so considering the pace of change. But customer experience suffered, which left loyal customers especially frustrated.

That's because customers assume you use their purchase history to make things easier for them. Feeling "unseen," especially in a tough-to-navigate online experience, can cause them to click away to a more convenient way to buy.

> **"Customers will no longer tolerate sub-par digital shopping experiences like they may have before the crisis."**
>
> *Harvard Business Review, July 2020*

The good news? Recent data shows loyalty customers spent significantly more during the 2020 holiday season.

Long-term, you can bridge gaps with:

- Points for online and in-store purchases
- Free shipping
- Free returns
- Member-only promotions and discounts
- Exclusive merchandise

How These Retailers Modified Loyalty Programs to Meet the Covid Era

Kohl's moved away from points to give customers 5% of their purchases back in loyalty club "cash" to spend online or in-store. Personalized deals and perks like birthday gifts are now options, too.

Michael's members can earn rewards in new ways via bonus offers, seasonal promotions, and by buying certain items. Members can also manage rewards online or in the Michael's mobile app.

Madewell expanded its loyalty program to include points for every dollar spent. Members can also earn two times the points when they buy products linked to charities.

Sephora revamped up to give loyalty members the option to exchange points for dollars off purchase.
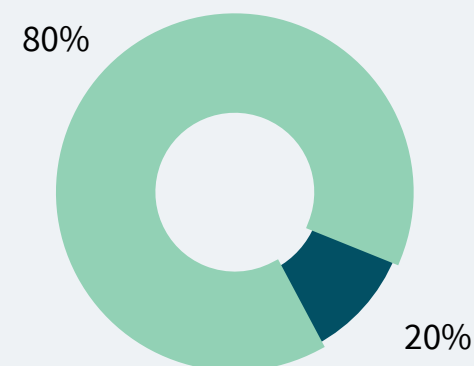
National Retail Federation, Sept. 2020

Make Shopping Personal

10% / 90%
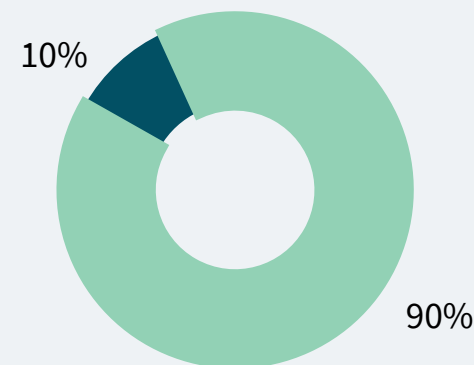
In a recent survey of 600 company executives, 90% said customers expect them to anticipate their needs. Shoppers want their retail experiences personalized.

Mastercard Data & Services, January 2021

80% / 20%

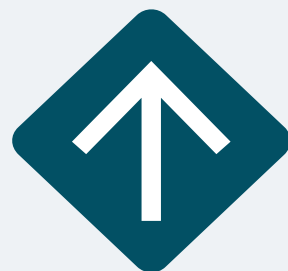80% of shoppers now expect a personalized retail experience.

Forbes, December 2020

Trend 3: Believe in BOPIS

Buy online, pick up in store (BOPIS) emerged as one of the biggest retail trends of the Covid era. And experts agree that it's here to stay. Going forward, retailers will shift budget to technologies that support customer expectations for BOPIS and curbside pickup.

BOPIS is a prime example of innovation that goes the extra mile to give shoppers exactly what they need now. When you add or enhance pick-up options, you can:

- Welcome BOPIS in all its forms

- Give customers what they want

- Capitalize on BOPIS benefits for your business

- Partner with local organizations to bring awareness to your store on high traffic days, i.e., a food truck, charity drives, and school fundraisers

At the end of 2020, BOPIS + curbside use increased by:

140%

Fast Company, December 2020

Welcome BOPIS in All its Forms

"BOPIS" is actually an umbrella term for services that allow customers to pick up merchandise. That includes options to pick up online purchases:

- Inside a store, typically at a register or kiosk

- From a curbside or special parking area, often with touchless service

- At lockers that open via QR codes

Stores Become Fulfillment Hubs

During lockdown closures, retailers of all sizes adopted a "store as hub" model to manage fulfillment for growing online sales. It's a trend that will continue to grow as more consumers shift shopping behaviors. Some big box retailers converted entire stores to fulfillment centers to keep up with demand.

Give Customers What They Want

Pickups from stores, curbsides, and lockers meet customers exactly where they are amid continuing Covid shutdowns. Touchless options are particularly popular among customers with health concerns.

