Retailers today are on board with cloud computing because of the immense opportunities it presents. Retailers can experience lower IT costs, greater innovation, efficiency and scalability, while also gaining valuable insights from powerful data analytics systems. According to Accenture, the four main areas in which cloud is a disruptive force are channel operations, merchandising and marketing, supply chain, and sales support.

Retailers place a lot of importance on reputation and customer perception - both of which can be positively maintained with the cloud. Mobile, social and e-commerce are extremely popular today, and all of them affect retail. Retailers can take advantage of these trends using cloud computing technology.

Some of the biggest retailers today already have their heads in the cloud. Target, Nordstrom, Walmart and Waitrose have already made the move, and companies like Whole Foods Market, Shop Direct and Sport Pursuit are well on their way.
The State of Retail and Technology

Retail is going digital, and fast. Forrester Research estimates that by 2017, 60% of retail activity will take place online, from POS to pre-purchase research. According to Innovative Retail Technologies, when survey respondents were asked what the best systems or operations decision their business made in 2015 was, the majority answered, “transitioning applications to the cloud.” This answer was followed by inventory visibility and fulfillment initiatives, and mobile device deployment, both of which can tie directly into cloud solutions. This year, the use of cloud in retail is set to grow from $4.2 billion to $15.1 billion (Accenture).

Future cloud penetration in the retail industry

How important is cloud in supporting sectors of the retail industry?
So how can cloud benefit the retail industry?

There is an increasing amount of online competitors in the retail sector. Established retailers have the chance to combat this competition by adopting cloud computing platforms.

Efficiency Across the Board

When it comes to supply chain management, retailers have a lot to think about: warehouses, transportation, order fulfillment, overhead costs, global capabilities and efficiency. Currently, retailers use systems that are limiting and actually reduce overall efficiency. Much of this is run by critical retail-specific applications, yet these are some of the last applications being used in the cloud. By moving them to the cloud, businesses can manage shipments, gain real-time information on inventory and status, and use digitized documents.

Cloud computing also leads to simplification of infrastructure, reducing the need for excessive, expensive equipment. Resources are delivered exactly when and where the retailer needs them. It also offers great scalability, better allowing for spikes in demand on occasions like Black Friday or the week before Christmas. Retail applications in the cloud can lead to inventory visibility and across-channel shipping solutions.

There’s also a major financial advantage of cloud computing. Retailers can move capital expenses to operating expenses and significantly decrease spending overall. All computing resources, including software, hardware and maintenance, are moved to the cloud and the provider, which certainly lightens the load for the retailer.

A great case study of this cloud efficiency for retail is Target. Target reduced the numbers of servers it had in each store from seven to two a few years ago. This saved the retailer millions of dollars on hardware, electrical, and maintenance costs, while also allowing it to retire 8,650 in-store servers. Target also rolls out software upgrades to all of its stores in 45 days. (Accenture)
The Retailer Benefits

Internal benefits of retail in the cloud include in-store task management, speed to market and real-time reporting.

Obviously, to stay ahead of the competition, a retailer must remain relevant and move with the trends. This often means creating new products and services, and today, a fast time to market is more important than ever. Luckily, with the cloud, retailers have access to efficiency, agility and cost benefits. Not only can new products be released quicker than ever, but it’s also easier to maximize every single sale and individualize marketing of these changes.

Cloud computing also allows retail businesses to gain valuable insight into their customers’ shopping behaviors and preferences, thanks to the immense data generated. Retailers can personalize offers and communication, as well as gain the data necessary to create a personalized experience. Analytics can be used to provide recommendations, create customized communication and inspire new products or services.

With the cloud, it also becomes easier to geographically expand. Retailers can scale IT fast without the burden and cost of developing traditional IT infrastructure. This allows retailers to maintain a local focus while still thinking about the bigger picture.

“Cloud computing allows retailers to gain valuable insight into their customers’ shopping behaviors and preferences, thanks to the immense data generated. Retailers can personalize offers and communication.”
Consumers have embraced digital technology, and this has disrupted the retail industry. Today, customers demand a seamless shopping experience. They want to be connected at all times, they want the process to be quick and easy, and they want shopping to be enjoyable. As a retailer, you’re expected to meet these expectations.

With help from the cloud, it’s possible. A rising trend is the use of mobile devices in stores. Many businesses are implementing this, like Apple, Anthropologie and GUESS. Employees are equipped with mobile devices, like iPads, which help them answer customer questions, check inventory, finalize sales, and access online resources. Some retailers even go so far as to implement them in dressing rooms to play music or display additional options or matching accessories.

Going off of this trend, Point of Sale is also changing. Cloud will help improve the mobile POS experience, allowing you to process payments immediately and turn your customers into valuable data points. Through a cloud POS system, your sales team can browse inventory, pick products and process sales by swiping a card right there on the device. This is quickly becoming standard. Mobile POS hardware is the top store-level hardware spending priority for this year.

Competitive pricing is also a huge part of consumer interaction, and with the savings the cloud provides, it’s possible. Consumers are now easily able to conduct research about retailers right on their mobile device. They might be in your store looking at products, but if they find that another business has the same item for less, they’ll leave. That’s called “showrooming,” and it means retailers need to create more reasons for customers to walk in the door. It’s no longer enough to have a wide range of merchandise or a few annual blowout sales. It’s all about a consistent experience, personalized interaction and competitive pricing.

It’s easier than ever to click a button and find what you want elsewhere. It’s important to understand, as said by Accenture, that “loyalty is enhanced or eroded by every interaction.” In order to ensure that interactions are positive, retailers need to make sure consumers can easily share feedback, receive personalized promotions and information, and quickly find what they want. The cloud makes this happen.
Cloud for Retail Transformation

Today’s market is extremely competitive for all industries, but as many retailers move digital, long-standing shops especially have a lot to compete with. Fortunately, the cloud acts as an equalizer, allowing all retailers to access the latest technology and business solutions. Savings gained from the cloud can be passed on to customers in the form of price cuts or put towards enhancing the retail experience overall. Cloud computing is driving positive change in this industry and helping it move into the future of business computing. Cloud computing is the key component in retail transformation and is putting power in consumers’ hands, making everything about the experience.

“Cloud computing is the key component in retail transformation and is putting power in consumers’ hands, making everything about the experience.”

About RapidScale

RapidScale, a managed cloud services provider, delivers world-class, secure, and reliable cloud computing solutions to companies of all sizes across the globe. Its state-of-the-art managed CloudDesktop platform and market-leading cloud solutions are the reasons why RapidScale is the provider of choice for leading MSOs, VARs, MSPs, Carriers and Master Agents throughout the United States. RapidScale is not only delivering a service but also innovating advanced solutions and applications for the cloud computing space. RapidScale’s innovative solutions include CloudServer, CloudDesktop, CloudOffice, CloudMail, CloudRecovery, CloudApps, and more.
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