

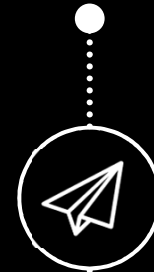
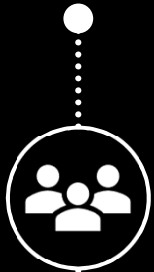
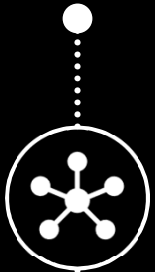


Retail Re-Imagined

ZEBRA SHOPPER STUDY

Mark Thomson





EVERYTHING
CONNECTED

EVERYONE
CONNECTED

DIGITAL
INTELLIGENCE

TRANSFORMED
EXPERIENCES



50B Connected
IoT endpoints
by 2020

6B unique
mobile users
by 2020

AI experiencing
a 50% CAGR to
reach **\$58B**
by 2021

59% of Amazon
Prime users
with an Echo
device use it at
least once a day



Perception Gaps

2019 Shopper Vision Study

Exploring shoppers' and retailers' divergent views of the in-store experience



The state of the industry

Retail has been disrupted. Online, in-store, click and collect...shoppers want it all

This year's study—which added retail associates and decision makers to the survey mix—reveals significant perception gaps throughout several areas of the shopping experience:

- In-store technology & experience
- Omnichannel fulfilment
- Returns or exchanges

In-store technology gap

Perception gaps exist between retailers, shoppers and associates within in-store technology

51%

Shoppers feel they are better connected than in-store associates



56%

Associates agree shoppers are better connected



83% Of decision makers and

74% Of associates say tech-equipped sales associates would improve customer service



In-Store technology gap

In-Store is still in

- Over 80% sales still in store
- Shoppers indicate they want to shop in stores— but with more personalised service
- 41% say “Helpful sales assistants entice me to spend more time in a store”

But associates think assistive capabilities are limited

28%

have difficulty helping shoppers find a desired item

26%

do not have access to customer information

31%

are knowledgeable about half or fewer of the products in their stores



In-Store technology gap

In-Store is still in

Shoppers and associates agree:

- 55% of shoppers said tech-equipped associates provide a better shopping experience
- 54% of associates said mobile device use improves the customer's in-store experience

Upgrade connections; enhance the experience

Associates who are better connected to item and price information at the point of interaction could enhance the in-store experience



Rise of Lower Friction Stores



Nike Live by Melrose



Walmart Empowered Employees



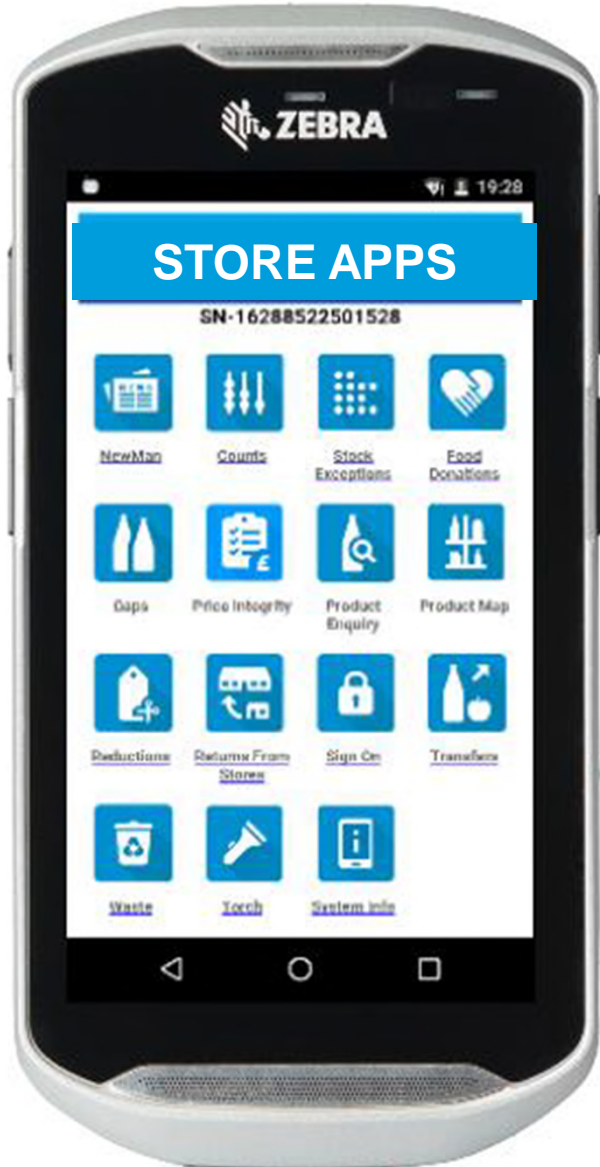
If every member of staff was connected....



