Retail predictions for
2021

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Summary

The global pandemic will eventually conclude when vaccines become widely available and we all achieve herd immunity but the effect COVID-19 has had on consumer behaviour is here to stay for the long-term.

With store closures and lockdowns, the pandemic rapidly accelerated eCommerce growth in the U.S. and around the world — a trend which was already steadily building for years — while brick-and-mortar retail declined. These trends are only likely to continue.

Heading into 2021, ignoring data management and analytics is no longer an option for retailers and consumer packaged goods brands — companies that want to survive this crisis need to harness the power of retail execution tools to recognize accelerating trends and understand how to benefit from them.

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Trend: Retailers are embracing fulfillment hubs, saying goodbye to physical stores

The retail and consumer packaged goods (CPG) industries are constantly evolving and are impacted by a host of forcing functions, including economics, supply and even the weather. One of the most powerful of these influences, however, is consumer sentiment and behaviour, which results in shifts and trends that can make or break an operation if the consumers' evolving tastes and preferences are not sufficiently met.

The most recent shift in behaviour is the consumers' increasing migration toward online shopping. It's an evolution that's been evident for some time now, but is one that's been accelerated by the impacts of COVID-19. And, according to industry analysts and observers, many leading retailers are responding to this accelerated shift with plans to transform existing physical locations into ecommerce fulfillment hubs.

With extensive government-imposed lockdowns encouraging customers to stay home and make purchases online, companies are rethinking their physical footprint by repurposing their empty stores for distribution. It's a more cost-effective way to expand the distribution network and speed up delivery times using existing space that's close to where customers are located.

Amazon's effect on customer shopping patterns and expectations

Even before the pandemic hit, rapid fulfillment was an expectation of customers and a major goal of many companies. For years, retailer juggernaut Amazon has set the standard for rapid fulfillment, single-handedly driving a change in customer shopping patterns and expectations and forcing competitors to follow suit.

Almost all shoppers (88%) now say they are willing to pay for same-day or faster delivery and the vast majority of logistics companies (80%) say they will be providing same-day delivery by 2023.

