

Retailers Need a Data-Centric Vision to Avoid the Retail Apocalypse

Just about everyone who works in retail is aware of the “retail apocalypse,” the closing of thousands of brick and mortar retail stores beginning in 2016 and continuing in 2017. Dozens of retailers including Kmart, Macy’s, and Walmart [closed](#) well over 1,000 stores in 2016. The forecast for retailers in 2017 is even grimmer. More than 5,300 retail stores have already been scheduled to close in 2017, and Credit Suisse [forecasts](#) that more than 8,600 retail stores will close by the end of the year.

The 2017 Retail Apocalypse

There are many reasons retailers are closing stores at such a dramatic rate. One of the main reasons retailers are closing brick and mortar shops is that consumer shopping habits have changed significantly in recent years. Back in 2000, *Pew Research* conducted its first [online shopping survey](#) and found of the Americans surveyed only 22% had ever purchased something online. Fast forward to December 2016, 79% of the Americans surveyed said they buy items online.

While the number of retailers selling products online has increased substantially in the past decade, many just can’t compete with Amazon and other online retail giants. A recent *The Atlantic* [article](#) reports that Amazon North American sales have increased from \$16B in 2010 to \$80B in 2016, and approximately half of all households in the U.S. have become Amazon Prime subscribers. Amazon is eating the retail industry, nearly literally.

Last month, Amazon acquired Whole Foods, a move that gives the company a firm step forward into brick and mortar retail. While there is some speculation as to Amazon's intentions when it comes to Whole Foods, the acquisition is a good example of a digital business transformation. Amazon may decide to apply digital solutions to transform the retail shopping experience for Whole Foods customers in the future.

Retailers Need a Data-Centric Vision

While the number of consumers shopping online has increased dramatically in recent years, there are still plenty of people shopping at brick and mortar retail stores. Winning over consumers and preventing your brick and mortar retail business from becoming a victim of the retail apocalypse will take more than just expanding to e-commerce. Retailers need a data-centric vision and must effectively leverage data to not only survive the retail apocalypse but also thrive despite fierce competition.

Data is the key to running just about every aspect of a business successfully, from marketing and sales to app development and inventory management. For example, with data (and a little help from AI and machine learning), retailers can learn about, understand, and even predict the personal preferences and purchasing patterns of customers to create highly personalized marketing campaigns. With access to store data, retailers can closely monitor inventory and point of sale (POS) transactions to spot and reduce shrink, especially when it comes to perishable products.

Retailers should also start taking advantage of the data available from smartphones and other IoT-connected devices. IoT data could be leveraged by retailers in a variety of ways. For example, using beacons and indoor positioning, retailers could analyze foot traffic throughout their stores to gain

insights into customer behavior. Retailers could also use indoor positioning and permission-based mobile phone push notifications to send customers store offers for specific products to help boost sales.

Retailers Must Choose the Right Technologies

In today's highly competitive retail market, retailers must choose the right technologies to access and leverage data, and provide enjoyable shopping experiences for consumers. To preserve local shopping communities, retailers must use data to discover the tastes and likes of local shoppers. They should use that data to precisely manage inventory stocking items and cater to the local community creating a curated hypermarket feel for consumers.

The [iVEDiX Platform for Retail](#) allows retailers to access data from multiple disparate systems such as inventory, POS, and supply chains using one unified interface. The platform also allows retailers to combine historical and real-time data which can then be used to create interactive visualizations such as charts, graphs, and maps. With the ability to access and leverage all relevant data from one application, retailers can gain a 360-degree view of their business, efficiently reconcile sales and stock levels to reduce shrink, and cater to the personal preferences of local shoppers to boost brick and mortar store sales.

For more information about iVEDiX for retail, visit <http://www.ivedix.com/industries-retail/>.

