



Get Closer in 2021

Key Trends from NRF 2021

GET STARTED



Seize the Day

“Retail is being driven by digital transformation. As retailers look to **get closer** to their customers, digital technologies are allowing that one-to-one, omnichannel presence, and enabling the ability to use big data, analytics and AI to tailor promotions. The vision of one-to-one marketing that we’ve been waiting on for twenty years... it’s now possible to get there.”

NRF 2021 –
SANJAY POONEN, COO
VMware

2020 was a year like no other. In this time of ‘distancing’ and ‘remoteness’ the prize is up for grabs for retailers brave enough to actually get closer to their customers, get closer to their workforce – and get closer to their goals.

In this concise eBook, VMware takes a look at the **top ten trends** on retailers’ minds right now as discovered at **NRF 2021**, the very first NRF to take place completely online.



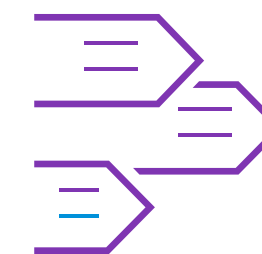
Don’t be distant - Right now, customers need the familiarity and continuity from retailers more than ever.



Don’t be distant – Right now your staff are your greatest asset – embrace being an ‘employee-led’ retailer in 2021.



Don’t be distant – At an unprecedentedly challenging time, the biggest area of growth – and of hope – is digital.



Don’t be distant – 2020 was a year of disruption but acceleration too. In 2021 there is an opportunity like no other.

01. Safety

Most years, the main focus of many NRF sessions and conversations revolves around technology; this year the human touch was very much back in evidence and to the fore. It's not unfair to say that 'safety' has rarely featured in 'NRF Top Ten' lists, being on the one hand taken for granted, and on the other not compelling or innovative enough to warrant headlines.

So while it may not be the greatest surprise that there was a notable focus on safety given the year the world has just seen, it did come as a breath of fresh air.

The imperative to support and reinforce customer and employee safety was paramount.

It was nothing less than a re-commitment by retailers to their employees as people. Better communication and visibility – enabled by technology – kept employees informed on public health updates, details about benefit entitlements, instructions for best PPE use, and how opening hours would be flexing by region and individual store. All of this made employees less anxious at a worrying time, and let them know that their company valued them.

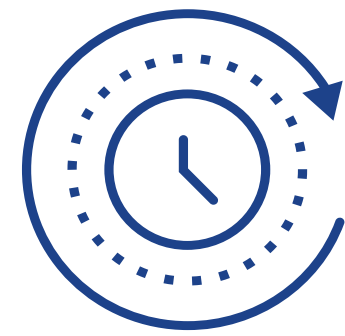
From safeguarding and promoting contactless or distanced interactions (from contactless payments to curbside pickups) through to being able to manage both deliveries and human resources with minimal exposure, the message was clear: from this point forward, 'safety' will always have to be baked-in to retail operations, end-to-end.

And alongside safety comes security, which we shall return to...



