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Cognizant Stores 360:

Your ultimate guide to modern store operations management

Optimizing store operations while maintaining profitability

The retail landscape has undergone a dramatic transformation in recent years, with digital marketplaces taking center stage and reshaping consumer expectations. Yet, physical stores remain integral to the shopping experience, offering elements of human connection, tactile engagement, and instant gratification that digital platforms cannot fully replicate.

In fact, U.S. offline sales are projected to exceed **$4.1 trillion by 2028**, reaffirming the enduring relevance and resilience of brick-and-mortar establishments.

This resurgence of physical stores is driven by their ability to deliver immersive, personalized experiences, which are increasingly becoming a cornerstone of modern retail strategy. Customers crave environments where they can interact with products, enjoy tailored recommendations, and engage with brands in meaningful ways.

Retailers not only need to invest in advanced technology, they also need to consider how integrating these systems inadvertently complicates store operations, escalates costs and can often be seen as a barrier to quickly and smoothly on board new employees. Retailers must navigate this complexity, striking a balance between delivering exceptional experiences and managing operational efficiency.

This whitepaper examines how brands can elevate their operations by integrating retail platforms, tools, and assets, fostering a seamless and cohesive experience for both store associates and customers – ultimately allowing them to launch, optimize and expand their retail footprint.

Why invest in store operations?

~35%
of small and midsize businesses have experienced loss of customers due to downtime

>25%
truck rolls are considered unnecessary and wasteful by industries that rely on field technicians

>6
months average time to open a new retail store for big box retailers

60%
yearly employee turnover rate among frontline retail employees

44%
of retail staff cite outdated technology as their biggest frustration

~76%
sales are expected to come form physical stores in 2028

The role of brick-and-mortar retail in the experience economy

The COVID-19 pandemic dramatically accelerated the adoption of e-commerce, leading many to speculate that physical retail might become obsolete. However, the reopening of the world has revealed a different reality: **Brick-and-mortar stores are essential components of omnichannel retail strategies.**

In fact, 85% of all U.S. sales dollars come from brick-and-mortar stores, and 72% of consumers shop in stores on a weekly basis.

Far from becoming relics, physical stores have evolved into immersive spaces that bridge digital and in-person experiences. Innovations like buy online pickup in store (BOPIS) exemplify the seamless integration of convenience and engagement that modern consumers demand.

These spaces are no longer just for transactions; they are expressions of a brand's identity and values, offering tactile, memorable experiences that digital platforms struggle to replicate.

In today's experience economy, customers prioritize connection and engagement over mere purchases.

Here are a few examples of steps stores can take to evolve into engagement hubs that drive brand loyalty and foster meaningful interactions between customers.

Modular store formats: Flexible designs that can be easily adapted to different needs and events.

Customized store layouts: Tailored layouts that cater to the specific preferences and behaviors of local customers.

Targeted inventory and assessment: Optimized stock that meets the demands of customers in specific regions.

Technology enablement: Tools for personalized promotions and enhanced customer experiences.

Tighter integration: Seamless coordination between inventory management and fulfillment processes.

> "The pandemic brought focus to the consumer experience and drove technology advancements and new capabilities. This left our associates with a complex environment, but now we are bringing our associate experience on par with customers experience."
>
> **CIO, SVP of Stores at large retailer**

Modern stores, modern problems

As physical retail continues to evolve, the demands on store operations have risen dramatically. To remain competitive, retailers must rethink and modernize their operational strategies. This involves embracing advanced technologies, optimizing processes, and empowering store associates with the tools and training necessary to succeed in a dynamic retail environment.

In this section, we explore three pivotal areas transforming retail operations: technology integration, operational efficiency, and asset management. Together, these elements form the backbone of modern retail, enabling seamless, efficient, and engaging store experiences that align with the expectations of modern customers.

Technology integration as a core challenge

Unfortunately, new store openings are often delayed by the logistical complexity of installing and integrating multiple technology components. In addition, coordinating with different contractors, ensuring compliance, and standardizing systems across stores often lead to bottlenecks. Fragmented systems or outdated software further exacerbate operational inefficiencies, leaving store associates with limited tools to effectively perform their duties. Retailers must find a way to integrate their technology stack to create a seamless omnichannel experience for customers.

