



Omnizio

OMNICHANNEL FOR
RETAILERS

**How can
Artificial Intelligence
Benefit Retail**

Introduction

As long as human beings have exchanged goods and services, making predictions has been an essential part of the marketplace. Whether it's predicting how much product to have on hand, Anticipating changes in consumer behavior, or how many people you need on your staff, data has always been essential to running an efficient retail business.

The difference today is that most retailers are drowning in data, but they aren't necessarily using it to the best of their advantage. With so many ways to interpret data and solve business problems, knowing how to use your data resources effectively can make the difference between success and failure.

Enter artificial intelligence (AI) to bridge the gap between the volume of data available and the correct interpretation of that data for strategic business decisions. With problems on the retail landscape ranging from store site selection to staffing, retailers who have responded to the AI revolution have seen an increase in profits and a decrease in the guesswork that can make running a business an exercise in trial and error.

In this ebook, we'll take a deeper look at the challenges facing the marketplace and how OmniziO analytics can help retailers put strategic solutions into place that will help them grow and refine their businesses in a fast moving world.



Challenges and Trends

The retail marketplace has become connected, complex, and competitive. Whether it's keeping pace with the connected consumer, embracing emerging trends in shopping, or staying ahead of the competition, the forces that are bearing down on retailers are greater than ever before.

The key to addressing these challenges is to be as responsive as possible. And fine-tuning that response means understanding the disruptors you are dealing with. Here, we look closely at the main challenges that retailers face and how understanding your data can help solve them.

SOCIETY

Aging society. Baby Boomers who are approaching retirement age see a reduction in their spending power, which also means greater demand for affordable products.

Shrinking households. Big box retailers have to face a marketplace where households forgo the big, weekly stock up in favor of smaller, more frequent trips for specific or specialty items. Experiences over things. Consumer spending is gradually shifting away from products to experiential activities, such as travelling, entertainment, and dining out.

TECHNOLOGY

Changing routes to the internet. Mobile phones are now ubiquitous, leading to more and more people being connected to e-commerce. By 2021, it is estimated that 55% of the world's population will have access to the internet, largely via mobile devices

