

softserve

RETAIL DIGITAL EVOLUTION

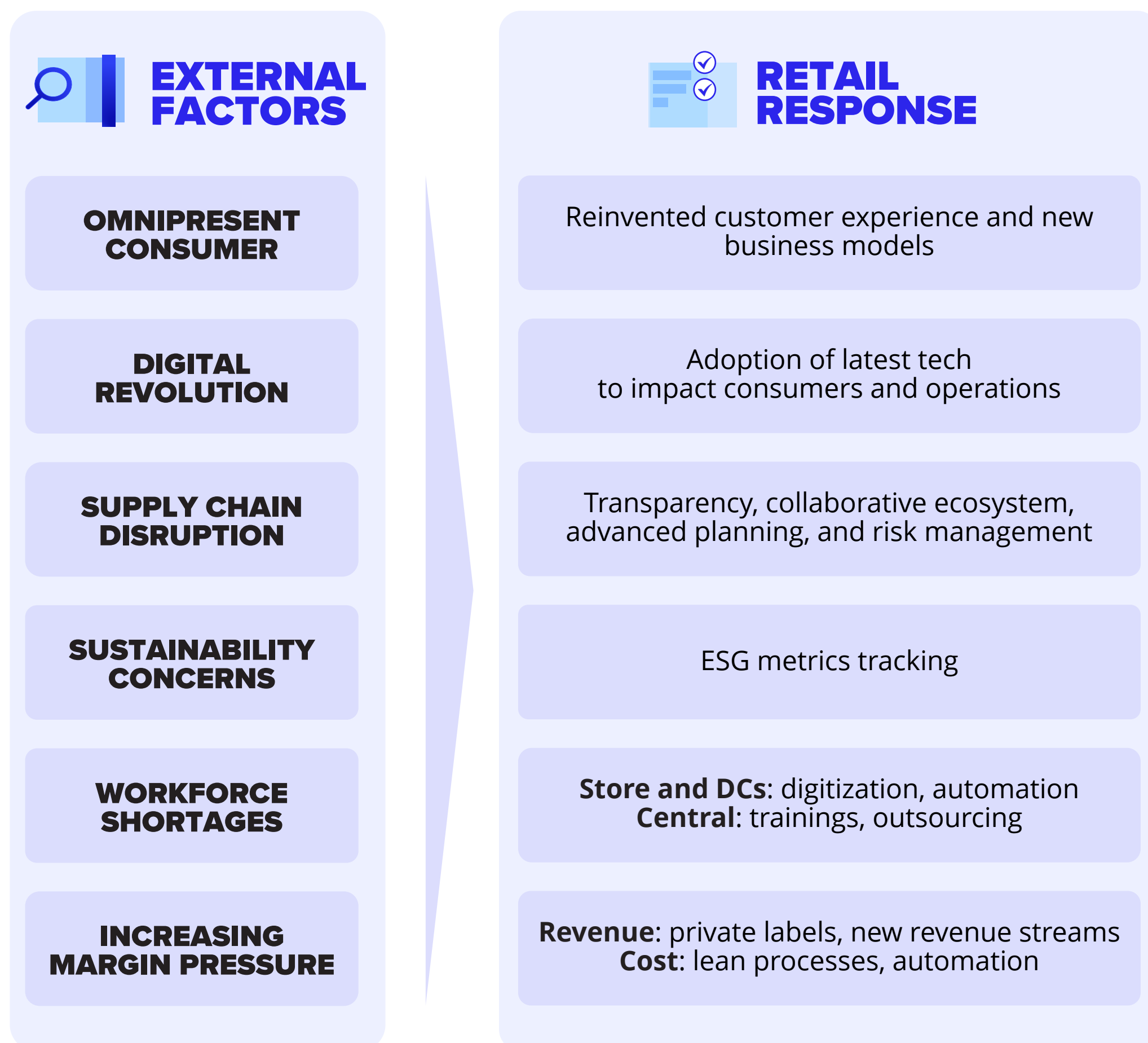
Prepared by SoftServe • February 2024



RETAIL HEADWINDS

In the fast-changing retail environment, businesses face economic shifts and industry challenges. Adapting to consumer behaviors, digital trends, and sustainability, they're updating pricing and promotions to maintain customer loyalty against inflation and rising costs, while also tackling ongoing supply chain and labor issues.

