



TECHNOLOGY:

The Greatest Differentiator in the Retail Industry

– By Sandeep Kumar & Charu Lamba

Retailers and brands are embracing technology in a big way to drive a seamless user experience in an effort to blend in with the increasingly digital world and provide convenience and benefits to the consumer. Indian Retail Industry's top CIOs and CTOs, the visionaries responsible for the technological direction any organisation takes, share their thoughts on the future of retail technology, their focus points as well as the challenges they face while implementing them...

The retail industry is competitive, it's relentless and the success of brands and retailers depends on how firmly they deal with their competition. One way to stay ahead of the curve is the incorporation of technology in a brand's operating model.

Technology is changing the shape of the global retail industry as also the way many retailers and businesses operate. In retail, technology gives brands the platform to better satisfy their customers by helping them concentrate on consumer needs.

According to a Walker study, customer experience will overtake price and product as the key brand differentiator by 2020 and 86 percent of consumers will pay more for

a better experience. The challenge in serving the modern customer for most retailers, therefore, lies in bringing about the right balance between technology and humans.

Retailers with the foresight to understand the potential of technology without getting lost in its complexities, and merging it with human interaction, have always been able to grow faster and bigger. Simply put, technology is beginning to play an increasingly important role in the management of complex retail operations all over the world. To stay ahead of the game, retailers are taking the help of different technologies to lead the way in changing two aspects: their points-of-sale and their points-of-supply.



As retail markets continue to grow and become complex, it is becoming increasingly tough for businesses to keep a track on new developments and then to figure out how these developments can be combined into their operating models in order to come up with a winning proposition – both for themselves as well as their consumer. This is one of the many reasons that retailers need technology.

Other important factors for retail brands to transform their IT capabilities include:

- Increasing the company's ability to respond to the evolving marketplace through enhanced speed and flexibility
- Collecting and analysing customer data while enhancing differentiation
- Working effectively; retailers need one system working across stores (or even across national borders) to make sure the most effective use of stock and improve business processes

Technology in Retail

High tech innovations help retailers stay competitive in key categories including consumer convenience, price, size and speed. High tech

tools help in manufacturing products in bulk, ensuring fulfillment of consumer demands with greater speed and ease both at the warehouses/ stores and on the sales floor.

Technology also balances inventory assortments, manages ordering and tracks pricing. Customer tracking tools increase customer satisfaction and promote loyalty by enhancing

shoppers' in-store experience.

For example, in-store sensors and beacon technology can record behavioral and demographic data to a business's cloud computing system, offering insight into the customers' psyche. This data can then guide product, layout and display strategies. The data gathered systems can analyse customer browsing and buying patterns, which then be used to personalise in-store experiences for consumers. IoT beacons can also help customers quickly find items in a store and notify them of offers and discounts via their smartphones.

On the executive level too, technology plays a positive role in strategy and decision making, saving time and adding convenience and profits to the business.

Personalisation & CRM Through POS Systems:

Thanks to modern technology, cloud-based POS systems aid business owners in the automation of daily tasks. These include payment and checkout like interactive signage, employee attendance, self-service applications like customer check-in. POS systems also help in the overall optimisation

of processes like tracking inputs from different access points, implementation of a reservation system (in case of a restaurant) and developing a customer loyalty program.

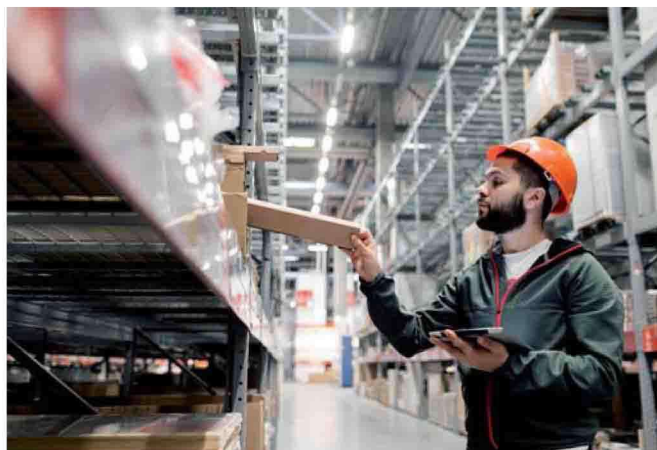
These smart register terminals provide reports, calculate discounts, offer coupons, capture and match tally of customer profile information with ease to avoid chaos at the billing counter. They use a signature-capture technology for credit card transactions which retains receipts electronically.

