The digital transformation of retail

Empowering merchants from the ground to the cloud

Google Cloud
Introduction

We're at a tipping point in retail, where digital channels are no longer considered a separate business. Instead, digital powers the entire shopping experience, online and in-store. And digital isn't just about customer experience. It also transforms the workplace and operations of leading retailers.

There are three main areas where retailers are focusing their efforts to become fully digital businesses:

1. Grow revenue by providing a better customer experience
2. Reduce costs by adopting more efficient operations
3. Create a faster innovation cycle

This paper will look at these areas, plus the six key trends driving retail’s digital evolution. It will also highlight tangible, cloud-enabled solutions put in place by a wide range of retailers around the world.
1. Grow revenue by providing a better customer experience

In order to provide a better customer experience, retailers need to enable customers to quickly and easily locate their desired product both online and in-store. Store associates play a critical role in aiding customers, and can positively impact customer satisfaction when equipped with the right information.

**Change the role of the store associate**

Equipping store associates with real-time information will create a seamless experience for the customer. Mobile or wearable devices allow associates to check inventory, get order status, place orders for out-of-stock items, and look-up product information, while never having to leave the customer’s side.

With a single, cloud-based hub for company-wide information distribution, associates can efficiently get their questions answered from any device. This solution allows associates to spend more time on the floor actively engaged with customers rather than in the back researching information.

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**Meena Bazaar: A traditional business using technology to stay personal**

“"We equip all of our stores with tablets so customers can browse products and employees can access resources about custom orders and pricing."”

—Sameer Manglani, COO, *Meena Bazaar*

Once an intimate boutique selling beautifully printed sarees and kurtas in Delhi, Meena Bazaar has become a global retail business, with 55 stores worldwide and a thriving e-commerce channel. Offering customers highly personalized service is as important today as it was to the company 40 years ago, which is why it relies on technology.

At every store, tablets loaded with the Google Drive mobile app allow customers to browse products from the entire catalog—including archived collections. From the tablet or the web, they can “show interest” in a discontinued design by simply clicking a button, which determines whether that style is restocked. This sort of instant and authentic customer feedback helps Meena Bazaar tap directly into customer preferences.

Read "From tablet to dressing room: How a fashion company innovates with technology”
Delight customers in-store

Despite consumers using digital devices to research and better prepare for in-store visits, 82% of shoppers continue to make final purchasing decisions while standing in the aisle. In-store technology is a crucial opportunity for retailers to influence conversion. Digital displays and touch screens provide nimble options to quickly customize information about new products, deals and sales. In fact, digital signage increases in-store traffic by 32% and the time customers spend in-store by 30%.

Cloud based tools can bolster digital signage efforts by allowing collaboration on content that feeds digital signage, providing the ability to share content cross-store, and organizing data so retailers can easily analyze results.

Chico’s FAS: A thriving fashion chain syncs up its digital signage

“It is simply less expensive to handle content in a store digitally with a technology like Chromebox than it is to print and ship this content over and over, and the cost difference is substantial.”

— Chico’s

Chico’s FAS employs 22,000 people and operates nearly 1,400 boutiques and outlets throughout the U.S. and its territories. Chico’s uses Chromebox to customize regional messaging on digital signage throughout all stores, which span four apparel brands and serve many different types of demographics. As a result, in-store ad displays and promotional materials are now much more focused and on target—and the company is spending less on printed marketing materials.

Watch a demo of digital signage with Chrome Builder

Find better ways to use data

Big data has given us the ability to gather a lot of information and metrics, both on and offline. Sophisticated, well-synced analytics can also provide great insight into how customers shop, so you can better manage your inventory and marketing—leading to a better customer experience.

Interactions Marketing: Merging POS and weather data

““We are always looking for ways to maximize return and minimize investment. BigQuery is the perfect combination. It's an on-demand, scalable resource.””

—Giovanni DeMeo, Vice President of Global Marketing and Analytics, Interactions Marketing

Interactions Marketing studied how consumers behave during snowstorms and how those sales patterns affect inventory and the supply chain. They needed to compare point-of-sale (POS) data and government meteorological data—1.3 billion rows of data, in all.

They used Google BigQuery for weather analysis, identifying similar storms, classifying them in terms of severity, and then measuring their impact on sales before, during and after the storms peaked. They were able to pinpoint 28 products whose sales spiked and the exact point when sales dropped during storms. The analysis helped predict the future impact of storms to adjust supply chain and staffing.

Read "Interactions Marketing digs into storm data to analyze consumer behavior using Google BigQuery"
Zulily uses data to better serve millions of online shoppers

“After only six months of operation with its cloud-based data system running on Google Cloud Platform, zulily was able to see exceptional results.”

—Sudhir Hasbe, Vice President of Software Engineering, zulily

Zulily launches more than 9,000 product styles and 100 sales events every day to 4.9 million active customers. Since 9 out of 10 of those customers will buy from a company that best predicts their intent and suggests relevant products, zulily relies heavily on data and analytics to drive their business decisions.

