INCISIV

2022 Buyers' Guide

Unified Commerce for Stores

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aptos

Is this report for me?

Incisiv's "2022 Buyers' Guide: Unified Commerce for Stores" offers a structured perspective on what retailers and brands must prioritize when selecting their next point of sale or store commerce platform. This report will be relevant if you are responsible for experience transformation at a retailer or brand in a high-touch retail segment, especially if your transformation strategy hinges on:

- Using stores to amplify your brand, and differentiating on experience versus on convenience alone
- Unifying digital and physical experiences to enhance your overall customer experience
- Experimenting, innovating, and scaling new services, business models, and experiences quicker

Use the framework provided in this report to define or refine the strategic business and technology needs for your next store commerce platform. You will find this particularly valuable if you:

- Are currently evaluating point of sale or store commerce platforms
- Are developing the roadmap or requirements for your next point of sale or store commerce platform
- Currently are, or soon plan to be, assessing what impact your evolving retail strategy has on store experience
- Have experienced technology challenges that prevent you from unifying your store and digital experiences

Let's dive in.

What's in the report?

Pages 4 - 5

RETHINKING RETAIL

How a convergence of 4 macro trends is necessitating a **rethink of retailers' brick and mortar strategies.**

Pages 6 - 9

INSIGHTS FROM AN EXECUTIVE SURVEY

3 takeaways from a study of 150+ senior retail executives, including **why traditional point of sale may not be capable of keeping pace with shopper expectations.**

Pages 10 - 15

ROADMAP FOR UNIFIED COMMERCE FOR STORES

A framework to help build your Unified Commerce strategy, including **15 key capabilities to consider across 5 dimensions.**

Certain Uncertainty.

Uncertainty is the next normal. Retailers' response to the pandemic has made them prepared for more pandemics, not disruption in general.

While retailers reacted swiftly in the immediate aftermath of the pandemic, they did so by cobbling together a patchwork of systems that will not stand the test of time. From needing to switch a cluster of stores overnight to "dark" mode, to scaling new services, such as in-store pick-up, retailers' store strategies will need to remain fluid.

Death by Commoditization.

Competing on convenience is a race to the bottom. When you're not playing by the same rules, change the game.

Everyone does free shipping. Everyone will do free returns. What is it that only *you* do? Retailers need to differentiate on brand, build a stronger business model, and generate new revenue streams. Brick and mortar stores offer retailers a rare advantage in their battle against commoditized convenience.

The Great (Retail) Resignation.

Retailers will have to do more (for shoppers) with less (associates). The gap between intent and execution just widened.

Retailers find themselves grappling with a widening labor shortage, rising wages, high attrition rates, and the suddenly evident consequences of under-investment in training. They will need to empower store teams to manage an increasing volume, velocity, and variety of store tasks through cutting-edge technology, or their best laid plans will fall at the altar of execution.

Digital-First World Order.

Digital will become shoppers' front door to absolutely everything. Being analog in a digital world is a recipe for obsolescence.

As more customer journeys begin online and store visits become increasingly pre-planned (e.g., increase in click & collect and curbside pick-up), the importance of converting fleeting transactions into long-lasting relationships will rely heavily on experience unification across channels.

How will brick and mortar stores evolve in this new world order?

And, are retailers equipped to succeed?

Incisiv surveyed senior retail executives to better understand their store transformation strategies, attitudes towards their current point of sale software, and expectations from the next generation of store commerce platforms.

