DIGITAL GREECE: THE PATH TO GROWTH

CONSUMER GOODS & RETAIL INDUSTRIES DIGITAL STATE

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1.1 Analyzing the Consumer Goods Industry Digital Maturity

1.1.1 Identifying the perceived digital maturity of the Greek Consumer Goods Industry

A study regarding digital disruption, issued by Accenture, revealed that global Consumer Goods companies' executives believe digital will transform their industry and will blur the boundaries of the industries. 94 percent in Consumer Goods companies agree that new technologies will rapidly change their industry in the next 5 years, while only 9 percent of the executives believe that their companies are prepared for sudden industry disruption to a very large extent.[1] Therefore, leading organizations must invest in their digital capabilities to stay ahead of the digital curve. In this context, their Greek counterparts who were surveyed by Accenture[2], emphasize that digital is imperative to be a prioritized area for attention, mainly to improve their product offerings and win on the "market share battlefield".

Source: Questionnaire of Perceived Digital Maturity, Accenture Analysis

Figure 1: Overall Perceived Digital Maturity - Consumer Goods Industry (Current State - Ambition)

Source: Questionnaire of Perceived Digital Maturity, Accenture Analysis

Figure 2: Perceived Digital Skills Maturity - Consumer Goods Industry (Current State - Ambition)

Source: Questionnaire of Perceived Digital Maturity, Accenture Analysis

Figure 3: Perceived Digital Technologies Maturity - Consumer Goods Industry (Current State - Ambition)
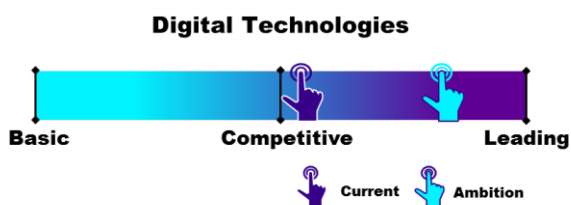
Deep diving into the Greek Consumer Goods industry, the surveyed executives appear to recognize the disruptive power of digital and perceive themselves to slightly lag behind their global market in terms of their maturity to digitally transform (Figure 1). However, clear ambitions have been stated for the surveyed Consumer Goods organizations to progress in the digital space within the next five years.

By breaking down the digital maturity score into its underlying levers, participants believe that there is significant room for improvement across their **digital skills** area. The participating companies acknowledge the fact that a digitally savvy workforce acts as an enabler for the organizations' digitalization and aim to undertake targeted initiatives within the next years to attract more digital talent and digitally upskill their existing workforce (Figure 2).

Looking at the **digital technologies** lever, the polled companies ascertain to have already leveraged certain digital capabilities and enabling technologies (i.e. Big Data and Analytics) to accelerate their digital transformation (Figure 3). Increased sensitivity is displayed across the Security and Privacy capabilities (sub-area within the digital technologies lever), as this is an area of critical

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[1] "Thriving on Disruption", Accenture Institute of High Performance, 2016
[2] The performed analysis and the respective conclusions were based on data recorded through the *"Questionnaire of Perceived Digital Maturity"*, launched on December 19, 2016 and remained open until January 30, 2017.

importance if Consumer Goods companies wish to maintain their consumers' trust.

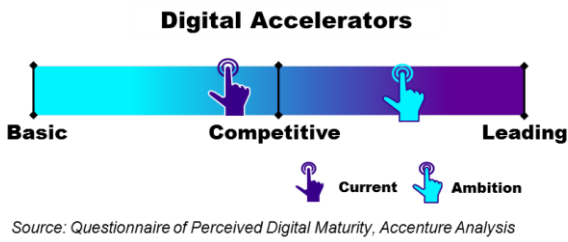Source: Questionnaire of Perceived Digital Maturity, Accenture Analysis

Figure 4: Perceived Digital Accelerators Maturity - Consumer Goods Industry (Current State - Ambition)

Finally, it is evident that the study participants understand that the ecosystem, in which they currently operate, is inflexible and hinders the organizations' digital rotation. Ambitions are high, that in the next years the sociopolitical ecosystem of the Consumer Goods companies will adopt a structured framework to some extent to enable the ease of doing business (Figure 4).

1.1.2 Evaluating the Greek Consumer Goods Industry's digital maturity

To add an objective layer of analysis, we examined secondary data against the executives' opinions, in order to extract additional insights. To evaluate the Greek Consumer Goods industry's digital maturity and identify the primary factors that can drive economic growth in their digital economic output, we have applied the Digital Economic Opportunity Index (DEOI).

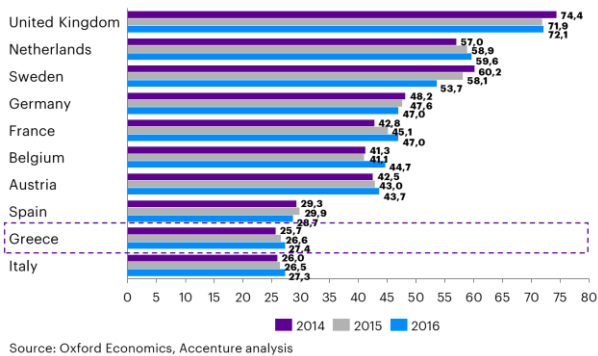Source: Oxford Economics, Accenture analysis

Figure 5: Consumer Goods Digital Economic Opportunity Index from 2014 to 2016

Data collected with regards to the industry's digital maturity suggests that the Greek Consumer Goods companies score near the bottom against nine other European peers over the last three years (2014 to 2016). This picture is similar to the one presented for the Retail industry and indicates that these two industries follow parallel paths in terms of their digital rotation (Figure 5).

Our in-depth analysis for the Greek consumers goods industry with regards to its digital maturity suggests that the Greek Consumer Goods players score at the lower end against nine other European peers during the last three years (2014 to 2016), only higher than Italy. Specifically, over the last three years the Greek Consumer Goods industry has moderately progressed, increasing its digital maturity by 1,7 points (Figure 6).

Zooming-into the three levers that contribute towards the industry's digital maturity, namely, digital skills, digital technologies and digital accelerators, our data suggests that the Greek Consumer Goods industry demonstrates an increased maturity with regards to its digital skills area.

Source: Oxford Economics, Accenture analysis

Figure 6: Consumer Goods Digital Economic Opportunity scores per country

Figure 7: Consumer Goods Industry - Digital Economic Opportunity Index Components Breakdown
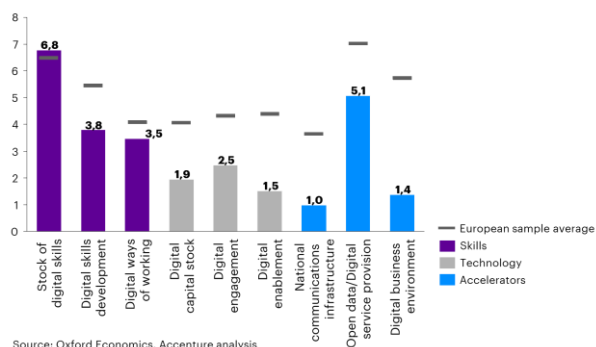
Analyzing further the digital maturity index and examining its nine components, a more detailed picture emerges for the Consumer Goods industry (Figure 7).