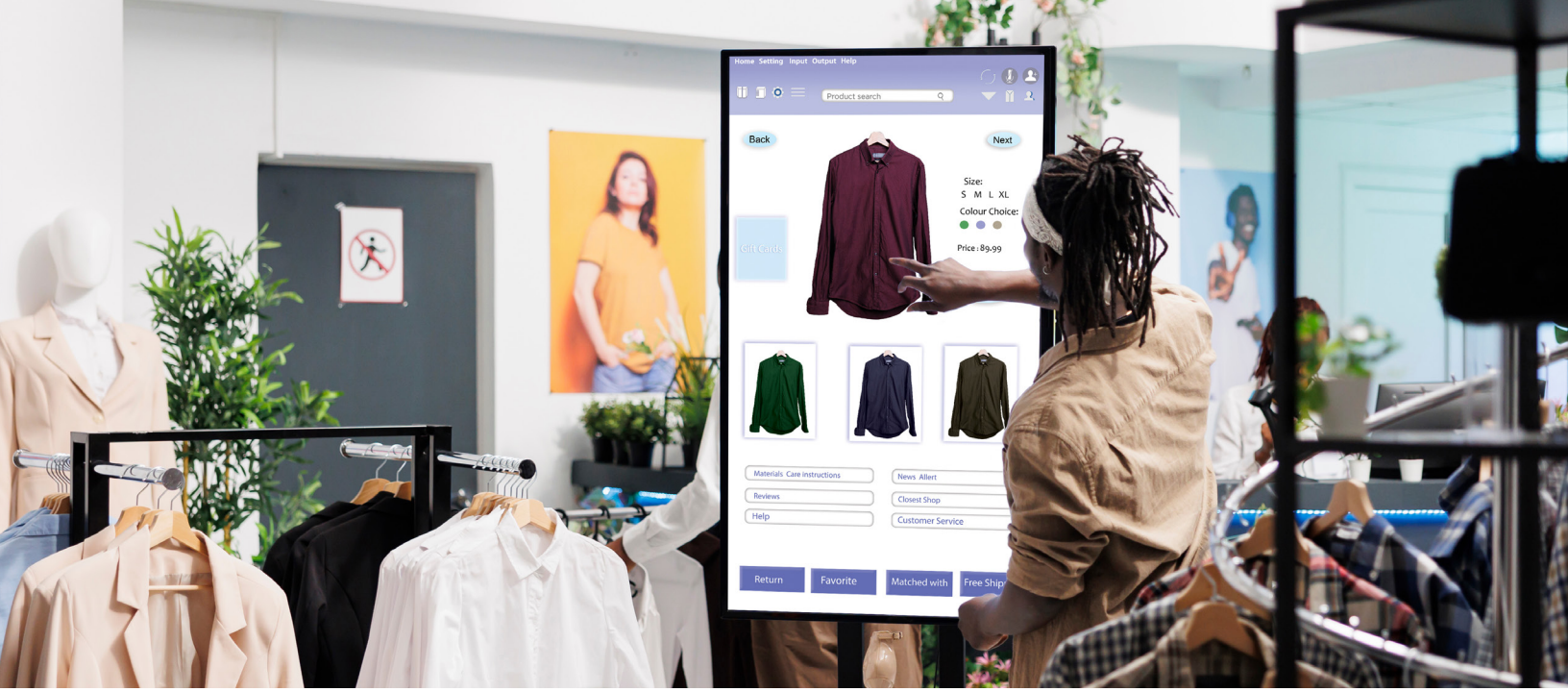
Operational efficiency requires a fresh approach

A high employee turnover rate, averaging 60% in the retail industry, means that retailers are constantly onboarding new employees. This in addition to keeping up with on-going training for existing employees is a persistent hurdle for retailers. These training programs account for the growing complexity of store operations, focusing not only on customer service but also on how to interact with interconnected systems and assets. Retailers need to develop streamlined onboarding processes and embrace digital learning platforms to ensure staff are adequately equipped with the resources to do their job effectively.

The rising importance of asset management

With the rise of advanced in-store technology, the importance of effective asset management has never been greater. Today's employees must be proficient in repairing, maintaining, upgrading and commissioning a variety of systems, including HVAC units, POS terminals, and digital signage. Any downtime in these systems can significantly affect revenue, customer satisfaction, and overall operations.

Small businesses report losing customers 35% of the time due to asset downtime, while large enterprises face losses exceeding $300,000 per hour. To address these challenges, retailers can equip associates with IoT dashboards, real-time diagnostics, predictive maintenance tools, and self-help solutions to minimize disruptions and optimize asset performance.