The simple fact is that customers now want faster shipments at a lower cost. If companies want to compete with the likes of Amazon, it means they need to move inventory closer to the consumer. While it may be more efficient to send deliveries from distribution centres, the model isn't agile enough to meet customer demands for lightning-fast delivery.
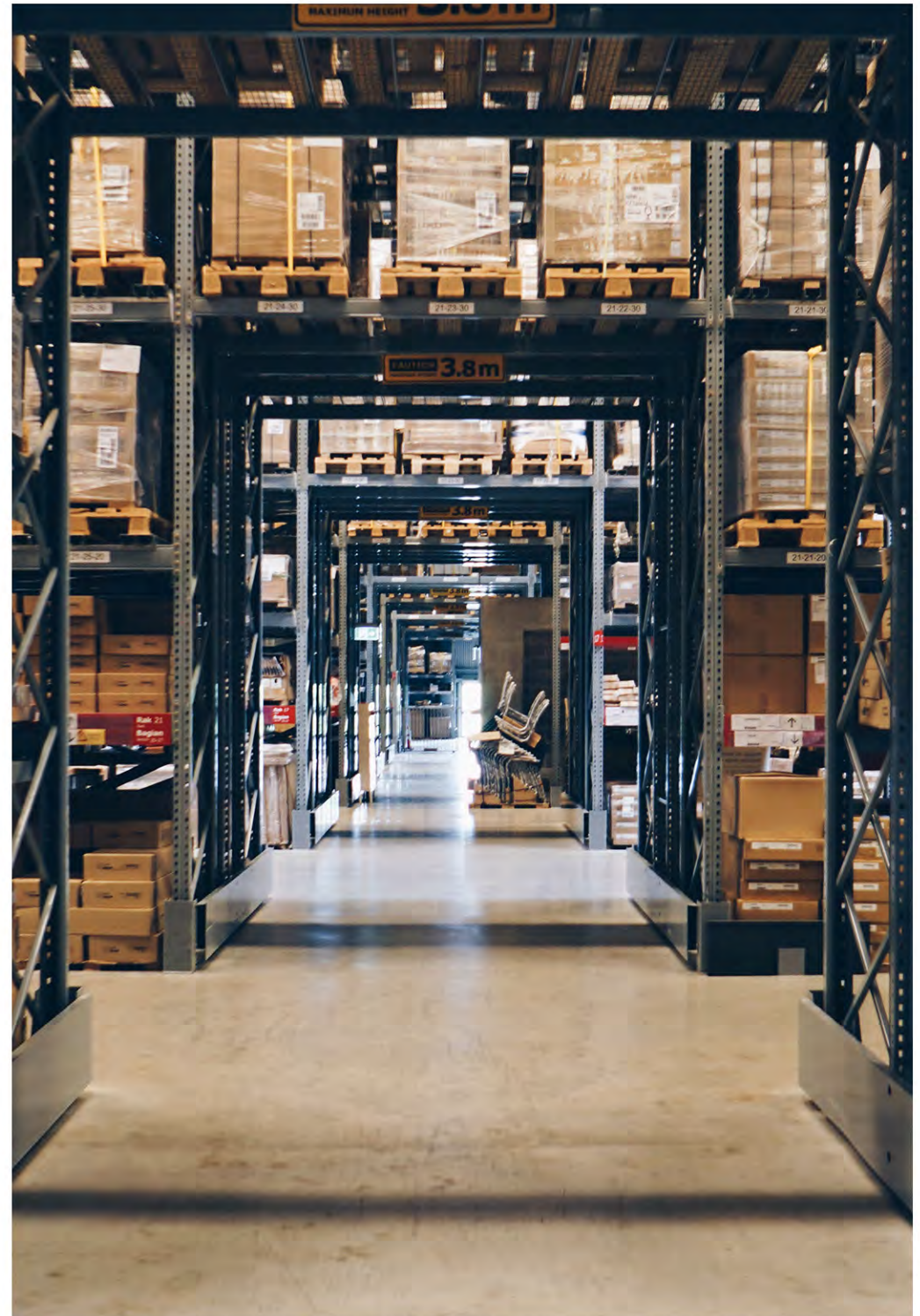
In an effort to shorten the last mile for customers, retailers like Walmart are converting parts of their retail spaces into distribution hubs and allowing customers to purchase directly from in-store inventory.

It should come as no surprise that Amazon, too, is working to expand its footprint and same-day delivery network by taking over empty space as the pandemic drives major retailers out of malls.

Rapid fulfillment should be a top goal of retailers in 2021 and reimagining the functionality of all or even part of their physical footprint might be part of the answer.

Don't forget about the in-store customer

Warehouses are much more efficient than stores. It's not even close. Companies would do well to remember this. Retail stores are designed for customers and not necessarily for picking, packing and shipping products in large quantities.

When integrating online and in-store sales, companies will likely need to introduce retail execution tools to improve inventory visibility, ensuring they're keeping shelf inventory at appropriate levels, anticipating out of stocks and overstocks. If too much product is being taken off the shelf, online sales could come at the expense of in-store sales.

The power of retail data harmonization

The move to fulfillment hubs sparks a significant change to the retail ecosystem, presenting CPG companies and others with the need to create greater transparency within their supply chains and to rethink forecasting and fulfillment.

One way to achieve this transparency is by taking advantage of data integration services and retail data solutions like those available from **Storecheck**, providing brand managers and teams with a holistic view of products and their availability and demand.

Utilizing the power of technology and data, companies can easily and seamlessly digitize their data processes and centralize them on one platform. Equipping business with the right tools will help generate more detailed business intelligence that teams can act on, drive better informed decisions, and ensure more accurate forecasting to meet the evolving fulfillment needs of today's consumer.

Post-COVID world will result in massive shifts in consumer behaviour and the need for predictive analytics

Impacts of the COVID-19 global pandemic have affected just about every aspect of our lives, turning everything that we've always known upside down. For retailers and consumer packaged goods companies, the challenges have also shown up in just about every way, though most noticeably with respect to shifts in consumer behaviour. And, according to most industry analysts and onlookers, the shifts caused by the pandemic may be lasting, requiring companies to rethink their use of data management and analytics in order to remain competitive.

