The retail industry is evolving at unprecedented speed. To succeed today, you must meet ever-more-demanding consumer expectations and engage customers in new ways. You need to reimagine retail processes and business models to deliver increased value throughout your operations. With SAP® Cloud Platform, you can harness digital technology by developing innovative applications in the cloud that empower front-line staff and revolutionize the way you serve your customers.

**CHALLENGES**
- Differentiate your brand to stay ahead of the competition
- Engage an increasingly demanding customer base
- Streamline retail processes to enable more efficient operations

**KEY FEATURES**
- Ability to extend existing cloud and on-premise applications with new functionality for a personalized customer experience
- Real-time processing of information about customers, products, and inventory position
- Support for innovative retail approaches and engagement models

**ADVANTAGES**
- Increased number of customer touch points, resulting in more in-depth interactions and improved customer loyalty
- Better access to information for customers, store associates, and call center agents
- Improved revenue stream through value-added services
- Reduced operating costs through improved connectivity and process automation

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Today’s customers expect a new kind of shopping experience. In place of traditional, impersonal transactions, tech-savvy millennials are looking for personalized encounters that entertain and engage them. They want to interact with brands across multiple channels and receive relevant, targeted communications. And if you can’t deliver on the same day and for free, they’re not interested.

GET CLOSER TO THE CUSTOMER

New retail models such as “clienteling” help retail companies establish long-term relationships with key customers based on data about their preferences, behaviors, and purchases. Machine learning and in-memory computing enable retailers to process vast volumes of data in real time, providing ever-deeper customer insights that drive more impactful personalized and contextual consumer experiences.

Once the stuff of science fiction, virtual reality can now be used to create immersive retail experiences. In addition, augmented reality lets users interact with digital content that’s overlaid with the real world. Already in use by a few retailers to inform and entertain shoppers, this technology will become even more critical to attract and retain millennials.

ENABLE FASTER, MORE-EFFICIENT PROCESSES

Meanwhile, the Internet of Things (IoT) – a network of physical objects with embedded intelligence that senses their environment and interacts with business processes and systems – is enabling companies to streamline processes. Based on this technology, optimized merchandising and purchasing, intelligent inventory utilization, and insight-driven decision processes are making retail operations leaner and more efficient.

HARNESS THE POWER OF DIGITAL TECHNOLOGY

For businesses harnessing the power of digital technology, the future offers exciting new opportunities for differentiation and disruption in this rapidly changing and increasingly challenging market. To take advantage of these opportunities, retailers must successfully deliver against five key digital priorities:

• **Customer centricity:** Putting customers at the center of every decision is a key prerequisite for success in the digital age. This approach is not limited to stores or call centers, but also applies to assortment selection decisions, pricing and promotions, and the overall customer experience.

86% of buyers will pay more for a better customer experience

1. CEI Survey 2015.
• **Service to the segment of one:** Advanced data analysis allows retailers to gain in-depth customer insights. These enable targeted personalized offerings that match the lifestyle and current, as well as predicted future needs, of an individual.

• **Digital consumer supply chain:** By connecting the end-to-end supply chain from suppliers right through to consumers’ homes, retailers can make the most of new opportunities such as automated replenishment, retail without inventory, and better demand and supply matching.

• **Smart retail technology:** New in-store technologies such as geobeacons and virtual or augmented reality allow retailers to reimagine personalization and customer service. Smart products and 3D printing create new levels of customer connectivity and involvement. In addition, built-in sensors provide insights on usage patterns and health and nutrition needs, and can drive repurchase impulses.

• **Monetization of new customer offers:** Detailed customer insights and understanding of customer needs and preferences help identify new revenue-generating opportunities. These include nonretail cross-sell options, subscription models, outcome-based pricing, commercialization of the shopper, and consumer insights.

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80% of shoppers want same-day shipping²

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Figure 1: The Five Digital Transformation Priorities for Retail

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GAIN A COMPETITIVE EDGE WITH SAP CLOUD PLATFORM
Successfully addressing the five strategic priorities gives you an edge over your retail competitors. SAP Cloud Platform helps you achieve this by enabling you to reimagine your engagement with shoppers, the way your employees work, and your business models.

The agile platform-as-a-service (PaaS) offering powered by SAP HANA® software enables customers to achieve business agility, create a truly integrated and optimized enterprise, and accelerate digital transformation across the organization. You can connect digital processes for all lines of business by integrating horizontal and retail-specific solutions deployed on premise or in the cloud. In this way, you can improve customer interactions, streamline core operations, and simplify finance processes.

SAP handles the provisioning, operation, and maintenance of the platform, allowing you to concentrate on developing and implementing your own ideas, without investing your resources in building your own technology stacks. When it comes to developing new solutions, SAP customers register cost savings of up to 50% when using SAP Cloud Platform. Furthermore, the new applications are available faster with the PaaS offering, reducing development time by up to 75%.

SAP CLOUD PLATFORM IN PRACTICE
Many retail companies have already turned strategic initiatives into reality with the help of SAP Cloud Platform. Take inspiration from some examples of how you can also use the opportunities of digitalization to generate success for your business.

Quadrupling the Speed of Stocktaking with SAP Cloud Platform
Agribusiness retailing giant Ruralco developed an SAP Fiori® Cloud app that makes stocktaking faster and more accurate so that its clerks can give customers highly reliable inventory information.3

Figure 2: What SAP Cloud Platform Helps You Do

Extend cloud and on-premise solutions
Add new functionality to existing applications easily and quickly

Integrate applications and data
Integrate cloud and on-premise applications to avoid data silos

Build innovative software
Develop and run new solutions

Scaling the Sustainability Index with SAP

By partnering with SAP and The Sustainability Consortium, Walmart Stores Inc. integrated sustainability into their core business of merchandising and empowered their suppliers to take action on important social and environmental issues in their industry. Merchants gain real-time quantitative data to benchmark suppliers and drive improvement, without having to become subject-matter experts. In just six weeks, more than 2,500 sustainability assessments were completed by 1,400 suppliers across more than 700 product categories. Stronger relationships were built between buyers and suppliers, unlocking new opportunities for cost reduction, product innovation, and brand enhancement.⁴

Improving Products to Attract 7 Billion Customers

Fueled by a desire to create delicious and nutritious food, a manufacturer wants to remove barriers that separate them from their customers. With SAP Cloud Platform, they can create scalable Web and mobile apps that link customers directly to the company’s back-end systems, giving the company the ability to react to billions of customers worldwide in real time.

“With SAP Cloud Platform Portal we can extend our business at Danone by creating attractive, highly functional Web sites using a reliable and secured backed connectivity.”

Ged Hurst, Head of Development, Danone

EVERYTHING IS POSSIBLE

SAP Cloud Platform helps you to:

• Develop brand new business applications in the cloud – as stand-alone solutions or as extensions of existing systems.
• Integrate different business divisions or companies on one uniform platform. Bundle cloud or on-premise applications and improve collaboration across division and company boundaries.
• Link business processes such as inventory management, fulfillment, or demand planning to logistics or customer data. Use IoT and Big Data to increase added value.
• Enhance existing SAP applications with custom applications.
• Use one of more than 1,000 innovative solutions from over 500 SAP partners available on SAP Cloud Platform.
• Analyze data along the entire value chain in real time – and identify new business potential.

LEARN MORE

To find out how you can use SAP Cloud Platform to develop and realize new services and applications efficiently, contact your personal SAP representative or visit us online at www.cloudplatform.sap.com.

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