By first examining the ***digital skills***, the Greek Consumer Goods industry seems to exhibit a relatively high stock of digital skills on par with our sample's average, signifying the existence of a moderately digitally-savvy workforce. The industry performs currently below its European peers in terms of their provision of digital skills training and recruiting digital talent. In addition, it appears that the Greek Consumer Goods industry has adopted some digital practices to facilitate its workforce's mobility (i.e. remote access to enterprise's IT systems); however, there is further room for improvement to reach the sample's average across the "digital ways of working" lever.

Contrary to digital skills, the ***digital technologies*** lever provides a picture of lower maturity. Our analysis indicates that the Greek Consumer Goods companies have made thus far limited software and hardware investments; this situates them low across their "digital stock" component and significantly behind our sample's average score. In addition, the Greek Consumer Goods organizations demonstrate a low adoption rate of various emerging technologies (i.e. IoT, cloud, analytics), approximately 3 points lower than the sample's average. Finally, it appears that the Consumer Goods companies have adopted limited practices with regards to the digital connection with their customers, leaving them 1,5 points behind the "digital engagement" average. This shall be a focus area for improvement for the Consumer Goods organizations during the next years, as the digital customer experience and interaction capabilities are critical parts of the organizations' business model and value proposition.

Finally, the Greek Consumer Goods industry appears to lag behind when compared to the rest of the study's sample across all underlying components of their ***digital accelerators*** lever. Major driver of the low score is the current state of the national communications infrastructure, the strict regulations imposed by the Hellenic Data Protection Authority with regards to data openness and interoperability and the lack of digital provided to businesses to facilitate their operations and way of working (i.e. e-invoicing, e-signature, etc.).

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1.1.3   Defining the contribution of digital to Consumer Goods industry's economic output

Our analysis with regards to digital contribution of the Consumer Goods industry to the Greek economy, indicates that the overall digital inputs contribute to 13,1 percent of the industry's Gross Value Added (GVA)[3] and are equal to €658 million. This scores nearly 3,5 percentage points below the sample average and positions the Greek Consumer Goods industry near the bottom of the reviewed sample.
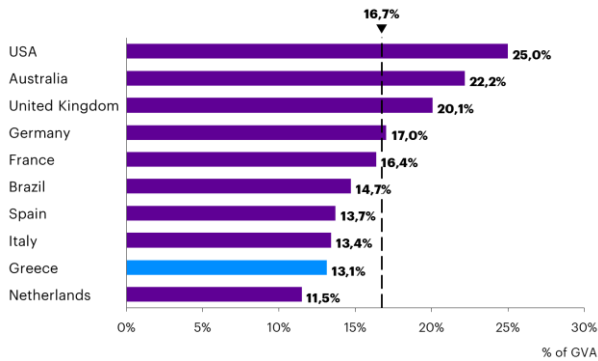
Source: Oxford Economics, Accenture analysis

Figure 8: Consumer Goods Industry's Digital Economic Value Index 2016

On the top end of the spectrum of our analysis, we find the US Consumer Goods industry, which currently shows the highest digital contribution to its GVA, with a digital output estimated to cover 25 percent of the industry's GVA. Examining the sample from the European perspective, the UK and Germany Consumer Goods industries are found to be the frontrunners, performing at a 20,1 percent and 17 percent of their digital potential (Figure 8).

1.2   Analyzing the Retail Industry Digital Maturity

1.2.1   Identifying the perceived digital maturity of the Greek Retail Industry

According to a study run by Accenture among top Retail CSOs, these executives highlighted that Retail companies place high emphasis on the digital transformation of their industry and the disruptions that emerging technologies can bring to the Retail industry. 82 percent of executives in Retail organizations agree that new technologies will rapidly change their industry in the next 5 years, while 22 percent believe that their companies are prepared for sudden industry disruption to a very large extent[4]. In this context, their Greek counterparts who were surveyed by Accenture[5], also recognize the value added by digital.

Source: Questionnaire of Perceived Digital Maturity, Accenture Analysis

Figure 9: Overall Perceived Digital Maturity – Retail Industry (Current State – Ambition)

By further examining the Greek Retail industry, surveyed executives acknowledge the significant disruption that digital brings to their industry and perceive themselves not ready yet to digitally transform. This positions them slightly below par against their industry's global market (Figure 9), and indicates that the Retail industry stakeholders attest to the fact that there is much room to cover to remain competitive.

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[3] Gross value added (GVA) is a productivity metric that measures the contribution to an economy, producer, sector or region. Gross value added provides a dollar value for the amount of goods and services that have been produced, less the cost of all inputs and raw materials that are directly attributable to that production. The relationship between GVA and GDP is defined as:
GVA + taxes on products - subsidies on products = GDP, or restated as:
GVA = GDP + subsidies - (direct, sales) taxes
[4] "Thriving on Disruption", Accenture Institute of High Performance, 2016
[5] The performed analysis and the respective conclusions were based on data recorded through the "*Questionnaire of Perceived Digital Maturity*", launched on December 19, 2016 and remained open until January 30, 2017.
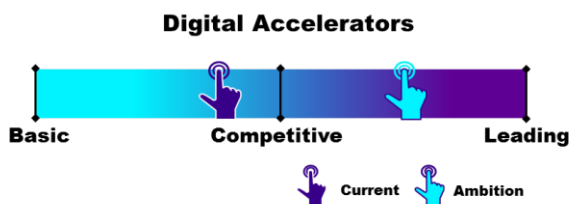
Digital Skills

Source: Questionnaire of Perceived Digital Maturity, Accenture Analysis

Figure 10: Perceived Digital Skills Maturity - Retail Industry (Current State - Ambition)

Digital Technologies
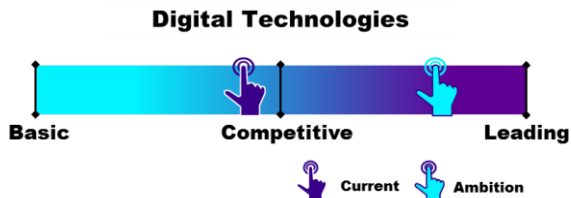
Source: Questionnaire of Perceived Digital Maturity, Accenture Analysis

Figure 11: Perceived Digital Technologies Maturity - Retail Industry (Current State - Ambition)

Digital Accelerators

Source: Questionnaire of Perceived Digital Maturity, Accenture Analysis

Figure 12: Perceived Digital Accelerators Maturity - Retail Industry (Current State - Ambition)

Delving further into the perceived digital maturity score levers, we see that there is major room for enhancement across the digital skills capabilities as evidenced by the poor score in this area (Figure 10). To tackle this, the Greek Retailers shall accelerate their efforts in the digital training of their workforce and identify new ways of attracting and recruiting employees, well-versed in digital practices.

Moving to the **digital technologies** lever, the sampled Greek Retail companies ascertain that initial steps have been taken with regards to embracing digital technologies and restructuring the organizations' business and operating models. During the next years, the interviewed Retailers have confirmed their ambition to focus on improving their Customer Experience and Interaction capability area (sub-area within the digital technologies lever). This comes as no surprise since Customer Experience is the business area of the highest importance and value across the Retailers' value chain (Figure 11).

Finally, it is apparent that the survey participants perceive themselves to perform sub-optimally across their **digital accelerators** lever. This indicates that the survey participants consider themselves to operate within a business environment that is highlighted by heavy regulation and a lack of tax incentives, which hinders their ability to reap the digital benefits (Figure 12).

