

A young Black woman with voluminous curly hair is smiling and looking upwards and to the right. She is wearing a dark patterned top and large, round earrings. She is holding two light-colored shopping bags. The background is a blurred outdoor market scene with pink flowers and buildings.

the retail apocalypse

evolution

How retailers can adopt a more agile approach to meet customer demands and learn to embrace—rather than fear—change.

ttec[™]

retail is far from dead

Retailers today face an unprecedented rate of change. Many malls are empty, e-commerce is taking a larger share of the pie, and consumers are spending more on experiences than products.

Media reports have been quick to label these changes "the retail apocalypse," but it's a misleading phrase.



While it's true that some brands will not survive the shift in customer expectations and competition, other brands—even some brick-and-mortar stores—are thriving.

Retailers can't afford to rest on their laurels, as the landscape continues to evolve. We'll explain how retailers can adopt a more agile approach to meet customer demands and learn to embrace—rather than fear—change.

STORE H

MOND

TUESDAY – 5
10:30AM TO

SUNDA
11:00AM TO

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retail reality check



Last year, total retail sales worldwide reached \$22.6 trillion, up 5.8% over 2016.

In 2017, sales at mid-priced retailers declined 2%. At premium and low-priced retailers, they grew 8% and 7%, respectively.

Price-based and premium retailers opened more stores from 2015-2017 than closed them.



About 91% of all retail sales last year were transacted in a brick-and-mortar location.

By 2025, more than 80% of retail sales will still likely occur in stores.

86% of shoppers like “experience stores,” where they can test products in stores and buy on mobile or online.