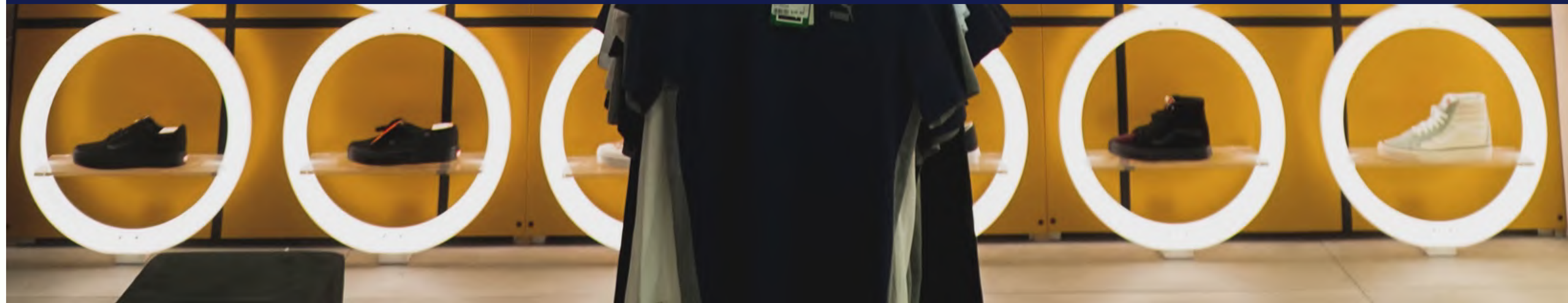
154

Total respondents

51% from North America

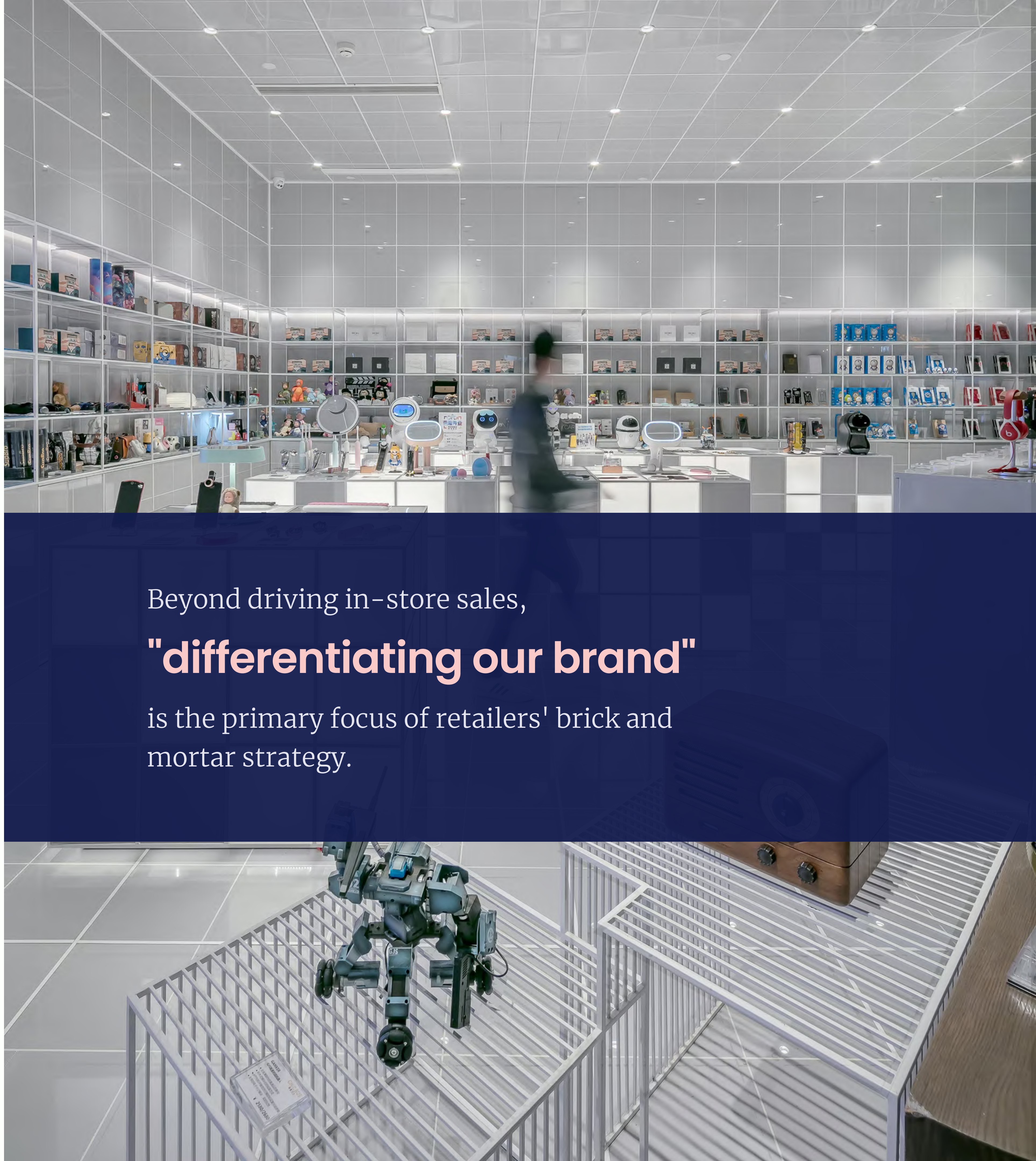
49% from EMEA (Europe, Middle East, and Africa)

Findings from this study form the basis of the analysis presented in this Buyers' Guide. Unless stated otherwise, all data in this report is from the "Incisiv - Aptos Store Commerce Survey." Detailed survey methodology, industries covered, and respondent firmographics are available at the end of the report.



