



The 5 store formats reshaping apparel and specialty retail,

and what that means for the
point-of-sale.

In partnership with:

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We are in a retail renaissance.

Both digital upstarts and incumbent retailers are re-imagining stores as hubs of experience, convenience and service.

Experience.

Immerse shoppers in the brand, and engage and delight them to convert brand loyalty into brand love. Shoppers seek:

- Authenticity of brand storytelling
- Immersive experiences that entertain
- The richness of digital in brick and mortar
- Stores that fit increasingly urban lifestyles

1 in 2

retailers say they primarily value stores as drivers of brand value.¹

Convenience.

Compete more effectively against convenience leaders such as Amazon by using stores to:

- Improve online order fulfillment speed
- Offer new fulfillment options to shoppers
- Ensure online to offline experience continuity
- Reduce friction from payment and checkout

76%

of retailers will increase the number of online orders their stores fulfill.¹

Service.

Go beyond a transactional relationship to better serve shoppers' pre and post purchase journey through:

- Timely, empathetic assistance
- Personalized fit and style advice
- Relevant value-added services
- In-store self-service options

4 in 5 retailers

plan to improve or increase in-store services in 2020.¹

Apparel and specialty retailers are experimenting with, and scaling, five unique store formats that deliver a combination of experience, convenience and service. These store formats are reshaping the future of brick and mortar retail.

SHOWROOMS & SERVICE HUBS

Small store footprint

differentiated by new digital service experiences, limited yet curated inventory, and highly trained staff.

SELF-DRIVEN EXPERIENCES

Fast and efficient

store experiences driven by smart infrastructure and digital capabilities.

SHARED EXPERIENCES

Interactive concepts

bringing together communities of shoppers through experiences beyond the core of product.

MARKETPLACES & PLATFORMS

Retail-as-a-service

platforms that offer a mix of space, customer acquisition, technology infrastructure, analytics and services.

IMMERSIVE STORYTELLERS

Brand flagships

that drive authentic brand storytelling through digital physical fusion.

These new store formats mandate new customer and associate experiences that traditional point-of-sale hardware and software find difficult to enable effectively.

53%

of retailers plan to add additional POS capabilities in 2019.²

48%

plan to replace their POS to improve checkout experience in the next 3 years.²

Showrooms and Service Hubs.

Store experiences that offer shoppers a richer experience around how they use products.

Key characteristics:

- Smaller stores that carry little or no inventory.
- In-store orders are fulfilled online.
- Store may feature adjacent experiences such as a cafe or salon.
- Highly trained store staff offer personalized fit and style advice.

What this means for the point-of-sale:

- Have a flexible configuration to allow associate-facing, participative or customer-facing use.
- Allow store associates to manage multiple back-room and customer-facing tasks from the same device by delivering item, order and customer information within the point-of-sale.
- Support capabilities such as extended aisle, mobile checkout and clienteling.



Indochino

Made-to-measure men's apparel boutiques that offer fit sessions by appointment.



Nordstrom Local

inventory-less stores focused on services such as online order and pick up, alterations and extended aisle recommendations.

Self-Driven Experiences.

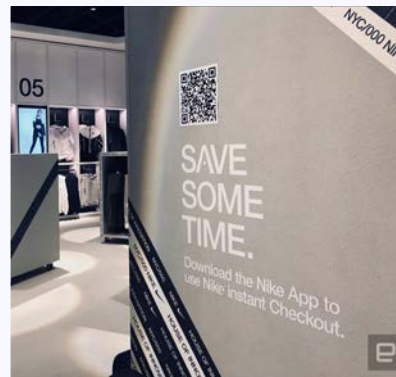
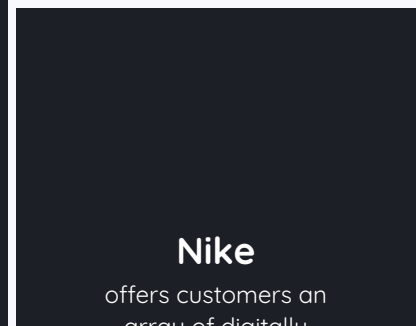
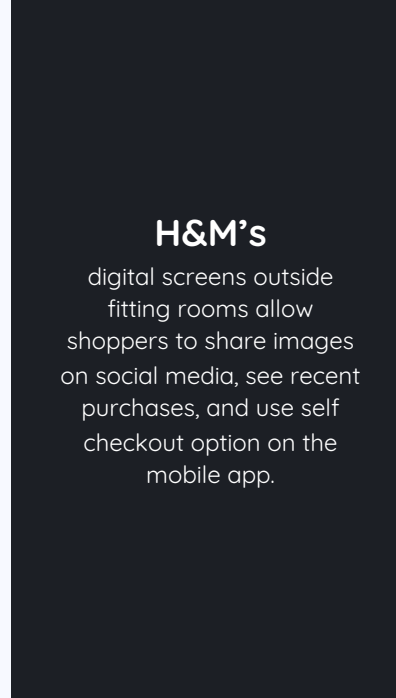
Stores that offer shoppers a frictionless, self-assisted experience.

