SYNTAX

Avert crisis by staying in the know

The retail industry is undergoing a seismic shift that is threatening the very existence of many retailers, yet retailers who are adopting best practices to stay ahead of the curve can use this opportunity to thrive. While the rise of e-commerce has been a driving force behind this change, the far greater danger lies in the systemic shift that is taking place across industries. In this white paper, we will explore the top dangers facing retail today and provide real-world examples and statistics to illustrate the scope of the problem. We'll also provide actionable steps that retailers can take to mitigate these risks and thrive in this rapidly changing environment.

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The Systemic Shift Across Industries

The retail industry is not the only one undergoing significant changes. The systemic shift that is taking place across industries is affecting holistic supply chains, and is translating aggressively into how retail is managed, from inventory management to pricing to logistics. Here are a few examples of how these changes are affecting industries beyond retail, and how they are impacting retail in turn:

Automobile Industry

With rapid advancements in battery technology, electric and self-driving vehicles are becoming a reality. This is causing a fundamental shift in the way automobiles are manufactured, sold, and serviced, with traditional business models becoming obsolete. This has a direct impact on retail, as it affects the demand for fuel, auto parts, and servicing. Retailers must adapt to these changes in order to continue to sell and service automobiles.

Healthcare Industry

Healthcare providers are facing increasing demands due to the growing number of drugs, regulations, and patients. This is putting pressure on the entire healthcare supply chain, affecting everything from inventory management to pricing to logistics. This has a direct impact on retail, as healthcare providers are major customers of medical supplies and equipment vendors. Retailers must adapt to these changes in order to continue to serve this market.

Technology Industry

Technology is transforming the way industries do business. From artificial intelligence to blockchain to the internet of things, technology is changing every aspect of how businesses operate. This has a direct impact on retail, as retailers must leverage technology in order to optimise their supply chains and stay competitive. Retailers who fail to embrace technology risk falling behind their competitors.

Demographic Shifts

As the population ages and becomes more diverse, industries must adapt to changing demographics. For example, the ageing of the population is driving demand for healthcare products and services. This has a direct impact on retail, as retailers must be able to cater for the changing needs and preferences of their customers.

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The link between these market events and retail is clear: retail is a part of every industry's supply chain. As industries undergo significant changes, retailers must adapt in order to continue to serve their customers. Failure to adapt can lead to significant margin erosion and the possibility of going out of business. Retailers must be proactive in adapting to these changes and must leverage technology and customer insights in order to thrive in this new era of retail. Speak with an expert and learn how we can help your business thrive.

Consumer Expectations:

Today's consumers have high expectations when it comes to shopping. They expect seamless experiences across all channels, from online to brick-and-mortar stores. Retailers who fail to deliver these experiences risk losing customers to competitors.

Competition

The rise of e-commerce has increased competition in the retail industry. Traditional brick-and-mortar retailers are facing pressure from online retailers like Amazon, who are able to offer lower prices and faster delivery times.

Technology

Technology is transforming the way retailers do business. From inventory management to pricing and logistics, technology is changing every aspect of the retail supply chain.

Retailers who fail to embrace technology risk falling behind their competitors

Changing Demographics:

As the population ages and becomes more diverse, retailers must adapt to changing demographics. For example, millennials have different shopping habits than baby boomers, and retailers must be able to cater to these different preferences.