Stores are no longer standalone destinations of commerce. They are intricately woven into the broader fabric of a retailer's overall business strategy and customer experience.

Retailers' brick and mortar strategies revolve around amplifying their brand through immersive, innovative in-store experiences; supporting eCommerce growth by expanding store fulfillment services, such as click & collect and curbside pick-up; and helping shoppers experience products in ways not possible digitally.



Beyond driving in-store sales,

"differentiating our brand"

is the primary focus of retailers' brick and mortar strategy.

Retailers' current point of sale software may not be capable of keeping pace with shopper expectations. Most recognize the need for modern technology to help them deliver experiences that align with those expectations.

There is significant concern amongst retailers around their ability to push forward with their intended strategies and to deliver the best possible experience to their shoppers.

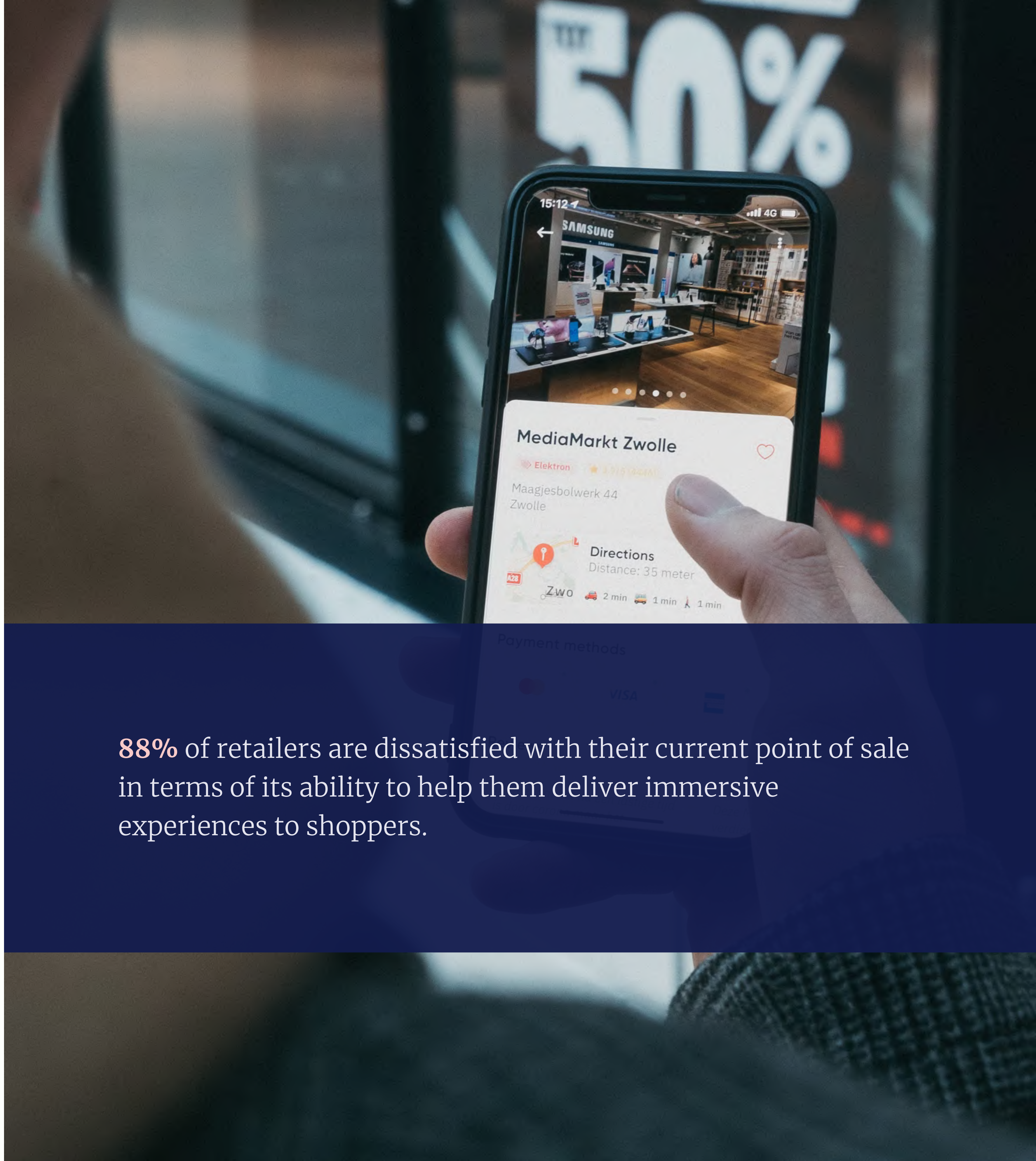
A disappointed shopper is one click or swipe away from abandoning engagement with a retailer.

