Creating Competitive Advantage With Location-Aware Processes

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Research Overview

Things Have Changed And It's Not Over Yet!

Without Overstating the Obvious

It is difficult to overstate how tumultuous the retail industry has been since the beginning of 2020. What may have started as a "normal" year was quickly knocked off course by a global pandemic. Add to that an increasing number of climate-related catastrophes, a tense political environment and multiple instances of social unrest across the world, and the typical factors of determining what to sell, where and how to sell it become *far* more complicated than they were even a short time ago.

Furthermore, the disruption is not over yet – nor may it ever truly be. Vaccinations seem to be taming COVID-19 in some parts of the world, while it rages on in others. Much of this is beyond the scope of our study, but it's impossible to ignore the impact of these events on an economy that is driven by consumers – and the changes they have brought to the entire ecosystem that serves them.

The Supply Chain remains challenging at best, with shortages and long wait times to reach distribution centers, stores and consumers' homes. Meanwhile, countries that have been locked down for 14-16 months have ended or slowed restrictions and people are back on the streets.

As a byproduct of the disruptions of the year, the US population is moving from cities to suburban and rural settings (if they can find houses to buy). Entire companies are moving from high tax states like California and New York to lower-tax states like Florida, Texas, and Idaho.

These sudden shifts, and others we'll highlight, underscore the importance of location analytics for **efficiency, resiliency and business success**. For this study, we queried retailers and wholesalers to see if they understand that impact, and where they plan to go from here.

Respondent Profiles

RSR conducted an online survey from May-June 2021 and received answers from 99 qualified retail respondents. Respondent demographics are as follows. *Please note, sales and growth numbers were requested for 2019, given the lockdowns of 2020*:

2019 Revenue (US$ Equivalent):

Less than $250 million	12%
$250 million - $499 million	6%
$500 million - $999 million	22%
$1Billion to $5 Billion	16%
Over $5 Billion	44%

Products Driving The Majority Of Revenue:

Fast Moving Consumer Goods (C-store, Food & Drug, Health Care Products)	48%
Apparel, Footwear and Accessories (Luxury, Mens & Womens, Kids, Personal Care)	19%
Hard Goods (CE, Hard Goods, Home Décor, Improvement, Automotive)	13%
General Merchandise (Discount, Mass Merchant, Department Store)	15%
Hospitality, Retail Services, Entertainment, Other	5%

Year-Over-Year Sales Growth Rates (assume average growth of 4.5%):

- **Better than average (Winners)**   47%
- **Average**   51%
- **Worse than average**   2%

Headquarters/Retail Presence

	HQ	Retail Presence
USA	97%	97%
Canada	0%	25%
Latin America	0%	42%
UK	0%	13%
Europe	0%	16%
Middle East	2%	6%
Africa	0%	3%
Asia/Pacific	1%	9%

Sustainable Growth, Operational Effectiveness and Resiliency Are Key Drivers

In aggregate, sustainable growth is chief among equals and certainly, operational effectiveness and business resilience also are at least somewhat important to all survey respondents.

Rate The Importance Of The Following In The Next YEAR

■ Very Important   ■ Somewhat Important   ■ Little to No Importance

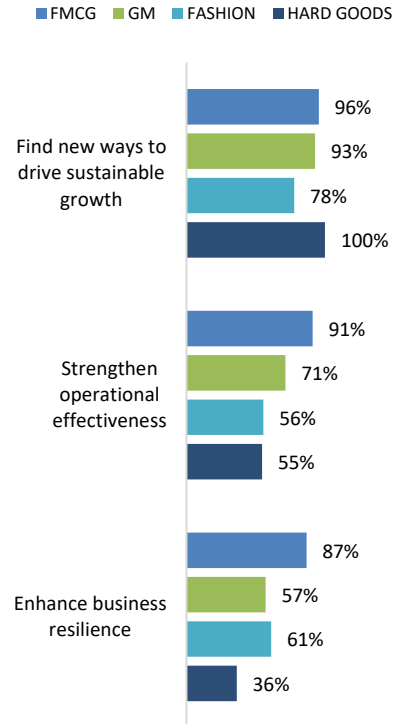|	Very Important	Somewhat Important	Little to No Importance
Find new ways to drive sustainable growth	90%	8%	2%
Strengthen operational effectiveness	75%	23%	2%
Enhance business resilience	71%	27%	2%
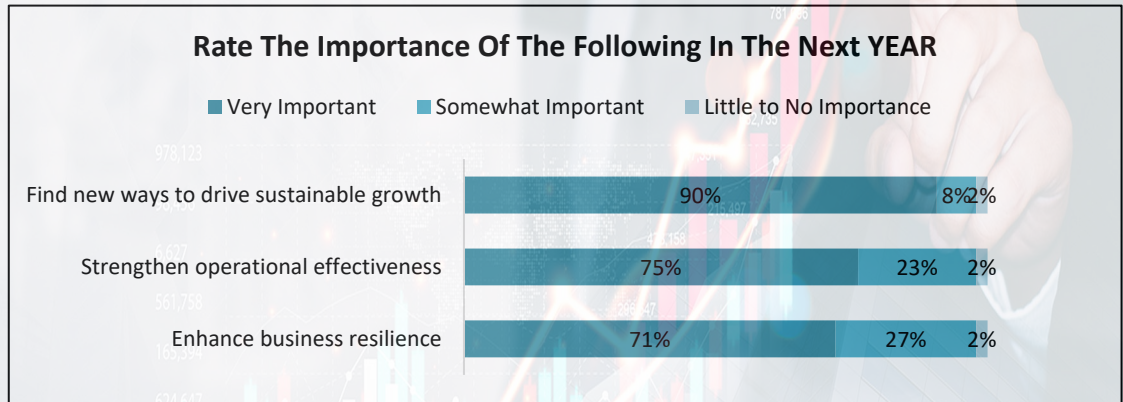
Of course, the devil is always in the details, and when we look at responses based on products sold, we find tremendous and significant differences

Where Were You When The Music Stopped?

Those who experienced an unexpected boon in sales (most especially those selling fast moving consumer goods) are most concerned about keeping their momentum going, becoming more effective at serving consumers in new ways, and keeping going in the face of challenges.

We do encourage those selling hard goods to find alternatives to continued supply chain woes. Sales are lost when refrigerators are sitting on container ships instead of on the selling floor(s).

Rate The Importance Of The Following To Your Company Over The Next Year (% Citing 'Very Important')

■ FMCG ■ GM ■ FASHION ■ HARD GOODS

Find new ways to drive sustainable growth
- FMCG: 96%
- GM: 93%
- FASHION: 78%
- HARD GOODS: 100%

Strengthen operational effectiveness
- FMCG: 91%
- GM: 71%
- FASHION: 56%
- HARD GOODS: 55%

Enhance business resilience
- FMCG: 87%
- GM: 57%
- FASHION: 61%
- HARD GOODS: 36%

...And Where Do We Go From Here?

