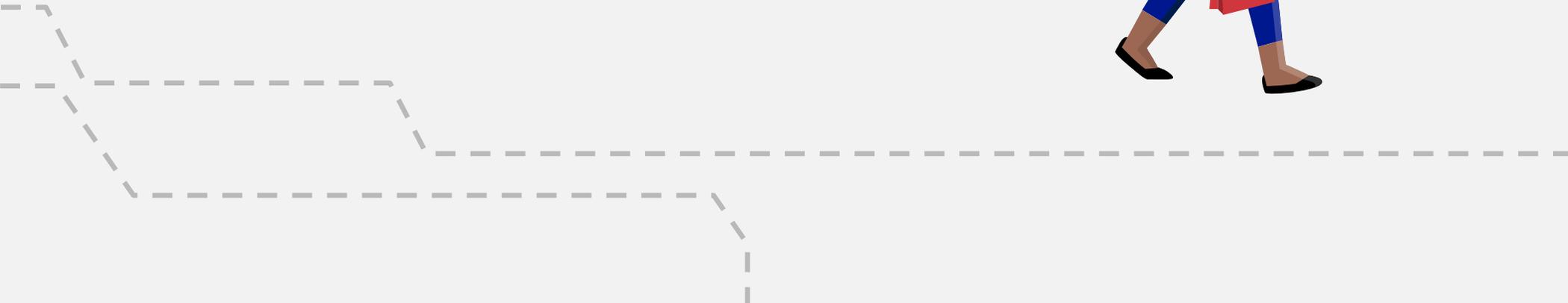
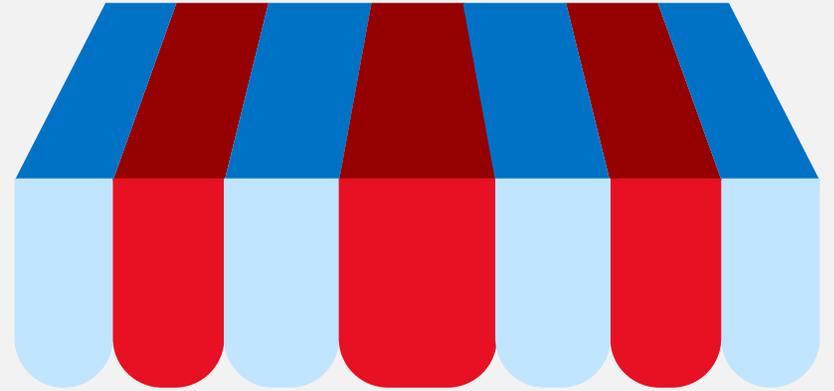


Delivering on the promise of digital transformation with Microsoft Dynamics 365 for Retail



The imperative to adapt

It's no secret that digital transformation is radically changing the retail industry. In the midst of the upheaval, retailers are feeling rising pressure from three sources: savvy consumers, innovative competition, and legacy IT systems.

Today's **digital native consumers** expect to browse products and reviews from their home or on their commute, and move between devices and stores without missing a beat. At the same time, **digital-centric business models** are pushing the bar ever higher, causing retailers to reevaluate and reimagine the role their stores play in an increasingly connected retail landscape. Plus, most retailers are dealing with **outdated, siloed technology systems** that make it difficult to glean meaningful insights from the growing troves of customer and market data.

To stay relevant and thrive in this evolving industry, retailers need to re-imagine their approach to three fundamental objectives:

- **Optimize operations with intelligent business insights**
- **Empower employees to deliver on business growth**
- **Delight customers with exceptional shopping experiences**

These goals are always going to be top of mind for retailers. But today's technology is making it possible to address them in better, faster, and smarter ways. With the right tools and approach, retailers can turn digital challenges into strategic advantages.



How do I engage customers across multiple channels?



How do I prevent out of stocks?



How do we differentiate ourselves from the competition?



Optimize operations with intelligent business insights



1

How things have changed: With the proliferation of digital channels and globalization of supply chains, retail operations are more complex than ever, and the margin for error is narrowing.

What this means for retailers: Market leaders are looking beyond systems of record to **systems of intelligence** that drive real business growth.

To stay one step ahead of the competition, retailers need to:

- 1 Get ahead of trends with well-informed merchandising decisions
- 2 Streamline inventory and supply chain management

1 Get ahead of trends with well-informed merchandising decisions

Before any customers lay eyes on a product, retailers must ensure that it will be available on the right channels, at the right time, and at the right price. This starts with automatically aggregating cross-channel data to get a comprehensive view of business performance and identify patterns in customer demand.

