Leveling the Playing Field:
Leveraging Brick and Mortar Advantages to Compete with eCommerce

ABSTRACT

Brick and mortar retail is in trouble: as ecommerce gradually erodes physical retail—effectively commoditizing the routine shopping experience—retailers are finding it hard to survive. Competition based on price alone is a prescription for failure; and ecommerce sites, based on their massive scope and scale, are capable of underselling any local merchant. Yet, brick and mortar commerce has an advantage over ecommerce that most retailers are not leveraging: personalized experience. Many consumers are looking for a shopping experience: one where real, live sales people know their customers, provide helpful suggestions, let them try out a product before they buy it, and who never say "no."

Brick and mortar retailers have always been about personal interaction; and people will pay to get it. However, in today's hypercompetitive retail market, providing the personal touch cannot be done cost-effectively when a consumer can decide to shop at any one of many store locations. To deliver a personal shopping experience, cutting edge technology is required; yet, attempting to implement such technology on a single solution basis will guarantee a less than economical outcome. What is needed is a retail technology vendor that can deliver an end-to-end point-of-sale automation solution: one that enables seamless and flexible customer interaction; but which also remembers consumers, understands their shopping preferences, and assists the retailer in delivering a personalized experience to every customer that walks through the door.

There are few retail technology providers that can do this. NEC is one of them. Empowering the Smart Enterprise with its Smart Retail solutions, the company is pushing the boundaries of retail technology, to level the playing field between brick and mortar commerce and ecommerce. By empowering the Smart Enterprise, retailers can utilize technologies to optimize business practices, drive workforce engagement, and create a competitive edge—all while Knowing Your Customer.

INTRODUCTION

Physical retail is in a state of disruption. At least that is the conclusion one would come to reading the popular

press. In a recent Wall Street Journal article, it was noted that over one thousand retail outlets have closed in the North American market since the beginning of 2017. Major chains such as The Limited and Macy's have closed literally hundreds of stores, while iconic retailers like JC Penney may not survive the year. Even smaller merchants are feeling the pinch. Long time retail stalwarts such as Radio Shack and Payless have disappeared. Yet, consumer retail is actually increasing as the economy accelerates. Where are these shoppers going?

Shoppers are increasingly taking their trade online. As Stratecast research indicates, virtually one hundred percent of all broadband-connected consumers conduct at least part of their shopping on the web. Armed with lower overheads and massive computing scale and scope, online "etailers" can underprice in-store retailers' products and services, while their automation enables them to leverage customer information to upsell every transaction. In fact, as long as brick and mortar retailers compete on the basis of price, they will lose to the etailers.

The situation would seem to be pretty bad for brick and mortar retail. However, the situation is not nearly as bleak as it appears. Physical retail has an advantage that online shopping can never match: personal service. In fact, this advantage over etailers, when leveraged appropriately, can enable brick and mortar to dominate the consumer retail experience.

Customer service—the ability to talk to a real person while trying on clothes, or examining product quality—is uniquely an artifact of the traditional shopping experience. In fact, the shopper continuum that has historically defined consumer retail has largely been focused on human interaction: engaging, appraising, and evaluating products before purchasing them. eCommerce, on the other hand, is mostly focused on the search aspects of shopping; that is, finding a product that meets a more utilitarian set of requirements.

Nevertheless, in the modern age, it is no longer enough to simply provide personal interaction. Thanks to ecommerce, consumers expect a much more facilitative engagement; one where their preferences are known, and where the service experience is customized to their needs. This requires a focus on a new kind of point of sale (POS) and enterprise resource planning (ERP) technology. However, trying to implement cutting edge automation, while keeping the lights on, is difficult without help.

Leveraging the personal touch requires a new approach to brick and mortar business; one which emphasizes service over scale, purpose over place, and a fanatical focus on experience over transactions. Achieving this cannot be accomplished through point solutions, where diverse technologies are forced to fit together. Only a well-integrated solution that encompasses all aspects of the shopper continuum can enable the brick and mortar retailer to compete with and dominate the retail space.