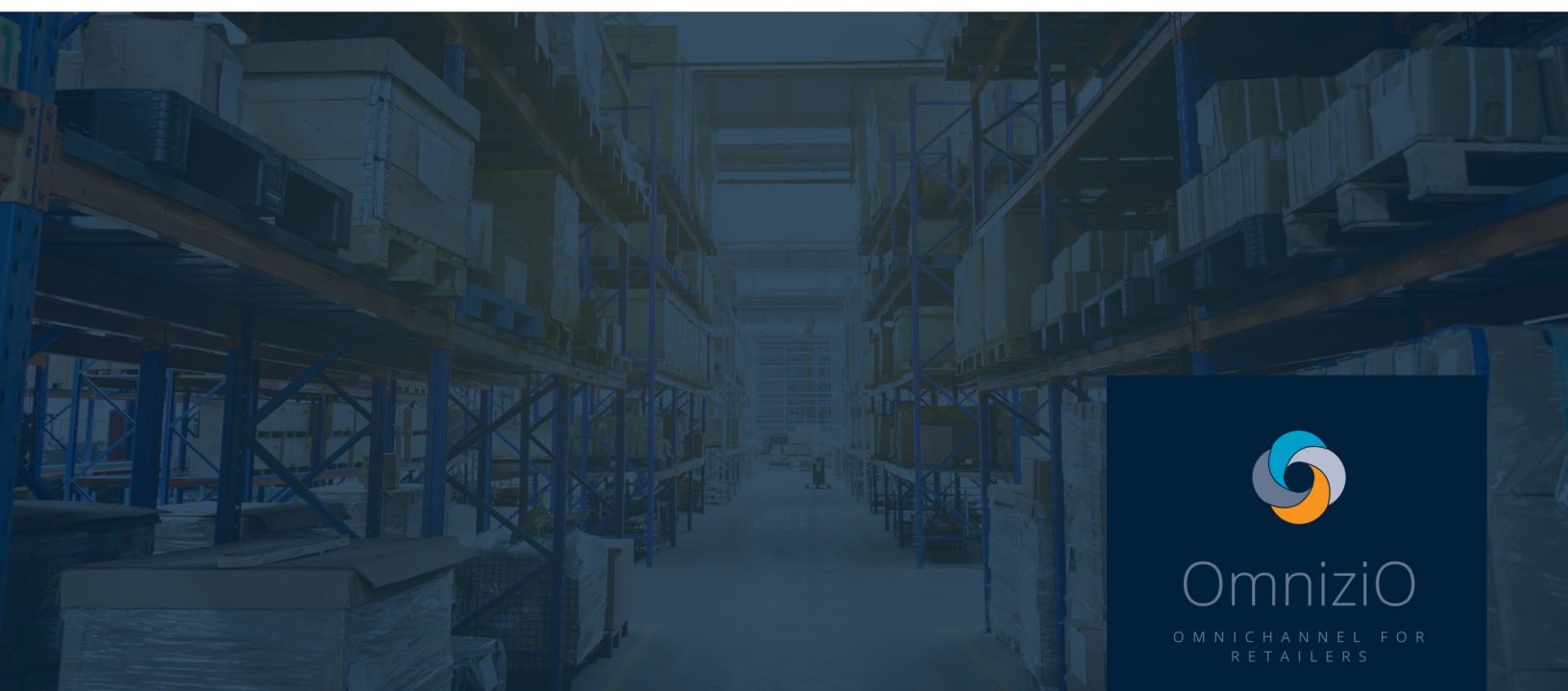


INDUSTRY

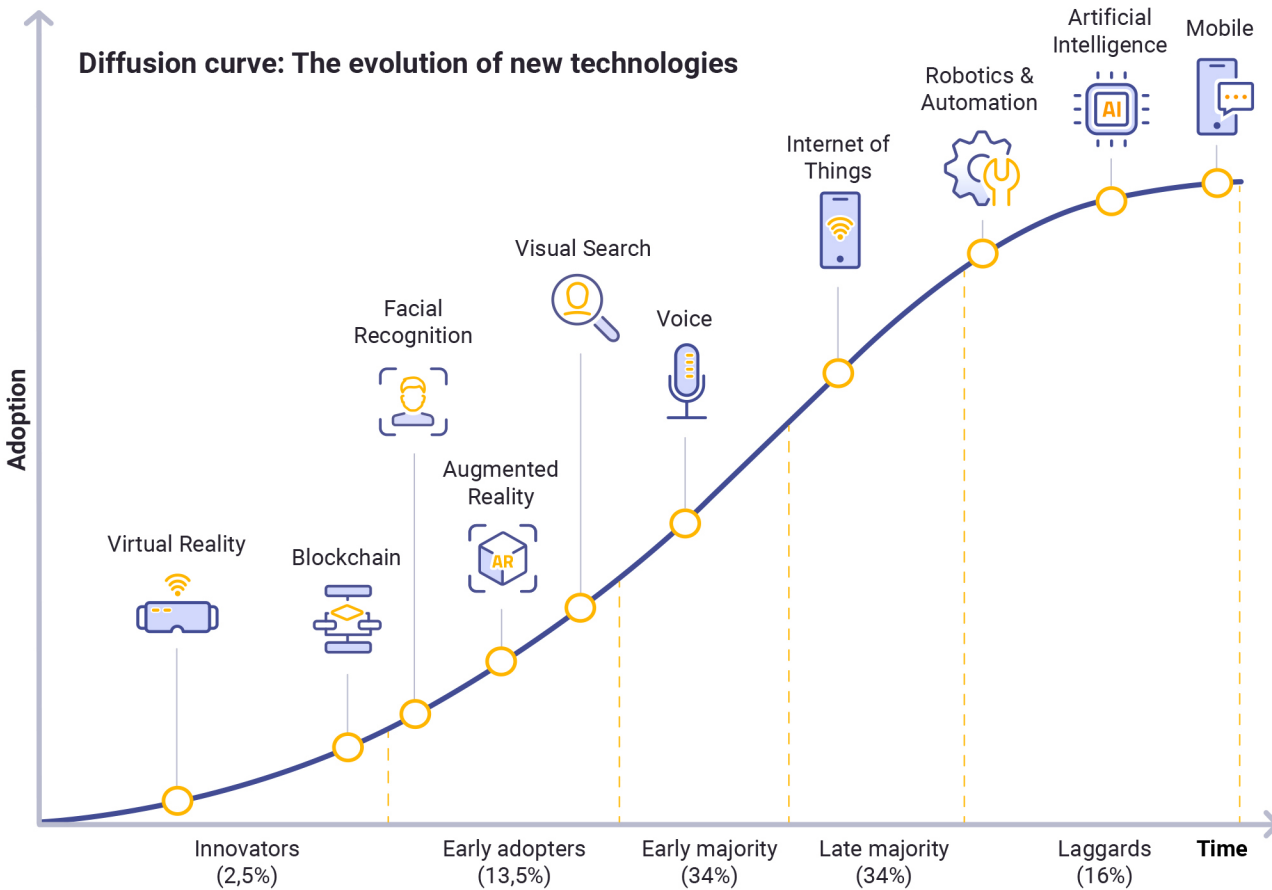
Retail polarization. Consumers are looking for low-priced products, which means that the discount channel is taking a large share of food retail. Channel composition. Discount, convenience and online are now the fastest-growing channels in grocery. However, hypermarkets and superstores will remain essential. E-commerce structure. E-commerce is swiftly reshuffling the established order of retail, and will account for more than one-quarter of global chain retail by 2023.

