

Media Alert

## Retailers Must Invest in Innovative Technologies to Survive the ‘Amazon-ization’ of the Retail Sector

**Blue Yonder, 27<sup>th</sup> September 2018** – With Amazon bringing its expertise in running an incredibly efficient ecommerce business to the retail sector through the acquisition of Whole Foods, traditional brick-and-mortar retailers must accelerate their adoption of advanced technologies to retain market share and stay competitive. Uwe Weiss, CEO of Blue Yonder, a JDA company, suggests that retailers should use these technologies to unlock the full value of their data by automating time-consuming manual processes. This will enable them to devote more resources to offering their customers the very best shopping experience, thus maintaining brand loyalty and thriving in an increasingly competitive market.

Since Amazon acquired Whole Foods for \$13.7 billion in 2017, the high-end supermarket has transformed radically under its control, increasing its broader market appeal. Adding the grocery element of the retail landscape to Amazon’s on-going disruption of the sector has only increased the need for traditional retailers to adopt new technologies to help them in the battle for customer loyalty.

Uwe comments: “While traditional brick-and-mortar retailers have already recognised the need to compete with the innovations that disruptors like Amazon are implementing, they do not always have the structure and processes in place to adopt the best solutions. Traditional retailers cannot continue operating the way they always have, and those that adopt a more agile, responsive and data-focused approach will be able to deploy the innovative services that customers now expect, putting themselves in a stronger position to succeed in a changing retail market.

“There is still a clear appetite for physical stores, as evidenced by JDA’s just-launched [Global Consumer Survey](#), which found that 50 percent of UK shoppers prefer the in-store experience to any other. However, it is equally apparent that while consumers may not expect ‘brick and mortar’ retailers to match Amazon’s levels of convenience, they do expect them to do the basic fundamentals of retail properly. According to JDA’s research, the most important aspect of the shopping experience for almost half (47 percent) of UK consumers is product availability.

“While consumers’ shopping habits are less predictable than ever before, retailers have access to vast reams of data, including past sales patterns and customer footfall, and external information such as the weather and public holidays. By understanding and analyzing this data with technologies such as artificial intelligence (AI), retailers can extract actionable insights and value from to help them better understand consumer demand and buying preferences to deliver the very best customer experience.”

But advanced AI and machine learning solutions can go beyond making predictions and providing insight. They can deliver better replenishment and pricing decisions to retailers, based on accurate real-time data,

automating these processes to eliminate the burden of manual intervention. This enables 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 grocery retailers are to compete with online giants such as Amazon, 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 compete against online competitors.”

## About Blue Yonder

Blue Yonder, a JDA company, is a leading provider of artificial intelligence (AI) and machine learning (ML) solutions that enable 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, companies 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 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.

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