RETURNS
LOYALTY
PAYMENTS
RECEIVING
INCIDENTS
EMERGENCIES
COMMUNICATIONS
INFORMATION
MARKDOWNS
INVENTORY
ORDERING
PICKING
GAPS

PRICING

PTT



And think of the data captured!

RAISING AWARENESS OF CHILD LABOUR AND GENDER EQUALITY

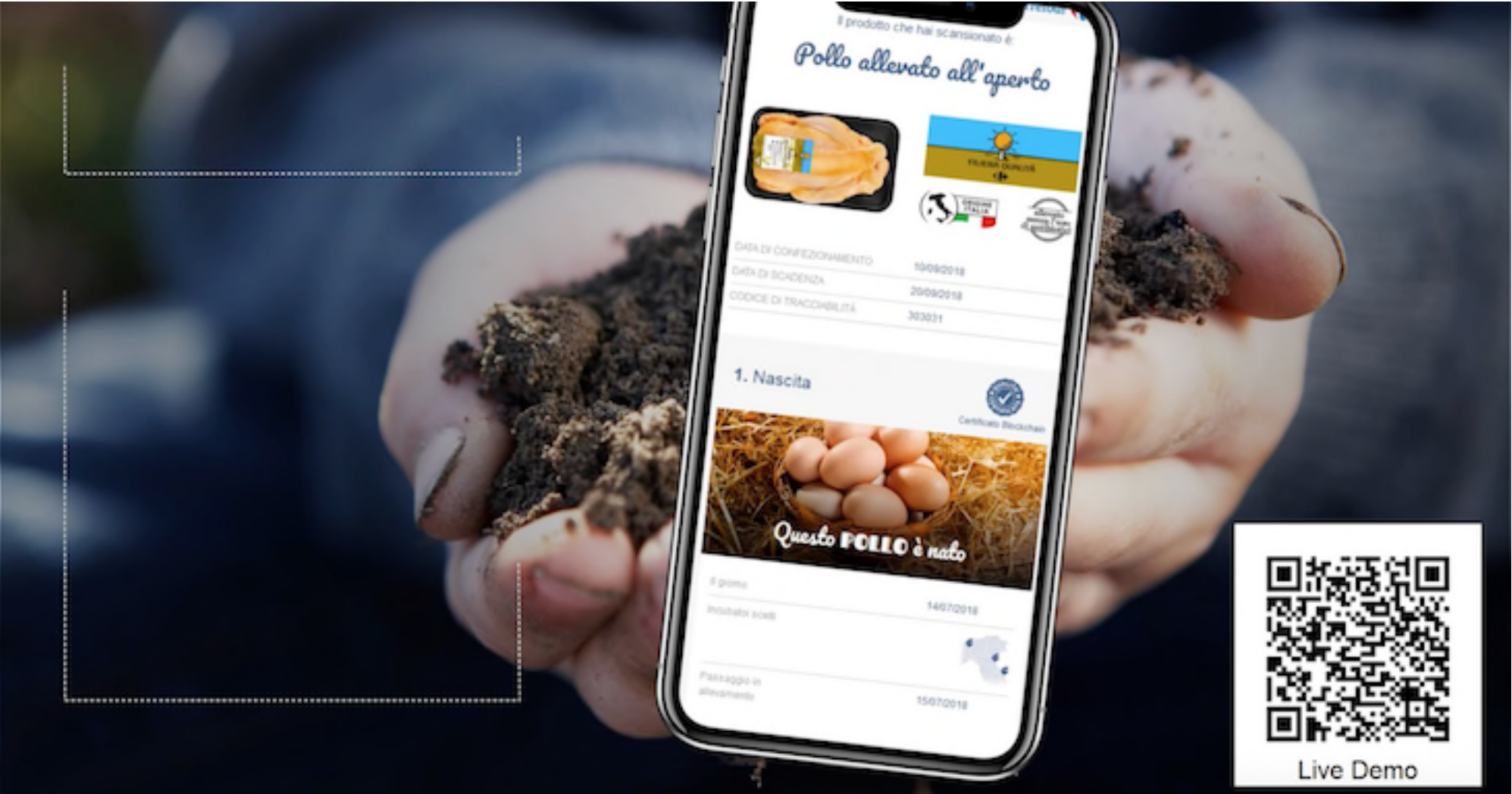
BCI Better Cotton Initiative™
BetterCotton.org

**Traceability &
Sustainability**



Carrefour Food Traceability

Blockchain data delivers customer information



Delivery fulfilment expectations gap

Perception gaps exist between retailers, shoppers and associates within delivery and fulfilment expectations



