

What Will Set Top Retailers Apart?

Application Delivery Management



It can't be understated how much an impact the global pandemic imposed on retailers everywhere.

According to one industry expert, "consumer behavior changed overnight as health and safety concerns suddenly became a purchase driver, and we saw technological adaptation in a matter of months that would normally have taken years to occur."

Although the future of retail remains uncertain, the effects of COVID-19 will be with us even when the pandemic subsides.

As a result, there are five new keys to success that will set top retailers apart:

One/ Enhance the omnichannel and digital shopping experience.

Two/ Employ high performing mobile apps.

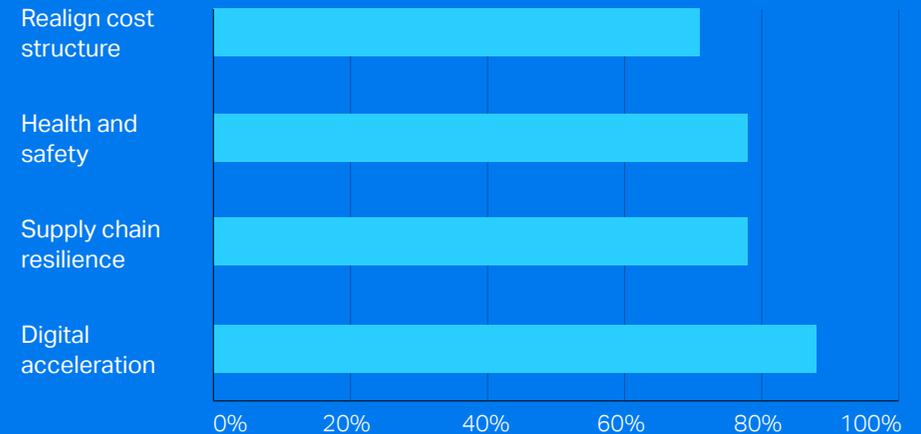
Three/ Continue to evolve payment systems.

Four/ Accelerate delivery.

Five/ Meet privacy concerns with clarity

Read on to learn more about these keys.

Retail Investment Priorities for 2021



Moderate to major investments for 2021. Percentage of retail executives.

Source: Deloitte analysis based on interviews with C-suite executives in consumer products industry. Caution: Small sample size.

"The specific actions required to meet these strategic goals are different for each company, but the bifurcation of the retail market will likely only define where a retailer has to act first."

Lupine Skelly

Research Leader, Deloitte Consumer Industry Center

Guiding Statistics

15%

increase in online spend in the US in 2020 compared to 2019

3 of 10

executives rated themselves as having mature digital capabilities

56%

consumers anxious about shopping in stores

8 of 10

expect moderate to major supply chain investment in 2021

43%

increase in consumer mobile shopping since the outbreak began.

>90%

of consumers see 2-3 day delivery as a baseline, with 30% expecting same-day delivery

56%

of specialty retailers have made 2-day delivery a priority—42% are aiming for same-day by 2022

2/3

of all companies say their revenue and profits will suffer if digital transformation doesn't move fast enough



One/

Top Retailers Will Enhance the Omnichannel and Digital Shopping Experience

Ecommerce adoption has accelerated during COVID-19, making it even more important for retailers to integrate online and offline sales channels into a cohesive experience.

Retailers need a comprehensive, up-to-date omnichannel strategy. Their approach must consider how consumer needs and behaviors have changed and recalibrate how they understand their target customer.

To start implementing such a strategy, your organization can:

- Reevaluate the mix of sales and ad channels.
- Explore opportunities in social commerce.
- Gain backend operations visibility.
- Increase supply chain efficiency.
- Rebalance investments across channels.
- Identify partners who align with your strategy.

2/3

of survey respondents cited the growth of omnichannel and digital shopping as the industry's most significant trend and greatest challenge.

65%

of retailers base store decisions on brick and mortar performance, with just 35% considering how such moves affect omnichannel.

Source: McKinsey Company, Retail Speaks: Seven Imperatives For The Industry

Key /

UFT Family

- ✓ Deliver a high-quality multi-platform experience.
- ✓ Enjoy flexible, hassle-free mobile device management.
- ✓ Support rapid application changes with friction-free continuous testing.
- ✓ Leverage enterprise-grade AI for enterprise-grade quality.

Two /

Top Retailers Will Employ High-performing Mobile Apps

Large retailers categorized as essential businesses during 2020 lockdowns churned out mobile apps that gave in-store customers more capability to interact with products.

For example, the Home Depot app allows customers to scan a product's QR or UPC and obtain product information and user reviews. Customers can also share the item on Twitter, Facebook, email, or save it for later in "My List."

Target's app allows users to make a list before shopping and to search the user's store to get item availability and aisle location. Features also include a

store locator, coupons for weekly and daily deals, and a barcode scanner to get product details or add products to a list.

