

Smart Stores

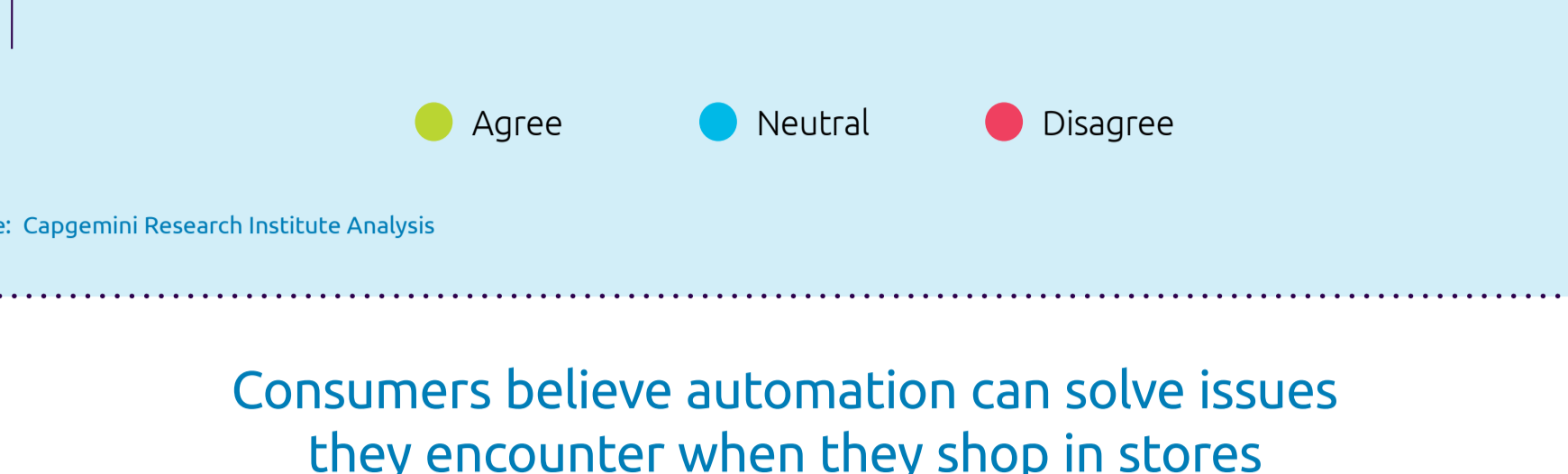
Rebooting the retail store through in-store automation



In-store automation appeals to consumers

Consumers are keen automation advocates

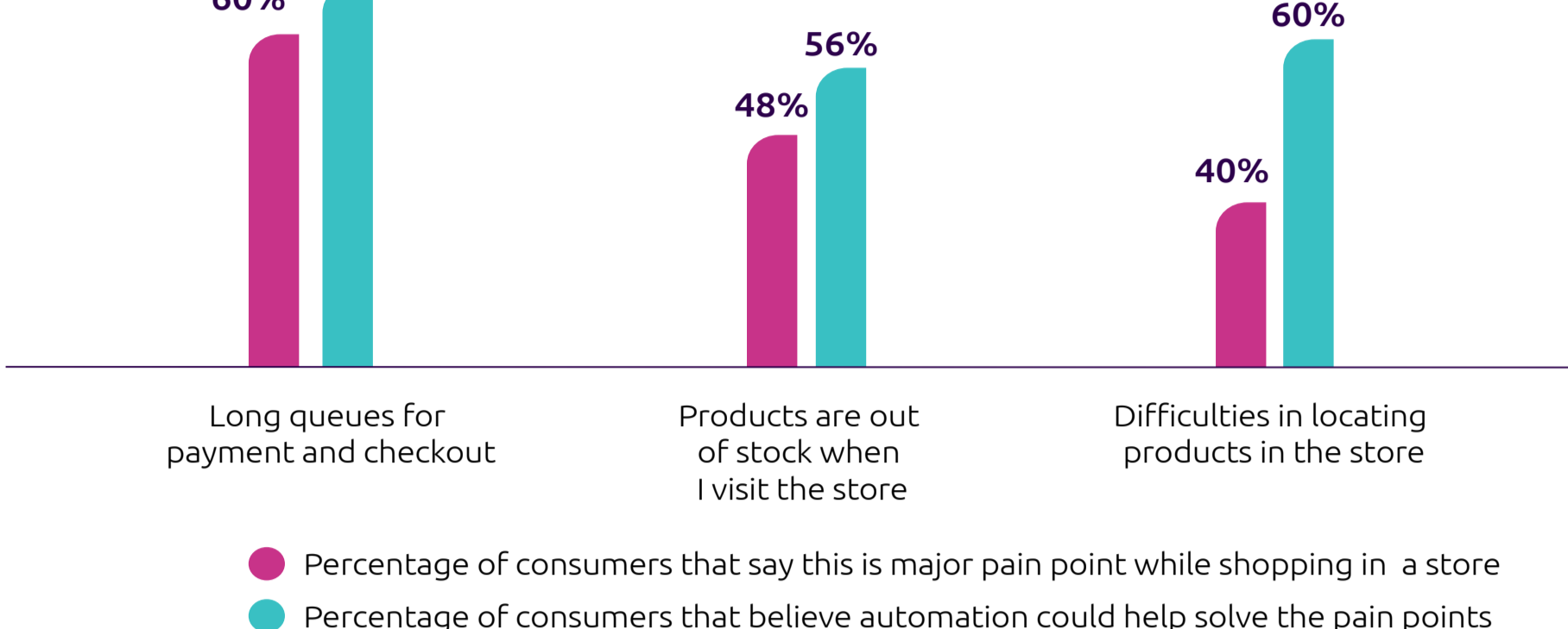
Percentage of consumers who have visited stores with automation technologies and are willing to shift their in-store purchases from a retailer with no automation technology in stores to a retailer that uses automation technology