73% of retailers consider "**flexibly using store space to suit different strategies**" important to help them execute their brick and mortar strategy successfully. However, **62%** of retailers are dissatisfied with their current point of sale experience in terms of its ability to support this strategic imperative.

As retailers evaluate their future, it is time to rethink store commerce for a digital-first world order. It is time to consider Unified Commerce.

Traditional point of sale software has many strengths, but was designed in a different time, for a different purpose.

To unify stores as an integral part of their overall retail experience, retailers should reorient their thinking from traditional point of sale to a store commerce platform that ultimately leads them towards Unified Commerce.



88% of retailers are dissatisfied with their current point of sale in terms of its ability to help them deliver immersive experiences to shoppers.

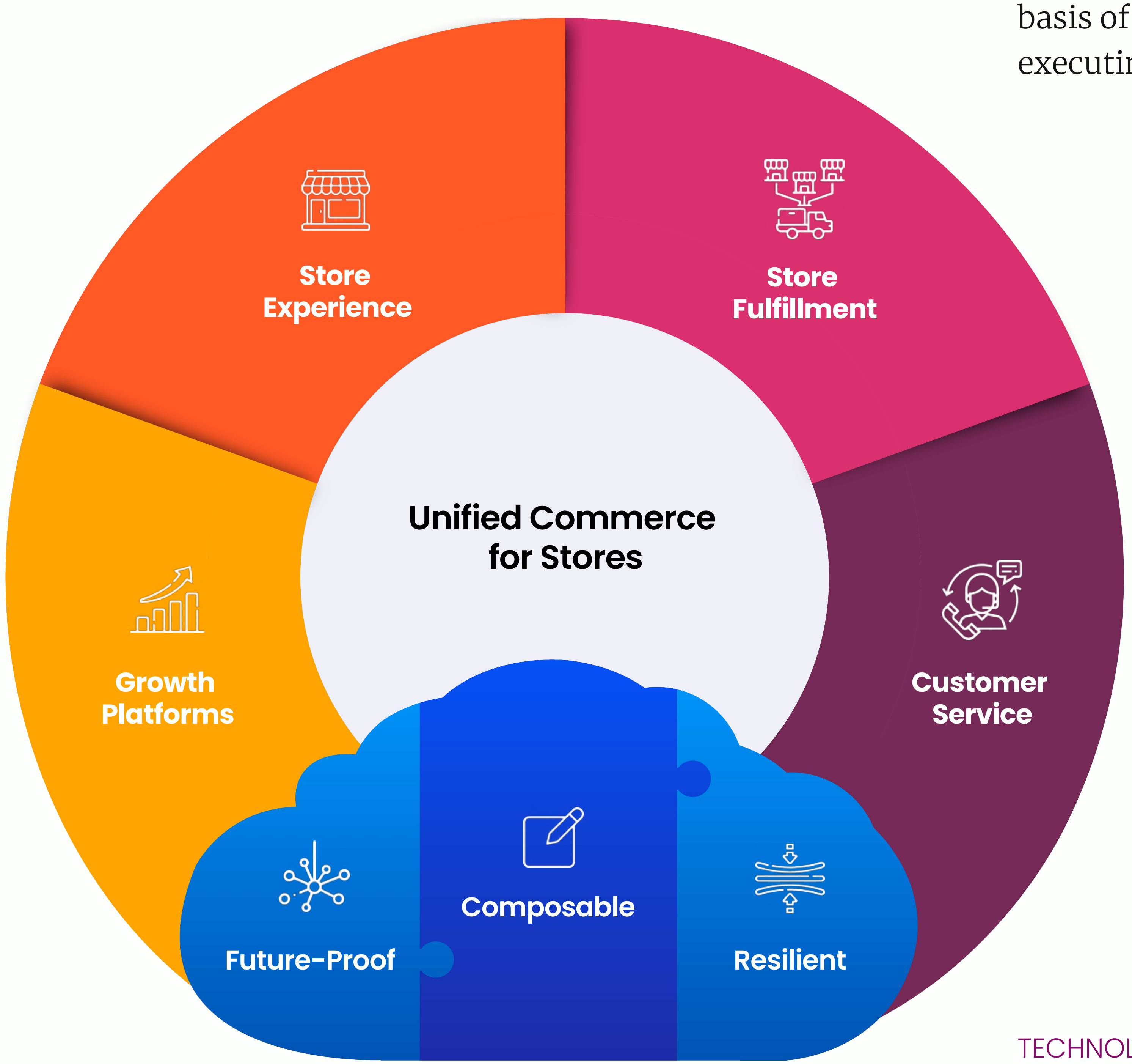
BUYERS' GUIDE

Unified Commerce for Stores.

For retailers evaluating their next store commerce platform, Incisiv's "2022 Buyers' Guide: Unified Commerce for Stores" outlines a structured framework of key functional and technology capabilities they must prioritize.

Your store commerce platform strategy and selection criteria will have to be customized to your specific needs, and will be more detailed than what a thought leadership report can cover.

The intent of this report is to offer you a running start by identifying key characteristics and components of your next-generation store commerce platform.



BUSINESS CAPABILITIES

Key business capabilities that form the basis of a retailer successfully executing their transformation agenda.

TECHNOLOGY FOUNDATION

A set of foundational technology requirements for a next-generation store commerce platform.

GROWTH PLATFORMS

Rethink store selling beyond the basics. Sell anything, anywhere, anytime.

