Connecting corporate to the front lines with a retail digital HQ
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Retail’s changing landscape

We’re in the golden age of omnichannel shopping. Whether checking out online from the comfort of a couch or pulling up curbside to pick up an order from a store, consumers today expect their purchasing experience to be streamlined. Retailers must now manage a variety of sales channels to ensure that every touchpoint in the sales process is personalized, user-friendly and consistent—all while navigating a tight labor market and constant disruptions in global supply chains. It’s an uphill battle for a retail organization of any size to conquer. Let’s take a closer look at the challenges retailers face in today’s modern economic conditions.

Macroeconomic conditions are challenging profit margins

Inflation and supply chain disruptions have led to rising costs for retailers, and have squeezed profit margins.

According to Colliers, shoppers say that they will take the following measures to battle inflation:

- 57% will buy less to spend less
- 52.9% will look for value by switching to brands or retailers offering promotions
- 52.8% will cut back on big-ticket items (like furniture and electronics)

Likewise, retailers will also take appropriate action:

- 65.5% will raise product prices
- 56.3% will use technology and automation to drive down operational costs
- 48.3% will reduce product quantities and/or service levels

Source: Colliers, “The Implications of Inflation on the Retail Industry,” 2022

Now more than ever, the importance of accurate inventory forecasts, improved communication with suppliers and vendors, and cost-reduction measures are important for building resilience to future economic changes.

Shifting consumer trends

Modern consumers know exactly what product they want, expect multiple options to be available to shop for it, and demand a personalized experience at every step of the shopping process. They spend a lot of time researching and evaluating a product online before making a purchase decision, and they are equipped with more knowledge about what they’re looking for.
Retail’s changing landscape

This means frontline employees need an abundance of data on both the products they carry and the customer themselves in order to provide a great experience.

This also means brick-and-mortar stores will play a critical role in driving sustainable growth, so retailers should look to invest in new methods to streamline in-store communication.

51% of consumers say that they are significantly more likely to order a product if they can check out online and have the option to return it in-store.

Source: Shopify eCommerce Market Credibility Study, 2021

Whether in-store, through social media or online, the shopping experience needs to be consistent and personalized. The rise of omnichannel retail synchronizes shopping for consumers across all channels by blending marketing and sales together. To achieve this, retailers need a central space where a complete overview of the customer journey is accessible.

Revving up retail for the digital-first economy

To keep up with the rise of omnichannel shopping, rapidly changing customer habits and shrinking profit margins, retailers need a digital-first and innovative approach made for the modern economy. This means improving the tech they use to transform operations across the board to reduce costs.

Consumer companies with high digital and analytical capabilities see a 30% increase in digital sales growth on the front end, while the middle of the house reduces inventory costs by 15% and the back office reduces employee turnover by 50%. The right tech truly makes a difference to the bottom line.

According to McKinsey & Company, there are six areas that retailers must focus on to achieve true tech transformation for modern times. These are:

- Omnichannel integration. Ensuring that every touchpoint of a consumer’s shopping process is consistent and personalized drives them to become a loyal customer. This includes optimizing personalized marketing, wish lists, appointment bookings, payment and more to drive incentives to buy again. Omnichannel integration will be vital in maintaining competitiveness in today’s market.
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- **Datafication.** Often times, traditional retail platforms host data across different systems, preventing scalability and true widespread visibility into operations. Retailers should move to a cloud-based data platform that uses automation to showcase data in a unified way for everyone in the organization.

- **Tech modernization.** Traditional retail operational platforms are not nimble enough to keep up with shifting supply chains, fluctuating inventory and rapidly changing consumer expectations. Retailers should look to upgrade to technology that enables them to improve flexibility and scalability with fewer applications.

- **Product-led.** Retailers need a full IT infrastructure that focuses on developing and managing business capabilities for e-commerce. This means tech (such as engineering and design) is included in the planning of all products to ensure a consistent experience for consumers.

- **Highly automated.** In order to get products to market faster, improve employee productivity and create a smooth experience for consumers online, retailers need a software delivery system that unlocks the power of end-to-end automation.

- **Talent-driven.** A skilled IT department will become more critical to the functioning of retailers in the coming years. Developing an internal team and operating on a platform that allows quicker resolutions of tickets for employees and customers will be the keys to success. Retailers also face frontline staff shortages due to a shifting job market. Retaining top talent on this front will be important too.