To navigate this uncertainty, retailers need to make strategic decisions about what to focus on to build a strong position for the years ahead.



As history has shown, companies repeatedly manage to gain a competitive advantage by taking decisive actions during downturns. Winners will act now to free up the funding required for continued investment in their points of differentiation and long-term growth drivers.

CONSUMER CENTRICITY: THE HEARTBEAT OF DIGITAL TRANSFORMATION IN RETAIL

Retail is increasingly competitive, with blurred lines between offline and online shopping leading to heightened consumer expectations for personalization and complex supply chains. Success now hinges on digital transformation, redefining customer interactions, and strengthening operations to handle uncertainties.

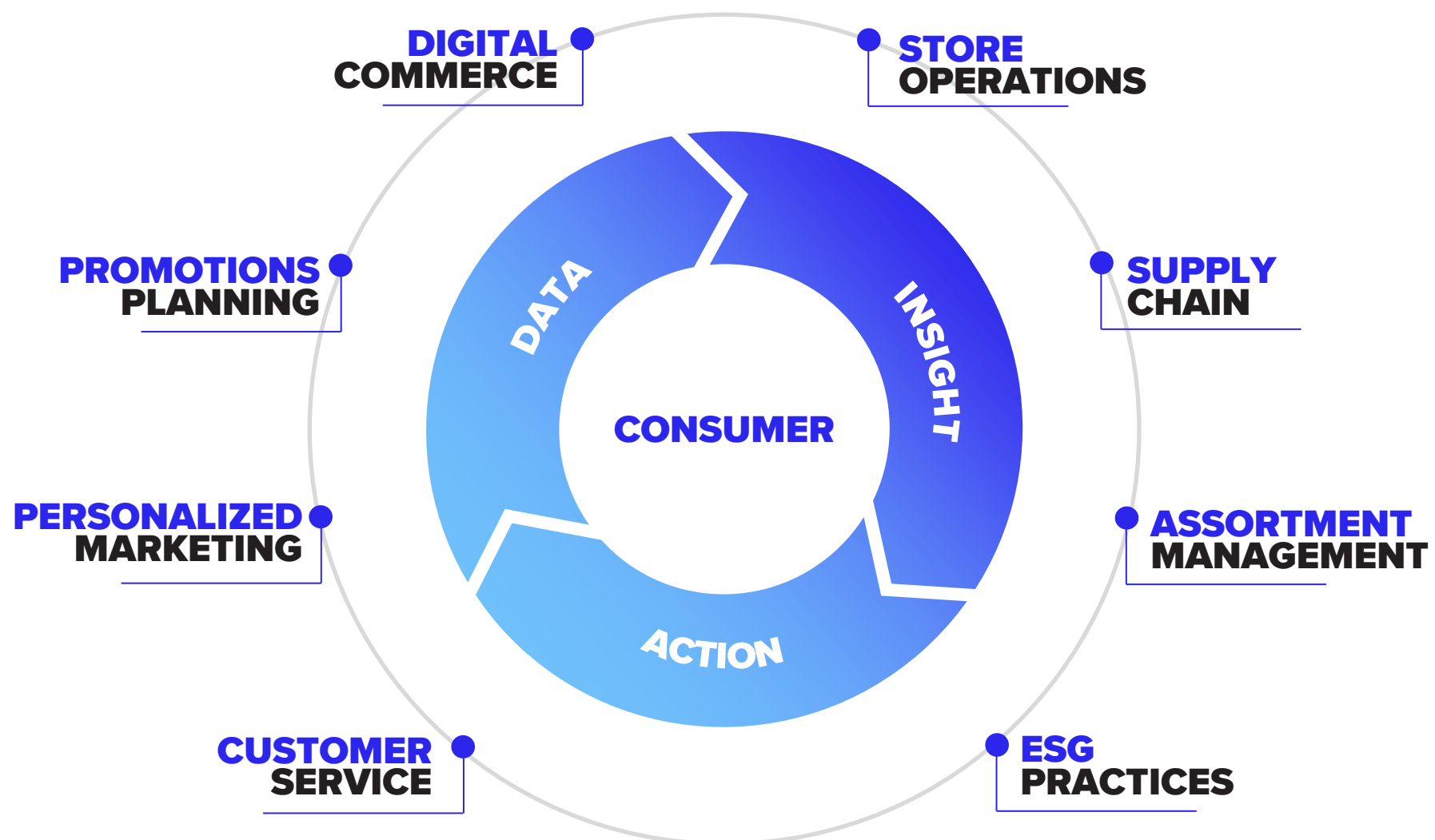
46%
OF CUSTOMERS

will increase purchase volume more when given a personalized experience.

86%
OF CONSUMERS

approve of brands using artificial intelligence in 2023

Businesses must realign every function to prioritize consumer needs, fostering interdepartmental cooperation and leveraging data analytics through strategic technology adoption. It's this insight-driven, collaborative approach that propels businesses toward success.



ENABLERS

- ERP
- Cloud
- AI/ML
- Platforms
- Big Data
- Analytics
- CRM
- Integration Services
- Low/No code
- Blockchain

On the foundation of a solid technological infrastructure, retailers will be able to concentrate on providing a genuinely customer-centric experience across all channels while streamlining processes to reduce expenses.

THE DIGITAL EVOLUTION HURDLES

On the way to the unified consumer experience and simplified operations, retailers are confronted by multifaceted challenges that hinder their journey to digital excellence.



CHANNELS

Omnichannel Complexities

- Integration across ecommerce, in-store systems, inventory, logistics, customer service
- Security concerns

Ecommerce Constraints & Scalability

- Monolithic ecommerce architecture
- Limited features
- Incompatibility with new technologies



DATA & INSIGHTS

Data Silos

- Isolated databases
- Data multiplication
- Insufficient BI tools