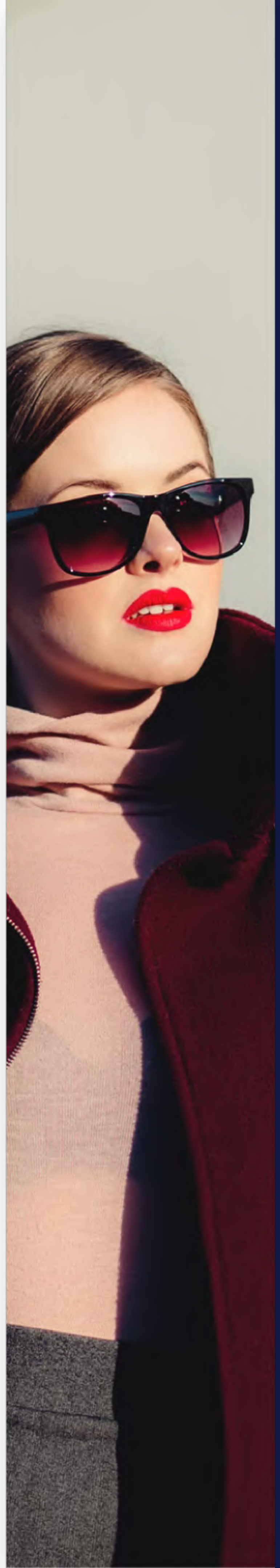
Retailers must look both within and beyond the four walls of the store when considering investments in their next store commerce platform. They should prioritize capabilities that help generate new revenue streams, build stronger customer relationships, and innovate new store formats.

1 in 2 retailers

say "the ability to set up any store format" is on their store commerce platform roadmap.

Only 3% of retailers'

current store commerce platforms let them set up and manage new business models and services.



NEW REVENUE STREAMS

Set up store experiences to support new services and business models, such as consignment or resale, ticketed events, subscriptions, and in-store customization.

SELLING TOOLS

Empower store teams to build stronger customer relationships and maximize demand capture through capabilities, such as endless aisle, remote selling of store inventory, and in-store appointments.

ANYWHERE STORE

Unshackle commerce from the traditional definition of "brick and mortar," and take stores anywhere shoppers are — inside stadia, in a parking lot, as a standalone kiosk, at a gas station, as a pop-up store, as a store-in-store, and more.

Build amazing experiences that fuse the digital and the physical in ways not possible before.

For retailers to differentiate on experience, they will need maximum flexibility to be able to build immersive, brand-forward experiences that amaze and delight. Retailers must prioritize capabilities that help reduce store design constraints, improve digital + physical integration, and enhance the shopper experience through personalization.

95% of retailers

do not currently have a unified cart capability. **7%** are currently deploying it, and **76%** have it on their roadmap.

86% of retailers

do not allow shoppers to split in-store orders into different delivery methods. **28%** are currently deploying it, and **40%** have it on their roadmap.

