

Responding to retail disruptors



DEESEAN WILSON: DXC TECHNOLOGY

Generation Z is driving the future of retail and brands must invest in new technologies to provide the personalised omnichannel experience they expect

Driven by new technologies and the changing buying behaviours of young consumers, the retail industry is undergoing a monumental transformation. Yet many retailers are stuck in the 20th century and struggling to deliver an enhanced shopping experience. Several trends have emerged that are shaping the industry, and retailers must respond to them quickly to meet consumers on their terms.

Most retailers have focused on the power of millennials, but the younger Generation Z (those born after 1995) customers have technology ingrained in their DNA and represent the future of retail. These consumers are looking

Young customers expect a personalised experience, even when they're shopping via a mobile app at home

for a seamless, personalised, intuitive shopping experience, and they expect the same level of service whether they're online or in a store.

Retailers must face the reality that there is a significant uplift in sales when consumers are offered an omnichannel experience where they can start the shopping journey in one channel and finish in another, compared to multichannel where they are limited to one channel at a time. They must deliver an omnichannel experience that gives consumers consistency in price, service and product availability regardless of what channel they are in. Younger consumers also want transparency in inventory so they can know if a product is available, and if not, where they can get it.

Personalisation is important to younger consumers – they're happy for retailers to know who they are and their preferences if they get relevant service in return. However, brand loyalty no longer exists for Generation Z consumers, who use online reviews and recommendations from family and friends to get product information. Product quality and availability have become the most important criteria and, if they aren't up to snuff, these consumers will change to another brand very quickly.

Over the years, retailers have invested heavily in new stores and renovations, but they should have focused more on getting the customer experience right. While many mainstream retailers continue to ignore customer experience, retailers such as Amazon have changed the model of how people shop and the majority of disruptors





who have got the customer experience right weren't in the retail business 30 to 40 years ago.

To meet the expectations of young consumers, retailers must invest in platforms that enable an omnichannel experience. Typical legacy enterprise resource planning systems just don't cut it anymore. Too inflexible to support a customer-centric omnichannel journey, they don't offer the agility to facilitate omni-stream retailing and marketing in the digital world.

Instead, retailers need systems that transform with the business and enable them to get a single view of the consumer, so they know their personal preferences and where, how and why they shop. Retailers can then use this data to personalise the customer experience. In addition, retailers should concentrate on how to have their brand and products create value and provide relevant experiences for the customer. They also need to continually engage with their customers in a relevant fashion to systematically turn them into brand ambassadors.

Retailers need to act now to be part of the digital transformation that has forever changed the way consumers shop. There's a new wave of consumers and if retailers don't adapt from a digital transformation perspective, they will be

“Generation Z customers have technology ingrained in their DNA and represent the future of retail”

left behind. Successful retailers have invested in infrastructure, technologies, and most importantly, the customer experience. From a systems and process perspective, this is how to capitalise on the wave of consumers who represent the future of the retail industry. ■

Deesean Wilson is the global product manager for retail at DXC Technology