Use of POS technology has served towards making the payment process easier and contactless. RFID and NFC technology provide customers with the bonus of making a purchase using their smartphones and smartwatches.

It is important for retail businesses to streamline these processes to develop a system which is informative and error-free.

Inventory Management:

According to stores.org, "Retailers will continue to explore ways to use IoT in the coming year for everything from keeping better tabs on their inventory to managing losses from theft and connecting with shoppers.



With the help of technology, managers can track inventory in an organised manner through its purchase cycle and offer real-time information and updates about the product to consumers. Technology is also already helping in informing managers of the status of the store stock – whether it needs replenishing or not.

Features like 'Electronic Data Interchange (EDI)' help in maintaining direct computer-to-computer transactions from the store to the vendors' databases and ordering systems. The wireless hand-held inventory units keep a check on the entire database at the headquarters by downloading and help in downloading the data regularly.

The Universal Product Code (UPC), is used for product identification system using bar code and unique numbering for organising the goods category wise. Automatic replenishment manages restocking of what's been sold. Customer Relationship Management (CRM) software allows retailers to track customers.

Price Auditing: Despite being a time consuming and costly process, price auditing is

another important aspect for retailers which ensures that the consumers are not being charged extra or less. Auditing has been streamlined to a large extent by the introduction of technology as products can now be scanned at the time of purchase. This creates more accurate pricing, saves store employees a lot of time and creates better trust between the store and the customers.

Impact of Technology on the Retail Industry

The dawn of e-commerce had dealt a huge blow to the traditional retail – that is until retailers discovered the advantages of Omnichannel retail. With the advent of new technology, retailers

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– Sunil Nair,
SPAR India (Max Hypermarkets)

are now raising the industry from the simple concept of buying and selling and taking Omnichannel to another level altogether.

“Retailers will continue to adopt emerging technologies in 2018 to close the gap

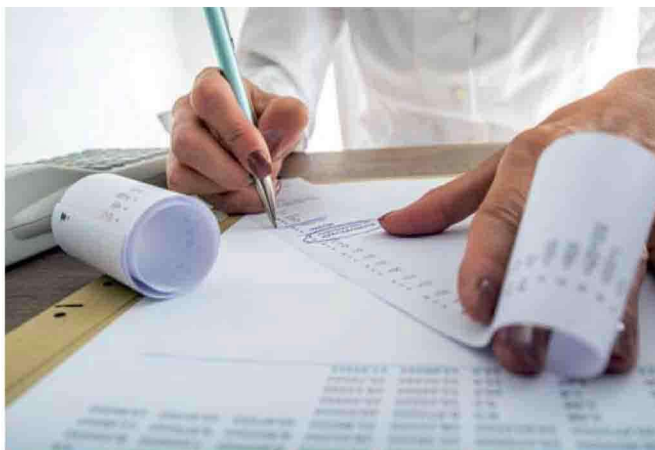
“INDIA IS ONE OF THE BIGGEST CONSUMER MARKET IN TERMS OF MOBILE DEVICES. COUPLED WITH AN EFFICIENT DISTRIBUTION AND LOGISTICS SETUP, THE RETAIL INDUSTRY IS SET FOR EXPONENTIAL GROWTH.”

– Chetan Chaturvedi,
Reliance Market Retail Ltd.

Retailers will use data and AI platforms to better engage customers with personalized shopping experience both online and in the store. More retailers will use AI-based capabilities and technologies to better match shoppers with products. They will be able to access personal shopping history, demographics, page views and clicks then use AI to offer better recommendations and individually tailor their marketing,” says **Sunil Nair, Sr. Vice President IT & Business Solutions, SPAR India (Max Hypermarkets).**

Indians as customers are more digitally aware now than ever before, and this number will increase over the next few years. More Indians getting into the digital space would mean more opportunities and challenges for us retailers in terms of getting through to the right audience in a manner that converts them into loyal customers. Upcoming technologies are going to make way for the Indian Retail Industry to make a digital breakthrough and provide exactly what the digitally-aware customers would want,” he adds.

