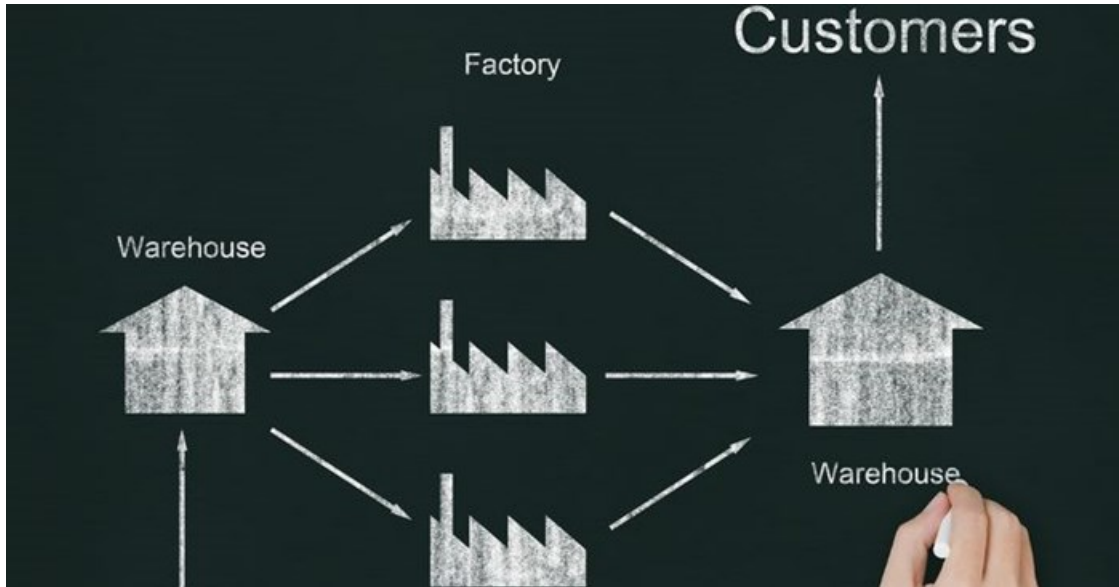


The changing face of retail supply

By Anton Vukic

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Information is power, the saying goes. That has proven to be true of the modern retail environment where the power rests with consumers - and where retailers are no longer able to push product to an uneducated public.



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Historically, technology was all in the hands of the retailer. Ranging from advanced inventory management to real-time POS, this technology enabled companies to dictate the way in which transactions would be conducted. This has changed as consumers, armed with technology, are demanding a multi-channel approach.

Today's consumers are empowered by limitless web research - and retailers are scrambling to adjust. Meeting the multi-channel consumer's increasing expectations for speed and convenience is forcing many retailers to rethink their business - and those that aren't are guaranteed to fail.

Research done by the Art Technology Group found that three-quarters of consumers use two or more retail channels to browse, research and purchase products; nearly one-third use three or more channels. While this offers many opportunities within the sector, it equally provides increasing pressure on retailers, because there are so many more ways they are expected to locate the product within the retail supply chain, close the deal and get it into the customer's hands promptly and efficiently in the manner of their choosing.

Fight technology with technology

The solution is to fight technology with technology. Too many retailers still use a siloed approach to their channels. While many started their e-commerce business as an offshoot of their marketing departments, some are now finding the addition of online businesses, such as software download stores, valuable additions that are not only adding revenue, but shifting the perceptions of their customers and increasing loyalty as a result. In the future, e-commerce will become 'commerce', encompassing all the ways that the retailer interacts with the customer.

The role of distributors in this environment is not only to help the retailer to reach its targets, but to offer different means of differentiation and provide additional tools that will keep the retailer relevant in a market that is being revolutionised from the outside in. That means that the distributor should align its offering not only to fit the retailer's strategy, but to provide support in establishing and growing different channels.

Multi-channel retailing must have a customer focus - and as an essential part of the process, so must distributors. The biggest priority must be the customer across the entire chain - and offering a bigger range of fulfilment options to give customers greater flexibility and choice applies equally to the retailer and the distributor.

As consumers become increasingly demanding, retailers and those that support them will have to offer improved quality and flexibility of service. This will be the cornerstone of commercial success in the future.

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