Desideri del consumatore e risposta dell’industria

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IDC
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“Maybe you should disable your cookies, Steve.”
70% of consumers on average believe companies are collecting too much data about them online.

Consumer Sentiment Towards Personalization (Somewhat/Strongly Agree)

- Online ads can be useful when they are tailored to my personal taste
- I like how some websites and apps are sometimes personalized to fit me
- Some emails, websites and apps are too personalized, I find them creepy
- Companies collect too much personal data about me online

IDC# US44832419 (February, 2019)
Source: ConsumerScape 360, Dec 2018 Emerging Tech & Video Survey, n – 2016 Total = 4,900; 2017 Total = 4,973; 2018 Total = 5,990

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C-levels’ priority domains for next five years

The Commerce Everywhere Value Chain

- **Business Model Innovation**
  - 54% of innovation effort

- **Tech IP-as-an-Asset**
  - 14% to sell IP to other retailers

- **Digital Supply Chain**
  - 38% optimizing supply chain

- **Customer Experience**
  - 49% customer journey personalization

**Efficiency and short-term profits**

**Innovation excellence and long-term growth**

**Walmart I/O Ecosystem**

- 54% to run at least one co-innovation program

Source: IDC’s 2019 Global Retail Innovation Survey, N=607
Nike and Foot Locker to collaborate on data insights to deliver CX personalization

What we’re trying to do is create a new model, and admittedly a hybrid model that’s never been done before.

Frank Bracken, vice president of Foot Locker, Kids Foot Locker and Lady Foot Locker

Nike+ App

Buy Nike Products

Reserve to try in-store

Exclusive in-store deals and contests

Foot Locker Washington Heights Store

Source: public sources
A new value chain for new business as usual

Human-AI augmented CX

Connected stream of life

Loyalty beyond rewards

Visual and voice search

Store as services hub

Digital assets as monetization platforms

Commerce Everywhere Business Models

Source: IDC, 2019
Addressing costs structure unlocks profits for innovating CX and ecosystem relationships

Source: IDC’s 2019 Global Retail Innovation Survey, N= 607
By next 12 months, more than half of consumer companies will have launched a co-innovation program

Currently running at least one co-innovation program: 9%

Will launch at least one co-innovation program in next 12 months: 46%

Source: IDC’s 2019 Global Retail Innovation Survey, N= 607

Extremely important to leverage open-APIs-based integration and development services: 45%
Execute innovation through a B2B2C digital platform

- Customer Journey Services
- Commerce Services
- Order Fulfillment Services
- Content Optimization Services
- Development & Integration Services (API)
- AI/ML Analytics
- E2E Security

- ENTERPRISE Services
- CUSTOMER Services
- DATA Services
- Industry Applications
- ERP
- Store/Branch
- Mobile
- Web
- Connected Product
- Robot
- Social
- Marketplace
- Ecosystem Network

Source: IDC, 2019
2 to 1 year competitive advantage, or be a laggard

Source: IDC's 2019 Global Retail Innovation Survey, N= 607
Two thirds of consumer companies are shifting to AI foundations

Source: IDC’s 2019 Global Retail Innovation Survey, N=607
The 3Cs to Delivering Empathy at Scale

**CONSENT**
- 39%
- Consolidate customer data

**CONVERSATIONS**
- 34%
- Will generate revenue through visual commerce in the long-term

**CUSTOMER JOURNEYS**
- 34%
- Execute through contextual interaction

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Source: IDC’s 2019 Global Retail Innovation Survey, N=607
Going beyond “segment of one” through real-time contextual experiences

Source: IDC’s 2019 Global Retail Innovation Survey, N= 607
Loyalty, Consent, and new KPIs are the top challenges for delivering CX

- **34%**: Identifying new loyalty strategies
- **30%**: Selecting useful data and integrating data silos
- **24%**: Measuring CX impact with new KPIs

Source: IDC’s 2019 Global Retail Innovation Survey, N=607
Innovating business models through the partner network relies on digital platforms and data integration.

Engaging in platform-based dynamic ecosystems: 26%

Integrating customer data across industries: 24%

How will your company innovate its business model over the next three years?

Source: IDC's 2019 Global Retail Innovation Survey, N= 607
Walmart is building its own platform for the ecosystem, one piece at a time

**Walmart I/O**

**Buyers**

Monetize

from adv on Walmart’s customer base

**Sellers**

Integrate

services for content providers, drop ship vendors, marketplace sellers, warehouse suppliers

Source: https://www.walmart.io/
Supply Chain Transformation is About Efficiency and Resiliency to Disruption

**Horizon 1 (60%)**
Efficiency and effectiveness – *do the things we do today in the supply chain better*

**Horizon 2 (22%)**
Be resilient to market disruption – *have a supply chain that can quickly adapt to disruptions in the marketplace* (fast follow)

**Horizon 3 (18%)**
Be the disruptor – *supply chain supports new business models or dramatically re-imagined ones* (leader, bleeding edge)

