TRENDS IN **RETAIL**

2018
THE FUTURE STARTS NOW

The retail sector is straddling two worlds—in-store and online—as it seeks to cater to a new breed of shoppers who enjoy the tangibility of shopping in a physical store with the convenience of shopping online.

51%

In 2017, 51 percent of U.S. retail sales are digitally impacted

41%

By 2022, 41 percent of in-store sales will be influenced by the internet

Source: "Forrester Data: Digital-Influenced Retail Sales Forecast, 2017 To 2022," ForecastView document, Forrester, Nov. 14, 2017
https://www.forrester.com/report/Forrester+Data+DigitalInfluenced+Retail+Sales+Forecast+2017+To+2022+US/-/E-RES140811?objectid=RES140811

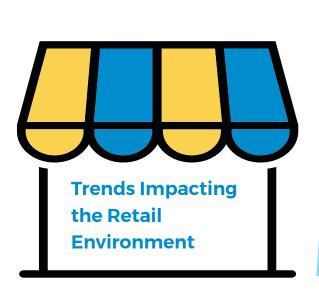Younger shoppers, too, are influencing the retail environment:

Millennial Shoppers
do most of their shopping online

Generation Z Shoppers
split their shopping between online and in-store

Source: Dennis Green, "Gen Z has a completely different shopping preference from millennials — and it's good news for retail," Business Insider, Oct. 7, 2017 http://www.businessinsider.com/generation-z-vs-millennials-in-shopping-2017-10

Trends Impacting the Retail Environment

Real-Time Inventory Management: IoT is driving a new wave of real-time inventory technologies, including smart shelves that alert salespeople when stock is low and RFID tags that can track the location of any item in a store. Real-time inventory can help retailers reduce spoilage of abandoned perishable items and increase their overall efficiency, which in turn can improve customer satisfaction.

Flexible Stores: Smaller, more localized versions of large retailers cater to certain demographics of customers, such as college students or city dwellers, with inventories that reflect the demographics of the shoppers in the area. Pop-up stores, meanwhile, are temporary locations opened to capitalize on a particular trend or seasonal product, or as a way to extend a brand and introduce new products.

Chatbots and Artificial Intelligence: Chatbots utilize the power of predictive analytics and artificial intelligence to provide a more personalized level of customer service. They can provide recommendations based on a shopper's preferences or past purchases, help shoppers find items within a store location and even place orders on behalf of the customer.

Mobile Wallet: Consumers like the convenience of mobile wallets, which enable them to make a payment simply by scanning or tapping their phones. Savvy retailers are integrating mobile wallet technology with their loyalty apps, giving customers the ability to pay for purchases using rewards dollars and even pay for goods without having to stand in line at the checkout.

Virtual and Augmented Reality: From smart mirrors that can automatically measure a customer's dimensions and offer up the correct size in apparel and then "dress" the customer virtually to apps that can "place" furniture pieces in a customer's existing living quarters, augmented reality and virtual reality provide seemingly endless possibilities for retailers.

The Vital Network

Now is the time to ensure your network is robust enough to support the demands of new-generation technologies in retail. Partner with a service provider that can provide reliable, flexible connectivity with scalable bandwidth and direct access to major cloud service providers.

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