It's been suggested that the post-COVID consumer will be driven to a large extent by convenience, availability and affordability, their loyalty no longer something that brands can count on. To provide consumers with the experience they crave going forward, connecting them with the product at the shelf or online, the power to capture retail execution and monitoring data and predict outcomes will become more important than ever.

Informed strategy and better results

Store closures and supply chain disruptions have caused changes to consumer behaviour around the world in 2020. In a recent McKinsey & Company survey, 75% of consumers in the U.S. and China reported trying a new retailer or brand — driven by product value, availability and quality — and at least 65% intend to continue their adopted behaviour.

Leveraging retail data solutions like **Storecheck's** suite of business intelligence solutions provides its users with market research and insights into ever-evolving consumer behaviour, allowing them to recognize shifts, identify opportunities and get ahead of trends before competitors. What's more, the centralization of all the data that's generated and disseminated is shared across the business, creating transparency and equipping teams with the same intelligence to inform strategy and support concerted, collective and consistent efforts toward the same goal.

The impacts of COVID-19 continue to disrupt the ways in which we live our lives and operate our businesses. But we'll soon emerge from the restrictions and restraints that have been placed on us in 2020. And when we do, the power of retail data harmonization and predictive analytics can help businesses achieve greater success than they ever could have thought possible under the fog of COVID.

Optimizing the supply chain for post-COVID success

The pandemic has challenged businesses like never before. Many businesses have closed, others have seen revenues dwindle and the rest have been forced to adapt as they respond to the crisis on multiple fronts: protecting workers and, at the same time, protecting the viability of operations that have been slammed by a major supply-chain shock.

COVID-19 has exposed weaknesses and gaps in many operations, slowing productivity and closing off opportunities for growth and success. These weaknesses and gaps are perhaps most noticeable in contemporary supply chains, calling for a reimagining of the ways they are managed and how businesses take advantage of critical insights that can be gleaned from the data generated.

The virus' spread and resulting government-imposed lockdowns around the world have caused significant volatility in the demand for certain items and interrupted the physical flow of materials and product. This combination alone has resulted in a tremendous amount of uncertainty for businesses relying on the performance of their supply chains to continue achieving revenue and reach objectives within their markets. What's even worse is the fact that most businesses don't have a substantial enough view into their supply chains, or the ability to share that view with others, in order to alleviate these added pain-points and pressures brought on by COVID-19.

It's no surprise that, across industries, supply-chain resiliency is now at the top of the C-Suite agenda, according to a recent McKinsey & Company report. Company executives want to better understand their supply chains and increase supply chain transparency and resilience.

In order to address the current crisis and minimize the potential impacts of future shocks, companies need to take action now to clear up supply chain blind-spots and focus on reimagining, not just fixing, supply chain issues.

Removing blind-spots and optimizing supply chains in 2021

The ways businesses can optimize their supply chains is multi-faceted, anchored to the tenets of digitization and the centralization of data that can be shared across departments, according to a McKinsey & Company report. The results, the report suggests, are tremendous, helping to create transparency within the supply chain, empower teams at every level of the business, and significantly improve forecasting for better results.

By leveraging retail execution tools like Storecheck's **Field**, **Hub** and **Autopilot** solutions, businesses can digitize their supply chain and automate data processes within operations, providing senior leadership with support and equipping teams with the necessary insights and business intelligence to aid their successes.

In addition, these technologies allow businesses to centralize all of their data in one data integration platform, enabling the generation of detailed analytics, as well as real-time market research that can help inform better decisions, resulting in what matters most: maximized product availability.

Impacts of the disruptive virus, as serious and detrimental as they have been up to this point, will not last forever. When vaccines become widely available, we will eventually discover our 'new' normal. But if this virus has taught us anything it's that businesses need to be better prepared for shocks. Robust analytics platforms can help companies anticipate issues, develop alternate plans and minimize impacts.

When the pandemic hit, Nike's ability to reroute components, flex production dynamically and effectively leverage advanced data management and analytics led to a smaller drop in sales than some of its competitors. The company preemptively marked down goods, re-routed products from brick-and-mortar stores to e-commerce and reduced production to minimize impact.

In this age of increasing digitization, the time to leverage technology, and to start taking advantage of the ways in which it can be used to improve business, is now. Businesses can start managing their data more effectively with the right data harmonization tools and platform to accelerate and optimize supply chains, create a more sustainable operation and, ultimately, position their business for growth and success in a post-COVID world.