When this visibility is coupled with intelligent forecasting, retailers can adapt quickly to emerging trends and allocate products based on data-driven understanding of what will sell, when, where, and to whom. Cross-channel analytics also help retailers maximize profitability by determining optimal pricing and promotions. Once retailers have made merchandising decisions, they can further streamline omnichannel operations by centrally managing products and assortments across channels in a unified catalog.

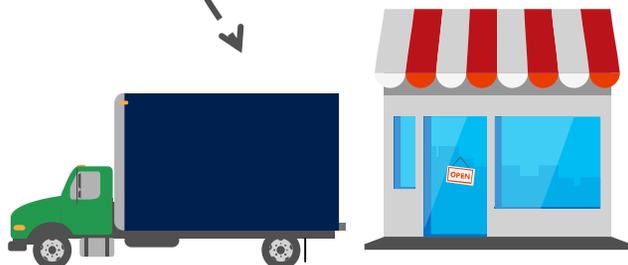
While systems of record provide static data storage, systems of intelligence drive real business growth.

Systems of intelligence include:

- Business process automation
- Data visualization tools
- Artificial intelligence & machine learning
- Cross-channel analytics
- Internet of Things

Intelligent forecasting

incorporates millions of data points beyond just sales—including shopper demographics, time of year, social media trends, mobile app activity, and weather data—to create higher-yield product assortments at optimal prices



Optimize operations with intelligent business insights



2

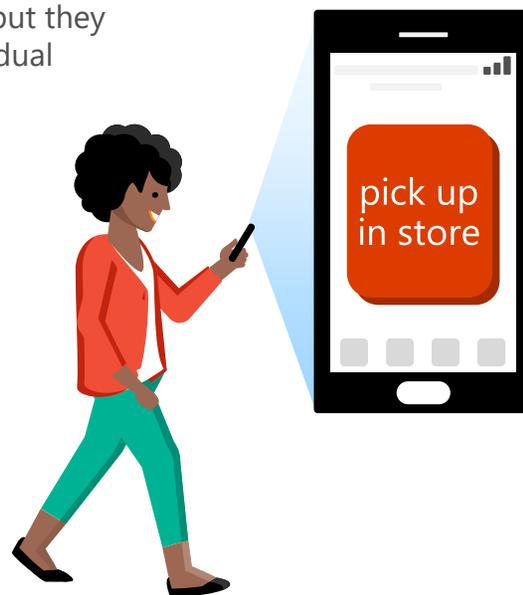
Streamline inventory and supply chain management

When it comes to delivering products to consumers, it's crucial to move inventory smoothly through the procurement, sales, reorder, and replenishment cycle, because inefficiencies can lead to higher costs and lower sales.

Unified commerce has forced retailers to rethink their supply chains, since they not only need to track inventory from manufacturing facilities to warehouses and stores, but they must also monitor individual shipments to customers.

To cut costs and accelerate delivery, retailers need [centralized inventory management](#) and end-to-end visibility across channels.

In a market where 80% of customers want to check product availability online before going to a store, a centralized inventory platform is also key for facilitating similar cross-channel scenarios, like click-and-collect or in-store returns for items purchased online.¹



Leading holiday food gift retailer implements unified, cross-channel system



Specialty food retailer Hickory Farms opens over 500 retail stores for the holiday season to supplement its year-round wholesale and direct businesses. They were dealing with multiple legacy systems that did not scale easily during this massive spike in demand, and they needed a solution that would unify their data across channels. By integrating their catalog, mail order, web, store and wholesale operations into a single platform, Hickory Farms improved visibility across the organization and positioned themselves to drive growth across all channels.

"We chose Dynamics 365 because we are positioning our business for growth and we knew that the Azure cloud has the power to scale and grow with us."