But what started as a way to shop safely became a service of extreme convenience and near instant-gratification. Most customers chose to pay for home delivery versus BOPIS, by a ratio of three to one. And a recent study found that two-thirds of BOPIS shoppers at Target pick up within 4 hours of ordering. Like most other pandemic retail trends, customers will expect this service and flexibility after Covid ends, too.

Capitalize on BOPIS Business Benefits

BOPIS brings good news for you, too. First, each customer willing to make the drive saves store delivery costs. A pre-Covid study found 85% of shoppers surveyed said they made additional purchases when they came to pick up purchases in-store. The same survey revealed 50% of respondents decided where to shop based on whether they could pick up in-store.

Plus, BOPIS represents the perfect combination of eCommerce convenience and the human touch of an in-store experience. That means BOPIS gives you the kind of face time that can help nurture customer relationships that keep shoppers loyal.

3 out of 4

Americans plan to continue lockdown shopping habits
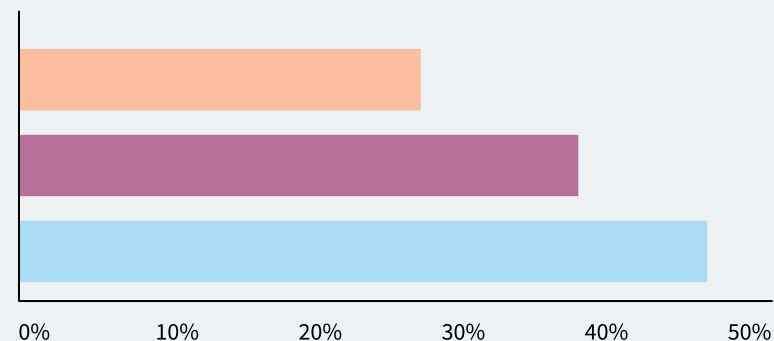
McKinsey & Company, December 2020

About Curbside

- 59% say they've use it during lockdown
- 75% say they'll use it when restrictions lift
- Curbside orders alone increased 208% during pandemic
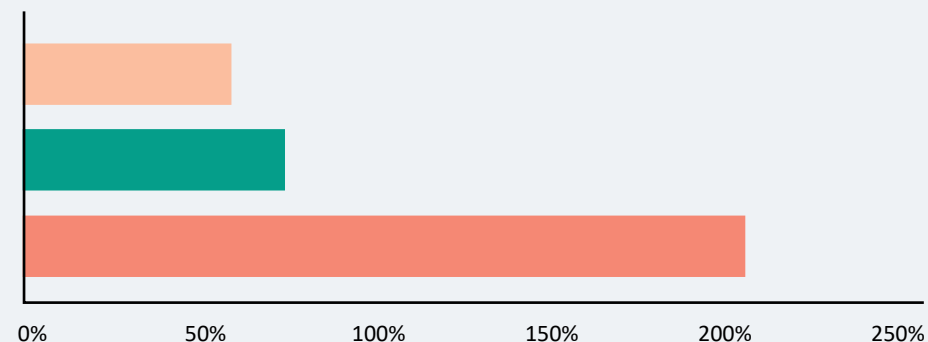
Why Shoppers use BOPIS

- 28% convenience
- 39% speed of getting products
- 48% save on shipping

Source: Retail Dive, May 2020

Trend 4: Think Omnichannel

Post-Covid, retailers will recognize that eCommerce is no longer a "nice-to-have" business feature. Now it's where customer relationships begin and grow. A customer's patronage begins with research, reading reviews, checking social feeds, and more—all before they visit your store or log onto your eCommerce site. Omnichannel strategies capitalize on in-person and digital touchpoints to attract and speak to customers where they are.

Omnichannel sales tactics are a pre-pandemic trend that businesses will continue to adopt—for all-sized retailers.

When You Go Omnichannel, Remember to:

- Reconcile inventory for online and offline sales

- Develop a fulfillment plan

An omnichannel approach can help you:

- Improve your reach and boost awareness

- Drive eCommerce sales

Reach More Customers

Stuck at home during Covid, consumers spent more time online to connect, work, and play. With laptops and mobile devices close at hand, adults reported using social media 51% more in mid 2020.

For local retailers, social platforms can be a low-cost way to communicate with loyal customers and keep your name top-of-mind. Retailers are actively using social to boost awareness and drive sales.