Increasing consumer desire for convenience driving need to enhance shelf performance

Today's consumer is digitally connected with access to a world of information that's right at their fingertips. And, with a wide range of avenues now available to them with respect to ordering and receiving products, they've become used to getting what they want, when and how they want it. It's driving their insatiable needs for convenience, challenging retailers and their distributor partners to innovate in order to meet their needs, or miss out on sales.

Expect no brand loyalty if you are out-of-stocks

There are a multitude of factors that can positively or negatively affect the levels of convenience that a consumer receives during their shopping experience, from customer service and marketing to store design and checkout. However, the leading contributor toward a dissatisfied customer is a lack of product availability.

According to a recent global shopper survey conducted by Zebra Technologies, 43% of retail associates surveyed cited customer complaints about out-of-stocks as their biggest point of frustration, while 39% of consumers left a store without purchasing due to the issue.
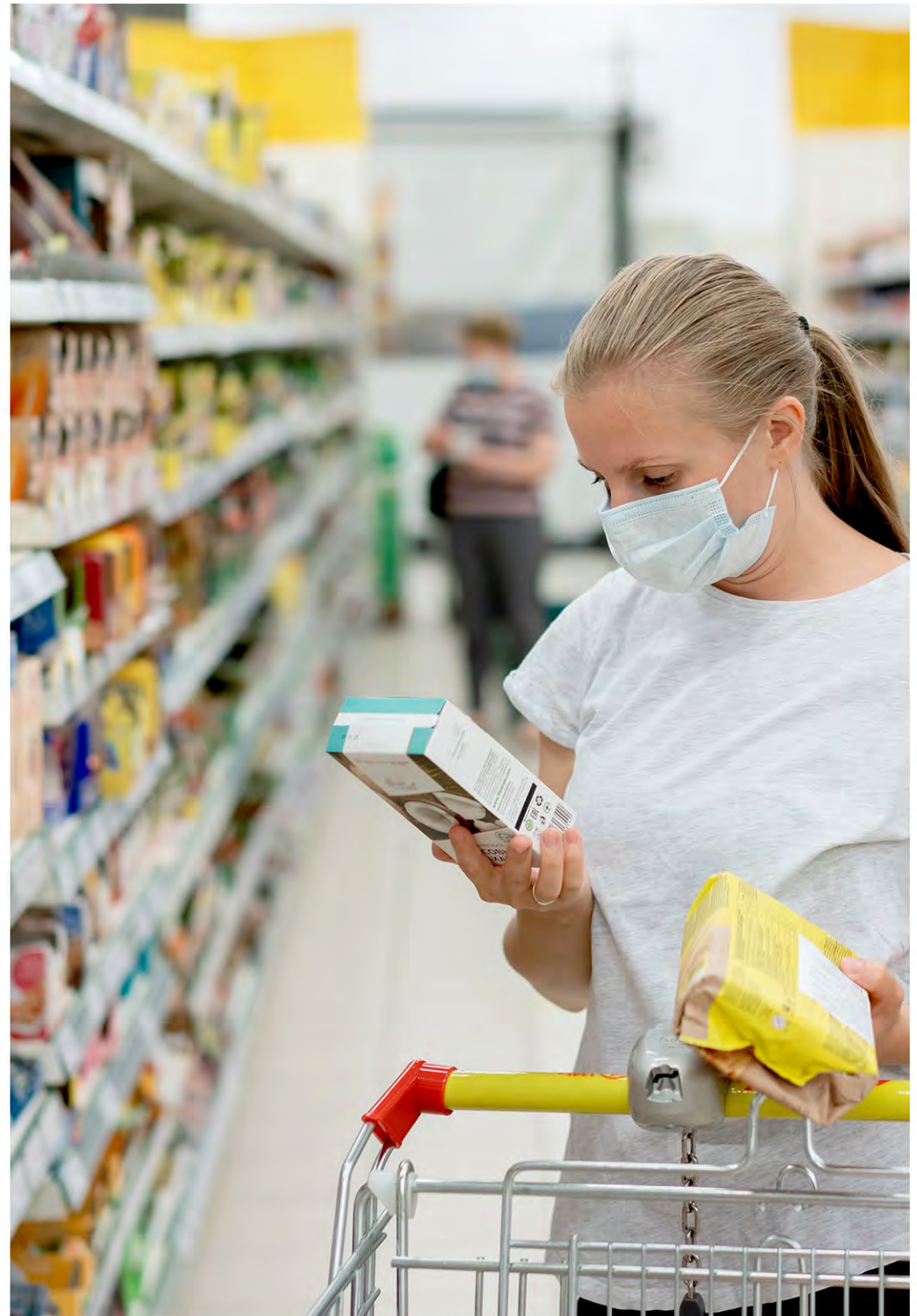
Transparency and accurate forecasting