“India is one of the biggest consumer market in terms of mobile devices.



between the digital and physical worlds, and to learn more about consumers. Mobile will become an increasingly important part of the retail equation as stores also evolve. And throughout the industry, retailers will attain more data about their shoppers and use artificial intelligence to enhance their marketing and merchandising. Personalisation in retail will play a important role in 2018.

“ WITH THE AVAILABILITY OF NEW TECHNOLOGIES EACH CONSUMER TODAY CAN BE VIEWED AS A UNIQUE INDIVIDUAL WITH CLEARLY IDENTIFIABLE PREFERENCES. ”

– **Abhishek Lal,**
adidas Emerging Markets

Coupled with an efficient distribution and logistics setup, the retail industry is set for exponential growth. The real time analytics could bring in efficiencies in inventory management, product placements, supply chain, deliveries, and even product development for the right consumer market. The two hot technologies that are becoming very popular are ‘Robotics & Drone Deliveries’ in Retail are yet to get a serious consideration in Indian market,” says **Chetan Chaturvedi, CIO, Head - IT, Reliance Market Retail Ltd.**

“With the availability of new technologies each consumer today can be viewed as a unique individual with clearly identifiable preferences. Therefore, Indian retail needs to move from one-size-fits-all approach to a highly-customized, consumer-centric approach. The way retail is currently structured, this requires a both a big paradigm and structural shift,” adds **Abhishek Lal, Sr. Director E-commerce - Emerging Markets, adidas Emerging Markets.**

“AI has become one of the biggest technological developments in recent years. With its ability to help turn large and diverse data sets into enriched information

“ AI HELPS BRANDS WITH PREDICTIVE FORECASTING, CAPACITY PLANNING AND MERCHANDISING. CONSUMERS ENJOY THE BENEFITS OF BETTER PRODUCT AVAILABILITY. ”

– **Manoj Patel,**
Deputy CIO, House of Anita Dongre Ltd..

that can help improve speed, cost and flexibility across the value chain. In fashion, AI helps brands and retailers with predictive forecasting, capacity planning and merchandising. Consumers enjoy the benefits of better product availability,” says **Manoj Patel, Dep. CIO, House of Anita Dongre Ltd.**

“ IOT CAN HELP OUT IN BUILDING VIRTUAL ASSIST TO “TRY ON” MAKEUP LOOK BEFORE ACTUALLY BUYING THE FINAL PRODUCTS. WE ARE WORKING ON THAT. ”

– **Tarun Bali,**
Quest Retail Pvt. Ltd. The Bodyshop

these devices to gather more information about consumers in the store and convert that into data that can also be used online and through mobile. They will pilot more IoT programs to enhance store entry, customer interaction, improve merchandising and offer more rapid checkout. We are in the process of

“ THERE IS USE OF SENSORS WHICH CAPTURE IMAGE / VIDEO / PRODUCT INFORMATION WHICH ARE CRITICAL ELEMENTS FOR RETAILERS. ”

– **Piyush Chowhan,**
Arvind Fashions Ltd.

them as shoppers in real time. IOT can help out in building virtual assist to “try on” makeup look before actually buying the final products. We are working on that,” says **Tarun Bali, Head IT, Quest Retail Pvt. Ltd. The Bodyshop.**

“IoT is key for this consumer facing industry



How IOT is Shaping the Industry

“Retailers will make greater use of beacons, sensors and the Internet of Things devices to drive the in-store experience in 2018. IoT will be the tool that can finally bridge the gap between the digital and physical worlds as it finally offers the ability to obtain and use data in stores. Retailers will be able to use

implementing IOT for Inventory management, improving in-store experience through personalised marketing and Energy management,” explains Nair.

“IoT adaptation varies from company to company. For beauty and cosmetics retail, it would help in recognizing customer sentiments through camera sensors, analysing in-store traffic and converting

and it would create a huge impact in our customer offerings. There is use of sensors which capture Image / Video / Product information which are critical elements for retailers. Organizations need to store IoT data and use in for better operating decisions,” **Piyush Chowhan, Chief Information Officer, Arvind Fashions Ltd.**