A woman with long, wavy brown hair is smiling and looking towards the left. She is holding a yellow credit card in her right hand and a smartphone in her left hand. She is also holding a brown shopping bag. The background is a blurred retail environment with warm lighting. The text "Retail Reinvented" is overlaid in white, bold font, with a green horizontal line underneath it.

Retail Reinvented



The reinvention of retail

While the majority of sales still happen in physical stores, digital capabilities are shaping the evolution of the shopping experience.

The Deloitte Global Powers of Retail 2018 report supports this assessment. The research study, which analyses trends from 250 of the world's largest retailers found transformation is happening at a faster pace than ever, creating problems for retailers accustomed to "balancing conventional performance metrics like growth, profitability, and space productivity."

The rise of internet retailing

A digital wave is sweeping across Southeast Asia disrupting retail, led by a younger, more affluent, tech-savvy population.

Southeast Asian countries are on a solid foundation for accelerated digital growth. According to a report by Google and Temasek, 2018 was the year of e-commerce in Southeast Asia, which doubled from the previous year. They also indicated that the expected size of Southeast Asia's e-commerce market will be \$102 billion in 2025.*

Bain and Co reports similar statistics citing that 70% of the retail growth in the Asia-Pacific region from 2018 to 2020 will come from online sales.

**e-Conomy Southeast Asia 2018 report by Google and Temasek*





Within today's retail landscape, it's also more difficult for retailers to maintain a loyal customer base. Retailers face a wave of competitors offering new products, services and technologies that make consumer shopping experiences more engaging and convenient.

One example of the changes we are witnessing include the buzz around "frictionless checkout," the move for grocers to use technology that removes resistance or friction from consumers' in-store transactions to reduce wait times and improve overall shopping experiences.

The unusual suspects

Traditional brick-and-mortar competitors are bad enough. However, competition from ecommerce players has proven to be a tough opponent for brick-and-mortar only stores.

The Amazon logo, featuring the word "amazon" in a lowercase, black, sans-serif font with a curved orange arrow underneath it.The Alibaba.com logo, featuring a stylized orange "A" icon above the text "Alibaba.com" in orange.The JD.COM logo, featuring a white hand holding a silver spoon above a penguin character, with the text "JD.COM 京东 Tencent 腾讯" below.The Lazada logo, featuring a pink and orange cube icon followed by the word "Lazada" in a black, sans-serif font.The COURTS logo, featuring a yellow circle with a blue "C" inside, followed by the word "COURTS" in a blue, sans-serif font.The Qoo10 logo, featuring the word "Qoo10" in a red and blue, sans-serif font.The tokopedia logo, featuring a green owl icon above the word "tokopedia" in a green, sans-serif font.The Bukalapak logo, featuring a red square with the letters "BL" in white, above the word "Bukalapak" in a red, sans-serif font.The red'mart logo, featuring the word "red'mart" in a red, sans-serif font with a trademark symbol.The honestbee logo, featuring a yellow bee icon above the word "honestbee" in a black, sans-serif font.



Online and social media shopping options, subscription services, and manufacturer direct-to-consumer distribution are just a few of the new options blurring the lines between physical and digital channels and cross-industry.

With consumers turning their backs on the brand-loyalty model, and turning their business toward newcomers and new ways of researching, buying, and fulfilling, leading retailers are looking to start digitally led initiatives to remain viable and position themselves for ongoing success in this new frontier of retail.





How to reimagine retail: think digital first

Despite these challenges, the current physical retail environment is far from bleak. Rather, this tipping point is creating opportunities for retailers to leverage new touchpoints and capabilities to develop deeper, more meaningful relationships with customers.

