



Retail Automation Market: Recent Industry Trends, Analysis and Forecast 2020

Automation is the latest advancement set to revolutionise the global retail market. The retail-automation market is expected to witness steady growth, owing to such avant-garde collaboration between global retail and consumer goods sector, and the global electronics and IT industry. Considering the fact that retail industry drives the growth of several business and trade ventures around the world, the influence of automation will bring more efficiency to billions of retail transactions.

Visual merchandising, planogram, and big data in retail are the key trends fuelling the demand of automated services in retail markets. Effective automated products and programs that speed up the sales mechanism, create efficiency in product supplies, and develop easily-accessible business platforms that can produce a lucrative environment for the growth of the retail automation market globally. The global market for retail automation is gaining traction in Asia Pacific, Western Europe, and Middle East & Africa (MEA). The two most lucrative regions for the growth of the global retail automation market are North America and Europe.

Retail automation in North America

Of these two regions, North America is the current market leader, holding the greater pie of retail automation market share. The North American retail automation market is likely to register high growth rate during 2014-2020 period.

North America remains a lucrative market for retail automation globally, with the US and Canada witnessing steady demand. North American consumers have adopted the prominent trend of relying on retail automated products and services for business transactions, which has made an affirming impetus on the retail automation market. Economic progress and rising

purchasing power of consumers are some of the trends, specific to North America, that make the outlook of retail automation market considerably positive.

The European retail automation market

Europe, on the other hand, is closing in on North America in order to become the leading key region in the global retail automation market. Several retail chains and multiple product lines established in Europe are helping the setting up of retail automation in European nations. The European regional market is primarily segmented into UK, Germany, Spain, France and others. Britain's exodus from EU is likely to impact the implementation of automation in UK's retail market. But, the economic stability in other European countries is expected to create a supportive dais for building up the retail automation market.



Factors benefiting the growth of retail automation market

North America and Europe, collectively, will continue their prominence in the global market, with respect to the market size, revenue share, and overall demand. The factors that will incite this growth are,

Growth of local retail & customer reception

Local retail markets are growing in several parts of North America and Europe. Combined with a positive consumer response, automated retail will continue flourishing in niche retail markets.

Overflowing Investments on Automation Products & Services

Retail giants dominating the existing retail market are investing in automated programs and devices for creating efficient output. The cost advantage is increasing the demand for automated retail services.

Proliferation of shopping centres and supermarkets

Consumers in the US and European countries prefer buying from hypermarket and malls, which is great platform for automated retail kiosks.

Challenges in the global retail automation market

The retail automation market in North America and Europe is growing steadily, but there are a handful of factors that may restrain or slow down its growth. In the US and Canada, a key challenge for retail automation is its greatest disadvantage

– the loss of job. Labours and working professionals at retail outlets are a major contributor of the region's economy. Rising unemployment levels could plunge the local economy, having a rippling effect on the national economies of North America.

In Europe, the instability of economies across its constituent nations is restraining the growth of its retail automation market. Improving financial conditions in Turkey, Russia and Poland could influence the expansion of automated retail products; however, the undulating economies of Spain, Italy as well as Britain, can impede the adoption of automation in European retail sector.

Besides, maintaining the continuous supervision of retail kiosks, high dependency on electricity and the implications arriving from variable internet regulations are some other restraints recoiling the progress of retail automation in Europe and North America.

Key competitors

Electronic companies such as Seiko Epson, Fujitsu, First Data Corp., Siemens, Toshiba and Wincor Nixdorf are some of the top players in the global retail automation market. Most of these ICT companies are headquartered in Europe, making the region a credible platform for new manufacturers and startups in retail automation. Meanwhile, North American retail giants such as Walmart and Kroger are developing their own devices and services to reap benefits from the amalgamation of retail and automation.

Benefits of automating cash management

Contrary to many predictions, the days of physical cash are not numbered.

According to Richard Phillips, joint CEO of Cash Connect Management Solutions, automated cash handling saves money and time, and allows the business owner to focus on his business.

Here are a few ways in which automated cash management systems add value to a business:

1. Business efficiency

Automated cash management improves efficiency. It is fast, accurate and safe since it eliminates all staff touch points associated with manual reconciliations and banking, counting, shrinkage, double-count supervision, insurance costs and overhead costs, as well as the exposure to crime both in store and en route to the bank.

2. Cash is guaranteed

Cash is guaranteed from the time it is deposited into the cash vault until it appears in the customer's bank account.

3. Streamline cash flow

Well-organised cash flow means more cash on hand, because cash reflects in your bank account on the same day that the cash-in-transit company collects from your premises.

4. Improve employee and customer retention

When a store is attacked, it will have an emotional impact on employees. Businesses can also expect to have a reduced footfall of customers for up to six months after a violent attack. With an automated cash-management environment employees will go about their work with a greater sense of security.



It all ends up in the omni-channel

As you consider the next step for your business to become even more automated, overseas experience indicates that the best way to plan for such automation is to consider everything under an omni-channel umbrella.

Omni-channel refers to the goal of delivering a consistent brand experience across all channel activity. Companies invested in an omni-channel strategy are careful to ensure that their customers receive the same experience and message across different channels and devices involved within their interactions with the brand. The customers' shopping journey is not disjointed, but completely seamless.

As you consider the future steps to be taken, it is wise to talk to experts who can facilitate the above integration. Your store IT system is vital. Has it been designed to cope with all of these component parts?

Retailers are often tempted to get involved in ad hoc initiatives, such as loyalty-card programmes or a click-and-collect strategy or maybe a mobile solution for coupons.

The best way forward is to integrate all of the above into one common platform so that the customer experiences a seamless process when dealing with your business. Research has indicated the consumers ask the following questions when considering your store's omni-channel offering.

Know me (personalised interactions) – recognise me, my existing subscription, service and interactional history.

Acknowledge my recent actions across various channels and weave them into your strategy

— **Show me you know me** (targeted promotions and marketing techniques) – do you have personalised offers that interest me at the right price? Help me understand the benefits of your offering in simple-to-understand language suited to my profile, my likes and my capability

By Hippo Zourides



— **Enable me** (invest in social, mobile and retail channels) – make my physical shopping trip convenient and hassle-free by merging my digital experience with the real store. Allow me to express my passions and recognise my insights and preferences. Equip me with the correct resources to help me understand the benefits of my choices as a complete solution that suits my needs.

— **Value me** (the customer now controls the shopping process) – I now have complete flexibility to control my product and service bundles. It allows me to be a loyal customer (please reward me) and it gives me extraordinary influence over all purchasing decisions.

Answer these questions adequately and talk to your hardware/software suppliers, and you will be on your way to an integrated omni-channel strategy that will delight your customers.

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