



Why retailers must not miss the opportunity to support hybrid shopping

Leveraging the hybrid cloud advantage to deliver a truly borderless customer experience





Build a digital infrastructure focused on customer experience

There's one fundamental truth that sits at the heart of any retail business strategy: give the customer the products they want and a memorable, impactful experience every time they shop with you. It's that simple.

Infrastructure makes that happen. It's the foundation that underpins the applications which deliver the experience customers desire from hybrid shopping. It provides a single, cohesive view which allows retailers to deliver truly personalized and comprehensive experiences across all channels and devices.

E-commerce is innately digital. It's growth has sparked the rapid evolution of retail hybrid experiences. Customers are used to it; they like and expect it. So much so that the omnichannel has stopped being a differentiator.

So, it's vital to focus on:

- How to efficiently offer your products and services in the right touchpoints and make them attractive within a compelling brand experience
- How to rethink digitalisation – connecting stores, warehouses, and managing a digital presence – to ensure that consumers can buy products or request their delivery from anywhere at any time
- How to enable your people to use advanced technologies to best serve your customers

Gartner pointed out that, **“Retailers are bullish on stores and are increasing store technology investments to differentiate themselves in a dynamic marketplace.”**¹

And that means that the digitalised store needs to be at the heart of a wider digital infrastructure which makes the most of cloud, data analytics, and emerging technologies like AI, Machine Learning, IoT, and even Virtual Reality.

1. <https://www.gartner.com/en/webinars/4009450/gartner-predicts-2022-build-customer-trust-by-mastering-retail-inventory>



Retailers get it, but they're still uncertain

Fujitsu's own **research** shows that there's hesitancy amongst retailers about how they can move forward with confidence in their digitalisation projects.

- 45% said their hybrid infrastructure couldn't facilitate the use of emerging technologies
- 33% are finding it difficult to integrate data analytics technologies into their hybrid cloud infrastructure
- 52% say that cyber security – especially the protection of customer and commercial data as well as compliance with regulations – is one of their biggest concerns

The imperatives are clear; retailers need to focus on three key areas:

- 1 Achieving unified **end-to-end connectivity**
- 2 Using technology to unlock the **power of data** to drive compelling **insights**
- 3 Delivering **enterprise resilience**

Let's look at each in turn 



1. Unified end-to-end connections: getting closer to customers

It's vital that retailers offer an experience that's seamless, satisfying and deepens their brand relationship. When things are easy, accurate, instantaneous and efficient, customers return and stay loyal.