POINT-OF-SERVICE VERSUS POINT-OF-SALE: WHY THE PERSONAL TOUCH BEATS THE FLAT SCREEN EVERY TIME

eCommerce is beginning to seriously challenge brick and mortar retail. From the year 2000, ecommerce has gone from barely one percent of the total consumer retail space to almost 9% in 2016. Stratecast projections indicate that by 2025, ecommerce will account for nearly 18% of the total retail market. As a continuing trend, this is troubling; but with hyper-competition pressing margins, many brick and mortar retailers may not be able to survive an 18% decline in potential business. That's the bad news. The good news is that the natural advantages of physical retail ensure that brick and mortar can not only survive, but can actually retain and build on its dominance in the consumer space.

An example serves to illustrate why: the current online shopping craze is pre-packaged meals that only require some assembly to prepare. These services are popular because they include all of the ingredients, a simple set of instructions and take only about a half hour to cook. However, they are also a gamble. What if the ingredients are damaged or bad? What if the instructions are not clear? What if the resulting dish is simply not palatable?

These are all issues associated with online shopping. The consumer only has limited ways of judging products or services before actually buying them. And while it is true that most of these online food services offer cheerful refunds or online advice, once a consumer has planned a dinner around one of these meals, it is often too late to make other arrangements if it does not work out.

Problem

The shopper's continuum begins with a search for a product or service, and concludes with a purchase. eCommerce does have the advantage of it being extremely easy to find items of interest. Web-based search engines and retail sites enable the shopper to peruse a practically infinite number of alternative choices. This is both a virtue and a curse, though. eCommerce is great if the consumer has a pretty good idea of what she wants. However, if the shopper is uncertain or wants to actually compare products, ecommerce can simply confuse.

Of course, online shopping, since it is online, can deliver a great deal of customer-information to the merchant. It is easy to capture data from an online transaction, and use that to empower the retail experience; and this enables an online store to tailor offerings to the specific customer. However, people do not necessarily like having all of this data collected on them while they are online. As Figure 1, below, illustrates, when Stratecast has asked consumers whether they are concerned with online etailers capturing data on their activities, the majority indicated some concern.

Figure 1: Online collection of data
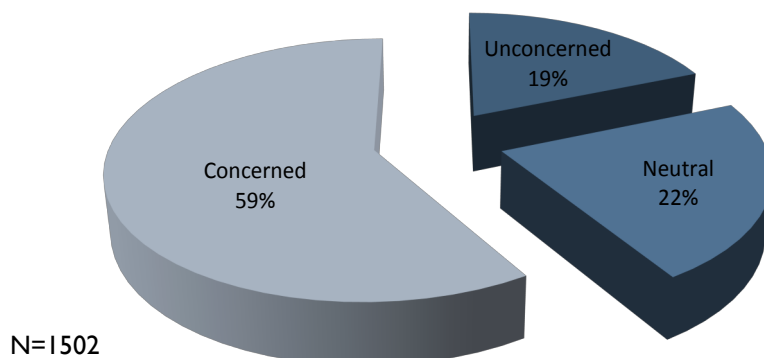
Source: Stratecast

Consumers do not like that they do not know where the data is going or how it is being used. Interestingly, though, as Figure 2 shows, they do not mind sharing data in a physical retail experience: only 20% refuse to provide personal data to a sales clerk. Almost half had no issues with doing so.

Figure 2: Proclivity to share information in a retail space
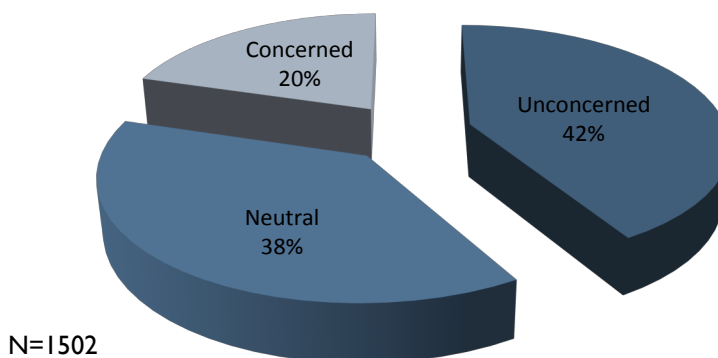
Source: Stratecast

People like sharing personal information with people—especially people that are perceived as trying to help—but are not so eager to share personal information with a machine.

