



5 Trends Driving Retail Strategy & Planning

Create new revenue and embrace opportunities for growth.

» Grow smarter

As brands and retailers set their sights on growth, they need to consider how their organizations can support commerce everywhere and in all forms. That means embracing new channels, apps, and platforms in the evolving retail marketplace.

But jumping on the next big trend takes more than just flipping a switch.

On the backend, widening your brand's reach and staying in tune with customers' expectations requires alignment across key functions and enhanced capabilities that stretch beyond what sellers have needed in the past.

In this white paper, we'll dig deep into the commerce trends driving new revenue and growth opportunities for retailers. We'll also assess the complexities of these trends and how technology and processes can help retailers tame these pain points.

1. Social commerce

Consumers now buy directly in-app from their favorite social platforms. The rise in social commerce allows brands to meet customers where they are, to provide new places for shoppers to find products, and to further drive engagement and build community across their consumer base.

Expanding into social commerce can be exciting, but it changes the way your internal teams collaborate.

Making the most of social commerce requires roles within the retail organization to work together in different ways than with e-commerce. Functions like HR and marketing will likely play a more critical role in shaping social commerce strategies and related selling processes, especially if HR-driven guidelines historically controlled the company's social presence. In addition, activities like demand planning, order fulfillment and supply chain management may require some new collaborations among departments to tackle high-level operational issues, like data sharing and reporting.

Consider this example of cross-functional teams working together to make social commerce a success:

- The product procurement team needs to understand the demand.
- The marketing team generates demand.
- Marketing connects to your customers using a CRM system.

Social commerce sales in the U.S. are forecasted to reach almost

\$80 billion

by 2025.

Source: eMarketer, "U.S. Retail Social Commerce Will Reach Nearly \$80 Billion by 2025," Aug. 17, 2021.

Facilitating these types of necessary cross-departmental initiatives will enable you to achieve social commerce success. Common sticking points are siloed systems, with data that can't be shared or accessed easily by other applications of the company's technology stack.

As you explore the ins and outs of expanding into social commerce, it's important to understand your stakeholders' needs. The pace of innovation in retail is accelerating, and you could struggle behind competitors if your legacy infrastructure isn't agile and flexible enough to power your social commerce strategy.

The top 100 marketplaces rake in nearly

\$2 trillion

in annual combined sales.

Source: "Brands are Branching Out from the Amazon Marketplace,"
Retail TouchPoints

2. Marketplaces

Amazon, Walmart, eBay and Etsy are among the better-known marketplaces, but a wide variety of others are gaining prominence. Merchants can now sell on marketplaces with vast user bases as well as more niche-oriented platforms. Some marketplaces cater to price-sensitive consumers, others to shoppers focused on fashion or electronics. The growth of marketplaces helps retailers improve their reach across audiences that best align with their brand.

For example, some marketplace participation opens important channels that make shopping easier and elevate brand awareness. But any retailer entering even a single marketplace needs a wide range of capabilities. Availability of accurate product information is a top priority.

You also need to transmit information that enables product discovery, such as search terms and other data, and provides the details buyers want to see — sizing recommendations, warranty information, etc. — all in the proper format.

During the checkout process, you also need the right technology tools that will:

- Present shipping options and cost for each product
- Calculate tax based on the products plus the ship-to (and potentially ship-from) address(es)
- Display return policies and procedures

You then need to bring new orders into your system in real time to dispatch goods. This holds true whether your organization will fulfill the order or if you've designated a third party for fulfillment or drop shipping. In all cases, your systems need to communicate order data quickly and accurately to these other parties.



“Every marketplace requires retailers to provide product data such as specifications, information, imagery and other attributes. Your systems must actively sync with each marketplace's systems according to their individual parameters.”

- Asad Ahmed, Principal Industry Solution Advisor, Retail, Oracle NetSuite

» “Understanding geographically where your pop-up shop is located and having appropriate product categorization are both important. Under each location’s nexus rules, you may have different tax rates to calculate and different transaction thresholds that dictate when you must begin collecting and remitting tax in that area.”