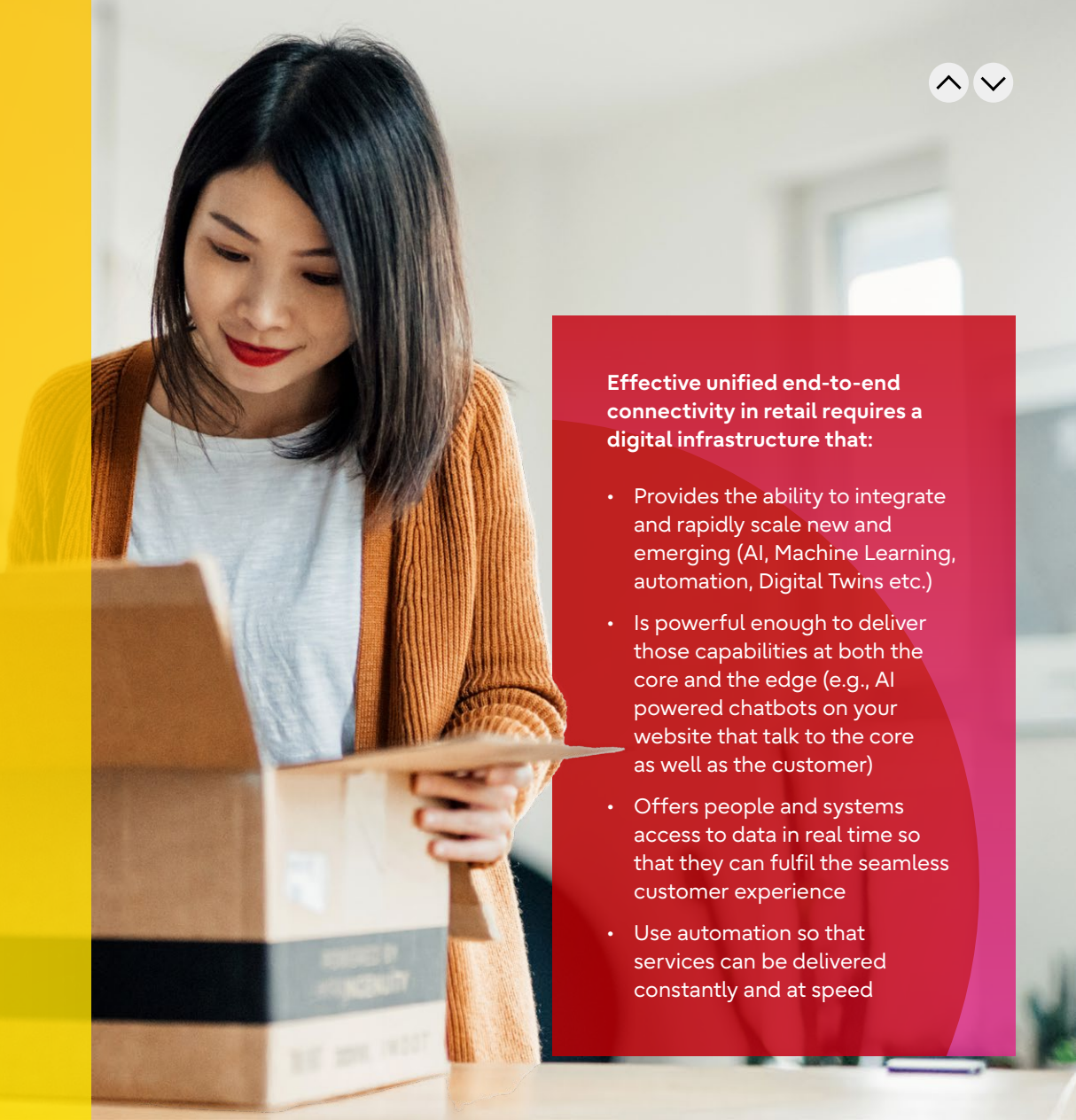
For instance, we all need to return a product every now and then. If you make it easy to complete the return, you boost your brand's reputation for service.

Technology that enables the customer to simply scan a code, then drop the item off at a convenient location, and finally get a swift (personalised) notification on their device that their refund has been processed, is worth its weight in brand loyalty.

The same applies to the fulfilment of orders. Your stores need to be well stocked, and you must be able to bypass them to deliver goods direct from a warehouse to the customer's home. And do it 24/7.

Automation speeds up fulfilment for both online orders and re-stocking shelves and/or displays in store.

AI can help to use data to predict demand and get ahead of it with judicious ordering strategies. IoT delivers visibility of stock, vehicles, and people to increase operational excellence.



Effective unified end-to-end connectivity in retail requires a digital infrastructure that:

- Provides the ability to integrate and rapidly scale new and emerging (AI, Machine Learning, automation, Digital Twins etc.)
- Is powerful enough to deliver those capabilities at both the core and the edge (e.g., AI powered chatbots on your website that talk to the core as well as the customer)
- Offers people and systems access to data in real time so that they can fulfil the seamless customer experience
- Use automation so that services can be delivered constantly and at speed



2. Powerful insights: the more you know, the more you sell

If you don't have the right data about your customers, it's much harder to deliver truly memorable hybrid customer experiences.

We have more tools than ever before to understand what customers are doing and predict what they might do tomorrow.

When you can do that accurately and with perfect timing, your chance of retaining customers increases significantly. And high retention rates are great for the bottom line.

It's been estimated that attracting a new customer is anywhere between 5 and 25 times more expensive than retaining an existing one.

The inventors of the Net Promoter Score famously showed that increasing customer retention rates by 5% boosted profits by at least 25%, and in some cases by a staggering 95%². Data is key.

It takes both great data and tech to understand your customer buyer behaviour – and make the most of it.