In The Next Three Years, How Much Do You Expect The Retail Business Model To Change?

- A great deal: 67%
- A lot: 13%
- A moderate amount: 13%
- A little: 3%
- Not at all: 4%
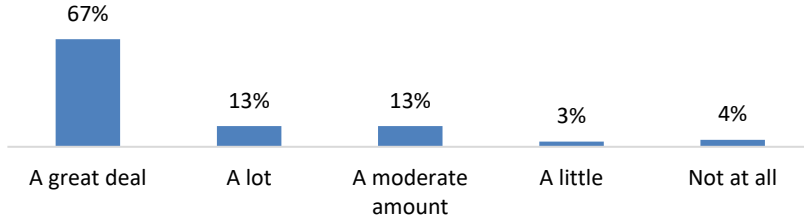
As we can see, about 2/3 or all respondents expect significant change to continue. Those who remained open through the pandemic are most keenly aware how quickly things can turn.

In The Next Three Years, How Much Do You Expect The Retail Business Model To Change?

Legend: FMCG, GM, Fashion, Hard Goods

	A great deal	A lot	A moderate amount	A little	None at all
FMCG	84%	9%	4%	0%	2%
GM	64%	14%	14%	0%	7%
Fashion	39%	22%	22%	6%	11%
Hard Goods	43%	21%	21%	14%	0%

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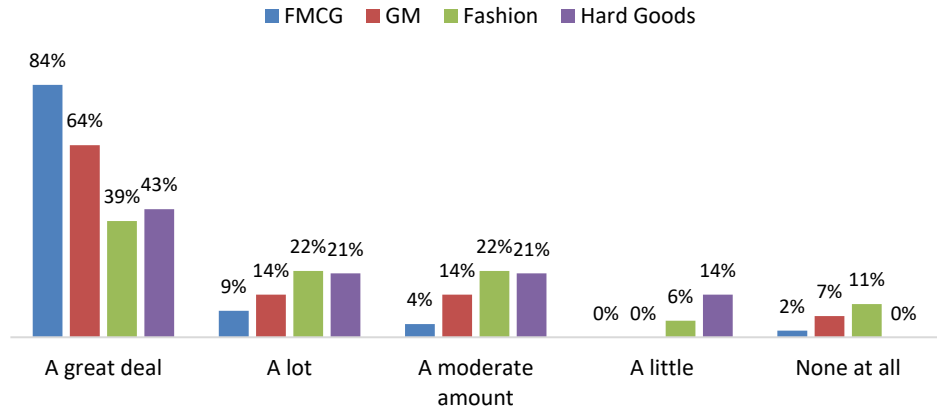
What Will Those Business Models Look Like?

| Business Models Your Company Will Continue Or Start To Adopt As A Result Of The Pandemic (select all that apply)	FMCG	GM	FASHION	HARD GOODS
New store designs	76%	50%	22%	50%
Home delivery	67%	71%	67%	57%
Local distribution facilities	64%	36%	44%	21%
Curbside pick-up	47%	79%	67%	71%
Drive-through	40%	50%	22%	14%
Pop-up stores	11%	36%	33%	29%
Facilities for fulfillment only	7%	29%	28%	14%

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Business Challenges

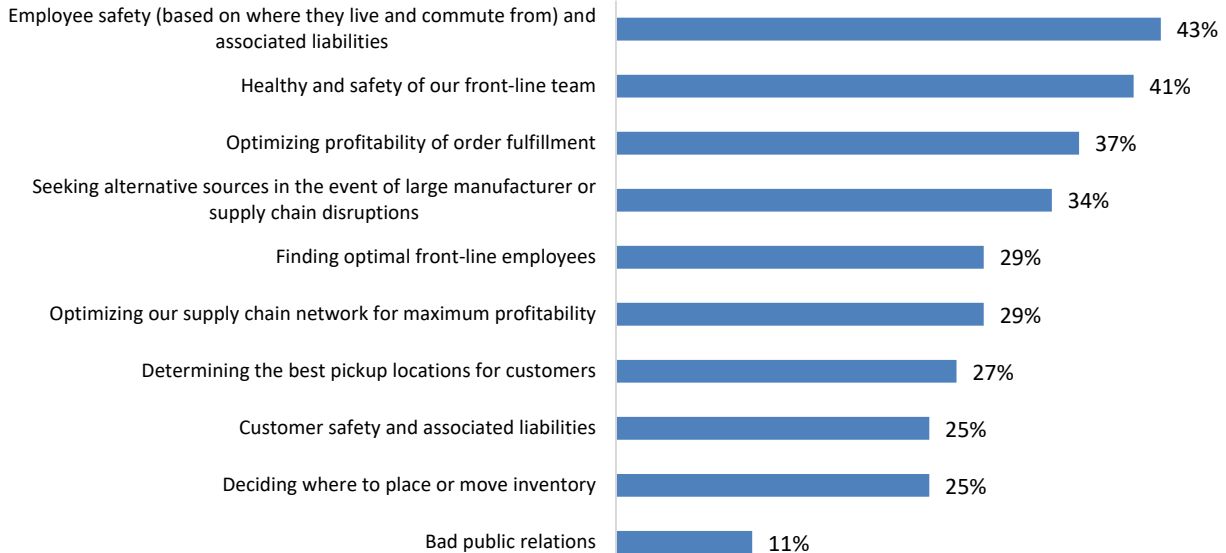**What's Keeping Retailers Up At Night?**
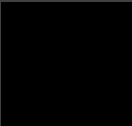
The Top Line

Employee Health Matters. Profitability And Agility Follow Close Behind

The Supply Chain remains unpredictable and unreliable, yet the industry doesn't seem to know it

Tension and lack of collaboration between partners is a real problem

Employee Safety And Company Profitability

Top Three Business Challenges You Face As We Exit The Pandemic

Challenge	Percentage
Employee safety (based on where they live and commute from) and associated liabilities	43%
Healthy and safety of our front-line team	41%
Optimizing profitability of order fulfillment	37%
Seeking alternative sources in the event of large manufacturer or supply chain disruptions	34%
Finding optimal front-line employees	29%
Optimizing our supply chain network for maximum profitability	29%
Determining the best pickup locations for customers	27%
Customer safety and associated liabilities	25%
Deciding where to place or move inventory	25%
Bad public relations	11%

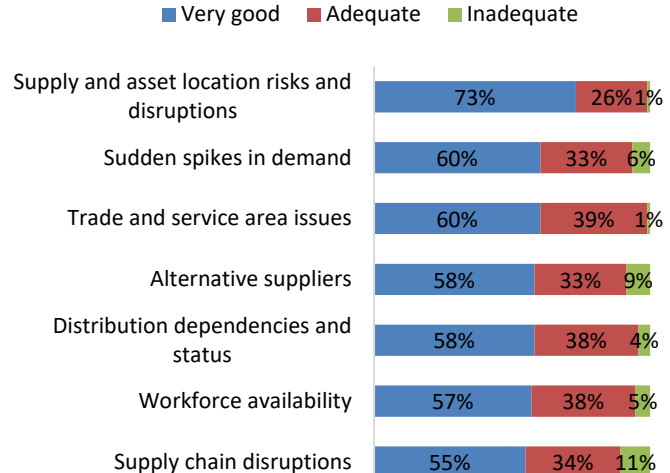**Retailers and restaurants have been challenged to find employees. The pandemic changed attitudes towards work.**

The Supply Chain Is A Mess – Really!