Drive eCommerce Sales

Savvy retailers know screen time can steer customers toward multiple online entry points to eCommerce. But, don't expect customers to give up in-store shopping. Instead, they'll blend in-person and eCommerce, which makes an omnichannel approach really sensible.

Learn from These Omnichannel Retailers

Men's shirt retailer Untuckit used social media—with real customer Tweets—to build content for videos that drove to Untuckit's eCommerce site.

Walgreens uses Facebook to drive visits to its eCommerce website for coronavirus updates, safe store locations, and product information.

Ace Hardware uses social media to announce contests and share content (written or videos) about products. Posts link shoppers to the eCommerce site.

Consumers average

80 minutes

per day on social media
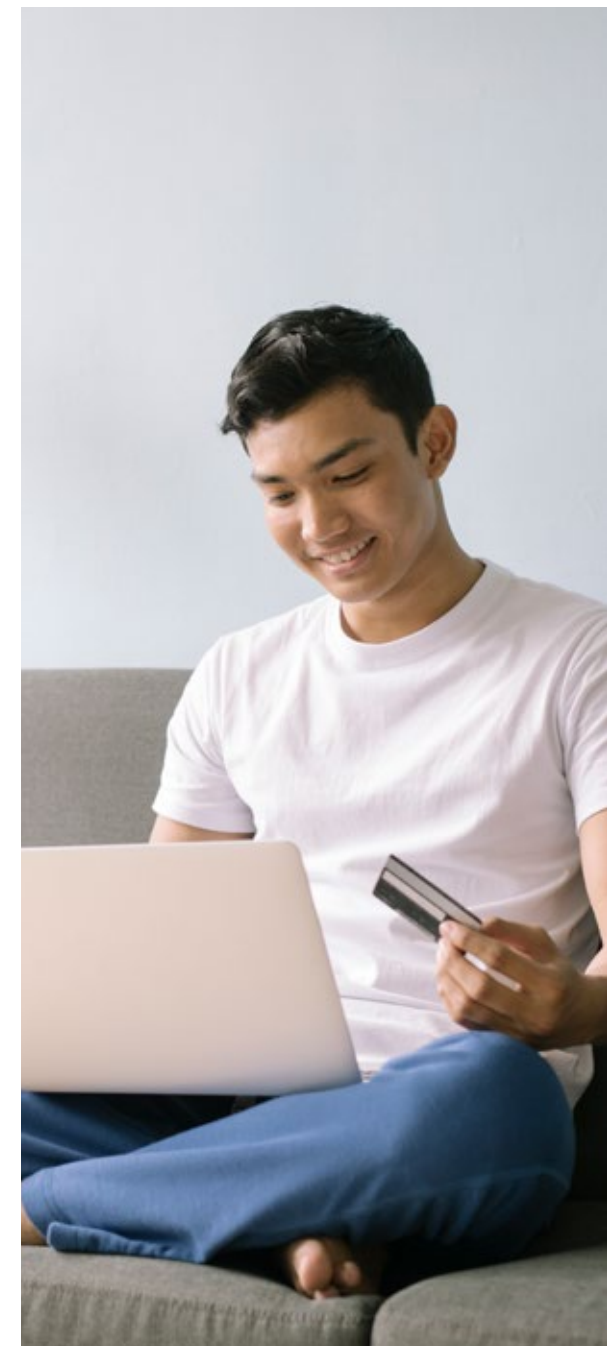
Summary

As you push your business beyond Covid, stay in tune with continuing shifts in retail trends. It's important to successfully ride the tide of innovation and the technology that empowers it.

An experienced business technology partner can also guide and support your growth. Together, you'll put data to work that can drive sales and predict outcomes. You'll meld your in-store and online shopping experiences to give customers what they want wherever they are. And you'll find new ways to get products into your customers' hands while offering customer service excellence anywhere they shop.

Talk to an Epicor Expert now at +1.888.463.4700 to learn more about how Epicor for Retail can help your business soar into the future.

EPICOR

We're here for the hard-working businesses that keep the world turning. They're the companies who make, deliver, and sell the things we all need. They trust Epicor to help them do business better. Their industries are our industries, and we understand them better than anyone. By working hand-in-hand with our customers, we get to know their business almost as well as they do. Our innovative solution sets are carefully curated to fit their needs, and built to respond flexibly to their fast-changing reality. We accelerate every customer's ambitions, whether to grow and transform, or simply become more productive and effective. That's what makes us the essential partners for the world's most essential businesses.

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