The kind of data you need is varied:

- Past purchasing habits
- Current consumer trends
- Today's sales (who, what, and where)
- Best sellers
- Personal and contextual data sets

It's the digital infrastructure which enables all that data to flow into one suitably equipped and configured place where a granular picture can be created to support strategic thinking and decision making.

2. <https://hbr.org/2014/10/the-value-of-keeping-the-right-customers>

2. Powerful insights: the more you know, the more you sell (continued)

How you manage data is vital. You can use it to spot when a customer starts buying a product they haven't bought before and then correlate that purchase with others to gain a deeper understanding of their changing needs and preferences. You can then target offers more accurately.

Powerful insights like that also work across your operations. As mentioned before, understanding stock levels and targeting deliveries to where there are gaps on the shelves is fundamental to successful retail.

AI, data analytics, and automation can support those gaps considerably and rationalise distribution to that it's not only efficient (stores are well stocked) but also more cost-effective and, importantly, sustainable (fewer deliveries, efficient energy usage etc).



Useful insights in retail requires a digital infrastructure that:



Delivers powerful computing capabilities such as High Performance Computing, which speeds accurate and timely analysis for both stock planning and distribution



Enables secure access to data across the supply chain and customer relationship



Provides easy yet highly secure accessibility to insights via the cloud to improve and innovate the customer experience



3. Enterprise resilience: building customer trust

Resilience fosters trust. And customers need to trust you if they're to share their personal data. So, you need to be resilient at a time when cyberattacks are rising fast. Research shows that retailers are more likely to be a target; 44% of retail organisations were the victims of ransomware attacks in 2020, while the average for other sectors was 37%³.

Resilience demands a digital infrastructure that is:

- Secure by design
- Provides high availability to ensure services are always delivered fast and correctly
- Must allow emerging technologies that can mitigate cyber threats
- Is secure to the highest standards to protect both data and the everyday functioning of critical services
- Supports compliance in terms of built-in data protection and compliance with other rules regarding employment, sustainability etc.
- Provides easy access to secure cloud backup and can restore functionality quickly

3. <https://www.csoonline.com/article/3641264/are-retailers-ready-for-holiday-season-ransomware.html>

Case study 1:
The Global Fashion Retailer

Here's what your retail digital experience could look like

Well-known global high street and online retailer has over 100,000 employees worldwide. It supplies fast-fashion to men, women and children as well as a homeware offering. It has revenues of €15bn.

"Fujitsu has done well with cost reduction, has been innovative and has contributed with new ideas to help us meet our challenges."

Customer spokesperson
Global Fashion Retailer

Read more 

Case study 2:
Wilko

A modern platform to accelerate digital retail

Wilko is a UK high street retailer, founded in 1930. The business sells homewares and household goods, and has over 400 stores across the UK. Revenues in 2019 were £1.6 billion. The business remains in the control of the family of the founders.

"A five-year agreement was fundamental to deliver this critical capability. We're both more invested in success, from design to implementation."

Andy Knowles
IT Director, Wilko

Read more 



Conclusion: leveraging the full potential of your digital infrastructure makes *the* difference

The retail sector faces immense challenges: escalating complexity and competition, a shortage of talent, tight margins, supply chain issues, shortages of key goods due to both the pandemic and political crises, as well as the rising expectations of customers. Fujitsu's retail expertise is focused on providing retailers with a digital infrastructure that's fit-for-purpose and can stay ahead of change when that purpose evolves.

This is the time to really focus on getting your digital infrastructure right.

Acting now means you can:

- Increase agility and create seamless customer experiences across all channels and devices
- Boost efficiency and store productivity
- Benefit from the immense potential of data to make positive, timely decisions

- Deliver a borderless experience that's intensely personal and always based on the real-time needs (and desires) of your customers
- Strengthen your hybrid shopping experience that customers demand, at speed and scale

When you amplify the immense potential of your hybrid IT and merge both legacy and modern systems you will be empowered to meet your customers, developers, and employees where they are, right now. Achieve that, and anything is possible.

Talk to us about how you can make the most of your digital infrastructure to deal with all those priorities and get ahead of what's next in hybrid shopping.

www.fujitsu.com/global/services/hybrid-it/





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