Gordon Jaquay
Director, Information Technology, Hickory Farms, LLC

¹ IBM, 2016 Consumer Expectations Study, 2016

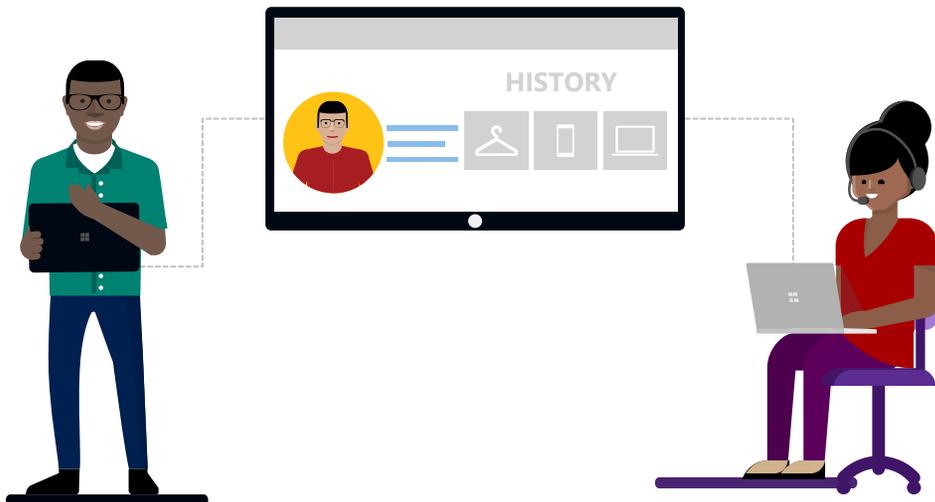
Empower employees to deliver on business growth



How things have changed: Today's customers research and compare products extensively before they buy – over half browse on web or mobile apps before purchasing in-store – meaning they are often more informed than sales associates.² At the same time, store managers have more reports to keep up with in the back office and less time to train new hires.

What this means for retailers: Whether they are interacting with customers or collaborating with coworkers, employees need speedy access to relevant product and customer information. To make their jobs easier, retailers need productivity solutions that:

- ① Empower employees to provide outstanding service
- ② Enable collaboration and information sharing



1

Empower employees to provide outstanding service

In the age of informed consumers, employees in stores and call centers need a 360-degree view of product information to deliver exceptional service. [Modern point of sale solutions](#) arm sales associates with the latest details on products, promotions, inventory and stock locations. A mobile point of sale frees store employees to help customers anywhere on the sales floor, and enhances the experience for customers by cutting wait times in the checkout line.

² Google and Purchased, Digital Diary: How Consumers Solve their Needs in the Moment, 2016

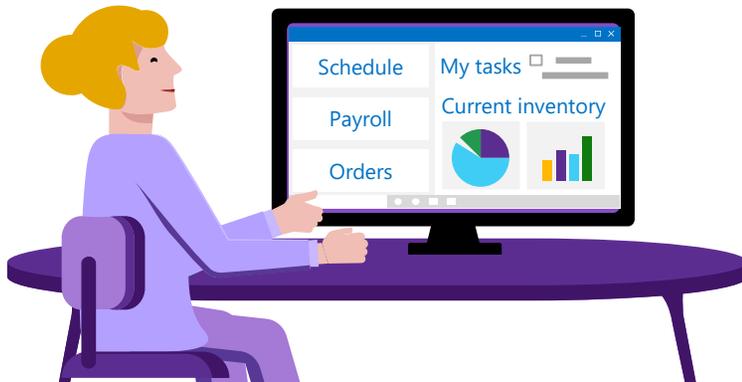
Empower employees to deliver on business growth

Furthermore, with the right POS solution employees have the tools to personalize service by accessing a complete view of cross-channel customer history and intelligent product recommendations. Machine learning generated product recommendations draw from overall sales trends and individual customer preferences to open the door for cross-sell and upsell opportunities.

2

Enable collaboration and information sharing

In the back office, retail managers and employees alike need to find a way to [improve productivity](#) so they can spend more time adding value for customers. This starts with bringing together daily tasks like shifts, payroll, reports, orders, and inventory in one system, instead of juggling them with multiple different tools. On top of that, collaborative mobile and social interfaces help employees easily share knowledge and access the resources they need. Finally, BI reports embedded in point-of-sale bring insights directly to where the action is, enabling store managers and employees to quickly respond to sales or inventory metrics.



Neighborhood pet store grows rapidly by unifying business processes



US retailer Pet Supplies Plus used modern digital solutions to train new employees faster and facilitate better customer service. As their franchise was growing rapidly, decision-makers at the company knew they needed a strong technological backbone to replace their legacy systems. They chose a modern POS application that was easier to use, allowing employees to spend less time on back office tasks and more time with customers. The solution also standardized business processes across its hundreds of stores, accelerating new store setup by up to 75 percent and helping them move forward with their ambitious expansion.

