

The Human Touch, the Key to High Street Survival

Blue Yonder, 29th August 2018 – With the onslaught of bad news about the state of the British high street, much of the discussion has focused on how ‘brick and mortar’ retailers need to improve the customer experience to win back customers from their online rivals and increase brand loyalty. Uwe Weiss, CEO at Blue Yonder, argues that artificial intelligence (AI) could be key to achieving this, enabling retailers to automate processes and focus their resources on delivering the best possible customer experience.

Uwe says: “‘Brick and mortar’ retailers are increasingly being undercut by ecommerce providers, who operate with much lower overheads, and so must find another point of differentiation, other than pricing. For physical retailers, it could be said that their biggest asset is their staff, who can be key to creating the very best customer experience. Staff on the shop floor who are available to help customers with enquiries and show them where to find products can help customers to forge a genuine, personal connection with a brand, helping to further build loyalty. With a real focus on the customer experience, retailers can bring the human touch back to the high street and gain a competitive edge on online retailers.

“It may seem counter-intuitive, but AI could be the key to bringing this human element back to the high street. By automating core business processes, such as replenishment and pricing, AI removes the necessity of manual intervention, reduces the amount of time that staff spend on back office tasks and enables them to spend more time on the shop floor, helping customers and ensuring the store looks its best.”

Retailers have access to a huge amount of data from past sales patterns, customer footfall to events, trends and even weather forecasts. When this data is combined with advanced AI technology, replenishment optimization solutions can accurately predict customer demand and automate stock level decisions, across thousands of product categories and hundreds of stores.

This data can also be used to optimize pricing, with AI solutions learning the relationship between price changes and demand while incorporating a retailer's business strategy. Price optimization solutions can then use these insights to automatically set the optimal prices to deliver the best bottom line, while rapidly

sensing vital demand signals from changing market conditions and data such as sales, promotions, weather and events.

Uwe concluded: "Humans can't compete with AI when it comes to analyzing data, making predictions and optimizing the replenishment and pricing process. However, what humans can do better than any machine is to provide the human touch – be it excellent customer service, helping shoppers to find the products they need, giving them more information and helping them through the checkout process. In a market where consumer spending patterns are changing and 'brick and mortar' retailers are under evermore pressure from online competitors, retailers must recognize that their key differentiator is the personalized service they can offer customers. They must focus their staffing resources on this and leave the machines to do what they do best, which is to analyze data and make replenishment and pricing decisions."

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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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