



The Intelligent Enterprise

# The Future of **RETAIL**

MARCH 2023





# Overview

The Retail industry has faced significant challenges in recent times. Retailers have had to deliver digital experiences and delivery models; navigate global supply chain disruptions; accommodate the remote work needs of their employees; and keep up with rapidly changing customer expectations.

To remain competitive, many retailers have made significant investments in technology.

**However, despite these investments, many retailers have struggled to create a market differentiation. The need for innovation and constant evolution remains.**





# Drivers of Evolution in Retail



## HYPER-PERSONALISATION

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To combat steady customer churn, retailers need to customise products, promotions, and recommendations. They also need to expand their interaction and transaction channels, in response to customer preferences.



## SUPPLY CHAIN VULNERABILITIES

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Global supply chains are complex, and disruptions have ripple effects. This requires greater supply chain visibility, alternative sourcing decisions, and stronger relationships with the entire value chain.



## THE RISE OF ESG CONSCIOUSNESS

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ESG measures have to be prioritised to attract & retain customers and for better financial performance. Actions include local & green sourcing; sustainable packaging; promoting diversity; and automated reporting and messaging to key stakeholders.



# Key RetailTech Trends for 2023 & Beyond

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## THE METAVERSE

The Metaverse, starting with AR/VR, is offering possibilities to create personalised and immersive shopping experiences that go beyond physical stores and web apps leading to greater personalisation, and in attracting newer customers.



## PROCESS AUTOMATION

AI/ML technologies are augmenting process automation to streamline supply chain management, reduce operational costs, improve customer experience and predict and mitigate risks.