02. eCommerce

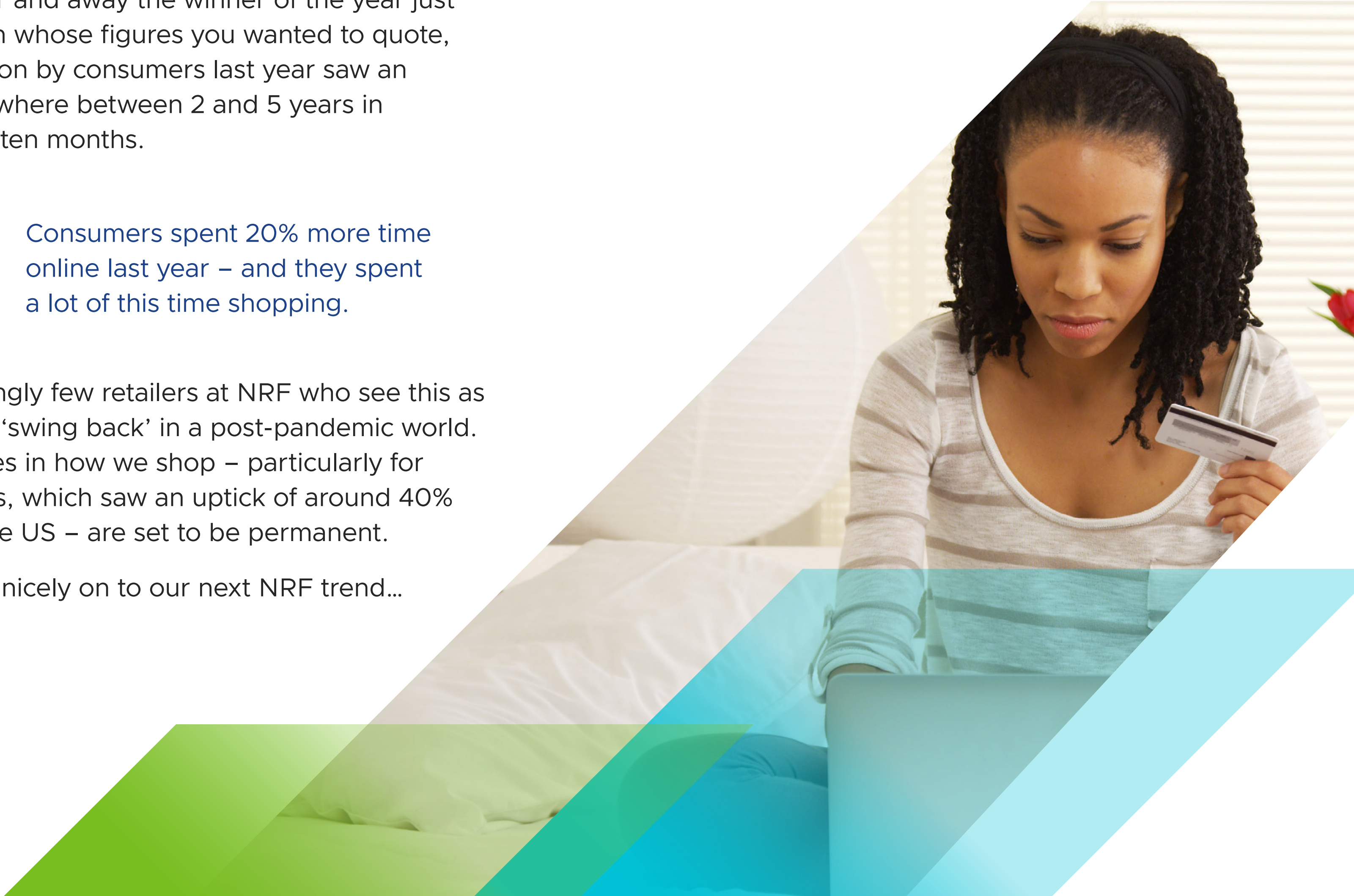
There was no hint of disagreement at NRF over one fact: eCommerce was far and away the winner of the year just past. Depending on whose figures you wanted to quote, eCommerce adoption by consumers last year saw an acceleration of anywhere between 2 and 5 years in the space of under ten months.



Consumers spent 20% more time online last year – and they spent a lot of this time shopping.

There were vanishingly few retailers at NRF who see this as something that will ‘swing back’ in a post-pandemic world. Many of the changes in how we shop – particularly for things like groceries, which saw an uptick of around 40% to online sales in the US – are set to be permanent.

Which follows very nicely on to our next NRF trend...



03. Cloud

Such change as the global world of retail has seen over the past year would not have been possible without one technological foundation in particular: **cloud**.

Cloud conversations were inescapable at NRF 2021 as retailers of all sorts and sizes are looking to cloud to help them make change really happen, and accelerate the now-unstoppable shift to eCommerce.

Cloud also had a critical part to play in the massive migration of the workforce, almost overnight, to remote working. Countless retailers at NRF offered stories of how they were able to spin up new business models and fresh strategies for customer engagement, thanks to cloud.



There was a strong message at NRF, backed up by many proof points, around public cloud: so many retailers are being able to use this without needing to worry about replatforming.

And for those retailers who survived 2020 but have yet to embrace the cloud the message was clear and urgent: **cloud could prove to be the savior of your business over 2021.**



04. Security

Pivoting systems and processes at unprecedented speed (to keep up with rapidly changing customer behaviors during the pandemic) meant that traditional cycles for evaluating and testing security weren't always adhered to.

