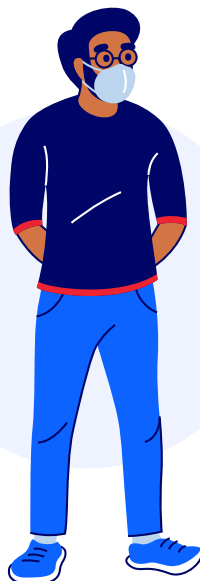
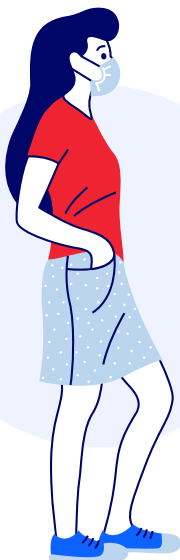


MILLER ZELL

## The Store of the Future is Now

What do stores do *right now* to address permanently changed industries and evolving consumer demands—even as things are still shifting amid ongoing uncertainty?



The “Store of Now” meets your customers where they are and anticipates where they want to go.

**The global health crisis accelerated the adoption of many digital touchpoints,** forced emergency pivots to CDC safety protocols and created massive shifts in consumer pathways to purchase. We’re now in a settling period for a new baseline of operations for retail experience across most verticals.

This settling includes considerations for permanently upgraded cleanliness, operationalizing the hurried fixes used for all forms of alternative delivery and significant changes in long-standing SOPs.

While it’s common for retail to imagine a “Store of the Future” including far forward-thinking technology and reimagining customer interaction to the point of intuition, the current elongated period of adjustment begs the distillation of what is the “Store of Now.” What do stores do right now to address permanently changed industries and re-formed consumer demands—even as things are still changing?

“

“Many of the major changes we’re seeing now have been circulating offices and boardrooms for years positioned as “Store of the Future.” With COVID-19, customer behaviors and expectations changed, forcing the ‘store of the future’ to become the ‘store of NOW’ practically overnight.”

Christian Hess  
VP QSR, Miller Zell

# New and Evolving Customer Trends

**While McKinsey analysts predict an economic surge** this year with it leveling back in the next year, 2023 is cited as when we'll see a full recovery to pre-pandemic sales levels. And as spending does return, how consumers spend and on what will be different. What retailers do right now to recalibrate is critical to making it to a store of the future.

**While back of house is working out significant operational kinks, customer interaction and communication are addressing challenges in:**

- In-Store/Delivery Health Protocols
- Testing Strategy
- Full Customer Journey
- Parking Lot Reconfiguration
- Digital
- On-Premise/In-Store Signage



“

“Digital transformation’ was one of the most important initiatives even before the pandemic. With large retailers already setting the expectation, a seamless integration between online ordering and on-premise experience has now become a requirement at the risk of a bad customer experience. If you haven’t addressed integration of digital and physical customer experience, you better, fast...”

**Brian Badillo**  
*VP Retail Solutions, Miller Zell*

# In-Store/Delivery Health Protocols

**“Contactless” during COVID-19 meant no physical touch between people,** product exchange and payment methods; that context was understood. It is time to rethink literal, physical contactless-ness and consider the necessary communication at those interaction points because there are still messages, instructions and brand experiences to deliver. Customers and employees do need to feel safe, but it adds costs that reduce profitability.

Identify the table stakes for both store and delivery protocols necessary for a healthy retail environment knowing that there are new, permanent costs. That quickly establishes what needs replaced, retrofitted or built into future store planning.

## Testing Strategy

**With the surge of multiple touchpoints,** new/accelerated delivery and digital feedback mechanisms in place, how do you test a menu item or trial a new product given all the variables that can affect outcome? A uniform strategy for testing is key yet it needs to incorporate each customer journey where interaction can occur.

If you're trialing a new dessert, in store may be the optimal experience since you can control presentation and/or temperature. If trialed through take-out/curbside, how do you adjust operations for consistent experiences, or do you adjust your feedback expectation? Same goes for delivery.

For products, human touch can make a significant difference in adoption and perception of new products. Consider how to connect consumers and your brand when an exciting new product arrives unceremoniously slung in a cardboard box on a porch step. Or, handed to them by a third-party delivery person who is not representing your brand.

Use multi-experience product testing and previous COVID-19 customer feedback to determine what menu/products to offer on your take-out/delivery/curbside vs. through your store experience. When testing items, consider expectations of each delivery channel and adjust, or remove, items from some channels depending on what variables you can control.

**Meet customer demands for health information with tasteful yet cost-conscious, brand-affirming solutions.**

- All methods of payment communication (where and how to pay—with both health and data safety concerns addressed)
- Product-handling procedures, packaging and fixtures for take-out, delivery, pick-up, curbside and in-car dining
- Hand-sanitizing stations, antibacterial wipe dispensing and visible cleaning schedule signage to garner customer trust





“

“There was no playbook for a pandemic, so we relied on trust, constant communication and transparency with our Walmart client to navigate supply chain, network and execution challenges to address their customer needs. We solve each new problem together as it comes up.”