The evolving role of the store associate

Store associates now face a growing array of responsibilities, from delivering personalized customer experiences to managing increasingly sophisticated technologies. The retail environment is filled with assets like self-checkout kiosks, interactive displays, IoT-enabled devices and inventory management systems—all of which demand mastery to maximize productivity.

To truly enhance customer experiences, retailers must spend more time engaging directly with customers, which also requires them to equip and empower their associates with the right tools to make this possible.

However, the scale and complexity of these assets create several challenges:

Omnichannel integration: Associates must seamlessly navigate tools connecting online and offline channels, such as handling buy online, pick up in store (BOPIS) and cross-platform returns. According to reports, over 72% of consumers expect consistent experiences across channels, highlighting the importance of flawless integration.

Workforce mobility: Associates often work in different areas of stores and use mobile devices to manage real-time updates, look up products, or handle task assignments. Research indicates that mobile-enabled retail staff increase task efficiency by 30%.

Asset complexity: Associates are responsible for tasks like predictive maintenance schedules and troubleshooting downtime issues. Studies show that asset downtime can cost retailers an average of $5,600 per minute, emphasizing the need for proactive management.

Retailers have an opportunity to overcome these challenges by investing in solutions that streamline operations and empower store associates. Tools like dashboards for real-time asset monitoring, mobile solutions for workforce mobility, and predictive maintenance technologies can minimize disruptions and drive productivity. Complemented by tailored training programs, these strategies prepare associates to manage complex systems effectively while prioritizing customer engagement.

Employees should be seen as extensions of a retailer's brand, not just operators of store functions. By reframing their role, retailers can enhance the overall store experience. High employee morale is crucial for reducing turnover and ensuring customers enjoy interacting with brands.

In the next section, we will explore how these solutions and innovations can transform retail operations, enabling businesses to create more efficient, connected, and customer-focused environments.

Leaning into technology for more seamless store operations

Modern tools and platforms are empowering retailers to create seamless, connected environments that not only enhance productivity but also deliver cohesive and personalized shopping experiences. From real-time operational insights to AI-powered associate tools, technology is bridging the divide between operational efficiency and customer engagement.

In this section, we highlight some of the most popular tools retailers are turning to in attempt to take control of their operations.

1

Store management and control towers

Store control towers provide retailers with a comprehensive view of store operations and performance metrics. This centralized management approach enables real-time tracking and decision-making, fostering a cohesive strategy that aligns with organizational goals.

Empowering store associates with mobile store portals

Mobile store portals equip associates with navigation assistance and self-help capabilities. This includes access to a store map portal and a virtual agent, ensuring that associates can efficien find information and support when needed. By enhancing accessibility to critical resources, retailers empower their workforce to focus on delivering exceptional customer experiences.

2

Generative AI for store associate productivity

3

Integrating generative AI-based intuitive tools into store operations significantly boosts associate productivity. These AI-driven insights and recommendations provide tailored support, allowing associates to make informed decisions swiftly. By automating routine tasks, retailers can free up valuable time for associates to engage with customers and enhance service quality.

4

Depot services and dispatch command centers

Depot services and dispatch command centers ensure efficient resource dispatching and routing through real-time visibility into depot operations. This capability streamlines logistics and minimizes delays, ultimately enhancing operational efficiency and responsiveness to store needs.

5

Predictive intelligence in asset management

Employing predictive intelligence powered by generative AI transforms store asset management. Retailers can utilize advanced analytics to anticipate maintenance needs and optimize asset performance, reducing downtime and operational disruptions.

6

IoT observability platform for store assets

IoT observability platforms empower retailers with intuitive self-help and preventative health checks. This technology enables real-time monitoring of store systems, such as energy and HVAC management, and predictive auto-resolution, ensuring optimal store health and reducing the likelihood of unexpected failures.

7

Device lifecycle management

Effective device lifecycle management encompasses comprehensive asset tagging, tracking, and end-to-end life refresh strategies. By optimizing device efficiency and ensuring timely upgrades, retailers can maintain a modern and effective operational environment.

8

Centralized inventory view

A centralized inventory view streamlines operations across procurement, development, technology operations, service desks, and IT asset management (ITAM). This holistic perspective allows retailers to manage inventory more effectively, reduce redundancies, and enhance overall operational efficiency.

9

Managing new store openings and remodels

Coordinating new store openings and remodels is simplified through new store opening and remodel coordination control towers. Retailers can leverage expertise in CAD floor design, store layout strategy, fixture installation and associate training to ensure successful launches. Moreover, the control tower facilitates pilot execution, store readiness testing, staff training and comprehensive launch campaigns, ensuring a smooth go-live process.