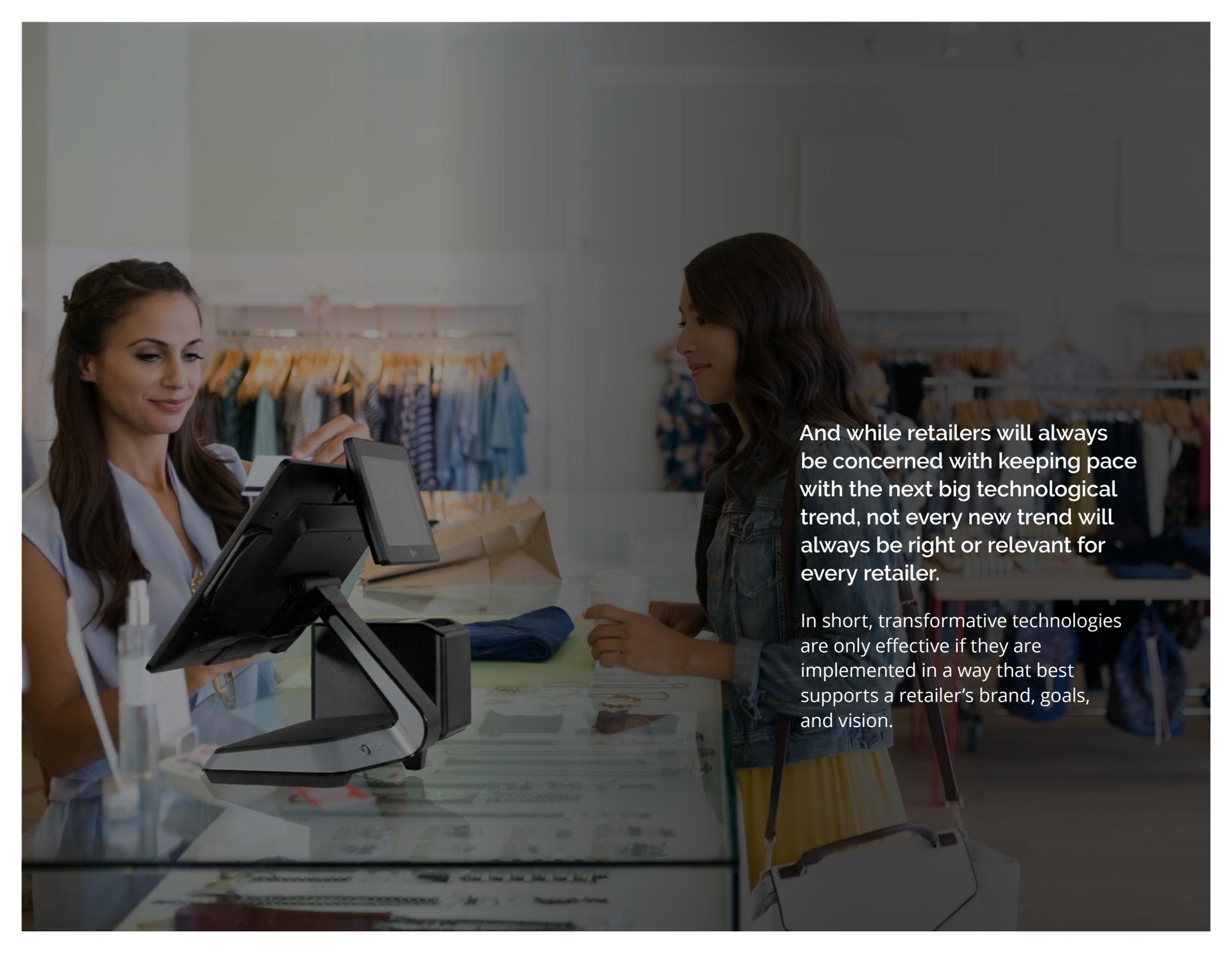
This whole new world of retail means retailers must go beyond merely adding channels for shopping, and fundamentally shift their philosophies around customer service and engagement. It also means making strategic investments that will bring digital transformation to the store.

Why? Because combining the ease of online shopping with the real-world experiences that can only occur inside a store means that retailers can achieve the best of both worlds, eliminating inefficiencies and delivering a superior level of service that can't be beaten.

Stepping up their game— and spending

Forrester Analytics expect B2C online retail in Southeast Asia (SEA) to rise from its current \$19 billion to more than \$53 billion in 2023, when it will account for 6.5% of all retail sales.