**Brian Decker**  
*VP - Bentonville Operations, Miller Zell*





# Full Customer Journey

**Many businesses scrambled to be operational** in delivery channels that became essential overnight. There was a micro-focus on how to just get each up and functional without as much time to consider a full customer journey, or optimal operationalization. Revisit the customer journey, profitability and operational efficiency of each now that the imbalance is starting to level out. There is, hopefully, enough data to calculate ongoing vs. 1X expenses, and how to reduce costs of all types of delivery (drive-thru, curbside, BOPIS, ghost kitchens, take-out and third party).

But these numbers need the balance of a full picture. It may be errant to think one area wasn't working or isn't worth pursuing if you're only looking at the numbers. Study the entire customer and employee journey for a more accurate account of what to optimize for profitability and operational ease.

## Path to purchase & associate executional lens

- Is it easy to find all delivery options?
- Do customers know what to do from one step to the next in each option?
- Is there an abandonment rate that can identify where the operational breakdown may be?
- Once customers move from one part of the process—such as the app—is there signage that tells them what to look for once they get to the store?



# Store Plan/Parking Lot Reconfiguration

**Post-pandemic is finding newly refreshed and carefully planned piloted stores in need** of a revisit. There's a scramble to rearrange floorplans, shrink dining rooms, add drive-thrus, create delivery and in-store pick-up areas, as well as reconfigure entry and exit flows for curbside activity. Parking lots have become a complicated dance of shipping trucks, employee parking, delivery vehicles, curbside pick-up, drive-thru, waiting for an order and ordering on-site. If you can't navigate through efficiently, you can't move the customers or, in turn, sales.

Clear indications of where to go for which service can be the difference between a frustrating or positive experience. Customers forgave the makeshift versions of sandbagged base, handwritten poles with tape and marker for the initial iteration. Now, customer patience will wear thin for lack of operational consideration as more and more of them venture back out.

Directional signage will reinforce your brand as well as give necessary information quickly and clearly. Signs should be visible from a car and be able to withstand high traffic, weather and adapt to variances, like hours of service.

Linkage between digital and practical signage is even more critical to offer continuity and clarity for all types of delivery journeys—80% of which happen in your parking lot. For the parking lot itself, rethinking the entire journey may be in order. Thanks to sales data, trends in delivery, take-out, curbside pick-up and drive-thru allow you to rethink waiting areas, parking spaces, flow lines, lot signage and digital application instructions when needed.

“

“In the past few months, just about every major fast-food restaurant chain, and a few in other sectors, have announced new prototypes, all with upgraded drive-thrus—including multiple lanes, artificial intelligence-enabled menu boards and other upgrades.

The moves promise an era of major innovation for a service line that had largely remained the same for decades...”

- Restaurant Business Online

“

“For one of our QSR clients, their app was best in class yet once customers and delivery drivers got to the location, the practical signage wasn't clear on where to go for which type of pick-up. Ensuring experience continuity can drive return visits as consumers form opinions on which brands are getting it right.”

Tina Chadwick  
SVP Strategy, Miller Zell

# Digital

**Digital points have been key components throughout the pandemic**, addressing the need for digital menus, online ordering and delivery status. Due to the quick need for digitalization, it makes sense that improvements and de-bugging is a constant focus.

Quick reactions were necessary due to pressing circumstances, but a mindset shift can help future-proof what is being built now to allow for easier adjustment as digital evolves. Technology that captures and aggregates consumer behavior and feedback is far more valuable than a moment-in-time digital fix. It can shape tech development more fluidly, rather than the fits and starts of developing it, then asking customers what they think. Or waiting for sales figures or interaction rates to let you know.

One would be hard-pressed to find a business surviving COVID-19 that hasn't adjusted and reconsidered its digital approach. Still, "82% of shoppers say they purchase additional items when they come into the store to pick up an online purchase." (IBM/NRF "Meet the 2020 consumers driving change" report)

((

"COVID-19 has forced merchants to scramble to develop and deploy minimally viable products that were, in many cases, imperfect and highly analog behind the scenes... the technology that sprung out of COVID wasn't a one-time fix. Given the proliferation of things like curbside and mobile order ahead technology, this coming year will be the time to refine not forget."

- QSR Magazine

((

"Merchants need to understand how consumer expectations are evolving and what technology is needed to serve them well. Improvements in point-of-sale systems, ecommerce sites and location technology will be necessary in the years to come as brands invest in innovation and technology to give them a superior perspective on customer behaviors."

- Rakuten Ready



The way to really capitalize on that is to carry messaging in the right order to the consumer, informed by the most traveled customer journeys. It really becomes omnichannel thinking with digital being the enabler, customer feedback, the driver.