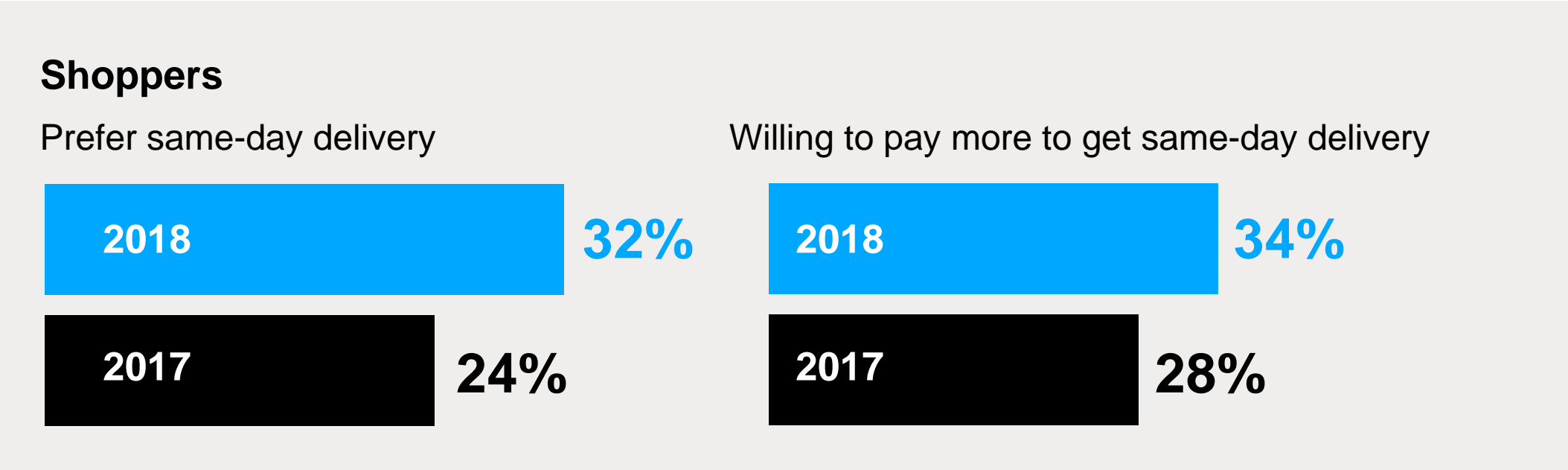
Retailers offer to deliver an out-of-stock item for home delivery



Shoppers prefer to order out-of-stock items in store for home delivery

Delivery fulfilment expectations gap

Shoppers want faster delivery and seamless returns



In response, more than half of decision makers (51%) said they currently offer free shipping and 28% said they plan to offer it in the next year.