- Non-unified metrics across functions

Predictive Analytics Complexities

- AI strategy formulation
- Data integrity
- Data quality
- Data governance



PROCESSES & SYSTEMS

Supply Chain Disruptions

- Manual and inefficient processes
- Outdated technology
- Inaccurate inventory levels

Legacy System Limitations

- Outdated infrastructure
- Scalability concerns
- Reduced performance
- Limited data access



PEOPLE

Talent Shortages

- In-store staff shortages
- Skilled employee retention
- Skill gaps for new tech

Change Management Hurdles

- New technologies and processes adoption
- Communication plan
- Training

Retailers breaking down silos and embracing new technologies, including cloud services, will be the innovators setting benchmarks for the industry's future. This shift ensures seamless integration, robust security, and nimbleness in digital tools and platforms. It will enhance customer interaction quality and leverage data to bolster customer experience, drive innovation, and spur operational growth.



KEY AREAS OF DIGITAL TRANSFORMATION IN RETAIL

Forward-thinking retailers know that the way to go is **digital, integrated, personalized, and sustainable**. Now is the time to fully merge online and offline experiences, break functional and data silos, and apply advanced technologies to amplify competitive advantage and mitigate operational complexities. [According to our own research:](#)

Omnichannel Capabilities

for retaining customer loyalty and capturing sales

- Single view of customer across channels
- Integration of online and offline
- Advanced loyalty programs

94%

OF RETAIL EXECUTIVES

rank new technology as a significant driver for drawing in new customers.

Enhanced Customer Experience

for convenient and interactive experience

- Highly personalized communication
- Virtual shops and try-ons
- Instant customer service

48%

OF RETAIL EXECUTIVES

will prioritize investments in inventory management systems in 2024.

Data-Driven Decision-Making

for actionable insights to stay agile and competitive

- Predictive analytics across functions
- Sustainability metrics tracking
- Data monetization

99%

OF RETAIL EXECUTIVES

will increase investments in new technology by an average of 10%.