- Nate Stohrer, Principal Consultant, Vertex

3. Pop-ups/rotating storefronts

Pop-up locations are becoming valuable new connection points for retailers. Brands can launch a temporary storefront to test out new product lines, build awareness in a new market and take advantage of temporary selling opportunities in trendy hotspots. Rotating storefronts also enable retailers to partner with complementary sellers in a combined location, driving visibility across new audiences without traditional store locations’ long-term real estate considerations.

Retailers must solve some complex issues before they can capitalize on short-term selling arrangements. The inherently transitory nature of pop-ups is often at odds with the traditional way brands spin up and operationalize new locations. Processes and equipment to support payments, orders, endless aisle capabilities,

inventory updates and other functions need to be agile enough to deploy and capture sales in a short period of time.

Questions to consider in planning a pop-up:

- Do you have unified systems to order and track inventory as you stock the pop-up?
- Will your infrastructure support self-checkout technology or mobile devices for associates to complete transactions?
- Can shoppers order items at the pop-up that are in inventory elsewhere, or are they limited to what’s on hand?

To avoid a clunky and potentially off-putting buying experience, your technology stack needs to seamlessly extend your sales activities, inventory management, CRM and a host of other functions across these temporary storefronts.

No matter the location of your pop-up, your customers will expect a fully supported buying experience, with immediate and accurate tax and shipping calculations. Your business obligations may also change depending on where you’re selling.

Agility is key to success, and legacy systems typically can’t keep up. You need a modern infrastructure that supports quick connectivity and rapid transitions between jurisdictions while also maintaining accurate inventory data, fulfillment options, shipping integrations and transaction calculations. Extending these capabilities across every location — even those that may only be around for a short time — ensures your backend data remains accurate and your associates have the tools they need to deliver a great customer experience.

63%

of pop-ups operate for 14 days or less.



Less than

8%

operate for more than 3 months.

Source: 2019 Global Pop-Up Trends Survey, Storefront & University of South Carolina College of Retail

4. Digital selling and appointments

In the omnichannel evolution, digital selling offers brands new ways to connect with shoppers. Digital selling strategies often focus on driving traffic, whether it's virtual or in person. They open new touch points through digital tools, allowing sellers to blend convenience and personalization in unique engagement opportunities.

These touch points may include:

Group events: Livestreamed performances, expert-led product demonstrations or contests encourage customer participation and help build brand awareness while enabling shoppers to discover products in new ways.

Individual appointments: One-on-one virtual consultations with a makeup artist or store-based sessions with a home remodeling specialist engage customers, help move them through the buying journey and answer their questions.

Personal shoppers: Connecting with VIP clients through text, chat or other messaging platforms can build rapport with high-value customers, entice them back into the store for private viewings and give them product links to facilitate online purchases.

Delivering on the value of digital selling requires robust enablement tools and updated workflows. For example, during live events, customers need a way to interact with brand representatives to ask questions or place orders. That could include using a chat platform, providing access to online customer communities or offering a video link to an expert for one-on-one support.

But while retailers' technology stacks are often focused on shopper-facing functionality, that's only half the story. To deliver a strong customer experience through digital selling, you also need to empower your internal teams with access to real-time inventory management capabilities, transactional data, tax calculations, CRM inputs and resource blocking for elements such as presentation spaces, products for demonstration and expert presenters.

Adding to the complexity is the fact that many digital selling processes don't occur within the workflows of a traditional storefront. Completing a transaction during a service appointment may not be feasible with a wired POS terminal. Instead, associates often need handheld mobile devices with powerful connectivity capabilities to access inventory levels, arrange for shipping, calculate order totals and capture payment card information. And it all needs to happen in the blink of an eye so that shoppers aren't left to wait.