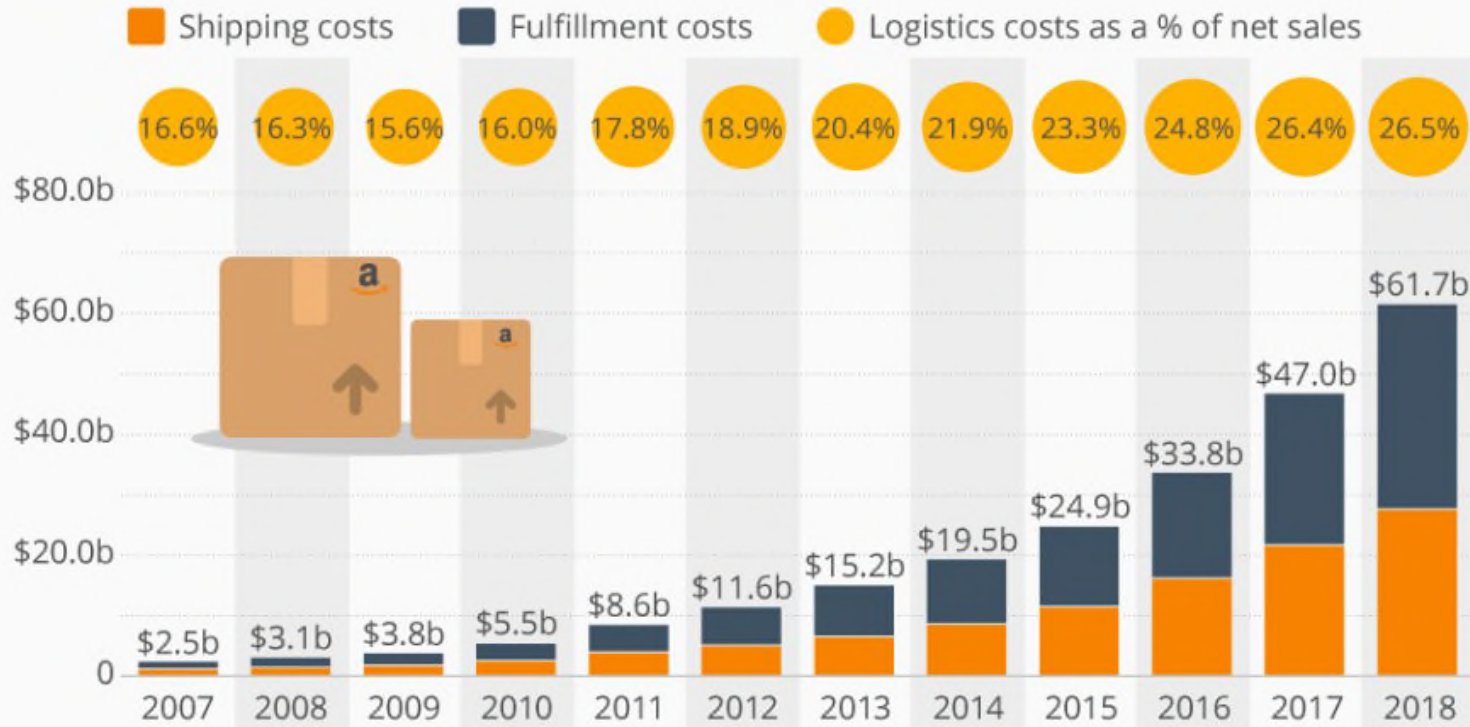


Locus Robotics



Amazon's Escalating Logistics Costs

Amazon's fulfillment and shipping costs in total and as a percentage of net sales*



* Fulfillment costs consist of costs incurred in operating and staffing fulfillment centers, customer service centers and physical stores as well as payment processing costs

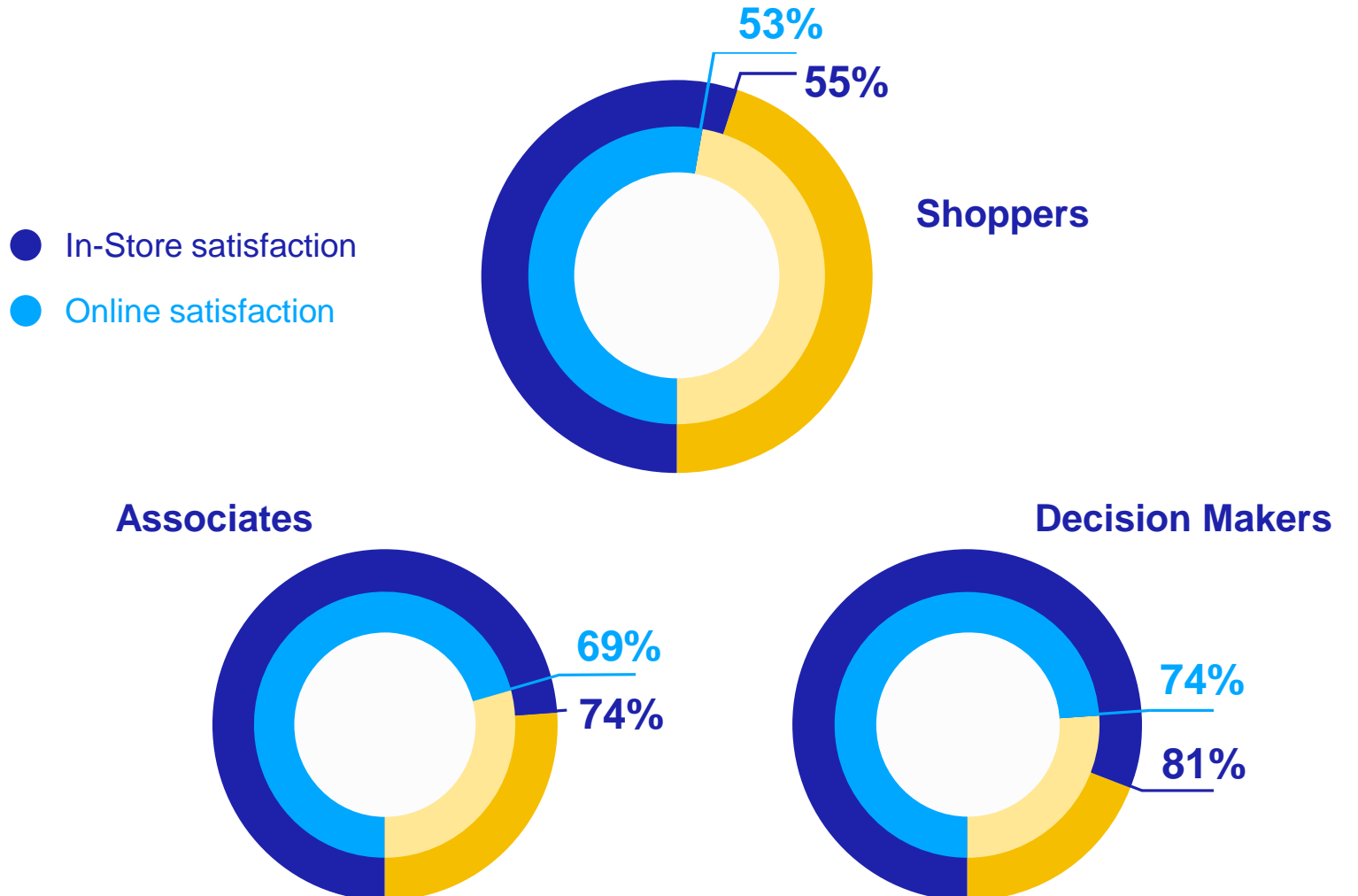
- In 2018, Amazon spent over \$61B on fulfillment costs
- Some of that was on Automation
- Amazon saves as much as \$22 million at each location where they operate robots and an estimate 26% vs. manual warehouses
- 3PLs are finding their clients demanding contracts with service levels and economics that mirror Amazon
- Amazon's wage hike to \$15 per hour exacerbates labor issues and wage rates for competitors