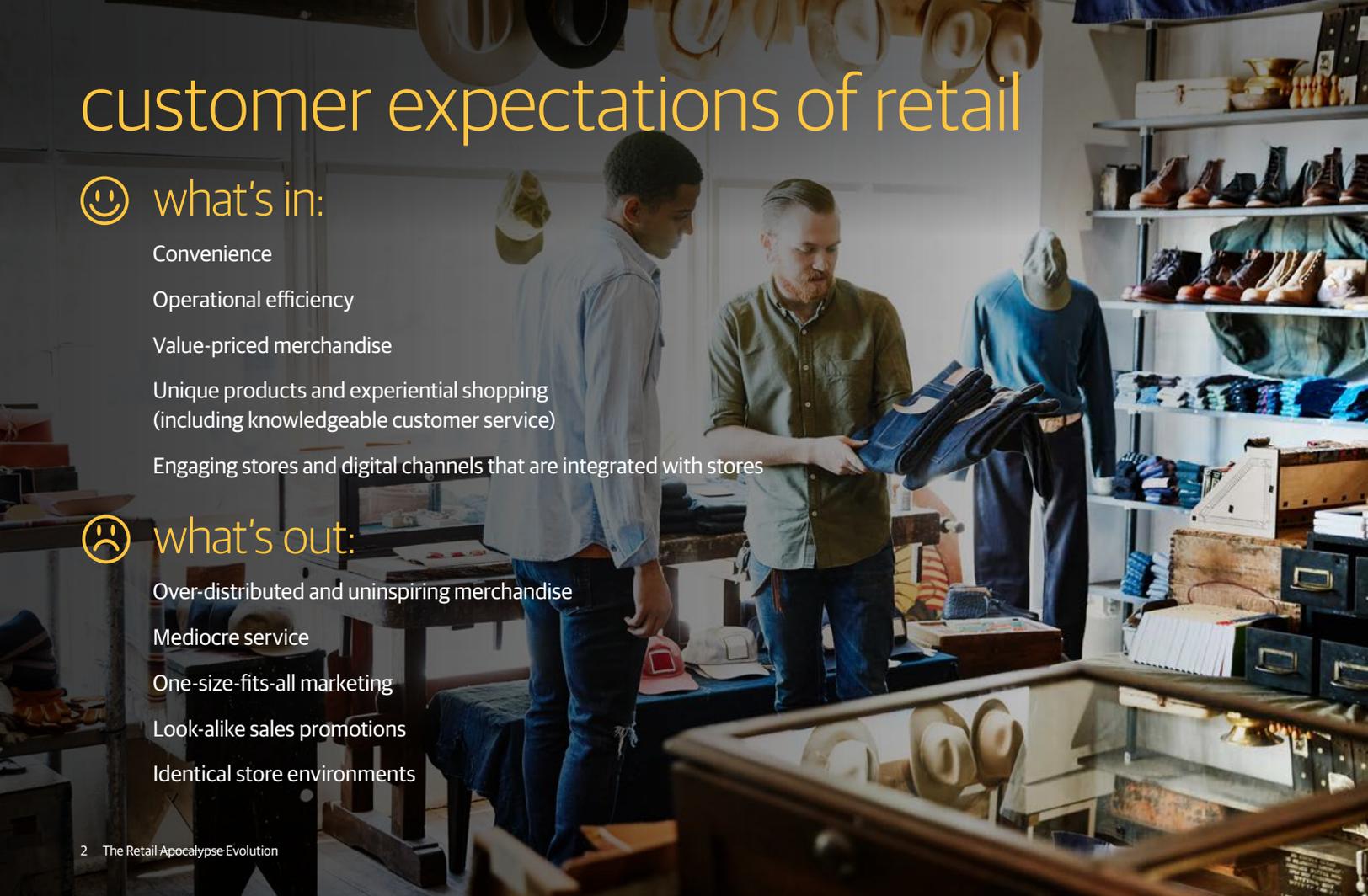


E-commerce made up 10.2% of total retail sales worldwide in 2017, up from 8.6% a year prior.

In 2017, global e-commerce sales reached \$2.3 trillion, a 24.8% increase over the previous year.

A global survey found 52% of consumers shop on Amazon.

customer expectations of retail



😊 what's in:

Convenience

Operational efficiency

Value-priced merchandise

Unique products and experiential shopping
(including knowledgeable customer service)

Engaging stores and digital channels that are integrated with stores

😞 what's out:

Over-distributed and uninspiring merchandise

Mediocre service

One-size-fits-all marketing

Look-alike sales promotions

Identical store environments

how to stand out in the new retail landscape





1. make buy-online-pickup-in-store even more convenient

Customers want the instant gratification of purchasing items in a store combined with the extensive inventory and convenience of online shopping. Strategic retailers are doing just that by offering options like buy-online-pickup-in-store (BOPIS).

How to stand out:

Convenience is a key demand for in-store pickup.



77%

of consumers prefer to pick up their items at the front of the store or curbside. **Only 8%** are willing to pick up their items at the back of the store.



