



NEWS RELEASE

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RETAIL STORES TO TRANSFORM TO THEME-BASED APPROACH SAYS NEW AVANADE STUDY

Retailers need to empower their workforces and realign skills to succeed

SEATTLE – March 16, 2017 – New global research from [Avanade](#) and [EKN Research](#) shows that stores are expected to fulfill very different roles in 2020 and beyond, as retailers expect new, distinct store formats to take hold. As a result, significant shifts are required in [digital workplace](#) capabilities and technologies for retailers to stay relevant. And yet retailers appear to be behind in getting their workforce ready for what lies ahead, with most indicating very little change in how store activities will be allocated in the next few years.

Sixty percent of retailers believe stores will transform from a focus on traditional sales to more theme-based stores that are focused on attracting specific customer segments, with 56 percent expecting stores to perform as online fulfillment centers. The main factors impacting this evolution were identified as changing customer expectations, continued negative same-store sales and the exponential growth experienced by digital channels.

Despite the anticipated changes to stores, retailers expect employees to work much the same as they do today. These results provide a stark contrast between retailers' vision and their ability to realize it. For example, retailers do not plan to have store employees increase their emphasis on customer-facing activities in the next few years even though they foresee a push toward more theme-based retail concepts.

"Retailers must rethink store activities and seek technologies that improve the customer experience and enhance their workforce," said Barry Givens, Retail Solutions Lead at Avanade. "Fifty-two percent of retailers plan to use augmented reality and robotics in their stores in the next one to two years, and it's important to understand the impact of those technologies on the workforce. Digital tools that help train staff and provide personalized employee experiences are just as important as those that engage the customer."

Survey respondents noted that a more prepared, empowered and engaged workforce could improve consumer satisfaction, stock availability, online and in-store sales, and store operating margins.

Given the findings of the research, some of the recommendations Avanade outlines in [the full report](#) include:

- **The store workforce will need to change** to better align with new operational realities and frictionless customer experience needs.
- **Retailers will need to provide a true digital workplace** to increase employee engagement and productivity, particularly as millennials become a bigger part of the talent pool.
- **Retailers will need to provide fast, agile training** to maximize performance among the growing temporary workforce.
- **Retailers must adopt automation at the store level** in terms of not just smartphones, but also smart merchandise, wearable devices, augmented reality, POS tablets and more.

About the global survey

Working together with EKN research, Avanade surveyed 161 global retail executives across various retail segments to understand the driving factors of digital and workforce transformation in the industry.

About Avanade

Avanade is the leading provider of innovative digital and cloud services, business solutions and design-led experiences delivered through the power of people and the Microsoft ecosystem. Our professionals bring bold, fresh thinking combined with technology, business and industry expertise to help fuel transformation and growth for our clients and their customers. Avanade has 30,000 digitally connected people across 24 countries, bringing clients the best thinking through a collaborative culture that honors diversity and reflects the communities in which we operate. Majority owned by Accenture, Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation. Learn more at www.avanade.com.

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