“Those online tools may be hosted through your own site or through the platform used for the event, and the information needs to sync across your systems in real time.”

- Asad Ahmed, Principal Industry Solution Advisor, Retail, Oracle NetSuite

Post-pandemic shoppers say they're more likely to schedule appointments for:

In-store services

44%

Example: Face-to-face consultation to discuss clothing alterations with a tailor

Virtual services

43%

Example: Video chat with an interior decorator to plan a bedroom refresh

In-store browsing and shopping

41%

Example: Appointment — possibly before or after normal hours, or during a time when the location has limited onsite access — to peruse and buy items

Source: Qudini, Survey: Demand for Appointment Scheduling Services During and After the Pandemic, May 2021

5. Brand partnerships and integration with third-party applications

The mix of channels available to retailers continues to grow, and brand partnerships offer another option to get in front of customers and optimize operations.

A big-box retailer may choose to partner with a niche fishing equipment brand, for example, to elevate its sporting goods department. Conversely, sellers with limited fulfillment capabilities might align with a large department store that has proven and extensive fulfillment operations.

Retailers are also finding opportunities to offer products and services to customers in new ways through integrations with third-party apps. Local delivery partners such as DoorDash, along with specialized shippers, payment platforms and turnkey e-commerce providers, all help brands connect with shoppers. These partnerships elevate the brand's value proposition and create touch points to personalize the experience based on shoppers' preferences.

Systems that support open APIs are crucial in integrating with leading third-party apps and connecting with brand partners' external solutions. However, a technology stack that requires extensive customization to enable these connections will be expensive to maintain as your partnership and integration strategies continue to evolve. Instead, modular systems with a diverse developer network provide the integration capabilities you need to branch out into new channels.

Optimizing strategic partnerships and third-party integrations requires other key capabilities as well. A technology infrastructure agile enough to pull data in real time from multiple channels — both within your organization and from your external collaborators — is vital for maximizing the functionality of your other systems.



41%

of consumers say fast and reliable delivery is important to them when shopping online.

Source: PwC, June 2021 Global Consumer Insights Pulse Survey

» “Strategic brand partnerships are complex engagements. A technology partner with experience in similar implementations can bring best practices to the table and guide you on the questions to ask to make your integration a success.”

- Nate Stohrer, Principal Consultant, Vertex

Powerful data analytics can then be applied for activities such as:

- Revenue allocation
- Financial and tax reporting
- Demand planning
- Inventory optimization
- Marketing strategy development
- Sales forecasting
- Workforce management

Together, these functionalities can help you make the most of your outside partnerships and connect with customers anywhere and everywhere.

Conclusion

Current and emerging trends are driving exciting new revenue and engagement opportunities for retailers. As omnichannel strategies continue to expand, brands should take steps now to position their systems and processes for the new channels, apps and platforms growing in popularity. The right integrations, technologies and tax strategy will ensure your organization is ready to capitalize on the future of retail.

Together, Vertex and NetSuite provide solutions that enable retailers to better manage and support their businesses today and tomorrow. With a full suite of integrated solutions, they are trusted by many of the world's leading brands, providing technology and services to help customers increase efficiency and become more agile, enabling them to confidently capitalize on new market opportunities.

Vertex offers a full suite of Built for NetSuite validated solutions, including integrations with NetSuite ERP Legacy (Single Company and OneWorld), SuiteTax and SuiteCommerce, empowering businesses to automate their back-office business processes and streamline order-to-cash transactions. And as the leader in tax technology for more than 40 years, the team of experts at Vertex can help retailers to keep pace and remain compliant with fast-moving changes in global, regional, and local tax and regulatory requirements.

We're dedicated to helping organizations reduce risk, increase efficiency, and scale their operations. Our powerful strategic partnership allows us to deliver new features and enhancements designed to keep pace with the latest retail sector innovations, which means you can focus on your core business, capitalize on new market opportunities, and conquer future regulatory and technology challenges quickly and confidently.



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