



Harness the Right Data, in the Right Way,
and Use It Effectively to Unlock New
Opportunities in the Retail Industry



The pace of change and innovation in the retail industry, already gathering speed in the past years, has accelerated more than ever during the pandemic

Digital-first trends like buy-online-pick-up-in-store, AR, appointment shopping, same day delivery and new customer demands have reshaped the retail landscape. Now businesses are focusing on enhancing the shopping experience and customer satisfaction more than ever.

Data-driven strategies have become crucial to meeting consumers' expectations. These consumers have been empowered by the industry's digital transformation to expect more choice and offer less brand loyalty than ever before.

Consumers are demanding ongoing relationships shaped by better contextualisation of products and services, Gartner notes, and retailers must also keep up with transformative new buying trends including cashless payments, cryptocurrencies, and buy now pay later (BNPL) schemes.

Years of online-offline crossover mean retail is no longer just about physical shops. Instead, retailers need to tap behavioural data and AI-based analytics to deliver superior buying experiences across every touchpoint, whether that means shopping in-store or from a desktop, mobile phone or tablet.

Winning in this environment requires retailers to efficiently capture, manage, analyse and secure data – and use it to deliver an omnichannel customer journey. They also need to be delivering a personalised experience, drawing on data from retail transactions, loyalty programmes, responses to promotions, in-store behaviour tracking and analytics, and other sources.

What do retailers need to compete in today's transformed market?

All of this means that digitally enabled interactions are twice as important today than physical interactions – and success in the new retail world is about using big-picture perspective to reshape individual customer experiences.

To achieve that perspective, retailers must be able to address four key challenges, including:

Growth and competition

This involves building and sustaining market share in the face of intense competition for consumer wallet share at a local and global level

Complexity and cyber risk

Data collection and analytics must track fast-changing consumer buying preferences and monitor transaction data to ensure its integrity

Regulations and compliance

Global retailers must monitor compliance with local taxes, data-privacy regulations, reporting and regional consumer preferences

Innovation

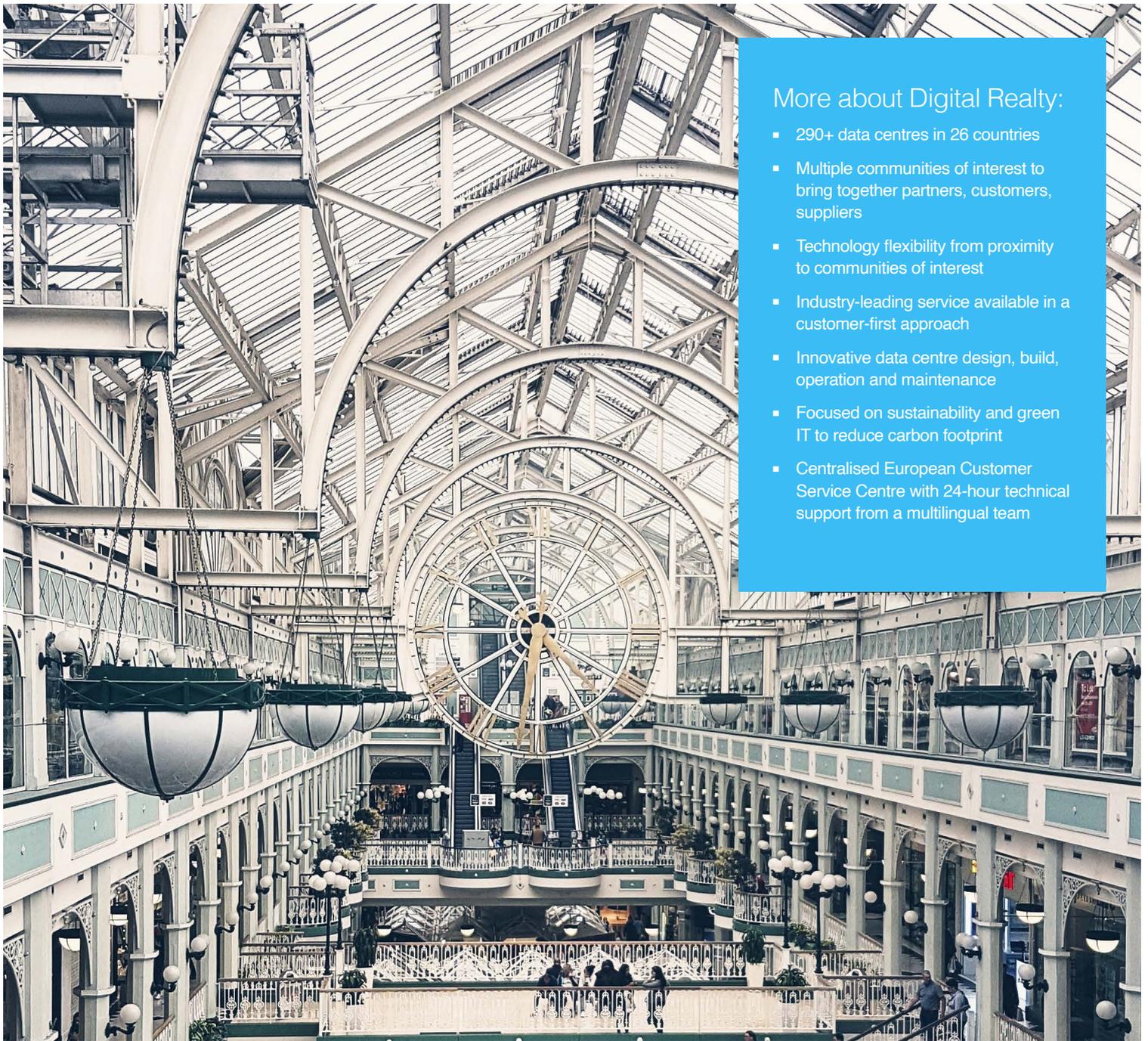
Personalise the buying experience by leveraging location-based data, creating dynamic omnichannel experiences and leveraging AI-based personalisation