Early in the pandemic, RSR highlighted the fact that even our domestic supply chain was a mess. It remains, frankly, unstable at best. Yet despite persistent out-of-stocks and unpredictable delivery windows, respondents seem to believe they can generally cope. **This is nothing short of fantasy.**

Why does this matter? Because mitigating risks can be accomplished by finding sources in locations that remain less affected by the pandemic. Further, finding the fastest way to get product from alternate sources involves analytics. What's happening along the route? What routes are carriers willing to take?

We strongly recommend that those in the retail ecosystem take a harder, more realistic look at the amount of money they are leaving on the table.

Rate Your Ability To Monitor And React To The Following In Near-Real-Time Across Your Supply Network

■ Very good   ■ Adequate   ■ Inadequate

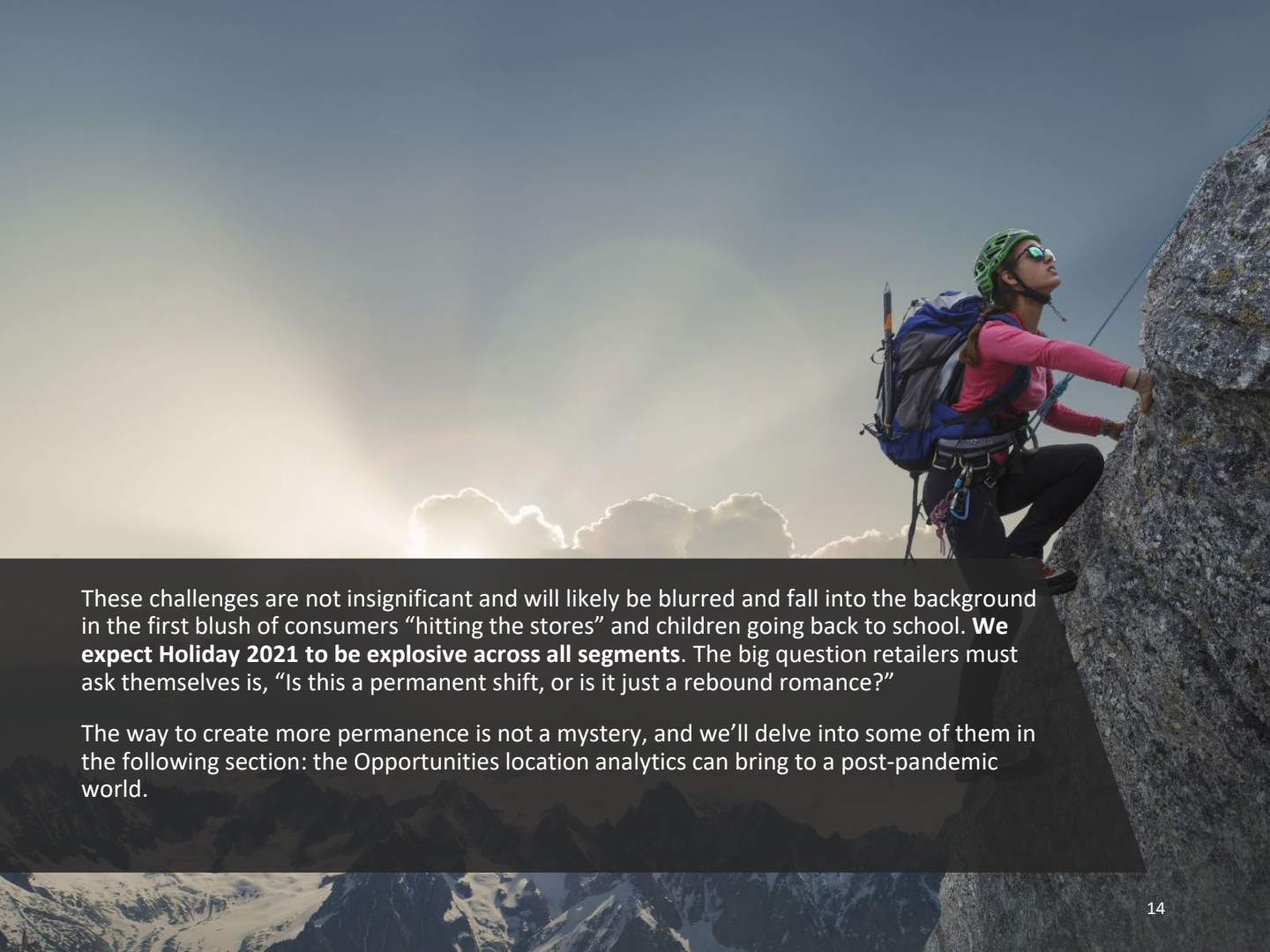|	Very good	Adequate	Inadequate
Supply and asset location risks and disruptions	73%	26%	1%
Sudden spikes in demand	60%	33%	6%
Trade and service area issues	60%	39%	1%
Alternative suppliers	58%	33%	9%
Distribution dependencies and status	58%	38%	4%
Workforce availability	57%	38%	5%
Supply chain disruptions	55%	34%	11%

Collaboration? Not So Much

Those selling **General Merchandise** need to know if disruptions are local or national. This should be a lot simpler to ascertain and communicate than they are experiencing. Since most of these enterprises are very large and broad-based, the answer matters – a LOT.

Fashion by its nature is short life-cycle product. It also, paradoxically, tends to have the longest and slowest supply chain. It's therefore not terribly surprising that this segment's biggest concern is determining the duration of any disruption. After all, by the time the disruption is over, what was "hot" may have fallen out of style.

Both **General Merchandise** and **Hard Goods** retailers are most concerned about finding alternative sources when disruptions occur. This is easy to say, and theoretically, particularly with General Merchandise, alternative sources should be easy to find. In practice, we've been finding inertia takes over, and those retailers just wait for the disruption to end.

Those selling **Fast Moving Consumer Goods** wonder and worry: can they sustain the growth they experienced during the pandemic? As the hospitality industry, like restaurants reopens, many fear the gains they made during the pandemic will be lost.

