

# 2018

## The year of intelligent retail

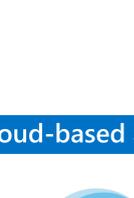
Today's innovations in technology are opening new doors for retailers. The ability to infuse data and intelligence in all areas of a business has the potential to completely reinvent retail. Here's a look at the top technologies we see enabling this transformation in 2018 and beyond, and where they'll have the greatest impact.



### 5 top technologies powering intelligent retail in 2018

#### 01 Advanced analytics

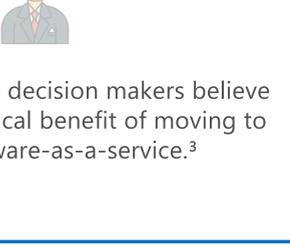
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Within the next 3 years, over **three-quarters** of retailers plan to invest in **big data solutions** for IoT data and 72% in cognitive computing and machine learning.<sup>1</sup>

#### 02 Artificial intelligence

By 2019, about **40%** of retailers will develop a customer experience supported by AI, boosting conversions up to **30%** and revenue by **25%** through hyper-micro personalization.<sup>2</sup>



#### 03 Cloud-based architecture



**71%** of retailer software decision makers believe that agility is a critical benefit of moving to cloud-hosted software-as-a-service.<sup>3</sup>

#### 04 Internet of Things

**70%** of retailers will install in-store beacons for location-based marketing by 2021.<sup>4</sup>



#### 05 Conversational commerce

**50%**



By 2020, **50%** of retail customer service requests will be conducted, at least partially, through conversational AI applications.<sup>5</sup>

### Where will these technologies drive the most impact?



A shopper who engages with a retailer through social media is likely to spend **19% more** than the average consumer.<sup>6</sup>



Nearly a **third of CPG sales processes** can be automated, freeing up the sales force to spend more time connecting with customers.<sup>7</sup>



of **Gen Z shoppers** still prefer to purchase in-store, and **46%** will check in a store first to get information for an online purchase.<sup>8</sup>



By 2020, **over half** of shoppers will expect near-perfect fulfillment.<sup>2</sup>

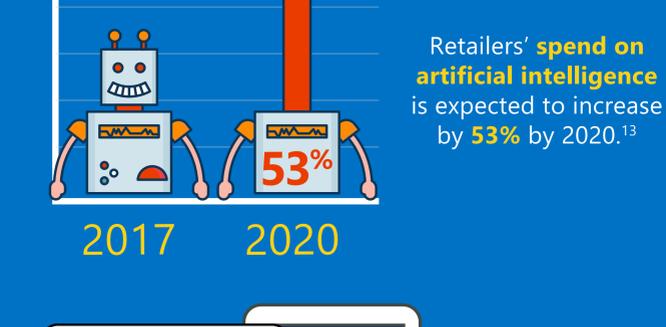


Nearly **half of surveyed consumers** said they likely would become repeat buyers after personalized experiences, yet **only 22%** of shoppers find their retail experience to be highly personalized.<sup>9</sup>

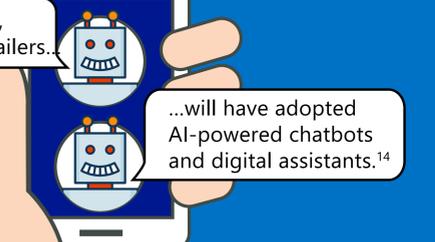
### What areas do retailers prioritize for taking advantage of these innovations?



of retailers plan to **reinvent their supply chains** with real-time visibility enabled by automation, sensors and analytics.<sup>10</sup>



**68%** of retailers plan to invest in data tracking, collection and management.<sup>11</sup>



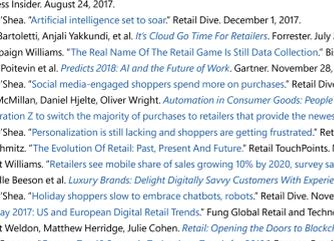
**55%** plan to invest in in-store experiences.<sup>11</sup>

By 2021, **more than half** of European and U.S. total retail sales will be online or influenced by digital touchpoints, including in-store sales that are influenced by digital research beforehand.<sup>12</sup>



of CPG executives automate tasks primarily to **cut costs and increase efficiency**.<sup>7</sup>

### What are the innovations to watch for in 2018 and beyond?



Retailers' **spend on artificial intelligence** is expected to increase by **53%** by 2020.<sup>13</sup>

In just three years, **nearly half** of retailers... will have adopted AI-powered chatbots and digital assistants.<sup>14</sup>



of retailers predict **blockchain will yield cost savings** of more than 2.5% by streamlining operations and automating manual tasks.<sup>15</sup>



of retailers plan to invest in inventory and supply chain **automation** by 2021.<sup>10</sup>



**Mixed reality** is emerging as the immersive experience of choice.<sup>16</sup>



Learn more about Microsoft in Retail

Microsoft enables retailers to deliver personal, seamless, and differentiated customer experiences by empowering people, enabling digital transformation, and capturing data-based insights to drive growth.

[Learn More](#)

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