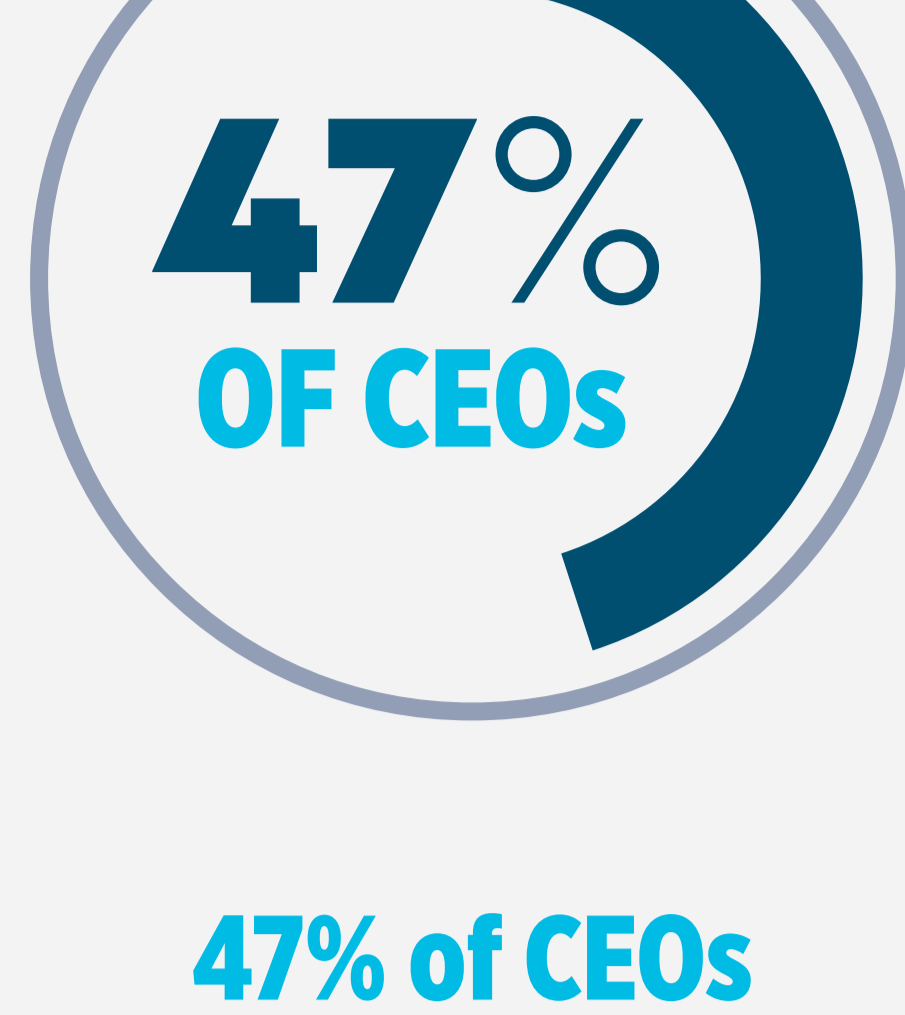


overcoming roadblocks in DIGITAL TRANSFORMATION FOR RETAIL

A Changing Tide: A New Wave Of Retail Rolls In

Retailers face new challenges and pressures as the industry undergoes digital transformation.



47% of CEOs are experiencing added pressure to institute more digital change within their organizations¹

Digital transformation is seen as the technology lever to make this possible — and it is transforming businesses across every industry.

LEADING THE CHARGE ARE:

- Chief Information Officer (CIO)** 1
- Chief Technology Officer (CTO)** 2
- Chief Digital Officer (CDO)** 3

Lock And Key: Digital Transformation Powers Ecommerce

Why go digital?

A Cloud Infrastructure

C Customer Relationship Management Software

B Automation

D Data Analytics

Ecommerce revenue accounts for **16%** of total retail sales this past year²

What's The Hold Up? Legacy Infrastructure Impedes Progress³

WHAT IS IMPEDING PROGRESS?

Legacy infrastructure.

- A** Increase in network workloads
- B** Additional demand for agility, scale, and availability
- C** Siloed infrastructure
- D** Security vulnerabilities
- E** Actualizing digital transformation

35% OF BUSINESSES



HAVEN'T STARTED DIGITIZING THEIR BUSINESS⁴

Those that have started are less than 40% digitized⁵.

