Retail Unified Commerce driven by Automation, Analytics and AI

Crafting Unique Shopping Experiences

Hexaware's View Point on Retail unified commerce requiring greater collaboration and newer channels

Shopping anytime, anywhere is the customers need today. Digital options have modified the customers' expectations and buying behaviour. New-age customers search, compare, evaluate, select and buy (all in one channel) through smartphones. Retailers need to innovate continuously across supply chain for converging the online and physical channel, to deliver exceptional customer experience. Creating transparency in the customer buying process (Stock levels, ETA, product options) encourages customers to complete the buying cycle. Greater collaboration of internal systems and business functions are the pillars to create a transparent ecosystem. Retailers need to continuously explore all the touchpoints of the customer and step in to the possible channels to create unique shopping experience.

A. In-store task management processes are prime candidates for intelligent automation

Automation services are already disrupting the Retail Industry. Consumers have begun experiencing different forms of in-store automation with retailers. Automation is a key action on cards not only for the big retailers but also for niche retailers in specific segments such as; apparel and others. For example, one of the Asian apparel retailers that Hexaware works with, has come up with an innovative automation solution; wherein; customers can communicate through digital media, from the dressing room itself, requesting for a different size of jeans and are served by a robotic conveyor. Additionally about how they look, the customer can seek real-time feedback from their friends about they look in the pair of jeans selected during the trial.

Considering the fact that online retail has grown seven times* the overall retail growth, conventional retailers providing unique instore experience, will thrive in the future. Automation is one of the key drivers in improving the customer experience, reducing the cost and gaining control over operations. Retailers are now committed to transform their business using digital. The journey of instore automation, which started from a self-service kiosk has grown to a level of self- checkout, touching all other in-store processes in between.

Some of the potential areas of in store automation are:

- Enhancing the self-service kiosk by identifying customers and delivering personalized messages

- Digital promotional displays across different nodes that can trigger personalized offers

- Automated shopping cart that travels the store for a customer shopping for specific product/s across categories.

- Robots / on-shelf cameras to track empty shelves and alert back room to in stores to avoid stock outs

- Proximity marketing by a retailer through beacons. With the retailer app installed, beacons can communicate personalized pricing and deals for the consumer

- Queue bursting solution that can help customers complete check-outs in a hassle-free manner

- Mobile apps adding to in-store experience – Customers looking for a different size, colour or flavour, which is not available in store can be instantly ordered through the online cart

- Shop the photo – AI-driven computer vision is identifying objects in a photo with finer details. This feature can be used by any retailer to drive consumer orders in identifying similar products. If a customer likes an apparel image or grocery deal published in a magazine, catalogues, in-store posters or any other displays, customer can click it and upload to the retailer web space to get the product ordered in the online shopping cart

Considering the above potential automation retail and technology will become inseparable and retailers who promote transparency and quality will flourish.

Hexaware's case in Point

Hexaware works with one of the largest British retailers in enhancing their multipurpose kiosk, where a customer can walk in and quickly gain insights on products, brands, reviews, location, in-store guide maps, to reach the product. Our work further enabled the retailer to give personalized product suggestions based on likes, interest, shopping history and items added to online cart. This feature was further upgraded by Facebook messenger design, where a customer can use his own smartphone for interacting with a chat bot to gain information like the options in multipurpose kiosk.

In one of the other engagements with a travel retailer, Hexaware's solution enabled the retailer to improve customer satisfaction. The mobile application designed for the travel retail, helped the customer pre-book a product before travel so that they can directly collect it on the arrival / departure from the airport. Additional features include ship-to-home option for products not available on the shelf, promoting the mobile app based engagement by pushing surprise deals for frequent travellers, recommendations for places to see, travel needs, and suggestions based on the customers travel plan

B. Customers expect retailers to offer experiences that make their lives simpler, easier and better

In today's economy where the customers attention span is diminishing, if there is something that can attract customers, then it is the simplicity of design and a superior customer experience. Retailers can offer such an exclusive experience in multiple ways such as:

1 Personalized offerings of products and services,	2 Recommending similar products / substitutes	3 Crafting unified shopping experience across all touch points

To offer such a rich, simplified and superior experience, retailers need to rejig their systems and inculcate simplicity across touch points. Creating a single view of product becomes the core for a customer to experience the same information across multiple shopping channels. Tech savvy customers are ready to allow the tracking of mobile apps and browsing history and suggest personalized products. Say if a customer is looking for a product in an e-commerce site, the same product with the same level of details are pushed as a notification into the retailer's mobile app, which has a greater probability of a sales conversion. Product MDM (PIM) becomes the backbone for seamless customer experience in omni-channel retailing.

