Microsoft

Retail and Consumer Goods:
A Guide to What's Next

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Open for business

The way we work, live and shop has changed.

To adapt, retailers and brands are looking for ways to enable their teams to be productive and secure from anywhere, to adapt their business processes rapidly and to find new ways to stay engaged with customers – all while securing and managing access to apps, devices and data.

Faced with these challenges, many retailers and brands feel like they're navigating uncharted waters, but in many respects, the current situation reveals what they've long suspected. Regardless of the situation, customers want a personal, seamless experience, with expert service and an always-available inventory. To do this, retailers and brands will need to connect their people, systems and operations in completely new ways.

This guide is designed to help. In it, you'll discover:

- Expert insights.
- Useful resources to help educate your employees.
- Best practices.
- Practical insights we've learned from our own response.

We know there is work that needs to be done, and we're here to help. Our top priority is helping organisations of all sizes stay open for business. As we respond, recover and reimagine in this new reality, the best way to move forward is together.

Respond

Faced with uncertainty, retailers and brands of all sizes will have many of the same questions:

- How can you adapt a business process fast enough to meet rapidly changing conditions?
- What's the best way to keep pace with evolving customer needs?
- How can you keep teams productive and secure from anywhere?
- How should you secure and manage access to the apps, devices and data that drive business?

While retailers and brands face unprecedented challenges, there are also unprecedented opportunities. The immediate steps you can take, as well as strategies you can adopt, will not only help you navigate the now, but also plan for what's next.

Rapidly respond to your changing business needs

Many of your existing business operations and processes will need to evolve to meet new challenges. However, with the lack of off-the-shelf rapid crisis-response capabilities and solutions, it's no surprise that retailers and brands are looking for new ways to adjust and automate.

What's more, leadership needs real-time visibility into what's happening and insights into what's needed to make fast, informed decisions. The lack of organisational agility puts pressure on retailers and brands to respond to sudden changes. What's needed is a way for you to adapt and respond in real time.

Look for solutions that help you stand up crisis-response solutions quickly, adapt your business workflows to rapidly changing needs and make critical decisions faster with real-time analytics and insights.

Build a Crisis FAQ bot using Power Virtual Agents to connect users with information about a crisis

Enable teams anywhere

Finding the tools your employees need to meet and collaborate anywhere is only one part of the challenge. As your organisation empowers remote work, you have less connection with your employees, which can impact both productivity and culture.

To foster a closer connection with employees, retailers and brands can establish regular face-to-face conversations with videoconferencing. This allows you to inform and engage with your employees as you listen to what's on their minds and keep them up to date with the latest safety protocols. It also allows teams to collaborate and be productive from anywhere as they quickly pivot to meet new challenges.

"Teams technology made it possible to work remotely in all continuity to implement quickly our new priorities."

– Barbara Lavernos,
Executive Vice President of Technologies and Operations, L'Oréal

Learn more about how L'Oréal adapted a plant in France to produce hand sanitiser and then expanded the effort to 28 of its factories across the globe

Manage and secure access

The move to remote work brings with it a sudden spike in the need for remote access to cloud and on-premises apps. This means not only ensuring your infrastructure can handle these spikes, but also rolling out security controls to manage and secure this access.

Important considerations:

- Retailers and brands will need to navigate the impact VPN constraints will have on the ability to scale and secure remote work.

- They will also need to find ways to protect sensitive data loss without inhibiting productivity. Ideally, your security is seamless and built into the apps and devices your employees use.

- With the cyberattack landscape always shifting, bad actors will exploit any vulnerability, so enabling secure access to the resources and data that drive your business is vital.

Remote sales and service

Organisations are pivoting to remote sales to put employee and customer safety first, and this is in line with customer trends.

E-commerce retail transactions rose **209%** in April 2020 compared to April 2019.[1]

'Buy online, pick up in store' shopping grew **62%** year over year in February and March 2020.[2]

As of April 10, 2020, **41%** of consumers had shifted more of their shopping from physical stores to online.[3]

Accommodating these expectations places new pressures on retailers and brands. In a remote selling environment, sellers and First-line Workers lack direct engagement with customers. As the new 'remote everything' continues, retailers and brands will need to develop ways to provide real-time digital buying experiences that build customer confidence and trust.

Organisations of all sizes will need to develop new solutions and new agility to rapidly respond to sharp increases in customer inquiries and changing demand. For example, with real-time inventory visibility, organisations can move quickly and effectively to minimise disruptions.

Key takeaways

- Stand up a crisis-response 'nerve centre' as you rapidly adjust and automate.
- Protect the health of your team, customers and community while embracing remote everything when possible.
- Build resilience by securing your supply chain and managing inventory.
- Drive revenue response and amplify digital with remote sales and services.

Recover

Trends that were expected to take years to mature have taken place in a matter of weeks, and it seems as though overnight, the retail industry has been thrust into the future.

Adapting your business model and product offerings to meet the new and emerging customer expectations is a key part to restarting customer demand.