Online retail, for all of its virtues, has another significant flaw: it denies the shopper direct contact with a product or service prior to purchase. Although, most online shopping sites provide pictures, descriptions and even videos to assist in evaluating their products, in many cases this is insufficient to judge the fit, finish or quality of the item. A precondition for much online shopping is that consumers already have a pretty good idea of what they want to buy.

Brick and mortar retail, on the other hand, has the virtue of direct interaction, both with products and with people who know something about them. Shoppers want to try on clothes, test cosmetics and ask questions of the sales personnel. None of this can be done online; and this is where physical retail has a major advantage. However, as noted above, consumers also want a tailored interaction; one where the merchant recognizes who they are, what they have purchased in the past, and what products they might like to try. In other words, they want a personal experience similar to online, but with the added virtue of direct interaction. Yet, with the intense focus on just staying in business, brick and mortar has a hard time delivering a personal experience unless it is enabled by customer data.

Market Requirements

eCommerce has been characterized as a grocery store where every aisle stretches to infinity. This notion, although couched in a humorous way, is not terribly far from the truth. eCommerce benefits from substantial advantages in scale and scope: when inventory is virtual, and when 100% of business investment can be devoted to automation to improve the online experience, physical retail is at a disadvantage. Many retailers have responded by trying to quickly build an online presence; yet, this approach, while necessary to play in today's retail market, really misses the point. Brick and mortar's advantage is in personal interaction: investment in automation needs to be directed towards emphasizing and improving that interactive experience. Retailers need to shift their thinking from point of sale to point of service.

Retailers typically only think of their instore automation as a way to facilitate sales transactions. Point of sale (POS) terminals that add credit handling capabilities to the traditional cash register function remain the largest brick and mortar store automation investment. Yet, technology that enables sales personnel could be doing so much more. In particular, POS technology blended with customer data could arm the sales person with information on the customer's buying habits and personal preferences. And with a POS terminal that allows the sales person to move around the store, assisting customers directly, the retailer can take the point of service away from a checkout line, and place it in direct contact with the customer.

Yet, POS technology that integrates customer information into the mechanics of a transaction is hard to find; and deploying POS technology piecemeal is doomed to increase sales confusion, while driving up costs. What is needed is POS technology that is designed to deliver flexible customer interaction, while delivering back office insights into each customer's transaction and preference history. Fortunately such technology exists.

Solutions

NEC, has largely been associated with POS hardware. In fact, its current line of POS hardware represents the cutting edge of point of sale terminals. In particular, its TWINPOS G5100 and TWINPOS G5200 POS terminals deliver extreme flexibility, enabling a virtually unlimited number of configurations and mounting options for any store type or layout. However, as noted above, simply improving point of sale will not improve the consumer engagement. Customer data is also required to enrich the customer experience.

Stanchion Store™, NEC's retail software platform, delivers the smarts that transform the point of sale into the point of service experience. Stanchion Store interfaces with the business's back office systems to deliver customer information directly to the POS. Stanchion Store software is agnostic and easy to integrate with existing legacy store systems and is configurable on many platforms, in addition to the NEC POS hardware. Having this flexibility and configurability enables store clerks to get real-time store information, to engage with customers, answer questions and make sales; rather than standing behind a checkout station and waiting for customers to come to them. Customer satisfaction is enhanced, thus eliminating the need for the customer to engage with sales personnel at checkout; instead the conversation can be initiated by the sales associate, creating a more personalized shopping experience.