Supply Chain Modernization

to save costs and maintain customer satisfaction

- Fast order delivery & pick-up options
- End-to-end visibility
- Intelligent stock management

In-Store Transformation

to save costs and maintain customer satisfaction

- Interactive displays and virtual assistants
- Augmented reality experiences
- Digitized store operations

Operational Automation

for resource optimization and scalability

- Business process optimization
- Generative AI for efficiency and scale
- Omniverse for realistic simulations
- Robotics automation

THE FUTURE OF RETAIL WITH GENERATIVE AI

Generative AI transforms the entire retail ecosystem, from customer-facing functions to logistics and software development, offering enhancements in efficiency and innovation that will drive marketing, sales, customer service, and supply chain to new heights.



Automate tasks and scale processes



Reduce costs and increase efficiency



Enhance user experience and personalization



Accelerate product innovation

SELECTED BUSINESS OPPORTUNITIES



VIRTUAL SHOPPING ASSISTANCE



CONSUMER SUPPORT



GENERATIVE CONTENT CREATION



PRODUCT AND SERVICE INNOVATION



VIRTUAL FITTING ROOMS



ORDER AND DELIVERY STATUS TRACKING

GET STARTED ON YOUR GENERATIVE AI JOURNEY

Don't be left behind in the race to harness the disruptive innovation of Generative AI. SoftServe defined **Generative AI adoption patterns** that are designed to help you navigate the complexities of this emerging technology.

AI DISCOVERY

From Interest to Discovery: Generative AI ecosystem and implications for my business

AI LAUNCHPAD

Launchpad to Innovation: Evidence-based exploration and deployment

AI ADOPTION

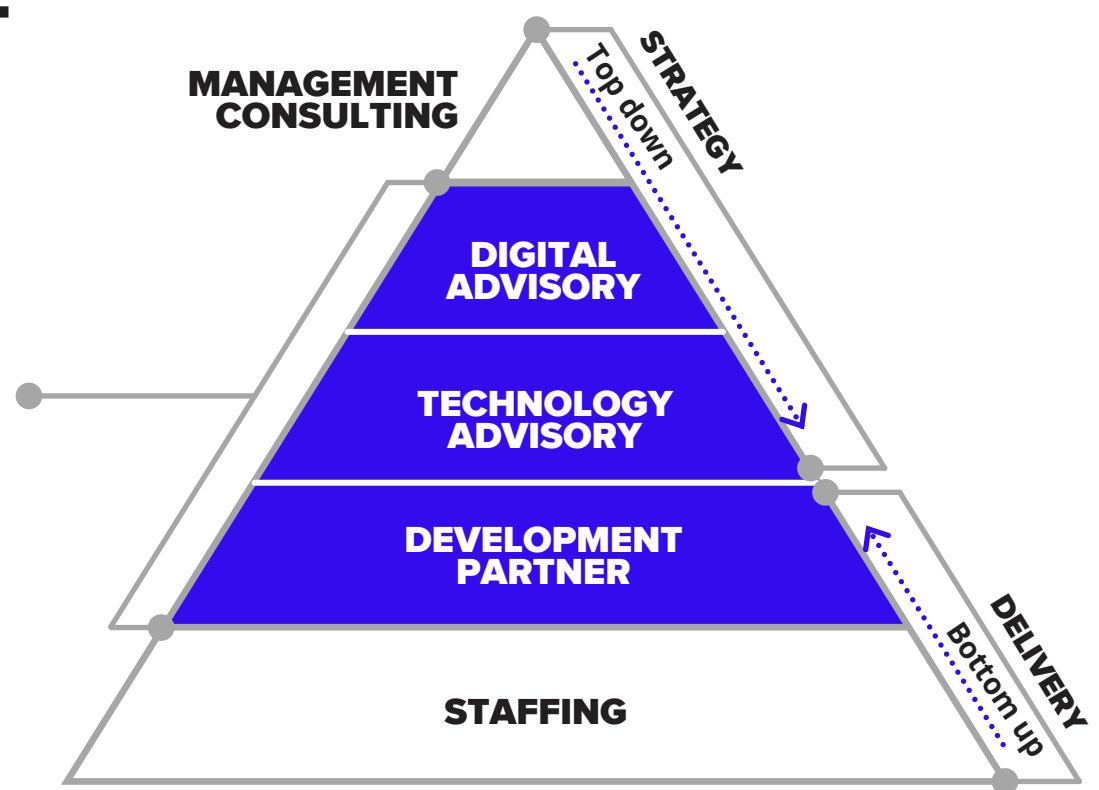
From Insight to Impact: Rapid scaling and adoption in my organization

