Accomplishing the Contactless Retail Mission in the Next Normal

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Contactless Retail Is Accelerating

Retailers are accelerating their efforts in **digital transformation (DX) programmes** aimed at implementing contactless retail operational models:

32% Secure omni-channel operations

31% Seamless and frictionless commerce

31% Connected workforce

Over the next two years, 36% of retailers will implement **business model innovation** by addressing their **core activities and processes** to improve productivity and ROI.
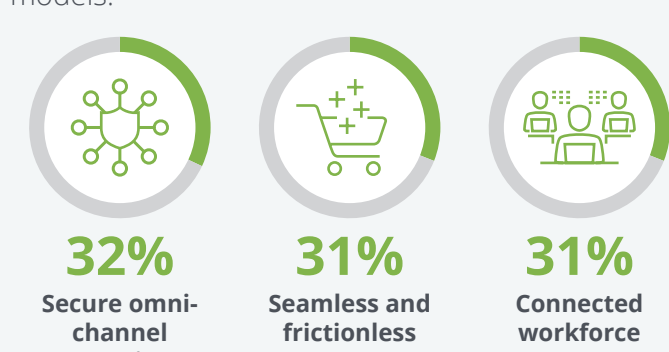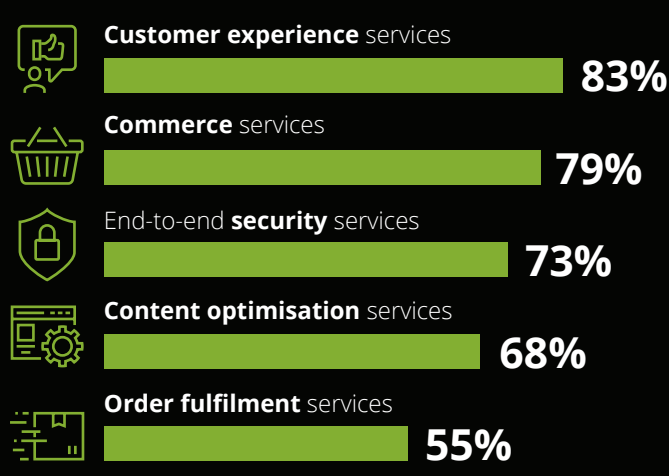
Of these, **50%** will focus on **automating low-added-value activities** and achieving incremental **efficiency gains.**

Source: IDC's 2020 Global Retail Innovation Survey (Western Europe n = 201)
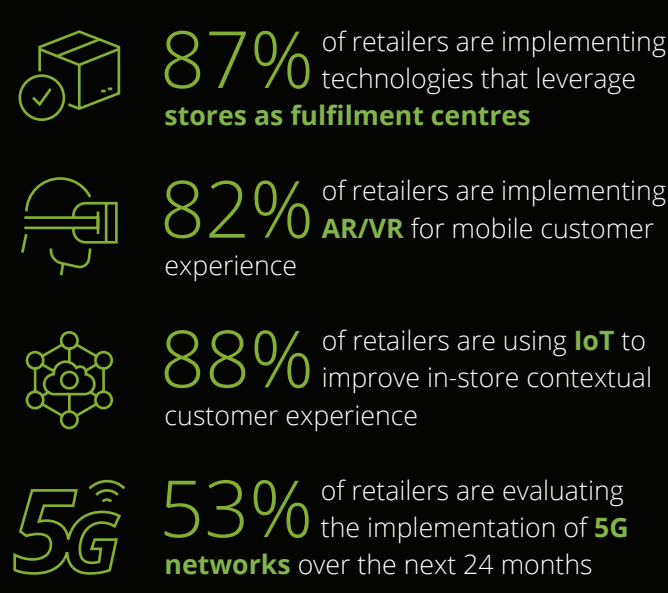
Contactless Retail Key Capabilities and Technologies Require Modern Network Infrastructures

To implement DX programmes and **enable new contactless store models**, retailers are investing in:

Customer experience services **83%**

Commerce services **79%**

End-to-end **security** services **73%**

Content optimisation services **68%**

Order fulfilment services **55%**

These services are the core capabilities of **retail commerce platforms.**

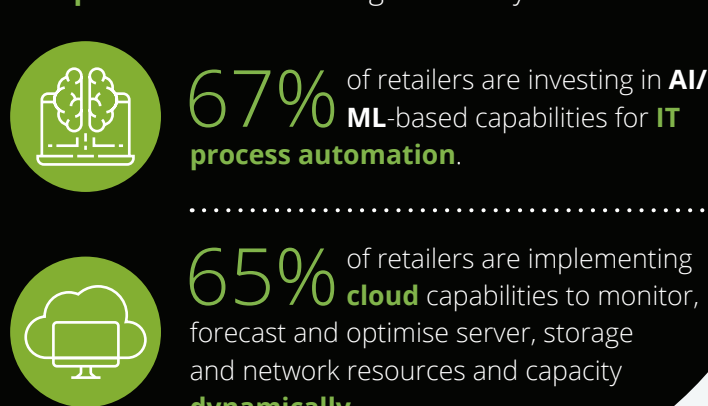**A reliable and scalable network infrastructure** enhances the functioning of the enabling retail technologies that retailers are implementing:

87% of retailers are implementing technologies that leverage **stores as fulfilment centres**

82% of retailers are implementing **AR/VR** for mobile customer experience

88% of retailers are using **IoT** to improve in-store contextual customer experience