The Most Impactful Problem You Anticipate Having With Your Business Partners And Suppliers	FMCG	GM	Fashion	Hard Goods
Determining if supply disruptions are national or local	11%	36%	11%	14%
Determining whether the extent of disruption is short-term or long-term	20%	7%	33%	14%
Evaluating the longevity and impact of disruption	22%	21%	28%	29%
Finding alternative sources when disruptions occur	16%	29%	11%	29%
Returning to sustainable growth mode post-pandemic	31%	7%	17%	14%

These challenges are not insignificant and will likely be blurred and fall into the background in the first blush of consumers "hitting the stores" and children going back to school. **We expect Holiday 2021 to be explosive across all segments**. The big question retailers must ask themselves is, "Is this a permanent shift, or is it just a rebound romance?"

The way to create more permanence is not a mystery, and we'll delve into some of them in the following section: the Opportunities location analytics can bring to a post-pandemic world.

Opportunities

The Holy Trinity Of Effectiveness, Resilience, And Sustainable Growth

Respondents clearly told us how important they believe Operational Effectiveness, Business Resilience and Sustainable Growth are to their futures. But how does that translate in practice?

On the following pages, we'll highlight the ways they believe Location Intelligence can support those goals.

Sustainable Growth

A Traditional Goal Takes On A New Urgency

A Sense Of Immediacy

"Know thy customer" is clearly today's Holy Grail. Customer analytics are at the top of the list to help generate relevancy, excitement and repeat business. All other elements presented are also important and beg the question: how can you do these things without a strong location analytics element? After all, consumer analytics must include the demographics of any given trading area.

When we look at responses by product segment, we can see just how much those selling Fast Moving Consumer Goods have gotten technology religion.

RSR has consistently and historically called out this segment for their lack of use of technology, and pennywise/pound-foolish technology decision-making. Clearly things have changed

Importance Of The Following To Drive SUSTAINABLE GROWTH In The Next 3 Years	FMCG	GM	FASHION	HARD GOODS
Customer analytics	93%	64%	72%	82%
Optimize human and financial resources to support local operations	91%	64%	61%	55%
Market network optimization	78%	57%	39%	45%
Site analysis	76%	64%	67%	82%
The ability to adjust business plans based on rapid changes in local conditions	73%	36%	56%	64%
Market research and planning	62%	71%	44%	64%

Operational Effectiveness

Operational Effectiveness: Eking A Bottom Line Out Of Low Margin Merchandise

Location, Location, Location

Yes, the Fast Moving Consumer Goods business exploded during the pandemic. Still, not all those retailers gained the bottom-line improvements they might have enjoyed.

Other segments, whether enjoying a pandemic-era feast or struggling through a temporary famine still need to improve their efficiency going forward.

Recognizing this, we can see that while the customer takes center stage, things the customer may never see - like a more efficient supply chain and territory planning - are considered very important in pushing those dollars to the bottom-line.

Importance To Drive Operational Effectiveness In The Next THREE Years

■ Very Important   ■ Somewhat Important
■ Little to No Importance

	Very Important	Somewhat Important	Little to No Importance
Determine changes in customer buying patterns	80%	17%	3%
Supply Network Planning and Optimization (globally and domestically)	67%	31%	2%
An optimized Digital Supply Network	65%	31%	4%
Facilities Management	63%	32%	4%
Territory Planning	60%	33%	6%
Determine new selling formats that might work better under a variety of local conditions	58%	39%	3%

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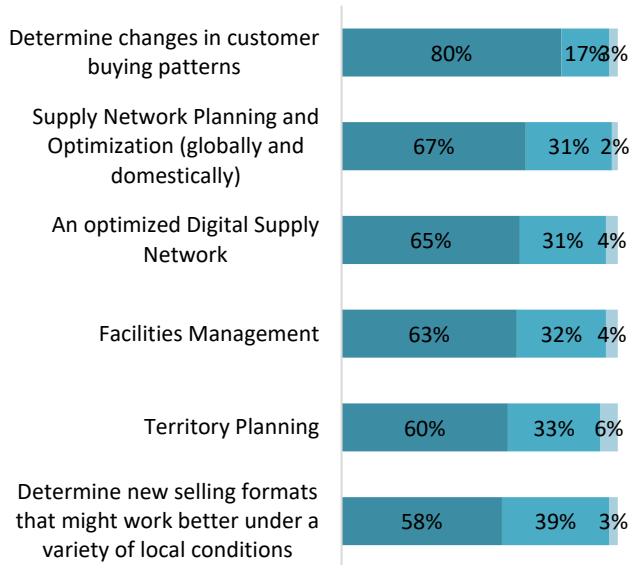
More Evidence Of FMCG Getting Tech Religion

Figuring Out Which Behaviors Will "Stick?"

When Omnichannel selling remained a backwater in the world of FMCG, the segment was able to rest in their hyper-efficient, Just-in-Time supply chain, and then outsource home delivery as necessary to companies like Instacart.

Those days are gone. As buying patterns change, localization of the assortment and location of customers, facilities and stores become ever more important.

When planning a territory, it's important to know the local propensity for different selling channels and traffic patterns from home, to work, and to stores. This is a data-driven analysis, and FMCG is clearly in need of better tools.

Very Important To STRENGTHEN OPERATIONAL EFFECTIVENESS Over The Next 3 Years	FMCG	GM	FASHION	HARD GOODS
Determine changes in customer buying patterns	96%	71%	67%	55%
Facilities Management	84%	43%	44%	36%
Supply Network Planning and Optimization (globally and domestically)	82%	71%	33%	64%
Territory Planning	78%	36%	44%	45%
An optimized Digital Supply Network	69%	86%	56%	45%
Determine new selling formats that might work better under a variety of local conditions	67%	43%	50%	55%

Business Resilience

It's Critical To Understand Where The Risks Lie

The most important key to business resilience is understanding traffic patterns to at-risk locations.

Any demand forecast for a particular area in current times is tenuous and often subject to sudden new local considerations. In fact, RSR generally believes that any kind of long-term demand forecast in 2021 or even 2022 will be jittery – human behavior is not going to follow long-term predictable patterns, and we have no idea whether climate events will be a factor. Location dynamics seem to be much more critical to success.

We are quite relieved to see that 97% of respondents found Business Continuity Planning rated at least somewhat important. We know that over the long term, more workers will be working from home, at the very least part of the time. But what happens in the event of catastrophe? What of the in-store or distribution center workers?

Location analytics are critical to establishing business resilience in an inter-connected, yet hyper-localized world.

Business Resilience In A Hyper-Localized World

Rate The Importance Of The Following To Enhance Business Resilience In The Next THREE Years

■ Very Important ■ Somewhat Important ■ Little to No Importance

Category	Very Important	Somewhat Important	Little to No Importance
Understand traffic patterns to at-risk locations	72%	25%	3%
Risk Analysis	68%	29%	3%
Business Continuity Planning	67%	30%	3%
Workforce Equity and inclusion	65%	26%	10%
Assess the health and wellness of your teams	61%	33%	5%
Understand where your teams are working from	61%	31%	8%
Climate risk analysis	60%	34%	5%
Assess and stabilize operations at our home office	60%	35%	4%
Assess and stabilize remote operations at a hyper-local level	58%	34%	8%

So, What Can Location Intelligence Do For Your Segment?