A woman in a light blue uniform is operating a cash register in a clothing store. A customer is standing next to her, holding a white cup. The background shows clothing racks and a shopping bag on the counter.

And while retailers will always be concerned with keeping pace with the next big technological trend, not every new trend will always be right or relevant for every retailer.

In short, transformative technologies are only effective if they are implemented in a way that best supports a retailer's brand, goals, and vision.

One size does not fit all

There is a spectrum of shopping experiences, which means there is no one type of shopper or set of shopper preferences.





Baby Boomers

Still represent a large percentage of the population



Gen X

More spending power than any other generation



Millennials

Loyalty influenced by crowd-sourced vs. advertising channels



Gen Alpha

Never lived without technology & will have buying behaviours not yet known

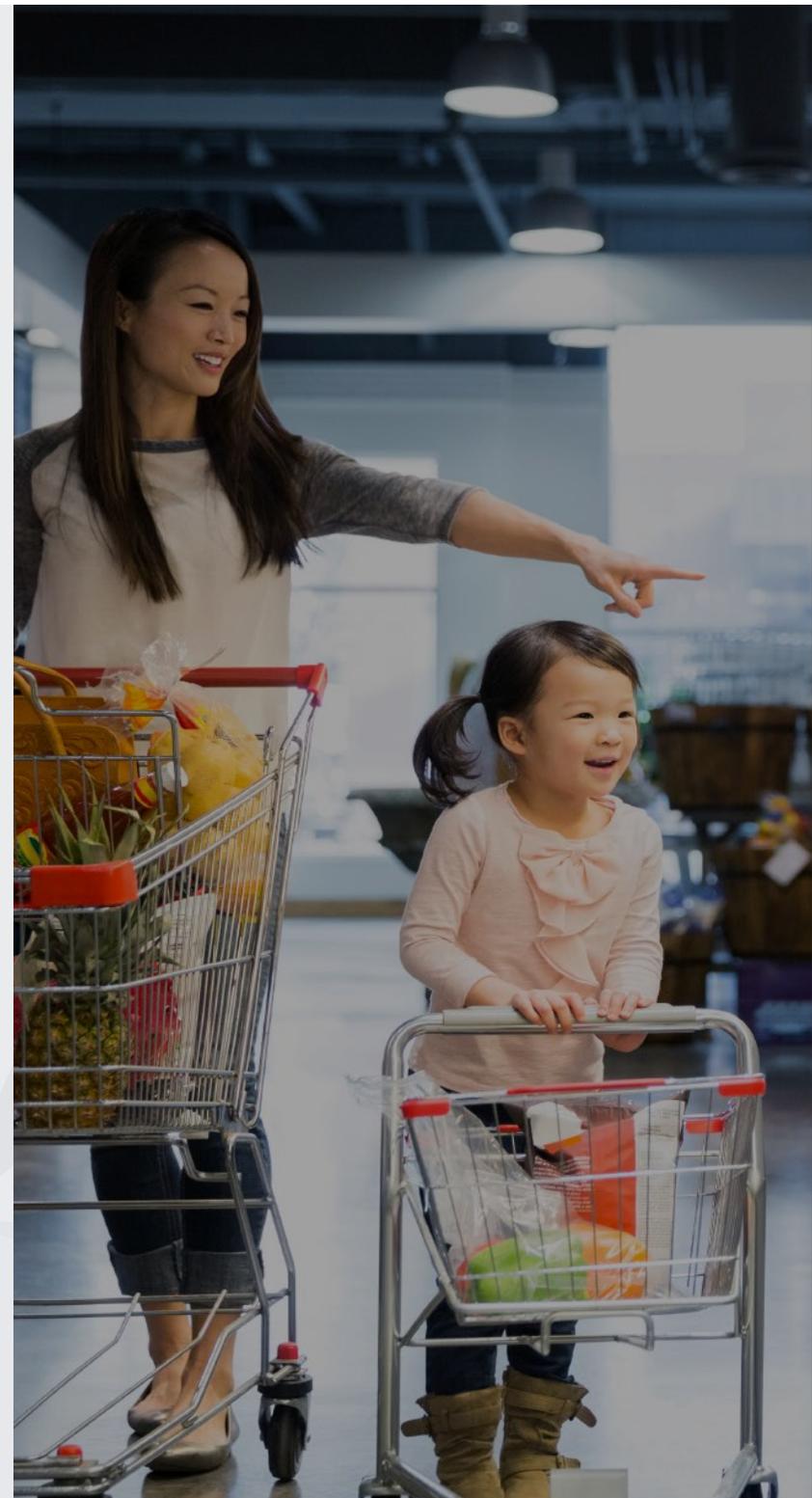
Take changing age demographics, for instance. The Pew Research Center determined that Millennials, born between 1981 and 1997, account for 27 percent of the global population with nearly 2 billion people in this age group worldwide—representing a tremendous amount of buying power for decades to come. We've read all about Millennials. They tend to be less loyal, prefer spending on experiences rather than things, and are more likely to be influenced in a crowd-sourced way vs. traditional advertising.