In order to meet the growing demand for personalization and convenience, and ensure product availability, whether in-store or online, consumer packaged goods (CPG) companies and other distributors need to begin leveraging the potential of digital. With unique retail execution software solutions like those developed and offered by **Storecheck**, you can automate your retail POS data analysis during retail store visits and centralize your data on a single business intelligence platform, creating transparency within your supply chain and generating meaningful insights and analytics that enable your senior leaders and field teams with highly accurate, real-time information and understanding to generate bigger and better results for your business.

In this age of digitization and personalization, it's more critical than ever to meet the needs of the consumer, providing them with the products and goods they want, when and how they want them. It's one of the biggest challenges today, quickly becoming an imperative. But there are opportunities in the power of the data technology tools at your disposal, providing you with the potential to equip your operations with deep business intelligence to continue driving you forward and eliminate out-of-stocks once and for all.
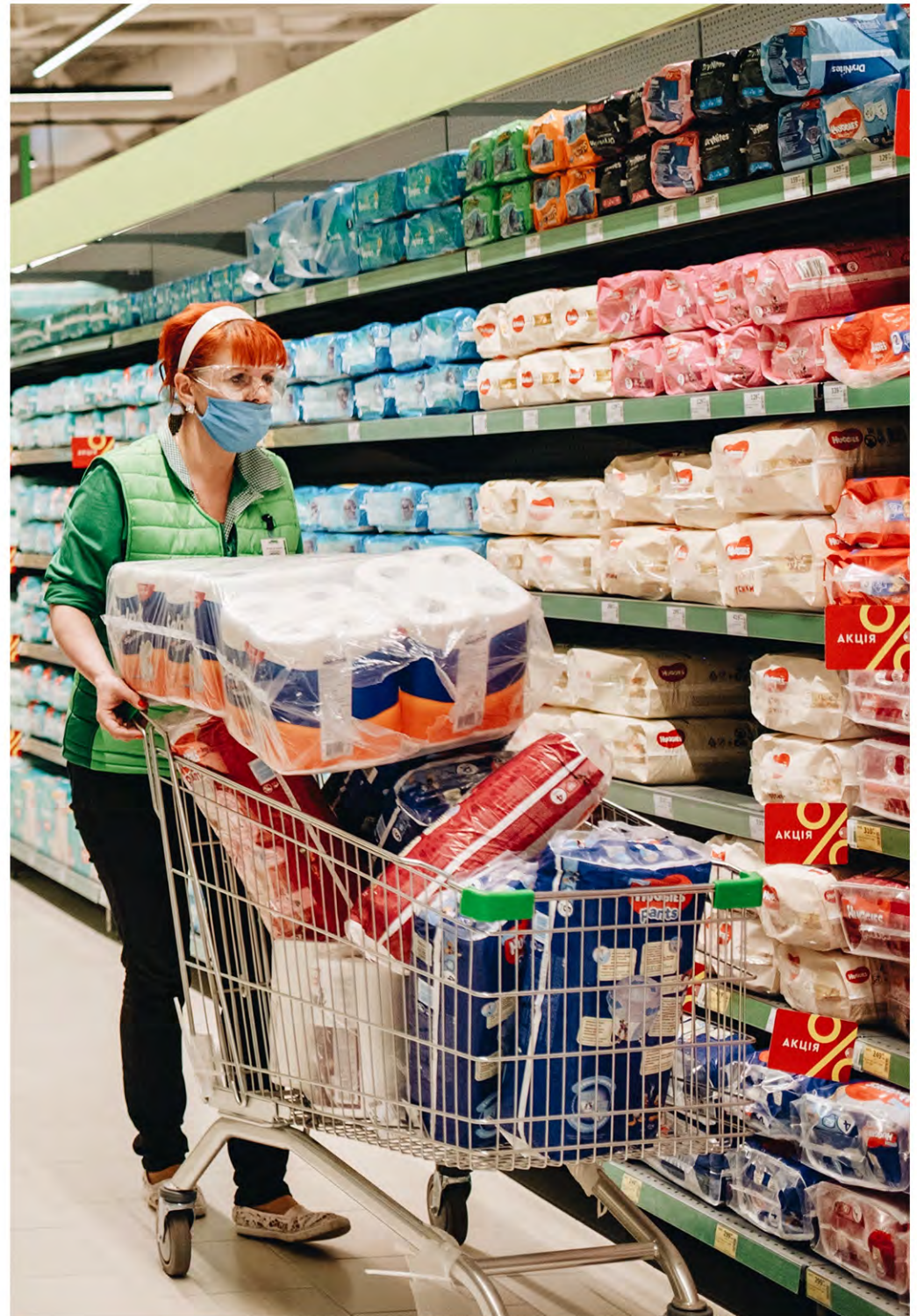
Leverage AI and machine learning to create sustainable growth in 2021