Add to this the fact that cyber-criminals thrive on disruption, and it became clear that retailers must be more vigilant than ever in their security efforts.

VMware's own Sanjay Poonen put this well in his session:

Many more people online, plus everything moving fast, equals “more opportunity for the bad guys.”

The surface area of potential threats is larger, and rapid change to processes instore also acts as a potential for vulnerability. Downtime is unacceptable for online retailers (for customers and retailer workforce) who need to run consistently 24/7.

Trust has become, if possible, even more important over the last year: trust in the products and services that brands are selling, but also trust that brands will take the utmost precaution safeguarding consumer data and privacy.

VMware outlined the Zero Trust security model which leverages unique control points in the infrastructure's digital foundation to provide deep visibility into apps, data and workloads – and visibility into what they should and shouldn't be doing across networks endpoints and clouds. In this way the security is built in and not bolted on: **it is intrinsic.**



05. Supply Chain

This was indisputably the year of the supply chain.

Session after session, conversation after conversation, reinforced the fact that the lessons of the last year need to be learned quickly by retailers who want to survive: the supply chain needs to be more responsive and reliable than ever.

Over this last year many retailers have accelerated operations and supply chain for competitive advantage, but often these changes have been tactical rather than strategic.

The question now will be which of these changes get operationalized to provide a foundation for the future.

With the future uncertain in terms of how and when populations may have to be locked down, and ever-more volatile in terms of consumer demand, retailers in 2021 simply can't afford to be let down by inaccurate supply chain visibility or unmanageable risk.

The modernization of Supply Chains can take many forms, but the enablers are the same: **software, cloud, big data, advanced analytics, and AI.**



06. AI

AI has a huge part to play in demand forecasting and predictive analytics, the lynchpins of successful, agile supply chains. The logistics and delivery side of operations is also being positively impacted by AI. But AI wasn't confined to supply chain conversations at NRF 2021. In fact it would be more accurate to say it was everywhere.

AI has become the catalyst for innovation and change within retail. There were too many sessions in which retailers revealed that AI was at the heart of their recent success to count; but it is perhaps worth noting the sheer breadth of applications retailers are finding for AI. These include, but are by no means limited to:

Voice, recommendations, personalization, chatbots, facial recognition, fraud prevention, fraud identification, AR & VR, and IoT applications.

Even a cursory perusal of the list above proves that AI is, as the commentators like to say, on fire within retail right now. In fact the only limits seem to be the imaginations of retailers and their technology partners – which, the evidence of the past year suggests, are in confident and creative good health.



07. Livestreaming

While there were many general consumer trends discussed at NRF, and a lot of talk of retailer technology platforms, there were also sessions focusing on **specific consumer habits which had taken off over 2020**.

These included the US finally embracing contactless payments and Europe more widely taking advantage of curbside pickup. One consumer shopping innovation which has been very popular in Asia-Pacific markets for a while now – but had made little dent on North American and European markets until 2020's significant acceleration – was livestreaming.

While it seems too early for comprehensive figures to have been published and ratified, there was agreement that **livestreaming saw explosive interest**.

That this should happen in a year in which consumers were stuck at home and – not to put too fine a point on it – desperate for diversion and novelty might not in hindsight seem surprising; but it does point to a potential growth area for 2021 for those retailers brave enough to get on board.

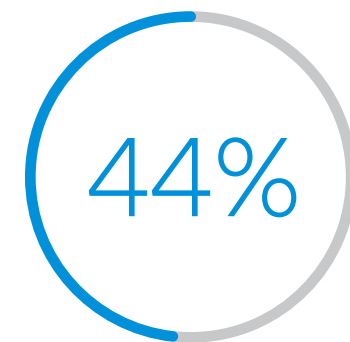
The conversation then shifts to app modernization and optimization for the very best way of delivering such next-generation experiences in a reliable, secure and compelling fashion.



08. Automation

Another ubiquitous talking point at NRF – alongside many new proof points from the last year – was automation. Possibilities for automation continue to proliferate across all spheres of retail operations, from chatbots and personalized recommendations, to self-checkout options, to next-generation delivery.

