



Winning Strategies for Retailers

CompuCom Enhances Your Customers' Experience and Your Brand Growth



It's All About the Customer

Now more than ever, customer expectations drive the retail experience. Customers demand low prices and high levels of service at their convenience. They have become accustomed to sales and discounts, anticipate that their preferences will be known by service personnel, and assume that any retailer can provide real-time inventory and order status information.

Customers expect that the same products will be available online and in-store and that they can return unwanted goods at their preferred location. To win in this arena, retailers must compete more aggressively than ever and deliver a more compelling, memorable shopping experience at a personalized level. All the while, they must contain costs, remain stable, and grow brand loyalty.

With consumers more accustomed to the quick convenience of shopping on the Internet, brick-and-mortar retailers have to hustle like never before. According to one industry analyst, they increasingly find that new technologies are often the only way to keep costs down while offering customers a better shopping experience. Add changing demographics, and the time is ripe for shopping to get a technology infusion. Another analyst says, "At long last, retailers have a genuine opportunity to integrate their store and enterprise applications, supported by cheap network capacity and thin-client, single-instance Point-of-Sale (POS) applications. This integration will offer the possibility of new levels of multichannel service along with tightly-targeted offerings to customers."

To facilitate the retail point-of-service transformation, analysts also believe that Wireless Local Area Network implementations will continue to accelerate in this vertical as retailers continue to leverage new technologies for building "smarter stores" to differentiate the customer experience. Consumers can look forward to a shopping experience in the future that will be quite different from anything we see today. Transformation will take place. And, those retailers that can tackle the transformation issues and uncomplicate the lives of customers while increasing conversion rates, will be the winners.

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The Leading IT Outsourcing Specialist



Technology Must Become a Strategy

This transformation must not only enable technologies to be implemented at the store level quickly, without interruption, and affordably; it must also involve enterprise-level mobility to place technology where it is needed most and where it will drive up the customer's commitment and thus drive up switching costs. Never before has the quality of interaction with store personnel and the store environment been under such scrutiny. Studies have shown that some 40% of customers entering retail establishments and who are not engaged meaningfully—exit without buying. Retailers know that meaningful engagement is the key to success. However, they also know that to take advantage of every touch-point can be an expensive proposition.

This year, an estimated 100 million U.S. shoppers will be looking for a more meaningful, and therefore integrated, shopping experience. Moment-to-moment information must be available to save the sale. This means real-time access to the supply chain, back-office access to transaction data, and down-stocking information to the receiving area. Today's retailer must not only have access to corporate enterprise applications, but also must have store enterprise applications. The store must remove the dotted-line connection to the corporate enterprise; they must be incorporated into the enterprise. This means reshaping Information Technology to revolutionize their customers' experience.

The question then that burns on the minds of retail executives today is not "What must I do?" but rather, "How can I do this?" and "How quickly?"

Business Drivers

Today's retail executives are called to action on three fronts:

- **Financial stability of their business**
- **Visitor-to-buyer conversion rates**
- **Brand growth and expansion**

With these three business drivers, retailers must survey the possible business initiatives and opportunities that will empower them to face today's challenges as well as to stay on top of trends and future brand growth. If there were a buzzword for this era in retail, it would most likely be "strategy." Much like the game of "Survivor" today, where to be successful the survivor must create a strategy that will not only help him/her stay alive and conserve their energy for the next challenge, but also will build trusted alliances that will take them to the final three.

So what are some of those strategy options and opportunities?

■ **Financial Stability**

Through business initiatives, retail executives will be looking to create a financially sound brand by way of secure, stable, and consistent store operations. They will be looking toward technology solutions that will create intelligent value chains to offset the rising costs of fuel, inventory and labor. Retailers will be focused on cost containment strategies that may involve mergers, private equity buyouts, reorganizations, outsourcing and even store closings. They need a strategy to survive. (See Figure 1.)