Key characteristics:

- Prioritize convenience with fast and efficient checkout processes.
- Store experience is built atop infrastructure such as cameras, RFID, beacons, NFC and other forms of sensors.
- Processes are digitized and exposed to shoppers through interfaces such as mobile app or kiosks.

What this means for the point-of-sale:

- Allow shoppers to complete a variety of tasks on their own - from looking up rewards points and order history to self-checkout.
- Support in-store digital experiences such as connected fitting rooms.
- Make it easier for shoppers to understand self-driven experiences by providing instructional content.



Shared Experiences.

Store experiences that offer shoppers opportunities to participate in the community.

Key characteristics:

- Stores feature dedicated gathering or interaction spaces for shoppers or the broader community.
- Shared experiences are tightly linked with the brand's core values.
- Offer adjacent services that bring communities of shopper.

What this means for the point-of-sale:

- Be able to support any product, service or experience such as special events, appointment-based services and in-store cafes.
- Integrate with enterprise content management, promotions engine and CRM software to non commerce transactions such as encouraging shoppers to redeem offers, sign-up for marketing newsletters or your rewards program.

Hub Seventeen

is a 3,500 square foot space dedicated to community, located underground at the Lululemon Flatiron store in NYC. Lululemon calls it a “gift to New York City”.



Todd Snyder's

Flatiron store in NYC is a “membership club” of sorts that offers limited edition men's apparel, a bar & restaurant, an eyewear section and a barber shop experience.



Immersive Storytellers.

Experiences that help shoppers build a stronger bond with brands they love through engaging experiences.

Key characteristics:

- Provide an authentic brand storytelling experience and allow shoppers to use the products in simulated real-life environments.
- Fuse the best of both worlds: the romance of physical stores with the richness and interactivity of digital.
- Innovative store designs, a departure from the usual racks and shelves.

What this means for the point-of-sale:

- Be configurable in many different layouts and angles, allowing for maximum creativity in store design.
- Offer customization in design to blend more seamlessly into highly branded experiences.
- Be easily extensible to integrate with and support interactive technologies such as augmented and virtual reality.

Sonos'

flagship stores include "pods" designed to mimic its shoppers' listening environment at home - a living room or a book nook - allowing them to experience, not imagine, the quality of Sonos' speakers.



Disney & Target

partnered to build a 'shop-in-shop' layout with music, interactive displays, and photo ops for shoppers to experience products & merchandise.



Marketplaces & Platforms.

Experiences that connect shoppers with brands in new and interesting ways.

Key characteristics:

- Brick and mortar equivalent of online marketplace concept, therefore carrying no inventory while offering shoppers a wider selection.
- Offer store or shelf space, customer analytics, technology infrastructure and shared marketing investments as a service to partners.
- Build creative and synergistic partnerships thereby offering shoppers greater convenience and flexibility.

What this means for the point-of-sale:

- Versatile devices that can offer product information, promotional offers and pricing information as well as traditional point-of-sale capabilities.
- The ability to integrate product content from across an ecosystem of partners.

b8ta

is a retail-as-a-service platform that connects shoppers and brands via its stores. It has quickly expanded from electronics to fashion (Forum) and specialty (the reincarnation of Toys R Us).



The Real Real

is a consignment retailer that connects buyers and sellers of luxury goods via its site and stores.



A multi-faceted store strategy needs a **multi-dimensional point-of-sale.**

As you transform stores to be hubs of experience, convenience and service, you will need to consider whether your point-of-sale is accelerating your ability to deliver on your intended vision.

Adapt to many different store formats and use-cases.

From associate-facing to customer-facing use-cases; from using the point-of-sale to transact, to using it to inspire shoppers; from enabling self-service to empowering store associates – prioritize point-of-sale hardware that can flexibly address different uses, users and usage..

Be future-ready to serve new innovations.

Customer experience expectations and store format innovation do not remain static. Make sure your point-of-sale hardware is future-ready with strong extensibility and industrial performance.

Customize to your business model, experience and brand.

From connected fitting rooms to interactive store redesigns; from running in-store cafes to supporting subscription business models; from an express version to a full-featured one – ensure your point-of-sale hardware offers deep customization in design and configuration.

Scale with confidence.

Not only must your point-of-sale be versatile, customizable and extensible, it must also allow you to scale with confidence with easy serviceability, remote management and system monitoring.

5 new store formats will fundamentally reshape what the future of apparel and specialty retail looks like: Showrooms and Service Hubs, Self-Driven Experiences, Shared Experiences, Immersive Storytellers, and Marketplaces & Platforms.

To realize this vision, however, retailers need their point-of-sale to be **versatile** (adaptable to many different use cases and store formats), **customizable** (configurable in many different options while aligning with their brand) and **scalable** (extensible and serviceable at scale).



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