UNDERSTANDING PURPOSE OVER PLACE: WHY CONSUMERS CRAVE A SHOPPING EXPERIENCE AND ARE WILLING TO PAY FOR IT

Consumers are much busier than they were a few years ago. According to Juliet Schor, in *The Overworked American*, over the past 20 years, American working hours have increased the equivalent of one month per year, on average. Although this does not mean that people are actually working at a place of business an extra month each year, with the increase in connectivity and the increase in structured activities such as organized sports, modern Americans are busier than at any time in history.

The pace of modern life leaves very little time for recreation or entertainment. When consumers find time away from their daily obligations, they tend to look for experiences that seem like recreation. That is why even mundane exercises such as going to fast food outlets tend to take on attributes of theme parks. One need only to think of such places as pizza parlors with a singing mouse or playgrounds inside hamburger restaurants to see how consumers are being lured by the experience as an added factor; and such attractions do increase business.

So, consumers are increasingly selecting activities that emphasize the experience rather than the utility. Online shopping tends to be more utilitarian and tends to emphasize price; while local retail outlets tend to emphasize the shopping experience in their advertising. Brick and mortar retailers that wish to thrive need to up the experience factor; making a store a place to experience products and services in new and innovative ways, while making the actual mechanics of purchasing easy and practically transparent.

Problem

The LA Times recently reported that 25% of American shopping malls would be gone in five years. Why is this? Malls traditionally have been much more than a simple collection of stores. Malls are a form of entertainment; one that has activities for children and adults, food courts, movie theaters and other recreational activities; all of this, packaged with retail outlets. Mega-malls, such as the Mall of America in Minnesota, have such diverse offerings as hotels, theme parks and water parks. Yet, in spite of the popularity of such venues, ultimately, a mall serves as an attraction that enables its tenant businesses to lure shoppers. The mall itself is simply an overhead to retail operations. When the retail stores leave or go out of business, the mall is forced to close.

Although the mall may be an attraction, the tenant stores have not usually been. This means that malls have been simply a means to compensate for the lack of interest shoppers have in the stores themselves: in effect, retail has delegated the experiential part of shopping to the malls. Stores have done very little of the heavy lifting; and although they do not necessarily need to become theme rides to attract the attention of shoppers, they should be a place where shoppers know they will be given individual attention and a customized service experience.

The problem is that a customized shopping experience requires detailed knowledge of each shopper.

Market Requirements

Building a retail experience, rather than a transaction exchange, requires that retailers begin thinking in terms of purpose rather than place. If the purpose is to engage with customers, and to provide them with an experience rather than a simple purchase, then it is essential that the retailers treat every customer uniquely: providing an experience that is defined by each customer's buying habits, preferences and past service experiences.

In practice, this means deploying POS technology and ERP systems that deliver customer specific information to sales personnel, in near real time; rather than delivering aggregated data on store traffic at the end of the week. Such sales infrastructure needs to be flexible and fit within the overall back office automation of the retailer. Additionally, the interface should be easy to use and should accommodate lightly trained or even poorly trained sales personnel.

Near real-time customer data is required to make the shopping experience sticky; yet, not just any data will do. Simply knowing the last time a customer visited the store is important; but more so is delivering transactional data that informs the sales person which items the customer typically purchases, the price range that is most attractive, quality of the products being purchased, and so on. Understanding why a customer shops at a store—understanding the shopper's intent, and helping him or her appraise new products—is much more important than knowing when the last shopping experience took place.

In the short term, having such data available, once the sales person has identified the customer, is essential. Ultimately, though, having automation that identifies the customer automatically, and then notifies the sales clerk, will enable a complete transformation of the shopping experience.

The market requires technology vendors that understand the importance of personal interaction, and that have a plan for enabling it; and then, ultimately, improving it without requiring the retailer to completely replace existing technology.

Solution

As noted above, NEC POS technology seamlessly integrates with its Stanchion Store software to enable the delivery of near real-time customer data to sales personnel. The solution set goes beyond simply delivering data: the Stanchion solution set includes Stanchion Front Counter, delivering near real-time data to the sales position; Stanchion Back Office, which easily integrates with other back office applications; and Stanchion Enterprise, which ties together the Stanchion functionality in the cloud.