Zulily chose to combine Hadoop on the Google Compute Engine, data storage in Google Cloud Storage and analytics using Google BigQuery to create a low-cost, comprehensive and scalable data solution. They rolled it out within six months, and immediately gained the ability to see detailed analytics on every sales event.

Read “Zulily offers moms an exceptional shopping experience”

How beacons can reshape retail marketing

More than a million beacons are expected to be installed in U.S. retail stores this year alone. But right now, many retailers only use beacons to push phone notifications. The precision and quality of beacons hold the potential to do much more for consumers, brands and marketers.

With Eddystone™, the open beacon format from Google, beacons are no longer limited to communicating only with a brand’s app. Brands can integrate beacons with Google products and services, as well as their own and their partners’ apps.

Read more
Deliver Consistent, High Quality Customer Service

Call center and field service operations need fast and accurate answers to customer questions. Cloud-based tools can help the service representatives easily create, store, and share valuable information, which can be accessed across channels for swift solutions.

Chico's FAS makes customer service consistent

The Customer Sales and Service Center at Chico's FAS manages customer inquiries for all four of the company's apparel brands. This customer service operation is a massive one—400 associates work 24 hours a day, seven days a week—so Chico's needed tools to make it nimble.

The company uses Google Sites to manage its vast library of content so associates can get (and give) answers quickly, and gain immediate insight into customer service metrics. It also uses Google Forms to respond to customer refund requests and ad hoc requests in a more streamlined way. With access to metrics, management can aggregate the most popular customer inquiries and identify areas of improvement every day.

Read “Fostering innovation in retail”
2. Reduce costs by adopting more efficient operations

Managers spend more time on administration than on interacting with customers, coaching staff, and looking at the condition of their stores—combined. Yet, it is these field-based activities that create value.

—A.T. Kearney, “Retail Success Still Depends on Core Principles”

Streamline in-store operations by automating processes

Cloud collaboration tools can help automate processes such as staff management, product recalls, and customer surveys with easy, adjustable mobile access for managers on any device.

Celio connects over a thousand stores

We automated sales consolidation during rush hours. Before, regional directors would make 4,000 calls a day.

—Laurent Rousset, CIO, Celio

French men's clothing retailer Celio automated its sales consolidation process across multiple stores. It has replaced thousands of daily phone calls with an automated process using Google Sheets. Celio's team members also use Google Sites, Gmail, a shared Calendar, Hangouts and Drive to keep over a thousand stores in touch across Europe, Russia, Asia and India.

Read more

Real-time inventory management with Google

Google Cloud Platform offers a simple, scalable and most of all affordable enterprise-grade inventory management solution. And it's highly adaptable. It can integrate with legacy solutions, manage inventory across stores, adapt to seasonal usage and be centrally managed.
Improve collaboration within the supply chain

A nimble supply chain depends on stakeholders’ ability to efficiently share ideas and prototypes in order to reduce the time it takes to get products to shelf.

By giving various stakeholders selective levels of access in the cloud, collaboration is bolstered, and version-control issues disappear.

Managers can change demand forecasting in real-time, share delivery locations across departments, and monitor threats to fulfillment. Visibility into the supply chain helps create a stronger and faster system from creation to delivery, ultimately lowering supply chain costs.

OVS: An Italian clothing brand centralizes all their information

“Drive is crucial for expediting our prototyping and testing process, which involves teams across the world. We use Drive to store and share everything product-related both inside the company and externally with our suppliers.”

—Marco Grieco, Business Innovation and Change Director, OVS

Italian brand OVS’s 700-person supply team used to rely on fax and email to communicate about the 180 million pieces of apparel that they manufacture each year to sell online and in 700 stores. In just one year, the team sent 5 million emails back and forth.

When the company switched to Google Cloud, that email volume dropped by 40%. By storing information about models, fabrics and sizing—as well as prototype designs and the results of product tests—in Drive, employees can access them from any device.

Read "OVS streamlines its global supply chain using Google Drive"
Use data to track and manage compliance

There has been a surge in private labels and a heightened focus on global trade.

To compete in this arena, retailers have to stay on top of their compliance data and processes. This poses a challenge as compliance regulations evolve quickly in the retail industry.

Cloud-based tools help organizations keep pace with compliance regulations by allowing them to capture supplier compliance, dissect audit data across multiple systems, and manage product recalls smoothly.

Travis Perkins creates compliance transparency

“Project content used to be all over the place—personal drives, servers, email attachments—and it was difficult to share due to large sizes. You didn’t know who had seen a document and who had access. Now we just store and share from within Drive.”

—Mark Smith, Design Studio, Travis Perkins plc

Travis Perkins plc, a U.K. home improvement retailer, uses Google Sheets to collect and store pricing information in one document. This allows team members to quickly access the information they need while talking to customers, and information can be easily updated by multiple people simultaneously. Having a “single source of truth” helped the contract management team to drastically improve their response rate and has eliminated the risk of sharing outdated information.