As Amazon continues to increase its logistics spend (now at \$61B), other retailers and logistics providers will need to adopt automation to keep up

Returns or exchanges gap

Shoppers aren't nearly as satisfied with both their in-store and online returns experiences as retail decision makers and associates perceive them to be. Decision makers' perception gap is larger than associates'

Perception gaps exist between retailers, shoppers and associates within the returns and exchanges process



New Models Come with New Challenges

Increasing Returns

- “Reverse logistics,” a fancy term for dealing with returned items, is the top new user of warehouse space in the United States, taking up to 700 million square feet nationally, according to CBRE.
- In 2017 in the US, the value of returned merchandise was \$260 bn, this is increasing disproportionately as online adoption grows where 30% of items are returned (Bloomberg)



Macys Creates new Role of CSCO

Macys has rolled out multiple omnichannel strategies and is using RAIN RFID to track inventory and enable new store fulfilment models to increase inventory efficiency.



REDEFINING THE IN-STORE EXPERIENCE



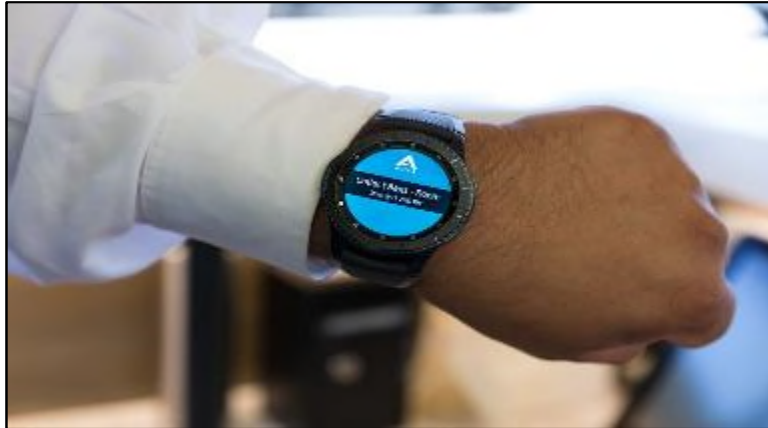
Collection Point



Learning Space



Personalised Offers & Service



Picking Centre

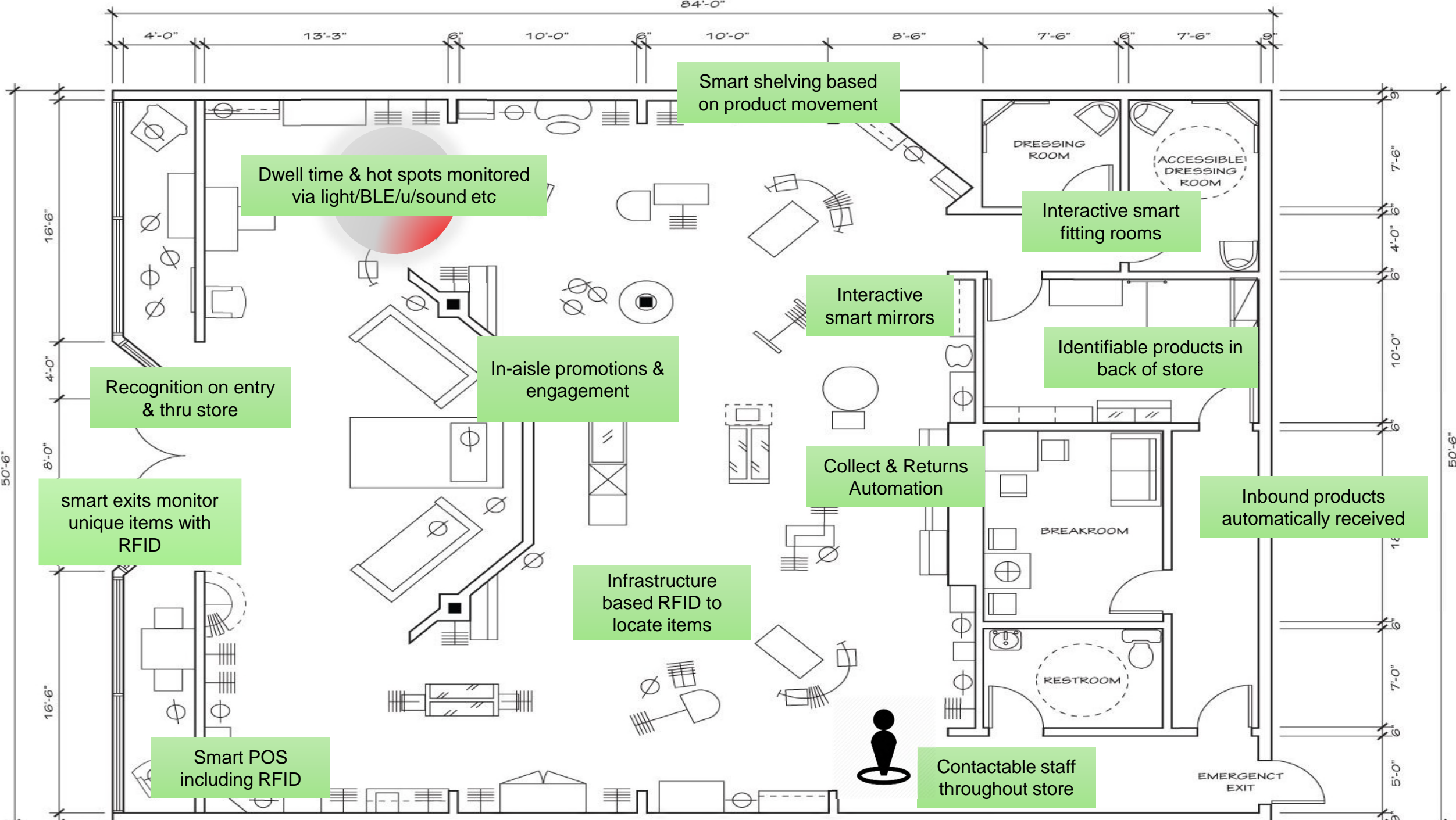


Social Space



Shop how you want

Connected Customers: Connected Staff: Smarter Infrastructure



Smart shelving based on product movement

Dwell time & hot spots monitored via light/BLE/u/sound etc

Interactive smart fitting rooms

Interactive smart mirrors

Identifiable products in back of store

Recognition on entry & thru store

