

Building an Insurmountable Lead – How Technology is Separating Leading Retailers from Competitors

Winning retailers are making strategic technology investments in technologies to extend the lead against their competitors

NASHVILLE, TN, UNITED STATES, January 3, 2023 /EINPresswire.com/ -- Winning retailers are making strategic technology investments in technologies to extend the lead against their competitors in 2023, according to new research from analyst firm IHL Group. The report titled "[Building an Insurmountable Lead](#) – How

Technology is Separating Leading Retailers from Competitors", shows the specific solutions that the leading retailers are choosing over others.

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Greg Buzek

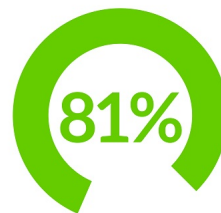
“For most of the last two years, government stimulus helped increase retail sales for almost all retailers,” said Greg Buzek, President of IHL Group. “But going into 2023 those retailers who will win will do so through better execution and improving margins of ecommerce transactions that are fulfilled through local stores. And that involves investments in technology.”

[According to the research](#), there are three specific items that are driving technology purchases for 2023:

1. Reducing margin loss associated with online transactions for store fulfillment, an area that has seen up to 800% growth as a percentage of revenue since 2019 depending on the segment, much faster than retailers could accomplish efficiently.
2. Reducing the amount of labor required to operate stores. Whether through true labor

Driving Higher Store Sales Expectations

Source: IHL Group



81% higher sales growth expectations for 2023 for those using Prescriptive Analytics across all categories.

Prescriptive Analytics Higher Sales Expectations

replacing technologies such as self-checkout, scan and go, electronic shelf labels or automated micro-fulfillment centers, or those that make associates more efficient (updated mobile devices, communication to the parking lots, Waze-like directions for pick instore), retailers are trying to do more with fewer workers due to challenges with staffing.

3. Security technologies to reduce impact of theft. Tools from physical security to Predictive and Prescriptive Analytics, Computervision to identify threats and other loss prevention technologies.

From 2020-2022 retail saw a 25% increase in the amount of revenue spent on technology purchases to grapple with the growth of ecommerce. That has only continued to grow with 2023 adding another 4.3% growth of IT Spend.

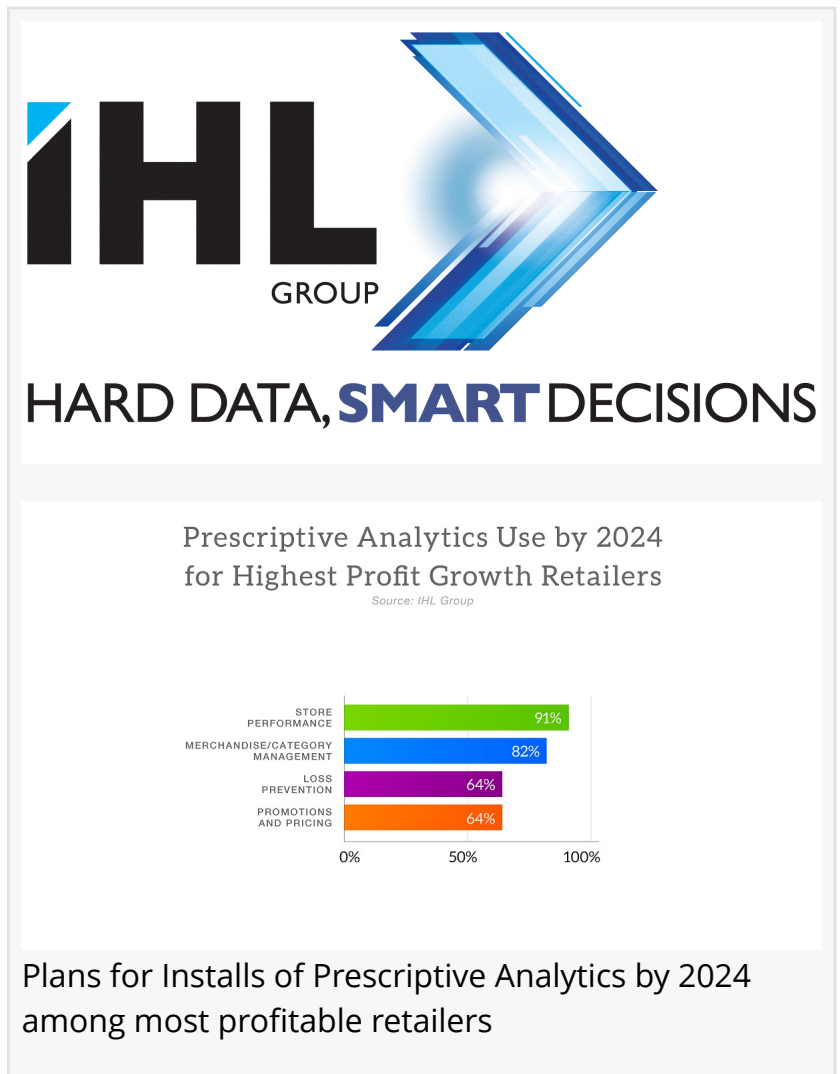
But this is truly a situation of “Haves” and “Have Nots” as it comes to budgets and investments. The best performing retailers (2022 sales growth >15%) are investing in IT at a rate 2.2x the average performing retailer 5.4x that of below average retailer for 2023. Further, the best performers are investing in their store IT infrastructure at a rate 43x higher than the poor performers in 2023, further separating themselves in the race for increased efficiency at the store level.

According to the research, the key technologies Leaders are investing in for 2023 at higher levels than competitors are the following:

- Enabling Geolocation for marketing and inventory availability – 13x higher than competitors
- Electronic Shelf Labels – 12x higher than competitors
- Updated POS Software with Microservices – 7x higher than competitors

The top technology priorities for 2023 for all retailers include the following:

- 54% Personalizing the Customer Experience
- 52% Inventory Visibility



- 47% Empowering Store Associates with Better Tools
- 42% Refreshing the POS Infrastructure

“Building an Insurmountable Lead – How Technology is Separating Leading Retailers from Competitors” is available immediately”

For questions, contact IHL at ihl@ihlservices.com or through the website.

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