The modular architecture and ability to integrate with most ERP applications ensures that, unlike much retail automation, NEC has built its solutions to be future-proof and easily upgradeable, without the need to completely replace the solution when technology improves. This full life-cycle management approach reduces the cost of automation, makes upgrades a snap, and positions the retailer to take advantage of upcoming developments designed to expand the customer experience.

In particular, the addition of near real-time analytics, such as heat mapping (showing the resonance of products and displays with shopping traffic), image recognition (using its Gaziru technology) and object recognition POS, eliminates the need for price scanners and expensive product tagging. This provides a seamless retail experience for the customer, while enabling better workforce engagement for employees. NEC's Neoface™ facial recognition technology, alerts personnel that a VIP or customer affiliated with its loyalty program has entered the store. Once the customer is identified, notifications can be sent to store personnel to allow access to that person's customer information, such as preferences and buying habits. This experience transcends anything available online, and is totally transparent to the customer. The beauty of such capabilities is that the existing line of NEC POS hardware and software is already compatible with these upcoming developments, ensuring that the current investments will have a substantially longer useful life than competitors' solutions.

DIGITIZING THE SHOPPING JOURNEY: BUILDING A BUSINESS ON NEVER SAYING "NO"

There is nothing quite as off-putting as hearing the word "no." From the day people are old enough to walk and talk, they are constrained by the word. It is no wonder, then, that adults consistently identify the word "no" as being offensive. Consider, then, the impact on a shopper hearing that an item that is on display is not available. Further, imagine the state of mind of that shopper when she hears that the sales clerk not only does not know if the item is available in any other store location, but does not even know whether the central warehouse has it, or can get it in a reasonable time. Most do not have to imagine this scenario; it is a fact of life for brick and mortar retail.

In order to compete effectively with ecommerce, physical retail must find a way to level the playing field, and must do it quickly.

Problem

eCommerce hardly ever says no to a shopper. Although a particular item may be back ordered, ecommerce can draw on many manufacturers to find either another source or one that is similar. In fact, Stratecast research finds that consumers at a physical retail location, who cannot find what they are looking for, often use their smartphones to find what they are looking for online. In a sense, the physical retail defenses have already been breached by ecommerce: the competition resides in the pocket of each shopper that walks through the doors.

Ironically, though, the very fact that people carry smartphones is actually more to the benefit of the brick and mortar retailer than it is to the etailer. This is due to two dynamics: trust and evaluation. As Figure 3 illustrates, when it comes to trust in the shopping experience—that is, the trust people place in the merchant—brick and mortar scores higher in Stratecast surveys.

Figure 3: Trust in Shopping Experience (Use of personal data)

N=1523
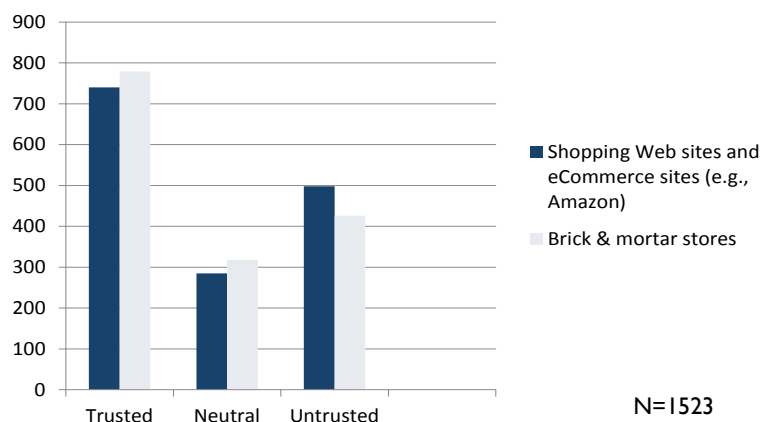
Source: Stratecast

The second dynamic—evaluation, or the ability to compare and evaluate a purchase—also benefits from internet access. As Figure 4 shows, when presented with product information on a smartphone, while shopping, the majority of those who had access went ahead and purchased the item in the store anyway—even when they had to back order the product for later pickup. The reason is simple: while most people are interested in whether they can get a better price, the immediacy of a product—the ability to handle it and evaluate it—often trumps a lower price.