Identify The Top 3 Opportunities You See From Using Location Analytics:	FMCG	GM	Fashion	Hard Goods
Optimized return on inventory investment – better inventory balance	49%	43%	44%	50%
Improved understanding of customer movement within stores	47%	50%	28%	50%
Improved profitability from omnichannel opportunities	40%	29%	39%	36%
Taking advantage of new selling opportunities	38%	21%	33%	43%
A faster, more efficient and resilient supply chain	38%	50%	44%	43%
Improved customer intelligence	36%	36%	33%	36%
Better usage of CRM data	29%	57%	67%	21%
Indoor reconfiguration planning	24%	14%	11%	21%

FMCG And Its Unused Data

We remain eternally baffled at FMCG's unwillingness and inability to use the market basket/CRM data they have been collecting for years. This may well be a function of not having the personnel on staff to make sense of the intel that's been gathered.

Data scientists are, indeed, an expensive addition to bring on board, and grocers are notorious for pinching pennies – sometimes to the point of being pound-foolish Yet if a retailer's primary concern is evolving customer buying patterns, one would think all kinds of experimentation could be used with this data to help design future offers, and that means investments <u>must</u> be made.

As it stands, respondents are interested in customer movement within the store, yet don't seem willing to take the necessary steps to make use of the data readily available to them right now that could ultimately help them understand that customer's movements. In reality, while new tracking technologies exist, one could also interpolate customer movement based on their purchases. FMCG retailers now recognize they need technology, but it's clear, they don't always understand how to use it.

What Are The Next Steps?

Clearly the big opportunity in a post-pandemic world is in FMCG – absorbing the changes that COVID wrought

As The Pandemic Wanes, How Do You See Your Business Evolving?

Legend: FMCG, GM, Fashion, Hard Goods

Absorb the changes that COVID brought on into a new hybrid business model
- FMCG: 78%
- GM: 14%
- Fashion: 22%
- Hard Goods: 36%

Return to pre-2020 business model
- FMCG: 13%
- GM: 7%
- Fashion: 33%
- Hard Goods: 29%

Sell across as many channels as possible
- FMCG: 9%
- GM: 43%
- Fashion: 22%
- Hard Goods: 14%

Continue improving business agility
- FMCG: 0%
- GM: 36%
- Fashion: 22%
- Hard Goods: 21%
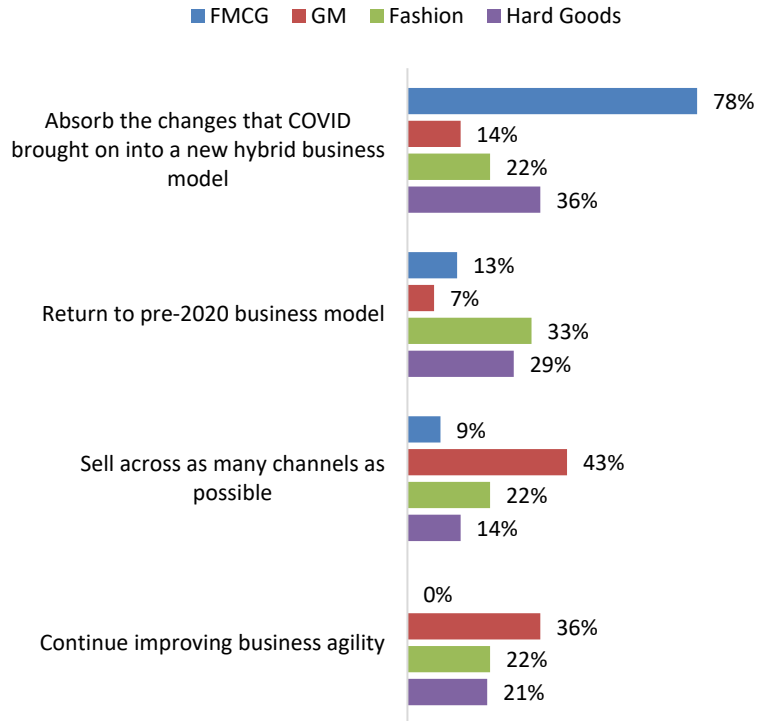
Organizational Inhibitors

It's Going to Take Money, Talent And A Serious Change in Mindset

Ready Or Not, The Time Has Come

Here, we find our first significant differences based on pre-pandemic performance.

Since early 2020 Winners and all others have been laser focused on doing what whatever was necessary to manage the explosion of direct-to-consumer orders and the variety of fulfillment strategies that they entailed; sales need to be protected, even if short term operational inefficiencies undermined profits.

Top Three Operational Challenges To Implementing Location Data Analytics

■ Retail Winners ■ All Others

Challenge	Retail Winners	All Others
IT organization doesn't have the expertise to design around this	63%	82%
Managing an explosion of direct to consumer orders	63%	67%
Line of business reaction time is too slow	53%	67%
Inaccuracy of any forecasts we may have used in the past due to COVID "bounce back"	49%	33%
Organizationally we don't know where to begin to get this kind of data	23%	27%
No clear business owner to use and disseminate the information	23%	12%
Inability to inform business owners of location analytic results	18%	8%

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Change Has Come...Are You Ready?

Now, with 2020 (and hopefully much of the pandemic itself) in the rearview mirror, retailers are ready to turn their attention towards how to realign their organizations, processes, and systems to incorporate what they have learned. That includes how to utilize new data and analytics within the organization. As a result, retailers express a concern about their IT organizations' ability to design the processes and systems to implement location analytics, and also that line-of-business organizations are too slow to react to new insights even when they become available. These are organizational rather than technological challenges, and they affect average and under-performers to a great extent than Winners.

When we look at these big challenges compared to just one year ago, the urgency surrounding them becomes clear.