Hexaware's Case in Point

Hexaware is working with one of the leading auto parts retailer in the US to provide a unified experience for their customers, across 11,000+ stores and 4 websites. This is enabled by implementing niche Product Information Management system, integrating it with other core systems, and provisioning it with auto parts standards like ACES, PIES etc. The goal is also to provide visibility across stores and websites, enabling customers to order / pickup from any location of their choice, as well as, gain insights into substitutes that can be procured in case the exact product is no longer available.

For one of the European travel retailer, Hexaware is offering consulting services around redesigning all customer touch points to create a unified customer experience. This includes not only recalibration of their website, mobile app, loyalty program and store layouts but also integration of backend systems to have a seamless flow of information much needed for a unified facade.

The below figure indicates a high-level schematic for such a system integration:

FIGURE 1
High Level Schematic Diagram
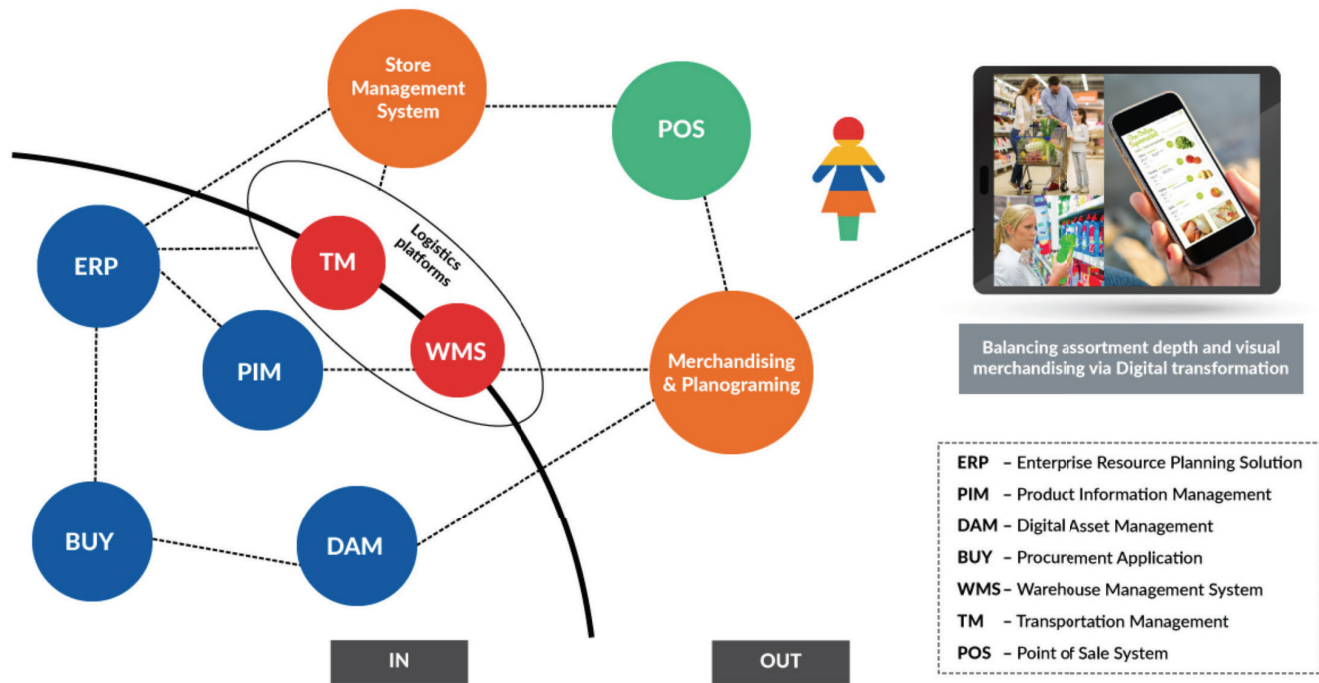
In another engagement with a leading European grocery retailer, we have developed a proof of concept to help them provide dynamic deliveries to their customers. This uses Hexaware's Web of Things Fleet management platform, and through it the customer can see the whole delivery route of the van (along with ETA at different stops) in their vicinity, and can receive the product from the location of their choice. Complex rules are also configured to change the two-hour delivery slot in which they are generally tied up.

Improving customer experience generally goes hand in hand with an improved bottom line for retailers. We are helping a catalogue retailer in UK to cut down on churn rate, by developing various analytical models for their customers. We developed certain models, which help identify red flags raised by the customers early in the engagement help take corrective actions. This also ties up with using models to find lifetime value of the customer and then adjusting the marketing spend accordingly.

C. Exploring new channels for sales – Native social commerce

Retailers are experimenting newer ways of improving the customer shopping experience. One of the big hit with minimum investments was shopping triggered through Quick Response Code. In this way, Retailers are benefitted with the maximum public reach at prime places and customers can utilize their travel or waiting time for buying. More than half of the world uses smartphones now* and nearly 50% of web traffic comes from mobile phone. This trend of bringing up big displays in prime spaces acts as an advertisement as well as sales channel. Repeat order items like dairy products, groceries and household consumables typically fall under the category of sales.