Source: Cappgemini Research Institute Analysis

Consumers believe automation can solve issues they encounter when they shop in stores

Top three consumer pain points in stores and whether consumers believe automation can help solve them



● Percentage of consumers that say this is major pain point while shopping in a store
● Percentage of consumers that believe automation could help solve the pain points they experience while shopping in a store

Source: Cappgemini Research Institute, Automation in Retail Stores Research, Consumer Survey, October 2019, N=5,110 consumers.

Consumers want to shop with retailers who use automation to promote sustainability



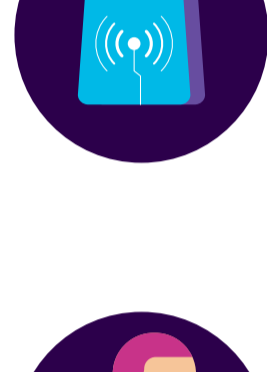
69%

Share of consumers that would rather shop with retailers that use automation technology in their operations to reduce food waste

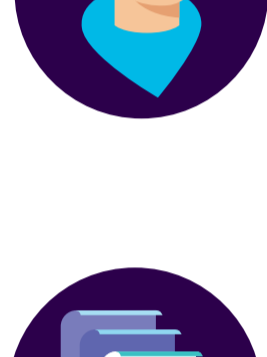
Automation offers significant benefits

Consumers are willing to shift purchases to retailers using in-store automation

Percentage of consumers that agree with the statement



46% I would shift purchases from a **mostly online retailer** to a retailer with stores that use automation technology



56% If automation technologies made the in-store experience **more fun and engaging**, I would rather go to a store than shop online from a competitor

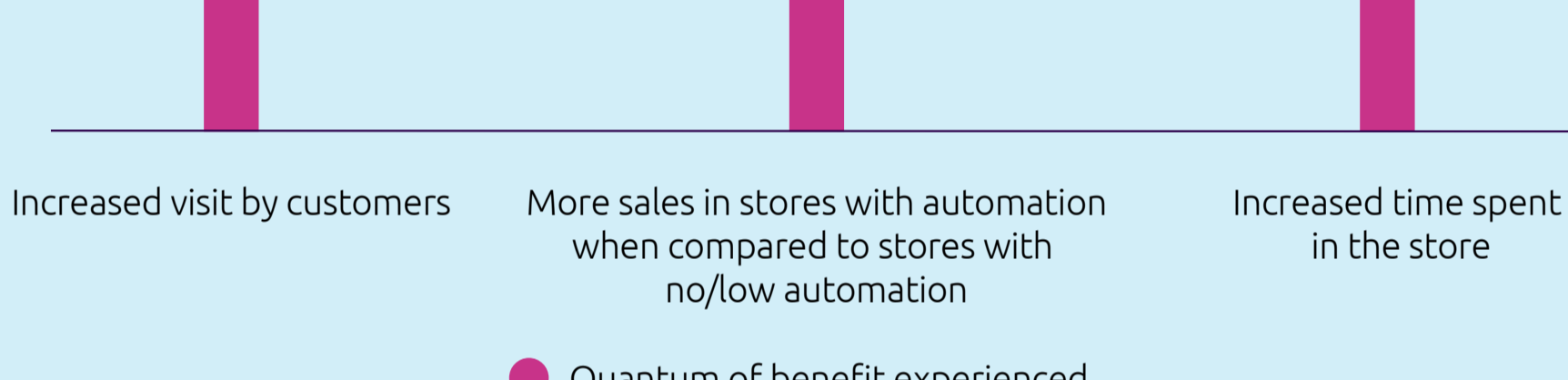


60% If I received **useful product information that I valued**, I would purchase more from a store with automation technology