SHOWCASE EXPERIENCES

Amplify the brand experience by innovating showcase experiences. From interactive fitting rooms to magic mirrors, free store experience design from the constraints of a traditional point of sale.

CHECKOUT & PAYMENTS

Reimagine checkout to be as seamless as exiting an Uber. Offer shoppers the widest possible selection of checkout options — from associate assisted mobile checkout to self checkout to contactless and cashierless checkout.

PERSONALIZATION & PROMOTIONS

Deliver a personalized in-store experience by utilizing shared intelligence across store and digital channels, and delivering highly targeted, relevant content and offers to in-store shoppers — directly at the point of sale or via your app.

Drive revenue and profitability improvement with optimized store fulfillment.

Retailers learned the perils of channel-locked inventory the hard way when COVID-19 first hit. They must prioritize capabilities that help them launch and scale omnichannel experiences quicker, improve store fulfillment efficiency, and enhance the store pick-up experience. Ultimately, retailers must say "yes" to more shoppers, more often.

Only 5% of retailers

enable store associates with dynamic task management. **12%** are currently deploying it, and **57%** have it on their roadmap.

95% of retailers

do not allow shoppers to make an additional purchase during store pick-up.

FULFILLMENT FOUNDATION

Launch and scale omnichannel experiences, such as click & collect and curbside pick-up, easily. Differentiate your digital experience for store orders by improving the accuracy of store inventory and deliver-by dates.

UNIFIED ASSOCIATE EXPERIENCE

Offer store associates a best-in-class, mobile-first experience that threads all store operations into a unified interface to help associates efficiently manage a greater volume, velocity, and variety of store tasks.

FULFILLMENT OPTIMIZATION

Reduce customer wait time and order inaccuracies while improving store operations profitability by empowering store associates with dynamic and guided picking plans.

Offer shoppers greater continuity, control, and choice of service across channels.

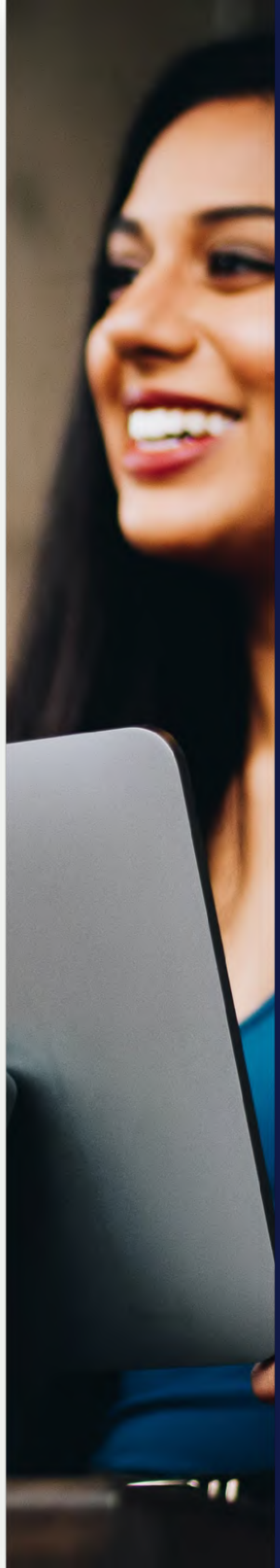
Lack of service continuity between eCommerce and stores due to a disconnect between retailers' own channels is no longer an inconvenience shoppers will overlook. Retailers must prioritize capabilities that help them unify service experiences across channels, and offer shoppers context-based self-guided or assisted service.

Only 2% of retailers

can view a customer's online cart in-store. **11%** are currently deploying the capability, and **46%** have it on their roadmap.

More than 80%

of retailers have to say "no" to shoppers who wish to return an item during in-store or curbside pick-up.



360-DEGREE SERVICE

Enable stores to amplify your service experience by using a unified customer master, and allowing out-of-the-box capabilities, such as store pick-up, to be easily customized to accommodate edge use cases, such as curbside returns.

COMPREHENSIVE SELF-SERVICE

Put shoppers in total control of their in-store experience with flexible and comprehensive self-guided assistance, ranging from exploring product information to looking up their loyalty points to seeking human help when they need it.

DIGITAL STORE AGENT

Utilize the unmatched knowledge of in-store associates to enhance digital sales and service by giving them the tools to connect with shoppers digitally via social media, live chat, or virtual meetings.

Accelerate innovation while lowering cost and risk with a modern technology architecture.