60% say it’s about efficiency (driving the ROI)

59% expect to be disrupted within the next year

50% of future revenue growth
Efficiency, resiliency, adaptability require Supply Chain Visibility

More than 40% of consumer companies prioritizes Supply Chain DX Programs

Supply network optimization: 42%

Supply chain accountability: 41%

Translating priorities in tech investments for supply chain sense, response, trust

IoT for supply chain: 75%

Blockchain for supply chain: 71%

Source: IDC's Global Retail Innovation Survey, 2019 (n = 607)
Overall budget in favor of innovation increases and innovation budget has a focus on technology

Source: IDC's Global Retail Innovation Survey, 2019 (n = 607)
How to spend money wisely
#1 Build a Digital Roadmap based on DX Business use cases

## Strategic Priorities

**Omni-Channel Commerce**
- Experiential Commerce
- Intelligent Order Fulfillment & Returns
- Virtual and Augmented Engagement

**Curated Merchandise Life-Cycle Management**
- Intelligent Product Design
- Curated Product Assortment & Positioning
- Product Innovation

**Omni-Experience Customer Management**
- Next-Gen Customer Care
- Customer Experience Analytics
- Contextualized Experience

**Digital Supply Chain Optimization**
- Optimized Supply Networks
- Optimized Fulfillment Operations
- Supply Chain Accountability

## Programs

- **Experiential Commerce**:
  - Commerce Services
  - Omni-Channel Order Orchestration & Fulfillment

- **Intelligent Order Fulfillment & Returns**:
  - Virtual & Augmented Engagements

- **Virtual and Augmented Engagement**:
  - 3D Product Design & Review

- **Intelligent Product Design**:
  - Assortment Optimization

- **Curated Product Assortment & Positioning**:
  - Sentiment Analysis

- **Product Innovation**:
  - B2B Networks / Marketplaces

- **Next-Gen Customer Care**:
  - Optimized Customer Relationship / Loyalty Programs

- **Customer Experience Analytics**:
  - 360° Connected Customer Data Management

- **Contextualized Experience**:
  - Contextualized Marketing

- **Optimized Supply Networks**:
  - Dynamic Supply Network Management

- **Optimized Fulfillment Operations**:
  - Predictive Network Inventory Orchestration

- **Supply Chain Accountability**:
  - Traceability

- **Mobile Enterprise**:
  - Mobile Inventory Information Management

- **Connected Workforce**:
  - Digital Workforce Management

- **Secure Omni-Channel Operations**:
  - Fraud Management

- **Profitability Optimization**:
  - Sustainable Environment Optimization

## Use Cases

- **Commerce Services**:
  - Digital Content Management
  - Cashless Checkout

- **Omni-Channel Order Orchestration & Fulfillment**:
  - JIT Production
  - Real-Time Inventory Management

- **Virtual & Augmented Engagements**:
  - Digitally Connected Product Experiences
  - Augmented & Visual Product Discovery

- **3D Product Design & Review**:
  - Crowdsourced Ideation & Innovation

- **Assortment Optimization**:
  - Sentiment Analysis

- **B2B Networks / Marketplaces**:
  - Digital Product Life-Cycle Management

- **Optimized Customer Relationship / Loyalty Programs**:
  - Omni-Channel Customer Support

- **360° Connected Customer Data Management**:
  - Customer Experience & Behavior Analytics

- **Contextualized Marketing**:
  - Optimized Promotion Development & Distribution

- **Dynamic Supply Network Management**:
  - Supply Forecasting & Planning

- **Predictive Network Inventory Orchestration**:
  - Advanced Technology Augmented Work

- **Traceability**:
  - Smart Financial Supply Chain

- **Mobile Inventory Information Management**:
  - Mobile Task Management

- **Digital Workforce Management**:
  - Empowered Worker

- **Fraud Management**:
  - Next-Gen Digital Security

- **Sustainable Environment Optimization**:
  - Asset Management

- **Operational Scale and Agility**:
  - Mobile Customer Engagement

## Source
- IDC's Worldwide Digital Transformation Use Case Taxonomy, 2019: Experiential Retail
#2 Break Digital Roadmaps into Horizons

**Immediate**
- Use Case
- Use Case
- Use Case
- Use Case
- Use Case
- Use Case

**Midterm**
- Use Case
- Use Case
- Use Case
- Use Case
- Use Case

**Long Term**
- Use Case
- Use Case
- Use Case
- Use Case

- **Retail Commerce Platform Foundations**
  - 70% of DX budget

- **Embedded AI Foundations**
  - 20/30% of DX budget

- **Streamed Ecosystem Collaboration**
  - Typically unbudgeted in the initial stages of DX

Source: IDC PlanScape: Architecting a Digital-Platform-Enabled Retail Innovation Strategy, 2019
Thank you!

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https://uk.idc.com/insights/idc-retail-insights