1.2.2 Evaluating the Greek Retail Industry's digital maturity

Similarly to the Consumer Goods analysis, we examined secondary data against the executives' opinions, in order to extract additional insights. To evaluate the Greek Retail industry's digital maturity and identify the primary factors that can drive economic growth in their digital economic output, we have applied the Digital Economic Opportunity Index (DEOI).
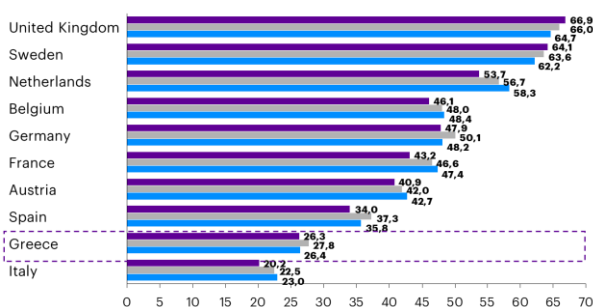
Figure 13: Retail Digital Economic Opportunity Index from 2014 to 2016

Our analysis for the Greek Retail companies with regards to their digital maturity suggests that the Greek companies score close to the bottom of our analysis compared to their European peers over the last three years (2014 to 2016). More specifically, during the last three years the Greek Retail industry has moderately progressed, increasing its digital maturity by less than 1 point. It is worth noting that the industry made a notable jump of 1,5 points in 2015 and experienced a setback in 2016, which brought

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the overall maturity back down to 26,4 points (Figure 13).
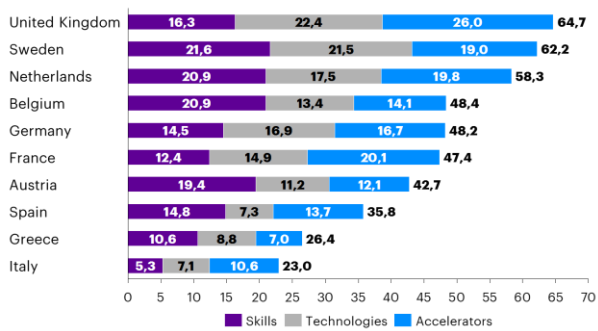
Source: Oxford Economics, Accenture analysis

Figure 14: Retail Digital Economic Opportunity Scores per country

Focusing further into the three levers that contribute towards the industry's digital maturity, namely, digital skills, digital technologies and digital accelerators, it is evident that the Greek Retail industry reveals an increased maturity across its digital skills area, albeit still quite poor when compared to the rest of the European countries examined (Figure 14).
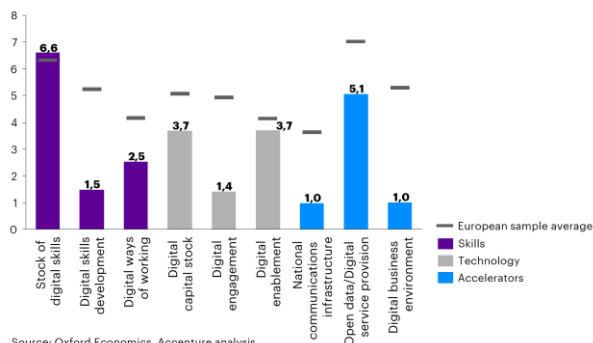
Source: Oxford Economics, Accenture analysis

Figure 15: Retail Industry - Digital Economic Opportunity Index Components breakdown

To further analyze the key drivers behind the Digital Economic Opportunity Index, we deep dive into the nine underlying components to get a more in-depth view of the factors that contribute to the poor performance of the Greek Retail industry (Figure 15).

First, with regards to *digital skills*, the Retail industry seems to have digitally-literate workers that are on par with the rest of the European countries. Regarding the investments in digital training and development, the Retail industry performs currently way below other examined European counties, scoring close to 5 points lower. Furthermore, it is evident that the Greek Retail firms have invested limited resources in internal digital capabilities that will enable their workforce's mobility (i.e. embedded policies for using digital conferencing instead of physical travel) bringing their "digital ways of working" score significantly lower than their peers.

Despite the increased maturity displayed across the digital skills lever, the *digital technologies* lever paints a different picture. Our analysis determined that there is still significant room for improvement across this area, thus the industry scores relatively low across the "digital stock" component. In addition, we observe a notable lagging against the industry's European peers, with regards to the "digital engagement" component. This signifies that the Greek Retailers have yet to fully exploit digital channels to reach their customers and create a "phygital" experience. On the other hand, the Greek Retail companies appear to have started experimenting with digital enabling technologies to increase their customer insights and provide personalized products and services to their customers. This leads to a 3,7-maturity score across the "digital enablement" component and positions the Greek Retail industry close to the study's sample.

Finally, the Greek Retail industry appears to trail their European sampled peers across every component of the *digital accelerators* lever. Further analysis indicates that the industries' poor performance can be mainly attributed to the limited maturity of the Greek online marketplace as well as the overall "ease of doing" business and the ability of Greek Retail companies to gain sufficient access to loans and much-needed capital to sustain their operations.

1.2.3   Defining the contribution of digital to Retail industry's economic output

Accenture's analysis with regards to digital contribution of the Retail industry to the Greek economy, shows that the sum of digital inputs (i.e. digital skills and digital stock) contribute to 16,9 percent of the industry's Gross Value Added (GVA), that equals to €2,607 billion. The contribution of digital to the Greek Retail industry scores nearly 7 percentage points below the examined countries' average, putting the industry at the bottom of our analysis.

Source: Oxford Economics, Accenture analysis

Figure 16: Retail Industry's Digital Economic Value Index 2016
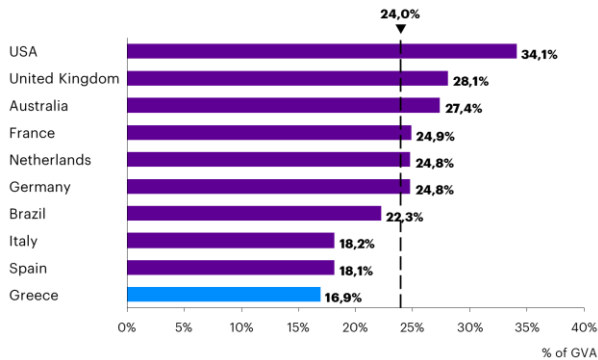
On the other hand, the US Retail industry currently displays the highest digital contribution to its GVA, with its digital output calculated to comprise 34,1 percent of the industry's GVA. In Europe, the UK, France and Netherlands are shown to be the leaders of the pack, performing at a 28,1, 24,9 and 24,8 percent of their digital potential (Figure 16).

2 Consumer Goods and Retail Industries - Rotation to Digital

The increased influence of digital technologies on both the Consumer Goods and Retail industries has led to a significant industry disintermediation. We see the boundaries between the two industries blurring, as Consumer Goods manufacturers will become Retailers, distributors and media owners. Movements are already happening up and down the value chain. Backwards integration is noted, as Retailers are moving into initiatives such as private labels, where move towards becoming the producers and not just the distributors. Forward integration is noted also by Consumer Goods companies that are opening stores through which to serve their exclusive products.

Due to industries' disintermediation and their close relation with the end customers, these sectors are jointly reviewed in this report. This will allow us to highlight their common overarching digital themes and identify a set of cross-industry initiatives to enable their rotation to digital. Over and above these cross-industry digital initiatives, dedicated actions will be identified for each industry, to address their specific needs and priorities with regards to their digital transformation.

There is wide-spread evidence that all industries are impacted by digital. In fact, as per Accenture research, "every business is a digital business". However, as each industry is also unique, its digital rotation puts the emphasis on different parts of the value chain, which we refer to as "digital pivot points".

What are the digital pivot points?