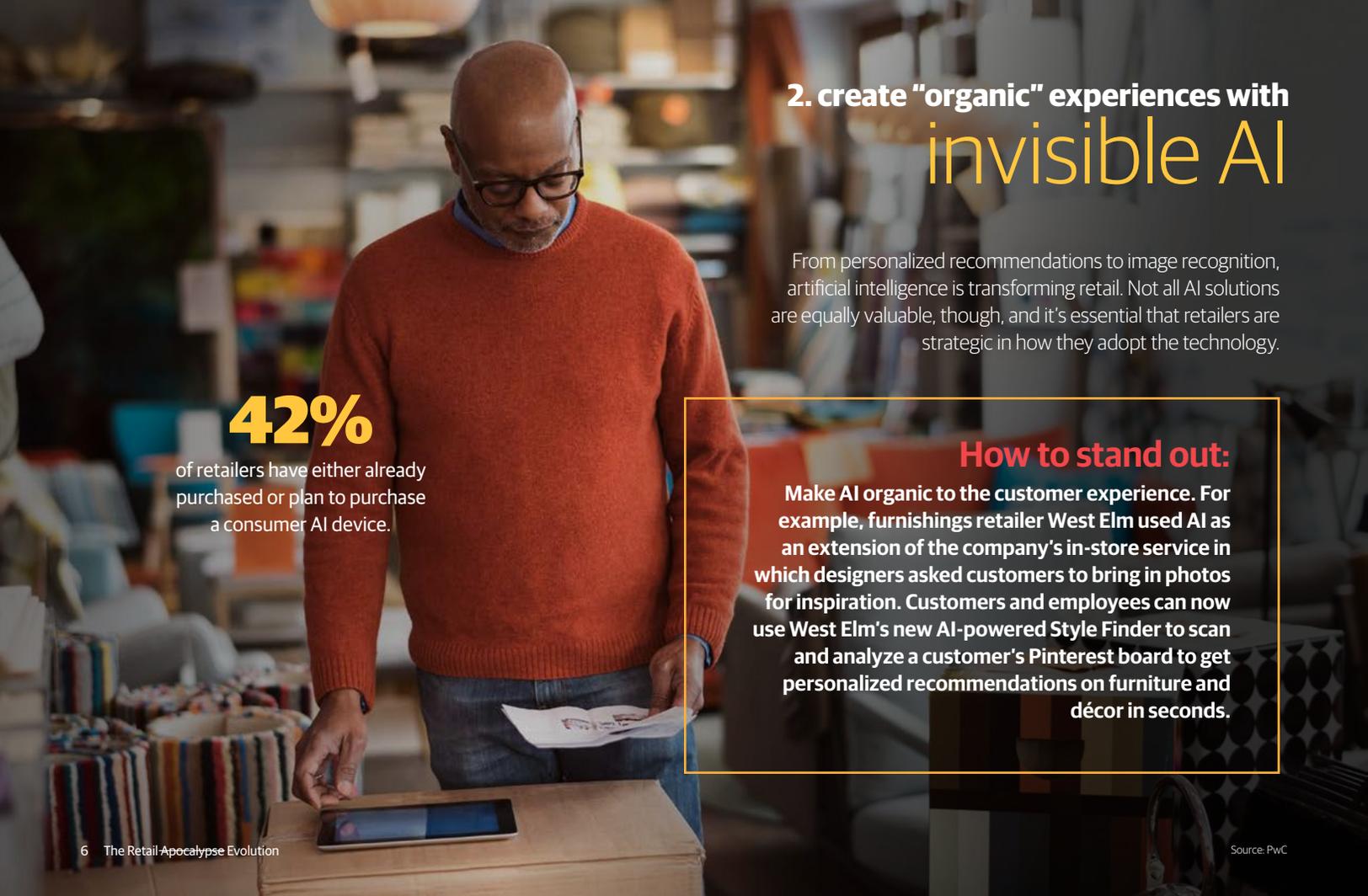
80%

expect to be able pick up their items in under 10 minutes from the time they enter the store.



69%

of consumers who used BOPIS this past holiday season purchased additional items while picking up in a store.

A man with glasses and a red sweater is looking down at a tablet on a wooden table in a store. He is holding a piece of paper in his left hand. The background is a blurred store interior with shelves and various items.

2. create “organic” experiences with invisible AI

From personalized recommendations to image recognition, artificial intelligence is transforming retail. Not all AI solutions are equally valuable, though, and it’s essential that retailers are strategic in how they adopt the technology.

42%

of retailers have either already purchased or plan to purchase a consumer AI device.

How to stand out:

Make AI organic to the customer experience. For example, furnishings retailer West Elm used AI as an extension of the company’s in-store service in which designers asked customers to bring in photos for inspiration. Customers and employees can now use West Elm’s new AI-powered Style Finder to scan and analyze a customer’s Pinterest board to get personalized recommendations on furniture and décor in seconds.

3. experiences are the product

With online retail offering nearly endless options, stores can provide value through curated retail concepts and/or expert assistance.

How to stand out:

Create centers in stores that allow the consumer to experience the product. Think DIY workshops, educational labs for kids, health-and-wellness sessions, makeup tutorials, or invitation-only access to special events.

At the same time, make sure sales associates can see customers' online shopping histories to further personalize the experience.



75%

of customers still want to see a product in store before making a purchase.

4. transparency is the new currency of brand loyalty

Shoppers are becoming more attuned to the conditions in which products are manufactured, the materials used, and the environmental impact of the entire retail ecosystem with partners and the supply chain.

How to stand out:

Prioritize customer feedback. Identify the areas where customers want more information to guide the efforts to build transparency into your business.