Customer Experience (CX) Requires Omnichannel Engagement

Nearly three-quarters of consumers use multiple channels during their shopping journey.

BUT ARE RETAILERS ABLE TO KEEP UP?



80% OF BRANDS indicate their success is soon to be largely dependent on CX⁶

Brands with the **STRONGEST OMNICHANNEL CUSTOMER ENGAGEMENT**



RETAIN 90% OF THEIR CUSTOMERS⁷

The positive impact of omnichannel customer engagement is undeniable. Some of the top outcomes retailers have reported:

61% cite improved **CUSTOMER SERVICE**

54% cite improved **CUSTOMER RETENTION**

52% cite improved **CUSTOMER LOYALTY⁸**

RETAIL GAPS IN CUSTOMER EXPERIENCE

Digital Transformation is often incomplete in the retail industry

42% cannot give **SALES ASSOCIATES** real-time product inventory levels

37% cannot give **SALES ASSOCIATES** pricing and promotion data

33% cannot give **SALES ASSOCIATES** basic product data⁹

The Tumultuous Interaction Between Omnichannel CX and Legacy Infrastructure

BY 2023, there could be more than **20x** as many smart devices at the edge of the network as in conventional IT roles¹⁰

COMMON PROBLEM AREAS

- A.** Increased traffic being pushed to the edge
- B.** Legacy network connection cannot scale to support speed and volume
- C.** On-site legacy data center infrastructure can introduce complexity, inefficiencies and drive cost up
- D.** Unacceptable levels of network performance degradation and latency



Digitally trustworthy enterprises

GENERATE 20% MORE ONLINE PROFIT THAN THOSE THAT AREN'T¹¹

3 DATA-FOCUSED ACTIONS

that drive customer acquisition:

- A** Institute practices that track customers along the buyer journey
- B** Capture and process data supplied from tracking
- C** Ensure agility across multi-channel touchpoints

Gartner predicts that at least **33% of enterprises** deployed multi-experience development platforms to support mobile, web, conversational and augmented reality experiences by 2021.¹²

Recommendations: IT Infrastructure in Retail Must Transform

Checklist: identify data gravity barriers

- 1** Disparate workflows that impact the CX
- 2** Constraints on current architecture
- 3** Inability to scale as a result of security and performance
- 3** Skyrocketing deployment costs

LEGACY IT INFRASTRUCTURE MODELS SIMPLY CANNOT SUPPORT THE DIGITAL INITIATIVES TAKING PLACE IN RETAIL TODAY.

DE-CENTRALIZE INFRASTRUCTURE to accommodate distributed workflows

IMPLEMENT HYBRID IT CONTROLS as gatekeepers for internal and external traffic entering or exiting the private network.

Sources

¹Alison DeNisco Rayome, "Report: 56% of CEOs Say digital transformation increased profits," TechRepublic, April 24, 2017.
²Jessica Young, "U.S. ecommerce sales grow 14.9% in 2019," Digital Commerce 360, February 19, 2020.
³Jessica Young, "U.S. ecommerce sales grow 14.9% in 2019," Digital Commerce 360, February 19, 2020.
⁴Scott Sherwood, "451 Research: 6 Key Takeaways for Strategic Infrastructure," Digital Realty Blog, January 9, 2020.
⁵Jacques Bughin, et al., "The case for digital reinvention," McKinsey Quarterly, February 2017.
⁶Beth Negus Viveiros, "Customer Experiences Need to Exceed Expectations," Chief Marketer, August 3, 2018.
⁷Kaya Ismail, "Omnichannel Customer Experience: How Much Is Too Much?" CMSWire, January 16, 2019.
⁸"2019 Omnichannel Benchmark Survey: Redefining Omnichannel Success for 2020 Retail," Retail TouchPoints, accessed February 20, 2020.
⁹"2019 Omnichannel Benchmark Survey: Redefining Omnichannel Success for 2020 Retail," Retail TouchPoints, accessed February 20, 2020.
¹⁰"Top 10 Strategic Technology Trends for 2020," Gartner, accessed February 20, 2020.
¹¹"Top 10 Strategic Technology Trends for 2020," Gartner, accessed February 20, 2020.
¹²"Top 10 Strategic Technology Trends for 2020," Gartner, accessed February 20, 2020.