Companies organize their business activities against value chains that typically consists of strategy, production, sales and customer services and operations. There is widespread evidence that all industries are impacted by digital. However, as each industry is also quite unique, its respective digital rotation places emphasis on different areas of the value chain. These areas are referred to as digital pivot points.

This below mentioned value chain (see Figure 17) will be used as our framework to identify the digital "pivot point(s)" of the Greek industries.
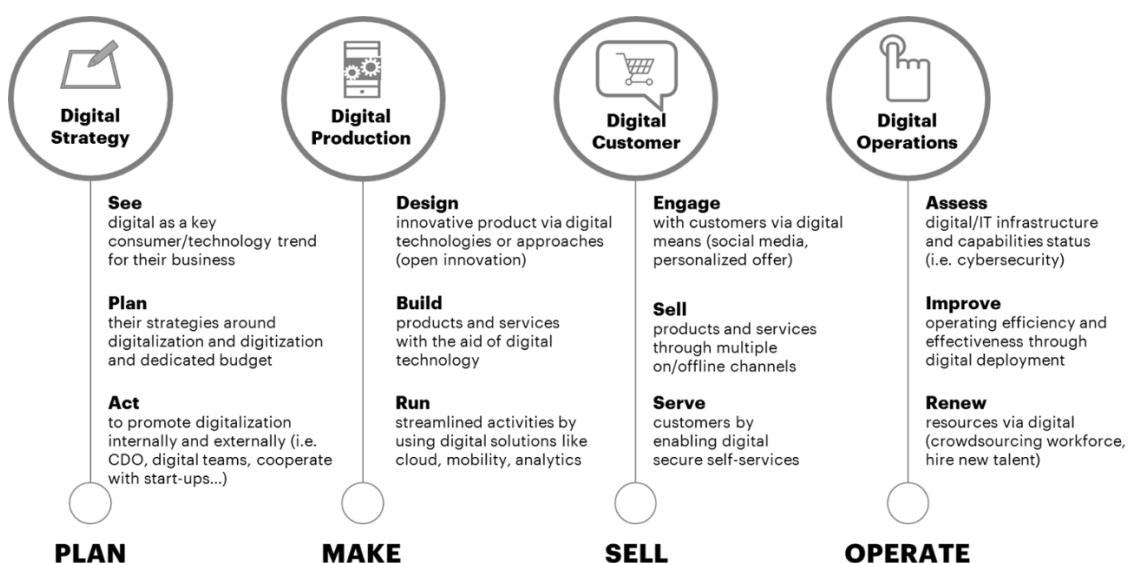
Figure 17: The typical Value Chain

2.1 Industry Clustering

According to our analysis on how digital impacts the Greek industries' value chain, we have placed the Greek Consumer Goods & Retail industries within the third group of the Greek industries, the "consumer-facing" industries (see Figure 18).
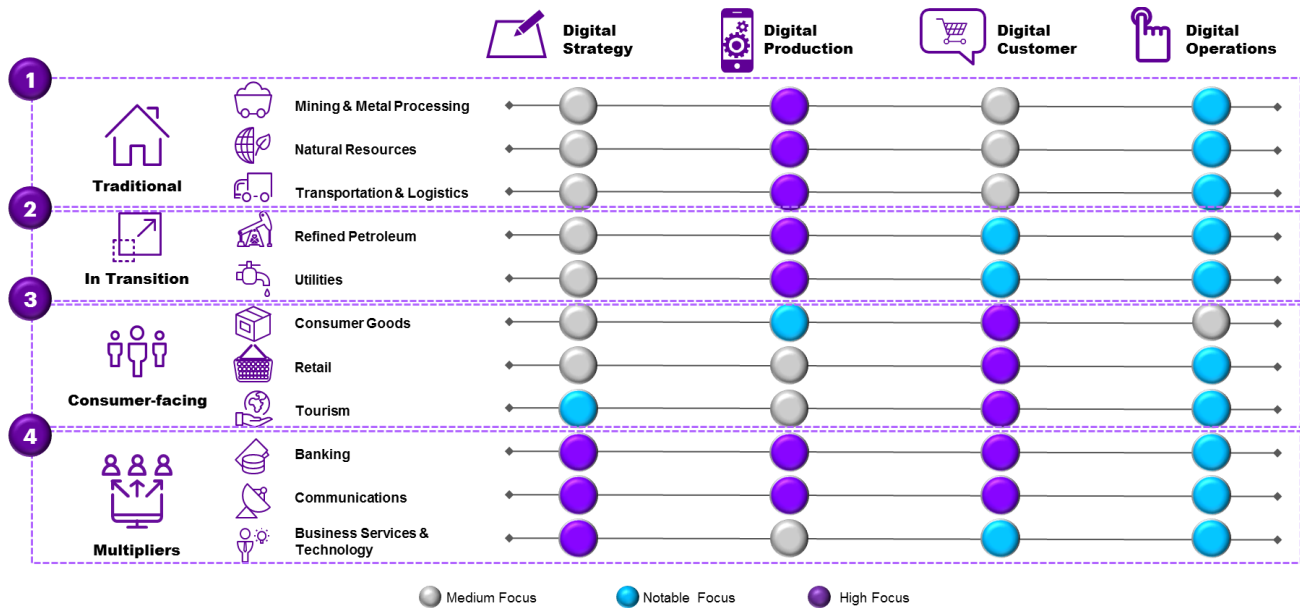
Figure 18: The Clustering of the Greek industries

Organizations that belong to this group demonstrate predominantly a Business to Consumer market orientation and focus primarily on the provision of both products and services to the end consumer. Digital affects all areas of the value chain, with particular emphasis situated at the front end – client interaction. Nine digital themes influence the "consumer-facing" industries as presented in the Figure 19 below. The description of the digital themes is presented in Figure 21.
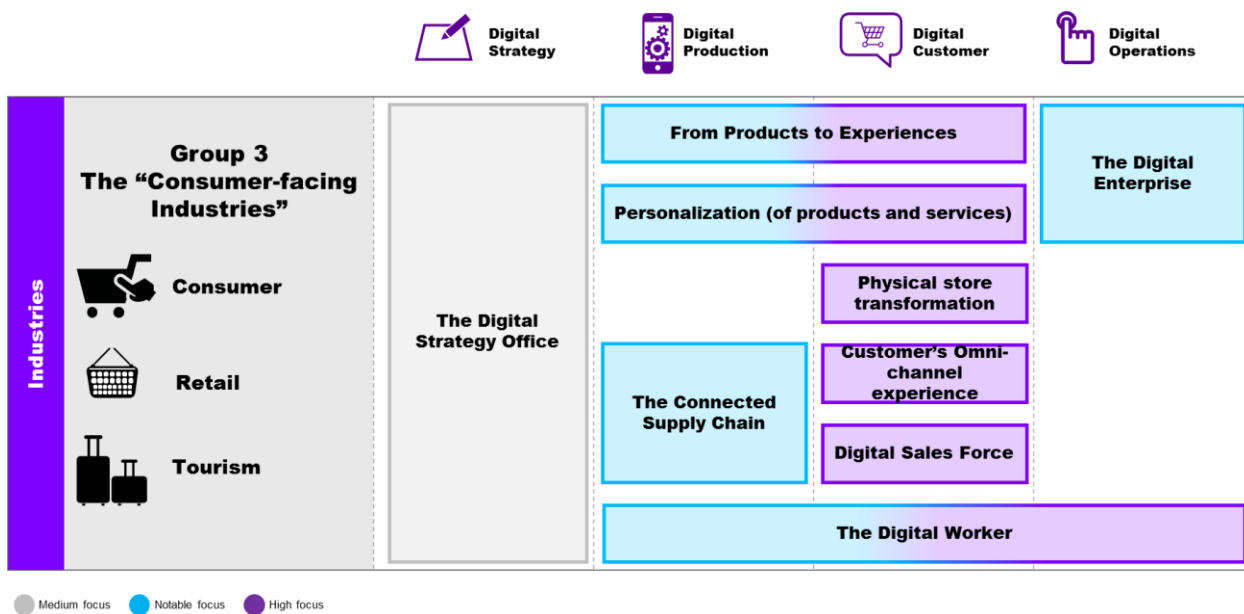
Figure 19: The "Consumer Facing" industries

International best practices suggest that, at the core of their digital rotation, Consumer Goods and Retail companies have reached an inflection point, where they are moving from a historical focus from manufacturing and selling products to a digitally-driven imperative to serve ever-changing consumer needs. Figure 20 illustrates elements of the above.