Retailers can no longer rely on traditional architecture to execute operations in today’s retail landscape. They should seek tech solutions that are nimble and customizable to fit their needs in order to prepare for unexpected future challenges.

Enter the digital HQ.
What is a digital HQ and why is it important for retailers?

A platform that puts communication at the forefront and combines diverse data in one digital workspace can power organizations to unlock new growth opportunities. Slack as a digital HQ does that by enabling retailers to hit all the critical areas of tech transformation mentioned above.

- **Omnichannel integration** → Slack enables the ability to integrate more than 2,400 tools, including e-commerce ones, so retailers can provide more personalized shopping experiences
- **Datafication** → Integrating other systems into Slack means data can be distributed and accessible to every part of an organization—all in one space—so every employee can make smarter, better decisions
- **Tech modernization** → With various systems working together and the ability to communicate in real time, every department is connected and aligned to achieve company goals
- **Product-led** → Work alongside external partners, such as suppliers and vendors, in Slack Connect and get products to market faster with a quicker approval process
- **Highly automated** → Automate everyday tasks in and outside of Slack, with no coding required
- **Talent-driven** → More than 75 of the Fortune 100 companies use Slack because it helps them boost employee productivity and satisfaction

A digital HQ empowers retailers to reduce costs, improve employee productivity, retain top talent and provide better customer experiences. Let's take a look at how.

From corporate to the front line

Retailers must align employees, middle management and corporate communication to achieve success today. To do that, they need a platform that helps insights travel to every level of the organization. Slack enables this by creating rapid feedback loops from customers, marketing, merchandising, area managers, store managers and store associates in one digital workspace.
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Retailers who use Slack see significant improvements in **three key pillars**:

- Connecting stores to corporate
- Connecting stores to each other
- Enhancing the associate experience

1. Connecting stores to corporate

Too often, the line of communication between corporate and its stores is slow and mistargeted. For example, mass notifications about company news might not be relevant for all stores. Hearing about the promotion of an area leader in Texas doesn’t affect store operations in Maryland. And the communication tools employees use on the front lines to report to corporate might not fit into their workflow, leading to a loss of productivity. If employees need to switch between various platforms to complete tasks, like delivering sales reports or finding information on new products, it leaves less room for customer engagement to drive sales.

Here’s where a digital HQ with Slack can help. Corporate can share targeted announcements with stores in various Slack channels based on regional areas, provide a direct line to support teams to resolve issues quickly and produce a searchable archive of information on new products all within one space. This enables what Slack calls “wall-to-wall” communication, leading to improved corporate insights, store-to-store consistency and operational efficiency.
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This wall-to-wall communication is agile and reactive to feedback input by various employees across departments. For example, an area manager in charge of tracking several stores’ performance can share reporting dashboards directly with their managers seamlessly through Slack. Insights then become instantly available to individual stores, allowing them to adjust and respond more quickly. Because the stores are also using Slack, it opens up a feedback loop from the front lines. This enables information and feedback about merchandising, new marketing campaigns, and even direct feedback from customers to make it back to corporate headquarters in near real time. Likewise, stores will benefit from seamless insights, updates to corporate policies, and tactical details about store execution.

### 91%

Positive ROI in 10 months or less after switching to Slack

**Source:** Salesforce Customer Success Metrics Global Report, July 2022

**Supporting agile product launches**

This connectivity allows organizations to be product-led, one of the main components of successful modern retail, according to McKinsey & Company. Marketing teams can use Slack Connect to collaborate with agency partners to get products to market faster using dedicated channels to brainstorm, plan, share concepts and seek approvals quickly and securely. Marketing teams who use Slack see 16% faster execution of marketing campaigns.

**Reducing the toggling tax**

Another powerful feature of Slack is it helps improve corporate employee productivity by reducing what’s known as the “toggling tax.”