Figure 4: If presented with information in a store on a smartphone about an item under consideration, what did you do?
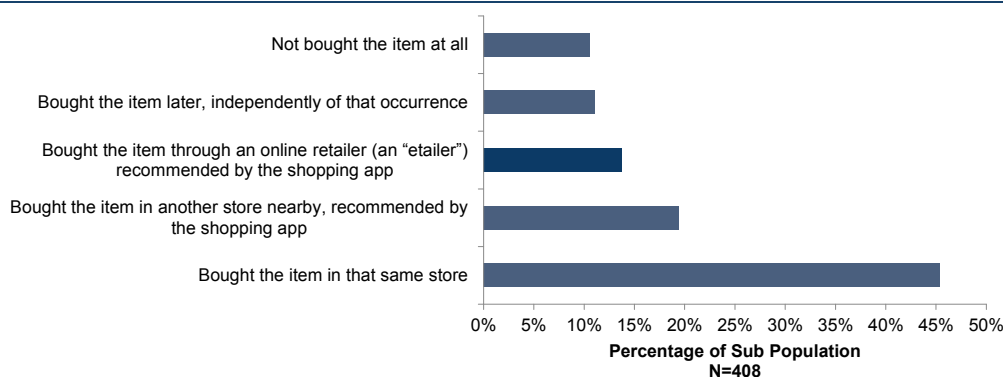
Source: Stratecast

The implication of this dynamic is that consumers would rather shop in a physical retail location if the experience can be augmented with the same capabilities that they are used to when shopping online. Given a higher level of trust implicit in the personal experience offered by brick and mortar, physical retailers ought to be very competitive with etailers. Yet, as noted previously, ecommerce is increasing its share of consumer retail. Why is this? It is because etailers are able to utilize the information they have on consumers, as well as inventory information, to tailor service to the individual. Physical retailers have a harder time doing this.

Market Requirements

The trick for retailers is to figure out how to use all the data they accumulate via digital channels, to create better in-store experiences and products. Many retailers struggle with the problem of being data rich and information poor. What retailers need is the ability to meld flexible inventory management with customer preference data, as ecommerce does. They need to be able to acquire, analyze and deliver to sales personnel preference information on each customer; and they need to be able to marry that information to the back office systems to satisfy those preferences. They do not necessarily need to have the breadth of choice that an ecommerce site has; but they need to be able to deliver the products they advertise; and if not available at a particular store, they need the ability to find a product, regardless of location, and deliver it within a reasonable amount of time to an interested buyer. This transcends simple inventory control, and expands it into the area of interpersonal inventory access.

Retailers must be able to deliver ecommerce service, but with the added factor of a very personalized experience.

Solutions

NEC's Stanchion Store software ties customers to data. Stanchion Store supports a full featured point-of-service solution, which controls all aspects of POS sales tasks—enabling stores to better manage everything, including the cash register's user interface, product searches, price checks, near real-time sales data, and more.

NEC's Stanchion Store platform provides the integration to back office applications to enable retailers to manage all aspects of in-store operations and configuration; while at the same time, melding customer preference data with inventory insights—precisely the same capabilities that ecommerce has, but with the added factor of personal interaction between sales personnel and the customer. Combine this functionality with NEC's Stanchion Enterprise System, and the physical retailer can now manage the customer experience across different locations: moving inventory to the point-of-sale, and ensuring that sales personnel never have to say "no."

These capabilities enable the consumer to evaluate products and services in a way that is fundamentally better than doing so online. However, the retailer must still respond flexibly to changes in the market and changes in technology. Using conventional POS technology, this is virtually impossible.