Video Analytics

Video analytics supports real-time alert for store operation (sales resource management) by monitoring in-store traffic to enhance store operation (e.g. reducing queueing waiting times, optimizing resource allocation)
Accenture Video Analytics Service Platform

Proximity Payment

Supports mobile payment performed through connecting mobile devices and sending over transaction data, significantly increasing adoption and usage of mobile coupons and integrated rewards cards
Accenture m-Wallet, Google Wallet, IRIS ID

Digital Merchandizing

Mobility with back-end integration (TPM, ERP, BI) supports automatic planogram compliance, auto replenishment and shelf performance review
Accenture CAS

Voice Enabling Applications

Increased use of Automatic Speech Recognition (ASR) and Text-to-Speech (TTS) to change interaction with customer on mobile devices to educate, position, and transact.

Digital Show Window

Interactive window, additional selling channel, which aids sales by acting as self-service sales station
Accenture In Store Digital Signage Services (ADSS)

Shopping Behaviour Analytics

Analyze customers' shopping behavior data (shopping path, dwell time, hot spot, POS, etc) to optimize shelf location and create target group & offers for in-store promotion
Aeroscout, Path Intelligence

Mobile Point of Sale (POS)

Enabling scanning and payment processing anywhere on the store floor (Cloud based), increasing floor and customer servicing time.
VeriFone

Mobility Check-In & Proximity Marketing

Encourage mobile engagement in the store using iBeacon (BLE) location and proximity detection technology which will provide online-like shopping experience
ShopBeacon (Shopkick), Estimote

Interactive Fitting Room

Embedded windows intelligent system to provide interactive customer service while in fitting room, increasing customer satisfaction and enabling advanced analytics of customer behavior
Accenture Connected Fitting Room

Mobile Wallet and Biometric Authentication

Mobile application that authenticates customer and allows them to make payment, earn and burn points, view balance, etc. Wallet also brings a managed stored value account and access to federated merchant. Also used as channel for targeted/LBS marketing.
Accenture m-Wallet, Google Wallet, IRIS ID

Figure 20: Digital Retail Store

The Digital Strategy Office		The Digital Strategy Office will be established to serve as a sponsor and ambassador of the digitalization, drive the digital agenda across business units and organizational layers and provide the required oversight to operationalize the digital strategy
The Connected Supply Chain		A data-driven, insight-powered supply chain network will lead the way to the operations of the future. Supply chain analytics paves the path for generating strong business insights that enable better decision-making
The Digital Worker		Digitally-equipped workers can benefit from on-demand, real-time push and pull information and use mobile and wearable technologies (e.g. tablets, wearable glasses, watches, and vital trackers) to interact with sensors, robots and other systems around them, improving operational efficiency
The Digital Enterprise		In the future, back-office functions will work autonomously, with minimal human intervention thus empowering the rest of the organization to focus their efforts on front-line activities
From Products to Experiences		Products and services must turn into experiences that deliver some of the fundamental elements that create value for their customers, by appealing to their emotions, achieving positive impact on society or functionally improving their lives by saving time, simplifying or organizing various tasks and activities
Personalization (of products and services)		Today, offering a product that is generic and cannot answer a specific requirement is not enough. Customers increasingly expect to experience interactions that are personalized, relevant and contextualized
Physical store transformation		Companies with physical stores and other points of sale must leverage digital capabilities within the complex store environment to transform their stores, making the experience more personalized and interactive
Customers' Omni-channel Experience		Being able to engage with customers across all online and offline channels is critical for modern organizations. Organizations must break down internal siloes that offer rigid, one-dimensional experiences and change the underlying capabilities of each touchpoint to engage in a customer-focused and holistic approach
Digital Sales Force		Companies are leveraging technologies such as big data, advanced analytics and digital points of sale like tablets to facilitate the selling process and improve their efficiency

Figure 21: Digital Themes

2.2   Digital Pivot Points

Contextualizing these observations with industries' executives, we have identified the areas of customer experience, the enhancement of their ecommerce and digital marketing capabilities, and the digitization of their internal operation' and structures as the key areas of focus. Figures 22 and 23 illustrate the emphasis on the different pivot points for the Consumer Goods and Retail industries.
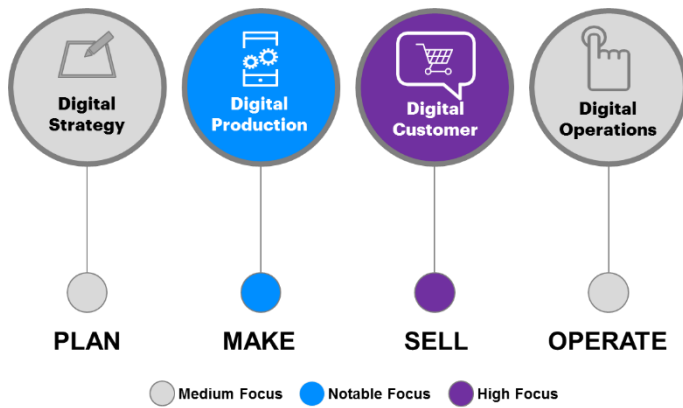

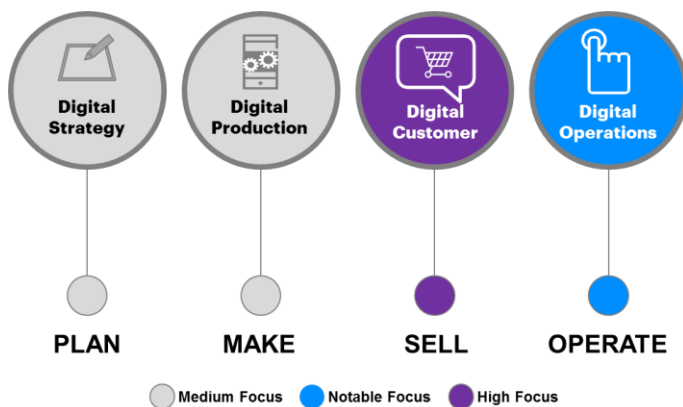*Figure 22: Consumer Goods Industry - Digital Pivot Points*