The other priority is the need to respond appropriately to economic pressures, which will drive a focus on value and cost reduction.

Adapt business models and product offerings

Many consumers have discovered the convenience of online shopping, and those who have made the switch may not return much of their spend to in-store shopping anytime soon.

Online and in-app ordering may continue to be popular, and even once life returns to its familiar routine, technology advancements and the lessons businesses have learned will remain useful.

Restart customer demand

The retailers and brands that can most rapidly discern, adapt to and respond to emerging customer needs will also be the ones that most rapidly recover.

This will mean not only responding to new demands, but also reimagining new experiences, new product offerings or even new business models. It will demand a better use of tools and capabilities to get a better understanding of your consumers, what they need and the next best action you can take to ensure it's you who provides it.

Focus on value, reduce cost

The priority here is to use what you already own. You may already have access to many of the solutions outlined in this eBook without knowing it. Rather than looking for new and costly point solutions, consider looking at the software you already use to see if you have what you need.

Many companies will be looking for ways to simplify and save. Streamlining your operations and finding ways to automate tasks will help you reduce costs while still delivering value to consumers.

Even for large retail chains, it might not make commercial sense to reopen some stores. As difficult as this decision will be, retailers and brands will need to closely assess data, continually evaluating the viability of each store remaining open.

Critical decisions like these are only possible with real-time analytics and insights.

Key takeaways

- Set new financial targets based on realistic scenarios and cost savings.
- Safely return to store and office operations by adapting business models and product offerings.
- Reset buying and merchandising plans based on customer demands.
- Adapt your supply chain to focus on value, realise efficiencies and increase agility.

"Ste. Michelle Wine Estates, we're the third-largest premium wine company in the United States. ... We were able to, within a few hours, completely change our distribution model."

– Joe Gregg,
Chief Information Officer, Ste. Michelle Wine Estates

Learn more about how Ste. Michelle Wine Estates crafts premium customer experiences

What safety measures will help customers feel safe in stores?

When asked to rank which precautions made them feel the safest when shopping in a store, consumers responded:[4]

Hand sanitiser

Limiting the number of people allowed in the store

Wearing a face mask

Providing curbside pick-up or the ability to buy online and pick up in store

No-contact payment

Store-enforced dedicated entrances and exits

One-way directional aisles

Curbside returns

Wearing gloves

Temperature checks

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Reimagine

As modern operations models quickly become part of the new normal, and new consumer behaviours harden into long-term expectations, retailers and brands have an opportunity to realise new opportunities and renew their focus on growth.

By understanding what consumers want – and, importantly, how they want to interact – retailers and brands have the chance to differentiate themselves in the marketplace, attract new customers and with them, capture new market share.
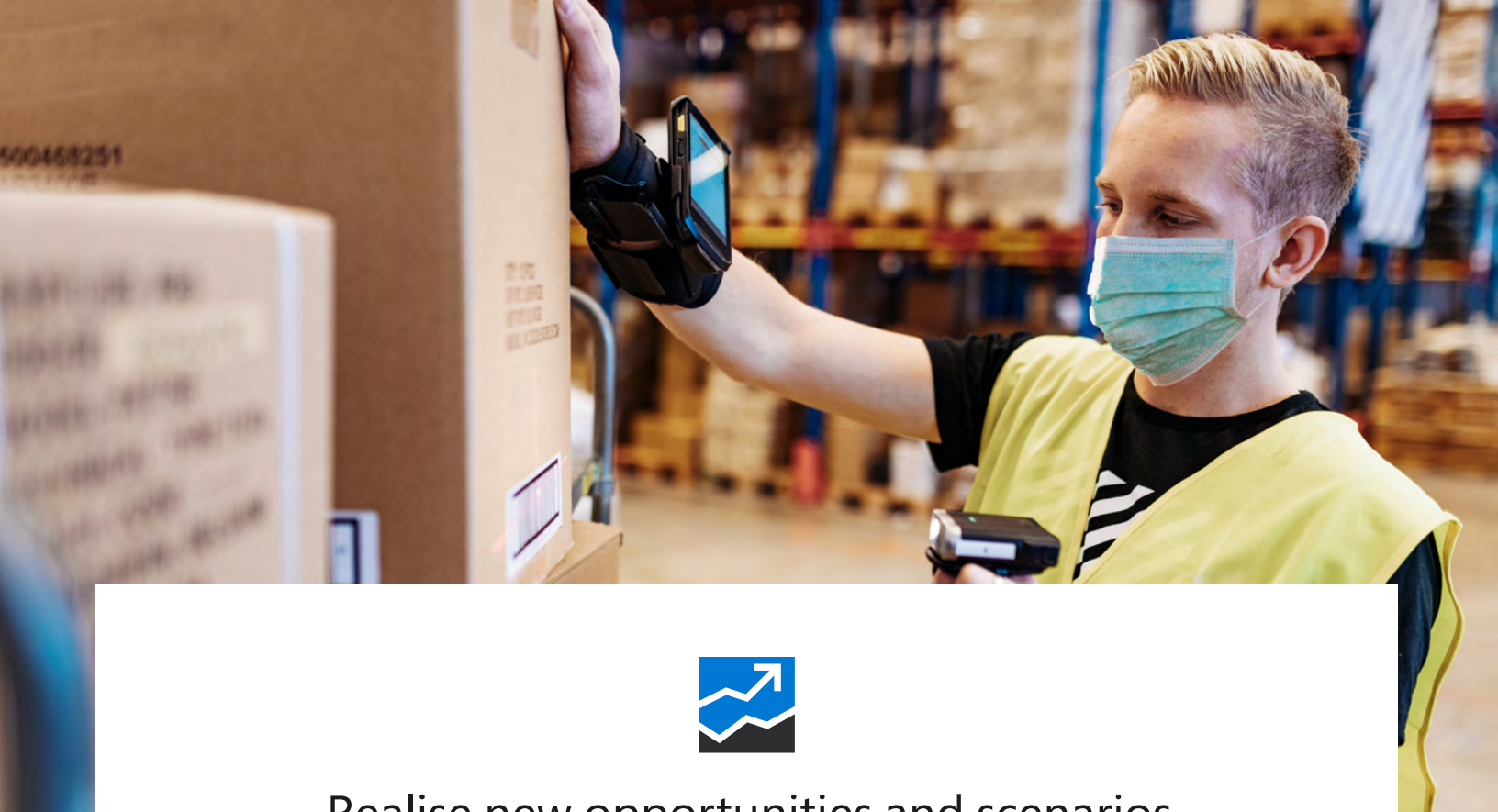
Realise new opportunities and scenarios