Addressing these four challenges will help retailers stay in the game. Edging ahead of the competition, however, demands something more. Retailers must innovate to deliver an enriched consumer experience by co-ordinating their physical infrastructure and relationships with suppliers, warehouse operators, distributors, logistics providers and other partners.

In a world where nearly every retailer is competing with global retail giant Amazon's successfully integrated physical-digital model, success relies on matching that company's ability to monetise behavioural data with data-driven smart recommendations, upselling, and customer-centric experiences.

At the same time, retailers must ensure their physical and digital operations work in lockstep to ensure a seamless delivery of products. This requires a comprehensive, data-driven approach to retailing and investment in back-end efficiency, which is directly related to the quality of the analytics algorithms that match production and distribution.





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Gartner has flagged seven key trends that savvy retailers are taking advantage of to reshape their processes using data, including:

- touchless interactions to improve customer engagement
- fulfilment execution, in which retailers continuously analyse and adjust their inventory, labour, and processes
- algorithmic merchandising optimisation to match retail campaigns with customer demand
- association of enablement and effectiveness to support the productivity of retail staff
- collaborative ecosystems linking stakeholders for more efficient operation
- cost optimisation to reduce operational and delivery costs; and
- values-driven consumption, which recognises consumers' shift towards more meaningful expenditures

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How can retailers overcome Data Gravity challenges?

In a global retail ecosystem shaped almost entirely by data, retailers also face significant challenges from increasing data gravity – the cumulative complexity created as enterprises become the world's data stewards.

Global 2000 firms operating in the retail sector are expected to see a **137 percent compound annual growth rate** in Data Gravity Intensity, according to the **Data Gravity Index™** – which expects retail organisations to increase **from 1.56 GB/sec average intensity in 2020 to 49.49 GB/sec in 2024**.

Crucial retail technologies like AI are also exacerbating data gravity's growth, with AI models producing their own masses of data that must also be managed for competitive benefit.

Innovate around connected data communities

To minimise data gravity's impact on innovation, retailers need to rethink and optimise the way their data is captured, managed, analysed and secured.

Built as a pervasive data centre platform that integrates the physical and digital worlds, PlatformDIGITAL® solves Data Gravity challenges by bringing users, Internet of Things (IoT) devices, applications, clouds and networks to the data at centres of data exchange.

By tapping into open, pervasively connected data communities at these centres of data, retailers can work across their business ecosystem to optimise data-centric architectures with data at their heart. This enables retailers and their connected communities to gain better visibility of complex, omnichannel supply chains while also improving forecasting, production, compliance, security and other activities at every level.

By using a global, data-centric platform that mirrors the structure and operation of the business, retailers will be able to gather and analyse the data they need to continuously monitor, manage, and improve their operations.

Significant opportunities await the retailers that can harness the right data, in the right way, and use it to effectively reshape their operations. As retail supply chains are rebuilt as data-driven connected data communities, the new breed of post-pandemic retailer will be ready to not only survive – but to thrive.