And when we look at the data based on product sold, it's dramatic

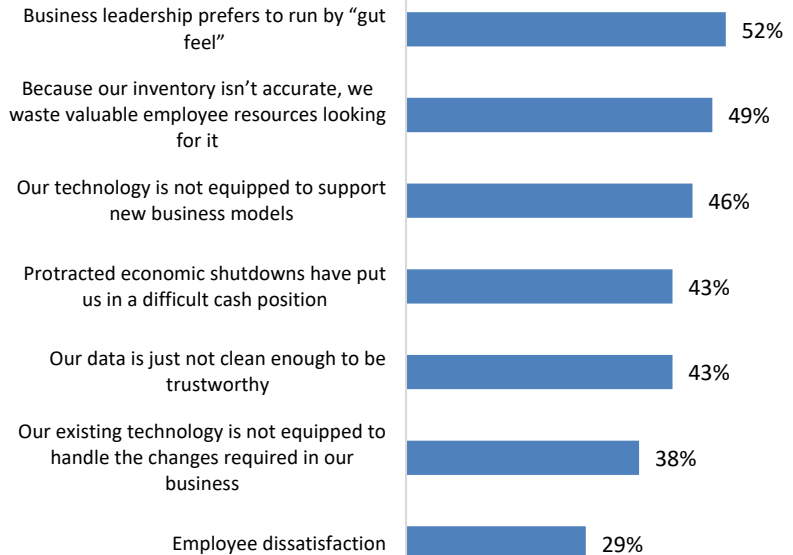| Top Operational Challenges Your Company Faces In Implementing Location Data Analytics (Selected Differences)	2020	2021
IT organization doesn't have the expertise to design around this	33%	63%
Line of business reaction time is too slow	40%	53%

Top Operational Challenges Your Company Faces In Implementing Location Data Analytics (Selected Differences)	All	FMCG	GM	Fashion	Hard Goods
IT organization doesn't have the expertise to design around this	63%	82%	57%	33%	36%
Line of business reaction time is too slow	53%	62%	57%	44%	21%

Inhibitors Or Excuses?

Old Problems, New Spin

Given that retailers see the operational challenges just noted, the question for retailers becomes, "If you see the internal challenges so clearly, why aren't you addressing them?" RSR calls these obstacles to action organizational inhibitors. And perhaps unsurprisingly, the biggest stumbling block is rooted in an underlying cultural imperative that pervades the industry; there is surprising consistency to the answer that "business leadership prefers to run by gut feel"

Top Three Organizational Inhibitors Standing In Your Way

Inhibitor	Percentage
Business leadership prefers to run by "gut feel"	52%
Because our inventory isn't accurate, we waste valuable employee resources looking for it	49%
Our technology is not equipped to support new business models	46%
Protracted economic shutdowns have put us in a difficult cash position	43%
Our data is just not clean enough to be trustworthy	43%
Our existing technology is not equipped to handle the changes required in our business	38%
Employee dissatisfaction	29%

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Kick-starting A Virtuous Cycle

In recognition of the challenge to getting started down the path to taking advantage of location analytics, retailers also emphasize integrating new capabilities with legacy systems. They also are looking to develop rapid reporting capabilities that can alert decision makers to problem conditions in operational processes. Indeed, retailers see kick-starting a virtuous cycle of continuous improvement as the best way to get past inhibitors.

Top Three Ways To Overcome Organizational Inhibitors

Category	Percentage
Engaging supply chain and/or store operations in the process	51%
Investment in location analytics and interface to legacy systems	47%
Rapid reporting on problems as they occur	45%
Corporate policies and processes regarding sanitary processes in...	44%
Investment in a streamlined technology platform or infrastructure	41%
Corporate policies and processes regarding in stores	37%
Establish business ownership of location data	35%

Technology Enablers

Important And New Uses For Location Data

Why Does Location Data Matter And What Can Retailers Use It For?

The importance of location data is of course not new to retail. For example, retailers have long used sales analyses that consider the dimensions of **location**, **product**, and **time**.

What *is* new is **geo-location** data, usually created by "internet of things" devices like mobile phones, electronic tags, smart devices, etc., and the new insights these new data create.

The distinction is important because legacy location data comes from transactional records (for example, "this item was sold at this location on this day"), but geo-location data is non-transactional and reports "events" (for example, "this item moved from location A to location B on this day and time").

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The Transition Is Just Beginning

How Do You Currently Analyze Location Data And Communicate Insights?

■ Retail Winners ■ All Others

We use traditional business intelligence tools that analyze data by location, date and product type
- 60%
- 73%

Use reports out of our stock ledger or other vendor-supplied reports from ERP
- 27%
- 16%

Tools specifically designed to analyze location data (ie. GIS)
- 13%
- 10%
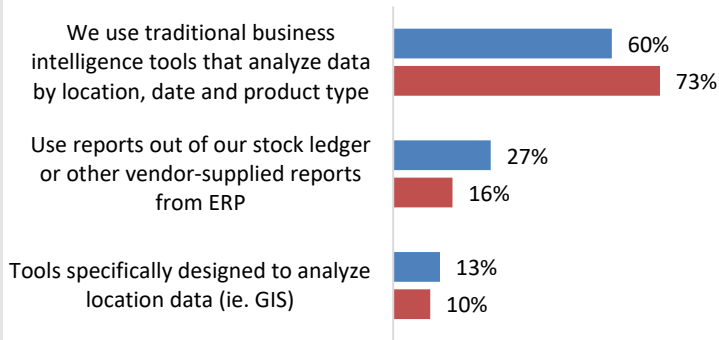
Geo-location data is still new to a lot of retailers, a fact that is reflected in how they currently analyze location data.
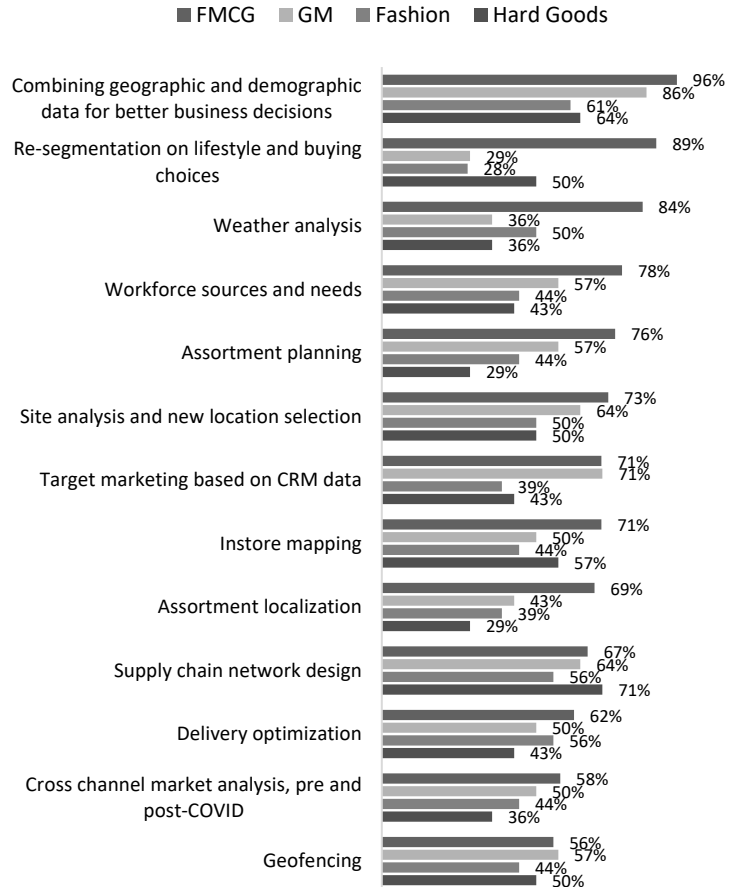
While Retail Winners are less dependent on traditional Business Intelligence than other retailers, by and large retailers still depend on traditional tools (for example, data warehouses) that report product information by location and time.