Figure 23: Retail Industry - Digital Pivot Points

2.3 Initiating the digital transformation

With global best practices as our reference point, we propose a set of initiatives that will accelerate the industries' digital rotation. It is evident that not all initiatives may be applicable for all organizations within these industries; indeed, digital initiatives are recommended to be selected in accordance to the different strategy, business model, size, available budget and most importantly, each company's own digital aspirations and vision. The initiatives that follow, are broken down into tactical, which we call **"tactical moves"** and disruptive, which we call **"cut new ground"**. In addition, they are linked to the digital themes presented previously that influence the specific group of industries. The classification of the identified initiatives is depicted in Figure 24, 25.
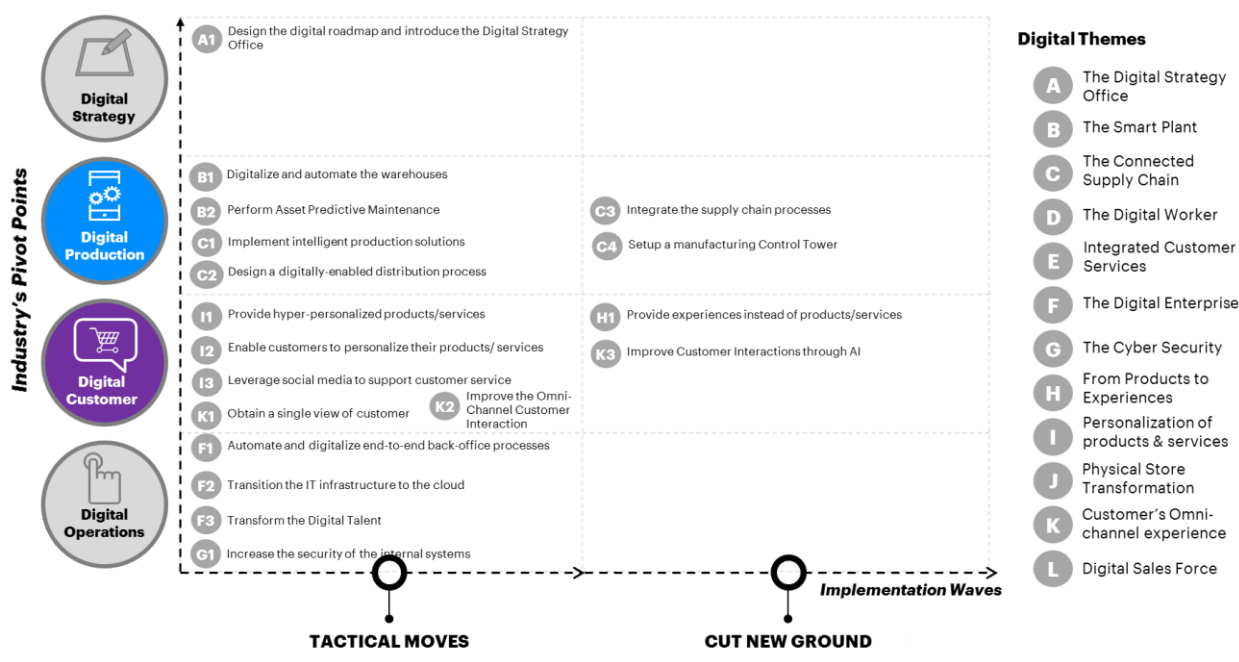
2.3.1 Consumer Goods Industry

Figure 24: Classification of Suggests Initiatives across Three Dimensions – Consumer Goods

A description of the proposed initiatives for the Consumer Goods Industry is presented in the tables below.

#	Digital Initiative	Description	Value Chain Area
A1	Design the digital roadmap and introduce the Digital Strategy Office	Design and implement a digital roadmap that will incorporate all digital initiatives to be undertaken by the organization and set up the Digital Strategy Office that will be responsible for the effective operationalization of the digital roadmap	Digital Strategy
B1	Digitalize and automate the warehouses	Introduce semi-automated operations and intelligent robotics to optimize intra-warehouse movements (i.e. smart robots can bring the product shelves to a warehouse worker, rather than a worker walking to the shelves. The robots can also locate the items in a customer's order, move the products around warehouses and help get packed boxes to a final loading dock)	Digital Production
B2	Perform Asset Predictive Maintenance	Deploy smart sensors, IoT and telematics on assets and equipment and design a predictive maintenance/service solution. The solution shall harness and analyze data from the organization's	Digital Production

#	Digital Initiative	Description	Value Chain Area
		assets, transmit the resulting insights to the organization and enable this to anticipate problems, proactively schedule maintenance and help the organization manage its assets and equipment more efficiently	
C1	Implement intelligent production solutions	Deploy intelligent production machines and control systems that dynamically adjust to production changes (volume, line rate, product mix) autonomously and self-directed, enabling a flexible manufacturing environment	Digital Production
C2	Design a digitally-enabled distribution process	Optimize the distribution process to enable optimized finished goods inventory, re-routing of transit to meet high demand areas, increased velocity with improved inventory turns, and faster order-to-delivery cycles	Digital Production
C3	Integrate the supply chain processes	Design a platform that will integrate all supply chain processes, i.e. order capture, payment processing, shipping, tracking, customer relationship management systems and more and will provide end-to-end visibility. Its cloud-based web app will allow for easy access between mobile devices and computers	Digital Production
C4	Setup a manufacturing Control Tower	Setup a Digital Control Tower that shall offer a set of planning and execution capabilities. The Control Tower will integrate the supply chain processes and tools, will continuously monitor the execution of operations activities, will provide visibility to performance metrics, perform 'what if' analysis, and dynamically respond to changes. The Digital Control Tower shall focus on delivering a specific set of business outcomes - targeting improvements in costs, inventory, quality, customer service, and asset utilization	Digital Production
F1	Automate back-office processes	Digitalize and automate end-to-end internal processes (i.e. finance, sourcing & procurement) powered by artificial intelligence (robotics) and big data analytics	Digital Operations
F2	Transition the IT infrastructure to the cloud	Move the IT infrastructure to the cloud, in order to improve efficiencies, enable the seamless integration of business processes and provide immediate, on-demand access to the latest solutions and approaches and ready-to-deploy environments for creating and delivering the innovative business strategies and products	Digital Operations
F3	Transform the Digital Talent	Define the new digital roles, capabilities and skillset, assess the active workforce and design digital training sessions to digitally upskill and reskill the organizations' personnel according to their personal development needs	Digital Operations
G1	Increase the security of the internal systems	Strengthen internal systems and incorporate increased security measures such as multilayered authentication and internal control processes to strengthen security and comply with increased regulations	Digital Operations
H1	Provide experiences instead of products/services	Focus on delivering experiences tailored to the needs of the individual and aimed at improving their life, in contrast to generic services offered to the mass market. Create value by delivering solutions to customers that lead, in turn, to	Digital Customer

