

New research reveals grocery retail's speed of decision-making is not matching the clock-speed of the customer

Customer expectations are higher than ever and grocery lacks confidence in the delivery of their customer experience

Blue Yonder, 13th September 2016 – Research by [Blue Yonder](#), a leading provider of predictive analytics and automated decisions for retail, has revealed that most retailers are struggling to keep pace with customer demand, leaving them at risk of failing to deliver on their brand promises in the omnichannel era. The research was the result of interviews with 750 grocery managers and directors across the globe – in the USA, UK, Germany and France – about their customer experience delivery.

The research uncovered that 90% of interviewees across the globe have issues meeting customer requirements, with a quarter feeling they fall short on delivering a true omnichannel experience. Nearly a third of directors in the UK feel there are too many decisions to make and a similar proportion believe decisions are not being made fast enough. The research also found that one in five feel they do not deliver the product at the speed the customer expects.

The ability to make fast decisions has become the benchmark for success in the new grocery marketplace. The right decisions have always been important, but the right decision now needs to be made faster. Customers expect speed and convenience from grocery retailers; speed in delivery times, in getting the product they want from the shelves in the store, during the payment process, and in comparing prices and options across the market.

The research revealed that many grocery managers and directors feel their ability to match the requirements of the customer is hindered by the decision-making speed in the supply chain:

- Nearly 40% of all respondents say decisions in the supply chain are slowing down their decision-making, leaving them unable to keep pace with their customers. The UK's supply chains are considered the weakest across the globe.
- 34% in the UK say this is down to their supply chain legacy infrastructure.
- 35% in the UK feel leaner processes in the supply chain would best enable them to meet the needs of the customer at the speed of their expectations.

Professor Michael Feindt, founder of Blue Yonder, says: “Our research found that many grocery managers and directors feel their supply chain decision making is the weak link, hindering their ability to deliver at the pace their customers expect and impacting the delivery of a premium customer service. No retailer will survive if they do not adapt their decision-making – whether in the supply chain or on the shop floor – to match the new clock-speed of the customer and keep pace with their expectations.”



The research also found that more than 50% of grocery retailers feel decision-making speeds are slowed by too many manual decisions in the process. They also believe that better data availability (85%), data analysis (71%) and automation (67%) can help them speed up and make the best daily decision making. The research also found a full 100% of directors believe AI and machine learning is either already changing retail, or will change the future of retail.

Professor Feindt continues: “Grocery retail is dealing with many changes and threats. The digital behemoths have shifted the rules of engagement, providing shoppers with options of 24/7 shopping on any platform, delivered when they want it. Combine this

with digital transparency of pricing and the rise of the convenience discounters and the world is a very different place with margins getting ever tighter. This makes it vitally important that grocery retailers are able to deliver the same, if not better, customer experience which requires the right replenishment and pricing strategies, while also making it mission-critical to reduce waste.

“Only those retailers who understand the importance of advanced machine learning algorithms and big data will survive and thrive in grocery retail into the future”

To download the full findings and whitepaper, click [here!](#)

The research was conducted by Censuswide, with 750 key decision-makers surveyed in the US, UK, Germany and France. Censuswide abide by and employ members of the Market Research Society which is based on the ESOMAR principles.

Contact

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About Blue Yonder

Blue Yonder is the leading provider of cloud-based predictive applications for retail. Every day, we deliver decisions to our customers that boost revenues, increase margins and enable rapid responses to changing market dynamics. Our replenishment and pricing solutions are driven by sophisticated machine learning algorithms, developed by one of the largest teams of PhD-level data scientists in retail. Founded in 2008 in Karlsruhe, Germany, by ex-CERN scientist Professor Michael Feindt, Blue Yonder now operates in both Europe and the United States. We are backed by leading private equity firm Warburg Pincus and the Otto Group and established the Data Science Academy, in 2014, to provide businesses with relevant data science know-how for retail. Blue Yonder has been awarded, among many others, the Gartner Cool Vendor Award 2015, the Experton Big Data Leader Award 2016 and the BT Retail Week Technology Award.

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