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The Growing Importance Of Location Analyses In Many Areas Is Clear When Comparing Year-Over-Year Data

Perceived Value Of Analyses Enabled By Location Data ('Very Valuable')		
	2020	**2021**
Combining geographic and demographic data for better business decisions	71%	82%
Site analysis and new location selection	53%	65%
Workforce sources and needs	64%	65%
Supply chain network design	59%	63%
Instore mapping	-	61%
Target marketing based on CRM data	-	61%
Re-segmentation on lifestyle and buying choices	51%	60%
Weather analysis	35%	60%
Delivery optimization	59%	59%
Assortment planning	53%	58%
Assortment localization	55%	53%
Cross channel market analysis, pre and post-COVID	53%	52%

Differences By Vertical Are Significant

'Very Valuable' Analyses Enabled By Location Data

■ FMCG ■ GM ■ Fashion ■ Hard Goods

Combining geographic and demographic data for better business decisions
- 96%
- 86%
- 61%
- 64%

Re-segmentation on lifestyle and buying choices
- 89%
- 29%
- 28%
- 50%

Weather analysis
- 84%
- 36%
- 50%
- 36%

Workforce sources and needs
- 78%
- 57%
- 44%
- 43%

Assortment planning
- 76%
- 57%
- 44%
- 29%

Site analysis and new location selection
- 73%
- 64%
- 50%
- 50%

Target marketing based on CRM data
- 71%
- 71%
- 39%
- 43%

Instore mapping
- 71%
- 50%
- 44%
- 57%

Assortment localization
- 69%
- 43%
- 39%
- 29%

Supply chain network design
- 67%
- 64%
- 56%
- 71%

Delivery optimization
- 62%
- 50%
- 56%
- 43%

Cross channel market analysis, pre and post-COVID
- 58%
- 50%
- 44%
- 36%

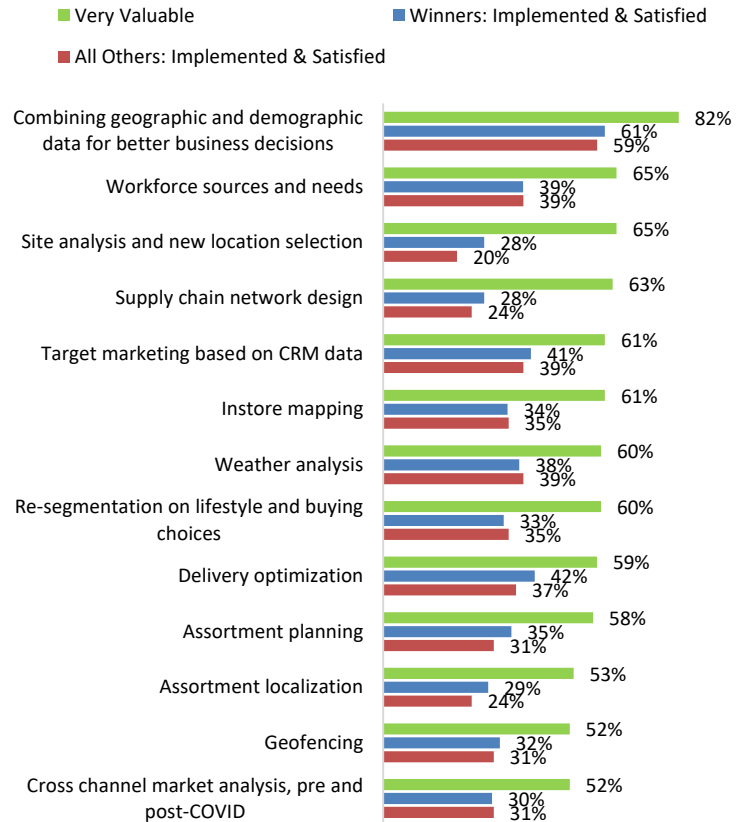**Geofencing**
- 56%
- 57%
- 44%
- 50%

Geo-Location Data & Analytics: A New Weapon

RSR benchmarks often highlight how over-performing Retail Winners are early adopters of data-driven capabilities. But because of the economic singularity that the pandemic triggered in 2020 - and the new importance that the pandemic placed on developing geo-location intelligence – Winners don't have the advantage of early and successful adoption here.

In fact, retailers across performance groups are in close sync when it comes to successful adoption of geo-location analytics.

It is also clear that retailers have a lot of work to do to take full advantage of what geo-location data and analytic has to offer. The gap between the value that retailers assign to the various analyses and the number who are satisfied with their efforts to date is glaring.

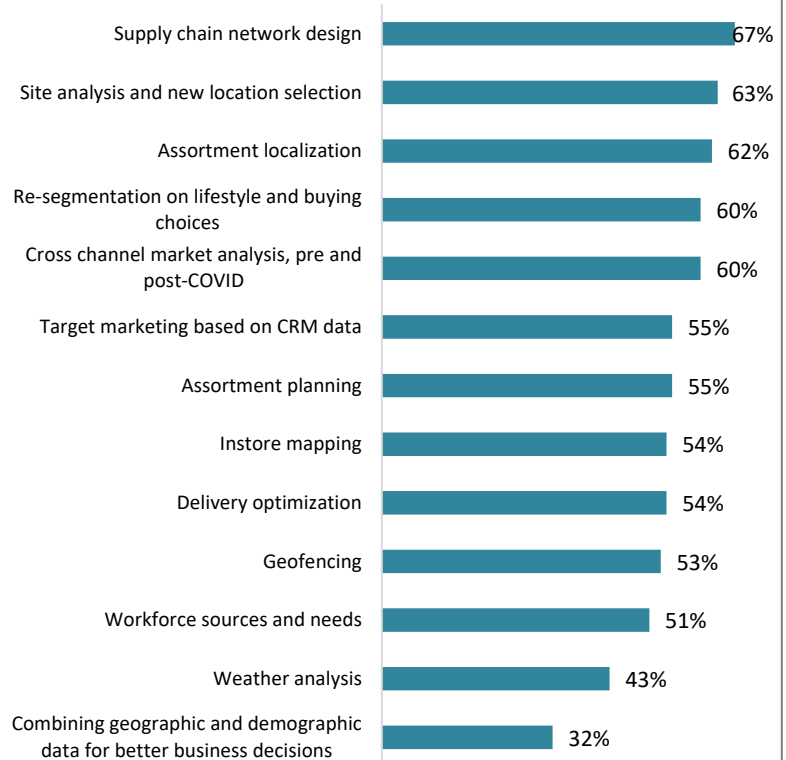## Technology Enablers: 'Very Valuable' vs. 'Implemented & Satisfied'

■ Very Valuable ■ Winners: Implemented & Satisfied
■ All Others: Implemented & Satisfied

Enabler	Very Valuable	Winners: Implemented & Satisfied	All Others: Implemented & Satisfied
Combining geographic and demographic data for better business decisions	82%	61%	59%
Workforce sources and needs	65%	39%	39%
Site analysis and new location selection	65%	28%	20%
Supply chain network design	63%	28%	24%
Target marketing based on CRM data	61%	41%	39%
Instore mapping	61%	34%	35%
Weather analysis	60%	38%	39%
Re-segmentation on lifestyle and buying choices	60%	33%	35%
Delivery optimization	59%	42%	37%
Assortment planning	58%	35%	31%
Assortment localization	53%	29%	24%
Geofencing	52%	32%	31%
Cross channel market analysis, pre and post-COVID	52%	30%	31%

What They Do Have Is Generally Not Adequate For The Task:

A Replacement Cycle Is Coming Soon!

