Industries in Transition: A Framework for Data-centric Innovations in Retail
Perhaps more than any other industry, retail has been disrupted by a shift to digital, leading to the shuttering of physical stores and the collapse of time-honored brands. And the challenge to meet consumers’ rapidly changing preferences and expectations has only been accelerated by the COVID-19 pandemic. Now, more than ever, it is critical that retailers adapt their business to be data-centric.

Four trends:

• **Personalized Offers**: 91% of consumers are more likely to shop with brands that recognize and provide relevant offers and recommendations.

• **Omni-channel Experiences**: 60% of consumers think retail investment in technology is improving their online and in-store experience.

• **Experience-based Commerce**: 85% of retailers don’t have the right capabilities, people, technology, and processes to improve customer experience and monetize their data.

• **Mobile Optimization**: 82% of smartphone users consult their phones on purchases they plan to make in store.

Retailers must find new ways to react swiftly to changing customer preferences and market trends. Read on to learn how to capitalize on emerging trends in retail, overcome industry challenges, and drive success to attain and maintain leadership.

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2 3 Things to know about Retail Tech Investments. https://nrf.com/blog/3-things-know-about-retail-tech-investments
Critical Retail Game Changers
The retail industry is rapidly evolving. To remain relevant in today’s ever-changing environment, digital leaders must consider:

A Holistic View of Customer Journeys:
To create engaging customer experiences, retailers must design interactions across multiple touchpoints that demonstrate a deep understanding and provide relevant responses to customer needs.

Blurring of Channels:
Customers expect a consistent, fluid, omni-channel retail experience across stores, mobile, and online.

Distribution Realignment:
The evolution of shopping in stores has caused a similar transformation of delivery and distribution.

Contextual, Predictive Personalization:
Personalization today goes beyond segmentation, now requiring constant situational awareness and predictive analytics.

User-driven Experiences:
Consumers want to be in control of their shopping experience with self curation of style, privacy, or even user-generated products.

Realigned Retail Authority:
But what is a retailer? The definition has shifted over the past decade with Apple, social media giants, and experience-based retail.
Data Is the Common Thread

Meeting these evolving needs requires retail businesses to harness the power of their data. Doing so offers immense potential, but the challenges also present barriers to success:

- With the huge data explosion, how do you determine which data holds the greatest promise for insight and action?
- What do you do about organizational silos that create fragmented views?
- Lack of shared views can lead to lowered confidence.
- How do you blend historical and real-time data to get to an understanding of context?
Digital Success Drivers in Retail

Though challenging, retailers that unlock the potential of their data can differentiate and create value for the business. Gain command of your data and drive success by:

Creating Real-time Connections and Responses:
Modern, intelligent retail is a digitally connected ecosystem, requiring real-time analytics and automated decision-making.

Attaining Quality Data and Governance:
Organizations need consistent, trustworthy data to make truly impactful decisions. Only with governance and 360-degree views can a business innovate and progress.

Avoiding Data Swamps and Silos:
While retailers have more than enough data, the real challenge is reducing its complexity and volume with actionable data layers.

Blending Past, Present, and Future:
Retailers can use event-stream processing to combine awareness of the present with predictive analytics to increase personalization.

Empowering Everyone:
To manage the shortage of data scientists, leading retailers are empowering more decision-makers with the tools and data required to optimize operations and reshape customer experiences.

Adapting for Sustainable Innovation:
To sustain innovation over time, retailers need to use analytics to ask “what if” questions, gain feedback, and quickly adapt.
# Achieving Digital Success in Retail

Retailers that manage the vast complexity and develop insights from data position their organizations to build long-term, profitable, and loyal customer relationships.

<table>
<thead>
<tr>
<th>Real-time Connections and Responses</th>
<th>Quality Data and Governance</th>
<th>Data Swamps and Silos</th>
<th>Past, Present, and Future</th>
<th>Company-wide Empowerment</th>
<th>Sustainable Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased response and conversion rates</td>
<td>Higher relevance of engagement</td>
<td>Discovery of data that matters</td>
<td>Fact-based insights that drive decision-making</td>
<td>Shared views of opportunities and drivers</td>
<td>Continuous improvement in a fast-changing environment</td>
</tr>
<tr>
<td>Ability to capture critical moments of truth</td>
<td>Meaningful personalization</td>
<td>Increased decision agility across the organization</td>
<td>Ability to adapt and learn in real time</td>
<td>Collaborative strategies and tactics</td>
<td>Cultural shifts in how organizations innovate and manage risk</td>
</tr>
</tbody>
</table>
Retail Transformation Framework

Retailers that leverage their data to foresee opportunities and shift to digital commerce will find more relevancy and power. Achieve these innovations and successes with a transformation framework of customer intimacy, operational excellence, and business reinvention.
Customer Intimacy:
Retailers that place customers at the center of their strategy can transform the business model to meet their growing expectations. This builds trust, delivers greater value, and ensures long-term customer loyalty.

Common use cases include:
- Next best action
- Proactive customer service
- Customer journey management
Operational Excellence:
Optimize operations using data-driven insights and decision-making to seize opportunities, control operating expenses, and increase efficiency.

Common use cases include:

- Supply chain optimization
- Fraud detection
- Predictive staffing
Business Reinvention:
Retail continues to see transformative innovations from new players. Companies like Apple, Uber, and Facebook are using data-driven insights and strategies to reshape the retail value chain and redefine the retail experience.

Common use cases include:

- Cross-channel experience
- Intelligent bundling and pricing
- Last mile fulfillment
Retail Customer Success Story

Businesses with the technology to adapt to changing customer needs given the COVID-19 pandemic can serve as a model for other organizations looking to transform their business models.

Panera Bread is one such company that pivoted and repurposed its main supply chain to support a new grocery supply line. With TIBCO, Panera also rolled out updates within a matter of minutes, including open-for-business hours, grocery items, and home delivery availability through third-party providers.

Delivery has been Panera's top growth driver for the past several years, and with its strong technology foundation, it can further strengthen this area as a key sales channel during these trying times.
Why Retailers Must Act Now
Retailers must redefine how they market and sell online and offline, or risk getting left behind. The following statistics show just how valuable digital transformation can be for the retail industry:

**Enterprise Data:**
2.5 quintillion bytes of data created every day

**Seamless Engagement:**
87% of consumers want a consistent experience across all channels

**Connected Ecosystem:**
26 billion interconnected physical devices

**Actionable Insights:**
62% of retailers report the use of big data and analytics is creating a competitive advantage for them

**Revenue Increase:**
Immediate sales growth of 2% from AI-driven dynamic pricing

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The Power of Now
Retailers today cannot delay optimizing operations and building customer intimacy. Start on your transformation journey to become a data-centric, digital enterprise now. TIBCO can help you unlock the potential of your data to make faster, smarter decisions, adapt to changing customer preferences, and gain and maintain a competitive advantage.

Visit tibco.com/solutions/retail to learn more about how TIBCO can help retailers:

- **Seamlessly connect** any application or data source.
- **Intelligently unify** all your data for greater access, trust, and control.
- **Confidently predict** outcomes in real time and at scale.

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