THE ROAD TO DIGITAL EXCELLENCE

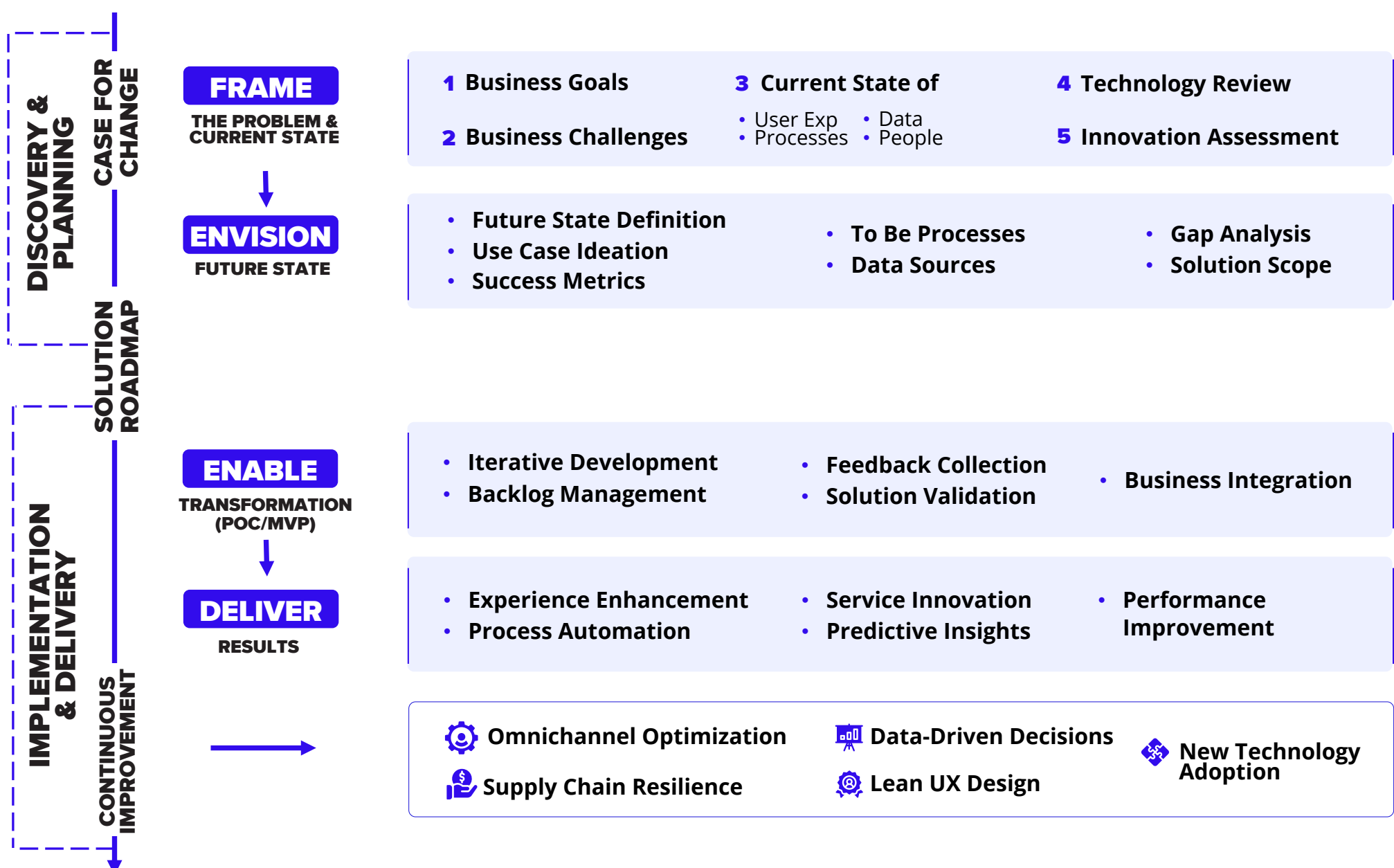
Facing retail's rapid evolution requires a partner who matches its pace. SoftServe delivers strategic, technological, and innovative solutions to propel your retail business forward. Partner with us for a collaboration that blends business with technology, to drive the transformation that sets you apart.