All retail starts with knowing the customer. You can use insights to develop a greater understanding of their needs and expectations. These insights will help you evolve products, services and even business models, especially as consumer needs evolve.

Some consumer and industry shifts will stick, and they'll open opportunities for you to redefine your customer experience. This isn't about changing the story of your brand, but rather evolving the way customers experience it.

Focus on growth

Listening to what your customers are telling you is where the opportunity is and will help inform new opportunities to pursue. As you listen, consider alternative opportunities to drive growth, consider divesting from unproductive stores, categories and markets, and consider new partnerships.

Key takeaways

- Realise new opportunities and scenarios based on consumer and industry shifts that are likely to stick.

- Look for new growth, including through acquisitions and partnerships.

- Consider divesting unproductive stores, categories and markets.

- Kick off a strategic transformation and accelerate your path to shaping the future.

"FedEx has been reimagining the supply chain since our first day of operation, and we are taking it to a new level with today's announcement. Together with Microsoft, we will combine the immense power of technology with the vast scale of our infrastructure to help revolutionise commerce and create a network for what's next for our customers."

– Frederick W. Smith,
Chairman and CEO, FedEx

Read more about how FedEx is reimagining commerce

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Conclusion

While there's no crystal ball to gaze into to predict what customers will demand next, there is work that retailers and brands can do today to equip their businesses with technology that will allow them to anticipate and adapt to future market shifts, opportunities and disruptions.

We are working in a time when global impacts are like a dial, and there is no direct on-and-off switch. As a result, there is a great need to ensure a resilient business model is in place. Enabling your employees to collaborate and be productive from anywhere is a key part of any contingency plan. This also means managing and securing the access employees have to apps and data, as well as the devices they use.

Rapidly adapting to changing conditions, reducing costs by streamlining your processes and automating workflows is also vital. As is the need to deliver on customer expectations, whatever they may evolve into, by selling and servicing in a remote environment.

Companies that have already invested in digital transformation now have the speed, control and flexibility needed to rapidly adapt their business models to seismic changes in customer expectations. It remains to be seen how valuable this advantage will be, but doubtless, they have a considerable head start.

The challenges are real, but so are the opportunities.

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Here to help

Here are some resources that we hope you'll find useful for your organisation during seen and unforeseen challenges.

Get the comprehensive Microsoft work-from-home guide, which you can tailor for your own organisation.

Check out Project Zap to match furloughed workers with on-demand work in essential industries.

Connect with our Enabling Remote Work community to stay up to date on best-practice sharing for all employees.

Learn more about solutions Microsoft has to help you stay up and running.

Learn how to provision Microsoft Teams at scale for First-line Workers and help empower your employees on the shop floor.

Our top priority is helping organisations stay open for business.

Together, we can enable teams to be productive and secure from anywhere, rapidly adapt business processes and stay engaged with customers – all while securing and managing access to apps, devices and data.

As we respond, recover and reimagine in this new reality, the best way to move forward is together.

Respond. Recover. Reimagine.

→ **Learn more**

Sources

[1] ACI Worldwide, 'Global eCommerce Retail Sales Up 209 Percent in April, ACI Worldwide Research Reveals', May 12, 2020.

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[4] Gretchen Jezerc, 'The Road to In-Store Safety: What Safety Measures Will Help Customers Feel Safe in Stores?', First Insight, May 22, 2020.

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