Economic Factors

Economic factors like inflation, interest rates, and unemployment can all affect the retail industry. For example, during an economic downturn, consumers may be more hesitant to spend money, which can lead to lower sales for retailers.
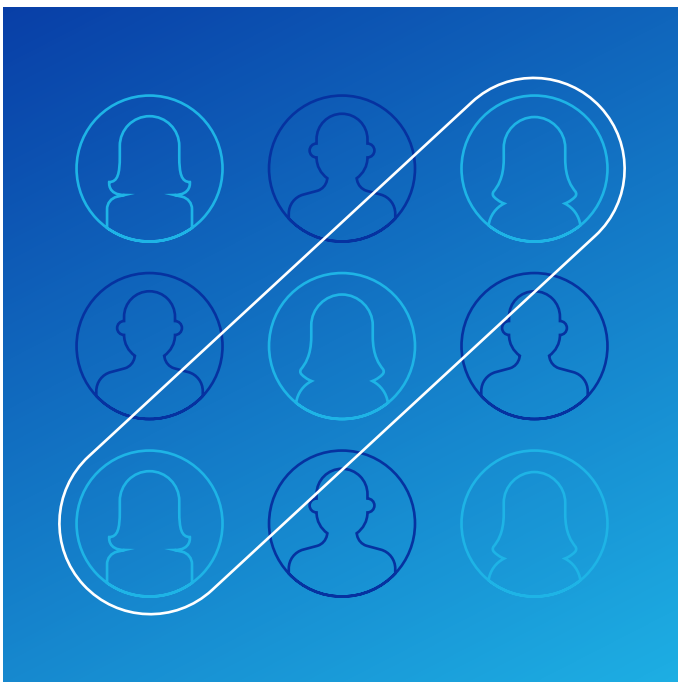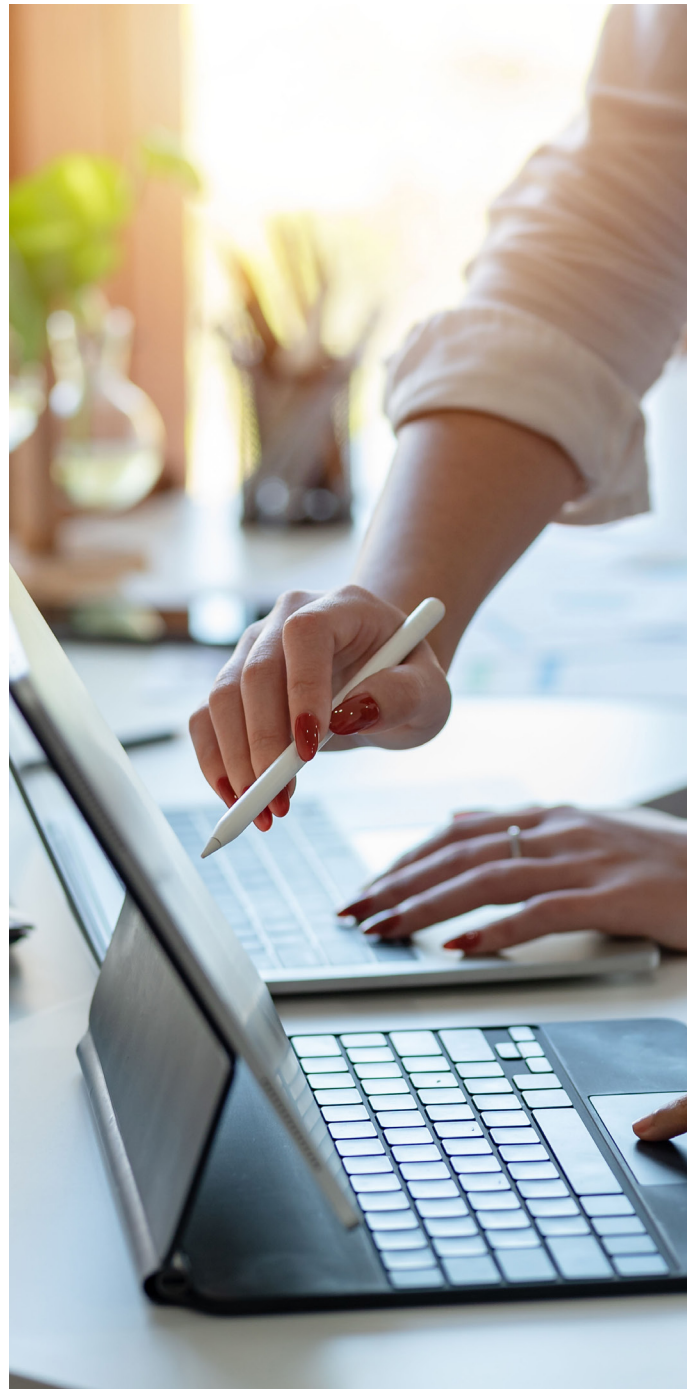
The Impact on Retail - Conclusion

The dangers facing retailers are significant. Beyond previously mentioned challenges, a recent report underscores the evolving threat from e-commerce giants like Amazon.

While e-commerce is projected to see a 10 to 12% increase in sales in 2023, totalling between $1.41 trillion and $1.43 trillion, brick-and mortar stores continue to serve as the primary point of purchase for consumers, accounting for approximately 70% of total retail sales.

This statistic reveals the complexity of the current retail landscape, where physical stores remain crucial, even as online shopping grows. However, the rapid growth of e-commerce still presents a substantial challenge for many retailers, who must strive to keep pace with this shift or risk becoming obsolete.

However, there is hope for retailers who are willing to adapt to these changes. By leveraging technology, focusing on delivering exceptional customer experiences, and being agile, retailers can mitigate these risks and thrive in the new era of retail.

Speak with an expert and learn how we can help your business thrive.

The Importance of technology

Leveraging technology is crucial for retailers to optimise their supply chains and stay ahead of the curve. Technology solutions like the Beyond Retail Accelerator can deliver preconfigured retail-specific end-to-end processes, enriched by over 4,500 days of R&D. By leveraging this tool, retailers can deliver S/4HANA for Retail in just 16 weeks, enabling them to start seeing results faster. Retailers must embrace technology to optimise their supply chains and remain competitive.

The Importance of Customer Experience

In addition to technology, retailers must focus on delivering exceptional customer experiences across all touchpoints. Omnichannel strategies require retailers to deliver consistent experiences across all channels, from online to brick-and mortar stores. By leveraging customer data and insights, retailers can deliver personalised experiences that meet customers' ever-changing preferences.

The Importance of Agility

Finally, retailers must be agile and able to adapt quickly to changing market conditions. This requires a culture of innovation and a willingness to take risks. Retailers must be willing to experiment with new business models and technologies to stay ahead of the curve.

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Conclusion

The biggest danger facing retail today is the systemic shift that is taking place across industries. Retailers who fail to adapt to these changes risk significant margin erosion and the possibility of going out of business. By leveraging technology, focusing on delivering exceptional customer experiences, and being agile, retailers can mitigate these risks and thrive in the new era of retail. Contact Syntax today to learn how we can help your business thrive.

Source: https://www.forbes.com/sites/allbusiness/2023/04/17/the-future-of-retailwhat-the-stats-say-about-retailers-in-2023/?sh=39a380917f08

Take the first step!
Learn how Syntax can help your business.
Contact us today!

Why Syntax

Syntax provides comprehensive technology solutions and trusted professional, advisory and application management services to power retailers' mission-critical applications in the cloud. In 2023, Syntax joined forces with Beyond Technologies, a leading retail solution provider. Together, our team has over 50 years of experience, 700+ customers, and 2600 employees around the world, offering deep expertise in implementing and managing multi-ERP deployments in secure private, public, or hybrid environments. Syntax partners with SAP, Oracle, AWS, Microsoft, and other global technology leaders to ensure customers' applications are seamless, secure, and at the forefront of enterprise technology innovation. Learn more about Syntax at syntax.com.

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