Read: “Transforming retail collaboration across organizational boundaries”

Create more efficient processes for mergers and acquisitions

Cloud collaboration tools help businesses track activities and share important information with stakeholders during mergers and acquisitions. Shared drive folders and documents ensure all necessary parties are informed in a timely manner.
3. Create a faster innovation cycle

Enhance planning and design

Cloud collaboration enables businesses to crowdsource new ideas and collect valuable feedback on designs from employees, customers and suppliers. Due to a shared and holistic vision from the start, businesses can better orchestrate all design activities, including design iteration and final production.

Astley Clarke: A luxury jewelry line has honed design collaboration

“Google Apps helps us work better internally as well as externally, with our suppliers and vendors.”

—Bec Astley Clarke, Founder, Astley Clarke

Astley Clarke, a luxury jewelry line out of London, relies on Google Drive to make sure its marketing team, creative agencies, resellers and vendors always have access to the most up-to-date product and marketing information. Team members collaborate on jewelry designs quickly by sharing concept sketches, gemstone images, prototype photographs and other digital assets via Drive. And marketing team members assure that all campaigns, as well as the website, are always up to speed with the latest product and messaging.

View “Astley Clarke has gone Google”
Manage manufacturing and sourcing across locations

Cloud collaboration tools make it easy to create and manage an extranet with manufacturing, purchasing, and logistics documents for stakeholders within and beyond the company.

**AllSaints turns design ideas into ready-to-go products**

“To move at the pace we move, and take creative ideas and execute them, and to convert them for our global customer base, is only possible when we are using real-time collaboration tools.”

—Jen Rubio, Global Director of Innovation, AllSaints

AllSaints is a British fashion retailer with a design team of 34 professionals, responsible for creating not just products, but installations and imagery for all the stores. This dispersed team is now equipped with Nexus tablets so they can conduct real-time, face-to-face meetings using Hangouts and access materials and content in Drive from anywhere.

Read “AllSaints: leading change in retail”
Get products to market faster

Getting products to market faster requires more than streamlined design and production process. Accelerating the cycle also requires attention to localization and personalization - for instance, creating regional marketing for product launches. Cloud based tools enable all teams, from design to marketing, to sync effortlessly.

Made.com disrupts the furnishing industry

“We all had the same belief that the furniture industry had to be disrupted. For a company set up entirely online, it's in our culture to do things fast. We're using Google Apps on a day-to-day basis.”

— Ning Li, CEO, Made.com

Made.com, an online furniture designer retailer based in London, commissions outside factories to meet its orders, giving them a streamlined manufacturing process that can bring them from design to sale in as little as four months. Its growth is based purely on market demand, and it typically launches two new furniture collections every week, so speed in getting products to market is a critical part of its culture. Made.com counts on Google Apps to keep its widespread team connected and on schedule from the approval process through production.

Read “Made.com disrupts the furnishing industry with technology that scales”
Six trends driving retail’s digital evolution

Digital transformation is a top priority for many retailers and these are the six key trends creating urgency.

“Retail is in the middle of an incredible revolution and evolution.”

— Matt Shay, President & CEO, National Retail Federation¹

1. Digitally savvy customers

Customers interact with retailers through multiple digital channels. In-store research on their mobile device convert at a higher rate and 22% of the time leads to higher spend.²

2. New purpose for stores

Stores remain a critical part of an omnichannel strategy and should now offer a differentiated customer experience with tools like digital kiosks, beacons and rich interaction with store associates.

3. Growth of private labels

With more private labels cropping up, retailers need efficient ways to manage multi-vendor manufacturing and take ideas to market faster.

4. Tighter margins

New global competitors put pressure on margins and operational efficiency is even more critical in maintaining and expanding profitability.

5. Increased regulations

The uptick in private labels and global trade intensifies multiple types of compliance requirements. Retailers must have robust capabilities for audit and compliance management.

6. Real-time insights and personalization

Customers expect real-time insights and personalization along their shopping journey. Marketing messages must cater to their in-the-moment experience.

Adapting to these six trends requires a company to be digitally mature, a state where brand and workplace evolve simultaneously to drive a fast and agile culture.

¹ http://www.retaildive.com/news/5-takeaways-from-this-years-black-friday/409963/
What is next?

Today, Google assists more than 5 million organizations worldwide with their digital transformation journeys, offering both cutting-edge cloud-collaboration solutions and cloud-platform infrastructure. We help organizations enable their employees with tools that define a new generation of work—in a world that is mobile, social, real time and global.

We also work closely with leading retail-solution partners including JDA Software Group, Salesforce.com, SAP SE, Kronos Incorporated and Scala to provide integrated solutions. Together, we help retailers become fully digital businesses.

Our products are constantly progressing and evolving with a growing range of innovation in machine learning. For our retail customers, this means smarter and faster use of their data. It also means the ability to access unimaginable insights about predictive inventory planning, recommendation engines, smarter market segmentation and targeting, as well as demand forecasting—and we're just getting started.

Contact us if you want to meet some of our retail experts and find out more about how Google can help your company.