



CIONET

DISCUSSION SUMMARY

**HYBRID MARKET
PLACE: HOW IS
RETAILING
LEARNING TO
INNOVATE IN A
HYBRID WORKSPACE**

This article was written by Roger Camrass, of CIONET UK and is based on the conversations that took place during a virtual wine tasting event in December 2021 sponsored by Citrix on the topic of 'how can we innovate effectively in a hybrid marketplace?'.

The pandemic changed the face of retailing fundamentally across the globe in weeks or months rather than years or decades. Consumers were forced to purchase all their necessities online as of March 2020, and retailers were required to conduct hasty reviews of their channels to market. The consequences of transferring millions of store workers home and taking all transactions either by phone or online was dramatic. CIOs in many retail organisations were ahead of the curve by implementing Office 365 and Teams prior to the outbreak of COVID, but few were prepared for the sudden escalation of web and telephone traffic.

The challenge for many retailers was how they could maintain a quality customer experience when transferring customers from physical stores to workers located at home. Delegates specialising in luxury goods mentioned how they had arranged Team meetings between high-net-worth individuals and store specialists in areas such as fashion, fine wines and furnishings. At the other end of the spectrum, companies selling hospitality services have experimented with BOTs such as PolyAI to help reduce the traffic loads across virtual call centres.

Developing a hybrid marketplace

What has become apparent eighteen months into the pandemic is that traditional retail formats need to be revised. Technology has an increasing role to play here. Delegates who sell high volume fashion items have become more dependent on influencers who can help promote online sales. New Look is a good example here. Luxury goods retailers such as Burberry are exploring ways of enhancing remote shopping such as augmented and virtual reality. In the latter case, such retailers are looking to expand their virtual footprint within mass markets such as China and India where physical footfall will always be limited.

Delegates pointed to an increasing polarisation of need. At one end of the retail spectrum, customers continue to rely on a high-touch physical experience where they can browse through different choices and take their time to examine options. At the other end, consumers are interested purely in availability "I want it here and now". The latter is the domain of the convenience retail store where distribution is the

critical success factor. Such stores often co-locate with petrol stations where through traffic is high. One key factor is the emergence of a new generation of digitally savvy consumers who seek digital rather than physical relationships. Luxury retailers see this generation as an opportunity to develop specialist stores that focus on lifestyle segments such as beauty treatments.

What are the challenges for it?

One consistent requirement across all the delegates is the need to provide better support for home-based staff. Hybrid working will continue well after the pandemic has abated. Remote workers will need to collaborate through document sharing as well as Team-based meetings. Improved work disciplines are needed to ensure that meetings are productive and not too intensive during the working day. Time is needed to pursue creative ideas as well as to manage workflow.

Within the store, the advent of image and video communication is growing rapidly as shop staff collaborate across geographies and customers seek more visual information about products. Delegates are deploying software define networks to upgrade store connectivity and are introducing Zero Trust access security to minimise the possibility of cyber-attacks.

The speed at which change is taking place has required a shift from waterfall development to agile techniques. Again, this implies better connectivity between remote technical and business staff across an organisation. Collaboration tools are critical to success here as well as a change in organisational culture.

Is the role of CIO changing in retail?

All delegates agreed that growing commercial pressures on retail have caused a renewed focus on transformation. Some delegates have chosen to find competent partners to take over operations, leaving the CIO and top team to concentrate on business transformation. This appears to be more of a trend in northern Europe than down south.

CIOs are needing to optimise customer experience and related channels in the light of a hybrid marketplace. One delegate mentioned that his online business had doubled in volume over the last twelve months. This has required an adoption of cloud to handle peak volumes. Others are focused on expanding call centre capacity, aided by automation techniques.

One of the key contributions of the CIO is to help peers at Board level grasp the new technologies that could transform retail. One delegate is experimenting with 'shop and go' to emulate Amazon's success here. Another is investing in the emerging Metaverse techniques that Facebook is promoting.

Taking the mid-term view

Although the pandemic has caused many CIOs to become highly tactical in coping with immediate pressures, all delegates agreed that it is important now to adopt a mid-term view that includes strategic as well as 'here and now' issues. This applies to all aspects of retail, including supply chain, instore and omni channel as well as employee support, at home as well as in store. The customer journey remains ever important and should continue to influence all decisions made within a retail organisation – both front and back office.



About CIONET

CIONET is the leading community of more than 10,000 digital leaders in 20+ countries across Europe, Asia, and the Americas. Through this global presence CIONET orchestrates peer-to-peer interactions focused on the most important business and technology issues of the day. CIONET members join over a thousand international and regional live and virtual events annually, ranging from roundtables, programs for peer-to-peer exchange of expertise, community networking events, to large international gatherings. Its members testify that CIONET is an impartial and value adding platform that helps them use the wisdom of the (IT) crowd, to acquire expertise, advance their professional development, analyse and solve IT issues, and accelerate beneficial outcomes within their organisation.

cionet.com