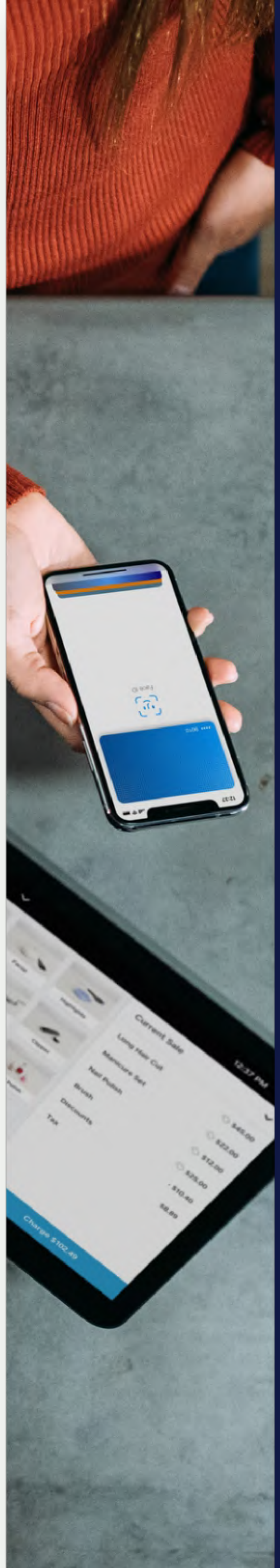
Retailers need to be able to experiment quickly, scale fearlessly, and pivot on a dime. They must prioritize platforms that offer a wide footprint of modular out-of-the-box store commerce components, low-code extensibility, heavy technology reuse, and light-touch maintenance.

71% of retailers

say "being able to support offline operations" is a very important factor for them when selecting their next store commerce platform.

54% of retailers

say their next store commerce platform having SaaS-like benefits, such as being always-on and versionless, is very important.



FUTURE-PROOF

Adopt a modern architecture in which each component is easy to plug-and-play, scale-up, and upgrade as needed based on principles of a MACH (microservices, API-first, cloud-native, headless) architecture.

COMPOSABLE

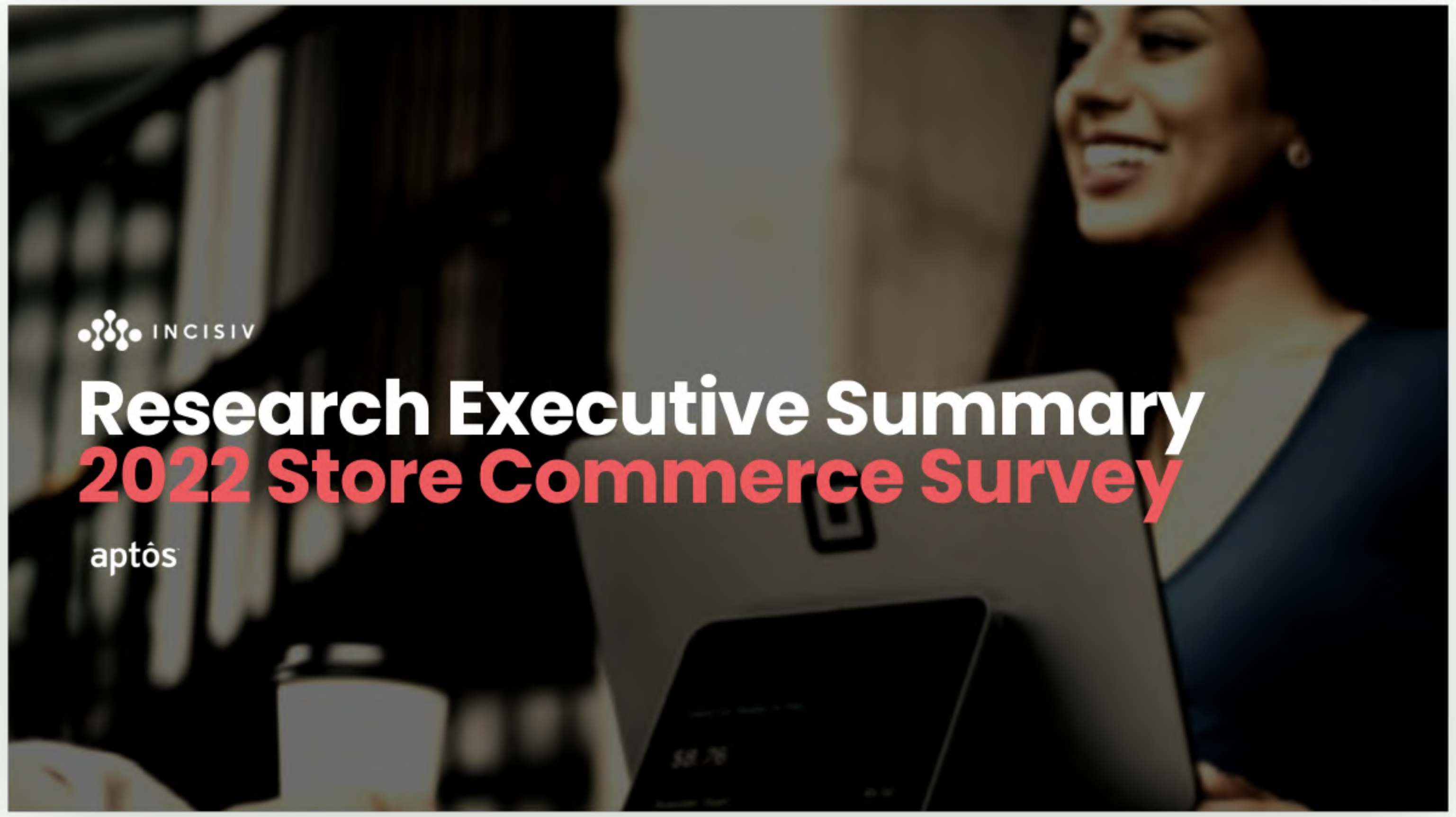
Gain unmatched flexibility, agility, and technology reuse through a modular software stack built atop open microservices, deployable in a hybrid-cloud architecture without cloud provider lock-in.