WE ARE ADVISORS AND PROVIDERS WHO OPERATE AT THE CUTTING EDGE OF TECHNOLOGY

Lean advisory with iterative practical results rooted in **executable excellence**.



Our holistic approach to IT solutions ensures that retailers can navigate the challenges of today while being prepared for the opportunities of tomorrow. Let's embark on a transformative journey tailored for the future of retail.



OUR EXPERTISE RELEVANT TO YOUR BUSINESS

SoftServe offers a full spectrum of IT services tailored for omnichannel retail to create unified retail platforms. Our commitment to accurate data, customer experience excellence, and process optimization makes us a key player in retail technology transformation.



ENGINEERING SERVICES



CLOUD/DEVOPS



BIG DATA & ANALYTICS



INTERNET OF THINGS



EXPERIENCE DESIGN



CYBERSECURITY



EXTENDED REALITY (XR)



RESEARCH & DEVELOPMENT



ROBOTICS



AI/ML



EXPERIENCE PLATFORMS



SOFTSERVE INNOVATION PLATFORM™



Omnichannel Capabilities

- Customer360 and analytics
- UI/UX design for ecommerce and mobile
- Composable and headless commerce
- Cross-channel inventory visibility



Data-Driven Decision-Making

- BI reporting
- Predictive consumer behavior analytics
- Predictive inventory management
- Advanced promo planning and analytics
- Store layout optimization



Enhanced Customer Experience

- AI-driven product recommendations
- AI-driven customer assistance
- AR-based virtual trials
- Virtual stores and showrooms



Intelligent Supply chain

- Demand forecasting
- Real-time tracking
- Control tower
- Advanced inventory management
- Risk assessment



In-Store Transformation

- AR in-store shopping assistant
- Immersive store display
- In-store computer vision
- Digitized workforce solutions



Operational Efficiency

- Business process optimization
- Warehouse automation
- Transportation optimization
- Digital twins
- Edge & IoT



ESG

- ESG supply chain due diligence
- Waste management
- Sustainability reporting



Digital Advisory & Engineering

- Cloud migration
- Solution architecture
- Quality engineering
- Change management

SELECTED SOLUTIONS



HEADLESS COMMERCE

Shift from a monolithic to a headless ecommerce solution to improve performance and site optimization, enhancing consumer experience across online and offline channels.

DEMAND FORECASTING

AI-powered demand prediction optimizes inventory levels and provides minimum reorder level suggestions on top, which led to the reduction of inventory capital by 12%.



PERSONALIZED RECOMMENDATIONS

AI-powered recommender system with personalized offers for marketing communication, which has reduced campaign costs and improved engagement metrics.



GEN AI CONTENT CREATION

Gen AI-powered solution creating a background for product images and videos, containing 3D product shots of a cosmetic brand to use for marketing campaigns and website.