We also have Baby Boomers, who are living longer and represent a significant influence within the shopper pool. This generation is marked by more brand loyalty, pride of ownership, and a more cautious adoption of new technologies.

The not so great divide

Generational differences are just one example illustrating the broad shopper spectrum.

Buying habits vary based on urban vs. rural, preference for self-service vs. high-touch service, shopping frequency, and many other personal influences that drive behaviour and loyalty.



No matter what, all consumers expect their experiences to be:

Continuous

Consistent

Connected

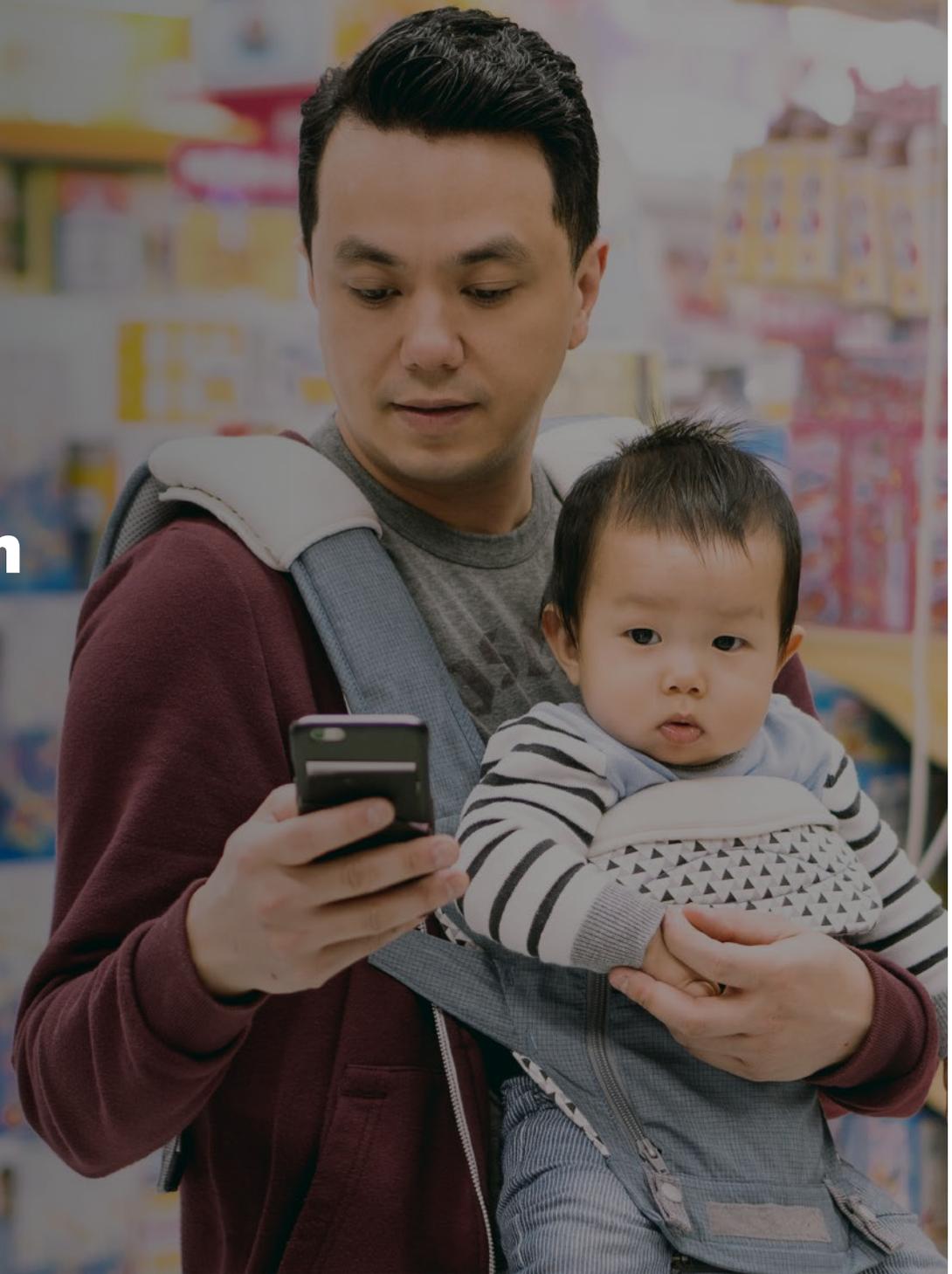
Convenient

Customised

What does this mean? **Retailers cannot win against the competition by innovating for innovation's sake.** Winning retailers are those that take a digital first approach to evolving the enterprise—regardless of the channel or touchpoint—in a way that fits their brands and best serves a diverse consumer base.

The convenient truth

Cross-generational appeal is just one example of how retailers meet the expectations and desires of their shoppers. Retailers also need to offer a variety of convenient checkout options to match the needs and desires of today's consumers.





The rest of the (reinvention) story

To transform the enterprise, leading with digital capabilities is the only way forward. Success lies in a retailer's ability to use technology as a tool that appeals to their customers and, at the same time, aligns to their business objectives.

Retailers must look at a variety of investments to get what they're truly after:



Providing consumers with the **choices they expect** around shopping, payment and order fulfillment with an understanding these "choices" are **highly individualised**



Paving the way for **continued growth**, leveraging existing assets and making **strategic investments** toward the future