Welcome to the digital revolution: We live in a digital age during which technology is helping to support just about everything we do. We're connected, virtually, through our devices and electronics. And, we have a world of information at our disposal, at the click of a mouse or touch of a screen. It's resulted in a consumer that's more empowered today than at any time previous.

Throw physical distancing and stay-at-home orders into the mix and you suddenly have a consumer that's empowered enough to order everything they need from the comfort of their own home. Online shopping was popular in the U.S. before the pandemic but has increased significantly across many categories in the last few months. What's more is that intent to shop online is also increasing. According to a recent McKinsey & Company survey, most categories have seen more than 10% growth in their online customer base during the pandemic — and many customers say they plan to keep shopping online even when stores open up.

As consumers changed up their shopping habits, many have also abandoned their brand loyalty in the process — 25% tried out a new private label brand and 80% intend to continue using it once the crisis is over.

But as technology changes consumer behaviour and the business environment, it also presents businesses with boundless opportunities to leverage tools that can help transform the way they develop and execute strategies, and grow their operations and bottom lines.
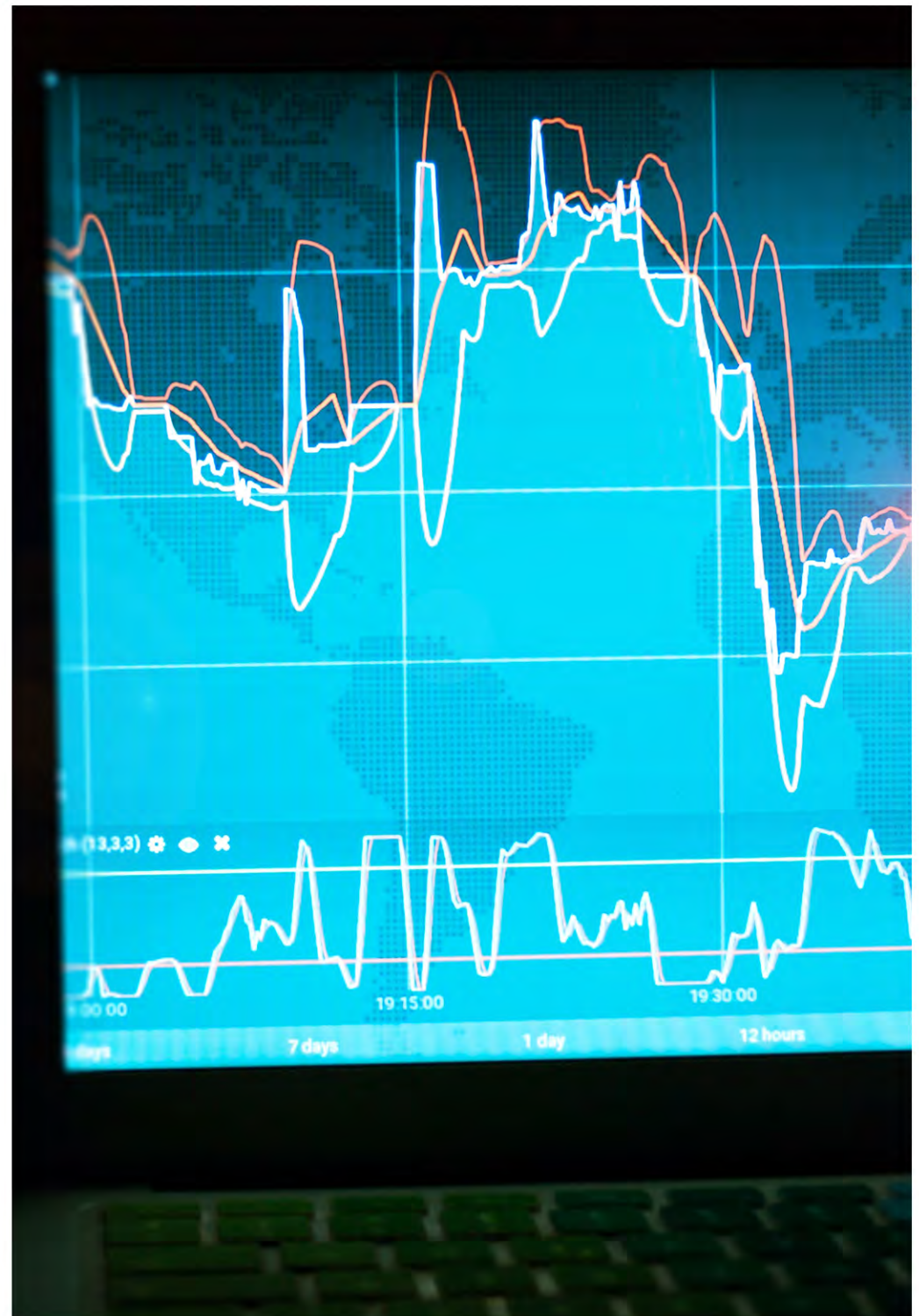
Predict the unpredictable