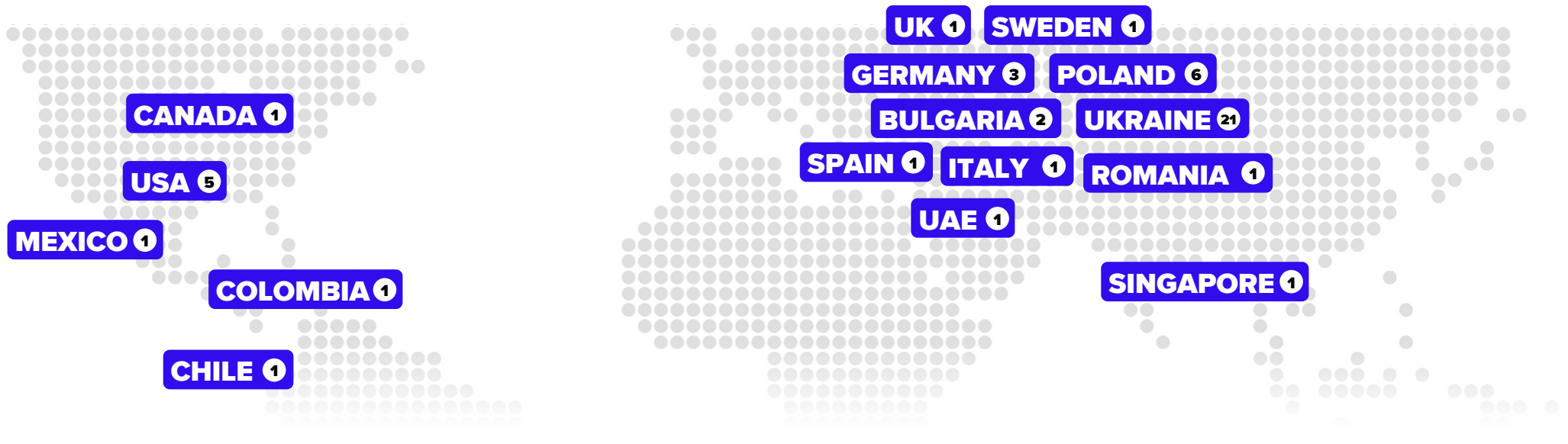
PARTNERS AND GENERAL COMPANY FIGURES

DIGITAL ADVISORS, SOFTWARE INNOVATORS, AND EXPERIENCE BUILDERS

30 YEARS OF EXPERIENCE

98% CLIENT RETENTION

16 COUNTRIES OF OPERATION



GOOGLE CLOUD

Google Cloud Partner, and 2020 Google Cloud Specialization of the Year award winner for machine learning, SoftServe is committed to supporting the entire Google family of solutions. SoftServe has expertise in Infrastructure Modernization, Smart Analytics, and Application Modernization.

430+ Google Cloud Certified Resources	150+ Google Cloud Expert Projects	10+ Anthos Expert Resources
---	---	---------------------------------------



AMAZON WEB SERVICES

APN Premier Consulting Partner, SoftServe is an exceptional cloud guide that vastly decreases the time to cloud value while ensuring your projects are deployed within AWS Well-Architected best practices.

500+ AWS Certified Resources	50+ AWS Certified Solution Architects	40+ AWS Professional Certifications
--	---	---



MICROSOFT

Innovative with purpose, rationalize costs, and drive efficiencies with Microsoft Azure's open and flexible cloud computing platform. With Microsoft Azure, your business can build and deploy on your terms – today and in the future.

1,200+ Engineers with MS experience	150+ Azure Certified Experts and Professionals	18 Years as a Microsoft Partner
---	--	---



NVIDIA

Member of the NVIDIA Service Delivery Partner – Professional Services (SDP-PS) program. SoftServe is recognized as a reliable AI consulting authority, helping to build AI/ML applications to solve complex business challenges and accelerate digital transformation.

KEY PARTNERSHIPS



softserve

**WE BRING TOGETHER DEDICATED
EXPERTISE IN TECHNOLOGY AND OUR
FOCUS ON CUSTOMER EXPERIENCE
AND BUSINESS OUTCOMES.**

- ✔ We have deep technology expertise in AI/ML, XR, IoT, and automation
- ✔ We take a human-first approach to designing effective experiences
- ✔ We have industry expertise and partnerships with solutions providers

LET'S REDEFINE RETAIL'S FUTURE, TOGETHER.