73%

of consumers said they trust a brand more if it offers product transparency.





5. move from multichannel to omnichannel

Multichannel customer experiences are old news—the always connected, tech-savvy consumer wants omnichannel integration from retailers. This means a seamless experience across channels to minimize customer friction and frustration while maximizing efficiency.

How to stand out:

Start small and build on each accomplishment. For instance, instead of trying to transform the entire supply chain at once, focus on the most significant pain points. Empower leaders across the business to collaborate and work with customers to develop an approach that's customer-first and flexible.

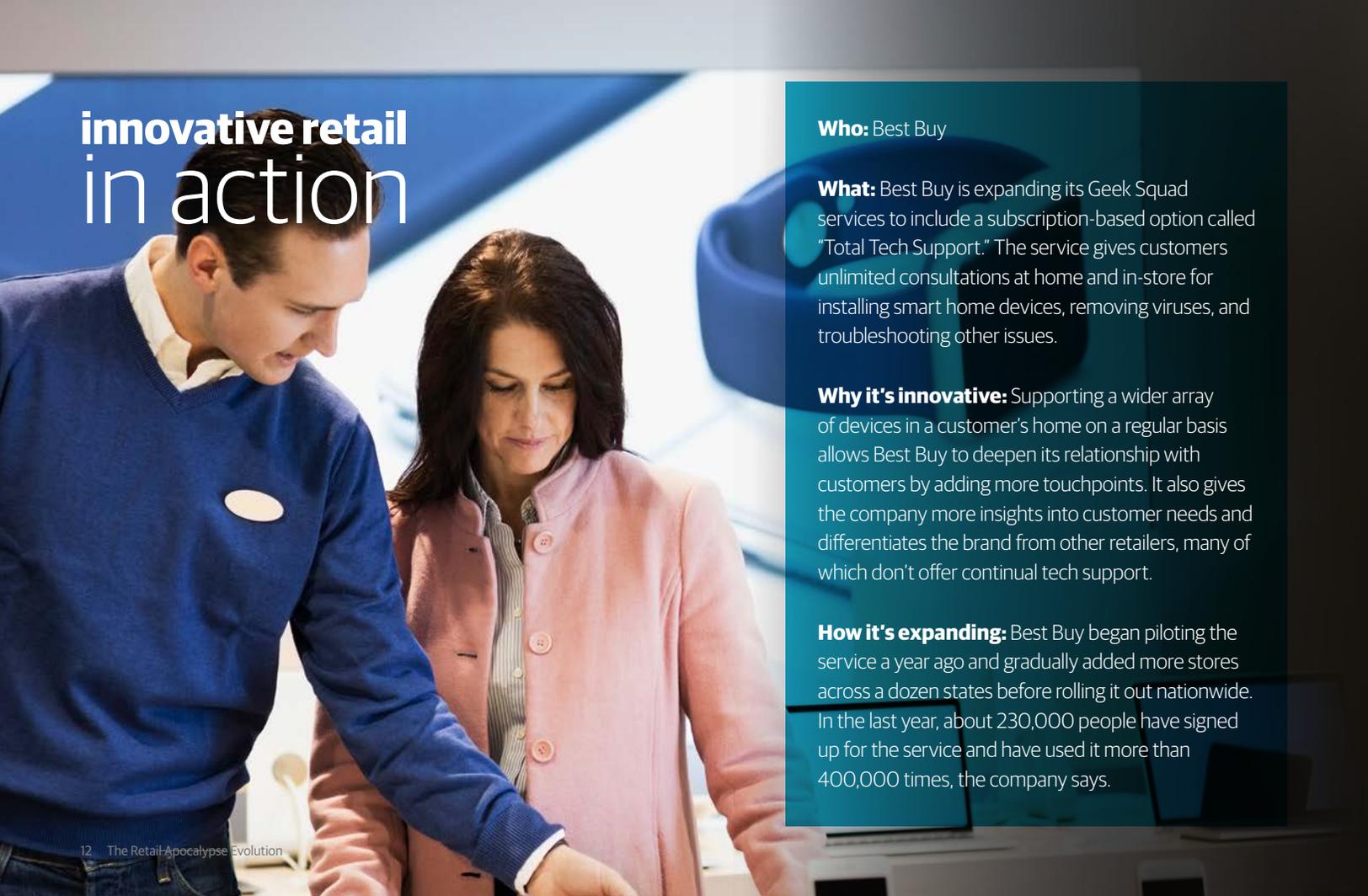
Omnichannel experiences, however, require a long-term commitment to gaining real-time visibility into all channels. And it includes moving outside the traditional customer realm to areas like the supply chain.