Different consumer segments are adapting differently. The younger generation especially Gen Z are the first generation to be raised in the highly connected world. On an average, Gen Z spends 4 hours* in smartphones. 70% of time spent in smartphone by Gen Z are on social media platforms, 55% of the Gen Z customers use smartphones for online purchases. Having less loyalty towards the brand, as well as, where they buy from (Retail) are the catalyst to this socio -commerce movement. With a prospect who is already interested and having multiple avenues for interaction, it's only natural for organizations to leverage newer channels to drive sales. After all, none (Retailers, as well as, CPG) can afford to leave money on the table.

A large number of brands are turning to social media to launch new products and generate a buzz around them. In fact, 56% of the people who follow brands on social media do so to see products (Marketing Week, 2015 number). In a highly competitive retailing world, there is an increased blur between retailers and CPG companies. Retailers are introducing their private labels across price points where as CPG companies are executing their direct to consumer (DTC) strategies. However, it's important to provide a seamless experience, starting from showcasing the product to the point where customer checks out and buys the product.

Growth of catalogue retailers is always less compared to the overall Retail growth. Gen X and some portion of Gen Y people have been regular customers of catalogue retailers. Mobile Application (App) based shopping can be an additional channel for catalogue retailers. By designing Mobile Apps for product catalogues and clubbing them with the personalization of products, traditional catalogue retailers can target the Gen Z customers in a cost-effective way. Mobile Apps can act as a parallel channel to the catalogue retailers which can reduce the cost of sales while contributing to greener environment.

Hexaware's case in Point

Hexaware has enabled one of the leading sports apparel retailers connect to their customers and tap into emerging social media channels. The company engages people interested in a product based on the comments received on an image shared by the company. AI was used to track the buying intent from the users and kick off the conversion process. Keeping the customer's privacy in mind, we decided to have this conversation in the platform's messenger feature. The bot guided the customer through the product variants, price, shipping information and the payment process. All of this was done, without ever leaving the social media platform.

Conclusion

Customer expectations on shopping experience is growing exponentially, which is forcing retailers to redefine the customer shopping journey. Hexaware believes that retailers need to ensure organizational alignment in creating seamless customer experience through digital channels. Evaluation of digital channels for sales is a journey and will keep on evolving with time as burgeoning Generation Z denizens define the shopping rules. Automation, Algorithm driven analytics, Artificial Intelligence combined with AR/ VR capabilities will become the prime levers across the Retail Value chain for unique customer experience.

References

*Online Retail growth - Strategyandpwc.   # Based on the immigration laws   *Gen Z Stat – global web index

Authors

Poornalingam Sukumar

Senior Consultant in Retail and Consumer Practice, Hexaware.

Poorna has 16+ years of experience working across Retail, CPG, Process, Automotive and IT industries. He is a seasoned solution architect specialized in bridging the Business and IT needs. He has been driving digital transformation programs from strategy definition, product selections to implementation.

About Hexaware

We are a global technology and business process services company empowering enterprises worldwide to realize digital transformation at scale and speed. Our platform-enabled strategy – featuring Amaze® for full cloud enablement, Mobiquity™ for digital product engineering, and Tensai® for extreme automation – drives human-machine collaboration to create immersive customer experiences and solve complex business problems. We believe technology is a magical thing, and our purpose is to create smiles through great people and technology.

With corporate headquarters in Mumbai and regional headquarters in New Jersey for North America, London for Europe, and Sydney for APAC, we service customers in over one hundred languages from every major time and regulatory zone. We serve customers in banking, financial services, capital markets, healthcare, insurance, manufacturing, retail, education, telecom, hi-tech & professional services, travel, transportation, and logistics. We deliver highly evolved services in rapid application prototyping, development, and deployment; build, migrate, and run cloud solutions; automation-based application support; enterprise solutions for digitizing the back-office; digital product engineering; business intelligence & analytics; digital assurance; infrastructure management services; and business process services.

Learn more about Hexaware at **https://www.hexaware.com**

- -

NA Headquarters
101 Wood Avenue South
Suite 600
Iselin, New Jersey 08830
Tel: +001-609-409-6950
Fax: +001-609-409-6910

India Headquarters
152, Sector - 3
Millennium Business Park
'A' Block, TTC Industrial Area
Mahape, Navi Mumbai - 400 710
Tel: +91-22-67919595
Fax: +91-22-67919500

EU Headquarters
Level 19
40 Bank Street
Canary Wharf, London E14 5NR
Tel: +44-020-77154100
Fax: +44-020-77154101

APAC Headquarters
Level 3
80 Mount Street
North Sydney, NSW 2060
Tel: +61 2 9089 8959
Fax: +61 2 9089 8989