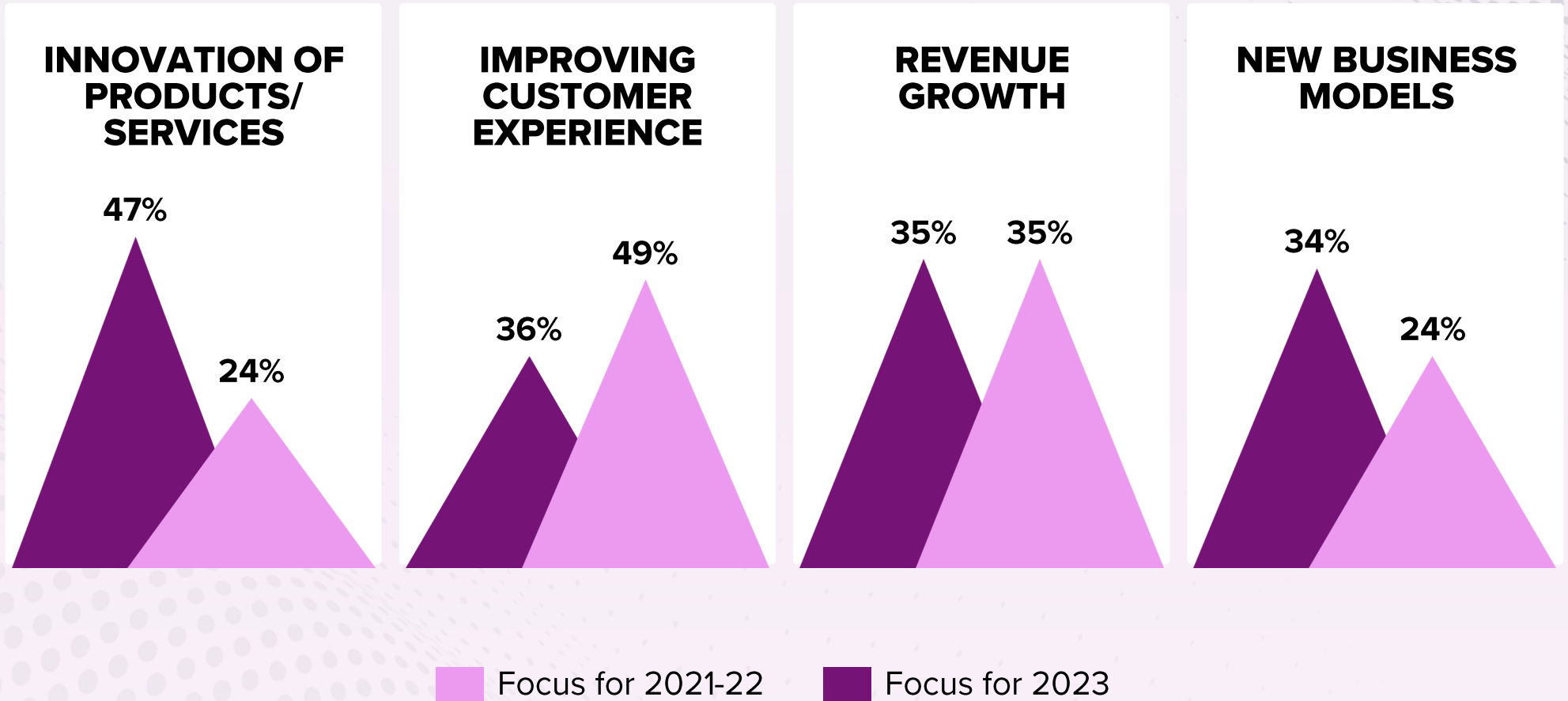


## CUSTOMER SELF-SERVICE & INTELLIGENCE

Self-service, such as kiosks, mobile apps, and online portals, augmented by Conversational AI, allow customers to choose, transact, and avail after-sales support, when they need it most. CX teams are analysing more data from these interactions for greater customer insights.



# Innovation to Stay Ahead of the Curve





## Retail Innovation

# Experiential Retail & the Metaverse

The Metaverse expands the scope of virtual engagements – and high-end fashion is exploring opportunities.

The "Clinique Lab: A Virtual Experience," uses blockchain and Web 3 tech to offer a virtual store where customers can buy products using cryptocurrencies and customise their avatars. The store features exclusive product launches, events, and interactive experiences. Similarly, last year, Gucci had launched a virtual store that offers digital art installations, limited-edition virtual products, and a new level of experiential retail.

Tommy Hilfiger's NFT project, "Everyone Gets an NFT" aims to engage customers and provide them with a new way to interact with the brand. It allowed customers to claim a free NFT digital collectible featuring iconic designs from the brand's archives by registering on the website.



## Retail Innovation

# Responding to Customers' ESG Demands

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Retailers are increasingly using technology to support ESG initiatives as customers demand more ethical practices.

In an innovative move, Nike allows users to design and sell their sneakers in the Metaverse, aligning with their sustainability goals by reducing the need for physical production, transportation, and storage.

Woolworths partnered with Komo Technologies to launch "Pick Fresh, Play Fresh" for Australian netballers, providing fresh and healthy food options to support their nutrition and performance. The program offers personalised nutrition advice, online grocery shopping and delivery services, and a new mobile app to track nutritional intake and receive tips on healthy food choices. It is part of Woolworths' ESG efforts to promote healthy living and wellbeing in the community.





## Retail Innovation

# Transforming for Insights & Efficiency

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Retailers have access to volumes of customer, operational, and production data – turning those to insights lead to real transformation.

The Prada Group has partnered with Adobe to improve in-store and digital customer experiences in real-time. The aim is to use a customer data platform to unify data across all channels to personalise customer experiences, create targeted marketing campaigns and offer customised recommendations.

Levi Strauss & Co. has partnered with Lalaland AI to optimise their manufacturing processes using AI-powered predictive models. The partnership aims to reduce waste and improve sustainability efforts while streamlining manufacturing for a more efficient production.





## Retail Innovation

# Is Generative AI the Future?

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**While Generative AI is still new and evolving, here are some early examples of its use in Retail to enhance customer experience.**

Israeli retail chain **Mahsenei Hashuk is using Generative AI** such as ChatGPT and Midjourney to develop marketing and branding for their upcoming wine collection. The marketing team employed Midjourney to design labels for the collection, while ChatGPT was used to write the information printed on the labels. This process time reduced from weeks or months, to just a few hours.

**Instacart, that operates a grocery delivery and pick-up service** in the US and Canada has added ChatGPT to their app to improve customer experiences. This bot is designed to help customers find products, place orders, and receive real-time updates on deliveries. By leveraging the power of AI, Instacart aims to offer more personalised and efficient customer experiences.



# Ecosystem Opinion

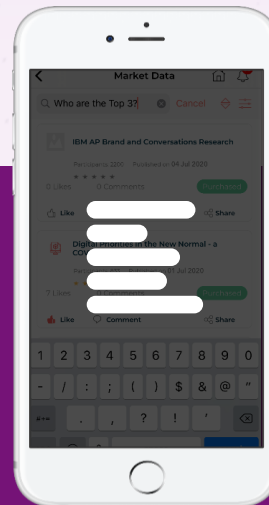


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Imagine a world where the CX is impeccably tailored, blending seamlessly between physical and virtual realms, and where the supply chain is highly responsive and reliable. Harnessing emerging technologies such as the Metaverse and AR/VR that are intertwined with AI-driven automation, will allow retailers to create unique, engaging journeys that cater to each customer's desires, foster loyalty and enhance overall satisfaction that can be delivered in an eco-conscious manner.



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