The **toggling tax**, defined by Harvard Business Review, is when a user switches from one application to another while working. Constantly switching between applications requires the user to “context switch” to adjust their bearings, often increasing the brain’s production of cortisol—the hormone released in times of stress. This results in employees who are less productive and psychologically exhausted, leading to financial loss. Harvard Business Review found that on average, an employee toggles about 1,200 times a day, or rather, a total of five working weeks out of the year.
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Slack’s pre-built integrations from Salesforce like Service Cloud, Sales Cloud, Analytics, Financial Services, and more, means employees spend less time switching between applications and more time on important tasks.

2. Connecting stores to one another

Slack unlocks the ability to connect all stores to one another more efficiently than ever before. This includes sharing best practices across stores, resolving specific issues related to geographical location, ensuring product availability and finding last-minute shift coverage.

Upgrading in-store communication

To provide the best experience possible, retailers must optimize in-store communication. The benefit of Slack for retailers is the ability to customize channel-based communication, allowing teams to share as broadly or narrowly as is necessary. This could include company-wide announcements that are public to the whole organization, or a regional manager communicating out to her team about a new product that is launching in their stores. The regional manager can quickly post in a private channel that’s just for her managers and provide the context that they need to execute the new launch.
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Here’s where the magic happens. She then asks her managers to post the information to their individual stores. From there, the managers relay the product launch plans to their associates during the daily morning brief in their store’s Slack channel. Associates respond with an emoji so the manager knows they’ve seen the new information. Now everyone has access to this information and can refer back to it whenever they need to. This digital communication allows associates who might be out sick or on vacation to stay up to date on new information once they return. That’s the power of Slack. It provides ways to collaborate and communicate digitally that are persistent, searchable and secure.

28% increase in sales productivity with Slack

Source: Salesforce Customer Success Metrics Global Report, July 2022

Improving store manager productivity

Arming store managers with the right tools can empower them to drive employee productivity, improve sales and grow the business. Slack technology makes this possible by integrating key applications and tools into a digital HQ. This allows store managers to see what is happening at each store in real time, report sales and store performance and use bots to reduce manual tasks, all from one platform. Store managers can get more done in less time with Slack.

28% faster decision-making with Slack

29% time saved with process automation

Source: FY23 Customer Success Metrics, Salesforce, survey of 1,742 Slack customers, July 2022
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3. Enhancing the associate experience

Retailers face competition not only in attracting consumers but frontline workers as well. In July 2022, retail experienced a **46% labor deficit**. This means retaining talent will be critical for success, just as McKinsey & Company pointed out in its report. To do that, retailers will need to create a positive work environment that is efficient, organized and celebrates associate success and milestones.

With Slack, retailers can do this by:

- **Making learning easy.** Streamline onboarding with workflows and integrations pre-built in the platform.
- **Creating a positive culture.** Recognize associates for great work and milestones with designated, customizable Slack channels.
- **Improving flexibility.** Give employees the opportunity to directly post shift assignments and find a way to swap them as needed.
- **Providing the tools for success.** Provide real-time data on inventory and a complete overview of the customer profile to help associates improve sales conversions.
- **Streamlining opening and closing routines.** Slack facilitates a seamless and effective in-store communication process by sharing important shift information and direction while creating a cohesive and motivating work environment.
A powerful duo: Slack + Salesforce Customer 360

Pockets of an organization traditionally work in siloed ways, with marketing possibly operating out of one system and service agents in another. All of this provides a varying and incomplete picture of shoppers. That’s where Salesforce Customer 360 comes into play. Integrating into Slack, it unifies data in several key areas into one place, so every pocket of an organization has a holistic view of shoppers at every touchpoint of the sales process.

Keeping up with constant change

From consumer trends to the labor market to supply chains, economic conditions are constantly changing. Simply put, the only thing that is constant is change. To keep up, retailers must focus on updating their technology to provide personalized omnichannel experiences, a better overview of inventory and a streamlined operational process to bring down costs. Slack’s Digital HQ for Retail makes this possible by providing a single platform where work flows among all your teams, customers, tools and partners.
About Slack

Slack is your Digital HQ—a place where work flows between your people, systems, partners and customers. Slack breaks down communication silos inside and beyond your organization by bringing teams and tools together around common goals, projects and processes in channels and in Slack Connect. It removes the limits of physical walls, giving people the flexibility to do their best work where, when and how they prefer with huddles and clips. And it empowers everyone to automate common tasks with apps and workflows. In the digital-first era, Slack makes work simpler, more pleasant and more productive.