53% of retailers are evaluating the implementation of **5G networks** over the next 24 months
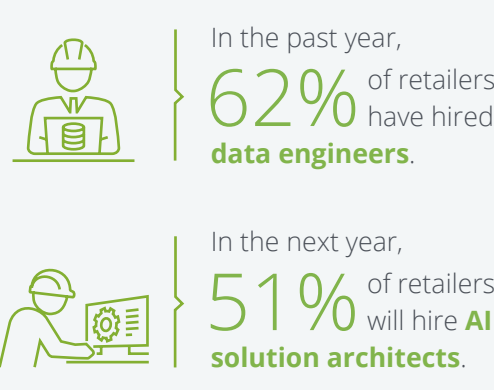
Source: IDC's 2020 Global Retail Innovation Survey (Western Europe n = 201)

Retail Line-of-Business and IT Teams Execute Their Missions with AI-Driven and Cloud-Based Networks

To enhance the implementation of contactless retail operations, it's fundamental that cross-functional LOB and IT teams **control and predict** the functioning of retail systems.
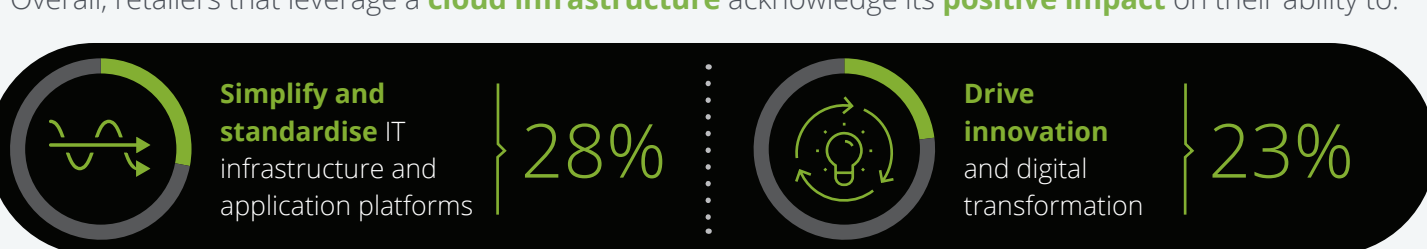
67% of retailers are investing in **AI/ML**-based capabilities for **IT process automation.**

65% of retailers are implementing **cloud** capabilities to monitor, forecast and optimise server, storage and network resources and capacity **dynamically.**

Retailers are **hiring AI talent** to properly execute on new AI/ML-based capabilities:

In the past year, **62%** of retailers have hired **data engineers.**

In the next year, **51%** of retailers will hire **AI solution architects.**

Source: IDC's 2020 WW Industry CloudPath Survey (Western Europe, retail n = 40); IDC AI Global Survey, 2019 (Western Europe, retail n = 52)
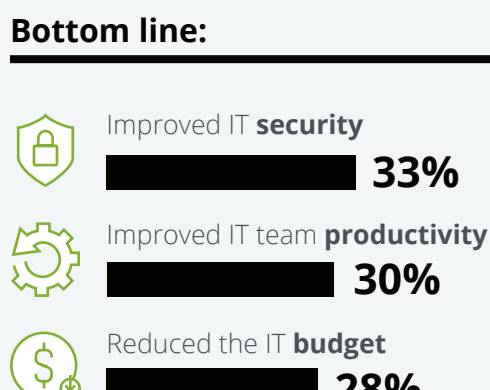
Cloud Infrastructures Deliver Concrete Benefits for Retail Organisations

Overall, retailers that leverage a **cloud infrastructure** acknowledge its **positive impact** on their ability to:

Simplify and standardise IT infrastructure and application platforms **28%**

Drive innovation and digital transformation **23%**

Retailers are **benefiting** from leveraging a cloud infrastructure on both the:

Bottom line:

Improved IT **security** **33%**

Improved IT team **productivity** **30%**

Reduced the IT budget **28%**

Top line:

Improved **customer experience** **40%**

Improved **business agility** **38%**

Improved **time to market** and expansion into new markets **25%**

Source: IDC's 2020 WW Industry CloudPath Survey (Western Europe, retail n = 40)

IDC's Recommendations for Retailers That Want to Accomplish the Contactless Retail Mission

1
Designing, implementing and executing new contactless retail models requires a **common effort** between LOB and IT teams. When planning these, look to **network infrastructure modernisation** as a key shared initiative to underpin the new contactless models.

2
Conduct a business and IT **joint assessment** of the opportunities offered by **autonomous network infrastructures**. Build the business case for contactless retail by relating your key retail DX programmes and AI-talent hiring to the **potential benefits** of network platforms.

3
Cloud based, **AI**- and microservices-driven infrastructures are the linchpin to enhance **retail agility** and **flexibility** in both business and IT operations. When selecting your network infrastructure provider, prioritise platforms that are cloud-based and AI- and microservices-driven among the **evaluation criteria**.

For more information on how AI-driven and cloud-based networks support and enhance the work of retail LOB and IT teams, read:

IDC Infobite: Leveraging Autonomous Networks to Thrive in the Retail Next Normal

IDC Infobite: Leveraging Autonomous Networks to Enhance Control and Predictability in the Retail Next

About This IDC Infographic (Methodology)

> This IDC Infographic is based on the results of IDC's 2020 *Global Retail Innovation Survey*:

The survey was conducted on a total sample of 602 retailers across Western Europe, the US and Asia/Pacific. In Western Europe, the total sample was 201 retailers.

The survey focuses on retail line-of-business C-level respondents and covers the key retail subsegments of food and grocery, ecommerce pure players, specialty retailers, fashion and luxury, eating and drinking establishments, and consumer electronics retailers.

The key objective of the survey is to assess the status, plans and challenges of retail business model innovation and customer experience according to the main dimensions of people, processes and technology.

Retail industry data from the following surveys has been used:
IDC's 2019 AI Global Survey (Western Europe, retail n = 52)
IDC's 2020 WW Industry CloudPath Survey (Western Europe, retail n = 40)