

Fujitsu on Retail January 2025

Overview

- From digital transformation to unified commerce, mobile app shopping and personalized customer experiences, retail has always been fast-moving, and technology led. The post-pandemic landscape has exacerbated these trends, resulting in retail businesses needing to balance competing needs. They must seek differentiation not just via price or premium service but through innovative customer-centric experiences, efficient operations, and sustainable and ethical practices.
- As retailers seek to craft attractive 'front end' experiences to drive loyalty and profit, they are increasingly turning to partners to deliver the 'back end' technology platforms and data engineering to underpin modern end to end shopping business models.
- Through an evolving relationship with GK Software, Fujitsu offers a unique value proposition in this new world. By combining GK Software's innovative commerce platforms and solutions with Fujitsu's industrial global service and delivery know-how, retailers are well equipped to deliver the end to end, customer-centric shopper journeys which will transform customer experience, drive growth, and meet sustainability goals.

Industry Trends in Brief

- The pace of disruption in the retail sector has accelerated since the global pandemic, with digital transformation now a baseline consideration, as businesses were quick to evolve their e-commerce, contactless and home delivery capabilities.
- Consumer expectations at the same have shifted. There are new expectations for rapid delivery, seamless shopping experiences across online, store and doorstep, and overall greater personalization. Transparency in sustainability and ethical practices is also reshaping how brands engage with shoppers.
- Personalization, or at least recognizing what your customer expects in the shopping experience,
- is critical to success in the retail sector. It enhances customer engagement by delivering tailored experiences that align with individual preferences and behaviors. This, in turn, leads to customer satisfaction and loyalty. By leveraging data analytics and insights, retailers can offer relevant product recommendations, personalized promotions, and targeted marketing, leading to higher conversion rates and average order values. This needs to be delivered regardless of the 'touchpoint' customers select across the end to end purchasing journey.
- If we talk operations, theft, crime, and inventory waste are high on the boardroom agenda, each directly impacting customer satisfaction, profit margins and business stability. Theft, by customers and staff, directly reduces revenue, while inventory inefficiency complicates supply chain management and stock replenishment.

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The need to innovate quickly to differentiate coupled with the complexity of the technology needed to support the modern retail business has reached a critical inflection point. Some retailers have struggled with large-scale digital transformation programs. Addressing the 'back end' ERP modernization makes sense but it can delay 'front end' experience innovation. Retailers are finding it hard to connect online and stores businesses into one end to end shopper journey. Fujitsu envisages a future where disconnected retail experiences converge into a **borderless, personalized world**. With our industry expertise, innovative technologies, world class partner IP and global reach, Fujitsu aims to transform customer experiences, drive growth, and achieve sustainability goals. Our solutions help retailers transition to unified commerce experiences, reduce costs, and meet sustainability targets, leveraging the unique combination of Fujitsu's implementation, deployment, and support services <u>and</u> GK Software's IP and development skills.

GK Software is known for its ability to deliver highly flexible software-as-a-service (SaaS) and Cloud-based digital transformation solutions. The partnership with Fujitsu extends the reach of these products in Japan, Asia, the Americas, and Europe. Also, it gives GK Software access to Fujitsu's enhanced technologies, such as artificial intelligence (AI) and high-performance computing (HPC).

Fujitsu quotes – Richard Clarke, Head of Global Sales, Consumer Industries

- "Retailers face a fundamental choice: Adapt or face extinction amid declining margins and intensified competition. Retailers in the middle ground don't need to choose between high-price luxury and low-price discount: There is a third way founded on investing in digital tools and process know-how to deliver new shopping experiences and lower cost operations. The technologies for this transformation exist today: unified commerce platforms, composable microservices and AI can help deliver experience differentiation and operational efficiency. Swift action is required – the middle ground in retail is disappearing. Only those willing to adapt will survive."
- "Sustainability will increasingly become core to retail growth strategies. Leaders in this space will not just meet regulations but also establish more resilient and responsive businesses. By 2027, sustainability will be embedded across all retail operations, from product design and customer engagement to inventory and infrastructure management. Retailers executing this shift now will thrive in a market prioritizing purpose, transparency, and responsibility."

Fujitsu Retail reference customers

- <u>The Home Depot: Job Management System for Home Renovations</u>
- Baby Bunting: Analytics-powered partnership
- United Super Markets Holdings Inc: Creating a More Enjoyable Shopping Experience with DX

Further reading

- Fujitsu successfully completes public takeover offer of GK Software
- Industry sector solutions: Digital Retail Technology Solutions
- <u>Customer stories: retail</u>