STAYING PREDICTABLE IN AN UNPREDICTABLE MARKET: BUILDING A PLACE WHERE EVERYONE KNOWS YOUR NAME

There is an old adage concerning human relationships: familiarity breeds contempt. Yet, the situation is almost precisely the opposite of this when it comes to retail. Consumers like the familiar, and will travel great distances, and pay extra, to experience it. This is why restaurants in airports typically do more business if they are with a chain than if they are unique: people who are traveling are looking for a familiar place and a familiar experience. Familiarity drives business.

It is the preference for the familiar that makes an experience sticky; that is, it makes the experience one that

people seek out and prefer. Stratecast research indicates that people will stay with a particular brand of cell phone because they prefer the control configuration or the operating system attributes—even if that cell phone is much more expensive than an equally capable brand that uses a different configuration.

However, maintaining a common look and feel while the market, products, customer preferences and technology changes is extremely difficult. Smartphone and operating system software manufacturers know this: every time a change is introduced, customers get excited. The key is to build an architecture which allows changes to the fundamental technology, while maintaining a consistent presence to the customer.

Such an architecture begins with customer-facing technology; that is, at the point of sale. The reason is quite simple, POS technology that interfaces with existing retail automation can insulate sales personnel and customers from the heavy lifting that is required to implement cutting edge ERP technology. As technology is improved and implemented, the interface between sales staff and customers does not change; new capabilities are just added.

Problem

What do consumers want? Basically, they want a predictable experience: one that feels the same, regardless of which retail location is visited. They want to be recognized and appreciated. As the old television sitcom famously proclaimed, they want a place where everyone knows their name.

In the old days, around twenty years ago, creating and maintaining this kind of customer centric familiarity was relatively simple. Consumers generally went to the same stores for most of their shopping, and had a pretty good feel for the kinds of inventory their favorite stores carried. Internet shopping was minimal to non-existent, and it was likely that the local store sales personnel actually did know their customers by name.

Now, however, consumers are much more mobile and, armed with the web, have access to literally thousands of online choices. Local stores are often parts of chains, and sales personnel are generally so harried that they probably do not know the customer's name or preferences. In many respects, online technology has isolated the consumer from personal interaction; primarily, by forcing price-based competition, which tends to reduce the personal touch in favor of transaction efficiency.

Exacerbating this problem is the speed with which technology evolves. POS and ERP solutions traditionally had up to a ten year lifespan before significant changes needed to be contemplated. Now, their useful life is five years or less. When technology changes so quickly, maintaining a close relation with customers becomes even harder, as the retailer scrambles to maintain service while performing upgrades to POS and ERP software and hardware.

Market Requirements

The dynamic being played out in the consumer retail market is familiar to anyone who has ever purchased a personal computer. Initially, the computer seems fast and capable; however, as new software is released that is tailored to use the new speed and efficiency of the computer, it gradually slows down and ultimately becomes unusable. This presents a problem to the user, who may have invested a great deal of time in configuration of the operating system and browser. Then, there are all of the files that have been stored on the computer's hard disk. Upgrading to the next level of hardware becomes a love-hate exercise: while new capabilities would be nice to have, the pain of upgrading—moving files and applications and reconfiguring the system—is often too much to accept. It is no wonder that many users simply hang on to old machines, even if a new one would be a major improvement and time saver.

POS and ERP solutions are much like this. Initially, the POS is cutting edge and more than capable for the tasks intended. The ERP solutions, too, provide more than enough capability to support the current retail operations. However, as the market and customer preferences change, ERP systems must be upgraded to address them. POS technology begins to lag behind the functionality of the ERP back office systems. Ultimately, an upgrade is required; but this is painful because sales personnel are familiar with the existing system, and customers are used to transactions that work in a particular way.

What is needed is a flexible and scalable POS-ERP solution that easily encompasses innovation and market changes. Additionally, the vendor needs to have a well-articulated plan for upgrading its solutions, over time, to accommodate innovation: one that will not disrupt existing business, or damage the personal touch that brick and mortar operations need to cultivate.