INTERNAL HURDLES

Data scientist shortfall. Within the next five years, the shortfall of data scientists in the U.S. alone is projected to reach 250,000. Finding and retaining data scientists with proven track records is very difficult and will continue to be for a long time. Resistance to adopting new technology. Change is hard, and people often resist new technology. Many retailers cite this problem as a key challenge to becoming AI-driven. Aging legacy systems. In order to take on a full digital transformation, retailers need to replace their legacy systems, which is often a huge hurdle to overcome.



Retailers Should Embrace the Fourth Industrial Revolution Retail has seen many changes over the past decade-and-a-half. From the push to move towards customer centricity to the use of the Internet of Things to collect data and ensure better customer service, the retail business landscape has shifted significantly



Source: Edge by Ascential



Artificial intelligence (AI) promises to revolutionize the industry on a scale unlike any other previous technological leap. Whether it's changing the way businesses market to consumers, increasing the efficiency of supply chains, or studying the way customers use digital channels, AI has been called the Fourth Industrial Revolution for many good reasons. Like other Industrial Revolutions, this one holds the power to change fundamentally the very nature of shopping and the very nature of selling to consumers.

Demand-based forecasting and predictive analytics are becoming commonplace, and the retail industry will rely heavily on artificial intelligence to set prices, manage inventory, and manage staffing. With a growing percentage of the world's population gaining internet access, largely via mobile devices, there is a massive opportunity to connect with consumers that retailers must capture and those that do will emerge as leaders in the marketplace.

All of this means that retailers need to move fast to capture the promise that AI holds. Those who become AI-driven will become market leaders and will be better able to capture new markets and maximize profits.

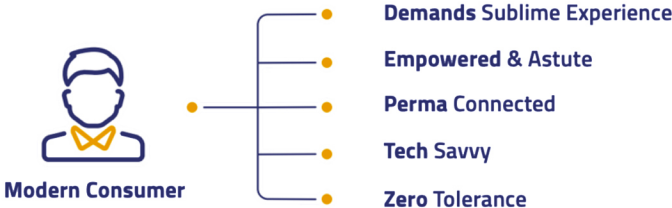


How Are Retailers Using AI Right Now?

Retailers are using AI primarily to address three major challenges: the expectations of the empowered consumer; managing product and supply; and addressing operational efficiencies.

THE EMPOWERED CONSUMER

The empowered consumer is more connected and informed than ever before. Armed with a world of information at their fingertips, consumers expect more information that is tailored to them. This is where AI comes in to anticipate changes in behavior, customize the right products to the right people, and connect them with the content that is most relevant to them.



PRODUCT AND SUPPLY

With the huge changes taking place in the retail industry, knowing what to buy, where to place products, and who is likely to buy them is crucial to business operations. Foot traffic to brick-and-mortar stores fell in the past year, as it has in previous years. Many fast fashion retailers report piles of unsold stock that can be worth billions of dollars.



OPERATIONAL EFFICIENCIES

With site optimization, retailers can identify the best sites for store opening or expansion or for reducing and closing based on strategic goals. By using historical performance to predict yearly revenue of potential new store locations, retailers will know how much floor space to allot, what demographics they should cater to, and what their competition is doing. They can use this information to further fine-tune their operations, closing or modifying underperforming stores and opening new ones in places with greater potential.



How can Omnizio help?

We Create centralized retail for your business by connecting our cloud-based POS to your Ecommerce platform. Customers can shop on any channel, check-out in seconds, and pay in any method. A truly seamless shopping experience across all your sales channels, while giving you inventory and sales figures in real-time.

Omnizio helps to forecast the appropriate inventory levels for your various store locations. You provide Forecast information like historical sales, pricing, store promotions, store locations, and catalog data from your retail management systems in a CSV.



With AI-driven demand forecasting, companies can use a range of historic data to predict future demand. It can even build separate models for seasonal events, such as Black Friday or other peak shopping days. By predicting the amount of stock you need to have on hand and the probability of returns, you can ensure that you minimize the risk of excessive inventory, while still having the products that consumers want.

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Conclusion

The age of AI is here. The opportunities for retailers to capture better business intelligence about everything from inventory to staffing to delivery and operations are enormous. Retailers that embrace these opportunities and think through how to introduce AI into every part of their organization will survive and thrive. Retailers that delay or avoid learning about this technology will lose ground and, ultimately, may not survive.

OmniziO can help you leverage your data assets for competitive advantage, Regardless of the size of your operation or your relative sophistication in data and analytics

With our immersive omnichannel strategy, blend your physical and digital worlds to engage your customer with the right product at the right place at the right moment.

Let us help you grow.





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