

## Global retail tech spending to top \$203 billion this year as stores play digital catch-up

**Digital transformation urgency & the need for new leadership mind-sets top the agenda, as AI, robotics and payment innovation plans advance, [Tech.](#) research finds**

**London, UK. June 2019:** Global retail technology spending will near \$203.6 billion in 2019, according to new research conducted by *Tech.* a collaboration between Retail Week and World Retail Congress. The surge – an anticipated 3.6 per cent leap from 2018 - comes as owners of physical stores strive to add an advanced digital dimension to offline shopping, among other priorities. The need to engage customers in new ways, while managing stock, operations and promotions more effectively and cost-efficiently, are also driving up international IT spending.

The extensive study, discussed in a new report, ***A world in motion: Retail digital transformation across the globe, and the technology supporting it***, also identifies country-specific trends:

- In the **UK**, a third of retailers expect to invest six-figure sums – up to half a million pounds – on technology over the next 18 months; and visual search tools are high on the list to help shoppers find what they're looking for more intuitively.
- In **France**, 90 per cent of retailers say a new leadership mind-set is needed to see through the scale of change required; half are deploying robotics; and AI is high on the agenda.
- In **Germany**, retailers have a more keenly developed understanding of how technology affects their business, and 60 per cent are investing in voice technology.
- In the **US**, 75 per cent of retailers cite growing urgency around digital transformation; payment technologies are priorities; and 40 per cent of retailers already use AI.
- In **Russia**, all retail leaders agreed digital transformation requires a new leadership mindset. 3 out of 4 retailers surveyed admitted they do not currently have people with all of the right skills. 75% of leaders questioned currently use AI whilst none are using visual search.

The pressures facing retailers in all of these mature Western markets are well documented. The continued rise and growing sophistication of e-commerce is forcing all retailers to review their costs and the efficiency of their operations, and come up with new ways to adding value for consumers – for example, by appealing to them more directly and creatively in store and by combining digital and physical experiences in new ways. Online retailers need to keep innovating too, to stay competitive and to keep customers coming back and spending more.

In the UK, 45 per cent of retailers claim to be using visual search, including the likes of Asos, Boohoo, M&S, eBay and Argos, while visualisation generally is proving important to sell higher-value items – for example, once customers can get a better feel for how furniture or a new kitchen would look in their own home. In the US, AI is enabling new levels of automation in Amazon Go stores, and in France robots as in other markets robots are transforming product picking in warehouses.

In France, the largest player in the retail market, Carrefour, has sided with Google to drive innovation and build a tech-led strategy for serving the 21<sup>st</sup> century consumer. As well as supporting

the development of the grocer's e-commerce offering, the partnership involves comprehensive research and development work, the implementation of new Google communication and collaboration software across the enterprise, as well as the creation of the Carrefour-Google innovation lab. There is also a dedicated focus on working out how voice-enabled technology will play a role in the future of retail.

Plans for augmented or virtual reality tools to enhance shoppers' experience are taking time to materialise, but Argus, AO.com and Costa Coffee in the UK, and Walmart and Macy's in the US, are among those with comprehensive trials underway.

The research, which will be discussed in detail at [Tech](#) festival in October, also highlights the growing importance of strategic technology partnerships as retailers' digital ambitions grow.

Commenting on the findings, Poppie Mickleburgh, the event's director, said, **"New technologies have unlocked a level of potential that would have been unimaginable just a generation ago. All regions agree that there is a need for digital transformation and that a change in leadership mindset is required to do this. However, how they go about tackling this, and which technologies they prioritise, differ – which is fascinating, and offers a chance for international peers to learn from each other.**

**"We launched *Tech* two years ago in response to the vast disruption that technology continues to have on the retail industry. This important annual event aims to ensure that those willing to seize these new opportunities will thrive in the fast-evolving digital era."**

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### **About Tech. 2019**

**[Tech. 2019](#), a multinational gathering of more than 3,000 attendees from over 40 countries, will take place from 2-3 October at the [Printworks](#), London. Over the two days the festival brings together retailers, start-ups, brands, FMCGs and leading universities keen to share ideas about how to prosper in the new retail age.**