Solutions

NEC has thought through the problem of technological evolution in the POS-ERP domain, and has developed a scalable and very flexible architecture designed to incorporate innovative changes over time, while maintaining the essential look and feel that keep sales personnel and customers happy. Armed with its Stanchion software suite, which provides a modular approach to master data management, combined with its flexible POS terminal equipment, NEC has mastered the essential issues associated with the delivery of a retail experience that recognizes and manages customers individually. NEC literally enables a place where everyone knows your name.

Yet, NEC is not simply looking at present retail requirements. It has envisioned a retail experience where the store itself recognizes and provides service to customers. Using its Gaziru image recognition and facial payment, NEC is developing a retail experience where automation can recognize a customer entering the store, retrieve transaction and preference information, track the customer as he or she explores the retail space, and then can build a near real-time profile of that customer. Additionally, facial payment and object recognition will enable a totally seamless transaction purchasing process, where the customer need only lay out the item purchased on the checkout countertop, and then bag it and go. Sales personnel will be totally devoted to customer assistance; automation will take care of all the mechanics of a purchasing transaction. Critical to this vision of future retail is a suite of analytical software that provides heat mapping and other analysis of store traffic and customer behavior, to determine intent, and improve store layout and personnel positioning.

As technology improves, with an increasing move to hybrid cloud architectures and artificial intelligence, NEC's intent is to incorporate these solutions to constantly improve performance and responsiveness as a part of its Smart Enterprise solutions. Ultimately, brick and mortar retail can be as responsive as the online experience, with the added factors of having a sales experience that is customized and personal.
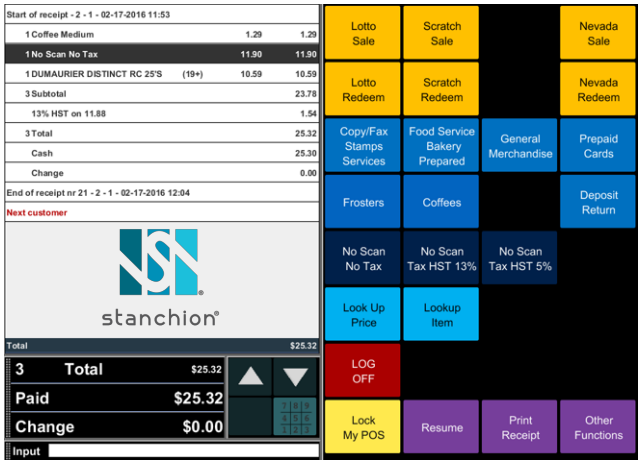
THE LAST WORD

A superficial examination of what is occurring in brick and mortar retail would tend to dismay most observers. As ecommerce increasingly captures the attention and business of consumers, the impact on physical retail has been dramatic. As big box, and even smaller niche, stores feel the pinch of ecommerce, malls are closing and the retailers that remain are being forced into a death spiral of smaller margins and declining revenues. Nevertheless, this need not be the case.

Physical retail has the advantage of being in direct engagement with consumers; able to assess customer response to new products and services, able to adjust the sales approach on the fly, and able to deliver an experience rather than a transaction. To date, retailers have been attempting to compete with etailers on the basis of price; yet, this is a losing game that only serves to depress margin and profit. However, by leveraging personal interaction, retailers can actually charge a premium for the personal experience. This is hard to do, though, when the retailer is simply trying to survive.

Leveraging the personal touch requires a new approach to brick and mortar business; one which emphasizes service over scale, purpose over place, and a fanatical focus on experience over transactions. Achieving this cannot be accomplished through point solutions, where diverse technologies are forced to fit together. Only a well-integrated solution that encompasses all aspects of the shopper continuum can enable the brick and mortar retailer to compete with and dominate the retail space.

What is needed is a new approach to POS-ERP architectures; one that enables the delivery of a highly personalized retail experience, but which is easy for the retailer to implement and maintain. This approach needs to insulate the sales personnel from the complexity of transaction management, ideally removing them from the transaction process, so they can focus on customer needs.

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