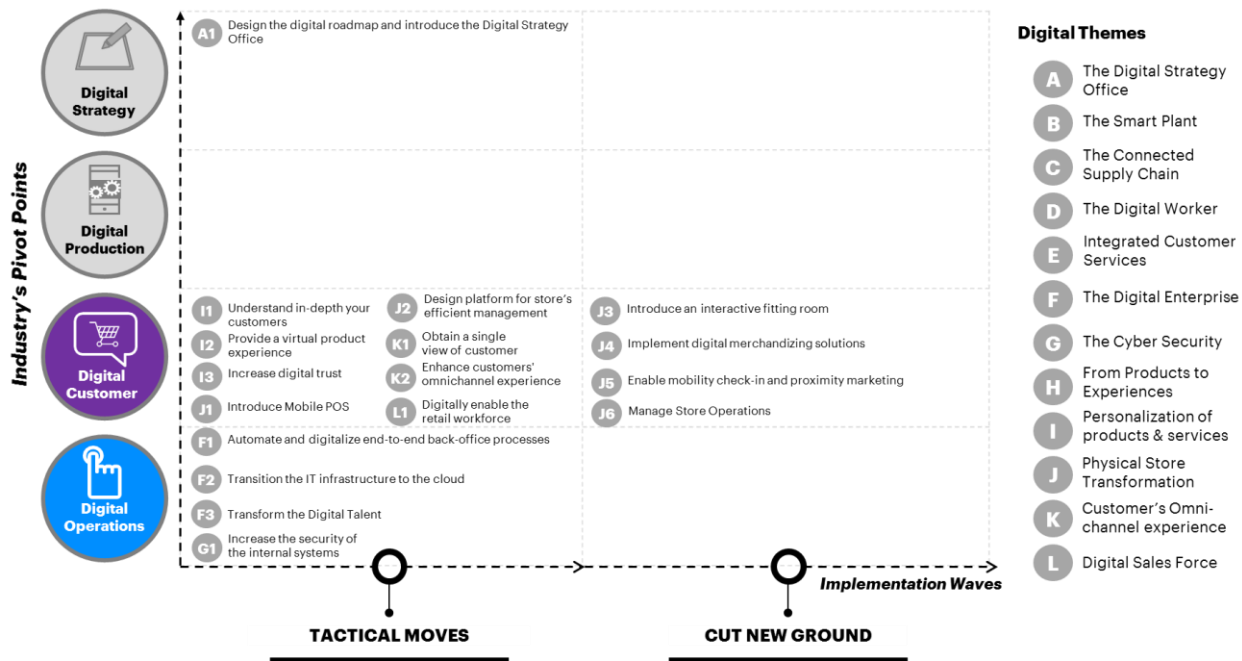| #	Digital Initiative	Description	Value Chain Area
		quantifiable results. To achieve this, measure customer voice and sentiment, catalogue the outcomes your customers are trying to achieve, identify partners that help meet predetermined customer experience goals or develop open innovation platforms and APIs that will enable a wide variety of service providers to develop unique combinations that deliver relevant customer experiences	
I1	Provide hyper-personalized products/services	Use big data analysis in order to obtain an in-depth understanding of your customers, the fitness of the products they own for their needs, and the customer's true sentiment toward the company and its products and services. Based on various channel customer information, including social channel preference indicators, anticipate customer needs and suggest personalized products/services aligned with customer preference	Digital Customer
I2	Enable customers to personalize their products/ services	Provide to customers the flexibility to control to customize their product/experience	Digital Customer
I3	Leverage social media to support customer service	Social media can support customer service by enabling peer-to-peer customer support, solving customer service problems, and capturing customer feedback, which can save money and improve customer satisfaction.	Digital Customer
K1	Obtain a single view of customer	Integrate on/offline and back-end systems to obtain a single view of customer, including browsing history and activities in all channels	Digital Customer
K2	Improve the Omni-Channel Customer Interaction	Introduce and rollout customer journeys to track, integrate and analyze the way that customers use a combination of available channels to interact with an organization and improve the customer experience across channels in the context of the personalized treatment	Digital Customer
K3	Improve Customer Interactions through AI	Deploy artificial intelligence via the introduction of virtual customer assistants for the provisioning of digitalized customer services	Digital Customer

2.3.2   Retail Industry

Figure 25: Classification of Suggests Initiatives across Three Dimensions – Consumer Goods

#	Digital Initiative	Description	Value Chain Area
A1	Design the digital roadmap and introduce the Digital Strategy Office	Design and implement a digital roadmap that will incorporate all digital initiatives to be undertaken by the organization and set up the Digital Strategy Office that will be responsible for the effective operationalization of the digital roadmap	Digital Strategy
G1	Increase the security of the internal systems	Strengthen internal systems and incorporate increased security measures such as multilayered authentication and internal control processes to strengthen security and comply with increased regulations	Digital Operations
F1	Automate back-office processes	Digitalize and automate end-to-end internal processes (i.e. finance, sourcing & procurement) powered by artificial intelligence (robotics) and big data analytics	Digital Operations
F2	Transition the IT infrastructure to the cloud	Move the IT infrastructure to the cloud, in order to improve efficiencies, enable the seamless integration of business processes and provide immediate, on-demand access to the latest solutions and approaches and ready-to-deploy environments for creating and delivering the innovative business strategies and products	Digital Operations
F3	Transform the Digital Talent	Define the new digital roles, capabilities and skillset, assess the active workforce and design digital training sessions to digitally upskill and reskill the organizations' personnel according to their personal development needs	Digital Operations
I1	Understand in-depth your customers	Use big data analysis in order to obtain an in-depth understanding of your customers, the fitness of the products they own for their needs, and the customer's true sentiment toward the company and its products and services. Based on various channel customer information, including social	Digital Customer

#	Digital Initiative	Description	Value Chain Area
		channel preference indicators, anticipate customer needs and suggest products aligned with customer preference	
I2	Provide a virtual product experience	Overlay virtual element on real environment to experience product removing location constraints and assist purchasing decision remotely	Digital Customer
I3	Increase digital trust	Make data policies transparent to customers via different channels. Explicitly mention how customer data is being used and what customers receive in exchange for providing their data. Enable customers to opt in or out easily	Digital Customer
J1	Introduce Mobile POS	Introduce a POS solution that supports transaction to be initiated from a Retailer-owned wireless portable device, enabling scanning and payment processing anywhere on the store floor	Digital Customer
J2	Design platform for store's efficient management	Design a platform that will aggregate historic data on Retail store's and Retail workforce's performance and will be used for Retail task scheduling, inspection and performance monitoring. Sales force shall get details on their team's deals – stage, products, competition, and via real-time dashboards, they will be able to track growth targets and view business performance almost anywhere, on any device	Digital Customer
J3	Introduce an interactive fitting room	Embed an intelligent system to provide interactive customer service while in fitting room. As customer brings clothes with RFID tag and enters the fitting room, interactive display will show images of the items brought into the interactive fitting room. The customer shall also request new sizes or products via touchscreens and cross-selling recommendations shall be also displayed on the screen. Data about each fitting room session (durations, items, requests, response time, etc.) shall be aggregated and business insight is provided via analytics	Digital Customer
J4	Implement digital merchandizing solutions	Leverage digital merchandizing solutions for automated shelf replenishment and shelf performance review	Digital Customer
J5	Enable mobility check-in and proximity marketing	Encourage mobile engagement in the store using location and proximity detection technology which will provide online-like shopping experience	Digital Customer
J6	Manage Store Operations	Leverage video analytics to support real-time alert for store operation (sales resource management) by monitoring in-store traffic	Digital Operations
K1	Obtain a single view of customer	Integrate on/offline and back-end systems to obtain a single view of customer, including browsing history and activities in all channels	Digital Customer
K2	Enhance customers' omnichannel experience	Design a shopping application that will allow customers to have remote access to product details, reviews and related videos, shop from their mobile phones and promptly pick up their orders at the Retail store	Digital Customer
L1	Digitally enable the Retail workforce	Provide the Retail workforce with mobile solutions (i.e. tablets, handled terminals, etc.) that will provide customer profile data, purchase history access to guide customer engagements and tailor experiences, while at the same time they will	Digital Customer

#	Digital Initiative	Description	Value Chain Area
		provide product information and inventory availability	

2.4   Global Leading Practices

2.4.1   Consumer Goods Industry

- **Case Study – Nespresso**

Nespresso heavily invested in creating an innovative and transformative experience for its customers. The company's focus was to enable simple digital transactions, drive personalization and customization across channels, leverage digital media to craft and deliver a compelling brand, and blend digital and physical for a meaningful omni channel experience. Nespresso is all about consumer's experience, not just the product. Unlike the grab-and-go culture of Dunkin' Donuts and the creative coffee lounge Starbucks fashions itself to be, Nespresso is meant to be enjoyed slowly and luxuriously in the comfort of your own house. Everything about the brand is aimed to provide as unique, personalized experience. Nespresso makes it extremely easy to get its products to your home with a seamlessly designed e-commerce experience that competes with some of the best Retail experiences in any vertical. Following a simple process on the web or in Nespresso's mobile app, users ("Club Members" as Nespresso refers to its most loyal customers, thus reinforcing its luxury status) can order the brand's products that will be delivered anywhere in the U.S. in just two days. User's order history is retained in order to facilitate any new orders. This simple reorder is just the beginning of Nespresso's shrewd data strategy that enables user personalization and customization across all Nespresso channels.

