

5 ways retail will double-down on digital in 2023

Networking solutions company HPE Aruba Networking revealed its predictions for the retail industry at NRF 2023 last week, unpacking how retailers will leverage technology to get ahead of evolving customer demands and operational challenges over the next 12-18 months.



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Against an uncertain macro environment and growing consumer desire for ever more personalised brand treatment, customers are going to be increasingly selective with how and where they spend their money in 2023. As retailers compete for wallet share, they will have to deliver flexible, tailored shopping experiences to attract new footfall and keep both online and in-store customers loyal. This will put a heavy burden on IT teams to support the pace of technological change and deliver the seamless running of operations.

To help retailers as they enter the new year, Aruba worked with global trends agency Foresight Factory to uncover five ways in which the retail experience is set to change in 2023, and to identify the implications this will have for the IT teams and networks tasked with delivering them.

The findings provide a compelling argument for a more flexible and agile network consumption model, like Network-as-a-Service (NaaS), to help take some of the strain off the network and IT team, allow for greater scalability and help deliver a more business-outcome-focused networking solution.

1. Retailers bring immersive digital experiences to in-store shoppers

As retailers fight to re-engage customers with physical spaces, they will look to invest more in technologies to deepen and differentiate the immersive experience of in-store shopping trips. Expect AR and VR that allows shoppers to get a better feel for how products will fit into their lives before they reach the point of sale to become fully embedded in a retailer's user experience (UX).



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2. Delivery options become more disparate and diversified

Consumer expectations for on-demand, time-shifted, and location-flexible delivery options are rapidly growing. Retailers and grocers will take an increasingly hybrid approach to fulfilling orders, offering up traditional delivery solutions alongside dark stores, micro-fulfillment centres, grab-and-go “pop-ups”, and on-demand couriers.

The use of enhanced geolocation services and even mobile stores will give retailers the chance to bring the point of sale directly to the consumer’s home or place of work.

3. In-store smartens up to drive delight and efficiency

With e-commerce offering ever more sophisticated competition, in-store spaces will be redefined to not only focus on enhanced customer satisfaction and personalisation, but also more efficient business operations. Physical stores will become more connected, with innovations like smart fitting rooms and cashierless exits serving to delight customers, while IoT sensor capabilities provide real-time insights to support operational savings and sustainability ambitions.

4. Intelligent inventory insights will maintain consumer loyalty

In today's age of instant gratification, consumers expect retailers to deliver what they want, when they want it – with any deviation from what has been promised not tolerated. Expect a surge in automation and predictive technologies to help more accurately track inventory and meet consumer demands in real time.

Smart robots deployed in warehouses and distribution centres will also make operations more intelligent, shifting made-to-order retailing into the mainstream, and reducing waste and excess inventory as a result.



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5. Showrooming turns to streaming

Livestreaming from physical stores will become more commonplace as brands look to create the next stage of showrooming, giving customers a glimpse behind the scenes. Delivering such experiences will help feed consumer appetite for a local touch and allow retailers to make the most of their remaining physical spaces.

“Whether it’s immersive experiences, livestreaming, or new delivery methods, the technology requirements for retailers are becoming denser and more complex as they continue to battle for business. And while vital, new and modern technology will be dependent on having the right infrastructure to support it,” said Gerri Hinkel, director, solutions and vertical marketing, HPE Aruba Networking.

“In the face of continued change, retail companies need predictability and confidence in knowing their network can flex to meet evolving consumer demands and that their IT teams won’t fall under the burden of continued digitisation,” Hinkel added.

“To achieve this, retailers need to reconsider their network approach – looking at alternative consumption models like NaaS to ensure that they not only have the agility to adapt as demands change, but are set up with a high-performing, secure, reliable, and automated network that can support all this technology and leverage real-time insights to facilitate new customer-facing and smart store initiatives.”

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