“Our new store setup and deployment is up to 75 percent faster, which helps us move forward with our aggressive expansion as we look to extend our retail footprint. ”

Lisa Brown
Director of IT Services, Pet Supplies Plus

Delight customers with exceptional shopping experiences

Canadian retailer finds the perfect solution to fuel hyper growth



Saje replaced disparate systems with a unified solution, providing a single source of truth across their entire business. This made it possible to create an endless aisle for customers, where they can order an item from a store if it's not available, or easily locate it at another store. The highly intuitive solution also helped the brand to focus more on its 1:1 customer service rather than time-intensive administrative processes, propelling their most successful holiday season to date.

"Saje is going through hyper growth. We've opened double digit stores this year, we've opened in new countries this year, and we needed a platform that would give us one source of truth across our entire global enterprise as we grew."

Charles Loui-Ying, Senior Director of IT
Saje Natural Wellness



How things have changed: The customer journey now resembles something like a plate of spaghetti. Today's digital native customers have more avenues of engagement than ever, changing how they research, buy, and share post-purchase.

What this means for retailers: Modern retailers would do well to meet customers wherever they are, but that's easier said than done. What's needed is a unified commerce platform that simplifies omnichannel management and improves customer satisfaction. A unified commerce system enables retailers to:

- ① Deliver frictionless omnichannel journeys
- ② Get a single view of the customer
- ③ Personalize engagement
- ④ Enhance store experiences

1

Deliver frictionless omnichannel journeys

First and foremost, retailers must provide frictionless engagement and marketing at every touchpoint - whether its social, mobile, chatbot, web, or in store. Over half of consumers browse online before making an in-store purchase, and they expect to pick up on a new channel right where they left off.² With a [unified commerce platform](#), retailers can easily manage promotion and sales on all channels from a single interface, creating seamless experiences that improve customer satisfaction.

Retailers have traditionally treated each channel as a separate line of business. An **omnichannel** strategy brings the silos together in a single source of truth, making it easier for retailers to create seamless experiences for customers.

Omnichannel solutions enable scenarios like checking in-store availability online, returning online purchases to stores, placing a delivery order from a store, accessing the same wish list and shopping cart across channels, or earning loyalty points across channels.

Delight customers with exceptional shopping experiences

2

Get a single view of the customer

A unified commerce system also enables retailers to track cross-channel customer activity in a unified profile. This not only saves customers from getting spammed with duplicate offers, but it gives retailers a deeper understanding of customer behavior and preferences.



3

Personalize engagement

A holistic understanding of cross-channel customer activity lays the foundation for **personalized engagement**. Using cross-channel analytics to identify patterns in customer preferences, retailers can make **targeted offers or product recommendations**.

Giving customers deals and suggestions for things they actually want increases conversion rates and drives loyalty in the long term. 77% of consumers have chosen, recommended, or paid more for a brand that provides a personalized experience.³

4

Enhance store experiences

Personalization isn't just for digital channels anymore. Using IoT beacons, retailers can deliver real-time personalized messages and offers to shoppers in stores. Forward-thinking retailers are further enhancing the **in-store experience** with self-service kiosks and mobile POS devices, which help customers find what they need quickly and compare items like they would online.

Personalized engagement

can be based on a number of data sources, including:

- Past purchases
- Product reviews
- Wish list
- Social media
- Mobile app usage
- In-store activity
- Third party data like weather or location

Customers don't just go to stores to make a transaction, they want to have a rewarding **in-store experience**.

This might include virtual reality, which allows shoppers to "try on" clothes in a digital fitting room or explore products virtually. The platforms retailers choose today will determine how they adapt to new tech innovations in the future.

³ Forrester, North American Consumer Technographics Brand Compass Survey, 2015

Make the most of digital transformation with Dynamics 365 for Retail



Omnichannel out of the box



Intelligent forecasting



Product recommendations



Enhanced in-store experience



Easy deployment and integration

Microsoft delivers the tools retailers need to improve the speed of doing business so they can exceed customer expectations and get ahead in today's competitive environment.

Dynamics 365 for Retail is a true, end-to-end, omni-channel solution made specifically for retailers. It brings together disconnected data silos with an integrated platform that can handle the full spectrum of retail operations all in one place – from merchandising to modern point of sale.

The solution easily integrates with existing systems and deploys quickly, delivering faster time to value. It helps retailers manage the complexities of multiple channels, languages, currencies, and legal entities as they scale operations globally. Built on the power and flexibility of the Microsoft Cloud, it enables retailers to adapt quickly to changing business needs.



[Learn more about how to transform your business with Dynamics 365 for Retail today](#)