In-aisle promotions & engagement

Collect & Returns Automation

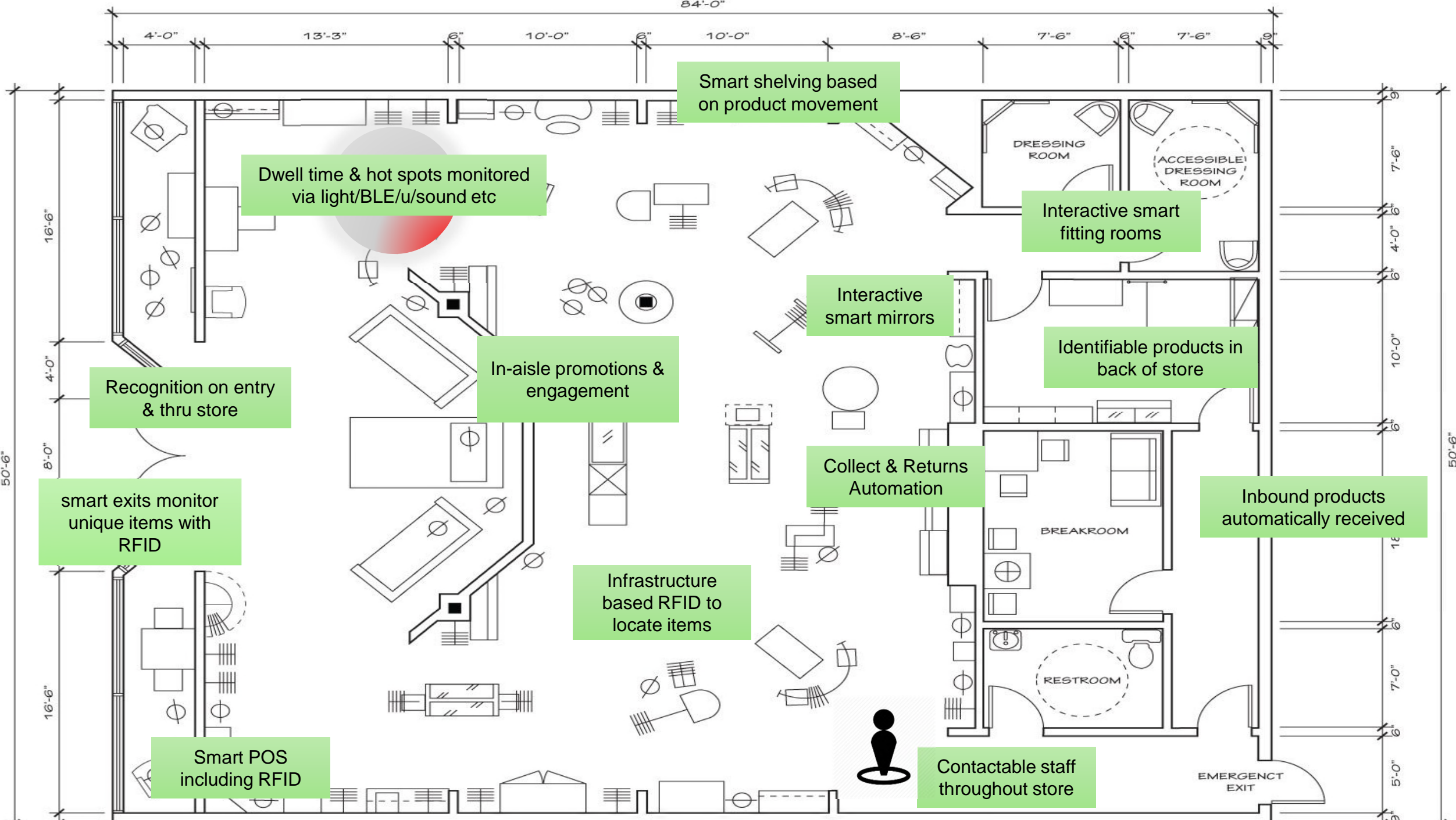
Inbound products automatically received

smart exits monitor unique items with RFID

Infrastructure based RFID to locate items

Smart POS including RFID

Contactable staff throughout store



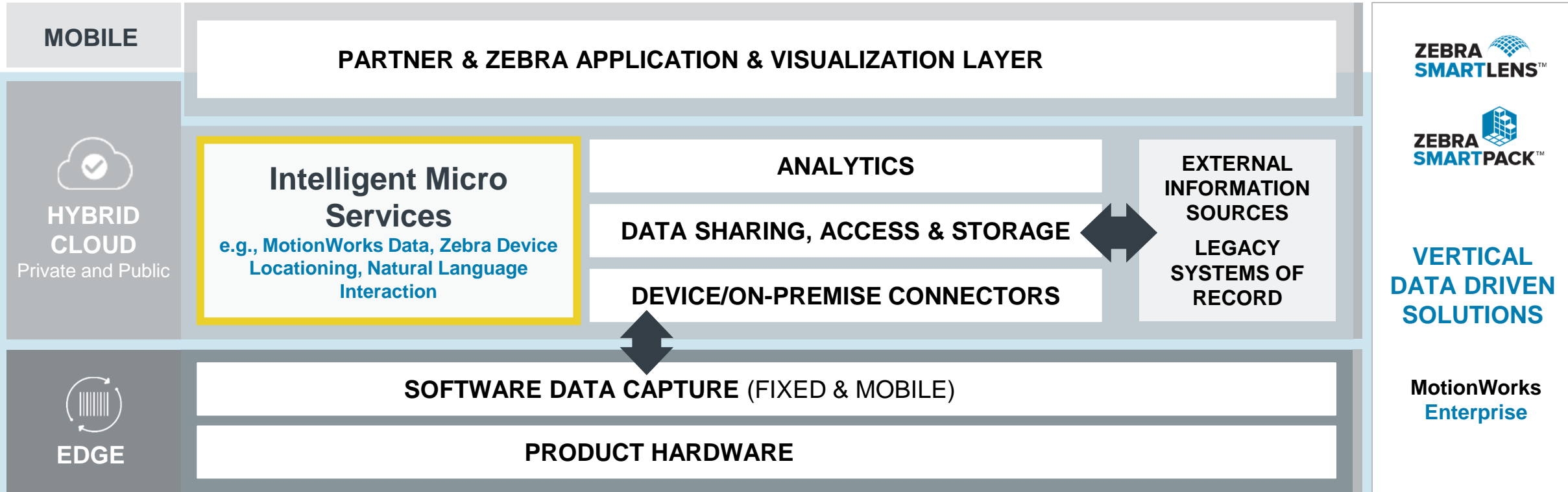


VSCI

EST MMX

Savanna Solution Vision – *Sensor proliferation*

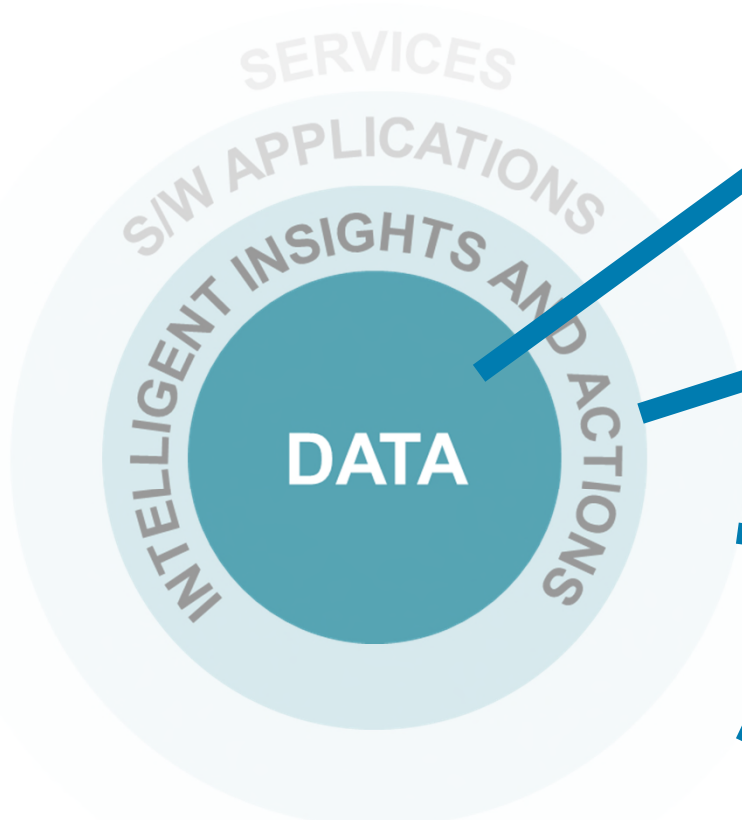
SAVANNA



Solutions in Action

Retail

ZEBRA
SMARTLENS™



Continuous Location of people & assets
Inventory identification

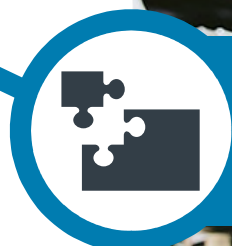
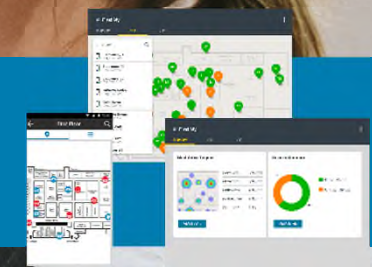


Loss Prevention Events
Re-Stocking Required
Rules Engine triggers actions

ZEBRA
SAVANNA



Asset Protection
Inventory Replenishment
Business Analytics & Reporting