RESILIENT

Consistently deliver high performance, enabling hassle-free operations during any conditions, including peak load and network outage. Offer enterprise-grade security, from encryption to role-based access.

Next steps.

This Buyers' Guide presents a selection of relevant data from the "Incisiv - Aptos 2022 Store Commerce Survey." If you'd like to delve into the complete data set and review recommendations, schedule a briefing with Incisiv and Aptos.



Survey methodology.

Incisiv conducted a hybrid online + Computer Aided Telephonic Interview (CATI) survey of 154 retail executives in North America, Europe, Middle East, and Africa. The study was conducted from December 6, 2021 until December 21, 2021.

Respondent Distribution by Number of Stores

51 - 200	8%
201 - 500	46%
501 - 1,000	25%
1,001 or more	21%

Respondent Distribution by Annual Revenue

$100 MM - $499 MM	15%
$500 MM - $999 MM	48%
$1 B - $4.9 B	25%
$5 B +	12%

Respondent Distribution by Designation

C-Level or SVP/EVP	31%
Director or VP	59%
Manager	10%

Retail Segments Included in Survey

Electronics and Appliance Stores	Sporting Goods, Hobby, Book, and Music Stores
Building Material, Garden Equipment, and Supplies Dealers	Luxury / High-End
Health and Personal Care Stores	General Merchandise Stores
Clothing and Clothing Accessories Stores	

ABOUT INCISIV

Incisiv is a peer-to-peer executive network and industry insights firm for consumer industry executives navigating digital disruption.

Incisiv offers curated executive learning, digital maturity benchmarks, and prescriptive transformation insights to clients across the consumer and technology industry spectrum.

www.incisiv.com

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ABOUT APTOS

Aptos is the leader in Unified Commerce. Built with the wisdom gained from thousands of retail implementations around the globe, Aptos ONE's modern microservices-based architecture enables you to deliver dynamic and differentiating experiences in every channel and location. We took over thirty years of point of sale and omnichannel expertise and distilled it all into the essential microservices needed to deliver customer experience as a retail platform, in the store, online, and anywhere else you need to be. A technology platform as a service, tuned, and optimized for stores and beyond. With the inherent flexibility of Aptos ONE, any space can become a store and every interaction can become a transaction.

Quickly reconfigure and reimagine retail experiences to capture every opportunity:

- Experiences built for customers: Delight your shoppers everywhere, every time
- Experiences built for stores/commerce/sales: Empower your stores and associates to do more
- Experiences built for profit: Deliver interactions that drive revenue and margin
- Experiences built for change: Retail that is ready for today — and tomorrow

Our cloud-native, mobile-first and extensible platform gives you the power to say yes to what comes next.

Learn more at https://www.aptos.com/aptos-one-commerce