Technology Enablers: 'Replace Current' & 'Budgeted New'

■ Replace Current & Budgeted New

Category	Percentage
Supply chain network design	67%
Site analysis and new location selection	63%
Assortment localization	62%
Re-segmentation on lifestyle and buying choices	60%
Cross channel market analysis, pre and post-COVID	60%
Target marketing based on CRM data	55%
Assortment planning	55%
Instore mapping	54%
Delivery optimization	54%
Geofencing	53%
Workforce sources and needs	51%
Weather analysis	43%
Combining geographic and demographic data for better business decisions	32%

The Bottom Line

In the final analysis, all the new emphasis and sense of urgency that retailers of all stripes put on geo-location data, analytical tools, and the insights that they generate go back to the imperatives they identified as a result of having to navigate through the pandemic.

Retailers need to find new ways to drive sustainable growth, strengthen operational effectiveness, and enhance business resilience. They see geo-location intelligence as an important capability to be developed to help them achieve those objectives. And they are impatient to get going.

With those things in mind, we make a number of recommendations for moving forward, in the BOOTstrap Recommendations (and final) section of this study.
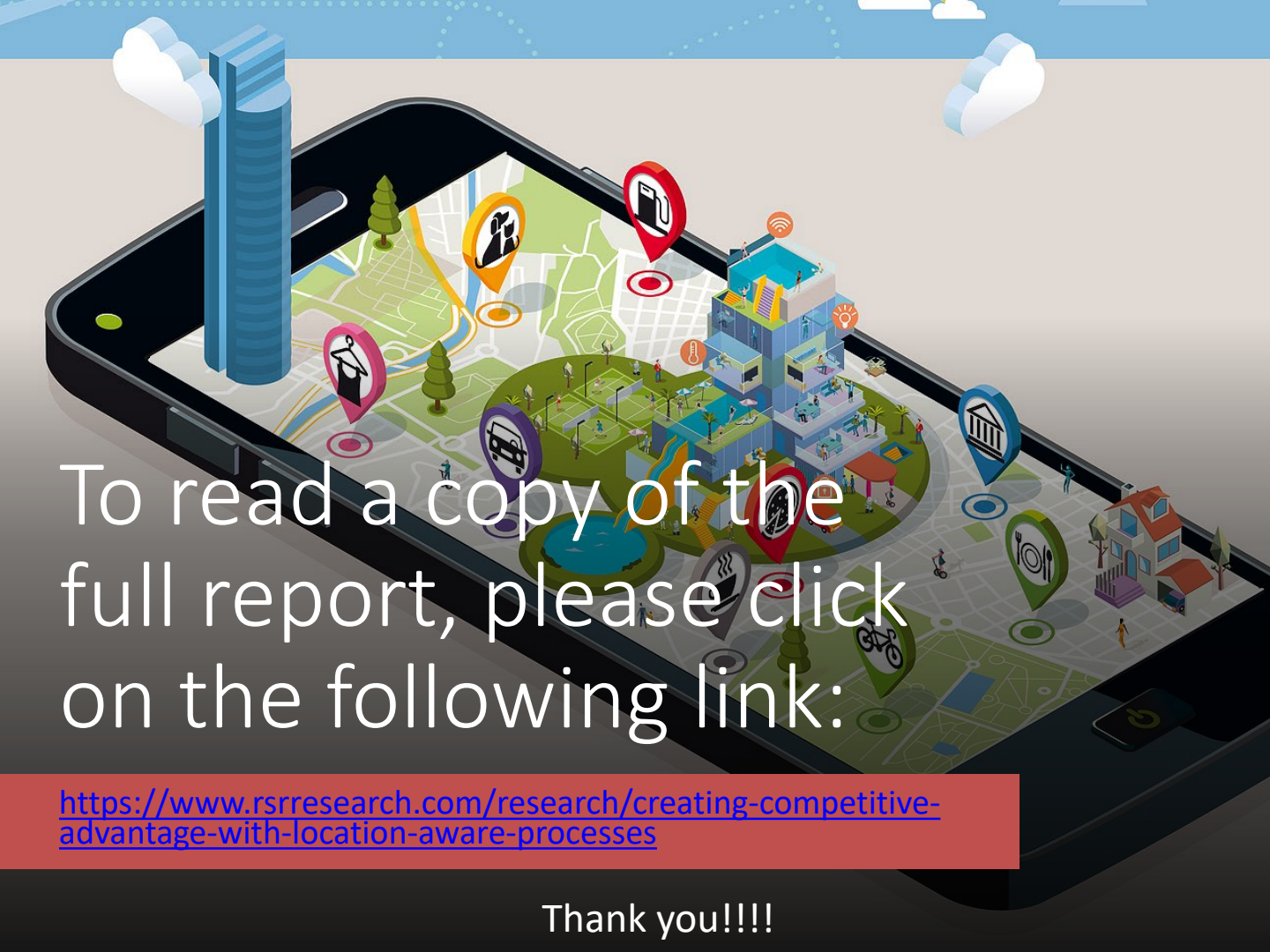
In The Final Analysis, This Is What We Know

The rapid pace of change in the world today underscores the importance of location analytics as a key component in helping businesses achieve *sustainable growth*, *greater operational effectiveness, resilience*, and ultimately business success.

The changes that 2020 wrought were not anomalies; the majority of respondents in this study believe that they will see many more changes within next three years.

Successfully evolving business models to accommodate both new consumer shopping behaviors and changes in how products are brought to market will require that businesses can <u>see</u> people, assets, and processes in real time – and then – be able to analyze what they've uncovered to improve both strategic and operational decisioning

- Recognize that change is a constant
- Understand Location as a *dynamic* customer attribute
- Put reality behind the statement that "employees matter"
- The Supply Chain needs more agility: "What got us here, may not get us there"
- IT must develop or acquire needed skillsets
- Old tools won't be enough going forward
- Re-engineer business processes to consume real-time intelligence
- Remember that new insights can foster better collaboration between Lines of Business

To read a copy of the full report, please click on the following link:

https://www.rsrresearch.com/research/creating-competitive-advantage-with-location-aware-processes

Thank you!!!!