Through the power of artificial intelligence supported by machine learning, today's data management services can assist businesses in navigating the challenges and unpredictability of changing markets and consumer behaviour. Retail data solutions like those developed by **Storecheck** provide this capability, and so much more, enabling consumer packaged goods companies with the data that's most important to their success, informing decision-making and providing a view into future needs and opportunities.

The technology arms businesses with a holistic view of their activities as well, providing the capability to share the data and analytics with departments across the entire business. What results is a highly informed team of field reps with a clear vision and understanding of their objectives, an elevation of cross-functional chemistry, and much needed support for senior leaders to allow them to drive more effective outcomes for their businesses.

What's most impressive about retail execution management software like **Storecheck's**, however, is the fact that all of the potential of the data and analytics that it provides is harnessed on one platform. Everything is centralized, feeding into singular, comprehensive reporting that removes the challenges and pitfalls of human error commonly associated with the manual consolidation of data. It also helps to relieve team members of these time-draining procedures, freeing them up to focus on more meaningful activities like strategy and execution.

AI-informed strategies

Because these AI solutions for retail are supported and informed by machine learning, the evolution of the business intelligence that it generates is ongoing, continuously adding to the data-points it leverages and increasing the accuracy of forecasting and predictions. It complements the talent of forecasting and marketing teams, equipping them with critical information they require to develop meaningful and effective strategies and campaigns on which the continued success of many businesses depend.