(Figure 1) Financial Stability

OBSERVATIONS	BUSINESS INITIATIVES
<ul style="list-style-type: none"> • Diverse brands under one ownership • Differing management needs based on brands • Unstable environment - unable to deliver to the customer or make numbers • Changing economic projections for the sector/brand • Financial difficulties • Losing brand share • Many store and IT formats 	<ul style="list-style-type: none"> • Private equity buyouts • Stabilize store environment • Assortment changes • New marketing strategies • Brand mergers • Outsourcing • Reorganization • Store closings

■ Customer Conversion

Next, retail executives will be looking at their stores to determine what is working and what is not in an effort to attract and retain increased customer loyalty. Old, outdated stores will require remodeling and long overdue upgrades in store technology to enable the use of competitive tools and to provide for today's demanding shopper. With decreasing margins, economic instability and the decline in customer loyalty, once again, retail executives are faced with not 'what' to do but rather 'how.' They must again contain the cost of all this progress through reduction in the number of formats, equipment, and procedures they are supporting. Retailers will be looking for creative strategies that will allow them to make use of technology that not only reduces costs and increases revenue, but also creates a more interactive, exciting customer experience.

They will need to understand customer buying preferences: what, when, where and how. This means that they must add value-based operations without further complicating the lives of store personnel or adding to their labor expense. These value-based operations will likely involve new store infrastructure designs, including in-store servers and data devices, which will allow for enterprise enabled transactions, quick data storage and access, as well as content management tools. Retailers need a "strategy" to take on the challenge. (See Figure 2.)

(Figure 2) Customer Conversion

OBSERVATIONS	BUSINESS INITIATIVES
<ul style="list-style-type: none"> • Store is confusing to customer • Customer can't find what they want • Customer gets frustrated • Customer is alone, no sales help • Out-of-date stores (aesthetics) • Out-of-date equipment • Out-of-date technology - slow • Lack of competitive technology • Displays are not fresh or well kept • Too many exit points for the customer • Redundancies in data collection • Space issues • Technology not working or unusable 	<ul style="list-style-type: none"> • Store remodels • Store upgrades • Assortment expansion • Multi-channel business • Customer centric process re-designs • Intel initiatives • Supply chain initiatives • Store-within-store initiatives • Store enterprise initiatives

■ Grow the Brand

Retailers next look to business initiatives that will grow their brands. Before deciding on aggressive new store opening strategies, retail executives must ensure the stability of their formats. Once stable, they will be looking for repeatable, scalable procedures that can be replicated on a large scale while reducing risk. Retailers want little or no impact on business, and on-time and on-budget delivery. Many will be considering mergers across their brands or acquisitions to better position their brands, which will also involve consolidating formats, equipment and processes. They may add an assortment of merchandise to the mix that requires new technology or processes. And many are looking for an international strategy which continues to give them control to maintain their brand, but with the flexibility to do business in different cultures—retailers need a strategy to win. (See Figure 3.)

(Figure 3) Grow the Brand

OBSERVATIONS	BUSINESS INITIATIVES
<ul style="list-style-type: none"> • Aggressive, innovative company on the move • Anticipated growth in retail sector • Hot or new lines of business • Retail spending up • Changes in competition 	<ul style="list-style-type: none"> • International expansion • Domestic expansion • Assortment expansion • Mergers and acquisitions • Stabilize store environment • Store upgrades • Store remodels • New marketing strategies

"Great partnership. Quality of service has continued to consistently improve and excel, helping us meet our changing service demands and evolving business needs."

Retailer's Authorized Spokesperson

CompuCom enables retailers to leverage IT to deliver greater value to customers, as well as an enhanced shopping experience. Our managed retail solutions help retailers by:

- Maximizing existing resources and reducing costs
- Managing costs, while maintaining superior service levels
- Streamlining the purchase of hardware and supplies via one vendor partner



Why CompuCom for Retailers?

CompuCom offers many solutions that address the needs of today's retailers. We not only design and deploy technology solutions, but we manage what we deploy to enable you to reap the benefits as you revolutionize your customers' experience. Working with many industry leaders, including three of America's top five retailers, we have an unsurpassed reputation, supporting more than 350,000 POS lanes globally. CompuCom is uniquely positioned to help retailers establish competitive differentiation and cost leadership through environments that facilitate the seamless introduction of new technology. Our team has deployed and integrated systems for entire stores, from network and POS equipment, to advanced wireless and telephony systems. We are also vendor-independent and can offer complete integration solutions.

Our retail solutions combine state-of-the-art staging and configuration facilities, highly-skilled deployment teams and project management expertise, with industry-leading management and reporting tools to deliver a seamless upgrade of an entire store technology environment. We provide our clients with a single point-of-contact for issue resolution and real-time visibility into all elements of their project and schedule. We are well-positioned to assist the retail industry in maintaining their financial stability, increasing customer conversion rates and expanding their brands.

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