



HFS Hot Vendor: NewStore

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Introduction

The HFS Hot Vendors are an exclusive group of emerging players, each with a differentiated value proposition for the HFS OneOffice or HFS OneEcosystem. HFS analysts speak with numerous exciting startups and emerging players.

We designate a select group as HFS Hot Vendors based on their offerings' distinctiveness, ecosystem robustness, client impact, financial position, and the impact in our OneOffice and/or OneEcosystem Frameworks. The HFS Hot Vendors may not (at the time of writing) have the scale and size to be featured in our Top 10 reports, but they have the vision and strategy to impact and disrupt the market.

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Retailers have long been seeking the holy grail of omnichannel—that elusive balance of capabilities that allows customers to seamlessly order online or in-store with a transparent, real-time view of inventory and personalized experiences. Executing an omnichannel strategy theoretically enables associates to be more productive and engaged, improves customer satisfaction and loyalty, and drives growth. But for many retailers, designing and implementing such a strategy involves cobbling together technology components and processes, which results in disjointed and frustrating experiences for employees and customers. With the added complexity of an extremely disrupted retail environment during the pandemic, having the agility to pivot sales and inventory between in-store and online shopping while still meeting customer expectations is even more difficult. Our Q2 2020 Hot Vendor NewStore is coming to market with a solution that offers a platform for retailers to use in an omnichannel experience that connects experiences and data without tremendous technology hurdles.

NewStore's platform helps its clients bridge the gaps and make the right connections to support an omnichannel shopping experience across the core retail areas of mobile point-of-service (POS), inventory, fulfillment and order management.

Within its mobile POS solution, NewStore enables store employees to manage all aspects of cash-and-carry store sales, endless aisle orders, clienteling, mobile check out, and in-store operations on an iPhone. Among many benefits of this for customers is that they don't need to wait in a queue to check out or return items, and the employee has full visibility into inventory via an endless aisle to order out of stock items from other stores or HQ. NewStore also provides insight into the customer's preferences to create a personalized shopping experience. The platform's fulfillment capabilities leverage smart order routing, applying rules-based configuration and item-level order routing to get products to customers faster. NewStore's combined POS and order management system provides a single version of the truth for global retail inventory; it makes customer preferences and buying patterns visible and creates an opportunity for further engagement and revenues. For example, customers who have made purchases online and want to either pick up or return them in-store will enjoy that convenience, but they also often make additional purchases while in a store. On the inventory side, NewStore's app enables transfers across locations and adjustments to meet supply and demand. It also has built-in capabilities to improve and digitize the employee's experience with receiving and cycle counting.

Key to the platform's usability is that NewStore built it as cloud-based from the ground up and took an API-first approach to enable easy integration into retailers' other ecommerce platforms and systems. If the customer chooses to adopt all the features of the platform, it is also an all-in-one solution. References verified that competitors tend to have bits and pieces of a

solution, requiring significant implementation, whereas NewStore's solution is a one-stop-shop for inventory, order management, and point of sale (POS). They also commented that NewStore's talent approach is to hire staff with a retail background, which helps them understand their clients' business and create effective solutions.

HFS' take

Our HFS' OneOffice Experience framework has always been about creating touchless and frictionless digital experiences and connecting the front and back offices to facilitate those experiences. Increasingly important to HFS' OneOffice Experience concept is the idea that employee experience (EX) and customer experience (CX) need to be tightly aligned and equally considered in any business strategy. The NewStore platform is at the intersection of making those connections and positively impacting EX and CX. In an increasingly virtual world after the paradigm shock that COVID-19 forced upon businesses, customers and employees connect and bond in a digital environment. Even since the pandemic shut-down and disrupted virtually all brick-and-mortar retail stores in the world, HFS has spoken to NewStore customers who

have praised the ability of the solution and support team to pivot to new retail experiences, including curbside pick-up, one-hour delivery, and planning for adaptations to the business for safety when stores reopen.

Being able to swiftly adjust priorities, change, and realign to new experiences has never been more important. Based on what we've heard from NewStore and its customers, this solution thrives on agility. The promise of the NewStore solution is a better connection between employee and customer, and it allows for better data collection and visibility. The key is ensuring that these capabilities unlock value and generate customer loyalty and employee productivity to ultimately improve business performance.

Vendor factsheet

- NewStore was founded in 2015 by Stephan Schambach, who also founded Demandware (now a Salesforce Commerce Cloud solution) and Intershop. He remains CEO, Board Director, and Chairman of NewStore
- The company is headquartered in Boston, MA, with four other locations globally
- NewStore has 150+ employees
- NewStore has raised \$130.4 million in funding and is backed by Salesforce Ventures, Activant Capital, and General Catalyst
- The firm has 15+ clients, including Decathlon, Outdoor Voices, and Burton Snowboards

Solution portfolio

The NewStore platform is based on a mobile POS in-store, an omnichannel order management system, and a SaaS-based omnichannel cloud at the foundation. Its solution portfolio includes endless aisle, store fulfillment, mobile checkout, store inventory management, and clienteling.

Partnerships

Key partners include Salesforce Commerce Cloud, Adyen, Avalara, Nedap, Proximity Insight, and Highstreet.



About HFS

Insight. Inspiration. Impact.

HFS is a unique analyst organization that combines deep visionary expertise with rapid demand side analysis of the Global 2000. Its outlook for the future is admired across the global technology and business operations industries.

Its analysts are respected for their no-nonsense insights based on demand side data and engagements with industry practitioners.

HFS Research introduced the world to terms such as “RPA” (Robotic Process Automation) in 2012 and more recently, the HFS OneOffice™. The HFS mission is to provide visionary insight into the major innovations impacting business operations such as Automation, Artificial Intelligence, Blockchain, Internet of Things, Digital Business Models and Smart Analytics.

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