In the hyper-competitive retail and consumer packaged goods industries, any upper-hand that a business can leverage is going to be more crucial than ever as we continue to wade through the murk of the current global pandemic and beyond. The ability to keep up with consumer behaviour and evolving tastes and preferences will also be brought into sharper focus. By utilizing data harmonization tools, businesses can realize the potential advantages and capabilities and begin capitalizing on previously unseen opportunities. And, by doing so, they'll help transform their operations and place themselves firmly on the path toward continued success and growth.
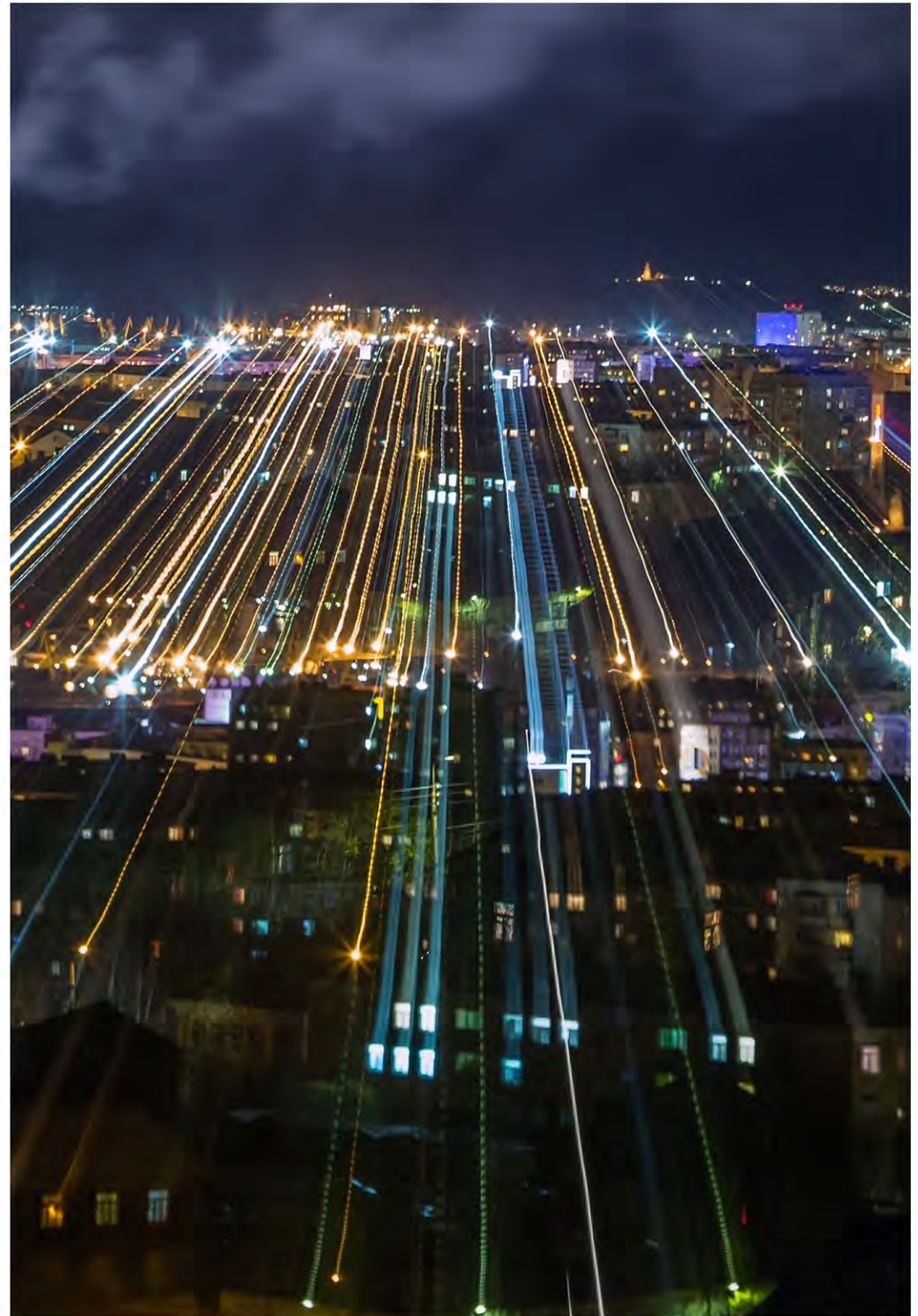
One Platform, One Retail Management Solution

Storecheck solutions ensure your products are always available and optimally displayed at the point of sale

We provide real-time monitoring at POS level enabling effective execution of retail and merchandising plans. Our Artificial Intelligence-based Algorithm predicts actions to be taken to prevent loss of sales. We work with more than 90 brands and have 18,000 active users and our clients are Unilever, Walmart, Samsung, Pfizer, Mead Johson, Revlon, Pernod Ricard, Bonafont and Reckitt Benckiser.

Get in touch on how we can help improve your sales

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