



Transforming Retail

How the Cloud Supports Innovation at Sleepy's, PacSun and Crocs

The consumerization of technology is having a dramatic impact on retail as consumers adopt digital devices as fast as they become available ranging from smart devices to self-empowered shopping tools, such as in-store kiosks and handheld digital devices. These web-based solutions allow shoppers to interact with their favorite brands at any time of the day and from anywhere there is a network connection.

To respond, retailers need to deliver a seamless and convenient shopping experience across all channels. They must also nurture close relationships with shoppers that result in deeper and more profitable engagements.

To achieve these goals retailers have to overcome several challenges. One of which are the problems caused by aging technology frameworks that were built in silos with many complex integration schemes. These silos are difficult to manage, maintain and upgrade and are a choke point that paralyze retailers seeking to add new solutions to meet consumer and competitive demands.

With a true cloud platform, retailers are continuously optimized for the latest commerce features and consumer trends.

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CASE STUDY: SLEEPY'S

A good case in point is Sleepy's, the largest mattress retailer in the country operating more than 900 locations and an eCommerce website. Sleepy's had been using an on-premise eCommerce platform that became too difficult and costly to manage, especially as it tried to introduce consumer-facing upgrades necessary to support growth.

“We recognize that consumers are increasingly connected, and that we need to evolve to meet the needs of our customers, so we needed a more agile solution for our growing business,” says Christopher Cucuzza, Sleepy's vice president of technology. “With our on-premise platform, we just couldn't move fast enough.”

In 2014, Sleepy's transitioned to a cloud platform to become more agile in deploying web and mobile commerce initiatives and to provide consumers with consistent experiences across all physical and digital channels. This shift enabled them to support a growth strategy without the burden and cost of legacy architecture that had become a barrier to innovation.

Sleepy's is an example of how legacy IT architecture can strangle the efforts of retailers who want to grow their omni-channel capabilities. Sleepy's isn't alone, According to the Forrester Research report, “Understanding TCO When Evaluating eCommerce Solutions,” 80% of retailer's claim that legacy technology continues to hamper the pace of rolling out new consumer-facing features.

In the age of “instant gratification” retailing, it is imperative that retailers have a technology platform that is flexible enough to support business evolution, agile enough to add new services and functionalities, and reliable enough to support the fast pace of innovation.

CASE STUDY: PacSun

Cloud technology adoption in retail is expected to triple to an estimated \$15.1 billion in 2015, up from \$4.2 billion in 2011, according to the Accenture report, “A New Era for Retail: Cloud Computing Changes the Game.”

PacSun, a specialty fashion retailer for the teen and twenty-something customer segments, relies on the cloud to integrate social media into its omni-channel strategy. Before moving to the cloud in September 2012, PacSun didn't have strong social capabilities. Its legacy eCommerce solution was heavily customized, hard to manage, and slow, which meant it couldn't upgrade to take advantage of new features.

Eager to keep business dynamic for its trendy, but demanding consumer base, PacSun needed a platform that could help the company promote its portfolio via social media. By moving to the cloud, the company has integrated its social media presence across Facebook, Twitter, Pinterest, Instagram and Tumblr, which connects the brand with thousands of its brand enthusiasts.

“Enabling social integration has helped us improve brand awareness and affinity, resulting in better store footfall and higher website traffic,” said Colleen McNally, PacSun's vice president of IT. “We can track reviews and ratings across all the major social media platforms, and change our Web site content based on what's trending. Keeping up with the latest social trends allows us to keep our eCommerce offerings fresh for our customers.”

PacSun is also focused on meeting its consumer expectations throughout its US-based store network. PacSun was one of the pioneers in launching a dedicated iPad site for sales associates, featuring videos and 'lookbooks' to help them sell more effectively while also ensuring they don't lose potential sales.

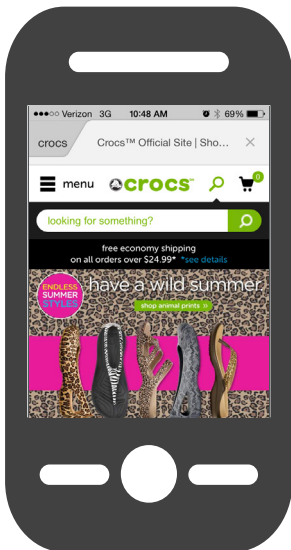


The industry's cloud market adoption is expected to triple to an estimated \$15.1 billion in 2015, which is up from \$4.2 billion in 2011.

SOURCE: ACCENTURE REPORT, "A NEW ERA FOR RETAIL: CLOUD COMPUTING CHANGES THE GAME."

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After evaluating its omni-channel experience and supporting operations, Crocs determined that its highest return on investment (ROI) opportunity was to focus on mobile commerce.



CASE STUDY: CROCS

Crocs is a specialty footwear retailer that took a major step toward enhancing its mobile capabilities after realizing that shoppers were progressing at a faster pace than the company could match.

“We prioritized optimization of our mobile commerce experiences to align with our current mobile landscape,” says Keith Baltus, Crocs’ global eCommerce senior product manager. “We wanted to enhance our user experiences on mobile devices while leveraging our existing desktop experiences.”

After evaluating its omni-channel experience and supporting operations, Crocs determined that its highest return on investment (ROI) opportunity was to focus on mobile commerce.

Crocs operates 21 sites in 15 languages, but only the United States site was designed to deliver a truly optimized mobile experience. To upgrade its mobile capabilities, Crocs was able to leverage its existing eCommerce cloud platform by using a client-side adaptation solution that enables it to deliver optimized mobile experiences to shopper devices using responsive web design.

Since ramping up the program in the fourth quarter of 2013, Crocs’ sites for the United States, United Kingdom, Germany, Australia, Singapore, Taiwan and Canada are currently optimized for mobile. Recent data indicate these geographies are experiencing “excellent increases in incremental revenue per locale,” reports Baltus. “2014 Year-to-date, the company estimates that smart phone conversions increased approximately 50%. When aggregating all conversion and incremental value thus far, we achieved an ROI within six months.”

The remaining countries in the Crocs’ global marketplace, including Korea, Japan and the remaining European countries, will be mobile-optimized by the end of the second quarter of 2014.



Transforming Retail

About Demandware

Demandware, the category defining leader of enterprise cloud commerce solutions, empowers the world's leading retailers to continuously innovate in our complex, consumer-driven world. Demandware's open cloud platform provides unique benefits including seamless innovation, the LINK ecosystem of integrated best-of-breed partners, and community insight to optimize customer experiences. These advantages enable Demandware customers to lead their markets and grow faster. For more information, visit <http://www.demandware.com>, call +1-888-553-9216 or email info@demandware.com.

CONCLUSION

As consumers demand that retailers adopt a host of new digital capabilities, retailers must be prepared to deliver them in a seamless way that allows shoppers to interact, browse and purchase products wherever and however they choose. Many retailers are hard-pressed to live up to these demands due to legacy on-premise architectures that are fast becoming obsolete.

Cloud computing has emerged as a solution that can deliver next-generation shopping experiences and back-end efficiencies along with other benefits that range from reduced costs to robust scalability, and from business agility to customer-centricity. By adopting a flexible cloud-based platform retailers can move beyond traditional limitations and adopt innovative solutions that will create unique shopping experiences and intimate consumer relationships.