Source: Cappgemini Research Institute, Automation in Retail Stores Research, Consumer Survey, October 2019, N=5,110 consumers.

Retailers have already started seeing benefits

Benefits retailers have experienced from automation in stores



● Quantum of benefit experienced

Source: Cappgemini Research Institute, Automation in Retail Stores Research, Executive Survey, October 2019, N=250-280 retail organizations that have experienced benefits in these areas.

Retailers are realizing cost savings from in-store automation



Cost savings due to faster delivery of "click and collect" orders from store



Cost savings to operate stores



Cost savings from avoiding shrinkage due to thefts/spoilage



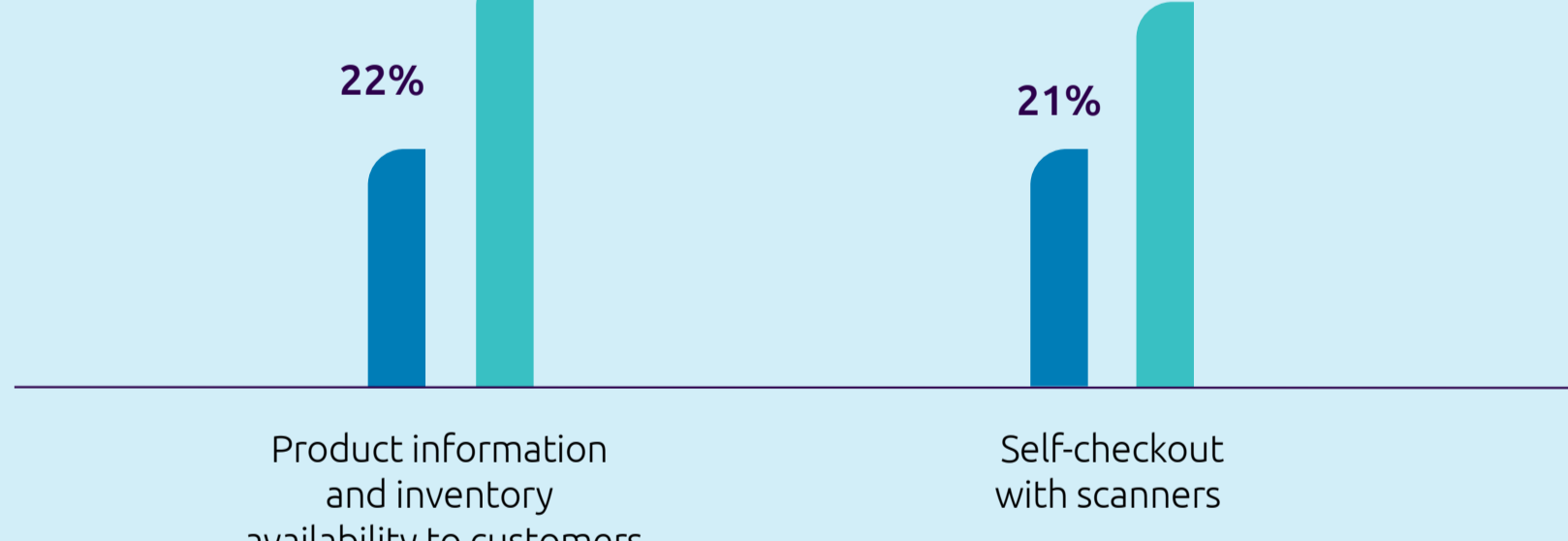
Cost savings from avoiding a stockout

Source: Cappgemini Research Institute, Automation in Retail Stores Research, Executive Survey, October 2019, N=150-250 organizations that have experienced benefits in these areas.