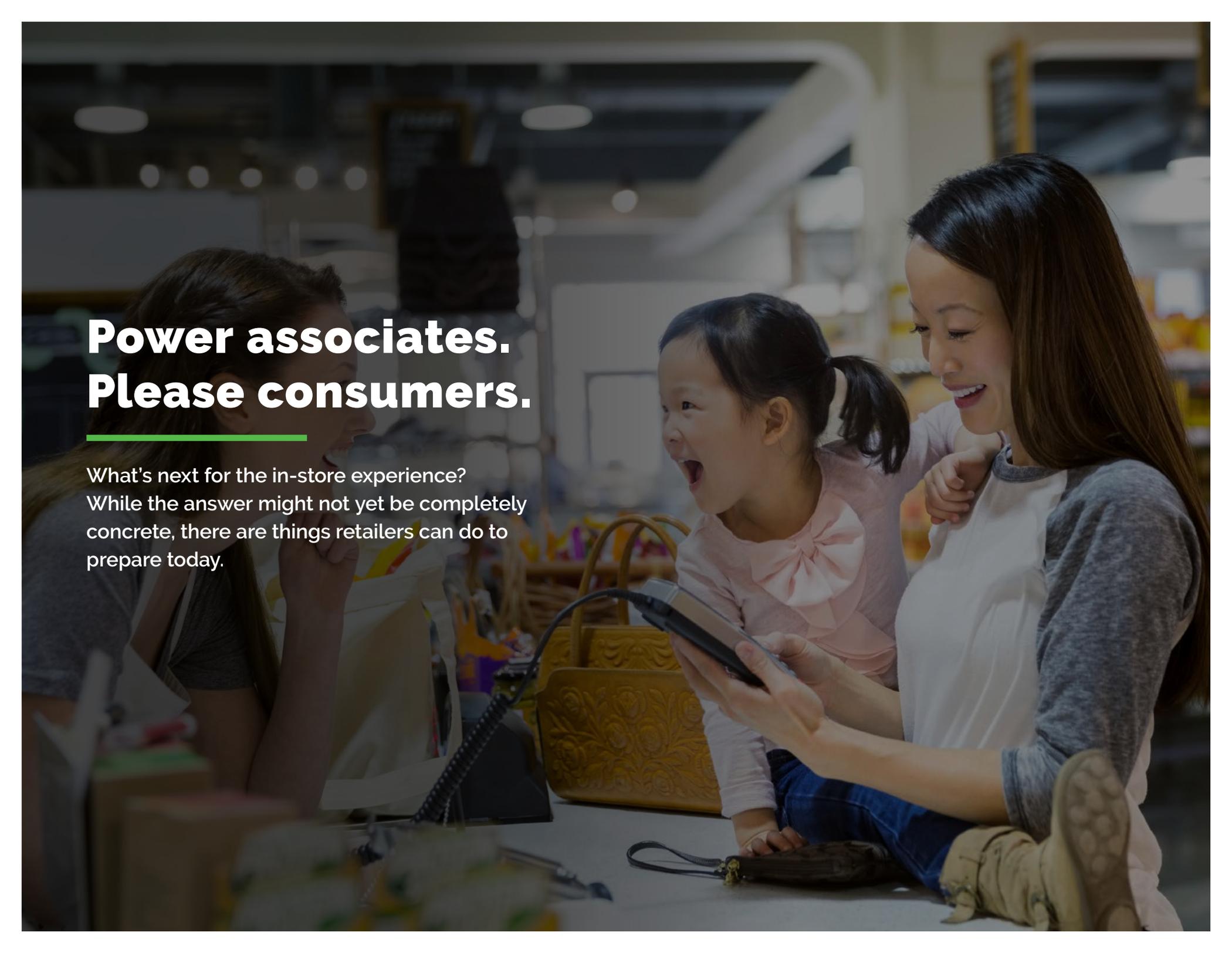


Creating connections that **drive profitability** through personalised offers and loyalty programmes that reflect a deep understanding of **shopper preferences and behaviours**



Offering experiences that appeal to a broad array of shoppers to **foster evolving relationships** with existing shoppers while **attracting new** ones

This means focusing resources on the areas in the store that can provide the most significant return on investment in terms of revenues, customer satisfaction and loyalty.

A woman and a young girl are sitting on the floor in a store, looking at a smartphone together. The woman is smiling and pointing at the screen, while the girl looks excited with her mouth open. They are surrounded by shopping bags and a yellow handbag. The background shows store shelves and a bright, modern interior.

Power associates. Please consumers.

What's next for the in-store experience?
While the answer might not yet be completely
concrete, there are things retailers can do to
prepare today.

Taking a phased approach to transforming the enterprise

The future retail store won't happen overnight. Retailers must chart their own respective courses towards the store of the future, based on appealing to consumers while aligning with business objectives.



Evolution, not revolution

From enhancing assisted checkout, to implementing self-service options, to introducing mobile shopping and more—retailers must determine the pace of store transformation that fits their unique needs and best serves their shoppers.



Self checkout

The next stage in offering speed and convenience is self-checkout, which helps cut queues, moves small baskets through lines more quickly, and increases front-end efficiency.



Buy online, pick up in store

Ready to bridge the digital divide? Bring the online experience to bricks-and-mortar to answer the call for a “buy anywhere, fulfill anywhere” shopping journey.



Grab & go

Some of your shoppers may be looking for the latest in shopping innovation. Establish yourself as a leading brand with a cashierless experience.



Total-store self service

Expand the self-guided shopper journey to include stations for item lookup, ordering, and more.



Mobile shopping

Connect with mobile-first shoppers before they even set foot in the store—increasing meaningful engagement with your brand.



Superior POS

The foundation of the in-store checkout experience is based on a point-of-sale system that goes beyond transactions to enable high-touch service.