Nespresso leverages a cloud-based customer engagement solution that analyzes all customer data—web and app orders, in-store orders, behavioral analytics, and interactions with Nespresso kiosks—into one unified single customer view. The advantage of this transformative experience is that it's not limited only to its digital touchpoints. The brand's experience design extends beyond its mobile application and website to a seamless in-store experience. Nespresso invests in its physical locations, which calls "boutiques", by carefully selecting the actual location, and artfully design it with luxurious leather, wood, and glass, thus creating an upscale brand value proposition.

Source: https://centricdigital.com/blog/digital-trends/digital-transformation-at-nespresso/

- **Case Study – Burberry**

Burberry's vision in 2006 was "to be the first company who is fully digital"...and to "build a social enterprise." Today, the company is a leader in digital transformation, impacting the entire organization, from customer experience to operational excellence, processes, management structures and employees. Burberry leveraged digital technologies to first of all ensure a unified experience across any device, while also launching various initiatives like Burberry Acoustic, Burberry Bespoke and Art of Trench to improve the customer engagement. The revamped their online store to match the in-store experience. The company introduced new departments for Social Media, Mobile and Insight and Analytics. It hired digital natives, who now comprise over 70 percent of the company's workforce at the company HQ. Burberry also rolled out a global SAP ERP program to unify processes and integrate data across the globe. Coupled with top class change management and transformation officers, the company has managed to grow its sales ahead of the luxury goods competition and also boost EBIT due to its parallel operational strengthening.

Source: https://www.slideshare.net/Helixa/burberry-the-digital-enterprise

2.4.2 Retail Industry

- **Case Study – COOP Italia**

Italy's largest supermarket chain, Coop Italia, wanted to explore innovative, functional new ideas at Expo Milano 2015 using advanced technologies. It collaborated with Accenture to build the Coop Future Food District and showcase the ground-breaking Supermarket of the Future.

Coop collaborated with Accenture and Avanade to implement digital technologies, underpinned by a Microsoft Azure cloud-based platform, that create a welcoming, innovative and informative shopping environment. The store recreates the atmosphere of local open-air markets but provides innovative digital solutions that share information, facilitate store navigation and improve staff communication. Accenture helped strategically rethink the supermarket's information architecture, implement IT infrastructure, and analyze and develop point-of-sale touch points. Meanwhile, Avanade, a joint-venture company with Accenture and Microsoft, delivered the Microsoft solution.

The Supermarket of the Future transforms the customer experience with digital tools that make shopping more convenient, relevant and personalized. Thanks to the interactive food display tables and smart shelves, consumers have a range of product information, such as provenance, allergens, nutritional data and carbon footprint. Digital displays share real-time information on promotions, best-sellers and more. A mobile app helps customers navigate the store, augments product information, and identifies products that are compatible with their lifestyle needs. Second screen technologies allow suppliers to provide product or promotional content and interact with shoppers. Communication tools allow staff to speak with the warehouse in real time to rapidly procure new assortments and replenish shelves.

Source: https://www.accenture.com/gr-en/success-coop-italia

- **Case Study – Adidas**

Adidas, the German athletic apparel multinational corporation, is one of the first companies to invest in digital show windows and displays. The company, installed a digital display in the Adidas NEO store in Nuremberg, that promises 'the latest advancement in window shopping', according to Adidas vice-president of global Retail environments Ted Mager. The digital display enables customers to manipulate life-size images of new products and drag them into digital shopping bags. Then customers can instantly visit a URL and enter a PIN login, which will allow the items to appear on their mobile devices.

Adidas' NEO store sells the company's teen fashion label, therefore the selection to implement its digital display at this site, underpins the company's strategic focus to digital natives. This generation constantly shops online, and expects a seamless integration between the digital and real worlds. Adidas' new display integrates these expectations with the brand's physical store front, and builds brand awareness to the digital native customers.

Source: https://www.lsnglobal.com/briefing/article/6448/smart-touch-adidas-tests-digital-window-shopping

2.5   Maximizing the Consumer Goods & Retail industries' economic output (GVA)

Our econometric analysis suggests that by 2021 the initiation of the digital rotation for the Consumer Goods and Retail industries is expected to result to a moderate increase in the economic output by 1,27 percentage points for the Retail industry (equals to approximately €217,5 million) and by 1,44 percentage points for the Consumer Goods industry (equals to €78,7 million)[6]. The projected GVA uplifts are a product of macroeconomic analysis assuming a 10% increase on the industries' digital maturities (Figures 26, 27).
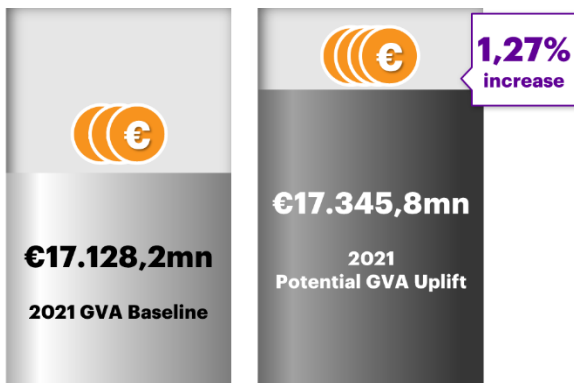
Source: Oxford Economics, Accenture analysis

Figure 26: Retail GVA Uplift as % of the 2021 GVA Baseline, (Mn Euros, %)
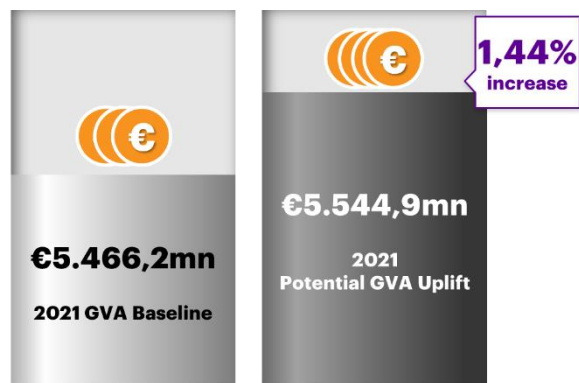
Source: Oxford Economics, Accenture analysis

Figure 27: Consumer Goods GVA Uplift as % of the 2021 GVA Baseline, (Mn Euros, %)

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[6] 2021 Gross Value Added is calculated from Eurostat data using Oxford Economics projected growth rates. The spill-over effect to the economic performance of other industries is not included in this figure.