Miller Zell is working with a tech retail client right now on tying inventory to tablet software, thereby enabling associates at multi-location retailers with varying layouts and in-stock items to locate products for customers. The customer version provides information on availability and guides them to the exact aisle and shelf. Not only does sophisticated digital like this need to work, but it also needs to align with the signage and communication already in store, online and in CRM efforts so that the consumer journey is seamless and clear with a united message to continue the customer conversation.

There will continually be a need for enhancements to digital touchpoints. Menus need to be in the app and not a PDF. Online ordering needs to flow smoothly, working hand-in-hand with store systems. All other digital interactions need to align with consumer expectations. Further, invest in feedback mechanisms that are automatic and integrated so you can identify, fix and optimize based on real-time, authentic customer data.



“That evolution [digital] has not always been a seamless or elegant process: businesses had to scramble to install or adapt new technologies under intense pressure. The result has been that some systems are clunky. The near-term challenge, then, is to move from reacting to the crisis to building and institutionalizing what has been done well so far. For consumer industries, and particularly for retail, that could mean improving digital and omnichannel business models.”

- McKinsey

# On-Premise/In-Store Signage

## **You drive by a strip of stores where a sign says, “Now Open.”**

Pre-pandemic, that would have meant a new business opening its doors. Post-pandemic, it probably doesn't. It may mean the business is open after temporary closure. Or, the inside is now open, possibly just an outside area. Could be just take-out, or curbside pick-up and delivery. After customers figure out the “open” sign, they search for another one on health protocols. Retail customer communication has had to pull double and, at times, triple duty during the past 18 months including hours of operation, health expectations, adjusted space for interactions and payment procedures.

Consumer perceptions are changing from panic and fear to acceptance and excitement about returning to previous habits. Through the shift, signage is still playing an elevated role in how customers are interacting with brands.

The very role of signage is to convey information. That used to mean practical wayfinding, featured specials and general announcements related to commerce. As it continues to shift, signage can be a marker for an AR experience, give instruction on how to use digital in the store space and how to engage with the brand online as a complement to the in-store experience.

Signage strategies are sophisticated and need careful consideration for the balance of practical information, brand experience and integration into digital handoffs taking place at an accelerated rate.

The pandemic sparked an abrupt consumer change in consumer behavior, smashing daily routines for work, school,

“

“One of the most significant changes over the past year has been the evolution of COVID-related signage from frightening to friendly, as brands seize the opportunity to design all types of signage with welcoming yet clearly defined messaging...”

- *Wide Format Impressions*

“

“As consumer confidence returns, so will spending, with ‘revenge shopping’ sweeping through sectors as pent-up demand is unleashed. That has been the experience of all previous economic downturns. One difference, however, is that services have been particularly hard hit this time. The bounce back will therefore likely emphasize those businesses, particularly the ones that have a communal element, such as restaurants and entertainment venues.”

- *McKinsey*

grocery shopping, retail shopping and, well, just grabbing dinner. It became “learn as we go,” and we are now in a grey area of what will stick, what will fade and the nuances between. As with anything challenging, it’s important to learn from it. Technology advanced way ahead of schedule. We changed our entire sets of behaviors around school, food and community in a matter of months. We figured out logistics that would let many keep working that normally would have taken the better part of a year. And now, we’re trying to get back to a regular little Saturday of routine errands and the normalcy of a night out to dinner.

During COVID-19, the lines blurred between retail and the people who ran the stores. Consumers adapted to whatever solutions businesses came up with. They downloaded apps, they scanned menus, they accepted less than suitable packaging. They wore masks and stood 6 feet away. What also happened is that people and businesses came together to work it all out as a collective group. That forged union is exactly how business should continue to operate—with the customer and getting a product and service to them regardless of circumstance. Leveraging transparency and trust that feedback would be heard and, in turn, missteps forgiven as things got back to smooth operations.

The “Store of Now” is only as good as the ability to adapt it quickly enough to capture new and evolving customer trends. Plan and risk assess the “Store of Now” to close gaps and continue to be ready for whatever is next.



“The brands that will define the 2020s will not look at their business as homogeneous stores and restaurants. They will instead build a trusted, technologically-enabled relationship with consumers, which literally puts the consumer at the center of the enterprise.”

- Deloitte





## Believes Passionately in Innovation

Miller Zell is a retail experience solutions company. It partners with retailers to create the ideal customer experience in their stores, offering design, implementation, strategy and support that fosters sales growth amid a complex and changing marketplace. It deploys these solutions at scale, thereby minimizing client risk, cost and operational complexity.

**MILLER ZELL**

6100 Fulton Industrial Blvd. SW | Atlanta, GA 30336

[millerzell.com](http://millerzell.com)

[info@millerzell.com](mailto:info@millerzell.com)

© 2021 Miller Zell Inc. All Rights Reserved.

The content of this presentation constitutes proprietary and confidential information of Miller Zell and may not be copied or distributed to any third party without the express written consent of Miller Zell.