Infrastructure Assessment
Architecture & Design
Installation & Provisioning

RFID Design
Program Mgmt.
Software Integration



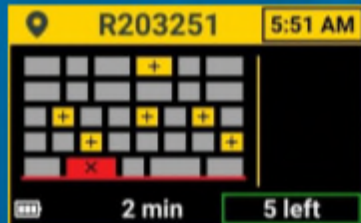


Augmented to Autonomous

Contextual, augmented & autonomous workflows enabled by edge data

User Augmentation

New Mobile Experiences & Augmented Interfaces



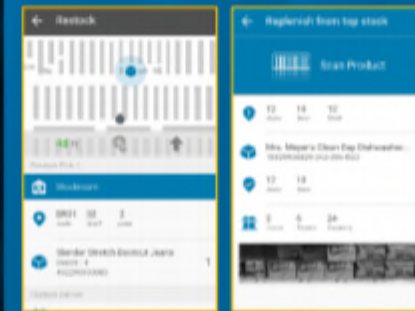
Guided Infrastructure

Smart Environment Coordination



Intelligent Automation

Automated Mobile Data Collection



Path to Frictionless Workflow

Thank You

Zebra offers retail decision makers an entire ecosystem of solutions—hardware, software, supplies and services—that can empower associates to transform the in-store shopping experience and offer shoppers the personalised service of traditional brick-and-mortar retailing and the expanded choice of e-commerce.

