

## **New JDA/Blue Yonder Survey Finds Retailers Face Major Risks to Business Without AI and Automation**

Research from Blue Yonder, a JDA Company, in collaboration with Microsoft finds vast majority of brick and mortar retailers rely on manual intervention for core business processes such as replenishment and pricing

**JDA FocusConnect, Barcelona, Spain, November 6, 2018** – New [research](#) from [Blue Yonder](#), a JDA Company, in association with Microsoft has revealed that brick and mortar retailers are missing out on the opportunity to improve the customer experience and compete with online retailers by failing to automate their pricing and replenishment processes. Launched today, the research found that 96 percent of retailers rely on manual processes for their pricing and replenishment strategies, despite near universal recognition of the benefits that greater automation could bring.

The research, which was commissioned by Blue Yonder in association with Microsoft, surveyed 200 brick and mortar retailers from the UK, Germany, and the U.S. to understand how they are leveraging the latest technologies to achieve a competitive advantage and level the playing field with more agile online retailers. The research revealed that retailers are committed to their store footprint, with 90 percent reporting that they will either be increasing or maintaining their physical store presence, as well as innovation, on average investing 36 percent of their IT budgets in new technology such as artificial intelligence to meet the demands of customers and prepare for the future of retail.

For brick and mortar retailers to meet this demand while competing with, and leapfrogging, online retailers, they must take advantage of cutting-edge technology to optimize their core processes. According to the survey, 53 percent of retailers admit that there is room for improvement in their replenishment process, while 54 percent say the same for their pricing strategy. These core processes are critical to the success of retail operations, and while retailers overwhelmingly use manual intervention, they recognize that leveraging next generation technology to automate these processes would bring a wide ream of benefits to their business, with 58 percent of retailers reporting that automated replenishment would generate a better customer experience and 56 percent stating that automated pricing would result in improved profits.

Commenting on the findings, Uwe Weiss, CEO of Blue Yonder, said: "It is clear that retailers recognize the benefits that automation can bring to their businesses, but perhaps most significant is the agility it gives them to compete with their ecommerce rivals. Online retailers have been able to make small and regular adjustments to their pricing for years, instantly reacting to consumer demand and trends to keep their prices optimized and maximize sales, while brick and mortar retailers have been trying to manage with manually-operated, outdated and static pricing strategies. However, with automated pricing solutions, retailers finally have the flexibility and agility to optimize their prices in their physical estate, delivering a better experience for customers and enabling them to compete more effectively with their online rivals."

ShiSh Shridhar, Microsoft Global Retail Industry Solutions Director, commented: "Cloud technologies and AI are powerful tools in helping retailers achieve a higher degree of automation in their pricing and replenishment approaches. Microsoft Azure and Azure AI are driving new levels of organizational productivity and intelligent data-driven experiences across the retail industry. The powerful combination of JDA's Blue Yonder-powered applications with Azure empowers retailers to better compete in the marketplace."

Relying on manual intervention to execute critical processes such as pricing and replenishment leaves retailers open to inaccuracies, like not having the right products available or priced at a sub-optimal level, resulting in lost sales. Intelligent technologies, such as automation and AI, can not only provide insight on pricing and forecast stock levels, they can deliver better replenishment and pricing decisions to retailers. AI solutions can analyse vast quantities of data to completely automate these processes and eliminate the burden of manual intervention, enabling retailers to devote more of their resources to improving the customer experience.

Uwe concluded: "Traditional retailers need to see themselves as disruptors, moving away from outdated processes that they have used for decades and looking for new technologies to transform their businesses. If brick and mortar retailers are to compete with their online rivals, they will need to radically adjust their approach to technology and data. Retailers need to begin thinking of data not only as one of their most important assets, but also as the key that can enable them to build better relationships with their customers, optimize their supply chains and pricing, and survive and thrive in a more competitive and challenging market."

**Additional Resources:**

- [Download the Blue Yonder Smart Report – and get all the details here](#)
- JDA is hosting FocusConnect 2018 this week in Barcelona; [learn more here](#)
- Watch this webinar: [JDA + Blue Yonder: Predict What's Next](#)

## Methodology

In September 2018 Vanson Bourne conducted market research on behalf of Blue Yonder and JDA to determine the challenges that retailers are facing, how they are responding to these challenges, the level of automation in key processes and their approach to new technology.

The research polled 200 senior IT and business decision-makers in retailers across the UK, Germany and the US. All the organizations participating had both online and physical retail operations and revenues of over \$500million.

Of the 200 retailers questioned, 23 percent came from the fashion sector, 34 percent from general merchandise, 21 percent from grocery and 22 percent from the department store sector

## About JDA Software, Inc.

JDA Software is the leading supply chain software provider powering today's digital transformations. We help companies optimize delivery to customers by enabling them to predict and shape demand, fulfill faster and more intelligently, and improve customer experiences and loyalty. More than 4,000 global customers use our unmatched end-to-end software and SaaS solutions to unify and shorten their supply chains, increase speed of execution, and profitably deliver to their customers. Our world-class client roster includes 76 of the top 100 retailers, 77 of the top 100 consumer goods companies, and 8 of the top 10 global 3PLs. Running JDA, you can plan to deliver. Learn more at [www.jda.com](http://www.jda.com)

## About Blue Yonder

Blue Yonder, a JDA company, is a leading provider of artificial intelligence (AI) and machine learning (ML) solutions that enables retailers, consumer products and other companies to intelligently transform their operations and make more profitable, automated business decisions that deliver higher profits and optimized customer experiences.

With AI/ML learnings embedded into their core supply chain and merchandising processes, retailers can respond quicker to dynamic market conditions and customer preferences, resulting in increased revenues and margins.

Developed by one of the largest teams of PhD-level data scientists dedicated to retail and the supply chain, Blue Yonder's AI/ML solutions deliver more than 600 million intelligent, automated decisions a day.

Blue Yonder was founded in 2008 in Karlsruhe, Germany, by former CERN scientist Professor Michael Feindt and acquired by JDA Software in 2018. The company has received numerous awards, including the Experton Big Data Leader Award 2016, the BT Retail Week Technology Award, the IGD Award 2017 for Supply Chain Innovation.

Blue Yonder provides its solutions through Microsoft Azure and was named one of Microsoft's retail partners of the year in 2018.

**Blue Yonder Social Networks:**

Blog : <https://blog.blueyonder.ai/>

LinkedIn : <https://www.linkedin.com/company/blueyondergmbh/>

Twitter : [https://twitter.com/BYAnalytics\\_en](https://twitter.com/BYAnalytics_en)

**JDA Social Networks:**

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