33%

of retailers surveyed said their company didn't have a well-defined omnichannel fulfillment strategy in place yet.

innovative retail in action



Who: Best Buy

What: Best Buy is expanding its Geek Squad services to include a subscription-based option called "Total Tech Support." The service gives customers unlimited consultations at home and in-store for installing smart home devices, removing viruses, and troubleshooting other issues.

Why it's innovative: Supporting a wider array of devices in a customer's home on a regular basis allows Best Buy to deepen its relationship with customers by adding more touchpoints. It also gives the company more insights into customer needs and differentiates the brand from other retailers, many of which don't offer continual tech support.

How it's expanding: Best Buy began piloting the service a year ago and gradually added more stores across a dozen states before rolling it out nationwide. In the last year, about 230,000 people have signed up for the service and have used it more than 400,000 times, the company says.

innovative retail in action



Who: Everlane

What: A direct-to-consumer clothing brand whose tagline is "radical transparency," Everlane offers customers a full breakdown of how much it costs to make each product, from the price of the raw materials and transportation to how much of a markup the company takes.

Why it's innovative: Everlane's vision of transparency, coupled with its fashion-forward aesthetic, has turned customers into advocates. The company also uses savvy retail practices, such as waiting lists, limited inventory, and a choose-what-you-pay model to both predict and drive demand.

To mitigate discounting for overstocked items, customers can select one of three different prices. Everlane explains that the lowest price allows the company to recoup its costs, while paying more enables it to invest in future product development. As much as 12% of shoppers opt to pay more, reports *Fast Company*.

How it's expanding: Initially a purely e-commerce brand, Everlane launched its first permanent brick-and-mortar location in New York in 2017 and is rolling out additional locations across the U.S. It's also profitable, according to the company, with sales doubling annually for the past three years.



Holiday shopping probably isn't on most consumers' minds yet, but smart retailers are already thinking ahead for this year's holiday shopping frenzy. **Here are five tips on how to prepare for a successful year.**

get a head start on the holiday season

1. Update your holiday checklist

Add observations or insights from the previous season that can improve the customer experience and help your staff ensure they have all their bases covered.

2. Assess your reviews

Pay attention to online reviews of your store ahead of the holidays. If negative feedback has dragged down your ratings, deal with it now so that your score increases before the holiday shopping season is in full swing.

3. Keep tabs on what customers crave

Get an idea of what trends are developing ahead of time. Track Pinterest and Instagram users who follow your brand and your competitors. Watch what they're sharing and who else they follow to inform your inventory decisions.

4. Plan around busiest days

Note when traffic is heaviest online and in your stores and plan to maximize on business during those days and those hours. At the same time, leave room for flexibility in staffing if something should change.

5. Run drills

Role play with the team. Go over everything that could happen during the holiday madness, from long lines and late deliveries to crashed servers, and how to address those problems.

ABOUT TTEC

TTEC (NASDAQ: TTEC) is a leading global customer experience technology and services provider focused exclusively on the design, implementation and delivery of transformative solutions for many of the world's most iconic and disruptive brands. The Company delivers outcome-based customer engagement solutions through **TTEC Digital**, its digital consultancy that designs and builds human centric, tech-enabled, insight-driven customer experience solutions for clients and **TTEC Engage**, its delivery center of excellence, that operates customer acquisition, care, growth and digital trust and safety services. Founded in 1982, the Company's 50,500 employees operate on six continents across the globe and live by a set of customer-focused values that guide relationships with clients, their customers, and each other. To learn more about how TTEC is bringing humanity to the customer experience, visit [ttec.com](https://www.ttec.com).