Retailers are finding ways to shape the in-store experience, empower purchasing process and create dynamic ways for the customer to interact with the products. Experts predict that these trends will continue to grow in 2021 and beyond.

\$143B

In 2020 app store spend hit \$143 billion worldwide, an increase of 20% year over year.

52%

of users are frustrated by overall app performance.

Source: Clear Bridge Mobile, 50 Stats for Mobile App Growth and Success in 2021

Key /

LoadRunner Cloud

- ✓ Extreme scalability and flexibility for the biggest loads without worrying about the hardware needed to execute the test
- ✓ Simplify how you plan, run, and scale your testing for web and mobile apps.
- ✓ Simulate any network type with built-in network emulation.
- ✓ Scale to more than five million virtual users.
- ✓ Use rich analytics to create breakdown reports.

Three/

Top Retailers Will Continue to Evolve Payment systems

Ecommerce is now king as US online sales jumped 37% in Q3 alone. Experts predict Amazon.com will capture 42 cents of every dollar spent this holiday season.

This digital surge continues proliferating as shoppers turn to online channels—even after lockdown restrictions lift. To stand out in a crowded 2021 market, merchants must support more than card transactions online.

According to PPRO's research, 42% of US consumers abandon their carts if their preferred payment method isn't available. In fact, recent findings reveal the global average rate of cart abandonment is as high as 75.6%. This issue costs brands up to \$18 million a year in revenue. The cart abandonment trend is expected to continue, pressuring retailers to expand current payment offerings.

Source: Total Retail, Stefan Merz, Payments in 2021: What Lies Ahead After the Digital Boom

Key /

Service Virtualization

Service Virtualization enables you to easily create virtual services that replace targeted services in a composite application or multi-step business process.

By accurately simulating the behavior of the actual component, it enables developers and testers to:

- ✓ Begin performing functional or performance testing right away and in parallel with the lifecycle.
- ✓ Test even when the real services are not available, data access is restricted, data is difficult to attain, or the services are not suitable for the particular test.

Four /

Top Retailers Will Accelerate Delivery

Ensuring a smooth, satisfactory “last-mile” delivery—where a product lands in a consumer’s hands—is crucial. A superior last-mile experience engages and retains consumers.

Our research shows that three-quarters of customers will spend more if they are satisfied with the delivery services.

While this is good news for retailers’ top line, current delivery models are not proving profitable. Retailers absorb a part of the last-mile delivery cost.

As consumers expect more frequent deliveries, our research shows that not meeting demand and service-level expectations will hurt retailers’ profitability. Our analysis shows that net profit could potentially fall by 26% over three years for a hypothetical US grocery retailer—unless it bolsters its last-mile delivery capabilities.

“We’re always looking for the best ways to serve customers, so we’re exploring a number of different options for getting groceries from our stores to the customer’s front door some in house, some third party.”

Tom Ward

Vice President, Digital Operations, Walmart US

Source: Capgemini Research Institute, The Last Mile Delivery Challenge: Giving retail and consumer product customers a superior delivery experience without impacting profitability

Key /

ALM Octane

- ✓ Accelerate transformations from iterative approaches to agile and DevOps practices.
- ✓ Align work from ideation through release—regardless of the number of teams, projects, and locations.
- ✓ Unify testing efforts across unit, integration, acceptance, security, and performance.
- ✓ Prioritize quality and ensure it at every stage with release management.
- ✓ Use dashboards and metrics for a visual, customizable display of progress and quality.

Five /

Top Retailers Will Meet Privacy Concerns With Clarity

Online security is an opportunity for retailers to cultivate trust. In a recent Deloitte survey, only 5% of consumers ranked retail as a top-three industry for data privacy, compared to 63% for banks.

Pandemic-driven contact tracing and employers gathering health data have brought attention to data privacy. To safeguard shoppers,

retailers should implement a transparent strategy that resolves privacy issues rapidly.

Key /

Fortify

- ✓ **Comprehensive**—Full SDLC coverage: SAST, DAST, IAST, SCA, and RASP. Strong CI/CD pipeline integration includes innovative features: machine learning assisted auditing and real-time analysis in the IDE using Security Assistant.
- ✓ **Proven**—We have over a decade of successful deployments under our belt—backed by the largest security research team.
- ✓ **Flexible**—Available on premises or as a service.



Summary

Opportunities abound for those who quickly apply the retail lessons of COVID-19. Many old playbooks and rules are now outdated, and these five new keys to success are your path to success.

In the coming years, retailers will face more consequential decisions than at any time in the recent past. McKinsey Research concludes, "retailers that can accelerate their progress with targeted investments, embrace new

approaches to talent and ecosystems, and free up resources to support promising ventures have the potential to become leaders in the industry for years to come."



Source: McKinsey Company, Retail Speaks: Seven Imperatives For The Industry

**Is your retail business
ready to quickly apply
these 5 key lessons?**

Get started today ›