Winning customer trust and confidence is critical to scale in-store automation

Retailers struggle to move from pilot to scale

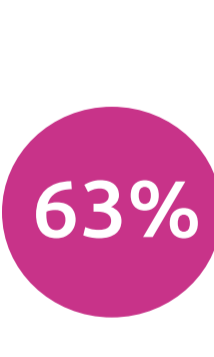
Share of stores automated for the leading use cases



● Share of stores automated today ● Share of stores to be automated in the next 3 years

Source: Cappgemini Research Institute, Automation in Retail Stores Research, Executive Survey, October 2019, N=400 retail executives from grocery, apparel, electronics, and home improvement.

Consumers are skeptical of retailers' motivation for implementing automation



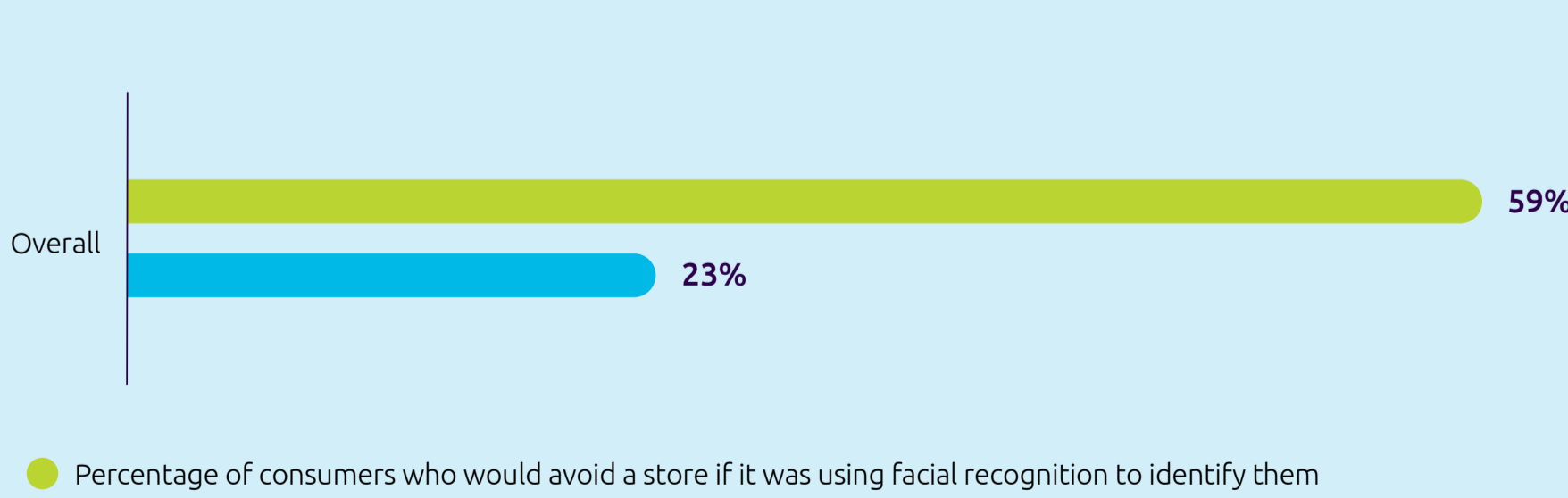
Percentage of consumers who feel retailers implement automation technologies to cut costs rather than helping address their in-store shopping challenges



Percentage of consumers overall who said they feel like an "unpaid sales assistant" when they use the self-checkout option

Significant mismatch also exists in how retailers and consumers view privacy in-store

Perception mismatch between consumers and retailers on the use of facial recognition



● Percentage of consumers who would avoid a store if it was using facial recognition to identify them
● Percentage of retailers who believe consumers would avoid a store if it was using facial recognition to identify them

Source: Cappgemini Research Institute, Automation in Retail Stores Research, Executive Survey, October 2019, N=500 retail executives; Consumer Survey, October 2019, N=5,110 consumers.

A roadmap to accelerate automation adoption in retail stores



Prioritize automation as a strategic imperative



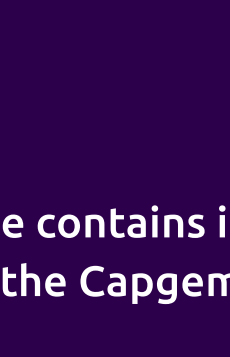
View automation through consumers' eyes



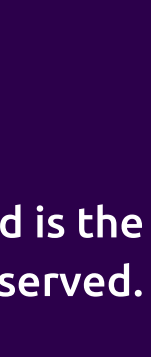
Ensure a data-driven approach to scale use cases



Determine your automation operating model



Gain employee buy-in for automation through training and reskilling



Source: Cappgemini Research Institute Analysis

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