Before you discount this last one, bear in mind that in one NRF 2021 session Euromonitor International pointed out that according to their new consumer survey results:



44% of consumers would be comfortable with receiving goods via new delivery methods such as drones or robots

This is a figure which has changed over the last year and gives another proof point of how the pandemic has changed consumer mind-sets, probably for the long-term.

Retailers need to remember that the new challenges they are facing right now can be solved with software. Retailers need to choose technology partners who provide a path to intelligent automation that reduces risk, optimizes cost and eliminates complexity.

“The combination of the internet, the global network and the advent of smartphones has really dramatically changed the way in which customers can engage and be serviced. Customer expectations have heightened.”

NRF 2021 –
NIRAJ SHAH, CO-FOUNDER & CEO
WAYFAIR



09. Experience

While customer experience is something of a perennial in NRF conversations, it would be remiss not to mention it this year, as its importance continues to take centre stage in retail endeavors. While eCommerce – as we’ve already noted – was the big winner from 2020, and while, the notion of how we do things with digital is, over the course of 2021, going to permanently change the way we shop, it’s important to keep the omnichannel imperative front of mind.

“Stores are still important ... People want the theatre. Digital is important but it’s uplifted when our stores are open.”

NRF 2021 –
MARK METRICK, PRESIDENT & CEO
SAKS

Employee experience is equally important as the customer experience. Minimizing digital friction from both perspectives is key.

From compliance, to stock management, to risk reduction, productivity or sales, the role of staff in a business is the beating heart of an operation.

Giving employees the right tools and access to relevant and timely information makes them more productive thus enables them to deliver the best service to the end customer as well as protects the staff.

The retailers that win today are the ones that use technology to build personal customer experiences not forgetting their employee perspective and transform their digital retail experience.

However, it isn’t always easy to implement new solutions with existing systems. Session after session at NRF 2021 underlined the huge part technologies such as cloud, mobile, and apps are playing in optimizing and continuously refreshing the compelling customer experiences that drive growth.



10. Speed

While Retail is no stranger to reinvention – always adapting to changes in the market and transforming to meet customers where they are: instore, online, and everywhere in between – the last year has been unprecedented in the speed and scale of change.

The message from NRF was breath-taking: this speed is going to continue in 2021, and if anything it is going to increase, as retailers now have proof of how quickly things can happen. Where there's a will, there's a way.

Consumers have a massive amount of power – not just around price comparing – and have also taken note of how quickly retailers can change when forced to.

In a tough year, it has been many of the most innovative brands that have succeeded. Some geographies have seen more change than others – some of the countries with the biggest populations (India, for example) have seen accelerated, permanent change.

VMware's digital foundation for retail operations, across data centre, cloud, mobile and edge environments, allows retailers to strategically and smartly respond to shifts in demand – at speed. VMware enables IT to be as agile as the retail business requires, while delivering exceptional customer and employee experiences anywhere, and while safeguarding data everywhere.



Get Closer – Today

With speed and acceleration front-of-mind for retailers right now, technology needs to be as agile as the business requires – helping customers anywhere and protecting secure customer data everywhere.

VMware solutions help retailers translate the tenets of good customer experience, convenience, ease and trust, into omnichannel strategies that seamlessly connect instore and digital, personalize the buyer’s journey, and deepen engagement.

VMware’s COO Sanjay Poonen delivered an energetic and inspiring session at NRF 2021 entitled ‘The Future of Retail’. As well as touching on most of the trends we’ve mentioned in this eBook, he left NRF attendees with **4 top takeaways** of his own:

RETAIL HAS
FUNDAMENTALLY CHANGED
– DON’T GET LEFT BEHIND

RETAIL LEADERS ARE BEING
LOOKED TO, TO DRIVE
TRANSFORMATION
THROUGH TECHNOLOGY

IT’S ABSOLUTELY
IMPERATIVE TO DELIVER
A TOP NOTCH DIGITAL
EXPERIENCE

CHOOSE THE RIGHT
STRATEGIC PARTNER FOR
YOU CAREFULLY – ONE
WITH PROVEN SUCCESS
IN RETAIL

VMware is helping retailers create consistent and exceptional consumer experiences wherever the act of shopping takes us next. To find out how we can help you accelerate in 2021, just [contact VMware today](#).



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VMWARE RETAIL SOLUTIONS,
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