10

System hygiene for cost savings

Maintaining system hygiene is critical for optimizing cost savings and operational effectiveness. Regular audits and proactive maintenance ensure that retail systems remain efficient and effective, ultimately contributing to enhanced customer satisfaction and profitability.

Introducing Cognizant® Stores 360

Cognizant® Stores 360 addresses these challenges head-on through an integrated, AI-powered platform that unifies retail operations. By leveraging cutting-edge technologies like Cognizant Neuro® AI and IoT capabilities, this solution delivers predictive insights, automates workflows, and ensures seamless asset management.

Its three sub-offerings offerings include:

1. **New store openings and remodels:** Supports site selection, oversees IT asset demand and procurement, designs CAD floor plans, stages hardware, configures IT applications, and maps assets. It ensures readiness through testing and staff training, facilitates pilot rollouts, manages launch campaigns, and provides end-user support during go-live, leading to up to a 20% reduction in new store launch times.

2. **Store operations management:** Provides retailers with centralized operational visibility, enhances associate efficiency with a versatile mobile app, streamlines maintenance and dispatch via integrated field service management, and ensures seamless operations with robust support services and a 98% uptime for store technologies.

3. **Store asset management:** Offers retailers centralized visibility across operations, empowers store associates with a comprehensive mobile app for efficient task management and support, optimizes maintenance and dispatch processes with integrated field service management, and ensures smooth operations through robust field, depot, and agent support services, leading to up to a 20% reduction in operating costs.

Proven results

The effectiveness of Cognizant® Stores 360 is backed by tangible outcomes:

- A greater than 25% increase in associate engagement
- A greater than 15% increase in shift left to automated workflows
- Up to 10% reduction in field service truck rolls through predictive maintenance and virtual assistance

Client case studies

Canadian-American multinational athletic apparel retailer

Challenge: A major athletic apparel retailer needed help managing support for its stores while upgrading to a new POS across 20+ countries. They also required assistance with opening new stores and implementing digital innovations.

Solution: Cognizant was chosen for its ability to streamline operations and introduce new technologies. The solution included monitoring systems to prevent issues, automating incident management, and upgrading from older POS systems to a newer version with minimal disruption. Cognizant handled 23% of incident cases in the first year and set up a knowledge management system to ensure smooth transitions.

Key outcomes:

- **Global support:** Provided across three regions.
- **$30M savings:** Increased sales due to reduced downtime.
- **30% reduction:** In incident volume within the first year.
- **4+ years:** Ongoing partnership with continued support.
- **24/7 services:** Including infrastructure, database, tools, and various levels of support.

American multinational off-price department store

Challenge: An American multinational off-price department store needed assistance with final cut resolution, store operations, and compliance while implementing a new POS. They also required infrastructure and operations compliance certification for various versions.

Solution: Cognizant conducted a thorough due diligence exercise to create new operating models and provided end-to-end support for Oracle Retail Product Engineering & Support Services (PESS). They upgraded the client's POS from version 15.x to 18.x, including testing and certification of all POS hardware peripherals. A 28-member functional POS team managed over 2,500 incidents per month and handled change requests. Cognizant also supported new store rollouts with training sessions for store associates and provided support services to fix bugs and ensure a stable product.

Key outcomes:

- **3,500 conversions:** Across three brands and five variants.
- **$500M sales:** Supported during Thanksgiving.
- **6+ years:** Ongoing support for implementation.
- **50% reduction:** In service call ratio due to stable code fixes.

Why Cognizant?

Cognizant Stores 360 is a comprehensive, customizable retail solution under one umbrella that delivers cost savings, operational efficiencies and scalable growth. Whether a retailer aims to modernize existing stores, adopt an omnichannel strategy, or prepare for rapid expansion, Cognizant Stores 360 provides the comprehensive framework needed to achieve these goals while laying the foundation for scalable, efficient and effective technology.

Store management

Store asset management

New store opening and remodels

10%-20%
Reduction in existing store opening time

>20%
Reduction in store operating expenses

>15%
Transition to automated workflows

>98%
Guaranteed uptime for all store assets

~10%
Reduction in truck rolls

>2x
Improvement in CSAT

To learn more about our solution, visit: Stores 360 | Cognizant.

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Cognizant helps engineer modern businesses by helping to modernize technology, reimagine processes and transform experiences so they can stay ahead in our fast-changing world. To see how Cognizant is improving everyday life, visit them at **www.cognizant.com** or across their socials @cognizant.

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