

## RETAIL: INNOVATIVE TECHNOLOGIES FOR AN UNCERTAIN MARKET

RETAIL ALREADY FACED LONG-TERM PRESSURES. THEN CAME THE PANDEMIC. YET SOME MERCHANTS ARE THRIVING. HOW CAN YOU LEVERAGE TECHNOLOGY TO STAY IN THE GAME?

The retail industry was already in the midst of a fundamental transformation, as online giants disrupted markets and consumer behaviors shifted dramatically. Then the Covid-19 crisis hit, and the stakes skyrocketed.

Ecommerce sales, a progressively growing portion of the multichannel landscape, leapt by one-third in a single quarter. Department-store receipts began to plummet at nearly twice that rate. [See the Figure.]

FIGURE: ECOMMERCE ACCELERATION<sup>1</sup>



Retail sales that were ecommerce in Q2 2020



Projected growth in ecommerce sales in 2020



Increase in ecommerce from Q1 to Q2 2020



Projected decline in department store sales in 2020

Source: U.S. Census Bureau

Source: IBM

Some retailers – notably ecommerce-only behemoths and big-box chains with a robust online presence – are thriving, however. That has smaller, less capital-rich competitors wondering if there are strategies that can help them not only survive in the short term but also thrive as the industry continues to transform.

“Retailers need to adapt quickly to the new normal,” says Marc Fowler, vice president of Service Delivery for Computacenter. “But in the longer term they need to find ways to rebuild customer relationships and sustain revenues.”

The good news, Fowler says, is that innovative technologies, combined with new thinking about how to engage with customers, can position retailers to remain competitive as they enter an uncertain future.

## BETTER CHANNELS, BETTER EXPERIENCES

One retailer that has been successful throughout the pandemic is Amazon – the company the rest of the industry has fretted about for years. But while few retailers can compete with Amazon's size and deep pockets, many can learn from its playbook for both online and in-store sales, especially in two areas:

**Multichannel fulfillment** – Amazon has increased revenues by investing in fulfillment – for example, adding large numbers of warehouse workers to help sustain the company's reputation for fast product shipment. Traditional retailers can pursue similar results by leveraging their currently underused physical stores and in-store associates to improve online sales and delivery.

Fulfillment options such as buy online, pick up in store (BOPIS), curbside delivery, and ship from store enable retailers to pair their physical and virtual operations to meet changing customer demands. "Curbside pickup... taps into Americans' desire to drive to a store, a pull that can be just as strong as, or even stronger than, the convenience of home delivery," the New York Times reports.<sup>2</sup>

Providing customers with their choice of fulfillment options requires planning across online operations, distribution centers, and retail stores. An effective inventory management solution can equip you to achieve that goal without substantially increasing your overall inventory footprint. Predictive modeling, including machine learning, can enable you to anticipate trends so that you can maintain inventory as close to customer demand as possible.

**Contact-minimized commerce** – Amazon reached into brick-and-mortar retail with its 2017 purchase of upscale grocer Whole Foods. Consumers can now shop for Whole Foods merchandise on amazon.com, with options for in-store pickup or delivery in as fast as two hours.

But the company isn't just folding grocery into its ecommerce operations. It's also extending ecommerce capabilities to its grocery locations. In 2021 the retailer plans to begin retrofitting Whole Foods locations with technology used in its Go stores.<sup>3</sup> Amazon Go provides a contact-minimized shopping experience in which customers purchase items without having to navigate traditional checkout.

"Touchless payment gives consumers the in-person shopping experience many of them prefer, without the hassles of long lines and slow checkout," Fowler says.

## ROAD MAP TO YOUR RETAIL FUTURE

Computacenter is currently working with partners to develop a contactless checkout solution that leverages edge technology. As customers shop in the store, the solution tracks the merchandise they place in their cart. It then charges the shopper's account, without the need to use point-of-sale (PoS) checkout. It also tracks inventory and can trigger replenishment orders.

The capability takes advantage of two innovative technologies at the edge. Private LTE connectivity – essentially like operating your own public cell service within your company's walls – replaces WiFi for much lower latency. A multiaccess edge computing (MEC) device integrates the necessary applications and networking elements, allowing for central management of edge nodes.

The solution uses application program interfaces (APIs) to smoothly integrate with the retailer's customer-loyalty app. Enabled by its high-speed connectivity, it can then deliver personalized, in-context offers in real time. "For example, if a customer placed toothpaste in her cart, the solution could present a coupon for money off toothbrushes," Fowler explains. "The offer is made within milliseconds, before the customer leaves the aisle."

To achieve the fastest success and the highest return on investment, Fowler recommends beginning not with the technology, but with the use case. "Determine at a strategic level how you want to engage in customers," he says. "Then you can identify the technology that will help you reach that goal."

For example, Computacenter is developing a proof of concept using private LTE technology for the oil and gas industry. But how the solution is deployed in an energy company's upstream operations would be vastly different from how it's implemented in the organization's retail stores – even though it's the same underlying technology.

Finally, consider working with a technology partner that has extensive experience in the retail industry and in integrating new technology with existing infrastructure. "It's not just about designing a solution," Fowler explains. "You also need to configure devices and integrate systems, because your new technology needs to work alongside your legacy systems. And then you'll need ongoing monitoring of new technology that your internal IT teams might not be familiar with. So look for a partner that can cover the whole lifecycle, from design through support."

---

## GET IN TOUCH

To achieve the fastest success and the highest return on investment, begin not with the technology, but with the use case. To learn more, visit us at [www.computacenter.com/us](http://www.computacenter.com/us).

---

1 "COVID-19 Pandemic Accelerated Shift to E-Commerce by 5 Years, New Report Says," Tech Crunch , August 2020

2 "Customers Still Like to Shop in Person, Even if They Get Only to the Curb," The New York Times , October 2020

3 "Amazon Plans to Roll Out the Tech It Uses at Its Go Stores to Whole Foods Locations in 2021," Business Insider , August 2020



Computacenter(US)  
2 Bryant St, Suite 150, San Francisco, CA 94105

[www.computacenter.com/us](http://www.computacenter.com/us)  
1 800-228-8324

The Intel Partner Titanium logo, consisting of the words "intel partner" in a lowercase, sans-serif font, with "Titanium" in a smaller font to the right, all set against a dark grey background.

intel  
partner Titanium