

Digital investment, transformation vital for a profitable future in retail

Every year, the battle to survive as a brick-and-mortar retailer gets tougher. According to a new study by Aruba, a Hewlett Packard Enterprise company, as consumer expectations heighten and e-commerce sales continue to rise, businesses too slow to adapt to a digital world have a tough road ahead.



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The '[Road to Digitalisation in Retailing](#)' report features the results of a study carried out with over 900 managers and non-managers in global retailers, and interviews with two industry experts: digital commerce strategy consultant Gabrielle Hase and founder of ASOS Ventures, Daniel Bobroff.

It explains why, after years of reticence, it's now or never for the retail industry to embrace technology. That means making long-term investments within the workplace to achieve the vital goals of a better customer experience and a stronger bottom line.

5 key trends

To set its recommendations in context, the study highlights five key trends that have emerged:

1. Lagging in workplace technology: Compared to other industries, retail has been slow to implement workplace technology. Almost two-thirds (63%) of managers and employees surveyed said that their organisation is at risk of falling behind competitors if new technology is not implemented.

2. Employees must be empowered with technology: To thrive, the brick-and-mortar retailer of the near future needs to provide its staff with the connected digital tools that allow them to deliver more personalised services to every customer. At present, less than two-fifths (39%) of those surveyed have access to cloud computing applications, which can bring both better collaboration and productivity in the retail environment.

3. A need for deeper insights into stock and inventory: Customers expect retailers to provide the items they want, when they want and where they want them. Only by improving their data systems – and potentially making better use of RFID scanning and electronic shelf labeling technology – can retailers solve the age-old problem of knowing exactly what they have in stock at any given time and where it is located.

4. The old silos need to be broken down: Bridging the physical with digital will require the divisions and structures that currently exist within retail organizations to be broken down, so internal systems blend seamlessly and work together to deliver the rich, personalized experiences that customers now expect.

5. An opportunity to think longer-term: Retailers need to accept the necessity of major investment in both systems and people, and to find new ways of measuring success that value both short and long-term results.



Better connected staff could improve in-store customer experience

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New measurement and the right talent in a digital era

When looking at transformation projects, retailers should look at new ways of measuring success and think longer-term on ROI, Daniel Bobroff believes. “We are talking about continuous innovation, and ROI tends to limit the horizon: you either hit the target, or you kill the project. There need to be other metrics that help us move towards success.”

Retailers, he believes, must also accept that the talent they need for digital transformation cannot all be recruited into traditional, in-house roles. “We live in a world where it’s sexier to work in a fast-moving start-up or build your own than it is to go and work for a legacy retailer. To access the highly talented engineers in this space, of which there is a shortage, you need to outsource. You need to create a culture which allows you to combine internal and external resource and get them working together.”



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Happy employees, happy customers

Successful retailers will go where their customer wants them to be. That means breaking down internal silos and using technology at every stage of the business to ensure a seamless, integrated experience for employees and customers alike.

In the Aruba study, retailer workers said they saw a rise in productivity (72%), wellbeing (62%) and the ability to differentiate against the competition (59%) as a direct impact of digital workplace technology.

Gerri Hinkel, director of solutions marketing for Aruba, concludes: “The future of retail is all about experiences – for shoppers, associates and IT. Shoppers are driven not only by product, but are making choices on where they shop by how easy that retailer makes their life. The retailers who will succeed will make those experiences simple, smart and personalised, but to get there, they must be bold in making technology investments and fearless as they innovative their store of the future.”

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