Partner with a pro

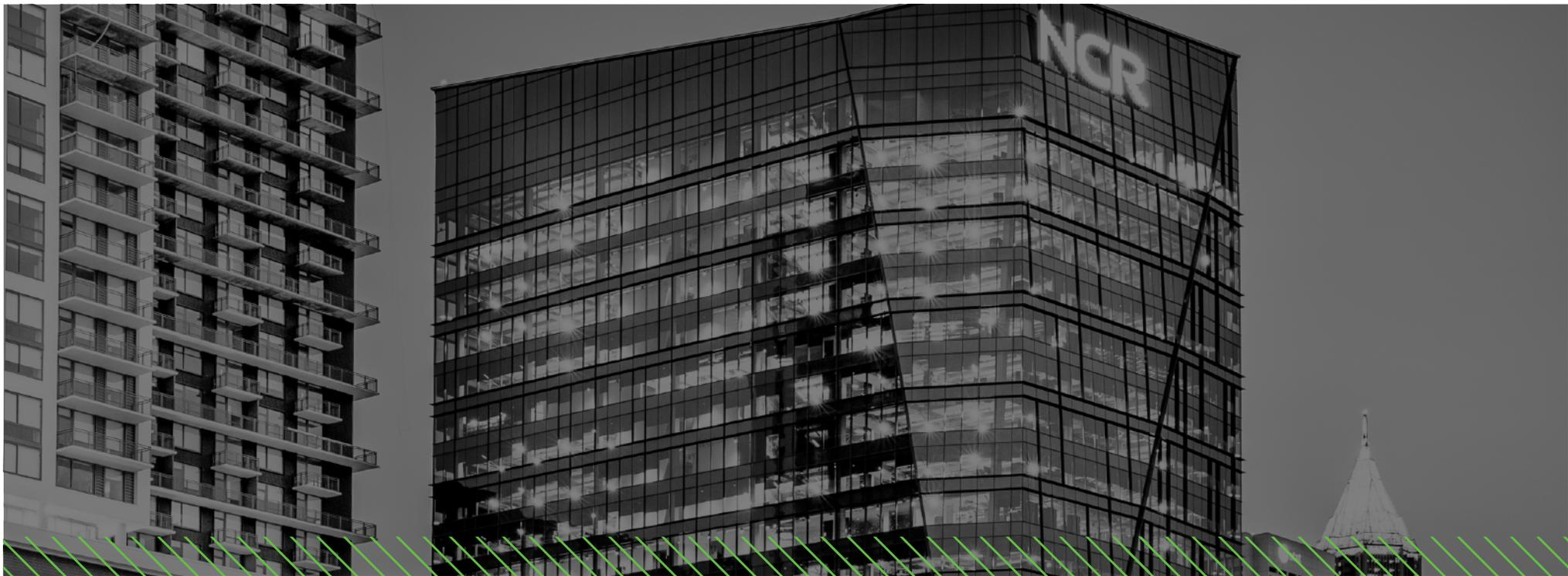
NCR has the retail heritage and track record to help retailers deliver a holistic shopping experience, rather than focus on a single technology. With systems deployed across the globe and long-term partnerships with hundreds of retailers large and small, NCR knows how to customise solutions that transform shopping experiences.





We also know something about reinvention. Since introducing the first cash register more than 130 years ago, we've been leading the progression of point-of-sale solutions, helping bring new innovations such as self-checkout to the market to meet shopper expectations. And we continue to work with retailers to prepare for a future that looks dramatically different than anything the industry has ever seen.

Ready to transform your enterprise with the right digital first approach? We invite you to reach out to us at retail.info@ncr.com—we can help you reinvent today for tomorrow's growth.



WHY NCR?

NCR is a leading technology company that brings unexpected value to every interaction between consumers and businesses. The **#1 global retail POS software** and **self-checkout provider**, we provide solutions that run the entire store.

Leading with digital to transform the physical, we help retailers create meaningful interactions anywhere they happen.

To learn how NCR's technology can help you in your transformation process go to
[ncr.com/retail](https://www.ncr.com/retail)

 retail.info@ncr.com